

- The program includes strong measures to reduce the budget deficit to 10 per cent of GDP through a compression of subsidies and a broadening of the tax base, to limit credit growth to rates consistent with low single-digit monthly inflation, and to improve Ukraine's external position through the introduction of a unified free exchange rate.
- The program also calls for the freeing of most non-energy prices and the acceleration of other key structural reforms, particularly the privatization and restructuring of large state enterprises, as well as improvement of social safety net policies to protect vulnerable groups from the reform measures.
- Full implementation of the policy measures outlined in the program should bring about a sharp decline in inflation by reducing the government's large budget deficit — which is financed entirely by printing money — and foster private market growth and external trade.
- Progress under the stabilization program and further reform initiatives would pave the way to assistance from the IMF and the World Bank, as envisaged in the US\$4- billion assistance package announced at the Naples Economic Summit, as well as to the much larger inflows of private capital that would result under stable economic conditions.

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