

# IMF Mission Visits Ukraine for Bailout Update

June 24, 2014

**The  Moscow Times**

KIEV — An International Monetary Fund mission was due in Kiev on Tuesday to check on Ukraine's progress in implementing tough conditions for a \$17 billion bailout, the organization said.

The ex-Soviet republic, facing an insurgency in its eastern region, received a first tranche of about \$3.2 billion in May under the two-year program to shore up depleted foreign currency reserves and support the state budget.

Ukraine has already met some of the strict requirements for the loan such as raising the price of gas in households and industry and allowing the exchange rate of the national currency, the hryvna, to float.

It is also required, among other steps, to reduce the budget deficit by about 2 percent of GDP each year from 2014 to 2016.

The IMF mission, scheduled to stay until July 3, will conduct a first review of the economic

program as well as Ukraine's future objectives, the IMF said in a statement.

The Kiev government's ability to meet the IMF targets may have been complicated by the crisis in Ukraine's eastern regions, where separatist rebellions erupted in April.

The Donetsk and Luhansk regions, the crucible of the pro-Russian rebel uprising, together account for nearly 18 percent of Ukrainian GDP.

Ukraine is at loggerheads with Russia, a major trading partner, over the price of strategic supplies of Russian natural gas, which are a huge drain on the budget.

Its accusations of Russian involvement in the separatist insurgency have also helped drive ties to an all-time low.

Russia is a market for about a quarter of Ukrainian exports. The IMF sees a deterioration of non-energy trade relations as the primary risk to the successful implementation of Kiev's economic program, Russia's deputy finance minister said in May.

**See also:**

[Ukraine Holding Talks With Creditors on Possible Debt Restructuring, IIF Says](#)

Original url:

<https://www.themoscowtimes.com/2014/06/24/imf-mission-visits-ukraine-for-bailout-update-a36699>