

STATE AND TENDENCIES OF FOREIGN INVESTMENT IN UKRAINIAN ECONOMY AT THE STAGE OF FOURTH INDUSTRIAL REVOLUTION

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The dynamic of foreign investment in Ukraine during 2010-2019 has been analyzed and it has been revealed that it is not sustainable; furthermore, it tends to the decrease. In particular, the size of direct (net) foreign investment and the size of foreign direct investment by cumulative (increasing) total in Ukraine decreased by more than 2 times. It is also has been investigated that regional and sectoral structure of foreign direct investment distribution is inefficient. Foreign investment is mostly concentrated in Kyiv (over 40%) and four regions: Kyiv region (approximately 8%), Dnipropetrovsk region (nearly 6%), Odessa region (more than 4%) and Kharkiv region (about 3,5%). These regions are very populated and developed industrially so they receive additional economic incentives and benefits: transfer of information and digital technologies; increase in the share of output with high added value; advanced training and level of professional training of engineering and technical personnel; creation of new objects of investment and innovation infrastructure (business incubators, business accelerators, industrial parks, technopolises, techno-ecopolises, technological (or “catapult”) centers; facilitating the access of regional companies to international capital and labor markets; increase in economic, social and environmental responsibility of business. At the same time, the share of foreign direct investment in the Vinnytsia, Kirovohrad, Ternopil, Chernivtsi and Chernihiv regions did not exceed 1% so they remain the regional outsiders in terms of attracting foreign direct investment. Besides, it states in the article that the investment attractiveness of financial, insurance and “tertiary” sectors for foreign investors significantly increased, but the size of foreign direct investment in Ukrainian industry did not change.

The dynamic of direct portfolio investment in Ukrainian economy also has been analyzed and it has been concluded that it tends to improve. Thus, the size of direct portfolio investment (investment in debt securities (primary securities (stocks, bonds), derivatives (options, futures, warrants, forwards, swaps, Eurobonds, exchange and structured products) and equity instruments (corporate rights) in Ukraine increased by 1,6 times. It indicates to the interest of foreign investors in the acquisition of primary and secondary securities and the formation of investment portfolio at the Ukrainian enterprises without direct participation of investors in the enterprise of recipient country.

Some recommendations on how to boost investment processes in Ukraine and re-distribute borrowed capital to the industries with the highest added value have been proposed. On the author’s view, such measures must include the following: granting tax preferences for foreign investors who invest in the high-tech sectors of Ukrainian economy; strengthening public-private partnership between Ukrainian government and foreign investors in the field of formation joint innovation clusters and intellectual hubs; improvement of the regulatory framework in the field of protection of corporate right of foreign investors in order to enter more Ukrainian companies to the world stock markets.

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