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DIRECTIONS OF ACTIVATION OF BANK LENDING TO SMALL AND MEDIUM BUSINESS IN UKRAINE

The problems that hinder development of bank lending to SMEs in Ukraine can be grouped as follows: the problem of instability of the environment; imperfection of legal framework; lack of cheap bank resources for lending to SMEs; opacity of SMEs activity. Solution of these problems is possible only by joint efforts of the state, the National Bank of Ukraine, banks and SME representatives based on the formation of the institutional system of bank lending to SMEs.

The foreground state directions for improvement of the business environment, in our view, should be:

1. Improvement of business environment and investment climate, increase of transparency in doing business, development of information support as credit component; development of infrastructure in lending to small and medium enterprises support system (insurance system, development of credit cooperation).

2. Improvement of legal framework in terms of mortgage law (registration pledge,

speed up the registration of property pledged by mortgage) and creation a centralized state-level institution providing guarantees for loans to small businesses, development of venture financing (primarily, solution of the problem pledge on intangible assets of entrepreneur).

3. Development of public-private partnerships by increasing the participation of SMEs in major infrastructure projects in cooperation with large enterprises, providing development and support of public credit programs.

4. Gradual adaptation of positive international experience in government small business lending programs.

5. Possibility of bank stimulation in state SME lending.

In order to improve information support in SME lending by enhancement of data collection about the financial position of SMEs it is advisable to create and implement a special program promoted to small and medium-sized enterprises lending.