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## THE WORLD ECONOMIC CRISIS “EPIDEMIC”

Today the entire world is embraced by economical crisis, which has seriously influenced practically all vital spheres. Undoubtedly, it comes from the USA. The reasons of the crisis can be classified as follows:

- European currency “EURO” became a real competitor to the American currency “Dollar”. When euro appeared it had almost crushed the golden period of dollar monopoly presence;
- USA external expenses have increased especially due to the arms. According to some experts’ opinion, arms expenses in Iraq have exceeded 2,5 trillion dollars, which is about half a trillion annually;
- American industry level fell in comparison with other states. The volume of American participation in world trading has reduced. While earlier America dominated over 40 % all world trading volume, now it has reduced to 20 %;
- other factors, which affected it, became bankruptcy of insurance and mortgage companies caused by high interest, accommodation credits in particular. Thus more than 3 millions of Americans use these credits.

Actually the American economy suffers real economic crisis now, but not an imaginary one. The forecast is that crisis will cause a great stagnation worldwide even more dangerous than the one occurred in 20ies of the last century.

Beside the fact, that financial crisis in USA caused serious difficulties within the country, it has also influenced the world economy and caused world economic crisis.

There is no practically either one country in Europe not infected by crisis by the moment. The reason is that Euro Union economy is tightly connected with the financial system of the USA, first of all due to the dollar dependence.

Ireland was the first one to suffer from crisis. The thing is that Ireland is the European off-shore zone with the exemption taxing. When crisis came, there started money outflow from Ireland, which caused Ireland economy crashing.

There was a wave of recessions in Europe after Ireland. The production and personnel reducing started. Automobile and construction spheres were also reduced. Banks suffered bankruptcy. Great Britain has nationalized the largest banks of the country because of the financial crisis. For instance, Great Britain’s GDP was reduced for 1,5 % during the fourth quarter of 2009 due to the world financial crisis. Judging by the GDP reducing indexes of other European countries, the economy is in deep recession now.

Ukraine was also infected by the world’s crisis following Europe. Ukraine has probably suffered from the world’s financial crisis most of all. It happened due to the fact that the country has dollarized economy since 1990 as well as the significant involvement in globalization processes of world economical and

financial systems, which is supposed to take all the events of outer world to the domestic economy, both positive and negative ones.

According to the UNO experts' data, Ukraine is the head-liner in the list of countries that are supposed to have a default in 2009.

Economical crisis in Ukraine can be characterized by the following factors:

- external debt increase (which especially concerns private banks and corporations) up to 100 billion USA dollars by the half of 2008. The state debt has increased from 7,6 % of GDP in 2007 to 13,1 % in 2008;
- according to the official data the level of unemployment in Ukraine will be 9 % in 2009. Thus, according to the majority of experts' forecasts, it will be 25 % of inhabitants, able to work which comes to 5 million people;
- hryvna's devaluation for 4 months has depreciated country's currency for more than twice regarding USA dollar. In December 2008 it was more than 10 hryvnas per dollar, while in August of the same year, before the crisis started, it's cost was 4,5 hryvnas;
- bond gaining at the debt market, which is calculated as the difference between the margin of securities of any country and American exchequer bonds, in 2008 for Ukrainian bonds came to the record 27,38 percent points. During 4 months this index has three times increased;
- massive capital export from Ukraine caused financial support of affiliated companies break up;
- panic at the financial market caused the mass get down of resources from the accounts, which in turn caused the threat of banks' bankruptcy.

As far as the crisis became a global problem today, the scientists all over the world work out the ways to overcome it. It's impossible to propose the common anti crisis way, because it's individual for each country.

For Ukraine it is first of all regaining of the bank system activity, returning the investors' trust. Holding the state protection policy will give the opportunity to improve trade national currency dependence from dollar as well as making balance and the level of employment. It is also minimizing stabilization foundation. It is also necessary to reduce state expenses (of state and local authorities). We can't help mentioning that the crisis is escalated by political instability of the country. The main clause of the way out from crisis is consolidating all political forces on the way of its getting over.