



National Bank  
of Ukraine

# Ukraine: Macroeconomic and Policy Outlook

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Deputy Governor

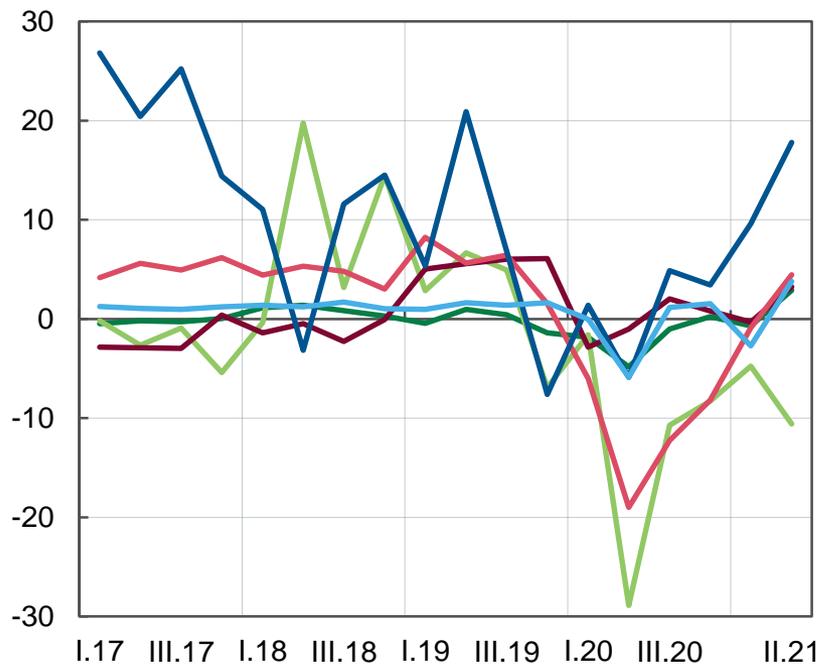
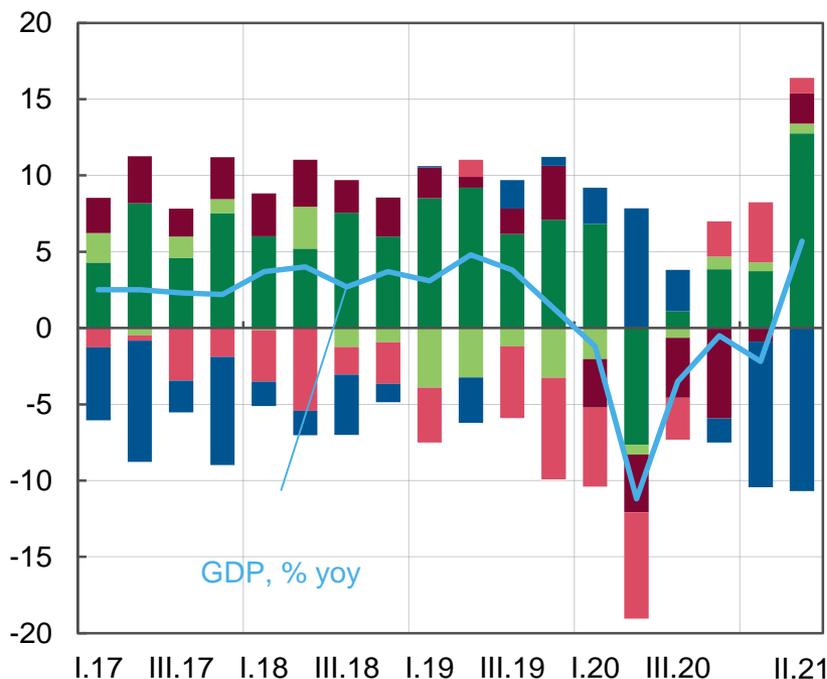
JPM Conference

London, 21 September 2021



# In H1 2021, the Ukrainian economy has been recovering after Covid crisis but at a slower pace than expected

Contributions to annual GDP growth by final use, pp VA, yoy changes, %



- Private consumption\*
- Investments (GFCF)
- Net exports
- Public sector consumption
- Change in inventories

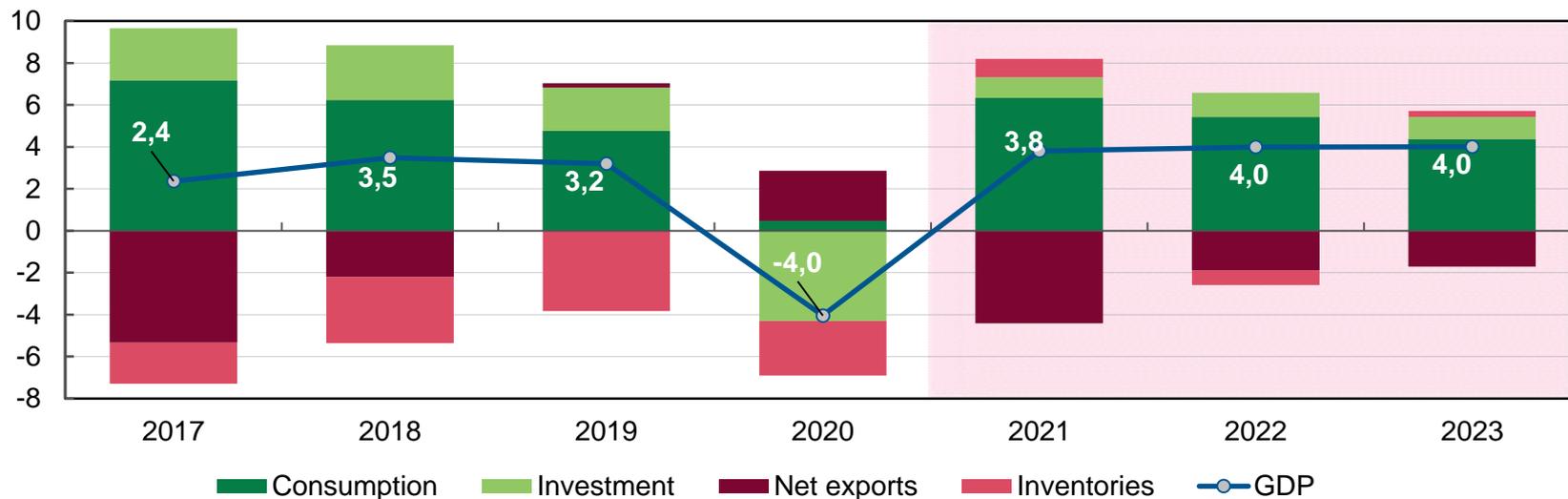
- Industry (17.9%)
- Agriculture (9.3%)
- Healthcare, education and government (14.2%)
- Other services (17.8%)
- Finance (3.2%)
- Trade&transport (20.2%)

\*Including non-profit institutions serving households.  
Source: SSSU, NBU staff estimates.

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# The economy will keep growing thanks to the world economy recovery, favorable terms of trade, and robust domestic demand

Real GDP and contributions, pp

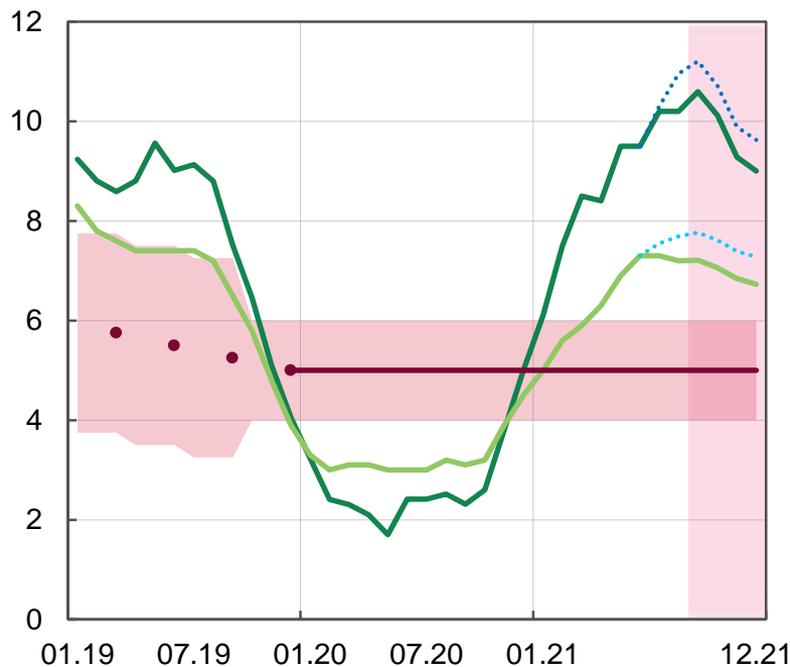


	share, %	2020	2021	2022	2023
<b>GDP</b>	<b>100</b>	<b>-4.0</b>	<b>3.8</b>	<b>4.0</b>	<b>4.0</b>
Consumption	87	0.5	6.8	5.3	4.2
<i>Private consumption</i>	66	1.2	8.0	6.5	4.9
Gross fixed capital formation	16	-24.4	7.5	9.2	8.0
Exports of G&S	48	-5.6	2.7	2.5	2.7
Imports of G&S	56	-9.6	13.6	6.6	6.2

Duration	1 m	2 m
Red zones quarantine	-0.4	-0.8
Strict quarantine, all Ukraine	-0.6	-1.2

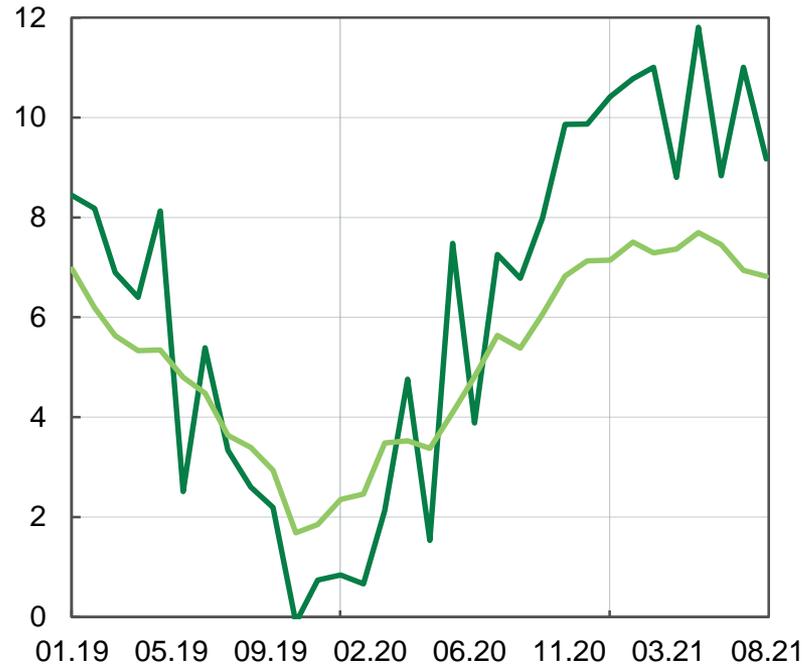
# In July-August, inflation exceeded 10% as expected, but showed signs of deceleration recently

Headline and core CPI\*, % yoy



- Target range
- CPI
- Core CPI
- Inflation targets
- CPI Forecast (IR July 2021)
- Core CPI Forecast (IR July 2021)

Headline and core CPI, % (annualized mom, sa)

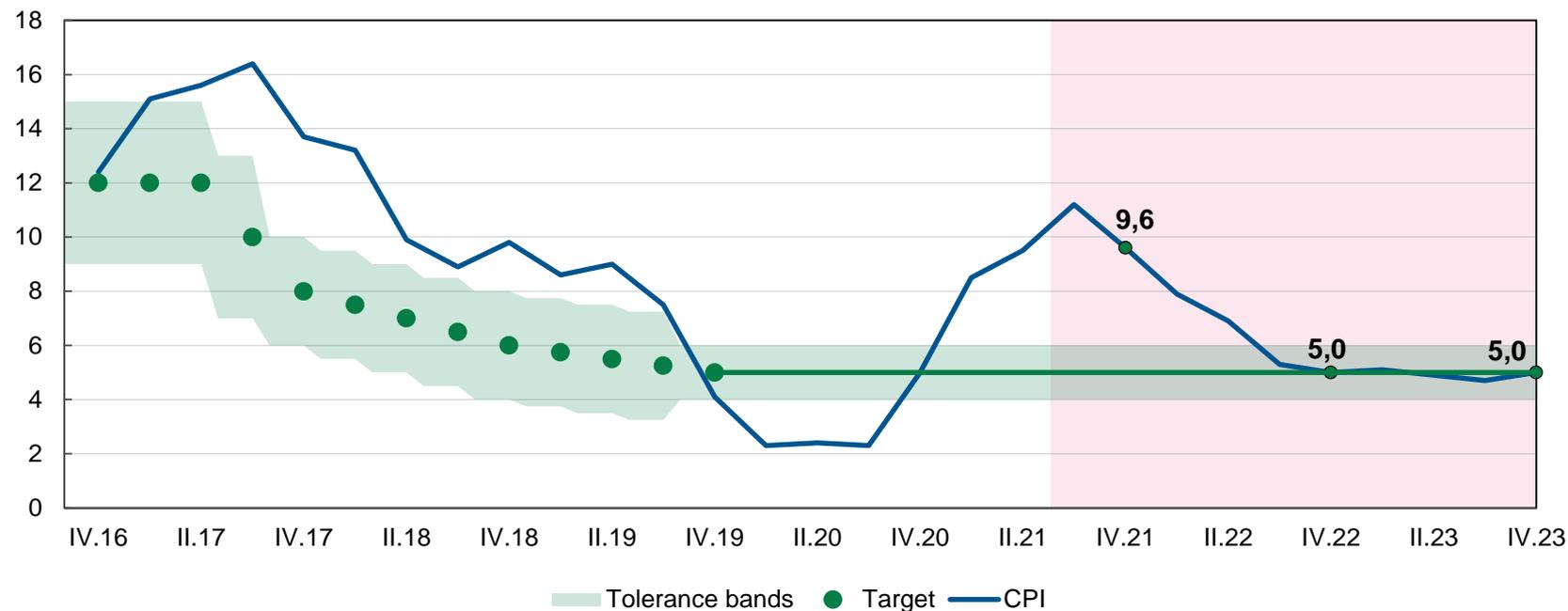


- Headline CPI
- Core CPI

\* Data for September-December 2021 - NBU estimates based on actual values and short-term forecasting  
 Source: SSSU, NBU.

# Inflation will slow down to single digits by the end of 2021 and return to the target of 5% during 2022

Headline inflation, annual change, %

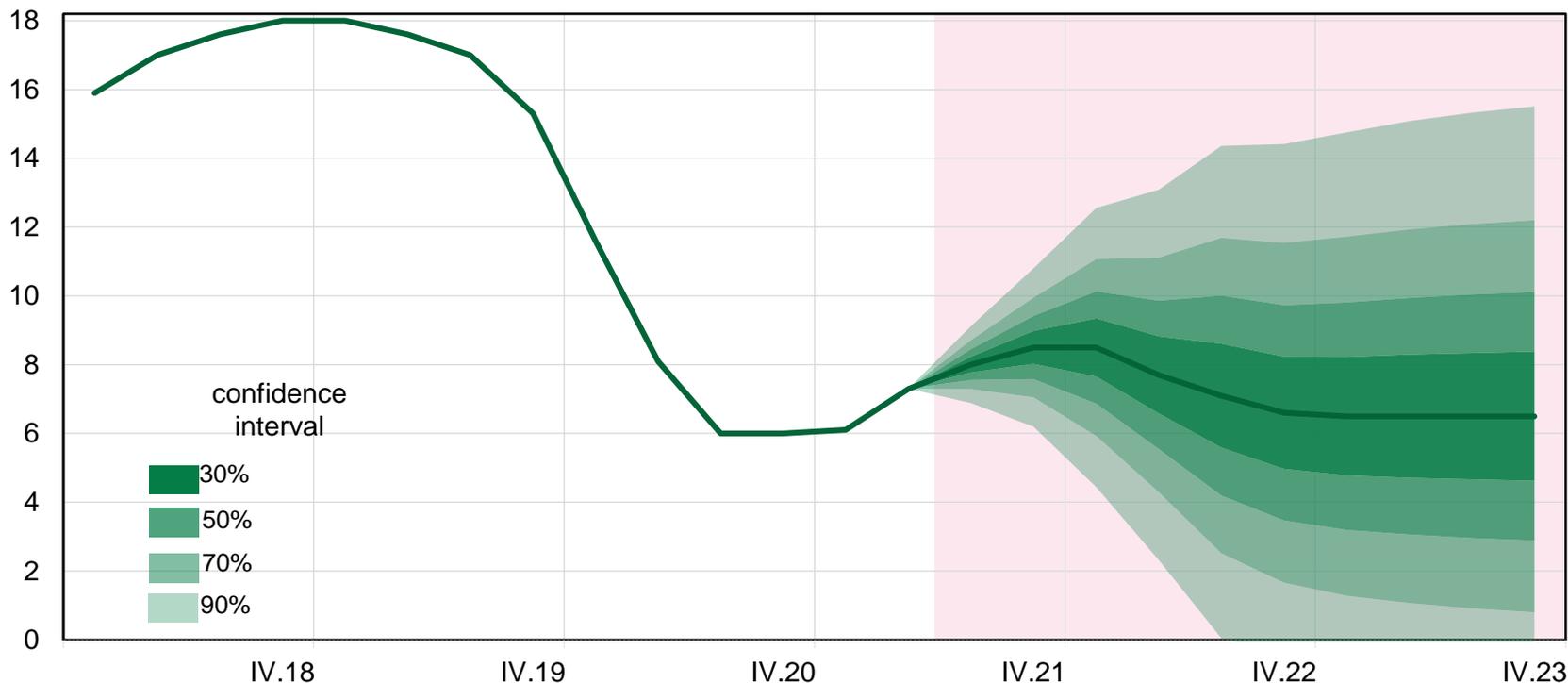


change, %	weight, %	2020	2021	2022	2023
<b>CPI</b>	<b>100.0</b>	<b>5.0</b>	<b>9.6</b>	<b>5.0</b>	<b>5.0</b>
Core CPI	59.4	4.5	7.3	4.0	4.0
Raw food	19.4	4.1	10.6	3.5	3.6
Admin	18.0	9.9	14.2	9.2	8.3
Fuel	3.2	-10.5	19.8	4.0	4.8

Source: NBU, IR July 2021.

# Tighter monetary policy is aimed at reducing inflationary pressure and preventing the de-anchoring of inflation expectations

Key rate, %



Source: NBU, IR July 2021.

- ❖ NBU (9 Sep 2021): If underlying inflationary pressures increase significantly and inflation expectations continue to worsen, the NBU stands ready to take additional measures to return inflation to its 5% target