
Ukraine Economy Suffers as Army Advances

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Ukraine claims to have won back key town of Avdiivka Wednesday, as ongoing fighting in the east of the country has killed another person and wounded 11 in the past 24 hours.

However, the advance comes as a small victory for the beleaguered country, as new reports suggest its economy is flailing amid a humanitarian crisis where more than half a million Ukrainians have reportedly fled the country, and further tens of thousands have been displaced.

The national statistics office revealed that there had been a 4.7 percent contraction in the economy in the year's second quarter, with a 1.1 percent fall in gross domestic product. Ukraine has been in a recession since 2012.

"The main reason (for the drop) is that we have military activity in which people get killed, are displaced and leave their homes [...] We're in a state of a shock" said Oleksandr Valchishen of InvestCapital Ukraine to Reuters.

The International Monetary Fund is concerned of the GDP drop as they have agreed to lend the country a US\$17 billion bailout.

Ukrainian army locations have been shelled more than once an hour for the past 24 hours Ukraine's National Security and Defense Council's Andriy Lysenko said on Wednesday.

Ongoing civil war in the eastern party of the country, where the Donetsk and Lugansk regions have proclaimed themselves independent republics, has prevented international teams from

investigating the site of the MH17 plane downing that killed 298 people almost two weeks ago.
