**Responding to the Coronavirus Crisis**  
**Update on Ukraine (14/04/20)**

**EBRD Policy Comparator**

<table>
<thead>
<tr>
<th>Economic channels of disruption</th>
<th>Private consumption, metals, remittances</th>
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<tbody>
<tr>
<td>• Lockdown is in place since 16 March. All non-essential services are closed while public transport in Kyiv is open only for employees of critically important agencies.</td>
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<td>• The rising global uncertainty has caused a confidence crisis, resulting in currency depreciation and soaring debt refinancing costs on international financial markets.</td>
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<td>• Disrupted travel will hit temporary workers in the western neighbourhood and take a toll on remittances (7.8% of GDP in 2019).</td>
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**Selected crisis impact indicators**

- **EBRD GDP growth outlook (April 2020)**  
  (new forecasts out on May 13)  
  2020: recession  
  2021: strong recovery

- **Economic sentiment**  
  (March 2020)  
  BAEI 45.8  
  (down 5.4 points m/m)

- **Exchange rate change**  
  (March 2020)  
  Net sale of US$ 2.2 billion

- **F/X interventions**  
  (March 2020)  
  -12.5%  
  April 01-14: +3.8%  
  Net sale of US$ 2.2 billion

**Crisis response measures to date**

- **Prompt liquidity injection, fiscal response package approved**
  - Remaining fiscal space: low to moderate (quasi-fiscal deficits eliminated, public debt reduced to around 50%, debt repayment burden remains high).
  - Initial fiscal measures are focused on temporary tax breaks and tax audit holidays.
  - Crisis response package equal to 1.6% of GDP, was adopted by parliament on April 13. Specific measures yet to be determined.
  - Monetary policy: Introduced long-term refinancing facility, relaxed LCR and RR requirements and expanded list of collateral for ELA.

**Selected crisis response indicators**

- **Prudential requirements loosened**
  Implementation of enhanced capital requirements extended by one year

- **VAT reduction**
  Goods related to addressing the pandemic are VAT exempt

- **Committed external assistance**
  Expected package of US$ 10 billion from IMF, WB and EU is pending adoption of bank bill by Parliament in the second reading.
  Agreed €150 million loan from Germany to support healthcare and social payments.

**Key short-term priorities**

Secure external financing, support SMEs and vulnerable households, ensure the spring seeding season goes as planned.