

INVESTMENT AND INNOVATION ACTIVITIES OF THE LVIV REGION

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In this work considered the state, trends and prospects investment and innovation activities in the Lviv region. Displaying its place in the global ratings attractiveness, are the main statistical data on foreign investment and the largest foreign investors. The characteristic of innovation infrastructure and its components in the Lviv region. Also, the innovative activity of enterprises in various industries, innovative cost structure given by source of funding.

Key words – Lviv region, innovation, investment, foreign investment, investors, innovation infrastructure, structure of innovation expenditure, innovative activity.

I. Introduction

In today's world of economic development is extremely important for every country that wants to take a favorable position in the world community, is the development of scientific, technological and natural potential through the development and implementation of scientific achievements in all spheres of life.

Innovation makes it possible to ensure a high level of competitiveness of products, businesses and the region as a whole. Companies that are active in innovation grow faster than others and get more profit. A well-developed innovation infrastructure investment can increase the growth rate of the economy as a whole, income per capita, social situation in the region. However, the innovation process is impossible without significant investment. In the Lviv region has good prospects for their involvement, but do not currently use the full potential. True now is infrastructure development, cooperation and involvement of foreign investors in the economy of the region.

The purpose of this study is to examine the existing investment and innovation activities in the Lviv region and the prospects for attracting foreign investors.

II. The main material

Lviv region has high position in Ukraine for economic and natural potential and prospects of development as a highly skilled workforce, strong consumer market, fairly well developed credit and financial trading system, large recreation recreation and tourism potential and advantageous geographical location. We can say that it is a kind of "window to Europe" because it has common borders of EU member states Poland, actively cooperate with it in economic and cultural direction. Closely also established links with Canada, Bosnia and Herzegovina, Britain, Russia, Serbia, Germany, France, Hungary, Georgia.

According to studies of the Kiev International Institute of Sociology in partnership with the Institute for Economic Research and Policy Consulting Lviv region ranks second in Ukraine for Investment Attractiveness Index. According to the ranking of "European Cities and Regions of the Future» FDi Magazine Lviv region belongs to the top 10 regions in Eastern Europe:

- the effectiveness of the invested capital;
- the strategy of attracting foreign direct investment;
- the effectiveness of industrial leases.

For most investment attractive cities in this ranking should provide Truskavec - the third position in the ranking criterion of "economic efficiency" among the small towns of Eastern Europe, Drohobich - the eighth position in the ranking criterion of "economic efficiency" among the small towns of Eastern Europe. Occupies a high place himself Lviv - fourth position in the ranking criterion of "efficiency investment strategy" among cities in Eastern Europe and the third position in the ranking criterion of "economic efficiency" among large cities; sixth position in the ranking criterion of "efficiency investment strategy" among the great cities of Europe. It should be noted that according to research international consulting firm KPMG Lviv is one of the most promising cities for outsourcing in the field of IT-industry in the Europe, Middle East, North Africa [1].

Based on these data we can say that Lviv region is sufficiently attractive to invest not only internal but also external. This is illustrated by the growth of foreign direct investment listed in Table 1.

TABLE 1
FOREIGN INVESTMENT ACTIVITIES IN LVIV REGION,
THOUSANDS OF U.S. \$

Foreign direct investment in the region	Years			
	2010	2011	2012	2013
from EU	984 147,3	1 037 509,9	1 103 227,6	1 374 420,0
from CIS	11 014,6	15 966,8	20 667,5	23 105,9
from other countries	203 442,6	201 118,2	263 887,1	237 277,1
Total	1 198 604,5	1 254 594,9	1 387 782,2	1 634 803,0

The dynamics of changes in the volume of foreign investments shown in the fig 1.

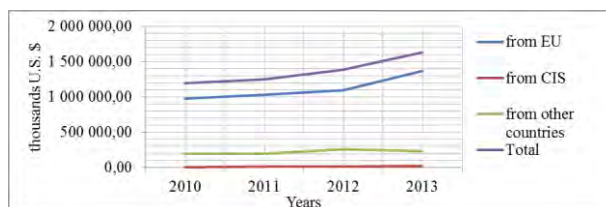


Fig 1. The dynamics of foreign investment in the Lviv region, thousands U.S. \$

The largest foreign investors in the economy of the city: "UniKredit Bank" (Italy) - 35.8 million. U.S., "Renaissance Capital" (Russia) - 35.8 million. U.S., "Carlsberg" (Denmark) - 31.1 million. United States,.

"Rewe Group" (Germany) - 24.6 million. U.S., "METRO Cash & Carry Ukraine" (Germany) - 19.5 million. U.S., "Comarch" (Poland) - 19.4 million. U.S., "Klingspor" (austria) - 14.6 million. U.S.[2].

Innovation infrastructure in Lviv region is developing very actively. According to the Law of Ukraine "On the innovation" [3] innovation infrastructure is a set of businesses, organizations, institutions, associations, associations of any form of ownership that provide services to support innovation. Innovation infrastructure is a favorable environment that provides necessary conditions for the interaction of objects innovation system and includes the necessary social, legal, economic, informational, and other institutions that support both innovation and innovators at all stages of the innovation cycle [4].

The elements of innovation infrastructure in Lviv region are: East Scientific Center of the National Academy of Sciences of Ukraine and Ministry of Education, Youth and Sports of Ukraine, Scientific and Technological Park (NP) "Yavoriv" State budget institution «Lviv Regional Center for Investment and Development" Lviv State Centre of Science, Innovations and informatization (LvCsSII), Western Ukrainian regional Association of innovative firms "Lvivtehnopolis", Lviv State Enterprise Scientific and Production Center of Standardization, Metrology and Certification, Technology park (Technopark) of the National University "Lviv Polytechnic".

Innovation activity in the Lviv region in all enterprises are not uniform. Read review it in fig 2. [5]



Fig 2. The structure of innovation active enterprises by industrial activity in 2012,%

From these charts we can see that the largest share in the production of food, beverages and tobacco - 20.8%. The next place is occupied by such companies by type of activity - engineering (15.8%), pulp and paper production, publishing and printing (10.9%), production and distribution of gas and water (9.9%).

Since the development of innovation requires a significant investment, it is important to have a place of investment, both domestic and external. Unfortunately, there is still a tendency attachments in this process equity entrepreneurs. Figure 3 show the structure reflect innovative sources of financing costs in 2012 [5].

The largest share in the costs of innovative take equity (93.2%). Due to state and local budget is extremely small fraction. This little state funding for these activities reflected badly on the development and design of innovative projects, because the big companies can allocate funds in this area.

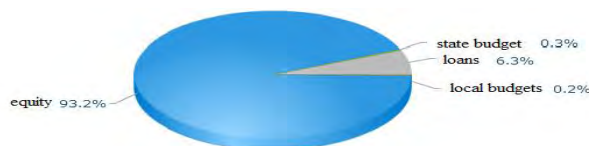


Fig 3. Structure of innovation expenditure by source of financing in 2012, %

In 2012, the implementation of innovations in the industry was spent 280.6 mln. Volume of product innovation over the past year amounted to 658.1 mln., Representing 2.1% of the total volume of industrial production (in 2011 - 1.5 %). The majority of sales of innovative products new to the market (77.9 % of its total). The products that are new to the company, in 2012, was sold for 145.3 million . [6].

Conclusion

Investment and innovative activities in the Lviv region is constantly evolving. To improve it is necessary to complete the formation of investment and innovation infrastructure , increase public spending on innovation , upgrade and improve the regulatory framework, increase investment in strategic sectors of the economy, for example engineering, that will enhance the attractiveness of investment and innovation in Lviv region.

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