

МЕЖДУНАРОДНЫЕ И НАЦИОНАЛЬНЫЕ СТАНДАРТЫ ФИНАНСОВОЙ ОТЧЕТНОСТИ В БАНКОВСКОЙ ПРАКТИКЕ

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THE CURRENT TRENDS IN UKRAINIAN CONSUMER CREDIT MARKET

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Аннотация: проанализировано тенденции потребительского кредита для экономики Украины. Обоснована целесообразность использования потребительского кредита в улучшении материального и культурного уровня жизни населения, а также благосостояния общества в целом.

Ключевые слова: потребительский кредит, кредитование, потребительские нужды, социально-экономическое значение.

Consumer credit helps people meet their diverse consumer needs and plays a significant role in increasing quality of life and socio-economic development. Credit operation today comprises the bulk of bank assets. Credit activity makes the biggest profit for banks, but at the same time, it's tied to credit risk. Ignoring or mismanaging that risk leads to threat of bank earnings shortfall.

People who have a permanent job and can afford to take a credit are potential borrowers. This issue is especially important for younger generations. Young people would like to have their own homes and the opportunity to furnish them. This problem can be solved to some extent with consumer credit.

The introduction of new loan products and the development of market infrastructure related to the provision of consumer loans to individuals for the social and economic development of Ukraine is noteworthy.

The essential feature of consumer credit is credit consumer purchases. Consumer credit allows the population to consume goods and services before it can afford them. Thus, consumer credit enhances the standard of living of consumers. In macroeconomic terms, consumer credit increases the aggregate effective demand for consumer goods and services, stimulating the expansion of their production.

We analyzed the state of consumer credit in 2013 in Ukraine according to data from the National Bank in January 2014 [1]. The total amount of outstanding credit increased in 2012 from 13.4 billion UAH, or 6.1% – 859.1 billion. That was exclusively due to an increase of outstanding loans in local currency, which grew to 8.5%, while in 2013, outstanding loans in UAH also continued to grow: short term – 1.2 billion., or 2.4%, from 1 year to 5 years – 0.6 billion., or 1.3%. On an annualized basis, outstanding consumer lending credit in local currency amounted to 20.6%, and the highest – rate loans rose by 42.4%. The continued reduction of loans (long term ones) in foreign currencies formed descending dynamics of household credits to 1.3 billion, Or 1.8%,. Accordingly, the decline in the share of foreign currency loans in total loans granted to the consumer continued, which reduced the degree of exchange rate risk for banks. [2]

If we analyze the number of consumer loans and the increase in percentage over five years. From 2009 to 2013, total short term consumer credit increased by 165%, but long – term loans declined by 50%.

However, in 2012, the average interest rate on loans to individuals and legal entities in national currency increased slightly to 15.21%, but foreign currency loans decreased to 9.66%. [3] Sufficient liquidity in the banking system and the seasonal decrease in demand for loans from borrowers at the end of 2013 helped reduce the cost of loans, although an increase in the weighted average interest rates can be observed during the past five years. High interest rates on loans reflect expectations of high rates of inflation, a volatile market in Ukraine, and a lack of foreign investment [4].

The formation of consumer credit as a social phenomenon is primarily based on the human desire to help others. This tendency, according to psychologists S. Blair and V. Frankl is because of the "human nature to create values," and, therefore, the desire of people to give to those in need. This is the social nature of the loan. [5]

The development of consumer credit helps overcome social instability in society. A person who owns his own home and can afford consumer goods and services receives the necessary conditions for creating a family and raising children. On one hand, a family is a vicious union that protects its inner world, and

on the other – it is open to the outside world and depends on it. The living conditions of families are determined by the level of development of the productive forces of society, work and social relations. Higher incomes often do not make us happy, although the fact of increasing or decreasing incomes influence us essentially. Providing families improved living conditions leads to improved health of the nation as a whole, which, consequently, increases the efficiency of the population. Credit enables citizens to meet the urgent needs before they can pay for it. People who are faced with a lack of revenue today hope for the sustainability and adequacy of income in the future, and, therefore, wish to improve their current level of consumption via consumer credit. Consumer credit improves people's lives.

On the other hand, the use of consumer credit companies in the implementation of durable goods is not only in meeting the needs of the population, but also creates the conditions for the increase, which ultimately affects the growth of a state production.

Conclusion: consumer credit granted for the purchase of imported articles and services, encourages their use in the population, and this has a negative impact on manufacturers like domestic consumer goods and services. Consequently, there is an outflow of capital from the country. Consumers prefer imported goods because of product quality market offers. I think one of the solutions to this problem is the need for implementation at the national level more suitable conditions for lending to consumers if they want to purchase local goods and services rather than imported ones.

An essential component of state social policy should be to improve the living conditions of the population, the realization of which can be done by reducing the taxable income of the borrower for the amount of the interest on the loan, reducing the cost of credit by partial payment of the state. Also, government support for this type of loan can be done by providing lax state loans for housing and construction companies or individual borrowers, creating tax incentives for credit institutions, dealing with this credit, infrastructure mortgage and other measures. The choice depends on the historical culture, mentality and level of economic development of a state.

To improve the effectiveness of consumer lending in Ukraine the following problems must be solved: use the integrated methodology for assessing the creditworthiness of the borrower – individual (it will reduce the attractiveness of some loan programs, however, reduce credit risk); establish the national credit bureaus and regional rating agencies that would gather information about all potential borrowers; banks need to form reserves in the required volume to cover the risk of bad debts; use in all banking institutions collegial method of authorization of credit that provides more detailed control over the provision of credit; use mortgage as the most effective form of security and way of minimizing credit risk; pay sufficient attention to the preliminary assessment of the property taken as mortgage, which may consider the possibility of establishing special departments and cooperation with specialized companies to assess the property and real estate agencies.

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