

In November 2022, annual consumer inflation remained almost unchanged from the previous month, at 26.5% (26.6% in October). In monthly terms, prices grew by 0.7%. This is according to data published by the State Statistics Service of Ukraine. The actual rates of price growth were below the trajectory of the NBU's forecast published in the [October 2022 Inflation Report](#). This was attributed to an increase in supply of food products, de-occupation of a part of Ukrainian territory, sell-off of nondurable goods due to electricity shortages, and weaker consumer demand. Moreover, inflation was restrained by a strengthening of hryvnia exchange rate on the cash market, which was, among other things, driven by the NBU's previous measures.

Core Inflation

Core inflation accelerated to 22.1% yoy in November (up from 21.5% yoy in October).

The growth in processed food prices accelerated to 28.0% yoy. Fueled by the increase in energy prices, prices rose for foods the production of which is energy-intensive or requires thermal processing, as well as for products that need to be cooled. These include meat and dairy products, confectionery, nonalcoholic beverages, and canned food. In addition, imported food products continued to grow in price, in particular fish products and olive oil. On the other hand, prices for sunflower oil, pasta, and bread grew more slowly thanks to better-than-expected harvests of sunflower seeds and early grain crops.

The growth in nonfood prices accelerated to 20.7% yoy. This was driven by the depletion of imported goods inventories accumulated in summer at a lower exchange rate, as well as by higher business costs, which were pushed up, among other things, by the need to purchase electric generators to ensure uninterrupted operation. Specifically, the increase in prices accelerated for clothing and footwear, household goods (cookware, furniture, home appliances, and chemicals), cars, and personal care products. At the same time, prices for nonstaple goods, particularly household appliances and home textiles, rose more slowly.

Services prices grew at the same rate as in October (15.6% yoy). On the one hand, the rise in prices of services of beauty salons and sport clubs, car insurance, residential building maintenance, and travel services slowed. On the other hand, prices of healthcare services, services of restaurants, housing rentals, and services of internet providers grew more rapidly on the back of higher business costs.

Changes in Raw Food Prices

The growth in raw food prices slowed (to 44.4% yoy). Thanks to increased supply, growth rates declined for the prices of

borshch vegetables, which include potatoes, cabbages, carrots, beetroots, and onions. The growth in prices for oranges and bananas decelerated. Apple prices remained lower than last year due to excessive supply that built up due to complicated exports and limited processing capacity.

Prices for pork and beef also grew at a slower pace, driven by the effect of power outages, which led to problems with storage and the need to sell products more quickly. Moreover, price growth slowed for sugar, flour, buckwheat, and other cereals thanks to strong harvests.

At the same time, egg prices continued to go up due to the disruption of technological production chains, loss of production assets, and an increase in production costs.

Changes in Administered Prices

The rate of growth of administered prices remained at the previous month's level (14.7% yoy). On the one hand, the prices of alcoholic beverages rose more rapidly due to producers incurring higher costs of energy, raw materials, and packaging. On the other hand, the growth in transportation services prices continued to slow (on the back of a relative stabilization in fuel prices), same as in the prices of pharmaceutical products under state monitoring. Moreover, the moratorium on raising utility tariffs for households restrained the growth in administered prices.

Changes in Fuel Prices

Fuel price growth continued to slow in annual terms (to 59.4% yoy). This was explained by slower growth in crude oil prices. At the same time, fuel prices rose month-on-month due to higher business costs and higher demand on the back of electricity supply disruptions.

Producer Price Inflation

The statistics authorities have suspended the publishing of the producer price index until after three months from when martial law is lifted.

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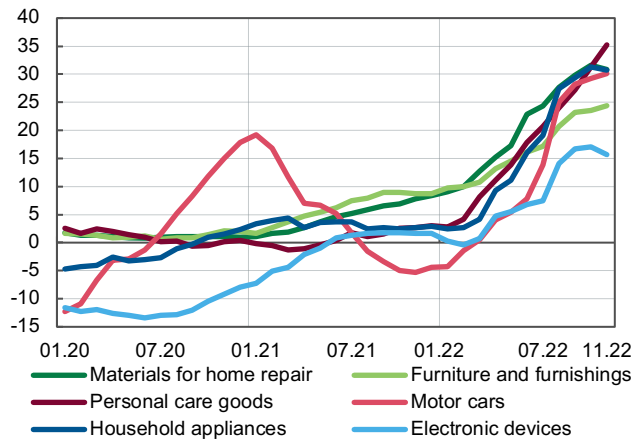
Figure 1. Consumer price indices, %



Source: SSSU.

Effects of the depletion of nonfood inventories accumulated at a lower exchange rate and higher business costs (including expenses on ensuring uninterrupted operation) outweighed the impact of low demand and stronger hryvnia

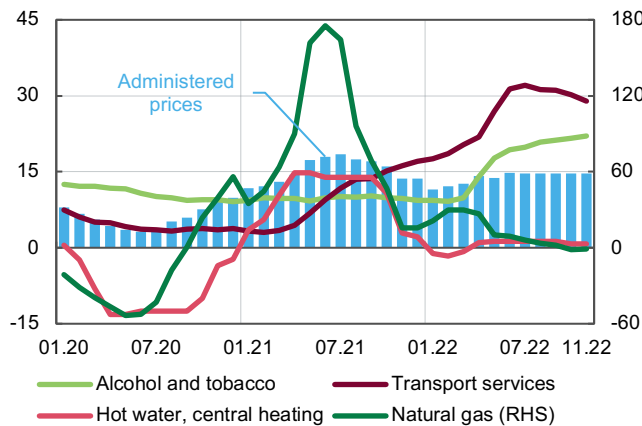
Figure 3. Prices for some nonfood products, % yoy



Source: SSSU.

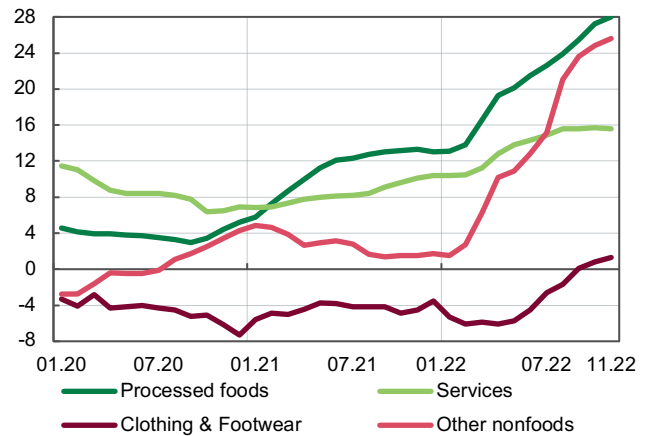
The growth in administered prices held steady. On the other hand, alcoholic beverages became more expensive at a quicker pace as production costs increased. On the other hand, the growth in transportation services prices continued to slow, same as in the prices of medicines

Figure 5. Components of administered prices, % yoy



Source: SSSU.

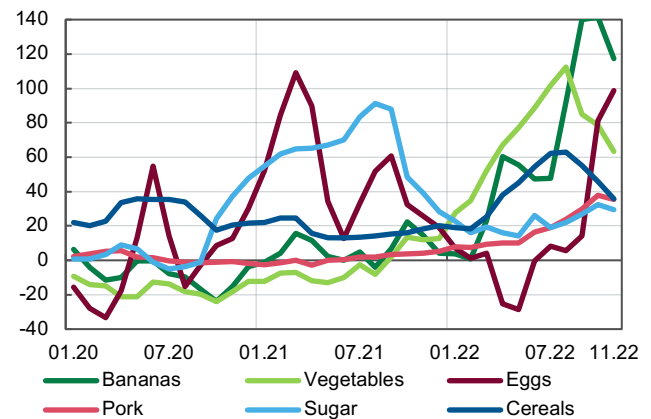
Figure 2. Main components of core CPI, % yoy



Source: SSSU, NBU staff estimates.

Prices for vegetables, fruit, and cereals grew more slowly, thanks to increased supply. Problems with storing products and the need to sell them more quickly due to power outages also dampened growth rates of pork and beef prices

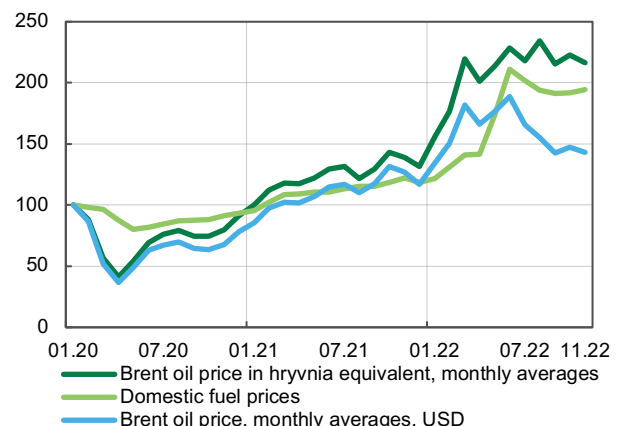
Figure 4. Prices for some raw foods, % yoy



Source: SSSU.

Fuel price growth continued to slow in annual terms, influenced by slower growth in crude oil prices. At the same time, fuel prices rose month-on-month due to higher business costs and stronger demand

Figure 6. Fuel price indices, January 2020 = 100



Source: SSSU, Refinitiv Datastream, NBU estimates.

Table 1. Change in CPI

	Share in 2022 CPI, %	% yoy			November 2022, % mom		
		2020	2021	2022			
				09	10	11	
CPI components (NBU methodology)							
Consumer Price Index	100.0	5.0	10.0	24.6	26.6	26.5	0.7
Core inflation	56.4	4.5	7.9	20.4	21.5	22.1	1.3
Noncore inflation*	43.6	5.9	13.5	29.6	32.2	30.9	-0.1
raw foods	20.9	4.1	11.8	40.9	47.1	44.4	-1.1
administered prices and tariffs	20.0	9.9	13.6	14.7	14.6	14.7	0.8
fuel	2.8	-10.5	26.5	66.2	61.9	59.4	1.3
Some components of the consumer basket (SSSU methodology)							
Foods and nonalcoholic beverages	43.6	4.9	12.7	31.7	35.7	35.1	0.6
Alcoholic beverages, tobacco products	8.2	9.2	9.4	21.2	21.6	22.1	1.0
Clothing and footwear	5.0	-7.3	-3.6	0.1	0.8	1.3	-1.6
Housing, water, electricity, natural gas and other fuels, including:	8.4	13.6	9.8	4.3	5.5	5.7	0.2
residential building maintenance services	0.3	2.7	6.7	6.2	4.4	3.8	0.0
cold water supply	0.2	18.5	11.8	12.0	12.0	12.0	0.0
hot water supply	0.3	-1.5	3.0	4.0	1.6	1.3	0.0
natural gas	2.3	56.3	15.5	1.9	-1.3	-1.0	0.0
central heating	1.4	-2.4	1.7	0.6	0.6	0.5	0.0
electricity	1.6	0.0	26.5	-7.4	0.0	0.0	0.0
Transportation	9.3	2.7	11.1	41.1	40.7	40.7	1.0
Telecommunications	3.0	4.1	7.5	13.7	11.8	11.8	1.3
Education	1.4	13.9	17.0	9.9	10.0	10.0	0.0

*NBU estimates based on data provided by the State Statistics Service of Ukraine (SSSU). The sum of the CPI components may deviate from the overall CPI due to the use of dynamic weights, in line with SSSU methodology, and because of rounding.

Terms and abbreviations:

CPI	Consumer Price Index	mom	month-on-month
SSSU	State Statistics Service of Ukraine	yoy	year-on-year
NBU	National Bank of Ukraine	RHS	Right-hand scale