

Ukraine Cabinet Quits; Prime Minister's Future Uncertain

By [The Moscow Times](#)

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KIEV — Ukrainian President Viktor Yanukovich accepted the resignation of Prime Minister Mykola Azarov's government Monday without indicating whether he would reappoint the longtime ally ahead of tough IMF loan talks.

The move was expected after several government members, including Azarov, were elected to parliament on Oct. 28, obliging them to give up their ministerial roles.

Yanukovich told Azarov's government to stay on in an interim capacity, according to a decree published on the presidential website, and he may reappoint its members.

The 64-year-old Azarov is seen as a safe custodian who spent more than two years trying to revive a debt-ridden economy that is struggling to recover from recession.

Growth rates have fallen again this year as demand for Ukraine's main exports, like steel, has

shrunk. Further painful reforms seem inevitable.

"Yanukovych will not take risks and complicate things at a time when the world economy is in crisis," said political analyst Taras Berezovets.

The dour Azarov has also been at the forefront of tough — and so far unsuccessful — negotiations with Russia, Ukraine's main energy provider, to try to bring down the price of natural gas supplies, which the government says are way above market price and a huge drain on the economy.

Appointing someone else prime minister, such as central bank chief Serhiy Arbuzov, with whom Yanukovych is personally close, could prove unwise and unpopular, commentators say.

As acting prime minister, Azarov is supposed to lead talks on a new lending agreement with an International Monetary Fund mission due to arrive in Kiev on Friday.

Whether or not he will keep his post thereafter will become clear only when the new parliament meets on Dec. 12.

Yanukovych's choice is likely to be approved by the assembly, given that the Party of the Regions, which he and Azarov lead, says it is close to securing a majority in the chamber.

Ukraine says it hopes to use new IMF loans to repay a \$6.4 billion portion of its debt to the fund that falls due next year. The IMF, in turn, insists that Kiev needs to raise gas and heating prices for households to cut the growing budget deficit.

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