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THE IMPERATIVES OF INCREASING THE COUNTRIES COMPETITIVENESS IN THE GLOBAL FINANCIAL SERVICES MARKET

ІМПЕРАТИВИ ПІДВИЩЕННЯ КОНКУРЕНТОСПРО- МОЖНОСТІ КРАЇН НА СВІТОВОМУ РИНКУ ФІНАНСОВИХ ПОСЛУГ

ИМПЕРАТИВЫ ПОВЫШЕНИЯ КОНКУРЕНТОСПО- СОБНОСТИ СТРАН НА МИРОВОМ РЫНКЕ ФИНАНСОВЫХ УСЛУГ

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***Abstract.** There is a theoretical substantiation of the concept of increasing the competitiveness of countries in the world financial services market in the article. The key points to be based are the components of the country's competitiveness in the world financial services market. It is determined that exporters, the state, educational institutions, the whole industry are the parties who in one way or another are competent to raise certain elements of the country's competitiveness. But this approach contradicts the statement of M. Porter, who emphasized that competitiveness can be increased by companies during their competition only, and any attempts to intervene by the state to weaken it lead to the loss of competitive advantages.*

***Keywords:** the competitiveness of countries, the global financial services market, ways to increase competitiveness*

***Анотація.** В статті запропоновано теоретичне обґрунтування концепції підвищення конкурентоспроможності країн на світовому ринку фінансових послуг. Базою для визначення реперних точок, на які необхідно впливати при цьому, є складові конкурентоспроможності країни на світовому ринку фінансових послуг. В роботі визначено, що серед суб'єктів хто тим чи іншим чином є компетентним за підвищення певних елементів конкурентоспроможності країни наряду з експортерами є держава, освітні установи, вся галузь, і такий підхід суперечить твердженням М. Портера, який наголошував, що підвищити конкурентоспроможність можуть лише компанії в процесі конкурентної боротьби, і будь-які спроби державного втручання по її послабленню призводять до втрати конкурентних переваг.*

***Ключові слова:** конкурентоспроможність країн, світовий ринок фінансових послуг, шляхи підвищення конкурентоспроможності*

Аннотация. В статье предложено теоретическое обоснование концепции повышения конкурентоспособности стран на мировом рынке финансовых услуг. Базой для определения реперных точек, на которые необходимо воздействовать при этом, являются составляющие конкурентоспособности страны на мировом рынке финансовых услуг. В работе определено, что среди субъектов, кто тем или иным образом компетентен за повышение определенных элементов конкурентоспособности страны, наряду с экспортёрами являются государство, образовательные учреждения, вся отрасль. Такой подход противоречит утверждению М. Портера, который отмечал, что повысить конкурентоспособность могут только компании в процессе конкурентной борьбы, и любые попытки государственного вмешательства по ее ослаблению приводят к потере конкурентных преимуществ.

Ключевые слова: конкурентоспособность стран, мировой рынок финансовых услуг, пути повышения конкурентоспособности

The current problem. One of the main reasons for the analysis of the country's competitiveness is the search for ways to increase it. At the same time, the issue of improving the country's competitiveness is very broad, blurred and uncertain, and there is no complete theoretical substantiation of ways to increase the country's competitiveness in the world financial services market.

The evaluation of the works of N. R. Davletgareyev and T. B. Davletgareyev [Davletgareyev, Davletgareyeva, 2015], D. Shirokanova [Shirokanov, 2006], S.V. Bestuzheva [Bestuzheva, 2017], Y. O. Garkava and T. G. Mischenko [Garkava, Mischenko, 2015], S. O. Radziyevskaya [Radziévs'ka, 2012], O. V. Krukhmal and O. A. Baranovskaya [Krukhmal, Baranovska, 2014], I. G. Britschenko [Britchenko, 2015] allows us to generalize that in the study of ways to increase the country's competitiveness as a rule, scientists take a certain standard, examine its development, determine the factors of influence on competitiveness and on the basis of these factors give recommendations for the country being the object their research (this approach is similar to benchmarking among enterprises). M. Porter's [Porter, 1990] approach about raising competitiveness in certain of his theses is controversial and contradicts other scientific approaches, however, in our opinion, it is the most complete of all existing ones, although it needs to be finalized.

So there is a certain scientific lack of work, on the one hand, competitiveness is evaluated in order to be able to raise it, and on the other hand there is no clear developed mechanism for raising it. In addition, each author derives from the experience of his country and offers certain measures to increase competitiveness on the basis of its socio-economic development. And these proposals may be completely unnecessary for other countries. Therefore, we will try to propose an integrated approach to increase the country's competitiveness in the world financial services market.

The important research results. Our previous studies on the country's competitiveness in the world financial services market give us the right to defend the following provisions which will affect further recommendations and the theoretical substantiation of ways to increase it.

First, international competitiveness is based only on a limited range of financial services that are in demand from foreign consumers or are consumed abroad. Therefore, it is important to understand that international competitiveness in the financial services market can only be increased by increasing the volume of services rendered or to foreign consumers within the national economy or abroad.

Secondly, the strategy of increasing the country's competitiveness in the world financial services market depends on the type of competitiveness, as well as the model of the development of the financial services market. Depending on it, different measures must be taken.

Thirdly, financial intermediaries, in particular banks and insurance companies, can increase their competitiveness in the world financial services market, as a result of their activities.

Fourth, the state can influence competitiveness growth only indirectly through factors of expansion of competitiveness.

Now we will identify the points through which the country's competitiveness in the world financial services market can be increased on the basis of 18 components [Voinova, 2016].

The first indicator is the Global Competitiveness Index. It is not enough the efforts of companies of the industry to influence it, because it includes 113 subcategories indicators of integrated economic development of the country. The assessments are made by expert. It must be developed both infrastructure and the environment, education, markets, and technologies with innovations. Here are just a few indicators that can be directly influenced by financial institutions: to bring financial services in line with business needs, to ensure the availability of financial services and ease of access to loans, and to increase the resilience of banks. At the same time, the real measures of companies can not directly affect the increase of rating assessments in the competitiveness, because these actions should be noted by the experts at first, and then their answers will be interpreted in the corresponding index.

The indicator for obtaining loans consists of four elements: the index of legal rights power (score from 0 to 12), the index of the depth of credit information (score from 0 to 8), the percentage of adults registered in the credit bureau, the percentage of adults entered in the credit register. The methodology and initial scientific approaches to their evaluation, presented in the work of S. Djankov, C. McLiesh, A. Shleifer [Djankov, McLiesh, Shleifer, 2007], which have been further improved, are, from our point of view, sufficiently reasoned to be taken into account in assessing the country's competitiveness in the world financial services market. The analysis of modern questionnaires [11], on the basis of which the assessment of the level of protection of legal rights in the segment of obtaining loans, indicates the following reference points and, accordingly, what can be affected in order to increase competitiveness in the world financial services market.

The competence of the state is to improve or develop legislation on secured transactions law, insolvency law, fiduciary transfer, financial leasing, receivables and direct transfer of receivables, outright transfers of receivables, retention-of-title sales; maintenance of registers of fiduciary transfer of ownership of the object, financial lease agreements, receivables and direct transfer of accounts receivable, agreements with temporary storage of property rights that are significant for third parties, collateral security; to allow objects owned by women (jewelry, home appliances, furniture) to act as collateral for a commercial loan; ensuring the priority of repayment of debts in the event of liquidation or bankruptcy of the debtor, starting with those in the register.

With the permission of the state, financial intermediaries should be able to ensure the use of both security interest and the combination of receivables, inventories, tangible movable property; ensure the possibility of using such movable assets as future assets, acquired property as collateral for a loan; provide for the possibility to use future, conditional, monetary, non-monetary debts and liabilities as collateral.

The practice of development of the financial services market shows that more developed markets are characterized by a greater number of financial instruments and more developed legislation which regulates this diversity. Therefore, increasing competitiveness implies at the legislative level, increasing opportunities for expansion of financial instruments, and in the future, financial intermediaries are beginning to adapt to legislative changes, introducing them into life.

It is clear that not all proposed instruments can be implemented at the same time, however, the overall level of country's competitiveness in the world financial services market depends on a certain quantity of components.

The next information component that affects the competitiveness within the credit index is the depth of credit information [11], which, in our opinion, is the easiest way to improve by administrative method by obliging the credit bureau and the credit registrar to provide the following information, each item of which is responsible for an additional mark of competitiveness, with the following characteristics: to financial intermediaries about firms and private individuals who want to take out a loan; about credit history (both positive and negative); related companies with financial institutions; over the past two years; the cost of information should be lower than 1% of per capita income; availability of information for borrowers themselves about their own credit history; availability of online information access for banks and financial institutions; additionally provide a service for banks and financial institutions with a borrower's credit rating.

In our opinion, it is also easy to expand the coverage of the population in the database of credit bureaus and registrars, which will increase the percentage of adults registered in the credit bureau and credit register and accordingly increase the rate of obtaining loans, and also the country's competitiveness in the world financial services market.

The impact of protection of minority investors on the rating as an integral competitive capacity of countries is much more complicated, which is related to the practice that has developed in the country and is not limited to a specific industry, but covers all companies. Therefore, it's necessary to realise an integrated approach to adjust the provisions on securities, corporate laws, civil procedural codes and rules of the court opinion, and only later on such legislative amendments can lead to a change in national practices that will subsequently be reflected in the most composite competitiveness that is being assessed on the basis of questionnaires of legal experts [12].

In order to raise the rating position of the element «limits of the financial services market» it is necessary to increase all or several of its seventeen subelements.

First, it's necessary to increase «geographical distribution of loans to total loans». This can be achieved in two ways: by opening branches abroad and by providing loans to non-residents. The first way is inherent only to large financial institutions with a significant volume of assets that have very strong competitive advantages, professionalism and for which the conditions of the domestic market are exhausted, and they have professional ambitions and the search for additional profits stimulate to growth abroad. At the same time, working with foreign consumers, and especially credit relations, require the existence of a powerful legal system and funds from financial institutions in the country to protect their rights abroad. Here can be selected two strategies. The strategy of a retail bank abroad which could make the fastest effect on the nominal share of foreign consumers, accordingly, and thus increase the country's competitiveness in the world financial services market. The strategy of the wholesale bank abroad does not bring such a visible result in increasing the share of foreign clients, since it is designed for large corporations with lending projects with large budget and requires significant financial resources.

Secondly, one of the main indicators of the functioning of the financial services market is accounts at a financial institution (% age 15+) , as well as bank accounts per 1,000 adults. These indicators, on the one hand, are quite simple, however from an analytical point of view they are very informative. By these shares, it is possible to determine a number of interconnected qualitative characteristics of the financial services market in the country: how much financial services are available to the population, as far as they are generally developed, the degree of exhaustion by the market of potential of internal growth, the degree of financial education of the population. The increase of this share may be the competence of financial institutions, but the most effective will be the additional intervention of educational institutions that remove the existing barrier of fear of financial instruments with the population. Among the measures to increase the country's competitiveness in the global financial services market by influencing the «account at a financial institution (% age 15+)» and «bank accounts per 1,000 adults» there are to distinguish the development of a banking

strategy for expansion of bank coverage, and in particular advertising; to open accounts under a simplified procedure, including not only banking institutions, but also in affiliate network institutes that work more closely with the population; to reduce the cost of conducting accounts; an automatic opening of a bank account when using any banking service; to carry out massive measures for the growth of financial education both within higher educational establishments and additional courses for the adult population and even for the pupils of the last class of studying; to link any payments of money and the provision of state services to a current account in the bank.

The fastest of these measures is the latter. The most fundamental but slow is educational one, which should be continuously, irrespective of the level of development of the financial services market of the country, but intensifying with the state strategy of increasing the country's competitiveness with the target audience in the adult population. Banks' actions on the growth of the number of clients can lead to a large number of «nominal» non-working accounts, so the task here is to invent the needs of clients and provide them with such financial services which make accounts to be «working». Banks will take measures to increase their coverage only in the case of healthy competition and during its growth, since each measure requires additional funds for its implementation.

Thirdly, such an indicator as automated teller machines (ATMs) (per 100,000 adults) still reflects the characteristics of the availability of financial services to the population, since at one time ATMs became more efficient and cheaper way of providing financial services in comparison with a bank branch expanding access of population to them. However, in today's transition to an online service, which is even more optimal, and in non-cash settlements, such an indicator loses its relevance. It is expected to replace this indicator within the financial framework to be able to track online services that will be informational about the availability of financial services to the population. In our opinion, in the near future for the highly developed countries it will inevitably decrease, while in the economically less developed countries the growth of this indicator may reflect the increase in the availability of the population to financial services and may also be replaced by telecommunications. Therefore, in our view, increasing the country's competitiveness in the global financial services market lies precisely in innovative approaches to extending access points to financial instruments, and it is not important in any way whether by increasing ATMs or through banking services integrated into telephone (inherent to African countries) or via the Internet. The choice of effective means is not the competence of each individual bank and financial intermediary, but of the entire national system of financial institutions.

From a practical point of view, the number of ATMs is still the most informative for more countries, but we do not recommend to increase it as a measure to increase the country's competitiveness in the world financial services market.

The fourth component of the financial services market is depositors with commercial banks (per 1,000 adults) and the adjacent saved using a savings club in the past year (% age 15+), depositors with commercial banks, deposit accounts with commercial banks per 1,000 adults, deposit accounts with commercial banks. These are very important indicators that need to be clearly increased. However, there is a complexity due to the fact that although they are purely banking, the role of a separate bank in their growth is very small. This is due to the following factors: the general level of wealth of the population (the more money remain after the necessary expenses for housing and food, the more people are open to storage and therefore may become a potential contributor), trust in banking institutions and stability (in the absence of trust, no matter how much money the population has left they will not be directed to financial institutions: small money will be in cash at home, and large funds will be sent to financial institutions of foreign countries that are stable and reliable), the deposit rate (in each country their average level of interest rates, it is important for it to be higher than other financial instruments under the existing constraints related to the operating activities of banks). In these conditions, the increase of this indicator requires a number of measures that

will be manifested in the long run: tighter control over the activities of financial institutions, aimed at confirming the professionalism of employees and managers of financial institutions, preventing the bankruptcy of financial institutions, strict legal responsibility for poor-quality work connected with fraud and unlawful seizure of financial resources by consumers of financial services; stimulating socio-economic growth in the country, which will increase the welfare of the population, which will result in an increase in the income part of the family budget; reduction of utility payments; reduction of the cost of transport logistics for the population; carrying out a policy of reducing the discount rate; optimize the activity in such a way as to be able to raise the deposit rate; to form the image of a stable, reliable bank, on the international scene too.

The effective development of the financial services market involves giving banks more freedom to develop and expand financial services, but in combination with more rigorous control over the professionalism of financial institution executives, their integrity, the solvency of institutions and the monitoring of too risky operations, which could undermine the optimal functioning of the financial intermediary. The practice of functioning a self-governing body in the banking sector as a separate institution with all banks' representatives has been well established, which provides the process of qualification improvement, modeling of financial risk sustainability, monitoring of banks' activities in order to prevent crises and bankruptcies.

Conducting a policy of reducing the discount rate provided by a national bank is evidence of socio-economic growth and macroeconomic stability. However, this tool as a measure of increasing competitiveness, should be further explored and used with caution in unstable systems.

The increase of deposit rates by banks is limited by certain conditions: the discount rate; operational activities of banks, their loan portfolio and interest rates on loans; the yield of banks in the stock market. Therefore, it is important to optimize the work and profitability of banks.

The fifth element of the market boundaries is bank branches per 100,000 adults, which ensures the availability of the population to financial services. On the one hand, it may seem that in order to increase the country's competitiveness in the world financial services market, it is possible simply to increase the number of bank branches. However, there are certain limitations. Firstly, each branch is not only an indicator of development, but is an expense that affects the profitability of banks. Here the scale effect is well understood, which eventually makes the expansion of the affiliate network disadvantageous. Secondly, the experience of developed countries shows that, in order to reduce operating costs, banks increasingly go to remote service, reducing the number of branches. And the current trend is even the creation of virtual banks without the physical presence on the market. Therefore, the increase of branches is a conditionally positive means of increasing the country's competitiveness in the world financial services market.

The sixth component of the market is similar to the fourth with the difference that it analyzes saved at a financial institution in the past year (% age 15+), and not only in banks. In this case, all financial intermediaries, both in operational activities and in the offer of attractive deposit programs with attractive interest rates, and with a strong emphasis on the image of stable financial institutions, should develop.

Related indicators that affect the country's competitiveness in the world financial services market and which use the same measures to increase it include loan from a financial institution in the past year (% age 15+), loan through store credit in the past year (% age 15+), loan accounts with commercial banks per 1,000 adults, borrowers at commercial banks, borrowers at commercial banks per 1,000 adults. Influenced by the growth of these indicators, banking institutions, financial institutions and lending departments of stores can be advertised and reduced interest rates on loans, reduced credit requirements and clearance. At the same time, with a weak system of protection of rights, as well as imperfect judicial system, such

measures lead to an increase in the percentage of non-performing loans, which in turn negatively affects the activities of banking institutions. Therefore, it is necessary to work to improve the legal system in parallel.

Only banking institutions can increase loan accounts with commercial banks as a step towards expanding the boundaries of financial services markets and increasing the country's competitiveness in the world financial services market by reducing interest rates, expanding types of loans, introducing financial innovations into the procedure for obtaining a loan and paying it, increase in lending terms. All these innovations must be consistent with the operational activities of banking institutions.

The next criterion for assessing the country's competitiveness in the world financial services market is the indicator of the density of financial intermediaries, the main component of which is the number of different financial intermediaries. This indicator can be increased in several ways: reduction of requirements to financial intermediaries in terms of the authorized capital and in general reduce barriers to entry; carrying out measures to attract foreign financial intermediaries to the market; diversify its activities by creating a related company specializing in other financial services, including virtual ones; to allow the creation of financial services companies for the provision of virtual financial services.

Each of these paths should be used with caution. Reducing entry barriers should go along with more stringent current control activities. The attraction of foreign enterprises is permissible subject to the weakness of national financial intermediaries, the low level of their capitalization and underdevelopment. Diversification and creation of related financial intermediaries becomes possible in the context of the formation of a strong competitive financial institution with significant capitalization, which is at the stage of expansion.

The openness of the financial services market is directly dependent on the import of financial services and has a reverse relationship with the assets of financial intermediaries. Therefore, from a mathematical point of view, influencing the country's competitiveness in the world financial services market by increasing the openness of the financial services market can either reduce the assets of financial intermediaries or increase the volume of imports of financial services. For the national financial services market, it is irrational to reduce the assets of financial intermediaries, so the only way to influence is to import financial services. At the same time, imports of financial services are increasing when foreign financial intermediaries are more competitive at the national level and pursue an aggressive policy of expanding their presence in the country's market. This is ambivalent about the impact of the process. On the one hand, foreign financial intermediaries bring experience, new technologies, expand the range of financial services, and tend to focus on large volumes of financial assets and operations of international focus. By fostering competition they stimulate the development of national financial institutions. Therefore, from this standpoint, the growth of the import of financial services is positive for the national economy. However, on the other hand, there are certain reservations to the presence of foreign financial institutions, which may be related to the pressure of competition, and the inability of national institutions to deal with it. In particular, the research conducted by B. Sinha [Sinha, 2009] has shown that access to the financial services market of less developed countries of globally known foreign financial intermediaries leads to a decrease in access to credit, which adversely affects the country's overall competitiveness in the world financial services market.

Among the measures that can stimulate the expansion of imports of financial services is the creation of conditions for the socio-economic progressive development of the country, which stimulate the intensification of economic activity, the market thereby becomes attractive to foreign financial intermediaries and they enter the market looking for profitability. It should be noted here that foreign financial institutions are very mobile and in conditions of unfavorable business conditions they are inclined to curtail their activities. National institutions in this sense are more stable.

The next block of indicators of country's competitiveness in the world financial services market is the «capacity of financial services», which manifests itself in the proportion of assets of the relevant financial institutions to GDP. The increase of these assets is a direct responsibility of the relevant financial institutions, which is related to their direct activity and development.

Another element that can be influenced to improve the country's competitiveness in the global financial services market is the monopoly position of financial intermediaries in the financial services market, which is calculated on the basis of the Lerner index. This is one of the few indicators that are inversely proportional to competitiveness. Accordingly, in order to increase competitiveness, this indicator needs to be reduced, and this is done when the price of banking services is approaching marginal costs. This is a perfectly competitive option, when the competitive pressure is so high that the prices are set to be extremely low. The complexity of the impact on this indicator is due to the fact that the activities of any economically active subject and financial intermediaries are not an exception, due to the desire to get more profit, when setting the price at the level of marginal costs, the profit is zero. Therefore, banks are not really interested in lowering the Lerner index. Administrative measures in market conditions are also powerless here. The only option is to stimulate competition between financial intermediaries for expanding coverage of their services by encouraging entry into the market of new entities. It is competition and development that can stimulate price cuts.

The same conclusions are inherent in the following indicators of the country's competitiveness in the global financial services market that assess competition in the financial services market: H-statistics and Boone indicator. They can only be affected by changing the conditions of competition in the industry.

Increasing the country's competitiveness in the global financial services market may be realized through reducing barriers to the financial services market, which are reflected in the index of restrictions on trade in financial services, the general index of constraints on competition in the banking and insurance services segment.

The assessment of restrictions on trade in financial services [14] takes into account the permission for foreign financial intermediaries to operate in the country on characteristics such as bank lending, deposit taking, motor insurance, life insurance, reinsurance and each of these types is analyzed, if possible, international trade in the form of a cross-border supply (mode 1) and a foreign business presence (mode 3). Accordingly, the fewer administrative restrictions for foreign banks and insurance companies to provide their services in the country are, the lower the market barriers and the more competitive countries are. Therefore, among the measures to increase the country's competitiveness in the world financial services market there are to reduce or eliminate any restrictions on the activities of foreign financial intermediaries in the country or to provide foreign financial services to national consumers. This is the duty of the state.

In calculating the general index of restrictions of competition in the segment of banking and insurance services [Rouzet, 2014: 41-44], an analysis of a large number of components is grouped into restrictions on entry into the market, the movement of people, other discriminatory measures, restriction of competition, transparency of regulation. Accordingly, in order to increase the competitiveness of countries in the world financial services market, they should be reduced or canceled administratively, which is the competence of the state.

Most of the above restrictions are appropriate to apply to developed financial services markets where there is tough competition, and the market itself is as much as possible covered by financial services. For markets in developing countries, it is not appropriate to establish the majority of such restrictions.

It's possible to influence the indicators of the capitalization of financial intermediaries correspondingly through increasing all or certain indicators: the volume of capitalization of

the financial services market in US dollars, market capitalization of financial domestic companies as a percentage of GDP, market capitalization of the financial sector as a percentage of GDP, capitalization of the stock market, market capitalization, excluding top 10 financial companies to total market capitalization. The increase in these indicators leads to an increase in the country's competitiveness in the global financial services market. This process is the competence of banks and other financial intermediaries, directly related to the development of their activities, correctly selected strategy, competence of staff and management. The growth of capitalization in the financial services market may be due to an increase in the volume of capitalization of each individual entity and at the expense of new financial intermediaries entering the market, with the latter option being much faster, but not reflecting the qualitative aspect of market development.

The following indicators, the increase of which leads to an increase in the country's competitiveness in the world financial services market, are indicators of market concentration in the financial services market, namely the concentration of assets of the five largest banks and banking concentration. The impact of concentration indicators on competitiveness is controversial, and in scientific circles, most researchers, including us, tend to believe that the increase in concentration has a positive effect on it, but there are those and, above all, M. Porter, who saw the negative effects of concentration to competition and, accordingly, to lower competitiveness. In our opinion, the argument in favor of the positive effect of the growing concentration on the country's competitiveness in the world financial services market is that it is the large financial intermediaries who are able to enter the international financial services market and withstand the pressure of international competition. Given the large number of equally small banks and insurance companies in the country, it positively characterizes the competitive conditions in the financial services market, but reduces the potential for export of financial services to zero.

There are two ways to increase concentration in the financial services market of the country: evolutionary, as the slowest, but reflects the resilience, professionalism, and competitive strength of those financial intermediaries that have become market leaders; through mergers and acquisitions, which can be carried out in a very short time, but does not guarantee the stability of the newly created institution, its further prosperity.

Another element that characterizes the country's competitiveness in the global financial services market is the number of financial intermediaries in the market, in particular those types that are allocated by international statistical databases: commercial banks, credit unions and financial cooperatives, depository monetary financial institutions, insurance companies, other non-depository foreign exchange companies, other depositories, depositories, financial corporations and financial intermediaries. There is no doubt that the more such companies are on the market, the more developed the market. At the same time, world practice shows that in the majority of countries at the moment there are a decrease in the number of financial institutions and the most striking examples are developed countries. The decrease is due to merger processes that is associated in these countries with the fact that financial intermediaries operate in conditions of almost full coverage of the national market and the further development of companies is connected either with the entry into the international market, or redistribution of the domestic market, one of the options is the processes of mergers and acquisitions. In our opinion, this tool for improving the country's competitiveness is appropriate to use only at the lowest levels of country's competitiveness, and in the case of obtaining a competitive status. What is important here is the government's actions, which may be aimed at attracting foreign financial intermediaries at a weak level of development of national companies. In conditions of economic growth in the country, the number of financial intermediaries increases itself, due to the growing demand for financial services and the market becomes attractive both for domestic entrepreneurs and for foreign investments. Other administrative measures are not effective because they interfere with the market process and violate the conditions of the competitor and do not promote development.

An evolutionary development of the market plays an important role in reflecting the country's competitiveness in the world financial services market, which manifests itself in the growing number of financial intermediaries entering and leaving the financial services market over the past 5 years. It is very difficult to influence this indicator and use it in order to increase the country's competitiveness, since the goal of influence is the growth of the quality of financial services and market development. In our view, this indicator is not appropriate to use as a tool for improving competitiveness.

In contrast, the indicator of market growth by increasing the gross income of financial intermediaries is a very important and natural indicator, and it is worthwhile devoting a lot of effort, which is the direct purpose of the activities of financial intermediaries and automatically increases the competitiveness of countries in the world financial services market. Although profitability is the direct responsibility of financial intermediaries, demand, education, legislative restrictions, and competition play an important role. Financial intermediaries are working on increasing gross revenues on an ongoing basis. The resultant measures in this is the right choice of strategy, introduction of innovations, expansion of coverage, introduction of new services, professional development of employees. Additional stimulus measures can be financial education of potential consumers, strengthening of legal protection and reducing the level of non-performing loans, stimulating socio-economic growth, stabilizing the political situation in the country.

The same measures to increase the competitiveness of countries in the world financial services market are also logical in relation to such indicator as the coefficient of return on equity of financial intermediaries, reflected in the profitability of bank capital and profitability of the financial sector.

One of the most important indicators reflecting the country's competitiveness on the world financial services market is the export of financial services, which is presented in the criterion of the development of the financial services market, and is manifested in two forms: in absolute volume and in percent of growth of exports of financial services to the previous year. Possible ways to increase the volume of export of financial services are: aggressive policy of entering new markets abroad; expansion of types of export services; increase in exports of other goods and services, which leads to growth and related financial services; development of on-line financial services and their promotion abroad; establishment of trade relations with other countries and, in particular, cooperation in the field of financial services; cooperation with foreign financial institutions.

There is a significant number of additional factors that affect the export of financial services, but which can not be managed. Such factors include, for example, economic growth in other countries, the growth of migration processes, and the growth of the demand for financial services abroad.

And the last indicator, which can be used as a tool to improve the country's competitiveness in the world financial services market, is an increase in the financial health of the banking industry. Being the total index of financial health of each banking institution in the country, this indicator is affected by all banks a little. Therefore, it is important that this indicator is on the agenda in each banking institution. This can be achieved administratively, obliging banks to take measures to increase it and offering strategic instruments. Among the main components taken into account when calculating Bank Z-score are the profitability of assets, the ratio of capital and assets of the bank, which is directly the competence of banks.

Thus, ways to increase the country's competitiveness in the world financial services market lie in the indicators of its assessment. Moreover, many of the measures aimed at increasing one of the indicators of competitiveness automatically positively affects the increase of other indicators, which leads to a multiplier effect.

Conclusions. In view of the absence in the scientific literature of a comprehensive, consistent analysis of the strategy of increasing the country's competitiveness in the world financial services market, the concept was proposed, which is based on increasing

(decreasing) of each individual component of the country's competitiveness in the world financial services market. There are two discussion questions due to use this method. On the one hand, growth of the country's competitiveness in this segment should be the exclusive competence of financial institutions that have strategically chosen the way to enter the international market or provide financial services to non-residents. However, the proposed concept of increasing competitiveness extends competence to the state, educational institutions, other enterprises exporting goods and services, the National Bank, utility companies and natural monopolies. Such a collision manifested itself through the inclusion in the components of the country's competitiveness in the global financial services market of the whole development complex, including the national market of financial services.

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