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***THE ROLE OF FOREIGN DIRECT INVESTMENTS IN ECONOMIC  
NATIONAL SECURITY\****

In the modern world, foreign direct investments (FDI) have a considerable influence on the economy of many countries. Their number is constantly increasing due to globalization, thereby strengthening the role of international production in the global economy. Some experts believe that attracting foreign investment to the state can have both positive and negative consequences for economic national security.

The reason of these disagreements is the fact that the inflow of the foreign capitals can render both positive and negative consequences on national economy.

First of all, FDI can positively affect the economic and investment reputation of the state on the international arena. They are able to "slow down" the growth processes of the external debt of the country that attracts them.

Secondly, foreign investments always represent a source of financing and a constant inflow of foreign capital into the country's economy. This, in turn, increases the accumulation of capital and its production potential. At the same time, thanks to investments in the state's economy, there is an exchange of experience and innovations that bring the country to a new level of technological development.

A striking example of the positive influence of FDI on the country's economy can be the rapid development of such states-leaders as the United States, France, Germany and the United Kingdom. The foreign investments that were assigned to them played a catalytic role in the rapidly restructuring of their economies. In recent years, the same tendency has been observed in developing countries of Asia: India, China, etc.

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The advantages of attracting FDI are ability of positive influence to economic and investment image of the state on international level. For example FDI can “slowdown” increasing of external debt of country and also promote constant increasing of assets of enterprises. Second advantage of FDI is source of receiving financing (increasing of countries resources for updating and expansion of capital for introduction of progressive technologies).

The actual transfer of business management function to the foreign investor and suppression of local entrepreneurs by restriction of competition belongs to the main disadvantages of encouraging of FDI in large amounts. As says Professor of International Business and Trade Michael Czinkota, one of the most dangerous consequences of FDI is risk of increase capital outflows. From his point of view, “capital inflows resulting from foreign direct investment are often accompanied by higher, longer term outflows that do not benefit the host government. For example, when multinational chains built hotels in the Caribbean, the shortage of local suppliers meant that much-needed foreign currency was spent on imported supplies” [1].

As for me, inducement of Foreign Direct Investments by government is one of integral parts in modern economic life. This process helps in developing of new technology, increases competitiveness of economy or its branches. Especially now, inflow of FDI is necessary for developing economy in our country. But we can see that due to instability in economic and political spheres and also poor control of the foreign capital during the last years, amount of investments rapidly decreases. As has told the CEO of Alfa-Bank Ukraine Ivan Svitek: "Inflow of FDI to the Ukraine following the results of the first half of the year 2017 has made \$1,5 billion whereas for the same period of 2016 he equaled \$2,1 billion" [2].

In conclusion, it must be said that administration by investments should be very careful. Government must evaluate all positive and negative sides from attracting of FDI. For anticipating of negative phenomena, the state must limits the sphere of attraction of direct foreign investments, without allowing to participate them in strategically important branches (for example, military industrial complex,

nuclear power, mining, etc.). So, only in case of right control of FDI government can get all advantages from inflow of foreign investments.

## References

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