

ECONOMIC SCIENCES

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ANALYSIS OF INVESTMENT ACTIVITY IN UKRAINE AND THE WAYS OF ITS DEVELOPMENT

Introduction. Due to the transition of Ukraine to the market economy and changes in the economic mechanism, issues of investment activity require careful attention. Foreign direct investments are one of the key resources to accelerate the development of the country that is particularly important in an unstable political and economic environment.

Analysis of recent achievements and publications. A significant contribution to the study of problems of attracting investments into the country's economy has been made by such domestic scientists as I. Bondar, S. Zaharin, A. Butnyarov, A. Galchinskiy, Kuzmenko, A. Dedikov, Y. Polyakov and others. However, some issues of this problem call for detailed research and practical solution.

The objective of the paper is to analyze the dynamics of investment in the national economy and proposals on the ways of improvement of the investment climate in Ukraine.

Investments in market relations is a crucial and important reason for planning the development of the industrial, commercial and innovation activity. Under current conditions, inflow of foreign investment in the economy is one of the factors of GDP growth; an important source of job creation and attraction of new technologies, advanced management and new materials; contributes to the emergence of new markets and, ultimately, is the key to the successful integration of Ukraine into the European and world economy [1].

According to the State Statistics Service, foreign direct investment in Ukraine continues to decline. Whereas on October 1, 2014, foreign direct investment (equity) in the Ukrainian economy amounted to \$ 48 522 600 000, on October 1, 2015 year it had \$ 43 949.4 million, i.e. \$ 4 573.2 mln. less (almost 10%).

Ten major investor countries in Ukraine are: Cyprus – \$ 12.274 million, Germany – \$ 5.489 million, Netherlands – \$ 5.108 million, Austria – \$ 2.354 million, Russia – \$ 2.686 million, United Kingdom – \$ 1954 million, Virgin Islands – \$ 1.873 million, France – \$ 1.539 million, Switzerland – \$ 1.371 million, Italy – \$ 967 million [2].

To compare the dynamics of foreign direct investment in Ukraine, we will consider the data from 2002 to 2015 (Figure 1) [2].

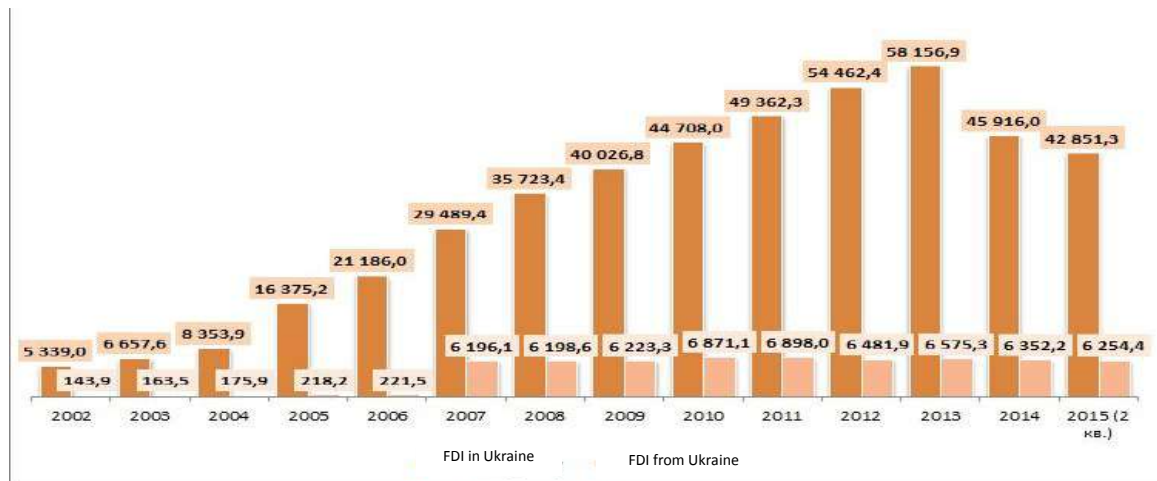


Fig. 1. Foreign Direct Investment in Ukraine from 2002 to 2015

As the figure shows, since 2014 there has been a trend decline in FDI in the country's economy (21% compared to 2013).

Based on the analysis of the reasons for the decline of foreign investment, it should be noted that a quite long political and economic instability in Ukraine is not conducive to creating a favorable investment climate in the country. This is connected with the economic situation that has developed in Ukraine and the lack of a clear investment policy, both at the state level and at the level of individual regions. The unfavorable investment climate in Ukraine that has resulted in unfavorable investment attractiveness compared to other countries is the main cause of the lack of domestic and foreign investment [3].

Conclusions. Thus, in modern Ukraine's development environment, it is important to develop a mechanism aimed at attracting foreign investment. The correct and rational distribution of foreign investment between sectors of economy ensures the economic development and increases the prestige of Ukraine in the world economy.

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