# Monthly Economic Monitor Ukraine

No.2 (196), February 2017

## EXECUTIVE SUMMARY

***HIGHLIGHT: ELECTRICITY***

***Politics:*** The military conflict escalated in late January when combined Russian-separatist forces launched an attack on Avdiivka.

***Real sector:*** The Ukrstat published the flash estimate of real GDP growth in the fourth quarter of 2016 at 4.7% yoy.

***Energy sector:*** In February, gas and retail electricity tariffs for the industry were increased.

***Transport.*** The responsibility for the operational control of the Ukrzaliznytsya was transferred from the Ministry of Infrastructure directly to the Cabinet of Ministers.

***Agriculture:*** In 2016, grain harvest and export reached new record levels.

***External sector:*** The current account deficit widened to USD 3.4 bn in 2016 from USD 0.2 bn in 2015. Financial account surplus increased to USD 4.6 bn in 2016 from USD 0.6 bn in 2015.

***Fiscal policy:*** The government fulfilled the fiscal revenue target in 2016, but still underfinanced expenditures.

***Social policy:*** The central fiscal transfer to the Pension Fund in 2017 is planned to finance near 50% of total Fund's expenditures.

***Labour market:*** Average wage in December 2016 increased by 11.6% yoy in real terms.

***Monetary policy:*** Consumer inflation lingered above 12% yoy for the fourth month in a row moving to 12.6% yoy in January.

***Exchange rate:*** NBU international reserves in January 2017 reduced to USD 15.5 bn.

***State debt:*** State debt in 2016 increased to 83-84% of GDP.

# Highlight of the month: Electricity

## WILL THE REVISED METHODOLOGY MAKE IT EASIER TO CONNECT TO ELECTRIC POWER NETWORKS?

*By Iryna Kosse*

In January, the National Energy and Utilities Regulatory Commission (NERC) set the cost of non-standard connection to the electricity grid for 2017 at UAH 3094-9428 per kW depending on the electricity provider increasing it substantially. The increase was due to the revision of the Methodology setting fees for connection to electricity network in November 2016.[1] The revised Methodology introduced a uniform formula for calculating these fees in case of "non-standard" connection and set technical conditions for connecting consumers to the electricity grid. The formula is based on the unit cost of replacing equipment of network distribution companies, reliability factor and direct costs of installing power line to the new customer.

The new approach was welcomed by the experts who noted improvement in transparency and simplification of the connection procedure. Previously, the prices could vary significantly for similar connections and the procedure was potentially subject to corruption. Overall, this procedure is named as one of the impediments to business development. According to the Doing Business 2017, Ukraine is ranked 130rd according to the category of *Getting electricity*. Besides, the 2015 Annual Business Climate Assessment (ABCA)[2] survey of Ukrainian SMEs showed that the cost of getting electricity for SMEs ranged from UAH 80 to UAH 3.5 m. Average expenses for connecting to electrical networks were around UAH 13500 for private entrepreneurs and about UAH 22500 for corporate entities. These findings illustrate that connecting to the electricity grid brings high expenses for Ukrainian enterprises and hinders business planning.

The change in the Methodology has only limited impact on electricity connections by business as it relates only to the non-standard connection, i.e. primarily connection of electrical equipment with capacity 160-5000 kW. The most common objects connected via non-standard connection mechanism are small solar and wind power plants, multi-apartment buildings, data centres and refrigeration units.

Previously, the fee for non-standard connection was calculated by each electricity provider (oblenergo) individually for each consumer. Now, the electricity provider has the right every year (but not less than once in five years) to re-calculate the unit cost of non-standard connection and give the NERC the calculated value with explanations. The NERC then checks the calculations and adopts the corresponding fees for the coming year. Electricity providers that did not submit their calculations to NERC will use the average unit cost.

On November 29, 2016, the NERC asked all electricity providers to submit by December 15, 2016, their calculations for 2017, which they did.[3] However, the resulting values substantially exceeded previous non-transparent values. For example, the average unit cost for non-standard connection (UAH 6094 per kW) was significantly higher than the unit costs for standard connection.[4] The average unit cost was not weighted and was driven up by the inclusion of several rural distribution companies with high unit replacement values. The highest value was for Poltavaoblenergo (UAH 9428 per kW), Vinnytsyaoblenergo (UAH 8209 per kW) and Chernihivoblenergo (UAH 7399 per kW), while the lowest was for Kyivenergo (UAH 3094 per kW), DTEK Dniprooblenergo (UAH 3368 per kW) and Prykarpattyaoblenergo (UAH 4630 per kW).

The payment mechanism for standard connection did not change. Standard connection is defined as a connection to the power network of a new object with capacity up to 160 kW which is situated not farther than 300 m and does not require a construction of new transformer equipment to change voltage. According to the NERC, the cost of standard connection in 2017 will amount to UAH 1000-3500 per kW depending on capacity.[5] The duration of the procedure is likely to remain substantial.

Electrical equipment with capacity over 5000 kW will be connected as before through submitting the project design to Ukrenergo.

The increase in costs of non-standard value was in part due to the use of replacement value of fixed assets instead of book value that was used before. The NERC hired "Big-4" auditors (Deloitte and Ernst & Young) to assess the value of assets of 10 out of 37 electricity providers when it prepared the introduction of the Regulatory Asset Base tariff (RAB-tariff). The introduction of the tariff was delayed but the auditors' assessment was used in the calculation of the unit cost of connection capacity and drove up its value.

As a result, the new approach to calculating fees for connecting to electric power networks is definitely an improvement as it increases transparency of the electricity market. However, the actual values obtained from its application hamper the competitiveness of medium enterprises that often use non-standard connection mechanism. Real estate developers have already claimed that new fees would raise the price of residential housing by 10%.[6] Another industry that can be adversely affected by new fees is the "green energy" industry (solar, wind, hydro and biofuel power stations). The NERC defends the Methodology, which is claimed to avoid situations when new users are connected to the electricity grid at the cost of existing users or certain user groups receive preferences.[7]

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1 http://zakon3.rada.gov.ua/laws/show/z0339-13
2 Annual Business Climate Assessment (ABCA) survey of Ukrainian SMEs conducted by the Institute for Economic Research and Policy Consulting within the USAID Leadership in Economic Governance (LEV) Program
3 http://nerc.gov.ua/data/filearch/Materialy_zasidan/2017/31.01.2017/p14_31-01-2017.pdf
4 Example of Kyivoblenergo http://www.koe.vsei.ua/koe/index.php?page=57
5 http://www.slideshare.net/NKREKP/01022017-71642254?ref=http://nerc.gov.ua/?news=5721
6 http://biz.censor.net.ua/columns/3020024/reshenie_nkreku_plyus_10_k_stoimosti_kvartir
7 http://www.kmu.gov.ua/control/uk/publish/article?art_id=249705942&cat_id=244277212

# Monthly Economic Monitor Ukraine

## Politics: Russian attacks claim lives in Eastern Ukraine

***The war in Donbas.*** The military conflict escalated in late January when combined Russian-separatist forces launched an attack on Avdiivka, the town in Donetsk oblast that lies on the contact line of the fighting on the territory controlled by the Ukrainian government. The conflict caused the loss of lives of Ukrainian servicemen and civilian residents and resulted in a humanitarian crisis in the area. The shelling damaged infrastructure and left local residents without water, heating, and electricity in the below freezing temperatures. Ukrainian President Petro Poroshenko cut short an official visit to Germany because of the escalation. In early February the intensity of the fighting in Avdiivka decreased, and the emergency services were able to restore heating, electricity and water supply.

According to the reports of the National Police in Donetsk oblast, three civilians were killed and nine civilians were wounded in Avdiivka over the period of intense fighting. Overall in January, 20 service members of the Ukrainian Armed Forces were killed in the war and 117 service members were wounded.

In early February, the Ministry of Defense of Ukraine reported that Russian Black Sea Fleet fired shots at Ukrainian An-26 military transport aircraft as it was flying close to the drilling towers in the Black Sea that are located in Ukrainian maritime economic zone and are occupied by Russia. The aircraft was damaged but was able to land safely, and the crew was not harmed.

***Media.*** In January, the new Ukrainian public broadcaster National Public TV and Radio Company of Ukraine (NPTRCU) was legally registered in the framework of the public broadcasting reform launched in 2015. Transforming the state-controlled broadcasters into the public service broadcasting channels is one of Ukraine's obligations to the Council of Europe and is seen as an important milestone in strengthening democracy and media freedom in Ukraine. The European Broadcasting Union called the registration of the NPTRCU a big step forward in the reform of Ukrainian media.

***The IMF.*** The Minister of Finance of Ukraine Oleksandr Danyliuk said that Ukraine agreed with the IMF to postpone the elaboration of a draft law on the land market until May 2017 from March. Land market reform is one of the conditions of the IMF's cooperation with Ukraine. Ukraine expects to receive a tranche of around USD 1 bn IMF loan in February.

## Real sector: Economic recovery reported in 2016

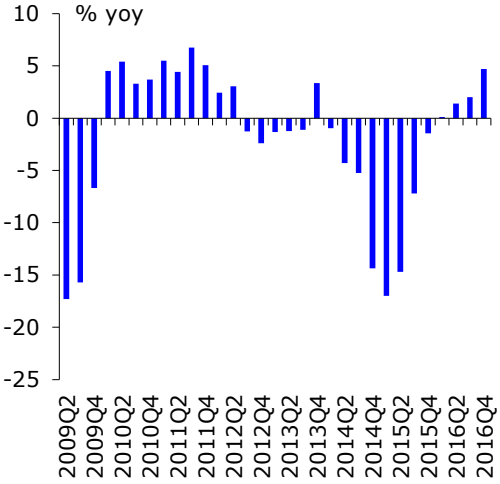
***GDP.*** Ukrstat published the flash estimate of real GDP growth in the fourth quarter of 2016 at 4.7% yoy or 1.9% qoq in seasonally adjusted terms. If revisions to GDP estimates for the first three quarters of 2016 prove to be minor GDP growth for the whole of 2016 would be 2.2%, which is higher than previously expected. This may reflect the acceleration of economic activity in most branches of economy in the last quarter of 2016 with particularly fast growth in agriculture and construction. On the demand side, investment and consumer domestic demand likely contributed to higher economic growth.

***Sectoral trends.*** Industrial output growth accelerated to 4.5% yoy in December from 3.7% yoy in November. Late crop harvest supported processing of vegetable oil and sugar and resulted in fast growth of food production (at 22.2% yoy). Low statistical base ensured the increase in production of electricity and gas supply at 10.4% yoy. Weak domestic demand for steel products capped the growth of metallurgy at 0.5% yoy even as steel production increased by 3.1% yoy. Machine building increased output by 2.1% yoy due to higher defence orders and larger demand from railway operator Ukrzaliznytsia.

Overall, industrial output in 2016 increased by 2.4% due to higher manufacturing (by 3.5%) and electricity and gas supply (by 3.8%). At

**Population (without Crimea): 42.6 m**
**Industry/GVA: 23%**
**Agriculture/GVA: 14%**
**Investment/GDP: 14%**
**Exports: EU 32%, Asia 35%, Russia 9%**
**Imports: EU 37%, Asia 20%, Russia 13%**

**Real GDP growth**




Source: Ukrstat

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the same time, the war in the East of Ukraine led to slightly lower output in the extractive industry by 0.3%.

An increase in industrial output and external trade resulted in the growth of wholesale turnover in 2016 by 4.9%. Retail trade turnover increased by 4.0% due to larger consumption attributed to higher real disposable income.

Construction grew by 13.1% due to increase in all types of construction. Commercial construction grew by 17.4%, though, from the very low base.

*The Ukrstat publishes data excluding the temporarily occupied territory of the Autonomous Republic of Crimea and Sevastopil and the part of the territory of the anti-terrorist operation in the East.*

## Energy: Price of energy increases

***Gas.*** The Gasprom issued an invoice to the Naftogaz for USD 5.3 bn for not meeting the "take or pay" clause in 2009 contract in April-December 2016. With the new bill, the total sum of Gasprom's claims reached USD 37 bn. The Naftogaz refused to pay that bill until the final decision of the Stockholm Arbitrage Court is taken. The Naftogaz claims to Gasprom equal USD 18.1 bn.

In February, the Naftogaz increased the gas price for industrial consumers by 21-22% depending on the contract volume and payment conditions. The companies that buy more than 50 thousand cubic meters of gas per month and make advance payments will have to pay UAH 9214.8 per 1000 cubic meters. Other companies will pay UAH 10141.2 per 1000 cubic meters, a 21% increase. The hike in prices was attributed to the increase in gas prices on the European market.

***Reform of the Naftogaz.*** The Cabinet of Ministers adopted the new Statute of the Naftogaz, which gives more power to the Supervisory Council of the company. Under the new Statute, the Council gives a preliminary consent to decisions concerning the company's activities. It also participates in the appointment of the heads and boards members of the Naftogaz subsidiaries. The new Statute comes into force on April 1, 2017.

***Electricity.*** In February, the National Energy and Utilities Regulatory Commission (NERC) increased retail electricity tariffs for industry by 1-3% depending on the consumption class and the electricity provider. The NERC started using different tariffs for different providers (oblenergos) in January 2017.

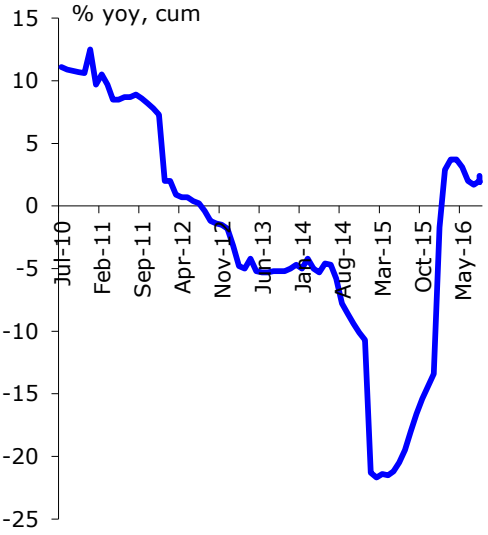
The NERC also set the cost of non-standard connection to the electricity grid for 2017 at UAH 3094-9428 per kW depending on the electricity provider. Under the new methodology, the cost of non-standard connection is calculated according to a formula that takes into account replacement value of fixed assets, reliability factor, and direct costs of installing power line to the new customer.

***Utilities.*** In February, the NERC increased the weighted average tariff for thermal energy for industry by 7.5% to UAH 1471.56 per GCal due to the increased price of gas.

## Transport: The Ministry of Infrastructure lost control over railway operator

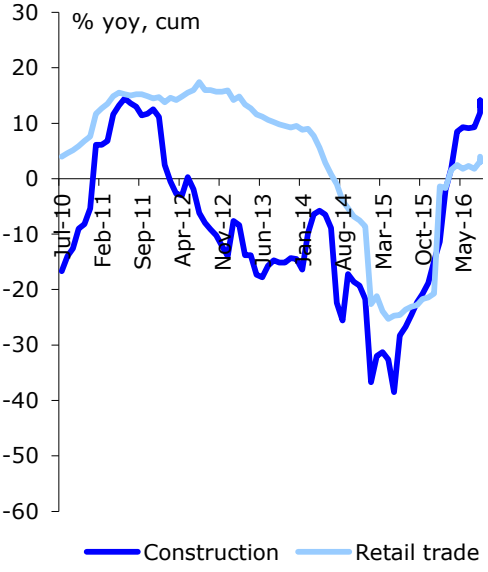
***Railway.*** The Cabinet of Ministers adopted a new Statute of the Ukrainian railway operator Ukrzaliznytsya (UZ), which transfers the responsibility for operational control of the UZ from the Ministry of Infrastructure directly to the Cabinet of Ministers. The Ministry will only retain the right to form the policy on railway transportation. However, it will not be able to appoint the head of the UZ Supervisory Board of and the head of the UZ Board of Directors, approve the financial plan of the company, its annual report, and the number of the staff. The Minister of Infrastructure considers this decision premature and stresses that it should have been made only after the restructuring of Ukrzaliznytsya is completed. This decision of the Cabinet of Ministers came as a way to resolve a conflict between the

**Industrial output**



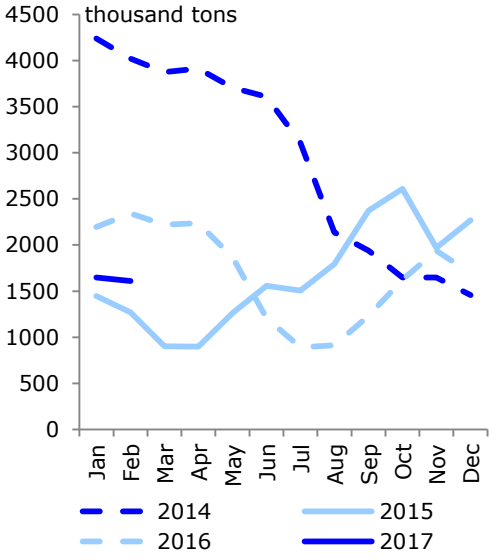

Note: Since April 2014 - data excludes Crimea
Source: Ukrstat

**Real sector trends**




Note: Since April 2014 - data excludes Crimea
Source: Ukrstat

**Coal stocks at TPPs**




Source: Ministry of Energy, Ukrenergo

Ministry of Infrastructure and UZ on meeting the short-term goals and the choice of personnel in UZ.

## Agriculture: Grain harvest reached new record

***Production.*** Agricultural production December 2016 surged by 66.4% yoy due to unusually high maize harvesting. Overall, agricultural production grew by 6.1% in 2016 as grain harvest reached record 66 m tonnes. As a result, grain exports increased to over 39 m tonnes in 2015/2016 marketing year and is officially expected to grow to 41.6 m tonnes in 2016/2017 marketing year. Even though livestock production declined by 2.6%, its development improved towards the end of the year.

According to the Ukrstat survey, most agricultural producers in the first quarter of 2017 expect a decline in production as compared to the last quarter of 2016. However, the share of pessimists is lower than in the first quarter of 2016. The increase in prices of agricultural products is expected. As in previous quarters, restricted financing and low domestic demand remain the major impediments to the development.

***Policy.*** Ukrainian government continued efforts on the extension of Ukrainian exports to the EU. In January, the Minister of Agrarian Policy and Food of Ukraine met with the EU Commissioner on health and food safety to negotiate future mutual steps on the facilitation of the entrance of Ukrainian food producers to the EU market. As of January 2017, 277 Ukrainian food producers, including 14 dairy producers, were allowed to export their produce to the EU as it complies with EU safety standards. In the end of the month, the EU finally allowed for the imports of Ukrainian poultry products, which was banned in autumn 2016 due to bird flu.

On February 9, 47 people deputies signed an appeal to the Constitutional Court to consider the compliance of the agricultural land sale moratorium to the Constitution. Initiators of this appeal hope that the consideration of the appeal in the Court would result in the cancellation of the moratorium, which was again prolonged in the end of 2016 until 2018.

## External sector: balance of payments surplus increased

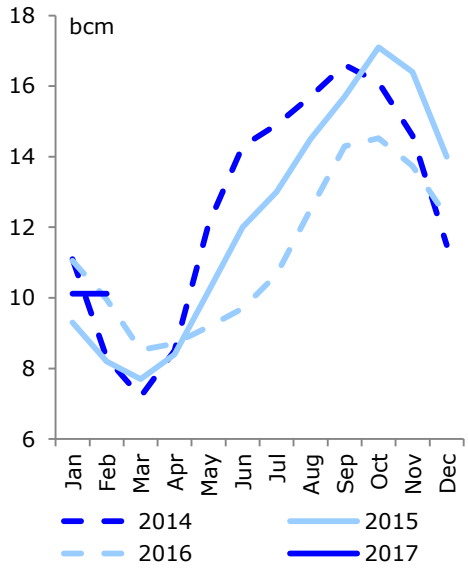
***Current account***. The current account in December 2016 was in deficit at USD 0.3 bn as compared to USD 0.4 bn surplus in December 2015. Merchandise trade deficit was at USD 0.85 bn (as compared to almost balanced trade in December 2015) due to faster recovery of imports. Trade in services surplus increased to USD 0.2 bn. Remittances remained close to 2015 level at USD 0.9 bn. The net outflow of investment income declined to USD 0.3 bn.

Merchandise exports increased by 9.2% yoy. Food exports grew by 13.0% yoy mainly because of higher sales of sugar, oils, and crops. The growth of mineral exports by 41.7% was mostly explained by higher prices for iron ore. Exports of manufactured goods dropped by 13.4% yoy.

Growth in merchandise imports accelerated to 36.0% as compared to 18.1% increase in November 2016. There was the growth in imports of all product groups. The most significant increase (at 81% yoy) was observed in mineral imports mainly due to the statistical base effect (there was a pause in gas imports in December 2015). Higher consumer demand provoked growth of food imports by 21% yoy as well as imports of manufactured goods by 20% yoy. Despite weaker hryvnia, imports of investment goods also expanded as investment demand of exporters remained strong.

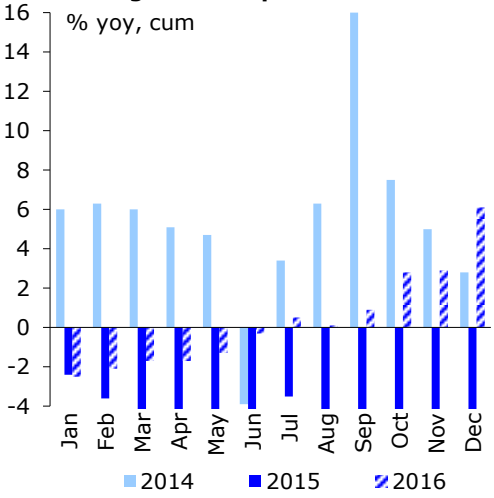
In 2016, current account deficit was equal to USD 3.4 bn as compared to the deficit at USD 0.2 bn in 2015 as merchandise trade deficit widened to USD 6.8 bn. During the year imports grew, while exports declined. Only food exports increased in 2016 (by 5.4%) primarily due to increase in physical grain exports (at 7%). Drop in steel exports by 10% made the biggest contribution to the overall decline in exports. The largest contribution to import growth was made by

**Gas stocks**



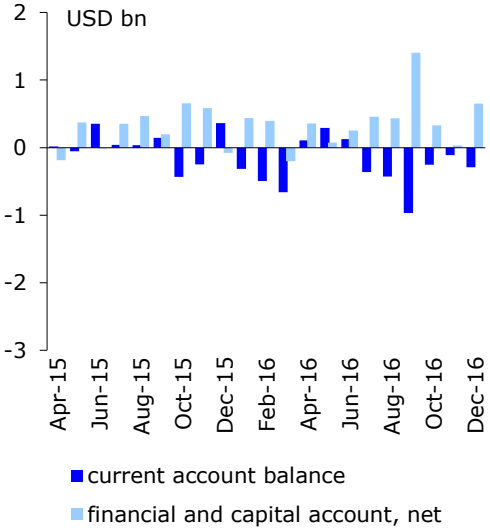

Source: Ministry of Energy

**Agricultural production**




Source: Ukrstat

**Balance of payments**




Source: NBU preliminary estimates

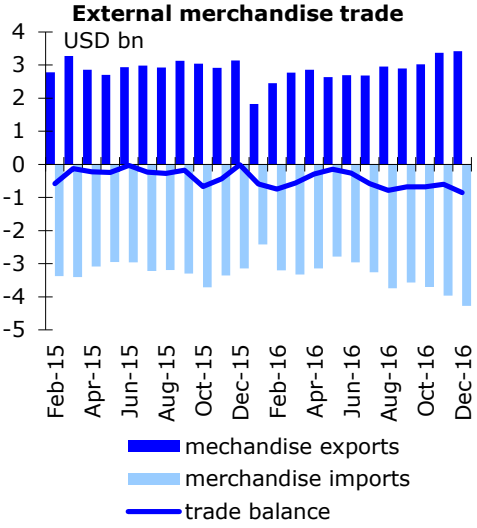
higher machinery purchases (by 37.9%). In 2016, geographical structure of exports further shifted from Russia to the European Union: sales to European trading partners increased by 2.4%. Imports from Asia increased by 23.2%, from the USA by 14.3%, and from the EU by 12.3%. At the same time, imports from Russia decreased by 31.2%.

***Financial account.*** Financial account surplus in December reached USD 653 m (as compared to USD 80 m deficit in December 2015). The net inflow of FDI decreased to USD 49 m, which were allocated to the real sector. The Government sector financial account flows were close to balance. External assets of banking sector decreased by USD 620 m, while real sector did not attract much of external debt financing. Net sales of cash foreign currency to banks decreased to USD 82 m.

In 2016, financial account surplus increased to USD 4.6 bn from USD 0.6 bn in 2015. The net inflow of FDI reached USD 3.4 bn in 2016, as compare with USD 3.0 bn in the previous year. 67% of FDI were directed to bank recapitalization. The public sector outflows totalled USD 0.8 bn, as the NBU repaid loans. In 2016, foreign cash outside banks declined by USD 4.7 bn (USD 1.8 bn decline in 2015).

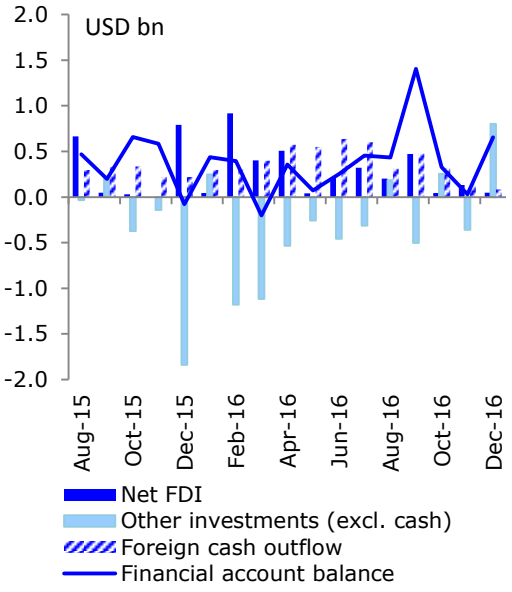
Overall, in 2016, the balance of payments surplus increased to USD 1.3 bn. This along with the USD 1.0 bn IMF financing allowed the NBU to increase international reserves by USD 2.3 bn.

**External merchandise trade**




Source: NBU preliminary estimates

**Financial account**




Source: NBU

## Fiscal policy: Executed revenues in 2016

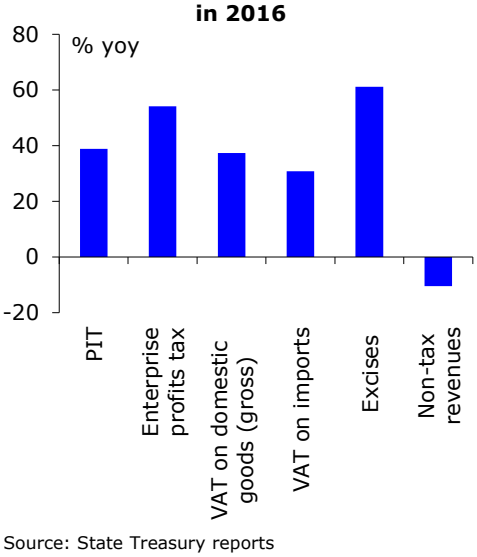
***2016.*** Consolidated fiscal revenues in 2016 increased by 21% to UAH 783 bn, which was by 1.9% more than a target. While central fiscal revenues were slightly below the plan (by 0.2%), local revenues were higher than planned by 4.2%. All tax revenues except for rent payments were higher than the target. PIT collections grew by 38.8% due to bigger wages and higher effective tax rate. EPT revenues surged by 54.2% due to improved financial results of companies. Higher consumption and better collection resulted in the growth of net VAT revenues at 32.0%. Higher rates and bigger prices explained the increase in excise collections by 61.2%. At the same time, rent payments were by 28.0% lower than plan due to overoptimistic plan and poor administration.

However, consolidated fiscal expenditures were by 5.4% lower than a target. Traditionally capital outlays were underfinanced the most (by 23.1% of plan). Besides, spending on purchases of goods and services were lower than planned, which might be explained by savings to the introduction of e-procurement system ProZorro and usual delays in tender procedures.

Consolidated fiscal deficit reached only UAH 54.7 bn, which is half of the planned amount. The Government was not able to restart the privatization process and, thus, received close to zero privatisation receipts. External borrowings were also lower than planned as the Government did not implement all reforms needed to receive external aid in time and in full.

***2017.*** According to the preliminary information of the State Treasury, consolidated fiscal revenues in January 2017 surged by 90% yoy due to higher tax revenues. It is partially attributed to the January pause in VAT refunds (UAH 7.9 bn in January 2016). According to the State Fiscal Service, VAT revenues from both domestically produced goods and imports surged. High VAT revenues might be partially explained by unusually high consumption and investment demand.

**Growth of Consolidated fiscal revenues in 2016**




Source: State Treasury reports

## Social policy: The Budget of the Pension Fund for 2017 approved

***Pensions.*** The Government approved the Budget of the Pension Fund for 2017. Own Fund's revenues are planned at UAH 142 bn which are 29% higher than planned revenues in 2016. Own revenues are planned to cover 50.2%% of all Fund's spending. The rest will be covered by the central fiscal transfer to the Fund for financing the special pension programs, top-ups to minimum pensions to some of

the pensioners, and the Fund's deficit coverage. The Fund's deficit is projected at UAH 84 bn.

Minimum pension in 2017 will be gradually increased from UAH 1247 in January to UAH 1373 in December. As of January 1, 2017, average pension was UAH 1828.

***Subsidies.*** In 2016, 7.7 m households were granted housing and utility subsidies (HUS), which is by 42.4% more than in 2015. The average size of HUS per household increased by 25.1% to UAH 1365. The increase in a number of HUS recipients and their size is explained by the more rapid increase in housing and utility tariffs than household income.

## Labour market: Average wage growth accelerated

Average wage growth in December accelerated to 23.8% yoy in nominal terms. Average monthly wage reached UAH 6475. It increased by 11.6% yoy in real terms as companies compensated for lost purchasing power of wages during previous years, increase in minimum wage, and the slowdown in inflation.

Wage growth was the highest in sectors with better economic performance, including agriculture, electric equipment manufacturing, and construction. Besides, high wage growth (at 45.1% yoy) was reported by state administration and defence, which is attributed to increases in salaries as well as higher than usual benefits and premiums paid in the end of the year. Still, wage differences between sectors remained high with agriculture, education and healthcare paying their employees by over 20% less than average in the economy. At the same time, financial and insurance sector paid the wages exceeding the average by 81%.

## Monetary policy: Inflation at 12.6% yoy in January

Consumer inflation lingered above 12% yoy for the fourth month in a row moving to 12.6% yoy in January. Food price index increased only by 3% yoy but this figure averaged out the sharp increase in milk product prices (by 20-30% yoy) and a sharp drop in fruit and vegetable prices (from January 2016, despite seasonal increase in prices over last months). Prices for most other food products changed in single digits. Large increases in regulated prices (alcohol, tobacco, and utilities) pushed up headline inflation.

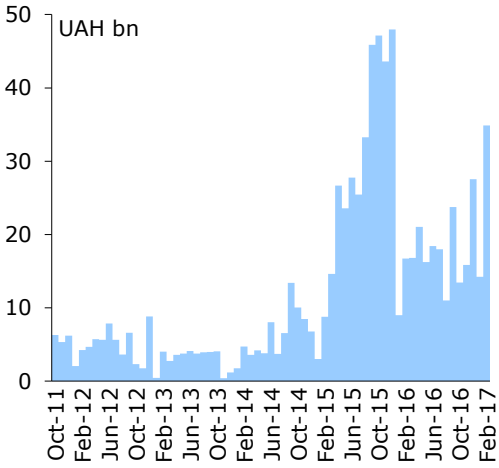
Core inflation was 6.2% yoy as consumer demand grew moderately and the economy continued to work below capacity. Inflation expectations also gradually moved down. The increase in the minimum wage did not seem to have any immediate impact on prices.

In January, the NBU decided to keep discount rate at 14% p.a. citing the recent increase in exchange rate volatility and inflation expectations as well as the increase in inflation forecast due to minimum wage increase. This balanced downward pressure on inflation from economic activity below potential. At the same time, deposit and loan interest rates continued to move down gradually in response to previous policy rate decreases. Money supply increased by 7.1% yoy and monetary base by 8.0% yoy in January.

## Exchange rate: Hryvnia volatility continued in January

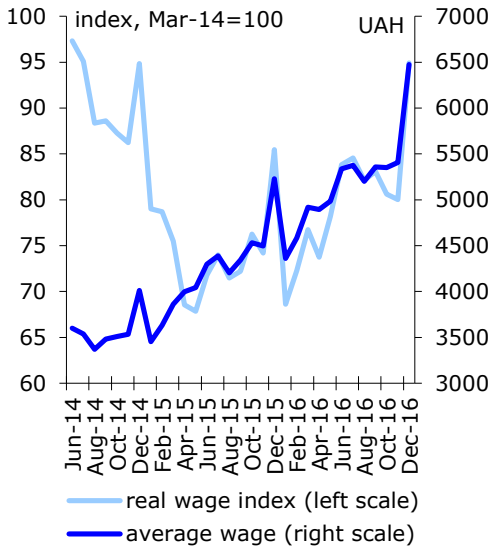
Interbank exchange rate weakened in the first half of January to UAH 27.7 per USD in response to seasonally low foreign currency supply and increased depreciation expectations. Depreciation expectations had more impact on cash exchange rate that shot up close to UAH 29 per USD. The NBU sold USD 235 m to support hryvnia. In the second half of January, depreciation expectations reduced and foreign currency supply increased. In response, interbank exchange rate returned closer to UAH 27 per USD and cash exchange rate returned below UAH 28 per USD. The NBU purchased USD 158 m to replenish reserves spent earlier. NBU international reserves reduced to USD 15.5 bn due to net sales of foreign currency at USD 78 m and net government outflows at USD 138 m.

**Balance of the Single Treasury Account**



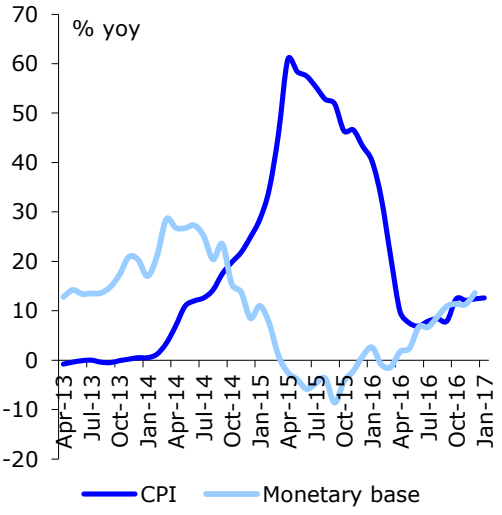

* in the beginning of month
Source: State Treasury

**Average wage***




*not including AR Crimea
Source: Ukrstat

**CPI and monetary base development**




Source: Ukrstat, NBU

## State debt: State debt increased to 83-84-% of GDP in 2016

***Debt.*** According to the Ministry of Finance, state debt in the end of 2016 grew by 22.7% in hryvnia equivalent (to UAH 1 930 bn) or by 8.3% in the US dollar equivalent (to USD 71.0 bn). In GDP terms it increased to 83-84% from 79.1 in 2015.

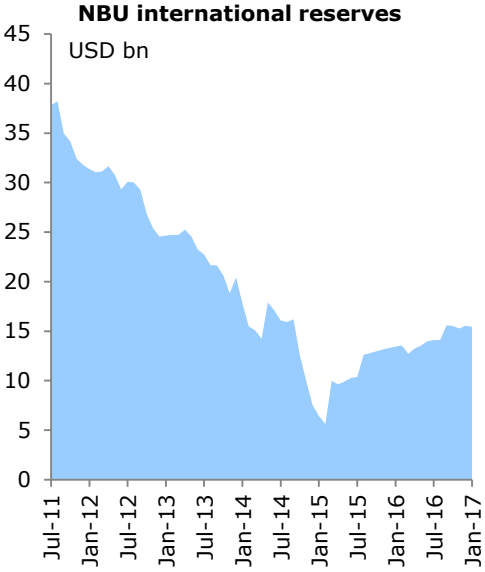
The share of domestic debt grew to 35.7% from 33.7% in the end of 2015. It surged by 30.3% (or by 15.0% in USD-equivalent) due to bond issues for recapitalization needs, new net state borrowings, and hryvnia depreciation. In particular, the Government recapitalized Privatbank at UAH 107 bn, Oshchadbank and Ukreximbank at UAH 14.3 bn and supported the Deposit Guarantee Fund by the special issue of state domestic bonds at UAH 9.7 bn.

External debt increased by 18.9% (or by 5.0% in USD-equivalent) primarily due to the receipt of the third IMF tranche at USD 1.0 bn and the issue of USD 1 bn five-year U.S.-guaranteed Eurobonds. Additional international financial assistance was provided by the European Investment Bank, Governments of Germany and Japan. Besides, there was an additional issue of derivatives related to 2015 sovereign debt restructuring (near USD 431 m).

Debt vulnerability to exchange rate shocks remained high. The share of hryvnia-denominated debt increased insignificantly (to 30.3% of total state debt from 29.8% in 2015). Market issues of state domestic bonds were primarily foreign currency denominated.

***Domestic debt.*** In January, the Ministry of Finance placed UAH 1.1 bn of state domestic bonds with the weighted average yield at 15.7% p.a. as compared to UAH 463 m at 15.3% p.a. in December 2016. Two- and three-year bonds accounted for 93.6% of the total placement.

**NBU international reserves**




Source: NBU

## Tables

| | | Q3 14 | Q2 15 | Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Industrial production (real) | % yoy cum. | -8.0 | -20.0 | -16.1 | -13.0 | 3.7 | 2.0 | 2.0 | 3.7 | 3.1 | 2.0 | 1.7 | 2.0 | 2.0 | 1.9 | 2.1 | 2.4 | … |
| Construction (real) | % yoy cum. | -16.4 | -26.2 | -20.9 | -12.3 | 1.9 | 9.1 | 13.2 | 8.5 | 9.3 | 9.1 | 9.3 | 11.9 | 13.2 | 13.7 | 14.1 | 13.1 | … |
| Agricultural production (real) | % yoy cum. | 16.0 | -9.3 | -5.3 | -4.8 | -1.7 | -0.3 | 0.9 | -1.7 | -1.3 | -0.3 | 0.5 | 0.1 | 0.9 | 2.8 | 2.9 | 6.1 | … |
| Retail trade turnover (real) | % yoy cum. | -5.3 | -24.6 | -22.3 | -20.7 | 1.6 | 2.3 | 3.3 | 2.5 | 1.8 | 2.3 | 2.4 | 3.1 | 3.3 | 3.0 | 3.7 | 4.0 | … |
| Average wage | UAH | 3463 | 4113 | 4313 | 4753 | 4622 | 5072 | 5311 | 4895 | 4984 | 5337 | 5374 | 5202 | 5358 | 5350 | 5406 | 6475 | … |
| CPI | % yoy eop | 17.5 | 57.5 | 51.9 | 43.3 | 20.9 | 6.9 | 7.9 | 9.8 | 7.5 | 6.9 | 7.9 | 8.4 | 7.9 | 12.4 | 12.1 | 12.4 | 12.6 |
| PPI | % yoy eop | 26.9 | 37.9 | 32.5 | 25.4 | 10.5 | 15.7 | 19.6 | 10.1 | 16.4 | 15.7 | 18.3 | 18.9 | 19.6 | 29.2 | 32.0 | 35.7 | 36.8 |
| Exports (USD)* | % yoy cum. | -16.4 | -32.2 | -29.8 | -27.0 | -16.4 | -10.2 | -8.1 | -13.1 | -10.8 | -10.2 | -9.9 | -8.4 | -8.1 | -7.3 | -5.2 | -4.1 | … |
| Imports (USD)* | % yoy cum. | -24.8 | -34.2 | -31.8 | -29.3 | -10.9 | -5.4 | -0.7 | -6.7 | -6.3 | -5.4 | -4.2 | -1.8 | -0.7 | -0.6 | 1.9 | 3.9 | … |
| Trade balance | USD bn cum. | -3.0 | -0.6 | -1.0 | -1.7 | -1.6 | -1.7 | -3.6 | -1.6 | -1.6 | -1.7 | -2.3 | -3.0 | -3.6 | -4.1 | -5.9 | -6.8 | … |
| Current account** | USD bn cum. | -1.2 | -0.1 | 0.1 | -0.2 | -1.0 | -0.6 | -2.3 | -1.1 | -0.8 | -0.6 | -1.0 | -1.4 | -2.3 | -2.5 | -3.1 | -3.4 | … |
| Gross international reserves | USD bn eop | 16.4 | 10.3 | 12.8 | 13.3 | 12.7 | 14.0 | 15.6 | 13.2 | 13.5 | 14.0 | 14.1 | 14.1 | 15.6 | 15.5 | 15.3 | 15.5 | 15.4 |
| Monetary Base | % yoy eop | 23.5 | -5.9 | -8.6 | 0.8 | -1.4 | 1.7 | 10.6 | 1.7 | 2.4 | 6.7 | 6.7 | 8.8 | 10.6 | 11.4 | 11.3 | 13.6 | … |
| Lending rate on UAH credits | % pa, aop | 16.4 | 23.1 | 21.1 | 20.7 | 20.0 | 20.9 | 20.8 | 20.9 | 21.1 | 20.6 | 18.0 | 17.0 | 16.8 | 14.2 | 13.7 | 16.1 | … |
| Exchange rate (interbank) | USD aop | 12.58 | 21.56 | 21.74 | 22.90 | 25.69 | 25.2 | 25.68 | 25.54 | 25.21 | 24.93 | 24.82 | 25.14 | 26.23 | 25.72 | 25.71 | 26.27 | 27.2 |
| Exchange rate (official) | USD aop | 12.58 | 21.62 | 21.69 | 22.33 | 25.68 | 25.3 | 25.74 | 25.63 | 25.21 | 24.95 | 24.82 | 25.65 | 26.28 | 25.76 | 25.70 | 25.55 | 27.2 |
| Exchange rate (official) | EUR aop | 24.37 | 23.93 | 24.69 | 24.91 | 28.34 | 28.6 | 28.96 | 29.06 | 28.50 | 28.09 | 27.49 | 28.65 | 29.47 | 28.45 | 27.78 | 28.29 | 28.80 |

Sources: Ukrstat, NBU, own calculations

* Trade in goods and services

** Monthly data are according to the preliminary estimates provided by the NBU

| Key Economic Indicators | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010[c] | 2011[c] | 2012[c] | 2013[c] | 2014[c] | 2015[c] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nominal GDP | UAH bn | 170.1 | 204.2 | 225.8 | 267.3 | 345.1 | 441.5 | 544.2 | 720.7 | 948.1 | 913.3 | 1079.3 | 1300.0 | 1404.7 | 1465.2 | 1568.9 | 1979.5 |
| Nominal GDP | USD bn | 31.3 | 38.0 | 42.4 | 50.1 | 64.9 | 86.2 | 107.8 | 142.7 | 179.9 | 117.2 | 136.0 | 163.1 | 175.8 | 183.3 | 132.2 | 90.6 |
| GDP growth (real) | % yoy | 5.9 | 9.2 | 5.2 | 9.6 | 12.1 | 2.7 | 7.3 | 7.9 | 2.3 | -14.8 | 4.1 | 5.5 | 0.2 | 0.0 | -6.6 | -9.9 |
| Industrial production | % yoy | 13.2 | 14.2 | 7.0 | 15.8 | 12.5 | 3.1 | 6.2 | 7.1 | -5.0 | -20.6 | 12.2 | 8.0 | -0.7 | -4.3 | -10.1 | -13.0 |
| Agricultural production | % yoy | 9.8 | 10.2 | 1.2 | -11.0 | 19.7 | -0.1 | 0.4 | -5.2 | 17.5 | 0.1 | -1.4 | 20.2 | -3.9 | 13.6 | 2.2 | -4.8 |
| CPI | % yoy aop | 28.2 | 12.0 | 0.8 | 5.2 | 9.0 | 13.5 | 9.1 | 12.8 | 25.2 | 15.9 | 9.4 | 8.0 | 0.6 | -0.3 | 12.1 | 48.7 |
| CPI | % yoy eop | 25.8 | 6.1 | -0.6 | 8.2 | 12.3 | 10.3 | 11.6 | 16.6 | 22.3 | 12.3 | 9.1 | 4.6 | -0.2 | 0.5 | 24.9 | 43.3 |
| PPI | % yoy aop | 20.9 | 8.6 | 3.1 | 7.6 | 20.5 | 16.7 | 9.6 | 19.5 | 35.5 | 6.5 | 20.9 | 19.0 | 3.7 | -0.1 | 17.1 | 36.0 |
| PPI | % yoy eop | 20.8 | 0.9 | 5.7 | 11.1 | 24.1 | 9.5 | 14.1 | 23.3 | 23.0 | 14.3 | 18.7 | 14.2 | 0.3 | 1.7 | 31.8 | 25.4 |
| Exports (gs, USD) | % yoy | 17.9 | 9.5 | 10.7 | 24.0 | 42.6 | 7.5 | 13.4 | 27.0 | 34.3 | -36.9 | 26.0 | 27.5 | 3.4 | -5.5 | -19.9 | -27.0 |
| Imports (gs, USD) | % yoy | 18.9 | 14.1 | 4.9 | 28.7 | 31.3 | 20.4 | 22.6 | 35.232 | 39.3 | -44.2 | 28.8 | 34.8 | 7.5 | -3.5 | -28.1 | -29.3 |
| Current account | USD bn | 1.5 | 1.4 | 3.1 | 2.9 | 6.9 | 2.5 | -1.6 | -5.3 | -12.8 | -1.7 | -3.0 | -10.2 | -14.3 | -16.5 | -4.6 | -0.2 |
| Current account | % GDP | 4.8 | 3.7 | 7.3 | 5.8 | 10.6 | 2.9 | -1.5 | -3.7 | -7.1 | -1.5 | -2.2 | -6.3 | -8.2 | -9.0 | -3.5 | -0.2 |
| FDI (net) | USD bn | 0.6 | 0.8 | 0.7 | 1.4 | 1.7 | 7.5 | 5.7 | 9.218 | 9.9 | 4.7 | 5.8 | 7.0 | 7.2 | 4.1 | 0.3 | 3.0 |
| International reserves | USD bn | 1.5 | 3.1 | 4.4 | 6.9 | 9.7 | 19.4 | 22.4 | 32.5 | 31.5 | 26.5 | 36.7 | 31.8 | 31.4 | 20.4 | 7.5 | 13.3 |
| Fiscal balance''' | % GDP | -0.7 | -1.9 | 0.8 | -0.2 | -3.0 | -1.9 | -0.7 | -1.1 | -1.5 | -2.4 | -6.0 | -1.8 | -3.6 | -4.4 | -4.6 | -1.6 |
| Total state debt | % GDP eop | 45.3 | 36.5 | 33.5 | 29.0 | 24.7 | 17.7 | 14.8 | 12.5 | 19.9 | 33.0 | 40.0 | 36.0 | 37.5 | 39.9 | 69.4 | 79.4 |
| External state debt (total) | % GDP eop | 33.0 | 26.3 | 24.1 | 21.4 | 18.6 | 13.4 | 11.7 | 9.8 | 15.0 | 21.5 | 25.6 | 22.8 | 22.1 | 20.5 | 38.5 | 52.7 |
| Monetary base | % yoy eop | 39.9 | 37.4 | 33.6 | 30.1 | 34.1 | 53.9 | 17.5 | 46.0 | 31.5 | 4.4 | 15.8 | 6.3 | 6.4 | 20.3 | 8.5 | 0.8 |
| Exchange rate | USD aop | 5.44 | 5.37 | 5.33 | 5.33 | 5.32 | 5.12 | 5.05 | 5.05 | 5.27 | 7.79 | 7.94 | 7.97 | 7.99 | 7.99 | 11.87 | 21.84 |
| Exchange rate | USD eop | 5.44 | 5.30 | 5.33 | 5.33 | 5.31 | 5.05 | 5.05 | 5.05 | 7.70 | 7.98 | 7.96 | 7.99 | 7.99 | 7.99 | 15.77 | 24.00 |
| Exchange rate | EUR aop | 5.03 | 4.81 | 5.03 | 6.02 | 6.61 | 6.39 | 6.34 | 6.92 | 7.71 | 10.87 | 10.53 | 11.09 | 10.27 | 10.61 | 15.72 | 24.23 |
| Exchange rate | EUR eop | 5.10 | 4.67 | 5.53 | 6.66 | 7.22 | 5.97 | 6.65 | 7.42 | 10.86 | 11.68 | 10.57 | 10.54 | 10.30 | 11.04 | 19.26 | 26.22 |

Sources: Ukrstat, NBU, Ministry of Finance, own calculations

''' "Minus" denotes a consolidated fiscal deficit; without recapitalisation

[c] Data excludes Crimea where available

**Notes:**

| | | | | | |
|---|---|---|---|---|---|
| **avg** | average | **ytd** | year-to-date | **NBU** | National Bank of Ukraine |
| **cum** | cumulative | **p.a.** | per annum | **EPT** | Enterprise profit tax |
| **mom** | month on month change | **eop** | end of the period | **VAT** | Value added tax |
| **qoq** | quarter on quarter change | **aop** | average of the period | **Ukrstat** | State Statistics Service of Ukraine |
| **yoy** | year-on-year change | **gs** | goods and services | | |

## Quarterly trends

| National accounts | | Q3 12 | Q4 12 | Q1 13 | Q2 13 | Q3 13 | Q4 13 | Q1 14[c] | Q2 14[c] | Q3 14[c] | Q4 14[c] | Q1 15[c] | Q2 15[c] | Q3 15[c] | Q4 15[c] | Q1 16[c] | Q2 16[c] | Q3 16[c] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GDP | UAH bn | 387.1 | 379.2 | 303.8 | 354.8 | 398.0 | 408.6 | 316.9 | 382.4 | 440.5 | 447.1 | 375.5 | 455.2 | 563.9 | 584.8 | 453.2 | 531.8 | 664.7 |
| GDP (real) | % yoy | -1.3 | -2.4 | -1.3 | -1.2 | -1.1 | 3.4 | -1.0 | -4.3 | -5.3 | -14.4 | -17.0 | -14.7 | -7.2 | -1.4 | 0.1 | 1.4 | 2.0 |
| Household consumption (real) | % yoy | 10.2 | 4.9 | 5.9 | 8.7 | 6.8 | 6.3 | 3.3 | -7.8 | -13.9 | -12.2 | -20.7 | -28.1 | -19.3 | -13.0 | -2.2 | 4.3 | 4.9 |
| State consumption (real) | % yoy | 9.7 | 1.1 | 2.0 | -0.9 | -1.5 | -2.9 | -5.9 | 5.2 | 0.1 | 4.5 | 2.7 | -5.9 | -1.7 | 8.1 | 0.1 | -2.4 | 3.0 |
| Gross fixed capital formation (real) | % yoy | -2.9 | -2.1 | 6.1 | -18.1 | -8.9 | -8.7 | -19.9 | -19.3 | -28.0 | -26.5 | -22.8 | -13.8 | -6.3 | 1.4 | 4.2 | 17.6 | 24.8 |
| Exports of goods and services (real) | % yoy | -1.8 | -7.2 | -7.4 | -13.5 | -6.8 | -4.5 | -5.1 | -2.3 | -16.8 | -31.1 | -26.1 | -22.1 | -10.8 | -5.8 | -3.8 | -6.5 | -5.5 |
| Imports of goods and services (real) | % yoy | 6.6 | -0.2 | 1.3 | -15.7 | 1.7 | -0.6 | -11.8 | -10.9 | -32.3 | -29.6 | -19.8 | -32.1 | -18.2 | -17.3 | -7.2 | -0.1 | 13.9 |
| Agriculture, hunting, forestry (real)* | % yoy | -8.0 | -3.5 | 5.7 | 21.7 | -2.8 | 36.5 | 5.7 | -9.1 | 25.6 | -20.6 | -4.7 | -11.8 | -3.8 | -3.6 | -1.6 | 0.6 | 1.1 |
| Manufacturing industry (real)* | % yoy | -4.9 | -6.6 | -9.3 | -9.9 | -10.6 | -9.8 | -3.2 | -5.4 | -12.7 | -13.2 | -24.4 | -20.7 | -7.9 | -0.2 | 6.9 | 3.4 | 0.1 |
| Construction (real)* | % yoy | -14.3 | -18.7 | -16.1 | -19.4 | -8.0 | -4.4 | 4.7 | -14.0 | -26.3 | -30.8 | -30.4 | -24.2 | -9.1 | 10.8 | 6.8 | 14.9 | 17.5 |
| Trade, repair services (real)* | % yoy | -0.5 | -2.0 | 0.2 | -1.2 | 0.9 | 0.9 | -3.0 | -7.2 | -18.4 | -26.6 | -25.0 | -19.8 | -13.6 | -6.1 | 3.7 | 7.1 | 3.8 |
| Transport (real)* | % yoy | -8.3 | -10.5 | -1.7 | -0.8 | 1.3 | 2.7 | -7.8 | -10.9 | -10.1 | -11.0 | -8.2 | -2.3 | -0.2 | 4.9 | 5.4 | 2.8 | 1.1 |
| **Balance of payments (BPM6)** | | | | | | | | | | | | | | | | | | |
| Current account balance | USD bn | -3.9 | -4.8 | -3.2 | -2.3 | -6.0 | -5.0 | -1.3 | -0.8 | -1.2 | -1.4 | -0.4 | 0.3 | 0.2 | -0.3 | -1.5 | 0.5 | -1.8 |
| Current account balance | % of GDP | -8.1 | -10.1 | -8.4 | -5.1 | -12.1 | -9.8 | -3.5 | -2.5 | -3.3 | -6.7 | -2.4 | 1.5 | 0.9 | -1.1 | -8.3 | 2.5 | -6.8 |
| Trade balance in goods | USD m | -5503 | -6233 | -4635 | -3677 | -7881 | -5935 | -2195 | -1185 | -1412 | -2336 | -1111 | -470 | -662 | -1066 | -1655 | -615 | -2054 |
| Trade balance in services | USD m | 2361 | 1578 | 1349 | 1504 | 2575 | 1066 | 937 | 443 | 456 | 686 | 555 | 388 | 278 | 397 | 263 | 293 | 123 |
| Direct investment (FDI)* | USD m | 2037 | 1876 | 1082 | 496 | 1510 | 991 | -665 | -319 | 725 | 558 | 397 | 907 | 890 | 818 | 1365 | 760 | 999 |
| Gross international reserves | USD bn | 29.3 | 24.5 | 24.7 | 23.2 | 21.6 | 20.4 | 15.1 | 17.1 | 16.4 | 7.5 | 10.0 | 10.3 | 12.8 | 13.3 | 12.7 | 14.0 | 15.6 |
| Exchange rate (interbank), UAH/USD | aop | 8.09 | 8.11 | 8.11 | 8.14 | 8.15 | 8.21 | 9.14 | 11.71 | 12.58 | 13.56 | 21.23 | 21.26 | 21.74 | 22.90 | 25.69 | 25.23 | 25.68 |
| Exchange rate (official), UAH/USD | aop | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 | 8.86 | 12.71 | 12.58 | 21.18 | 21.33 | 21.23 | 21.69 | 22.33 | 25.68 | 25.26 | 25.74 |
| **Fiscal indicators** | | | | | | | | | | | | | | | | | | |
| Consolidated fiscal revenues | % of GDP | 28.2 | 33.6 | 35.2 | 29.4 | 28.9 | 28.6 | 35.4 | 29.4 | 24.7 | 27.4 | 37.3 | 34.8 | 30.0 | 31.5 | 36.1 | 33.1 | 27.9 |
| Personal income tax | % of GDP | 4.5 | 5.0 | 5.3 | 5.1 | 4.6 | 4.8 | 5.1 | 4.7 | 4.2 | 5.0 | 5.5 | 5.3 | 4.5 | 5.1 | 6.3 | 6.4 | 5.4 |
| Enterprise profits tax | % of GDP | 2.9 | 4.2 | 6.1 | 3.4 | 3.0 | 3.0 | 4.9 | 2.5 | 1.9 | 1.5 | 4.4 | 1.7 | 1.2 | 1.3 | 3.6 | 2.1 | 1.9 |
| Value-added tax | % of GDP | 8.6 | 10.0 | 9.7 | 9.0 | 8.1 | 8.4 | 8.7 | 9.5 | 6.8 | 10.1 | 11.4 | 9.2 | 8.1 | 8.3 | 11.7 | 11.5 | 8.1 |
| Excise tax | % of GDP | 2.8 | 2.4 | 3.1 | 2.6 | 2.3 | 2.2 | 2.5 | 3.0 | 3.0 | 2.8 | 3.3 | 3.4 | 3.0 | 3.1 | 4.2 | 5.1 | 4.1 |
| Consolidated fiscal expenditures | % of GDP | 30.7 | 41.3 | 36.9 | 35.8 | 30.1 | 35.9 | 35.2 | 34.7 | 27.2 | 35.5 | 33.6 | 35.0 | 26.2 | 42.2 | 35.3 | 35.8 | 31.0 |
| Current expenditures | % of GDP | 27.8 | 37.3 | 35.6 | 33.9 | 28.2 | 33.2 | 34.8 | 33.7 | 25.8 | 33.6 | 31.8 | 33.7 | 24.2 | 38.3 | 34.4 | 34.1 | 28.1 |
| Capital expenditures | % of GDP | 2.9 | 4.0 | 1.3 | 1.9 | 1.9 | 2.8 | 0.5 | 1.0 | 1.4 | 1.9 | 1.7 | 1.3 | 2.1 | 3.9 | 0.9 | 1.7 | 3.0 |
| Consolidated fiscal balance | % of GDP | -3.0 | -7.8 | -1.9 | -6.3 | -1.5 | -7.3 | 0.1 | -5.3 | -2.8 | -8.8 | 3.7 | 0.4 | -3.6 | 10.8 | 0.9 | -2.8 | -3.1 |
| Privatisation receipts | % of GDP | 0.1 | 0.4 | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Banking system** | | | | | | | | | | | | | | | | | | |
| Monetary aggregate M0 | % yoy cum | 5.2 | 5.5 | 9.7 | 9.8 | 12.3 | 17.0 | 19.2 | 31.9 | 28.8 | 19.0 | 6.0 | -1.3 | -6.2 | -0.1 | -5.3 | 0.3 | 8.0 |
| Monetary aggregate M2 | % yoy cum | 10.7 | 13.1 | 16.0 | 17.9 | 19.2 | 17.5 | 17.7 | 13.4 | 14.2 | 5.4 | 9.0 | 3.1 | 5.6 | 4.0 | -1.7 | 6.3 | 12.6 |
| Household deposits in national currency | % yoy cum | 16.3 | 16.3 | 19.1 | 26.5 | 33.4 | 38.0 | 7.9 | -2.3 | -12.3 | -22.1 | -19.1 | -17.7 | -16.6 | -1.0 | 4.3 | 9.4 | 15.1 |
| Household deposits in foreign currency | % yoy cum | 17.0 | 21.8 | 17.0 | 14.7 | 8.4 | 0.9 | 19.8 | 10.2 | 5.5 | 18.0 | 25.4 | 11.6 | 3.7 | -2.4 | -16.1 | -2.7 | 12.1 |
| Com. bank credits in national currency | % yoy cum | 9.1 | 7.7 | 8.6 | 7.4 | 10.2 | 16.9 | 12.3 | 4.9 | -0.8 | -9.1 | -11.0 | -11.8 | -15.8 | -20.8 | -16.6 | -13.3 | -1.5 |
| Com. bank credits in foreign currency | % yoy cum | -9.9 | -7.3 | -4.4 | -0.4 | 0.8 | 2.8 | 36.4 | 38.5 | 49.1 | 53.5 | 58.4 | 29.2 | 18.7 | 15.9 | -15.0 | -2.0 | 2.0 |
| Long-term com. bank credits | % yoy cum | -8.0 | -6.6 | -5.6 | -2.7 | -0.5 | 2.9 | 26.3 | 24.4 | 24.6 | 21.7 | 17.9 | 3.1 | -5.7 | -10.5 | -18.1 | -10.3 | -1.1 |
| Long-term com. bank credits | % of total | 59.1 | 57.8 | 55.9 | 55.7 | 55.1 | 53.2 | 58.5 | 59.1 | 59.8 | 59.5 | 58.5 | 57.6 | 60.7 | 55.4 | 55.6 | 55.8 | 55.9 |
| Average lending rate on national currency credits | % p.a. | 19.5 | 20.8 | 16.2 | 15.3 | 15.3 | 16.5 | 18.4 | 17.5 | 16.4 | 16.6 | 19.9 | 23.1 | 21.1 | 20.7 | 20.0 | 20.9 | 20.8 |
| Average lending rate on foreign currency credits | % p.a. | 8.5 | 8.8 | 9.4 | 9.7 | 9.6 | 8.8 | 8.7 | 9.4 | 9.2 | 8.8 | 8.2 | 9.3 | 9.2 | 9.1 | 8.9 | 9.1 | 8.3 |

Sources: National Bank of Ukraine, State Committee of Statistics, State Treasury, Ministry of Finance, Reuters, IER estimates
* change in value added
[c] Data excludes Crimea, since 2015 data excludes pa

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