

# Alona Lebedieva: The Restructuring of Ukrzaliznytsia's Debts as a Mirror of Its Problems

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[/EINPresswire.com/](https://EINPresswire.com/) -- "Ukrzaliznytsia" has appealed to creditors for the second time since the start of the full-scale war, requesting to postpone from 2025 to 2026 the payment of interest on Eurobonds issued in 2019 and 2021 for a total amount of 895 million dollars. After the first restructuring in 2022, the volume of this debt increased to 1.055 billion dollars due to accrued interest. The company's main arguments are financial losses because of the war, decreased freight turnover, and destroyed infrastructure. But a question arises: does all this information correspond to reality?



Alona Lebedieva

"However, these arguments raise questions due to contradictions in the data. For example, in the presentation for creditors, 'Ukrzaliznytsia' points to an 8% decrease in freight turnover in the second half of 2024, while the Ministry for Communities and Territories Development of Ukraine reports a general increase in transportation by 19.4% over 11 months. Moreover, according to 'Ukrzaliznytsia's' data, grain transportation in the second half of the year decreased by 24%, yet overall for the year, the volume grew by 57%, which became a record for the last five years," emphasizes Alona Lebedieva, the owner of the multi-profile industrial and investment group of companies "Aurum Group."

From January to November 2024, 160.9 million tons of cargo were transported by rail, which is 19.4% more compared to the same period in 2023. In export traffic, 77.5 million tons were transported, which exceeds last year's figure by 56.9%. This was reported at a meeting of the Export Office at "Ukrzaliznytsia."

The main volumes of exports were distributed as follows: grain cargoes – 31.4 million tons (41%, +57.2%, the highest figure for the last five years), iron and manganese ore – 30 million tons (39%, an increase of 1.8 times), ferrous metals – 4.7 million tons (6%, +14.3%), construction materials –

3.9 million tons (5%, an increase of 2.4 times). A record was also set in the transportation of cement for export – 1.6 million tons, which is the highest figure for the period of 2021–2024.

Another contradiction is the financial results. The company forecasts a net loss for 2024 in the amount of 1.5–2.5 billion hryvnias, which is significantly less than the loss of 12.6 billion hryvnias planned in the financial plan. Such discrepancies look like an attempt to adapt financial data for different audiences.

“Such a practice harms not only the reputation of ‘Ukrzaliznytsia’ but also trust in Ukraine as a state seeking international support,” believes Alona Lebedieva.

In addition, “Ukrzaliznytsia” undertakes not to pay other debts of more than 20 million euros (except for obligations to the EBRD) and not to transfer dividends to the budget.

“For example, in 2023, the company received 4.9 billion hryvnias of profit and transferred 1.259 billion hryvnias to the state budget. In wartime, when every hryvnia is counted, such decisions appear contradictory and can create tension in relations with Ukrainian banks that finance the company,” Lebedieva is convinced.

At the same time, “Ukrzaliznytsia” constantly receives material and financial assistance for the restoration of destroyed infrastructure. For example, in 2023–2024, Japan handed over 25 thousand tons of rails through the agency of international cooperation, which allowed the railway to save funds on the restoration of 200 kilometers of tracks.

“Ukrzaliznytsia is bogged down in inefficient management and chaos, which only deepens its financial problems. Yet another postponement of debts is not a solution but an attempt to buy time without real changes. Without transparent management, a clear plan, and effective use of funds, international assistance turns into a bottomless pit. As a strategic facility, ‘Ukrzaliznytsia’ cannot operate in a mode of constant excuses for its mistakes. Its stability directly affects the economy and security of the country during the war,” concludes Alona Lebedieva.

Meanwhile, the international rating agency Standard & Poor’s has downgraded the long-term credit rating of JSC “Ukrzaliznytsia” from “CCC+” to “CC” due to the proposal to defer payments on two issues of Eurobonds. The outlook remains “negative.”

“We see a significant weakening of UZ’s ability to repay its debt and believe that a default on UZ’s debt is virtually certain under our methodology. UZ is likely to implement its plans to restructure the debt in the coming weeks, which we consider equivalent to a default,” the S&P [statement reads](#).

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