

## Advances: Pensions & Eurobonds

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Parliament finally voted in the long-awaited pension reform, in early October. The law increases effective retirement age (higher requirement of years in service before being vested in a pension), leaving the headline pension age unchanged at age 60. It also envisages immediate pension rises from October. The IMF had concerns over some points of the reform, like the increase in pensions in October, and a second-tier pension system. But in general the approved law should be close to what the IMF was requesting.

A \$3 billion Eurobond issue was another critical recent piece of news. Ukraine has returned to the global financial markets: the risks of default have faded. Still, we recognize that this placement eased pressure on the authorities in terms of further reform efforts, in the run-up to the 2019 presidential election. Approval of pension reform is not a part of this story, since for Ukrainians it was not about tight measures, but immediate pension increases. But other issues, like an anti-corruption court and transparent privatization will face noticeable resistance, we believe >>>