

## Theoretical principles of formation and use of the production capacity of enterprises

**Boikivska H.M.**

Candidate of Economic Sciences,  
Senior Lecturer at Department of Economics of Enterprises and Corporations  
Vinnytsia Institute of Economics  
Ternopil National Economic University

In modern conditions of managing productive capacity of an enterprise is directly linked with the pace of socio-economic development of the country. The improved utilization of the production capacity contributes to the growth of industrial productivity, and, consequently, increasing the volume and, consequently, the accumulation of investment resources to ensure the expanded reproduction, that is, the dynamic development of economic system as a whole.

During the formation of the market economic system the particular relevance takes the problem of planning and optimization possibilities of the enterprises of long-term and current nature. The experience of foreign countries demonstrates the need for the creation of flexible production and organizational systems that provide instant response to changes in the environment. Given this, the attention should be paid to the rethinking of conceptual approaches to the creation and development of domestic enterprises, and especially to processes for purposeful development of their potential.

Even today, the processes of formation of the production potential of the enterprise are not always paying attention. The crisis state of the national economy and indi-

vidual enterprises, which is accompanied by underutilization of production capacity, the accumulation of excessive stocks of materials and finished products, reduction in the number of workers, decreased their level of qualification and productivity and other negative phenomena, naturally, lead to loss of the potential of modern industrial and commercial organizations, which is formed due to the accumulated since the Soviet era fixed assets, land, technology, etc.

A study of the content of each element of the resource base of the company, development trends and forms of interaction between them make it possible to improve the production management system as a whole. This becomes especially essential in the functioning of enterprises in market conditions to increase its competitiveness, due to the rate of renewal of products, personalisation and complexity of its characteristics due to the reduction of production costs and ensuring of affordable consumer prices.

The presence of a competitive resource and production potential of industrial enterprises is a guarantee of economic viability and ensuring the achievement of the economic goals of its development.