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EFFECTIVENESS OF BANKS' PARTICIPATION IN SUPPORTING FOREIGN ECONOMIC ACTIVITY

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Annotation. The article examines the role of commercial banks in ensuring and developing foreign economic activity in the context of globalization. Special attention is paid to international trade banking instruments, including settlement operations, lending to export-import transactions, and currency risk management. The effectiveness of banks ' participation from a financial, operational and institutional point of view is analyzed. The main problems limiting the development of bank support for foreign economic activity, such as currency risks, dependence on the international financial system and insufficient level of digitalization, are identified. Promising areas of efficiency improvement related to the digital transformation of the banking sector and the development of international cooperation are substantiated. The conclusion is made about the key role of banks in ensuring the stability and competitiveness of foreign economic activity.

Keywords: foreign economic activity, commercial banks, bank management, international settlements, trade finance, currency risks, export, import, financial infrastructure, digitalization of banks, banking efficiency, international trade.

Introduction. Today, foreign economic activity is one of the key factors for the sustainable development of any open economy. In the context of increasing globalization, no country can fully develop based solely on the domestic market. It is through export and import that states gain access to modern technologies, expand the range of consumer and industrial goods, and generate additional sources of foreign exchange earnings. In addition, participation in international trade allows countries to strengthen their positions in the global division of labor and increase the competitiveness of the national economy.

In this context, the financial infrastructure that ensures the functioning of foreign economic relations is of particular importance. The central place in this system is occupied by commercial banks, which act not just as intermediaries, but as full-fledged participants in international economic relations. Their activities cover a wide range of operations related to servicing export-import transactions, capital flows and managing financial flows between countries.

Banks provide international settlements between participants in foreign economic transactions using such instruments as letters of credit, collection, bank transfers and guarantees. These mechanisms can reduce the level of uncertainty between counterparties located in different jurisdictions and improve the reliability of contractual obligations. In addition to settlement operations, banks are actively involved in lending to foreign trade activities, providing enterprises with working capital to finance export and import operations, as well as long-term resources for implementing investment projects related to entering international markets.

An important function of banks is to manage currency risks that inevitably arise in the course of foreign economic activity. Currency fluctuations can significantly affect the profitability of export and import operations, so banks offer clients hedging instruments, including forward

contracts, swaps and options. This gives foreign trade participants the opportunity to plan their financial activities more stably and minimize potential losses.

In addition, banks support foreign trade contracts at all stages of their implementation, from analyzing the solvency of counterparties to monitoring the fulfillment of obligations. In modern conditions, they also perform a consulting function, helping enterprises navigate the complex conditions of international markets, currency regulation and financial legislation of various countries.

The degree of knowledge of the problem. The role of banks in international trade is quite widely covered in the economic literature. Among foreign researchers, such scientists as Ronald McKinnon, Charles Kindle Berger, Frederic Mishkin, Joseph Stiglitz, as well as representatives of the modern financial school Franklin Allen and Douglas Gale have made a significant contribution to the development of the theoretical foundations of banking intermediation Franklin Allen и Douglas Gale. In their works, banks are considered as a key element of the financial infrastructure that ensures cross-border capital flows, reduces information asymmetry and minimizes transaction costs in international trade. Special attention is paid to their role in reducing the risks of foreign economic transactions and ensuring the stability of financial flows between countries.

In the Russian scientific school, the issues of banking participation in foreign economic activity are reflected in the works of such economists as G. B. Polyak, O. I. Lavrushin, E. F. Zhukov, V. V. Ivanov, A. G. Gryaznov, as well as a number of modern researchers of the banking sector of the CIS countries. Their work focuses on the problems of currency regulation, organization of lending to foreign trade operations, bank risk management and development of trade finance instruments.

At the same time, despite the considerable scientific elaboration of certain aspects, the issue of comprehensive assessment of the effectiveness of banks ' participation in foreign economic activity remains insufficiently studied. In most studies, the analysis is limited to individual indicators, such as the volume of lending, the profitability of international operations, or the structure of commission income, without systematically taking into account their impact on the development of foreign trade and the macroeconomic stability of the economy as a whole.

The main part. Banks are the link between participants in international trade. They provide payment processing, opening letters of credit, providing guarantees, and financing transactions. Without these tools, most foreign trade operations would be either impossible or too risky.

In addition, banks help companies work with currency transactions and reduce losses associated with exchange rate fluctuations. This is especially important in the context of unstable global markets.

In the practice of foreign economic activity, banks use several key instruments (see Table 1).

Table 1.

Main tools of banks in supporting foreign economic activity

Banking Instrument	Purpose	Main advantages	Risk reduction
Letter of Credit (L/C)	Payment guarantee in international trade	High settlement reliability, trust of the parties	Reduced risk of non-payment
Documentary collection	Transfer of documents against payment	Lower cost compared to a letter of credit	Moderate risk reduction
Bank guarantees	Enforcement of	Increased	Reduced risk

	obligations	contract execution discipline	of non
-performance Export-import financing	Financing of foreign trade operations	Increased liquidity of companies	Reduced financial risks
Forfeiting	Purchase of receivables without rights of recourse	Prompt receipt of funds by the exporter	Complete elimination of credit risk

These tools can not only speed up settlements, but also reduce risks for all participants in the transaction.

The effectiveness of banks in supporting foreign economic activity is a multi-faceted concept that cannot be assessed by just one indicator or a group of narrow financial data. (see: Table 1).2) In modern conditions, it is formed under the influence of several levels of analysis at once — financial, operational and institutional, each of which reflects a separate aspect of banking participation in international economic processes.

Table 2.

Levels of assessment of the effectiveness of banks ' participation in foreign economic activity

Level of analysis	**Key indicators**	**Characteristics**
Financial	Income from international operations, loan portfolio growth, profitability	Reflects direct financial results of banks
Operational	Payment speed, level of automation, quality of service	Characterizes the efficiency of banking processes
Institutional	Participation in export support programs, development of foreign trade, international cooperation	Reflects the strategic influence of banks

From a financial point of view, efficiency is manifested primarily through the results that banks receive from servicing foreign economic operations. These include income from international settlements, commission income from documentary transactions, and profit from lending to export-import activities. A significant indicator here is also the growth of the loan portfolio related to foreign trade, since it reflects the degree of involvement of the bank in financing the real sector of the economy focused on international markets. In addition, an important aspect is the quality of this portfolio, including the level of risks and the share of non-performing loans.

From an operational point of view, the effectiveness of banking activities is assessed through the speed and reliability of international payments, the degree of automation of banking processes, as well as the level of technological development of the systems used. In modern conditions, customers expect not only the availability of services, but also high-speed processing of transactions, transparency of calculations and minimization of possible delays. The quality of customer service also plays an important role, including an individual approach to corporate clients involved in foreign economic activities, and the bank's ability to respond quickly to changes in the terms of transactions and foreign exchange markets.

From a broader, institutional level, the effectiveness of banks in supporting foreign economic activity is determined by their contribution to the development of national foreign trade and the country's integration into the world economy. Here it is important to take into account how actively banks participate in state export support programs, promote the entry of domestic enterprises into international markets, and help attract foreign investment. The participation of banks in international financial initiatives and partner programs that strengthen the position of the national banking system in the global financial space is also essential. A comprehensive assessment of the effectiveness of banks requires taking into account not only their financial results, but also the quality of services provided, the technological level of development, as well as their role in creating a stable and competitive external economic environment.

Despite the relatively high level of development of banking services in the field of foreign economic activity, in practice there are still a number of objective difficulties that limit the effectiveness of their participation. First of all, these are currency risks associated with exchange rate instability and unpredictable fluctuations in international financial markets. Such risks directly affect the profitability of export-import operations and require banks to constantly improve their hedging and currency position management tools.

Another significant problem is the high dependence of banks on the international financial system and external settlement infrastructures. In the context of global integration, this creates certain vulnerabilities, especially when changing international rules, sanctions restrictions, or access to global payment channels becomes more difficult. As a result, banks are forced to look for alternative settlement mechanisms and diversify their external relations.

Insufficient access to long-term financial resources is also a significant constraint. This reduces the ability of banks to fully finance large export-oriented projects and investment programs of enterprises. In addition, the high cost of external financing makes banking products less accessible to some customers, which to a certain extent hinders the development of foreign economic activity of businesses.

The problem of digitalization of banking processes deserves special attention. Despite significant progress in this area, there is still a lack of automation in some banks, especially in cross-border operations. This is reflected in slow document processing, complex integration with international systems, and limited functionality of individual digital services.

Prospects for the development of bank support for foreign economic activity in the coming years are largely related to the further digital transformation of the financial sector. Already today, online platforms are being actively implemented that allow for real-time international settlements, which significantly increases the speed and transparency of transactions. At the same time, automation of documentary operations, including letters of credit and guarantees, is being developed, which reduces transaction costs and reduces the likelihood of errors.

Of particular importance is the use of modern digital risk management technologies, including analytical platforms, artificial intelligence elements, and financial flow forecasting systems. These tools allow banks to more accurately assess risks and make informed decisions when servicing foreign economic transactions.

In the future, an important direction will be the expansion of international cooperation between banks of different countries. The development of partner networks and correspondent relations will simplify settlements, reduce costs and increase the availability of financial services for foreign trade participants. In addition, further expansion of trade finance instruments is expected, which will contribute to the growth of export potential of enterprises and strengthen the position of banks in the international financial system.

Conclusion. Banks play an important and virtually irreplaceable role in the development of foreign economic activity. Their importance goes far beyond just servicing settlements: they form the financial basis of international trade, ensuring stability and predictability of interaction between participants from different countries. Thanks to banking instruments, companies are able to safely conclude foreign trade transactions, minimize financial risks and enter foreign markets more confidently.

Through the system of international settlements, crediting export-import operations and providing guarantees, banks create conditions under which foreign economic activity becomes more accessible and manageable. It is especially important that banks help to reduce not only financial, but also organizational costs associated with conducting cross-border operations, which in modern conditions plays a significant role in improving the competitiveness of businesses.

The effectiveness of banks ' participation in this process cannot be assessed solely through profit indicators or transaction volumes. Equally important are such aspects as the quality of services provided, the efficiency of international payments, the degree of technological equipment and the ability of banks to adapt to changes in the external environment. The higher the level of these characteristics, the more stable and flexible the entire system of foreign economic relations becomes.

In general, it can be concluded that the development of the banking sector is directly related to the level of competitiveness of the country's foreign economic activity. The more efficient the banks are, the more stable the international economic relations become, and the higher the potential of the national economy in the global system of division of labor.

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