Monthly Economic Monitor Ukraine

- Victor Yanukovych and Yulia Tymoshenko reached the second round of Presidential elections.
- The real GDP contraction decelerated to 15.9% yoy in the third quarter thanks to increased investments and restocking.
- Privatization failed in 2009.
- Financial account deficit reached USD 12.3 bn over eleven months of 2009.
- Central fiscal deficit (general fund) decreased to UAH 14.1 bn in November thanks to unforeseen revenues from the SDRs.
- Real household disposable income decline accelerated to 9.9% yoy in the third quarter of 2009.
- Unemployment rate (ILO methodology) declined to 7.8% of economically active population in the third quarter thanks to seasonal factors.
- Inflation decelerated to 12.3% yoy in December.
- HIGHLIGHT OF THE MONTH: Year 2009

No.1 (111)
January
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: Presidential campaign is approaching its final stage

Presidential campaign continued in December with increasing mutual criticism among President Victor Yushchenko, Prime Minister Yulia Tymoshenko, and leader of the parliamentary opposition Victor Yanukovych. Political antagonism ended up with the failure to adopt the Law on State Budget 2010 by the end of the year. However, the election campaign lacked major events. TV debates between the candidates were marginalized due to the refusal of five leading participants of the elections campaign to take part in them. Yulia Tymoshenko stated that she has seriously considered debates only for the second round of the presidential elections scheduled for February 7, 2010. According to the results of the first round of the elections Yulia Tymoshenko and Victor Yanukovych will fight for the presidency in the second round

In December, the UEFA executive committee approved Kyiv, Lviv, Kharkiv, and Donetsk as host cities for European Football Championship Euro-2012. Moreover, Kyiv was confirmed as a city earmarked to hold the final. However, all selected cities still need to do many preparations for the event, including large investments in transport, sport, and hospitality infrastructure. Financial means for these preparations remain unclear.

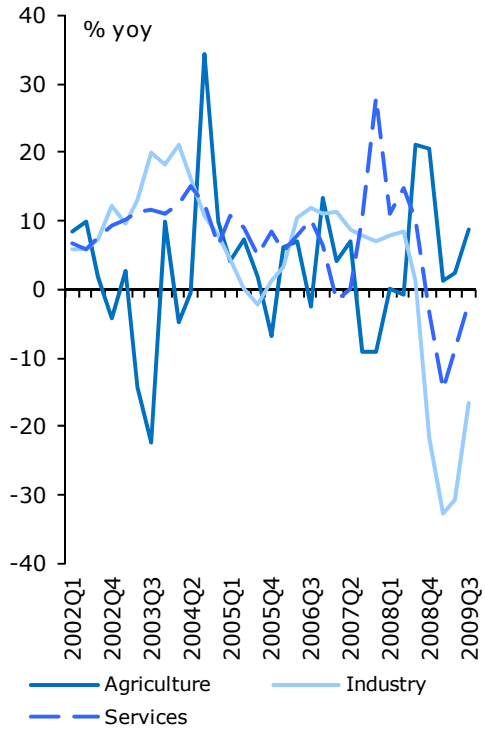
Real sector: Real GDP dropped by 15.9% yoy in the third quarter of 2009

Real GDP contraction decelerated to 15.9% yoy in the third quarter of 2009 despite high statistical base of the previous year. On demand side, the deceleration is mostly attributed to companies' restocking and improved situation with gross fixed capital formation compared to the previous quarters. Other GDP components –consumption and net exports – performed worse in the third quarter than the quarter before. For exports, the effect is largely explained by the base of comparison.

On production side, agriculture showed the most remarkable results as gross value added (GVA) in the sector increased by 8.8% yoy despite a decrease in grain harvest. Industry and construction continued falling at double-digit rate though their performance improved as compared to previous quarters. Situation in services also improved with all service sectors reporting now only single-digit decline. Improved performance has likely reflected restructuring efforts by Ukrainian companies and better external market situation rather than internal policy efforts.

In November, industrial production increased by 8.6% yoy reflecting large year-on-year increases in metal production and iron ore mining. Meanwhile, food industry output declined further from 5.0% yoy in October to 8.8% yoy. Between January and November, freight

Real gross value added by sectors



Source: Derzhkomstat

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turnover contraction continued to slow and reached 24.6% yoy mainly thanks to strong demand for agriculture products transportation. Construction volumes decline continued to improve against the background of low statistical base and reach 49.7% yoy between January and November. Retail trade was negatively influenced by flu panic, and its decline deepened to 16.5% yoy during the eleven months of 2009. Between January and November output in agriculture was unchanged from a year ago due as increase in animal products output compensating for lower grain harvest.

Sectoral trends: Privatization failed again in 2009

Privatization. The State Property Fund (SPFU) finished the year with less than 10% of privatization plan executed. The failure of the Odessa by-port plant sale and return of Lugansk locomotive plant to the state property, combined with looming elections, further undermined investment climate in Ukraine. UAH 10 bn of privatization revenues planned in the draft budget for 2010 are also unlikely to be executed without the full rethinking of the state privatization policy.

Energy. In December, an access to the international electricity transmission lines was auctioned to aspiring electricity exporters. This process has broken long-held monopoly on electricity exports. The auction was successful and 250 MW of capacities in Western direction were sold for more than UAH 141 m. Transition to competitive electricity export market will have significant positive impact on power industry allowing the major players in generation sell electricity directly to consumers.

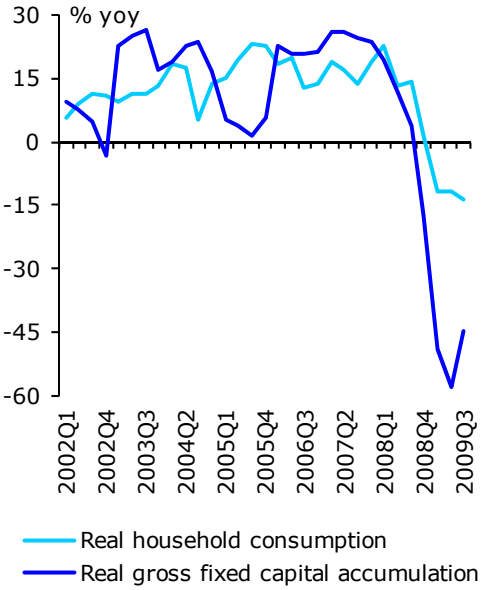
Agriculture. Since December 30 all food products labels in Ukraine should contain information whether they contain or do not contain genetically modified organisms(GMO). It is stated in the amendments to the Law on safety and quality of food products. Before, only food products that contained more than 0.9% of GMO or have been produced from agricultural products that contained more than 0.9% of GMO required labelling. Though the GMO labelling provision has been in force from July 2009, producers mostly ignored it. It is unclear how efficiently the new requirement will be enforced. As the EU strictly controls GMO products circulation, stronger control on GMO labelling will help to promote Ukrainian products better on the European market.

External sector: November financial account deficit decreased to USD 0.4 bn

In November, current account balance was negative at USD 240 m so that cumulative figure rose to USD 1.3 bn. The main reason was merchandise trade deficit that widened to USD 479 m on the background of lower merchandise exports and higher imports. Exports decreased by 5.1% mom as exports of metals and chemical products have simultaneously reduced in face of unstable external demand. However, due to low statistical base of last months of 2008 merchandise exports drop significantly decelerated between January and November to 43.1% yoy. Merchandise imports, in turn, grew by 1.5% mom in November showing increase in most of merchandise groups except for machines and metals. Their drop was offset by significant increase (by 17.1% mom) in imports of energy materials. Between January and November imports decrease slowed to 48.8% yoy.

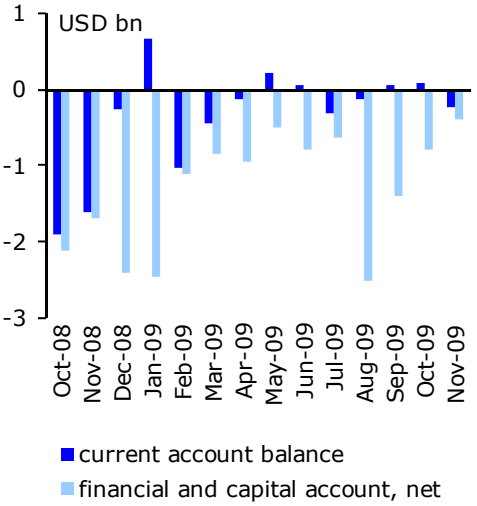
While current account widened, November financial account deficit in November shrank to USD 401 m. The increase in loans to real sector by USD 0.7 bn and considerable FDI net inflows contributed to lesser deficit. Monthly outflow of foreign currency from banks at USD 718 m has remained relatively stable during last four months reflecting stabilized exchange rate expectations. Still, eleven-month financial account deficit reached USD 12.3 bn compared to large positive balance a year ago.

Real consumption and investments



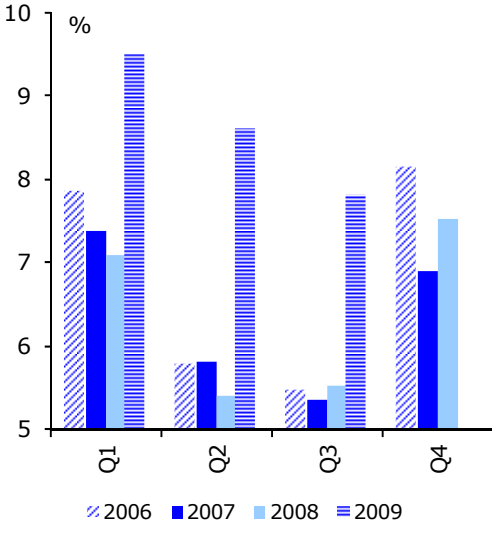
Source: Derzhkomstat

Balance of payments



Source: NBU, preliminary estimates

Unemployment rate (ILO)



Source: Derzhkomstat

Fiscal policy: The central fiscal deficit dropped to UAH 14.5 bn in November

Between January and November 2009, central fiscal revenues drop decelerated to 8.8% yoy (general fund) and reached 82.7% of the annual plan. SDR 1.1 bn out of SDR 1.3 bn allocated to Ukraine by the IMF in September were converted to hryvnia and included in budget allowing extra UAH 14.1 bn of fiscal revenues. At the same time, Collections of value added and enterprise profit taxes, comprising two major central fiscal tax revenue sources, have declined by 19.7% and 29.9% yoy, respectively. Besides, revenues from international trade taxes dropped by 29.5% yoy. The central fiscal expenditures (general fund) remained almost at the level of 2008 (99.9%). As funds from SDRs were accounted as budget revenues, the central fiscal deficit (general fund) dropped to UAH 14.5 bn. The deficit was financed at the expense of internal (OVDP) and external borrowings (mainly, IMF loans).

In December, the Verkhovna Rada approved several amendments to the State Budget Law for 2009 increasing budget expenditures despite lack of revenues to finance existing programs.

The Parliament failed to pass State Budget for 2010 by the end of the year 2009. Until budget is approved, fiscal expenditures are to be financed at 2009 levels.

Social policy: Real households' disposable income decline accelerated in the third quarter of 2009

Drop in real households' disposable incomes accelerated to 9.9% yoy in the third quarter of 2009 due to statistical base effect. Nominal incomes grew by mere 3.2% yoy. Wage incomes declined by 14.4% yoy in real terms due to reduction in number of employed persons against the background of very moderate nominal wage growth. Real incomes received from social assistance and current transfers dropped only by 4.6% yoy as the Government managed to pay social assistance in full. As a result, the share of wage receipts in total household incomes declined further to 40.2%.

Labour Market: Two estimates of the unemployment rate differ significantly

According to the Derzhkomstat, the unemployment rate (ILO methodology) declined to 7.8% of economically active population between 15 and 70 years old in the third quarter of 2009. It is by 1.6 percentage points (p.p.) lower than in the first quarter of 2009, though by 0.3 p.p. higher than in the last quarter of 2008 when unemployment started growing against the background of dropped economic activity. The ILO unemployment rate is likely to have been higher in the last quarter of 2009 due to seasonal factor.

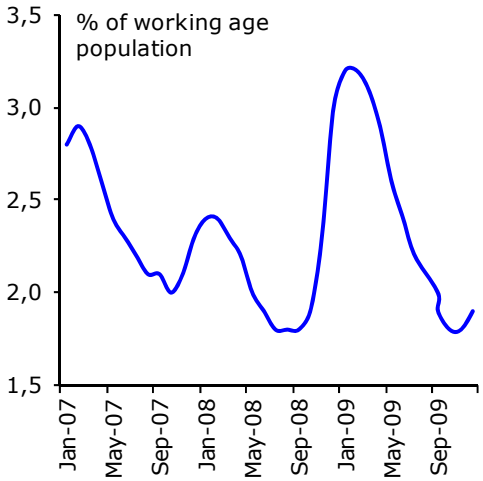
At the same time, the number of unemployed registered in the Employment offices declined much more. In particular, registered unemployment rate dropped from 3.0% of working able individuals in December 2008 to 1.8% in November 2009 reaching pre-crisis level. The low rate of registered unemployment is primarily attributed to the amendments in the legislation, which impeded registration for unemployment benefits and eased their cancellation.

Monetary policy: Inflation decelerated to 12.3% yoy in December

Consumer prices growth further slowed to 12.1% yoy in December. Lower December inflation may be attributed to much lower than usual increase in demand before the holiday season, as holiday bonuses were slashed or eliminated and uncertainty about future well-being has remained high. Decrease in fuel prices also contributed to lower inflation.

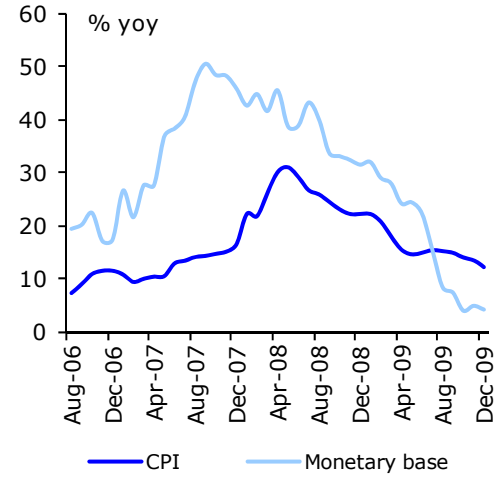
Bank liquidity gradually increased in December, but inter-bank interest rates remained volatile due to the disparities in liquidity positions of the Ukrainian banks.

Registered unemployment rate



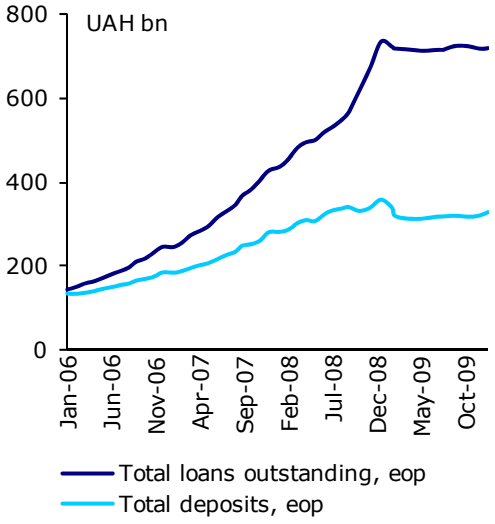
Source: Derzhkomstat

Monetary base and inflation



Source: Derzhkomstat, NBU

Banking sector developments



Source: NBU

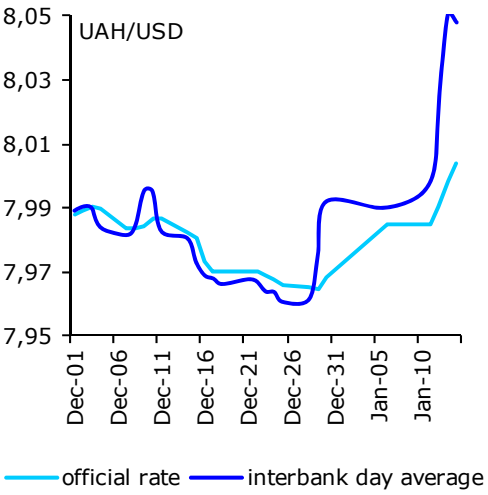
Financial markets: Bank deposits grew again

Banking. In December, deposits grew by 2.6% mom with increases for most components. Deposits dropped by 8.3% yoy on the yearly basis to UAH 319.8 bn. In the last month of the year, a part of legal entities savings were directed on foreign currency debt servicing reducing their deposits in foreign currency by UAH 2.1 bn.

Total loans outstanding increased insignificantly by 0.2% mom in December, while annually their amount reduced by 2.1% yoy to UAH 717.4 bn. As before national currency loans to legal entities increased (by 2.1% mom), while foreign currency loans and national currency loans to households continued falling. However, the nature of lending may have changed. In October and November, a share of long-term loans to private-owned non-financial corporations started to grow for the first time in 2009.

Exchange rate. Hryvnia appreciated slightly to levels below UAH 8 per USD in December, as supply on non-cash market was larger than demand. Excess supply was used to cover deficit on cash market as net purchases of cash foreign currency were USD 0.9 bn despite holiday season. After the NBU supplied foreign currency to Naftogas, it purchased some foreign currency into reserves later in the month preventing further appreciation of hryvnia. Net interventions of the NBU over the month were still negative at USD 0.1 bn.

Exchange rate



Source: NBU

Highlight of the month: Year 2009

MAJOR FAILURES AND ACHIEVEMENTS OF 2009

The year 2009 was definitely not an easy year for any country in the world. Consequences of the financial and economic crisis are likely to be felt long after the world economy will formally resume growing. In Ukraine, the impact of crisis was complemented by tough political situation. Still, some of catastrophic scenarios voiced in the beginning of the year have never realized, while others – unexpected – erupted. Here, we take a brief account of major Ukraine's failures and achievements of the year that just passed.

Politics

- Despite expectations by the Ukrainian side, 2009 did not become a year of signing the new enhanced agreement between Ukraine and the European Union.
- Ukraine received SDR 4 bn from the IMF under the stand-by arrangement signed in 2008. However, the country failed the third review of the program, halting further loan disbursements.
- Attempts to create a coalition between two main political opponents – the Party of Regions and the Bloc of Yulia Tymoshenko – suffered resounding defeat.
- Despite lingering doubts, the UEFA approved four Ukrainian cities as host cities for Euro-2012 and Kyiv as a city that will hold championship final.

Real sector

- Ukraine's drop in the real GDP at about 14% is among the highest in the world. However, Ukrainian economy started slowly recovering starting the second quarter.
- Real investments almost halved in the first nine months of the year as compared to the same period of 2008.

Energy

- Following several weeks of no gas supply to Ukraine and no gas transit through its territory, on January 19, long-term contracts on natural gas supply and transit were signed between Ukrainian Naftogaz and Russian Gasprom. For the first time, gas price and transit tariff fee were set on formula-based approach.

Agriculture

- Agricultural sector was the only one that reported growing output despite financial problems. Its real value added grew by 6.8% yoy in the first nine months of the year.
- Impediments for agricultural sector development namely land sale moratorium, corruption, and inefficient state policy were preserved in 2009.

Transport

- Prices for transport services continued to grow. However, preferential rail tariffs for metal and chemicals producers set for three months as temporary anti-crisis measure were not abolished after a year in place.
- New road concessions law improving concession conditions for potential investors became effective, but no concessions were issued so far.

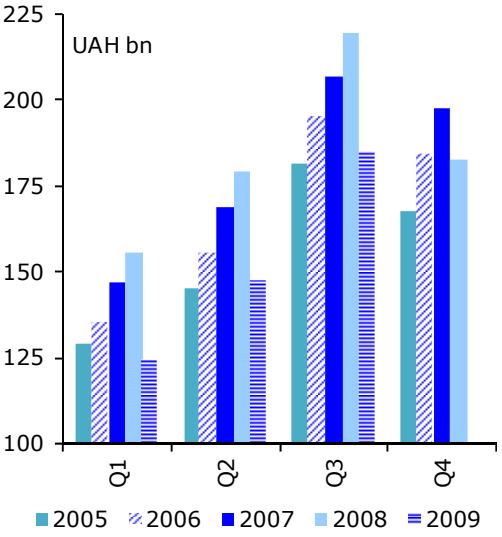
Privatisation

- Execution of the privatization plan for 2009 was lower than 10% of the target as privatization of the Odessa by-port plant failed.
- The Luhansk locomotive plant privatized in 2007 was returned to the state property and earmarked for re-privatization.

External Sector

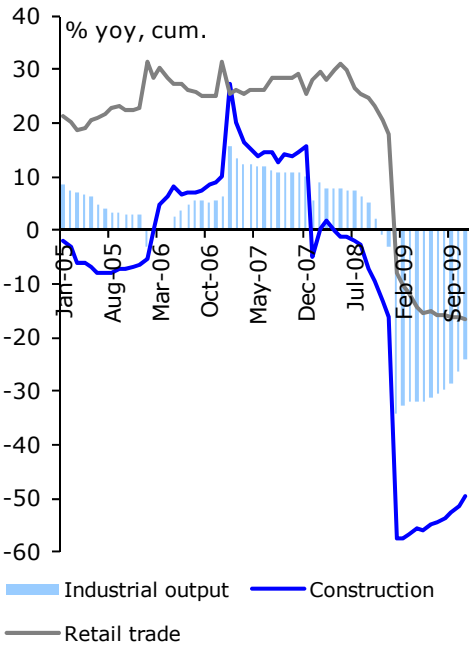
- Deeper drop in merchandise imports as compared to exports resulted in narrower trade deficit. Current account deficit

GDP in constant prices of 2007



Source: Derzhkomstat

Real sector trends



Source: Derzhkomstat

contacted from USD 12.5 bn in the first eleven months of 2008 to USD 1.3 bn between January and November 2009.

- Between March and September, temporary 13% import surcharge on automobiles and refrigerators was in force. The WTO threatened to apply sanctions to the country if the surcharge were used for longer period.
- Most of the companies succeeded in the restructuring or repaying their foreign debts. However, large purchases of cash foreign currency resulted in record financial account deficit.

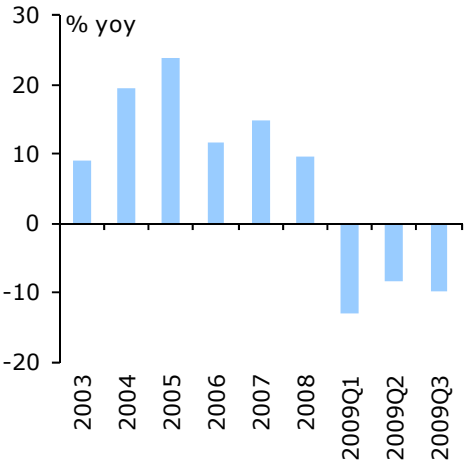
Fiscal policy

- The Government refused to sequester the budget in 2009 regardless under-executed fiscal revenues. The IMF loans, provided for fiscal purposes, were essential for financing fiscal liabilities.
- Ukraine entered fiscal year 2010 without approved fiscal plan, which happened for the first time since 1997. Therefore, the fiscal situation will be further managed 'manually'.

Social policy

- In 2009, pensions were paid timely and in full at the expense of pension insurance contributions, central fiscal transfer and short-term loans provided by the State Treasury. It is unlikely that the Pension Fund will pay these loans back.
- Thanks to the Presidential elections, the Parliament pushed through the law on increase in social standards for 2009 and 2010 despite significant fiscal gap.
- Drop in real disposable incomes of households along with high net credit redemptions ended an of era of fast growing real final private consumption.

Real disposable household incomes



Source: Derzhkomstat

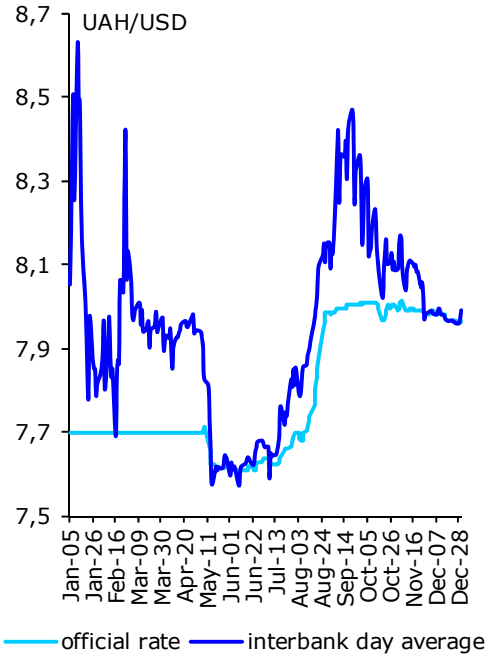
Labour market

- After picking up in the beginning for the year, the number of registered unemployed in November returned to the pre-crisis levels. The unemployment rate measured according to the ILO methodology remains high.
- The most Ukrainian labour migrants decided to stay abroad rather than to return home.

Monetary policy

- Ukraine managed to avoid large-scale printing of money. Monetary base increased only by 4.4%.
- The consumer price inflation decelerated, though remained at two-digit number.
- Expectation of exchange rate above UAH 10 per USD did not come true.

Exchange rate



Source: NBU

Financial markets

Banking sector

- Most of banks survived through financial crisis, though they finished the year with negative financial result at UAH 28 bn.
- Three Ukrainian system banks were recapitalized by the state, but still failed to renew their regular economic activity.

State debt

- Ukraine did not default on its obligations in 2009, though several state-owned companies appeared in the technical default. The state debt increased sharply, but remained at the safe level.

Economic Trends		Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Industrial production (real)	% yoy cum.	-3.1	-31.9	-31.1	-28.4	…	-31.9	-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	…	-55.6	-55.8	-54.9	-54.3	-53.6	-52.4	-51.5	-49.7	…
Agricultural production (real)	% yoy cum.	17.5	1.7	2.6	3.3	…	2.1	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	…	-14.3	-15.3	-15.2	-15.9	-15.9	-16.2	-16.2	-16.5	-16.6
Average wage	UAH	1914	1736	1892	1940	…	1845	1851	1980	2008	1849	1964	1950	1955	…
CPI	% yoy eop	22.3	18.1	15.0	15.0	12.3	15.6	14.7	15.0	15.5	15.3	15.0	14.1	13.6	12.3
PPI	% yoy eop	23.0	12.8	-0.9	1.6	14.3	6.3	1.9	-0.9	-3.7	-3.7	1.6	5.1	12.9	14.3
Exports (USD)***	% yoy cum.	33.8	-35.6	-42.2	-43.7	…	-41.1	-44.1	-46.8	-49.0	-49.4	-48.7	-47.5	-43.4	…
Imports (USD)***	% yoy cum.	39.1	-45.2	-49.5	-49.3	…	-50.1	-52.0	-53.4	-53.8	-53.8	-53.5	-52.4	-49.9	…
Merchandise trade balance	USD bn cum.	-16.1	-0.8	-1.9	-3.7	…	-1.9	-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	…	-0.9	-0.7	-0.8	-1.1	-1.2	-1.1	-1.0	-1.3	…
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	24.5	27.8	27.3	29.6	28.9	28.2	27.7	27.3	26.5
Monetary Base	% yoy eop	31.5	28.1	22.4	7.5	4.4	24.3	24.5	22.4	15.6	8.5	7.5	4.1	5.0	4.4
Lending rate on UAH credits **	% pa, aop	21.0	26.5	19.1	17.9	19.8	20.4	18.5	18.5	18.5	17.5	17.8	19.3	20.6	19.6
Exchange rate (interbank)	USD aop	6.49	8.1	7.76	8.00	8.06	7.93	7.70	7.63	7.86	7.97	8.31	8.14	8.08	7.98
Exchange rate (official)	USD aop	6.21	7.70	7.66	7.82	7.99	7.70	7.65	7.62	7.70	7.81	8.00	8.00	7.99	7.98
Exchange rate (official)	EUR aop	8.22	10.06	10.41	11.18	11.81	10.18	10.39	10.67	10.82	11.13	11.64	11.84	11.92	11.68

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)

* Monthly figures do not include the regular quarterly revision of the GDP series

**Weighted average for different maturities (source: NBU)

*** Growth rate in dollar terms

**** Monthly data are according to the preliminary estimates 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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