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December 5, 2008

Dmytro Boyarchuk, Viktor Skarshevsky & Vladimir Dubrovskiy

EXECUTIVE SUMMARY

Rules governing economic system performance, such as monetary, exchange rate and loan policies, are being reshaped. This is a positive and crucial direction, though the changes will upend some of our forecasts.

So we put aside our usual trend analysis, and here try to calibrate the effects of the policies requested by the IMF, as part of its \$16.5 billion loan program. We believe the authorities will at least partially implement these.

For 2009, we see GDP shrinking by 1.7%, the current account deficit falling to 4.6% of GDP and gross reserves shrinking to \$27.6 billion (3.6 months of imports) by yearend. Although this forecast looks quite positive>>

GlobalSOURCE
708 Third Avenue
18th Floor
New York, NY 10017
Phone: 212-317-8015

info@globalsourcepartners.com
www.globalsourcepartners.com