

INVESTMENT ATTRACTIVENESS OF UKRAINE IN TERMS OF ECONOMIC DEVELOPMENT

Today Ukraine's economy is in a precarious situation. As the living standard of population decreases every year, factories and plants are closing, the national production loses its competitiveness, majority of existing enterprises are too energy-intensive, so we should take measures to improve the situation in the state as soon as possible. One of such methods is the activation of investment activity, as it is a crucial part of the whole economic state policy. Stable investment ensures steady economic growth and improvement of social status.

Let's consider the list of main factors which reduce the investment attractiveness. First of all it is hostilities in the East of the country that undermine the credibility of any stability in Ukraine; also the uncertainty of the political situation within the state; the vulnerability of the legal system and the absence of the law on production sharing for companies that invest into Ukraine's enterprises; imperfect taxation system, a complex system of VAT refunds and the high extent of corruption.

Paying attention to the existing problems and attitude of investors, it is possible to offer ways to address these issues. They are:

- to simplify the tax system;
- to remove or at least reduce restrictions on repatriation of profits;
- to stabilize the political situation and define priority countries in foreign policy – in order to direct Ukraine's development on creating a free trade zone with the EU;
- to introduce changes in the legislation system regarding the distribution of products for companies-investors;
- to adapt the conditions for free competition (to reduce administrative barriers to movement of capital);
- to reduce bureaucratic restrictions;
- to minimize technical barriers in the process of VAT refund and customs clearance of goods;
- contribute to the development of the stock market and increase the number of public companies, as well as the quality of their financial disclosure statements;
- take a number of laws to eliminate corruption and to establish strict control over their implementation;
- to reduce the administrative burden on business and distinguish business and government;
- to ensure non-interference with the authorities in the decision making bodies of the judiciary system, and to make the judiciary independent in such way;
- to provide fair and accurate information about business activities (investment ratings, forecasts future activity);

- try to follow the example of the EU and remove the taxation of capital available for reinvestment.
- to provide guarantees on tax credits that can lead to fast and noticeable results;
- to start a number of preferential projects in a system of risk insurance and lending for investment projects.

If we turn to the positive indicators, it is impossible to ignore the fact that Ukraine has a great potential. As an example we can take the sphere of high technologies. While there is a shortage of qualified personnel in the world, in Ukraine a strong educational base to build IT business is present however the salaries are much lower. In the near future Ukraine can become a source of great profit for Europe, as well as the leader in attracting investment in the electronics industry.

One of the biggest challenges when investing in Ukraine is the fight against corruption, because it is necessary to struggle not with a particular enemy such as a high rate of taxation or inflation, here it is necessary to struggle with every employee or partner separately.

Nowadays one of the most significant problems for Ukraine is the question of raising the level of investment attractiveness. It's solution in the conditions of lack of own financial resources is impossible without attracting foreign investment. Therefore, it is necessary to realistically evaluate internal and external factors of Ukraine's development, taking into account its real capabilities and attitudes in the world. We need to improve state regulation of investment activity, create a regulatory framework that would provide appropriate conditions and safeguards with which investors will be assured in the future and therefore interested in Ukraine as the investment object.

Our state has a great potential to develop economy, attract foreign investors, create our own goods and brands. All we should do is to believe in fact that we can develop our country, can achieve more and put all possible forces for that. And in recent future new generation will dream to work in Ukraine, but not abroad.