Monthly Economic Monitor Ukraine

- According to preliminary results of the second round, Victor Yanukovych was elected as the fourth President of Ukraine.
- The industrial production increased by 7.4% yoy in December.
- Gas sales by NJSC "Naftogaz" fell by 9.5% in 2009.
- In December, financial account was in surplus for the first time since the start of financial crisis.
- Central fiscal deficit was UAH 19.9 bn in 2009 thanks to overstated revenues and understated expenditures.
- Average wage increased by 14.2% mom in December.
- Inflation decelerated to 11.1% yoy in January.
- Bank deposits fell by 0.9% mom in January.
- HIGHLIGHT OF THE MONTH: Presidential elections

No.2 (112)
February
2010

Population: 46.1 m
Industry/GDP: 26%
Agriculture/GDP: 7%
Investment/GDP: 28%
Exports to: Russia 25%, EU 28%
Imports from: Russia 22%, EU 35%

Politics: Ukraine has elected its fourth President

Within a month, Ukraine witnessed two rounds of the presidential elections. The outcome of the first round, held on January 17, 2010, was not a great surprise. Predictably, Viktor Yanukovych, leader of the opposition Party of Regions, and current Prime Minister Yulia Tymoshenko won the round sharing the first (35.32% of votes) and second (25.05%) places, respectively. Sergiy Tigipko, a businessman and former Head of the National Bank, appeared a major surprize of this campaign with 13.5% of votes and the third place. Both Viktor Yanukovych and Yulia Tymoshenko called on Sergiy Tigipko for support in the second round and proposed him the post of prime minister in exchange. Mr. Tigipko did not join any candidate officially.

The second round was more interesting, as it was difficult to predict how supporters of the second-tier candidates would distribute their votes between two finalists. This distribution proved decisive for the outcome of elections. According to the preliminary results of the run-off, Viktor Yanukovych has been narrowly elected as the Ukraine's fourth president with 48.95% of votes. His rival, Yulia Tymoshenko, came in second with 45.47%. The gap between them proved less significant than it was expected (10-15%) and amounted to 3.48%.

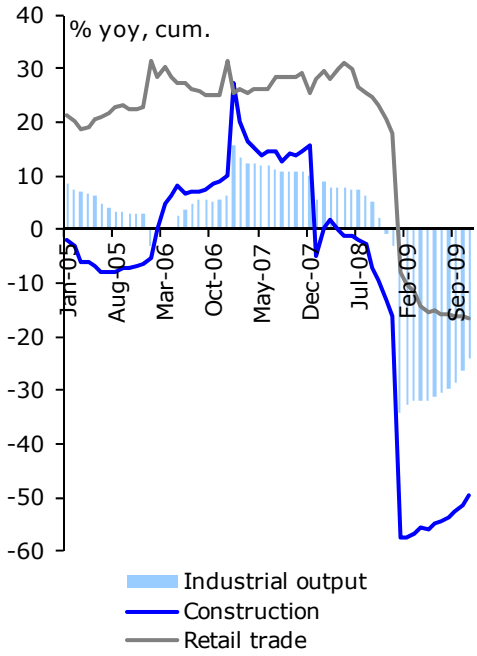
As expected, Yulia Tymoshenko did not recognize the election results and decided to challenge them in the court. This move, however, has little chance of success as no significant violations of the law have been registered so far and the majority of political forces have already accepted the election results. Elections so far have led to no social disturbances.

Real sector: Industrial production increased by 7.4% yoy in December

In December, industrial production increased by 7.4% yoy mainly thanks to low statistical base in extractive industry, metal production, and chemistry. Besides, production of electricity, gas and water increased by 8.2% yoy due to low temperatures in the end of the year. In 2009, total industrial output was 21.9% lower than a year before with the deepest contraction in machine building, and shallowest in production of coke and petroleum products, extraction of energy materials, and food industry.

Freight turnover continued to improve, and its rate of contraction narrowed to 22.5% between January and December 2009 following growing demand from industry. Construction volumes only slightly improved in December. Aggregate annual reduction of sector volumes was 48.2%. Retail trade remained depressed and its contraction reached 16.6% in 2009 as holiday season was not very successful for the sector this year. The only sector with slightly positive annual growth was agriculture. According to preliminary estimates of the Derzhkomstat, annual agriculture output increased by 0.1% in 2009, mainly thanks to animal husbandry that grew by 4.2% yoy.

Real sector trends



Source: Derzhkomstat

Institute for Economic Research
and Policy Consulting
Reytarska 8/5-A, 01034 Kyiv
Tel. (+38044) 278-6342
Fax (+38044) 278-6336
E-mail: institute@ier.kiev.ua
http://www.ier.kiev.ua

Sectoral trends: Naftogaz gas sales fell by 9.5% in 2009

Energy. According to NJSC 'Naftogaz of Ukraine', company's natural gas sales decreased by 9.5% in 2009 and reached 38.3 bn cubic meters (cm). The most significant drop in gas consumption was among industrial consumers that purchased 23.9% less gas than a year ago. Households and heat generators decreased gas consumption only by 3.0% and 1.1%, respectively.

In January, subsidiary of NJSC 'Naftogaz' – OJSC 'Ukranfta' – unexpectedly held stockholders' meeting that had been blocked many times before by private stockholders. The meeting resulted in decision to pay record dividends to stockholders at the total amount of UAH 5.1 bn. The half of them will be paid to NJSC 'Naftogaz' and become a significant support to the company that has large liquidity gap, partly associated to growing arrears from the heat generators.

Agriculture. Ukraine cancelled its decision to inspect enterprises producing meat and other products of animal origin in exporting countries after threats of WTO sanctions. The procedure approved in May 2009 was allegedly intended to handle the issue of low-quality meat imported to Ukraine. The procedure had to be implemented since mid-January 2010. Trade partners, mainly the EU and the USA, claimed that Ukraine failed to justify new restrictions by the problems of quality of meat imported to Ukraine. It forced Ukraine to cancel the procedure. This decision revealed that Ukraine lost its power to impose loosely justified non-tariff regulation within the WTO framework. However, the country is not powerless. Ukraine can impose stringent food quality standards if they are scientifically justified, and to enforce these standards rigorously checking imported products. Domestic meat market at over 2 m tonnes suffers significant deficit covered by imports. In 2009, imported meat amounted to nearly 50% of total consumption.

Privatization. The State Property Fund (SPFU) published the list of 234 companies with the public stakes above 25% intended for sale in 2010. This list does not contain any of last year's blue chips such as Ukrtelecom, Odessa by-port plant or shares of oblenergos. However, the SPFU plans to sell several attractive items like 76% of locomotive producer Luganskokomotive returned to the state property in 2009. Control shareholding of Odessa Film Studio with attractive land at the sea side, 50%+1 of Kharkiv subway construction company, 100% of National Airlines of Ukraine and 50%+1 of oil trading company Ukrnaftoproduct are also in the list.

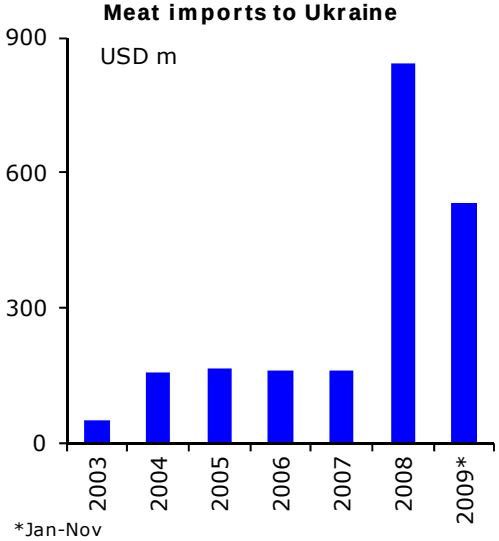
External sector: Worsened current account was offset by improved financial account

According to the NBU preliminary estimates, in December current account (CA) deficit reached USD 585 m, so 2009 cumulative figure reached USD 1.9 bn. Monthly CA deficit was among the highest in 2009, as merchandise trade deficit widened to USD 0.9 bn, and service trade surplus narrowed further. Merchandise imports surged by 10.3% mom supported by seasonal increase in imports of agricultural and food products, and machinery. Cumulative imports drop decelerated to 45.4% yoy in dollar terms in 2009.

Merchandise exports grew only by 4.1% mom in December as situation on external markets for ferrous metals and chemical products remained unstable. Exports growth was supported by increased external sales of machinery and equipment and renewed work of Kremenchyg refinery. Annual rate of merchandise exports contraction was 40.4% yoy in 2009.

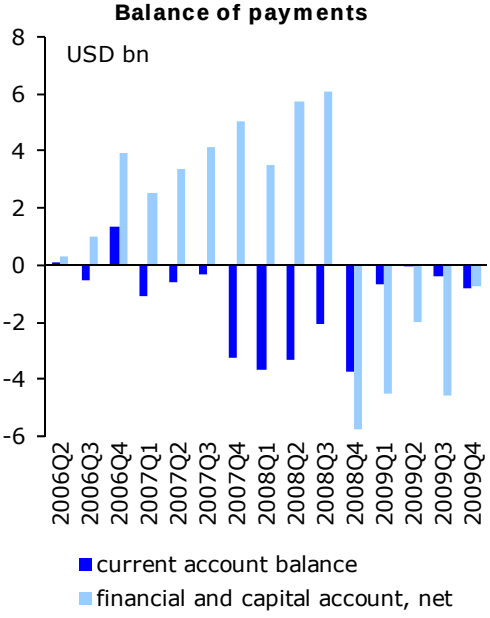
Financial account was in surplus in December for the first time since September 2008. USD 0.4 bn surplus was formed mainly thanks to net inflow on credits and bonds. The largest influx at USD 1.0 bn was in real sector. At the same time, December net FDI inflow was the smallest in 2009 at USD 120 m. Currency outside banks increased once again by USD 1.1 bn in the last month of the year. Annual financial account deficit totalled to USD 11.8 bn in 2009.

Meat imports to Ukraine



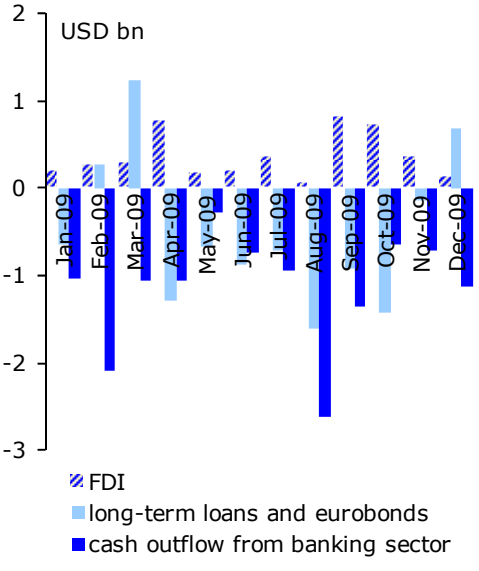
*Jan-Nov
Source: State Statistics Committee of Ukraine

Balance of payments



Source: NBU

Financial account



Source: NBU

Fiscal policy: The central fiscal deficit increased to UAH 19.9 bn in 2009

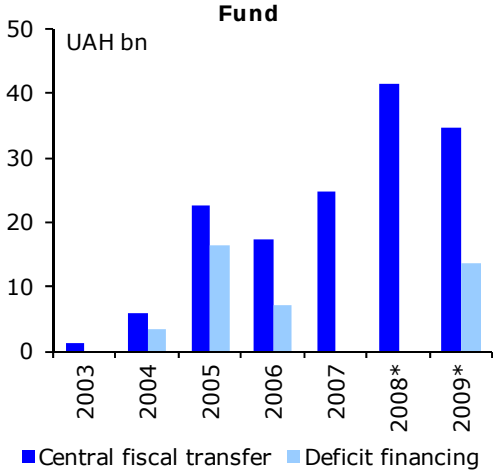
In 2009, the central fiscal revenues were executed at 91.9% of the target and stood at 2.3% lower than a year before. Rather high level of budget execution is primarily attributed to inclusion of SDR 1.3 bn allocated by the IMF to fiscal revenues. According to international standards, it belongs to deficit financing. Other non-tax revenues also increased. Besides SDRs unusual sources of financing include 'other sources of own revenues of budgetary institution' that increased by UAH 5.4 bn and receipts from selling allowances for greenhouse gas emissions of UAH 3.3 bn.

Tax collections dropped by 11.3% yoy in 2009 despite advance tax payments and substantially increased VAT refund arrears. In particular, VAT and enterprise profit tax receipts reduced by 8.1% and 31.4% yoy, respectively. Revenues from international trade taxes were 43.7% yoy lower.

Central fiscal expenditures in 2009 were at 88.4% of the target and equal to 2008 level. The lowest execution rates were in financing of general state functions (48.0% of plan), and defence (78.8% of plan). The financing of capital expenditures was at 56.9% of projected figure.

Officially, central fiscal deficit was at UAH 19.9 bn by the end of the year. However, this figure is questionable as it includes the SDRs and excludes loans to the Pension fund, subsidies to Naftogaz, and financing of state banks authorised capital increase. Privatisation receipts were extremely low at UAH 0.8 bn, and the deficit was financed using state bonds and IMF loans.

Central fiscal transfer to the Pension Fund

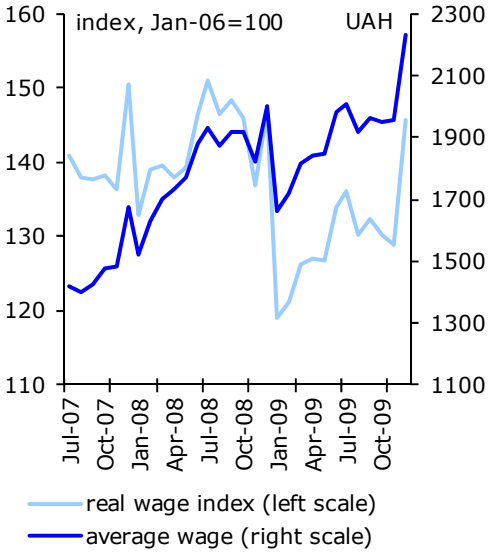


Note: without Treasury loans
Source: State Treasury Reports

Social policy: The Pension Fund was not sustainable in 2009

The pay-as-you-go pension system was not sustainable in 2009. The pensions were largely financed at the expense of the Government, as Pension Fund income declined against the background of crisis, while expenditures grew due to increased pensions. According to the State Treasury, the Pension Fund received a central fiscal transfer for deficit financing at UAH 13.8 bn. The Government also made a central fiscal transfer for paying higher pensions envisaged by different pension programs, and pensions to retired judges and militaries. Thus, total on-budget transfer to Pension Fund was UAH 49.6 bn or 17% of fiscal expenditures. However, even this transfer was not enough to cover the gap in the Fund's budget. The off-budget loans, provided to the Fund by the State Treasury, are estimated at UAH 15 bn. These loans are likely to be written off in 2010, as the Pension Fund will not have money to repay them. The monthly Pension fund deficit is likely to be even higher in the first quarter of 2010 due to seasonal decrease in wages.

Average wage



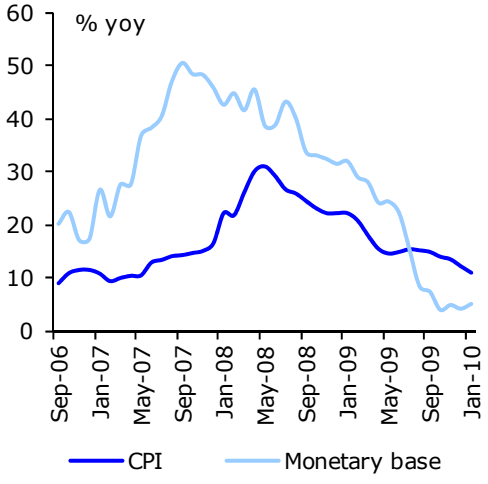
Source: Derzhkomstat

Labour Market: Average wage increased in December

In December 2009, nominal average wage sharply increased by 14.2% mom to UAH 2233 after a year of moderate ups and downs. The increase is likely explained by payments of year-end bonuses and premiums as well as by higher minimum wage. The wage increases in industrial sectors were much lower than on average for Ukraine, which might be attributed to still difficult financial situation of industrial enterprises. One of the highest wage increases was in public sectors despite harsh fiscal situation. However, even including bonuses wages in public administration declined by 10.1% compared to the previous year.

In 2009, real average wage declined by 9.2% after eight years of rapid growth. Average nominal monthly wage was UAH 1906, only 5.5% above a previous year level. The highest wages were still paid in financial sector, while the lowest were in agriculture. Two sectors reduced nominal average wages as compared to 2008, namely construction and public administration.

Monetary base and inflation



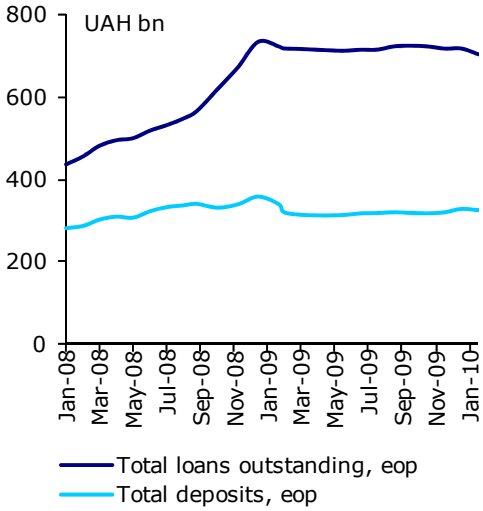
Source: Derzhkomstat, NBU

Monetary policy: Inflation was 11.1% yoy in January

Consumer prices growth slowed to 11.1% yoy in January from 12.1% yoy due to high statistical base. Nevertheless, prices for a number of food items including cheese, milk, vegetables and sugar displayed a significant growth from December due to temporary supply disruptions and spike in demand. Fuel costs also increased significantly reflecting December run-up in oil prices. At the same time core inflation was 0.8% mom as compared to CPI growth of 1.8% mom reflection slower growth in prices for core components of consumer basket. Twelve-month core inflation slowed from 14.9% yoy to 12.7% yoy.

Banks were well supplied with liquidity in January. Bank reserves at the NBU were over UAH 20 bn for several days reflecting limited lending. Money supply decreased by 2.5% yoy in January as compared to 5.5% yoy drop in December thanks smaller than usual seasonal fall in cash in circulation and corporate deposits, and low statistical base.

Banking sector developments



Source: NBU

Financial markets: Bank deposits fell by 0.9% mom

Banking. In January, total bank deposits fell by 0.9% mom, while total loans outstanding decreased by 2.0% mom or UAH 14.1 bn. The main reason for drop in credits and deposits was liquidation of Ukrprombank and two other banks. Their assets and liabilities were excluded from banking statistics.

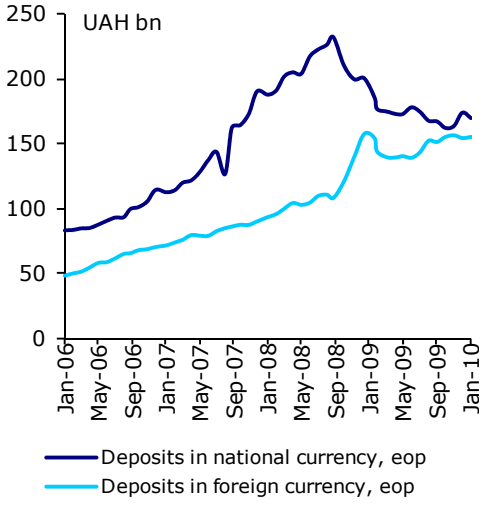
National currency loans to legal entities decreased by UAH 7.4 bn in January, accounting for more than a half of total loans' reduction. Legal entity loans nominated in national currency held by Ukrprombank in September were equal to UAH 7.9 bn, the amount closely matched with January drop in this kind of loans. Thus, corporate loans issued by other banks have probably remained close to December levels.

The biggest contribution to the contraction of household loans was made by foreign currency loans (2.0% mom), as no new lending in foreign currency to physical persons has been allowed.

Additional factor for reduction of total deposits was a seasonal decrease in national currency deposits of legal entities. At the same time, deposits of households continued growing for the fifth months in a row and increased by 0.3% mom as national currency deposits expanded, not affected by Ukrprombank liquidation.

According to NBU preliminary information, banks losses reached UAH 28 bn due to increase in reserves for non-performing loans by UAH 64.5 bn in 2009. At the same time, net interest income increased almost by half from UAH 38 bn in 2008 to UAH 55 bn in 2009. Besides, banks were able to limit increase in operating costs.

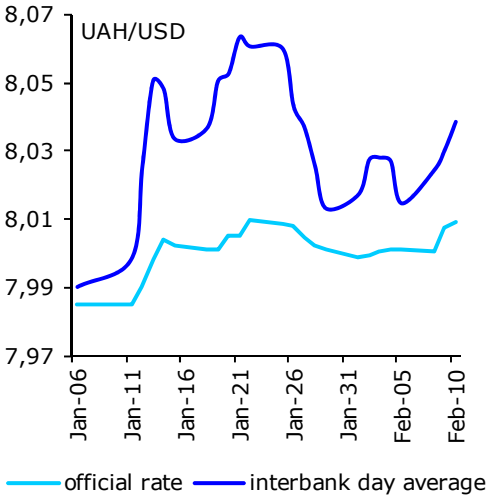
Bank deposits



Source: NBU

Exchange rate. Hryvnia depreciated slightly to levels above UAH 8 per USD in January. Increased hryvnia liquidity available to population and banks contributed to low supply of foreign currency while demand was elevated due to impending presidential elections. Thus NBU had to increase interventions to USD 1.2 bn as population purchased USD 0.8 bn of cash foreign currency. At the same time, volatility of the exchange rate remained low.

Exchange rate



Source: NBU

State debt. The Ministry of Finance started the year continuing active domestic borrowing, though the volumes placed in January remained relatively moderate. The Ministry placed UAH 1.2 bn of state bonds with 22.3% p.a. weighted-average yield maturing in 2010-2012. The share of short-term bonds remained high and amounted to 78.2% of the total confirming the lack of interest in longer-term bonds offered by the government. As the Ministry of Finance will have to redeem UAH 1.7 bn of state bonds on February 10, 2010, bond yields will likely grow next month.

The Government continued to issue bonds to recapitalize public institutions. In January, UAH 12 bn bonds with 9.5% p.a. yield were issued to increase the authorized capital of NJSC "Naftogaz". The money was likely used to pay for imported gas.

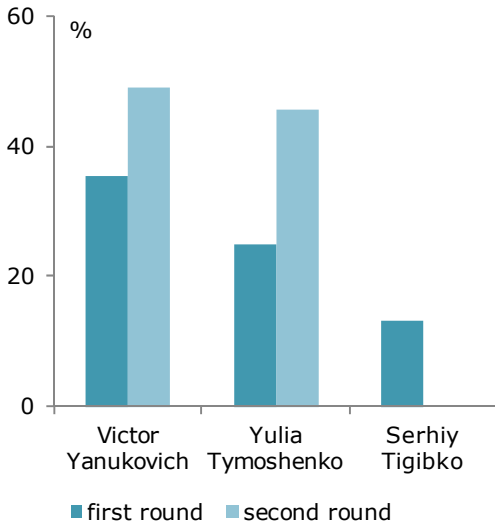
Highlight of the month: Elections

The fourth Ukrainian president is elected

By Yevgeniy Razdorozhny

After months of exhausting and tumultuous presidential campaign, Ukraine seems to have elected the fourth president. According to the poll preliminary results, Viktor Yanukovych, the leader of the Party of Regions, has been narrowly elected President of Ukraine with 48.95% of votes. His rival, current Prime Minister Yulia Tymoshenko, came in second with 45.47%. The gap between them proved less significant than it had been expected (10-15%) and amounted to 3.48%. Predictably, Viktor Yanukovych gained massive support in South and Eastern regions while Yulia Tymoshenko was favourite in North and Western regions of Ukraine. The overwhelming majority of Yanukovych's electorate proved urban (54% in cities and 40% in villages), while Tymoshenko's supporters had come predominantly from rural environment (55% in villages and 40% in cities). The voter turnout in the second round was 69.07%, which is a little more than in the first round (66.76%) with the largest increase in Donetsk region. The number of voters who supported none of the candidates proved rather significant and reached an all-time-high amounting to 4.36%. As a result, for the first time the winner has more votes cast against him (49.8%) than supporting him. However, the majority of votes is not required to win elections.

Shares of votes for candidates



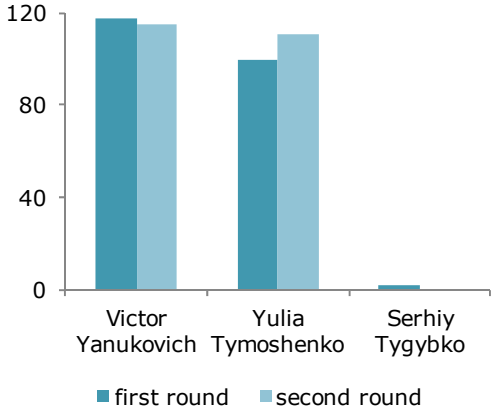
Source: Central elections commission

The outcome of this election had been in a large measure decided by the distribution of votes from supporters of those candidates did not do in the second round. According to the exit-polls results, Sergiy Tigipko's supporters divided equally between Yanukovych (42.8%) and Tymoshenko (43.0%), while the majority of Arseniy Yatsenyuk's voters went to Tymoshenko (65.5%) and only 20.0% to Yanukovych. Despite President Yushchenko's call for supporting none of the candidates, 83.0% of his supporters in the first round gave their votes for Tymoshenko and only 6.0% preferred Yanukovych.

Most of international observers have registered no major violations of the law during the second round of the election. Nevertheless, Yulia Tymoshenko so far did not concede the elections and will likely appeal to court for recounts in the number of polling stations. The Constitution requires new president to take office within 30 days of the announcement of the official results of elections.

In the meantime, after the publication of the preliminary results the winning candidate Victor Yanukovych revealed his intention to initiate the reformatting of the parliamentary coalition in order to form a new government. He also did not rule out the possibility of the portfolio for the Sergiy Tigipko though he did not provide specifics.

Number of election districts where candidates lead



Source: Central elections commission

Yet the formation of the new coalition may prove more difficult than it seemed. Political experience of recent years has showed that the President's authority (both formal and informal) did not provide a sufficient leverage for securing a majority in the Parliament. Given the actual configuration of political forces in the Rada, the most probable scenario is the formation of a new coalition during the next weeks. It will probably include Party of Regions and smaller groups such as "Our Ukraine – National Defence", Lytvyn bloc and Communists. If these attempts fail, early parliamentary elections are possible but they will unlikely to be held earlier than in autumn 2010 due to the procedural reasons.

In any case, given the narrow gap in the election result, new president will have to seek compromise between two major political forces if he wants Ukraine to embark on the way of steady development. In foreign policy, sharp turnabouts are not expected, as the newly elected president's fragile legitimacy will leave him limited space for manoeuvre. He will most likely pursue a more balanced policy providing for further rapprochement with the EU along with normalizing relations with Russia.

Economic Trends		Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Industrial production (real)	% yoy cum.	-3.1	-31.9	-31.1	-28.4	-21.9	-31.9	-31.1	-30.4	-29.6	-28.4	-26.4	-24.0	-21.9	...
Construction (real)	% yoy cum.	-16	-56.7	-54.9	-52.4	-48.2	-55.8	-54.9	-54.3	-53.6	-52.4	-51.5	-49.7	-48.2	...
Agricultural production (real)	% yoy cum.	17.5	1.7	2.6	3.3	0.1	2.3	2.6	3.8	0.4	3.3	0.1	0.0	0.1	...
Retail trade turnover (real)	% yoy cum.	18.6	-11.5	-15.2	-16.2	-16.6	-15.3	-15.2	-15.9	-15.9	-16.2	-16.2	-16.5	-16.6	...
Average wage	UAH	1914	1736	1892	1940	2046	1851	1980	2008	1849	1964	1950	1955	2233	...
CPI	% yoy eop	22.3	18.1	15.0	15.0	12.3	14.7	15.0	15.5	15.3	15.0	14.1	13.6	12.3	11.1
PPI	% yoy eop	23.0	12.8	-0.9	1.6	14.3	1.9	-0.9	-3.7	-3.7	1.6	5.1	12.9	14.3	16.3
Exports (USD)**	% yoy cum.	33.8	-35.6	-42.2	-43.7	-36.7[e]	-44.1	-46.8	-49.0	-49.4	-48.7	-47.5	-43.4	-36.7[e]	...
Imports (USD)**	% yoy cum.	39.1	-45.2	-49.5	-49.3	-43.1[e]	-52.0	-53.4	-53.8	-53.8	-53.5	-52.4	-49.9	-43.1[e]	...
Merchandise trade balance"	USD bn cum.	-16.1	-0.8	-1.9	-3.7	-5.3[e]	-2.2	-2.4	-3.1	-3.8	-4.1	-4.3	-4.8	...	...
Current account***	USD bn cum.	-12.9	-0.7	-0.8	-1.1	-1.9[e]	-0.7	-0.8	-1.1	-1.2	-1.1	-1.0	-1.3	-1.9	...
Current account	% GDP, cum.	-7.1	-3.4	-1.5	-1.3	...	x	x	x	x	x	x	x	x	...
Gross international reserves	USD bn eop	31.5	25.4	27.3	28.2	26.5	27.8	27.3	29.6	28.9	28.2	27.7	27.3	26.5	25.3
Monetary Base	% yoy eop	31.5	28.1	22.4	7.5	4.4	24.5	22.4	15.6	8.5	7.5	4.1	5.0	4.4	5.2
Lending rate on UAH credits *	% pa, aop	21.0	26.5	19.1	17.9	19.8	18.5	18.5	18.5	17.5	17.8	19.3	20.6	19.6	17.4
Exchange rate (interbank)	USD aop	6.49	8.1	7.76	8.00	8.06	7.70	7.63	7.86	7.97	8.31	8.14	8.08	7.98	8.04
Exchange rate (official)	USD aop	6.21	7.70	7.66	7.82	7.99	7.65	7.62	7.70	7.81	8.00	8.00	7.99	7.98	8.00
Exchange rate (official)	EUR aop	8.22	10.06	10.41	11.18	11.81	10.39	10.67	10.82	11.13	11.64	11.84	11.92	11.68	11.43

Sources: Derzhkomstat, Ministry of Finance, NBU, IFS, Reuters, own calculations

" Monthly figures are only for merchandise exports and imports (source: Derzhkomstat)
Quarterly figures are for trade in goods and services (source: NBU)

*Weighted average for different maturities (source: NBU)

** Growth rate in dollar terms

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

[e] preliminary estimate provided by the NBU

Key Economic Indicators		2000	2001	2002	2003	2004	2005	2006	2007	2008
Nominal GDP	UAH bn	170.1	204.2	225.8	267.3	345.1	441.5	544.2	720.7	948.1
Nominal GDP	USD bn	31.3	38.0	42.4	50.1	64.9	86.2	107.8	142.7	179.9
GDP growth (real)	% yoy	5.9	9.2	5.2	9.6	12.1	2.7	7.3	7.9	2.1
Industrial production	% yoy	13.2	14.2	7.0	15.8	12.5	3.1	6.2	10.2	-3.1
Agricultural production	% yoy	9.8	10.2	1.2	-11.0	19.7	-0.1	0.4	-5.2	17.5
CPI	% yoy aop	28.2	12.0	0.8	5.2	9.0	13.5	9.1	12.8	25.2
CPI	% yoy eop	25.8	6.1	-0.6	8.2	12.3	10.3	11.6	16.6	22.3
PPI	% yoy aop	20.9	8.6	3.1	7.6	20.5	16.7	9.6	19.5	35.5
PPI	% yoy eop	20.8	0.9	5.7	11.1	24.1	9.5	14.1	23.3	23.0
Exports (gs, USD)	% yoy	17.9	9.5	10.7	24.0	42.6	7.5	13.2	27.5	33.8
Imports (gs, USD)	% yoy	18.9	14.1	4.9	28.7	31.3	20.4	22.0	35.5	38.6
Current account	USD bn	1.5	1.4	3.1	2.9	6.9	2.5	-1.6	-5.3	-12.9
Current account	% GDP	4.7	3.7	7.6	5.9	10.6	2.9	-1.5	-3.7	-7.2
FDI (net)	USD bn	0.6	0.8	0.7	1.4	1.7	6.5	5.3	9.2	9.9
International reserves	USD bn	1.5	3.1	4.4	6.9	9.7	19.4	22.4	32.5	31.5
Fiscal balance'''	% GDP	-0.7	-1.9	0.8	-0.2	-3.0	-1.9	-0.7	-1.1	-1.5
Total state debt	% GDP eop	45.3	36.5	33.5	29.0	24.7	17.7	14.8	12.5	19.9
External state debt (total)	% GDP eop	33.0	26.3	24.1	21.4	18.6	13.4	11.7	9.8	15.0
Monetary base	% yoy eop	39.9	37.4	33.6	30.1	34.1	53.9	17.5	46.0	31.5
Exchange rate	USD aop	5.44	5.37	5.33	5.33	5.32	5.12	5.05	5.05	5.27
Exchange rate	USD eop	5.44	5.30	5.33	5.33	5.31	5.05	5.05	5.05	7.70
Exchange rate	EUR aop	5.03	4.81	5.03	6.02	6.61	6.39	6.34	6.92	7.71
Exchange rate	EUR eop	5.10	4.67	5.53	6.66	7.22	5.97	6.65	7.42	10.86

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

Notes:

avg	average	**ytd**	year-to-date
cum	cumulative	**p.a.**	per annum
mom	month on month change	**eop**	end of the period
qoq	quarter on quarter change	**aop**	average of the period
yoy	year-on-year change	**gs**	goods and services

Quarterly trends

National accounts		Q1 06	Q2 06	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
GDP	UAH bn	105.4	124.1	150.4	157.7	137.6	165.1	197.4	212.8	187.7	233.7	275.8	252.7	183.2	207.1	250.6
GDP (real)	% yoy	4.1	6.8	6.9	9.5	8.9	8.6	6.2	7.4	6.3	6.2	6.4	-8.0	-20.3	-17.8	-15.9
Household consumption (real)	% yoy	20.2	18.2	11.8	9.9	14.7	15.5	15.2	19.0	22.5	13.3	16.7	1.6	-11.6	-11.6	-13.9
State consumption (real)	% yoy	9.6	5.8	5.8	1.0	0.8	6.2	4.4	2.4	-0.2	1.3	-0.2	0.2	1.8	-5.8	-12.3
Gross fixed capital formation (real)	% yoy	19.9	19.3	17.9	18.3	24.4	23.5	18.9	23.8	19.4	12.0	0.1	-17.4	-48.7	-57.8	-44.5
Exports of goods and services (real)	% yoy	-14.9	-9.6	3.2	1.0	4.9	5.2	0.1	5.6	4.4	7.2	18.9	-10.4	-15.9	-32.3	-42.1
Imports of goods and services (real)	% yoy	10.7	0.9	8.3	6.4	12.9	19.6	13.7	27.2	23.8	24.4	31.8	-4.2	-35.6	-53.6	-53.0
Agriculture, hunting, forestry (real)*	% yoy	3.8	2.8	-5.6	8.1	4.8	6.8	-9.3	7.1	0.5	-0.5	21.9	20.7	1.3	2.6	8.8
Manufacturing industry (real)*	% yoy	-1.5	6.1	7.3	7.2	15.0	13.2	13.1	4.4	9.0	9.4	1.8	-22.6	-36.5	-33.0	-18.4
Construction (real)*	% yoy	0.1	0.8	1.4	4.2	13.3	8.2	12.7	5.8	-1.5	-6.3	-17.0	-32.7	-54.1	-47.3	-37.9
Trade, repair services (real)*	% yoy	6.2	16.4	20.0	21.9	14.3	17.5	25.3	15.0	15.7	10.9	2.2	-13.9	-18.0	-17.6	-8.4
Transport (real)*	% yoy	4.9	7.7	9.4	5.3	7.0	5.6	8.0	10.2	10.2	14.1	10.8	-4.3	-14.4	-8.6	-1.9
Balance of payments																
Current account balance	USD bn	-0.8	0.0	0.5	-1.4	-1.1	-0.6	-0.3	-3.26	-3.7	-3.4	-2.1	-3.7	-0.7	-0.1	-0.4
Current account balance	% of GDP	-3.7	0.0	1.7	-4.3	-4.0	-1.9	-0.8	-7.7	-10.0	-7.1	-3.7	-9.2	-2.9	-0.2	-1.1
Trade balance in goods	USD m	-1353	-935	-884	-2022	-1735	-1701	-2684	-4452	-4490	-4171	-3868	-3562	-937	-946	-1774
Trade balance in services	USD m	219	506	1054	347	50	448	1614	308	77	308	1341	15	186	528	1288
Current transfers	USD m	622	790	851	910	732	844	947	1016	740	833	831	723	629	1054	639
Direct investment (FDI)	USD m	1153	1489	1736	1359	1709	1934	3927	1648	2430	3091	3324	1058	847	1251	1159
Portfolio investments	USD m	4	-141	370	3350	1816	1477	616	1844	217	160	-690	-967	-436	-380	-2342
Gross international reserves	USD bn	17.3	17.7	19.2	22.4	23.0	25.9	30.7	32.5	33.2	35.5	37.5	31.5	25.4	27.3	28.2
Exchange rate(market), UAH/USD	aop	5.06	5.02	5.02	5.03	5.04	5.02	5.01	5.04	5.03	4.79	4.70	6.49	8.09	7.76	7.99
Exchange rate(official), UAH/USD	aop	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	4.96	4.85	6.21	7.70	7.66	7.82
Fiscal indicators																
Consolidated fiscal revenues	% of GDP	31.2	31.7	31.9	32.8	33.3	32.8	30.8	31.1	32.9	32.0	29.5	31.6	35.9	31.6	25.5
Personal income tax	% of GDP	4.4	4.6	4.1	4.1	5.1	5.3	4.9	4.8	5.2	5.1	4.3	4.9	9.4	8.9	8.1
Enterprise profits tax	% of GDP	3.4	4.6	4.3	6.7	3.8	4.1	4.1	6.4	4.2	4.5	5.0	6.3	4.0	3.4	3.7
Value-added tax	% of GDP	9.2	9.2	9.7	9.3	10.4	9.8	8.7	7.6	10.6	10.9	9.8	7.8	12.1	8.6	6.4
Excise tax	% of GDP	1.8	1.7	1.5	1.5	1.8	1.7	1.6	1.3	1.5	1.3	1.2	1.4	2.0	2.4	2.5
Consolidated fiscal expenditures	% of GDP	30.9	32.8	29.4	36.6	28.4	31.0	29.6	36.7	29.8	31.6	27.2	41.2	35.5	37.8	29.6
Current expenditures	% of GDP	28.9	29.7	24.9	29.2	26.9	28.4	25.9	27.3	28.9	28.5	22.4	33.8	34.6	36.1	27.0
Capital expenditures	% of GDP	1.9	3.2	4.5	7.4	1.6	2.6	3.7	9.4	1.0	3.1	4.8	7.4	0.9	1.8	2.6
Consolidated fiscal balance	% of GDP	-0.4	1.1	-2.4	4.0	4.7	1.7	1.2	-6.2	3.0	0.4	1.9	-10.3	0.0	-6.4	-4.5
Privatisation receipts	% of GDP	0.1	0.1	0.1	0.1	0.5	0.5	0.3	0.4	0.1	0.0	0.0	0.0	0.0	0.2	0.1
Labour market																
Average wage (real)	% yoy	23.6	22.2	18.3	10.8	12.3	11.7	12.7	13.4	13.4	6.1	6.3	0.5	-11.7	-8.6	-10.7
Household income (real)	% yoy	22.1	18.6	20.3	16.3	17.5	17.4	14.9	16.4	19.0	10.1	6.6	2.7	-7.3	-8.3	-9.9
Unemployment rate (ILO methodology)	% cum	7.9	6.8	6.4	6.8	7.4	6.6	6.2	6.4	7.1	6.2	6.0	7.5	9.5	9.1	8.6
Banking system																
Monetary aggregate M0	% yoy cum	36.2	25.3	23.7	24.5	26.2	30.6	41.1	48.2	48.4	48.6	37.9	39.3	33.9	22.8	11.5
Monetary aggregate M2	% yoy cum	39.2	36.6	36.7	34.3	38.6	40.7	47.8	50.8	52.7	48.8	37.4	31.0	12.0	5.3	-1.4
Household deposits in national currency	% yoy cum	54.6	41.1	39.7	37.3	50.7	56.3	64.8	71.9	67.9	67.0	53.3	7.5	-10.9	-16.1	-25.4
Household deposits in foreign currency	% yoy cum	54.5	66.2	64.3	57.5	52.3	43.8	38.4	32.5	35.2	32.9	31.2	66.3	31.8	33.0	39.2
Com. bank credits in national currency	% yoy cum	59.8	53.7	49.0	52.3	52.4	57.2	60.7	72.7	81.2	70.6	54.9	40.4	27.6	27.8	25.2
Com. bank credits in foreign currency	% yoy cum	72.0	82.1	90.4	95.4	98.9	97.4	91.0	75.4	71.3	57.9	53.4	103.6	70.8	48.7	32.4
Long-term com. bank credits	% yoy cum	87.6	86.7	76.6	79.5	84.1	86.5	87.9	85.7	84.8	67.2	50.9	73.3	50.8	37.3	29.9
Long-term com. bank credits	% of total	63.1	63.4	63.5	64.9	65.8	67.3	68.2	69.2	69.1	68.6	66.8	69.8	69.9	68.2	67.3
Average lending rate on national currency credits	% p.a.	15.8	15.5	14.6	15.1	14.0	13.9	13.7	14.0	15.7	17.6	17.7	21.6	26.2	19.1	17.5
Average lending rate on foreign currency credits	% p.a.	11.5	11.3	11.3	11.5	11.5	11.4	11.3	11.1	10.9	11.9	12.4	11.9	9.6	9.6	10.0

Sources: National Bank of Ukraine, State Committee of Statistics, State Treasury, Ministry of Finance, Reuters, IER estimates
* change in value added

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