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**THE ROLE OF FOREIGN DIRECT INVESTMENT IN TRANSITION ECONOMIES
OF CENTRAL AND EASTERN EUROPE**

The article examines the role and significance of foreign direct investment in Central and Eastern Europe. The author has investigated current state and trends of foreign direct investment in the region. The given analysis has revealed the following peculiarities of inward FDI flows in the region:

– the economies of most CEE countries heavily depend on foreign investments. The average share of inward FDI stock as a percentage of GDP exceeds 50%. Bulgaria is the most attractive for foreign investors and most dependants on FDI;

– pre-crisis FDI sectoral structure was unfavorable for the region's economic development: the most attractive for foreign investors were real estate sector, mining industry (coal, oil and natural gas), transportation and alternative energy sector, while electronic and automotive components, industrial machinery sector attracted minimum investments;

– foreign investment processes in Ukraine are characterized by a number of negative trends: the lion's share of investment in Ukraine has been made to provide investors with speculative income followed by withdrawing money from the country; significant share of foreign direct investment in the country is a refund from offshore companies; significant asymmetry in attracting foreign direct investment in the regions; growing withdrawals of earnings on foreign investments.

Further research should be done to determine parameters which will allow us to exploit FDI more efficiently in the CEE countries, particularly in Ukraine.