

The background of the page is a light blue gradient. It features several overlapping, semi-transparent rectangular frames in various colors (yellow, orange, red, and grey) of different sizes and orientations, creating a complex, abstract geometric pattern.

Monthly Monitoring of Main Indicators of the Budget System of Ukraine as of January 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 782.7bn in 2016, which is UAH 130.8bn or 20.1% more year-on-year.
- **The state budget** received UAH 612.1bn in the same period, which is UAH 80.6bn or 15.2% more year-on-year. This equals 101.2% of the planned amount for the year.

As in 2015, the plan was exceeded for both non-tax (118.2%) and tax revenues (100.3%).

There are unfulfilled plan items, primarily in relation to the proceeds of targeted funds related to confiscated assets and income from the sale of property confiscated pursuant to court rulings for having committed corrupt and related offenses. Overall, it was planned for this source to generate UAH 7.7bn. For the second successive year, this item fails to provide any revenue due to the failure to approve the relevant law. This demonstrates a weakness of the budget legislation and the budgeting process, which permits the inclusion into the list of budget revenues of items that are not envisaged by law. Also, the budget shortfall in the assistance from foreign governments and international organizations amounted to UAH 1.7bn or nearly a quarter of the plan, specifically, as regards to receipts under European Union assistance programs.

As regards tax revenues, an annual plan shortfall was noted concerning the rent for the use of subsoil resources at the amount of UAH 18.4bn or nearly 30.0%. This mainly occurred due to a shortfall in the rent for natural gas extraction (-UAH 11.7bn) and oil (-UAH 1.7bn), which amounted to only 45% of the target, as was the case in 2015. Also, the item "Rent for the use of subsoil resources for the extraction of amber" was left actually unfulfilled, having generated UAH 2.1mn out of the planned UAH 1.5bn, i.e., the annual plan was fulfilled by 0.1%. This result points directly to the failure to legalize the extraction of this type of mineral resource.

The remaining tax sources of budget revenues either met or exceeded their target indicators, which points to some positive developments in the country's economy. For instance, the personal income tax was fulfilled by 106.6% of the plan for the year; enterprise profit tax by 111.9%; value-added tax on imports by 106.0%; excise tax on domestically produced excisable goods by 104.6%; excise tax on import of excisable goods by 120.0%; import duty by 103.8% etc.

Non-tax revenue performance that deserves particular attention includes the nearly doubling of the target for court fees (UAH 3.6bn vs. UAH 1.8bn according to plan), and more than 1.5 times surplus for own-source revenues of government-funded institutions. As was expected, the National Bank of Ukraine managed to remit UAH 14.1bn in the last month of the year, i.e., nearly 40% of the annual target, and thus providing for budget execution for this item.

- **Expenditures of the consolidated budget** totaled UAH 835.6bn in 2016, which is 22.9% or UAH 155.8bn more than in 2015. In December 2016, expenditures amounted to UAH 133.8bn, which is 13.1% or UAH 15.5bn more than in December 2015.

The amounts of consolidated budget expenditures for nearly all items by functional classification increased in 2016 compared to 2015.

The highest growth (up 61.4% compared to December 2015) is in expenditures for environmental protection, which reached UAH 2.2bn. Expenditures grew significantly for public order, security, and the judiciary (40.5%); as well as in those for general government functions (33.5%); spiritual and physical development (31.0%); economic activity (26.5%); educational (21.7%); social protection and social security (13.3%); and healthcare (11.4%). Expenditures fell in the housing and communal service sector (32.6%) and defense (3.2%).

- The actual **expenditures of the state budget of Ukraine** totaled UAH 684.7bn in 2016, which is 18.7% or UAH 107.9bn more year-on-year. In December 2016, expenditures totaled UAH 95.8bn or at the 2015 level.

In terms of expenditures by **functional classification**, the following changes were observed compared by December 2015:

- expenditures for general government functions (without the expenditures for state debt servicing) increased by 19.0% to UAH 3.6bn. Expenditures for state debt servicing totaled UAH 5.3bn, down 28.9% year-on-year;
- expenditures for defense decreased by 3.1% to UAH 9.7bn;
- expenditures for public order, security, and the judiciary increased by 40.4% to UAH 13.5bn;
- expenditures for economic activity decreased by 26.8% to UAH 6.5bn;
- expenditures for environmental protection increased by 74.7% to UAH 1.7bn;
- expenditures for housing and communal services decreased by 66.1% to UAH 4.4mn;
- expenditures for healthcare decreased by 9.6% to UAH 3.0bn;
- expenditures for spiritual and physical development increased by 12.1% to UAH 769.2mn;
- expenditures for education increased by 9.7% to UAH 4.5bn;
- expenditures for social protection and social security increased by 1.0% to UAH 21.7bn.

Expenditures for financing the pensions, bonuses, and extras to the pensions awarded under pension programs, and for covering the Pension Fund deficit totaled UAH 19.8bn in December 2016, which is 0.4% less year-on-year.

- The state budget receipts **from repaid loans** totaled UAH 39.9mn in December 2016, including General Fund receipts of UAH 18.6mn,

In December 2016, the **loans provided** from the state budget totaled UAH 1.6bn.

The state budget deficit amounted to UAH 24.6bn this month.

In December 2016, **repayment of the state budget debt principal** totaled UAH 5.8bn, including internal debt repayments of UAH 5.7bn and external debt repayments of UAH 66.6mn.

Public borrowing was incurred at the amount of UAH 131.7bn, including UAH 129.8bn borrowed on the internal market, with UAH 1.9bn **received in loans** from external sources, which have been credited to a special fund for financing joint development projects with international financial institutions.

The state budget received UAH 105.4mn from the **privatization of state property** in December 2016.

- **Total local budget revenues (without inter-budget transfers)** amounted to UAH 170.6bn in 2016, which is 41.7% more year-on-year. The plan approved by local councils with amendments was fulfilled by 110.4%.

Those revenues totaled more than UAH 18.2bn in December 2016, which is 43.8% more year-on-year. As usual, the personal income tax was the single largest source of local budget revenues, with UAH 9.3bn generated in December. Local taxes and charges provided a total about UAH 3.0bn.

Revenue grew in all regions, with Odesa Oblast growing the most (76.2% year-on-year) and Volyn Oblast growing the least (3.8%).

- **Local budget expenditures (without inter-budget transfers)** totaled UAH 346.2bn in 2016, which is 25.0% more than in 2015. The plan approved by local councils with amendments was fulfilled by 93.1%.
- In December 2016, expenditures increased by 30.5% against December of 2015 and reached UAH 63.4bn. The majority of local budget expenditures were allocated for social protection and social security, education, and healthcare, and those items amounted to UAH 17.0bn (or 26.9% of all local budget expenditures), UAH 15.8bn (or 24.9%), and UAH 10.9bn (17.2%), respectively.
- By region, expenditures grew the most in the city of Kyiv, at 72.7% more year-on-year. At the same time, expenditures decreased by 4.4% year-on-year in Donetsk Oblast.

State Budget Revenue

Graph 1

State Budget Total Revenue Monthly Trends in 2011–2016 (Less Intergovernmental Transfers)

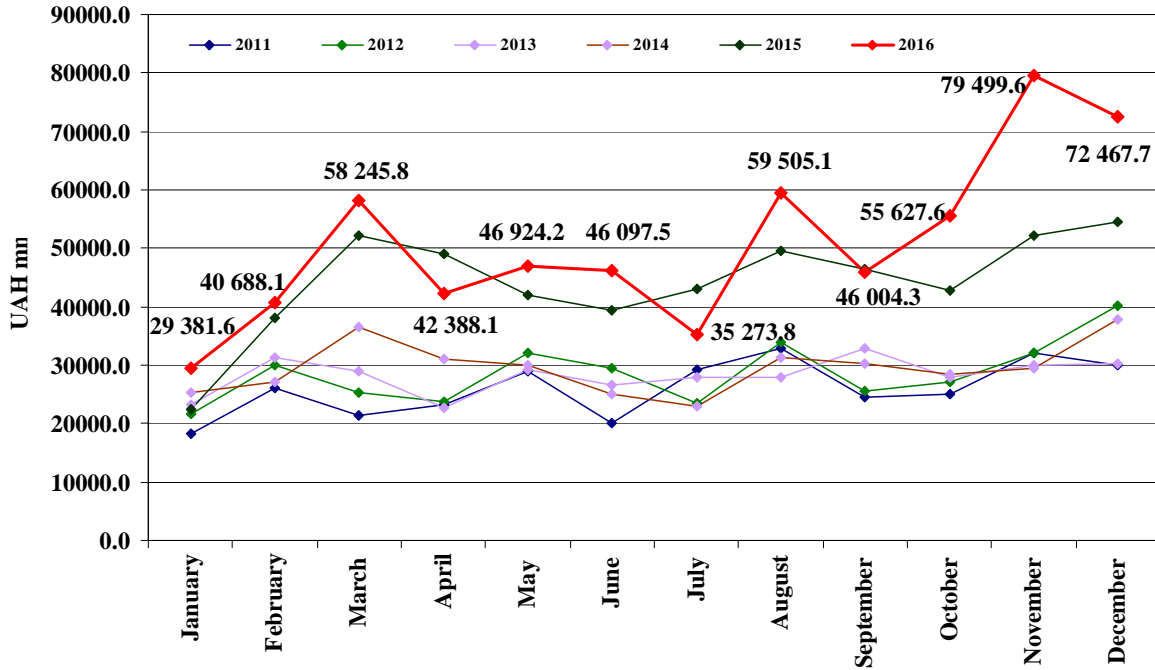
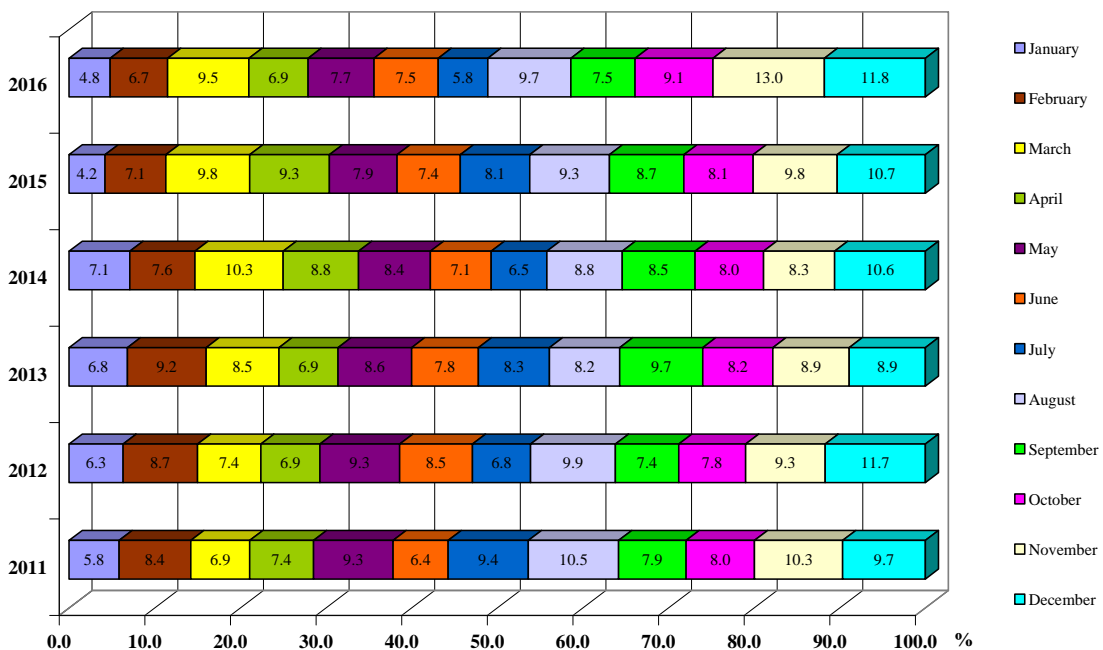


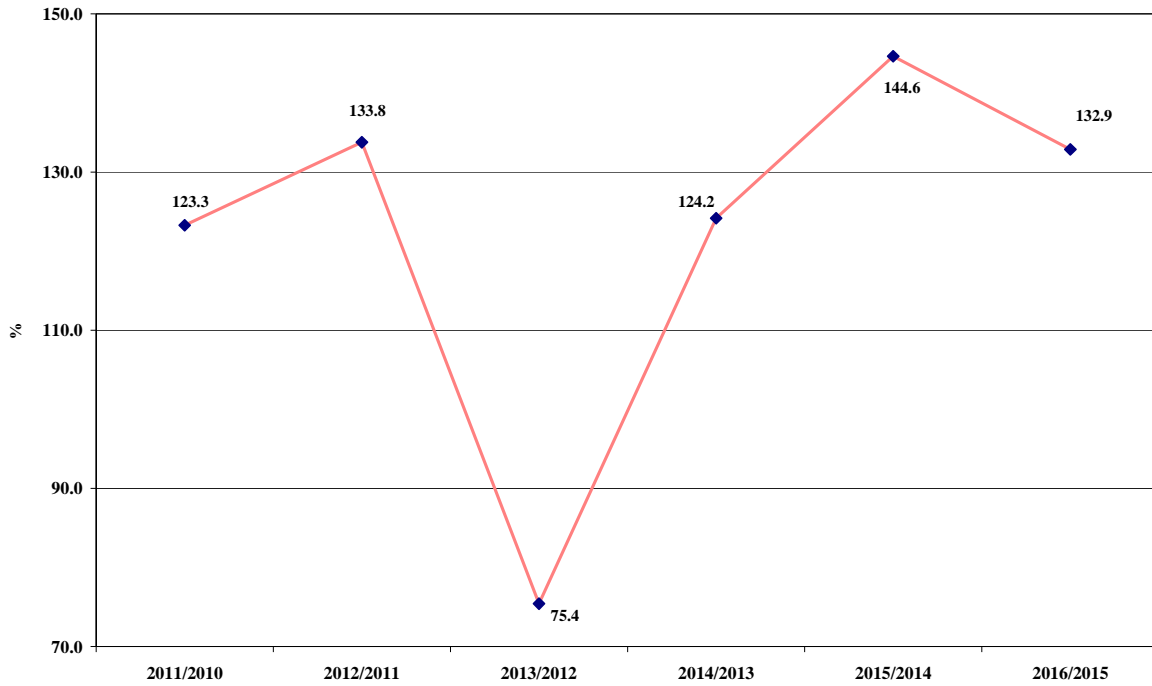
Diagram 1

Dynamics of the Share of Ukraine's State Budget Revenue in Annual Amounts in 2011–2016



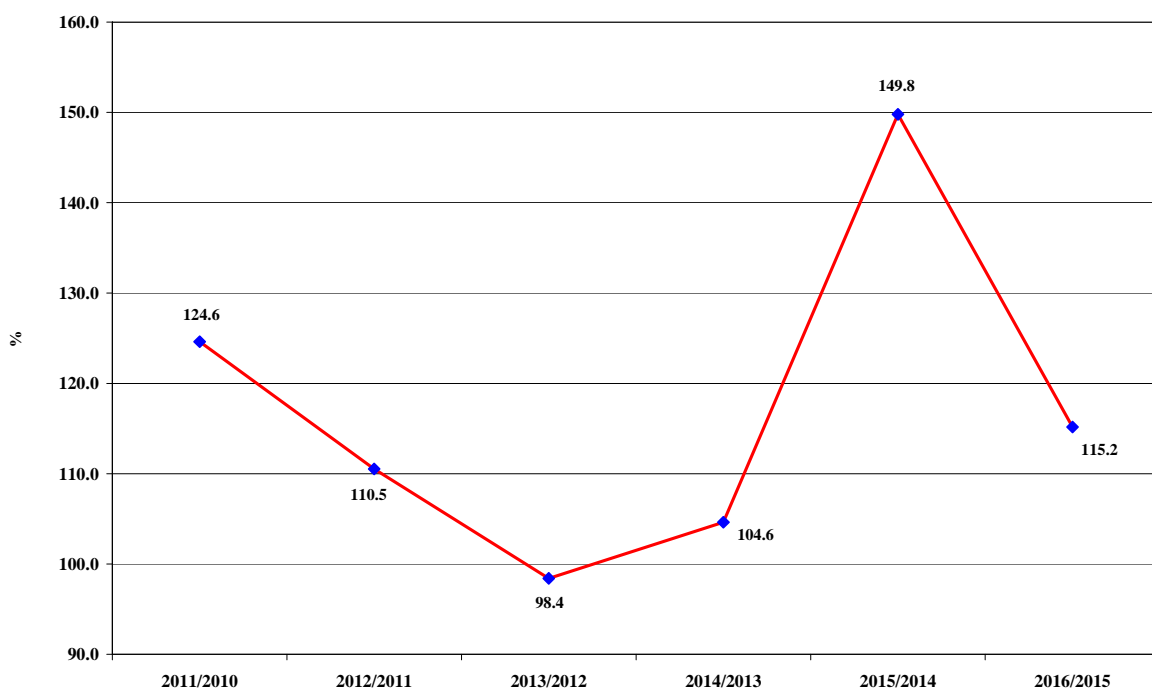
Graph 2

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



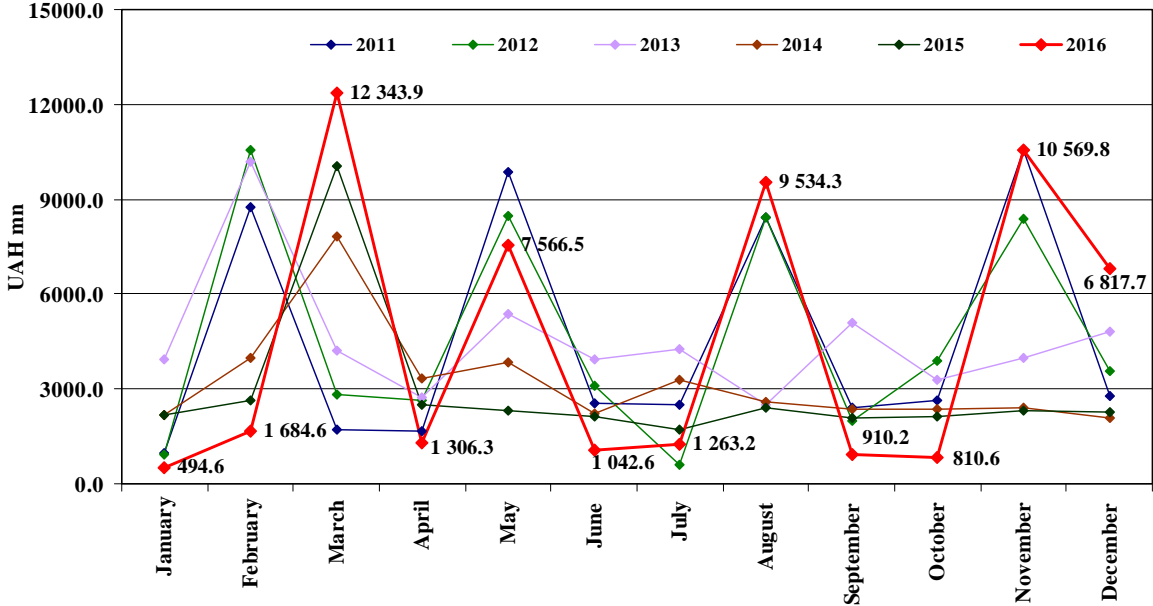
Graph 3

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



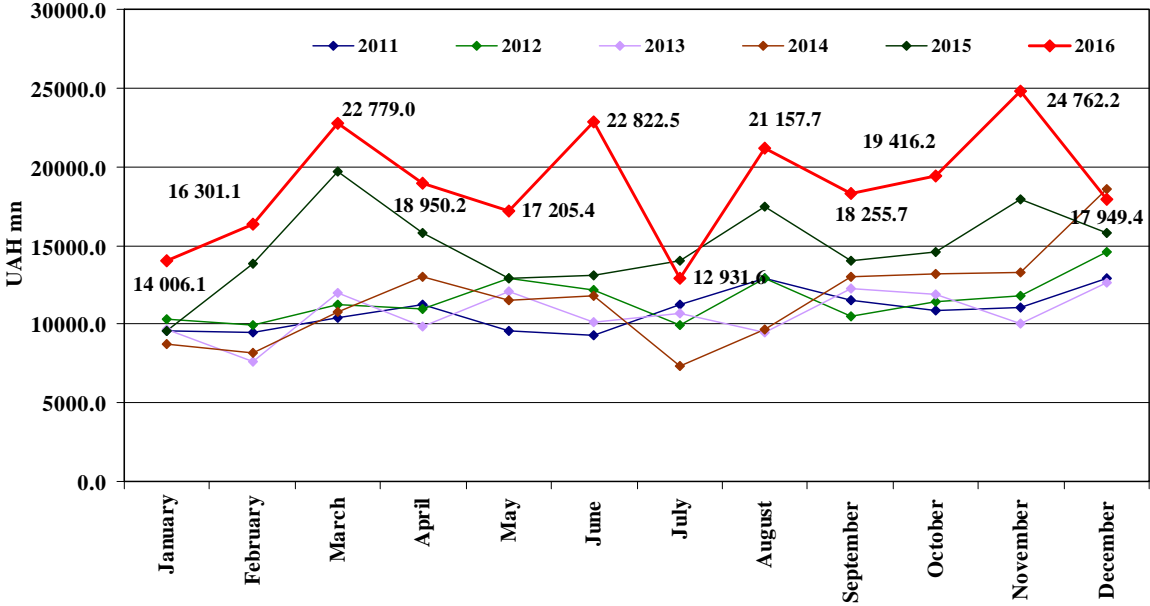
Graph 4

State Budget Enterprise Profit Tax Monthly Trends in 2011–2016



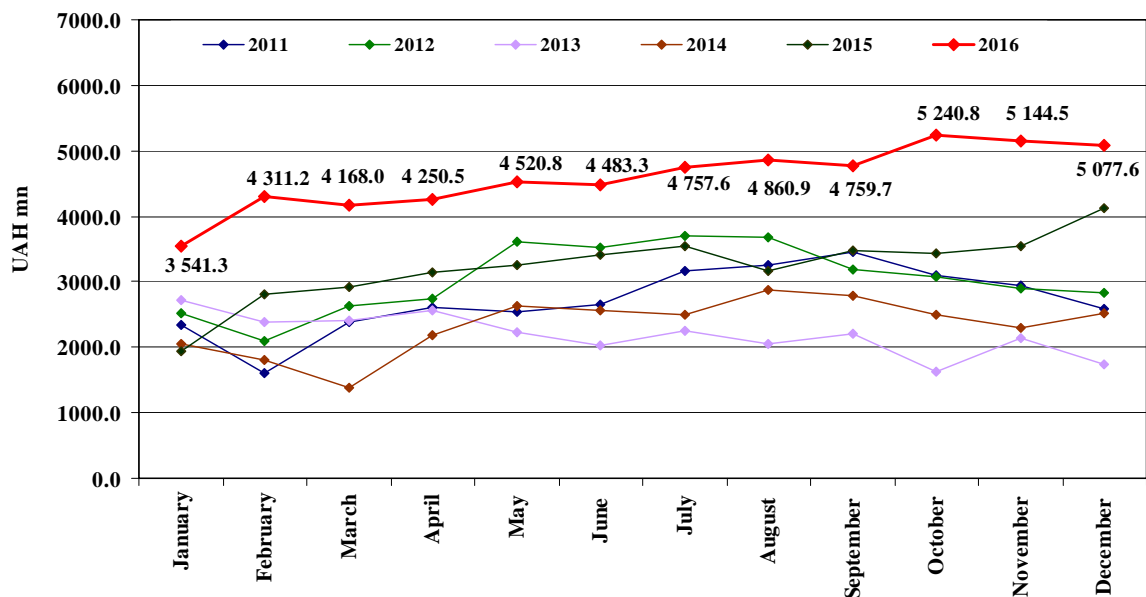
Graph 5

State Budget Value Added Tax Monthly Trends in 2011–2016



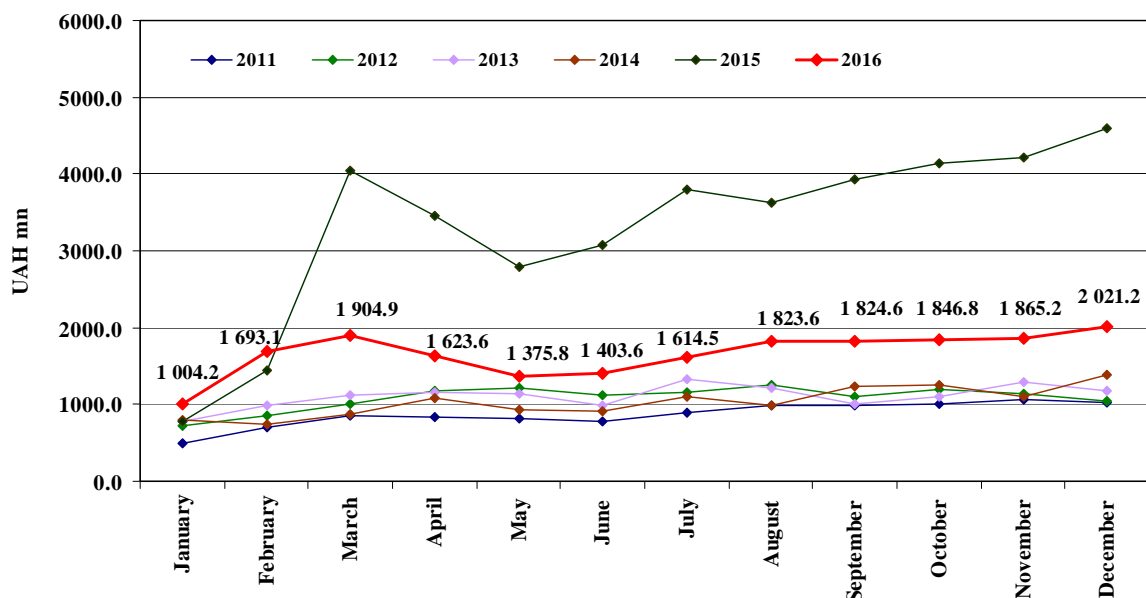
Graph 6

Dynamics of Monthly State Budget Revenues from Excise Tax on Excisable Goods Made in Ukraine in 2011–2016



Graph 7

Dynamics of Monthly State Budget Revenue from Import Duties in 2011–2016



Local Budget Revenue

Graph 8

Local Budget Revenue Monthly Trends (Less Intergovernmental Transfers) in 2011–2016

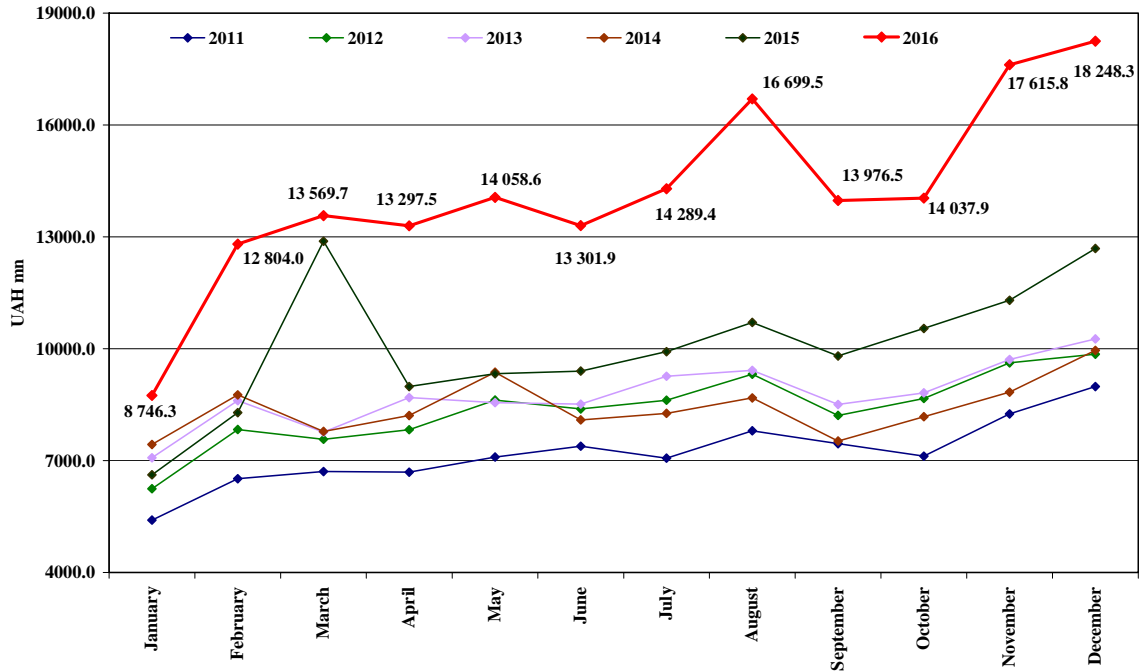
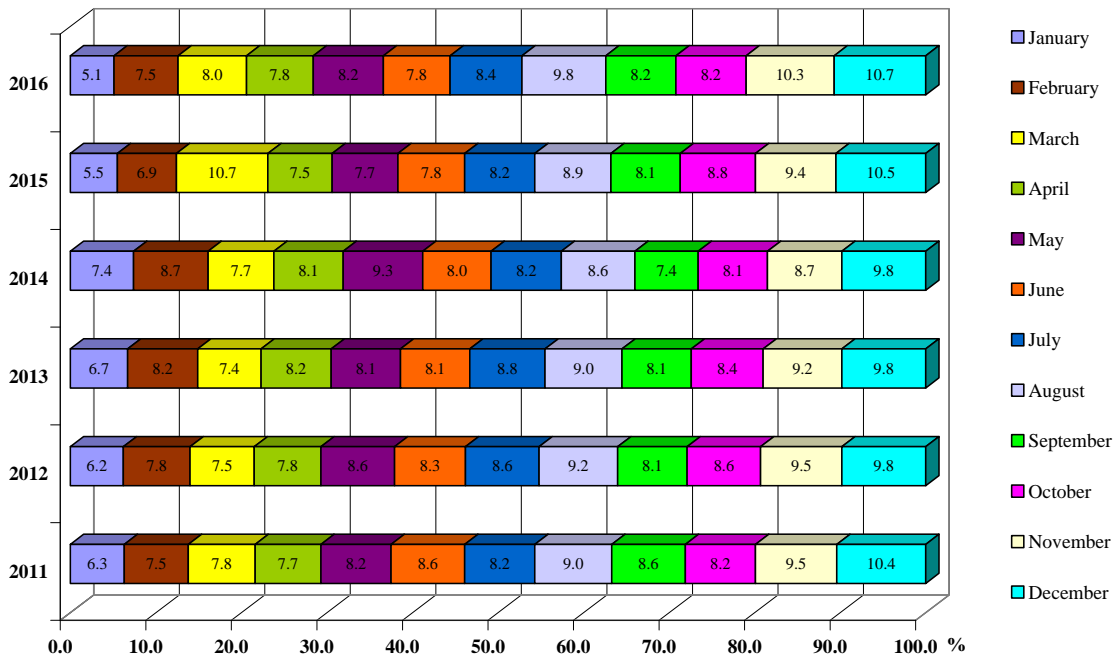


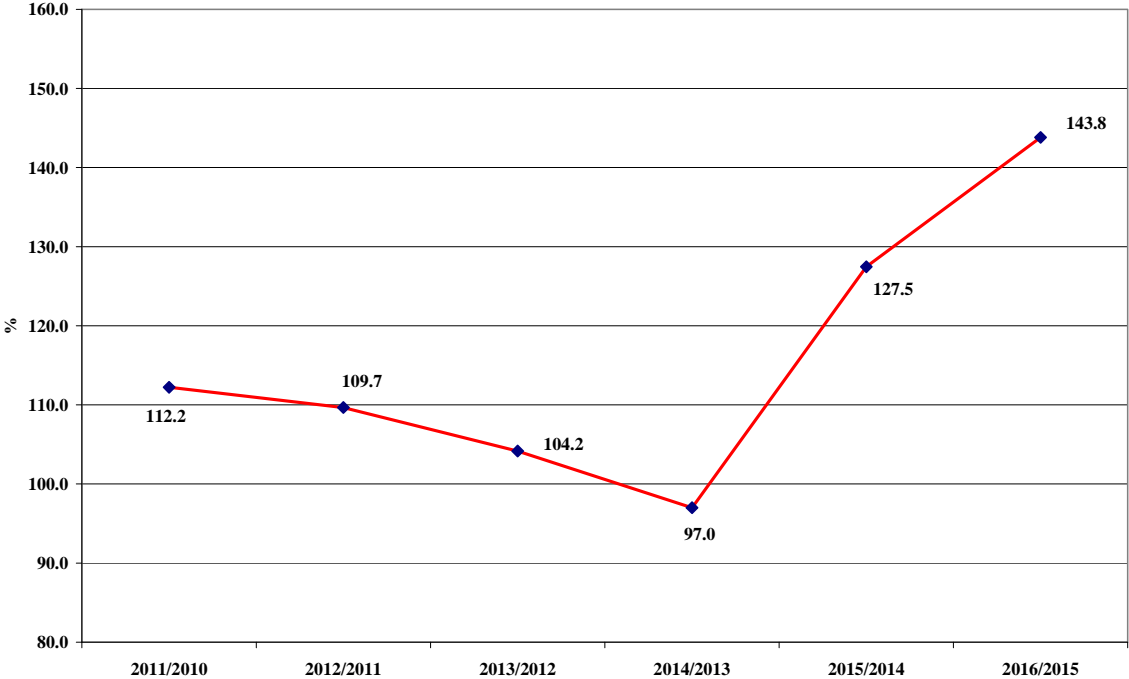
Diagram 2

Dynamics of the Share of Local Budget Revenue in Annual Amounts in 2011–2016



Graph 9

Growth Rates of Local Budget Revenue in December 2011–2016



Graph 10

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

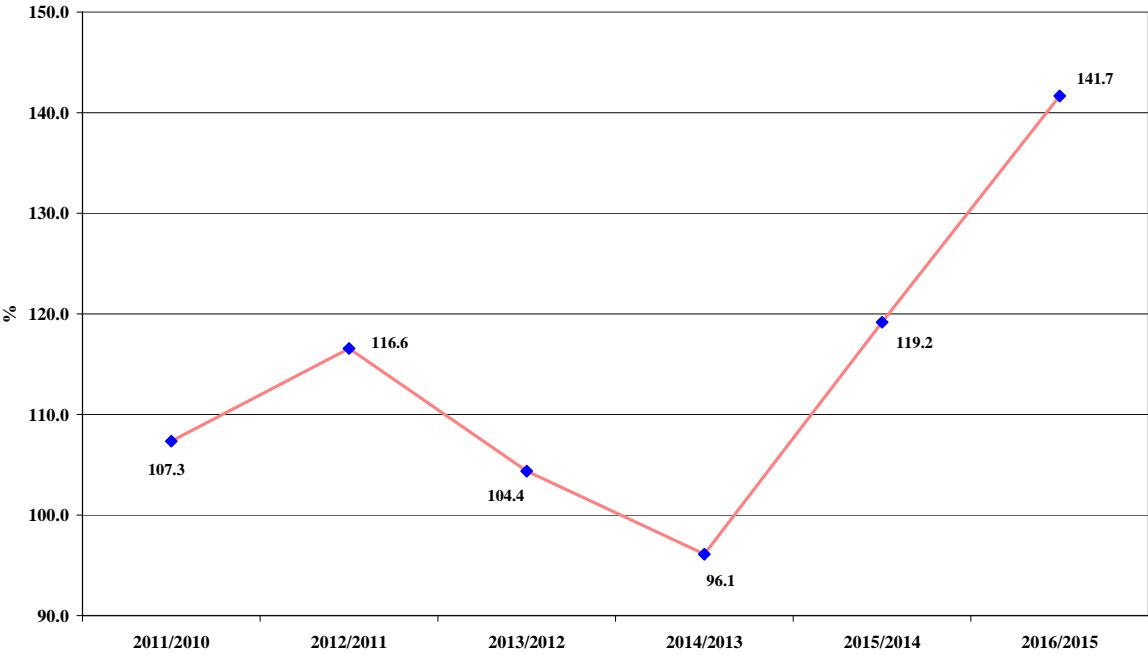


Diagram 3

Local Budget Revenue in December 2016

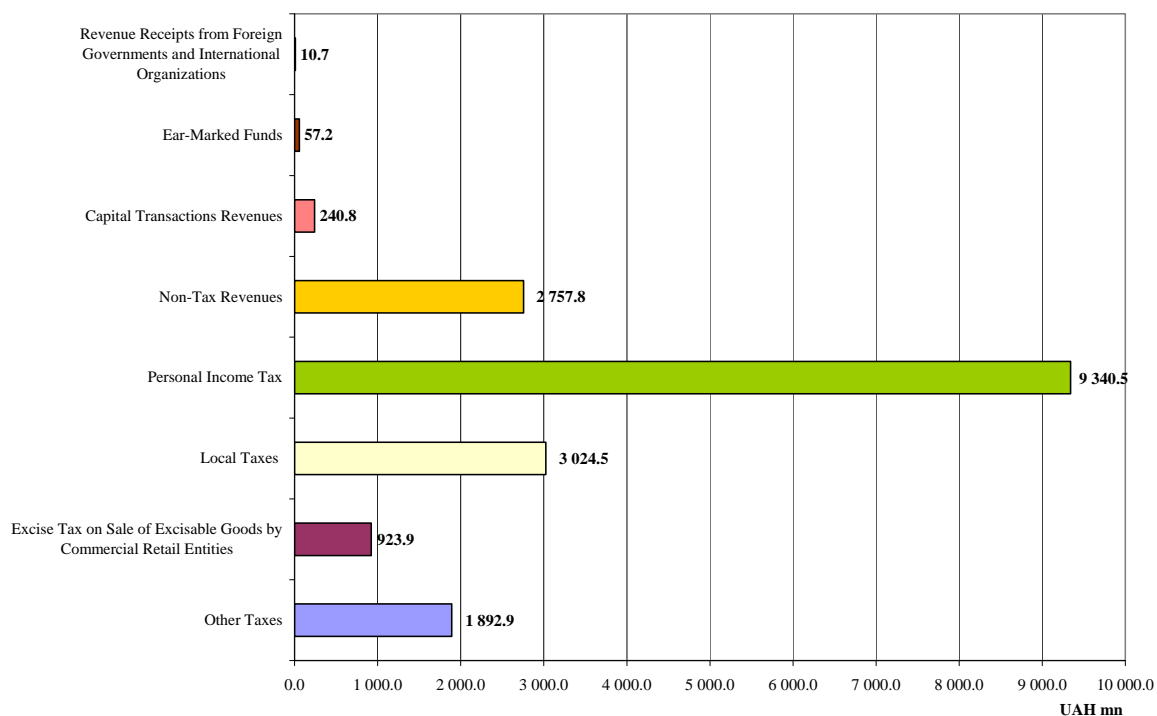


Diagram 4

Structure of Local Budget Revenues in December 2016

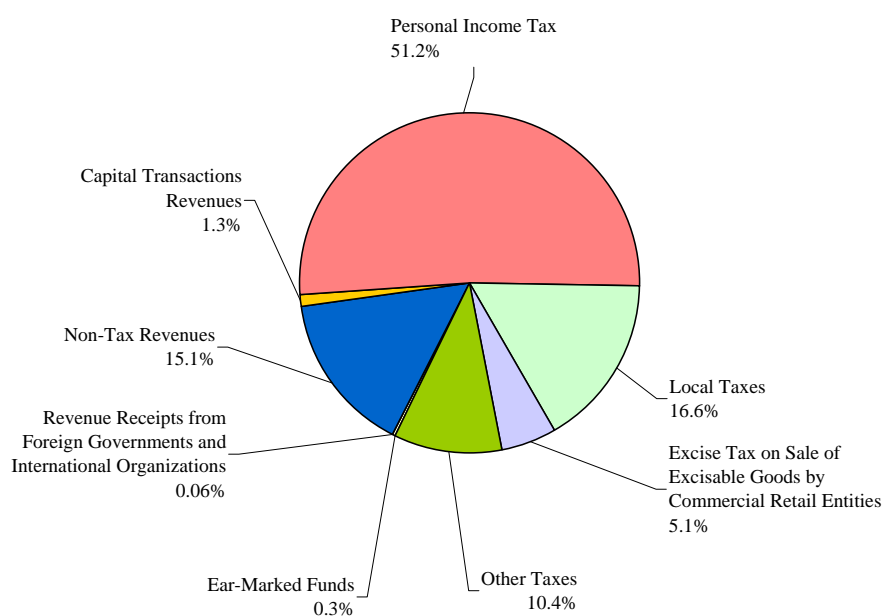
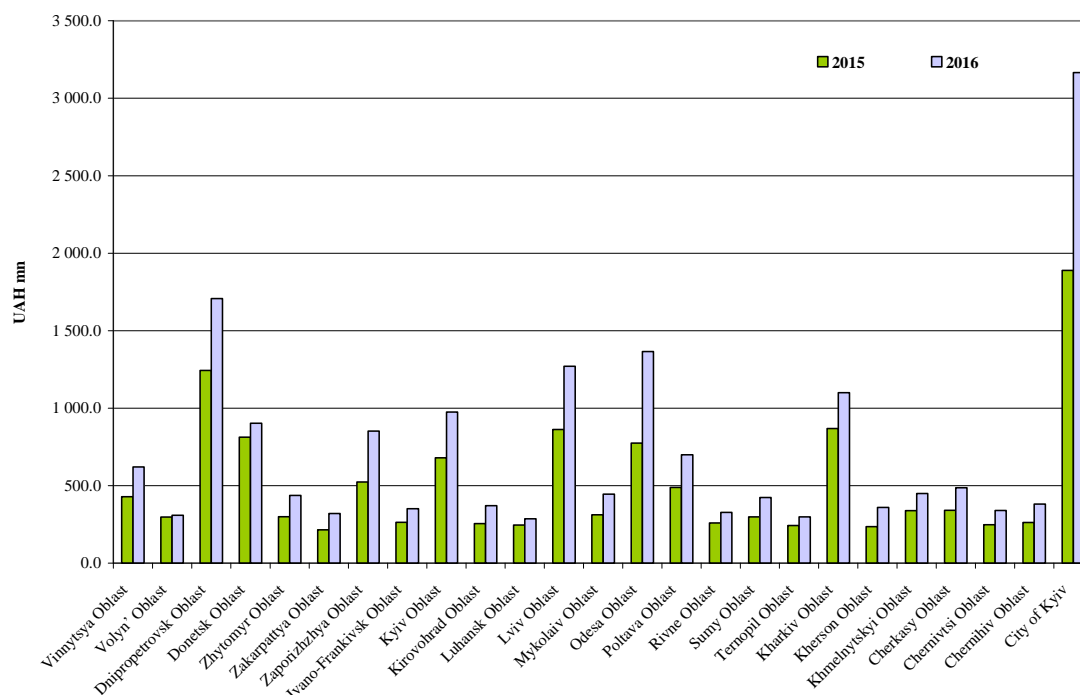


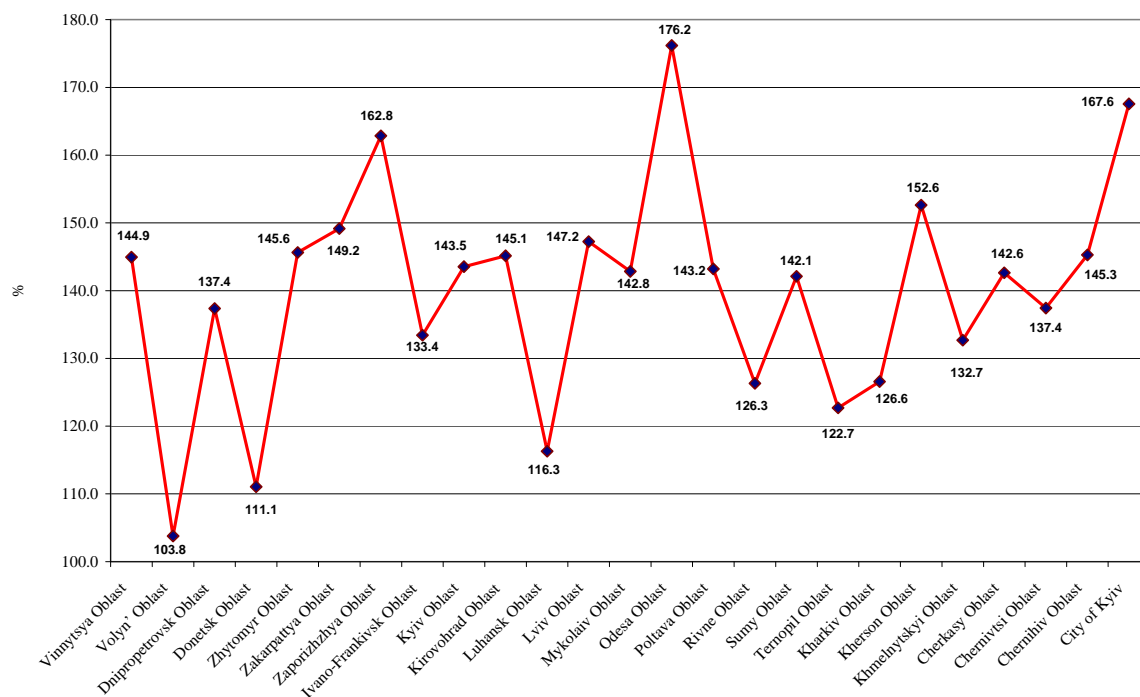
Diagram 5

Regional Distribution of Local Budget Revenue in December 2015–2016



Graph 11

Local Budget Revenues Growth Rate by Region in December 2016 (% vs. previous year)



State Budget Deficit

Diagram 6

Budget Deficit/Surplus, Monthly Trends in 2011

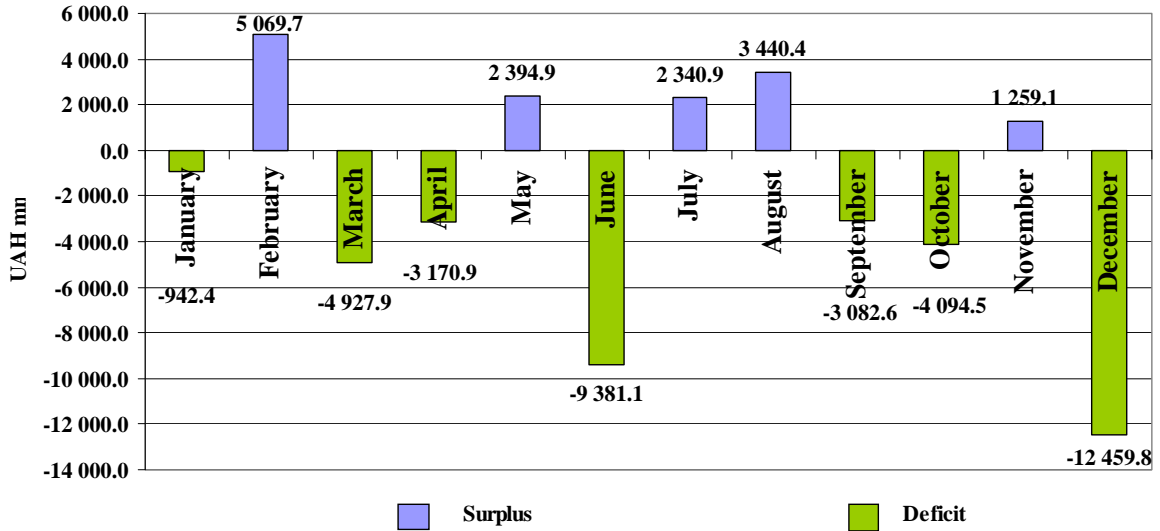


Diagram 7

Budget Deficit/Surplus, Monthly Trends in 2012

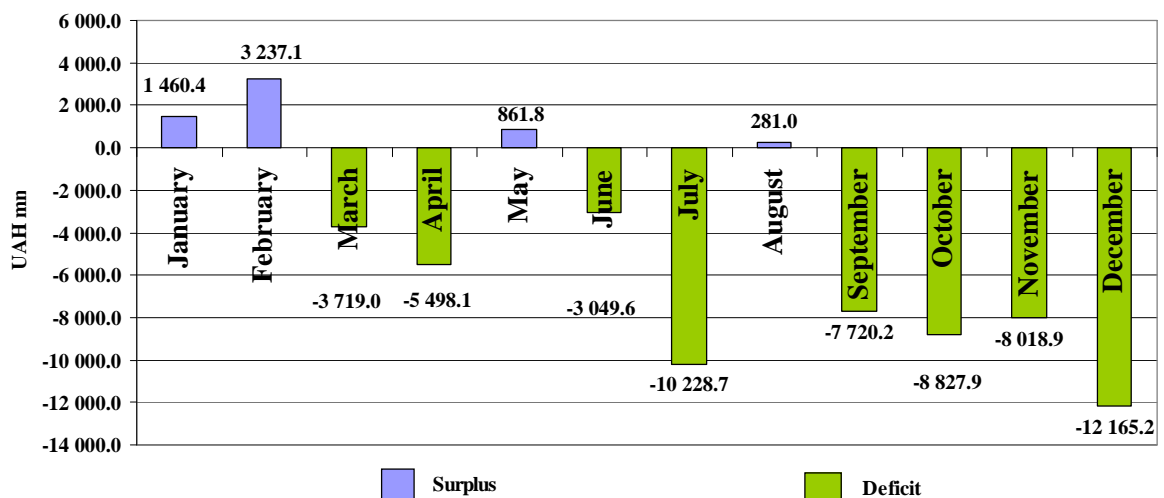


Diagram 8

Budget Deficit/Surplus, Monthly Trends in 2013

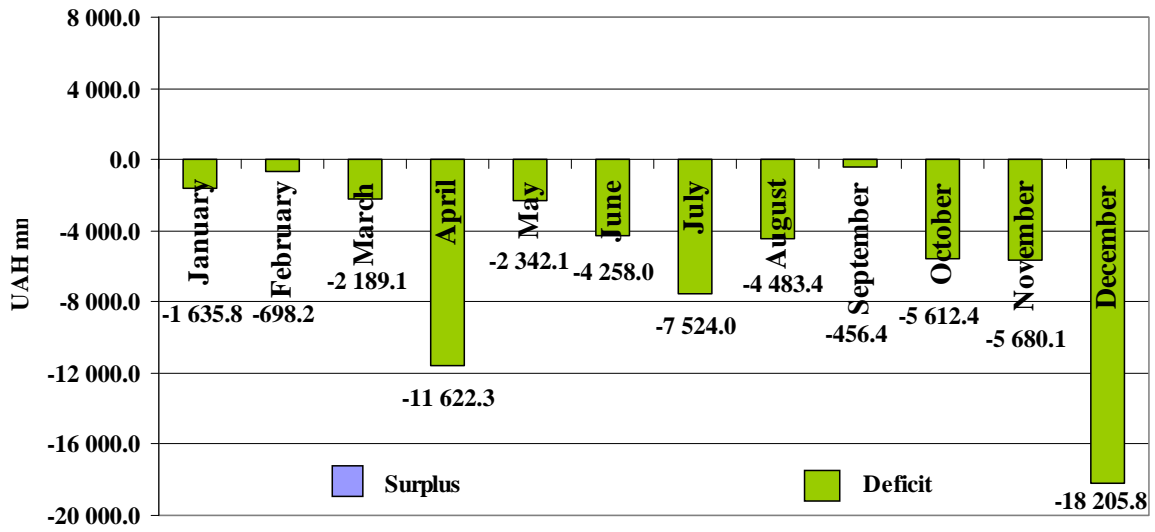


Diagram 9

Budget Deficit/Surplus, Monthly Trends in 2014

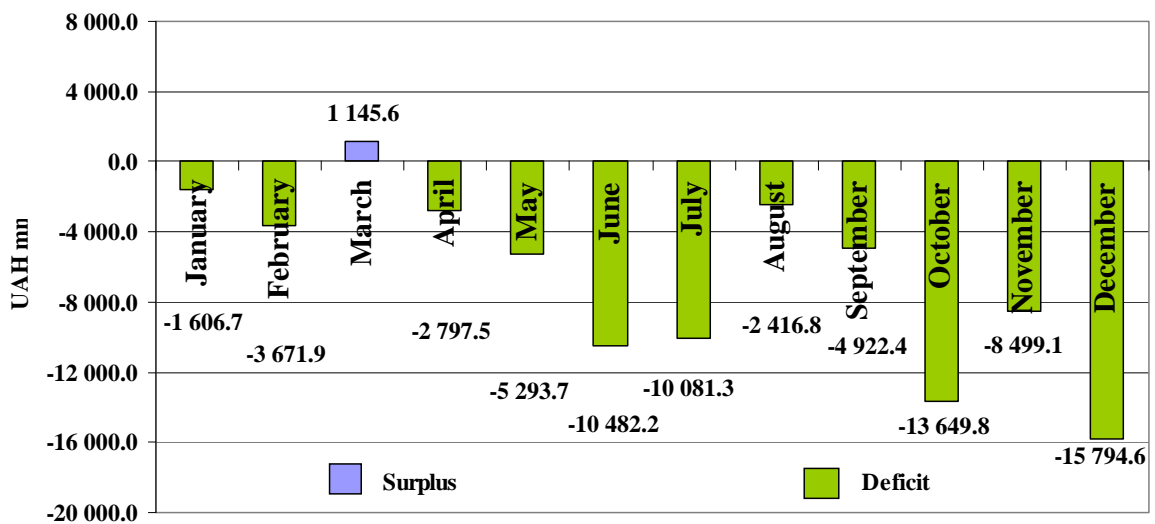


Diagram 10

Budget Deficit/Surplus, Monthly Trends in 2015

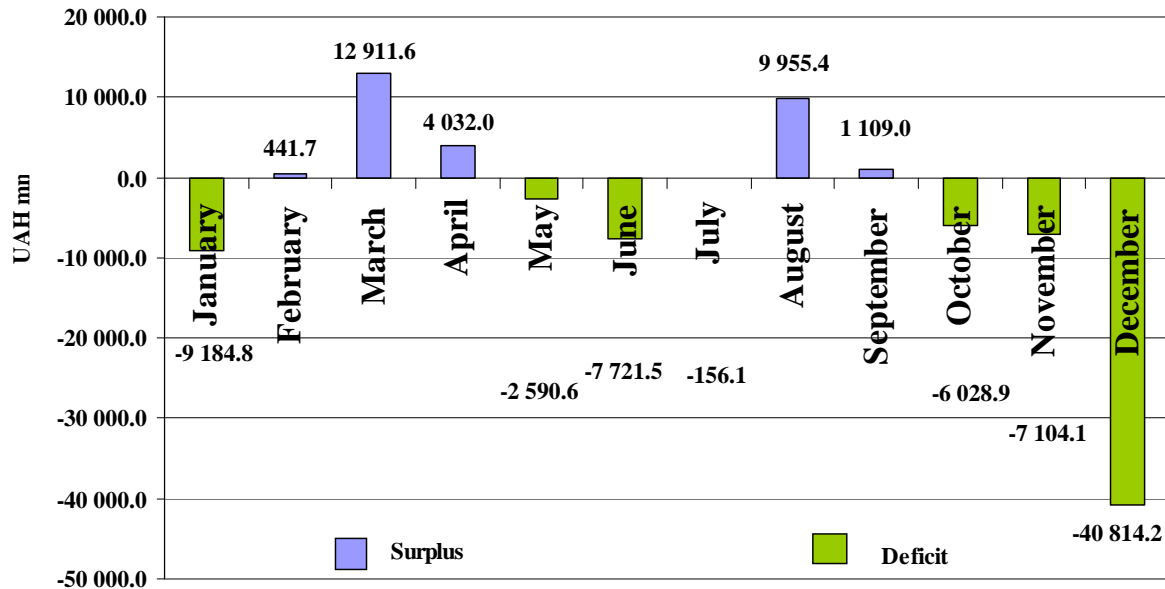
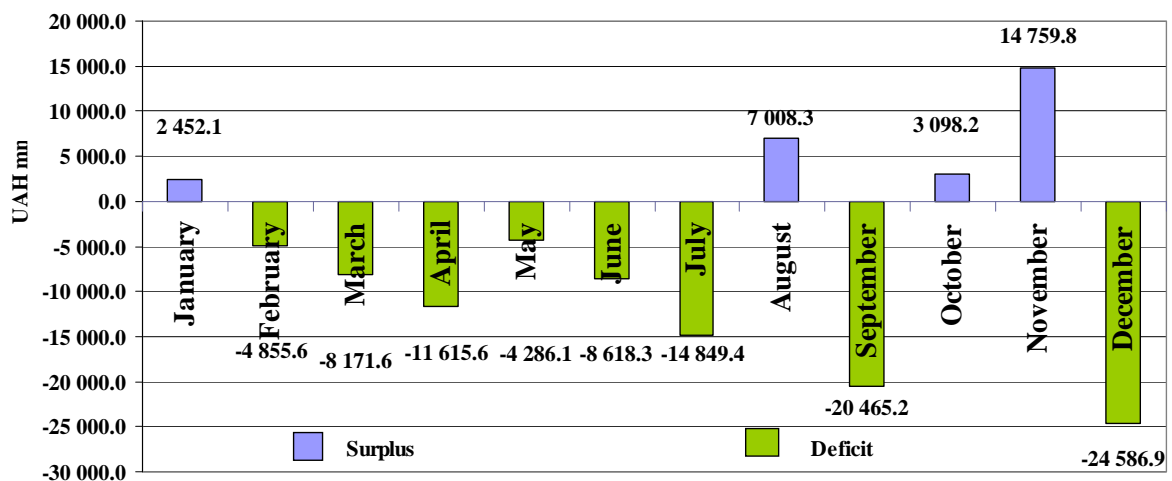


Diagram 11

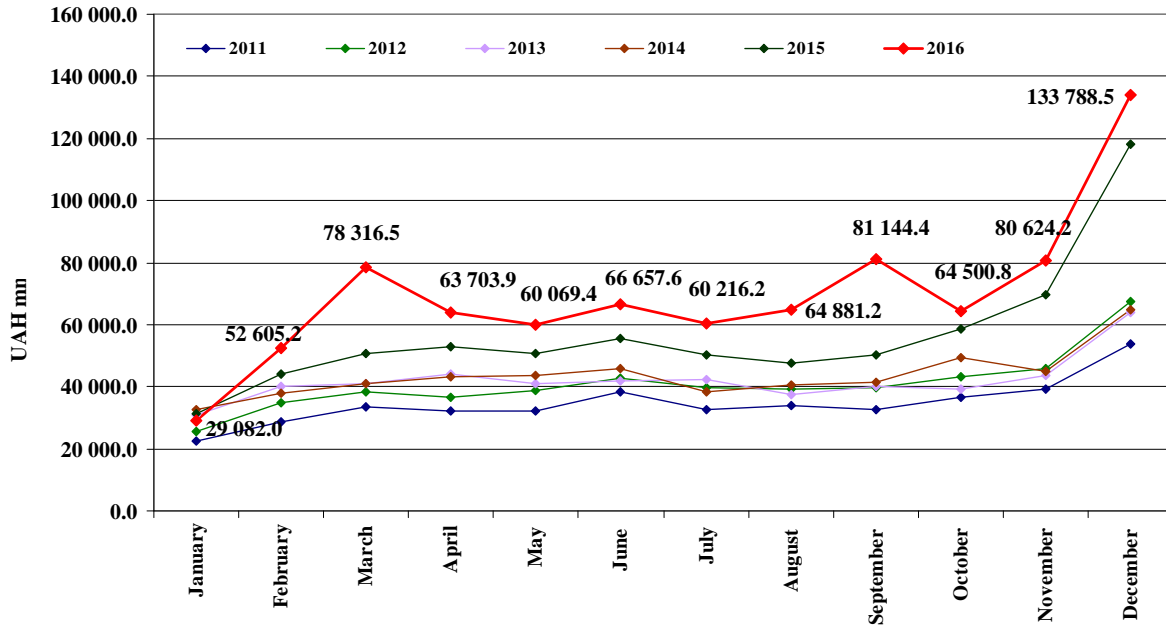
Budget Deficit/Surplus, Monthly Trends in 2016



Consolidated Budget Expenditures

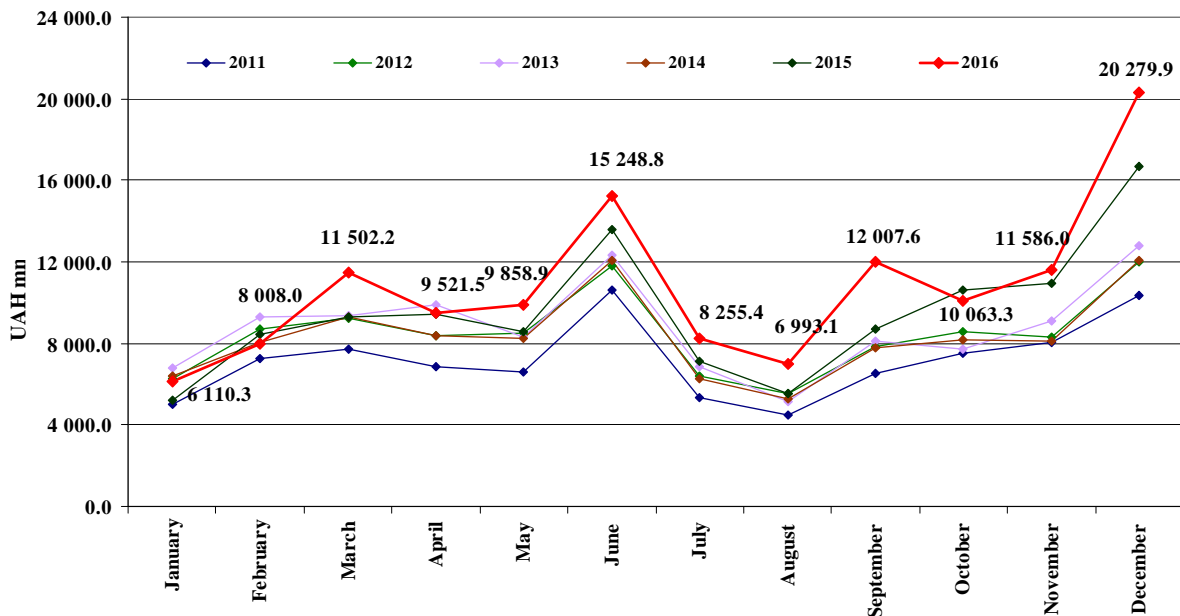
Graph 12

Consolidated Budget Expenditures, Monthly Trends in 2011–2016



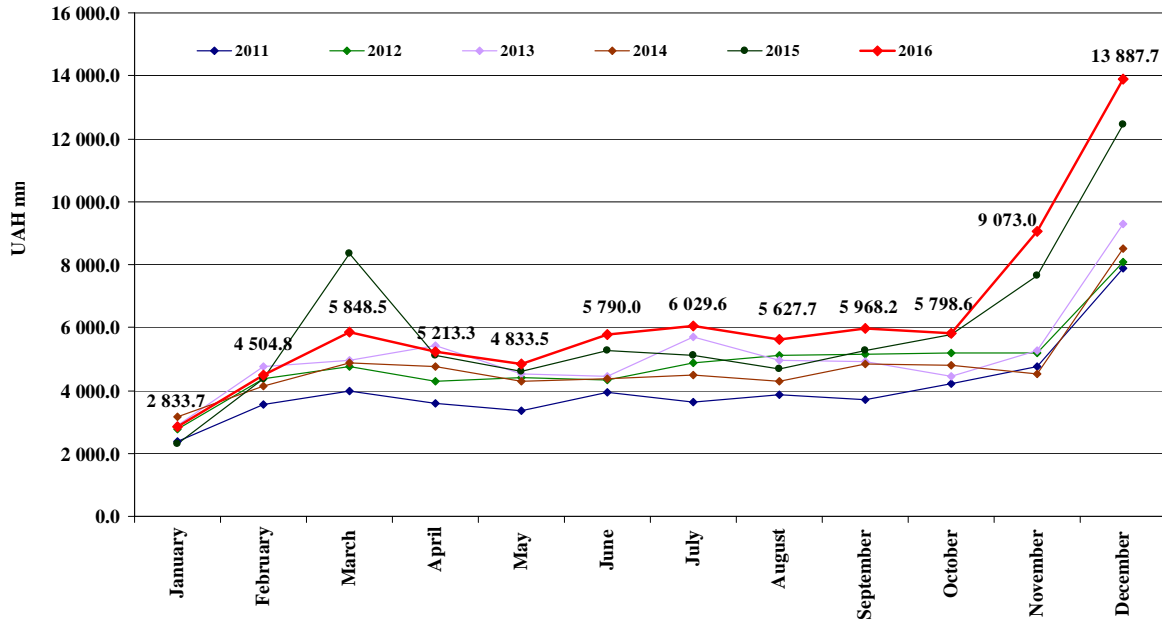
Graph 13

Consolidated Budget Education Expenditures, Monthly Trends in 2011–2016



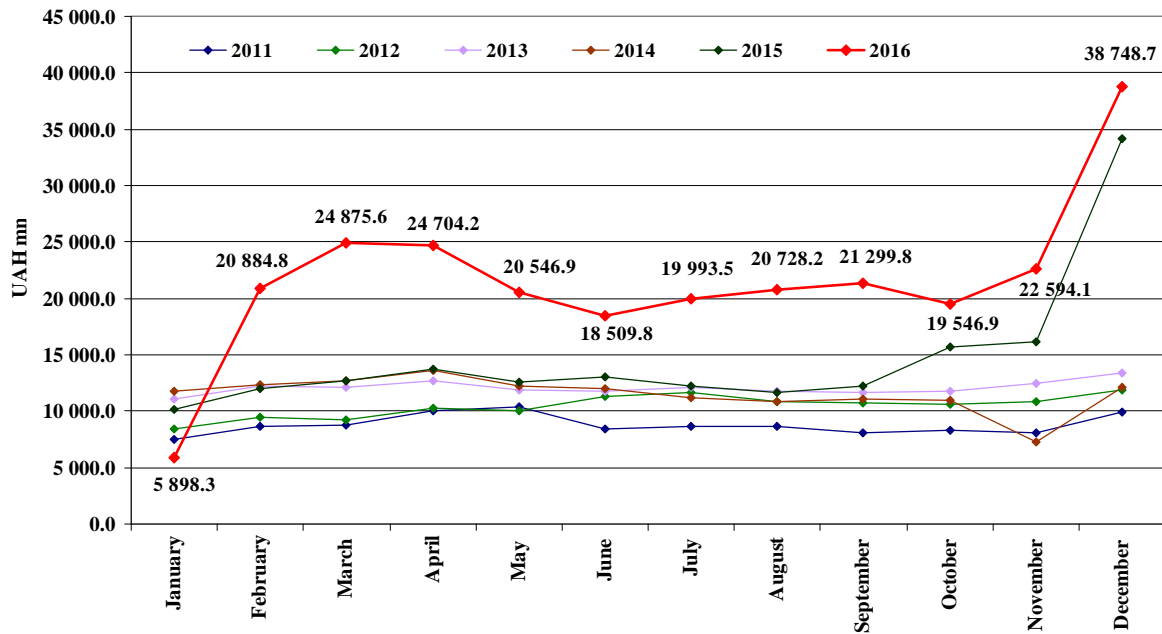
Graph 14

Consolidated Budget Health Expenditures, Monthly Trends in 2011–2016



Graph 15

Consolidated Budget Expenditures for Social Protection and Social Security, Monthly Trends in 2011–2016



State Budget Expenditures

Diagram 12

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2011

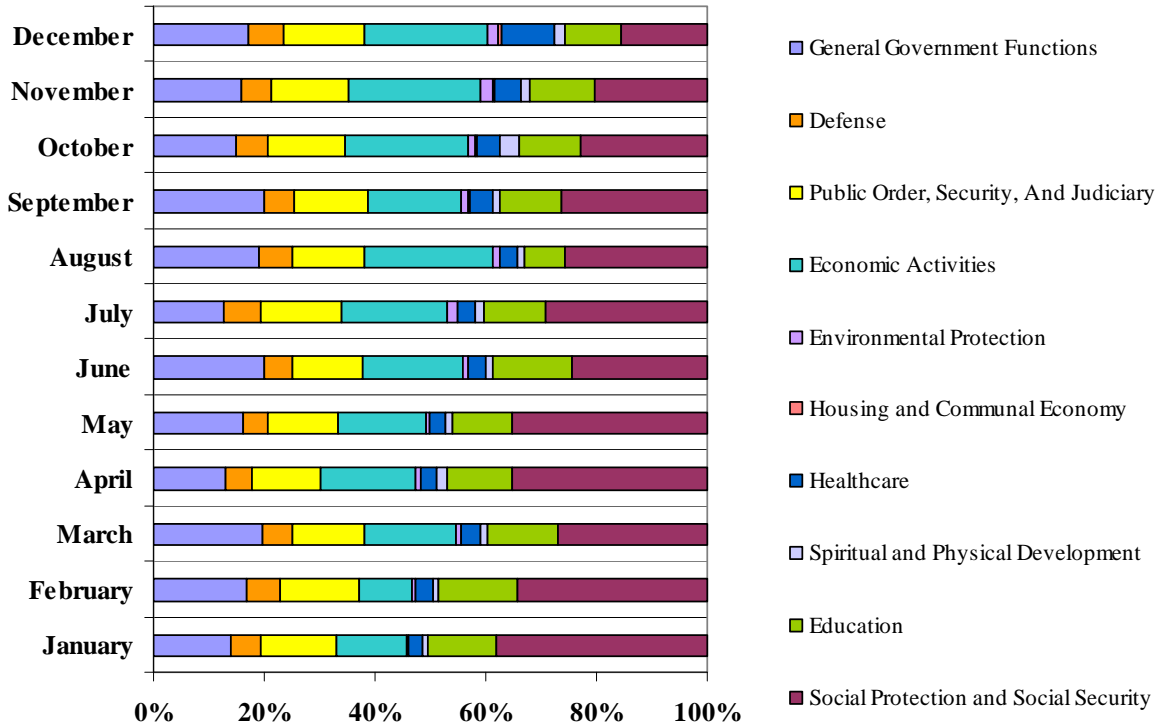


Diagram 13

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

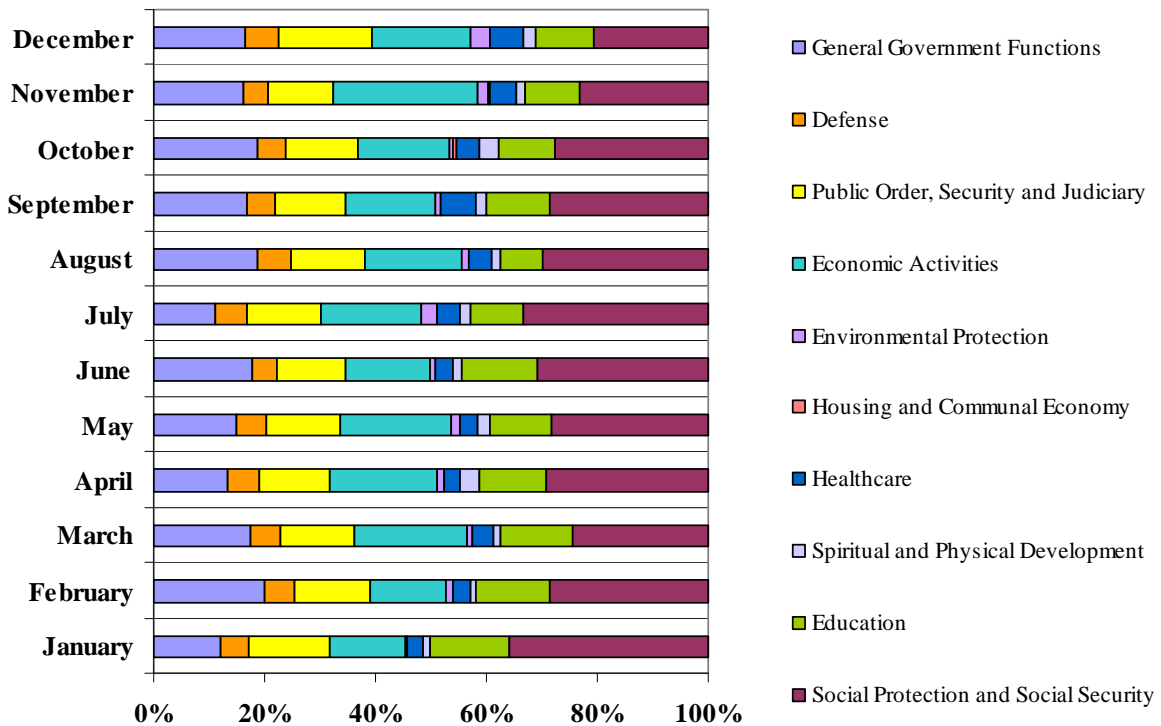


Diagram 14

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

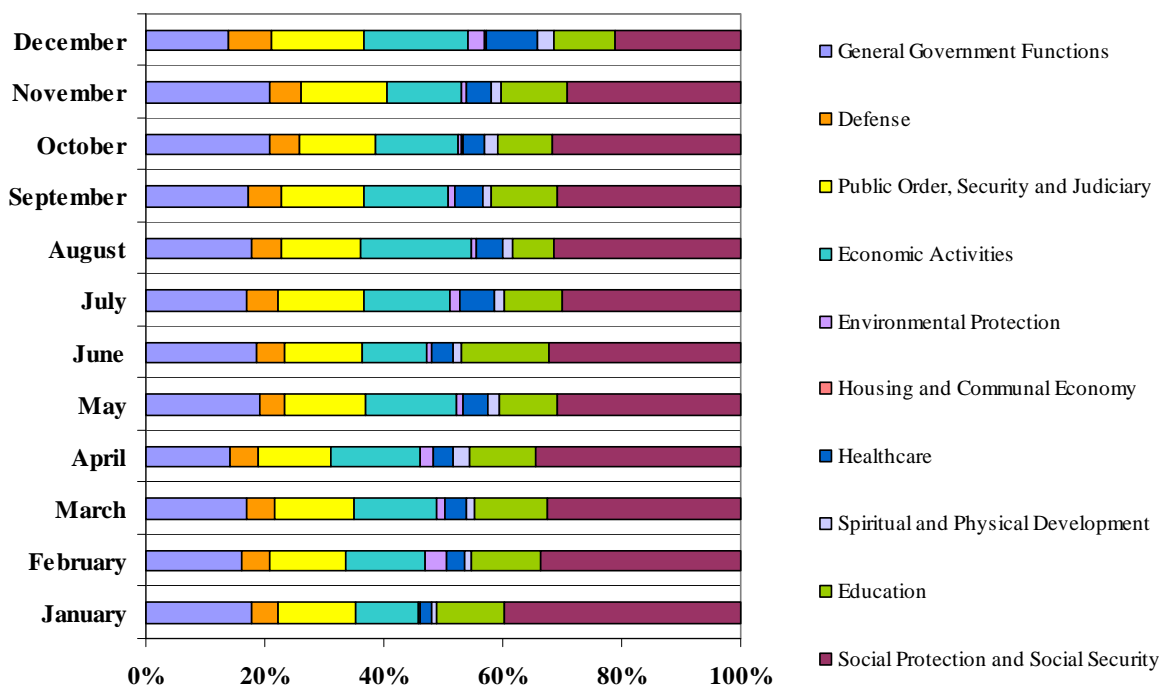


Diagram 15

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

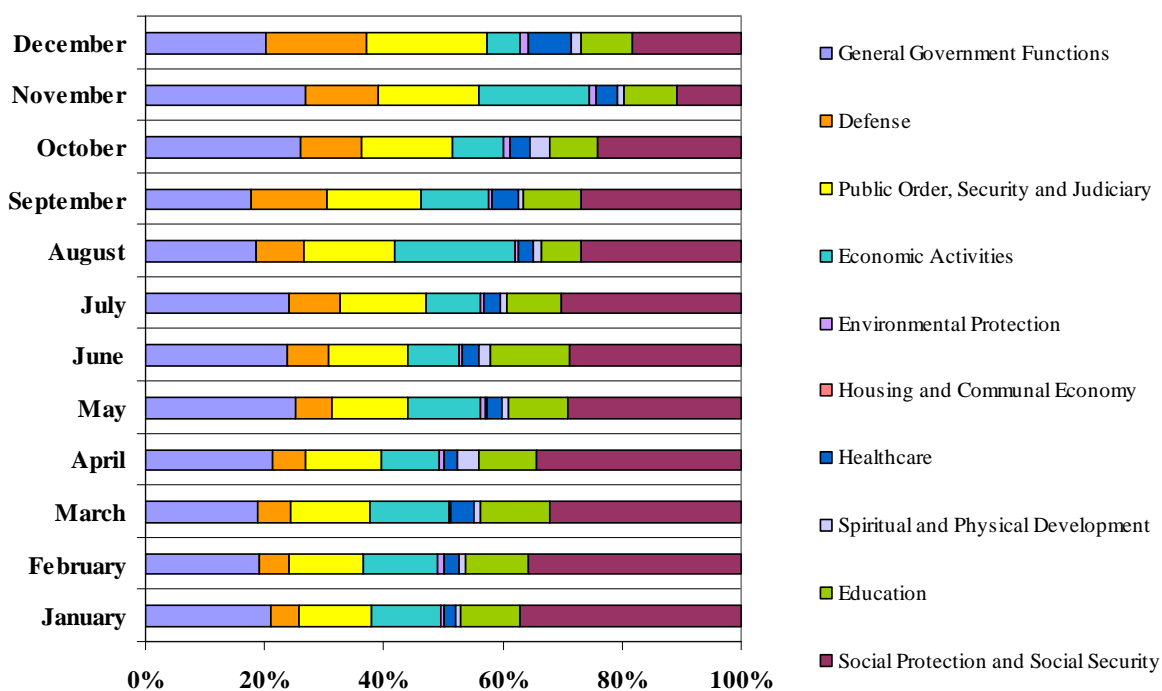


Diagram 16

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

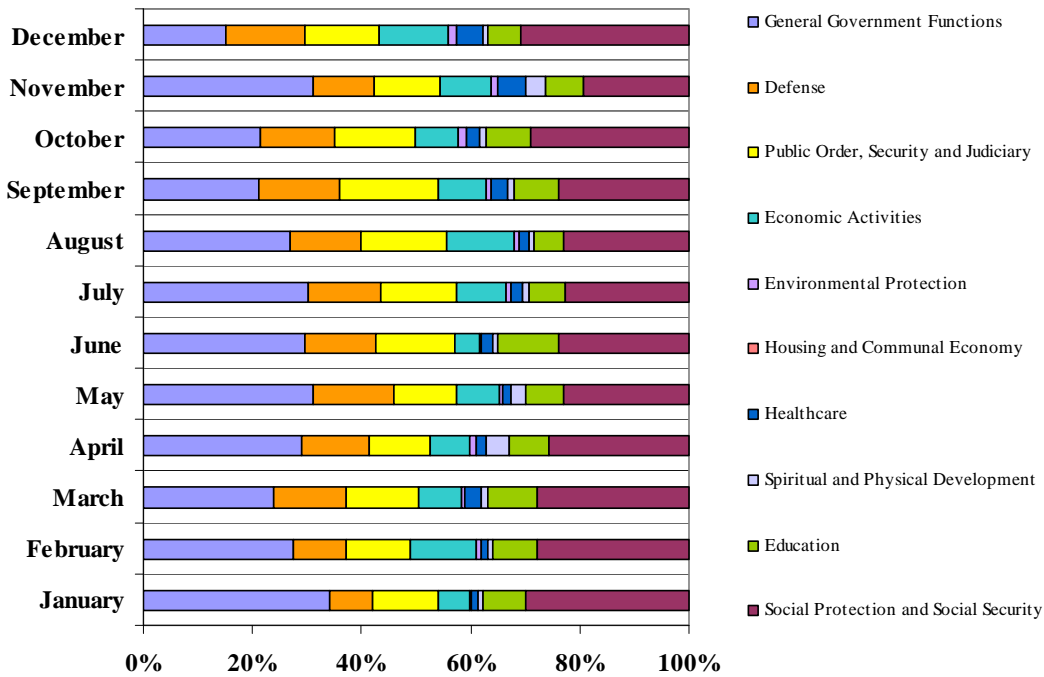
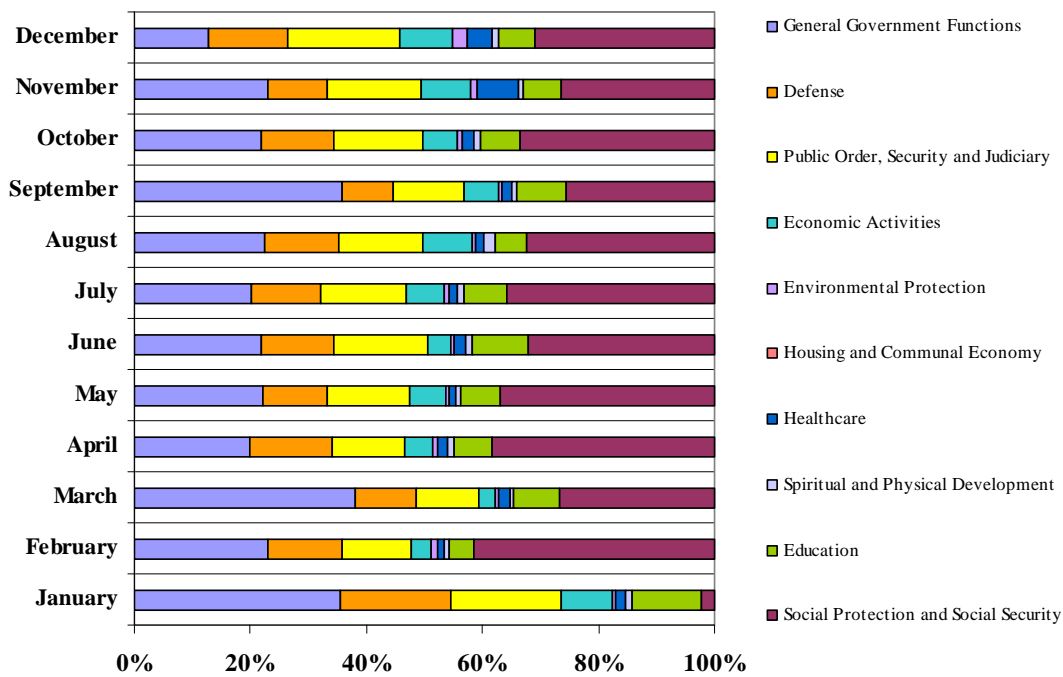


Diagram 17

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



Graph 16

Monthly Trends of State Budget Expenditures in 2011–2016

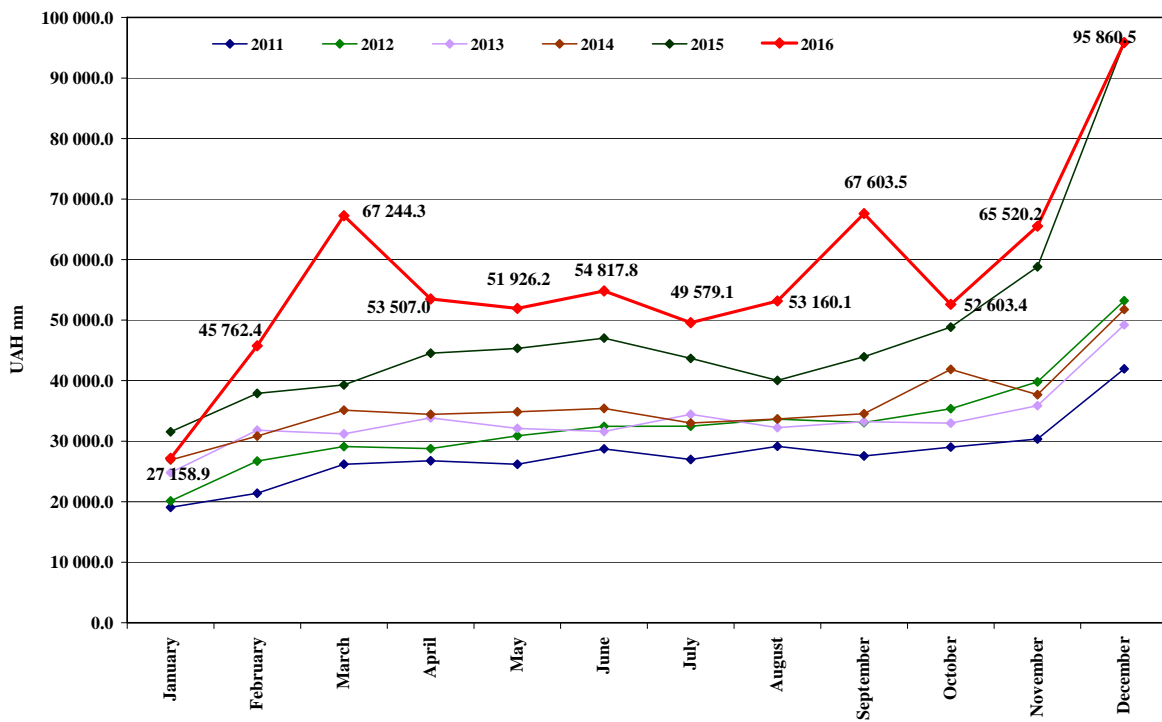
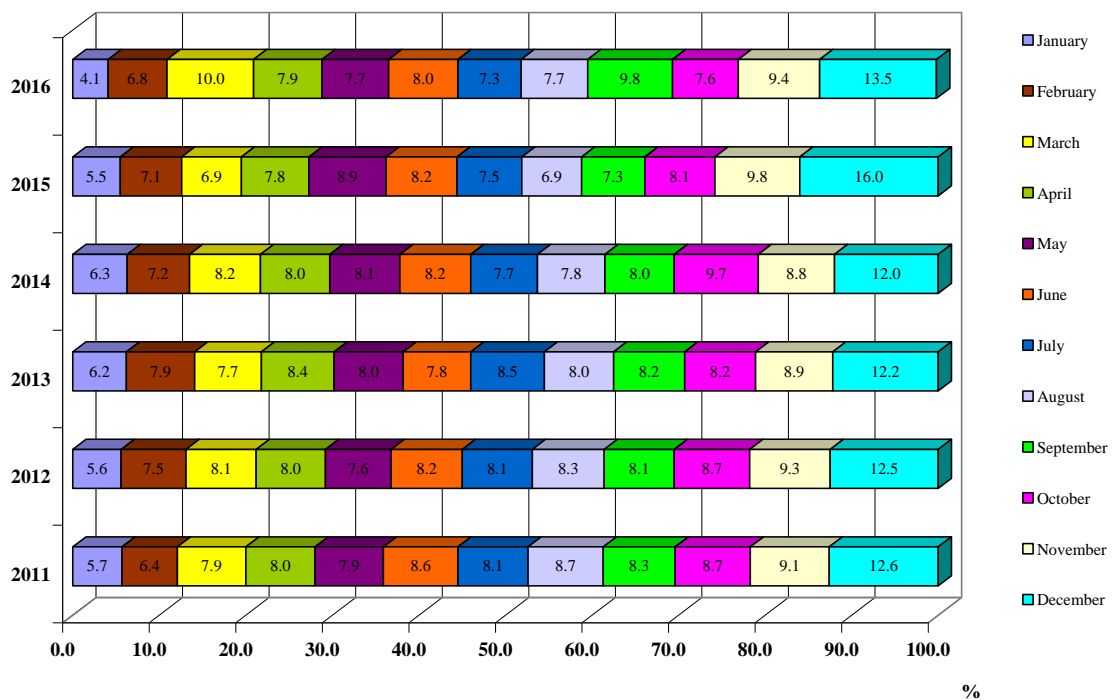


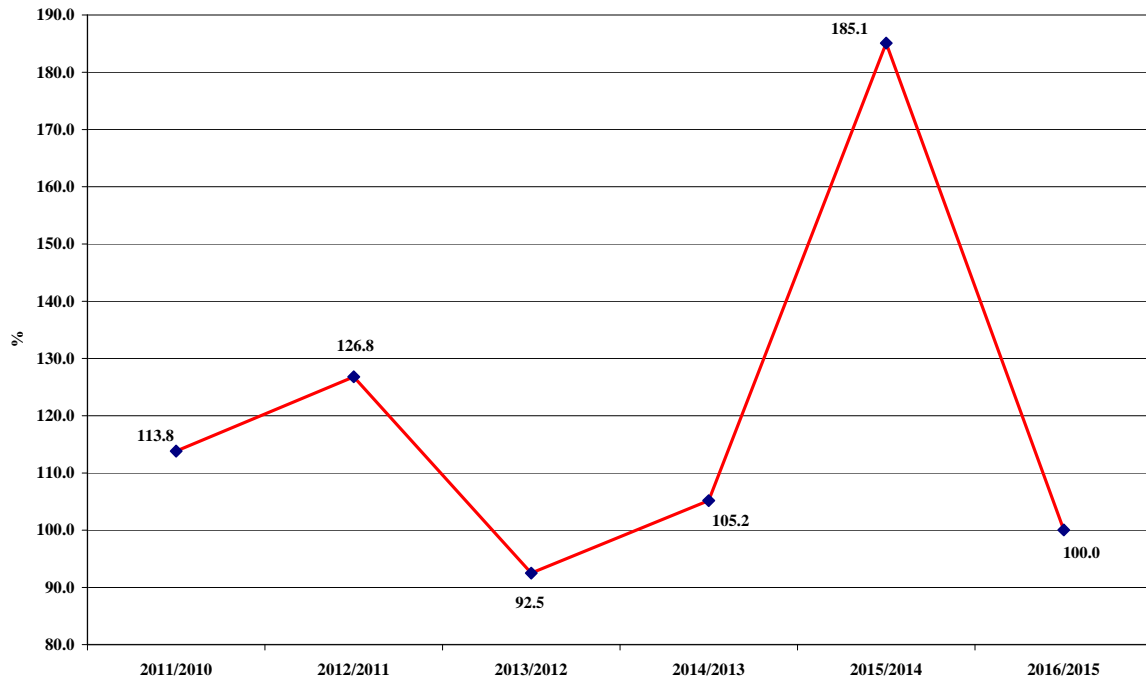
Diagram 18

Dynamics of the Share of Ukraine's State Budget Total Expenditures in Annual Amounts in 2011–2016



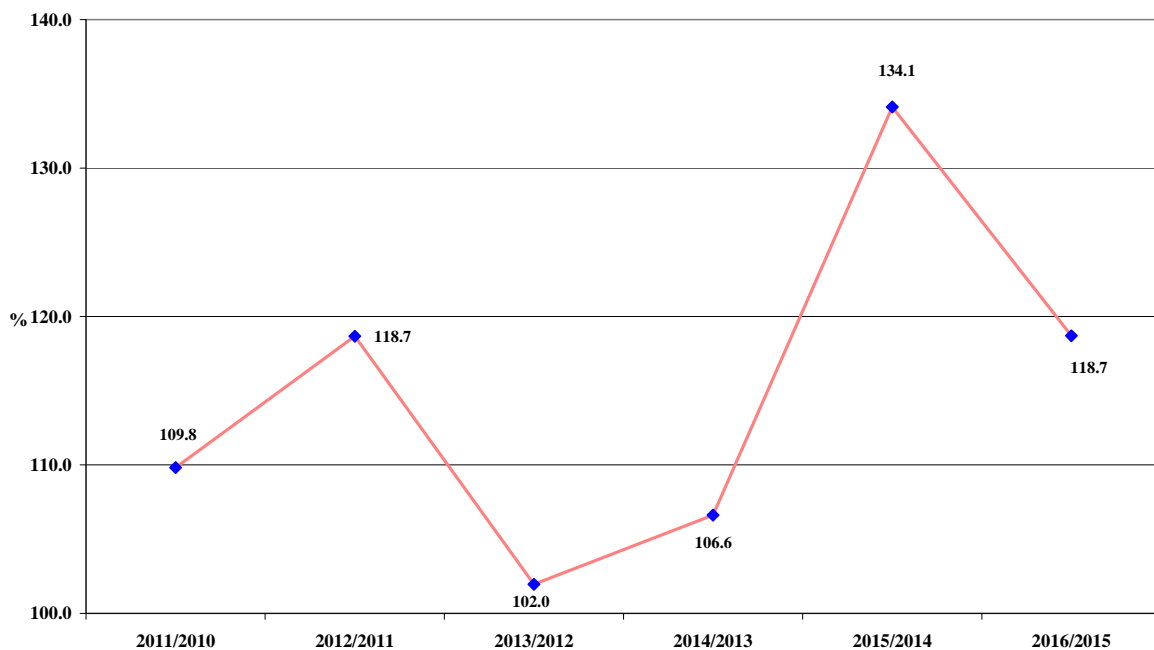
Graph 17

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



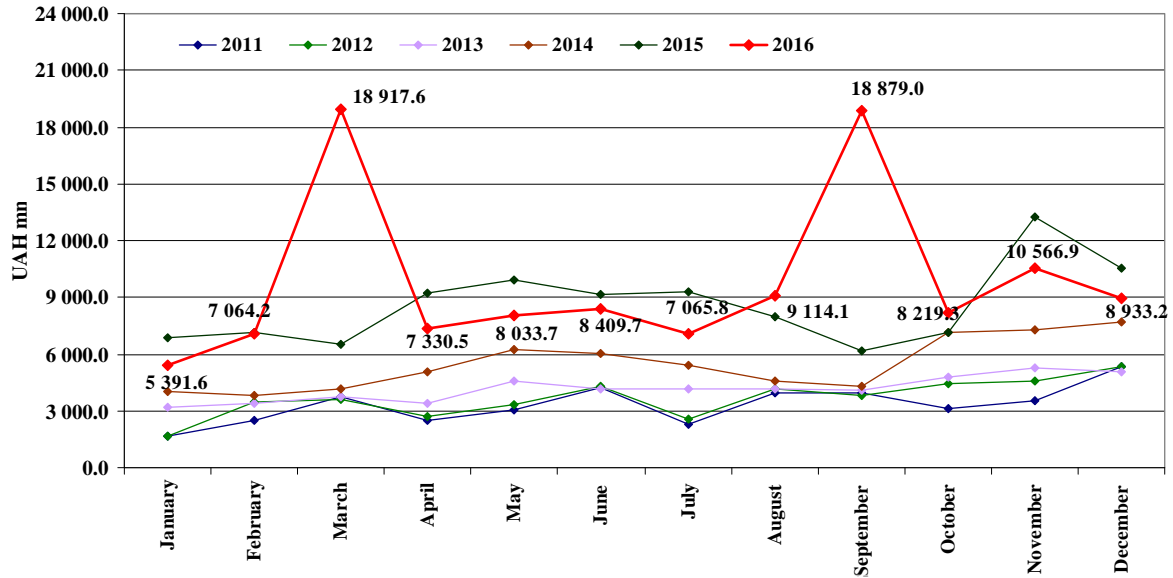
Graph 18

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



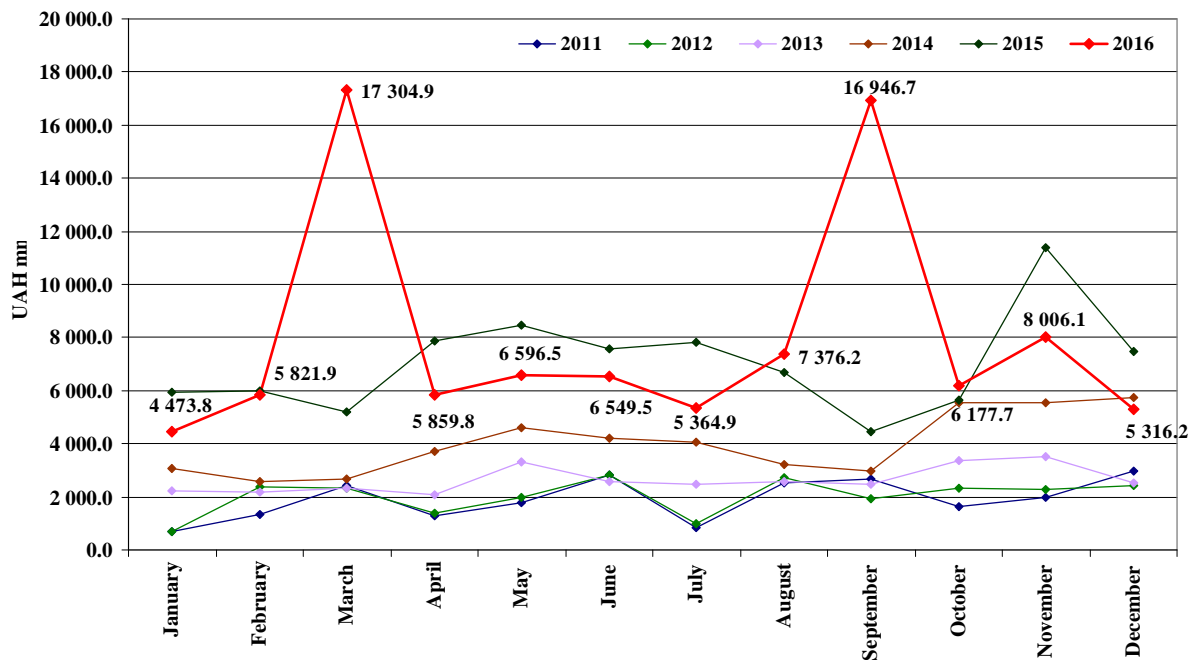
Graph 19

State Budget Expenditures for General Government Functions, Monthly Trends in 2011–2016



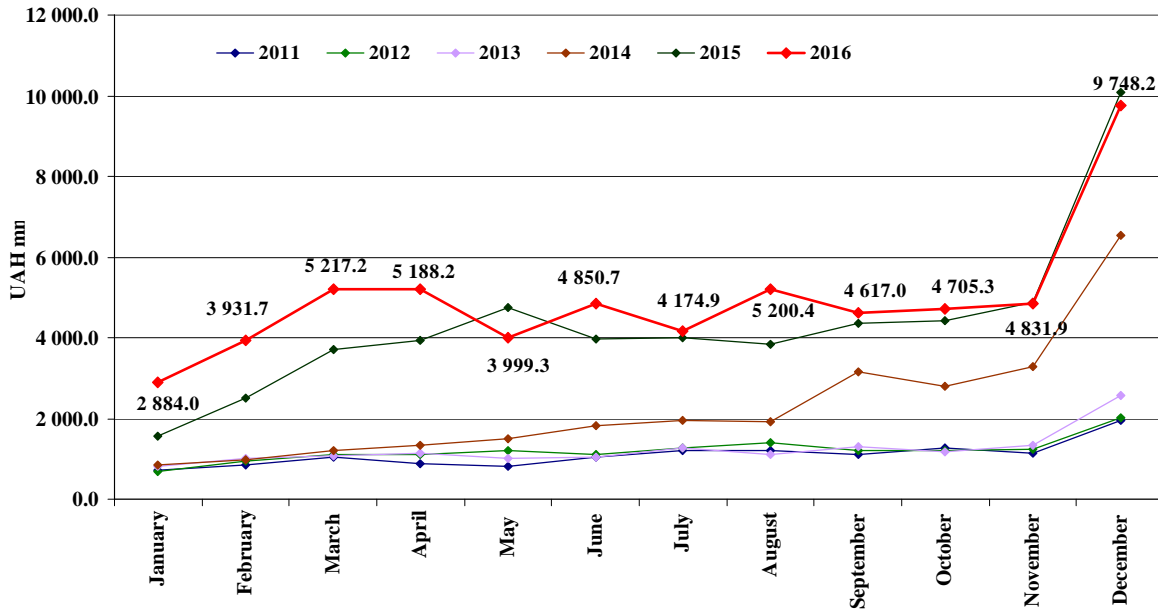
Graph 20

State Budget Expenditures for Public Debt Servicing, Monthly Trends in 2011-2016



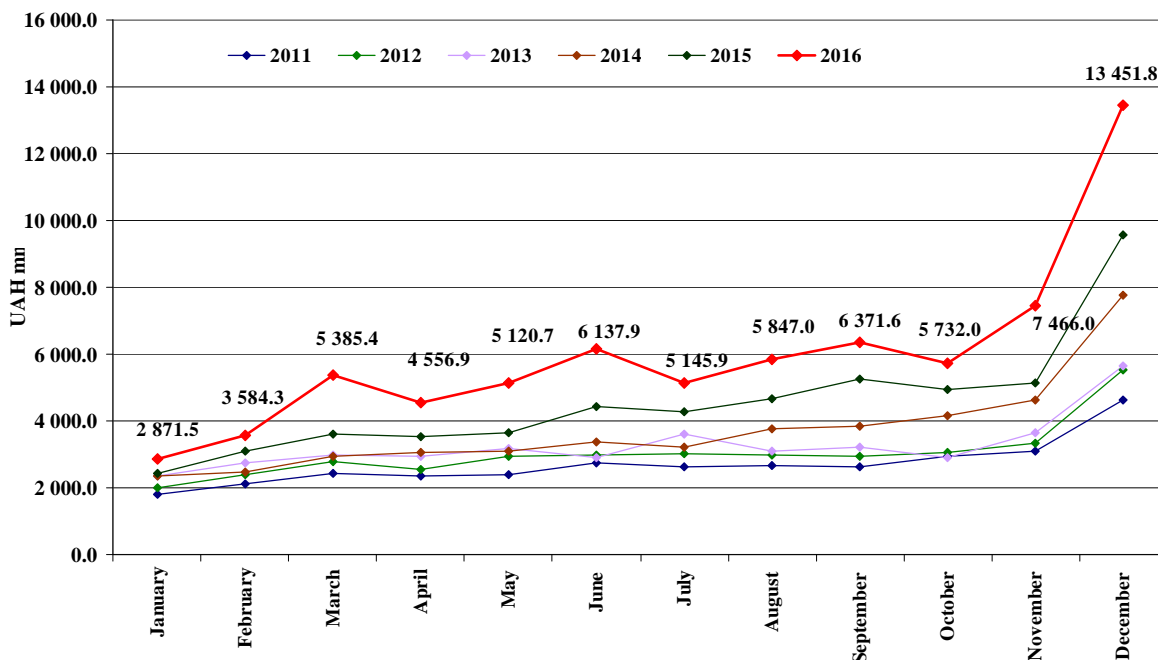
Graph 21

State Budget Expenditures for Defense, Monthly Trends in 2011–2016



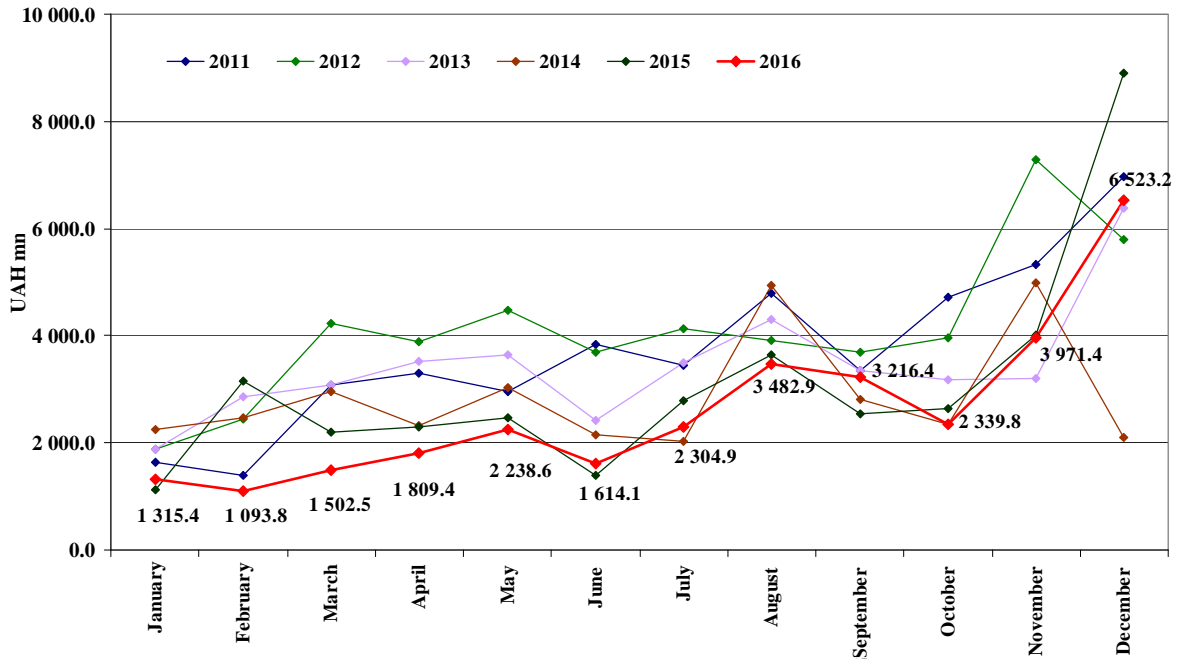
Graph 22

State Budget Expenditures for Public Order, Security, and the Judiciary, Monthly Trends in 2011–2016



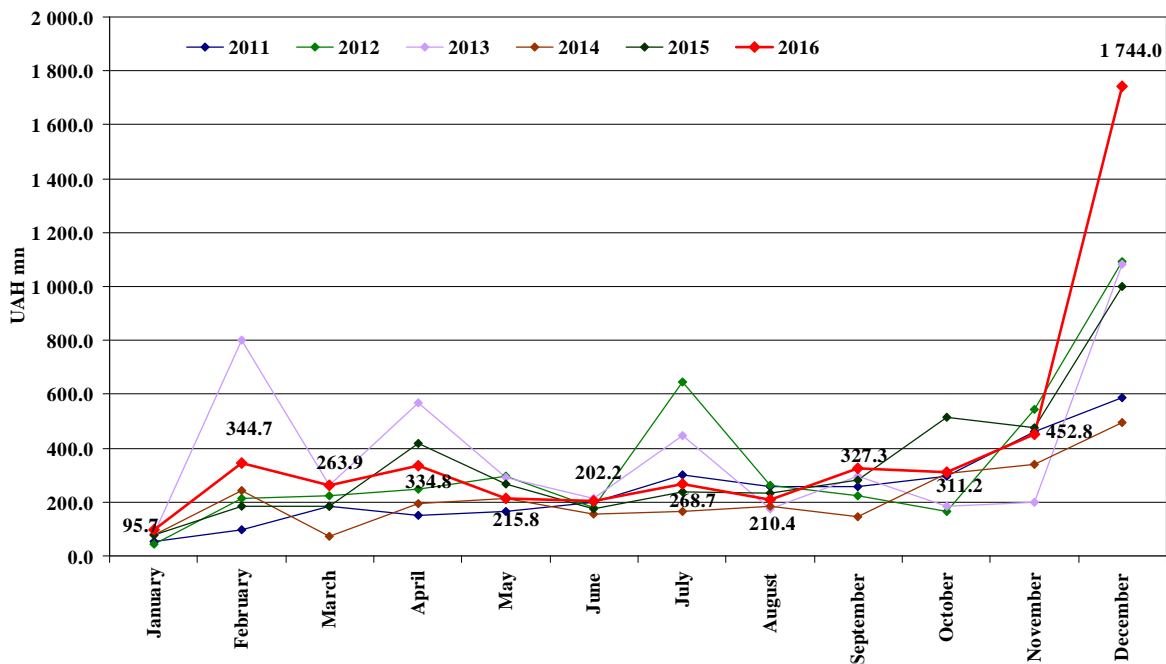
Graph 23

State Budget Expenditures for Economic Activities, Monthly Trends in 2011–2016



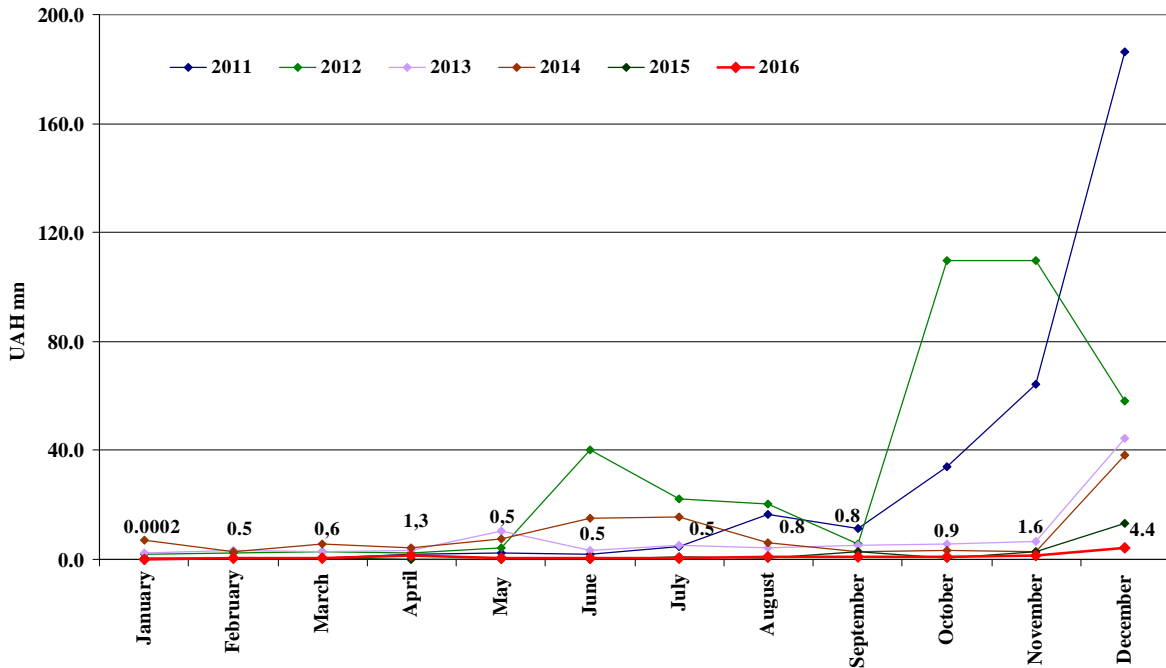
Graph 24

State Budget Expenditures for Environmental Protection, Monthly Trends in 2011–2016



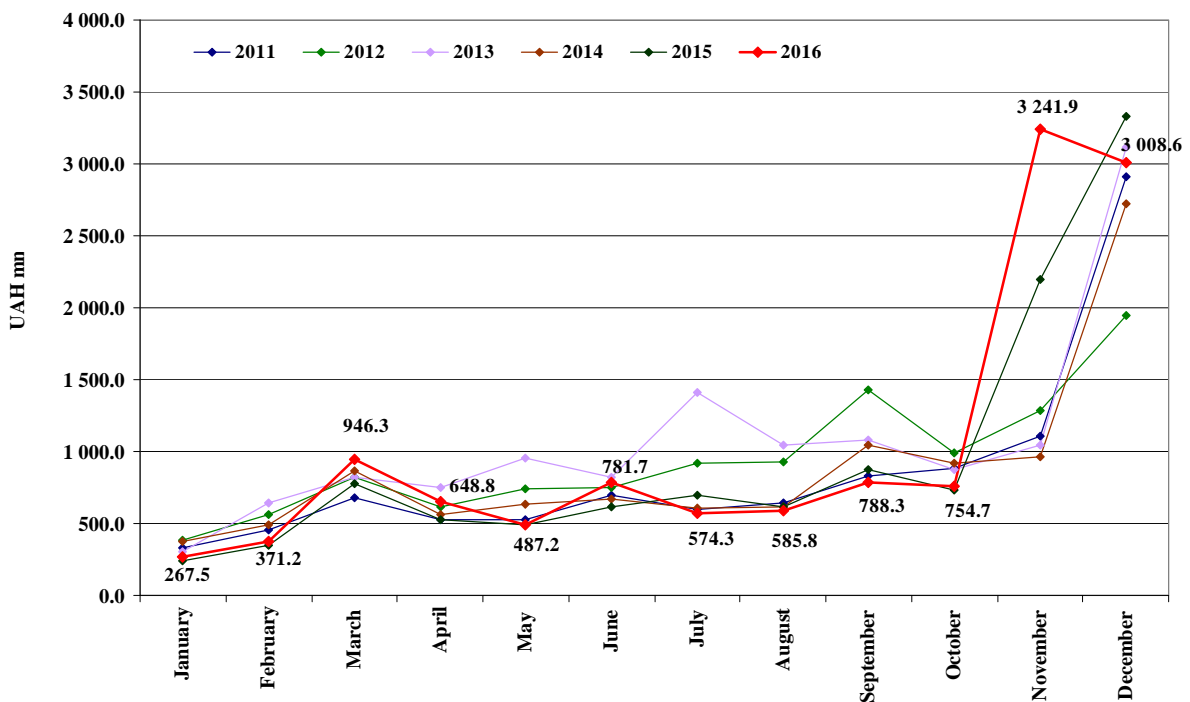
Graph 25

State Budget Expenditures for the Housing and Communal Sector, Monthly Trends in 2011–2016



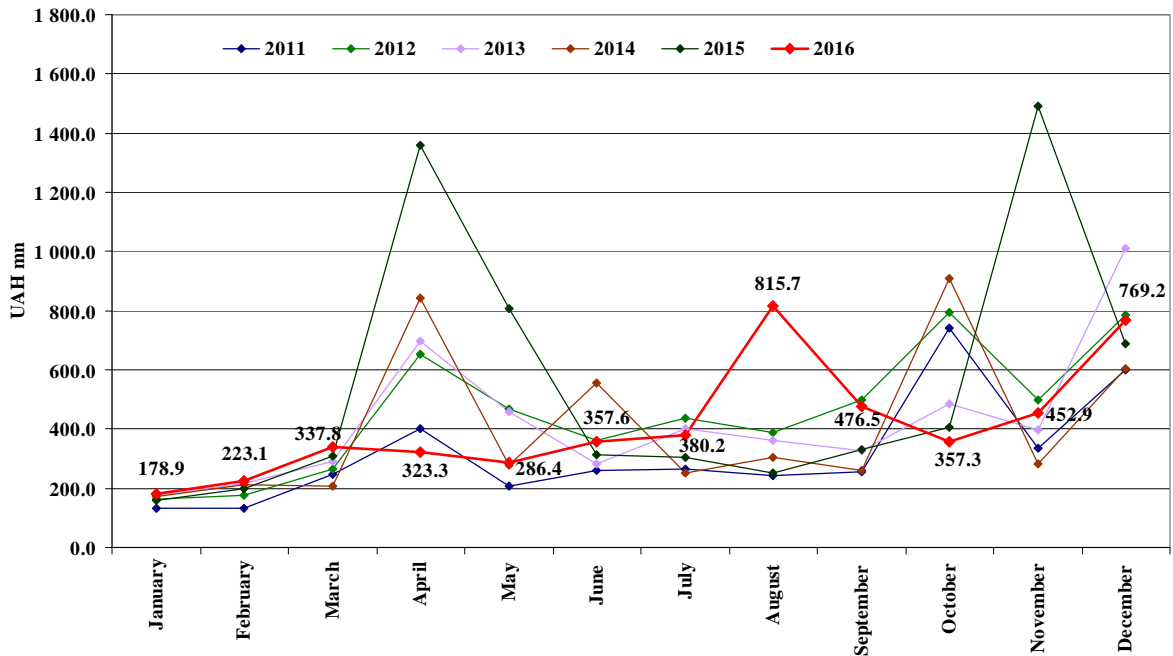
Graph 26

State Budget Expenditures for Healthcare, Monthly Trends in 2011–2016



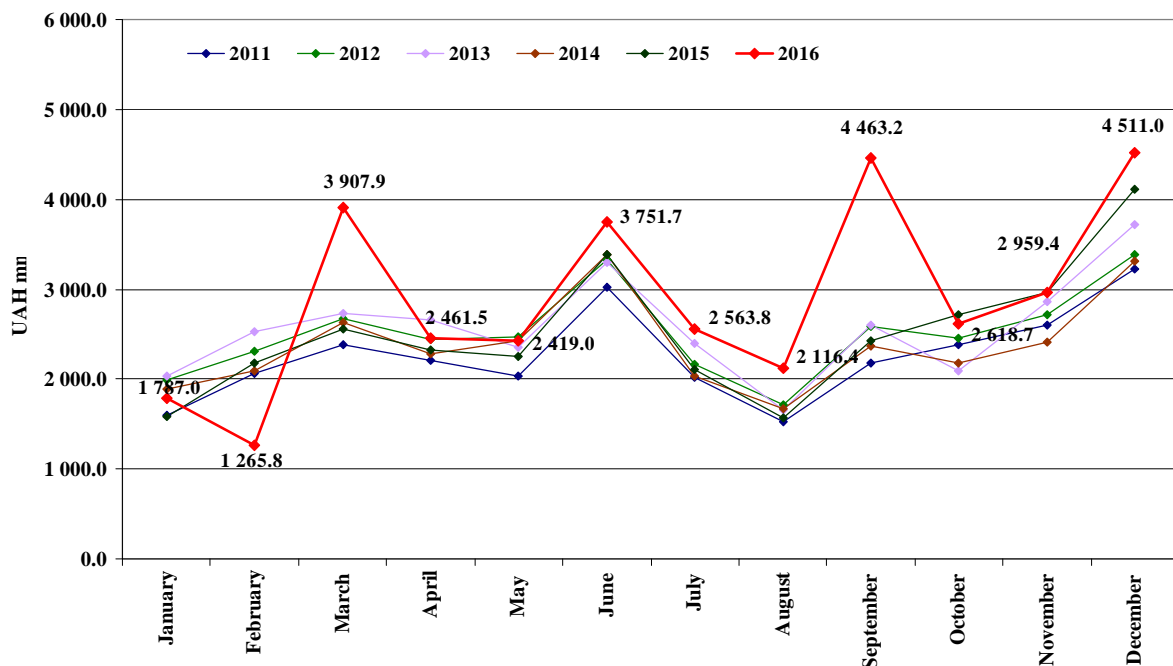
Graph 27

State Budget Expenditures for Spiritual and Physical Development, Monthly Trends in 2011–2016

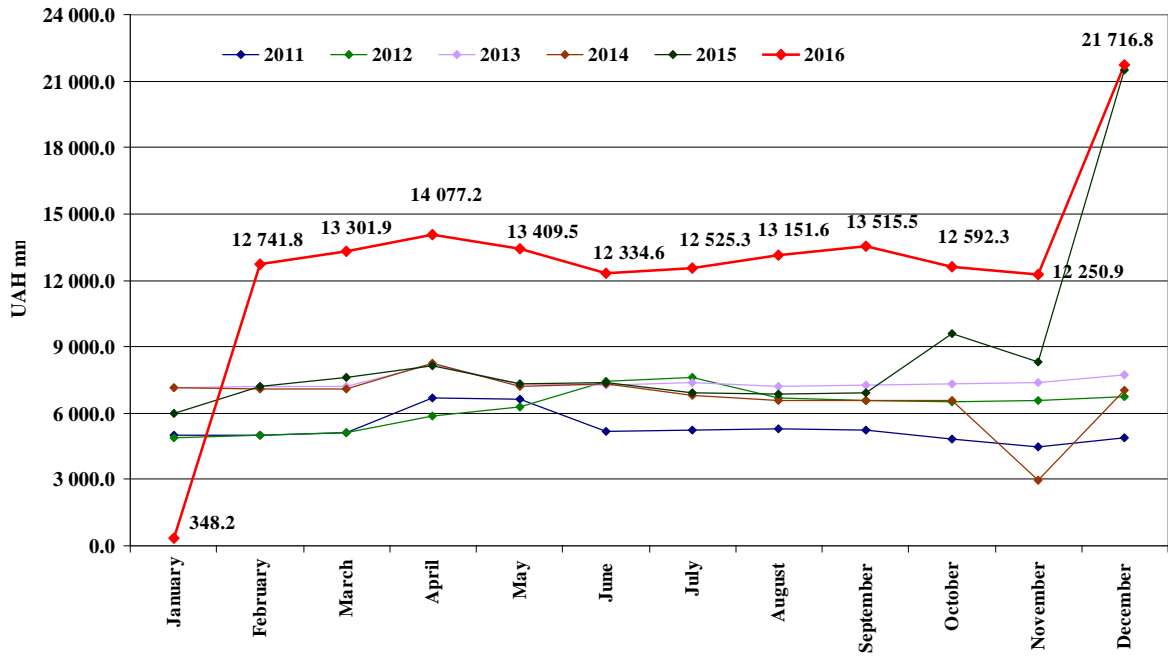


Graph 28

State Budget Expenditures for Education, Monthly Trends in 2011–2016



State Budget Expenditures for Social Protection and Social Security, Monthly Trends in 2011–2016



Local Budget Expenditures

Graph 30

Total Local Budget Expenditures (Less Intergovernmental Transfers), Monthly Trends in 2011–2016

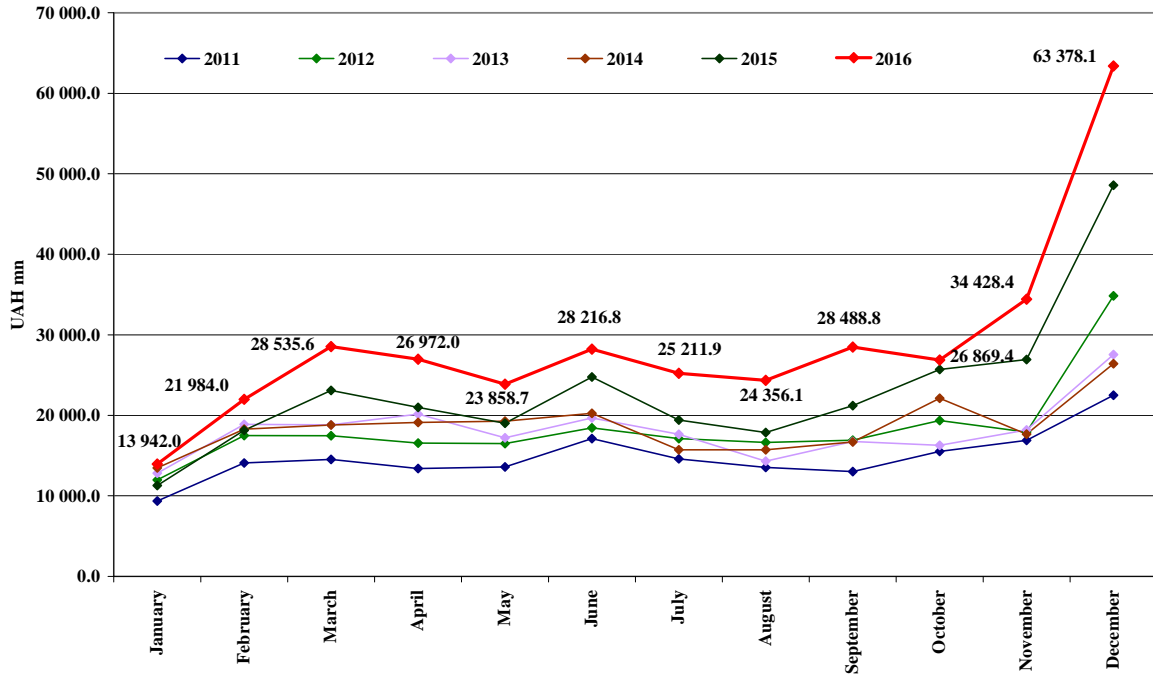
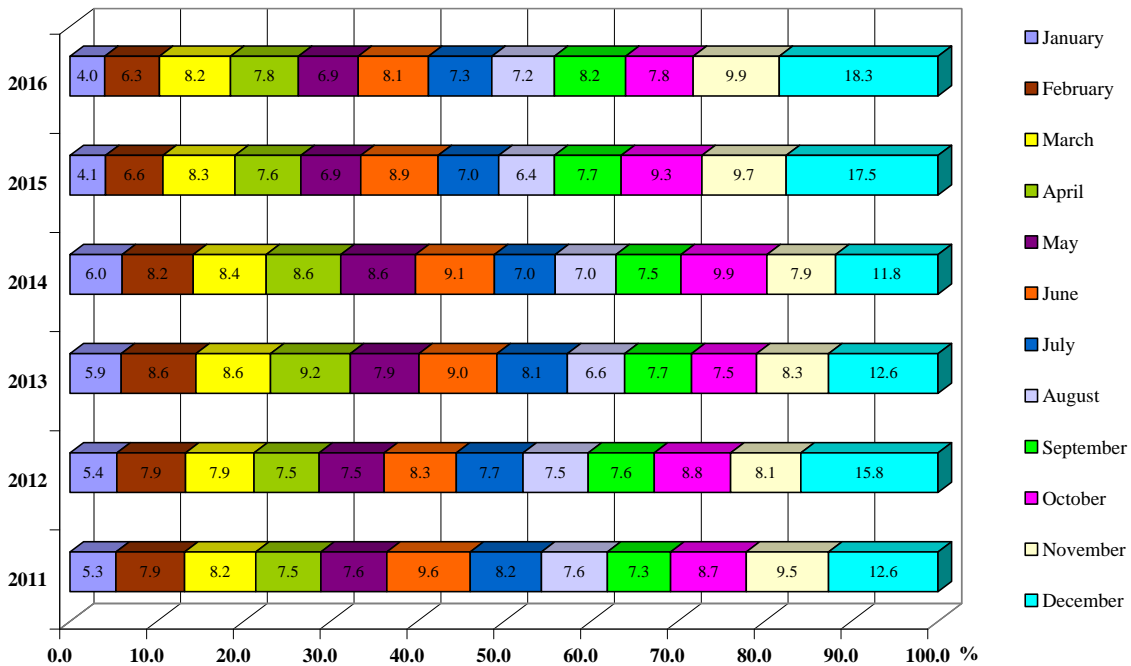


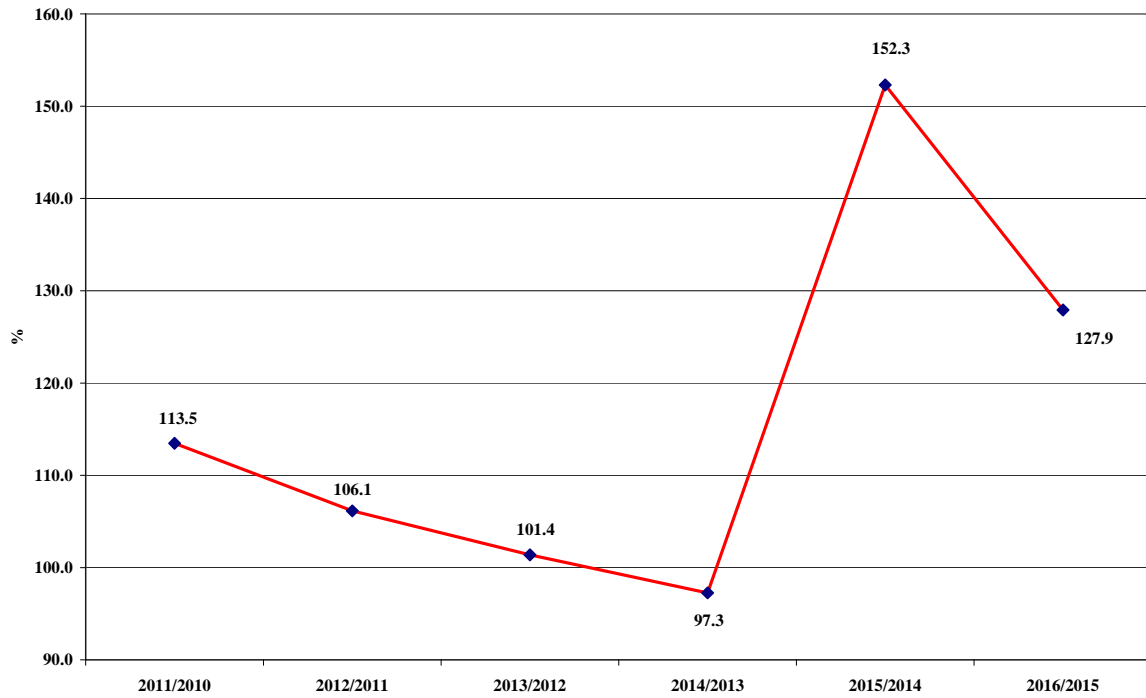
Diagram 19

Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2011–2016



Graph 31

Growth Rates of Local Budget Expenditures in December 2011–2016



Graph 32

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

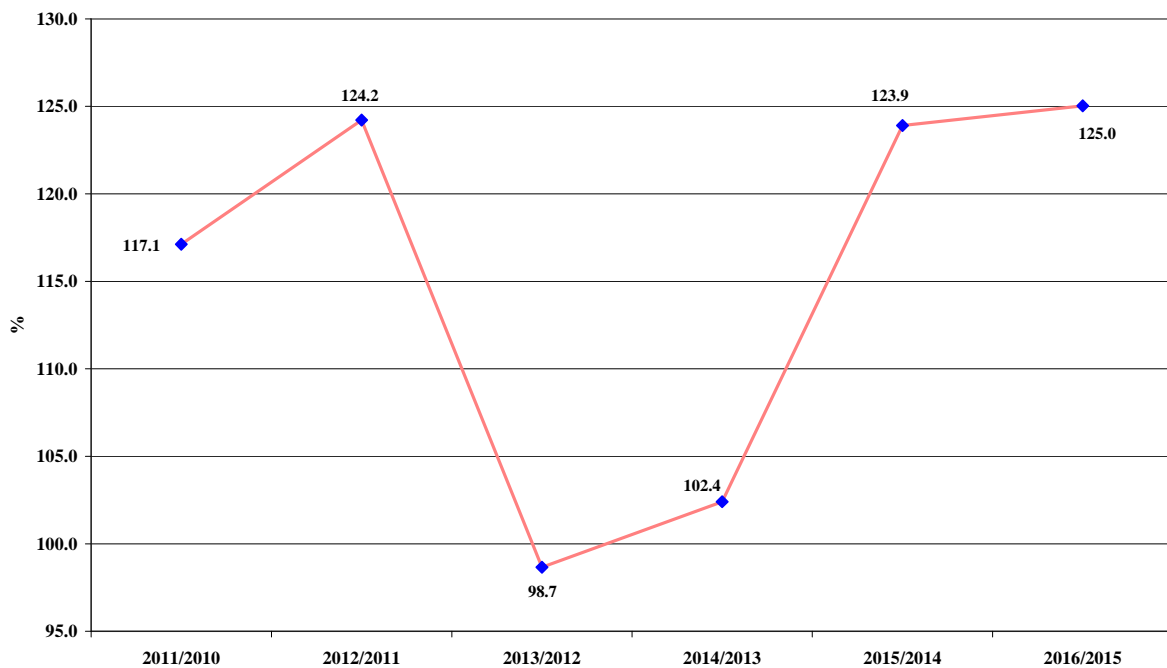


Diagram 20

Local Budget Expenditures by Functional Classification in December 2016

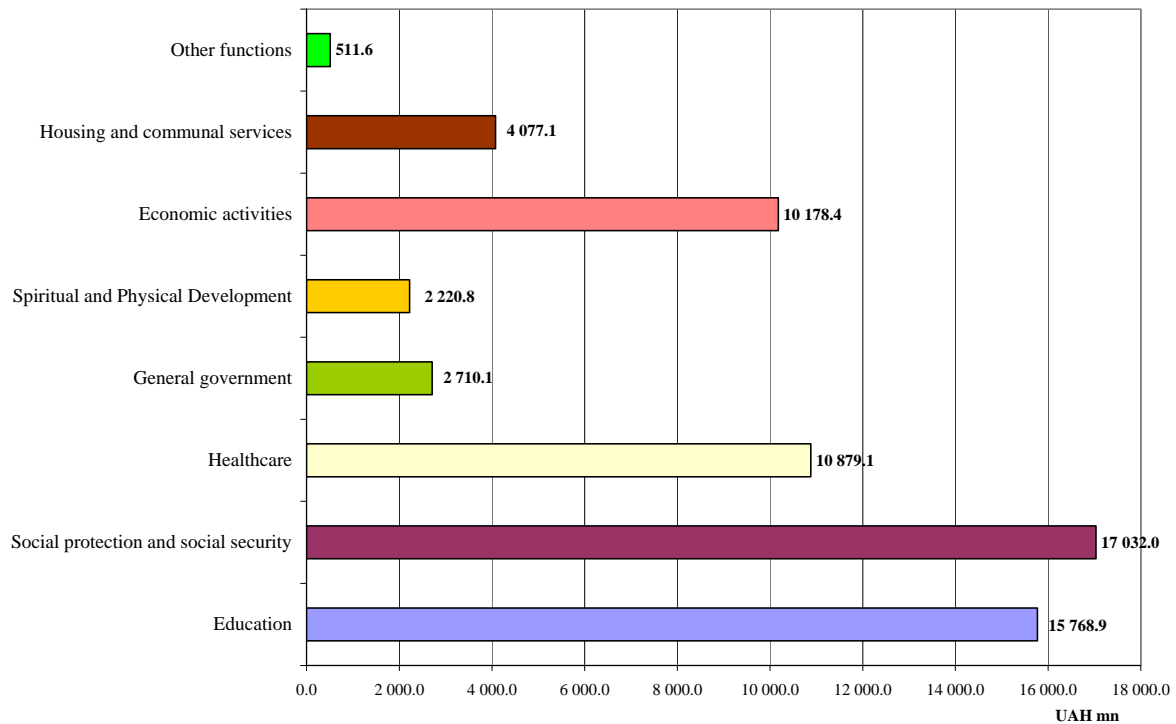
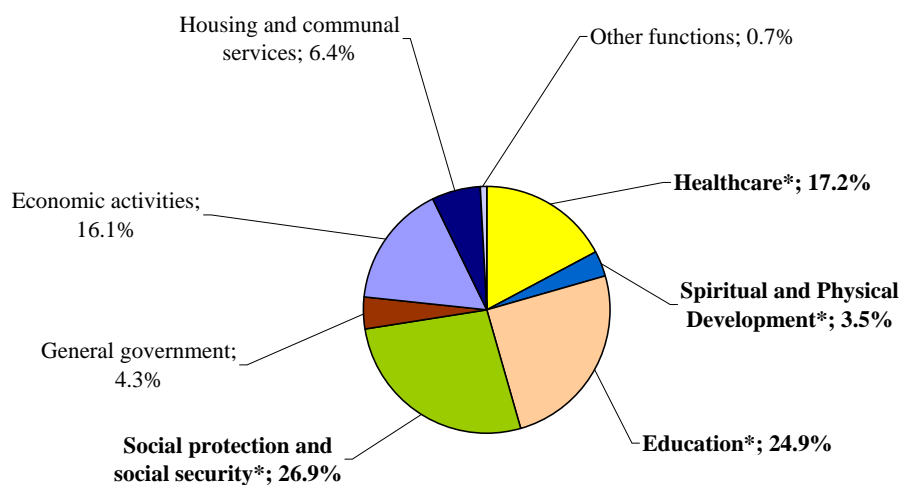


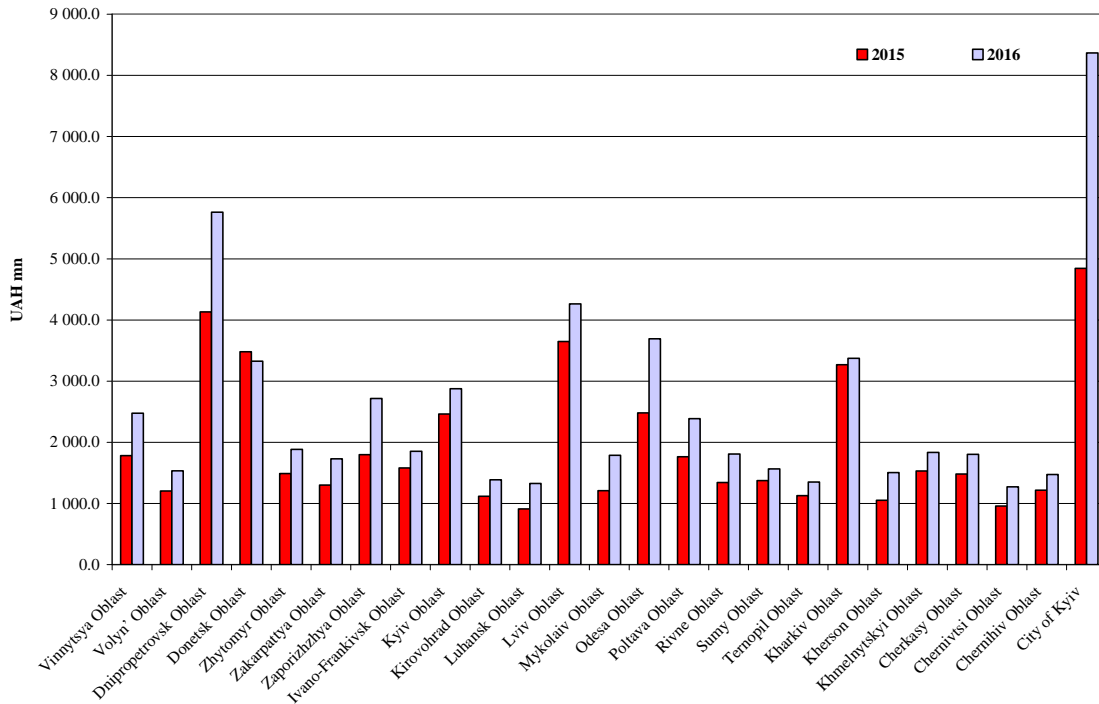
Diagram 21

Structure of Local Budget Expenditures by Functional Classification in December 2016



* Expenditures for social and cultural sphere - 72.5%

Regional Distribution of Local Budget Expenditures in December 2015–2016



Local Budget Expenditures, Growth Rate by Region in December 2016 (% vs. previous year)

