



German
Economic
Team

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Ukraine's Economy in 2025: forecasts from economists and officials

- The task of forecasting macroeconomic indicators is extremely challenging, given the uncertainty caused by the war.
- We asked eight leaders of Ukrainian and foreign analytical teams to share their forecasts with you during this event.
- Below we will present the basic indicators and the table with the full forecasts and assumptions could be found in Annexes



Dragon Capital



KSE



Forbes

ICU



Forecasts from non-governmental experts

In 2025, all private sector forecasters expect real GDP growth to slow down. Current projections range between 2.0% and 2.6%, with a median forecast of 2.3%, compared to actual growth of 2.9% in 2024. However, even this pace will be enough to push nominal GDP past the \$200 billion mark — a record first set in 2021. The median forecast for nominal GDP in 2025 is \$210 billion.

The war will continue to weigh heavily on the economy. The median forecast sees the hryvnia weakening by 3% and inflation reaching 9%. That's better than in 2024, when the hryvnia depreciated by nearly 10% and inflation hit 12%, but only slightly. Defence spending, which accounts for more than half of the state budget, is a burden on public finances. The government is covering the fiscal deficit mainly through borrowing, which increases public debt (to almost 100% of GDP). However, the good news is that the financing needs for 2025 have been covered.

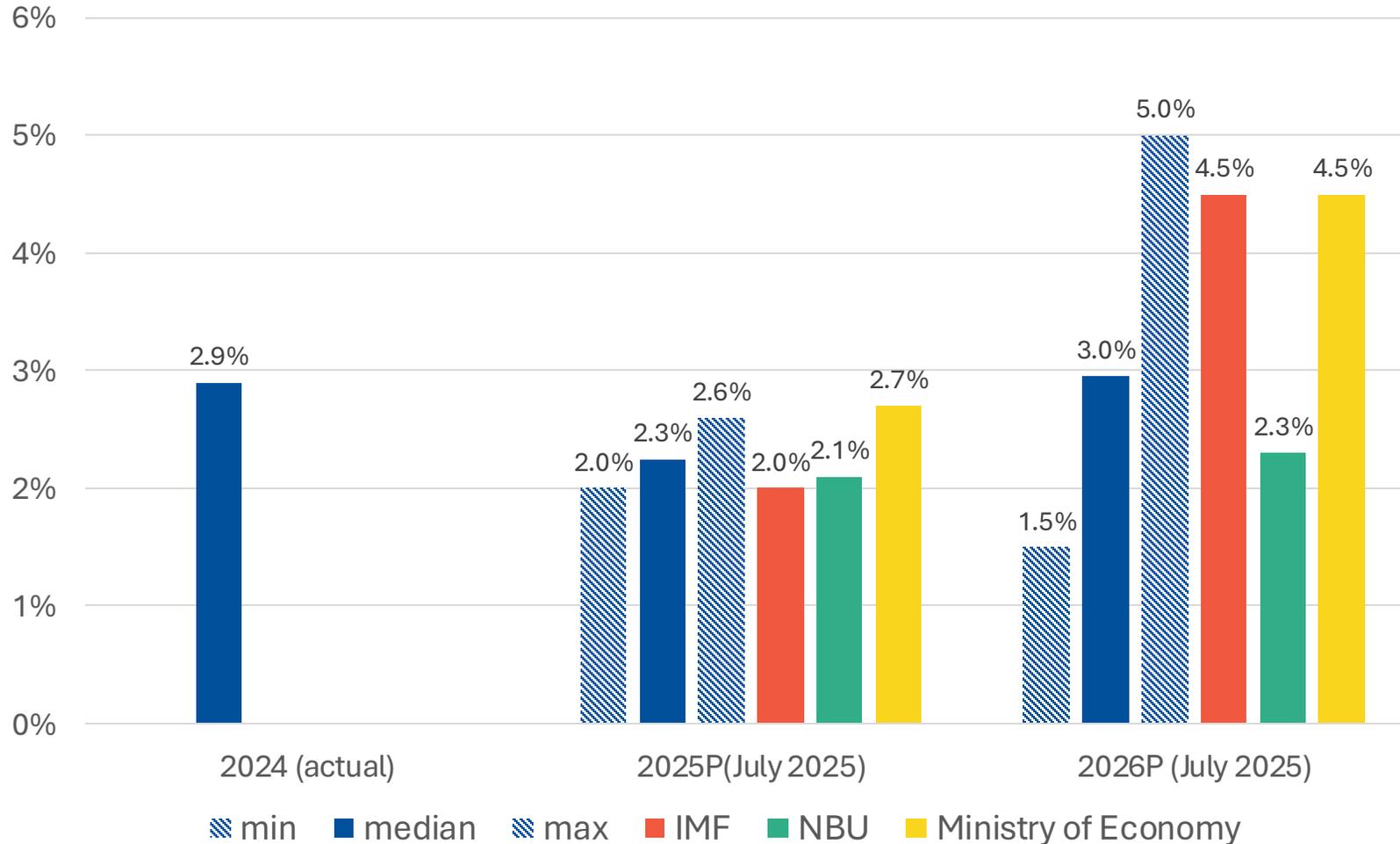
For 2026, economists expect real GDP growth of 3.0% (median), which would bring nominal GDP to almost \$225 billion. However, if the war continues, the consolidated budget deficit will remain high at over 19% of GDP* in 2026, and the total financing needs** could reach \$54 billion.

These funds are not included in the current commitments of our international partners, who based their planning on the IMF's previous assumptions of a quicker end to the war. Moreover, persistent rule-of-law issues in Ukraine could jeopardise even the already-budgeted support, which was expected to be disbursed if reform conditions were met. With U.S. assistance likely to end, this is a troubling signal.

*excluding grants in revenues

**deficit and debt repayment

GDP growth will slow down, but it will exceed \$200 bn (2021 level) in 2025

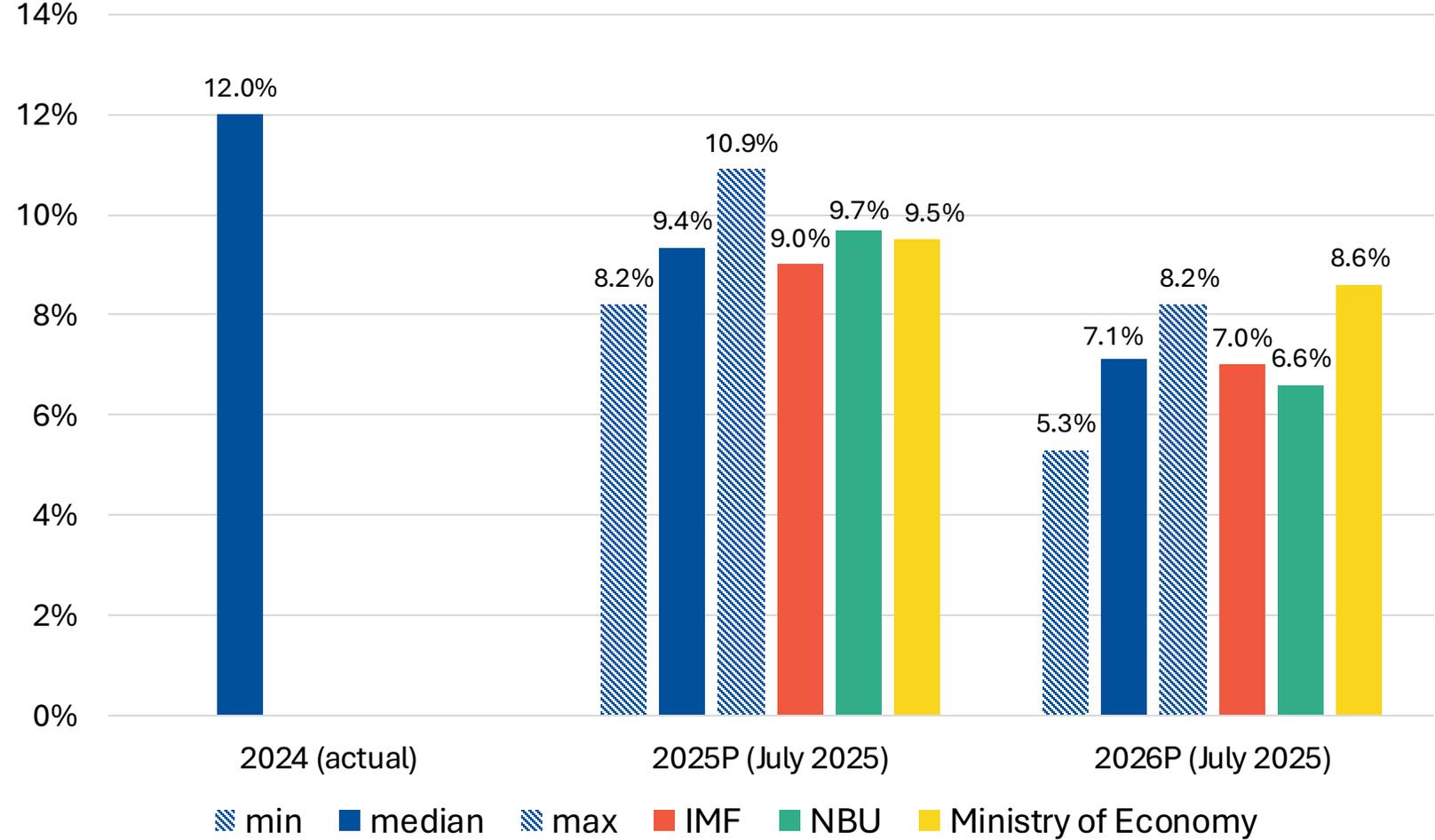


July 2025, forecast for the end of 2025

Minimum: 2.0%
Median: 2.25%
Maximum: 2.6%

Nominal GDP:
2024: \$191 bn
2025P: \$210 bn
2026P: \$224 bn

Price growth will slow down, inflation at the end of the year will be lower than in 2024, and in 2026 it will continue to approach the NBU target of 5%

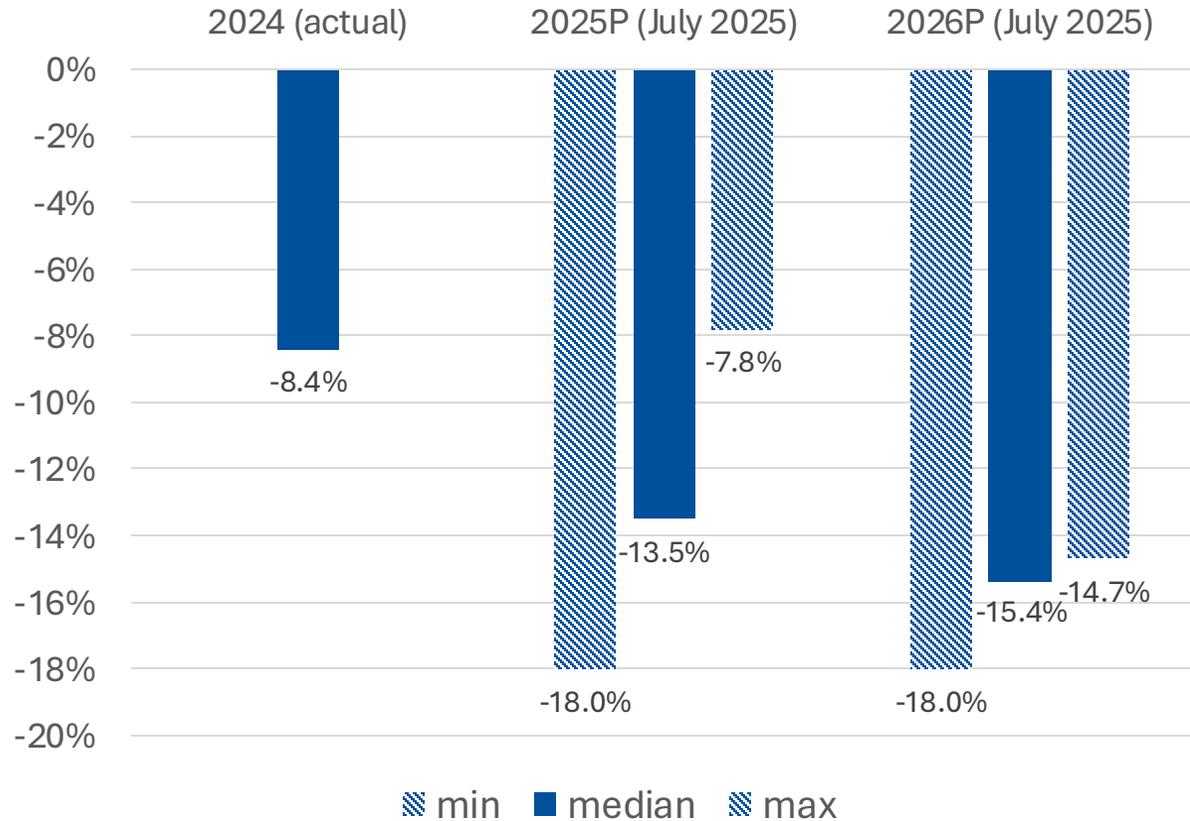


July 2025, forecast for the end of 2025

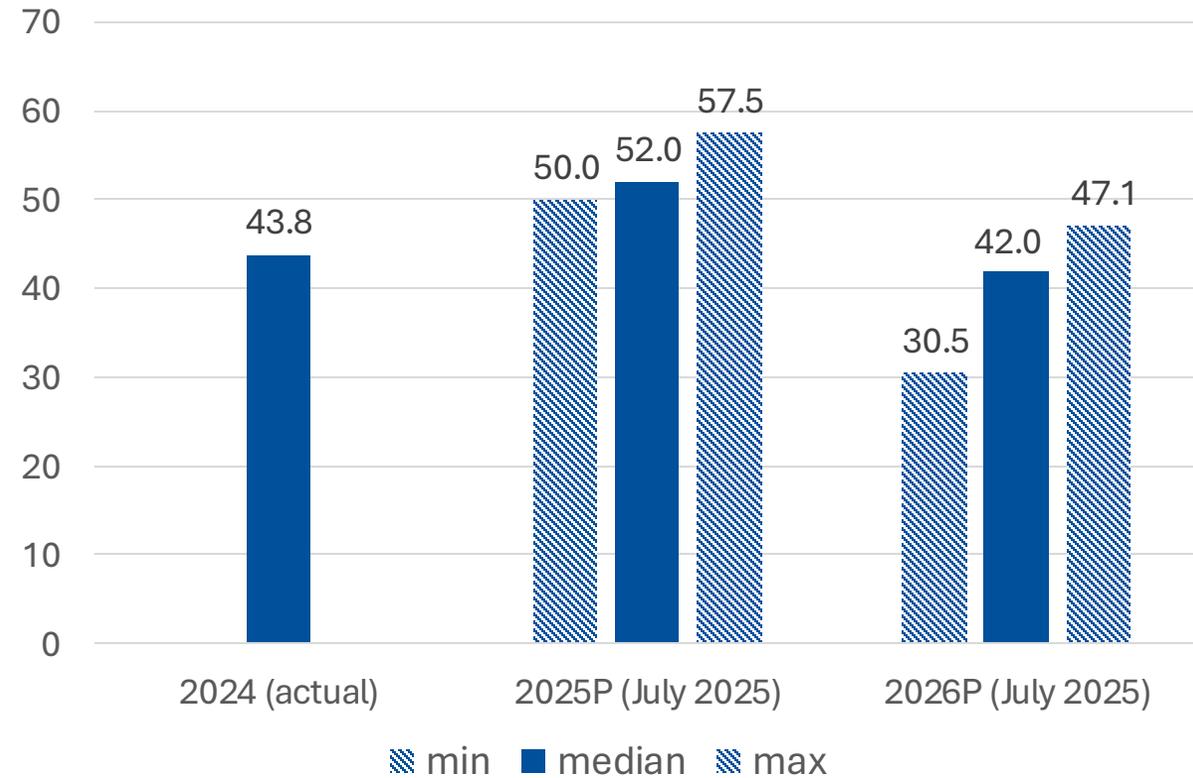
Minimum: 8.2%
 Median: 9.2%
 Maximum: 10.9%

The current account deficit will widen, while the NBU is expected to accumulate foreign exchange reserves in 2025 and spend them in 2026

Current account, % of GDP

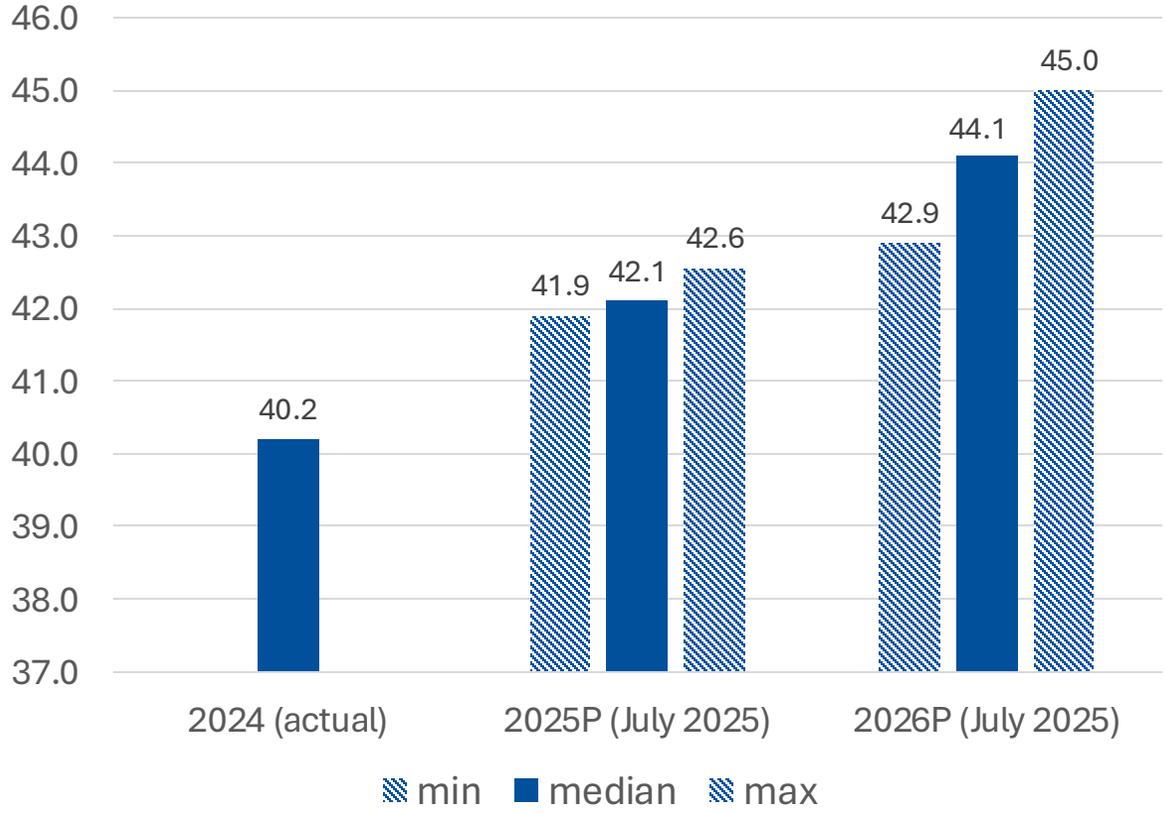


Reserves, \$ bn

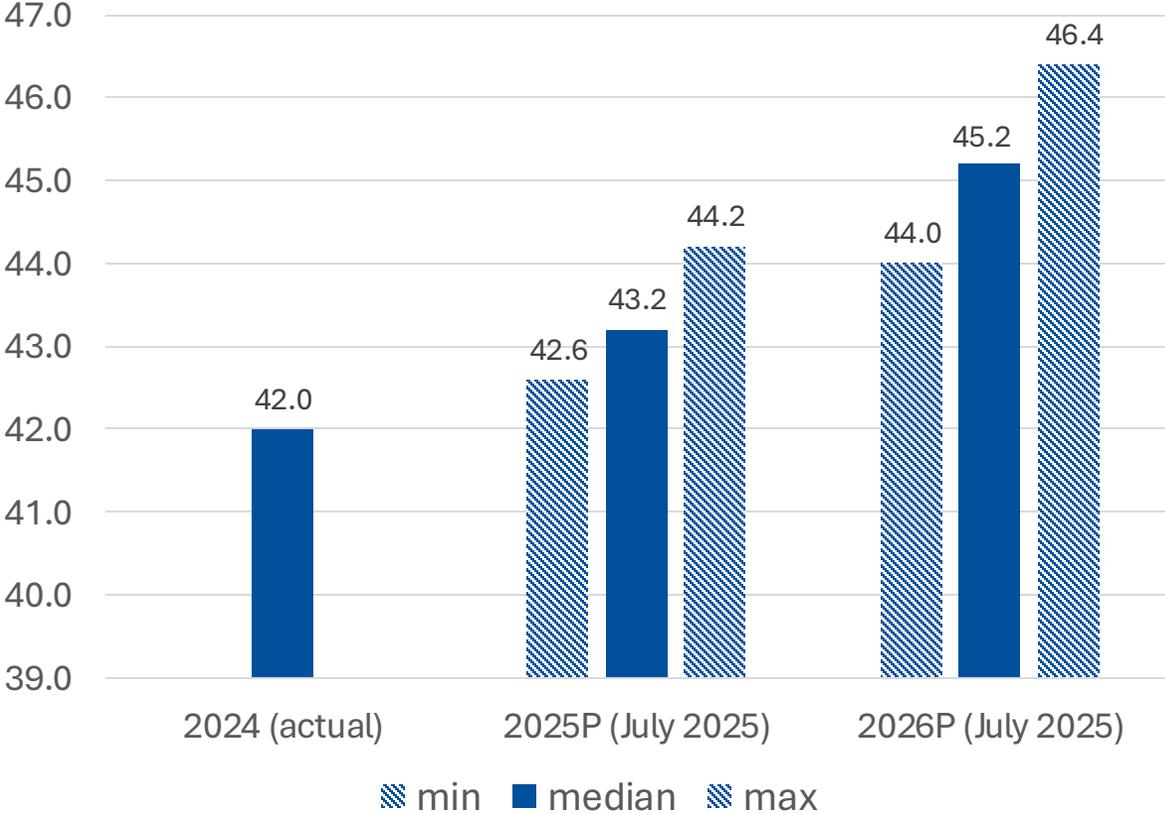


The hryvnia will devalue by 3% in 2025 and 4% in 2026, which is better than a 10% devaluation in 2024

UAH/USD, average annual

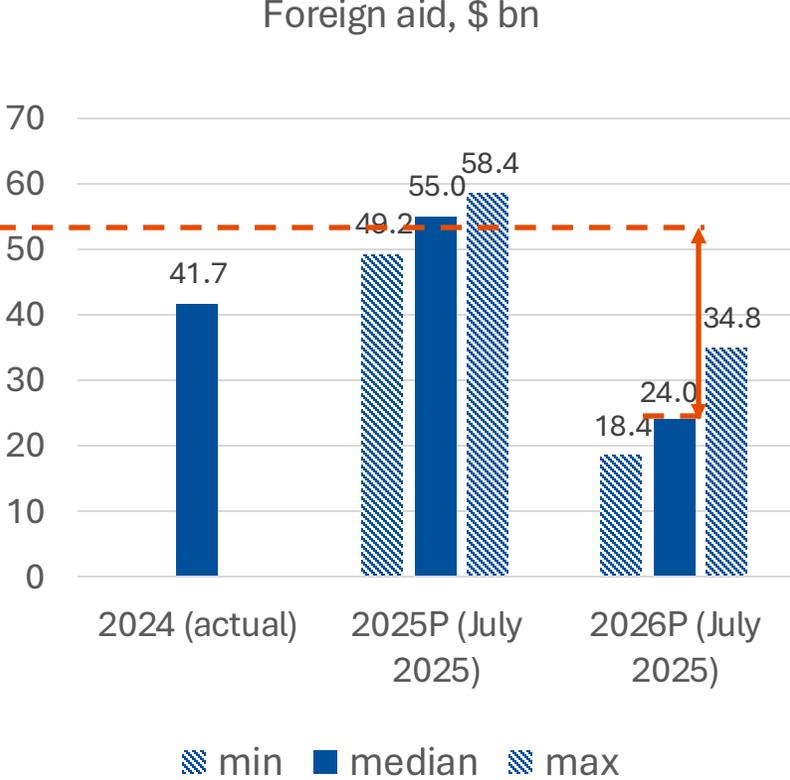
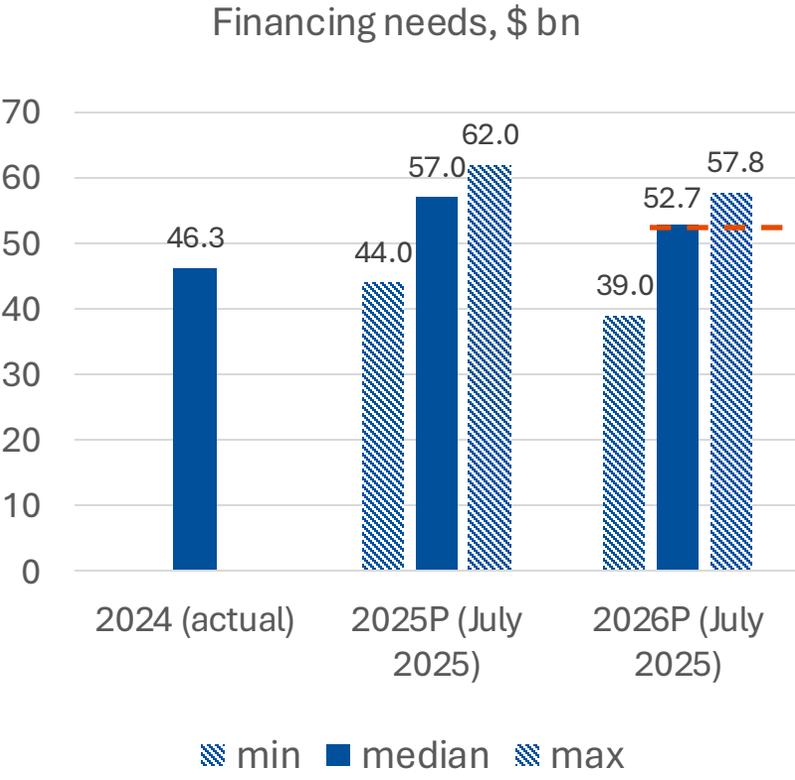
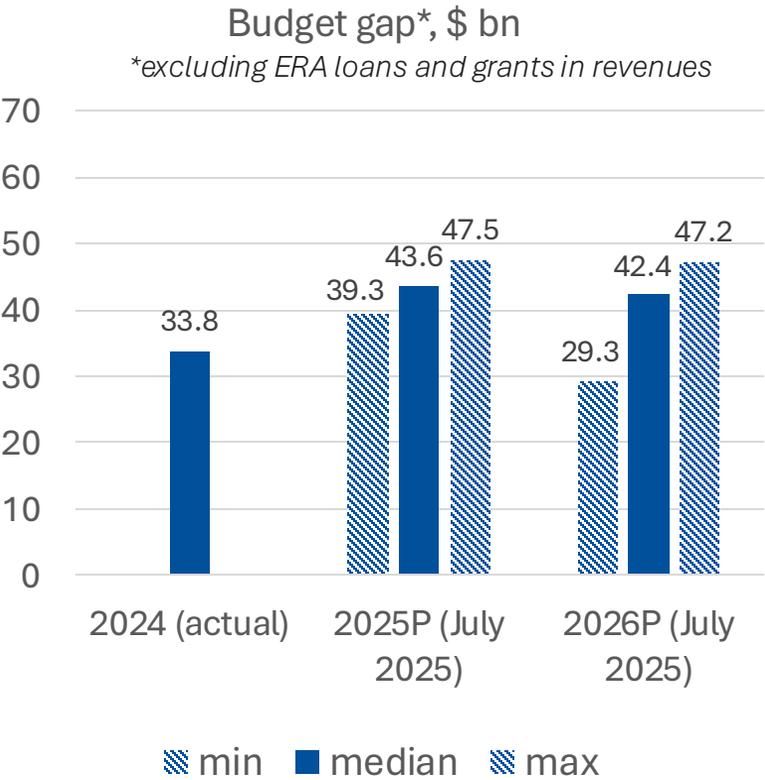


UAH/USD, year end



The Ministry of Economy forecasts average annual exchange rates in the budget declaration: 42.4 for 2025 and 44.7 for 2026.

Due to the war, the budget will remain in deficit, and foreign aid is needed for survival



2024 Budget deficit:
23.8% of GDP

2025P Budget deficit:
21% of GDP

2026P Budget deficit:
19% of GDP

The IMF forecasts financing needs of \$38.4 billion for 2025 and \$32 billion for 2026

Assumptions about the war: all analysts assume that the war will continue throughout 2025. As for 2026, most remain pessimistic — only one forecast (presented as an alternative scenario) is based on the assumption of a lasting ceasefire or peace agreement.

Other assumptions: all analysts expect the occupied territories to remain largely unchanged and assume that Ukraine's maritime and land corridors to Europe will continue to function throughout 2025–2026.

Experts do not expect assistance from the US. Analysts who shared their assumptions believe that there will be no military assistance, and financial assistance will only be provided within the framework of the ERA programme related to Russian assets.

Forecasts from non-governmental experts in 2025

	Real GDP, %	Nominal GDP, \$ bn	Inflation, avg. annual %, y/y	Inflation, end of year, %, y/y	UAH/USD, avg. annual	UAH/USD, year end	NBU reserves, \$ bn	Budget gap, \$ bn	Financing needs, \$ bn	Foreign aid, \$ bn	Current account, % GDP	Assumption s regarding the war
Concorde	2,2	208	13,6	10,9	42,2	44	52				-14,2	
Dragon Capital	2	208	13	9,3	42,1	43,5	52	44	58	52,1	-18	whole year
Forbes Research	2,3	215	13,4	10,1	42	42,8	50	39	54,03	49,2	-13,5	whole year
ICU	2,5	214	12,6	8,2	41,9	42,6	56,8	42		54,5	-12,8	whole year
IER/GET	2	207	13,2	9,4	42,27	44,21	57,5	44	57	55	-10,73	whole year
KSE	2,6	213	12,5	8,7	42,1	42,9	53	48	62	58,4	-7,8	whole year
Oxford Economics	2,5	207	13,5	10,9	42,56	43,4	52	42		55	-11,59	whole year
WIIW	2	212	12,5	9	42	43		45	44	55	-14	whole year
Min	2	207	12,5	8,2	41,9	42,6	50	39,33	44	49,2	-18	
Median	2,25	210	13,1	9,35	42,1	43,2	52	43,58	57	55	-13,15	
Max	2,6	215	13,6	10,9	42,56	44,21	57,5	47,51	62	58,4	-7,8	

Forecasts from non-governmental experts in 2026

	Real GDP, %	Nominal GDP, \$ bn	Inflation, avg. annual %, y/y	Inflation, end of year, %, y/y	UAH/USD, avg. annual	UAH/USD, year end	NBU reserves, \$ bn	Budget gap, \$ bn	Financing needs*, \$ bn	Financing needs, \$ bn	Foreign aid, \$ bn	Current account, % GDP	Assumptions regarding the war
Dragon Capital (war)	1,5	215	6,6	5,3	44,1	46	42	44	54,93	54	34,8	-18	whole year
Dragon Capital (ceasefire)	5	225	8	7,5	43,3	44	45	29	40,54	40	26,8	-15	end by late 2025 or early 2025
Forbes Research	2,5	234	8,5	7,2	43,9	45,4	33	37	47,64	53,82	20	-15,5	whole year
ICU	2,8	235	6,9	7	42,9	44,9	40,5	42	53,8	52,72*	22	-15,3	whole year
IER/GET	2,8	224	6,7	6,2	44,89	45,56	47,1	42	53,33	52	24,6	-16,4	whole year, but 2H less intense
KSE	3,1	225	7,8	7,4	45	46,4	30,5	47	58,07	57,8	18,4	-14,7	whole year
Oxford Economics	3,2	216	8,6	8,2	45	45	43	42	53,25	52,71*		-16,5	whole year
WIIW	3,5	225	7	6,5	44	45		45	56,1	55,3*	24	-15	minimum until 1H2026
Min	1,5	215	6,6	5,3	42,9	44	30,5	29,26	40,54	40	18,4	-18	
Median	2,95	224,9	7,4	7,1	44,05	45,2	42	42,44	53,57	53,27	24	-15,4	
Max	5	235	8,6	8,2	45	46,4	47,1	47,22	58,07	57,8	34,8	-14,7	



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Thank you!

This text reflects the opinion of the authors and does not necessarily represent the views of the German Economic Team.
