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STRATEGIES FOR THE INTERNATIONALIZATION OF CAR TNCs

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Abstract. *Central to corporate strategies for the internationalization of the financial and economic activities of automotive TNCs are questions about both, the geographical configuration of their international value chain and the degree of its manageability, the effectiveness of management coordination, and the level of integration of the corporate organization structure. Exacerbation of the competition between automakers for raw materials sources and markets generates such a global trend of modernizing corporate strategies for the internationalization of their activities as a modularization of business activity, which underlies the powerful motivation of mega-suppliers of automotive corporations to increase their level of vertical integration production and implementation of macro components. Despite the global nature of automotive manufacturing modularization, each multinational corporation chooses the most appropriate modular platform model in terms of the most efficient combination of organizational structure, operating system of research and development and the level of versatility to maximize adaptation in the production of different models and modifications of vehicles. In the face of global trends, the automotive corporate sector undergoes a significant deepening of integration processes, which is manifested in the formation of branched and highly diversified consolidated groups of companies. This necessitates the growing need to integrate multinational corporations' complex methods of analyzing their financial status into the practice of diagnostics of the activities of multinational corporations with the introduction into the business practice of a system of corporate financial sensitivity sensitization that is unified globally.*

Keywords: *multinational corporation, corporate strategies, modular platform model, international value chain.*

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Introduction

Global trans-nationalization of business activity in the first quarter of the 21st century. not only determines the vector orientation of transformational trends of world economic development, but also establishes a qualitatively new paradigm of international division of labor, first of all on the basis of functional-geographical fragmentation and digital integration of TNC production, evolution of its technological, institutional and management structures, as well as fragmentation of the process of creation to smaller stages and links. The powerful synergistic impact of trans-nationalization processes on the world economic system is the main driving force behind the formation of global contours of international specialization, both in individual countries and entire regions and integration groups, giving rise to profound structural changes in interstate trade, production and investment, financial and monetary relations.

The global financial and economic conditions of TNCs, on the one hand, diversify sources of income generation based on the involvement of foreign resources and contract participants in the production process, and on the other hand, transnational activity on the threatening challenges of financial instability, capable of balancing its optimal proportions development. Systemic qualitative transformations in the nature and driving forces of the development of trans-nationalization processes with the growing role of intra-corporate division of labor and the ever-deeper segmentation of TNCs production process require a new level of theoretical understanding of the diagnostics of their activity in the conditions of financial instability.

The systemic structural transformations of the world economy and the completion of its global format formation are largely conditioned by the fundamental processes of trans-nationalization of business activity. It takes on a concentrated expression in the development of global production networks and value chains, diversified channels of international trade, industrial-investment, financial, scientific-technical and innovative activity. As a result, transnational activity has now become truly global and diversified, covering virtually all national economies and all phases of reproduction of a public product by its subjective, objective, sectoral, regional and institutional dimensions.

Literature review

Theoretical foundations of trans-nationalization and international production of TNCs, analysis of financial and economic activity of multinational corporations and its organization, applied diagnostics of financial state of business structures, financial instability and its factors, transformation of corporate strategies and fragmentation of international TNCs networks, formation of global value chains and anti-crisis management systems multinational corporations are most fully developed by well-known economists.

The evolutionary logic, nature, and driving forces behind the development of the international production of TNCs have been theoretically reflected in the scientific publications of a number of researchers. The point is that different scientists not only base qualitatively different methodological approaches in the study of transnational corporations (Amin, A., & Smith, I. (2017)), but also place emphasis on one or another feature (or several attributes) that qualify the company as transnational and its financial and business operations as cross-border (Aydalot, P., & Keeble, D. (2018)).

In the theoretical discourse of transnational corporations, the approaches of Brumana, GDM (2017) and Chen, H., Zeng, S., Lin, H., & Ma, H. (2017), which explore transnational corporations through the lens of their formation, deserve special attention global value chains. At the same time, the main research interest of these scientists is concentrated in the field of research of corporate strategies for controlling their international production and selection of geographical localization points of individual segments of transnational production.

Of considerable scientific interest are the developments of Dodgson, M. (2018) to substantiate the model of transnational production as a theoretical reflection of the cross-border flows of information, finance and production resources circulating within global value chains.

In characterizing the theoretical discourse of multinational corporations' research, one cannot ignore the conceptual approaches of Shin, Y., Thai, V.V., Grewal, D., & Kim, Y. (2017). In analyzing the level of multinationalism of TNCs, this scholarly focuses on developing its matrix based on a comprehensive empirical analysis of more than 1000 companies in seven developed countries. On this basis, regional, trans-regional and global systems of international production of transnational corporations are singled out and comprehensively characterized, which gives the scientist an important theoretical and practical importance.

In turn, Liu, Y. (2019) considers that the main feature of any multinational corporation is its orientation to the use of different national markets as a single intra-corporate market. This ensures that the structural components of the transnational manufacturing, investment, management and marketing activities are separated into a single corporate system. Moreover, the result of such convergence is to gain TNCs the maximum competitive advantage in the market and maximize the return of transnational capital from the use of production facilities, management methods, knowledge and innovative technologies concentrated in different countries of the world, as well as coordination of marketing and financial operations.

However, theoretical and methodological principles of diagnostics of TNCs business activity have not been sufficiently investigated in the scientific literature due to the influence of financial instability factors. Modern methods of diagnostics of TNCs activity and assessment of their adequacy to global conditions require comprehensive analysis. In addition, it is extremely relevant today to substantiate the strategic priorities of improving the methods of diagnostics of automobile corporations in the conditions of financial instability. Thus, a comprehensive study of the system of diagnostics of TNCs in the context of financial instability is very important in both theoretical and practical terms, which led to the choice of research topic, its purpose and objectives.

The purpose of this work is to study the theoretical and methodological foundations of diagnostics of TNC business, to characterize modern methods of assessing the financial and economic status of corporate structures and assess their adequacy to global conditions, as well as to substantiate the strategic priorities for improving the diagnostic system of automobile corporations in conditions of financial instability.

Based on the purpose of the study, the following specific tasks were set and solved in the work: to open up competitive disposition of TNCs in the global economy; identify the essential nature of global financial instability and its factors; to find out the role and tasks of diagnostics of TNCs activity in ensuring their international competitiveness; to reveal the features of corporate automotive TNC internationalization strategies and the key challenges of global financial instability; to

substantiate methodological approaches to the improvement of methods of diagnostics of corporate structures of the automotive sector.

Methods

The research is based on the use of the principle of unity of theory and practice, forecasting the development of economic processes based on the method of scientific abstraction. The following methods of scientific research of the processes of diagnostics of TNCs activity in the conditions of financial instability were used for achievement of the purpose and the tasks of the dissertation: dialectical method (in identification of the essential nature of financial instability and its factors; as well as investigating the transformational changes of corporate automotive TNCs in the context of globalization); historical and logical method (when studying the factors of competitiveness of multinational corporations in the global economy, generalization of the experience of forecasting their bankruptcy and analysis of the evolutionary development of strategies for the internationalization of TNCs in the automotive sector); system-structural analysis of economic processes and phenomena (in revealing the role and task of diagnostics of TNCs activity in ensuring their international competitiveness, as well as analysis of informal methods of diagnostics of business structures of the corporate sector and the dynamics of the financial state of automobile corporations).

Results

Global conditions of functioning of the automotive industry significantly exacerbate the competition between its operators, defining qualitatively new requirements to ensure their competitiveness based on the criteria of high quality products, its reliability and innovative capacity, as well as competitive pricing and unpretentious product. These processes are based not only on the natural result of global trends in systematic liberalization of trade, investment, manufacturing and financial credit, but also on the objective need to expand existing car manufacturers and search for qualitatively new market segments of their products in order to maximize profits and increase efficiency of financial and economic activity.

Against the backdrop of post-crisis stagnation of consumer markets in developed countries, declining sales of automotive products in their domestic markets, increasing individualization of demand, increasing demands on environmental performance and investment attractiveness of global car manufacturers, the vast majority of them are radically rethinking their existing business paradigm. Against the backdrop of the breakdown of trends in the past decades of "following" consumer demand for the technologies offered by the market and the market absorption of practically the entire volume of automotive production, at the present stage of world economic development, more and more automotive TNCs are becoming increasingly active in corporate financial and economic activities and internationalization of business as the main drivers for the development of logical and organized international chains of business generating added value and increased intra-functional relationships.

This is primarily reflected in the intensification of the processes of capital consolidation of automotive corporations, the formation of their strategic alliances, the accelerated unification and standardization of production processes, and the transition of manufacturers to the implementation of single vehicle production platforms with a dynamic scaling of their sales markets. In the period 2010-2018 alone, the annual value of mergers and acquisitions of automobile companies increased from \$ 24.9 to \$ 48.1 billion. The total number from 520 to 883, respectively (Fig. 1), which allowed them to significantly expand their foreign affiliate networks.

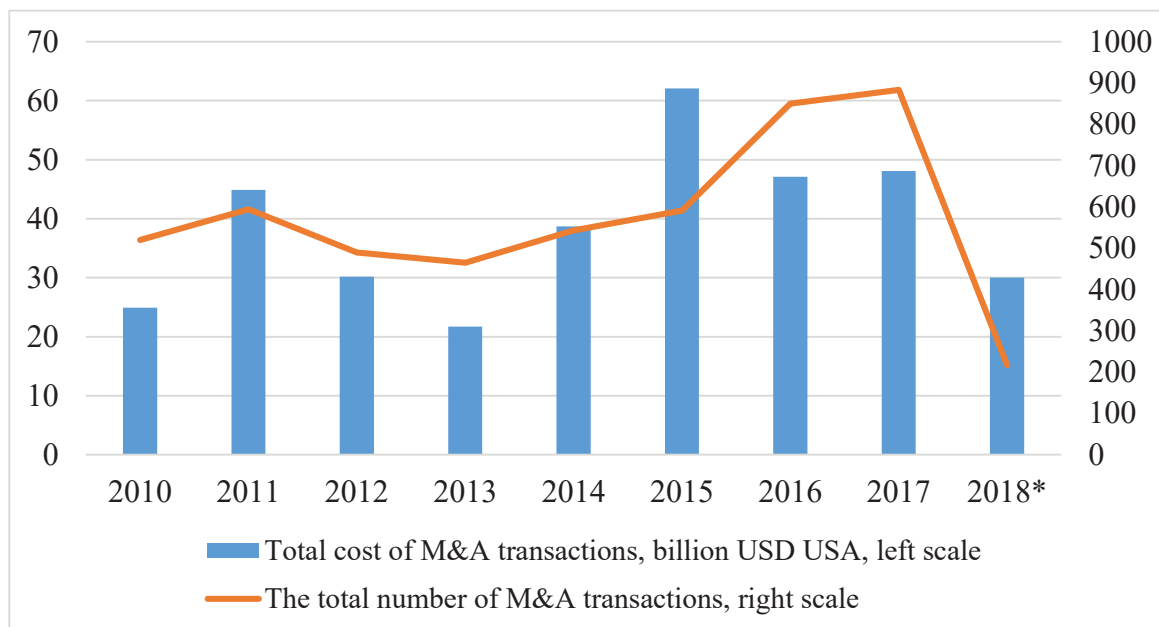


Figure 1. Dynamics of value and number of mergers and acquisitions of automobile companies during 2010-2018, * - data for the first quarter of 2018. (constructed by the authors based on: <https://www.pwc.com/us/en/industries/industrial-products/library/automotive-quarterly-deals-insights.html>)

Such dynamics testify, first of all, to a significant strengthening of the global trend of capital monopolization of the world automobile industry as the main driver of the processes of concentration and centralization of capital of automobile TNCs, to increase their market competitive positions and to strategically reorient their activity without loss of production capacity. As for strategic alliances, their creation in the global auto industry is dictated mainly by the needs and motives for expanding the product and customer base, combining corporate efforts in the field of joint marketing research and the use of common marketing channels, as well as diversification of market information sources and increase the effectiveness of promotional activities. An example is the alliance of the American car manufacturer Ford with the Japanese Mazda, within which several models of the Ford brand are assembled at the Japanese Mazda plants, and the Mazda models at the European Ford plants. (Palacios, J. J. (2018)).

The implementation of the aforementioned areas of strategic development of automotive TNCs in global conditions becomes possible only on the basis of

implementation in their financial and economic activities of strategies of regional internationalization, "focused globalization" and vertical integration with dynamic deepening of cross-border industrial specialization and global search for competitive resources. Such mechanisms allow automotive TNCs not only to increase production volumes, but also to achieve significant savings of financial resources on the scale of production and innovative developments, significantly reducing the time lag for research and development, intensively using the main area of their specialization and reducing barriers to entry the new segments of national and regional markets.

As shown in the Table 1, the largest contribution to national economic development is now made by the automotive industry of Japan and the United States, where it accounts for 432.6 billion and 425.1 billion euros respectively of total turnover; EUR 66.4 and 64.3 billion in state budget revenues; as well as 725 and 954.2 thousand employees. Automotive supplies about 70% of the value added generated by the industrial sector, generates demand for goods and services in related industries and sectors of the national economy, and multiplies employment, as one worker in the sector creates six jobs in related ones.

Table 1. Key Indicators of the Automotive Industry's Contribution to National Economic Development by Country in 2017 (constructed by the authors based on:

<https://www.pwc.com/us/en/industries/industrial-products/library/automotive-quarterly-deals-insights.html>)

Country	Total turnover, million EUR	Direct investment, million EUR	State budget revenues, million EUR	Employment, thousand people
Japan	435610	6450	66444	725.0
USA	425106	30416	64289	954.2
Germany	227666	11900	44314	773.2
France	111901	4196	34000	304.0
China	86984	5330	...	1605.0

At the same time, the lion's share of the increase in automotive production falls on the Asian mega-region (primarily China, India and Thailand), whose total production from 2000 to 2016 increased from 3 to 34 million units. Instead, in recent decades, car production has declined sharply in countries with high levels of solvent demand. In particular, production in the United States has decreased by 5% since 2000 and by 20% in Canada, respectively.

Similar trends are common in European countries (except Germany) - France, Italy and Japan, and Australia, after 67 years of automotive production, intends to close its last automobile plant, focusing on imports from Thailand and China.

Regarding the strategy of regional internationalization, it includes a set of unique for each region instrumental measures of the corporation to enter the regional markets with coverage of mechanisms and levers of production, marketing and financial activities. In turn, the "focused globalization" strategy aims to increase the competitive position of the firm in the markets of most countries of the world and all regions, with the application of a unified approach to the placement of different value chains.

Finally, the strategy of vertical integration in the financial and economic activities of automobile companies aims at expanding their scope of activities through the merger of supply companies and suppliers of raw materials, semi-finished products with the formation of a vertically integrated system. Being by its very nature a capital, resource and innovation-friendly type of economic activity, the automotive business has, in the global context of development, received unrivaled opportunities not only to reduce transaction costs efficiently, but also to provide effective optimization of research and development (R&D) costs. Achieving these strategic goals lies in the plane of building a fragmented transnational production based on the network paradigm, which is the result of intensifying the international dispersion of production processes with their fragmentation into small stages and functions.

At the same time, an extensive affiliate network of automotive TNCs forms the material core of enhancing their international competitive advantage and generating special assets through the development of deep and long-term industrial and commercial relationships with local business partners and structural units of their own corporation. A large number of economic agents from different industries and countries are involved in the modern high-tech process of vehicle production.

Choosing the most appropriate corporate strategy for entering foreign markets (export, contract manufacturing, licensing, portfolio investing, forming strategic alliances, joint venture, branch network development, mergers), each automotive TNC takes into account, on the one hand, its geographical diversification - investment, business, marketing and innovation, and secondly, expanding global value chains and increasing efficiency in this way financial and economic activities. It is worth noting, in particular, that there are significant differentiations in dominant corporate strategies for the formation of international value chains, depending on the country of the parent companies of TNCs. While almost 50% of American automotive products are sold domestically, Japanese, Korean, and European companies account for 63% to 84% of total revenues from exporting their products (Someswar, G. M., Dayananda, R. B., Anupama, S., Priyadarshini, J., & Shariff, A. A. (2017)). This indicates a much higher level of internationalization of their activities and export orientation, and therefore a much greater dependence of financial and economic performance on external markets and factors of global financial instability.

When developing corporate strategies for entering foreign markets, automotive TNCs must also take into account its compliance with the economic functions that are planned to be implemented in the medium and long term, which are priorities at this stage of their competitive development.

The current competitive disposition of global automotive corporations in the global market is increasingly determined not so much by their endowment with traditional competitiveness factors (production and labor resources, labor productivity and innovation capacity), but by the structure and nature of the international value chain. It is no coincidence that the central in corporate strategies of internationalization of financial and economic activities of automotive TNCs are questions as to the geographical configuration of their international value chain, and

the degree of its manageability, the effectiveness of management coordination, as well as the level of integration of the corporate organization structure.

The key areas of increasing the financial sustainability of corporate structures in the automotive sector in global contexts are also levers and instruments of organizational, economic and institutional nature. Among them, the following deserve special attention:

First, multinational automotive corporations, with enormous production capacity, require permanent systematic modernization of fixed assets. In this context, it should be noted that the crisis periods of the national business cycles of the host and host countries have always been the most favorable periods for adapting the activities of multinational corporations to changes in the external environment of their functioning and adequate response to global challenges and threats. In such circumstances, the introduction of anti-crisis management systems by multinational corporations makes it possible to respond promptly to any changes in the business environment, restructuring the production and financial systems as quickly as possible. An additional impulse to such restructuring is provided by the system of anti-crisis state support of national corporations, which, according to world experience, always has a powerful effect on the post-crisis "reboot" of national economic systems in a qualitatively new production, scientific, technical, innovative and financial paradigm.

The systematic introduction into the business activities of automotive TNCs in crisis management as a mandatory component of the implementation of mechanisms for its diversification. It is focused on enhancing the ability of TNCs to adapt quickly to the rapidly changing external environment of the business environment, based on the development of such characteristics as incorporation. The latter acquires its concentrated realization in the ability of TNCs' incorporated market relations to ensure an optimal and prompt redistribution of production and financial assets between affiliated companies operating in different host countries, industries and sectors. It is through diversification of activities (including through mergers and acquisitions) that automotive multinational corporations optimize the average rate of return of their operations on the corporate system as a whole, and their subsidiaries experience cyclical and cyclical downturns, to varying degrees of crisis processes for different sectors and sectors of national economies and different countries and regions. At the same time, the diversification of the activities of multinational corporations of the automotive sector in the context of improving its financial stability should be carried out not only by country criterion, but also by types of products, which will also improve the overall results of the implementation of anti-crisis corporate governance strategies. The fact that the overwhelming majority of analytical approaches consider the problem of corporate finance management in the narrow format of corporate governance only, or the problems of public administration, whose bottlenecks do not allow economic agents to solve corporate finance problems independently, should not be discounted. In our opinion, every multinational corporation must necessarily have in its structure a unit for crisis management of financial resources, capable of providing more efficient use of them

and significant increase of financial stability. It is no coincidence that today most TNCs qualify sustainable development as a key component of their corporate strategy.

Second, an integral component of improving the diagnostics of automotive TNCs is a comprehensive analysis of its risks in the context of developing and implementing a comprehensive risk management system. As is known, any multinational corporation in its activities is adversely affected by both the universal risks inherent in all business areas and the specific ones that result from the globalization of international monetary relations. The first group of risks is represented, in particular, by inflation and deflationary risks, liquidity and solvency risks, interest rate and credit risks, risks of diminishing profitability of activity and loss of profit. At the same time, the second group is formed by currency risks - transactional (operational - losses of the corporation from changes in exchange rates and the period between the conclusion of the transaction and payment for it, between the provision of credit resources and repayment of the loan), translation (consolidated - losses in the preparation of consolidated financial statements of TNCs an extensive network of subsidiaries in different countries of the world), economic (negative impact of exchange rates on the indicators of financial and economic activity of a multinational corporation and its market value). Taken together, these risks have a very negative impact on its results, which is reflected not only in the possible significant exchange losses, but also in the negative impact on the value of assets and liabilities of multinationals and their market value.

In view of this, the corporate risk management system can be qualified as a system of corporate management measures aimed at preventing, minimizing or offsetting losses from TNC financial transactions. Thus, currency risk management at the level of a multinational corporation involves first of all solving a key issue - the ratio of centralized and decentralized management powers. In the case of centralization of currency risk hedging functions, all powers in this area should be borne by a specialized unit of a multinational corporation, whereas in the case of decentralization, subsidiaries located in different countries of the world.

The centralized risk management format involves making management decisions based on the analysis of the ratio of long and short currency positions to specific currencies, and therefore - key management decisions in the hedging area associated with the opening of additional currency positions capable of balancing the currency risks of the corporation currencies. It is the centralization of the currency risk management function that saves considerable financial resources on paying commissions for opening additional foreign exchange positions when a specialized unit of a multinational corporation, analyzing the whole spectrum of currency risks of its subsidiaries, assesses the degree of impact of each of them on the aggregate currency risk of TNCs. This ensures the currency hedge of the overall corporate activity in the unity of all its structural units. In addition to the currency hedging in the practice of automotive TNCs, insurance of export contracts in the context of a downward trend of the currency of payment and import - with a tendency to increase it has a significant economic effect. In the context of enhancing the financial

sustainability of automotive TNCs, quite promising prospects are also associated with the implementation of hedging practices when a certain threshold is reached at the exchange rate.

Third, the significant leverage for enhancing the financial sustainability of multinationals in the automotive sector is to significantly expand the practice of managing long-term assets through capital budgeting mechanisms. The latter provide for TNCs' activities to optimize the process of transformation of the corporation's liabilities (materialized in the authorized capital and attracted resources) into highly efficient assets in the form of investments based on the choice of such a way of using available resources that can maximize the benefits of using resources for shareholders.

Thus, the achievement of the strategic goal of improving the efficiency of capital budgeting mechanisms involves the active activity of corporate management in search of promising investment projects, regular assessment of market prospects of specific products, monitoring of production and technical capabilities of corporations, diagnostics of financial indicators and indicators of investment projects and related realization of financial markets, followed by the choice of the most attractive and safe ways of using capital resources. It should be borne in mind that the greatest economic impact from the implementation of these areas will have the consolidation of their implementation by the parent companies of multinational corporations. They are able to take into account in the corporate strategy a wide range of specific factors that determine the efficiency of realization of economic interests of TNCs, namely: differences in national tax systems of different countries, operating restrictions on income repatriation, permanent changes in exchange rates, etc.

Fourth, improving the cash flow management system of TNCs' assets and liabilities is an integral component of enhancing the financial sustainability of multinational automotive corporations in the global context of their operation. Its strategic goals are related to the prevention of corporate insolvency, the control of the company's liquidity, ensuring a steady flow of resources and planned expenses, as well as the intra-corporate redistribution of cash resources and optimizing the profitability of short-term money. Thus, the specifics of TNCs' cash flow management mechanisms are primarily related to their parent companies' policies on cash consolidation, exchange rate dynamics, and netting in intra-corporate payments. It includes a set of measures to analyze the current financial status of TNCs according to the financial statements, prospective cash planning, with the development of a detailed estimate of their input and output flows.

At the same time, the system of management of short-term corporate liabilities is focused on optimization of the structure of short-term borrowings of TNCs, ensuring the proper level of their liquidity and solvency, maneuvering of corporate resources to minimize interest payments, uninterrupted financing of the seasonal needs of corporations in cash and interest rates, interest payments on loans. In the set of measures to achieve these strategic goals, the key role is played by instruments of accelerating payments, minimizing the costs of foreign exchange transactions, regulating settlements between subsidiaries, creating unified payment centers in

TNCs' organizational structures. In particular, in the event of consolidation of temporarily free cash resources, they are redistributed centrally amongst TNC's subsidiaries, ensuring an adequate level of liquidity. At the same time, dividend payments to subsidiaries in favor of the parent company at predetermined periods allow them to ensure proper financial planning of the input and output financial flows, while avoiding cash gaps.

It should be noted that the greatest economic effect is the simultaneous combination of corporate-wide centralization by parent companies of functional powers for cash flow management (at the level of strategic and tactical management of corporate capital) with decentralization at the level of subsidiaries of management decision-making in the sphere of financial management. This involves operating within the parent company structure of a centralized financial center, which makes key management decisions in the field of long-term investment design and lending, internal and external financing of business operations, accumulation and redistribution of temporarily free cash, maintaining liquidity and minimizing capitalization. In their turn, the latter should have financial services involved in the development and implementation of business budgets, financial analysis of the effectiveness of business operations, as well as optimization of taxation of subsidiaries in host countries.

In the context of enhancing the financial sustainability of automotive TNCs, it is critical to identify and evaluate those cash flows that are not directly reflected in the financial statements, and therefore are very difficult to formalize and evaluate. To overcome this widespread gap, it has received technical approval to determine corporate profit before interest, but after tax (EBIAT - Earning Before Interests After Tax) and cash flow from major post-tax business transactions (CFLOAT – Cash Flow From Operation After Tax). With respect to the EBIAT, reflecting the degree of correlation between corporate profit and cash flow from core business operations, it enables a comparative analysis of the financial soundness of companies with different financial structures. At the same time, CFLOAT reflects cash flow with interest payments included and tax payments excluded, and therefore exceeds EBIAT by the amount of adjustments taken into account in the indirect cash flow statement.

In addition, in order to adequately assess the effectiveness of the corporate cash flow management system, it is necessary to use a scorecard that includes:

- indexation ratio as the ratio of the absolute amount of operating cash flow to the amount of sales revenue;

- cash value index as the ratio of the amount of operating cash flow generated to the sum of the corporation's operating needs in cash;

- the duration of the financial cycle and its individual components; - monetary assessment of the value of the cash gap;

- free cash flow on invested capital and free cash flow on equity as a basis for calculating the market value of the company.

Fifth, the presence of an extensive network of foreign automotive TNC manufacturing units gives them many opportunities to use such a tool for increasing financial stability as currency speculation. Their mechanism is to redeploy

temporarily free financial resources between subsidiaries located in different countries of the world during periods of the most favorable exchange rate ratios. TNCs may derive additional economic benefits from the difference in interest rates and inflation rates of the parent and subsidiary countries. In this case, the scheme of intra-corporate transfers of capital acquires forms of internal lending for obtaining foreign exchange profits by the method of direct capital transfer, transfer of dividend payments, payment for services rendered or licensing, transfer pricing in intra-corporate trade, intra-corporate or corporate.

Strategic development of multinational corporations in a global environment is characterized by a significant intensification of inter-firm competition, the formation of qualitatively new requirements for ensuring their competitiveness on the basis of criteria of high quality of products, its reliability and innovative capacity, as well as competitive pricing and steady product diversification. The realization of the above-mentioned directions becomes possible only based on implementation in their financial and economic activity of the network paradigm of fragmented transnational production as a natural result of strengthening of the international dispersion of production processes with their grinding into small stages and functions. As the economic, organizational, financial, credit and scientific and technical resources of segmented transnational production increase, the quantitative structure of global value chains as a reflection of the deepening of intra-corporate and inter-firm division of labor in the automotive industry, which is a significant driver for the formation of the established competitive advantages of those auto companies that were among the first to start using this form of production organization.

Choosing the most appropriate corporate strategy for entering foreign markets, each automotive TNC takes into account, on the one hand, the geographical diversification of its production, investment, commercial, sales and innovation activities, and on the other - the expansion of global chains of value generation and enhancing value added method of efficiency of financial and economic activity. Their current competitive position in the global market is increasingly determined not so much by the traditional competitiveness factors, but by the structure and nature of the international value chain organization.

Central to corporate strategies for the internationalization of the financial and economic geographical configuration of their international value chain, as well as the degree of its manageability, the effectiveness of management coordination, and the level of integration of the overall corporate organizational structure.

The intensification of the competition between automakers for raw material sources and markets has created such a global trend of modernizing corporate strategies for the internationalization of their activities as modulating business activity. It is at the heart of the powerful motivation of mega-suppliers of automobile corporations to increase their vertical integration in order to increase the efficiency of the overall chain of development, production and sale of macro components. Despite the global nature of automotive manufacturing modularization, each multinational corporation chooses the most appropriate modular platform model in terms of the

most efficient combination of organizational structure, current R&D system, and versatility to adapt to the production of different car models and modifications.

The combined economic impact of the global value chain within the automotive industry is reflected in the development of an extensive transnational system of close interaction of car manufacturers with each other and with customers based on Internet links, traditional and innovative advertising and telemarketing channels, with full technical information performance characteristics of car brands, conditions of their purchase and after-sales service. The key to successful development of transnational corporations in the automotive sector is the widespread use of information technology capable of significantly improving the efficiency of business management and the continuous exchange of information by public and internal sources of information.

The main mechanism for securing the established competitive advantages of automobile corporations in the global market is their financial soundness, which can only be assessed on the basis of multicriteria and multiple methods of analysis of liquidity indicators and capital structure, profitability and operational activity of automobile TNCs. In today's diagnostics of automotive TNCs, analytical and methodological approaches should be as synchronized and harmonized as possible, and all symptomatic indicators of corporate financial stability assessment should be integrated into a single analytical system. Only in this way is it possible to detect the first signs of financial instability in a timely manner and prevent it through the implementation of proactive management in operations, profitability and asset management. All analytical and diagnostic indicators are closely functionally interdependent, which requires their systematic analysis in dynamics and with development of perspective forecasts of their change in the short, medium and long term. Almost all automobile corporations were more or less destructive of the global economic crisis of 2007-2010, with well-defined country and regional performance parameters. This requires a thorough rethinking of methodological and methodological approaches to the diagnostics of multinational corporations, primarily based on the obligatory consideration of factors of global financial instability in the calculation of current indicators of financial dynamics and its forecasting.

While the US and European car giants have a significant lack of working capital, the Japanese and Korean are characterized by relative financial sustainability and have sufficient own working capital to operate effectively. Asian multinational corporations in the automotive sector are also characterized by relatively higher rates of return on assets and equity, as well as profitability and asset turnover. It was during the global economic crisis that Asian automotive TNCs laid a strong foundation for future dynamic growth, based primarily on maximizing the environmental determinant in the formation of solvent global demand for its products and the factor of price reductions due to the advent of new car manufacturers (Chinese and Indian), with significantly lower production costs.

Systematic greening of global economic development causes a significant increase in the requirements for the safety of car operation, energy savings and counteracting global warming, causing the urgent need for the implementation of

giants by the corporations-giants of the concept of environmental marketing with the implementation of diversified environmental protection and environmental protection.

The modernization of automotive TNCs marketing strategies is also linked to the dynamic processes of saturation of consumer markets, the global crisis of overproduction and the decline in overall macroeconomic growth in the leading countries.

However, even the global conditions of their operation are not able to undermine the uniqueness and specificity of consumer characteristics of regional and national automotive markets. Each segment is characterized by its own car performance requirements, so even the integration of multinational car corporations is not able to fully unify key consumer demand parameters in key regional segments of the global automotive market.

In the face of global trends, the automotive corporate sector is undergoing a significant deepening of integration processes, which is manifested in the formation of branched and highly diversified consolidated groups of companies, due to the growing need for the implementation of complex methods of analysis of their financial corporations in the practice of diagnostics of transnational corporations. The widespread use of competitive advantages of global financial and economic activity and international commercial operations provides automotive TNCs with the established resilience of their corporate production systems to crisis phenomena and processes in national and global economic systems. At the corporate structure level, this is achieved primarily through the implementation of a transfer mechanism to compensate for losses received by structural units of corporations in one country, and the profits of units located in other countries.

Discussion

The enormous scale of the activities of automobile corporations with their strong competitive disposition in key regional segments of the global market gives rise to such a tendency as the systematic trans-nationalization of diagnostics of their financial and economic activity. It manifests itself in the introduction into business practice of a globally unified system of sensitive diagnostics of financial soundness of corporations and includes methods, techniques and tools for analyzing their activities. As a result, the main goal is to evaluate the competitive status of TNCs in the global automotive market and the level of their financial sustainability from a single methodological standpoint. In today's diagnostics of the activities of automotive TNCs, analytical and methodological approaches should be synchronized as much as possible, bringing to a single methodological basis all the symptomatic indicators of assessing the financial soundness of corporations and integrating them into a single analytical system. Only in this way is it possible to detect the first signs of financial instability in a timely manner and prevent it by implementing proactive management measures.

Comprehensive diagnostics of the activities of transnational corporations of the automotive sector should be based on the modeling of the analytical process, which

reflects the logical sequence of stages of analytical work, includes an appropriate list of diagnostic indicators and indicators, a complete set of analytical, information, statistical and factual data; and also contains an algorithm for calculating indicators in accordance with each area of diagnostic and analytical work. Such logic and stage of carrying out analytical process on diagnostics of financial and economic activity is capable to provide the management apparatus of the corporation, its internal and external stakeholders and all other interest groups with all objective information about the current state of financial stability of the corporation and its prospective trends in order to develop appropriate solutions in the field of operational and strategic management.

Conclusions

To sum up, we note that today's corporate automotive TNC strategies are based on a fundamental reorganization of the geographical configuration of the global value chain, taking into account the key trends in the development of regional automotive markets. The significant intensification of competition between leading TNCs over the redistribution of global economic power increasingly drives them to reduce transaction costs of production while improving the quality, innovative capacity and environmental friendliness of auto production. This is best achieved through the implementation of the modular manufacturing paradigm in economic practice, which significantly increases the economic efficiency of manufacturing, design and innovation processes in the automotive sector, as well as provides significant savings on the scale of production and procurement of standard modular elements, units and nodes. In addition, the introduction of a single modular platform in the production process with a new scalable product line design underpins the creation of new car models in different segments on a single modular platform. This has a natural consequence of a radical reorganization of the internal production organization of automotive TNCs, first in the part of their development of their international production networks.

At the same time, the strategic orientation of carmakers to achieve the effect of economizing on the scale of production motivates them to the introduction of standardization of a certain range of units of different brands of cars based on deepening inter-company production cooperation, the implementation of competitive formats of cooperation and vertical integration of automotive components.

Summarizing the above, it should be emphasized that the ability of multinational corporations of the automotive sector to form an extensive network economic model of production and distribution relations allows to effectively integrating national economic systems into the modern system of production and market circulation of goods, scientific and technical and innovative workforce. . In such circumstances, the modern perception of the competitiveness of national economies is based on the objective need to implement in economic practice incentive mechanisms to support the financial and economic activities of TNCs as a key driver of diversification of the economies of countries based on systematic processes of their trans-nationalization.

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