

page

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Ukraine Slips into Hyperinflation

by Simon Johnson and Oleg Ustenko

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Abstract

Surveys of retail prices and black market exchange rates show that inflation has been higher in Ukraine than in Russia during 1993. At the same time, food lines have generally been longer and items have more often been unavailable from state stores in Ukraine than in Russia. Other survey work shows new nonstate Ukrainian businesses are growing in trade and services, particularly banking, but these developments are not being helped by the continuation of inflation. Unless the current political conflict in Kiev produces a radical shift in policy, the latest wave of administered price increases on June 7-8th will probably prove to have pushed Ukraine into hyperinflation.

Introduction

Ukraine is in the midst of a complicated three-way political conflict between President, Prime Minister and Parliament over control of economic policy. It is at present hard to foresee the outcome, particularly given the new political demands made by striking miners in the Donbass. However, now is an entirely appropriate time to ask -- what economic policy options are available to the eventual winner? The answer requires an assessment of the current economic situation in Ukraine.

Based on the evidence presented below, it appears that Ukraine has finally stepped over the brink into hyperinflation. The latest data on prices and black market exchange rates show a marked acceleration over the past few weeks. In part the higher rates of inflation are due to a new round of increases in administrative prices, particularly due to the withdrawal of some food subsidies. But in the continued absence of a comprehensive anti-inflation policy, it seems likely that these new higher rates of inflation will quickly become permanent. Even worse, higher inflation now will probably lead to the onset of open hyperinflation, with rates consistently above 50 percent per month, by the fall.

Most of this article presents detailed results from weekly price surveys which have been conducted in Ukraine under our supervision since fall 1991. We also report black market exchange rates which have been collected daily since fall 1992. In an attempt to put Ukrainian developments into perspective, we also provide information from analogous surveys which our researchers have carried out in St. Petersburg from December 1992.¹

Despite the bad news about inflation, it is important to keep in mind that there have been some positive developments over the past year. This article also briefly summarizes

other research by us which indicates, among other things, strong initial growth in the private sector, high rates of reemployment among people fired from state enterprises, and rapid development of new commercial banks not previously connected with the Gosbank system. There are also at least some indications of adjustment beginning within the state enterprise sector and agriculture.

Nevertheless, the development of the nonstate sector will be stunted and distorted unless Ukraine's inflation problem is brought firmly under control. Furthermore, although Ukraine's recent inflation results are not much worse than those of Russia, much less has been done to prepare for eventual stabilization in Kiev than in Moscow. Even more important, Ukraine does not yet have a coherent privatization strategy and is rapidly falling behind Russia in the disposal of state property.

Ukraine Leaves the Ruble Zone

From January 1992 the role of Russian rubles in cash transactions in Ukraine had been gradually displaced by the karbovanets (Ukrainian for ruble and popularly known as the coupon.) By November 1992 it was usual to use coupons for almost all retail purchases, although rubles could be used in some instances at the current black market rate of exchange and Russian coins (kopecks) were used in those increasingly rare instances when change was needed.

At the beginning of October 1992, the Russian central bank stopped honoring at least some of the payments authorized -- in Russian rubles -- by the Ukrainian central bank. The Russian government subsequently made it clear, most notably at the CIS meeting in Bishkek,

that ex-republics should either abide by Russian monetary rules or get out of the ruble zone. In large part this was a response to the large amounts of credit issued by the Ukrainian National Bank.

On November 12th, 1992, the government in Kiev reacted to this pressure by leaving the ruble zone and introducing a non-cash (beznalichnye in Russian) coupon. It also declared that the Russian ruble was no longer legal tender in Ukraine. Existing balances in Ukrainian banks were converted from non-cash rubles to non-cash coupons at an exchange rate of one for one. For all new transactions, however, the beznalichnye coupon-ruble exchange rate was fixed by the Ukrainian National Bank at 1 ruble to 1.45 coupons.

This initial official rate was fairly close to the black market rate -- on November 12th-14th our survey showed the cash rate, for buying coupons, to be 1.4 coupons per ruble. However, the rate moved to 1.5 on November 15th, held at 1.55 from November 16th to 21st, and then began the fairly steady depreciation shown in Table 1. This was an early indication that Ukrainian monetary independence meant more rather than less inflation compared to Russia.

The Absence of Stabilization Policies

The move to full monetary independence was followed by increasingly strong pro-stabilization announcements by the government. For example, on November 18th, 1992, Prime Minister Kuchma addressed the parliament, with the supposed aim of establishing what anti-crisis measures were required (Golos Ukraini, November 19th, No. 221.) Beginning a pattern which was to become familiar, this speech was short on specifics and basically stated

just that Ukraine was on the brink of a serious crisis and that the blame should be placed on the previous government of Vitold Fokin.

Over the next month the parliament was persuaded that the government should be granted strong anti-crisis powers. From December 1992 to May 1993 the government was empowered to rule by decree on economic matters, subject to confirmation by parliament. In practice, it appears that the government has had a great deal of discretion over economic policy over the past six months.

Unfortunately, this discretion has not resulted in anything approaching a coherent anti-inflation policy and monetary emission has continued unchecked. It is not presently possible for outsiders to unravel the precise allocation of blame for this lack of stabilization policy, but the outcome in terms of inflation is painfully clear.

Table 1 reports the most important indicator of current and future inflation -- the black market coupon/dollar exchange rate. The October and November rates of depreciation were in the 30-40 percent range, but this fell into the mid-20 percent range in early December and down below 20 percent in the last two weeks of December.

However, a new round of administrative price increases in December 1992 led to more rapid depreciation through early February, peaking at 90 percent for the month to February 8th. The following month showed a relative deceleration in the rate of depreciation, with 2,000-2,200 coupons to the dollar appearing to be a resistance level -- in the sense that traders were unwilling for a time to move beyond it. The rate moved fairly rapidly towards 3,000 coupons to the dollar during April, and then again displayed relative stability -- holding in the range of 3,000 to 3,100 from early May to early June.

The announcement of a still further round of official price increases at the beginning of June had a direct effect on the black market exchange rate, which fell 19 percent from June 2nd to June 8th. The rate may have initially overshoot its new equilibrium value -- on June 11th it had risen back to 3,400 coupons to the dollar -- and the unsettled nature of the black market is apparent in the fact that no traders were willing to sell dollars during our surveys on June 8 and June 11. However, given the likely continuation of monetary emission and the previous pattern of inflation, it is probable that coupon depreciation will accelerate in the near future.

An important benchmark for Ukrainian policymakers is the performance of the Russian economy, particularly with regard to coupon/ruble exchange rates. From the beginning of January, 1993, to the beginning of May, the coupon fell from 1.95 to 3.2 coupons to the ruble, a depreciation of 64 percent. However, since May 2nd there has been a partial reversion and the coupon has actually risen 19 percent against the ruble.

The basic reason is clear from comparing Table 1 with Table 2, which shows the black market cash ruble-dollar rate in St. Petersburg. It would not be realistic to expect perfect arbitrage between the black market rates in Kiev and St. Petersburg, because these are cash transactions which are illegal in Kiev and legal only if licensed in St. Petersburg. As a result, significant transactions costs are involved in moving money from one city to the other. Nevertheless, the coupon/ruble rate follows fairly closely what happens to the two currencies against the dollar.

From January 2nd to April 17th, when the coupon-ruble rate peaked, the coupon fell 175 percent against the dollar, while the ruble fell against the dollar by only 81 percent. In

contrast, from April 17th to June 8th, the coupon fell 35 percent and the ruble fell 60 percent.

Interestingly, even after the announcement of price increases in Ukraine and a massive surge in the coupon-dollar rate, the coupon-ruble rate held firm at around 2.6. The reason is that inflation in Russia is also accelerating dangerously towards hyperinflation levels. Both Ukraine and Russia are at present on a similar price trajectory.

Food Price Inflation

Although black market exchange rates have become key indicators of economic malaise in Ukraine, the fundamental inflation process concerns goods, particularly food. Table 3 reports our benchmark inflation indicator, which uses a basket of goods based on the Ukrainian army ration.²

Table 3 shows the dramatic surge in Ukrainian inflation in December 1992, with the index rising more than 250 percent. Inflation fell in subsequent months, but remained in the range of 10-15 percent. In contrast, the surge in prices in Russia was concentrated more in January and February, the result of different timing of administrative price increases, and inflation fell significantly below Ukrainian levels between March and May.

Inflation so far during 1993 has been roughly comparable in Ukraine and Russia, with a faster increase in Ukraine in four out of the last six months. Basing our price index at 100 in December for both countries gives a figure now of 379 in Ukraine and 322 in Russia. Earlier this year Russia had two months in which our index rose by 5 percent or less, but in the month to June it is Russia which shows more rapid inflation.

Some of the details underlying this index are provided by Tables 4 and 5, which report the development of prices and availability of four key goods: bread, milk, meat and eggs. The scale of Ukrainian price increases in December 1992 is quite evident from Table 4. The price of bread doubled from 16 coupons per kilo in the second week to 32 coupons per kilo in the fourth week. This jump increase was followed by a steady series of increases, often followed by a couple of weeks with a stable price.

In the case of bread, the line length remained roughly constant and consistently less than 10 from October through mid-April. Evidence of worsening disequilibrium in the bread market is given by the very long lines at the end of April and in May. These were the longest bread lines at least since our surveys began in fall 1991 and clearly indicated that the ordinary sequence of bureaucratic price raising was not enough to clear the market. In response, bread prices were tripled between the first and second weeks of June.

In comparison, Russia has experienced a somewhat slower increase in bread prices, from 12 rubles per kilo in the fourth week of November to 58 rubles per kilo in the second week of June -- an increase of 383 percent, while bread prices over the same period in Ukraine have risen by 1,025 percent. Furthermore, while there has usually been a line for bread, in our surveyed stores this has never exceeded 12 people and has usually been under 10 people.

Our surveys also show that milk has been present much more often in St. Petersburg than in Kiev. This is despite the fact that Ukrainian milk prices have risen ten-fold from under 20 coupons per liter in September 1992 to 200 coupons per liter at the end of May 1993. As Table 4 shows, these prices further doubled between the first and second weeks of

June.

The supply of meat has been similarly erratic in Kiev state stores, as shown in Table 5. In 4 out of the 11 weeks in 1993 for which we have data, no meat was available. In three other weeks the line length was 15 or more people. In contrast, meat has been available every week in St. Petersburg during our survey and the line was as long as 15 people only once. This is despite the fact that meat prices have risen slightly under 10 times in St. Petersburg, in comparison with around 30 times in Kiev.

Further perspective on food price increases is provided by Table 6 which contains inflation data for a variety of goods sold in kolkhoz markets. The large fluctuations in relative prices every month are apparent from this table, as is the fact that many prices rise steeply and then fall in the aftermath of increases in administrative prices. For example, in Kiev during January-March, five out of 14 goods experienced price declines and another three had one month without any increase in price. In St. Petersburg during February there was a price decline for five of the 14 goods and no price increases for a further six goods.

On June 1st the Ukrainian government announced that subsidies would shortly be withdrawn from meat, milk and bread. The predictable result was a sharp increase in kolkhoz market prices. Pork rose from 3,000 coupons per kilo on May 30 to 7,000 on June 8, potatoes increased from 80 coupons per kilo to 200 and the price of onions moved from 100 coupons per kilo to 250 coupons.

Also predictable was a wave of panic buying. Table 4 shows big increases in bread and milk lines in state stores. Milk was only present in one of the three stores which we surveyed. Table 5 further shows there was no meat in any of our surveyed stores and the

line for eggs was the longest it had been all year. Table 6 shows a change in the relative pace of inflation in the kolkhoz market between St. Petersburg and Kiev -- the latter had larger price increases for 10 goods in April but for only 3 in both May and June.

Ukrainian state stores were closed early on June 7th and opened with new, higher prices on June 8th. While the availability of goods improved after June 8th and line lengths declined, it appears likely that rate of inflation will remain higher than in the first half of the year. Precisely how inflation responds will depend on the reaction in terms of wage increases, and this may not be fully evident until after the July-August holidays. But assuming no major change in policy, it appears likely that Ukraine is slipping into hyperinflation.

Some Good News

Our own observations and anecdotal evidence strongly suggest that the availability and quality of nonfood goods continues to increase in Ukraine. However, we have not been able to develop any relevant systematic measures, primarily because many of these goods are now distributed through new retail outlets. For example, a great deal of private nonfood trade in Kiev still takes place at the republican stadium, but as traders accumulate capital they acquire premises and usually try to specialize.

More broadly, the private sector has begun to show sustained growth over the past year. At this time most of the growth is still in trade and simple services, but this is the start of significant job creation outside the state sector. In a survey of 349 people who were

fired from state enterprises in the second half of 1992, we found that by December 1992, 42 percent had found work in the nonstate sector and 31 percent had found a new job in the state sector. These rates of reemployment are very high and it remains to be seen if they will be maintained.³

There has also been rapid growth in the scale and employment of new commercial banks -- where "new" indicates that they were not formed out of the former Gosbank system. Based on a survey conducted in February 1993, we estimate that the approximately 130 new commercial banks in Ukraine have own capital and deposits close to that in the four largest former state banks. The difference in size of operations between these two parts of the banking system is accounted for almost entirely by credits provided by the central bank to firms, because most of these pass through the former state banks.

Furthermore, we also found evidence that at least some of these new commercial banks have moved beyond being narrowly based on just one sector. In their efforts to raise more capital and to diversify their risks, successful banks are seeking more shareholders and a broader set of customers.⁴

Two key unresolved issues concern changes within agriculture and state enterprises. The evidence so far on the agricultural sector suggests that directors of state and collective farms have been quite effective in slowing any kind of meaningful transformation. The large state farms continue to coexist alongside the more efficient private plots of rural and urban residents. At the same time, there are now some indications of an increase in individual farming oriented towards market production rather than self-sufficiency.⁵

The extent of serious adjustment within state enterprises remains unclear. In the

absence of effective government-directed privatization there continues to be some spontaneous privatization, more in the form of assets leaking out of the state sector than complete transformation of legal property forms. The available evidence suggests that these steps by themselves are unlikely to significantly improve the performance of state enterprises and the outlook for jobs in the state sector remains at best highly uncertain.⁶

In short, there are some positive signs in terms of new economic developments, particularly outside the state sector. However, the continuation of inflation cannot be considered helpful to these new forms of business. High inflation tends to keep horizons short, to make it harder to build long-term relationships, and to cause a great deal of volatility in relative prices. Full-fledged hyperinflation could cause significant damage to the emergent private sector.

Conclusion

It would be quite dangerous to assume that Ukraine can muddle through for the rest of 1993 with inflation "only" in the 20-40 percent per month range. In an economy without long experience of inflation and without smoothly functioning indexation mechanisms, there is a tendency for very high inflation to become hyperinflation, involving sustained price increases over 50 percent per month. Our evidence indicates Ukraine is slipping now into hyperinflation and unless dramatic stabilization measures are taken immediately, full-fledged hyperinflation will emerge in the fall.

The required stabilization measures comprise much more than the partial measure of increasing some administered prices. As our evidence on the food market shows, the

primary result of administered price increases is at best temporary improvements in the availability of goods. Only a set of measures which closes the budget deficit and imposes strict limits on credit can have any chance of stemming inflation at this point. Supportive measures in the form of trade liberalization and full currency convertibility would also be very helpful.

It may be harsh to expect very rapid change in the aftermath of Soviet communism, but Russia provides a benchmark against which Ukraine can reasonably be judged. Ukraine has undoubtedly fallen behind Russia in terms of initiating privatization and liberalizing internal trade. Our research suggests that these measures already mean better availability of goods, particularly food, in at least some parts of Russia compared with Ukraine.

It is true that Russia has also failed to bring inflation under control and the latest data suggests a similar acceleration of inflation in both countries. But Russia has moved further in terms of reforming public finance and negotiating meaningful economic assistance from the West. The West appears willing to help Ukraine, despite the current ambiguities of Ukraine's position on nuclear weapons, but Ukraine does not yet have an economic policy to which western assistance would make a significant difference.

In our assessment, the current economic situation means that irrespective of who gains control of economic policy in Kiev, there are very few options. Either the government will introduce a comprehensive package of tough anti-inflation measures or Ukraine will shortly enter a period of unrestrained hyperinflation. Realistically, unless the current political conflict is resolved in an unexpected direction, Ukraine will slip further into hyperinflation.

Endnotes

1. Detailed information on inflation in Ukraine through November 1991 is contained in Simon Johnson and Oleg Ustenko, "Ukraine on the Brink of Hyperinflation," RFE/RL Research Report, no. 50, 18 December 1992. Most of the data on Ukraine provided here is a continuation of the time series provided in that article.
2. This index includes the price of 0.9 kg of butter, 1.5 kg of sugar, 4.5 kg of meat, 12 kg of bread, 2 kg of cabbage, 2 kg of tomatoes, 2 kg of cucumbers, 9 kg of potatoes and 8 eggs. We use the prices in state stores unless these goods are not found in at least half of the surveyed stores or the relevant line exceeds 15 people, in which cases we use the kolkhoz market price. In addition, the index includes the cost of utilities and a monthly municipal transportation pass.
3. See Simon Johnson and Oleg Ustenko, "Unemployment After Communism: Five Results from Ukraine," February 1993, unpublished paper.
4. For more background on Ukrainian banks see Simon Johnson, Heidi Kroll and Mark Horton, "New Commercial Banks in the Former Soviet Union. How Do They Operate?" In Changing the Economic System in Russia, edited by Anders Aslund and Richard Layard, Pinter Publishers, 1993. Results of a banking survey conducted in February 1993 are reported in Simon Johnson and Oleg Ustenko, "The Role of New Banks in a Partially Reformed Economy: Ukrainian Experience," April 1993, unpublished paper.
5. See Simon Johnson and Zanny Minton-Beddoes, "The Acquisition of Private Property Rights in Ukrainian Agriculture," April 1993, forthcoming in the proceedings of a conference held at U.C. San Diego.
6. Research on this point is reported in Simon Johnson and Oleg Ustenko, "Corporate Control of Enterprises Before Privatization: The Effects of Spontaneous Privatization," May 1993, forthcoming in the proceedings of a conference organized by the Kiel Institute of World Economics.

Table 1

Black market exchange rates in Kiev,
Coupon/Dollar and Coupon/Ruble Exchange Rates

	Trader Buying Dollars	Trader Selling Dollars	Trader Buying Rubles	Trader Selling Rubles
January 1992	120			
February 1992	120			

June 1	120			
July 6	200			
August 4	250			

September 4	280			
September 8	325	355		
September 17	340	370		
September 26	380	390		
October 1	390	415		
October 8	450	490		
	(39%)			
October 17	480	500		
	(41%)			
October 26	530	555		
	(40%)			
November 2	560	580		
	(44%)			
November 8	600	620		
	(33%)			
November 17	710	740	1.55	
	(48%)			
November 26	755	805	1.65	
	(42%)			
December 2	720	n.t.	1.9	
	(29%)			

Table 1
continued

	Trader Buying Dollars	Trader Selling Dollars	Trader Buying Rubles	Trader Selling Rubles
December 8	740 (23%)	n.t.	1.9	
December 17	770 (8%)	n.t.	1.85	
December 26	860 (14%)	930	1.8	1.9
January 2	1000 (39%)	1100	1.95	2.0
January 8	1050 (42%)	1150	1.95	2.0
January 17	1200 (56%)	1400	2.2	2.3
January 26	1470 (71%)	1570	2.5	2.7
February 2	1600 (60%)	1700	2.7	2.75
February 8	2000 (90%)	2150	2.8	3.0
February 17	1900 (58%)	2000	2.8	2.9
February 26	2000 (36%)	2100	2.75	2.85
March 2	2000 (25%)	2150	2.75	2.85
March 8	2000 (0%)	2200	2.6	2.8
March 17	2200 (16%)	n.t.	2.8	2.85
March 26	2200 (10%)	2300	3.0	3.2
April 2	2200 (10%)	2300	3.0	3.2
April 8	2800 (40%)	3100	3.0	3.2
April 17	2750 (25%)	3100	3.5	3.6
April 26	3000 (36%)	3100	3.2	3.5
May 2	3000 (36%)	3150	3.2	3.4

Table 1
continued

	Trader Buying Dollars	Trader Selling Dollars	Trader Buying Rubles	Trader Selling Rubles
May 8	3000 (7%)	3150	3.1	3.3
May 17	3050 (11%)	3200	3.0	3.2
May 26	3050 (2%)	3200	2.9	3.1
June 2	3100 (3%)	3200	2.6	2.8
June 8	3700 (23%)	n.t.	2.6	2.8
June 11	3400	n.t.	2.6	2.8

"n.t." indicates there were no transactions of this kind.
A blank denotes we did not collect information on this date.

The number in brackets is the percentage change in the black market exchange rate compared with the same date in the previous month.

Source: Enquiries in the same place at approximately the same time every day. Five people are asked for their selling rates and five people are asked for their buying rates. The numbers reported here are the mean prices after discarding implausible outlying quotes.

Table 2

Black Market Exchange rates in St. Petersburg
Ruble/dollar exchange rate

	Trader Buying Dollars	Trader Selling Dollars
December 17	430	450
December 26	430	450
January 2	430	450
January 8	460	480
January 17	510	580
	(19%)	
January 26	520	590
	(21%)	
February 2	530	640
	(23%)	
February 8	550	645
	(20%)	
February 17	565	650
	(11%)	
February 26	610	660
	(17%)	
March 2	685	700
	(29%)	
March 8	695	700
	(26%)	
March 17	700	725
	(24%)	
March 26	740	750
	(21%)	
April 2	765	800
	(12%)	
April 8	770	815
	(11%)	
April 17	780	825
	(11%)	
April 26	810	850
	(9%)	
May 2	840	875
	(14%)	
May 8	880	925
	(14%)	

Table 2
continued
Black Market Exchange rates in St. Petersburg
Ruble/dollar exchange rate

	Trader Buying Dollars	Trader Selling Dollars
May 17	960 (23%)	995
May 26	995 (23%)	1120
June 2	1200 (43%)	1230
June 8	1240 (41%)	1300

Source: Enquiries in the same place at approximately the same time every day. Five people are asked for their selling rates and five people are asked for their buying rates. The numbers reported here are the mean prices after discarding implausible outlying quotes.

Table 3

Retail Food Price Index
Basket of Goods Based on the Ukrainian Army Ration

	Cost of Basket		Cumulative Index		Monthly Inflation	
	Ukraine (coupons)	Russia (rubles)	Ukraine (Dec.92=100)	Russia	Ukr. (percent)	Rus.
October 1992	3,150	n.a.	25	n.a.	26	n.a.
November	3,543	n.a.	28	n.a.	13	n.a.
December	12,709	9,673	100	100	259	n.a.
January 1993	17,968	11,501	141	119	41	19
February	20,688	16,837	163	174	15	46
March	23,887	17,740	188	183	15	5
April	26,820	18,116	211	187	12	2
May	32,850	20,200	258	209	23	12
June	48,130	31,100	379	322	47	54

"n.a." denotes that we did not collect information on this date.

Each month's index is computed using data from the second week of that month only. The exception is June 1993, for which we use data from the first week.

Source: Own price surveys. The composition of the basket is described in the text.

Table 4

Prices and Line Lengths for Bread and Milk,
State Stores in Kiev and St. Petersburg,
October 1992 - June 1993

	Bread (kilo)				Milk (liter)			
	Price		Line Length		Price		Line Length	
	Kiev	St. P.	Kiev	St.P.	Kiev	St.P.	Kiev	St.P.
October 1992								
2nd week	16	-	4	-	n.p.	-	n.p.	-
4th week	16	-	8	-	n.p.	-	n.p.	-
November								
2nd week	16	-	4	-	n.p.	-	n.p.	-
4th week	16	12	8	10	n.p.	29	n.p.	10
December								
2nd week	16	15	5	9	n.p.	30	n.p.	9
4th week	32	15	4	10	n.p.	30	n.p.	10
January 1993								
2nd week	40	31	3	6	n.p.	33	n.p.	6
4th week	53	31	4	8	n.p.	52	n.p.	8
February								
2nd week	65	31	8	10	178	54	10	10
4th week	65	31	7	5	178	70	5	5
March								
2nd week	65	31	4	6	n.p.	59	n.p.	6
4th week	72	35	5	10	178	80	3	10
April								
2nd week	75	38	4	12	180	80	8	12
4th week	65	42	40	5	180	80	15	5
May								
2nd week	60	40	30	8	180	80	17	8
4th week	60	45	16	7	200	70	20	7
June								
1st week	60	48	23	8	217	70	45	5
2nd week	180	58	9	6	440	80	7	7

The survey for the 1st week of June was conducted on June 3rd and for the second week of June on June 8th.

"-" denotes we did not collect data on this item in this week.

"n.p." denotes that this product was not in the store.

Source: Our own price surveys in Kiev and St. Petersburg.

Table 5

Prices and Line Lengths for Meat and Eggs,
State Stores in Kiev and St. Petersburg,
October 1992 - June 1993

	Meat (kilo)				Eggs (ten)			
	Price		Line Length		Price		Line Length	
	Kiev	St. P.	Kiev	St.P.	Kiev	St.P.	Kiev	St.P.
October								
2nd week	120	-	50	-	44	-	7	-
4th week	n.p.	-	n.p.	-	n.p.	-	n.p.	-
November								
2nd week	n.p.	-	n.p.	-	130	-	40	-
4th week	n.p.	229	n.p.	10	150	108	10	10
December								
2nd week	n.p.	230	n.p.	8	163	95	5	9
4th week	120	n.p.	25	n.p.	175	95	25	10
January								
2nd week	637	235	3	9	340	80	9	6
4th week	760	320	15	5	340	95	25	10
February								
2nd week	780	570	3	15	289	108	18	10
4th week	n.p.	651	n.p.	5	289	n.p.	5	n.p.
March								
2nd week	n.p.	660	n.p.	4	300	n.p.	6	n.p.
4th week	n.p.	670	n.p.	6	320	120	2	10
April								
2nd week	1515	1200	4	3	330	140	1	12
4th week	1550	1250	30	5	320	180	2	5
May								
2nd week	n.p.	1300	n.p.	4	330	190	3	8
4th week	1600	1300	16	2	350	190	6	7
June								
1st week	-	-	-	-	350	190	30	4
2nd week	3500	2000	2	5	580	220	4	6

"-" indicates that this data was not collected.

"n.p." denotes that this product was not in the store.

The survey for the first week of June was conducted on June 3rd and for the second week of June on June 8th.

Source: Our own price surveys in Kiev and St. Petersburg.

Table 6

Inflation in the Kiev and St. Petersburg kolkhoz markets,
November 1992-June 1993.

	November, 92		December, 92		January, 93		February, 93		March, 93		April, 93	
	Ukr.	Russ.	Ukr.	Russ.	Ukr.	Russ.	Ukr.	Russ.	Ukr.	Russ.	Ukr.	Rus
pork	69	n.a	50	n.a	289	29	3	0	21	16	10	28
beef	-4	n.a	105	n.a	189	33	35	0	30	13	14	17
lard	48	n.a	27	n.a	171	27	-14	0	21	23	48	11
butter	320	n.a	11	n.a	20	8	54	-50	3	13	5	18
sour cream	91	n.a	67	n.a	60	15	39	0	-8	8	4	7
cottage ch.	24	n.a	14	n.a	63	15	46	63	0	31	5	6
eggs	59	n.a	17	n.a	135	-18	12	18	-6	42	-5	7
honey	100	n.a	35	n.a	85	14	14	45	-25	0	33	5
potatoes	40	n.a	29	n.a	177	32	16	-5	23	0	-26	16
tomatoes	-30	n.a	2	n.a	567	208	200	-10	33	-15	25	-32
cucumbers	-6	n.a	150	n.a	700	167	88	-54	-17	-26	4	-24
cabbages	40	n.a	14	n.a	125	38	0	0	84	0	20	67
onions	41	n.a	11	n.a	20	25	0	0	33	0	4	22
apples	67	n.a	67	n.a	100	37	32	-9	14	0	7	20

	May		June	
	Ukr.	Russ.	Ukr.	Russ.
pork	74	30	75	0
beef	55	19	115	16
lard	73	27	130	18
butter	50	10	67	14
sour cream	67	20	80	150
cottage ch.	0	11	100	35
eggs	5	0	42	0
honey	90	21	172	21
potatoes	-9	27	100	-29
tomatoes	92	0	-20	8
cucumbers	54	0	60	23
cabbages	25	10	20	150
onions	-18	9	83	38
apples	225	50	169	28

"cottage ch." stands for cottage cheese.

"n.a" denotes that we did not collect information on this date.

Inflation rates are calculated by comparing prices in the second week of a month with those in the second week of the preceding month. The inflation rate for June is computed by comparing prices from the first week of June with with 2nd week of May.

Source: Survey of prices from three markets in Kiev and three markets in St. Petersburg. The prices represent the average price of produce in each set of three markets.