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THE CREDITING DEVELOPMENT TO REAL SECTOR OF ECONOMY: FOCUS ON AGRO-INDUSTRIAL COMPLEX AS A PRIORITY SECTOR

REKOVA N. Yu.

Doctor of Economic Sciences, Professor

Department of Enterprise Economics

Donbas State Machine-Building Academy (Kramatorsk city)

DIATLOVA Yu. V.,

PhD in Economics, Associate Professor

Department of Finance, Accounting and Taxation

Donetsk State University of Management (Mariupol city)

Annotation. *The bank crediting tendencies of the real sector of Ukraine's economy and agro-industrial complex as its priority sector are revealed. The character of changes on the main indicators, existing problems and factors of influence are determined. The mechanism of crediting development at the level of the state, the national regulator and the banking sector is proposed.*

Keywords: *banks, crediting, real sector of economy, agro-industrial complex, mechanism of crediting development.*

Actualization of crediting development problem to the real sector of Ukraine's economy in order to ensure economic growth is due to insufficient bank loans. The main purpose of the study is to identify trends in bank crediting to the real sector of the economy and agro-industrial complex as its priority sector, developing proposals for the mechanism of crediting development at different levels of government.

The bank crediting tendencies of the real sector of Ukraine's economy and agro-industrial complex as its priority sector are revealed. The character of changes on the main indicators are determined as following: decrease of banking sector assets and gross loans to

economic entities as well as attracted funds growth; a dwindle in the foreign currency loans portfolio as a result of write-offs and restructuring, which was offset by the growth of the hryvnia portfolio. The share of borrowed funds in gross loans of the real sector is insufficient for the crediting development. The quality of the loan portfolio is low due to a significant share of non-performing loans – more than 50%. Crediting to the real sector is implemented via banks with public capital, banks of foreign bank groups and bank of private capital with the ratio of 4:2:1. The established tendencies of crediting outline existing problems and factors of negative influence that proves

necessitate the development mechanism enhancement.

The mechanism of crediting development at different levels is proposed: at the state level – the development and implementation of the Banking Development Strategy for the five-year period and its annual Banking Crediting Development Programs, which will contain provisions on crediting to the real economy and agro-industrial complex, in particular regarding production of goods with increased additional value; at the level of the national regulator – the coordination and transparency of monetary, credit and currency policies, their definition for a five-year period; structural refinancing by the National Bank of commercial

banks, which will lend to the real sector of production in the priority directions; at the level of the banking sector – restoration of trust through full guarantee of deposits of the population; improving the quality of the loan portfolio (reducing the proportion of unemployed loans); reduction of the interest rate on loans (according to priority directions of economic development) through the system of information exchange via the Credit Register of the National Bank of Ukraine and reducing the level of risk.

The results of the paper can be used from the point of view of theory and practice by researchers, authorities, national regulator and banking institutions.

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