

# Ukraine Delays IMF Delegation Amid Government Shakeup

By [The Moscow Times](#)

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KIEV — Ukraine has asked the International Monetary Fund to put off talks on a new stand-by program — which were expected to start this week — until the New Year after its government resigned following a parliamentary election, the Fund said on Thursday.

The Fund's resident representative in Ukraine, Max Alier, said in a statement the mission scheduled to visit Kiev to discuss a stand-by loan agreement on December 7-17 would be put off until the second half of January.

"The Ukrainian authorities have indicated this will allow participation of the new Cabinet of Ministers, following the resignation of former ministers in early December."

Ukrainian President Viktor Yanukovich accepted the resignation of Prime Minister Mykola Azarov's government on Monday in an expected move after several cabinet members including Azarov were elected to parliament on Oct. 28.

Yanukovich has not indicated who would become the new prime minister although he has said he did not rule out re-appointing his long-time ally and government veteran Azarov.

Securing fresh funding from the IMF will be the first major task of the new government next year as Ukraine faces \$9.1 billion in payments due to its foreign creditors, up from \$6.5 billion this year.

The 2013 sum includes \$6.4 billion owed to the IMF and Ukraine has said it hoped to refinance that debt.

The lame-duck parliament on Thursday approved the 2013 budget drafted by Azarov's cabinet which would widen the deficit to 3.2 percent next year from 2.6 percent this year and requires a total of \$15.4 billion in borrowing.

Underscoring Ukraine's weakening finances, rating agency Moody's on Wednesday downgraded its government bond rating by one notch to B3 from B2 with a negative outlook.

The IMF stopped lending to Ukraine in early 2011 after Azarov's government refused to raise household gas and heating prices, an unpopular move which the Fund says is key to cutting budget deficit.

Azarov repeated the pledge not to raise the prices in the run-up to the October election, prompting speculation he may now be replaced by someone more willing to make concessions to the IMF, such as central bank head Serhiy Arbuzov.

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