STATE SUPPORT FOR THE DEVELOPMENT OF INDUSTRIAL PARKS IN UKRAINE

Problem setting: Ukraine has enormous opportunities for the development of an extensive network of industrial parks. This is due to the existence of many thousands of bankrupt enterprises that have stopped their activities but have the necessary infrastructure (access roads, heat and water supply, etc.). Around these enterprises an extensive industrial infrastructure was formed that can now be quickly deployed and on which it is possible to resume production on a new technological basis. Despite the proclaimed priority of state policy to stimulate the creation of industrial parks, and the numerous government declarations, industrial parks in Ukraine are actually in their “embryonic” state. Overcoming this situation is one of the important conditions for the revival of Ukrainian industry and the economy as a whole. In view of this, the problem of state support for the development of industrial parks in Ukraine is relevant and timely.

Recent research and publications analysis: An important contribution to the study of the nature and development of industrial parks in Ukraine was made by: L. Benovska, V. Galasyuk, V. Gamaliy, O. Yegorova, S. Lekar, T. Lukashenko, O. Moldovan, A. Pavlyuk, V. Poyedynok, A. Rybkina and others. Highly appreciating the contribution of these scholars to the investigated sphere, we note that state policy measures to support industrial parks are ambiguously interpreted by different scientists. In particular, the issue of granting individual tax privileges to the participants in the industrial park causes the most discussions and reservations regarding the possibility of obtaining tax privileges by monopolists and large
businesses. Therefore, there is a need to substantiate the state policy regarding the development of industrial parks in Ukraine.

The paper objective: The purpose of the article is an analysis of the current state and problems of functioning of industrial parks in Ukraine, as well as study the state support of such parks in order to improve the public policy in this sphere.

The paper main body: The analysis of data regarding to activity of industrial parks in Ukraine allows making some generalizations.

1) Despite the large number of registered industrial parks, the vast majority of parks do not function at all, only a few of them are in the stage of construction, and only four industrial parks are really working.

2) The aggravation of the crisis situation in the economy forces the government to resort to saving budget funds. Therefore, the budget funds for the construction of the industrial parks infrastructure is very limited.

3) There exist no detailed plan for the location of industrial parks in Ukraine. Foreign investors prefer the west regions and territories near the capital. Much less industrial parks are located in the east of the country.

4) Often two industrial parks are created in the same locality. In this case each community tries to create its own industrial park, despite the fact that a similar park is already located nearby.

5) The area of industrial parks is very varied and ranges from several tens to several hundred hectares. The smallest park is located on 5 hectares, the largest – on 270 hectares.

6) There is a tendency towards the predominance of Greenfield type industrial parks. Only 4 industrial parks, registered in Ukraine, belong to the Brounfield type. Their development might be contributed to revitalization of abandoned industrial zones.

7) In most cases, the initiators of the creation of industrial parks are the local authorities, who are interested in stimulating investment activity in their territory and only a small part of the industrial parks is created by the private investors.
8) Only half of the registered industrial parks is managed by managing companies. This can be explained by the fact that a managing company must invest significant funds in development of industrial parks infrastructure. Accordingly, managing companies refuse to cooperate with the initiators of the industrial parks, recognizing the complexity of the tasks that they will have to solve, and taking into account all the risks.

9) The involvement of investors is a big problem for many industrial parks. Today only four industrial parks, which are registered in Ukraine, have investors. Therefore, the territories of the industrial park are frequently empty and idle.

10) The land legislation is one of the most important problems for residents of industrial parks. The procedure for changing the target use of land from agricultural to industrial is too long and expensive.

11) A significant problem is providing industrial parks with centralized supply of electricity, water, gas and heat. There are large bureaucratic obstacles that are associated with the monopoly position of business entities in these spheres.

12) The registration process of industrial parks in the State Register is complex and bureaucratized. Existing enterprises cannot create an industrial park at their territories and receive the state support.

Today, state support for initiators, managing companies and participants of industrial parks includes: a) exemption from payment of contribution to the development of the locality infrastructure in the case of construction of facilities within industrial parks; b) provision of interest-free loans and targeted non-returnable financing for the construction of industrial parks; c) directing the financial resources of the state fund for regional development to create the industrial parks infrastructure; d) exemption from customs duties at import of equipment and materials for the construction of industrial parks and the implementation of economic activities within them.

Conclusions: In general, the measures of state support for industrial parks are positive but not sufficient for the development of such parks. The introduction of a package of tax privileges and incentives for investors should be the first step towards
building a network of domestic industrial parks. In order to ensure the success of industrial parks, the regime of economic activity for investors within such parks should be not only favorable, but more favorable than in neighboring states. In the future research we plan to study the tax privileges and cluster approach to the placement of residents within the industrial park in order to improve the investment climate in Ukraine.