



National Bank
of Ukraine

Presentation to the press briefing on monetary policy

January 2021



Key messages

- The NBU has left the key policy rate at 6%, given the current balance of risks, the mostly temporary nature of pro-inflationary factors, weak investment activity, and depressed business sentiment amid tighter quarantine restrictions
- The NBU continues to deliver on its commitment to reach the inflation target. Further on, the central bank will aim its monetary policy at striking the right balance between responding to inflation risks and supporting economic recovery
- The NBU stands ready to raise the key policy rate in the future in response to stronger underlying inflationary pressures and worsening expectations. This will help restrain the increase in inflation in 2021 and return it to the 5% target in 2022

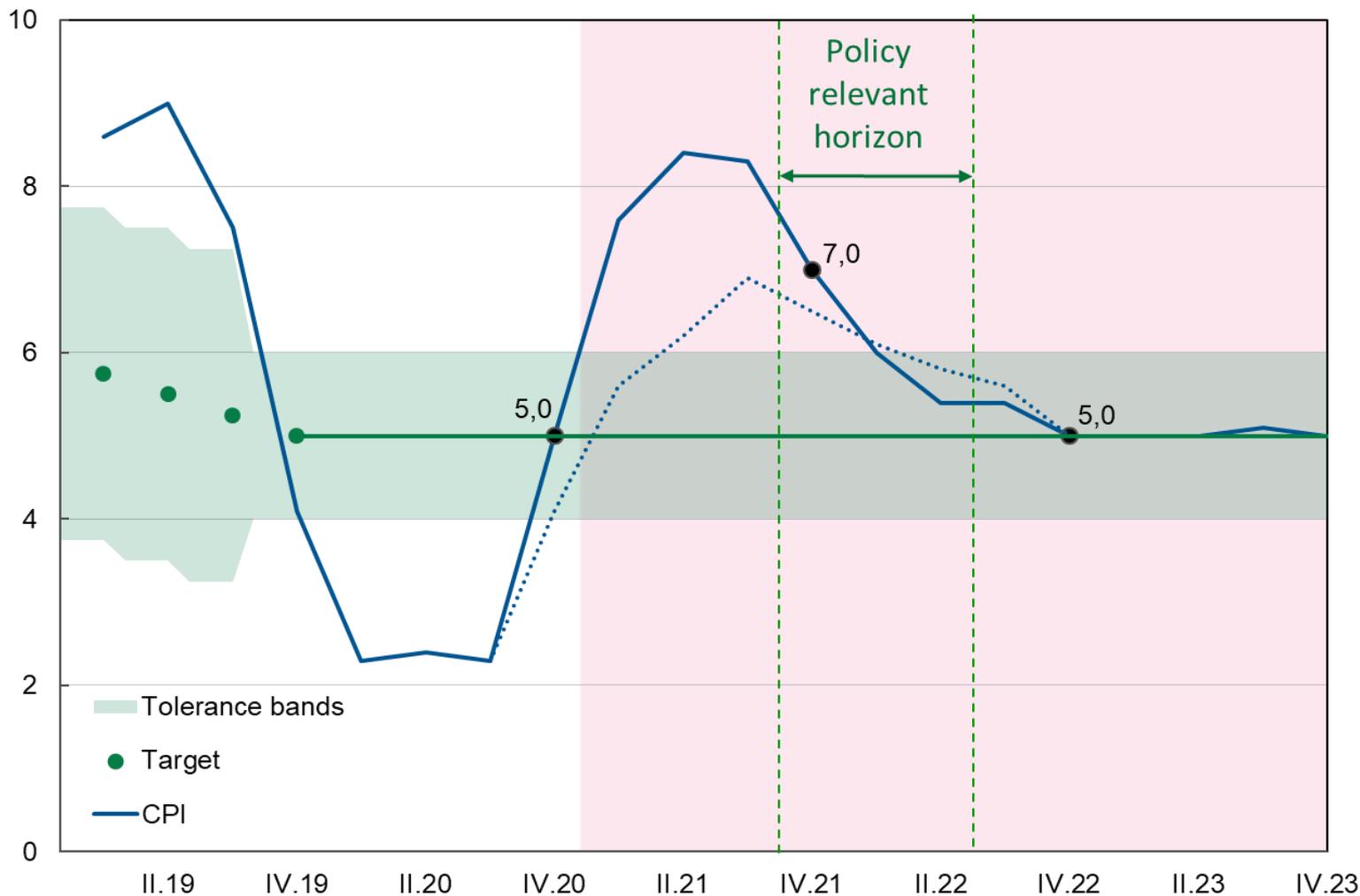
Key macroeconomic indicators*

	2019	2020 оцінка	2021 прогноз	2022 прогноз	2023 прогноз
Real GDP, change, %	3.2	-4.4 (-6.0)	4.2 (4.2)	3.8 (3.8)	4.0
Nominal GDP, UAH bn	3 975	4 079 (3 925)	4 580 (4 360)	5 015 (4 775)	5475
CPI, y-o-y, % (eop)**	4.1	5.0 (4.1)	7.0 (6.5)	5.0 (5.0)	5.0
Core CPI, y-o-y, % (eop)**	3.9	4.5 (4.2)	5.9 (5.4)	3.8 (3.8)	3.8
Current account balance, % GDP	-2.7	4.8 (2.9)	-2.0 (-2.3)	-4.2 (-5.1)	-4.9
Gross reserves, USD bn	25.3	29.1 (29.1)	30.7 (29.5)	29.7 (28.8)	29.1

* in brackets – previous NBU forecast (Inflation report, October 2020)

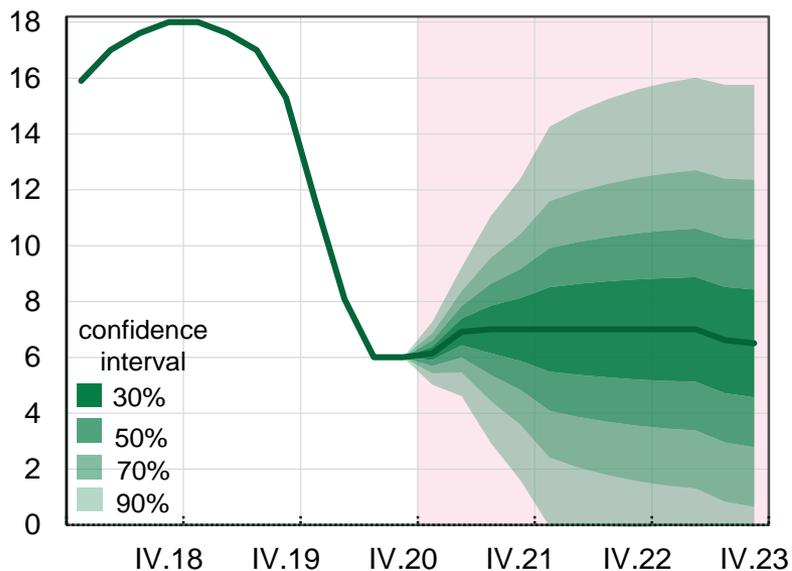
** end of period (December to December of previous year)

CPI forecast, annual change, %

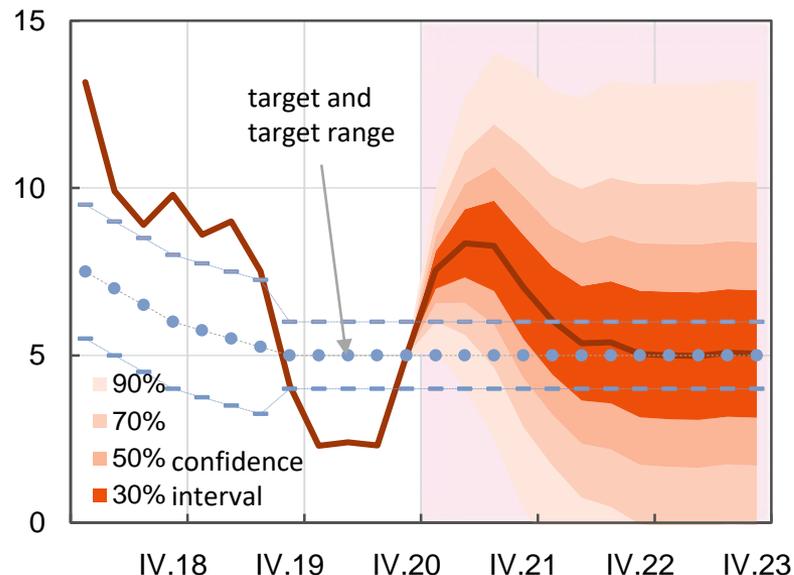


Key rate and inflation forecast

Key rate, %



CPI, annual change, %



The forecast is given in a fan chart. This chart type is used to illustrate uncertainty with regard to predicted future values. For instance, the probability that the indicator will be in the range of the darkest shaded area in the chart (around the central line) is 30%. The same applies to other chart areas, implying the 90% probability that the indicator will be in the range of the lightest shaded area.