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## **SMALL AND MEDIUM-SIZED ENTERPRISES AS THE PART OF UKRAINE ENTREPRENEURIAL POTENTIAL**

Nowadays Ukraine is in a difficult economic situation, the main cause of which is not only difficult political situation but especially low activity of entrepreneurs. Entrepreneurial activity allows earning income not only for the participants of the economic process, but through a system of taxes and duties – to region and country. Analysis of global trends shows that Ukraine is on the way to the entrance into the European community, which leads to possible activation of entrepreneurship and business growth potential. The impetus for this change was the political situation and the threat that faced to our country, because according to economic cycles after a period of recession, crisis and stagnation is always period of "recovery" in the economy.

The article examine large, medium and small enterprises in Ukraine: the number of them, conditions of activity, determined which ones take up a larger share of sales and providing jobs for people (for the period 2008-2013). Analyzes that the main entrepreneurial sector occupy SMEs (Small and Medium-sized Enterprises) and was found the factors influencing on their activities.

In our view, the business potential of the region - the entrepreneurial potential of the region - is a complex, dynamic, poli-structure system, which is the difference between localized in the economic environment socio - economic resources and subjects of entrepreneurial activity with their capital, which effects on stable economic growth and effective reproduction of economic area. For full disclosure of this concept we have investigated the main component of entrepreneurial potential - SME's. Also in the article described factors that effect on the activity of

SMEs such as economic, financial, political, technological, human, geographical, legal, information, transportation and foreign trade.

Thus, the main component of the entrepreneurial potential of the region, the country's economy and the region at the moment are medium and small enterprises (SME's). Political and economic stability in the country effects on the development of entrepreneurship, income that is received as a result of economic activity.

To ensure the trend of increasing number of SME's, number of employees needed "positive" basis, such as: firstly, it is the availability of skilled, highly educated managerial staff and employees. This is achieved, in turn, high quality training specialists with higher education, bigger level of theoretical and practical knowledge. Second, reduce the role of bureaucracy in setting up its affairs and business. Thirdly, establish creative ideas for new business. In today's strong competition it is important to generate ideas for new products or quality creative marketing. Fourth, business transfer mode «on-line» - distance service for the convenience of customers and need to develop an e-business administration. Plus it will reduce production costs because it does not need to be spent on rent, utilities, depreciation of fixed assets and more. Only at the joint interaction of all participants of economic relations we can expect from the entrepreneurial potential to achieve desired results when the company receives income, workers - adequate wages, buyers meet their needs, and the state gets through the tax system, the funds for the budget.

Practical value – investigated one component of the entrepreneurial potential of the region - small and medium enterprises will allow deeply exploring this concept and calculating future entrepreneurial potential of each region of Ukraine.

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