

Balance of payments in Q4 2024

(preliminary data^{1,2} according to the Balance of Payments and
International investment position manual, 6th edition)

The current account deficit totaled USD 2.6 billion, or 4.8% of GDP³ in Q4 2024 (USD 3.4 billion, or 6.4% of GDP in Q4 2023). The deficit narrowed due to an increase in grants from international partners (USD 4.6 billion compared to USD 1.9 billion). At the same time, the balance of primary income became negative: against the background of a decrease in compensation of employees' receipts, payments on investment income increased. The trade deficit in goods also widened.

On current account deficit excluding reinvested earnings and grants from international partners was USD 7.3 billion, or 13.7% of GDP (USD 5.2 billion, or 9.8% of GDP in Q4 2023).

External trade in goods and services deficit equaled USD 10.4 billion in Q4 2024 comparing to USD 10.0 billion in Q4 2023.

Merchandise exports⁴ and imports increased by 17.3% and 13.0% respectively. Compared to the previous quarter, exports of goods increased by 11.5%, while their imports increased by 10.3%.

Exports of goods totaled USD 10.2 billion in Q4 2024. Almost two-thirds of its growth was provided by an increase in **food exports**: by 16.1% (by 22.7% compared to Q3 2024), due to all components, primarily an increase in exports of grains (by 24.5%), oilseeds (by 18.8%), oils (by 9.0%) and meat (by 31.7%). Exports also increased in the following commodity groups:

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| metallurgical exports | – by 21.8% (-20.8% compared to Q3 2024); |
| mineral exports | – by 32.8% (+11.4% compared to Q3 2024); |
| (inc. due to ores) | – by 39.4% (+9.1% compared to Q3 2024); |
| timber and wood products | – by 19.1% (-7.1% compared to Q3 2024); |
| machinery and equipment | – by 11.8% (+10.5% compared to Q3 2024); |
| chemicals | – by 14.9% (-3.3% compared to Q3 2024); |
| manufactured goods | – by 9.3% (-4.7% compared to Q3 2024). |

In terms of geography, in Q4 2024, exports increased to all major regions of the world, with the largest growth in Asia (by USD 786 million, or by 41.9%, the share increased from 21.5% to 26.1%) and Africa (by USD 259 million, or 1.6 times, the share increased from 5.4% to 7.1%). Also exports increased to Americas (by USD 155 million, or 1.9 times, the share

¹ According to the Law of Ukraine from March 3rd 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 Q4 2024 was made on the basis of available information and will be clarified upon receipt of additional data.

² Data exclude the temporarily occupied by the Russian Federation territories of Ukraine.

³ The calculations used preliminary GDP data according to the NBU's estimates.

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

increased from 2.1% to 3.3%), EU (by USD 135 million, by 2.4%, the share dropped from 63.9% to 55.8%) and CIS countries (by 79 million, or 18.7%, share rose by 0.1 p.p. to 4.9%).

Merchandise imports equaled USD 19.3 billion. Energy imports shrank by 11.3% (by 14.4% compared to Q3 2024), primarily due to petroleum imports. Non-energy imports increased by 17.0% (by 14.4% compared to Q3 2024), more than half of the growth was provided by an increase in **machinery and equipment** imports (by 24.3%; by 17.8% compared to Q3 2024). In addition, imports grew, in particular by group:

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|--------------------------|--|
| chemicals | – by 11.2% (+4.0% compared to Q3 2024); |
| food imports | – by 15.4% (+30.2% compared to Q3 2024); |
| timber and wood products | – by 16.5% (+5.2% compared to Q3 2024); |
| manufactured products | – by 3.9% (-13.2% compared to Q3 2024); |
| metallurgical imports | – by 1.2% (-4.5% compared to Q3 2024). |

In Q4 2024, imports from Asia (by USD 973 million, or by 17.1%, its share increased from 33.4% to 34.6%) and EU (by USD 915 million, or by 11.2%, share fell from 48.0% to 47.2%) grew the most. In addition, imports increased from Americas (by USD 199 million, or by 19.1%, share rose by 0.3 p.p. to 6.4%) and Africa (by USD 39 million, or by 23.2%, share grew from 1.0% to 1.1%). At the same time, imports from the CIS countries decreased (by USD 93 million, or by 39.1%, the share fell from 1.4% to 0.8%).

The services trade deficit narrowed to USD 1.3 billion (compared to USD 1.6 billion in Q4 2023) primarily due to a decrease in imports (by 4.4%), while services exports were at the same level as previous year. The decrease in services imports due to a decrease in outbound tourists' and short-term migrants' expenditures⁵ (by 10.8%, to USD 3.4 billion) and government services (by 46.7%) was only partially offset by an increase in imports of transportation services (by 5.7% due to sea and air transport), other business services (by 1.9 times due to professional and technical services), computer services (by 21.0%), charges for the use of intellectual property (by 28.1%) and repair & maintenance services (by 25.9%). The growth in inbound tourism expenditures (by 27.8%), government services (by 4.7%) and construction services (by 3.1 times) was fully offset by a decline in exports of transportation services (by 6.0%, primarily due to rail and air transport) and computer services (by 2.1%; decreasing for the tenth consecutive quarter).

Primary income balance switched to deficit: USD 24 million compared to surplus of USD 1.6 billion in Q4 2023. This decline was primarily due to simultaneous decrease on compensation of employees' receipts (by 27.5%) and an increase in investment income payments (mainly due to dividends – USD 0.9 billion compared to USD 0.2 billion in Q4 2023).

Secondary income balance widened to **USD 7.9 billion** compared USD 4.9 billion in Q4 2023) due to increase of grants⁶ from international partners to USD 4.6 billion

⁵ The estimation of Ukrainians' expenses abroad is based upon the data on payments by cards abroad, UN data and the State Border Guard Service of Ukraine on the number of citizens who went abroad due to the war.

⁶ The grant assistance received in Q4 2024 will be used to reimburse state budget expenditures to ensure payments to first responders, IDPs, pension payments, and remuneration of healthcare providers providing services under the medical guarantees program.

(USD 1.9 billion in Q4 2023) and humanitarian assistance provided to USD 0.9 billion (USD 0.8 billion in Q4 2023). At the same time, the volume of technical assistance provided decreased slightly – 0.3 billion USD compared to 0.6 billion USD in Q4 2023.

The amount of inward private remittances totaled USD 2.3 billion⁷, decreased by 18.0% compared to Q4 2023. The flow of remittances through formal channels decreased by 15.2% due to a decline in both the amount of salaries received by Ukrainians from abroad (by 20.8%) and other private transfers (by 10.1%). Remittances through informal channels decreased by 21.8%.

Net borrowing from the rest of the world (the total of current account and capital account balance) **totaled USD 2.5 billion in Q4 2024** (USD 3.4 billion in Q4 2023).

The financial account saw inflows of USD 5.8 billion in Q4 2024 (USD 3.4 billion in Q4 2023): inflows to the public sector were partially offset by outflows from the private sector.

Public sector net inflows totaled USD 10.4 billion (USD 7.3 billion in Q4 2023) and was driven by net disbursements from international partners of USD 10.8 billion (USD 7.4 billion in Q4 2023). These inflows were partially offset by repayments to non-residents on government debt securities (USD 0.1 billion).

The net inflows of foreign direct investments stood at USD 264 million (USD 354 million in Q4 2023) generated by:

inflows in equity (excluding reinvestment of earnings) by USD 304 million (USD 200 million in Q4 2023);

debt instruments net disbursements USD 33 million, of which USD 267 million were net disbursements between fellow enterprises (in Q4 2023 net disbursements were USD 107 million, of which between fellow enterprises – USD 10 million).

Meanwhile, banks' negative reinvestment of earnings totaled USD 104 million (banks' negative reinvestment of earnings totaled USD 194 million in Q4 2023, real sector reinvestment of earnings totaled USD 238 million).

The net increase of the banking system's external position on portfolio and other investments accounted for USD 869 million (USD 400 million in Q4 2023). This was due to USD 693 million increase of net external position on "currency and deposits" (net decrease totaled USD 75 million in Q4 2023) and USD 253 million net purchase of non-resident securities (USD 603 million in Q4 2023).

The real sector external position net increase (excluding foreign direct investment) totaled **USD 3.6 billion** (USD 4.1 billion to Q4 2023) and was shaped by USD 4.8 billion net increase in foreign cash outside banks (USD 3.6 billion in Q4 2023). On the other hand, it was partially leveled by:

USD 1.1 billion net increase on loans external liabilities (USD 0.2 billion in Q4 2023);

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

USD 0.3 billion decrease of net external position on trade credit (USD 0.7 billion increase in Q4 2023).

Net **private sector outflows (including errors and omissions)** amounted to **USD 4.6 billion** (USD 3.9 billion in Q4 2023).

The overall balance of payments evidenced a surplus of USD 3.3 billion in Q4 2024 (a deficit of USD 25 million in Q4 2023). The disbursements from the IMF amounted to USD 1.9 billion (USD 0.4 billion in Q4 2023).

The international reserves as of the end of Q4 2024 stood at USD 43.8 billion, enough to cover 5.5 months of future imports.

Last updated on 01.04.2025