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## УКРАЇНА НА МІЖНАРОДНОМУ РИНКУ ІНВЕСТИЦІЙНОГО КАПІТАЛУ В КОНТЕКСТІ ПОВОЄННОГО ВІДНОВЛЕННЯ ЕКОНОМІКИ

**Актуальність.** Міжнародне переміщення капіталу має важливе значення для розвитку української економіки, оскільки веде до зміцнення зовнішньоекономічних та політичних зв'язків з країнами світу, збільшуючи зовнішньоторговельний оборот, прискорення економічного розвитку та сприяння зростання обсягів виробництва. Сучасна міграція капіталу через здійснення іноземних інвестицій є формою існування вивезення капіталу. До війни в Україні спостерігалось падіння обсягів іноземного капіталу, викликане як структурними, так і адміністративними проблемами, а також недостатнім залученням до міжнародного ринку капіталу. Російська агресія призвела до переходу української економіки до режиму воєнного функціонування та руйнування підприємств, об'єктів соціальної, транспортної, енергетичної інфраструктури. Оцінки міжнародних організацій та уряду України свідчать, що для відбудови країни та її економіки необхідно залучити близько 350 мільярдів доларів США, тому стимулювання залучення іноземного капіталу є одним із основних інструментів підтримки української економіки, а дослідження ринку інвестиційного капіталу наразі є мейнстрімом економічної дискусії в рамках повоєнного відновлення. Складність та унікальність умов, в яких буде знаходитися Україна після закінчення воєнних дій, вимагає комплексного підходу до пошуку моделі повоєнного економічного розвитку та залучення іноземного капіталу. Україна має не просто відновити зруйновану інфраструктуру, але й має можливість здійснити корінну трансформацію економіки, перетворивши державу на сучасне, модернізоване економічне середовище.

**Мета та завдання.** Метою статті є дослідження тенденцій присутності України на міжнародному ринку капіталу в секторі прямих інвестицій та вироблення рекомендації для активізації приваблення міжнародного капіталу як чинника подолання руйнівних для економіки наслідків війни. Для досягнення поставленої мети окреслено цілі: визначити та проаналізувати статистичні тенденції присутності України на міжнародному ринку інвестиційних капіталів, узагальнити чинники впливу на довоєнні показники іноземних інвестицій, а також окреслити можливі заходи та інструменти активізації залучення іноземного інвестиційного капіталу для повоєнного відновлення економіки.

**Матеріали та методи.** Для формування методичної бази в дослідженні використано попередні науково-теоретичні, аналітичні та практичні публікації, в яких відзвітовано про результати напрацювань при розробці проблеми активізації іноземних інвестицій в економіку країн та їх функціонування на міжнародному ринку інвестиційних капіталів. Використано офіційну статистичну інформацію та аналітичні матеріали Державної служби статистики України, Національного банку України, Конференції ООН з торгівлі та розвитку (UNCTAD). Дослідження тенденцій участі України на міжнародному ринку інвестиційних капіталів здійснено з використанням методів наукового абстрагування, аналізу, синтезу та узагальнення, статистичного аналізу.

**Результати.** Визначено та проаналізовано основні статистичні показники прямого іноземного інвестування України, акцентовано увагу на нестабільних потоках як вхідних, так і вихідних інвестицій. Узагальнено чинники, що вплинули на приплив іноземних інвестицій в реальний сектор економіки України. Визначено можливі шляхи та заходи підвищення привабливості економіки України для іноземних інвесторів в умовах відновлення соціально-економічного розвитку. Доведено, що основними сферами уваги уряду в галузі інвестиційної політики має бути впровадження податкових стимулів для досягнення інвестиційних цілей (перш за все, тих, які не вимагають використання державних коштів); поліпшення бюрократичних умов (перш

за все, відносно процедур ліцензування, реєстрації підприємств та сертифікації продукції); імплементація іноземного досвіду створення «єдиного агентства» для роботи з іноземними інвесторами, до якого відносяться всі функції, пов'язані із взаємодією з іноземним інвестором в процесі проходження необхідних дозвільних процедур; наголошено на необхідності розробки програм повернення робочої сили (через державні програми професійної підготовки, заходи з працевлаштування тощо).

**Висновки.** Міжнародна інтеграція України в глобальний інвестиційний простір є одним із головних напрямків соціально-економічної політики країни. Це передбачає активне та ефективно залучення іноземного капіталу, створення сприятливих умов для розвитку бізнесу та зміцнення стабільності макроекономічного середовища. У повоєнний період Україна має не просто відновити зруйновану інфраструктуру, але й реалізувати можливість здійснити корінну трансформацію економіки, перетворивши державу на сучасне, модернізоване економічне середовище. Задля досягнення цієї мети вже сьогодні необхідно є розробка механізмів та інструментів, що будуть покладені в стратегію повоєнного залучення іноземного капіталу, що допоможе розширити присутність України на цьому ринку та прискорити відновлення соціально-економічного розвитку. Найбільш актуальними напрямками для удосконалення державної політики підвищення присутності на міжнародному ринку капіталу вважається: поліпшення бюрократичних умов; демонстрації можливостей в ключових секторах; розробка заходи з рееміграції робочої сили; стимулювання умов для створення інноваційної продукції модернізованих підприємств.

**Ключові слова:** міжнародний ринок, інвестиційний капітал, прямі іноземні інвестиції, повоєнне відновлення економіки, економічна трансформація.

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## UKRAINE IN THE INTERNATIONAL INVESTMENT CAPITAL MARKET IN THE CONTEXT OF POST-WAR ECONOMIC RECOVERY

**Topicality.** The international movement of capital is important for the development of the Ukrainian economy, as it leads to the strengthening of foreign economic and political ties with the countries of the world, increasing foreign trade turnover, accelerating economic development and promoting the growth of production volumes. Modern capital migration through foreign investment is a form of capital export. Before the war, Ukraine experienced a decline in the amount of foreign capital, caused by both structural and administrative problems, as well as insufficient involvement in the international capital market. Russian aggression led to the transition of the Ukrainian economy to the regime of military functioning and the destruction of enterprises, objects of social, transport, and energy infrastructure. Estimates by international organizations and the government of Ukraine indicate that in order to rebuild the country and its economy, it is necessary to attract about 350 billion US dollars, therefore, stimulating the attraction of foreign capital is one of the main tools for supporting the Ukrainian economy, and the study of the investment capital market is currently the mainstream of the economic discussion within the framework of the post-war restoration. The complexity and uniqueness of the conditions in which Ukraine will find itself after the end of hostilities requires a comprehensive approach to finding a model of post-war economic development and attracting foreign capital. Ukraine must not only restore the destroyed infrastructure, but also has the opportunity to carry out a fundamental transformation of the economy, turning the state into a modern, modernized economic environment.

**Aim and tasks.** The purpose of the article is to study the trends of Ukraine's presence on the international capital market in the direct investment sector and develop a recommendation for increasing the attraction of international capital as a factor in overcoming the devastating effects of the war on the economy. In order to achieve the set goal, the goals are outlined: to determine and analyze the statistical trends of Ukraine's presence on the international market of investment capital, to summarize the factors influencing the pre-war indicators of foreign investment, as well as to outline possible measures and tools for activating the attraction of foreign investment capital for the post-war recovery of the economy.

**Materials and Methods.** To form a methodological base, the research used previous scientific-theoretical, analytical and practical publications, which reported on the results of work in the development of the problem of the activation of foreign investments in the economy of countries and their functioning on the international market of investment capital. Official statistical information and analytical materials of the State Statistics Service of Ukraine, the National Bank of Ukraine, and the United Nations Conference on Trade and Development (UNCTAD) were used. The study of trends in Ukraine's participation in the international market of investment capital was carried out using the methods of scientific abstraction, analysis, synthesis and generalization, statistical analysis.

**Research results.** The main statistical indicators of direct foreign investment of Ukraine were determined and analyzed, attention was focused on unstable flows of both incoming and outgoing investments. The factors influencing the inflow of foreign investments into the real sector of Ukraine's economy are summarized. Possible ways and measures to increase the attractiveness of Ukraine's economy for foreign investors in conditions of restoration of socio-economic development are determined. It has been proven that the main areas of government attention in the field of investment policy should be the introduction of tax incentives to achieve investment goals (first of all, those that do not require the use of public funds); improvement of bureaucratic conditions (first of all, regarding licensing procedures, enterprise registration and product certification); implementation of foreign experience in creating a "single agency" for working with foreign investors, which includes all functions related to interaction with a foreign investor in the process of passing the necessary permit procedures; the need to develop labor force return programs (through state vocational training programs, employment measures, etc.) is emphasized.

**Conclusions.** The international integration of Ukraine into the global investment space is one of the main directions of the country's socio-economic policy. This involves the active and effective attraction of foreign capital, the creation of favorable conditions for business development, and strengthening the stability of the macroeconomic environment. In the post-war period, Ukraine must not only restore the destroyed infrastructure, but also realize the opportunity to carry out a fundamental transformation of the economy, turning the state into a modern, modernized economic environment. In order to achieve this goal, it is already necessary to develop mechanisms and tools that will be included in the strategy of attracting foreign capital after the war, which will help to expand the presence of Ukraine in this market and accelerate the recovery of socio-economic development. The most urgent directions for improving the state policy of increasing presence on the international capital market are considered improvement of bureaucratic conditions; demonstrations of opportunities in key sectors; development of labor re-emigration measures; stimulating conditions for the creation of innovative products of modernized enterprises.

**Keywords:** international market, investment capital, foreign direct investment, post-war economic recovery, economic transformation.

**Problem statement and its connection with important scientific and practical tasks.** In the context of the globalization of the world economy, for developing countries, international investments are an important tool for economic development and integration of the national economy into the world community. Ukraine has clearly outlined the course for integration into the European and world economic community, therefore attracting foreign capital is one of the important forms of development of the national economy. Foreign capital is of great importance for ensuring the growth of economic indicators, the attraction of innovative technologies, the transition to new standards of quality and management, and the promotion of structural changes and transformations. The requirements for obtaining foreign investments in the conditions of globalization have also changed significantly: they emphasize the level of decision-making regarding the reform of economic obligations, the level of corruption, development prospects and reducing the risks of capital loss. It should be noted that before the war in Ukraine, there was a drop in the amount of foreign capital, caused by both structural and administrative problems, as well as insufficient involvement in the international capital

market.

Today, Russian aggression has led to the transition of the Ukrainian economy to a regime of military functioning with numerous restrictions, the consequences of which are already being felt and will have a significant negative impact on the further economic development of the country. The consequences of the destruction of enterprises, objects of social, transport, and energy infrastructure cannot be underestimated. Estimates by international organizations and the government of Ukraine indicate that for the reconstruction of the country and its economy, it is necessary to attract about 350 billion US dollars. That is why stimulating the attraction of foreign capital is one of the main tools for supporting the Ukrainian economy. Meanwhile, it is quite clear that with the beginning of a full-scale invasion, the inflow of funds from foreign investors into the country's economy is almost non-existent, although the country can support the economy and social sphere due to unprecedented financial assistance from international organizations and governments of partner countries. But in the conditions of the war, investments in the real sector of the economy practically stopped, and it is precisely such capital infusions that should contribute to the recovery of

the country's economy and bring it out of the crisis state in which it found itself. It is necessary to transfer the economy to a recovery mode based on qualitative but realistic strategizing based on the experience of other countries. The recovery of the Ukrainian economy will require support not only from international financial institutions and funds, but also from public and private foreign investments. The world community is already demonstrating readiness to consolidate aid to the Ukrainian economy by creating joint mechanisms for infrastructure reconstruction, institutional modernization, and economic transformation.

It should be noted that the complexity and uniqueness of the conditions in which Ukraine will find itself after the end of hostilities requires a comprehensive approach to finding a model of post-war economic development and attracting foreign capital. Ukraine must not only restore the destroyed infrastructure, but also has the opportunity to carry out a fundamental transformation of the economy, turning the state into a modern, modernized economic environment.

**Analysis of recent publications on the problem.** The process of globalization of the capital market is accompanied by intensive relations between countries, contributes to the growth of the role of foreign investments in national economies, especially in developing countries. That is why the question of the development of international investment activities and the functioning of the international market of investment capital remains relevant for scientific and expert circles. So, A. Zahorodnii and H. Vozniuk (Zagorodnyi & Vozniuk, 2020), N. Sydoruk and V. Tsikhanovska (Sidoruk & Tsikhanovska, 2019), T. Maiorova and S. Urvantseva (Mayorova & Urvantseva, 2019) consider the theoretical issues of investment capital, defining it as a source of investment activity, investigate investment capital through the prism of the role of banks in its formation. S. Plaskon and others. (Plaskon et al., 2021) investigate the relationship between international trade, foreign direct investment and the gross domestic product of Ukraine, focusing on the dependence of GDP on the international economic activity of the country; L. Kostyrko and others. (Kostyrko et al., 2022) focused on regional aspects of foreign investment and determining the investment attractiveness of the country and regions as factors critical for attracting direct foreign investment from the EU countries themselves.

Numerous works are devoted to methods of assessing factors that help to be successful in the

international market of investment capital. Yes, J. Bruneckiene and others. (Bruneckiene et al., 2019) conduct an assessment of the investment attractiveness of European countries, and propose to evaluate the factors influencing the attraction of foreign capital using neural networks, which should replace expert assessments. Modern authors often focus on specific sectoral issues of the effectiveness of attracting international investment capital, such as X. Jiang and Y. Chen (Jiang & Chen, 2020), who investigate the possibility of attracting international investment capital to increase food security in developing countries.

Modern works of Ukrainian researchers are devoted to the topical issue of determining the role of foreign direct investment in the post-war recovery of the country's economy, for example, Y. Teres (Teres, 2023) determines that in conditions of large-scale armed aggression and the introduction of martial law, attracting foreign investment is one of the main measures support of the national economy and determines the list of branches of the Ukrainian economy that will be of interest to foreign investors; M. Diha and others. (Diha et al., 2022) emphasize the high level of presence of russian capital in certain sectors of the national economy by 2022, which led to the total control of these sectors in Ukraine, and also justify the need to attract foreign capital in the post-war period in the form of the latest technologies, environmentally safe production while simultaneously solving problems that prevent its involvement.

**Allocation of previously unsolved parts of the general problem.** Paying tribute to the results of the scientific research of domestic and foreign researchers in this field, it should be noted that today the issue of problems and prospects of attracting real foreign investments and increasing the presence of Ukraine on the international market of investment capital remains relevant and requires further development and research. Among the main issues that require further development, further study of the key trends that characterized Ukraine's presence on the international market of investment capital before the start of the war should be mentioned; issues related to ways of attracting foreign capital in the context of post-war economic recovery; determination of possible directions of stimulation of foreign investors for more active participation in promising sectors of the real sector of the country's economy.

**Formulation of research objectives (problem statement).** The purpose of the article is to study the trends of Ukraine's presence on the international capital market in the direct

investment sector and develop a recommendation for increasing the attraction of international capital as a factor in overcoming the devastating effects of the war on the economy. In order to achieve the set goal, the goals are outlined: to determine and analyze the statistical trends of Ukraine's presence on the international market of investment capital, to summarize the factors influencing the pre-war indicators of foreign investment, as well as to outline possible measures and tools for the activation of the attraction of foreign investment capital for the post-war recovery of the economy.

**Materials and Methods.** To form a methodological base, the research used previous scientific-theoretical, analytical and practical publications, which reported on the results of work in the development of the problem of the activation of foreign investments in the economy of countries and their functioning on the international market of investment capital. Official statistical information and analytical materials of the State Statistics Service of Ukraine, the National Bank of Ukraine, and the United Nations Conference on Trade and Development (UNCTAD) were used. The study of trends in Ukraine's participation in the international market of investment capital was carried out using the methods of scientific abstraction, analysis, synthesis and generalization, statistical analysis.

**An outline of the main results and their justification.** Investment capital is an important financial resource that can be used to invest in long-term projects. It is formed due to the accumulation of financial resources by business entities. Investment capital can be obtained only from created savings. Savings occur when the profits of corporations, businesses, governments, and individual citizens exceed their expenditures. This means that part of the received income is not spent on current needs, but is set aside for future

purposes, in particular for investment. A significant inflow of investment capital into the country contributes to economic growth and modernization, provides benefits, including the inflow of additional capital into the country, the development of industry and agriculture, contributes to environmental and social improvement, new technologies and innovations (Mustafakulov, 2020). For the above reasons, it is clear that each state analyzes its own opportunities to attract investment capital and tries to be as attractive as possible to foreign investors. It is clear that the attractiveness of the country for foreign investments depends on a number of determining factors that must be taken into account when developing a policy for attracting foreign investment capital. Investment incentives most often include investor service programs that provide for increased reinvestment of investors' profits. The active implementation of investor service programs helps to evaluate the effectiveness of the use of resources spent on the implementation of investment promotion policies and to identify those areas in which changes should be made. Many states are actively competing to attract investment capital using tax benefits and subsidies, but the most effective way to attract foreign investment into the state's economy should be connected not only with tax benefits and preferences, but also with a stable political, legal, and socio-economic situation in the country (Artman & Cherniavska, 2020).

Of course, the country's attractiveness for attracting foreign investment capital is shaped by various factors, for example, a generalized classification is offered by UNCTAD - a special body of the UN Assembly for Trade and Development (UNCTAD). UNCTAD identifies the following main factors (Table 1).

Table 1

**Factors influencing the attraction of investment capital in the international market according to the UNCTAD classification\***

Institutional factors		Special factors
Political stability		The image of the country
Attitudes towards TNCs		Tax incentives
State regulation of investments		State protection of investments
Open economy		State investment guarantees
Protection of property rights		Investment insurance
Tax policy of the country		
Economic factors		
For foreign investors who are interested in new markets	For foreign investors who are interested in new resources	For foreign investors who are interested in increased efficiency
Open economy	Infrastructure development	Entering new markets

Market development	Availability of necessary resources	Production costs
The absolute value of GDP	Cheap labor	Participation of the country in trade associations
	Qualification of the workforce	

\*Source: compiled according to UNCTAD.

If we talk about individual factors of attracting foreign capital, we can say that political risk is negatively related to the inflow of investment capital, on the contrary, a decrease in the level of political risk increases the inflow of foreign investments (Blakyta G. et al., 2018). A large market and a strategic geographical location are undoubtedly a significant advantage, meanwhile, countries must guarantee legal protection for investors, create a level playing field for competition in the domestic market, and ensure political stability that reduces investment risk (Bayar & Gavriletea, 2018). There is an opinion that for countries in the conditions of European integration, it is ineffective to evaluate the country's investment attractiveness based on internal indicators, it is advisable to evaluate it in comparison with other countries in order to identify weak points, in this connection it is considered appropriate to use such indicators as the global competitiveness index, index of ease of doing business, index of economic freedom (Bruneckiene et al., 2019). Investment attractiveness for the international capital market is characterized by financial and economic development, investment prospects and a number of other factors that affect capital attraction. In addition, it is necessary to bear in mind that for different investors the same factors may be more or less important from the point of view of specific economic activity (Cheng et al., 2020).

The most important source of foreign capital for the country's economy is foreign direct investment (FDI), the role of which in the economy of most

countries, especially developing ones, is quite significant. Such investments provide not only an influx of financial resources, but also new technologies and knowledge in the field of production and management. In addition, FDI is carried out for a long time, which strengthens the economic stability of recipient countries. Direct investors are usually large TNCs with well-developed product sales markets, so it is easier to get access to international markets under their patronage. That is why, let's analyze the statistics of attracting foreign capital in the form of direct investments in the economy of Ukraine in recent years.

Thus, in the period from 2012 to 2021, the amount of FDI reserves in the economy of Ukraine amounted to 413,559.5 million dollars. USA, direct foreign investments from Ukraine to the economies of other countries of the world amounted to 38,839 million dollars. USA. Starting from 2014, FDI into the economy of Ukraine had a downward trend, which persisted until 2018. 2019 marked positive changes and growth in investment flows. The next drop was recorded in 2020, which can be explained by general investment trends - according to international organizations, the drop in investment flows in the world due to the COVID-19 pandemic reached 40%, as lockdowns around the world forced investors to postpone investment projects and to preserve cash buffers. During the considered period, the balance of direct foreign investments in the economy of Ukraine had a positive value (Table 2; Fig. 1).

Table 2

**Indicators of FDI in the economy (share capital) of Ukraine according to balances for 2012-2021, (million USD)\***

Year	FDI in the economy of Ukraine	FDI from Ukraine	Balance
2012	51705,3	6568,1	45137,2
2013	53704	6702,9	47001,1
2014	38356,8	6456,2	31900,6
2015	35562	2792,8	32769,2
2016	37054,4	2660,3	34394,1
2017	36310,3	2627	33683,3
2018	35391	2599,8	32791,2
2019	41662,5	3416,8	38245,7
2020	37600,4	2754,9	34845,5
2021	46212,8	2260,2	43952,6
In total	413559,5	38839	374720,5

\*Source: compiled by the authors on the basis of: (State Statistics Service of Ukraine, 2009-2021; NBU, 2018-2021)



Fig. 1. FDI (share capital) in the economy of Ukraine for 2012 - 2021, million dollars USA\*

\*Source: compiled by the authors on the basis of: (State Statistics Service of Ukraine, 2009-2021; NBU, 2018-2021)

A certain difference in the assessment of foreign capital flows must be explained by the system of statistical accounting. Thus, until 2018, foreign capital statistics were calculated by the State Statistics Service of Ukraine, in 2018 the National Bank of Ukraine developed and implemented its own methodology for calculating foreign direct investments. One of the main points of improving the methodology was the clarification of the balance of payments methodology to take

into account the amount of income reinvestment. For the above reason, it is possible to demonstrate the dynamics of foreign direct investment from the economy of Ukraine on two graphs (Fig. 2, Fig. 3), which reflect the dynamics of the country's FDI in the period from 2012 to 2014 (data from the State Statistics Service were used) and for the period 2015- 2021 (statistical data of the National Bank of Ukraine were used).

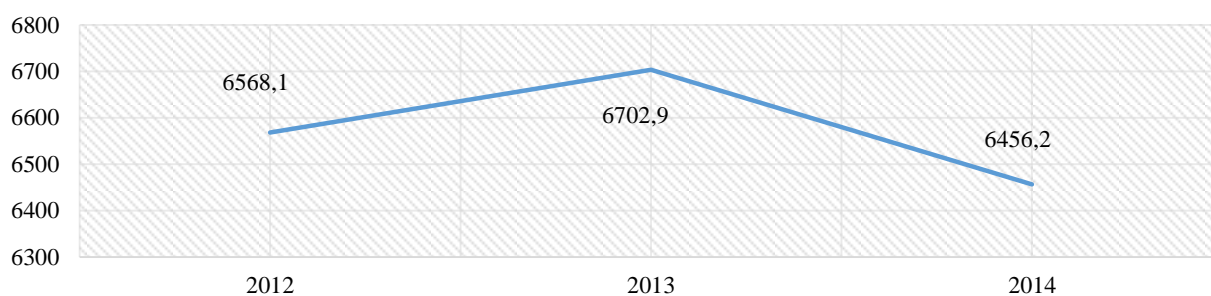


Fig. 2. FDI (share capital) from Ukraine, 2012-2014, million dollars USA\*

\*Source: compiled by the authors on the basis of: (State Statistics Service of Ukraine, 2009-2021; NBU, 2018-2021).

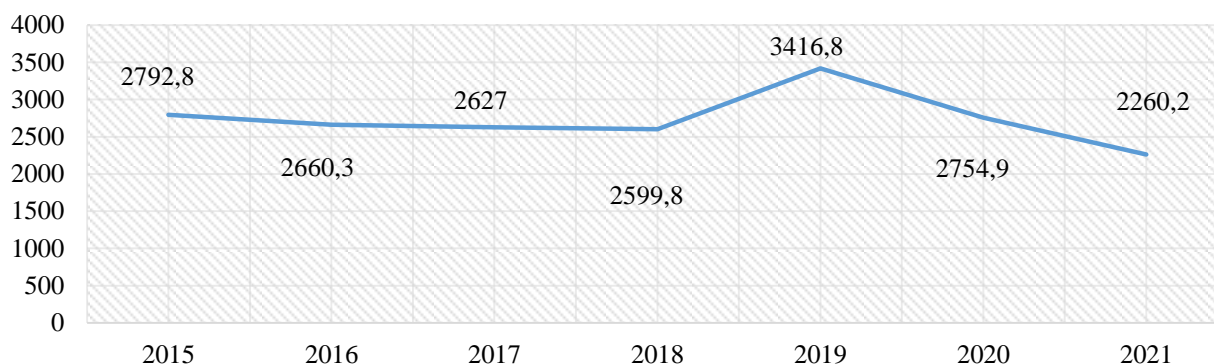


Fig. 3. FDI (share capital) from Ukraine, 2015-2021, million dollars USA\*

\*Source: compiled by the authors on the basis of: (NBU, 2018-2021).

The analysis of the given data allows us to conclude that 2015-2018 was characterized by a relatively stable (of course, not quite significant) outflow of FDI from Ukraine to other countries of the world. In 2019, investment flows increased, but the COVID pandemic negatively affected the

volume of FDI from Ukraine.

The study of the geographical structure of FDI inflows is also important for understanding Ukrainian presence on international investment capital markets (Fig. 4).

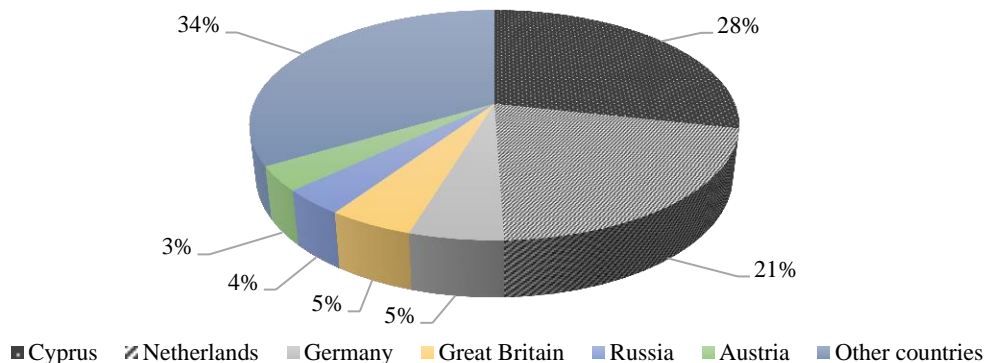


Fig. 4. Geographical structure of FDI in Ukraine, 2012-2021, %\*

\*Source: compiled by the authors on the basis of: (State Statistics Service of Ukraine, 2009-2021; NBU, 2018-2021).

It can be noted that during the outlined period of analysis, Cyprus, the Netherlands, Germany, and the British Virgin Islands were the leaders of FDI in Ukraine. It is clear that a large share of direct foreign investment consists of the funds of Ukrainian corporations, which are returned to the economy from offshore zones. In addition, in general, after the analysis, it can be concluded that Ukraine did not increase its investment attractiveness and presence on international investment capital markets during the pre-war period.

February 2022 can be considered the beginning of a new era that changed geoeconomic and geopolitical processes in the world, when the full-scale invasion of the Russian army destroyed the notion of stability and security. Russian aggression caused significant losses in the socio-economic sphere. For example, the blockade of ports caused a drop in exports of goods to foreign markets and made it difficult for critical imports to arrive. Blocking the supply of agricultural products has led to an aggravation of the food problem in the Middle East and Africa and the need to review approaches to the global economy, including the functioning of international capital markets and financial and investment cooperation. Since the beginning of the war in Ukraine, many logistics chains have been completely broken, many enterprises have been destroyed, the budget has huge expenses, and revenues have decreased sharply.

If we talk about the impact of the war on the

volume of FDI in the economy of Ukraine in 2022, then the negative trend of the inflow of foreign capital is quite understandable. FDI volumes fell to 666 million dollars. USA. It was also noted that without taking into account the reinvested income, the amount of FDI in enterprises (US\$ 430 million) is insufficient even to compensate for the outflow of direct investors who invest directly through debt instruments (LIGA.net, 2021). According to the available data, in 2023, receipts from foreign investments in Ukraine remain at a low level, so they cannot play a significant role in supporting or stimulating economic activity. Meanwhile, it should be noted that Ukraine complies with its payment obligations for investments made in the pre-war period. According to the calculations given for 9 months of 2022, about 12 billion dollars. USD of income from FDI was paid to non-residents (including USD 5.6 billion in dividends, USD 5.3 billion in reinvested income, USD 600 million in interest) (Interfax-Ukraine, 2022).

As mentioned above, attracting foreign capital to Ukraine is connected with various internal and external factors. Internal factors include indicators such as GDP, average monthly wages, capital investments, Ukraine's gross external debt and the inflation index. Thus, GDP is one of the key indicators of the country's economic development. GDP affects the attractiveness of Ukraine for foreign investors, as it reflects the potential of the economy and the level of income of the population. High wage levels indicate the stability and potential of the consumer market, which can



attract foreign investment. Capital investments indicate the development and modernization of infrastructure and production facilities. Large amounts of foreign debt can cause instability and risks for foreign investors, which affects the decision to invest capital. High inflation leads to a loss of investment value and a decrease in profitability. Due to the slow economic reformation in the pre-war period, Ukraine did not become an active recipient of world financial flows, this was especially influenced by the lack of conditions for increasing the efficiency of the use of capital as a factor in the reproductive process (Vasylytsiv et al., 2019). But today the main factor is the fact that Ukraine has a high risk of FDI investments due to hostilities on the territory of the country.

Of course, in the conditions of war, the country's government does not have the opportunity to actively attract investment capital from the international market. Meanwhile, it is considered necessary to engage in the development of mechanisms and tools that will be included in the strategy of attracting foreign capital after the war, which will help to expand the presence of Ukraine in this market and accelerate the recovery of socio-economic development. So, for example, you can use tax incentives to achieve investment goals. Usually, financial incentives are considered a direct drain of funds from the state budget, but there are tax incentives that do not require the use of public funds. The government can set a lower rate of tax on profits of enterprises with foreign capital as an exception to the general tax regime in order to attract FDI to specific sectors or regions. One mechanism is to allow investors to carry losses forward (or back) for a certain number of years for tax purposes. This measure is appreciated by investors whose projects bring losses in the first few years. Accelerated depreciation also allows investors to reduce their tax burden in the years immediately following the investment. Tax holidays are also a common form of tax relief. They are seen as a simple incentive with a relatively low compliance burden, which makes this form of incentive attractive, especially in countries that are just establishing a corporate tax system. Investment allowances (deductions from taxable income based on a certain percentage of new investments) can also be used as an incentive to make real investments (UNCTAD, 2021).

In order to maximize cooperation with foreign investors, it is necessary to improve bureaucratic conditions, first of all, in relation to procedures for licensing, enterprise registration, and product certification. For this, they often resort to the

practice of creating a single agency to work with foreign investors, which includes all functions related to interaction with a foreign investor during the registration procedure. This makes it possible to eliminate duplication in the activities of state bodies and to create an effectively functioning institution of work with foreign investors that operates on the principle of a "single window". The agency itself, when solving problems related to the regulation of foreign investments, interacts with a wide range of other state bodies, whose competence is the solution of relevant issues. This approach will allow to reduce the costs of foreign investors related to the opening and conducting of investment activities in Ukraine; ensure transparency of the process of issuing permits and licenses; it is better to navigate in the normative and regulatory environment of Ukraine; to focus the government's attention on the "bottlenecks" of Ukraine's investment regime; accelerate institutional reforms (Movchan & Rogoff, 2022).

The steps that have already been taken to increase the attraction of foreign capital deserve attention. For example, the "Advantage Ukraine" initiative launched in September 2022 demonstrates that the government is looking for investors, realizing that the recovery of Ukraine must begin now. The initiative aims to attract future investment to the country by demonstrating opportunities in key sectors, which will be especially important for the post-war economy. The initiative covers innovative technologies, defense industry, metallurgy and metalworking, agriculture, energy, pharmaceuticals, natural resources, logistics and infrastructure, furniture and woodworking industry (Advantage Ukraine, 2022).

Undoubtedly, in order to fully restore the capacities of the national economy and to increase investment attractiveness, it is advisable to develop measures for the re-emigration of the workforce. The labor force is one of the key factors in the attractiveness of the Ukrainian economy for foreign investors. The basis of these programs is the employment of the re-emigrant, taking into account the experience and possible education he received in the territory of another state. Also, in the context of investment cooperation, a measure to return the labor force can be the signing of mutual agreements on the investment of public funds in the country of the exporter of labor force to create enterprises that become a place of work for a remigrant from the country of the investor. For example, such agreements helped to create jobs and stopped the immigration of Turkish citizens to Germany (Pereira, 2019).

**Conclusions and perspectives of further research.** The most important source of foreign capital for the economy of Ukraine is direct foreign investment, the role of which in the economy of developing countries is quite significant due to the fact that they provide not only an influx of financial resources, but also new technologies and knowledge in the field of production and management. In addition, FDI is carried out for a long time, which strengthens the economic stability of recipient countries. Starting from 2014 and until 2018, FDI in the economy of Ukraine had a downward trend, the next drop was recorded in 2020 due to the COVID-19 pandemic. It can be noted that a large share of foreign direct investment in Ukraine consists of the funds of Ukrainian corporations, which are returned to the economy from offshore zones, and Ukraine did not increase its presence on international investment capital markets during the pre-war period. Due to slow economic reforms in the pre-war period, Ukraine did not become an active recipient of global financial flows.

During the Russian Federation's large-scale aggression against Ukraine and the destruction of its industry and infrastructure, attracting foreign investment can be considered one of the main measures to support the national economy. Since the beginning of the war in Ukraine, many logistics chains have been completely broken, many enterprises have been destroyed, the budget has huge expenses, and revenues have decreased sharply. According to the available data, in 2023, receipts from foreign investments in Ukraine remain at a low level, so they cannot play a significant role in supporting or stimulating economic activity. Meanwhile, it is considered

necessary to work on the development of tools that will be included in the strategy of attracting foreign capital after the war. Among the main areas that should be considered:

- using tax incentives to achieve investment goals (allowing investors to carry forward (or back) losses for a certain number of years for tax accounting purposes, accelerated depreciation, tax holidays, investment allowances;
- improvement of bureaucratic conditions, for example through the practice of creating a single agency to work with foreign investors in order to reduce the costs of foreign investors, ensure the transparency of issuing permits and licenses, understanding of the normative and regulatory environment of Ukraine;
- attraction of future investments in the country by demonstrating opportunities in key sectors (innovative technologies, defense industry, metallurgy and metalworking, agriculture, energy, pharmaceuticals, natural resources, logistics and infrastructure, furniture and woodworking industry);
- labor force re-emigration measures, as one of the key factors in the attractiveness of Ukraine's economy for foreign investors.

In the long term, the international integration of Ukraine into the global investment space is one of the main directions of the country's socio-economic policy. This involves active attraction of external capital, creation of favorable conditions for business development. Integration into the global financial space will allow Ukraine to gain access to new markets, technologies and opportunities for attracting foreign investment, which will contribute to sustainable economic growth and economic recovery.

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