

# **PROBLEMS AND PROSPECTS OF THE DEVELOPMENT OF UKRAINIAN FINANCIAL AND ECONOMIC POLICY UNDER THE CONDITIONS OF A FULL-SCALE INVASION OF RUSSIAN FEDERATION**

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VIKTORIIA SHVEDUN

NATIONAL UNIVERSITY OF CIVIL DEFENCE OF UKRAINE, KHARKIV

# INTRODUCTION

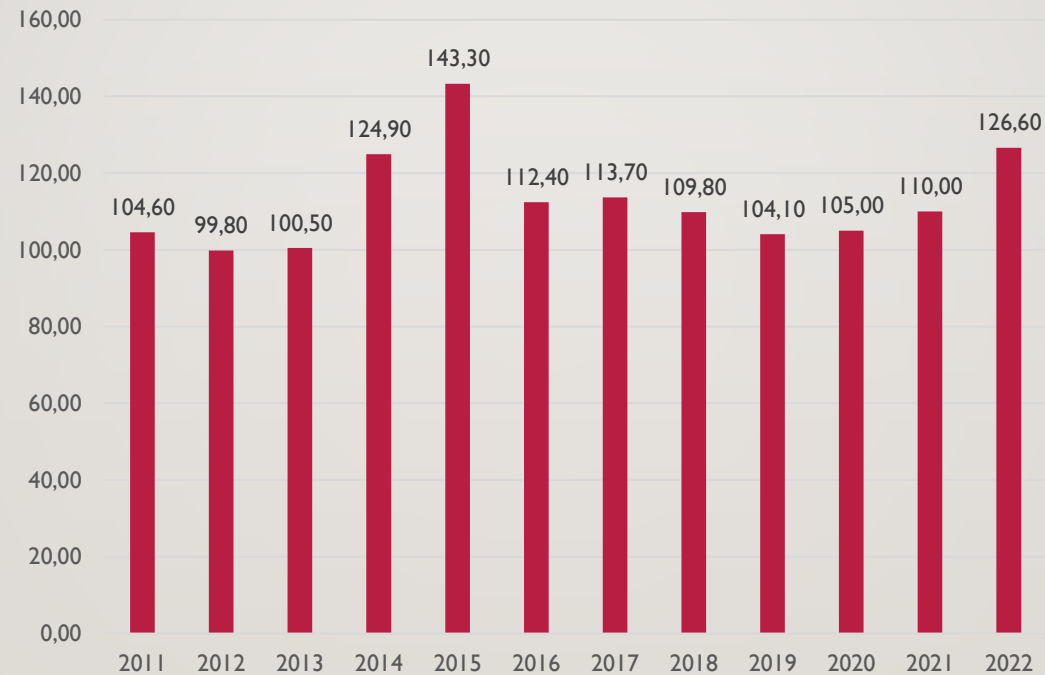
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- Russia's invasion of Ukraine, which began more than a year ago, led to great loss of life, mass displacement and significant damage to infrastructure.
- The impact on economic activity was also huge: real GDP fell sharply, inflation rose sharply, trade was seriously disrupted, and the budget deficit rose to unprecedented levels.



# DYNAMICS OF CHANGES IN THE INFLATION INDEX DURING 2011-2022, %

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At the end of 2022, inflation was 26.6%, and in January 2023 it decreased to 26%.

# DYNAMICS OF CHANGES IN THE EXPORT OF GOODS FROM UKRAINE DURING 2011-2022, \$ BILLION

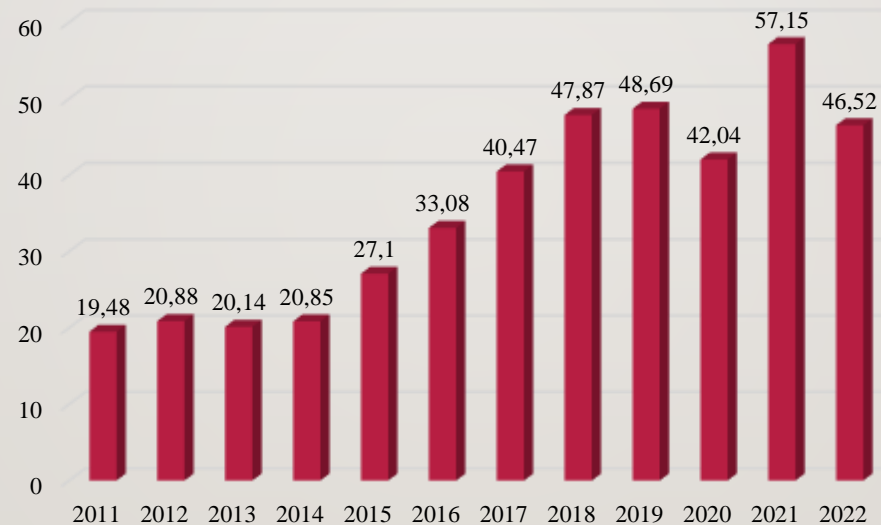
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At the end of 2022, the volume of exports of goods from Ukraine decreased by 13.91%

# DYNAMICS OF CHANGES IN THE IMPORT OF GOODS INTO UKRAINE DURING 2011-2022, \$ BILLION

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At the end of 2022, the volume of imports of goods to Ukraine decreased by 10.63%

# ACTIONS OF THE NATIONAL BANK OF UKRAINE IN THE FIRST HOURS OF THE FULL-SCALE INVASION

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- In the first hours of the full-scale invasion of the Russian Federation, the National Bank of Ukraine was forced to fix the official rate, and in July 2022 - to adjust it by 25% and introduce additional restrictions on the foreign exchange market to protect the macro-financial system.



# THE INFLATION FORECAST IN UKRAINE FOR 2023

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- The inflation forecast in Ukraine for 2023 is a decrease in the inflation index to 18.7%.
- Next year, inflation will slow to 10.4%, and in 2025 - to 6.7%.
- Then it will come close to the target range of 4-6%.



# FUTURE PLANS ON STABILIZATION OF THE ECONOMIC SITUATION

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- In 2023, the NBU expects to stabilize the economic situation and gradual economic recovery and plans to analyze the quality of assets to confirm the correctness of the reflection of the quality of the portfolio loan, the sufficiency of the formation of reserves and the assessment of the real size of regulatory capital.
- Based on the results of the assessment, a transition period will be determined to restore capital to minimum regulatory values.
- Most banks will be able to recover capital due to future profits, but a number of banks are likely to need shareholder support.



# PROSPECT FULL ECONOMIC RECOVERY

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- In 2024-2025, a full economic recovery is expected to begin - by 4.1% next year and further - by 6.4%. This result will be achieved by the successful actions of the Ukrainian army, which will significantly reduce security risks from the beginning of 2024.



# THANK YOU FOR YOUR ATTENTION!

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