

PROBLEMS OF REGULATION OF INFLATIONARY PROCESSES IN UKRAINE

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The relevance of the chosen research topic is caused by the fact that inflation is a complex phenomenon of socio-economic nature. Today it is impossible to completely eliminate the causes of inflation; therefore, it is often necessary to overcome its consequences. To do this, in the world economic practice special methods are developed aimed at smoothing the consequences of inflation or at forecasting, prevention of negative trends in the development of inflationary processes.

The present is very closely connected with the inflation, which is growing rapidly every day, so now more than ever we need to analyze all the inflationary processes. The article shows how inflation was in its infancy and what factors accompanied it to the present day.

The analysis of inflationary processes in Ukraine since its independence is conducted. Also the causes of inflation are identified, for example, such as too much money amount in the national circulation stored on deposit accounts compared

with the level of production of goods. The Central Bank is trying to create conditions under which credit and money will not grow too quickly, which often leads to inflation. Objectives of the monetary policy in creating balance (money and credit) are able to prevent recession in the national economy. In a situation of rising inflation, the country often reduces its costs, while reducing the amount of money in the state economy. In order to combat inflation, the government can raise taxes, which will lead to a reduction of income and demand for goods and services. Such a measure is not popular because the main weapon of war with inflation is the monetary policy.

The study determined that the rate of inflation and growth rate is an important economic contributor to the state economy. This indicator has a direct relationship to the situation in the exchange market. This figure has a direct relation to the situation in the foreign exchange market and its participants, who are closely watching its rates and actively respond to them.