

ATTRACTING FOREIGN DIRECT INVESTMENT IN ECONOMY OF KHARKIV REGION

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One of the forms of international relations is foreign investment. The shortage of domestic investment resources, foreign investment is an important resource for simple and expanded reproduction at the level not only of individual businesses, but also at the macro level.

Foreign investment is the all kinds of values directly invested by foreign investors in objects of investment activity according to the current legislation of Ukraine. Foreign direct investment is an investment in venture capital abroad, providing long-term economic interest acquisition by the investor control over the object of capital investment and involves obtaining business profits (income) and / or achieving social, innovation, environmental and other effects.

Factors of investment attractiveness of Eastern Europe are the quality of human capital at a relatively low cost of labour, the tradition of industrial production, the availability of an extensive industrial and transport infrastructure, the lack of competition for multinationals, high overall level of depreciation of fixed assets, which provides a high return on investment.

Attracting foreign direct investment has positive and negative aspects of the impact on the economy of every country to be considered in the development of state and regional investment policy.

Kharkiv region is one of the most investment attractive regions of Ukraine according to national rankings. This is confirmed by statistics. Thus, the amount entered in the beginning of the investment of foreign direct investment (equity) in the regional economy on 31 December 2015 was 1,569,500,000 dollars USA (3.6% of total FDI in Ukraine). The Kharkiv region ranks the 5th place after Kyiv, Dnipropetrovsk, Donetsk, Kiev regions in terms of foreign direct investment.

The Kharkiv region is attractive for investments regions of Ukraine, as indicated by significant amounts of foreign direct investment. However, foreign investments are distributed very unevenly both in territories, and across the economy. To revitalize the process of foreign investment it is necessary to take a number of measures both at the national and regional level. Developed regional development strategies must be scientifically grounded, real and their implementation should be monitored. This is one of the prerequisites for attracting and efficient use of foreign direct investment with the least possible negative impact on the economy of the state. It is appropriate to conduct further studies towards the development of ways to minimize the negative aspects of foreign direct investment.