

**TRANSNATIONAL CORPORATIONS ACTIVITIES IN UKRAINE:
ANALYSIS AND PROSPECTS**

The article examines the problems and prospects of the investment activities of transnational corporations within Ukraine. The author has determined positive and negative consequences of TNC affiliates' activities in Ukraine's economy.

Positive aspects include the creation of additional jobs, access to technology, exchange of experience. In the Ukrainian economy one could observe a string of negative effects from TNCs' activities. The goal of many TNCs in Ukraine is to create marketing networks to promote their products on the Ukrainian market or establish enterprises processing agricultural products and minerals. All this leads to the fact that Ukraine actually subsidizes the production of developed home countries, the latter often implies environmental degradation and depletion of resources.

The article also contains the analysis of sectoral and geographical structure of FDI in Ukraine.

Most of foreign TNCs' capital has been accumulated in the food and tobacco industry, commerce, finance, real estate, i.e. in areas with rapid turnover of capital and secured markets. In addition, there is a negative trend in foreign capital inflows in the real sector. The share of FDI in agriculture, engineering and metallurgical production is unreasonably low. Strategic industries do not attract the necessary amount of capital to upgrade morally and physically obsolete fixed assets. This suggests that most foreign investors are focused on licensing and investment strategies focusing on gaining quick profits and outflow of funds. These so-called pseudo-investing strategies are not aimed at to exploit the economic potential of the national economy but to obtain the opportunity for getting around customs and protectionist restrictions. This hampers the development of the Ukrainian export potential. In addition, there is a negative impact of TNCs on development of the particular branches of the national economy, such as automotive, tobacco and food industries. All these trends require investigation of all the aspects of transnational corporations' investment activities which will be helpful in creating conditions for attracting transnational capital into domestic economy on mutually beneficial terms.

Further research will be aimed at preparing proposals on public policy-making and elaboration of strategic initiatives on further establishment of Ukrainian TNCs, which will lead to increasing social production efficiency, better customer satisfaction and improving competitive positions of the national economy.