

The basic parameters of economic and social development of Ukraine (28.07.2006)

Gross domestic product

Over the months January - June 2006, in comparison with the relevant period of the previous year, real Gross Domestic Product (GDP) has increased by 5,0 % (in the last year – by 4,1 %), as per preliminary estimate, the nominal volume of GDP came to 206099 million UAH.

The largest increase of total added cost in January – June 2006 was observed in wholesale and retail trade - 8,6 %; transport - 8,0 %; construction - 6,5 %; manufacture and distribution of the electric power, gas and water - 5,7%.

Industrial production sector

Manufacturing of industrial production for January - June 2006 in comparison with the relevant period of 2005 has increased by 3,6 % (in the last year - by 5,0 %), including in an extractive industry an increase by 5,0 % (in the last year - by 2,9 %), in manufacturing industry - by 3,3 % (in the last year - by 5,1 %), at the enterprises on manufacture and distribution of the electric power, gas and water increase - by 5,7 % (in the last year - by 4,2 %).

In June, 2006 in comparison with the previous month, total output volume of industrial production has decreased by 0,2 % and is caused by reduction of production volumes at the enterprises of an extractive industry by 1,9 %, at the enterprises of metallurgy and metal processing by 1,3 %, in chemical and petrochemical industry by 1,8 %, and in manufacture and distribution of the electric power, gas and water by 3,6%. It's observed production increase in manufacturing industry by 0,2%. The largest increase of turnout volumes of industrial production was observed at the enterprises of mechanical engineering (by 8,2 %), light industry (by 7,4 %), timber manufacturing and wood production (by 5,6 %), cellulose-paper, printing industries (by 5,4 %), at the enterprises of others non-metallic mineral products manufacturing (by 2,3 %).

Industrial production according to separate kinds of activity

Mechanical engineering. An increase in January - June 2006 in comparison with an relevant period of the previous year was equal to 12,2 % (in the last year - 9,2 %). The increase of mechanical engineering volumes first of all and is caused by raising of volumes in manufacture of motor transport (by 34,0 %), machines for metallurgy (by 32,4 %), monitoring equipment (by 26,1 %), radio, TV and communication equipment (by 19,3 %), electric machines and equipment (by 10,0 %), machines for agricultural production processing (by 9,8 %), household devices (by 9,5 %). At the same time was observed reduction of agricultural machines turnout volumes by 21,7 %, of engineering tools - by 15,8 %, machines for a extractive industry and construction - by 8,2 %, in railway mechanical engineering - by 4,8%. An amount of the profitable enterprises in this sphere was equal to 56,0 % over the months January - May 2006 (in the last year - 58,5 %).

Metallurgy and processing of metal. Increase of manufacture in this sphere over the period of January - June 2006 was equal to 4,8 % in comparison with the relevant period of the previous year (reduction in the last year -1,6 %). Has taken place an increase at the enterprises of manufacture of cast-iron, steel and ferroalloys by 5,0 %, pipes - by 5,2 %, other kinds of primary cast-iron processing - by 2,9 %, on metal processing - by 14,2%. At the same time is observed decrease of production output rates at the enterprises of metal moulding turnout by 7,1 % and non-ferrous metals - by 0,4%. An amount of the profitable enterprises in this sphere was equal to 61,5% over the months January - May 2006 (in the last year - 61,9 %).

Chemical and petrochemical industries. The volumes of manufacture over the period of January - June, 2006 in comparison with the relevant period of the previous year have increased by 0,4 % (in the last year - 13,2 %). Have increased the volumes of output in pharmaceutical

manufacture by 8,0 %, in soup manufacture, perfumery production, washing and polish preparations - by 1,7%. The reduction of production volumes output was observed in chemical manufacture by 1,9 %, that is caused by reduction of manufacture of based chemical production by 2,2 %, varnishes and paints - by 17,9 %, artificial and synthetic fibres - by 10,6%. Have increased the volumes of production at the enterprises for manufacture of rubber and plastic products accordingly by 6,1 % and 10,8%. An amount of the profitable enterprises in this sphere was equal to 61,3% over the months January - May 2006 (in the last year - 66,0 %).

Food industry. At the enterprises of a food industry and processing of agricultural products in January - June, 2006, in comparison with the relevant period of the previous year, the volumes of production have increased by 7,7 % (in the last year - by 14,2 %). In particular, took place rising of volumes in fat manufacturing by 32,8 %, processing of vegetables and fruits - by 19,1 %, in manufacture of macaroni products - by 18,6 %, beverages - by 12,2 %, in tobacco and meat industry (accordingly by 6,6 %, and 4,2 %). Alongside with it were decreased volumes of output of the enterprises of confectionary industry (by 3,2 %) and dairy production (by 5,1 %). An amount of the profitable enterprises in this sphere was equal to 58,9% over the months January - May 2006 (in the last year - 61,9 %).

Light industry. In January - June 2006, in comparison with the relevant period of the previous year, decrease of production in this sphere was equal to 2,2 % (in the last year was a decrease by 3,8 %). The largest slippage of production was fixed in a textile industry and tailoring of clothes (decrease by 6,5 %). At the same time are increasing volumes of the enterprise with the main kind of activity as manufacturing of a leather and footwear (over the months January - June an increase was equal to 16,5 %). An amount of the profitable enterprises in this sphere was equal to 55,0 % over the months January - May 2006 (in the last year -60,1 %).

Wholesale and retail trade.

Physical volume of wholesale turnover over the months January - June 2006 in comparison with the relevant period of the previous year has increased by 2,9 % (in the last year it was reduction by 7,5 %).

Turnover of retail trade over the months January - June 2006 in comparison with the relevant period of the previous year has increased by 25,5 % (in the last year – by 19,9 %).

Volume retail turnover in the period of months January - June 2006 has increased in comparable prices by 27,0 % in comparison with January - June 2005 (in the last year - by 21,2 %).

Condition of accounts in the economics

For the 1st quarter of the year 2006, receivable accounts have increased by 26,3 milliard UAH, or by 8,2 % (in the last year - by 7,1 milliard UAH), payable accounts have increased by 31,1 milliard UAH or by 7,7 % (in the last year – by 16,7 milliard UAH).

Specific ratio of the outstanding debt remains to be significant. As per April 1, 2006, a part of outstanding receivable accounts in a total sum of debts was equal to 20,4 % in comparison with 21,6 % as per January 1, 2006 and payable accounts - 20,8 % in comparison with 22,0%.

Receivable accounts between the enterprises of Ukraine for the 1st quarter of 2006 have increased by 7,2 % (in the last year - by 1,4 %) and is equal in the structure of receivable accounts 93,8%. Payable accounts between the enterprises of Ukraine have increased for the reporting period by 7,4 % (in the last year - by 4,1 %) and makes in structure payable accounts 89,7%.

For electric and heat energy

According to the data of the Ministry of Fuel and Energy in the period of months January - June 2006 to the consumers it was released electrical an electric power to the amount of 15883,3 million UAH, heat energy - 775,1 million UAH. It was paid for the released electric power 15376,3 million UAH or 96,8 % from marketable supply. On account for the consumed heat energy it were received

711,6 million UAH that it equal only to 91,8 % of the released energy cost over the months January – June 2006.

From the beginning of a year as per July 1, 2006, general debt for the electric power has increased by 4,5 %, and for the heat energy - by 6,4%.

For the natural gas.

NAC " Neftegas of Ukraine " realized 28,5 milliard of cubic m. of natural gas to the amount of 8808,7 million UAH during 6 months of the year 2006. On account of payment as per July 1, 2006 it were received 7812,8 million UAH (88,7 % from the cost of the natural gas which has been released from the beginning of a year).

Prices of the consumer market

In June 2006 the Consumer Price Index was equal to 100,1 %, from a beginning of a year - 102,9 % (in the last year - 106,4 %).

The prices for the foodstuffs have decreased by 0,3% in June 2006. Most essentially (by 17,0 % and 10,7 %, correspondingly) were down in price eggs and vegetables. By (3,5-0,2 %) have decreased the prices for animal fat, milk and dairy production, butter, meat and poultry farming production, cottage cheese and brynza (cottage cheese), sunflower oil, wheaten flour. At the same time were increased by 25,2 % and 8,5 %, correspondingly, the prices for potatoes and fruits; by 0,8-0,6 % - sugar, confectionery products, fish and seafood.

The prices for the nonfoods have increased in June 2006 by 0,3%. Thus by 4,1 % and 2,9 %, correspondingly, have increased the prices for jewellery and combustive-lubricating materials. At the same time by 0,5-0,1 % were down in price TV and radio equipment, computer facilities, electric goods.

The prices (rates) for services have increased in June 2006 by 1,1%. Mostly (by 30,3 %) were risen travel expenses by means of a railway transportation of long-distance connection. By 7,1-2,0 % were risen in prise services of boarding houses, financial establishments, payment for sewerage, services of tourist agencies and travelling agencies, hotels.

Prices of the industrial production manufacturers

In June 2006 price index of industrial production manufacturers was equal to 100,7 %, from the beginning of a year - 105,0 % (in the last year - 108,3 %).

In June 2006 prices for production manufacturing of extractive industry have increased by 0,2%. Thus in production of power materials, rising of prices was equal to 0,3 %, non-power - was remained without changes. In a manufacturing industry rising of prices was equal to 0,9%. Mostly raised in price (by 2,4 % and 1,8 %) production of coke manufacture and products of petroleum refining, manufacture of electrical and electronic equipment. By 1,5-0,6 % were increased prices in manufacture of the other non-metal mineral products, timber and made from timber products, metallurgy and metal processing, manufacture of machines and tools, rubber and plastic products. At the same time prices have increased by 0,2% in food industry and processing of agricultural products. Cane down in price by 0,1% production in manufacturing and distribution of the electric power, gas and water.

Taxable block (as per data of State Treasury of Ukraine)

Real income of the Consolidated budget over the months January - June 2006 has increased by 13,6% in comparison with the relevant period of the previous year and of the State budget- by 9,9%.

The deficiency of the Consolidated budget over the months January - June 2006 was equal to 1014,1 million UAH or 0,5 % from GDP (in the last year proficite - 1734,6 million UAH), of the

State budget - 3116,2 million UAH or 1,5 % from GDP (in the last year proficite was 1100,8 million UAH).

Income of the Consolidated budget over the months January - June, 2006 was equal to 72123,7 million UAH (in the last year - 58553,9 million UAH) with a level of performance in 44,5 % from the plan authorized by SCU, Supreme Council of ARC and local councils with taking into consideration of changes; of the State budget - 54733,9 million UAH (in the last year - 45939,6 million UAH) with a level of performance in 43,5 % from the annual plan authorized by SCU with changes for the year 2006.

In structure of the income of the Consolidated budget the greatest part making up tax receipts, over the months January - June, 2006 they were equal to 72,8 % from the total volume of the income (in the last year - 73,6 %). Specific ration of VAT in structure of the income is made 29,3 % (in the last year - 26,1 %), income tax for the enterprises - 12,8 % (in the last year - 16,0 %), income tax for the natural persons - 14,1 % (in the last year -12,8 %), tax for international trade and external operations - 4,4 % (in the last year - 5,4 %).

The sum of Consolidated budget charges has reached 73323,1 million UAH that makes 35,6 % from GDP, of the State budget - 58045,1 million UAH (28,2 % from GDP). The level of performance of the Consolidated budget charges was equal to 42,3 from the plan stipulated by SCU, Supreme Council of ARC and local councils taking into account changes; of the State budget - 42,0% from annual plan authorized by SPU with changes for 2006.

In January - June 2006, crediting of the Consolidated budget was carried out only at the expense of internal crediting at a rate of 185,3 million UAH (volume of the given credits was equal to 227,9 million UAH, returned - 413,2 million UAH). Crediting of the State budget was carried out at the rate of 194,9 million UAH (volume of the given credits was equal 208,6 million UAH, returned-403,5 million UAH).

Currency and money-and-credit market

Official rate of UAH relative to US dollar from the beginning of the current year has remained constant and on 01.07.2006 is equal to 5,0500 UAH per 1 US dollar.

From the beginning of the current year it was happened depreciation of UAH relative to EUR by 35,65 cop. or by 6,0 % and for 01.07.2006 the official rate is 6,3271 UAH per 1 EUR.

Over the months January - June, 2006 volume of monetary aggregates has increased by 10,3 % (in the last year - by 24,3 %), volume of monetary base has decreased by 3,1 %. Volume of monetary cash in circulation has increased by 6,8 % (in the last year - by 21,2 %).

Part of a monetary cash in circulation in structure of monetary aggregates at the end of June, 2006 was equal to 30,0 % against 31,0 % at the end of the year 2005; in the structure of monetary base - 80,2 % in comparison with 72,8 % at the end of the year 2005. Level of monetarisation of the national economy at the end of June of the current year was equal to 41,9.

Debts on the credits given by commercial banks unto the economy of Ukraine at the end of June 2006 were equal to 179,7 milliard UAH. From the beginning of the year volume of credit investments has increased by 25,3 %, including: in national currency - by 20,1 %, in foreign currency – by 32,2%.

Obligations of the Banks on the monetary means that were involved onto the accounts of the subjects of business activity and natural persons over the period of January - June 2006 have been increased by 12,0 % and made 148,6 milliard UAH. Obligations of the Banks on the monetary means involved onto the accounts of the natural persons have increased by 15,0%.

Agricultural sector

In January - June, 2006 manufacture of agricultural production in all categories of enterprises in comparison with the relevant period of the previous year has increased by 3,2 % (in the last year - by 6,4 %), including in the agricultural enterprises - by 16,1 %, in facilities of the population – decrease by 3,4%. Volume of agricultural production in the actual prices was equal to 20,0 milliard. UAH.

In January - June, 2006 in comparison with the relevant period of the previous year in all categories of enterprises, volumes of meat manufacture (realization of cattle and the poultry farming production for slaughtering in live weight) have increased by 4,1 %, eggs - by 9,5%. At the same time have decreased the volumes of milk manufacture by 4,0%.

Total volume of agricultural production realization in January – June 2006 has increased by 18% in comparison with the relevant period of the previous year, including plant cultivation production - by 28 %, production of livestock farming- by 13%.

The average prices of agrarian production sale by the agricultural enterprises in January - May, 2006 were reduced by 6 % compared to relevant period of the year 2005 that is caused by the decrease of the prices for plant cultivation production by 3 %, for production of livestock farming- by 9 %.

Reforming of the property

According to the data of the Fund of State property of Ukraine over the months January – June 2006 were privatised 2798 objects (in the last year - 2308) and from them 11,5 % are the objects of State (in the last year - 18,1 %) and 88,5 % of Municipal (in the last year - 81,9 %) kinds of ownership. According to the data of State Treasury of Ukraine over the months January – June 2006 from a privatisation of the State property and others receipts connected to process of a privatisation, the State budget received 162,1 million UAH.

Investments into the fixed capital

By the enterprises and organizations of all kinds of ownership in the 1st quarter of the year 2006 it was settled 19171,5 million UAH of the capital investments.

Directions of development of the capital investments. The part of investments into the fixed capital constitutes 86,0% in the structure of capital investments. Onto improvement of condition of the objects (overhaul, modification, modernization) it was directed 7,3 % of the capital investments. Investments into the intangible assets have constituted 3,9 % to total volume of the capital investments; expenses for formation of the basic fund have constituted 0,5 % and onto the other inconvertible tangible assets - 2,3%.

Investments into a fixed capital over the period of January - March, 2006 in comparison with the relevant period of the previous year have increased by 15,9 % (over the months January - March 2005 by 3,5 %) and have constituted 16485,7 million UAH. Increase of the investments volumes into the fixed capital has been achieved in 23 regions of Ukraine (in January - March, 2005 - in 13).

In technological structure of the investments into the fixed capital, the costs of purchase of machines, facility and equipment are 50,3 % (in the last year - 51,9 %) from the total volume for building and installation works in 43,4 % (in the last year - 41,5 %).

By the enterprises of a manufacturing industry is was settled 4279,9 million UAH that is in 1,2 times bigger in comparison with the 1st quarter of the year 2005. Have been increased volumes of the investments into the fixed capital of the enterprises in such kinds of economic activity as manufacture of timber and products made from wood - in 2,9 times, cellulose-paper and printing industries and publishing - in 2,2 times, manufacture of rubber and plastic products has been increased in 1,9 times.

Into the construction and technical re-equipment of the objects of transport and communication it was invested 18,6 % of the settling volumes of the investments into the fixed capital, nevertheless capital investments into development of this kind of activity were reduced compared with the relevant period of the previous year by 1,1%.

Capital investments into housing construction have constituted 2585,0 million UAH that bigger by 22,5 % in comparison with the 1st quarter of the year 2005. Their part in total volume of the investments into the fixed capital has constituted 15,7 % (in the last year - 13,9 %).

Foreign-economic activity

Over the months January - May 2006 the export of goods has decreased by 0,9 % in comparison with the relevant period of the previous year. Import has increased by 24,4%. Debit balance of foreign trade was equal to 2626,8 million US dollars (in the last year credit balance was equal to 771,2 million US dollars).

Liquidity import-export ratio was equal to 0,84 (in the last year -1,06).

Foreign-trade bargains with goods Ukraine carried out with the partners from 198 countries of the world.

The biggest volumes of export deliveries were carried out into Russian Federation - 20,4 % from total export volume, Turkey - 6,9 %, Italy - 6,7 %, USA - 3,5 %, Germany and Poland per 3,2%, Byelorussia - 2,9%.

In January - May 2006 an export into the Russia has increased by 5,0 % in comparison with the relevant period of the previous year and import has increased by 13,3%. Balance of the foreign-trade with Russia continues to remain in debit (-2585,8 million US dollars).

The biggest import receipts were carried out from Russian Federations - 32,7 % from total volume of import, Turkmenistan - 9,9 %, Germany - 8,7 %, China - 4,7 %, Poland - 4,3 %, Italy - 3,1 %, Byelorussia -2,4%.

Direct foreign investments

In the 1st quarter of 2006 into the economy of Ukraine by the foreign investors it was invested 989,6 million US dollars of the direct investments; by the non-residents it was withdrawn the capital for a sum in 114,0 million US dollars.

Total volume of the direct foreign investments brought into Ukraine on 01.04.2006 it was equal to 17399,2 million US dollars (increase to the beginning of the year was equal to 5,6 %), that makes 371 US dollar per one inhabitant of Ukraine.

For the 1st quarter of 2006 an increase of the foreign capital was equal to 922,5 million UAH, that is more in 3,9 times of the increase during the relevant period of the year 2005.

To the Ukraine have been entered direct foreign investments from 116 countries of the world. The biggest volumes were invested by the non-residents from Germany - 5466,2 million dollars (31,4 % of total volume), Cyprus - 2069,5 million dollars, (11,9 %), Austria - 1489,2 million dollars (8,6 %), USA - 1383,8 million dollars (8,0 %), United Kingdom - 1341,4 million dollars (7,7 %), Netherlands - 888,8 million dollars (5,1 %), Russian Federation - 873,8 million dollars (5,0 %), Virginian Islands (Britain) - 678,0 million dollars (3,9 %), Switzerland - 395,6 million dollars (2,3%), Poland - 235,2 million dollars (1,4 %).

As invested attractive still remained the enterprises with fast payback kinds of economic activity such as wholesale trade and trade intermediation, which consists 10,2 % from the total investments volume, metallurgy and metal processing - 7,1 % and also food industry and processing of agricultural products - 6,9%. Investors are shown an interest to the enterprises which are carrying out financial activity - 8,4 %, (from total investments volume), deals with real estate, leasing and services to the legal persons - 6,9%.

Population income.

Nominal and real population income.

Over the months January - May 2006 in comparison with the relevant period of 2005, nominal income of the population has increased by 31,5 % and was equal to 161,1 milliard UAH.

Over the months January – May 2006, the nominal available income that can be used by the population for purchase of consumer goods and services payment, has increased by 31,2 % in comparison with the relevant period of the year 2005, and real available incomes of the citizens, with the account price factor has increased by 20,6%.

An available income at the rate for one person in May 2006 was equal to 573 UAH.

Wages and social payments

Nominal monthly average wage of the permanent staff members in June of this year has increased in comparison with the previous month by 6,1 % and in comparison with June, 2005 has increased by 29,2 %, and was equal to 1063,59 UAH. Over the months January - June of this year nominal monthly average wage in comparison with the relevant period of the past year has increased by 33,4 % and was equal to 966,89 UAH.

Real wage in June 2006 compared to the previous month has increased by 5,8 % and in comparison with June 2005 - by 20,6%. Over the months January - June 2006 in comparison with the relevant period of the previous year, real wage has increased by 22,9%.

Total sum of debt on wages payment has increased from June 2006 by 4,5 % and was equal on July 1, 2006 to 1101,0 million UAH. The sum of debt from the beginning of a year was increased by 14,6%.

Debt on wages payment to the employers of economically active enterprises in June was increased by 10,5 % and as per July 1, 2006 it was equal to 591,8 million UAH. The sum of debt from the beginning of the year was increased by 28,1%.

Distribution of the amount of debt on payment of wages to the employers of economically active enterprises by the different kinds of ownership witnesses that 33,8 % are on the enterprises of the state ownership, 13,3 % are on the enterprises of municipal ownership, 52,6 % are on the enterprises of a private ownership, from which 10,1 % are on open joint-stock companies and 20,3 % are on the companies with limited liability.

In the structure of the debt on wages payment to the employers of economically active enterprises still has the biggest part debt to the employers of the industry (49,4 %), agriculture (16,4%), construction (9,5%).

Labour market

Over the months January - June, 2006, number of the citizens, which have the status of the unemployed, has decreased in comparison with the beginning of the year by 15,0 % and as per July 1, 2006 it was equal to 749,1 thousand persons. The level of the registered unemployment on July 1, 2006 is equal to 2,7 % of the able-bodied population of able-bodied age. The highest rate of unemployment was observed in Ternopol (5,0 %), Rovno (4,8 %), Cherkasy (4,4 %), Chernovtsy and Zhitomir Provinces- per 3,9 %, and the lowest it was observed in Kiev (0,4 %).