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House of Representatives

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Dear Participants in the Forum
on Ukraine's Economic Development:

I want to acknowledge and express my great appreciation to those who have organized this Forum and to those in attendance, especially to the former and current officials of Ukraine and the United States who are taking the time to participate today.

Any discussion of the future of Ukraine should start with the recognition that that nation has the potential for great economic success. It has capable people, a strong educational system, a strong base in industry and agriculture, and a key role in energy transit for Europe, to list just a few of the building blocks of its potential future.

Prior to the setback caused by the recent global economic crisis, we in fact saw the creation of a foundation for economic growth and prosperity. In particular, the all-important shift to a market-based economy has begun over the years since Ukraine became independent. That movement toward a market economy has not always been quick or perfect, but Ukraine today is not the centrally-planned, totalitarian-controlled marketplace it once was under the Soviet regime --- and I am grateful that the United States has been able to provide assistance to Ukraine in its difficult and continuing transformation.

The significant economic growth and decline in unemployment that we saw in Ukraine in much of this decade was a welcome change from the extremely challenging years immediately after Ukraine gained its independence. Perhaps some of you remember those times; when Ukraine's gross domestic product was estimated by some to have fallen by up to 50%. Those were very difficult times, and, in some important ways, Ukraine has not yet fully recovered from them, but it has been making very important progress.

Now, like many other countries around the world, including the United States, Ukraine must cope with the additional impact of a global economic setback. There is, of course, no easy answer to this fresh challenge, but it is clear that the International Monetary Fund has played and will continue to play an important role in helping Ukraine to recover. I hope that the IMF and Ukrainian officials will find a way to move forward in releasing the balance of the loan that was approved last fall.

Ukraine is an important part of Europe, and we must not underestimate the need to help it find its way forward, both economically and politically.

In closing, let me offer these few thoughts:

First, let us recall how difficult the future looked for Russia's economy just a decade ago, when its budget and currency collapsed. However, the depreciation of Russia's currency helped set the stage for its growth of recent years, and, in a similar fashion, we may hope that the currency depreciation Ukraine is now experiencing may ultimately prove to be a stage to new growth. Also, while its energy dependence is a source of weakness for Ukraine's economy, we should note that many countries around the world that are "blessed" by huge energy resources are equally "cursed" by that same gift, unable to diversify and weighed down by corruption. So, despite its energy challenges, Ukraine can move forward, if it works closely with the United States and the European Union to recreate its energy sector.

And, finally, the purpose of a prosperous economy is to provide the foundation for democratic government. Ultimately, that is why the topics addressed by this forum today are so important.

We should ask --- without economic progress, what will be the fate of democracy in Ukraine? And we should ask, if Ukraine does not continue toward prosperity and democracy, what will that mean for Europe?

Please accept my best wishes for a productive and successful conference!

Sincerely,



ILEANA ROS-LEHTINEN
Member of Congress