

UKRAINE

More Mistakes

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Despite growing internal problems, the troubles in the US have been the top news in the country lately. The risk of facing similar hardships as in 2008 makes Ukrainians nervous and, to a large extent, disoriented. Such a small, open, and export-oriented economy as Ukraine's closely follows the changes in the consumption patterns of developed countries. Any slumps in the West translate to the region with multiplied effects. In this respect, the developments in the US promise many "exciting surprises" for the region.

Even without the troubles in the West, domestic events seem to be more than enough to spoil even the delicate business environment. On August 5th, the trial judge ordered the arrest of Yulia Tymoshenko, which triggered a wave of ireful reaction from the West and even Russia. This outcome confounded the authorities' plans as, in fact, there is no face-saving way out of the situation: detention in custody will cause an international boycott, while Tymoshenko's release would be an open victory of their political rival. So far it is difficult to say what will be the outcome, but whichever it is, the ruling party will lose out>>>