

BUSINESS ECONOMICS AND INVESTMENT

Investment and innovation attractiveness of Ukraine

Katerina Bortnik¹, Oksana Zhovtanetska²

1. Lviv Polytechnic National University, UKRAINE, Lviv, S. Bandery street 12, E-mail: bortnik.katerina@yandex.ua

2. Management and international business Department, Lviv Polytechnic National University, UKRAINE, Lviv, S. Bandery street 12, E-mail: oksana_zh08@yahoo.com

In the article it's considered possibility to detect an attractiveness of investment and innovation in Ukraine . There is detected the range of factors are characterized the investment and innovation activity in Ukraine during 2009-2013 years. The article analyzes the current state of development of innovation and investment spheres in Ukraine.

Key words – innovation, Global Innovation Index, investment, Investment Attractiveness Index.

I. Introduction

Investment and innovation attractiveness of Ukraine are subject to control by controlling it can attract investment for the development of innovation of domestic enterprises of Ukraine. In most cases, Ukraine is not attractive to foreign investors due to low competitiveness of Ukrainian producers on foreign markets. This situation can be changed in terms of innovation and sustainable long-term development of domestic enterprises.

Purpose of work is study the problems of investment and innovation sphere in Ukraine and determination of the directions of its development.

II. The main material

With the integration of economic relations among the priority tasks of the state is to provide innovative development of domestic producers, because it is a basic condition for the development of enterprises and creating competitive advantages for attracting foreign investment. For Ukraine, with its rich natural resources, qualified and that is an advantage, cheap labor, a great scientific potential market for may be among the first countries in attracting investment.

However, there are some significant obstacles to investment and innovation development is primarily unstable political and economic situation in the country, poor tax climate for investors, complexity and duration of the execution of investment contracts, corruption, low indices of competitiveness, lack of market infrastructure wear and equipment constraints in of licenses and registrations enterprises, inadequate protection of intellectual property rights of private law.

The data on foreign direct investment in Ukraine in the table. 1.

TABLE 1
FOREIGN DIRECT INVESTMENT IN UKRAINE, MLN.U.S. \$

Foreign direct investment in Ukraine	Years			
	2010	2011	2012	01.07.2013
From the EU	31608,5	41411,4	47695,8	42820
From CIS	2837,4	4039,5	4385,1	4370
From other countries	5607,1	6323,6	6544,0	8130
Total	40053,0	51774,5	58624,9	55318,2

Investment Attractiveness Index of Ukraine in the second quarter of 2013 increased from 2.12 to 2.16 points out of five, a little off with the absolute minimum that recorded in the previous two quarters. This is stated in the review index, which is calculated by the European Business Association (EBA). Investment Attractiveness Index seventh consecutive quarter remained at a consistently low level below 2.2 points. The highest that was recorded - 3.39 in the second quarter of 2011. [1] Dynamics of change in the index of investment attractiveness is shown in Fig. 1. [2]

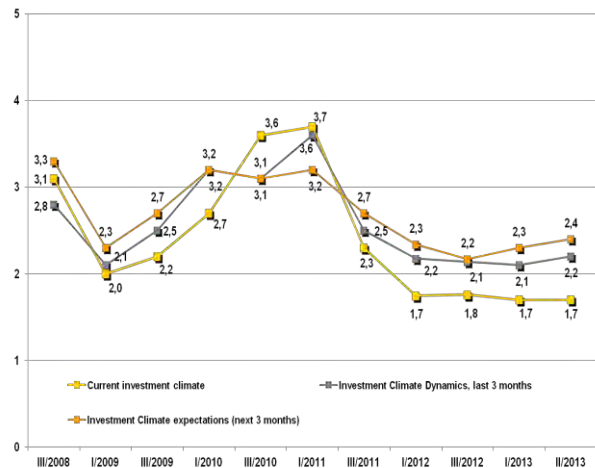


Fig. 1. Determining the investment climate in Ukraine

Ukraine soared by 15 positions and moved from 152 to 137 in the ranking of favorable business climate Doing Business - 2013, annually published by the World Bank (WB) and International Finance Corporation (IFC). For the protection of investors - Fall 3 positions - from 114 to 117 positions.

International business school INSEAD and the World Intellectual Property Organization (World Intellectual Property Organization, WIPO) presented an analytical report "Global Innovation Index 2012» (Global Innovation Index 2012). Research conducted since 2007 and currently represents the most comprehensive set of indicators of innovative development in different countries. Ukraine in 2012, ranked 63 in the overall ranking. [3]

The dynamics of changes in global innovation index from 2009 to 2012 is shown in Fig. 2

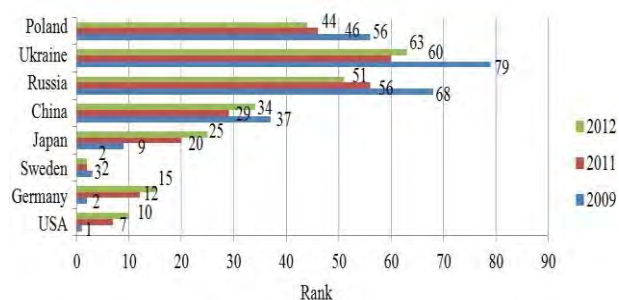


Fig. 2. Dynamics of the Global Innovation Index by country for the years 2009-2012

At this stage, the economy created conditions for innovation, such as formed the basis of the regulatory and legal framework. However, despite the innovative potential innovation is not sufficient to ensure rapid economic development of Ukraine.

To overcome the problems of investment and innovation sector to implement the following measures:

- 1) stabilization of the political situation in the country;
- 2) is proportional to the introduction of science , technology and production;
- 3) reduction of administrative staff and maintenance costs ;
- 4) improving the protection of intellectual property and patent protection for innovation;
- 5) simplify the process of obtaining permits ;
- 6) providing support in creating their own high-tech industries;
- 7) Implementation of a radical modernization in order to increase productivity, reduce energy and materialovytrat ;
- 8) improvement of information system innovation , the introduction of development, retraining;
- 9) the introduction of new management, with effective use of its functions with the removal of bureaucratic threats;
- 10) To ensure close partnership of public and business sector in innovation ;
- 11) to attract investments in the most promising projects;
- 12) Increasing international cooperation in scientific research ;
- 13) reform, taking into account international experience.

The Government of Ukraine begins to implement economic reforms , in particular Concept of the State program of investment activity in 2011 - 2015 years , whose task is to promote investment.

June 7, 2013 , in the Republic of Serbia was the Serbian- Ukrainian business forum in which the head of the Agency Kaskiv presented the investment potential of Ukraine and National Projects of Ukraine presented .

During the forum , the President of the Agency presented 17 National Projects of Ukraine, implemented within the five priority areas identified by the President of Ukraine : New Energy , new infrastructure , new quality of life , and Olympic Hope - 2022.

Also highlighted the work of V. Kuskovo Single investment window - Unit InvestUkraine, which helps to provide high quality services for foreign investors in Ukraine , integrating their activities in the Ukrainian economy with the best international standards. [4]

Conclusion

The initial research investment and innovation sphere in Ukraine may be noted that it is insufficient development. This is primarily due to the insufficient use of innovative potential . This situation leads to the predominance of low-tech industries that are unable to respond effectively and apply scientific advances and provide a real boost competitiveness of domestic producers in world markets. This negative impact on the desire of foreign investors to make an infusion into the economy of our country. Before the Government of Ukraine is to overcome the negative factors that impair the investment environment of the country and impede innovation .

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