



21st International Economic Conference 2014, IECS 2014, 16-17 May 2014, Sibiu, Romania

Investment Security of Industries: Rating Assessment (Case of Ukraine)

Ganna Kharlamova ^a *

^a Taras Shevchenko National University of Kyiv, 90A, Vasyli'kivska str., Kyiv and 03022, Ukraine

Abstract

The paper reflects on the phenomenon of investment security and its assessment. Investment opportunities and potential of industries of Ukraine are analyzed. Economic activity sectors are ranked according to their level of investment potential and the degree of investment risks, as well as an experience of previous investment activity in the industry. Ranked groups of industries are considered for further marketing approach to be implemented with the aim to propose investment strategies for every particular industry/economic activity sector to attract maximum efficient volume of investing and to provide the most secure investment policy. The novelty of this paper mostly is about the disclosure of the nature and content of an investment security of the national economy at the industrial level. The research is focused on potential investors, governors, investment advisers and analytics.

© 2014 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license

(<http://creativecommons.org/licenses/by-nc-nd/3.0/>).

Selection and/or peer-review under responsibility of Scientific Committee of IECS 2014

Keywords: Investment security; industry; Ukraine; assessment.

1. Introduction

Being one of the fundamental categories in the economic system investments provide a country with an opportunity to expand production, as well as a reproduction of productive capital, a development and an implementation of new technologies, an enhancing of the competitiveness of the national economy, a creating of prospects for the economic development. An investment activity is the basis for stability and functioning of the economic system in general. Nowadays investments are considered as an component of so-called “economic shield” of a state from crises, shortage of resources and unpredictable economic fluctuations. Despite quite obvious

* Corresponding author. Ganna Kharlamova Tel.: +38-067-449-20-45.

E-mail address: akharlamova@ukr.net

understanding of importance of the investment compound for the sustainable economic development and national interests, there is a shortage in a ground, mathematically based assessment approach and distinguishing practice for the investment in this sense of its safety ability and potential (Kharlamova, 2013, 2014). However, mostly every country is considering the investment security as a component of an economic security (Litvinov and Buzin, 2008; Kirilenko, 2005; Bieler, 2004; Kuznetsov, 2010): i.e. Office of Investment Security (USA), Ukrainian methodology of Ministry of Economic Development and Trade (Ukraine) (2013). The analysis of the scientific literature reveals that the investment security is not considered as an independent from the economic security (Kharlamova, 2013; Kirilenko 2005). There are studies of the security of individual investment processes (Haugen and Haugen, 1990; Cohn, 1975, etc), but there is no adequate theoretical justification of detention and a mechanism to ensure the investment security, particularly. Hence, there is the emergency of a comprehensive theoretical study of the investment security of the national economy, its assessment and government regulation.

Dual meaning of the term "investment security/safety" as both the action and the result of this action traced in the definitions of many scientists economists and provokes a challenge for assessment techniques. As well, there is full misunderstanding the levels on which the investment security can be considered: state, regions, industries, enterprises. And if even there are some separate domestic studies and researches for the estimation of regions, industries, enterprises, and investment stocks from the position of its investment security level (mostly threshold analyses, separately ratings), at the national and international levels – only state level of the investment security is under the consideration.

Thus, *the relevance of the research* is to determine inadequate scientific elaboration of the theory of investment security of the national economy. As despite the serious scientific study of the potential problems identified, a comprehensive study of the investment security of the national economy that have been taken does not disclose the nature and content of questions of the investment security, its place and role in the structure of national economic security, especially at the level of industries, that are initially main objects of investment inwards. Fact, a potential investor mostly considers not a region, but an industry, to invest capital for the future revenue receiving. At the industries' level there is no sufficient theoretical foundation and practical solution for identifying indicators of the industrial investment security, its factors and trends to ensure it in the current environment. All later determined the choice of target orientation and structure of the paper. *The purpose of the research* is a comprehensive theoretical study of the investment security of the national economy, revealing its essence, the economic content, determining factors and rating assessment of the investment security (IS) of industries (case of Ukraine) with the further concrete proposal to develop their investment policies. The purpose of the research has led to the formulation of the following tasks:

- to summarize existing in economic science approaches to the study of the nature of the investment security of the national economy;
- to disclose the nature and content of an investment security of the national economy;
- to establish a system of indicators to measure the investment security of the national industries;
- to assess the current state of the investment security of the Ukrainian industries;
- to offer directions and measures to ensure investment security of the Ukrainian economy.

2. Methodology

For the Ukraine the component of investment security is considered and assessed only at the state level and as a compound of the state economic security. Thus, IS, according to the National methodology (2013), is the 4th in the list of 9 compounds of the economic security along with the innovation compound with weight value (0.1089). According to the National methodology (2013), the term definition is following: *the investment and innovative security* - a state of the economic environment in the state that encourages local and foreign investors to invest in the expansion of production in the country, promotes the development of high-tech manufacturing, integrating research and production domain to increase efficiency, enhance the specialization of the national economy on building products with high added value. Quite obvious is that such definition do not let to come to the particular estimation of IS or its threshold level. The weight value of IS in mentioned methodology, as well as the existing researches (Senchanov, 2005; Ronis, 2011; Pollard, 1985; Sheehan, 2005, etc) unfairly ignore and underestimate the security

Download English Version:

<https://daneshyari.com/en/article/981356>

Download Persian Version:

<https://daneshyari.com/article/981356>

[Daneshyari.com](https://daneshyari.com)