



National Bank  
of Ukraine

# Presentation to the press briefing on monetary policy

April 2021



## Key messages

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- The NBU has raised the key policy rate to 7.5% per annum in view of the current balance of risks and the increase in underlying inflationary pressures seen in the past several months
- This step is aimed at gradually slowing down inflation in H2 2021 and returning it to the 5% target in H1 2022
- The NBU is ready to continue the cycle of key policy rate hikes until the rate reaches the level sufficient to bring inflation back to the target of 5%

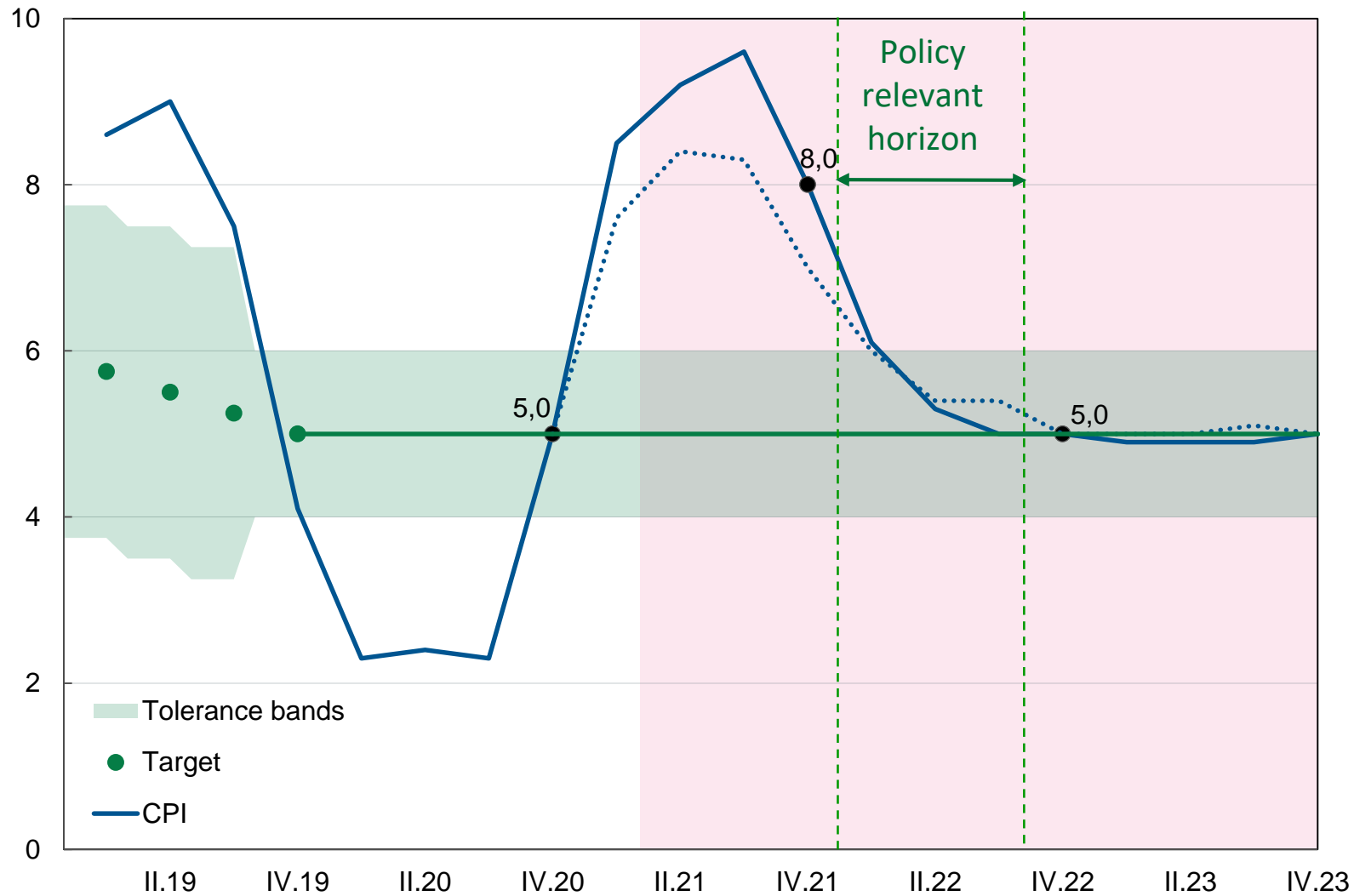
## Key macroeconomic indicators\*

	2019	2020 actual	2021 forecast	2022 forecast	2023 forecast
<b>Real GDP, change, %</b>	3.2	-4.0 (-4.4)	3.8 (4.2)	4.0 (3.8)	4.0 (4.0)
<b>Nominal GDP, UAH bn</b>	3 975	4 194 (4 079)	4 955 (4 580)	5 455 (5 015)	5 965 (5475)
<b>CPI, y-o-y, % (eop)**</b>	4.1	5.0	8.0 (7.0)	5.0 (5.0)	5.0 (5.0)
<b>Core CPI, y-o-y, % (eop)**</b>	3.9	4.5	6.5 (5.9)	3.9 (3.8)	3.9 (3.8)
<b>Current account balance, % GDP</b>	-2.7	4.0 (4.4)	-0.8 (-2.0)	-3.6 (-4.2)	-4.5 (-4.9)
<b>Gross reserves, USD bn</b>	25.3	29.1	29.8 (30.7)	29.3 (29.7)	29.1 (29.1)

\* in brackets – previous NBU forecast (Inflation report, January 2021)

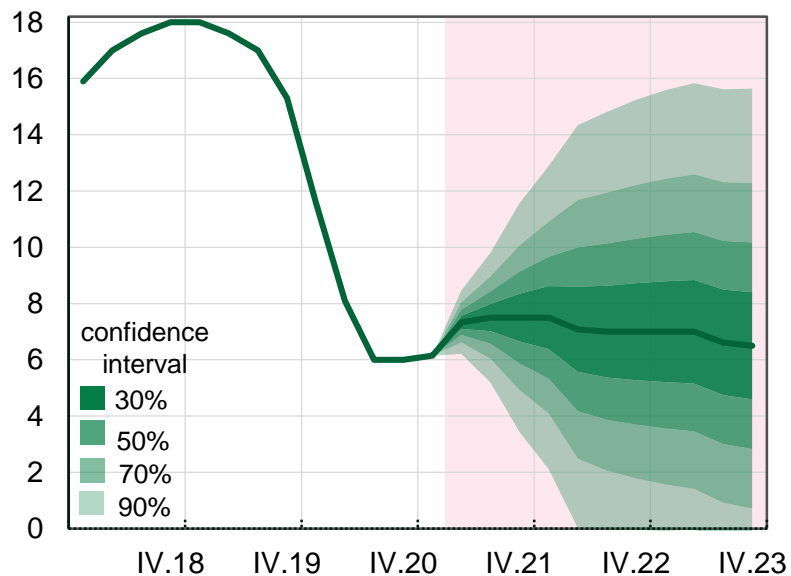
\*\* end of period (December to December of previous year)

# CPI forecast, annual change, %

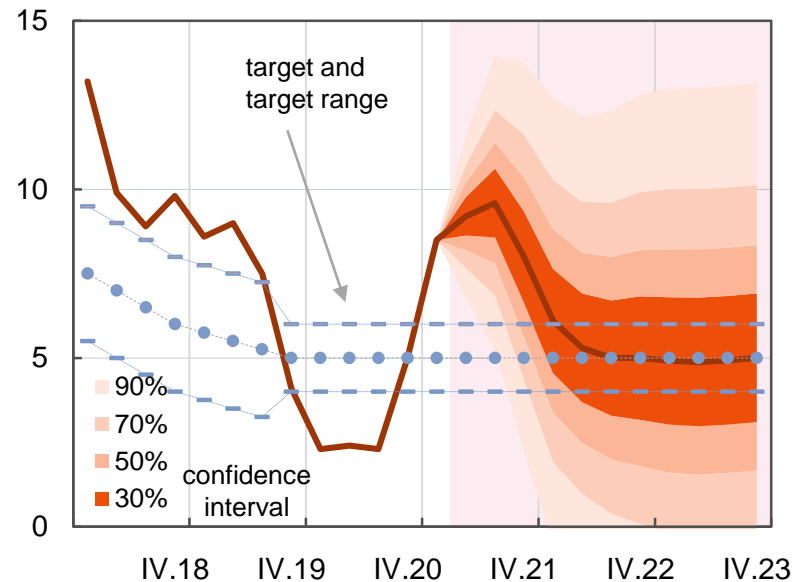


# Key rate and inflation forecast

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.