

Rising Prices a Major Concern

Overview: Rising Inequality and Stagnant Reform

Echoes of the Japanese Catastrophe

Industry: Output Still Climbing

Retail Trade: Strong Despite Biased Official Estimate

Prices: Climbing Despite Controls

Monetary Policy & Interest Rates: Tightening

Fiscal Accounts: An Impressive Start

External Accounts: Improving

President's Reforms are Slow Going

An upsurge in prices is the dominating issue in Ukraine. Despite relatively optimistic official statistics (CPI rose just 0.9% m/m in February), the reality is different. Fuel prices shot up by 20%, and the rise in gas prices is finally being reflected in household utility bills, which have also climbed 20%-30%. And food prices are rising, too.

As living costs increase, support for the ruling party wanes. Even in President Viktor Yanukovich's traditional strongholds, support has plunged to 17%, from 70% few months ago.

Reform progress seems to be slowing>>>