

# Inflation Report

April 2026

Summary



Despite the full-scale war's challenges, the NBU remains committed to its mandate to ensure price and financial stability – the key to achieving sustainable economic recovery. At the current stage, these goals are being achieved through flexible inflation targeting, supported by a coordinated combination of interest-rate-policy and exchange-rate-policy instruments, as well as FX restrictions, in accordance with the [Monetary Policy Guidelines for the Medium Term](#) and the [Strategy for Easing FX Restrictions, Transitioning to Greater Flexibility of the Exchange Rate, and Returning to Inflation Targeting](#).

Monetary policy aims to bring inflation, as measured by the year-on-year change in the CPI, to its target of 5% over the relevant policy horizon that does not exceed three years. The flexibility of the current monetary regime allows inflation to deviate from its quantitative target of 5% in certain periods due to domestic and external factors. This approach, on the one hand, helps the Ukrainian economy adapt to shocks and supports its recovery, and, on the other hand, it allows the NBU to maintain control over inflation expectations despite significant uncertainty and materialization of risks, including geopolitical ones.

The NBU is taking steps to enhance the effectiveness of monetary transmission channels and to continue to revive the key policy rate's role as the main monetary policy instrument. Changes in the key policy rate and adjustments to the operational framework of interest rate policy reflect significant shifts in the balance of risks, and are primarily aimed at maintaining the sustainability of the FX market, keeping inflation expectations in check, and ensuring price stability.

Under the managed flexibility regime, the exchange rate can both strengthen and weaken, depending on changes in market conditions. To ensure flexibility in both directions, the NBU compensates for the structural FX deficit of the private sector by channeling the surplus of foreign currency from the public sector (received mostly as international aid) into the economy. Coupled with smoothing out excessive exchange rate volatility, this contributes to keeping inflation and exchange-rate expectations in check, maintaining confidence in the hryvnia, and bringing inflation to the target of 5%. Concurrently, exchange rate flexibility makes it possible to strengthen the Ukrainian economy's and the FX market's resilience to domestic and external shocks, while reducing the risk of accumulation of external trade imbalances.

Aware of the urgent need to minimize FX market distortions, improve the conditions for doing business in Ukraine and for entry of domestic businesses into new markets, support the economic recovery, and promote new investment inflows into Ukraine, the NBU is gradually easing the FX restrictions as appropriate preconditions are in place.

The NBU plans to apply flexible inflation targeting until the economy's functioning normalizes and inflation targeting is restored to its full-fledged format with a floating exchange rate.

The analysis in the current Inflation Report (April 2026) is based on the data available at the date of its preparation. The time horizon of the analysis may thus vary for some indicators. For the majority of indicators, the cut-off date for the data in this report is 28 April 2026. The assumptions underlying the forecast were finalized the same day. The Inflation Report presents a forecast for the country's economic development in 2026–2028, which was prepared by the Monetary Policy and Economic Analysis Department and approved by the NBU Board at its monetary policy meeting on 30 April 2026<sup>1</sup>.

The NBU Board makes decisions on the key policy rate and other monetary instruments in line with the [schedule published in advance](#). The decisions the NBU Board makes in January, April, July, and October are based on a new macroeconomic forecast. At the remaining four meetings (in March, June, September, and December), the NBU Board makes its decisions based on assessments of risks and uncertainty that take into account the economic developments in Ukraine and abroad since the latest forecast. The decisions are announced at a press briefing held at 2 p.m., after the NBU Board's monetary policy meeting. A press release that reflects the NBU Board's consensus perspective on its decisions is published at the same time. The summary of the discussion at the Monetary Policy Committee is published on the 11th day after the decision is taken. It shows the depersonalized opinions of all MPC members on the optimal monetary policy decisions to be made. It also includes differences of opinion and the reasoning behind them.

Previous issues and presentations of the Inflation Report, the forecast of the main macroeconomic indicators, and data in tables and figures are available [here](#).

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<sup>1</sup>NBU Board Decision No.131 *On Approval of the Inflation Report* dated 30 April 2026.

## Summary

The baseline scenario of the NBU's macroeconomic forecast assumes that Ukraine will continue to conduct prudent monetary and fiscal policies aimed at maintaining macrofinancial stability, consistently implement reforms to achieve its European integration aspirations, and thus fulfill its commitments under cooperation programs with international partners, which will keep providing sufficient financial support. The NBU assumes that conditions in which the economy operates will gradually normalize over the forecast horizon. This will take the form of expanded opportunities for investment and economic activity, and the gradual return of forced migrants. The baseline scenario accounts for the current consequences of air attacks and destruction, but the risks of their aggravation remain high.

### After declining for a long period, inflation started to rise, primarily as a result of higher energy prices

Inflation had been declining steadily from June 2025 to January 2026, but then started to rise. Price pressures increased due to the difficult situation in the energy sector following Russia's air strikes, a surge in fuel prices on the back of the war in the Middle East, effects from a weakening of the hryvnia exchange rate in previous periods, and a faster-than-expected growth in wages.

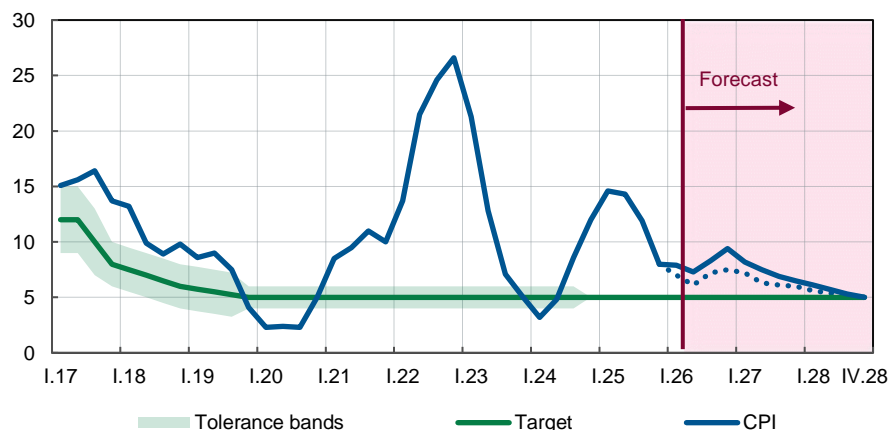
In March, inflation accelerated to 7.9% yoy, with core inflation rising to 7.1%. Both indicators exceeded the NBU's previous forecast ([January 2026 Inflation Report](#)). Inflation continued to rise in April, according to the NBU's estimates. At the same time, inflation expectations remained stable across the majority of respondent groups. Households' expectations, after a deterioration in Q1, improved in April returning to the level of the end of last year.

### Inflation will resume to decline next year and will reach the 5% target in 2028

Inflation will remain close to the current level in the coming months but will accelerate in H2 (to 9.4% at the end of the year) due to a stronger pressure on businesses' production costs – primarily, as a result of an increase in energy prices, which has already materialized. Higher fuel prices will pass through to inflation both directly and through second-round effects, which will affect price developments for various goods and services with some time lag.

Inflation will again start to decline steadily in 2027. This will be facilitated by the exhaustion of the effects of high fuel prices, a decline in external price pressures, a gradual increase in harvests, and an improvement in the energy sector. The NBU's monetary policy measures will also play an important role. As a result, inflation will slow to 6.5% at the end of 2027 and reach the target of 5% in 2028.

Figure 1<sup>2</sup>. CPI change (end of period, % yoy) and inflation targets



Source: SSSU, NBU estimates.

<sup>2</sup> Unless indicated otherwise, a dashed line in the figures denotes the previous forecast.

### **The economic growth is expected to be modest this year and to accelerate in the coming years**

At the start of 2026, economic activity declined, primarily due to the consequences of Russian attacks on energy infrastructure and logistics amid a freezing cold winter. An additional impact came from the tight fiscal policy in view of delays in the receipt of external assistance. Economic activity picked up somewhat as energy shortages decreased in the spring; however, according to the State Statistics Service of Ukraine's preliminary estimate, real GDP declined by 0.5% yoy in the first quarter overall.

Catching up with budgetary expenditures as international assistance is received will contribute to an economic revival in the coming months. At the same time, taking into account the weaker performance results of Q1, the persisting distress of the energy system, and the buildup of adverse economic effects from the war in the Middle East, the NBU revised its GDP growth forecast for 2026 downward, to 1.3%.

As conditions for the functioning of Ukraine's economy gradually normalize and geopolitical tensions ease, the growth in Ukraine's real GDP is expected to speed up, to 2.8%–3.7% in 2027–2028. This will be primarily facilitated by robust consumer demand, revived investment activity, the recovery of the energy system, and larger harvests.

### **External assistance will enable Ukraine to finance the budget deficit and to maintain the high level of international reserves, which will ensure FX market sustainability**

The uncertainty about external assistance has declined significantly. In April, the EU unblocked EUR 90 billion in financing for Ukraine under the Ukraine Support Loan (USL). The first tranche is slated for June. Financing is also expected to continue under the EU's Ukraine Facility and the G7's Extraordinary Revenue Acceleration (ERA) in 2026–2027, as well as under the Extended Fund Facility (EFF) from the IMF in 2026–2029.

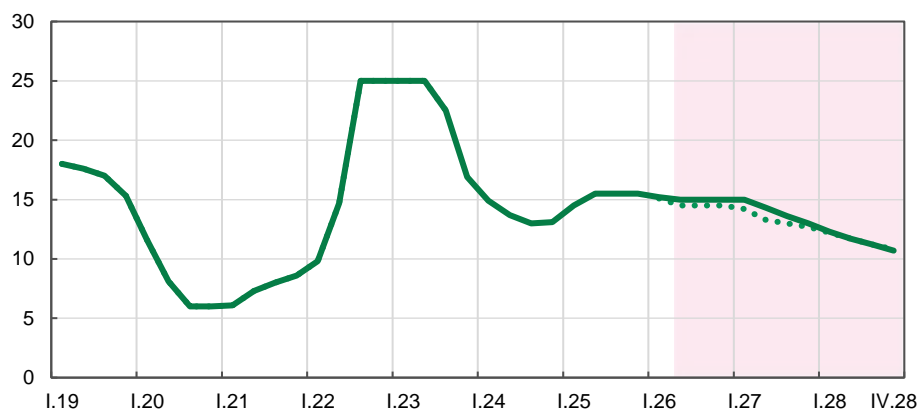
Overall, volumes of provided international assistance are forecast at more than USD 53 billion in 2026, around USD 42 billion in 2027, and USD 22 billion in 2028. Such a level of external support will enable Ukraine to finance all critical budgetary expenditures and maintain high international reserves (USD 60–67 billion in 2026–2028), bolstering the NBU's capability to ensure the sustainability of the FX market.

### **To safeguard the sustainability of the FX market and to keep inflation expectations and processes in check, the NBU has left its key policy rate unchanged, at 15%**

At the beginning of the year, pressures on the hryvnia exchange rate intensified, primarily due to Russian air strikes over the winter and the escalation in the Middle East this spring. Among other things, these factors increased imports of energy resources and energy equipment, while also worsening exchange rate expectations. The NBU maintained an active presence on the FX market within the scope of managed exchange rate flexibility to smooth out excessive exchange rate fluctuations.

The timely pause in the interest rate easing cycle in March also helped rein in pressures on the FX market, which maintained the attractiveness of hryvnia assets. The weighted average interest rate on household term deposits remained largely unchanged in Q1, with some banks even raising yields on deposits. As a result, household hryvnia term deposits continued to grow. Demand for hryvnia domestic government debt securities also remained strong.

Keeping the key policy rate unchanged in April will sustain these positive trends. Among other things, it will help ensure FX market sustainability and keep inflation processes under control amid substantial geopolitical uncertainty. At the same time, this decision will not hinder the further development of lending, which is continuing to grow at a high pace.

**Figure 2. NBU's key policy rate, average, %**

Source: NBU estimates.

### **Should risks to price dynamics intensify, the NBU will be ready to implement additional measures to curb inflationary pressures**

In view of the need to keep inflationary processes in check and to bring inflation back to a steady decline trajectory, the NBU has revised the forecast trajectory of its key policy rate, which is now expected to remain at 15% until Q2 2027. To bring inflation back to its target over the policy horizon, the NBU will continue to ensure FX market sustainability under a managed exchange rate flexibility regime. Should risks to price developments intensify, the NBU will be ready to implement additional measures to rein in inflation, including through raising its key policy rate.

### **While the consequences of russian aggression remain the primary risk to inflation and economic growth, other geopolitical developments – particularly those in the Middle East – will also play a significant role**

The war is continuing. Its consequences pose the greatest threat to price developments and economic activity. Russia's attacks on critical infrastructure in recent months have already caused significant power outages, rising business costs, and intensified inflationary pressures. At the same time, the risk of further destruction to vital energy and logistics facilities persists.

There are other risks, which are directly or indirectly related to the war. These risks are:

- the emergence of additional budgetary needs to support defense capabilities and reconstruction
- disruptions to the regularity and/or changes in the amount of international financing
- a deepening of adverse migration trends and a widening of labor shortages on the domestic labor market.

Developments in the Middle East will also have a significant impact. The forecast accounts for the actual consequences and potential effects of a short-term conflict. However, a prolonged war would lead to higher-than-currently-expected global energy prices and lower external demand for Ukrainian exports. This would exert greater inflationary pressures on Ukraine and weigh on economic activity. Furthermore, it would enhance Russia's capacity to sustain its full-scale war. Any further escalation of geopolitical tensions could also undermine international support for Ukraine.

However, given the increasingly stronger engagement of the European community in Ukrainian affairs, the possibility of positive scenarios also remains. These are linked, specifically, to enhanced military and financial assistance from partners and achieving significant progress toward a just and lasting peace for Ukraine. Among the positive scenarios is also the implementation of large-scale investment projects as security risks subside and reforms and European integration accelerate.

## Macroeconomic forecast (April 2026)

Indicators	2025				2026				2027				2028									
	2023	2024	actual (est.)	forecast 1.2026	I	II	III	IV	current forecast	forecast 1.2026	I	II	III	IV	current forecast	forecast 1.2026	I	II	III	IV	current forecast	forecast 1.2026
<b>REAL ECONOMY, % yoy, unless otherwise stated</b>																						
Nominal GDP, UAH bn	6628	7662	8931	8905	2158	2315	2751	2806	10030	9980	2470	2576	3031	3094	11170	10995	2714	2836	3331	3399	12280	12060
Real GDP	5.5	3.2	1.8	1.8	-0.5	1.7	1.9	1.7	1.3	1.8	4.7	2.5	2.0	2.5	2.8	2.8	2.9	3.5	4.0	4.3	3.7	3.7
GDP Deflator	19.9	12.0	14.5	14.2	12.7	11.4	10.3	9.6	10.9	10.1	9.3	8.6	8.1	7.6	8.3	7.2	6.8	6.4	5.7	5.4	6.0	5.8
Consumer prices (period average)	12.9	6.5	12.7	12.7	-	-	-	-	8.0	6.9	-	-	-	-	7.5	6.5	-	-	-	-	5.6	5.4
Consumer prices (end of period)	5.1	12.0	8.0	8.0	7.9	7.4	8.3	9.4	9.4	7.5	8.2	7.5	6.9	6.5	6.5	6.0	6.1	5.7	5.3	5.0	5.0	5.0
Core inflation (end of period)	4.9	10.7	8.0	8.0	7.1	7.2	7.0	7.2	7.2	6.0	6.3	5.3	4.6	4.3	4.3	3.3	4.0	3.7	3.3	3.2	3.2	3.0
Non-core inflation (end of period)	5.7	13.8	8.5	8.5	9.6	8.0	10.3	12.4	12.4	9.6	10.5	10.2	9.6	9.3	9.3	9.2	8.5	8.0	7.6	7.1	7.1	7.5
raw foods (end of period)	2.2	13.2	7.4	7.4	8.4	1.3	5.8	9.2	9.2	6.3	7.8	7.8	6.0	5.2	5.2	3.2	4.5	4.0	3.6	3.3	3.3	3.0
administered prices (end of period)	10.7	16.3	9.7	9.7	8.6	10.9	12.7	14.0	14.0	12.8	14.1	14.3	14.4	14.4	14.4	14.3	13.6	12.8	12.1	11.4	11.4	11.0
Nominal wages (period average)	17.4	23.2	20.8	20.8	22.3	22.3	20.3	17.8	20.6	15.0	15.4	15.3	15.2	14.6	15.1	13.1	13.3	12.1	11.6	10.0	11.7	11.6
Real wages (period average)	4.1	15.6	7.3	7.3	13.6	13.6	11.8	8.1	11.6	7.6	6.0	7.1	7.6	7.5	7.1	6.2	6.8	6.1	5.8	4.8	5.8	5.9
Unemployment rate (ILO, period average)	18.2	13.1	11.3	11.3	-	-	-	-	10.2	10.2	-	-	-	-	9.3	9.3	-	-	-	-	9.0	9.0
<b>CONSOLIDATED BUDGET, excluding grants from revenues</b>																						
Balance, UAH bn	-1765	-1827	-2209	-2209	-	-	-	-	-1921	-1921	-	-	-	-	-1979	-1499	-	-	-	-	-1344	-1119
Balance, % of GDP	-26.6	-23.8	-24.7	-24.8	-	-	-	-	-19.2	-19.3	-	-	-	-	-17.7	-13.6	-	-	-	-	-10.9	-9.3
<b>BALANCE OF PAYMENTS (analytical presentation)</b>																						
Current account balance, USD bn	-10.8	-16.9	-34.2	-31.9	-9.5	-6.1	-11.9	-12.2	-39.7	-37.2	-12.4	-12.0	-13.2	-11.8	-49.4	-41.6	-8.2	-9.0	-10.0	-8.3	-35.5	-29.1
Exports of goods and services, USD bn	51.7	56.6	54.1	54.3	13.4	15.3	15.6	17.2	61.6	63.6	16.1	15.8	16.2	19.0	67.1	67.3	17.7	16.8	17.6	20.5	72.7	73.9
Imports of goods and services, USD bn	90.8	97.1	113.4	111.0	30.9	28.6	28.9	31.4	119.8	117.8	29.3	28.7	30.1	31.4	119.6	111.5	28.9	29.0	30.6	31.9	120.4	115.0
Remittances in Ukraine, USD bn	11.3	9.4	7.9	8.0	1.8	1.9	1.9	1.9	7.6	8.8	2.2	2.1	2.2	2.3	8.7	9.8	2.3	2.3	2.4	2.4	9.4	11.1
Financial account, USD bn	-20.1	-11.8	-46.8	-44.4	-3.4	-9.8	-8.0	-23.8	-45.0	-43.2	-12.0	-12.7	-13.0	-13.0	-50.6	-49.0	-5.9	-8.7	-8.9	-6.4	-30.0	-26.7
BOP overall balance, USD bn	9.5	0.0	12.8	12.8	-6.1	3.7	-3.9	11.6	5.3	6.0	-0.4	0.7	-0.2	1.1	1.2	7.4	-2.3	-0.3	-1.1	-1.8	-5.5	-2.4
Gross reserves, USD bn	40.5	43.8	57.3	57.3	52.0	56.5	52.7	64.8	64.8	65.0	64.1	65.4	64.8	66.5	66.5	72.9	64.0	64.1	62.7	61.1	61.1	70.6
Months of future imports	5.0	4.6	5.8	5.8	5.3	5.7	5.3	6.5	6.5	7.0	6.5	6.6	6.5	6.6	6.6	7.6	6.3	6.2	6.0	5.8	5.8	7.0
As a percentage of the IMF composite criterion	124.1	121.1	126.8	126.7	114.1	118.7	108.1	123.4	123.4	123.6	118.0	116.2	111.6	110.7	110.7	121.2	105.3	103.5	99.5	95.7	95.7	110.4
<b>MONETARY ACCOUNTS (cumulative since the beginning of the year)</b>																						
Monetary base, %	23.3	7.7	11.6	11.6	1.6	4.1	6.9	13.1	13.1	15.3	2.3	4.6	6.7	12.8	12.8	10.6	0.4	2.4	5.3	9.6	9.6	9.8
Broad money, %	23.0	13.4	15.3	15.3	-1.8	2.0	4.2	11.4	11.4	11.9	0.0	2.2	5.0	9.2	9.2	8.2	0.0	2.3	4.4	8.0	8.0	8.1
Velocity of broad money (end of year)	2.2	2.2	2.2	2.2	-	-	-	-	2.2	2.2	-	-	-	-	2.3	2.3	-	-	-	-	2.3	2.3

## Comments on the forecast revision

Indicators	2025	2026	2027	2028	Factors behind the revision
Inflation, %, eop	8.0	9.4 1.9	6.5 0.5	5.0 0.0	Higher business production costs, primarily for energy; faster wage growth
Real GDP growth, %	1.8	1.3 -0.5	2.8 0.0	3.7 0.0	Further destruction of infrastructure, a larger electricity deficit, and an oil price shock, which will be offset by the impact of stronger fiscal stimulus in 2027-2028
Nominal GDP, UAH bn	8931 26	10030 50	11170 175	12280 220	Revision of actual data, a higher GDP deflator, but slower real GDP growth in 2026
Consolidated budget balance (excluding grants and ERA financing from revenues), % of GDP	24.7 -0.1	19.2 -0.1	17.7 4.1	10.9 1.6	Taking into account higher needs for maintaining defense capabilities and restoring infrastructure in 2027-2028
Current account balance, USD bn	-34.2 -2.3	-39.7 -2.5	-49.4 -7.8	-35.5 -6.3	A wider budget deficit in 2027-2028, higher energy prices, and inclusion of subscription to paid services in services imports
Gross international reserves, USD bn	57.3	64.8 -0.2	66.5 -6.4	61.1 -9.5	Higher energy prices in 2026, but greater international assistance. A wider budget deficit in 2027-2028 than previously assumed
Key policy rate (period average), %	15.3	15.0 0.4	14.0 0.7	11.5	Higher inflationary pressure and, accordingly, higher risks to inflation expectations

The indicator has been revised downwards (pp)

The indicator has been revised upwards (pp)

## Forecast assumptions

Indicators		2023*	2024*	2025*	2026	2027	2028
Official financing	USD bn	42.9	41.9	52.4	53.3	42.4	22.0
Migration (net, excluding russia and belarus)	m	-0.2	-0.5	-0.3	-0.2	0.1	0.5
Real GDP of Ukraine's MTPs (UAwGDP)	% yoy	1.6	2.0	2.4	2.1	2.4	2.6
Consumer inflation in Ukraine's MTPs (UAwCPI)	% yoy	7.6	5.1	4.0	4.1	3.1	2.5
World prices:**							
Steel price, Steel Billet Exp FOB Ukraine	USD/t	539.7	504.1	464.7	487.7	510.4	518.0
	% yoy	-12.7	-6.6	-7.8	4.9	4.7	1.5
Iron ore price, China import Iron Ore Fines 62% FE	USD/t	120.6	109.4	100.2	104.1	97.4	94.6
	% yoy	-0.7	-9.3	-8.4	3.9	-6.4	-2.9
Wheat price, Soft Delivered Dunkirk Position 1, France	USD/t	264.1	232.1	227.7	228.0	231.1	235.8
	% yoy	-25.3	-12.1	-1.9	0.1	1.4	2.0
Corn price, Yellow #2 Delivery USA Gulf	USD/t	252.7	190.6	203.2	214.8	216.6	213.7
	% yoy	-20.6	-24.6	6.6	5.7	0.8	-1.3
Crude oil price, Brent	USD/bbl	82.6	80.7	69.0	86.4	75.1	68.1
	% yoy	-17.2	-2.3	-14.5	25.2	-13.1	-9.3
Natural gas price, Netherlands TTF	USD/kcm	465.6	393.9	430.5	598.4	516.3	367.7
	% yoy	-65.7	-15.4	9.3	39.0	-13.7	-28.8
US dollar exchange rate against the euro	USD/EUR	1.08	1.08	1.13	1.18	1.18	1.19
Harvest of grain and leguminous crops	t m	59.8	56.2	63.5	62.9	63.5	65.0
Minimum wage**	UAH	6700	7775	8000	8647	9374	9997

\* Actual data.

\*\* Annual average.