Monthly Economic Monitor Ukraine

- Russia accused Ukraine's leadership in anti-Russian course.
- Industrial production accelerated thanks to increased external demand for metals.
- The National Electricity Regulatory Commission has reduced prices for natural gas for five chemical companies.
- Current account balance was negative in July at USD 0.4 bn.
- Central fiscal revenues (general fund) contracted by 15.2% yoy in the first seven months of the year.
- Average nominal wage growth slowed to 1.4% mom in July.
- Inflation decelerated to 15.3% yoy in August.
- Hrynvia continued to weaken in August.
- HIGHLIGHT OF THE MONTH: Hryvnia

No.9 (107)
September
2009

Population: 46.4 m
Industry/GDP: 32%
Agriculture/GDP: 8%
Investment/GDP: 29%
Exports to: Russia 26%, EU 28%
Imports from: Russia 28%, EU 37%

Politics: August political events were closely related to forthcoming elections

Despite vacation season, August was marked by political events closely related to the forthcoming Presidential elections. On August 11, President of the Russian Federation Dmitriy Medvedev in an open address to President of Ukraine Victor Yushchenko expressed his overall discontent about Russian-Ukrainian relations and announced his decision to postpone the arrival of the newly appointed Russian Ambassador to Ukraine Mikhail Zurabov "taking into account the anti-Russian course of the Ukrainian leadership". Ukrainian and Western political observers unanimously stated that Mr. Medvedev's accusations addressed to the current President of Ukraine sound like an attempt to influence the course of the Ukrainian presidential campaign and possibly even its results.

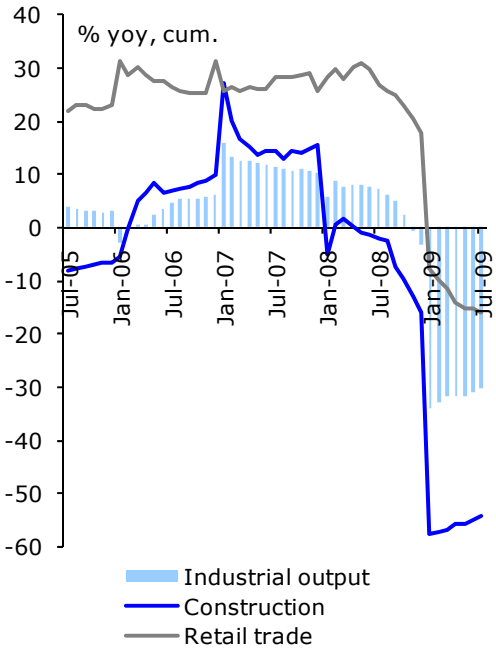
On the domestic arena, the main topic was the amendments to the legislation regulating the Presidential elections. On August 18, Victor Yushchenko vetoed the changes to the law passed by the Parliament in July. The amendments envisage among other shorter election campaign, higher candidate's deposit, and disputable changes in the procedure of formation of local election commissions. However, on August 21, the Verkhovna Rada overcame the Presidential veto with 325 votes thus introducing the suggested amendments. According to the Presidential Secretariat, the newly adopted law will be contested by the President in the Constitutional Court.

Real sector: July industrial production increased thanks to higher external demand for metals

Industrial production contraction decelerated to 26.7% yoy thanks to noticeable acceleration in most sectors in July. High external demand for metals raising output in metallurgy by 15.3% mom was the key driver of July manufacturing growth. Related industries – coke production and non-energy mining – increased output significantly as well. At the same time, almost fourfold contraction in alcohol production and standstill of chemical giant 'Stirol' limited improvement in manufacturing in July.

The growth in agriculture accelerated to 3.8% yoy for the first seven months of 2009 thanks to earlier start of the harvesting campaign. Other sectors demonstrated uneven trends. The contraction in cargo transportation turnover decelerated to 33.3% yoy over seven months thanks to increased industrial output, while statistical base effect allowed for less output decrease in construction equal to 54.3% yoy. Drop in passenger transportation and retail trade further accelerated to 10.4% yoy and 15.9% yoy, respectively, indicating weakening consumer demand.

Real sector trends



Source: Derzhkomstat

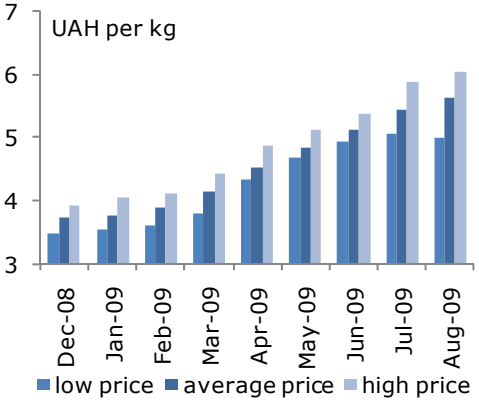
Sectoral trends: Sugar prices peaked in August

Agriculture. In August, prices for sugar have continued to grow, with peak price reaching UAH 8 per kg in some regions. The government has blamed market participants for higher prices.

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However, there are economic reasons for the increase. First, Ukraine possesses small sugar stocks due to decreasing domestic production and low imports of raw cane sugar. Second, there is a seasonal effect of high demand and small inventories. In October, sugar refining will start, and the prices are expected to drop to about UAH 5 per kg. Third, world sugar prices have been the highest in August for the last 28 years. To moderate price increase, the government plans to import sugar from Belarus. Besides, the Agrarian Fund and the State Reserve sell sugar to the market at about UAH 4 per kg. This policy is expected to ease the pressure on prices in the short run. The Antimonopoly Committee already registered the decrease in sugar prices by 5-10% in 21 oblasts. By the end of the month, retail market prices settled at UAH 5.2-6.1 per kg depending on region as compared to UAH 5.1-5.6 in July. Nevertheless, sugar prices in Ukraine will grow in future following world sugar price upside trend expected to continue until 2011.

Sugar prices

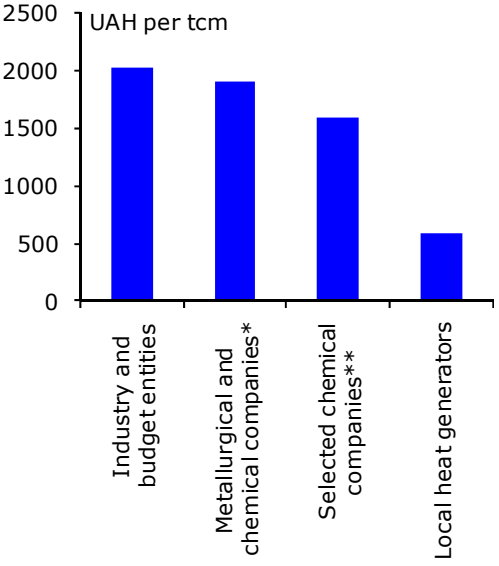


Source: State price inspection

Energy. The Prime Ministers of Russia and Ukraine held a meeting on gas issues in Poland discussing current gas contracts provisions. Allegedly, Ukraine will pay for actually consumed gas volumes thus *de-facto* breaking 'take-or-pay' provision stipulated in the signed contract. Instead, Ukraine is expected to provide discounts in transit tariff for Gazprom.

In August, the National Electricity Regulatory Commission (NERC) has further reduced prices for natural gas for five chemical companies producing nitrogen fertilizers and using gas as input. For them gas price was reduced from UAH 1899.25 per 1000 cu. m (tcm) to UAH 1584.0 per tcm (excluding VAT and special charge). The sixth nitrogen fertilizer producer – RivneAzot – was excluded from this list allegedly due to political reasons. Price discrimination imposed by the Government breaks the competitive environment of this sector and worsens investment climate in Ukraine.

Natural gas prices for different consumers



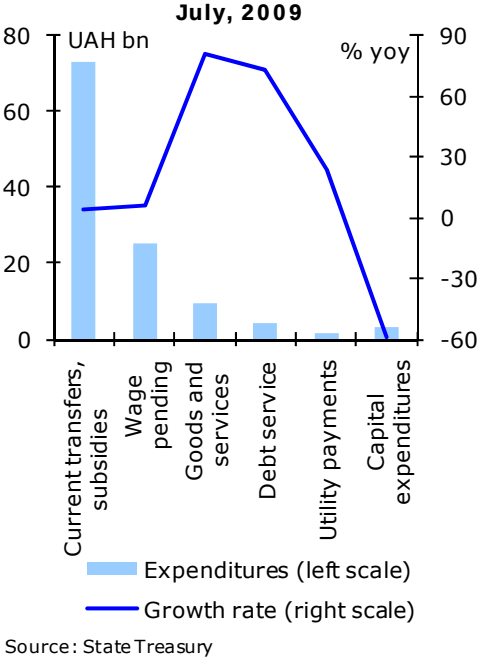
Source: National Electricity Regulatory Commission (NERC); Government
* List defined by the Government
** Discounted price for 5 companies set on August

According to state company 'Ukrinterenergo', Ukraine will resume electricity export in Poland from September 1. The export renewal became possible after electricity prices growth at Poland internal market and devaluation of zloty.

Privatisation. The Cabinet of Ministers ordered the Ministry of Fuel and Energy to separate stakes in 15 oblenergoes from the National JSC "Energy Company of Ukraine" for their further privatisation. Mostly these are controlling shareholdings of the oblenergoes.

The State Property Fund increased its activity over last months. In particular, it sold 94.6% of the aviation company "Dniproavia" that owns Dnipropetrovsk airport and 18 aircraft to the sole bidder for UAH 59 m. It also managed to attract 12 bidders for the Odessa By-Port Plant. The geographic diversification of bidders is quite wide and promises interesting competition on September 29.

Central fiscal expenditures in January-July, 2009



Source: State Treasury

External sector: Balance of payment worsened in July

In July, current account deficit was at USD 0.4 bn, one of the highest values so far in 2009. Seven-month deficit reached USD 1.2 bn. The main reason was an increase in monthly imports not matched by commensurate rise in exports. Commodity imports fell by 54.8% as compared to July 2008 but increased significantly from June thanks to higher gas imports and improved domestic demand for imported goods. At the same time, despite improved external demand, commodity export contraction accelerated to 57.5% yoy against the background of record metal and chemicals exports in summer 2008. As a result, commodity trade deficit widened.

On the financial side, a volume of foreign currency outside banks has once again increased in response to hryvnia depreciation. In July, the outflow of foreign currency from banks reached USD 1.1 bn, the level comparable to that in the beginning of 2009. Slight improvement in FDI net inflow and increase in inflow of credits into corporate sector was not sufficient to cure the situation. Financial account deficit reached USD 0.6 bn in July and USD 7.0 bn cumulatively over seven months of the year.

Fiscal policy: The central fiscal deficit reached UAH 15.4 bn in July

Between January and July the total central fiscal revenues declined by 6.2% yoy according to the State Treasury. In particular, general fund revenues were down by 15.2% yoy, thus continuing deterioration. The difference in the speed of contraction is explained by inflow of funds to the special fund of the budget, partly attributed to non-regular fiscal revenues.

During first seven months, tax central fiscal revenues declined by 13.4% yoy due to sharp drop in receipts from enterprise profit and value added taxes. While the former is explained by harsh financial state of enterprises, the latter may be attributed to lower investment and consumer imports. At the same time, excise revenues rapidly increased thanks to higher rates.

Total central fiscal expenditures increased by 6.4% yoy. Increase in spending was financed by deficit that reached UAH 15.4 bn in the end of July. While current fiscal expenditures increased by 11.0% yoy, the capital expenditures dropped by 59.2% yoy.

Capital expenditures might be higher in the last months of the year as the Parliament overcame the veto of the President on the Law on Amendments to the State Budget. According to the law, the NBU is to transfer UAH 9.8 bn of current-year profit to central coffers this year. Additional receipts are to be spent on infrastructure projects, primarily in the framework of the EURO-2012 preparations. However, the President vetoed the law again arguing that minor technical change in the text allows him to do it.

Demographics: Population reduction slows

In the first half of 2009, a rate of natural reduction in population contracted to 5.3 persons per thousand (ppt) in annual terms from 6.8 ppt in the first half of 2008. Three regions, namely Zakarpattya, Rivne and Kyiv city, had natural increase in population. In Ukraine, the birth rate increased to 10.9 ppt, while the death rate declined to 16.2 ppt continuing trends started in 2008. The increase in birth rate might be attributed to several factors. First, children of baby boom of the first half of 1980s reached a reproductive age. Besides, pre-crisis favorable economic conditions of recent years likely stimulated birth rate. Birth grants have also served as an additional incentive for some families to have children. The latter factor could become even more important during the economic crisis.

Labour market: Nominal wages continue to grow

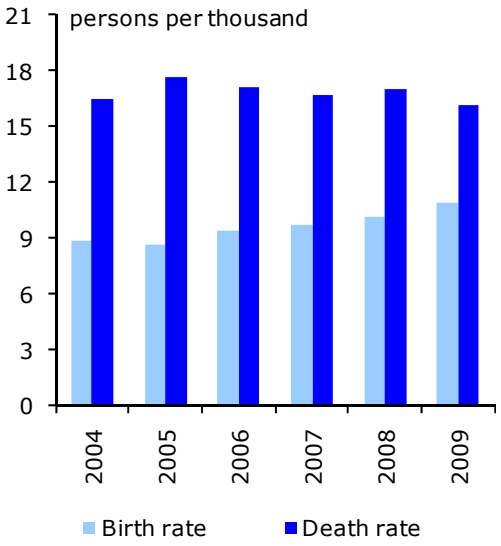
In July, the nominal average wage growth decelerated to 1.4% mom against the background of wage decline in most of public sectors, except for public administration. The highest wage growth was in financial sector at 14.1% mom, widening already deep gap between wages in the sector and national average level. Wage increases in industry and construction were moderate. Between January and July, real wage contraction remained at 9.8% yoy against the background of July decline in CPI.

Monetary policy: Inflation reached 15.3% yoy in August

Consumer prices growth edged down to 15.3% yoy in August due to variations in seasonal price patterns. Other factors were mainly balanced. On the one hand, depreciating hryvnia supported inflation expectations and prices for imported goods. At the same time, continued weakness in consumer demand restrained inflationary pressure.

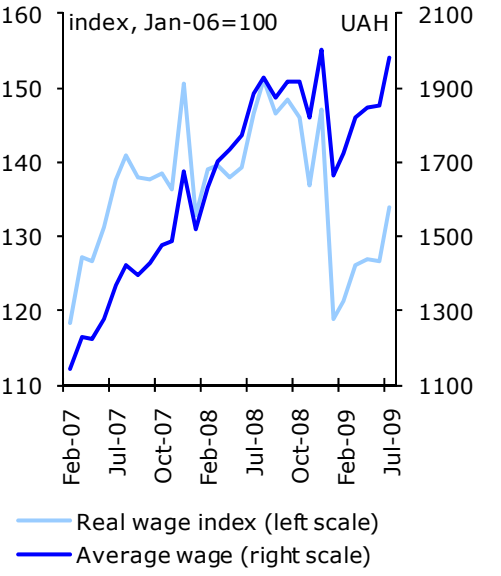
Bank liquidity has fallen significantly during August. Bank funds at the NBU dropped from record UAH 24.6 bn to below UAH 16.0 bn due to the NBU sales of foreign currency and CDs. Besides UAH 4.6 bn (40% of required reserves) were frozen at special accounts. As a result, monetary base growth slowed to 8.5% yoy while money supply growth turned negative at 0.9% yoy. To tighten the monetary policy further, the NBU has increased the frozen part of required bank reserves from 40% to 50% since September 10.

Demographic indicators, January-June



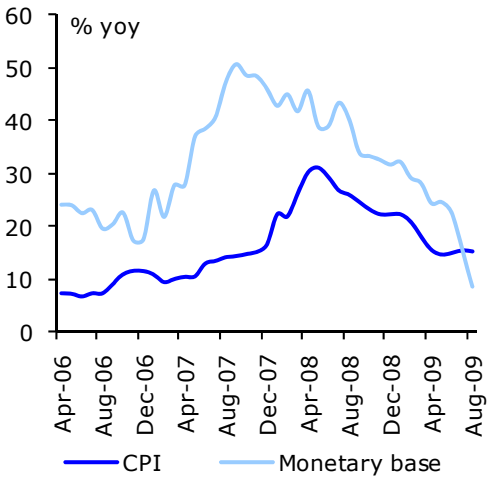
Source: Derhkomstat

Average wage



Source: Derzhkomstat

Monetary base and inflation



Source: Derzhkomstat, NBU

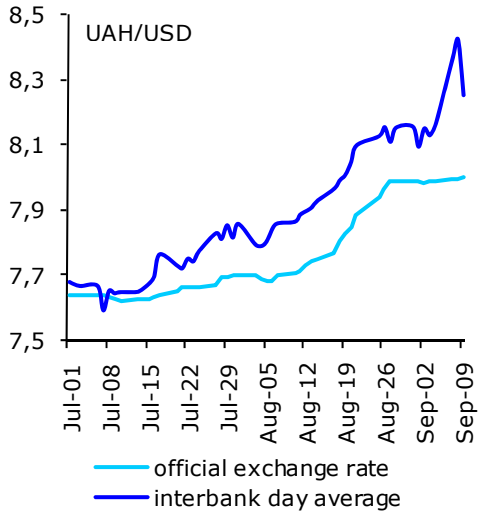
Financial markets: Hryvnia continued to depreciate in August

Exchange rate. Hryvnia continued to weaken against US dollar in August. Interbank exchange rate reported by the NBU increased by 3.8% to UAH/USD 8.15, while Reuters reported daily highs over UAH/USD 8.5 as compared with UAH/USD 8.06 high on July 31. High demand for cash foreign currency, external debt redemptions and depreciation expectations limiting supply of the foreign currency were the main reasons behind weakening.

Banking sector. In August, household deposits continued to grow for the fifth month in a row (1.3% mom), while corporate deposits, on the contrary, decreased by 0.5% mom. Due to high devaluation expectations, both legal entities and households continued to convert their savings into foreign currency deposits, which resulted in decrease in national currency deposits by 3.9% mom.

Loans outstanding increased by 1.4% mom in August. Loans in foreign currency expanded for both households and legal entities leading to overall increase by 2.6% mom. The disproportion between banks' expenditures and incomes continued widening resulting in increase in bank losses in July by UAH 4.1 bn to UAH 18.4 bn over seven months of 2009.

Exchange rate



Source: NBU

Highlight of the month: Hryvnia

The direction of the exchange rate movement

By Vitaliy Kravchuk

In autumn 2008, panic demand for the foreign currency led to sharp devaluation of hryvnia despite billions of US dollars spent by the NBU to support exchange rate. Imbalances between supply and demand for foreign currency partly subdued by the end of 2008 allowing hryvnia to stabilize and even slightly appreciate in the first half of 2009. The next wave of hryvnia weakening was expected in autumn associated with high external debt payments and seasonal factors such as pick-up in economic activity. However, hryvnia started to depreciate earlier, namely in the middle of summer. Below we discuss key factors causing hryvnia depreciation.

First, hryvnia liquidity in banks had increased. This allowed them to fulfill purchase orders by their clients and to buy foreign currency themselves. Bank excess reserves increased from negative figures in February 2009 up to UAH 13 bn on August 1. Total liquid claims on the NBU by commercial banks including cash in vaults, accounts with the NBU and CDs increased from UAH 25.6 bn in February to UAH 41.3 bn by the end of July. Growth in liquidity was fueled by the credit crunch as banks received deposits but did not lend out all the money, and liquidity injections by the NBU through refinancing of banks and government bonds purchases.

The second factor was worsening current account deficit. In July, it was USD 355 m as compared to USD 157 m in the whole second quarter. Increased purchases of gas and other import goods contributed to this trend.

The third reason for weakening hryvnia was self-fulfilling depreciation expectations. As large number of enterprises was in crisis management mode during summer, they started to move assets from hryvnia to foreign currency in July instead of autumn. As a result, gross purchases of cash foreign currency by economic agents more than doubled from USD 1.1 bn in May to USD 2.5 bn in July and USD 2.2 bn in August. Depreciation expectations also curtailed the supply as foreign currency owners started to wait for the peak exchange rate to buy hryvnia if possible.

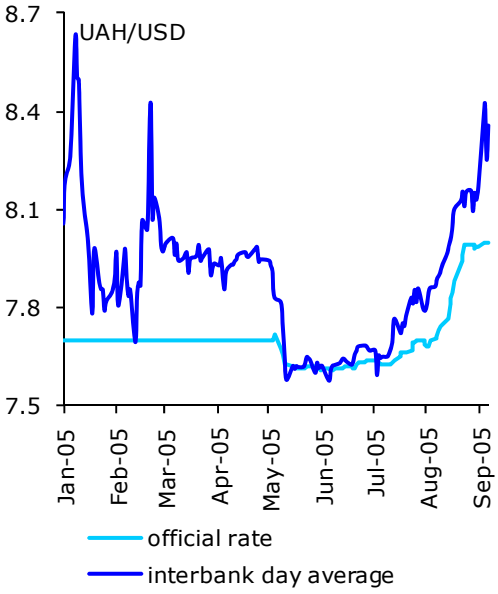
Fourth, inter-bank market liquidity since crisis has been low since the crisis. Average daily inter-bank market turnover went down from USD 1.0 bn in July 2008 to USD 531 m in July 2009. Thus, relatively small differences between demand and supply lead to large swings in the exchange rate.

Finally, under the terms of the Memorandum with IMF signed in July the NBU had to limit its interventions in three months between July and September to approximately USD 3.5 bn. The NBU used USD 2 bn for interventions in July and August. This sum was enough to support Naftogaz demand and part of the difference between supply and demand on the cash market. Non-cash market essentially had to balance on its own through hryvnia depreciation.

As of now, some of the factors mentioned above lost part of their strength. Bank excess reserves decreased to UAH 7.1 bn by the end of August. Net demand for cash foreign currency decreased from USD 1.2 bn in July to USD 0.8 bn in August. In addition, exchange rate went close to the expectations of some economic agents at UAH/USD 9 causing them to change stance on the market. Moreover, the SDR disbursement by IMF increased the reserves available for interventions by SDR 1.3 bn (USD 2.0 bn). On the other hand, demand for imported goods – in particular, natural gas – is likely to remain higher than in the first half of 2009.

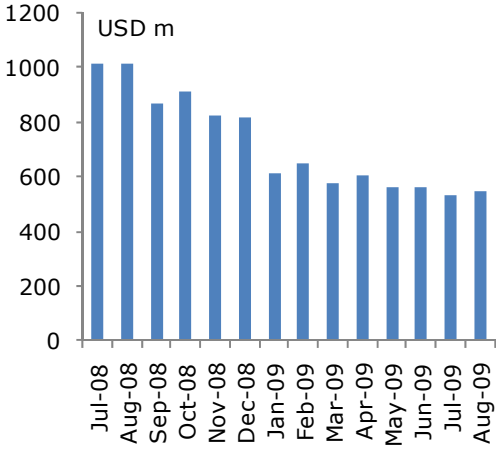
Overall, if presidential election campaign does not bring additional instability in the country or large spending programs, there is a significant probability that the exchange rate will remain close to the current position. Thus, interbank exchange rate for the fourth quarter of 2008 is expected at UAH/USD 8.4-8.6.

Exchange rate



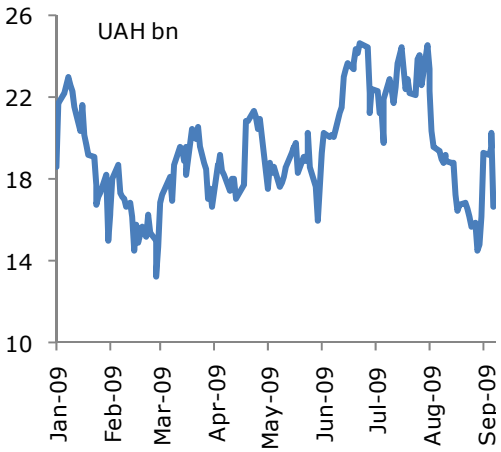
Source: NBU

Average daily interbank market turnover



Source: NBU, own caluclations

Bank liquidity



Source: NBU, own caluclations

Economic Trends		Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Feb	Mar	Apr	May	Jun	Jul	Aug
Industrial production (real)	% yoy cum.	7.7	5.1	-3.1	-31.9	-31.1	-31.6	-31.9	-31.9	-31.9	-31.1	-30.4	…
Construction (real)	% yoy cum.	-1.2	-7.2	-16	-56.7	-54.9	-57.3	-56.7	-55.6	-55.8	-54.9	-54.3	…
Agricultural production (real)	% yoy cum.	-0.3	15.1	17.5	1.7	2.6	1.1	1.7	2.1	2.3	2.6	3.8	0.4
Retail trade turnover (real)	% yoy cum.	28.8	25.1	18.6	-11.5	-15.2	-9.4	-11.5	-14.3	-15.3	-15.2	-15.9	…
Average wage	UAH	1797	1906	1914	1736	1892	1723	1818	1845	1851	1980	2008	…
CPI	% yoy eop	29.3	24.6	22.3	18.1	15.0	20.9	18.1	15.6	14.7	15.0	15.5	15.3
PPI	% yoy eop	43.7	42.7	23.0	12.8	-0.9	19.0	12.8	6.3	1.9	-0.9	-3.7	-3.7
Exports (USD)***	% yoy cum.	40.8	46.3	33.8	-35.4	-42.4[e]	-38.6"	-39.6"	-41.1	-44.1	-46.8	…	…
Imports (USD)***	% yoy cum.	54.0	56.4	38.8	-44.5	-49.5[e]	-47.5"	-48.1"	-50.1	-52.0	-53.4	…	…
Merchandise trade balance	USD bn cum.	-9.1	-13.2	-16.9	-1.1	-2.0[e]	-0.7"	-1.4"	-1.9	-2.2	-2.4	…	…
Current account****	USD bn cum.	-6.8	-9.2	-12.9	-0.8	-0.9	-1.0	-0.8	-0.9	-0.7	-0.9	-1.2	…
Current account	% GDP, cum.	-8.2	-5.8	-7.1	-3.4	…	x	x	x	x	x	x	x
Gross international reserves	USD bn eop	35.5	37.5	31.5	25.4	27.3	26.5	25.4	24.5	27.8	27.3	29.6	28.9
Monetary Base	% yoy eop	38.9	33.8	31.5	28.1	22.4	29.1	28.1	24.3	24.5	22.4	15.6	8.5
Lending rate on UAH credits **	% pa, aop	17.4	17.8	21.0	26.5	19.1	27.2	26.7	20.4	18.5	18.5	18.5	17.5
Exchange rate (interbank)	USD aop	4.79	4.70	6.49	8.1	7.75	8.23	7.97	7.93	7.70	7.63	7.86	7.97
Exchange rate (official)	USD aop	4.96	4.85	6.21	7.70	7.66	7.70	7.70	7.70	7.65	7.62	7.70	7.81
Exchange rate (official)	EUR aop	7.75	7.31	8.22	10.06	10.41	9.86	10.05	10.18	10.39	10.67	10.82	11.13

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

[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	949.9
Nominal GDP	USD bn	31.3	38.0	42.4	50.1	64.9	86.2	107.8	142.7	180.2
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

''' "Minus" denotes a consolidated fiscal deficit

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
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
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
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
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
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
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
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
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
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
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
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
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
Balance of payments														
Current account balance	USD bn	-0.8	0.0	0.5	-1.4	-1.1	-0.6	-0.3	-3.257	-3.7	-3.4	-2.1	-3.7	-0.8
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	-3.4
Trade balance in goods	USD m	-1353	-935	-884	-2022	-1735	-1701	-2684	-4452	-4670	-4401	-4121	-3742	-1141
Trade balance in services	USD m	219	506	1054	347	50	448	1614	308	219	492	1544	159	267
Current transfers	USD m	622	790	851	910	732	844	947	1016	740	833	831	723	629
Direct investment (FDI)	USD m	1153	1489	1736	1359	1709	1934	3927	1648	2430	3091	3324	1058	941
Portfolio investments	USD m	4	-141	370	3350	1816	1477	616	1844	217	160	-690	-967	-436
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
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
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
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
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	5.3
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
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
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
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	35.4
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	34.5
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
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
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
Labour market														
Average wage (real)	% yoy	23.8	22.6	18.8	11.3	14.7	13.9	14.9	15.7	13.8	7.1	7.1	1.1	-10.9
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
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
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
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
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
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
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
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
Long-term com. bank credits	% yoy cum	87.6	86.7	76.6	79.5	84.1	86.5	87.9	85.7	84.84	67.2	50.9	73.3	50.8
Long-term com. bank credits	% of total	63.1	63.4	63.5	64.9	65.8	67.3	68.2	69.2	69.05	68.6	66.8	69.8	69.9
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	15.69	17.6	17.7	21.6	26.2
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	10.95	11.9	12.4	11.9	9.6

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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