

# To pay debts Ukraine will have to sell land

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More than nine billion US dollars. In such an amount, the National Bank of Ukraine estimated the need of the country in foreign currency for 2020. And this amount is necessary only for servicing and paying off the foreign currency part of the state debt.

This is approximately 6% of GDP. A huge amount for Ukraine. And ensuring the influx of currency into the country's budget is a very, very difficult task.

Last year, a debt of three billion euros paid by Gazprom turned out to be very good help. It provided almost half of the foreign currency investments in the budget. This year there is no place to wait for such a gift. And one of the significant assets that can provide the necessary inflow of currency to the budget is the putting up for sale of agricultural land.

Currently, the main sources of foreign exchange are: transfers of labor migrants from abroad, credit funds and assets of foreign investors.

And at present, difficulties arise in all these areas.

Over the past six years, in search of a better life, more than three million Ukrainians have left for Europe. And further growth is not expected. Recently, the global economy has seen a downward trend. The so-called recession. And in the event of financial difficulties for European employers, labor migrants will be the first to be hit. And the fact of their existence significantly increases the added value for the products of other states. At the same time, Ukraine itself incurs losses.

Last year, hryvnia and foreign currency bonds of government debt were placed at huge interest. Up to 20% on hryvnia and up to 7% on foreign currency bonds. And it was a very attractive offer for foreign investors. This year, rates have halved. Now hryvnia bonds can still be placed at 9.5-10%, and the first placement of securities in dollars took place at 3.4%.

Therefore, the National Bank of Ukraine has so far managed to fulfill the borrowing plan in foreign markets only by 55-80%. While last year, demand exceeded supply.

The Ukrainian leadership expects to resume cooperation with the IMF. With a positive decision, a program of 5.5 billion for a period of three years will be adopted. At the same time, the first tranche will most likely be comparable with the amount of debt repayment for the current year (1.4 billion). That is, the bulk of the funding will be spent on servicing of previously issued loans. And one of the main conditions for the allocation of funds is the lifting of the moratorium on the sale of agricultural land.

The country needs large financial injections. And they can be secured either by again increasing interest on government loan bonds or by opening the land market to external agents.

And it seems that the choice has already been made. The Verkhovna Rada is currently considering a bill to lift a moratorium on the sale of agricultural land. The law is proposed by the president. Deputies made more than 4,000 amendments. It is considered hard. But sooner or later they will accept him. And Ukrainian lands may become not completely Ukrainian.

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