

## Balance of payments in May 2025

(preliminary data<sup>1,2</sup> according to the Balance of Payments and International investment position manual, 6th edition)

**The current account deficit widened to USD 3.5 billion** (compared to USD 2.0 billion in May 2024) primarily due to a significant increase in imports of goods. On current account transactions, excluding reinvested earnings and grants from international partners, deficit was USD 3.4 billion (USD 1.7 billion in May 2024).

*For January-May 2025, current account deficit<sup>3</sup> totaled USD 11.8 billion (USD 7.9 billion in January-May 2024). On current account transactions, excluding reinvested earnings and grants from international partners, deficit was USD 15.4 billion (USD 7.1 billion for five months 2024).*

**Exports of goods<sup>4</sup> increased by 1.4%** (fell by 6.0% in April 2025), while those of **imports rose by 20.6%** (by 9.2% in April 2025). Both merchandise exports and imports increased by 7.6% and 4.5% respectively compared to previous month.

**Merchandise exports totaled USD 3.4 billion.** The increase was due to the following:

timber and wood products	– by 19.2% (+12.9% compared to April);
metallurgical products	– by 3.7% (+2.6% compared to April);
chemicals	– by 3.6% (+3.2% compared to April);
manufactured goods	– by 6.1% (+2.5% compared to April).

Whilst **food exports** dropped by 4.2% (rose by 8.8% compared to April). The fall in grains exports (by 23.2%) was only partially offset by an increase in exports of all other food products: oilseeds (by 46.1%), meat and dairy products (by 34.0%), food processing products (by 5.2%) and oils and fats (by 2.3%).

Machinery and equipment exports was flat (dropped 8.4% compared to April).

*In May 2025, in nominal terms, merchandise exports increased the most to Asia (by USD 64 million, or by 7.0%, its share rose from 27.0% to 28.5%). In addition, exports increased to CIS countries (by USD 30 million, or 20.3% along with the share from 4.4% to*

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<sup>1</sup> According to the Law of Ukraine from March 3<sup>rd</sup> 2022 № 2115-IX "On subjects of reporting protection interests and other documents during martial law or state of war", part of the data necessary for the balance of payments compilation is not collected. The assessment of the balance of payments for May 2025 was made on the basis of available information and will be revised upon receipt of additional data.

<sup>2</sup> All balance of payments data are presented excluding the territory of Ukraine temporarily occupied by the Russian Federation.

<sup>3</sup> The merchandise trade data include the amount of postal shipments, which until 2025 contained information only on taxable parcels. Throughout 2024, the State Customs Service of Ukraine implemented the transition to an electronic customs clearance system for postal and express shipments, which significantly increased the coverage of postal shipments.

Due to data revision, the imports of goods received in the form of postal shipments reached USD 1.6 billion in Q1 2025 and USD 3.5 billion in 2024, compared to previous estimates of USD 53 million and USD 228 million, respectively. Data for previous years were not revised and remained at approximately USD 20-30 million per quarter in 2020-2023. The exports of postal shipments also increased significantly: from several hundred thousand dollars per year to USD 173 million dollars in Q1 2025.

<sup>4</sup> All percentage changes are given in comparison with the indicators of the corresponding period of the previous year, unless otherwise indicated.

5.2%) and Americas (by USD 11 million, or 9.6%, share rose from 3.3% to 3.5%). Meanwhile, exports declined to EU (by USD 97 million, or by 5.2%, its share decreased from 55.9% to 52.3%) and Africa (by USD 52 million, or by 19.2%, share fell from 8.0% to 6.4%).

**Merchandise imports equaled USD 7.0 billion.** Almost all of the growth was driven by a 20.8% increase in non-energy imports (by 2.8% compared April), primarily due to ***machinery and equipment*** imports – by 30.8% (+12.1% compared to April). In addition, imports increased in:

food imports	– by 12.0% (-3.5% compared to April);
chemicals	– by 6.8% (-8.3% compared to April);
metallurgical imports	– by 5.5% (+0.1% compared to April);
manufactured products	– by 2.6% (+3.1% compared to April).

At the same time, imports declined in timber and wood products by 11.4% (+5.7% compared to April).

Energy imports grew by 18.7% (rose by 17.6% compared to April), driven by increased imports of gas and coal; at the same time, imports of petroleum products declined.

*In May 2025, imports demonstrated growth from almost all regions of the world, with the largest increase coming from Asia (by USD 490 million, or by 26.2%, its contribution to total imports increased from 32.0% to 33.5%). In addition, imports grew from EU (by USD 206 million, or by 7.7%, contribution to total imports decreased from 45.9% to 41.0%) and Americas (by USD 111 million, or by 30.8%, its share rose from 6.2% to 6.7%). Instead, imports of goods from CIS countries decreased (by USD 18 million, or 26.5%; the share decreased from 1.2% to 0.7%).*

**The deficit in trade in services remained flat compared to previous year** – USD 0.5 billion. This was due to a simultaneous decline in exports and imports of services by 12.7% and 10.1% respectively. Mainly a drop in exports of transportation services (by 40.1%, primarily due to pipeline transport) drove the decline in exports. Moreover, exports decreased owing to drop in governmental services (by 30.6%), computer services (by 2.7%) and other business services (by 4.5%, due to technical services). On the other hand, inbound tourism expenses grew by 14.6%. Imports of services decreased mainly due to outbound tourism and short-term migrants' expenditures<sup>5</sup> (by 10.7% to USD 1.0 billion). Furthermore, there have been a decline in governmental services (by 29.3%), other business services (by 26.7%, advertising and technical) and financial services (by 36.5%). At the same time, imports of transport services (by 9.8%, mainly due to sea transport) and manufacturing services on physical inputs owned by others (2.1 times) increased.

**Primary income turned into deficit in May and totaled USD 45 million** (surplus was USD 20 million in May 2024): receipts on compensation of employees decreased at a higher rate (by 16.9%) than payments on investment income<sup>6</sup> (by 2.7%).

<sup>5</sup>The estimate of Ukrainians' expenditures abroad in 2022 - Q1 2025 is based on data on payment card payments abroad, and from 2024 onwards – taking into account changes in the residency status of Ukrainian citizens who have been abroad for more than one year.

<sup>6</sup> The balance of payments for April-May 2025 includes reinvested earnings of the banking sector only.

**Secondary income balance surplus narrowed to USD 0.7 billion** compared to USD 1.0 billion in May 2024 due to the reduction of technical and humanitarian aid.

**The amount of inward personal remittances** decreased by 13.2% and totaled **USD 0.7 billion**<sup>7</sup>. Salaries received by Ukrainians from abroad declined by 9.5%, in turn other remittances received through official channels decreased by 9.7%. In general, by 9.6% less remittances were sent through official channels than in May 2024, while the flow through informal channels fell by 18.0% compared to May 2025.

*In January-May this year remittances decreased by 15.4% and totaled USD 3.5 billion: net compensation of employees decreased by 18.7%, while personal transfers decreased by 11.2%.*

**Net borrowing from the rest of the world** (the total of current account and capital account balance) **totaled USD 3.4 billion** (USD 1.9 billion in May 2024).

*For January-May 2025, net borrowing from the rest of the world totaled USD 11.7 billion, USD 7.8 billion for the relevant period last year.*

**The financial account net inflows totaled USD 1.5 billion** (net outflows totaled USD 1.5 billion in May 2024) and was almost entirely generated by inflows to the **public sector**.

*In January-May 2025, the financial account net inflows were USD 12.2 billion, 6.2 billion for relevant period last year.*

**General government net inflows totaled USD 1.1 billion** (net outflows equaled USD 0.1 billion in May 2024) due to net disbursements of loans from international partners for USD 1.0 billion. The NBU's external assets decreased by USD 0.2 billion.

**The balance of direct investment in May was zero** (net inflows were USD 282 million in May 2024) due to USD 111 million debt instruments net repayments, of which between fellow enterprises – USD 119 million (in May 2024 net repayments were USD 15 million, of which between fellow enterprises – USD 5 million). Meanwhile:

banking sector reinvestment of earnings<sup>8</sup> totaled USD 70 million (USD 88 million banking sector reinvestment of earnings and USD 178 million real sector reinvestment of earnings in May 2024);

net inflows in equity excluding reinvestment of earnings totaled USD 41 million (USD 32 million in May 2024).

*In January-May 2025 the net inflows of foreign direct investment is estimated at USD 0.8 billion (including reinvestment of earnings<sup>8</sup> of USD 0.4 billion). In January-May 2024, the net inflows of FDI amounted to USD 2.7 billion (including reinvestment of earnings of USD 1.9 billion). Net inflows in equity (excluding reinvestment of earnings) amounted to USD 48 million (in January-May 2024 – USD 424 million). Net debt instruments*

<sup>7</sup>The total amount of remittances will be adjusted on the basis of mirror statistics by partner countries, released after the dissemination of balance of payments data.

<sup>8</sup>The balance of payments for April-May 2025 includes reinvestment of earnings of the banking sector only.

*disbursements amounted to USD 339 million (in January-May 2024 – USD 503 million).*

**The banking system's external position net increase on portfolio and other investments totaled USD 183 million** primarily due to increase in net external position on “currency and deposits” item by USD 171 million.

**The real sector external position net decrease** (excluding foreign direct investment) **totaled USD 0.5 billion:** USD 0.8 billion net decrease on trade credit external position was half offset by increase of the amount of foreign cash outside banks by USD 0.4 billion (increased by USD 1.4 billion in May 2024).

*For January-May 2024 increase of the amount of foreign cash outside banks equaled USD 4.3 billion (USD 6.2 billion for relevant period last year).*

**The net private sector's inflows** (including errors and omissions) in May **totaled USD 145 million** (outflows were USD 1.4 billion in May 2024).

**The overall balance of payments evidenced a deficit of USD 2.0 billion** (deficit totaled USD 3.4 billion in May 2024). The net repayments to the IMF totaled USD 85 million.

**The international reserves amounted to USD 44.5 billion as of 1 June 2025**, enough to cover 5.4 months of future imports.