



MINISTRY OF
FINANCE OF
UKRAINE

RBI Sovereign Update Series

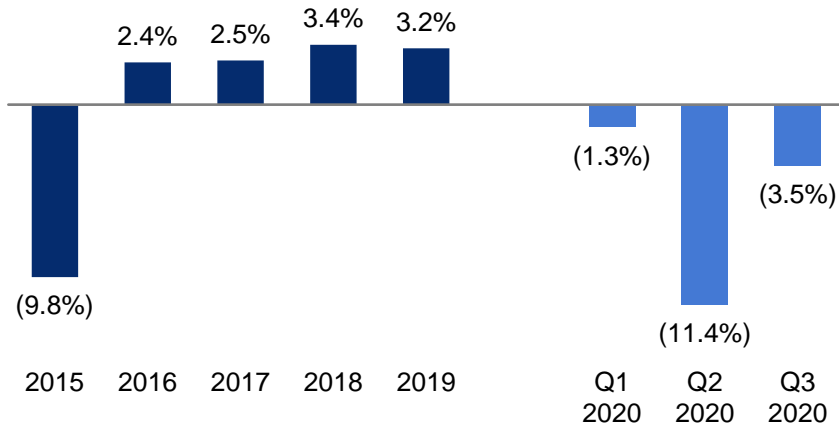
Ukraine

Yuriy Butsa
Government Commissioner for
Public Debt Management

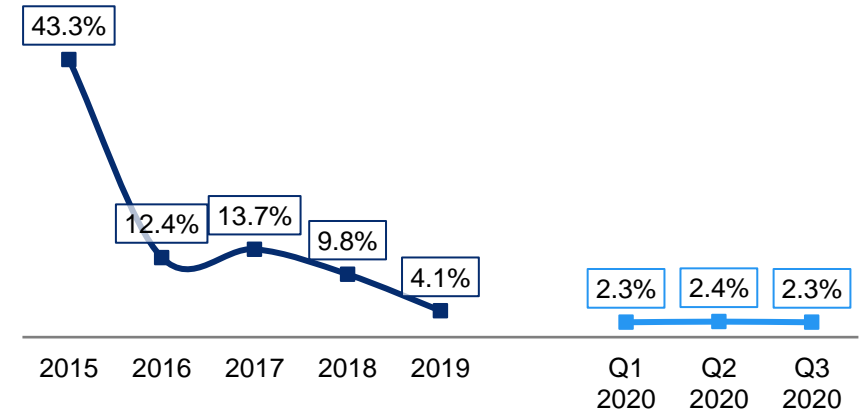
November 18, 2020

Macroeconomic indicators on its path to recovery

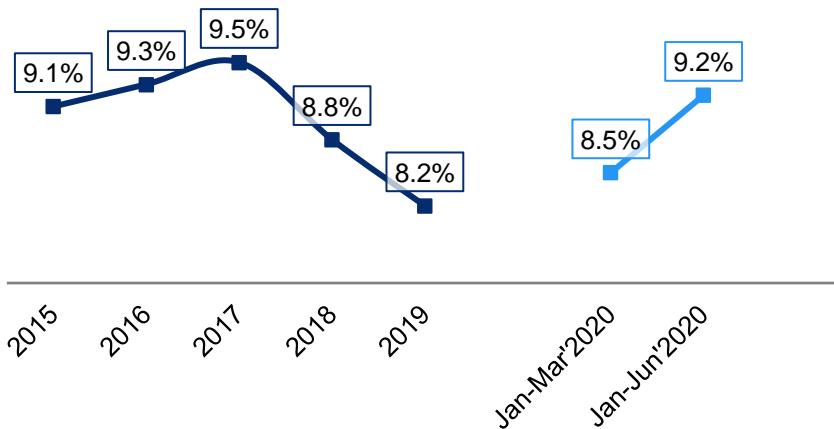
Real GDP growth (y-o-y), %



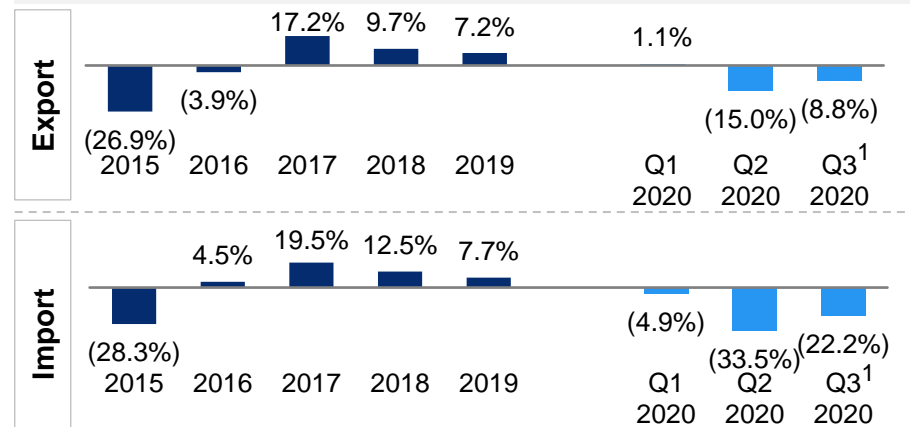
Consumer price index (eop, y-o-y), %



Unemployment rate (over indicated period), %



Export and import change (y-o-y), %



Source State Statistics Service of Ukraine, NBU, Ministry of Economic Development, Trade and Agriculture of Ukraine

Note 1 Preliminary estimates

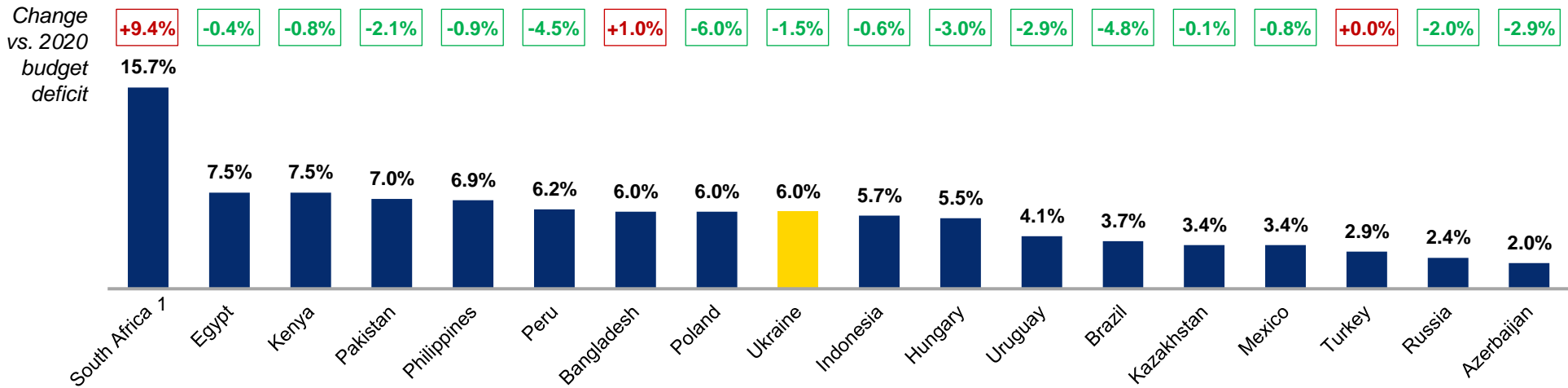
2021 state budget to commence post-crisis fiscal consolidation...

2021 Draft Law vs 2020 initial and latest revised Law

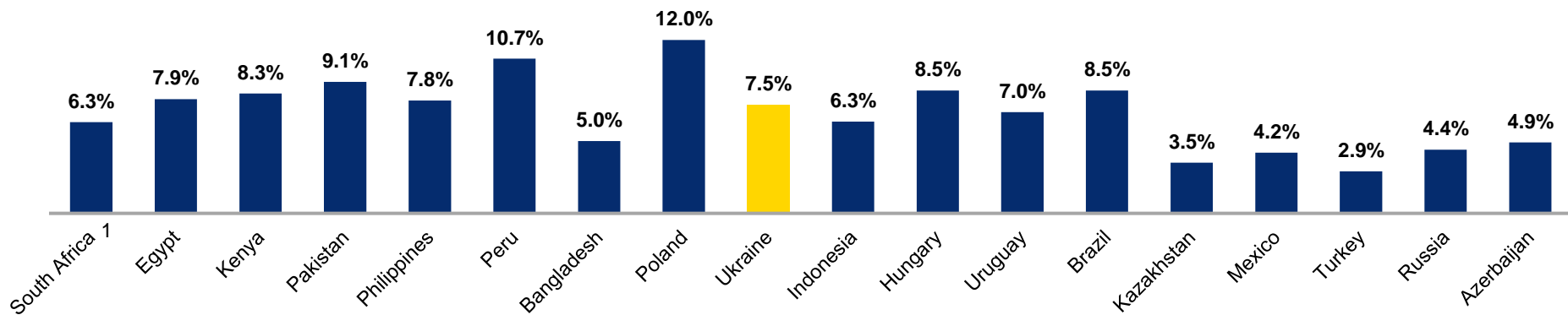
<i>UAHbn</i>	2020 Law (initial)	2020 Law (latest revised)	2021 (Draft Law)
Nominal GDP	4,551.7	3,975.2	4,505.9
(i) Revenues	1,095.6	979.5	1,091.3
<i>as % of GDP</i>	24.1%	24.6%	24.2%
(ii) Expenditures	1,182.0	1,270.1	1,351.2
<i>as % of GDP</i>	26.0%	32.0%	30.0%
(iii) Net lending	7.8	7.8	10.5
<i>as % of GDP</i>	0.2%	0.2%	0.2%
Overall state budget deficit	94.3	298.4	270.4
<i>as % of GDP</i>	2.1%	7.5%	6.0%

... in line with a number of other EM countries

2021 selected EM state budget deficits by country



2020 selected EM state budget deficits by country



Source Public domain

Note 1 Consolidated budget

YTD budget execution is prudent with significantly lower than planned expenditures

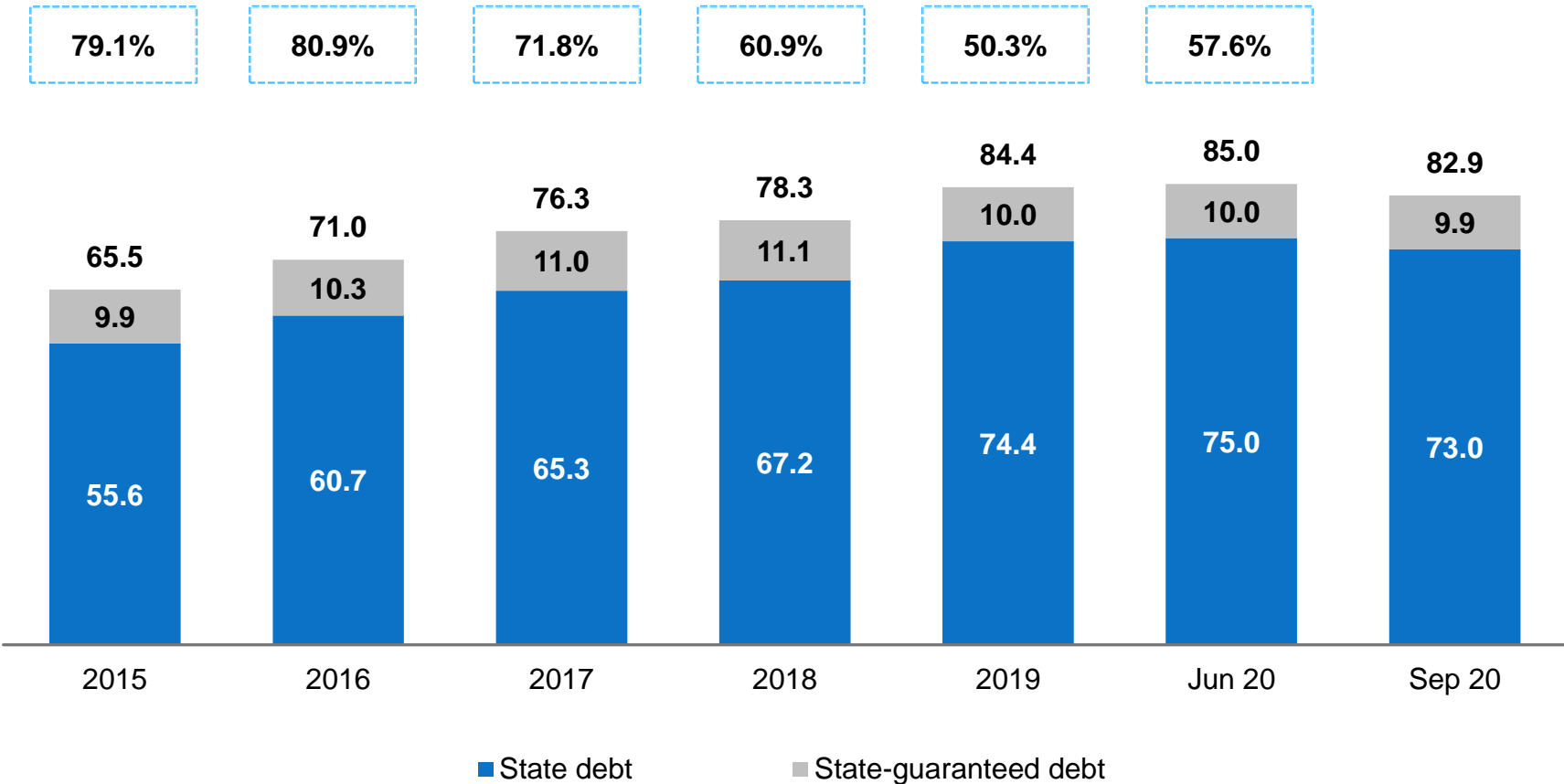
State budget execution (general fund) – Actual vs Plan Jan-Oct 2020 and previous year

UAH m	Jan-Oct 2020 Act.	Jan-Oct 2020 Plan	% diff.	Jan-Oct 2019 Act.	% diff.
Revenues, incl.:	720,459	722,096	(0%)	712,006	+1%
Personal income tax and income charge	93,965	91,396	+3%	88,839	+6%
Corporate profit tax	75,194	74,927	+0%	78,106	(4%)
Fee for the use of mineral resources	19,903	23,570	(16%)	33,759	(41%)
Excises	59,625	55,584	+7%	58,735	+2%
VAT (net of VAT reimbursement)	312,662	316,411	(1%)	303,534	+3%
Expenditures	(843,120)	(937,532)	(10%)	(750,626)	+12%
Net lending	2,187	1,272	+72%	3,246	(33%)
Primary state budget balance	(15,984)	(108,317)	(85%)	69,116	-
Overall state budget balance	(120,473)	(214,164)	(44%)	(35,374)	+241%

Despite crisis, state and state-guaranteed debt is falling...

State and state-guaranteed debt dynamics, USDbn

State and state-guaranteed debt as % of GDP

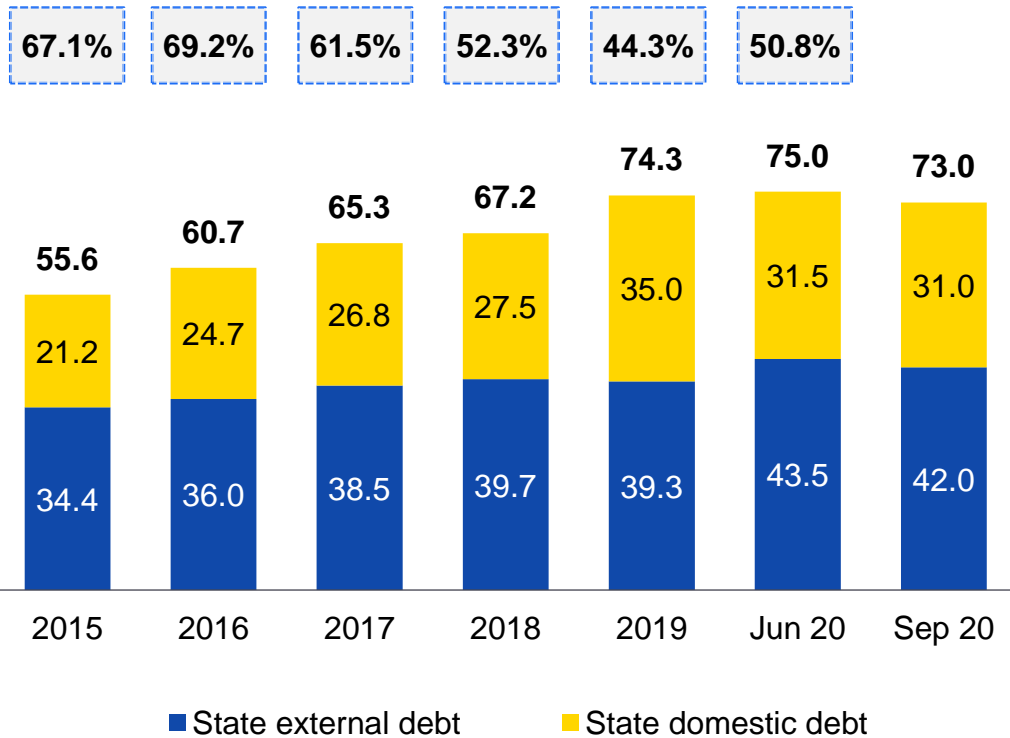


Source Ministry of Finance of Ukraine

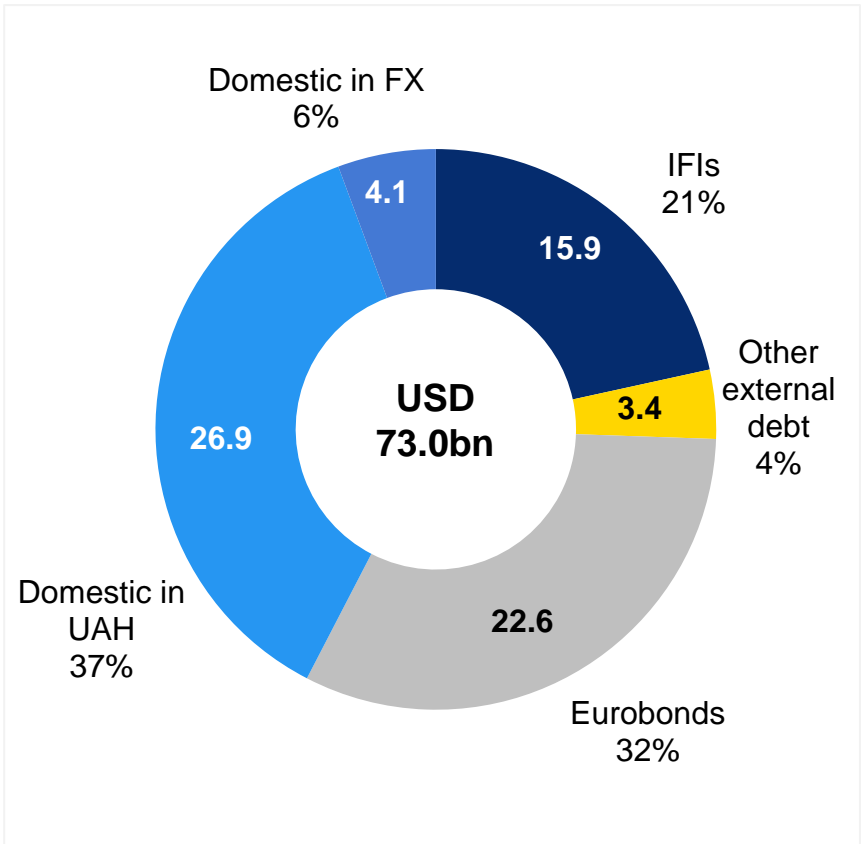
... with the remaining high reliance on domestic debt in UAH

State debt dynamics, USDbn

State debt as % of GDP

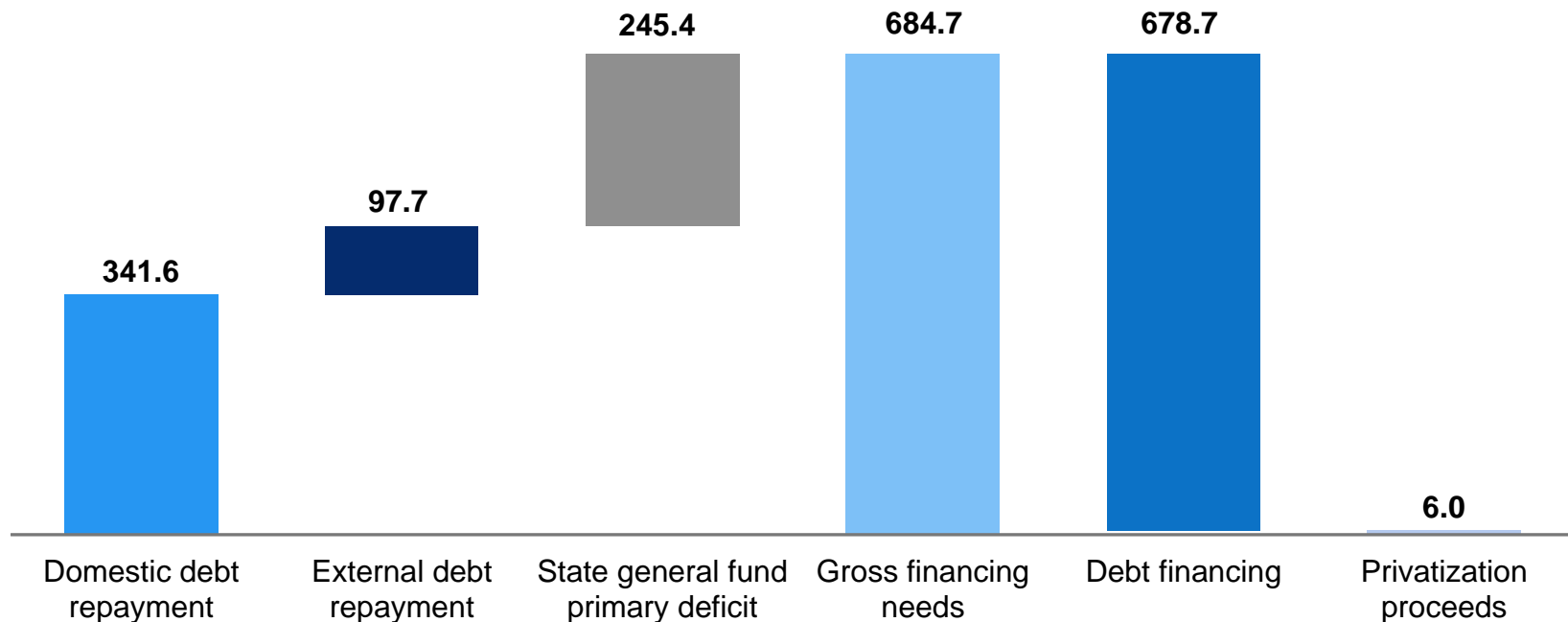


State debt breakdown by creditor, USDbn



Fulfillment of 2021 financing needs to rely significantly on domestic market...

2021 Draft Law: general fund financing¹, UAHbn



Source The Parliament

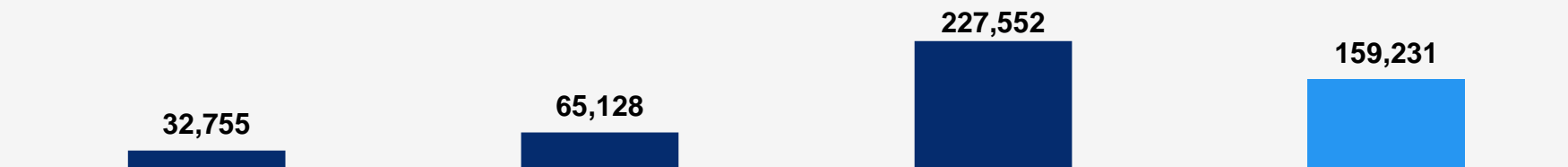
Note 1 The figures represent the initial draft of State Budget Law as of 14.09.2020

... while domestic government bond market continuing its upward trend in 2020...

Domestic government bond placements by currency

Funds remitted to State Budget
UAHm

UAH-denominated issuances



USDm

USD-denominated issuances



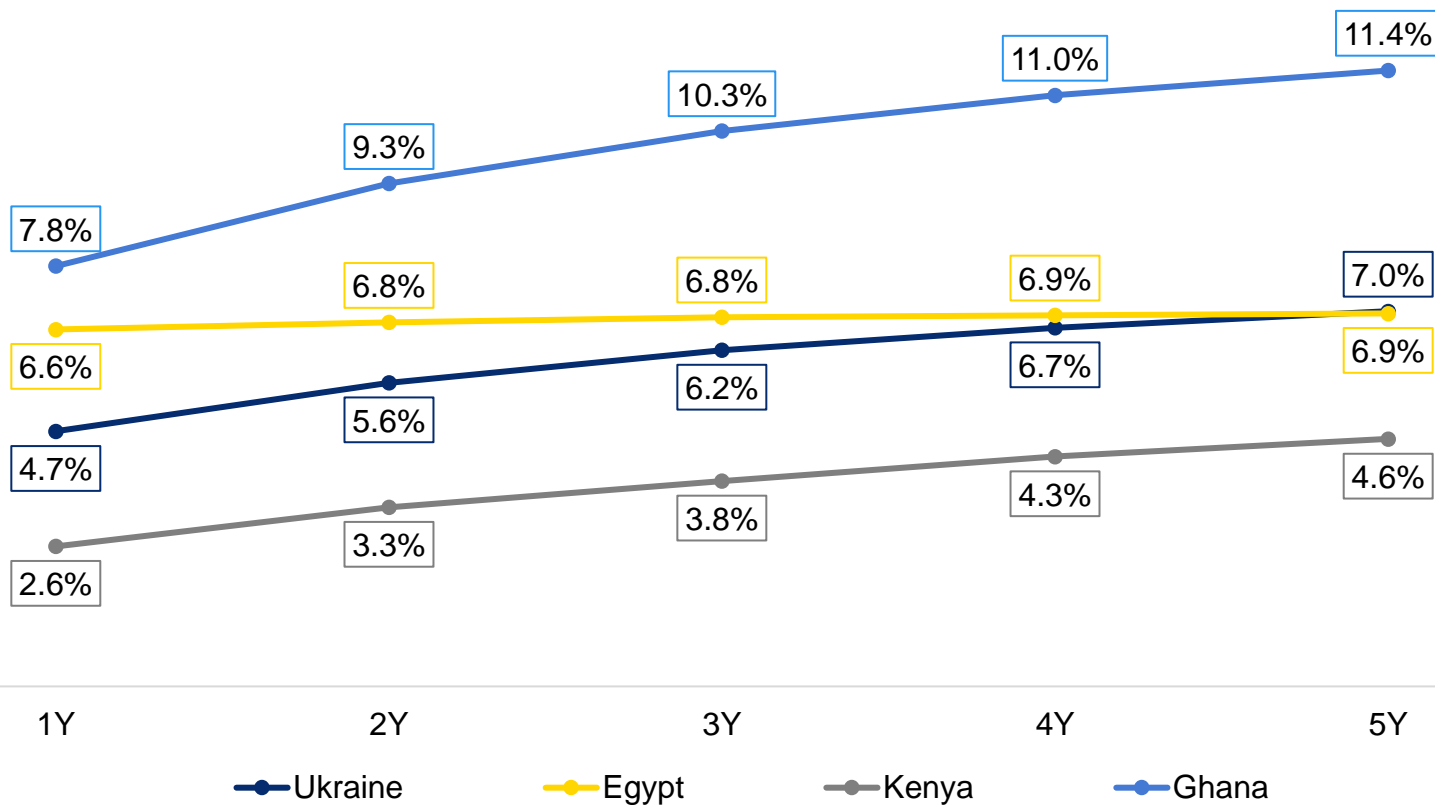
EURm

EUR-denominated issuances



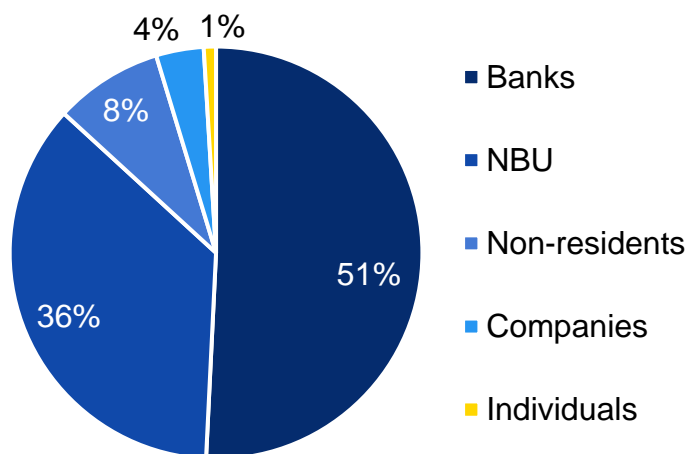
... and domestic instruments remain attractive (vs peers) for investors

Local currency real yield curves of Ukraine and selected peers, %



Banks remain the largest holder of domestic government bonds

Domestic government bondholders¹



Domestic government bonds held by non-residents (eop)

Held by non-residents, USDbn

