

THE STRATEGY OF MERGERS AND ACQUISITIONS AS AN ALTERNATIVE TO THE GROWTH OF PHARMACEUTICAL COMPANIES IN THE SHORT TERM

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The article is devoted to issues of using by pharmaceutical companies of alternative strategies for inorganic growth. Mergers and acquisitions (M&A) are regarded as one of the options mechanism for growth, which ensures the correspondence of constant changes of the dynamic external environment and the internal structure of companies. In the search for effective solutions for choosing areas of corporate growth strategies, one should determine, how dynamic is the pharmaceutical industry because in a digital economy, focused on service, the importance of speed has increased too. An organic growth strategy is a classic mechanism, which should accelerate by combining inorganic growth strategies; it is then possible to achieve results in the short term. Of course, much of the M&A strategy is related not to new investments and the creation of new products but the redistribution of existing property;

however, in the market, there are gradually created conditions for the intensification of M&A transactions.

The basic motivation of using mergers and acquisitions' strategies, which lie in an effort to reduce costs, risk sharing, and maximum avoidance and simplification of legislative barriers, are outlined. Revitalization of strategies for mergers and acquisitions helps to improve the investment climate, exchange of experience, technologies (especially as measures necessary for pharmaceutical R&D), however, has negative consequences, threatening the loss of jobs, competition development, and spread of inversion. Therefore, control by the public authorities is a prerequisite.

Global growth trends in the market of mergers and acquisitions indicate an activation of these processes not only in the world but particularly in the pharmaceutical market, while in Ukraine they are rather sporadic.