

## LENDING OF AGRICULTURAL COMPLEX OF UKRAINE: PROBLEMS AND PROSPECTS

**Batrakova T.I.**

Candidate of Economic Sciences,  
Senior Lecturer at Department of Finance and Credit,  
Zaporizhzhia National University

**Romanyuta K.A., Sidelnikova S.O.**

Students,  
Zaporizhzhia National University

Agricultural complex is a basic sector of Ukraine's economy. To ensure its effective functioning, it requires substantial investment in resources and appropriate financing. However, in current environment, it become hard or sometimes even impossible for agricultural companies to get a loan from a commercial bank because of their lack of profitability, low return on investment and low liquidity of property.

Nowadays, functioning of agricultural companies is impossible without involvement of loans.

Loans play a crucial role in agriculture, as it is the main source of financial resource replenishment between the seasonal gap in investment and receipt of cash, continuous process of reproduction, and it provides the needed working capital.

Currently, non-availability of an effective property pledge stops the development of bank loans to agricultural companies. Though, if to take possibilities of agro-industrial complex of Ukraine into consideration, adequate lending will attract significant financial resources and will be a

powerful lever for the development of this sector.

There are several ways of increasing the number of loans to agro-industry:

- Increase of bank motivation. Influenced by the acceptable level of credit risk, real demand for bank loans and availability of lenders resource base;

- Actions taken by government and banking system aimed at development of working integration mechanism for interaction with the agricultural sector;

- Development and use of all possible sources to raise funds when lending money to agricultural sector;

- Resolving land and property issues as the problem of existing debts of agricultural companies.

The analysis gives reason to believe that the investment climate is favourable for agriculture, though the risks for investors are high. The situation can be improved only by enhancement of legislation on agricultural policy, regulation of credit operations, rational resource distribution, its effective usage, timely repayment of debt and proper government policy.