

**Kyiv National University of Trade and Economics**

**The World Economy Department**

**FINAL QUALIFYING PAPER (PROJECT)**

**on the topic:**

**Economic impact of the COVID-19 pandemic on the balance of payments of  
Ukraine**

**(based on the data of Ukrainian National Committee of the International Trade  
Chamber (ICC Ukraine), Kyiv)**

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## ANNOTATION

Rudyk Oleksandr. Economic impact of the COVID-19 pandemic on the balance of payments of Ukraine (according to the Ukrainian National Committee of the International Trade Chamber (ICC Ukraine), Kyiv).

The final qualifying paper highlights the main trends of the balance of payments during the COVID-19 crisis. The foreign economic activity during 2020-2021 and its impact on the economic situation in Ukraine are analyzed. The qualifying paper considers the tools and features of state regulation of the balance of payments during crises. The analysis of indicators of balance of payments items during 2016-2021 is also provided. The current state of the balance of payments was assessed, and proposals are presented to reduce the negative effects and to settle the current account, financial account and capital account. The final qualifying paper provides a forecast of balance of payments indicators taking into account suggestions and the economic environment.

Key words: COVID-19 pandemic, crisis, balance of payments, current account, financial account, capital account, international trade, impact.

## АНОТАЦІЯ

Рудик Олександр Юрійович. Економічний вплив пандемії COVID-19 на платіжний баланс України (за даними Міжнародної торгової палати, м. Київ).

В кваліфікаційній роботі висвітлено головні тенденції платіжного балансу під час коронакризи. Проаналізована зовнішньоекономічна діяльність, яка мала місце в 2020-2021 році та її вплив на економічну ситуацію в Україні. Також у роботі розглянуто інструменти та особливості державного регулювання платіжного балансу під час кризових явищ. Також наданий аналіз показників статей платіжного балансу України протягом 2016-2021 років. Оцінено поточний стан платіжного балансу, а також надано пропозиції для зменшення негативних наслідків і для збалансування поточного рахунку, фінансового рахунку і рахунку операцій із капіталом. У даній роботі наданий прогноз показників платіжного балансу із урахуванням пропозицій та економічного середовища.

Ключові слова: пандемія коронавірусної хвороби, криза, платіжний баланс, поточний рахунок, фінансовий рахунок, рахунок операцій із капіталом і фінансовими інструментами, міжнародна торгівля, вплив.

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## INTRODUCTION

**The relevance** of the topic is that The COVID-19 recession crisis is a new challenge for Ukrainian authorities. The global crisis is always a challenge for countries. It complicated the development of relations between economic entities and worsened the external situation. The COVID-19 crisis is the first crisis in the world history, which is not characterized by bank failures, high inflation, falling international reserves, but this crisis will leave a noticeable historical mark. The pandemic has already caused millions of deaths worldwide and dramatically changed the trends of the global economy. Ukraine has experienced a significant reduction in demand and the introduction of quarantine measures due to the COVID-19 pandemic.

The COVID-19 pandemic has forced the world not only to reform its development forecasts, its economic and social policies, but also to revise the usual approaches to the balance of payments adjustment. If the global crisis 2008 was formed in the financial sector, the current crisis started without the participation of financial markets.

Due to the COVID-19 pandemic, Ukraine faced the worst crisis since 2015, which had significant consequences for every sphere of activity. The crisis of 2020 has escalated the problem of the need of radical changes in approaches at the macroeconomic level. The development of Ukrainian economy is provided by the intensification of destructive processes affecting the balance of payments.

**Purpose** of the final qualifying paper is to analyze the economic impact of the COVID-19 pandemic on the balance of payments and improve theoretical bases of the balance of payments adjustment during the crisis caused by the pandemic and provide practical recommendations of settlement of the current account and the financial account during the economic crisis, identify trends of the balance of payments of Ukraine, analyze the balance of payments on the background of destabilization of the world economy due to quarantine measures caused by the COVID-19 pandemic, establish a system of anti-crisis policy, develop proposals to minimize the impact of the

pandemic on Ukraine's balance of payments, to highlight the process of formation of the country's performance in the international market during the COVID-19 recession.

**The object** is the process of formation of the country's performance in the international market and its impact on the balance of payments during the COVID-19 crisis.

**The subject** is theoretical principles, organizational and economic methods of the formation of the balance of payments under the influence of destructive factors.

The final qualifying paper is **based on materials** and data from State Statistics Service of Ukraine data, the National Bank of Ukraine, the Ministry of Finance of Ukraine. Theoretical and methodological aspects of current account formation under the influence of coronavirus were considered in the theses of Dolbneva D., Pashko V., Shevchenko V., Miranda G and Upton G and Davymuka O., Dienkov D., Karakuts A., John Detrixhe., M. Szmigiera, Andrian P., Korzhov., Hook O., Koroviy V and others.

In accordance with the purpose of the final qualifying paper, the following **tasks** were set in the work:

- to explore theoretical approaches of the balance of payments adjustment;
- to assess the balance of payments during the COVID-19 crisis;
- to analyze foreign economic relations that have affected the balance of payments accounts;
- to establish the factors influencing the balance of payments items;
- to provide proposals for the settlement of the balance of payments;
- to forecast the consequences of the proposed measures, which will reduce the negative impact.

**Methods of research:** scientific and economic methods are used in the final qualifying paper. These methods can be divided into two groups: general scientific methods and specific scientific methods (synthesis and analysis, induction and deduction, literature review). They are applied in the theoretical and practical part.

**Novelty of results** is to develop measures and proposals for government agencies to reduce the impact of the COVID-19 pandemic on Ukraine's balance of payments.

**Aprobation:** article “Economic impact of the COVID-19 pandemic on the current account of the balance of payments of Ukraine” in collection of scientific articles “Modern relationships in the world economy”, KNUTE, Kyiv, 2021.

**Structure and volume of the final qualifying paper.** The project consists of an introduction, three parts, general conclusions, references and appendices. The study materials are presented on 78 sheets, in 13 tables, in 12 figures and in 6 appendices. The list of used references contains 47 names.

## **SECTION 1: RESEARCH OF THE CURRENT STATE OF THE BALANCE OF PAYMENTS**

### **1.1 Theoretical approaches of the balance of payments adjustment during the crisis caused by COVID-19 pandemic**

The COVID-19 pandemic has driven the global economy into the deepest crisis ever. In 2020, one of the main factors influencing economic processes was the spread of the COVID-19 pandemic. Quarantine measures imposed on all countries of the world due to the COVID-19 pandemic, that caused changes in the world economy. Global production fell due to the spread of infection around the world. The introduction of restrictions caused a drop in domestic demand, increased supply disruptions and led to a decrease in business activity in the manufacturing and service sectors in 2020.

There has been no significant progress in reforming Ukraine's economic policy, therefore it has resulted in unsatisfactory results over the 30 years of independence. The COVID-19 recession in 2020 changed economic views on the state of the balance of payments during crises. The COVID-19 crisis has affected countries with open market economies the most, including Ukraine, whose economy had been unstable and dependent on world trends and political events recently [32].

«This is not just a public health crisis, it is a crisis that will touch every sector – so every sector and every individual must be involved in the fight» - was announced about the start of COVID-19 pandemic by Dr. Tedros Adhanom Ghebreyesus, WHO director-general, on March 11 [35]. This was the start point of the crisis, but no one expected the scale of problems that would take place in the world. The COVID-19 has had a negative impact on the economy and on human health. Global gross domestic product (GDP) contracted by 4.3% despite strong government support in 2020, according to a UN Department of Economic and Social Affairs report [39].

Officially, the COVID-19 pandemic, reached Ukraine on March 3, 2020. The first person identified with the infection had visited Italy and Romania before returning home [3].

The balance of payments is subject to state regulation, and importance of the role of the state is growing during crisis, because it is difficult to assess the course of events and difficult to predict short-term results.

Balance of payments- the ratio between the amount of all money received by the country from abroad and the amount of payments made by the country abroad during a certain period. Data on the balance of payments are widely used in assessing the economic situation, forecasting, macroeconomic regulation. The main components of the balance of payments are divided into three three accounts: the current account, the capital and financial account.

There are two main theories of the balance of payments adjustment: the Monetary approach and the Traditional approach. The Monetary Approach has concentrated on the official reserves transactions balance almost exclusively. A monetary expansion (tightening) of the focus nation will ceteris paribus make the currency depreciate (appreciate), since it will create an excess supply of (demand for) money. A rise (fall) in the interest rates domestically will cause the ER to depreciate (appreciate) because the demand for money will fall (rise). This is in exact opposition to the traditional conclusions and the mechanism is different in the context of adjustment [22].

The Traditional Approach states that an important determinant is the capital account or the account of flows of international securities. A fundamental variable of security flows is the rate of interest. Rising rates of interest domestically will tend to attract more funds to the focus nation, and induce the domestic currency to appreciate. Falling interest rates will induce a depreciation of the currency [22].

The instability of the balance of payments affects the exchange rate, capital migration. Baldwin and Tomiura suggest that the COVID-19 pandemic is both a demand shock and a supply shock – that are likely to slow down aggregate trade flows significantly and that a manufacturing distress and supply-side contagion is imminent through international supply chain distortions [3].

Devaluation leads to increase in volume of exports and decrease in the volume of import. But even if the elasticity condition is satisfied, in order to say that the trade balance is improved, we have to consider how the country reacts to devaluation.



Miller considers that the trade balance cannot be improved unless output rises relative to the absorption of tradable goods. Thus, the policy conclusion about reducing absorption relative to income amounts to increasing bond demand relative to bond supply, and thereby eliminating the excess supply of bonds that is at the heart of the balance of trade deficit.

Carbough states that the absorption approach gives insights on how a country reacts to devaluation by considering two points. These are: the impact of devaluation on the spending behaviour of the domestic economy and the influence of domestic spending on the trade balance [1].

The basis of balance of payments regulation is:

- international reserves;
- national income;
- international economic relations;
- regulation of foreign economic transactions.

The Ukrainian economy has faced a global crisis in a state of declining industrial production, declining physical volumes of wholesale trade, negative dynamics of real GDP growth and problems with budget revenues. The National Bank of Ukraine successfully overcame panic in the foreign exchange market in March, 2020. In its June Financial Stability Report, the the National Bank of Ukraine (NBU) reported that it had used all the tools used by global regulators to help banks respond more flexibly to the COVID-19 crisis and support lending [33].

The NBU and the government are implementing certain measures to increase exports, reduce imports of goods, attract investment and limit the outflow of capital during the COVID-19 recession. The National Bank may use some instruments of influence on the balance of payments to regulate its accounts:

- deflationary policy;
- devaluation;
- currency restrictions;
- special measures of state action on the balance of payments;
- financial and monetary policy.

Deflationary policy is a set of measures in the monetary sphere to overcome inflation and regulate the balance of payments implemented by the government. Deflationary policy is aimed at reducing inflation and stabilizing the economy by restraining budget expenditures and reducing the money supply. The tools are financial and monetary measures: reduction of the budget deficit, changes in the discount rate of the central bank, credit restrictions, the establishment of limits on the growth of money supply. The NBU implemented a stimulating monetary policy. It was applied to the growth rate of money supply while maintaining the discount rate of 6% per annum, and the factor of hryvnia depreciation (the average monthly exchange rate of hryvnia to the US dollar devalued by 19.3% to 28.17 UAH / USD in December 2020) [14].

The depreciation of the national currency stimulates exports and restrains imports of goods, but the role of devaluation in the balance of payments adjustment depends on financial policy. The National Bank prevented the hryvnia from strengthening by participating in the foreign exchange market and helped maintain the competitiveness of exporters on the world market. Last year, the hryvnia devalued by 19.4% against the dollar and against the euro by 31.5%. The fall of the national currency stimulates exports and restrains imports of goods. The spread of COVID-19 and rising costs in the budget of Ukraine devalued the national currency. Rising imports have led to higher costs for the production of domestic goods. Investment made by non-residents has decreased in all developing countries.

The NBU had the right to introduce rules on the mandatory sale of foreign exchange earnings of exporters, licensing the sale of foreign currency to importers to eliminate the balance of payments deficit, but the NBU continued the policy of currency liberalization. The new set of NBU regulations contains eight key regulations that stipulate the process and procedures for operations by residents and nonresidents, corporations and individuals, foreign and local investors, the implementation and cancellation of measures, etc.

Monetary policy focused on price stability and exchange rate flexibility was maintained. A credible, flexible IT regime will better anchor inflation expectations, allowing the NBU to smooth economic cycles and mitigate liquidity stress. Specifically:

- The NBU has eased monetary policy to support the economy, while aiming to keep inflation within the target band over the policy horizon;
- The NBU continues to allow exchange rate flexibility, while aiming to maintain—and gradually rebuild—adequate reserve buffers;
- The NBU will also ensure sufficient financial system liquidity, allowing banks to function normally and finance the private sector and government at market rates in line with fundamentals [16].

In order to regulate payments and receipts on the balance of payments transactions, the following special measures are taken:

- restriction of the rate of currency export by tourists from other countries;
- direct or indirect participation of the government in the creation of tourist infrastructure in order to attract foreign tourists;
- expansion of government spending on research to increase revenues from trade in intangible assets (licenses, patents, etc);
- regulation of labor migration [47].

Countries have launched large-scale financial assistance programs due to the rapid decline in consumption. The deepest decline in economic activity occurred in the second quarter of 2020 due to the introduction strict quarantine measures, but the global economy began to recover in the third quarter.

The NBU used the following tools:

- reduced the discount rate to 6 %;
- introduced a program of long-term refinancing, which helped to infuse liquidity into the banking system;
- introduced an interest rate swap that allows banks to hedge interest rate risk;
- reduced the requirements for credit risk assessment;
- increased the time for publication of financial statements.

The economic role of international reserves is that it is an instrument of currency and monetary regulation, balance of payments regulation, protection of the economy from external shocks, increasing the reliability of the banking system [24].

International reserves – liquid assets of the National Bank of Ukraine in foreign currency and gold, which are used for foreign exchange interventions and government payments. Reserves are held at first-class foreign banks and reliable financial instruments. The volume of international reserves is the main indicator of the country's external liquidity and an indicator of its external and debt stability. The dynamics of international reserves is an important element of monetary programs, and the process of formation and use of international reserves determines the internal and external stability of the national currency and ensuring the stability of money circulation [36].

Ukraine had an equivalent of USD 31,6 billion in international reserves as of 1 September 2021, early data show. This is the highest level of these reserves in the past nine years. The last time that this mark was surpassed was in September 2012.

International reserves are used for:

- maintenance of the national currency;
- reduction of shocks during crises;
- limiting the influence of external factors;
- increasing confidence in the financial policy of the government ;
- repayment of foreign debt.

Thus, the balance of payments adjustment is significantly complicated during the crisis. The practical implementation of theoretical concepts finds its application in various ways of the balance of payments. The considered and combined methods of the balance of payments adjustment allows the open economy to achieve internal and external balance.

## **1.2 Assessment of the current situation of the balance of payments**

Ukraine and the world have experienced economic, social and political instability due to the COVID-19 pandemic. The economies of countries that are heavily dependent on tourism, energy and metals exports have been hit hardest. The COVID-19 and related restrictive measures caused a sharp decline in investment and consumption and transformed labor markets. Quarantine restrictions shocked all sectors of the economy

at the beginning of March 2020, therefore economic entities fell into uncertainty, but panic disappeared by the end of spring. This crisis differs from the previous ones by low devaluation and walking inflation, a favorable external environment for trade.

“Today, we face our own 1945 moment. The pandemic is a crisis unlike any we have ever seen. But it is also the kind of crisis that we will see in different forms again and again.”- said Mr. Guterres, UN Secretary General, as he opened the 75th Session of the General Assembly [41].

The features of Ukrainian economic model are high openness of the economy, exports of raw materials, imports of goods with high added value, although Ukraine improved its trade balance during the crisis year, which was always in deficit. Growing export diversification reduces the negative impact of the crisis, but the COVID-19 crisis has shown the opposite. According to a recent OECD report, Ukraine’s economic outlook was stable prior to the outbreak of COVID-19, with steady growth, moderate public debt and relative price and currency stability [24].

The current account moved into surplus in Q2 2021 of USD 0.2 billion, reaching 0.5% of GDP (in Q2 2020 surplus totaled USD 2.0 billion, 6.1% of GDP). On current account transactions excluding reinvested earnings, the surplus narrowed to USD 2.0 billion, or 4.6% of GDP, comparing to USD 3.0 billion or 9.4% GDP in Q2 2020. External trade in goods and services surplus narrowed compared to previous year (USD 0.8 billion or 2.5% of GDP) and totaled USD 0.5 billion (1.3% of GDP). The current account will return to a slight deficit in 2021, which will widen markedly in the coming years, propelled by higher domestic demand and less favorable terms of trade. In 2021, the current account will record a deficit of 0.4% of GDP on the back of strengthening domestic demand, the resumption of foreign tourism, and the larger payments of dividends. These factors will be only partly offset by favorable terms of trade and the record-harvest of grain. In 2022-2023, the current account deficit will widen noticeably, driven by ongoing growth in consumer demand and worsening terms of trade [31]. Generalized information about the balance of payments by quarters is presented in table 1.1 φ:

Table 1.1

**Balance of payments for the first and second quarters 2017-2021, million USD**

| Description                | I     | II    | I     | II    | I     | II    | I     | II    | I     | II    | I-II   | I-II    | Index on values in % (y-o-y) |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|---------|------------------------------|
|                            | 2017  | 2017  | 2018  | 2018  | 2019  | 2019  | 2020  | 2020  | 2021  | 2021  | 2020   | 2021    | I-II-2021/<br>I-II-2020      |
| Current account            | -993  | -237  | -1957 | -284  | -573  | -1274 | 2049  | 1995  | -874  | 221   | 4044,0 | -653,0  | -16,1                        |
| Goods and services (net)   | -1380 | -1766 | -1890 | -1982 | -1865 | -2923 | -1153 | 814   | -925  | 546   | -339,0 | -379,0  | 111,8                        |
| Primary income (net)       | -484  | 663   | -989  | 795   | 441   | 801   | 2279  | 233   | -995  | -1379 | 2512,0 | -2374,0 | -94,5                        |
| Secondary income (net)     | 871   | 866   | 922   | 903   | 851   | 848   | 923   | 948   | 1046  | 1054  | 1871,0 | 2100,0  | 112,2                        |
| Capital account            | 6     | -4    | 2     | -4    | -11   | 7     | 5     | 3     | 6     | 7     | 8,0    | 13,0    | 162,5                        |
| Financial account          | -403  | -1874 | -1683 | -867  | -913  | -1682 | 2193  | 657   | 93    | -1040 | 2850,0 | -947,0  | -33,2                        |
| Direct investment (net)    | -1099 | -1501 | -1784 | -920  | -942  | -1375 | 1560  | -1252 | -1458 | -1337 | 308,0  | -2795,0 | -907,5                       |
| Portfolio investment (net) | 68    | -274  | -525  | 58    | -188  | -1151 | -1765 | 1906  | -347  | -2171 | 141,0  | -2518,0 | -1785,8                      |
| Other investment (net)     | 909   | -31   | 1608  | -160  | 609   | 508   | 2724  | 85    | 2148  | 2901  | 2809,0 | 5049,0  | 179,7                        |
| Errors and omissions       | 281   | 68    | 982   | -155  | 392   | -336  | 326   | 82    | 250   | 433   | 408,0  | 683,0   | 167,4                        |
| Overall balance            | -584  | 1633  | -272  | 579   | 329   | 415   | -139  | 1341  | -961  | 1268  | 1202,0 | 307,0   | 25,5                         |
| Reserves and related items | -584  | 1633  | -272  | 579   | 329   | 415   | -139  | 1341  | -961  | 1268  | 1202,0 | 307,0   | 25,5                         |

*Source: own study based on data of the National Bank of Ukraine*

Exports of goods totaled USD 15.0 billion and resulted mainly from growth both in mineral (including ore) 2.2 times and metallurgical exports 1.9 amid a surge in global prices (figure 1.1). Moreover, exports increased:

- food exports – by 21.8%;
- timber and wood products – 1.6 times;
- chemical exports – by 40.1%;
- machinery and equipment exports – by 28.0%;
- manufactured products – 1.6 times.

Imports of goods equaled USD 15.3 billion. Both energy (48.9%) and non-energy (46.0%) imports rose significantly due to last year's low comparison base. In turn,

energy imports decreased by 7.4% while non-energy imports grew by 9.3% comparing to Q1 2021. Non-energy imports increased by all main goods categories:

- machinery and equipment imports – by 52.9%;
- chemicals – by 46.0%
- food products – by 27.4%;
- metallurgical imports – by 48.6%;
- manufactured products – by 43.1%;
- timber and wood products – 1.7 times



Figure 1.1. Exports and imports of good for 2017-2021 by quarters, million USD

Source: own study based on data of the National Bank of Ukraine

Export growth accelerated due to the recovery of the world economy, which was accompanied by rising prices in commodity markets, while the increase in imports of goods was restrained by lower energy purchases. As a result, the current account surplus was formed due to the narrowing of the trade deficit in goods in the second quarter [10]. Inflationary processes of Ukrainian exports were a key factor in accelerating export growth in the second quarter. Demand from European countries increased. This led to an increase in the supply of products of mining and metallurgical plants. The growth of exports of the metallurgical industry increased due to rising prices and the global deficit of steel. Demand from China remained stable, which ensured a

significant supply of corn. Favorable price conditions increased the value of iron ore exports. The price of this product rose for the third consecutive quarter.

In the second quarter of 2021, imports of services resumed due to the opening of borders for Ukrainian tourists. However, exports of services also increased, despite the expected decline in revenues from gas transit. As a result, the trade surplus in services remained high, although slightly lower than last year.

In the second quarter, a current account surplus was formed due to narrowing of the trade deficit in goods. However, the surplus was lower than a year ago due to higher dividend payments and the gradual resumption of imports of services.

The financial account net inflows totaled USD 1.0 billion in Q2 2021 (compared to outflows of USD 0.7 billion in Q2 2020). The net inflows of foreign direct investments totaled USD 1,34 billion (in Q2 2020 they were USD 1.25 billion). Inflows were mainly generated by reinvestment of earnings (equaled USD 1.7 billion compared to USD 1.1 billion in Q2 2020). The balance of payments analysis is presented in figure 1.2.

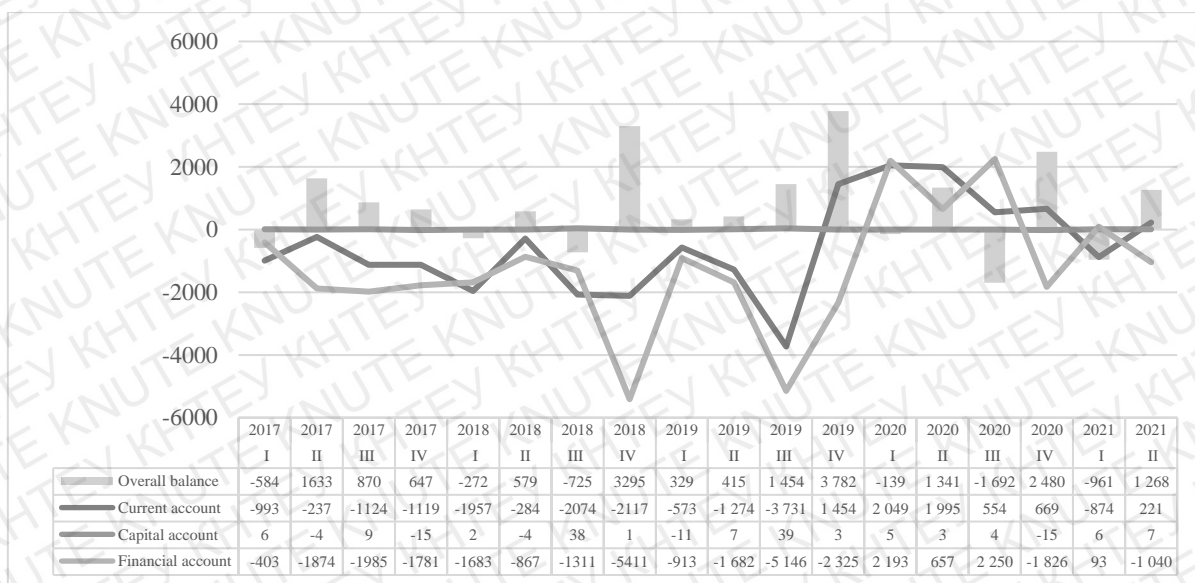


Figure 1.2. Balance of payments for 2017-2021 by quarters, million USD

Source: own study based on data of the National Bank of Ukraine

The net increase of the banking system's external position on portfolio and other investments totaled USD 973 million (net decrease totaled USD 386 million in Q2 2020) and caused by these factors:



- USD 1.1 billion net increase of the external position on “currency and deposits” item;
- USD 34 million repayments on Eurobonds.

Significant public sector involvement offset further capital outflows from the private sector. Despite the outflow of capital on the financial account, the balance of payments was consolidated with a surplus, and international reserves increased to \$ 28.4 billion.

The financial account resumed the outflow of capital generated by the private sector. Thus, banks increased their assets, in particular due to the government's redemption of foreign currency bonds. And the outflow from the real sector was formed by the growth of indebtedness of non-residents on trade credits, primarily for the export of goods, and a decrease in liabilities of resident companies.

According to the NBU, the inflow of foreign investment was stable in the second quarter. This is due to significant dividend payments and lower amounts of reinvested earnings. At the same time, capital inflows to the public sector increased: net revenues reached \$ 1.7 billion, primarily due to Ukraine's entry into international capital markets, and the restoration of non-residents' interest in bonds. Detailed information is presented in appendix E.



Figure 1.3. Financial account for 2017-2021 by quarters, million USD

Source: own study based on data of the National Bank of Ukraine

Remittances will grow by 11% due to the resumption of economic growth and news of rapid vaccination in Europe in 2021. The growth of remittances will decline in the coming years due to stable economic growth and labor market demand in recipient countries.

The volume of private transfers to Ukraine amounted to 2.9 billion USD in the 1st quarter of 2021 (figure 1.4). «Remittances from labor migrants will decrease in 2020, as their number declines due to the closing of borders, the loss of jobs, or forced part-time employment driven by the quarantine, as well as due to lower wages being paid in recipient countries»- according to the NBU inflation report for April 2020. However, remittances from migrant workers were more resilient to the COVID-19 crisis. The decline was insignificant. remittances fell to 2,7 billion USD in the second quarter of 2020.

The main reason for the decline was the inability to travel abroad in the 2nd quarter. Return of Ukrainian migrants to work abroad and more stable demand on labor migrants from Ukraine helped to restore the performance of previous quarters.

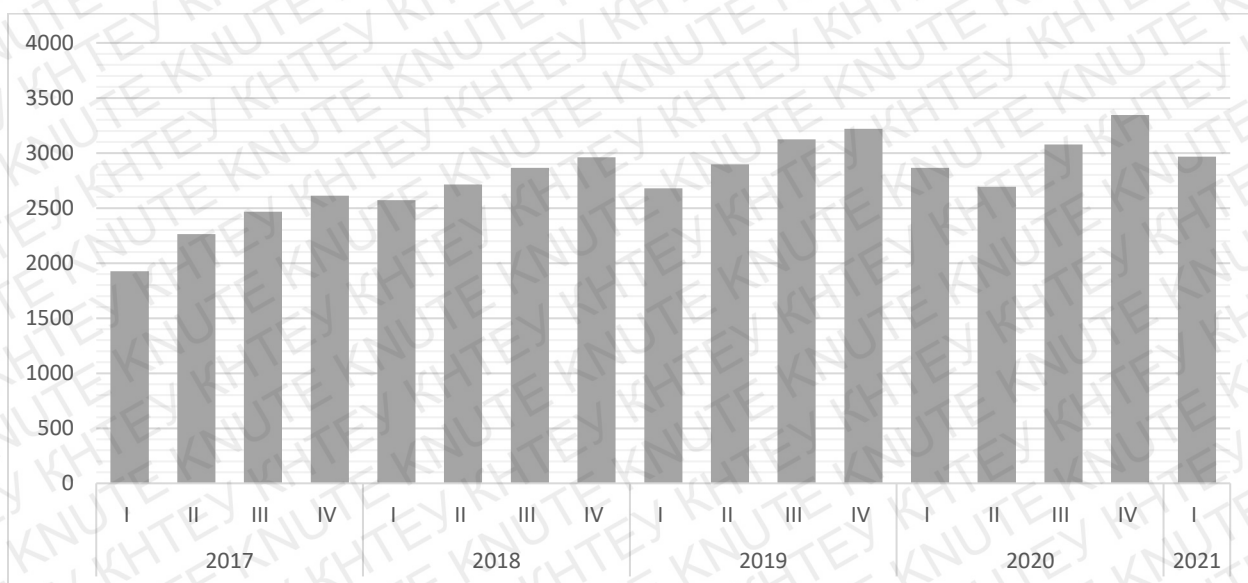


Figure 1.4. Personal remittances for 2017-2021 by quarters, million USD

Source: own study based on data of the National Bank of Ukraine

Thus, personal remittances have a positive effect on Ukraine's balance of payments. The growth of private remittances from abroad was one of the reasons for the strengthening of the hryvnia exchange rate.

## **Conclusion to the Chapter 1**

The peculiarity of the current world crisis is that it is considered as a crisis of the whole system. The pandemic affected economic, political, social, demographic, environmental, health spheres of Ukrainian society. The balance of payments is the main tool of macroeconomic analysis and forecasting. It is the main indicator of ensuring the external balance and the state of foreign economic activity, therefore the countries apply regulatory measures of monetary policy. The tools that the NBU can use to regulate the balance of payments were presented in the section 1. These methods include the following measures: deflationary policy, devaluation, currency restrictions, special measures, financial and monetary policy.

The crisis has affected the economy in different ways. Agriculture was the most sustainable, while one of the most vulnerable sectors was services. In the 2nd quarter 2021, the high growth rates of imports of goods were caused primarily by the effect of a low base of comparison (2020). At the same time, imports increased due to rising prices, except for energy imports, therefore the current account moved into surplus in Q2 2021 of USD 0.2 billion. The increase in profits encouraged companies to invest. The net inflow on the financial account amounted to 1.0 billion USD in the 2nd quarter of 2021 and was formed by revenues from the placement of bonds and loans from international partners.

## **SECTION 2: ASSESSMENT OF THE BALANCE OF PAYMENTS DURING THE COVID-19 RECESSION**

### **2.1. Factors' analysis of the crisis influence on the balance of payments**

The crisis is a certain stage in the functioning and development of the socio-economic system, which determines the objective need for its qualitative transformation. Experience shows that crises can usually be predicted and expected. Crises can be accelerated, anticipated, postponed, ie crisis processes can be managed to some extent. The crisis highlights many gaps in the global and national economies.

Due to the the COVID-19 pandemic and the introduction of quarantine restrictions, Ukraine's GDP fell by 4% in 2020, but The Chairman of the National Bank of Ukraine predicted that the economy would continue to grow at a steady rate of about 4% in 2022-2023. The current account surplus in 2020 reached one of the highest levels in the history of Ukraine - 4.8% of GDP. However, in 2021-2023 the current account of the balance will return to deficit [35].

The COVID-19 crisis was characterized by a unique nature, the unusual consequences were the reduction of imports while maintaining a high level of access to the international capital market. The current account surplus of the balance of payments amounted to 6.2 billion USD (4.0% of GDP) in 2020. The current account deficit of this indicator was \$ 4.1 billion (2.7% of GDP) in 2019. Imports in 2020 decreased by 17.9 %, but exports decreased by 4.5%. The service sector was hit the hardest in the world. Therefore imports of services declined from 15,7 billion USD in 2019 to 10,6 billion USD in 2020, while industrial production was relatively stable (table 2.1). According to the NBU, due to quarantine restrictions, imports declined, while demand for raw materials remained stable. An expanded version of the balance of payments is presented in the appendix A and B.

Key macroeconomic trends were formulated in the scientific report "Ukraine after the COVID-19 crisis - the way to recovery» as follows [46, p. 30-34]:

- slowdown of economic growth;

- reduction of industrial production;
- decline of activities in the transport sector;
- reduction of investment activity;
- gradual decline of consumer demand;
- reduction of demand for foreign products.

All these trends significantly changed the dynamics and structure of the current account of the balance of payments.

Ukraine's balance of payments has always fixed the current account deficit since 2016 and the surplus financial account of the balance of payments. In 2020, the situation became the opposite. In 2020, the current account surplus amounted to USD 5.2 billion (3.4% of GDP). The net outflow on the financial account totaled USD 3.2 billion (compared with USD 10.1 billion of net inflow in 2019). The first months of 2021 reproduced the general trends of the previous year: the current account remained positive and the financial account remained negative.

*Table 2.1*

**Balance of payments for 2016-2020, million USD**

| Description                | 2016   | 2017   | 2018   | 2019    | 2020  | Index on values in % (y-o-y) |           |           |           |
|----------------------------|--------|--------|--------|---------|-------|------------------------------|-----------|-----------|-----------|
|                            |        |        |        |         |       | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| Current account            | -1 866 | -3 473 | -6 432 | -4 124  | 5 207 | 186,1                        | 185,2     | 64,1      | -126,3    |
| Capital account            | 92     | -4     | 37     | 38      | -3    | -4,3                         | -925,0    | 102,7     | -7,9      |
| Financial account          | -3 120 | -6 043 | -9 272 | -10 066 | 3 214 | 193,7                        | 153,4     | 108,6     | -31,9     |
| Overall balance            | 1 346  | 2 566  | 2 877  | 5 980   | 1 990 | 190,6                        | 112,1     | 207,9     | 33,3      |
| Reserves and related items | 1 346  | 2 566  | 2 877  | 5 980   | 1 990 | 190,6                        | 112,1     | 207,9     | 33,3      |

*Source: own study based on data of the National Bank of Ukraine*

Despite the colossal losses due to the COVID-19 recession, exports of goods for the year decreased by only 2.0%. The study period is characterized by predominant stability of the structure of exports.

Exports of agricultural products amounted to 22,1 billion USD, mineral products- 4,9 billion USD, ferrous and nonferrous metals - 8,8 billion USD .

Agricultural products form the basis of Ukrainian foreign trade [26, p.3]. Ukraine is the world's fifth largest exporter of grains and one of the main exporters of iron and steel [7]. They are a stable source of foreign exchange earnings during the economic crisis and the COVID-19 pandemic. In 2020, the trend of increasing exports of agricultural products was maintained. The amount of agricultural products in the export structure of Ukraine has increased from 15 billion USD to 22 billion USD in 5 years. Unfavorable climatic conditions could affect the amount, but the high price situation on the agricultural market would not allow the decline. The general characteristic of the current account is given in table 2.2.

*Table 2.2*

**Current account for 2016-2020, million USD**

| Description                     | 2016   | 2017   | 2018    | 2019   | 2020   | Index on values in % (y-o-y) |           |           |           |
|---------------------------------|--------|--------|---------|--------|--------|------------------------------|-----------|-----------|-----------|
|                                 |        |        |         |        |        | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| <b>Current account</b>          | -1866  | -3473  | -6432   | -4124  | 6224   | 186,1                        | 185,2     | 64,1      | -150,9    |
| <b>Goods and services (net)</b> | -6453  | -8744  | -11378  | -12511 | -1790  | 135,5                        | 130,1     | 110,0     | 14,3      |
| <b>Goods (net)</b>              | -6942  | -9663  | -12714  | -14261 | -6604  | 139,2                        | 131,6     | 112,2     | 46,3      |
| Exports of goods                | 33560  | 39701  | 43341   | 46091  | 45164  | 118,3                        | 109,2     | 106,3     | 98,0      |
| Imports of goods                | 40502  | 49364  | 56055   | 60352  | 51768  | 121,9                        | 113,6     | 107,7     | 85,8      |
| <b>Services (net)</b>           | 489    | 919    | 1336    | 1750   | 4814   | 187,9                        | 145,4     | 131,0     | 275,1     |
| Exports of services             | 12448  | 14243  | 15836   | 17465  | 15509  | 114,4                        | 111,2     | 110,3     | 88,8      |
| Imports of services             | 11959  | 13324  | 14500   | 15715  | 10695  | 111,4                        | 108,8     | 108,4     | 68,1      |
| <b>Primary income (net)</b>     | 951    | 1 648  | 1 294   | 1 924  | 4 252  | 173,3                        | 78,5      | 148,7     | 221,0     |
| Compensation of employees (net) | 6 694  | 9 110  | 11 478  | 12 754 | 11 587 | 136,1                        | 126,0     | 111,1     | 90,8      |
| Investment income (net)         | -5 743 | -7 462 | -10 184 | -10830 | -7 335 | 129,9                        | 136,5     | 106,3     | 67,7      |
| <b>Secondary income (net)</b>   | 3 636  | 3 623  | 3 652   | 6 463  | 3 762  | 99,6                         | 100,8     | 177,0     | 58,2      |

*Source: own study based on data of the National Bank of Ukraine*

The biggest decline of exports was detected in metallurgical metals - by 12,2%. The main reasons for the decline of export of ferrous and nonferrous metals are a decrease of demand and a drop of prices for metallurgical products in the world and protectionism of our trade partners. Prices of ferrous and nonferrous metals depend on oil prices, which were at very low levels last year, and the main markets are developed

countries. For example, China showed the lowest economic growth in decades, therefore there was a drop in demand for metals.

Chemical industry had a benefit from a significant reduction of the price of natural gas and increased by 6,3%. Generalized information about the exports of goods is presented in table 2.3:

*Table 2.3*

**Exports of goods for 2016-2020, million USD**

| Description                    | 2016   | 2017   | 2018   | 2019   | 2020   | Index on values in % (y-o-y) |           |           |           |
|--------------------------------|--------|--------|--------|--------|--------|------------------------------|-----------|-----------|-----------|
|                                |        |        |        |        |        | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| TOTAL, mln USD                 | 33 560 | 39 701 | 43 341 | 46 091 | 45 164 | 118,3                        | 109,2     | 106,3     | 98,0      |
| Agricultural products          | 15 250 | 17 739 | 18 594 | 22 123 | 22 181 | 116,3                        | 104,8     | 119,0     | 100,3     |
| Mineral products               | 2 391  | 3 517  | 3 883  | 4 405  | 4963   | 147,1                        | 110,4     | 113,4     | 112,7     |
| Chemicals                      | 1 832  | 2 052  | 2 381  | 2 171  | 2307   | 112,0                        | 116,0     | 91,2      | 106,3     |
| Timber and wood products       | 1 510  | 1 647  | 1 965  | 1 781  | 1760   | 109,1                        | 119,3     | 90,6      | 98,8      |
| Industrial goods               | 463    | 575    | 649    | 697    | 721    | 124,2                        | 112,9     | 107,4     | 103,4     |
| Ferrrous and nonferrous metals | 8 099  | 9 890  | 11 402 | 9 995  | 8783   | 122,1                        | 115,3     | 87,7      | 87,9      |
| Machinery and equipment        | 2 748  | 2 862  | 3 002  | 3 426  | 3388   | 104,1                        | 104,9     | 114,1     | 98,9      |
| Other                          | 1 267  | 1 419  | 1 465  | 1 493  | 1061   | 112,0                        | 103,2     | 101,9     | 71,1      |

*Source: own study based on data of the National Bank of Ukraine*

The openness of the national economy increases the market's vulnerability to negative global trends. For Ukraine, there was a steady trend of imports of high added value products.

Imports of goods declined by 14.2% and amounted to 51,8 billion USD. The largest decline was the imports of mineral products decreasing by 39,3%. The change in imports was due to the drop of energy imports. Oil prices set anti-records last year. Due to it, domestic prices are sensitive to global oil trends. Imports declined due to the fall in energy imports - 1.7 times.

The imports of machinery and equipment decreased by 10,1 %, but the share of this product was the highest. The reason of the reduction of imports of machinery and

equipment is the decline of world trade, but it is important for Ukraine that structural transformation and reduction of imports take place, so this industry sets the basis for innovative potential. The general characteristic of the imports of goods is given in table 2.4.

*Table 2.4*

**Imports of goods for 2016-2020, million USD**

| Description                    | 2016   | 2017   | 2018   | 2019   | 2020   | Index on values in % (y-o-y) |           |           |           |
|--------------------------------|--------|--------|--------|--------|--------|------------------------------|-----------|-----------|-----------|
|                                |        |        |        |        |        | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| TOTAL, mln USD                 | 40 502 | 49 364 | 56 055 | 60 352 | 51 768 | 121,9                        | 113,6     | 107,7     | 85,8      |
| Agricultural products          | 3 863  | 4 265  | 5 020  | 5 697  | 6 462  | 110,4                        | 117,7     | 113,5     | 113,4     |
| Mineral products               | 8 075  | 11 971 | 13 587 | 12 638 | 7 667  | 148,2                        | 113,5     | 93,0      | 60,7      |
| Chemicals                      | 8 297  | 9 575  | 10 439 | 10 871 | 10 671 | 115,4                        | 109,0     | 104,1     | 98,2      |
| Timber and wood products       | 1 033  | 1 148  | 1 321  | 1 253  | 1 348  | 111,1                        | 115,1     | 94,9      | 107,6     |
| Industrial goods               | 1 957  | 2 128  | 2 575  | 3 108  | 3005   | 108,7                        | 121,0     | 120,7     | 96,7      |
| Ferrrous and nonferrous metals | 2 192  | 2 878  | 3 430  | 3 516  | 3008   | 131,3                        | 119,2     | 102,5     | 85,6      |
| Machinery and equipment        | 10 353 | 13 569 | 15 991 | 19 361 | 17397  | 131,1                        | 117,8     | 121,1     | 89,9      |
| Other                          | 4 732  | 3 830  | 3 692  | 3 908  | 2210   | 80,9                         | 96,4      | 105,9     | 56,6      |

*Source: own study based on data of the National Bank of Ukraine*

Trade of services had a more negative effect than trade of goods during the COVID-19 pandemic. The net trade of services is 4,8 billion USD. The decline in imports of services amounted to 31,9 %. It was caused by the reduction of travel expenses of Ukrainians and the reduction of imports of transport services.

Micro-, small and medium-sized companies, which make up around 90 per cent of all companies in Ukraine's hospitality sector, were particularly hard hit, as they are generally more vulnerable to economic shocks. Moreover, the pandemic hit the tourism sector at a time when it was slowly improving (international tourism receipts amounted to 4.1 per cent of total goods and services exports in 2019 compared with 3.5 per cent in 2014) [12].

In contrast to imports, exports of services in general remained stable. The exports of services amounted to 15,5 billion USD. Exports of services reduced due to the



decline of tourism (4.3 times) and transportation services (by 19.5%), but exports of computer services increased - by 20.4% (table 2.5).

Table 2.5

**Goods Exports by country for 2016-2020, million USD**

| Description        | 2016  | 2017  | 2018  | 2019  | 2020  | Index on values in % (y-o-y) |           |           |           |
|--------------------|-------|-------|-------|-------|-------|------------------------------|-----------|-----------|-----------|
|                    |       |       |       |       |       | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| TOTAL, mln USD     | 36361 | 43264 | 47334 | 50054 | 49212 | 119,0                        | 109,4     | 105,7     | 98,3      |
| China              | 1832  | 2039  | 2200  | 3593  | 7112  | 111,3                        | 107,9     | 163,3     | 198,0     |
| Poland             | 2200  | 2724  | 3257  | 3295  | 3273  | 123,8                        | 119,6     | 101,2     | 99,3      |
| Russian Federation | 3592  | 3936  | 3652  | 3242  | 2706  | 109,6                        | 92,8      | 88,8      | 83,4      |
| Turkey             | 2049  | 2519  | 2352  | 2619  | 2436  | 122,9                        | 93,4      | 111,3     | 93,0      |
| Germany            | 1423  | 1754  | 2208  | 2383  | 2071  | 123,2                        | 125,9     | 107,9     | 86,9      |
| India              | 1903  | 2205  | 2175  | 2024  | 1972  | 115,9                        | 98,7      | 93,0      | 97,4      |
| Italy              | 1929  | 2469  | 2628  | 2418  | 1928  | 128,0                        | 106,5     | 92,0      | 79,7      |
| The Netherlands    | 995   | 1676  | 1603  | 1848  | 1808  | 168,4                        | 95,7      | 115,3     | 97,8      |
| Egypt              | 2266  | 1831  | 1556  | 2254  | 1618  | 80,8                         | 85,0      | 144,8     | 71,8      |

Source: own study based on data of the State Statistics Service of Ukraine

The negative impact of the COVID-19 pandemic was expected to be catastrophic in the 1st quarter of 2020, but the adaptation to economic processes helped to avoid a sharp decline of trade. The most structural changes took place in the geography of trade. The main trading partners in terms of goods exports are China (3,5 billion USD), Poland (3,2billion USD) and Russian Federation (2,7 billion USD) (table 2.6).

The most phenomenal fact is the growth of Ukrainian exports to China from 3,5 billion USD to 7,1 billion USD in 1 year. Growth of goods exports to China increased by 98%. This is due to the fact that China is a major importer of iron ore and competition on this market has declined due to the fall of the metallurgical industry in the European Union. Ore prices have been at their highest level since 2011. Demand for iron ore from China was extremely strong and this led to higher prices, therefore exports of this product increased by 113%, and the share of this product is 35,2 % in the goods export structure to China. Exports of grain crops (26,1% of the total share of goods exports to China) also grew by 116%.

Poland stayed at the second place, but exports have not undergone significant changes, which is characterized by a diversity of exports. The share in total exports of

key commodities (iron ore, ferrous metallurgy and electric machines) fluctuates around 11-12%.

There has been a reduction of trade with Russian Federation, but this is rather due to Russian aggression against Ukraine than the COVID-19 pandemic. Ukrainian companies sold ferrous metals, inorganic chemicals and nuclear reactors, boilers, machines to Russian Federation. The share of these goods in the structure of exports to Russian Federation is 54%.

Table 2.6

**Goods Imports by country for 2016-2020, million USD**

| Description        | 2016  | 2017  | 2018  | 2019  | 2020  | Index on values in % (y-o-y) |           |           |           |
|--------------------|-------|-------|-------|-------|-------|------------------------------|-----------|-----------|-----------|
|                    |       |       |       |       |       | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| Total              | 39249 | 49607 | 57187 | 60800 | 54091 | 126,4                        | 115,3     | 106,3     | 89,0      |
| China              | 4687  | 5648  | 7608  | 9204  | 8305  | 120,5                        | 134,7     | 121,0     | 90,2      |
| Germany            | 4318  | 5445  | 5983  | 5986  | 5337  | 126,1                        | 109,9     | 100,1     | 89,2      |
| Russian Federation | 5149  | 7204  | 8090  | 6985  | 4542  | 139,9                        | 112,3     | 86,3      | 65,0      |
| Poland             | 2693  | 3453  | 3641  | 4109  | 4088  | 128,2                        | 105,4     | 112,8     | 99,5      |
| USA                | 1687  | 2524  | 2962  | 3284  | 2955  | 149,6                        | 117,3     | 110,9     | 90,0      |
| Belarus            | 2777  | 3205  | 3786  | 3751  | 2874  | 115,4                        | 118,1     | 99,1      | 76,6      |
| Turkey             | 1098  | 1262  | 1714  | 2355  | 2414  | 114,9                        | 135,8     | 137,4     | 102,5     |
| Italy              | 1358  | 1625  | 2033  | 2074  | 2127  | 119,6                        | 125,1     | 102,1     | 102,5     |
| France             | 1530  | 1563  | 1480  | 1652  | 1475  | 102,2                        | 94,7      | 111,6     | 89,3      |
| Hungry             | 801   | 1152  | 1260  | 1251  | 1214  | 143,7                        | 109,4     | 99,3      | 97,1      |

Source: own study based on data of the State Statistics Service of Ukraine

Ukraine imported the most from China (8,3 billion USD), Germany (5,3 billion USD), Russian Federation (4,5 billion USD). Imports from China fell by 10%. Chinese imports are very diverse - electronics, smartphones, shoes, clothes, children's toys. Ukrainians continued to buy Chinese goods despite the difficult situation with income and savings due to the COVID-19 recession.

Ukraine continues to import from Russian Federation, although imports from Russian Federation fell by 35%. The largest item of imports is petroleum products (56% of total Russian imports to Ukraine), but there was a significant reduction of imports of petroleum products - 37%. The main reason is the sharp decline of oil prices, as

industrial production was in recession, and demand for oil fell due to lockdown in the world. Oil prices are expected to rise, therefore we will see a completely different trend in trade with Russian Federation in 2021.

The third position in the import structure belongs to Germany. Ukraine imports high-value-added goods from Germany. The largest share of imports (17,5%) is land transport except railway transport. Exports of these products grew by 49%. The second item of imports from Germany are nuclear reactors, boilers and machinery. The share of total German imports was 15.9%. The fall of the item "mineral fuels; oil and products of its distillation"(12% of German imports) was 27%.

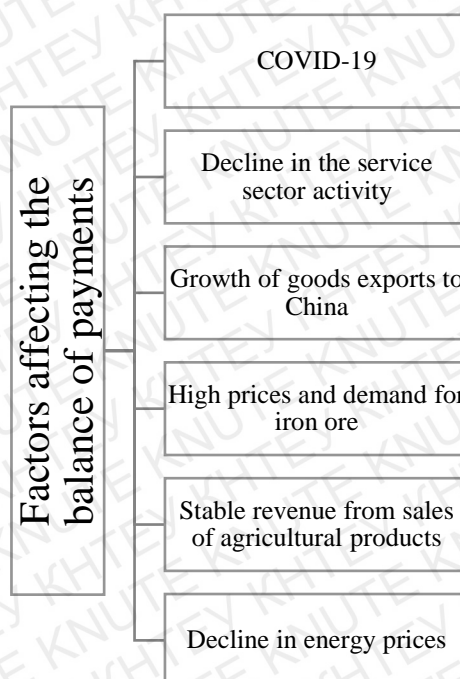
Primary income balance surplus increased to USD 3.5 billion (compared with USD 1.9 billion in 2019) due to the decrease in repayments of investments' income (1.3 times). The negative balance on direct investment income declined from USD 6.6 billion to USD 3.6 billion. The repayments of dividends rose by 22.7% and exceeded the net profit of direct investment enterprises, which resulted to the formation of USD 0.5 billion negative reinvested earnings (in 2019 reinvested earnings amounted to USD 3.3 billion). The receipts on "compensation of employees" item declined by 8.1%.

Secondary income balance surplus in 2020 decreased to USD 4.1 billion (in 2019 – USD 6.5 billion).

Thereby, there are many circumstances that affected Ukraine's international economic activity. The main ones were highlighted in the report of IMF [15, p. 34-36]:

- Ukraine's export structure was concentrated;
- Ukraine's current account mostly responded to exchange rate movements via changes in imports;
- The external sector continued to be adversely affected by ongoing trade tensions;
- Since the eruption of the COVID-19 pandemic in 2020, hryvnia depreciated.

### Factors affecting the balance of payments



*Source: made by the author*

The balance of payments is an expression of the decline in economic activity in the country, therefore the state of the domestic economy depends on its foreign economic transactions. The balance of payments was most affected by the COVID-19 pandemic, changes in the exchange rate, the level of competition, decline in the service sector activity, growth of goods exports to China, high prices and demand for iron ore, decline in energy prices, which determined various export opportunities and needs for imports of goods and services (table 2.7). All this factors were mainly regulated by monetary, budgetary, foreign trade policies of states.

## 2.2 Analysis of the state of foreign economic relations and their influence on the balance of payments

The financial account consists of direct investment (FDI), portfolio investment, other investment, financial derivatives and reserve assets. Financial account transactions are split in assets and liabilities that are recorded as net values (net acquisition of assets, net incurrence of liabilities). Accordingly, the financial account balance is interpreted as

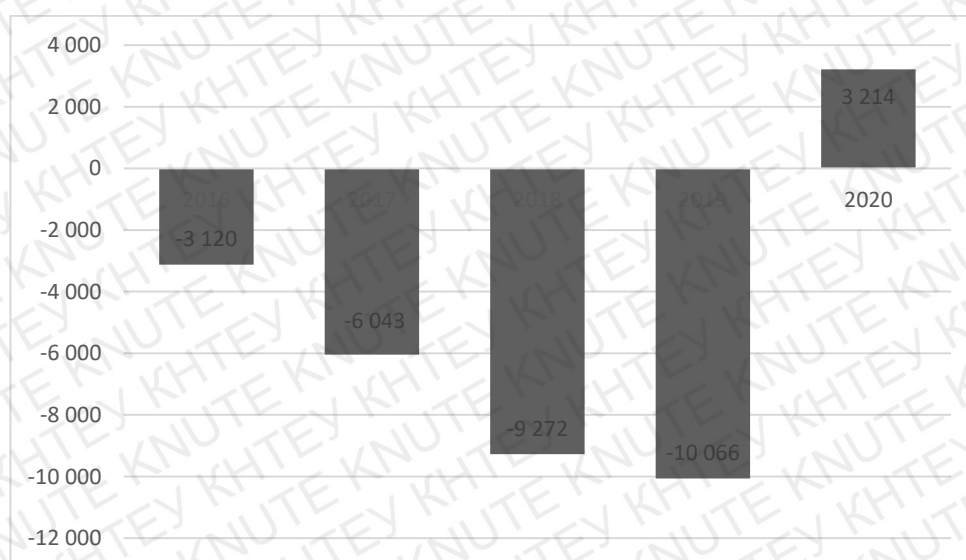
net lending to the rest of the world when positive, and net borrowing from the rest of the world when negative [13].

Since 2016, Ukraine has had a surplus financial account of the balance of payments, but the situation became the opposite in 2020. In 2020, the net outflow on the financial account (the net lending) totaled USD 3.2 billion (compared with USD 10.1 billion of net inflow in 2019) and resulted from private sector's transactions. The financial account was characterized by the outflow of direct and portfolio investments, and this was a significant factor in the decline in capital investment and the credit process in the country.

The net inflow on the government sector's transactions totaled USD 884 million (in 2019 – USD 5.2 billion) and resulted from such oppositely directed factors:

- USD 1.5 billion net borrowing on loans from international partners;
- USD 878 million net inflow on Eurobonds;
- USD 1.2 billion net repayments to non-residents on domestic government bonds;
- USD 329 million repurchase of government derivatives on the open market

The financial account is presented in figure 2.1:



*Figure 2.1. Financial account for 2016-2020, million USD [Made by the author]*

*Source: own study based on data of the National Bank of Ukraine*

Direct investment is a key condition for economic development and growth, so it must be constantly monitored by the authorities. There will be no new high-performance activities and no change in the structure of the economy without direct investment.

Indicators of net direct investment are the lowest in the last 5 years. The COVID-19 pandemic has hurt the economies of countries around the world, and Ukraine is no exception [20]. The outflow of direct investment was the result of negative reinvested earnings due to the decline in financial results of enterprises. The deficit of direct investment was 117 million USD in 2020 (in 2019 the surplus totaled USD 5,2 billion USD, in 2018 the surplus 4,5 billion USD). Generalized information about the financial account is presented in table. 2.8:

Table 2.8

**Financial account for 2016-2020, million USD**

| Description                       | 2016          | 2017          | 2018          | 2019          | 2020         | Index on values in % (y-o-y) |              |               |              |
|-----------------------------------|---------------|---------------|---------------|---------------|--------------|------------------------------|--------------|---------------|--------------|
|                                   |               |               |               |               |              | 2017/2016                    | 2018/2017    | 2019/2018     | 2020/2019    |
| <b>Financial account</b>          | -3 120        | -6 043        | -9 272        | -10 066       | 3 214        | 193,7                        | 153,4        | 108,6         | -31,9        |
| <b>Direct investment (net)</b>    | <b>-3 794</b> | <b>-3 684</b> | <b>-4 460</b> | <b>-5 212</b> | <b>117</b>   | 97,1                         | 121,1        | 116,9         | -2,2         |
| Direct investment: assets         | 173           | 234           | 116           | 621           | 362          | 135,3                        | 49,6         | 535,3         | 58,3         |
| Direct investment: liabilities    | 3 967         | 3 918         | 4 576         | 5 833         | 245          | 98,8                         | 116,8        | 127,5         | 4,2          |
| <b>Portfolio investment (net)</b> | <b>-293</b>   | <b>-1 800</b> | <b>-2 080</b> | <b>-5 134</b> | <b>829</b>   | 614,3                        | 115,6        | 246,8         | -16,1        |
| Portfolio investment: assets      | -77           | 3             | 33            | 411           | 152          | -3,9                         | 1100,0       | 1245,5        | 37,0         |
| Portfolio investment: liabilities | 216           | 1 803         | 2 113         | 5 545         | -677         | 834,7                        | 117,2        | 262,4         | -12,2        |
| <b>Financial derivatives: net</b> | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>329</b>   | -                            | -            | -             | -            |
| <b>Other investment (net)</b>     | <b>392</b>    | <b>-137</b>   | <b>-1 061</b> | <b>1 474</b>  | <b>2 669</b> | <b>-34,9</b>                 | <b>774,5</b> | <b>-138,9</b> | <b>181,1</b> |
| Other investment: assets          | -2 762        | 629           | 1 996         | 5 915         | 6 275        | -22,8                        | 317,3        | 296,3         | 106,1        |
| Other investment: liabilities     | -3 154        | 766           | 3 057         | 4 441         | 3 606        | -24,3                        | 399,1        | 145,3         | 81,2         |
| Errors and omissions              | -575          | 422           | 1 671         | 1 194         | 730          | -73,4                        | 396,0        | 71,5          | 61,1         |

Source: own study based on data of the National Bank of Ukraine

Reinvested capital is a component of direct investment. As a result of the COVID-19 crisis, the losses of enterprises increased, which led to the formation of negative financial results and, as a consequence, to a decrease in foreign capital in Ukraine,

which was forced to cover losses. Negative reinvestment of earnings totaled 448 million USD in 2020 (compared with 3.3 billion reinvestment of earnings in 2019).

Portfolio investments - business transactions that involve the purchase of securities, derivatives and other financial assets for funds in the stock market. The outflow of portfolio investments was due to the decline in obligations by non-residents and planned payments on external debt, but there was a resumption of foreign portfolio investment in the domestic government bond market at the end of the year, which became an indicator of a satisfactory level of solvency of the Ukraine and provided support to the state budget. In 2020, the outflow of portfolio investment amounted to 829 million dollars, which stopped the growth trend, as in 2019 this figure was a record (the inflow of portfolio investment totaled 5,1 billion USD).

The overall balance of payments surplus along with the net borrowings from IMF (USD 975 million) led to the accumulation of international reserves up to USD 29,7 billion covering 4.4 months of future imports (table 2.9).

*Table 2.9*

**Reserves and related items for 2016-2020, million USD**

| Description                | 2016  | 2017  | 2018  | 2019   | 2020  | Index on values in % (y-o-y) |           |           |           |
|----------------------------|-------|-------|-------|--------|-------|------------------------------|-----------|-----------|-----------|
|                            |       |       |       |        |       | 2017/2016                    | 2018/2017 | 2019/2018 | 2020/2019 |
| Reserves and related items | 1 346 | 2 566 | 2 877 | 5 980  | 1 990 | 190,6                        | 112,1     | 207,9     | 33,3      |
| Reserve assets             | 2 348 | 2 673 | 2 161 | 4 386  | 2 965 | 113,8                        | 80,8      | 203,0     | 67,6      |
| IMF loans                  | 1 002 | 107   | -716  | -1 594 | 975   | 10,7                         | -669,2    | 222,6     | -61,2     |

*Source: own study based on data of the National Bank of Ukraine*

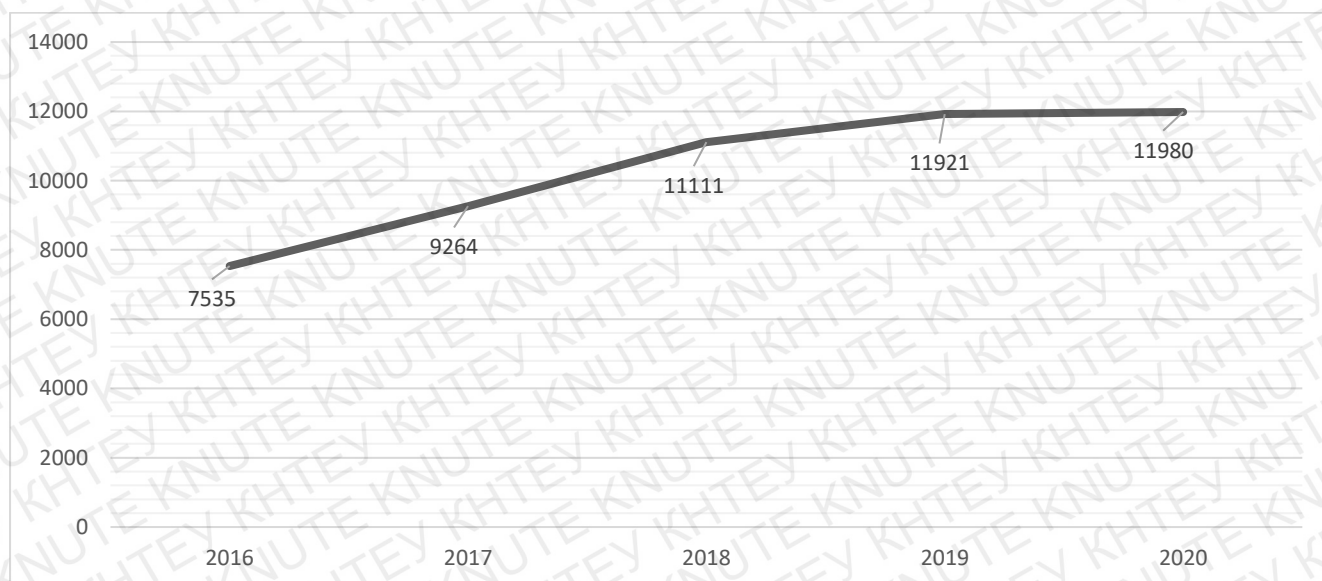
According to the figure 2.2, in 2020 the volume of remittances of labor migrants amounted to 11,9 billion dollars - this is \$ 59 million more than in 2019 (11,9 billion dollars). The reasons that motivate people to emigrate from Ukraine are unemployment, unsatisfactory economic situation, lack of prospects, corruption in the country. Labor migration leads to a reduction in labor supply.

Remittances of migrant workers are important for the formation of demand and balance of payments. Remittances are growing steadily, and 2020 was no exception,

despite the closure of foreign borders for protection against the COVID-19 pandemic. Remittances are an important source of currency.

Migration processes have maximized the positive effects of migration and minimized its negative consequences for the balance of payments. Remittances did not decline during the COVID-19 pandemic, so this helped keep Ukraine's economy from a critical downturn and supported Ukraine's balance of payments;

The impact of labor migration on Ukraine's economic development is ambiguous. On the one hand, the money coming to the country from migrants contribute to overcoming poverty, developing domestic production and maintaining the balance of payments. On the other hand, the outflow of workers abroad reduces the supply of the domestic labor market, and creates risks for the stable functioning of the social security system. In addition, labor migration leads to the loss of qualifications of people with a high level of professional training.

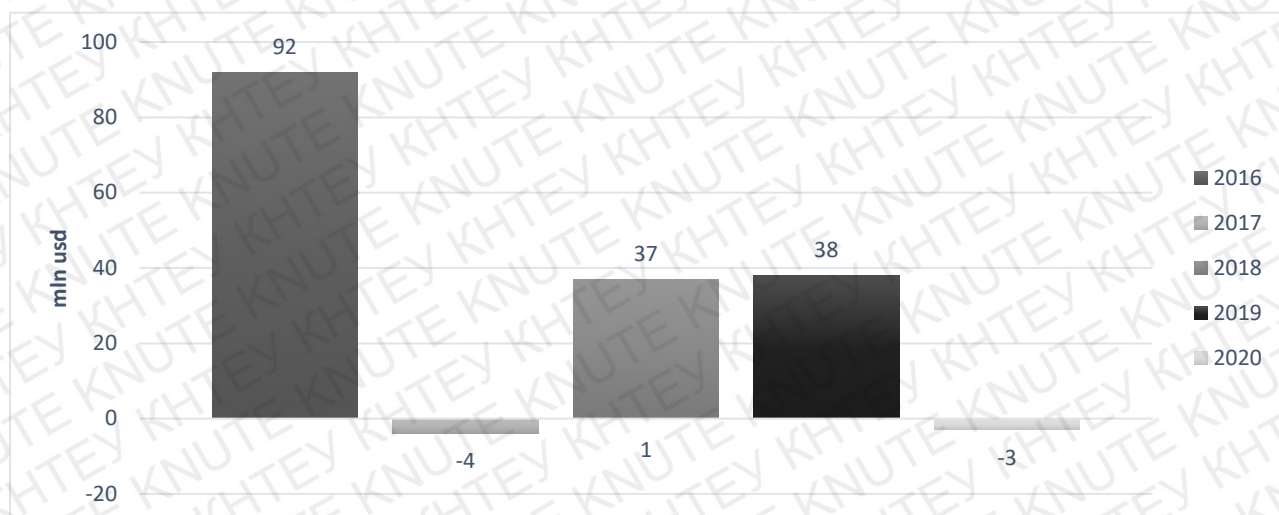


*Figure 2.2. Personal remittances for 2016-2020, million USD*  
*Source: own study based on data of the National Bank of Ukraine*

The account of capital and financial transactions is an indicator of Ukraine's investment attractiveness, and all negative factors must be eliminated to form a positive image and improve economic development. The capital account covers all transactions that involve the receipt or payment of capital transfers (transfers for investment purposes). It also includes the acquisition or sale of non-financial assets and property rights, such as trademarks, patents, copyrights, mining rights and others. The capital



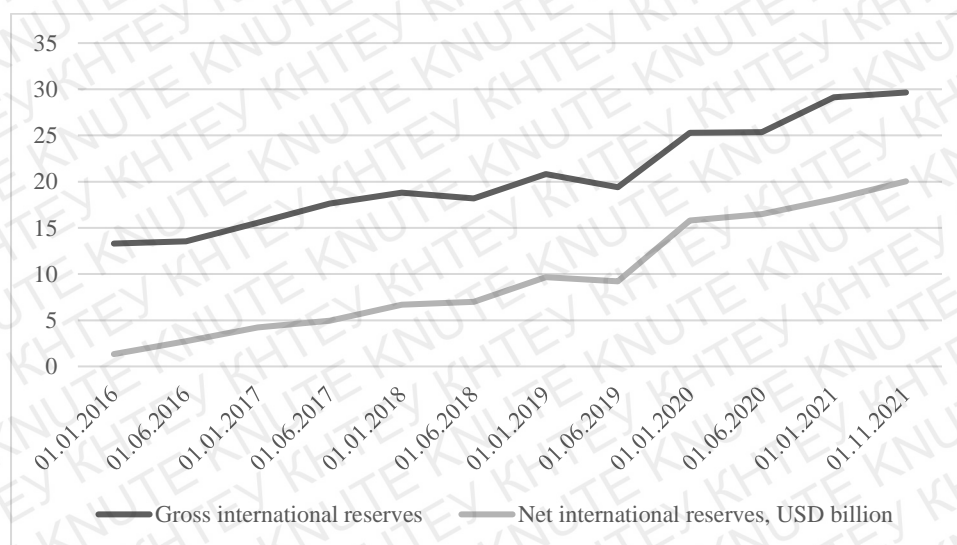
account deficit was \$ 3 million (in 2019, the surplus was \$ 38 million) (figure 2.3).



*Figure 2.3. Capital account for 2016-2020, million USD*

*Source: own study based on data of the National Bank of Ukraine*

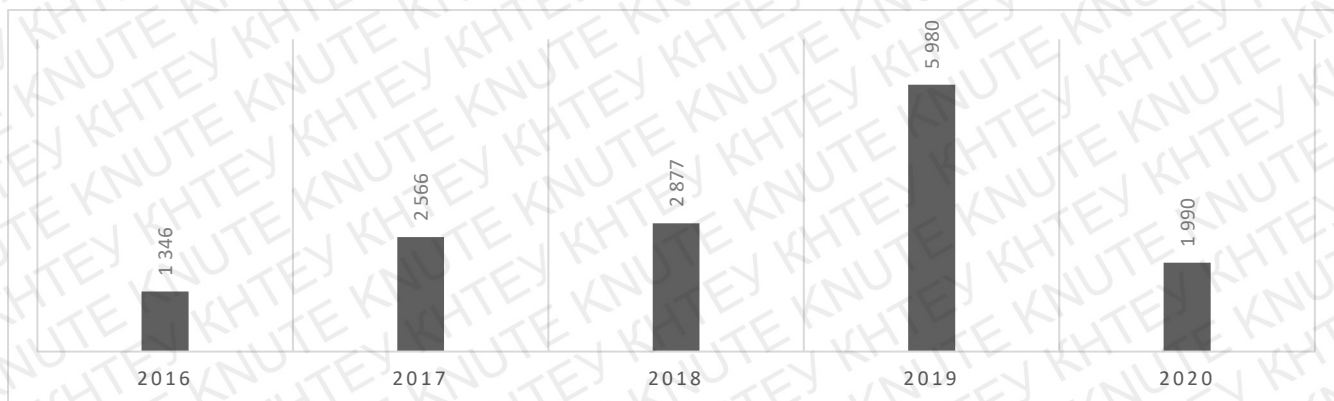
There was an increase in demand for foreign currency and the devaluation of the hryvnia in March 2020. The situation in the foreign exchange market in March 2020 was similar to the shocks of 2008-2009 and 2014 at the beginning of the COVID-19 crisis. The National Bank was a major player in the foreign exchange market of Ukraine, which stabilized the situation by consistent sale of currency. The NBU began to resume the purchase of foreign currency and offset a significant amount of its sales after some time. The increase in reserves was caused by the inflow of foreign currency from the agricultural sector and a decrease in import payments. Generalized information about the dynamics of international reserves is presented in figure 2.4:



*Figure 2.4. Dynamics of international reserves for 2016-2020, million USD*

*Source: own study based on data of the National Bank of Ukraine*

In 2020 the surplus of the overall balance of payments totaled USD 1.9 billion (in 2019 – USD 5.98 billion). Ukraine's balance of payments continues to be in surplus for the fifth year in a row, which leads to an increase in international reserves, which provides financing for future imports (figure 2.5).



*Figure 2.5. Overall balance for 2016-2020, million USD [Made by the author]*

*Source: own study based on data of the National Bank of Ukraine*

Ukraine's rapprochement with the European Union has taken place both at the level of laws and at the level of the economy. In 2020, an agreement was reached with the European Investment Bank to support energy saving projects totaling € 300 million. A new stage of negotiations between Ukraine and the EU has taken place, in particular the Agreement on Conformity Assessment and Acceptance of Industrial Products and the Treaty on Open Skies.

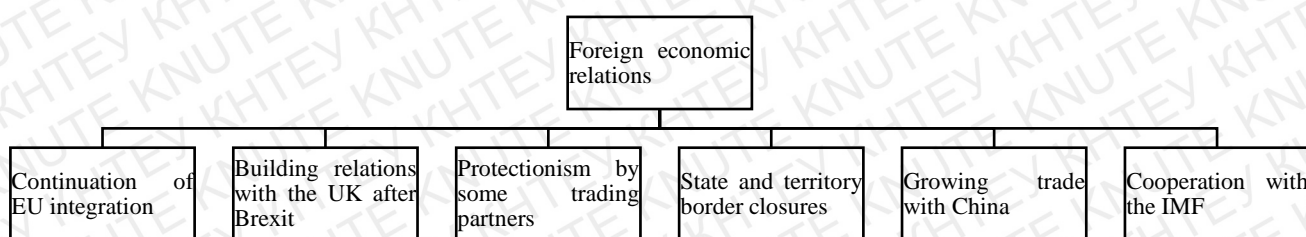
In October, the President of Ukraine visited the United Kingdom, where the Agreement on Political Cooperation, Free Trade and Strategic Partnership was signed. Ukraine managed to achieve a level of trade liberalization not lower than that provided for in the Association Agreement with the EU. In addition, Ukraine received loan guarantees of 2.5 billion pounds.

During 2020, China increased trade with Ukraine, therefore China became Ukraine's largest trading partner. Ukraine mainly exports raw materials and imports processed goods, including high-tech. Ukrainian exports almost doubled to a record \$ 7 billion and almost caught up with imports. The main export goods are iron ore, agricultural products and some non-ferrous metal products.

The relatively low external demand and protectionism of some trading partners, and territory border closures, as economic and social activities in most countries took place in the context of the fight against the COVID-19 pandemic, has increased the existing financial problems in different countries. This led to negative results of foreign economic activity, taking into account the dependence of Ukraine's economy on foreign financing. The first tranche of the IMF has helped Ukraine cope with the first outbreak of the pandemic to the economy and replenish the COVID-19 Special Situation Fund. The resumption of cooperation with the IMF provided financial assistance from other creditors. The general characteristics of foreign economic relations that affected the balance of payments are given in table 2.10.

*Table 2.10*

**Foreign economic relations that affected the balance of payments**



*Source: made by the author*

Thus, even minor violations of the economic mechanism of the country can be caused by various changes in foreign economic relations and can be the reason of a number of negative trends affecting the economy. This leads to an imbalance between supply and demand, which is important in the formation of the balance of payments.

**Conclusion to the Chapter 2**

COVID-19 took a significant toll on Ukrainian economy last year, but still the fall was less than in most of European counties. Macroeconomic stability was preserved and this is a good base for recovery that was expected this , although this recovery will

be gradual. The current account surplus in 2020 amounted to 6.2 billion US dollars. The financial account amounted to 3.2 billion dollars. The surplus of the total balance of payments amounted to 1.9 billion dollars. The analysis of the commodity structure of exports showed that Ukraine in the international trade arena continued to position itself as a supplier of resources and low value-added goods during the the COVID-19 crisis. Trade in raw materials has a positive impact on the balance of payments in 2020, but trade in raw materials in the long run will negatively affect the economic growth of Ukraine. Ukraine could benefit from rising commodity prices especially on grains and iron, where Ukraine is large exporter in the world. Certainly, focus should be back on reform agenda and creation of better environment for businesses. Analysis of the volume and structure of the balance of payments of Ukraine shows that the country has managed to maintain its position in international economic activity, and their change has led to a surplus of the balance of payment. Reductions in investment have taken place in almost all economic activities. Among the foreign trade activities that have shown the greatest rate of reduction of capital investment are air transport and art, sports, entertainment and recreation, which were included in the list of restrictions.

## **SECTION 3: DIRECTIONS FOR OVERCOMING THE NEGATIVE IMPACT OF THE COVID-19 RECESSION ON THE BALANCE OF PAYMENTS**

### **3.1. Priority measures to settle the balance of payments**

The introduction of effective anti-crisis measures is the key to overcoming the crisis and an effective basis for economic development in the post-crisis period. When planning post-crisis policy in Ukraine, it is necessary to take into account the scope of real problems and their elimination, taking into account the pandemic time. Anti-crisis measures concern long-term actions to stabilize the financial system, stimulate domestic demand and strengthen the regulatory framework, and overcome the effects of the economic crisis. The implementation of measures to overcome the crisis depends on many factors, including the state of the economy.

The world's economy was hit by the largest economic crisis in history 90 years ago. The Great Depression was the worst economic downturn in the history of the industrialized world [6]. The crisis was caused by the panic on the stock exchange. The US government decided not to intervene in the market, and the Federal Reserve reduced lending to banks, which followed the banking sector crisis in 1930. This led to the bankruptcy of thousands of enterprises, banks, falling wheat prices, reduced production, rising unemployment.

A similar situation took place in 2008. The financial crisis began with a bank crash and stock market panic. The global financial crisis also had a negative impact on international monetary relations. Violation of their stability was manifested in the instability of the national currencies of most countries, increasing currency restrictions, deteriorating foreign exchange liquidity. Governments and national banks of the largest countries of the world took into account the experience of the Great Depression. Governments have directed huge packages of financing the economy, and national banks have increased lending to the banking sector.

In 2020, governments and central banks have responded to the COVID-19 recession in the same way. The tools to resist the crisis were low interest rates, incredible

government aid packages, and massive emissions. As a result, consumer inflation became a main problem in 2021. High inflation could generate stagflation. Prices will be affected by implemented quantitative easing programs in 2021. The economy gradually start getting the effects of large-scale money printing. Oil touched \$80 a barrel in October 2021, the highest price in three years, as natural gas set records in Europe and an energy crisis in China threatens to puncture growth. Bottlenecks in supply chains, meanwhile, are pushing up prices as factory shutdowns rock the global economy[18].

The United States has implemented three monetary stimulus programs last year. The amount of these programs was \$ 5 trillion. This policy has become a driver of rising commodity prices in the world, as a result, domestic prices have risen in Ukraine as well. The emission in Ukraine was insignificant, so it will not affect inflation [19].

"The emission made by the NBU was neutralized by non-residents at the end of 2020. The hryvnia printed by the NBU was bought out by non-residents, investing in bonds, there was no effect on inflation from the emission", - explained, the executive director of the analytical organization "CASE-Ukraine", Dmitry Boyarchuk [43].

Early estimates predicated that, should the virus become a global pandemic, most major economies will lose at least 2.9 percent of their gross domestic product (GDP) over 2020. This forecast was already restated to a GDP loss of 4.5 percent. To put this number in perspective, global GDP was estimated at around 87.55 trillion U.S. dollars in 2019 – meaning that a 4.5 percent drop in economic growth results in almost 3.94 trillion U.S. dollars of lost economic output[29].

The main driver of economic growth is private consumption, which will grow due to increasing incomes. The improvement of the financial account will also be influenced by the intensification of investment activity due to the growth of the world economy and the improvement of business activity.

The probability of a longer and more pronounced surge in global inflation is rising, driven by significant fiscal and monetary stimuli. This creates risks of greater imported inflation to Ukraine, and of leading central banks tightening their monetary policies more quickly. The latter development could decrease investors' interest in the emerging

markets, including Ukraine. Other pro-inflationary risks remain important, such as an escalation of the military conflict with Russia and a sharp deterioration in terms of trade[34].

Increasing the volume and improving the structure of international reserves by:

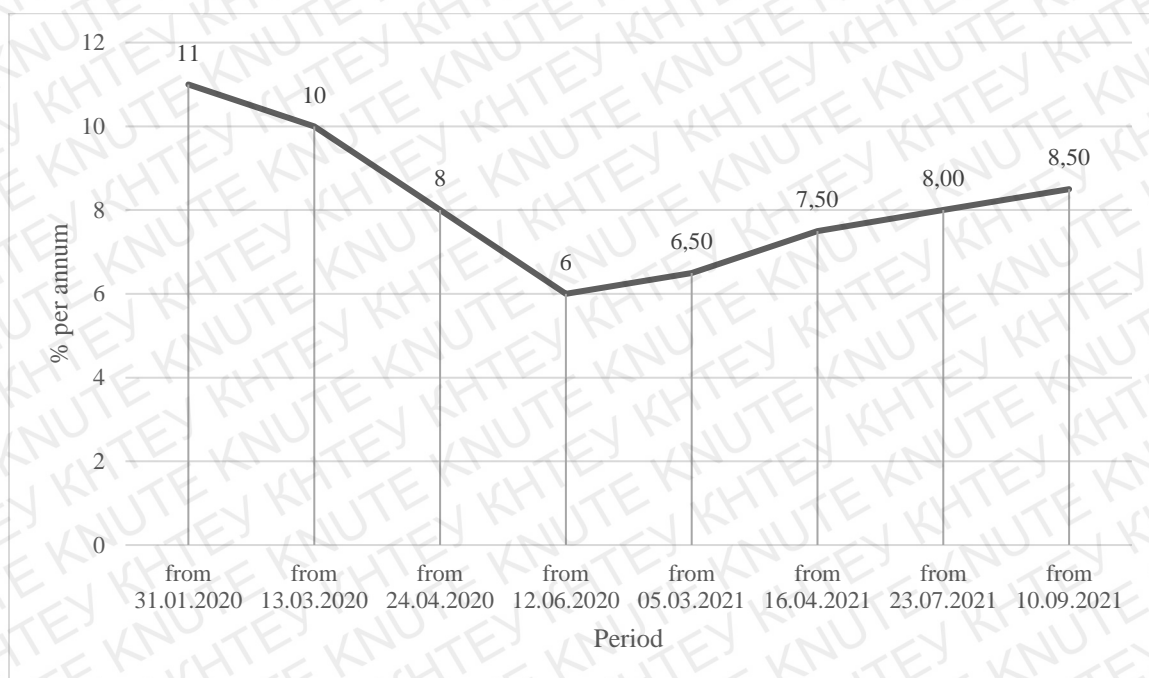
- a) repurchasing the surplus of foreign currency supply by the National Bank during the seasonal growth of export revenues and a gradual increase in reserves to \$ 31-32 billion;
- b) increasing the share of gold in the structure of reserves;
- c) increase in investments of reserve assets in AAA-class corporate bonds of issuing companies from the EU and the USA.

Implementation of stimulating monetary policy through:

- deterrence of the National Bank from further increase of the discount rate;
- introduction of mechanisms for long-term refinancing of bank loans to the real sector of the economy;
- easing of standards for banks to form reserves for credit risks [4].

Strategy to reduce the balance of payments deficit should include the following elements: elimination of internal economic imbalance; guarantee the provision of export credits to producers, insurance against economic and political risks, the introduction of preferential depreciation regime of fixed assets and provision, financial benefits and other loans in exchange for fulfillment of program obligations exports; use international law standards for balance of payments regulation; regulation of expenditures and revenues of the budget; application of risk insurance tools to financial system; increase revenue rates to increase trade patents trademarks, licenses [5].

«Given the balance of risks, and considering how close the actual dynamics of macro indicators are to the current forecast, the NBU Board decided to raise its key policy rate to 8.5%. This decision corresponds to the projected trajectory of the key policy rate.» - this was stated by NBU Chairman Kyrylo Shevchenko on September 9, 2021 [42]. NBU Key Policy Rate is presented in figure 3.1.



*Figure 3.1. NBU Key Policy Rate in 2020, 2021, % [Made by the author]*

*Source: own study based on data of the National Bank of Ukraine*

Consumer prices in August 2021 compared to July 2021 decreased by 0.2%, from the beginning of the year increased by 6.2%. Core inflation in August 2021 compared to July 2021 was 0%, from the beginning of the year - 4.2%.

Annual inflation in Ukraine accelerated to 11% in September 2021. The main factor influencing the rapid growth of inflation is a record rise in energy prices, and this continues to put pressure on producers, who are forced to raise consumer prices. The price of oil has crossed the mark of \$ 80 per barrel, which is the maximum value for 3 years. In the consumer market, prices for food and soft drinks increased by 13.6%, prices for alcoholic beverages and tobacco increased by 10.2%. The largest growth item is housing, water, electricity, gas and other fuels, which grew by 25.1%. Prices for educational services also increased significantly - 16.9%. Deflationary processes were detected only in clothing and footwear prices, which fell by 4.2%. Generalized information about the changes in consumer prices is presented in figure 3.2:





*Figure 3.2. Changes in consumer prices by month (in % to previous month)*

*Source: own study based on data of the National Bank of Ukraine*

Economic recovery is limited by low growth of national savings - low savings mean low investment. Low incomes cause inelastic consumer demand, the population does not respond to changes interest rate policy of the NBU, inflation targeting policy becomes ineffective in conditions of low incomes of the majority of the population.

In the first half of 2021, only 2.4% of GDP was directed to the growth of gross national savings. This is a record low. The key reason for the decline in the economy's savings is the critical situation with the savings of the population, which stopped growing this year. The process of spending the population's savings for consumption needs the attention of regulatory authorities [8]. As a result, the real sector in its current and investment activities mainly relies on its own funds. This slows down the process of multiplying savings through monetary transmission to new loans and investments of the economy.

Fiscal and monetary policy instruments should be aimed at supporting efficient production, which involves increasing the number of jobs and increasing the degree of product processing.

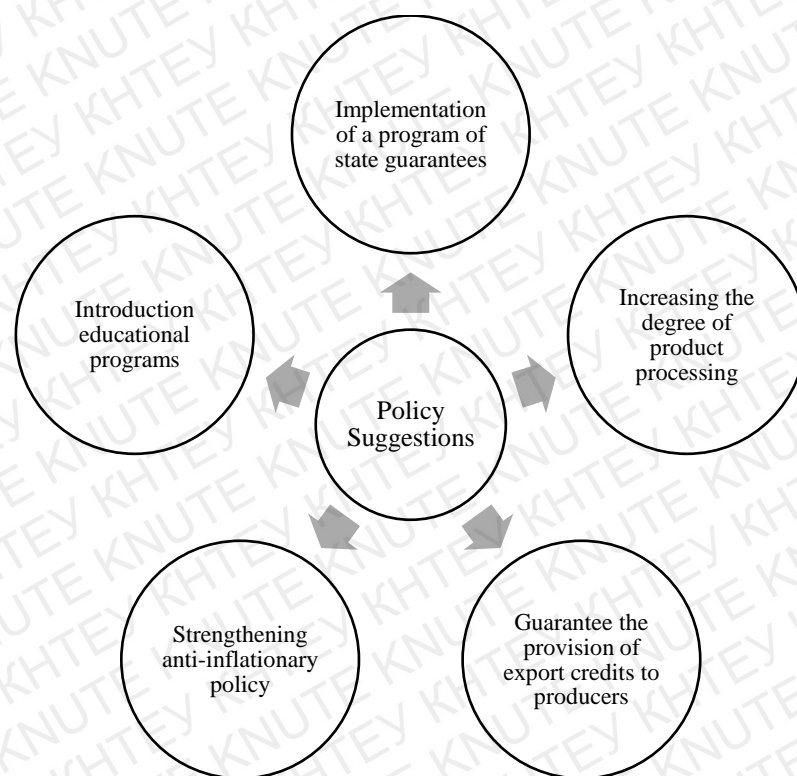
To ensure an effective operation of entrepreneurs in Ukraine, it will be important to launch large-scale national projects to support the domestic business sector and the national producer, primarily, the development and implementation of government programs to save workplaces by reducing the credit burden on business; revision of the

mechanisms of protection of the national producer given the new socio-economic conditions caused by the COVID-19 pandemic [9].

Policy suggestions to improve the balance of payments in times of pandemic are:

- implementation of a program of government guarantees, most of which will be directed to small and medium-sized businesses that are most vulnerable to quarantine;
- increase refinancing to support lending by several percent. The National Bank should develop refinancing programs, as banks use them for lending, increasing profitability and hedging risks. Long-term refinancing loans provide an opportunity for long-term planning of work in the market.
- replacement of imported goods with domestic ones. It is possible to introduce educational programs that will change consumer behavior so that people make a choice in favor of domestic goods. The Ministry of Economy of Ukraine and the Ministry of Education and Science should launch educational programs for students. The purpose of the program is to encourage the purchase of Ukrainian goods and strengthen its position in the domestic market;
- development of measures to attract investments and protect bank deposits of citizens. This should have a positive impact on the real sector of the country's economy, which in turn will stimulate exports. Reducing the consumption of imported goods by at least 10% is an increase of \$ 800 million (0.5% of GDP) in the economy, therefore, the investment department of the Ministry of Economy of Ukraine should work on forming a positive image in the international arena

Generalized policy suggestions is presented in figure 3.3:



*Figure 3.3. Policy Suggestions [Made by the author]*

The NBU should continue to pay more attention to anti-inflation policy. The government should use not only monetary instruments, but also non-monetary levers. This tools can be demonopolization, restriction of monopolists, market regulation, so it can prevent high inflation. The benefits of stable inflation are obvious. Companies are becoming more confident about their investments. People are starting to invest more and in the long run. As a result, production capacity and economic growth are increasing.

The government should encourage the consumption of domestic products, which will reduce imports, as a result, the current account balance will improve. The government should develop a program to stimulate domestic industrial production and allow the free import of high technologies.

The government also needs to pursue a policy of increasing exports countries. This can be done through the development of domestic production

### **3.2 Forecast of the consequences of the implementation of measures**

Increase in currency control, depreciation of the national currency, increase in foreign loans are the consequences of the balance of payments deficit, the NBU needs to use the tools listed in the previous section to avoid negative phenomena. Cooperation with the International Monetary Fund (IMF) will support macroeconomic stabilization and cover the balance of payments.

The schedule of debt repayments will remain tight for Ukraine in the coming years. In the next twelve months, FX repayments by the government and the NBU on public and publicly guaranteed debt will exceed USD 10 billion. Financing needs could be moderated by the additional issue of Special Drawing Rights (SDRs) that is being considered by the IMF [24]. Ukraine has managed to receive only the first tranche of around USD 2.1 billion of its USD 5 billion Stand-by Arrangement with the IMF. Under the initial schedule, the third review of the program was to have taken place on 15 May, and the total amount received was to have reached USD 4.2 billion.

The program with the IMF is a guarantee for Ukraine that payments on external debt will be paid on time, with minimal risks to economic and financial stability.

The dynamics of the financial account will mostly depend on cooperation with the IMF, the situation on the international capital markets, and the continuation of reforms. The baseline forecast envisages net capital inflows to Ukraine as of the end of the year – as a result of further growth in foreign Direct investment, and an increase in borrowing by the government and private sectors.

The government should negotiate with the International Monetary Fund to attract financing on the most attractive terms. This will affect the continuation of structural reforms in the areas of financial and monetary policy. The program will provide access to financial support from other international lenders. The main directions of stabilization policy are as follows:

- government incentives for economic recovery;
- taking into account new economic realities in the organization of business processes;

- preparation of the population and business for work in new conditions;
- conducting a policy to attract investment.

The peculiarity of the proposed measures is that they will mitigate the effects of the COVID-19 recession, work to eliminate high inflation and improve the business environment in Ukraine for local and foreign investors.

The National Bank expects a reduction in gas transit through Ukraine after 2021. The main reason for the decrease in transit through Ukraine is the construction of the Nord Stream-2 gas pipeline between Russia and Germany. The construction of this gas pipeline will allow Russia to abandon the use of the Ukrainian gas transportation system.

The Ukrainian gas transmission system will remain the main one for the transit of Russian gas to Europe for the next few years, but the Ukrainian government is urged to prepare for a change in the situation, as the construction of the Nord Stream-2 gas pipeline is almost complete [48].

The cessation of revenues from the transit of Russian gas will be "painful" for Ukraine's balance of payments, but should not lead to a payment crisis. Until 2024, Ukraine and the Russian Federation will have a valid gas contract that gives Ukraine about \$ 3 billion per a year in payment for the use of the Ukrainian gas transportation system.

In 2020, "Turkish Stream" began its operation. This gas pipe goes to Turkey and the countries of Southern and Southeastern Europe. If the transit of gas through Ukraine stops, the tariffs will be increased for domestic consumers for the use of the gas pipeline system. In 2024, the transit of Russian gas through Ukraine will still be completely stopped under the contract. Ukraine needs to focus its capital investments on facilities that will be used without transit from Gazprom. Ukraine needs to cooperate with European companies and develop services that can bring additional income and attract free capacity of the system.

High inflation affects the economic and social situation of the country in a negative way. The issue of developing anti-inflation policy instruments is most relevant after the extraordinary issue of funds caused by the COVID-19 recession. Inflation is a

complex process, therefore NBU introduces inflation targeting, which aims to stabilize inflation expectations and reduce interest rates on long-term loans, and contributed to development domestic sector of the economy. Inflation in 2021 is absolutely natural and should be considered as a payment for economic recovery after a significant money issuance of central banks. The inflation rate is formed mainly by the dynamics of world prices, therefore using inflation targeting may be ineffective.

The main factor of economic growth is the support of markets with low and stable inflation in a floating exchange rate. This will avoid the growth of macroeconomic imbalances, increase the margin of financial resilience to external shocks.

The main criteria for the effectiveness of monetary policy is compliance with inflation expectations at the target level. The National Bank should minimize the use of foreign exchange interventions. The central bank should continue currency liberalization. The implementation of these measures will facilitate business and improve the investment climate in Ukraine, which is an important factor for economic growth [25].

The main measures to improve the balance of payments are:

- overcoming the pandemic;
- improving the domestic political situation;
- investing in financial market infrastructure.

The behavior of a domestic investor is important for foreign direct investment. If an internal entrepreneur does not invest in his country, an external one will not do the same. Change requires long-term systematic and strategic work organized by government institutions. The government must create equal rules, liberalize trade and currency legislation, not interfere in the market. Authorities should apply government incentives for investment. For example, the introduction of an import duty on sunflower seeds resulted in the emergence of large-scale production of sunflower oil in 1999, and the introduction of free economic zones resulted in investments in the automotive industry (Eurocar, Yazaki) in the early 2000s [44].

The key risk to the stability of Ukraine's balance of payments is the outflow of national capital and the unreliability of debt refinancing sources. Long-term interest rates in developed countries began to rise in 2021, so such volatility in financial markets may reduce the inflow of portfolio investment in Ukraine.

The ultimate speed of recovery will depend on:

- length and depth of domestic lockdown measures;
- the external environment;
- fiscal and monetary policy support;
- possible future changes to consumer and investor behaviour [17].

The main assumption of the forecast for the balance of payments remains the continuation of cooperation with the IMF. Cooperation with the IMF will help accelerate economic growth and stabilize inflation. Export prices are expected to be higher than pre-pandemic prices, but this does not offset losses from declining volumes. It is expected that prices for basic exports and imports in 2022-2023 will decrease after the peak in 2021: steel price - 562.1 USD/t; Iron ore price-128.8 USD/t; corn price - 219.6 USD/t; oil price, Brent67.1 USD/bbl; natural gas price, Netherlands TTF - 475 USD/bcm. Gas transit will decrease to 40.0 bcm, and grain and leguminous harvest will decrease to 75.0 m/t. Forecast assumptions are conducted in table 3.1:

*Table 3.1*

**Forecast assumptions for 2022-2023, world prices (year average)**

| Indicators   |         | 2019  | 2020  | 2021  | 2022  | 2023  |
|--|---------|-------|-------|-------|-------|-------|
| Steel price, Steel Billet Exp FOB Ukraine                        | USD/t   | 411,0 | 389,4 | 614,1 | 562,1 | 509,9 |
|  | % yoy   | -17,0 | -5,2  | 57,7  | -8,5  | -9,3  |
| Iron ore price, China import Iron Ore Fines 62% FE               | USD/t   | 93,8  | 108,9 | 169,4 | 128,8 | 95,0  |
|  | % yoy   | 34,6  | 16,1  | 55,6  | -24,0 | -26,2 |
| Steel price, No.1 Hard Red Winter, ordinary protein, Kansas City | USD/t   | 164,0 | 186,2 | 255,3 | 260,0 | 254,1 |
|  | % yoy   | -12,0 | 13,3  | 37,1  | 1,8   | -2,3  |
| Corn price, Yellow #2 Delivery USA Gulf                          | USD/t   | 170,0 | 165,4 | 258,3 | 219,6 | 195,4 |
|  | % yoy   | 3,5   | -2,8  | 56,2  | -15,0 | -11,0 |
| Oil price, Brent   | USD/bbl | 64,2  | 42,3  | 69,4  | 67,1  | 62,4  |
|  | % yoy   | -9,6  | -34,1 | 64,1  | -3,3  | -7,0  |
| Natural gas price. Netherlands TTF                               | USD/bcm | 161,0 | 115,0 | 540,2 | 475,1 | 253,6 |
|  | % yoy   | -44,0 | -28,7 | 369,7 | -12,1 | -46,6 |
| Gas transit  | bcm     | 89,6  | 55,8  | 45,0  | 40,0  | 40,0  |
| Grain and leguminous harvest                                     | m t     | 75,1  | 64,9  | 81,0  | 75,0  | 75,0  |

*Source: own study based on data of the National Bank of Ukraine*

Taking into account my proposals and price forecast, the balance of payments will have the following indicators: current account balance will be amounted to -5.7 billion USD in 2022 and -9.5 billion USD in 2023; financial account will be amounted to -4.9 billion USD in 2022 and -11.5 billion USD in 2023. The key risks to the forecast are the increase in quarantine in Ukraine and in the world and the long-term surge in inflation. Generalized forecast is presented in table 3.2:

*Table 3.2*

**Balance of payments forecast for 2022-2023**

| Indicators                            | 2019  | 2020 | 2021 |      |      |      |       | 2022 |      |      |      |       | 2023 |      |      |      |       |
|---------------------------------------|-------|------|------|------|------|------|-------|------|------|------|------|-------|------|------|------|------|-------|
|                                       |       |      | I    | II   | III  | IV   | Total | I    | II   | III  | IV   | Total | I    | II   | III  | IV   | Total |
| Current account balance, USD bn       | -4,1  | 5,3  | -0,9 | 0,2  | -0,8 | -0,4 | -1,9  | -1,2 | -1,1 | -2,1 | -1,3 | -5,7  | -1,3 | -2,8 | -3,1 | -2,3 | -9,5  |
| Exports of goods and services, USD bn | 63,6  | 60,7 | 16,3 | 19,2 | 21,8 | 22,9 | 80,3  | 19,9 | 19,5 | 19,7 | 20,5 | 79,6  | 17,9 | 17,8 | 19,4 | 20,3 | 75,4  |
| Imports of goods and services, USD bn | 76,1  | 63,1 | 17,2 | 18,7 | 22,5 | 24,5 | 82,9  | 21,8 | 22,0 | 22,8 | 24,0 | 90,6  | 20,4 | 22,2 | 23,8 | 25,0 | 91,4  |
| Remittances in Ukraine, USD bn        | 11,9  | 12,0 | 3,2  | 3,5  | 3,7  | 4,0  | 14,3  | 3,4  | 3,7  | 3,8  | 4,2  | 15,0  | 3,5  | 3,8  | 3,9  | 4,4  | 15,7  |
| Financial account, USD bn             | -10,1 | 3,3  | 0,1  | -1,0 | 0,9  | -2,2 | -2,3  | -0,4 | -1,0 | -2,1 | -1,3 | -4,9  | -3,5 | -2,4 | -3,6 | -2,1 | -11,5 |
| BOP overall balance, USD bn           | 6,0   | 2,0  | -1,0 | 1,3  | -1,6 | 1,8  | 0,4   | -0,8 | -0,1 | 0,0  | 0,0  | -0,9  | 2,2  | -0,4 | 0,4  | -0,2 | 2,0   |
| Gross reserves, USD bn                | 25,3  | 29,1 | 27,0 | 28,4 | 28,7 | 31,1 | 31,1  | 30,1 | 31,3 | 30,5 | 30,2 | 30,2  | 31,6 | 30,9 | 30,3 | 29,6 | 29,6  |
| Months of future imports              | 4,8   | 4,2  | 3,7  | 3,7  | 3,8  | 4,1  | 4,1   | 4,1  | 4,2  | 4,1  | 4,0  | 4,0   | 4,0  | 3,9  | 4,8  | 3,7  | 3,7   |

*Source: made by the author*

Ukraine needs two to three years to restore the lost potential due to the COVID-19 pandemic. Stabilization of the situation, formation of a favorable foreign economic environment and continuation of measures to support business and citizens by the National Bank and the government will help to restore growth. High rates of vaccination in Ukraine will help to overcome the spread of the disease, but will not be crucial for foreign economic activity.

**Conclusion to the Chapter 3**

The COVID-19 pandemic shook the world economy in 2020. Companies were forced to reduce their activity, and the government increased spending on supporting the health care system. The COVID-19 pandemic caused both negative and positive



changes in Ukraine's balance of payments. Therefore, today the government must fully support Ukrainian producers in order to prevent further reductions in exports. The key risks to the balance of payments are the introduction of new quarantine restrictions, low vaccination rates and a longer inflation surge in Ukraine and around the world. The main factor for improving economic expectations remains the continuation of cooperation with the International Monetary Fund. Cooperation with the IMF will help accelerate economic growth, stabilize inflation at the target level, and maintain international reserves of \$ 30-31 billion USA in the coming years. Monetary policy should be based on keeping inflation at 5%, therefore the NBU should keep the discount rate at least 8.5%. High energy prices will affect inflation through rising fuel prices and administratively regulated tariffs, logistics and production costs. This will require tighter monetary policy. The government should increase the rate of vaccination, as the low level of vaccination in Ukraine may threaten a severe lockdown and slowdown in economic activity. The negative impact of quarantine will affect supply rather than demand, which may lead to increased pro-inflationary pressures.

## CONCLUSIONS

Ukraine and the world have experienced economic, social and political instability due to the COVID-19 pandemic. Quarantine restrictions shocked all sectors of the economy at the beginning of March 2020, therefore economic entities fell into uncertainty, but panic disappeared by the end of spring. This crisis differs from the previous ones by low devaluation and walking inflation, a favorable external environment for trade.

The COVID-19 pandemic has demonstrated what the economic, social, humanitarian environment can look like in the face of various restrictions. Reducing production, trade, trade and international economic cooperation, slowing down investment, losing millions of jobs, declining incomes, declining supply and demand for goods and services, deteriorating partnerships, weakening human contacts and trust - the consequences of the COVID-19 pandemic.

In 2020, prices for energy products fell significantly due to the quarantine, which led to a sharp decline of imports of petroleum products, while prices for Ukrainian exports were high. Ukraine's balance of payments was stable during the corona crisis. In 2020, Ukrainian exports were almost unaffected, as demand for grain and metals was relatively stable, leaving export earnings at a steady level. At the same time, imports fell sharply due to falling energy prices and demand for imported goods. The hryvnia was supported by high remittances from workers and a sharp drop in travel expenses abroad. As a result, the balance of payments was in surplus.

The COVID-19 pandemic continues to spread around the world and has no plans to leave humanity in 2021, therefore the final economic impact of the pandemic on the balance of payments remains unclear. Analysts expect that there will be growth of prices of raw materials in 2021-2022. This turn of events has two different sides for Ukraine, because the current account depends on world prices for raw materials. It may increase the income of exporters, but it may also increase imports, including energy. Risk factors for balance of payments are mainly related to new mutations in the virus and low vaccination coverage. Other sources of vulnerability are the level of debt and

the need to finance countries' budget deficits. The cost of borrowing is already rising as central banks in many countries have begun to raise interest rates to counter inflation, so this will affect the terms of financing and cause particularly strong negative consequences for debt management.

The stability of the balance of payments depends on the dynamics of exports of goods and the level of international prices. If prices are high, Ukraine receives a sufficient amount of foreign exchange earnings, demand is met and the hryvnia exchange rate will be stable. More than 60% of Ukrainian exports are iron ore, steel, grain and oilseeds, sunflower oil. Due to record high prices for ore and steel, Ukrainian metallurgists have increased revenues several times. High prices for ore and steel had a positive effect on the hryvnia exchange rate in the first half of 2021. However, the decline in world prices, which began in August, will lead to a decrease in foreign exchange earnings in Ukraine in the second half of 2021. This reason increased the pressure on the exchange rate due to the declining supply of the dollar in the interbank foreign exchange market.

If prices fall, the amount of foreign exchange earnings decreases, the demand for the dollar-euro exceeds supply, and therefore the hryvnia devalues.

Exit from the economic crisis will be difficult for Ukraine if the government authorities does not continue to take significant measures for strengthen the economy. Minimization of economic losses from COVID-19 depend on the effective implementation of anti-crisis economic measures. It is advisable to use some support for business entities during quarantine restrictions. Such measures may include the provision of government guarantees, the provision of soft loans, deferred repayment of loans, increased investment in infrastructure to create short-term economic incentives.

The monetary policy of central banks was aimed at counteracting crisis processes, and its characteristic features were low interest rates or cheap lending to ensure the financial stability of all market participants.

Many countries financed foreign economic deficits through the inflow of foreign direct investment, which gave economies more positive dynamics and stability, but Ukraine was not the center of investment inflows, therefore the inflow of direct

investment could not compensate the deficit financial account. However, Ukraine has managed to significantly improve its balance of payments due to the favorable foreign trade conditions. High inflows of foreign currency to Ukraine were personal remittances, and this served as an important component of the increase savings of the population, which in turn stimulated demand for goods.

Ensuring sustainable economic growth and minimizing the risks of further deterioration of the resilience of Ukraine's economy to shocks requires enhanced coordination of monetary and fiscal policies.

The strategy for improving the balance of payments should include the following elements: taking the necessary measures to eliminate internal economic imbalances; guarantee the provision of export credits to producers, insurance against economic and political risks, the introduction of a preferential depreciation regime for fixed assets and the provision of financial benefits and other loans in exchange for the implementation of specific obligations of the export program; use international legal standards to regulate the balance of payments; regulation of expenditures and revenues of the government budget; application of risk insurance instruments to the financial system.

In general, forecasts of economic behavior in the coming years should be considered with caution. Covid-19 continues to spread in the world despite vaccination, therefore no one knows for sure what will happen in the world.

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## Balance of Payments of Ukraine for 2010-2020: analytical presentation (according to BPM6), USD mln

| Description   | 2010          | 2011           | 2012           | 2013           | 2014          | 2015          | 2016          | 2017          | 2018           | 2019           | 2020          |
|---|---------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
| <b>A. Current account</b>   | <b>-3 016</b> | <b>-10 233</b> | <b>-14 335</b> | <b>-16 518</b> | <b>-4 596</b> | <b>5 035</b>  | <b>-1 866</b> | <b>-3 473</b> | <b>-6 432</b>  | <b>-4 124</b>  | <b>5 267</b>  |
| <b>Goods and services (net)</b>   | <b>-3 982</b> | <b>-10 145</b> | <b>-14 346</b> | <b>-15 634</b> | <b>-4 606</b> | <b>-2 362</b> | <b>-6 453</b> | <b>-8 744</b> | <b>-11 378</b> | <b>-12 511</b> | <b>-2 378</b> |
| <b>Goods (net)</b>  | <b>-9 597</b> | <b>-18 031</b> | <b>-21 846</b> | <b>-22 128</b> | <b>-7 128</b> | <b>-3 455</b> | <b>-6 942</b> | <b>-9 663</b> | <b>-12 714</b> | <b>-14 261</b> | <b>-6 778</b> |
| Exports of goods  | 47 299        | 62 383         | 64 427         | 59 106         | 50 552        | 35 420        | 33 560        | 39 701        | 43 341         | 46 091         | 45 143        |
| Imports of goods  | 56 896        | 80 414         | 86 273         | 81 234         | 57 680        | 38 875        | 40 502        | 49 364        | 56 055         | 60 352         | 51 921        |
| <b>Services (net)</b>   | <b>5 615</b>  | <b>7 886</b>   | <b>7 500</b>   | <b>6 494</b>   | <b>2 522</b>  | <b>1 093</b>  | <b>489</b>    | <b>919</b>    | <b>1 336</b>   | <b>1 750</b>   | <b>4 400</b>  |
| Exports of services   | 18 327        | 21 269         | 22 089         | 22 613         | 14 884        | 12 442        | 12 448        | 14 243        | 15 836         | 17 465         | 15 564        |
| Imports of services   | 12 712        | 13 383         | 14 589         | 16 119         | 12 362        | 11 349        | 11 959        | 13 324        | 14 500         | 15 715         | 11 164        |
| <b>Primary income (net)</b>   | <b>-2 009</b> | <b>-3 796</b>  | <b>-2 965</b>  | <b>-3 033</b>  | <b>-1 531</b> | <b>3 794</b>  | <b>951</b>    | <b>1 648</b>  | <b>1 294</b>   | <b>1 924</b>   | <b>3 549</b>  |
| Credit  | 4 715         | 5 485          | 7 082          | 7 767          | 5 503         | 5 786         | 6 889         | 9 339         | 11 875         | 13 295         | 12 178        |
| Debit   | 6 724         | 9 281          | 10 047         | 10 800         | 7 034         | 1 992         | 5 938         | 7 691         | 10 581         | 11 371         | 8 629         |
| <b>Compensation of employees (net)</b>  | <b>4 034</b>  | <b>4 808</b>   | <b>5 520</b>   | <b>6 757</b>   | <b>5 154</b>  | <b>5 595</b>  | <b>6 694</b>  | <b>9 110</b>  | <b>11 478</b>  | <b>12 754</b>  | <b>11 717</b> |
| Credit  | 4 046         | 4 825          | 5 542          | 6 782          | 5 183         | 5 631         | 6 731         | 9 137         | 11 494         | 12 774         | 11 738        |
| Debit   | 12            | 17             | 22             | 25             | 29            | 36            | 37            | 27            | 16             | 20             | 21            |
| <b>Investment income (net)</b>  | <b>-6 043</b> | <b>-8 604</b>  | <b>-8 485</b>  | <b>-9 790</b>  | <b>-6 685</b> | <b>-1 801</b> | <b>-5 743</b> | <b>-7 462</b> | <b>-10 184</b> | <b>-10 830</b> | <b>-8 168</b> |
| Credit  | 669           | 660            | 1 540          | 985            | 320           | 155           | 158           | 202           | 381            | 521            | 440           |
| Debit   | 6 712         | 9 264          | 10 025         | 10 775         | 7 005         | 1 956         | 5 901         | 7 664         | 10 565         | 11 351         | 8 608         |
| o/w: reinvested earnings  | -             | -              | -              | -              | -             | -3 419        | 526           | 1 490         | 2 597          | 3 250          | -488          |
| <b>Secondary income (net)</b>   | <b>2 975</b>  | <b>3 708</b>   | <b>2 976</b>   | <b>2 149</b>   | <b>1 541</b>  | <b>3 603</b>  | <b>3 636</b>  | <b>3 623</b>  | <b>3 652</b>   | <b>6 463</b>   | <b>4 096</b>  |
| Credits   | 4 042         | 4 751          | 4 219          | 4 129          | 3 424         | 4 573         | 4 627         | 4 811         | 4 947          | 7 881          | 5 674         |
| Debits  | 1 067         | 1 043          | 1 243          | 1 980          | 1 883         | 970           | 991           | 1 188         | 1 295          | 1 418          | 1 578         |
| <b>B. Capital account</b>   | <b>188</b>    | <b>101</b>     | <b>40</b>      | <b>-60</b>     | <b>400</b>    | <b>456</b>    | <b>92</b>     | <b>-4</b>     | <b>37</b>      | <b>38</b>      | <b>-3</b>     |
| <i>Net lending (+) / net borrowing (-) (balance from current and capital account)</i> | <i>-2 828</i> | <i>-10 132</i> | <i>-14 295</i> | <i>-16 578</i> | <i>-4 196</i> | <i>5 491</i>  | <i>-1 774</i> | <i>-3 477</i> | <i>-6 395</i>  | <i>-4 086</i>  | <i>5 264</i>  |
| <b>C. Financial account</b>   | <b>-7 859</b> | <b>-7 677</b>  | <b>-10 120</b> | <b>-18 601</b> | <b>9 111</b>  | <b>4 642</b>  | <b>-3 120</b> | <b>-6 043</b> | <b>-9 272</b>  | <b>-10 066</b> | <b>3 274</b>  |
| <b>Direct investment (net)</b>  | <b>-5 759</b> | <b>-7 015</b>  | <b>-7 195</b>  | <b>-4 079</b>  | <b>-299</b>   | <b>407</b>    | <b>-3 794</b> | <b>-3 684</b> | <b>-4 460</b>  | <b>-5 212</b>  | <b>117</b>    |
| <b>Direct investment: assets</b>  | 692           | 192            | 980            | 430            | 548           | 38            | 173           | 234           | 116            | 621            | 362           |
| <b>Direct investment: liabilities</b>   | 6 451         | 7 207          | 8 175          | 4 509          | 847           | -369          | 3 967         | 3 918         | 4 576          | 5 833          | 245           |
| reinvestment of earnings  | -             | -              | -              | -              | -             | -3 419        | 526           | 1 490         | 2 597          | 3 250          | -488          |

|   |               |               |               |               |                |              |              |               |               |               |              |
|---|---------------|---------------|---------------|---------------|----------------|--------------|--------------|---------------|---------------|---------------|--------------|
| direct investor's loans to Ukraine                                  | 901           | 1 086         | 1 927         | 841           | 135            | -953         | -109         | 893           | 507           | 924           | -27          |
| <b>Portfolio investment (net)</b>                                   | <b>-4 342</b> | <b>-1 569</b> | <b>-4 689</b> | <b>-8 787</b> | <b>2 700</b>   | <b>-367</b>  | <b>-293</b>  | <b>-1 800</b> | <b>-2 080</b> | <b>-5 134</b> | <b>829</b>   |
| <b>Portfolio investment: assets</b>                                 | 17            | 48            | 72            | -5            | -1             | 3            | -77          | 3             | 33            | 411           | 152          |
| <b>Portfolio investment: liabilities</b>                            | 4 359         | 1 617         | 4 761         | 8 782         | -2 701         | 370          | 216          | 1 803         | 2 113         | 5 545         | -677         |
| Equities  | 290           | 519           | 516           | 1 180         | -391           | 177          | 69           | 110           | -9            | 49            | 173          |
| Debt securities   | 4 069         | 1 098         | 4 245         | 7 602         | -2 310         | 193          | 147          | 1 693         | 2 122         | 5 496         | -850         |
| General government  | 3 254         | 1 040         | 3 424         | 4 786         | 19             | 949          | 256          | 1 496         | 2 017         | 4 194         | -311         |
| Banks   | -150          | -1 026        | -346          | 1 779         | -717           | -613         | -88          | -100          | 92            | -795          | -917         |
| Other sectors   | 965           | 1 084         | 1 167         | 1 037         | -1 612         | -143         | -21          | 297           | 13            | 2 097         | 378          |
| <b>Financial derivatives: net</b>                                   | 0             | 0             | 0             | 0             | 0              | 0            | 0            | 0             | 0             | 0             | 329          |
| <b>Financial derivatives: liabilities</b>                           | 0             | 0             | 0             | 0             | 0              | 0            | 0            | 0             | 0             | 0             | -329         |
| General government  | 0             | 0             | 0             | 0             | 0              | 0            | 0            | 0             | 0             | 0             | -329         |
| <b>Other investment (net)</b>                                       | <b>3 593</b>  | <b>1 878</b>  | <b>3 157</b>  | <b>-6 375</b> | <b>7 243</b>   | <b>4 263</b> | <b>392</b>   | <b>-137</b>   | <b>-1 061</b> | <b>1 474</b>  | <b>2 750</b> |
| <b>Other investment: assets</b>                                     | 10 748        | 9 883         | 9 225         | -1 720        | 1 515          | 565          | -2 762       | 629           | 1 996         | 5 915         | 6 278        |
| Central bank  | 202           | -12           | -284          | -149          | -361           | -52          | -15          | -11           | -19           | -7            | -15          |
| General government  | 0             | 0             | 0             | 0             | 0              | 12           | 12           | 24            | 24            | 0             | 0            |
| Banks   | 1 869         | -139          | 1 781         | -3 276        | -3 006         | 384          | -700         | -753          | -329          | 3 768         | 819          |
| Other sectors   | 8 677         | 10 034        | 7 728         | 1 705         | 4 882          | 221          | -2 059       | 1 369         | 2 320         | 2 154         | 5 474        |
| o/w:  |               |               |               |               |                |              |              |               |               |               |              |
| foreign cash outside the banking system                             | 5 600         | 11 408        | 7 961         | 2 691         | 3 452          | -168         | -2 722       | 393           | 2 421         | 2 602         | 4 728        |
| trade credits   | 2 732         | -1 651        | -755          | -530          | 744            | 609          | 428          | 1 038         | -108          | -670          | 51           |
| <b>Other investment: liabilities</b>                                | 7 155         | 8 005         | 6 068         | 4 655         | -5 728         | -3 698       | -3 154       | 766           | 3 057         | 4 441         | 3 528        |
| Central bank  | -4            | 3             | 7             | -12           | 0              | 1 320        | -1 303       | 100           | 0             | 0             | 0            |
| General government  | 1 865         | 77            | -994          | -33           | 3 274          | 2 295        | 252          | 530           | 922           | 1 037         | 1 509        |
| Banks   | -2 396        | -2 108        | -3 295        | -1 032        | -2 102         | -4 304       | -2 628       | -1 522        | -454          | -323          | -164         |
| Other sectors   | 7 690         | 10 033        | 10 350        | 5 732         | -6 900         | -3 009       | 525          | 1 658         | 2 589         | 3 727         | 2 183        |
| Long-term loans   | 4 136         | 4 925         | 8 047         | 1 264         | -596           | -1 198       | -348         | -548          | 1 127         | 437           | 164          |
| Short-term loans  | 467           | 1 027         | -299          | 570           | 342            | -84          | 273          | 607           | 358           | 868           | -392         |
| Trade credits   | 3 087         | 4 081         | 2 602         | 3 898         | -6 646         | -1 727       | 600          | 1 599         | 1 104         | 2 422         | 2 411        |
| <b>Errors and omissions</b>   | <b>1 351</b>  | <b>971</b>    | <b>1 393</b>  | <b>-640</b>   | <b>533</b>     | <b>-339</b>  | <b>-575</b>  | <b>422</b>    | <b>1 671</b>  | <b>1 194</b>  | <b>751</b>   |
| <b><u>D. Overall balance (= A + B - C = E)</u></b>                  | <b>5 031</b>  | <b>-2 455</b> | <b>-4 175</b> | <b>2 023</b>  | <b>-13 307</b> | <b>849</b>   | <b>1 346</b> | <b>2 566</b>  | <b>2 877</b>  | <b>5 980</b>  | <b>1 990</b> |
| <b><u>E. Reserves and related items (= E.1 - E.2 - E.3 = D)</u></b> | <b>5 031</b>  | <b>-2 455</b> | <b>-4 175</b> | <b>2 023</b>  | <b>-13 307</b> | <b>849</b>   | <b>1 346</b> | <b>2 566</b>  | <b>2 877</b>  | <b>5 980</b>  | <b>1 990</b> |
| E.1.Reserve assets  | 8 460         | -2 455        | -7 594        | -3 552        | -12 404        | 6 016        | 2 348        | 2 673         | 2 161         | 4 386         | 2 965        |
| E.2.IMF loans   | 3 429         | 0             | -3 419        | -5 575        | 903            | 5 167        | 1 002        | 107           | -716          | -1 594        | 975          |

## Balance of Payments of Ukraine for 2010-2020: standart presentation (according to BPM6), USD mln

| Description  | 2010          | 2011           | 2012           | 2013           | 2014          | 2015          | 2016          | 2017          | 2018           | 2019           | 2020          |
|--|---------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
| <b>Current account</b>   | <b>-3 016</b> | <b>-10 233</b> | <b>-14 335</b> | <b>-16 518</b> | <b>-4 596</b> | <b>5 035</b>  | <b>-1 866</b> | <b>-3 473</b> | <b>-6 432</b>  | <b>-4 124</b>  | <b>5 267</b>  |
| Credit   | 74 383        | 93 888         | 97 817         | 93 615         | 74 363        | 58 221        | 57 524        | 68 094        | 75 999         | 84 732         | 78 559        |
| Debit  | 77 399        | 104 121        | 112 152        | 110 133        | 78 959        | 53 186        | 59 390        | 71 567        | 82 431         | 88 856         | 73 292        |
| <b>Goods and services</b>  | <b>-3 982</b> | <b>-10 145</b> | <b>-14 346</b> | <b>-15 634</b> | <b>-4 606</b> | <b>-2 362</b> | <b>-6 453</b> | <b>-8 744</b> | <b>-11 378</b> | <b>-12 511</b> | <b>-2 378</b> |
| Credit   | 65 626        | 83 652         | 86 516         | 81 719         | 65 436        | 47 862        | 46 008        | 53 944        | 59 177         | 63 556         | 60 707        |
| Debit  | 69 608        | 93 797         | 100 862        | 97 353         | 70 042        | 50 224        | 52 461        | 62 688        | 70 555         | 76 067         | 63 085        |
| <b>Goods</b>   | <b>-9 597</b> | <b>-18 031</b> | <b>-21 846</b> | <b>-22 128</b> | <b>-7 128</b> | <b>-3 455</b> | <b>-6 942</b> | <b>-9 663</b> | <b>-12 714</b> | <b>-14 261</b> | <b>-6 778</b> |
| Credit   | 47 299        | 62 383         | 64 427         | 59 106         | 50 552        | 35 420        | 33 560        | 39 701        | 43 341         | 46 091         | 45 143        |
| Debit  | 56 896        | 80 414         | 86 273         | 81 234         | 57 680        | 38 875        | 40 502        | 49 364        | 56 055         | 60 352         | 51 921        |
| <b>Services</b>  | <b>5 615</b>  | <b>7 886</b>   | <b>7 500</b>   | <b>6 494</b>   | <b>2 522</b>  | <b>1 093</b>  | <b>489</b>    | <b>919</b>    | <b>1 336</b>   | <b>1 750</b>   | <b>4 400</b>  |
| Credit   | 18 327        | 21 269         | 22 089         | 22 613         | 14 884        | 12 442        | 12 448        | 14 243        | 15 836         | 17 465         | 15 564        |
| Debit  | 12 712        | 13 383         | 14 589         | 16 119         | 12 362        | 11 349        | 11 959        | 13 324        | 14 500         | 15 715         | 11 164        |
| <b>Manufacturing services on physical inputs owned by others</b> | <b>1 321</b>  | <b>1 797</b>   | <b>2 067</b>   | <b>1 940</b>   | <b>1 249</b>  | <b>1 015</b>  | <b>1 121</b>  | <b>1 417</b>  | <b>1 696</b>   | <b>1 638</b>   | <b>1 352</b>  |
| Credit   | 1 326         | 1 805          | 2 077          | 1 951          | 1 278         | 1 078         | 1 126         | 1 419         | 1 698          | 1 640          | 1 354         |
| Debit  | 5             | 8              | 10             | 11             | 29            | 63            | 5             | 2             | 2              | 2              | 2             |
| Goods for processing in reporting economy                        |               |                |                |                |               |               |               |               |                |                |               |
| Credit   | 4 416         | 6 314          | 5 081          | 5 412          | 4 285         | 3 395         | 3 461         | 4 253         | 4 689          | 4 572          | 4 221         |
| Debit  | 3 574         | 5 130          | 3 406          | 3 656          | 3 026         | 2 367         | 2 488         | 2 987         | 3 249          | 3 131          | 2 864         |
| Goods for processing abroad                                      |               |                |                |                |               |               |               |               |                |                |               |
| Credit   | 55            | 106            | 118            | 107            | 128           | 67            | 42            | 84            | 49             | 66             | 86            |
| Debit  | 63            | 83             | 161            | 132            | 143           | 63            | 48            | 13            | 14             | 27             | 35            |
| Maintenance and repair services n.i.e.                           | 416           | 614            | 567            | 249            | 192           | 106           | 140           | 173           | 159            | 184            | 175           |
| Credit   | 463           | 658            | 615            | 373            | 299           | 192           | 232           | 244           | 243            | 269            | 236           |
| Debit  | 47            | 44             | 48             | 124            | 107           | 86            | 92            | 71            | 84             | 85             | 61            |
| <b>Transport</b>   | <b>3 908</b>  | <b>5 517</b>   | <b>4 681</b>   | <b>4 437</b>   | <b>3 504</b>  | <b>3 375</b>  | <b>3 414</b>  | <b>3 813</b>  | <b>3 712</b>   | <b>3 737</b>   | <b>3 169</b>  |
| Credit   | 7 991         | 9 239          | 8 717          | 8 478          | 6 231         | 5 322         | 5 348         | 5 922         | 5 949          | 6 253          | 5 089         |

|                            |        |            |            |            |            |            |            |            |            |            |             |             |
|----------------------------|--------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
|                            | Debit  | 4 083      | 3 722      | 4 036      | 4 041      | 2 727      | 1 947      | 1 934      | 2 109      | 2 237      | 2 516       | 1 920       |
| For all modes of transport |        |            |            |            |            |            |            |            |            |            |             |             |
| Passenger                  |        | 516        | 744        | 714        | 311        | 243        | 273        | 309        | 343        | 436        | 585         | 181         |
|                            | Credit | 908        | 1 112      | 1 146      | 848        | 652        | 580        | 645        | 758        | 824        | 975         | 313         |
| Freight                    | Debit  | 392        | 368        | 432        | 537        | 409        | 307        | 336        | 415        | 388        | 390         | 132         |
|                            |        | 1 493      | 2 724      | 1 799      | 2 179      | 1 519      | 1 834      | 2 168      | 2 595      | 2 457      | 2 299       | 1 824       |
|                            | Credit | 4 292      | 4 870      | 4 182      | 4 290      | 2 995      | 2 869      | 3 172      | 3 614      | 3 565      | 3 584       | 3 046       |
| Other                      | Debit  | 2 799      | 2 146      | 2 383      | 2 111      | 1 476      | 1 035      | 1 004      | 1 019      | 1 108      | 1 285       | 1 222       |
|                            |        | 1 675      | 1 817      | 1 950      | 1 749      | 1 594      | 1 190      | 869        | 793        | 703        | 751         | 1 044       |
|                            | Credit | 2 563      | 3 022      | 3 168      | 3 126      | 2 424      | 1 789      | 1 456      | 1 458      | 1 426      | 1 573       | 1 582       |
| Sea transport              | Debit  | 888        | 1 205      | 1 218      | 1 377      | 830        | 599        | 587        | 665        | 723        | 822         | 538         |
|                            |        | <b>267</b> | <b>540</b> | <b>445</b> | <b>325</b> | <b>300</b> | <b>333</b> | <b>246</b> | <b>168</b> | <b>-55</b> | <b>-230</b> | <b>-233</b> |
|                            | Credit | 1 232      | 1 211      | 1 241      | 1 124      | 852        | 735        | 663        | 611        | 522        | 596         | 605         |
| Passenger                  | Debit  | 965        | 671        | 796        | 799        | 552        | 402        | 417        | 443        | 577        | 826         | 838         |
|                            |        | 4          | 3          | 4          | 3          | 0          | -1         | -2         | -1         | 6          | -1          | 0           |
|                            | Credit | 4          | 3          | 5          | 5          | 0          | 0          | 0          | 0          | 6          | 0           | 0           |
| Freight                    | Debit  | 0          | 0          | 1          | 2          | 0          | 1          | 2          | 1          | 0          | 1           | 0           |
|                            |        | -802       | -487       | -658       | -525       | -408       | -326       | -316       | -304       | -449       | -653        | -669        |
|                            | Credit | 48         | 50         | 38         | 54         | 34         | 14         | 32         | 43         | 28         | 37          | 35          |
| Other                      | Debit  | 850        | 537        | 696        | 579        | 442        | 340        | 348        | 347        | 477        | 690         | 704         |
|                            |        | 1 065      | 1 024      | 1 099      | 847        | 708        | 660        | 564        | 473        | 388        | 424         | 436         |
|                            | Credit | 1 180      | 1 158      | 1 198      | 1 065      | 818        | 721        | 631        | 568        | 488        | 559         | 570         |
| Air transport              | Debit  | 115        | 134        | 99         | 218        | 110        | 61         | 67         | 95         | 100        | 135         | 134         |
|                            |        | <b>224</b> | <b>593</b> | <b>519</b> | <b>143</b> | <b>300</b> | <b>230</b> | <b>224</b> | <b>349</b> | <b>446</b> | <b>566</b>  | <b>429</b>  |
|                            | Credit | 1 176      | 1 503      | 1 510      | 1 334      | 1 072      | 855        | 883        | 1 092      | 1 221      | 1 420       | 803         |
| Passenger                  | Debit  | 952        | 910        | 991        | 1 191      | 772        | 625        | 659        | 743        | 775        | 854         | 374         |
|                            |        | 377        | 613        | 586        | 184        | 226        | 273        | 301        | 325        | 410        | 567         | 176         |
|                            | Credit | 577        | 771        | 814        | 511        | 523        | 518        | 582        | 687        | 755        | 907         | 298         |
| Freight                    | Debit  | 200        | 158        | 228        | 327        | 297        | 245        | 281        | 362        | 345        | 340         | 122         |
|                            |        | -15        | 154        | 71         | 82         | 81         | 84         | 51         | 129        | 174        | 176         | 224         |
|                            | Credit | 275        | 309        | 251        | 258        | 177        | 148        | 147        | 220        | 251        | 262         | 314         |
| Other                      | Debit  | 290        | 155        | 180        | 176        | 96         | 64         | 96         | 91         | 77         | 86          | 90          |
|                            |        | -138       | -174       | -138       | -123       | -7         | -127       | -128       | -105       | -138       | -177        | 29          |

|                                 |        |              |              |              |              |              |              |              |              |              |              |              |
|---------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                 | Credit | 324          | 423          | 445          | 565          | 372          | 189          | 154          | 185          | 215          | 251          | 191          |
|                                 | Debit  | 462          | 597          | 583          | 688          | 379          | 316          | 282          | 290          | 353          | 428          | 162          |
| <b>Rail transport</b>           |        | <b>-32</b>   | <b>393</b>   | <b>78</b>    | <b>184</b>   | <b>99</b>    | <b>267</b>   | <b>139</b>   | <b>86</b>    | <b>7</b>     | <b>31</b>    | <b>61</b>    |
|                                 | Credit | 1 455        | 1 772        | 1 587        | 1 615        | 1 099        | 751          | 561          | 581          | 539          | 501          | 406          |
|                                 | Debit  | 1 487        | 1 379        | 1 509        | 1 431        | 1 000        | 484          | 422          | 495          | 532          | 470          | 345          |
| Passenger                       |        | 124          | 115          | 108          | 110          | 5            | -3           | 0            | 2            | 8            | 7            | 5            |
|                                 | Credit | 311          | 319          | 305          | 311          | 113          | 54           | 49           | 48           | 44           | 46           | 10           |
|                                 | Debit  | 187          | 204          | 197          | 201          | 108          | 57           | 49           | 46           | 36           | 39           | 5            |
| Freight                         |        | -660         | -339         | -552         | -494         | -299         | -5           | -39          | -109         | -200         | -191         | -185         |
|                                 | Credit | 402          | 490          | 364          | 385          | 350          | 272          | 198          | 183          | 134          | 100          | 49           |
|                                 | Debit  | 1 062        | 829          | 916          | 879          | 649          | 277          | 237          | 292          | 334          | 291          | 234          |
| Other                           |        | 504          | 617          | 522          | 568          | 393          | 275          | 178          | 193          | 199          | 215          | 241          |
|                                 | Credit | 742          | 963          | 918          | 919          | 636          | 425          | 314          | 350          | 361          | 355          | 347          |
|                                 | Debit  | 238          | 346          | 396          | 351          | 243          | 150          | 136          | 157          | 162          | 140          | 106          |
| <b>Road transport</b>           |        | <b>-401</b>  | <b>-135</b>  | <b>-242</b>  | <b>-107</b>  | <b>150</b>   | <b>-54</b>   | <b>-45</b>   | <b>18</b>    | <b>102</b>   | <b>107</b>   | <b>63</b>    |
|                                 | Credit | 253          | 389          | 452          | 475          | 460          | 248          | 239          | 274          | 304          | 338          | 338          |
|                                 | Debit  | 654          | 524          | 694          | 582          | 310          | 302          | 284          | 256          | 202          | 231          | 275          |
| Passenger                       |        | 0            | 2            | 5            | 0            | 3            | 3            | 7            | 14           | 7            | 6            | 0            |
|                                 | Credit | 5            | 8            | 11           | 7            | 7            | 7            | 11           | 20           | 14           | 16           | 5            |
|                                 | Debit  | 5            | 6            | 6            | 7            | 4            | 4            | 4            | 6            | 7            | 10           | 5            |
| Freight                         |        | -446         | -214         | -347         | -234         | -37          | -105         | -94          | -53          | 30           | 22           | -8           |
|                                 | Credit | 151          | 220          | 243          | 240          | 199          | 151          | 142          | 156          | 171          | 180          | 186          |
|                                 | Debit  | 597          | 434          | 590          | 474          | 236          | 256          | 236          | 209          | 141          | 158          | 194          |
| Other                           |        | 45           | 77           | 100          | 127          | 184          | 48           | 42           | 57           | 65           | 79           | 71           |
|                                 | Credit | 97           | 161          | 198          | 228          | 254          | 90           | 86           | 98           | 119          | 142          | 147          |
|                                 | Debit  | 52           | 84           | 98           | 101          | 70           | 42           | 44           | 41           | 54           | 63           | 76           |
| <b>Other modes of transport</b> |        | <b>3 626</b> | <b>3 894</b> | <b>3 663</b> | <b>3 694</b> | <b>2 507</b> | <b>2 521</b> | <b>2 782</b> | <b>3 110</b> | <b>3 096</b> | <b>3 161</b> | <b>2 729</b> |
|                                 | Credit | 3 647        | 4 129        | 3 706        | 3 716        | 2 588        | 2 649        | 2 927        | 3 272        | 3 229        | 3 277        | 2 789        |
|                                 | Debit  | 21           | 235          | 43           | 22           | 81           | 128          | 145          | 162          | 133          | 116          | 60           |
| Passenger                       |        | 11           | 11           | 11           | 14           | 9            | 1            | 3            | 3            | 5            | 6            | 0            |
|                                 | Credit | 11           | 11           | 11           | 14           | 9            | 1            | 3            | 3            | 5            | 6            | 0            |
|                                 | Debit  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Freight                         |        | 3 416        | 3 610        | 3 285        | 3 350        | 2 182        | 2 186        | 2 566        | 2 932        | 2 902        | 2 945        | 2 462        |



|   |             |             |              |              |              |              |              |              |              |              |              |      |
|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Debit   | -           | -           | -            | -            | -            | -            | -            | -            | 425          | 476          | 496          | 472  |
| Financial intermediation services indirectly measured (FISIM) | -           | -           | -            | -            | -            | -            | -            | -            | -100         | -11          | -53          | -138 |
| Credit  | -           | -           | -            | -            | -            | -            | -            | -            | 76           | 42           | 32           | 26   |
| Debit   | -           | -           | -            | -            | -            | -            | -            | -            | 176          | 53           | 85           | 164  |
| <b>Charges for the use of intellectual property n.i.e.</b>    | <b>-612</b> | <b>-639</b> | <b>-603</b>  | <b>-905</b>  | <b>-434</b>  | <b>-273</b>  | <b>-285</b>  | <b>-358</b>  | <b>-500</b>  | <b>-524</b>  | <b>-421</b>  |      |
| Credit  | 132         | 107         | 124          | 167          | 118          | 85           | 73           | 72           | 92           | 82           | 74           |      |
| Debit   | 744         | 746         | 727          | 1 072        | 552          | 358          | 358          | 430          | 592          | 606          | 495          |      |
| <b>Telecommunications, computer, and information services</b> | <b>350</b>  | <b>603</b>  | <b>802</b>   | <b>1 019</b> | <b>1 460</b> | <b>1 478</b> | <b>1 815</b> | <b>2 252</b> | <b>2 855</b> | <b>3 630</b> | <b>4 433</b> |      |
| Credit  | 719         | 1 040       | 1 321        | 1 782        | 2 042        | 2 105        | 2 310        | 2 760        | 3 473        | 4 331        | 5 181        |      |
| Debit   | 369         | 437         | 519          | 763          | 582          | 627          | 495          | 508          | 618          | 701          | 748          |      |
| Telecommunications services                                   | 168         | 201         | 181          | 70           | 232          | 121          | 160          | 121          | 135          | 28           | 25           |      |
| Credit  | 290         | 342         | 329          | 388          | 444          | 398          | 310          | 256          | 247          | 125          | 111          |      |
| Debit   | 122         | 141         | 148          | 318          | 212          | 277          | 150          | 135          | 112          | 97           | 86           |      |
| Computer services   | 194         | 403         | 603          | 894          | 1 163        | 1 341        | 1 652        | 2 131        | 2 724        | 3 594        | 4 386        |      |
| Credit  | 404         | 658         | 937          | 1 292        | 1 500        | 1 668        | 1 975        | 2 485        | 3 204        | 4 173        | 5 026        |      |
| Debit   | 210         | 255         | 334          | 398          | 337          | 327          | 323          | 354          | 480          | 579          | 640          |      |
| Information services  | -12         | -1          | 18           | 55           | 65           | 16           | 3            | 0            | -4           | 8            | 22           |      |
| Credit  | 25          | 40          | 55           | 102          | 98           | 39           | 25           | 19           | 22           | 33           | 44           |      |
| Debit   | 37          | 41          | 37           | 47           | 33           | 23           | 22           | 19           | 26           | 25           | 22           |      |
| <b>Other business services</b>                                | <b>796</b>  | <b>861</b>  | <b>1 058</b> | <b>1 183</b> | <b>968</b>   | <b>675</b>   | <b>384</b>   | <b>638</b>   | <b>644</b>   | <b>975</b>   | <b>1 346</b> |      |
| Credit  | 2 456       | 2 772       | 2 951        | 3 239        | 2 495        | 1 807        | 1 643        | 1 963        | 2 264        | 2 596        | 2 685        |      |
| Debit   | 1 660       | 1 911       | 1 893        | 2 056        | 1 527        | 1 132        | 1 259        | 1 325        | 1 620        | 1 621        | 1 339        |      |
| <b>Research and development services</b>                      | <b>323</b>  | <b>354</b>  | <b>401</b>   | <b>432</b>   | <b>351</b>   | <b>317</b>   | <b>199</b>   | <b>196</b>   | <b>151</b>   | <b>239</b>   | <b>230</b>   |      |
| Credit  | 490         | 526         | 567          | 581          | 440          | 349          | 256          | 266          | 224          | 298          | 275          |      |
| Debit   | 167         | 172         | 166          | 149          | 89           | 32           | 57           | 70           | 73           | 59           | 45           |      |
| <b>Professional and management consulting services</b>        | <b>-88</b>  | <b>13</b>   | <b>135</b>   | <b>260</b>   | <b>274</b>   | <b>133</b>   | <b>101</b>   | <b>155</b>   | <b>298</b>   | <b>465</b>   | <b>394</b>   |      |
| Credit  | 530         | 642         | 753          | 892          | 727          | 508          | 501          | 592          | 839          | 956          | 1 041        |      |



|  |        |               |               |               |               |               |               |               |               |                |                |               |
|--|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
|  | Debit  | 618           | 629           | 618           | 632           | 453           | 375           | 400           | 437           | 541            | 491            | 647           |
| <b>Technical, trade-related, and other business services</b> |        | <b>561</b>    | <b>494</b>    | <b>522</b>    | <b>491</b>    | <b>343</b>    | <b>225</b>    | <b>84</b>     | <b>287</b>    | <b>195</b>     | <b>271</b>     | <b>722</b>    |
|  | Credit | 1 436         | 1 604         | 1 631         | 1 766         | 1 328         | 950           | 886           | 1 105         | 1 201          | 1 342          | 1 369         |
|  | Debit  | 875           | 1 110         | 1 109         | 1 275         | 985           | 725           | 802           | 818           | 1 006          | 1 071          | 647           |
| <b>Personal, cultural, and recreational services</b>         |        | <b>-108</b>   | <b>-141</b>   | <b>-112</b>   | <b>-212</b>   | <b>-100</b>   | <b>-74</b>    | <b>-56</b>    | <b>-67</b>    | <b>-54</b>     | <b>-61</b>     | <b>-43</b>    |
|  | Credit | 113           | 93            | 119           | 114           | 64            | 39            | 36            | 37            | 52             | 66             | 66            |
|  | Debit  | 221           | 234           | 231           | 326           | 164           | 113           | 92            | 104           | 106            | 127            | 109           |
| <b>Audiovisual and related services</b>                      |        | <b>-120</b>   | <b>-135</b>   | <b>-114</b>   | <b>-220</b>   | <b>-57</b>    | <b>-65</b>    | <b>-41</b>    | <b>-39</b>    | <b>-21</b>     | <b>-16</b>     | <b>0</b>      |
|  | Credit | 32            | 37            | 36            | 42            | 31            | 17            | 14            | 15            | 25             | 32             | 38            |
|  | Debit  | 152           | 172           | 150           | 262           | 88            | 82            | 55            | 54            | 46             | 48             | 38            |
| <b>Other personal, cultural, and recreational services</b>   |        | <b>12</b>     | <b>-6</b>     | <b>2</b>      | <b>8</b>      | <b>-43</b>    | <b>-9</b>     | <b>-15</b>    | <b>-28</b>    | <b>-33</b>     | <b>-45</b>     | <b>-43</b>    |
|  | Credit | 81            | 56            | 83            | 72            | 33            | 22            | 22            | 22            | 27             | 34             | 28            |
|  | Debit  | 69            | 62            | 81            | 64            | 76            | 31            | 37            | 50            | 60             | 79             | 71            |
| <b>Government goods and services</b>                         |        |               |               |               |               |               |               |               |               |                |                |               |
| n.i.e.   |        | <b>75</b>     | <b>27</b>     | <b>121</b>    | <b>181</b>    | <b>-358</b>   | <b>-724</b>   | <b>-741</b>   | <b>-610</b>   | <b>-391</b>    | <b>-500</b>    | <b>-754</b>   |
|  | Credit | 598           | 651           | 716           | 762           | 302           | 240           | 313           | 307           | 300            | 311            | 285           |
|  | Debit  | 523           | 624           | 595           | 581           | 660           | 964           | 1 054         | 917           | 691            | 811            | 1 039         |
| <b>Primary income</b>  |        | <b>-2 009</b> | <b>-3 796</b> | <b>-2 965</b> | <b>-3 033</b> | <b>-1 531</b> | <b>3 794</b>  | <b>951</b>    | <b>1 648</b>  | <b>1 294</b>   | <b>1 924</b>   | <b>3 549</b>  |
|  | Credit | 4 715         | 5 485         | 7 082         | 7 767         | 5 503         | 5 786         | 6 889         | 9 339         | 11 875         | 13 295         | 12 178        |
|  | Debit  | 6 724         | 9 281         | 10 047        | 10 800        | 7 034         | 1 992         | 5 938         | 7 691         | 10 581         | 11 371         | 8 629         |
| <b>Compensation of employees</b>                             |        | <b>4 034</b>  | <b>4 808</b>  | <b>5 520</b>  | <b>6 757</b>  | <b>5 154</b>  | <b>5 595</b>  | <b>6 694</b>  | <b>9 110</b>  | <b>11 478</b>  | <b>12 754</b>  | <b>11 717</b> |
|  | Credit | 4 046         | 4 825         | 5 542         | 6 782         | 5 183         | 5 631         | 6 731         | 9 137         | 11 494         | 12 774         | 11 738        |
|  | Debit  | 12            | 17            | 22            | 25            | 29            | 36            | 37            | 27            | 16             | 20             | 21            |
| <b>Investment income</b>                                     |        | <b>-6 043</b> | <b>-8 604</b> | <b>-8 485</b> | <b>-9 790</b> | <b>-6 685</b> | <b>-1 801</b> | <b>-5 743</b> | <b>-7 462</b> | <b>-10 184</b> | <b>-10 830</b> | <b>-8 168</b> |
|  | Credit | 669           | 660           | 1 540         | 985           | 320           | 155           | 158           | 202           | 381            | 521            | 440           |
|  | Debit  | 6 712         | 9 264         | 10 025        | 10 775        | 7 005         | 1 956         | 5 901         | 7 664         | 10 565         | 11 351         | 8 608         |
| <b>Direct investment</b>                                     |        | <b>-2 198</b> | <b>-4 035</b> | <b>-3 732</b> | <b>-4 415</b> | <b>-1 662</b> | <b>2 990</b>  | <b>-1 625</b> | <b>-3 502</b> | <b>-5 661</b>  | <b>-6 573</b>  | <b>-3 582</b> |
|  | Credit | 20            | 49            | 1 043         | 590           | 80            | 42            | 29            | 32            | 90             | 94             | 59            |
|  | Debit  | 2 218         | 4 084         | 4 775         | 5 005         | 1 742         | -2 948        | 1 654         | 3 534         | 5 751          | 6 667          | 3 641         |

|   |               |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Income on equity and investment fund shares                 | -1 957        | -3 736        | -3 259        | -3 818        | -1 285        | 3 415         | -1 188        | -3 095        | -5 203        | -6 076        | -3 036        |
| Credit  | 19            | 48            | 1 042         | 590           | 78            | 42            | 27            | 30            | 90            | 90            | 55            |
| Debit   | 1 976         | 3 784         | 4 301         | 4 408         | 1 363         | -3 373        | 1 215         | 3 125         | 5 293         | 6 166         | 3 091         |
| Dividends and withdrawals from income of quasi-corporations | -1 957        | -3 736        | -3 259        | -3 818        | -1 285        | -4            | -662          | -1 605        | -2 606        | -2 826        | -3 524        |
| Credit  | 19            | 48            | 1 042         | 590           | 78            | 42            | 27            | 30            | 90            | 90            | 55            |
| Debit   | 1 976         | 3 784         | 4 301         | 4 408         | 1 363         | 46            | 689           | 1 635         | 2 696         | 2 916         | 3 579         |
| Reinvested earnings 2/                                      | 0             | 0             | 0             | 0             | 0             | 3 419         | -526          | -1 490        | -2 597        | -3 250        | 488           |
| Credit  | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Debit   | 0             | 0             | 0             | 0             | 0             | -3 419        | 526           | 1 490         | 2 597         | 3 250         | -488          |
| Interest  | -241          | -299          | -473          | -597          | -377          | -425          | -437          | -407          | -458          | -497          | -546          |
| Credit  | 1             | 1             | 1             | 0             | 2             | 0             | 2             | 2             | 0             | 4             | 4             |
| Debit   | 242           | 300           | 474           | 597           | 379           | 425           | 439           | 409           | 458           | 501           | 550           |
| <b>Portfolio investment</b>                                 | <b>-1 125</b> | <b>-1 487</b> | <b>-1 398</b> | <b>-2 016</b> | <b>-2 267</b> | <b>-1 820</b> | <b>-1 551</b> | <b>-1 683</b> | <b>-2 325</b> | <b>-2 254</b> | <b>-2 407</b> |
| Credit  | 16            | 7             | 38            | 57            | 7             | 4             | 3             | 3             | 13            | 12            | 11            |
| Debit   | 1 141         | 1 494         | 1 436         | 2 073         | 2 274         | 1 824         | 1 554         | 1 686         | 2 338         | 2 266         | 2 418         |
| Investment income on equity and investment fund shares      | -52           | -46           | -62           | -114          | -17           | 1             | 0             | -181          | -686          | -256          | -6            |
| Credit  | 3             | 2             | 17            | 1             | 4             | 1             | 1             | 1             | 7             | 6             | 4             |
| Debit   | 55            | 48            | 79            | 115           | 21            | 0             | 1             | 182           | 693           | 262           | 10            |
| Interest  | -1 073        | -1 441        | -1 336        | -1 902        | -2 250        | -1 821        | -1 551        | -1 502        | -1 639        | -1 998        | -2 401        |
| Credit  | 13            | 5             | 21            | 56            | 3             | 3             | 2             | 2             | 6             | 6             | 7             |
| Debit   | 1 086         | 1 446         | 1 357         | 1 958         | 2 253         | 1 824         | 1 553         | 1 504         | 1 645         | 2 004         | 2 408         |
| <b>Other investment</b>                                     | <b>-2 720</b> | <b>-3 082</b> | <b>-3 355</b> | <b>-3 359</b> | <b>-2 756</b> | <b>-2 971</b> | <b>-2 567</b> | <b>-2 277</b> | <b>-2 198</b> | <b>-2 003</b> | <b>-2 179</b> |
| Credit  | 633           | 604           | 459           | 338           | 233           | 109           | 126           | 167           | 278           | 415           | 370           |
| Debit   | 3 353         | 3 686         | 3 814         | 3 697         | 2 989         | 3 080         | 2 693         | 2 444         | 2 476         | 2 418         | 2 549         |
| Interest  | -2 720        | -3 082        | -3 355        | -3 359        | -2 756        | -2 971        | -2 567        | -2 277        | -2 198        | -2 003        | -2 179        |
| Credit  | 633           | 604           | 459           | 338           | 233           | 109           | 126           | 167           | 278           | 415           | 370           |
| Debit   | 3 353         | 3 686         | 3 814         | 3 697         | 2 989         | 3 080         | 2 693         | 2 444         | 2 476         | 2 418         | 2 549         |
| Interest before FISIM                                       | -             | -             | -             | -             | -             | -             | -             | -2 377        | -2 209        | -2 056        | -2 317        |
| Credit  | -             | -             | -             | -             | -             | -             | -             | 243           | 320           | 447           | 396           |
| Debit   | -             | -             | -             | -             | -             | -             | -             | 2 620         | 2 529         | 2 503         | 2 713         |

|  |  |              |              |              |              |              |              |              |              |              |              |              |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Secondary income</b>  |  | <b>2 975</b> | <b>3 708</b> | <b>2 976</b> | <b>2 149</b> | <b>1 541</b> | <b>3 603</b> | <b>3 636</b> | <b>3 623</b> | <b>3 652</b> | <b>6 463</b> | <b>4 096</b> |
| Credit   |  | 4 042        | 4 751        | 4 219        | 4 129        | 3 424        | 4 573        | 4 627        | 4 811        | 4 947        | 7 881        | 5 674        |
| Debit  |  | 1 067        | 1 043        | 1 243        | 1 980        | 1 883        | 970          | 991          | 1 188        | 1 295        | 1 418        | 1 578        |
| <b>General government</b>  |  | <b>435</b>   | <b>520</b>   | <b>434</b>   | <b>462</b>   | <b>581</b>   | <b>824</b>   | <b>1 040</b> | <b>793</b>   | <b>638</b>   | <b>725</b>   | <b>937</b>   |
| Credit   |  | 455          | 552          | 504          | 526          | 613          | 891          | 1 129        | 878          | 682          | 763          | 977          |
| Debit  |  | 20           | 32           | 70           | 64           | 32           | 67           | 89           | 85           | 44           | 38           | 40           |
| Current international cooperation  |  | 426          | 526          | 485          | 479          | 577          | 870          | 990          | 841          | 622          | 724          | 940          |
| Credit   |  | 426          | 526          | 485          | 479          | 577          | 870          | 990          | 841          | 622          | 724          | 940          |
| Debit  |  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Miscellaneous current transfers of general government                              |  | 9            | -6           | -51          | -17          | 4            | -46          | 50           | -48          | 16           | 1            | -3           |
| Credit   |  | 29           | 26           | 19           | 47           | 36           | 21           | 139          | 37           | 60           | 39           | 37           |
| Debit  |  | 20           | 32           | 70           | 64           | 32           | 67           | 89           | 85           | 44           | 38           | 40           |
| <b>Financial corporations, nonfinancial corporations, households, and NPISHs</b>   |  | <b>2 540</b> | <b>3 188</b> | <b>2 542</b> | <b>1 687</b> | <b>960</b>   | <b>2 779</b> | <b>2 596</b> | <b>2 830</b> | <b>3 014</b> | <b>5 738</b> | <b>3 159</b> |
| Credit   |  | 3 587        | 4 199        | 3 715        | 3 603        | 2 811        | 3 682        | 3 498        | 3 933        | 4 265        | 7 118        | 4 697        |
| Debit  |  | 1 047        | 1 011        | 1 173        | 1 916        | 1 851        | 903          | 902          | 1 103        | 1 251        | 1 380        | 1 538        |
| Personal transfers (Current transfers between resident and nonresident households) |  | 1 798        | 2 165        | 1 926        | 1 194        | 498          | 2 252        | 2 219        | 2 438        | 2 651        | 2 459        | 2 653        |
| Credit   |  | 2 489        | 2 997        | 2 907        | 2 885        | 2 171        | 2 843        | 2 741        | 2 995        | 3 200        | 3 014        | 3 475        |
| Debit  |  | 691          | 832          | 981          | 1 691        | 1 673        | 591          | 522          | 557          | 549          | 555          | 822          |
| Of which: Workers' remittances   |  | 1 551        | 1 879        | 1 735        | 1 509        | 1 136        | 1 003        | 891          | 980          | 852          | 916          | 1 149        |
| Credit   |  | 1 560        | 1 890        | 1 749        | 1 531        | 1 165        | 1 013        | 906          | 996          | 872          | 934          | 1 163        |
| Debit  |  | 9            | 11           | 14           | 22           | 29           | 10           | 15           | 16           | 20           | 18           | 14           |
| Other current transfers  |  | 742          | 1 023        | 616          | 493          | 462          | 527          | 377          | 392          | 363          | 3 279        | 506          |
| Credit   |  | 1 098        | 1 202        | 808          | 718          | 640          | 839          | 757          | 938          | 1 065        | 4 104        | 1 222        |
| Debit  |  | 356          | 179          | 192          | 225          | 178          | 312          | 380          | 546          | 702          | 825          | 716          |
| <b>Capital account</b>   |  | <b>188</b>   | <b>101</b>   | <b>40</b>    | <b>-60</b>   | <b>400</b>   | <b>456</b>   | <b>92</b>    | <b>-4</b>    | <b>37</b>    | <b>38</b>    | <b>-3</b>    |
| Credit   |  | 247          | 209          | 108          | 201          | 421          | 471          | 111          | 22           | 70           | 74           | 26           |
| Debit  |  | 59           | 108          | 68           | 261          | 21           | 15           | 19           | 26           | 33           | 36           | 29           |

|   |               |                |                |                |               |              |               |               |               |               |              |
|---|---------------|----------------|----------------|----------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| <b>Gross acquisitions (DR.) / disposals (CR.) of nonproduced nonfinancial assets</b>  | <b>179</b>    | <b>87</b>      | <b>31</b>      | <b>-84</b>     | <b>39</b>     | <b>52</b>    | <b>84</b>     | <b>-8</b>     | <b>27</b>     | <b>28</b>     | <b>-10</b>   |
| Credit  | 238           | 195            | 99             | 177            | 60            | 67           | 102           | 18            | 60            | 63            | 16           |
| Debit   | 59            | 108            | 68             | 261            | 21            | 15           | 18            | 26            | 33            | 35            | 26           |
| <b>Capital transfers</b>  | <b>9</b>      | <b>14</b>      | <b>9</b>       | <b>24</b>      | <b>361</b>    | <b>404</b>   | <b>8</b>      | <b>4</b>      | <b>10</b>     | <b>10</b>     | <b>7</b>     |
| Credit  | 9             | 14             | 9              | 24             | 361           | 404          | 9             | 4             | 10            | 11            | 10           |
| Debit   | 0             | 0              | 0              | 0              | 0             | 0            | 1             | 0             | 0             | 1             | 3            |
| General government  | 0             | 0              | 0              | 0              | 340           | 1            | 0             | 0             | 0             | 0             | 0            |
| Credit  | 0             | 0              | 0              | 0              | 340           | 1            | 0             | 0             | 0             | 0             | 0            |
| Debit   | 0             | 0              | 0              | 0              | 0             | 0            | 0             | 0             | 0             | 0             | 0            |
| Other capital transfers   | 0             | 0              | 0              | 0              | 340           | 1            | 0             | 0             | 0             | 0             | 0            |
| Credit  | 0             | 0              | 0              | 0              | 340           | 1            | 0             | 0             | 0             | 0             | 0            |
| Debit   | 0             | 0              | 0              | 0              | 0             | 0            | 0             | 0             | 0             | 0             | 0            |
| Financial corporations, nonfinancial corporations, households, and NPISHs             | 9             | 14             | 9              | 24             | 21            | 403          | 8             | 4             | 10            | 10            | 7            |
| Credit  | 9             | 14             | 9              | 24             | 21            | 403          | 9             | 4             | 10            | 11            | 10           |
| Debit   | 0             | 0              | 0              | 0              | 0             | 0            | 1             | 0             | 0             | 1             | 3            |
| Debt forgiveness  | 0             | 0              | 0              | 0              | 0             | 392          | 0             | 0             | 0             | 0             | 0            |
| Credit  | 0             | 0              | 0              | 0              | 0             | 392          | 0             | 0             | 0             | 0             | 0            |
| Debit   | 0             | 0              | 0              | 0              | 0             | 0            | 0             | 0             | 0             | 0             | 0            |
| Other capital transfers   | 9             | 14             | 9              | 24             | 21            | 11           | 8             | 4             | 10            | 10            | 7            |
| Credit  | 9             | 14             | 9              | 24             | 21            | 11           | 9             | 4             | 10            | 11            | 10           |
| Debit   | 0             | 0              | 0              | 0              | 0             | 0            | 1             | 0             | 0             | 1             | 3            |
| <b>Net lending (+) / net borrowing (-) (balance from current and capital account)</b> | <b>-2 828</b> | <b>-10 132</b> | <b>-14 295</b> | <b>-16 578</b> | <b>-4 196</b> | <b>5 491</b> | <b>-1 774</b> | <b>-3 477</b> | <b>-6 395</b> | <b>-4 086</b> | <b>5 264</b> |
| <b>Financial account</b>  | <b>-1 477</b> | <b>-9 161</b>  | <b>-12 902</b> | <b>-17 218</b> | <b>-3 663</b> | <b>5 152</b> | <b>-2 349</b> | <b>-3 055</b> | <b>-4 724</b> | <b>-2 892</b> | <b>6 015</b> |
| <b>Direct investment</b>  | <b>-5 759</b> | <b>-7 015</b>  | <b>-7 195</b>  | <b>-4 079</b>  | <b>-299</b>   | <b>407</b>   | <b>-3 794</b> | <b>-3 684</b> | <b>-4 460</b> | <b>-5 212</b> | <b>117</b>   |
| <b>Net acquisition of financial assets</b>  | <b>692</b>    | <b>192</b>     | <b>980</b>     | <b>430</b>     | <b>548</b>    | <b>38</b>    | <b>173</b>    | <b>234</b>    | <b>116</b>    | <b>621</b>    | <b>362</b>   |
| <b>Equity and investment fund shares</b>  | <b>692</b>    | <b>192</b>     | <b>1 206</b>   | <b>420</b>     | <b>105</b>    | <b>-51</b>   | <b>16</b>     | <b>8</b>      | <b>-5</b>     | <b>652</b>    | <b>79</b>    |
| Equity other than reinvestment of earnings  | 692           | 192            | 1 206          | 420            | 105           | -51          | 16            | 8             | -5            | 652           | 79           |

|   |               |               |               |               |              |             |              |               |               |               |            |
|---|---------------|---------------|---------------|---------------|--------------|-------------|--------------|---------------|---------------|---------------|------------|
| Direct investor in direct investment enterprises  | 692           | 192           | 1 206         | 420           | 105          | -51         | 16           | 8             | -5            | 652           | 79         |
| Reinvestment of earnings 2/   | 0             | 0             | 0             | 0             | 0            | 0           | 0            | 0             | 0             | 0             | 0          |
| Debt instruments  | 0             | 0             | -226          | 10            | 443          | 89          | 157          | 226           | 121           | -31           | 283        |
| Direct investor in direct investment enterprises  | 0             | 0             | 0             | 0             | 6            | 0           | 0            | 0             | 0             | -4            | 3          |
| Direct investment enterprises in direct investor (reverse investment)                   | 0             | 0             | -226          | 10            | 437          | 89          | 157          | 226           | 121           | -27           | 280        |
| <b>Net incurrence of liabilities</b>  | <b>6 451</b>  | <b>7 207</b>  | <b>8 175</b>  | <b>4 509</b>  | <b>847</b>   | <b>-369</b> | <b>3 967</b> | <b>3 918</b>  | <b>4 576</b>  | <b>5 833</b>  | <b>245</b> |
| <b>Equity and investment fund shares</b>  | <b>5 550</b>  | <b>6 121</b>  | <b>6 248</b>  | <b>3 668</b>  | <b>712</b>   | <b>584</b>  | <b>4 076</b> | <b>3 025</b>  | <b>4 069</b>  | <b>4 909</b>  | <b>272</b> |
| Equity other than reinvestment of earnings  | 5 550         | 6 121         | 6 248         | 3 668         | 712          | 4 003       | 3 550        | 1 535         | 1 472         | 1 659         | 760        |
| Direct investor in direct investment enterprises  | 5 550         | 6 121         | 6 248         | 3 668         | 712          | 4 003       | 3 550        | 1 535         | 1 472         | 1 659         | 760        |
| Інвестиції підприємств прямого інвестування в прямого інвестора (зворотне інвестування) | 0             | 0             | 0             | 0             | 0            | 0           | 0            | 0             | 0             | 0             | 0          |
| Reinvestment of earnings 2/   | 0             | 0             | 0             | 0             | 0            | -3 419      | 526          | 1 490         | 2 597         | 3 250         | -488       |
| <b>Debt instruments</b>   | <b>901</b>    | <b>1 086</b>  | <b>1 927</b>  | <b>841</b>    | <b>135</b>   | <b>-953</b> | <b>-109</b>  | <b>893</b>    | <b>507</b>    | <b>924</b>    | <b>-27</b> |
| Direct investor in direct investment enterprises  | 945           | 1 086         | 1 927         | 841           | 135          | -953        | -109         | 893           | 507           | 924           | -27        |
| Direct investment enterprises in direct investor (reverse investment)                   | -44           | 0             | 0             | 0             | 0            | 0           | 0            | 0             | 0             | 0             | 0          |
| <b>Portfolio investment</b>   | <b>-4 342</b> | <b>-1 569</b> | <b>-4 689</b> | <b>-8 787</b> | <b>2 700</b> | <b>-367</b> | <b>-293</b>  | <b>-1 800</b> | <b>-2 080</b> | <b>-5 134</b> | <b>829</b> |
| <b>Net acquisition of financial assets</b>  | <b>17</b>     | <b>48</b>     | <b>72</b>     | <b>-5</b>     | <b>-1</b>    | <b>3</b>    | <b>-77</b>   | <b>3</b>      | <b>33</b>     | <b>411</b>    | <b>152</b> |
| <b>Equity and investment fund shares</b>  | <b>-4</b>     | <b>8</b>      | <b>23</b>     | <b>-11</b>    | <b>-1</b>    | <b>3</b>    | <b>-77</b>   | <b>2</b>      | <b>6</b>      | <b>22</b>     | <b>78</b>  |
| Deposit-taking corporations, except central bank  | -3            | 8             | 20            | -13           | -4           | 3           | -77          | 0             | 2             | 0             | 0          |
| General government  | 0             | 0             | 0             | 0             | 0            | 0           | 0            | 0             | 0             | 0             | 0          |
| Other sectors   | -1            | 0             | 3             | 2             | 3            | 0           | 0            | 2             | 4             | 22            | 78         |
| <b>Debt securities</b>  | <b>21</b>     | <b>40</b>     | <b>49</b>     | <b>6</b>      | <b>0</b>     | <b>0</b>    | <b>0</b>     | <b>1</b>      | <b>27</b>     | <b>389</b>    | <b>74</b>  |
| Deposit-taking corporations, except central bank  | 12            | 0             | 0             | 0             | 0            | 0           | 0            | 1             | 27            | 388           | 70         |

|   |               |               |               |               |               |              |               |              |              |              |              |
|---|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|
| Short-term  | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 1            | 0            | 300          | -186         |
| Long-term   | 12            | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 27           | 88           | 256          |
| Other sectors                                       | 9             | 40            | 49            | 6             | 0             | 0            | 0             | 0            | 0            | 1            | 4            |
| Long-term   | 9             | 40            | 49            | 6             | 0             | 0            | 0             | 0            | 0            | 1            | 4            |
| <b>Net incurrence of liabilities</b>                | <b>4 359</b>  | <b>1 617</b>  | <b>4 761</b>  | <b>8 782</b>  | <b>-2 701</b> | <b>370</b>   | <b>216</b>    | <b>1 803</b> | <b>2 113</b> | <b>5 545</b> | <b>-677</b>  |
| <b>Equity and investment fund</b>                   |               |               |               |               |               |              |               |              |              |              |              |
| shares  | 290           | 519           | 516           | 1 180         | -391          | 177          | 69            | 110          | -9           | 49           | 173          |
| Other sectors                                       | 290           | 519           | 516           | 1 180         | -391          | 177          | 69            | 110          | -9           | 49           | 173          |
| <b>Debt securities</b>                              | <b>4 069</b>  | <b>1 098</b>  | <b>4 245</b>  | <b>7 602</b>  | <b>-2 310</b> | <b>193</b>   | <b>147</b>    | <b>1 693</b> | <b>2 122</b> | <b>5 496</b> | <b>-850</b>  |
| Central bank  | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 0            | 0            | 0            |
| Long-term   | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 0            | 0            | 0            |
| Deposit-taking corporations,<br>except central bank | -150          | -1 026        | -346          | 1 779         | -717          | -613         | -88           | -100         | 92           | -795         | -917         |
| Short-term  | 0             | 0             | 0             | 0             | 0             | 0            | 5             | -8           | 0            | 0            | 0            |
| Long-term   | -150          | -1 026        | -346          | 1 779         | -717          | -613         | -93           | -92          | 92           | -795         | -917         |
| General government                                  | 3 254         | 1 040         | 3 424         | 4 786         | 19            | 949          | 256           | 1 496        | 2 017        | 4 194        | -311         |
| Short-term  | -2            | -53           | 58            | -64           | 3             | -3           | 0             | 0            | -13          | 108          | -152         |
| Long-term   | 3 256         | 1 093         | 3 366         | 4 850         | 16            | 952          | 256           | 1 496        | 2 030        | 4 086        | -159         |
| Other sectors                                       | 965           | 1 084         | 1 167         | 1 037         | -1 612        | -143         | -21           | 297          | 13           | 2 097        | 378          |
| Short-term  | 7             | 432           | 0             | 0             | 0             | 0            | 4             | 0            | 0            | 0            | 0            |
| Long-term   | 958           | 652           | 1 167         | 1 037         | -1 612        | -143         | -25           | 297          | 13           | 2 097        | 378          |
| <b>Financial derivatives: net</b>                   | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>329</b>   |
| <b>Financial derivatives: liabilities</b>           | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>-329</b>  |
| General government                                  | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 0            | 0            | -329         |
| <b>Other investment</b>                             | <b>164</b>    | <b>1 878</b>  | <b>6 576</b>  | <b>-800</b>   | <b>6 340</b>  | <b>-904</b>  | <b>-610</b>   | <b>-244</b>  | <b>-345</b>  | <b>3 068</b> | <b>1 775</b> |
| <b>Net acquisition of financial assets</b>          | <b>10 748</b> | <b>9 883</b>  | <b>9 225</b>  | <b>-1 720</b> | <b>1 515</b>  | <b>565</b>   | <b>-2 762</b> | <b>629</b>   | <b>1 996</b> | <b>5 915</b> | <b>6 278</b> |
| <b>Net incurrence of liabilities</b>                | <b>10 584</b> | <b>8 005</b>  | <b>2 649</b>  | <b>-920</b>   | <b>-4 825</b> | <b>1 469</b> | <b>-2 152</b> | <b>873</b>   | <b>2 341</b> | <b>2 847</b> | <b>4 503</b> |
| <b>Other equity</b>                                 | <b>5</b>      | <b>0</b>      | <b>7</b>      | <b>1</b>      | <b>-4</b>     | <b>12</b>    | <b>12</b>     | <b>24</b>    | <b>24</b>    | <b>0</b>     | <b>0</b>     |
| <b>Net acquisition of financial assets</b>          | <b>5</b>      | <b>0</b>      | <b>7</b>      | <b>1</b>      | <b>-4</b>     | <b>12</b>    | <b>12</b>     | <b>24</b>    | <b>24</b>    | <b>0</b>     | <b>0</b>     |
| <b>Net incurrence of liabilities</b>                | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Currency and deposits</b>                        | <b>9 200</b>  | <b>12 092</b> | <b>12 834</b> | <b>612</b>    | <b>3 299</b>  | <b>3 657</b> | <b>-1 461</b> | <b>994</b>   | <b>2 626</b> | <b>6 821</b> | <b>6 332</b> |
| <b>Net acquisition of financial assets</b>          | <b>8 407</b>  | <b>11 757</b> | <b>9 951</b>  | <b>-1 125</b> | <b>790</b>    | <b>-95</b>   | <b>-3 130</b> | <b>-419</b>  | <b>2 087</b> | <b>6 574</b> | <b>6 245</b> |
| <b>Central bank</b>                                 | <b>202</b>    | <b>-12</b>    | <b>-284</b>   | <b>-149</b>   | <b>-361</b>   | <b>-52</b>   | <b>-15</b>    | <b>-11</b>   | <b>-19</b>   | <b>-7</b>    | <b>-15</b>   |

|   |               |               |               |               |               |               |               |               |               |              |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|
| <b>Deposit-taking corporations, except central bank</b>     | <b>2 265</b>  | <b>84</b>     | <b>1 759</b>  | <b>-3 210</b> | <b>-2 991</b> | <b>345</b>    | <b>-628</b>   | <b>-739</b>   | <b>-322</b>   | <b>3 757</b> | <b>837</b>    |
| Of which: Interbank positions                               | 2 067         | 35            | 1 672         | -3 394        | -1 839        | 355           | -630          | -954          | -239          | 3 428        | 402           |
| Short-term  | 2 282         | 84            | 1 767         | -3 206        | -3 021        | 327           | -591          | -737          | -320          | 3 798        | 756           |
| Long-term   | -17           | 0             | -8            | -4            | 30            | 18            | -37           | -2            | -2            | -41          | 81            |
| <b>Other sectors</b>  | <b>5 940</b>  | <b>11 685</b> | <b>8 476</b>  | <b>2 234</b>  | <b>4 142</b>  | <b>-388</b>   | <b>-2 487</b> | <b>331</b>    | <b>2 428</b>  | <b>2 824</b> | <b>5 423</b>  |
| Short-term  | 5 940         | 11 685        | 8 476         | 2 234         | 4 142         | -388          | -2 487        | 331           | 2 428         | 2 824        | 5 423         |
| Nonfinancial corporations, households, NPISHs               | 5 940         | 11 685        | 8 476         | 2 234         | 4 142         | -388          | -2 487        | 331           | 2 428         | 2 824        | 5 423         |
| Short-term  | 5 940         | 11 685        | 8 476         | 2 234         | 4 142         | -388          | -2 487        | 331           | 2 428         | 2 824        | 5 423         |
| o/w: foreign cash outside the banking system                | 5 600         | 11 408        | 7 961         | 2 691         | 3 452         | -168          | -2 722        | 393           | 2 421         | 2 602        | 4 728         |
| <b>Net incurrence of liabilities</b>                        | <b>-793</b>   | <b>-335</b>   | <b>-2 883</b> | <b>-1 737</b> | <b>-2 509</b> | <b>-3 752</b> | <b>-1 669</b> | <b>-1 413</b> | <b>-539</b>   | <b>-247</b>  | <b>-87</b>    |
| <b>Central bank</b>   | <b>3</b>      | <b>3</b>      | <b>7</b>      | <b>-12</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>      |
| Long-term   | 3             | 3             | 7             | -12           | 0             | 0             | 0             | 0             | 0             | 0            | 0             |
| <b>Deposit-taking corporations, except the central bank</b> | <b>-796</b>   | <b>-338</b>   | <b>-2 890</b> | <b>-1 725</b> | <b>-2 509</b> | <b>-3 752</b> | <b>-1 669</b> | <b>-1 413</b> | <b>-539</b>   | <b>-247</b>  | <b>-87</b>    |
| Of which: Interbank positions                               | -1 369        | -1 337        | -2 441        | -2 324        | -1 498        | -3 831        | -2 384        | -1 413        | -451          | -247         | -168          |
| Short-term  | 396           | 1 707         | -1 647        | 696           | 337           | -518          | 148           | -534          | -288          | -114         | -32           |
| Long-term   | -1 192        | -2 045        | -1 243        | -2 421        | -2 846        | -3 234        | -1 817        | -879          | -251          | -133         | -55           |
| <b>Loans</b>  | <b>-8 686</b> | <b>-4 482</b> | <b>-2 908</b> | <b>3 015</b>  | <b>-4 345</b> | <b>-6 909</b> | <b>1 011</b>  | <b>-701</b>   | <b>-1 783</b> | <b>-661</b>  | <b>-2 197</b> |
| <b>Net acquisition of financial assets</b>                  | <b>-396</b>   | <b>-223</b>   | <b>22</b>     | <b>-66</b>    | <b>-15</b>    | <b>39</b>     | <b>-72</b>    | <b>-14</b>    | <b>-7</b>     | <b>11</b>    | <b>-18</b>    |
| <b>Deposit-taking corporations, except the central bank</b> | <b>-396</b>   | <b>-223</b>   | <b>22</b>     | <b>-66</b>    | <b>-15</b>    | <b>39</b>     | <b>-72</b>    | <b>-14</b>    | <b>-7</b>     | <b>11</b>    | <b>-18</b>    |
| Short-term  | -240          | -37           | 26            | -46           | 496           | 201           | -31           | -36           | -1            | 21           | -9            |
| Long-term   | -156          | -186          | -4            | -20           | -511          | -162          | -41           | 22            | -6            | -10          | -9            |
| <b>Net incurrence of liabilities</b>                        | <b>8 290</b>  | <b>4 259</b>  | <b>2 930</b>  | <b>-3 081</b> | <b>4 330</b>  | <b>6 948</b>  | <b>-1 083</b> | <b>687</b>    | <b>1 776</b>  | <b>672</b>   | <b>2 179</b>  |
| <b>Central bank</b>   | <b>1 394</b>  | <b>0</b>      | <b>-2 631</b> | <b>-3 062</b> | <b>551</b>    | <b>4 666</b>  | <b>-301</b>   | <b>778</b>    | <b>658</b>    | <b>-590</b>  | <b>-655</b>   |
| Credit and loans with the IMF                               | 1 401         | 0             | -2 631        | -3 062        | 551           | 3 346         | 1 002         | 678           | 658           | -590         | -655          |
| Other short-term  | 0             | 0             | 0             | 0             | 0             | 1 320         | -1 303        | 0             | 0             | 0            | 0             |
| Other long-term   | -7            | 0             | 0             | 0             | 0             | 0             | 0             | 100           | 0             | 0            | 0             |
| <b>Deposit-taking corporations, except the central bank</b> | <b>-1 600</b> | <b>-1 770</b> | <b>-405</b>   | <b>693</b>    | <b>407</b>    | <b>-552</b>   | <b>-959</b>   | <b>-109</b>   | <b>85</b>     | <b>-76</b>   | <b>-77</b>    |

|  |               |               |               |               |               |               |             |              |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|-------------|--------------|---------------|---------------|---------------|
| Short-term   | -21           | -335          | 92            | 476           | -96           | -319          | -45         | -45          | -100          | 68            | 15            |
| Long-term  | -1 579        | -1 435        | -497          | 217           | 503           | -233          | -914        | -64          | 185           | -144          | -92           |
| <b>General government</b>                            | <b>3 893</b>  | <b>77</b>     | <b>-1 782</b> | <b>-2 546</b> | <b>3 626</b>  | <b>4 116</b>  | <b>252</b>  | <b>-41</b>   | <b>-452</b>   | <b>33</b>     | <b>3 139</b>  |
| Credit and loans with the IMF                        | 2 028         | 0             | -788          | -2 513        | 352           | 1 821         | 0           | -571         | -1 374        | -1 004        | 1 630         |
| Other short-term                                     | 2 000         | 0             | -2 000        | 0             | 0             | 0             | 0           | 0            | 0             | 0             | 344           |
| Other long-term                                      | -135          | 77            | 1 006         | -33           | 3 274         | 2 295         | 252         | 530          | 922           | 1 037         | 1 165         |
| <b>Other sectors</b>                                 | <b>4 603</b>  | <b>5 952</b>  | <b>7 748</b>  | <b>1 834</b>  | <b>-254</b>   | <b>-1 282</b> | <b>-75</b>  | <b>59</b>    | <b>1 485</b>  | <b>1 305</b>  | <b>-228</b>   |
| Short-term   | 467           | 1 027         | -299          | 570           | 342           | -84           | 273         | 607          | 358           | 868           | -392          |
| Long-term  | 4 136         | 4 925         | 8 047         | 1 264         | -596          | -1 198        | -348        | -548         | 1 127         | 437           | 164           |
| <b>Trade credit and advances</b>                     | <b>1 337</b>  | <b>-5 529</b> | <b>-3 471</b> | <b>-4 469</b> | <b>7 390</b>  | <b>2 336</b>  | <b>-172</b> | <b>-561</b>  | <b>-1 212</b> | <b>-3 092</b> | <b>-2 360</b> |
| <b>Net acquisition of financial assets</b>           | <b>4 424</b>  | <b>-1 448</b> | <b>-869</b>   | <b>-571</b>   | <b>744</b>    | <b>609</b>    | <b>428</b>  | <b>1 038</b> | <b>-108</b>   | <b>-670</b>   | <b>51</b>     |
| <b>Other sectors</b>                                 | <b>4 424</b>  | <b>-1 448</b> | <b>-869</b>   | <b>-571</b>   | <b>744</b>    | <b>609</b>    | <b>428</b>  | <b>1 038</b> | <b>-108</b>   | <b>-670</b>   | <b>51</b>     |
| Short-term   | 4 425         | -1 762        | -760          | -613          | 810           | 604           | 441         | 1 004        | -100          | -657          | 72            |
| Long-term  | -1            | 314           | -109          | 42            | -66           | 5             | -13         | 34           | -8            | -13           | -21           |
| Nonfinancial corporations,<br>households, and NPISHs | 4 424         | -1 448        | -869          | -571          | 744           | 609           | 428         | 1 038        | -108          | -670          | 51            |
| Short-term   | 4 425         | -1 762        | -760          | -613          | 810           | 604           | 441         | 1 004        | -100          | -657          | 72            |
| Long-term  | -1            | 314           | -109          | 42            | -66           | 5             | -13         | 34           | -8            | -13           | -21           |
| <b>Net incurrence of liabilities</b>                 | <b>3 087</b>  | <b>4 081</b>  | <b>2 602</b>  | <b>3 898</b>  | <b>-6 646</b> | <b>-1 727</b> | <b>600</b>  | <b>1 599</b> | <b>1 104</b>  | <b>2 422</b>  | <b>2 411</b>  |
| <b>Other sectors</b>                                 | <b>3 087</b>  | <b>4 081</b>  | <b>2 602</b>  | <b>3 898</b>  | <b>-6 646</b> | <b>-1 727</b> | <b>600</b>  | <b>1 599</b> | <b>1 104</b>  | <b>2 422</b>  | <b>2 411</b>  |
| Short-term   | 3 046         | 4 125         | 2 458         | 3 036         | -7 371        | -2 025        | 784         | 1 645        | 1 182         | 2 313         | 2 398         |
| Long-term  | 41            | -44           | 144           | 862           | 725           | 298           | -184        | -46          | -78           | 109           | 13            |
| Nonfinancial corporations,<br>households, and NPISHs | 3 087         | 4 081         | 2 602         | 3 898         | -6 646        | -1 727        | 600         | 1 599        | 1 104         | 2 422         | 2 411         |
| Short-term   | 3 046         | 4 125         | 2 458         | 3 036         | -7 371        | -2 025        | 784         | 1 645        | 1 182         | 2 313         | 2 398         |
| Long-term  | 41            | -44           | 144           | 862           | 725           | 298           | -184        | -46          | -78           | 109           | 13            |
| <b>Other accounts receivable/payable</b>             | <b>-1 692</b> | <b>-203</b>   | <b>114</b>    | <b>41</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>    | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Net acquisition of financial assets</b>           | <b>-1 692</b> | <b>-203</b>   | <b>114</b>    | <b>41</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>    | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>General government</b>                            | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>    | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| Short-term   | 0             | 0             | 0             | 0             | 0             | 0             | 0           | 0            | 0             | 0             | 0             |
| <b>Other sectors</b>                                 | <b>-1 692</b> | <b>-203</b>   | <b>114</b>    | <b>41</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>    | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| Short-term   | 17            | 93            | 114           | 41            | 0             | 0             | 0           | 0            | 0             | 0             | 0             |



|   |              |               |               |               |                |              |              |              |               |              |              |
|---|--------------|---------------|---------------|---------------|----------------|--------------|--------------|--------------|---------------|--------------|--------------|
| Long-term   | -1 709       | -296          | 0             | 0             | 0              | 0            | 0            | 0            | 0             | 0            | 0            |
| Nonfinancial corporations,<br>households, NPISHs          | -1 692       | -203          | 114           | 41            | 0              | 0            | 0            | 0            | 0             | 0            | 0            |
| Short-term  | 17           | 93            | 114           | 41            | 0              | 0            | 0            | 0            | 0             | 0            | 0            |
| Long-term   | -1 709       | -296          | 0             | 0             | 0              | 0            | 0            | 0            | 0             | 0            | 0            |
| <b>Net incurrence of liabilities</b>                      | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>     |
| Special drawing rights (Net<br>incurrence of liabilities) | 0            | 0             | 0             | 0             | 0              | 0            | 0            | 0            | 0             | 0            | 0            |
| <b>Reserve assets</b>                                     | <b>8 460</b> | <b>-2 455</b> | <b>-7 594</b> | <b>-3 552</b> | <b>-12 404</b> | <b>6 016</b> | <b>2 348</b> | <b>2 673</b> | <b>2 161</b>  | <b>4 386</b> | <b>2 965</b> |
| <b>Monetary gold</b>                                      | <b>21</b>    | <b>26</b>     | <b>389</b>    | <b>295</b>    | <b>-726</b>    | <b>132</b>   | <b>-101</b>  | <b>-1</b>    | <b>-49</b>    | <b>31</b>    | <b>63</b>    |
| Gold bullion  | 21           | 26            | 60            | 168           | -69            | 7            | -13          | 2            | 1             | 4            | 1            |
| Unallocated gold accounts                                 | 0            | 0             | 329           | 127           | -657           | 125          | -88          | -3           | -50           | 27           | 62           |
| <b>Special drawing rights</b>                             | <b>-54</b>   | <b>9</b>      | <b>-10</b>    | <b>8</b>      | <b>-2</b>      | <b>14</b>    | <b>2 793</b> | <b>-705</b>  | <b>-2 154</b> | <b>6</b>     | <b>-6</b>    |
| <b>Other reserve assets</b>                               | <b>8 493</b> | <b>-2 490</b> | <b>-7 973</b> | <b>-3 855</b> | <b>-11 676</b> | <b>5 870</b> | <b>-344</b>  | <b>3 379</b> | <b>4 364</b>  | <b>4 349</b> | <b>2 908</b> |
| Currency and deposits                                     | 2 921        | -2 376        | -5 287        | -217          | -5 035         | 4 223        | -3 409       | -1 012       | 3 366         | -1 395       | 937          |
| Claims on monetary authorities                            | -            | -196          | 817           | -1 338        | -395           | 575          | -602         | 241          | 1 199         | 442          | 1 292        |
| Claims on other entities                                  | 2 921        | -2 180        | -6 104        | 1 121         | -4 640         | 3 648        | -2 807       | -1 253       | 2 167         | -1 837       | -355         |
| Securities  | 5 572        | -114          | -2 686        | -3 638        | -6 641         | 1 647        | 3 065        | 4 391        | 998           | 5 744        | 1 971        |
| Debt securities   | 5 572        | -114          | -2 686        | -3 638        | -6 641         | 1 647        | 3 065        | 4 391        | 998           | 5 744        | 1 971        |
| Long-term   | 5 572        | -114          | -2 686        | -3 638        | -6 641         | 1 647        | 3 065        | 4 391        | 998           | 5 744        | 1 971        |
| <b>Net errors and omissions</b>                           | <b>1 351</b> | <b>971</b>    | <b>1 393</b>  | <b>-640</b>   | <b>533</b>     | <b>-339</b>  | <b>-575</b>  | <b>422</b>   | <b>1 671</b>  | <b>1 194</b> | <b>751</b>   |
| <b>Overall balance</b>                                    | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>     |

## Remittances in Ukraine for 2008-2020 (according to the 6th edition of the Balance of Payments and International Position Manual (BPM6)) USD millions

| Description   | 2008        | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | 2017        | 2018         | 2019         | 2020         |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| <b>Personal remittances (2. + 3.)</b>                         | <b>6177</b> | <b>5370</b> | <b>5862</b> | <b>7019</b> | <b>7526</b> | <b>8537</b> | <b>6489</b> | <b>6959</b> | <b>7535</b> | <b>9264</b> | <b>11111</b> | <b>11921</b> | <b>11980</b> |
| <b>1. Compensation of employees</b><br>including:             | <b>3629</b> | <b>3426</b> | <b>4046</b> | <b>4825</b> | <b>5542</b> | <b>6782</b> | <b>5183</b> | <b>5631</b> | <b>6731</b> | <b>9137</b> | <b>11494</b> | <b>12774</b> | <b>11738</b> |
| 1.a Expenditures of short-term workers                        | 573         | 543         | 638         | 762         | 876         | 1072        | 821         | 1313        | 1669        | 2404        | 2995         | 3203         | 2668         |
| 1.b Taxes and social contributions                            | 32          | 28          | 35          | 41          | 47          | 58          | 44          | 202         | 268         | 464         | 588          | 664          | 565          |
| <b>2. Net compensation of employees (1.1 – 1.a – 1.b)</b>     | <b>3024</b> | <b>2855</b> | <b>3373</b> | <b>4022</b> | <b>4619</b> | <b>5652</b> | <b>4318</b> | <b>4116</b> | <b>4794</b> | <b>6269</b> | <b>7911</b>  | <b>8907</b>  | <b>8505</b>  |
| <b>3. Personal transfers</b><br>including:                    | <b>3153</b> | <b>2515</b> | <b>2489</b> | <b>2997</b> | <b>2907</b> | <b>2885</b> | <b>2171</b> | <b>2843</b> | <b>2741</b> | <b>2995</b> | <b>3200</b>  | <b>3014</b>  | <b>3475</b>  |
| Remittances from individuals who work abroad more than a year | 2140        | 1643        | 1560        | 1890        | 1749        | 1531        | 1165        | 1013        | 906         | 996         | 872          | 934          | 1163         |
| Other personal transfers                                      | 1013        | 872         | 929         | 1107        | 1158        | 1354        | 1006        | 1830        | 1835        | 1999        | 2328         | 2080         | 2312         |
| <i>Memorandum items:</i>                                      |             |             |             |             |             |             |             |             |             |             |              |              |              |
| Official channels<br>including:                               | 5372        | 4657        | 5085        | 6056        | 6491        | 7377        | 5600        | 4336        | 4490        | 4838        | 5675         | 6040         | 7409         |
| salaries received from abroad                                 | 1128        | 1256        | 1321        | 1524        | 1772        | 2102        | 1680        | 1471        | 1608        | 1849        | 2345         | 2948         | 3757         |
| other personal remittances                                    | 4244        | 3401        | 3764        | 4532        | 4719        | 5275        | 3920        | 2865        | 2882        | 2989        | 3330         | 3092         | 3652         |
| - through banks accounts                                      | 2147        | 1576        | 1638        | 1728        | 1506        | 1191        | 730         | 534         | 537         | 742         | 1075         | 864          | 958          |
| - through international payment systems                       | 2097        | 1825        | 2126        | 2804        | 3213        | 4084        | 3190        | 2331        | 2345        | 2247        | 2255         | 2228         | 2694         |
| Informal channels   | 805         | 713         | 777         | 963         | 1035        | 1160        | 889         | 2623        | 3045        | 4426        | 5436         | 5881         | 4571         |
| <b>Remittances in percents of GDP</b>                         | <b>3,4</b>  | <b>4,6</b>  | <b>4,1</b>  | <b>4,1</b>  | <b>4,1</b>  | <b>4,5</b>  | <b>4,8</b>  | <b>7,6</b>  | <b>8,1</b>  | <b>8,2</b>  | <b>8,5</b>   | <b>7,7</b>   | <b>7,7</b>   |

## Remittances in Ukraine by major countries by official and unofficial channels for 2015-2020, USD millions

| Countries              | 2015*        |              | 2016         |              | 2017         |              | 2018         |              | 2019         |              | 2020         |              | Y-o-y changes,<br>% |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|
|                        | USD millions | % of total   | USD millions | % of total   | USD millions | % of total   | USD millions | % of total   | USD millions | % of total   | USD millions | % of total   |                     |
| <b>Receipts</b>        | <b>6959</b>  | <b>100,0</b> | <b>7535</b>  | <b>100,0</b> | <b>9264</b>  | <b>100,0</b> | <b>11111</b> | <b>100,0</b> | <b>11921</b> | <b>100,0</b> | <b>11980</b> | <b>100,0</b> | <b>100,5</b>        |
| <i>including:</i>      |              |              |              |              |              |              |              |              |              |              |              |              |                     |
| Poland                 | 1329         | 19,1         | 1991         | 26,4         | 3116         | 33,6         | 3649         | 32,8         | 3558         | 29,8         | 3300         | 27,5         | 92,7                |
| United States          | 516          | 7,4          | 576          | 7,6          | 679          | 7,3          | 870          | 7,8          | 984          | 8,3          | 1220         | 10,2         | 124,0               |
| United Kingdom         | 245          | 3,5          | 259          | 3,4          | 311          | 3,4          | 394          | 3,5          | 601          | 5,0          | 1013         | 8,5          | 168,6               |
| Russian Federation     | 1835         | 26,4         | 1396         | 18,5         | 1292         | 13,9         | 1091         | 9,8          | 1266         | 10,6         | 863          | 7,2          | 68,2                |
| Czech Republic         | 314          | 4,5          | 377          | 5,0          | 435          | 4,7          | 846          | 7,6          | 1113         | 9,3          | 834          | 7,0          | 74,9                |
| Germany                | 270          | 3,9          | 291          | 3,9          | 318          | 3,4          | 426          | 3,8          | 462          | 3,9          | 513          | 4,3          | 111,0               |
| Italy                  | 350          | 5,0          | 412          | 5,5          | 447          | 4,8          | 492          | 4,4          | 498          | 4,2          | 475          | 4,0          | 95,4                |
| Cyprus                 | 245          | 3,5          | 249          | 3,3          | 285          | 3,1          | 341          | 3,1          | 391          | 3,3          | 414          | 3,5          | 105,9               |
| Israel                 | 108          | 1,6          | 171          | 2,3          | 280          | 3,0          | 337          | 3,0          | 351          | 2,9          | 361          | 3,0          | 102,8               |
| Greece                 | 191          | 2,7          | 179          | 2,4          | 178          | 1,9          | 191          | 1,7          | 195          | 1,6          | 195          | 1,6          | 100,0               |
| Netherlands            | 67           | 1,0          | 71           | 0,9          | 98           | 1,1          | 123          | 1,1          | 127          | 1,1          | 192          | 1,6          | 151,2               |
| Virgin Islands,British | 35           | 0,5          | 38           | 0,5          | 55           | 0,6          | 157          | 1,4          | 182          | 1,5          | 187          | 1,6          | 102,7               |
| United Arab Emirates   | 82           | 1,2          | 93           | 1,2          | 120          | 1,3          | 153          | 1,4          | 135          | 1,1          | 145          | 1,2          | 107,4               |
| Singapore              | 75           | 1,1          | 73           | 1,0          | 104          | 1,1          | 129          | 1,2          | 120          | 1,0          | 131          | 1,1          | 109,2               |
| Canada                 | 97           | 1,4          | 73           | 1,0          | 78           | 0,8          | 97           | 0,9          | 95           | 0,8          | 111          | 0,9          | 116,8               |
| Spain                  | 61           | 0,9          | 66           | 0,9          | 76           | 0,8          | 88           | 0,8          | 86           | 0,7          | 96           | 0,8          | 111,6               |
| Switzerland            | 62           | 0,9          | 63           | 0,8          | 76           | 0,8          | 89           | 0,8          | 88           | 0,7          | 86           | 0,7          | 97,7                |
| Turkey                 | 44           | 0,6          | 57           | 0,8          | 85           | 0,9          | 106          | 1,0          | 79           | 0,7          | 83           | 0,7          | 105,1               |
| Portugal               | 43           | 0,6          | 48           | 0,6          | 52           | 0,6          | 57           | 0,5          | 60           | 0,5          | 67           | 0,6          | 111,7               |
| Norway                 | 38           | 0,5          | 42           | 0,6          | 52           | 0,6          | 55           | 0,5          | 60           | 0,5          | 48           | 0,4          | 80,0                |
| Other countries        | 952          | 13,7         | 1010         | 13,4         | 1127         | 12,2         | 1420         | 12,8         | 1470         | 12,3         | 1646         | 13,7         | 112,0               |

## Balance of Payments of Ukraine for 2019-2021 by quarters: analytical presentation (according to BPM6) USD mln

| Description   | I             | II            | III           | IV            | I             | II            | III           | IV            | I             | II            | 2020          | 2021          | 2019           | 2020          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
|   | 2019          | 2019          | 2019          | 2019          | 2020          | 2020          | 2020          | 2020          | 2021          | 2021          | I-II          | I-II          |                |               |
| <b>A. Current account</b>   | <b>-573</b>   | <b>-1 274</b> | <b>-3 731</b> | <b>1 454</b>  | <b>2 049</b>  | <b>1 995</b>  | <b>554</b>    | <b>669</b>    | <b>-874</b>   | <b>221</b>    | <b>4 044</b>  | <b>-653</b>   | <b>-4 124</b>  | <b>5 267</b>  |
| <b>Goods and services (net)</b>   | <b>-1 865</b> | <b>-2 923</b> | <b>-4 168</b> | <b>-3 555</b> | <b>-1 153</b> | <b>814</b>    | <b>-1 080</b> | <b>-959</b>   | <b>-925</b>   | <b>546</b>    | <b>-339</b>   | <b>-379</b>   | <b>-12 511</b> | <b>-2 378</b> |
| <b>Goods (net)</b>  | <b>-2 245</b> | <b>-3 232</b> | <b>-4 455</b> | <b>-4 329</b> | <b>-1 739</b> | <b>-569</b>   | <b>-2 091</b> | <b>-2 379</b> | <b>-1 898</b> | <b>-297</b>   | <b>-2 308</b> | <b>-2 195</b> | <b>-14 261</b> | <b>-6 778</b> |
| Exports of goods  | 11 268        | 11 199        | 11 637        | 11 987        | 11 258        | 9 845         | 10 998        | 13 042        | 12 484        | 14 972        | 21 103        | 27 456        | 46 091         | 45 143        |
| Imports of goods  | 13 513        | 14 431        | 16 092        | 16 316        | 12 997        | 10 414        | 13 089        | 15 421        | 14 382        | 15 269        | 23 411        | 29 651        | 60 352         | 51 921        |
| <b>Services (net)</b>   | <b>380</b>    | <b>309</b>    | <b>287</b>    | <b>774</b>    | <b>586</b>    | <b>1 383</b>  | <b>1 011</b>  | <b>1 420</b>  | <b>973</b>    | <b>843</b>    | <b>1 969</b>  | <b>1 816</b>  | <b>1 750</b>   | <b>4 400</b>  |
| Exports of services   | 3 838         | 4 331         | 4 685         | 4 611         | 4 003         | 3 387         | 3 893         | 4 281         | 3 803         | 4 230         | 7 390         | 8 033         | 17 465         | 15 564        |
| Imports of services   | 3 458         | 4 022         | 4 398         | 3 837         | 3 417         | 2 004         | 2 882         | 2 861         | 2 830         | 3 387         | 5 421         | 6 217         | 15 715         | 11 164        |
| <b>Primary income (net)</b>   | <b>441</b>    | <b>801</b>    | <b>-447</b>   | <b>1 129</b>  | <b>2 279</b>  | <b>233</b>    | <b>604</b>    | <b>433</b>    | <b>-995</b>   | <b>-1 379</b> | <b>2 512</b>  | <b>-2 374</b> | <b>1 924</b>   | <b>3 549</b>  |
| Credit  | 2 993         | 3 213         | 3 547         | 3 542         | 3 111         | 2 718         | 3 001         | 3 348         | 3 221         | 3 503         | 5 829         | 6 724         | 13 295         | 12 178        |
| Debit   | 2 552         | 2 412         | 3 994         | 2 413         | 832           | 2 485         | 2 397         | 2 915         | 4 216         | 4 882         | 3 317         | 9 098         | 11 371         | 8 629         |
| <b>Compensation of employees (net)</b>  | <b>2 867</b>  | <b>3 091</b>  | <b>3 374</b>  | <b>3 422</b>  | <b>2 964</b>  | <b>2 611</b>  | <b>2 896</b>  | <b>3 246</b>  | <b>3 117</b>  | <b>3 389</b>  | <b>5 575</b>  | <b>6 506</b>  | <b>12 754</b>  | <b>11 717</b> |
| Credit  | 2 871         | 3 095         | 3 380         | 3 428         | 2 969         | 2 616         | 2 901         | 3 252         | 3 122         | 3 395         | 5 585         | 6 517         | 12 774         | 11 738        |
| Debit   | 4             | 4             | 6             | 6             | 5             | 5             | 5             | 6             | 5             | 6             | 10            | 11            | 20             | 21            |
| <b>Investment income (net)</b>  | <b>-2 426</b> | <b>-2 290</b> | <b>-3 821</b> | <b>-2 293</b> | <b>-685</b>   | <b>-2 378</b> | <b>-2 292</b> | <b>-2 813</b> | <b>-4 112</b> | <b>-4 768</b> | <b>-3 063</b> | <b>-8 880</b> | <b>-10 830</b> | <b>-8 168</b> |
| Credit  | 122           | 118           | 167           | 114           | 142           | 102           | 100           | 96            | 99            | 108           | 244           | 207           | 521            | 440           |
| Debit   | 2 548         | 2 408         | 3 988         | 2 407         | 827           | 2 480         | 2 392         | 2 909         | 4 211         | 4 876         | 3 307         | 9 087         | 11 351         | 8 608         |
| o/w: reinvested earnings  | 599           | 834           | 1 414         | 403           | -1 782        | 1 050         | -117          | 361           | 1 795         | 1 735         | -732          | 3 530         | 3 250          | -488          |
| <b>Secondary income (net)</b>   | <b>851</b>    | <b>848</b>    | <b>884</b>    | <b>3 880</b>  | <b>923</b>    | <b>948</b>    | <b>1 030</b>  | <b>1 195</b>  | <b>1 046</b>  | <b>1 054</b>  | <b>1 871</b>  | <b>2 100</b>  | <b>6 463</b>   | <b>4 096</b>  |
| Credits   | 1 144         | 1 189         | 1 253         | 4 295         | 1 280         | 1 284         | 1 460         | 1 650         | 1 540         | 1 555         | 2 564         | 3 095         | 7 881          | 5 674         |
| Debits  | 293           | 341           | 369           | 415           | 357           | 336           | 430           | 455           | 494           | 501           | 693           | 995           | 1 418          | 1 578         |
| <b>B. Capital account</b>   | <b>-11</b>    | <b>7</b>      | <b>39</b>     | <b>3</b>      | <b>5</b>      | <b>3</b>      | <b>4</b>      | <b>-15</b>    | <b>6</b>      | <b>7</b>      | <b>8</b>      | <b>13</b>     | <b>38</b>      | <b>-3</b>     |
| <i>Net lending (+) / net borrowing (-) (balance from current and capital account)</i> | <i>-584</i>   | <i>-1 267</i> | <i>-3 692</i> | <i>1 457</i>  | <i>2 054</i>  | <i>1 998</i>  | <i>558</i>    | <i>654</i>    | <i>-868</i>   | <i>228</i>    | <i>4 052</i>  | <i>-640</i>   | <i>-4 086</i>  | <i>5 264</i>  |
| <b>C. Financial account</b>   | <b>-913</b>   | <b>-1 682</b> | <b>-5 146</b> | <b>-2 325</b> | <b>2 193</b>  | <b>657</b>    | <b>2 250</b>  | <b>-1 826</b> | <b>93</b>     | <b>-1 040</b> | <b>2 850</b>  | <b>-947</b>   | <b>-10 066</b> | <b>3 274</b>  |
| <b>Direct investment (net)</b>  | <b>-942</b>   | <b>-1 375</b> | <b>-1 975</b> | <b>-920</b>   | <b>1 560</b>  | <b>-1 252</b> | <b>97</b>     | <b>-288</b>   | <b>-1 458</b> | <b>-1 337</b> | <b>308</b>    | <b>-2 795</b> | <b>-5 212</b>  | <b>117</b>    |
| <b>Direct investment: assets</b>  | <b>-55</b>    | <b>120</b>    | <b>10</b>     | <b>546</b>    | <b>113</b>    | <b>23</b>     | <b>177</b>    | <b>49</b>     | <b>207</b>    | <b>360</b>    | <b>136</b>    | <b>567</b>    | <b>621</b>     | <b>362</b>    |
| <b>Direct investment: liabilities</b>   | <b>887</b>    | <b>1 495</b>  | <b>1 985</b>  | <b>1 466</b>  | <b>-1 447</b> | <b>1 275</b>  | <b>80</b>     | <b>337</b>    | <b>1 665</b>  | <b>1 697</b>  | <b>-172</b>   | <b>3 362</b>  | <b>5 833</b>   | <b>245</b>    |
| o/w:  |               |               |               |               |               |               |               |               |               |               |               |               |                |               |

|  |              |               |               |               |               |               |              |               |              |               |              |               |               |              |
|--|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|--------------|
| reinvestment of earnings                   | 599          | 834           | 1 414         | 403           | -1 782        | 1 050         | -117         | 361           | 1 795        | 1 735         | -732         | 3 530         | 3 250         | -488         |
| direct investor's loans to Ukraine         | -48          | 236           | 449           | 287           | 52            | 38            | 193          | -310          | -367         | -256          | 90           | -623          | 924           | -27          |
| <b>Portfolio investment (net)</b>          | <b>-188</b>  | <b>-1 151</b> | <b>-2 394</b> | <b>-1 401</b> | <b>-1 765</b> | <b>1 906</b>  | <b>898</b>   | <b>-210</b>   | <b>-347</b>  | <b>-2 171</b> | <b>141</b>   | <b>-2 518</b> | <b>-5 134</b> | <b>829</b>   |
| <b>Portfolio investment: assets</b>        | <b>22</b>    | <b>33</b>     | <b>374</b>    | <b>-18</b>    | <b>-114</b>   | <b>73</b>     | <b>30</b>    | <b>163</b>    | <b>-110</b>  | <b>-73</b>    | <b>-41</b>   | <b>-183</b>   | <b>411</b>    | <b>152</b>   |
| <b>Portfolio investment: liabilities</b>   | <b>210</b>   | <b>1 184</b>  | <b>2 768</b>  | <b>1 383</b>  | <b>1 651</b>  | <b>-1 833</b> | <b>-868</b>  | <b>373</b>    | <b>237</b>   | <b>2 098</b>  | <b>-182</b>  | <b>2 335</b>  | <b>5 545</b>  | <b>-677</b>  |
| Equities                                   | -1           | 26            | 9             | 15            | 24            | 17            | 123          | 9             | 9            | -11           | 41           | -2            | 49            | 173          |
| Debt securities                            | 211          | 1 158         | 2 759         | 1 368         | 1 627         | -1 850        | -991         | 364           | 228          | 2 109         | -223         | 2 337         | 5 496         | -850         |
| Central bank                               | 0            | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 0             | 0            | 0             | 0             | 0            |
| General government                         | 870          | 1 532         | 991           | 801           | 1 564         | -1 791        | -838         | 754           | 695          | 1 455         | -227         | 2 150         | 4 194         | -311         |
| Banks                                      | -420         | -383          | -35           | 43            | -398          | -62           | -76          | -381          | -414         | -34           | -460         | -448          | -795          | -917         |
| Other sectors                              | -239         | 9             | 1 803         | 524           | 461           | 3             | -77          | -9            | -53          | 688           | 464          | 635           | 2 097         | 378          |
| <b>Financial derivatives: net</b>          | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>329</b>   | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>329</b>   |
| <b>Financial derivatives: liabilities</b>  | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>-329</b>  | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>-329</b>  |
| General government                         | 0            | 0             | 0             | 0             | 0             | 0             | -329         | 0             | 0            | 0             | 0            | 0             | 0             | -329         |
| <b>Other investment (net)</b>              | <b>609</b>   | <b>508</b>    | <b>-153</b>   | <b>510</b>    | <b>2 724</b>  | <b>85</b>     | <b>1 189</b> | <b>-1 248</b> | <b>2 148</b> | <b>2 901</b>  | <b>2 809</b> | <b>5 049</b>  | <b>1 474</b>  | <b>2 750</b> |
| <b>Other investment: assets</b>            | <b>1 121</b> | <b>1 557</b>  | <b>940</b>    | <b>2 297</b>  | <b>2 234</b>  | <b>1 278</b>  | <b>1 653</b> | <b>1 113</b>  | <b>2 018</b> | <b>2 631</b>  | <b>3 512</b> | <b>4 649</b>  | <b>5 915</b>  | <b>6 278</b> |
| Central bank                               | 0            | -4            | 1             | -4            | 5             | -9            | -8           | -3            | 5            | -3            | -4           | 2             | -7            | -15          |
| General government                         | 0            | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 0             | 0            | 0             | 0             | 0            |
| Banks                                      | 157          | 1 377         | 666           | 1 568         | 1 308         | -312          | 835          | -1 012        | 564          | 1 107         | 996          | 1 671         | 3 768         | 819          |
| Other sectors                              | 964          | 184           | 273           | 733           | 921           | 1 599         | 826          | 2 128         | 1 449        | 1 527         | 2 520        | 2 976         | 2 154         | 5 474        |
| o/w:                                       |              |               |               |               |               |               |              |               |              |               |              |               |               |              |
| foreign cash outside the banking system    | 281          | 647           | 834           | 840           | 836           | 1 422         | 933          | 1 537         | 1 180        | 607           | 2 258        | 1 787         | 2 602         | 4 728        |
| trade credits                              | 432          | -357          | -647          | -98           | -16           | -24           | -103         | 194           | 121          | 938           | -40          | 1 059         | -670          | 51           |
| <b>Other investment: liabilities</b>       | <b>512</b>   | <b>1 049</b>  | <b>1 093</b>  | <b>1 787</b>  | <b>-490</b>   | <b>1 193</b>  | <b>464</b>   | <b>2 361</b>  | <b>-130</b>  | <b>-270</b>   | <b>703</b>   | <b>-400</b>   | <b>4 441</b>  | <b>3 528</b> |
| Central bank                               | 0            | 0             | 0             | 0             | 0             | 0             | 0            | 0             | 0            | 0             | 0            | 0             | 0             | 0            |
| General government                         | 602          | 35            | -83           | 483           | -246          | 594           | -396         | 1 557         | -454         | 415           | 348          | -39           | 1 037         | 1 509        |
| Banks                                      | -337         | 280           | -109          | -157          | -211          | 187           | -101         | -39           | 65           | 52            | -24          | 117           | -323          | -164         |
| Other sectors                              | 247          | 734           | 1 285         | 1 461         | -33           | 412           | 961          | 843           | 259          | -737          | 379          | -478          | 3 727         | 2 183        |
| Long-term loans                            | -268         | 319           | 179           | 207           | -174          | 245           | 100          | -7            | -141         | -178          | 71           | -319          | 437           | 164          |
| Short-term loans                           | 112          | 63            | 148           | 545           | -518          | -79           | 147          | 58            | -11          | 64            | -597         | 53            | 868           | -392         |
| Trade credits                              | 403          | 352           | 958           | 709           | 659           | 246           | 714          | 792           | 411          | -623          | 905          | -212          | 2 422         | 2 411        |
| <b>Errors and omissions</b>                | <b>392</b>   | <b>-336</b>   | <b>624</b>    | <b>514</b>    | <b>326</b>    | <b>82</b>     | <b>263</b>   | <b>80</b>     | <b>250</b>   | <b>433</b>    | <b>408</b>   | <b>683</b>    | <b>1 194</b>  | <b>751</b>   |
| <b>D. Overall balance (= A + B - C =E)</b> | <b>329</b>   | <b>415</b>    | <b>1 454</b>  | <b>3 782</b>  | <b>-139</b>   | <b>1 341</b>  | <b>692</b>   | <b>2 480</b>  | <b>-961</b>  | <b>1 268</b>  | <b>1 202</b> | <b>307</b>    | <b>5 980</b>  | <b>1 990</b> |

**E. Reserves and related items (= E.1 - E.2 - E.3 = D)**

|                        |                   |                   |                     |                     |                    |                     |                  |                     |                    |                     |                     |                   |                     |                     |
|------------------------|-------------------|-------------------|---------------------|---------------------|--------------------|---------------------|------------------|---------------------|--------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
|                        | <b><u>329</u></b> | <b><u>415</u></b> | <b><u>1 454</u></b> | <b><u>3 782</u></b> | <b><u>-139</u></b> | <b><u>1 341</u></b> | <b><u>-1</u></b> | <b><u>2 480</u></b> | <b><u>-961</u></b> | <b><u>1 268</u></b> | <b><u>1 202</u></b> | <b><u>307</u></b> | <b><u>5 980</u></b> | <b><u>1 990</u></b> |
| E.1. Reserve assets    |                   |                   |                     |                     |                    |                     | -2               |                     | -1                 |                     |                     |                   |                     |                     |
|                        | -190              | -99               | 893                 | 3 782               | -684               | 3 417               | 248              | 2 480               | 610                | 1 268               | <u>2 733</u>        | <u>-342</u>       | 4 386               | 2 965               |
| E.2. IMF loans         | -519              | -514              | -561                | 0                   | -545               | 2 076               | -556             | 0                   | -649               | 0                   | <u>1 531</u>        | <u>-649</u>       | -1 594              | 975                 |
| E.3. Allocation of SDR | 0                 | 0                 | 0                   | 0                   | 0                  | 0                   | 0                | 0                   | 0                  | 0                   | 0                   | 0                 | 0                   | 0                   |

## Balance of payments for 2017-2021 by quarters, million USD

| Description                | I     | II    | III   | IV    | I     | II    | III   | IV    | I      | II     | III    | IV     | I      | II     | III    | IV     | I      | II     | 2 020 | 2 021  | Index on values in % (y-o-y) |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|------------------------------|
|                            | 2017  | 2017  | 2017  | 2017  | 2018  | 2018  | 2018  | 2018  | 2019   | 2019   | 2019   | 2019   | 2020   | 2020   | 2020   | 2020   | 2021   | 2021   | I-II  | I-II   | I-II-2021/I-II-2020          |
| Current account            | -993  | -237  | -1124 | -1119 | -1957 | -284  | -2074 | -2117 | -573   | -1 274 | -3 731 | 1 454  | 2 049  | 1 995  | 554    | 669    | -874   | 221    | 4 044 | -653   | -16,1                        |
| Goods and services (net)   | -1380 | -1766 | -2736 | -2862 | -1890 | -1982 | -4247 | -3259 | -1 865 | -2 923 | -4 168 | -3 555 | -1 153 | 814    | -1 080 | -959   | -925   | 546    | -339  | -379   | 111,8                        |
| Primary income (net)       | -484  | 663   | 725   | 744   | -989  | 795   | 1254  | 234   | 441    | 801    | -447   | 1 129  | 2 279  | 233    | 604    | 433    | -995   | -1 379 | 2 512 | -2 374 | -94,5                        |
| Secondary income (net)     | 871   | 866   | 887   | 999   | 922   | 903   | 919   | 908   | 851    | 848    | 884    | 3 880  | 923    | 948    | 1 030  | 1 195  | 1 046  | 1 054  | 1 871 | 2 100  | 112,2                        |
| Capital account            | 6     | -4    | 9     | -15   | 2     | -4    | 38    | 1     | -11    | 7      | 39     | 3      | 5      | 3      | 4      | -15    | 6      | 7      | 8     | 13     | 162,5                        |
| Financial account          | -403  | -1874 | -1985 | -1781 | -1683 | -867  | -1311 | -5411 | -913   | -1 682 | -5 146 | -2 325 | 2 193  | 657    | 2 250  | -1 826 | 93     | -1 040 | 2 850 | -947   | -33,2                        |
| Direct investment (net)    | -1099 | -1501 | -428  | -656  | -1784 | -920  | 247   | -2003 | -942   | -1 375 | -1 975 | -920   | 1 560  | -1 252 | 97     | -288   | -1 458 | -1 337 | 308   | -2 795 | -907,5                       |
| Portfolio investment (net) | 68    | -274  | -1443 | -151  | -525  | 58    | -443  | -1170 | -188   | -1 151 | -2 394 | -1 401 | -1 765 | 1 906  | 898    | -210   | -347   | -2 171 | 141   | -2 518 | -1785,8                      |
| Other investment (net)     | 909   | -31   | -684  | -331  | 1608  | -160  | -286  | -2223 | 609    | 508    | -153   | 510    | 2 724  | 85     | 1 189  | -1 248 | 2 148  | 2 901  | 2 809 | 5 049  | 179,7                        |
| Errors and omissions       | 281   | 68    | -570  | 643   | 982   | -155  | 829   | 15    | 392    | -336   | 624    | 514    | 326    | 82     | 263    | 80     | 250    | 433    | 408   | 683    | 167,4                        |
| Overall balance            | -584  | 1633  | 870   | 647   | -272  | 579   | -725  | 3295  | 329    | 415    | 1 454  | 3 782  | -139   | 1 341  | -1 692 | 2 480  | -961   | 1 268  | 1 202 | 307    | 25,5                         |
| Reserves and related items | -584  | 1633  | 870   | 647   | -272  | 579   | -725  | 3295  | 329    | 415    | 1 454  | 3 782  | -139   | 1 341  | -1 692 | 2 480  | -961   | 1 268  | 1 202 | 307    | 25,5                         |