

UKRAINE

Pre-Election Band-Aids

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Despite appearances, the economy is on shaky ground. True, devaluation sentiments have calmed. Yes, the Ministry of Finance is reporting double-digit rise in revenue collections. But the FX market has stabilized at the expense of trade credits, and with the help of new Gazprombank loans for gas payments, while revenues have been built on the skillful use of discretionary administrative tools. Meanwhile, the real sector has declined (by 1.1% y/y in March), and trade has fallen into significant deficit, of \$1.4 billion by February.

It will be tough for the authorities to maintain this situation up to>>>>