

## **Minimum wage can't be raised, Ukraine PM Groysman says** **Ukraine**

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**Analyst: "Though once thought to be his [Poroshenko's] protégé, Groysman has charted an entirely independent political course for himself. He's not likely to be prime minister after March 2019, but Groysman will remain a key player in Ukrainian politics for many years to come."**

KYIV, May 4, 2018 - The Ukrainian government doesn't have the ability to raise the minimum wage at the moment, Concorde Capital quoted Ukrainian Prime Minister Volodymyr Groysman as telling Interfax-Ukraine news agency in an interview published on May 2. "Everything is supposed to be balanced," he said, adding that his Cabinet's unexpected initiative to double the minimum wage as of January 2017 to 3,200 hryvnias was based on "our thorough calculations." However, now it's not possible to raise it further this year, he said. Recall, the 2018 state budget stipulates a minimum wage hike to UAH 3,723 as of January, as well as provides an option to raise it to UAH 4,200 as of 2Q18, providing economic conditions allow for that. Raising the monthly minimum wage to UAH 4,200 as of 2Q18 would cost the budget between UAH 13-30 bln in 2018, the Finance Ministry reported in April. At the same time, Groysman said he thinks the average monthly wage can grow to UAH 10,000 this year without raising the minimum wage. Recall, the average wage in Ukraine amounted to [UAH 8,382 in March 2018](#), or 24% higher yoy. Concorde analyst Zenon Zawada added: "Ukraine President Poroshenko needs something tangible to offer voters ahead of the March 2019 elections and raising the minimum wage would have been one of his few options. We believe it's still possible he will try this, but he might have to offer Groysman a concession in order to gain his support for the measure. It certainly won't happen before the summer since any minimum wage hike will likely face fierce resistance from the IMF, which won't approve higher budget expenditures amid underperformance of budget revenues. "Groysman's statement indicates that he couldn't care less about the president's ambitions. Though once thought to be his protégé, Groysman has charted an entirely independent political course for himself. He's not likely to be prime minister after March 2019, but Groysman will remain a key player in Ukrainian politics for many years to come." &nbsp;

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