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THE MONETARY POLICY OF UKRAINE AND ITS BASIC FEATURES IN RELATION TO FINANCIAL CRISIS

According to the Law of Ukraine «About the National Bank of Ukraine», the main subject of the development and realization of the monetary policy is considered to be the National Bank. The competence of the last one includes the formation of general directions of the monetary policy, the determination of concrete methods of its realization and the development of the appropriate normative base.

The article 5 of the Law «About the National Bank of Ukraine» says, that the basic economic methods of the monetary policy are the determination and regulation of the normatives of obligatory reserves for business banks and financial establishments; the regulation of the interest (discount) rate; the refunding of business banks; the realization of operations on the open market; management of gold-value reserves and the regulation of import and export of capital, which have to be directed, first of all, at the regulation of volume of a money supply in circulation.

Besides, at the article 6 of the Law «About the National Bank of Ukraine» is determined, that the main function of the National Bank is considered to be the maintenance of a stability of a national monetary unit. In that connection we would like to admit, that the process of devaluation of the national currency in 2000 was considerably slowed down, compared to the previous years. Such tendency is also

shown now, but anyway we remember negative processes have been taken place during the first and second waves of the global financial crisis of 2008-2009.

It is important to note rather financial calmness which has been observed at the internal exchange market since 2010. This calmness should be connected with the rational introduction of management against crisis tools led to the improvement of economical condition of Ukraine in the short run nowadays.

Even though the necessary recapitalization of the banking system in the Ukraine seems to be manageable in the short run (either with the help of the parent banks or with the help of the IMF), getting the foreign exchange problem under control seems to be crucial for fighting the banking crisis in the long run and for avoiding a similar crisis in the future. In this respect, also the framework for domestic financial markets needs strengthening, including a reform of banking supervision and legislation.

So, the crisis in Ukraine also offers chances. An innovative strategy would not only allow to overcome the stage crisis but also to minimize the duration of the cycle crisis. Such a strategy would require besides the strengthening of market mechanisms also stipulating infrastructure investments and the acceleration of scientific and technical progress.

We'd like to admit, that since 2000 the National Bank has been carrying out the interest rates' policy more effectively, in comparison to the previous years. It is necessary to mention, that according to the market conjuncture, with the decrease of the interest (discount) rate the cash balances and alternative forms of money, keeping in securities, should be increased, however in Ukrainian practice it does not work.

The reduction of volume of money resources through the capital market (in the case of reduction of the interest rates) can take place because of many reasons: owing to unattractiveness, instability and not prospects of the national market of capitals; owing to the absence of a free competitiveness in the financial market between its components - the market of money, capitals and securities, and also it can be to connected with the reduction of a general level of the incomes of the population, at which the indifference

to parameters of a conjuncture of the money market becomes the norm of behaviour of the subjects of the economic relations.

The positive moment in the solution of the problems taking place in the monetary market of Ukraine is considered to be the adoption of the Law «About Banks and Banking», which considerably expands the opportunities of management of the Ukrainian banking. This Law is more progressive, compared to the old one, because it considers the Law of Ukraine «About the National Bank of Ukraine», other laws of Ukraine, and also it takes in consideration the international standards of regulation and control of banking.

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