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“ASSESSMENT OF THE AUSTRIAN CORPORATION'S FDI IN THE ECONOMY OF THE VORONEZH REGION ” (ON THE EXAMPLE OF LLC "BREWERY" KANZLER")

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Problem statement

To increase the competitiveness of Russian enterprises, it is necessary to develop a new business model of investment projects that will increase the interest of Austrian investors in placing FDI in the economy of the Voronezh region.

The new business model of investment projects should reflect the principles of the "Investment and Development" strategy and be aimed at addressing the social and environmental needs of the region.

Research Questions

Q1

- Are FDI in ESG projects the most promising for emerging markets?

Q2

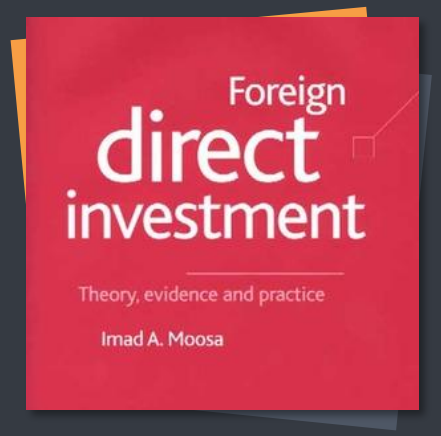
- What are the main factors for the Austrian Corporation's FDI in the economy of the Voronezh region?

Q3

- What strategy is suitable for the Austrian Corporation's FDI to increase the competitiveness of the Voronezh enterprise?

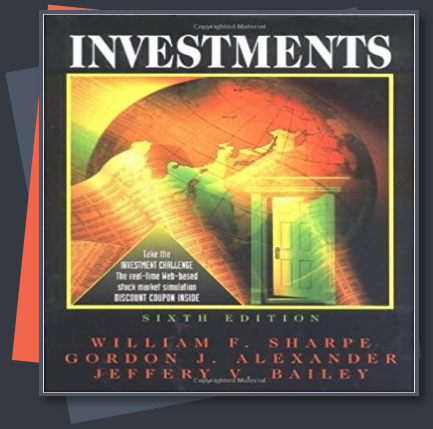
Literature Overview

The main literature used to write MT



Moosa I. A.

Foreign Direct Investment Theory, Evidence and Practice

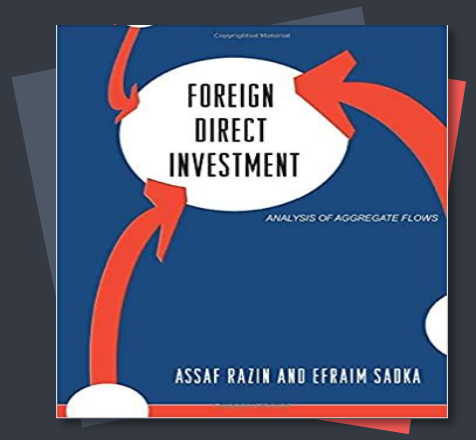


Sharpe, William C., Bailey, Jeffrey W., Alexander, Gordon J.

Investment

Orlova E.R.

Foreign direct investment in Russia: from point-to-point modernization to stable development



Razin A., Sadka E.

Foreign Direct Investment: Analysis of Aggregate Flows

Used methodology & research design

SWOT analysis

Questionnaire survey of beer producers

Evaluation of the effectiveness of the project

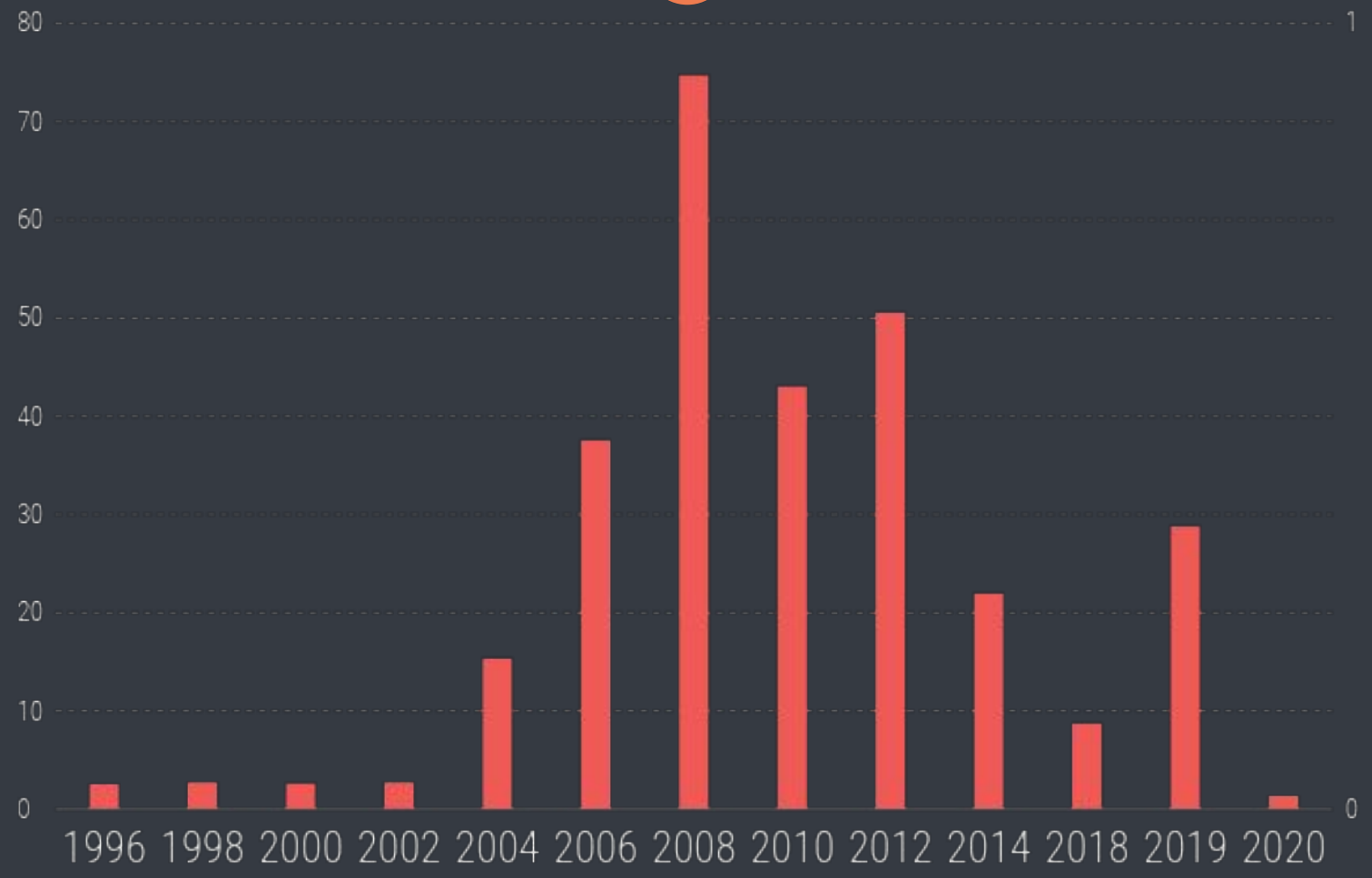
GAP analysis

Regression model

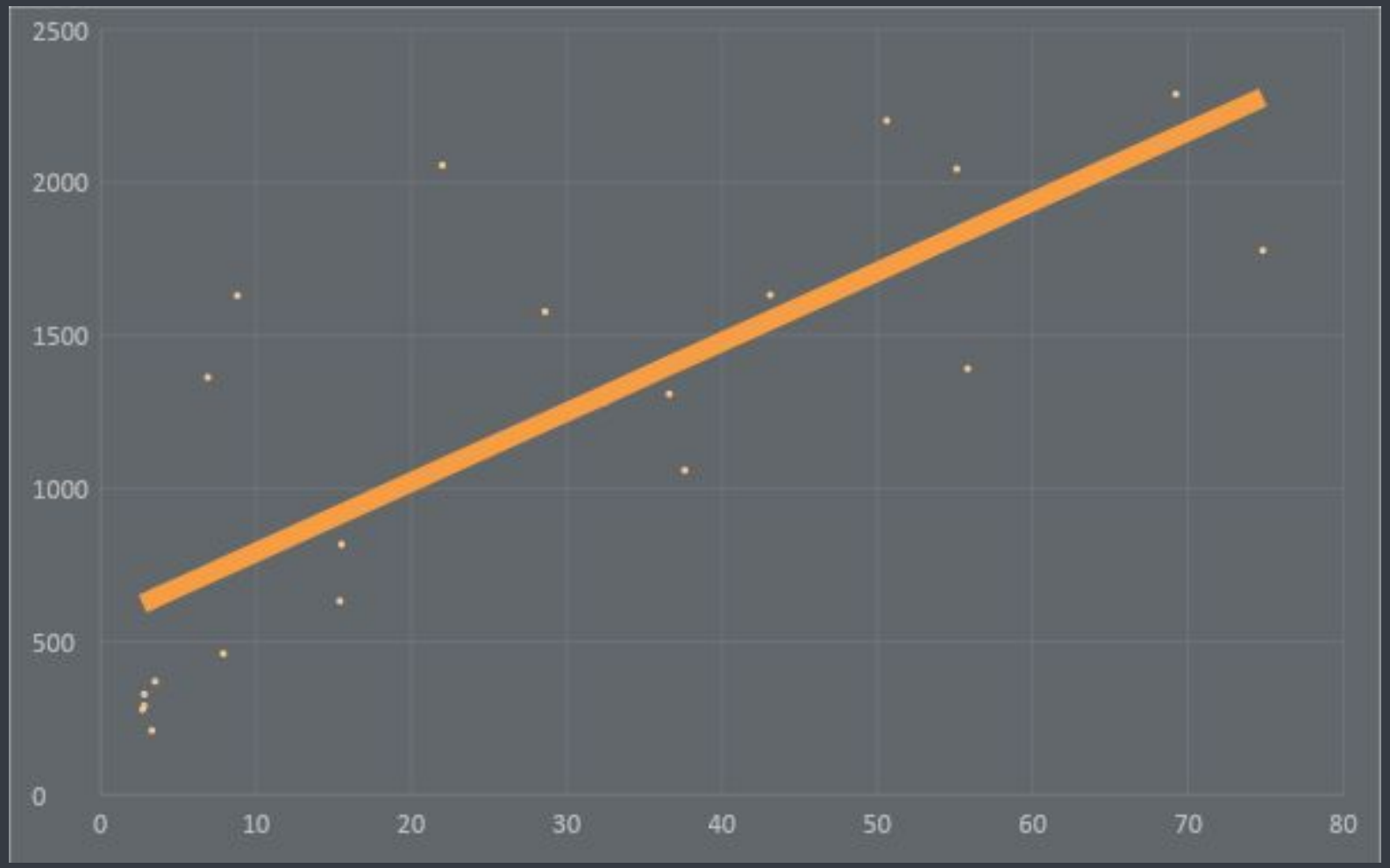
Dynamics of FDI in Russia, USD billion

The leaders among the investor countries actively financing Russian investment projects are Germany, China and the USA.

The leaders among the sectors for FDI are the agro-industrial sector, mining and processing of minerals, production of machinery and equipment, chemical industry, pharmaceutical industry and transport logistics.



Polynomial correlation of the dependence of the GDP of the Russian Federation on incoming FDI 1990-2019.



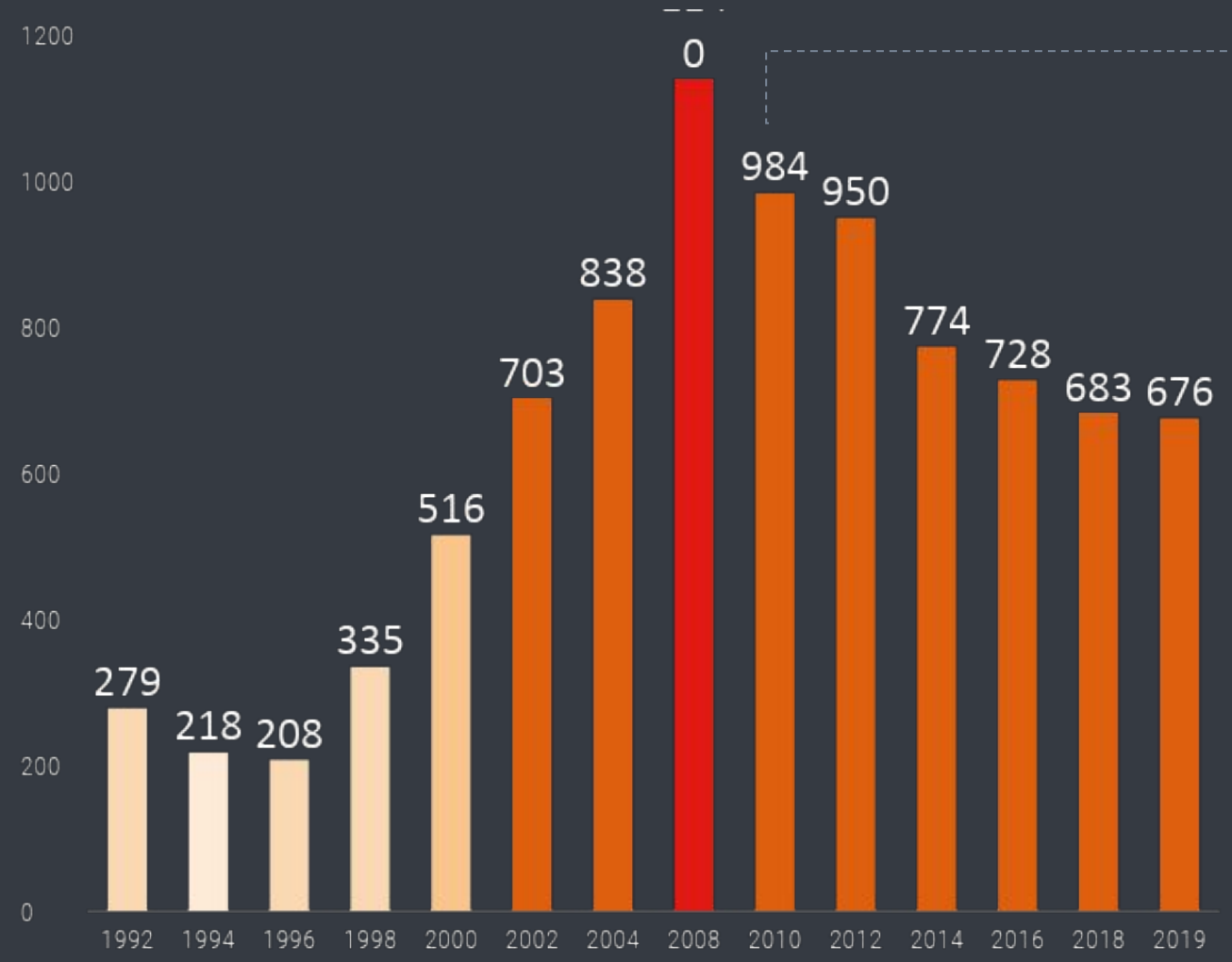
Personality:

S-shaped curve

Transition to the 5th technological stage

$R^2 = 0{,}65751$

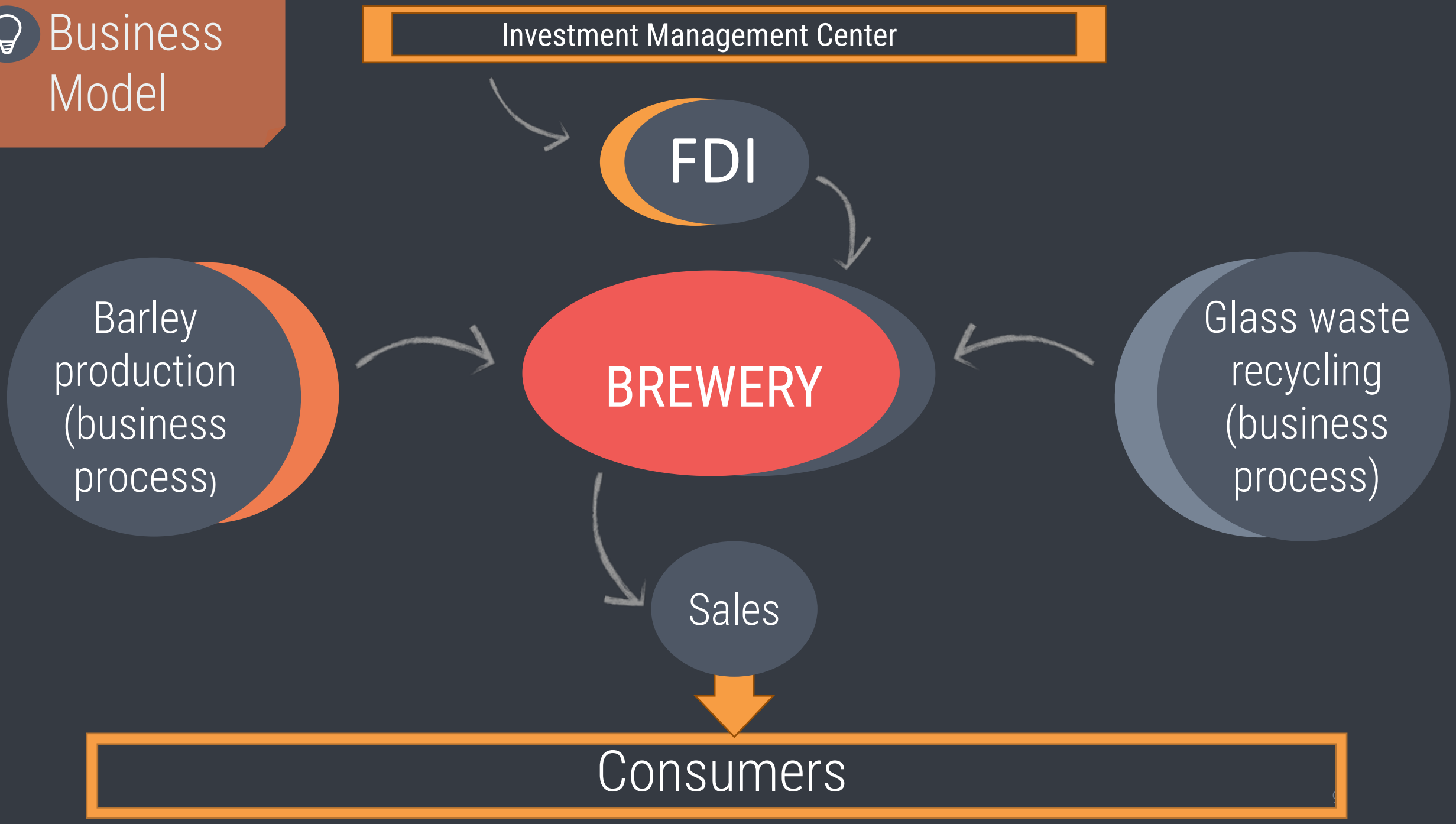
Dynamics of beer production in Russia 1992-2019, million decaliters



Since 2008, there has been a decline in beer production against the background of the global financial crisis.

- In 2020, beer production in Russia increased by 3.3%.
- In the first nine months of 2021, beer production in Russia increased by 2.2% compared to the same period in 2020.

Business Model



The main advantages of the "New Brewery" business model

- Own production of barley for malt
- Austrian technology to ensure flexible and cost-effective production of high-quality beer drinks
- Reduction of environmental pollution through the production of eco-friendly packaging from barley
- Eco-friendly production due to efficient use of water
- Production of own glass containers and recycling of secondary raw materials

Barley

Technologies

Packaging

Eco-friendly

Glass tare

STRENGHTS

- Own retail chain (Hop mile)
- Developed logistics system
- Recognizable brand
- Large assortment
- Leading position in the market
- Affordable prices
- Good reputation among customers and partners
- Exclusive beers recognized at Russian brewers ' competitions
- The market share of the Voronezh region is almost 30%

WEAKNESSES

- Deterioration of quality due to sales of products under the franchise
- Sales strategy in the lower price segment
- Negligence on the part of the staff (washing stage)
- High transport costs

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- Entering new markets and neighboring countries
- Full transition to automated equipment
- Expansion of the production line (new varieties, new tastes)
- Introduction of modern technologies
- Own production of raw materials
- Unique Austrian recipe
- Development of retail stores
- Improving quality
- Deterioration of competitors ' positions

- Competition from TNCs
- State ban on advertising alcoholic beverages
- Annual increase in the value of excise taxes
- Monopolization of the market
- A hard-to-get license to sell alcohol
- Lack of consumer culture in the country

OPPORTUNITIES

THREATS

Evaluation of the effectiveness of the project

Indicators	Project period					
	1 year	2 year	3 year	4 year	5 year	6 year
Discount rate at Sberbank's bank rate 11%	0,9009	0,38116	0,7312	0,6587	0,5935	0,5346
NPV, billion rubles.	-4 131,53	-4 011,36	-3 055,00	-1 932,58	-638,85	994,62
IRR, %	21,69					

Thank you for your attention!