

# Mirroring Greece: Ukrainian Economy in Free Fall

By [Sputnik](#)

Global Research, August 19, 2015

[Sputnik News](#) 15 August 2024

Region: [Russia and FSU](#)

Theme: [Global Economy](#)

*Ukraine has no money to pay off its public debt and under certain circumstances risks turning into a forever-in-debt country, Jeffrey Albert Tucker, Distinguished Fellow of the Foundation for Economic Education, said.*

*Earlier in August, Ukraine managed to avoid a technical default by paying off its \$120 million eurobond coupon. The next payment, \$500 million, is due to be made in September.*

“Creditors are always in a bad situation under these conditions – there’s no money to be had, but they still want their money. But I actually think there’s no chance that Ukraine’s going to be able to pay what they owe, and 5 percent is not going to fix the problem... The creditors are going to have to take a bath this time... Six to twelve months from now we could be looking at another Greece,” Tucker told RT.

According to the analyst, the new Ukrainian government has taken no significant measures to improve the debt issue. Currently, a default is not the worst scenario in comparison with problems which would result from austerity measures.

“The one thing you learn from international politics is that regimes can come and go, but government debt lasts forever unless there’s a default... Nobody wants a default, but if you can’t pay, you can’t pay. The Ukrainian economy is in a free fall and unless they can tap some more money from the IMF – I don’t see any another option. There’s no tax base that can possibly cover a debt this gargantuan,” Tucker pointed out.

A Ukrainian governmental delegation arrived in San Francisco for the final round of the talks with the international committee of creditors. Led by Franklin Templeton, the committee comprises the five major holders of Ukrainian bonds worth \$10 billion.

The memorandum of intent between Kiev and the International Monetary Fund presumes the restructuring of \$22.7 billion in debt, including companies’ debts. This provision is the key condition for providing Ukraine with \$17.5 billion of financial aid under a four-year program of extended funding.

The original source of this article is [Sputnik News](#)

Copyright © [Sputnik](#), [Sputnik News](#), 2015

---

[Comment on Global Research Articles on our Facebook page](#)

## **Become a Member of Global Research**

Articles by: **Sputnik**

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)