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COMPREHENSIVE EXPERT ASSESSMENT OF THE INVESTMENT ATTRACTIVENESS OF UKRAINIAN FINANCIAL ASSETS

Problem statement. During the period of war, the perception of Ukrainian assets for investment has shifted, impacting the attractiveness of capital investments. Assessing Ukraine's investment attractiveness is crucial. By analyzing political, economic, social, and technological factors, it becomes possible to gain insights into challenges and opportunities. Ukraine's stability, governance, and integrity are crucial considerations, as they directly influence investor confidence. Economically, transparency and regulatory efficiency play significant roles in attracting investment. Social factors, including demographics and human development indicators, provide insights into societal stability and growth potential. Technological growth, particularly in the IT sector, highlights Ukraine's innovation potential, crucial for attracting investment. Understanding these factors is essential for fostering sustainable economic development and attracting investment capital, unlocking Ukraine's full potential for growth.

Exposition of key research materials. In order to assess the investment attractiveness of Ukraine, a systematic approach based on PEST and SWOT analyses was employed. PEST analysis allows taking into account the impact of the external environment on the investment sphere, while SWOT analysis focuses on internal aspects.

Table 1. SWOT Analysis of the Investment Landscape in Ukraine

| Strengths: | Weaknesses: |
|--|---|
| <p>Ukraine demonstrates potential for economic growth, as evidenced by positive indicators such as ease of doing business and innovation capabilities.</p> <p>The IT sector presents a significant strength, with Ukraine ranked favorably in the Global Innovation Index, indicating strong research and technology capabilities.</p> <p>Despite challenges, such as political instability, Ukraine has shown resilience, particularly in maintaining democratic processes and electoral integrity.</p> | <p>Political instability and low rankings in indices such as the Global Peace Index and Democracy Index pose significant challenges for investor confidence.</p> <p>Corruption remains a pervasive issue, as indicated by Ukraine's low score in CPI, impacting the ease of doing business and overall investment climate.</p> <p>Socio-economic challenges, including population decline and emigration, hinder long-term growth prospects and economic stability.</p> |

Continuation of Table 1

| Opportunities: | Threats: |
|--|---|
| <p>Addressing corruption and improving transparency can significantly enhance Ukraine's investment attractiveness, fostering a conducive environment for business development and foreign investment.</p> <p>Leveraging the strengths of the IT sector and promoting innovation-driven policies can position Ukraine as a competitive player in the global economy, attracting investment and driving sustainable development.</p> <p>Post-war recovery efforts present opportunities for revitalizing the economy and infrastructure, with potential for growth in sectors such as construction and manufacturing</p> | <p>Ongoing geopolitical tensions pose threats to stability and economic growth, potentially deterring foreign investment and hindering development efforts.</p> <p>Economic challenges, exacerbated by factors such as inflation and currency fluctuations, could undermine investor confidence and impede growth prospects.</p> <p>Social unrest and demographic shifts, including workforce dynamics and population decline, may further strain the economy and limit investment opportunities.</p> |

In assessing Ukraine's investment attractiveness, a meticulous examination of political factors is imperative. This involves scrutinizing a multitude of key indices and reports, offering a comprehensive understanding of Ukraine's political landscape. One such crucial index is the Global Peace Index (GPI), which measures various aspects including societal safety, ongoing conflicts, and militarization. Ukraine's position in the GPI is sobering, ranking 157th out of 163 countries with a score of 3.043. This ranking underscores significant challenges in maintaining peace and stability within the country, potentially impacting investor confidence.

Moreover, the Democracy Index provides nuanced insights into Ukraine's democratic governance. Compiled by the Economist Intelligence Unit (EIU), this index evaluates nations based on electoral processes, government functioning, political participation, political culture, and civil liberties. Ukraine's position in the Democracy Index is 87th, with a cumulative score of 5.42. Delving deeper, Ukraine's performance across different components of the Democracy Index reveals strengths and weaknesses in various aspects of democratic governance. For instance, in the Electoral Process and Pluralism component, indicative of the integrity and inclusivity of electoral systems, Ukraine scores 6.50. This reflects positively on the nation's democratic infrastructure, emphasizing procedural soundness and openness in electoral mechanisms.

However, challenges persist in areas such as the Functioning of Government, where Ukraine records a score of 2.71. This metric reflects the efficacy and transparency of governmental institutions, highlighting areas needing improvement. Similarly, while Political Participation scores relatively well at 7.22, indicating a high level of citizen engagement, other aspects such as Civil Liberties, with a score of 4.41, portray a more complex picture. Civil Liberties encompass the degree of individual freedoms and rights afforded to citizens, shedding light on the protection and preservation of fundamental liberties within Ukraine.

Furthermore, Transparency International's Corruption Perceptions Index (CPI) offers critical insights into corruption levels, a factor with significant ramifications for investment climate. Ukraine's CPI score of 33/100 underscores persistent challenges in combating corruption, indicating the imperative for concerted efforts to enhance transparency and accountability within the country.

In summation, these indices collectively provide a nuanced understanding of Ukraine's political environment, highlighting both strengths and areas requiring attention. By considering such multifaceted indicators, investors can make informed decisions amidst the complexities of Ukraine's political landscape.

A comprehensive analysis of Ukraine's economic landscape necessitates a meticulous examination of various statistical indicators and international reports. These sources offer valuable insights into the country's investment climate, shedding light on factors such as corruption perception, ease of doing business, innovation capabilities, foreign direct investment (FDI), and economic well-being.

The Transparency International Corruption Perceptions Index (CPI) ranks Ukraine 117th out of 180 countries, indicating challenges posed by corruption in the public sector. This ranking underscores the importance of transparency and integrity in fostering a conducive investment environment. Similarly, the World Bank's Doing Business Report positions Ukraine at 64th out of 190 countries, reflecting aspects such as regulatory efficiency and ease of starting a business.

Moreover, the Global Innovation Index (GII) offers insights into Ukraine's innovation capabilities, crucial for attracting investment in technology-driven sectors. With a ranking of 45th out of 131 countries, Ukraine demonstrates potential in research, technology transfer, and creative outputs.

Furthermore, data on U.S. Foreign Direct Investment (FDI) and Gross National Income (GNI) per capita provide indicators of economic integration, market potential, and purchasing power. FDI, amounting to \$596 million in 2019, reflects investor confidence in Ukraine's economic prospects. Meanwhile, the World Bank's report on GNI per capita, which stood at \$4,270 in 2022 with a 3.39% increase from the previous year, highlights improvements in economic well-being.

This comprehensive analysis underscores the multifaceted nature of Ukraine's economic landscape, offering valuable insights for potential investors and policymakers alike. By considering such diverse indicators, stakeholders can

better navigate the complexities of Ukraine's economic environment, fostering sustainable growth and development.

Social factors play a pivotal role in shaping Ukraine's investment climate, encompassing demographic trends, human development indicators, and societal dynamics. A thorough examination of these factors offers valuable insights into long-term investment prospects amidst geopolitical uncertainties and socio-economic challenges.

The Human Development Index (HDI), which ranks Ukraine 77th out of 190 countries, assesses various dimensions including health, education, and living standards. This ranking provides a comprehensive overview of Ukraine's human development achievements, highlighting areas of strength and opportunities for improvement.

Moreover, demographic indicators such as population trends and workforce dynamics offer critical insights into Ukraine's socio-economic landscape. The Ministry of Finance's estimates put Ukraine's population at 41.167 million individuals, with demographic dynamics indicating a decreasing trend. Emigration, coupled with military service, has led to changes in the working-age population, impacting economic productivity and investment potential.

Furthermore, the onset of hostilities has led to a notable decline in social indicators, although latent potential for post-war recovery persists. The proportion of non-working population has increased, contributing to economic challenges. However, there remains optimism regarding Ukraine's capacity to restore pre-war levels and foster further growth.

In conclusion, a comprehensive analysis of social factors provides valuable insights into Ukraine's investment climate, highlighting both challenges and opportunities. By understanding the complexities of demographic trends, human development, and societal dynamics, stakeholders can make informed decisions to support sustainable growth and development in Ukraine.

Technological advancements, particularly in the Information Technology (IT) sector, play a pivotal role in shaping Ukraine's investment landscape. A detailed analysis of various statistical indicators and industry reports offers valuable insights into the country's technological capabilities and potential for innovation-driven growth.

The Global Innovation Index (GII) ranks Ukraine 45th out of 131 countries, reflecting its strengths in research, technology transfer, and creative outputs. This ranking underscores Ukraine's potential to attract investment in technology-driven sectors, contributing to economic development and competitiveness.

Moreover, data on IT sector development, including trends in computer services exports and employment opportunities, provide indicators of industry growth and market dynamics. Despite recent disruptions due to geopolitical events, Ukraine's tech industry remains resilient, with significant potential for future expansion.

Furthermore, insights into the number of IT companies and professionals offer valuable perspectives on the industry's ecosystem and talent pool. While challenges exist, including market shrinkage and disruptions in education, Ukraine's IT sector continues to play a crucial role in driving innovation and connectivity across industries.

A comprehensive analysis of technological factors offers valuable insights into Ukraine's investment climate, underscoring opportunities for growth and development in the IT sector. Leveraging its technological capabilities and fostering innovation-driven policies, Ukraine can position itself as a competitive player in the global economy, attracting investment and driving sustainable development.

Conclusion. In conclusion, the above assessment encapsulates a SWOT analysis of Ukraine's investment attractiveness. This structured approach highlights the country's strengths, weaknesses, opportunities, and threats in the context of investment climate evaluation.

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