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## INVESTMENT AND INNOVATION SECURITY IN THE CONTEXT OF TRANSNATIONALIZATION

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*Summary. The concept of investment and innovation security is revealed, transnationalization's actual and potential impact on investment and innovation security is analyzed, main threats to*

*investment and innovation security of Ukraine at the present stage are determined, the priorities in strengthening this type of economic security are outlined.*

**Key words:** *investment and innovation security, multinational companies (MNCs), transnationalization, investment activities of MNCs, foreign direct investments (FDI).*

National economy joining the world economic system makes it necessary to analyze investment and innovation component of economic security in the context of transnational processes. The investment policy of the state was confronted with a wide range of contradictions as The problem of attracting capital always involves threats to independence, inefficient use of domestic resources, and goals of multinational companies (MNCs) as donors of capital do not always coincide with the goals of the recipient country. These effects carry the direct threats to investment and innovation security, however, the use of transnational capital opens new possibilities for the development of individual subjects and for the economy as a whole.

The purpose of this study is to determine the essence of investment and innovation security; the impact degree of transnationalization processes on it's level; potential threats to investment and innovation security and ways to minimize them.

In the context transnationalization and ensuring the investment and innovation security of Ukraine it is necessary to find the balance between protectionist measures that restrict access of capital and liberal regime concerning multinational companies.

In general global liberalization directions of investment regimes and policies to attract private

capital to the economic sectors development are combined with increasing investment protectionism measures in regard to strategic important sectors affecting economic security. Specifically, there was improvement of control procedures and monitoring of projects involving foreign direct investment to prevent monopolization of certain industries.

These measures have been largely used in the mining industry and agriculture, as the efficient use of natural resources and their optimal allocation is an important component of economic security. In addition, it is necessary to apply reasonable restrictions in attracting foreign capital to the areas of electricity, gas and water supply.

As for developing countries, characterized by a predominance of domestic investment of foreign direct, the task of public investment policy in this context is to develop a proportion of foreign investment from internal to result in economic growth and elimination of social imbalances.

To enhance the investment and innovation security it is worth to allocate state investment resources for co-financing projects with domestic companies, operating in energy saving, defense industry, agriculture and construction. It will be useful to create special taxation regimes to implement strategic investment projects that meet certain state priorities.

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