ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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GEOSTRATEGIC MATRIX OF FOREIGN DIRECT INVESTMENT REDIRECTION

Urgency of the research. *The importance of the problem of FDI flows redirection is based upon imbalances in the required and actual volumes of direct investment by countries and regions of the world.*

Target setting. *The study of the patterns of the distribution of world foreign direct investment flows is appropriate in the context of justifying their reorientation in order to increase the efficiency of the use of foreign capital.*

Actual scientific researches and issues analysis. *Scientific works of many domestic and foreign scientists are devoted to issues related to the attraction of foreign investments and their distribution in the world, in particular: I. Brodsky, J. Daning, M. Kukla, A. Melnyk, O. Rogach, B. Yavorichika, experts UNCTAD, the World Bank and the OECD.*

Uninvestigated parts of general matters defining. *Scientists have not investigated enough the possibilities of reorientation of FDI in the context of increasing the efficiency of using foreign capital.*

The research objective. *The article is aimed at determining the directions and instruments of reorientation of foreign direct investment flows in the context of increasing the efficiency of their use.*

The statement of basic materials. *The current article substantiates the need for reorientation of FDI flows due to the inefficient use of foreign capital in recipient countries. Based on the UNCTAD methodology for calculating FDI indicators, there was built a geostrategic matrix for FDI reorientation. Proceeding from the international experience of attracting FDI, there were proposed relevent measures of the investment policy of the countries aimed at stimulating or limiting the FDI inflow.*

Conclusions. *According to the conducted research, developed countries, especially the countries of Europe, North America, should limit the inflow of foreign direct investment, while in Latin America, Asia, the Middle East and Africa there is a lack of foreign capital for stimulation and maintainance of economic growth. The proposed measures aimed at liberalizing the investment regimes of these countries will help redistribute global flows, increase the efficiency of using foreign investment in countries and reduce financial imbalances in the world.*

Keywords: *foreign direct investment; investment policy; financial imbalance; efficiency.*

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ГЕОСТРАТЕГІЧНА МАТРИЦЯ ПЕРЕОРІЄНТАЦІЇ ПРЯМИХ ІНОЗЕМНИХ ІНВЕСТИЦІЙ

Актуальність теми дослідження. *Важливість питання переорієнтації потоків прямих іноземних інвестицій зумовлена дисбалансами необхідних та фактичних обсягів залучення прямих інвестицій за країнами та регіонами світу*

Постановка проблеми. *Вивчення закономірностей розподілу світових потоків прямих іноземних інвестицій є доцільним у контексті обґрунтування їх переорієнтації для підвищення ефективності використання іноземного капіталу.*

Аналіз останніх досліджень і публікацій. *Наукові праці багатьох вітчизняних та закордонних вчених присвячені питанням, що пов'язані із залученням іноземних інвестицій та їх розподілом у світі, зокрема: І. Бродського, Дж. Данінга, М. Кукли, А. Мельник, О. Рогач, Б. Яворчіка, експертів ЮНКТАД, Світового банку та ОЕСР.*

Виділення недосліджених частин загальної проблеми. *Науковцями недостатньо досліджені можливості переорієнтації ПІІ у контексті підвищення ефективності використання іноземного капіталу.*

Постановка завдання. *Стаття спрямована на визначення напрямів та інструментів переорієнтації потоків прямих іноземних інвестицій в контексті підвищення ефективності їх використання.*

Виклад основного матеріалу. *У представленій статті обґрунтовується необхідність переорієнтації потоків прямих іноземних інвестицій у зв'язку з неефективним використанням іноземного капіталу в країнах-реципієнтах. На основі методики ЮНКТАД розрахунку показників залучення ПІІ побудовано геостратегічну матрицю переорієнтації ПІІ. Виходячи з міжнародного досвіду залучення ПІІ, запропоновані відповідні заходи інвестиційної політики країн, спрямовані на стимулювання або обмеження припливу ПІІ.*

Висновки. *За даними дослідження визначено, що розвинені країни, передусім країни Європи, Північної Америки, мають обмежувати приплив прямих іноземних інвестицій у той час як у країнах Латинської Америки, Азії, Близького Сходу та Африки спостерігається нестача іноземного капіталу для активізації та підтримки темпів економічного зростання. Запропоновані заходи, спрямовані на лібералізацію інвестиційних режимів цих країн, сприятимуть перерозподілу глобальних потоків, підвищенню ефективності використання іноземних інвестицій у країнах та скороченню фінансових дисбалансів у світі.*

Ключові слова: *прямі іноземні інвестиції; інвестиційна політика; фінансовий дисбаланс; ефективність.*

Urgency of the research. The importance of the problem of FDI flows redirection is based upon imbalances in the required and actual volumes of direct investment by countries and regions of the world. Since FDI attraction is also a key part of economic security, search of strategic partners is very meaningful for every country of modern world, in particular for Ukraine. The current exploration is carried out within the framework of scientific research titled "Strategic partnership in terms of Ukraine's economic security" (No. 641/20) according to thematic plan of Ministry of Education and Science of Ukraine for 2018.

Target setting. The study of the patterns of the distribution of world foreign direct investment flows is appropriate in the context of justifying their reorientation in order to increase the efficiency of the use of foreign capital.

Actual scientific researches and issues analysis. Scientific works of many domestic and foreign scientists are devoted to issues related to the attraction of foreign investments and their distribution in the world, in particular: I. Brodsky, J. Daning, M. Kukla, A. Melnyk, O. Rogach, B. Yavorichika, experts UNCTAD, the World Bank and the OECD.

Uninvestigated parts of general matters defining. Scientists have not investigated enough the possibilities of reorientation of FDI in the context of increasing the efficiency of using foreign capital.

The research objective. The article is aimed at determining the directions and instruments of reorientation of foreign direct investment flows in the context of increasing the efficiency of their use.

The statement of basic materials. At the current stage of development of the economies of the world, the key task is to increase their international competitiveness. Under conditions of globalization, modernization of the national economy is needed for this, and support for a qualitatively new technical and technological basis of high growth rates requires the maximum involvement of not only domestic but also external sources of financing, including those related to the country's participation in international processes of direct foreign investment.

In the meantime, despite the recent growth in FDI inflows into developing countries and the active steps taken by the states to improve the investment climate of attracted direct investment, it is not always enough to promote the modernization of the economy and the reform of the country's specialization in international trade. At the same time, inflows of FDI can be connected both with investments in creation of new technologies and expansion of volumes of production, and also with transition of control of national assets in favor of foreign owners.

Nowadays in the scientific literature there are a number of works dealing with the issue of assessing the impact of FDI on the development of the economy of the recipient country and assessing the effectiveness of attracting FDI to the domestic economy; In foreign literature, the assessment of the impact of FDI on the development of the host economy is usually carried out using econometric modeling. For example B. Yavorichik, on the basis of an econometric model using panel data, suggested an alternative to assessing the indirect effects of FDI on the productivity of enterprises in the recipient country [2].

Domestic scientists also made a significant contribution to the development of the problem of assessing the effectiveness of FDI attraction in the national economy. In many studies, this estimate is based on the calculations of individual indicator systems that characterize the revenues and use of direct investment, as well as their impact on the country's economic development.

M. P. Doll (2008) notes that enterprises with foreign investment are generally more effective than national ones, and their contribution to macroeconomic indicators can be substantial even in the presence of a small number of such enterprises. According to the scientist, this is due to the use of newer technologies of production by foreign enterprises, advanced management approaches, as well as investments in types of economic activities that provide a quick return [9, p. 112]. Taking into account these preconditions, the scientist's methodological approach to assessing the effectiveness of FDI attraction for the country involves the calculation of three groups of indicators, which reflect: 1) the degree of participation of foreign capital in the economy; 2) the absolute and comparative effectiveness of FDI; 3) socio-economic effects from the presence of FDI.

I. B. Brodsky (2008) suggests the following indicators of the economic efficiency of attracting FDI: total and partial growth of the country's productive capital and other basic means of socio-economic use; increase in gross national income (GNI) as a result of FDI attraction, in particular the share of GNI growth as a result of attracting FDI in its overall growth in the country; indices of the profitability of foreign capital in relation to the profitability of domestic capital in the country, etc. [8]. These indicators are supplemented by a number of other indicators that reflect the efficiency of enterprises with foreign capital, namely: the share of products related to high-tech products with a high degree of their competitiveness; the share and level of growth of direct and indirect tax revenues to the budgets of all levels falling on foreign capital in the country as a whole and in certain spheres of entrepreneurship; number of newly created and eliminated jobs, etc.

At the same time, the study of the role of foreign investment in the country's economic development shows that traditionally investment potential is characterized by a set of the following indicators, based on the analysis of which substantiates its assessment. These are as follows:

- the ratio of attracted foreign investments to GDP and its dynamics over the years;
- the ratio of attracted foreign investments to the production of goods in a particular industry (type of economic activity) to the total volume of production of this industry (type of economic activity);
- the ratio of the share of foreign investments attracted by a certain branch (type of economic activity) to the share of world foreign investment attracted in this field (type of economic activity), which allows determining the level of specialization of the country;
- volume of attracted foreign investments per capita of the country.

One of the most common methods for assessing the effectiveness of FDI is the methodology of the United Nations Conference on Trade and Development (UNCTAD). Comparing the actual volumes of FDI of any country with its potential, the effectiveness of FDI inflow using indexes and country rating is estimated by the degree of actual realization of available potential in attracting FDI [5, p. 35-40]. The most significant drawback of this approach is the lack of an assessment of the quality of the attracted FDI and its impact on the development of economies of countries.

It should be noted that the investment potential means the maximum possible ability to engage in production and effectively use investment resources for real and financial investments that materialize in the newly created factors of social production and public infrastructure [10, p. 253].

According to the Inward FDI Attraction Index, countries are ranked by the ratio of the inflow of FDI to the size of the economy. It reflects the average country rating by volume of inflow and accumulated FDI as a percentage of GDP. The actual index can be calculated on the basis of net inflow of FDI for a certain year (Tab. 1). In order to determine the policy of attracting FDI, the possibility of evaluating the index over a longer period of time is more relevant as: 1) FDI flows can vary substantially from year to year; 2) decisions on the implementation of FDI may take more than one year and provide for a long-term commitment; 3) state initiatives and tools to improve the policy of attracting FDI in general take a long time to create positive effects for the economy.

Table 1

Inward FDI Attraction Index for some countries of the world for 1990-2016

No.	Country (Group of Countries)	1990		2000		2010		2016	
		Index	Place in the Rating	Index	Place in the Rating	Index	Place in the Rating	Index	Place in the Rating
1	World	9,6	-	21,4	-	30,4	-	35,0	-
2	Developed Countries	9,2	-	21,6	-	31,8	-	37,9	-
3	Developing countries	11,1	-	21,2	-	27,4	-	30,4	-
4	Transition Countries	0,9*	-	13,3	-	31,5	-	40,1	-
5	USA	9	66	27,1	71	22,9	134	34,4	124
6	China	5,2	97	15,9	108	9,7	173	12,1	177
7	Hong Kong	262,1	1	253,6	4	466,90	6	496,1	5
8	Germany	14,2	45	24,1	79	27,9	120	22,2	147
9	Ukraine	1,3*	144	12,0	124	38,9	94	51,9	80
10	Belarus	0,1*	163	9,8	140	17,3	146	38,8	111
11	Poland	0,2	149	19,5	94	39,2	92	39,8	108

* Data as of 1992

Source: created by the author on the basis of [6-7]

The table shows that Ukraine, Poland, Belarus and, as a whole, transition economies have significantly improved their positions. At the same time, more developed countries have somewhat deteriorated their position in the rating. First of all, this is due to the peculiarities of the calculations, since the GDP of Ukraine and neighboring countries is rather low in dollar terms, so the small absolute change in foreign investment, which comes mainly in freely convertible foreign currencies, has led to a significant increase in the number of FDI attracted to GDP. Conversely, taking into account the large volumes of developed countries' GDP (US, Germany, etc.), their volumes of FDI are causing a decrease in the FDI index. Therefore, this method does not provide unambiguous information on the effectiveness of the actual attraction of FDI in the world, because it does not take into account the relative magnitude of the economy of the country under study.

For international comparisons and estimates of the inflow of FDI, UNCTAD specialists are additionally proposing to match the potential and actual FDI Intension Factors Index [5].

The potential index covers four key economic components of the country's economy's attractiveness for foreign investors, which are based on the decision-making motives of foreign investors in the Dunning theory (OLI paradigm) [1, p. 184]:

1) the attractiveness of the market;
2) availability of cheap and skilled workforce;
3) availability of natural resources;
4) availability of infrastructure. Each of these components includes separate indicators (Tab. 2).

Table 2

Separate Indicators for Calculating the Potential Index of FDI Attraction

Components of the Economy's Attractiveness	Indicators
Attractiveness of the Market	• Market size (GDP at purchasing power parity) • The level of consumption (GDP per capita at purchasing power parity) • Potential market growth (real GDP growth)
Availability of Cheap and Skilled workforce	• Cost per unit of labor (hourly wages and labor productivity) • The size of the reproduction of labor resources (existing skills base)
Availability of Natural Resources	0. Exploitation of natural resources (volume of export of fuel resources and metal ores) 1. Agricultural potential (availability and area of arable land)
Availability of Infrastructure	• Transport Infrastructure - road density (km of road per 100 sq. km of area) - share of roads with hard cover in total length - length of railway lines of the general route, km - the index of connectivity of linear shipping • Energy infrastructure - electricity consumption • Telecommunications infrastructure - the length of telephone lines per 100 inhabitants - the number of mobile cellular subscribers per 100 inhabitants - fixed broadband Internet access per 100 inhabitants.

Source: created by the author on the basis of [5, p. 30]

The method of calculating this index is to determine the unweighted average arithmetic indicators, because there are no objective preconditions, and statistical evidence of the need to calculate individual scales. The value of each indicator is pre-normalized to estimate it from 0 (for countries with the lowest value) to 1 (the highest-value countries). The overall potential FDI index is determined by combining the assessment of the four determinants using the same weight for each (Tab. 3).

Listed in Tab. 3 country ratings for components of the potential index of PPI attraction can assess the motives of investment for foreign investors, and may also be the basis for determining the types of economic activity or sectors of the economies of countries in which it is the most expedient to attract FDI. Based on these ratings, China has the greatest potential for FDI attraction, and this is primarily achieved by the presence of significant natural resources, which is the most expedient to attract FDI into its mining and processing industries. At the same time, Ukraine in the overall rating has a rather high result, ranking 22nd. The main motive for attracting PPIs through the UNCTAD methodology is potentially cheap and skilled labor, as well as significant (relative to the needs of the economy) natural resources.

Table 3

Country Rating by Potential Index of FDI Attraction for 2015

Country	Economic Indicator Groups				
	Attractiveness of the Market	Availability of Cheap and Skilled Workforce	Availability of Natural Resources	Availability of Infrastructure	Overall rating
Bahamas	105	..	46	150	95
Bahrain	87	..	32	92	61
Belarus	34	7	52	56	27
Bulgaria	91	36	40	46	49
China	6	3	43	6	1
Germany	11	47	2	10	8
Hong Kong	7	74	1	103	40
Poland	15	32	26	20	18
Qatar	1	71	45	85	48
Russian Federation	14	24	31	2	6
Ukraine	50	19	37	23	22
USA	20	25	11	1	2

Source: on the basis of [5]

In order to reconcile the investment potential and the actual indicators of FDI attraction, a geostrategic matrix of attracting foreign investment is formed (Tab. 4).

By comparing the potential and actual rates of FDI attraction, we are able to assess how far the countries of the world are using their potential for attracting FDI, which in turn allows them to determine the direction of their investment policy: promoting or limiting the inflow of foreign investment.

The group of countries, whose actual index of attracting FDI exceeds the potential one, includes primarily countries rich in natural resources, given that the potential index involves the estimation of stockpiles of resources. In addition, small groups of insular countries are included in this group, where single significant amounts of FDI have a significant impact on their attraction performance, or those countries that have created specific advantages in the investment or tax regime in their territory or through access to larger markets (for example, through the Sea Port of Djibouti). This group also includes a number of countries, such as Albania, which are in the overwhelming phase of attracting FDI, only recently having changed the course to improve the investment climate.

Countries that traditionally did not depend on foreign investment for capital formation, such as Japan and the Republic of Korea, attract FDI below the potential (Quartiles 1.4.2.4.3.4.1.3, 2.3, 1.2), since they have sufficient domestic financial resources to economic growth or traditionally low FDI, such as Italy.

Developing countries that rank FDI in the ranking of the first and second quarters and have high investment potential attract insufficient FDI at the time of the analysis, including Philippines and South Africa, and to a lesser extent, countries such as India, Indonesia, and Mexico (although these countries may be successful in the near future in the field of operations related to non-investment forms of equity participation).

At the time of the analysis, countries that belong to the first and second quartile in the rating of potential index of FDI and are characterized by high investment potential attracted insufficient levels of FDI, in particular, Philippines and South Africa, and to a lesser extent, countries such as India, Indonesia and Mexico (although these countries, in our opinion, can be successful in the near future in the field of operations related with non-investment forms of capital participation).

Table 4

Geostrategic Matrix of FDI Attraction

High	1st quartile >11 %	Chad, Liberia, Madagascar, Niger	Albania, Bahamas, Congo (Democratic Republic), Equatorial Guinea, Jordan, Lebanon, Luxembourg, Mongolia, Mozambique, Zambia	Bulgaria, Ghana, Ireland, Israel, Nigeria, Norway, Panama, Turkmenistan, Uruguay	Australia, Belarus, Belgium, Brazil, Chile, China, Columbia, Hong Kong (China), Kazakhstan, Malaysia, Peru, Poland, Russian Federation, Saudi Arabia, Singapore, Switzerland, Ukraine, United Kingdom, Vietnam
Actual FDI Index	2nd quartile 7-11%	Armenia, Cambodia, Guinea, Nicaragua, Saint Vincent and the Grenadines, Solomon Islands	Costa Rica, Georgia, Honduras, Kyrgyzstan, Libya, Maldives, Malta, Namibia, Seychelles, Sudan, United Republic of Tanzania	Brunei Darussalam, Croatia, Dominican Republic, Egypt, Estonia, Iraq, Portugal, Qatar, Serbia, Tunisia, Uzbekistan	Austria, Canada, Czech Republic, France, Germany, Hungary, India, Indonesia, Mexico, Netherlands, Romania, Spain, Thailand, Turkey, United Arab Emirates, USA
	3rd quartile 1-7%	Antigua and Barbuda, Belize, Cape Verde, Central African Republic, Djibouti, Dominica, Fiji, Grenada, Guyana, Mali, Sao Tome and Principe, Vanuatu	Barbados, Botswana, Cameroon, Lao People's Democratic Republic, The former Yugoslav Republic of Macedonia, Mauritius, Republic of Moldova, Myanmar, Uganda, Zimbabwe	Algeria, Azerbaijan, Bolivia (Multinational State), Denmark, Gabon, Guatemala, Iceland, Jamaica, Latvia, Morocco, Oman, Pakistan, Syrian Arab Republic, Trinidad and Tobago	Argentina, Finland, Iran (Islamic Republic), Italy, Japan, Korea (Republic), South Africa, Sweden
	4th quartile <1%	Afghanistan, Benin, Bhutan, Burkina Faso, Burundi, Comoros, Côte d'Ivoire, Eritrea, Gambia, Guinea, Bissau, Haiti, Kiribati, Lesotho, Malawi, Mauritania, Nepal, Rwanda, Samoa, Sierra Leone, Suriname , Swaziland, Togo, Tonga	Angola, Bangladesh, Bosnia and Herzegovina, El Salvador, Ethiopia, Kenya, Papua New Guinea, Paraguay, Senegal, Tajikistan, Yemen	Bahrain, Ecuador, Greece, Kuwait, Lithuania, New Zealand, Philippines, Slovakia, Slovenia, Sri Lanka	Venezuela (Bolivian republic)
		4th quartile (133-178)	3rd quartile (89-132	2nd (45-88)	1st quartile (1-45)
	Potential index of FDI attraction				
Low			High		

Source: on the basis of [5]

Ukraine has entered a group of countries with high investment potential, as our economy is sufficiently backed by natural resources, has a well-developed infrastructure built in the times of the USSR, and is attractive to investors in terms of cheap and skilled labor. However, the real economic situation in Ukraine indicates the lack of attracted FDI for economic growth. The main reasons are the concentration of natural resources in the hands of private individuals who are not interested in their effective use, the obsolete infrastructure (for example, the depreciation of railway tracks reaches 70%), inefficient use of agricultural land, their depletion of crops of industrial crops, attraction of foreign capital in unproductive types of economic activities (mainly in financial services and real estate transactions), as well as active devaluation of the national currency, which contributes to the nominal increase of the volume in foreign investment.

Based on the investment policy of the countries under study and their regional groups, it is appropriate to identify the tools to stimulate the attraction of foreign direct investment in the identified priority sectors, as well as their redistribution in order to maximize the economic development of the country and overcome financial imbalances.

As far as Latin America is concerned, further efforts are needed to disclose the full potential benefits from incoming FDI inflows. Although the inflow to the region is increasing, Latin America is far behind Southeastern Europe in terms of accumulated reserves of FDI. The statistical data indicate a decrease in real labor productivity, as well as the fact that corruption and state regulation restrict investment activity in the region.

Many countries in Latin America have introduced and maintain restrictions on the share of foreign ownership of equity capital, especially those with a smaller population. Since the host countries need to attract a foreign investor, despite the small size of the consumer market, in our opinion, it is advisable to cancel or liberalize such restrictions. Larger economies such as Mexico and Brazil tend to impose more restrictions, especially on services and strategic sectors. In order to increase its attractiveness for foreign investors, Latin American politicians could consider reducing the share of property constraints in sectors such as telecommunications, electricity, petrochemicals and transport, and reforming corporate governance of state-owned enterprises in order to better separate the role of the state as a regulator and market participant.

Since the simplicity of an investment can be a decisive factor for a foreign investor, when choosing between the target countries, the governing bodies of the states should consider merging procedures for the establishment and abolition of additional bureaucratic procedures. Single windows or modern alternatives to traditional registration (eg via the Internet) can be created and, if necessary, higher fees for fast document processing. The requirement for the approval of foreign investment should be limited by strategic sectors or by volume of investments above a certain threshold. The requirement of minimum capital contribution can be canceled. At the same time, the procedure for registration of business within the FEZ (free economic zones) can be simplified, as long as the transformation of the mode of existence of the FEZ is not changed to a full-fledged national investment reform. In general, laws on the establishment and conduct of business must be clearly defined and ensure fair and equal treatment of foreign domestic companies [3, p. 54]. A successful and active transfer of knowledge from a more developed country should facilitate the use of skilled immigrants, especially in innovative sectors of the economy, such as research and development. To speed up and simplify the procedure, it is advisable to run online systems for the issuance of temporary work permits; "Single windows" for processing requests for work permits. In countries that impose quotas on experienced emigrants, it may be necessary to revise them or eliminate them altogether, since such quotas could be a potential barrier for multinational firms seeking to invest in the region. Taking into account the fact that foreign investors seek not only to invest, but also to repatriate profits, the liberalization of restrictions on the conversion and transfer of foreign currency abroad [11, p. 342] is important. Such standards do not have significant control, but may increase operating costs for foreign firms operating in the country's economic activities.

Most of the reforms require the countries of Africa, because their investment potential is extremely ineffective. The development of these countries largely depends on the activities of TNCs and their aggressive consumer policies in relation to local resources, therefore, first of all, there is a need for state support from leading countries of the world, aimed at protecting the interests of countries that are recipients of FDI. At the same time, state support may be instruments for hedging business risks in politically unstable countries [11, p. 468]. To do this, it is advisable to apply the best practices in public-private partnership, export-import agencies, chambers of commerce and industry and international financial organizations in order to maximize both economic and social impact, not only for individual countries but also in the world as a whole. .

African capital markets are still under development. For many years there was a significant underestimation of these markets, which was translated by many experts into the performance of the securities market in comparison with other emerging markets. One of the reasons why so far the financial markets and services sector has received insignificant attention from international organizations working on the continent's development is the general perception of stock exchanges as institutions that can not solve the main problems of the continent - the overcoming of diseases and poverty. Today, when the ways of solving these problems are identified, experts believe that regulated stock markets will promote expansion of economic activity on the continent and the creation of new jobs, which will create conditions for increasing the well-being of the population.

In general, the overall goal of all these transformations is to improve the living conditions of people living on the continent. If current trends continue in the next few decades, with the enormous growth impact on the global economic processes of developing countries, Africa, wisely using support today, will cease to be a raw material basin and will definitely increase its geopolitical weight in the functioning of the global economy and overcome the stereotype of the lag of this continent globe in the socio-economic plan.

One of the main problems of African countries remains the political instability of the region, which affects its economic situation. Most of the countries in the African continent were characterized by high political risks, in particular, Somalia, Congo, Sudan and Zimbabwe took respectively 1st, 2nd, 3rd and 7th places and became the most risky in the world among 196 countries. In recent years, in a number of North African countries, there have been revolutions, called "Arab Spring". The biggest worries were Tunisia (the beginning of the "Arab Spring"), Egypt, Algeria and Libya, which resulted in political changes in government. Investors are known to seek first and foremost protection from such measures as nationalization, expropriation and other serious cases of deprivation of property and violations of investor rights (in particular, unlawful cancellation of contracts), which may lead to prolonged termination or even termination of the investor's activity in the host country Therefore, at this stage, governments should pursue sound political reforms, provide foreign investors with relevant information on possible changes in the political arena, and provide state guarantees of protection against changes in the country's political course. Such guarantees of investment protection are important conditions in bilateral investment communities. At the same time, with the development of the liberalization process, they are increasingly being used in a regional context and are now an important element of multilateral investment treaties.

In most Arab countries, foreign exchange control over capital flows is used, free remittance of profits and capital investments is guaranteed if the priority investment has been properly executed and registered properly. These restrictions, in particular, take place in Morocco and Jordan, where initial investments must be registered with the Foreign Exchange Office. In some cases, special reservations are applied for transfers of funds abroad. Accordingly, it would be advisable for such countries to recommend the gradual liberalization of currency restrictions in order to ensure a truly free flow of capital and assets and thus increase the confidence of foreign investors in local governments and national currencies.

Transition countries, represented primarily by the CIS and some Eastern European countries, also have a significant need for attracting and efficiently using FDI. The main constraining factors for attracting FDI are, first of all, economic factors: the underdevelopment of the private property and stock market institute, the extinction of capital and profits from domestic enterprises in favor of affiliated foreign companies, low savings, high interest rates on loans, etc., which led to a reduction in volumes attraction of foreign investments and increase of volumes of international credit obligations. Thus, the state should intensify reforms in the field of fighting corruption, protecting private property rights, tax regulation, and also liberalizing policies on the stock, currency and money markets.

Conclusions. According to the conducted research, developed countries, especially the countries of Europe, North America, should limit the inflow of foreign direct investment, while in Latin America, Asia, the Middle East and Africa there is a lack of foreign capital for stimulation and maintainance of economic growth. The proposed measures aimed at liberalizing the investment regimes of these countries will help redistribute global flows, increase the efficiency of using foreign investment in countries and reduce financial imbalances in the world.

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