

MONTHLY MONITORING

OF MAIN INDICATORS
OF THE BUDGET SYSTEM OF UKRAINE
AS OF JUNE 1, 2017

The Monitoring of Main Indicators of Budget System of Ukraine is a monthly publication prepared based on the data of official statistics. It contains a brief analysis and selections of graphs and charts illustrating the main changes occurring in the budget system of Ukraine.

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Monitoring of the Execution of the Consolidated, State and Local Budgets in Ukraine

- **The actual intake of revenues of the consolidated budget of Ukraine** totaled UAH 408.9bn in January-May 2017, which is UAH 128.8bn or 46.0% more year-on-year.
- **The state budget** received UAH 323.1bn in the same period, which is UAH 105.5bn or 48.5% more than last year. This amount equals 44.4% of the annual plan. This is significantly more than the share of revenues for the first five months in the total annual revenues over the last ten years, which amounted to 38.3% on average. This points to a high likelihood that the planned amount will be exceeded in annual terms.

The largest receipts from corporate profit tax, at UAH 14.3bn, were recorded in May. This spike in revenues is due to the deadline for paying the tax for Q1 of the current year falls in May. In general, this source provided UAH 28.4bn year-to-date, which is UAH 5bn or 21.5% more than last year and amounts to 49.1% of the annual plan. This increase indicates that the annual revenue plan for this tax will be fulfilled.

Another notable development was that growth occurred for all key sources of both tax and non-tax revenues both by month and over the period of January-May in general. Among other things, personal income tax revenues increased by UAH 5.9bn (or by 27.0%); VAT on goods made in Ukraine by UAH 16.2bn (or 27.9%); VAT on imports by UAH 28.1bn (or 41.7%); excise tax on goods made in Ukraine by UAH 4.6bn (or 22.4%); rent and fees for use of other natural resources by UAH 6.4bn (or 36.1%); and import duty by UAH 1.4bn (or 18.7%).

Non-tax revenues also increased (by UAH 16.6bn or nearly fourfold). Primarily, it occurred due to the remittance of UAH 15.0bn by the National Bank of Ukraine according to the Law of Ukraine “On the National Bank of Ukraine.”

- **Expenditures of the consolidated budget** totaled UAH 359.0bn in January-May 2017, which is 26.5% or UAH 75.3bn more year-on-year. In May 2017, expenditures amounted to UAH 73.9bn, which is 45.1% or nearly UAH 23.0bn more than in May 2016.

The amounts of consolidated budget expenditures increased nearly for all items within the functional classification of expenditures compared to 2016.

The highest growth (1.7 times against May 2016) was in the expenditures for housing and communal services, which reached UAH 1.8bn. Expenditures increased significantly for economic activity (52.8%), public order, security, and the judiciary (20.2%), education (40.2%), environmental protection (40.3%), healthcare (42.3%), general government functions (58.6%), defense (39.7%), and spiritual and physical development (49.8%).

The expenditures for social protection and social security decreased by 7.3% or UAH 6.4bn compared to May 2016.

- **The actual expenditures of the state budget of Ukraine** totaled UAH 300.0bn in January-May 2017, which is 22.2% or UAH 54.4bn more year-on-year. Expenditures amounted to UAH 59.8bn in May 2017, which is 15.1% more than in May 2016.

In terms of expenditure items by **functional classification**, the following changes occurred compared to May 2016:

- expenditures for general government functions (without expenditures for state debt servicing) increased by 61.7% to UAH 2.3bn. The expenditures for state debt servicing totaled UAH 8.2bn, which is 24.7% more year-on-year;
- expenditures for defense increased by 39.7% to UAH 5.6bn;

- expenditures for public order, security, and the judiciary increased by 19.9% to UAH 6.1bn;
- expenditures for economic activity increased by 30.5% to UAH 2.9bn;
- expenditures for environmental protection increased by 70.5% to UAH 367.9mn;
- expenditures for housing and communal services increased by 71.1% to UAH 0.9mn;
- expenditures for healthcare increased by 37.8% to UAH 671.1mn;
- expenditures for spiritual and physical development increased by 84.3% to UAH 528.0mn;
- expenditures for education increased by 22.6% to nearly UAH 3.0bn; and
- expenditures for social protection and social security decreased by 18.1% to nearly UAH 11.0bn.

Expenditures for financing pensions, bonuses, and extras to the pensions awarded under pension programs, and for covering the deficit of the Pension Fund totaled UAH 10.3bn, which is 57.3% less than in the respective period of 2016.

- The state budget receipts **from repaid loans** totaled UAH 969.8mn in May of this year, including revenues of the General Fund of the state budget of UAH 953.3mn.

The state budget **provided loans** totaling UAH 131.8mn in May 2016.

The state budget surplus amounted to UAH 7.0bn this month.

The repayment of the state debt principal totaled UAH 9.4bn in May 2017, including internal debt repayment of UAH 8.1bn and external debt repayment of UAH 1.3bn.

State borrowing totaled UAH 4.5bn, with UAH 4.4bn borrowed on the internal market. External sources **provided loans** totaling UAH 110.4mn, which were credited to a special fund for financing joint development projects with international financial institutions.

The state budget received UAH 44.0mn from the **privatization of state property** in May 2017.

- **The total local budget revenues (without inter-budget transfers)** amounted to UAH 85.8bn in January-May 2017, which is 37.3% more year-on-year.

Those revenues amounted to UAH 19.5bn in May 2017, which is 38.7% more than last year's figure. As usual, the personal income tax was the single largest source of local budget revenues. It generated UAH 8.4bn in May. Local taxes and fees provided UAH 4.3bn.

The highest growth of revenues by region was in Volyn Oblast, where it amounted to 63.0% against the respective indicator of 2016. The lowest growth was in Luhansk Oblast (1.7%).

- **The expenditures of local budgets (without inter-budget transfers)** totaled more than UAH 172.4bn in January-May 2017, which is 49.6% more year-on-year

In May 2017, expenditures grew by 39.0% against May of last year and amounted to nearly UAH 33.2bn. The majority of local budget expenditures were allocated to education, social protection and social security, and healthcare. They amounted to UAH 10.9bn (or 32.7% of all local budget expenditures), UAH 8.1bn (or 24.3%), and UAH 6.2bn (18.7%), respectively.

The highest growth rate by region was in Luhansk Oblast, where expenditures were 77.6% higher year-on-year. The lowest growth of expenditures (10.4%) was in Volyn Oblast.

State Budget Revenue

Graph 1

State Budget Total Revenue Monthly Trends in 2012–2017 (Less Intergovernmental Transfers)

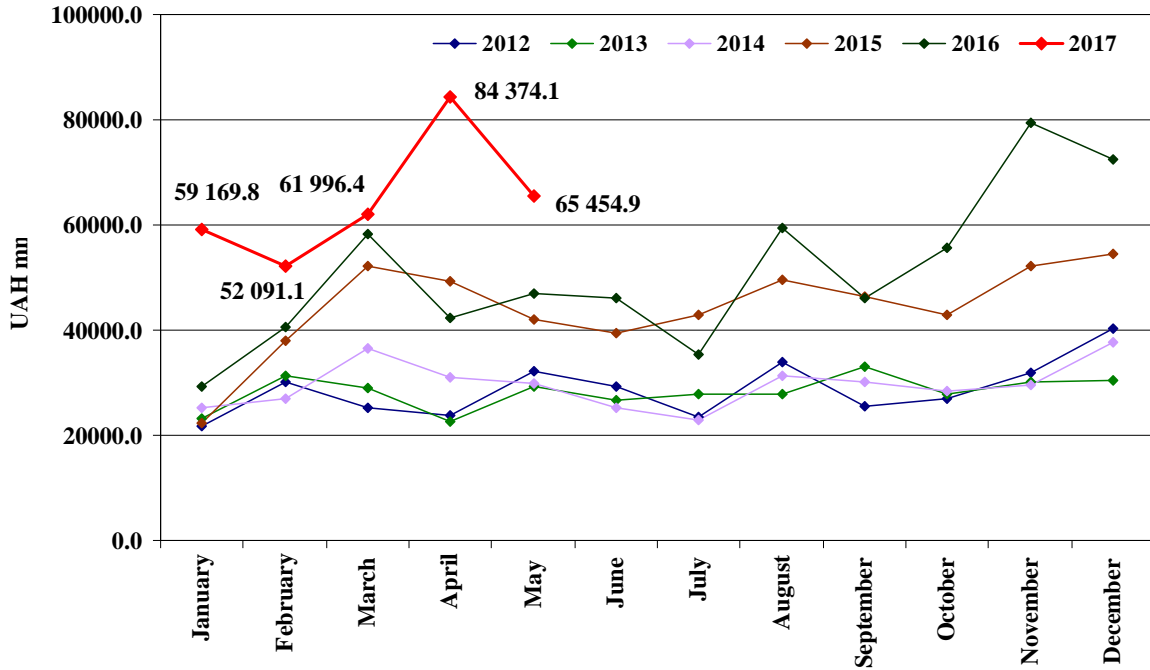
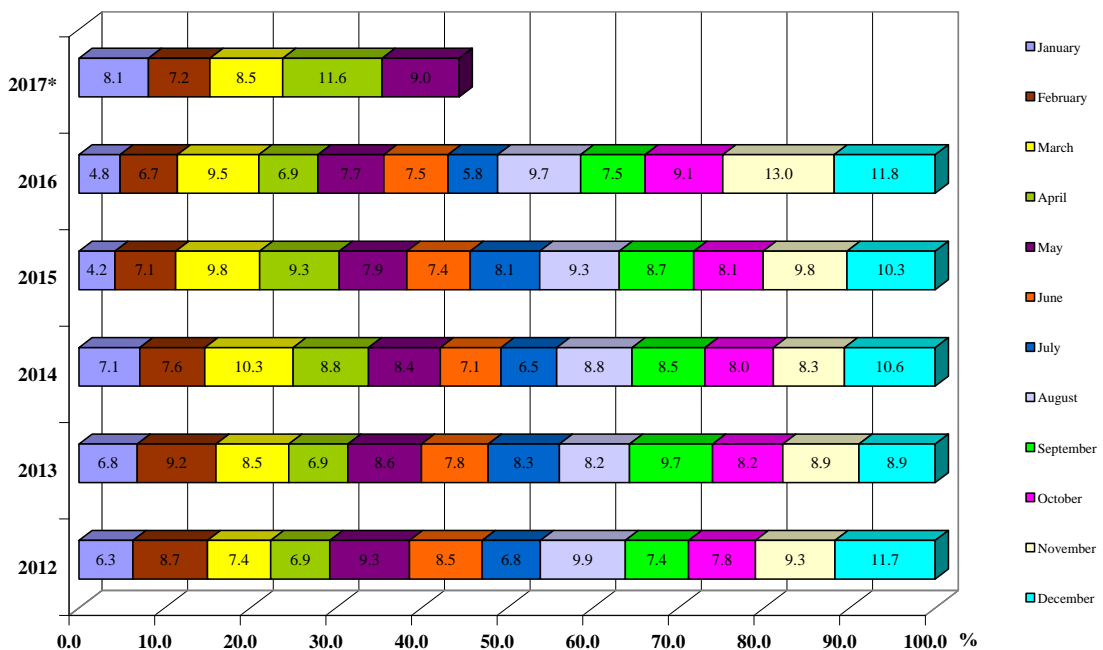


Diagram 1

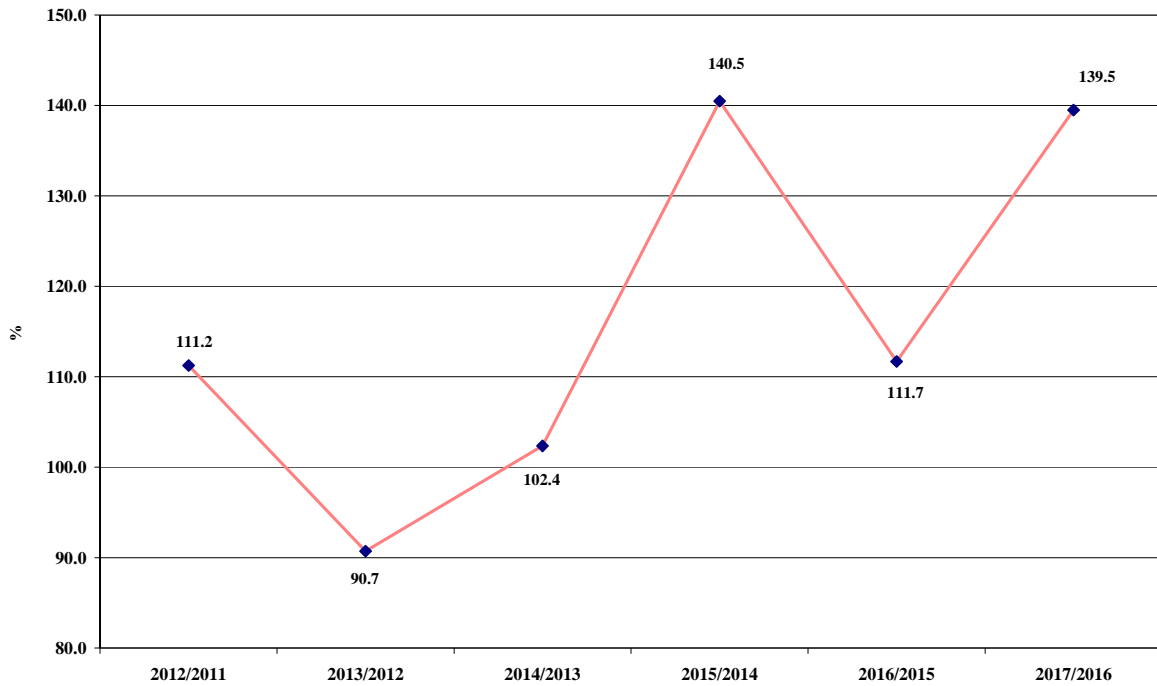
Dynamics of the Share of Ukraine's State Budget Revenue in Annual Amounts in 2012–2017



* A share of total revenues according to the planned annual index

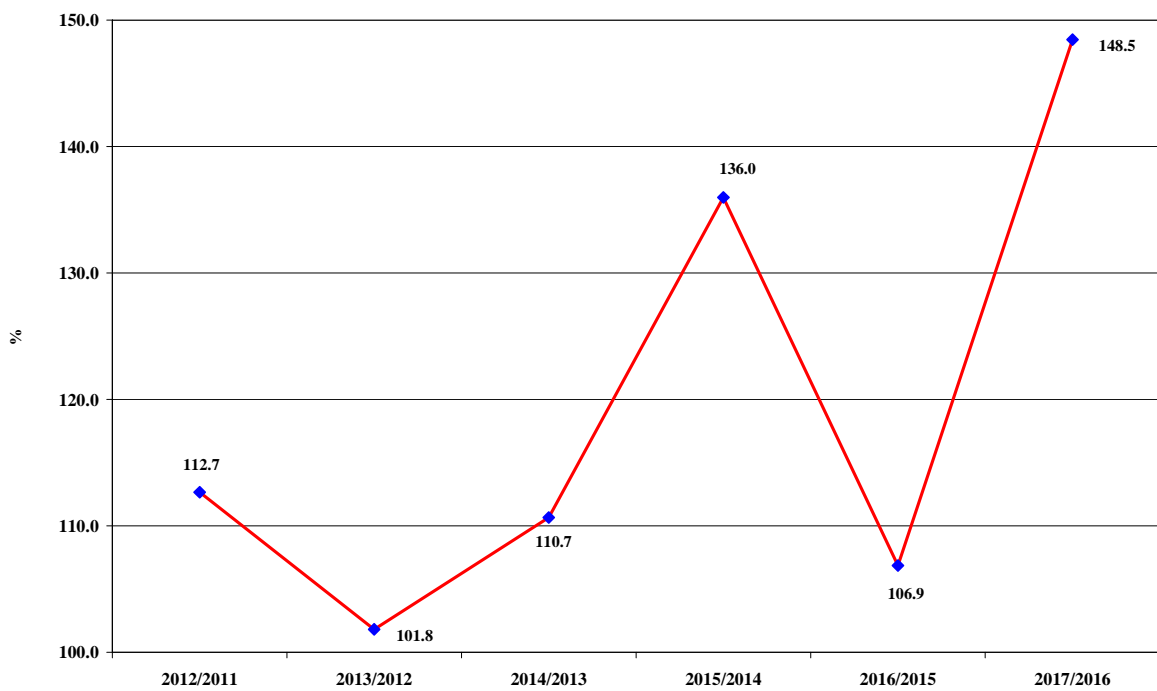
Graph 2

Growth Rates of Ukraine's State Budget Revenue in May 2012–2017



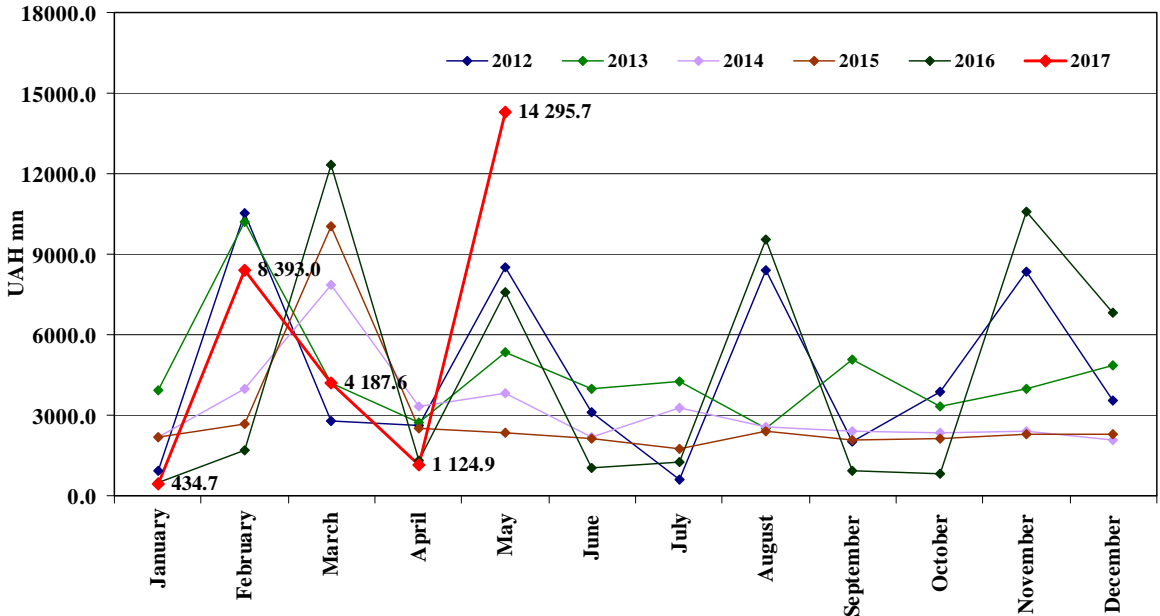
Graph 3

Growth Rates of Ukraine's State Budget Revenue in January-May 2012–2017



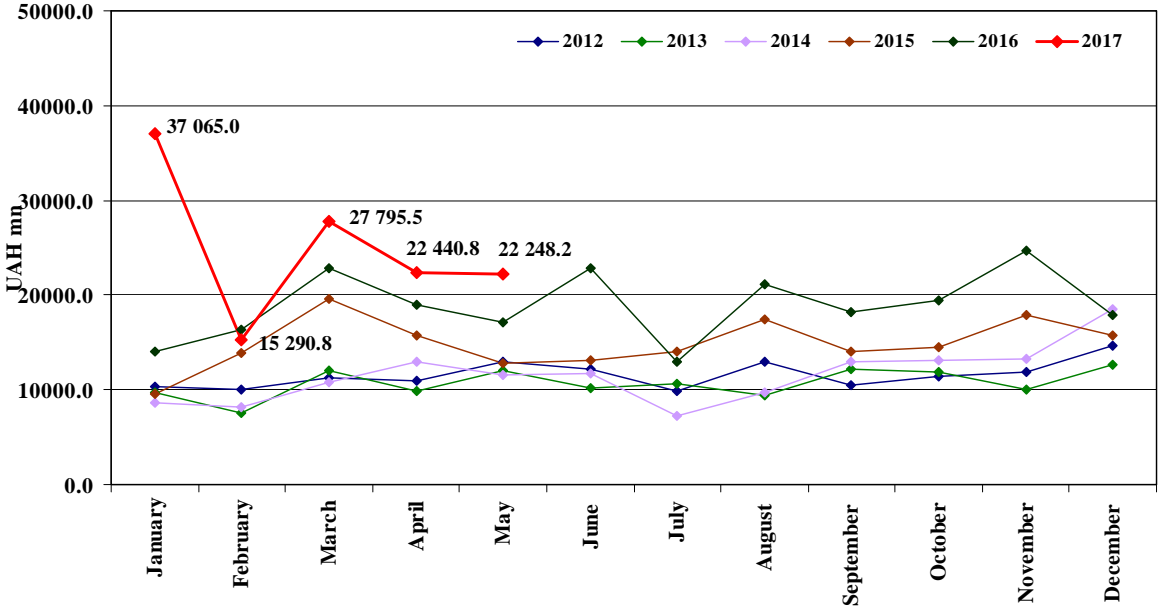
Graph 4

State Budget Enterprise Profit Tax Monthly Trends in 2012–2017



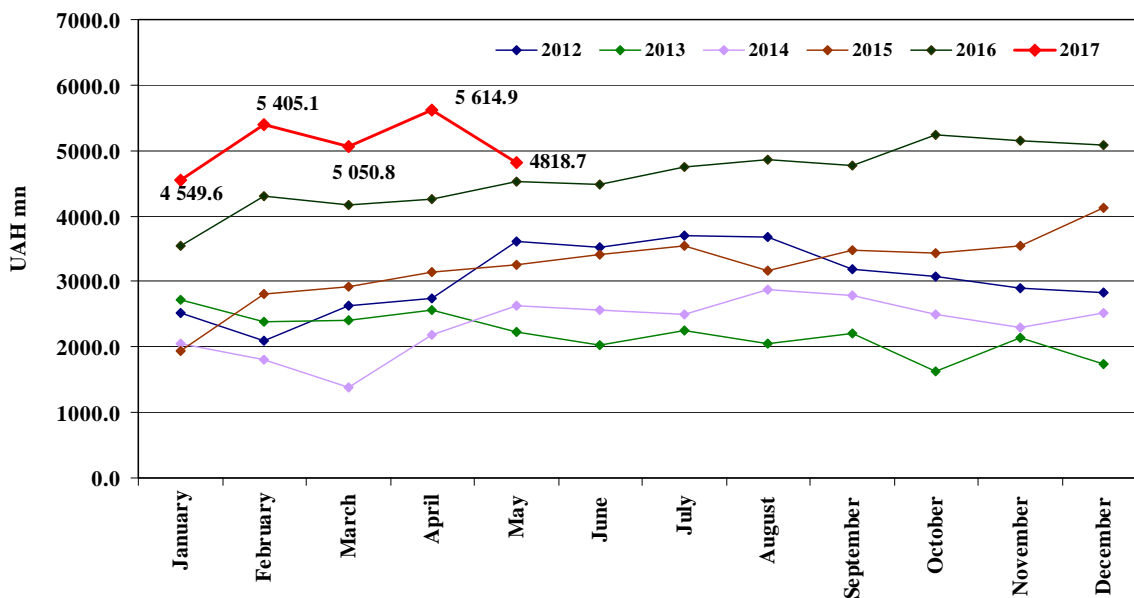
Graph 5

State Budget Value Added Tax Monthly Trends in 2012–2017



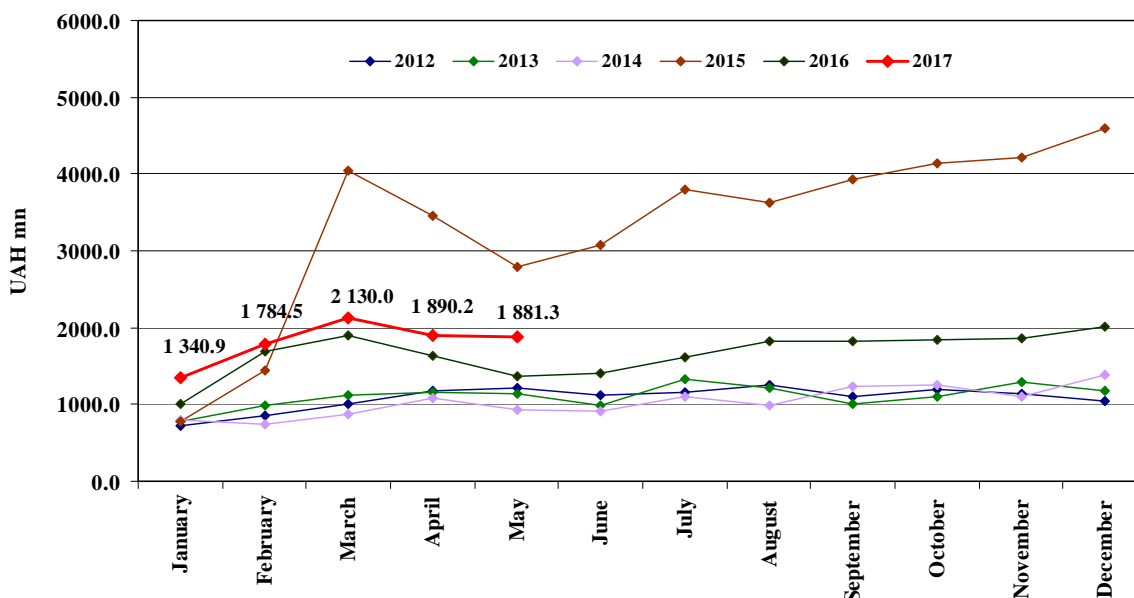
Graph 6

Dynamics of Monthly State Budget Revenues from Excise Tax on Excisable Goods Made in Ukraine in 2012–2017



Graph 7

Dynamics of Monthly State Budget Revenue from Import Duties in 2012–2017



Local Budget Revenue

Graph 8

Local Budget Revenue Monthly Trends (Less Intergovernmental Transfers) in 2012–2017

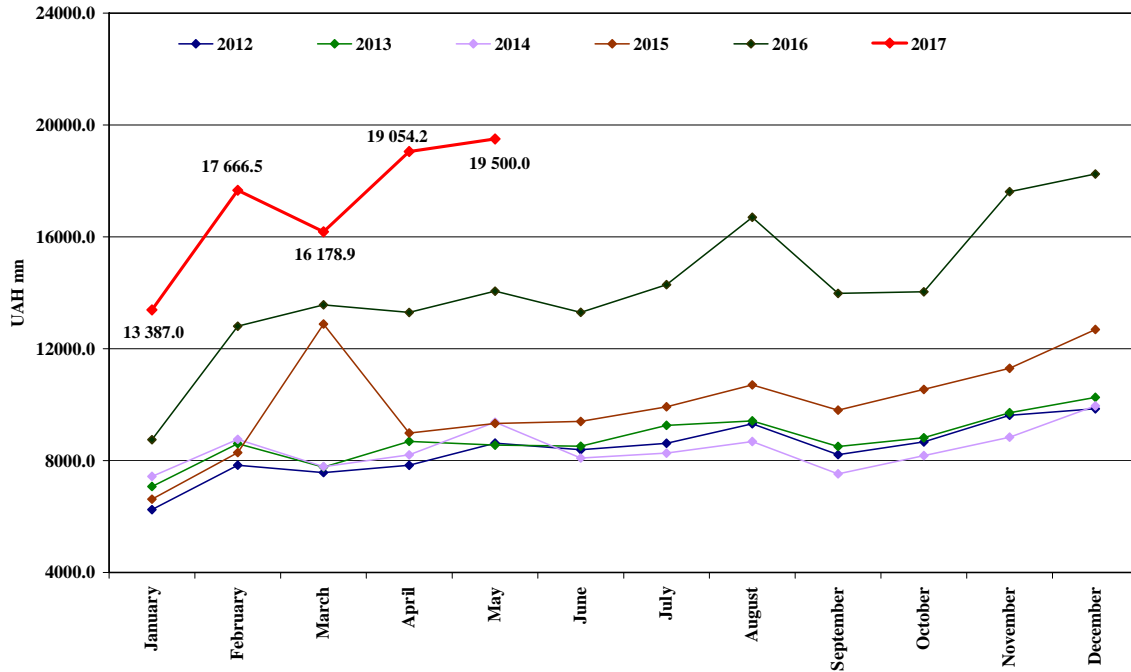
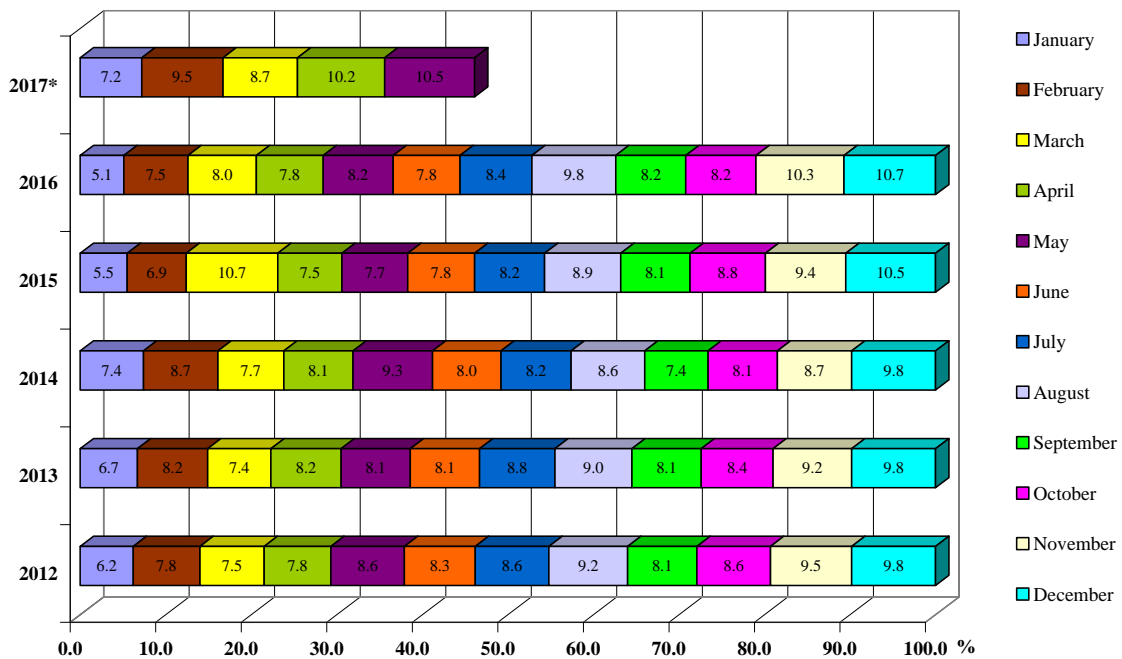


Diagram 2

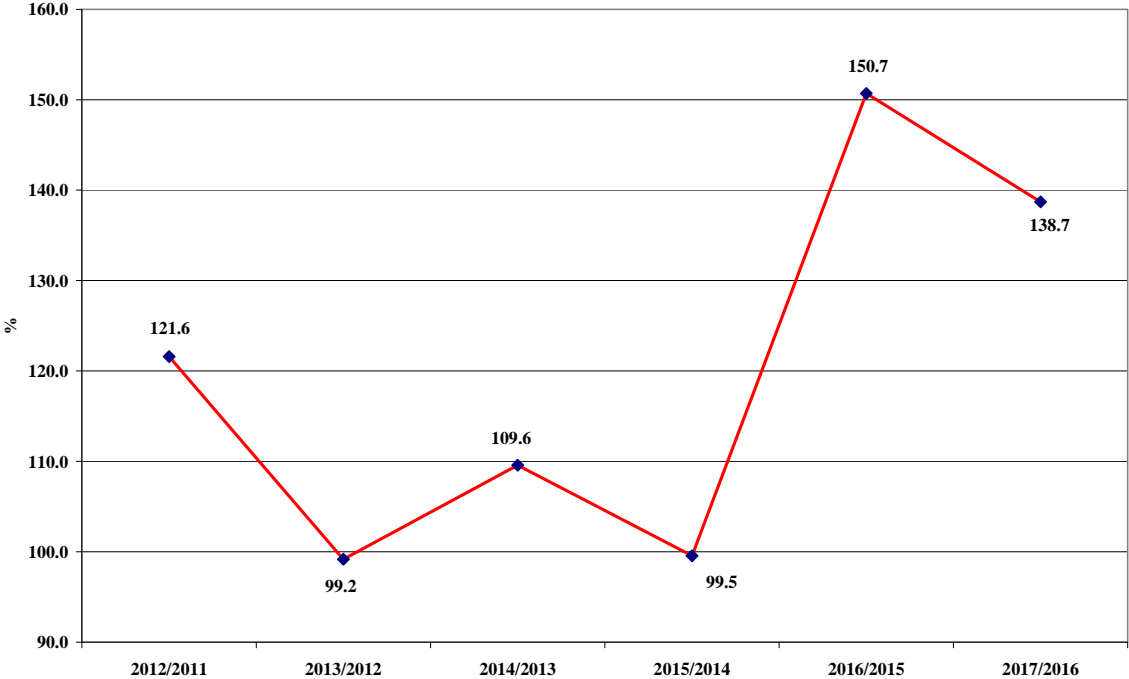
Dynamics of the Share of Local Budget Revenue in Annual Amounts in 2012–2017



* A share of total revenues according to the planned annual index

Graph 9

Growth Rates of Local Budget Revenue in May 2012–2017



Graph 10

Growth Rates of Local Budget Revenue in January-May 2012–2017

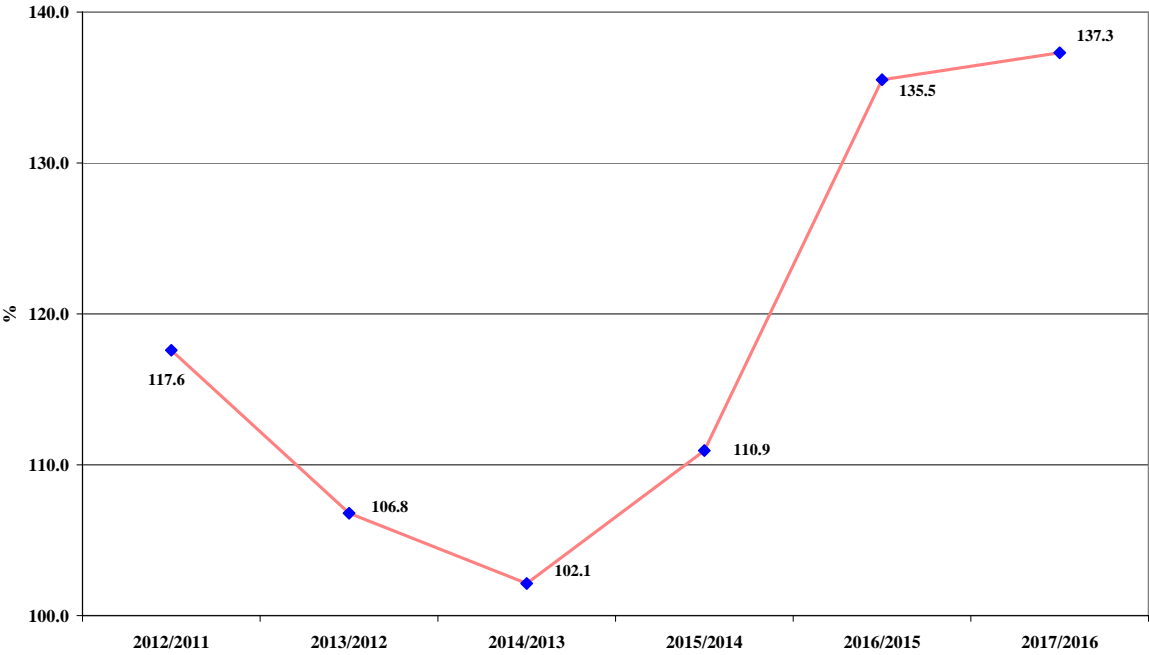


Diagram 3

Local Budget Revenue in May 2017

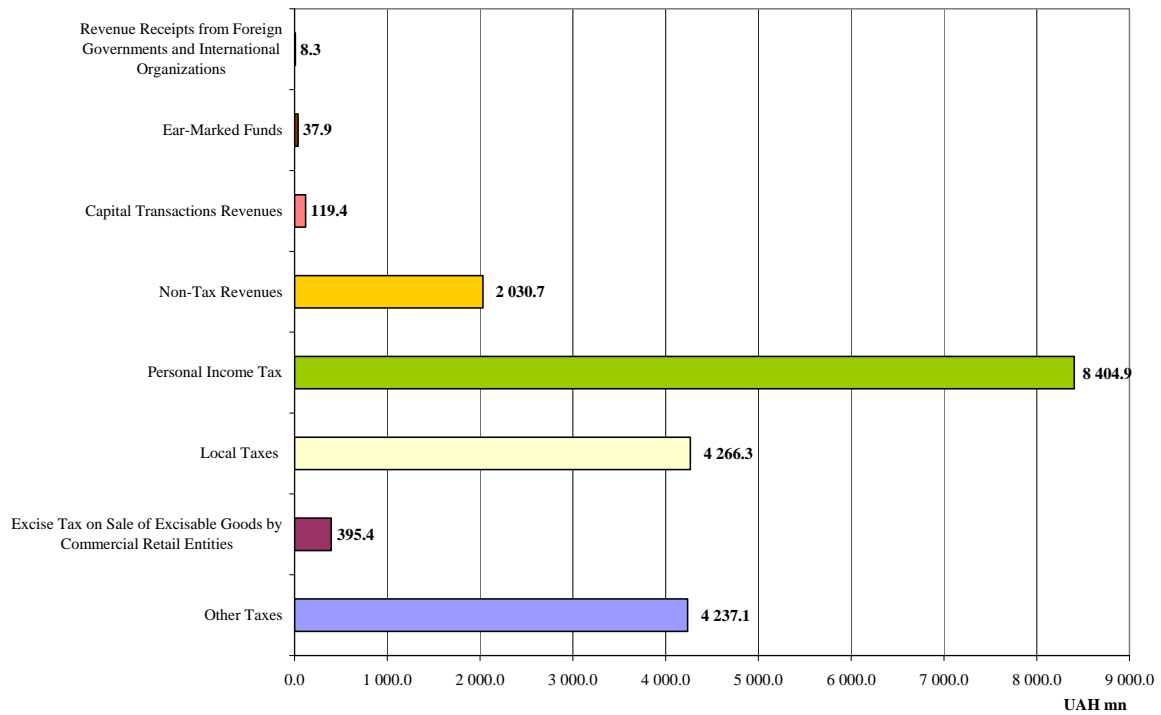


Diagram 4

Structure of Local Budget Revenues in May y 2017

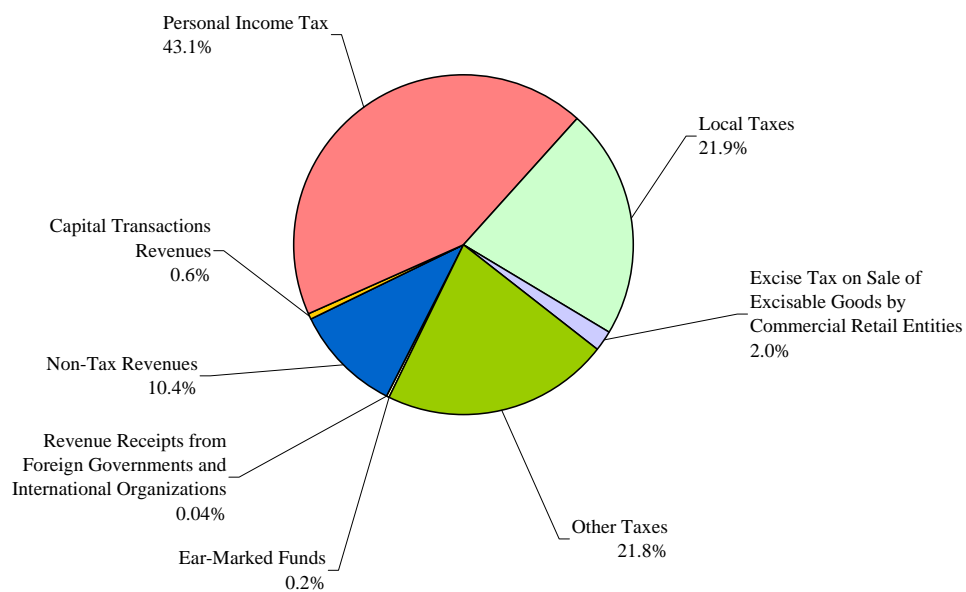
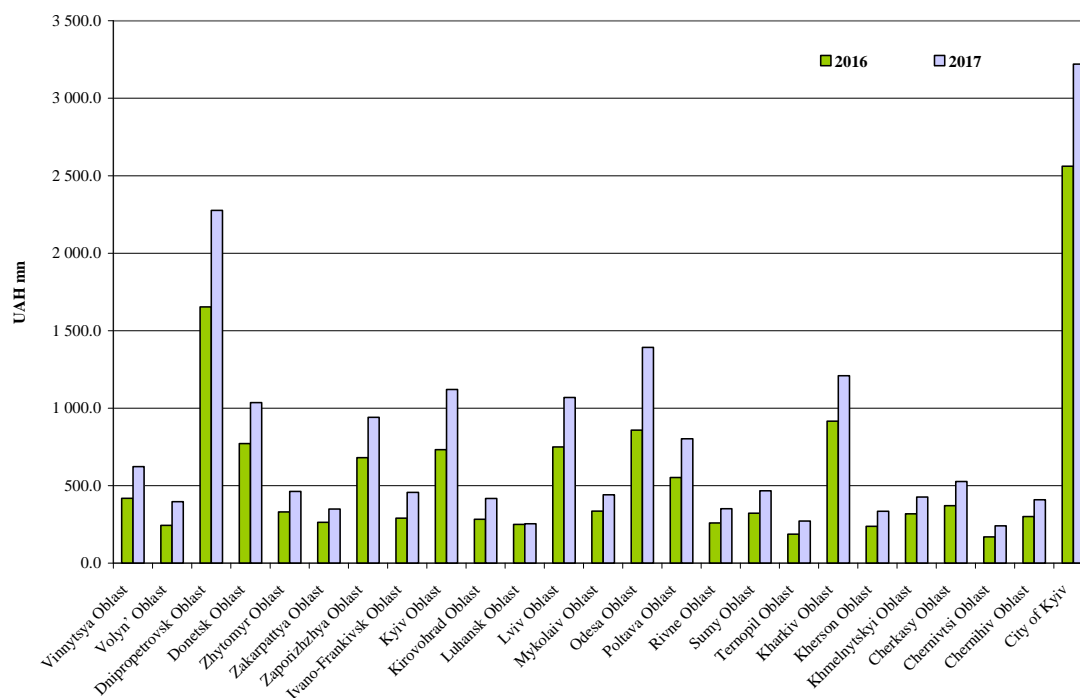


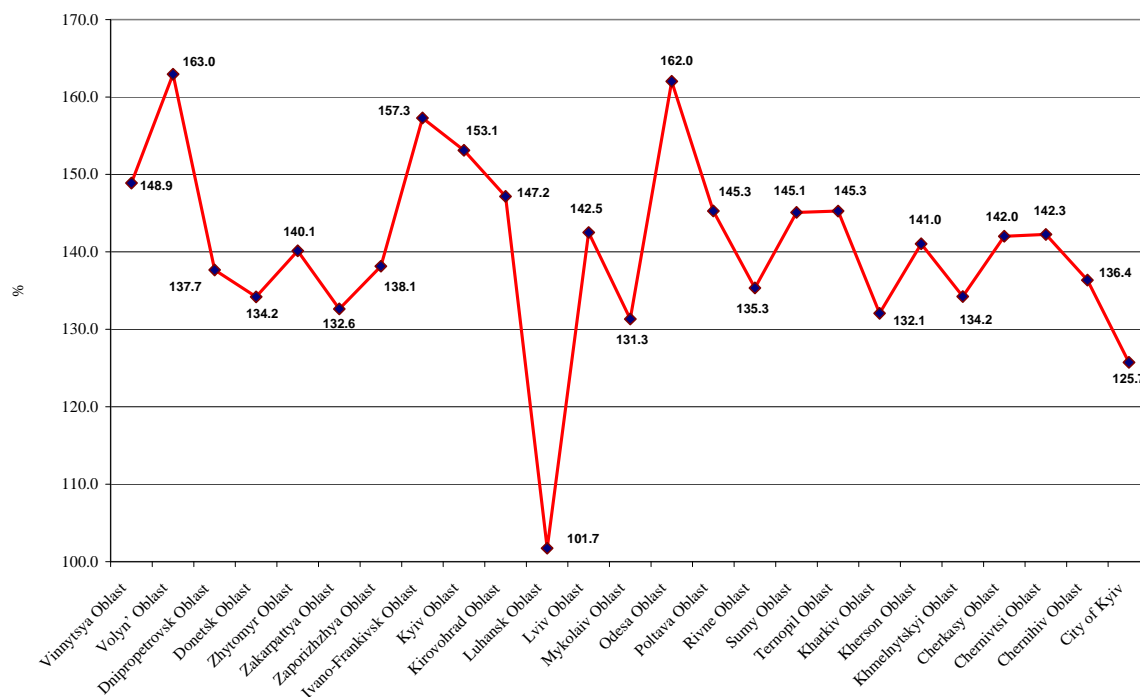
Diagram 5

Regional Distribution of Local Budget Revenue in May 2016–2017



Graph 11

Local Budget Revenues Growth Rate by Region in May 2017 (% vs. previous year)



State Budget Deficit

Diagram 6

Budget Deficit/Surplus, Monthly Trends in 2012

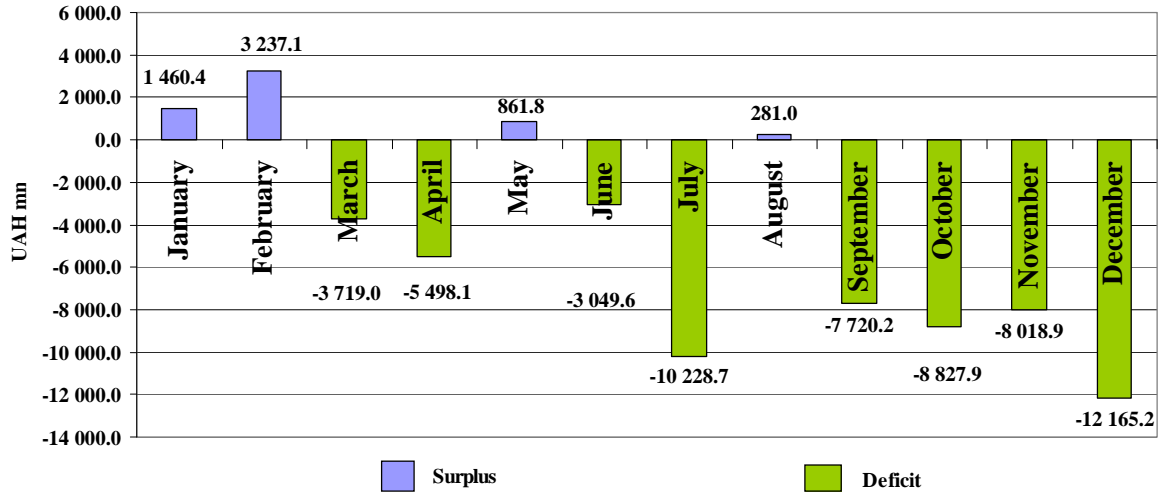


Diagram 7

Budget Deficit/Surplus, Monthly Trends in 2013

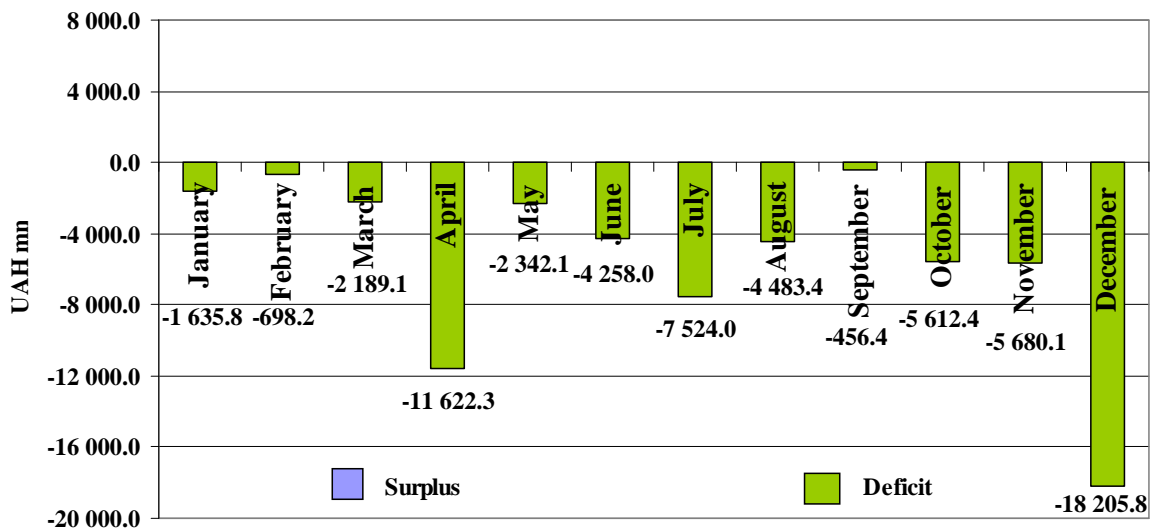


Diagram 8

Budget Deficit/Surplus, Monthly Trends in 2014

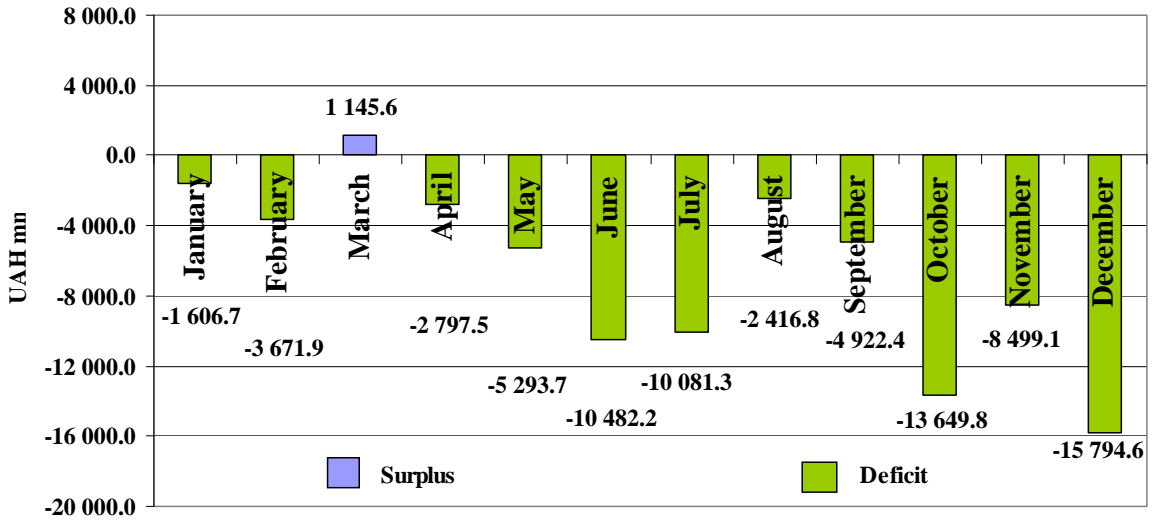


Diagram 9

Budget Deficit/Surplus, Monthly Trends in 2015

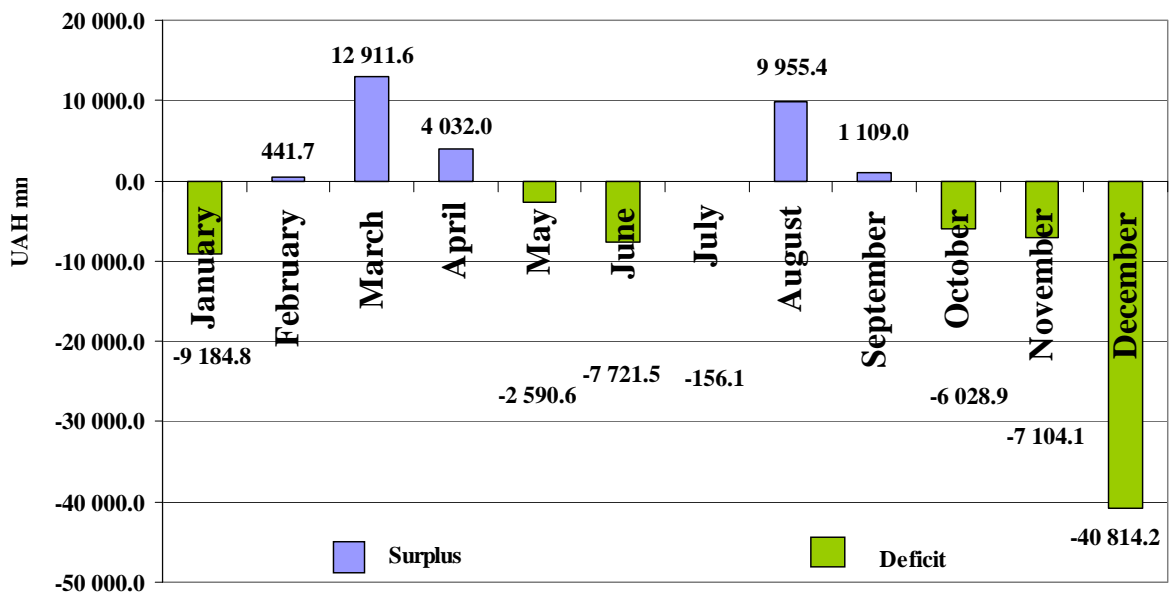


Diagram 10

Budget Deficit/Surplus, Monthly Trends in 2016

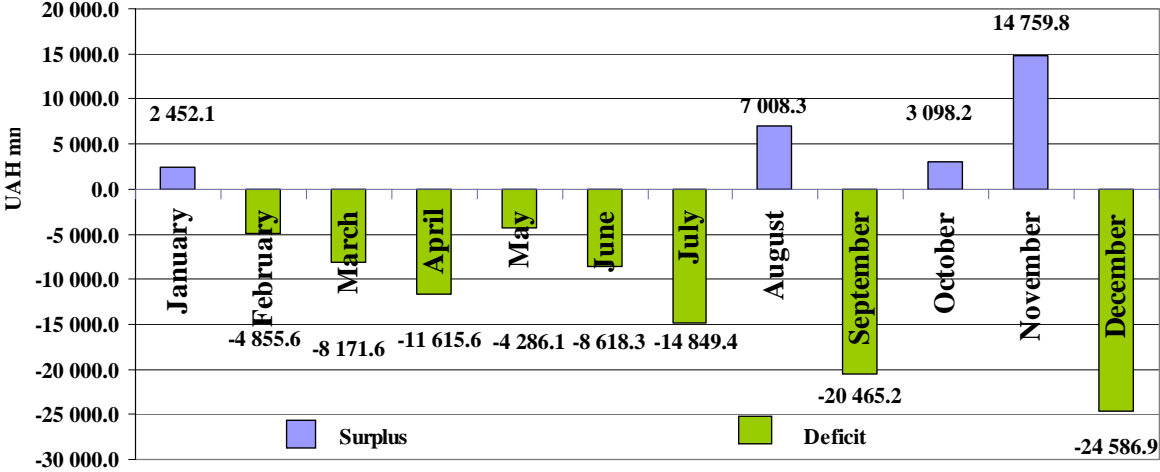
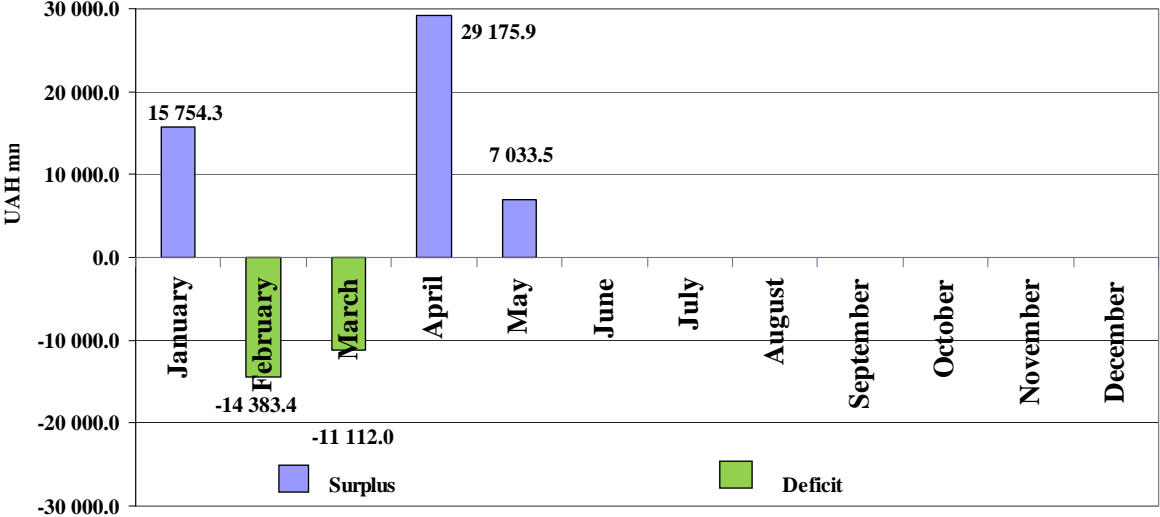


Diagram 11

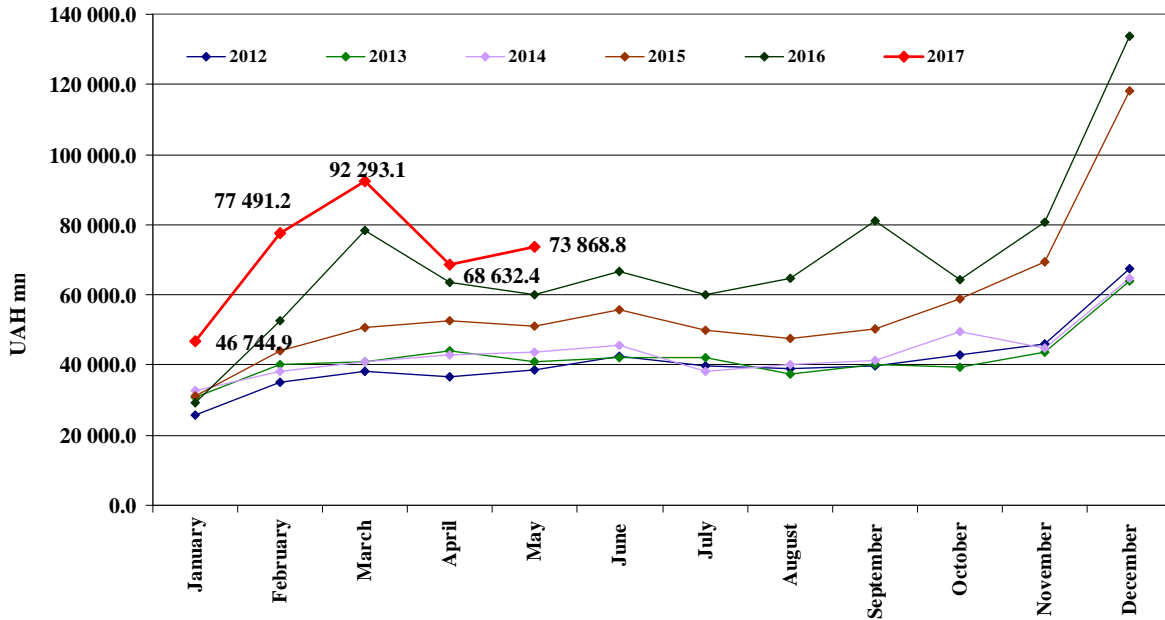
Budget Deficit/Surplus, Monthly Trends in 2017



Consolidated Budget Expenditures

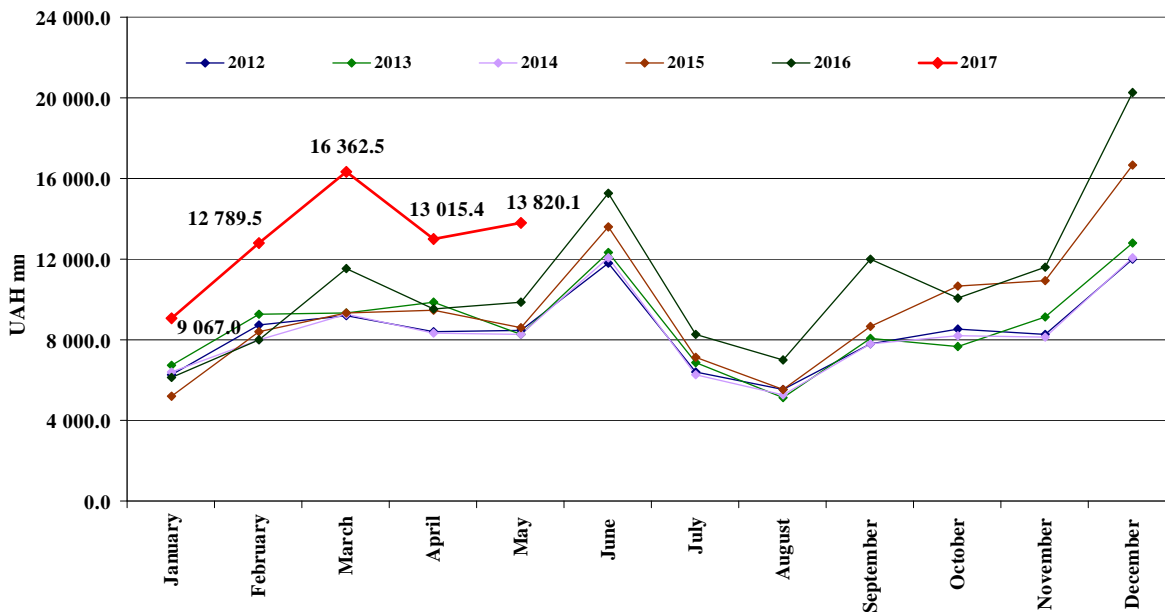
Graph 12

Consolidated Budget Expenditures, Monthly Trends in 2012–2017



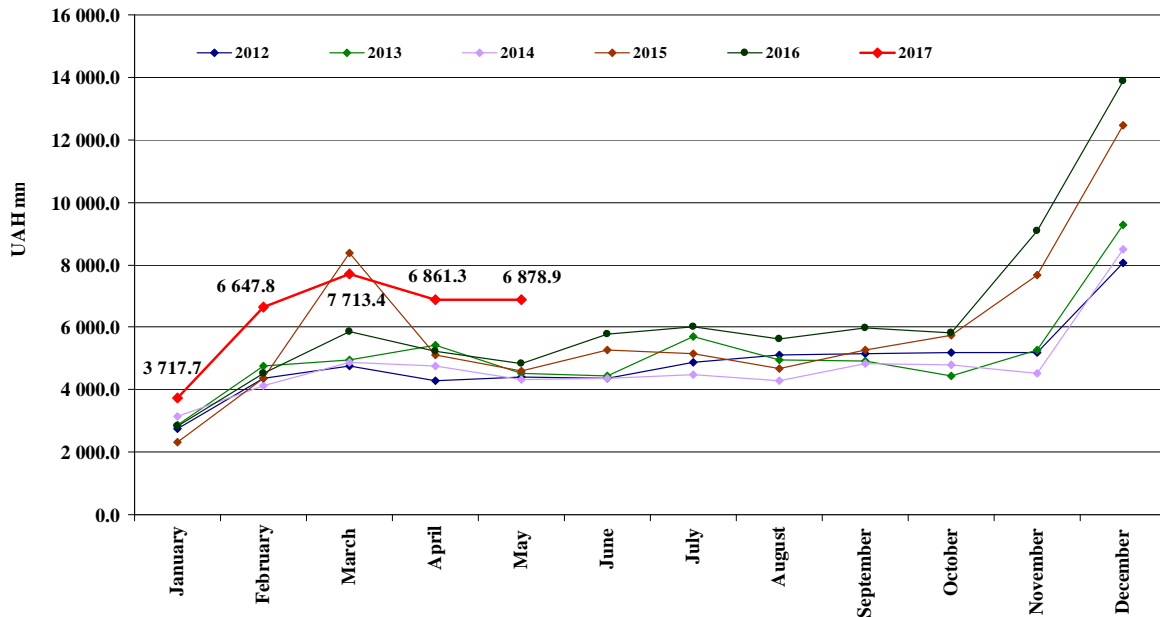
Graph 13

Consolidated Budget Education Expenditures, Monthly Trends in 2012–2017



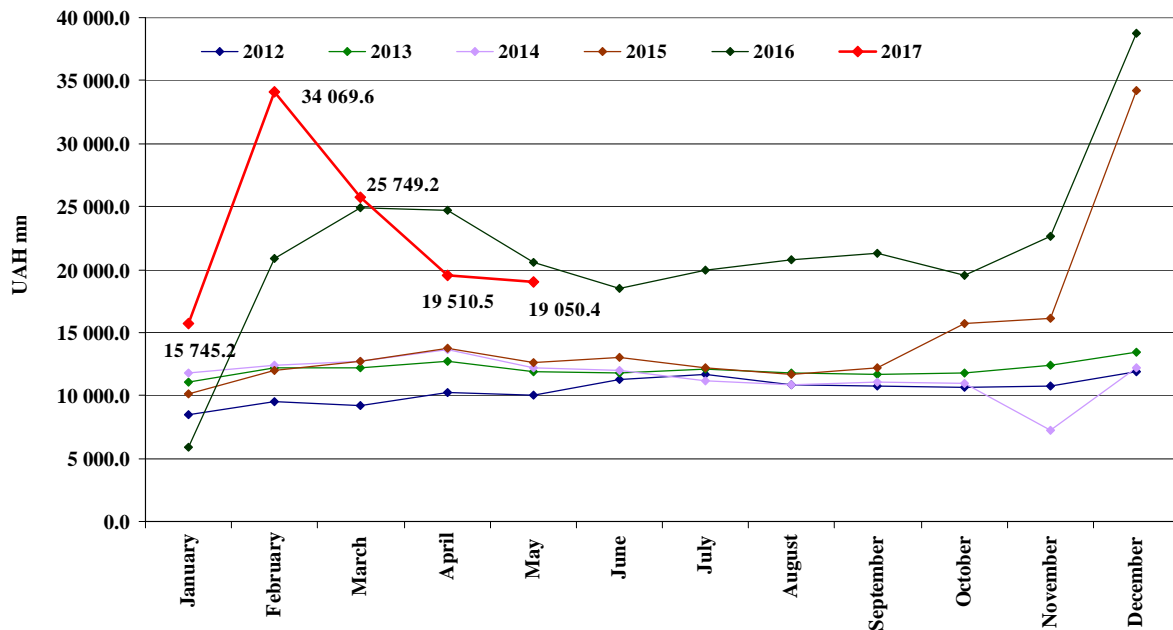
Graph 14

Consolidated Budget Health Expenditures, Monthly Trends in 2012–2017



Graph 15

Consolidated Budget Expenditures for Social Protection and Social Security, Monthly Trends in 2012–2017



State Budget Expenditures

Diagram 12

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2012

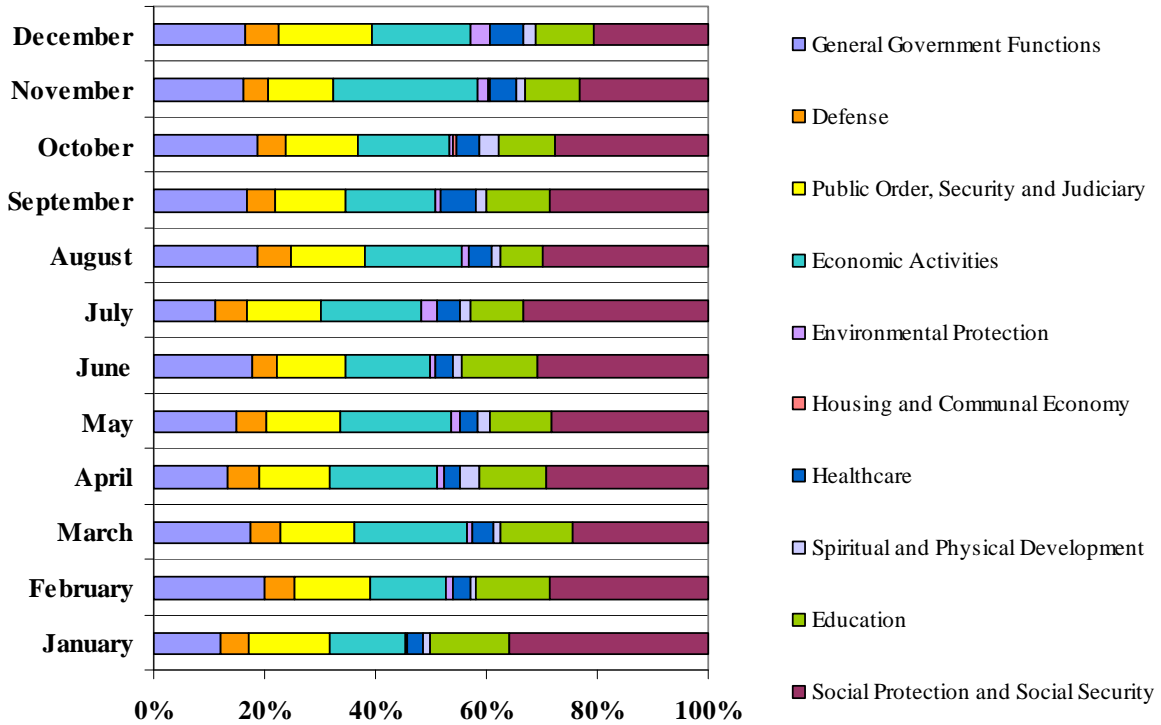


Diagram 13

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2013

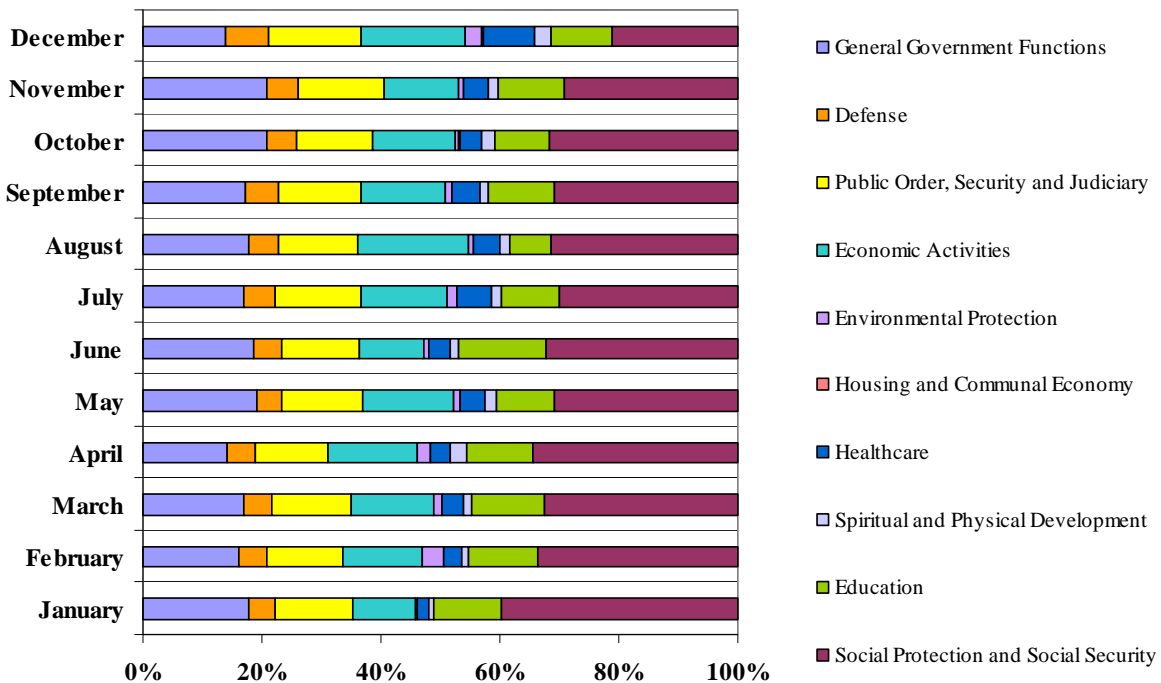


Diagram 14

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2014

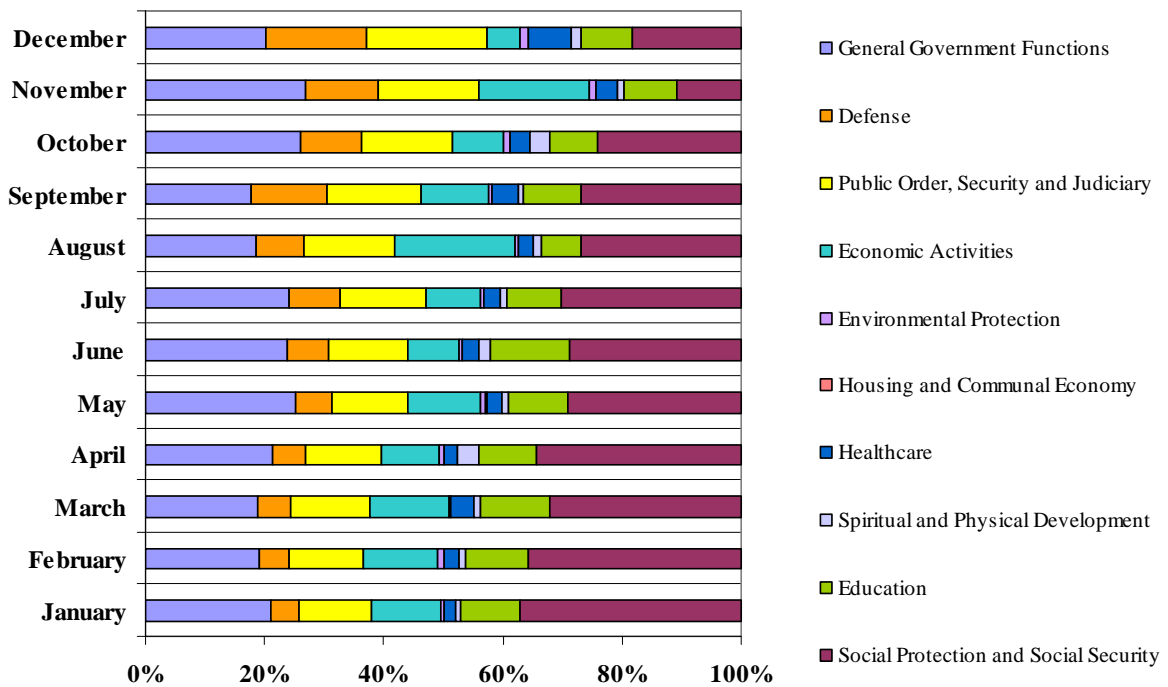


Diagram 15

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2015

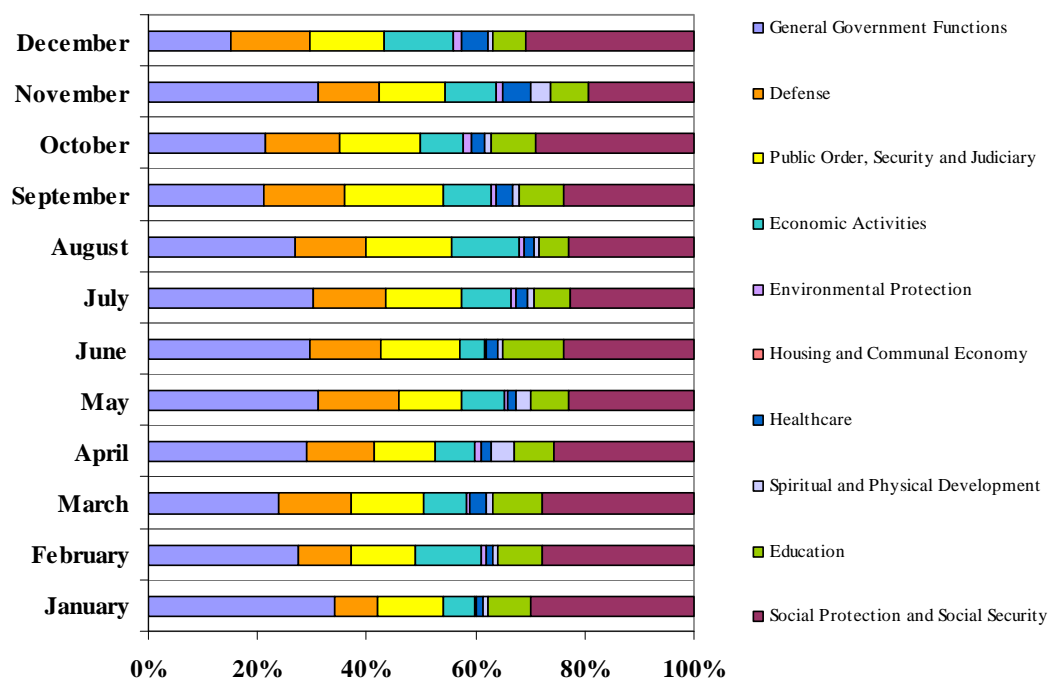


Diagram 16

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2016

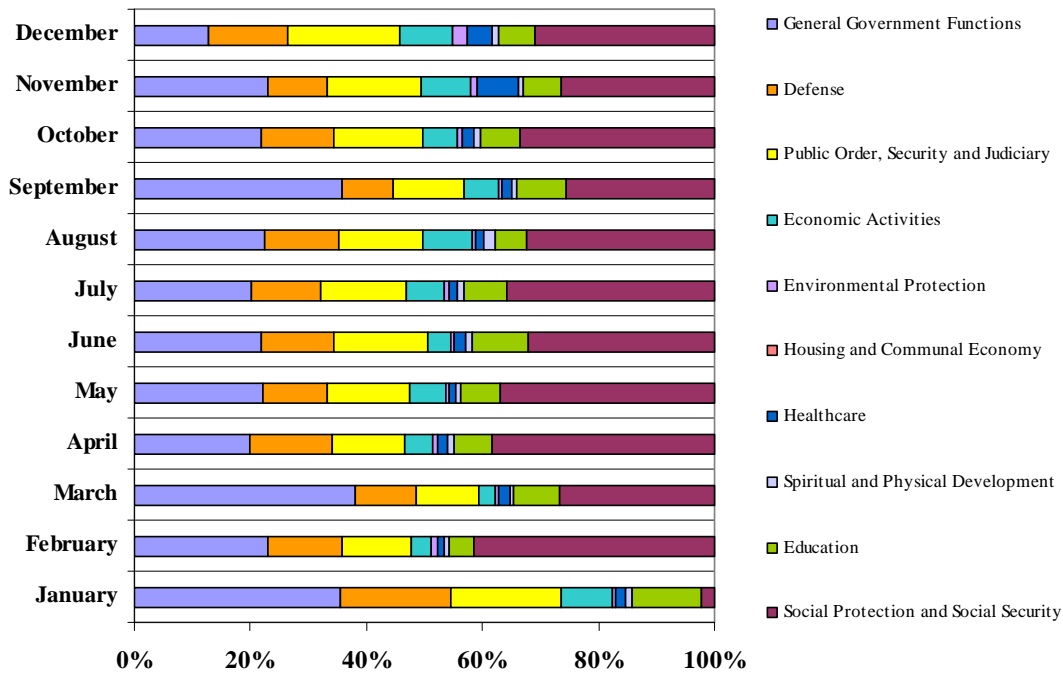
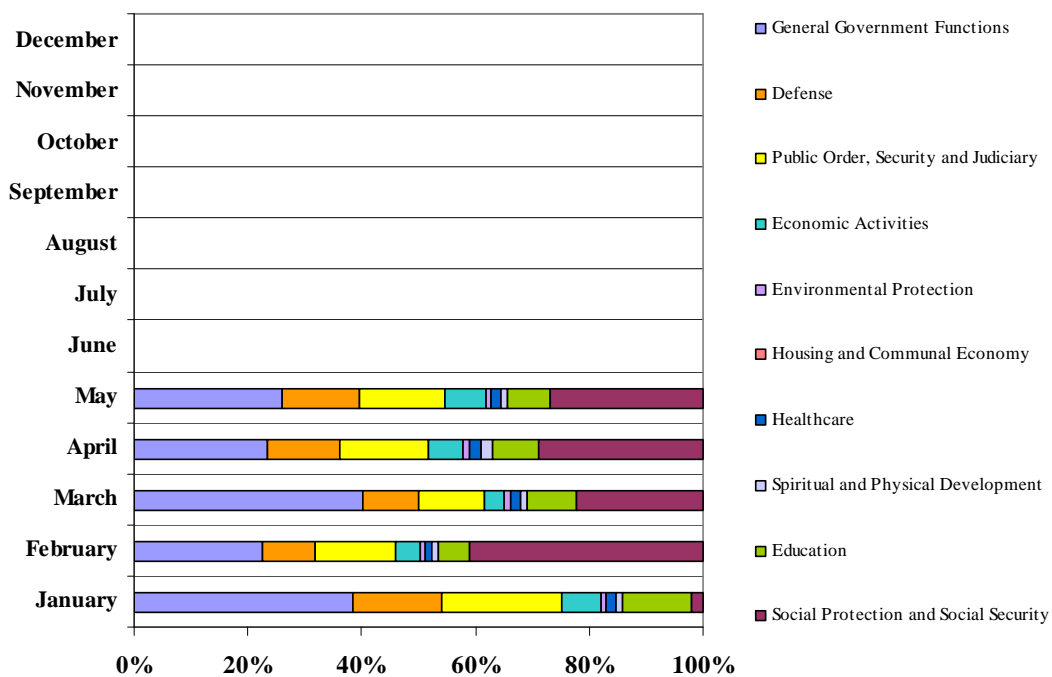


Diagram 17

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2017



Graph 16

Monthly Trends of State Budget Expenditures in 2012–2017

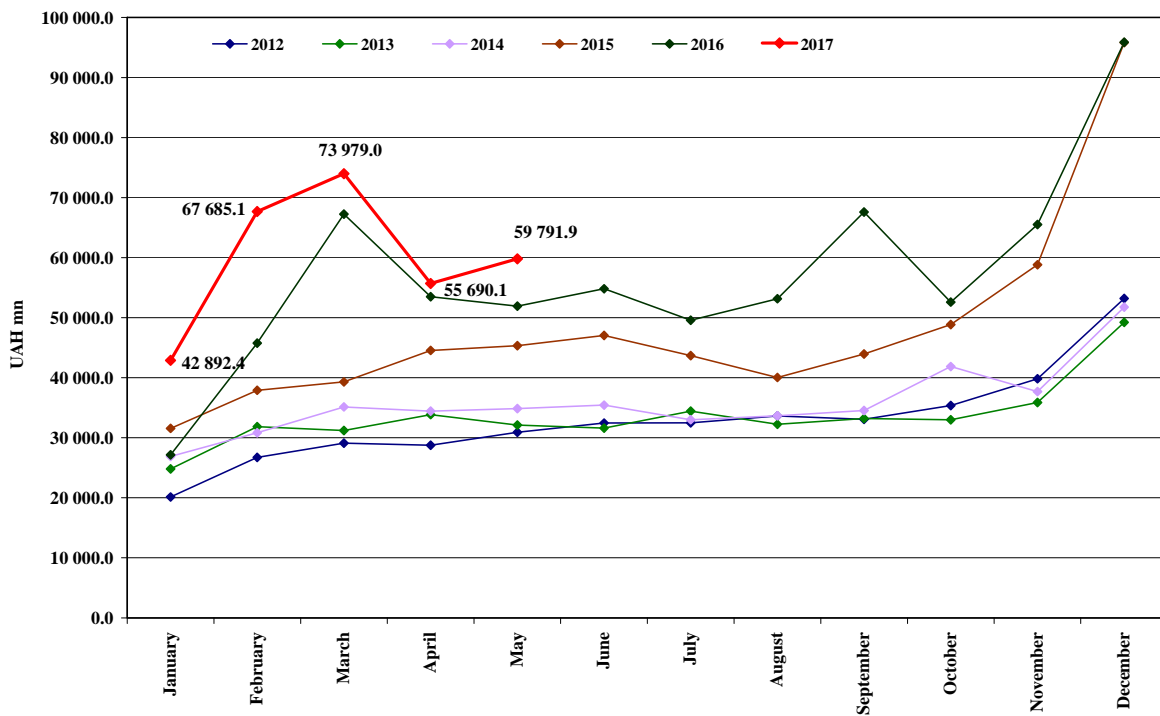
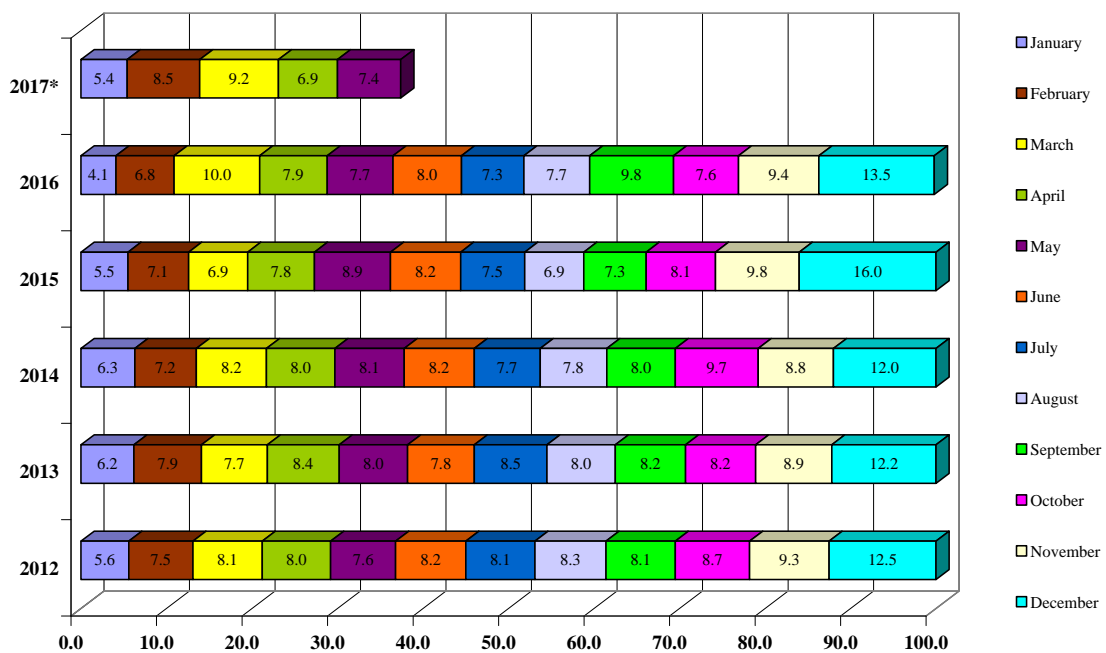


Diagram 18

Dynamics of the Share of Ukraine's State Budget Total Expenditures in Annual Amounts in 2012–2017

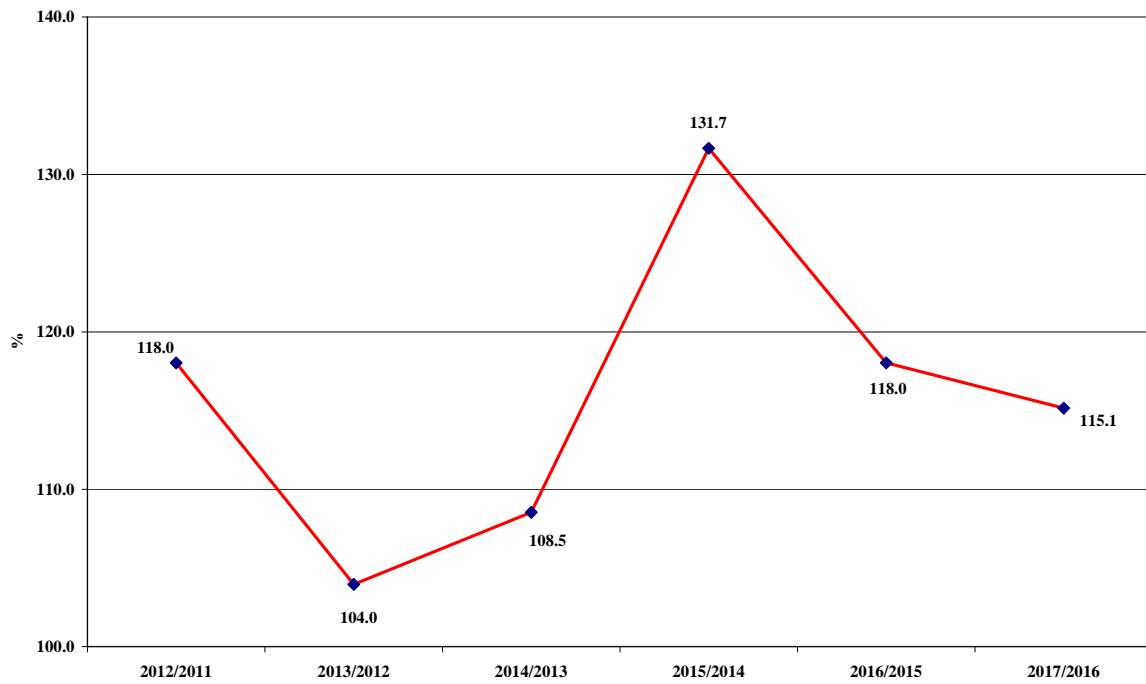


* A share of total expenditures according to the planned annual index

%

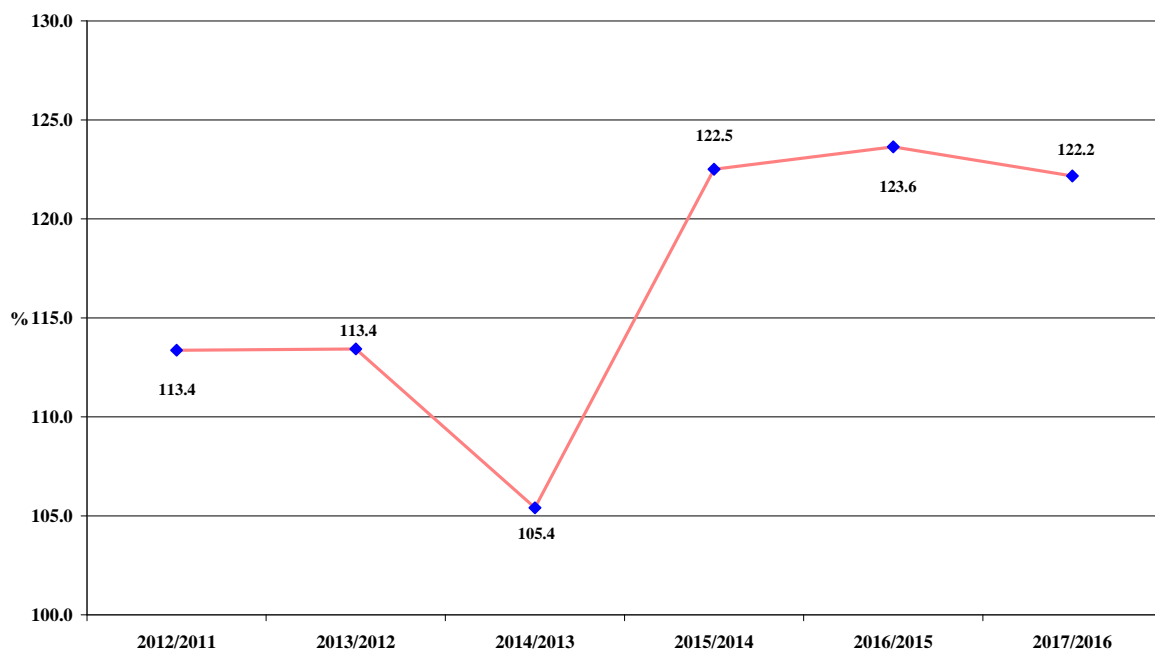
Graph 17

Growth Rates of Ukraine's State Budget Expenditures in May 2012–2017



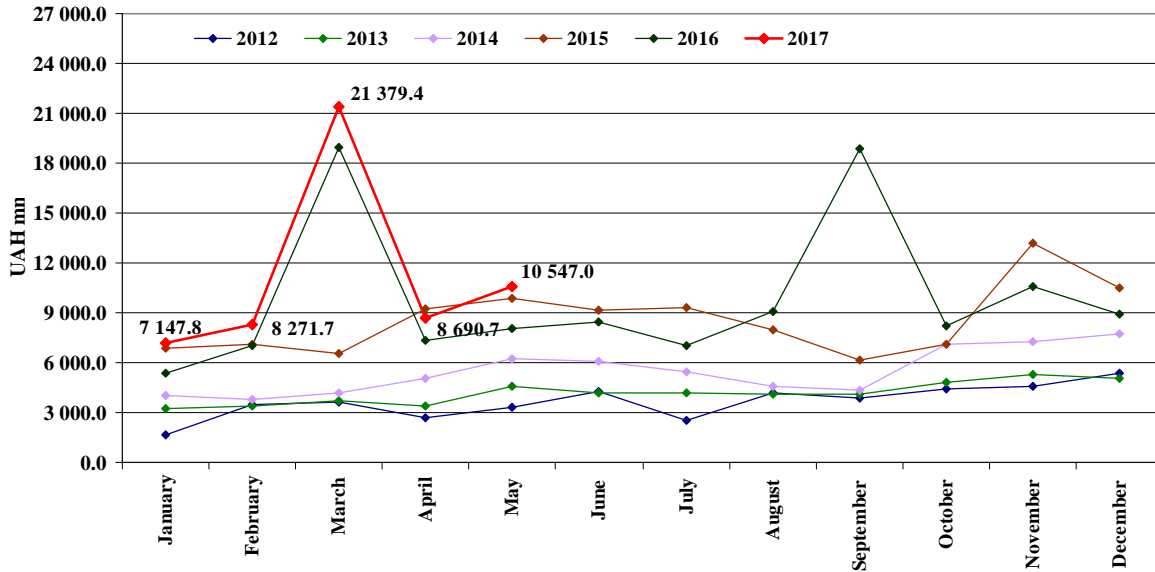
Graph 18

Growth Rates of Ukraine's State Budget Expenditures in January-May 2012–2017



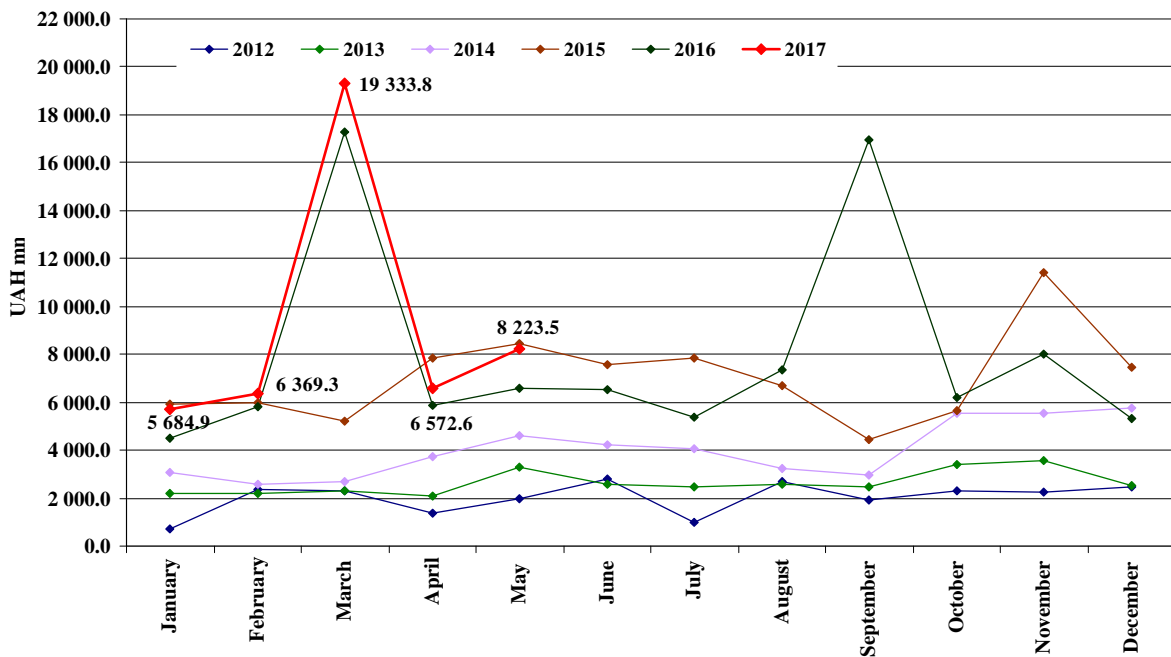
Graph 19

State Budget Expenditures for General Government Functions, Monthly Trends in 2012–2017



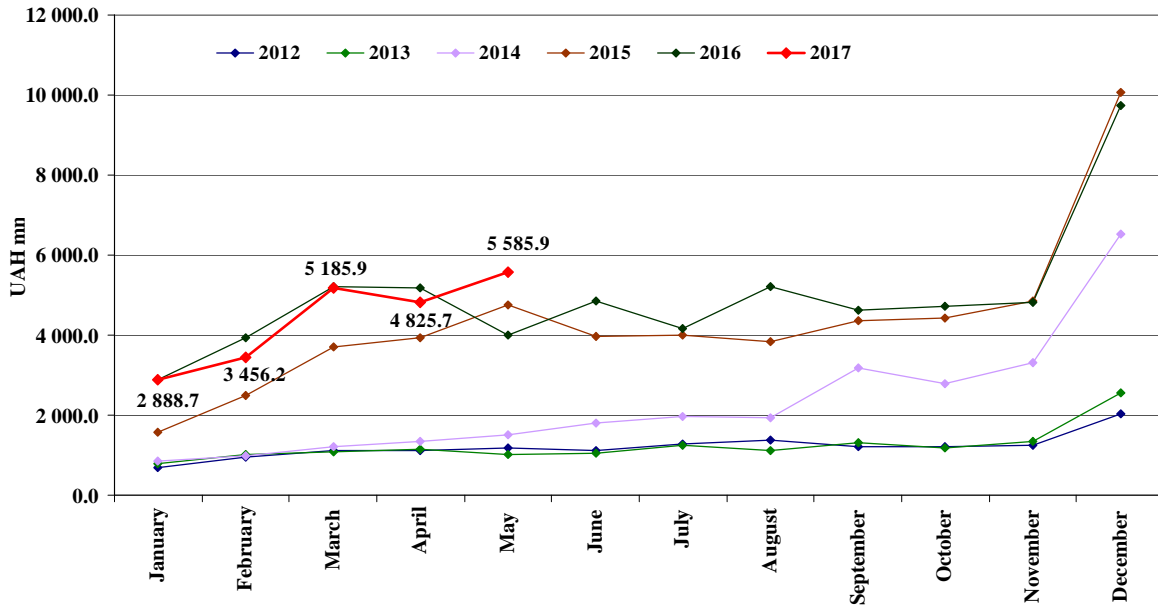
Graph 20

State Budget Expenditures for Public Debt Servicing, Monthly Trends in 2012-2017



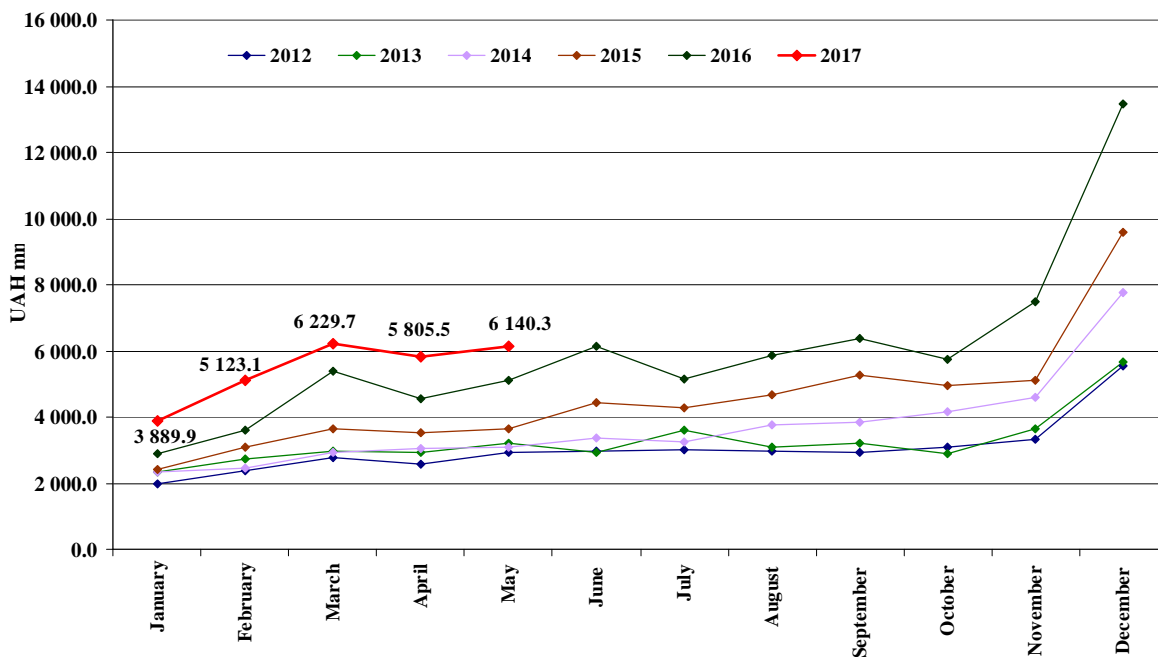
Graph 21

State Budget Expenditures for Defense, Monthly Trends in 2012–2017



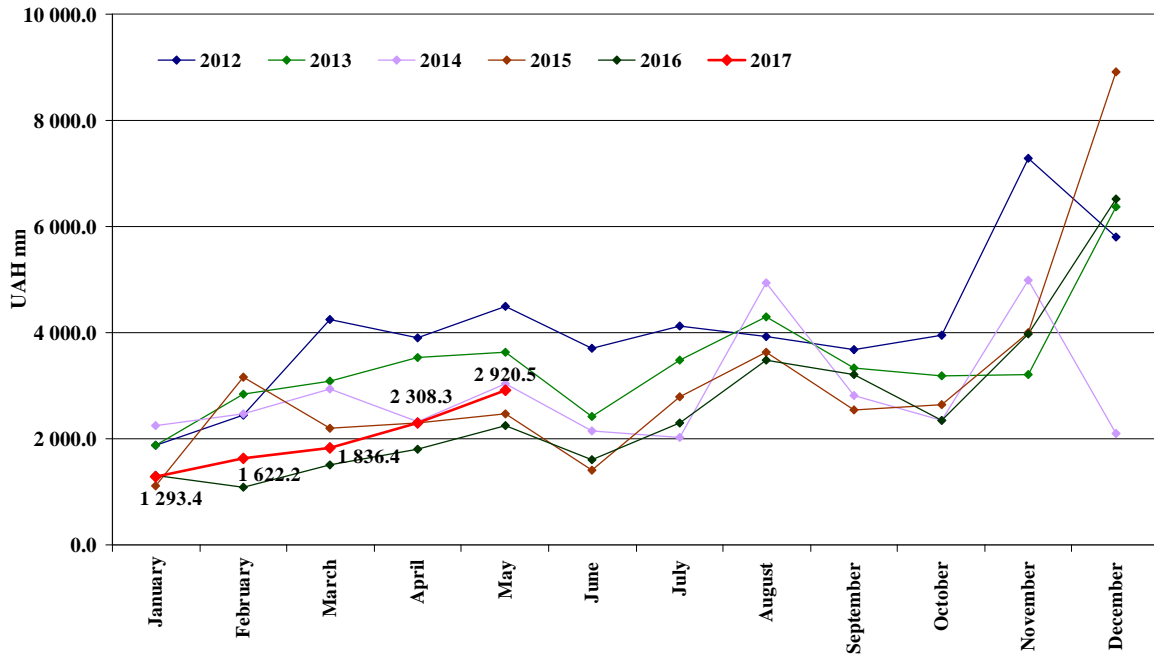
Graph 22

State Budget Expenditures for Public Order, Security, and the Judiciary, Monthly Trends in 2012–2017



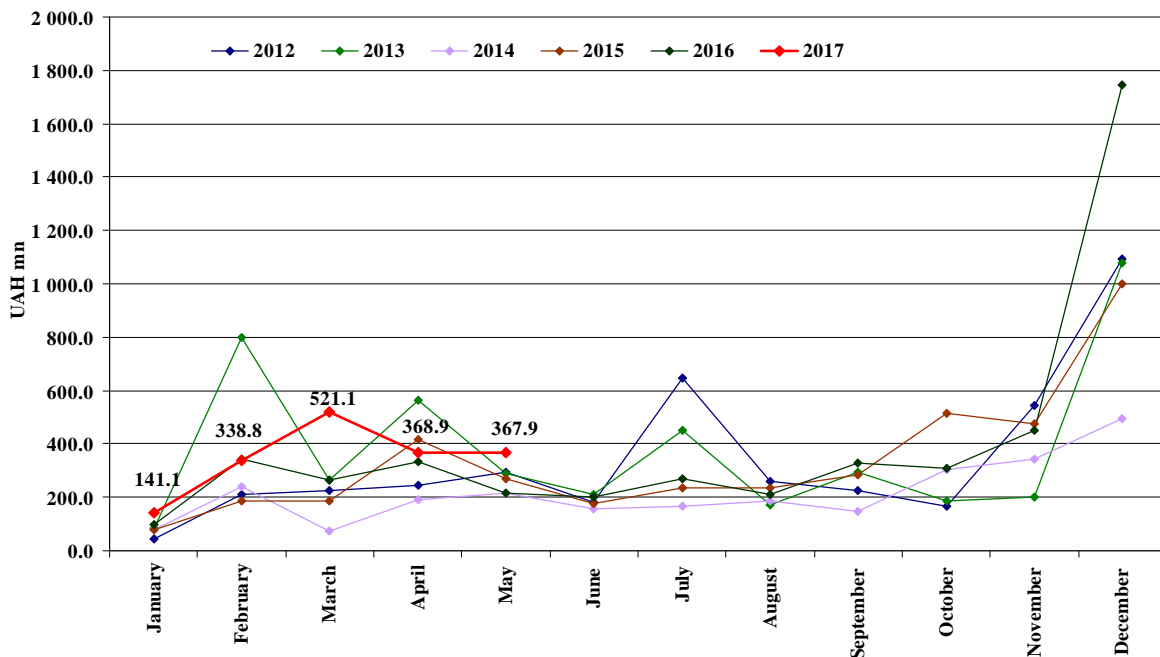
Graph 23

State Budget Expenditures for Economic Activities, Monthly Trends in 2012–2017



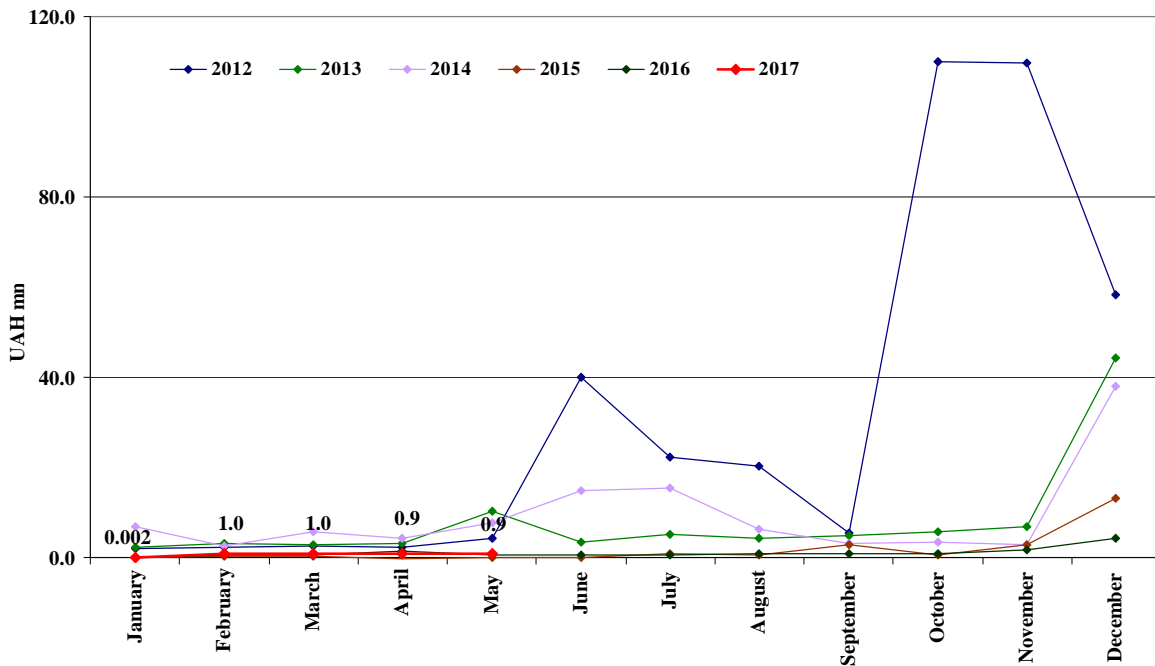
Graph 24

State Budget Expenditures for Environmental Protection, Monthly Trends in 2012–2017



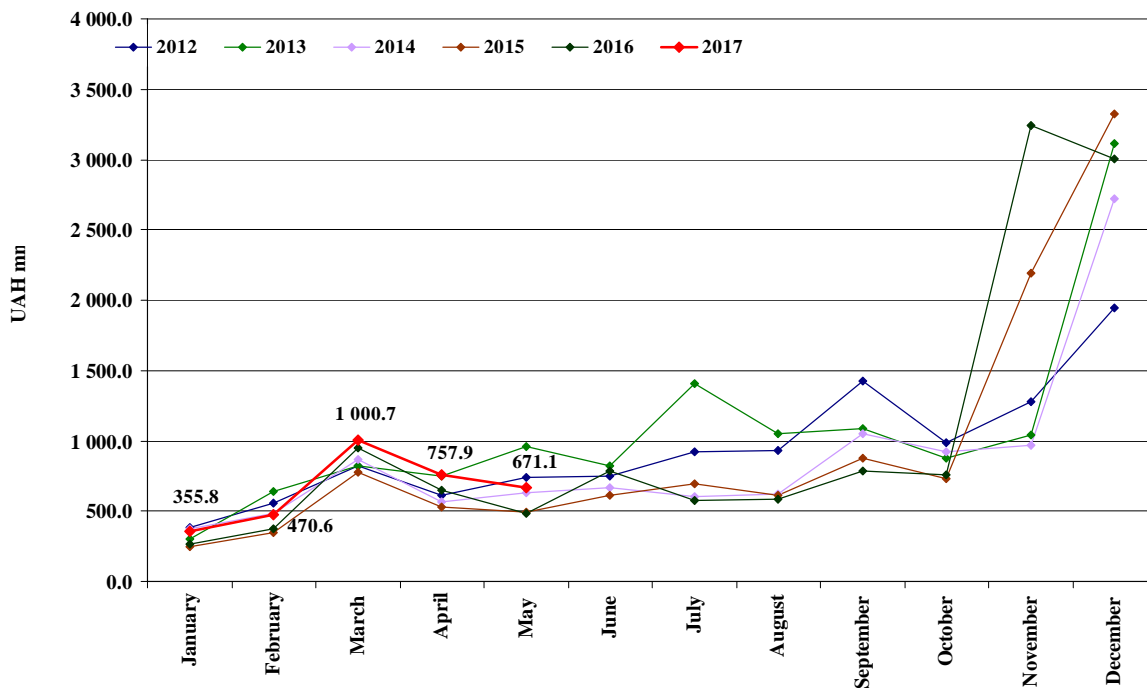
Graph 25

State Budget Expenditures for the Housing and Communal Sector, Monthly Trends in 2012–2017



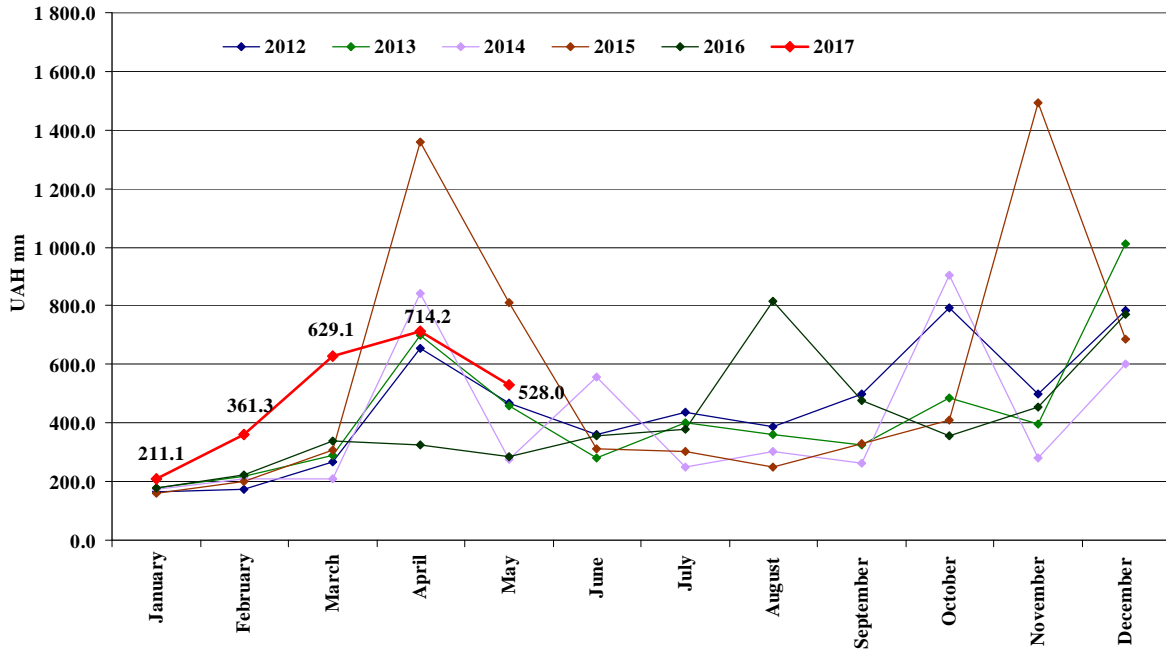
Graph 26

State Budget Expenditures for Healthcare, Monthly Trends in 2012–2017



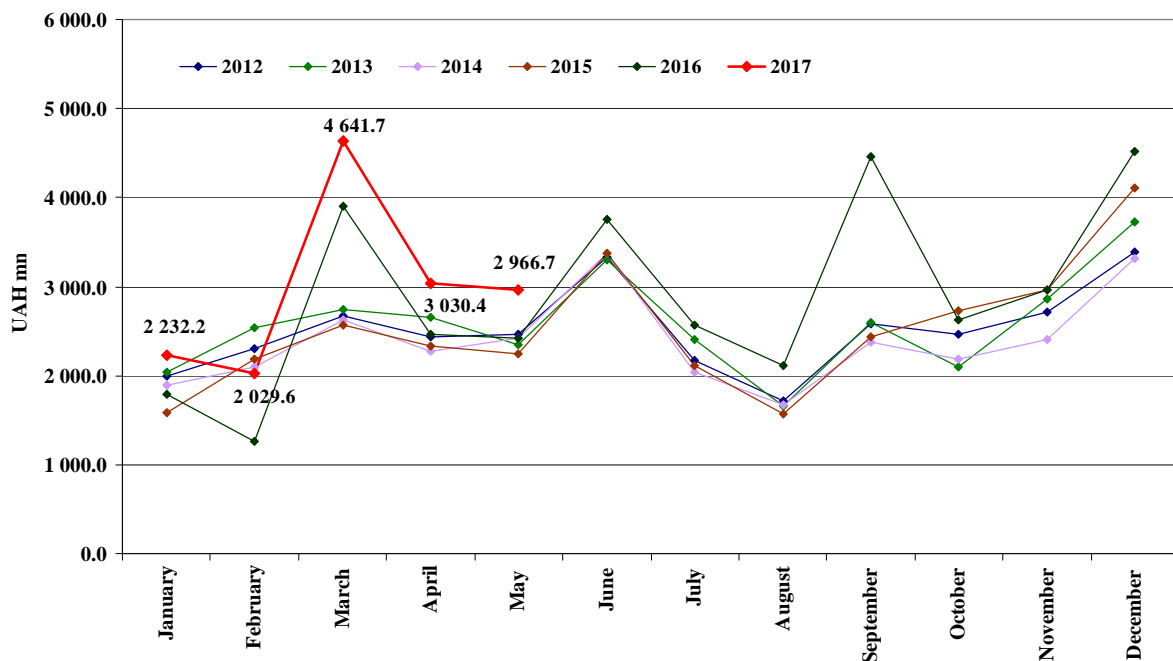
Graph 27

State Budget Expenditures for Spiritual and Physical Development, Monthly Trends in 2012–2017

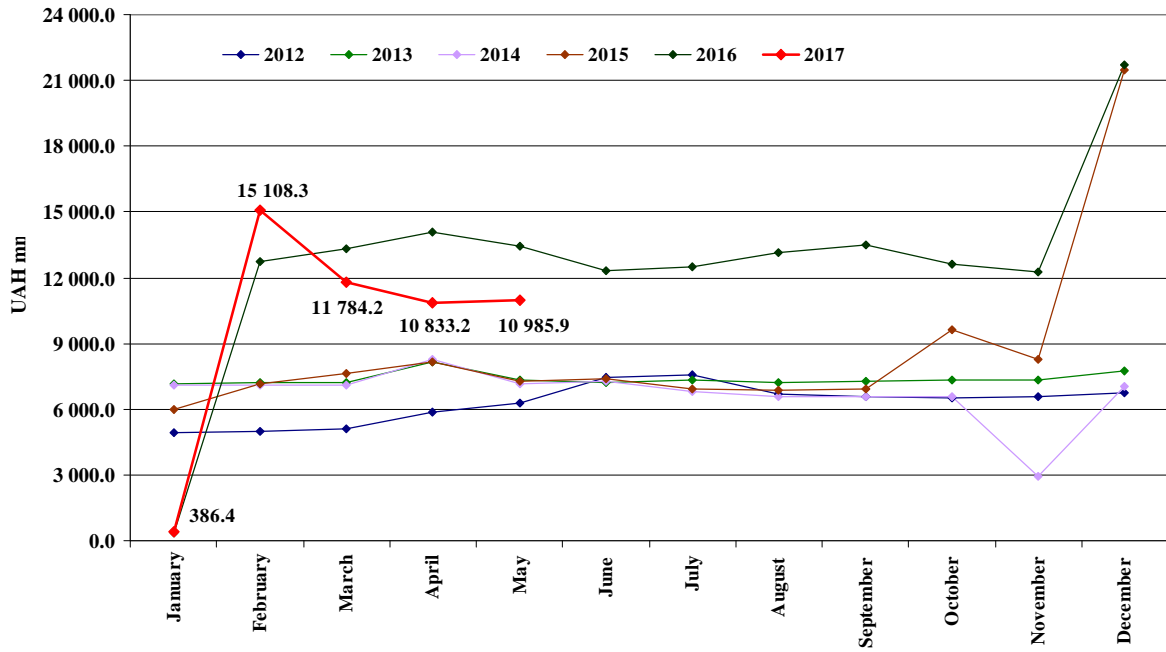


Graph 28

State Budget Expenditures for Education, Monthly Trends in 2012–2017



State Budget Expenditures for Social Protection and Social Security, Monthly Trends in 2012–2017



Local Budget Expenditures

Graph 30

Total Local Budget Expenditures (Less Intergovernmental Transfers), Monthly Trends in 2012–2017

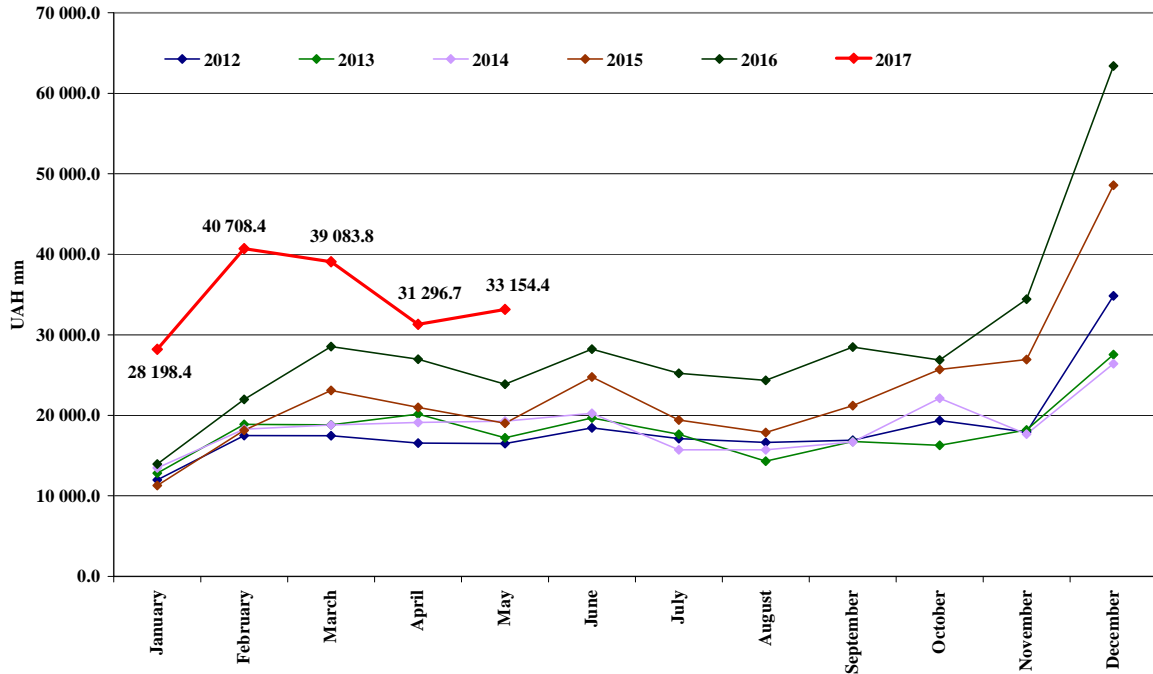
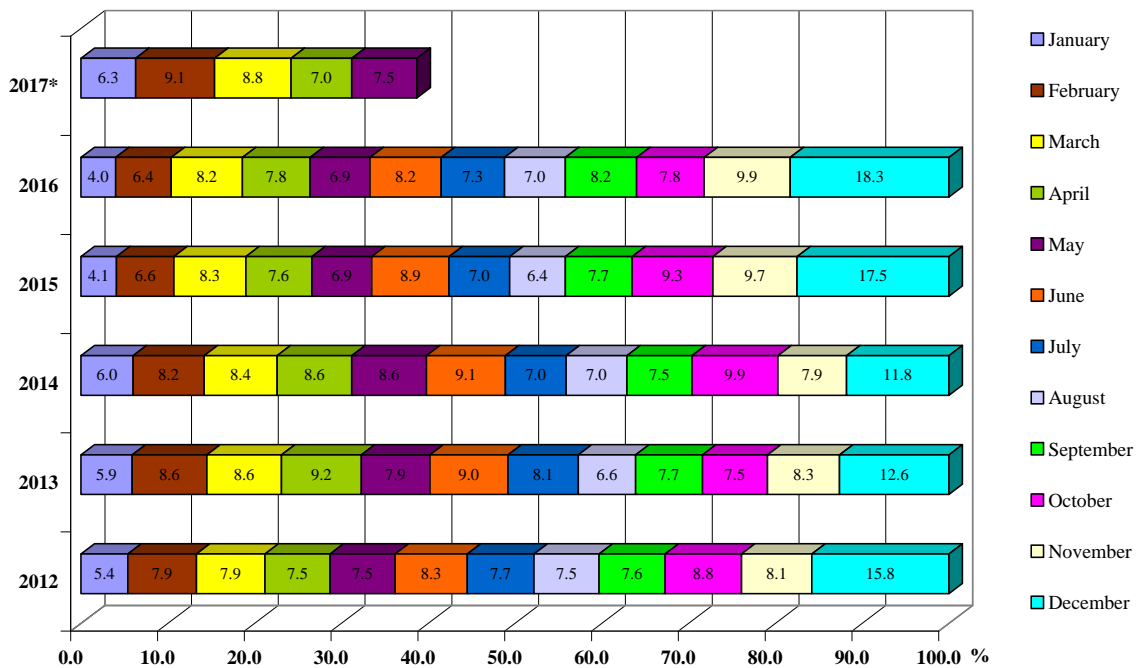


Diagram 19

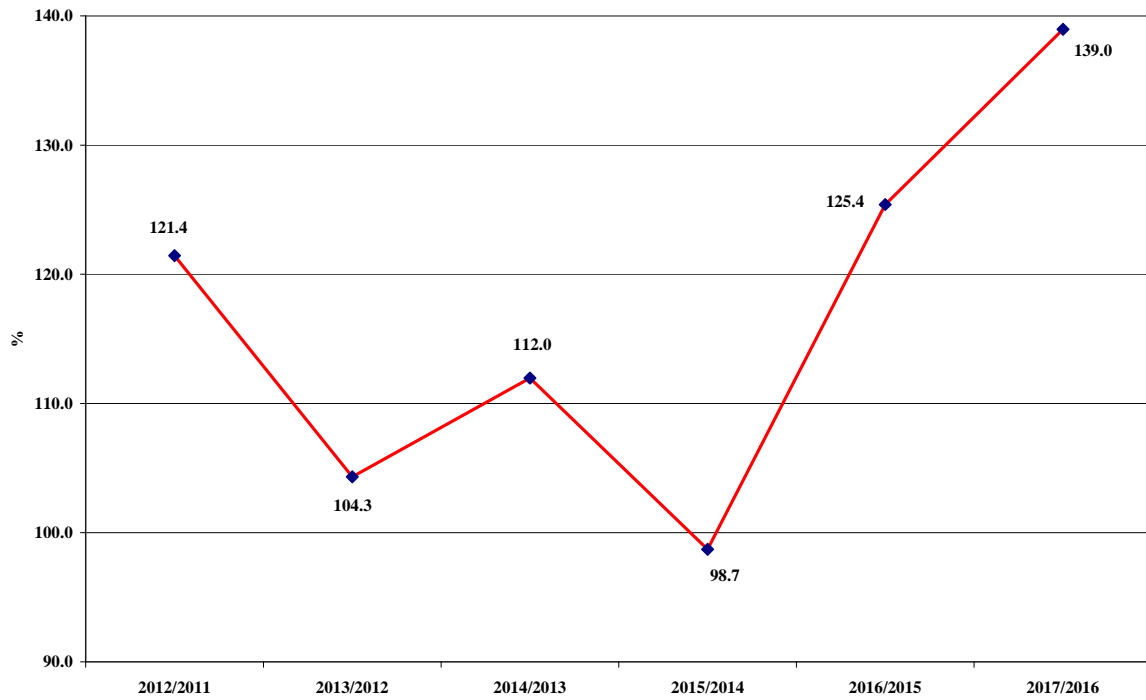
Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2012–2017



* A share of total expenditures according to the planned annual index

Graph 31

Growth Rates of Local Budget Expenditures in May 2012–2017



Graph 32

Growth Rates of Local Budget Expenditures in January-May 2012–2017

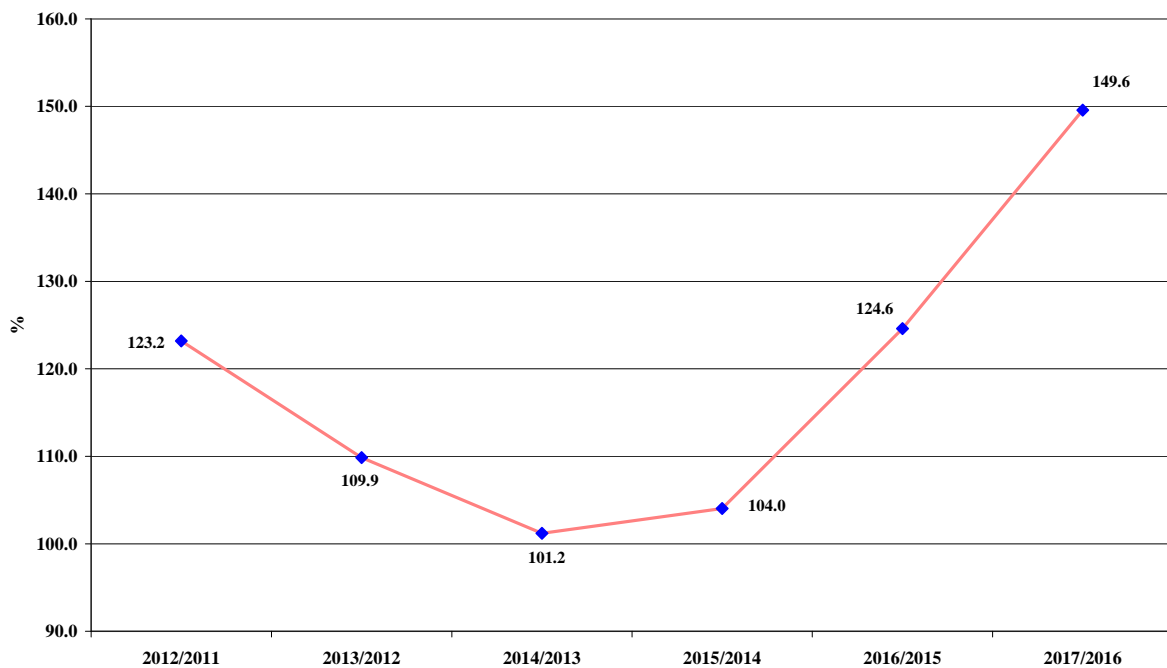


Diagram 20

Local Budget Expenditures by Functional Classification in May 2017

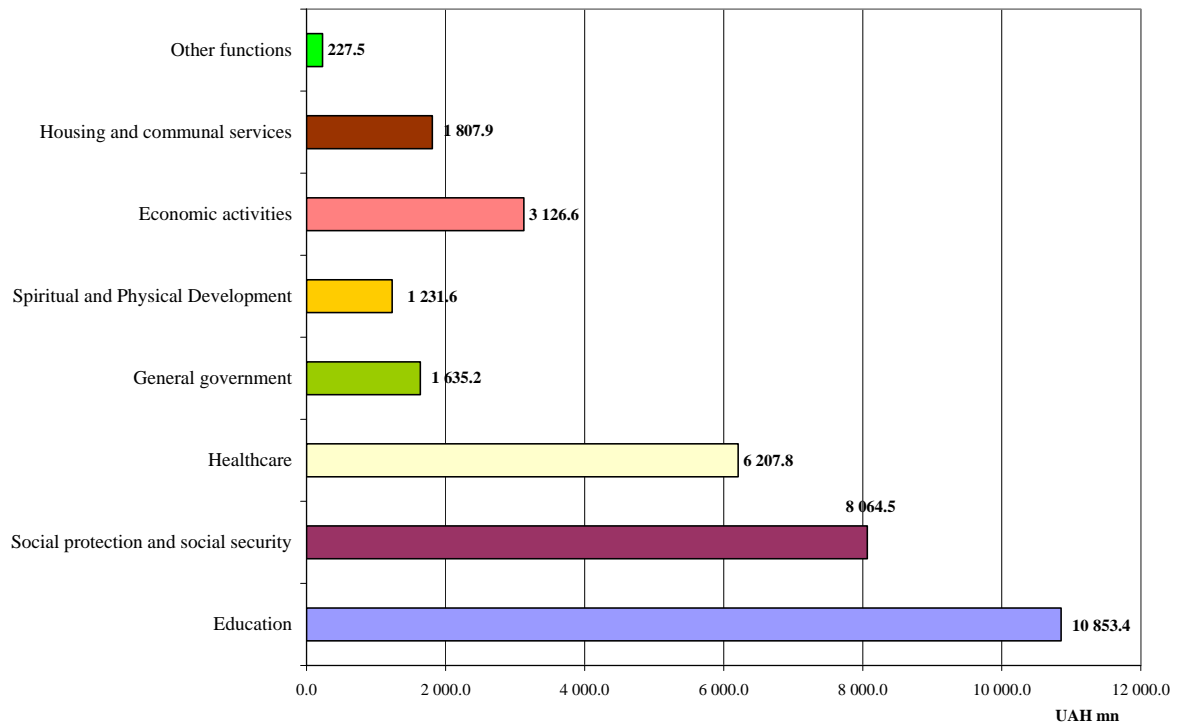
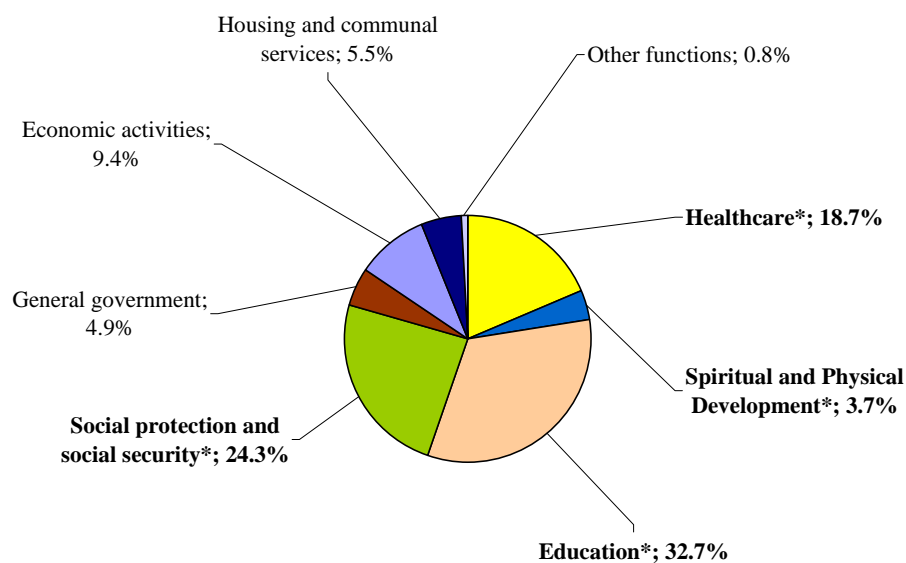


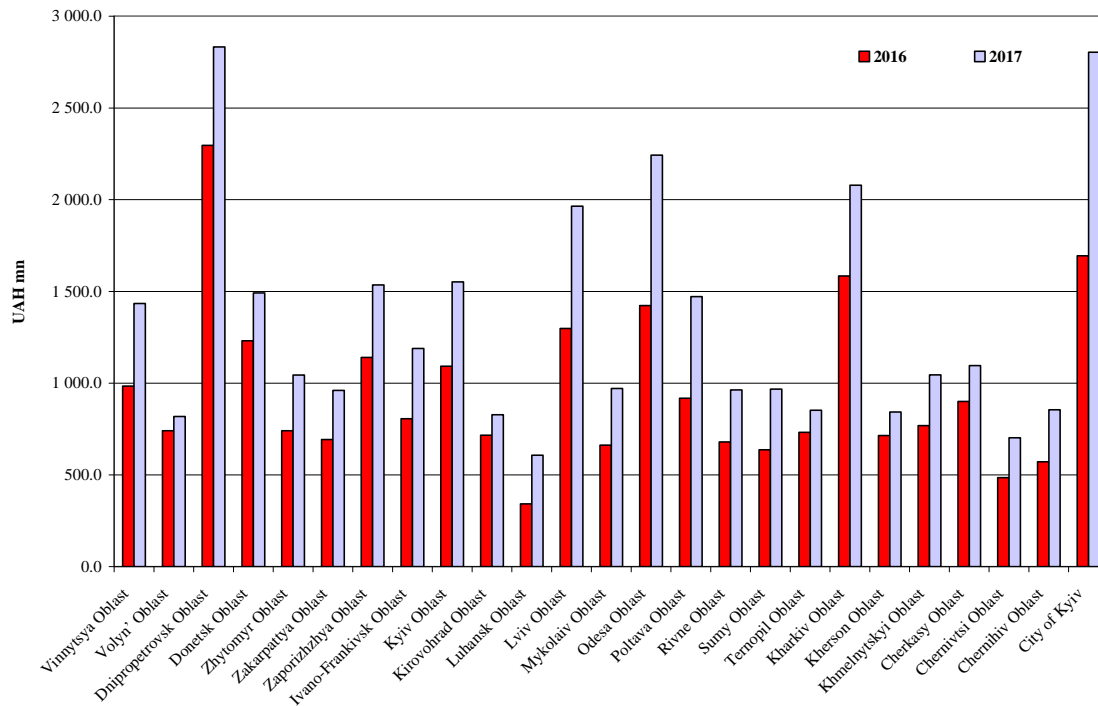
Diagram 21

Structure of Local Budget Expenditures by Functional Classification in May 2017



* Expenditures for social and cultural sphere - 79.4%

Regional Distribution of Local Budget Expenditures in May 2016–2017



Local Budget Expenditures, Growth Rate by Region in May 2017 (% vs. previous year)

