

- On August 30, the Parliament approved amendments to the local elections law initiated by the Party of Regions. The similar draft laws offered by opposition were rejected. The newly adopted law cancels the controversial provision prohibiting political parties registered locally less than 365 days before the elections to participate in elections.
- According to the preliminary estimate of the Derzhkomstat, real GDP increased by 6.0% yoy in the second quarter of 2010. Real GDP growth accelerated from 4.9% yoy in the first quarter. Real exports were likely the major contributor to economic growth in the second quarter as it was before. However, real gross fixed capital accumulation and household consumption were likely to return to growth as evidenced by increase in retail sales and slower fall of capital investments.
- In July, industrial production growth continued to decelerate 6.4% yoy. The output in metallurgy decreased by 6.5% yoy reflecting weak demand on the world steel market. The fuel minerals mining also declined by 4.7% yoy being in the last year trend set by lack of investments in exploration and extraction of new fossils deposits. Machine building's output increased by 38.4% yoy thanks to growing numbers of vehicles and railcars produced. Food industry grew by 4.8% yoy supported mainly by seasonal factors and increased households consumption. Between January and July, freight turnover growth decelerated to 10.9% yoy following the industrial output. Construction volumes somewhat improved and decelerated decline to 16.7% yoy. Retail trade turnover continued to accelerate and grew by 4.0% yoy. Between January and July, agriculture output declined by 0.6% yoy due to poor harvest.
- In August, CPI growth accelerated to 8.3% yoy mostly thanks to administrative measures including increase in gas tariffs by 50% and higher excise rates for alcohol and tobacco. Core inflation also accelerated to 7.4% yoy in August from 7.2% yoy in July as inflation expectations soared following hike in gas tariff and expected increases in other utility tariffs.

Ukraine: Economic Indicators 2008 - 2010

		2008	2009	Q4 09	Q1 10	Q2 10	Jun	Jul	Aug
GDP (real)	% yoy	2.1	-15.1	-6.8	4.9				
Industrial production (real)	% yoy cum.	-3.1	-21.9	-21.9	10.8	12.0	12.0	6.4	
Agricultural prod. (real)	% yoy cum.	17.5	0.1	0.1	5.3	3.4	3.4	-0.6	
CPI	% yoy eop	22.3	12.3	12.3	11.0	6.9	6.9	6.8	8.3
Current account	% GDP. cum.	-6.7	-1.7	-1.8	-0.2	0.0			
Fiscal balance	% GDP	-1.5	-2.4						
External state debt (total)	% GDP eop	14.9	21.5						
Gross international reserves	USD bn cum.	31.5	26.5	26.5	25.1	29.5	29.5	30.9	32.7
Exchange rate (official)	EUR aop	7.71	11.68	11.81	11.07	10.10	9.67	10.06	10.21

Source: IER.

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