

INTERNATIONAL ECONOMIC RELATIONS

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CONTEMPORARY TRENDS IN MAIN DIRECTIONS OF FINANCIAL TECHNOLOGY DEVELOPMENT

Nowadays, many trends indicate great potential for further growth in the share of digital financial services. The trend of increasing digitalization was established on the basis of the analysis of the dynamics of global spending on the IT sector and global spending on data centers (data processing and storage systems). The results of the analysis revealed an upward trend. Comparing data for 2017 (0.96 trillion US dollars) and 2022 (1.85 trillion US dollars), we should underline that the growth increased by almost 2 times. If the trend continues, spending on IT sector is predicted to reach approximately 3.4 trillion US dollars already until 2026 (indicators taken from the statistical portal Statista) [1].

All this indicates that the scale and speed of penetration of technological changes into the financial market will only increase, which will require greater flexibility from regulators. Therefore, the active participation of the state in the development of digital technologies in this sector is already one of the main factors in the development of the digital economy.

The trends indicate stimulation and development of financial technologies, including:

- low margins of banking services;
- transformation of financial market participants in their business models and the desire to create ecosystems;
- increasing the penetration of financial services due to their digitalization;
- loss of the monopoly by banks on the provision of traditional (payment and other) services;

- acquisition of a significant role by non-financial organizations in the financial market;
- the desire of banks to partner with startups and technology companies [2; 3].

According to a study conducted during the compilation of the main directions, the most promising financial technologies today are: Big Data and data analysis, mobile technologies, artificial intelligence, robotization, biometrics, distributed registries, cloud technologies.

The development of financial technologies is modernizing traditional areas of providing financial and other services, in which innovative products and services for end consumers appear. This is most often observed in the following areas: online payment services, online transfer services P2P currency exchange, B2B payment and transfer services, cloud cash registers and smart terminals, mass payment services, P2P consumer lending, P2P business lending, crowdfunding, robo -advising, programs and applications for financial planning, social trading, algorithmic exchange trading, targeted savings services.

For the effective and safe development and functioning of the digital financial space, it is necessary to implement coordinated measures at the level of all its participants, as well as timely proportionate regulation, which will, on the one hand, maintain the stability of the financial system and protect the rights of consumers, and on the other hand, promote the development and implementation digital innovation. Taking about current trends of Central Banks Digital Currencies introduction we should admit the importance of it for economy. The e-hryvnia project has been launched in Ukraine, testing of which is planned for 2024. Although at the moment there is no clearly defined concept of the e-hryvnia, the regulator views it as a third form of the hryvnia, which may complement the ready-made and non-ready ones, transactions which may be based on blockchain technology. The main directions of the functioning of the e-hryvnia: for separate unprepared payments with the possible functionality of “programmed” money; for research in the sphere related to the range of virtual assets; to ensure the feasibility of cross-border payments.

Looking at the relationship between digitalization in the financial sector and industry in Ukraine (especially after the significant collapse of the industrial infrastructure as a result of the attack of the Russian Federation), we see promising effect of digitalization on the financial sector (development and transformation of the capital market, banking and non-banking payment systems, strengthening the e-hryvnia project).

Researched the trends of fintech, we should summarize the following:

1. *Virtual bank cards.* Virtual bank cards are digital credit/debit cards that live in an e-wallet, not in a pocket. They're offered by neobanks

(e.g. Monobank). The main benefit of virtual cards is that customers can pay with them in-store via NFC or on any online platform without the risk of losing money to traditional credit/debit card fraud schemes.

2. *Embedded finance*. Non-financial entities are now offering traditional banking services through the Open Banking API. Tesla offering car insurance for each Tesla car purchased is just one example of the possibilities opening up for customer engagement.

3. Buy Now, Pay Later 2.0. This new fintech trend helps drive sales, lets customers use goods while paying for them, and contributes to long-term customer loyalty. About 43% of Americans using BNPL services in 2022, this is a legitimate concern.

4. Alternative lending. These are loan services given through online platforms that bring together borrowers underserved by traditional lenders and investors looking to tap into alternative markets. Alternative lending is particularly popular in South-East Asia.

5. Stablecoins: The new breed of cryptocurrency. Blockchain technology, in general, is spreading, with the number of blockchain wallet users worldwide surpassing 80 million, and the total market evaluation reaching \$11.5B in 2021 [4].

It is important to emphasize that with the development of digital technologies, risks arise associated with the growth of cyber threats, requiring prompt and timely monitoring, detection, assessment and development of measures to prevent them or minimize their possible consequences.

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