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Prices Inflation (PI) is an economic phenomenon in which the prices of goods and services increase over time. It is one of the most common financial problems, affecting producers and consumers. For producers, PI means the cost of inputs to produce their goods and services increases. This increases their cost of production, which can lead to reduced profits if there is no corresponding increase in the price of their products. For consumers, PI means the cost of goods and services increases. This can lead to reduced purchasing power, as the same amount of money can buy fewer goods and services. The primary cause of PI is an increase in the money supply. This increase can come from various sources, such as expansionary fiscal or monetary policy or an increase in the demand for money. This increase in the money supply leads to a rise in the demand for goods and services, which increases prices. Other factors, such as supply and demand, can contribute to PI. If the demand for a certain product increases due to an increase in population or income, the price of that product can increase. Similarly, if the supply of a specific product decreases due to a decrease in production or an increase in production costs, the price of that product can increase.

Take control of **your company's prices inflation approach** with the help of our teams.