CENTRE FOR ECONOMIC STRATEGY

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The economy in 2026 and 2027: independent economists' forecasts

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Summary

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- Forecasting macroeconomic variables is exceptionally challenging due to the uncertainty caused by the war.
- Six leaders of Ukrainian and international analytical teams have shared their forecasts for 2026 and 2027 to present to you at this event.
- Below are the key indicators; the full forecasts and underlying assumptions can be found in the appendices.

Forecasts by independent economists

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In 2026, non-government economists project lower GDP growth and higher inflation compared to December 2025 estimates. The median expectation for real GDP growth stands at 1.1% (down from the 2.4% projected in December 2025). This signals an economic slowdown compared to 1.8% in 2025, even though growth was still expected back in December.

The inflation forecast for 2026 is higher than the forecasters' expectations in December 2025. Analysts expect year-end inflation to reach 9.6% and average annual inflation to hit 8.2% (up from previous estimates of 6.6% and 7.1%, respectively).

In 2027, GDP growth will accelerate, and inflation will moderate. The median expectation for GDP growth is 2.2%, with a maximum projection of 5% (under the assumption that hostilities cease). The median expectation for end of year inflation is 9%, lower than the current 2026 forecast of 9.6%.

In 2026–2027, the budget deficit is expected to narrow gradually to $43 billion and $39 billion, respectively. International financing will be sufficient to cover requirements for these two years, provided these needs do not surge due to an escalation of hostilities or the materialization of other risks.

Most forecasts rely on the assumption that the full-scale war will continue in 2026–2027, continuing to exert a significant impact on Ukraine's economy, alongside restricted access to sea ports in 2026.

Economic growth will slow, before accelerating

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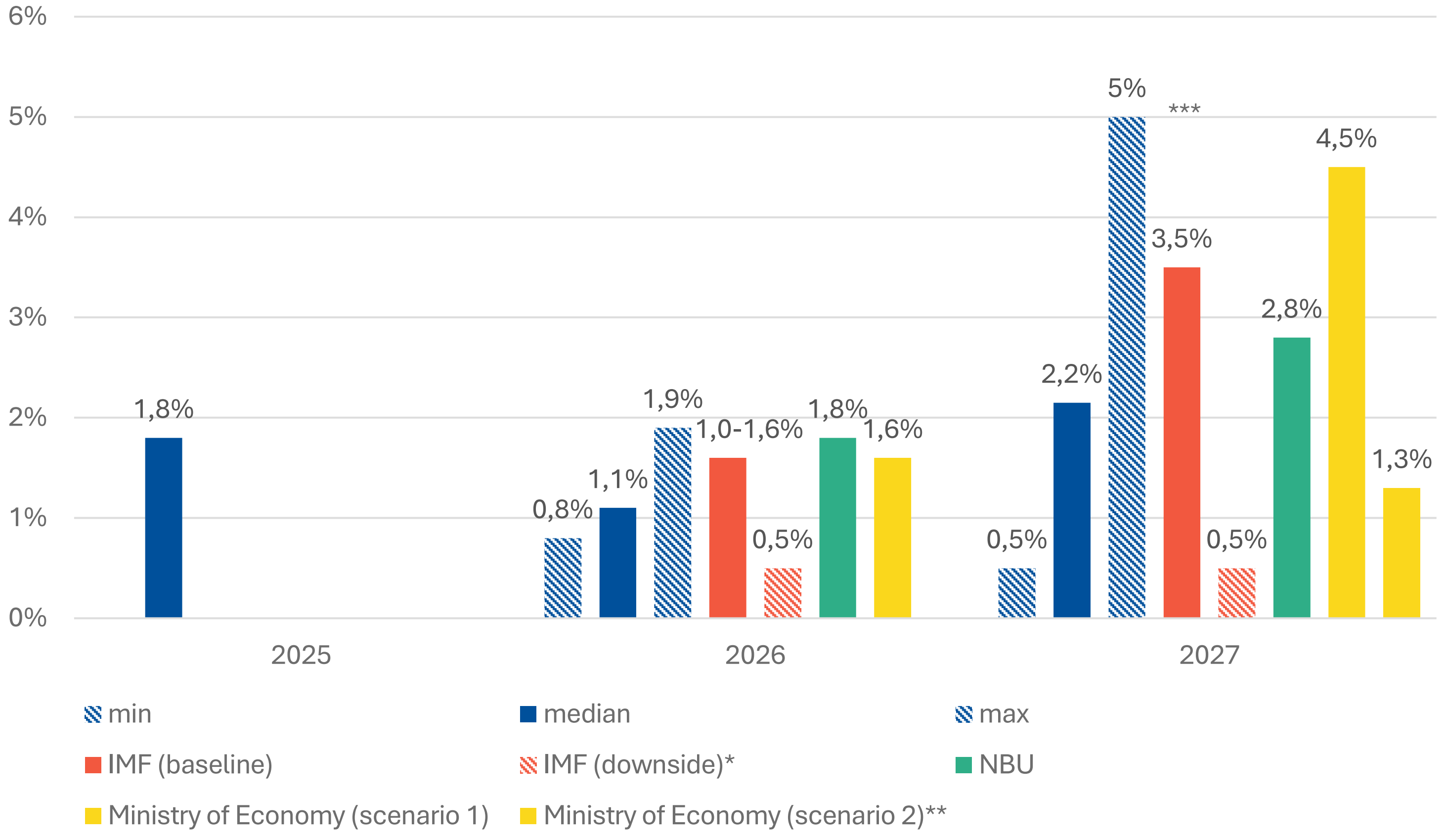
Real GDP growth, %



August 2026, forecast for 2027

Assuming continuation of hostilities:

Minimum: 0.5%

Median: 1.8%

Maximum: 2.5%

Assuming end of hostilities: 5%

Nominal GDP:

(median)

2025: $214 bn

2026F: $225 bn

2027F: $240 bn

Note: Statistics are calculated based on forecasts by private analysts.

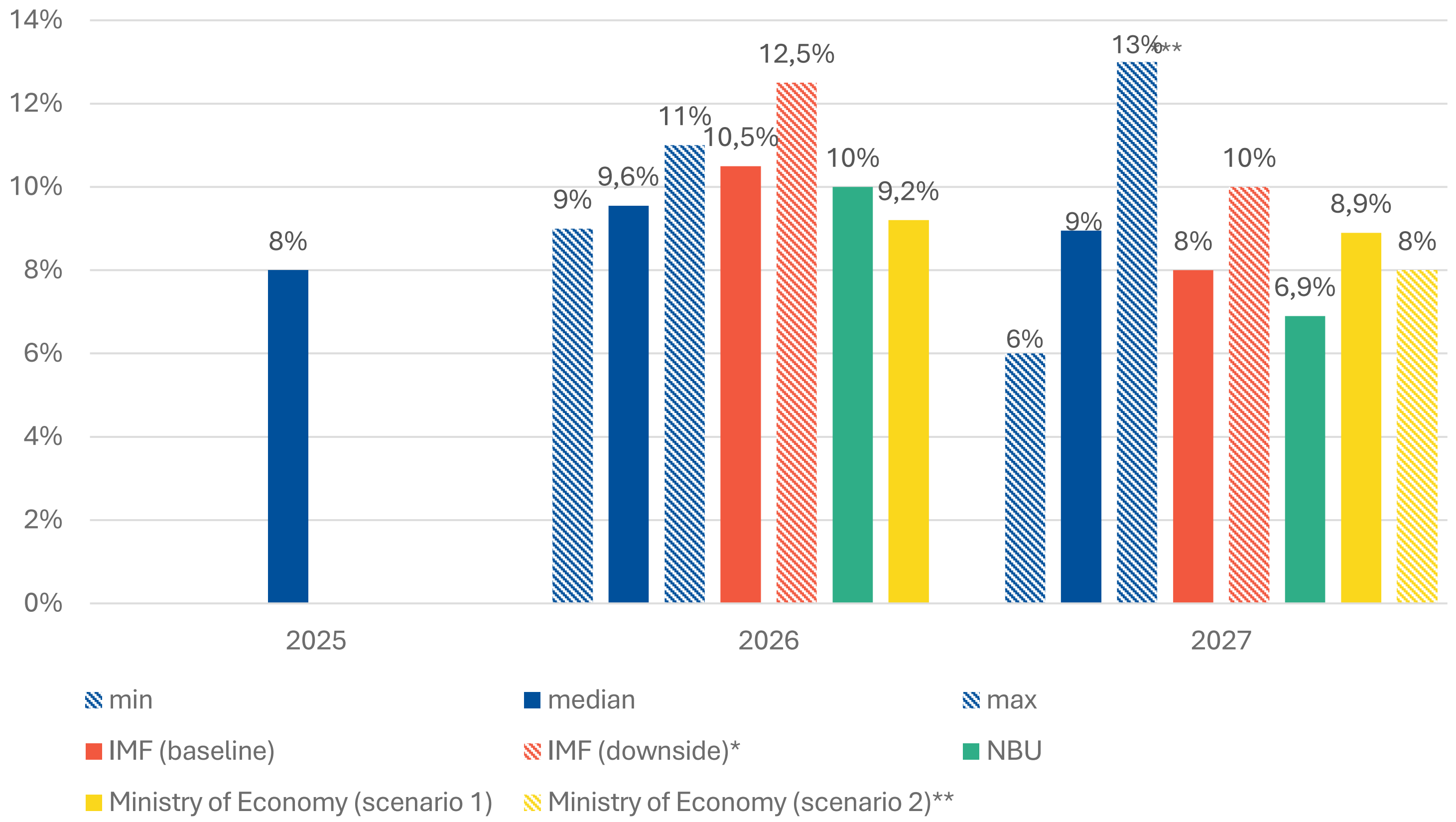
*The baseline scenario assumes the war will end in 2026. The downside scenario assumes the security situation gradually shifts into a frozen conflict by the end of 2028.

**Under Scenario 1, the security situation improves in 2027. Under Scenario 2, the war continues in 2027.

*** Peace agreement scenario

After accelerating in 2026, inflation will come down in 2027

Consumer Price Index, end of year



August 2026, forecast for end of 2027

Minimum: 6.0%

Median: 9.0%

Maximum: 13.0%

Note: Statistics are calculated based on forecasts by private analysts.

*The baseline scenario assumes the war will end in 2026. The downside scenario assumes the security situation gradually shifts into a frozen conflict by the end of 2028.

**Under Scenario 1, the security situation improves in 2027. Under Scenario 2, the war continues in 2027.

*** Peace agreement scenario

Current account deficit will increase, but NBU will accumulate reserves

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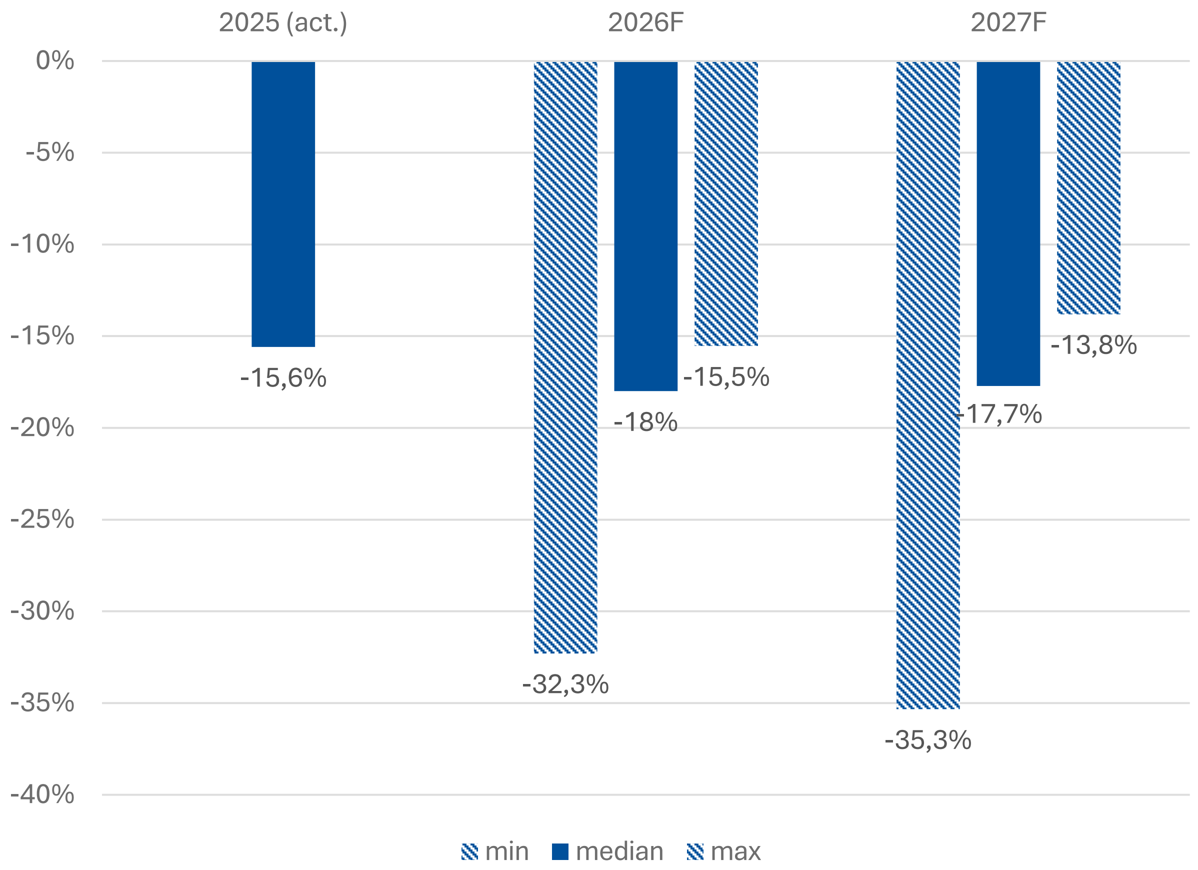
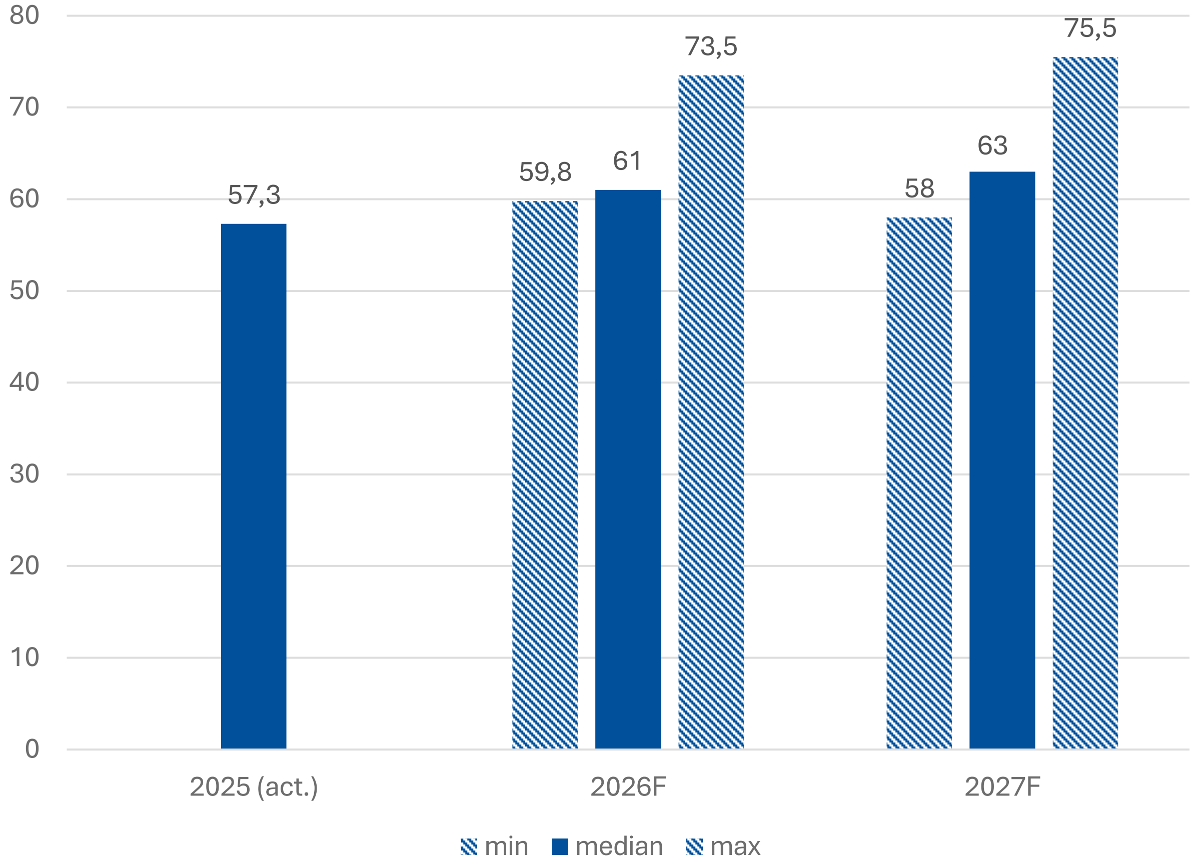
Current account, % GDP



International reserves, $ bn



Note: Statistics are calculated based on forecasts by private analysts

UAH will depreciate by 8% this year, by 6% in 2027*

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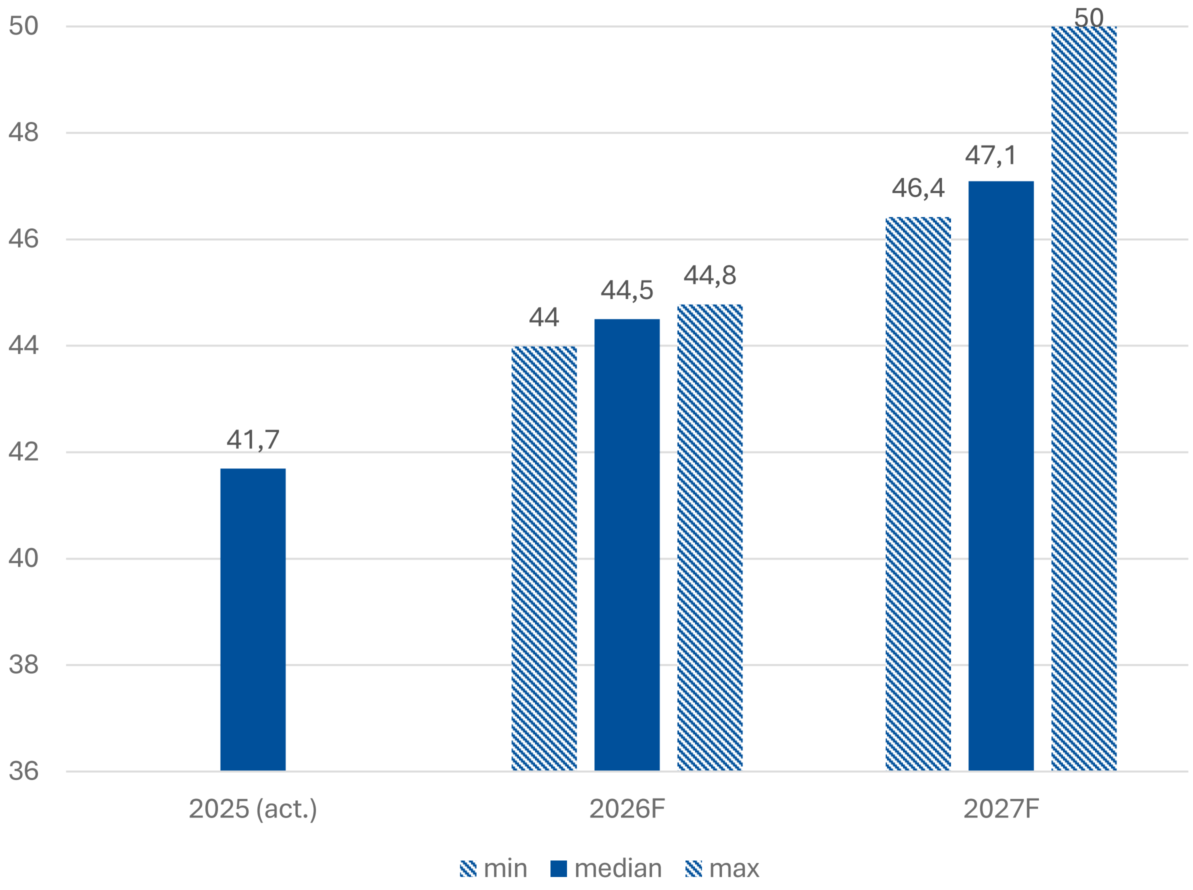
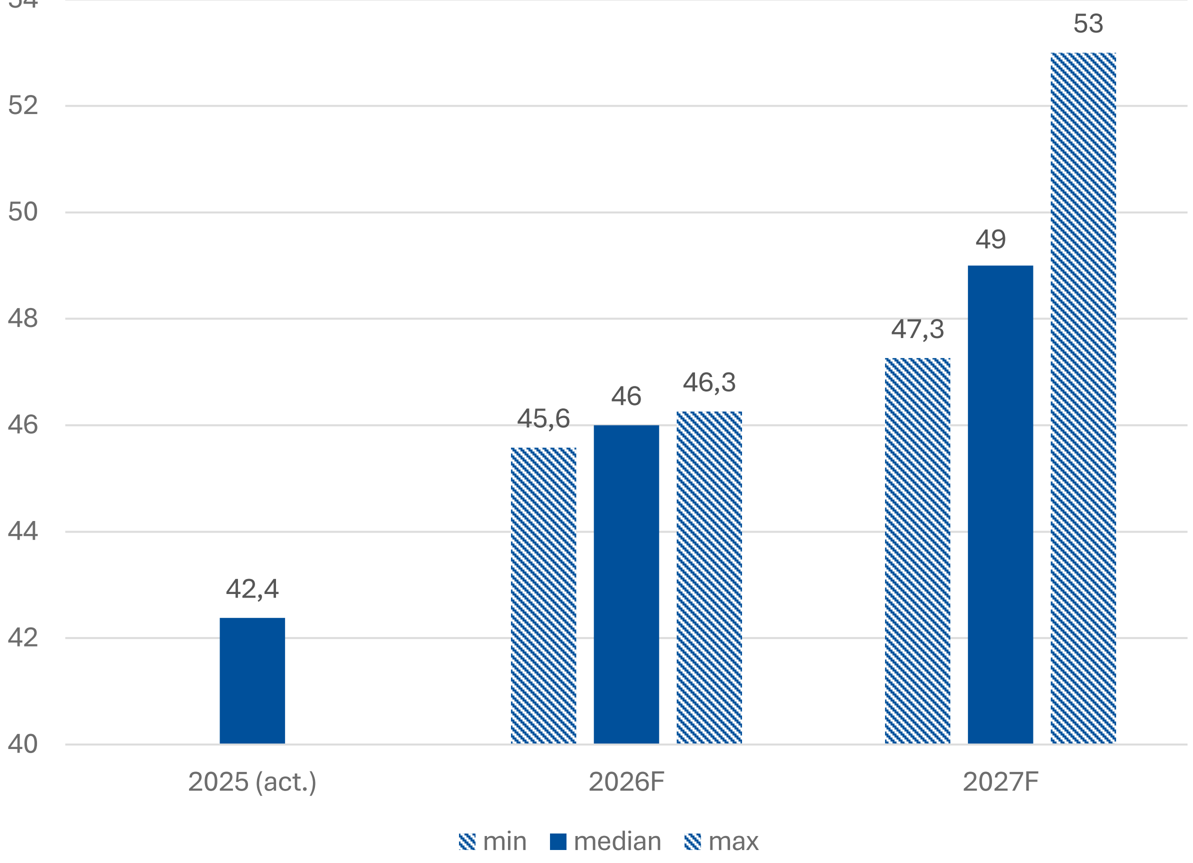
UAH/USD, year average



UAH/USD, end-of-year



*Calculation based on the median exchange rate by the end of the year.

Note: Statistics are calculated based on forecasts by private analysts

Budget deficit expected to narrow

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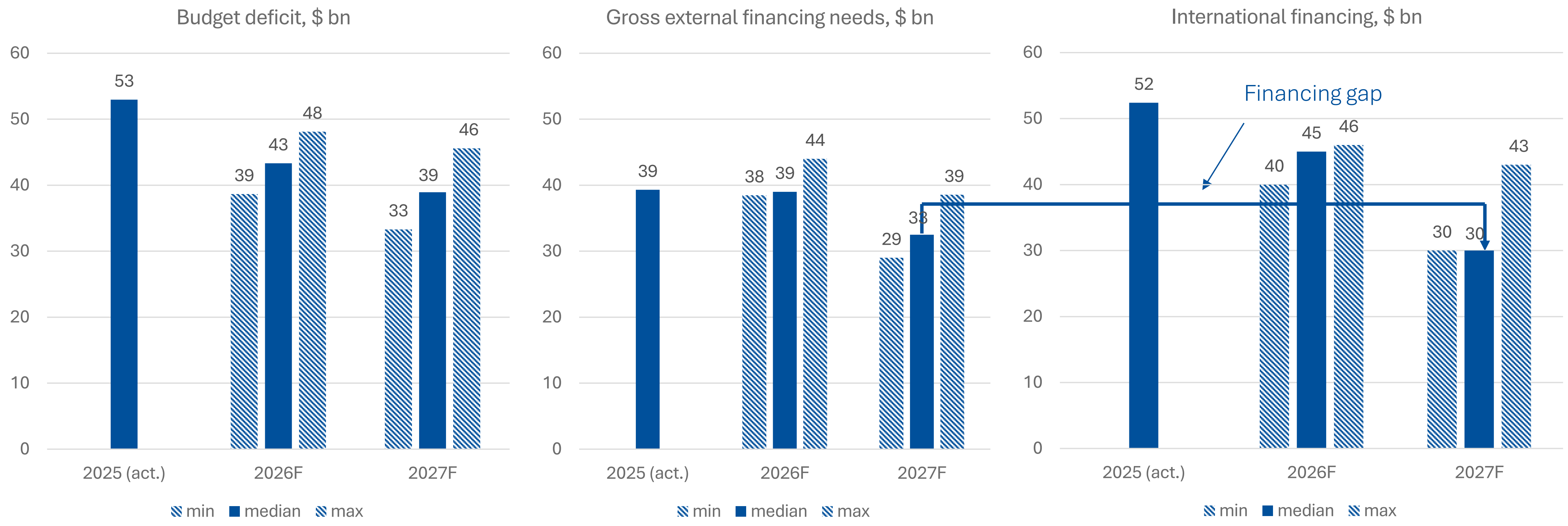

Note: Statistics are calculated based on forecasts by private analysts

	2025	2026F	2027F
Budget deficit	24.7% GDP	19% GDP	16.8% GDP

*** excl. military aid

Assumption: war will continue

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The vast majority of non-government forecasts rely on the assumption that the war will continue in 2026 and 2027. Only one forecast (an alternative scenario) assumes an end to full-scale hostilities in 2027, projecting GDP growth at 5%, inflation at 11%, and a budget deficit of $33 billion.

In contrast, the Ministry of Economy and the International Monetary Fund assume an early conclusion to military operations in their baseline scenarios: in 2027 and 2026 respectively. Under this outlook, GDP growth is expected to be significantly higher than in a prolonged war scenario.

All non-governmental analysts assume that the Ukrainian land corridor with Europe will remain operational throughout 2026–2027. Nearly all forecasts expect limited operation of the sea corridor in 2026 due to massive Russian strikes, though a majority assume free movement in 2027.

Blocade of Greater Odesa ports: high uncertainty

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Impact on the economy depends on the duration: from -0,9 p.p. to -6 p.p. contribution to the GDP

Main effect on the economy

Contraction of exports and (to a lesser extent) imports

Reduction in foreign currency earnings and exchange rate impact

Accumulation of agricultural stocks

Export prices falling

Business operations halt

Shrinking margins and working capital

Loss of export markets

What can be done?

Military solution

New grain corridor

Reorientation of trade

State support for exporters and/or local processing

Forecasts of independent experts for 2026

	Real GDP, %	Nominal GDP, $bn	Inflation, year average, %	Inflation, EOP, %	Exchange rate, UAH/USD, year average	Exchange rate, UAH/USD, EOP	NBU reserves, $bn	Budget deficit, $bn	GEFN, $bn	International financing, $bn	Current account, % GDP	Assumptions regarding war
Concorde Capital	1.3	224	8.1	9.7	44.6	46.0						all year
Dragon Capital	1.0	225	8.2	9.0	44.5	46.0	61.0	46	44	44	-20.4	all year
ICU	0.8	227	8.1	9.4	44.5	45.8	59.8	48			-16.4	all year
IER|GET	1.2	217	8.1	9.1	44.0	45.6		39	39	45	-15.5	all year
KSE	1.9	224	8.9	11.0	44.8	46.3	73.5	42	38	46	-32.3	all year
WIIW	1.0	228	9.0	11.0	44.5	46.0		43		40	-18.0	all year
Min	**0.8**	**217**	**8.1**	**9.0**	**44.0**	**45.6**	**59.8**	**39**	**38**	**40**	**-32.3**	
Median	**1.1**	**225**	**8.2**	**9.6**	**44.5**	**46.0**	**61.0**	**43**	**39**	**45**	**-18.0**	
Max	**1.9**	**228**	**9.0**	**11.0**	**44.8**	**46.3**	**73.5**	**48**	**44**	**46**	**-15.5**	

Forecasts of independent experts for 2027

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	Real GDP, %	Nominal GDP, $bn	Inflation, year average, %	Inflation, EOP, %	Exchange rate, UAH/USD, year average	Exchange rate, UAH/USD, EOP	NBU reserves, $bn	Budget deficit, $bn	GEFN, $bn	International financing, $bn	Current account, % GDP	Assumptions regarding war
Concorde Capital	1.2	232	7.4	8.0	47.5	48.5						all year
Dragon Capital (war)	0.5	233	7.1	6.0	46.7	49.0	65.0	34	29	30	-13.8	all year
Dragon Capital (ceasefire)	5.0	245	11.0	13.0	50.0	53.0	61.0	33	29	30	-20.4	over
ICU	1.5	237	8.8	8.4	47.4	49.8	58.0	37			-14.4	all year
IER|GET	2.2	228	7.3	6.8	46.4	47.3		41	36	42	-16.7	all year
KSE	2.1	243	10.5	9.5	47.2	47.5	75.5	46	39	43	-35.3	all year
WIIW	2.5	245	8.0	9.5	47.0	49.0		44		30	-18.8	all year
Min	**0.5**	**228**	**7.1**	**6.0**	**46.4**	**47.3**	**58.0**	**33**	**29**	**30**	**-35.3**	
Median	**2.2**	**240**	**8.4**	**9.0**	**47.1**	**49.0**	**63.0**	**39**	**33**	**30**	**-17.7**	
Max	**5.0**	**245**	**11.0**	**13.0**	**50.0**	**53.0**	**75.5**	**46**	**39**	**43**	**-13.8**	

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Thank you.