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## MONITORING OF FORMATION OF FOREIGN GOVERNMENT DEBT OF UKRAINE

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**Abstract.** *The article deals with the peculiarities of the formation of the external debt of the state, indicates the reasons for its growth; the state of the external public debt of Ukraine has been monitored. Areas of inefficient use of external borrowing are identified and a set of measures to improve debt policy in Ukraine is outlined.*

**Keywords:** *external government debt, government borrowing, government guaranteed debt, debt policy, debt restructuring, debt security.*

In the current economic environment, Ukraine's active increase in external debts causes problems of ensuring the financial stability of the state, which is associated with the progressive increase in the cost of servicing the public debt and its repayment. Accordingly, the problems of maintaining the financial balance, stable economic decline, growing public deficit and in addition to raising the level of public debt servicing, make it urgent to find optimized ways to manage it and balance the state budget expenditures on servicing the state's debt

to maintain financial and macroeconomic balance.

The dynamics of the ratio of the share of domestic and external public debt of Ukraine in 2011 - 2017 indicates a significant advantage of external debt over domestic. Thus, if the share of internal government debt is 35.79%, the external debt is 64.21% (in 2017). This indicates that Ukraine is today in a state of critical dependence on external financing, since the level of external public debt is increasing every year and the pressure on Ukraine's economy is increasing. The predominance of external debt in the

structure of the national debt carries currency risks. The large amounts of government-guaranteed debt incur additional costs due to the insolvency of borrowers. The weak development of the domestic government borrowing market (that is, the government securities market) makes it difficult to attract the required amount of financial resources and forces it to resort to external loans.

Today, the key issue on the agenda is justifying not only the optimal need for external borrowing, but also the priority areas and the necessary conditions for their effective use. The purpose of external borrowing is determined by the current needs of the economy and social policy and the strategic priorities of building the economic space of Ukraine. The optimal use of credit will help stabilize the financial situation in Ukraine and bring its economy out of crisis.

Thus, the improvement of debt policy in Ukraine requires the implementation of a set of measures aimed at adjusting legal security, as well as the organization of the development and implementation of management decisions in the field of debt operations. The main challenges facing the government today in improving the effectiveness of debt policy are to work out effective restrictions to prevent the government from pursuing aggressive and ill-considered debt policies; legislative fixing of marginal and optimal parameters of debt burden; a clear delineation of the powers of the authorities in the matter of public debt management; a radical increase in the efficiency of borrowing; finding ways to diversify your borrowing tools and manage your existing debt.

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