

## **Ukraine PM Groysman promises to resign if anti-corruption court bill fails** **Ukraine**

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**Analyst: "With his statement, Groysman has joined the NBU head in warning of the severe consequences for Ukraine's economy if the IMF deal falls through."**

KYIV, June 4, 2018 - Ukrainian PM Volodymyr Groysman threatened to resign in case the parliament doesn't approve legislation to create an independent anti-corruption court, Concorde Capital informed clients today in an online advisory. The statement by Groysman came in a joint press briefing with the parliamentary speaker on June 4. "I, as prime minister, made a decision if this court - fair, independent - isn't created, I will resign," he said, as cited by Interfax-Ukraine. He also said he will talk today to the leaders of the parliamentary factions about the legislation. In his turn, Speaker Andriy Parubiy said that he will do all his best to ensure approval of the anti-corruption court legislation this Thursday, pravda.com.ua reported. Recall, approval of the legislation creating a High Anti-Corruption Court in line with IMF demands is the key requirement for receiving a fifth loan tranche this summer. One contested point remains regarding the ability of foreign experts to have the final say in approving judges to the court, Parubiy said on May 24. Concorde analyst Alexander Paraschiy added: Groysman's announcement indicates he's well aware of the risks posed by failing to secure the IMF tranche this month and he wants nothing to do with the potentially dire consequences. He knows that no IMF tranche will also mean no loans from the EU and the World Bank in 2019. That also means Ukraine's international reserves will fall below the level of three months of future imports no later than 1Q19. That will also heighten risks for the Ukrainian currency, prompt an unavoidable downgrade of Ukraine's credit rating and raise the sovereign debt risk. Needless to say, Groysman or any other ambitious politician won't want to be Ukraine's prime minister under such conditions. "With his statement, Groysman has joined the NBU head in warning of the severe consequences for Ukraine's economy if the IMF deal falls through. Taking into account that most, if not all of the top decision-makers are well aware of the risks for Ukraine from such failure, we remain optimistic about the IMF deal in late June or mid-July at the very latest. "We should add that Groysman has shown himself to be no technocrat, but a populist politician eager to remain active in Ukrainian politics for years to come. Yet any resignation that he might take (he is also reported to have considered resigning to avoid natural gas price hikes) won't help his lack of popularity. Lacking charisma or any signature policy, Groysman's two years as prime minister have failed to propel him to political stardom. So far, that is."

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