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## **DETERMINING THE EFFICIENCY OF INVESTMENT ACTIVITY OF INDUSTRIAL HOLDING ENTERPRISES**

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**Abstract.** *The article estimates the efficiency of investment activity of industrial holding enterprises. The ways to increase the efficiency of investment activity at the state and regional levels are developed. The basic methods of regulation of investment processes, the priority directions of use of state and non-state financing sources are determined. Investments contribute to the upgrade of obsolescent and deprecated equipment, modernization of technological processes of production, the application of the latest technologies and knowledge that ultimately leads to increase in the competitiveness of products, enterprise, its profits from production activities and the improvement of financial condition. The priority purpose of investment activity is to satisfy the participants' interests to the fullest extent. Therefore, the qualitative characteristic of the investment efficiency is to obtain the highest level of efficiency. The in-depth study of the essence of the investment activity effectiveness of industrial enterprises is carried out; management instrument, which gives the opportunity to increase the investors' motivation and to raise the level of manageability of the results and the efficiency of investment activity of industrial holding enterprises, is improved. There is a problem of choice for investing in industrial enterprises with the best prospects of development and which will be able to ensure the high efficiency of invested capital. The main factors hindering the processes of the investment activity are summarized. The priority tasks for the reform of administrative mechanisms at the enterprise level are identified. According to the results of the study, it is possible to conclude that each industrial enterprise should invest actively for the successful and efficient functioning and reflect its investment attractiveness.*

**Keywords:** *investment activity; efficiency; industrial enterprises; holding; state regulation.*

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## **ВИЗНАЧЕННЯ ЕФЕКТИВНОСТІ ІНВЕСТИЦІЙНОЇ ДІЯЛЬНОСТІ ПРОМИСЛОВИХ ПІДПРИЄМСТВ ХОЛДІНГУ**

*Очередько, О. О., Тищенко, О. А. Визначення ефективності інвестиційної діяльності промислових підприємств холдингу // Вісник соціально-економічних досліджень : зб. наук. праць (ISSN 2313-4569); за ред. М. І. Зверякова (голов. ред.) та ін. Одеса : Одеський національний економічний університет. 2018. № 2 (66). С. 75–84.*

**Анотація.** *У статті проведено визначення ефективності інвестиційної діяльності промислових підприємств холдингу. Розроблено напрями щодо підвищення ефективності інвестиційної діяльності на державному та*

регіональному рівнях. Визначено основні методи регулювання інвестиційних процесів, пріоритетні напрямки використання державних та недержавних джерел фінансування. Інвестиції сприяють моральному та фізичному оновленню устаткування, модернізації технологічних процесів виробництва, застосуванню новітніх технологій та знань, що в кінцевому значенні призводить до зростання конкурентоспроможності продукції, підприємства, його прибутку від виробничої діяльності та поліпшенню фінансового стану. Пріоритетною ціллю інвестиційної діяльності є задоволення інтересів учасників найбільш повною мірою, тому якісна характеристика ефективності інвестування полягає в отриманні найбільшого рівня ефективності. Проведено глибоке дослідження сутності ефективності інвестиційної діяльності промислових підприємств, вдосконалено інструмент управління, який дає змогу посилити мотивацію інвесторів та підвищити ступінь керованості результатів та ефективність інвестиційної діяльності промислових підприємств холдингу. Існує проблема вибору для інвестування промислових підприємств, що мають найкращі перспективи розвитку і зможуть забезпечити високу ефективність вкладеного капіталу. Узагальнено основні чинники, які гальмують процеси проведення інвестиційної діяльності. Визначено пріоритетні завдання щодо реформування управлінських механізмів на рівні підприємств. За результатами дослідження можна зробити висновки, що для успішного та ефективного функціонування кожне промислове підприємство повинне активно проводити інвестиційну діяльність та відображати свою інвестиційну привабливість.

**Ключові слова:** інвестиційна діяльність; ефективність; промислові підприємства; холдинг; державне регулювання.

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## **ОПРЕДЕЛЕНИЕ ЭФФЕКТИВНОСТИ ИНВЕСТИЦИОННОЙ ДЕЯТЕЛЬНОСТИ ПРОМЫШЛЕННЫХ ПРЕДПРИЯТИЙ ХОЛДИНГА**

Очередько, А. А., Тищенко, А. А. Определение эффективности инвестиционной деятельности промышленных предприятий холдинга // Вестник социально-экономических исследований : сб. науч. трудов (ISSN 2313-4569); под ред. М. И. Зверякова (глав. ред.) и др. Одесса : Одесский национальный экономический университет. 2018. № 2 (66). С. 75–84.

**Аннотация.** В статье проведено определение эффективности инвестиционной деятельности промышленных предприятий холдинга. Разработаны направления по повышению эффективности инвестиционной деятельности на государственном и региональном уровнях. Определены основные методы регулирования инвестиционных процессов, приоритетные направления использования государственных и негосударственных источников финансирования. Инвестиции способствуют моральному и физическому обновлению оборудования, модернизации технологических процессов производства, применению новейших технологий и знаний, в конечном смысле приводит к росту конкурентоспособности предприятия, его прибыли от производственной деятельности и улучшению финансового состояния. Приоритетной целью инвестиционной деятельности является удовлетворение интересов участников в наиболее полной мере, поэтому качественная характеристика эффективности инвестирования заключается в получении наибольшего уровня эффективности. Проведено глубокое исследование сущности эффективности инвестиционной деятельности промышленных предприятий, усовершенствован инструмент управления, который позволяет усилить мотивацию инвесторов и повысить степень управляемости результатов и эффективность инвестиционной деятельности промышленных предприятий холдинга. Обобщены основные факторы, которые тормозят процессы инвестиционной деятельности. Определены приоритетные задачи реформирования управленческих механизмов на уровне предприятий. По результатам исследования можно сделать следующие выводы, что для успешного и эффективного функционирования каждое предприятие обязано активно проводить свою инвестиционную деятельность и демонстрировать свою инвестиционную привлекательность.

**Ключевые слова:** инвестиционная деятельность; эффективность; промышленные предприятия; холдинг; государственное регулирование.

**JEL classification:** O320

## **1. Introduction**

Under present-day conditions, industrial enterprises of the holding require significant investment. The form of property of an industrial enterprise and investors' possibility to participate in its authorized fund are the most important factors for attracting investment. This is especially true for the industrial holding enterprises, since they are considered to be the cores of the centralization and concentration of financial capital in all its forms. To increase the size of the holding authorized funds it is necessary to create the appropriate conditions for attracting individuals with the owners' equity [1, p.56].

The sectoral structure of the capital investments in Ukraine has remained almost unchanged for several decades: more than half of them are done in industry, one third are in the agro-industrial complex, and one fifth are in transport, communications, construction and service sectors. The sectoral structure of industrial investments remains almost unchanged, more than 4/5 of their volume are done in the heavy industry and less than 1/5 are in the food and light industry [2, p.550].

The necessity of effective investment by industrial enterprises is one of the most important factors in the growth of the potential business entities. Today, issues relating to the effectiveness of the investment activity of industrial enterprises are mostly debated.

There are a lot of problems in Ukraine, in particular, the instability of the regulatory and legal framework; constant fluctuations of the national currency; political instability; insufficient level of currency regulation; low level of the attractiveness of investment objects, investment activity of banks, development and functioning of the parbank system; insufficient number of free economic and offshore zones, etc. [3, p.44].

## **2. Latest research and publications analysis**

Great attention is paid to the issue of improving the efficiency of investment activities in the industry, which is explained first of all by the growing needs in the necessary resources for the restoration of the material and technical base of enterprises, the intensification of the investment activity. The scientific works of many scholars (Berens V., Birman G., Brigham Yu., Kovaliov V., Northcott D., Bondarenko O., Horn D., Blank I., Mogilnyi O., Grinov V., Orlov P., Petrenko L., Savchuk V., Khobta V., Yakovlev A., Yastremska O., Bondarchuk O., Gutkevich S., Kodenska M., Pidlysetskyi G., Senin G., Chupis A., Shebanin V. and others) are dedicated to the problems of state regulation, formation and implementation of investment policy in the industrial sector of the Ukrainian economy. However, some issues of this problem need to be substantiated in the theoretical and practical aspects, in order to increase the efficiency of the mechanism of investment processes regulation in the industry.

## **3. Emphasizing of previously unsolved parts of the general problem**

In the context of the transition to a market system, there is a necessity to motivate investment activities, which is connected with the emergence of needs for achieving not only economic but also other types of efficiency. Despite the fact that current economic conditions orient the investment participants mainly towards the economic results, their consideration ensures an increase in the quality of planning and regulation of investment results. It facilitates the formation of feedback between the results of investment activity and the investors' motivation to participate in subsequent projects.

In this regard, it is necessary to solve the problem of transformation of the organizational and economic mechanism of regulation of industrial enterprises investment activity into an effective system. It will be capable to mobilize all internal potentialities to ensure the development of the industrial economy and create conditions for attracting the investments from the outside.

#### **4. Setting objectives**

The purpose of the article is the thorough research of the essence of the investment activity effectiveness; it is necessary to form methodological approaches to assess the level of the efficiency; to improve management tools that will strengthen the motivation of investors and increase the degree of manageability of results and the efficiency of investment activity of industrial holding enterprises.

#### **5. The main material research**

The desire of the participants of investment activity to maximize the results of investment in the least resource-intensive manner is being intensified in current economic conditions by the objective action of economic laws. They reflect the internal necessary stable relationship between the main opposing parties, the stages of development of phenomena and processes of the objective world, which is carried out the transition of this contradiction into its more advanced forms. Among the existing laws, the law of added value and the law of time saving take a significant place in the formation of the link between the three main components of efficiency – the need to meet the interests of investors and recipient enterprises, the total invested capital and the level of efficiency of its use.

In order to determine the effectiveness or appropriateness of investment activity for the investor, the concept of “efficiency of the investment project” is used. Depending on the context, other characteristics may also be used: “investment attractiveness”, “acceptability”, “feasibility”, etc.

It is known that the investment activity is related to investing in objects in order to make a profit. It may include the allocation of resources, the acquisition and sale of non-current assets, the implementation of financial investments, the formation of an investment program and the implementation of it, etc. [4, p.209].

Efficiency is an economic category, which, in a general sense, means the effectiveness of the cost of living and ordinarily labour [4, p.52]. The criterion of investment efficiency is a measure that determines the degree of effectiveness of investment activity and investment process. It characterizes the result in comparison with the volumes, forms, directions and level of investment risk. Therefore, the criterion of investment efficiency can have the same level for different volumes of investment and differ in the same amount of investments. It involves the availability of an optimal ratio between the result of investment and investment costs, which are necessary for it to receive. The optimality criterion should be considered as achieving the maximum possible result from each unit of investment costs or as an absolute minimum of these costs for each unit of investment income [4, p.36].

In some works dedicated to the need to assess the effectiveness the identification of the efficiency criterion with performance indicators still can be found. In addition, some authors argue the need to quantify the effectiveness criterion and even replace it with the effectiveness indicator. It is necessary to delineate clearly the notion of the criterion of the effectiveness of investment and the indicator of investment efficiency. The criterion reflects the effectiveness evaluation but the indicator reflects the formal model of quantitative effectiveness that determines where, when and how it could be measured. The complexity and versatility of the investment process sets requirements for the category of investment efficiency, which cannot be characterized by one indicator. To obtain a comprehensive assessment of the level of investment activity and investment process efficiency, it is necessary to develop a system of indicators reflecting different aspects of the investment results.

The effective provision of investment activity of industrial enterprises depends on many criteria, namely:

- investment behaviour (mediates the choice of investment projects, the nature and risk of investment decisions);

– investment activity (which allows quantifying the consumption of financial and investment potential in working capital and working capital per employee and total production costs), i.e. reflects a quantitative change in the values of modified profitability of financial and investment resources, the financial profitability of the net capital of an enterprise.

As the result of increased production volumes, updating and qualitative improvement of production potential, the fixed capital of an enterprise, improvement of technological level of production and its maintenance, there is an increase in economic potential. It contributes to an increase of the enterprise activity efficiency.

In current economic conditions, the unidirectional effect of these laws changes the place and importance of the efficiency of investment processes at industrial enterprises and leads to an increase in the significance of the procedure for its valuation. The choice of investing in industrial enterprises with the best prospects of development, which will be able to ensure the high efficiency of the invested capital, is a very important issue. Many scholars are dealing with this problem, both domestic and foreign. They seek to develop an objective model for assessing the investment attractiveness of individual enterprises – potential investment objects.

The priority aim of the investment activity is to satisfy the interests of the participants to the fullest extent, therefore, the qualitative characteristic of the investment efficiency is to obtain the highest level of efficiency. In terms of quantitative definition, the essence of the effectiveness of investment activity is manifested through the action of a specific law to improve the efficiency of production, which is based on certain socio-economic conditions, while changes are modified or terminated its action. According to this law, the maximum economic result should be achieved with the minimum amount of resources used. Comprehensive representation of the final results of the use of means of production and labour over a period of time characterizes the category of production efficiency. Then formalized static model for determining the effectiveness of investment activities coincides with the definition of production efficiency.

$$E=R/C, \quad (1)$$

where R = result of investment activity of the industrial enterprise, UAH;

C = costs, UAH.

In this model, the numerator reflects the level of the results of the investment activity of the enterprise, and the denominator reflects the costs that cause the appearance of the result in the corresponding period of time. In this case, the activity is considered effective if the ratio between the results of this activity and the cost of its implementation is more than one. However, in this case, the result should be determined by the total mass of cash from the investment activity realization. If the result of the investment activity is represented by the profit derived from the implementation of investment projects, then the efficiency criterion acquires a different meaning, namely: the investment activity can be characterized as effective if the level of efficiency exaggerates the zero value. It should be noted that in this case, profit is the effect of investing, which should be characterized as an inalienable value, indicating the ability to repay the mass of invested capital [4, p.24]. The advantage of using the overall result in calculating the effectiveness of an investment activity is that it takes into account the value of the newly created product, and not only its part in the form of profit.

Variety of semantic contexts of the effectiveness of investment activity allows its considering with varying degrees of completeness and from different points of view. It is caused by the variety of relations described by it and the completeness of a significant number of participants, which complicates the process of motivation. This indicates an attempt to reveal the essence of the effectiveness of investment activity of industrial enterprises, primarily at the conceptual level or the level of providing a simple definition. Although the definition level is higher in relation to the conceptual representation of the object of cognition, it only allows the disclosure of the content of

the investigated phenomenon to represent a set of objective unions of definitions as characteristics of individual aspects of the investigated phenomenon. However, there is a substitute for the categories, in relation to which the essence of efficiency reveals, namely, investment – investment project – investment – investment activity, does not allow stating its in-depth disclosure and a level higher than the concept and definition.

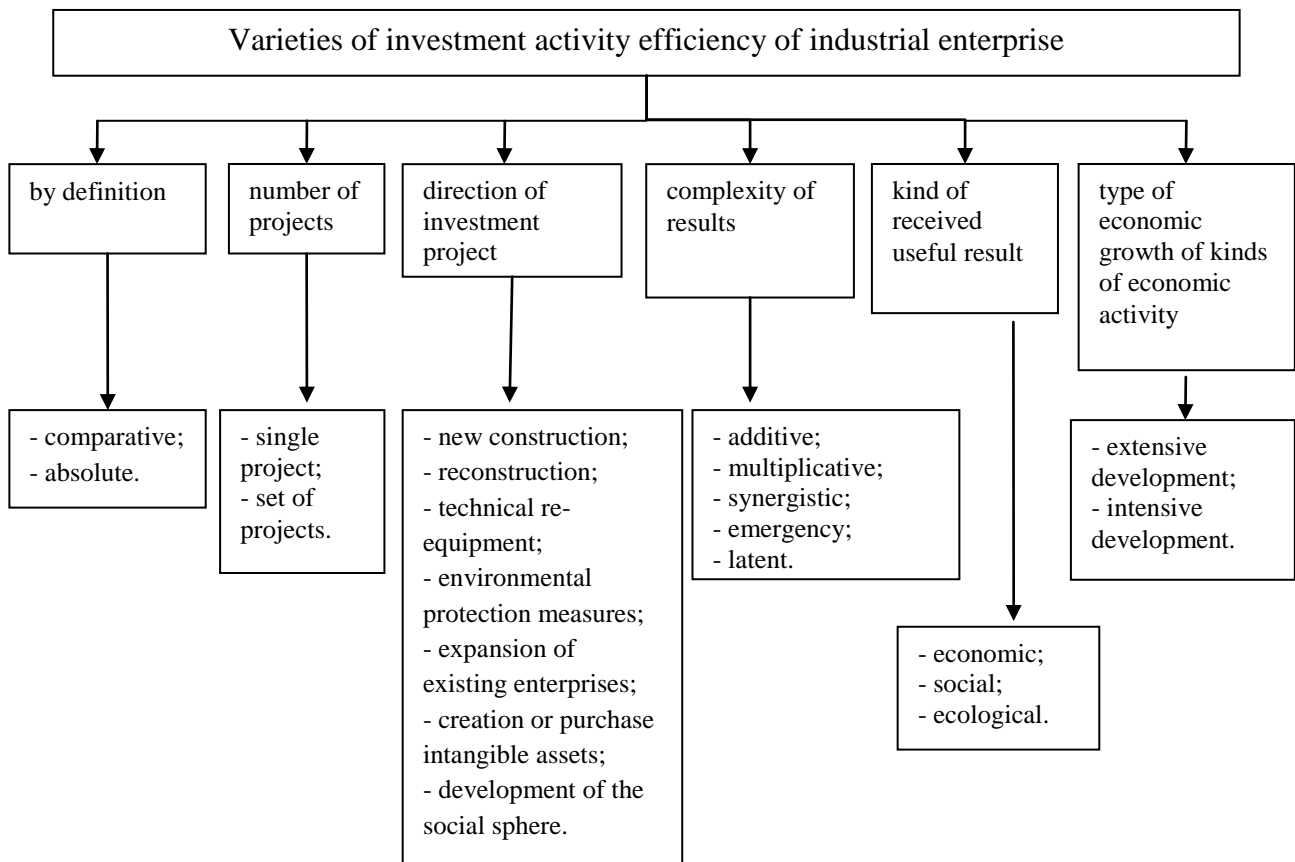


Fig. 1. Varieties of investment activity efficiency of industrial enterprise  
[developed by the authors]

Therefore, the theoretical and practical significance is the identification of the essence of the investment activity effectiveness as a category in the context of deepening the economic and philosophical knowledge of its essence, on the one hand, it is the main and most common concept, and on the other, is the primary object of knowledge. It is clear that for analytical assessments of the appropriateness of making managerial decisions, the effectiveness of investment activity has a well-defined definition. Thus, it is important to separate the varieties of the effectiveness of investment activity of an industrial enterprise and the disclosure of their essence, the classification characteristics of which have practical importance for the creation of effective tools for evaluating the effectiveness and regulation of its level (Fig. 1).

Such a classification gives an understanding to streamline the varieties of the investment activity effectiveness of industrial enterprise, taking into account the complexity of economic relations and the dynamism of the investment environment. It should be noted that some of the classification marks presented in Fig. 1 are allocated by domestic and foreign scientists.

The variety of marked classifications affects the procedure for determining the value of investment efficiency and as a consequence determines the motivation that is essential for the intensification of the industrial enterprises investment activity.

Based on the obtained results, a comprehensive analysis of the effectiveness of investment activity should provide for consideration not only economic, but also social, environmental, scientific and

technical and resource efficiency. The essence-content characteristic of economic efficiency is reflected in the cost indicators of the implementation of investment projects, that is, the absolute size of the gross income or the received profit (the so-called economic effect) or relative indicators that characterize the specific weight of the effect in the amount of the advanced resources (namely, economic efficiency).

In some cases, it is difficult enough to measure quantitatively the achievement of social efficiency. The most widespread measures of social effects are the reduction of the duration of working week, the increase in the number of jobs and the level of employment, improvement of working conditions and living conditions in comparison with the expenditures aimed at achieving these results. The place of environmental efficiency among the economic and social efficiency of investment activity is dual. On the one hand, the change in the state of the environment can lead to the emergence of economic costs associated with environmental pollution. On the other hand, social changes can occur in the form of increased staff turnover due to the increase in the level of occupational diseases and the deterioration of the local people's health. However, without diminishing the importance of social and environmental efficiency, it should be noted that the economic efficiency has the crucial importance in a market economy with the lack of investment resources. Scientific and technical efficiency should be determined by comparing the achieved effect of new knowledge, technical means and capital investments to obtain it.

According to the purpose of the definition, they distinguish comparative and absolute effectiveness. Absolute effectiveness characterizes the general or specific result of investing over a certain period and it is used to assess the effectiveness of a particular investment project. The comparative characteristic reflects the effects of comparing alternatives of investment and choice on the basis of the comparison of time-lagged incomes or the most attractive costs.

The cyclicity and complexity of investment activity implemented in the form of individual investment projects can lead to repetition of the effect of a separate project. Therefore, the importance of considering and clarifying the content of the additive, multiplicative, synergistic, emergent and latent efficiency of investment activity becomes important. The additive efficiency of the investment activity means that the expected effect of the simultaneous implementation of independent investment projects is equal to the sum of the expected effects of these projects, which are independent of each other. The essence of the multiplicative efficiency is similar to the additive, but unlike it, the multiplicative efficiency provides an equation for the aggregate effect of the set of effects of individual investments. The synergetic efficiency of investment activity is the combined effect of the totality of the investment projects effects on the results of the enterprise's management, and the overall impact of investment activity exaggerates the arithmetic sum of the effectiveness of individual projects that form an investment program. An example of the emergent efficiency of investment activity may be an increase in the magnitude of the effects of individual investment projects, in which an increase in the efficiency of investment activity does not occur (Keynes' "paradox of conservation"). The discrepancy in time of acts of capital investment and obtaining relevant results requires consideration of time characteristics of the investment activity efficiency, therefore, more significant value is obtained by distinguishing latent efficiency. It reflects the time from the moment of investing to the beginning to obtain the results that require bringing the payments of the investment process into comparable type with discounting or augmentation procedures.

Separation of the category of efficiency of investment activity as an independent one shows that it is in close connection with other economic categories. It characterizes a certain set of economic processes at the industrial enterprise associated with the movement of value, advanced in the long-term into investment objects since time of funds investment until their actual reimbursement and distribution of additional cost. Therefore, the requirements of a systematic approach need to determine the effectiveness of the investment activities according to the existing methodological approaches to assess the effectiveness of investment projects. A sufficiently complete description of the effectiveness of investment projects has been developed so far [4, p.114]. Thus, most often,

a project is considered effective if the return on investment is ensured and profitability meets the requirements of investors [5, p.27]. Other authors interpret efficiency as distorted economic losses [6, p.249]. Among the methods, by which the efficiency of investment is calculated, the methods, which take into account the value of payments by time, are the most often distinguished. However, their use is not always appropriate from the standpoint of the tasks for assessing the effectiveness of investments, since the use of time factor can only be an ancillary means of payment. Yet, there is no unique approach to systematization of developed indicators, which could characterize the effectiveness of investment projects. It is clear that only a developed understanding of existing classification features can help to improve the quality of substantiation of investment decisions in the economic activity of industrial enterprises.

The effective provision of the investment activity of industrial enterprises anticipates the following principles, which must be taken into account:

- consideration of the enterprise as an open system;
- accounting of basic strategies of operational activity of the enterprise;
- entrepreneurial style of strategic management;
- reflection of the enterprise investment advantages to competitors;
- use of the results of the technological process in the financial and investment activity;
- accounting of the level of an investment risk while making strategic decisions;
- reflection of the strategic investment choice criteria.

An assessment of the effectiveness of investment projects is one of the important stages in the management of real investment; the fact is that the final decision on the appropriateness of a particular investment project for an enterprise depends on the quality of such an assessment. The value of the results of the assessment of the economic efficiency of investment projects depends, firstly, on the completeness and reliability of the output data and, secondly, on the correctness of the methods used in their processing and analysis.

The methods used in the analysis of the investment activity, can be divided into two groups: a) methods based on discounted estimates; b) methods based on accounting estimates.

Method of the net present value. This method is based on comparing the value of the initial investment with the total sum of discounted net cash flows generated by it over the forecast period. Since the flow of funds distributed in time, it is discounted using the coefficient determined by analyst (investor) independently on the basis of the annual percentage return of capital they have invested, which they want or can have [7, p.152]. When forecasting revenues for years, all possible types of income both productive and non-productive nature that may be associated with this project should be considered. Thus, if at the end of the project period flow of funds in the form of the residual value of the equipment or release of working capital is planned, it must be considered as income of corresponding periods.

Method of internal rate of return. The rate of return on investment (IRR) is understood as the value of the discount factor, in which the NPV of the project is zero. The content of the calculation of this ratio in the analysis of the effectiveness of the planned investment is as follows: IRR shows the maximum permissible relative level of costs that can be associated with this project. For example, if the project is fully funded by a commercial bank loan, then the IRR indicates the upper limit of the acceptable level of the bank interest rate, the excess of which makes the project unprofitable. In practice, any enterprise finances its activities, including investment, from various sources. As a fee for using the company's advanced financial resources, it pays interest, dividends, remuneration, that is, it has reasonable expense in support of its economic potential. An indicator characterizing the relative level of these costs can be named the "price" of advanced capital. This indicator reflects the



company's minimum return on capital invested in its activities, its profitability and is calculated by the formula of the weighted arithmetic mean.

The economic content of this indicator is as follows: an enterprise can make any decisions of investment nature, the level of profitability of which is not lower than the current value of the index (the price or source of funds for this project, if it has a target source). The rate of IRR calculated for a particular project is compared just with it. The practical application of this method is complicated if the analyst has no specialized financial calculator. In this case, the method of successive iterations using tabulated values is discounted by multiplying factors.

Method of payback period. This method is one of the simplest and is widespread in the world of the accounting and analytical practice. It does not involve the temporal ordering of cash receipts. The algorithm for calculating the payback period depends on the even distribution of the forecasted income from the investment. If income is distributed evenly over the years, the payback period is calculated by the distribution of one-time expenses on the amount of annual income, which is caused by them. When receiving a fractional number, it is rounded to the nearest integer. If the profit is distributed unevenly, the payback period is calculated by the direct calculation of the number of years, during which the investment will be repaid by cumulative income. However, some experts still recommend taking into account the time aspect in calculating the payback period figure. In this case, cash flows are discounted based on the "price" of the advanced capital.

Method of calculating the coefficient of investment efficiency. This method has two distinctive features: firstly, it does not require discounting of income indicators; and secondly, income is characterized by the net profit of PN (balance profit minus deductions to the budget). The algorithm of calculation is extremely simple, which determines the widespread use of this indicator in practice: the coefficient of investment efficiency is calculated by dividing the average annual profit of the average amount of investment (the coefficient is taken as a percentage). The average value of an investment is the distribution of the initial amount of capital investments by two, if it is assumed that after the expiration of the implementation of the analysed project all capital costs will be written off. If the presence of residual or liquidation value is permissible, its evaluation must be excluded. This indicator is compared with the coefficient of return on advanced capital, calculated by dividing the total net profit of the enterprise into the total amount of funds advanced to its activities (the summary of the average net). The method based on the efficiency of an investment has a number of significant disadvantages, mainly due to the fact that it does not take into account the temporary component of cash flows. In particular, the method makes no distinction between projects with the same amount of average annual profit, however, the amount of profit varies over the years; as well as it makes no distinction between projects with the same average annual profit but generating for different years.

The priority tasks of the reform of administrative mechanisms at the enterprise level are as follows:

- creation of an effective management mechanism at the enterprise or improvement of the existing management apparatus and its correction, including improvement of financial management; provision of feasible financial analysis of the enterprise and assessment of the level of investment risks;
- possible improvement of the investment climate and investment attractiveness through the provision of accurate, objective and complete information to all subjects of investment activity (shareholders, investors, creditors) on the financial and economic condition of the enterprise;
- improvement of the accounting system by performing functions of the source of economic indicators formation.

The main factors inhibiting the process of attracting investment are:

- imperfection and contradiction of the legislative framework regulating capital investment in Ukraine and tax legislation;

- untimely return of VAT and non-transparency of the mechanism for its return;
- irregularity and in some cases the lack of funding, programs and activities for investment activities;
- absence of insurance protection from commercial risks during the implementation of investment projects;
- lack of a mechanism for innovation projects stimulation and refinancing;
- undeveloped mechanisms of public-private partnership.

## 6. Conclusions

Thus, the article analyses the essence of the efficiency of the investment activity of industrial enterprises. According to the results of the study, the following conclusions can be drawn. For successful and efficient functioning, each industrial enterprise should invest actively. Investments contribute to the upgrade of obsolescent and deprecated equipment, modernization of technological processes of production, the application of the latest technologies and knowledge that ultimately leads to an increase in the competitiveness of products, enterprises, its profits from production activities and the improvement of financial condition.

Prospects for further development are the universality of the definition of the effectiveness of the investment activities and the development of a unified system of indicators that characterize objectively its efficiency level.

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