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ASSESSING THE IMPACT OF ANTI-INFLATIONARY INSTRUMENTS ON PRICE STABILITY

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Ponomarenko O. O., Lisna I. F., Lesnaya O. S. Assessing the Impact of Anti-Inflationary Instruments on Price Stability

The article analyzes the peculiarities of theoretical-methodological and scientific-applied aspects of the formation of anti-inflationary policy as a component of economic stabilization in the current conditions of economic development. The results of the study show that the category of «anti-inflationary policy» most often appears in the context of the following categories: inflation, politics, governmental regulation, macroeconomic stability and macroeconomic policy. As a result of the decomposition of scientific and methodological approaches to the definition of anti-inflationary policy as an economic category, anti-inflationary policy is considered as a form of macroeconomic policy functionally aimed at regulating inflationary processes. Since achieving economic growth has economic stability at its foundation, anti-inflationary policies should be seen as an integral element of sustainable progress towards transformation, i.e. anti-inflationary policy is a stabilization measure at the macroeconomic level. A retrospective analysis of instruments for achieving price stability shows that the most common and efficient instrument for regulating the exchange rate are currency interventions. Regarding the regulation of consumer prices, it is possible to note the systematic use of currency exchange rate support instruments, a balanced change in prices for tariffs and services which is regulated by the administration.
Keywords: *inflation, anti-inflationary policy, anti-inflationary instruments, economic stabilization, governmental regulation, macroeconomic instability.*
Fig.: *1.* ***Tabl.:*** *3.* ***Bibl.:*** *9.*

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Пономаренко О. О., Лісна І. Ф., Лєсная О. С. Оцінка впливу антиінфляційних інструментів на цінову стабільність

У статті проаналізовано особливості теоретико-методичних і науково-прикладних аспектів формування антиінфляційної політики як складової економічної стабілізації в сучасних умовах розвитку економіки. Результати дослідження свідчать, що категорія «антиінфляційна політика» найчастіше фігурує в контексті таких категорій: інфляція, політика, державне регулювання, макроекономічна стабільність і макроекономічна політика. У результаті декомпозиції науково-методичних підходів до визначення антиінфляційної політики як економічної категорії розглянуто антиінфляційну політику як форму макроекономічної політики, функціонально спрямованої на регуляцію інфляційних процесів. Оскільки досягнення економічного зростання має у фундаменті економічну стабільність, антиінфляційна політика повинна розглядатися як невід'ємний елемент стійкого прогресу на шляху трансформацій, тобто антиінфляційна політика є стабілізаційним заходом на макроекономічному рівні. Ретроспективний аналіз інструментів досягнення цінової стабільності свідчить, що найбільш поширеним і результативним інструментом регуляції обмінного курсу виступають валютні інтервенції. Стосовно регуляції споживчих цін можна відмітити систематичне застосування інструментів підтримки валютного курсу, виважену зміну цін на тарифи та послуги, що регулюються адміністрацією.
Ключові слова: *інфляція, антиінфляційна політика, антиінфляційні інструменти, економічна стабілізація, державне регулювання, макроекономічна нестабільність.*
Рис.: *1.* ***Табл.:*** *3.* ***Бібл.:*** *9.*

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Ensuring stability of the national economy is an integral factor in achieving the strategic goals of Ukraine's socio-economic development. Macroeconomic instability, which is a characteristic feature of the country's economy today, has inflationary roots in its nature. Modernization of current tools and search for new, alternative ones to ensure price stability is even more relevant in the context of the European integration vector of development declared by Ukraine.

Today, inflation is one of the most painful and dangerous processes that negatively affect the financial, monetary and economic system, as a whole. Transitive economies are particularly affected by inflation. Although a number of them have already achieved some stability, they are still quite sensitive to external stimuli. It is known that it is almost impossible to completely eradicate inflation in market conditions, and therefore we can only talk about anti-inflationary policy, which is only real if we have a clear idea of inflation properties of transformation economy and methods of overcoming its negative impact on economy.

Modern economic theory has several views on the nature and main factors of inflation. The vast majority of them are views on this phenomenon as one associated with monetary causes. Some economists believe that tight monetary regulation can solve this problem of the transition period (O. Galchynsky, V. Litvytsky, O. Ryaboshlyk). That is why the instruments of state anti-inflationary influence include monetary measures related to limiting the growth of money supply [1]. The issue of the need for anti-inflationary state regulation of market economy is being researched by other Ukrainian economists (V. Geets, M. Dolishniy, I. Mykhasyuk, M. Pavlyshenko). The development of anti-inflationary policy in Ukraine's economic system and its features are studied by O. Baranovsky, J. Zhalilo, O. Melnyk and other scientists [2].

Thus, the issue of forming an appropriate anti-inflationary policy that can fully meet the challenges of today is still to be analyzed by scientists. Thus, taking into account anti-inflation policy, current trends in the Ukrainian economy, and research, it is logical to focus on the formation of really effective principles of anti-inflation policy that can stabilize the key economic indicators.

The *purpose* of our research is to identify and analyze the peculiarities of theoretical, methodological, scientific and applied aspects of anti-inflationary policy as a component of economic stabilization in modern conditions of economic development.

Previous research shows that the category of "anti-inflationary policy" most often appears in the context of the following categories: inflation, policy, government regulation, macroeconomic stability and macroeconomic policy (*Fig. 1*). So, to get a full picture of the essence of the "anti-inflation policy" category and its scope, we will briefly dwell on the given categories.

Taking into account these realities at the theoretical stage, first of all, it is necessary to specify the content of the "inflation" category (*Tbl. 1*).

So, there are many meanings of inflation, but all of them have one thing in common, namely money depreciation. In each country, inflationary processes have their own nature, their own characteristics and their own factors of origin, therefore, certain anti-inflationary tools will have different degrees of effectiveness based on the prerequisites for implementation in each country.

Since the causes and consequences of inflation have an impact on the overall economic balance, it is advisable to determine the essence of the "policy" category, in general, which in turn will be a fruitful basis for further concretization of the essence of economic policy.

The "policy" category is quite common in scientific discourse. Studies featuring this category raise a wide range of issues . Although the category is common, there is no consensus as for its nature among scholars. Here are some of the most common definitions:

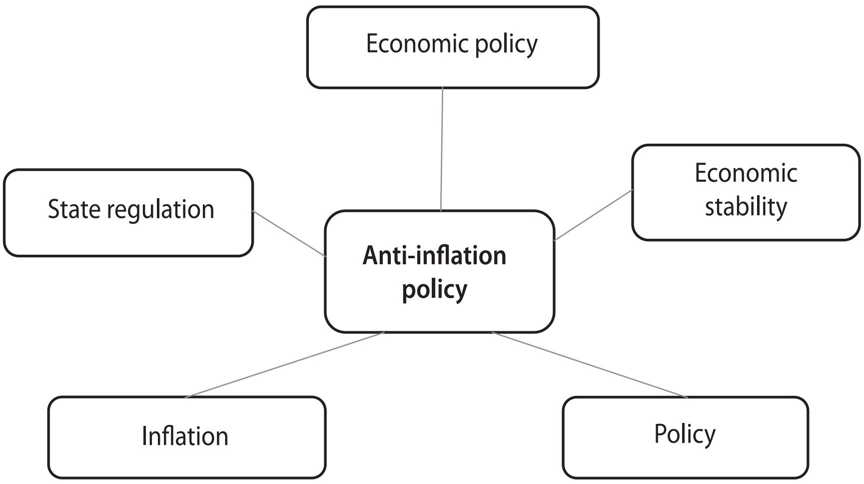

Fig. 1. The most common contexts of using the "anti-inflation policy" category

Source: compiled by the author [2; 8].

Table 1

Definition of the "inflation" category by source of origin

No.	Source	Definition
1	Oxford Dictionaries	Inflation is a general increase in prices and a fall in the purchasing power of money.
2	The Bank of Canada	Inflation is a constant rise in prices over a long period of time, the average cost of goods and services in the "subsistence level"
3	The World Bank	Inflation is the annual percentage change in the cost of purchasing a consumer basket and services that can be fixed or changed, for example annually
4	IMF	Inflation is the rate of increase in prices over time
5	A. Andryuschenkov	Inflation is the depreciation of money caused by imbalances in social production and violations of money circulation laws, which is manifested in the steady rise in prices for goods and services
6	V. Bazilevich	Inflation is a steady and significant increase in the price level, which arose due to the fact that a significant part of money supply was not provided with economic goods
7	P. Krush	Inflation is a socio-economic phenomenon caused by disparities in production in various areas of market economy
8	I. Mikhailovska	Inflation is the depreciation of money due to the excessive growth of its mass in circulation
9	NBU	Inflation is a long-term increase in the general price level, which reflects a decrease in the purchasing power of currency
10	V. Pinztnyk	Inflation is a process of rising consumer prices for food and non-food commodities and services
11	O. Petryk	Inflation is not only a reduction in the purchasing power of money, but also an undermining of the capacity of economic regulation

Source: compiled by the [1–5].

- politics is a sphere of relationships between different social groups and individuals in their use of public institutions to realize their socially significant interests and needs; social science that studies political institutions, principles and behavior of government;
- policy is a plan or "course of action adopted and followed by a government, a leader, a political party, etc."; a certain course of action, chosen for the sake of profitability, convenience, etc.

Thus, the economic policy of a state means the activities of public authorities, which are determined by the strategic and tactical goals and interests of the state in the economic sphere. It is in this context that the term "public policy", in general or its particular direction is understood: foreign, domestic, economic, social, cultural, and so on. The terms "program" and "strategy" are similar in meaning (but not synonymous) [1; 2].

As it was mentioned above, public policy is implemented at different levels, depending on the direction of its application and the key goal. The general scientific approach to determining the features of economic policy is the one defining macroeconomic policy as the activity of the state to implement economic development using appropriate tools. The country's economy as a whole is the object of macroeconomic policy. Economic theory sees the final effect of implementing economic policy in the real GDP growth and maintenance of acceptable inflation and unemployment levels by controlling money supply, interest rates, exchange rates, budget deficits, etc.

From the functional viewpoint, economic policy can take the following forms:

- anti-inflation policy;
- investment policy;
- financial policy;
- budget policy;
- foreign trade policy;
- open economy policy;
- income policy, etc. [1].

Economic policy takes two key forms of manifestation, i.e. stabilization policy and economic growth policy. The first aims at restoring real output for it to reach potential GDP and provide moderate inflation, and combines production and financial stabilization. Economic growth policy is a state activity aimed at increasing the potential GDP level and maintaining moderate inflation.

The leading role in economic stabilization is taken by state regulation. First of all, it is a regulatory policy that directly affects economic growth.

In economics, a certain universal understanding of the essence of state regulation has been formed, despite the variety of approaches to its content. On carrying out analysis of publications on the issue, we can conclude that state regulation is a motivational practice of a regulatory nature, aimed at achieving clearly defined goals of national importance.

The following functions of the state regulation of economy are suggested in research works:

- *target function,* i. e. determining goals, priorities and main directions of national economy development;
- *stimulating function,* i. e. creating regulators that can effectively influence the activities of economic entities and push economic processes in the direction desired by society;
- *normative function,* i. e. establishing certain "rules of the game" for economic entities in legislative acts by the corresponding state bodies-establishes;
- *corrective function*, i. e. adjusting the distribution of resources in the economy in order to give rise to ground-breaking processes, to eliminate negative externalities, etc.;
- *social function,* i. e. state regulation of socio-economic relations, redistribution of income, providing social protection and social guarantees, environmental protection, direct management of the non-market sector – (public sector regulation, creation of public goods);
- *controlling function,* i. e. state supervision and control over the implementation of certain established "rules of the game", providing economic, environmental, and social standards [2; 3].

Since the main task of economic regulation is to achieve equilibrium in an economic system that includes stable prices, natural employment and national production levels, anti-inflationary policies pursued by the government and the Central Bank are an integral part of macroeconomic regulation.

Anti-inflation policy can not only be seen as part of stabilization measures at the macroeconomic level, directly aimed at preventing high inflation and managing it at a level which would not threaten the stability of an economic system, but also as a factor that may indirectly affect macroeconomic stability or weaken confidence in and effectiveness of anti-inflationary measures. It is a consistent anti-inflationary policy that strengthens the confidence of economic agents in the actions of the country's government and Central Bank, makes their expectations more rational and generally creates a more favorable environment for macroeconomic stabilization and long-term economic growth [7; 8].

Research publications state that to express the meaning of opposition or denial, the most popular word-forming pattern is using the prefix "anti-". Thus, the word "anti-inflationary" can be interpreted as "counterproductive, opposite to inflation". *Tbl. 2* provides definitions of the "anti-inflationary policy" category which confirms the hypothesis that the category is used both in the context of policy and that of stabilization and government regulation.

Having analyzed the existing scientific and methodological approaches to defining the "anti-inflationary policy" category, we can conclude that considerable attention is given to issues of anti-inflationary policy. For the most part, the papers analyzed define anti-inflationary policy in order to obtain further concrete empirical results, and less often to look at it from a purely theoretical viewpoint.

Thus, having some idea of the categories that most often correlate with anti-inflationary policy and focusing on the definitions proposed in research papers, we can say that the most common approaches to its definition are the following : complex; target; systemic.

From our point of view, a comprehensive approach to definitions is the easiest and the most successful way to understand the terms. The main idea underlying the definition is the need to use anti-inflation policy instruments to regulate inflation. We consider it inappropriate to use the phrase "fight against inflation" based on the essence, forms and causes of inflation. Depending on the quantitative characteristics of inflation (inflation index), the state, as a regulator, uses appropriate tools, and they are not always aimed at influencing this indicator. In the case of an acceptable inflation index, regulation is limited to measures to maintain the appropriate level of the index, which cannot be equated with the concept of "fight".

Summarizing the above, the following statements can be applied to anti-inflation policy:

- anti-inflation policy is a macroeconomic policy functionally aimed at regulating inflation;
- in Ukraine, anti-inflation policy is a stabilizing measure at the macroeconomic level.

As economic growth is based on economic stability, anti-inflationary policies must be considered as an integral part of sustainable progress along the way of transformations.

Ensuring stability for national economy is considered as one of the main factors in achieving the strategic goals of Ukraine's socio-economic development. Stability is the capacity of a system to function without changing its own structure, to be in a state of equilibrium and balance. This state must remain unchanged over time [3].

The general purpose of creating and using price regulation is to achieve and maintain price stability, which is interpreted as the balance of markets for individual goods and product groups at a micro level, forecasted changes in intersectoral cost proportions of production at mesolevel, moderate inflation at a macrolevel and approximation of domestic prices at a metalevel.

The transformation of a centralized planning economy into a market one goes hand in hand with diminishing the state's role in pricing processes, transiting regulation from the direct form to, mostly, indirect ones, and changing administrative influence methods for mostly economic ones. The direct impact on prices is observed, when the quantitative value of the regulator directly de-

Table 2

Approaches to defining the "anti-inflation policy" category

Author(-s)	Definition	Key terms	Approach
M. Lizun, N. Komar	A set of measures and actions in the economy that curb inflationary price increases.	A set of measures and actions	Complex
T. Novashina	Socio-economic policy of the state is aimed at normalizing the functioning of the national monetary system, preserving the purchasing power of the national currency	State policy	Target
E. Mariganova	The policy is aimed at reducing inflation to acceptable levels, managing inflation to prevent negative consequences and hyperinflation	The goal is to reduce inflation	Target
V. Sukhan	Part of the stabilization measures taken at the macroeconomic level, which are directly aimed at preventing high rates of inflation and managing it at a level that does not threaten the stability of economic system	Part of stabilization measures	Target
P. Krush	A set of measures within the state regulation of economy aimed at combating inflation	A set of measures and actions	Complex
O. Melnik	An integrated concept based on elements that are designed to neutralize the influence of key inflation factors	An integrated concept	Systemic
Yu. Sklyarova	A set of measures within the state regulation of economy aimed at combating inflation	A set of actions	Complex

Source: compiled by the [1–4; 7].

termines the size of the price structure elements and the price level, as a whole. This impact on prices is made by indirect taxation, subsidies on production, the cost of credit and services of financial institutions. Indirect impact on prices takes place through changes in the income of economic entities and, as a consequence, fluctuations in aggregate demand for goods. A similar effect is provided by dynamic regulatory means, whose final object is the general level of prices. These include direct taxes, government transfers, money supply and exchange rate.

The National Bank of Ukraine contributes to price stability within its powers in accordance with Article 6 of the Law of Ukraine "On the National Bank of Ukraine" [3]. Ensuring stability of Ukrainian currency is the main function of the National Bank of Ukraine in accordance with Article 99 of the Constitution of Ukraine. In its glossary of banking terminology, the NBU interprets price stability as maintaining the purchasing power of the national currency by keeping inflation rate at a low and stable level in the medium term (from 3 to 5 years), while inflation rate is measured by the consumer price index. Thus, the focus group indicators taken in the context of a retrospective analysis of price stability in Ukraine include the following ones: the exchange rate of hryvnia to the US dollar, and the consumer price index. The proposed analysis is aimed at identifying periods of using anti-inflationary policy tools that took place in Ukraine's macroeconomic policy at one time or another, and at providing theoretical generalization of this process. The theory of anti-inflationary regulation has in its arsenal a number of tools designed to promote price stability in Ukraine. Taking information contained in the annual report of the NBU as a basis for analysis, we will briefly dwell on the features and prerequisites for achieving price stability in each year since 2001.

The main tools for regulating the hryvnia exchange rate in 2001 were interventions to buy and sell currency in the interbank market, and the improvement of the currency regulation system contributed to ensuring stability. The NBU actions were also focused on ensuring the stability of the hryvnia exchange rate together with a gradual and acceptable revaluation of hryvnia. In the foreign exchange market, the NBU mainly conducted transactions to purchase foreign currency, using this tool to maintain a stable hryvnia exchange rate.

The external stability of hryvnia in 2002 was ensured by the growth of gold reserves and increase in foreign currency earnings in the foreign currency market of Ukraine. The decline in consumer prices took place due to a significant drop in food prices because of a good harvest, exchange rate stability and, accordingly, lower inflation expectations, tighter fiscal policy, and a consolidated budget surplus.

Price stability in 2003 was ensured by policies aimed to maintain the pegging of the national currency to the US dollar. At the same time, the negative impact on price stability was caused by the rise in prices for administratively regulated services, in particular, the reduction of the gap between the existing tariffs and the cost of the services. Among other things, prices for higher education and healthcare services also rose over the year in question. Taking into account the macroeconomic dynamics and its impact on the national currency stability, the NBU could not but use some instruments and mechanisms to influence the financial market. Additional monetary stimuli were used because of the slowdown in economic growth and the presence of deflationary processes.

The year 2004 was marked by using regulatory instruments to curb inflation. The policy was also aimed at maintaining the stability of the hryvnia exchange rate against the US dollar in order to avoid its significant fluctuations, and maintain a sufficient level of international reserves of the NBU through currency interventions (i. e., regulation of both supply and demand).

Price stability in 2005 was facilitated by the NBU's prudent monetary and exchange rate policies, namely, limiting the inflow of speculative capital and reducing inflationary pressure. Adherence to the benchmarks regarding the consumer price index (CPI) and the hryvnia exchange rate against the US dollar was ensured by increase in direct investment from privatization, and increase in export earnings.

Raising tariffs for the population caused by growing energy costs (utilities and passenger transport services) jeopardized price stability and became a major factor in accelerating inflation in 2006. Selling currency in the interbank market became the main tool for neutralizing the situation. In general, the instruments used by the NBU can be described as deterrent, especially in terms of inflation and deflation expectations.

In contrast to the previous year, when growing gas prices for the economy, and growing tariffs for the population became the main factors accelerating inflation, in 2007 the biggest impact on inflation was made by the growth in food prices caused by adverse weather conditions and negative expectations for the new harvest. Based on these facts, the NBU used tools to ensure stability in the money market, as well as to maintain confidence in Ukrainian currency and banking system, to provide stability of the hryvnia exchange rate against the US dollar.

The variability of macroeconomic conditions in 2008 contributed to the flexibility and efficiency of the NBU policy. The anti-inflationary orientation of monetary policy became an important basis for counteracting the crisis. Against the background of the deepening global economic crisis, a deficit of foreign currency in the domestic market appeared.

The main factors slowing down the CPI growth in 2009 were the following: decrease in both the external and domestic demand; stabilization of the hryvnia exchange rate against foreign currencies in the second half of the year. High grain yield became an additional factor in curbing inflationary pressure. However, fiscal policy contributed to rising inflation due to the accelerated growth of state budget expenditures compared to revenues. The reduction in budget expenditures curbed consumer inflation. The difficult situation in the economy required the NBU to provide adequate flexibility in conducting monetary policy and prompt response to processes taking place at the macroeconomic level and in the fiscal sphere through the prudent use of monetary instruments and mechanisms.

Responding to the general economic situation in 2010, the NBU changed the very nature of its regulatory operations. To ensure price stability, it used soft monetary policy measures to reduce the size of resource mobilization, and lower interest rates.

Since 2011, the nature of monetary policy has been changing towards tougher measures that have helped slow down consumer inflation and maintain the predicted situation in the foreign exchange market. At the same time, the share of growth was present due to the increase in housing and utility tariffs. Balanced monetary policy has helped reduce core inflation.

The slowdown in core inflation and moderate growth in prices for goods regulated by the administration stabilized inflation in 2012. Oil prices stabilization in world markets also had a positive effect. Maintaining a low-inflation environment within the framework of monetary policy contributed to keeping the value of household savings and gaining price advantages in the foreign trade arena.

Price stabilization in 2013 was due to both external and internal factors. A balanced monetary policy providing adequate parameters of money supply remained a key tool in this process. Prices and tariffs regulated by the administration experienced a slow growth. The slow CPI dynamics contributed to economic development.

In order to curb the inflation and devaluation processes that accompanied the beginning of economic reforms and were intensified due to the panic among economic agents, in the following years the NBU aimed its interest rate policy at increasing the domestic value of hryvnia. During the 2014–2019 period the NBU conducted foreign exchange auctions and targeted interventions to fill banks with foreign currency and meet the needs of bank customers, in order to stabilize the situation in the foreign exchange market, smooth excessive exchange rate fluctuations, and calm the excitement..

Thus, based on the annual reports of the NBU on tools used to achieve or maintain price stability, we have come to conclusion that the most common and effective tool for regulating the exchange rate (ER) is foreign exchange intervention. Regarding the consumer prices regulation, we can note the systematic use of instruments to support the exchange rate, a balanced change in tariffs and prices for services regulated by the administration (*Tbl. 3*).

Performing its main function, the NBU prioritizes achieving and maintaining price stability in the country. The main ways ensuring the achievement of this function by the NBU include such methods of monetary policy

Table 3

Historical retrospective of using ER and CPI regulatory tools to achieve price stability in Ukraine in 2001–2020

Year	ER/CPI	Tool/Instrument
2001	ER	Interventions to buy and sell currency in the interbank market
	CPI	Balanced monetary and exchange rate policy of the National Bank of Ukraine, satisfactory state of public finances, maintaining a positive current account balance and increasing labour productivity
2002	ER	Active policy of foreign exchange interventions
	CPI	Significant increase in industrial output, increase in agricultural production, decrease in the "barterization" of the economy
2003	ER	Implementation of interventions as a tool to ensure price stability
	CPI	Policy of maintaining the peg of the national currency to the US dollar
2004	ER	Active policy of foreign exchange interventions through the redemption of the surplus foreign currency or by increasing its supply at the expense of the official foreign exchange reserves
	CPI	Monetary and exchange rate policy aimed at maintaining the stability of the hryvnia exchange rate against the US dollar
2005	ER	Redemption of significant amounts of foreign exchange earnings
	CPI	Hhryvnia revaluation , maintaining a stable ER, sterilization of the money supply by issuing certificates of deposit, increasing the requirements for banks to create required reserves, raising the discount rate
2006	ER	Adherence to a stable ER, accumulation of international reserves and timely fulfillment of external debt obligations
	CPI	Sale of currency in the interbank market to maintain exchange rate stability
2007	ER	Providing the expected dynamics of the hryvnia exchange rate
	CPI	Tariffs containment through administrative methods, despite the rise in the price of imported gas
2008	ER	Active interventions in the foreign currency sales, maintaining exchange rate trends, promoting national currency stability
	CPI	Ensuring the stable operation and increasing the financial stability of the banking system, tracking inflation risks
2009	ER	Policy to counteract devaluation pressure by conducting foreign exchange interventions, setting the official exchange rate of hryvnia to the US dollar at the level of the weighted average rate of sellers and buyers in the interbank foreign exchange market of Ukraine for the previous business day with a possible deviation constituting ± 2%
	CPI	Reduction of external and domestic demand, stabilization of the hryvnia exchange rate against foreign currencies, reducing negative sentiment in the foreign exchange market
2010	ER	Regular interventions in the foreign currency sales
	CPI	Restrained monetary policy
2011	ER	Liberalization of the situation in the foreign exchange market, measures aimed at preventing sharp exchange rate fluctuations in the interbank foreign exchange market
	CPI	Balanced monetary policy
2012	ER	Stable and consistent exchange rate policy, interventions in both buying and selling
	CPI	Moderate increase in prices for goods regulated by the administration, prudent actions to regulate the money market, e. g. through ensuring an adequate amount of money supply
2013–2014	ER	Foreign exchange interventions
	CPI	Moderate increase in prices for goods regulated by the administration, tariffs stability
2015–2020	ER	Carrying out foreign exchange interventions, mainly foreign exchange transactions
	CPI	Raising prices for goods and services regulated by the administration

Source: compiled by the [2; 3; 5–9].

as: money supply regulation, using methods of exchange rate and inflation targeting [4]. Effective exchange rate regulation is needed to increase the stability and strength of currency.

CONCLUSIONS

Thus, having conducted theoretical generalization of the tools aimed at achieving price stability, we should note that the degree of Ukraine's integration into the world educational space and open economy in general, and the political and geographical characteristics of its foreign trade relations, in particular also influence price stability. At the same time, the tools used cannot totally neutralize the negative impact of externalities.

On carrying out decomposition of scientific and methodological approaches to define anti-inflationary policy as an economic category, we propose to consider anti-inflationary policy as a form of macroeconomic policy functionally aimed at regulating inflation. Anti-inflation policy is a stabilizing measure at the macroeconomic level. As economic growth is based on economic stability, anti-inflationary policy should be considered as an integral part of sustainable progress towards transformation.

A retrospective analysis of the tools aimed at achieving price stability shows that foreign exchange intervention is the most common and effective tool for regulating the exchange rate. Regarding consumer prices regulation, we can note such methods as the systematic use of tools to support the exchange rate, and a balanced change in prices for tariffs and services regulated by Ukraine's administration. ■

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