

Ukraine goods trade deficit more than doubles in 11M17

Ukraine

Posted by:

Posted on : 2018/1/17 23:37:36

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KYIV, Jan 17, 2018 – Ukraine's trade deficit in goods swelled to USD 5.2 bln in 11M17 from USD 2.3 bln a year ago, Concorde Capital informed clients based on a State Statistics Service report of Jan. 15. Imports increased 27.5% yoy, slightly accelerating from 27.4% yoy 10M17, while exports rose 20.6% yoy, decelerating from 20.9% yoy growth in 10M17. Energy imports were the main source of the goods imports increase, surging 52.5% yoy. Other essential components were vehicles (43.8% yoy growth), machinery (17.4% yoy) and chemicals (16.5% yoy). Non-energy imports grew 20.8% yoy in 11M17, compared to 20.6% yoy in 10M17. Goods exports grew due to mineral products (48.8% yoy growth), food oils (21.2% yoy), metals (20% yoy) and food crops (16.5% yoy). Exports to the EU surged 30.4% yoy in 11M17, speeding up slightly from 30.3% yoy in 10M17. Exports to the CIS countries jumped 15.6% yoy in 11M17, slowing from 15.8% yoy in 10M17. Concorde analyst Evgeniya Akhtyrko added: “The goods trade deficit was in line with our projections by the time November rolled around. However, provisional customs statistics are indicating an even further swelling of the trade deficit by USD 1.1 bln in December on the back of exports slowing to 4.1% yoy growth during the month. We estimate the 2017 trade deficit will have been USD 6.3 bln, which far exceeds our initial projection of USD 5.6 bln. Given the much wider goods trade deficit in 2017, we see the 2018 deficit touching the USD 7.0 bln mark (according to UkrStat methodology) amid a persistent tendency of strong import growth. The widening trade deficit will create further devaluation pressure on the local currency this year.

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