

# MONTHLY MONITORING

OF MAIN INDICATORS  
OF THE BUDGET SYSTEM OF UKRAINE  
AS OF MARCH 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 142.3bn in January-February 2017, which is UAH 50.7bn or 55.3% more year-on-year.
- **The state budget** received UAH 111.3bn in the same period, which is UAH 41.2bn or 58.8% more year-on-year. This amount equals 15.3% of the annual plan. In comparison, this revenue intake averaged 13.5% of the annual plan during the last ten years. However, it would be too early to expect a significant surplus over the annual plan this based on the results of the first two months only.

Some decline in revenues was recorded in February 2017 against the preceding month (UAH 52.1bn vs. UAH 59.2bn in January), which is explained by the resumption of value-added tax refunds. Refunds had amounted to only UAH 27.8mn in January 2017, compared to UAH 17.0bn in February, which is more than double the average annual amount of last year. Thus, the only indicator of budget revenues to decline in February against January, was VAT on goods (works, services) made in Ukraine, which dropped from UAH 18.6bn to UAH 13.6bn. The remaining tax and non-tax budget revenues grew on both month-on-month and year-on-year bases. This growth is recorded both in February and in the first two months of the year.

In particular, VAT on imports increased by UAH 10.5bn in January-February 2017 or by 44.5%; enterprise profit tax by UAH 6.6bn or three times; personal income tax by UAH 2.2bn or 27.5%; excise tax by UAH 2.6bn or 23.3%; rent and fees for the use of natural resources by UAH 4.8bn or 62.9%, and taxes on foreign trade and external transactions by UAH 0.5bn or 16.6%.

The amount of non-tax revenue also increased by UAH 2.4bn or 36.6%. Also, unlike last year, all components of this type of budget revenues increased.

- **Expenditures of the consolidated budget** totaled UAH 124.2bn in January-February 2017, which is 52.1% or UAH 42.5bn more year-on-year. Expenditures totaled UAH 77.5bn in February 2017, which is 47.3% or UAH 24.9bn more than in February 2016.

The amounts of consolidated budget expenditures increased for nearly all items under the functional classification of expenditures on a year-on-year basis.

The highest growth (1.7 times against February 2016) was in expenditures for housing and communal services, which reached UAH 917.0mn. Expenditures also grew significantly for social protection and social security (63.1%), education (59.7%), spiritual and physical development (58.9%), general government functions (58.5%), economic activity (53.3%), healthcare (47.6%), and public order, security, and the judiciary (43.0%). Expenditures for environmental protection also increased (by 2.8%).

Defense spending decreased by 12.1%.

- **Expenditures of the state budget of Ukraine** totaled UAH 110.6bn in January-February 2017, which is UAH 51.6% or UAH 37.7bn more year-on-year. In February 2017, expenditures amounted to UAH 67.7bn or 47.9% more than in February 2016.

The following changes in the expenditure items by **functional classification** were observed compared to February 2016:

- expenditures for general government functions, except for expenditures for state debt servicing, increased by 53.1% to UAH 1.9bn. The expenditures for state debt servicing totaled UAH 6.4bn, which is 9.4% more year-on-year;
- expenditures for defense decreased by 12.1% to UAH 3.5bn;
- expenditures for public order, security, and the judiciary increased by 42.9% to UAH 5.1bn;

- expenditures for economic activity increased by 48.3% to UAH 1.6bn;
- expenditures for environmental protection decreased by 1.7% to UAH 338.8mn;
- expenditures for housing and communal services increased by 87.2% to UAH 1.0mn;
- expenditures for healthcare increased by 26.8% to UAH 470.6mn;
- expenditures for spiritual and physical development increased by 62.0% to UAH 361.3mn;
- expenditures for education increased by 60.3% to UAH 2.0bn; and
- expenditures for social protection and social security increased by 18.6% to UAH 15.1bn.

Expenditures for financing the pensions, bonuses, and extras to pensions awarded under pension programs and the deficit of the Pension Fund totaled UAH 14.6bn, which is 16.7% more than in the respective period of 2016.

- The state budget receipts **from repaid loans** totaled UAH 737.6mn in February of this year, including revenues of the General Fund of the state budget of UAH 719.8mn.

The state budget **provided loans** for the total of UAH 37.0mn in February 2017.

**The deficit of the state budget** amounted to UAH 14.4bn this month.

**Repayment of the state debt principal** totaled UAH 2.4bn in February 2017, including internal debt repayment of UAH 1.4bn, and external debt repayment of nearly UAH 1.0bn.

**Government borrowing** was incurred at the amount of UAH 19.9bn, including UAH 19.2bn mobilized on the internal market. External sources **provided loans** for a total of UAH 0.7bn, which was credited to a special fund for financing joint development projects with international financial institutions.

The state budget received UAH 5.8mn from the **privatization of state property** in February 2017.

- **Total local budget revenues (without inter-budget transfers)** amounted to UAH 31.1bn in January-February 2017, which is 44.1% more year-on-year.

Those revenues totaled nearly UAH 17.7bn in February 2017, which is 38.0% more year-on-year. As usual, the personal income tax is the single largest source of local budget revenue. It generated nearly UAH 8.0bn in February. Local taxes and fees produced about UAH 4.8bn.

Revenue grew significantly in all regions, with the highest in Ivano-Frankivsk Oblast at 59.5% over the respective 2016 figure. The lowest growth of revenues was in Kyiv Oblast (19.0%).

- **Local budget expenditures (without inter-budget transfers)** totaled UAH 68.9bn in January-February 2017, which is 91.8% more than the respective indicator of 2016.

Expenditures grew 85.2% in February 2017 against February of last year and amounted to UAH 40.7bn. The majority of local budget expenditures were allocated for social protection and social security, education, and healthcare. They amounted to UAH 19.0bn (or 46.6% of all local budget expenditures), UAH 10.7bn (or 26.4%), and UAH 6.2bn (15.2%), respectively.

The highest growth rate by region was in Luhansk Oblast, where expenditures were nearly triple the respective 2016 figure. The lowest growth of expenditures (26.6%) was in Mykolaiv Oblast.

# State Budget Revenue

Graph 1

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

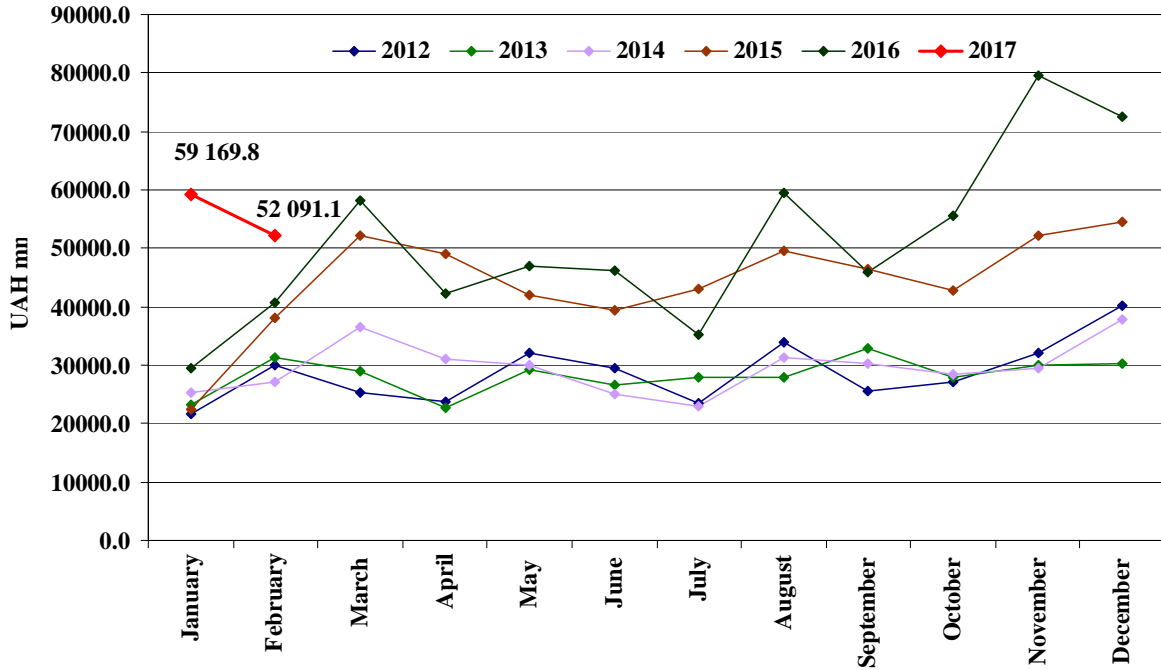
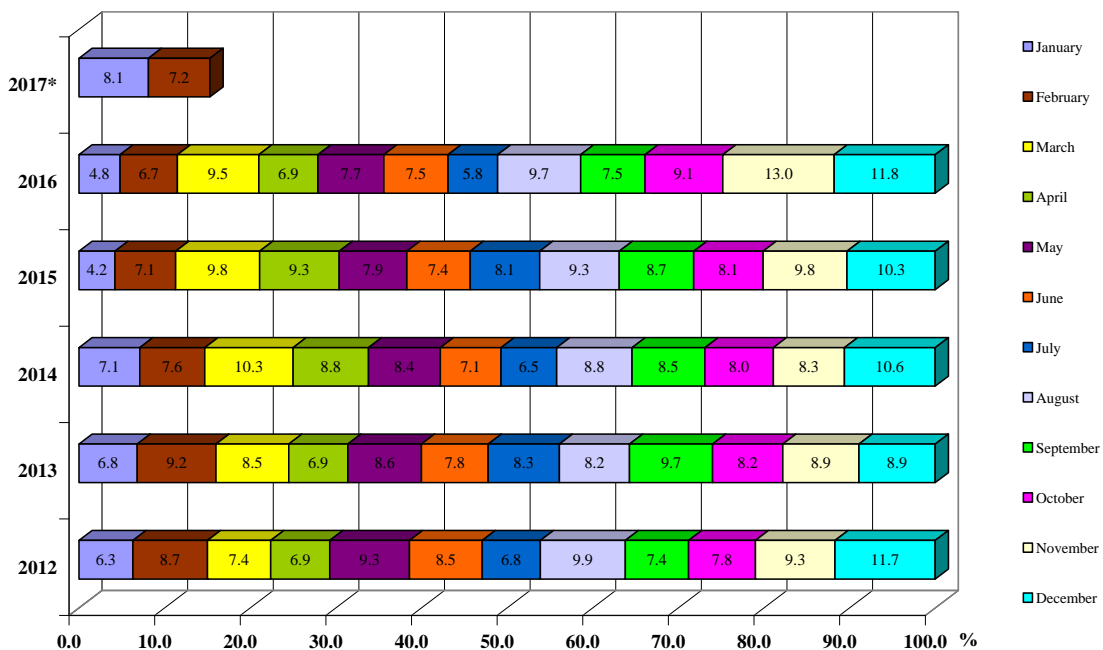


Diagram 1

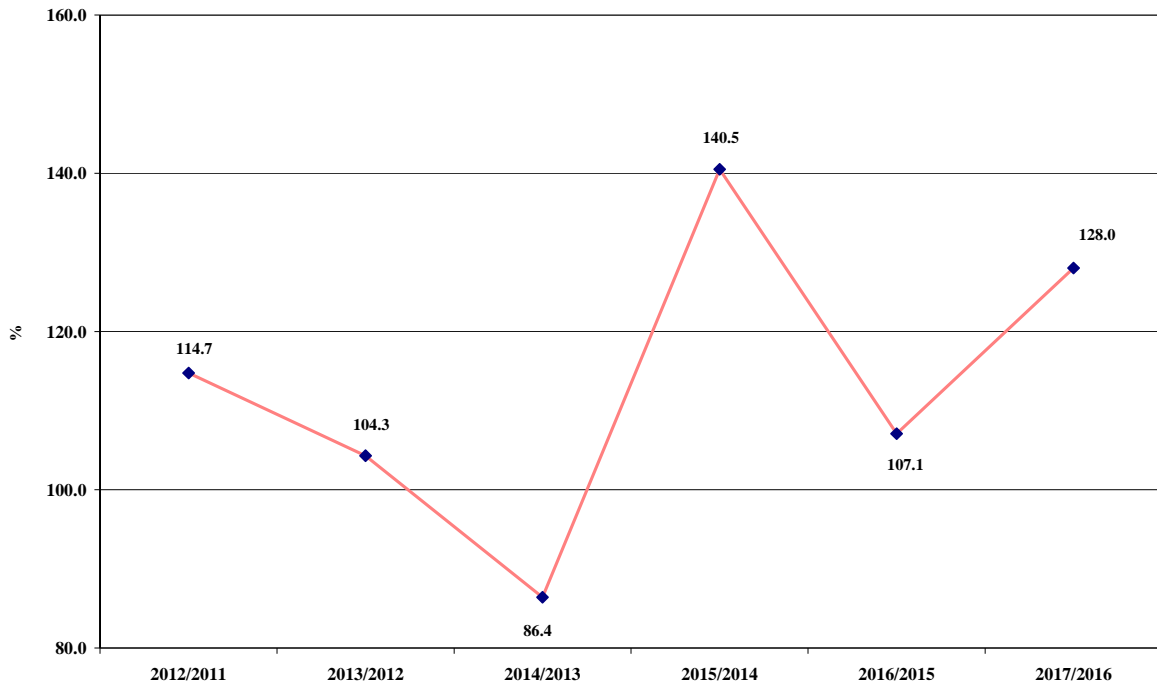
## Dynamics of the Share of Ukraine's State Budget Revenue in Annual Amounts in 2012–2017



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

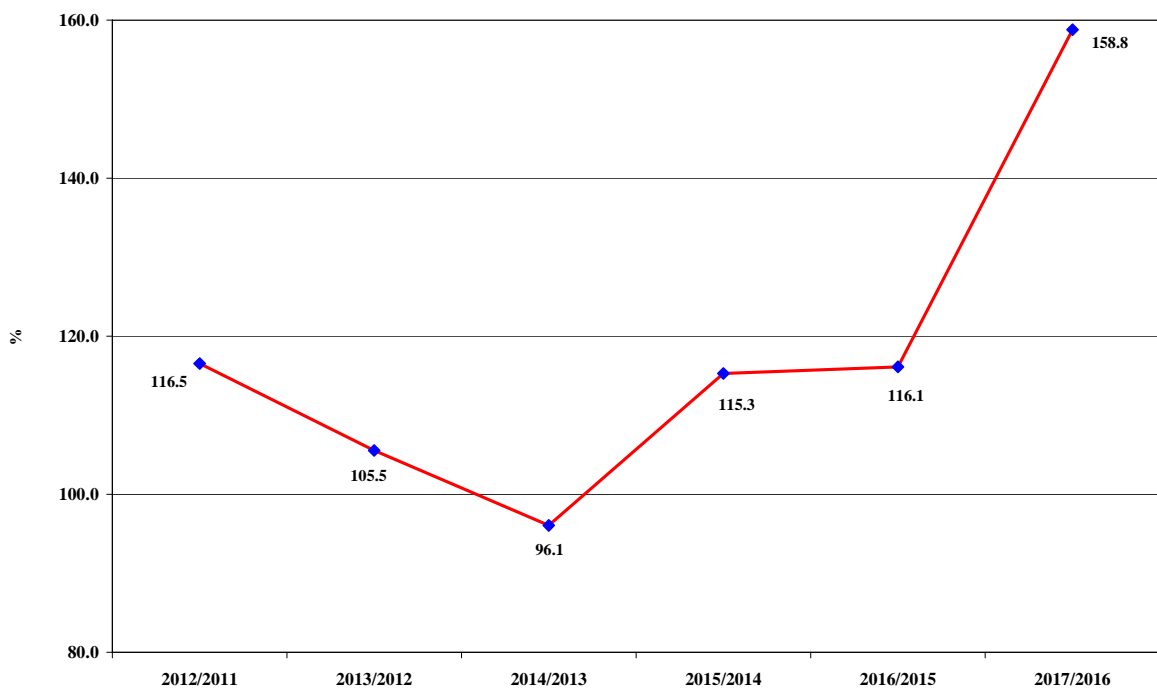
Graph 2

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



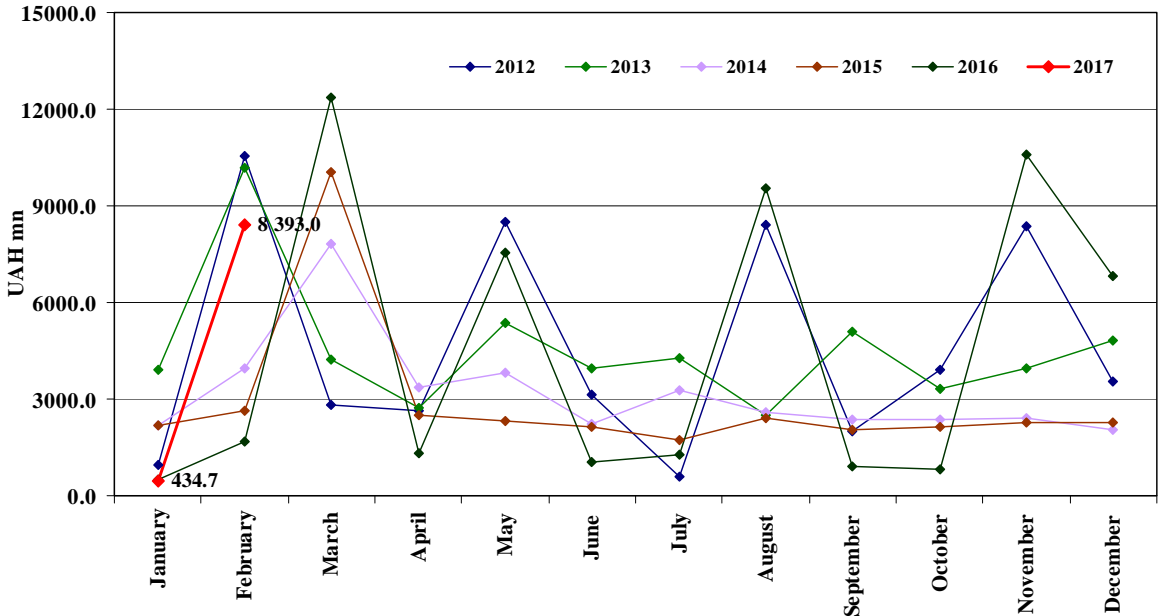
Graph 3

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



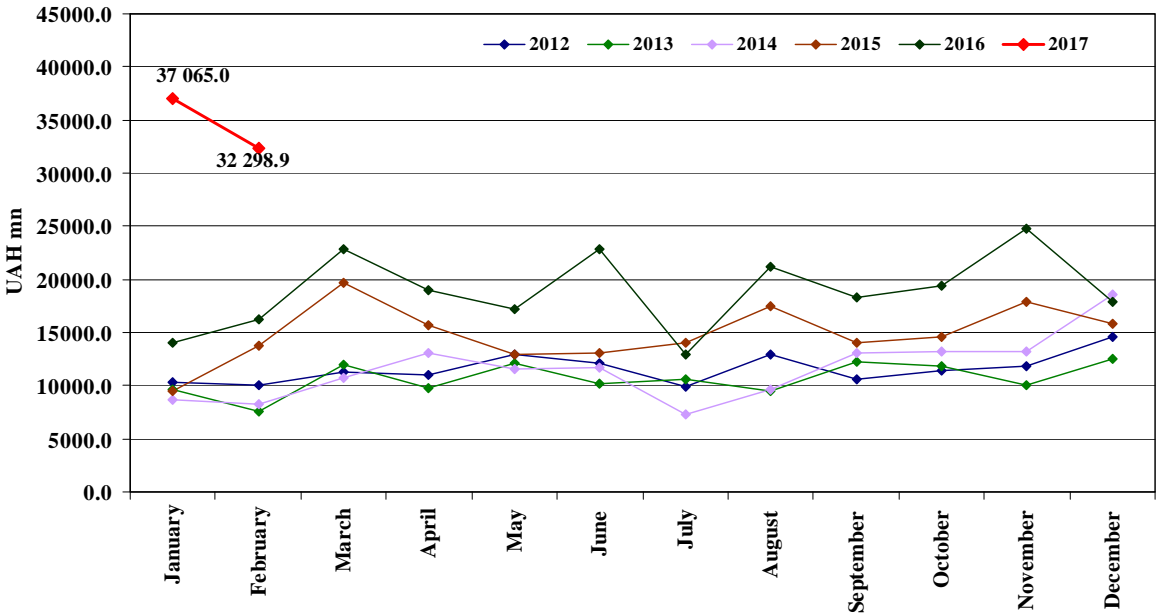
Graph 4

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



Graph 5

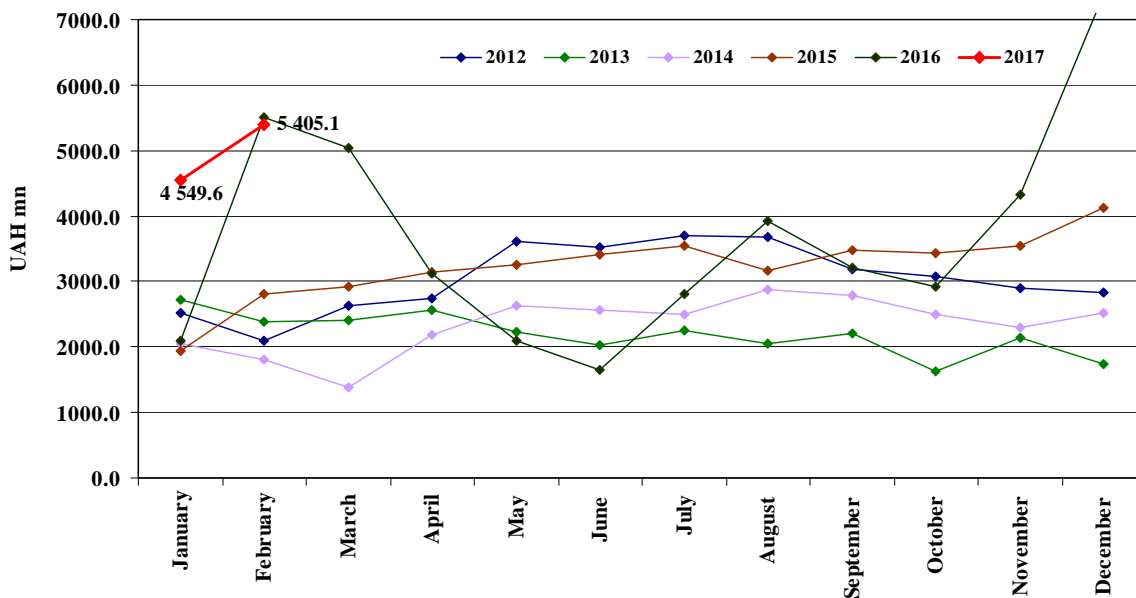
### State Budget Value Added Tax Monthly Trends in 2012–2017





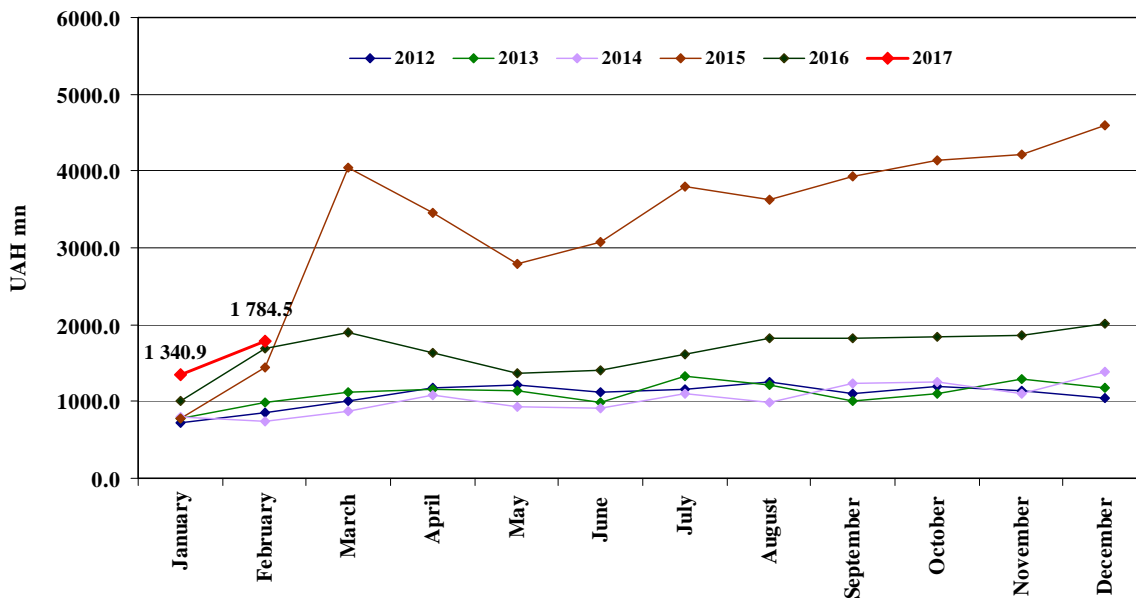
Graph 6

### 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

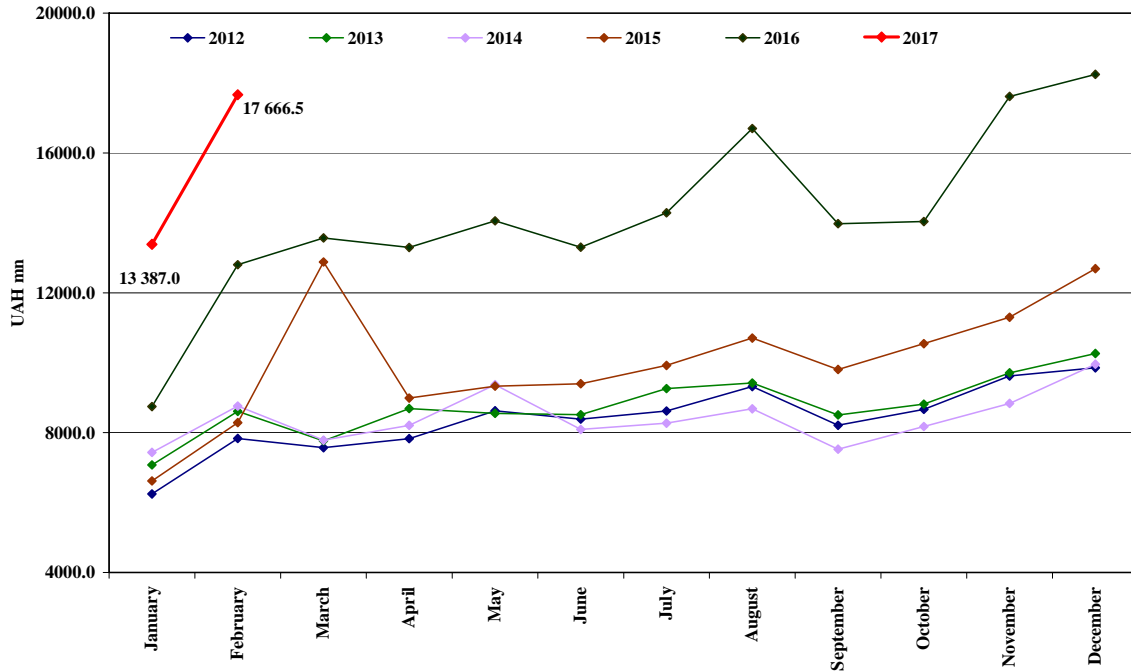
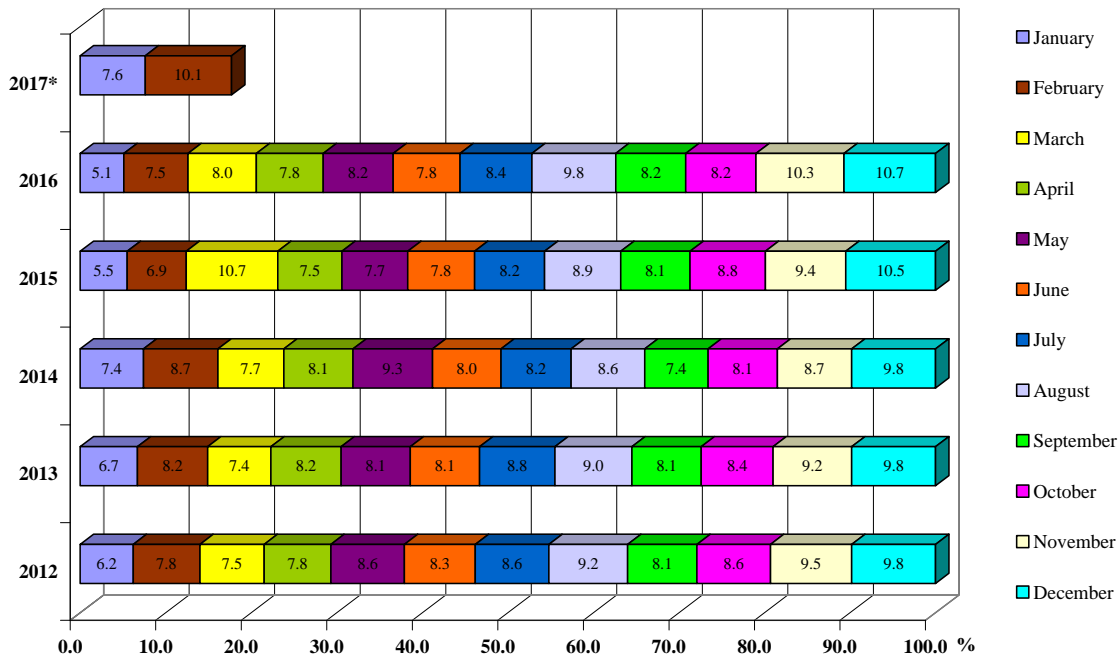


Diagram 2

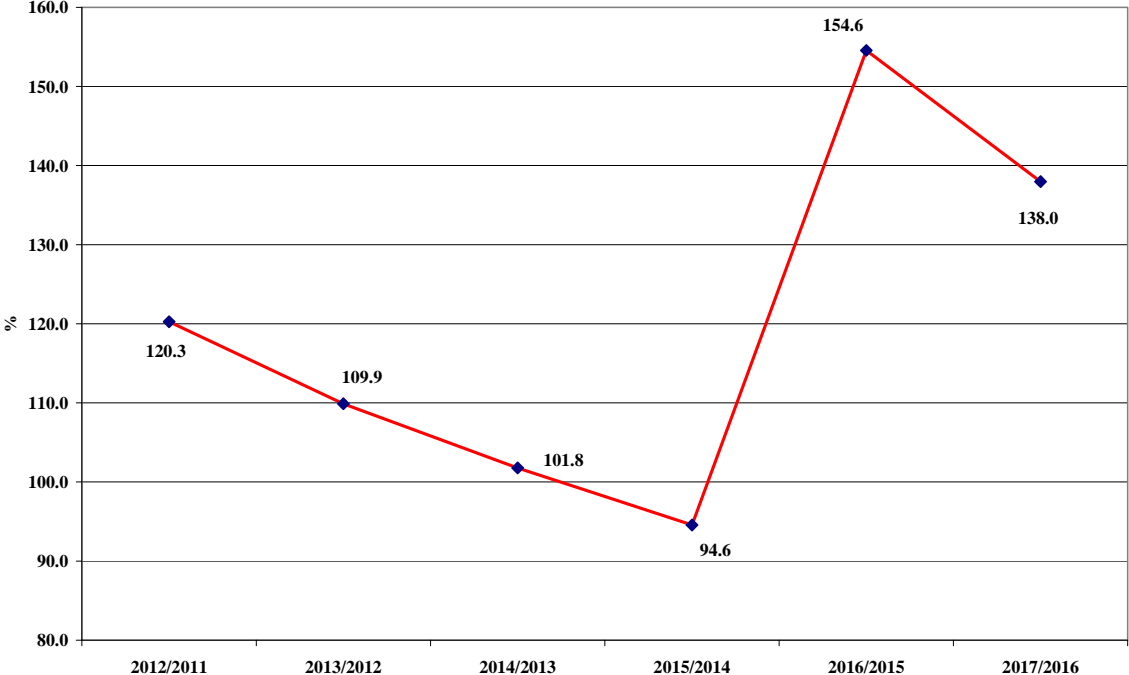
## Dynamics of the Share of Local Budget Revenue in Annual Amounts in 2012–2017



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

Graph 9

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



Graph 10

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

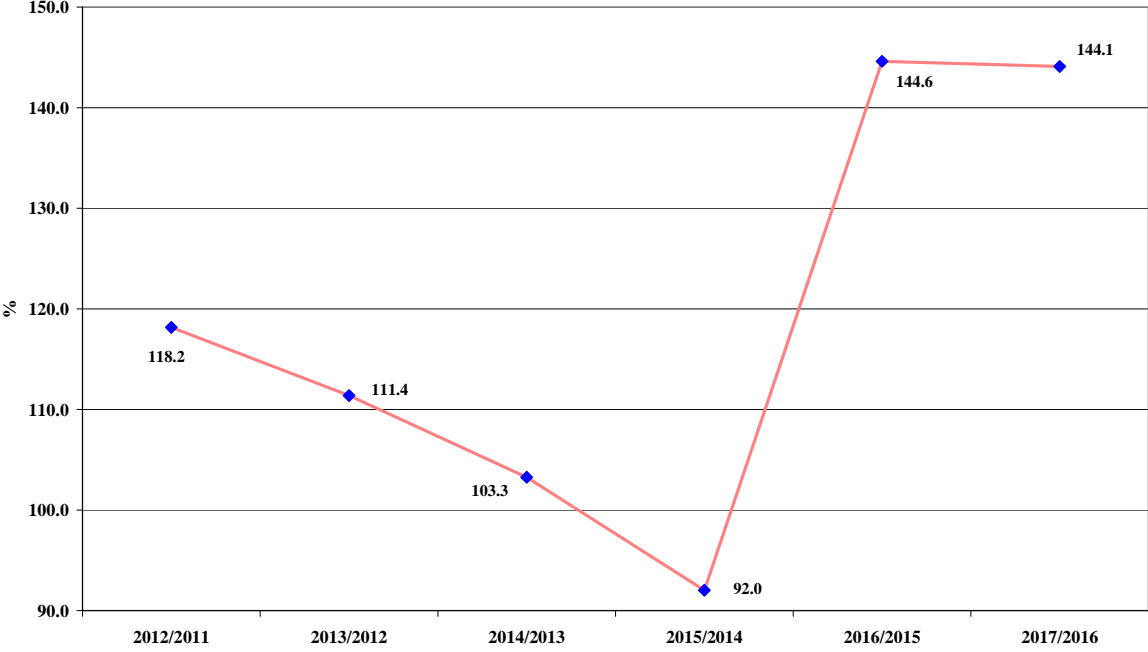


Diagram 3

### Local Budget Revenue in February 2017

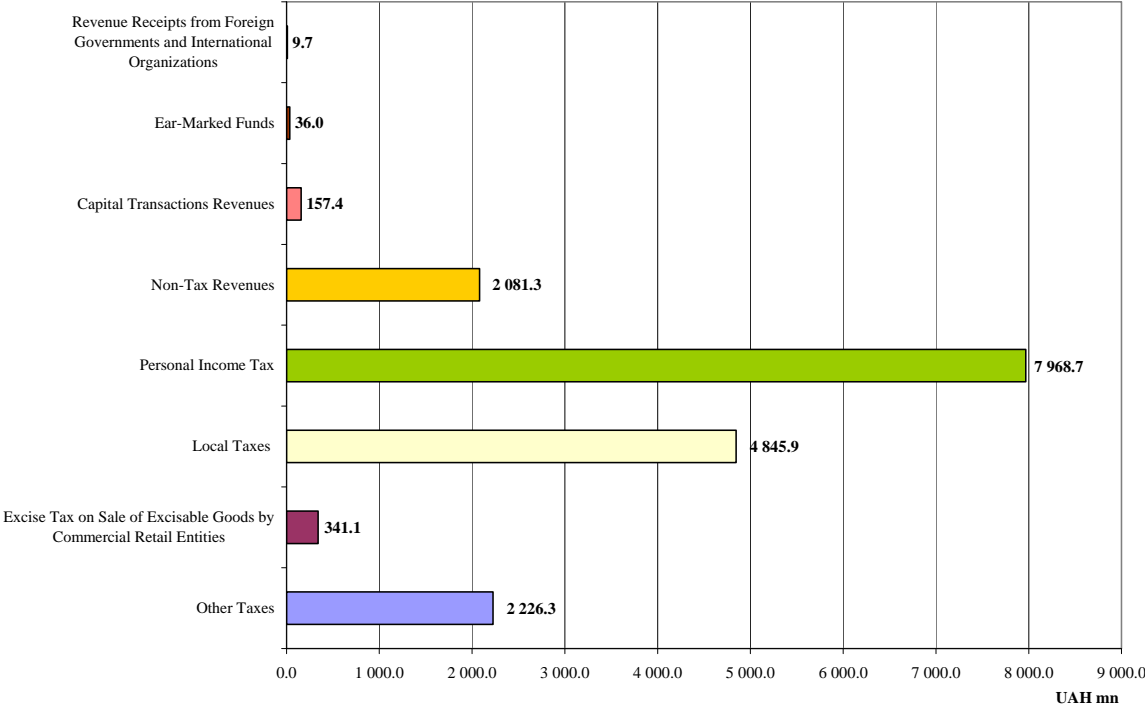


Diagram 4

### Structure of Local Budget Revenues in February 2017

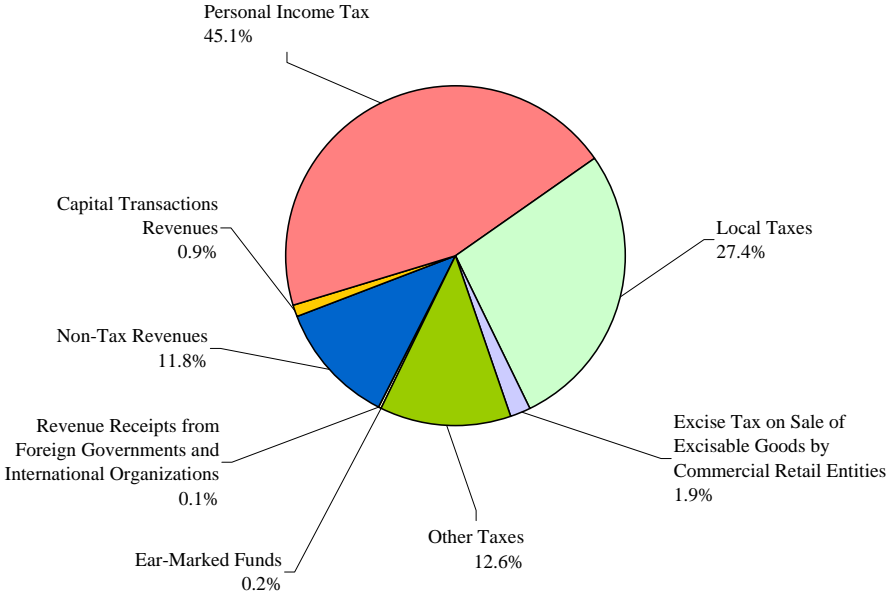
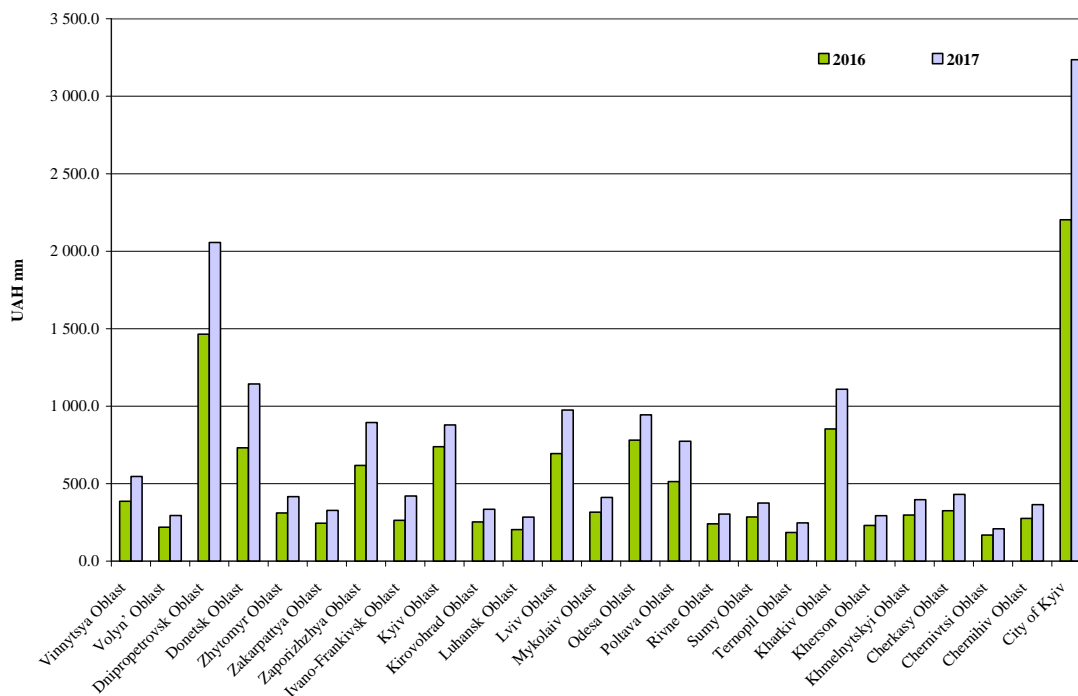


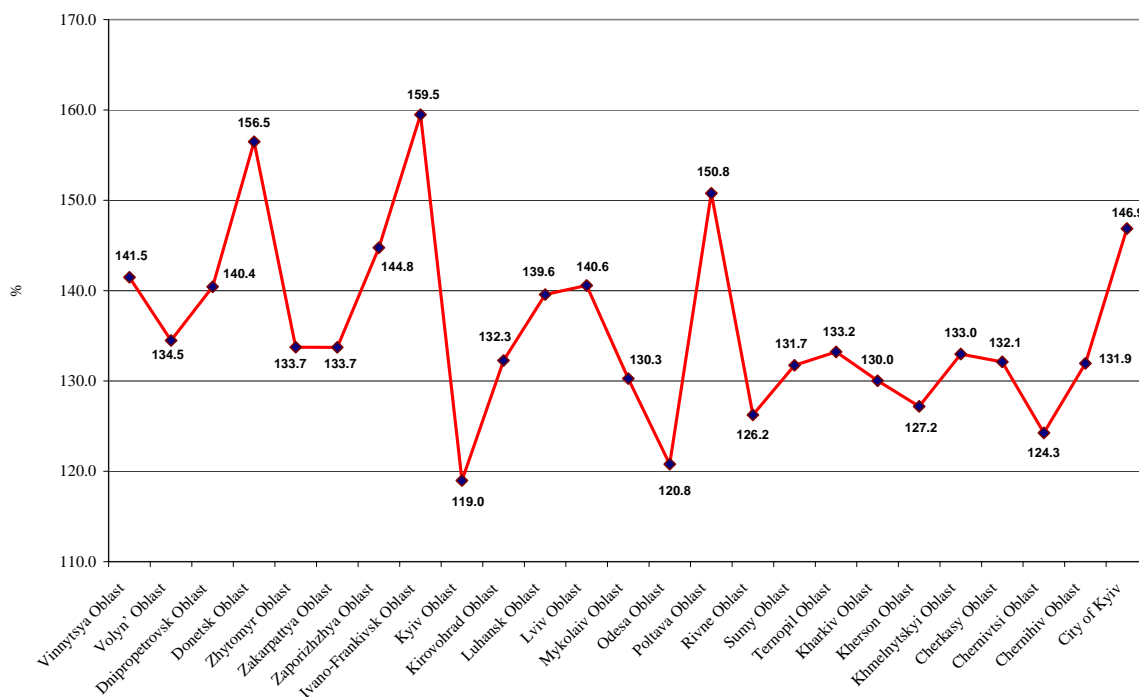
Diagram 5

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



Graph 11

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



# State Budget Deficit

Diagram 6

## Budget Deficit/Surplus, Monthly Trends in 2012

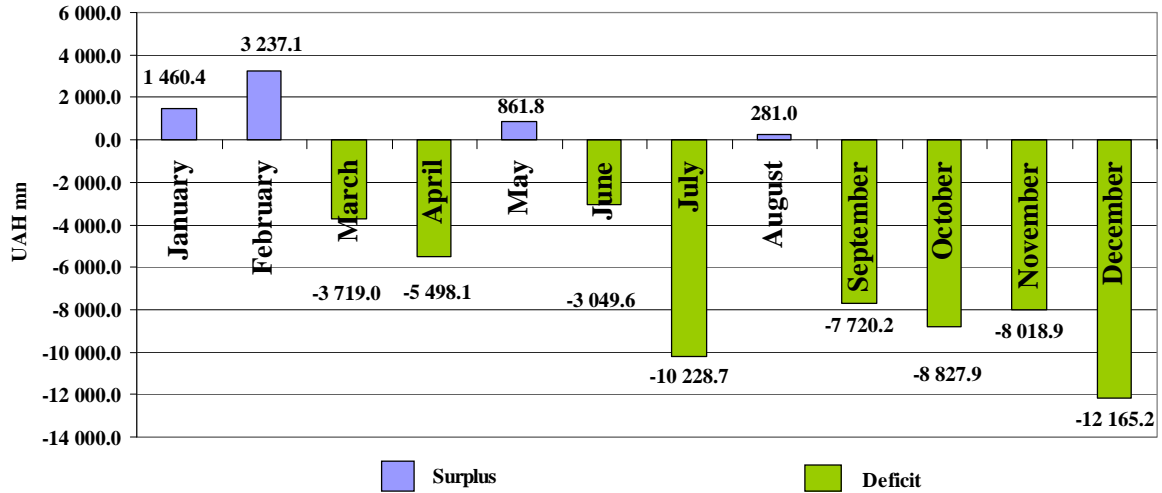


Diagram 7

## Budget Deficit/Surplus, Monthly Trends in 2013

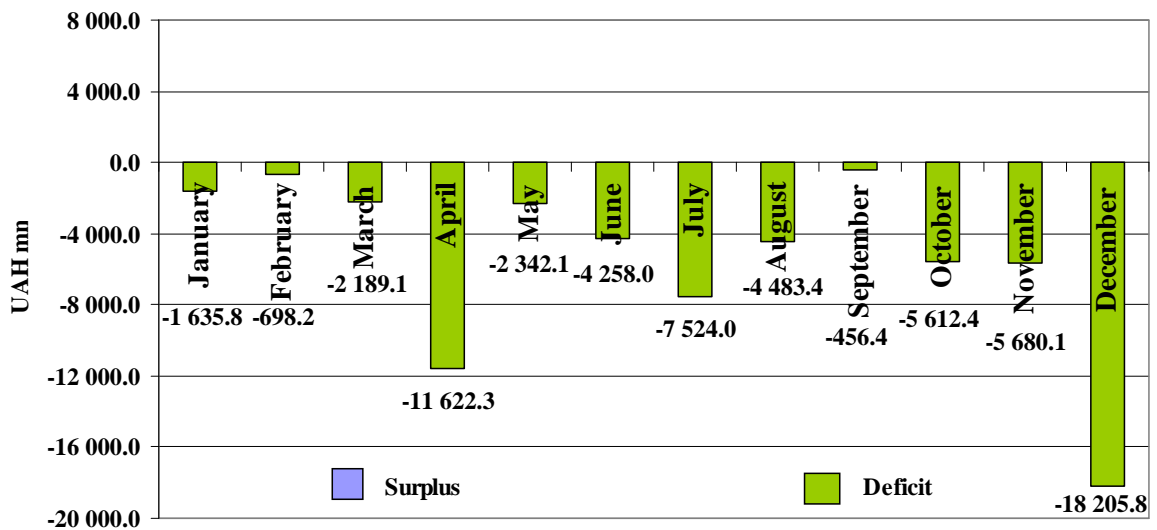


Diagram 8

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

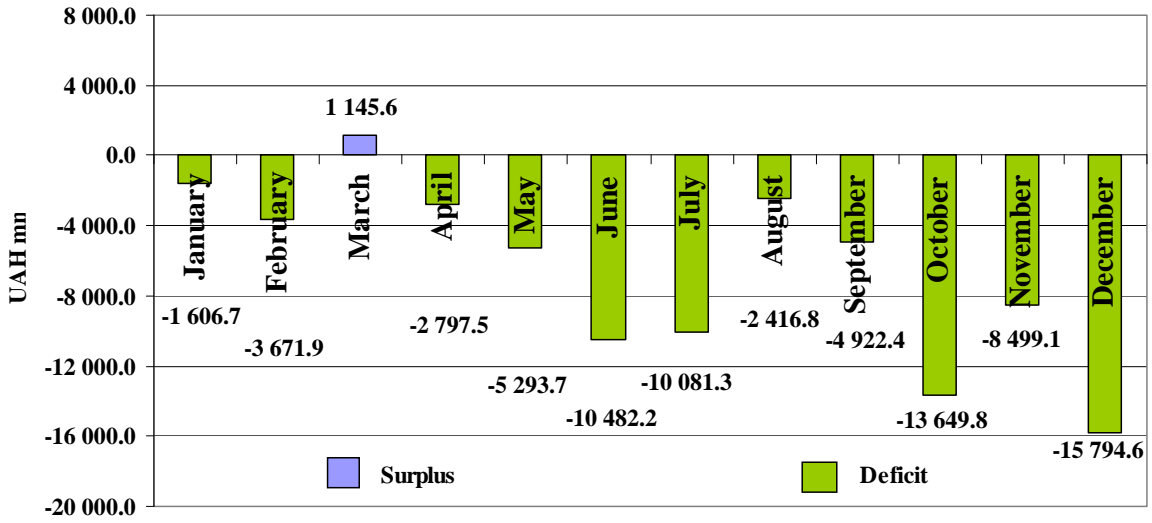


Diagram 9

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

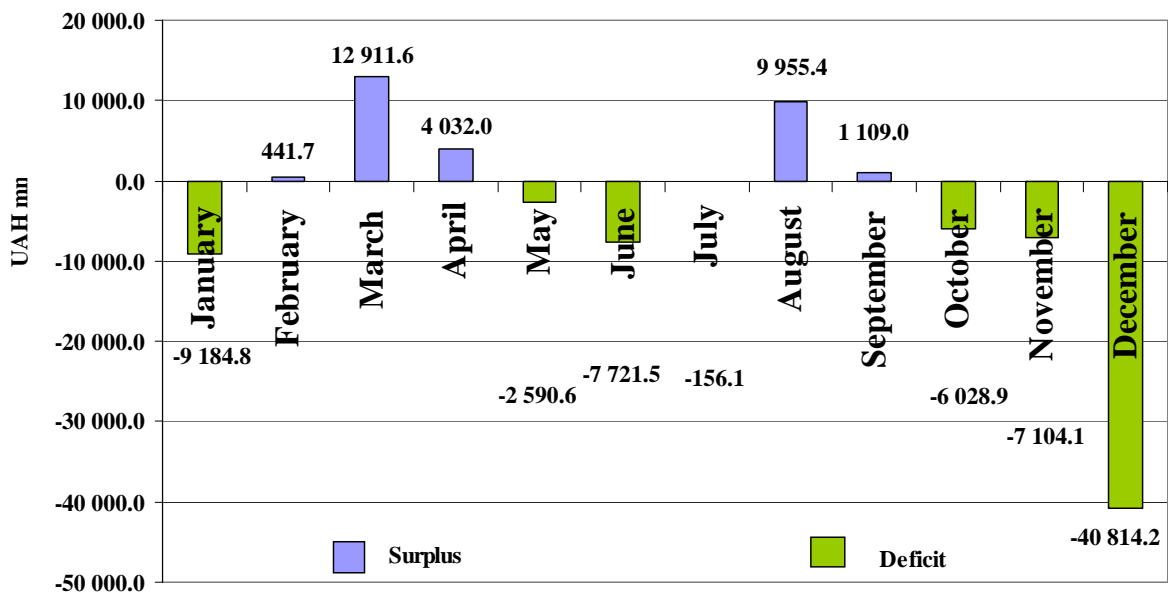


Diagram 10

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

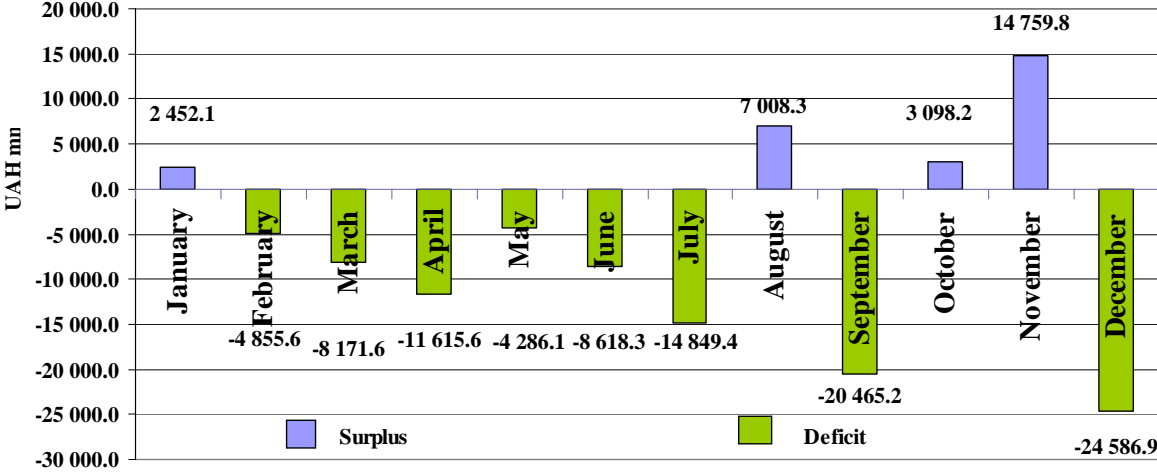
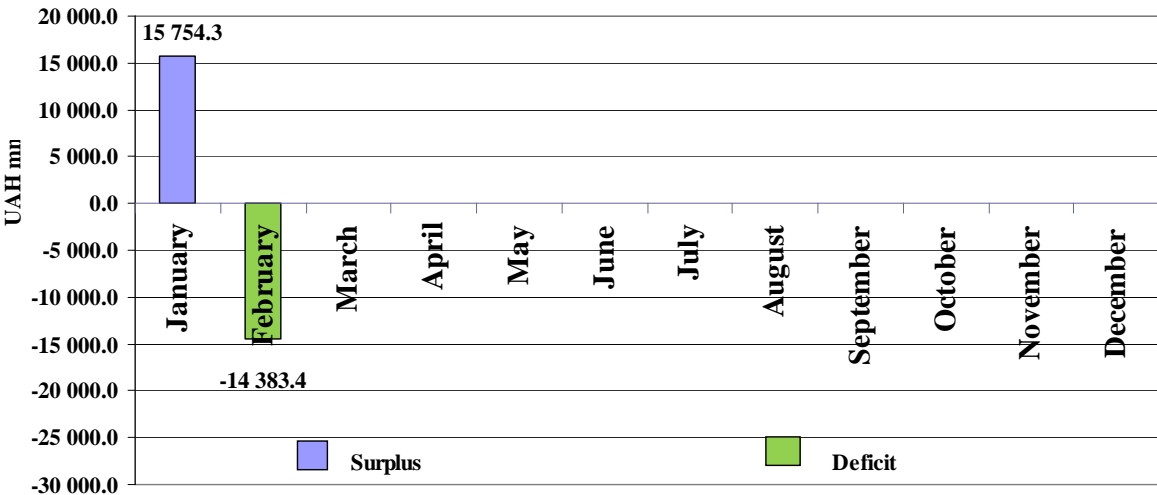


Diagram 11

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

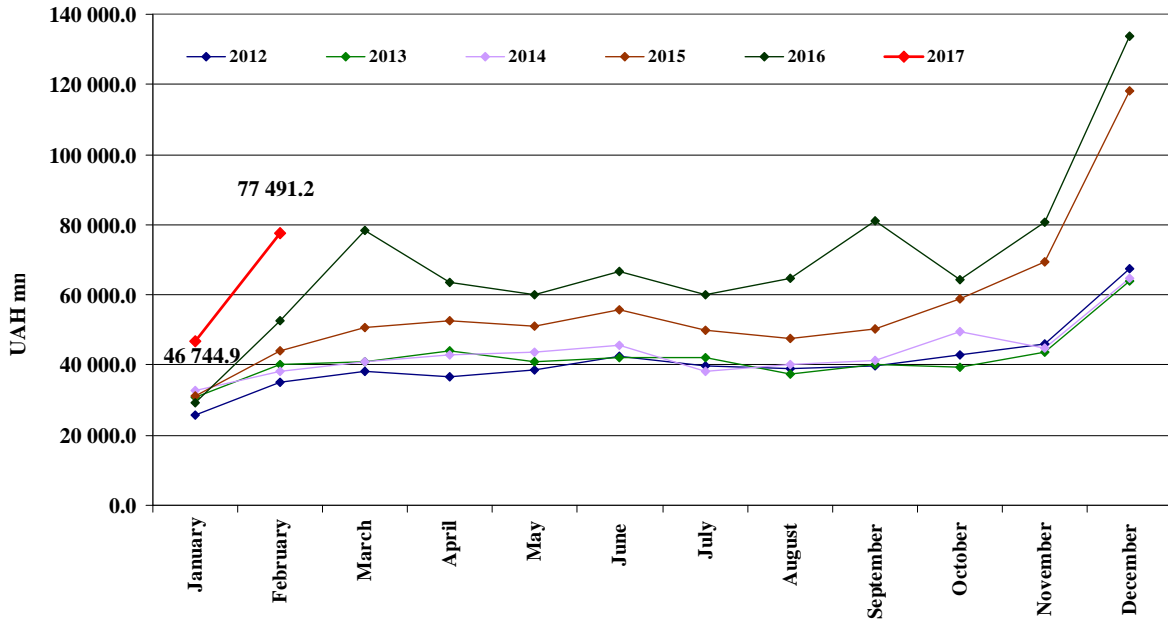




## Consolidated Budget Expenditures

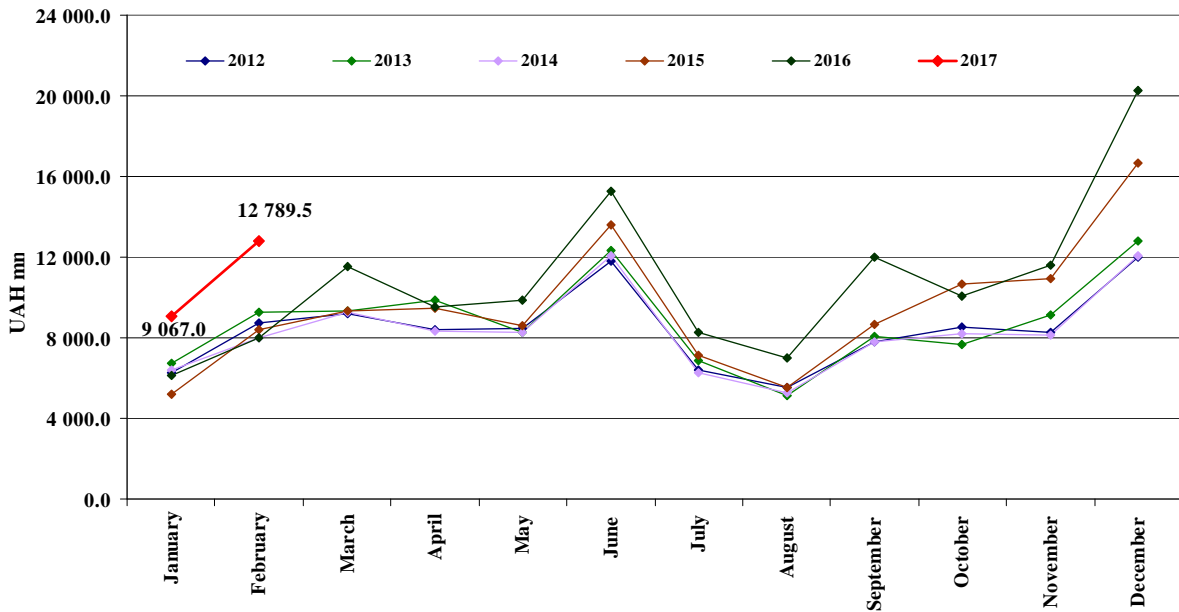
Graph 12

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



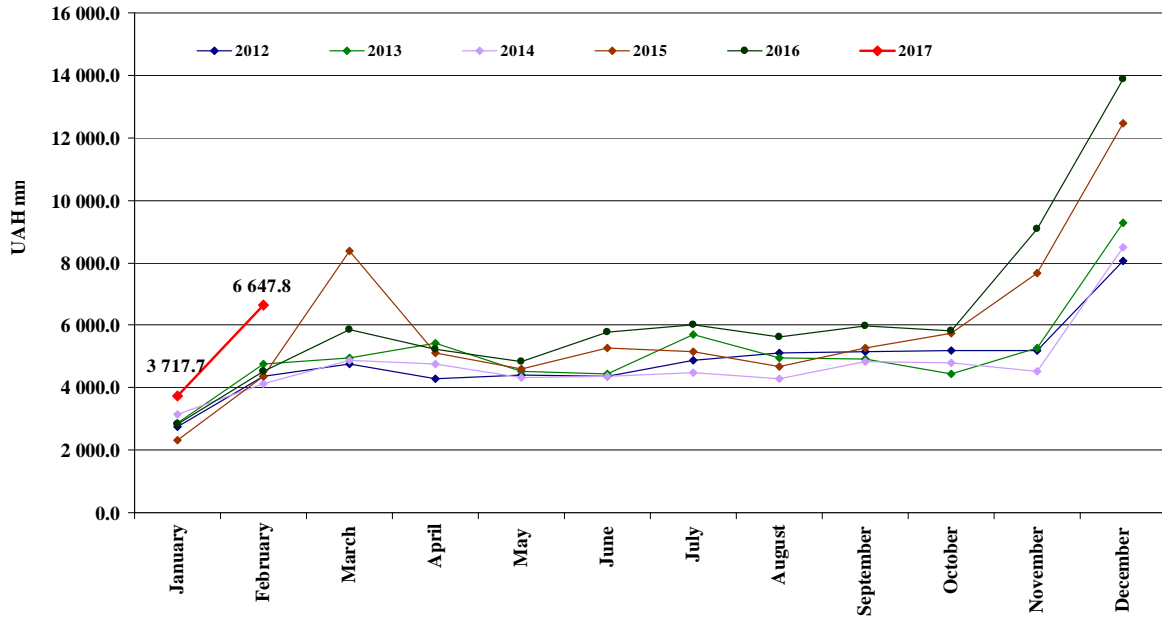
Graph 13

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



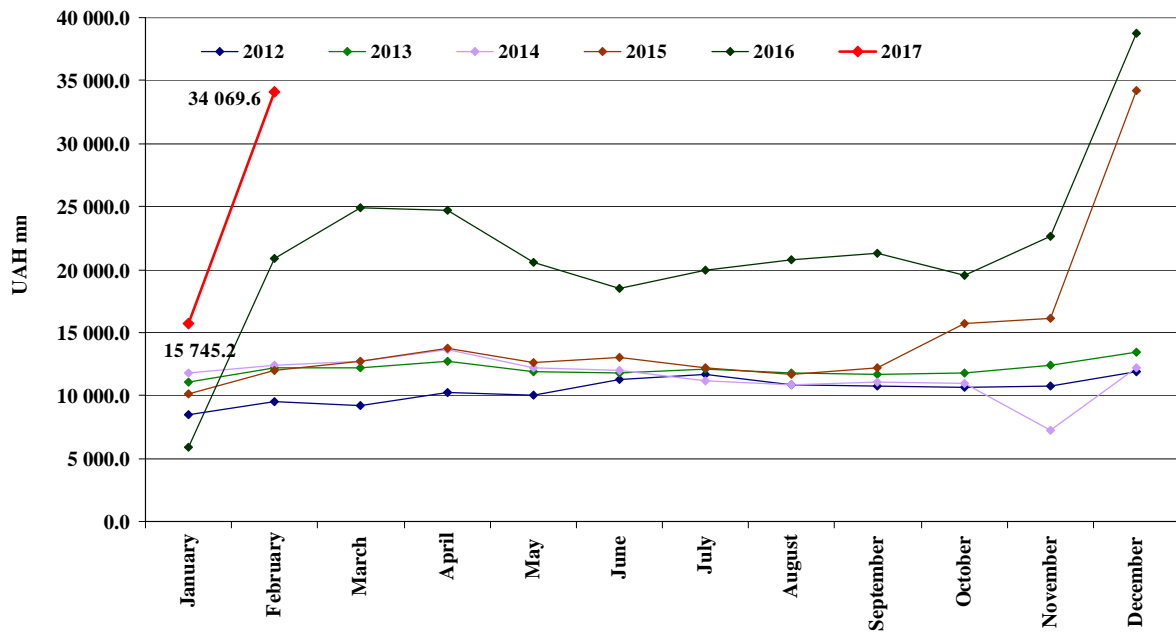
Graph 14

### 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

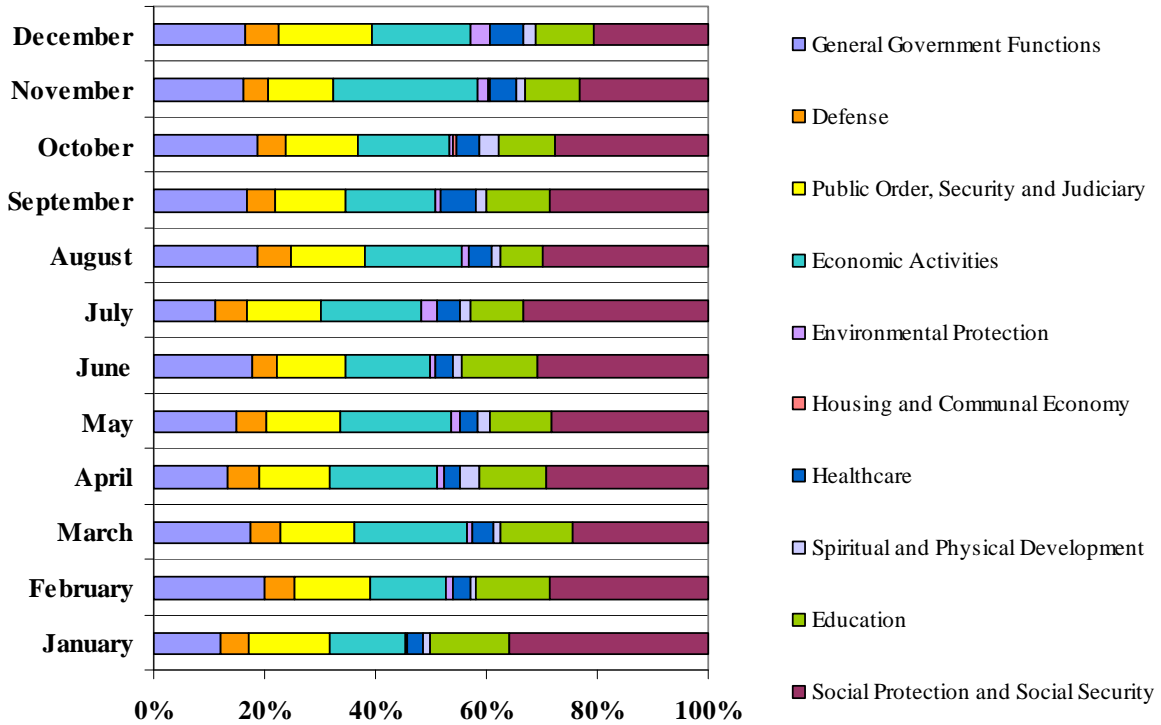


Diagram 13

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

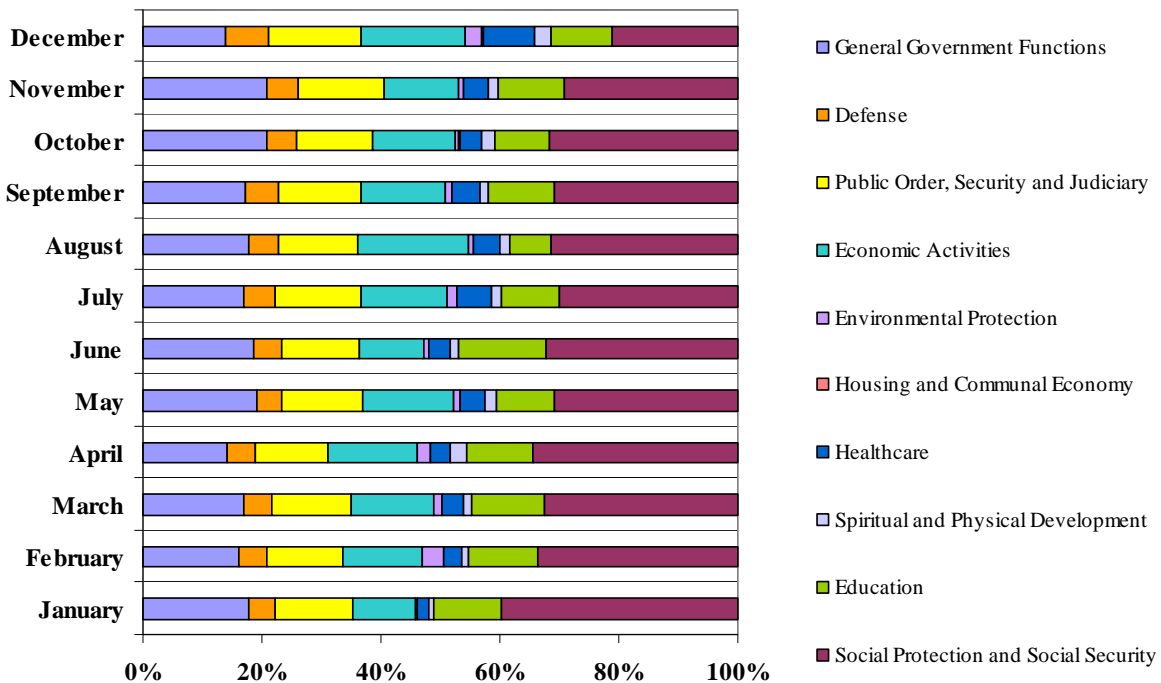


Diagram 14

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

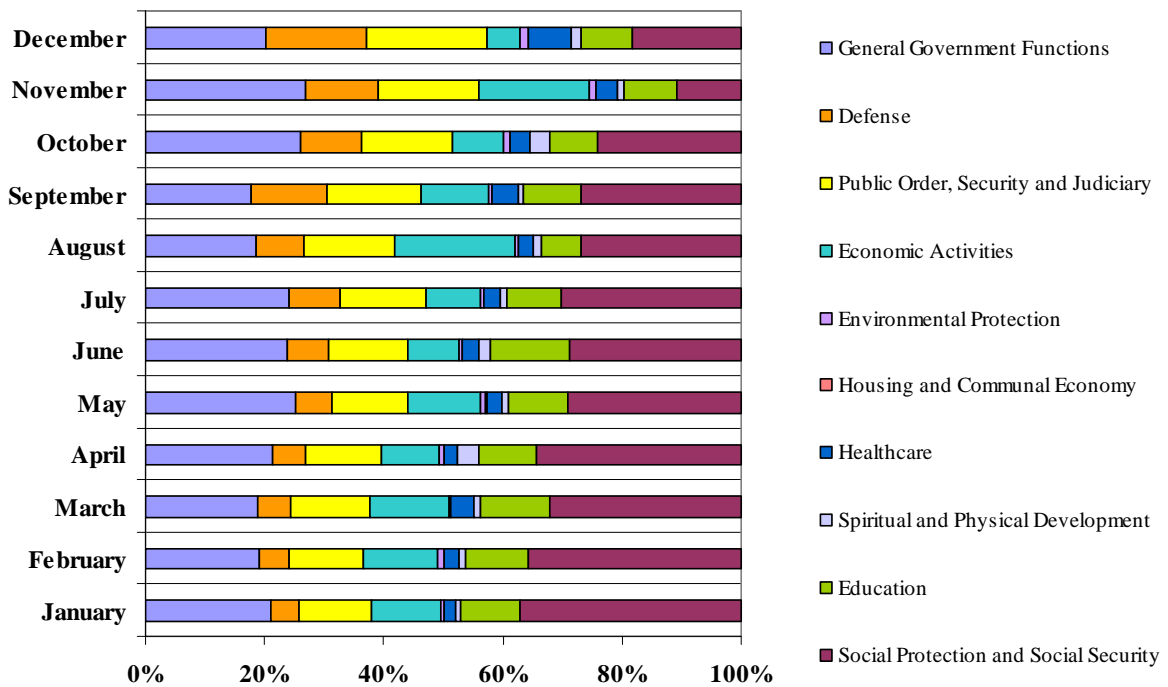


Diagram 15

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

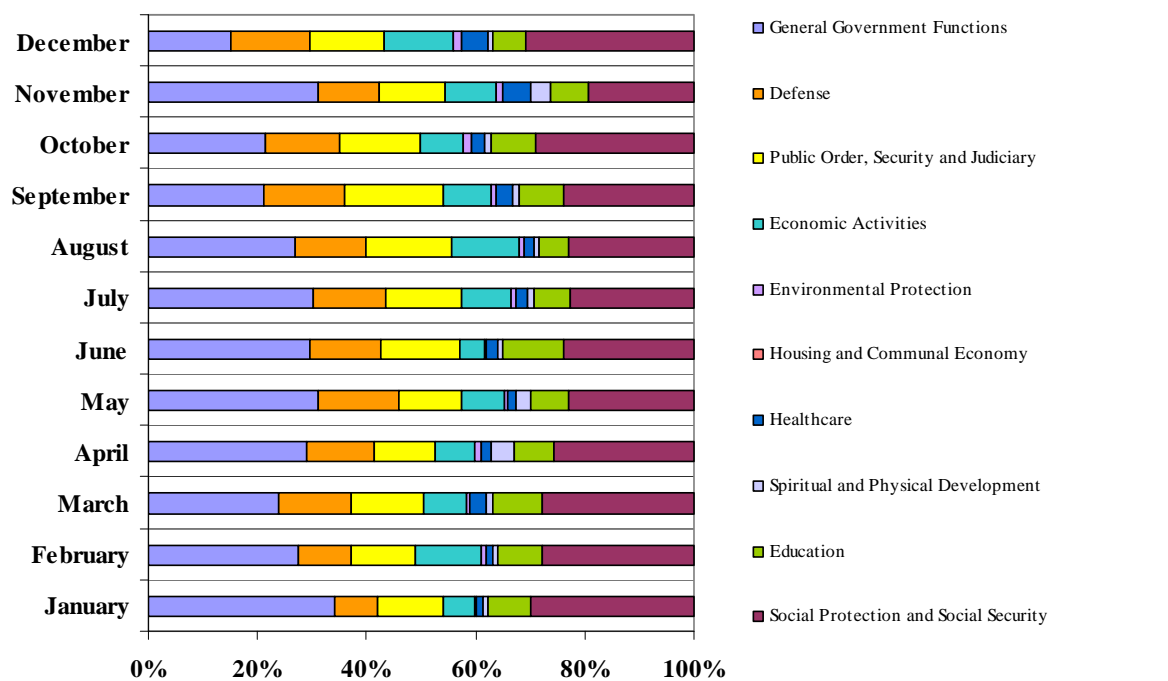


Diagram 16

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

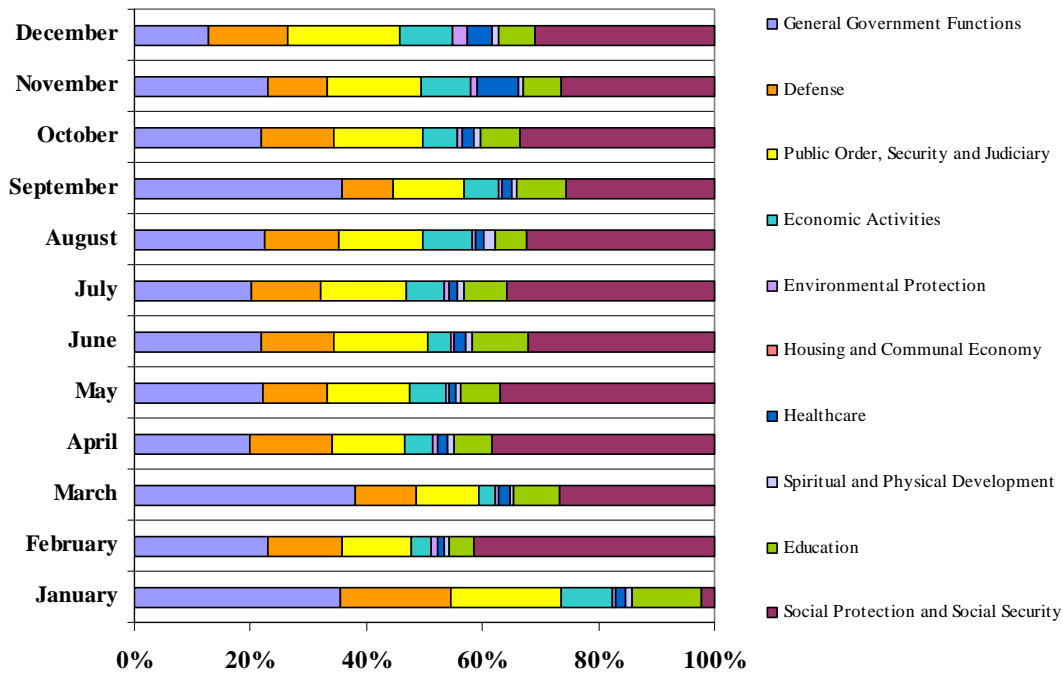
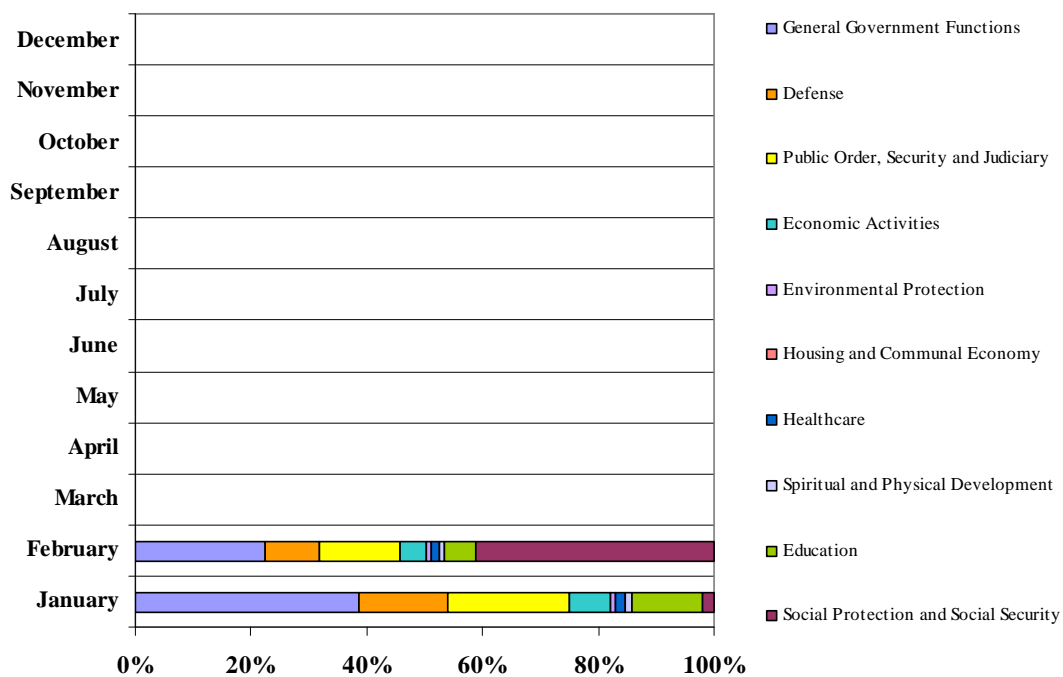


Diagram 17

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



### Monthly Trends of State Budget Expenditures in 2012–2017

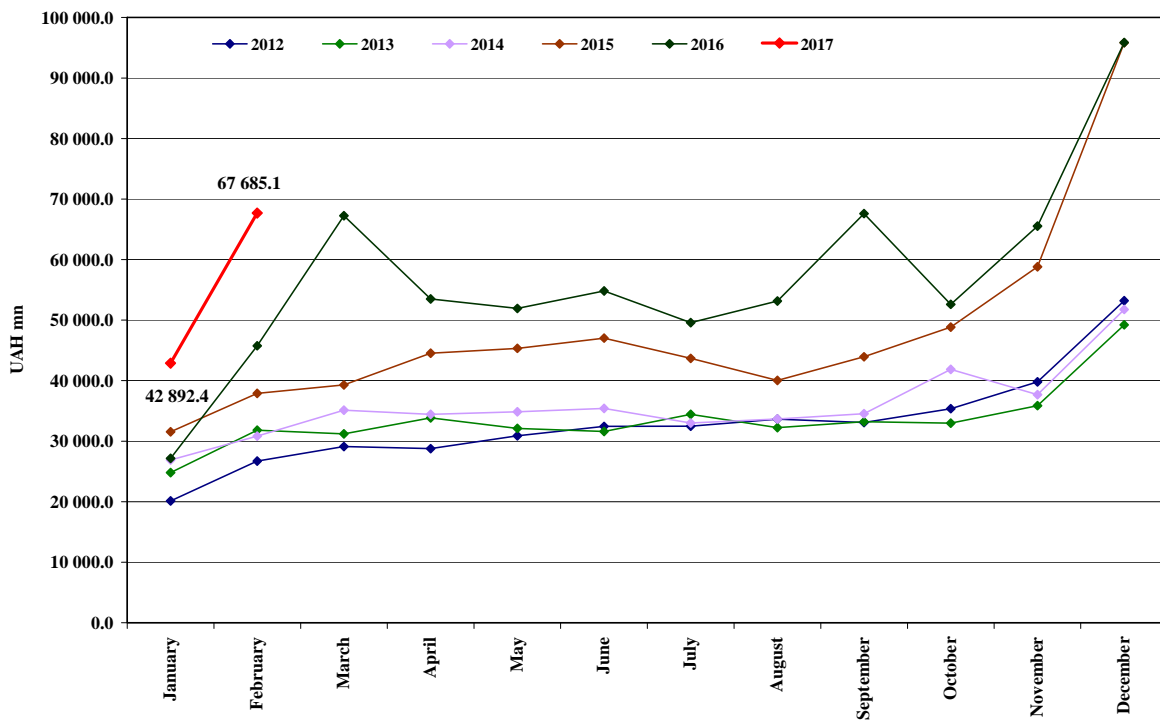
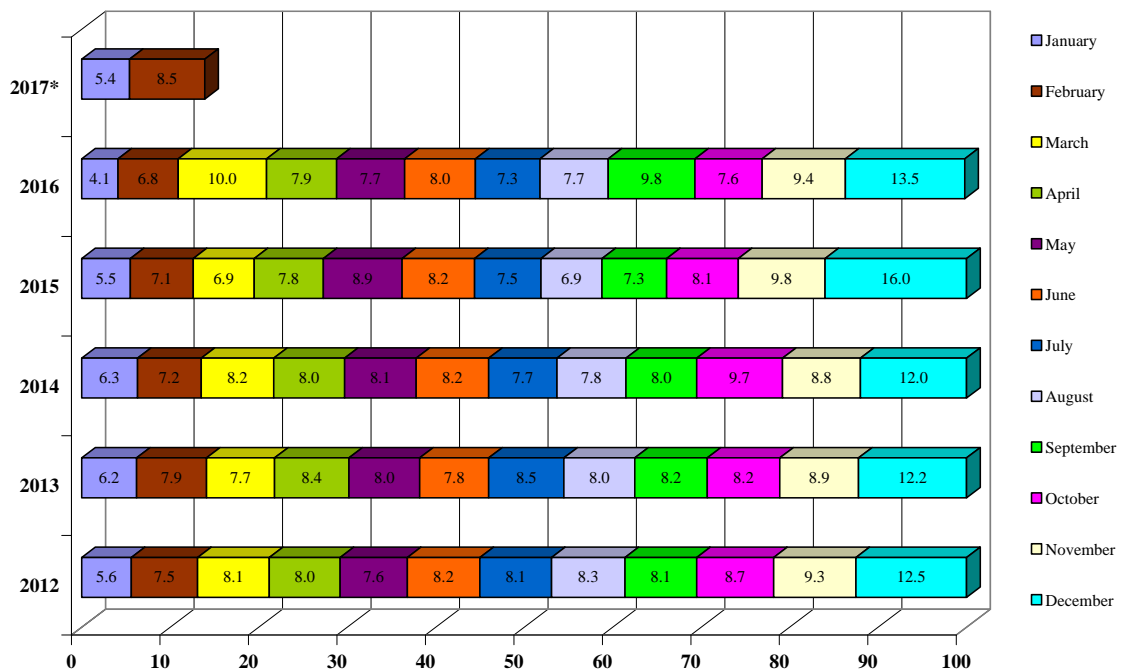


Diagram 18

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

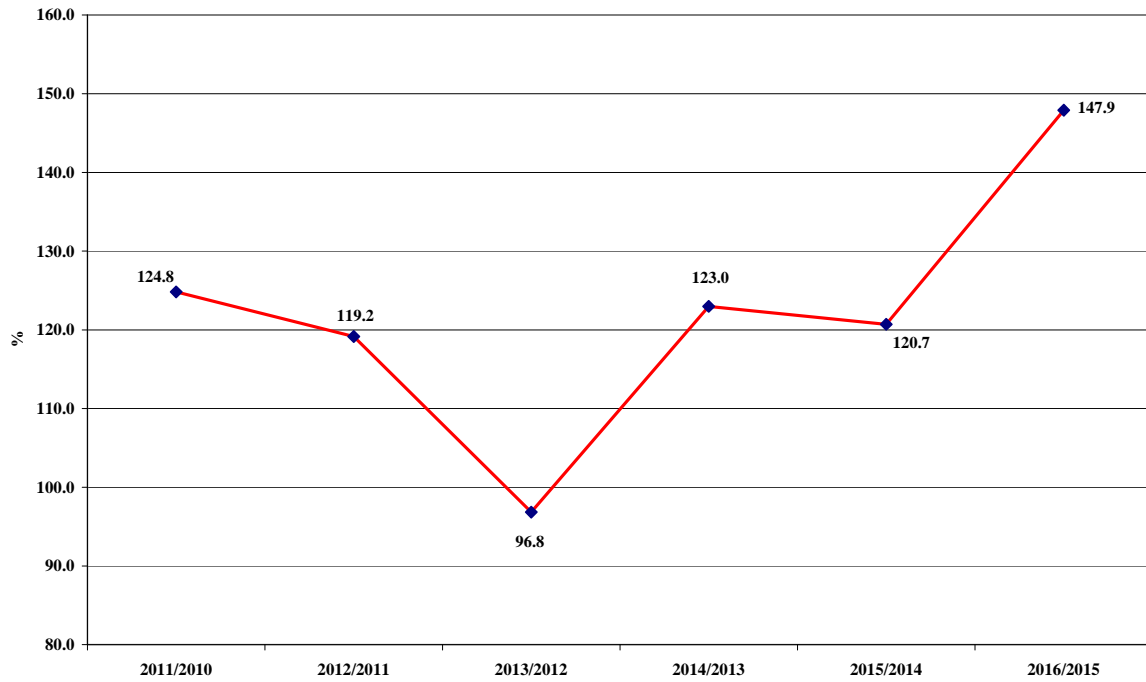


\* A share of total expenditures according to the planned annual index

%

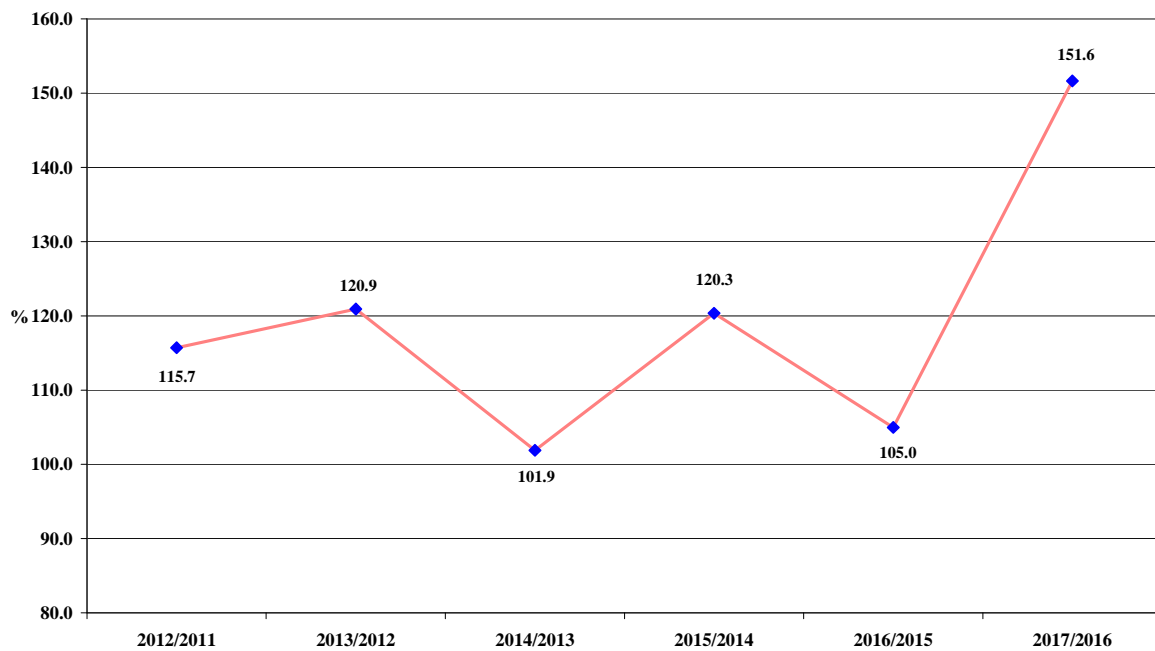
Graph 17

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



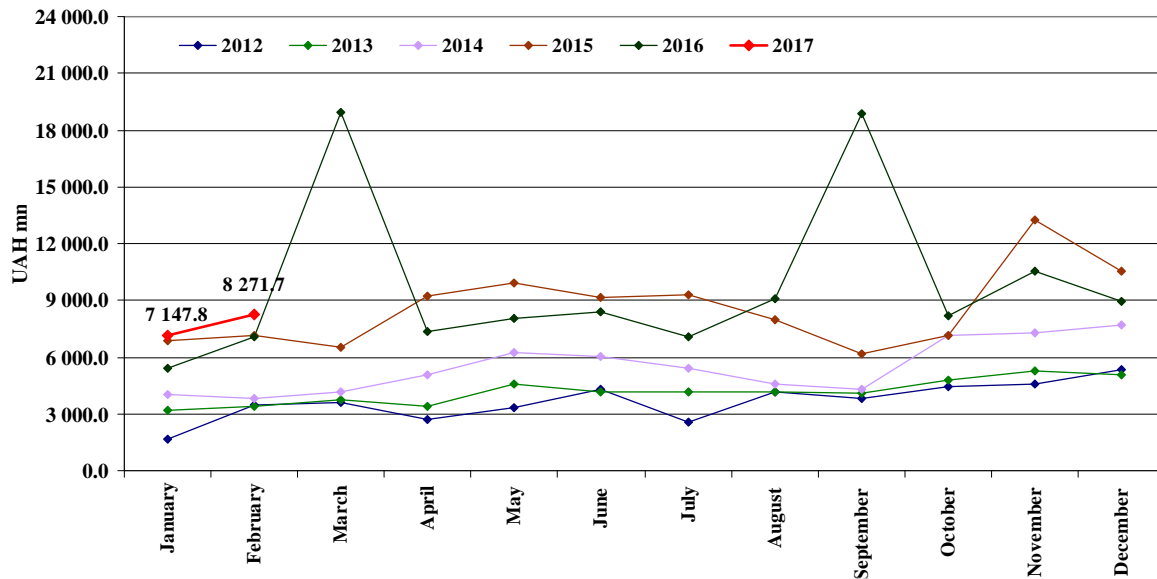
Graph 18

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



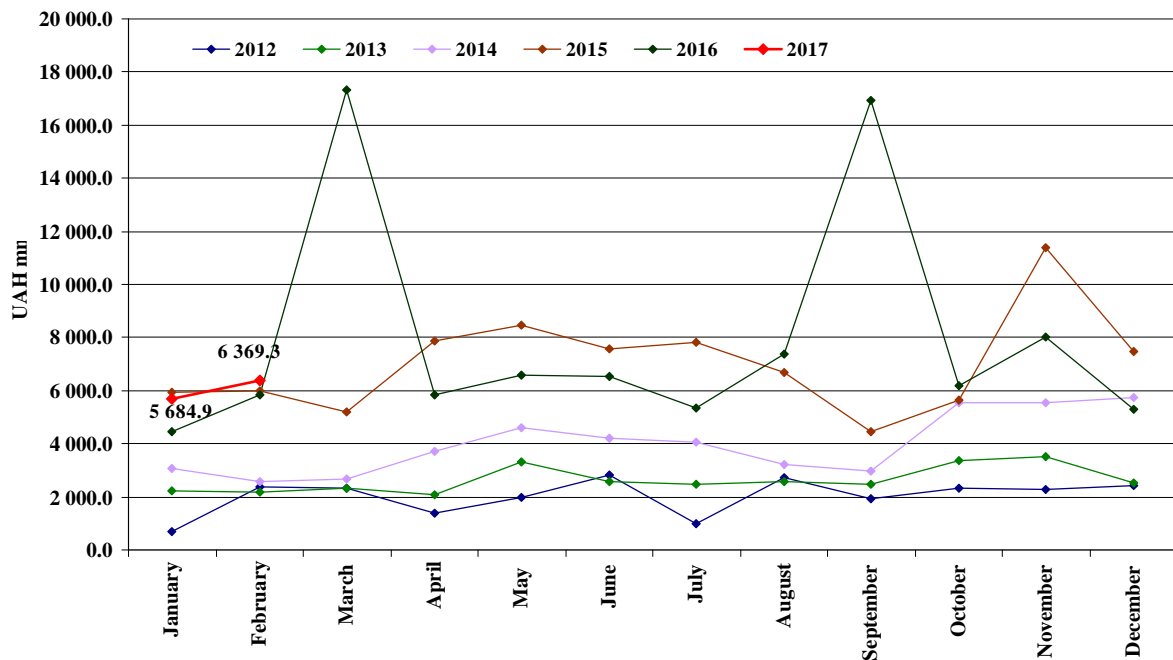
Graph 19

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



Graph 20

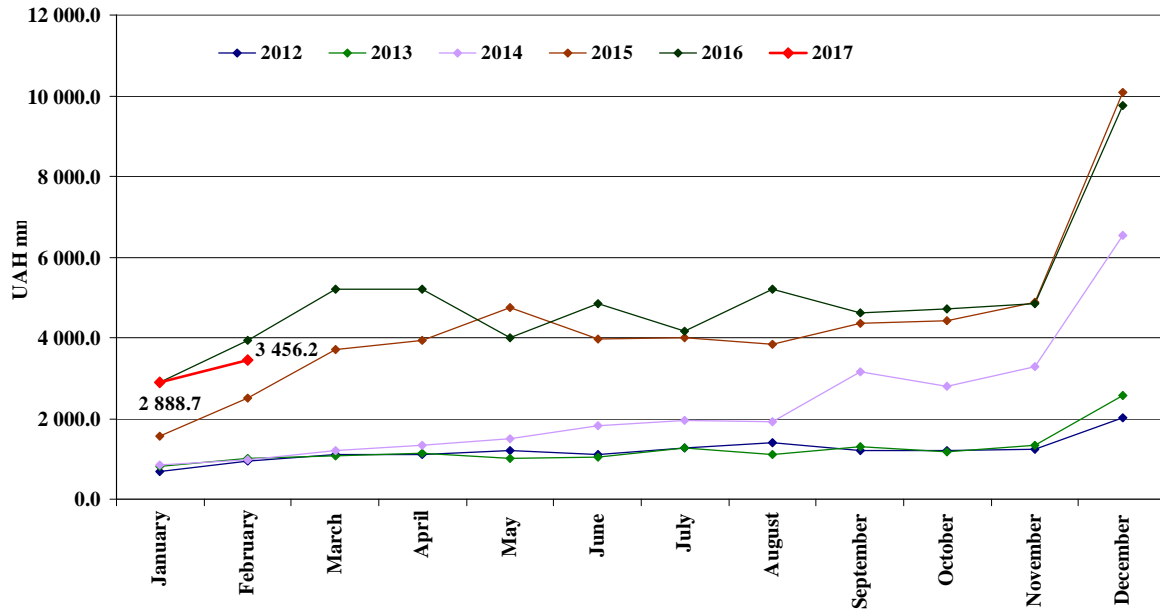
### State Budget Expenditures for Public Debt Servicing, Monthly Trends in 2012-2017





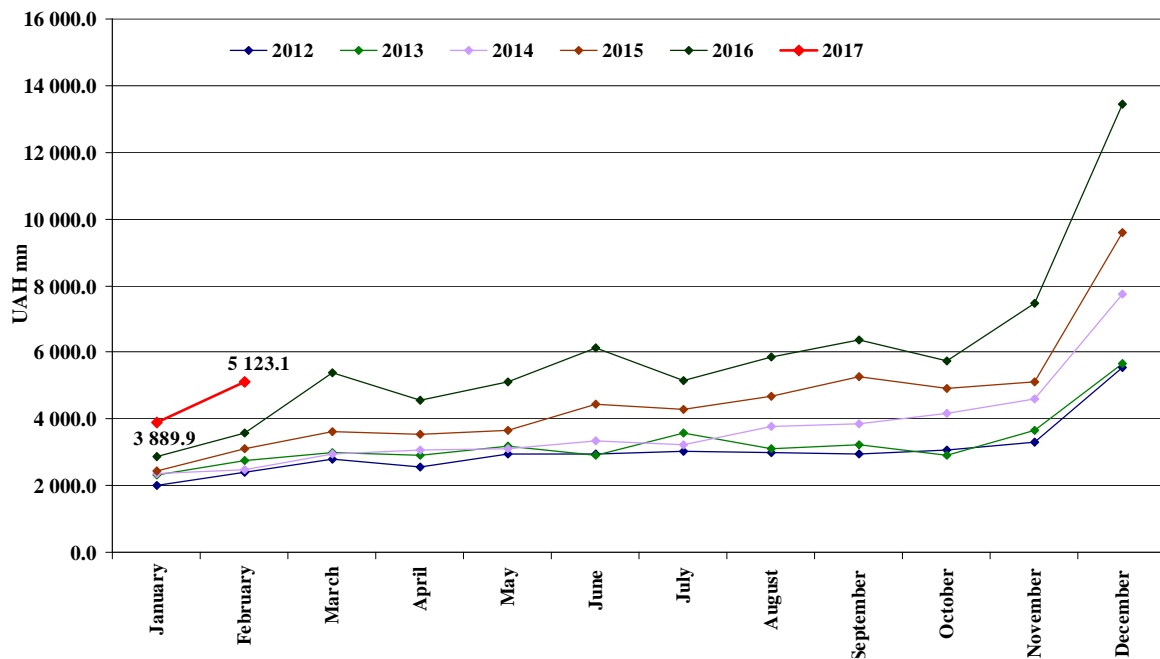
Graph 21

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



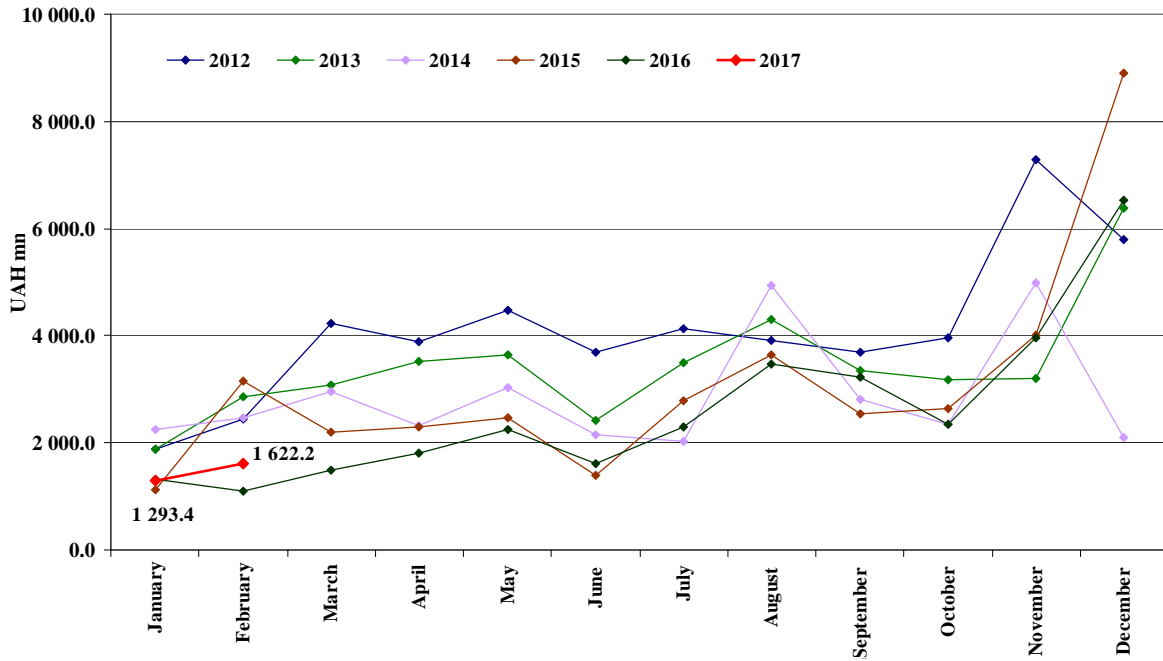
Graph 22

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



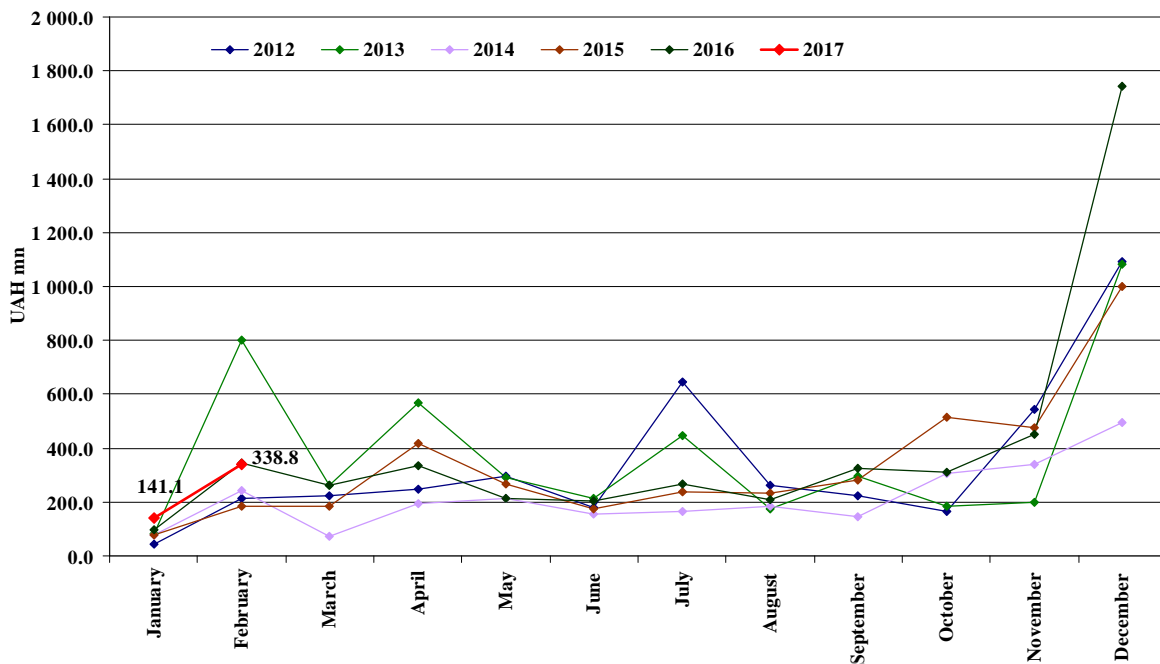
Graph 23

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



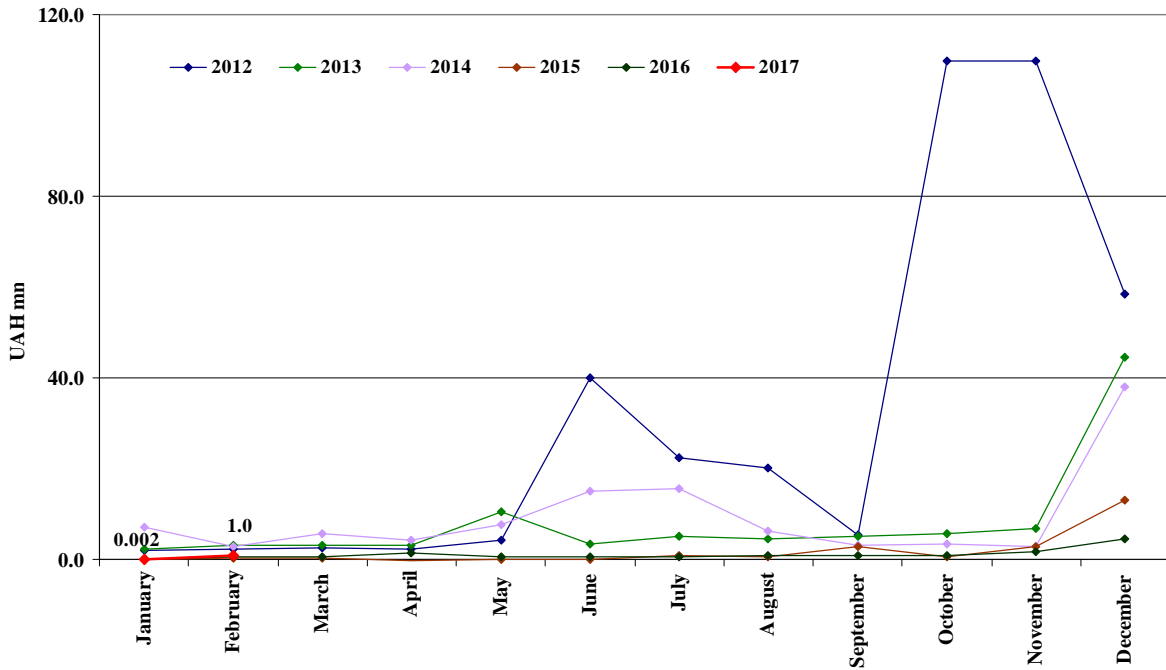
Graph 24

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



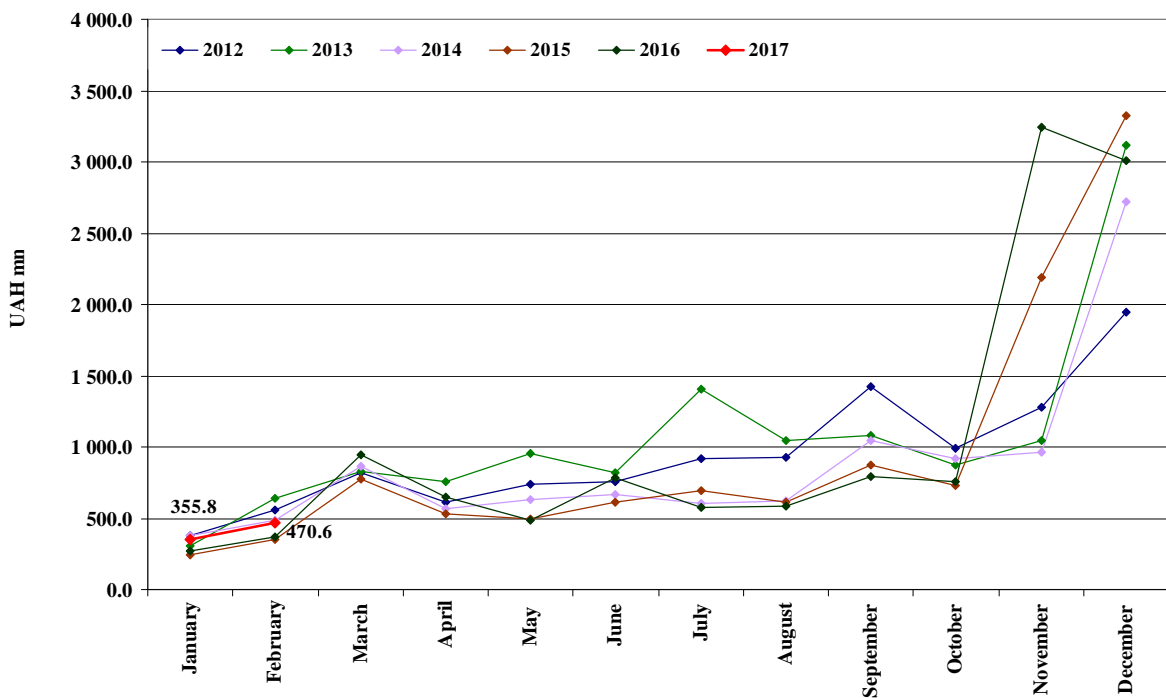
Graph 25

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



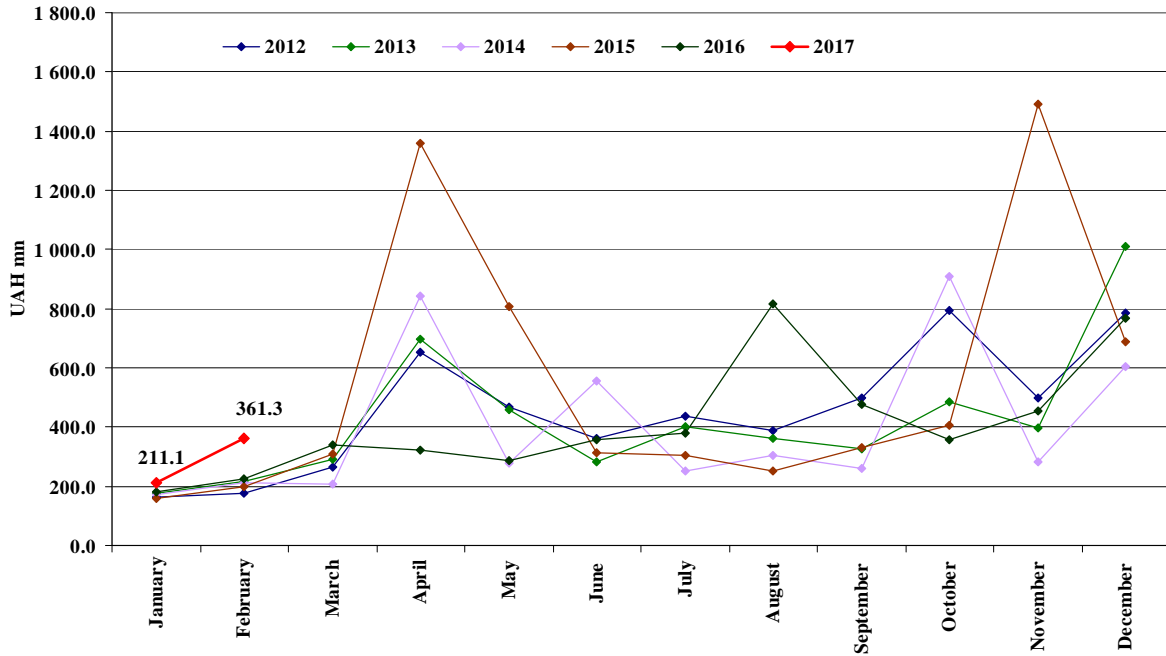
Graph 26

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



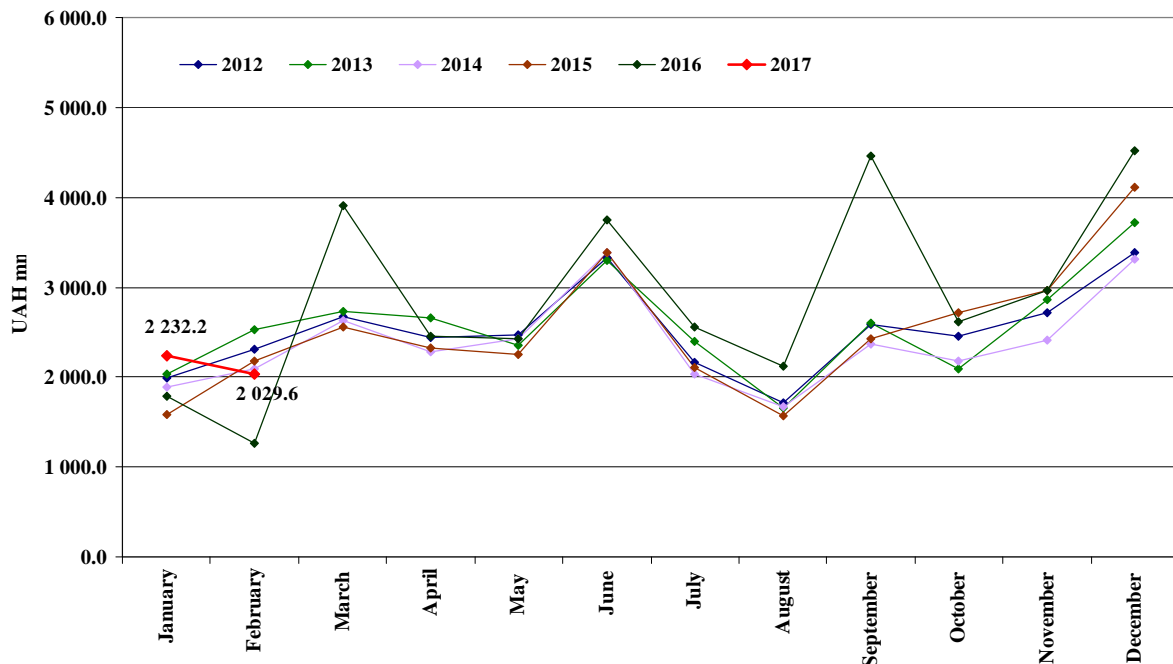
Graph 27

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

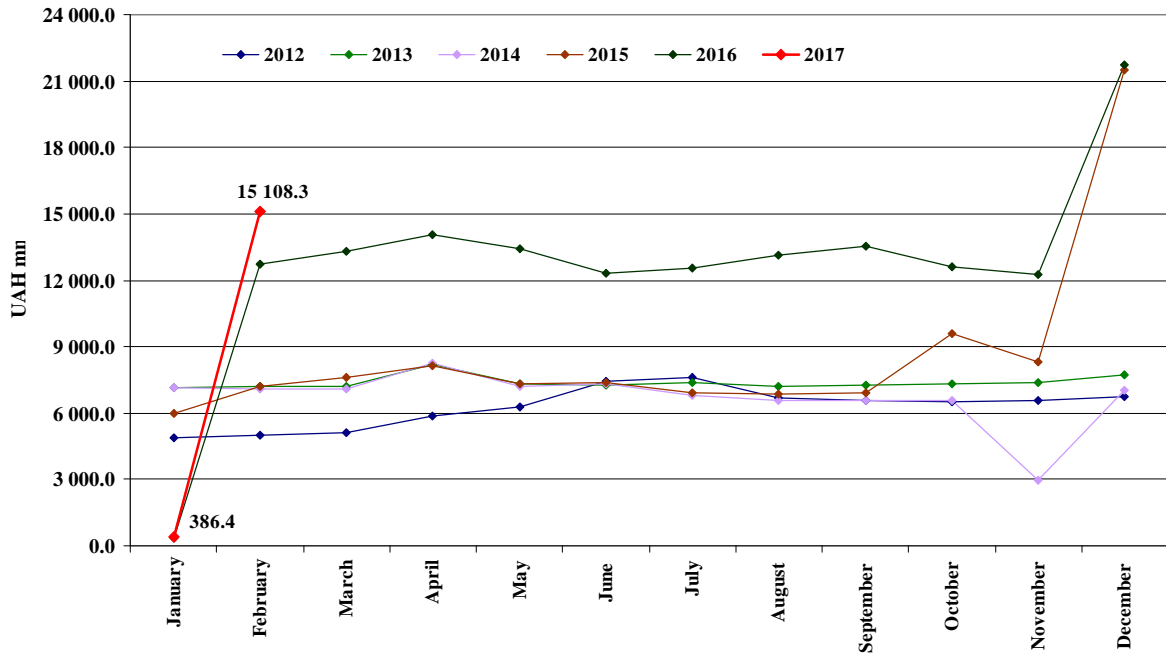


Graph 28

### 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

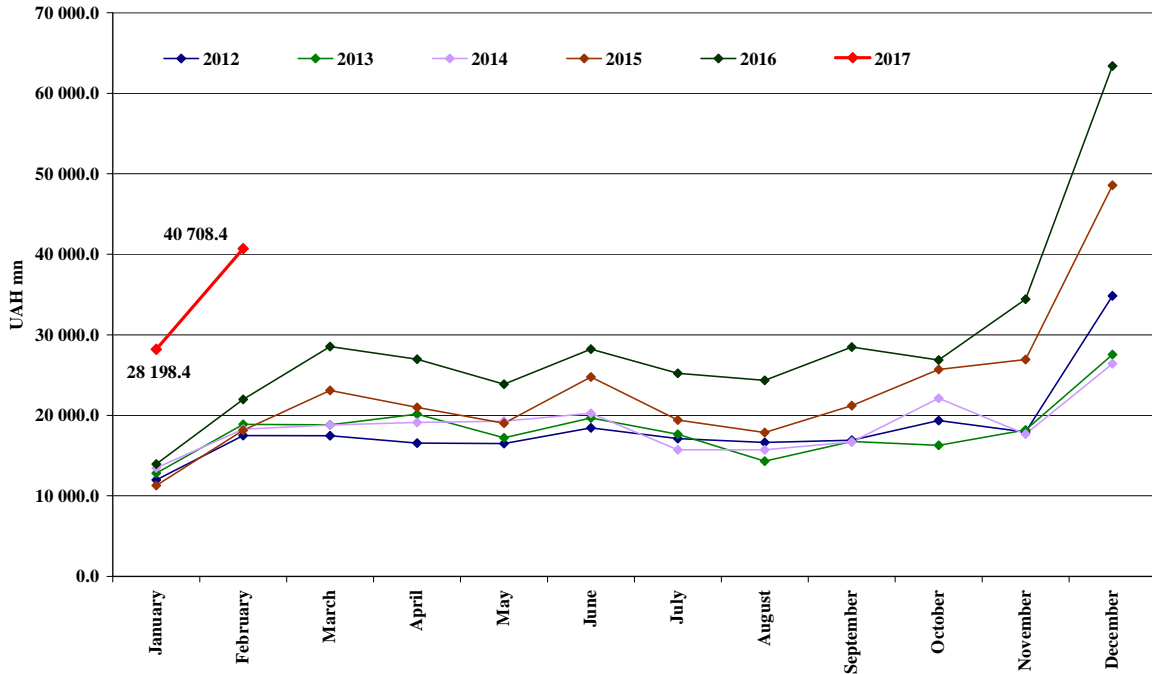
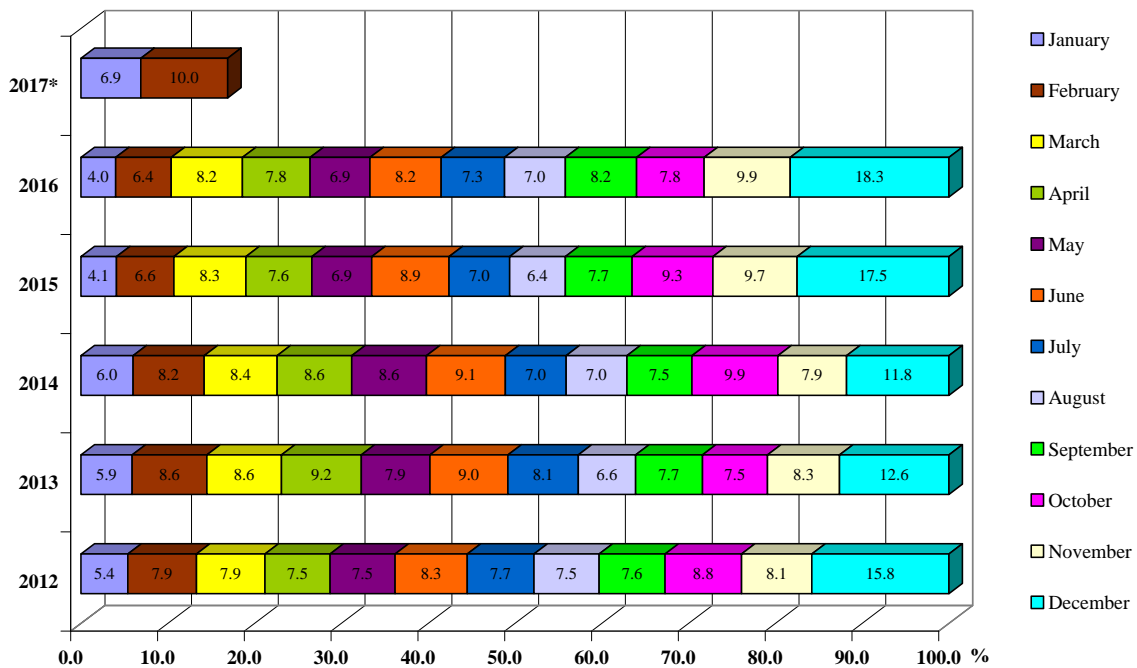


Diagram 19

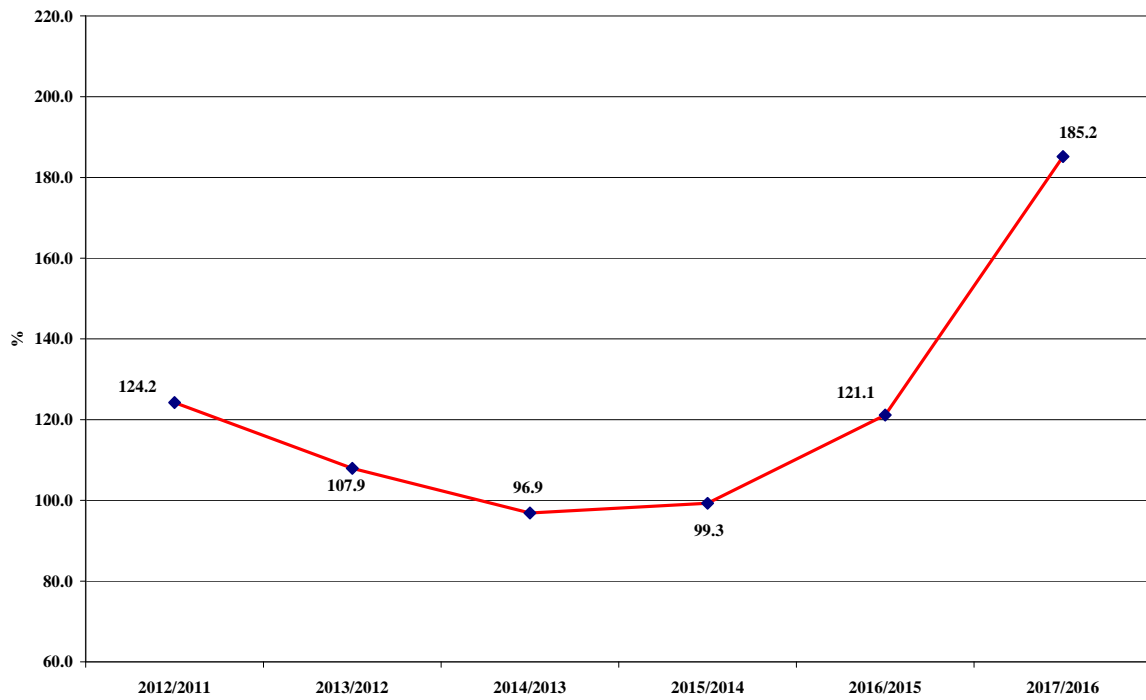
## Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2012–2017



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

Graph 31

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



Graph 32

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

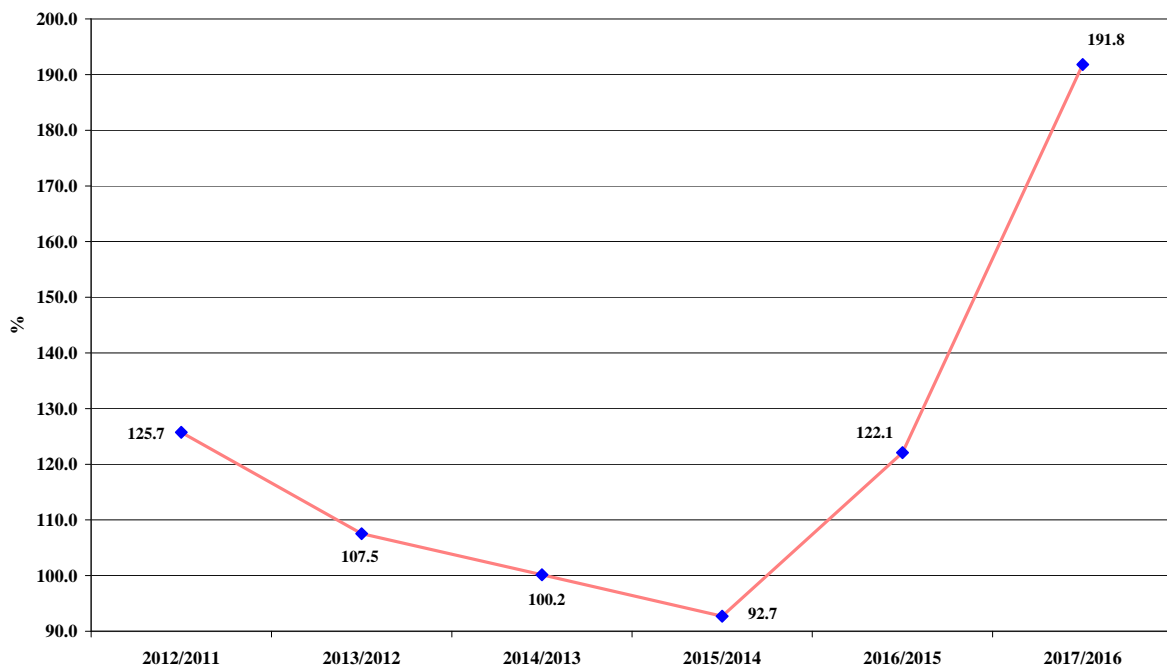


Diagram 20

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

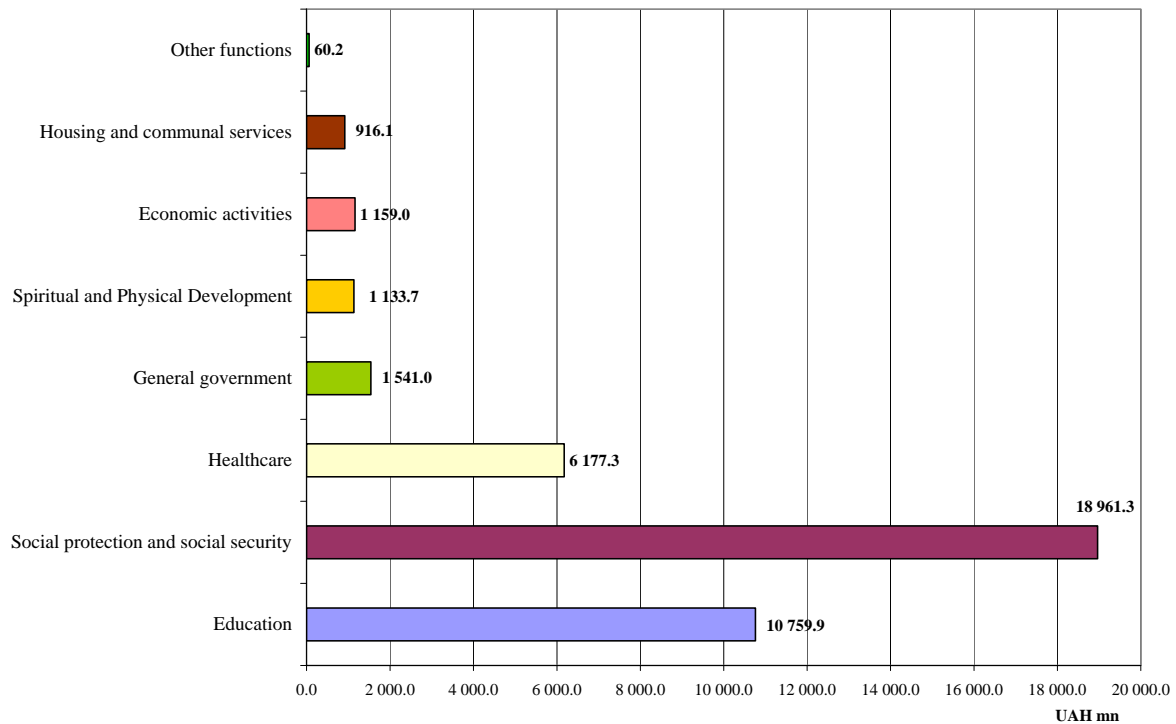
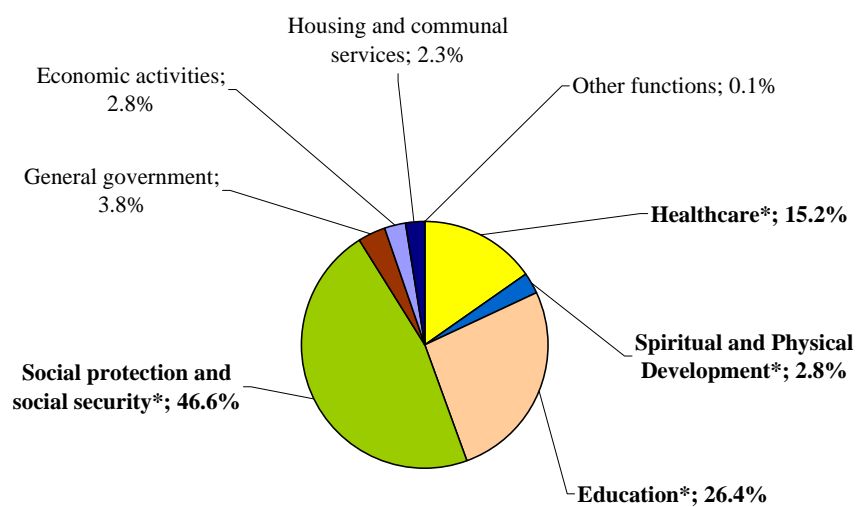


Diagram 21

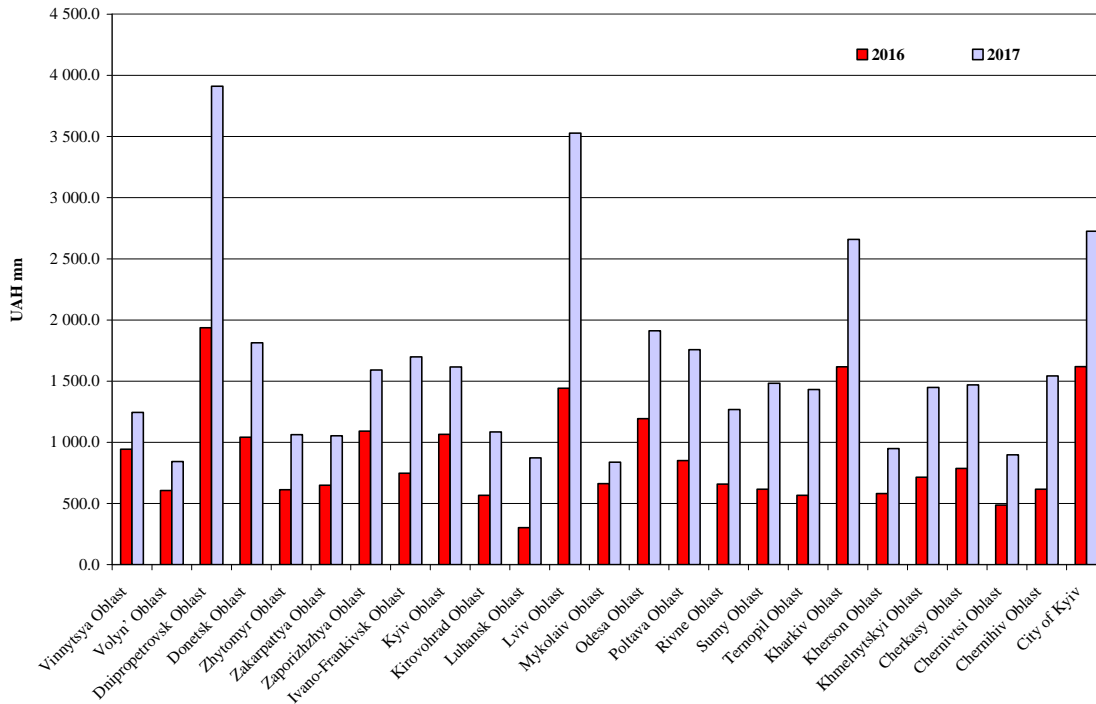
### Structure of Local Budget Expenditures by Functional Classification in February 2017



\* Expenditures for social and cultural sphere - 91.0%



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



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

