Economics

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DIRECTION FOR INCREASING THE INNOVATIVE AND INVESTMENT ATTRACTIVENESS OF THAILAND'S LIGHT INDUSTRY

Summary. *This Direction examines the production of the Garments industry in Bangkok. Internal factors of investment attractiveness for this industry are the age of the company, return on assets, return on equity, level of technical efficiency measures applied to optimize the cost of material, selling and administrative expenses, total assets, total equity, and total income. The study will look at how these factors can help increase innovation and investment attractiveness. It is convenient to represent external factors in the form of a competitive diamond model, also called the "Porter diamond".*

Key words: *direction, innovative and investment attractiveness, Thailand's light industry*

This study is investigated to the consideration of the possible step of increasing the investment and innovative attractiveness of the light industry in Thailand. Before proceeding to a direct consideration of this issue, it is necessary to define the main terms used, since the interpretation of the available empirical material directly depends on their understanding. The terms "investment" and "innovation" without exaggeration acquire today a global meaning and are often not perceived separately from each other.

The term "investment" is commonly understood as "cash, securities, other property, including property rights, other rights having a monetary value, invested in objects of entrepreneurial and (or) other activities in order to make a profit and (or) achieve other useful effects" [1].

In other words, an investment is a long-term investment of domestic or foreign, state or private capital in order to obtain maximum profit, which, in turn, can be used to ensure simple or expanded reproduction or to achieve one or another social effect.

On the other hand, innovation is "the introduction of a new or significantly improved product (good, service) or process, a new method of sales or a new organizational method in business practice, workplace organization or in external relations" [2]. Innovation is universally perceived as a kind of "growth formula".

Before making investments in a particular object, it is necessary to assess its investment attractiveness, then investment attractiveness, a certain "integral characteristic of the investment object", which is far from always interpreted unambiguously. "Investment attractiveness is the presence of an economic effect (income) from investing free cash in corporate securities with a minimum level of risk. Investment attractiveness can be assessed using indicators of market activity" [4].

The introduction of innovations, of course, is designed to increase investment attractiveness. Nevertheless, innovations themselves may have different efficiency, and the object of the investment may have greater or lesser innovation and investment attractiveness. This implies the use of new technologies in production, management, and financing in order to return investments, increase income and profits or reduce costs, costs, and risks. The criterion for evaluating innovative and investment attractiveness can be technical efficiency relative to the spent internal resources, in other words, the ratio of results to resources.

Any investment comes with a certain amount of risk. Risk is a complex phenomenon, but in this dissertation, risk will be understood as the possibility of an unfavorable situation or an unsuccessful outcome of production, economic, or any other activity.

Another important concept for further research is the return on investment, or ROI (from English return on investment). The return on investment is a certain financial ratio, expressed as a percentage or as a fraction, illustrating the level of profitability or unprofitability of a business, given the amount of investment made in this business. Return on investment may also be referred to as return on investment, return on investment, return on invested capital, and rate of return.

Traditionally, investment attractiveness factors are usually divided into two categories:

1. Internal factors are the technical, resource, raw materials, labor, organizational, commercial, financial and analytical, innovative, production, and consumer characteristics of the object.

2. External factors, also called factors of indirect influence, are the natural-geographical, environmental, legal, political, legislative, and social conditions in which the analyzed investment object develops. It is convenient to represent external factors in the form of a competitive diamond model, also called the "Porter diamond" [3].

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