MECHANISM OF IMPLEMENTATION OF INVESTMENT POTENTIAL AND ITS EFFECTIVENESS IN THE REPUBLIC OF TATARSTAN

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ABSTRACT
In modern conditions, investment activity plays a decisive role in carrying out political, economic and social reforms aimed at creating favorable conditions for sustainable economic growth and innovative development of a territory. The problems of development of a regional investment policy mechanism, increase in the efficiency of implementing investment potential, and, therefore, investment activity and attractiveness, and improvement of the investment climate are one of the key topics in the field of regional economic policy. Traditionally, the definition of "investment attractiveness" means the existence of such investment conditions that affect investor preferences in the choice of an investment object [2, p.47]. Conducting a sound investment policy stipulates control of investment parameters of economic development, one of which is the investment potential. The market economy model objectively assumes rivalry of regions for funds available for investment. In order to attract these resources to their territories, regional authorities, first of all, should correctly assess their competitive positions, their strengths and weaknesses [12, p.219]. In this article, the system of realizing the investment potential of the Republic of Tatarstan, one of the most favorable regions for the investment of the Russian Federation, is considered. A purposeful impact on the factors of the investment environment can improve the efficiency of managing the regional investment process, and fully unlock an investment potential [8, p.5077]. This fact determines the need to improve the theoretical and methodological approaches to improving the quality of management decisions both at the level of the Russian Federation and at the level of the constituent entities of the Federation.

Keywords: investment potential, investment attractiveness, competitiveness, entrepreneurship.

INTRODUCTION
In the emerging conditions, Russia's regional investment policy is based on the principles of decentralization of the investment process. Funds available for investment are distributed among regions extremely unevenly, concentrating mainly in large cities. Thus, most regions, including industrial-agrarian ones, do not have the opportunity to make full use of the developed investment potential. For this reason, the role of the constituent entities of the Federation in the implementation of investment activity is constantly increasing, what contributes to the development of new strategies and the improvement of the investment policy of the regions [4, p.113]. At the same time, the activation of the regional investment policy is explained by an attempt to create a more favorable investment climate that ensures the inflow of investments into this or that territory, what will make it possible to systematically improve its competitiveness in comparison with other constituent entities of the Federation.

The regional investment process is understood as the multilateral coordinated activity of participants in the reproduction process at the level of the constituent entities of the Federation aimed at increasing the gross regional product. Let's consider the model of its management to describe the investment process (Fig. 1).
Fig. 1 Model of regional investment process management system [5, p.57]

Investment potential is a complex, contradictory, and ambiguously interpreted concept, which can be understood only through an interdisciplinary approach [9, p. 173], achievements and instrumentation of various sciences, including the regional economy. Investment potential should be understood as a set of investment opportunities of an economy, which is formed through the integration and synergy of infrastructure, resource and macroeconomic potential of the region, the limited use of investment risks and investment barriers. At the same time, investment barriers, i.e. factors that prevent the use of investment potential, regardless of the level of risk, include: the producer's level of monopoly; availability of conditions for free movement of goods; availability of conditions for free movement of capital; availability of conditions for the free movement of labor [7, p.60]; level of bureaucratization of the economy; information transparency level of the economy; taxation level; level of social encumbrance of the economy, etc.

MATERIALS AND METHODS

The basis of the research was the combination of scientific ideas, ideas and hypotheses of domestic and foreign scientists in the field of economic science, regional economy, regional policy, as well as the concept of innovative economy and innovation policy. The main methodological approach of this study is a regional analysis that predetermines the need to study the patterns and characteristics of the organization of investment processes in a spatial aspect and in unity with a time component, as well as the activity approach to regional investment policy.

Instrumental and methodological study apparatus includes a set of general scientific basic methods of cognition (observation, comparison, induction, deduction, modeling) and gnoseological tools of applied theoretical study (system, situational approaches, statistical analysis, SWOT analysis, expert evaluation method, etc.). The use of these approaches and methods allows one to achieve the methodological depth of the research, to ensure the reliability and validity of the provisions, conclusions and recommendations.

The informational and empirical basis of the study was the official data of the Federal State Statistics Service, the territorial agency of the Federal State Statistics Service for the Republic of Tatarstan, the materials obtained from the Ministry of Economy of the Republic of Tatarstan, as well as information...
collections, Internet resources, conference materials, investment policy seminars, and also research of authors themselves.

A significant contribution to the study of investment issues, including its regional aspect, was made by A.G. Aganbegyan, V.S. Bard, Yu.V. Bogatin, N.V. Igoshin, V.V. Kovalev, A.B. Krutik, V.V. Novoselov, M.I. Rimer, V.A. Shvandar, V.V. Sheremet, and others. It is necessary to note among the foreign scientists the works of G.J. Alexander, J.W. Bailey, E.J. Dolan, J. Keynes, F. Larren, J. Lindsay, A. Marcus, J. M. Rosenberg, D. Sachs, U.Ph. Sharp.

The theory of economic dynamics developed in the writings of J.A. Schumpeter, N.D. Kondratiev, Yu.V. Yakovets is a general methodology for the study of investment activity in the space of the region.

The institutional paradigm for the development of investment activity is based on the findings presented in the works of D. North, G.B. Kleiner, V.L. Makarov, V.M. Polterovich and others.

RESULTS AND THEIR DISCUSSION
Increasing the competitiveness of the economy in the Republic of Tatarstan is inextricably connected with significant volumes of attracted investments. Over the past years, the Republic was consistently among the most attractive regions [11, p. 83], which is due to a combination of high investment potential and low investment risk. So, according to the results of 2016, the volume of investments in fixed assets amounted to 642.5 billion rubles. The pace of investment growth is estimated at 100% in comparable prices to the level of 2015 (Fig. 2).

![Fig. 2. Dynamics of investment in fixed assets](image)

<table>
<thead>
<tr>
<th>Инвестиции в основной капитал, млрд.руб.</th>
<th>Investments in fixed assets, bln. rub.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Темпы роста, в сопоставимых ценах, в % к предыдущему году</td>
<td>Growth rates, in comparable prices, in % to the previous year</td>
</tr>
</tbody>
</table>
The share of own funds of enterprises for 2016 in the total volume of investments in fixed assets was 66.4%. Budgetary funds accounted for 10.8%, and bank loans - 11% of the funds raised.

Based on the results of the National Ranking in 2016, the Republic of Tatarstan was declared the leader region the second year in a row, which provided the most favorable conditions for conducting business and investment activities (Table. 1).

**Table 1.** Top 10 of the National rating of the investment climate in the Russian regions [14]

<table>
<thead>
<tr>
<th>The constituent entity of the Russian Federation</th>
<th>Rating of 2016</th>
<th>Index 2016</th>
<th>Rating of 2015</th>
<th>Index 2015</th>
<th>Changing the index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Tatarstan</td>
<td>1</td>
<td>265.1</td>
<td>1</td>
<td>269.5</td>
<td>-4.5</td>
</tr>
<tr>
<td>Belgorod region</td>
<td>2</td>
<td>259.7</td>
<td>3</td>
<td>261.3</td>
<td>-1.6</td>
</tr>
<tr>
<td>Kaluga region</td>
<td>3</td>
<td>251.4</td>
<td>2</td>
<td>263.5</td>
<td>-11.8</td>
</tr>
<tr>
<td>Tula region</td>
<td>4</td>
<td>251.4</td>
<td>10</td>
<td>243.3</td>
<td>8.1</td>
</tr>
<tr>
<td>Tyumen region</td>
<td>5</td>
<td>251.4</td>
<td>15</td>
<td>241.5</td>
<td>9.9</td>
</tr>
<tr>
<td>Chuvash Republic</td>
<td>6th</td>
<td>249.2</td>
<td>9</td>
<td>244.8</td>
<td>5.1</td>
</tr>
<tr>
<td>Krasnodar region</td>
<td>7th</td>
<td>249.2</td>
<td>7th</td>
<td>246.5</td>
<td>2.7</td>
</tr>
<tr>
<td>Vladimir region</td>
<td>8</td>
<td>248.5</td>
<td>18</td>
<td>241.1</td>
<td>7.4</td>
</tr>
<tr>
<td>Khanty-Mansiysk Autonomous Region</td>
<td>9</td>
<td>248.0</td>
<td>12</td>
<td>242.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Moscow</td>
<td>10</td>
<td>247.8</td>
<td>13</td>
<td>242.1</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Apart from Tatarstan, the Belgorod and Kaluga regions are among the top three leaders, however, they exchanged their positions: the Kaluga region lost 11.8 points for a year, and Belgorodskaya - 1.6.

One of the key components in attracting investments on creation of new high-tech industries and modernize existing competitive enterprises is establishment of partnerships between the state and private business [1, p.300]. The effectiveness of the work carried out in the republic to improve the investment climate is confirmed by the fact that such well-known companies in the world have chosen the territory of Tatarstan for their businesses as Haier, Ford-Sollers, Rockwool, Hayat Group, Daimler, 3M, Bosch, Lufthansa, Schneider Electric, Fujitsu, Air Liquide, ŞIŞECAM, and others. [15]

In order to improve the effectiveness of interaction between the participants of investment activities, the Cabinet of Ministers has approved the Investment Memorandum of the Republic of Tatarstan, which establishes the main priorities for the development of investment activities; for 2017 the measures determined include formation and development of competitive industries using advanced technologies, incentives for small and medium entrepreneurship, arrangement of conditions for provision of capital projects with infrastructure, and also information and staffing provision of the investment process, etc.
The Investment Memorandum includes about 200 priority investment projects for a total investment amount of more than 1.5 trillion rubles, including investment projects "Construction of a production complex for deep processing of rapeseed oilseeds" (JSC "NEFIS-BIOPRODUCT"), "Organization of intermodal transportation from the Kazan railway station to the international airport "Kazan" (PJSC "Russian Railways"), "Production and promotion to the Russian Market of foreign brand cars" (Ford Sollers Holding LLC), "Construction of a complex for deep processing of heavy still bottoms of the PSC "TAIF-NK" refinery", etc.

In Tatarstan, such a mechanism of state support of enterprises as granting tax benefits has been elaborated and actively applied [3, p.8]. In particular, investors implementing investment projects are provided with a reduction in the profit tax rate credited to the budget of the Republic to 13.5% and a reduction in the tax rate to 0.1% on property newly created or acquired by the organization for the implementation of the project. These benefits to entities involved in investment activities are provided for the payback period of projects, but they longevity can not exceed 7 years, and in the machine building industry, tax incentives can be granted for up to 13 years from the kick of investment.

As of 01.01.2017, companies that implement investment projects in the Republic of Tatarstan have been granted with tax privileges for a total of about 11 billion rubles (including 1.6 billion rubles in 2016). Investments in the amount of 600 billion rubles were attracted within the framework of implementation of investment projects. (Including 40 billion rubles in 2016) Tax deductions to the budget of the Republic of Tatarstan amounted to about 15 billion rubles (including 1.8 billion rubles in 2016), 16,500 new working places were created (including about 1,1 thousand places in 2016).

In addition, tax preferences are granted to residents of the territories of advanced social and economic development. In Tatarstan, this is the territory of the city of Naberezhnye Chelny, the second largest city in the republic. Tax privileges for residents are provided for income tax, land tax, corporate property tax and insurance premiums.

A comprehensive organizational and technical system for promoting the products of republican commodity producers is being developed in the Republic of Tatarstan in order to increase efficiency of activities of state and municipal authorities, and economic entities in the promotion of the products of republican producers to commodity markets, and the solution of import substitution tasks [6, p. 108].

An important block of the system is the Electronic catalog of products of republican commodity producers. The electronic catalog is a register of products produced in the territory of the Republic of Tatarstan, as well as data on production volumes, nomenclature and volumes of purchases of goods and services. The address of the electronic catalog in the Internet is kp.agzrt.ru.

CONCLUSIONS

As of year-end 2016, the following results were achieved:

- The number of field tax inspections for taxpayers has decreased (coverage reduced to 0.2%);

- The time was shortened and the cost of technological connection to the grid (the size of the investment component included in the fee for technological connection of power receivers with a maximum capacity of no more than 150 kW to cover the costs of construction of electric grid facilities from existing electric grid facilities to connected power receiving devices and (or) objects of electric power industry can not be more than 50% of the specified costs; standardized tariff rates and rates of payment with a reduction of 50% are established; time frames for approval engineering networks and communications paths for the electric grid facilities was decreased to 5 days) was reduced;

- The number of procedures, the term of their passing and the cost of obtaining services for state registration of rights and cadastral registration have been reduced (services are provided electronically; the
share of public services by the Rosreestr Administration in electronic form reached 90%; the state tax has been reduced by 30%; 292 remote reception windows in rural settlements have been created, what gives almost 100% coverage of the population of the Republic of Tatarstan. In the event that a representative of an applicant is a notary who has certified the transaction and submits the documents for registration in electronic form, the period for state registration is reduced to 1 working day. The period for issuing information from the unified state register of rights is reduced to 3 days. The period for issuing information from the State Real Estate Cadastre is reduced to 1 day);

- A mechanism to provide entrepreneurs with free of charge municipal property for rent for a period of 2 years was implemented in the city of Kazan.

In order to develop a system for attracting and supporting investors in the "one contact" mode, an updated Investment Portal has been launched on the basis of the best international practices in the Republic. The portal is presented in 11 languages of the world and contains all necessary information for an investor.

SUMMARY
An inherent factor in formation of a favorable investment climate in the Republic is the policy on forming an effective system of stimulating investment activities that will maximize the use of the potential of tax support instruments with a focus on a wide range of investors [10, p.214]. It is to solve this problem that the current work on the introduction of the mechanism for granting an investment tax credit is directed, i.e for granting a deferral of tax payments, followed by a phased payment of a loan and accrued interest for an amount determined on the basis of investments made and the amount of taxes paid by the organization.

In order to improve efficiency of the ongoing work to improve the investment climate, the Republic of Tatarstan has established the Project Office in accordance with the instructions of the President of Russia; the Project Office acts on an ongoing basis and is an advisory body aimed at introducing best practices based on the results of the National Rating, as well as implementing measures to improve investment climate in Tatarstan.

The results of the research are important in solving problems of an applied nature, in particular, by regional authorities in analyzing the current state and trends in the development of investment processes, creation and implementation of a strategy for the development of the constituent entities of the Federation, adopting regional strategic documents aimed at improving investment processes, pursuing investment policies and increase in regional gross product.

ACKNOWLEDGEMENTS
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REFERENCES
Tatarstan is for the second year in a row at the top of the National rating of the investment climate. http://tass.ru/pmef-2016/article/3374694.