

SATURATION OF FINANCIAL MARKET AS STIMULUS FOR EXPORT OF FINANCIAL SERVICES

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Abstract

Purpose – The aim of the given research is to ascertain indicators which characterise saturation of domestic market of financial services as the reason that stimulates financial services export.

Design/methodology/approach – There were used such research methods as analysis of advanced researches in financial field and interviewing experts concerning their opinion on financial services market saturation indicators.

Findings – In order to define the level of financial services market saturation there were suggested 12 indicators divided into two categories. To the first category of indicators one relates those which ought to be used at the initial stage of financial services market analysis. To the second category one relates the indicators which have auxiliary character, i.e. those which can be used only as additional ones for more exact definition of separate aspects of financial services market saturation.

Originality/value – The given research is important for both the countries which intend to position themselves as exporters of financial services - in respect of defining possibility and necessity of entering the world market with their financial services, and for the countries and individual financial institutions which are working out their strategy in financial services export - in respect of discovering of regions and financial services for export.

Keywords: financial services, financial services export, stimulus for export, financial market saturation.

Introduction

Export of financial services can be defined as a process of providing financial services (according to WTO definition) by financial and payment institutions (banks, broker companies, payment systems, etc.), which are registered in one country, to clients of other country. The total amount of the received income from providing financial services is reflected in trade balance of the country, raising its positive side (definition is created by the author).

Statistical data provided by international organisations indicate that all countries in the world export or import financial services, to a greater or lesser extent. For most countries export of financial services is not their specialisation, its earnings add up to a collateral part of their main economical activities and they make up an insignificant share in their overall trade. On the other hand, there is a small group of countries, for which export of financial services could be not the main although a rather substantial source of their income. Due to the development of the sphere of financial services this group tends to expand over time. More and more countries aspire to secure this niche, realising “the power of finance” and “an intangible scale of financial market”.

Different reasons can serve as after-effects of uneven geography of financial services export. The author in the given article proposes a hypothesis to the effect that one of the main stimuli that induces export of financial services proves to be saturation of domestic market with financial services to such a level when there appears the necessity to export them. When considering the given effect it is appropriate to mention philosophical position of dialectical law of transition from quantity to quality. In this case «the quantity» is a whole complex of offered financial services within any country which, having reached the level of complete or almost complete saturation of the market, are compelled to be exported, and that becomes a qualitatively new phenomenon.

The aim of the given research is to reveal the indicators which can in the best way characterise internal saturation of financial services market as the reasons for inducing their export. As the basis for the achievement of the given incentive one used such research methods as analysis of fundamental theories in trade and markets, analysis of advanced researches in financial field and interviewing experts about their opinion concerning financial services export. The given research can be topical (1) for the a.m. category of the countries which intend to position themselves as exporters of financial services – in respect of defining their opportunity and necessity to enter the world market with their financial services; (2) for the countries and individual financial institutions which develop their strategy of financial services export – in respect of defining regions and products for export.

Dialectic view on export in the context of global economic changes

In the last year the reports of information agencies regarding the state of world finance tell about coming changes in the global economic landscape. Under the conditions of a poor growth and high risks of the renewal of recession, governments of different countries make efforts not to strengthen their national currencies, in order to gain, inclusively, additional competitive advantages for export. So long as devaluation (weakening of national currency exchange rate on the world market) is the easiest way to support real sector, monetary powers on both sides of the Atlantic start abusing interventions and other, practically speaking, emission instruments (Vyazovsky, 2010). No wonder that Brazilian finance minister is talking about a "currency war" (Financial Times, 2010). On January 17, 2011 U.S. Senators-Democrats Bob Casey, Charles Schumer и Debbie Stabenow announced about their intention to propose a bill according to which one would introduce tariffs on the goods exported by the countries which, in the U.S. Ministry of Finance opinion, manipulate currency rates. Companies from these countries will be deprived of the right to conclude contracts with the U.S. government (Voice of America, 2011). Basing on the law, American companies will be able to lodge claims demanding imposition of import duties on Chinese goods (Finmarket, 2010). According to Guido Mantega, the world is following the course of a full-blown "trade war" (Alloway, 2011). Then it is appropriate to put a question: «Where are the rules and ideals of WTO? ». The Russian economist Mikhail Leonidovich Khazin gives an interesting and convincing explanation of what is going on. In his opinion, no economy whatever is possible without ultimate demand as, in principle; somebody ought to consume manufactured goods and services. But the basic mechanism of a crisis, i.e. the slump in final private demand and, in this sense, competition among manufacturers of both goods and services tends to intensify more and more. And that fact presses the governments to defend their markets and manufacturers and make attempts to increase exports. On the other side, globalisation categorically demands execution of certain formulas which are obligatory for politicians. One of these formulas concerns the advantage of "free" world markets over national ones and detriment of protectionism. In the current situation they completely fail to correspond to the existing reality (Khazin, 2011). On April 3, 2011 at the annual meeting of IMF and World Bank, President and Executive director of IMF declared that before the crisis it seemed that everybody had been firmly convinced of knowing how one ought to manage economic systems. There existed "Washington consensus" – concrete rules of currency and tax policy formulated by the English economist John Williamson in 1989. However, actually it turned out that low inflation, high economic growth, over-free and uncontrolled (by anybody) financial market were leading to financial and economic disaster. In connection with this important conclusion, Head of IMF ascertained: "Washington consensus with its oversimplified economic notions and formulas collapsed during world economic crisis and remained behind." Financial globalization, as stated by Head of IMF, intensified inequality, and that factor became one of secret mainsprings of the crisis. "Therefore steady growth is associated with a more just distribution of income in a long-term prospective.- declared Head of IMF.- We require globalisation of a new kind, a more just globalisation, the one with a human face. Benefits derived from economic growth ought to be widely distributed and not just appropriated by a handful of privileged people" (Vadzra, 2011). However, it is more a philosophic issue, as one does not see any concrete solutions of today's contradictions for the time being. The present economic landscape is actually an integral cluster with the U.S.A. as its leader. Till recently these contradictions have also been a locomotive of world economy generating 40% of world demand (Knyazeva, 2011). The remaining countries, directly or through mediation, concentrated their production on consumers from the U.S.A., although it were large-scale goods (China), high-technology products (EU, Japan) or delivery of raw materials for the aforementioned groups (Russia, Arab states). At present this demand has decreased. One of the reasons for it, in Mikhail Khazin's opinion, lies in over-crediting U.S. households with 3 trillion US dollars more than their real possibilities of repayment prove to be. All that led to a crisis not only in the U.S.A. but also throughout the world. The situation is especially difficult for small countries. In Mikhail Khazin's opinion, none of small countries, such as Latvia, are in a position to survive solely at the expense of their domestic market. The entrance to foreign markets is required, and it is necessary to solve two problems for that. The first one is to understand who can purchase your goods, and the second one is to know which of your commodities will be in demand. (Knyazeva, 2011). The question is: what country can provide a solvent demand and for what missing goods or service to its subjects (or potential customers), taking into account their characteristics: quantity, quality and price? On the other hand, who can deliver (sell) scarce this deficit? And what is more important, can we do it, i.e. our country? The author, fully supporting fairness of this point of view, holds the opinion that dialectic approach can help answer at least some of these questions. Dialectic contradiction between production and consumption of a certain product (or integral system) inland under the conditions of dominance of the first over the second, is

leading to a decisive role of production in the development of export. And vice versa, dominance of consumption is leading to import. For all this, although production and consumption assume unity, one can primordially conceive production without consumption, for instance goods for a warehouse, whereas consumption of non-manufactured goods is unconceivable. Thus, production is a dominant factor. According to the dialectic law of transition from quantity to quality, as soon as dominant becomes super-measured in quantitative ratio, transition to a qualitative change takes place. That is why transition of quantitative saturation of domestic market to a qualitative leap, i.e. export, is of great interest. On the given stage of research the author does not consider conditions and grounds for such changes but concentrates her attention on the indicators which reveal possibility or even necessity of export. For all this, one defines sequence of their priority in the reflection of inland saturation of market and their influence on probability of transformation of possibility of export into its reality. In the capacity of the material under research one chose the sphere of financial services, namely banking activities.

Indicators of saturation of financial services market

During the last 30 years financial institutions embraced different groups of clients more and more widely, one developed new financial services and a large amount of solutions for the improvement of their quality and facility of usage. In view of this, it is becoming more difficult to break into the so-called 'blue ocean' in the sphere of financial services. The given market is characterised by keen competition. When competition reaches a critical level in the frames of any country, then export proves to be a natural exit. However, it is not an obligatory condition for export due to the fact that strategy in this direction can bear a leading character.

When necessity to export becomes obvious, there appears the question where and what can be exported. For settlement of both problems the author proposes to pay attention at indicators which can define the degree of saturation of financial services market in one or another country. These indicators in themselves are not the ground for starting immediate export. Firstly, on any market, even a saturated one, one can stand competition in a classical way with the help of prices and quality. Secondly, indicators don't ascertain the conditions of export as they don't exclude availability of juridical and other barriers which hinder one's entrance to the market. Their aim is to determine potentially favourable or unfavourable geographical zones for trade in financial services.

The author revealed 12 indicators of saturation of financial services market that are conventionally divided into 4 groups. Their description is listed below.

Group 1: indicators characterising banking activity in the country

A) *The number of credit institutions in the country (per 1 million residents)*

This indicator shows the degree of competition between banks in the country. The higher the competition the more credit institutions are predisposed toward export and the more difficult is import to their territory. The quantity of banks, without regard for their size (amount of capital invested) is important because any bank, even a small one, tends to expand its own share in the market. In case domestic market does not already allow it, there is a chance of realising one's potential on foreign markets. The comparison of parameters of the given indicator for different countries is presented in Table 1. It can be seen from the table that in most cases the less residents are related to one bank, the higher is the volume of financial services export and/or its proportion in total exports of the country's services.

Table 1

Interdependence between the amount of banks in the country and export of financial services of the country

| Country | Amount of residents related to one bank | Volume of financial services export in 2008 in mil. US\$ | Proportion of financial services export in total exports of services (in %, 2008) |
|-------------|---|--|---|
| Luxemburg | 3304 | 44 593 | 65,10 |
| Finland | 16854 | 648 | 2,03 |
| U.S.A. | 19493 | 60 189 | 11,06 |
| Switzerland | 27306 | 19 325 | 25,30 |
| Korea, Rep. | 43308 | 3780 | 5,10 |
| Germany | 46086 | 13 328 | 5,09 |

| Country | Amount of residents related to one bank | Volume of financial services export in 2008 in mil. US\$ | Proportion of financial services export in total exports of services (in %, 2008) |
|------------|---|--|---|
| Poland | 59396 | 566 | 1,59 |
| Denmark | 55818 | 203 | 0,28 |
| Latvia | 72158 | 287 | 6,34 |
| Sweden | 83521 | 1 837 | 2,54 |
| Czech Rep. | 270071 | 180 | 0,82 |
| Russia | 134146 | 1 320 | 2,58 |
| Slovakia | 192672 | 204 | 2,40 |
| Japan | 987077 | 5 459 | 3,67 |

Source: OECD Stat Extracts (2009), United Nations Service Trade Statistics Database (2008).

Some experts assert that high concentration of banks in a country does not always lead to targeted export. Firstly, not all banks can afford themselves an entrance to the foreign market as that demands considerable expenses. Secondly, there exists a certain amount of “pocket banks” aiming at services for a certain group of clients (for instance, business groups). These banks are established in order to assist the given business and not to set up one’s banking business as such. Thirdly, parent foreign banks are usually not interested in export strategy of local banks. Expansion of the head office in new markets is carried out not through already existing subsidiary structures but by means of establishing a new subsidiary. In other words, every country gets its subsidiary bank or a branch of the head bank.

B) *Volume of assets of credit institutions (as % from GDP)*

This indicator, as well as the previous one, is intended for defining the level of competition between banks on domestic market. However, its difference from the previous one is that it shows proportion of financial services in active business. The higher the indicator is, the higher is necessity of realisation of financial services export by local banks. That means, if the development of business in a country does not require a wider use of financial services, financial institutions are forced to look for clients abroad. In this case such region is unpromising for export of financial services to it.

At the same time, the growth of this indicator can also be the evidence of quite the opposite regarding developing business environment, growth of volumes of foreign trade that raises demand on financial services among both residents and non-residents. In the given case this region can be attractive for both export and re-export of financial services.

One should take into account the fact that owing to global economic crisis banks of some countries are artificially supported by state funds to impart stability to them, and that factor makes calculation and use of the given index more difficult.

In other respects the calculation of both a.m. indicators is based on accessible international statistics (OECD Stat Extracts, 2009).

Group 2: indicators characterising stock market

A) *Stock market capitalisation (as % from GDP)*

Stock market capitalisation is pecuniary valuation of capital in the form of securities circulating on the market. The author sees correlation between stock market capitalisation and financial services export in the fact that financial institutions offer services accompanying financial instruments of a corresponding stock market not only to local but also to foreign investors. Foreigners use, i.e. import, financial services, and owing to that, export of financial services of the corresponding country is growing. One can say that under a comparatively large capitalisation of stock market financial services market is usually developed and saturated. Furnishing of financial services related to the trade on a stock market assumes the availability of demanding, informed and financially educated clients, as well as the use of complicated technological solutions and the proposal of a package of related high-quality financial services. It is rather difficult to compete with this sort of financial institutions. According to this indicator, in 2009 the first ranks were taken by the countries which, at the same time, were recognised as leaders in financial services export (Table 2).

Table 2

Leaders in capitalisation of stock market in 2009

| Country Name | Stocks traded, total value (% of GDP) | Stocks traded, total value (in mill. of current US\$) |
|----------------|---------------------------------------|---|
| Hong Kong | 707,44 | 1 489 635 |
| United States | 331,01 | 46 735 934 |
| Korea, Rep. | 189,97 | 1 581 486 |
| China | 179,65 | 8 956 187 |
| Switzerland | 161,72 | 795 556 |
| United Kingdom | 156,47 | 3 402 495 |
| Singapore | 138,43 | 252 265 |
| South Africa | 120,02 | 342 502 |
| Spain | 109,52 | 1 599 261 |
| Sweden | 96,12 | 390 323 |
| Canada | 92,78 | 1 239 626 |

Source: WDI, Standard & Poor's, Emerging Stock Markets Factbook and supplemental S&P data, and World Bank and OECD GDP estimates (2009).

B) Stock market trade turnover (as % of GDP)

This indicator shows the activity of a country's stock market (at present leading countries according to this parameter are: United States, Korea, China, United Kingdom, Spain, Turkey and Germany). The growth of activity of stock market can be observed under both rising and declining markets. In both cases export of financial services will increase as any operations with financial instruments are accompanied by financial services. Only under declining market its growth will take place on condition of a collapsing character of the recession and its short duration. For all this, in a long-term prospect financial services export will sharply shrink as the clients who had closed their positions will not come back to the stock market before long. Taking into account this effect, it is recommended to use the given parameter as an addition to the indicator "Stock market capitalisation (as % of GDP)". One should also note that due to the latest events in world economy when financial institutions, being reluctant to finance the over-credited real sector, invest most funds in financial instruments thereby artificially creating market activity, the use of both above mentioned indicators is rather problematical.

C) Number of local enterprises quoted at a stock exchange (on 100 thousand companies in a country).

This parameter is important for defining financial activity of enterprises. The more enterprises use the possibility of drawing financing through sale of financial instruments at a stock exchange, the higher is the potential of the stock market. A wide choice of investments attracts foreign investors who don't manage without the use of financial services. The given indicator can be indirectly indicative of saturation of financial services market.

D) Number of kinds of financial instruments quoted at a stock exchange.

Subject to availability of a wide range of various kinds of financial instruments (stocks, bonds, shares in funds, different derivatives, etc.) possibilities of attracting foreign capital considerably expand. Presently there are not so many countries whose stock exchanges offer a full range of financial instruments. One should mark out American and European ones as most popular. Through spectrum of their financial instruments they satisfy diverse demand of a great number of both institutional and private foreign investors. Availability of that sort of stock exchanges is a pledge of success for a country in export of financial services.

Group 3: indicators characterising interest rates**A) Average deposit and lending rates in a country.**

Export of deposit and crediting services is used in order to increase marginal profit of financial institutions. For export of deposit services one defines a country with lowest interest rates. As a rule one has to increase deposit rate a little as it is sort of payment to a non-resident for the risk of placing his funds in a foreign country. In its turn, for credit export one chooses a region with acceptable ratio "profitability/risk". For all this, it's quite natural that credit rates ought to be higher than deposit ones.

Profit on export can be increased as a result of placing funds in regions with overestimated risk. In theory higher risk corresponds to larger income and vice versa. For all this, profit remains unchangeable as profitability and riskiness have already been included in its rate. It turns out that under adequate estimation of risk it's not important in what country one's funds are placed- with low or high profitability (Figure 1).

Actually a country can be overestimated or underestimated from the standpoint of investment risks. The situation is positive for an exporter when a real risk is lower than the one included in the market credit rates. For instance, in 2007 individual Latvian banks used a similar situation when they borrowed funds in Germany at the annual rate of 3% and placed them as credits at the rate of 18% in UIS (Union of Independent States) countries. The given countries were overestimated from the point of view of risk, and that provided an additional income to exporting financial institutions (Figure 2).

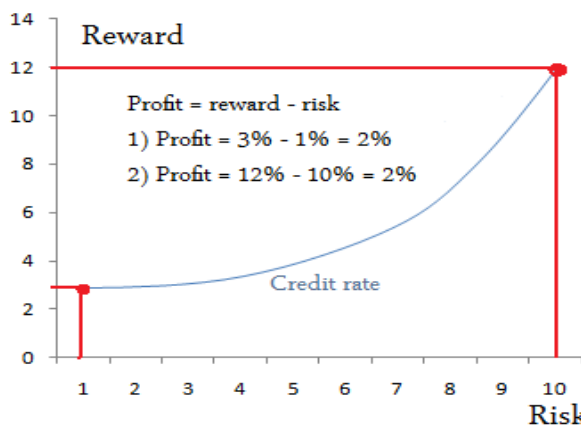


Figure 1. Combination 'profitability/risk' of crediting in theory

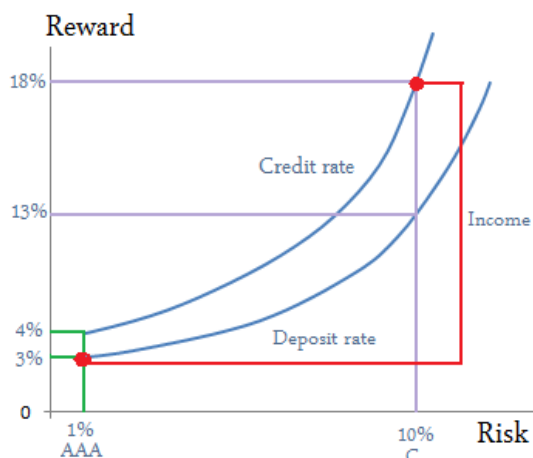


Figure 2. Effect from overestimated credit risk in developing countries

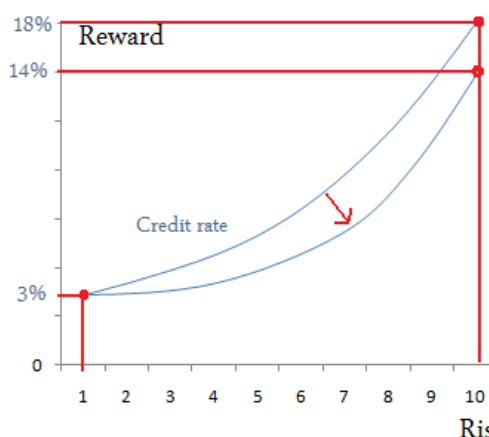


Figure 3. Tendency to approach of profit from investments under different levels of risk

With the development of these countries estimation of credit risk will gradually become more precise. That may lead to the reduction of rate and, correspondingly, profit of exporter of financial services (Figure 3).

B) *Difference between lending and deposit rates in a country*

This indicator defines potential profit of financial institutions which intend to export deposit and lending products within one region. According to the author's observation, heightened spread can indicate instauration of market even with classical banking lending-and-credit services, not to say about more complicated financial services. At the same time, heightened spread can be caused by economic crisis when banks, lending with caution, increase loan rates. Examples of countries with a heightened spread between rates are presented in Table 3.

Table 3

Interest rate spread (lending rate minus deposit rate, %)

| Countries with big spread | | Countries with little spread | |
|---------------------------|-------|------------------------------|------|
| Brazil | 35,37 | Slovenia | 4,54 |
| Paraguay | 26,80 | Lithuania | 3,58 |
| Kyrgyz Republic | 19,16 | Australia | 3,18 |
| Peru | 18,21 | China | 3,06 |
| Tajikistan | 17,11 | Switzerland | 2,67 |
| Haiti | 16,20 | Israel | 2,63 |
| Georgia | 15,18 | Canada | 2,30 |
| Armenia | 10,11 | Norway | 2,00 |
| Latvia | 8,19 | Japan | 1,29 |

Source: International Monetary Fund, International Financial Statistics and data files (2009)

Group 4: Indicators characterising consumers of financial services

A) Adults who don't have any bank account (as % of all adults in a country)

The given indicator defines per cent of potential clients in a country who are not covered with financial services. The higher the indicator the less saturated region with financial services is. Permanent statistics on the given indicator has not been recorded; however, there exist separate researches in this direction. For example, interesting and even curious information was received as a result of the research carried out in European Union in March 2009 by Eurobarometer on accessibility and use of main banking service. It turned out that 7% of Europeans experience difficulties in getting access to banking service, and 2% more don't have any access at all. The situation in different countries is presented in Figure 4.

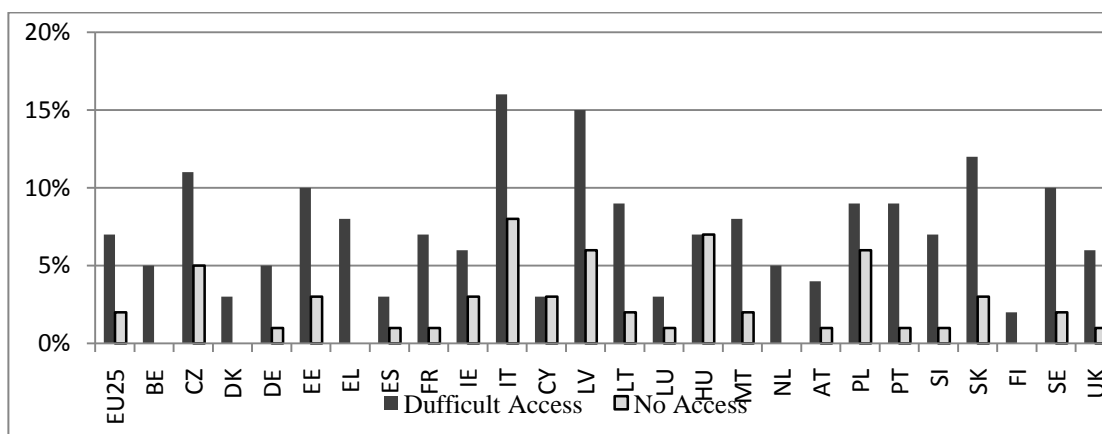


Figure 4. Percentage of population finding access to banking system through a current account difficult or impossible

Source: Eurobarometer (2007)

B) Number of kinds of used banking services (on average per 1 client)

In author's opinion, the given parameter is most precise for defining degree of saturation of financial services market. At the present moment statistics on the given indicator is available only within financial institutions being confidential as a rule, and that fact does not allow to use it. From subjective standpoint of the author, one can consider as saturated that market where a client makes use of 5 financial services on average. Usually that can be credits and deposits, money transfers, payment cards and two more specific products such as, for instance, operations with securities, bank guarantee and pension savings.

C) Number of accounts (on average per 1 client)

The given parameter is an alternative to the indicator «Number of kinds of used banking services» as it also indirectly defines intensity of use of financial services. And even in case accounts of a number of clients are not active, their number will speak about strength of financial institutions in promotion of their products.

D) Volume of e-made transactions and deals (as % of all transactions and deals)

At the present time remote service is a key to success in export of financial services. The more is the volume of remote-and-e-made transactions and deals, the higher are the possibilities of embracing not only a local market but also exporting their services to non-residents throughout the world. Presently this kind of

statistics, based on the way of handling transactions, is not recorded, so practical use of the given indicator is impossible.

Expert assessment

All the aforementioned indicators of financial services market saturation were selected by the author subjectively. To raise objectivity in the given matter, i.e. in order to reveal most appropriate indicators for analysis of the degree of saturation of financial services market of different countries, the author organised an experts' opinion questioning. The experts' questioning was carried out within February - March 2011. Twenty experts participated in it, and answers were received from 15 of them. The list of experts was carefully selected in order to obtain feedback from different perspectives, taking into account daily duties and professional experience of experts.

The selected experts were:

- executive managers of commercial banks (vice presidents, board members);
- managers of commercial bank customer service departments;
- leading analysts and auditors of commercial banks;
- investment fund managers;
- representatives from the Central State Bank and supervisory board of the banking system in Latvia;
- head of Association of Latvian Commercial Banks;
- governmental representatives;
- academic professors of economic sciences.

Experts were asked the following question: «Please, evaluate which indicators, in your opinion, characterise in the best way the level of saturation of financial services market of any country (on a scale from 1 to 5):

| | |
|---|---|
| 5 | the indicator especially precisely characterises level of a saturation of the financial services market; |
| 4 | the indicator overall characterises level of a saturation of the financial services market; |
| 3 | the indicator can be used as additional for defining the level of saturations of the financial services market; |
| 2 | the indicator weakly characterises level of a saturation of the financial services market; |
| 1 | the indicator doesn't characterise level of a saturation of the financial services market. |

All 12 aforementioned indicators were estimated.

Methodology of 15 expert feedback analyses was carried out using such exponents as (see Table 4):

- total sum of grades and statistical average of grades for each individual indicator;
- mode, median, standard deviation of each indicator;
- maximum and minimum values, their delta for each indicator.

Table 4

Analysis of experts' answers regarding indicators of saturation of financial services market

| Nr. | Indicators / Exponent | Sum | MOD E | MED. | Aver. | Std.Dev. | MAX | MIN | MAX-MIN |
|-----|---|-----|-------|------|-------|----------|-----|-----|---------|
| 7 | Average deposit and credit rates in a country | 38 | 3 | 3 | 2,5 | 1,25 | 5 | 1 | 4 |
| 6 | Number of the local enterprises quoted at a stock exchange (on 100 thousand companies in a country) | 46 | 3 | 3 | 3,1 | 0,59 | 4 | 2 | 2 |
| 11 | Number of accounts (in average on 1 client) | 48 | 3 | 3 | 3,2 | 0,86 | 5 | 2 | 3 |
| 8 | Difference between credit and deposit rates in a country | 49 | 4 | 3 | 3,3 | 1,16 | 5 | 1 | 4 |

| | | | | | | | | | |
|----|--|----|---|---|-----|------|---|---|---|
| 9 | Adults who don't have any bank account (as % of all adults in a country) | 49 | 3 | 3 | 3,3 | 1,33 | 5 | 1 | 4 |
| 1 | Number of banks in country (on 1 million of population) | 51 | 3 | 3 | 3,4 | 0,99 | 5 | 2 | 3 |
| 4 | Securities trade turnover (as % of GDP) | 51 | 3 | 3 | 3,4 | 0,63 | 4 | 2 | 2 |
| 5 | Number of kinds of securities quoted at a stock exchange | 51 | 3 | 3 | 3,4 | 0,99 | 5 | 2 | 3 |
| 12 | Volume of e-made transactions and deals (as % of all transactions and deals) | 51 | 4 | 3 | 3,4 | 0,99 | 5 | 2 | 3 |
| 3 | Securities market capitalisation (as % of GDP) | 52 | 4 | 4 | 3,5 | 0,64 | 4 | 2 | 2 |
| 2 | Volume of actives of banks in a country (as % of GDP) | 55 | 4 | 4 | 3,7 | 0,62 | 5 | 3 | 2 |
| 10 | Number of kinds of used banking services (in average on 1 client) | 60 | 4 | 4 | 4,0 | 0,85 | 5 | 2 | 3 |

The diagram below illustrates an average estimation of each indicator (Figure 5).

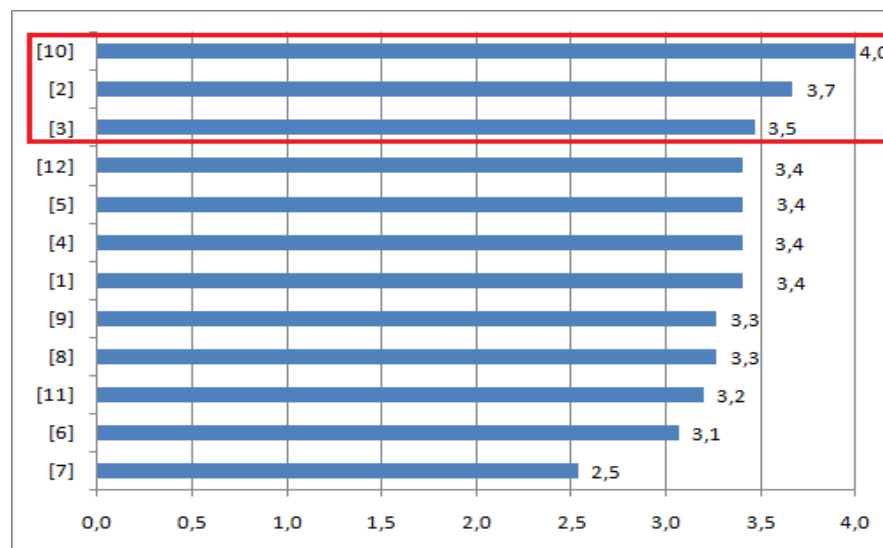


Figure 5. Average expert evaluation of indicators of financial services market saturation.

Source: worked out by the author based on the expert survey.

As a result of the carried out mathematical processing of experts' answers, one made a conclusion to the effect that none of the indicators presented by the author, in experts' opinion, will give an exact definition of the degree of saturation of financial services market in a country. Correspondingly, none of them can become a clear signal for making a decision in respect of financial services export. For all this, in experts' view, in general one can use the three marked indicators in Figure 5 at the initial stage of estimation of financial services market. The given three indicators prove to be:

- Number of kinds of used banking services (on average per 1 client);
- Volume of bank's assets in a country (as % of GDP);
- Securities market capitalisation (as % of GDP).

One can consider as a positive sign the fact that all of them are in different groups, and that means a wide range of different aspects of saturation of financial services market. In experts' opinion, one can use the rest of indicators only as additional ones. That means that it is rather risky to found one's decision regarding export of financial services exclusively on them.

Conclusions

Changes in global economic landscape point to the fact that fundamental grounds of world economic crisis are far from being overcome. Under the pressure of a new approaching recession, every country of the world is carrying on a struggle for possibility of export solving two main tasks at the same time: firstly, understanding the one who can buy products manufactured by it (by a certain country), secondly, understanding who (what country) can provide a solvent demand for these products. Dialectic approach partially gives answers to the given questions. Dialectic contradiction between production and consumption of a certain product inland under the situation of dominance of the first over the second is leading to a decisive role of production in the development of export.

Having chosen the sphere of financial services as an object of investigation and following the given philosophical law of transition from quantity to quality, the author arrived at the conclusion that saturation of financial services market is a ground (but not a condition) for export of financial services. The level of saturation of financial services market ought to be taken into consideration:

- by countries which intend to position themselves as exporters of financial services – in respect of defining their possibility and necessity to enter the world market with their financial services;
- as well as by countries and individual financial institutions which are developing their strategy of financial services export – in respect of defining regions and products for export.

To define the degree of saturation of financial services market, the author elicited two categories of indicators. To the first category are related those indicators which should be used at the initial stage of evaluation of financial services market:

- Number of kinds of used banking services (on average per 1 client);
- Volume of bank's assets in a country (as % of GDP);
- Securities market capitalisation (as % of GDP).

To the second category one relates indicators bearing an auxiliary character. They can be used only as additional ones for a more exact definition of separate aspects of financial services market saturation. To the given indicators belong:

- Average deposit and credit rates in a country;
- Number of local enterprises quoted at a stock exchange (per 100 thousand companies in a country).
Number of accounts (on average per 1 client);
- Difference between credit and deposit rates in a country;
- Adults who don't have any bank account (as % of all adults in a country);
- Number of banks in a country (per 1 million of population);
- Securities trade turnover (as % of GDP);
- Number of kinds of securities quoted at a stock exchange;
- Volume of e-made transactions and deals (as % of all transactions and deals).

All the aforementioned indicators cannot serve as a signal for starting immediate export of financial services without the availability of the remaining causal basis (including conditions and reasons). Their aim is to define potentially favourable or unfavourable geographical zones for trade in financial services.

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