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## **TOURISM AS AN ELEMENT OF INVESTMENT ATTRACTIVENESS OF THE REGION**

One of the indicators of a country's stability is its solvency. To improve this aspect, Ukraine is increasing its international reserves, thanks to the attraction of funds from foreign partners. However, the increase in financial debt, if the revival of industrial potential is not realized, may lead to another deep crisis. Therefore, the problem of improving the investment climate in the country, with the simultaneous proposal of strategies for the effective use of investment resources in the priority spheres of production and the social sphere, is urgent. The attraction of foreign capital in the form of direct capital investments, portfolio investments, and other assets plays an important role for our country, which is trying to get out of economic trouble. The world economic situation in its fluctuations and changes always affects the most unprotected or weak elements of the subsystem, in which a sudden revolutionary change in the trajectory of movement can become a factor of crisis in the entire system[2]. Official statistics record a significant reduction in production volumes. A decrease in consumer activity does not contribute to the development of most enterprises focused on the domestic market, let alone the attraction of investments.

The government is trying to overcome it, but the budget deficit does not allow it to go out on its own, so it is vital to attract extra-budgetary funds. One of the solutions is foreign investment. At the same time, foreign investors focus, first of all, on the investment climate of Ukraine, which is determined, first of all, by independent experts and shows the effectiveness of investments in the country.

Therefore, the relevance of the topic is due to the fact that investment largely determines the economic growth of the state, employment of the population and is an

essential element of the base on which the economic development of society is based. Therefore, the problem related to effective investment deserves very serious attention.

The concept of investment climate is interpreted in different ways in scientific and educational literature. For example, in the textbook [1], the investment climate is considered as "a set of legal, economic, political and social factors that determine the attractiveness of the state for foreign investments." With this approach, the concept of "investment climate" is reduced to investment attractiveness, which is hardly fair, since in this case investment risks are ignored, which largely determine the investment climate.

The characteristics of the investment climate should consist of two components, such as an assessment of the factors that attract investments to the region and assessment of investment risks. In other words, the balance of investment attractiveness and investment risk determines the investment climate in a particular region (country, its individual subjects).

Investment efficiency is the basis of investment attractiveness. Investments are primarily directed to those regions where they provide the greatest returns for investors. Therefore, it is advisable to assess the positive component of the investment climate based on the assessment of potential investment efficiency. The assessment of the investment climate should be based on the assessment of investment risks. Factors contributing to investment in a particular country include such factors as high potential of the domestic market, high rate of profit, stable tax system, cost of resources and state support [3].

Regarding the general assessment of the investment climate in Ukraine at the macroeconomic level, it should be noted that the economy continues to decline in production, the share of tax revenues is decreasing, non-payments are accumulating, the share of bank lending in GDP is decreasing, the amount of internal and external debt is increasing, and the level of the shadow economy is increasing, the share of state capital investments decreases (by 5-10% annually). In addition, factors such as hidden unemployment have a significant impact on the state's investment climate;

impossibility of the state fulfilling its obligations regarding social protection of citizens, lack of effective bankruptcy procedures, protection of owners' rights, high level of crime, weak discipline in the implementation of legislative acts. When making decisions, portfolio investors focus on special financial or credit ratings of countries. Expert agencies also specialize in the development of such ratings: Moody's, Arthur Andersen, Standard & Poor's, IBCA and others.

The reasons for the deterioration of the investment climate in Ukraine are: first, the politicization of the economy; secondly, the negative consequences of privatization. According to official statistics, the annual growth of foreign capital inflows to the country is about 15%, but this does not include money taken back by foreigners[4-5].

One of the tasks facing modern society is to create the necessary and favorable conditions for intensifying economic growth and improving the quality of life of the population. Achieving the set task is possible by attracting investments in the real sector of the economy. The volume and rate of growth of investments in fixed capital are indicators of the investment attractiveness of the region. Increasing investment attractiveness contributes to additional capital inflow and economic growth. As a variant of the economic development strategy, regional state administrations should spread the implementation of educational programs among businessmen on preparation of investment proposals, drawing up of investment business plans, legal support of investment projects, management of investment projects. Involve the country's universities in this program. To provide mechanisms for the provision of services by the state regarding professional development and certification of specialists in the field of investment activity. It is possible to reach a high level in the ratings of international indexes mainly when the internal environment in the country is legal regulation and stability.

Investment flows are based on a multivariate, multicriteria assessment of a number of factors and trends. There is no doubt about the territorial aspect of direct investments, their limitation to a certain country, region, or territory[6-7].

Therefore, the assessment of investment attractiveness is the most important aspect of making any investment decision. Its correctness depends on the consequences for both the investor and the economy of the region and the country as a whole. The more complex the situation, the more the investor's experience and intuition should be based on the results of an expert assessment of the investment climate in countries and regions. The most threatening factors for future foreign investors: the instability of the legal regime, the government's failure to fulfill its promises; strong state control over the economy; lack of support from local and state authorities; corruption; too long procedures for obtaining the necessary permits. Alternative development strategies are proposed to activate the investment flow process. Among them, high-tech industries - aerospace industry, pharmaceutical industry, tourism, production of computers and office equipment, information and communication industry, optics, traditional and non-traditional energy.

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