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CREDIT CHANNEL OF THE TRANSMISSION MONETARY MECHANISM AND ITS PLACE IN ECONOMIC GROWTH

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Abstract. *The article examines the impact of the credit channel of the transmission monetary mechanism on economic growth. Revealed the features and qualitative characteristics of the transmission monetary mechanism and the main transmission channels. An analysis of the state of the credit market of Ukraine was conducted to determine the place of the credit channel of the transmission monetary mechanism in the economic growth of the state. In order to increase the efficiency of the credit channel proposed to implement a system of measures to: improve the credit and investment climate in the country; financial recovery of the banking system; improving the conditions of bank lending and strengthening mechanisms to protect the rights of creditors and depositors.*

Keywords: *credit channel, interest channel, monetary transmission mechanism, economic growth, real sector of the economy, lending, interest rates.*

The development of the real sector of the economy is accompanied by additional sources of financing, which take the form of credit resources of the banking system. This problem becomes especially relevant in terms of finding ways to stabilize economic development in countries where the economy is at the stage of post-crisis syndrome, the lack of sustainable growth of the real sector of the economy, violations of relations in the financial and socio-economic spheres. In terms of the availability of credit resources and their assistance in achieving the strategic goals of sustainable economic growth of Ukraine, it is important to increase the efficiency of the credit channel of the transmission monetary mechanism. The features and qualitative characteristics of the trans-

mission monetary mechanism, the main transmission channels are revealed. The role of the credit channel of the transmission monetary mechanism in the economic growth of the state is determined by the analysis of the credit market of Ukraine. It is concluded that the structure of loans to non-financial corporations by target is dominated by other loans that are not aimed at the development of non-financial corporations. It is established that the most stable supply of credit resources is observed for large businesses. Considering lending to micro-enterprises, preference is given to non-financial corporations, whose annual income is up to 50 thousand euros and natural persons-entrepreneurs, respectively. The largest share of non-performing loans is observed in loans to the corporate sector,

which is more than 50%. This indicates a decrease in production and a shortage of financial resources to cover loans. The NBU will reduce the discount rate to a neutral level (3-4%) to increase economic growth. It is unclear in what period this will be achieved, given that the economic effect of monetary policy instruments takes place in 6- 18 months. The

long-term economic growth of the state should be due to a change in the direction of monetary strategies from anti-crisis to innovative, focused on supporting lending to the real sector of the economy by increasing the efficiency of monetary transmission channels, including credit and interest.

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