

**II International Scientific Conference GCPMED 2019
"Global Challenges and Prospects of the Modern Economic Development"****IMPACT OF A CRISIS ON THE ECONOMIC PERFORMANCE OF
ENTERPRISES IN RUSSIA**

G. N. Chernukhina (a)*, E. A. Krasilnikova (b), R. V. Kamanina (c)

*Corresponding author

(a) Moscow Financial Industrial University "Synergy", 125057, Leningradsky prospect, d. 80, Moscow, Russia,
omeropqe@gmail.com

(b) Plekhanov Russian University of Economics, 117997, Stremyanny lane, 36, Moscow, Russia.
miakota@gmail.com

(c) Moscow Financial Industrial University "Synergy", 125057, Leningradsky prospect, d. 80, Moscow, Russia.
elizaveta1day@gmail.com

Abstract

Today, a distinctive feature of the Russian economy is the weak development of relations between the banking sector and the real sector of the economy. The volume of loans does not match the needs of the economy. In the process of carrying out operational and investment activities, enterprises always face the problem of limited own funds. Even in conditions of stable development, organizations need to attract borrowed resources. Banks have traditionally been an important source of investment in the real sector. Loans expand the ability of enterprises to carry out the investment process, accelerate the implementation of investment projects, as well as the circulation of capital. In a market economy, banks form the basis of the financial system of the country, representing the main source of transfer of funds from those who save them to those who invest them. The bank loan market is an important component of the economic system and, above all, the investment sphere. When a bank loan begins to serve mainly commodity and money capital, then an overflow of investment resources from the real sector of the economy to the trade and financial sectors is inevitable, which leads to a reduction in real investment. The article examines the impact of the crisis on the financial condition of energy supply organizations. The possibilities of minimizing the risks arising from banks when lending to enterprises in the crisis in order to provide credit resources to the real sector of the economy are revealed.

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Keywords: Crediting, enterprise, crisis, real sector of economy, organization of energy supply.



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1. Introduction

The acute phase of the economic crisis in Russia, which began in 2015, was caused by the rapid decline in world oil prices, which led to a sharp weakening of the national currency – the Russian ruble. These processes, accompanied by economic sanctions and the deteriorating foreign policy situation, have led to higher inflation, lower consumer demand, economic decline, the decline in real incomes. Under the influence of the crisis, the financial condition of enterprises in the real sector of the economy deteriorated and the activity of banks in lending to them decreased.

At the same time, industrial enterprises need access to credit resources, because, as Donetskova (2017) notes in her article, the instability of production in the conditions of the crisis does not allow them to actively invest at the expense of their own sources. According to Dyadichko and Krymova (2014), it is lending that is an integral element of economic growth, allowing for faster growth of investments in fixed capital. At the same time, scientists note that lending contributes not only to the development of the economy, but also to the banking sector itself.

However, in times of economic crises, according to Chernikova and Evstifeeva (2017) there is a problem of growth of overdue debts on loans, which leads to a deterioration of the situation in the banking sector.

2. Problem Statement

The study of the impact of the crisis on the main economic indicators of the organization for energy supply (on the example of PJSC group of Companies "TNS Energo") reveals some opportunities to minimize the risks arising from lending to enterprises of the real sector of the economy. PJSC GC "TNS Energo" is one of the largest independent energy supply companies in Russia, it is a subject of the wholesale electricity market, manages ten energy supply companies, serves about 21 million people (more than 10% of the Russian population), operates in 11 regions of the Russian Federation.

By the nature of activity, the companies included in the group of PJSC GC "TNS Energo" (TNS) are trading companies that purchase electricity from manufacturers, that is, nuclear power plants, hydroelectric power plants (HPPs), etc. Then they sell it to end users - legal entities and individuals. Transportation of electricity, as a rule, is engaged in the company IDGC of Centre, which is part of PJSC "Rosseti". The marginal profitability of TNS enterprises depends on restrictions on sales allowances, which are established by regional tariff regulation Departments. Methods of determination of calculation mechanisms are established by resolutions of the Government of the Russian Federation.

The analysis of the dynamics of the main financial indicators of the company for the period from 2016 to 2018 characterizes the change in the financial position of the group of companies as follows. According to the balance sheet data, a significant increase in receivables and payables for the analyzed period is clearly traced (table 01).

Table 01. Changes in accounts receivable and accounts payable of PJSC GC "TNS Energo" for the period from 2016 to 2018 (billion rubles)

Name of the indicator	As of 31.12.2016	As of 31.12.2017	As of 30.09.2018	Change 2016 -2018 % (+/-)
Receivables	35,5	45,1	44,6	+ 26%
Creditor indebtedness	23,5	34,3	31,2	+ 33%

Source: authors based on (PJSC GC "TNS Energo", 2019).

3. Research Questions

These data indicate an increase in non-payments (or delayed payments) due to a decrease in the purchasing power of the main consumers: the population, legal entities that carry out commercial activities, budget and municipal organizations. On the other hand, since electricity consumption is a necessary condition for the existence of these consumers, the level of consumption does not decrease, and even increases. At the same time, the number of entities making timely payments is reduced, which leads to an increase in overdue receivables to the enterprise. The group of companies of PJSC GC "TNS Energo" constantly loses its liquid current assets and is forced to compensate them by increasing accounts payable to its suppliers. The risk of this situation is that, in certain circumstances, suppliers may limit or even terminate the supply of electricity on the condition of payment after delivery. This could lead to a default of the TNS group of companies.

Comparison of the consolidated income statement of TNS Energo for 9 months of 2018 with the same period last year shows that the cost of production and commercial expenses grew at a faster pace: cost increased by 8.2% (8.2 billion rubles), commercial expenses, including expenses for the transportation of electricity, increased by 9.3% (5.3 billion rubles), while revenue growth was only 6.7% (11.0 billion rubles). For this reason, sales profit decreased by 37.5% or 2.1 billion rubles, while net profit fell by 10.5% or 0.2 billion rubles (Table 02).

Table 02. Dynamics of the main indicators of the consolidated statement of profit and losses of OJSC GC "TNS Energy» (billion rubles)

Name of the indicator	9 months of 2017	9 months of 2018	Change % (+/-)
Revenue	163,4	174,4	+11,0 (6,7%)
Production cost	100	108,2	+8,2 (8,2%)
Selling expenses (electricity transportation costs)	57	62,3	+5,3 (9,3%)
Revenue from sales	5,6	3,5	-2,1 (37,5%)
Net profit	1,9	1,7	-0,2 (10,5%)

Source: authors based on (PJSC GC "TNS Energo", 2019).

4. Purpose of the Study

Obviously, such an increase in cost is due to the fact that electricity producers, who are monopolists, increase the cost of selling their products in accordance with inflationary processes. IDGC of Centre and JSC "Russian grids", which are also monopolies, in turn, increase the cost of transportation. On the other hand, the state implements its social policy goals, and tries to restrain inflation and growth of energy prices by any means. For this reason, at the state level, the restriction of sales allowances is introduced, which does not allow PJSC GC "TNS Energo" to reach the appropriate level of profitability and makes it necessary to sequester its costs and work more effectively with consumers.

5. Research Methods

The risk of this situation is that in the event of a further decrease in net profit, the group's enterprises will not be able to create reserves and compensate for the costs of buyers who delay the payment of deliveries, and the number of which is constantly growing.

Analysis of key financial indicators (table 03) based on the group's financial statements shows that current liquidity and financial independence are significantly lower than the regulatory values.

Table 03. Values of the main financial and economic indicators of the group of companies for 9 months of 2018

Name of the indicator	The value of the indicator as as of September 30, 2018
Current liquidity	0,94 (norm - min 1,5)
Financial independence	0,19 (rate from 0.5)
Accounts receivable turnover	3,9
Accounts payable turnover	5,6
Inventory turnover	1132,1
Profitability	0,99

Source: authors based on (PJSC GC "TNS Energo", 2019).

The rate of turnover of receivables and payables indicate problems in compliance with the discipline of payments to suppliers and buyers. The level of profitability is also at a very low level ($R < 1$).

To solve the above problems, based on the results of the assessment of credit relations between real sector companies and banks, it is necessary to:

1. Development of innovative lending mechanisms for legal entities of various forms of business. This mechanism should be comprehensive, that is, contain the functions of risk management, attracting resources for the project, consulting, project support.
2. Determination of the optimal lending interest rate, which satisfied both parties.
3. Development of new loan products for enterprises. Banks should develop and offer customers credit products specifically for their needs. They should move away from fulfilling the role of service sellers and become consultants for their clients on various issues, such as structuring a business, projects, selecting partners, arranging financing, etc. (Kozina & Sverchkova, 2019).

6. Findings

The most likely in 2019 is the listing of the developer GC. The analysis allows to draw a conclusion that in the conditions of economic crisis the financial position of the companies on power supply really worsened. Taking into account the role of these companies in the structure of supply of final consumers with electricity, they need to provide support both from the state (in terms of establishing the level of sales allowances) and from the banking sector (in terms of providing credit resources).

In order to minimize risks, banks should: first, to carry out on a regular basis with deep financial analysis, consolidated reporting and reporting of each company within the group; second, to try to diversify its loan portfolio across several credit institutions with the aim of minimizing the risks of each lender; third, to establish financial covenants (restrictions) on the maximum credit limit the group of companies and each company included in the group, to avoid substitution of problematic receivables. Bank loans (Rubtsov & Annenskaya, 2018).

7. Conclusion

Based on the results of the study, the following conclusions can be drawn. Analysis of investment demand and investment supply allows us to conclude that in the Russian economy there is an imbalance in the market for loan capital, the interest rate is not able to balance the demand and supply of borrowed funds. The elasticity of demand for loans from commercial banks to non-financial economic agents at an interest rate remains rather low. This means that the demand for credit resources of the real sector of the economy depends not so much on the cost of loans, but on non-economic factors, such as the stability of the economic situation, the degree of elaboration of the legislative framework that largely determines credit risks.

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