

The Times of India. – 18.09.2017

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Ukraine returns to external bond market with \$3 bln issue - source

Україна повертається на ринок зовнішніх облигацій з 3 млрд дол.

Україна реструктуризує свій борг, який має з 2015 р. після економічної кризи, пов'язаної з агресією Росії на Сході України. Але ця угода залишила її з великою кількістю виплат по облигаціях щороку в період між 2019 і 2027 роками. Нова емісія та паралельна операція з обмінного курсу були розроблені Міністерством фінансів для полегшення тягара короткострокового боргу України. У повідомленні, опублікованому на сайті Ірландської фондової біржі, Міністерство фінансів заявило, що прийняло 1,16 млрд дол. США за свої облигації на 2019 р. та 415,15 млн дол. на суми, які потрібно було б у 2020 р. обміняти на облигації довгострокового погашення. Це полегшить серйозне боргове навантаження уряду в 2019 р., коли парламентські та зменшити інвестування.

<http://timesofindia.indiatimes.com/business/international-business/ukraine-returns-to-external-bond-market-with-3-bln-issue-source/articleshow/60736933.cms>

KIEV, Sept 18 ([Reuters](#)) - [Ukraine](#) raised \$3 billion on Monday in its first sovereign issue since a 2015 debt restructuring, placing a 15-year dollar-denominated Eurobond with a yield of 7.375 percent, a source close to the deal said.

Ukraine restructured its debt in 2015 after an economic crisis linked to a Russia-backed insurgency in its industrial east. But the deal left it with a large number of bond payments due annually between 2019 and 2027.

The new issuance and a concurrent debt-swap operation were developed by the [finance ministry](#) to lighten Ukraine's short-term debt-servicing burden by capitalising on recent strong investor appetite for high-yield securities.

The source said nearly 400 investors participated in the issuance with orders of around \$10 billion.

Of the \$3 billion raised, \$1.7 billion will go on the debt swap. The remaining \$1.3 billion is earmarked for fresh financing, the source said.

Returning to the international financial market by selling hard-currency denominated bonds is part of a \$17.5 billion aid-for-reforms programme from the International Monetary Fund.

However, some pro-reform activists and politicians worry that a successful issuance could make the authorities less inclined to honour stringent demands from the [IMF](#), which include pension reform and improved anti-corruption efforts.

"If we get all the money from the international financial markets, there would be less need for the leadership of the country to rely on the IMF," former economy minister [Aivaras Abromavicius](#) told Reuters ahead of the placement.

"That unfortunately means that perhaps there would be the possibility of a slow-down on the reform path," he said.

Earlier on Monday, Ukraine said it had agreed to buy back more than \$1.5 billion of bonds due in 2019 and 2020 - in line with the amount it targeted to purchase through the debt swap.

In an announcement published on the Irish Stock Exchange, the [Finance](#) Ministry said it had accepted \$1.16 billion on its 2019 bonds and \$415.15 million on those due in 2020 in exchange for longer-maturity bonds.

This lightens the government's painful debt load in 2019, a year when parliamentary and presidential elections could undermine political stability and dampen investor appetite.

"For the government the most important task is to lower the (debt) burden for 2019 when the electoral cycle will hit a peak and the opportunity to attract financing will significantly decrease," [Olena Bilan](#), chief economist at leading Ukrainian investment bank [Dragon Capital](#), said ahead of the swap.

Before the swap, Ukraine's external debt payments, including on quasi-sovereign Eurobonds, were due to hit a peak of \$7.5 billion in 2019 with a further \$6.1 billion to pay in 2020, Bilan said.