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FOREIGN INVESTMENT IMPACT ON THE COUNTRY ECONOMIC GROWTH

The article presents the main results of the study of foreign investment impact on economic growth.

The positive and negative effects of foreign direct investments in the economy of the host country are studied. Scientific studies brought to the conclusion that FDI make greater influence on the economies of the developing countries rather than they make on the developed countries. Thus, this effect is substantially dependent on the initial conditions, the quality of human capital, institutional support and the macroeconomic situation in the country.

The issue of the possibility of knowledge transfer through foreign direct investment into the economy of the host country is examined.

The influence of modern sectoral structure of FDI on the economic situation in Ukraine is analyzed. Modern industrial structure of foreign direct investment of Ukrainian economy contradicts to the priorities of the state development and it does not influence

effectively the economic growth and the formation of an innovative development model.

The essence of pseudo-effective foreign investments and their impact on economic development of the host country is considered. Some indicators of social and economic development of Ukraine for determining the effects of pseudo-effective investment growth in the longer term are analyzed. Pseudo-effective investments are determined to create a threat to the economic security of the host country in the long term.

The structural-object and structural-functional characteristics of foreign investment made it possible to describe the main differences among pseudo-effective, effective and speculative investments are studied.

In order to achieve maximum effect for both sides of the process, it is necessary both to balance the interests of the state and a foreign investor and to level the negative impact of foreign investment on economic growth.