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# THREATS OF ECONOMIC SAFETY OF THE RUSSIAN CONSTRUCTION INDUSTRY DURING THE ECONOMIC CRISIS

**Abstract**. This article analyzes potential threats to economic safety, the construction industry in Russia. Identified external and internal factors affecting the economic safety of the Russian construction industry. Defined task of overcoming the economic crisis and thus prevent economic security threat to Russia's construction industry.

**Keywords:** economic security, threats, risks, shadow economy.

## Introduction

One of the major features of modern building business is skill to work in conditions of operating threats of an economic security. This puts the entrepreneur before problem which shall formulate, as the ability to make decisions and effectively manage business in a difficult economic situation, when not all factors, causes and conditions for implementing business processes beforehand. In addition, there are always factors that are uniquely defined as the threat of economic security of the enterprise.

The economic security of the Russian construction industry has specific economic institutions, which, in conjunction with the resource dependence make economic dynamics of unstable economic growth easily gives way to recession. According to experts in the construction industry, insufficient attention is paid to the impact of resource dependent on the economic development of the industry, the more it stands out with sharply increased interest in this issue in the international community.

Economic threats - it is an opportunity of accidental unwanted losses, measured in monetary terms. In turn, the threats are divided into two groups, external and internal. External - foreign exchange, tax and threat of force majeure. Interior - organizational, resource, credit, innovation and portfolio.

In economy of building branch of threat have complex character. Causes data threats, above all, a significant reduction in the gross domestic product, a decrease in investment, innovation activity and scientific and technical potential, imbalance of the banking system, the growth of external and internal public debt.

#### **Results**

In an unstable macro - economic situation, it is necessary to analyze and identify the most important factors affecting the economic security of the Russian construction industry in the period of economic instability in 2014 and the first quarter 2016.

The economic security of the given branch was affected with following internal and external factors:

- Russian economy and the strengthening of the crisis. As a result of international political conflict, and who appeared it the economic downturn led to a devaluation of the ruble, rising prices for building materials, energy, etc. As a result, the real incomes of the population decreased in 2014-2015, decreased consumer spending on the purchase of real estate, the volume of housing construction decreased, decreased profits of construction companies.
- Inflation. As a result of rising prices, increased cost of construction companies reduced real incomes decreased consumer demand for housing, reduced investment in

construction, and reduced volume of housing construction. The economic downturn led to a decline in housing construction over the past two years, which is an important factor in the economic security of the Russian construction industry.

- Reduction in the federal budget. In connection with the economic crisis and the increase in military spending, reduced federal spending on housing support programmers. Resulting in reduced investment programs in construction.
- Devaluation. Depreciation of national currency has led to significant rise in price of the import materials used in construction.

The following internal factors:

- Investments. Investments into construction one of the major tools of progress of the given branch of economy, and without essential monetary injections in branch, will not be economic growth of this economic field of activity.
- Depreciation of fixed assets. Without renewal and disposal of fixed assets in the construction sector will become obsolete equipment which is involved in construction, it will lead to the degradation and decline in the industry.
- Unemployment rate. With the increase in unemployment in the country, increasing social instability, reduced consumer demand, reduced consumer demand, resulting in reduced production and housing construction. In September, 2015 the rate of unemployment has made 5, 2 %. This parameter is at a safe level for an economic security of building branch.
- Growth of actual incomes of the population. With growth of inflation in the country, and without appreciable indexation of the salary of citizens, actual incomes fall, that conducts to reduction of consumer expenses on purchase of building production. In Russia in 2015 actual incomes of the population were reduced to 1 % in comparison with 2014, as well as consumer expenses were cut down, that directly threatens an economic security in area of the building industry.

## Conclusion

As we can see, the main objective to overcome the economic crisis and thus prevent threats to economic security in the Russian construction industry is necessary to create conditions for the growth of supply and demand in the housing market. For this purpose it is necessary: maintenance of conformity of 100 % of habitation to the European standards; realization of actions and programs (subroutines) on deducing emergency and decrepit habitation from an existing available housing; development and acceptance of documents of territorial planning, rules of land tenure and building.

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