



MARKET TRENDS June 2023 – June 2024

Joint Market Monitoring Initiative (JMMI)

REACH Ukraine, August 2024

REACH

Informing
more effective
humanitarian action



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A light gray world map is centered on the page, overlaid with a faint, light gray geometric pattern of interconnected triangles. The map shows the outlines of continents and countries. The text '01' is positioned above the word 'Methodology' in the center of the map.

01

Methodology

Methodology

Providing data on price trends and market functionality indicators

Data collection is a joint, partner-led exercise

Monthly basis

Quantitative, structured interviews: retailer and customer KIs interviews

Per assessed hromada:

- 3 prices per item
- 5 customer KI interviews



Limitations:

The results should be considered as indicative.

Only the price of the least expensive commonly purchased brand or variety is recorded for each JMMI item.

Some changes in the overall median prices may be driven by shifts in coverage rather than by true price.

JMMI coverage

Assessed hromadas from June 2023
to June 2024

	Assessed hromadas
Jun, 23	140
Jul, 23	143
Aug, 23	139
Sep, 23	129
Oct, 23	105
Nov, 23	122
Dec, 23	112
Jan, 24	122
Feb, 24	135
Mar, 24	99
Apr, 24	103
May, 24	112
Jun, 24	102

Assessment coverage in June 2024



A light gray world map is centered on the slide, showing the continents of North America, South America, Europe, Africa, Asia, and Australia. The map is overlaid with a faint, light gray geometric pattern of interconnected lines forming various sized triangles and polygons. The number '02' is displayed in a bold, red, sans-serif font, positioned centrally over the map.

02

Key findings

Key findings

JMMI findings highlight the trend of **deterioration in the local markets' conditions**, particularly in June 2024.

Power cuts have substantially contributed to **difficulties for retailers in storing goods during power outages** and have worsened customers' access to shops and financial service.

Affordability remained a critical issue nationwide, most heavily impacting the **elderly**, overwhelming majority of whom reported limited access to goods due to rising prices and an inability to afford necessary items.

The trend of **accelerating price growth** (mainly due to higher household electricity tariffs and fuel price increases) was observed and is expected to continue in the coming months.

Areas closer to the frontline, specifically the **East and South**, were experiencing more market-related challenges. Customer KIs in these regions reported difficulties with the **availability of goods** and access to money. Additionally, security-related factors continued to affect **physical access to shops and marketplaces**, as well as retailer's operations. Households in the East and South also reported lower incomes and more reliance on pensions and social benefits.

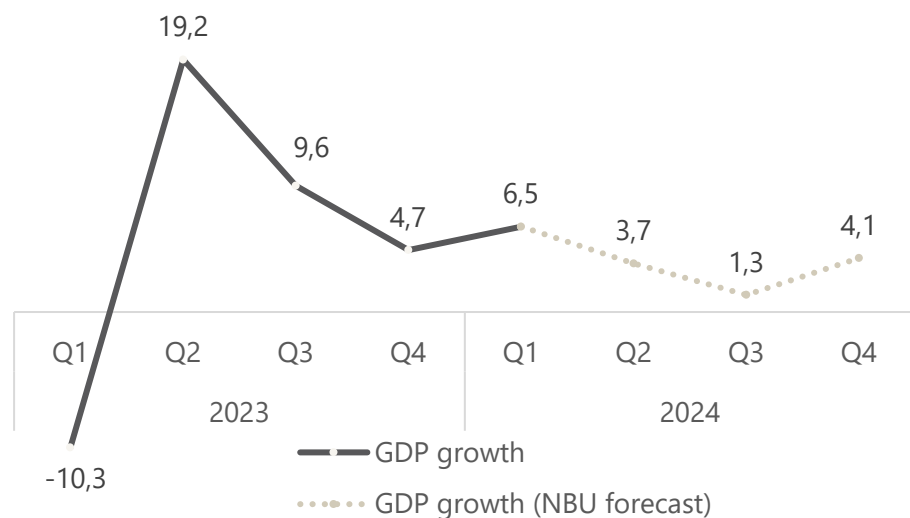


03

Market trends

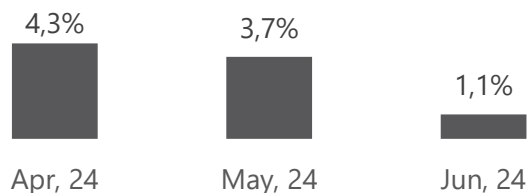
Economic recovery

Real Gross Domestic Product (GDP) growth (%),
year-on-year



Sources: State Statistics Service of Ukraine (SSSU),
National Bank of Ukraine (NBU)

Real GDP growth (%) in Q2 2024, year-on-year



Source: Ministry of Economy of Ukraine



Significant destruction of critical infrastructure in the spring of 2024, particularly in the energy sector, led to **electricity shortages, limiting economic recovery.**



Due to losses in the energy sector, the NBU has downgraded its economic growth forecast for 2024 from 3.6% to 3.0% (the Ministry of Economy forecasts a growth rate of 3.5%). **Economic recovery is expected to slow down further in the coming quarters.**



In June 2024, the economy operated under difficult conditions of power outages, which weakened economic activity for both businesses and consumers.



Against the backdrop of significant power shortages and prolonged outages, as well as a shortage of workers, **business expectations have deteriorated.**

Sources: NBU, Ministry of Economy of Ukraine

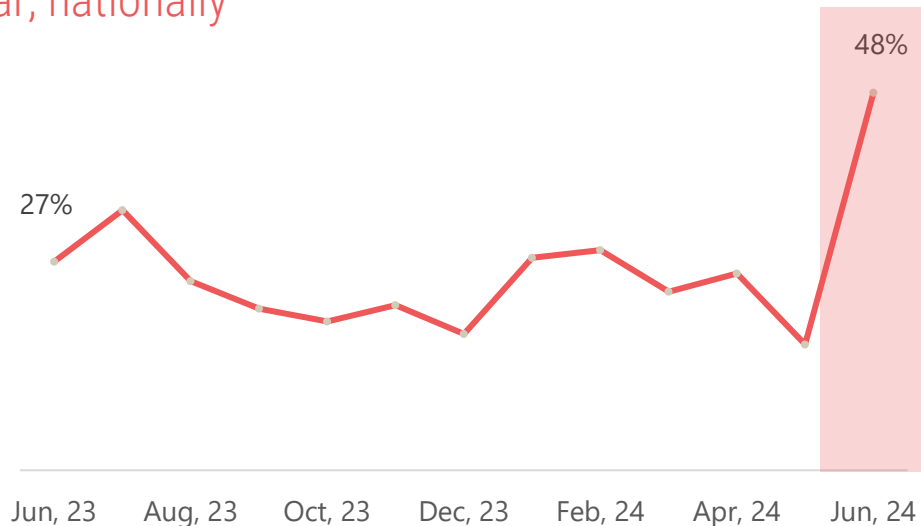
Market functionality



The destruction of the energy system caused by massive shelling in May 2024 led to widespread power outages, significantly affecting retailers' operations in June 2024.

The percentage of retailer KIs reporting difficulties in keeping their stores operational and stocked with goods in June 2024 (48%) was similar to that in December 2022 (50%) when massive power outages also occurred.

% of retailer KIs reporting difficulties in keeping their stores operational and well-stocked due to the full-scale war, nationally



Top difficulties faced by retailer KIs in keeping their store operational and well-stocked due to the full-scale war (N=139 in June 2023 and N=136 in June 2024), nationally*

June 2023

17% Price increase among suppliers

6% Movement restrictions

5% Full staffing

June 2024

29% Storage of goods during the absence of electricity

19% Price increase among suppliers

12% Full staffing



Migration and mobilization** were the main drivers of the increase in the proportion of retailer KIs reporting staffing issues.



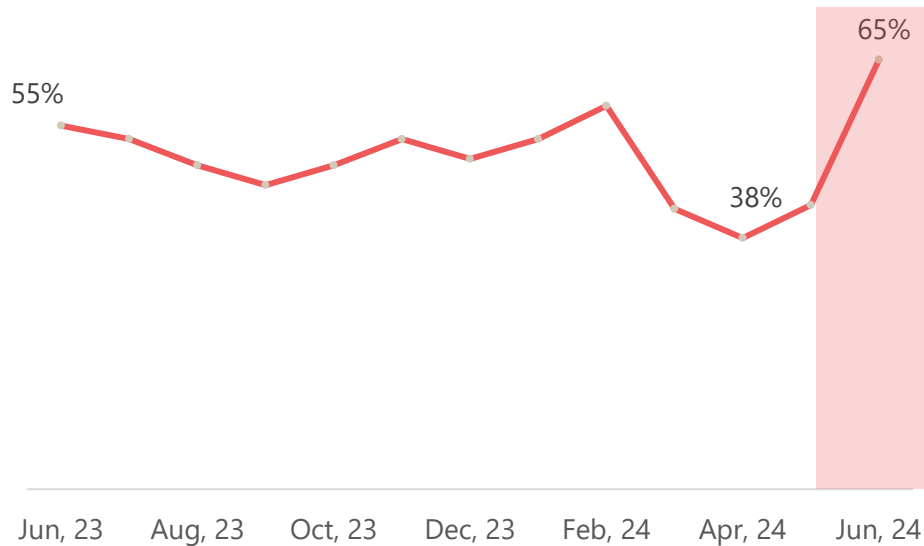
Retailer KIs near the frontline continued additionally to be affected by physically dangerous conditions in their area.

* Respondents could select multiple options.

** Ministry of Economy of Ukraine. Results of the employer survey on the labour market situation in Ukraine, 3 June 2024. Available [here](#).

Market functionality

% of retailer KIs reporting anticipating new challenges in the coming months due to the full-scale war, nationally



Top challenges retailer KIs expected to face in the coming months due to the full-scale war (N=198) , nationally

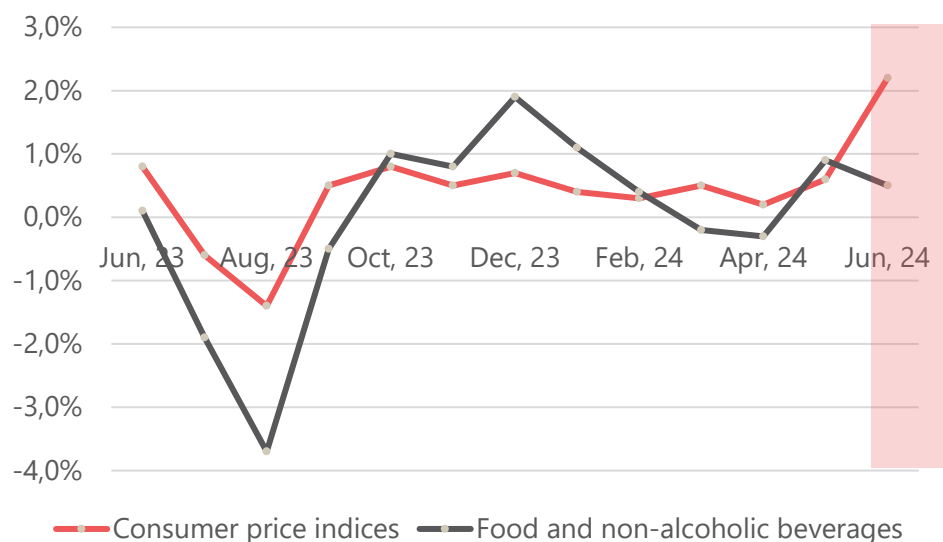
- 1** **59%** Rising prices (35% in May 2024)
- 2** **31%** Reduced purchasing power of customers
- 3** **7%** Reduced mobility of customers
7% Scarcity of new employees to fully staff store

The worsening of expectations in June 2024 was driven by deteriorating energy supply situation, an increase in electricity tariffs, and stronger exchange rate expectations*.

* National Bank of Ukraine, Monthly Business Outlook Survey in June 2024, 1 July 2024. Available [here](#).

Prices

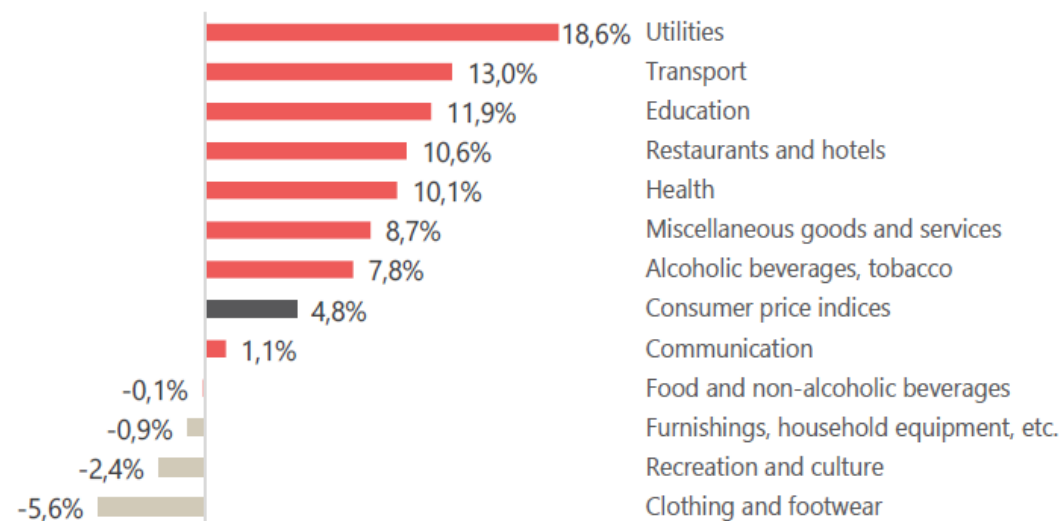
Monthly inflation rate (%)



Source: SSSU

The monthly rise in the consumer price index in June 2024 (2.2%) was the highest since October 2022.

Consumer price changes (%) for groups of food and services, from June 2023 to June 2024



Source: SSSU

The 18.6% increase in prices (tariffs) for Utilities, gas, and other fuels was mainly due to a **63.6% increase in electricity prices***.

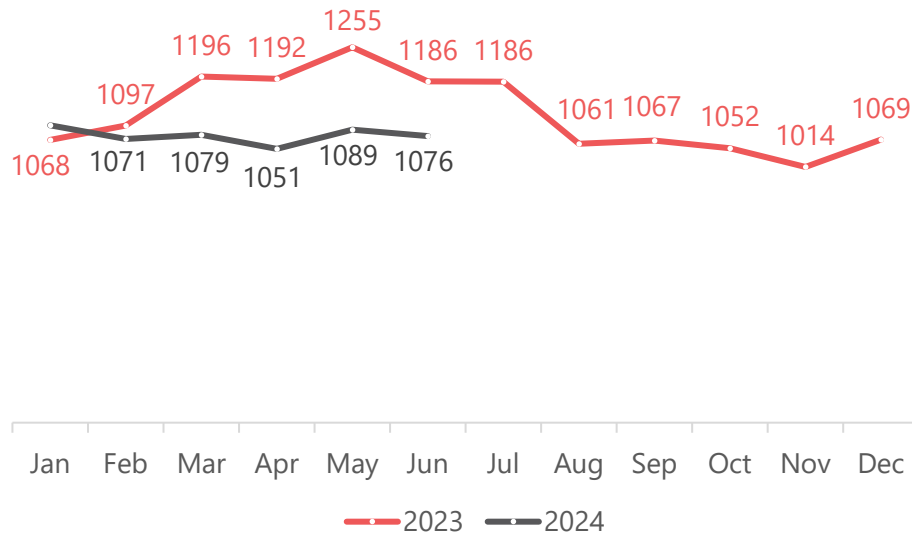
Transport prices increased mainly due to a **25.5% rise in fuel and oil prices***.

* State Statistics Service of Ukraine. Price indices, 10 July 2024. Available [here](#)

PRICE INDICES

Prices in the JMMI basket

Monthly evolution of the JMMI basket price (in UAH), nationally



The price situation was most likely due to weak consumer demand, which does not cover the gradual recovery in domestic supply, including due to the high 2023 harvest and imports, which ensured market saturation while export opportunities remained limited.

JMMI basket (in UAH) in June 2024, nationally



Food Basket 542 UAH
▼ -16% to June 2023



Non-Food Basket 535 UAH
▼ -1% to June 2023

Decrease in prices:
vegetables ▼ -76% cabbage
▼ -57% onions
▼ -56% carrots

Increase in prices:
▲ +113% potatoes

JMMI basket (in UAH) in June 2024, by type of area



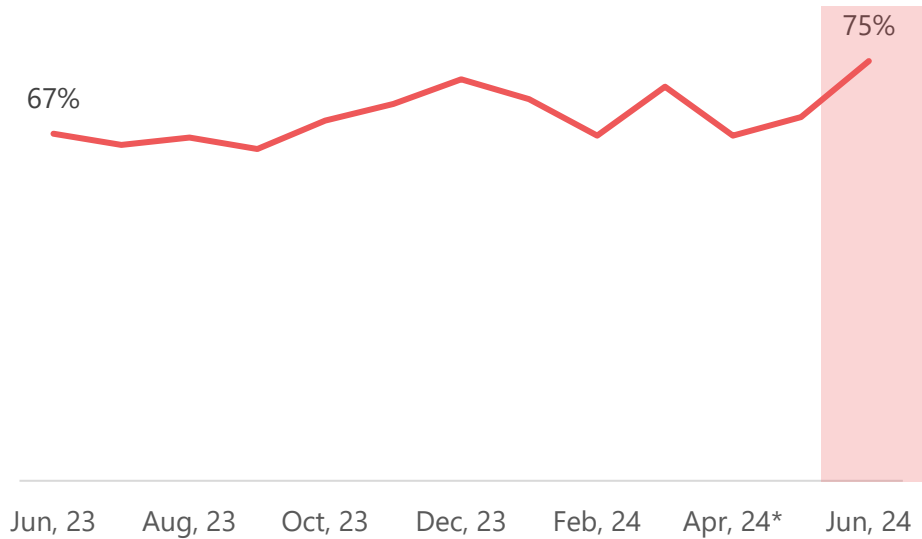
1059 UAH
Urban JMMI Basket



1140 UAH
Rural JMMI Basket

Affordability

% of customers KIs reporting that financial factors negatively affected their access to goods in stores or marketplaces



The proportion of customer KIs reporting financial-related challenges in June 2024 (75%) was the highest since the start of 2023, **with the largest proportion among older customer KIs aged 60 and above at 90%. This could indicate the greatest vulnerability of elderly people, who are most at risk of not being able to meet their basic needs.**

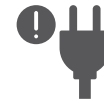
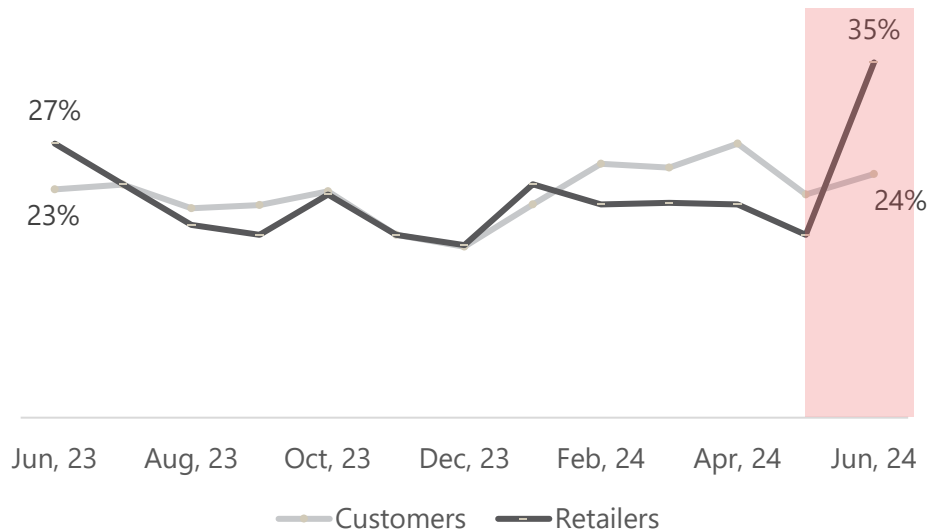
% of customers KIs reporting that financial factors affected their access to goods in stores or marketplaces in June 2024, by type of barrier, age group, gender, and type of area*

Reported financial barrier	18-59 years old	60 years and above	Women	Men	Rural	Urban
Item price have increased	58%	80%	68%	60%	75%	60%
Cannot afford the items	16%	47%	28%	18%	22%	26%
Fuel for vehicle is too expensive	19%	9%	9%	28%	16%	15%
Public transportation is too expensive	8%	13%	12%	5%	17%	6%
Items are not available	3%	6%	5%	5%	8%	3%
Do not have enough physical cash	2%	2%	2%	1%	2%	2%

* Respondents could select multiple options.

Accessibility of stores and markets

% of customer and retailer KIs reporting that the full-scale war has affected the ability to access stores, nationally



Power outages were the primary physical barrier to accessing stores or marketplaces nationally (the percentage of retailer KIs reporting this increased from 3% in June 2023 to 21% in June 2024).



Air alerts also continued to temporarily restrict customers' access to stores across the country, with the most frequently reported in the North (24% in June 2024).



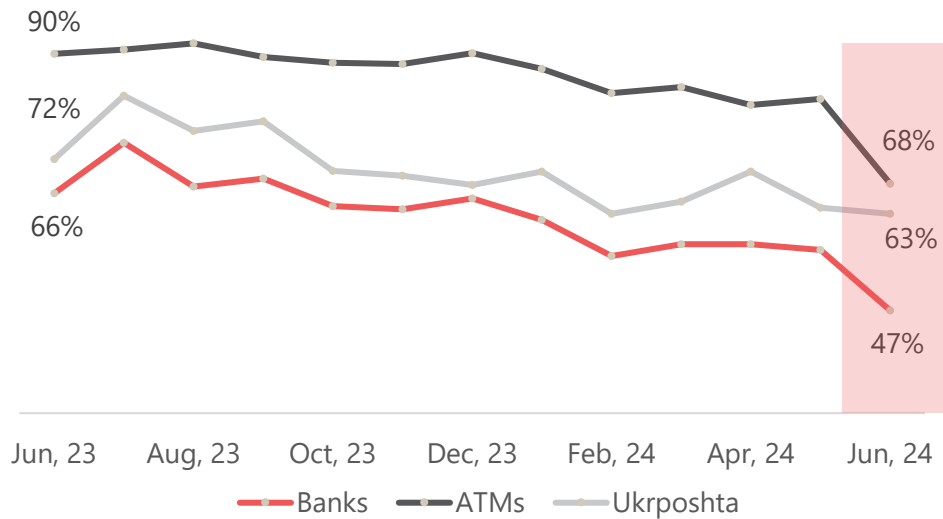
Security-related factors continued to hamper access to shops in areas closer to the frontline, with customer KIs in the East and South reporting active fighting or shelling, movement restrictions, and feeling unsafe due to fear of being targeted.



Customer KIs in East and South the most often reported **damage to buildings or infrastructure in stores or marketplaces, as well as damage or blockages on roads leading to these locations.**

Accessibility of financial services

% of customer KIs reporting full availability of functioning financial services, nationally



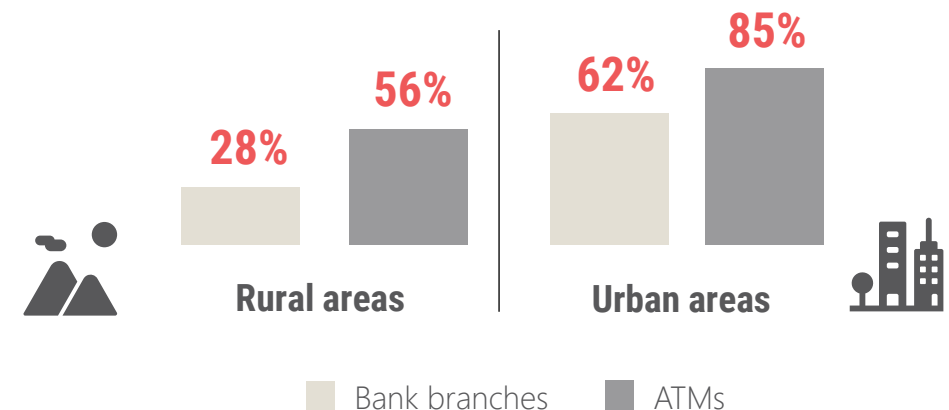
In June 2024, a trend towards a deterioration in the availability of financial services was observed, with **more respondents reporting a lack of access to banks and ATMs during power outages**. The highest declines were observed in Kyiv and the North.



Respondents in the East and South consistently experienced the greatest difficulties in accessing the full spectrum of banking services and all services provided by ATMs. Customer KIs in these areas more frequently reported the absence of functioning bank branches and ATMs or the availability of banks only in nearby communities.

These challenges were particularly reported in **Donetska, Zaporizka, Khersonska, and Mykolaivska** oblasts.

% of customer KIs reporting full availability of functioning banks and ATMs in June 2024, by type of area



Thank you for your attention



cailean.mallon@impact-initiatives.org

ievgen.volkovskyi@reach-initiative.org

nataliia.kozar@reach-initiative.org



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