FACTSHEET

Joint market monitoring initiative (JMMI)

May, 2023
Ukraine

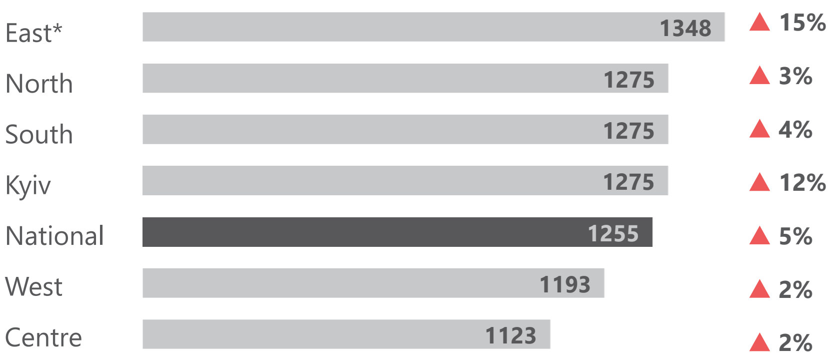
KEY MESSAGES

- **Median value of the full JMMI basket rose notably in all macroregions,** especially in the East* (by 15%) and in Kyiv (by 12%). **The most expensive set of items was found in the East (1344 UAH), particularly in Donetska oblast (1543 UAH).** Considerable rise in vegetable prices were registered across the country.
- **Affordability remained a key issue, as 61% of customers reported price increases as their main financial barrier to accessing goods**, with the highest percentage in the North (79%) and East (73%).
- **Market prices are expected to rise due to the re-instatement of pre-war levels of fuel taxes and the increase of electricity price.** Meanwhile, the destruction of the Kakhovka Hydroelectric Power Plant will have a substantial negative impact on business operations and will lead to a partial loss of crops.
- **Security-related factors limited retailers' activity in the South and East, especially in areas closer to the front line, such as Khersonska, Zaporizka and Donetska oblasts.** Customer KIs in the South and East more frequently reported that active fighting or shelling affected their physical access to stores.
- **Essential items, such as food and hygiene items, remained widely available.** Full availability of medication slightly decreased from 93% in April to 89% in May. Lack or limited availability of medications, food and hygiene items was more prevalent in the South. Complementary cereal for babies and diapers for infants remained the least available items in the national JMMI basket.
- **Access to banks and ATMs remained an issue for a high share of customer KIs in the southern areas** closer to the hostilities, especially in Mykolaivska, Khersonska and Zaporizka oblasts.

1255 UAH **Cost of JMMI basket**

33.37 USD (▲ 6%) 30.57 EUR (▲ 6%)

Median values of the full JMMI baskets in May 2023



JMMI in May 2023:
- **11** participating partners
- **1336** interviews conducted
  - ***601*** *retailers surveyed*
  - ***735*** *customers surveyed (**39%** men and **61%** women)*
- **24** oblasts monitored
- **144** hromadas monitored

CONTEXT & RATIONALE

Since 24 February 2022, the full-scale war across Ukraine has prompted mass displacement and humanitarian crisis. Given the prominence of multi-purpose cash as a modality for assistance, market monitoring is a key initiative to ensure humanitarian intervention is effective, sustainable and does not harm local markets. Due to the widening of areas beyond the control of the Government of Ukraine, humanitarian market data from conflict-affected areas is limited and incomplete. The Joint Market Monitoring Initiative seeks to fill this information gap by providing useful and timely data on price trends and market functionality indicators.

ASSESSMENT OVERVIEW

- Track prices and availability of basic commodities in Ukraine markets on a monthly basis.
- Assess the impact of the current humanitarian crisis on market systems in Ukraine.
- Contribute to a broader understanding of the market environment in Ukraine for the benefit of humanitarian actors across all sectors.

METHODOLOGY:
Marketplaces across Ukraine are assessed on a monthly basis. In each location, field teams record prices and other market indicators through retailer and customer key informants (KIs) interviews that characterize monthly changes in the local markets.**

* East includes Kharkivska, Luhanska, and Donetska oblasts.
** Please find the methodology overview on page 13.

REACH Informing more effective humanitarian action

AVAILABILITY OF GOODS

Food items

In May, as in the previous months, food items have been widely available, as only 1% of customers surveyed on average across the country indicated their limited availability (Figure 1). These were mainly residents of Odeska, Kharkivska and Volynska oblasts. Food items still remained unavailable for 2% of respondents interviewed in Khersonska oblast, where very frequent ground shelling is ongoing.

According to the JMMI retailer KIs survey, complementary cereal for babies was the least available item in the JMMI food basket. Countrywide, only 91% of retailers surveyed reported its full availability, with the lowest percentage in the South (70%), particularity in Zaporizka (28%) and Khersonska (61%) oblasts.

Due to the exhaustion of last year's stocks, retailer KIs more frequently reported a lack of, or a partial availability of vegetables included in the JMMI food basket, such as carrots, cabbage, and onions.

Hygiene items

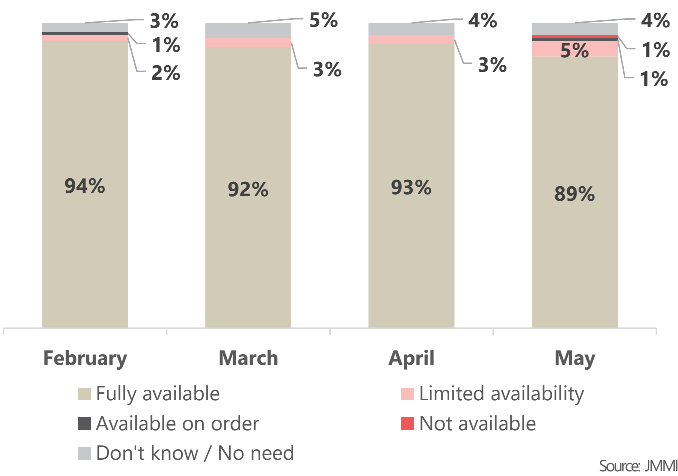
In May, 97% of customer KIs reported the full availability of hygiene items, whereas 99% did so in April (Figure 2). Limited availability of hygiene items remained an issue in the South and East, with 13% of customers surveyed in Khersonska and 5% in Kharkivska oblasts reporting limited availability in their local shops and marketplaces. Additionally, every fourth customer KIs in Volynska oblast could buy hygiene items only via order.

According to retailer KIs, diapers for infants were the lowest available item in the JMMI's hygiene basket. Nationwide, 93% of surveyed retailers reported their full availability. As in the previous months, the lowest level of availability was observed in the South (72%), where only 33% of the surveyed KIs in Zaporizka and 67% in Khersonska oblasts reported their full availability.

Medications

The availability of over-the-counter medication slightly deteriorated. While in April 93% of customer KIs reported full availability of medication, in May this proportion decreased to 89% (Figure 3), with the lowest percentage in the South (68%). Indeed, for 28% of customer KIs in Mykolaivska, 24% in Khersonska, and 16% in Odeska oblasts, over-the-counter medications were either unavailable or in limited availability.

Figure 3: % of customer KIs reporting availability of over-the-counter medications, national

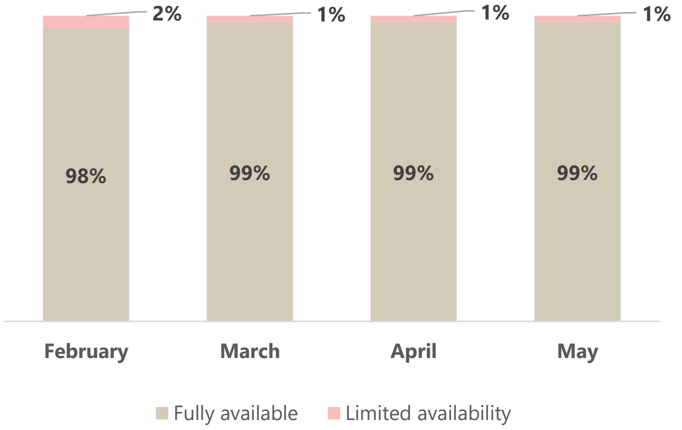


Source: JMMI

Warm clothes

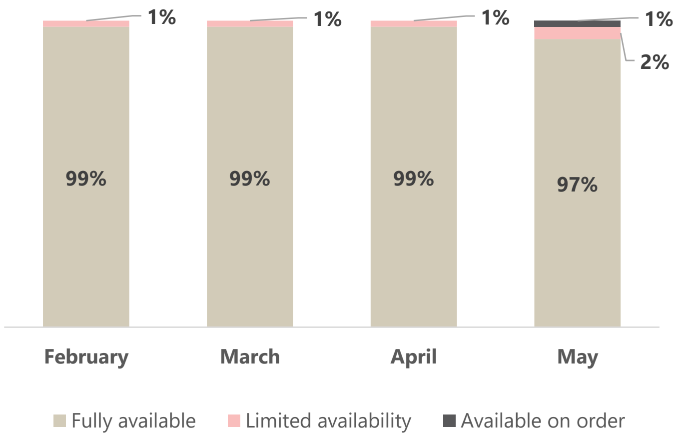
Due to the warmer weather registered in May, respondents were less concerned about the availability of warm clothes.

Figure 1: % of customer KIs reporting availability of food items, national



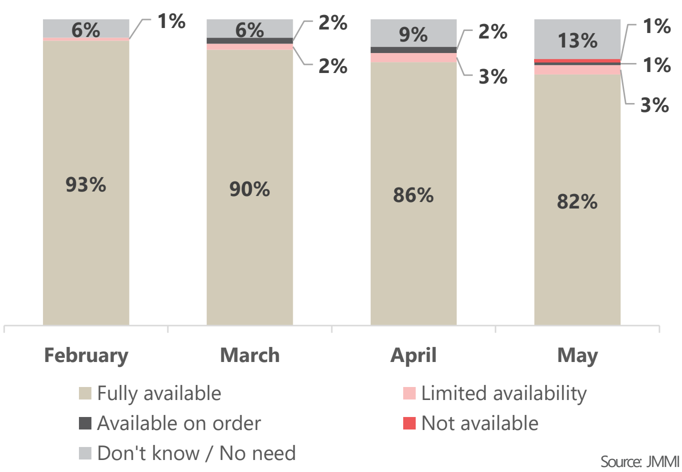
Source: JMMI

Figure 2: % of customer KIs reporting availability of hygiene items, national



Source: JMMI

Figure 4: % of customer KIs reporting availability of warm clothes, national



Source: JMMI

This is also indicated by an increase in the proportion of respondents answering "Don't know/ No need" from 9% in April to 13% in May (Figure 4).

Nevertheless, the most reported issues with the availability of warm clothes were found in the South, where 10% of customer KIs still had limited availability of warm clothes in the stores or marketplaces in their hromadas, and these goods were unavailable for 4% of the respondents.

AVAILABILITY OF ENERGY RESOURCES AND MARKET PRICES

Availability

Less than half of the surveyed customer KIs (48%) regularly purchased vehicle fuel for household or professional use. It mostly consisted of petrol, diesel and natural gas. Only a very limited number of respondents indicated they made use of electrically-powered cars.

Due to sufficient market supply, in May for the majority of customer KIs (78%) vehicle fuel was fully available (Figure 5). However, there were some issues with the availability of vehicle fuel in Vinnytska and Kharkivska oblasts, where 13% and 7% of respondents respectively indicated a lack of it.

The percentage of respondents reporting full availability of heating fuel increased from 70% in April to 84% in May (Figure 6). However, unavailability or limited availability of heating fuel was reportedly observed in southern and eastern regions of Ukraine.

Market prices

In May, the average consumer prices for vehicle fuels such as diesel, petrol A-92 and petrol A-95 were lower compared to April. Average prices for diesel fuel fell the most (by 4%). The prices of petrol A-92 and petrol A-95 decreased by 3% and 2%, respectively. Meanwhile, the price of liquefied petroleum gas (LPG) rose by 1% (Figure 7)[1].

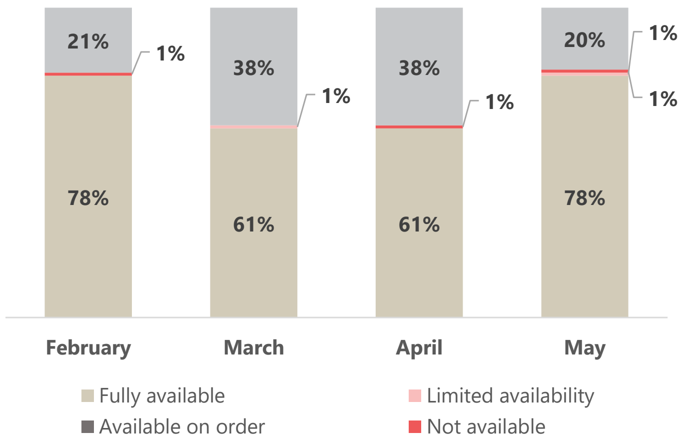
The decline in vehicle fuel prices in May was primarily due to the availability of substantial stocks, to lower global oil prices, and to increased competition[2].

However, vehicle fuel prices were still above pre-war levels. In May 2023, the price of diesel was 47% higher than in January 2022, the price of petrol A-95 was 45% higher, that of petrol A-92 - 41%, and that of LPG - 15%.

According to the JMMI customer KIs survey, the estimated price of petrol and diesel purchased through unofficial sources was lower than the estimated price of those purchased through official sources. Thus, respondents could buy petrol and diesel through official sources for 46 UAH and 45 UAH per liter, respectively, and through unofficial sources for 44 UAH and 43 UAH per liter, respectively.

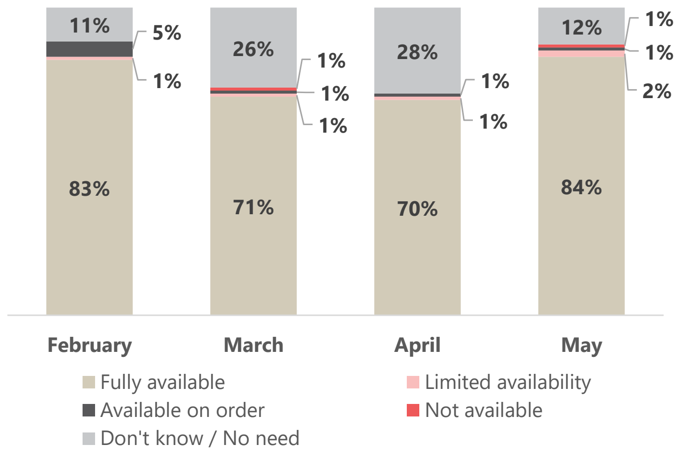
Although the market is currently experiencing a downward trend in fuel prices, the situation is expected to change from 1st July this year, when excise taxes will be re-instated to pre-war levels, with the VAT rate returning to 20%. Experts predict that the return to pre-war rates will increase petrol price by 11 UAH per liter, diesel price by 8 UAH per liter and liquefied gas price by 3 UAH per liter[3].

Figure 5: % of customer KIs reporting availability of vehicle fuel, national



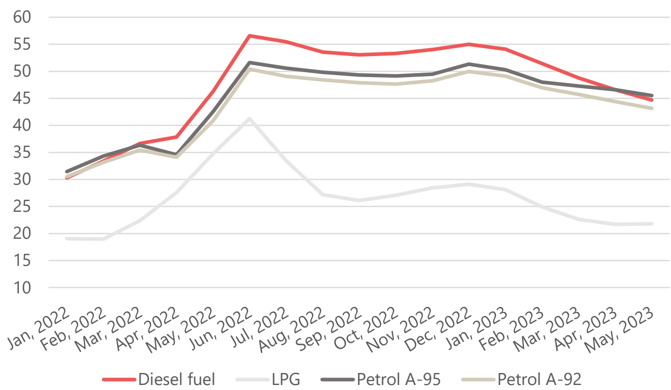
Source: JMMI

Figure 6: % of customer KIs reporting availability of heating fuel, national



Source: JMMI

Figure 7: Average consumer price for vehicle fuel, national, UAH per liter



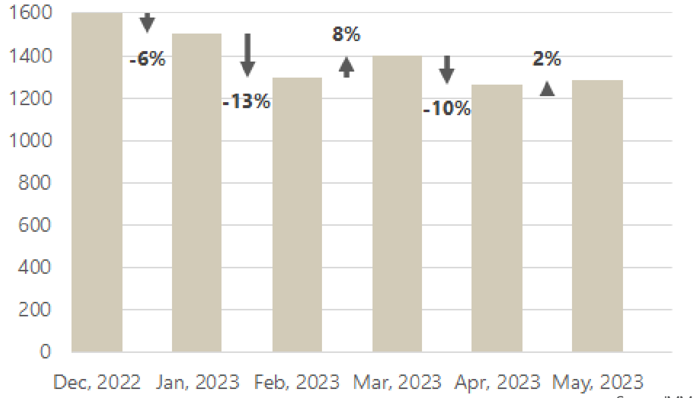
Source: SSSU

The growth in administered prices continued to be restrained by the moratorium on increases in utility tariffs for households[4]. As a consequence, the prices of electricity and natural gas used by customers to heat their houses have remained unchanged since the beginning of the full-scale war.

Natural gas in all regions of Ukraine was available to the residents at a price of 8 UAH per cubic metre, and the price of electricity varied across the country from 1.44 UAH to 1.68 UAH per kWh, depending on the amount of electricity consumed.

Meanwhile, the situation has changed since 1st of June, due to the government's decision to raise electricity tariffs for households to 2.64 UAH per kWh, which is more than 1.5 times higher than before.

Figure 8: Estimated firewood price, national, UAH per cubic metre



Source: JMMI

THE BASKET

Median value of the full JMMI basket

The JMMI Basket is a subset of the 335-item consumer set of representative goods (and services) maintained by the State Statistics Service of Ukraine (SSSU), focusing on core food and hygiene items that an average household must purchase on a regular basis. The JMMI Basket was defined in consultation with the Ukraine Cash Working Group. Trends in the price of the basket are indicative of consumer price inflation.

In May, the cost of the full JMMI basket increased by 5% and amounted to 1255 UAH on average in the country (Figure 9).
The biggest rise in value occurred in the East (by 15%) and in Kyiv (by 12%). JMMI items were the most expensive in the eastern region (1348 UAH), whereas the lowest prices were observed in the western (1193 UAH) and central (1123 UAH) part of the country.

JMMI BASKET

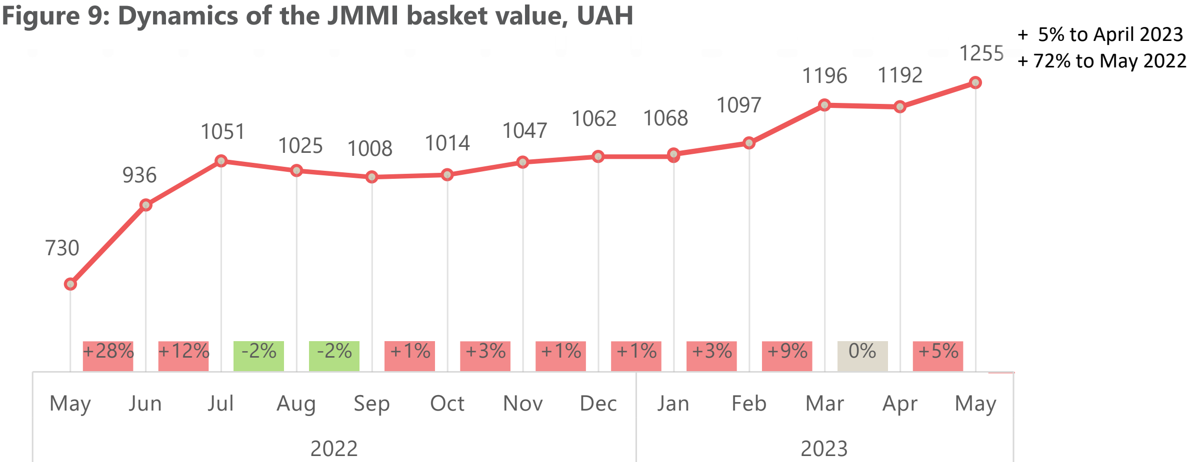
Food	
Bread	500 g
Buckwheat	1 kg
Cabbage	1 kg
Carrots	1 kg
Chicken (legs)	1 kg
Complementary cereal for babies	200 g
Drinking water	1 bottle (1.5 L)
Eggs (chicken)	10 pcs
Milk (2.5%)	900 ml
Oil (sunflower)	900 ml
Onion	1 kg
Potato	1 kg
Rice (round)	1 kg
Wheat flour (white)	1 kg

Non-food items (NFIs)	
Body soap	1 bar (75 g)
Diapers (infant size 3)	1 pack (40-60 pcs)
Hygiene/sanitary pads	1 pack (10 pcs)
Laundry soap	1 bar (200 g)
Toothpaste	1 tube (75 ml)
Washing powder (machine)	1 box (500 g)

For what concerns regional price differences, higher prices were observed in regions affected by ground shelling due to security risks and more complex logistics, whereas in some western regions the observed higher prices were due to relatively higher demand.

At oblast level, the highest cost of the JMMI basket was found in Donetska* (1543 UAH), Sumska (1364 UAH) and Kyivska (1361 UAH) oblasts. Moreover, all retailer KIs surveyed in Donetska oblast indicated that prices in their stores had increased for each food and non-food item included in the JMMI basket.

Figure 9: Dynamics of the JMMI basket value, UAH



Source: JMMI

*The survey covered Pokrovska hromada in the government-controlled area of Donetska oblast.

Prices

In May **the cost of the food JMMI basket** rose in all regions, with the biggest increase in the East (by 19%). Moreover, 15% of retailer KIs in Kyiv, 8% in the East and in the West noted price increases for each item in the food JMMI basket.

The most expensive food baskets were registered in Kyiv (708 UAH) and in the East (699 UAH), while the cheapest basket values were in the Centre (634 UAH) and in the West (643 UAH).

In May vegetable prices rose the most. The price of cabbage increased by 122% nationwide, of carrot by 31% and of onion by 11%. Potatoes became more expensive in all regions except the South.

The increase in prices for cabbage was driven by the off-season supply of early varieties, while onions and carrots were priced higher due to the depletion of stocks in Ukraine and abroad[2].

For consumers across the country, water was available at a price 9% higher than in the previous month.

Meanwhile, the seasonal increase in supply, in particular from households, led to a considerable decline in egg prices (by 26% on average across the country). The relatively high price of buckwheat continued to decline gradually in most regions (by 8% on average).

The cost of the non-food (hygiene) basket increased in all regions except the northern, with the highest increase in Kyiv (by 15%) and in the East (by 11%). Price increase for each item in the non-food basket were reported by 13% of retailer KIs in Kyiv and in the South, and 12% in the West.

The most expensive non-food baskets were observed in the East (648 UAH) and South (615 UAH). This was due to the extremely high price of diapers in these regions.

On average across the country, the prices have risen for all hygiene products except body soap. Laundry soap and hygiene (sanitary) pads showed the highest increase among items in the national non-food basket (by 8% and 7%, respectively).

Map 1: Median values of food and non-food items in May 2023, by oblast

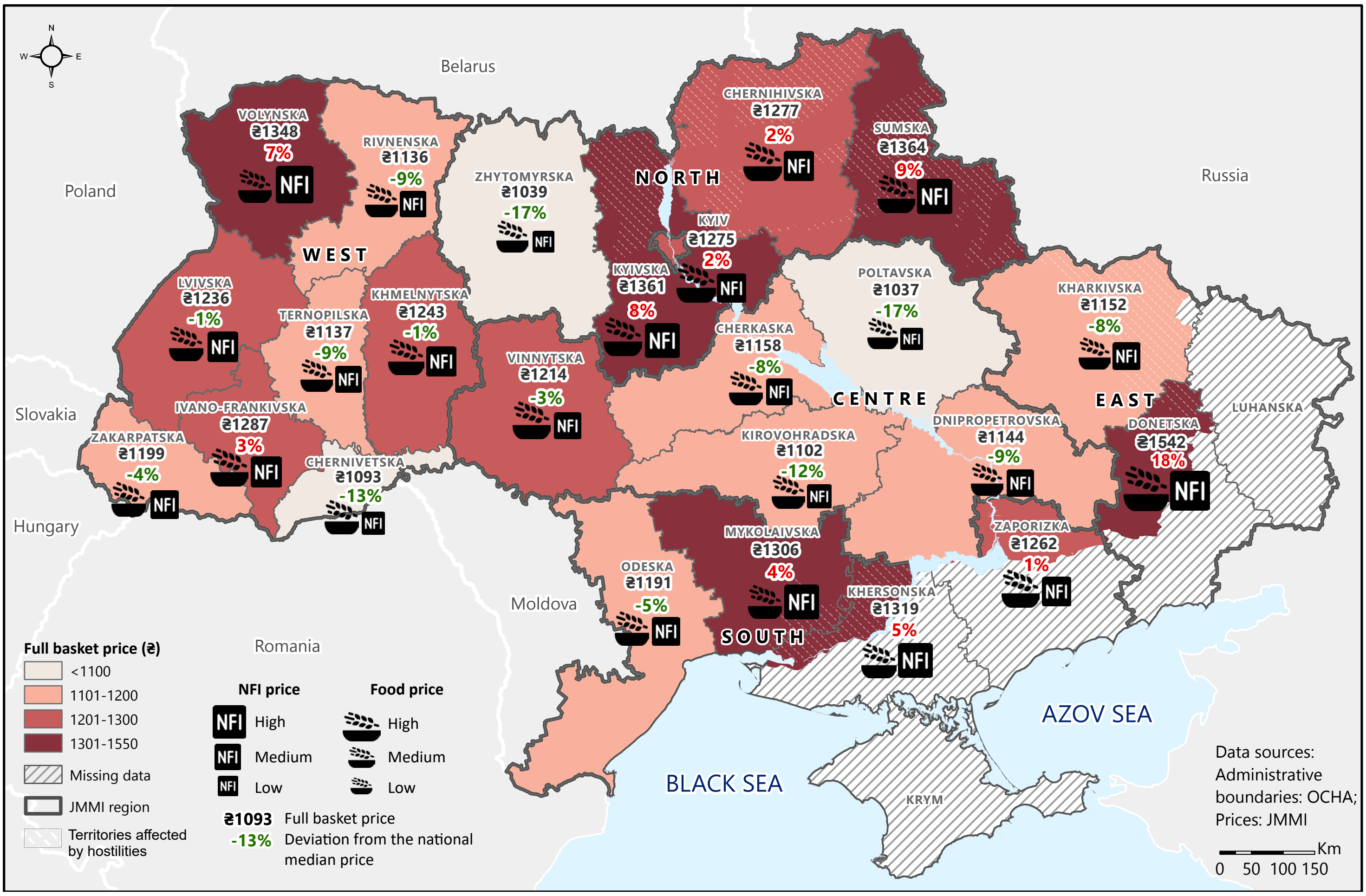


Table 1: Median prices of food items in May 2023 by region, UAH

		West		Centre		South		North		Kyiv		East		National	
Item	Unit	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change
Bread	500 g	20	-1%	16	-7%	18	-6%	18	-8%	22	13%	20	41%	19	-1%
Buckwheat	1 kg	55	-7%	52	-8%	66	2%	57	-8%	53	-17%	57	4%	56	-8%
Cabbage	1 kg	43	70%	44	83%	52	113%	57	147%	62	163%	56	130%	54	122%
Carrots	1 kg	56	28%	59	31%	55	17%	60	35%	66	37%	61	35%	60	31%
Chicken (legs, fresh)	1 kg	104	0%	104	1%	93	2%	104	-2%	115	-3%	101	26%	104	0%
Complementary cereal	200 g	81	-3%	82	0%	61	-8%	85	-2%	90	20%	108	52%	84	6%
Eggs (chicken)	10 pcs	44	-26%	38	-34%	52	-20%	46	-22%	44	-25%	42	-22%	44	-26%
Milk (2.5%, fresh)	900 mL	31	-2%	31	2%	34	0%	32	-1%	35	13%	35	-3%	33	3%
Oil (sunflower, refined)	900 mL	55	0%	55	-5%	64	-4%	56	-5%	54	-12%	62	-5%	56	-8%
Onions	1 kg	57	4%	55	5%	59	12%	58	10%	62	16%	59	16%	58	11%
Potatoes	1 kg	9	16%	9	7%	13	-1%	10	9%	10	7%	10	1%	10	5%
Rice (round)	1 kg	55	-8%	57	-2%	58	-5%	58	1%	59	6%	57	13%	57	-1%
Water	1.5 L	14	3%	13	8%	17	7%	17	2%	16	14%	14	16%	15	9%
Wheat flour (white)	1 kg	19	4%	16	-3%	20	1%	20	3%	20	14%	17	-5%	19	7%
Total		**643**	**1%**	**634**	**1%**	**660**	**3%**	**677**	**5%**	**708**	**9%**	**699**	**19%**	**668**	**5%**

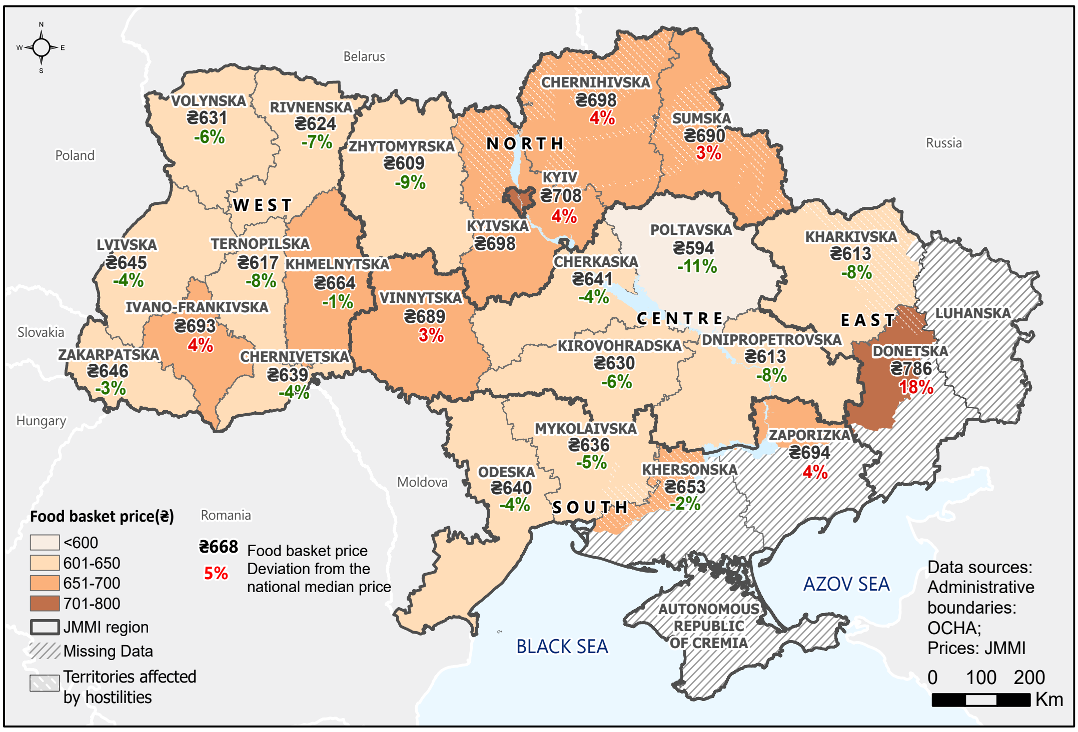
Source: JMMI

Table 2: Median prices of non-food (hygiene) items in May 2023 by region, UAH

		West		Centre		South		North		Kyiv		East		National	
Item	Unit	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change
Body soap	1 bar (75 g)	15	9%	12	7%	15	-1%	13	0%	12	-1%	12	9%	13	0%
Diapers (infant, 5-9 kg)	1 pack (40-60 pcs)	380	0%	344	2%	456	8%	437	0%	413	22%	468	10%	425	6%
Hygiene/sanitary pads	1 pack (10 pcs)	44	13%	36	0%	36	0%	36	1%	44	6%	45	6%	40	7%
Laundry soap	1 bar (200 g)	20	4%	19	4%	21	-11%	22	8%	22	0%	22	14%	22	8%
Toothpaste	1 tube (75 ml)	39	7%	30	-11%	37	-2%	44	-3%	32	0%	44	11%	38	2%
Washing powder	1 box (500 g)	52	7%	47	7%	50	1%	45	-3%	44	-2%	57	20%	49	4%
Total		**550**	**2%**	**489**	**2%**	**615**	**5%**	**598**	**0%**	**567**	**15%**	**648**	**11%**	**586**	**5%**

Source: JMMI

Map 2: Median values of food items in May 2023, by oblast



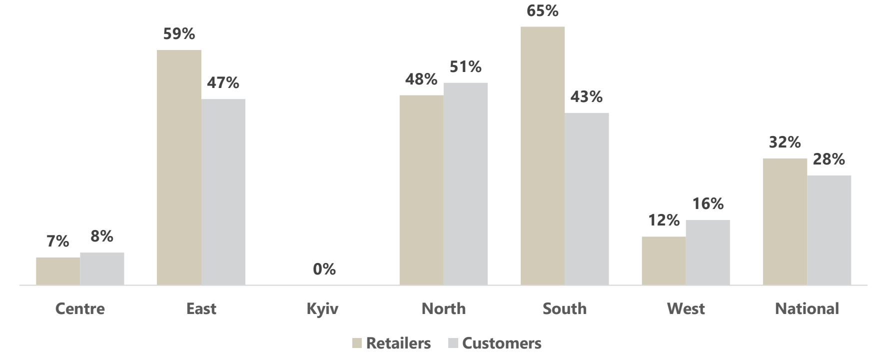
ACCESS TO STORES

Physical access to stores

In May, 28% of customer KIs indicated that the full-scale war was affecting their ability to physically access stores or marketplaces (among retailer KIs the figure was slightly higher, at 32%). The highest percentages were observed in the North, East and South, where respectively 51%, 47% and 43% of customer KIs reported difficulties in accessing shops (Figure 10).

Across the country, the main reported reason for the difficulty in accessing markets were air attacks - reported by 16% of surveyed customer KIs -, which affected the northern region the most (reported by 41% of respondents) followed by the eastern (20%), western (14%) and southern (14%) ones.

Figure 10: % of customer and retailer KIs reporting that the full-scale war has affected the ability to access shops, by regions



Source: JMMI

Customer KIs in the South and East indicated a variety of factors negatively affecting their ability to access stores and marketplaces: namely, active fighting or shelling in their areas (19% and 8%), movement restrictions related to martial law (11% and 14%), damage to buildings or infrastructure in their stores or marketplaces (20% and 14%), damage or blockages on roads leading to the stores (9% and 2%), and the lack of transportation (13% and 6%). These factors reportedly had the greatest impact on the residents of Khersonska and Donetska oblasts.

Additionally, 12% of customer KIs in the South and 11% in the North felt unsafe when being in the stores or when traveling towards them due to the fear of being targeted.

The lack of electricity in stores affected access for 11% of customer KIs in the North.

Financial factors

Financial factors continued to negatively affect customer KIs' access to stores and marketplaces across Ukraine. Indeed, the proportion of respondents reporting financial difficulties rose from 69% in April to 72% in May.

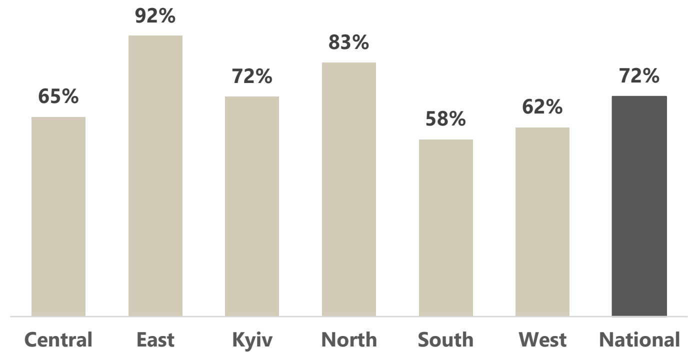
Considerably higher percentages were observed in the East (92%) and North (83%), particularly in Zhytomyrska (96%), Kharkivska (93%) and Vinnytska (92%) oblasts, where the vast majority of customer KIs reported that financial factors had affected their access to stores or marketplaces.

Nationally, the main reported reasons were price increases (61%) and the inability to afford items (19%). In particular, 79% of customers KIs in the North, 73% in the East, 60% in Kyiv and 59% in the Centre reported the increase of prices as their main financial constraint. Moreover, 33% of customer KIs in the East, 26% in the South, 19% in the North and West indicated that they could not afford items.

The high cost of fuel for personal vehicles had a negative impact on 18% of customer KIs in the East and on the same percentage of respondents in the West.

Additionally, 11% of customer KIs countrywide did not have enough physical cash, and vendors were reluctant to accept other options. The highest percentage of such respondents was observed in the East (18%) and South (16%).

Figure 11: % of customer KIs reporting that financial factors have affected their access to stores or marketplaces, by regions



Source: JMMI

As a consequence, **the issue of affordability remains crucial, especially in the North and East** (as in previous months), where it represents a huge barrier to accessing markets.

MARKET FUNCTIONALITY

In May, 37% of retailer KIs reported **difficulties in keeping their stores operational and well-stocked** (in April - 35%). Retailer KIs from the South, East and North faced difficulties more frequently than those in other regions of Ukraine (65%, 59% and 48%, respectively), as shown in Figure 12.

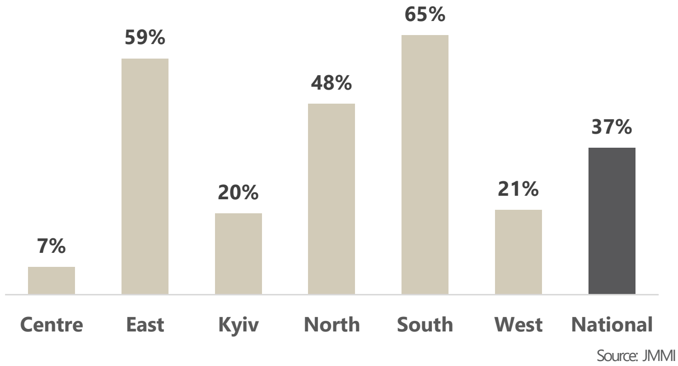
The greatest challenges in this regard were related to high supplier prices (reported by 24% of retailer KIs nationwide), physical danger in the area (9%), movement restrictions (8%), and issues in the storage of goods during the absence of electricity (8%).

Rising prices among suppliers mainly impacted the activity of retailer KIs in the East (53%), North (34%) and South (28%), and especially in Donetska (67%), Khersonska (53%), and Kharkivska (52%) oblasts.

Physical hazards mainly affected retailers in the South and East, especially in areas close to the front line. Indeed, difficulties related to physically dangerous conditions in the area were reported by 40% of retailers in the South and 15% in the East, with the majority in Khersonska (81%), Donetska (67%) and Zaporizka (43%) oblasts. Difficulties related to the restriction of movement limited activities for 27% of retailer KIs in the South and 19% in the East, most of which were in Donetska (67%) and Khersonska (61%) oblasts.

Retailers KIs in the South and North were impacted by difficulties related to storing goods during power outages (23% and 15% respectively), maintaining full staffing (11% and 13%), and availability of core goods (10% in each region). Moreover, 28% of retailers KIs in the South reported difficulties in accessing funds to pay suppliers.

Figure 12: % of retailer KIs reporting difficulties in keeping their store operational and well-stocked, by region



In May, retailer KIs were asked to estimate the percentage of retailers operating in their marketplace compared to the pre-war level. As anticipated, in areas previously occupied by Russian forces the percentage of working retailers was slightly lower than in regions that were not occupied, as seen in Map 3. On average, the national rate was 78%. The situation reported in Khersonska and Chernihivska oblasts was particularly concerning, as there the approximated percentage of working retailers was reported at 30% and 54% of pre-war levels, respectively.

Map 3: Approximated percentage of working retailers in May 2023 from the pre-war level, reported by retailer KIs, by hromada

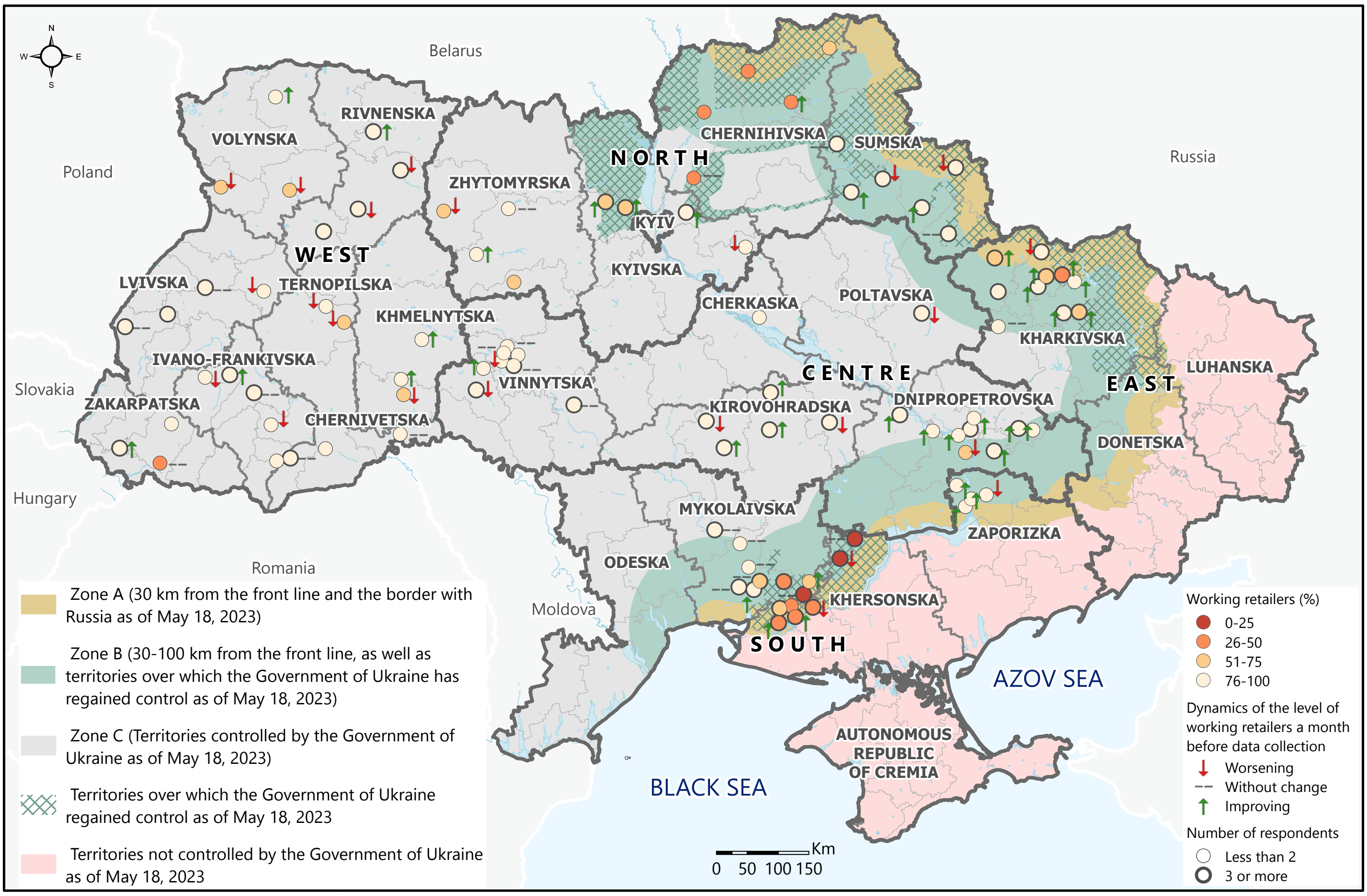
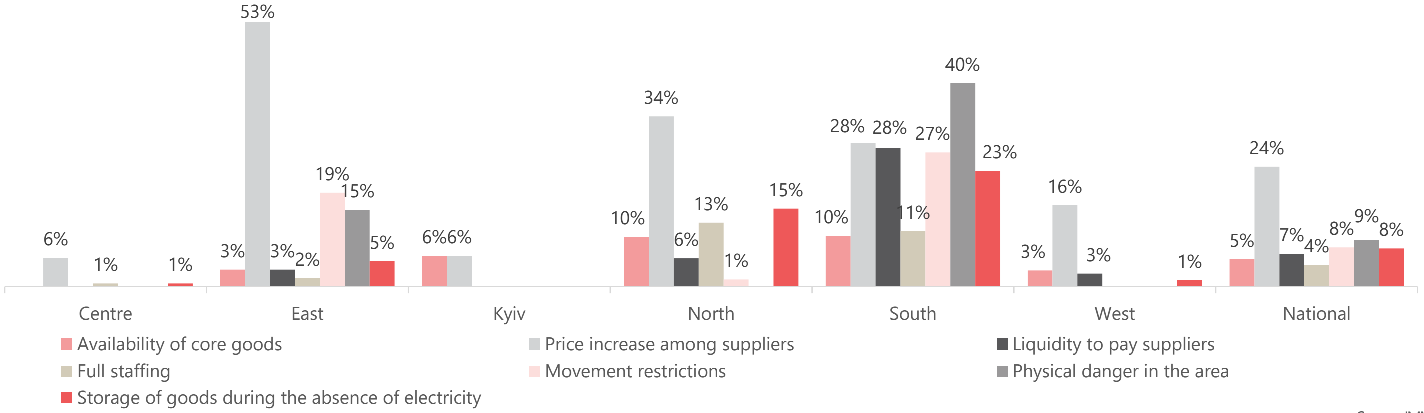
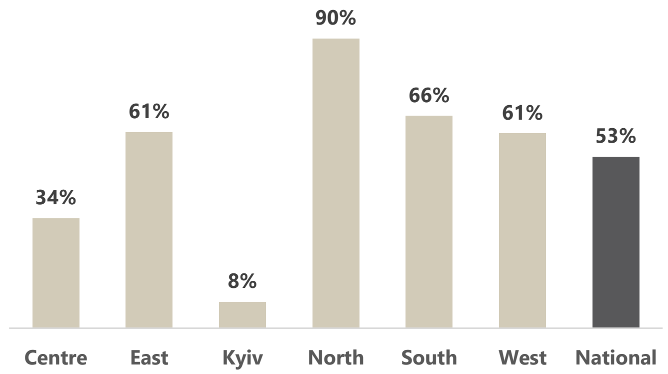


Figure 14: % of retailer KIs reporting on new challenges faced since the start of the full-scale war, by type of challenge and region



Source: JMMI

Figure 13: % of retailer KIs reporting anticipating new challenges due to the war, by region



Source: JMMI

It should be noted that the percentage of retailer KIs **expecting new difficulties in the near future due to the full-scale war** was 53% nationwide (in April - 57%).

Among the most often anticipated difficulties were the rising prices (45%), as well as the declining customer purchasing power (39%), with the highest percentage reported in the North (80%).
Mostly due to the very high intensity of missile and artillery attacks, 26% retailer KIs in the South expected reduced customer mobility, and 35% of retailers surveyed in that region anticipated the reduced availability of cash.

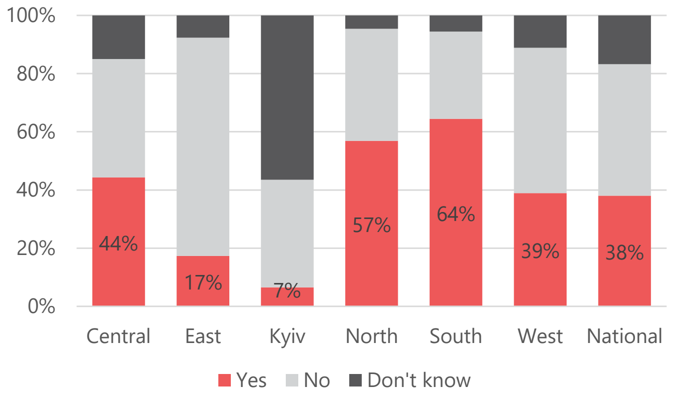
SUPPLY

In May, 38% of retailer KIs noted that their business depended on a single food supplier. The proportion of retailer KIs whose businesses mostly relied on a single supplier of core hygiene items was slightly higher (41% countrywide). This represents a potential source of vulnerability for the stores, as it could compromise their ability of maintaining adequate stock.

The greatest challenges in this regard were observed in the northern and southern regions (Figure 15 and Figure 16).

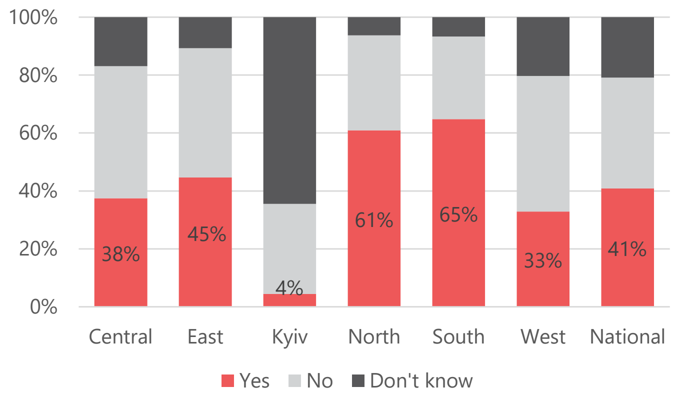
Moreover, retailers in Khersonska oblast were most at risk, as 100% of retailer KIs had only one food or non-food supplier.

Figure 15: % of retailer KIs reporting that they mostly rely on a single supplier for food items, by region



Source: JMMI

Figure 16: % of retailer KIs reporting that they mostly rely on a single supplier for hygiene items, by region



Source: JMMI

REACH Informing more effective humanitarian action

FINANCIAL SERVICES

Banks

In May, only 67% of customer KIs reported full availability of bank branches functioning at full-service (Figure 18).

Power cuts no longer affected banks operations. However, air attacks continued to restrict opening hours of bank branches across the country. Twenty percent of customer KIs indicated that bank branches were unable to provide their usual services during air alerts, with the highest proportion in the Centre (44%) and North (29%).

As in the previous month, the greatest difficulties in accessing the full spectrum of banking services were experienced by respondents in the South, where 39% of customers surveyed indicated a lack of functioning banks in their communities and a further 11% noted that existing branches were not operating due to military activities. These were mainly residents of Mykolaivska, Khersonska and Zaporizka oblasts.

ATMs

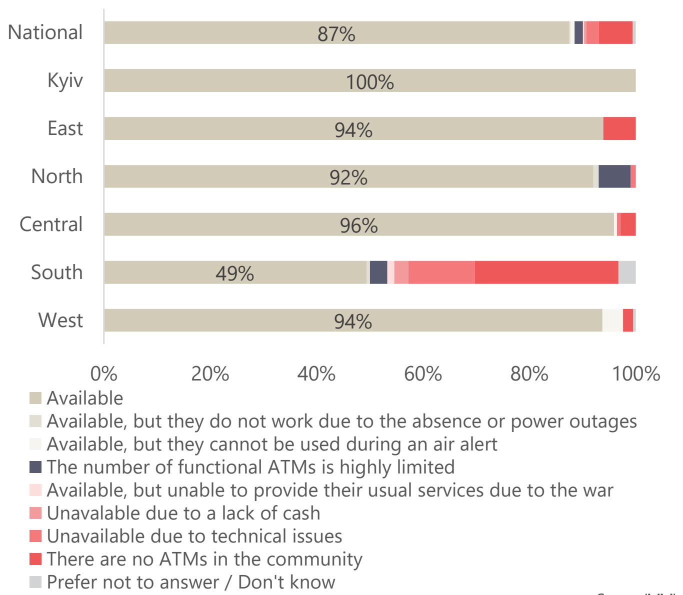
The percentage of customer KIs reporting full ATM availability increased from 82% in April to 87% in May. The greatest access issues were observed in the South, where only 49% of respondents reported full availability of working ATMs, while the lowest figures were found in Khersonska (33%) and Mykolaivska (38%) oblasts.

Across the country, 6% of customer KIs reported the absence of ATMs in their hromadas, of which the highest percentage was in Mykolaivska (49%) and Zaporizka (18%) oblasts.

According to 2% of customer KIs across the country, the number of functional ATMs was highly limited. This was an issue especially in the North and South, with 24% of customers surveyed in Zhytomyrska, and 11% in Khersonska oblasts reporting a limited number of ATMs.

It is worth to note that in the South, 13% of customer KIs reported that ATMs were not working due to technical problems or other issues. Almost all of them were in Khersonska (27%) and Zaporizka (12%) oblasts.

Figure 17: % of customer KIs reporting availability of functioning ATM, by regions



Source: JMMI

Ukrposhta

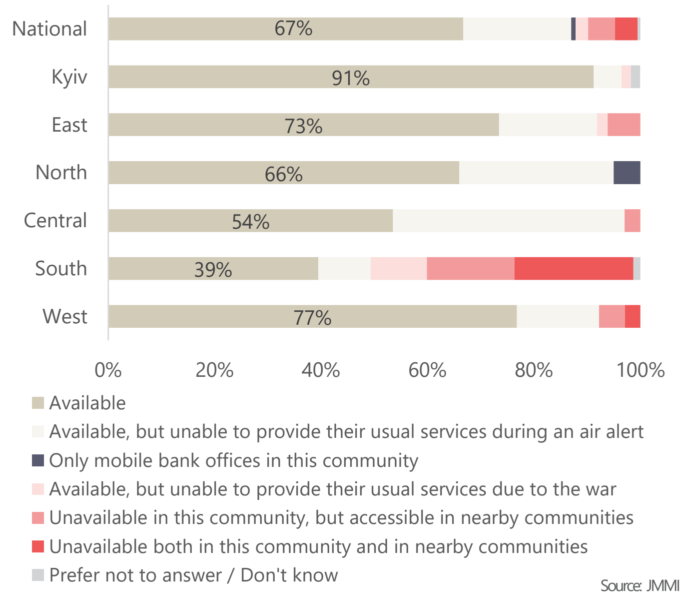
Nationwide, 70% of customer KIs reported that Ukrposhta offices worked daily and provided all of their usual financial services regularly. At the same time, 19% of customer KIs noted that Ukrposhta offices were unavailable during air alerts.

Considerable accessibility problems were found in Khersonska oblast, where 20% of customer KIs reported a lack of functioning Ukrposhta branches and for another 20% of respondents only mobile post offices were available in their communities.

Payment modalities

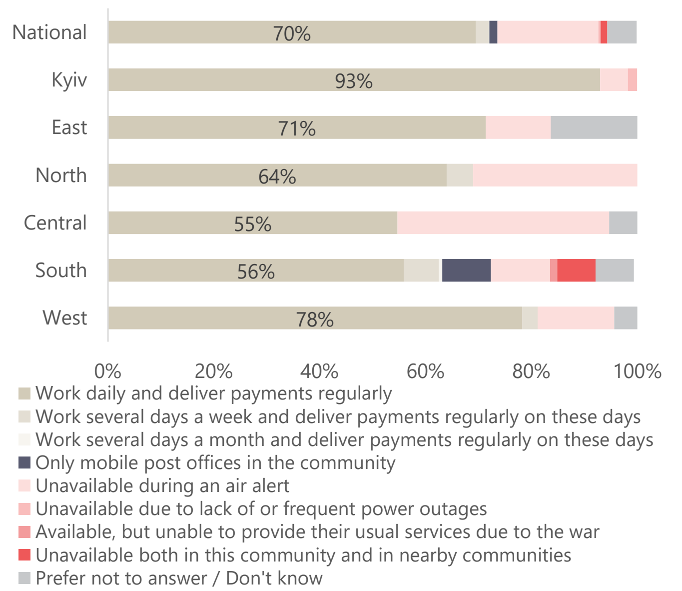
The main payment modalities accepted by retailer KIs in May were cash (100%), credit cards (88%), debit cards (75%), mobile apps (59%), and vouchers from the UN or NGOs (5%).

Figure 18: % of customer KIs reporting availability of functioning bank branches, by regions



Source: JMMI

Figure 19: % of customer KIs reporting availability of functioning Ukrposhta offices, by regions



Source: JMMI

MACROECONOMICS

Inflation

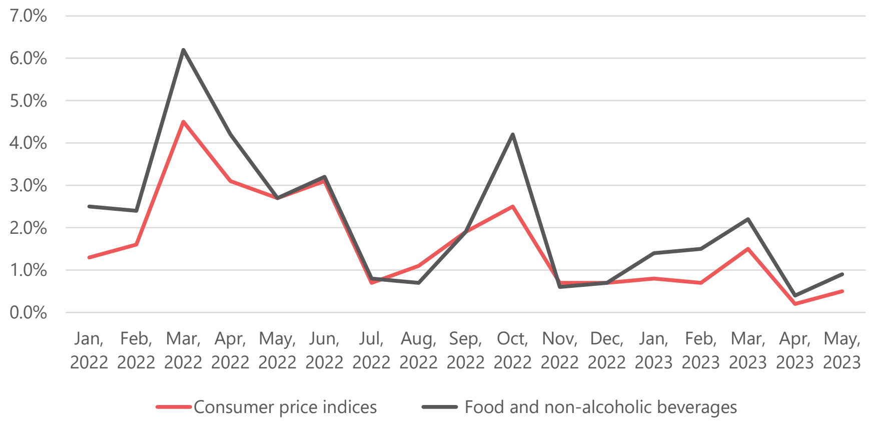
In May, inflation in the consumer market was 0.5% compared to April 2023. Prices for food and non-alcoholic beverages increased by 0.9% (Figure 20)[5].

Inflation was restrained by an adequate supply of food and fuel, the strengthening of the hryvnia in the cash foreign exchange market, and the improved inflation and exchange rate expectations[2].

Fruits and vegetables have risen in price the most over the month (by 8.7% and 5.6%, respectively). Prices for meat and meat products increased by 1.7%. At the same time, egg prices decreased by 22.7%[5].

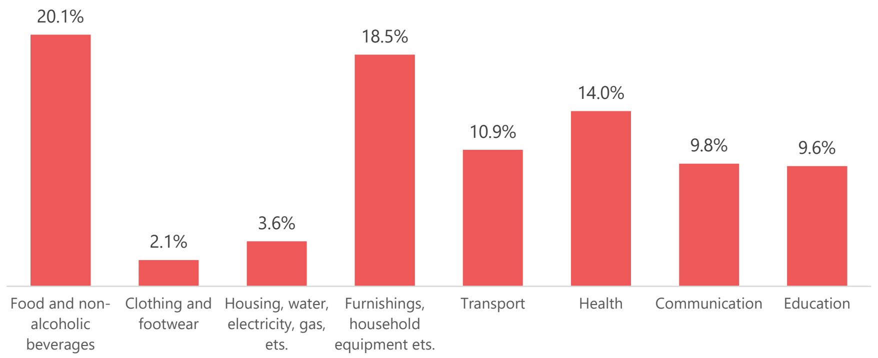
In May 2023, prices were 15.3% higher compared to May 2022 according to the 12-month percentage of change in the consumer price index. Prices for food and non-alcoholic beverages, furniture, household equipment and routine maintenance in the house increased the most over the year (by 20.1% and 18.5%, respectively[6]), as shown in Figure 21.

Figure 20: Monthly inflation rate, %



Source: SSSU

Figure 21: Consumer price changes for selected groups of food and services, from May 2022 to May 2023, %

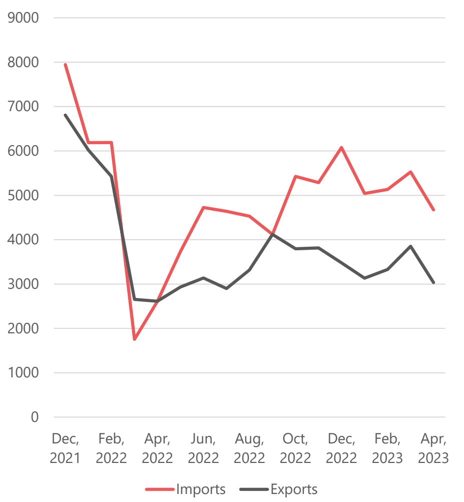


Source: SSSU

Economic activity

Economic activity continued to increase in May, partly due to seasonality. Uninterrupted power supply and revival of domestic demand supported industry and trade. Instead, the blockade of the "grain corridor" and restrictions on the exports of food products restrained the work of the transport industry and a number of food processing sub-sectors[7]. The losses incurred by Ukraine due to the downtime of ships in the "grain corridor" queues amounted to more than USD 1 billion[8].

Figure 22: Changes in gross value of exports and imports of Ukraine, by million USD



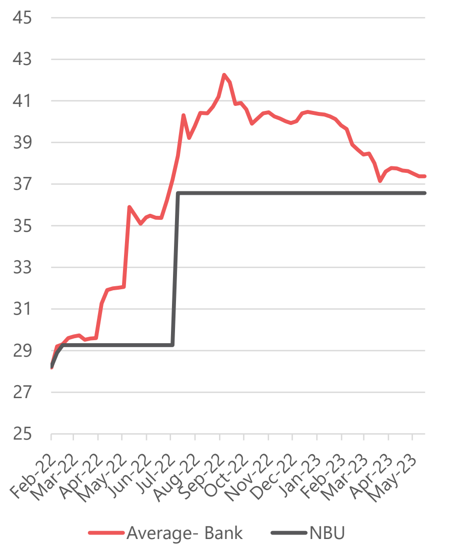
Source: SSSU

It should be noted that small and medium-sized businesses (SMEs) are increasingly feeling the negative impact of the economic consequences of Russian aggression. According to the European Business Association (EBA) survey[9], almost half of SMEs worked with restrictions, and every tenth one did not work. Over the past six months, business losses caused by the war have increased significantly, and the percentage of companies that do not have sufficient financial reserves has increased, which undermines their financial stability.

According to the EBA[10], 31% of large international companies keep working with restrictions. The issue of mobilization is quite urgent: almost half of the surveyed companies state that they have specialists critical to the operation of their enterprise, including engineers, IT specialists, etc., have been mobilized.

Better weather conditions since mid-May allowed the sowing campaign to gain momentum (sowing of early crops was completed; campaign for late crops is expected to be finished in the first ten days of June). However, the sown area was 14% smaller than last year's one (-24% compared to 2021).

Figure 23: Mid-market exchange rate for the US Dollar (USD)



Source: MINFIN

Ukrainian vegetable production in 2023 will not return to the production volumes of the pre-war period (year 2021), and the overall market decline is estimated at 25-30%, although this percentage varies by crop. Khersonska, Dnipropetrovska and Zaporizka oblasts, which produced more than 35% of vegetables on an industrial scale, are still partially occupied or in close proximity to the front line.

Damage to the Kakhovka Hydroelectric Power Plant has pushed back the resumption of vegetable production in Ukraine's vegetable capital, Kherson, by at least 5 years[11]. The most severe challenge will be to recover reclamation land, and farms on the left bank of the Dnipro River will be particularly affected. In addition, the consequences of the Kakhovka Hydroelectric Power Plant demolition will complicate the operations of a number of regional businesses and will lead to a partial loss of crops.

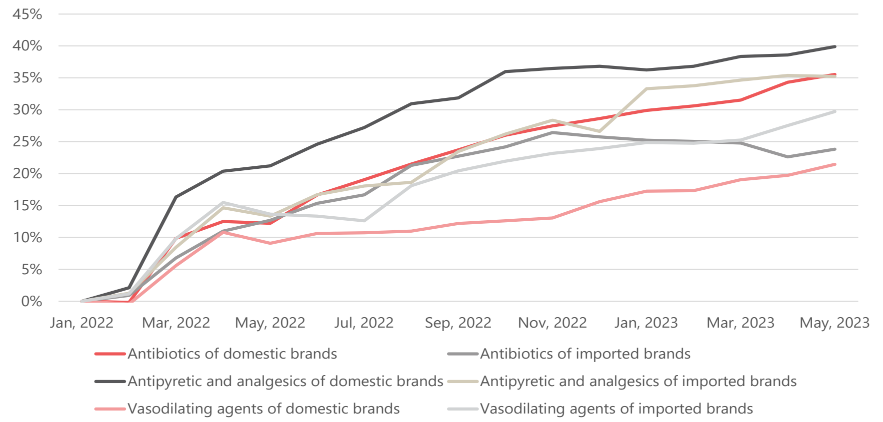
Worthy of note, the return to the pre-war level of taxation in the fuel market from 1st July and the changes in electricity pricing could have an impact on the price situation in the market and, consequently, on the affordability of goods and services for consumers.

MEDICINE

The price of basic medicine items, such as antibiotics, analgesics, and vasodilators continued to increase in May with antipyretics and analgesics of imported brands being an exception.

Medicine prices remain much higher compared to pre-war levels. Relative to January 2022, the average prices of antipyretics and analgesics of domestic brands were 40% higher, for antipyretics and analgesics of imported brands - by 35%, for antibiotics of domestic brands - by 36%, for antibiotics of imported brands - by 24%, for vasodilators of imported brands - by 30%, for vasodilators of domestic brands - by 21%[1] (Figure 24).

Figure 24: Cumulative price increase of selected medicines, national average, as % from January 2022



Source: SSSU

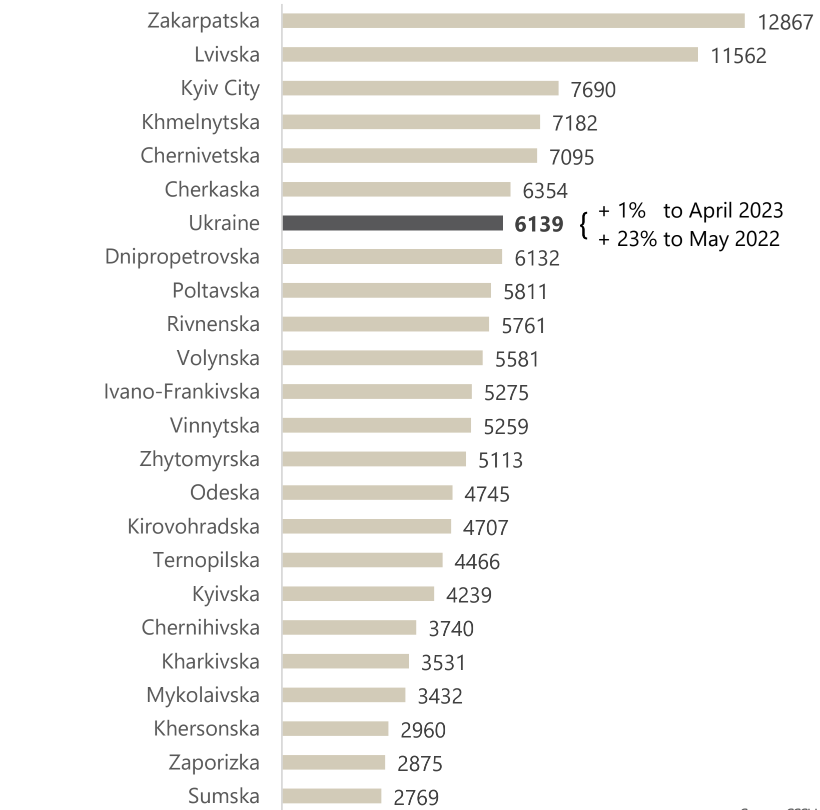
RENT

Rental prices for one-bedroom apartments in Ukraine continued to rise.

In May 2023, the average rent for a one-room apartment was 40% higher than in January 2022 (pre-war level). The largest increase in renting prices as compared with January 2022 was recorded in Zakarpatska (by 198%), followed by Lvivska (by 112%), Ivano-Frankivska (by 101%), Kirovohradska (by 65%), Chernivetska (by 63%), Cherkaska (by 63%) and Khmelnytska (by 62%) oblasts.

The highest rental prices were observed in western oblasts which received the highest numbers of internally displaced persons, such as Zakarpatska (12867 UAH) and Lvivska (11562 UAH), whereas the lowest were in areas close to the front line or affected by ground shelling, such as Sumska (2769 UAH), Zaporizka (2875 UAH) and Khersonska (2960 UAH)[1], where high rates of out-migration were registered instead.

Figure 25: Oblasts by the average rent for a one-room apartment in May 2023, UAH



Source: SSSU

METHODOLOGY OVERVIEW

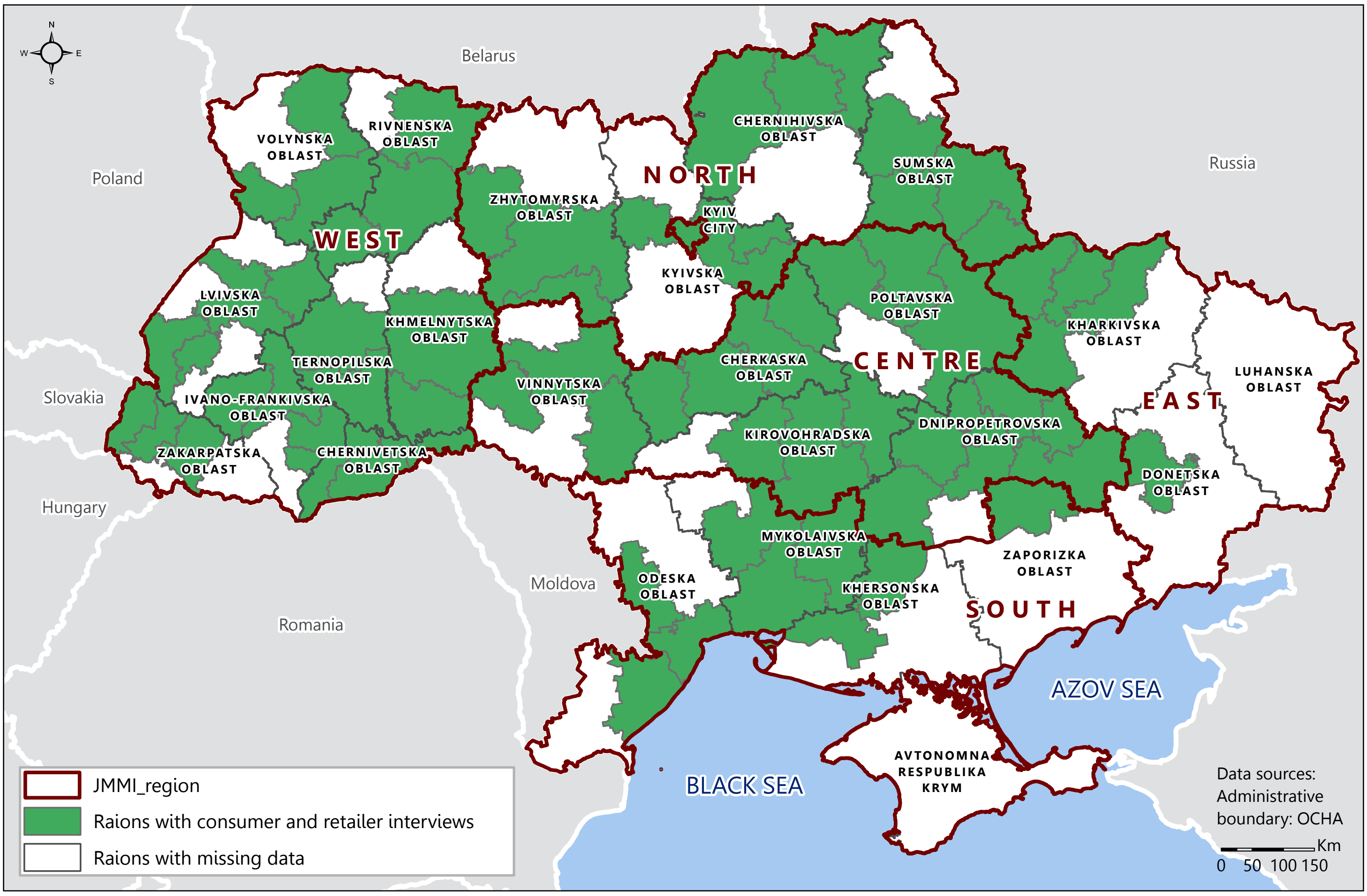
Data collection is a joint, partner-led exercise carried out once per month by participating CWG members across the country. The methodology for collecting primary data focuses on quantitative, structured interviews with purposively sampled interviewees. Two harmonized questionnaires are used: one targeting retail market traders who act as key informants (KIs) for their respective markets, and another targeting customers in monitored stores and marketplaces for individual interviews.

Field teams must aim to collect a minimum of three prices per item per assessed hromada, interviewing retailer KIs until this threshold is met, and must also submit a minimum of five customer KI interviews per assessed hromada. Only the price of the least expensive commonly purchased brand or variety is recorded for each item. All data is collected by field staff trained on the common JMMI methodology and tools; it is then submitted to a common CWG KoBo server and is cleaned and analyzed by REACH on behalf of the CWG.

Secondary data, in particular data from the State Statistics Service of Ukraine, are also integrated into the JMMI and used for triangulation where possible.

The prices reported in this factsheet are 'location medians', designed to minimize the effects of outliers and unequal numbers of prices submitted from diverse locations. First, the median prices of each assessed item is calculated within each assessed hromada; then, for each item, REACH calculates the median of this list of hromada-level medians across larger geographical areas (raions, oblasts, regions, and the whole of Ukraine).

ASSESSMENT COVERAGE



CHALLENGES AND LIMITATIONS

As the JMMI relies on purposive sampling methodologies, the results must be regarded as indicative and not representative. Furthermore, results are indicative only of market conditions during the time frame in which they were collected.

The JMMI methodology records the price of the least expensive commonly purchased brand or variety available in the store for each item. As brand availability may vary from area to area, price comparisons across areas may sometimes be based on slightly varying products.

In some cases, partners were unable to collect the minimum number of retailer KI or customer KI interviews required by the JMMI methodology. Where necessary, imputation from raion-level or oblast-level medians was used to compensate for missing prices and enable the cost of the JMMI basket to be calculated.

While the JMMI's remote monitoring methodology produces reliable data on prices and availability, further data on market functionality cannot be collected using this methodology.

As the JMMI continues to expand into new hromadas, some changes in the overall median prices may be driven by shifts in coverage rather than by true price coverage rather than by true price.

ENDNOTES

[1] State Statistics Service of Ukraine "Average consumer prices for goods (services) in Ukraine in 2023", 14 June 2023, available **here**

[2] National Bank of Ukraine "NBU commentary on the inflation rate in May 2023", 15 June 2023, available **here**

[3] Forbes Ukraine "Should fuel taxes be refunded?", 10 May 2023, available **here**

[4] State Service of Ukraine on Food Safety and Consumer Protection "To the attention of consumers: a moratorium on raising utility tariffs has been established", 27 September 2022, available **here**

[5] State Statistics Service of Ukraine 'Consumer price indices for goods and services in 2023", 13 June 2023, available **here**

[6] State Statistics Service of Ukraine 'Consumer price indices for goods and services in 2023", 13 June 2023, available **here**

[7] National Bank of Ukraine, "Monthly Macroeconomic and Monetary Review", 6 June 2023, available **here**

[8] Interfax - Ukraine "Losses due to vessel downtime in the grain corridor queues reached USD 1 billion", 24 May 2023, available **here**

[9] European Business Association "Despite the growing financial losses, SMEs continue to pay salaries and support the Armed Forces of Ukraine", 18 May 2023, available **here**

[10] European Business Association "83% of companies have employees mobilized into the Armed Forces", 3 May 2023, available **here**

[11] Interfax - Ukraine "Destruction of Kakhovka HPP postponed restoration of Kherson vegetable growing for 5 years - Kakhovka vegetable growers", 6 June 2023, available **here**

[12] State Statistics Service of Ukraine "Foreign Trade of Ukraine", 14 June 2023, available **here**

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ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).