



National Bank
of Ukraine

Presentation to the press briefing on monetary policy

July 2021



Key messages

- The NBU has decided to raise its key policy rate to 8% and tighten its monetary policy by taking a number of additional measures, given the significant increase in underlying inflationary pressures
- The NBU's forecast envisages that the key policy rate will be raised further, to 8.5%, and maintained at that level until Q2 2022, with a view to bringing inflation back to its 5% target in 2022, and keeping inflation expectations in check
- If additional pro-inflationary risks materialize, the NBU stands ready to continue deploying monetary tools to return inflation to its 5% target

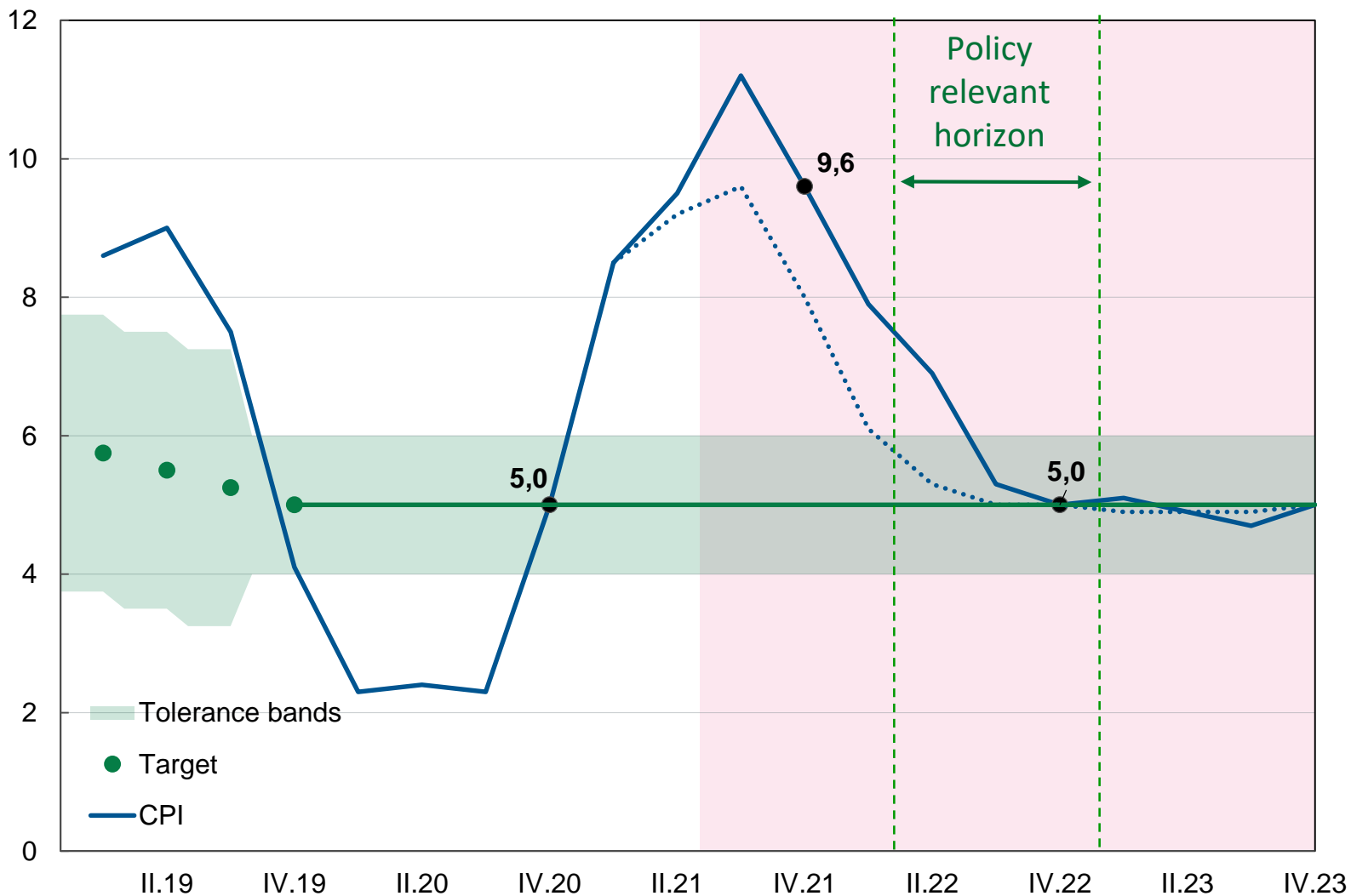
Key macroeconomic indicators*

	2019	2020 actual	2021 forecast	2022 forecast	2023 forecast
Real GDP, change, %	3.2	-4.0	3.8 (3.8)	4.0 (4.0)	4.0 (4.0)
Nominal GDP, UAH bn	3 975	4 192	4 975 (4 955)	5 485 (5 455)	6 000 (5 965)
CPI, y-o-y, % (eop)**	4.1	5.0	9.6 (8.0)	5.0 (5.0)	5.0 (5.0)
Core CPI, y-o-y, % (eop)**	3.9	4.5	7.3 (6.5)	4.0 (3.9)	4.0 (3.9)
Current account balance, % GDP	-2.7	3.4	-0.4 (-0.8)	-2.8 (-3.6)	-4.2 (-4.5)
Gross reserves, USD bn	25.3	29.1	31.3 (29.8)	31.6 (29.3)	31.7 (29.1)

* in brackets – previous NBU forecast (Inflation report, April 2021)

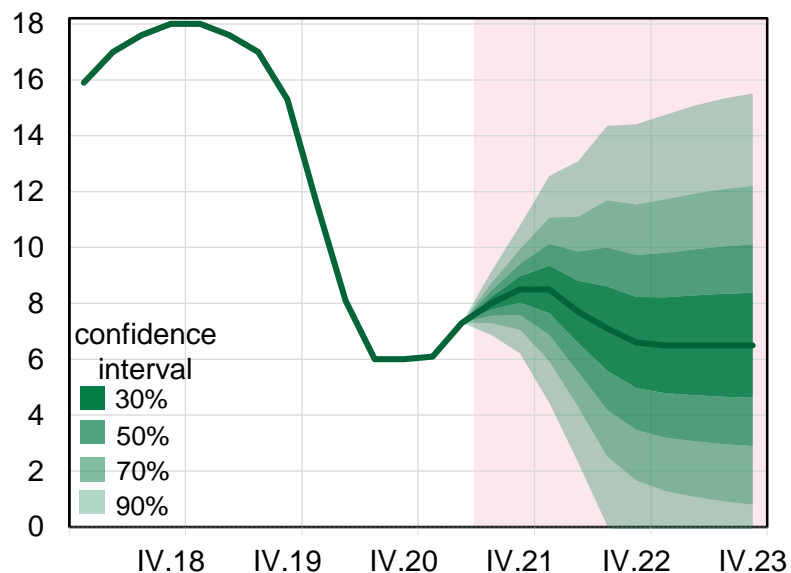
** end of period (December to December of previous year)

CPI forecast, annual change, %

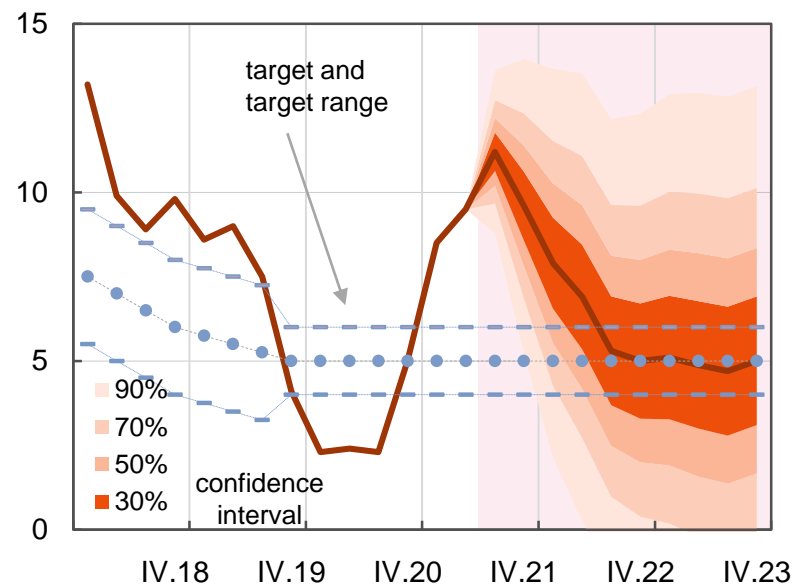


Key rate and inflation forecast

Key rate, %



CPI, annual change, %



The forecast is given in a fan chart. This chart type is used to illustrate uncertainty with regard to predicted future values. For instance, the probability that the indicator will be in the range of the darkest shaded area in the chart (around the central line) is 30%. The same applies to other chart areas, implying the 90% probability that the indicator will be in the range of the lightest shaded area.