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FEATURES ASSESSMENT OF INVESTMENT ATTRACTIVENESS OF AGRICULTURAL ENTERPRISES

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ОСОБЛИВОСТІ ОЦІНКИ ІНВЕСТИЦІЙНОЇ ПРИВАБЛИВОСТІ СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВ

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ОСОБЕННОСТИ ОЦЕНКИ ИНВЕСТИЦИОННОЙ ПРИВЛЕКАТЕЛЬНОСТИ СЕЛЬСКОХОЗЯЙСТВЕННЫХ ПРЕДПРИЯТИЙ

The article, based on existing methodologies to assess the country's investment climate, methodical approaches to assessing the investment climate industry "Agriculture", four classes of companies in terms of investment potential and three classes according to the level of investment risk.

У статті висвітлено існуючі методології оцінки інвестиційного клімату країни, методичні підходи до оцінки інвестиційного клімату сільськогосподарської галузі, з урахуванням чотирьох груп показників з точки зору інвестиційного потенціалу та трьох груп показників відповідно до рівня інвестиційного ризику.

В статье освещены существующие методологии оценки инвестиционного климата страны, методические подходы к оценке инвестиционного климата сельскохозяйственной отрасли с учетом четырех групп показателей с точки зрения инвестиционного потенциала и трех групп показателей в соответствии с уровнем инвестиционного риска.

Keywords: *investment climate, investment attraction, investment potential, investment risk and economic potential.*

Ключові слова: *інвестиційний клімат, залучення інвестицій, інвестиційний потенціал, інвестиційний ризик та економічний потенціал.*

Ключевые слова: *инвестиционный климат, привлечения инвестиций, инвестиционный потенциал, инвестиционный риск и экономический потенциал.*

Introduction. Making an investment decision based on the evaluation of a number of multiple indicators and trends in their changes. In the analysis of rational use of investment in economic science and practice, apply the term "investment climate" and "investment attractiveness." Some economists identify these concepts. As a rule, the investment climate to understand the unifying characteristic set of social, economic, institutional, legal, political, social and cultural conditions that determine the attractiveness and appropriateness of investing in any type of economic system: the economy of the country, region, organization.

Considerable attention to the development of the theory and practice of investment attraction farms paid by such scientists as Dacij O., Vinichenko I., Vasilyeva N., Sabluk P., Cherkasova G., Pentsak S., Orlykovskiy M., Koval O., Tomareva V. However, the assessment of investment attractiveness of agricultural enterprises remains controversial and both key in making investment decisions.

Problem. The purpose of this article is to investigate the theoretical and practical aspects of investment appeal of agricultural enterprises to achieve what provides the following tasks:

- consider the concept of the investment climate and investment attractiveness;
- examine existing methods for assessment of the investment climate field "agriculture";
- the components of investment potential and methodological approaches to the assessment of investment attractiveness of agricultural enterprises.

Results. Formation of the investment climate at the regional level is characterized by the model, the main elements of which are investment activity and investment attractiveness, which includes investment potential and investment risk.

Under the investment attractiveness refers integral characteristics of individual firms, industries, regions and the whole country from the standpoint of development prospects, return on investment and the level of investment risk. It is determined by the simultaneous influence of two groups of factors, one of which forms the investment potential, the other - investment risks.

Investment potential takes into account macroeconomic performance, area saturation factors of production, consumer demand and other parameters. The value of the investment risk indicates the probability of loss of investments and income from them. Ultimately, the investment activity in region depends on its investment attractiveness [2].

Investment activity - real development investment in the form of investments in fixed assets. Investment activity of enterprises belong to one of the factors of business activity with manufacturing, innovation, employment and other species [5]. It is aimed at attracting and implementation of loan capital, direct and portfolio investments in order to increase economic capacity and transfer on a qualitatively new level of development. The level of investment activity of enterprises affected by external and internal factors. The main indicators of the investment activity of enterprises are: the rate of introduction of new production capacity, economic growth potential of the company through the implementation of investment programs, the growth rate of capital concentration, the rate of decline of specific investment cost per unit of effectiveness [6].

Comparative evaluation of investment attractiveness of regions have been held about thirty years ago. They were based on the results of peer reviews on a number of parameters that characterize the overall development of the region; legal environment for investors, the ability to export capital, the political situation, the level of inflation. Subsequently, evaluation of investment attractiveness has become more detailed and range of indicators evaluated by experts, has grown considerably. The system evaluation included quantitative indicators such as GDP, economic structure, natural resource endowment, the state of infrastructure, etc.

In the past decade have developed methods of comparative evaluation of investment, which included not only the conditions of investment, but its results. Analysis of existing methodologies to assess the investment climate revealed some of their advantages and disadvantages. Foreign experts assess on the basis of macroeconomic indicators in individual countries use descriptive characteristics of the investment climate (as in Japan, for example). In the U.S. investment climate assessed in four key indicators: economic efficiency of investments, business viability, the potential development of the area that make tax policy. Based on the published "Annual statistical map" in all states. Investment Climate Assessment magazine "Euro-money» is based on a survey of experts - representatives of major banks on the status of such factors as macroeconomic indicators, the risk of non-payment for goods, loan defaults, unpaid dividends, debt indicators, credit rating.

In Ukraine's investment climate analysis is conducted in terms of risk approach that addresses two key criteria - the level of investment and socio-economic potential and investment risks. Investment potential is evaluated based on macroeconomic performance, including the presence in the factors of production, consumer demand, the results of economic activity, the level of scientific development and implementation of its achievements, development of leading investment institutions, providing a comprehensive infrastructure. Investment risks are evaluated from the perspective of probability of losses and investment income. Based on a large group of parameters estimated rating of each region as a whole and for each unit of investment potential components and for each risk.

In some embodiments, the estimates in risky approach additionally takes into account human capital, material resources development, socio-political situation and political risk factors, the economy and the level of management.

Economists are two approaches to assessing the investment climate narrowed and advanced (multivariate). First is based on an assessment of the dynamics of common indicators (GDP, national income and industrial production, the dynamics of the distribution of national income, proportion of accumulation and consumption; course of privatization processes of legislative regulation of investment activity, the development of individual investment markets, including stock and cash). second is based on a detailed analysis of the factors that affect the investment climate [7]. They are:

- economic potential (resource, bioclimatic, labor, science and technology, infrastructure);

- a developed market infrastructure, the competitive environment, the capacity of the internal and external markets, the intensity of inter-economic relations, the presence of foreign capital;

- political factors (the degree of trust in the government, the relationship between the center and regions, social stability, national-religious relations);

- social and cultural factors (living standards, health care, crime, wages, treatment of foreign investors, efficiency in decision making, access to information, the effectiveness of law enforcement);

- financial and credit factors (availability of financial resources from the budget provision of means of extra-budgetary funds per capita availability of credit, bank interest rate, the proportion of long-term loans and deposits per capita share of unprofitable enterprises).

Assessment of the investment climate in the multivariate approach is more objective, a multi-character and not influenced by individual investors. Based on assessment of the impact of each factor is their average value - a combined rate the investment climate. However, the combined rate can not be a straightforward criterion attractiveness of the economic system for investors, because it ignores the impact of factors that affect the state and dynamics of the investment climate. The advantage of this method is to take into account the interaction of factors, resources, and the use of statistics, smoothing subjectivity ratings.

One of the modern trends of economic science - institutionalism - Opens new approach to the assessment of the investment climate. From this perspective, the investment climate - a subsystem of the institutional framework of the economy, is designed to create the conditions for the best use of social and economic relations in the development of scientific and technical upgrading of the productive forces of society through active investment activity [2]. For our purposes important characteristic institutional expanded social reproduction to ensure effective organization of the economy, and in the end - economic growth. Therefore, the analysis of factors that shape the investment climate should be taken into account on the one hand, the need for rapid and radical change them, but on the other - that these changes can be made over time. Thus, the development of the economy is impossible without a coherent economic mechanism of investment that can increase the basic components of the investment climate.

In determining the ranking of investment attractiveness of methodological approaches and composition indicators reviewed by the authors according to changes in market conditions. Thus in addition to compiling current ratings outlook is also most likely to change. Rating - a linear number of objects equidistant from each other. Each object is assigned a serial number that corresponds to its place in the overall series (respectively best for the investor - in the first place). This grouping of objects made by some attribute or combination of attributes.

In our study on the basis of existing methodologies to assess the country's investment climate, regions methodical approaches to assessing the investment climate industry "Agriculture" (Fig. 1).

Evaluation of investment attractiveness of the region's agriculture-based drawing rating enterprises. Data source is the annual financial statements of agricultural enterprises. On this basis, the calculation of indicative parameters that characterize some private potentials.

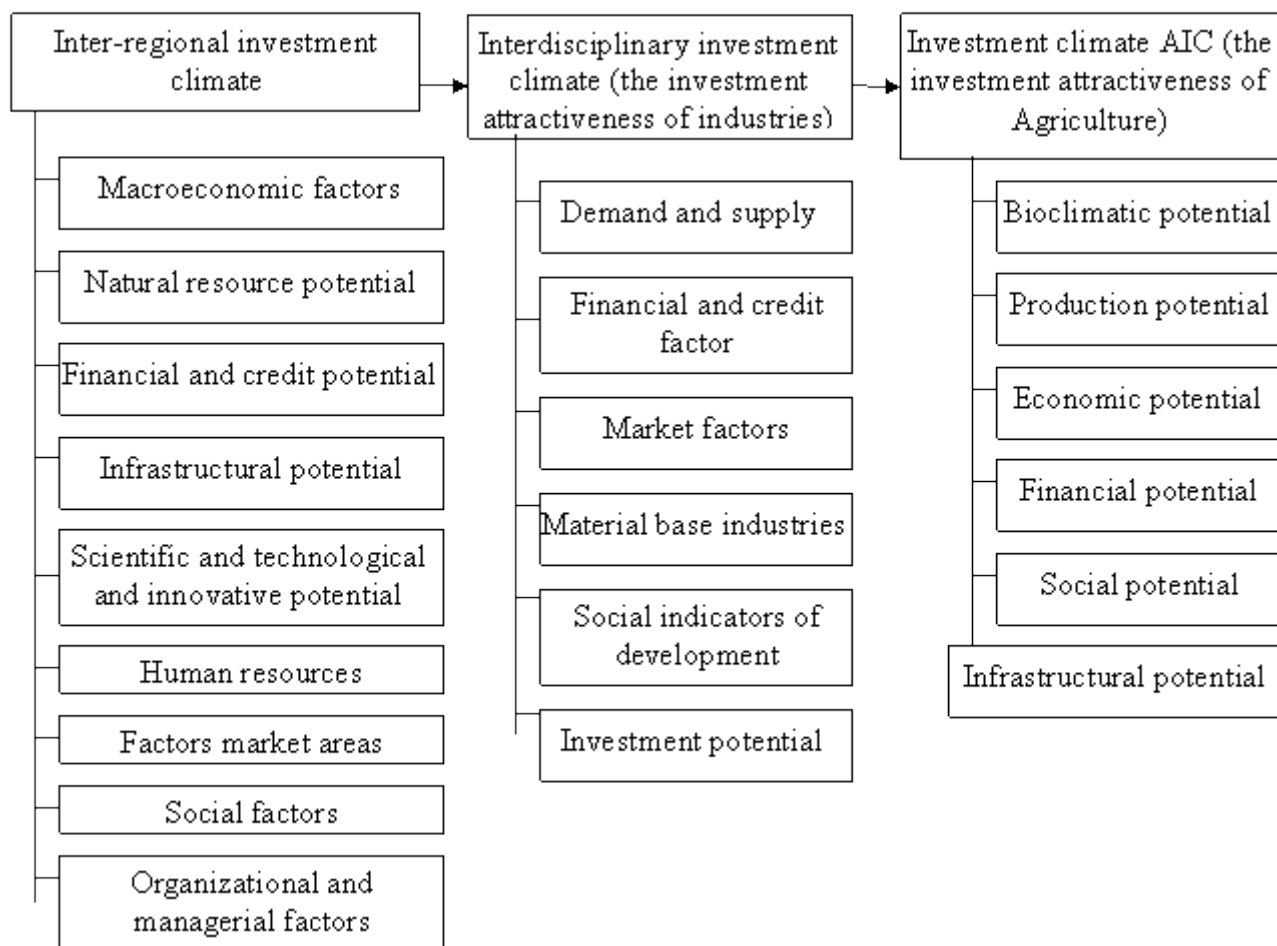


Fig. 1. Investment climate factors and the interaction of structural elements.

This assessment of investment attractiveness of agriculture and individual entities raises guarantee of the investment performance for domestic and foreign investors. Moreover, for most companies it will develop an investment strategy in conjunction with the potential of regional consumer markets and factor markets. It is possible during the implementation of the investment project will be assessed based on the level of development of the infrastructure.

Investment attractiveness of the enterprise - is an integral characteristic, which consists of a series of synthetic indicators, which number about twenty. Each synthetic indicator exerts its influence on aggregate indicator [7]. The significance of each on the investment decision is determined by expert. Next, the sum of products ranks synthetic indices and their importance when making an investment decision, are calculated integral indicator of investment attractiveness, and in which the enterprise place in the rankings.

The objective evaluation of investment attractiveness of agricultural enterprises have the opportunity to focus the attention of potential investors in the business, investment in which will give the greatest effect.

In order to ratings of investment attractiveness of farms identified investment potential and investment risks. Investment potential business consists of seven individual potentials, each of which in turn is characterized by a group of indicators.

1. Resources and raw material potential is calculated based on the weighted average of the most important types of provision of natural resources.
2. Production potential - the cumulative result of the business enterprise.
3. Consumer potential - combined purchasing power of workers.
4. Infrastructure capacity - economic and geographical position and infrastructure saturation.

5. Innovative potential - using high technologies, the introduction of scientific and technological progress.
6. The employment potential - the number of economically active workers, their educational and professional level.
7. Financial strength - determined by a combination of financial indicators of the financial condition and solvency of agricultural enterprises.

Rating score investment potential farms area is conducted as follows. Initially defined place (score) enterprises among other similar organizations in the region to separate the private rating (consumer, professional, industrial, infrastructure, finance, innovation, resource), then the amount of points it is assigned its place (rank) among other organizations, depending on the values of the parameters that characterize them. Accordingly, for each plant is determined by the sum of ranks of private potential - the total integral index of individual enterprise. Based on the integrated performance of organizations, based ranged a number of organizations in increasing their investment potential.

Accordingly, all firms in the industry can be divided into groups with high investment potential, medium, moderate and low.

Resource component rating potential is very important, and usually in rating assessments, usually leading enterprise with its own raw materials. As the main parameter that characterizes the resource potential of agricultural enterprises used indicator of the cadastral value of land.

Production potential of agricultural enterprises in the region in accordance with the overlay method is as follows: average annual value of fixed assets, an area of farmland, the average number of production workers, the proceeds from the sale of goods (works, services).

Most consumer potential farms characterize susceptibility to enterprise investments. As an indicator, which evaluated the potential consumer, used the average wage per employee.

Infrastructure companies for potential investors is crucial. Quality infrastructure identifies opportunities investor in a business organization. Infrastructural capacity of agricultural enterprises in the region characterized by parameters: distance from the district center, the regional center, the railway station. By investment attractive to potential infrastructure owned enterprises that are on major highways at Union Station and have paved roads.

The innovative potential of enterprises associated with the ability to use the scientific basis for the organization and management of production, high technology and saving technologies. It is characterized by an indicator such as the rate of investment, which is the value entered in the accounting of the funds to sales.

The employment potential of agricultural enterprises characterizes workforce: the average number of employees, the proportion of workers with higher and secondary professional education, the average age of workers.

The financial capacity of the enterprise is based on the fact that the financial situation is an important criterion for the investor. In assessing the investment attractiveness of the company provides calculation following indicators: return on sales (services), the coefficient of its own working capital, the coefficient of financial independence, the current ratio.

For some types of private potentials calculated integral index, which is determined based on the space occupied by the company in the industry.

Then for each organization determines the amount of ranks, ie the investment potential (final integral indicator) of each individual enterprise. Depending on the level of investment potential, all firms in the industry can be divided into groups based on total points, i.e., the total assessment of their investment potential (the sum of individual potentials): high, medium, moderate, and low investment potential. The second part of the investment attractiveness of the enterprise is its level of investment risk, which consists of the economic and financial risks.

As an indicator that determines the economic risk was elected depreciation of fixed assets. Financial risk consists of the aggregate value of these indicators: profitability levels across activities, the share of overdue payables ratio of financial stability. Using the values of these indicators the enterprise place in ranked series. And please note that in some aspects (best in terms of risk) would be for signs, and for others, however, is minimal. Then for each

private risk calculated integral indicator on it and the enterprise place occupied among all agricultural enterprises. Based on estimates calculated total integral index of investment risk is defined occupied place the company in the industry.

After the ratings of up lists of companies by class of investment risk. Based on total points, all enterprises are divided into three categories: high risk, moderate risk, low risk.

Thus, we have identified four classes of companies in terms of investment potential and three classes according to the level of investment risk. The next step is to evaluate their investment attractiveness (Fig. 2).

Groups of companies in terms of investment risk	Groups of companies in terms of investment potential			
	High investment potential	Average investment potential	Moderate investment potential	Low investment potential
High investment risk	<i>High potential - high risk</i>	<i>Average potential - high risk</i>	<u><i>Moderate potential - high risk</i></u>	<u><i>Low potential - high risk</i></u>
Moderate investment risk	<i>High potential - moderate risk</i>	<i>Average potential - moderate risk</i>	<i>Moderate potential - moderate risk</i>	<u><i>Low potential - moderate risk</i></u>
Low investment risk	<i>High potential - low risk</i>	<i>Average potential - low risk</i>	<i>Moderate potential - low risk</i>	<i>Low potential - low risk</i>

Fig. 2. Grouping of farms by the degree of investment attractiveness:

- **The first group of organizations in terms of investment attractiveness**

- *The second group of organizations in terms of investment attractiveness*

- *The third group of organizations in terms of investment attractiveness*

Assessing the investment potential and investment risk business, you can get an idea of its attractiveness. In terms of investment attractiveness of agribusiness enterprises are grouped into classes, each of which can then identify measures to increase of a private capacity or reduce risk in order to increase its investment attractiveness and attract investors.

This methodical approach to determining investment attractiveness allows investors to select farmers who are most attractive for investment, and ROI faster. Also, the selection of investments can be made by those structural components of investment attractiveness, are most interested investor (production capacity, land, proximity to markets, etc.). Agricultural enterprises, this approach allows decisions to build-up of a private capacity or reduce investment risks in order to increase competitiveness.

Conclusions. Thus, the analysis of different methods for evaluation of investment attractiveness of regions led to the following conclusions. Investment climate on the one hand must be stable for some time, and the other - the changing dynamic structure factors resources of social reproduction. Needs to balance the interests of investors and invested socio-economic system, thus require a comprehensive assessment of the efficiency of investment. It is important to consider not only the amount of borrowed resources, but also socio-economic, environmental and other consequences of investing.

Determined that the investment potential of companies consists of seven individual potentials, each of which in turn is characterized by a group of indicators identified four classes of companies in terms of investment potential and three classes according to the level of investment risk.

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