**Ukraine** 

The large neighbour of the EU, with 45 million inhabitants, which often is mentioned in combination with the word “potential” – that to a large extent remains unexploited! The global financial crisis hit Ukraine particularly hard, in several ways. Both price and demand for Ukraine´s large export of metals fell. A large part of the banking sector belonged to western banks getting funding problems, and in addition domestic politics were characterized by large and prolonged fights.

We all know about the disastrous aftermath, with the “Maidan events” (late 2014), the ousting of former president Viktor Yanukovich, the Russian annexation of Crimea (March 2015) followed by fighting and break-away of the rebel region in Donbass. The latter region counting for about 20 % of Ukraine´s previous national production, mainly coal and steel production. Accordingly GDP has fallen by double digit figures in a number of years. In addition the currency – Hryvnia (UAH) – has depreciated constantly.

The reformist government has embarked on an ambitious path to modernize the country, backed by loans, advice and support from IMF and EU, but is also encountering strong resistance from within the bureaucracy, domestic business circles and fellow politicians. Some of the latest macroeconomic figures indicate that the worst has been seen and that the country even might show some small economic recovery this year.

 Key facts (Sources: IMF, World Bank, The Economist, Business Monitor Int´l, National Bank of Ukraine)

 2014 2015e 2016f 2017f

Population (mn) 45,0 44,8 44,6 44,4

GDP (nom.; USD, bn) 99,0 91,5 99,4 103

GDP-growth, real (%, y-o-y) -6,9 -10,9 +1 +3

GDP/capita (USD) 2.203 2.048 2.240 2.340

Budget balance (% of GDP) -4,6 -4,3 -4,1 -3,2

Inflation (CPI; e-o-p, %) 24,9 49,0 9,0 6,0

Export (USD, bn) 65,3 48,0 50,4 54

Import (USD, bn) 70,7 49,8 52,4 56

Balance of trade (USD, bn) -5,4 -1,8 -2,0 -2

Current account (USD, bn) -5,3 -1,3 -1,8 -2

Current account (% of GDP) -5,4 -1,4 -1,8 -2

Foreign reserves (USD, bn) 7,5 7,8 10 11

Total external debt (USD, bn) 130,7 148,9 160 163

Total external debt (% of GDP) 132,0 162,7 160,8 164

Exchange rate (UAH/USD) 15,82 24,03 26 28