UKRAINE JOINT MARKET MONITORING INITIATIVE (JMMI) September 2022

ABOUT

In an effort to inform cash-based interventions and better understand market dynamics in Ukraine, the Joint Market Monitoring Initiative (JMMI) was created by the Ukraine Cash Working Group (CWG) in March 2022. The initiative is guided by the CWG Task Team 4 on Monitoring (CWG TT4), led by ACTED and REACH and supported by the CWG members.

Marketplaces across Ukraine are assessed on a monthly basis. In each location, field teams record prices and other market indicators through retailer and customer interviews. In addition to the interviews, REACH conducts online price monitoring across the country. This factsheet presents an overview of prices for key foods and non-food items (NFIs) in the assessed areas, as well as the costs associated with key elements of the JMMI Basket, which consists of 20 core food and hygiene items.

KEY FINDINGS

Essential items such as food and hygiene items remain widely available. Availability of medication has increased from 76%, that was observed during all summer months, to 92%. Winterization-related item availability remains indicative as the cold season was just starting in September.

Affordability is a key issue, as half of customers (49%) reported that the primary financial reason affecting them in accessing goods is the increase in prices. Twenty-one percent reported they cannot afford the items available in their stores.

A considerable **increase of 50% in the cost of JMMI basket** was observed in **the East** of Ukraine. Hygiene pads, eggs and complementary cereal prices have increased the most (by 30%, 29%, 24%, respectively). Fuel prices remained higher than during the period before the escalation (37% – 75% higher).

Cost of JMMI basket

1008 UAH ▼ 2%

24.39 USD ▼ -5%

24.70 EUR ▼ -2%

13	**participating partners**
1406	**interviews conducted**
732	*retailers surveyed*
674	*customers surveyed*
23	oblasts monitored
152	hromadas monitored

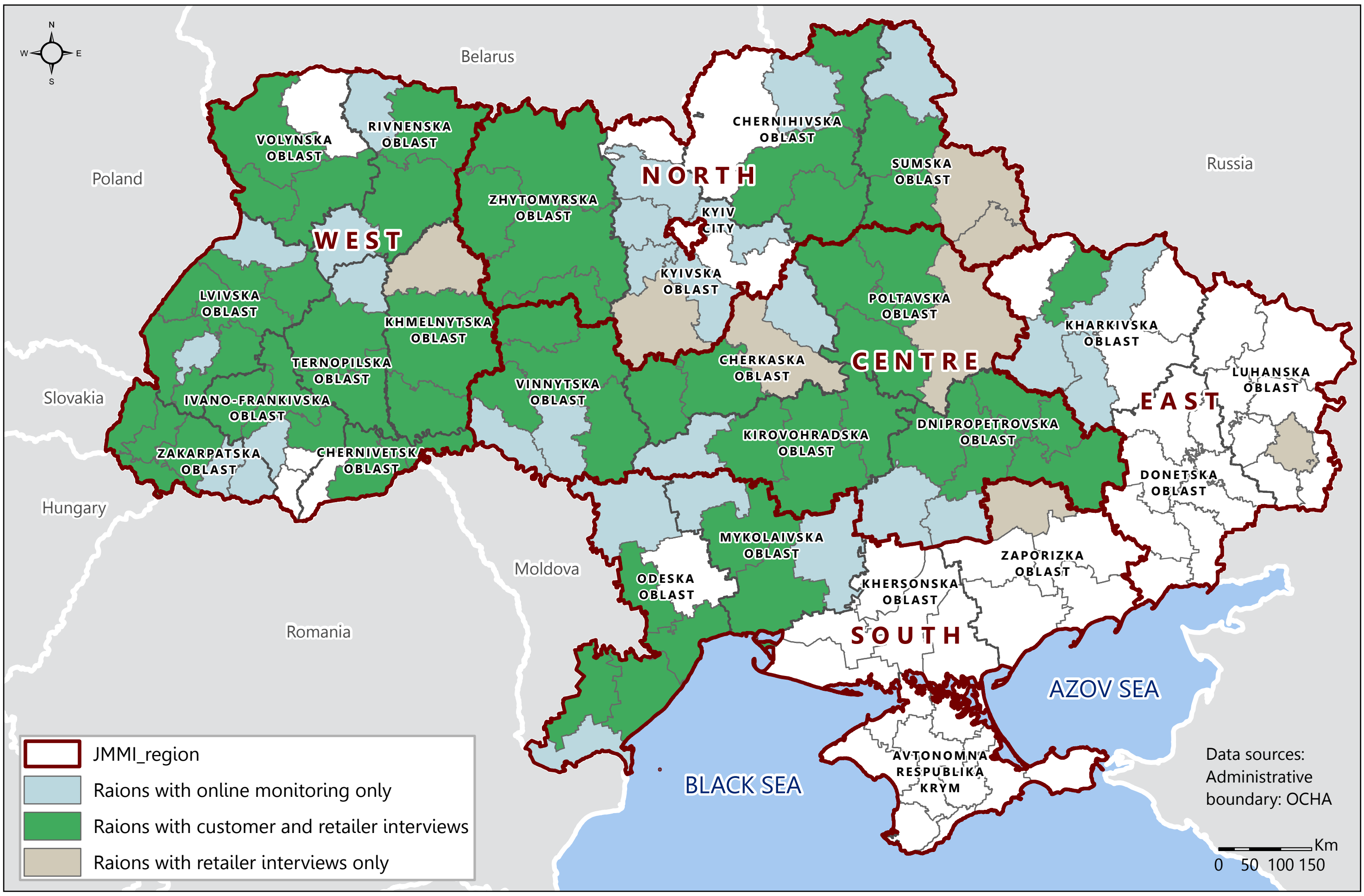
Exchange rates*

UAH/USD	UAH/EUR
41.35 ▲ +4%	40.83 ▲ +1%

* Median exchange rate on September 15, 2022, parallel market.
Data available at **http://minfin.com.ua**

82% of retailers in the South and 80% in the East reported difficulties (e.g., increase in prices from suppliers, availability of core goods) in keeping store operational and well-stocked due to the ongoing hostilities.

Map 1: Coverage (in-person and online)



AVAILABILITY OF ENERGY RESOURCES AND MARKET PRICES

During September, fewer respondents compared to the previous months reported limited availability of vehicle fuel and fuel for heating residential buildings, on the contrary, there was an increase in the number of respondents who reported full availability of both, which is important for the beginning of the heating season.

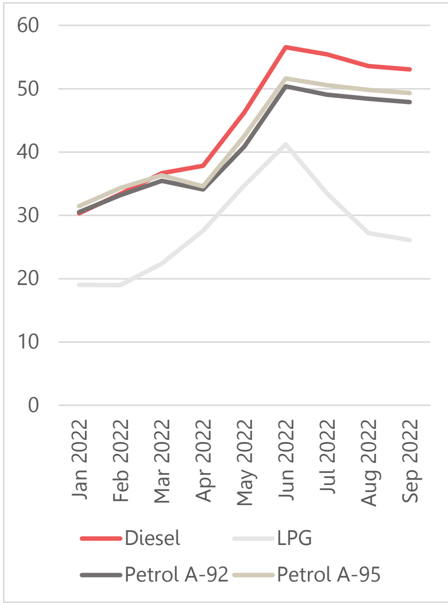
For the vast majority of respondents at the beginning of autumn (75%), vehicle fuel (petrol, diesel, or natural gas) was fully available (Figure 2), while in June this figure was only 9%, in July - 48%, in August - 64%.

Gas, coal or firewood used for residential heating was fully available for 79% of respondents in September, compared to 49% in June and July, and 61% in August (Figure 3).

According to the answers received, the price of coal, after its rapid growth in August, decreased in September by 13% and amounted to UAH 9350 per ton (Figure 4). The price of firewood, after its gradual increase during all summer months, decreased in September to UAH 1200 per cubic meter. This is lower by 17% than in August (Figure 5). No changes in the price of gas for heating were recorded.

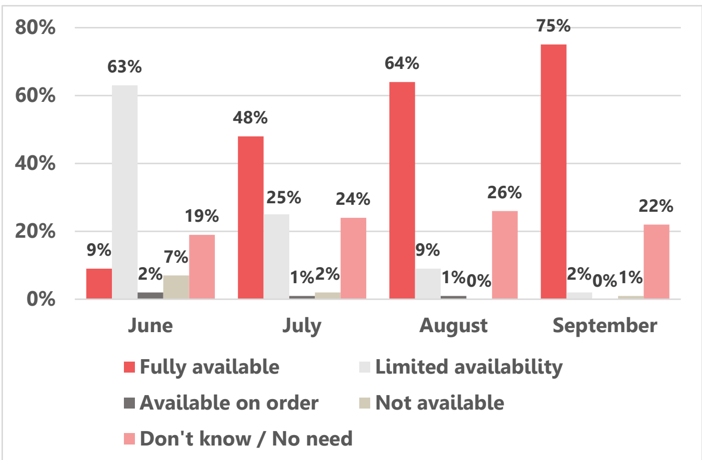
Fuel prices in the consumer market continued to gradually decrease in September (Figure 1). Liquefied petroleum gas for automobiles fell the most (by 4%). The average consumer price of diesel fuel, petrol A-95 and petrol A-92 decreased by 1% compared to the previous month (Figure 6). However, the level of fuel prices is still higher than during the period before the escalation of the hostilities that began in February 2022. Thus, the average price for diesel fuel in September was 75% higher than in January, for petrol A-95 and petrol A-92 – 57% higher, for liquefied gas – 37% higher.

Fig 1: Price of vehicle fuel, UAH



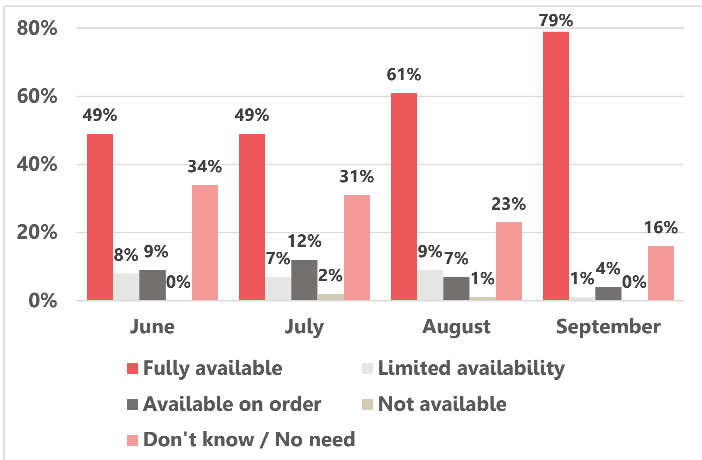
Source: SSSU

Fig 2: % of customers reporting availability of vehicle fuel, national



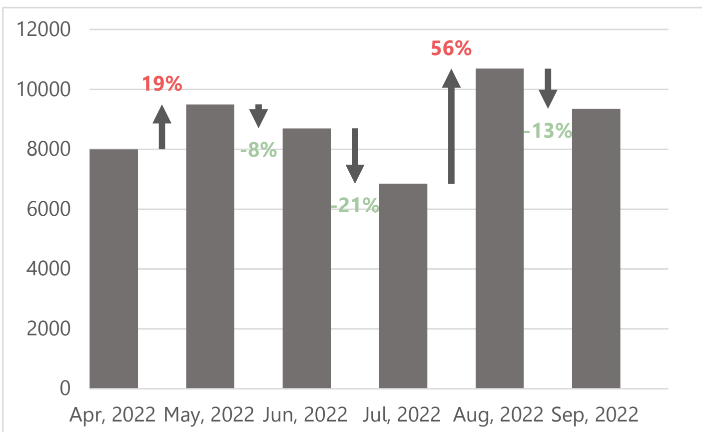
Source: JMMI

Fig 3: % of customers reporting availability of heating fuel, national



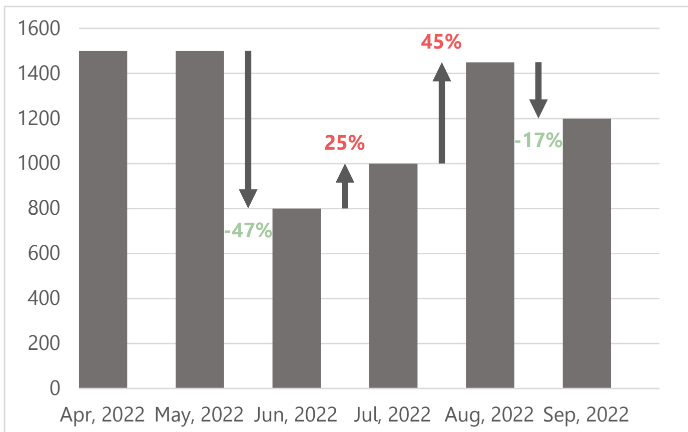
Source: JMMI

Fig 4: Coal price, UAH, national



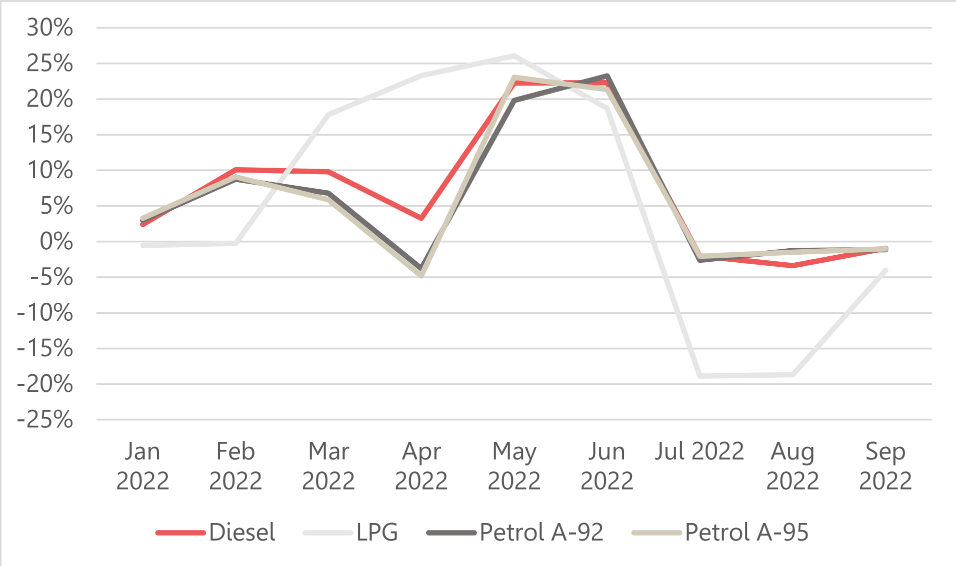
Source: JMMI

Fig 5: Firewood price, UAH, national



Source: JMMI

Fig 6: Month-to-month change on the price of vehicle fuel, %



Source: SSSU

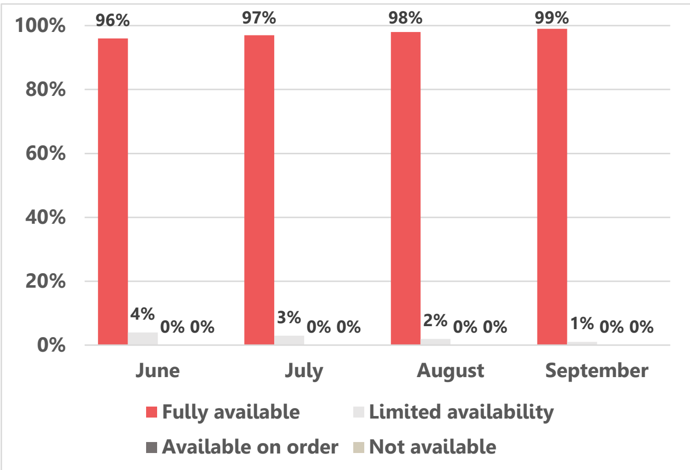
AVAILABILITY OF GOODS

Essential items remain widely available. Food items availability was standing at 99%, hygiene items availability was standing at 95% (Figure 7 and Figure 8).

The proportion of respondents answering that they have access to warm clothes has increased (Figure 10). As in the previous month, this was due to a decrease in the proportion of answers "Don't know / No need", which indicates the active preparation of the population for the cold weather. Full availability of warm clothes in September was reported by 89% of respondents, compared to 73% in August and 60% in July.

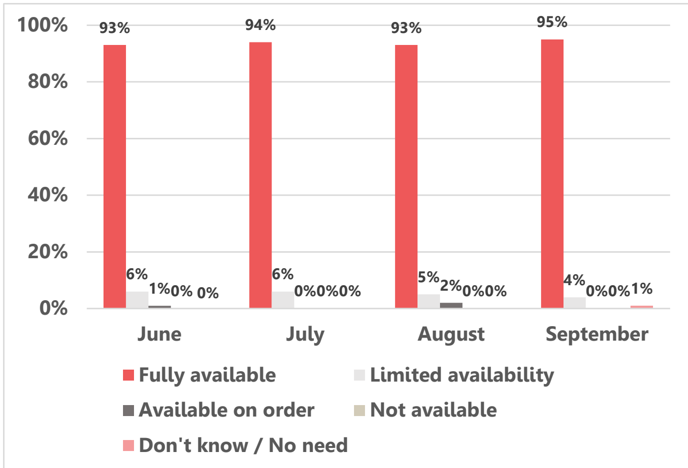
Over-the-counter medication became more available for customers in early autumn. While in the summer only 76% of respondents had full access to over-the-counter medication, in September their proportion increased and amounted to 92%. At the same time, for 1% of customers over-the-counter medication was not available at all in September (Figure 9).

Fig 7: % of customers reporting availability of food items, national



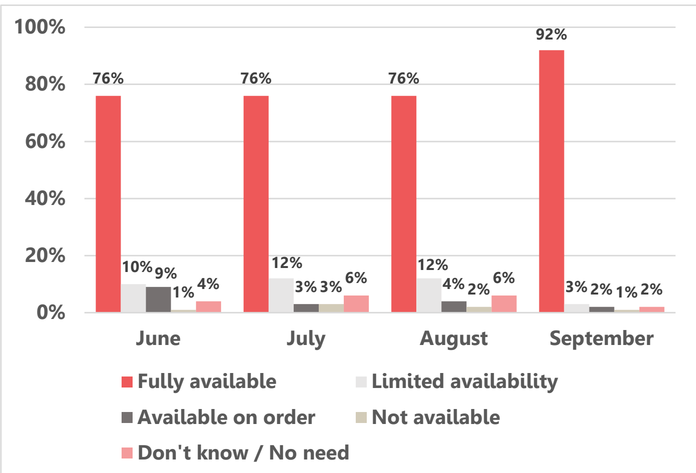
Source: JMMI

Fig 8: % of customers reporting availability of hygiene items, national



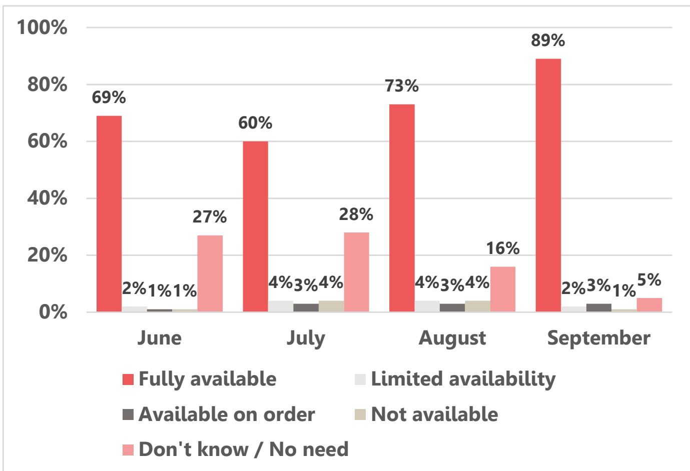
Source: JMMI

Fig 9: % of customers reporting availability of medication, national



Source: JMMI

Fig 10: % of customers reporting availability of warm clothes, national



Source: JMMI

THE BASKET

The JMMI Basket is a subset of the 296-item Minimum Expenditure Basket (MEB) 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 September, the cost of the JMMI basket decreased by 2%. The largest reduction in cost occurred in the South of Ukraine. At the same time, the cost of the JMMI basket in the East increased by 50% compared to the previous month. The highest cost of JMMI items remains in the Eastern and Northern regions, and the cheapest prices are in the West and in the South (Figure 11).

JMMI BASKET

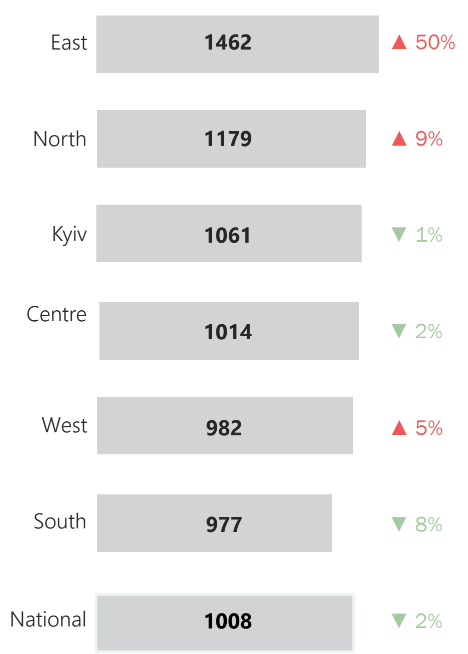
Food

Bread	500 g
Buckwheat	1 kg
Cabbage	1 kg
Carrots	1 kg
Chicken (legs)	1 kg
Complement. cereal for babies	200 g
Drinking water	1 bottle (1.5L)
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 (400 g)

Fig 11: Median values of the full JMMI baskets by region, in Ukrainian Hryvnia



Map 2: Median values of food and non-food items, by oblast

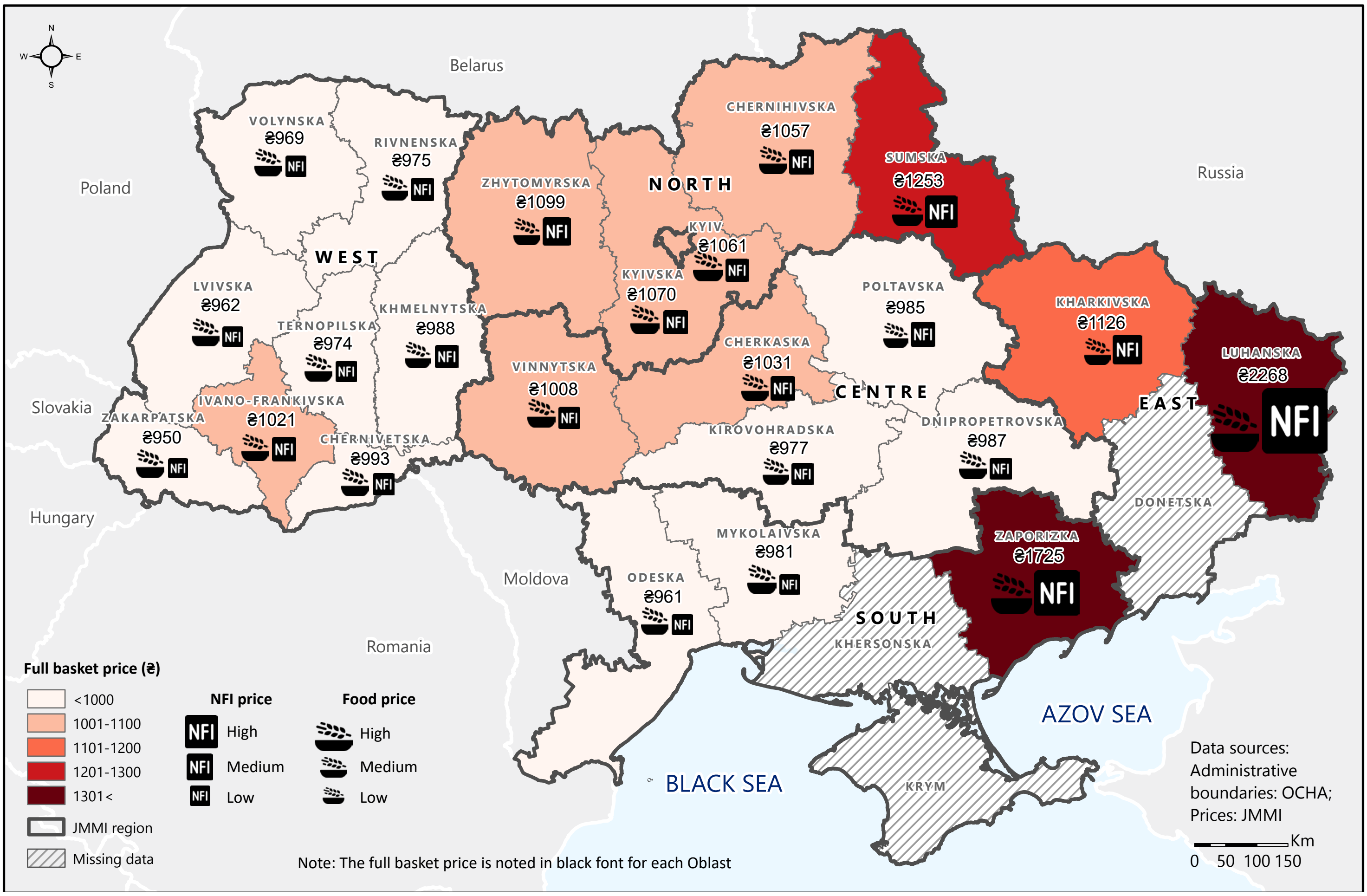


Table 1: Median prices of food items by region, UAH

Item	Unit	West Median price	West 1 month change	Centre Median price	Centre 1 month change	South Median price	South 1 month change	North Median price	North 1 month change	Kyiv Median price	Kyiv 1 month change	East Median price	East 1 month change	National Median price	National 1 month change
Bread	500 g	16	-12%	18	12%	16	-16%	17	-7%	20	-7%	14	-1%	16	-10%
Buckwheat	1 kg	88	-10%	91	-6%	92	-3%	98	-1%	94	-5%	105	11%	93	-5%
Cabbage	1 kg	17	-45%	17	-42%	18	-42%	17	-47%	22	-31%	19	-39%	17	-44%
Carrots	1 kg	24	-20%	25	-4%	24	-20%	24	-14%	28	-5%	24	-20%	24	-19%
Chicken (legs, fresh)	1 kg	73	-5%	73	-4%	75	-4%	73	-5%	105	7%	73	-3%	73	-5%
Complementary cereal	200 g	74	30%	71	29%	83	37%	66	14%	71	10%	136	130%	73	24%
Eggs (chicken)	10 pcs	38	31%	38	31%	36	21%	38	31%	34	9%	39	29%	38	29%
Milk (2.5%, fresh)	900 mL	27	4%	27	3%	27	-10%	26	-4%	30	0%	27	-7%	27	-4%
Oil (sunflower, refined)	900 mL	63	6%	67	12%	67	3%	68	13%	63	3%	68	13%	67	12%
Onions	1 kg	31	-6%	31	0%	30	0%	31	-12%	35	0%	31	-6%	31	-6%
Potatoes	1 kg	10	-9%	12	10%	13	7%	11	-8%	14	7%	13	-7%	13	2%
Rice (round)	1 kg	61	5%	60	2%	49	-17%	60	2%	61	2%	64	8%	61	3%
Water	1.5 L	13	0%	13	0%	15	7%	13	0%	15	-3%	14	0%	13	0%
Wheat flour (white)	1 kg	20	-20%	18	-23%	20	-13%	20	-9%	21	-1%	21	-7%	20	-12%
Total		555	-2%	560	2%	564	-2%	561	-1%	612	0%	647	14%	565	-1%

Source: JMMI

Table 2: Prices of non-food (hygiene) items by region, UAH

Item	Unit	West Median price	West 1 month change	Centre Median price	Centre 1 month change	South Median price	South 1 month change	North Median price	North 1 month change	Kyiv Median price	Kyiv 1 month change	East Median price	East 1 month change	National Median price	National 1 month change
Body soap	1 bar (75 g)	13	-34%	13	-36%	12	-38%	13	-14%	14	-12%	13	8%	13	-27%
Diapers (infant, 5-9 kg)	1 pack (40-60 pcs)	293	22%	319	-9%	284	-17%	494	27%	292	-6%	660	126%	306	-6%
Hygiene/sanitary pads	1 pack (10 pcs)	36	20%	40	25%	39	10%	41	38%	32	8%	51	88%	39	30%
Laundry soap	1 bar (200 g)	19	15%	19	11%	19	-4%	19	5%	21	17%	19	15%	19	8%
Toothpaste	1 tube (75 ml)	26	-12%	29	-6%	23	-35%	21	-41%	44	-24%	30	-2%	27	-16%
Washing powder	1 box (400 g)	40	25%	36	13%	37	4%	30	-1%	46	27%	43	29%	39	18%
Total		428	16%	455	-5%	414	-15%	617	20%	449	-4%	816	98%	443	-3%

Source: JMMI

PRICES

The decline in prices for seasonal vegetables (which traditionally occurs in August and September) did not affect the JMMI food basket, the cost of which in September remained almost unchanged and amounted to 565 UAH on average in Ukraine. The most expensive basket was registered in the East. Its cost increased by 14% compared to the previous month and amounted to 647 UAH.

In September, eggs, complementary cereal and oil (sunflower, refined) became more expensive (by 29%, 24% and 12%, respectively). The increase in prices for these products occurred in all regions of Ukraine. At the same time, the cost of complementary cereal more than doubled in the East compared to the previous month.

It should be noted that despite the completion of the new harvest, potato prices have already started to rise in some regions (by 10% in the central part of Ukraine, by 7% in Kyiv and in the South of Ukraine).

Prices for non-food (hygiene) items in the JMMI non-food item (NFI) basket were characterized by relative heterogeneity in the regional context. Its total cost varied from UAH 414 in the South to UAH 816 in the East. At the same time, in the East the non-food item (NFI) basket almost doubled in price compared to the previous month. This was due to a 126% increase in prices for diapers.

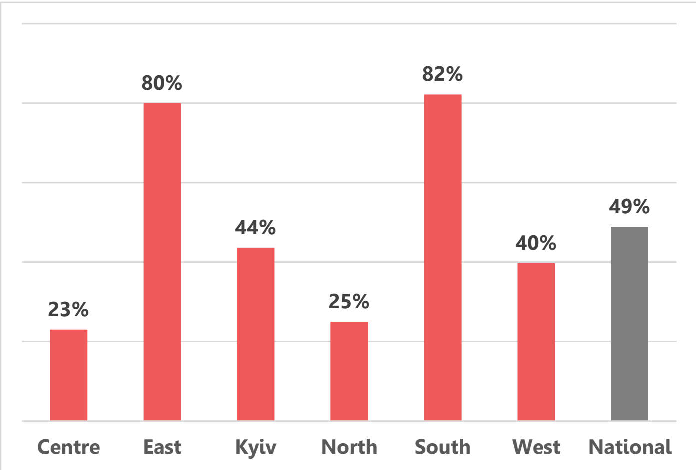
It should be noted that in September there was a large increase in prices for hygiene (sanitary) pads (from 8% in the Kyiv to 88% in the East of Ukraine). Prices for washing powder increased in all regions, except the North, and most of all - in the East (by 29%) and in Kyiv (by 27%). Laundry soap increased in price by 8% on average.

However, changes in the price of NFIs offset each other on a national basis.

ACCESS TO STORES

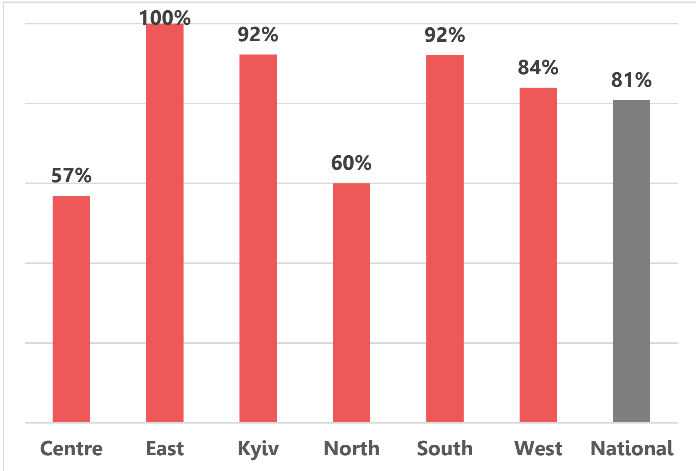
In September, 14% of customers indicated that the escalation of hostilities that began in February 2022 had affected their ability to physically access stores or marketplaces (Figure 15).

Fig 12: % of retailers reporting difficulties keeping store operational and well-stocked, by region



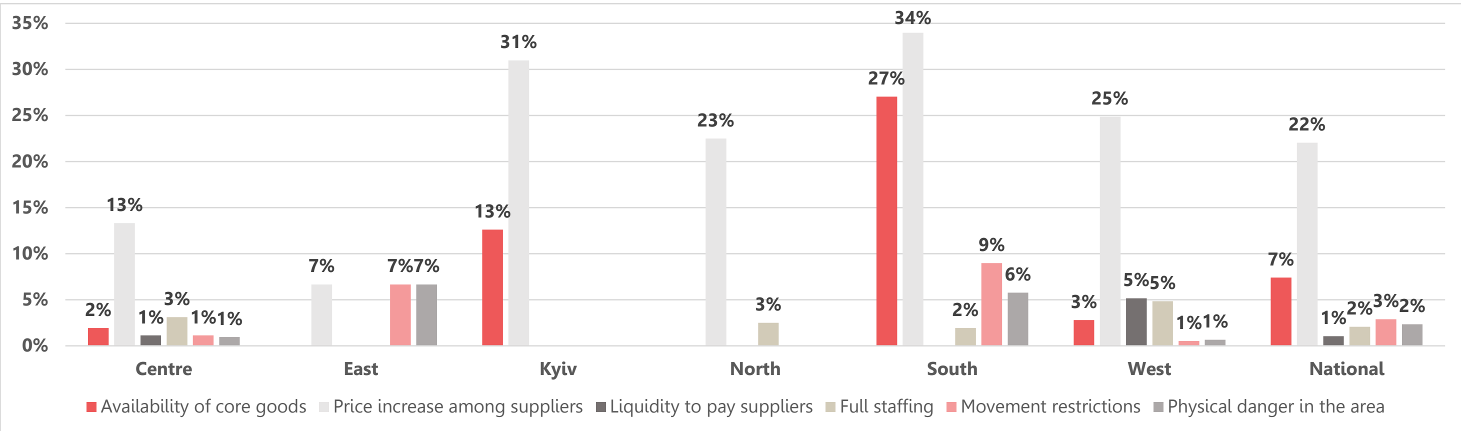
Source: JMMI

Fig 13: % of retailers reporting their expectancy for new challenges due to the crisis, by region



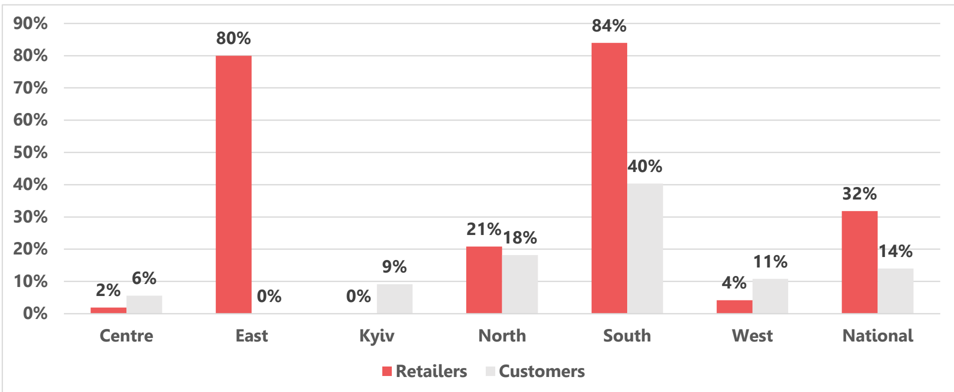
Source: JMMI

Fig 14: % of retailers reporting new challenges faced since the start of the crisis, by type of challenge and region



Source: JMMI

Fig 15: % of customers and retailers reporting that the crisis has affected the ability to access shops, by region



Source: JMMI

A large proportion of these respondents were observed in the South of Ukraine (40% of survey respondents in that area). The main reasons were feeling of insecurity inside the stores or on the way due to the fear of being attacked and movement restrictions related to martial law.

Financial factors affected 60% of customers and their access to stores or marketplaces. Half of respondents (49%) reported an increase in prices and 21% reported that they cannot afford the items available in their stores.

MARKET FUNCTIONALITY

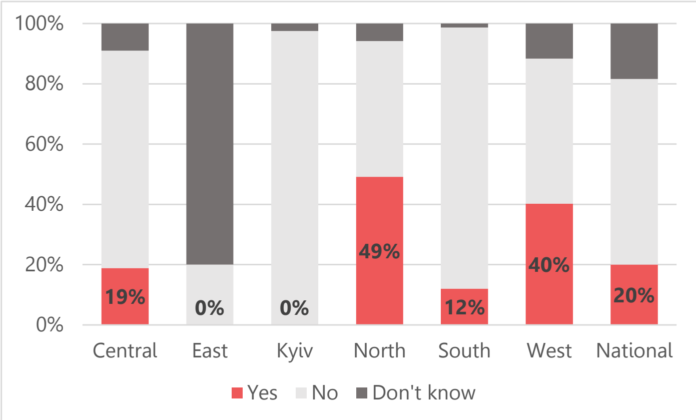
In September, 49% of retailers reported new difficulties in keeping store operational and well-stocked. The largest share of those retailers was in the East and South of the country (80% and 82% respectively). In the Center and North, only every fourth respondent faced these problems (Figure 12).

Every third respondent in Kyiv and in the South, as well as every fourth in the North and West reported an increase in prices from suppliers (Figure 14). Difficulties with availability of core goods were reported by 27% of respondents in the South.

It should be noted that in Ukraine as a whole, the share of retailers expecting new difficulties in the near future due to the escalation of hostilities that began in February 2022 remained almost at the level of the previous month (81%).

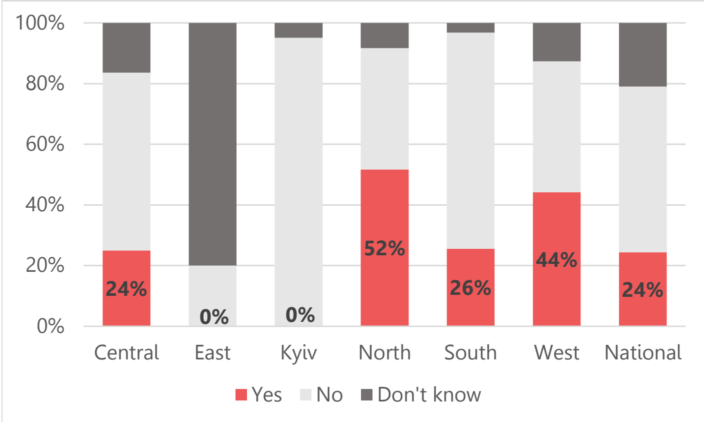
Meanwhile, an increase in the proportion of retailers expecting new challenges was observed in the East (from 85% in August to 100% in

Fig 16: % of retailers reporting that they mostly rely on a single supplier for food items, country-wide



Source: JMMI

Fig 17: % of retailers reporting that they mostly rely on a single supplier for hygiene items, country-wide



Source: JMMI

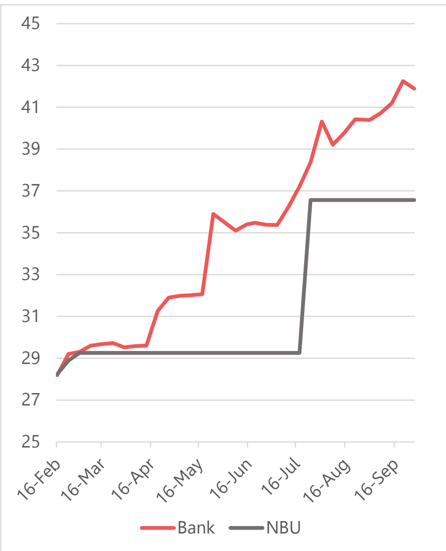
September), in the South (from 81% to 92%), and Kyiv (from 76% to 92%) as shown in Figure 13.

Every third retailer respondent expects prices to rise, and every fourth expects a decrease in the purchasing power of customers. In addition, 80% of retailers in the East and 84% of retailers in the South reported that the crisis has affected the ability to access shops (Figure 15).

SUPPLY

Every fifth retailer depends on one supplier of food products and every fourth - on one supplier of hygiene products (Figure 16 and Figure 17). This indicates the vulnerability of stores in terms of providing them with the necessary products.

Fig 18: Mid-market exchange rate for the US Dollar (USD)



Source: MINFIN

At the same time, the greatest risks are faced by enterprises in the Northern and Western regions. Every second respondent in the North reported that they buy both food and non-food products from one supplier. In the West, the share of such sellers was 40% and 44% respectively.

FINANCIAL SERVICES

In general, banks, ATMs, and Ukrposhta services reportedly remained available across the country similar to the previous month.

However, it should be noted that for 9% of respondents, full-service bank branches and mobile banking offices remain unavailable in their own settlement, although they are accessible in nearby communities.

In addition, 8% of customers did not have ATMs in their communities. The figure is higher in the East where 20% of respondents mentioned no access to ATMs in their communities.

Also, 4% of respondents reported that Ukrposhta offices work only a few days a week and provide their usual financial services on those days, and for 2% of respondents, only mobile post offices were accessible in their communities.

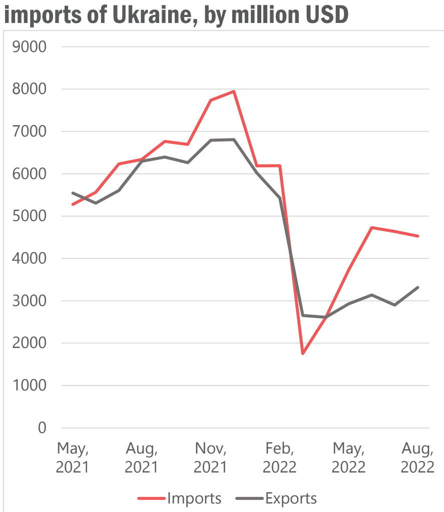
The main modalities accepted by retailers for payment in September were cash (100%), credit cards (75%), debit cards (68%), and mobile apps (56%).

MACROECONOMICS

Consumer inflation in Ukraine is accelerating (according to National Bank of Ukraine estimates based on web scraping, to 24.4% year-to-year in September from 23.8% year-to-year in August). The main reasons for the increase in inflationary pressure are the consequences of war and russian occupation, temporary occupation of certain territories, and the pass-through effects of the hryvnia exchange rate correction.

Economic activity has picked up, which is partly due to seasonality. Harvesting of early crops has been completed, the yield of which is expected to be lower than last year. The operation of the grain corridor, also used for export of other agricultural products, supports transport and the food industry and will contribute to providing farmers with financial resources for the coming year. However, logistical problems, especially for metallurgy, are the destruction of capacities and the

Fig 19: Changes in gross value of exports and imports of Ukraine, by million USD

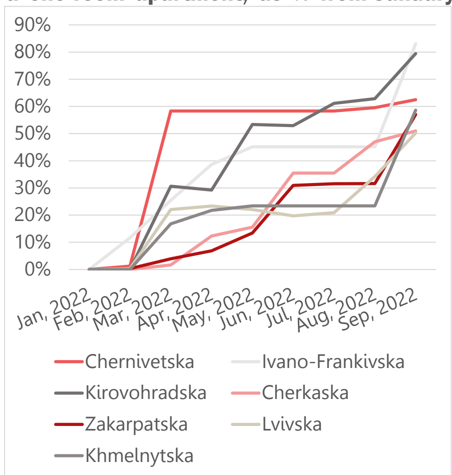


Source: SSSU

Fig 20: Inflation rates, month-to-month

Source: SSSU

Fig 21: Top oblasts by increase of rent for a one-room apartment, as % from January



Source: SSSU

decrease in real incomes of households hold back the recovery.

The launch of the grain corridor contributed to the narrowing of the goods trade deficit, although the latter remained wider than the level prior to the start of the escalation of hostilities. Higher amounts of international financial aid ensured the increase of the current account surplus and capital inflows under the financial account. As a result, gross international reserves grew for the first time since March and reached USD 25.4 billion as of the end of August[1].

RENT

Rental prices for one-bedroom apartments in Ukraine continued to rise. In September, the average rent for a one-bedroom apartment was 4% higher than in August and by a quarter (24%) – than in January this year.

The largest increase in rents, compared to January, was recorded in Ivano-Frankivska (by 83%), Kirovohradska (by 79%) and Chernivetska (by 63%) oblasts (Figure 21).[2]

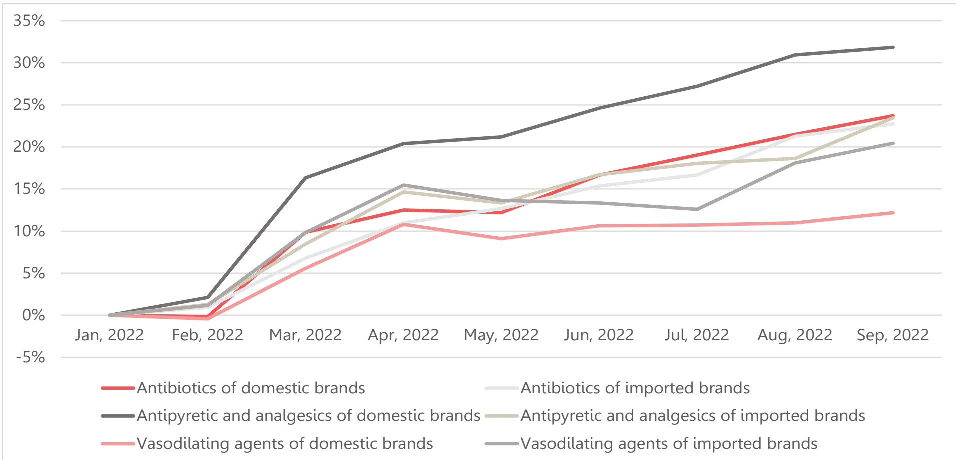
HEALTH AND MEDICINE

During 2022, a noticeable rise in the cost of healthcare services was constantly recorded.

In September, the cost of healthcare services was 16% higher than in December 2021.

At the same time, pharmaceutical products, medical products, appliances and equipment became more expensive (increasing by 19%), and out-patient services increased in price by 12% (Figure 23).[2]

Fig 22: Cumulative price increase of selected medicines, national averages, as % from January 2022

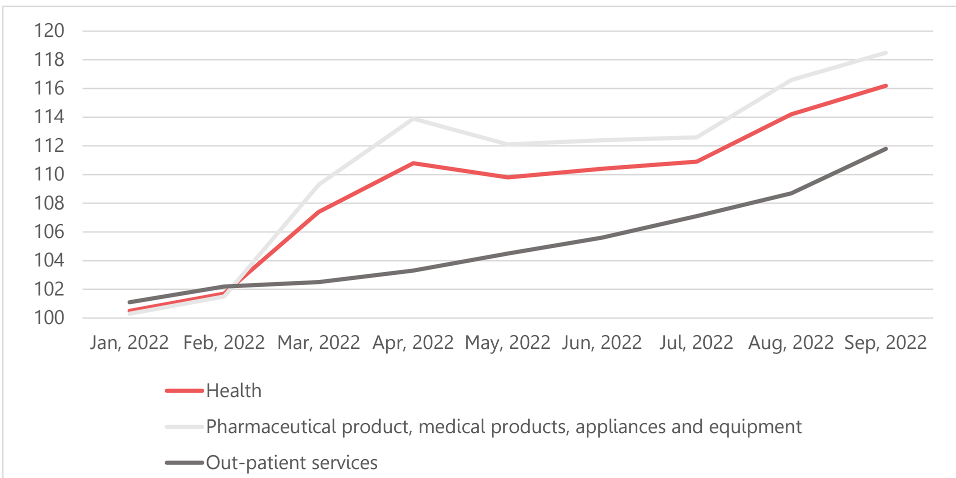


Source: SSSU

In September, the price of basic medicine items, such as antibiotics, vasodilating agents, antipyretic and analgesics continued to increase.

Compared to January 2022, antipyretic and analgesics of domestic brands have risen in price the most (by 32%) and domestic antibiotics have increased by 24% (Figure 22).[2]

Fig 23: Consumer price indices for healthcare services, national averages, % to December 2021



Source: SSSU

BACKGROUND

Since 24 February 2022, the escalation of hostilities across Ukraine has prompted mass displacement and humanitarian crisis. Given the prominence of multi-purpose cash as a modality for assistance, market monitoring is key initiative to ensure humanitarian intervention is effective, sustainable and does not harm local economic systems. Due to the widening of non-government controlled areas to places of Ukraine that were previously accessible, 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.

METHODOLOGY

The JMMI is conducted in partnership with the Ukraine Cash Working Group (CWG) through its Task Team 4 on Monitoring, co-led by ACTED and REACH. 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 harmonised 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. Partners focus on interviewing retailers, rather than wholesalers or distributors, as these are the market actors who have the greatest interaction with vulnerable populations.

Primary data is collected and analysed on a hromada level, with partners submitting data from each hromada's largest marketplaces devoted to retail, as well as from larger standalone chain stores. Field teams must aim to collect a minimum of three prices per item per assessed hromada, interviewing retailers until this threshold is met, and must also submit a minimum of five customer interviews per assessed hromada. In line with the purpose of the Minimum Expenditure Basket, 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 analysed by REACH on behalf of the CWG.

The JMMI also integrates secondary data via a remote price monitoring component. REACH collects data on the prices and availability of all JMMI items from ATB, one of Ukraine's largest supermarket chains. The accuracy of this remote monitoring methodology is verified via in-person spot checks of monitored ATB stores. Secondary data from other sources, particularly the State Statistics Service of Ukraine, is also integrated into the JMMI and used for triangulation where possible.

The prices reported in this factsheet are 'location medians', designed to minimise 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).

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 or customer 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.

Due to the remote monitoring methodology's reliance on ATB's online services, remote data is available only from areas where ATB continues to offer these services. These areas generally do not include non-government-controlled areas (NGCAs) or areas that remain heavily affected by the conflict.

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

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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).
For more information about REACH, please visit http://reach-initiative.org.

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