

TRENDS IN INVESTMENT FOR THE DEVELOPMENT OF COMPETITIVE POTENTIAL IN AGRICULTURAL ENTERPRISES

The article is dedicated to studying the formation and development aspects of the competitive potential of agricultural enterprises in Ukraine under modern economic challenges, including global competition, climate change, financial instability, and the consequences of the full-scale invasion. It aims to analyze, systematize, and generalize the existing theoretical and methodological framework concerning the formation of competitive potential in agricultural enterprises and to investigate the trends in investing in their development.

The theoretical aspects of forming an agricultural enterprise's competitive potential are explored. A farming enterprise's competitive potential is a combination of resources, capabilities, and competencies that ensure its ability to operate efficiently and sustainably in a competitive environment. It is determined to consist of the following components: production resources, financial capabilities, innovation potential, human resources, and management competencies.

The research justifies that investments guarantee the development of the competitive potential of agricultural enterprises, as they provide the resource base for innovation, production modernization, and increased operational efficiency. The study of investment volumes in the competitive potential of agricultural enterprises shows that they actively invest in updating their technical base and developing infrastructure. However, significant problems remain regarding the uneven distribution of investments among enterprises of different sizes. It has been found that investments in intangible assets, particularly in software and patents, stay low, which indicates insufficient development of digital technologies and intellectual property in the agricultural sector and hinders the development of its competitive potential.

To overcome the identified problems, a comprehensive approach to investing in agricultural enterprises' competitive potential is emphasized. This approach should be based on implementing institutional reforms, supporting small businesses, and developing human capital and infrastructure. With stable financing, the activation of international cooperation, and efficient use of investments, agricultural enterprises will have the potential for sustainable development and strengthening Ukraine's position.

Keywords: agricultural enterprise potential, competitive potential, development of competitive potential, agricultural enterprises, investment, competitiveness.

ТЕНДЕНЦІЇ ІНВЕСТИВАННЯ В РОЗВИТОК КОНКУРЕНТНОГО ПОТЕНЦІАЛУ АГРАРНИХ ПІДПРИЄМСТВ

Статтю присвячено вивченню аспектів формування та розвитку конкурентного потенціалу аграрних підприємств України в умовах сучасних економічних викликів, зокрема глобальної конкуренції, змін клімату, нестабільності економіки та наслідків повномасштабного вторгнення. Мета статті полягає в аналізі, систематизації та узагальненні наявного теоретико-методичного забезпечення щодо формування конкурентного потенціалу аграрних підприємств та дослідження тенденції інвестування в його розвиток.

Вивчено теоретичні аспекти формування конкурентного потенціалу аграрного підприємства. Конкурентний потенціал аграрного підприємства визначається як сукупність ресурсів, можливостей та компетенцій, які забезпечують його здатність до ефективної діяльності та стійкого розвитку в умовах конкуренції. Визначено, що він складається з наступних складових: виробничих ресурсів, фінансових можливостей, інноваційного потенціалу, кадрового складу та управлінських компетенцій.

В дослідженні обґрунтовано, що інвестиції виступають запорукою розвитку конкурентного потенціалу підприємств аграрного сектору, оскільки забезпечують ресурсну базу для інновацій, модернізації виробництва та підвищення ефективності діяльності. Дослідження обсягів інвестування в конкурентний потенціал аграрних підприємств показав, що останні активно інвестують в оновлення технічної бази та розвиток інфраструктури, однак існують значні проблеми щодо нерівномірного розподілу інвестицій між підприємствами різного розміру. Виявлено, що інвестиції в нематеріальні активи, зокрема в програмне забезпечення та патенти, залишаються на низькому рівні, що свідчить про недостатній розвиток цифрових технологій та інтелектуальної власності в аграрному секторі та перешкоджає розвитку їх конкурентного потенціалу.

Для подолання виявлених проблем визначено необхідність комплексного підходу до інвестування в конкурентний потенціал аграрних підприємств, який має ґрунтуватись на впровадженні інституційних реформ, підтримці малого бізнесу, розвитку людського капіталу та інфраструктури. За умов стабільного фінансування, активізації міжнародної співпраці та ефективного використання інвестицій аграрні підприємства матимуть потенціал для стійкого розвитку та зміцнення позицій України.

Ключові слова: потенціал аграрного підприємства, конкурентний потенціал, розвиток конкурентного потенціалу, аграрне підприємство, інвестування, конкурентоспроможність.

PROBLEM STATEMENT

Modern agrarian enterprises operate in conditions of growing competition, instability of the economic environment, limited financial resources, and increased requirements for the effective use of the available potential. Under such conditions, the formation, maintenance, and development of competitive potential acquire special importance because the long-term sustainability and profitability of economic entities in the agricultural sector depend

on the level of competitiveness. Strengthening the competitive position of enterprises is an investment in the material and technical base, innovations, human capital, environmental and social areas of activity, etc. Therefore, there is a need for theoretical and methodological substantiation of the aspects of investment focused on the formation and realization of the competitive potential of agricultural enterprises.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

Such leading scientists as Avramenko Y. [2], Boyko V. [1], Datsenko O.A. [6], Zavalnyuk O.I. [6], Zakharchuk O.V. [6], Kushnir O.K. [8], Lunkin V.V. [3], Mazur N.A. [8], Titenko Z. [4] and others considered the problems of forming investment security and determined its structure, factors of influence, and tools for stimulating investment activity. Attention is focused on the role of investments in ensuring and increasing the competitiveness of agricultural enterprises, modernizing their production base, introducing innovations, and making efficient use of resources. Despite the wide coverage of investment in farm enterprises, some aspects are not fully disclosed. In particular, the investment provisions in developing the competitive potential of farming enterprises remain insufficiently substantiated.

GOAL SETTING

The relevance of the study and the presence of previously unsolved parts of the general problem determine the purpose of the article, namely the analysis, systematization, and generalization of the available theoretical and methodological support for the formation of the competitive potential of agricultural enterprises and the study of the trend of investment in its development.

PRESENTATION OF THE MAIN RESULTS OF THE STUDY

Under modern economic conditions, Ukrainian agricultural enterprises face numerous challenges, particularly global competition, climate change, financial instability, and the consequences of a full-scale invasion. These difficulties require adaptation from the agricultural sector through the active development of competitive potential because it determines the ability of the enterprise to effectively use available resources, introduce innovations, and ensure sustainable growth in conditions of instability.

In this study, we understand an agricultural enterprise's competitive potential as a set of resources, capabilities, and competencies that ensure its ability to operate efficiently and sustainably in a competitive environment. In our opinion, the main components of competitive potential include production resources, financial capabilities, innovation potential, personnel, and managerial competencies.

Production resources are the enterprise's material and technical base, including agricultural machinery, equipment, vehicles, production premises, engineering infrastructure facilities, arable land, irrigation systems, etc. The state and level of renewal of production resources determine the enterprise's ability to ensure an uninterrupted production process, efficient use of natural resources, technological modernization, and improvement of product quality.

It is advisable to include the company's own and attracted financial resources, economic stability, profitability, liquidity, creditworthiness, and access to financial instruments. A strong financial base contributes to investment in the development of agricultural enterprises, the introduction of innovations, the renewal of equipment, the provision of competitive remuneration for workers, and the prompt response to market challenges.

Innovation potential is based on the enterprise's ability to introduce new agricultural technologies, automated control systems, digital solutions, biotechnology, modernization of production processes, etc. Powerful innovation potential contributes to reducing costs, increasing yields, optimizing production costs, and creating competitive advantages.

Personnel potential includes employees of the enterprise, their professional training, practical experience, level of qualification, ability to learn, innovative thinking, motivation, and team effectiveness. In the context of the formation of competitive potential, human capital plays an important role because employees personally implement strategies, implement technologies, make operational decisions, and form the organizational culture of an agricultural enterprise.

Managerial competencies include the professionalism of managerial personnel, the ability to strategic planning, risk management, effective organization of production processes, marketing, logistics, and foreign economic activity. High managerial competencies contribute to rapid adaptation to changes in the external environment, increasing the business model's flexibility and ensuring the enterprise's long-term competitiveness.

The components considered to be the competitive potential of an agricultural enterprise form an integral system that determines the ability of the enterprise to ensure sustainable development and achieve competitive advantages in a dynamic external environment. The interconnection and complementarity of the components create a synergistic effect; in other words, the availability of modern equipment and technologies requires the involvement of qualified personnel and effective management, innovative solutions are impossible without investments, and financial stability is formed through the efficient use of resources. Therefore, the comprehensive development of the components of competitive potential will provide farmers with efficiency, adaptability, innovation, and the ability to maintain competitive positions.

According to the study of Boyko V. [1], the competitive potential of agricultural enterprises is formed under the influence of internal and external factors. Internal factors include resource use efficiency, technological development, product quality, and management decisions. External factors include market conditions, government policies, the competitive environment, and economic conditions. In our opinion, it is also advisable to include investment activities as factors influencing the formation of the competitive potential of agricultural enterprises because sufficient investments will allow the development of all components of competitive potential.

Studies by Avramenko Y.O. [2], Lunkin V.V. [3], and Titenko Z. [4] confirm that the availability of sufficient investment security directly correlates with the level of competitiveness of agricultural enterprises. Thus, we conclude that investment activity forms and develops the competitive potential of farming enterprises, as it provides a resource base for introducing innovations, technical re-equipment, increase in labor productivity, modernization of infrastructure, and improvement of product quality.

As mentioned earlier, enterprises in the agricultural sector of Ukraine remain vulnerable to war and economic difficulties. Hence, investments in this industry are necessary for its recovery and prosperity in conditions of instability. The study of literature sources [5-8] made it possible to form the main opportunities that investment in developing the competitive potential of agricultural enterprises opens (Table 1). 1.).

Table 1

Directions for the development of the competitive potential of agricultural enterprises by investing

Investment direction	Ways to promote the development of competitive potential
Updating the material and technical base	introduction of modern agricultural technologies, increasing yields and quality of products
Formation of innovation potential	creation of long-term competitive advantages, adaptation to market changes
Improving energy efficiency and environmental friendliness	compliance with the principles of sustainable development, cost reduction, and environmental impact
Attracting highly qualified personnel	improvement of working conditions, increase of social standards, staffing of innovations
Development of logistics and digital technologies in marketing	expansion of sales markets, growth of market flexibility, increase of efficiency of sales policy
Investing in recycling infrastructure	increasing the added value of products, strengthening positions in the domestic and foreign markets

Source: compiled by the author at [5-8]

We also consider it necessary to analyze the current state of capital investments in agricultural sector enterprises. This will identify the main problems and opportunities for attracting additional resources to develop enterprises' competitive potential (Table 1).

Table 1

The volume of capital investments in agricultural enterprises with a breakdown by size, 2021-2023

Agrosphere	Year	Enterprise				
		Total: thousand tons UAH.	Big yew. UAH.	Average yew. UAH.	Mali yew. UAH.	Of which micro yew. UAH.
Agriculture, forestry, and fisheries	2021	69966300	10762955	36405004	22798341	1715423
	2022	51355693	9041687	25585315	16728691	2747458
	2023	65150627	14650410	31069309	19430908	3493534
Agriculture, hunting, and related services:	2021	68021358	10762955	35067470	22190933	1506031
	2022	49550064	9041687	24168973	16339404	2425428
	2023	63582204	-	-	18998227	3173878
	2022	-	-	-	-	541
	2023	-	-	-	-	18
Forestry and logging	2021	1407123	-	1305346	101777	24386
	2022	1443493	-	1384638	58855	12018
	2023	1189604	-	-	67021	13049
Fisheries	2021	537819	-	32188	505631	185006
	2022	362136	-	31704	330432	310012
	2023	378819	-	13159	365660	306607

Source: compiled by the author under [9]

During 2021–2023, the dynamics of capital investments in enterprises in the agricultural sector of Ukraine were unstable: after a fall in 2022 caused by the war, there was a partial recovery in 2023. The study of the volume of capital investments in agricultural enterprises showed that the most significant assets are concentrated in medium-sized enterprises. In contrast, small and micro enterprises demonstrate a stable growth in investment activity, which gradually strengthens their investment's competitive potential. Despite the challenging macroeconomic conditions and military risks, agricultural enterprises are actively investing in the development of fixed assets, renewal of the technical

park, modernization of production, and expansion of activities. The main emphasis falls on crop production and animal husbandry, which remain key areas of agricultural business in Ukraine.

Table 2

Distribution of investments in tangible and intangible assets of agricultural enterprises, 2021-2023

Capital investments	Years	Enterprises by size				
		Total: thousand tons UAH.	Large, thousands. UAH.	Medium, thousand tons. UAH.	Small, thousand tons UAH.	Of which micro, thousand. UAH.
Capital investments in tangible assets, including:	2021	68259098	9870602	35797547	22590949	1703804
	2022	50273867	8508638	25224497	16540732	2708647
	2023	63325702	13736710	30444401	19144591	3411355
Land	2021	180552	32235	120087	28230	1411
	2022	60015	24815	33599	1601	275
	2023	112495	42916	66151	3428	101
Existing buildings and structures	2021	1084033	158901	593324	331808	9680
	2022	422377	115066	225352	81959	12666
	2023	587446	90619	379680	117147	13345
Construction and reconstruction of buildings	2021	12790957	2346341	7698101	2746515	299651
	2022	9486603	1843001	5726967	1916635	144110
	2023	12502988	2844133	7066138	2592717	367001
machinery and equipment	2021	47802589	5320567	23508202	18973820	1330009
	2022	34446342	4419205	15882079	14145058	2491933
	2023	42093228	6781870	19315107	15996251	2975944
Capital investments in intangible assets, incl.	2021	1707202	892353	607457	207392	11619
	2022	1081826	533049	360818	187959	38811
	2023	1824925	913700	624908	286317	82179
concessions, patents, licenses, trademarks, and similar rights	2021	9873	2606	6635	632	37
	2022	1402	1	932	469	117
	2023	25570	10	24868	692	139
Purchase of software	2021	105664	58239	32292	15133	3201
	2022	67057	22258	21121	23678	7426
	2023	100936	42479	20521	37936	13912

Source: compiled by the author under [9]

Therefore, capital investments in tangible and intangible assets of agricultural enterprises should be distributed between 2021 and 2023. demonstrated an unquestionable orientation to the renewal of the production base and technical modernization within the framework of developing their competitive potential. At the same time, the bulk of investments are directed to tangible assets in machinery and equipment, which accounted for more than 66% of all capital investments in 2023, which indicates active technical re-equipment, automation, and energy efficiency, which directly affects the increase in productivity and quality of agricultural products. Significantly, investments in constructing and reconstructing industrial premises remain at more than UAH 12.5 billion. UAH. in 2023, especially among medium and small enterprises, indicating a desire for infrastructure upgrade.

Although investment in intangible assets remains relatively low, it is gradually increasing, especially among small and micro enterprises. The largest share here is occupied by software acquisition, which indicates the role of digital transformation in the development of competitive potential. The growing interest in IT solutions, innovation management, and the registration of intellectual property rights indicates that enterprises are aware of the need to strengthen their intangible competitive resources.

The analysis of capital investments and their distribution by tangible and intangible assets presented above revealed many problems that hinder the development of the competitive potential of agricultural enterprises:

firstly, there was a general decline in investment activity in 2022, which is associated with the beginning of a full-scale invasion; it is worth adding that the frontline regions experienced a sharp and unrecovered decline [10];

secondly, investments are unevenly distributed among enterprises of different sizes; more precisely, large agricultural enterprises accumulate most of the investments, and small and micro enterprises have limited access to capital, which limits their competitive potential.

thirdly, there is a low level of investment in intangible assets that form the long-term competitiveness of enterprises; their share in the structure of capital investments remains at the level of 2-3% during the analyzed years;

fourthly, there is a dominance of investments in machinery and equipment, which is not accompanied by proper modernization of infrastructure, storage, logistics, and digital solutions;

fifthly, there are no long-term investment strategies, which leads to situational financing and does not ensure the development of the competitive potential of agricultural enterprises.

We believe that to overcome these problems, investing in the development of agricultural enterprises' competitive potential requires an integrated approach. This approach should be based on the implementation of institutional reforms, support for small businesses, the development of enterprises' intangible assets, infrastructure,

and human capital, and the intensification of international cooperation. Implementing these measures will contribute to the sustainable formation of farmers' competitive potential and strengthen Ukraine's position.

CONCLUSIONS

The formation and development of the competitive potential of agricultural enterprises is the key to their success and resilience to the uncertainties of the external environment, which requires investments. The analysis of the dynamics of capital investments showed the instability of financing volumes, especially in the context of the economic challenges of wartime. There is an uneven distribution between enterprises of different sizes since large agricultural enterprises make most investments. In contrast, small and micro enterprises have limited access to capital, which limits the possibility of developing their competitive potential. Made it possible to identify a small share of investments in intangible assets, particularly software, trademarks, and patents, which indicates an underestimation of the innovative component of the competitive potential of agricultural enterprises. Thus, to ensure the development of the competitive potential of farming enterprises, it is necessary to implement measures based on improving the institutional framework, developing partnerships, supporting small businesses, and stimulating innovation and intellectual development.

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