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**THE USAGE OF THE RESULTS OF NOVOPOLOTSK INVESTMENT ATTRACTIVENESS EVALUATION  
TO DEVELOP PRACTICAL RECOMMENDATIONS FOR ITS IMPROVEMENT****IRINA GRABLEVSKAYA, ELENA LISICHONOK**  
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*The author substantiates the need to assess the investment attractiveness of the town, which will allow to formulate recommendations for its improvement. The results of evaluation of investment attractiveness of Novopolotsk in comparison with other cities and towns of Vitebsk region (Vitebsk, Orsha, Polotsk) are presented. The factors that negatively affect the investment attractiveness of the town are highlighted. Based on the selected factors, the recommendations aimed at improving the investment attractiveness of the town of Novopolotsk are formulated.*

The need to increase the investment attractiveness of the town (region) due to its importance for the active attraction of investment, which will ultimately contribute to the strengthening of the competitiveness of the town (region). Evaluation of the investment attractiveness of the region (town) will identify the factors that reduce it, which in turn will create the basis for the development of practical recommendations aimed at improving the investment attractiveness of the region (town).

The studied approaches of domestic and foreign authors, reflecting the essence of the category "investment attractiveness of the region" allow us to draw the following conclusions:

1. Investment attractiveness of the region is often considered as a set of factors and conditions.

2. Investment attractiveness is presented as a combination of two characteristics: investment potential and investment risk.

To analyze and highlight the weaknesses of Novopolotsk, the author used the method of ranking.

The essence of the ranking method is as follows: according to the selected parameters, the places of the regions for each indicator are determined. The total rating of regions is formed by the sum of the places occupied by the region in all parameters. The highest rating is assigned to the region with the minimum number of positions. When using the ranking method, Novopolotsk was compared with other major cities and towns of Vitebsk region (Vitebsk, Polotsk and Orsha).

Investment attractiveness of the town is formed from two groups of indicators that determine the indices: investment potential and investment risks. This approach should be recognized as the most common among domestic and foreign authors. This approach, for example, adhere to Mikhail Kovalev and Alina Yakubovich [1], as well as the rating Agency RAEX ("Expert RA") [2].

The investment potential of the town reflects the possibility of investing in non-expendable assets, including investments in securities for profit.

The main components of the investment potential of the town are four micro-index-potential (private potential): resource and labor, institutional, consumer and financial, each of which is characterized by its own group of indicators.

Investment risk of the town is a set of factors under the influence of which there is a probability of unforeseen financial losses in the face of uncertainty of the results of investment. The main components of the investment risks of the town are three microindex-risk (private risk): social, environmental and financial, each of which is characterized by its group of indicators. The algorithm for calculating each of the indicators included in the composition of private investment potentials and investment risks is presented in the source [1].

The analysis is based on statistical data for 2017. The data of the National statistical Committee of the Republic of Belarus were used for the analysis.

The following indicators were used to assess the investment potential:

– characterizing the resource and labor potential: the index of the population in working age; the index of the population under the age of the able-bodied; the index of security of housing; the index of input of housing; the index of investments in fixed capital; the index of growth rate of contract works;

– characterizing institutional potential: index of retail space provision; index of the number of small enterprises; index of the number of places in public catering facilities;

– characterizing consumer potential: retail turnover index;

– characterizing financial capacity: the profitability index of realized production; index of nominal wages; the index of profitability of the organizations (enterprises); the index of exports.

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The analysis carried out by the author in the context of this system of indicators shows that Novopolotsk has a fairly strong investment potential. However, there are indicators for which Novopolotsk is inferior to certain cities and towns of Vitebsk region, for example, the index of the population under the age of the able-bodied, the index of housing, the index of the growth rate of contract work, the index of the number of small organizations (enterprises), the index of the number of places in catering facilities, the index of retail trade, the index of profitability of sold products. Accordingly, here we can see the reserves for strengthening the investment potential, the use of which will increase the investment attractiveness of Novopolotsk, which is the largest industrial center of the Republic of Belarus.

The following system of indicators is used to assess investment risks:

- characterizing social risk: index of natural increase (decrease) of the population; unemployment rate; mortality rate;
- characterizing environmental risk: environmental pollution index;
- characterizing financial risk: index of overdue accounts receivable; index of overdue accounts payable; index of loss-making organizations (enterprises).

As the analysis has shown, the most problematic form of investment risk in Novopolotsk in 2017 remains an environmental risk, whereas the position of the town on the other indicators is quite high. For example, Novopolotsk is characterized by the lowest level of financial risk of all the cities and towns affected in the study.

The author's analysis of the investment attractiveness of Novopolotsk revealed its weaknesses, i.e. factors that reduce the attractiveness of the region:

- smaller relative to other cities under study proportion of the population younger than the able-bodied, which in the future may complicate the reproduction of labor resources in the region;
- somewhat smaller compared with the compared cities of the Vitebsk region, the provision of housing for the population, which implies the need for more active construction and commissioning of housing.
- some weakening of the town's position on the provision of retail space and places in public catering facilities. This fact may indicate that in the compared cities of Vitebsk region the sphere of trade and public catering is developing more rapidly than in Novopolotsk. This is also demonstrated by the town's insufficiently strong position in terms of retail trade turnover;
- a small number of small organizations relative to other cities, which implies the availability of reserves to enhance the development of small business in Novopolotsk;
- low efficiency of product sales, which is manifested in a small level of profitability of products sold and indicates the need to search for reserves of its growth;
- a high level of environmental contamination that can create problems with the health of the population of the region and weaken the working potential.

Based on these weaknesses, we can conclude that in this direction it is necessary to improve the position of Novopolotsk and direct the efforts of local authorities and management. This will increase the investment attractiveness of Novopolotsk relative to other cities and enhance its socio-economic development.

Therefore, the main recommendations to improve the investment attractiveness of Novopolotsk should be aimed at:

- implementation of demographic policy in terms of increasing the birth rate, especially since this problem is relevant for all regions of the Republic of Belarus;
- intensification of construction and commissioning of housing, which will not only increase the provision of housing, but will also contribute to the development of construction and increase the efficiency of construction organizations in the region;
- more active development of trade and public catering, which will also contribute to the growth of the efficiency of this type of economic activity;
- intensification of the development of small and medium-sized enterprises;
- increasing the efficiency of product sales;
- activation of the environmental policy of the largest industrial organizations in the region (open joint stock company "Naftan" and JSC "Naftan" Polymir plant), which will help to reduce the volume of emissions of pollutants into the air, as well as reduce other negative consequences of the impact of these organizations on the environment in the region.

The implementation of these areas will contribute to the revitalization of the petrochemical cluster. In the program of socio-economic development of the Republic of Belarus for 2016-2020, Novopolotsk is defined as a center of economic growth and investment in the Vitebsk region. Currently, a whole list of strategic policy documents is being developed, among them – the concept of the strategy of socio-economic development of

the town until 2035. The strategic goal of all the work being done by the administration of the Navapolatsk puts the strengthening and expansion of internal communication and increasing the investment attractiveness of the region.

The expansion of the FEZ "Vitebsk" will also contribute to the efficiency of the organizations of the region (town). Earlier, five sections of Novopolotsk were included in the FEZ "Vitebsk". Among them the territory of OJSC "Izmeritel", "vitebskhlebprom" Novopolotsk bakery branch, part of the industrial zone, the territory of Sochi and the village of Borovukha. In September 2018, JSC " Polotsk-Fiberglass "also became a resident of the free economic zone "Vitebsk".

Thus, increasing the investment attractiveness of Novopolotsk will contribute to the growth of competitiveness of the region, and thus improve the standard of living and well-being of the population of the town.

#### REFERENCES

1. Kovalev, M. Investment attractiveness of cities [Electronic resource] / M. Kovalev, A. Yakubovich. – Mode of access: [www.bsu.by/sm.aspx?guid=226263](http://www.bsu.by/sm.aspx?guid=226263). – Date of access: 02.02.2019.
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