

ANALYSIS OF GLOBAL INVESTMENT TRENDS IN THE CONTEXT OF COUNTRIES WITH DIFFERENT ECONOMIC DEVELOPMENT

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In the article the dynamics of foreign direct investment in the world were analysed and comparative evaluation of development trends of international investment activity in the countries with different level of economic development was done.

Keywords: foreign direct investment (FDI), inflow FDI, outflow FDI, developed countries, developing countries, transition economies.

One of the features of the modern world economy is the increasing importance of foreign investment, particularly foreign direct investment (FDI). At the present stage of development of the economy FDI plays the role of its core, and is the driving force behind the development of the processes of integration and globalization in the world. That is, the scale and paces of international investment activity largely depends on the development of the global economy in the future.

But, it should be noted, that the dynamics of investment income for separate types of countries depending on their economic and social development is significantly different. At the present stage of development of the world economy and the economies of individual countries the highest inflow and outflow of foreign direct investment (FDI) is observed in developed countries, much less to countries with transition economies, which is associated primarily with the low level of development of productive forces and pro-

duction relations. And today a considerable part of the world's foreign investment are directed to developing countries. This is due to the presence of more favorable conditions for business development, such as cheap labor, low prices of resources, the relatively low level of taxation etc.

In order to analyze the trends in investment activity by country groups and assessment of the inequality of investment income the data of inflows and outflows of foreign direct investment in the countries were systematized (table 1) [3].

As can be seen from table 1, the highest inflow of investment around the world was observed in 2015 and amounted to 1 001 774 m.\$ USA, this was the highest level since the global financial crisis of 2008-2009. The Inflow to the developed countries has doubled, to 984 billion \$ compared to 563 billion \$ in 2014. The highest increase was recorded in Europe, the United States was almost four-fold increase in FDI. Therefore, the propor-

Table 1

The main indicators of foreign direct investment in the world (2013-2016)

	2013		2014		2015		2016	
	million \$ USA	%	million \$ USA	%	million \$ USA	%	million \$ USA	%
General inflow FDI:	1 443 230	100,00	1 323 863	100,00	1 774 001	100,00	1 746 423	100,00
Developing economies	674 658	46,75	703 780	53,16	752 329	42,41	646 030	36,99
Transition economies	83 955	5,82	56 553	4,27	37 224	2,10	67 772	3,88
Developed economies	684 260	47,41	563 330	42,55	984 105	55,47	1 032 373	59,11
General out-flow FDI:	1 399 483	100,00	1 253 159	100,00	1 594 317	100,00	1 452 463	100,00
Developing economies	432 766	30,92	472 745	37,72	389 267	24,42	383 429	26,40
Transition economies	75 773	5,41	72 743	5,80	32 142	2,02	25 096	1,73
Developed economies	890 920	63,66	707 635	56,47	1 172 867	73,57	1 043 884	71,87

tion of developed countries in world inflows increased from 42,55% in 2014 to 55,47% in 2015, reversing the trend of recent years, when the regions of developing countries and countries with economies in transition were the main recipients of FDI. In transition economies FDI continued to decline to the levels of a decade ago due to low commodity prices, reduced market conditions in the markets and the impact of the restrictive measures of geopolitical tensions.

Compared to this year, in 2016 the global investment inflows fell by 27 578 m.\$ USA, direct investments in developed countries has increased, their proportion increased from 55,47% in 2015 to 59,11% in 2016. The volume of investment flows to developing countries decreased to 646 030 m.\$ USA or fell by 24% compared to 2015, but to the countries with transitive economies increased by

82,07%. This was facilitated by large privatization transactions and growth investments in mining projects [2]. The decline in FDI in Europe was offset by a modest increase in North America and strong growth in other developed countries.

After analyzing the FDI inflow in countries with different levels of economic development, it can be concluded that the highest FDI inflows for the period 2013-2016 was observed from developed countries, excluding 2014, where the main FDI recipients were developing countries.

Analyzing the outflow of direct investments in the world, we can see that for the investigated period, the largest it has been in 2015 and amounted to 1 594 317 m.\$ USA. Also there such a tendency is that the main sources of investments for the analyzed period were precisely the developed countries. Their proportion of glob-

al flows of FDI remained constant at just over 70%, in conditions when the investment flows from developing countries remained stable, at about 383 billion \$ and countries with economies in transition decreased by 22% to 25 billion \$.

In General, the global picture of FDI in 2016 has continued to be formed mainly under the influence of investment flows from major economic groupings, such as «twenty» and the forum Asia-Pacific economic cooperation (APEC), and in these groups.

In this regard, analyzing the dynamics of foreign direct investment in countries with different economic development, it could be concluded that the dynamics of global investment is unsustainable due to the unstable economic situation, an unstable condition of the markets of developing countries and, in general, different levels of economic development of countries. So nowadays the largest recipients and sources of investment incomes are developed countries. The countries with transitive economies have not yet been in demand of investors due to the limited or lack of perspectives of investments.

Under these conditions, it is necessary for developing countries and transition economies to encourage its economy and put it on a sustainable growth path. Ensuring financial stability and solving crises balance of payments in this case could be handled by the regional funds. The government must pay attention to the consistency of action of the international financial system and the international investment system, the interaction mechanisms which largely adjust the short- and long-term cross-border capital flows.

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