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ANALYSIS OF THE INTERNATIONAL INVESTMENT ACTIVITY OF THE ODESSA REGION

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Annotation: It was determined that the Odesa region belongs to the regions with a fairly high investment attractiveness and was one of the most attractive for foreign investment in Ukraine before the start of the full-scale invasion. The state and dynamics of the attraction of direct foreign investment in the economy of the Odesa region in recent years have been analyzed. It was determined that transport and warehousing is the largest sector of the economy in which foreign capital is invested in the Odesa region. It was noted that the military aggression put a pause on the implementation by foreign investors of a number of important projects in the Odesa region in the field of transport, logistics, processing industry and renewable energy, but the region remains a promising market for cooperation.

Keywords: international investment activity, foreign direct investment, investment cooperation, Odesa region, dynamics of foreign investment.

Foreign direct investment plays a role in attracting the necessary amounts of capital, providing access to management and modern technologies. They not only influence the formation of national investment markets, but also revitalize the markets of goods and services. The question of the place and role of the investment activity of Ukraine and its regions in the world market of foreign direct investments is of decisive importance in the further process of economic growth. In order to effectively attract direct foreign investment in the main areas of the region's

economic development, a coordinated economic policy for the activation of direct foreign investment and the creation of a favorable investment climate is necessary [1].

Countries with a transition economy, which today the world community is paying attention to, do not have the opportunity to independently get out of the economic crisis, which has covered all economic sectors and the social sphere. For Ukraine, the urgency of the issue of attracting foreign direct investment is also exacerbated by a full-scale invasion, the destruction of the infrastructure, and the disruption of traditional logistics routes. With the increase in the level of competition and the development of market relations in international markets, it is necessary to pay more attention to the balanced participation of our country and its regions in the international division of labor. One of the most important factors in such a balance is direct foreign investment, which is why the problem of direct foreign investment is extremely urgent [2].

It should be noted that, in general, the Odesa region, among other regions of Ukraine, belongs to the regions with a fairly high investment attractiveness, which is noted in the Program to promote the development of international and investment activities of the Odesa region for 2021-2023. Odesa region is one of the most attractive objects of foreign investment in Ukraine. This is due to a convenient geographical location, developed infrastructure, qualified personnel, strong economic potential. Odesa, as the largest port of Ukraine, is a key transport hub that provides access to Europe and Asia [3]. In addition, enterprises engaged in the production of steel, chemical products, machine building and metalworking are located on the territory of the region, which creates a great investment potential for attracting new foreign companies. Another advantage of the Odesa region is favorable legal conditions for foreign investors. The Ukrainian government pursues an active policy of supporting foreign investments and creating conditions for the successful operation of foreign companies.

For a more detailed state of foreign investments, consider the dynamics of the inflow of foreign investments in the region for the period 2011-2021.

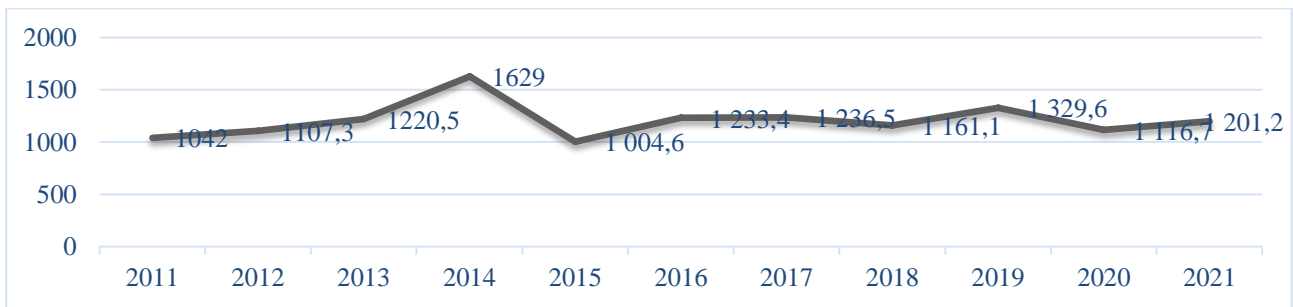


Fig. 1. Dynamics of foreign direct investment balances (equity instruments) in Odesa region for 2011-2021 (million dollars)

Source: compiled according to [4; 5]

Analyzing this graph, we can say that the lowest amount of investment in the Odesa region was in 2011, after which there is a trend towards an increase in investment, and the peak is 1.6 billion dollars in 2014. After that, there is a sharp decline, which is most likely connected with the annexation of the Republic of Crimea and the beginning of the anti-terrorist operation. After 2015, the investment growth is insignificant, and in the last 2 years the graph is on the axis of about 1200 million dollars.

Dynamics of FDI transactions in the Odesa region 2015 - 2021 million dollars. The USA is considered in Fig. 2.

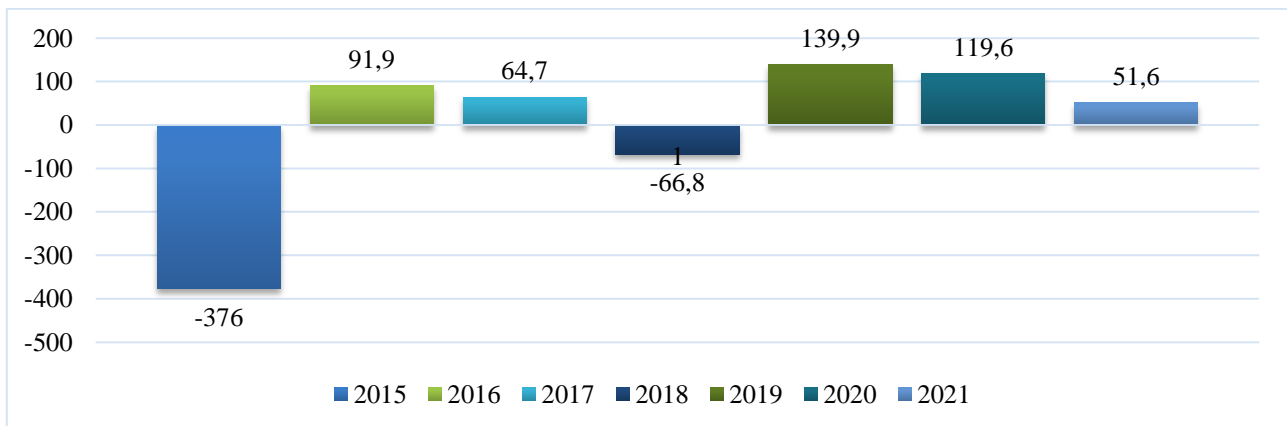


Fig. 2. Dynamics of FDI operations in the Odesa region 2015 - 2021 million dollars. USA

Source: compiled according to [4; 5]

After analyzing the data, we can say that for 2015-2021, the total amount of FDI inflows amounted to only 25.8 million dollars. The largest decrease occurred in reinvestment of income and debt instruments, and amounted to 266.4 and 353.8

million dollars. We can observe the largest FDI outflow in 2015.

In the future, we will consider the situation with the attraction of direct foreign investments by sectors of the region's economy. Transport and warehousing is the largest sector of the economy in which investments are made and maintains a leading position (Fig. 3).

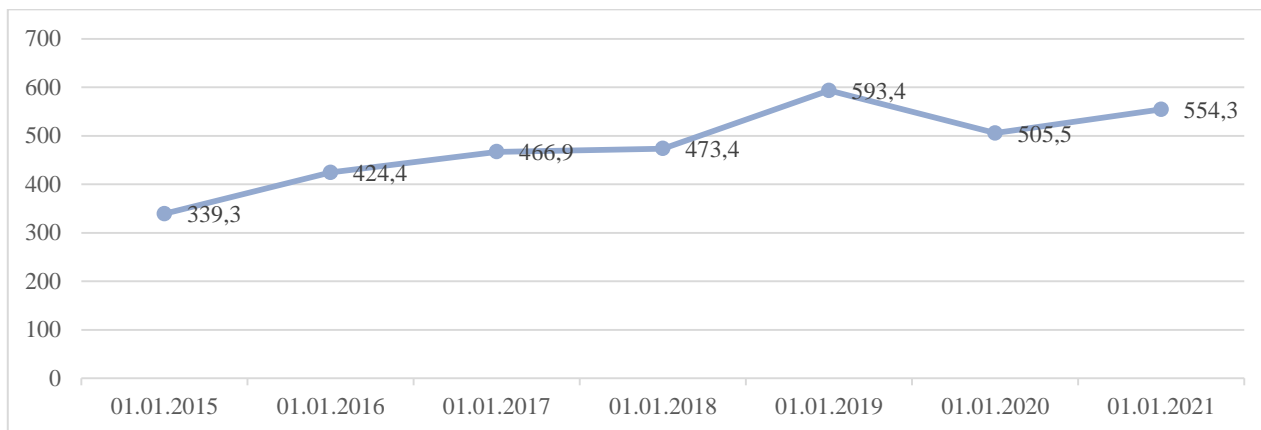


Fig. 3. Dynamics of residual FDI in the Odesa region in the field of transport and warehousing in the period 2015-2021.

Source: compiled from [4]

Thus, it can be seen that the Odesa region still kept a fairly large amount of investments in the field of warehousing and transport, in particular, due to the creation of new terminals, the creation of new warehouses and the modernization of existing ones. This stimulated the development of the logistics sector and helped ensure the efficient and prompt operation of other sectors of the economy.

Odesa region is an attractive region for international organizations. According to the Odesa Regional Council, as of 2021, several international projects with investment funds in the millions of euros are being successfully implemented in the region. One of the largest projects is the restoration of the tram infrastructure in the city of Odessa with the support of the European Bank for Reconstruction and Development. The project envisages the installation of new tracks, the repair of electrical substations and the purchase of new trams. The total cost of the project is about 52 million euros, more than half of which is financed by a loan from the EBRD [6]. Also, the Odesa region actively cooperates with European and international funds, receiving funding for the implementation of various projects. For example, the

EU Project "Assistance for the Implementation of Health Care Reforms" provides assistance in improving the health care system in the region and provides for investments in the amount of 2.6 million euros. Odesa region also attracts investments from international organizations and funds. For example, within the framework of the European Union program "Cross-border cooperation Poland-Belarus-Ukraine 2014-2020", funds were allocated for the implementation of projects in various areas, including transport, culture and tourism. There are also projects financed by international funds, such as the International Renaissance Fund and the German Environmental Protection Fund, operating in the Odesa region. These projects are aimed at the development of ecology, preservation of biodiversity and development of ecotourism in the region.

The military aggression put a pause on the implementation by foreign investors of a number of important projects in the Odesa region in the field of transport, logistics, processing industry and renewable energy. This trend is typical for all of Ukraine, because global investors are not yet ready to consider new projects due to the risks associated with military actions. However, while international investors are waiting for the end of the war, some companies operating in Odesa have already started implementing long-term plans and investing in logistics, transshipment terminals and warehouse complexes. Foreign investments in the region's economy by main investor countries for 2022 compared to previous years can be seen in Table 1.

Table 1

**Direct investments (equity instruments) in the economy of Odesa region:
balances by countries of the world, million dollars. USA**

	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022**
all by region	1 161,1	1 329,6	1 116,7	1 201,2	852,8
Austria	- 0,2	1,5	7,4	9,0	7,4
Belgium	7,0	12,9	6,3	7,7	5,3
Bulgaria	4,7	5,7	5,0	4,0	2,8
British Virgin Islands	18,3	12,4	9,7	8,8	2,4
Hong Kong	1,8	6,6	21,3	29,8	11,8
Greece	3,7	0,9	0,8	0,8	0,2
Israel	0,9	1,8	1,2	2,3	0,8
India	5,0	4,5	3,8	3,9	*
Spain	0,2	0,1	0,1	0,7	0,2

Italy	1,0	1,0	0,8	0,8	0,6
Canada	1,8	1,3	1,1	1,1	*
China	0,2	0,5	0,3	26,0	7,8
Cyprus	275,3	368,3	329,0	311,8	216,9
Latvia	1,2	0,0	0,0	0,8	0,6
Lithuania	0,0	0,6	0,5	0,5	0,4
Liberia	1,3	0,4	0,3	1,2	0,7
Luxembourg	93,9	113,7	73,3	78,8	58,2
Malta	0,1	0,0	0,0	0,1	0,0
Marshall Islands	0,7	0,8	0,7	0,7	0,3
Monaco	65,7	74,8	63,4	64,7	47,2
Netherlands	91,7	167,5	160,2	185,9	171,5
Germany	64,0	69,5	56,8	61,8	38,4
Norway	0,1	0,0	0,0	2,4	2,3
United Arab Emirates	6,2	7,2	7,9	3,4	1,0
Panama	19,3	13,1	3,4	3,2	2,3
Poland	0,4	0,2	0,2	0,2	0,5
Republic of Moldova	4,8	4,7	4,4	7,4	13,9
Seychelles Islands	1,0	43,4	40,3	33,6	25,3
Singapore	242,8	174,1	136,6	149,7	100,0
United Kingdom of Great Britain and Northern Ireland	114,3	120,4	87,3	93,5	47,6
USA	36,1	24,6	20,5	3,1	2,3
Turkey	4,3	2,1	2,1	6,8	4,2
Hungary	0,0	0,0	1,4	1,3	1,6
France	38,8	40,0	30,3	40,1	32,5
Czech Republic	2,0	0,7	1,1	3,1	2,2
Switzerland	13,5	23,9	26,9	30,3	22,2

Примітка: ** Дані станом на 31.12.2022 розраховані на основі даних статистичної та фінансової звітності підприємств, які надали звітність, та будуть уточнені після отримання повної інформації

Source: compiled from [5]

Одеська область залишається перспективним ринком для співпраці і регіональна влада продовжує планувати інвестиції. Наприклад, в рамках диверсифікації експортної діяльності компанія «Нібулон» завершує будівництво нового терміналу для перевалки зернових вантажів на Дунаї в Ізмаїлі. У найближчих планах компанії «Danube Logistics Group» – будівництво складів підлогового зберігання в Ренійському порту. У вересні 2022 року Арцизькою міською радою укладено угоду щодо оренди земельної ділянки, на

якій заплановано будівництво виробничих потужностей зі зберігання та переробки зерна. Ще одним свідченням довіри до регіональної влади є ухвалене рішення групою компаній «RISOIL S.A.» (Швейцарія) щодо відновлення фінальних робіт з реалізації інвестиційного проекту з будівництва двостороннього пірсу на стику двох причалів у Чорноморському морському порту із орієнтованим обсягом прямих іноземних інвестицій 40 млн доларів США.

Найбільш привабливими секторами регіональної економіки для залучення іноземного капіталу, як на сьогодні, так і в перспективі, є транспорт, логістика, промисловість, альтернативна енергетика та ІТ сфера, агросектор. Продовжується формування інвестиційних пропозицій, у тому числі зі створення індустріальних парків. Зокрема, підготовлено інвестиційну пропозицію щодо створення в Ізмаїльському районі на площі 17,3 га індустріального парку «АгроТехнопарк «Буджак».

Продовжується формування оновленого інвестиційного паспорту Одеської області, в якому буде зібрана вся важлива інформація щодо якісного регіонального інвестиційного продукту, сформована на базі економічного та природно-ресурсного потенціалу кожної конкретної громади регіону. В подальшому інвестиційний паспорт буде поширюватись серед зацікавлених міжнародних бізнес-асоціацій, торговельних палат та дипломатичних представництв [7].

Також слід зазначити, що якщо країни ЄС серйозно налаштовані надати Україні прискорене членство в ЄС, то сприяння залученню ПІІ та пов'язаній з ними торгівлі має стати ключовим напрямом роботи. Для цього критично важливими є боротьба з корупцією, полегшення доступу іноземних фірм на внутрішній ринок, забезпечення захисту прав власності, а також зменшення інвестиційної невизначеності. Стверджують також, що гарантії безпеки мають бути частиною цього пакета, щоб полегшити участь компаній у ланцюгах доданої вартості (Hausmann, R. (2022), “The Economic Case for Guaranteeing Ukraine’s Security”, Project Syndicate, 28 June.). Пропонується активізувати

діяльність спеціальних регіональних агентств з просування інвестицій (Crescenzi, R., M. Di Cataldo and M. Giua (2021), “FDI inflows in Europe: Does investment promotion work?”, *Journal of International Economics* 132.). Така політика – за умови її скоординованої реалізації відіграватиме ключову роль у формуванні майбутніх моделей економічної інтеграції на користь місцевих економік, сприяючи згуртованості та інклюзивному зростанню в усіх регіонах.

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