



MINISTRY OF  
**FINANCE OF**  
UKRAINE

*2 Years of Ukraine-Clearstream  
link: results, updates and  
prospects*

## **Ukraine's Public Debt Performance in 2021 and Local Market Update**

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Public Debt Management

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# Fiscal consolidation targeted by Ukraine's 3-year budget declaration

## State budget indicators envisaged by Ukraine's Budget Declaration for 2022-2024

|   | 2021 (Amended Plan) | 2022 (Plan) | 2023 (Plan) | 2024 (Plan) |
|---|---------------------|-------------|-------------|-------------|
| State budget revenue, UAHbn                   | 1,097.5             | 1,219.6     | 1,333.2     | 1,451.6     |
| State budget lending, UAHbn                   | (9.0)               | (13.5)      | (16.0)      | (17.0)      |
| State budget expenditures, UAHbn              | (1,335.2)           | (1,394.2)   | (1,497.2)   | (1,614.1)   |
| State budget overall balance, UAHbn           | (246.6)             | (188.0)     | (179.8)     | (179.6)     |
| <b>State budget overall deficit, % of GDP</b> | <b>5.5</b>          | <b>3.5</b>  | <b>3.0</b>  | <b>2.7</b>  |
| <b>Maximum amount of state debt, % of GDP</b> | <b>56.5</b>         | <b>51.0</b> | <b>49.0</b> | <b>47.0</b> |

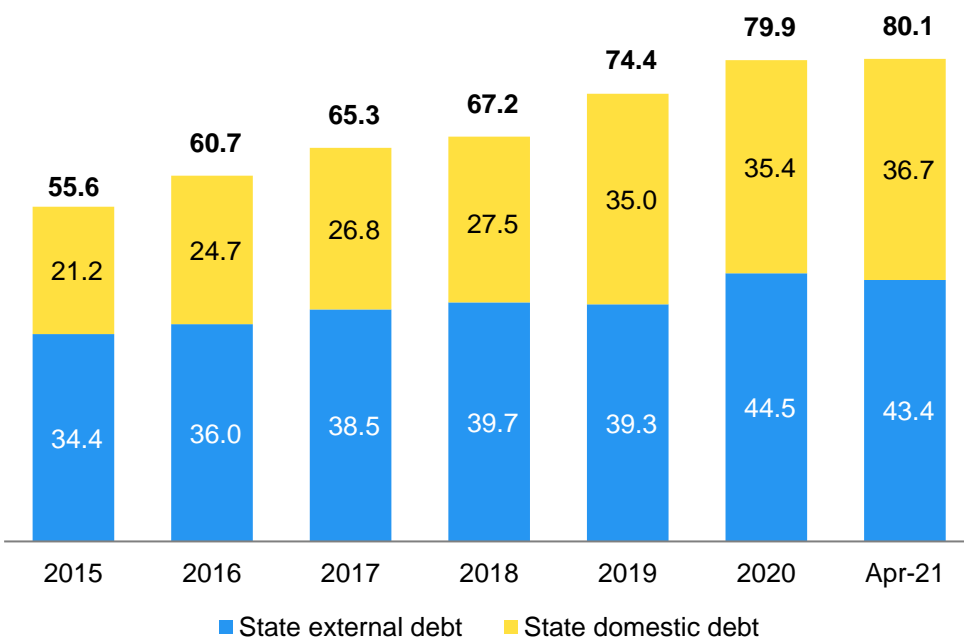
Source Ministry of Finance of Ukraine

# Prudent debt management with high reliance on domestic debt in UAH

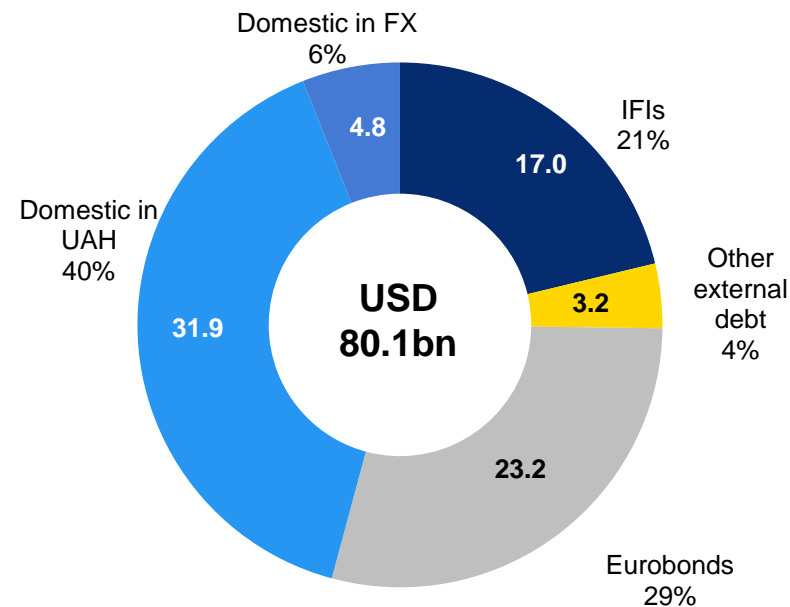
## State debt dynamics, USDbn

State debt as % of GDP

67.1% 69.2% 61.5% 52.3% 44.3% 53.9%

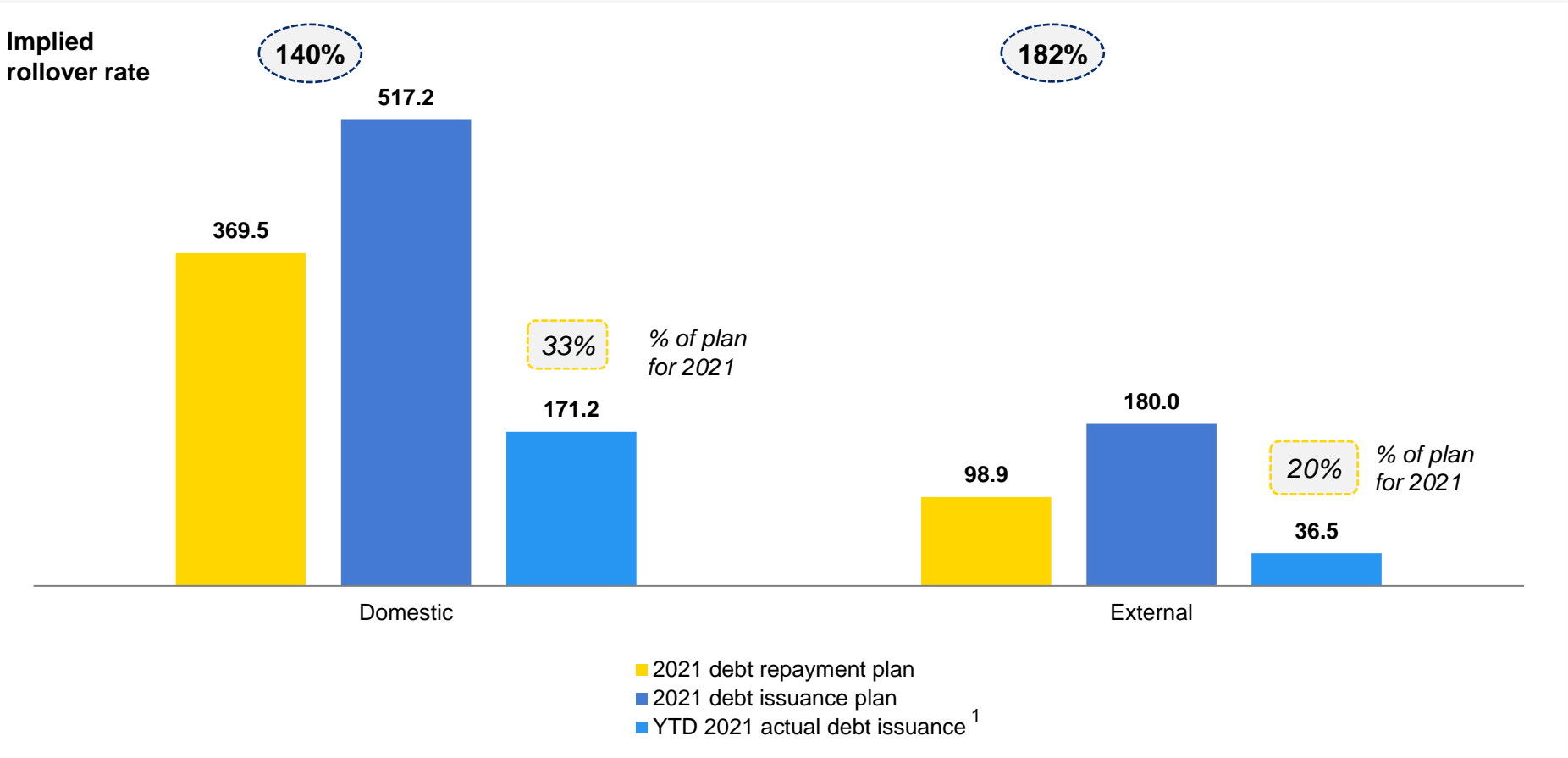


## State debt breakdown by creditor<sup>1</sup>, USDbn



# Securing annual financing needs by means of active domestic and external issuances

State domestic and external debt issuance and service: annual plan execution, UAHbn



Source Ministry of Finance of Ukraine

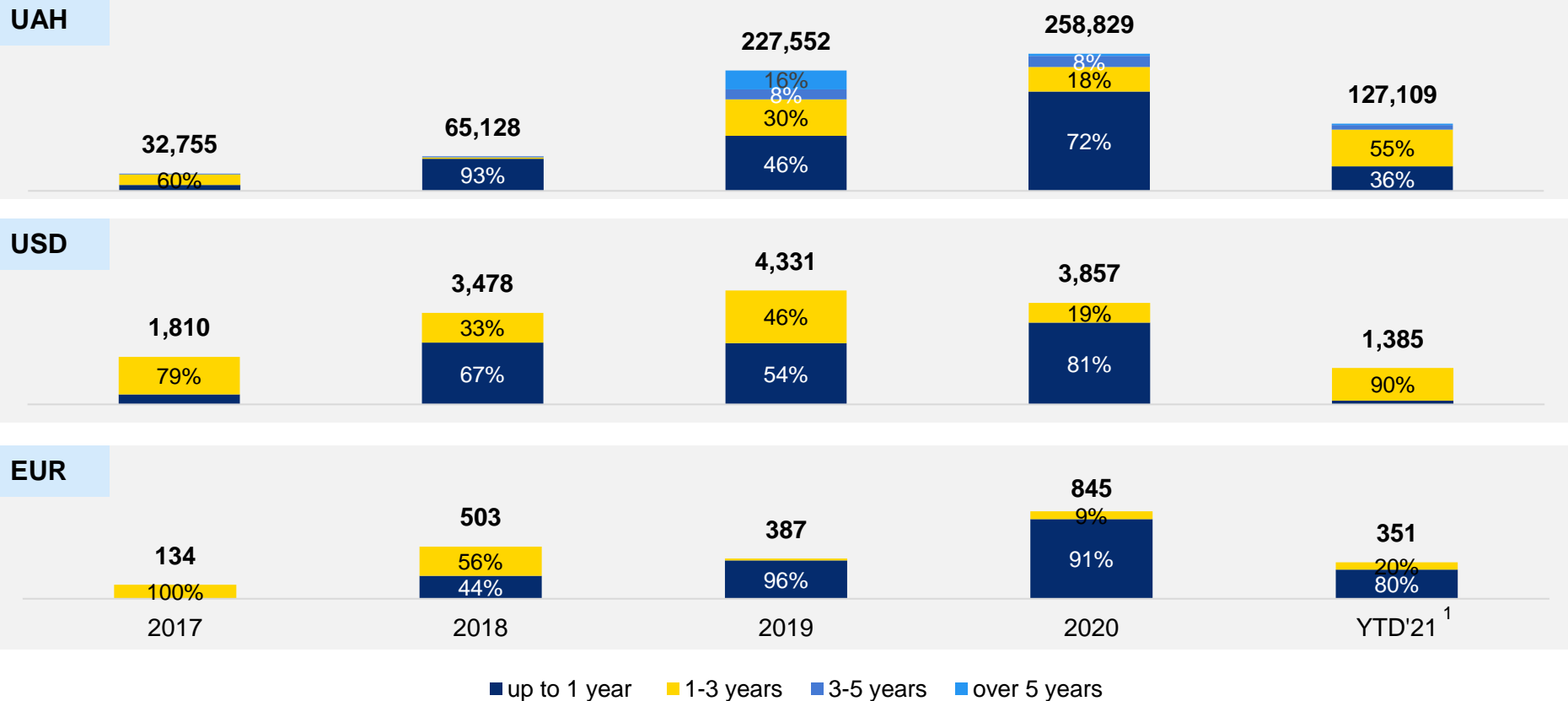
Note 1 As of 02.06.2021

# Significant acceleration of domestic debt issuances after the launch of Clearstream link

## Dynamics of state domestic debt issuances (funds remitted to the state budget)

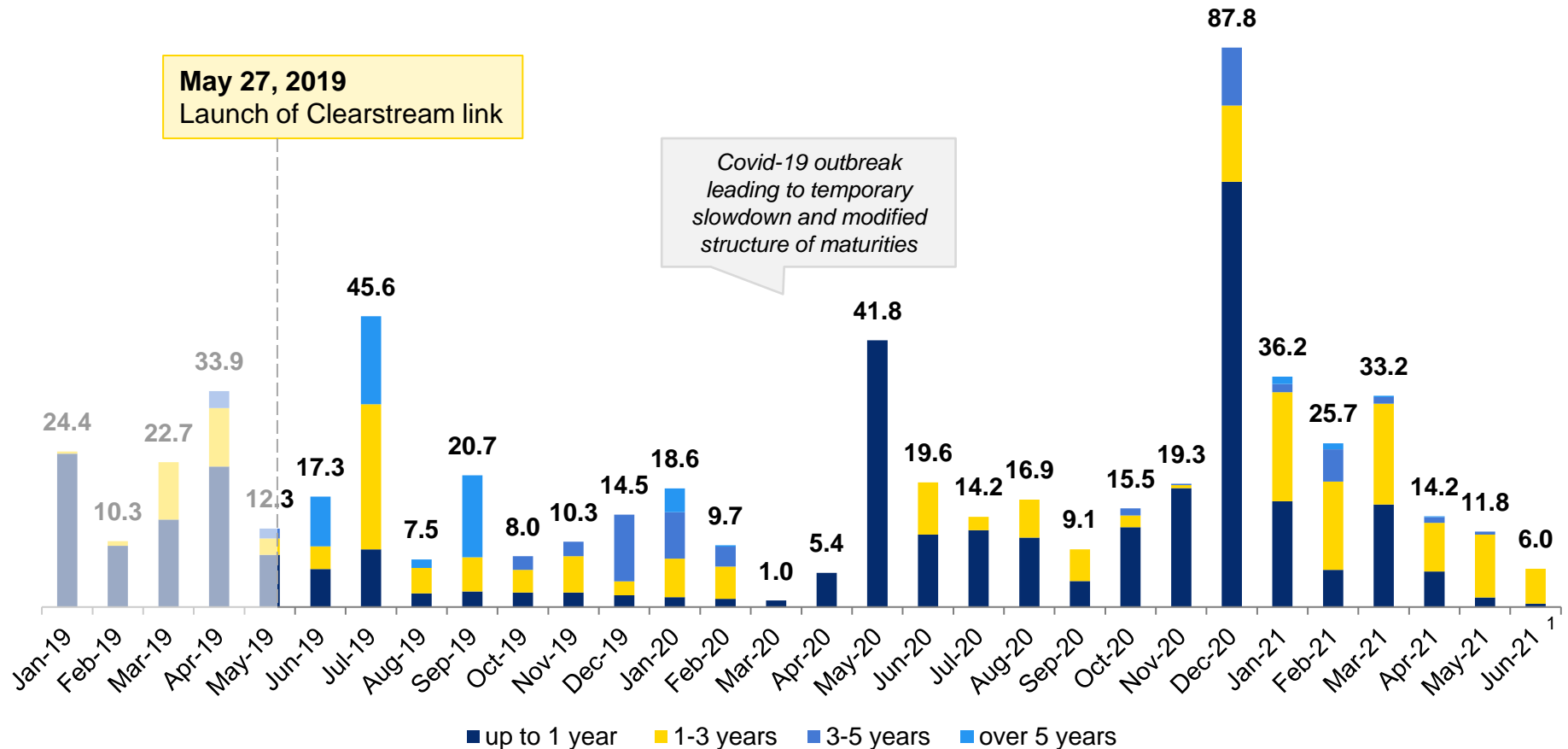
Before the launch of Clearstream link

After the launch of Clearstream link



# Increasing maturity of UAH-denominated issuances fueled by investors demand

UAH denominated monthly domestic debt issuances by maturity (funds remitted to the state budget)

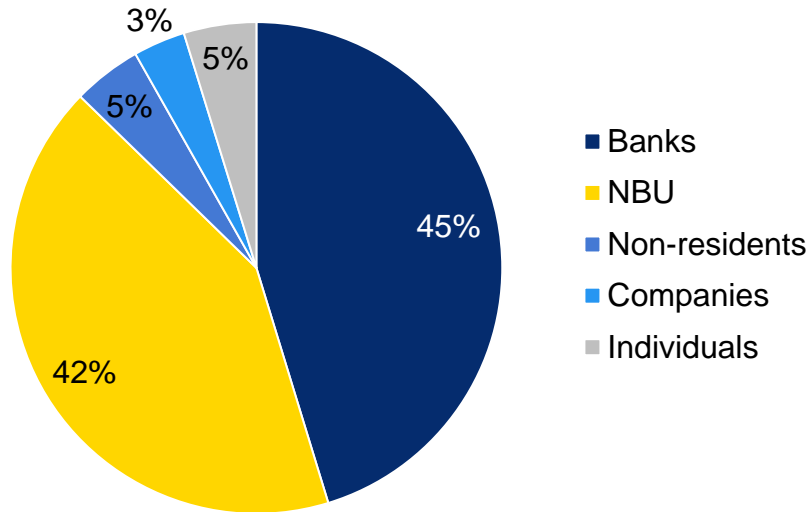


Source Ministry of Finance of Ukraine  
Note 1 As of 01.06.2021

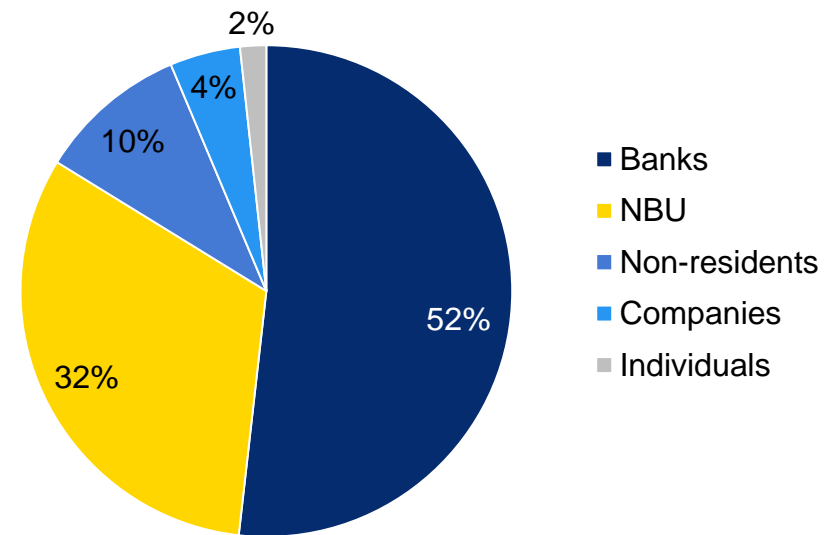
# Doubled share of non-residents since the launch of Clearstream link

## State domestic bonds by holders

April 2019<sup>1</sup>



June 2021<sup>2</sup>



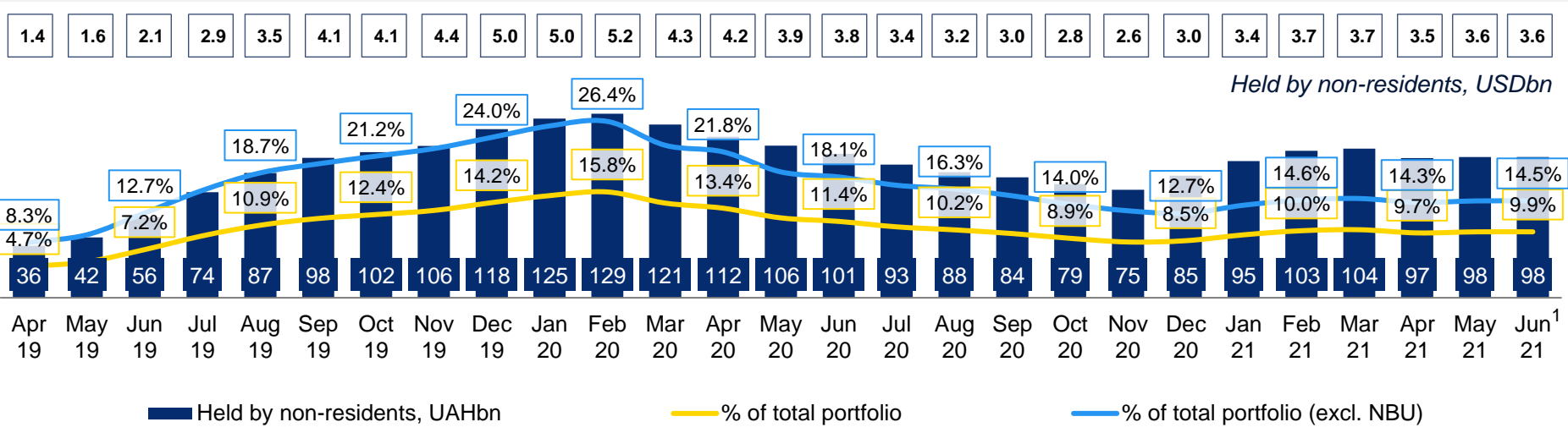
Source National Bank of Ukraine

Note 1 As of 26.04.2019

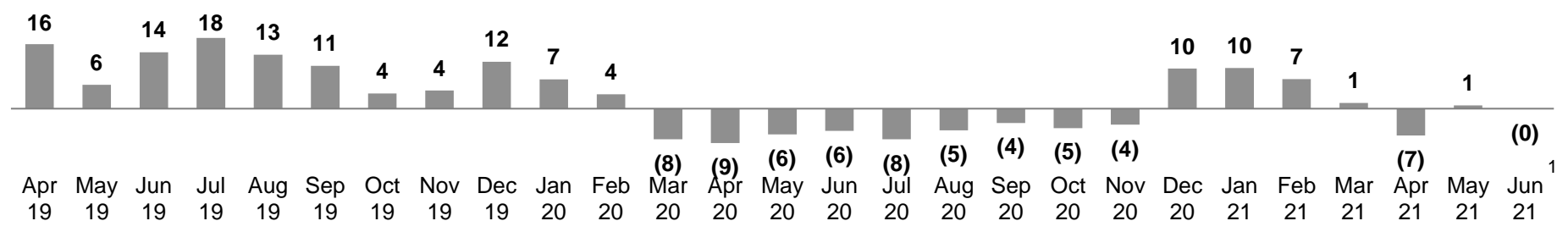
Note 2 As of 01.06.2021

# Non-residents' domestic government bonds holdings bouncing back after Covid-19

## Non-residents' domestic government bond portfolio



## Monthly inflow / (outflow) of non-residents, UAHbn

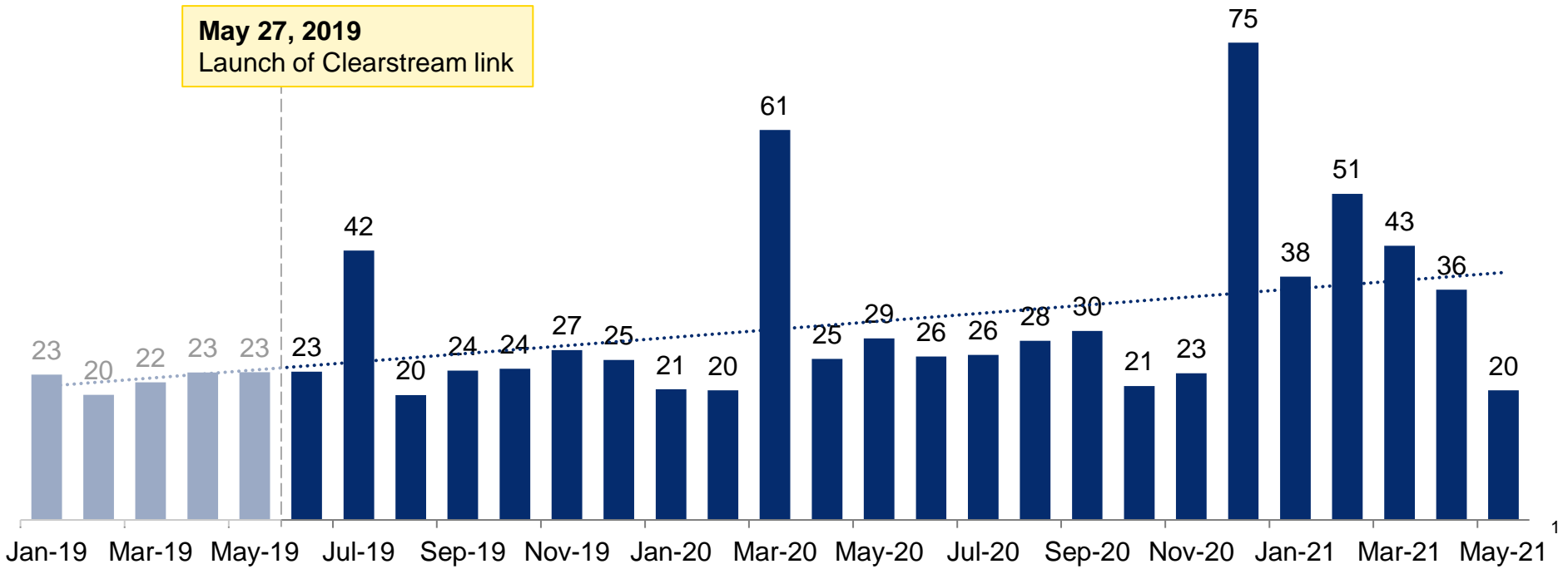


Source National Bank of Ukraine  
 Note 1 As of 01.06.2021



# Steady increase in the secondary trading of the state domestic debt

## Secondary trading volume of domestic government bonds, UAHbn



- ▶ In 2020, the **market continued to grow** and reached UAH 386bn which is almost a 4x increase compare to 2016
- ▶ **Further uptick in secondary trading volumes is exhibited 2021**

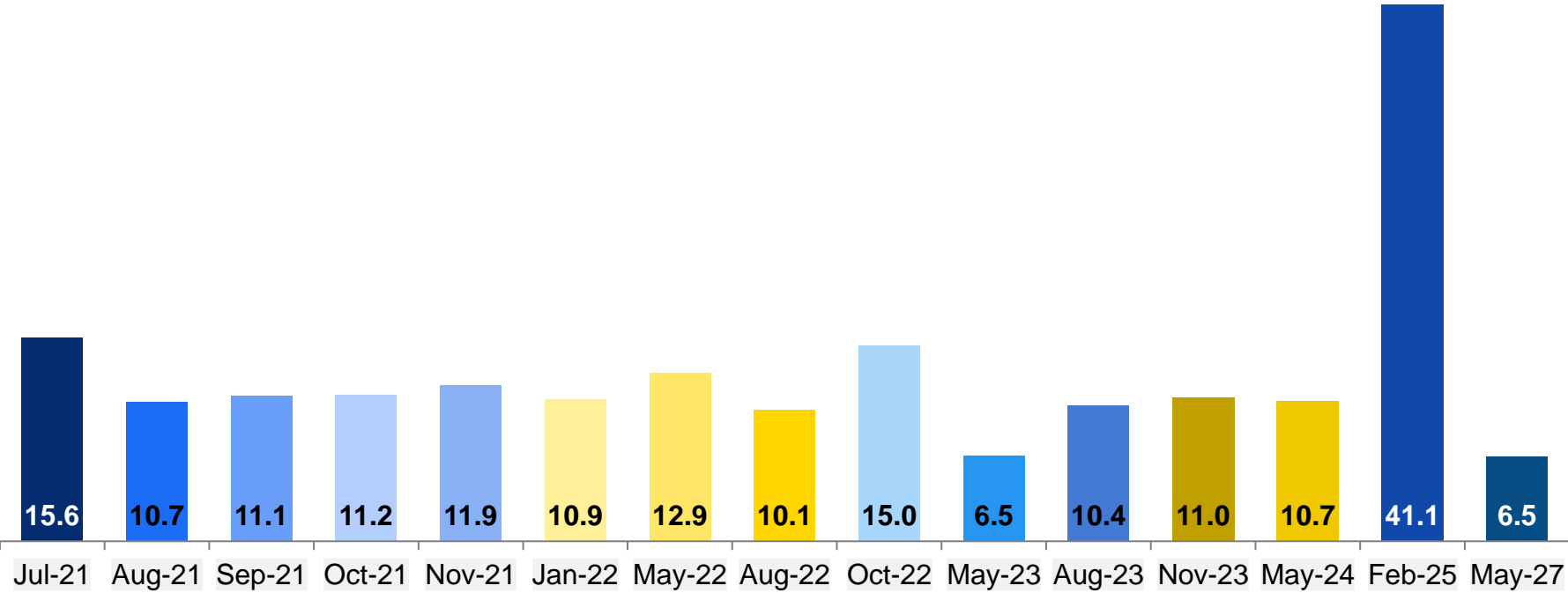
Source National Bank of Ukraine  
Note 1 As of 31.05.2021

# Benchmark bonds supporting the liquidity of the secondary market

## Outstanding benchmark bonds, UAHbn

|     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.4 | 0.5 | 0.2 | 0.4 | 0.4 | 0.4 | 1.5 | 0.2 |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

USDbn



Maturity

Source National Bank of Ukraine  
 Note 1 As of 01.06.2021