



National Bank  
of Ukraine

# Presentation to the press briefing on monetary policy

January 2022



## Key messages

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- The NBU has decided to raise the key policy rate to 10% per annum. As many of the pro-inflationary risks have materialized, tighter monetary policy is needed in order to improve inflation expectations and ensure steady disinflation toward the target of 5%
- Under the baseline scenario of the macroeconomic forecast, the monetary policy stance will remain moderately tight over the entire forecast horizon. The key policy rate will be at least at its neutral level in 2022 and in the coming years
- The NBU will continue its monetary policy tightening cycle and stands ready to act decisively if pro-inflationary factors continue to materialize

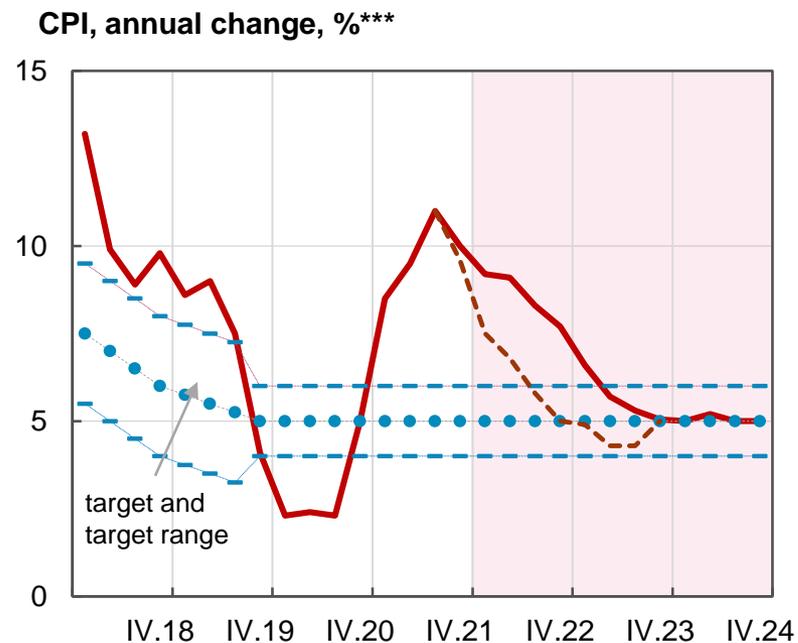
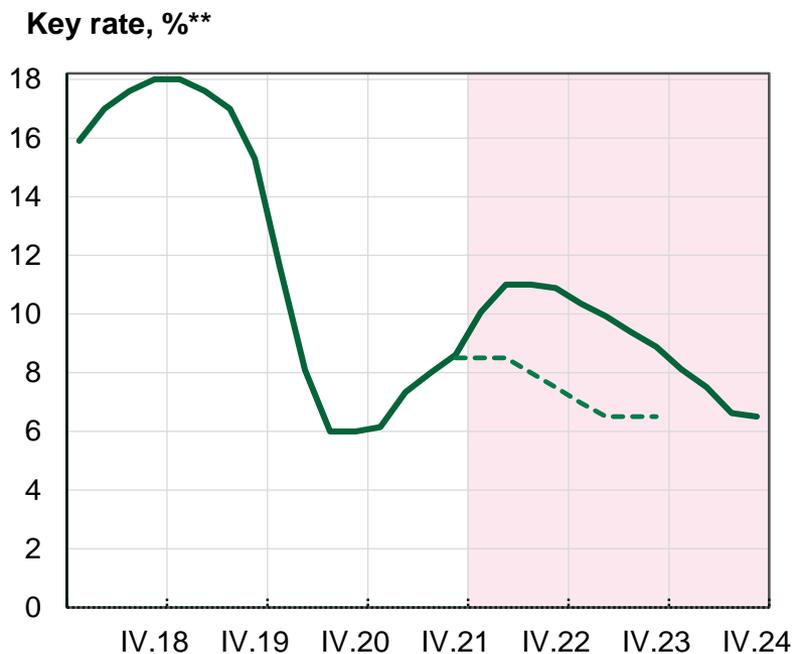
## Key macroeconomic indicators\*

	2020 actual	2021 estimates	2022	2023	2024
<b>Real GDP, change, %</b>	-3.8 (-4.0)	3.0 (3.1)	3.4 (3.8)	3.7 (4.0)	4.0
<b>Nominal GDP, UAH bn</b>	4 222 (4 192)	5 400 (5 190)	6 200 (5 750)	6 800 (6 300)	7 450
<b>CPI, y-o-y, % (eop)**</b>	5.0	10.0 (9.6)	7.7 (5.0)	5.0 (5.0)	5.0
<b>Core CPI, y-o-y, % (eop)**</b>	4.5	7.9 (7.1)	5.9 (3.3)	3.8 (4.0)	3.8
<b>Current account balance, % GDP</b>	3.4	-1.9 (-1.0)	-3.3 (-2.6)	-3.5 (-4.0)	-3.3
<b>Gross reserves, USD bn</b>	29.1	30.9 (31.1)	29.2 (30.2)	28.2 (29.6)	28.7

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

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

# Key rate and inflation forecast\*



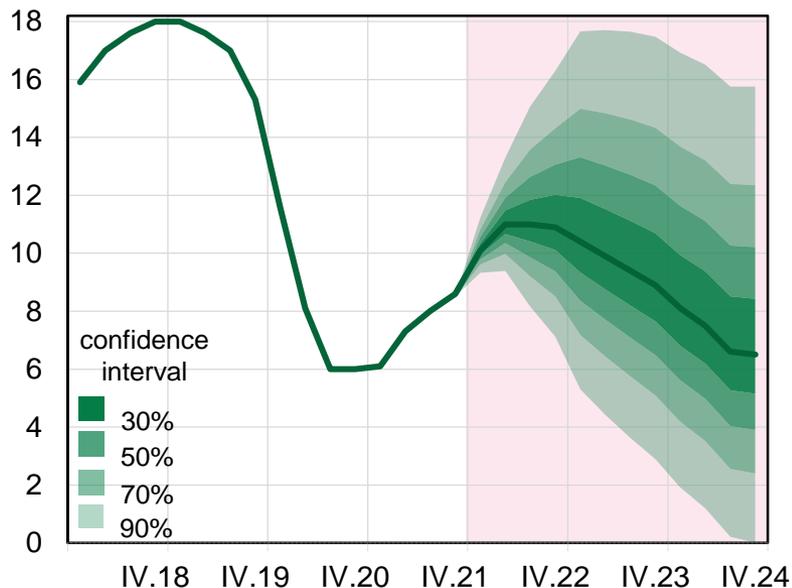
\* dashed line – previous forecast (October 2021)

\*\* quarter average

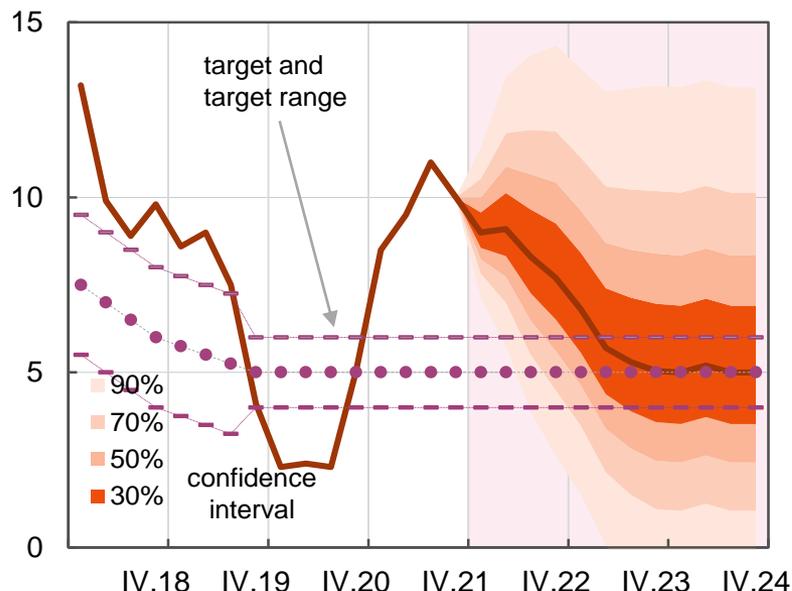
\*\*\* end of quarter

# 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.

\*\* quarter average

\*\*\* end of quarter