

# Ukraine in Brief

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## IMF Mission to Ukraine Requires Additional Time

The International Monetary Fund (IMF) mission to Ukraine has taken a recess in order to complete additional technical work. According to Max Alier, IMF Resident Representative, "an International Monetary Fund (IMF) mission visited Ukraine from Oct. 25 to Nov. 3. Progress has been made on policies to complete the second review under the Stand-by Arrangement. We have decided to take a pause to enable some additional technical work to be carried out."

He went on to say that discussion on economic policies will continue to be held at a later date. The Oct. 25-Nov. 4 IMF mission to Ukraine was to determine whether the IMF should continue with payments to Ukraine. In the summer of 2010 the IMF started a loan partnership that would provide quarterly allocations of tranches.

A March 2011 IMF mission advised against approval of another tranche for Ukraine due to Ukraine's inability to approve pension reform and a higher price for natural gas for households. Ukrainian politicians have been hesitant to engage in these reforms due to the negative public opinion they bring as well as being a year away from parliamentary elections. Furthermore, the Ukrainian central bank has stated that it believes that negotiations with the IMF have failed and hope that aid would resume in the near future. There has

been no timetable given on when the IMF will make its decision.

## Protestors Clash with Riot Police outside Ukrainian Parliament

Around 2,000 protestors rallied outside Ukraine's parliament on Nov. 3<sup>rd</sup> against governmental plans to cut subsidies and payouts. Among the protestors were veterans of the Soviet Afghan war, evacuees from the Chernobyl nuclear disaster, and hundreds of traders and entrepreneurs from small to medium sized businesses. Protestors broke through a metal barrier and were met with riot police when they attempted to enter the building.



*Protestors meet riot police outside Ukraine's parliament on Nov. 2.  
(Photo: AP)*

Ukraine is attempting to cut spending in order to receive continued funding from a loan partnership with the International Monetary Fund. However, cuts to the national budget have encountered strong public oppositions. Tax and pension reforms

have been met with demonstrations which are now beginning to take place more frequently throughout Ukraine. One bill that the Ukrainian parliament is considering would reduce payouts and subsidies to people such as Afghan war veterans and those who were rescue workers at Chernobyl after a nuclear accident in 1986. There were no arrests at last week's protest.

## NATO Believes in Opportunity for Partnership with Ukraine

In Kyiv, during the first Ukraine-Russia-NATO forum "Cooperation with NATO: Benefits for Ukraine and Russia," NATO reiterated that it hopes to develop good relations with Ukraine and Russia. Director of the NATO Information and Documentation Center in Kyiv, Natalia Nemyliwska stated that NATO believes that "good relations between partners are making our world safer."

Ukraine has decided to maintain a non-aligned relationship with NATO. Nemyliwska reiterated that NATO respects Ukraine's position and "recognize[s] the sovereign right of each country to freely choose an approach to the organization of its security." Nemyliwska did say that there is a great opportunity at the present time for Ukraine and NATO to develop a partnership in order to face many challenges such as cyber security and piracy.