

# MONTHLY MONITORING

OF MAIN INDICATORS  
OF THE BUDGET SYSTEM OF UKRAINE  
AS OF FEBRUARY 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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## Contents

<b>Monitoring of the Execution of the Consolidated, State and Local Budgets in Ukraine</b> .....	4
State Budget Revenues .....	6
Local Budget Revenues .....	10
State Budget Deficit .....	14
Consolidated Budget Expenditures .....	17
State Budget Expenditures .....	19
Local Budget Expenditures .....	30

## 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 UAH72.3bn in January 2017, which is UAH 34.4bn or 90.3% more year-on-year.
- **The state budget** received UAH 59.2bn in the same period, which is UAH 29.8bn or more than double year-on-year. This equals 8.1% of the annual plan. In the last ten years, the share of January revenues in the total of annual revenues amounted to 5.9%. However, it would be premature to speak about an overfulfillment of the annual plan based on results of just the first month.

One of the drivers of such revenue growth was the absence of value-added tax refunds from the budget in January 2017, with only UAH 27.9mn refunded against nearly UAH 8.0bn in January of last year. Therefore, the amount of VAT revenue was more than 2.5 times that of last year's. It is likely that – as was the case in the middle of last year – it was due to administrative decisions to suspend the refunds of this tax, which again signaled serious problems in the collection of the value-added tax in Ukraine due to interference by supervisory bodies in the process of its administration.

This notwithstanding, revenues from nearly all the key taxes demonstrated positive dynamics, with value-added tax on goods made in Ukraine increasing by UAH 6.2bn or 50.3%, VAT on imports by UAH 5.7bn or 60.4%, personal income tax by UAH 1.0bn or 27.1%, excise tax by UAH 1.6bn or 30.4%, rent and fees for use of other natural resources by UAH 3.4bn or 2.5 times, and taxes on foreign trade and external transactions by UAH 0.4bn or 35.3%.

The corporate profit tax was the only exception, having generated 12.1% less revenue year-on-year. Keep in mind, though, that January revenues are usually the year's lowest, and, therefore, it is not indicative and may not necessarily serve as the basis for making any projections.

The amount of non-tax revenues also increased by UAH 0.7bn or 25.5%. Also, unlike last year, all components of this type of budget revenue increased.

- **Consolidated budget expenditures** totaled UAH 46.7bn in January 2017, which is 60.7% or UAH 17.7bn more year-on-year.

In a year-on-year comparison, the amounts of consolidated budget expenditures increased for all items of the functional classification of expenditures without exception.

The highest growth (2.7 times against January 2016) was noted in the expenditures for social protection and social security, which reached UAH 15.7bn. The expenditures for housing and communal services increased 2.0 times. Increases were noted in the expenditures for general government functions (59.1%), education (48.4%), environmental protection (47.0%), spiritual and physical development (45.0%), public order, security and the judiciary (35.6%), healthcare (31.2%), economic activity (17.8%), and defense (0.2%).

- **The actual expenditures of the state budget of Ukraine** totaled UAH 42.9bn in January 2017, which is 57.9% more than year-on-year.

The following changes were observed in the items of expenditures by **functional classification** compared to January 2016:

- expenditures for general government functions increased by 32.6% to UAH 7.1bn. Expenditures for state debt servicing totaled UAH 5.7bn, which is 27.1% more year-on-year;
- expenditures for defense increased by 0.2% to UAH 2.9bn;
- expenditures for public order, security, and the judiciary increased by 35.5% to UAH 3.9bn;

- expenditures for economic activity decreased by 1.7% to UAH 1.3bn;
  - expenditures for environmental protection increased by 47.4% to UAH 141.1mn;
  - expenditures for housing and communal services were not even funded and only amounted to UAH 1,600;
  - expenditures for healthcare increased by 33.0% to UAH 355.8mn;
  - expenditures for spiritual and physical development increased by 18.0% to UAH 211.1mn;
  - expenditures for education increased by 24.9% to UAH 2.2bn; and
  - expenditures for social protection and social security increased by 11.0% to UAH 386.4mn.
- The state budget revenue from **repaid loans** totaled UAH 58.6mn in January of this year, including UAH 2.8mn in revenue of the General Fund of the state budget;

The state budget **provided loans** for the total amount of UAH 858.6mn in January 2017.

**A surplus** of the state budget of UAH 15.8bn was observed in January of this year.

In January 2017, **repayment of the state budget debt principal** totaled UAH 2.1bn, including internal debt repayment of UAH 850.2mn and external debt repayment of UAH 1.3bn. **State borrowing** for the financing of the **state budget** was incurred at the amount of UAH 1.6bn, including UAH 1.1bn mobilized on the internal market, and UAH 515.9mn received from external sources into the Special Fund.

The state budget received UAH 6.5mn from the **privatization of state property** in January 2017.

- **Total local budget revenues (without inter-budget transfers)** amounted to UAH 13.4bn in January 2017, which is 53.1% more year-on-year.

As usual, the personal income tax was the single largest source of local budget revenues. It generated UAH 6.5bn in January. Local taxes and fees provided nearly UAH 4.2bn.

Significant growth in revenues was observed in all regions, with the highest of 72.4% against the respective 2016 figure recorded in Kirovohrad Oblast. The lowest growth in revenues was noted in Donetsk Oblast (35.6%).

- **The expenditures of local budgets (without inter-budget transfers)** totaled UAH 28.2bn in January 2017, which is more than double of the respective 2016 indicator.

The majority of local budget expenditures were allocated for social protection and social security, education, and healthcare. In January 2017, they amounted to UAH 15.4bn (or 54.5% of all local budget expenditures), UAH 6.8bn (or 24.2%), and UAH 3.3bn (or 11.9%), respectively.

The highest growth by region was observed in Cherkasy Oblast, where the amount of expenditures increased by 248.6% year-on-year. The lowest growth of expenditures of 41.4% was noted in Volyn Oblast.

# State Budget Revenue

Graph 1

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

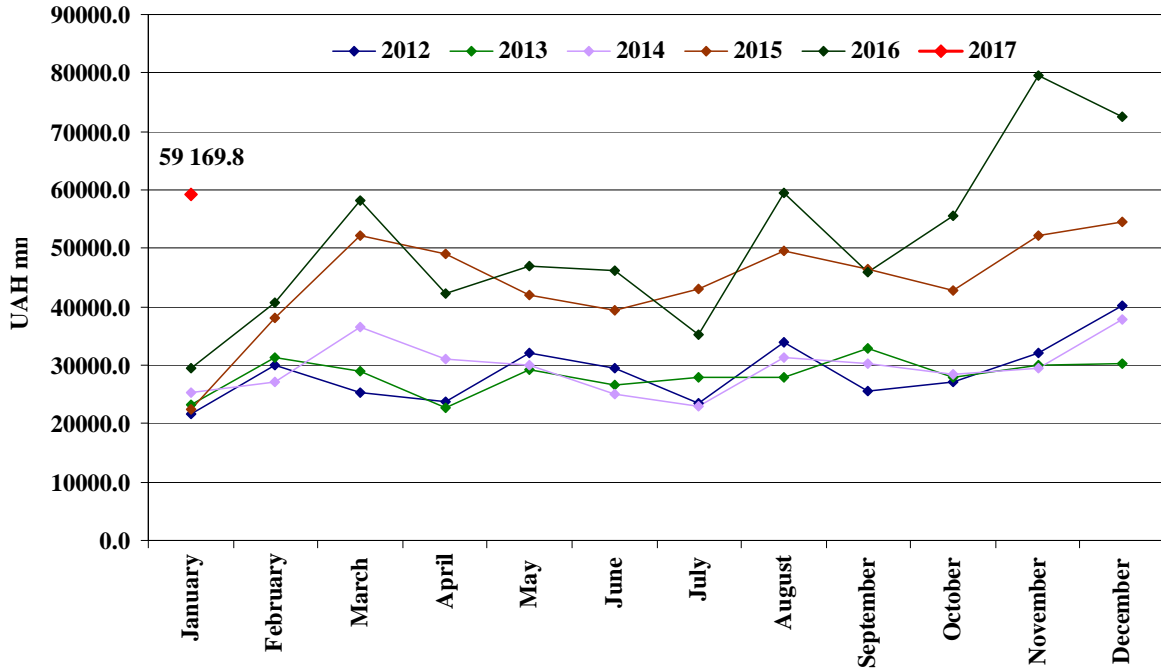
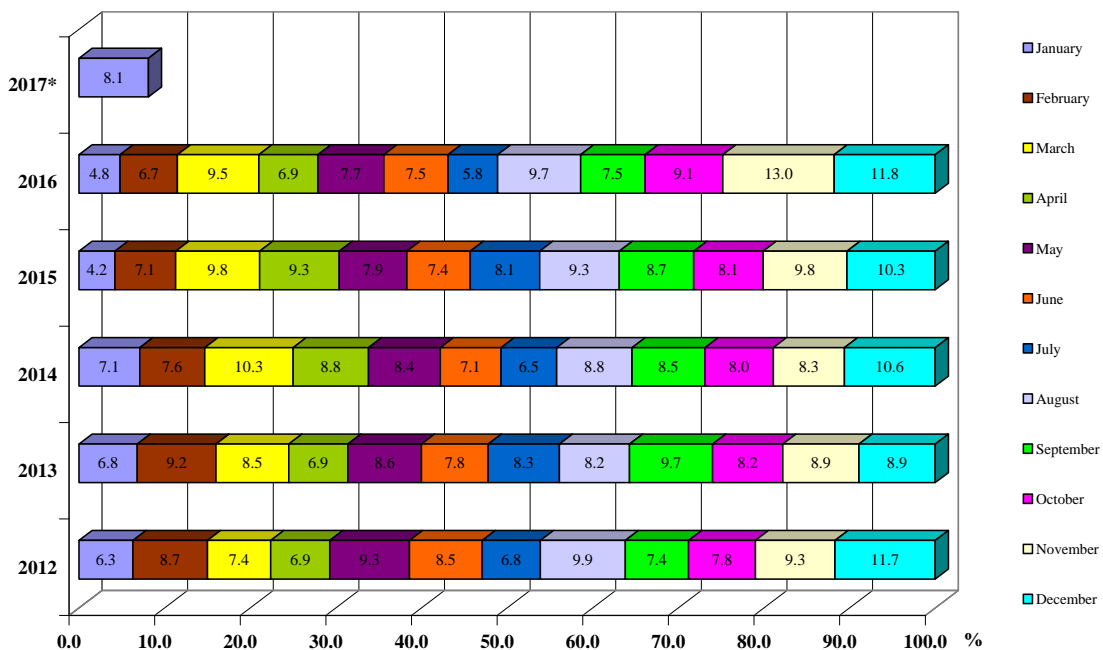


Diagram 1

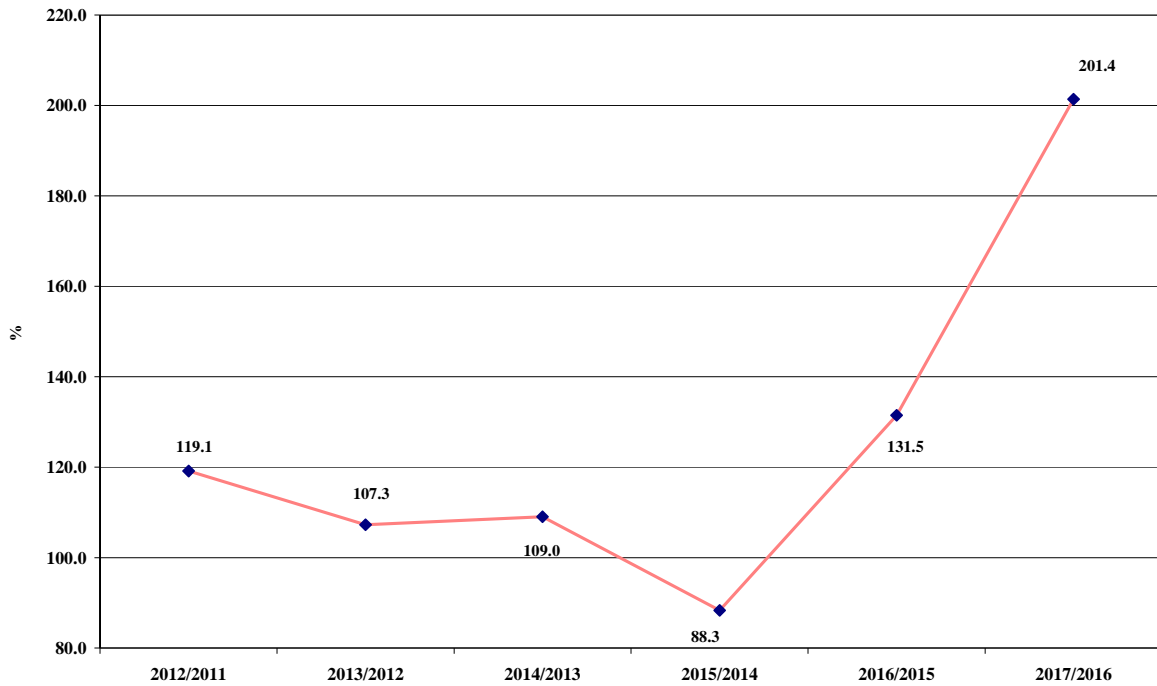
## Dynamics of the Share of Ukraine's State Budget Revenue in Annual Amounts in 2012–2017



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

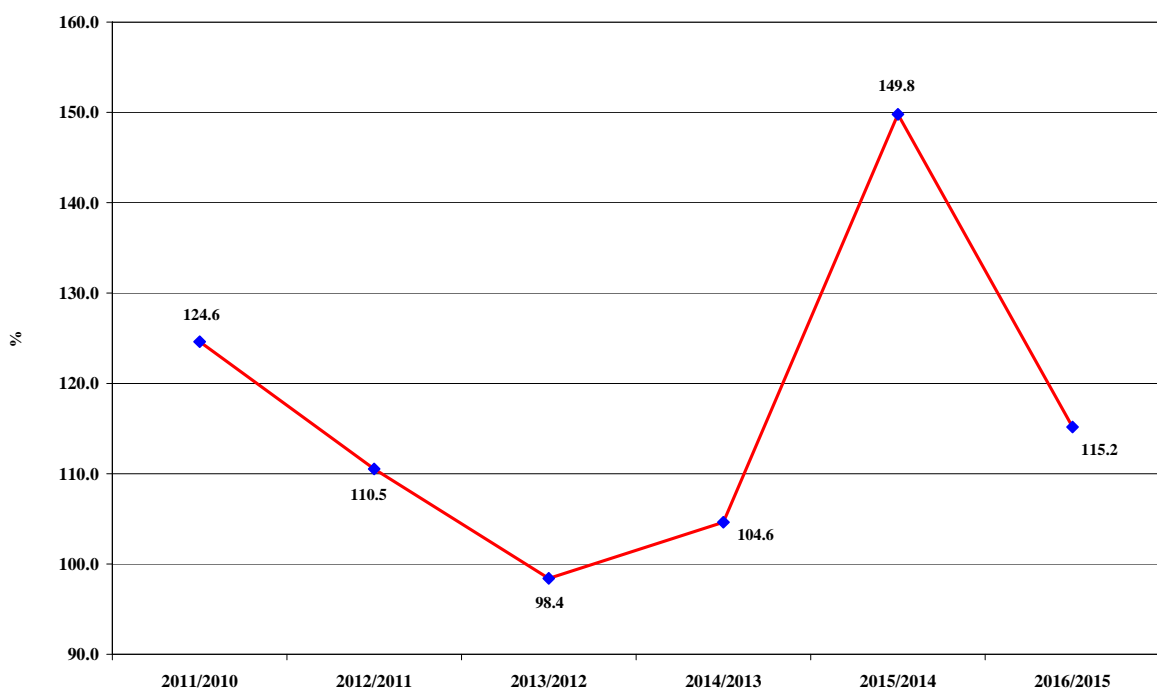
Graph 2

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



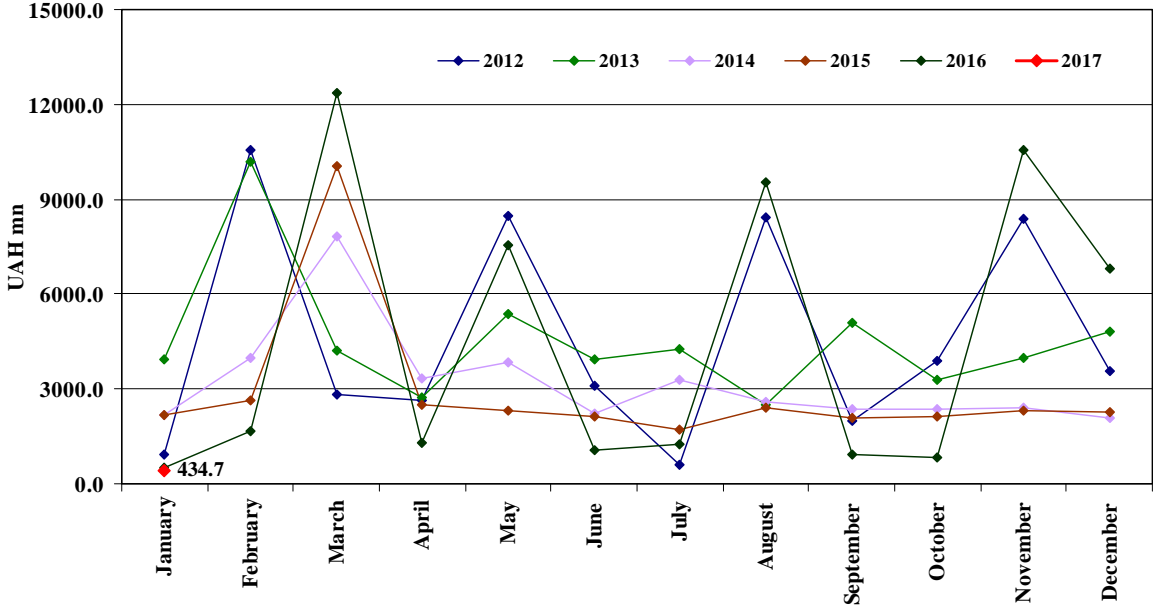
Graph 3

### Growth Rates of Ukraine's State Budget Revenue in January-December 2011–2016



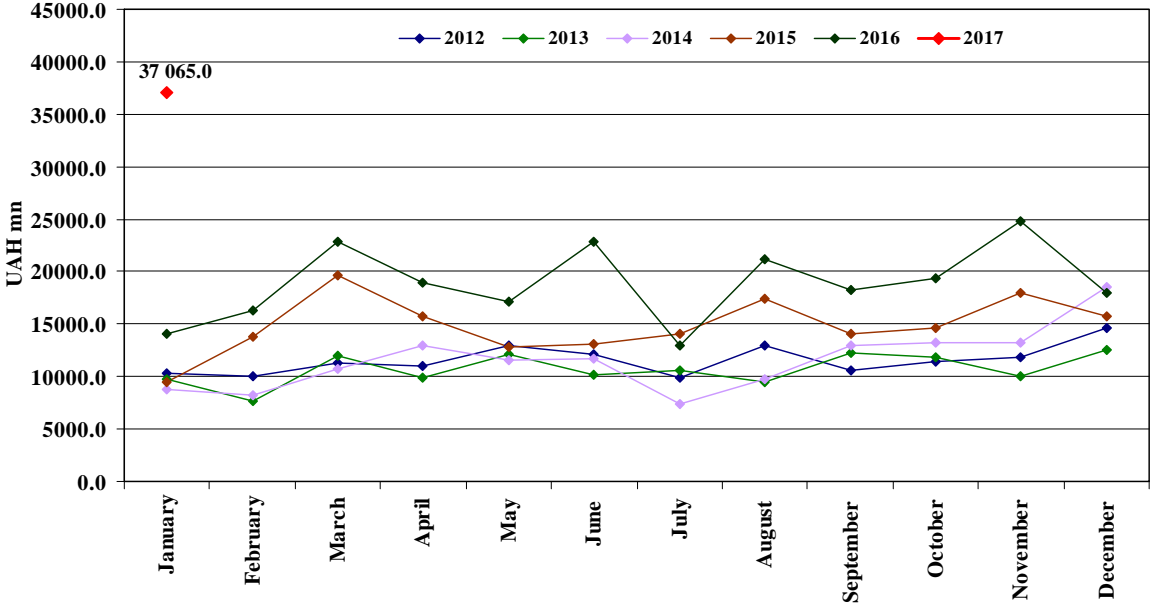
Graph 4

### State Budget Enterprise Profit Tax Monthly Trends in 2012–2017



Graph 5

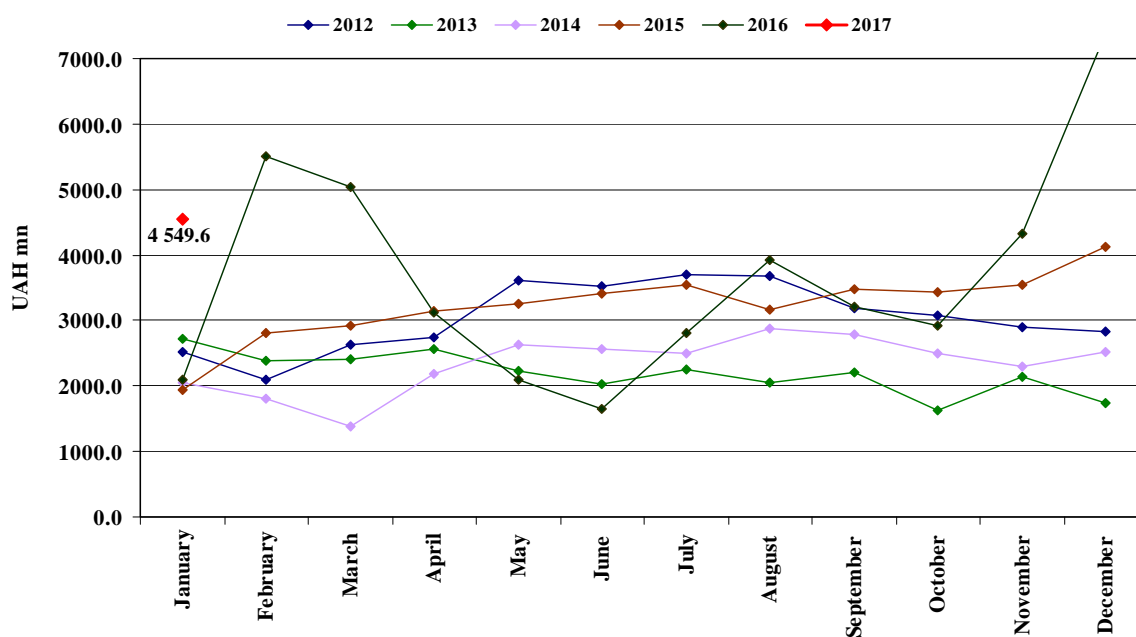
### State Budget Value Added Tax Monthly Trends in 2012–2017





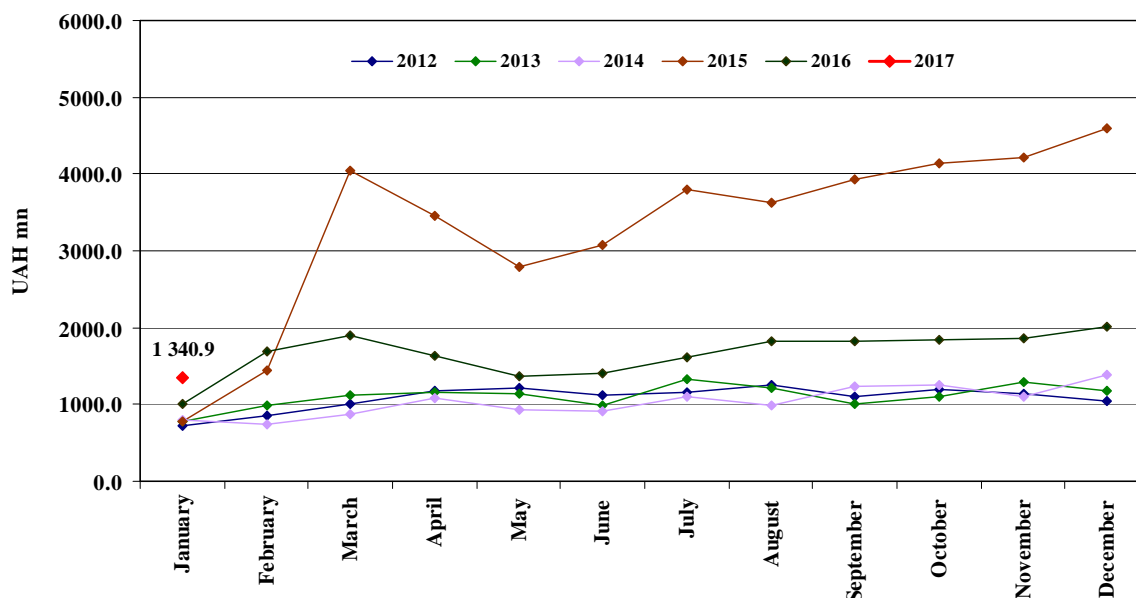
Graph 6

### 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

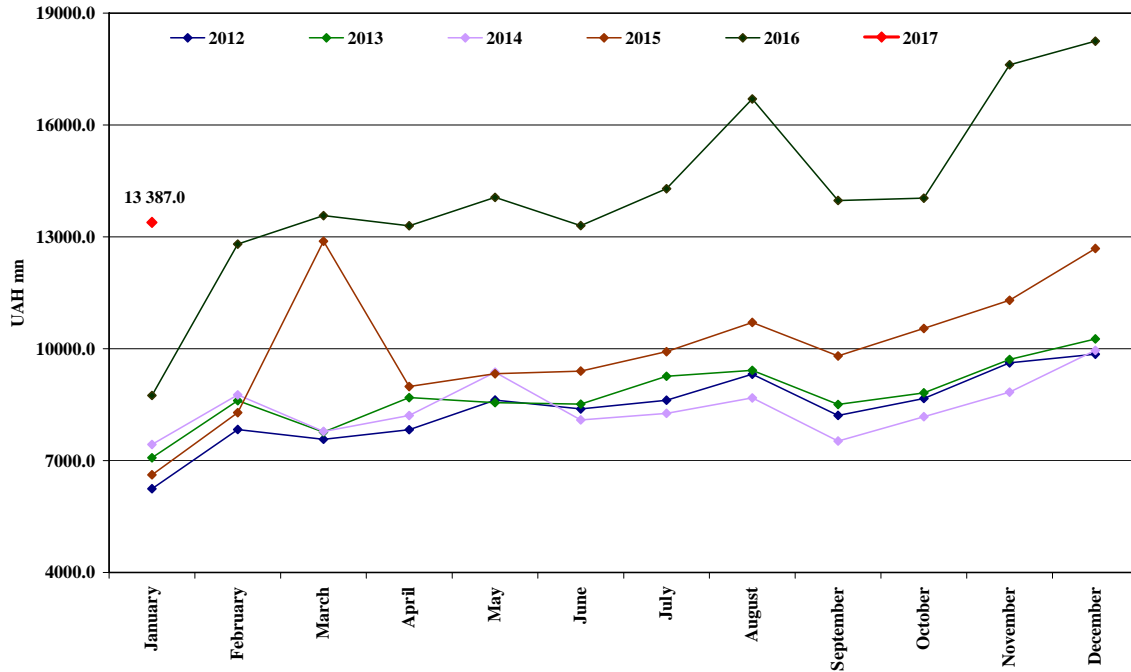
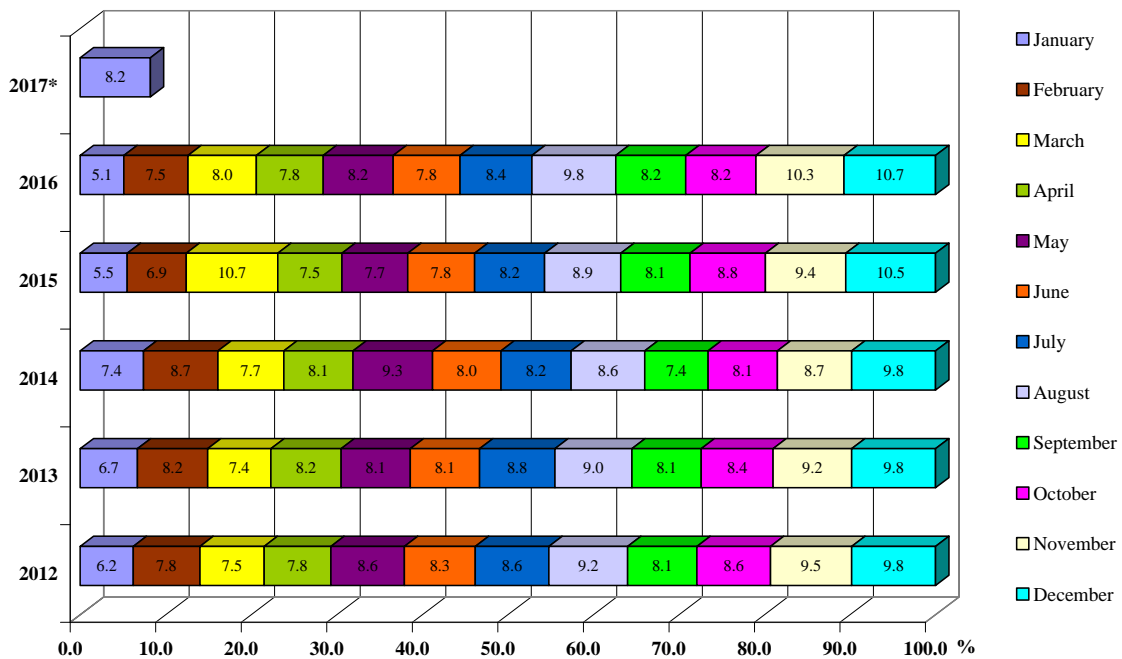


Diagram 2

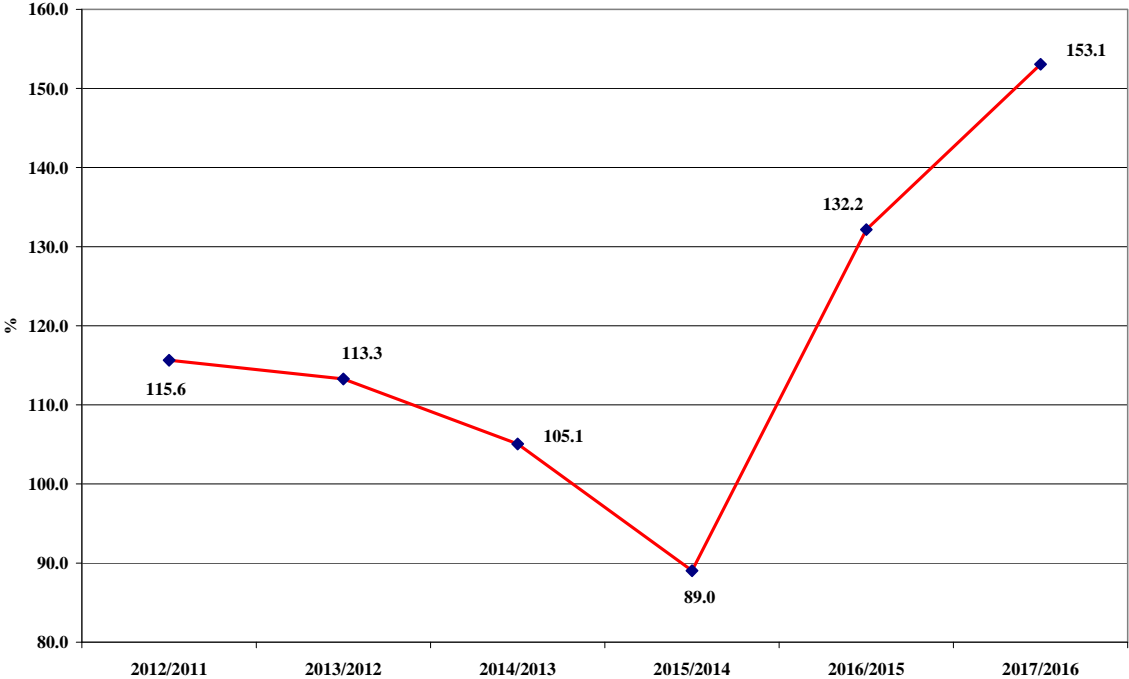
## Dynamics of the Share of Local Budget Revenue in Annual Amounts in 2012–2017



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

Graph 9

### Growth Rates of Local Budget Revenue in January 2012–2017



Graph 10

### Growth Rates of Local Budget Revenue in January-December 2011–2016

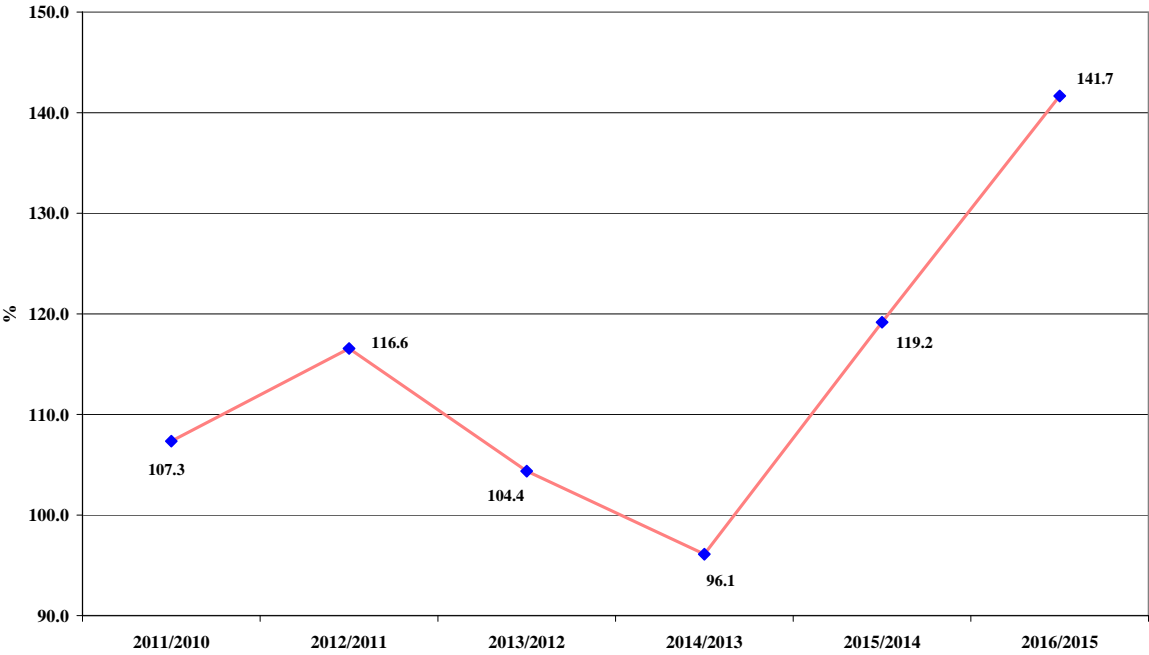


Diagram 3

### Local Budget Revenue in January 2017

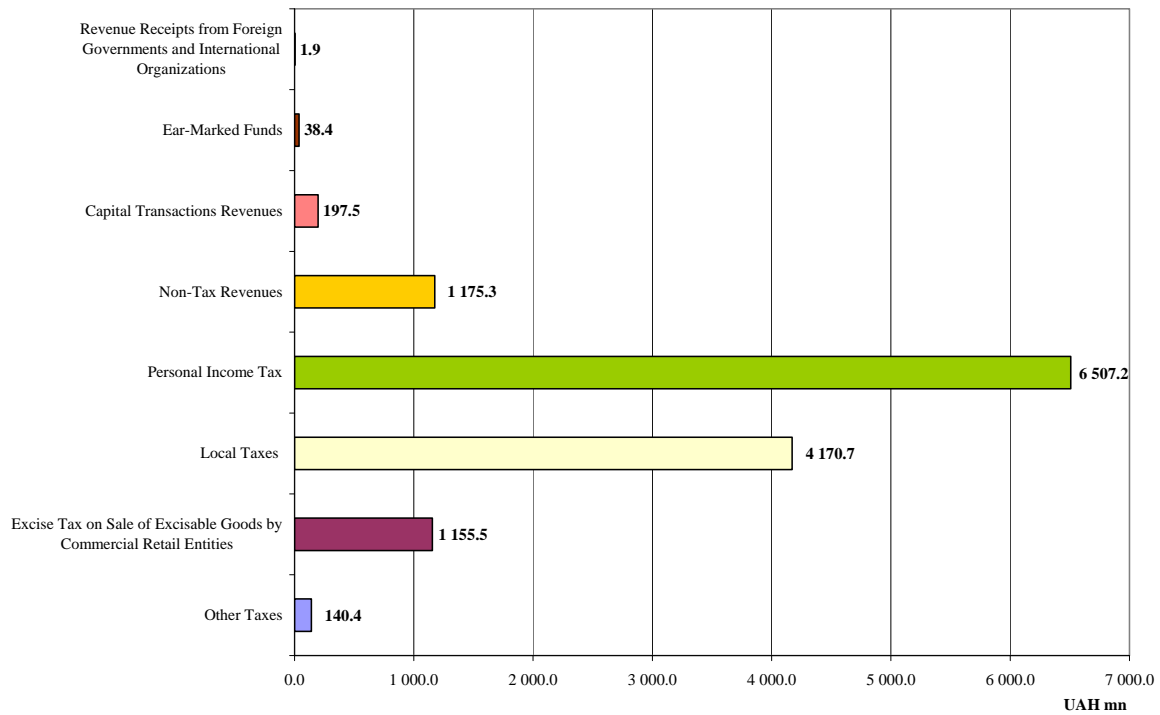


Diagram 4

### Structure of Local Budget Revenues in January 2017

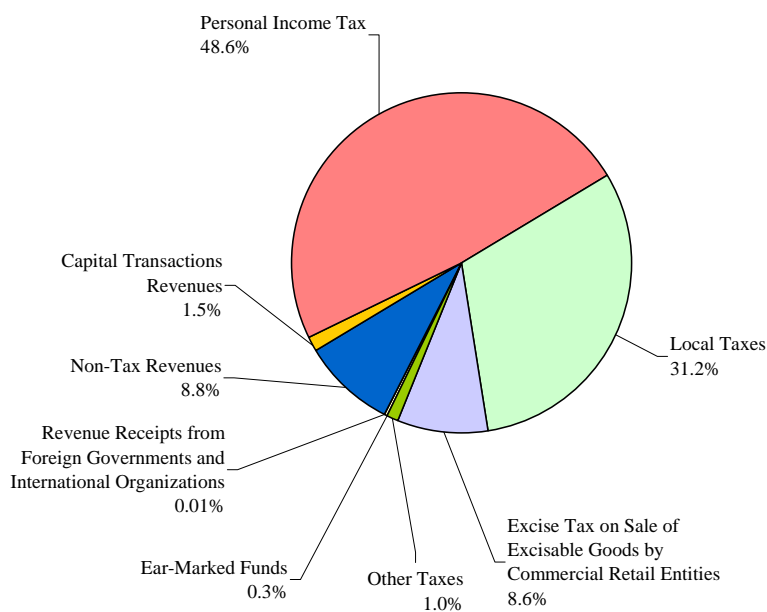
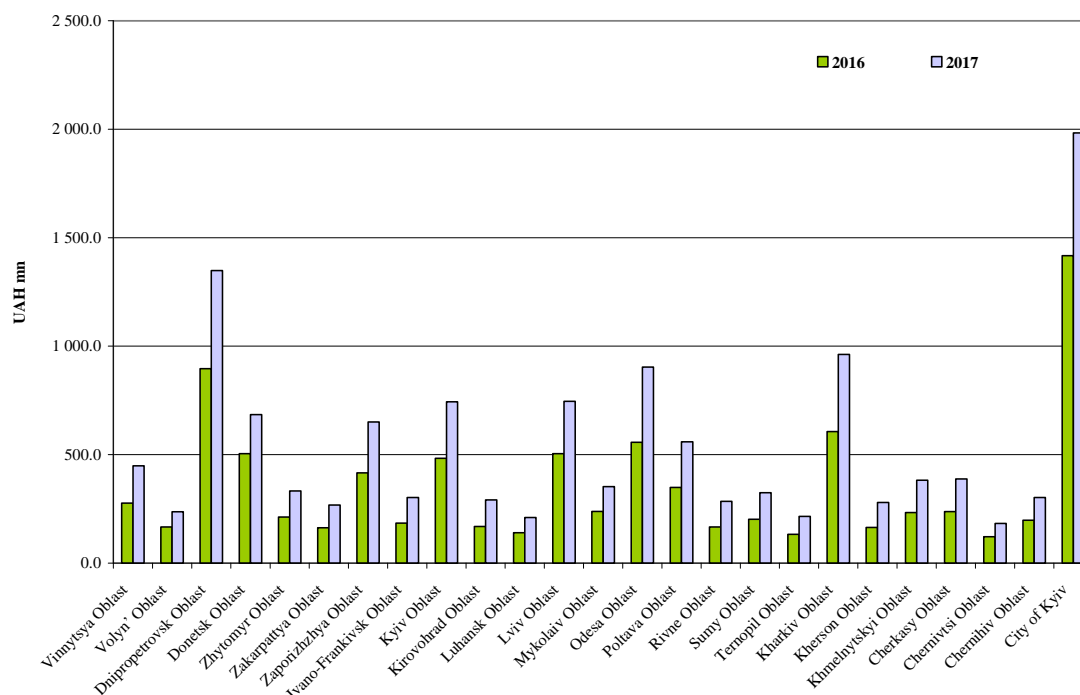


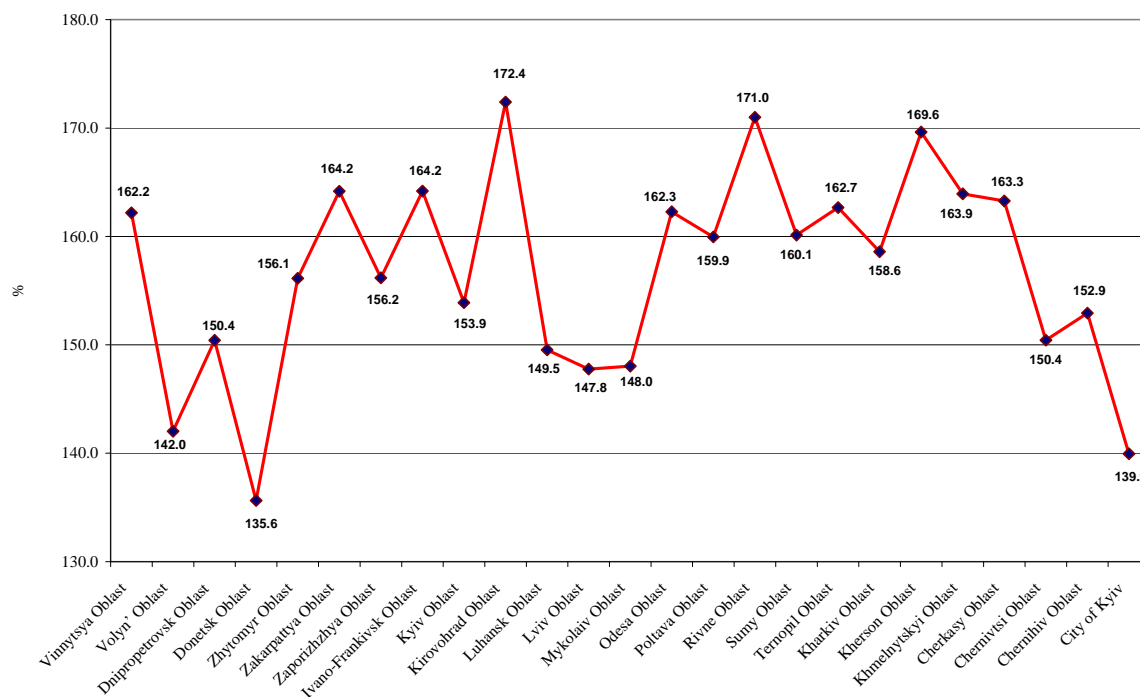
Diagram 5

### Regional Distribution of Local Budget Revenue in January 2016–2017



Graph 11

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



# State Budget Deficit

Diagram 6

## Budget Deficit/Surplus, Monthly Trends in 2012

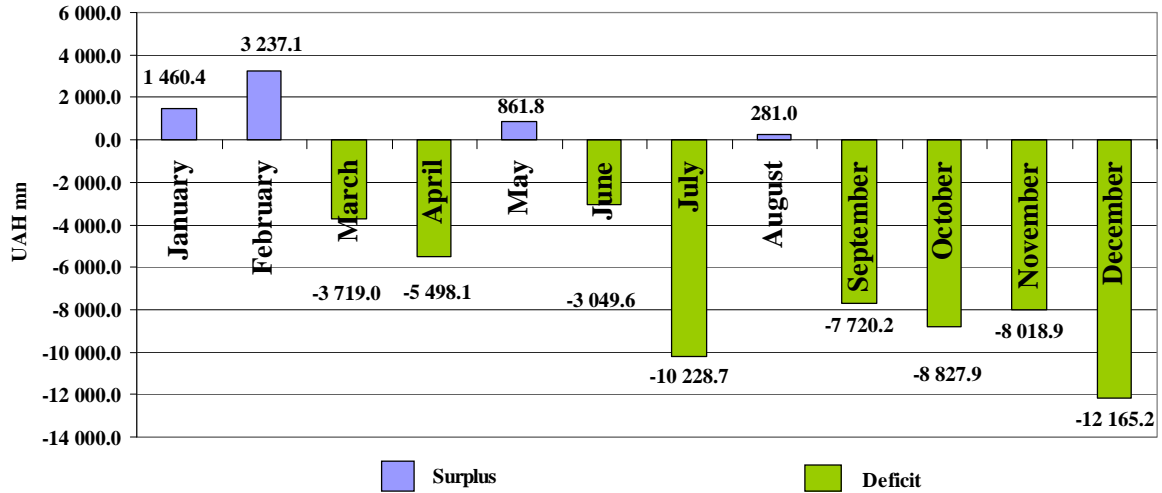


Diagram 7

## Budget Deficit/Surplus, Monthly Trends in 2013

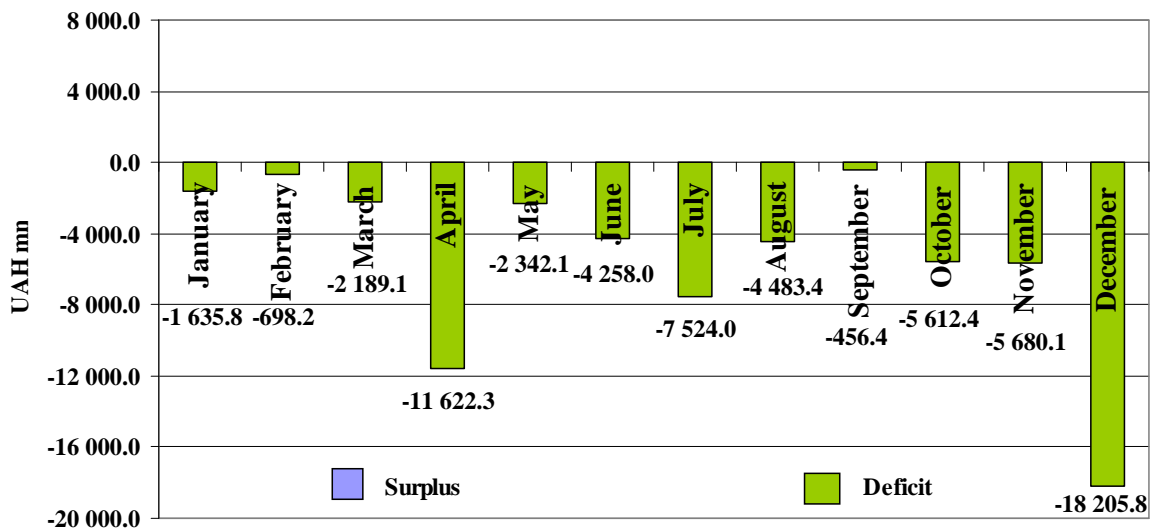


Diagram 8

### Budget Deficit/Surplus, Monthly Trends in 2014

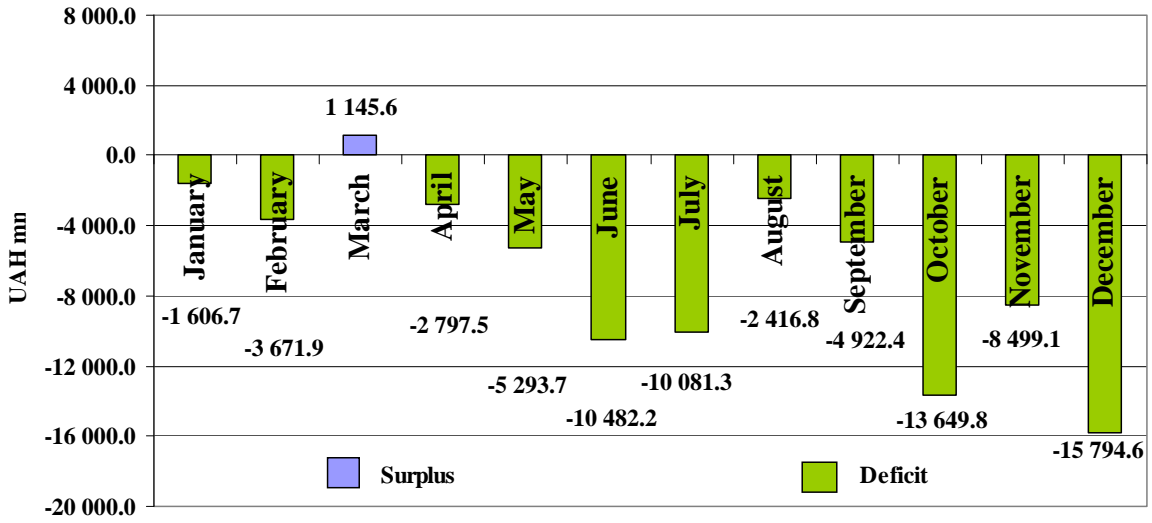


Diagram 9

### Budget Deficit/Surplus, Monthly Trends in 2015

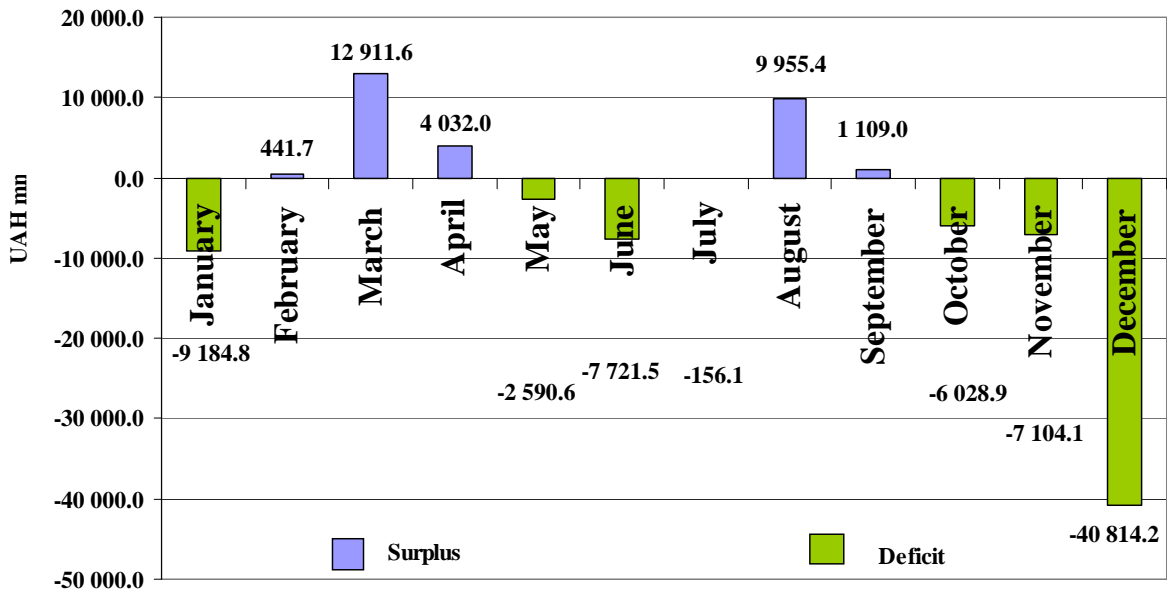


Diagram 10

### Budget Deficit/Surplus, Monthly Trends in 2016

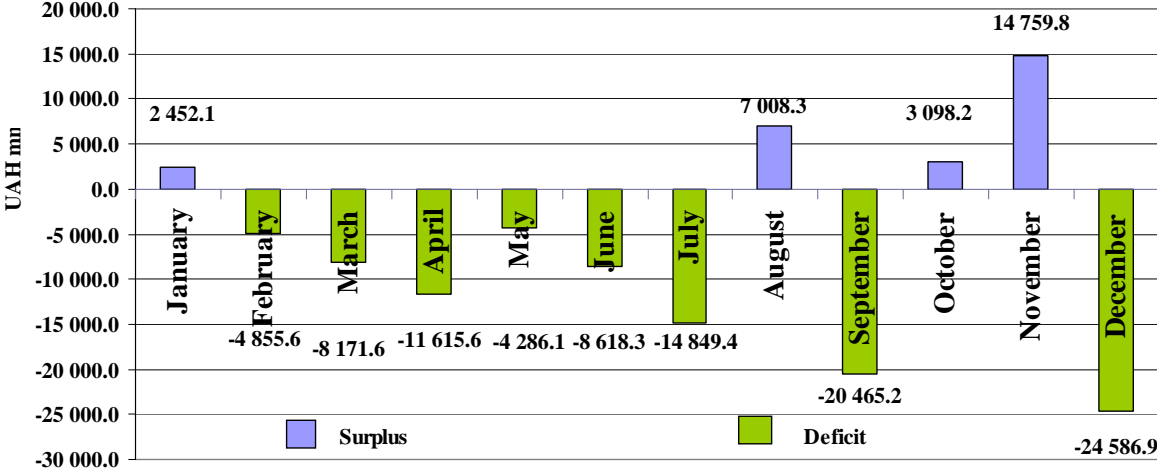
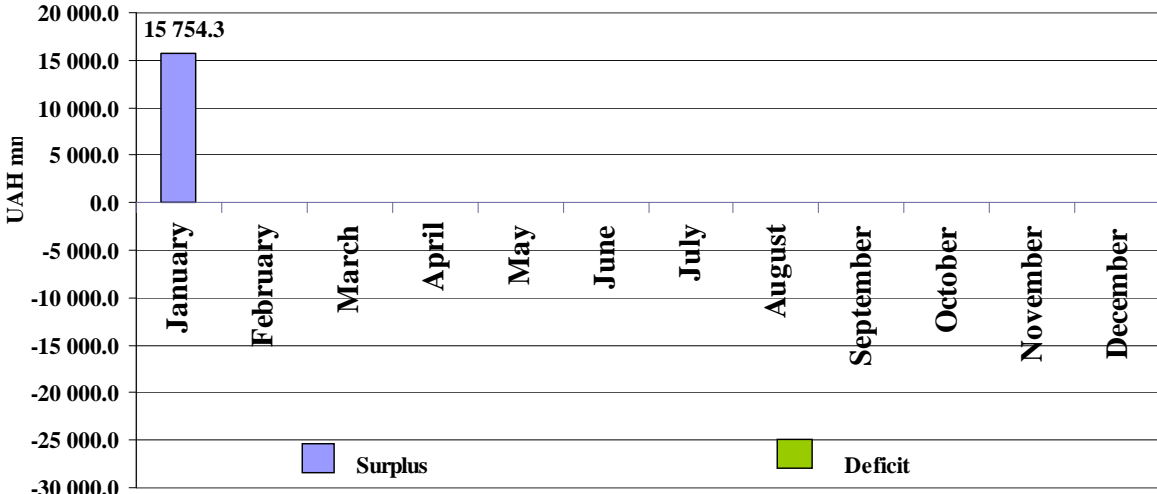


Diagram 11

### Budget Deficit/Surplus, Monthly Trends in 2017

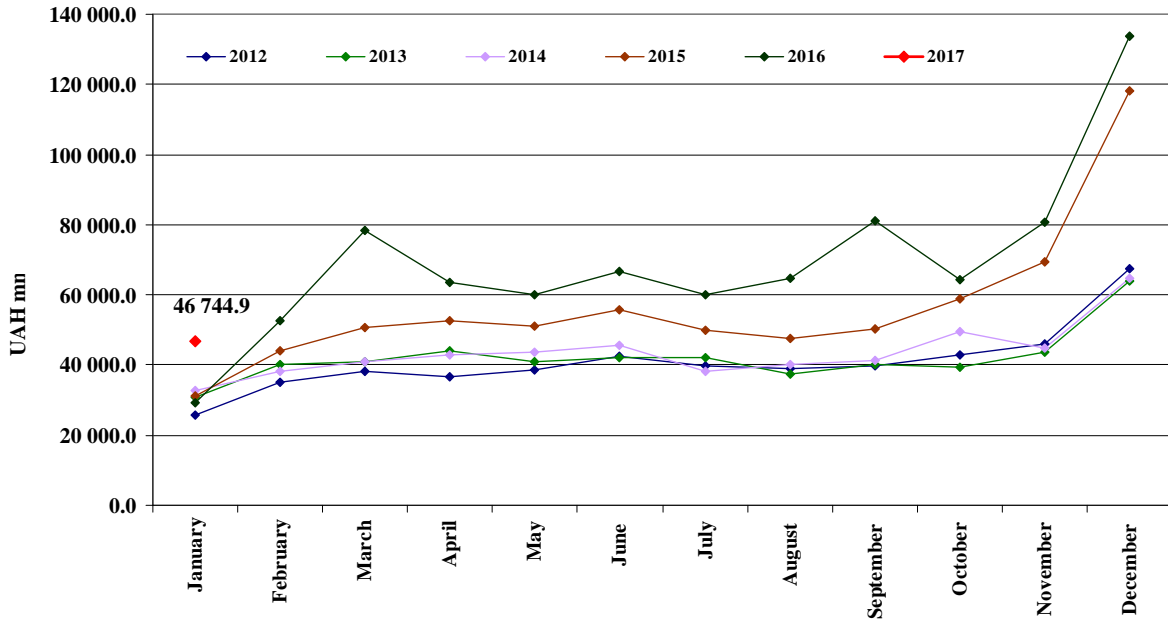




## Consolidated Budget Expenditures

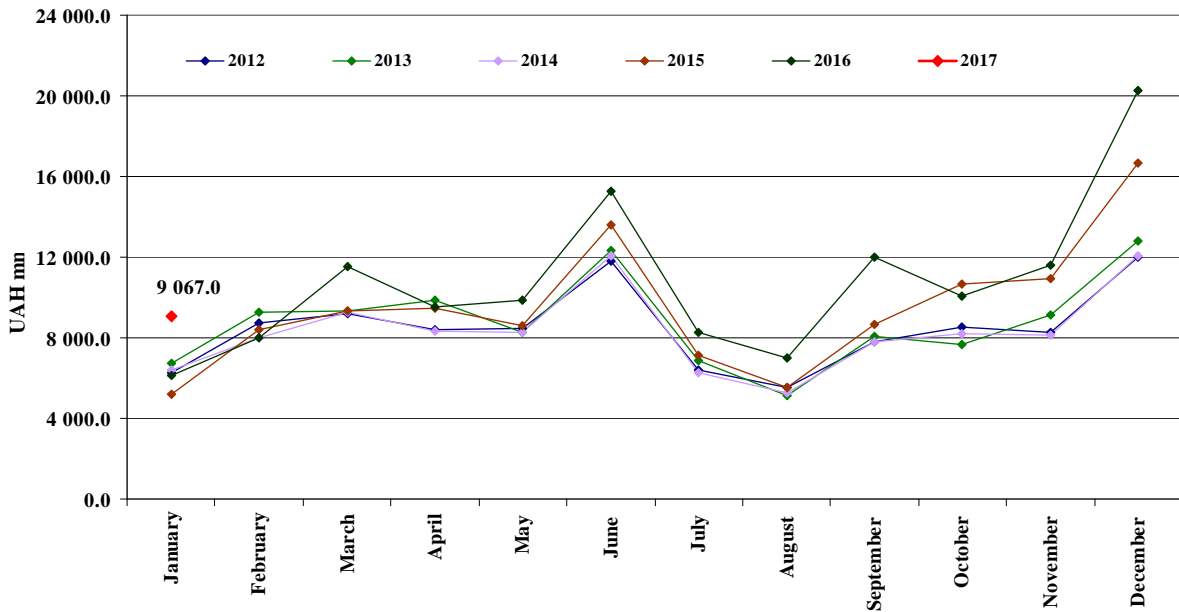
Graph 12

### Consolidated Budget Expenditures, Monthly Trends in 2012–2017



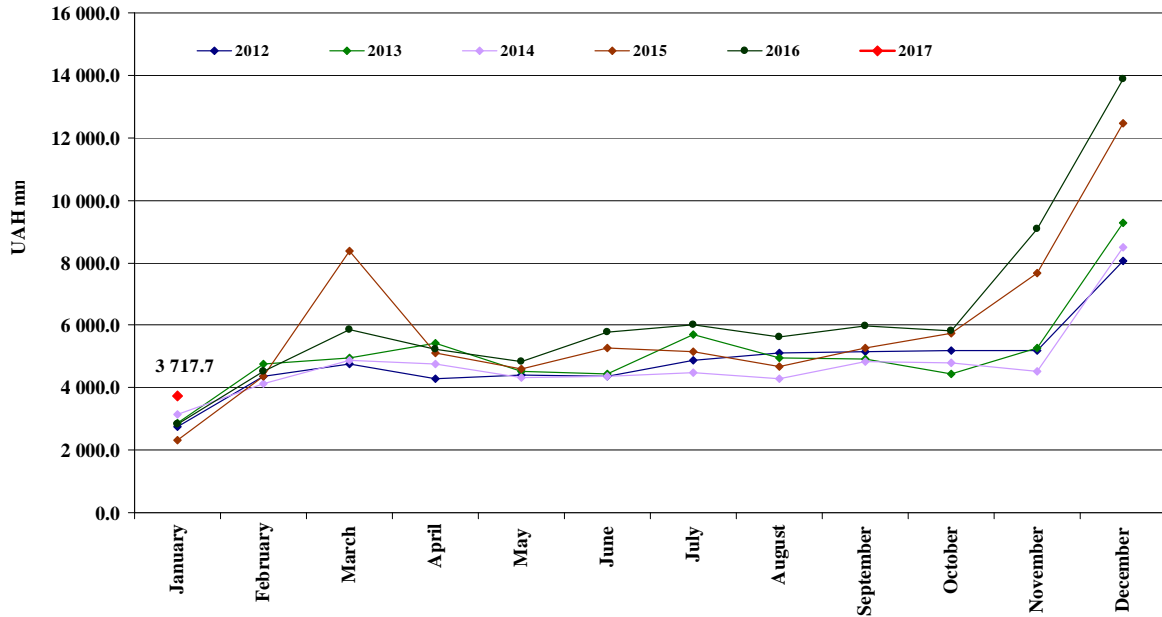
Graph 13

### Consolidated Budget Education Expenditures, Monthly Trends in 2012–2017



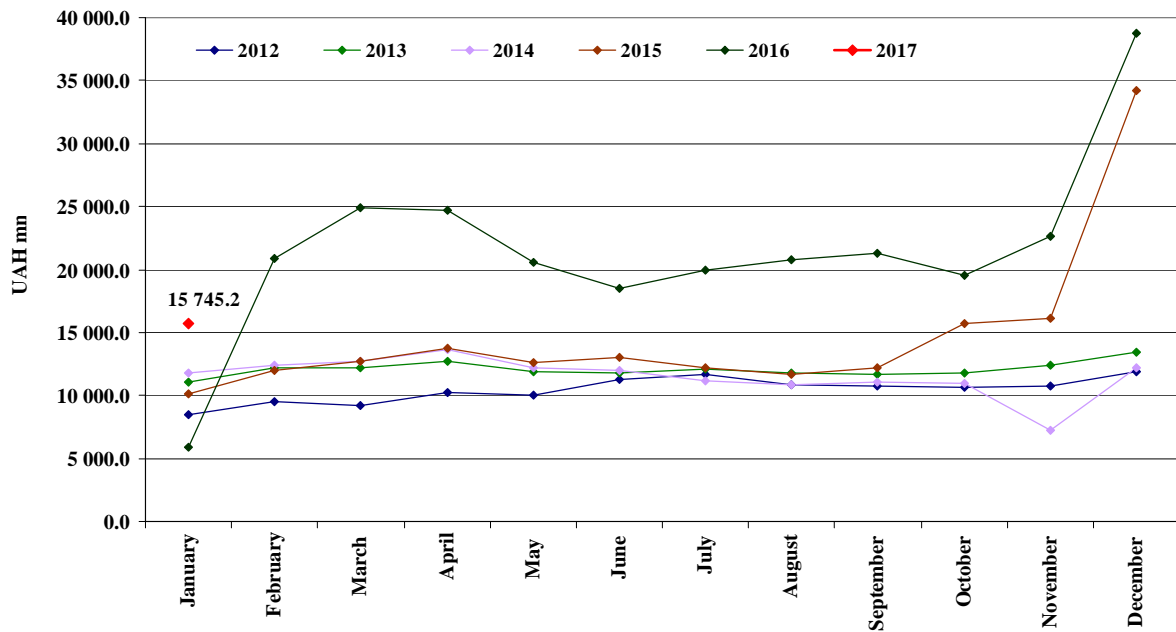
Graph 14

### 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

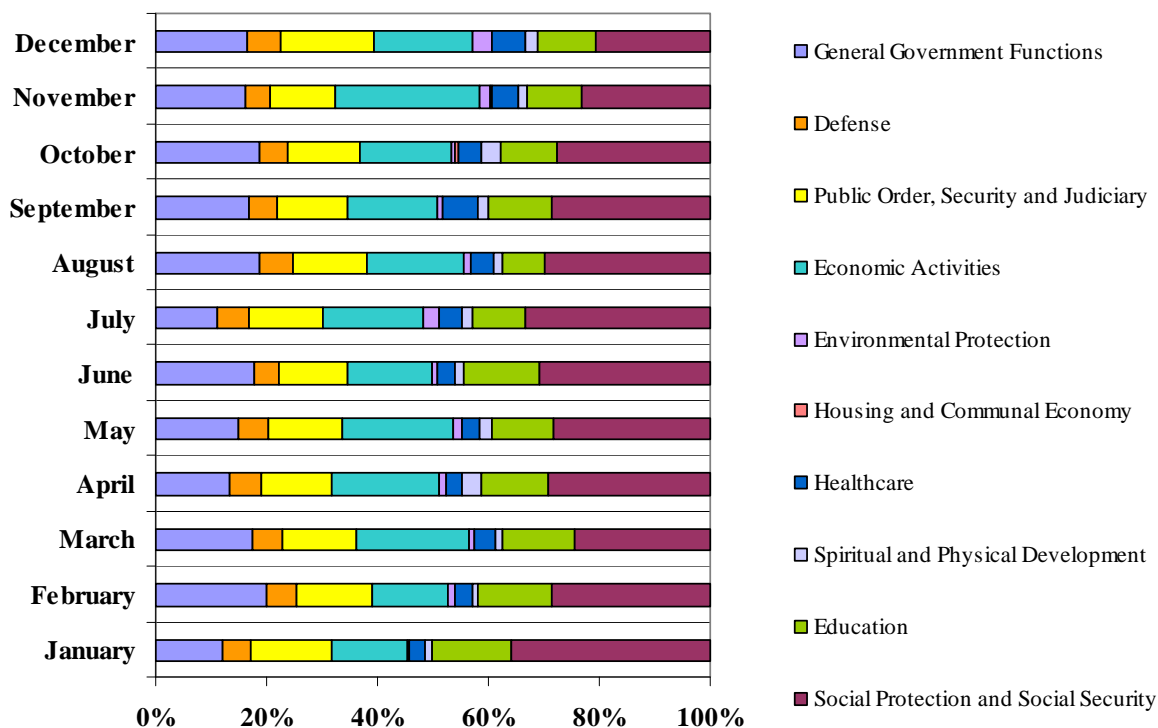


Diagram 13

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

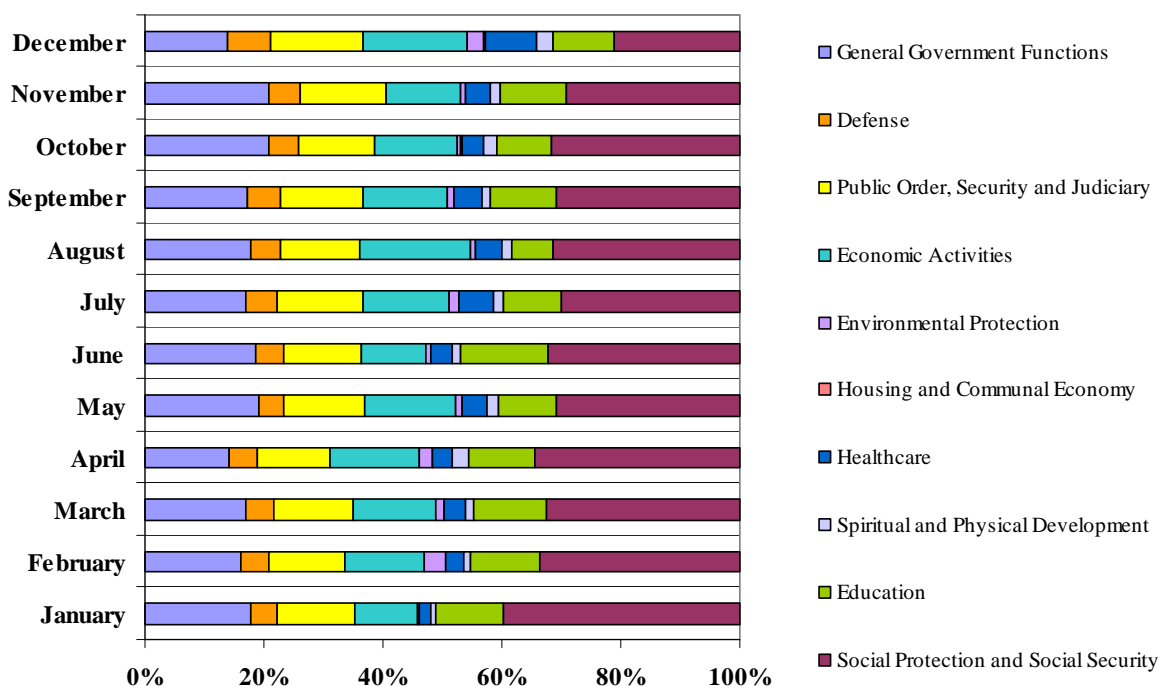


Diagram 14

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

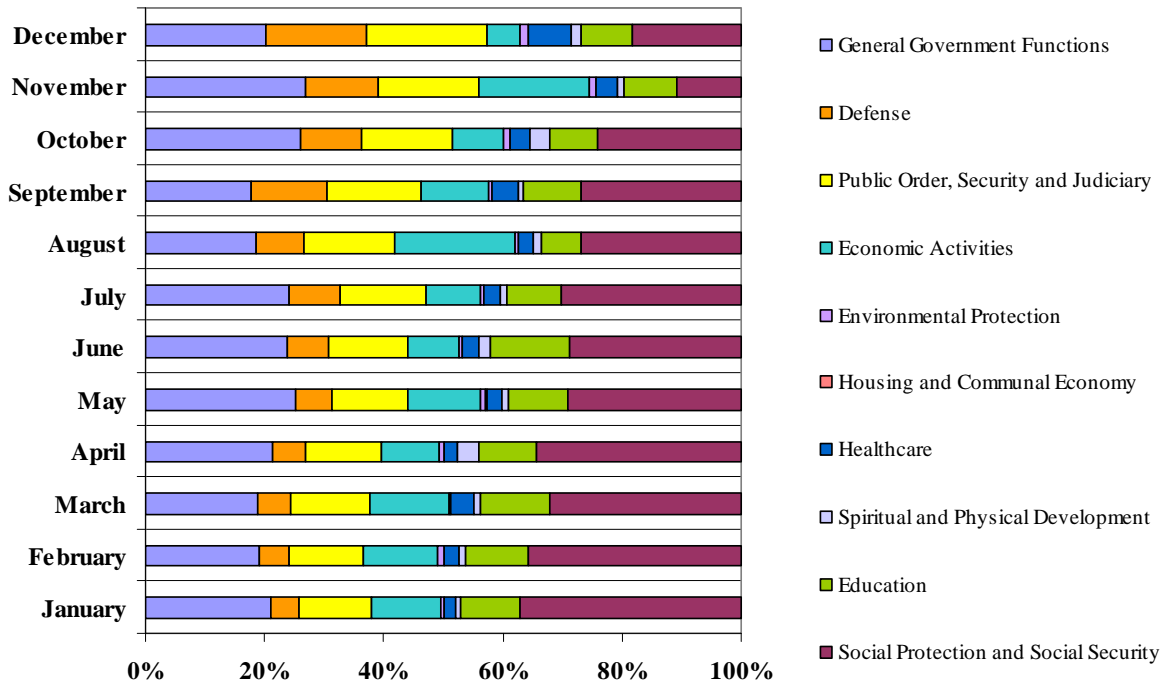


Diagram 15

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

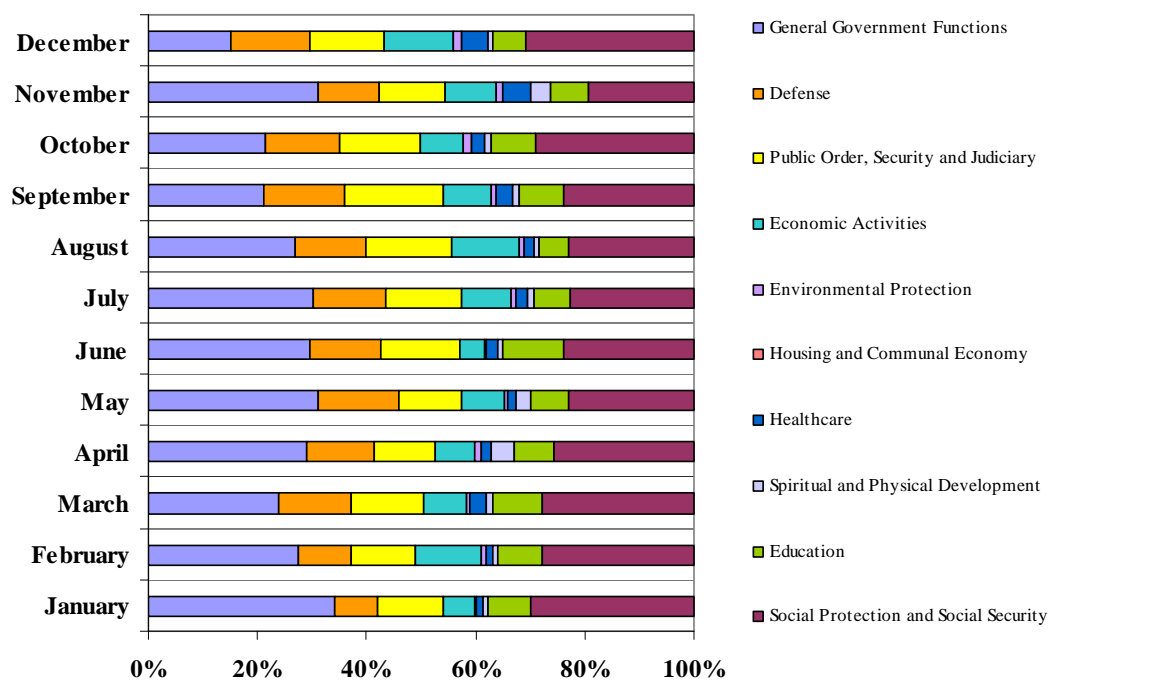


Diagram 16

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

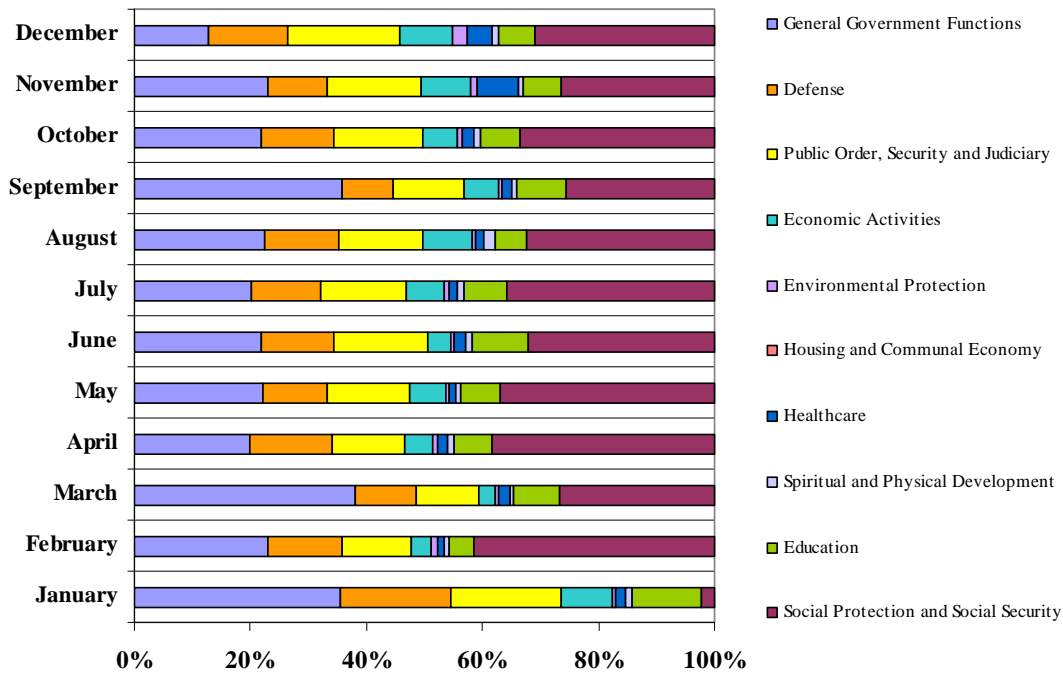
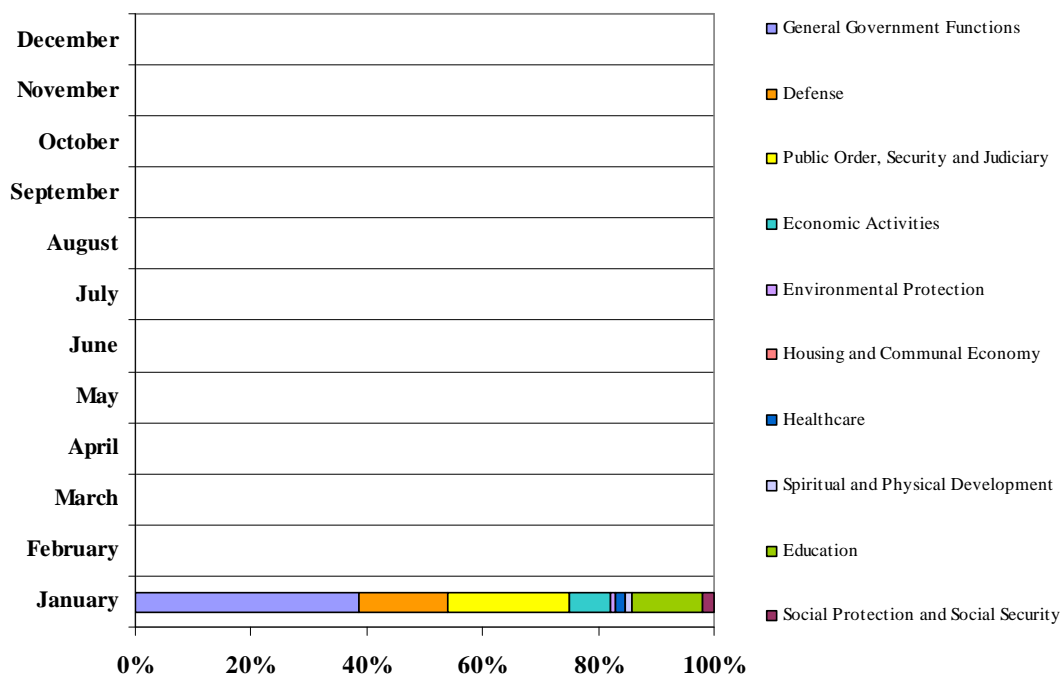


Diagram 17

### 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

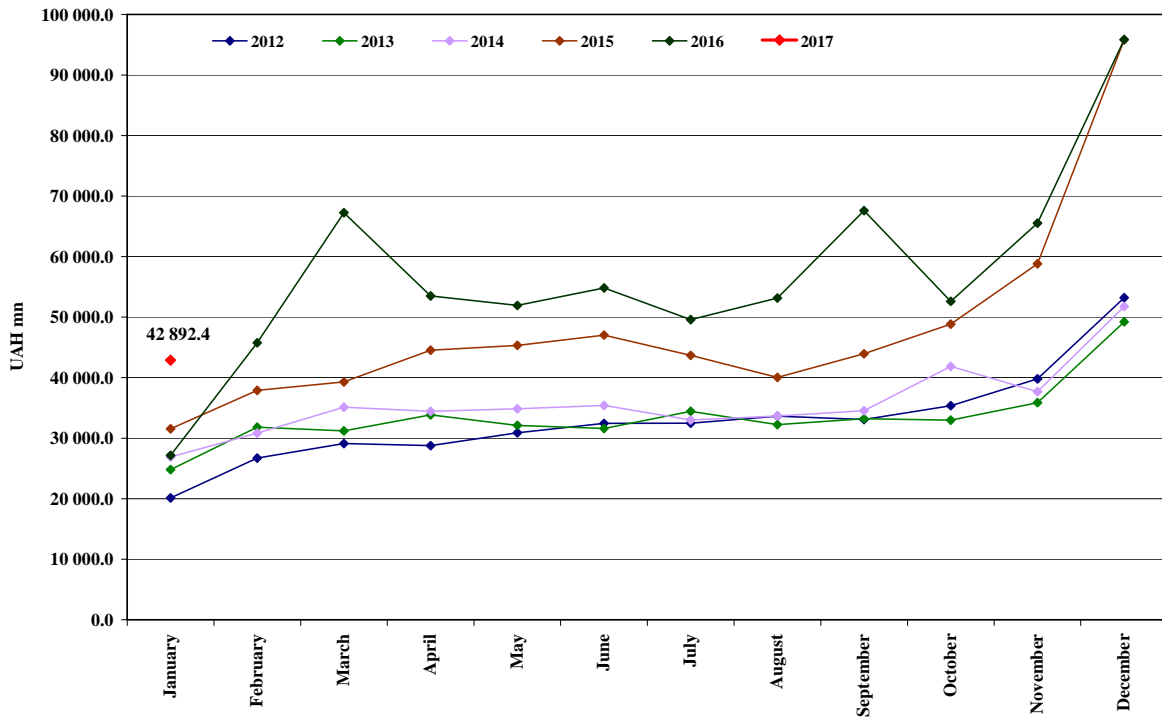
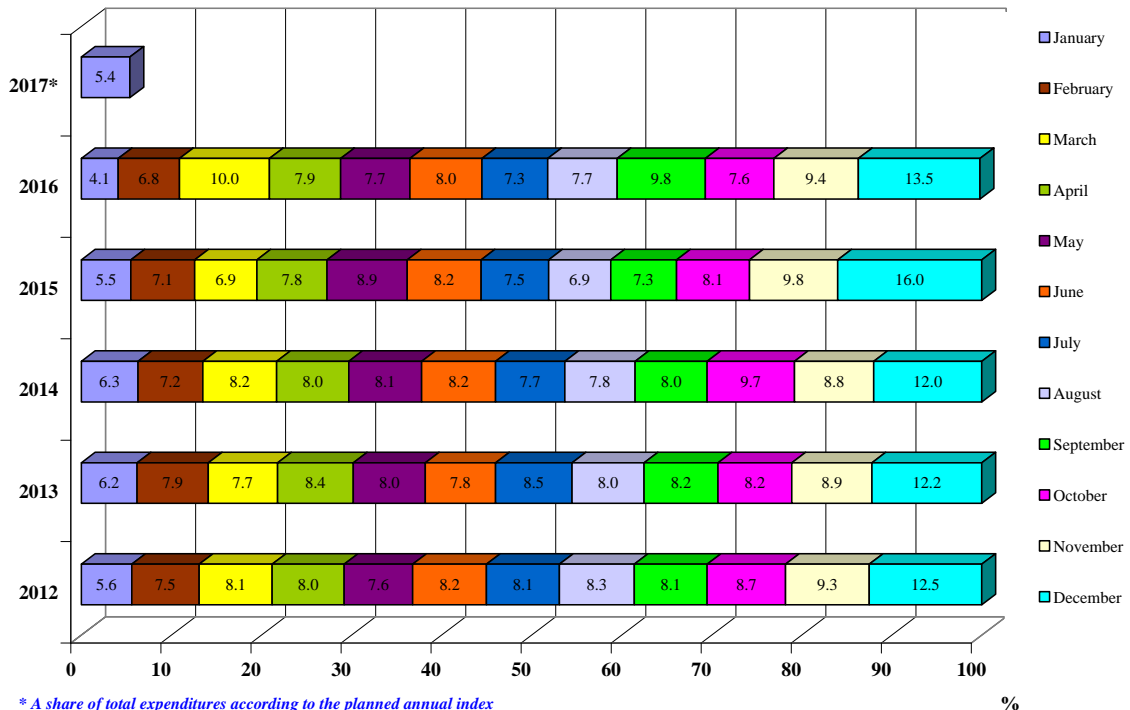


Diagram 18

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

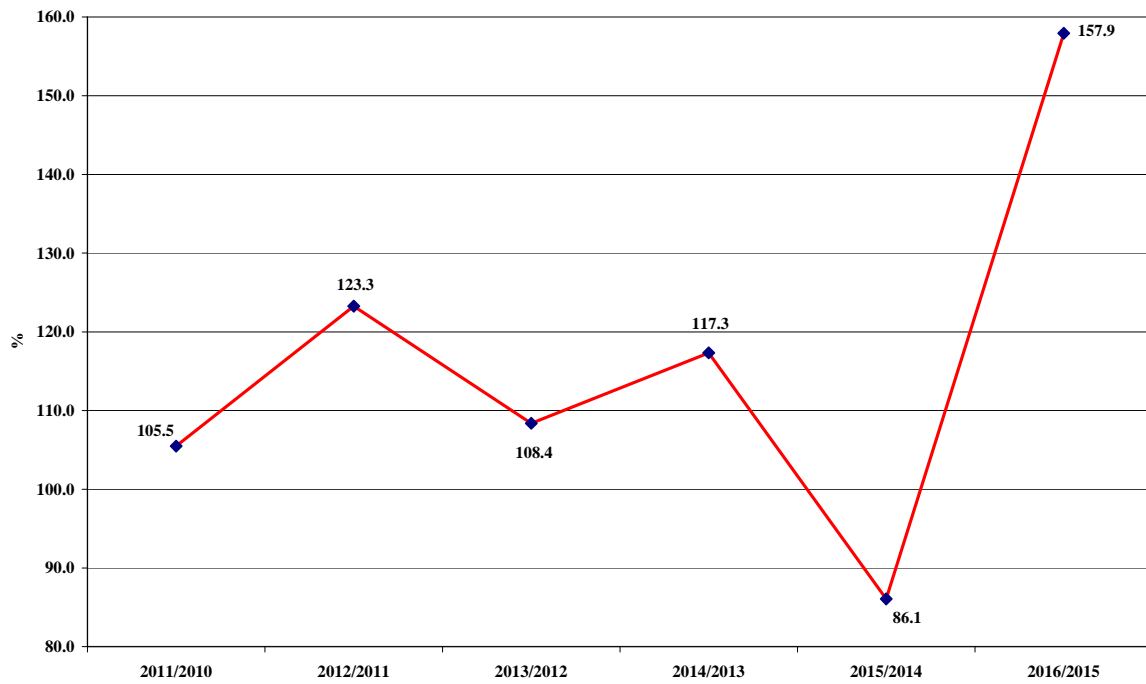


\* A share of total expenditures according to the planned annual index

%

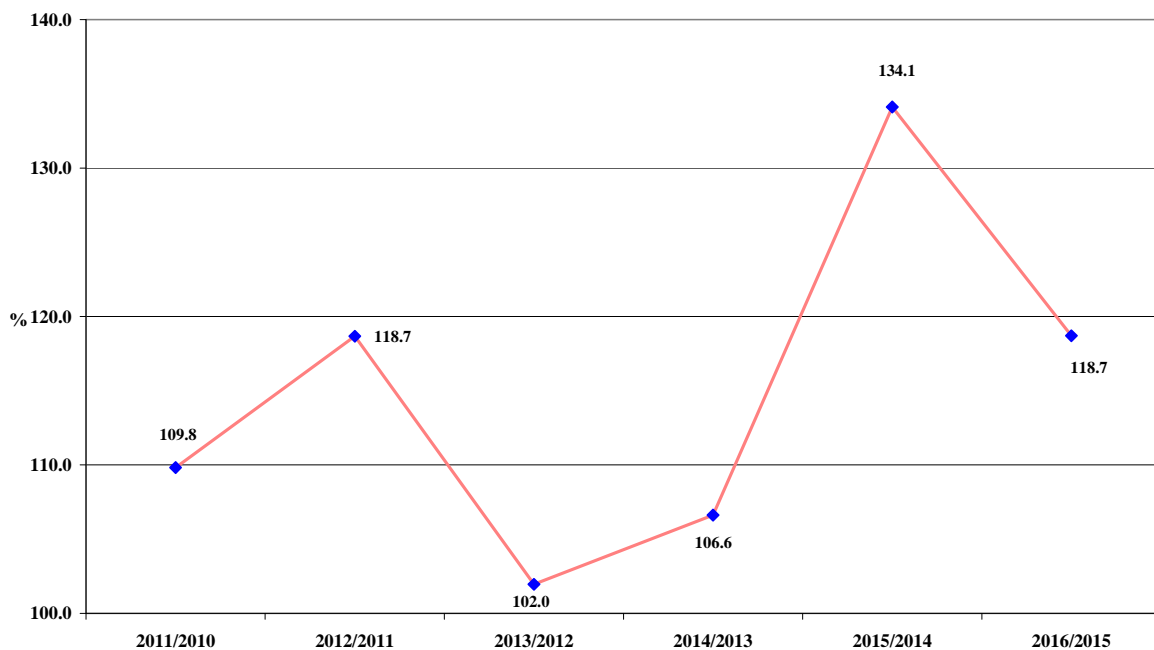
Graph 17

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



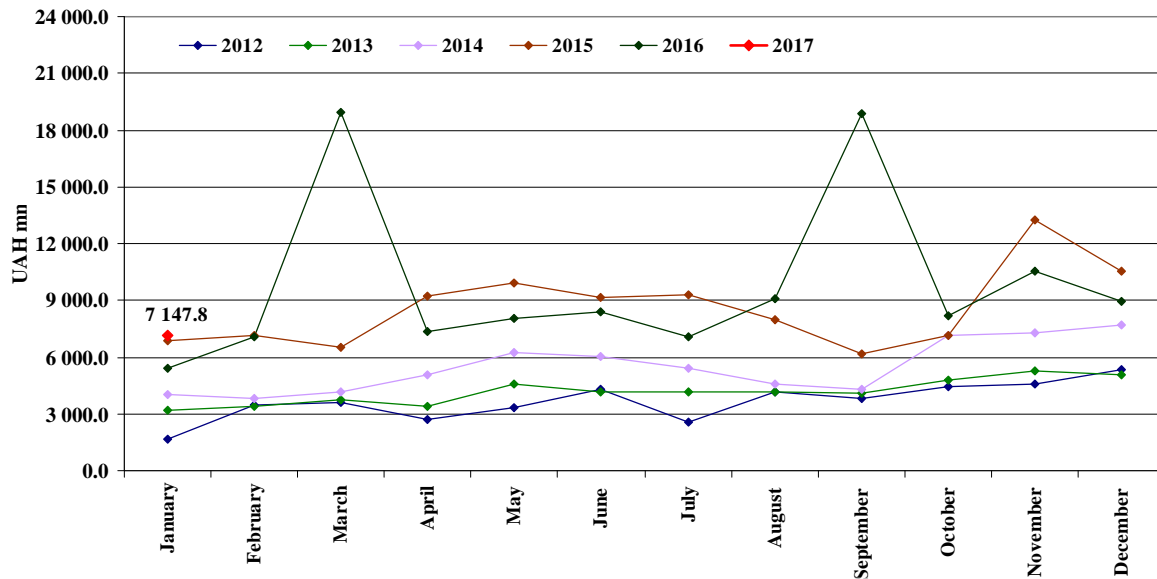
Graph 18

### Growth Rates of Ukraine's State Budget Expenditures in January-December 2011–2016



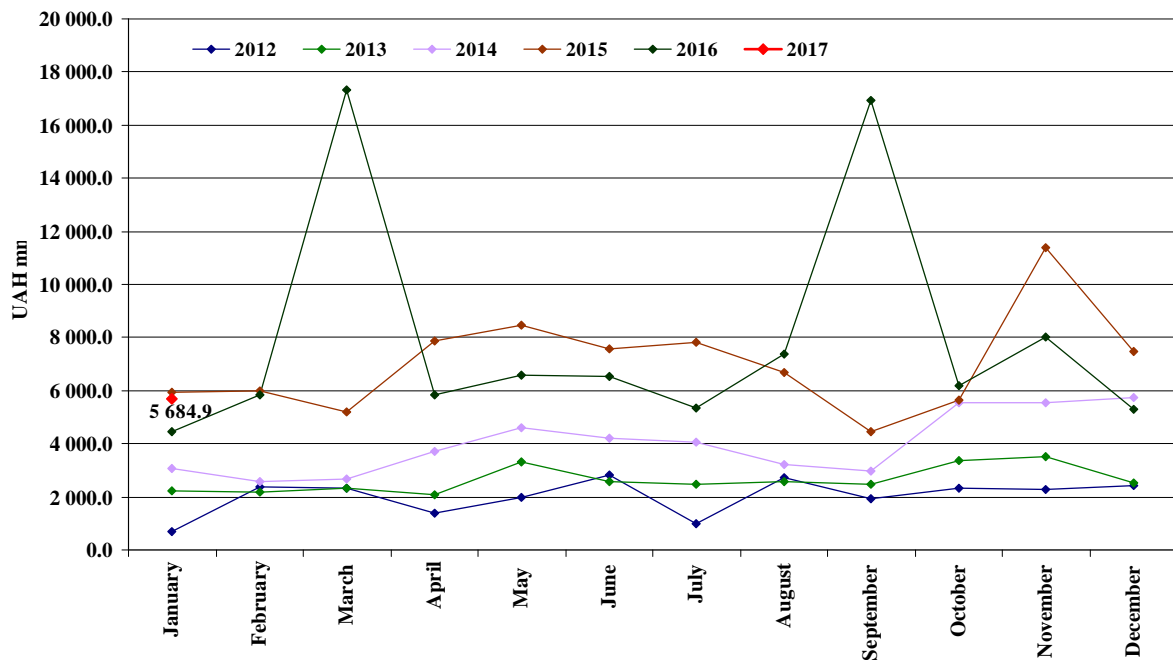
Graph 19

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



Graph 20

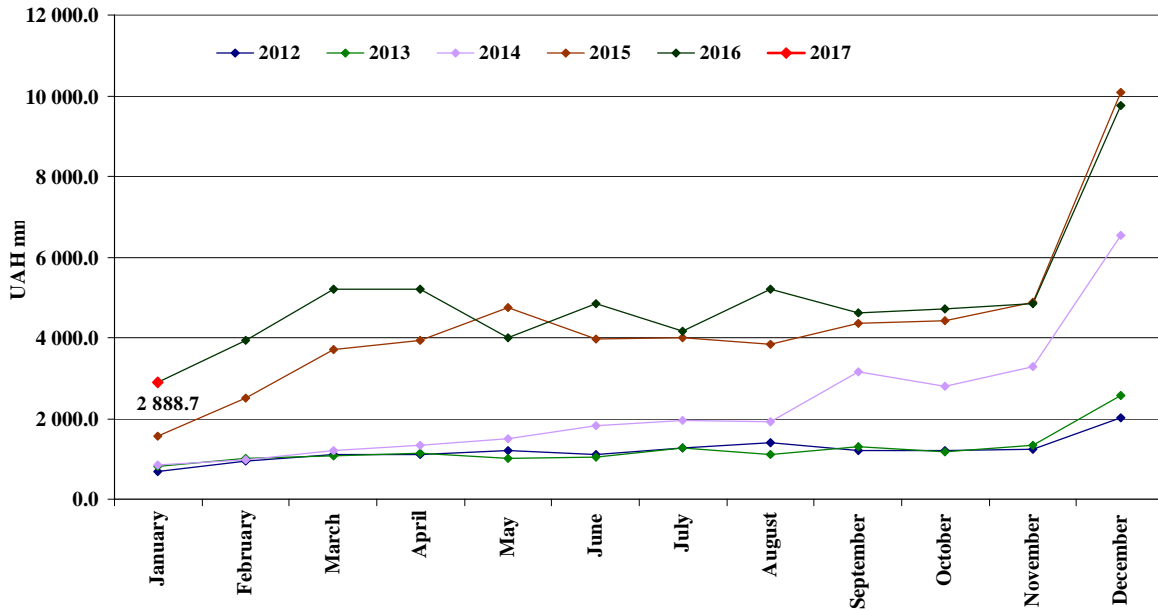
### State Budget Expenditures for Public Debt Servicing, Monthly Trends in 2012-2017





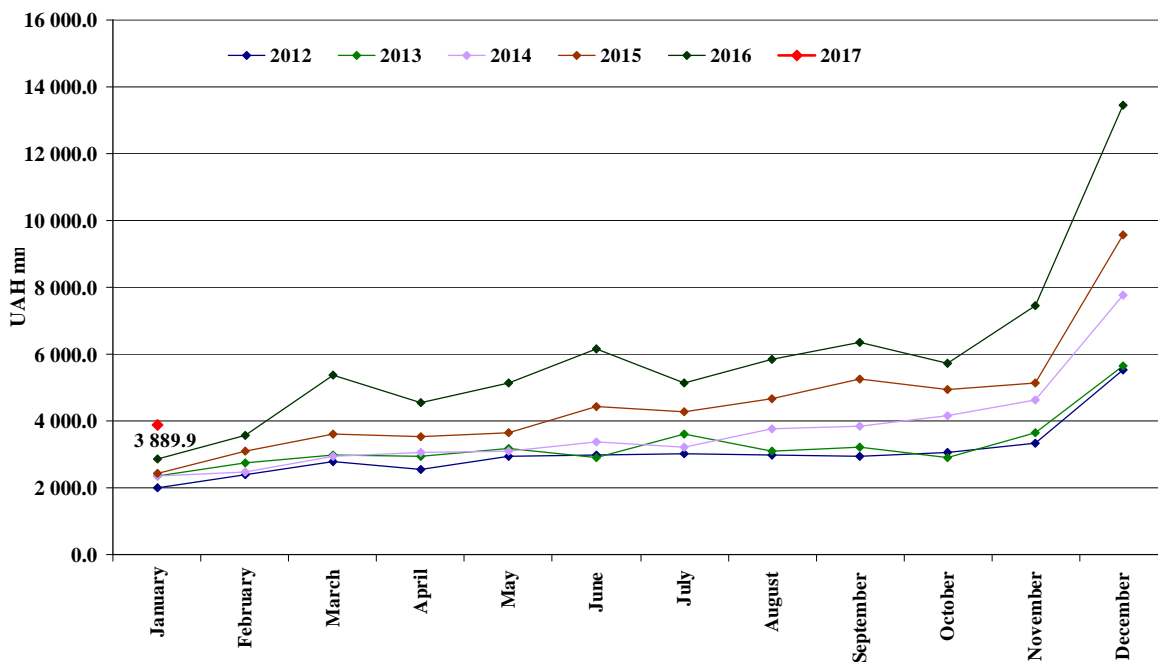
Graph 21

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



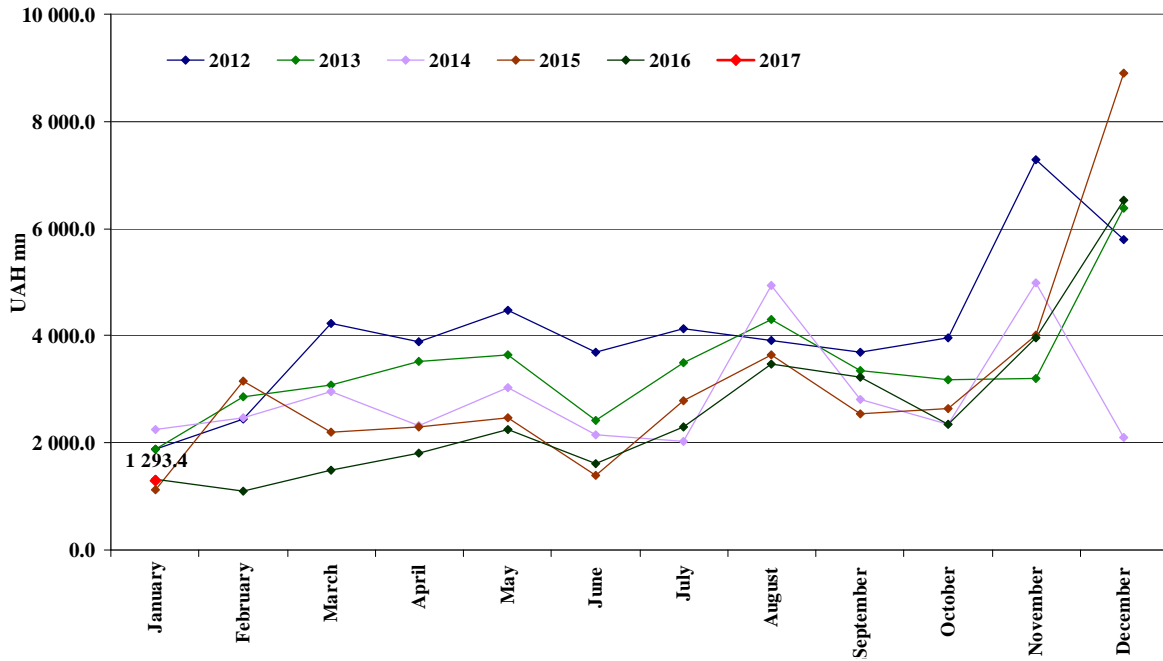
Graph 22

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



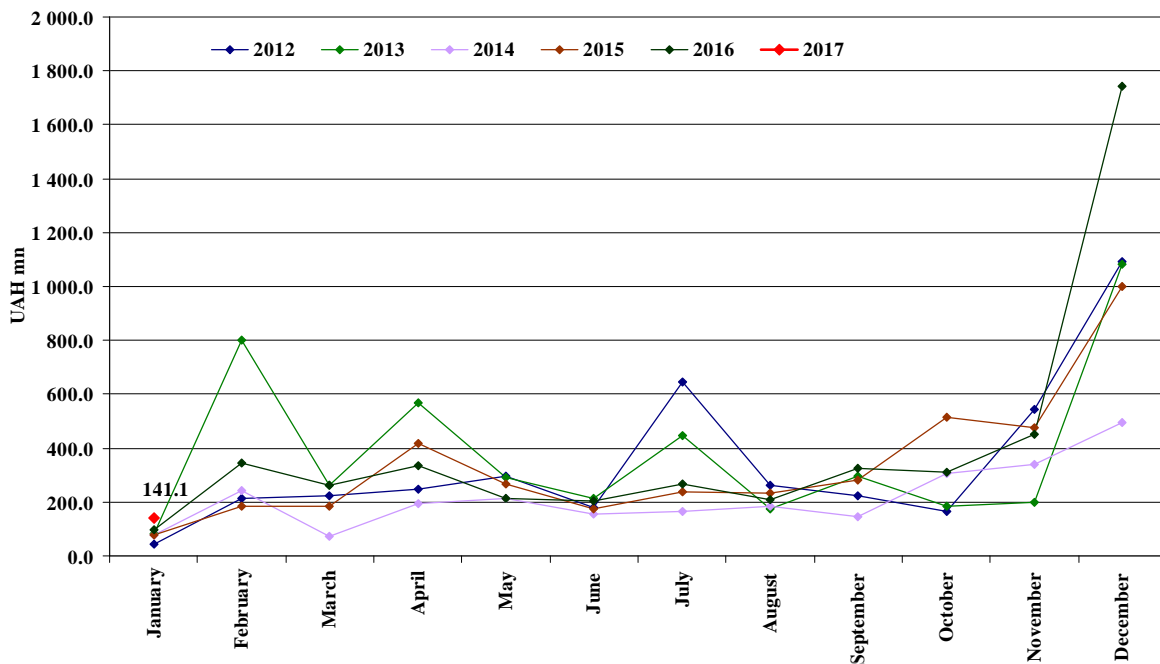
Graph 23

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



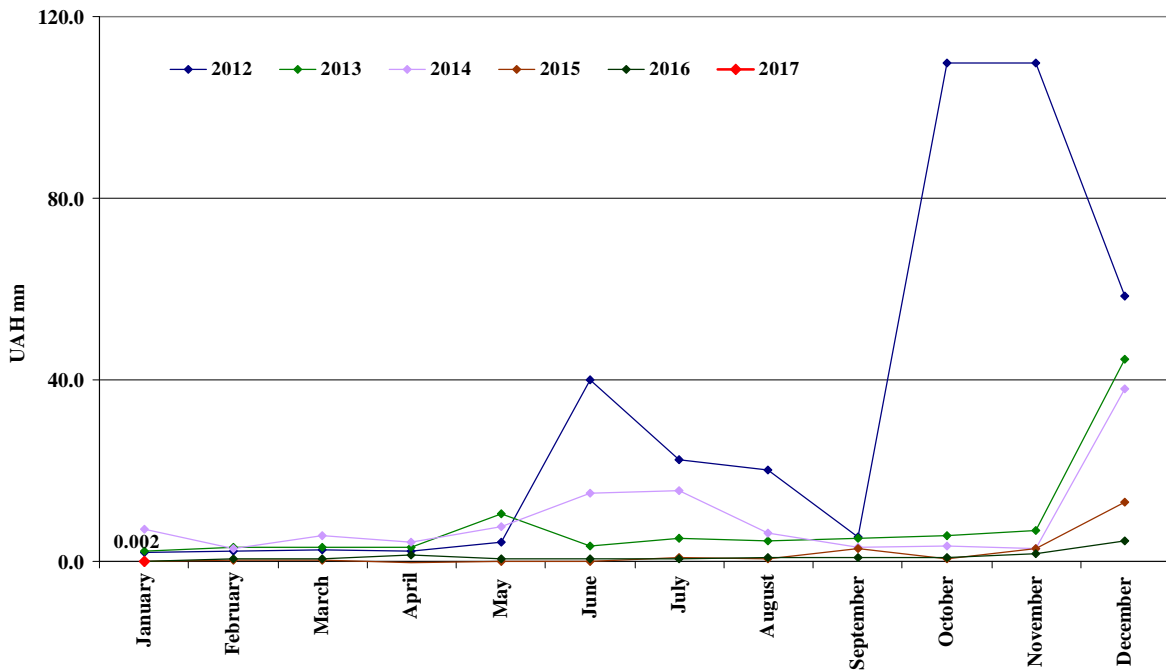
Graph 24

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



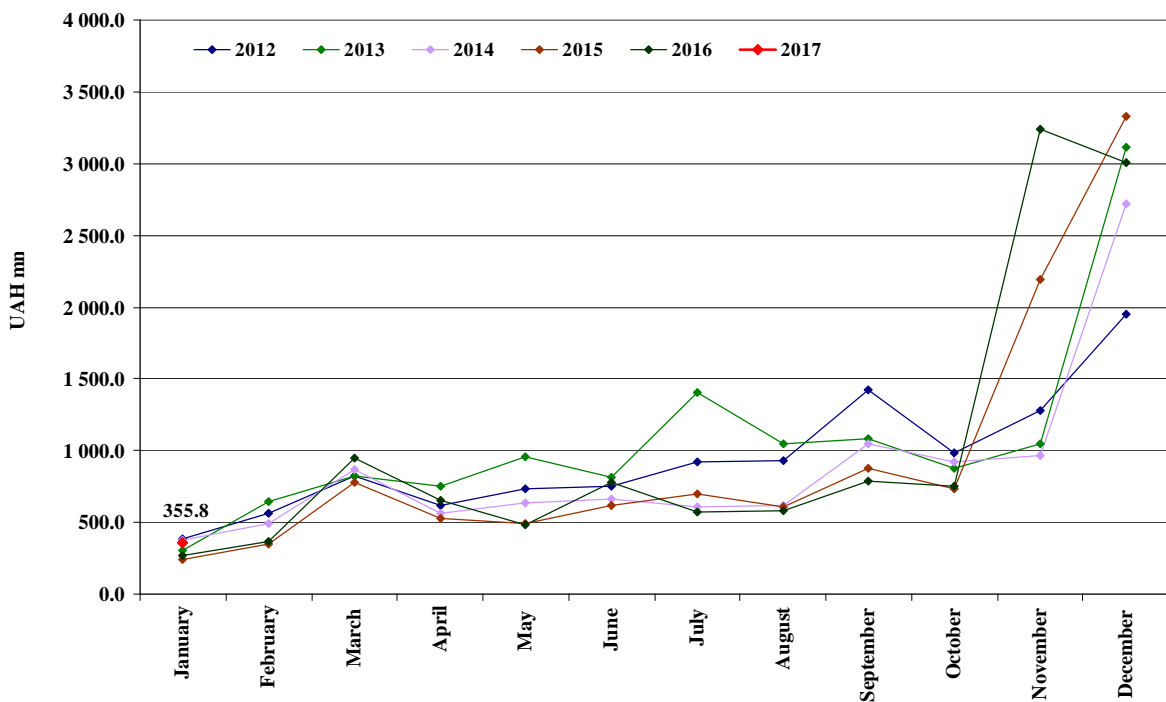
Graph 25

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



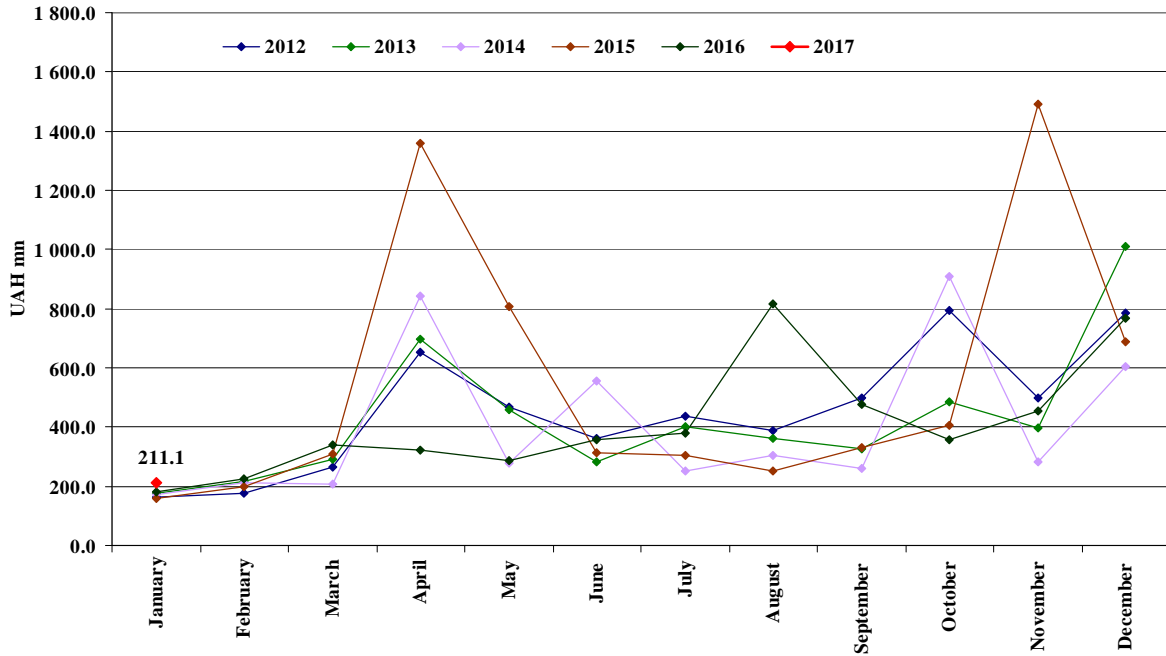
Graph 26

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



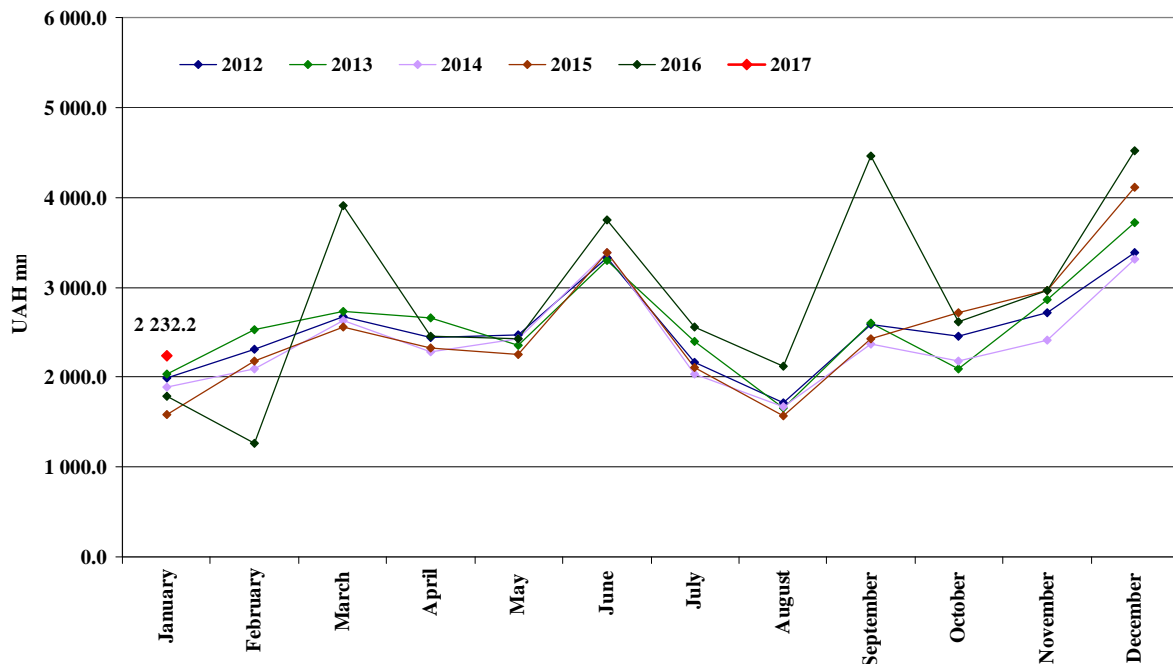
Graph 27

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

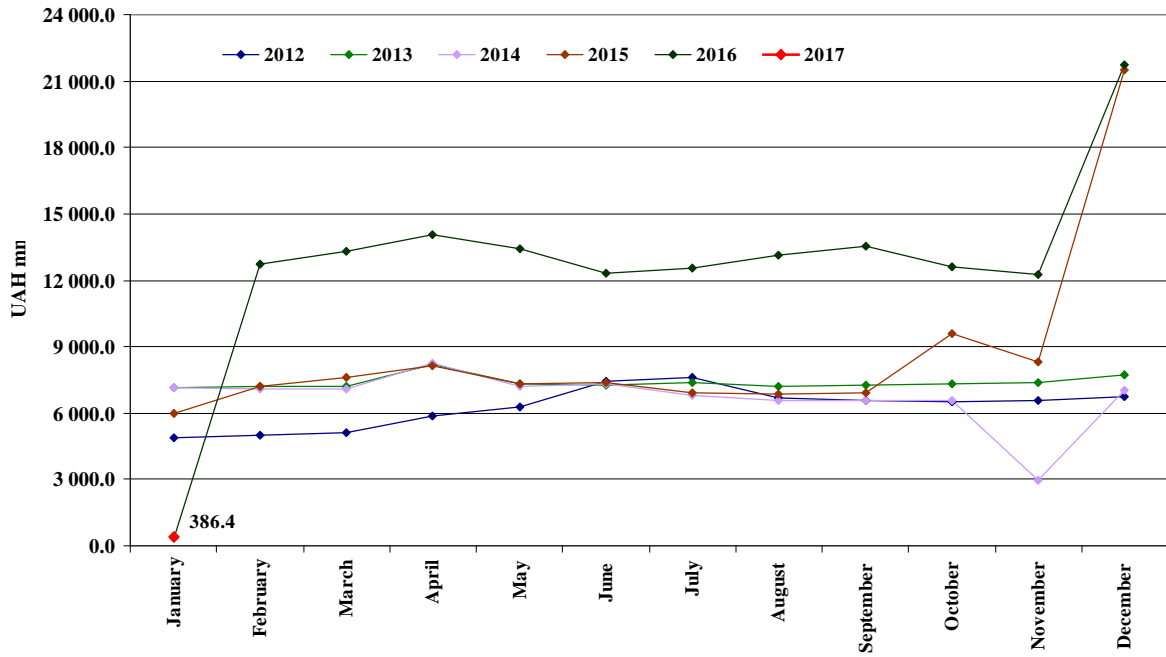


Graph 28

### 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

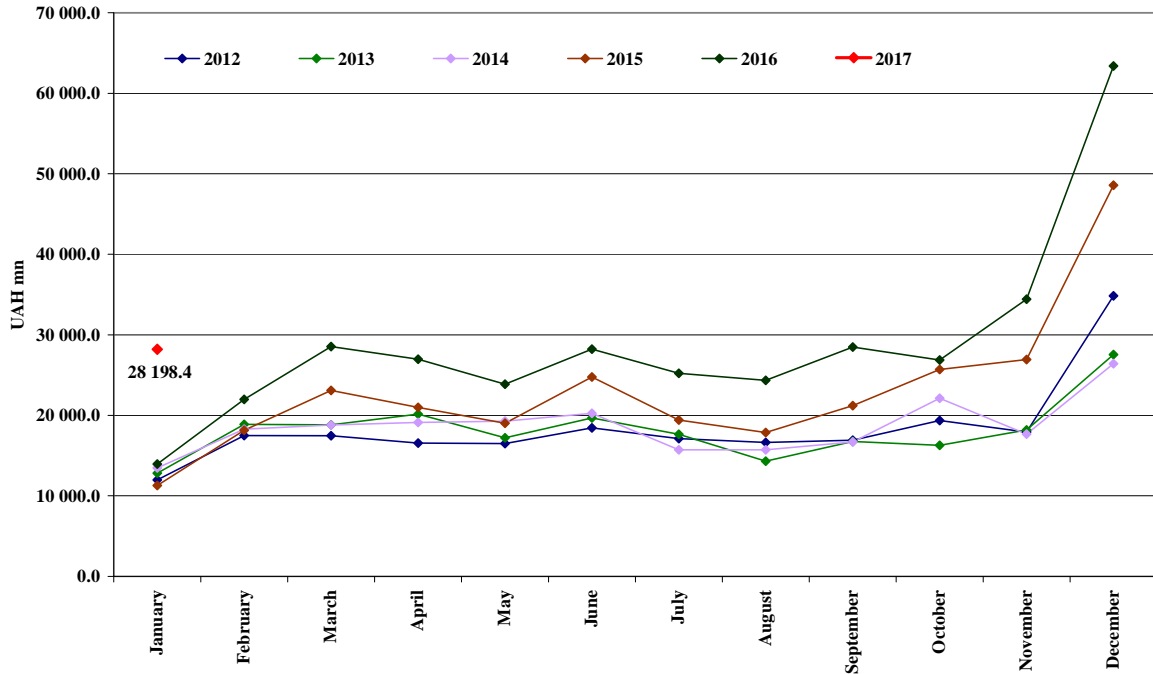
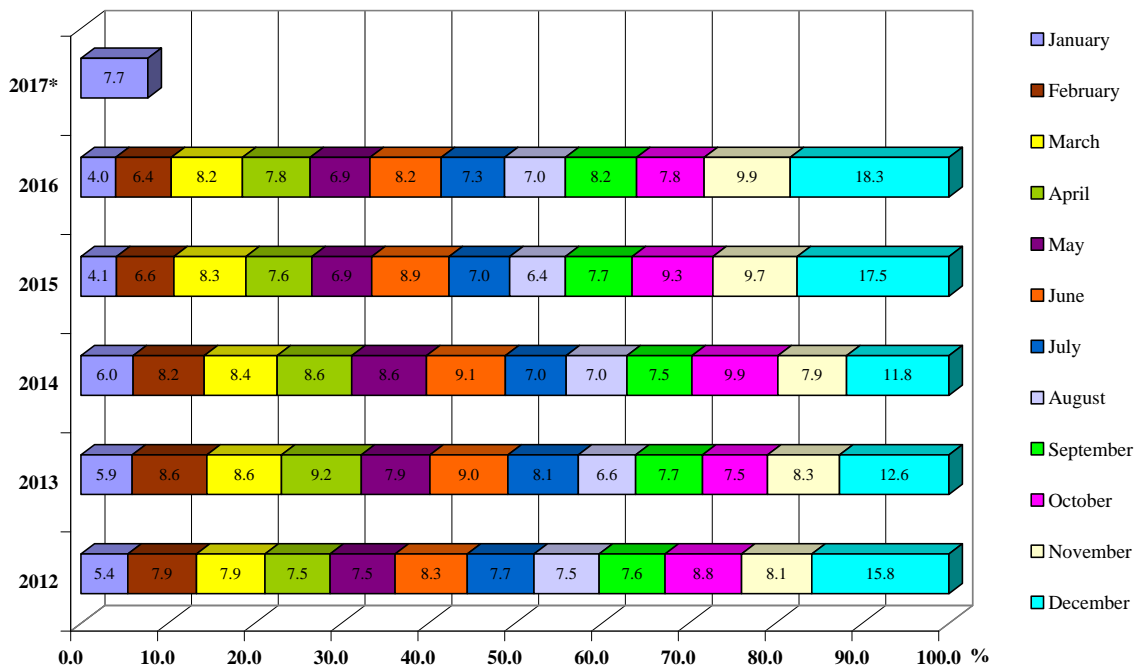


Diagram 19

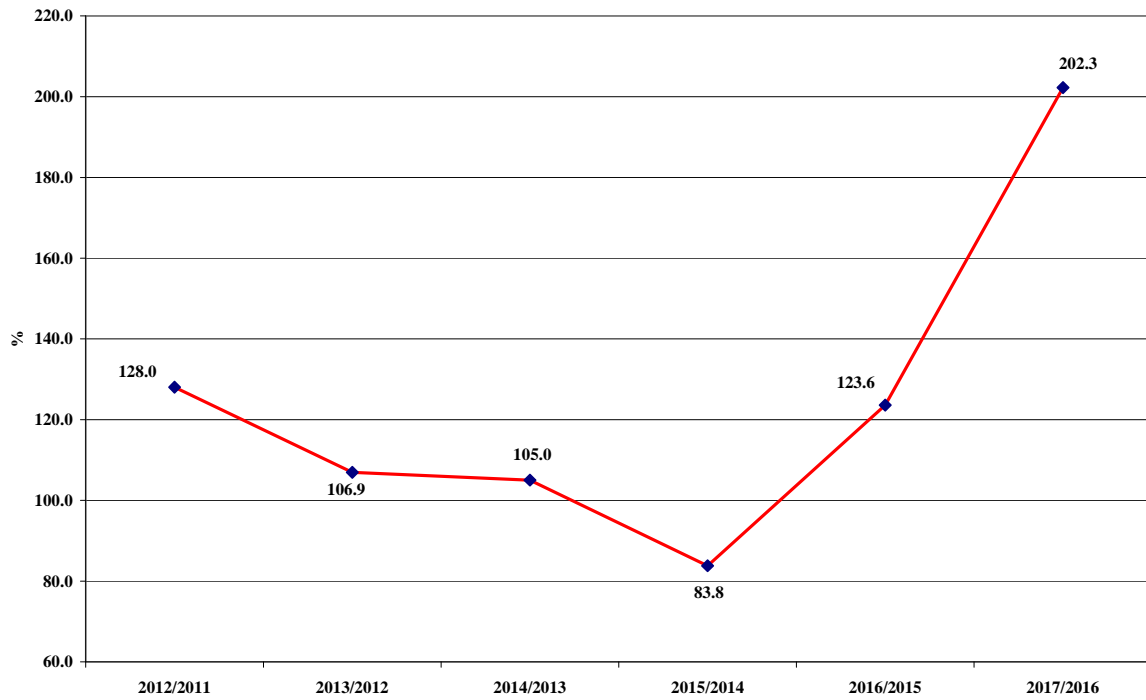
## Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2012–2017



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

Graph 31

### Growth Rates of Local Budget Expenditures in January 2012–2017



Graph 32

### Growth Rates of Local Budget Expenditures in January-December 2011–2016

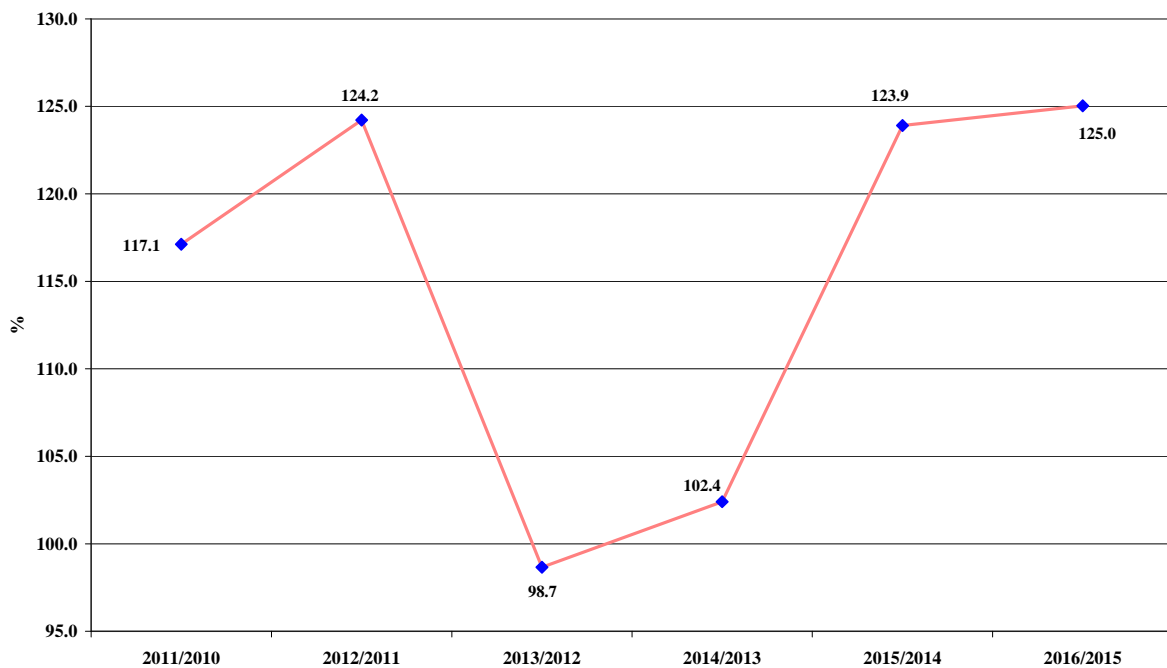


Diagram 20

### Local Budget Expenditures by Functional Classification in January 2017

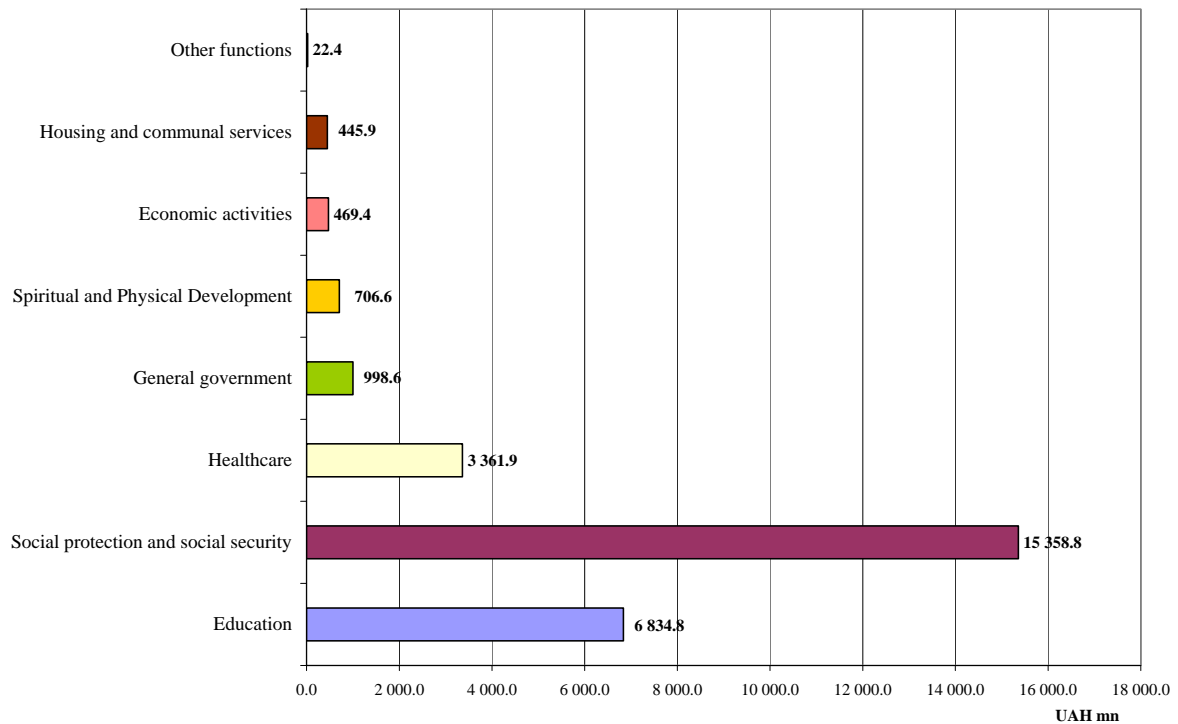
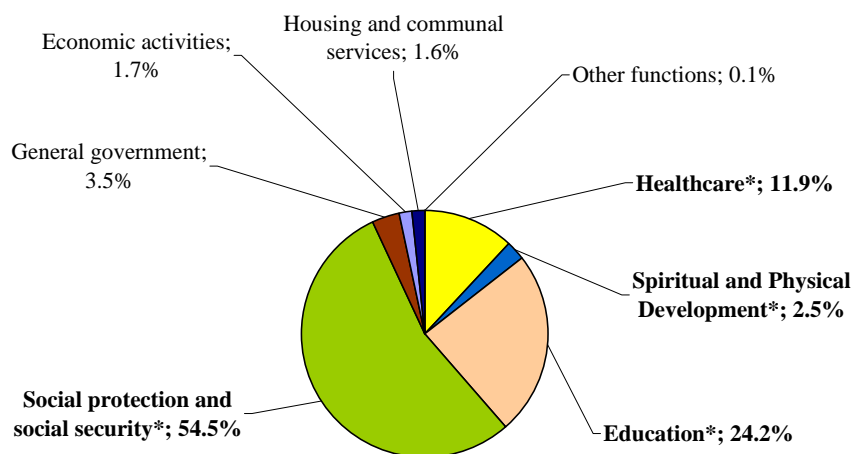


Diagram 21

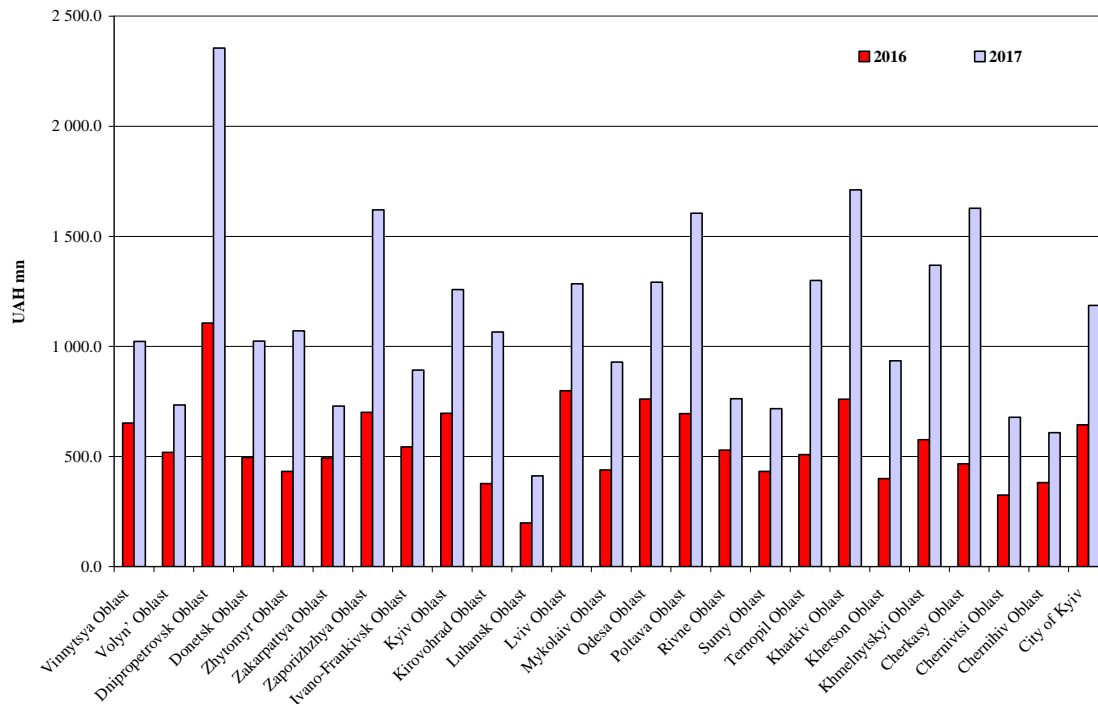
### Structure of Local Budget Expenditures by Functional Classification in January 2017



\* Expenditures for social and cultural sphere - 93.1%



### Regional Distribution of Local Budget Expenditures in January 2016–2017



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

