

II. ECONOMIC SCIENCES

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THE ANALYSIS OF MACROECONOMIC INDICATORS OF UKRAINE AND ITS INVESTMENT CLIMATE

Introduction. Before investing into an economy every investor wants to make sure that the current situation on the market is stable, the taxation system is lucrative and the political situation is under control. Although investors often take a risk to succeed, economists are cautious about risk-taking, as they always study the key macroeconomic indicators of the country and make a decision whether to acquire a stake in the country or not.

Review of recent publications. Due to the dynamic character of macroeconomic indicators, the economic situation of a state must be studied on the regular basis. The key indicators can be found on the official sites of the World Bank Group and on the specialised sites.

Objectives of the paper. This paper aims to analyse the investment climate of Ukraine based on the key macroeconomic indicators.

Results of research. The conception of investment climate is defined by financial, economic, political and sociological conditions in the country. The key financial and economic indicators are:

- GDP (Gross Domestic Product),
- unemployment rate,
- the consumer price index,
- personal income,
- taxation figures and
- consumer debt and spending.

Key socio-political indicators are usually not estimated in numbers, but when compared to those of other countries they are measured in global indexes, like:

- Life Expectancy Index;
- Social Progress Index, which measures the extent to which countries provide for the social and environmental needs of their citizens [3];
- the Index of Political Stability and Absence of Violence/Terrorism, which measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism [4];
- Corruption Perceptions Index, which ranks countries by their perceived levels of public sector corruption and

- the World Governance Index, which gives full image of the situation in governance of a country.

To continue further analysis, the investor needs to figure out all the numbers and places in the indexes in order to weight all pros and cons of starting a business in the country. In our paper we will look at the business environment in Ukraine, Georgia and Belarus. The two main economic factors are: the GDP growth and the unemployment rate. Another key economic index is the Ease of Doing Business Index, which indicates the complications that investor has to go through to start a business.

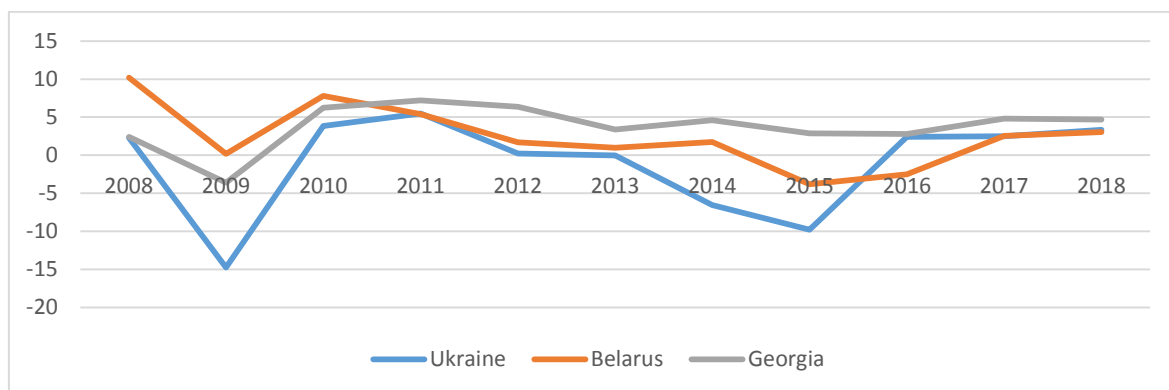


Fig.1 The dynamics of GDP growth in 2008-2018, in %,
Source: created by the author based on [1]

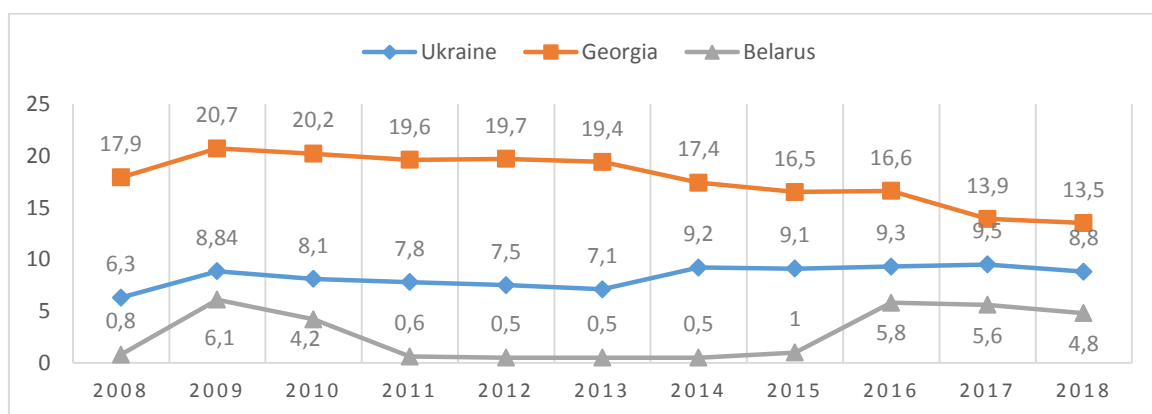


Fig.2 Unemployment rate in 2008-2018, in %,
Source: created by the author based on [1]

Table 1

Comparison of Global economic, social and political Indexes in
Ukraine, Belarus and Georgia,
Source: created by the author based on [1, 2, 3]

Index	Ukraine	Belarus	Georgia
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Ease of Doing Business Index	2005 – 124 2010 – 145 2019 – 64	2005 – 106 2010 – 68 2019 – 49	2005 – 100 2010 – 11 2019 – 7
Corruption Perceptions Index	2012 – 129 2015 – 125 2018 – 120	2012 – 83 2015 – 82 2018 – 70	2012 – 47 2015 – 47 2018 – 41
Social Progress Index	2014 – 64 2016 – 71 2019 – 80	2014 – 53 2016 – 49 2019 – 48	2014 – 57 2016 – 60 2019 – 56
The World Governance Index (ranges from 0 (lowest) to 100 (highest) rank)	2005 – 37 2010 – 45 2018 – 6	2005 – 56 2010 – 42 2018 – 58	2005 – 25 2010 – 24 2018 – 30

According to the data in fig.1, fig.2 and table 1, we can state that:

- Ukraine has good results, although the economic growth of the country is fragile and suffers a lot from political instability and high corruption perception, although the unemployment rate points out that there are still job seekers, which is a positive sign. Although the Ease of Doing Business Index is extremely low, compared to other developed and developing economies.

- Georgia has a high unemployment rate and more stable economy, although high numbers of jobless people is not good, it can indicate that the shadow economy level is high, although the country has better results in the Corruption Perceptions Index compared to Ukraine and Georgia's results in Ease of doing business Index are vast, which means high business activity inside the country and an advantageous investment climate.

- Belarus has the highest score in Social Progress Index, good results in Ease of doing business Index, although still low results in The Corruption Perceptions Index. Unemployment wise Belarus wins, as the percentage of jobless people is not high and the GDP grows depicts that the economy is not that stable, same as in Ukraine it depends on political situation and is highly dependent on trade with partner countries.

Conclusion. The research has shown that the most profitable country for starting a business is Georgia. The country's positions in world indexes are rather high, specifically in terms of the Ease of Doing Business Index – a complex index that includes the estimation of duration of all the stages and procedures necessarily to set up, develop or close a business. Ukraine's results are also satisfiable, although a lot of attention should be paid to the corruption, red tape and transparency issues, so that it would be easier, cheaper and more lucrative to operate a business.

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THE ROLE OF THE UNITED STATES IN THE GLOBAL ECONOMY

Introduction. The U.S. economy is often seen as “the engine” of the world economy. As a result, any sign of slowdown in the United States rises concerns about harmful spillovers to the other economies. As the recent global economic recession has shown, the history of past U.S. recessions usually coincides with significant reductions in global growth.

Review of recent publications. Due to the fact that at the beginning of the third millennium one can speak of independent US leadership in the political, social-economic, scientific, technical and military aspects many scientists and economists as I. Pohorska [2], D. Lakishika, A. Basevich, V. Woolfart, R. Kagan and W. Crystal have shown great interest in studying this issue. Despite a large number of scientific papers on the peculiarities of the role of the U.S in the global economy there is a need for addition research in this field.

Objectives of the paper. This article aims at assessing the role of the United States in the global economy and its evolution over time.

Results of the research. Based on a Global VAR modeling approach, this article shows first that countries with a large trade exposure with the U.S. economy have a relatively larger sensitivity to U.S. developments. However, even for countries that do not trade so much with the U.S., they are largely influenced by its dominance through other partners' trade. Moreover, while no clear trend seems to emerge, it seems that the role of the U.S. in the global economy has changed over time. Overall, for most countries – the latest recession excluded – a change in U.S. GDP had weaker impacts – though more persistent – for most recent periods. The latest recession, however, led to some renewed increase in the sensitivity of the economies to U.S. developments [1].

The current model of global leadership is based on the political dominance of the United States of America. Countries that have their own positions on the global worldview do not aim to replace America as a global leader. However, the growing