

INNOVATION DEVELOPMENT AND INVESTMENTS IN UKRAINE

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Innovations have become a very important factor of technological leadership and economic development and competitiveness at both national and regional, enterprise levels. Innovations introduction results in a new or improved product. Thus, enterprises that implement innovations have a higher level of production and income. The transition to a market economy has raised the importance of innovation and the development of innovation potential of the country. Ukraine is still considerably lagging from many countries of the world in terms of innovation development. Thus, it is important to identify areas which can contribute to innovation development of the country.

In current research, we have highlighted issues of the link between recently elaborated Bill on improvement of regulatory environment for investments and innovations in Ukraine.

The aim of current paper is to identify weak areas of the development of Ukraine which can affect innovative development.

In current paper, we have considered Ukraine and its innovation development in terms of several international rankings, indicated main sectors for investments as important factor of innovations, as well as indicated recently implemented steps to improve regulatory environment for investments.

New, improved regulatory environment will contribute to more favorable investment climate, will increase investments inflow, geography of investments which in turn will enhance economic growth due to job market development, higher market competition and better cooperation between stakeholders and government. However, it should be noted that according to the new Bill there is still no relationship between new investment opportunities and innovations. It is not clear how investments will be distributed among the industries and whether tendency to invest in already developed industries will be continued or investors will try to find other niches to invest, including R&D. In order to enhance and promote innovation development it is vital to elaborate also the Law on incentives to invest in prioritized R&D areas. It is important to indicate priority areas of R&D, identify target regions for R&D investments and indicate that investments in R&D sector will be accompanied by economic benefits.

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