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## **INVESTMENT DEVELOPMENT AND PROBLEMS OF UKRAINE AGRICULTURE**

It is crystal clear that in the modern market economy, economic growth and development cannot be attained without foreign investment, as are common in industrialized and developing countries. Investment is the basis for enterprise development, individual sectors and the economy as a whole. The ability to invest depends on the flourishing or decline of domestic production, (GDP), the possibility of solving social and environmental problems, the current level of dynamism and potential physical, financial and human capital. Without a reliable framework for investment which would have had professional specialists of the profile, in vain hope for sustainable development of domestic production, technological and social progress, and with them in the proper place in the global economy

The economic rise of these areas has led to significant positive chain reaction throughout the agricultural sector. But the domestic industry can not provide the proper level of branches marked only through the use of its own resources. [1]

There are many factors that hinder the flow of foreign investment, but rather the desire of developed countries to invest in Ukraine. These include, for example, - Instability and uncertainty legislation and unforeseen changes in tax policy; - Uncertainty in the ownership, especially in natural resources; - Non-convertibility of domestic currency; - An acute shortage of commercial, legal and market information and many other problems.[2]

It should be noted that the main investors in the agricultural sector of Ukraine are Cyprus (more than 50 %), Great Britain, Denmark, United States, Germany, Austria, France.

Since 1992 to the 1.12.2015, Ukraine agricultural complex, attracted 2628,4 million US Dollars of direct foreign investment which is (6.9% of total direct investment in the economy).

Table 1 – Investment in Ukraine’ national economy [4]

Index	2010	2011	2012	2013	2014
Capital investment, mln UAH –total	180576	241286	273256	249873	219120
in a/c	10818	16141	18564	18175	18388
Foreign Direct Investment, mln USD - total	43867	48991	53679	57056	45916
in a/c	516	599	612	777	594

From the base money (2628.4), 1.7921 million US dollars amounted to (4.7%), was invested in 769 enterprises of food and processing industry, and 836.3 million US dollars is (2.2%) was invested in 668 farms. [3]

The leaders in terms of growth of assimilated investments in agricultural enterprises:

- Sumy region increased by ( 31.5%);
- The following regions, were the same in previous and current year, Mykolayiv, Zakarpattia and Odessa region (respectively 99.8%, 95.9% and 91.3%).
- There was a significant reduction of investments in accordance with the same period last year observed in Luhansk region (32.19%), Zhytomyr (30.8%), Khmelnytsky (30.3%), Ivano-Frankivsk (21.5%) and Kyiv (2.4%).

It should be noted a significant increase in the volume of assimilated investments (in percent compared with the corresponding period last year) in the manufacture of prepared animal feeds 139.5%, production of tobacco products 148.7%, production of oils and animal fats 201.7%, production of distilled alcoholic drinks - 306.1%. [3]

Thus, we can draw the following conclusions. First, investment is the basis for enterprise development, individual sectors and the economy as a whole.

Secondly, it should be noted that the state investment in the agricultural sector of Ukraine is low.

Thirdly the investment climate is unfavourable for investors. In order to improve the investment climate in Ukraine, agricultural sector must:

a) Stabilize the current situation, which is in the state and improve legislative system.

b) Comply with economic laws, especially the currency and proportionality.

c) Engage in increasing the efficiency of agricultural production in order to ensure the growth of financial savings and their transformation into investments.

d) Strengthen the role of the state in the banking system by creating a specialized state bank (land, mortgage, investment, etc.), through which the state should have the control effect on the credit market and credit relations in agricultural production.

And Finally, we can say that financial investment is a major source of resources for economic growth 'AIC'. Addressing those problems and other issues listed, will allow rational use of borrowed funds to control their movement and timely return.

So, with such strong arms regulation as tax, fiscal, monetary, competition, pricing and depreciation policy, the state has significant influence on the motivation of investment in agriculture. A deliberate policy of public investment in agriculture became one of the main directions out of the financial and logistical crisis, which hit Ukrainian agrarian economy.

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