

## External debt as of the end of Q2 2019 (according to the "Balance of Payments and International investment position" manual, 6th edition)

In Q2 2019, the gross external debt of Ukraine increased by USD 1.6 billion and amounted to **USD 115.5 billion** (compared with the beginning of the year the gross external debt shortened by USD 0.8 billion). Debt-to-GDP ratio decreased to **83.5%** from **84.8%** as of the end of Q1 2019 (and from 87.8% as of the beginning of the year).

The increase of external debt was mainly resulted from the rise of external liabilities of the government sector by USD 1.3 billion (to USD 50.2 billion, or 36.3% of GDP). The debt of the private sector in Q2 2019 rose by USD 0.3 billion (to USD 65.3 billion, or 47.2% of GDP) mainly due to the increase of liabilities to direct investors.

The external liabilities of **the general government and central bank** increased by USD 1.5 billion and amounted to USD 42.6 billion (or 30.8% of GDP) mainly due to high non-residents' activity with domestic securities (the net purchase of domestic government Eurobonds totaled USD 1.4 billion).

In June, the Government of Ukraine issued USD 1.1 billion 7-year Eurobonds, at the same time, in May USD 1 billion Eurobonds (issued in 2014) were repaid. The repayment of Stand-by and EFF loans amounted to USD 335 million.

USD 177 million increase of debt was due to dollar's depreciation to other currencies.

The external liabilities of **central bank** decreased by USD 169 million in Q2 2019, as a result of planned amortization repayments on Stand-by and EFF loans. As of the end of Q2 2019, liabilities totaled USD 7.6 billion (5.5% of GDP).

In Q2 2019, as a result of exchange rate changes, the outstanding external debt of the general government and central bank increased by USD 187 million, USD 15 million of which were due to SDR's exchange rate change.

The gross external debt of **deposit-taking corporations except the central bank** decreased only by USD 0.1 billion in Q2 2019, and as of the end of Q2 2019 amounted to **USD 5.0 billion** (3.6% of GDP). The decrease of liabilities on debt securities (USD 0.4 billion repayment of Ukrexim's Eurobonds) was partly offset by the increase of liabilities on currency and deposits (by USD 0.3 billion).

In Q2 2019, **other sectors' external debt** was nearly unchanged and as of the end of Q2 2019 amounted to **USD 50.6 billion** (36.6% of GDP).

In Q2 2019, liabilities on trade credits increased by USD 139 million. Liabilities on credits from non-residents declined by USD 102 million mainly due to rescheduling and forgiveness of outstanding loans.

**Liabilities on intercompany lending** rose by USD 0.3 billion and as of the end of Q2 2019 totaled **USD 9.8 billion** (7.1% of GDP).

In Q2 2019, the gross external debt of other sectors (including intercompany lending) increased by USD 0.3 billion and totaled **USD 60.4 billion** (43.6% of GDP).

The real sector's arrears on non-guaranteed loans (including from direct investors) decreased by USD 0.3 billion in Q2 2018 and as of the end of Q2 2018 amounted to USD 22.0 billion (16.0% of GDP).

**As of the end of Q2 2019, US dollar remained the main currency of external debt of Ukraine:** its share decreased by 1.3 p.p. and amounted to 69.6% of the total amount of external debt. The share of liabilities to IMF in SDR also shortened – from 10.9% to 10.3%. At the same time, the share of liabilities in Euro increased from 14.4% to 14.9%. The share of external liabilities in hryvnias rose by 1.4 p.p. to 2.7% of the total amount of external debt. As of the end of Q2 2019, liabilities denominated in Russian rubles remained unchanged and totaled 1.6% of the total value of external liabilities.

**In Q2 2019, the gross external debt on a short-term remaining maturity basis increased by USD 1.1 billion. As of the end of Q2 2019, it amounted to USD 46.1 billion.**

The liabilities of general government and central bank due to be paid in one year or less increased by USD 0.2 billion (and totaled USD 4.8 billion) mainly due to future repayments on Eurobonds (by USD 0.7 billion). At the same time the repayments to IMF decreased by USD 0.5 billion.

In Q2 2019, banking sector's future repayments remained nearly the same as in the end of Q1 2019 and amounted to USD 2.6 billion. The increase of liabilities on short-term currency and deposits was offset by the decrease of future repayments on long-term securities.

Other sector's liabilities due to be paid in one year or less (including intercompany lending) increased by USD 0.9 billion and totaled USD 38.7 billion. The amount of future repayments rose:

- on long-term debt securities – by USD 409 million;
- on loans (including from direct investor) – by USD 215 million;
- on trade credits and advances (including from direct investor) – by USD 295 million.