

O. Filimonova

Petro Mohyla Black Sea State University

CONDITIONS AND TENDENCIES OF AGRICULTURAL ENTERPRISES' BANK CREDITING DEVELOPMENT

Commercial banks are the main creditors of agricultural enterprises. Amount of agricultural enterprises' bank crediting generally had been increasing for 2001 – 2014. The reduction was observed only in 2009 and the second half of 2014, because of the crisis in the domestic economy and finance.

All agricultural enterprises' credits can be classified by the period and currency of credit. As for the period, about half was short-term credits, up to 40% – medium and only about 10% – long-term ones. As for currency, the basic share of medium and short-term credits was given in national currency. However, long-term credits were primarily given in foreign currency, especially US dollars in 2001 – 2009. However, the share of foreign currency credits was gradually decreasing, especially in 2009 – 2010 and the second half of 2014. This trend was caused by the national currency devaluation and appreciation of US dollar currency exchange rate.

The analysis of non-paid credits proved a relatively high level of agricultural enterprises' ability to pay all credits in time. The share of agricultural enterprises in all

non-paid credit had averaged 5% during 2001–2008 and 2011–2014, but only in 2009–2010 – exceeded 12%. In the second half of the crisis year 2014, the volume of agricultural enterprises' non-paid credit increased due to foreign currency credits.

Number of the banks, which lend to agricultural companies, for last 10 years reduced from 100 banks in 2005–2008, to 10 – today. Nowadays, the most active creditors of agricultural enterprises are foreign banks, banks with foreign capital and domestic system banks, due to their ability to obtain long-term capital at a lower cost and due to higher level of risk management.

Nevertheless, development of agricultural enterprises' bank crediting is restrained by credit interest rate increasing up to the 20 – 25% for national currency credits and 13% – for foreign ones. Thus, agricultural enterprises' bank crediting could be developed by the way of cost of capital reduction; development of new credit instruments and services, taking to account specific features of agricultural production; and further improving risk-management approaches in banks.