

- inflexible organizational structures of enterprises to meet the requirements for the implementation of modern business processes, dynamics of innovative, organizational, technical and information transformations;
- low quality of highways, lack of modern terminals for cargo handling, high level of non-compliance vehicles;
- lack of integrated information logistics systems and high-quality information communication;
- lack of highly skilled logisticians and disadvantages in training specialists in the field of logistics.

There are other issues to be settled to improve practical application of transport logistics. However, it is important for production and trade enterprises to agree on the common logistics approach in order to perfect their activities and provide a sufficient level of viability in a highly competitive market, comply with international standards and regulate other areas of activity.

On the other hand, there are positive shifts in the dynamics of the Ukrainian transport logistics. For example, the demand for professional and high-quality logistics services leads to larger investments in the modern warehouse infrastructure and special vehicles, the increased number of producers who develop their own regional distribution networks, logistics operators ready to put in practice various tasks in the field of logistics services. In 2012, Ukraine as a Euro-2012 host country received World Bank's EUR 450 million to repair her highways.

To sum up, Ukraine has all the necessary resources to boost logistics development, amplify the efficiency of this country's enterprises and hence, obtain higher profits. The list of logistics services is constantly increasing, and with the development of a competitive environment, their quality is improving. However, we don't have a proper methodological framework for its evaluation and regulation. The perspective development of logistics systems should be backed by the government and relative laws to make our businesses competitive in the international market. The market of transport and logistics services is an important component of the Ukrainian economy. This is due to the fact that logistics is a guarantee of products delivery from a manufacturer to a consumer, and trade would virtually become impossible without logistics.

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THE BANKING SECTOR IN UKRAINE: TRENDS AND DEVELOPMENTS

The main condition for the economic development of any country is to ensure the stability of the banking system, which is the most important and integral part of a modern market economy. Transparency and predictable development of the banking system can facilitate the ability of investors to forecast its activities and improve its attractiveness to other economic subjects.

Banks that own substantial share of financial, investment, industrial and other sectors of the economy are the backbone of the banking system. The redistribution of temporarily free funds, funnelling them into industries with a recurring need to mobilize additional capital can only be achieved by financially stable and reliable banks that are capable of withstanding the dynamic conditions of external and internal market environments. Banks must be reliable and ensure the safety of deposits held by legal entities and individuals as well as protect the interests of shareholders and provide timely customer service. Today, the banking system of Ukraine is in a severe recession that has already turned into a deep depression. In fact, one in three banks have been declared insolvent, no deposits are made, and lending has virtually stopped. A key precondition for overcoming an economic and the banking crisis is a qualitatively new model for the monetary regulation, based on incentives for the recovery of monetary sovereignty and the enhancement of economic development primarily through credit support businesses in Ukraine as the foundation of a competitive market environment.

In Ukraine's programme with the IMF, the reform of the financial sector features prominently as a key reform area. The main objective is to restore public trust in the sector, which had deteriorated during the economic crisis of 2014/15, but which exhibited severe structural deficiencies already long before the crisis. One of these deficiencies is the so-called "old banking model" practised by some local owners, where fraudulent related party lending was customary. This created problems in the real sector, where well-connected companies flourished, but also for the depositors of those banks and ultimately for the taxpayer, who was called to pick up the pieces when such banks failed. Since the start of the economic crisis in 2014, the banking sector has shrunk dramatically, which is evidence of a completely new approach by the supervisor, the National Bank of Ukraine.

Due to problems relating to liquidity and solvency, related-party lending and involvement in illegal activities (e.g. money laundering) many banks failed. Thus, out of 180 banks operating in the beginning of 2014, only 93 continue to operate as of time of writing. This is a reduction of 52% over the course of only 3 years.

This severe consolidation process was one of the main reasons for the decrease of domestic credit as a share of GDP from 74% in 2013 to 57% in 2015. Thus, the sector's size is now more in line with regional peers like Russia (56%) and Poland (54%).

Privatbank, previously co-owned by the oligarch Igor Kolomoisky, is the country's largest bank with 21% of total assets. Its systemic importance is reflected by the fact that it provides services to almost half of the Ukrainian population (about 20 million citizens). As the bank has the largest network of ATMs and payment terminals in the country, it accounts for 65% of settlements between individuals.

Following the nationalisation of Privatbank, the share of state capital in the banking sector now exceeds

50%. Trailing Privatbank, the next three largest banks (Oschadbank, Ukreximbank and Ukrgazbank) are also owned by the government. Together these three banks occupy 32% of the banking market. The remaining banks account for slightly less than 50% of the banking sector assets.

This expansion of state banks together with the failure of many other banks helped to increase the market share of the top-5 banks from 40% in 2013 to 57% in 2016. While the pace of consolidation in the banking sector gained speed significantly during the recent years, this process had not raised competition issues so far. However, there

will be valuable gains in the long term: taxpayers will be protected from financial risks stemming from the banking sector and the real sector will benefit from a level playing field in terms of access to finance.

Still, it remains to be seen how the new challenges will be addressed: The very high share of state-owned banks accompanied by the promise to provide blanket deposit state guarantees to them is far from ideal. Thus, banking sector reforms in Ukraine are far from over – stay tuned.

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INTERNET OF THINGS IN UKRAINE

The Internet of Things (IoT) is a network concept consisting of interconnected physical devices with built-in sensors as well as software that allows the transmission and exchange of data between the physical world and computer systems, using standard communication protocols.

New Ukrainian IoT-projects are capable of conquering the local market and the whole world because of two reasons.

The first is an attempt to save internal resources: electricity, time, water, human strength. The second is the desire to be at the source of the multimillion-dollar business.

The Internet of Things is a connection to the Internet of all kinds of devices, except for smartphones, tablets and computers.

It can be used as heat and light sensors, special devices in cars, medical devices and just any other familiar items.

For example, if you insert a microprocessor, a sensor and a Bluetooth module into a simple toothbrush, then the data collected after each tooth cleaning will be transmitted to the "cloud" through the smartphone, and the attending physician will receive them from them in the form of clear graphs. This is a commonplace Internet of things.

Why can we say that IoT is already in Ukraine?

The first and most important indicator is the constant growth of mobile communications. According to mobile operators, by the end of 2014 they had more than 1 million SIM cards that are not used by people.

One of the Ukrainian companies reported that in June 2015 the number of SIM cards of machine customers increased by 63% compared to the end of June 2014. These connections are used by corporate clients. ATMs, freight transport, sensors in the industry and security sphere are connected to the network.

The main inanimate clients of mobile companies are banks, major security agencies, suppliers of transport monitoring solutions, point-of-sale solutions, carriers, taxi services, delivery services, electricity suppliers, and water utilities.

In other words, IoT in Ukraine prevails in the industrial sphere. Cellular operators call this service Machine-to-Machine – M2M.