The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

IMF Chief Says Ukraine Conflict 'Huge' Distraction to Economy

By The Moscow Times

March 04, 2015



Germany's Finance Minister Wolfang Schaeuble (L) chats with Managing Director of the International Monetary Fund (IMF) Christine Lagarde during an extraordinary euro zone finance ministers meeting (Eurogroup) in Brussels.

International Monetary Fund chief Christine Lagarde said on Wednesday that the crisis in Ukraine is a huge distraction in efforts to reform the country's economy and its collapse would not be in Russia's interest.

In an interview on MSNBC, the International Monetary Fund's managing director said financial support for Kiev depends on how stable the situation is in eastern Ukraine, where pro-Russia separatists have been battling the government.

While Ukraine's current leaders, "are really determined to reform the economy," Lagarde said, the conflict in eastern part of the country "has been a huge distraction."

Last month, Lagarde announced Ukraine would receive about $40 billion in funding in the next four years, with nearly half that amount coming from the IMF.

But that support and its impact largely hinges on how the crisis over Russia's actions in Ukraine is resolved, she said.

"What we are trying to help Ukraine with is a set of reforms, massive financial support — but all of that is going to depend on how it stabilizes on the east of Ukraine and how the war comes down and the conflict stops," she said on MNSBC's 'Morning Joe' program.

Asked about Russia's financial role in Ukraine, Lagarde said the payment situation over gas supplies from Russia to Ukraine is "pretty much under control."

Any economic collapse of Ukraine would not be in Russia's interest, she said, "because it is a supplier, because it is a creditor and because it wants to get paid and reimbursed at the end of the day."

A cease-fire agreement between Ukraine and the rebels went into effect on Feb. 15 but both sides accuse the other of violating it.

Original url:
https://www.themoscowtimes.com/2015/03/04/imf-chief-says-ukraine-conflict-huge-distraction-to-economy-a44457