

The measures taken by the Government of Ukraine to alleviate the negative impact of the COVID - 19 pandemic situation on the national economy

Ukraine, like the rest countries of the world, has faced a new challenge - the Covid-19 pandemic, which has forced significant adjustments in economic policy priorities. Global shocks, such as falling commodity markets, changing global value chains and unprecedented anti-epidemiological measures have led to slowdown in economic development. According to preliminary estimates, the possible decline in GDP in 2020 in Ukraine is expected at the level of 4.8%.

The impact of the COVID-19 pandemic affected the volume of foreign trade in goods and services. In January - September 2020 compared to the corresponding period in 2019:

- Exports decreased by 7.7%;
- Imports decreased by 20.7%.

The negative dynamics of Ukraine's foreign trade indicators also recorded with the BSEC countries.

In January - September 2020 the volume of trade in goods between Ukraine and BSEC countries has fallen by 19.9 % to 12.5 bln. USD.

- Exports – 6.1 bln. USD, decreased by 13.2%;
- Imports– 6.4 bln. USD, decreased by 24.2%.

In order to restore the economic development, the Government has developed a set of initiatives formed in the State Economic Incentive Program to overcome the negative effects caused by restrictive measures to prevent the occurrence and spread of COVID-19 caused by coronavirus SARS-CoV-2, for 2020-2022. The purpose of the State program is the introduction of a comprehensive system of new opportunities for stabilization and sustainable development of Ukraine's economy and increase employment by maintaining existing and stimulating the creation of new highly productive jobs with decent working conditions.

The program includes 3 sections:

Section 1 - Short-term initiatives to address the adverse effects of COVID-19.

Section 2 - Supporting of the Ukrainian economy through:

- supporting small and medium business;
- international trade, investment and innovation;
- job creation and labor market development;
- regulation of economic activity.

Section 3 - Supporting of the Ukrainian sectors of economy, in particular:

- industry;
- agriculture;
- energy;
- transport and infrastructure;
- information and telecommunication technologies;
- service industries.

The most important directions of this Program:

"Affordable loans 5-7-9%"

To date, authorized banks have already issued 5813 loans for a total amount of 13.5 bln. UAH (about \$ 472 million).

New incentives for the development of small and medium-sized businesses

The Verkhovna Rada of Ukraine is considering the legislative initiatives, elaborated by the Government of Ukraine in order to provide state guarantees for lending to small and medium-sized businesses.

Creation of new jobs

Due to the partial unemployment program, 373.7 thousand jobs were saved, and 419 thousand people were employed through employment centers.

Priority investment projects for the state

The Government of Ukraine has approved 100 priority investment projects in energy, transport, processing industry, tourism and sports infrastructure, etc. These Projects can be implemented with the involvement of investors, in particular on the terms of public-private partnerships, international technical assistance or by loans and budget allocations.

To alleviate the negative impact of the COVID - 19 pandemic the Government has also adopted a number of additional decisions:

- protection of labor rights for employers, whereas temporary disability persons receive temporary benefits in the amount of 50% of the average salary during the COVID-19 pandemic as well;
- exemption from liability under consumer credit agreements for Ukrainian citizens;
- simplification of imports to Ukraine of goods (including medicines) and providing tax incentives designated to overcome the COVID-19, as well as the rapid procurement of goods, works and services.
- cancellation of penalties for violations of tax legislation, the mitigation of legal requirements for business activities and the abolition of tax audits during quarantine period.