

THE MARKET OF INTERNATIONAL RATING AGENCIES AND APPROACHES TO ASSESSING THE INVESTMENT ATTRACTIVENESS OF THE COUNTRY

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The research findings in the domain of economics prove that foreign direct investment is a powerful engine of the development of the economy of any country in the world. One of the important aspects of the increase in the volume of investments in the national economy is its investment attractiveness. The International Monetary Fund, the United Nations, the World Bank, and international rating agencies collect and analyze data to examine the investment attractiveness of the world's countries. The most comprehensive and systematic information on the investment attractiveness of national economies is provided by assessments conducted by international rating agencies.

The article is aimed at substantiation of the methodological approach to the assessment of the investment attractiveness of the national economy based on the cascade method and comprehensive analysis.

It has been established that the methodology for forming the rating of international agencies is not always transparent and clear. Even market leaders make mistakes when forming ratings, which leads to significant financial losses for investors. The structure and dynamics of the European rating agencies market in 2017-2021 have been analysed. Its main leaders and development features have been identified. The main stages of the rating assessment of the country's investment attractiveness, which is carried out by international rating agencies, have been defined. The article reveals the essence and shortcomings of methodological approaches to the assessment of the investment attractiveness of countries by international rating agencies and provides a comparison of the rating methodology of international agencies with alternative assessment methods.

As a methodical toolkit for rating assessment, it is proposed to use factor methods that allow building a cascade-type system of ratings. Four cascades of assessment of investment attractiveness are specified – political, legal, institutional, and economic, as well as factors and indicators that shape them. Each cascade is analysed on the basis of the regression approach and forms an overall rating of investment attractiveness. After evaluating the obtained results for each cascade, it is determined which of them has the greatest impact on the overall rating. Such an assessment is more informative compared to other methodological approaches as it allows to identify the most influential group of factors in the formation of investment attractiveness rating, determine the cascades, that have the greatest and least value in the overall rating assessment, and analyse strengths and weaknesses in the economic, legal, institutional, and political spheres of the recipient country.

The authors have provided an example of the application of the proposed methodological approach to hypothetical countries and developed an algorithm for analysing the investment attractiveness of the investigated object in the context of these countries.

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