

Judgement Day for Ukraine as IMF Talks Resume

By [The Moscow Times](#)

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Valeria Gontareva, the head of Ukraine's Central Bank, attends a news conference in Kiev on Dec. 30, 2014.

KIEV — An IMF team resumed talks in Kiev on Thursday that Ukraine's government hopes will lead to a bigger aid program, as billionaire financier George Soros urged the West to step up funding to the country.

The International Monetary Fund's existing package is worth \$17 billion. But Kiev, overseeing an economy already pushed close to bankruptcy by a pro-Russian separatist war in the east and now facing huge debt repayments, is anxious for the program to be expanded.

Ukraine hustled through an austerity budget in late December, required for the next disbursement of IMF cash under a program that has so far paid out \$4.6 billion in two tranches.

At the time, Central Bank head Valeria Gontareva said Kiev expected the IMF to release two additional slices of credit before year-end, plus a fifth tranche following the January visit.

With a combined value of \$2.7 billion for tranches three and four, a further expected disbursement of \$1.4-1.5 billion this month would take the overall figure for overdue and pending payments to over \$4 billion.

Hungarian-born hedge fund magnate Soros on Thursday called on the West to step up its aid, outlining steps towards a \$50 billion financing package he said should be viewed as a bulwark against an increasingly aggressive Russia.

The IMF, whose new mission is expected to wrap up before the end of the month, has said, along with Ukraine's other Western backers, that any extra financial help will hinge on Kiev's ability to implement long-promised reforms.

Much will depend on how the Fund views the detail of Ukraine's budget and a series of austerity laws, including amendments that would impose extra duties on imports.

In December, Prime Minister Arseniy Yatsenyuk, who held talks on Thursday in Berlin with German Chancellor Angela Merkel on Western aid for his country, said Ukraine risked possible default unless Western donors came up with more funds.

Its foreign currency reserves more than halved in 2014 to a 10-year low. At just under \$10 billion, the reserves are barely sufficient to cover two months of imports, and \$7.3 billion of external debt repayments fall due this year.

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