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Executive Summary

The macroeconomic outlook for Ukraine is quite promising. Investment demand is reviving gradually, mainly due to continued political and economic stability. Core industries are benefitting from a new upsurge in metal prices. The Cabinet, meanwhile, has initiated major public finance cost cuts, at the expense of the utility tariffs upgrade, and expects to increase the retirement age this year. So it's no surprise that the IMF has been happy to extend financing.

From the point of view of business, though, developments look less brilliant. Companies keep complaining about intense pressure from tax authorities, and other state institutions. Entrepreneurs face problems at customs, in getting VAT refunds and in public procurements. Even the IMF representative in Ukraine, Max Alier, openly acknowledged the deterioration of the business environment.

To make things worse, Ukrainians have growth highly irritated with the performance of the ruling Party of Regions>>>