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РОЗВИТОК ІНТЕРНЕТ-МАРКЕТИНГУ В УКРАЇНІ

Статтю присвячено аналізу розвитку інтернет-маркетингу в Україні, зокрема досліджується його історія, оцінюються сучасні світові тенденції і статистичні дані, пов'язані з поточним станом ринку в Україні. Наведено та проаналізовано найбільш популярні інструменти інтернет-маркетингу національного ринку. Стаття започатковує поле для дискусій щодо майбутнього розвитку об'єкта дослідження, а також пропонує авторське бачення подальшої ролі інтернет-маркетингу для розвитку бізнесу в глобальному середовищі.

Ключові слова: інтернет-маркетинг, онлайн-реклама, веб-маркетинг, ринок реклами в Україні.

K. Vasylieva

RISKS OF IMPLEMENTING INFLATION TARGETING IN UKRAINE

The concept of "inflation targeting" is investigated. The potential risks of implementationinflation targeting in Ukraine, their background and possible ways to overcome them is determined and analyzed.

Keywords: inflation, inflation targeting, Consumer Price Index.

Providing the monetary unit stability is an important prerequisite for the economic development of any country. In accordance with the Constitution and law "On the National Bank of Ukraine", the main function of NBU is to provide stability of the currency. However, the statistics shows that the consumer price index (CPI), which is the main indicator of inflation in Ukraine varies significantly and substantially and exceeds rates in Europe. For example, inflation in Ukraine for 12 months in 2011 was 4,6 % contrary to the EU inflation index, which was on average 2,6 % and kept the same level until today [7]. Producer Price Index during the period from 2009 to 2011 was 12,3, 9,1, 4,6 [7].

As international experience shows, government can use one of the monetary policies to provide the monetary unit stability. This policy is known as inflation targeting (IT). This fact substantiates the relevance of the subject of this study.

A significant contribution to the development of the principles of inflation control was made by lots of leading Ukrainian and foreign scientists. Among them are H. Munkiv, J. Sachs, R. Dornbusch, K. McConnell, S. Brue, P. Samuyelson, A. Illarionov, S. Korablin, V. Besedin, A. Galchynsky, A. Gritsenko, S. Moiseev, B. Bernanke, V. Geets, K. Larionov, V. Lytvytskyj, S. Panchnshyn, M. Savluk, V. Mishenko, V. Shevchuk and others. Despite the

considerable attention paid to the problem of managing inflation process, it is still widely studied and seen in print and electronic media, discussed by politicians, economists and political scientists.

The purpose of this work is to study practical aspects of the transition to inflation targeting regime in Ukraine by analyzing modern scientific works of leading domestic and foreign scholars.

The introduction of inflation targeting in Ukraine has its supporters and critics. Although even critics recognize this monetary regime as perspective and think that it would stabilize inflation expectations and could contribute to the long-term loans interest rates decrease. IT would also support the development of the inner sector of real economy.

Critics of the application and use of inflation targeting in Ukraine believe that this mode will restrain the economic growth and will lead to stagflation, will not facilitate the free exchange rate, which is impossible in such unstable economical and political conditions. There is undeveloped financial market and imperfect legislation in Ukraine. Although, as international experience shows, countries with similar economies (Chyli, Poland, Mexico, Turkey, Slovakia and others) have used the advantages of inflation targeting. As a result, they accelerated reforms and reached low and stable inflation and economic growth.

Proponents of the use of inflation targeting follow different idea. Particularly, A. Galchynsky who pointed that "inflation targeting in which monetary and non-monetary instruments of price stability are organically combined and inflation is at least – 7 % – is the immediate task for us, and the government comply this strategy" [1]. His associates are V. Mishenko, V. Litvitsky, Particularly, V. Mishenko claims that inflation targeting strategy, through the creation of appropriate conditions, helped the transition and market economies to achieve significant success in managing inflation and promoting economic growth. None of the countries which introduced this strategy didn't abandon it. So, we have a proof of it`s effectiveness and adequacy and understand the necessity of introduction inflation targeting in Ukraine [2].

Among profound studies we should highlight the work of B. Bernanke – T. Lobak – F. Mishkin – A. Pouzen "Inflation targeting: lessons from international experience" [3], which presents a complete and detailed description of the history and the results of the use of inflation targeting regime in different countries. However, such a broad statement of the study and comprehensive coverage of these problems did not allow the authors to consider the theoretical basis and

practical implementation of inflation targeting regime in specific macroeconomic conditions. In particular, the authors focused on the experience of inflation targeting regime in developed countries, where, unlike in Ukraine, there is no problem of underdeveloped financial sector and there is no need to deal with high inflation.

Among domestic research on inflation targeting, special attention should be paid to the research report titled "Institute of inflation targeting: international experience and prospects for implementation in Ukraine" [4]. It reveals the formation of monetary inflation targeting regime under theoretical and methodological international factors; its distribution and modification. The scientist displayed the genesis of the modern operating mechanism of inflation targeting and mechanisms of communication and accountability; systematized foreign experience of inflation targeting with the help of analysis of general processes of its distribution, as well as the background and features of the implementation in some developed market economies and "young" market economies; showed motivation and direction to improve monetary regime in Ukraine.

All in all, inflation targeting is a conceptual monetary system, which is characterized by public proclamation of official quantitative targets for inflation (or interval) in the medium term and a clear understanding and confidence in the fact that low and stable inflation is the main aim of monetary policy in the long run". This definition was made by domestic economist Tatyana Slipchenko [5, p. 30–31].

We believe that this monetary regime can be attributed to the instruments exchange rate policy as the intermediate aim of inflation targeting is not only the money supply, but also the exchange rate.

Consequently, inflation targeting is a regime of monetary policy and a tool with the help of which implementation of monetary and exchange rate policy is realized. It implies public proclamation of the official inflation target, and with whom, low and stable inflation in the country can be achieved and can help to move from using a fixed exchange rate regime to the free exchange rate.

There some forms of inflation targeting in world practice:
- depending on flexibility: point, spot with a range of deviations, band with the definition of center point and without definition;
- depending on the horizon of setting: shortterm (1 year), medium term (2–3 years), long-term (more than 3 years old), an uncertain horizon;

- depending on the initial conditions of implementation: complete, selective, simplistic, rigorous, flexible;
- depending on the combination of public management decision-makers to declare inflation: the government in collaboration with the central bank or central bank in cooperation with the government;
- depending on the possibility of deviation from setting goals: absolute or with certain conditions [6, p. 10–11].

It should be noted that some forms of IT are selected for each country based on its specific economic conditions. Given the fact that the Ukrainian economy is characterized by relatively high vulnerability to external shocks, low level of public confidence in the NBU and limited opportunities of the Bank for effective use of monetary instruments, moving to IT should be begun with the introduction of flexible IT. This involves establishing broad inflation targets (namely, with a range of fluctuations), and passing the transitional phase, which includes economic changes. Most countries with transitional economy started with this form of IT before moving to full-fledged inflation targeting.

We should add that the use of such tool of exchange rate policy as inflation targeting requires the execution of a number of assumptions. In particular, these include the following:

1. Institutional independence of the central bank in the implementation of monetary policy. It means the absence of political or fiscal pressure on him. The economic and political independence of the NBU will provide not only the confidence of the population, but also will restore price and financial stability.

2. Priority inflation targets to other economic goals. **In Ukraine**, the policy of economic growth is often referred despite the fact that reducing the current level of inflation is a necessary condition for the successful functioning of the economy. In addition, these goals contradict each other.
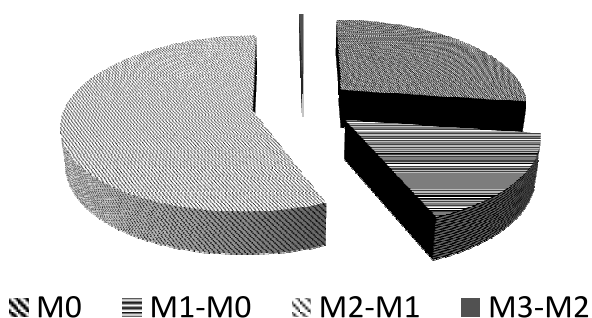
We can achieve the price stability with the help of monetary aggregates. So it means we can imply on money supply through financial markets. But it is undeveloped and here we face up with limitation. Operations with securities are not performed. As a proof let`s look at the structure of monetary aggregates (Graph 1). How to imply if the proportion of securities is so law. Index M3–M2 characterizes financial instruments traded on market is proof obligations that must be satisfied in cash funds, financial instruments or other economic value. These bonds, treasury bills, promissory notes, savings (deposit) certificates corporations, etc.

3. Macroeconomic and financial stability and financial market sophistication. This condition is very important because the use of such a tool as exchange rate policy in inflation targeting in the country, just emerging from the economic crisis, is impractical.

In Ukraine, financial market is only at the stage of development. But further development of the economy is not possible without a mature, stable, reliable and efficient financial market of our country.

4. Qualitative forecast of inflation, namely the establishment of a single indicator for targeting and achieving it. The country, which makes inflation targeting, is faced the questions, "What is the inflation target?" and "What horizon should be?".

One of the major issues that should be found out while implementing IT is the choice of inflation rate. The most world common subject of targeting is the Consumer Price Index (CPI). Note that the feature of CPI as inflation indicator is that there are two different groups of CPI's components: those that are fully or partially state-controlled (regulated and forecasted), and those which are outside its control. Gaps in the CPI calculation are one of the major obstacles of IT implementation.

The actual analysis of the structural components of the consumer basket 2007–2012 is crucial in shaping the optimal set which serve to Ukrainian statistics in calculating the CPI since 2012. Ukrainian diet consists of 9,7 % of bakery products; 1,3 % – cereals; 8 % – vegetables; 27,1 % – meat; 28 % – dairy products; 2,3 % – fishery products; 2,2 % – eggs; 2,6 % – 1,8 % and sugar-oil. It is worth noting that currently 125 of 296 items are food products, which is over 58 % of house hold expenditures. Non food products amount 129 and the others are 42 services [7]. In each group there are goods (services) with increased demand, which occupy a large proportion. It is on the bottom need to focus, trying to improve the method of calculation in general.

5. High level training analysts and reliable statistical base for forecasting inflation: National Bank of Ukraine in the case of inflation targeting should

≋ M0   ≡ M1-M0   ⁘ M2-M1   ■ M3-M2

Graph 1. Portion of aggregates

have reliable data in order to use this monetary regime efficiently and at the appropriate level.

In the Ukraine, there is no accurate statistical information that complicates the use of inflation targeting. The most interesting fact what prices are used in calculating the State Statistics inflation (Table).

7. Political conditions of transition to inflation targeting, as well as a high degree of transparency of monetary transmission channel. This tool of exchange rate policy should be used only when the central bank is ready to follow your goals clearly and authorities fully support him in the implementation of monetary policy.

Table. **Comparison: official State Statistics Committee prices with actual prices in Ukraine**

Product name	Average prices according to State Statistics Committee, UAH	Actual prices, UAH
beef	30 (average price for 1 kilo)	50–65
pork	27 (average price for 1 kilo)	45–60
poultry	18,6	30–40
cooked sausage	31	35–45
smoked sausage	42,3	48–80
milk	5,2 (liter)	10
butter	43 (for 1 kilo)	45
sunflower oil	11 (for 1 kilo)	13–16 (liter)
wheat flour	2,3 (for 1 kilo)	2,7–4
bread	3,8	4,50–5,50
rye bread	4,5	5–7
sugar	5,1	7

With the help of State Statistics Committee's materials [7].

6. Requirements for the structure of the economy, which include not only the free market prices, but low level of dollarization of the domestic economy.

In Ukraine, the beginning of the 90's of the twentieth century was characterized by rising levels of dollarization, the causes of which at that time were large open economy, high inflation and the devaluation of national currencies. Thus, the practice shows that the emergence and development of unofficial dollarization causes unstable macroeconomic situation in the country in which the population occurs distrust of the national currency.

In Ukraine, a free exchange rate will negatively influence on importers and exporters, loan and deposit area and promote speculation in the foreign exchange market. And this result as pressure on price stability as the main premise of IT. So, we can draw the following conclusions: the object of inflation targeting should be controlled and based on the CPI, ie a level of inflation that is regulated or expected by state. Application of IT regime in Ukraine will allow to maintain inflation at a low and stable level, which is a prerequisite for high economic growth.

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РИЗИКИ ВПРОВАДЖЕННЯ ІНФЛЯЦІЙНОГО ТАРГЕТУВАННЯ В УКРАЇНІ

Досліджено суть поняття «таргетування інфляції». Виокремлено і проаналізовано потенційні ризики впровадження інфляційного таргетування в Україні, їхнє підґрунтя та можливі шляхи подолання.

Ключові слова: інфляція, таргетування інфляції, індекс споживчих цін.