Monthly Economic Monitor Ukraine

- The Ukrainian Parliament was in the standstill in September.
- The real GDP fell by 17.8% yoy in the second quarter.
- The State Property Fund refused to sell Odessa Portside Plant for UAH 5 bn.
- The financial account deficit was USD 2.6 bn in August reflecting high debt payments and strong demand for cash foreign currency.
- The Government approved the Draft Budget for 2010 with UAH 47 bn deficit.
- The ILO unemployment decreased to 8.6% in the second quarter.
- Inflation was at 15.0% yoy in September.
- Naftogas offered Eurobonds restructuring.
- HIGHLIGHT OF THE MONTH: Budget

No.10 (108)
October
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: The Ukrainian Parliament became a hostage to political struggle

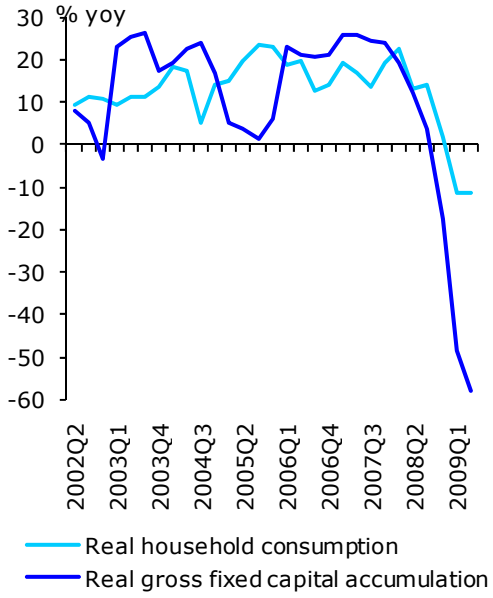
During September, the Ukrainian Parliament had remained at a standstill. Deputies belonging to the Party of Regions had blocked the tribune as well as the Speaker's desk preventing plenary work. As the pretext for blocking the Verkhovna Rada the Party used the refusal of pro-government factions to put on the agenda of the plenary session a set of bills on raising social standards. These bills provide for gradual increase in subsistence minimum entailing significant augmentation of minimum wages and pensions. The proposed increase was severely criticized by the Government as irresponsible and populist initiative given current difficult fiscal situation. The deadlock was resolved in early October by passing social standards bill in the first reading.

Real sector: Real GDP contraction slowed in the second quarter

Real GDP slowed its decline in the second quarter to 17.8% yoy from 20.3% yoy in the first quarter of 2009 according to the revised estimate of the Derzhkomstat. On demand side, narrowed external trade deficit and reduced drawdown of inventories contributed to the GDP improvement. At the same time, domestic demand continued plummeting. A contraction in gross fixed capital accumulation accelerated to 57.8% yoy as seasonal pick-up in investment activity was not observed. The state consumption dropped by 5.8% yoy in the second quarter as compared to 1.8% yoy rise in the first three months of the year due to the freeze in nominal wages of the public sector. The contraction in households' final consumption stabilized at 11.6% yoy for the second quarter in a row. On production side, manufacturing and transport value added improved the most.

In August, industrial production contraction decelerated to 23.3% yoy thanks to noticeable monthly increase in output if correcting for number of working days. There was 23 working days in July vs. 20 days in August. Significant improvements were also registered in construction and freight transport sectors, while retail trade stabilized at 15.9% yoy decline over the eight months of 2009.

Quarterly consumption and investments



Source: Derzhkomstat

Sectoral trends: Privatisation failure of the year

Privatisation. Despite the existing prohibitive judicial decisions and president's blocking actions, the most high-profile case of this year privatization – the auction on the sale of Odessa Portside Plant, state chemical company with ammonia transit facilities – took place on September 29. Three bidders were qualified for the auction: "Azot-Service" (Russia, daughter company of "Sibur Holding"), "Nortima" (Ukraine), and "Frunze-Flora" (Ukraine). The initial price for the plant set by the State Property Funs (SPFU) was UAH 4 bn, though current market price of the object is around UAH 8 bn. Nortima offered UAH 5 bn and was announced the winner. However, after the closed deliberation, the Tender Commission invalidated the auction referring to suspected collusion of bidders. Nortima claims that it has been a

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bona fide buyer and will contest the results in court. Whatever a court decision might be, this case signals for poorly defined privatisation policy and inefficient privatization mechanisms, and undermines investment climate in the country. In addition, the failure to sell Odessa Portside Plant sharply reduces the chances to fulfil privatisation plan for 2009.

Agriculture. The Government added exporters of spirits, wheat and rye flour, and sunflower oil to the list of companies that can receive VAT refunds in kind, namely as grain supplied by the Agrarian Fund. The price of this grain is linked to accredited agricultural exchanges' prices, and thus it differs from market price. Still, some of grain traders entitled to receive in-kind VAT repayment from February 2009 has already agreed to this option instead of waiting for pending monetary VAT reimbursement. According to government estimates, the stock of grain would suffice to cover around UAH 1 bn of VAT reimbursement claims. This amount would be insufficient to satisfy claims of all potentially entitled companies if they ask for in-kind payment. Still, the sale of 'barter grain' on domestic market can create a noticeable downward pressure on farm-gate prices hurting producers.

External sector: Financial account deficit significantly worsened in August

In August current account was almost balanced as commodity trade deficit was compensated by surplus in services trade and current transfers. The current account deficit reached USD 1.1 bn in the first eight months of 2009 greatly improving as compared to USD 8.1 bn a year before. Despite metal export rebound and agricultural export growth in August, commodity exports drop accelerated between January and August to 48.4% yoy in dollar terms compared to 46.4% yoy in the first half of 2009. The acceleration is explained by base effect as summer months of 2008 exhibited record-high export growth. Eight-month commodity imports were 53.0% yoy lower in dollar terms.

The financial account had worse results. In August, financial account deficit reached record USD 2.6 bn exceeding the second quarter figure as high scheduled debt repayments coincided with large demand for cash foreign currency outside banks and almost complete absence of FDI inflows. Thus, eight-month deficit widened to USD 9.7 bn. High debt repayments are also scheduled for the rest of the year.

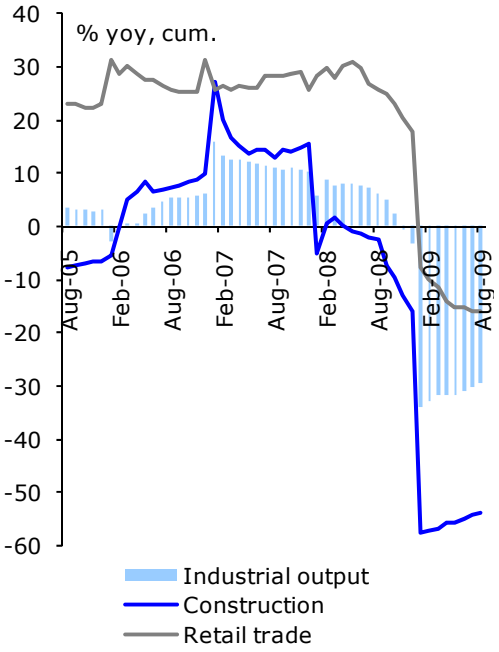
Fiscal policy: Government submitted the Draft State Budget for 2010 to the Verkhovna Rada

On September 15, the Government submitted the Draft State Budget for 2010 to the Parliament. The central fiscal revenues based on unchanged tax legislation are envisaged at UAH 284.7 bn (24.2% of GDP). The expenditures are projected at UAH 324.3 bn (27.5% of GDP), and thus the central fiscal deficit is set at 4.0% of GDP (UAH 46.7 bn). The structure of expenditures somewhat changed as a role of general public services including debt servicing and Stabilisation Fund spending increased as the expense of other public services including education, defence, public order and economic activities. However, some of spending on economic activities could be financed through the Stabilisation Fund if it gets resources. Domestic borrowings are to remain a main source of deficit financing. Also, it is planned to get UAH 10 bn of privatisation receipts from the sale of Ukrtelecom and the four power generating companies.

Major innovation of the Draft Budget concerns the reform of inter-budgetary relations. It is proposed to establish direct relations between central and all local budgets including village budgets. Thus, the Ministry of Finance is to conduct inter-budgetary transfers with 12 032 local budgets as compared to current 691 budgets. Fiscal decentralisation is extremely important for Ukraine, but partial reforms embedded in the budget are likely to fail discrediting the entire concept of the reform.

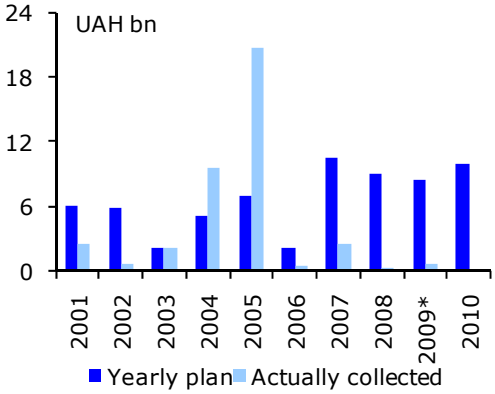
Between January and August, the central fiscal revenues were fully executed but mainly thanks to downward revision of monthly

Real sector trends



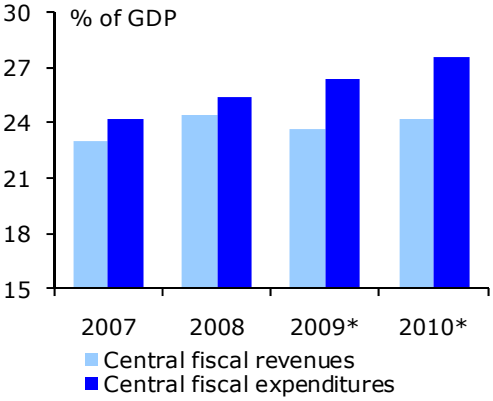
Source: Derzhkomstat

Privatisation revenues



Sources: State Treasury, SPFU, Draft Law on State Budget 2010
Note: * as of 01/09/2009

Central fiscal revenues and expenditures



Source: Treasury reports, Law On State budget for the year 2009, Draft Law on State Budget for 2010
Note: * fiscal plan, GDP for 2009 - IER estimate, GDP for 2010 - Government forecast

revenue plans of the Ministry of Finance. The revenues continued to deteriorate in annual terms and declined by 17.6% yoy (general fund) because of sharp decrease in VAT and enterprise profit tax collections. At the same time, increased excise rate ensured 57.4% yoy excise receipts growth. The central fiscal expenditures (general fund) executed at 96.1% of the planned figure were 0.8% higher than in the same period of 2008. High expenditures resulted in growth of central fiscal deficit that reached UAH 18.2 bn (general fund) as of the beginning of September.

Social policy: The social standards will increase moderately in 2010

Social standards. According to the Draft State Budget Law for 2010 social standards will be increased moderately. The subsistence minimum will be gradually raised and end up on average 4.7% above the 2009 level. Minimum wage, which will equate to the subsistence minimum for working able individuals starting December 1, 2010, will also gradually increase. At the same time, wages in public sector will remain almost flat as tie-in between minimum wage and this sector wages is to be restored only in December 2010.

The Government promised to ensure that minimum pension payment will be higher than subsistence minimum for disabled persons, thus, again disrupting pension-setting mechanism. Next year Pension Fund expenditures are estimated at 15.1% of GDP. The Government envisaged UAH 36.3 bn transfer to fund government pension programs. The additional UAH 17.9 bn are to be transferred for covering the Pension Fund's deficit. As a result, the total central fiscal transfer to the Pension Fund accounts for 17.7% of total central fiscal expenditures. Therefore, the pension system in Ukraine remains highly unsustainable not allowing for the continuation of the pension reform.

Household incomes. According to the Derzhkomstat real disposable incomes in the second quarter of 2009 declined by 8.3% yoy decelerating from 12.9% yoy contraction in the first quarter. Nominal incomes grew 5.5% yoy. Moderate increase in wages and lower unemployment resulted in slower decline of real income from wages that contracted by 10.9% yoy. Incomes received from social assistance and current transfers dropped only by 3.1% yoy in real terms due to increase in nominal minimum pension payment approved by the Government and timely pension payments. Thus, wage contribution to households' incomes was only slightly higher than of incomes from social assistance and current transfers.

Labour Market: Unemployment rate (ILO) declined to 8.6% in the second quarter of 2009

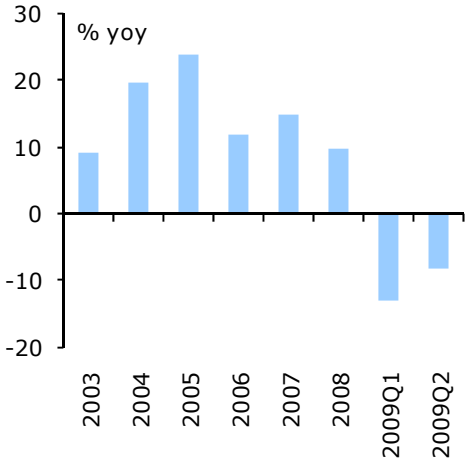
According to the Derzhkomstat the unemployment rate (ILO methodology) declined to 9.1% of economically active population between 15 and 70 years old in the first half of 2009, though it was by 2.9 p.p. higher than in the same period of previous year. This implies ILO unemployment at 8.6% in the second quarter, a 0.9 p.p. decline from the first quarter when it picked against the background of dropped economic activity. The unemployment declined more in rural areas due to seasonal works in agriculture.

Monetary policy: Inflation reached 15.0% yoy in September

Consumer prices growth reached 15.0% yoy in September as inflation factors were mainly balanced. On the one hand, depreciating hryvnia supported inflation expectations and prices for imported goods that led to broad-based though limited price increases. On the other hand, continued weakness in consumer demand restrained inflationary pressure and brought down prices for seasonal products such as fruit and vegetables.

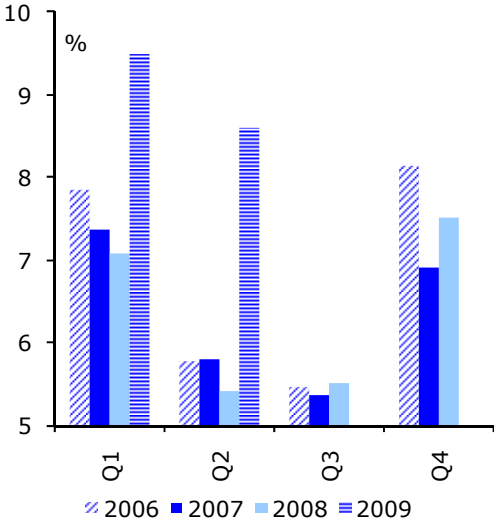
Bank liquidity was stable in September though less abundant than in summer as the NBU interventions withdrawn mainly cash hryvnia. Inter-bank rates remained in 3-7% p.a. range but the market continued to be thin.

Real disposable household incomes



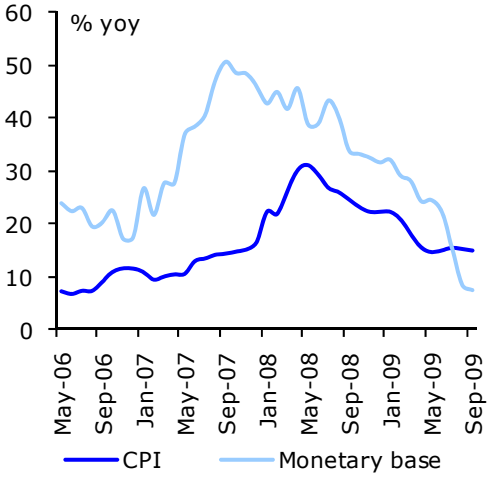
Source: Derzhkomstat

Unemployment rate (ILO)



Source: Derzhkomstat

Monetary base and inflation



Source: Derzhkomstat, NBU

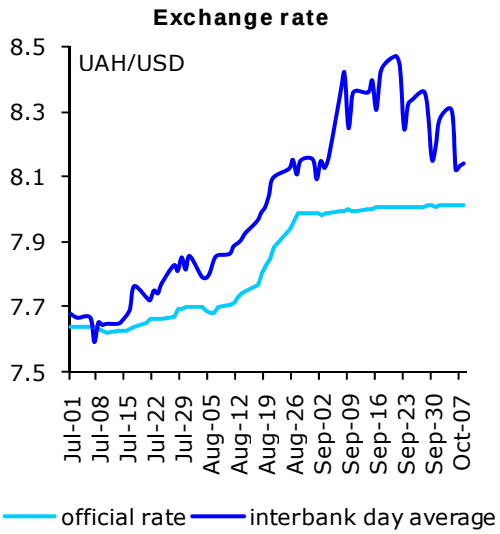
Financial markets: Naftogas offered bond restructuring instead of bond payment

State debt. In September, NJC 'Naftogas' announced restructuring conditions for USD 500 m Eurobonds issue maturing in September 30, 2009. Instead of repaying the debt, the company has proposed to exchange the bonds for the new issue with 9.5% p.a. yield maturing in 2014. The offer envisages that bondholder will receive higher coupon and new bonds will be fully guaranteed by the state, but a payment of principal is postponed for five years. The restructuring offer was accepted by more than 75% of bondholders. A change in terms is expected to bn formally approved on October 19 during the meeting of bondholders.

The Ministry of Finance selected additional four banks as primary dealers on domestic state bonds market bringing the total amount to nine. Primary dealers should help to develop the market and thus allow the government to borrow more, but they may overcharge. The efficiency of this institution in Ukraine is to be seen. In another effort to borrow more, the Ministry of Finance began to sell Treasury bills to population. Bills have one-year maturity and offer 16% p.a. coupon yield. This yield is lower than annual deposit rate in banks. Thus, the demand for this new instrument is likely not to be high.

In September, the Ministry of Finance placed UAH 1.3 bn of domestic state bonds maturing 2009-2012 with a 27.1% p.a. average yield. The share of short-term bonds remained high and constituted 83.0% of the amount issued.

Exchange rate



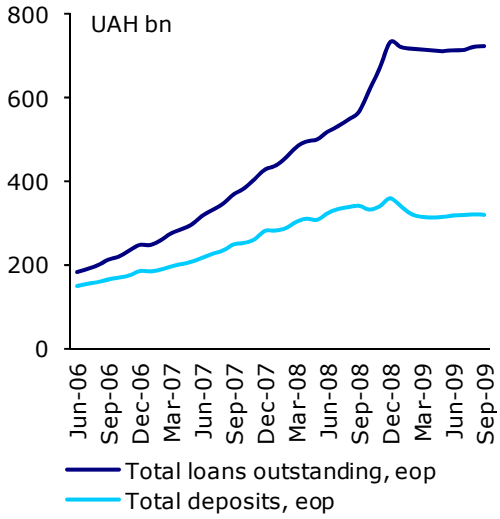
Source: NBU

Exchange rate. Hryvnia continued to weaken against US dollar in September. Average daily interbank exchange rate reported by the NBU reached UAH/USD 8.47, while Reuters reported daily highs over UAH/USD 8.5. Hryvnya stabilised in the second half of the month as the NBU supported national currency with interventions totalling USD 1.2 bn, the largest figure since February. Besides depreciation expectations of some of market participants were reached, difference between demand and supply decreased supporting hryvnia. Net demand on cash market went down to USD 0.5 bn. However, situation remains uncertain as political instability may easily fuel further depreciation expectations, and thinness of the foreign exchange market means it is prone to large swings and easily manipulated.

Banking sector. In September, total bank deposits declined by 0.4% mom after growing for the four months in a row. It happened as as both foreign currency deposits fell by 0.5% mom and national currency contracted by 0.3% mom. Deposits declined as national currency deposits were withdrawn by households due to hryvnia instability while surprisingly a stock of legal entity deposits increased by 1.2% mom probably due to the improved revenues.

Total loans outstanding increased by 0.2% mom in September. As in previous months, banks expanded their corporate loans in national currency while cutting back on foreign currency lending and consumer loans.

Banking sector developments



Source: NBU

Highlight of the month: Budget

Draft Budget 2010: growing deficit

By Kateryna Pilkevych

Draft State Budget Law for 2010 was submitted to the Parliament in line with the Budget Code schedule on September 15. The central fiscal revenues and expenditures are planned at UAH 285 bn (24.2% of GDP) and to UAH 324 bn (27.5% of GDP) respectively, higher than 2009 figures in nominal terms and as a share of GDP. For 2009, revenues and expenditures were envisaged at 22.8% and 25.5% of GDP, respectively.

Central fiscal deficit net of funds for bank recapitalization is set at 4.0% of GDP (UAH 46.7 bn). This level complies with the terms of Memorandum signed between Ukraine and the IMF. The excess of expenditures over revenues is mostly attributed to higher debt service spending, Stabilization Fund financing, and as increased transfers from the central to local budgets associated with inter-budgetary reform.

However, the deficit can easily be higher than planned taking into account risks rooted in Draft Law estimates of central fiscal revenues and expenditures. First, VAT and EPT revenues are likely to be lower than projected as tax receipts are expected to grow much faster than nominal GDP and enterprises' profits next year. Moreover, the amount of VAT reimbursement seems too low given exports projected by the government. On expenditure side, the government may need to spend additional funds to subsidise cheap gas to population and municipal heat producers, and to cover gaps in Pension Fund budget.

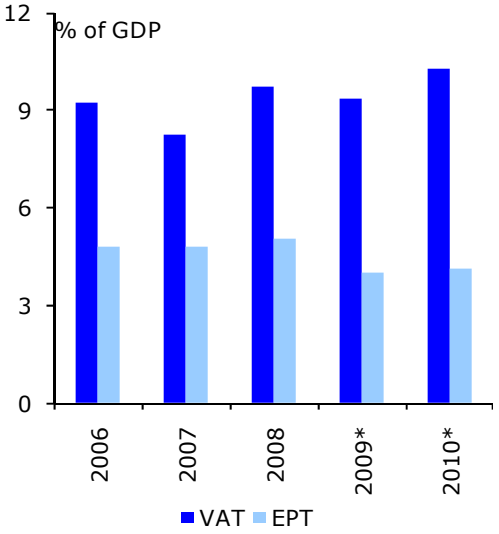
Yet other risks are related to sources of central fiscal deficit financing, comprised of privatization and borrowings. According to the Draft Law, privatization receipts are set at UAH 10 bn for 2010 that is 17.6% above the year 2009 target amount. As before, primary objects for privatisation are Ukrtelecom and power generating companies that are in the 'waiting list for sale' for years. This privatization plan may once again turn out too ambitious, if political disagreements over privatization that has *de-facto* ceased privatization after 2005 will continue.

The Government intends borrow UAH 15.5 bn or about USD 1.8 bn from external sources. This includes USD 1 bn in Eurobonds as the gradual revival of demand for emerging markets sovereign debt is expected. In addition, the government plans to borrow from international financial institutions UAH 7.4 bn to finance economic development projects. Planned foreign borrowings would be sufficient to cover debt repayment and interest in 2010. However, according to IER estimates, there is a risk that the government might not be able to place external bonds due to lack of interest from investors.

Additional potential source of risk is a growing share of domestic borrowing in total deficit financing. The share of domestic bonds is to increase from 57.2% in 2009 to 77.8% in 2010. Government is expected to issue UAH 54.4 bn of bonds excluding bank recapitalization, out of which UAH 33.2 bn will be directed to repay debts. Total domestic bond issue including bonds issued to finance bank recapitalization could reach UAH 105 bn or 8.9% of GDP. Large borrowings will lead to high debt service burden and may crowd out some of the private investment. Moreover, these borrowings may spiral the inflation if large part of the issue is bought by the NBU on the secondary market.

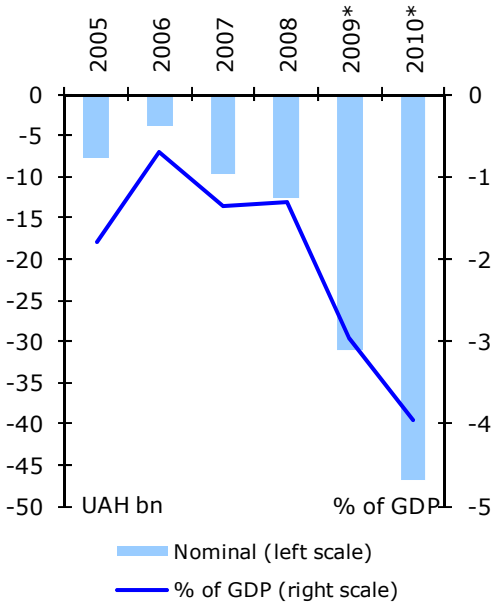
High central fiscal deficit in 2010 will lead to further public debt increase. According to the Ministry of Finance, the state debt is to reach 27.2% of GDP by the end of 2010. It will almost double from 2008 level. Moreover, government is to be authorized to issue UAH 45.0 bn of state guarantees in 2010 in addition to present UAH 75 bn of guaranteed debt. As compared with other countries, the amount of public debt in Ukraine will remain at a relatively safe level. However, there are significant risks attributed to its refinancing.

Revenues from VAT and EPT



Source: Treasury reports, State Budget Law for 2009, Draft State Budget Law for 2010

Consolidated fiscal deficit



Source: Treasury reports, Law on State budget for 2009 (December 2008), Draft law on the State Budget for 2010
Note: * – plan

Economic Trends		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Mar	Apr	May	Jun	Jul	Aug	Sep
Industrial production (real)	% yoy cum.	5.1	-3.1	-31.9	-31.1	…	-31.9	-31.9	-31.9	-31.1	-30.4	-29.6	…
Construction (real)	% yoy cum.	-7.2	-16	-56.7	-54.9	…	-56.7	-55.6	-55.8	-54.9	-54.3	-53.6	…
Agricultural production (real)	% yoy cum.	15.1	17.5	1.7	2.6	…	1.7	2.1	2.3	2.6	3.8	0.4	…
Retail trade turnover (real)	% yoy cum.	25.1	18.6	-11.5	-15.2	…	-11.5	-14.3	-15.3	-15.2	-15.9	-15.9	…
Average wage	UAH	1906	1914	1736	1892	…	1818	1845	1851	1980	2008	1849	…
CPI	% yoy eop	24.6	22.3	18.1	15.0	15.0	18.1	15.6	14.7	15.0	15.5	15.3	15.0
PPI	% yoy eop	42.7	23.0	12.8	-0.9	1.6	12.8	6.3	1.9	-0.9	-3.7	-3.7	1.6
Exports (USD)***	% yoy cum.	46.3	33.8	-35.6	-42.2	…	-39.6"	-41.1	-44.1	-46.8	-49.0	…	…
Imports (USD)***	% yoy cum.	56.7	39.1	-45.2	-49.5	…	-48.1"	-50.1	-52.0	-53.4	-53.8	…	…
Merchandise trade balance	USD bn cum.	-12.5	-16.1	-0.8	-1.9	…	-1.4"	-1.9	-2.2	-2.4	-3.1	…	…
Current account****	USD bn cum.	-9.2	-12.9	-0.7	-0.8	…	-0.7	-0.9	-0.7	-0.8	-1.1	-1.1	…
Current account	% GDP, cum.	-5.8	-7.1	-3.4	-1.5	…	x	x	x	x	x	x	x
Gross international reserves	USD bn eop	37.5	31.5	25.4	27.3	28.2	25.4	24.5	27.8	27.3	29.6	28.9	28.2
Monetary Base	% yoy eop	33.8	31.5	28.1	22.4	7.5	28.1	24.3	24.5	22.4	15.6	8.5	7.5
Lending rate on UAH credits **	% pa, aop	17.8	21.0	26.5	19.1	17.9	26.7	20.4	18.5	18.5	18.5	17.5	17.8
Exchange rate (interbank)	USD aop	4.70	6.49	8.1	7.76	8.00	7.97	7.93	7.70	7.63	7.86	7.97	8.31
Exchange rate (official)	USD aop	4.85	6.21	7.70	7.66	7.82	7.70	7.70	7.65	7.62	7.70	7.81	8.00
Exchange rate (official)	EUR aop	7.31	8.22	10.06	10.41	11.18	10.05	10.18	10.39	10.67	10.82	11.13	11.64

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	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	Q2 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
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
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
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
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
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
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
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
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	-19.6
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	-33.0
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
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
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	-0.8	-0.1
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	-0.2
Trade balance in goods	USD m	-1353	-935	-884	-2022	-1735	-1701	-2684	-4452	-4490	-4171	-3868	-3562	-937	-946
Trade balance in services	USD m	219	506	1054	347	50	448	1614	308	77	308	1341	15	186	528
Current transfers	USD m	622	790	851	910	732	844	947	1016	740	833	831	723	629	1054
Direct investment (FDI)	USD m	1153	1489	1736	1359	1709	1934	3927	1648	2430	3091	3324	1058	847	1247
Portfolio investments	USD m	4	-141	370	3350	1816	1477	616	1844	217	160	-690	-967	-436	-380
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
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
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
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
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	5.5
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
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
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
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
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
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
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
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
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	-8.5
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
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
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
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
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
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
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
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
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
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
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
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

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