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**ECONOMIC ESSENCE OF DEFINITION «INVESTMENT POTENTIAL»****Lytvynenko O.D., Bakumenko O.V.**Kharkov Trade and Economics Institute of  
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The article is devoted to the analysis of the wording "investment potential of the enterprise". Also, to his understanding and generalization of scientific approaches to determining the investment potential of the enterprise. Analysis of literary sources allowed to reveal the essence of the wording. Formulate definitions as a complex of investment resources. The article gives generalizing recommendations that allow competently estimate the indicator of investment potential as a resource aggregate.

**Keywords:** investment, investment activity, investment potential of the enterprise, enterprise resources, investment resources.

**Problem statement.** The need to assess the investment potential of an enterprise can be dictated by various factors, but the most common is the investment that determines the growth strategy. Investing in this context is a prerequisite for a qualitatively new level that ensures the continuation of the old competitive advantages or the creation of new ones. In addition, investments are in demand in a number of anti-crisis measures.

**Analysis of recent research and publications.** The problems of the investment potential of the enterprise in the system of anti-crisis measures are devoted to the study of a number of well-known domestic and foreign economists. Research on the problem of making investment decisions in the system of anti-crisis measures was initiated in the writings of such scholars as: I.A. Blank, T.G. Ben, I.Y. Berezhnaya, V.M. Bagatsky, R.S. Kvasnytska, I.V. Krivovozyuk, L.O. Ligonenko, I.P. Moiseenko, I.P. Nechitaylo, A.A. Peresada, O.O. Tereshchenko, O.G. Nazarov, A.V. Cherep, O.M. Yastremskaya and others.

**Identification of previously unsettled parts of the general problem.** Investment activity can strengthen the competitiveness of the enterprise, reveal its investment potential, and create a favorable investment climate. To date, research on the potential of the enterprise has become quite widespread. This economic category was equated with production potential, resource supply, etc.

**Purpose of the paper** to analyze literary sources that will reveal the essence of the wording "investment potential of the enterprise" and to allocate approaches to its understanding.

**Discussion of the main material.** Investment potential is an indicator of the investment attractiveness of an object (enterprise, region, territory or state as a whole), which is a set of objective conditions and prerequisites for investing (availability of consumer demand, relevance of investment proposals, current economic situation in the country, peculiarities taxation, variety of investment objects, etc.) [1].

The Law of Ukraine «On Investment Activity» [2] defines investment as all types of property and intellectual property that are invested in objects of entrepreneurial activity and other activities, resulting in the creation of profit (revenue) or social effect. Investments are made as a result of investment activity – a set of measures and actions

of individuals and legal entities that invest their own funds (in material, financial or other property form) in order to profit.

In modern economic science, there are different approaches to understanding the concept of investment resources and their structure. However, despite the existing discrepancies in the interpretation of this term, almost all scholars consider any types of values (financial, material, intangible, labor, intellectual, informational, innovative, organizational, etc.) or a combination of them that can be used in investment activities for the purpose of profit or other end result.

Some researchers argue that investment resources are part of the financial resources used in investment activities. This approach is explained by the fact that the purchase of other types of investment resources (natural, labor, capital, etc.) need to spend some or other financial means. Also, in the scientific literature, there are attempts to comprehensively examine financial and investment resources integrally [3].

The term «investment potential» is used for countries, regions, industries, companies, banks and other business units. Sometimes they even talk about the investment potential of certain assets, instruments of the financial market, individual financial and commodity markets. The immediate object of our research is the investment potential of the company, but before it is considered, it is appropriate to clarify the essence of the investment potential of the country and the region.

The country's investment potential is treated as the sum of two components: the national wealth accumulated by society at the time of the assessment of the potential, and the gross product of the current period, namely, that part which is directed towards saving [4].

Most authors identify investment potential as a set of investment resources. In modern economic literature there is no unambiguous interpretation of the concept of «investment potential of the enterprise» (Table 1).

According to I.Y. Berezhnoy [6], the investment potential of an enterprise should be considered as the following components (factors) of investment potential: resource and raw materials, intellectual and labor, institutional, industrial, consumer and marketing, innovative, economic-geographical, and demographic.

Interpretation of the concept of «investment potential»

Author, Source	Definition
1	2
Blank I.A. [5]	Properly arranged set of investment resources that can help to achieve the synergistic effect of their use
Berezhna I.Y. [6]	Accordingly, a dynamic, interconnected set of investment resources of the enterprise itself and investment resources attracted from the outside, which are at its disposal and can be under certain conditions, are involved in investment activity in order to achieve the strategic and tactical objectives of the enterprise in the future, taking into account the state and characteristics of the macroeconomic environment in which the enterprise operates directly
Kvasnytska R.S. [7]	That part of the entity's assets (in cash and other forms) that can be invested for investment purposes, without prejudice to the current needs in the long run
Bagatsky V.M. [8]	The set of facilities and conditions necessary to finance simple and expanded reproduction in the production and non-productive sectors.
Kucheruk G.Y., Vovk O.M. [9]	An organized set of internal and external economic opportunities that create conditions for the development and implementation of strategic and tactical goals of the enterprise in the field of investment activity; a set of necessary resources and opportunities for carrying out investment activity and achieving the goals of enterprise development
Kraus N.M. [10]	Ability to spend on production, accumulation of means of production, increase in capital stock at the enterprise
Moiseenko I.P. [11]	The set of resources allocated to investment by the criterion of their possible investment in the authorized capital of the enterprise
Myagkih I.M. [12]	Shows opportunities for the formation and restoration of fixed assets in order to ensure the necessary level of competitiveness of products and services
Nechitaylo I.P. [13]	Ability to achieve the desired result through the implementation and management of investment opportunities contained in investment resources
Peresada A.A. [14]	Set of cash, liquid intangible assets, tangible assets that can be directed by enterprises for investment purposes

The treatment of the investment potential of the enterprise as a set of resources is narrow, covers only available resources for investment and does not take into account investment opportunities. The investment potential of an enterprise should be considered not only as the sum of investment resources, but as a special combination of them. Thus, in the opinion of I. A. Blank [5], investment potential is a well-ordered set of investment resources that can help to achieve the synergistic effect of their use.

The phrase «investment potential», according to R.S. Kvasnitskaya [7], can be understood in two ways:

– as the maximum possible effect provided by the investment; for example, you can talk about the investment potential of the project (program), to which (made) financial and other investments of a specific volume. The investment potential in the first sense has a synonym in the form of the term «investment efficiency»;

– as the maximum amount of any resources (financial, material, informational, labor) that the subject of economic activity can send for investment purposes.

Among the main elements of the investment potential of the company O.G. Nazarova distinguishes [15]: financial potential, property potential, personnel potential and production potential.

Under the financial potential means the totality of financial resources, through the effective rational use of which the company is able to profit, as well as achieve the goal of its activities [16].

Property potential is considered as a set of resources that are controlled by the enterprise as a result of past events, operate in tangible, intangible, financial forms and using which enterprise expects to obtain economic benefits in the future [17].

Personnel potential is the integrated labor possibilities of the enterprise, which are available today and are foreseen in the future and which are characterized by presence of qualified personnel of the enterprise, its educational and professional qualification level [18].

Under the productive potential we must understand the possible release of competitive products of a certain range with the most effective use of production resources and competencies of the enterprise [15].

So, the investment potential is a complex concept under which we should understand the organized set of available resources (financial, property, personnel and production) and the possibility of development of an enterprise, which is achieved through the realization of opportunities for mobilizing domestic and foreign investment funds to achieve the strategic and tactical goals of the enterprise through investment mechanism.

The author identifies the investment potential with the property of the enterprise, defining it as a part of the entity's existing assets (in cash and other forms) that can be directed to investment purposes without prejudice to meeting current needs in the long run. The following components of the investment potential are allocated:

– basic investment potential (assets formed in previous periods);

– additional investment potential (part of assets created in the current period).

Thus, on the basis of the analysis of the given definitions of the investment potential of an enterprise it can be argued that it is characterized as:

– a set of investment resources that under certain conditions, can be transformed into investments in the implementation of investment activities;

- a complex of resources and opportunities for their effective use;
- a set of means and conditions of investment activity.

The combination of such areas of modern concepts of the essence and content of the investment potential of an enterprise allows it to be defined as a complex of investment resources in combination with the possibilities, means and conditions of their attraction and use in the investment activity of the enterprise.

**Conclusions and suggestions.** Consequently, the most important purpose of the investment potential is to promote the growth of material production as the basis for the functioning of the national economy. Secondary assignment of investment potential is the transition to a stable economic growth. The variety of definition of the essence of the category «investment potential of the enterprise» is explained by the fact that different researchers determined this category in accordance with certain aspects of the study of its implementation and formation.

So, we can assume that the formation of investment potential consists of the following potentials:

- resource and raw materials (availability of stocks of major types of natural resources);
- labor (labor resources and their educational level);
- production (aggregate result of economic activity in the region);

- innovative (level of development of science and introduction of achievements of scientific and technological progress of the region);

- institutional (degree of development of leading institutes of market economy);

- Infrastructure (economic-geographical position of the region and its infrastructure provision);

- financial (volume of tax base and profitability of enterprises of the region);

- consumer (aggregate purchasing power of the population of the region).

After analyzing the definition of the wording «investment potential of the enterprise», two approaches can be distinguished.

The first is based on the understanding of this type of potential as a resource aggregate, and the second on the possibility of using resources. The study of economic literature on this issue makes it possible to highlight the following approaches to the interpretation of the concept of «investment potential»:

- properly arranged set of investment resources;

- a set of investment opportunities of an enterprise, the use of which is aimed at achieving the goals of its investment strategy;

- available and hidden possibilities of the enterprise for simple and expanded reproduction;

- aggregate investment demand;

- a set of organized socio-economic resources that are interconnected and capable of, according to certain operating internal and external factors of the investment environment, be aimed at achieving the strategic objectives of investment activity.

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### **ЕКОНОМІЧНА СУТНІСТЬ ВИЗНАЧЕННЯ «ІНВЕСТИЦІЙНИЙ ПОТЕНЦІАЛ»**

#### **Анотація**

Стаття присвячена аналізу формулювання «інвестиційний потенціал підприємства». Також до його розуміння та узагальненню наукових підходів до визначення інвестиційного потенціалу підприємства. Аналіз літературних джерел дозволив розкрити сутність формулювання. Сформулювати визначення як комплекс інвестиційних ресурсів. В статті наведені методологічні рекомендації, що дозволяють грамотно оцінити показник інвестиційного потенціалу як ресурсної сукупності.

**Ключові слова:** інвестиції, інвестиційна діяльність, інвестиційний потенціал підприємства, ресурси підприємства, інвестиційні ресурси.

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### **ЭКОНОМИЧЕСКАЯ СУЩНОСТЬ ОПРЕДЕЛЕНИЯ «ИНВЕСТИЦИОННЫЙ ПОТЕНЦИАЛ»**

#### **Аннотация**

Статья посвящена анализу формулировке «инвестиционный потенциал предприятия». Также его понимания и обобщения научных подходов по определению инвестиционного потенциала предприятия. Анализ литературных источников позволил раскрыть сущность формулировки. Сформулировать определение как комплекс инвестиционных ресурсов. В статье приведены обобщающие рекомендации, которые позволяют грамотно оценить показатель инвестиционного потенциала как ресурсной совокупности.

**Ключевые слова:** инвестиции, инвестиционная деятельность, инвестиционный потенциал предприятия, ресурсы предприятия, инвестиционные ресурсы.