

for the economy, as many countries have been able to accelerate their economic growth due to FDI.

Taking into account these two divergent trends in economic security policy in an open economy to FDI, it is essential to find the balance of interests between the state and a foreign investor. The policy of attraction of foreign direct investment should focus on finding and creating opportunities for the application of external capacity of the country of outward FDI, TNCs and internal potential of host country to achieve its goals of economic development and to minimize threats to the economic security of the state.

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M&A MARKET TRENDS IN 2014–2015

Mergers and acquisitions (M&A) is a general term used to refer to the consolidation of companies. A merger is a combination of two companies to form a new company, while an acquisition is the purchase of one company by another in which no new company is formed.

In 2014, the M&A market has grown considerably. The value of worldwide M&As totaled \$3.5 trillion in 2014, a 47 percent increase over the previous year and the strongest annual period for global deal-making since 2007. Megadeals (transactions with a value of more than \$10 billion) accounted for more than 35 percent of total 2014 deal value, including five deals worth more than \$43 billion each a level of activity not witnessed since before the financial crisis. Reasons for the hot M&A market vary depending on the industry and business size. Business brokers cite an increase in qualified buyers, strong cash reserves, record-low interest rates, improved financial performance, favorable economic conditions and a growing number of Baby Boomers seeking retirement.

It is a well-known fact that the M&A market is becoming more international, with an increase of cross-border deals. Even countries which had somewhat low levels of cross-border M&A, such as Japan, are increasingly opening up.

One should note here that broken deals also provide interesting hidden indicators of the health of the M&A market. In 2014, US\$ 221bn of deals were announced but then withdrawn, up from US\$ 87 bn in the previous year. On the one hand announced M&A in 2014 matched the peak of pre-crisis levels – further evidence of rising confidence and deals needing to be done. On the other hand the level of failed transactions demonstrates that the current deal-making environment has very significant challenges which require careful planning and execution.

In any case in 2015 the picture is mixed: there are significant geopolitical and economic uncertainties that have the potential to stall M&A activity again in the months ahead. For example, should the growth rates in China or Europe slow further, political divides within the euro zone deepen, or fears around political gridlock in the US return. Oil prices seem to be on a sustained, downward trajectory, economic sanctions targeting Russia continue to provoke stagnation on CIS market, and the results of government elections in the UK and Greece may have impacts far beyond those countries' own borders.

To draw the conclusion, one can say that year 2014 showed high activity in the M&A market (increasing the amount of megadeals and cross-border deals) and recovering from the financial crisis, but macroeconomic and political concerns are combining to paint an uncertain global landscape for 2015. Their effect on M&A activity during the course of this year is not clear, but some of these challenges will create attractive opportunities for those who are informed, agile and prepared to take manageable risks. Strictly speaking 2015 will be the year in which it becomes clear whether the M&A market finally overcomes the crisis of 2008 or not.

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BLUE OCEAN STRATEGY: HISTORY AND REAL LIFE EXAMPLES

International competition on the business arena is really tough nowadays with hundreds of new companies – new players – entering the market annually. There are lots of internalization theories that help us understand the motives behind a new firm entering the world market. In this piece of work I'd like to look closely at the Blue Ocean Strategy.

Basically, *Blue Ocean Strategy* is the name of a book published in 2005 and written by W. Chan Kim and Renée Mauborgne, Professors at INSEAD and Co-Directors of the INSEAD Blue Ocean Strategy Institute. Based on a study of 150 strategic moves spanning more than a hundred years and thirty industries, Kim & Mauborgne argue that companies can succeed not by battling competitors, but rather by creating "blue oceans" of uncontested market space. They assert that these strategic moves create a leap in value for the company, its buyers, and its employees, while unlocking new demand and making the competition irrelevant.

The metaphor used in the book of *red and blue oceans* describes the market universe.

Red oceans represent all the industries in existence today – the known market