

Default Evaded; Progress in Sight

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The Ministry of Finance paid a \$120 million coupon on its Eurobond on July 24th, which postponed feared default and reduced chances of a moratorium on debt repayment. The story is still long from over, and the Ministry of Finance will continue negotiating with creditors through September. But a 40% haircut looks unrealistic; debts are likelier to be rescheduled based on creditors' proposals.

There's a desperate fight on, between the old and new Ukraine. Badly-needed changes reformers are pushing forth are facing fierce resistance from the old guard. Yet progress has been encouraging. One such success is the new police force in Kyiv. The first batch of new policemen were seen on the streets in July, and immediately won public acclaim. There is a sense that at long last the nation's law enforcement bodies deserve some respect. On the hand, the older generation of policemen has been rather hostile. Further police reform will take time (officials have been quoted estimating five years). Still, one can already claim that the Kyiv police symbolize a new Ukraine.

Another fight between the new and old forces unfolded at the senior prosecutors' office>>>

