

Visa-Free Travel to Europe A Feather in Poroshenko's Cap

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Visa-Free Travel Arrives: A Major Victory for Poroshenko

Central Bank Governor and State Property Fund Director Resign

Critical Electricity Legislation Passed

Pension Reform: Government Commits to IMF Demands

Land Reform: Market Design is Hotly Debated

Hryvnia Strengthens

Industrial Output Slips 2.7

Licensed Retail Sales Jump 8.8%

Consumer Prices Speed up to 1.8% m/m

Monetary Base Falls 6.5%

Fiscal Accounts: Revenues Grow in Double-Digits

External Accounts: CAD Remains Lower than a Year Ago

Calendar of Events

Positive developments in April included receipt of a third IMF loan tranche, the European Parliament's surprise approval of a visa-free regime for Ukraine, a big win for the president that should nicely position him for a second five-year term. The Verkhovna Rada approved a key law for electricity market reform, and the government is advancing both pension and land reforms.

Though long expected, NBU Governor Valeria Hontareva's resignation was unpleasant news. But her potential successor, Raiffeisen Bank Aval Chairman of the Board Volodymyr Lavrenchuk, has a strong reputation in banking circles, and is expected to maintain Hontareva's reform course.

The hryvnia continued to benefit from high global commodity prices, and positive reactions to the IMF tranche. The currency inched up 1.7%, to UAH 26.6/dollar in April, from UAH 27. Remarkably, that was despite continuing industrial decline, at -2.7% y/y, as warmer March weather caused heat generation to plunge 36.3% y/y, and the impact of the blockade of the occupied Donbas >>>