

UKRAINE

Fending Off the Aggressor

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Drop in Non-Energy Imports Shrinks the Current Account Deficit Criminal violence is exploding throughout Eastern Ukraine, while the economy sinks further into the red. Yet positive developments under the surface lead us to take an optimistic outlook. Ukrainian society is sick, and the road to recovery will be hard. But at least the patient has stabilized, and is showing a passionate will to live.

Ukrainians' election of the oligarch Petro Poroshenko by an apparent landslide reflects the need for a credible president now, rather than any particular affinity for Poroshenko the man. The official results are likely to be in the vicinity of exit poll estimates, showing that Poroshenko won with nearly 56% of the vote. Though impressive, this number shouldn't be seen as indicative of unvarnished support, but rather as a Ukrainian desire to rush a legitimate president into office. Yet there's healthy skepticism over Poroshenko's ability to provide all Ukraine needs. So he'll face unprecedented civic control over his actions -- a genuine first for Ukraine.

The situation in the East can even be seen as a benefit for Ukraine. Separatist actions are morphing into a wave of outright brigandage>>>