

Bloomberg – 28.05.2019

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Ukraine President's Ally Rejects Billionaire's Default Call

Союзник президента України відкидає заклик мільярдера до дефолту

Союзник президента України Володимира Зеленського відхилив заклик впливового бізнесмена до дефолту за зовнішнім боргом країни, заявивши, що ця пропозиція є «незалежного олігарха». «Дефолт не відповідає інтересам держави. Будь-яке відповідальне уряд повинен уникати його», - заявив Bloomberg колишній міністр фінансів Олександр Данилюк, який консультував кампанію Зеленського і повинен увійти до складу Ради національної оборони і безпеки в новій адміністрації. Він відповідав на коментарі, зроблені мільярдером Ігорем Коломойським в інтерв'ю, опублікованому в Financial Times.

<https://www.bloomberg.com/news/articles/2019-05-27/ukraine-president-s-ally-rejects-billionaire-s-call-for-default>

An ally of Ukrainian President Volodymyr Zelenskiy rejected an influential businessman's call to default on the nation's external debt, saying the proposal is the view of a "detached oligarch."

"Default is not in the interest of the state. Any responsible government must avoid it," former Finance Minister Oleksandr Danylyuk, who advised Zelenskiy's campaign and is slated to join the National Defense and Security Council in the new administration, told Bloomberg. He was responding to comments made by billionaire Igor Kolomoisky in an interview published in the Financial Times.

Investors are assessing the agenda of Zelenskiy, a comedian-turned politician who won the presidency in a landslide last month after a campaign focused on vague promises to tackle corruption. While his entourage includes reformist ex-ministers popular among international investors, such as Danylyuk, his links to billionaire Kolomoisky, whose television channel airs Zelenskiy's shows, have raised concerns.

Kolomoisky returned to Kiev this month after a period of self-exile during former President Petro Poroshenko's five-year term. Part of his plan is to regain control over Privatbank, Ukraine's largest lender, which was taken over by the government in an

International Monetary Fund-led bailout. Under that loan program, Ukraine already negotiated a 20% write-down with international creditors in 2015.

While official comments on potential defaults have led to significant volatility in affected markets, Ukraine's dollar-denominated bonds were little changed on Monday amid thin trading volumes due to a U.K. bank holiday. The yield on notes due 2028 rose 2 basis points to 9.36% as of 1 p.m. in London.

An IMF mission is currently in Kiev, holding talks with officials over the continuation of the loan program. Ukraine has \$661 million outstanding from a \$1.8 billion bond falling due in September. The Washington-based representatives are set to meet with Zelenskiy tomorrow.

A default "would go very much against Zelenskiy's own agenda," said Gintaras Shlizhyus, a strategist at Raiffeisen Bank International AG in Vienna. "Ukraine has little chance to gain IMF support for a new default."