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ЛІНГВІСТИЧНИЙ НАВЧАЛЬНО-МЕТОДИЧНИЙ ЦЕНТР

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НАУКОВО-ПРАКТИЧНОЇ КОНФЕРЕНЦІЇ
СТУДЕНТІВ АСПІРАНТІВ ТА ВИКЛАДАЧІВ
ЛІНГВІСТИЧНОГО НАВЧАЛЬНО-МЕТОДИЧНОГО
ЦЕНТРУ КАФЕДРИ ІНОЗЕМНИХ МОВ**

“TO MAKE THE WORLD SMARTER AND SAFER”

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THE ECONOMIC CRISIS IMPACT ON THE EXCHANGE CURRENCY RATE IN UKRAINE

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The exchange rate is a standard price at which one currency is converted into another. In fact, its meaning is more important. Due to the fact that it is formed under the influence of a very large number of factors beginning from economic and political and up to psychological, the exchange rate is a kind of barometer that reveals the state of a country compared to other countries and acts as the link between national and world economies.

The main factor that affects the exchange rate is the state of balance of payments. If it is active, then the exchange rate rises and, conversely, if the country's balance of payments is passive on the world market, it means that its currency costs exceed revenues from abroad for some period. Under these conditions the proposal of the country's currency in world markets is growing and when it exceeds demand, its rate decreases. This process is called devaluation and is important for Ukraine.

In 2014 devaluation of the hryvnia was more than 100% because of many factors. Such a sharp decrease in the national currency in Ukraine's history had not ever been before. The value of a dollar compared to hryvnia rose to 23.6 in November 2015. Some researchers think that such situation was caused by a political crisis that is still not resolved in Ukraine. However, it can't be argued, because not only hryvnia but also other foreign currencies devalue.

For example, the devaluation of Australian dollar was 34.07% in November 2015 and Swedish krona devalued on 27.78% if compared to the beginning of 2013. But Ukraine and Russia have leading positions with these indicators. The devaluation of Ukrainian national currency was 189.36% and it is of Russian ruble was 108.64% respectively in November 2015 compared to January 2013.

There are a number of reasons of sharp hryvnia depreciation in 2015:
- the decrease of Ukrainian golden and foreign exchange reserves in 2015 almost doubled if compared to 2013;

- a deep crisis in all spheres of life;
- speculative actions of commercial banks. There were 18% of banks involved in hryvnia debt to the NBU for example.
- lack of the information concerning the policy of the National Bank of Ukraine;
- constant state of panic of all Ukrainian population. Its excessive demand for foreign currency has contributed to the decline of hryvnia if compared to US dollar.

Sharp collapse of hryvnia which is speculative to some extent is inevitable, because a number of factors limit the possibility of increasing the supply of foreign currency on the foreign exchange market of Ukraine, including the critical reduction of international reserves, the decline of foreign currency from exports and investments and political instability in the country. The main ways which can help to stabilize Ukrainian foreign exchange market are as follows: to strengthen exchange control and increase demand for hryvnia.

Objectively, it is necessary to state currency regulation. The following measures can help to get out of the crisis and stabilize the exchange rate:

- definition of limit profit margins on transactions conducted in the foreign exchange market;
- increasing control of imported services;
- intensive verification of residents` payments for export contracts in foreign currency obligations;
- intensive verification of non-residents` payments in foreign currency state obligations.

To reduce devaluation Ukrainian government and Ukrainian National Bank should solve global economic, political and financial problems.