

Ukraine's Goods Trade Deficit Narrows Sharply in 2014 as Imports Plunge

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KIEV — Ukraine's trade deficit for goods narrowed sharply last year to \$468.3 million, official data showed on Monday, but that was due to a drop in imports following a gas pricing row with Russia and a sharp depreciation of the hryvna currency.

Ukraine's economy has been hammered by a year of political upheaval and war, putting the former Soviet republic on the brink of bankruptcy.

The conflict with pro-Russian rebels in Ukraine's industrial eastern regions has hit the country's main exports such as steel.

Ukraine's total exports fell 13.5 percent last year, to \$53.9 billion, while imports plunged 28.3 percent to \$54.381 billion, the state statistics service said.

The trade deficit narrowed from \$13.5 billion in 2013.

Ukraine secured a new \$40 billion, four-year IMF-led international financing deal last week

to prop up its finances. Its hryvna currency plunged 30 against the dollar after the central bank was forced this month to scrap the currency's peg to the dollar and move towards a free float.

Metals, agriculture products and grain were Ukraine's main exports last year. The country imported mostly fuel, machinery, equipment and chemical products, the statistics service said in a statement.

Ukraine is trying to reduce its reliance on Russia for gas supplies, saying it is buying Russian gas at above-market prices.

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