

International investment flows in terms of global financial imbalances

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The article examines trends of the capital flows, especially foreign direct investment, in terms of financial imbalances. First of all, it was highlighted that foreign investment is a determining factor in the development of world production and international trade. At the same time there was presented broad and narrow meaning of the notion «financial imbalance». There are characterized main types of global financial imbalances, spatial, functional and structural. Based on the statistics the shift of poles of capital attraction is identified and the reasons for changing the vector of investment flows are singled out, especially the liberalization of investment conditions in Asian countries. It is noted that today major donors of the capital are developing countries, and the main recipients – developed countries, generating spatial financial imbalance. In addition,

there was analyzed the structure of global investment flows – amounts of direct and portfolio investments, on this basis it is concluded that in today's economy investments in securities are growing, while the share of direct investment is decreasing, which leads to differences in the structure of supply and demand of investment funds. Also the pre-conditions of «saving glut», which leads to the global functional financial imbalance, are investigated. Thus, the linkage between mentioned trends in international investment flows and the development of global financial imbalances is proved. Taking into account rapid development of global financial imbalances, the main future perspectives of the current research is an investigation of the mechanism of resistance to global financial imbalances for both separate countries and world economy.