Ukraine economy

Resilient to trade shocks, but not enough fat to get through 2020

July 21, 2017

CONCORDE CAPITAL

Summary

Ukraine's economy went through a series of shocks in 2014-2015, developing the flexibility to weather the relatively minor shock such as the trade blockade imposed on occupied Donbas in February. For the rest of this year and the next, we do not see any events that could threaten Ukraine's steady – but most likely small – economic growth, relatively controlled inflation and currency stability, as well as its limited budget deficit. More risks may emerge in 2019, mostly on the political side given that presidential and parliamentary elections are scheduled to occur that year. A large degree of uncertainty surrounds Ukraine's ability to cope with large debt repayments of the state sector in 2019-2020. So far, the government has accumulated enough reserves to avoid default and currency shocks only through 2019. Further sustainability will depend largely on whether the IMF will be satisfied enough with the government's structural reforms to award more loan tranches.

- Ukraine kicked off the new year with a good start amid strong global commodity prices, which narrowed the C/A deficit and grew GDP 2.5% yoy in 1Q17. Late in the quarter, the situation worsened amid a rollback in commodity prices and the introduction of a trade blockade with occupied Donbas. Industrial growth turned red in February-April, but has recovered already in May. The effect of the negative factors seems to be short-lived, so we are maintaining our 1.9% real GDP growth projection for 2017.
- Despite the narrowed trade deficit in 1Q17, the C/A deficit exceeded the 2016 level already in 5M17. Imports are gaining momentum on the back of coal supplies (a consequence of the Donbas trade blockade), while exports slowed from April, reflecting the global metal price decline. The trend with the expanding C/A deficit looks sustainable amid recovering demand for non-energy imports. We project a USD 4.8 bln (4.6% of GDP) C/A deficit in 2017, rising from USD 3.8 bln in 2016.
- The national currency has ignored both the trade blockade and commodity price slide so far. Since the year's start, the hryvnia strengthened by more than 6% to about UAH 26/USD as positive sentiments and growing individual cash returns to the banking system weighed more heavily. We expect a return of depreciation through the autumn months, and we see the hryvnia touching UAH 28.0/USD by the year end, which is still better than UAH 28.5 we expected earlier.
- Consumer inflation exceeded expectations. In 1H17, CPI sped up to 7.9% YTD growth, almost touching 8.0%, the middle of the central bank's annual range projection. The main factor was cold weather in the spring that pushed food prices higher. In light of this tendency, we project CPI increasing 11.8% YTD in 2017, which is higher from our previous estimate of 9.0% growth. The next year will likely feature single-digit inflation as the adverse factors of spring 2017 are unlikely to repeat themselves.

We conclude that the Ukrainian economy has developed resilience even to such shocks as the trade blockade with regions that had been earlier key contributors to Ukraine's export and industrial output. Therefore, we see no new shocks in 2017 and 2018.

On the other hand, 2019 and 2020 could bring some turbulence, as Ukraine will face large repayments of sovereign and quasi-sovereign debt. Fulfilling the demands of the IMF's USD 17.5 bln EFF program is the key factor that could help the government stay solvent these years, but it will have to implement structural reforms to make financing available and improve the investment climate. Without cooperation with the IMF in 2018, Ukraine won't be able to cover the USD 17.5 bln C/A deficit that we estimate for 2018-2020, as well as USD 12.1 bln in state and quasi-state debt repayments scheduled for the next three years. Under our pessimistic scenario, Ukraine's gross reserves will return to the level of three months of imports already in late 2019, with respective risks for government solvency and currency stability in 2020. So far, we see a good chance to avoid such scenario.

Key macro indicators

	2015	2016	2017E	2018E
Real GDP, yoy	-9.9%	+2.3%	+1.9%	+3.5%
Nominal GDP, USD bln	90.3	93.2	104.8	112.9
C/A balance, USD bln	-0.2	-3.8	-4.8	-5.3
Gross int'l reserves, USD bln	13.3	15.5	18.5	22.4
External public debt, USD bln	43.4	45.6	48.5	52.5
Total state debt, USD bln	65.5	71.0	76.3	80.3
Budget balance, % of GDP	-1.2%	-2.2%	-2.9%	-2.4%
CPI, year-end	43.3%	12.4%	11.8%	6.6%
UAH/USD, average	21.8	25.6	26.9	28.5
UAH/USD, year-end	24.0	27.2	28.0	29.0

Source: UkrStat, MinFin, NBU, Concorde Capital research

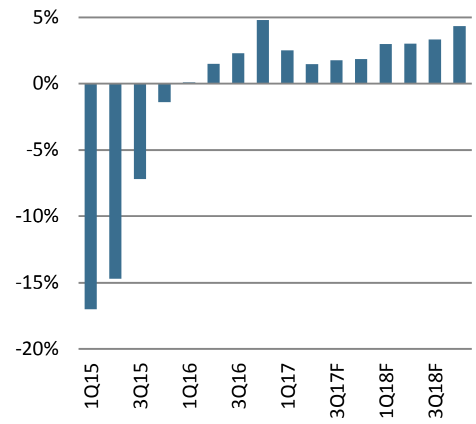
GDP to slow in 2H17 owing to widening trade deficit

Ukraine's GDP grew 2.5% yoy in 1Q17, exceeding any optimistic expectations. The main drivers were impressive growth of investments in fixed assets (20.1% yoy) and improving private consumption (2.6% yoy). Government consumption also was in the black with 4.2% yoy growth. Net exports contributed negatively (-2.1pp) with real exports falling 0.4% yoy as real imports rose 2.9% yoy.

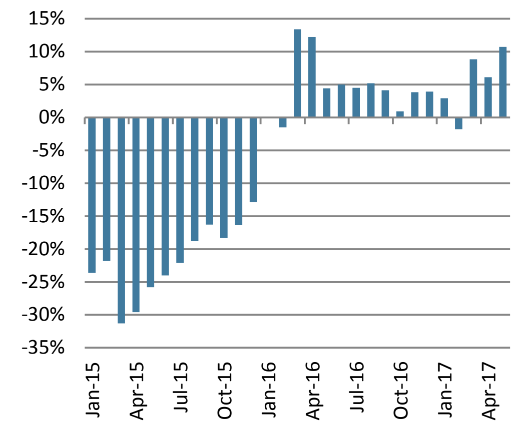
Though GDP growth in 1Q17 was impressive, we expect economic slowdown through the course of the year on the back of an expanding trade deficit. Private consumption will be recovering and domestic investments also will be in the double-digits. However, we expect this demand will covered mostly by stronger imports. We already observe a sustained tendency in trade deficit expansion, which is unlikely to change in the upcoming months.

For 2017, we expect real GDP will increase 1.9% thus slowing from 2.3% yoy in 2016. For 2018, we expect stronger economic recovery with about 3.5% real GDP growth.

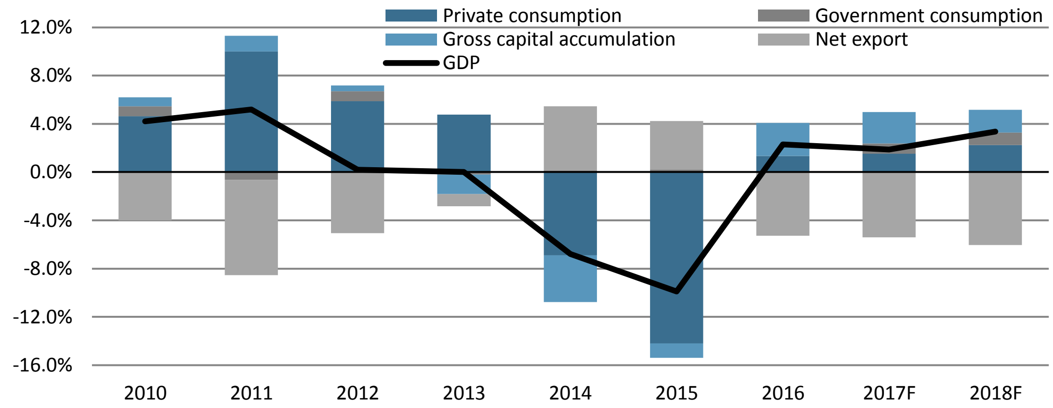
Real GDP change, quarterly data & outlook



Organized retail trade, yoy chg



Drivers of real GDP change



Source: UkrStat, Concorde Capital research

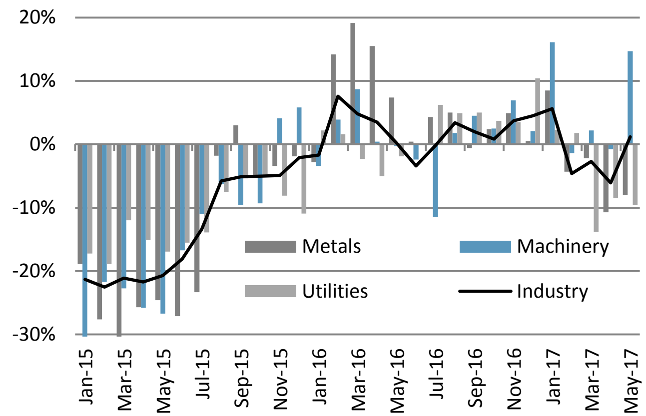
Industry suffers from Donbas blockade, but recovery already underway

Ukraine's industrial output dropped 1.3% yoy in 5M17. All sectors were in the red except for machinery, which increased 5.6% by May. Mining plunged 7.4% yoy in 5M17, utilities fell 5.0% yoy, chemicals decreased 4.1% yoy, and metals contracted 3.6% yoy.

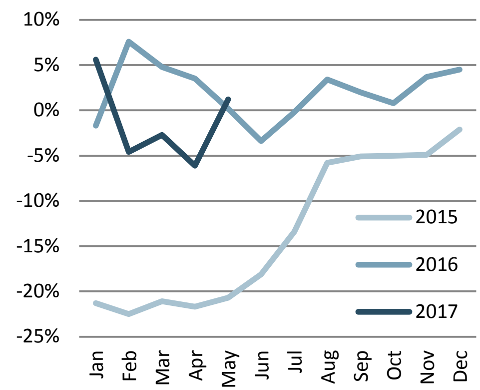
The main factors were the trade blockade of Donbas, which started in February, and the metal price drop starting in April. However, the blockade cannot be blamed for being the only factor of declining industry. Though it naturally led to declines in the partially occupied Donetsk and Luhansk (Ukraine's easternmost regions), some of the neighboring regions demonstrated positive growth.

In May, industrial output recovered 1.2% yoy after declining for the previous three months. However, the only source for growth was machinery (14.7% yoy in May) while all other key sectors like metals and mining were in the red, falling by 8.0% yoy and 4.6% yoy, respectively. The numbers mean that growth is still fragile; however, we can expect industry gaining momentum against a low comparative base and gradual rebuilding of alternative production chains (prompted by the trade blockade) through the second half of the year. We project 2017 industrial output will grow 1.4% yoy.

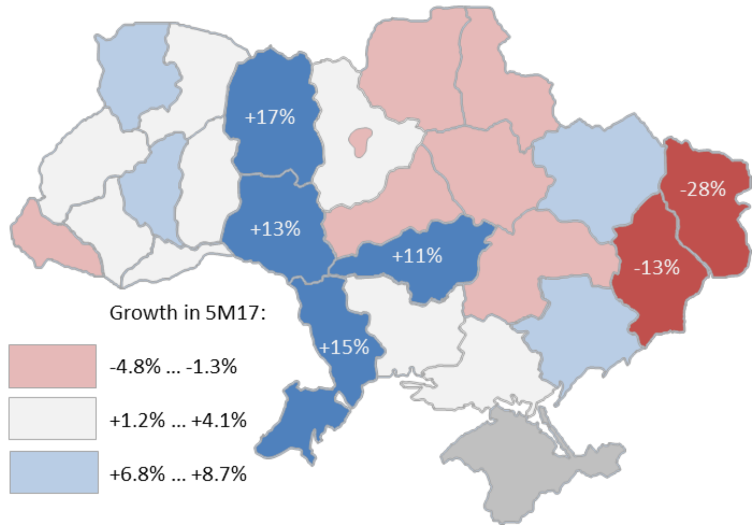
Key industry drivers, yoy



Industrial output, yoy



Industrial output by regions, 5M17



Source: UkrStat, Concorde Capital research

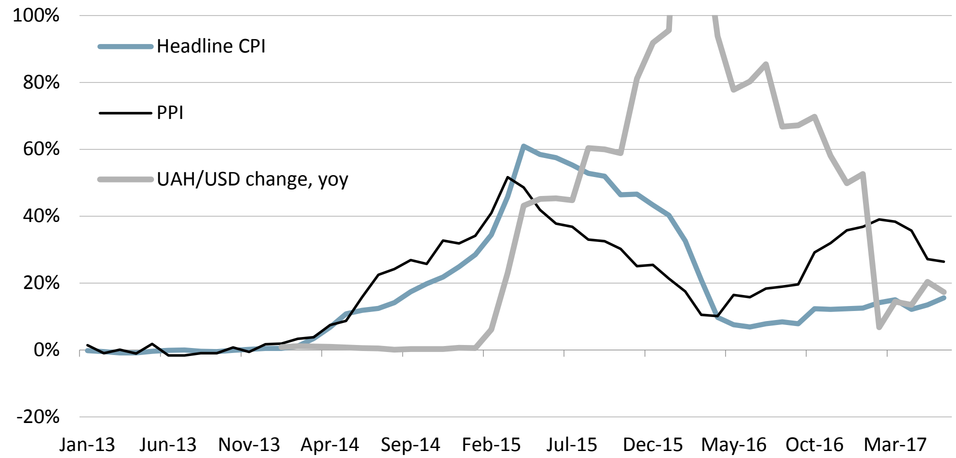
Inflation accelerates on spring frost

Rather than cooling, as we had expected, consumer price growth exceeded expectations. The first wave came in January with hryvnia depreciation, followed by a jump in fruit and vegetable prices owing to unusually cold spring weather. Food prices surged 11.8% YTD in the first half, driven by vegetables (71.2% YTD growth) and fruits (52.7% YTD). A year ago, food prices increased only 0.5% YTD by June.

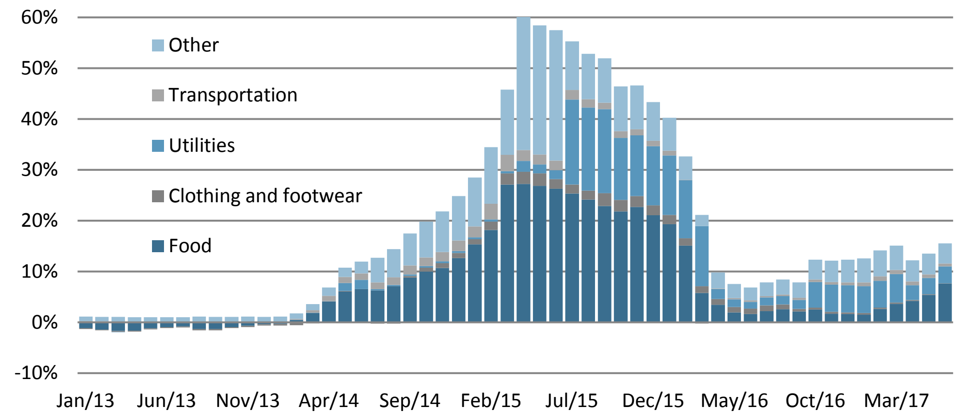
CPI surged 7.9% YTD in 1H17 (faster than 4.9% growth in 1H16), nearly reaching the mid-range of central bank's annual target (8.0% +/- 2pp).

We expect stronger inflation to continue through the year's remainder. We used to see seasonal deflation owing to sliding prices for fruits and vegetables in the summer months, but that's not the case this year. Even if price growth slows sharply after July, we can hardly expect CPI lower than 11% YTD this year. We project 2017 CPI rising 11.8% YTD (up from 9.0% YTD which we estimated before), or 14.0% yoy average growth.

Inflation indicators, yoy



Breakdown of headline CPI, yoy



Source: UkrStat, Concorde Capital research

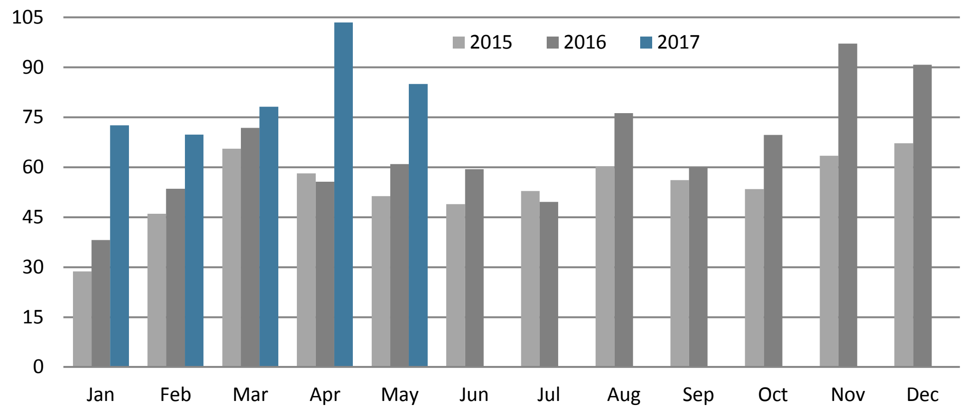
Budget revenues are booming

General budget collections advanced 46% yoy in 5M17. A sizable chunk of the growth came from UAH 29.7 bln confiscated from the accounts of ex-president Victor Yanukovych and UAH 15 bln in dividends from the NBU. But even net of one-off collections, core revenue grew an impressive 30% yoy, fed by proceeds from value-added tax (37% yoy growth in 5M17), personal income tax (35% yoy) and excise duties (20% yoy).

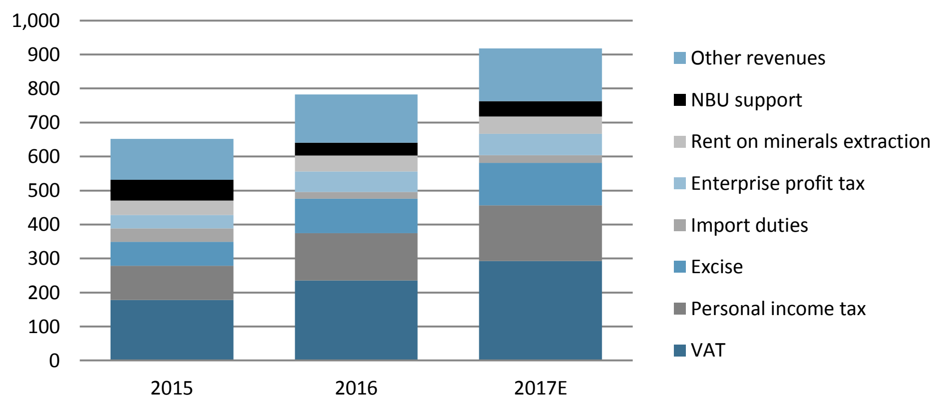
Booming budget revenues translated into a substantial surplus – by May, the budget was in the black by UAH 50.5 bln, which is 2.0% of GDP. The Cabinet was so inspired by the success that it even decided to revise its revenue and spending target for the central budget by an extra UAH 26.0 bln, which is nearly 1% of GDP.

This tendency of robust budget revenues looks sustainable and we do not see any risks. Growth rates will ease but we still see it absolutely realistic the government will approach its 20% yoy budget revenue growth target by the year end. Ukraine should fulfill its 3% of GDP budget deficit target that it pledged to the IMF.

General budget revenue, UAH bln



Budget revenue breakdown by sources, UAH bln



Source: MinFin, Concorde Capital research

State debt falls below 80% of GDP amid delayed IMF support

As of May 2017, Ukraine's state debt grew to USD 74.7 bln (which is 78.4% of GDP) from USD 70.8 bln at the year start. The main factors were a USD 1.0 bln loan tranche from the IMF, a EUR 0.6 bln loan from the EU and state bonds issued to replenish the statutory capital of state banks (UAH 26.4 bln).

The state debt has already reached the level we expected by the year end, largely due to the surprising progress with the IMF at the start of the year.

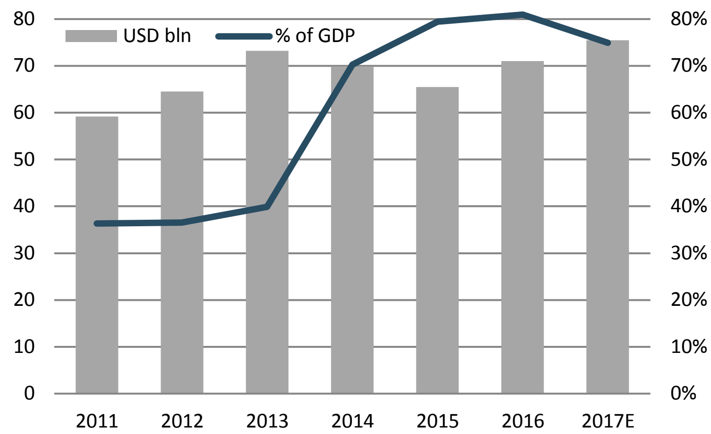
So far, Ukraine has secured just four tranches amounting to USD 8.7 bln from the IMF's USD 17.5 bln (USD 16.8 bln under the current SDR rate) External Funds Facility program. That's out of ten tranches totaling about USD 13.5 bln that were scheduled to have been issued between March 2015 and June 2017, according to the initial plan.

With the slow pace of reforms, we anticipated only one IMF wire in 2017 but now it looks like we have a chance to get second tranche in 2H17, mostly on the IMF's willingness to be flexible on certain structural benchmarks, according to Ukrainian media reports. We expect it will amount to just USD 1.0 bln (in contrast to the scheduled amount of USD 1.9 bln) – in line with the two previous tranches – due to the incomplete implementation of structural benchmarks set by the IMF for 2Q17. In particular, there is no farmland market, no anti-corruption court, nor the establishment of a Financial Monitoring Service (which is still likely), just pension reform (yet to be approved in second reading) and the selection of a firm to recover Privatbank loans (done).

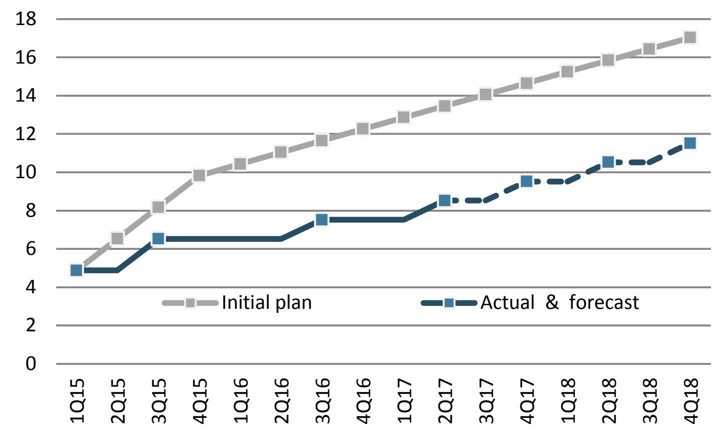
Also there is a chance for a Eurobond placement (at least USD 0.5 bln) in the fall. Against this backdrop, we project the state debt rising to USD 76.3 bln (75% of GDP) by the end of 2017.

In 2018-2020, the accumulation of state debt will depend mostly on the government's ability to fulfill the demands of the IMF's financing program, which will also determine its ability to raise private debt via Eurobond issues. In 2018, we believe Ukraine can count on the remaining EUR 0.6 bln MFA tranche from the EU, about USD 2.0 bln in lending from the IMF and USD 2.0 bln in proceeds from Eurobond placements.

Ukraine's state debt



IMF tranches under EFF program, cumulative amount, USD bln



Source: MinFin, IMF, Concorde Capital research

External accounts: C/A deficit expands amid slowing exports

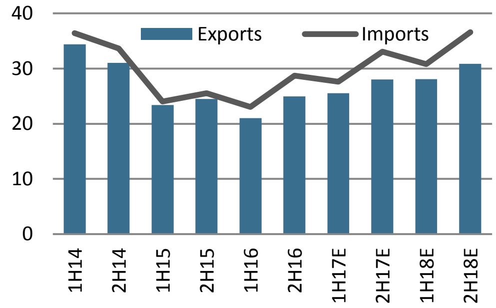
At the year's start, external accounts substantially improved owing to soaring metal prices (key exported commodity). In 1Q17, exports jumped by 29.3% and the C/A deficit narrowed to USD 0.8 bln from USD 1.5 bln a year ago. However, the tendency began changing in April as exports sharply slowed and the trade deficit started swelling. The C/A deficit has already reached USD 1.1 bln in 5M17, exceeding last year's level of USD 1.0 bln.

The downward change has been driven by sliding global resource prices and the trade blockade of occupied Donbas. Energy import growth has accelerated to 74% yoy in 5M17 due to rising imports of coal (due to the internal deficit) and faster accumulation of natural gas stockpiles (as compared to last year). Non-energy imports also grew noticeably (11.4% yoy in 5M17) amid recovering individual incomes. Exports slowed to 8.2% yoy growth in April and then picked up to 21.4% yoy in May on the back of fast destocking of grains this year.

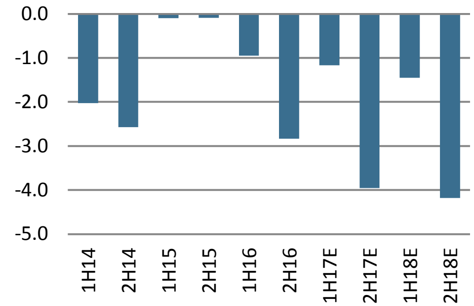
We expect the trend with the expanding C/A deficit to be maintained as the prospects of a excessive grain harvest are in question. On the other hand, resource prices look better than we expected at the beginning of the year. Rising incomes promise sustainable non-energy import growth in 2H17, while higher imports of natural gas made in 1H17 will lead to smaller growth of energy imports in the third quarter. The tendencies are slightly better than our initial projections and we are lowering our 2017 C/A deficit forecast to USD 4.8 bln (4.6% of GDP).

In 2018-2019, we expect a gradual expansion of the C/A deficit by some USD 0.3-0.5 bln p.a. In 2020, the deficit may widen faster as Ukraine may lose one of its most important export sources, gas transit from Russia to the EU, which brings annually up to USD 2 bln in export proceeds. (Russia has threatened not to renew its contract that expires in 2019).

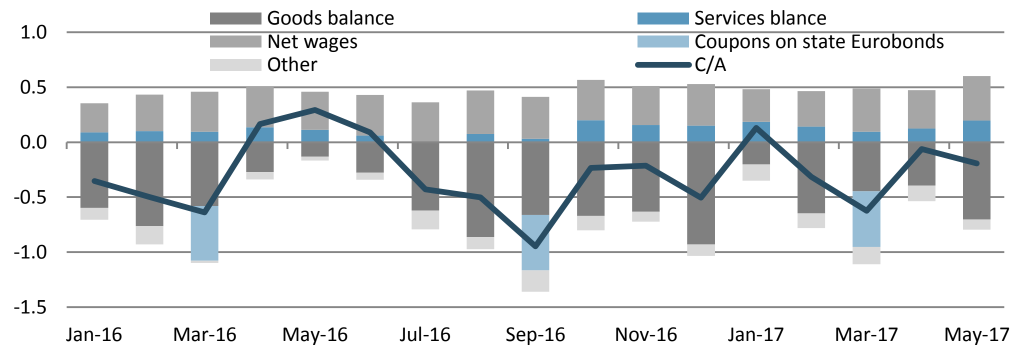
Goods & services trade, USD bln



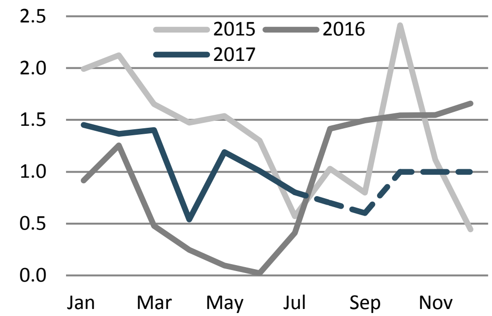
C/A balance, USD bln



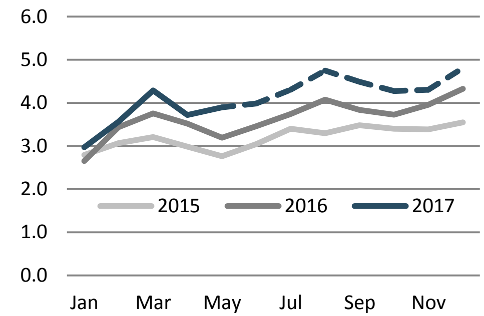
C/A balance structure, USD bln



Natural gas imports, bcm



Non-energy imports, USD bln



Source: NBU, UkrStat, Energobiznes, Concorde Capital research

External accounts: BoP to improve on trade credits

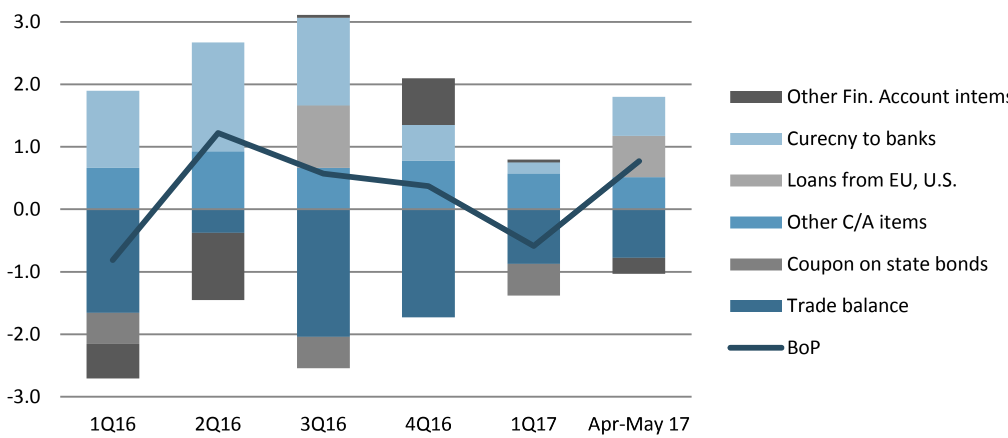
In 5M17, Ukraine's general balance (C/A plus capital and financial accounts) reached a USD 0.74 bln surplus (from USD 0.3 bln a year ago). The main factors were a EUR 0.6 bln April loan from the EU, a narrowed trade deficit (sliding to USD 1.65 bln from USD 1.8 bln in 5M16) and the central bank's SWAP operations a year ago (USD 0.84 bln outflow in April 2016), which made the numbers look better in 2017.

Individual cash returns to the banking system, which used to be the key factor of positive BoP in 2016, have plunged to USD 0.8 bln in 5M17 from USD 2.3 bln in 5M16.

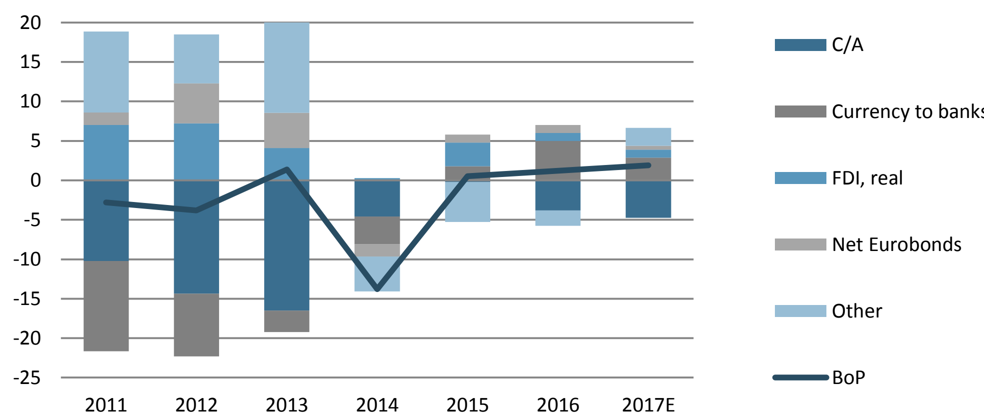
In 2H17, we expect the general balance to stay in black on improving "other investments" inflow (predominantly trade credits). The trade deficit will expand to USD 6.4 bln for the year from USD 5.8 bln in 2016. We don't see individual cash returns strengthening (we expect foreign cash returns to banks will decrease to USD 2.9 bln in 2017 from USD 5.0 bln a year before). The Finance Ministry might place USD 0.5 bln in Eurobonds. All other sources of foreign currency inflow will remain unchanged.

We expect the general balance (C/A plus capital and financial accounts) to improve merely to USD 1.9 bln in 2017 from USD 1.3 bln in 2016.

Key items of BoP, USD bln



Key items of BoP, USD bln



Source: NBU, Bloomberg, Concorde Capital research

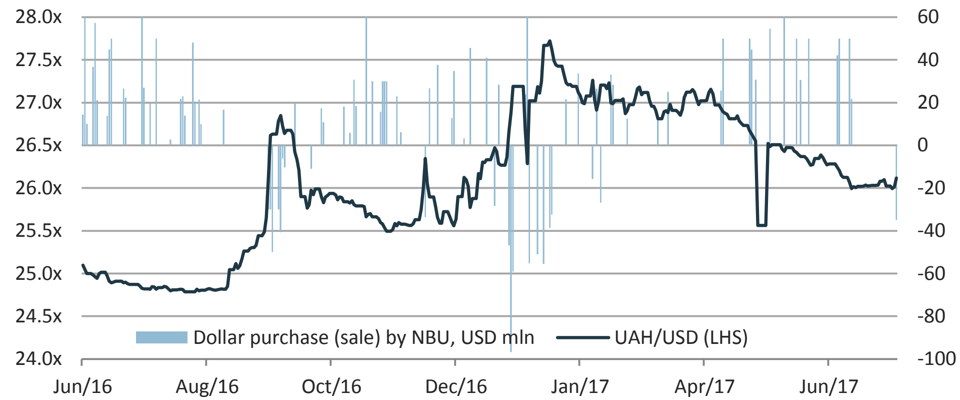
New wave of hryvnia depreciation on the horizon

The hryvnia has strengthened to UAH 26.0/USD in early July from UAH 27.2/USD at the year's start, driven by soaring global metal prices in 1Q17 and other positive developments such as April's IMF tranche. High export prices narrowed the 1Q17 C/A deficit to USD 0.8 bln from USD 1.5 bln in 1Q16, which gave the first impulse for hryvnia appreciation. When the trade deficit started expanding in April on the back of sliding metal prices and the consequences of the Donbas trade blockade, a foreign currency surplus was nonetheless secured by positive sentiments from the IMF wire and growing individual cash returns to the banking system. The positive tendency enabled the National Bank of Ukraine (NBU) to purchase USD 1.3 bln at the ForEx in 1H17.

Despite hryvnia strengthening in 1H17, we anticipate the return of a depreciation tendency in 2H17 owing to the widening trade deficit. In 5M17, the C/A deficit has already exceeded last year's level (USD 1.1 bln vs. USD 1.0 bln) despite narrowing a few months ago. And we expect this widening trend to create depreciation pressure in the autumn months.

We expect financial flows will be enough for further gross reserves accumulation, but not all the funds will reach the ForEx (like the IMF money), which will lead to a minor foreign currency shortage at the market amid trade deficit growth. That said, we see the hryvnia gradually weakening throughout 2H17 to UAH 28.0/USD by the year end.

Interbank currency market in 12M



Source: NBU, Concorde Capital research

Gross foreign reserves: minor growth expected till the end of 2017

Ukraine's gross foreign reserves rose USD 2.5 bln in 1H17 to USD 18.0 bln, fueled mostly by:

- USD 1.0 bln loan tranche from the IMF;
- USD 0.64 bln loan from the EU;
- USD 1.3 bln raised from foreign currency purchases from banks.

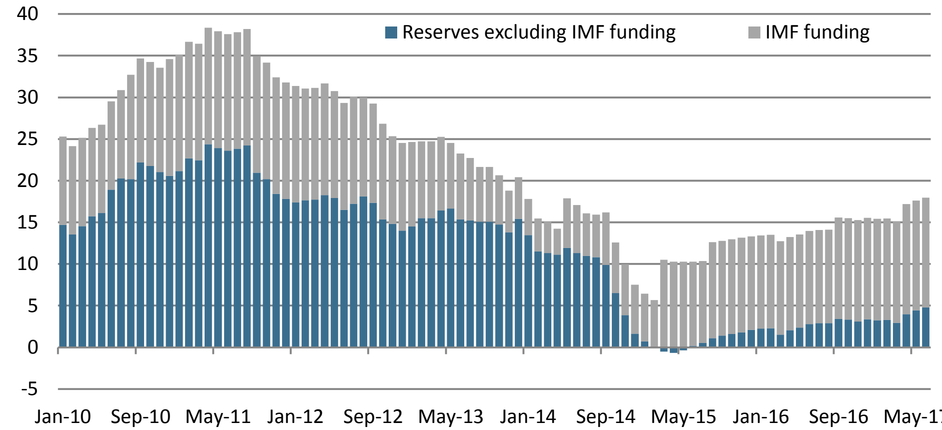
The NBU expects its reserves will reach USD 20.0 bln by the year end owing to last loan tranche from the EU under its MFA program (EUR 0.6 bln), as well as an anticipated USD 1.9 bln loan tranche from the IMF (which will be netted by USD 0.86 bln in scheduled repayments to the IMF in 2H17).

We also expect Ukraine will receive its next IMF tranche in autumn, in the amount of USD 1.0 bln (more details are on slide 7). We expect the EU MFA loan tranche of EUR 0.6 bln won't arrive until end-2017.

That said, we expect Ukraine's gross international reserves will reach USD 18.5 bln by end-2017, which will be mostly fueled by a USD 0.5 bln sovereign Eurobond placement.

In 2018, gross reserves accumulation will largely depend on Ukraine's ability to continue meeting IMF requirements under its USD 17.5 bln EFF loan program (or USD 16.8 bln based on updated exchange rate). Under the optimistic scenario, Ukraine can take the remainder of loan tranches under the EFF program (about USD 7 bln, while we expect that total secured loans won't be more than USD 4 bln), as well as attract USD 2 bln from Eurobond placements next year.

Gross NBU reserves, USD bln



Source: NBU, Concorde Capital research

Repayment schedule on sovereign debt: doable in 2019, might be tough in 2020

- In 2018-2020, Ukraine will have to repay USD 12.2 bln to the IMF and the holders of sovereign and quasi-sovereign Eurobonds, while its current account deficit for the three years will be about USD 17.5 bln.
- **That means Ukraine will have to raise over USD 26 bln on its financial account and from IMF lending in 2018-2020** to ensure that its reserves won't drop below a USD 15 bln threshold as of end-2020 (which is three months of future imports).

Such an amount is possible to raise in the case of continuing cooperation with the IMF, including ongoing structural reforms, business climate improvement and implementing privatization. In the event of no reforms (the pessimistic scenario), Ukraine's gross reserves will fall below the USD 15 bln mark already as of end-2019, which will significantly swell its sovereign risk and may lead to sovereign default/restructuring in 2020. We do not expect default or restructuring talks in 2019 (the year of presidential and parliamentary elections in Ukraine) even under pessimistic scenario - in the event of no external support, we expect the government will simply burn through its international reserves to get through 2019.

In the case of adopted reforms, Ukraine can raise over USD 34 bln in 2018-2020:

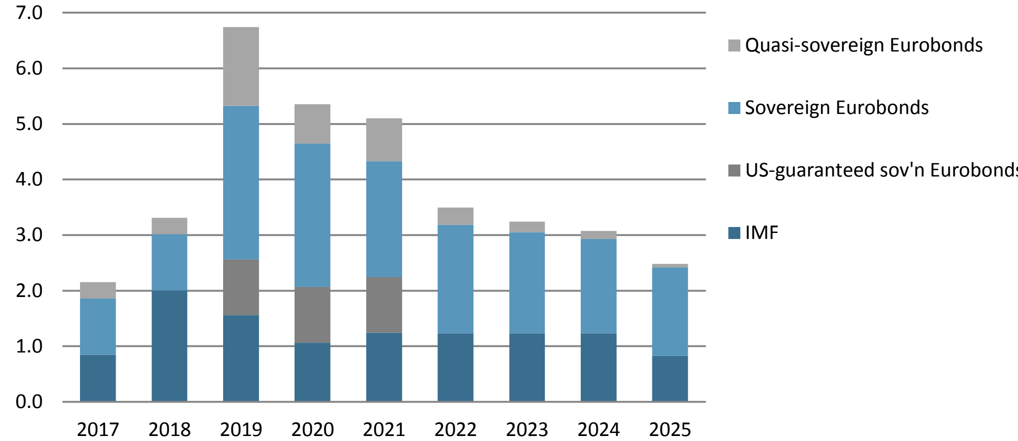
- USD 1.6 bln from multilateral financing;
- USD 9.0 bln from FDI (which will include massive privatization);
- USD 3.0 bln from hard currency returns to the banking system, and about USD 10.0 bln from other sources, with positive expectations on Ukraine's development;
- USD 7.0 bln can be raised from new placement of sovereign Eurobonds, and about USD 4.0 bln more can be raised from the IMF under the current program.

In the no-reform scenario, Ukraine can raise USD 16 bln in 2018-2020:

- USD 1.6 bln from multilateral financing;
- USD 3.5 from FDI;
- USD 0.5 bln from hard currency returns to the banking system and bout USD 7.5 bln from other sources;
- USD 3.0 bln can be raised from new placement of sovereign Eurobonds.

In such case, Ukraine still will be able to service its external obligations in 2019, but will have to initiate debt restructuring talks in early 2020.

Payment schedule on external debt, USD bln*



External accounts and gross reserves: optimistic and pessimistic scenario, USD bln

	2011	2012	2013	2014	2015	2016	2017E	2018 pess	2018 opt	2019 pess	2019 Opt	2020 pess	2020 Opt
Reserves, year-start	**34.6**	**31.8**	**24.6**	**20.4**	**7.5**	**13.3**	**15.5**	**18.5**	**18.5**	**18.2**	**24.7**	**14.8**	**24.8**
C/A	-10.2	-14.3	-16.5	-4.6	-0.2	-3.8	-4.8	-5.3	-5.3	-5.6	-5.6	-6.6	-6.6
Currency to banks	-11.4	-8.0	-2.7	-3.5	1.8	5.0	2.9	1.5	1.5	1.0	1.0	-2.0	0.5
Multilateral loans	0.0	0.0	0.0	2.2	1.0	0.4	1.0	1.0	1.0	0.3	0.3	0.3	0.3
FDI, actual	7.0	7.2	4.1	0.3	3.0	1.0	1.0	1.0	2.5	1.5	3.0	1.0	3.5
Other	8.8	5.9	11.7	-6.6	-6.1	-2.4	1.3	2.5	2.5	3.0	3.5	2.0	4.0
Eurobonds – new**	4.6	6.4	6.0	1.0	1.0	1.0	0.5	1.0	2.0	2.0	3.5	0.0	1.5
Eurobonds – repay**	-1.3	-1.0	-1.2	-2.6	-	-	-	-	-	-4.0	-4.0	-3.4	-3.4
IMF - new			-	4.5	6.6	1.0	2.0	0.0	4.0	-	-	-	-
IMF - repay		-3.4	-5.6	-3.6	-1.4	-	-0.9	-2.1	-2.1	-1.6	-1.6	-1.1	-1.1
Reserves, year-end	**31.8**	**24.6**	**20.4**	**7.5**	**13.3**	**15.5**	**18.5**	**18.2**	**24.7**	**14.8**	**24.8**	**5.0**	**23.5**

** Including principal and interest; ** Sovereign and quasi-sovereign, including U.S.-guaranteed*
Source: MinFin, NBU, Bloomberg, Concorde Capital research

Key macro indicators

	2009	2010	2011	2012	2013	2014	2015	2016 E	2017E	2018E
Economic activity										
Real GDP, yoy	-14.8%	4.1%	5.2%	0.2%	0.0%	-6.8%	-9.9%	2.3%	1.9%	3.5%
Household consumption, yoy	-14.2%	7.2%	15.0%	9.0%	7.8%	-9.6%	-19.9%	2.0%	2.5%	4.7%
Investments in fixed capital, yoy	-46.2%	4.0%	10.1%	2.5%	-6.6%	-23.0%	-8.7%	20.4%	17.8%	13.2%
Nominal GDP, UAH bln	913	1,083	1,302	1,411	1,465	1,567	1,979	2,383	2,820	3,225
Nominal GDP, USD bln	115	136	163	175	180	132	90	93	105	113
GDP per capita, USD	2,486	2,966	3,561	3,832	3,961	2,916	2,103	2,180	2,463	2,663
Industrial output, yoy	-21.9%	11.2%	8.0%	-0.7%	-4.3%	-10.1%	-13.0%	2.8%	1.4%	4.6%
Inflation										
CPI (eop)	12.3%	9.1%	4.6%	-0.2%	0.5%	24.9%	43.3%	12.4%	11.8%	6.6%
CPI average	15.9%	9.4%	8.0%	0.6%	-0.3%	12.1%	48.7%	13.9%	14.0%	8.3%
PPI (eop)	14.3%	18.7%	14.2%	0.3%	1.7%	31.8%	25.5%	35.7%	10.1%	11.3%
External accounts										
Current account balance, USD bln	-1.7	-3	-10.2	-14.3	-16.5	-4.6	-0.2	-3.8	-4.8	-5.3
% GDP	-1.5%	-2.2%	-6.3%	-8.2%	-9.1%	-3.5%	-0.2%	-4.1%	-4.6%	-4.7%
Financial account balance, USD bln	-12	8.1	7.8	10.2	18.5	-8.7	1.0	5.1	6.7	9.3
% GDP	-10.5%	5.9%	4.8%	5.8%	10.3%	-6.6%	1.1%	5.5%	6.4%	8.2%
Net FDI, USD bln	4.7	5.8	7	7.2	4.1	0.3	3.0	3.3	1.0	2.3
% GDP	4.1%	4.3%	4.3%	4.1%	2.3%	0.2%	3.3%	3.5%	1.0%	2.0%
Gross NBU reserves (eop), USD bln	26.5	34.6	31.8	24.6	20.4	7.5	13.3	15.5	18.5	22.4
Public debt										
Total public debt, USD bln	39.8	54.3	59.2	64.5	73.2	69.8	65.5	71.0	76.3	80.3
% GDP*	34.7%	39.9%	36.3%	36.5%	39.9%	70.3%	79.4%	81.0%	75.0%	69.5%
Public external debt, USD bln	26.6	34.8	37.5	38.7	37.6	38.8	43.4	45.6	48.5	52.5
% GDP*	23.2%	25.6%	23.0%	21.9%	20.5%	39.1%	52.7%	52.0%	49.6%	45.8%
Gross external debt, USD bln	103.4	117.3	126.2	134.6	142.1	126.3	118.7	113.5	119.6	135.6
% GDP*	90.1%	86.0%	77.4%	77.0%	78.8%	95.4%	131.5%	121.8%	114.1%	120.1%
Exchange rate										
Official UAH/USD (eop)	7.97	7.96	7.99	7.99	7.99	15.80	24.00	27.20	28.00	29.00
Official UAH/USD (avg)	7.79	7.94	7.97	7.99	7.99	11.90	21.80	25.60	26.90	28.50
Fiscal indicators										
Consolidated budget revenues, USD bln	36.2	39.6	49.9	55.2	54.5	39.3	29.8	30.6	36.6	38.7
% GDP	31.6%	29.0%	30.6%	31.6%	30.2%	29.7%	33.0%	32.8%	34.9%	34.3%
Consolidated budget expenditures, USD bln	38.6	47.6	52.2	61.0	62.3	44.4	30.9	32.7	39.6	41.3
% GDP	33.7%	34.9%	32.0%	34.9%	34.5%	33.5%	34.2%	35.0%	37.8%	36.6%
Consolidated budget balance, USD bln	-2.4	-8.0	-2.3	-5.8	-7.8	-5.1	-1.1	-2.1	-3.0	-2.7
% GDP	-2.1%	-5.9%	-1.4%	-3.3%	-4.3%	-3.8%	-1.2%	-2.2%	-2.9%	-2.4%

** Based on UAH value of debt and GDP*
Source: UkrStat, NBU, MinFin, Concorde Capital research

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