



NATIONAL BANK OF UKRAINE

Balance of payments,

July, 2017

(preliminary data¹, according to the "Balance of Payments and International investment position" manual, 6th edition).

The current account deficit totaled USD 594 million in July 2017 (in July 2016 – USD 429 million). Exports of goods rose² by 9.9% yoy (in June 2017 – by 13.6% yoy). Imports of goods grew by 22.0% yoy (in June 2017 – by 30.1% yoy). Merchandise exports decreased by 3.9% mom, while merchandise imports grew by 4.0% mom.

In January – July 2017, the current account deficit amounted to USD 2.2 billion (or 3.8% of GDP³), while in January – July 2016, it totaled USD 1.4 billion (or 2.9% of GDP).

Goods exports totaled USD 2.9 billion. Exports increased in such major product categories:

food exports (including grain)	– by 11.0% (in June – by 10.6%);
machinery and equipment exports	– by 35.7% (in June – by 2.3%);
mineral exports (including ore)	– by 28.9% (in June – by 48.5%);
metallurgical exports	– by 1.9% (in June – by 15.1%).

Simultaneously, chemical exports declined by 17.0% (in June – rose by 2.4%)

Exports of goods rose by 22.6% yoy in January – July 2017. In nominal values, exports to EU countries increased at most – by USD 1.7 billion, or 27.8% yoy, and EU countries' share in total exports grew from 33.4% to 34.9%. Exports to countries of Asia and Africa increased by USD 732 million (or 11.8% yoy) and USD 461 million (or 23.5% yoy) respectively. Asian countries' share in total exports declined from 34.5% to 31.5%, while African countries share rose from 11.0% to 11.1%. Exports to Russia increased by USD 370 million, or 23.4% yoy, and its share in total exports expanded from 8.8% to 8.9%.

Goods imports totaled USD 4.0 billion. Energy imports increased by 60.6% yoy (in June – by 76.5%), while non-energy imports rose by 13.8 yoy (in June – by 21.0% yoy), including:

machinery and equipment imports	– by 28.6% (in June – by 41.3%);
chemical imports	– by 16.7% (in June – by 24.1%);
metallurgical imports	– by 25.4% (in June – by 35.6%);
food imports	– by 12.7% (in June – by 12.3%).

Imports of goods grew by 23.9% yoy in January – July 2017. In nominal values, imports from the EU countries and Russia increased at most: EU countries – by USD 2.3 billion, or 29.4% yoy, and Russia – by USD 986 million, or 38.8% yoy. EU countries' share in total imports rose from 36.4% to 38.0%, while Russian share expanded from 12.0% to 13.4%.

¹ Data for 2016 – 2017, exclude data for the temporarily occupied territory of Autonomous Republic of Crimea, the city of Sevastopol and zone of the counterterrorist operation in the east of Ukraine.

² All indicators' percentage changes are compared with the corresponding period of the previous year, unless otherwise stated.

³ The calculations use preliminary GDP data, that is based on own estimates of the National Bank of Ukraine.

Imports from Asian countries grew by USD 945 million, or 21.9% yoy, while its share in total imports shortened from 20.4% to 20.1%.

The net borrowing from the rest of the world (the total balance of current account and capital account) was **USD 587 million in July 2017** (in July 2016 – USD 412 million).

In January – July 2017, the net borrowing from the rest of the world totaled USD 2.2 billion, compared with USD 1.3 billion in January – July 2016.

The financial account recorded a **net inflow of USD 302 million in July 2017** (in July 2016 – USD 522 million) and resulted from the private sector's transactions.

The net inflow on the financial account totaled USD 2.9 billion in January – July 2017, compared with USD 1.8 billion in January – July 2016.

The net inflow of foreign direct investment was estimated as **USD 137 million**, 98% of the FDI's total amount (or USD 134 million) was received by the real sector.

The net FDI inflow was estimated as USD 1.3 million in January – July 2017, compared with USD 2.4 billion in January – July 2016.

The banking system's external position on portfolio and other investments transactions showed the **net increase of USD 624 million**. The main factor was USD 445 million increase of assets on currency and deposits.

The net decrease of the real sector's external position (excluding foreign direct investment) **amounted to USD 998 million**. That resulted from:

USD 364 million decrease of the amount of foreign cash outside banks;

USD 388 million increase of external liabilities on trade credits.

Net borrowing on loans totaled USD 239 million mainly due to the borrowings on long-term loans.

The amount of foreign cash outside banks decreased by USD 1.7 billion in January – July 2017, compared with USD 3.6 billion in January – July 2016.

The net inflow on private sector transactions (including errors and omissions) totaled **USD 362 million in July 2017**, compared with USD 511 million in July 2016.

The overall balance of payments deficit was **USD 285 million in July 2017**, compared with USD 110 million surplus in July 2016.

As of August 01, 2017, the volume of international reserves increased up to USD 17.8 billion, covering 3.6 months of future imports.