



CONCORDE CAPITAL

Ukraine / Forum update

Davos Ukrainian lunch

Experts share pessimistic views on Ukraine

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Concorde Capital's Igor Mazepa just returned to Kyiv after participating in the 5th Davos Ukrainian Lunch last Friday. According to him, experts shared a generally pessimistic view of the effects of the economic crisis on Ukraine, beginning with opening comments from Viktor Pinchuk (Ukrainian businessman and founder of event organizer, Pinchuk Foundation). Other speakers included investor George Soros, and Arseniy Yatseniuk (former Verkhovna Rada speaker).

Pinchuk: Ukraine has suffered the most from economic crisis

In a grim opening statement to start the luncheon, Viktor Pinchuk, Ukrainian businessman and founder of the Pinchuk Foundation, which organized the event, said "Ukraine is in a critical situation today. Following their assessment, all economists agree that Ukraine has suffered the most. We are going through an economic and political crisis. There might be serious social consequences."

Soros: Ukraine's main issues are internal

Influential investor and billionaire George Soros said that Ukraine's main obstacle in forming a coherent response to the economic crisis is internal politics. He specifically pointed to the continuing feud between President Viktor Yushchenko and Prime Minister Yulia Tymoshenko. Soros said that in order for Ukraine to get through this period, Ukraine must implement EBRD programs to create alternative jobs and develop its human capital.

Yatseniuk: End to crisis in Ukraine at best in 2011?

Arseniy Yatseniuk, ex-speaker of the Verkhovna Rada, said that with the global uncertainty about the end of the crisis, he didn't see an end earlier than 2011. In his opinion, the crisis has yet to reach a bottom. In terms of a solution, Yatseniuk said that Ukraine is already past the stage of solving economic problems internally, "In Ukraine there is not an economic crisis. In Ukraine, there is a global crisis. Today we must work in concert with the entire world."

In order to get through the crisis, Yatseniuk listed the following steps: restructure the country's external debt, take control of lender's loan portfolios and transfer toxic assets to a single state-owned bank, reduce state budget expenditures, implement loan programs to stimulate the domestic market, and focus resources on infrastructure projects. According to Concorde Capital sources, the government is allegedly currently in talks with international organizations about a toxic asset relief program for Ukraine.

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