

IMPROVEMENT OF INVESTMENT ATTRACTIVENESS IN UKRAINE

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In the modern economy, during the gradual development of the stock market in Ukraine, especially relevant is the study of investment and in particular issues for evaluating and improving investment attractiveness.

A drastic reduction of international funding had influence on domestic demand. Gross capital inflows in the region fell by 65 percent in the first three quarters of 2009 compared to same period in 2008 [1]. Financing needs of the region declined, while external assistance and moral beliefs helped prevent access to external loans. As a result, financial conditions improved, allowing monetary policy to focus on mitigating the crisis.

Investors have allocated the most attractive areas for investment. Among the leaders are - metallurgy, finance, real estate, agricultural processing and food industries. Food industry during the crisis showed the greatest growth and demand among the most attractive places to invest.

In Ukraine, unlike European countries, there are enough opportunities for growth in the number of active enterprises. Currently Ukraine is far behind all European countries in terms of number of actively operating enterprises in 1000. This gap is manifested even after consideration of the vast differences in the investment climate. Ukraine is 7.5%, one of the most lower compared with Sweden 36.3% which ranks first in Europe [2].

Value of investment is not taken into account fully, although the figure usually represents and objective basis for attracting investment, which brings special significance in the process of investment attractiveness and its increase at different stages of enterprise existence. For a more detailed analysis of investment attractiveness of enterprises we have to consider the following factors:

- taxation;
- investors confidence enhancement;
- managerial barriers.

Implementation of the proposed factors will bring positive changes in the activities of enterprises, their intensification, increased sales and effective management in general.

References:

1. World Investment and political risk in 2009, World Bank Group, p. 125
2. Investment Climate in Ukraine as Seen by Private Businesses, Oct.09, p 67