

The Role of Investments in The Development of Economic Indicators

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ABSTRACT

This article examines the role of investment in the development of economic indicators. The types of investments, their importance and role in the economies of countries are analyzed.

Key words: *economy, investment, investors, government, macroeconomics, innovation*

I. Introduction

There is no consensus among economists on the very concept of «investment». Generally speaking, investments are funds invested in the economy, in economic objects and projects designed to provide production with economic resources in the future. Investments - from the point of view of the country as a whole - investments in the creation of new or replacement of worn-out produced, human or natural capital. (Dictionary of Economics and Finance)

Investment - (German Investition, from Latin investio - I dress), long-term investment in industry, agriculture, transport and other sectors of the economy, both domestically and abroad in order to obtain arrived. (Great Soviet Encyclopedia). Investments (from Lat. Investre - to clothe) - long-term investments of public or private capital in their own country or abroad in order to generate income in enterprises of different industries, entrepreneurial projects, socio-economic programs, innovative projects. They give a return after a considerable period of time after investment. (Modern economic dictionary). Investments (German Investition, from Lat. Investio - I dress) - cash, securities, other property, including property rights, other rights that have a monetary value, invested in objects of business and (or) other activities for the purpose of making a profit and (or) achieving another useful effect. (Federal Law "On investment activity in the Russian Federation, carried out in the form of capital investments" dated February 25, 1999). (Large legal dictionary.)

Investments [investment] (or capital investments, capital expenditures) - financial resources spent on the construction of new and reconstruction, expansion and technical re-equipment of existing enterprises (industrial I.), on housing, 2 utilities and cultural household construction (non-production I.). In some sources, a distinction is made: Investments are funds invested in general in objects of entrepreneurial or other activity with the aim of making a profit, and capital investments are only that part of them that is invested in fixed capital (fixed assets). (Economic and mathematical dictionary) . Investments - monetary funds, securities, other property, including property rights, other rights that have a monetary value, invested in objects of entrepreneurial and (or) other activities in order to obtain profit and (or) achieve other useful effect.

Investments are understood as financial, property and intellectual values invested in objects of entrepreneurial and other activities in order to make a profit or achieve a social effect. If we are talking about real investments, investments are long-term capital investments in enterprises of various sectors

of the economy. Investments are any available funds designed to serve future needs, for which they are diverted from current use and invested in a certain direction that brings benefits.

By forms of ownership, the following are distinguished:

- private,
- state,
- joint (mixed) investments.

Private (non-state) investments mean investments of funds of private investors: citizens and non-state enterprises.

Investments are state investments made by authorities and administrations, as well as by state-owned enterprises. They are carried out by central and local authorities and administration at the expense of budgets, extra-budgetary funds and borrowed funds. Joint (mixed) investments mean investments made by domestic and foreign economic entities. According to the terms of investments, short-, medium- and long-term investments are distinguished. Short-term investments are characterized by investments for a period of up to one year. Medium-term investments mean investments for a period of one to three years, and long-term investments are made for three or more. On a regional basis, investments are distinguished within the country and abroad. Domestic (national) investment includes investment within the country. Investments abroad (foreign investments) are understood as investments abroad by non-residents (both legal entities and individuals) in objects and financial instruments of another state. Joint investments are carried out jointly by the subjects of the country and foreign states. On a sectoral basis, investments are distinguished in various sectors of the economy, such as: industry (fuel, energy, chemical, petrochemical, food, light, woodworking and pulp and paper, ferrous and nonferrous metallurgy, machine building and metalworking, etc.), agriculture, construction, transport and communications, wholesale and retail trade, public catering, etc. Depending on the values being operated, three types of investments are distinguished:

- real,
- financial,
- intellectual.

Real investments include investments in tangible assets (tangible capital: buildings, equipment, inventories, etc.) and intangible assets (patents, licenses, know-how, etc.). Financial investments mean investments in securities (stocks, bills of exchange, bonds, etc.), target bank deposits, deposits, etc. Intellectual investments are investments in the creative potential of society, objects of intellectual property arising from copyright, inventive and patent law.

By the nature of participation in investment, the following are distinguished: Direct investments are investments made by legal entities and individuals who fully own the organization or control at least 10% of the shares or authorized (pooled) capital of the organization.

Portfolio investment is the purchase of stocks, shares, bonds, bills of exchange and other debt securities. They make up less than 10% of the authorized (pooled) capital of the organization.

Investments that do not fall under the definition of direct and portfolio investments are indicated as others - trade loans, loans from foreign governments secured by the Government, other loans (loans from international financial organizations, etc.), bank deposits. Investments in the reproduction of fixed assets are carried out in the form of capital investments. This is just one of the types of investment resources directed to the creation of new, technical re-equipment, reconstruction and expansion of the

existing fixed assets of production and non-production purposes. Investments, in addition to fixed assets, can be invested in circulating funds, various financial assets and certain types of intangible assets. Investments in non-financial assets include the following elements: investments in fixed assets, investments in intangible assets, investments in the growth of inventories, investments in other non-financial assets, research, development and technological work costs. Investments in intangible assets - objects of intellectual property: patents, copyrights, business reputation of the organization, etc. Investments in other non-financial assets - the cost of acquiring ownership of land plots and natural resources and other non-financial assets. Fixed capital investments - a set of costs aimed at the creation and reproduction of fixed assets (new construction, expansion, as well as reconstruction and modernization of facilities that lead to an increase in the initial cost of facilities, the acquisition of machinery, equipment, vehicles, the costs of forming the main herd, cultivation of perennial plantings, etc.). Investments in dwellings - expenses for the construction of residential buildings, i.e. buildings intended for non-temporary residence of people: residential buildings included in the housing stock (general purpose, dormitories, dormitories of boarding schools, institutions for orphans and children left without parental care, shelters for the elderly and disabled), residential buildings (premises) not included in the housing stock.

Investments in buildings (other than residential) and structures - expenses for the construction of buildings and structures, which consist of completed construction work and other capital costs attributable to them. At the same time, the costs of building buildings include the costs of communications inside the building, necessary for its operation. Investments in machinery, equipment, vehicles - the cost of purchasing machinery, vehicles, equipment, tools and inventory, as well as the cost of installing equipment at the site of its permanent operation, checking and testing the quality of installation. Foreign investment - capital investment by foreign investors, as well as foreign branches of Country legal entities in business entities in order to generate income. Capital can be invested in the form of cash, shares, shares and other securities; loans; technologies, machines, equipment; licenses, any other property, intellectual property, etc.

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