Ukraine | Macro research
Macroeconomic update

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Ukrainian economy

Better off than 2008, but still susceptible to shocks

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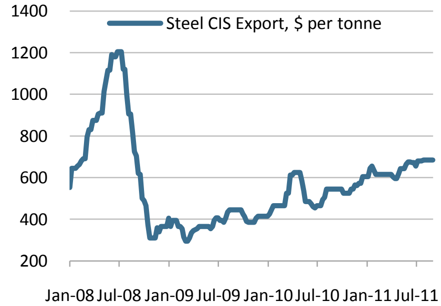
We are still constructive on 2011-2012 outlook: Despite global turbulence, commodity prices have remained high (Steel Black Sea FOB +14% YTD). As long as this sticks, we maintain our expectation of moderate expansion from the commodity-oriented Ukrainian economy (GDP +4.7% in 2011F, with +4.6% in 2012F).

Global turmoil warrants look at 'stressed' case: Given increased concern over global economic growth, we examine a pessimistic scenario, assuming steel prices fall 10% by yearend (to USD 620 per mt) and another 10% by the end of 2012 (to USD 550 per mt). Under these circumstances, we believe the knock-on effect on Ukraine's GDP growth would drop it to 4.2% this year and to 3.2% in 2012F (vs. our base case of GDP +4.7% in 2011F, with +4.6% in 2012F).

NBU has locked in the UAH/USD rate: The National Bank will continue to defend the hryvnya at UAH/USD 8.0, backed by financial account inflow and tough regulation. However, applying our pessimistic scenario to the 2012 outlook, weaker capital inflow could translate into a slide to UAH/USD 8.5.

Steel price, Black Sea, FOB, USD per mt



Source: Bloomberg, Concorde Capital estimates

Key macroeconomic indicators

	2010	2011F		2012F	
		Base	Pessimistic	Base	Pessimistic
GDP growth, % y-o-y	4.2	4.7	4.2	4.6	3.2
Industrial output, % y-o-y	11.2	8.0	6.0	7.0	3.5
CPI, % y-o-y	9.5	10.0	9.0	9.0	8.0
Budget deficit, % of GDP	(4.8)	(3.5)	(4.0)	(3.0)	(5.0)
Government debt, % of GDP	39.4	39.0	39.5	38.0	42.0
CA balance, % of GDP	(2.0)	(3.5)	(4.0)	(4.5)	(3.0)
UAH/USD	7.95	8.0	8.0	8.08	8.5

Source: Concorde Capital projections

Key risks:

- **IMF does not unlock its USD 16 bln loan:** leaving Ukraine without tranches of USD 1.5 bln every quarter to boost central bank reserves and increasing pressure on the balance of payments and the hryvnya
- **Commodity prices collapse:** we explicitly examine this scenario in our pessimistic case throughout this report. In our view, Ukraine's economic growth would be 0.5 pp slower in 2011 and 1.4 pp slower in 2012 than in our base case
- **External capital markets shutter:** Ukraine faces USD 45 bln (~40% of GDP) in total external debt maturing in the next 12M
- **Utility tariffs remain unchanged:** if the government declines to make the unpopular move to raise household tariffs, we believe it would increase the budget deficit by 1.5-2.0% of GDP in 2011-2012

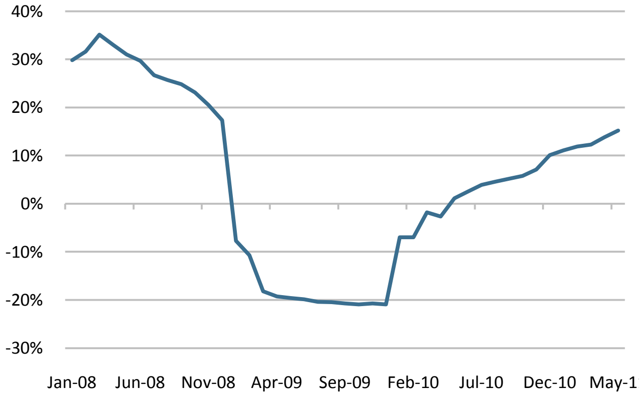
Base case: GDP +4.6% in 2012; Pessimistic scenario sees +3.2% growth

We see external demand, domestic consumption and Euro-2012 related capital investments backing GDP growth of 4.7% in 2011 and 4.6% in 2012. Our pessimistic scenario assumes waning demand for Ukrainian exports eating into industrial output and sapping GDP growth to 4.3% in 2011 and 3.2% in 2012.

Ukraine's GDP grew 3.8% y-o-y in 2Q11, according to the State Statistics Committee, decelerating from 5.3% y-o-y in 1Q11 due to a higher base effect. While external demand remains the major driving force behind Ukraine's economy recovery, domestic demand (private consumption +9.6% y-o-y in 1Q11, retail turnover +14.7% y-o-y in 1H11) and capital investments (+12% y-o-y in 1Q11) are picking up as well.

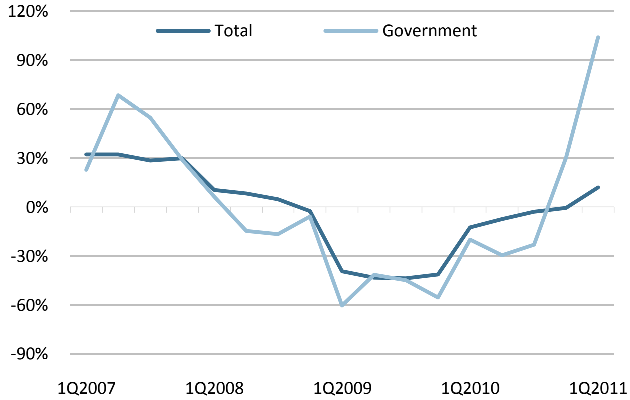
Real industrial production increased by 8.7% y-o-y in 7M11, driven by export oriented industries: chemicals (+23.7% y-o-y), machinery (+20.5% y-o-y) and metallurgy (+11.5% y-o-y).

Retail turnover, % y-o-y



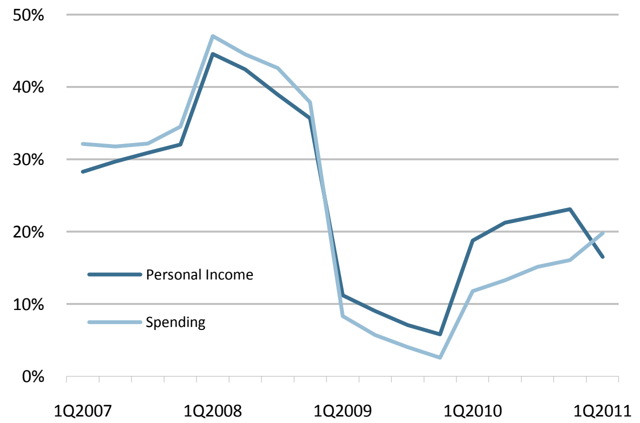
Source: State Statistics Committee, Concorde Capital estimates

Fixed capital investments change, % y-o-y



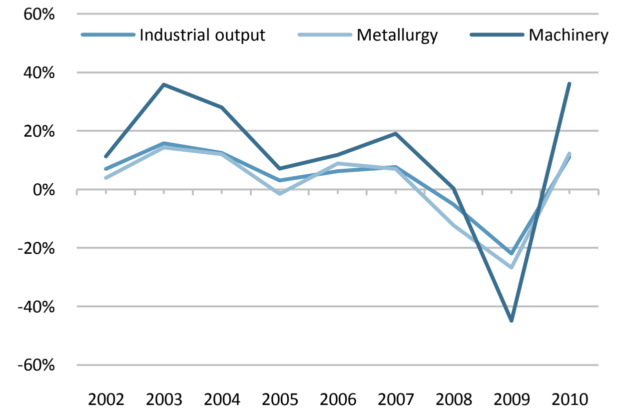
Source: State Statistics Committee, NBU, Concorde Capital estimates

Household Income and expenditures, % y-o-y



Source: State Statistic Committee, NBU, Concorde Capital estimates

Industrial output, % y-o-y



Source: State Statistic Committee, NBU, Concorde Capital estimates

Base scenario: GDP expands 4.7% in 2011 and 4.6% in 2012, driven by external demand, recovering domestic consumption and Euro-2012 related capital investments.

In our base scenario, we estimate industrial output increasing 8.0% y-o-y in 2011 and 7.0% y-o-y in 2012, with external demand from emerging markets being the important driver. We do not see a significant changes in the export structure: metallurgy (35%), chemicals (8%) and machinery (16%).

Domestically, consumer demand is likely to decelerate in 2H11, as real salary growth sank from a peak of 6.6% y-o-y in March to 2.4 % y-o-y in July. However, we view this as temporary, with domestic consumption likely to accelerate next year; financial conditions in Ukraine have historically been more lax prior to legislative elections (scheduled for October 2012). Fixed capital investments will be supported by government and private spending on infrastructure projects related to co-hosting the UEFA European Football Championship with Poland in June 2012.

Pessimistic scenario: GDP growth declines to 4.3% in 2011 and 3.2% in 2012 with external demand for Ukrainian exports waning.

The key difference in the pessimistic scenario is the impact of a possible commodities correction (we assume -10% over the rest of the year and another -10% next year) on Ukraine`s economy, still commodity-oriented. We see several reasons why the decline in output should not be as steep as in 2008-2009: less stockpiles of finished goods and machinery on hand after the last two lean years of global growth; increased consolidation in Ukrainian industry, which supports institutional capacity and price competitiveness; and room for hryvnya devaluation in 2012 (see page 7), which would support domestic producers.

As with the base scenario, Euro-2012 will keep domestic demand relatively stable in 2012 and should partially offset declines in consumer spending due to economic turmoil.

In our stress scenario, we project 0.5 pp slower GDP growth in 2011 and 1.4 pp slower in 2012 than the base case, hryvnya devaluation of 5-6% to UAH/USD 8.5 (vs. by 1% to UAH/USD 8.1) and the budget deficit widening to 5% of GDP next year (vs. 3% under base case), a figure that is still manageable given the relatively low level of government debt (42% of GDP in 2012 under pessimistic scenario).

Key macroeconomic indicators

	2011F		2012F	
	Base	Pessimistic	Base	Pessimistic
GDP growth, % y-o-y	4.7	4.2	4.6	3.2
Industrial output, % y-o-y	8.0	6.0	7.0	3.5
CPI, % y-o-y	10.0	9.0	9.0	8.0
Budget deficit, % of GDP	(3.5)	(4.0)	(3.0)	(5.0)
Government debt, % of GDP	39.0	39.5	38.0	42.0
CA balance, % of GDP	(3.5)	(4.0)	(4.5)	(3.0)
UAH/USD	8.0	8.0	8.1	8.5

Source: Concorde Capital projections

High inflation to ease off next year

We see CPI staying at 10.0% in 2011, and easing off slightly in 2012 on diminished pressure from food price growth. Our pessimistic scenario foresees inflation declining only 1-1.5 pp from the base case given slackening domestic demand but upward pressure from potential UAH devaluation.

Consumer inflation was 10.6% y-o-y in July, down from the recent peak of 11.6% y-o-y in June. High inflation in 2011 stems from: (1) a considerable increase in utility prices (+21.4% y-o-y in 7M11, natural gas prices increased by 50.1% y-o-y); (ii) higher excise taxes for fuel, alcohol and tobacco (based on the new Tax Code passed in December 2010); and (iii) global food prices increases (due to the poor 2010 harvest).

Base scenario: CPI sticks at 10.0% in 2011, 9.0% in 2012.

In 2H11, the main inflation risks to the Ukrainian economy are: (1) a second round of utility tariffs hikes as requested by the International Monetary Fund (one of the main requirements to renew Ukraine's USD 16 bln loan program); and (2) implementation of oil import duties, which were postponed by parliament, which should drive fuel prices and related services up by 5-8%.

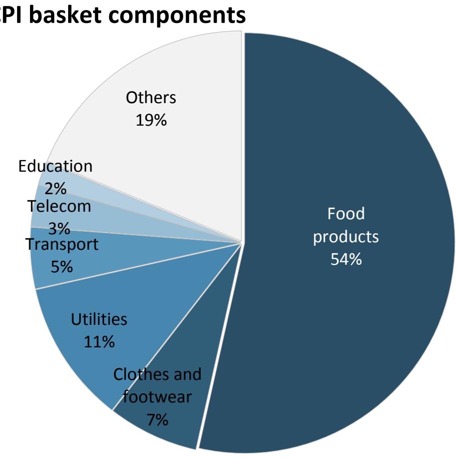
We estimate CPI to stick at ~10% in 2011 and ~9.0% in 2012, given more moderate growth in food prices expected in 2012 (over 60% of the CPI basket) due to a plentiful 2011 harvest. The primary driver of fuel, alcohol and tobacco growth in 2011, an increase in excise taxes (+50%), will be not in place in 2012.

Pessimistic scenario: Commodity price declines should help ease inflation, keep it at 9.0% in 2011 and 8.0% in 2012.

In our pessimistic scenario, declines in commodity prices and a slowdown in economic growth should have a decelerating impact on CPI. At the same time, hryvnya devaluation (see page 7) should drive up prices in the index basket, keeping CPI relatively balanced in 2011-2012.

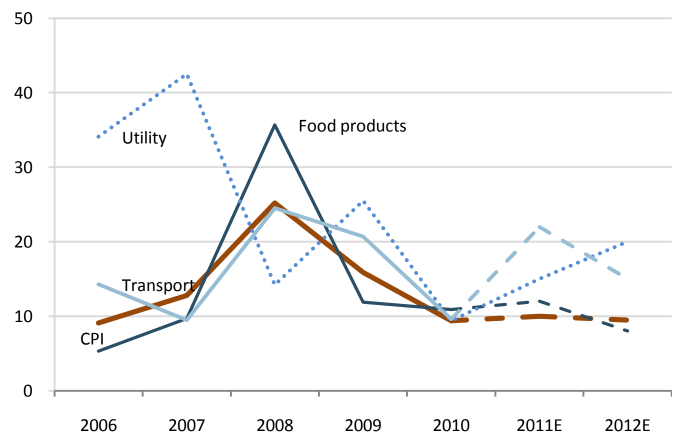
At the same time, we think the NBU could ease financial conditions to stimulate the real economy and consumption, but not earlier than 2012 as pressure on the FX market and risk of capital outflow in 2011 persist.

CPI basket components



Source: NBU, Concorde Capital estimates

CPI, y-o-y



Source: State Statistics Committee, Concorde capital estimates

Public debt should not exceed 42% of GDP

Public debt should remain at 40-42% of GDP in 2011-2012, even under our pessimistic scenario. The budget deficit could fluctuate within 3.0-5.0% of GDP in 2011-2012 with downward risk from Naftogaz and increased social spending ahead of next October's parliamentary elections.

Tax collection improved by +44.9% y-o-y in 7M11, high privatization proceeds and increased imports have helped diminish Ukraine's fiscal balance this year. For 7M11, the budget deficit was UAH 9.0 bln (1% of GDP), down 3.2x y-o-y.

Base scenario: The fiscal deficit declines to 3.5-3.8% by end-2011 vs. 4.8% in 2010. In 2012, we expect the deficit to stay at 3.0-4.0%, with downward risks from Naftogaz and less fiscal consolidation prior to legislative elections.

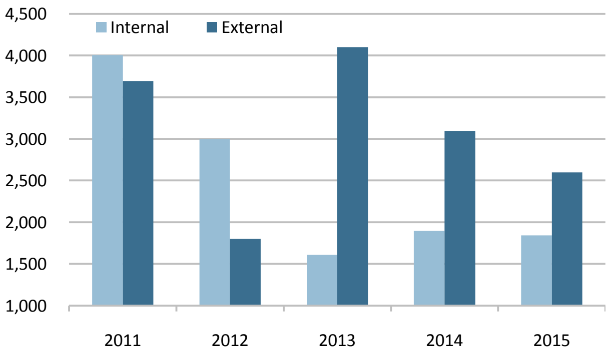
The 2011 budget deficit is planned at 3% of GDP, but we see significant downside risk in Naftogaz' budget, particularly if gas hikes are delayed further, which could bump the yearend figure to 3.5-3.8% of GDP. Proceeds from Ukrtelecom privatization's has fully covered the deficit so far, keeping debt/GDP relatively flat in 5M11. At end-May, total government debt (direct and guaranteed) was 40.7% of GDP while direct debt stood at 30% of GDP, up from 39.5% and 29.6% of GDP, respectively, at the beginning of the year.

In 2H11, Ukraine faces USD 3.0 bln in external debt maturing (including the USD 2.0 bln loan from VTB and USD 0.6 bln in Eurobonds). We think Ukraine is likely to extend or restructure its VTB loan for another six months given increased pressure on BoP (the loan can be prolonged up to three times, this would be the last) and try to refinance the Eurobonds with another issue. The internal debt schedule foresees repayments of over UAH 10.0 bln (USD 1.3 bln) in principal and we think this debt could be partially refinanced. We see public debt staying at ~39% of GDP at end-2011.

The outlook for next year primarily depends on pension reform and gas price hikes. So far, the government's refusal to increase gas tariffs has not been overly detrimental given budget income coming in so high. The risk of fiscal deterioration and need for IMF financing should prompt the government to increase gas rates later this year.

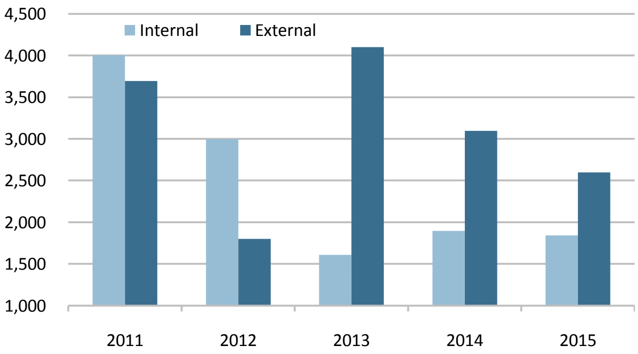
The 2012 repayment schedule foresees redemption of UAH 24.0 bln (USD 3.0 bln) in local government debt and UAH 13.0 bln (USD 1.6 bln) in debt servicing. The external debt schedule entails a total of ~USD 4.0 bln in payments, including the VTB loan (USD 2.0 bln) that we predict will be prolonged. We see government debt falling to 38% of GDP in 2012 under the base scenario.

Public debt, USD mln



Source: Ministry of Finance, Concorde Capital estimates

Public debt scheduled redemptions, USD mln



Source: Ministry of Finance, Concorde Capital estimates

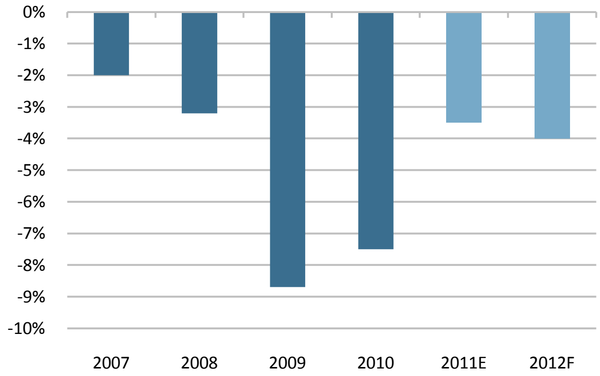
Pessimistic scenario: The fiscal deficit expands to 4.0% in 2011 and 4.0-5.0% in 2012 on poor real sector inflows and weaker fiscal consolidation. Public debt grows to 40-42% of GDP in 2012.

Under our pessimistic case, the government will face weaker tax collection, while its ability to cut spending will be limited ahead of the October 2012 parliament election. We see the fiscal deficit at 4.0-5.0% in 2012.

The risk of fiscal inflow deterioration will considerably increase the need to rollover maturing debt. This could prompt the Finance Ministry to be more flexible with local bond yields, reducing the current spreads of over 200-350 bps between the primary and secondary market. Increased economic risks might prompt local banks to refinance maturing bonds at primary auctions, but tightened financial conditions should considerably reduce banking system demand. We expect government-owned banks to stimulate demand at auctions, keeping government borrowing costs moderate.

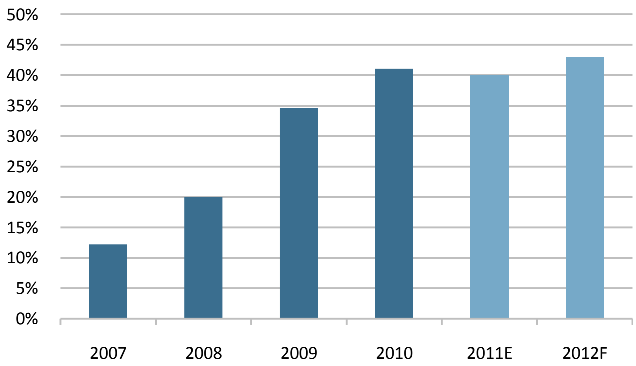
External debt servicing needs in 2012 amount to USD 2.0-4.0 bln depending on VTB loan repayment. We see this figure as manageable, but renewal of Ukraine's IMF program is crucial as the confidence factor will help influence the financial account and the government's ability to rollover debt.

Consolidated fiscal deficit, % of GDP



Source: Ministry of Finance, Concorde Capital estimates

Public debt, % of GDP



Source: Ministry of Finance, Concorde Capital estimates

UAH/USD rate could slide to 8.5 in 2012

The National Bank will continue to defend the hryvnya at its current UAH/USD 8.0 level, backed by financial account inflow and tough banking regulations. However, applying our pessimistic scenario to the 2012 outlook, weaker capital inflow could prompt the NBU to allow the hryvnya to slide to UAH/USD 8.5.

Ukraine's current account deficit expanded over 7M11 to USD 3.3 bln (~2.6% of GDP), driven by non-energy import growth (machinery +67.2% y-o-y, industrial goods +20% y-o-y, etc). Solid financial and capital account inflow (+USD 5.2 bln or ~4.1% of GDP) fully covered the current account gap, bringing the consolidated balance of payment to a USD 1.9 bln (~1.5% of GDP) surplus.

The financial account was driven by privatization and other FDI (~USD 3.3 bln in 7M11), public and private debt placement, corporate loans and IMF cooperation (net ~USD 0.7 bln for 1H11) as well as other capital inflow (~USD 1.0 bln).

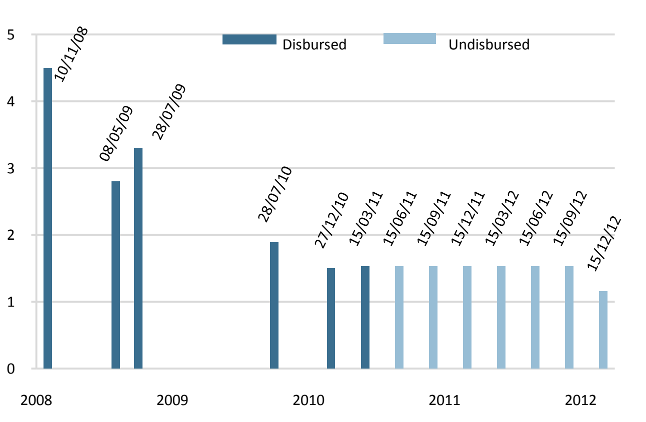
Base scenario: UAH/USD 8.0 to stay in 2011-2012, backed by financial account inflow and tough banking regulations.

Under our base scenario, the National Bank of Ukraine will have ample resources to defend the hryvnya at its current UAH/USD 8.0 level in 2H11-2012, backed by a positive balance of payments, ample FX reserves and tight monetary policy. We believe managed devaluation of up to 2% is possible, as discussed by NBU officials.

We forecast the current account deficit to expand to 3.5% of GDP at end-2011, and be fully covered by the financial account surplus (~5% of GDP), resulting in a balance of payments surplus of ~0.5% of GDP at yearend. We think this year financial needs are manageable even without IMF money given that in 1H11 the government has been borrowing actively (Eurobonds, Euro-2012 bonds) and received cash proceeds from the sale of Ukrtelecom as FDI.

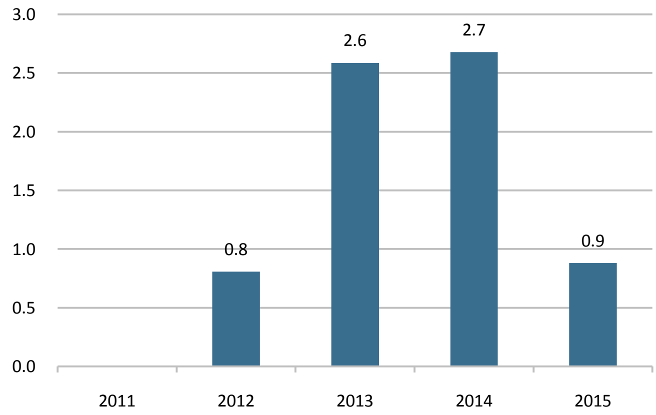
Financial account needs increase considerably next year when IMF loan repayments mature. Ukraine's USD 2.0 bln VTB loan, in our view, will be extended or partially restructured to June 2012.

IMF tranche disbursement plan, USD bln



Note: According to initial IMF memorandum from 2008
Source: IMF, Concorde Capital estimates

IMF debt maturity profile, USD bln, as of May 2011



Source: Ministry of Finance, Concorde Capital estimates

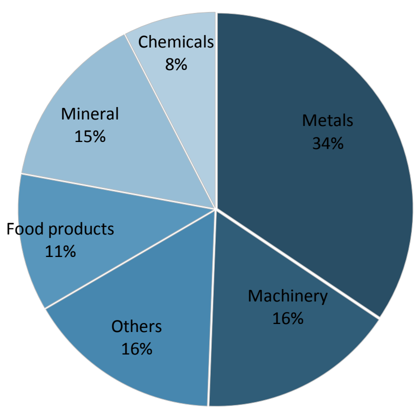
Pessimistic scenario: UAH/USD to stay at 8.0 in 2011, but could slide to 8.5 on weak financial account inflow and sagging exports.

The National Bank has sufficient FX reserves (~5 months of imports) to anchor the hryvnya at UAH/USD 8.0 through at least the end of 2011.

The pessimistic scenario envisages the current account deficit widening to 4.0-4.5% at end-2011 and the financial account staying at zero as most FA proceeds planned in 2011 are not vulnerable to external shocks (IMF USD 1.5-3.0, privatization ~USD 1.0 bln, other FDI ~USD 0.5 bln , etc). We see less financial account outflow than in 2008 given the smaller share of non-residents invested in Ukraine (i.e. non-resident in government bonds is ~5% in mid-2011 vs. ~20% in mid-2008).

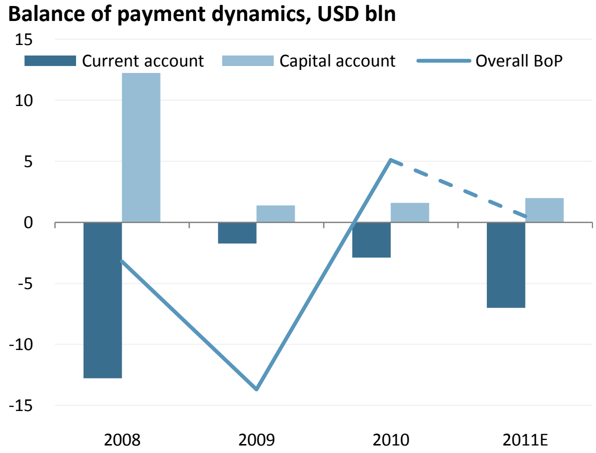
In 2012, increased pressure on the balance of payments from potentially declining steel prices (metallurgy amounts to 38% of total exports) and weak capital inflow could force the central bank to opt for gradual hryvnya devaluation, potentially allowing it to slide to 8.5 (within NBU's earlier announced corridor of 2-5%), in order to combat rising non-energy imports and support domestic producers. Gradual UAH devaluation might be also one of mandatory requirements of the IMF in case of increasing pressure on the balance of payments. We expect the current account deficit to narrow to ~3.0% at end-2012 in case of UAH devaluation.

Merchandise export structure 1H11, %



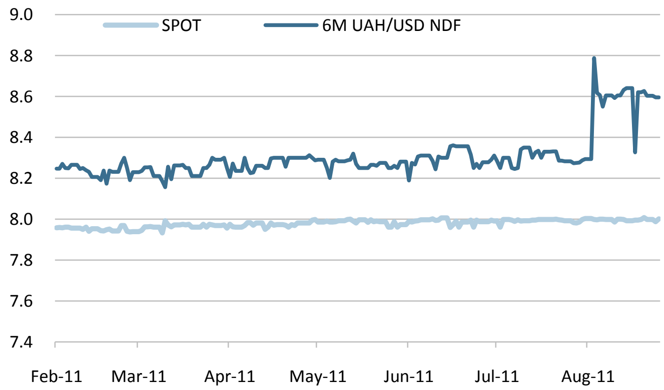
Source: State Statistics Committee, Concorde Capital estimates

Balance of payment dynamics, USD bln



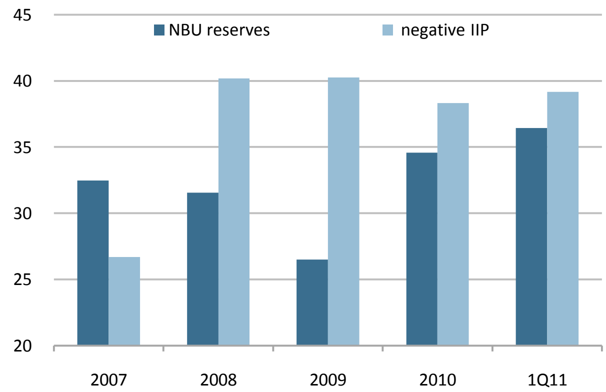
Source: NBU, Concorde capital estimates

6M UAH/USD NDF, spot



Source: Bloomberg, Concorde Capital estimates

International investment position of Ukraine



Source: NBU, Concorde capital

Banks' asset quality is top concern in stressed case

Banks are better off than in 2008, in our view, backed by better funding structures, improved provisioning and increased liquidity injection capacity. In a downturn, our top concern is asset quality.

Banks' loan portfolios grew by 5.7% y-o-y in 1H11, including 8.1% y-o-y growth in loans to the corporate sector while the private sector continued to deleverage (-0.7% y-o-y). The share of distressed assets increased to 19% y-o-y at end-1H11 vs. 15% at the beginning of the year. The banking system posted a loss of UAH 1,062 mln at end-1H11 vs. a loss of UAH 8,062 mln in 1H10. This year's losses stemmed mainly from continued provisioning, while net interest income improved by 12% y-o-y and net fee income by 22% y-o-y in 1H11.

Base scenario: Banking assets grow slowly due to tight conditions, high interest rates and a lack of quality borrowers. We expect banks to complete provisioning in 2011 and profitability to recover gradually.

The UAH liquidity overhang seen in 2010-1H11 and low lending activity encouraged Ukrainian banks to invest in UAH sovereign debt instruments, bringing the share of banking system ownership of total bonds in circulation to 43% at end-1H11 (vs. 29% at end-1H10). We think banks will continue to shift to sovereign bonds given the lack of alternative low risk instruments. We see lending as likely to stay sluggish due to a dearth of high quality borrowers able to meet credit requirements and the high cost of domestic borrowing.

In June 2011, the NBU tightened monetary conditions to contain devaluation pressure on the hryvnya and tame accelerating inflation (+11.2% y-o-y in June). The money supply in 1H11 increased by 9.1% and considerably outstripped monetary base growth (+1.1% y-o-y). This was followed by a deposit base increase by 11.5% y-o-y in 1H11, predominantly in UAH (+12.6% y-o-y) while deposits in FX grew less swiftly (+10.0% y-o-y).

Pessimistic scenario: Main risk to banks stems from further asset deterioration. We believe the system is on more solid ground than in 2008, given better funding structure, improved provisioning, liquidity injection capacity and adjusted legislative base. There is also a wider range of NBU instruments in place to manage FX and MM market challenges.

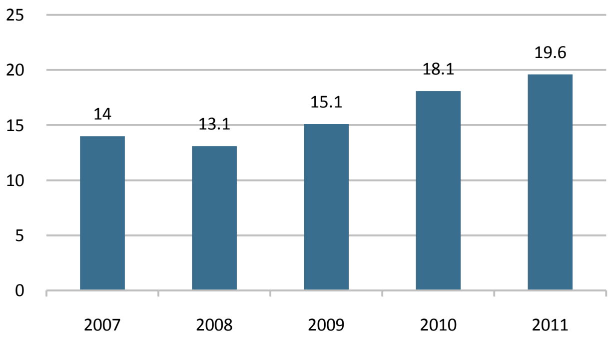
Funding structure - lesser leverage and more equity. In 2008, the share of leverage in banks' liabilities structure (passive interbank, issued securities) was 41%. Client funds amounted to just 54%. As of end-1H11, leverage decreased to 33% while client funds were up to 74%. Balance sheet equity rose to over 14% from 12% at end-2008, and the capital adequacy ratio grew to 19% vs. 13% at 2008.

More avenues for additional liquidity. Conditions for attracting additional liquidity are now better in terms of the availability of NBU instruments and banks pledgable assets of UAH 66.2 bln, which equals government bond holdings on bank balance sheets. This figure also amounts to 6.5% of total assets, while in 2008 it was less than 1%. NBU instruments such as long and short-term REPOs, uncollateralized and secured loans enable the NBU to inject liquidity immediately.

Deposit outflow likely to be less substantial. The massive UAH current account outflow in 2008 (over 20% within just one month - October 2008) was largely driven by two factors: the conversion of UAH deposits to FX and lack of confidence in the banking system. FX deposits jumped to 41% at end-1H11 vs. 32% in 1H10, while the volume of retail FX deposits increased from 38% in 1H10 to 48% six months later (where it remained at end-1H11). High devaluation expectations but stable FX retail deposit inflow in 2H10-1H11 implies a repeat of a mass conversion into FX is unlikely as it has been playing out for the last year.

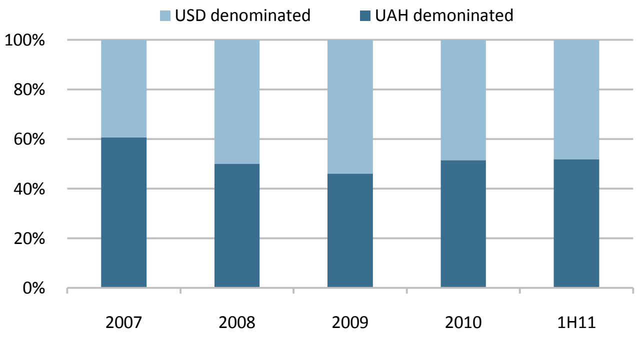
Provisions are high but might be insufficient. While in 2008E banks' aggregate gross loan portfolio was UAH 741.8 bln (80% of assets), in 1H11E, it was down to UAH 789.5 bln (77% of assets). Loan loss provisions (LLP)/gross portfolio ratio is currently standing 19%, vs. 6% in 2008E. Fitch, in a press release upgrading Ukraine's sovereign rating outlook on July 21, 2011 estimated problem loans at 40% of the total in Ukraine. In the event of our stress scenario and UAH devaluation, we view increased risk of a further drop in asset quality. This should drive an increase in the current LLC/portfolio ratio from 19% to ~30-35% and additional provisioning of UAH 80-90 bln. Considering still poor banking system profitability, this will be completely unmanageable without additional external capital injections. We do not think the government will opt for new state bank recapitalizations as they have proven to be inefficient and costly to the state. We think government intervention will be less than in 2008, with the onus shifting primarily to the NBU.

Capital adequacy ratio (NBU calculation, average), %



Source: NBU, Concorde Capital estimates

Retail deposit currency structure, %



Source: NBU, Concorde Capital estimates

Ukrainian macro indicators yearly

	2005	2006	2007	2008	2009	2010	2011F	2012F
Business cycle indicators								
Real GDP, % chg yoy	2.7	7.3	7.9	2,3	-15.1	4.2	4.7	4.6
Nominal GDP, UAH bln	441	544	721	948	915	1095	1261	1425
Nominal GDP, USD bln	86.1	107.8	142.7	179.9	117.4	137.7	157.6	180.3
GDP per capita, UAH	9,372	11,630	15,372	20,495	19,901	23,933	27,674	31,372
GDP per capita, USD	1,829	2,303	3,044	3,890	2,555	3,010	3,459	3,971
Industrial output, % chg yoy	3.1	6.2	10.2	-3.1	-21.9	11.2	8.0	7.0
CPI (eop), % chg yoy	10.3	11.6	16.6	22.3	12.3	9.5	10.0	9.0
PPI (eop), % chg yoy	9.5	14.1	23.3	23.0	14.4	18.7	19.0	17.0
External indicators								
Current account balance, USD bln	2.5	-1.6	-5.9	-12.5	-1.8	-2.8	-5.5	-8.2
Current account balance, % GDP	2.9	-1.5	-4.1	-7.0	-1.5	-2.0	-3.5	-4.5
Trade balance, USD bln	0.7	-3.1	-7.9	-13.7	-2.0	-3.8	-6.5	-9.0
Trade balance, % GDP	0.8	-2.8	-5.5	-7.6	-1.7	-2.8	-4.1	-5.4
NBU reserves (eop), USD bln	19.4	22.3	32.5	31.5	26.5	34.6	36.0	33.0
Debt indicators								
Public debt, USD bln	15.5	15.9	17.6	24.6	39.7	54.3	62.5	68.0
Public debt, % GDP	18.0	14.8	12.3	13.7	34.8	39.4	39.6	37.7
Corporate external debt, USD bln	25.5	42.7	67.6	85.0	79.4	84.8	88.0	92.0
Corporate external debt, % GDP	29.6	39.6	47.4	47.2	67.6	61.6	55.8	51.0
Gross external debt, USD bln	38.9	54.5	80.0	101.7	103.4	118.0	126.8	140.0
Gross external debt, % GDP	45.2	50.6	56.0	56.5	88.1	85.7	80.4	77.6
Monetary indicators								
Monetary base, UAH bln	82.8	97.2	141.9	186.7	195.0	225.8	240.0	250.0
Monetary base, % chg yoy	53.9	17.5	46.0	31.6	4.4	15.8	18.5	4.2
Money supply (M3), UAH bln	194.1	261.1	396.2	514.7	487.3	598.4	670.0	680.0
Money supply, % chg yoy	54.3	34.5	51.7	29.9	-5.3	22.8	12.0	1.5
Monetization (avg M3/GDP), %	36.7	42.3	46.4	46.0	55.0	49.6	50.3	47.4
Exchange rate								
Interbank UAH/USD (avg)	5.10	5.04	5.03	5.30	8.11	7.95	8.00	8.10
State budget								
Revenues, UAH bln	105.2	133.5	165.9	231.7	210.3	255.0	315.3	330.0
Expenses, UAH bln	112.8	137.1	174.2	241.5	242.4	307.8	360.0	341.9
Balance, % GDP	-1.8	-0.7	-1.4	-1.3	-3.5	-4.8	-3.5	-3.0

Source: State Statistic Committee, NBU, Ministry of Finance, Bloomberg, Concorde capital estimates

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