
Macroeconomic indicators - EBRD downgrades Ukrainian forecast

Monday, 19 Oct, 2009

It is reported that the European Bank for Reconstruction and Development now believes Ukraine GDP will shrink 14% in 2009 compared with its earlier forecast for a 10% contraction.

However, the bank now believes Ukraine GDP will grow 3% in 2010 compared with its forecast for zero growth previously.

Mr Alexander Pivovarsky EBRD chief economist said Ukraine economy was hit hard by the crisis and the outlook for a rapid recovery is limited by weak foreign and domestic demand.

He said that the pressing challenges for the nation's leadership are to prevent the monetization of state debt, bring the state budget deficit under control and stabilize the financial system.

Mr Alexander Pivovarsky enabling a steady, high rate of economic growth over the long term requires deep structural and institutional reform, perhaps in the context of drawing nearer to the EU.

The Ukrainian government's official forecast is for GDP to grow 0.4% in 2009, although unofficially it is expected to fall 10% to 12%. The government forecasts GDP to grow 3.7% in 2010.

The World Bank forecasts Ukrainian GDP to shrink 15% this year and grow 2.5% in 2010. The International Monetary Fund forecasts GDP to contract 14% in 2009 and grow 2.7% in 2010.

(Sourced from www.interfax.com.ua)

For more news visit at www.steelguru.com