

REFERENCES

USEFULL STUDY ON THE INVESTMENT ACTIVITY IN CONTEMPORARY AGRICULTURAL SECTOR IN BULGARIA

The new book by Prof. N. Valchev, Dr. Ec. Scs. and Prof. L. Petkov, Dr. Ec. Scs.* is dedicated to investments and investment policy in the newly reformed and restructured sector of agriculture in Bulgaria. Because at present the investment activity is managed entirely by private entrepreneurship, the moment is suitable for an updated assessment on its scale, intensity and directions.

First of all, in order to avoid some terminological misunderstandings there are definitions of "investment" and "investment environment" in the beginning of the study. Further on, as a result of the research, it is concluded that the need for investments in Bulgarian agriculture is enormous. The reasons are the following: *first*, because of the extremely long period of restructuring, the assets in the agricultural production are outworn physically and morally. *Second*, enormous investments are necessitated by the expected competitive pressure by European agricultural producers in the EU which requires the competitiveness of the Bulgarian agriculture to become a primary task.

The investment environment is evaluated in three aspects: environment for investment *demand*, environment for investment *supply* and environment for investment *management*. It is determined that in the second half of 1990s the main parameters of the investment environment in Bulgaria improved considerably. This is a positive precondition for the encouragement of the investment activities of entrepreneurs and for a drastic increase in the amount of investments in agriculture.

The environment of investment demand is analyzed in the light of the outlined needs for equipment, livestock and perennial plants. Levels of market absorption are estimated. The price dynamics of the input resources is studied, as well as farmer's prices. The labour market, farmers' incomes, the system of taxation and the allowance of depreciation, stability of macro economic environment are described. The explained parameters of investment demand and necessities of accelerated increase in competitiveness of agriculture have allowed the authors to outline and define *decisive directions of farmers' investment activity* in the future:

- consolidation of farms by purchasing of farm land and other farm properties;
- building of premises and equipment as well as other facilities for production infrastructure;

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- establishing plantations of high yield perennial plants with an appropriate brand structure;
- purchasing of highly productive livestock, farm machinery and technical equipment;
- achieving partially or fully closed technologic cycles. This could allow the *competitive advantages* of farm raw materials to be extended by the *advantages* of industrially processed products.
- development of *information and market infrastructure* of agricultural production.

The *investment supply* environment has been assessed in detail too. The advantages, as well as the disadvantages of the main sources of financing of agricultural investment projects are also examined and assessed, in particularly – projects in regions with aggravated social and economic characteristics and unfavourable natural and climatic conditions. The results of the study on the dimension, dynamics and structure of the investments in sub-sectors and farm types are of theoretic-cognitive and applied value. They show the *real* market valuation of farmers about the direction and structure of investments and the expected demand on the EU market. The investment areas appropriate for different organizational and farm structures operating in this sector are interesting too – companies, farm cooperatives, sole proprietors and family farms.

The study reveals the casual relationships that determine the volume of investments at a *branch* scale.

The authors offer suitable approaches, measures and tools for improving the investment environment and stimulating investment activity of entrepreneurs in agriculture.

The book is of practical use for relevant state institutions and administrations, businesspeople and entrepreneurs in agriculture, specialist from all management levels, as well as for students, teachers and researchers.

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