

Timid Signs of Recovery

New statistical data and the formation of a new government in Kyiv offered a small dose of optimism. True, new Prime Minister Volodymyr Groysman is part of the old system, and we have our reservations about calling him a “reformer.” Yet, the Cabinet’s initial moves are moves in the right direction, though the reasons for the careerist Groysman’s initiatives are open to speculation. A few came as no surprise. One, his raising of gas prices, was rather pragmatic – it was a gesture to the IMF, and an attempt to advance cooperation with Western donors, since Kyiv depends on the IMF’s support to secure their financial support. There have been a few surprises, though. First, there was the transparent appointment of two new key managers to Ukrzaliznytsya, the state railway company, and Ukrposhta, the state postal service, two large and very lucrative state companies. The other unexpected move was a push to finally deregulate the highly corrupt pharmaceutical market, limiting a system that ably produced a significant number of bribes each year. We are not entirely certain what to make of all of Groysman’s actions, though. Whether they are part of a kick-off strategy to build a positive image and credibility, or he is serious about pushing forward with reforms, remains to be seen >>>

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