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INVESTMENT ACTIVITIES IN THE UKRAINIAN BANKING SYSTEM

Annotation. The article considers different approaches to the study of banking investment activities in Ukraine considering domestic and international scientific works, particularly the role of the investment climate and project financing in Ukraine.

Анотація. Розглянуто різноманітні підходи до вивчення інвестиційної діяльності банків в Україні з огляду на вітчизняні та міжнародні наукові праці, зокрема ролі інвестиційного клімату та проектного фінансування в Україні.

Аннотация. Рассмотрены различные подходы к изучению инвестиционной деятельности банков в Украине с учетом отечественных и международных научных трудов, в частности роли инвестиционного климата и проектного финансирования в Украине.

Keywords: SWOT-analysis, food industry, threats, opportunities, external and internal environment.

Investments and investment activities have always been the focus of attention of economics. Primarily this is because investment is a source of economic development and investment activities affect the fundamentals of economic activities, economic and social transformation and development of society as a whole [1].

The theoretical basis of investment is formed by the development and transformation of economic relations and the practical relevance increase of this field of activity. In economic literature there are many opinions, definitions that reflect historical understanding, the disclosure of certain aspects of this complex and multifaceted phenomenon. At the present stage of economic development the role and place of investment has significantly increased, as this is one type of economic activity of the most important forms of implementation of economic interests.

The dynamism of investment provides the quality of the process, time duration and involves a series of transformations, namely: resources (value) – investment (expense) – income (effect).

Therefore, investment activity should be understood as properly organized activity carried out under real-world economic conditions of a country, the essence of which is a purposeful process of finding the required number of investment resources, selecting appropriate objects or tools for their investment, development and implementing a phased investment program or strategy and ensuring its effective implementation for profit and/or other positive results. In the scientific literature the concept of investment is often equated with the term "investment process". The investment process is a complex economic category that describes the socio-economic condition of a state and simulates its future.

Unlike investing activities primarily related to activities of a particular entity, the investment process is typically associated with justification and implementation of real investment, i.e. to the implementation of investment projects.

All the given definitions of the investment process to some extent reveal its complex nature.

The social nature of the investment process is manifested in the fact that it is implemented through the formation of social input parameters and the formation of initial parameters, i.e. providing material and other needs. Social generic features are implemented through law that is the basis for the formation of conditions for an active investment process. Finding new and effective forms of management through the use of legal specific features that distinguish transitional economies from the market ones is legal, because the investment process in transition economies does not function at full capacity and, along with the process of capital investment reflects formation of organizational and moral bases. These features are implemented through economic features of the investment process, business entities that invest in different areas and in different forms which prevent businesses from getting some desired effect.

In the domestic economic literature the term "investment" is interpreted as follows (Table 1).

Table 1

Interpretation of the term "investment activity" as an economic category

The author	Interpretation of the term "investment activity"
N. O. Tatarenko, A. M. Poruchnik	Consistent, purposeful activity on the capitalization of property in the formation and use of investment resources, the regulation of the investment process and the international movement of investments and investment goods, creating an appropriate investment climate and aiming to profit or particular social effect [1; 2]
A. G. Hraznova	Investment and implementation of practical activities for profit and (or) achieving another useful effect [2, p. 355]
D. M. Chervanova	A set of activities and practices of businesses and individuals (Ukrainian and foreign) and the State to invest in any form for profit or achieve social impact [3, p. 32]
M. P. Denisenko	A set of measures and actions of individuals and businesses who invest their resources in order to profit [4, p. 59]
G. Ivanov	Business formation, placement, attachment, transformation and compensation investments, including management and entire investment relations [5, p. 27]
S. Panchishin	A set of solutions and appropriate actions aimed at transforming savings into investment [6, p. 137]
V. Bilolipetsky	Design, organization, management, control work being done in the interest of the planned sale of investments [7, p. 19]

It will be also essential to analyze the interpretation of different international scientists to fully comprehend the theoretical essence of the concept of investment activities.

Thus, it can be noted that the investment process is essentially a mechanism for investment activities that is directly focused on the rationale for investment and implementation.

During the analysis of economic activities one should consider economic characteristics of the investment process, which are manifested in the present context of globalization of the economy.

So, various authors consider the investment process in different ways, including the fact that it has some components. The main scientists' opinions are presented in Table 2.

Table 2

International interpretation of the concept "investment activity" as an economic category [6]

The author	Interpretation of the concept of investment activity
W. Sharp	A set of procedures through which an investor decides: in what market securities should be invested, how much larger should an investment be, at which point they must exercise their activity that consists of five main stages: selection of the investment policy, the analysis of the stock market, a portfolio of securities, view portfolio, evaluating the effectiveness of portfolio securities
H. Alexander, J. Bailey	A mechanism bringing together those offering temporarily free money to those who need it
L. Hitman	In a narrow sense, it is a mechanism offering money to those who need it, and broadly it is embedding investment of resources in different objects and their consistent, gradual transformation until the final realization of the idea of design
G. Ivanov	Common aims are characterized by the movement of the value and kind. The investment process is the movement of national income as cost and its materialization in equity
M. Denisenko	The relationship of various investment cycles associated with the implementation of specific investment projects
A. A. Peresada	Reflects the economic system with all its inherent features and inherent set of elements: subject (an investor), object, the relationship between them (investment in order to generate investment income) and the environment which they exist in (investment climate)
V. Fedorenko, A. F. Gojko	Multilateral activities of participants of the reproductive process for increasing the nation's capital
M. L. Marenka	A unity functioning on the basis of financial, human, material and technical resources and innovation, which is possible only if the institutional environment is attractive
A. L. Bykov, A. F. Ivashina	The interaction of financial, natural, technical, technological and other public resources, the rational combination of which provides expanded reproduction based on the innovation of complex phenomena and processes

Therefore, state public administration providing effective tools that implement the economic nature of the investment process becomes primarily a socio-economic issue.

Technical and technological general features of the investment process are also a form of implementation of social fungible factors, as investment capital for labor and objects of labor lead to a qualitative improvement and quantitative increase in achieving the ultimate goal of economic development. In quality improvement, especially at this stage when intellectual and information economy is emerging, innovation manifests its nature as the investment process. This suggests that investments and the entire investment process should be aimed at ensuring sufficient techniques and technologies, which allows minimizing production costs and maximizing the end use value of GDP.

The above mentioned general features of the investment process can be generalized on the common ground.

It should be noted that the investigated general features of the investment process are characterized by its individual components from the standpoint of system analysis.

Thus, the socio-economic dimension of the mentioned fungible investment processes characterizes it as a holistic phenomenon that is a set of data attributes which can be divided into separate elements.

In economic theory or in macroeconomics, non-residential fixed investment is the amount purchased per unit time of goods which are not consumed but are to be used for future production (i.e. capital). Examples include railroad or factory construction. Investment in human capital includes costs of additional schooling or on-the-job training.

Inventory investment is the accumulation of goods inventories; it can be positive or negative, and it can be intended or unintended. In measures of national income and output, "gross investment" (represented by the variable I) is a component of gross domestic product (GDP), given in the formula $GDP = C + I + G + NX$, where C is consumption, G is government spending, and NX is net exports, given by the difference between the exports and imports, $X - M$. Thus investment is everything that remains of total expenditure after consumption, government spending, and net exports have been subtracted (i.e. $I = GDP - C - G - NX$).

The category of freedom characterizes the behavior of the subjects of the investment process in a market where everyone has the right to invest in an industry that chooses. Freedom is realized through its responsibility to the market, which commends the investor through the market mechanism. Neglect leads to the application of sanctions that may lead to bankruptcy of the entity and its exit from the market.

The responsibility of each entity of the investment process finds its realization, on the one hand, in the economic, environmental, organizational and legal effectiveness of a free economic activity, and on the other hand – in social, economic and other forms of equity that is characterized by sufficient socio-economic and spiritual moral reward for his contribution to the overall social goal.

No doubt, the investment process has a large number of links with higher-level systems, including the financial system and its components.

These relationships show that change in any component of a higher level causes changes in the investment activity, and thus directly affects the investment process.

According to the Law of Ukraine "On investment activity" investment objects can be any property, including fixed assets and working capital in all industries and sectors of the economy, securities, cash deposits, targeted scientific and technical products, intellectual values and other objects of property rights.

The law also defines investment entities (investors and participants) that may be citizens or legal entities of Ukraine and foreign countries, as well as the state.

By organizing the above approaches, funding investment can be defined as a set of measures for planning the scope and structure of investment resources, and ensuring their timely accumulation under the investment program. The constituent elements of the investment process are presented in Table 3.

Table 3

The constituent elements of investment projects financing

Element	Classification	Type
Sources of financial support	Manager	The State
		Economic agents
		People
	Property	Owner's
		Loan
		Involved
Forms of financial security	Risk level	Without regress
		With partial regress
		With a complete regress
Methods of investment	The way to involve	Shares
		Debts financing
		Fundings
		Franchising
		Factoring

Thus, the study of the economic content of investment capital as an implementation process showed that a significant component of it is financial support for projects, the organization of which can be made effective by a bank through both direct investment (participation in equity, credit instruments), and the provision of investment services to clients.

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