International Trade Committee MEPs back €1.8 billion EU loan plans for Ukraine

[19-03-2015 - 10:32]

Plans to disburse €1.8 billion in medium-term loans to help Ukraine out of its economic recession were backed by the International Trade Committee on Thursday. The loans will top up financial help from other donors under an economic programme put together by the International Monetary Fund (IMF).

Ukraine’s acute economic difficulties, due in part to long-standing structural shortcomings, have been aggravated by armed conflict in the east of the country, Russia’s undeclared war and trade restrictions on it, and the escalation of a natural gas supply dispute between the two countries.

The committee approved the EU Commission’s proposal, without amending it, by 30 votes to 7, with no abstention.

"This additional money can make an important contribution to a new package of international support to Ukraine, both directly, through the approved amount of €1.8 billion and indirectly, by mobilising other partners’ contributions", said rapporteur Gabrielius Landsbergis (EPP, LT).

Mr Landsbergis explained that the economic recession and capital flight from Ukraine have turned out to be more severe than initially expected, resulting in a sharp depreciation of the currency and a depletion of its international reserves. Ukraine has also lost its access to international debt markets, he added.

Conditions

The loans will be disbursed in exchange for economic reform commitments and have a maximum maturity of 15 years.

Next steps

The committee recommended that Parliament as a whole should back the loan plans at its mini-plenary session on 25 March. This would enable two-thirds of the money to be disbursed by the end of 2015.

Macro-financial assistance:

• is exceptional EU aid, in grants or loans, to EU partner countries facing acute balance of payments problems

Further information

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