

DIRECT FOREIGN INVESTMENT IN UKRAINE: PROBLEMS AND PERSPECTIVES OF DEVELOPMENT IN IN TERMS OF INSTITUTIONAL REFORMS

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Research methodology. The results are obtained with the use of the following methods: analysis and synthesis in studying the volumes, dynamics and structure of direct foreign investment in Ukraine; expert estimation in determining the investment attractiveness of Ukrainian economy; systematization and generalization in estimating investment climate; statistical analysis in defining current situation with foreign investment in Ukraine.

Results. The major foreign investors in Ukraine are determined, Cyprus being the dominant investor in recent years. The reason of low level in investment activities of foreign investments in Ukraine are determined, namely: corruptness of Ukrainian state and judicial bodies resulting in discriminate legislation in Ukraine, low effectiveness of state institutions, lack of proper regulation in corporate relationships, low level of specification of protection of ownership, the lack of supremacy of law and application of law to everyone without discrimination.

The ratings of investment attractiveness of Ukraine are analyzed, in particular «Doing business» (World Bank and International Financial Corporation); index of investment attractiveness (European Business Association); Global Competitiveness Index; Transparency International Index, which proves that in spite of the fact that several indexes have improved, the investment climate in Ukraine remains unfavourable for investments.

Novelty. The causes of low investment attractiveness of Ukrainian economy are determined. It is revealed that institutional factors have the greatest impact on the state of foreign investment in Ukraine, as these factors are connected with domination of group interests in taking governmental decisions, as well as opportunistic behaviour of civil servants, high corruptness, low effectiveness of state institutions, the lack of supremacy of law and equality.

Practical value. The research of constituent parts of investment climate in Ukrainian economy makes the basis for revealing the major problems of national investment environment and allows taking into account these variables in taking investment decisions, as well as giving recommendations as to improvement of investment attractiveness of Ukraine's economy.

Keywords: investments, direct foreign investments, investment climate, investment risks, investment attractiveness index.

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