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FACTORS HINDERING THE DEVELOPMENT OF BANKING SERVICES FOR FOREIGN ECONOMIC ACTIVITY

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Annotation. The article examines the factors that hinder the development of banking services for foreign economic activity. Key constraints were systematized, including currency and credit risks, dependence on international financial infrastructure, lack of long-term resources, high cost of financing, and low level of digitalization. Based on the analysis, the consequences of these factors for the banking system are revealed and the directions of their minimization are proposed. The necessity of an integrated approach to improving the efficiency of foreign economic activity banking services in the context of digital transformation and global instability is substantiated.

Keywords: foreign economic activity, commercial banks, banking services, currency risks, credit risks, trade finance, digitalization of banks, risk management, international settlements, financial infrastructure, banking system, cross-border operations.

Introduction. Foreign economic activity (FEA) in modern conditions is one of the key factors of sustainable economic development and successful integration of national economies into the global financial system. In the context of increasing globalization and expanding international economic ties, it is the external economic sector that is becoming an important source of economic growth, diversification of production and improvement of the technological level of countries. Through international trade mechanisms, States gain access not only to new sales markets, but also to advanced technologies, investment resources and modern management practices, which together contribute to improving the competitiveness of the national economy and its resilience to external shocks.

Commercial banks, which perform not only traditional functions of financial intermediaries, but also become the most important infrastructure participants in international economic processes, play a special role in the system of foreign economic activity. Their activities cover a wide range of operations related to securing cross-border payments, financing export-import transactions, providing bank guarantees, letters of credit and other trade finance instruments. In addition, banks play a key role in managing currency and credit risks that arise in the process of international cooperation, which helps to minimize financial losses of participants in foreign economic operations and increase the sustainability of their activities.

In modern conditions, banks are also actively developing analytical and consulting functions, helping enterprises adapt to the requirements of international markets, currency regulation and the changing financial environment. The use of digital technologies, automation of banking processes and the introduction of innovative financial instruments significantly expand the banking sector's ability to serve foreign economic activity.

However, despite the achieved level of development of the banking system and the active introduction of digital solutions, the effectiveness of banking services for foreign economic activity is still limited by a number of systemic and structural factors. These limitations are related to both

the external macroeconomic environment and the internal features of the banking sector, which requires a comprehensive and comprehensive analysis to identify ways to improve them further.

The degree of knowledge of the problem. The problems of development of foreign economic activity banking services are considered in the works of foreign and domestic researchers.

Among foreign authors, a significant contribution was made by R. McKinnon, C. Kindle Berger, J. Stiglitz, F. Mishkin, F. Allen, and D. Gale, who studied the role of banks in international capital flows, reducing transaction costs, and forming a sustainable financial system.

In the Russian scientific school, these issues are covered in the works of O. I. Lavrushin, E. F. Zhukov, G. B. Polyak, A. G. Gryaznova, V. V. Ivanov and other authors. They analyze currency regulation, bank lending to foreign trade operations, and bank risk management.

Despite a significant scientific contribution, a systematic analysis of factors limiting the development of foreign economic activity banking services in the context of digital transformation and global instability remains insufficiently developed.

Research methodology. The methodological basis of the research is a systematic approach to the analysis of banking activities, comparative analysis of international practice, structural and functional analysis, methods of generalization and classification of factors, analysis of risks and limitations of the development of the banking sector.

This approach allows us to comprehensively consider the reasons that hinder the effective development of banking services for foreign economic activity.

The main part. Commercial banks are a key element of the financial infrastructure of foreign economic activity. They ensure the functioning of international settlements, crediting export-import operations, as well as providing guarantees and insuring financial risks.

Without the participation of banks, a significant part of foreign trade operations would be associated with a high level of uncertainty and financial risks. In addition, banks perform consulting functions, helping enterprises adapt to the requirements of international markets.

The development of banking services for foreign economic activity is carried out under many interrelated constraints. These restrictions are both financial and economic and institutional in nature and directly affect the effectiveness of banking operations in the international environment. For a more systematic understanding of key barriers, it is advisable to classify them according to the main types that reflect the nature of their occurrence and the nature of their impact on the banking system. Below is the table (see: Table.1), which summarizes the main hindering factors, their content and impact on the activities of commercial banks in the field of foreign economic activity.

Table 1.

Main factors hindering the development of foreign economic activity banking services

#	Factor	Content	Impact
1	Currency risks	Exchange rate fluctuations	Decrease in stability of banks ' income
2	Credit risks	Counterparty defaults	Increase in loan
defaults 3	Dependence on international	SWIFT systems, correspondent accounts	Vulnerability to external restrictions
4	Lack of long-term resources	Limited funding	Reduced investment opportunities
5	High cost of financing	Expensive external borrowing	Restriction of customer access

6	Low digitalization	Insufficient automation of processes	Slowing operations
7	Regulatory differences	Different currency regimes of countries	Increased transaction costs

Before considering individual factors that hinder the development of banking services for foreign economic activity, it is necessary to disclose in more detail their content and the mechanism of their impact on the banking system. This allows us to move from a general classification of restrictions to a meaningful analysis of them and identify key channels of influence on the stability and efficiency of banking operations. In this regard, the main problems are described in detail below, including currency and credit risks, dependence on international financial infrastructure, and limited long-term financial resources. Detailing key issues

1. Currency and credit risks. Currency fluctuations have a direct impact on the profitability of banking operations. When the currency market is highly volatile, banks are forced to increase their reserves, which reduces their liquidity. Credit risks, in turn, are associated with the possible insolvency of participants in foreign trade transactions.

2. Dependence on international infrastructure. The modern banking system is closely integrated into global settlement networks. However, high dependence on international payment systems increases the vulnerability of banks to external political and economic constraints.

3. Limited financial resources. The lack of long-term capital reduces the ability of banks to finance export-oriented projects. This is especially critical for emerging economies.

To better understand the implications of these restrictions, it is important to consider their impact not only on individual banking operations, but also on the functioning of the banking system as a whole. Hindering factors such as currency and credit risks, lack of long-term resources, dependence on international infrastructure and low level of digitalization form a complex impact on the key performance indicators of commercial banks. As a result, their financial stability, competitive positions and opportunities for expanding operations in the foreign economic sphere are changing. Below is a systematization of the main consequences of the impact of negative factors on the banking system.

Table 2.
Consequences of negative factors

Area		**of Impact**
Liquidity		Reduced financial stability
Profitability		Reduced profit from foreign trade operations
Competitiveness		Loss of positions in the international market
Customer base		Reduction in the number of foreign trade participants
Investments		Limitation of project financing

As follows from the presented data, the influence of limiting factors is complex and multilevel. The most sensitive area is the reduction of liquidity and financial stability of banks, which is directly related to the growth of risks and limited resource base. At the same time, there is a decrease in the profitability of operations related to foreign economic activity, which reduces the attractiveness of this segment for banks.

In addition, negative factors lead to a weakening of banks ' competitiveness at the international level and a reduction in the customer base, especially among participants in foreign economic

activity. Limited investment opportunities also reduce the long-term development potential of the banking sector. Together, this confirms the need for systematic measures to minimize the identified risks and increase the stability of the banking system.

Taking into account the identified limitations and their impact on the banking system, the development of ways to minimize negative factors becomes particularly relevant. In modern conditions, improving the efficiency of banking services for foreign economic activity is possible only if an integrated approach is implemented, including technological, organizational and institutional measures. At the same time, it is of key importance not only to eliminate existing barriers, but also to form a sustainable model for the development of the banking sector, focused on international standards and digital transformation. The main directions of development and appropriate measures to reduce the negative impact of the identified factors are presented below.

Table 3.

Main directions of development

Direction	**of action**	**Expected effect**
Digitalization	Implementation of fintechsolutions	Acceleration of operations
Risk management	Use of AI and Big Data	Reduction of losses
International cooperation	Expansion of correspondent relations	Simplification of settlements
Regulation	Harmonization of norms	Reduction of barriers
Financing	Development of long-term resources	Growth of investment activity

The presented directions demonstrate that the effective development of banking services for foreign economic activity is possible only with the integrated implementation of interrelated measures. The most significant direction is digitalization, which provides acceleration and automation of banking processes. A significant role is played by the development of modern approaches to risk management, which make it possible to reduce financial losses and increase the stability of the banking system.

Equally important is the strengthening of international cooperation that facilitates cross-border transactions and increases access to global financial markets. Improving the regulatory framework reduces regulatory barriers, and the development of long-term financing contributes to increasing the investment potential of banks. Together, these measures form the basis for improving the efficiency and sustainability of the banking sector in the field of foreign economic activity.

Conclusion. The analysis shows that the development of banking services for foreign economic activity is limited by a complex of interrelated factors, including currency and credit risks, dependence on international financial infrastructure, lack of long-term resources, high cost of financing and uneven level of digitalization.

These restrictions have a significant impact on the efficiency of the banking system, reducing its ability to ensure the sustainable development of foreign economic activity. Overcoming the identified problems requires a comprehensive approach, including digital transformation of the banking sector, development of risk management tools, expansion of international cooperation and improvement of the regulatory framework. The implementation of these measures will increase the stability of the banking system and strengthen the position of the national economy in the face of global competition.

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