

USEFULNESS FOREIGN INVESTMENT

Gordienko V.O.

Candidate of Economic Sciences, Associate Professor,
University of Customs and Finance

Sharanov R.S.

Student,
University of Customs and Finance

The strategic goal of the state structural and innovation policy is to create a modern, integrated into the global production and capable self-industrial complex of Ukraine. Branch structure of industrial production should approach the proportions that are economically developed countries and countries with economies in transition have achieved economic growth as a result of active industrial and investment policy.

The volume of the economy FDI should provide funding for working capital at enterprises necessary for their normal functioning of the size and long-term investment in the economy, which provides the structural transformation of the industry and based on economic growth.

Problems of investment policy are reflected in scientific works of Kvasniuk B., S. Salivon, A. Samsonenko and others. But it should be noted that they contain an analysis of current trends and development of activities and a standard set of tools and applications for its improvement. In the works hardly used economic and statistical methods, through which it is possible to obtain a quantitative connection between the structure and macroeconomic indicators.

A possible tool for overcoming the situation is stable and differentiated system analysis by sectors of direct foreign investment in economic development.

The purpose and objectives of the research conducted by the authors are to set the effectiveness of the investment policy of Ukraine based on the structure of foreign direct investment by industry.

The authors by dint of correlation and regression analysis determine the influence

of foreign direct investment by industry on the economic development of Ukraine.

Based on the studies, the following conclusions are made. There is needed an increase in investment component of the economy – primarily gross fixed capital – in order to switch the mode of economy modernization. Investments should be used for production deployment.

There is a little impact of FDI on the economy of Ukraine due to their failure and sub-optimal distribution by sectors. So the biggest impact on GDP make such industries as “Agriculture, Forestry and Fishing” (56%) and “Construction” (49%), while investment dynamics was significantly greater in the field relating to services.

Investors are interested in investing in the area where short time may provide a return on invested capital to obtain the greatest profit (branches “Financial and Insurance Activities”, “Real Estate”). Profits from these sectors are exported abroad and do not give the desired socio-economic development to the country.

Ukraine needs FDI in the real economy (including by directing them to a small business, new and high technology production). Their goal should be new job formation, introduction of new technologies, increasing exports, import substitution, creating a modern infrastructure.

The funds that were invested in education and health care and social assistance are clearly not enough for influencing the GDP of the state. In addition, according to experience of the world leaders (the so-called golden billion) these investments are effective, but have a long time lag for profit.