

## TRENDS IN THE DEVELOPMENT OF FOREIGN PORTFOLIO INVESTMENTS IN UKRAINE

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DOI: 10.32342/2074-5362-2021-1-30-4

**Key words:** *portfolio investment, direct investment, securities, international investment, economic growth, stock market, debt, investment climate, inclusive economic development.*

The paper reviews the processes of direct and portfolio investment, outlines the differences and the main directions of implementation of ways to achieve economic goals using these tools at both international and national levels. The arguments and reasons for the growing popularity of portfolio investing in the modern world are given, given the wider range of sources of primary information on the state of the stock market in global trading platforms and the ever-increasing tools for managing investors' assets. Based on the systematization of the work of foreign and domestic scientists, the assessment of the role of investment activity in the formation and further successful development of the national economy is given. Taking into account the experience of developed countries, the need to develop the stock market of Ukraine, identify problems and, taking into account the specifics of the domestic economic and geopolitical space, proposed effective steps to improve the investment climate in our country.

In order to detail and classify possible areas of investment activity, the study analyzes the types of investment instruments and identifies their likely target use in modern realities.

The analysis of investment activity of Ukraine in the period 2014-2020 provided an opportunity to find out the main trends in the dynamics of changes in direct and portfolio investment. From the point of view of the root causes of the low level of investment activity in this period, gaps in the legislation, the presence of corruption schemes, inconsistencies in the strategies of regulatory financial institutions, a large share of the shadow economy, military action in industrial regions were highlighted. Therefore, despite the high level of return on capital in Ukraine, our country has found itself on the sidelines of global investment flows.

The study of the ratio of direct and portfolio investments and their dynamics shows a certain pattern. First, Ukraine is characterized by a constant excess of direct investment over portfolio investment. Secondly, the gap between these types of international capital movements in our country is narrowing due to the increase in portfolio investment. This situation makes it possible to state the invariability of the negative level of investment attractiveness of the domestic economy in the real sector, and the problems of economic imbalance are covered by external borrowing through the use of one of the portfolio instruments, namely placement of foreign and domestic government bonds. The main emphasis is on the inadmissibility of such a state of affairs, which makes it possible only temporarily to maintain Ukraine's economy in a stable state. A review of the dynamics of the country's debt growth and the decline in the competitiveness of domestic production in the context of a very high degree of depreciation of production capacity, only confirms the need for urgent measures to stimulate the process of direct investment. Regarding the development of the portfolio investment process, it is proposed to bring the regulatory framework to international standards in the first place. Combining the stimulation of direct investment, especially in the real sector of the economy, in the presence of relevant laws and financial institutions, inevitably revival in the stock market, which in turn will change the structure of portfolio investment in Ukraine.

The opinion also expresses the need to take into account the external effects of the investment process, namely to pay attention to increasing the indicators of inclusive economic development.

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*Одержано 22.01.2021.*