

AVAILABILITY OF GOODS

Food and hygiene items

Following difficulties at the beginning of the full-scale war*, the availability of goods witnessed a significant improvement across most government-controlled areas, maintaining consistently high levels throughout 2023. The recovery of market functionality played a crucial role, contributing to the stability observed since then.

Between December 2022 and December 2023, customer KIs involved in the JMMI survey consistently reported full availability of food (97%-100%) and hygiene items (95%-99%).

** According to a JMMI survey in April 2022, 87% of customer KIs reported full availability of food items nationwide, while 79% indicated the same for hygiene items.*

Notably, there was a marked enhancement in the availability of essential items in the South. In December 2022, shortages of food and hygiene items were reported in Khersonska and Mykolaivska oblasts, where the Ukrainian Government regained control in November 2022.

Indeed, in December 2022, 19% of customer KIs in the South reported limited availability of food items, with the highest proportion in Khersonska oblast (80%). However, by December 2023, 99% of customer KIs in the South reported full availability of food items.

Similarly, in December 2022, 17% of customer KIs in the South, with the highest proportion in Khersonska (67%) and Mykolaivska (17%) oblasts, reported limited availability of hygiene items. In December 2023, 98% of customer KIs in the South reported that hygiene items were fully available.

Additionally, it is worth noting that in Zaporizka oblast, during the autumn months, there was a noticeable decrease in the proportion of customer KIs reporting full

availability of both food and hygiene items (down to 81%-85% for food items and 71%-73% for non-food items). But with the onset of winter the situation showed a marked improvement, as 95% of customer KIs in this oblast reported full availability of both food and hygiene items.

Medication and warm clothes

Regarding over-the-counter medication, there has been a gradual improvement in availability over the past year. In December 2022, 76% of customer KIs reported full availability of medication nationwide, a figure that increased to 95% in December 2023 (Figure 3). However, a nuanced perspective emerges in regions closer to the frontline, particularly in the South. At the close of 2022, the situation regarding the availability of medications in Khersonska oblast was particularly concerning, with 87% of customer KIs reporting shortages.

By the end of 2023, despite some improvement, the availability of medications in Khersonska oblast remained a point of concern.

In December 2023, 12% of surveyed customers in Khersonska oblast indicated the unavailability of medications, while another 10% reported their limited availability.

In December 2023, the availability of warm clothes in Khersonska oblast remained challenging, despite it being the height of the cold season.

After the retaking of areas in this oblast by the government of Ukraine, the majority of respondents surveyed in December 2022 indicated challenges in accessing warm clothing (17% reported unavailability, and 43% reported limited availability). In December 2023, 20% of customer KIs in Khersonska oblast reported that warm clothes were not available, and an additional 7% indicated limited availability or the option to purchase only through ordering.

Thus, despite a slight improvement in the availability of warm clothes and medications nationwide throughout 2023, challenges persisted primarily in Khersonska oblast by December 2023.

Figure 1: % of customer KIs reporting full availability of food items, by oblasts*

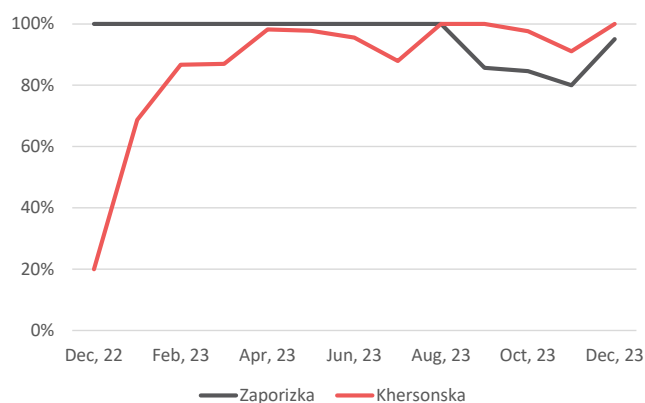


Figure 2: % of customer KIs reporting full availability of hygiene items, by oblasts*

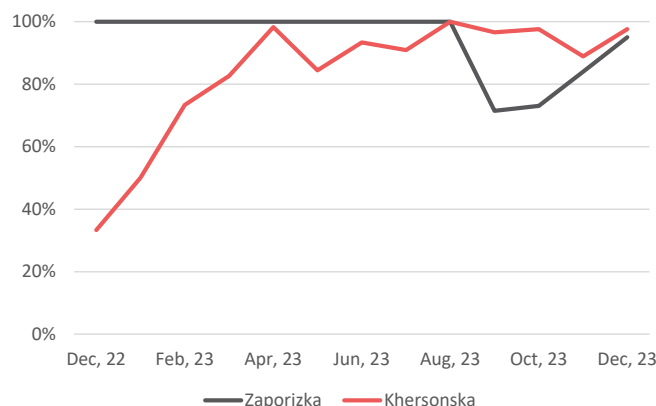
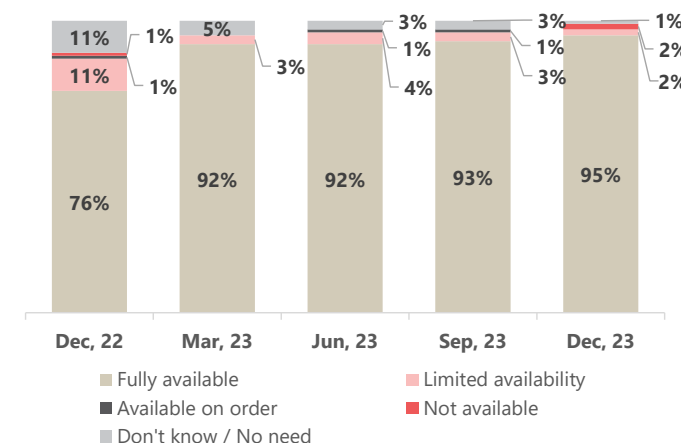


Figure 3: % of customer KIs reporting availability of medications, nationally



*In top 2 southern oblasts with the lowest reported availability throughout the period under review.

AVAILABILITY OF ENERGY RESOURCES

The increased demand for energy resources from households and businesses, driven by the necessity for autonomous electricity generation amid electricity shortages and challenges with fuel supplies¹, impacted fuel availability in late 2022 and early 2023. The situation was particularly critical in Khersonska oblast, which faced various availability issues after the Ukrainian government regained control of it. During a customer survey in this oblast in December 2022, no respondents reported full availability of fuel for their cars.

By December 2023, there was an improvement, with 73% of customer KIs in Khersonska oblast reporting full availability of vehicle fuel. However, 22% of those surveyed in this oblast still faced unavailability of fuel.

A slowdown in the growth of fuel price, sufficient stocks, and the availability of alternative supply routes despite border blockades* led to a nationally calculated increase in the full availability of vehicle fuel to 78% in December 2023, compared to 57% in December 2022 (Figure 5).

The December 2023 customer survey results indicate an improvement in the availability of heating fuel, compared with the same month last year. While in December 2022, 68% of customer KIs reported full availability of heating fuel, by December 2023, this percentage had increased to 90%.

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

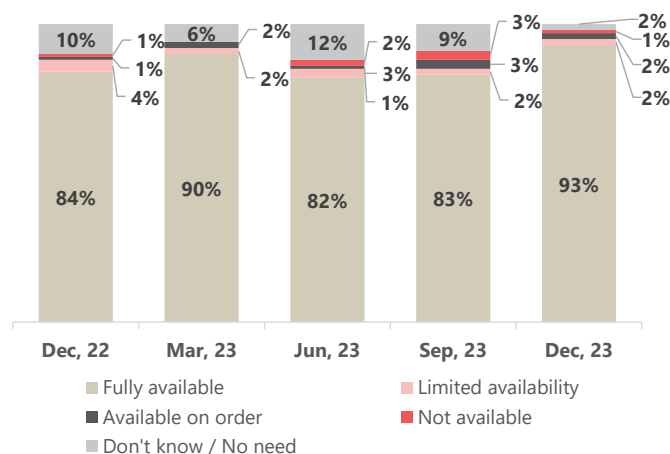
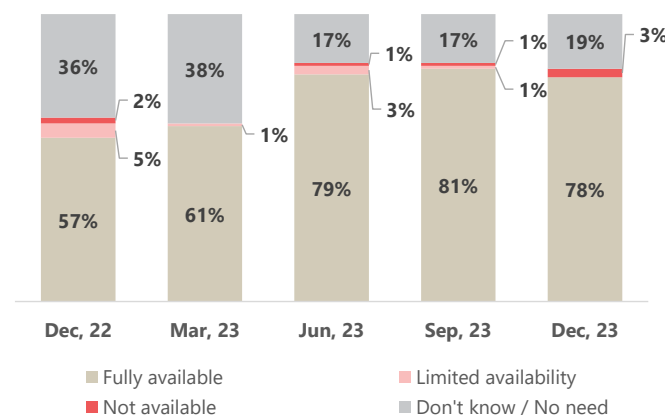
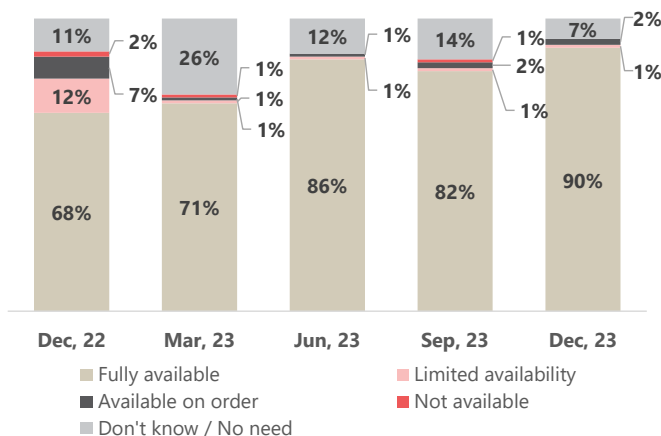


Figure 5: % of customer KIs reporting availability of vehicle fuel, nationally



However, by the end of 2023, minor availability issues with heating fuel were observed, reportedly in the frontline southern Zaporizka, Khersonska, and Mykolaivska, as well as in the eastern Kharkivska oblasts.

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



* Please see "Market prices" on page 11.

AVAILABILITY OF FINANCIAL SERVICES

Power outages during the winter of 2022/23, resulting from the shelling of energy infrastructure¹, posed some challenges in accessing financial services throughout Ukraine. As spring approached, there was a slight improvement in the situation². However, bank branches and Ukrposhta offices remained temporarily closed during alerts, while ATMs became more accessible across the country. Consequently, **the percentage of customers reporting full availability of ATMs in 2023 surpassed the percentage reporting full availability of banks and Ukrposhta offices (Figure 7).**

Banks

In December 2022, customer KIs in the frontline areas of Khersonska, Kharkivska, and Zaporizka oblasts encountered significant obstacles in accessing a full spectrum of banking services, with 0%, 20%, and 36%, respectively, reporting the full availability of functioning bank branches offering all regular services in their communities. The access of customer KIs to banking services was reportedly hindered by the unavailability of bank branches and the inability of available branches to provide services due to the ongoing war.

In December 2023, the highest challenges persisted in Khersonska oblast, with only 2% of customer KIs reporting the full availability of banks in their communities.

Figure 7: % of customer KIs reporting full availability of financial services, nationally

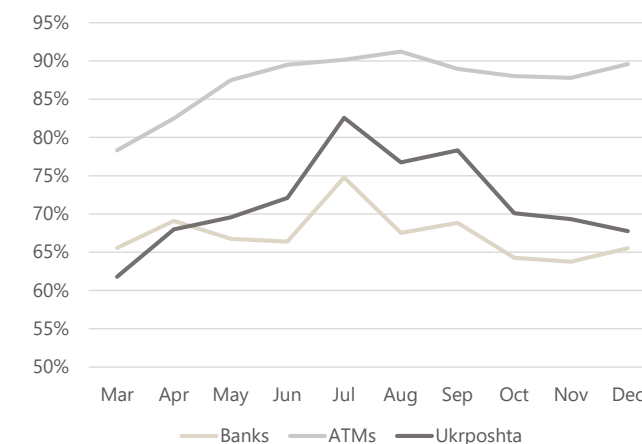


Figure 8: % of customer KIs reporting availability of functioning banks in December 2023, by region

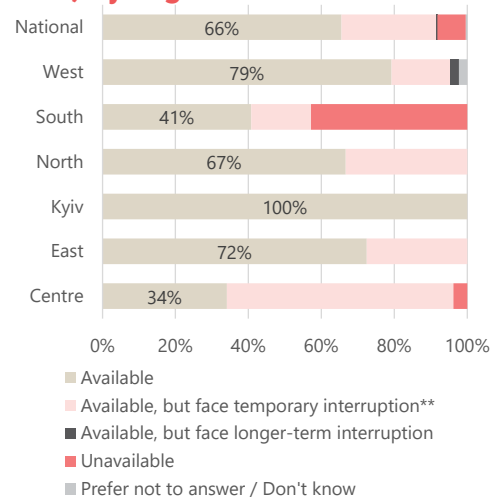
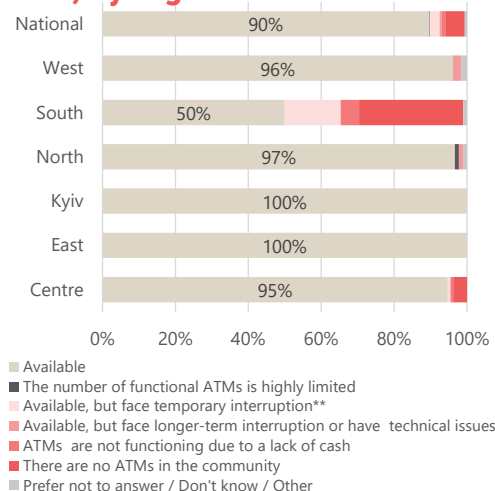


Figure 9: % of customer KIs reporting availability of functioning ATMs in December 2023, by region



For 56% of customer KIs in Khersonska oblast, functional banks remained unavailable, while 29% indicated accessibility only in nearby communities. Similarly, in Zaporizka oblast, 25% of customer KIs reported the absence of functional bank branches both in their communities and nearby. In Mykolaivska oblast, 17% mentioned the availability of bank branches solely in nearby communities.

Thus, in the southern oblasts closer to the frontline, difficulties in accessing bank branches still persisted in late 2023.

ATMs

The percentage of customer KIs reporting the full availability of ATMs increased from 71% in December 2022 to 90% in December 2023 nationwide.

Due to the lack of ATMs, a limited number of ATMs, or technical issues, customers in the frontline Khersonska, Kharkivska, and Zaporizka oblasts faced the most challenges with ATM access in December 2022, with only 17%, 20%, and 44%, respectively, reporting ATM availability.

In December 2023, significant access issues persisted in Khersonska oblast, where 54% of customer KIs reported the absence of ATMs in their communities. Additionally, 12% indicated that available ATMs were not functioning due to a lack of cash, and 22% mentioned temporary interruptions due to power outages. In Zaporizka oblast, 25% of surveyed residents reported the absence of ATMs.

Ukrposhta*

Throughout the year, the survey findings revealed no significant restrictions on access to Ukrposhta branches. From 62% to 83% of customer KIs during the year reported that Ukrposhta offices operated on a daily basis, providing all regular financial services.

The only notable inconvenience reported was that Ukrposhta offices did not operate during air alerts (as of December 2023, 25%).

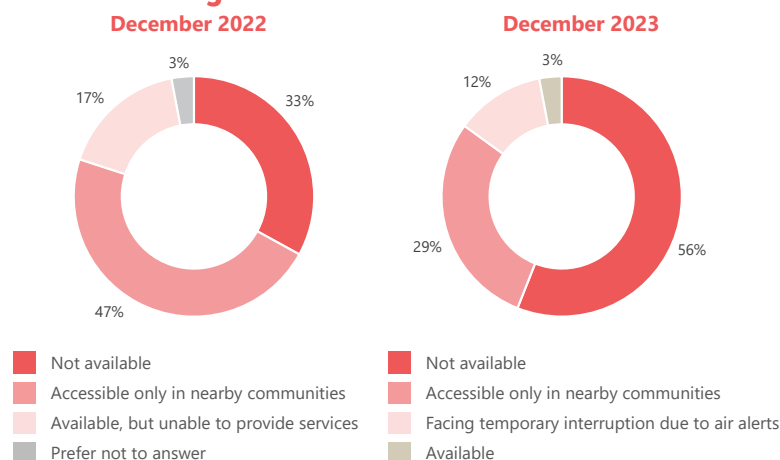
Additionally, the majority of customer KIs in Khersonska oblast throughout the year mentioned that only mobile post offices were available in their communities, while

Ukrposhta offices remained accessible in nearby communities (as of December 2023, 68%).

So, the continuous and nearly uninterrupted access to bank branches, ATMs, and Ukrposhta offices has significantly enhanced the overall accessibility of financial services. This could indicate an improvement of the conditions for providing MPC assistance.

Nevertheless, in areas closer to the frontline, marked by heightened insecurity and limited access to financial service providers, ongoing monitoring of the situation is crucial. This ensures the selection of the most appropriate modality for humanitarian assistance, as well as its effective delivery.

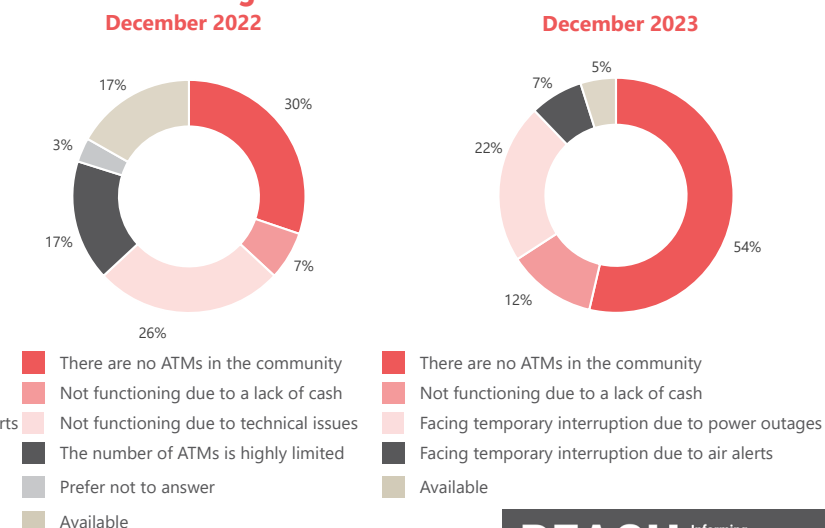
Figure 10: % of customer KIs reporting availability of functioning banks in Khersonska oblast



* Ukrposhta is Ukraine's national post.

** Temporary interruptions during air alerts or power outages.

Figure 11: % of customer KIs reporting availability of functioning ATMs in Khersonska oblast



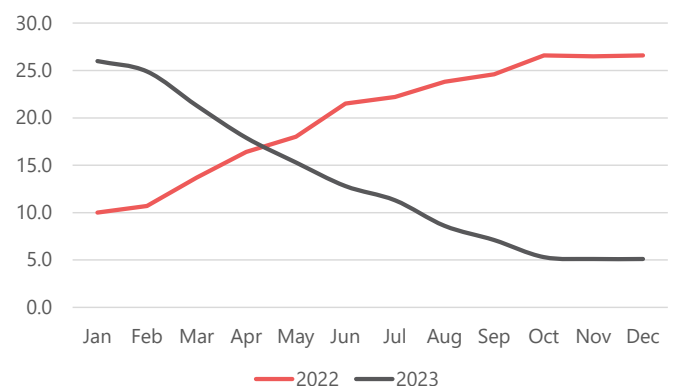
INFLATION

According to the data from the State Statistic Service of Ukraine (SSSU)^{3,4}, **inflation slowed to 5.1% at the end of 2023 after experiencing a substantial increase to 26.6% at the end of 2022** (see Figure 13).

The 2023 plunge in inflation was caused by a number of factors. Specifically, the National Bank of Ukraine (NBU)'s measures to maintain the sustainability of the foreign exchange (FX) market eased underlying inflationary pressures. This restrained the growth in prices for a wide range of goods with an import component and helped improve exchange-rate and inflation expectations⁵.

The fixing of tariffs for some utilities mitigated the growth in administrative prices. Good harvests and an associated increase in the supply of food products contributed to a significant reduction in food inflation. These factors outweighed the effects of rising price pressures from business production costs due to higher electricity prices and wages⁵.

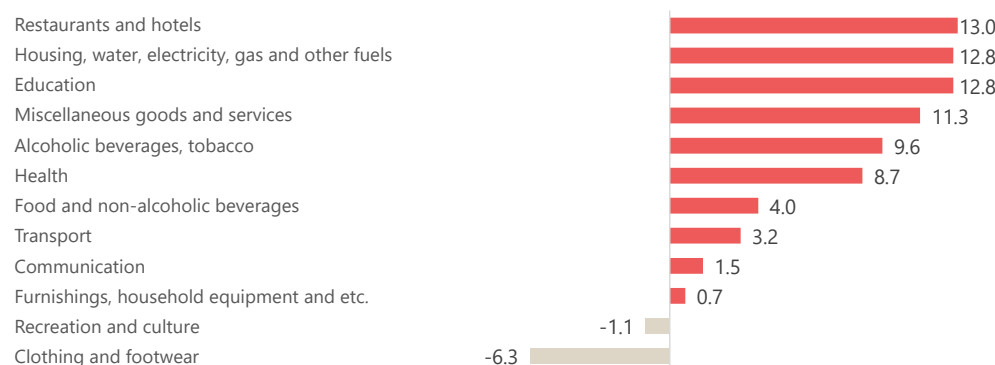
Figure 13: Annual inflation rate, %



Source: SSSU

During the year, prices experienced the highest increase in the restaurants and hotels sector (by 13%)⁴. The 12.8% increase in prices (tariffs) for housing, water, electricity, gas, and other fuels was mainly due to a 69.7% increase in electricity prices in June 2023. Education and healthcare services became more expensive by 12.8% and 8.7%, respectively (see Figure 12). Among food items, meat and butter prices increased the most over the year (by 12.4% and 9.9%, respectively), while edible oil fell the most in price (by 14.9%).

Figure 12: Consumer price changes (%) for groups of food and services, from December 2022 to December 2023



Source: SSSU

JMMI BASKET

The JMMI basket is a subset of the 335-item set of consumer goods (and services) maintained by the SSSU, focusing on core food and hygiene items that an average household must purchase regularly. The JMMI basket was defined in consultation with the Ukraine Cash Working Group (CWG).

Food Items

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

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)

In 2023, the maximum cost of the full JMMI basket was calculated based on prices reported by retailer KIs from March to July (Figure 14). However, already **in August the cost of the basket significantly decreased (by 11%) due to the new harvest vegetables becoming available at a significantly lower price**. This also resulted in a decrease in the share of the food items in the full JMMI basket cost from 55% in December 2022 to 49% in December 2023.

Figure 14: Monthly evolution of the JMMI basket price (in UAH)

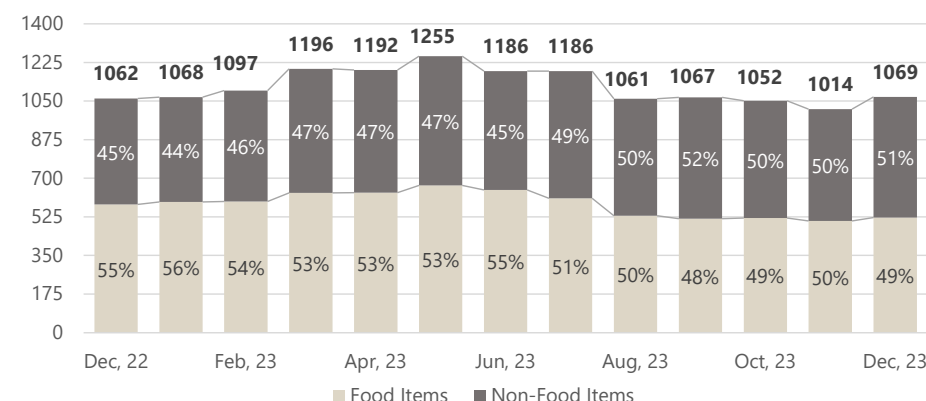
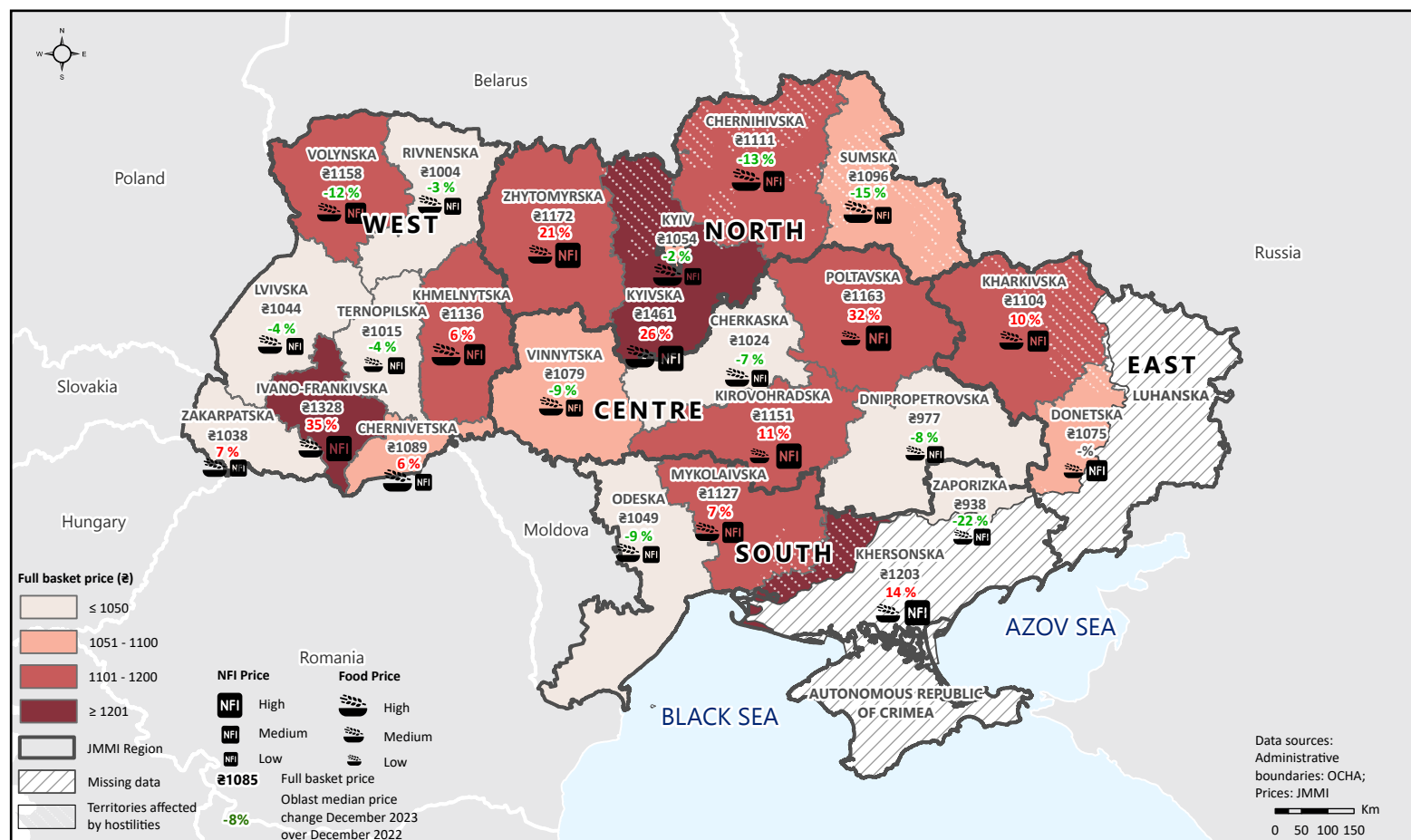


Table 1: Median prices (UAH) of JMMI basket in December 2023

Item	Median Price in UAH	Change since Nov 2023	Change since Dec 2022
Bread	20	▲16%	▲10%
Buckwheat	29	▼-17%	▼-61%
Cabbage	12	▲28%	▼-21%
Carrots	12	▲26%	▼-52%
Chicken (legs, fresh)	109	▲6%	▲27%
Complementary cereal	80	▼-10%	▲14%
Eggs (chicken)	56	▲12%	▼-8%
Milk (2.5%, fresh)	34	▲5%	▲9%
Oil (sunflower, refined)	51	▲8%	▼-17%
Onions	16	▲18%	▼-52%
Potatoes	16	▲32%	▲59%
Rice (round)	52	▼-2%	▼-15%
Water	16	▲5%	▲12%
Wheat flour (white)	19	▼-2%	▼-1%
Food basket	522	▲3%	▼-10%
Body soap	12	▼-4%	▼-5%
Diapers (infant, 5-9 kg)	389	▲12%	▲18%
Hygiene/sanitary pads	41	▼-2%	▲10%
Laundry soap	20	▼-1%	▲2%
Toothpaste	37	▼-4%	0%
Washing powder	48	▲2%	▲8%
Non-food basket	547	▲8%	▲14%
Overall	1069	▲5%	▲1%

Map 1: Median prices (UAH) of food and non-food baskets in December 2023, by oblast

The national-level calculation of the full JMMI basket in December 2023 revealed a 5% increase compared to November 2023 and was 1% higher than the prices recorded in December 2022.

In December 2023, the most expensive JMMI basket was calculated based on prices reported in the North (1189 UAH), followed by the East (1090 UAH), whereas JMMI basket prices were reported to be the lowest in the Centre (1010 UAH).

At the oblast level, in December 2023, the highest costs of the JMMI basket were reported in Kyivska (1461 UAH), Ivano-Frankivska (1328 UAH), and Khersonska (1203 UAH) oblasts. A reported increase in prices compared to November 2023 for all items within the JMMI basket was reported by 44% of retailer KIs in Ivano-Frankivska and Ternopilka, 11% in Rivnenska, 10% in Kharkivska and Khersonska oblasts.

PRICES

In December 2023, compared to the same month of the previous year, the cost of the food basket decreased markedly in all regions, with the most significant decreases observed in the Centre (by 17%) and the South (by 15%). Nationally, it amounted to 522 UAH in December 2023, which is a 10% decrease compared to December 2022, but a 3% increase compared to November 2023.

The decline in food prices in December 2023 compared to December 2022 was primarily driven by lower prices for specific vegetables, including a notable drop in the prices for carrots (by 52%), onions (by 52%), and cabbage (by 21%), as well as lower prices for buckwheat (by 61%). At the same time, potato prices saw a substantial increase, rising by 59%.

The military occupation of southern oblasts, traditionally involved in vegetable production, and the presence of large areas of mined agricultural land in the East have affected market supply and pushed prices up. Consequently, during the first half of 2023, vegetable prices were significantly higher compared to the same period in 2022. However, by August 2023, the situation improved as favorable weather conditions and higher production levels in certain regions increased the supply of new crop vegetables⁶. Nevertheless, towards the end of the year, prices for vegetables began to grow again due to the rise in logistical costs triggered by the blockage of the western border. In addition, prices were affected by a shrinking supply of quality products as warehouses ran into space shortages and storage costs went up⁵ (see Figure 15 on the next page).

Region	JMMI Basket in UAH	Change since Nov 2023	Change since Dec 2022	Food basket in UAH	Change since Nov 2023	Change since Dec 2022	Non-Food basket in UAH	Change since Nov 2023	Change since Dec 2022
Centre	1010	▲3%	▼1%	483	▼1%	▼17%	526	▲7%	▲20%
East	1090	▲10%	▲8%	492	0%	▼12%	598	▲20%	▲33%
Kyiv	1054	▲2%	▼2%	552	▲2%	▼8%	502	▲2%	▲6%
South	1078	▲8%	▼3%	520	▲9%	▼15%	558	▲8%	▲13%
North	1189	▲12%	▼4%	559	▲10%	▼5%	631	▲13%	▼4%
West	1055	▲3%	▲1%	540	▲4%	▼5%	515	▲2%	▲7%
Overall	1069	▲5%	▲1%	522	▲3%	▼10%	547	▲8%	▲14%

Food basket price(€)

- ≤ 500
- 501 - 550
- 551 - 650

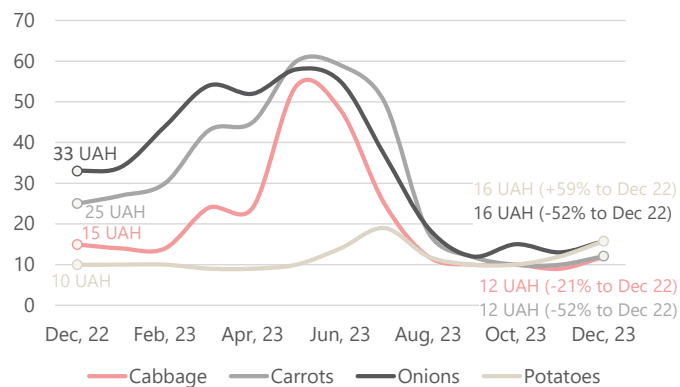
Legend:

- JMMI region
- Missing Data
- Territories affected by hostilities

Data sources:
Administrative boundaries: OCHA;
Prices: JMMI

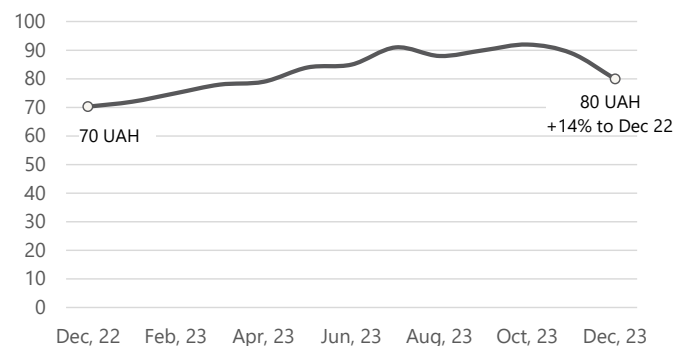
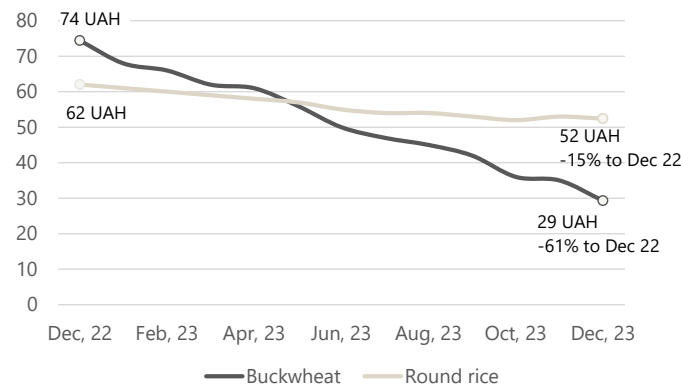
Map Data:

Region	Population	Price Change (%)
VOLYNska	2530	-13%
RIVNENska	2513	-5%
ZHYTOMYRSka	2504	-3%
CHERNIHIVska	2554	-9%
SUMSKa	2559	-11%
KYIV	2552	-8%
KYIVSKa	2633	5%
CHERKASKA	2507	-15%
POLTAVSKA	2481	-8%
KHARKIVSKA	2516	-8%
LVIVSKA	2545	-4%
TERNOPILSKA	2493	-16%
KHMELNITSka	2562	-1%
IVANO-FRANKIVSKA	2526	-5%
ZAKARPATSKA	2532	-3%
CHERNIVETSka	2580	1%
VINNYTSka	2536	-12%
KIROVOHRADSKA	2490	-13%
DNIPROPETROVSKA	2476	-21%
MYKOALAIVSKA	2537	-9%
ODESKA	2524	-22%
KHERSONSKA	2523	-8%
ZAPORIZKA	2452	-29%
DONETSKA	2467	2%
LUHANSKA	-	-
AUTONOMOUS REPUBLIC OF CRIMEA	-	-

Figure 15: Dynamics of median vegetable prices, UAH

The resumption of Russian buckwheat imports through Kazakhstan, as well as the increase in crop area and gross buckwheat harvest in the country, led to a substantial reduction in its price compared to 2022⁷. Despite a significant increase in global rice prices, domestic Ukrainian prices remained stable⁸ (see Figure 17).

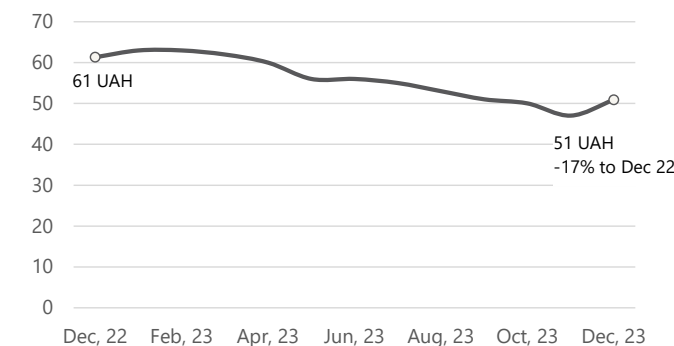
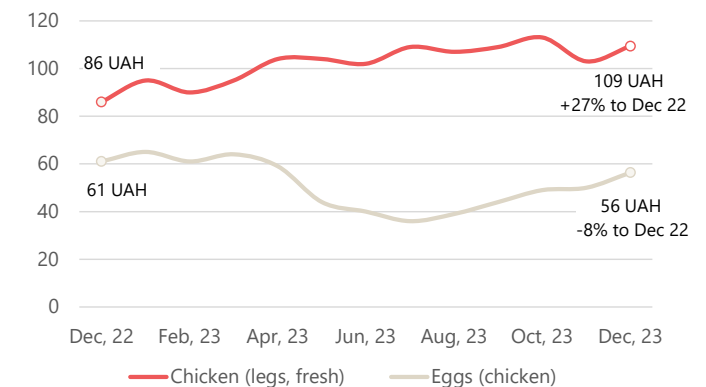
After the destruction of some poultry farms in 2022, producers increased their poultry population, which, on the one hand, restrained the growth of prices for poultry meat, and on the other hand, allowed producers to increase egg exports, which slowed the fall in domestic prices.

Figure 16: Dynamics of median complementary cereal prices, UAH**Figure 17: Dynamics of median buckwheat and rice prices, UAH**

The slowdown in the rate of decline in egg prices was also due to significant energy expense^{5,9}.

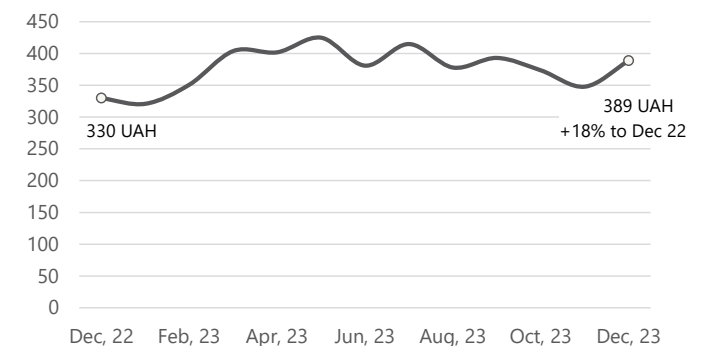
The record production of sunflower oil in Ukraine, as well as limited exports of sunflower due to the blockade and destruction of the Black Sea ports, has kept its price stable on the domestic market^{10,11,12}.

Milk price growth accelerated amid a limited supply of raw materials in the domestic market and higher import prices due to the border blockade⁵.

Figure 18: Dynamics of median sunflower oil (refined) prices, UAH**Figure 19: Dynamics of median egg and chicken prices, UAH**

The cost of the non-food (hygiene) item (NFI) basket amounted to 547 UAH nationwide in December 2023, representing a 14% increase compared to December 2022. This increase in the NFI basket cost was observed in all regions, except the North, although in this region it remained the most expensive among all regions (631 UAH in December 2023). The least expensive NFI basket was recorded in Kyiv, totaling 502 UAH in December 2023.

The annual increase in the cost of the NFI basket was driven by the growth in prices for diapers (by 18%), hygiene pads (by 10%), and washing powder (by 8%).

Figure 20: Dynamics of median diaper prices (for infants), UAH

AFFORDABILITY

The spring's accelerated economic recovery and increased labor demand resulted in improved employment and household incomes². Consequently, the proportion of customer KIs reporting that financial factors did not affect their access to goods in stores and markets, after a decline in spring, increased in June, remaining stable at around 30% over the subsequent months.

However, as inflation accelerated (in annual terms) at the end of the year, the proportion of respondents reporting that financial factors impacted on their access to goods in stores began to gradually increase, reaching 73% in December 2023.

Households still assessed aspects of their financial situation as difficult. An increase of 8 percentage points in responses indicating rising item prices, a near doubling in reports of expensive fuel for vehicles, and a persistent reporting (14-21% throughout the year) of an inability to afford items. This could suggest an increase in the cost of living and depletion of coping capacity of the population.

Between March and December 2023, 53% to 61% of customer KIs cited rising prices as the primary reason for their financial challenges. Notably, starting from September 2023, the highest percentages of customer KIs reporting increased prices were observed in Kyiv and the North. In December 2023, these percentages totaled 78% and 67%, respectively, which corresponds to the highest cost of the food JMMI baskets in these regions.

The sustained increase in vehicle fuel prices* raised the percentage of customer KIs indicating that excessive fuel prices restricted their access to shopping, which increased from 12% in March to 23% in December 2023. This escalation also led to a 5% increase in the average ticket price for a single public transport journey in 2023¹³, with 7% of customer KIs finding public transport too expensive in December 2023.

Another significant financial obstacle reported by customer KIs over the past year was the inability to afford essential items available in stores or marketplaces, with the highest proportion of respondents reporting on that indicator in the North, South, and East. In December 2023, the most notable percentages were observed in Chernihivska oblast, reaching 42%.

It is noteworthy that customer KIs in the South, throughout the year, encountered payment issues. Between 3% and 24% of them noted insufficient physical cash, and vendors were often reluctant to accept alternative payment options. In December 2023, the highest percentages were reported in Khersonska oblast, reaching 22%. The lack of functional ATMs in this oblast made access to cash difficult, while only 67% of retailer KIs indicated the possibility of paying by credit card or mobile app in their shops, and 29% noted the possibility of accepting debit cards.

So, affordability remains a critical issue across the country and represents a barrier to accessing goods in shops and markets.

ACCESS TO STORES

The results of the JMMI survey in 2023 provide insights into the resilience and adaptability of customers and retailers amidst the backdrop of a full-scale war.

From March to December 2023, 61% to 83% of customer and retailer KIs alike indicated that the full-scale war did not impact their ability to physically access stores or marketplaces.

Figure 21: % of customer KIs reporting that financial factors did not affect their access to stores or marketplaces, nationally

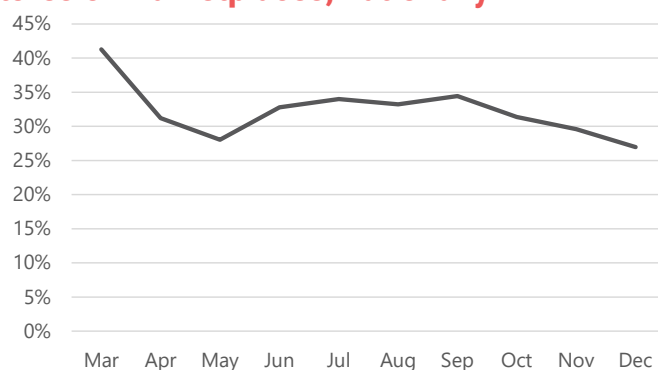
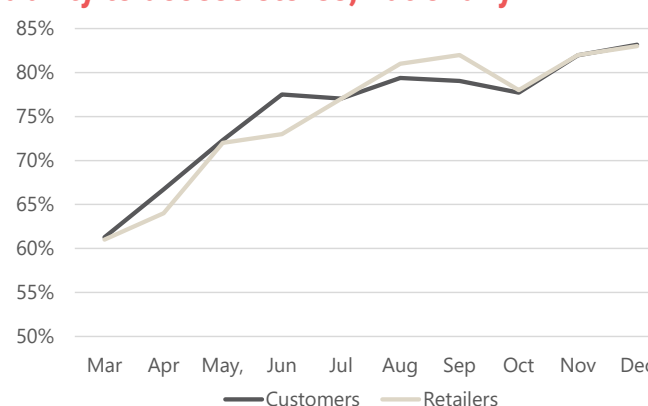
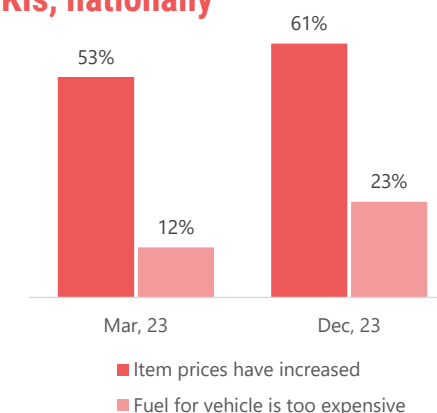


Figure 22: % of customer and retailer KIs reporting that the full-scale war did not affect the ability to access stores, nationally



* Please see "Market prices" on page 11.

Figure 23: Top 2 main financial barriers to accessing basic items in stores reported by customer KIs, nationally



This trend could be attributed to both retailers and customers adapting to new conditions during the war, including the recovery and stable operation of markets and customers' adjusting to temporary restrictions on access to stores, for example during air attacks.

However, the situation was often somewhat different in areas closer to the frontline, where access to markets may be restricted due to frequent shelling and the tense security situation. Indeed, the North, South, and East displayed the lowest percentage of customer KI responses indicating "no impact on physical access to stores or marketplaces" between March and December 2023. Barriers to physical access in these areas were predominantly related to:

- air alerts, prominently reported by customer KIs in the North (mainly in Chernihivska oblast);
- movement restrictions related to martial law and active fighting in the area, primarily reported by customer KIs in the East and South;
- damages to buildings or infrastructure in the store, mainly reported by customer KIs in the South (mainly in Khersonska oblast).

MARKET FUNCTIONALITY

Towards the end of 2023, fewer retailer KIs reported difficulties in maintaining operational and well-stocked stores compared to the previous year (17% in December 2023, down from 50% in December 2022), as shown in Figure 24.

The shelling of the energy sector in winter 2022/23 led to electricity shortages, hindering retailers' economic activity¹. Despite the difficulties, businesses stabilized operations using autonomous power supplies¹. By the second quarter of 2023, with power grid restoration, rising domestic demand, and a stronger hryvnia (UAH), economic activity gradually recovered¹⁴. **By the end of the year, retail trade had almost recovered to pre-war levels, while further growth was constrained by a shortage of employees¹⁵.** In December 2023, the primary challenge reported by retailer KIs nationwide was high prices from suppliers (10%), with the West and South being the most affected (26% and 12%, respectively).

However, the percentage of operating retailers has not returned to pre-war levels in all areas of Ukraine. According to retailer KIs' estimates in December 2023, the lowest percentage of usual retailers that were operating (in comparison to pre-war levels) was reported in the South, particularly in Khersonska and Odeska oblasts, ranging from 25% to 50%.

Top 2 most common difficulties in keeping stores operational and well-stocked, nationally

December 2022

- 1 Prices charged by suppliers
- 2 The storage of goods and/or card payment during the absence of electricity

December 2023

- 1 Prices charged by suppliers
- 2 Fully staffing the store

Moreover, retailer KIs in Khersonska oblast were more likely to report that stores in their marketplaces were affected by the war, sustaining severe or some structural damage.

Throughout the year, the proportion of retailer KIs anticipating encountering new challenges in the near future due to the full-scale war decreased significantly from 73% in December 2022 to 46% in September 2023. However, there was a slight increase in this figure between October and December.

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

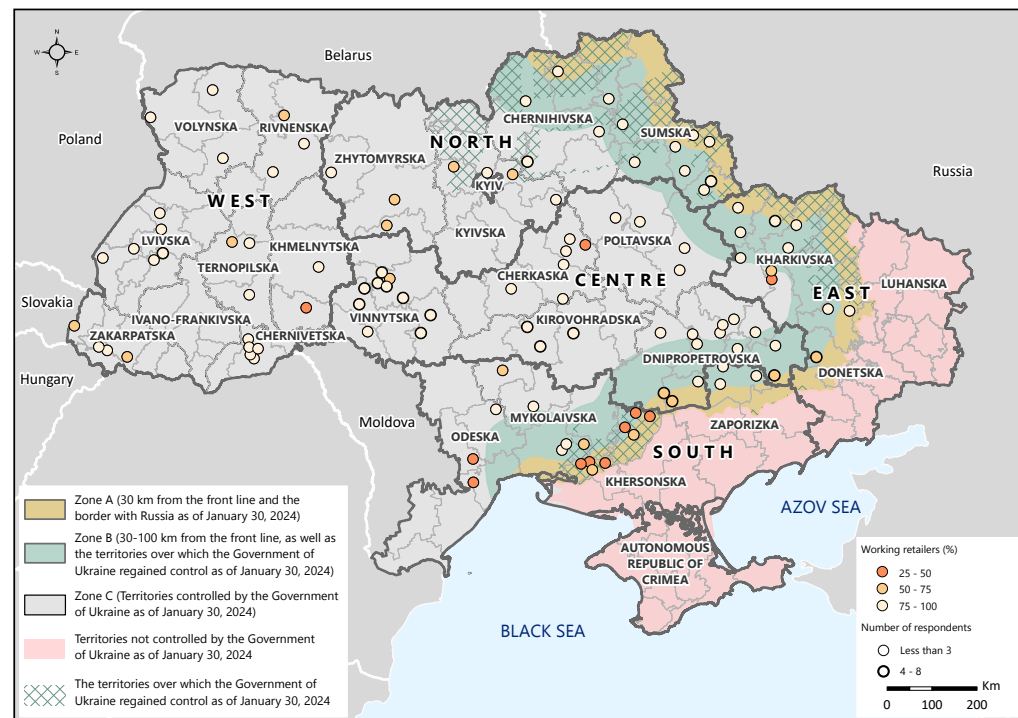


Figure 24: % of retailer KIs reporting difficulties in keeping their stores operational and well-stocked

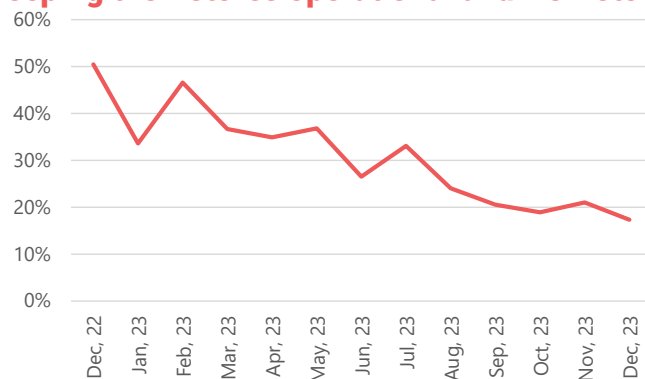
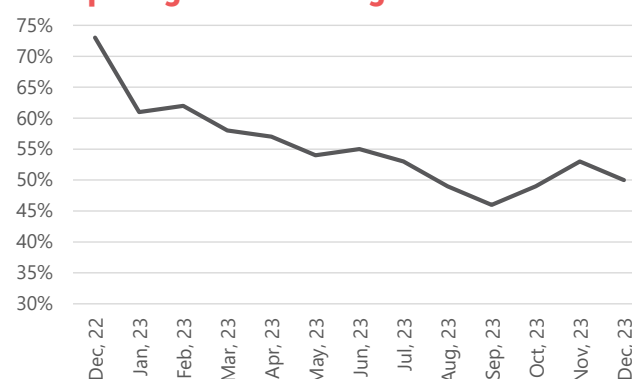


Figure 25: % of retailer KIs reporting anticipating new challenges due to the war



Trade enterprises worsened their performance expectations on the back of a fall in imports of goods due to the border blockade and the weaker purchasing power of households¹⁶.

Top 2 challenges retailer KIs expected to face in the coming months due to the war, nationally*

- 1 41% Rising prices
- 2 35% Reduced purchasing power of customers

In December 2023, the most alarming situations were identified in the West, North, and East. In the West, 66% of retailer KIs reported expecting an increase in prices, and 51% anticipated a decrease in customer purchasing power. Similarly, in the North, these percentages were 64% and 59%, and in the East - 55% and 53%, respectively.

SUPPLY

Retailers' dependence on a single supplier of goods has remained relatively consistent over the past year, with only a slight increase in the proportion of retailer KIs reporting a single supplier for food items during the summer and early autumn, and a minor decrease in the proportion of retailer KIs reporting a single supplier for non-food items by the end of the year.

Nevertheless, the persistence of this situation is a cause for concern, as a substantial number of businesses continue to rely on a single supplier for either food or non-food items, consistently surpassing 30% throughout the year. This presents considerable risks in terms of maintaining necessary stock levels.

The issue appears most prominent in the South and North, with over half of retailer respondents consistently reporting a single supplier for both food and non-food items throughout the year. This underscores a heightened vulnerability in the supply chain dynamics of the South and North.

MARKET PRICES

At the beginning of 2023, fuel price growth declined sharply due to ample supply and weaker demand for fuels (caused by an improved situation in the energy sector and relatively warm weather), to substantial stocks accumulated by Ukrainian businesses and households as well as by a decline in global oil prices^{2, 17} (Figure 27 and Figure 28).

Figure 26: % of retailer KIs reporting a single supplier for food and non-food items, nationally

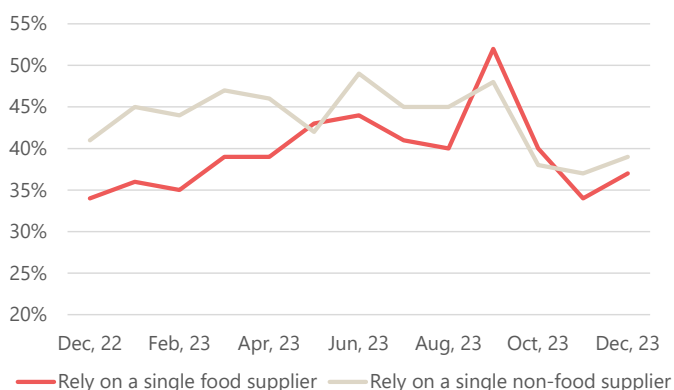
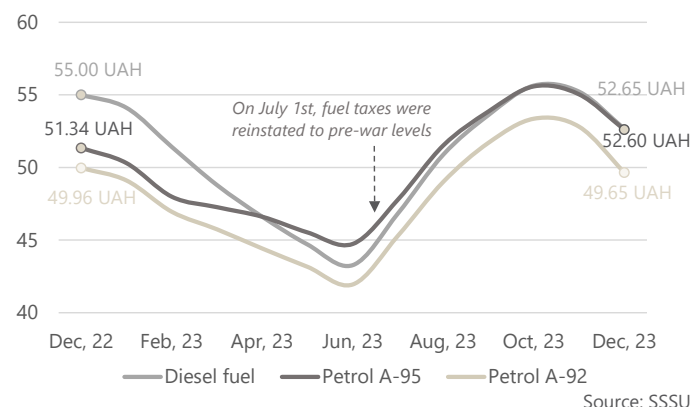


Figure 27: Average consumer price for vehicle fuel (UAH per litre), nationally



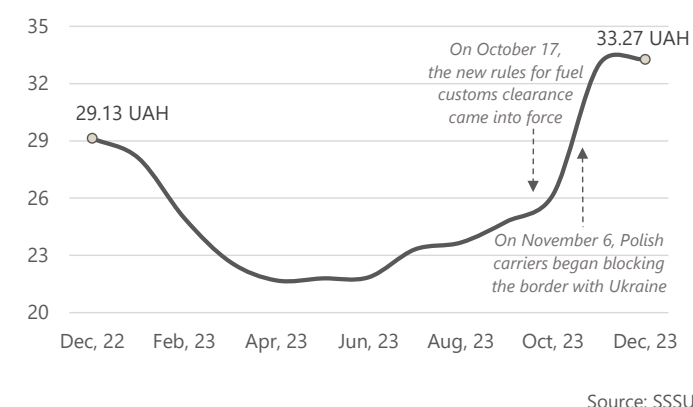
However, fuel price growth resumed in the summer, driven by the reinstatement of pre-war VAT and excise tax rates¹⁸. In the autumn, the market began to react to the blockade of traffic by Polish carriers at the border, which complicated logistics¹⁹. Fuel price growth slowed down in December thanks to lower global oil prices and alternative fuel supply routes that offset the effects of the blockade of western border crossings²⁰.

Thus, in December 2023, average consumer prices for diesel and petrol A-92 were 4% and 1% lower respectively than in December 2022, while petrol A-95 and LPG were still 2% and 14% more expensive than in December 2022, respective¹³.

A moratorium on raising certain utility tariffs contained price increases of natural gas used by customers for heating and cooking purposes. Therefore, natural gas prices remained stable at 8 UAH per cubic meter across the country throughout 2023. On the other hand, due to the government's decision to increase electricity tariffs for households, **the price of electricity rose to 2.64 UAH per kWh in June 2023, which is more than 1.5 times higher than it was at the beginning of the year.**

The price of firewood decreased at the end of the year. The median value at the national level amounted to 1,380 UAH per cubic metre in December 2023 which is 14% less than in December 2022. In December 2023, the figure was the highest in the South (2,000 UAH).

Figure 28: Average consumer price for LPG, (UAH per litre), nationally



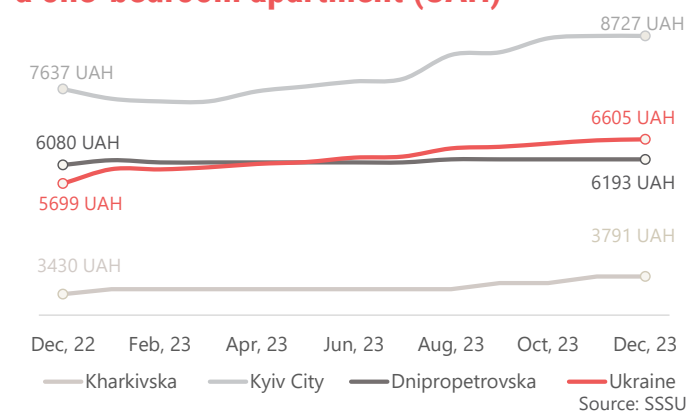
RENT

According to SSSU data¹³, the average rent for a one-bedroom apartment increased by 16% compared to December 2022, reaching 6,605 UAH in December 2023.

Top 3 Oblasts with Highest Annual Rental Increase

- 1 46% Zakarpatska
- 2 39% Zhytomyrska
- 3 38% Ternopilska

Figure 29: Average rental price for a one-bedroom apartment (UAH)*



The highest rental prices in December 2023 were observed in western oblasts, particularly Zakarpatska (12,731 UAH) and Lvivska (11,789 UAH), along with Kyiv City (8,727 UAH)¹³, which received the highest number of internally displaced persons (IDP)²¹.

In contrast, the lowest rental prices were found in areas close to the frontline, such as Khersonska (2,960 UAH), Mykolaivska (3,501 UAH), and Zaporizka (3,532 UAH) oblasts, as well as in oblasts bordering Russia, including Sumska (3,008 UAH) and Chernihivska (3,791 UAH).

Increasing rents in oblasts with high number of IDPs deserve attention for MPC assistance.

EDUCATION AND HEALTH

In 2023, the cost of education services saw a 12.8% increase⁴. At the same time, fees for children in pre-schools increased by 24.5%, for secondary education by 14.2%, and for higher education by 11.8% (Figure 30).

During 2023, there was a noticeable increase in the cost of healthcare services, with a recorded rise of 8.7%⁴. Pharmaceutical products, medical products, appliances and equipment became 7.1% more expensive, and out-patient services increased in price by 13% (Figure 31).

FUTURE RISKS AND THREATS

Inflation is expected to accelerate slightly in the middle of the year as the effects of last year's high harvests are exhausted.

Additional pressure on prices will come from the further recovery in consumer demand, as well as from the pass-through of business costs to consumer prices, in particular, due to still high security risks and upward wage pressure. The NBU forecasts inflation at 8.6% by the end of 2024²².

It is expected that economic growth will continue despite the war. However, the pace of economic growth will likely be lower than the previous year due to an expected decrease in harvests and greater labor market mismatches caused by the war. The NBU envisages a 3.6% increase in real Gross Domestic Product (GDP) in 2024 due to continued high fiscal spending against the background of anticipated sufficient levels of international aid²².

Damage to port and energy infrastructure is a significant factor in restraining exports. Continuation of the partial blockade of freight traffic at border crossings with certain EU countries will likely lead to a reduction in imports and a rise in export prices.

In addition, the deepening of negative net migration remains relevant, which, together with mobilisation, may limit the supply of labour in the labour market²². The impact of the shortage of skilled workers has also increased significantly²³.

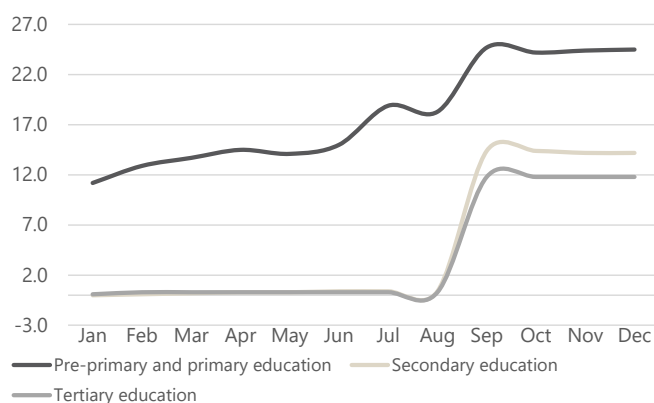
It should be noted that businesses are downgrading their assessments of their economic performance in the near term²⁴. In particular, higher import prices due to the blockade of the western borders, high fuel prices, and slowing demand contribute to negative expectations of trade enterprises for the second month in a row.

The course of the full-scale war continues to be the key risk to inflation dynamics and economic development²². The risks of prolonged large-scale hostilities may likely increase²¹. An extended persistence of high security risks will adversely impact business and consumer sentiments and exchange-rate and inflation expectations. It will also put more pressure on public finances and aggravate problems in the labor market. Under such a scenario, the potential for economic growth will be lower and inflationary pressure higher than currently expected.

It is worth noting that since the beginning of the full-scale war, there has been a moratorium on raising tariffs for certain utility services. Bringing them to market-based levels could create significant upward pressure on prices, further reducing the purchasing power of the population, especially socially vulnerable groups who have limited resources, and, in addition to increased restrictions on access to goods due to financial factors, there is a risk that assistance received could be directed towards utility bills, further complicating the financial situation for affected individuals.

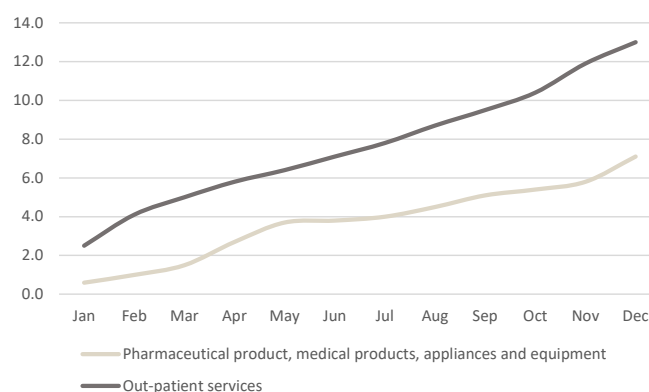
Rising prices, which may escalate amidst the unpredictable conditions of war, serve as an added financial strain on households, potentially limiting access to essential goods and creating difficulties in meeting basic needs. This may lead to an increase in the number of households seeking cash assistance, and may also require a differentiated approach to tailor the amount of assistance to meet different levels of need.

Figure 30: Consumer price changes (%) in the education sector, from December 2022 to December 2023



Source: SSSU

Figure 31: Consumer price changes (%) in the health sector, from December 2022 to December 2023



Source: SSSU

Methodology

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).

More details on the methodology can be found in the JMMI terms of reference (ToR), available [here](#).

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.

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

Endnotes

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⁶ National Bank of Ukraine “NBU August 2023 Inflation Update”, 14 September, available [here](#)

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¹⁹ National Bank of Ukraine “NBU October 2023 Inflation Update”, 10 November 2023, available [here](#)

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²¹ Information and computing center of the Ministry of Social Policy Of Ukraine “Number of registered and accounted for internally displaced persons”, 1 March 2024, available [here](#)

²² National Bank of Ukraine “Inflation Report, January 2024”, 1 February 2024, available [here](#)

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About the CWG

The Ukraine Cash Working Group (CWG) was established in 2016 and is currently co-chaired by ACTED and OCHA. It is a technical working group within the Inter Cluster Coordination Group (ICCG) under the overall strategic and programmatic direction of the Humanitarian Country Team (HCT). The CWG focuses on the operational coordination of Multi-Purpose Cash (MPC) programming and the support to the coherence of the use of cash as a modality in the wider humanitarian response.

Participating partners



Donors

