

FOCUS ON UKRAINE

Funding opportunities and opportunities for collaboration

Speaker: Anastasiia Sorokina



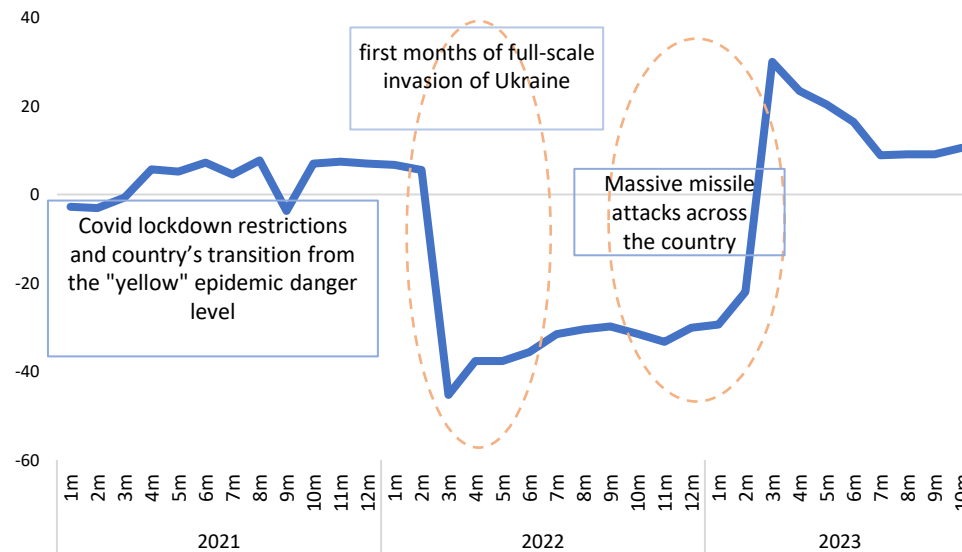
Financial
Services
Development
Chief Specialist



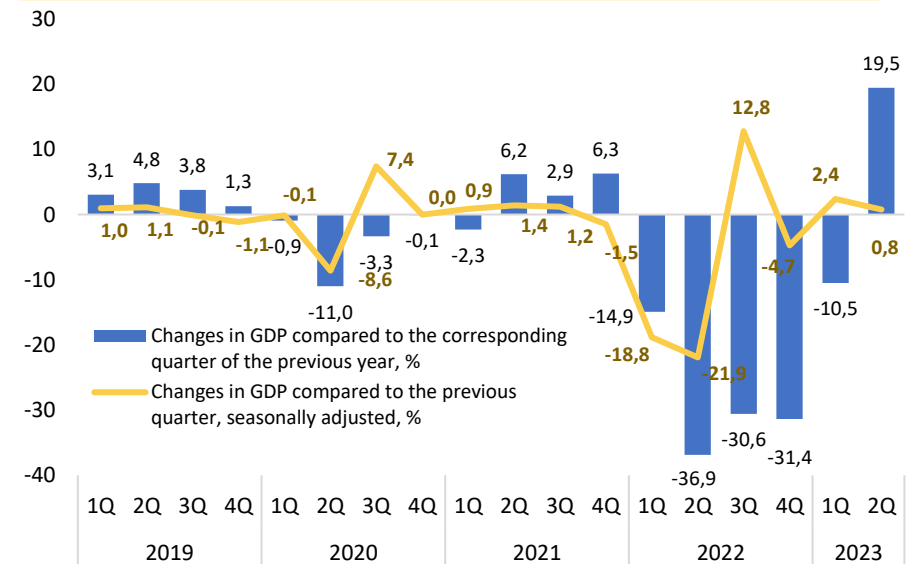
GROSS DOMESTIC PRODUCT

- **January-October 2023** GDP growth slightly **exceeded 5%** compared to the corresponding period of 2022 (in the same period last year the fall in GDP was 28.4%). (*Ministry of Economy of Ukraine, 2023*)
- High yield in agriculture, favourable weather conditions, harvesting pace acceleration, a stable energy industry situation in comparison to October 2022, the operation of a temporary corridor for the civilian ships movement FROM and TO the ports of Great Odesa, sufficient consumer demand and the supply of goods **stimulated the dynamics of GDP**.
- On the other hand, the destruction of production capacities, significant security risks preservation, export logistics restrictions, slow labour market recovery, the lack of credit funds available as well as sufficient solvent demand and equity capital all **continued to exert negative pressure on GDP**.

GDP, CHANGE, % COMPARED TO THE CORRESPONDING MONTH OF THE PREVIOUS YEAR



GDP, CHANGE, % COMPARED TO THE CORRESPONDING QUARTER OF THE PREVIOUS YEAR

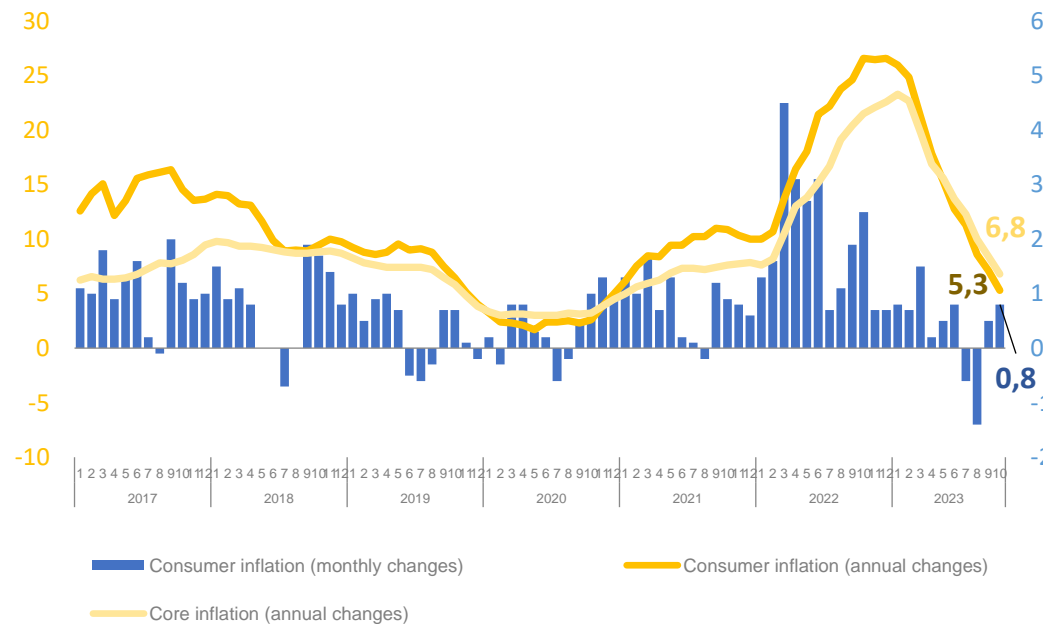


ENSURING ACCEPTABLE PRICE DYNAMICS

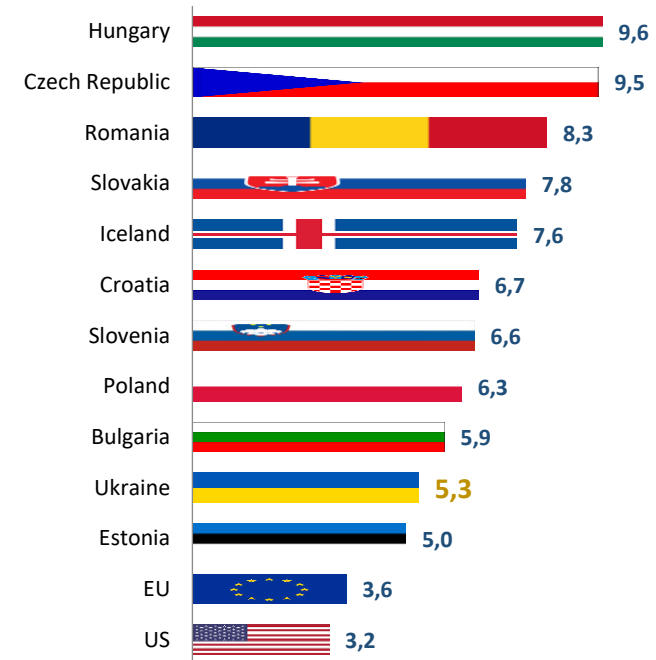
Since the beginning of 2023, the **price growth rate (3.8%)** corresponds to the calmest, peacetime years; and in **annual terms (5.3%)**, it reached the lowest level in the last **three** years.

That is, despite the temporary loss of the occupied territory, significant destruction of fixed assets as a result of the war, and the permanent threat of missile terror, the economy of Ukraine works as a whole mechanism. The moderate dynamics of growth in consumer prices, which is relatively close to the dynamics of inflation in some European countries, whose economies do not suffer any shocks from the war, continues to be an additional confirmation of this.

CONSUMER AND CORE INFLATION, CHANGE, %



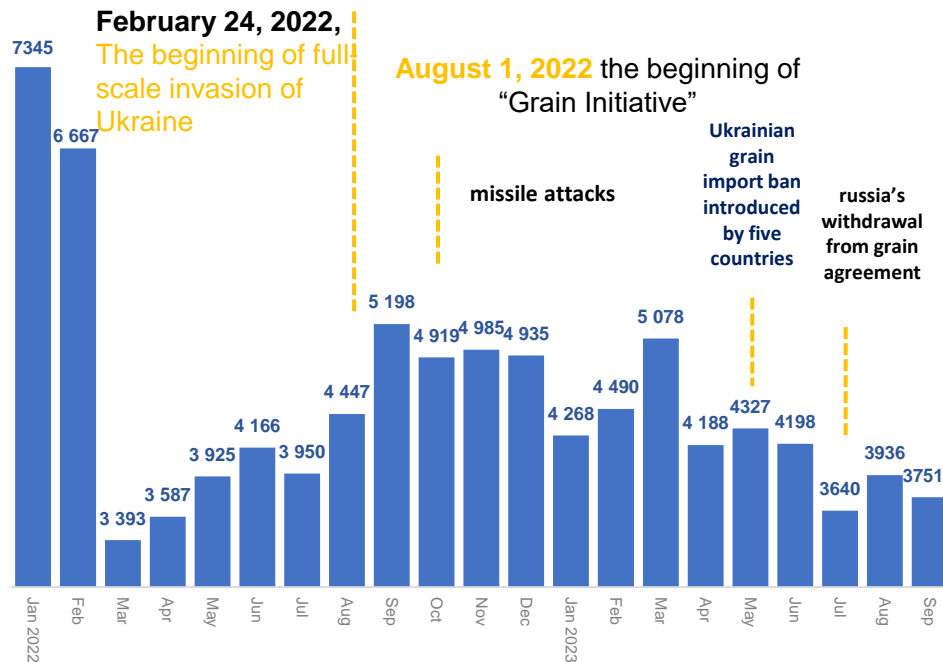
CHANGES IN (HARMONIZED) CONSUMER PRICES IN OCTOBER 2023, % ANNUALIZED



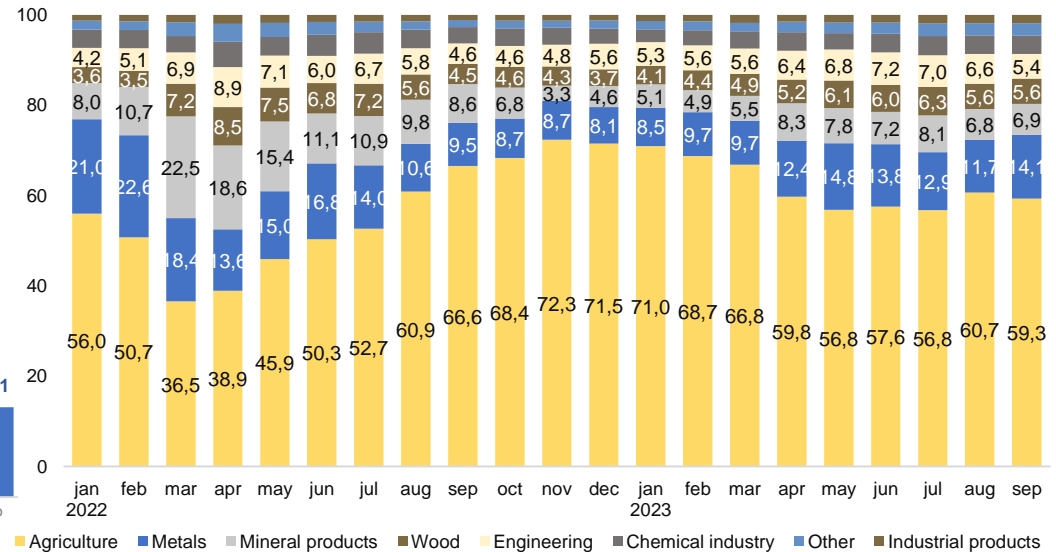
EXPORT DURING HOSTILITIES

Purposeful destabilization of the situation related to the vessels inspection in the Black Sea led to a decreasing agricultural products exports volume through the ports of Odesa, Pivdenny, and Chornomorsk. In July same year, the russian federation withdrew from the "grain agreement". Because of this and the continuing adverse shocks the export of goods and services had decreased by 11.3% (compared to January-September 2022).

MONTHLY EXPORT OF GOODS AND SERVICES IN 2022-2023, MLN USD



THE STRUCTURE OF EXPORT OF GOODS, % OF THE TOTAL VOLUME OF EXPORT OF GOODS



Source: National Bank of Ukraine, calculations made by the Ministry of Economy

CONDITIONAL FORECAST FOR 2023-2026

- IN WAR CONDITIONS, FORECAST IS RATHER A PROCESS, NOT AN OUTCOME
- THE FORECASTING PROCESS TAKES PLACE IN THE REAL TIME WITH A HIGH DEGREE OF UNCERTAINTY
- ASSUMPTIONS OF CURRENT AND FUTURE CONDITIONS, PHENOMENA AND EVENTS THAT CHANGE RAPIDLY result in recalculations
- FOR THE MOST PART, ALREADY DEVELOPED FORECASTS ARE CONSIDERED AS CONDITIONAL GENERALIZED VARIANTS OF THE CHARACTERISTICS with much wider ranges of deviations from their stated values than in peacetime forecasts

as of June 2023	2023	2024	2025	2026
Military conditions	the active war phase until the end of 2024			
Black Sea ports	access restoration to the Black and Azov seaports after 2024			
Tariffs for natural gas and heat supply for the population	fixed approximately until the middle of 2025			
Migration increase(+)/decrease(-), mln people	+0,1	+1,5	+2,0	+0,3
Average annual price of Brent oil, USD per barrel	81,3 [-4] [+17]	82,7 [-10] [+15]	81,2 [-6] [+10]	77,8 [-4] [+13]
Average annual price of imported natural gas, USD for 1 ths m ³	932 [±20]	716 [±30]	660 [±40]	543 [±50]
Gross grain harvest, mln tons	57,5	49,6	58,2	74,4
Budget deficit, % of GDP	31,1	20,6	11,9 [±2]	7,4 [±2]
The volume of international financial assistance, bln USD	42,4	41	24	18

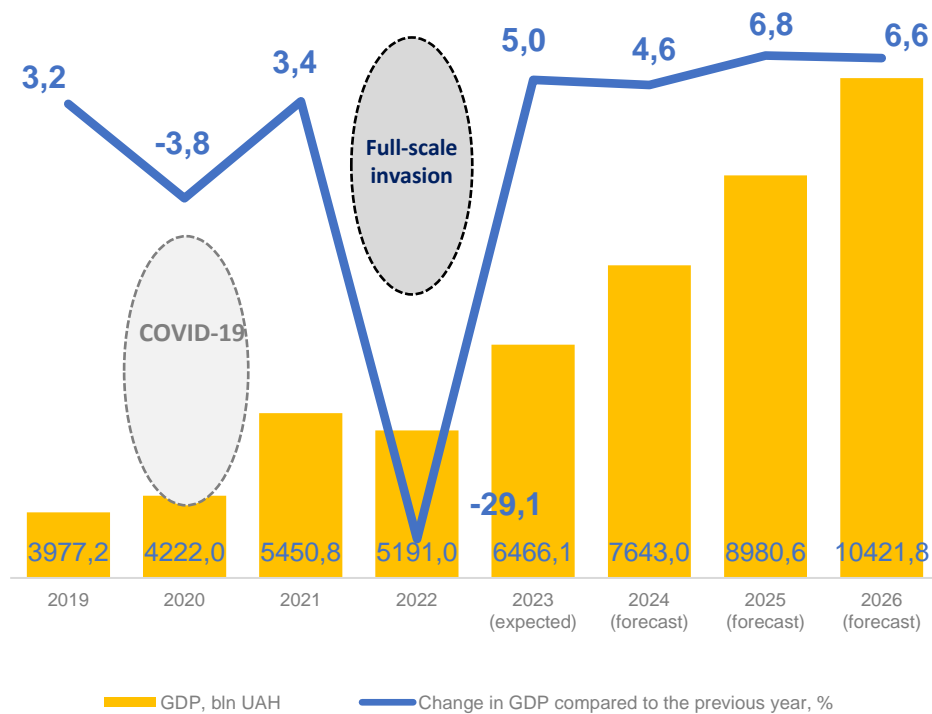
MAIN ECONOMIC AND SOCIAL DEVELOPMENT MACRO INDICATORS FORECAST OF UKRAINE FOR 2023-2026

	2022	2023	2024	2025	2026
		as of October 2023			
Nominal GDP, bln UAH	5 191,0	6 466,1	7 643,0	8 980,6	10 421,8
Real GDP, % to the previous year	70,9	105,0	104,6	106,8	106,6
Consumer price index (CPI) on average to the previous year, %	120,2	113,3	108,5	108,3	107,7
December to December of the previous year, %	126,6	107,1	109,7	108,1	106,9
Average monthly salary of employees, gross, nominal, adjusted for the consumer price index, % to the previous year	88,1*	110,1	108,5	108,9	109,1
The unemployment rate of the population aged 15-70 according to the methodology of the International Labor Organization, % of the labor force of the corresponding age group	18,4*	18,9	18,7	17,7	15,0
Goods and services balance (according to the balance of payments methodology (BoP)), mln USD	-25 737	-39 449	-40 172	-27 044	-25 433
Export of goods and services, % compared to the previous year	70,6	89,7	109,0	119,4	120,6
Import of goods and services, % compared to the previous year	98,9	109,4	105,9	97,7	113,0

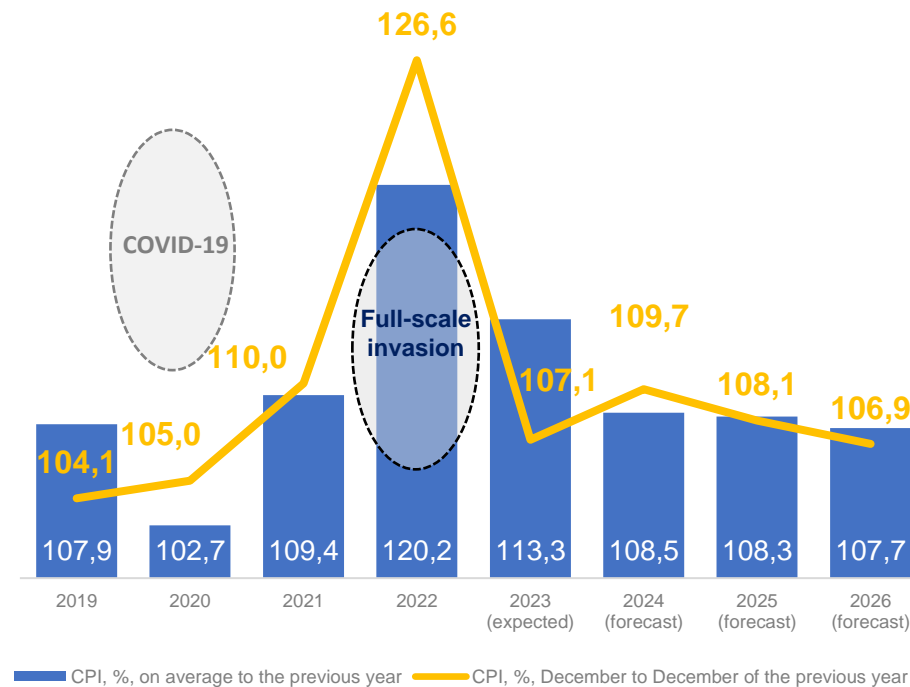
*valuation

FORECAST TRENDS FOR 2023-2026

GROSS DOMESTIC PRODUCT

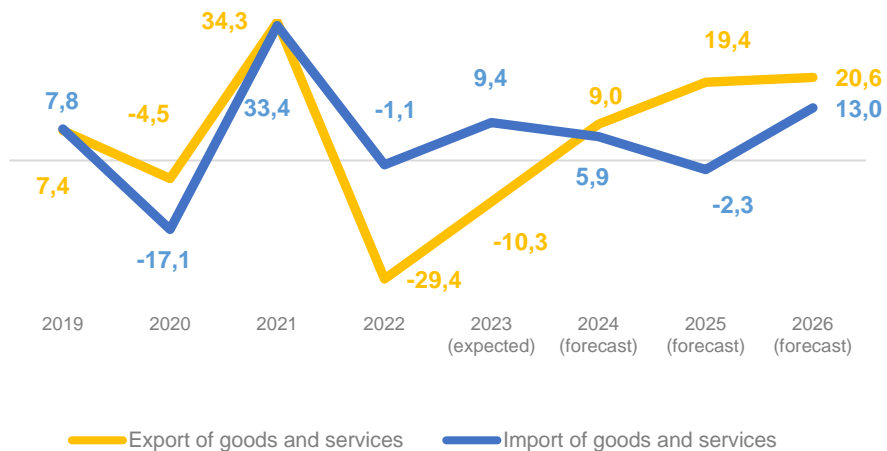


CONSUMER PRICE INDEX (CPI)

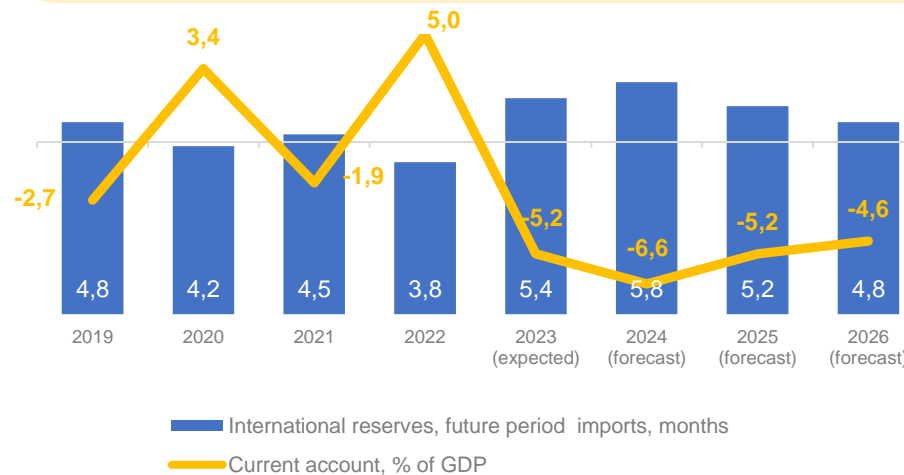


FORECAST TRENDS FOR 2023-2026

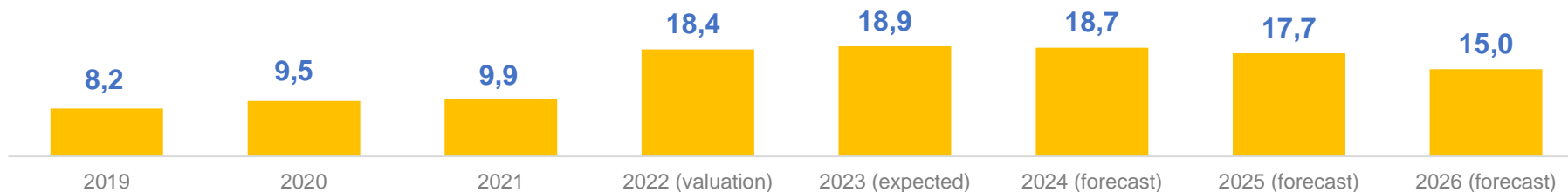
EXPORT AND IMPORT OF GOODS AND SERVICES (IN TERMS OF VALUE), COMPARED TO THE PREVIOUS YEAR, %



INTERNATIONAL RESERVES AND CURRENT ACCOUNT

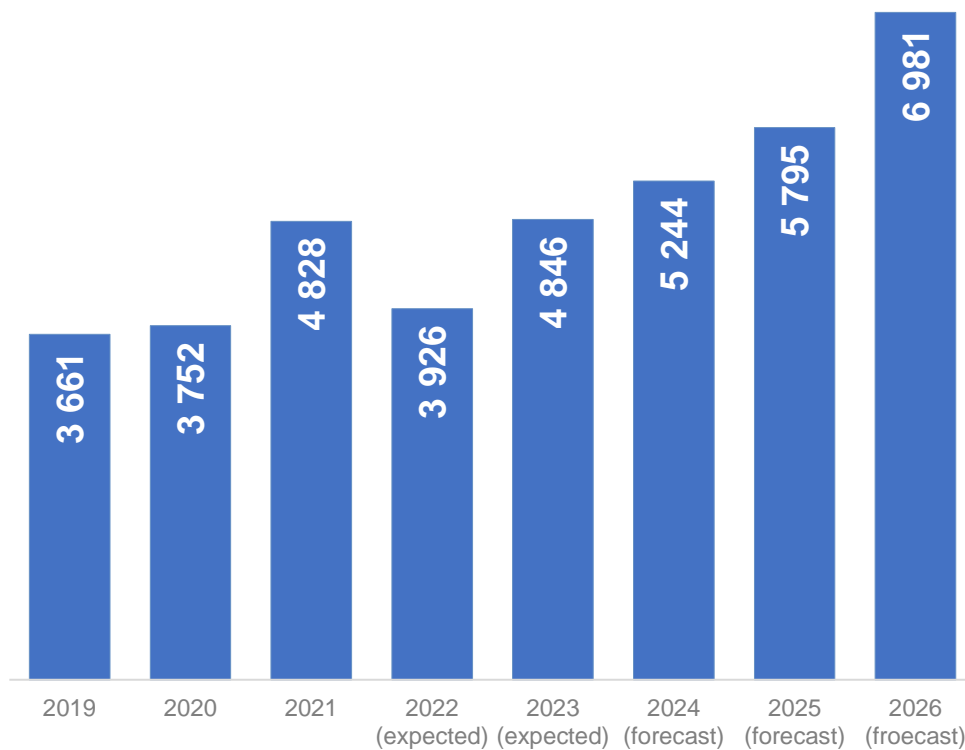


THE UNEMPLOYMENT RATE OF THE POPULATION AGE 15-70 ACCORDING TO THE ILO METHODOLOGY, % OF THE WORKFORCE OF THE CORRESPONDING AGE GROUP



FORECAST TRENDS FOR 2023-2026

GDP PER CAPITA, USD



GDP UNTIL 2026, IN % UNTIL THE BASE YEAR 2021

