

Ukraine make up roughly 15% of total GDP and 20% of industrial output. One way in which Ukraine might be able to stop the conflict is by showing how to move forward economically. When Ukraine, under the free trade agreement with the EU, is able to grow economically through increased exports, infrastructural investments and the growth of a domestic market, the conflict regions might decide to join the rest of the country, resisting any outside influences to destabilize the region. This same approach worked in Georgia under Mr. Saakashvili, which increased the country economically, which made conflict zones like Ajaria return to the country and many people from the South Ossetia region to work in Georgia.

Some other risks are largely outside of the control of the Ukrainian government. The main one is the political developments within both the United States and the European Union, where nationalist policies are increasingly being pursued as opposed to international cooperation. However, even when this might continue, there are other international countries, like China and Korea, who would be interested to increase cooperation with Ukraine given its strategic location and large amount of resources.

Thus, economic policy in Ukraine is under the influence of various risks and challenges, but with a sound and balanced approach to its promotion has significant prospects for the restoration and development of the country.

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### **COMPARATIVE ANALYSIS OF THE ALTERNATIVE MEASURES FOR PRICE LEVEL**

Nowadays, world faces many macroeconomics problems, one of which is to ensure low inflation and a stable price level in the economic system. Since price is one of the most important tools for economic regulation, there is a need for its permanent control [1].

Price level shows prices at a certain time, which afterwards allow for the measurement of its changes in time. When prices rise (which means inflation) or falls (deflation), it affects consumer demand for goods, and as a result, leads to changes in production, as well as changes in gross domestic product (GDP) [2].

Price indices are used to monitor changes in price levels over time. There are three main price indices that are regularly calculated and published by government agencies. These three indices differ in the number of products they take into account. The first one is the consumer price index (CPI): it measures the average retail prices paid by consumers for goods and services. This index includes several thousand products grouped in approximately 200 sets of items. These items are selected based on their inclusion in the household consumer's budget. Weight is assigned to each good's price, based on the importance of the good in the budget of the household. As a result, CPI reflects the changes in the cost of living of a typical urban household. CPI is considered to be the most relevant inflation measure in terms of consumers, since it measures the prices of goods and services that are part of their budgets.

The second index is a producer price index (PPI). The items included into this index are those that are commonly used by producers and enterprises and thus include many raw materials and semi-finished products. A change in PPI reflects a change in the cost of production that manufacturers encounter. Since producers may partially or completely modify the cost of consumer products, changes in the PPI indicate future movements in the CPI. Hence, the producer price index can forewarn consumers about future growth in living expenses. [3]

GDP deflator is the widest indicator that characterizes inflationary changes in all prices, so it can be very different from CPI and PPI as it more accurately takes into account the actual structure of personal and industrial consumption. Of course, the consumer price index and the GDP deflator give different characteristics of changes in the price level. This is due to the two significant differences in these indices:

- the GDP deflator reflects changes in prices for all manufactured goods and provided services, and the consumer price index only for those products that are part of the consumer basket;
- the GDP deflator does not reflect changes in prices for imported goods, since import is not part of GDP, but imported goods are part of the consumer basket; therefore, the consumer price index shows changes in prices of imported goods [4].

The two most basic formulas used to calculate price indices are the Laspeyres index and Paasche index. They both have expenses on a specific basket of goods in the current period as nominator and price of the same basket in the basic period as denominator. But the main difference is the quantities used in these baskets costs. Hence the Laspeyres uses a past year as the basic period, whereas the Paasche index uses the current period as the basic period with respect to a future period. The main downside to these indices is the fact that they do not take into account the substitution effects. When the price of some good rises, people tend to consume less of it. Because the Laspeyres index uses basic period quantities, it tends to overestimate inflation by assuming that individuals' income expenses are still distributed in the same way. On the contrary, the Paasche index uses the current period quantities and underestimates inflation [5, 6].

To sum it up, in practice, there is a difference between these indices but not very significant. All three of them reflect the tendency and speed of price changes quite well. Depending on the purpose of the research, one can always chose the index that better corresponds to the task.

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## **ФІНАНСОВІ АСПЕКТИ РОЗВИТКУ НАУКИ В УКРАЇНІ**

Результати науково-технічної діяльності є одним з основних чинників конкурентоспроможності економіки країни, тобто її здатності конкурувати з економіками інших країн [1]. Конкурентоспроможність країни вимірюється за трьома групами факторів: базові, допоміжні та інноваційні. Добре розвинена наукова та інноваційна група факторів визначає успішність і прогресивність країни.

В Україні спостерігається зменшення обсягів фінансування науки, зокрема державного фінансування. Така тенденція може стати перешкодою на інноваційному шляху розвитку, оскільки належний рівень фінансування науки є одним із найважливіших аспектів розвитку інноваційної діяльності.