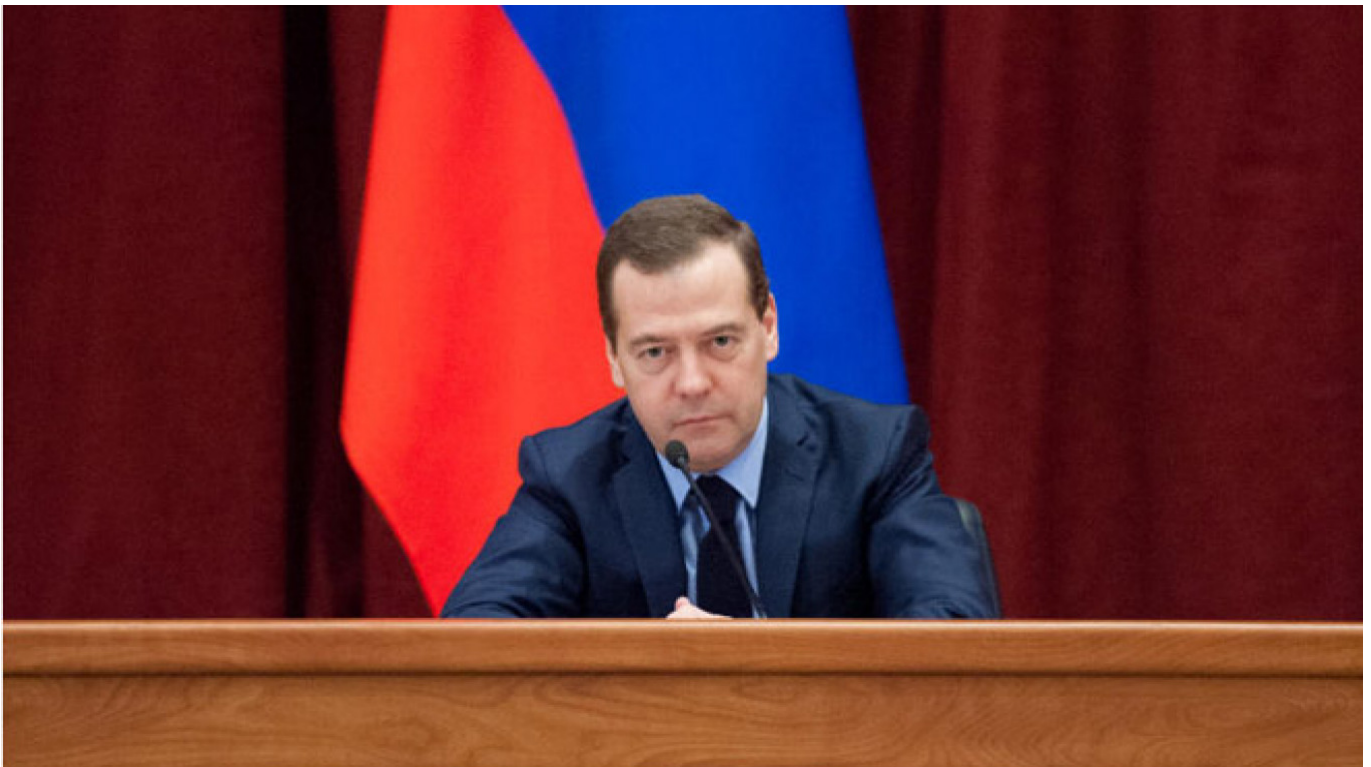


# Russia Warns Ukraine Over Possible Default: We Will Collect the Debts

By [The Moscow Times](#)

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Prime Minister Dmitry Medvedev also said that Russia was "not indifferent" to debts owed by Ukraine to private Russian creditors.

Russia would adopt a tough position if Ukraine decided not to pay off debts owed to Moscow by its previous government, Russian Prime Minister Dmitry Medvedev said in an interview broadcast by Russian television on Saturday.

Russia has spoken out against a new Ukrainian law allowing a moratorium on foreign debt repayments, threatening to take Ukraine to court if it fails to repay \$3 billion that Russia lent it in 2013.

In his interview, Medvedev called the new law "contradictory."

"Probably they are talking about private debts, but at the same time they are hinting that they aren't prepared to pay off the debts of the [former Ukrainian president Viktor] Yanukovich

government," Medvedev said.

"If it is actually formulated in this way this would undoubtedly be a default of Ukraine ... We would adopt as tough a position as possible in this case and defend our national interests," Medvedev told the Vesti program on Saturday on state television channel Rossia.

He added that any such refusal would "undoubtedly influence the process of their agreement with the International Monetary Fund" — a seeming reference to IMF rules that require financial assistance recipients to honor debts to other governments.

Medvedev also said that Russia was "not indifferent" to debts owed by Ukraine to private Russian creditors, as the bulk of these debts are owed to banks with state ownership.

"We will collect [the debts]," Medvedev said. "Banks will use all instruments that exist, including, naturally, judicial procedures," he said.

### **'Predictable' Ruble**

Medvedev also said his government had an interest in seeing a predictable rate for the ruble, but he defended the Central Bank's policy of allowing the ruble to float, saying it was "optimal" to achieve a balance in the forex market between supply and demand.

Analysts have been speculating that the authorities are concerned the ruble has strengthened too much after the dollar fell below 50 rubles per dollar — a large rebound from the ruble's low of 80 in December.

Medvedev said the current exchange rate was "practically at the present moment the real value of the ruble." But he added: "Some economists consider that this is even excessive strengthening."

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