

# Amortization as the source for financing innovation projects in agrarian sphere

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## Abstract

The article deals with the results of a study on the dual nature of amortization as a source of innovation funding on the one hand, and as an indicator of innovation development of agricultural enterprises on the other hand. Considering the indicator obtained by clustering of agricultural enterprises by the size of amortization per 1 ha of agricultural land and using correlation analysis, the author argues that this figure can be considered an indirect index of innovation based development of the agricultural enterprises. Therefore, we can assume that, in 2013, only 5.7% of the studied agricultural enterprises used innovation, including innovative projects with a positive impact on their effectiveness. It has been found that, in the majority of business entities, the amortization, as the main own source of the formation of investment resources, in its current amount, fails to properly perform its investment and innovation functions as it does not allow the necessary accumulation of funds to finance innovation projects. The author considers various proposals to improve amortization policy at the macro and micro levels, which provide a set legal and institutional measures.

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