

Аграрний імпорт з Євросоюзу в Україну переважно представлений продуктами переробної промисловості (напоями, харчовими продуктами, кормами для тварин і тютюновими виробами), які складають близько 36% загального імпорту агропродукції з ЄС у 2019 році.

Можна зробити висновок, що з підписанням Угоди про ЗВТ експорт аграрної продукції у Євросоюз збільшився на 37%, ця позиція залишається однією з ключових у загальному експорті українських виробників до ринку ЄС. Між тим, необхідно пам'ятати про підвищення конкуренції на ринку агропродукції, для підвищення ефективності та обсягів експорту до ЄС українським виробникам варто здійснювати модернізацію виробництва та удосконалювати виробничий процес; також досі відмічається повільне покращення ситуації з використанням Україною безмитних квот на експорт агропродовольчих товарів.

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## **FOREIGN DIRECT INVESTMENT IN ODESSA REGION AND PANDEMIC COVID-19**

### ***JEL classification: F600***

The global economy is facing a severe crisis caused by the COVID-19 pandemic, and global foreign direct investment (FDI) flows are also expected to come under great pressure as a result of the pandemic. According to some forecasts, FDI could fall sharply, falling well below the minimum level at which it found itself during the global financial crisis, and for developing countries, including Ukraine, the consequences could be most significant. In order to find out how strong the prospect of new crisis phenomena caused by the manifestation of the economic impact of the COVID-19 pandemic, it is proposed to analyze the current state of the prospect of FDI in the economy of the Odessa region.

According to the UNCTAD report for 2020 the COVID-19 crisis will cause a dramatic fall in foreign direct investment (FDI). Global FDI flows are forecast to decrease by up to 40 per cent in 2020, from their 2019 value of \$1.54 trillion. This would bring FDI below \$1 trillion for the first time since 2005. FDI is projected to decrease by a further 5–10 per cent in 2021 and to initiate a recovery in 2022. The expected earnings for the year revised down by 40 per cent on average, with some industries plunging into losses. Lower profits will hurt reinvested earnings, which on average account for more than 50 per cent of FDI [1, p. 10].

The investment policy of the countries has undergone significant changes. Support measures include online investment facilitation, pandemic-related services of investment promotion agencies and new incentives for investment in health care. For each region, countries determine their strategic directions of

development. Ukraine has also developed an action plan to attract investment from abroad. This action plan is based on the current state of FDI in regions with the adoption of global trends [1, p. 23].

As of October 1, 2020, foreign direct investment (equity, except reinvested earnings) in Ukraine amounted to 473.8 million. \$. Instead, \$ 848.6 million of reinvested capital was withdrawn. In the regions, there is a disparity in the volume and rate of FDI. The situation in the Odessa region is considered in Table 1.

Table 1

Dynamic of FDI to the Odessa region, millions \$

	2019	I q. 2020	II q. 2020	III q. 2020
Equity participation instruments	11,1	28,0	5,2	-2,3
Debt instruments	28,8	-0,9	8,5	34,3
Reinvestment of income	99,0	-35,8	45,0	-20,1

*Source: complete on the [2]*

For 3 quarters of 2020, \$ 30.9 million was attracted to the Odessa region (equity instruments), and the total amount of FDI in the region is \$ 61.8 million. Despite the outflow of reinvested earnings at the beginning of the year (\$ -35.8 million) and at the end of the analyzed period (\$ -20.1 million), the balances of investments in the region on October 1, 2020 amounted to \$ 1104.7 million. It is illustrated by Figure 1.

The linear trend line shows on the basis of statistical data for the studied period a negative outlook, namely the reduction of involved capital in the region.

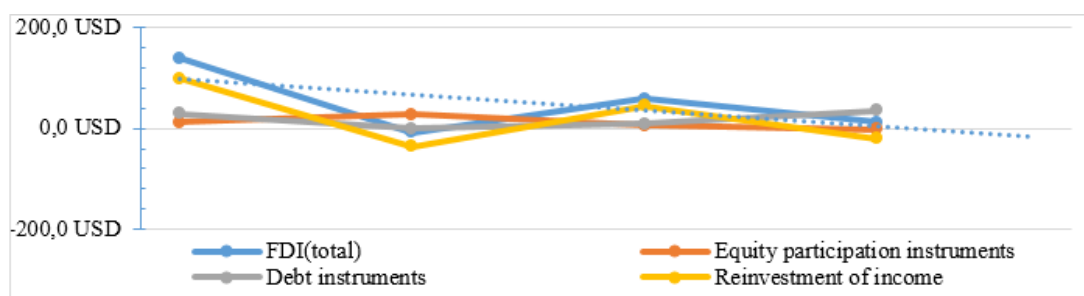


Fig. 1. Dynamics of involve capital to the Odessa region and perspective

*Source: complete on the [2]*

According to the Resolution of the Cabinet of Ministers of Ukraine № 195 «On approval of the state strategy of regional development for 2021-2027» approach to planning – identification of areas in need of state support, planning their development on the basis of an integrated approach (combination of sectoral and territorial approach) [3]. According to this, the Odessa region is characterized by a type of economy with a dominance of services. We analyzed, which industries remained attractive to foreign investors despite the pandemic. It is illustrated by Table 2.

Table 2

Industries that received investment in 2020, millions \$

	31.12.2019	31.03.2020	30.06.2020	30.09.2020
Wholesale and retail trade	48,4	38,0	39,4	37,8
Transport, warehousing, postal and courier activities	593,4	525,4	546,0	506,3
Financial and insurance activities	35,7	30,7	32,0	29,0
Real estate transactions	162,1	135,8	134,6	126,1
Professional, scientific and technical activities	32,9	28,7	30,3	25,1

*Source: complete on the [2]*

Table 2 shows that the most resilient to the COVID-19 crisis were economic activities in the Odessa region, such as transport, warehousing, postal and courier activities, and real estate transactions. The largest

investors in the region as of October 1, 2020 were: Cyprus (\$ 331.3 million), the Netherlands (\$ 160.7 million), Singapore (\$ 126.4 million) and EU countries (\$ 685.4 million).

FDI stuck in the lockdown with tightening margins for reinvestment hindered by new investment restrictions navigating severe global economic recession heading towards increased supply chain resilience and higher degrees of autonomy for critical supplies.

In conclusion, the following should be noted: the COVID-19 pandemic has strengthened controls on foreign investment in health and other strategic sectors. According to the UNCTAD report, Ukraine has not lost its attractiveness to investors, unlike other countries in Eastern and Central Europe. However, FDI in the Odessa region has fallen significantly. Major investors invested in the industry with the rapid withdrawal of profits.

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