

# Ukraine's Economy is Collapsing, Currency Drops 50 Percent in 48 Hours

By [Joseph Lemieux](#)

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Ukraine has been going through its trials and tribulations lately. The past three days being its biggest trouble in an already uphill battle. Not only is Ukraine's government in Kiev battling with its shaky legitimacy, but the economy is now tanking on an epic scale.

Ukraine is essentially broke, and barely had an economy to begin with. It's already been talking with the [IMF about a \\$15 billion bailout](#) as its reserves have [dwindled down to \\$6.42 billion](#), just enough to cover [5 weeks of imports](#). The hryvnia (Ukraine's currency) fell from 16.8 to 24.4 per dollar on Tuesday, and then on Friday to 25.3 per dollar. Ultimately the hryvnia dropped 50 percent in under a 48 hour period, despite the central banks adjusting interest rates to combat such a drop.

Ukraine's economy has been mismanaged for years now, but after the Ukrainian coup, it hasn't gotten any better. After the fall of communism in Ukraine the economy actually [shrank drastically in 91](#). With the repercussions of the coup, over a [quarter of Ukraine's industrial strength](#) is in the hands of eastern Ukrainian citizens who oppose the current regime in power. Many of these citizens considering the new Ukrainian to be illegitimate and unresponsive to the Ukrainian citizens.

The biggest hitch in Ukraine is the trading partners they might lose following the coup. One [trading partner being Russia](#), and even though the countries are enemies, they still continue to trade. Without this trading partner, Ukraine's economy would collapse even faster than it already has. The future of Ukraine does not look bright regardless of the side you're on in the conflict. A very untrusting civilian populace combined with their money becoming useless could be a recipe for disaster.

Ukraine might as well consider itself in the same boat as Libya.. a failed state. I wonder how many similarities of [foreign intervention](#) we might find attributed to the failed states, at least this time we didn't offer air support.....yet.

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