

- Within a month, Ukraine witnessed two rounds of the presidential elections. The outcome of the first round, held on January 17, 2010, was not a great surprise. Predictably, Viktor Yanukovich, leader of the opposition Party of Regions, and current Prime Minister Yulia Tymoshenko won the round sharing the first (35.32% of votes) and second (25.05%) places, respectively. Sergiy Tigipko, a businessman and former Head of the National Bank, appeared a major surprise of this campaign with 13.5% of votes and the third place. The second round was more interesting, as it was difficult to predict how supporters of the second-tier candidates would distribute their votes between two finalists. This distribution proved decisive for the outcome of elections. According to the preliminary results of the run-off, Viktor Yanukovich has been narrowly elected as the Ukraine's fourth president with 48.95% of votes. His rival, Yulia Tymoshenko, came in second with 45.47%. The gap between them proved less significant than it was expected (10-15%) and amounted to 3.48%.
- In December, industrial production increased by 7.4% yoy mainly thanks to low statistical base in extractive industry, metal production, and chemistry. Besides, production of electricity, gas and water increased by 8.2% yoy due to low temperatures in the end of the year. In 2009, total industrial output was 21.9% lower than a year before with the deepest contraction in machine building, and shallowest in production of coke and petroleum products, extraction of energy materials, and food industry.
- Freight turnover continued to improve, and its rate of contraction narrowed to 22.5% between January and December 2009 following growing demand from industry. Construction volumes only slightly improved in December. Aggregate annual reduction of sector volumes was 48.2%. Retail trade remained depressed and its contraction reached 16.6% in 2009 as holiday season was not very successful for the sector this year. The only sector with slightly positive annual growth was agriculture. According to preliminary estimates of the Derzhkomstat, annual agriculture output increased by 0.1% in 2009, mainly thanks to animal husbandry that grew by 4.2% yoy.

Ukraine: Economic Indicators 2008 - 2010

		2008	Q109	Q209	Q309	Q409	Nov	Dec	Jan
GDP (real)	% yoy	2.1	-20.3	-17.8	-15.9				
Industrial production (real)	% yoy cum.	-3.1	-31.9	-31.1	-28.4	-21.9	-24.0	-21.9	
Agricultural prod. (real)	% yoy cum.	17.5	1.7	2.6	3.3	0.1	0.0	0.1	
CPI	% yoy eop	22.3	18.1	15.0	15.0	12.3	13.6	12.3	11.1
Current account	% GDP. cum.	-6.7	-3.4	-1.5	-1.3				
Fiscal balance	% GDP	-1.5							
External state debt (total)	% GDP eop	14.9							
Gross international reserves	USD bn cum.	31.5	25.4	27.3	28.2	26.5	27.3	26.5	25.3
Exchange rate (official)	EUR aop	7.71	10.06	10.41	11.18	11.81	11.92	11.68	11.43

Source: IER.

For further informations: Institute for Economic Research and Policy Consulting (link: www.ier.kiev.ua).