

increase in funds for the development of banking infrastructure will also contribute to the achievement of these goals.

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PROBLEMS OF BANKING LOANS FOR SMALL AND MEDIUM-SIZED BUSINESSES

It is not a secret that small and medium-sized businesses are the basis for sustainable development of the country's economy. Due to these enterprises it is possible to create normal conditions for competition and rising GDP, social security, formation and support of the middle class, etc. Moreover, a small and medium-sized business, as the institutional sector of the economy, is becoming dominant in number and production volumes in the leading countries of the world.

In terms of quantity, small and medium-sized enterprises occupy a significant share of the market, and therefore deserve considerable attention and support from the state. However, there are a number of factors that have a negative impact on the pace of development of the discovered objects. Among them we can call, the political-military conflict, the financial crisis of 2013-2016, attempts to implement tax reform, instability of the national currency, and the immigration of able-bodied people, which caused the decline in the number of SMEs in Ukraine.

By 2014, the share of small and medium-sized enterprises was 99.96% of the total number of economic entities. This situation complied with the established European standards. At present, this figure is somewhat smaller, but quite high. (95.6% of all registered SMEs).

In terms of the share of products and services provided, this figure is somewhat smaller. SMEs account for 15% of GDP. We tried to analyze the same figure in other European countries. It turned out that in Romania this

figure is 21%, the Czech Republic 35%, Germany 47%, the United States 62%, and Japan - 63% (figure 1)

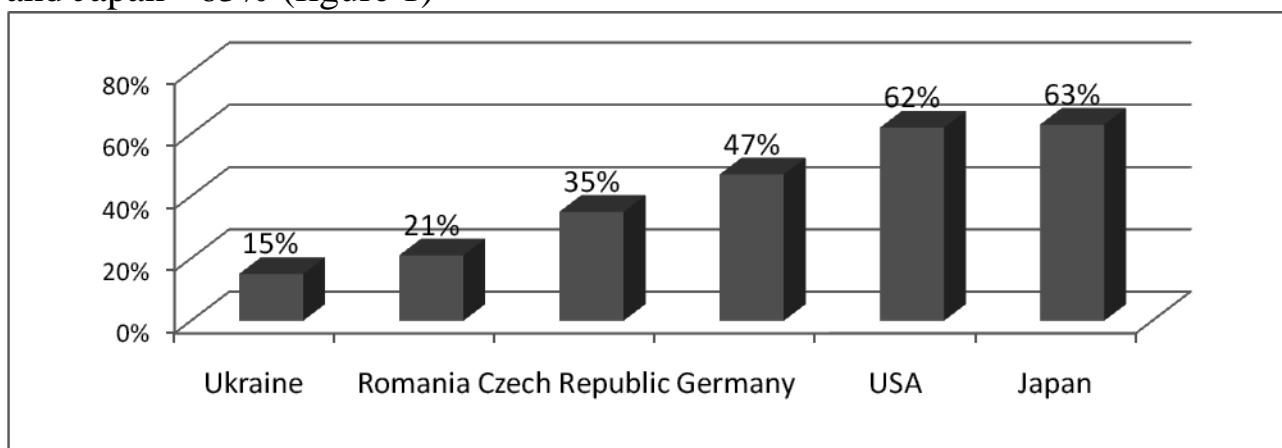


Fig. 1. The share of products and services provided by SMEs in GDP [1]

To address these issues, a Strategy for the Development of Small and Medium-Sized Enterprises in Ukraine for the Period up to 2020 was developed. The main aims of the Strategy are to properly support small and medium-sized enterprises and to create an enabling environment for doing business. It is supposed that such actions will unlock the potential of the SME sector and helps to ensure sustainable economic and social development of Ukraine.

In addition to state support for SMEs, there is an important issue of financial support for property. We tried to analyze the actual structure of financial resources for small entities. As it turned out, there are some peculiarities and some objective limitations in usage. For example, small businesses have limited financial resources. This leads to the fact, that they are often unable to carry out costly investment projects. This has the effect that small businesses are limited in their own research into high-tech innovation. To solve this problem, a considerable part of the enterprises' resources are obtained through bank loans.

But discovering such situation we faced with the problem is that today there is no effective mechanism for cooperation between small and medium-sized businesses and banking institutions, which would take into account the factors of the enterprise's creditworthiness and the bank's interest in granting SME credit.

The share of loans to small and medium-sized enterprises is not high and is only 20-25%, while in developed countries it is 60%. For medium-sized enterprises, it ranged from 8 to 21% over the period under review. In turn, small business entities received loans steadily over the analyzed period. This figure was within 20% [1]

The structure of bank loans to small businesses indicates a relatively short term of credit. The funds, according to research, went to industry (42%), wholesale and retail trade (almost 35%), that is, as we see in activities with a

short operating cycle. The short term of crediting is conditioned by: insufficiency of long-term resources at domestic banks, limited access to borrowing in international markets, increase of reserves as a result of high problem of loan portfolios, deterioration of borrowers' solvency due to the recession in the economy.

Analysis of the credit offer of different banks of Ukraine showed a significant variation in interest rates on loans - from 13.9% to 26%. For domestic businesses, such loans still remain expensive.

Research into problems in the field of lending to small and medium-sized businesses has identified the following: high risks of lending; insufficiency and high cost of credit resources; lack of liquidity in SMEs; short term of crediting; low profitability of lending to banks; imperfection of the legal framework; the difficulty of objectively assessing the real creditworthiness of small business; reducing the motivation of some banks to lend; reduction of income and creditability of small business; lack of long-term funds from banks.

One more reason for constraining SME lending in Ukraine may be the lack of information needed by banks and microfinance institutions to assess SME credit risk.

To sum up it worth to say that three parties - the state, the banking sector and enterprises - play an important role in solving the problem of lending to small and medium-sized businesses in Ukraine.

At the state level, the main task is to reduce the cost of bank loans by regulating refinancing rates and minimizing the cost of loans by the National Bank of Ukraine. The new government has declared intentions to reduce the cost of loans, but has not identified ways to implement these actions. Equally important is the development of alternative ways of securing credit in Ukraine, such as insurance of financial risks, setting up guarantee funds or providing state guarantees. First steps were made in such direction. It is cooperation of local authorities with local branches of banks and partial compensation of interest on loans. It works in 7 regions of Ukraine with Privatbank. Negotiations are underway in the Ternopil region within the CUB program (country of successful business) [2].

Another area is cooperation with various foreign funds and structures (German-Ukrainian Fund, Western NIS Fund, European Investment Fund, etc.). They enable the gradual introduction of new types of financial support in Ukraine, namely: partial offsetting of interest rates on loans provided for business projects, offsetting leasing payments; the extension of the micro-credit programs, and appropriate infrastructure support.

Over the past year and a half, the German-Ukrainian Fund has allocated around 300 million hryvnias for investment project support programs to its partner banks. In April this year, the Program's transformation into SME loans amounted to about 60%. Overall, in 2017, partner banks that received funds

from the Fund increased their total SME loan portfolio by 64%. Thus, targeted financing of NUF promotes not only doing business, but also directly development of the banking system through diversification of bank loan portfolios.

In addition, the Fund's programs, which allow attracting cheap credit, often, become an incentive to operate transparently, which generally contributes to avoiding the shadow economy. It is also important for the Fund that projects receiving funding help to increase the value added of goods and services in Ukraine, import substitution.

Businesses, in turn, need to trust banks more, present authentic and truthful information about their operations, as this influences a bank's positive decision. Credit bureaus and clean legal businesses are ways to improve the situation in this area.

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БАНКІВСЬКЕ РЕГУЛЮВАННЯ І НАГЛЯД В КРИЗОВИХ УМОВАХ

Економічні кризи надзвичайно негативно впливають на економічний та соціальний розвиток не лише країн з низьким економічним рівнем, а й промислово розвинених. Дія останньої економічної кризи поширилася в тій чи іншій мірі на більшість країн світу, її вплив виявився особливо руйнівним, а з наслідками доводиться боротися до теперішнього часу.

В посткризовий період все більшої актуальності набуває вирішення проблеми забезпечення економічної безпеки держави, тобто формування сприятливих умов для досягнення незалежності, стійкості, стабільності національної економіки, її здатності до поступового відновлення та розвитку. Важливою складовою економічної безпеки держави є фінансова безпека – такий стан фінансового ринку за якого держава може в певних межах гарантувати суспільству загальноекономічні умови функціонування державних владних інституцій і ринкових інститутів. Одним із механізмів забезпечення фінансової безпеки є система регулювання фінансово-банківського сектору. За останнє десятиріччя багато країн визнали за доцільне впровадження певних змін у структурі регулятивних систем, підходах до здійснення регулювання фінансового ринку, пошуку нових організаційних рішень, націлених на підвищення ефективності й