

**Abstract of the Article**  
**"Innovation Potential of the Region as an Economic Category"**  
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After reviewing various approaches to the definition of the innovative potential, it was noted that the innovative potential of the region constitutes the possibilities which are available to the region and willingness to create and use in the area or beyond it the innovations that provide its stable social economic and environmental development.

The following characteristics of innovation potential of the region are highlighted: 1) innovative capacity of the region is defined with the possibilities which are at its disposal for change. Innovation potential creates sufficient conditions for achieving sustained innovation development of the region through the creation of innovations and transforming them into purposeful innovation; 2) the innovative potential of the region is characterized by the available specific involved and not involved resources in the production but prepared to be used; 3) innovation of the region can be characterized on the one hand, by reached level of socio-economic development, on the other – by providing opportunities for its further growth.

It is determined that the structure of the innovation potential of the region includes the following components: scientific research, personnel (or employment), financial, material and technical (or production), market, organizational, legal, information, investment and marketing potential.

The conditions for sustainable development of the region nowadays is not so much important as to create and increase the innovative capacity on the one hand, but the use of existing potential. And on the other hand to increase it in those areas that can provide real social and economic benefits. That is, for a high level of innovation development of the region should be, on the one hand, a strong innovative capacity, on the other – is to use it productively. The listing of components of the innovation potential of the region will help to differentiate the activities of regional authorities on the formation mechanism of the innovative potential of the region and to accelerate the transition to innovation model of economic development in the region.