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## **STATUS AND DEVELOPMENT OF LEASING IN UKRAINE AND ABROAD**

Nowadays, national enterprises of Ukraine require immediate updating, modernization, expansion of fixed assets and implementation of new improved technologies. But then, there is another problem – the need to attract huge amounts of financial resources. And the most attractive investment instrument in the present economic environment is leasing. It is an alternative form of financing, which includes rent relations, elements of credit and finance. That is why, this topic is extremely relevant.

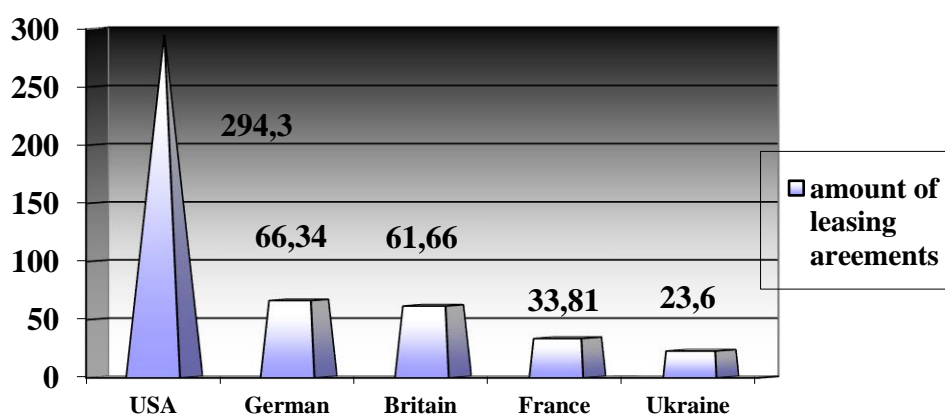
In the world practice, leasing services are widely used; they occupy the second place after bank loans. Leasing is one of the forms of capital investment in manufacture. Leading countries, such as the USA and Germany, call this kind of activity a necessary condition for the economy strengthening. In the developed countries of the world, the volume of leasing transactions are 25-30% of investments in fixed assets. In other countries with high rates of growth they are from 10 till 15 %. But in Ukraine – only 1.5%.

In such countries of Eastern Europe as Estonia, the Czech Republic, Hungary, Poland the annual leasing market varies from 2 till 5%. In Ukraine – only 0.3% [3].

According to the European Federation of Leasing Companies Associations, 28,2% of all investments are carried out as leasing transactions in England, 16.6% – in Germany, 30% – in the USA, 17.5% – in France, 26.3% – in Sweden.

In 2013 the volume of leasing market in the USA was 294.3 billion dollars (33.9% of the world market). Britain, Germany and France account for almost 80% of leasing business in Western Europe. In Germany the costs of leasing agreements are 66.34 billion dollars, in Britain – 61.66 billion dollars, in France – 33.81 billion dollars.

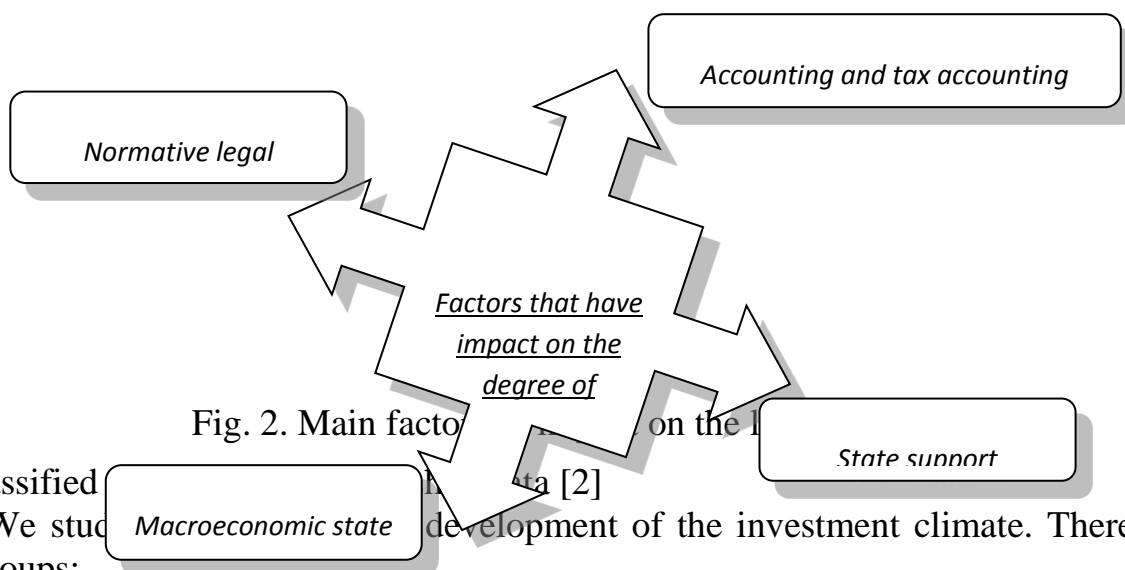
In Asia, the leader of leasing transactions is Japan, where the cost of leases agreements are 69.95 billion dollars [1].



Pic. 1. Comparative characteristics of signed lease agreements in the world by 2013

As for today, leasing is not a new tool (both in foreign practice and in Ukraine). However, in Ukraine the development of leasing relations are lag behind the international practice. Leasing companies' and banks' offers satisfy the total demand of leasing only at 10%. The situation is like this because many plants, enterprises, companies are willing to distribute equipment, vehicles, techniques, but cannot do it because of absence of consumers.

And it shows the necessity for further improvement and expansion of the leasing market [2, p.187].



\*classified We studied data [2]

- macroeconomic problems;
- imperfect legislation;
- lack of privileges to support leasing.

The first group of problems concerns the lack of the long-term crediting and inflation. These processes have had negative influence on the economy of the country on the whole. A reasonable monetary policy of the National Bank of Ukraine can become one of the ways to solve this problem. It should be an increasing interest of banks through system of privileges in long-term crediting, reducing the cost of credit resources, creation of market infrastructure.

The second group of problems is caused by imperfect legislation that leads to double interpreting of the terms, non-compliance of legislative framework, etc. That is why, the Verkhovna Rada of Ukraine should eliminate contradictions in laws and coordinate them with international standards.

The third group of problems is not less important. It is lack of appropriate privileges to support the lease.

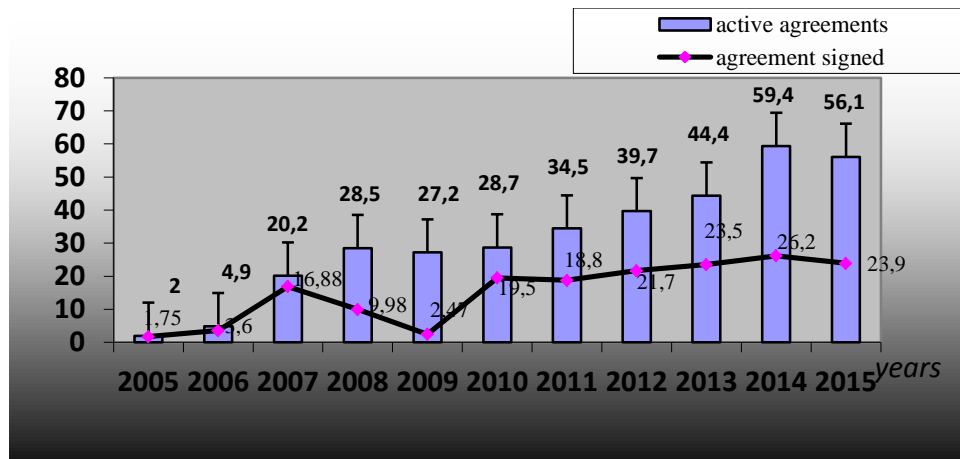


Fig. 3. The cost of signed and active agreements of financial leasing in Ukraine in 2005-2014

\*based on the data of the Association "Ukrainian Association of Leasing Companies", 2014 [4]

Having evaluated the state of the leasing market for the period 2005-2014, we can make a conclusion that it had a positive trend to increase. However, economic crisis and unstable political situation in Ukraine could not but affect the market of leasing services for the last 2 years. Moreover, this trend is connected with the beginning of the world's financial crisis and reducing degree of financial stability of banks and other financial institutions, and among them the leasing companies.

Rudenko V. notes that "last year was a failure for leasing companies. Most companies closed their programs. The volume of new contracts fell by half. The leasing companies cooperated with their new and even old clients more carefully, because of the devaluation of the hryvnia, the deterioration of payment discipline and insecurity"[5].

Therefore, Ukraine does not use all opportunities of leasing, because of several problems. If these problems are solved, there will be a huge development in the future.

In fact, the lease can give push to the restructuring of the economy, renewal of capital assets, development of small and medium business, industrialization of manufacture, increase of production and export potential.

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