MONTHLY MONITORING

OF MAIN INDICATORS
OF THE BUDGET SYSTEM OF UKRAINE
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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

State Budget Revenues

Local Budget Revenues

State Budget Deficit

Consolidated Budget Expenditures

State Budget Expenditures

Local Budget Expenditures
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 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

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
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Growth Rates of Local Budget Revenue in January 2012–2017

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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
Regional Distribution of Local Budget Revenue in January 2016–2017

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

Budget Deficit/Surplus, Monthly Trends in 2012

Diagram 6

Budget Deficit/Surplus, Monthly Trends in 2013

Diagram 7
Diagram 8

Budget Deficit/Surplus, Monthly Trends in 2014

Diagram 9

Budget Deficit/Surplus, Monthly Trends in 2015
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
State Budget Expenditures

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

Diagram 12

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

Diagram 13
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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
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Graph 18
Growth Rates of Ukraine’s State Budget Expenditures in January-December 2011–2016
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State Budget Expenditures for Defense,
Monthly Trends in 2012–2017

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

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

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State Budget Expenditures for Healthcare,
Monthly Trends in 2012–2017
Graph 27

Graph 28
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
Local Budget Expenditures by Functional Classification in January 2017

Diagram 20

- Education: 24.2%
- Social protection and social security*: 54.5%
- Healthcare*: 11.9%
- Economic activities: 1.7%
- Housing and communal services: 1.6%
- General government: 3.5%
- Other functions: 0.1%

* Expenditures for social and cultural sphere - 93.1%
Diagram 22

Regional Distribution of Local Budget Expenditures in January 2016–2017

Graph 33

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