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STRATEGIC DIRECTIONS OF THE EUROPEAN UNION INVESTMENT POLICY IN MODERN CONDITIONS

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In the context of modern global economic recession, stable economic development is the main need for far-sighted strategies. European regional policy provides a decent source of funding, which can be used to stimulate economic recovery.

Regional development in Europe suggests a wide range of different financing opportunities. The main funding sources are the European Regional Fund Development Fund, the Convergence Fund and the European Social Fund, however, there are other related means of raising capital and various types of financing. Projects (especially those that are able to provide certain revenues) are increasingly funded by combination of grants and loans or other financial instruments, including participation in capital.

Quarantine hit almost every area of European economy – from trade to tourism. In turn, it slowed down the production and, as a result, halted the investment flow among various enterprises.

During mitigation of quarantine norms, the economic situation became somewhat better in mechanical engineering and metallurgy, but this did not protect production from reducing its volume by 12,2%. However, online banking has experienced record growth, as Internet payments have actively entered the lives of the population of most countries [2].

The pandemic affected European countries the most – having 203 billion dollars of foreign direct investments (FDI) in 2019, the region has loss of $ 7 billion in 2020. The European Union countries' economic regress is obvious: in Spain the economy fell by 18,5%, in France – by 14%, in Italy – by 12%. This wave did not pass even the most powerful economy in Europe – the decline in Germany stood at 10,1% [3].

The slowdown of investment flows has also led to global unemployment. In November 2020, the unemployment rate in Europe fell to 8,3% from 8,4% in October, but remained 1,1% higher than in February by 0,3%. Also, unemployment rise around the globe is facilitated by a decrease in average wages compared to «pre-quarantine» times [1].

Investment flows have declined significantly due to general uncertainty about further pandemic situation. Investors simply do not want to take risks and invest in companies that can go bankrupt at any time and lose their profitability.

But even during the greatest crisis, there are markets acting as security islands for investors. Currently, typical representative of such markets is financial, as its benefits from signed agreements is directly proportional to the level of instability in the world. Crises contribute to fluctuations in assets value, and thus it becomes possible to get a profit.

For obvious reasons, coronavirus has diverted investors' attention to securities owned by pharmaceutical and medical companies. There is also a lot of capital being invested in online platforms and communication providers, as global self-isolation has greatly increased the demand for online shopping, social networking and other online services.

Some countries have intensified the issuance of government bonds, which will also help attract potential investors and get out of the crisis sooner. The oil and gas sector of the world economy is currently experiencing an investment crisis. The collapse in oil prices has led to a sharp drop in demand for shares of relevant companies.

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