

UKRAINE

New Cabinet Says its Ready to
Tackle Reform

Credit Market: Revival Postponed

The New Cabinet Faces Old Problems

The new government has already finished making its key appointments. As expected, representatives of the Donetsk business groups gained key Cabinet positions. Remarkably, Serghey Tigipko, who finished third in the presidential race, accepted an appointment to be vice prime minister. So the Cabinet is fully staffed, and looks quite operational.

The government's first priorities are: a) to draft a new 2010 budget, and get it approved by Parliament; and b) to revise the gas supply contract with Gazprom.

The development of a new spending plan is underway. It largely depends on negotiations with Gazprom on gas prices. Given the Russians' reluctance to step back from previous agreements, prospects for success in these negotiations look rather bleak[>>>](#)