



The Local Economist - Ukraine Country Office

Monthly Economic Bulletin
 November 2023
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Food Prices	UAH	change
Buckwheat	36.52	-56%
Meat	171.17	+14%
Rice	52.05	-13%
Bread	38.22	+7%
Pasta	30.26	-6%
Veg. Oil	61.84	-12%

*UAH per 1 kg or L, October 2023 prices, year-on-year

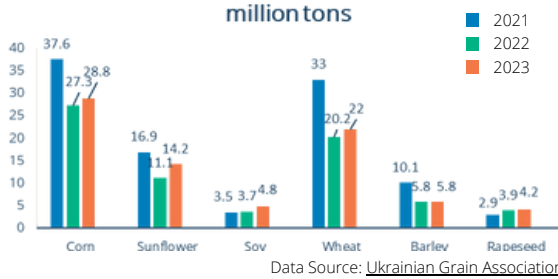
Exchange Rate	Nov22	Nov23
NBU	36.6	36.1
Banks	40.2	37.5
Market Rate	40.2	37.6

*USDUAH, November 27, 2022/23

Harvest

As of the end of November, about 75.7 million tons (MT) of grain and oil crops were harvested in Ukraine. The Ukrainian Grain Association (UGA) updated the estimate of the potential harvest for 2023, increasing it up to 81.6 MT. In 2022, according to UGA, the harvest reached 73.8 MT of grain and oil crops. The steady increase in the forecast is due to favorable weather conditions and better crop yields. The graph below shows the harvest in 2021, 2022, and the 2023 projection. The main reason for the drop after 2021 is the consequences of the war escalation in February 2022. Since then around 20 % of the territory of Ukraine has been beyond the control of the government of Ukraine.

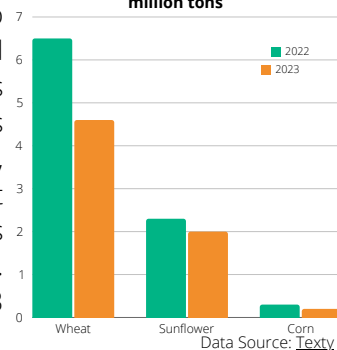
Grain and oilseed crop forecast for 2023, million tons



Data Source: Ukrainian Grain Association

Some part of this territory is considered to be suitable for agricultural activity. Ukrainian Data Journalistic media *Texty* has used data from the *OneSoil* company, which builds on satellite imagery and machine learning to remotely identify field boundaries and the crops grown on them. *Texty* has estimated the wheat, sunflower, and corn harvest in 2022 and 2023 in the areas beyond Ukrainian control. Considering wheat 2023 estimates, the amount is approximately 20 % of the wheat forecast for the rest of the country.

Grain and oilseed estimate, million tons



Data Source: Texty

Employment

In 2021 official unemployment in Ukraine was 10.3%. While no updated official data exists, according to phone interviews made by research agency Info Sapiens, the unemployment rate reached 18.4% in October 2023.

Unemployment, Ukraine

*% of work force



Data is collected by phone interviews with calls on cell numbers

Data Source: CES Ukraine War Economy Tracker

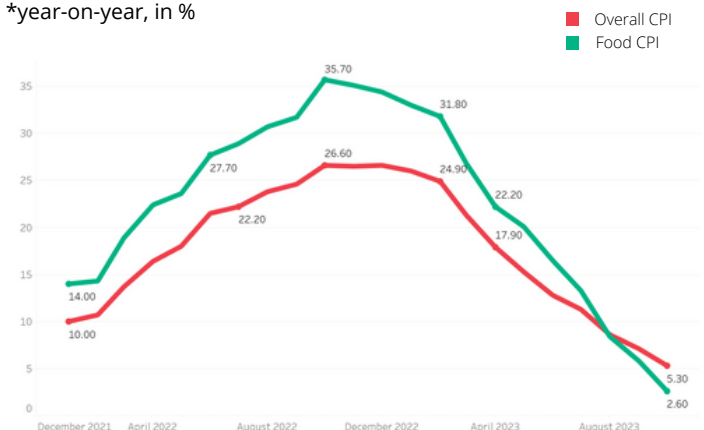
Inflation

Inflation slowed down again in October and reached 5.1% compared to October 2022. On one hand, this reflected the NBU's efforts to stabilize the hryvnia exchange rate and the almost complete refusal to raise utility tariffs during wartime. On the other hand, it reflected lower consumer demand, relatively low prices for Ukrainian exports, and a good harvest this year. There was a seasonal increase in the prices of vegetables (although they remained 20% cheaper than in October 2022), dairy products, and eggs.

At the same time, the rise in meat prices stopped, and apples, flour, oil, and cereals fell in price against the background of a good harvest.

Consumer Price Index, Ukraine

*year-on-year, in %



Data Source: National Bank of Ukraine

Market Assessment

In September 2023, using the Market Functionality Index (MFI), the assessment was conducted by WFP in Pokrovske.

The city is situated in the south of Dnipropetrovska oblast. The security situation is relatively calm in the city. The market has a significant number of shops with a wide range of different types of products (food items, NFIs, clothes, construction materials, etc.).

All shops have appropriate conditions for storage/selling all the items. The commodities are mainly supplied from the Dnipro region, which explains the low supply chain resilience score.

Most of shops were medium or small with limited services developed (i.e. no toilets available, no sewage system developed, no generators etc.).



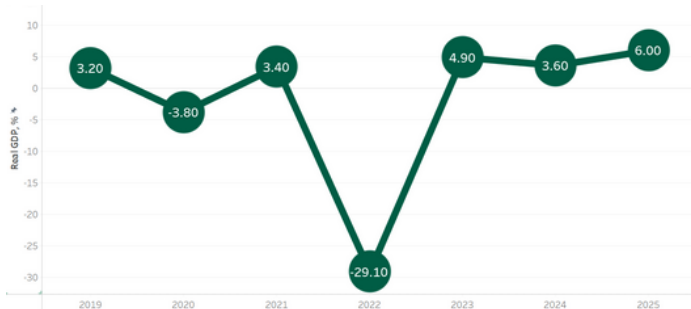
Pokrovske, September 2023

GDP Growth

The International Monetary Fund raised its growth prediction for Ukraine's economy in 2023 from 1-3% to 4.5% as recent economic developments point to a stronger-than-expected economic recovery. At the same time National Bank of Ukraine has shared in October 2023 a slightly more positive forecast of 4.9% GDP growth in 2023.

Real GDP growth forecast, Ukraine

*year-on-year, in %

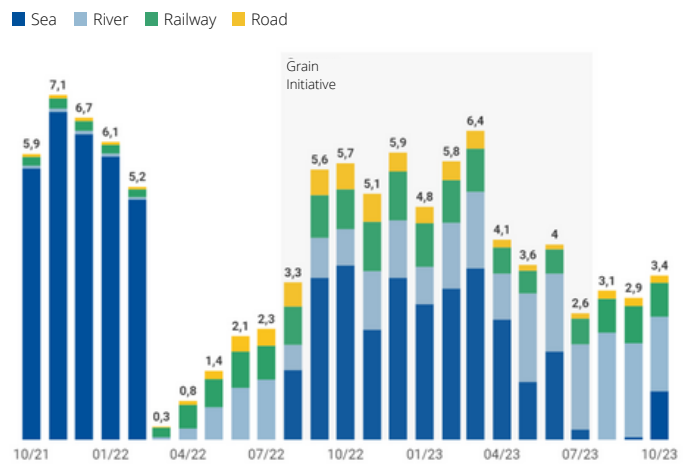


Data source: National Bank of Ukraine

Export

On July 17, 2023, Russia withdrew from the UN-brokered grain agreement, which stopped exports through Black Sea ports. Starting August 2023, Ukraine created the "Ukrainian corridor", which has enabled 91 ships to leave and 116 to enter the ports. In October 2023, about 1 million tons (MT) of grains was exported through the seaports, 1.5 MT through river ports, and 0.8 MT by land.

The "Ukrainian corridor" has restored exports through the Black Sea ports, which led to reduction the flow of goods through the Danube ports. As of 15th of November, the total export through the Danube ports are around 916 thousand tons, and through the Black Sea ports 1.226 million tons.



Graph: CES Ukraine War Economy Tracker

The export season of grains from Ukraine in the 2023/2024 is predicted by UGA to be almost 50 MT. Meanwhile, the forecast of the United States Department of Agriculture (USDA) is 34.1 MT.

On November 25, the President of Ukraine, Volodymyr Zelenskyy, announced that the humanitarian initiative "Grain from Ukraine" has been extended. The partners have already committed to donate more than 100 million dollars for its purpose.



Chartered vessel Brave Commander sets sail from the port of Pivdennyi in Yuzhnyi on 16 August carrying 23,000 metric tons of wheat.

Photo: WFP/Anastasiya Honcharuk