

External debt as of the end of Q2 2021 (according to the "Balance of Payments and International investment position" manual, 6th edition)

In Q2 2020, the **gross external debt of Ukraine** has increased by USD 2.2 billion and amounted to **USD 125.3 billion** (it decreased by USD 0.4 billion compared with the beginning of the year). Debt-to-GDP ratio decreased to **75.2%** from **78.6%** as of the end of Q1 2021 (as of the beginning of the year debt-to-GDP ratio totaled 81.2%).

The gross external debt of Ukraine increased due to **the liabilities of the general government and central bank**, that rose by USD 2.2 billion and amounted to USD 55.8 billion (or 33.5% of GDP). At the same time, private sector's debt remained the same as in Q1 2021 and totaled USD 69.5 billion (or 41.7% of GDP).

The external liabilities of **the general government increased by USD 2.1 billion** (to USD 49.3 billion, or 29.6% of GDP) due to:

- net inflow from Eurobonds placement (USD 1.25 billion);
- net borrowing on loans from international partners (USD 0.4 billion);
- net borrowing on domestic government bonds (USD 0.2 billion);
- the increase of liabilities due to exchange rate changes (USD 0.3 billion).

The external liabilities of **central bank increased by USD 42 million** due to exchange rate changes and as of the end of Q2 2021 totaled USD 6.4 billion (3.9% of GDP).

Due to exchange rate changes the external debt of the general government and central bank increased by USD 316 million in Q2 2021, USD 80 million of which were due to SDR exchange rate changes.

The gross external debt of **deposit-taking corporations except the central bank** remained the same as in Q1 2021, and amounted to **USD 3.3 billion** (2.0% of GDP). The decrease in long-term instruments was offset by the increase in short-term liabilities.

Other sectors' external debt has decreased by USD 0.4 billion in Q2 2021 and amounted to **USD 52.2 billion** (31.3% of GDP), resulted from several oppositely directed factors:

- the decrease of liabilities on loans by USD 0.6 billion, mainly due to conversion of debt into intercompany lending;
- the decrease of liabilities on trade credits by USD 0.5 billion;
- enterprises' Eurobonds placement by USD 0.7 billion.

The liabilities on intercompany lending increased by USD 0.3 billion (mainly due to conversion of debt) and as of the end of Q2 2021 they amounted to **USD 14.0 billion** (8.4% of GDP).

The gross external debt of other sectors (including intercompany lending) in Q2 2021 remained the same as in Q1 2021 (shortened only by USD 20 million) and totaled **USD 66.2 billion** (39.7% of GDP).

The external liabilities of real sector increased by USD 0.4 billion due to exchange rate changes.

The amount of arrears on the real sector's nonguaranteed loans (including loans from direct investors) declined by USD 0.3 billion in Q2 2021 and amounted to USD 21.6 billion (13.0% of GDP).

According to the geographical structure of the real sector's liabilities on nonguaranteed loans (including intercompany lending) Cyprus remained the main country-creditor: its share has increased by 1.0 percentage point in Q2 2021 and amounted to 48.8% of the total amount of liabilities. Great Britain's share increased by 0.1 percentage point amounted to 12.6%, however the share of Virgin Islands' (Brit.) remained unchanged and totaled 3.0%, Netherlands' share decreased from 5.6% to 5.5%, and Russian Federation's share increased from 2.5% to 2.6%. The share of Cyprus in real sector's arrears on these instruments remained the most significant and amounted to 60.6% (as of the end of Q1 2021 – 60.7%).

US dollar has remained the main currency of external debt of Ukraine as of the end of Q2 2021, its share amounted to 62.2% and rose by 0.2 percentage point in Q2 2021. At the same time the share of liabilities in Euro decreased from 23.4% to 23.1%, the share of liabilities to IMF in SDR also shortened – from 9.7% to 9.6%. The share of external debt to non-residents in hryvnias increased to 4.0% (from 3.7% as of the end of Q1 2021). Liabilities denominated in Russian rubles remained the same as in Q1 2021 and totaled 0.7% of the total value of gross external liabilities.

The gross external debt on a short-term remaining maturity basis has decreased by USD 0.2 billion in Q2 2021. As of the end of Q2 2021, it amounted to USD 47.3 billion.

The liabilities of general government and central bank due to be paid in one year or less increased by USD 0.5 billion (and totaled USD 5.9 billion) due to the future repayments on loans to IMF and domestic government bonds, that are owned by non-residents.

Banking sector's future repayments decreased by USD 0.2 billion (and amounted to USD 2.1 billion), mainly due to the decrease of liabilities on currency and deposits.

Other sector's liabilities due to be paid in one year or less (including intercompany lending) decreased by USD 0.6 billion and amounted to USD 39.3 billion. Liabilities on trade credits decreased by USD 0.6 billion and future repayments on loans shortened by USD 0.4 billion. At the same time future repayments on enterprises' Eurobonds increased by USD 0.4 billion.