



MINISTRY OF ECONOMIC
DEVELOPMENT AND TRADE
OF UKRAINE

Ukraine: DEVELOPMENT PROSPECTS

CONSENSUS FORECAST

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FOREX CLUB in Ukraine

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State enterprise "Ukrainian
Industrial External Expertize"

Ukraine: DEVELOPMENT PROSPECTS

CONSENSUS FORECAST

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The publication contains materials presented during the seminar on macroeconomic forecasting held on 16 May 2014.

Seminars on forecasting aim to improve the quality of macroeconomic forecasts by means of expert discussions (of forecasts, current economic tendencies, results of research), achieving the consensus concerning the prospective vision of further ways of the country's development, and exchange information among major forecasting organizations (governmental institutions, international financial organizations, scientific research institutes, analytical centres, nongovernmental organizations, etc.).

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The opinions, findings, conclusions or recommendations expressed in this publication are those of the authors and do not necessarily represent the views of the UNDP.

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Reference to sources of materials is mandatory..

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Consensus Forecast is an “averaged” value of the most important forecast economic development indicators of Ukraine calculated on the basis of expert estimates provided by participants of the Consensus Forecast survey. The consensus forecast for 2013-2014 presented in the publication has been calculated on the basis of materials provided by the experts of the Ministry of Economic Development and Trade of Ukraine, GI “Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine”, Economic Research Institute, Institute of Economic Research and Policy Consulting, Institute of Evolutionary Economics, G. M. Dobrov Center for Studying R&D Potential and Science History, Taras Shevchenko National University of Kyiv, International Centre for Policy Studies, CASE Ukraine, Raiffeisen Bank Aval, The Bleyzer Foundation, Dragon Capital, FOREX CLUB in Ukraine, AYA Capital and State enterprise “Ukrainian Industrial External Expertize”.

The Consensus Forecast is based on the consultations and discussions with the experts. We would like to highlight that all the forecast indicators presented by the participants of the seminar are only independent expert estimates and not official forecasts of the relevant institutions.

We express deep gratitude to all the experts who participated in the Consensus Forecast initiative.

Main Macroeconomic Indicators For 2007–2012

Table 1

Indicator	2008	2009	2010	2011	2012	2013
Real sector, UAH mln						
Nominal GDP	948 056	913 345	1 082 569	1 302 079	1 411 238	1 454 931
Consumption	758 902	772 826	914 230	1 113 008	1 247 293	1 350 220
Investments	264 883	155 815	199 918	270 019	278 428	228 474
Net export of goods and non-factorial services	-75 729	-15 296	-31 579	-80 948	-114 483	-123 763
<i>Index, year to year</i>						
Actual GDP	102,3	85,2	104,1	105,2	100,3	100
Consumption	110,1	87,8	106,4	111,1	107,9	105,6
Gross accumulation of the fixed capital	98,8	49,5	103,9	107,1	102,8	93,4
Exports of goods and services	105,7	78,0	103,9	104,3	92,8	91,2
Imports of goods and services	117,0	61,1	111,3	117,7	101,8	94,1
Inflation, index						
Consumer price index (annual average)	125,2	115,9	109,4	108,0	100,6	99,7
Dec. versus Dec. of the previous year	122,3	112,3	109,1	104,6	99,8	100,5
Producer price index (annual average)	135,5	106,5	120,9	119,0	103,7	99,9
Dec. versus Dec. of the previous year	123,0	114,3	118,7	114,2	100,3	101,7
External sector, USD mln						
Current account	-12 763	-1 732	-3 018	-10 245	-14 315	-16 355
Exports of goods and services	85 612	54 253	69 255	88 844	90 035	85 312
Imports of goods and services	-99 962	-56 206	-73 239	-99 001	-104 361	-100 796
Foreign direct investments	9 903	4 654	5 759	7 015	6 627	3 351
External sector, USD mln						
Current account	-7,1	-1,5	-2,2	-6,3	-8,1	-9
Exports of goods and services	47,6	46,3	50,8	54,5	51,1	46,9
Imports of goods and services	-55,6	-47,9	-53,7	-60,8	-59,2	-55,4
Foreign direct investments	5,5	4,0	4,2	4,3	3,8	1,8
External sector, % year to year (nominal)						
Exports of goods and services	133,8	63,4	127,7	128,3	101,3	94,8
Imports of goods and services	138,5	56,2	130,3	135,2	105,4	96,6
Rate of exchange, UAH/USD						
Average	5,27	7,79	7,94	7,97	7,99	7,99
End of period	7,70	7,99	7,96	7,99	7,99	7,99
Consolidated budget, UAH mln						
All revenues	297 845	272 967	314 506	398 554	445 525	442 789
All expenditures (including lending)	312 028	310 225	379 191	421 612	492 454	505 844
Total balance	-14 183	-37 258	-64 685	-23 058	-46 929	-63 590
Privatisation	482	808	1 093	11 480	6 763	1 480
Consolidated budget, % of GDP						
All revenues	31,4	29,9	29,1	30,6	31,6	30,4
All expenditures (including lending)	32,9	34,0	35,0	32,3	35,0	34,8
Total balance	-1,5	-4,1	-5,9	-1,8	-3,3	-4,4
Privatisation	0,05	0,1	0,1	0,9	0,5	0,1
Money and credit						
Base money (as of the end of period), UAH mln	186 671	194 965	225 692	239 885	255 283	307 218
Dec. versus Dec. of the previous year, %	31,6	4,4	15,8	6,3	6,4	20,3
Money Supply (M3) (as of the end of period), UAH mln	515 727	487 298	597 872	685 515	773 199	909 074
Dec. versus Dec. of the previous year, %	30,2	-5,5	22,7	14,7	12,8	17,6
Monthly average wage of workers, UAH	1 806	1 906	2 239	2 633	3 026	3 265
Nominal adjusted to the CPI, % to previous year	106,8	91,0	109,7	108,9	114,2	108,2

Dynamics Of The Consensus Forecast For 2011–2013

Table 2. Dynamics Of The Consensus Forecast For 2012 (March 2011 – November 2012)

Indicator	2012 report	March 2011	Deviation (March 2011 / Report 2013)	April 2012	Deviation (March 2012 / Report 2012)	November 2012	Deviation (November 2012 / Report 2012)
Real sector, UAH mln							
Nominal GDP	1 411 238	1 268 997	–10,1%	1 479 807	+4,9%	1 567 777	+11,1%
Consumption	1 247 293	1 050 248	–15,8%	1 233 219	–1,1%	1 374 505	+10,2%
Investments	278 428	257 366	–7,6%	329 075	+18,2%	309 113	+11,0%
Net export of goods and non-factorial services	–114 483	–36 431	+78 052	–82 551	+31 932	–101 273	+13 210
<i>Index, year to year</i>							
Actual GDP	100,3	104,6	+4,3 в.п.	103,2	+2,9 в.п.	102,9	+2,6 в.п.
Consumption	107,9	104,3	–3,6 в.п.	104,6	–3,3 в.п.	103,5	–4,4 в.п.
Investments	102,8	111,3	+8,5 в.п.	104,2	+1,4 в.п.	101,8	–1,0 в.п.
Inflation, index							
Consumer price index (annual average)	100,6	110,3	+9,7 в.п.	105,3	+4,7 в.п.	106,9	+6,3 в.п.
Dec. versus Dec. of the previous year	99,8	111,1	+11,3 в.п.	108,0	+8,2 в.п.	107,1	+7,3 в.п.
Producer price index (annual average)	103,7	116,3	+12,6 в.п.	108,6	+4,9 в.п.	109,1	+5,4 в.п.
Dec. versus Dec. of the previous year	100,3	116,5	+16,2 в.п.	110,5	+10,2 в.п.	108,4	+8,1 в.п.
External sector, USD mln							
Current account	–14 315	–3 650	–10 665	–9 657	–4 658	–11 483	–2 832
Exports of goods and services	90 035	80 627	–10,4%	95 492	+6,1%	97 584	+8,4%
Imports of goods and services	–104 361	–85 178	–18,4%	–105 498	+1,1%	–109 959	+5,4%
Foreign direct investments	6 627	6 348	–279	6 070	–557	6 334	–293
External sector, % of GDP							
Current account	–8,1	–2,3	–5,8 в.п.	–5,3	–2,8 в.п.	–6,3	–1,8 в.п.
Exports of goods and services	51,1	50,5	–0,6 в.п.	52,2	+1,1 в.п.	53,2	+2,1 в.п.
Imports of goods and services	–59,2	–53,4	–5,8 в.п.	–57,7	–1,5 в.п.	–59,9	+0,7 в.п.
Foreign direct investments	3,8	4,0	+0,2 в.п.	3,3	–0,5 в.п.	3,5	–0,3 в.п.
External sector, % year to year (nominal)							
Exports of goods and services	101,3	117,8	+16,5 в.п.	110,1	+8,8 в.п.	107,5	+6,2 в.п.
Imports of goods and services	105,4	117,9	+12,5 в.п.	110,5	+5,1 в.п.	106,0	+0,6 в.п.
Rate of exchange, UAH/USD							
Average	7,99	7,95	–0,5%	8,10	+1,4%	8,55	+7,0%
End of period	7,99	8,00	+0,1%	8,34	+4,4%	8,81	+10,3%
Consolidated budget, UAH mln							
All revenues	445 525	372 637	–16,4%	439 922	–1,3%	494 811	+11,1%
All expenditures (including lending)	492 454	419 387	–14,8%	470 237	–4,5%	521 803	+6,0%
Total balance	–46 929	–46 750	–179	–30 315	–16 614	–26 992	–19 937
Privatisation	6 763	10 683	+58,0%	9 500	+40,5%	9 278	+37,2%
Consolidated budget, % of GDP							
All revenues	31,6	29,4	–2,2 в.п.	29,7	–1,9 в.п.	31,6	+0 в.п.
All expenditures (including lending)	35,0	33,0	–2,0 в.п.	31,8	–3,2 в.п.	33,3	–1,7 в.п.
Total balance	–3,3	–3,7	+0,4 в.п.	–2,0	–1,3 в.п.	–1,7	–1,6 в.п.
Privatisation	0,5	0,8	+0,3 в.п.	0,6	+0,1 в.п.	0,6	+0,1 в.п.
Money and credit							
Base money (as of the end of period), UAH mln	255 283	258 721	+1,3%	266 850	+4,5%	291 024	+14 %
Dec. versus Dec. of the previous year, %	6,4	14,3	+7,9 в.п.	11,2	+4,8 в.п.	10,0	+3,6 в.п.
Money Supply (M3) (as of the end of period), UAH mln	773 199	706 572	–8,6%	748 349	–3,2%	855 289	+10,6%
Dec. versus Dec. of the previous year, %	12,8	18,5	+5,7 в.п.	9,2	–3,6 в.п.	12,8	0 в.п.
Monthly average wage of workers, UAH	3 026	2 523	–16,6%	2 991	–1,2%	3 384	+11,8%

Table 3. Dynamics Of The Consensus Forecast For 2013 (April 2012 – December 2013)

Indicator	2013 report	April 2012	Deviation (April 2012 / Report 2013)	April 2012	Deviation (April 2013 / Report 2013)	December 2013	Deviation (December 2013 / Report 2013)
Real sector, UAH mln							
Nominal GDP	1 454 931	1 479 807	+1,7%	1 690 117	+16,2%	1 560 924	+7,3%
Consumption	1 350 220	1 233 219	-8,7%	1 497 200	+10,9%	1 417 377	+5%
Investments	228 474	329 075	+44%	315 950	+38,3%	253 231	+10,8%
Net export of goods and non-factorial services	-123 763	-82 551	+41 212	-112 581	+11 182	-122 339	+1 424
<i>Index, year to year</i>							
Actual GDP	100	103,2	+3,2 в.п.	103,3	+3,3 в.п.	101,5	+1,5 в.п.
Consumption	105,6	104,6	-1,0 в.п.	105,1	-0,5 в.п.	102,8	-2,8 в.п.
Investments	93,4	104,2	+10,8 в.п.	104,5	+11,1 в.п.	103,4	+10 в.п.
Inflation, index							
Consumer price index (annual average)	99,7	105,3	+5,6 в.п.	105,9	+6,2 в.п.	103,9	+4,2 в.п.
Dec. versus Dec. of the previous year	100,5	108,0	+7,5 в.п.	106,1	+5,6 в.п.	105,0	+4,5 в.п.
Producer price index (annual average)	99,9	108,6	+8,7 в.п.	107,7	+7,8 в.п.	105,9	+6 в.п.
Dec. versus Dec. of the previous year	101,7	110,5	+8,8 в.п.	108,0	+6,3 в.п.	107,2	+5,5 в.п.
External sector, USD mln							
Current account	-16 355	-9 657	-6 698	-12 698	-3 657	-13 876	-2 479
Exports of goods and services	85 312	95 492	+11,9%	99 191	+16,3%	90 351	+5,9%
Imports of goods and services	-100 796	-105 498	+4,7%	-112 113	+11,2%	-104 266	+3,4%
Foreign direct investments	3 351	6 070	+2 719	7 021	+3 670	5 592	+2 241
External sector, % of GDP							
Current account	-9	-5,3	-3,7 в.п.	-6,5	-2,5 в.п.	-7,5	-1,5 в.п.
Exports of goods and services	46,9	52,2	+5,3 в.п.	51,7	+4,8 в.п.	48,7	+1,8 в.п.
Imports of goods and services	-55,4	-57,7	+2,3 в.п.	-57,6	+2,2 в.п.	-56,2	+0,8 в.п.
Foreign direct investments	1,8	3,3	+1,5 в.п.	3,6	+1,8 в.п.	3	+1,2 в.п.
External sector, % year to year (nominal)							
Exports of goods and services	94,8	110,1	15,3 в.п.	107,6	12,8 в.п.	105,5	+10,7 в.п.
Imports of goods and services	96,6	110,5	13,9 в.п.	106,2	9,6 в.п.	105,2	+8,6 в.п.
Rate of exchange, UAH/USD							
Average	7,99	8,10	1,4%	8,69	8,8%	8,42	+5,4%
End of period	7,99	8,34	4,4%	8,84	10,6%	8,66	+8,4%
Consolidated budget, UAH mln							
All revenues	442 789	439 922	-0,6%	519 940	+17,4%	468 882	+5,9%
All expenditures (including lending)	505 844	470 237	-7,0%	572 282	+13,1%	521 563	+3,1%
Total balance	-63 590	-30 315	-33 275	-52 342	-11 248	-52 681	-10909
Privatisation	1 480	9 500	+541,9%	8 645	+484,1%	6 083	+311%
Consolidated budget, % of GDP							
All revenues	30,4	29,7	-0,7 в.п.	30,8	+0,4 в.п.	30,0	-0,4 в.п.
All expenditures (including lending)	34,8	31,8	-3,0 в.п.	33,9	-0,9 в.п.	33,4	-1,4 в.п.
Total balance	-4,4	-2,0	-2,4 в.п.	-3,1	-1,3 в.п.	-3,4	-1 в.п.
Privatisation	0,1	0,6	+0,5 в.п.	0,5	+0,4 в.п.	0,4	+0,3 в.п.
Money and credit							
Base money (as of the end of period), UAH mln	307 218	266 850	-13,1%	304 539	-0,9%	324 952	+5,8%
Dec. versus Dec. of the previous year, %	20,3	11,2	-9,1 в.п.	8,9	-11,4 в.п.	11,9	-8,4 в.п.
Money Supply (M3) (as of the end of period), UAH mln	909 074	748 349	-17,7%	980 018	+7,8%	1 016 466	+11,8%
Dec. versus Dec. of the previous year, %	17,6	9,2	-8,4 в.п.	13,5	-4,1 в.п.	14,7	-2,9 в.п.
Monthly average wage of workers, UAH	3 265	2 991	-8,4%	3 605	+10,4%	3 573	+9,4%

Short Overview Of Consensus Assumptions

Consensus assumptions of macroeconomic forecast

The main consensus assumptions of the participants of the seminar are shown in Table 4.

Table 4

	2014				2015
	April 2013	August 2013	December 2013	May 2014	May 2014
GDP, % real change:					
World	3,7	3,4	3,6	3,4	3,6
Russian Federation	3,8	3,4	3,0	1,0	1,6
USA	2,7	2,6	2,7	2,8	2,9
China	8,3	7,9	7,7	7,3	7,1
Euro area/EU	1,1	1,0	1,1	1,2	1,7
Consumer Price Index, %, Dec to Dec:					
World	104,1	104,1	104,0	103,1	103,8
Russian Federation	106,3	106,3	106,0	106,5	106,8
USA	102,1	102,1	101,9	101,7	102,1
China	104,3	103,9	103,8	103,2	103,4
Euro area/EU	102,1	102,0	102,0	101,3	101,7
Exchange rate, ruble/USD	32,4	32,3	32,7	36,1	37,5
Exchange rate, euro/USD	1,3	1,3	1,3	1,4	1,4
Natural gas price, USD per 1 thousand cubic meters	419,3	399,1	405,5	398,9	384,1
Oil price, USD/barrel (annual average)	109,5	105,9	106,7	105,3	103,7
Change in tariffs (Dec to Dec), %:					
Natural gas	13,8	14,3	15,6	51,5	40
Electricity	11,9	10,0	13,9	23,3	25
Water supply (utilities)	13,3	13,8	13,0	16,8	19,8
Drainage system (utilities)	11,4	14,4	15,0	14,3	17,8
Maintenance of buildings and structures and surrounding areas (rent)	11,3	10,4	13,9	17	23
Heating	16,3	15,4	14,5	46,3	37,9
Passengers, baggage and freight turnover by rail	13,3	13,3	19,0	23,7	22
Public telecommunications services connection	10,0	12,6	8,1	16,4	16,3
Other assumptions					
NBU discount rate, %, as of the period end	7,3	7,0	6,4	9,8	9,9
Minimum wage, UAH (annual average)	1361,5	1278,4	1277,2	1268,9	1358,1
	x	x	x	6	7,9
Budget revenue from privatization, million UAH	9950	8972,5	7850	4316,5	6192,6
Gross grain yield, million tons	46,7	50,3	52,0	57,1	55,4

Forecast Of Macroeconomic Indicators For 2014–2015

We call your attention to the fourth version of the Consensus Forecast of the main macro-indicators of Ukraine's economic and social development for 2014 and the first version of the Consensus Forecast of the main macro-indicators of Ukraine's economic and social development for 2015, calculated on the basis of materials provided by the attendees of the seminar (Tables. 8-10).

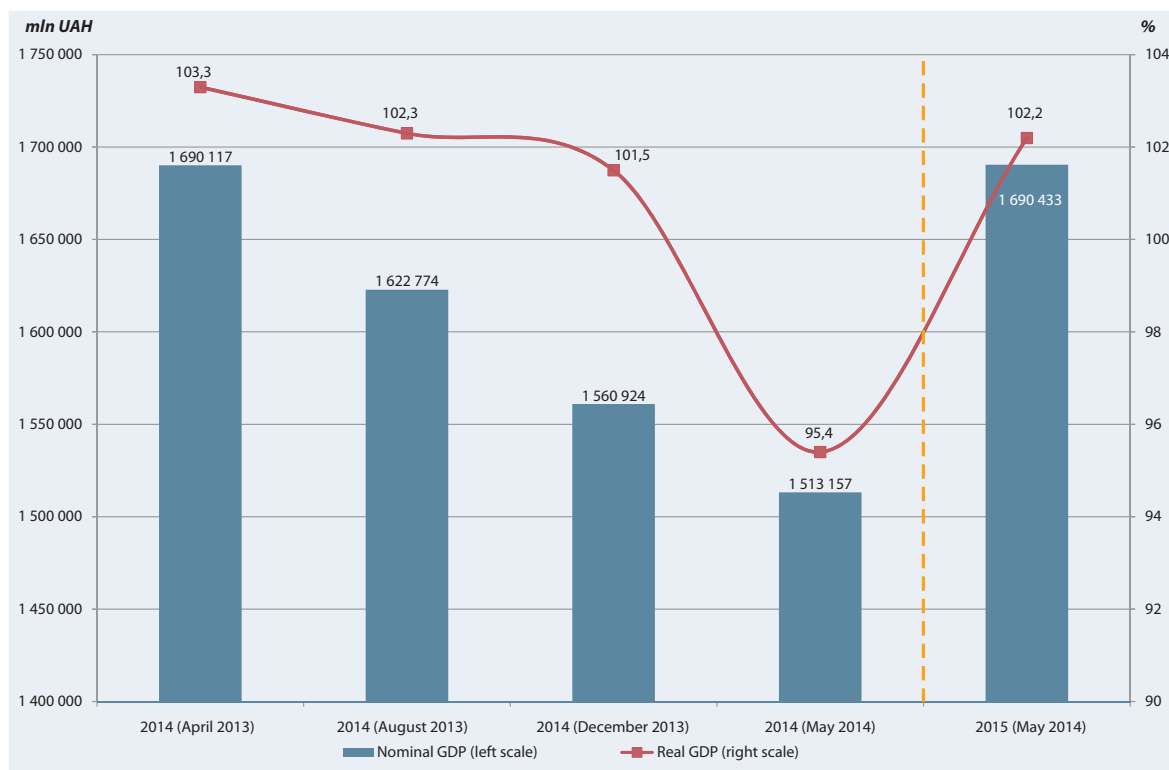


Figure 1. Consensus forecast of nominal and real GDP in 2014–2015

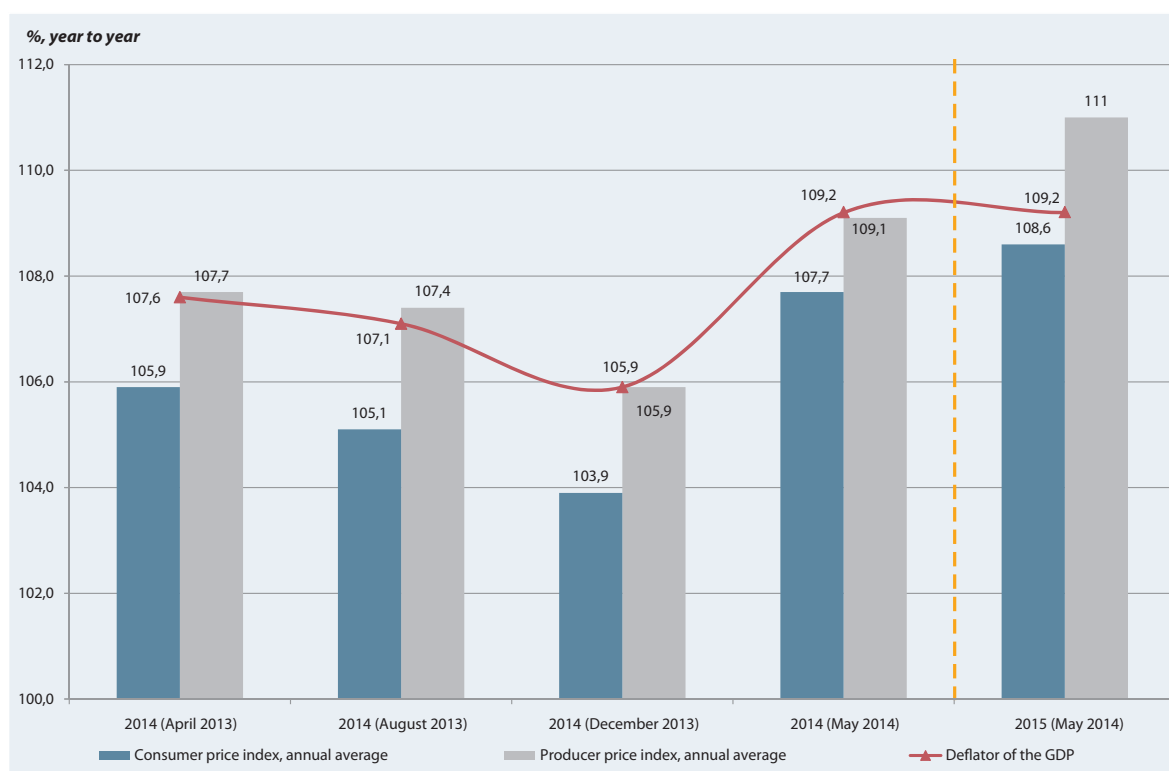


Figure 2. Consensus forecast of price indices for 2014–2015

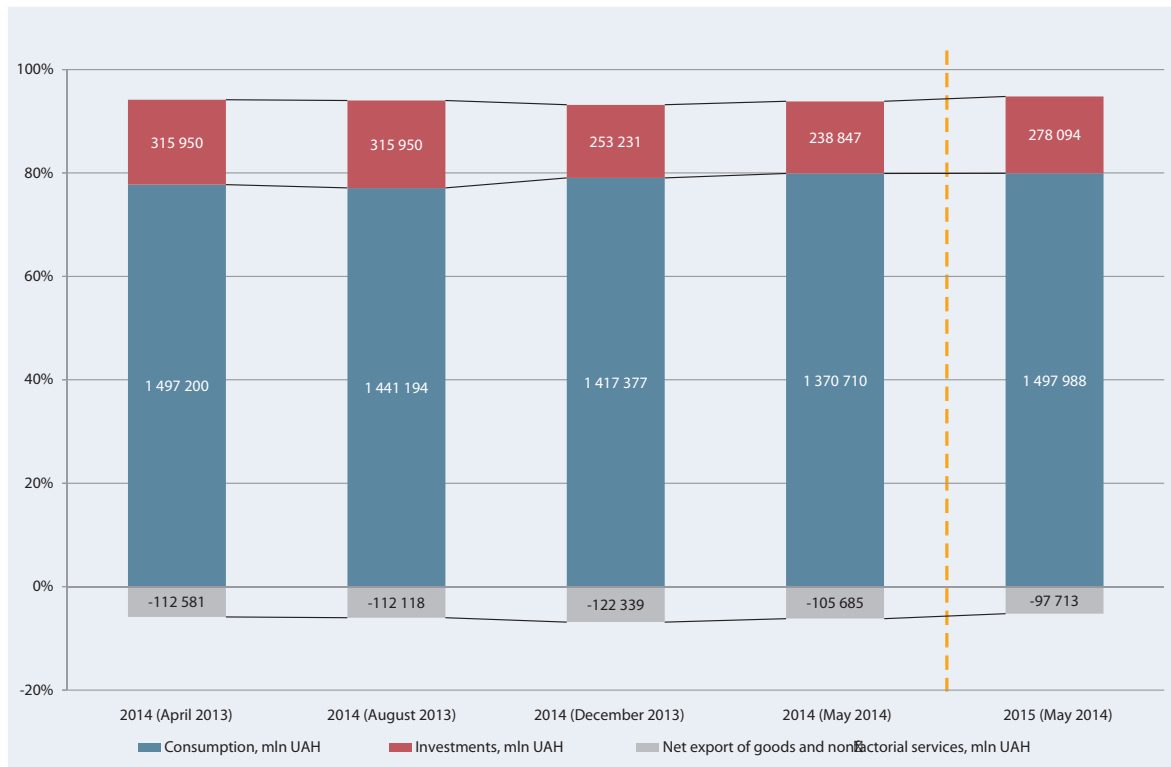


Figure 3. Consensus forecast of main GDP components by end use category in 2014–2015

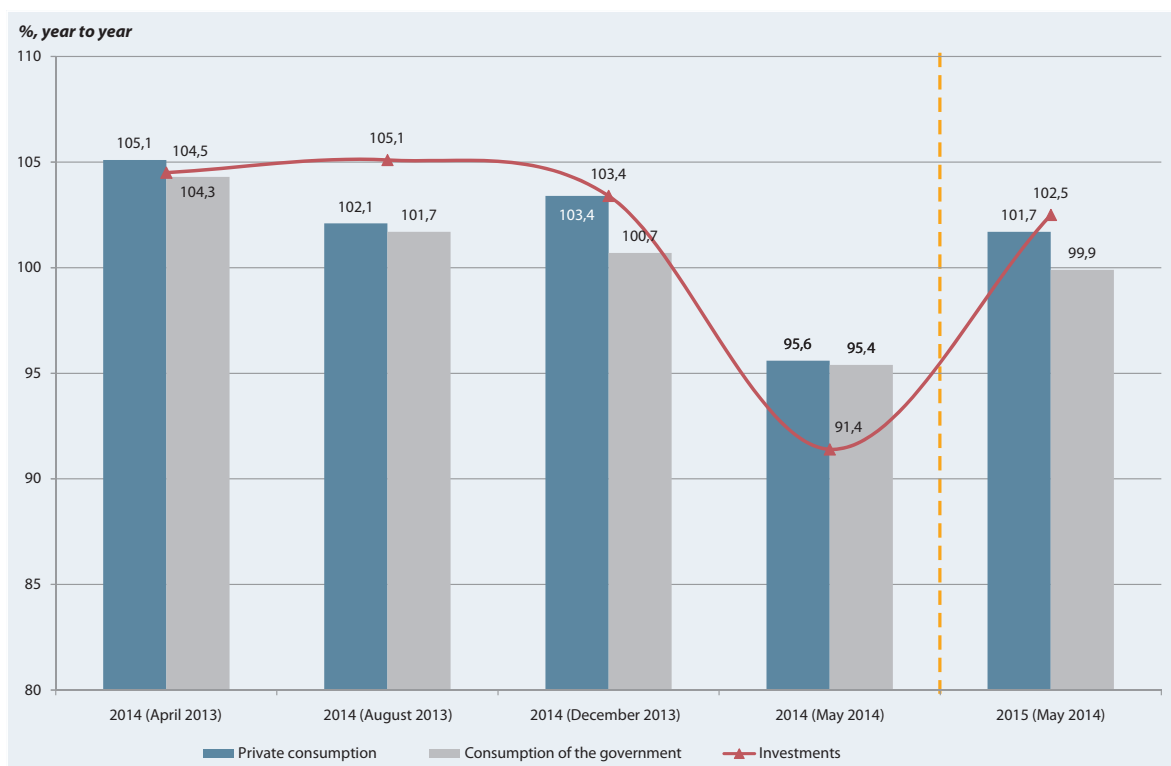


Figure 4. Consensus forecast of private and government consumption and investments in 2014–2015

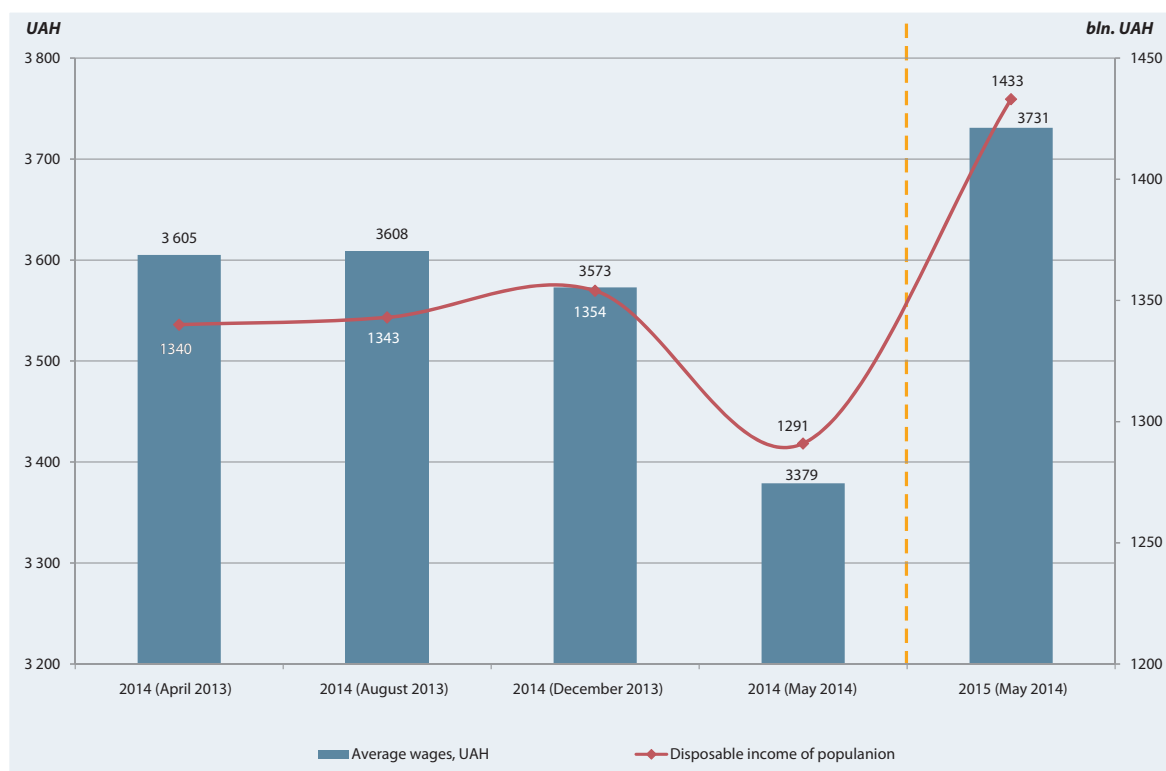


Figure 5. Consensus forecast of average wage and people's disposable income in 2014–2015

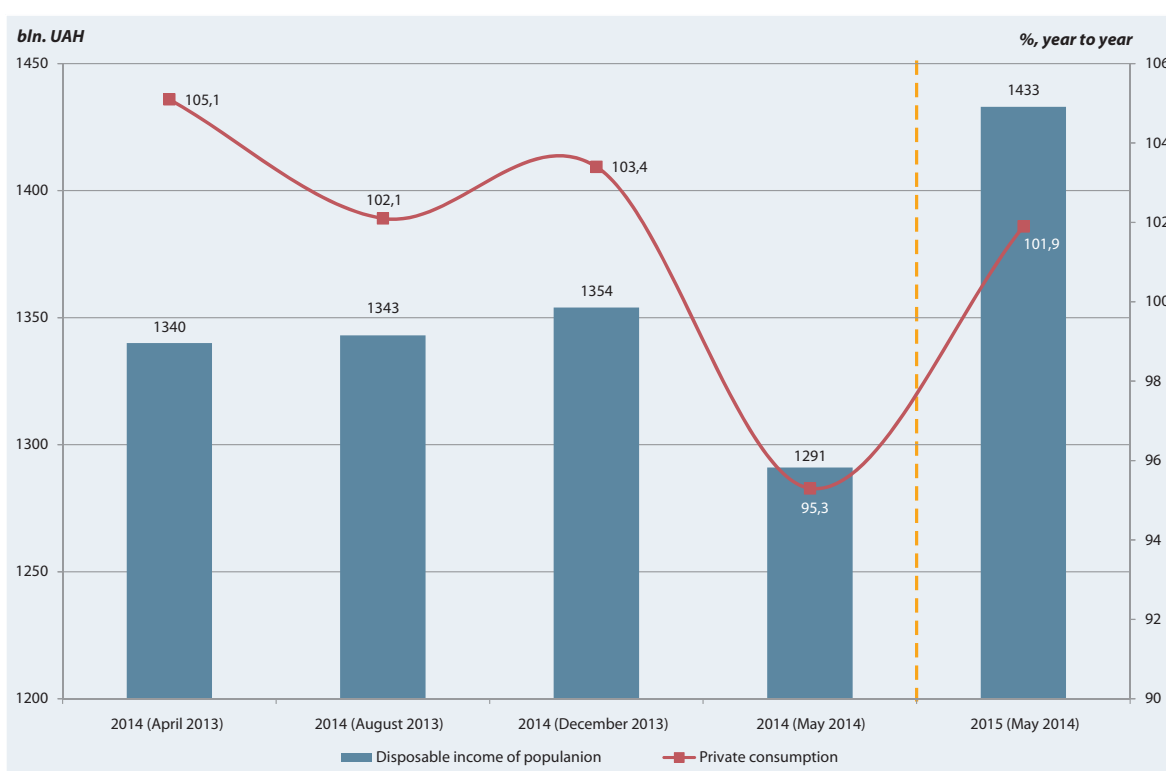


Figure 6. Consensus forecast of growth in people's disposable income and private consumption in 2014–2015

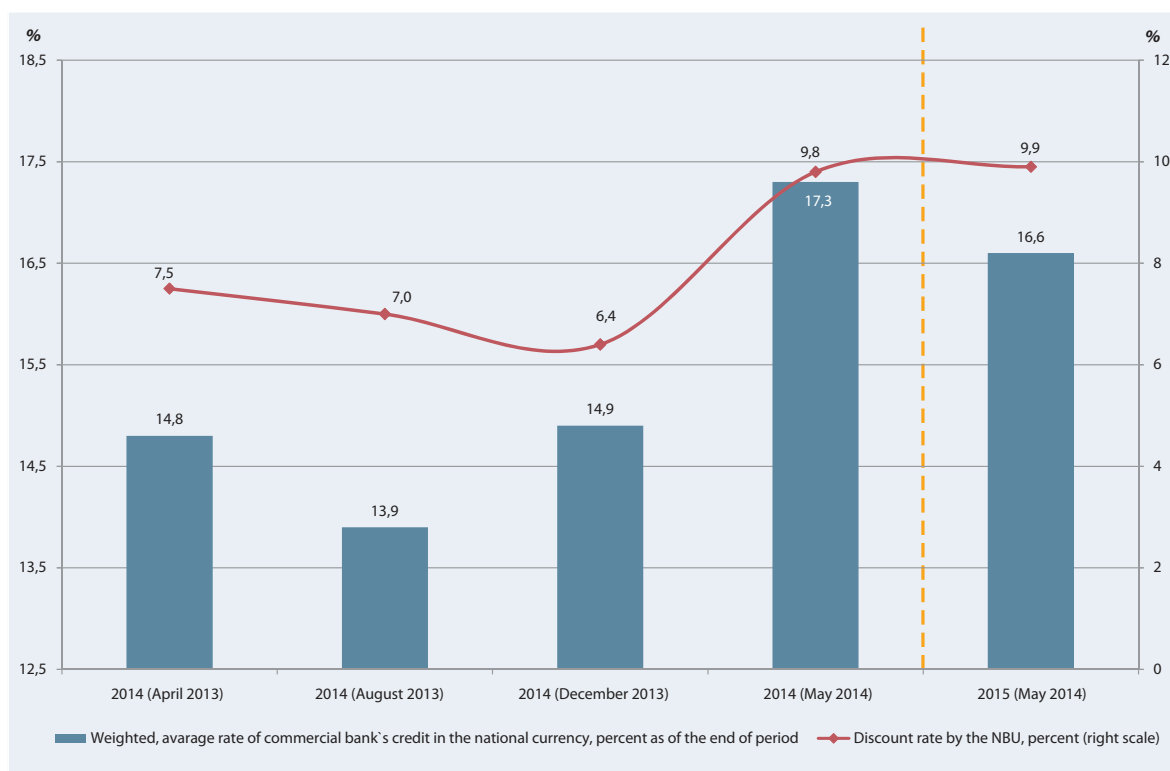


Figure 7. Consensus forecast of banking indicators for 2014–2015

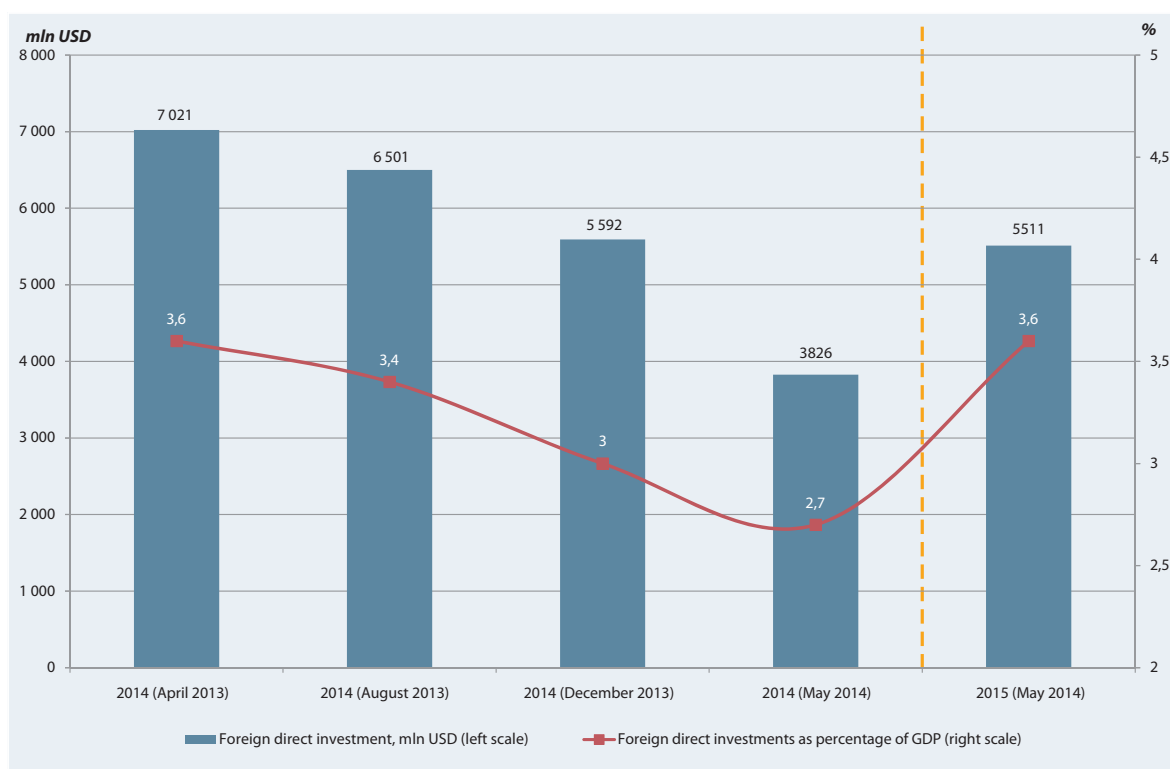


Figure 8. Consensus forecast of net influx of foreign direct investments in 2014–2015

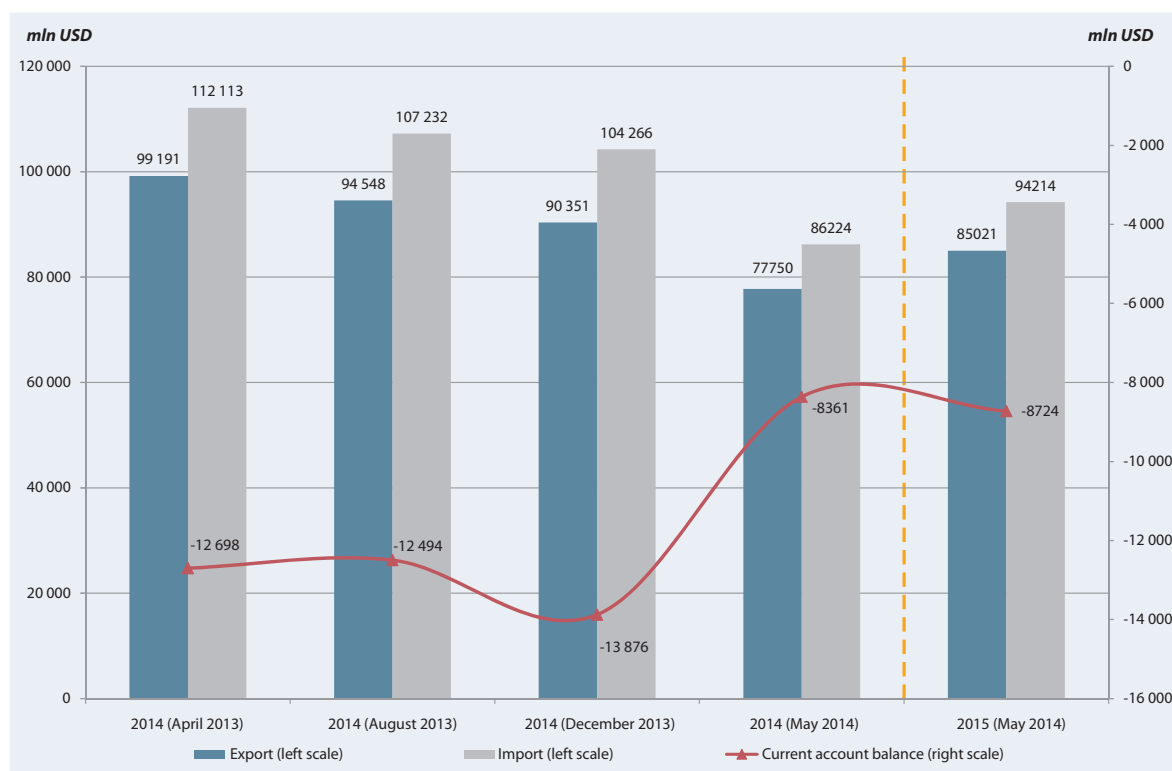


Figure 9. Consensus forecast of volume of exports and imports of goods and services and average value of the negative current account balance in 2014–2015

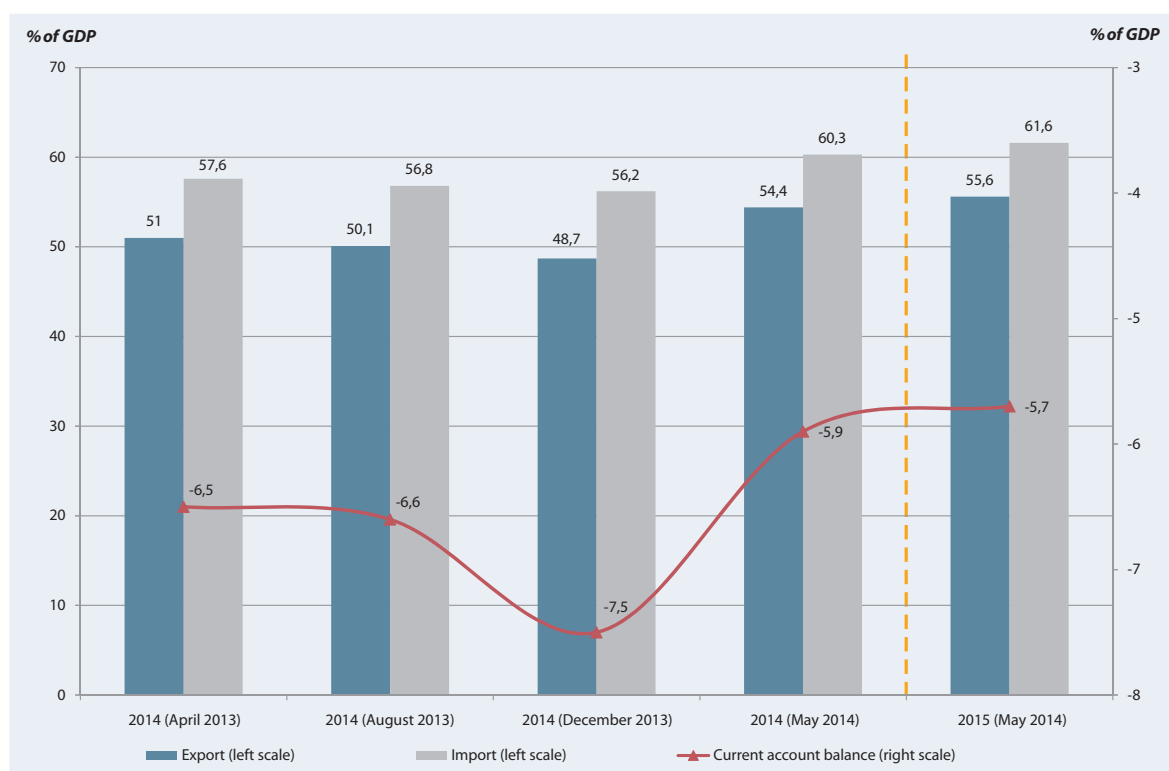


Figure 10. Consensus forecast of percentage of exports and imports of goods and services in the GDP structure and of the average value of negative current account balance in GDP in 2014–2015

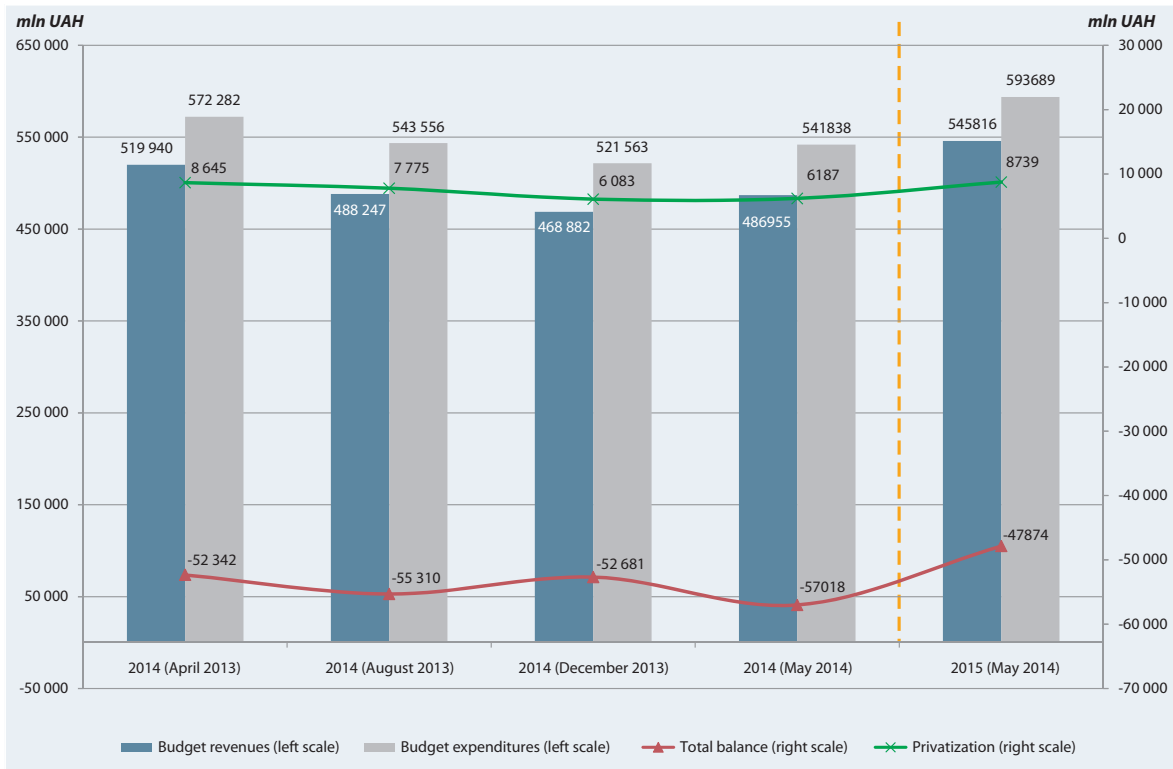


Figure 11. Consensus forecast of budgetary indicators in 2014–2015

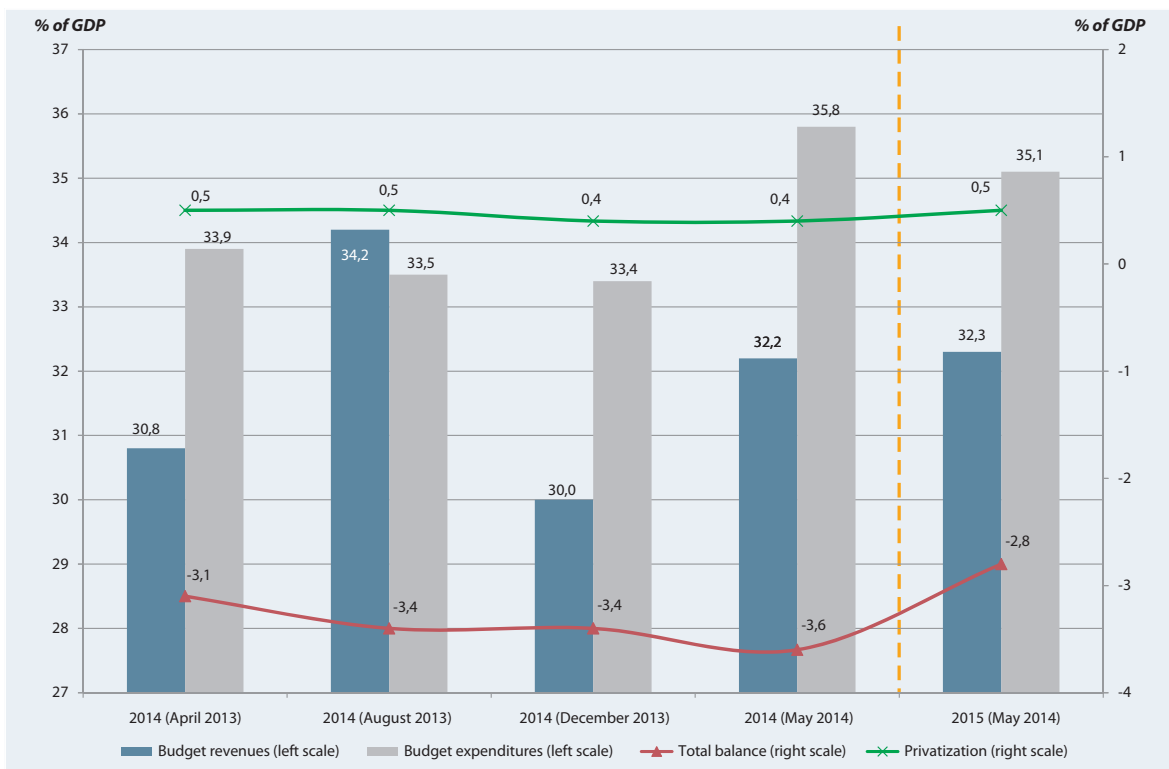


Figure 12. Consensus forecast of budgetary indicators as percentage of GDP in 2014–2015

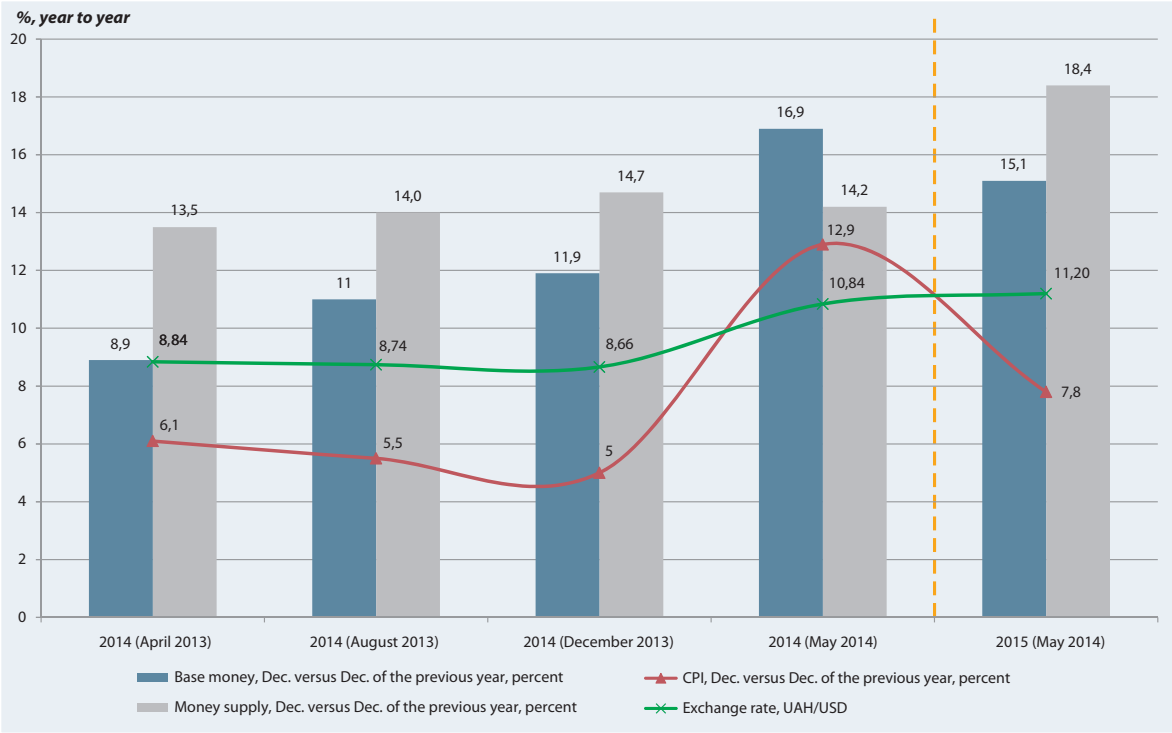


Figure 13. Consensus forecast of the monetary market indicators in 2014–2015

Forecast Of Macroeconomic Indicators For 2016–2017 (Averaged)

A forecast of basic macroeconomic indicators for the period from 2016 through 2017 has been presented for the third time (Table 11).

In the medium term forecasting of macroeconomic indicators the experts have no common vision for the country development. Thus, significant differences in the forecast there are both in indicators and their components.

Consensus estimates for economic growth in Ukraine on average in the years 2016–2017 is 3.9%. The difference between the minimum and maximum value is 2 percentage points (range from 2.4% to 5%).

Basically, it is assumed that the main lever of economic growth will be expanding private consumption: the average value of real growth in private consumption 5%. But this component variation is more significant – 8.1 percentage points (from 1.9% to 10%).

According to experts rather modestly increase general government spending (consensus estimate of real growth in public consumption is 1.3%). But regarding this component specialists also have quite different estimates – a variation ranging from minus 1.8% to 4%).

Also some uncertainty in the predictions is observed with the investment component – average rate of real investment demand is 4.6% but the variation reaches 7 percentage points (from 0% to 7%). This indicates a different vision for the country in terms of moderni-

zation, improving scientific and technological potential and strengthen competitiveness.

For the price situation, the expert opinion here differs significantly. In general, experts predict maintenance of relatively low inflation in the medium term: the average forecast consumer price index and producer price index (annual average) are 105.7% and 107.7%. But the difference between the minimum and maximum predicted values is also significant – 9.7 percentage points (variation of the consumer price index from 100.3% to 110%) and 11.4 percentage points (variation of the index of producer prices from 100.6% to 112%), respectively.

No consensus can be seen in medium-term forecast estimates of foreign trade development. In particular, current account balance estimates vary between minus 2% to minus 7.8% of GDP. The averaged value of goods and services export growth is 9.4% (growth variation 6.2% – 14.8%), for import – also 7.9% (1% – 12.4% variation).

However, forecasts for average annual exchange rate of hryvnia to US dollar for 2016–2017 vary within 10.50–12.70 UAH/USD (averaged value being UAH/USD 11.35).

A less common position of experts also is in the public sector: expected that budget spending will be greater than revenue in the medium term (averaged value of budget deficit is expected to be 2.6% of GDP for 2015–2016, maximal value being 4% of GDP).

Risks for 2014–2015

The experts assessed the risks by 2 criteria: probability of realisation of a specific risk and impact of the risk on the economy of Ukraine.

The realisation of risks and their impact on the Ukrainian economy have been assessed according to the following scale:

Estimates of probability of occurrence realization	Estimates of occurrence impact on economy of Ukraine
considerable probability (50–60%) of risk display – 4;	significant impact – 4;
medium probability (30–49%) of risk display – 3;	moderate impact – 3;
moderate probability (10–29%) of risk display – 2;	small impact – 2;
small probability (under 10%) of risk display – 1;	insignificant impact – 1;
the risk is not probable – 0.	no impact – 0.

Based on the materials provided, an integral estimate of risks was calculated as a sum of occurrence probability estimates and occurrence impact on the economy of Ukraine weighed by the number of respondents.

Risks for 2014 were estimated for the fourth time whereas risks for 2015 were estimated for the first time. The highest possible consensus estimate of foreign and domestic risks has the integral estimate 16.

Considering the Ukrainian economy's significant dependence on external factors, the latter's impact on the domestic market situation, experts have dramatically increased their estimates of the probability of exactly external risks.

Leading positions among foreign risks in 2014 has been given to risks, the existence of which is directly related to the escalating political and social tensions: escalation of Ukrainian-Russian conflict (integral estimate 14); breaking trade and economic relations with Russian Federation (integral estimate 12); curtailing of investment plans by foreign companies or postponement of their realization terms for future period (integral estimate 12); recession the economy of Russian Federation through imposing sanctions by countries of the world (integral estimate 11);

further complication of foreign economic relations with members of Customs Union (integral estimate 11); reducing the inflow of foreign investment and massive outflow of capital from Ukraine due to the political instability (integral estimate 11).

Traditionally, has been occupied by risks: deficit of external funding and shrinkage of possibilities of access to the international capital markets (integral estimate 10); slow recovery of the global economy (integral estimate 9) and increase in the cost of external borrowing for Ukrainian corporations (integral estimate 9). The risk of signing the economic part of Agreement about free trade zone with EU also has been given high integral estimate –9.

The highest integral estimate (12) among domestic risks of 2014 year has been given to: substantial increase of natural gas prices for municipal heat and power engineering enterprises, remaining low credit activity of commercial banks and accumulation of the population's negative inflation expectations.

Rather high position (integral estimate 11) has been occupied by risks associated with substantial increase of natural gas tariffs for the population, substantial increase of natural gas tariffs for industry, expansion of the real economy's insolvency, risks of «a new wave» of destabilization in the banking sector, strengthening of devaluation tendencies at the monetary market, deterioration at the labor market: reducing the number of employees and increase the number of unemployed.

Also high position has been occupied by risks: significant growth in the state budget deficit and cash gaps of the Pension Fund, other state social insurance funds and Naftohaz Ukrainy NJSC (integral estimate 10) and accumulation of VAT refund debt (integral estimate 9).

Among foreign risks for 2015, as for 2014, high integral estimate belongs to the risks of:

- ✓ breaking trade and economic relations with Russian Federation (estimate 11 for 2015);
- ✓ escalation of Ukrainian-Russian conflict (estimate 10 for 2015);

- ✓ recession the economy of Russian Federation through imposing sanctions by countries of the world (estimate 10 for 2015).

At the same time, expert's estimate of the risk of further complication of foreign economic relations with members of Customs Union and reducing the inflow of foreign investment and massive outflow of capital from Ukraine due to the political instability decreased as of 2014 from 11 to 9 and 11 to 8 accordingly. Also decreased estimate for risk of deficit of external funding and shrinkage of possibilities of access to the international capital markets – from 10 in 2014 to 8 in 2015.

The risk of slow recovery of the global economy remained unchanged (estimate 9).

The risk of substantial increase of natural gas tariffs for the population has the greatest integral estimate among domestic risks for 2015 (integral estimate 11).

Besides, the forecasters have high estimates (integral estimate 11) for such risks: remaining low credit activity of commercial banks, substantial increase of natural gas tariffs for industry and the effectiveness of the implementation of the new policy of the Government of Ukraine.

Thus, among estimated domestic risks for 2015, risks related with tariff policy and thus concerning with banking and budgetary sectors remain the most likely and influential.

Table 5. **Integral estimates of Foreign risks for 2014–2015 (as of May 2014)**

Foreign risks (occurrence)	2014			2015		
	Integral estimate	Probability estimates of occurrence realization	Estimates of occurrence impact on economy of Ukraine	Integral estimate	Probability estimates of occurrence realization	Estimates of occurrence impact on economy of Ukraine
Escalation of Ukrainian-Russian conflict	14	3	4	10	3	4
Breaking trade and economic relations with Russian Federation	12	3	4	11	3	4
Curtailing of investment plans by foreign companies or postponement of their realization terms for future period	12	3	3	9	3	3
Recession the economy of Russian Federation through imposing sanctions by countries of the world	11	3	3	10	3	3
Further complication of foreign economic relations with members of Customs Union	11	3	3	9	3	3
Reducing the inflow of foreign investment and massive outflow of capital from Ukraine due to the political instability	11	3	3	8	2	3
Deficit of external funding and shrinkage of possibilities of access to the international capital markets	10	3	4	8	2	3
Slow recovery of the global economy	9	3	3	9	3	3
Increase in the cost of external borrowing for Ukrainian corporations	9	3	3	7	2	3
Signing the economic part of Agreement about free trade zone with EU	9	3	3	7	3	3
Deterioration of external economic conjuncture: strengthening volatility of prices at the world raw materials markets	8	2	3	7	2	3
Decrease of prices at the world energy markets	8	2	3	7	2	3
Failure to obtain planned financing from the IMF	7	2	4	6	2	3
Increase of prices at the world energy markets	6	2	3	6	2	3
Further introduction of other countries allowed by the WTO trade restrictions that adversely affect the Ukrainian export	6	2	3	4	2	3
Increasing the debt crisis in euro area	5	2	2	4	2	2
Slow growth of the USA economy	5	2	2	4	2	2
Strengthening of the military conflict in the Middle East	5	2	2	4	2	2
Euro devaluation and decrease of demand in the European Union	4	2	2	4	2	2

Table 6. **Integral estimates of Domestic risks for 2014-2015 (as of May 2014)**

Domestic risks (occurrence)	2014			2015		
	Integral estimate	Probability estimates of occurrence realization	Estimates of occurrence impact on economy of Ukraine	Integral estimate	Probability estimates of occurrence realization	Estimates of occurrence impact on economy of Ukraine
Substantial increase of natural gas prices for municipal heat and power engineering enterprises	12	4	3	10	3	3
Remaining low credit activity of commercial banks	12	4	3	9	3	3
Accumulation of the population's negative inflation expectations	12	4	3	8	3	3
Substantial increase of natural gas tariffs for the population	11	4	3	11	4	3
Substantial increase of natural gas tariffs for industry	11	3	3	9	3	3
Expansion of the real economy's insolvency	11	3	3	8	3	3
Risks of «a new wave» of destabilization in the banking sector	11	3	3	8	2	3
Strengthening of devaluation tendencies at the monetary market	11	3	3	8	2	3
Deterioration at the labor market: reducing the number of employees and increase the number of unemployed	11	3	3	8	3	3
Significant growth in the state budget deficit and cash gaps of the Pension Fund, other state social insurance funds and Naftohaz Ukrainy NJSC	10	3	3	7	2	3
Accumulation of VAT refund debt	9	3	3	7	3	3
The effectiveness of the implementation of the new policy of the Government of Ukraine	8	2	4	9	3	4
Carrying out considerable emission to finance the budget deficit	8	3	3	8	3	3
Increase of debt on payment for housing and public utilities	8	3	2	6	3	2
The growth of wage arrears	8	3	3	6	2	3
Receiving high yield of crops	7	2	3	8	3	3
Default on obligations	6	2	3	5	2	3
Privatization of state property at a cost lower than the potential due to the need to obtain primary financial resources to financing state obligations	5	2	2	4	2	2
Increase of revaluation tendencies at the monetary market	4	1	3	4	2	3
Abandonment by The National Bank of Ukraine from flexible exchange rate policy	4	2	3	5	2	3
Restoration of State Sovereignty of Ukraine in Crimea	4	1	3	5	2	3
Decline of the population's inflation expectations	3	1	3	5	2	3

Table 7

Risks (occurrence) in April 2013 – May 2014	Integral estimates of risks				
	2014				2015
	April 2013	August 2013	December 2013	May 2014	May 2014
Foreign risks					
Breaking trade and economic relations with Russian Federation	x	x	x	12	11
Escalation of Ukrainian-Russian conflict	x	x	x	14	10
Recession the economy of Russian Federation through imposing sanctions by countries of the world	x	x	x	11	10
Curtailing of investment plans by foreign companies or postponement of their realization terms for future period	9	10	9	12	9
Further complication of foreign economic relations with members of Customs Union	x	x	x	11	9
Slow recovery of the global economy	x	x	7	9	9
Reducing the inflow of foreign investment and massive outflow of capital from Ukraine due to the political instability	x	x	x	11	8
Deficit of external funding and shrinkage of possibilities of access to the international capital markets	8	11	12	10	8
Increase in the cost of external borrowing for Ukrainian corporations	x	x	11	9	7
Signing the economic part of Agreement about free trade zone with EU	x	x	x	9	7
Decrease of prices at the world energy markets	x	x	x	8	7
Deterioration of external economic conjuncture: strengthening volatility of prices at the world raw materials markets	x	x	x	8	7
Failure to obtain planned financing from the IMF	10	10	11	7	6
Increase of prices at the world energy markets	8	8	6	6	6
Further introduction of other countries allowed by the WTO trade restrictions that adversely affect the Ukrainian export	x	x	9	6	4
Increasing the debt crisis in euro area	6	8	6	5	4
Slow growth of the USA economy	6	6	6	5	4
Strengthening of the military conflict in the Middle East	6	6	5	5	4
Euro devaluation and decrease of demand in the European Union	6	6	4	4	4
Domestic risks					
Substantial increase of natural gas tariffs for the population	6	6	5	11	11

Risks (occurrence) in April 2013 – May 2014	Integral estimates of risks				
	2014				2015
	April 2013	August 2013	December 2013	May 2014	May 2014
Substantial increase of natural gas prices for municipal heat and power engineering enterprises	7	8	5	12	10
Remaining low credit activity of commercial banks	11	11	11	12	9
Substantial increase of natural gas tariffs for industry	6	8	5	11	9
The effectiveness of the implementation of the new policy of the Government of Ukraine	x	x	x	8	9
Expansion of the real economy's insolvency	8	9	8	11	8
Risks of «a new wave» of destabilization in the banking sector	7	8	8	11	8
Strengthening of devaluation tendencies at the monetary market	10	12	11	11	8
Deterioration at the labor market: reducing the number of employees and increase the number of unemployed	x	x	x	11	8
Accumulation of the population's negative inflation expectations	7	7	7	12	8
Carrying out considerable emission to finance the budget deficit	9	11	11	8	8
Receiving high yield of crops	x	x	x	7	8
Significant growth in the state budget deficit and cash gaps of the Pension Fund, other state social insurance funds and Naftohaz Ukrainy NJSC	9	13	12	10	7
Accumulation of VAT refund debt	7	7	9	9	7
Increase of debt on payment for housing and public utilities	6	7	5	8	6
The growth of wage arrears	5	7	7	8	6
Default on obligations	x	x	x	6	5
Abandonment by The National Bank of Ukraine from flexible exchange rate policy	x	x	x	4	5
Restoration of State Sovereignty of Ukraine in Crimea	x	x	x	4	5
Decline of the population's inflation expectations	x	x	4	3	5
Privatization of state property at a cost lower than the potential due to the need to obtain primary financial resources to financing state obligations	x	x	x	5	4
Increase of revaluation tendencies at the monetary market	4	3	3	4	4

Table 8. **Consensus forecasts for 2014–2015 (as of May 2014)**

Indicator	2014	2015	2014		2015	
	Average		MIN	MAX	MIN	MAX
Real sector	UAH million					
Nominal GDP	1 513 157	1 690 433	1 468 400	1 585 020	1 600 366	1 791 073
Consumption	1 370 710	1 497 988	1 315 893	1 423 200	1 386 549	1 581 900
Private	1 082 085	1 182 709	1 034 219	1 130 000	1 090 791	1 251 803
Government	286 906	312 755	256 000	319 072	264 323	354 034
Gross investments	238 847	278 094	207 000	280 495	215 280	316 960
Gross accumulation of the fixed capital	260 087	305 335	207 726	296 056	255 280	384 873
Private	239 062	261 507	210 700	258 780	214 366	315 229
Government	29 381	31 809	13 768	35 219	15 075	42 986
Net export of goods and non-factorial services	-105 685	-97 713	-65 037	-150 767	-17 037	-145 398
Gross national savings	157 470	180 017	104 000	243 394	135 645	220 125
	Index, year to year					
Real GDP	95,4	102,2	92,0	97,1	98,5	105,0
Consumption	95,6	101,7	90,0	100,0	100,0	104,0
Private	95,3	101,9	90,0	105,4	97,6	105,2
Government	95,4	99,9	88,6	105,0	91,5	106,0
Gross accumulation of the fixed capital	91,4	102,5	85,2	100,0	92,8	111,2
Exports of goods and services	95,7	104,2	85,9	106,0	99,0	112,4
Import of goods and services	92,3	103,6	82,0	103,5	98,5	111,7
Inflation	index					
Deflator of the GDP (annual average)	109,2	109,2	105,3	114,7	106,9	113,0
Consumer price index (annual average)	107,7	108,6	100,6	112,5	100,4	113,0
Dec. versus Dec. of the previous year	112,9	107,8	108,0	117,0	104,2	115,5
Producer price index (annual average)	109,1	111,0	100,8	120,0	100,7	118,8
Dec. versus Dec. of the previous year	114,4	110,8	110,0	121,5	107,3	118,7
External sector	USD million					
Current account	-8 361	-8 724	333	-13 099	-6 200	-12 330
Exports of goods and services	77 750	85 021	63 469	85 700	66 169	103 361
Import of goods and services	-86 224	-94 214	-73 242	-95 315	-73 760	-114 437
Revenue balance	-2 877	-2 911	-1 000	-4 000	-1 404	-4 100
Official transfers (net value)	2 990	3 381	1 800	4 114	2 200	5 300
Capital account balance	7 222	11 008	-8 000	17 500	-2 000	15 000
Foreign direct investments	3 826	5 511	1 800	9 000	3 772	9 500
External sector	as percentage of the GDP					
Current account	-5,9	-5,7	0,2	-9,4	-4,2	-8,0

Indicator	2014	2015	2014		2015	
	Average		MIN	MAX	MIN	MAX
Exports of goods and services	54,4	55,6	46,4	60,4	43,9	62,3
Import of goods and services	-60,3	-61,6	-51,6	-66,6	-48,9	-67,8
Revenue balance	-2,0	-1,9	-0,7	-2,9	-0,8	-2,6
Official transfers (net value)	2,1	2,2	1,2	3,1	1,5	3,4
Capital account balance	5,1	7,2	-5,5	11,9	-1,3	9,3
Foreign direct investments	2,7	3,6	1,3	6,6	2,4	5,9
External sector	as percent, year to year (nominal)					
Exports of goods and services	95,5	108,6	89,1	106,0	100,2	117,9
Import of goods and services	90,1	106,8	82,0	102,5	100,1	113,8
Exchange rate	UAH / USD					
Average rate	10,59	11,05	10,00	11,00	10,50	11,55
End of period	10,84	11,20	10,00	11,50	10,50	12,20
Consolidated budget	UAH million					
All revenues	486 955	545 816	398 509	675 703	422 420	780 898
All expenditures	541 838	593 689	420 000	760 166	440 240	858 988
Total balance	-57 018	-47 874	-21 491	-84 463	-17 820	-78 090
Privatisation	6 187	8 739	1 000	19 964	2 500	20 824
Consolidated budget	% of GDP					
All revenues	32,2	32,3	25,9	44,0	23,8	45,0
All expenditures	35,8	35,1	27,2	49,5	24,8	49,5
Total balance	-3,6	-2,8	-1,4	-6,0	-1,0	-4,5
Privatisation	0,4	0,5	0,1	1,3	0,1	1,2
Money and credit						
Base money (as of the end of period), UAH mln	359 219	413 402	320 000	390 000	358 400	460 000
Dec. versus Dec. of the previous year, %	16,9	15,1	11,0	27,0	11,0	23,0
Money supply (M3) (as of the end of period), UAH mln	1 038 171	1 229 255	990 500	1 090 793	1 139 075	1 365 471
Dec. versus Dec. of the previous year, %	14,2	18,4	9,0	20,0	13,0	27,4
Weighted annual average rate on commercial banks' credits in the national currency, %, as of the end of period	17,3	16,6	13,0	22,0	14,0	20,0
Gross NBU international reserve, USD mln	45,2	45,1	44,3	45,4	44,2	45,3
Social indicators	99,7	99,7	99,5	99,9	99,4	99,9
Population, million persons	3 379	3 371	3 200	3 600	3 400	4 000
changes in % versus previous year	1 291	1 433	1 149	1 685	1 225	1 873
Monthly average wage of workers, UAH	45,2	45,1	44,3	45,4	44,2	45,3
Disposable income of population, UAH bln	99,7	99,7	99,5	99,9	99,4	99,9

Table 9. Dynamics of The Consensus Forecast for 2014 (April 2013 – of May 2014)

Indicator	April 2013	August 2013	Deviation (August 2013 / April 2013)	December 2013	Deviation (December 2013 / August 2013)	May 2014	Deviation (May 2014 / December 2013)
Real sector, UAH mln							
Nominal GDP	1 690 117	1 622 774	-4%	1 560 924	-3,8%	1 513 157	-3,1%
Consumption	1 497 200	1 441 194	-3,7%	1 417 377	-1,7%	1 370 710	-3,3%
Investments	315 950	299 804	-5,1%	253 231	-15,5%	238 847	-5,7%
Net export of goods and non-factorial services	-112 581	-112 118	-463	-122 339	+10 221	-105 685	-16 653
Gross national savings	201 091	217 656	+8,2%	189 639	-12,9%	157 470	-17%
<i>Index, year to year</i>							
Real GDP	103,3	102,3	-1 p.p.	101,5	-0,8 p.p.	95,4	-6,1 p.p.
Consumption	105,1	102,5	-2,6 p.p.	102,8	+0,3 p.p.	95,6	-7,2 p.p.
Gross accumulation of the fixed capital	104,5	105,1	+0,6 p.p.	103,4	-1,7 p.p.	91,4	-12,0 p.p.
Exports of goods and services	103,3	102,3	-1,0 p.p.	102,4	0,1 p.p.	95,7	-6,7 p.p.
Import of goods and services	104,2	103,3	-0,9 p.p.	103,4	0,1 p.p.	92,3	-11,1 p.p.
Inflation, index							
Consumer price index (annual average)	105,9	105,1	-0,8 p.p.	103,9	-1,2 p.p.	107,7	+3,8 p.p.
Dec. versus Dec. of the previous year	106,1	105,5	-0,6 p.p.	105,0	-0,5 p.p.	112,9	+7,9 p.p.
Producer price index (annual average)	107,7	107,4	-0,3 p.p.	105,9	-1,5 p.p.	109,1	+3,2 p.p.
Dec. versus Dec. of the previous year	108,0	107,7	-0,3 p.p.	107,2	-0,5 p.p.	114,4	+7,2 p.p.
External sector, USD million							
Current account	-12 698	-12 494	-204	-13 876	+1 382	-8 361	-5 514
Exports of goods and services	99 191	94 548	-4,7%	90 351	-4,4 %	77 750	-13,9%
Import of goods and services	-112 113	-107 232	-4,4%	-104 266	-2,8 %	-86 224	-17,3%
Foreign direct investments	7 021	6 501	-7,4%	5 592	-14 %	3 826	-31,6%
External sector, % of GDP							
Current account	-6,5	-6,6	+0,1 p.p.	-7,5	+0,9 p.p.	-5,9	-1,6 p.p.
Exports of goods and services	51,7	50,1	-1,6 p.p.	48,7	-1,4 p.p.	54,4	+5,7 p.p.
Import of goods and services	-57,6	-56,8	-0,8 p.p.	-56,2	-0,6 p.p.	-60,3	+4,1 p.p.
Foreign direct investments	3,6	3,4	-0,2 p.p.	3,0	-0,4 p.p.	2,7	-0,3 p.p.
External sector, % year to year (nominal)							
Exports of goods and services	107,6	104,9	-2,7 p.p.	105,5	+0,6 p.p.	95,5	-10,0 p.p.
Import of goods and services	106,2	103,8	-2,4 p.p.	105,2	+1,4 p.p.	90,1	-15,1 p.p.
Exchange rate, UAH / USD							
Average rate	8,69	8,59	-1,2%	8,42	-2%	10,59	+25,7%
End of period	8,84	8,74	-1,1%	8,66	-0,9%	10,84	+25,1%
Consolidated budget, UAH mln							
All revenues	519 940	488 247	-6,1%	468 882	-4%	486 955	+3,9%
All expenditures	572 282	543 556	-5%	521 563	-4%	541 838	+3,9%
Total balance	-52 342	-55 310	+2 968	-52 681	-2 629	-57 018	+4 337
Privatisation	8 645	7 775	-10,1%	6 083	-21,8%	6 187	+1,7%
Consolidated budget, % of GDP							
All revenues	30,8	30,1	-0,7 p.p.	30,0	-0,1 p.p.	32,2	+2,2 p.p.
All expenditures	33,9	33,5	-0,4 p.p.	33,4	-0,1 p.p.	35,8	+2,4 p.p.
Total balance	-3,1	-3,4	+0,3 p.p.	-3,4	0	-3,6	+0,2 p.p.
Privatisation	0,5	0,5	0	0,4	-0,1 p.p.	0,4	0
Money and credit							
Base money (as of the end of period), UAH mln .	304 539	312 377	+2,6%	324 952	+4%	359 219	+10,5%
Dec. versus Dec. of the previous year, %	8,9	11,0	+2,1 p.p.	11,9	+0,9 p.p.	16,9	+5,0 p.p.
Money supply (M3) (as of the end of period), UAH mln	980 018	998 019	+1,8%	1 016 466	+1,8%	1 038 171	+2,1%
Dec. versus Dec. of the previous year, %	13,5	14,0	+0,5 p.p.	14,7	+0,7 p.p.	14,2	-0,5 p.p.
Average wage of workers, UAH	3 605	3 608	+0,1%	3 573	-1%	3 379	-5,4%

Table 10. **Deviation of consensus forecasts for 2013 and 2014 (as of December 2013)**

Indicator	Consensus forecast for 2014 as of May 2014	Consensus forecast for 2015 as of May 2014	Deviation
Real sector, UAH mln	(2015 / 2014)		
Nominal GDP	1 513 157	1 690 433	+11,7%
Consumption	1 370 710	1 497 988	+9,3%
Investments	238 847	278 094	+16,4%
Net export of goods and non-factorial services	-105 685	-97 713	-7,5%
Gross national savings	157 470	180 017	+14,3%
<i>Index, year to year</i>			
Real GDP	95,4	102,2	+6,9 p.p.
Consumption	95,6	101,7	+6,1 p.p.
Gross accumulation of the fixed capital	91,4	102,5	+11,2 p.p.
Exports of goods and services	95,7	104,2	+8,6 p.p.
Import of goods and services	92,3	103,6	+11,3 p.p.
Inflation, index			
Consumer price index (annual average)	107,7	108,6	+0,9 p.p.
Dec. versus Dec. of the previous year	112,9	107,8	-5,1 p.p.
Producer price index (annual average)	109,1	111,0	+1,9 p.p.
Dec. versus Dec. of the previous year	114,4	110,8	-3,6 p.p.
External sector, USD million			
Current account	-8 361	-8 724	+363
Exports of goods and services	77 750	85 021	+9,4%
Import of goods and services	-86 224	-94 214	+9,3%
Foreign direct investments	3 826	5 511	+44%
External sector, % of GDP			
Current account	-5,9	-5,7	-0,2 p.p.
Exports of goods and services	54,4	55,6	+1,2 p.p.
Import of goods and services	-60,3	-61,6	+1,2 p.p.
Foreign direct investments	2,7	3,6	+0,9 p.p.
External sector, % year to year (nominal)			
Exports of goods and services	95,5	108,6	+13,2 p.p.
Import of goods and services	90,1	106,8	+16,7 p.p.
Exchange rate, UAH / USD			
Average rate	10,59	11,05	+4,4%
End of period	10,84	11,20	+3,4%
Consolidated budget, UAH mln			
All revenues	486 955	545 816	+12,1%
All expenditures	541 838	593 689	+9,6%
Total balance	-57 018	-47 874	-9 144
Privatisation	6 187	8 739	+41,2%
Consolidated budget, % of GDP			
All revenues	32,2	32,3	+0,1 p.p.
All expenditures	35,8	35,1	-0,7 p.p.
Total balance	-3,6	-2,8	-0,8 p.p.
Privatisation	0,4	0,5	+0,1 p.p.
Money and credit			
Base money (as of the end of period), UAH mln .	359 219	413 402	+15,1%
Dec. versus Dec. of the previous year, %	16,9	15,1	-10,9 p.p.
Money supply (M3) (as of the end of period), UAH mln	1 038 171	1 229 255	+18,4%
Dec. versus Dec. of the previous year, %	14,2	18,4	29,6 p.p.
Average wage of workers, UAH	3 379	3 731	+10,4%

Table 11. **Consensus forecasts for 2016–2017 (as of May 2014)**

Indicator	2016–2017		
	Average	MIN	MAX
Real sector			
Nominal GDP, UAH mln	1 954 000	1 735 862	2 215 220
Actual GDP, index, year to year	103,9	102,4	105,0
Inflation			
Consumer price index (annual average)	105,7	100,3	110,0
Producer price index (annual average)	107,7	100,6	112,0
External sector			
	USD mln		
Current account	–9 451	–3 639	–12 464
Exports of goods and services	93 936	115 041	70 451
Imports of goods and services	–104 037	–81 109	–128 582
Foreign direct investments	17 357	4 529	86 876
External sector			
	% of GDP		
Current account	–5,5	–2,0	–7,8
Exports of goods and services	54,6	45,1	64,4
Imports of goods and services	–60,4	–48,2	–70,4
Foreign direct investments	10,1	2,9	47,6
External sector			
	% year to year (nominal)		
Exports of goods and services	109,4	106,2	114,8
Imports of goods and services	107,9	101,0	112,4
Rate of exchange, UAH/USD			
Average	11,35	10,50	12,70
End of period	11,36	10,23	13,10
Consolidated budget			
	% of GDP		
All revenues	30,4	21,4	45,0
All expenditures	33,0	23,9	49,0
Total balance	–2,6	–0,3	–4,0
Money and credit			
Base money (as of the end of period), UAH mln	491 745	404 992	545 000
Dec. versus Dec. of the previous year, %	15,1	13,0	18,5
Money Supply (M3) (as of the end of period), UAH mln	1 503 571	1 298 546	1 787 354
Dec. versus Dec. of the previous year, %	16,3	14,0	22,0
NBU gross international reserves, USD mln	27 782	17 000	47 494
Social indicators			
Population, million persons	44,9	44,2	45,1
Monthly average wage of workers, UAH	4 213	3 550	4 750

Methodological explanations to Tables 2, 3, 9, 10 and 11:

The aggregated nominal values were calculated as a simple averaged value of the sum of the relevant indicators presented by all the forecasting organizations that participated in the Consensus Forecast survey.

In order to equalize the averaged (consensus) figures of the aggregated nominal values with the sum of their components, the averaged values of structural indicators (such as, for example, consumption and investments) were calculated indirectly with the help of parts of these components in the aggregated value. For example, if an average weight of consumption in GDP is known, then a nominal value of consumption is equal to the sum of this weight and the value of the averaged consensus GDP calculated as a simple average.

Indexes were calculated as a simple average of the sum of the relevant indicators presented by all the organizations.

The average values of the indicators being forecasted as percentage of GDP (particularly, indicators of the external sector and budget) were calculated as a ratio of the averaged nominal value of the indicator to the relevant average GDP value. The indicators forecasted in US dollars were calculated as a percentage of GDP on the base of averaged annual exchange rate.

Growth rates of the monetary aggregates within the forecast for 2014 (as of May 2014) were calculated as the ratio of the simple averaged nominal value from individual forecasted indicators presented by the participants to the actual value of the relevant indicator for 2013, and for 2015 – as the ratio of the simple averaged nominal value from individual forecasted indicators presented by the participants to the relevant forecasted indicator for 2014 year.

Average values of the current account balance were calculated as the sum of average values of the items of the account. Average values of budget deficit / surplus were calculated as a difference between the average values of revenues and expenditures.

During preparation of the consensus forecast, the organizations attending the seminar provided the following materials:

- ✓ forecast assumptions regarding an economic policy to be pursued in 2014-2015, and some quantitative exogenous parameters of development (presented in Table 4);
- ✓ forecast of the main macroeconomic indicators for 2014 and 2015;
- ✓ additional text explanations given by some organizations regarding forecast assumptions;
- ✓ expert assessment of risks for 2014-2015 (presented in Table 5, 6 and 7).