

FINANCING OF INNOVATIVE ACTIVITY OF THE ENTERPRISES

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In the current economic climate strong role in the competitiveness of individual companies, regional and national economy in general have an innovation.

Ukraine as part of the national economy of the former USSR had a considerable innovative potential. According to UNESCO, the share of Ukraine in the world engineering and scientific potential was almost 7 per cent. Unfortunately nowadays, Ukraine – a state with enormous innovative potential in the past – today is unable to realize it in the competitive environment of the open market, lagging behind in economic development after the recently less powerful Poland, Hungary, Slovakia and even Romania.

Some aspects of investment provision for innovative development in Ukraine are explored by the renowned Ukrainian economists such as O. Amosha, M. Arefyev, Y. Bazhalo, Y. Vasylenko, O. Vasyurenko, Y. Halushko, A. Halchynsky, V. Heyetz, A. Hrynyov, B. Danylyshyn, H. Dobrov, H. Zavlin, M. Krupka, A. Kuznyetsova, T. Kosova and others. Despite significant number of scientific management, there are many complex issues, which need further development.

According to leading Ukrainian experts, the main source of investment provision of innovative development is the resources of enterprises themselves. But considering the resource shortage at most enterprises, the low level of profitability, high level of assets depreciation, it is possible to make a conclusion about the limited capacity for investment provision of innovative development of the Ukrainian economy from the resources of enterprises.

Another form of financing investments and innovative activities in Ukraine is by means of financial and industrial capital. Since the introduction of the first normative documents in Ukraine, which allowed the creation of financial and industrial groups, none were registered in the country. It is quite difficult to estimate the efficiency of financial and industrial groups in investment provision of innovative development in Ukraine because of the nontransparency of such structures, the lack of statistical check of their activity, incomplete and fragmentary data.

Banks only fragmentary participate in the investment provision of innovative development, which is explained by the short-term character of their resources, imperfection of banking laws and a high risk level of such operations. The low level of bank activity in relation to investment in innovations is caused by the fact that most Ukrainian banks have a small size of capital (the capital level of all Ukrainian banking system corresponds to the level of capital of one middle-sized bank in California or one big bank in Central Europe. The financial potential of Ukrainian commercial banks is five times smaller than the potential of commercial banks in Russia and 200 times smaller than in Japan.

Nowadays the national economy sustains significant losses because of the absence of favorable conditions for innovative development. The introduction of innovative strategies can not be carried out without solving the problem of their financial provision. For this reason considerable attention should be paid to the formation of effective innovative policies, as the future development will be determined by the level of innovative activity and its financial provision. The problem of providing financial resources needed for realization of innovative activity can only be solved when various sources of financing (state and free market of capital) are used.