

- On October 19, Ukraine officially started the presidential elections campaign. There have been 16 officially registered candidates as of November 10. The toughest competition is taking place among three top-rated candidates, namely Victor Yanukovich, Yulia Tymoshenko, and Arseniy Yatseniuk who in total are expected to collect around two third of votes in the first round. All political experts agree that the name of next Ukraine's President will be determined in the second round.
- In September, industrial production in Ukraine grew by 1.9% mom, and an annual rate of decrease decelerated by 4.9 percentage points to 18.4% yoy due to falling statistical base. The major drivers of industrial production revival were machine building (+16.1% mom), chemistry (+5.5% mom) and food industry (+2.1% mom). Meanwhile, monthly output in metallurgy continued to fall and dropped by 7.1% mom in September reflecting high inventories. Between January and September, the agriculture output increased by 3.3% yoy mainly due to increase in area seeded and faster harvest schedule in 2009 due to warm weather. Stagnation in construction continued though slump improved from 54.9% yoy decrease in the first half of 2009 to 52.4% yoy fall over three quarters. Retail trade did not show improvement as its decline deepened to 16.2% yoy over first nine months of the year in part due to high statistical base.
- Between January and September 2009, current account deficit reached USD 1.0 bn thus decreasing from USD 9.1 bn a year ago. Merchandise trade deficit narrowed significantly as merchandise imports dropped 52.6% yoy in dollar terms over nine months, while exports decreased by 48.2% yoy.
- In October, the Parliament approved law increasing the subsistence minimum and minimum wage from November 2009 and augmenting social standards for 2010. However, funds for increased social payments are not envisaged in State Budget 2009 and are still to be included in 2010 Draft Budget. Thus, it has no immediate effect. However, if implemented the law might have negative consequences for the Ukrainian economy.

Ukraine: Economic Indicators 2007 - 2009

		2007	2008	Q109	Q209	Q309	Aug	Sep	Oct
GDP (real)	% yoy	7.9	2.1	-20.2	-17.8				
Industrial production (real)	% yoy cum.	10.2	-3.1	-31.9	-31.1	-28.4	-29.6	-28.4	
Agricultural prod. (real)	% yoy cum.	-5.2	17.5	1.7	2.6	3.3	0.4	3.3	
CPI	% yoy eop	12.8	22.3	18.1	15.0	15.0	15.3	15.0	14.1
Current account	% GDP. cum.	-5.9	-6.7	-3.4	-1.5				
Fiscal balance	% GDP	-1.1	-1.5						
External state debt (total)	% GDP eop	10.1	14.9						
Gross international reserves	USD bn cum.	32.5	31.5	25.4	27.3	28.2	28.9	28.2	27.7
Exchange rate (official)	EUR aop	6.92	7.71	10.06	10.41	11.18	11.13	11.64	11.64

Source: IER.

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