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KEY INDICATORS OF THE FINANCIAL STABILITY OF THE NATIONAL ECONOMY IN THE CONDITIONS OF EXTERNAL THREATS

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The current state, trends in the development of the world economy and the financial system indicate an increase in the risks of the emergence and development of crisis phenomena. Despite the rapid pace of digitization of production processes, strengthening of their cyber protection, digitization of life, etc., with the onset of unpredictable events of a macroeconomic nature, it becomes obvious to ensure the financial stability of the economy. Existing and possible threats of internal and external origin temper the national economy enable the country to minimize the negative impact of shocks and show steadily growing economic dynamics in the future.

In fact, the financial security of the country should be determined by the result of very real calculation processes, taking into account the actions caused by the conflict of interests: the debt burden artificially imposed on the state; a loan obtained on the basis of false information, which no one is going to return; claim for payment of insurance compensation for a falsified insurance case, etc. [1].

The negative effects of existing internal and external problems are primarily accompanied by an unexpected rise in prices and the beginning of inflationary processes, the regulation of which becomes a long process for the country's government. In Ukraine, with the beginning of the armed conflict, at the end of 2022, inflation reached 26.6 %, which required the government to act quickly to stabilize prices. Therefore, it was confirmed by

a decrease in price growth due to the introduction of a set of measures to ensure exchange rate stability, a sufficient domestic supply of food products and fuel, a decrease in world prices on commodity markets, as well as a quick adaptation of business to the new challenges of the war. In addition, at the end of 2023, consumer inflation slowed to 5.1 % in annual terms thanks to strong food supply, easing pressure on business spending and maintaining exchange rate stability [2]. However, one should take into account the fact that the destruction of infrastructure leaves risks of high inflationary pressure.

In 2023, the National Bank of Ukraine switched to managed exchange rate flexibility, replacing the floating exchange rate regime. With the help of such a financial instrument, the exchange rate is smoothed out, which eliminates the structural deficit of foreign currency in the middle of the country. The central bank also controls significant exchange rate fluctuations, preventing both a significant weakening of the hryvnia and a significant strengthening of it. The conditions for setting the rate of sale and purchase of currency in the cash segment of the market do not change and will continue to be determined by demand and supply on it. Managed flexibility of the official exchange rate should become an important prerequisite for a return to inflation targeting with a floating exchange rate in the medium term, which is possible only with the formation of appropriate preconditions, including an increase in the ability of the foreign exchange market to balance against the background of a decrease in the presence of the central bank in the market.

As a result of the interventions of the National Bank of Ukraine to sell foreign currency to cover the difference between supply and demand on the foreign exchange market, which were largely compensated by receipts from international partners, the volume of the country's international reserves in 2023 showed an increase of 42 % compared to the difficult 2022. Thus, as of January 1, 2024, international reserves amounted to USD 40,507.9 million [3].

International financial support remains one of the key tools for securing the national economy from threats caused by war. In 2023, the general fund of the state budget of Ukraine received USD 58 billion. Of these revenues, the amount of aid from international partners amounted to USD 42.479 billion, and 27 % of these funds are grant funding, which is especially important for the state during the period of russian aggression [4]. It remains relevant to adopt a set of decisions that would make it possible to use the received resources as effectively as possible to minimize the risks associated with external threats and to direct them to programs for the restoration and reconstruction of the state.

Unfortunately, along with many positive indicators of the financial stability of the national economy, the amount of public debt is constantly growing. As of December 31, 2023, the state and state-guaranteed debt of Ukraine amounted to USD 145.32 billion, including: state and state-guaranteed external debt USD 101.70 billion (69.99 %) [5]. In addition, almost a third of the state's debt does not pose a threat, because it is domestic state loan bonds, most of which are owned by the NBU. The government sells these securities to banks, insurance companies, non-state pension funds and all those willing to invest in the state. Financial instability as a phenomenon reflects the deviation of the country's financial system from a state of dynamic equilibrium under the destructive influence of internal and external factors, which leads to a decrease in the effectiveness of the functions assigned to it and inhibition of economic activity. The actions of the Ukrainian government in overcoming the consequences of external threats and securing the future showed effective work in the direction of ensuring the financial capacity of the state budget, curbing inflationary processes, regulating currency fluctuations, confirming the trust of international partners, etc.

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