

ECONOMIC ANALYSIS IN THE SYSTEM OF FINANCIAL STABILITY MANAGEMENT OF ENTERPRISES IN THE PRIMARY SECTOR OF THE ECONOMY ENGAGED IN THE PRODUCTION OF FOOD AND RAW MATERIALS

Alla Lysenko¹

Abstract. The *objective* of this study is to ascertain the function of economic analysis in the management of financial stability within enterprises. To this end, the study will seek to synthesise theoretical and methodological approaches to the establishment of a financial stability management system for enterprises in the primary sector of the economy engaged in the production of food and raw materials in Ukraine, utilising official statistics from 2015 to 2024. *Methodology.* The research methodology is founded upon systematic, comprehensive, and risk-oriented approaches, with consideration for the industry-specific nature of the primary sector of the economy in relation to the production of food and raw materials. A thorough investigation was conducted on the primary indicators of financial stability for enterprises in this sector from 2015 to 2024. The investigation utilised data disseminated on the official website of the State Statistics Service of Ukraine. Concurrently, economic analysis is regarded as an integrated management instrument that facilitates the identification of financial threats and the formulation of management decisions aimed at preserving and strengthening financial stability. The *findings* of the study demonstrated that the financial stability management system for primary sector enterprises producing food and raw materials integrates information support, procedures, methods, and tools of economic analysis with the objective of evaluating the financial stability of enterprises, considering their industry-specific characteristics, and facilitating effective decision-making to preserve and fortify financial stability and the capacity of economic entities to finance their operations in conditions of environmental volatility and heightened risks. The primary sector of the economy, which comprises enterprises engaged in the production of food and raw materials, experienced significant fluctuations in its financial stability indicators between 2015 and 2024. It has been established that since the end of 2019, enterprises in the sector have been financially autonomous and have sufficient own resources to finance their current activities. However, in 2022–2024, the turnover of equity capital and net profit per 1 UAH of equity capital decreased. *Practical implications.* The practical significance of the results obtained lies in their focus on further searching for ways to maintain and strengthen the financial stability of enterprises in the primary sector of the economy engaged in the production of food and raw materials. This includes improving the system of financial stability management of such enterprises and making informed decisions. *Value / Originality.* The results of the study provide a foundation for enhancing the financial stability management system of primary sector enterprises engaged in the production of food and raw materials. Furthermore, the study proposes methodologies for conducting economic analysis of key financial stability indicators in conditions of environmental instability and heightened risks.

Keywords: financial stability management system, economic analysis, the primary sector of the economy engaged in the production of food and raw materials, autonomy ratio, financial stability ratio, return on equity ratio, equity turnover ratio, net profit per 1 UAH of equity.

JEL Classification: M41, G32, Q12

¹ Central Ukrainian National Technical University, Ukraine
E-mail: lysenkoalla2010@ukr.net
ORCID: <https://orcid.org/0000-0001-8193-4267>
Researcher ID: <http://www.researcherid.com/rid/AFP-8336-2022>



1. Introduction

Enterprises in the primary sector of the economy, which are engaged in the production of food and raw materials, are significantly influenced in their functioning by climatic factors, market volatility and socio-economic crises. In such circumstances, financial stability is the key parameter for enterprise viability, requiring the implementation of scientifically sound management decisions based on economic analysis. The issue's relevance is confirmed by the fact that the sector under study significantly impacts Ukraine's economic development. Traditional approaches to forming a financial stability management system do not sufficiently consider the sector's specific characteristics, which are influenced by production seasonality, high dependence on natural and climatic factors, and uneven cash flow, income, expenses and financial results formation. In such conditions, economic analysis becomes a tool for actively managing the financial stability of enterprises and responding promptly to risks. This requires the development of the conceptual foundations of economic analysis as an integral part of the financial stability management system.

The objective of the present study is twofold: firstly, to provide substantiated theoretical and methodological provisions, and secondly, to substantiate the practice of forming indicators of financial stability of enterprises in the primary sector of the economy engaged in the production of food and raw materials in Ukraine using official statistics for the period 2015–2024. In addition, the study will determine the role of economic analysis in the system of managing the financial stability of enterprises in the sector. In order to achieve this objective, the study proposes the following list of key tasks: firstly, it is necessary to study the theoretical and methodological foundations of financial stability management for enterprises in the primary sector of the economy engaged in the production of food and raw materials; secondly, the key components of the financial stability management system must be identified; thirdly, it is necessary to determine the place and role of economic analysis in the financial stability management system of enterprises; and fourthly, the practical use of economic analysis tools must be demonstrated in order to assess the financial stability of enterprises in the primary sector of the economy producing food and raw

materials in Ukraine for the period from 2015 to 2024.

The methodological basis of the study is systemic and structural-functional approaches, which allow economic analysis to be considered as an important component of the financial stability management system of primary sector enterprises producing food and raw materials. The study utilised information from 2015 to 2024, as presented on the website of the State Statistics Service of Ukraine, and employed a range of scientific and special methods, including analysis, synthesis, comparison, and generalisation. The presentation of the material is based on a step-by-step approach, starting with the theoretical foundations of forming a financial stability management system for the primary economic sector producing food and raw materials, and ending with the practical application of analysis.

2. Theoretical and Methodological Aspects of the Problem

The concept of "financial stability" and the role of economic analysis in managing enterprises' financial stability have received considerable attention in the works of Ukrainian and foreign scholars. Adonin and Shymanska examined the essence of the concept of 'financial stability of an enterprise' and the methodology for calculating the main financial stability indicators. In conducting the analysis, the scientists propose the calculation of direct indicators of financial stability, as well as indicators of property status, business activity, liquidity, solvency, and profitability (Adonin & Shymanska, 2022).

Gannin and Alekperov (2020) examined the importance of financial stability and the main approaches to defining it. They highlighted the concepts of absolute and normal financial stability and of unstable and crisis financial conditions. They also identified the factors influencing these conditions and provided recommendations for strengthening the financial position of enterprises.

Kalchenko O. researched the theoretical aspects of establishing a mechanism to manage the financial stability of an enterprise. She categorised the various scientific approaches to defining such a mechanism and investigated the conditions and principles necessary for its effective formation and operation (Kalchenko, 2016).

Kosareva and Udovyka (2018) substantiated the significance of the concept of financial stability,

studied its types and evaluation criteria, identified its internal and external influencing factors, and formed a system of analytical indicators.

When analysing the financial stability management system of enterprises, it is advisable to use the algorithms and formulas proposed by the author in their scientific publications (Lysenko, 2013).

V. Sobchyshyn and Ya. Drobotia consider financial stability management to be the process of making operational and strategic decisions regarding the development and implementation of principles and methods for managing financial resources, with the aim of ensuring the enterprise's solvency, creditworthiness and financial balance, and of exceeding the break-even point. In the context of managing financial stability, scientists recommend conducting a comprehensive analysis covering a general assessment of financial stability, as well as calculating absolute and relative indicators, the break-even point, and the financial stability reserve (Sobchyshyn & Drobotia, 2019).

Furman I. conducted research into scientific approaches to interpreting the concepts of "financial stability" and "financial stability management", and identified the key stages of the process of managing the financial stability of an enterprise. The key stages identified were as follows: building an information support system; diagnosing financial stability and forming a system of target parameters for managing it; forecasting the results of management actions; and monitoring and control (Furman, 2017).

Yudina S., Galaganov V. and Strebizh M. propose a methodological approach to managing financial stability based on scoring ratings that takes into account the impact of internal and external environmental factors (Yudina, Galaganov & Strebizh, 2023).

Foreign scientists Brigham E., Ehrhardt M. and Lee C., among others (Brigham & Ehrhardt, 2014; Lee, Cheng & Finnerty, 2020), have made significant contributions to the development of the fundamental principles of capital management and the study of various aspects of financial stability management systems in enterprises. They have also promoted the use of economic analysis tools.

Among the existing theories of capital structure formation, Trade-off Theory and Pecking Order Theory are particularly notable. According to Trade-off Theory, companies seek a balance between the advantages of their own and borrowed sources of financing in order to achieve an optimal capital structure (Jahanzeb et al., 2013). In

contrast, according to Pecking Order Theory, priority is given to internal financing over external financing (Škarica, 2025).

In consideration of the substantial contributions of scientists to the study of the financial stability management system of enterprises and the role of economic analysis in this process, it is evident that the impact of the specific features of enterprises in various sectors of the economy has not been fully revealed. In the context of the aforementioned issues, it is recommended that scientific research be expanded in order to enhance comprehension of the intricacies involved in the establishment of the financial stability management system for enterprises in the primary sector of the economy, which are engaged in the production of food and raw materials. Furthermore, the role of economic analysis in this process should be investigated.

3. Financial Stability Management System for Primary Sector Enterprises

Financial stability is defined as an enterprise's capacity to ensure its solvency and stable development, primarily through the utilisation of its own capital. It can thus be concluded that the financial stability of an enterprise is contingent on the rational management of financial resources. This is characterised by the predominance of own funds over borrowed funds, and the optimal provision of assets with sources of financing.

The financial stability management system constitutes a set of interrelated procedures, methods, and tools that are designed to conduct analytical assessments and support the financial independence of enterprises, their solvency, and their ability to finance their activities in both the short and long term. The objective of this process is to attain a state in which a given enterprise possesses sufficient resources to fulfil its obligations, ensure solvency, and finance its own development. The key components of the financial stability management system for enterprises are presented in Figure 1. In the process of developing a financial stability management system for primary sector enterprises engaged in the production of food and raw materials, it is necessary to take into account their composition and specific features of operation (Figure 2).

Factors influencing the financial stability of enterprises within the sector are summarised in Table 1.

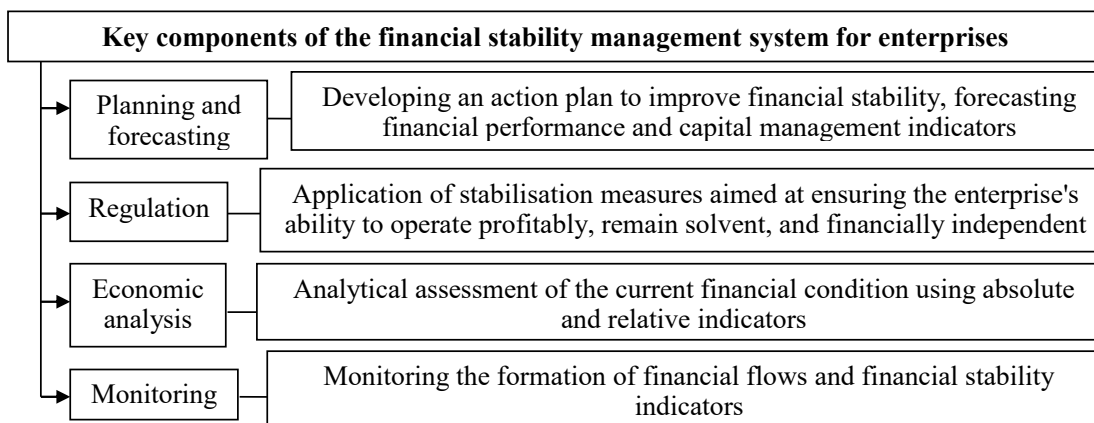


Figure 1. Key components of the financial stability management system for enterprises

Source: created by author based on (Adonin & Shymanska, 2022; Sobchyshyn & Drobotia, 2019)

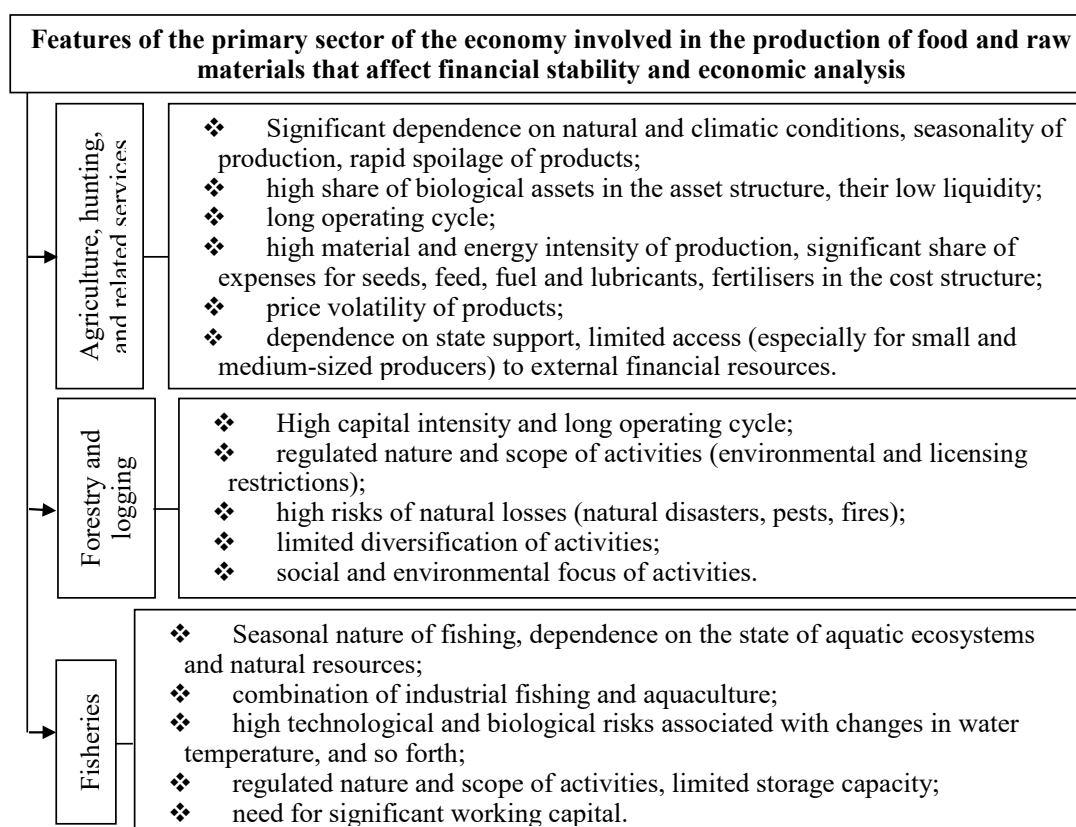


Figure 2. Components of the primary sector of the economy involved in the production of food and raw materials, and key features of their functioning that affect financial stability and economic analysis

Source: created by author based on (Classification of economic activities, edition of 2023)

In consideration of the aforementioned features, the financial stability management system for primary sector enterprises producing food and raw materials can be conceptualised as a composite of information support, procedures, methods, and economic analysis tools. The purpose of this system is to evaluate the level

of financial stability, thereby supporting the financial independence of enterprises, their solvency, and their capacity to finance their activities (see Figure 3).

This system underscores the pivotal function of economic analysis in ensuring the financial stability of enterprises operating within the

Table 1

Factors influencing the financial stability of enterprises in the primary sector of the economy producing food and raw materials: their characteristics and results of influence

Influencing factor	Characteristics of impact	Result
Natural and climatic conditions and seasonality	Uneven cash flows, unstable income and profitability	Deterioration of solvency in the current period, risk of working capital shortage in the off-season, decline in liquidity and autonomy
High proportion of biological assets and work in progress in the asset structure	Low mobility of such assets, complicated assessment of their real value	Deterioration of liquidity and equity maneuverability indicators, negative impact of complicated assessment of real value of assets on reliability of analytical conclusions
Long period between investing resources and obtaining financial results	Freezing capital in the production cycle	Increased need to attract long-term sources of financing, deterioration in asset turnover ratios, increased risk of financial losses in unfavorable conditions, reduced capital efficiency
Significant fluctuations in prices for raw materials and food products, dependence on global markets	Income and profit instability	There is a risk of losing solvency in the event of a decline in prices, and it is difficult to forecast financial results and the ability to service debt obligations
Regulatory environment and government support	Dual impact on financial stability, depending on the stability of state policy	Possible compensation for seasonal liquidity gaps and reduction of debt burden through the introduction of state support measures, restrictions on economic flexibility
High environmental risks	Unpredictable financial losses	Cash flow stability and investment attractiveness are deteriorating, thereby increasing the likelihood of financial instability and the need for insurance

Source: created by author

primary sector of the economy, specifically those involved in the production of food and raw materials. It integrates industry-specific risks and seasonality, and logically links economic analysis with management decisions on optimising capital structure, regulating the volume of borrowed funds, managing assets and capital, and meeting financing deadlines.

4. The Role of Economic Analysis in the Financial Stability Management System

The idiosyncrasies of the primary sector of the economy, which is responsible for the production of food and raw materials, are associated with the impact of particular factors that impede the financial stability of enterprises. This necessitates conducting industry-oriented economic analysis with the aim of assessing the current financial condition, as well as identifying the factors influencing the formation of important performance indicators, quarterly forecasting and planning, risk management, and ensuring financial stability.

Economic analysis is a significant instrument in the provision of information for managerial decisions that are oriented towards the maintenance and enhancement of the financial

stability of enterprises in conditions of environmental instability and elevated risk (see Figure 4).

A comprehensive analysis of the enterprise's financial condition is conducted, utilising data sourced from its information base. The findings of this analysis serve as a foundation for subsequent management decisions, with the overarching objective being the enhancement of the enterprise's financial health. The implementation of management decisions generates new data for economic analysis, thereby providing feedback.

The financial basis for the operation of an enterprise is its equity capital, the formation of which in enterprises of the primary sector of the economy engaged in the production of food and raw materials is significantly influenced by the seasonality of production, as well as the peculiarities of the formation of income, expenses, and financial results.

It is important to note that the amount of equity capital of enterprises in the primary sector of the economy engaged in the production of food and raw materials increased from 275303778,8 at the end of 2015 to 1005848728,5 UAH at the end of 2024 (3,65 times), and its share in the equity

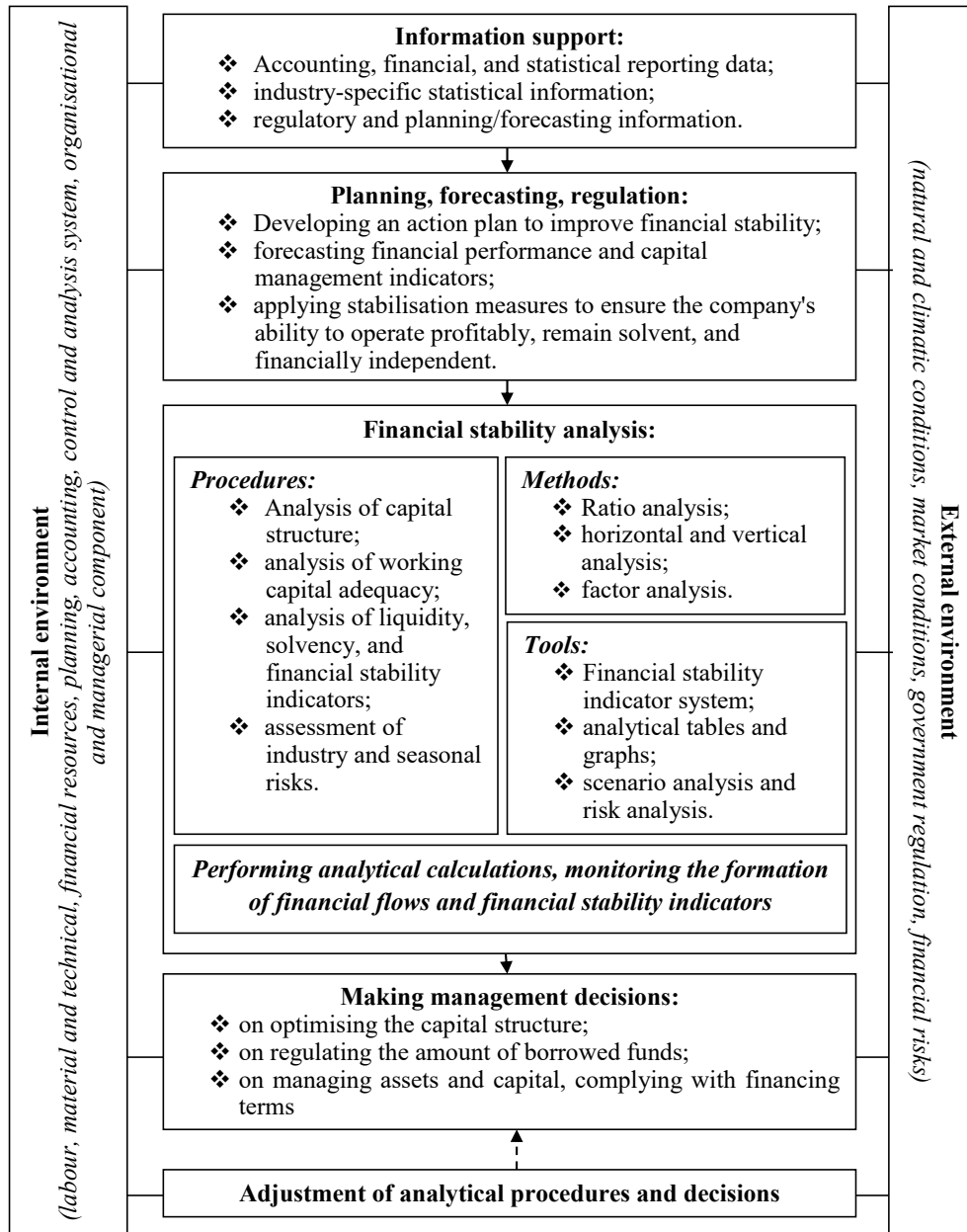


Figure 3. Financial stability management system for primary sector enterprises producing food and raw materials

Source: created by author

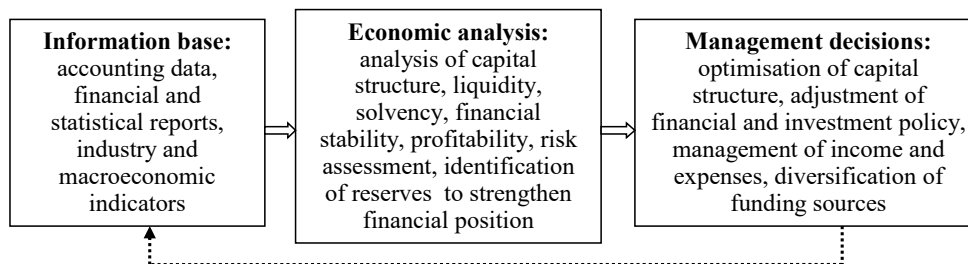


Figure 4. Economic analysis as a tool for providing information for management decisions on maintaining and strengthening financial stability

Source: created by author

capital of all enterprises in Ukraine increased from 12,03% to 19,00%, respectively. Concurrently, the volume of equity capital exhibited variation across enterprises of differing sizes (Figure 5).

As was indicated in the relevant literature, as of the conclusion of the 2015-2024 period, a significant proportion of the enterprise equity capital in the primary sector of the economy, specifically those engaged in the production of food and raw materials, was represented by undistributed profit (uncovered losses). This proportion ranged from 68.9% in 2015 to 80.98% in 2024 (State Statistics Service of Ukraine, 2025).

To assess the financial stability of primary sector enterprises producing food and raw materials, it is advisable to calculate and analyse the dynamics of changes in the following key indicators: financial independence (autonomy) ratio (share of own sources in the capital structure, standard > 0,5); financial stability ratio (ratio of equity capital and long-term liabilities to balance sheet total, standard 0,7–0,9); equity

maneuverability ratio (ratio of own working capital to equity, standard > 0,1); equity turnover ratio (revenue per 1 UAH of equity); net profit per 1 UAH of equity (Table 2).

Since the end of 2019, enterprises in the primary economic sector engaged in food and raw material production have been financially autonomous. However, their financial stability ratio does not reach the normative value. However, the return on equity ratio exceeds the normative value, indicating that these enterprises have sufficient own resources to finance their current activities. However, compared to 2021, equity turnover and net profit per 1 UAH of equity decreased in 2022–2024.

5. Conclusions

The financial stability management system for primary sector enterprises that produce food and raw materials combines information support, procedures, methods and analysis tools to assess the financial autonomy and financing capabilities of enterprises. It takes into account industry-

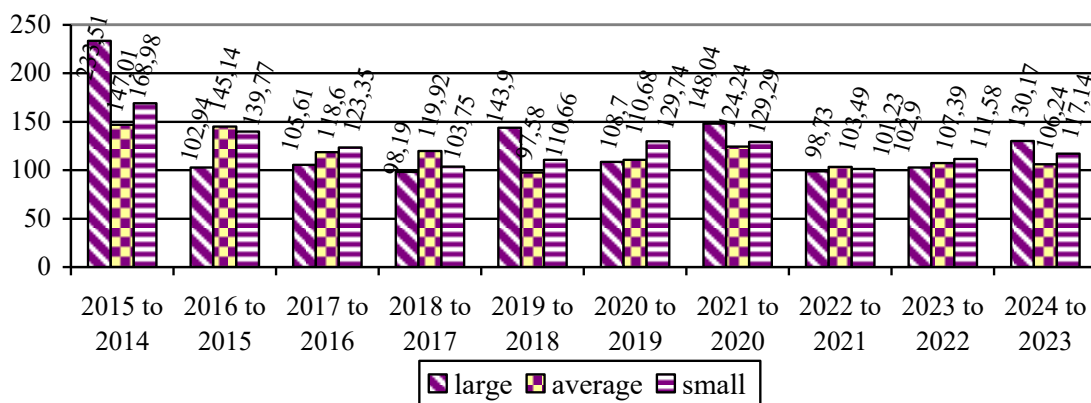


Figure 5. Growth rates of equity capital of enterprises in the primary sector of the economy producing food and raw materials in Ukraine at the end of the year, %

Source: created by authors based on State Statistics Service of Ukraine

Table 2

Key indicators of financial stability of enterprises in the primary sector of the economy producing food and raw materials in Ukraine for 2015–2024

Indicator	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Financial independence (autonomy) ratio*	0,40	0,24	0,48	0,49	0,51	0,54	0,59	0,56	0,57	0,58
Financial stability ratio *	0,50	0,28	0,54	0,57	0,60	0,61	0,66	0,63	0,64	0,66
Equity maneuverability ratio *	0,38	0,41	0,38	0,32	0,26	0,32	0,41	0,43	0,43	0,43
Return on equity ratio	1,32	1,09	1,04	1,09	1,06	0,99	1,15	0,84	0,89	0,88
Net profit per 1 UAH of equity capital	0,37	0,25	0,16	0,15	0,18	0,13	0,30	0,11	0,07	0,17

* - value of the indicator at the end of the year

Source: created by the author based on State Statistics Service of Ukraine

specific factors and links economic analysis with decision-making processes designed to maintain and strengthen the financial stability of enterprises in conditions of environmental instability and increased risk.

The analysis results showed that, since the end of 2019, enterprises in the primary sector of the economy that produce food and raw materials have been financially autonomous and have had

sufficient own resources to finance their current activities. However, between 2022 and 2024, equity turnover and net profit per 1 UAH of equity decreased.

The results of the study could be used to improve the financial stability management systems and economic analysis methods of primary sector enterprises producing food and raw materials in the future.

References:

- Adonin, S. V., & Shymanska, D. O. (2022). Management of financial stability of a business entity. *Effective Economy*, 3. Available at: http://www.economy.nayka.com.ua/pdf/3_2022/73.pdf
- Brigham, E. E., & Ehrhardt M. C. (2014). *Financial Management: Theory and Practice*. Cincinnati South-Western College Pub: 1163 p.
- Classification of economic activities DK 009:2010 (edition of 2023). Available at: <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>
- Furman, I. V. (2017). The process of managing the financial stability of an enterprise and ways to improve it. *Economics. Management. Business*, 1(19):31–36.
- Gonin, V. I., & Alekperov, R. M. (2020). Assessment of the financial stability management system of an enterprise in modern economic conditions. *Young Scientist*, 11(87): 149–152.
- Jahanzeb, A., Rehman, S., Bajuri, N., Karami, M., & Ahmadimousaab, A. (2013). Trade-Off Theory, Pecking Order Theory and Market Timing Theory: A Comprehensive Review of Capital Structure Theories. *International Journal of Management and Commerce Innovations*, vol. 1, is. 1: 11–18.
- Kalchenko, O. M. (2016). Theoretical aspects of forming a mechanism for managing the financial stability of an enterprise. *Problems and prospects of economics and management*, 2(6): 320–326.
- Kosareva, I. P., & Udovyka, E. M. (2018). Improving the financial stability management system of enterprises. *Global and National Economic Problems*, 23: 246–251.
- Lee, C. F, Cheng, K. C., & Finnerty, J. E. (2020). *Corporate Finance: Theory, Method and Applications*. Harcourt Brance Jovanovich Publishers: 765 p.
- Lysenko, A. M. (2013). Features of compiling financial statements since 2013 and their influence on the formation of the principal calculation algorithm indicators used in the analysis process financial state of the enterprise. *State and regions, series Economy and entrepreneurship*, 5(74): 68–73.
- Škarica, V. (2025). Pecking Order Theory: Definition, Examples & Applications. *Financial Statement Analysis*. Available at: <https://www.farseer.com/blog/pecking-order-theory/>
- Sobchyshyn, V. M., & Drobotia, Ya. A. (2019). Management of financial stability of an enterprise: content, stages, and directions. *Actual issues of science and practice*, 6: 121–129.
- State Statistics Service of Ukraine. (2025). Available at: <https://www.ukrstat.gov.ua/>
- Yudina, S., Galaganov, V., & Strebizh, M. (2023). Methodological approach to managing the financial stability of an enterprise. *Economic Space*, 187: 178–183.

Received on: 11th of January, 2026

Accepted on: 25th of February, 2026

Published on: 27th of March, 2026