

THE DEVELOPMENT OF LEASING SERVICE IN THE SITUATION OF ECONOMIC CRISIS

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The article considers the market of leasing service in 2008-2009. The reasons of crisis and the main factors influencing the market are analyzed; development problems and tendencies are distinguished. The role of state in leasing market is shown.

The consequences of 2008 crisis are shown in a sharp decrease of the volume of leasing service market. In comparison with the previous year the market has decreased by more than fourth (24,7%).

At the same time the number of conducted agreements has increased approximately by 13%. The growth of these indices proves the decreasing average cost of leasing contract and reorientation targeted at more liquid and cheap leasing objects. Firstly, it is automobile transport. The market of automobile transport leasing has increased by more than 6% and made 852 million rubles. Besides the segments of agricultural equipment, cattle and real estate market leasing have shown the growth. Such successful development is the consequence of an active support of agrarian sector. Understanding the efficiency of leasing as investment instrument of the government will contribute to the growth of the role of government in leasing sector.

The rejection of big leasing objects has withdrawn the decrease of the average length of agreements. The agreements for the term from 25 to 36 months (about 46% from the total number) however their share is falling in favour of more short-term agreements up to 24 months.

The peculiarity of leasing branch is a high dependence on the volumes and periodical character of attracting the borrowed assets that's why it greatly suffers from the consequences of decreasing crediting volumes.

Companies accomplishing a risky monetary-credit policy and depending on restructuring the liabilities at the cost of new credits suffered most of all. With the growth of the cost of borrowed resources the companies have lost turnover assets for conducting new agreements.

There was no leasing market in traditional understanding in the fourth quarter of 2008 and

in the beginning of 2009. The main work was in reevaluation of the risks of existing agreements and developing restructuring criteria.

At the present moment the main factors influencing the market are the indefinite character of economic situation development and the time limits of financial market recovery. Debts in the form of credits and loans (especially in foreign currency) is a great burden for enterprises.

Crisis did not prevent leasing companies from accomplishing intensive regional expansion. The amounts of new contracts were increasing almost everywhere outside Moscow and St. Petersburg. Central federal district and Southern federal district were the leaders.

In 2007 the active development of subsidiary nets by leasing companies influenced the distribution of the amount of new deals in favour of the regions. As a result the share of Moscow in the structure of new leasing business has decreased from 43,5% in 2007 to 28,2% in 2008.

Volga federal district is one of the most dynamically developed regions. In 2008 the market size increased by 13,33% and reached 58 751 million rubles. The amount of leasing receivers has increased by 22% and made 9525. Due to this index Volga federal district has overrun Moscow. Tatarstan republic became the leader.

The second step of crisis is connected with unstable situation in the economics sphere in general. The experts admit that the demand for leasing services has fallen. Many of the players have left the market, but those who stayed do not suffer from deficit in clients. There is a small number of companies that really finance leasing deals. All the others practically stopped their work or conduct the deals only for their clients.

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According to expert survey only every third from 340 regional representatives of big leasing companies in Russia continue their business.

The government tries to support leasing market by different ways submitting additional resources for implementing various programs and projects. In particular, considerable means are targeted at developing air and ship construction. In order to support agricultural constructors and machine builders it is suggested to increase the authorized capital of "Rosagroleasing" by 25 billion rubles in the first quarter of 2009. There is also a plan to support a machine building branch in Russia with the help of "National transport leasing company" managed by the Ministry of Transport. There was an idea that the share capital invested by government will be 40 billion rubles targeted at

purchasing automobiles and transport produced on the territory of Russian Federation.

In the nearest future leasing companies will have to take a test in relation to the quality of the formed portfolio of deals, risk management and the technology of carrying on the deals. If there is a growth of some companies, it will be with the help of mergers and acquisitions. Thus, by the time of economic recovery we will observe the market with a new structure of players.

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