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# **Monthly Monitoring of Main Budget Indicators of Ukraine as of February 1, 2009**

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## **Tendencies of Execution of Consolidated, State and Local Budgets in Ukraine**

In January 2009, State budget execution is characterized by a decrease in monthly nominal revenues against the relevant indicators in 2008 by a considerable number of revenue sources, particularly: an enterprise profit tax, VAT on goods produced in Ukraine, foreign trade and external operations. The excise tax was the only revenue source showing quite a considerable growth (by 30.2%) as opposed to January 2008.

At the same time, State budget execution in January 2009 is characterized by a monthly estimated plan overfulfilment by over 5%.

Among the main factors causing budget overfulfilment is a natural gas customs clearance regarding gas import into Ukraine in the first quarter of 2008. The customs clearance was performed according to Resolution of Cabinet of Ministers of Ukraine of October 14, 2008, No 906, consequently providing the budget with Hr 1.86bn of import duty and VAT on imported goods. State budget revenues (without the above revenues) reached 90.4% of the monthly estimated plan.

Overall local budget revenues (without intergovernmental transfers) in January 2009 dropped by 3.1% and totaled almost Hr 4.6bn against the same indicators in 2008.

At the same time, it should be noted an increase in tax revenues into local budgets. They totaled Hr 3.9bn, exceeding relevant indicators in January 2008 by 8.7%. Moreover, of a note is an increase in local budget revenues from personal income tax (by 5.8%), payment for land (by 37.9%) and fee for special use of natural resources (by 37.2%).

In January 2009, non-tax revenues into local budgets totaled Hr 497.1 million as opposed to the relevant indicator of Hr 409.6 million in January 2008. Revenues from capital operations in January 2009 totaled only Hr 133.4 million, which is the lowest figure occurring in January over the last five years. At the same time, revenues into ear-marked funds have considerably dropped and totaled only Hr 47.0 million against Hr 217.6 million in January 2008.

State budget crediting in January 2009 totaled Hr 0.9bn or 31.8% of the annual estimated plan. Herewith, credit provision by the government when implementing guarantee liabilities totaled Hr 0.8bn that is 10 times more than the annual budget allocations. It is explained by a necessity to repay “Yuzhmash” borrowings, received against government security. The right for this is stipulated by Article 15 items 4, 5 and Article 17 item 3 of the Budgetary Code of Ukraine.

State budget surplus in January 2009 totaled Hr 1.6bn, and was established for account of Special Fund with surplus of Hr 2.9bn.

General Fund deficit, financed via asset balance, amounting only 1.1% of General Fund expenditures as of the year's outset and 0.3% as of February 2009, totaled Hr 1.3bn. Moreover, a share of asset balance or 12.3% of the used assets was aimed at external State debt repayment, which exceeded borrowings by Hr 0.2bn in January 2009.

Special Fund surplus was primarily established for account of the unused revenues of NAK Naftogaz Ukrayiny overdue tax obligations from VAT on goods imported into Ukraine, totaling Hr 1.9bn. According to Article 6 item 41 and Article 34 item 52, these revenues are to

be aimed at State budget subventions into the local budgets for repaying the arrears of the previous years, which had accrued due to a difference between the actual cost of thermal energy, water supply and sewage services and rates approved by the State executive authorities or local governments.

In January 2009, State budget expenditures, including intergovernmental transfers totaled Hr 10.9bn, particularly, General Fund expenditures of Hr 9.6bn and Special Fund expenditures of Hr 1.3bn. In January 2009, General Fund expenditure execution within State budget reached 5% of annual plan, while Special Fund expenditures execution reached 1.8%.

It is first over the last six years when expenditures in January dropped against January 2008. The reduction totaled 10.0%. The expenditures for defense, education, social protection and security increased by 27.4%, 18.8% and 17.6%, respectively. At the same time, the expenditures to cover Pension Fund deficit have not been performed. Some indicators in January 2009 even reached the level of 2007, in particular, expenditures for general government functions and agriculture, forestry, game-preserves and fisheries.

Overall local budget expenditures (without intergovernmental transfers) totaled almost Hr 6.9bn in January 2009. It should be noted local budget expenditure increase by 31.3% as opposed to the indicators in January 2008. However, expenditures for economic activities, housing and communal sector and environment protection dropped by 9.0%. At the same time, expenditures for social sector and all other expenditure items increased by 33.4% and 37.0%, respectively.



# State Budget Revenues

Diagram 1

## Structure of State Budget Revenues in January 2009

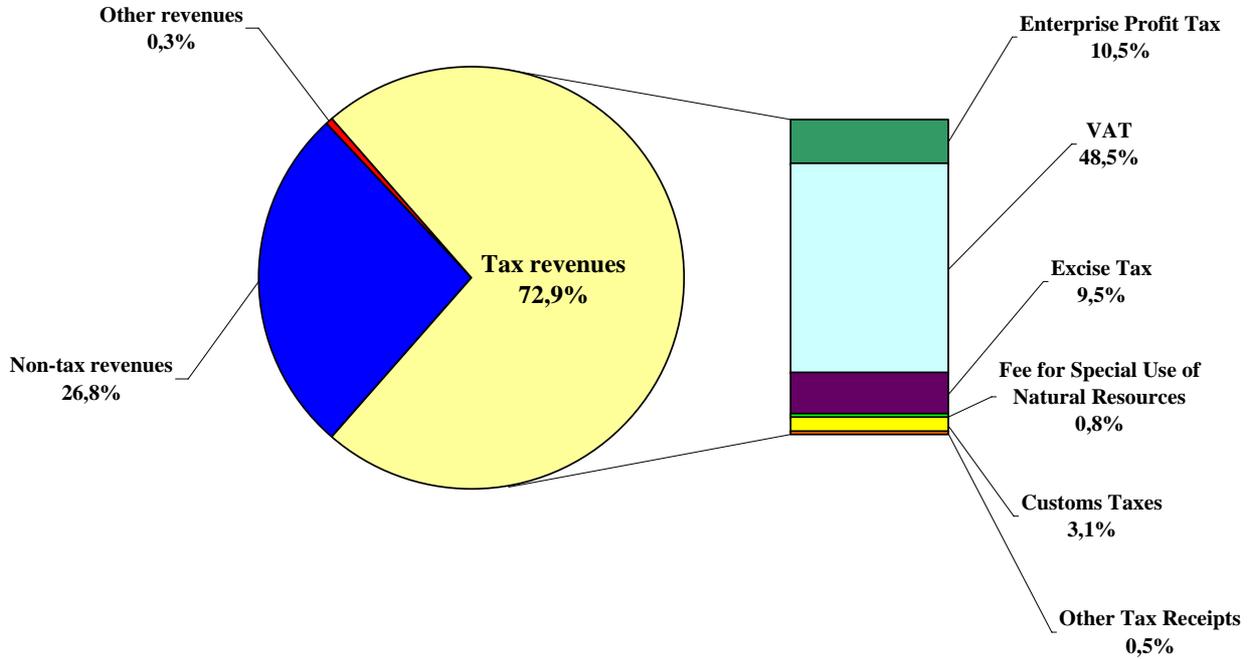
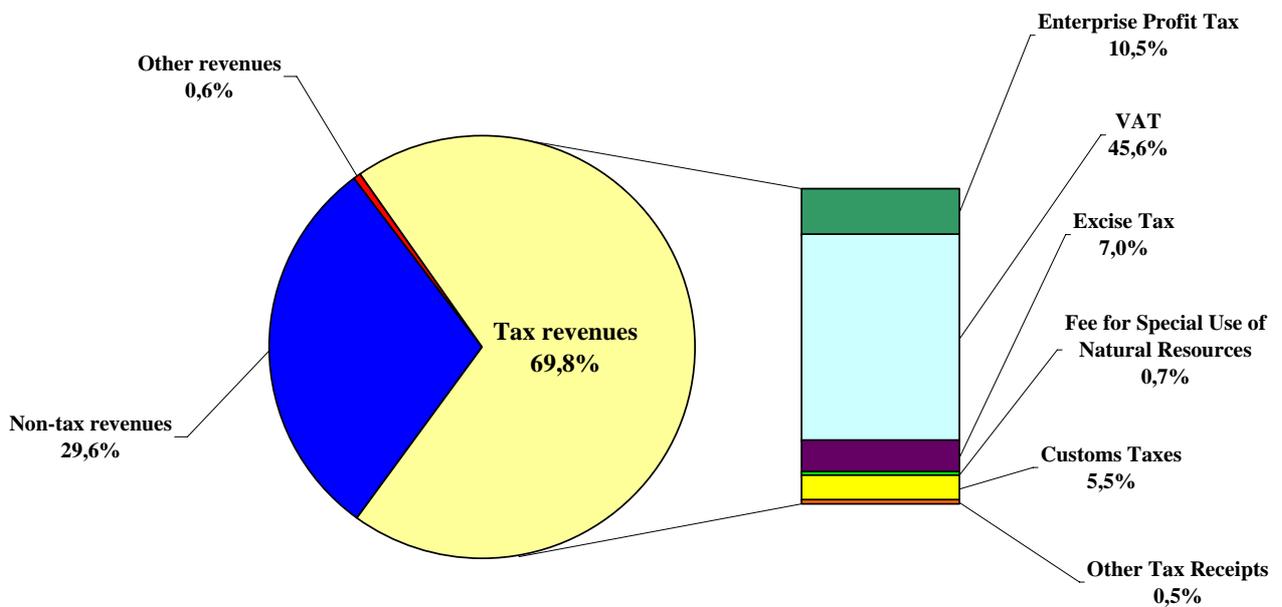


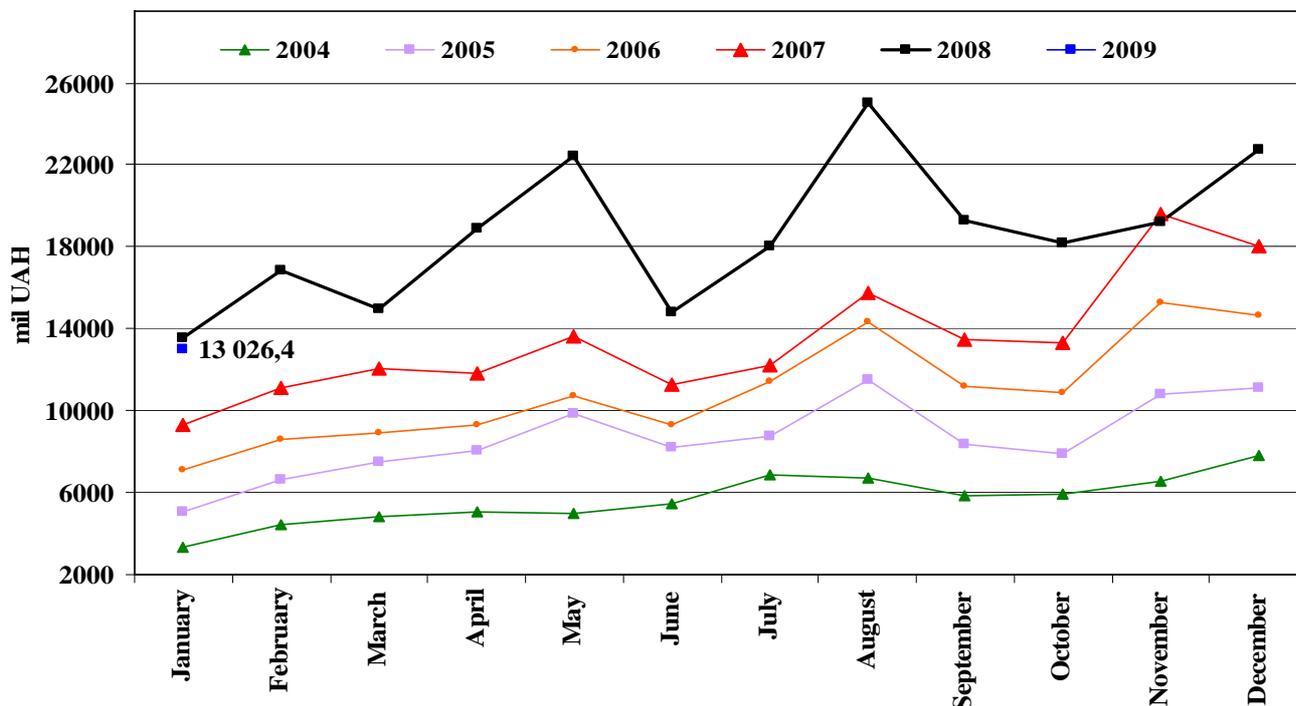
Diagram 2

## Structure of State Budget Revenues in January 2008



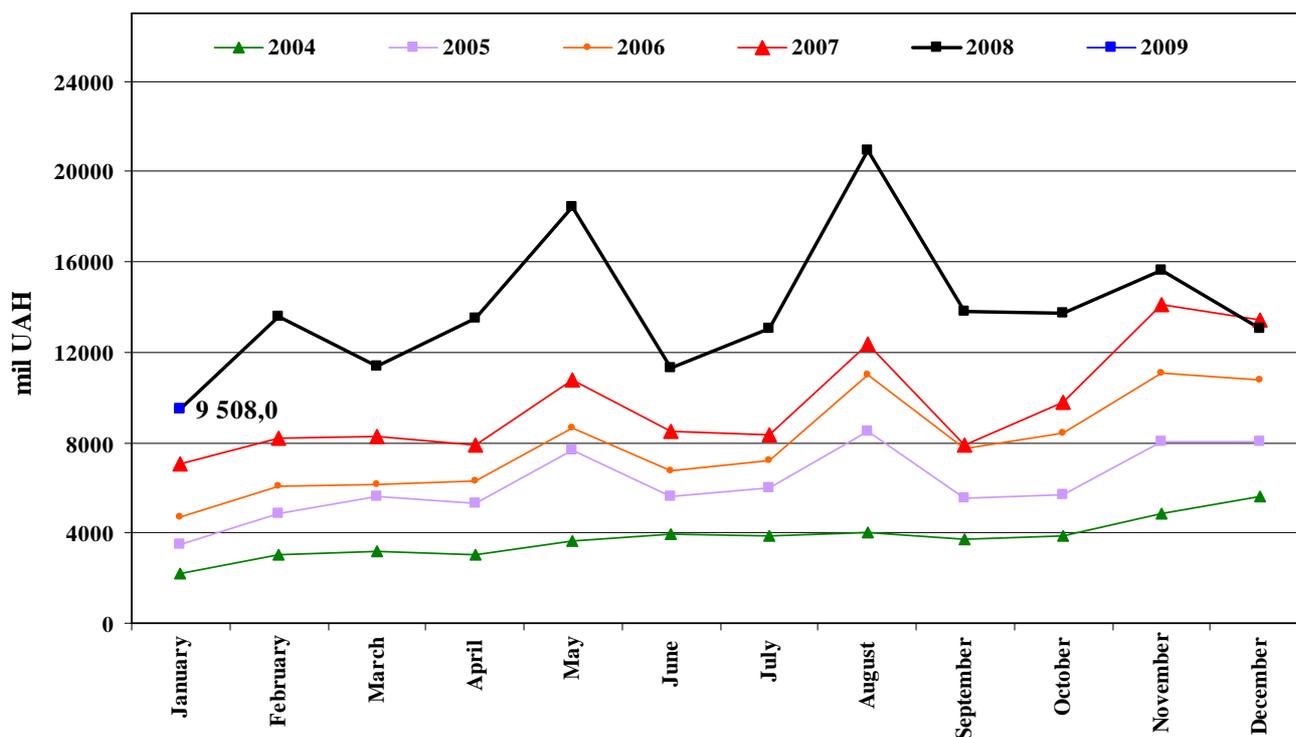
Graph 1

### State Budget Total Revenues Monthly Trends in 2004-2009



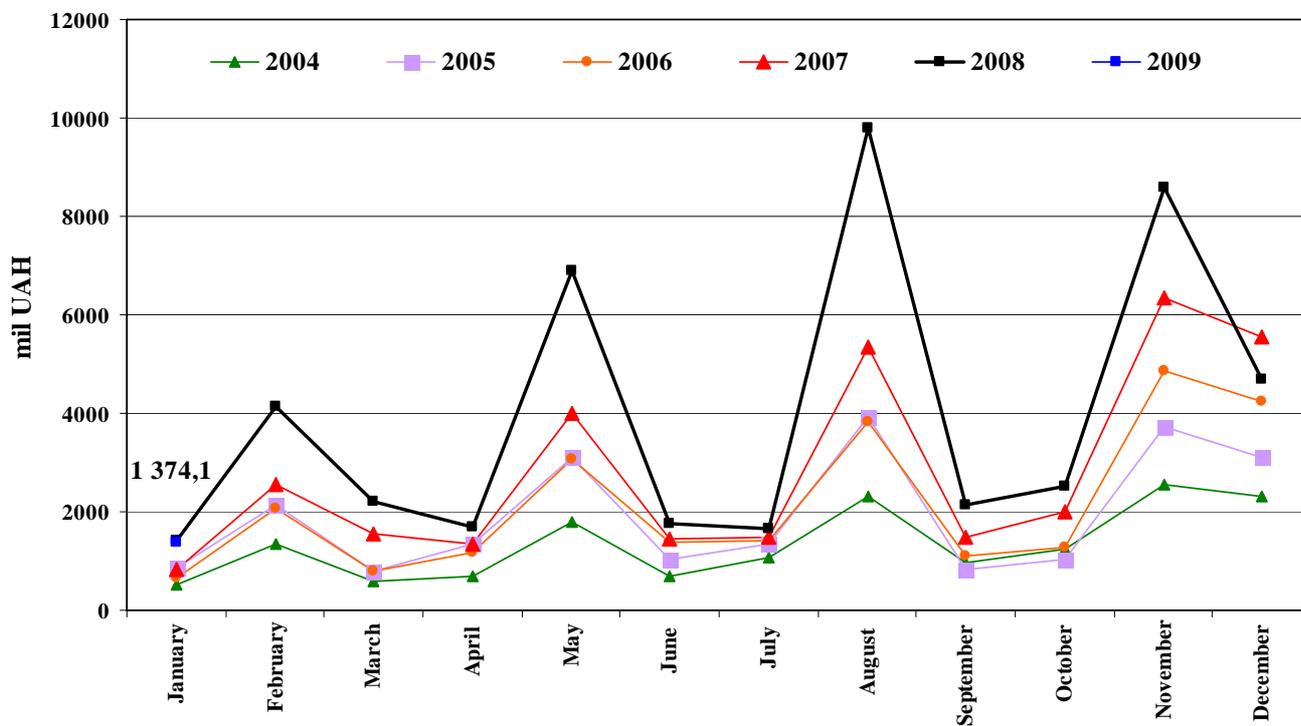
Graph 2

### State Budget Tax Revenues Monthly Trends in 2004-2009



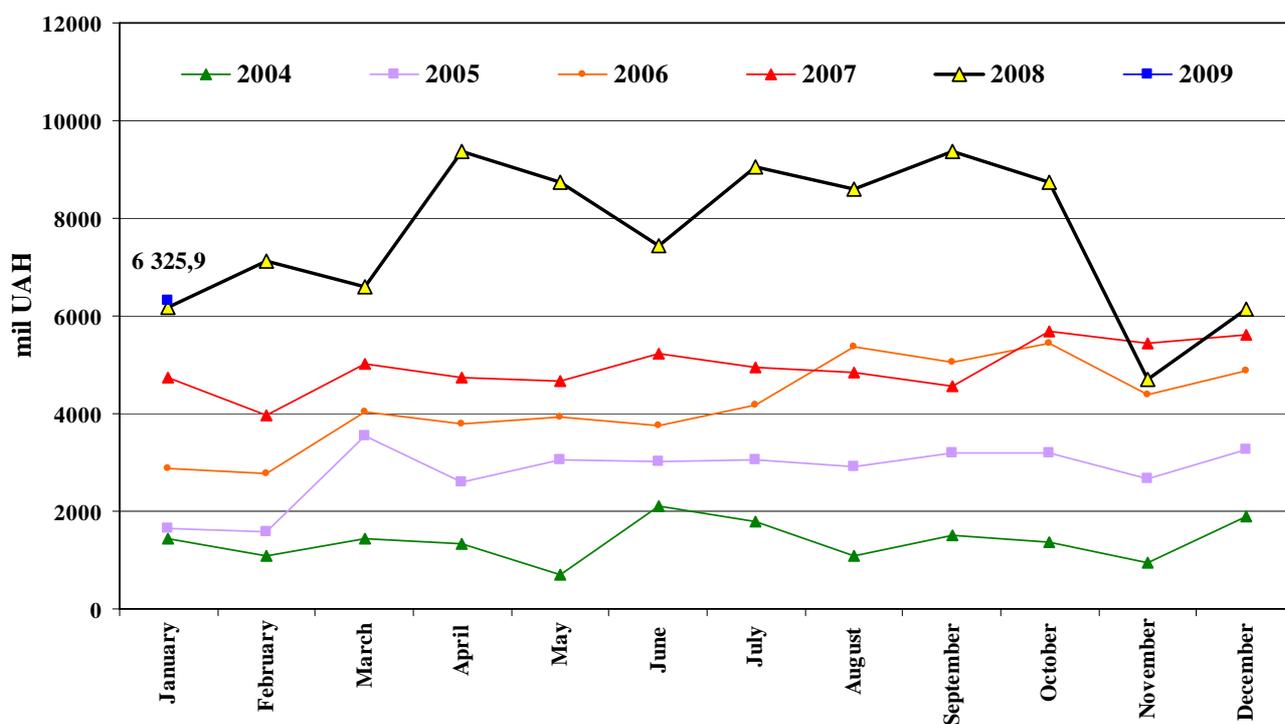
Graph 3

### State Budget Enterprise Profit Tax Monthly Trends in 2004-2009



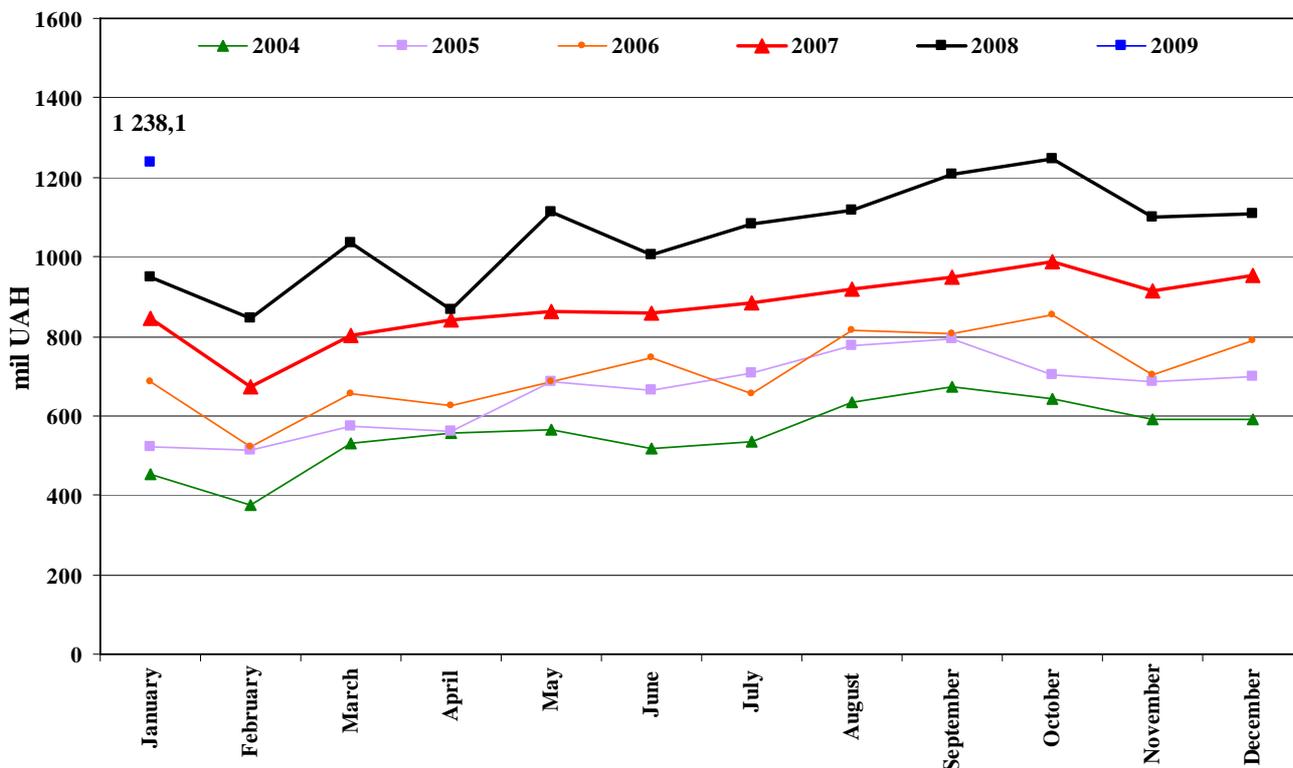
Graph 4

### State Budget Value Added Tax Monthly Trends in 2004-2009



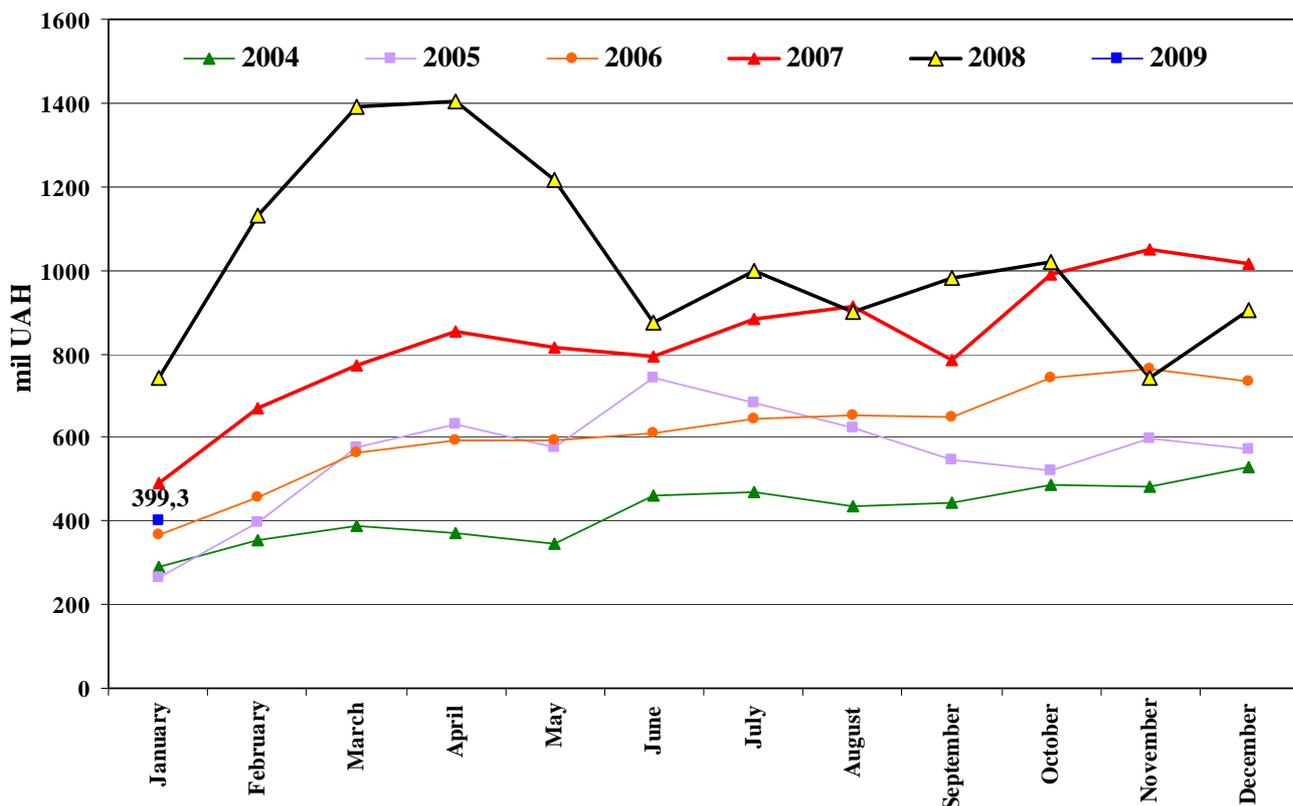
Graph 5

### State Budget Excise Tax Monthly Trends in 2004-2009



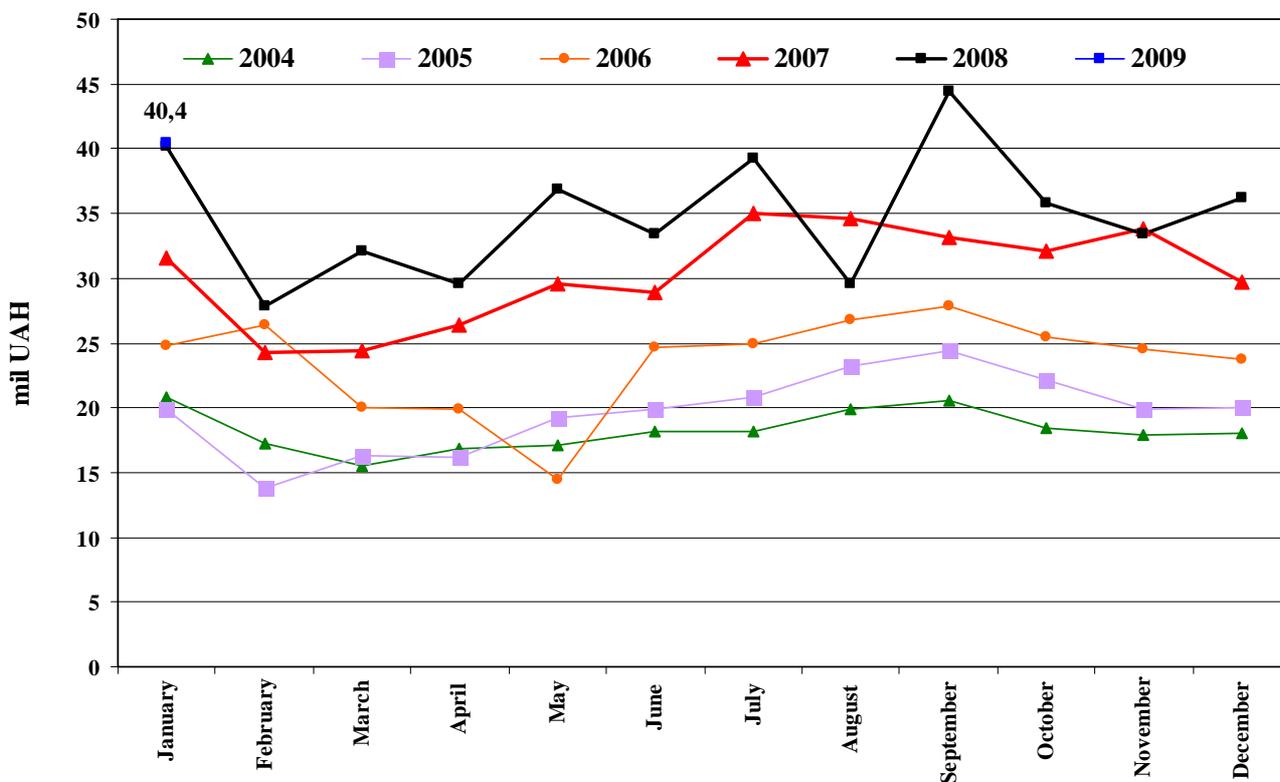
Graph 6

### Taxes on Foreign Trade and External Operations Monthly Trends in 2004-2009



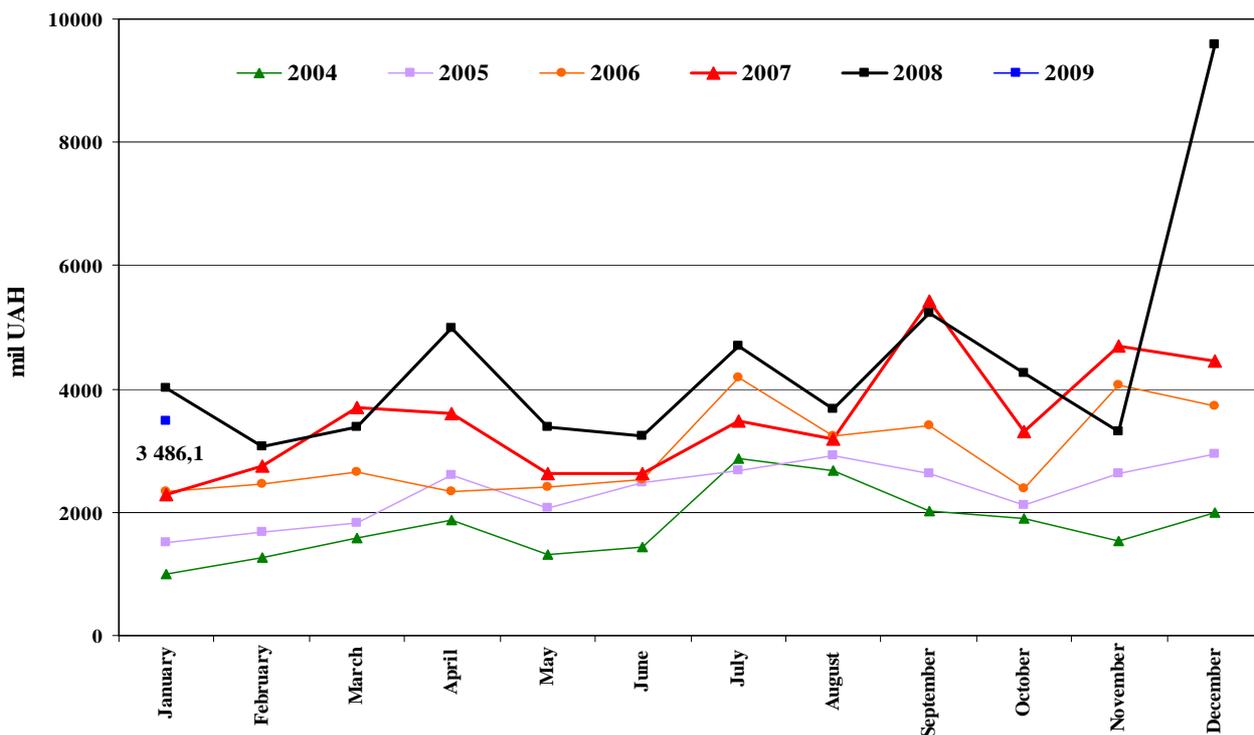
Graph 7

### State Budget Other Taxes Monthly Trends in 2004-2009



Graph 8

### State Budget Non-tax Revenues Monthly Trends in 2004-2009



# Local Budget Revenues

Graph 9

## Local Budget Revenues Monthly Trends (Less Intergovernmental Transfers) in 2004-2009

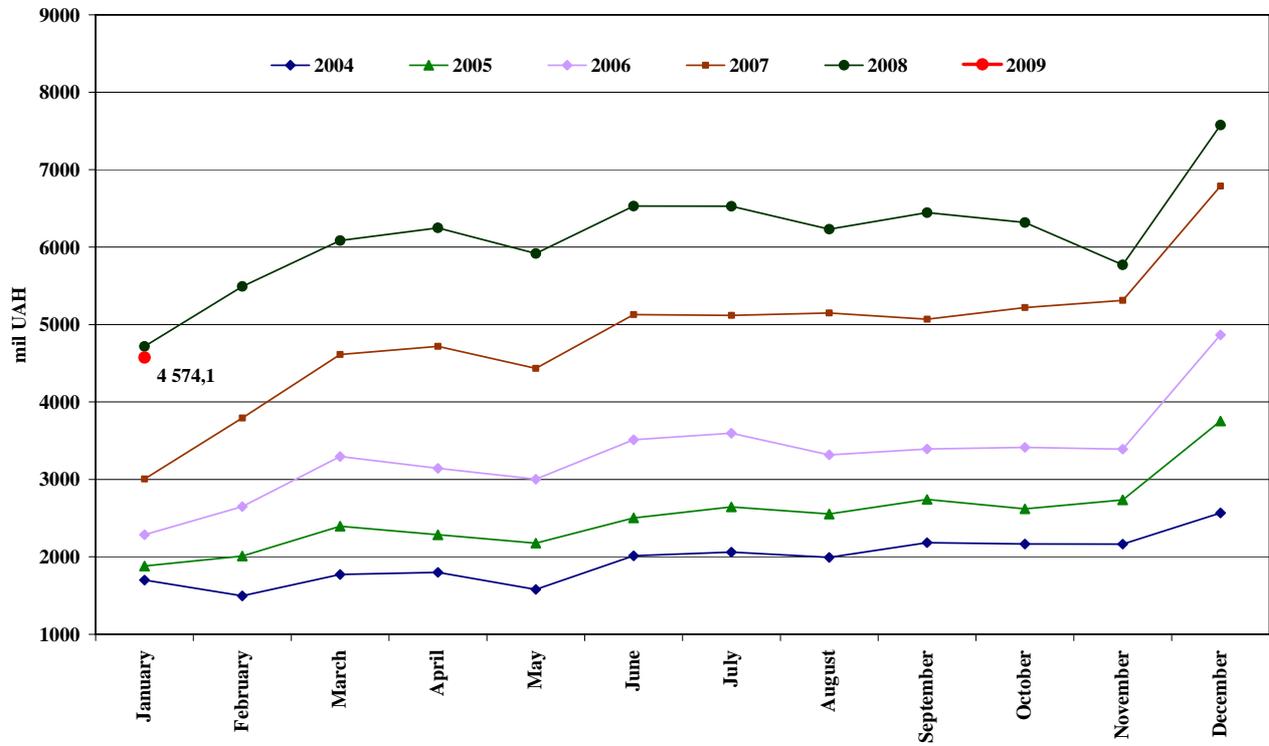
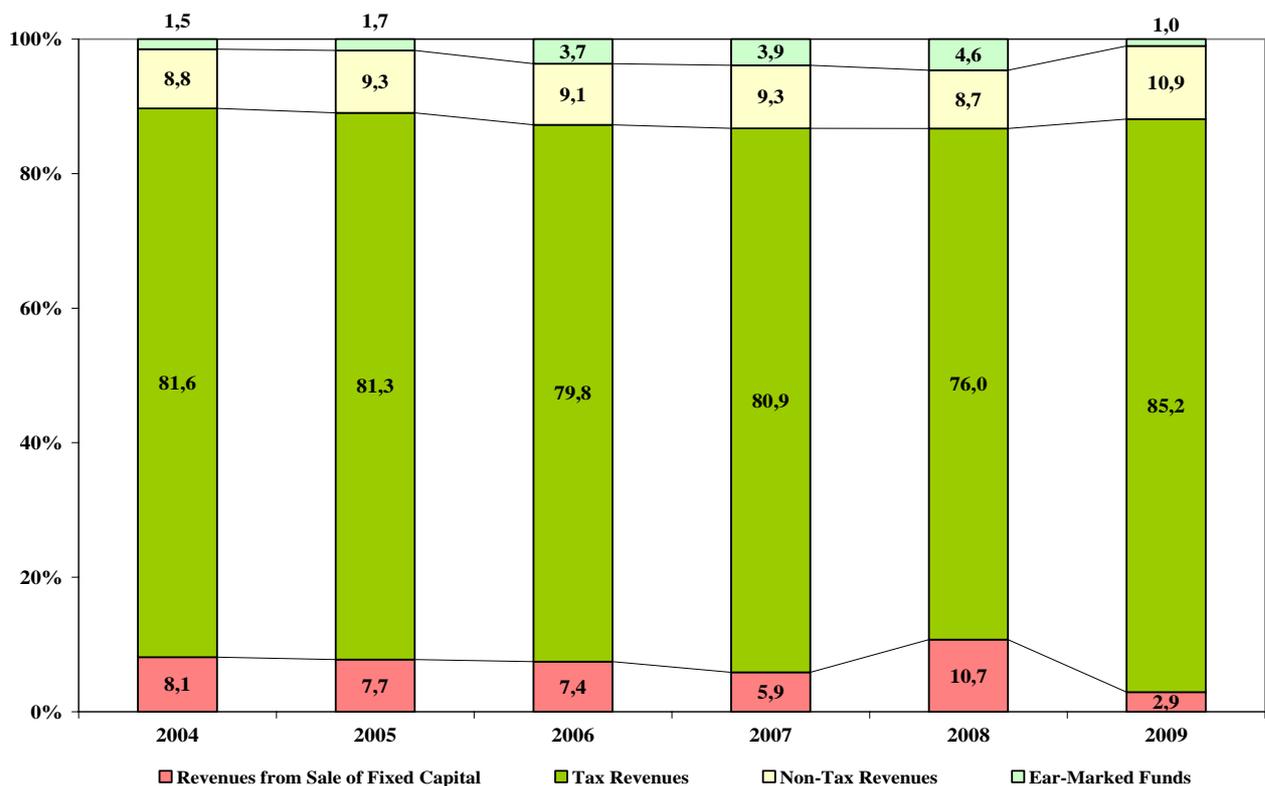


Diagram 3

## Structure of Actual Local Budget Revenues in January 2004-2009



### Structure of Actual Local Budget Revenues in January-December 2003-2008



### Local Budget Tax Revenues Monthly Trends in 2004-2009

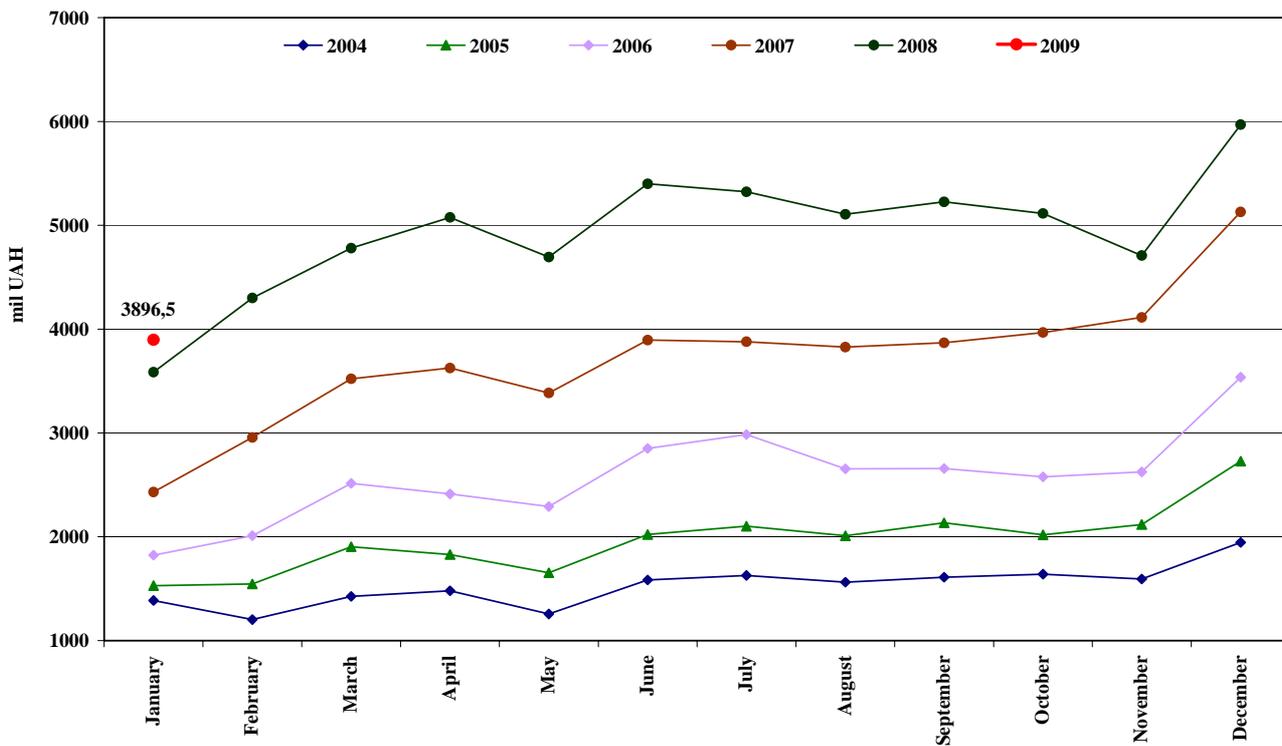


Diagram 5

### Structure of Actual Local Budget Tax Revenues in January 2004-2009

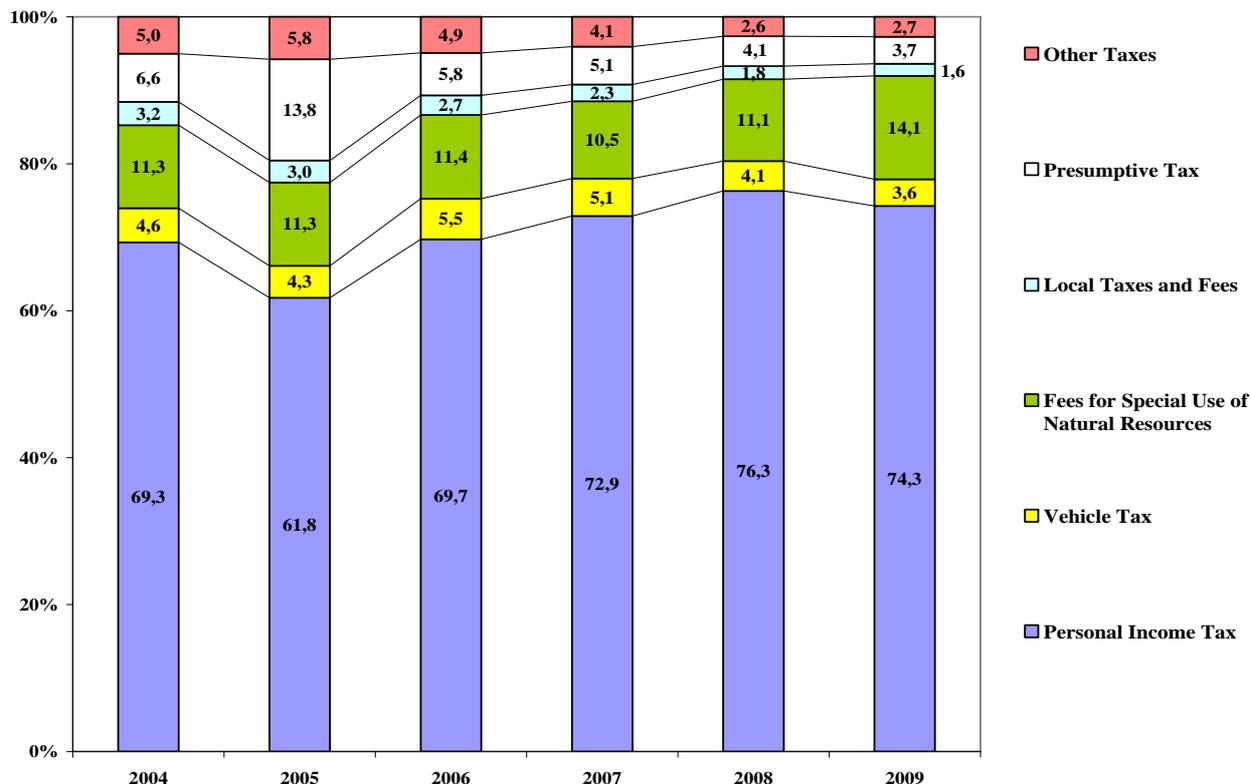
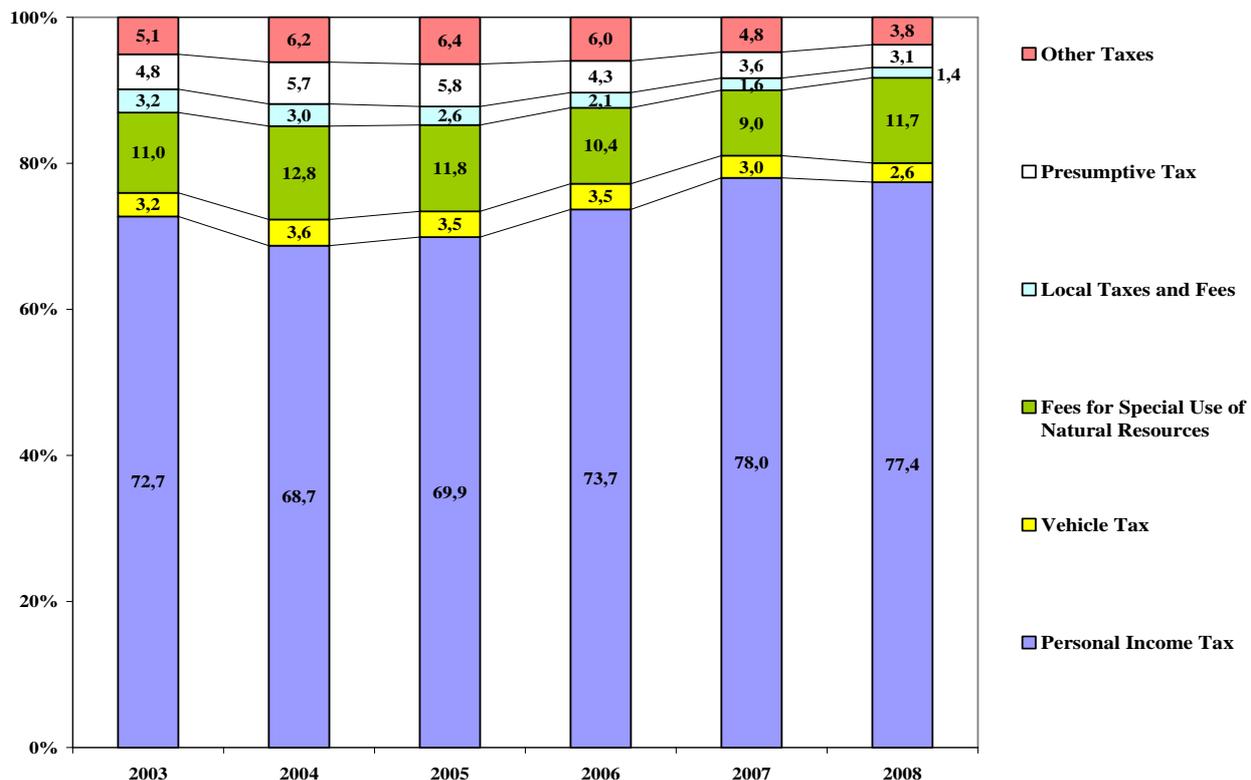
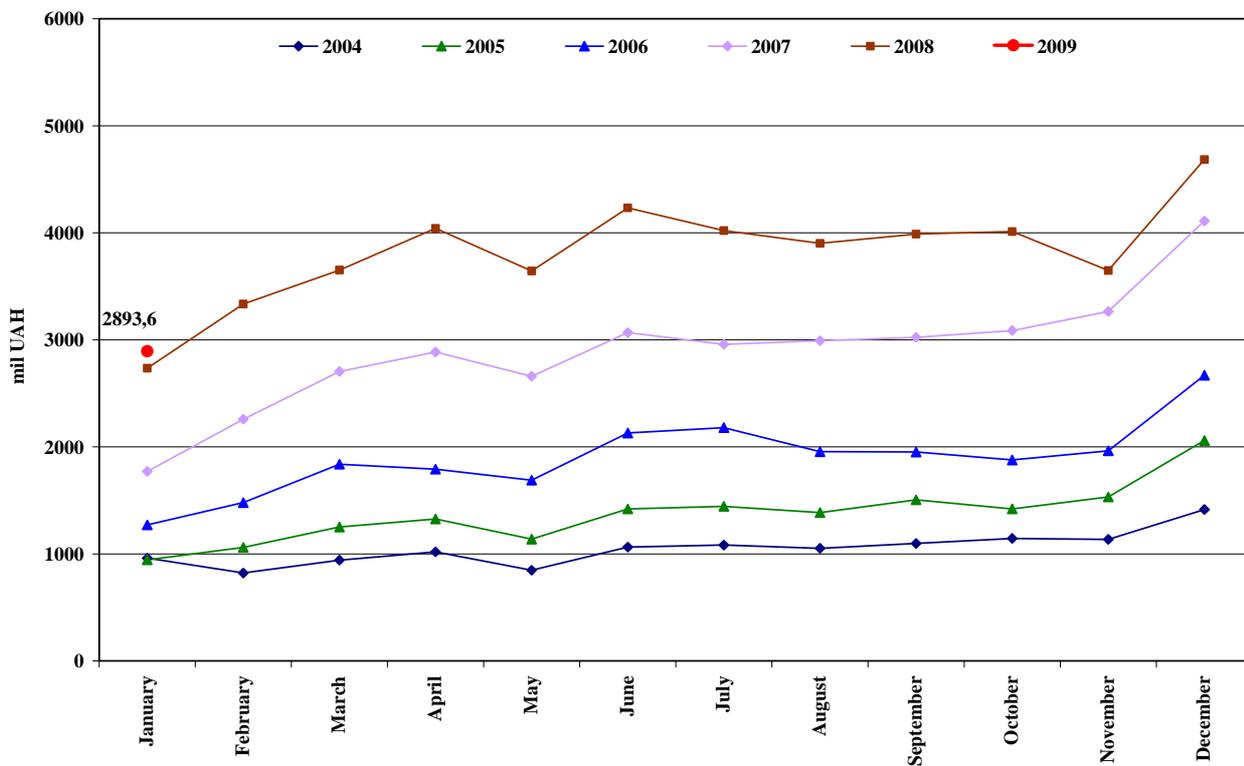


Diagram 6

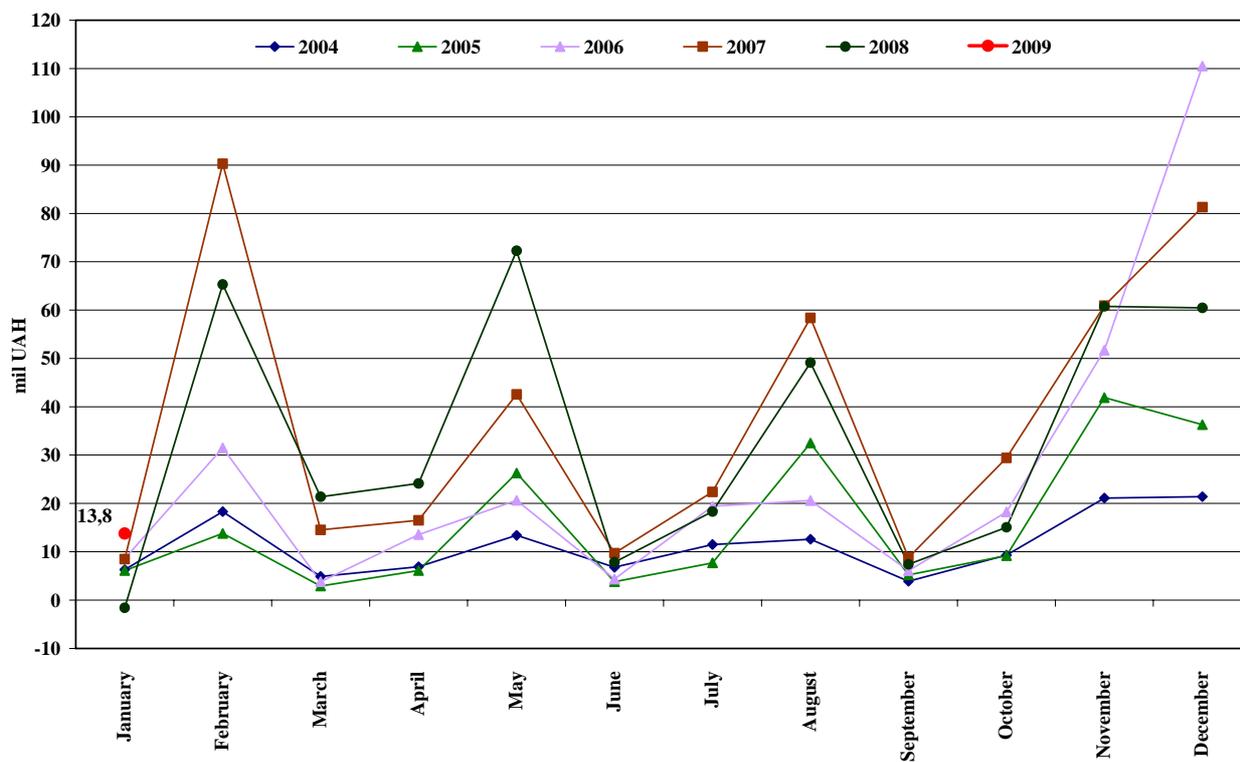
### Structure of Actual Local Budget Tax Revenues in January-December 2003-2008



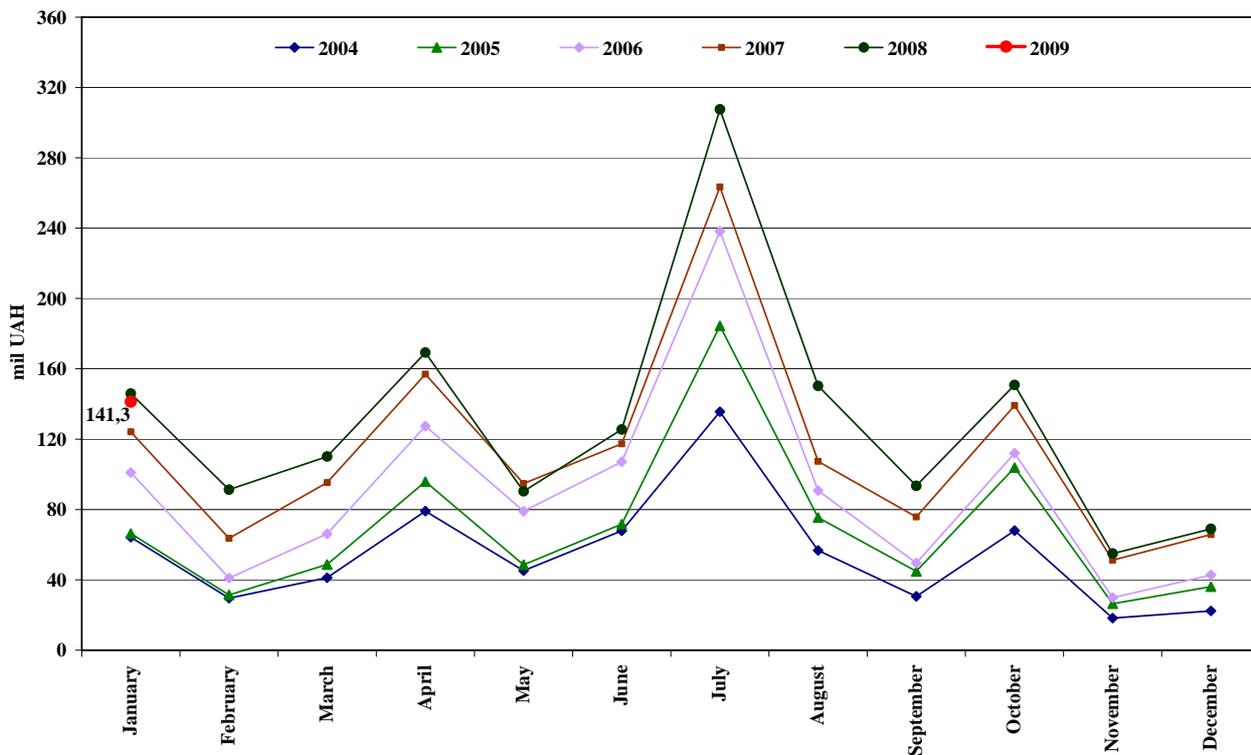
### Local Budgets Personal Income Tax Monthly Trends in 2004-2009



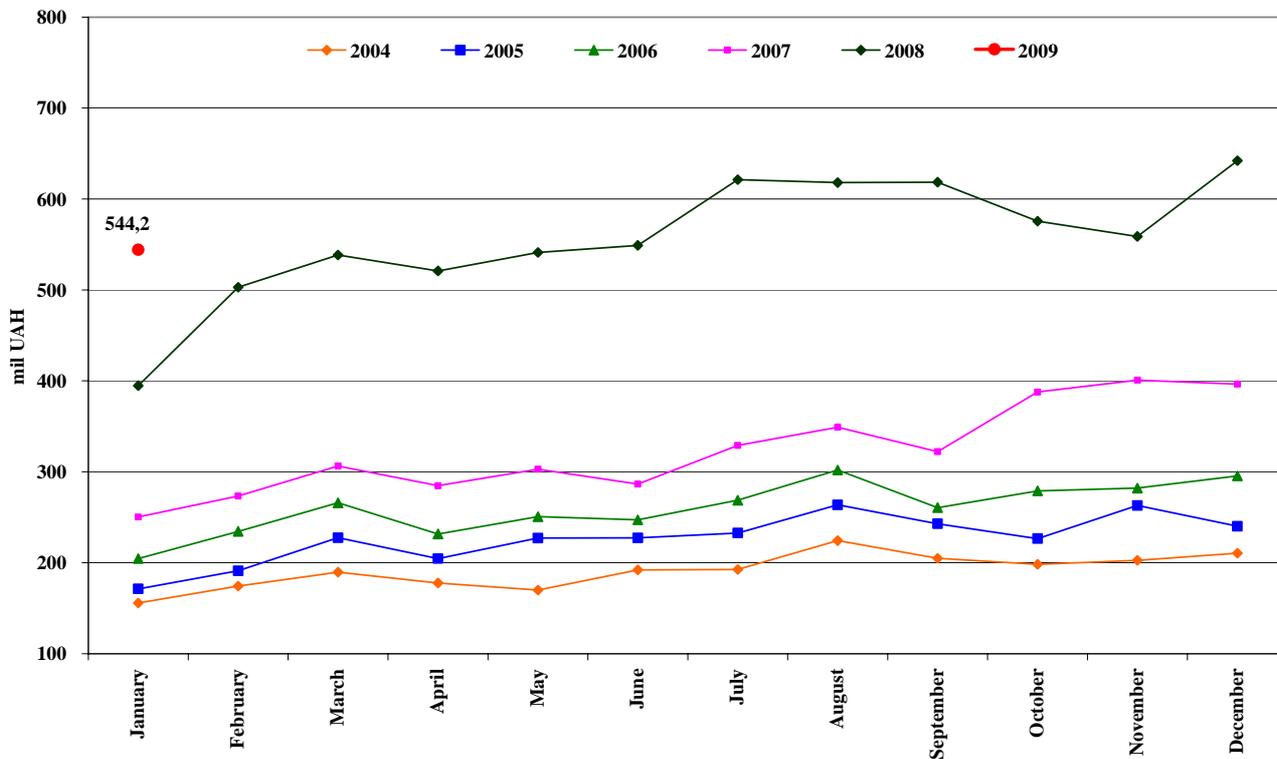
### Tax on Profit of Municipal Enterprises Monthly Trends in 2004-2009



### Vehicle Tax Monthly Trends in 2004-2009

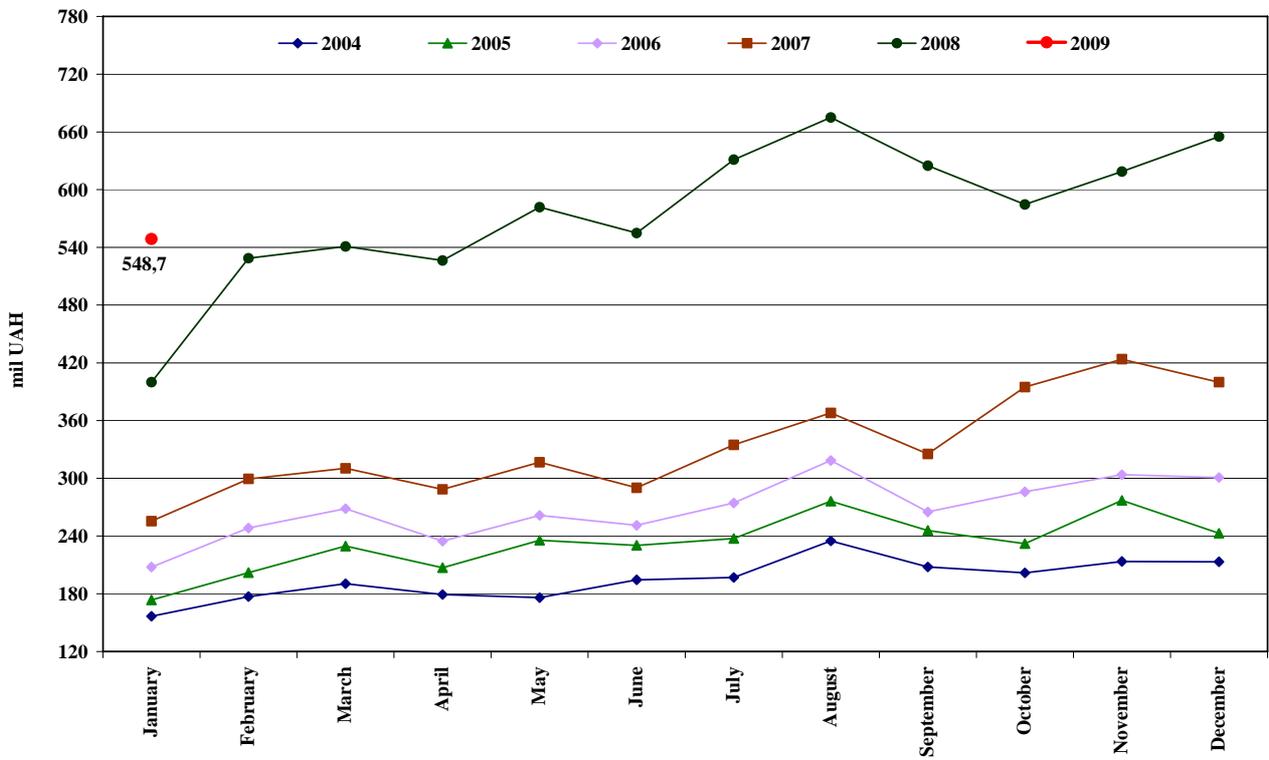


### Land Tax Monthly Trends in 2004-2009



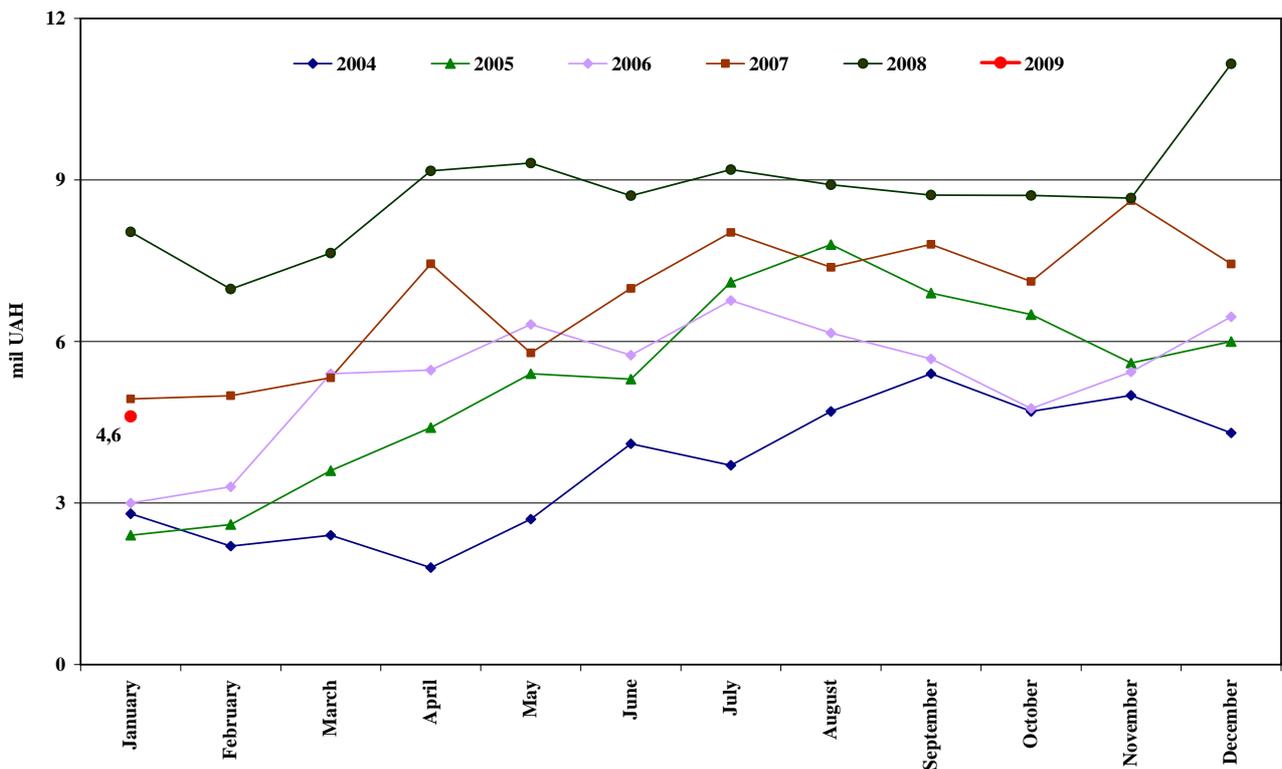
Graph 15

### Fees for Special Use of Natural Resources Monthly Trends in 2004-2009



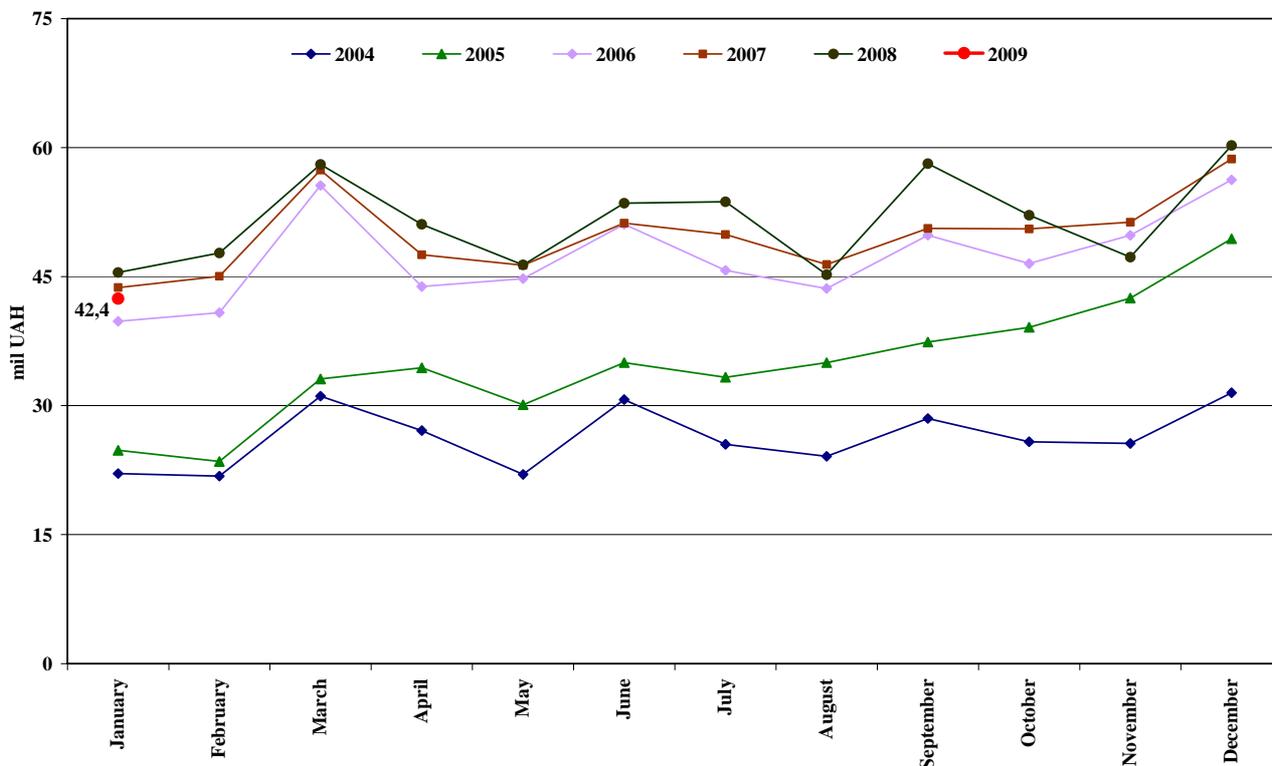
Graph 16

### Local Budget Excise Tax Monthly Trends in 2004-2009



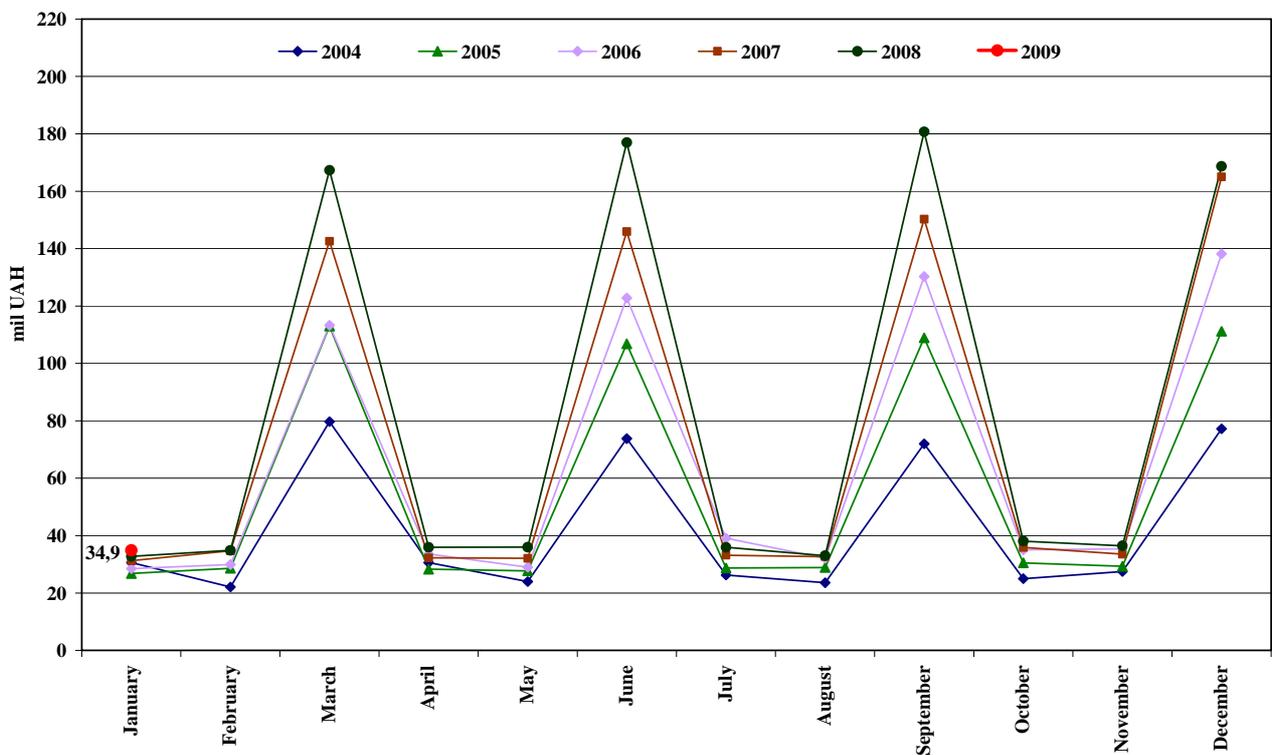
Graph 17

### License Fee for Certain Types of Economic Activities Monthly Trends in 2004-2009

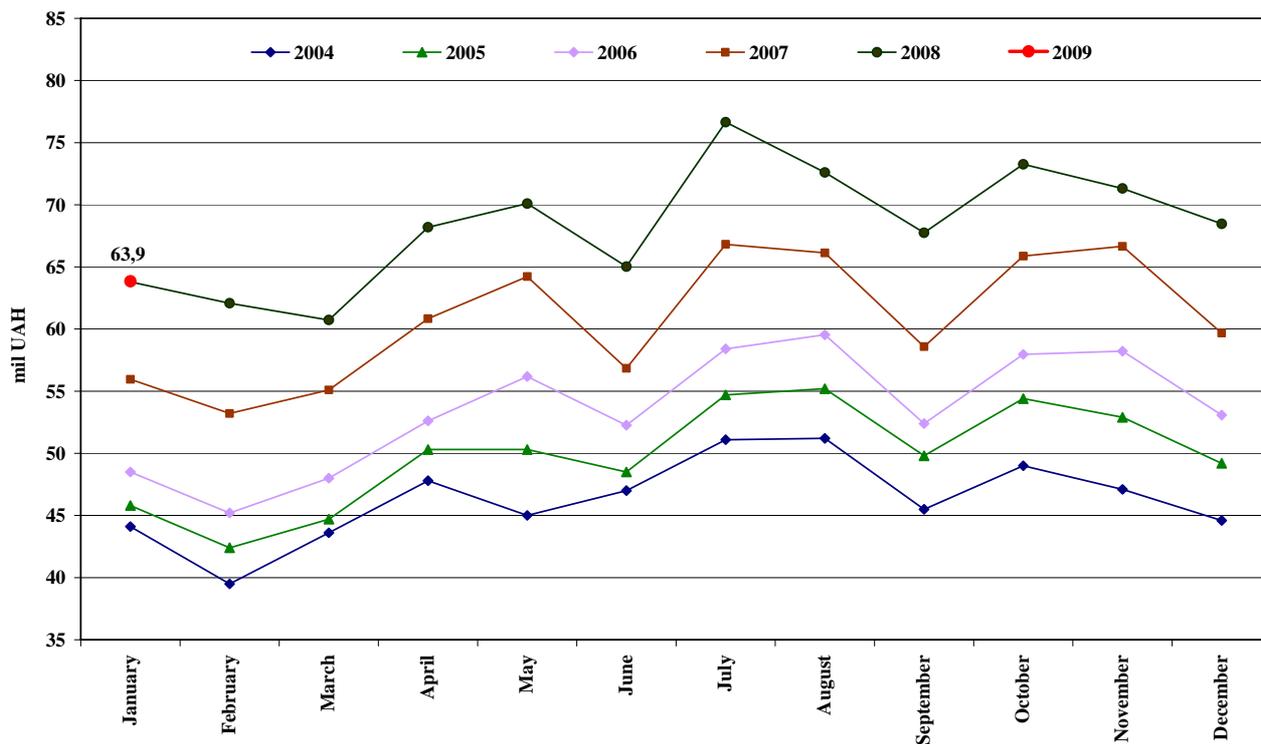


Graph 18

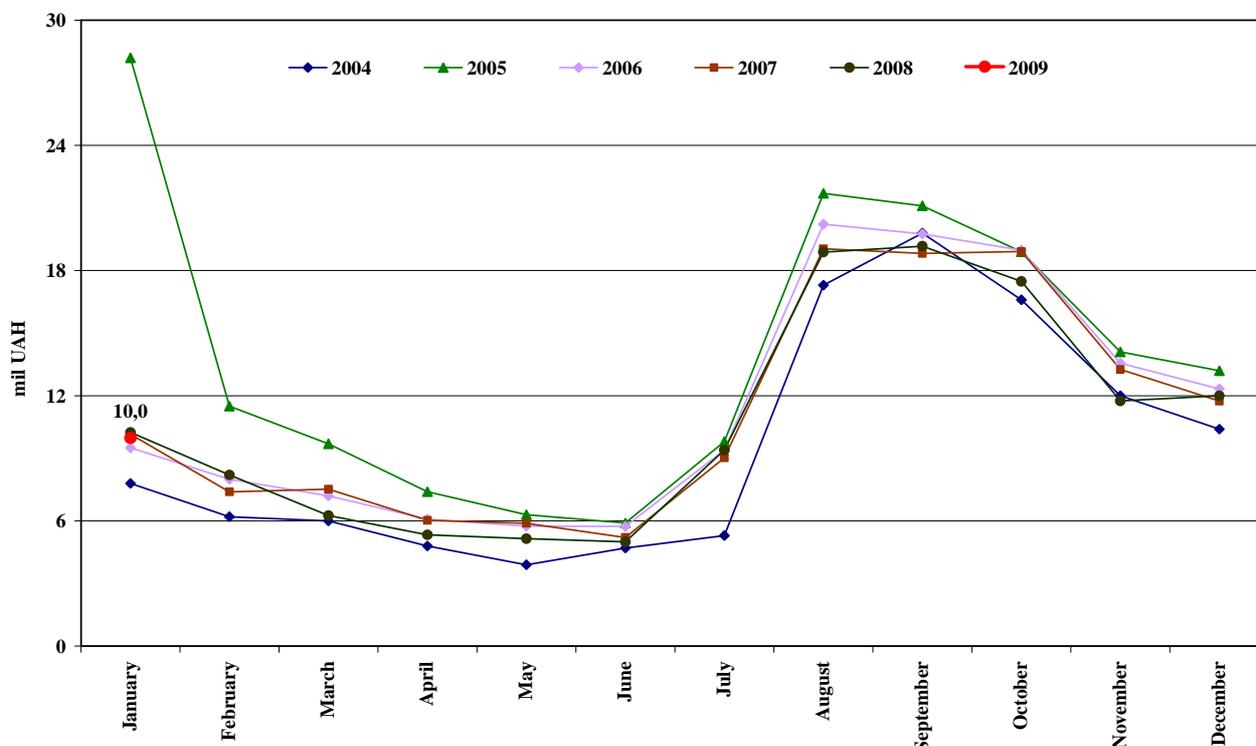
### Trade License Fee for Certain Types of Entrepreneurial Activities Monthly Trends in 2004-2009



### Local Taxes Monthly Trends in 2004-2009

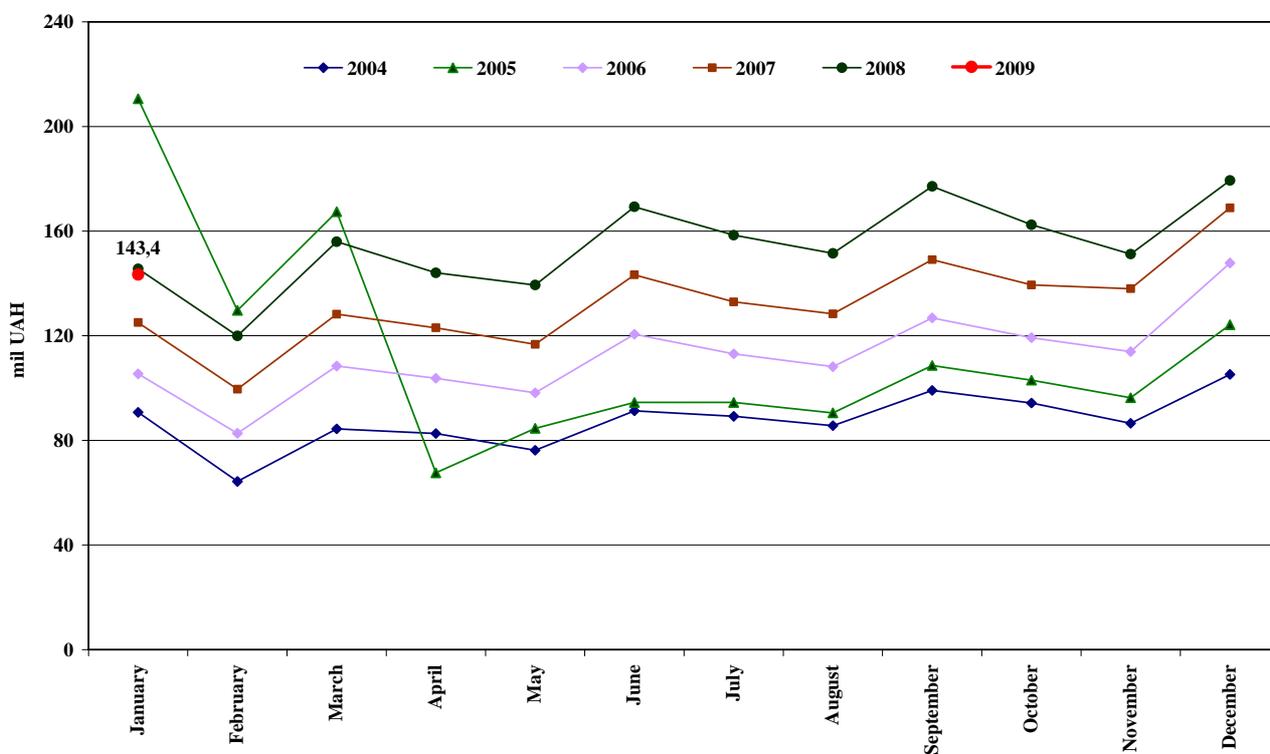


### Fixed Agricultural Tax Monthly Trends in 2004-2009



Graph 21

### Presumptive Tax Monthly Trends in 2004-2009



Graph 22

### Local Budget Non-tax Revenues Monthly Trends in 2004-2009

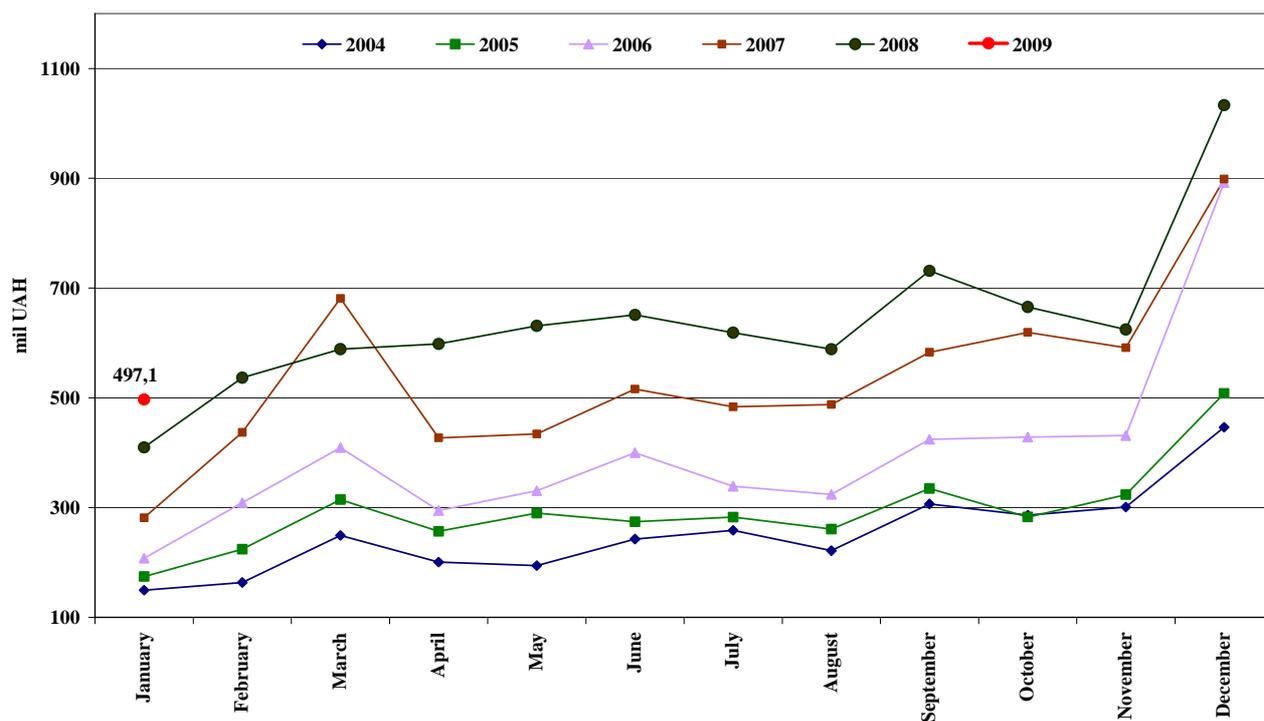


Diagram 7

### Structure of Local Budget Actual Non-tax Revenues in January 2004-2009

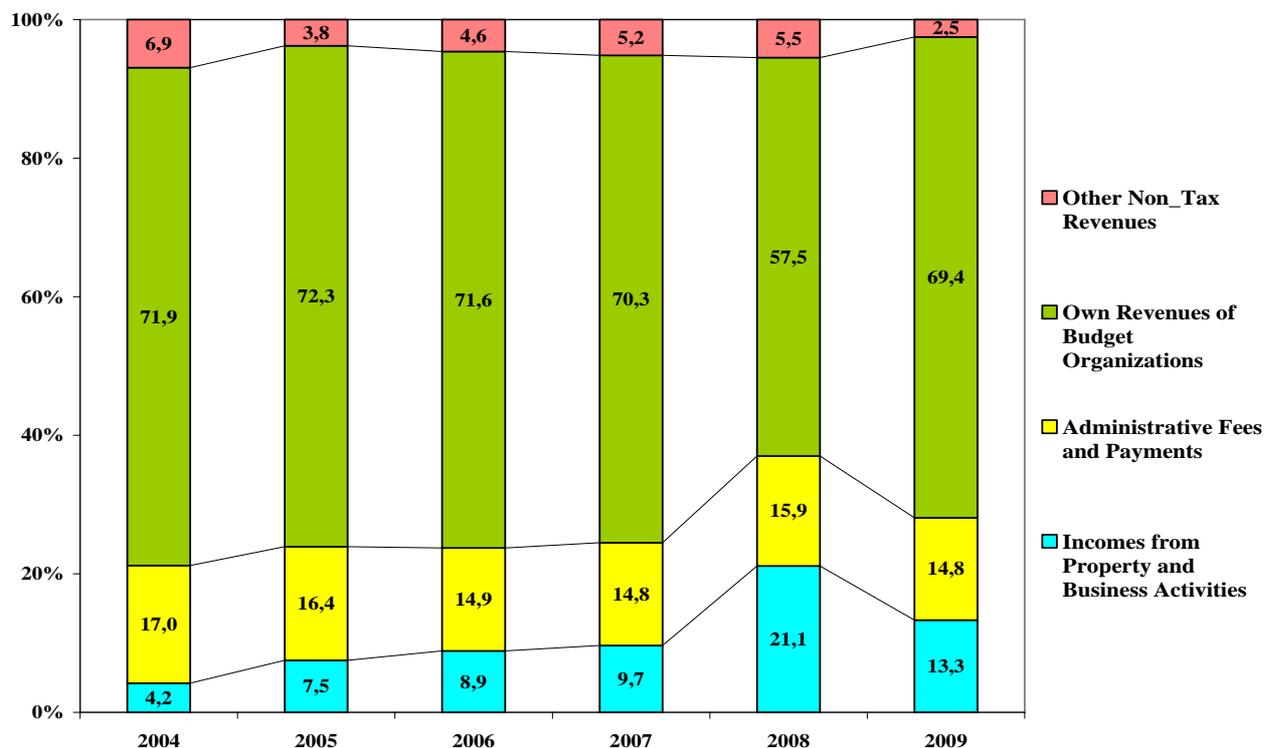
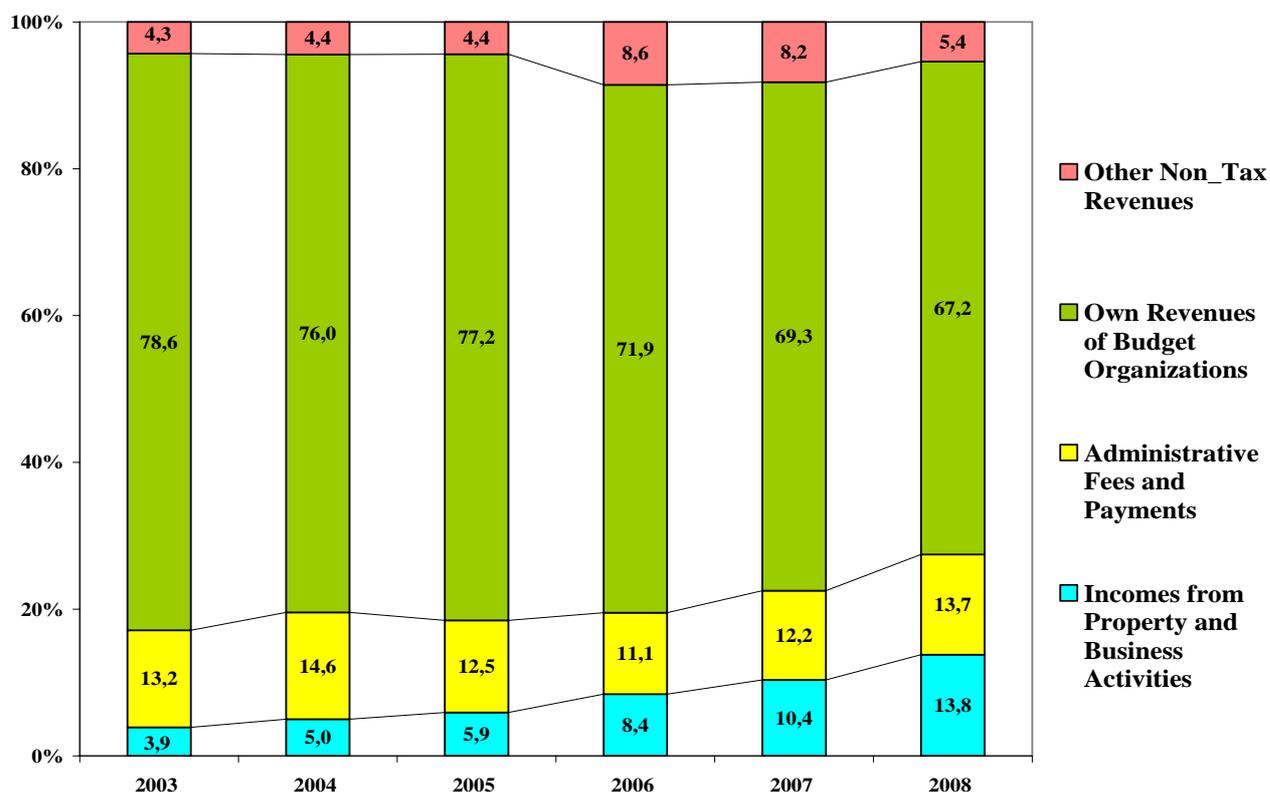
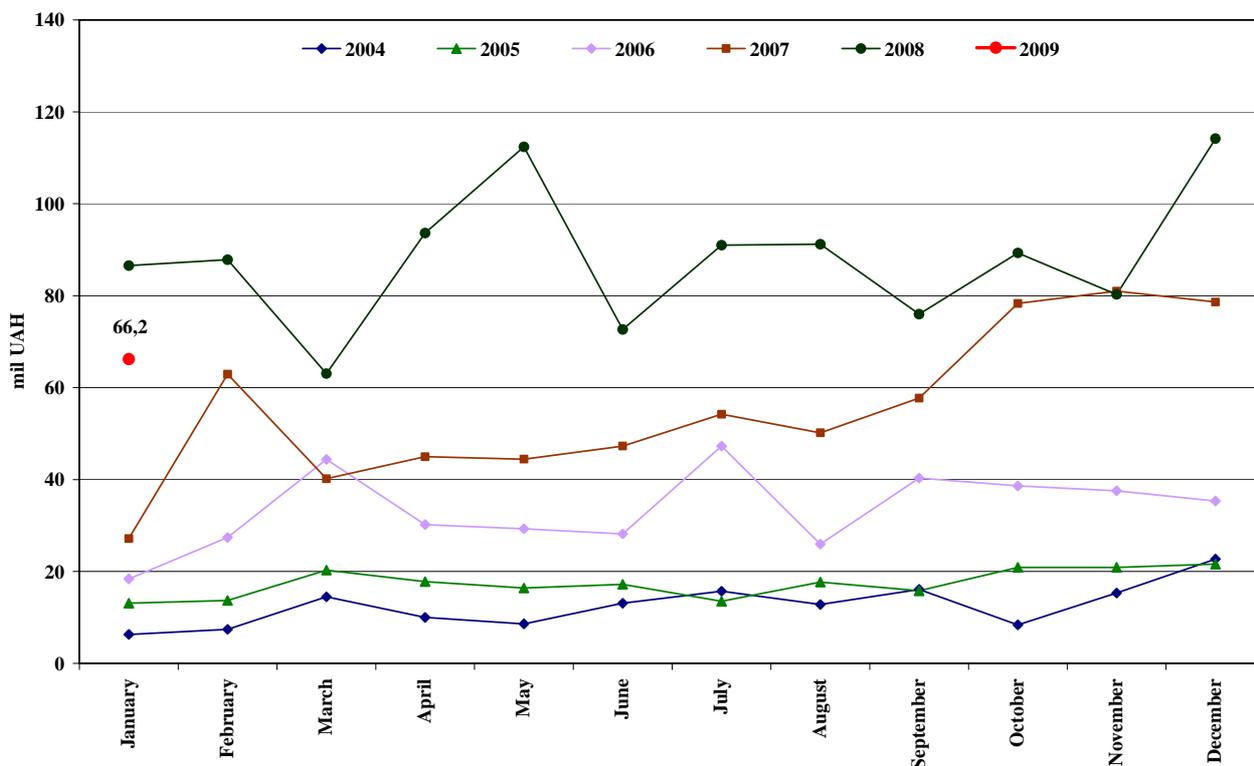


Diagram 8

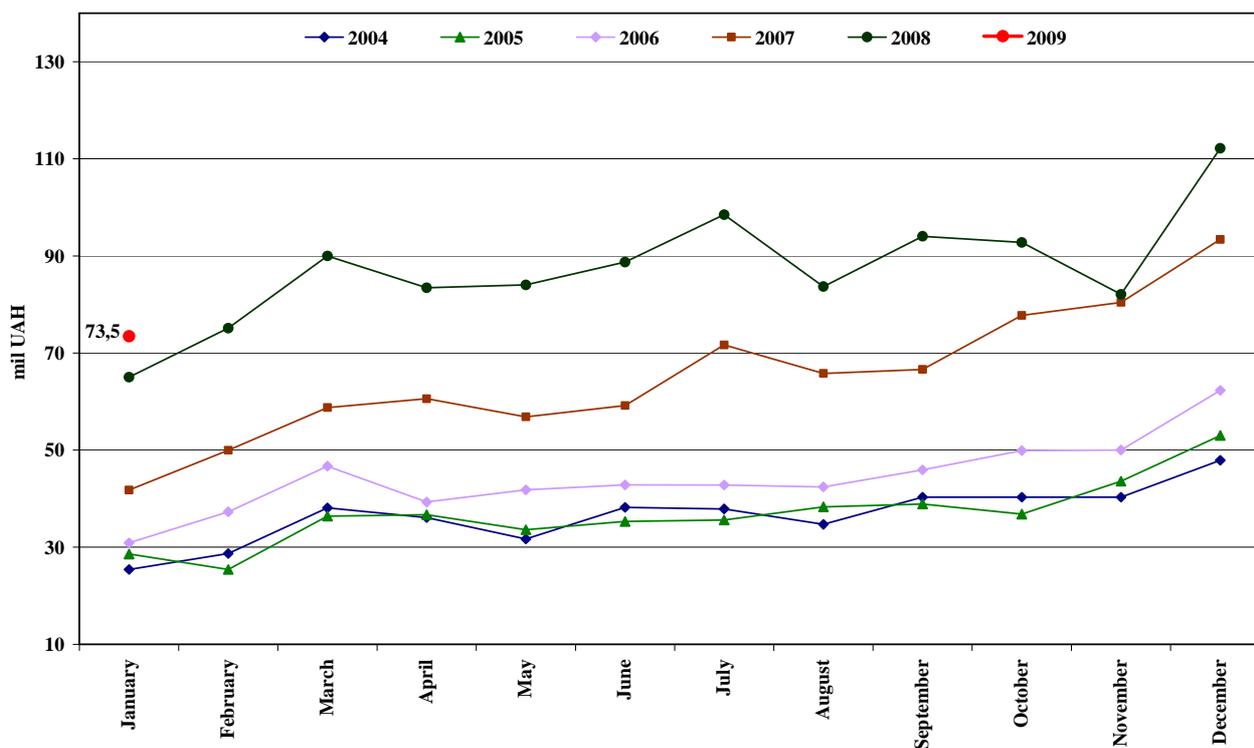
### Structure of Local Budget Actual Non-tax Revenues in January-December 2003-2008



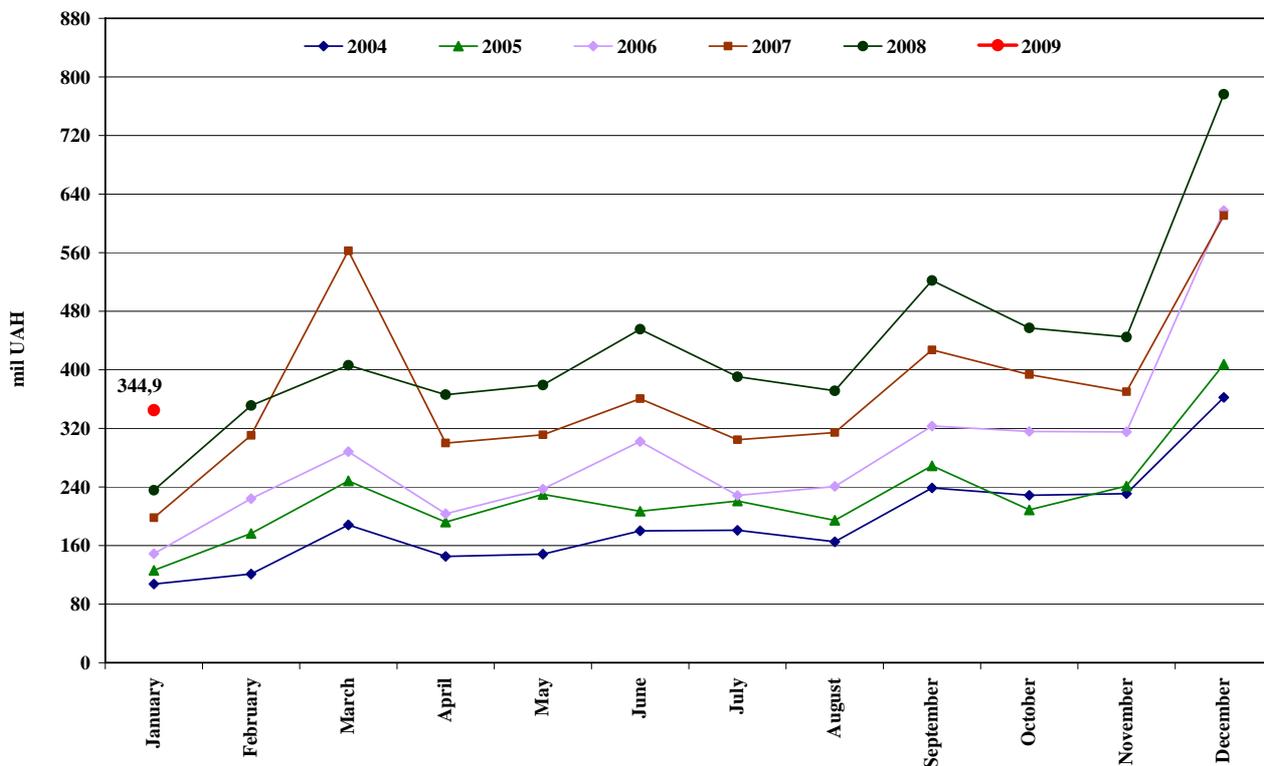
### Local Budget Revenues from Property and Entrepreneurial Activities Monthly Trends in 2004-2009



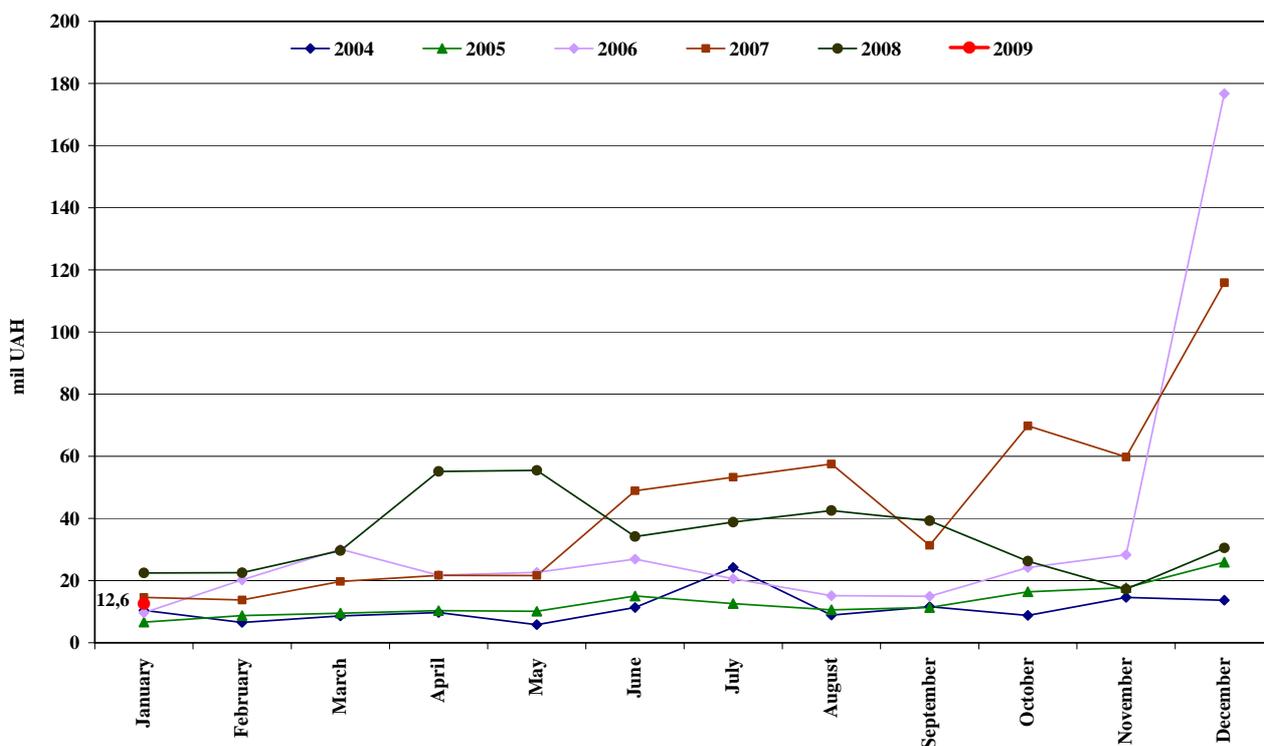
### Dynamics of Monthly Local Budget Revenues from Administrative Fees in 2004-2009



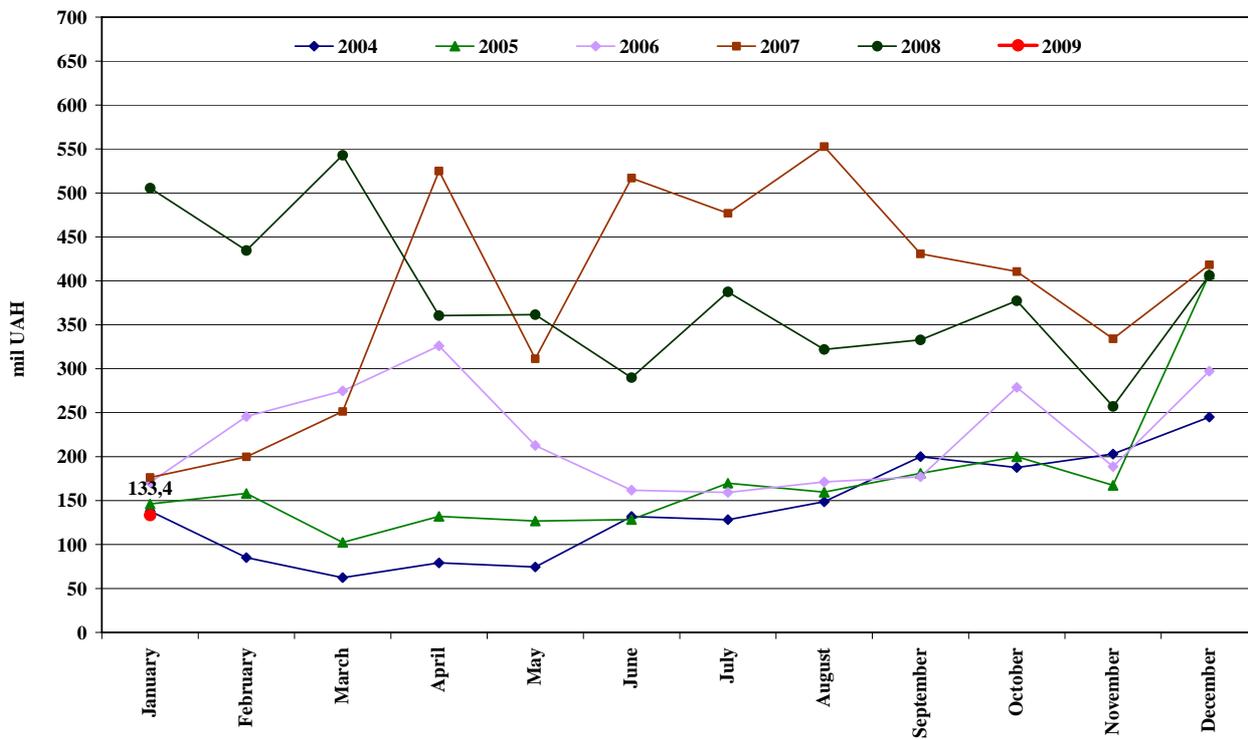
### Budgetary Institutions Own Revenues Monthly Trends in 2004-2009



### Local Budget Miscellaneous Other Non-tax Revenues Monthly Trends in 2004-2009



### Revenues from Capital Transactions Monthly Trends in 2004-2009



## State Budget Deficit

Diagram 9

### Budget Deficit/Surplus Monthly Trends in 2004

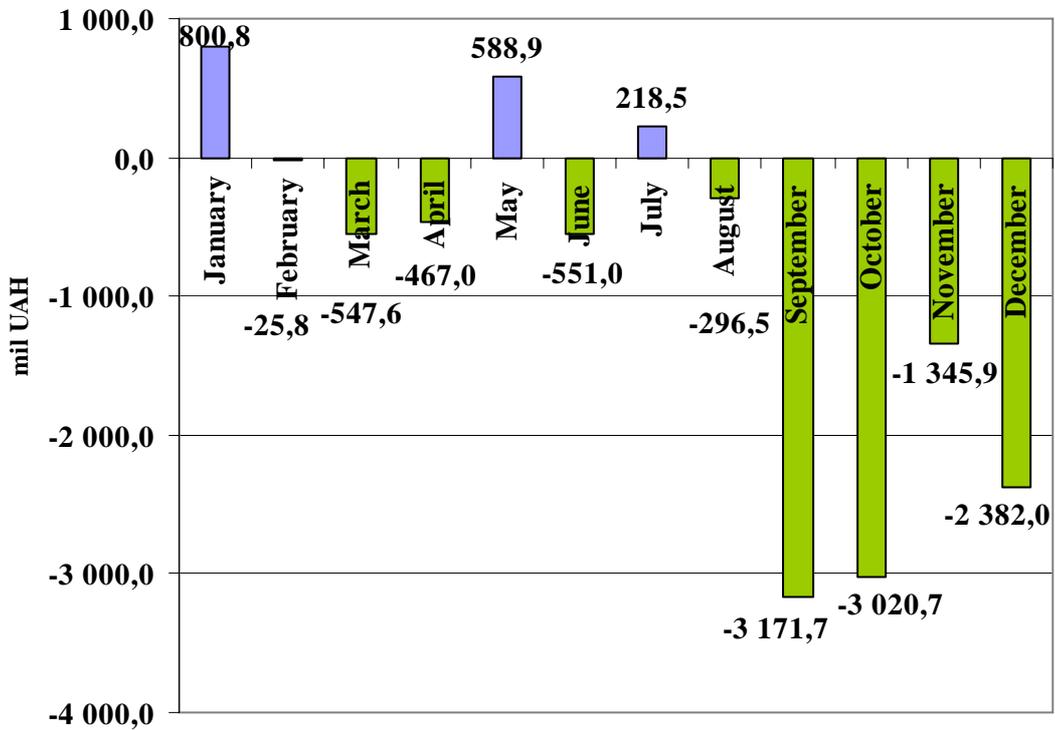


Diagram 10

### Budget Deficit/Surplus Monthly Trends in 2005

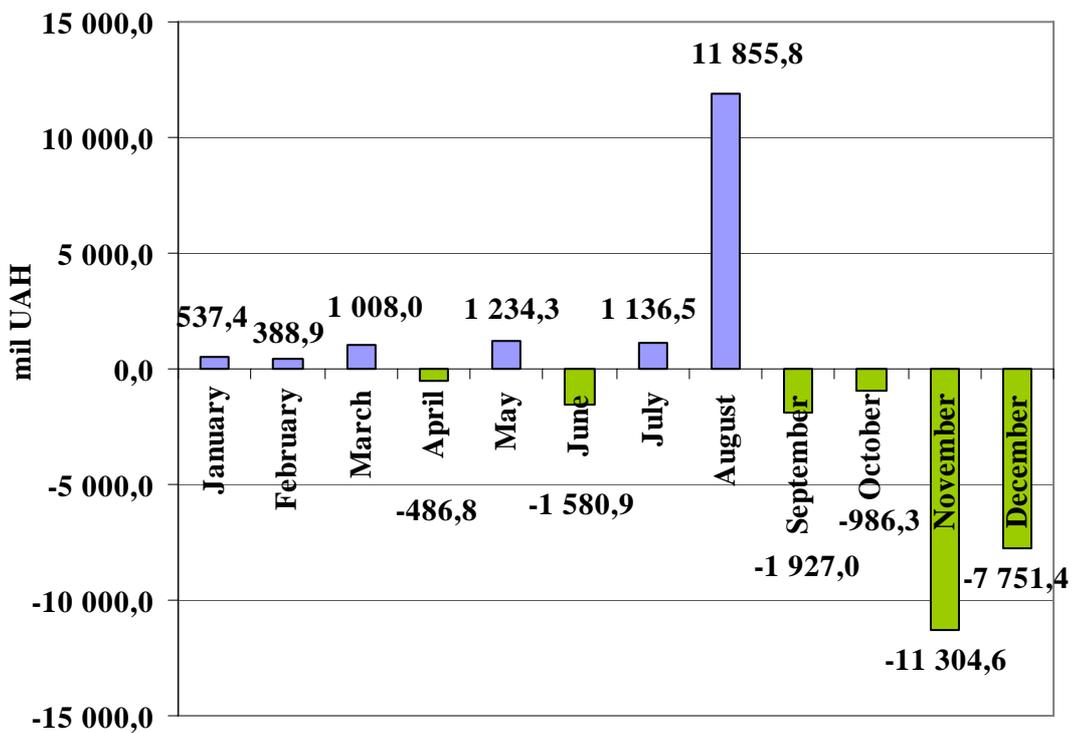


Diagram 11

### Budget Deficit/Surplus Monthly Trends in 2006

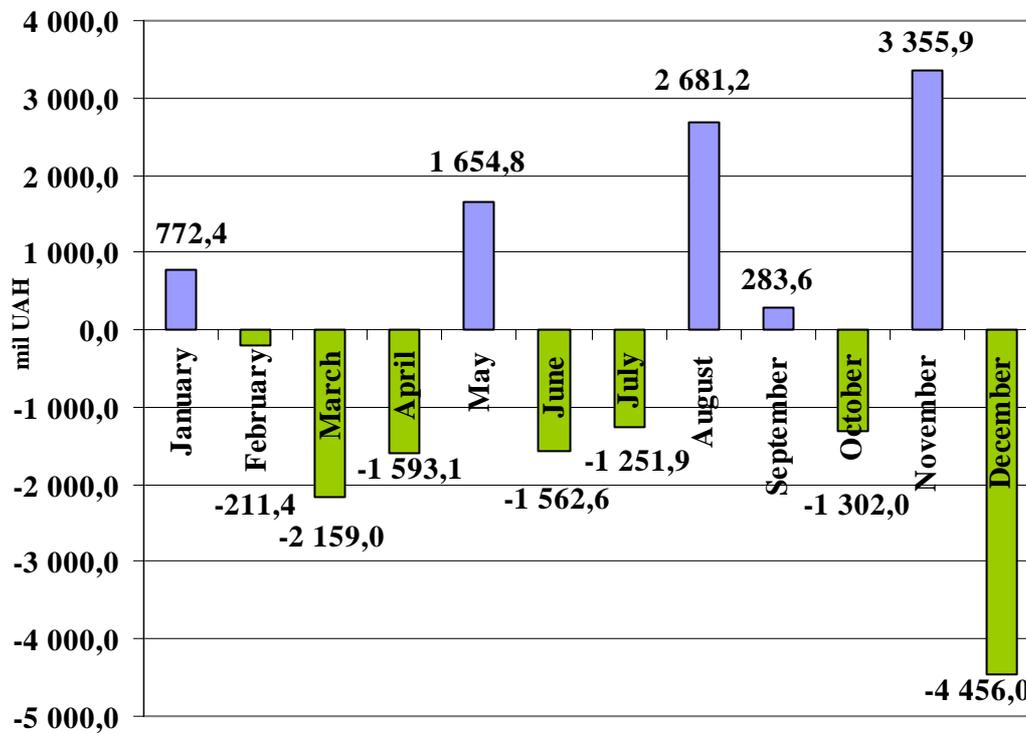


Diagram 12

### Budget Deficit/Surplus Monthly Trends in 2007

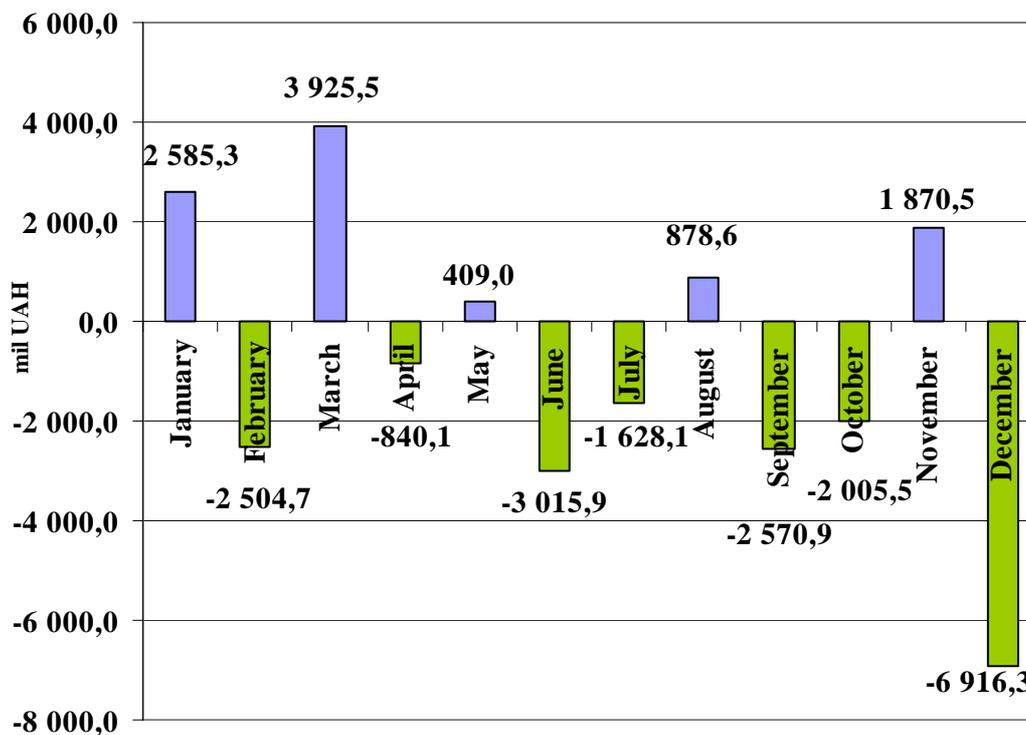


Diagram 13

### Budget Deficit/Surplus Monthly Trends in 2008

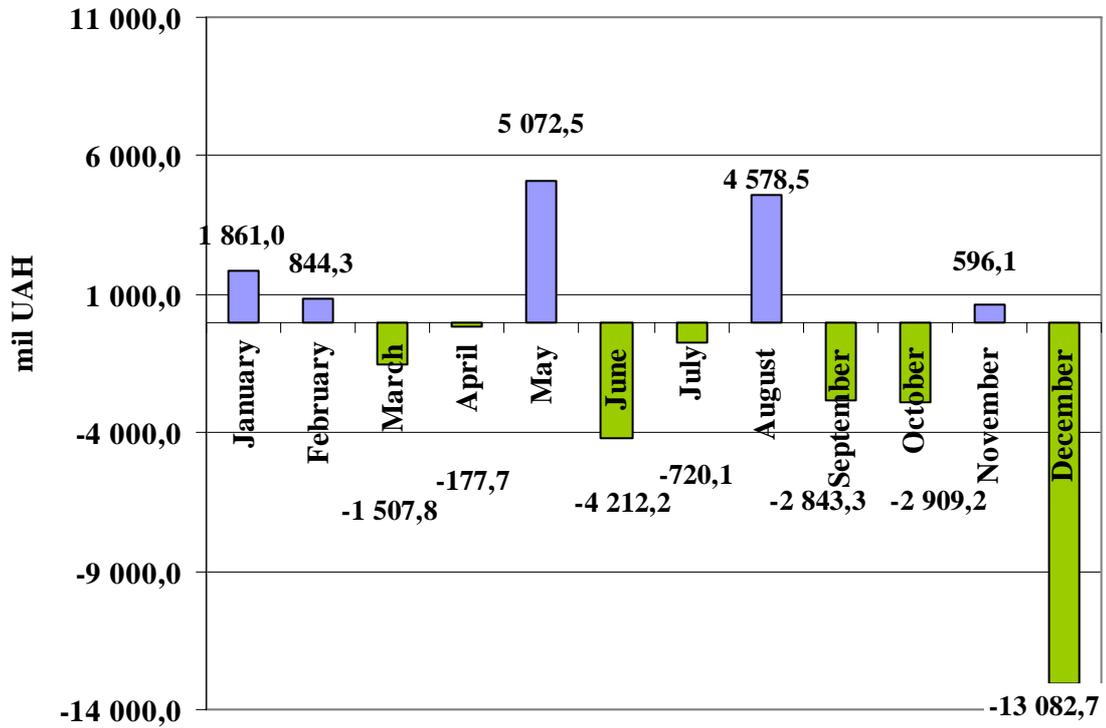
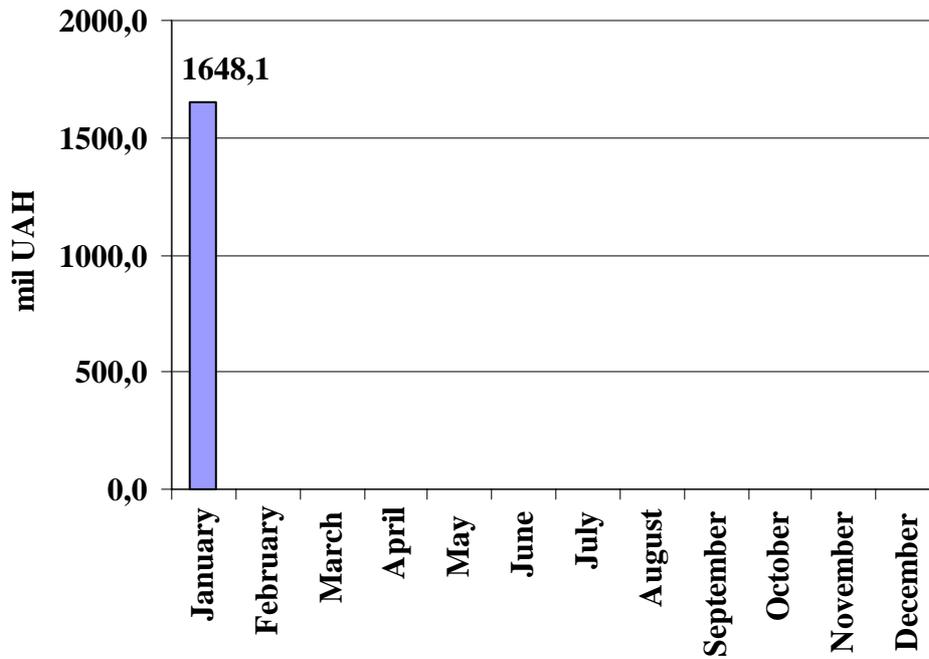


Diagram 14

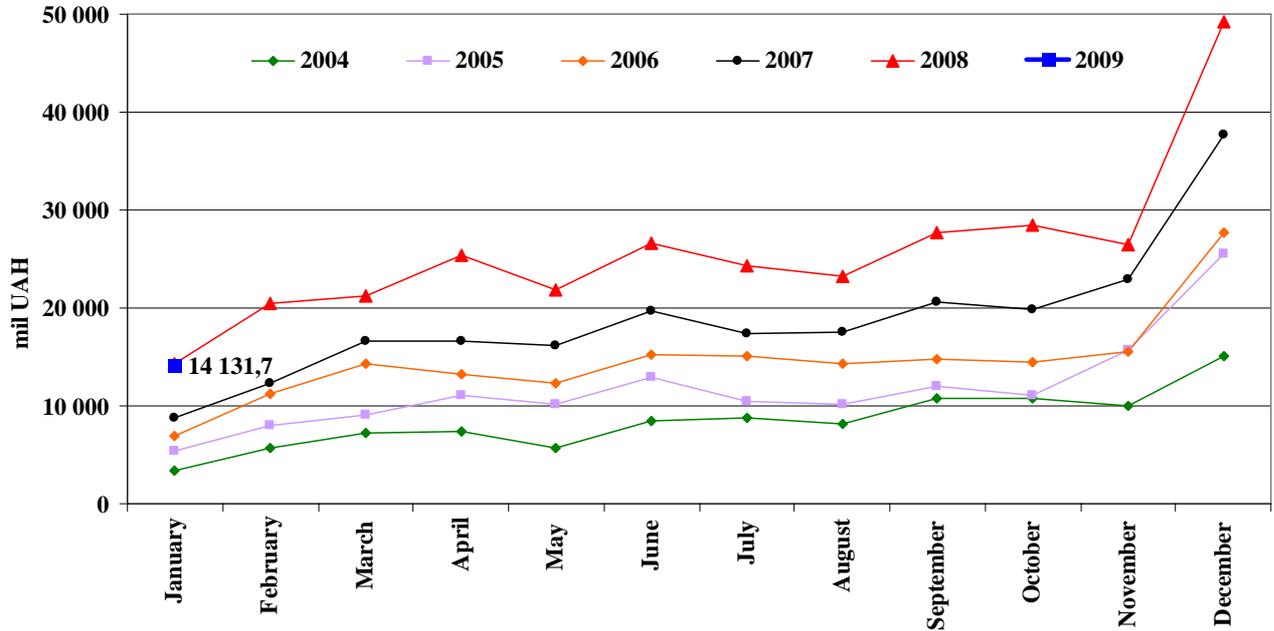
### Budget Deficit/Surplus Monthly Trends in 2009



## Consolidated Budget Expenditures

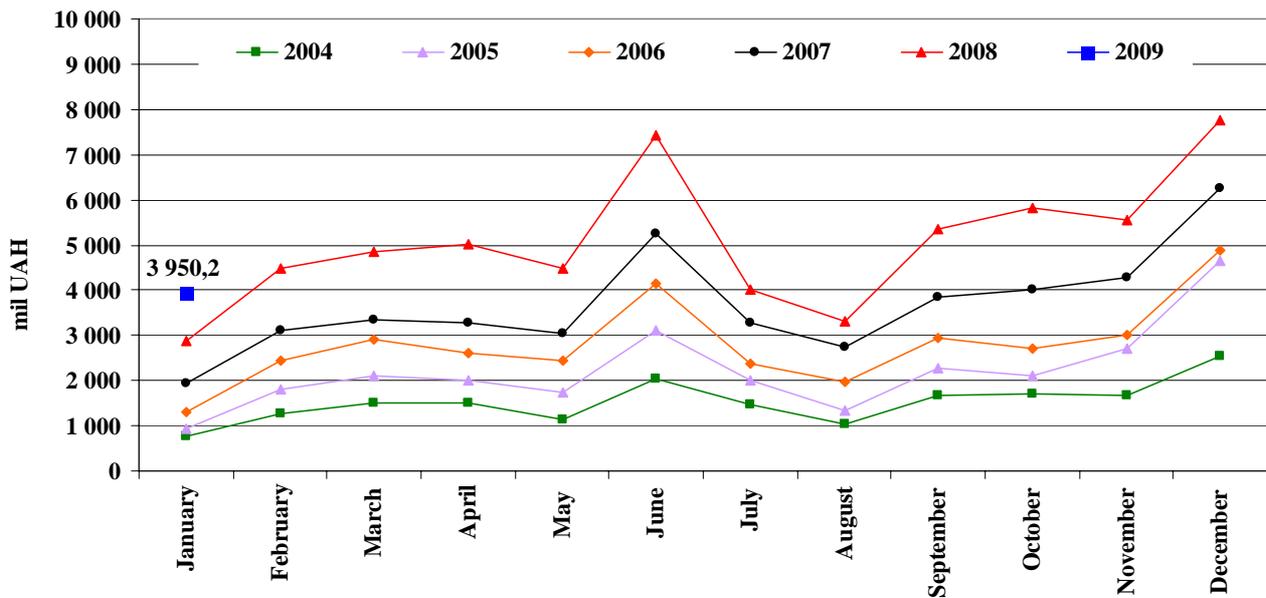
Graph 28

### Consolidated Budget Expenditures Monthly Trends in 2004-2009



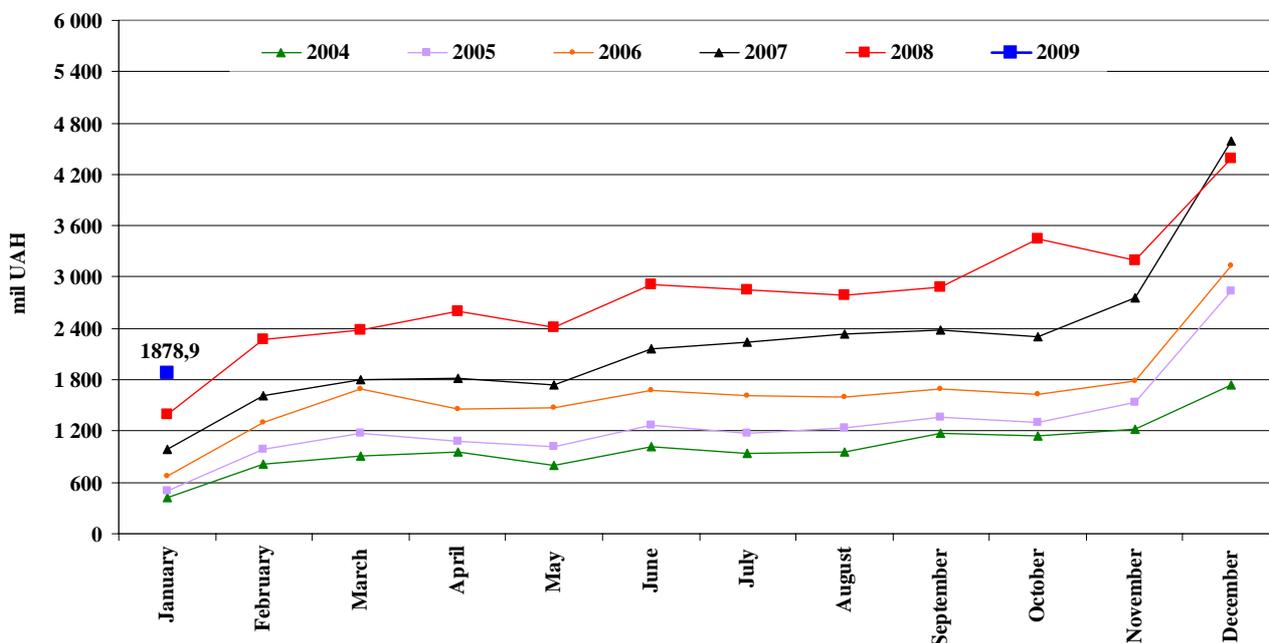
Graph 29

### Consolidated Budget Education Expenditures Monthly Trends in 2004-2009



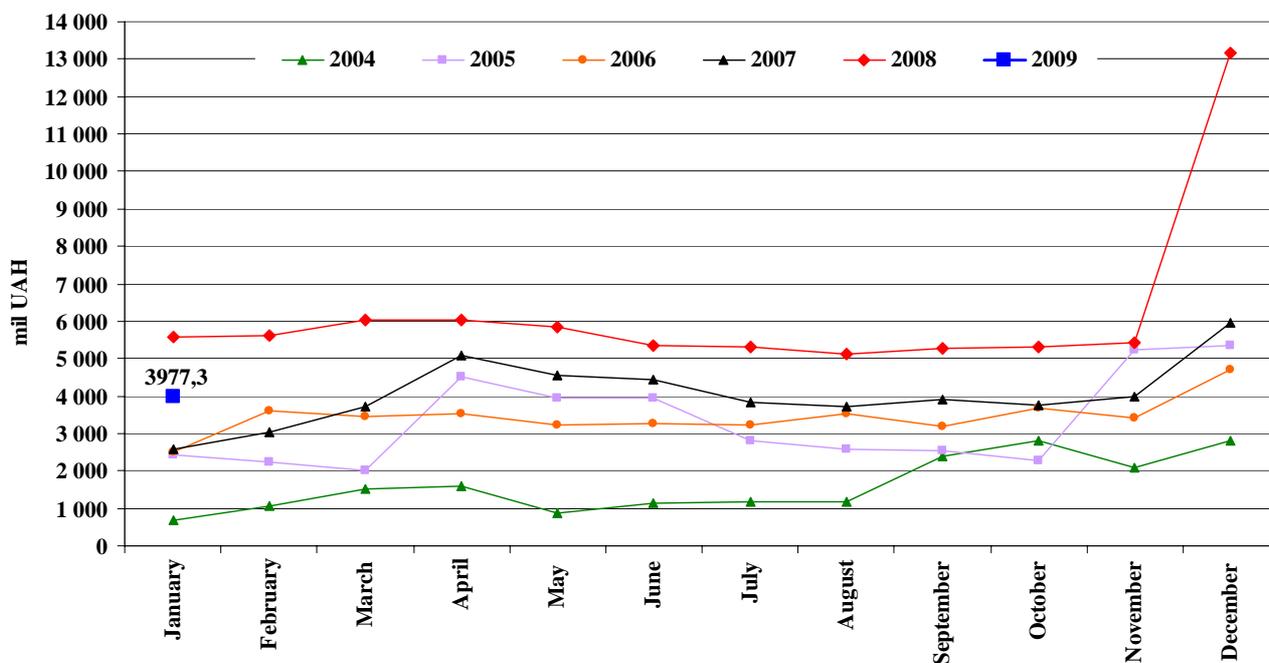
Graph 30

### Consolidated Budget Health Expenditures Monthly Trends in 2004-2009

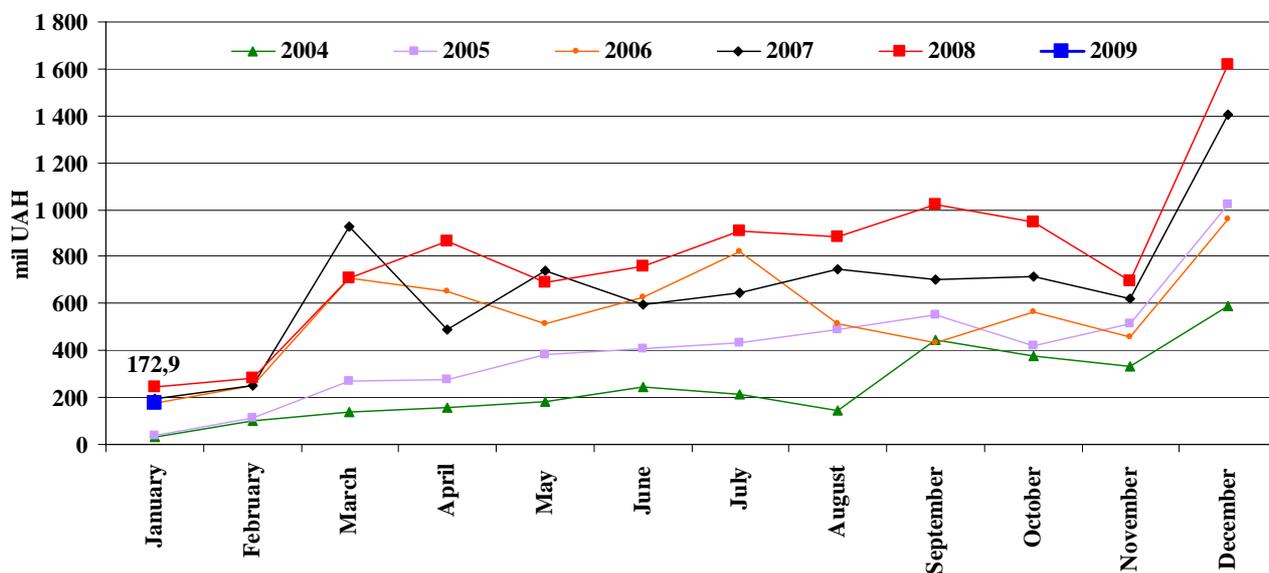


Graph 31

### Consolidated Budget Expenditures for Social Protection and Social Security Monthly Trends in 2004-2009



### Consolidated Budget Expenditures for Agriculture, Forestry, Game-Preserves, and Fisheries Monthly Trends in 2004-2009



## State Budget Expenditures

Diagram 15

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2004

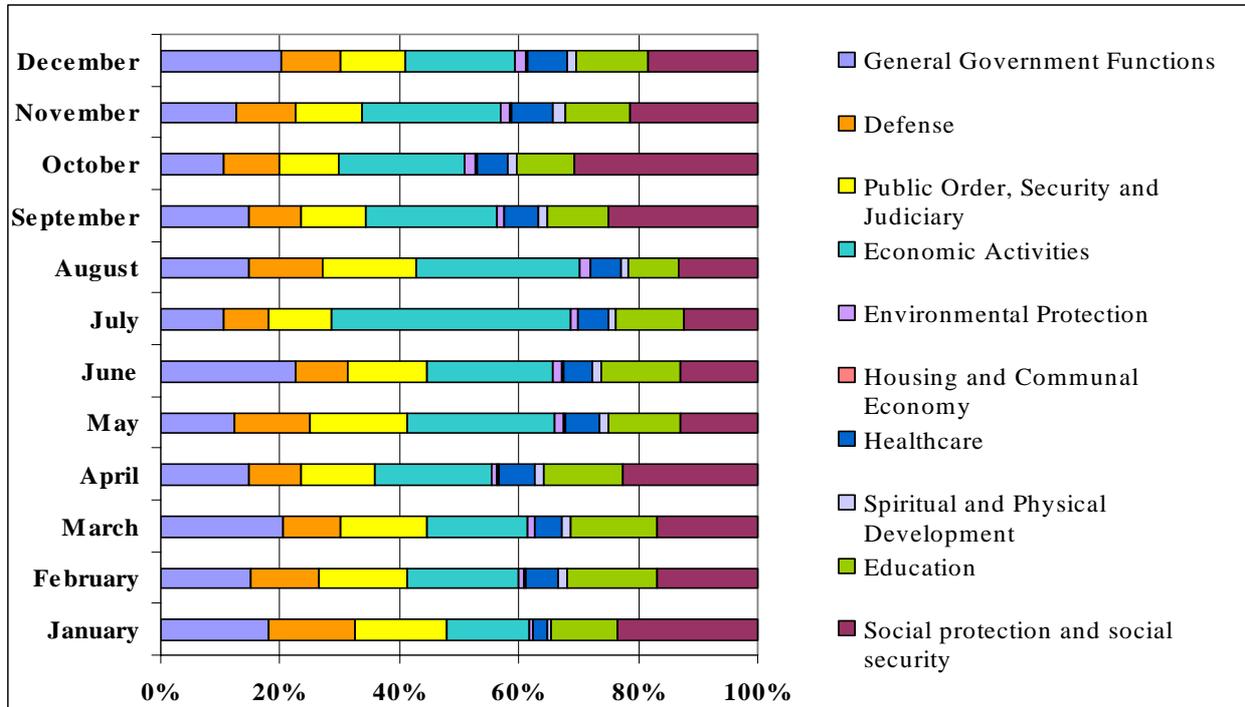


Diagram 16

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2005

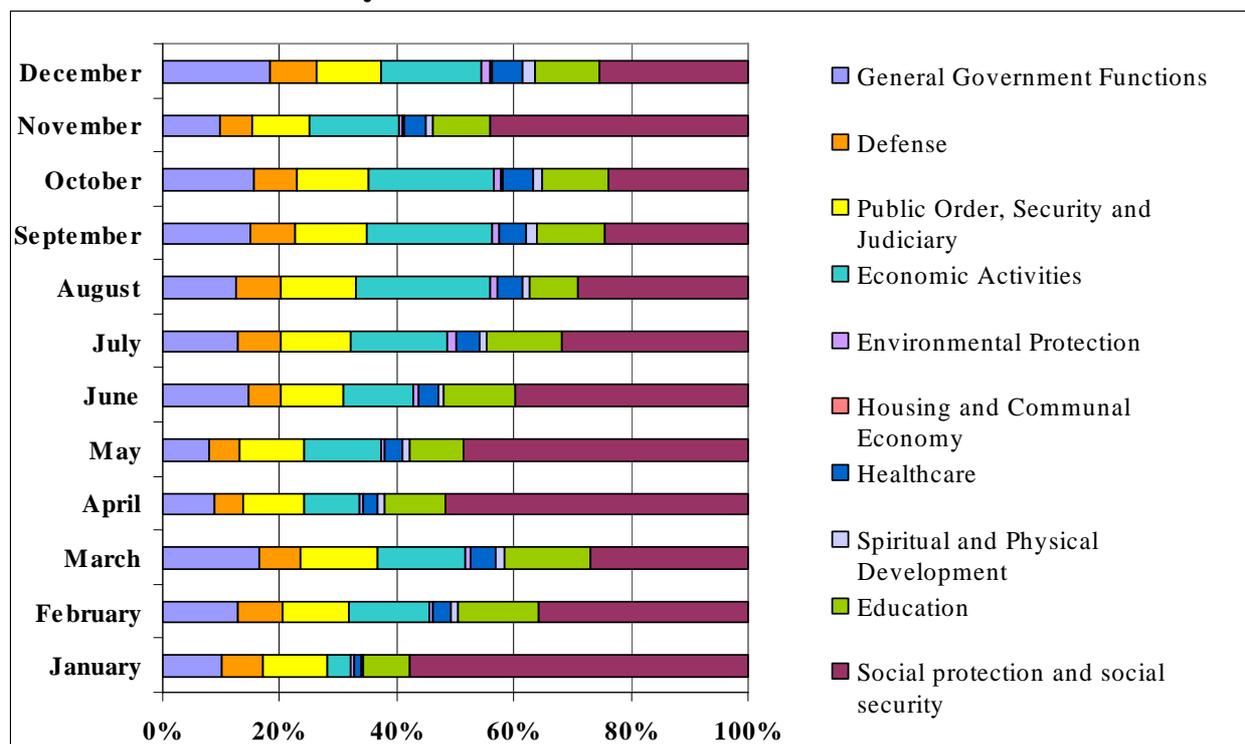


Diagram 17

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2006

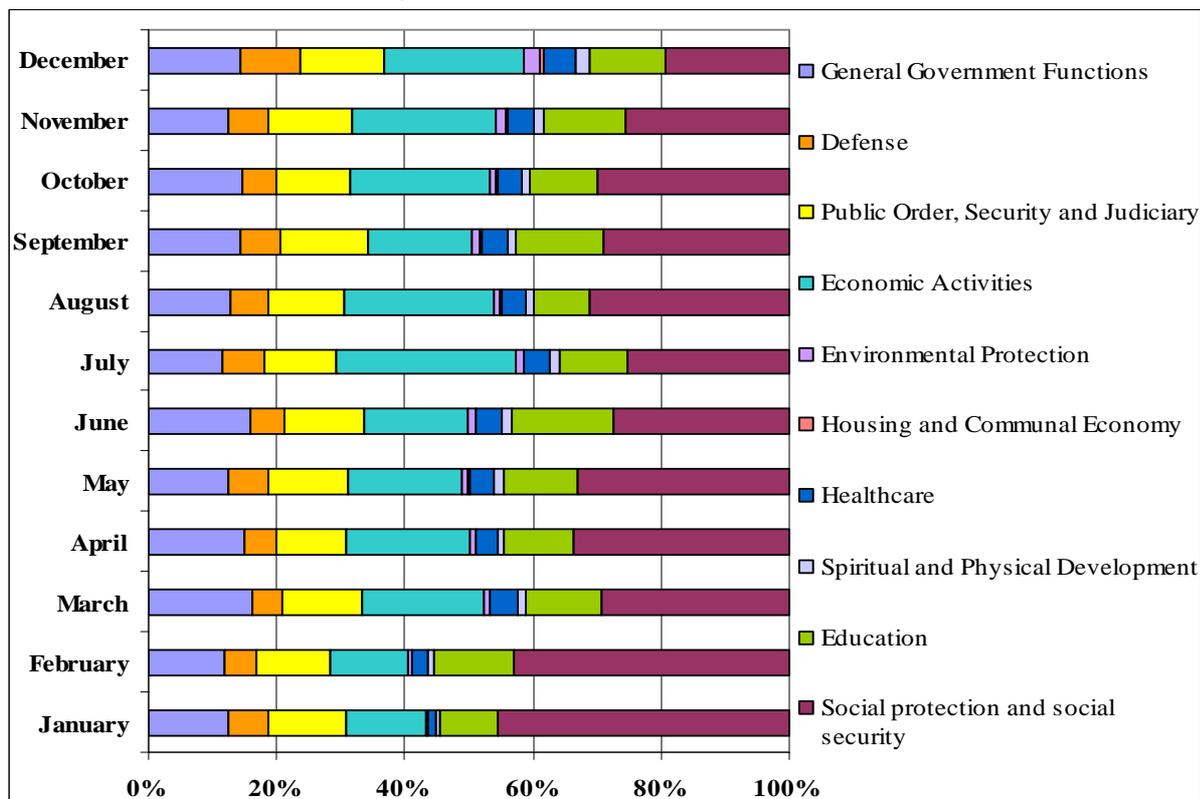


Diagram 18

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2007

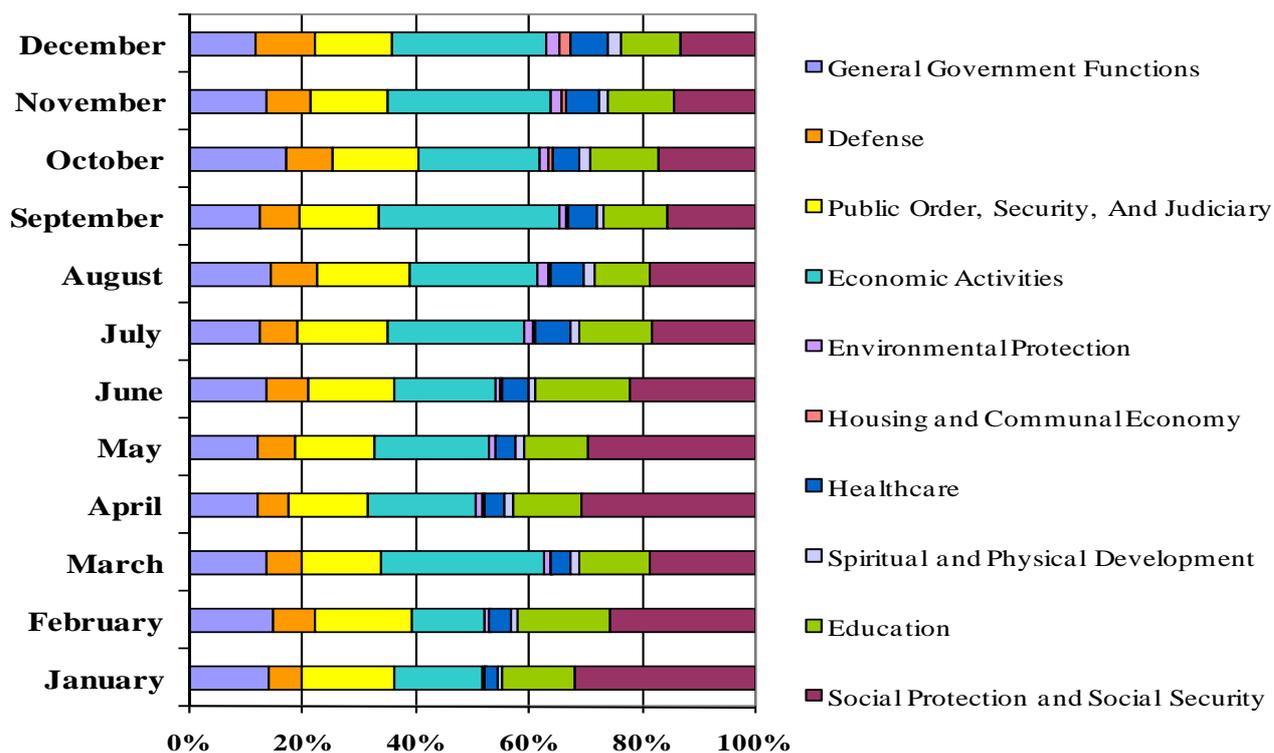


Diagram 19

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2008

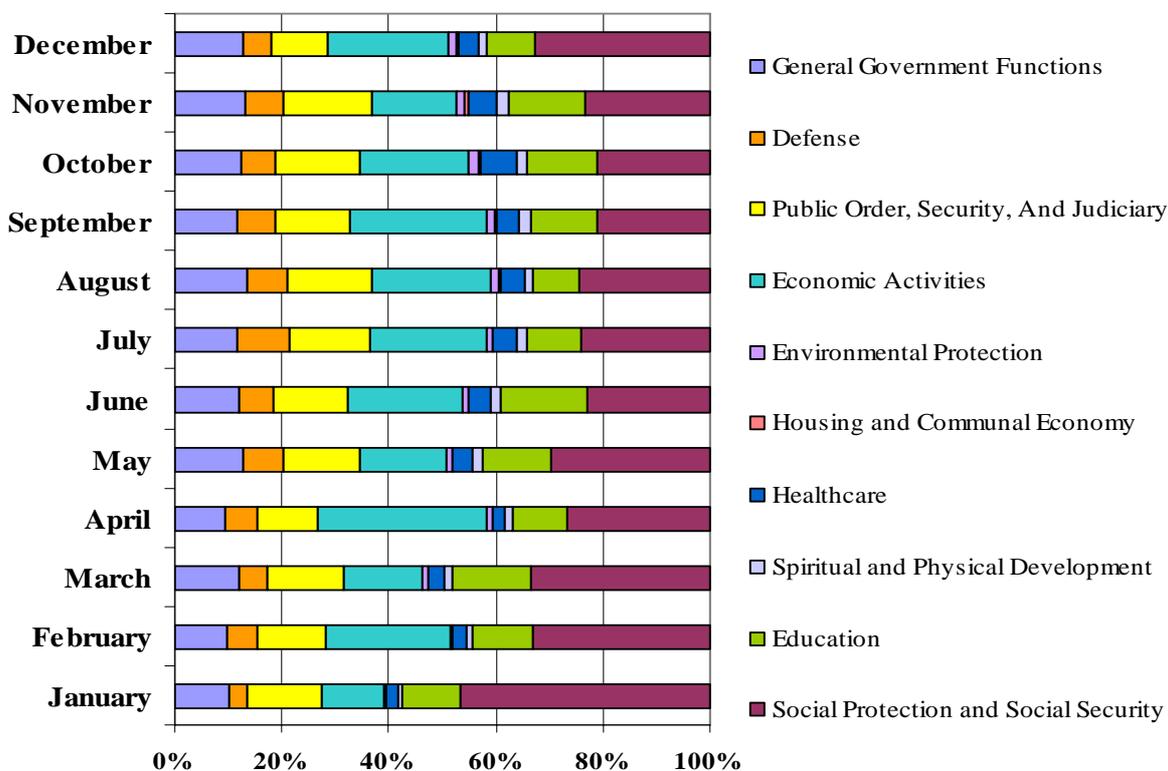
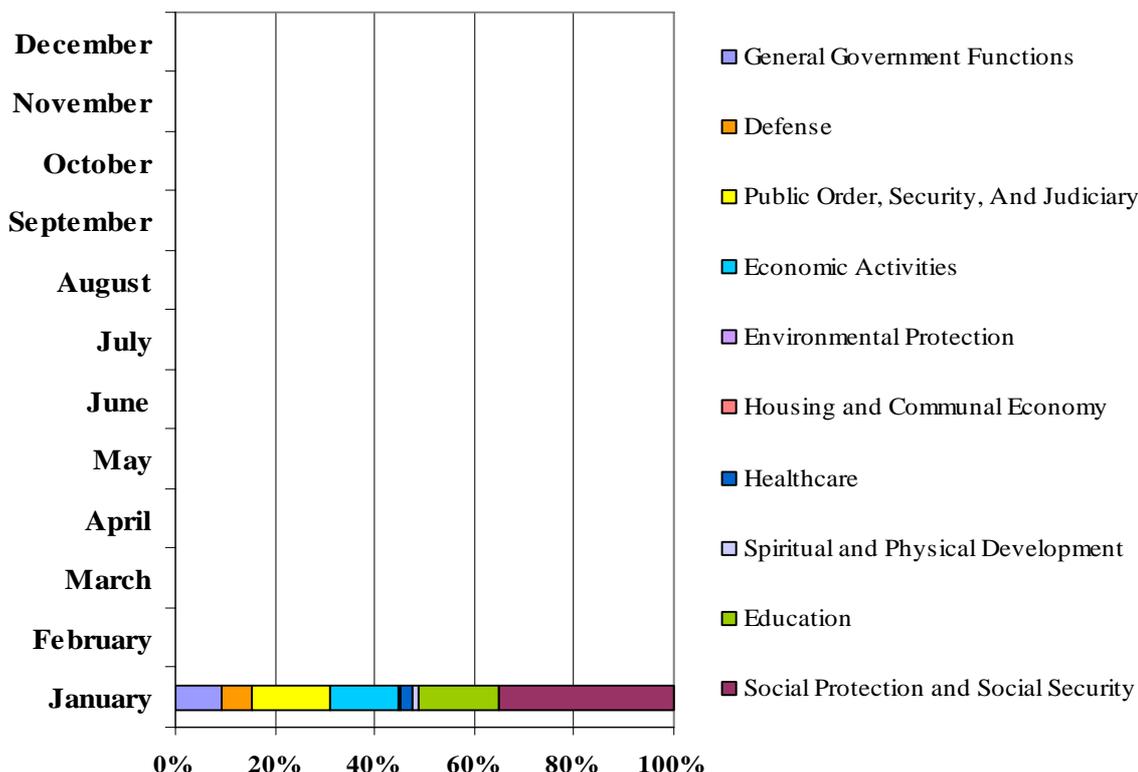
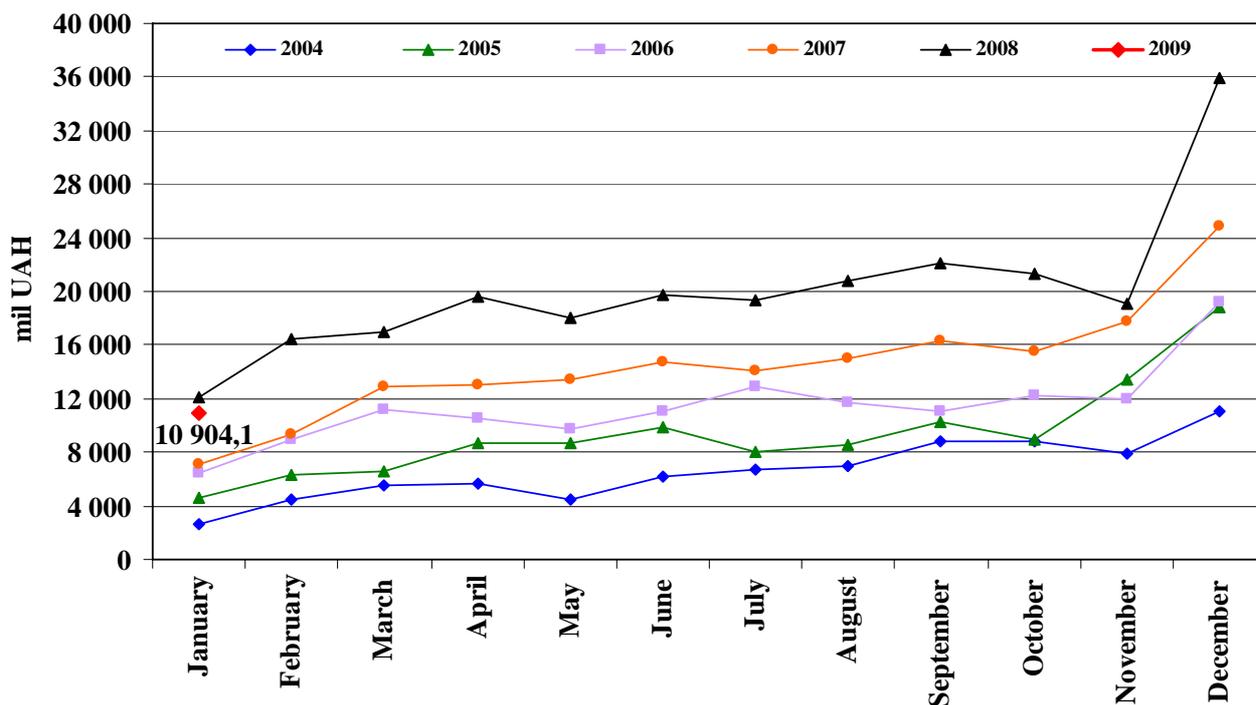


Diagram 20

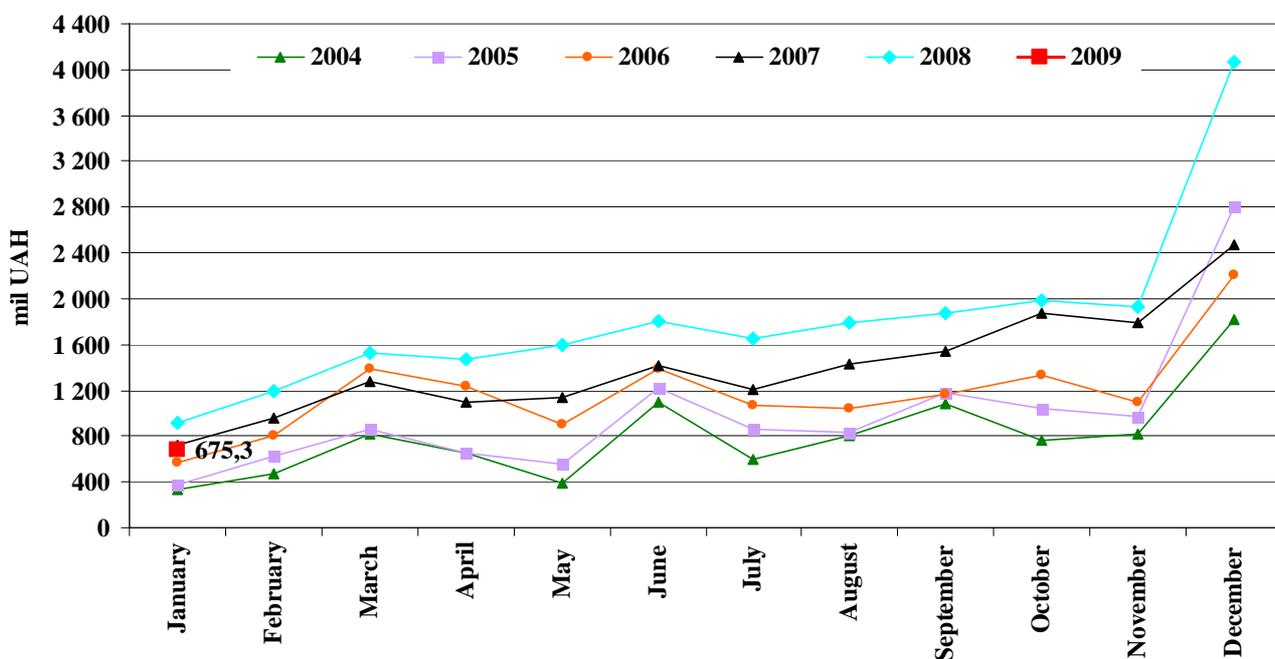
### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2009



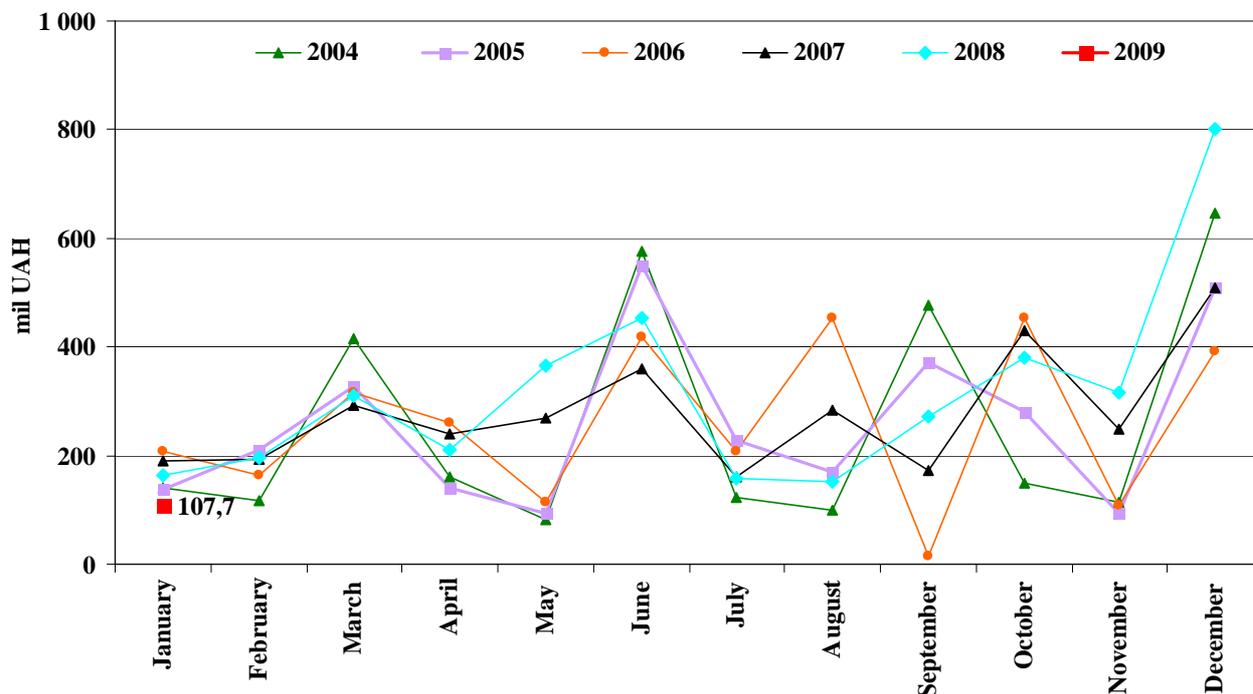
### Monthly Trends of State Budget Expenditures in 2004-2009



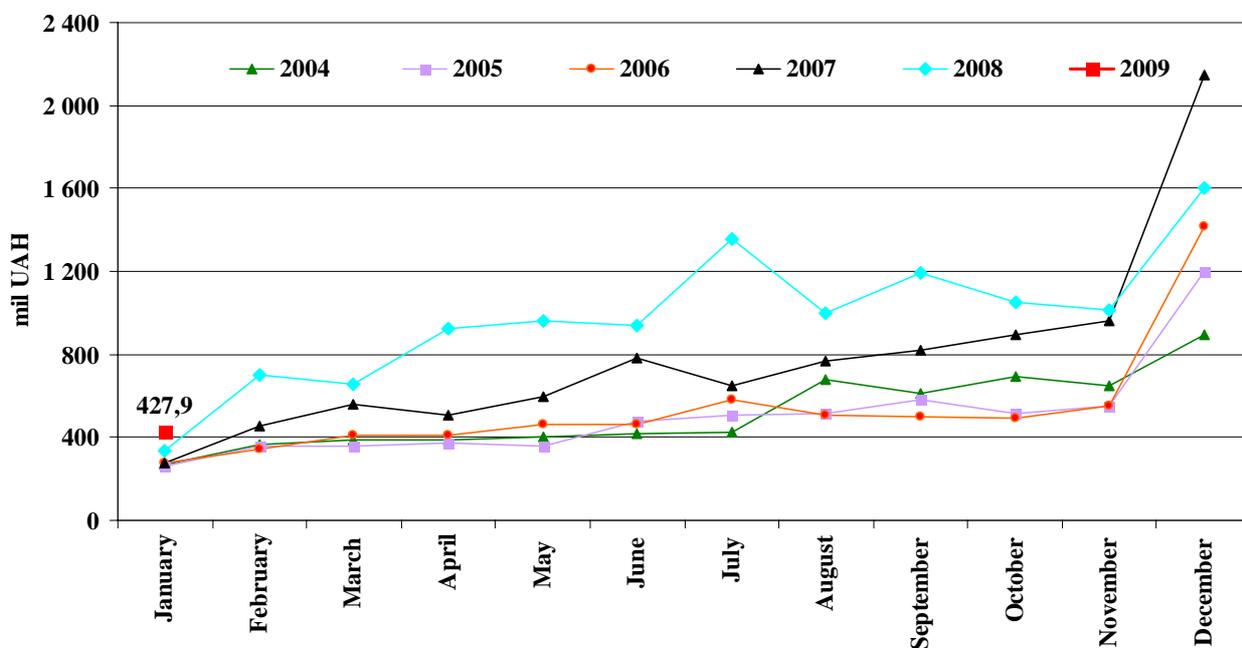
### State Budget Expenditures for General Government Functions Monthly Trends in 2004-2009



### State Budget Expenditures for Public Debt Servicing Monthly Trends in 2004-2009

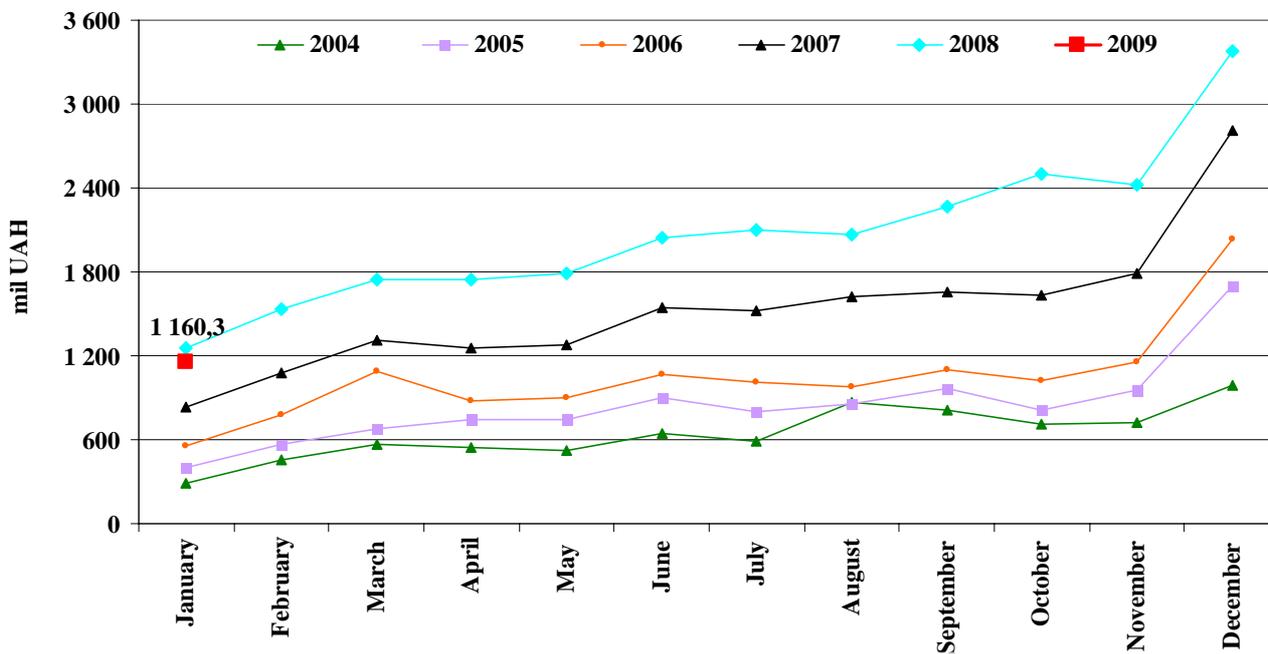


### State Budget Expenditures for Defense Monthly Trends in 2004-2009



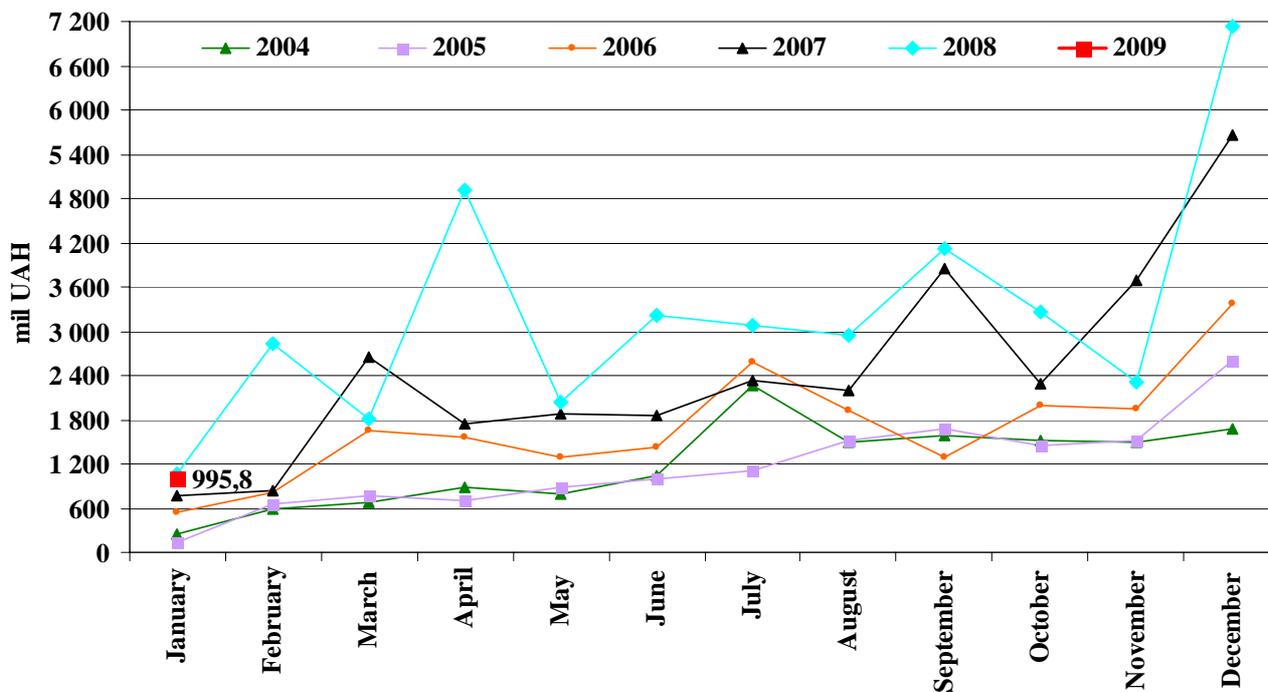
Graph 37

### State Budget Expenditures for Public Order, Security, and Judiciary Monthly Trends in 2004-2009



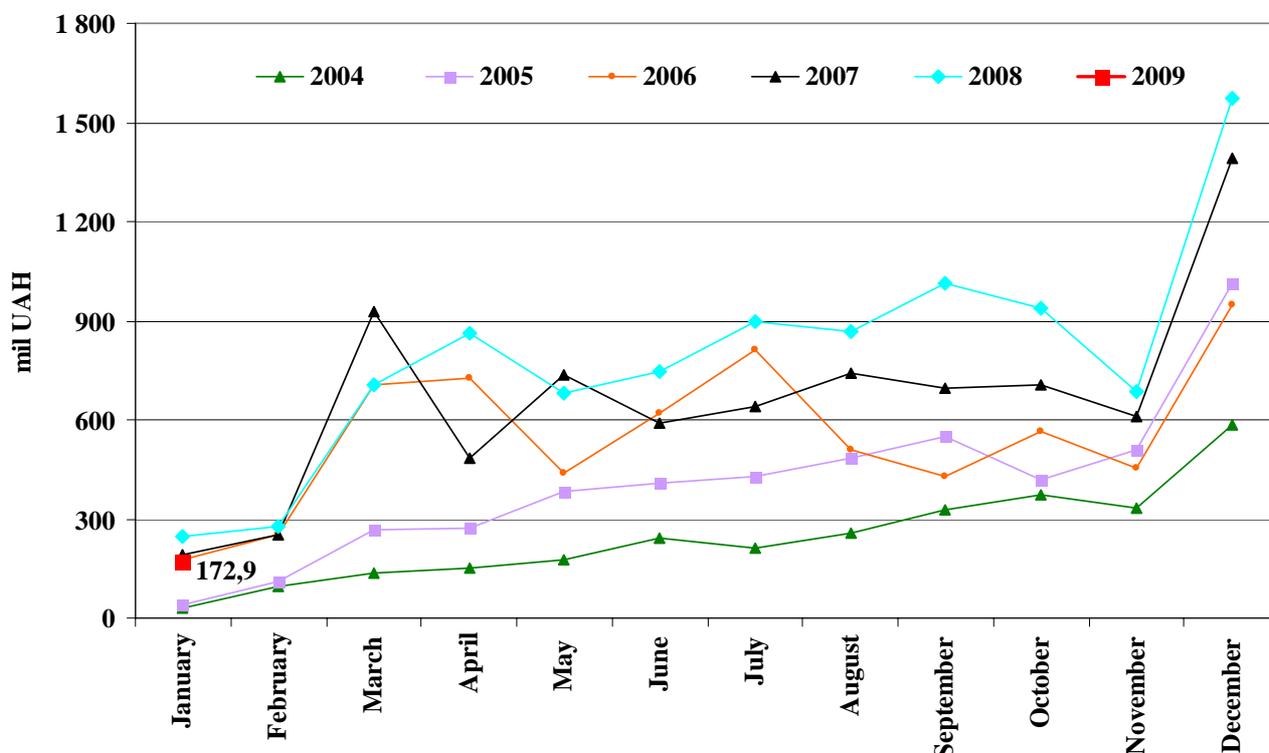
Graph 38

### State Budget Expenditures for Economic Activities Monthly Trends in 2004-2009



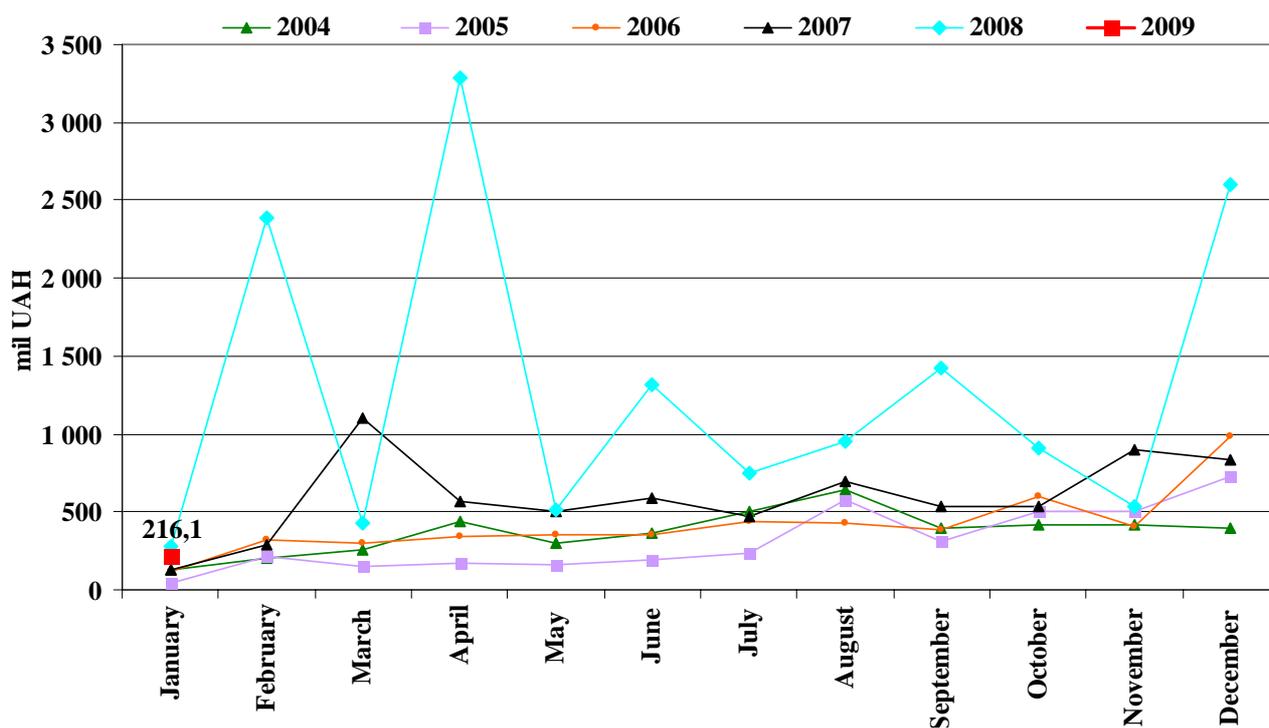
Graph 39

### State Budget Expenditures for Agriculture, Forestry and Game-Preserves, and Fisheries Monthly Trends in 2004-2009



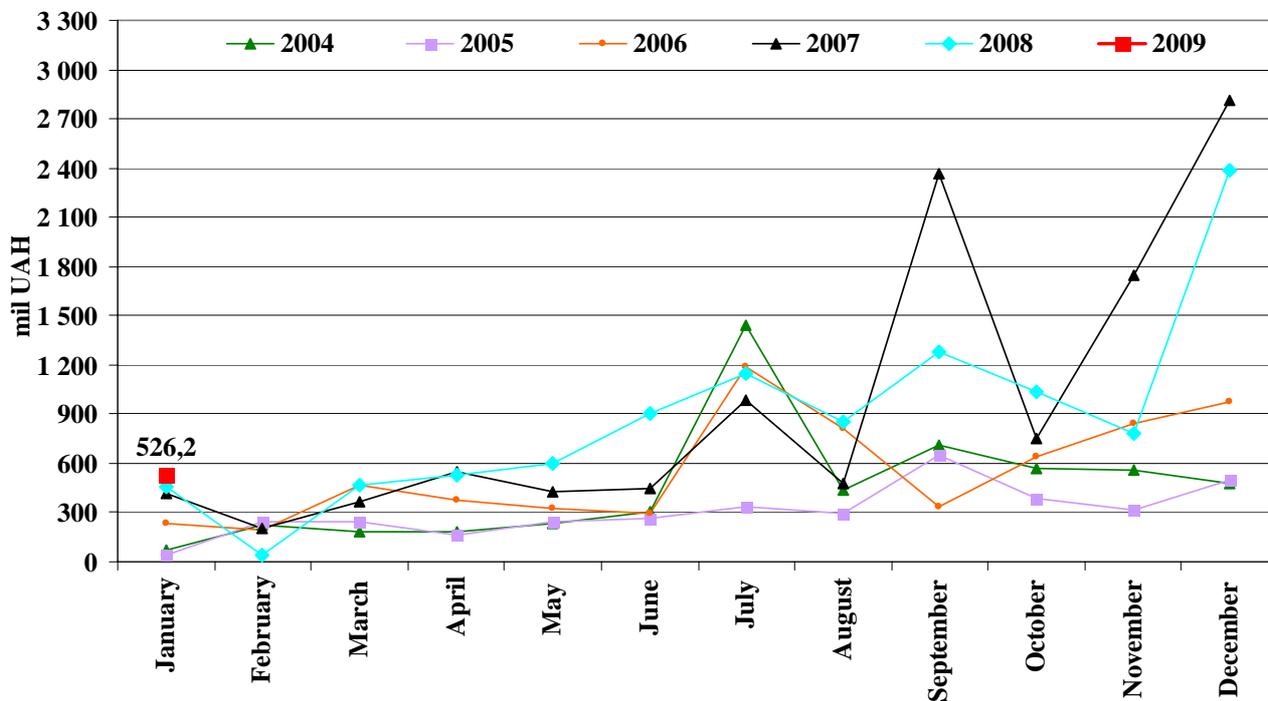
Graph 40

### State Budget Expenditures for Fuel and Energy Sector Monthly Trends in 2004-2009



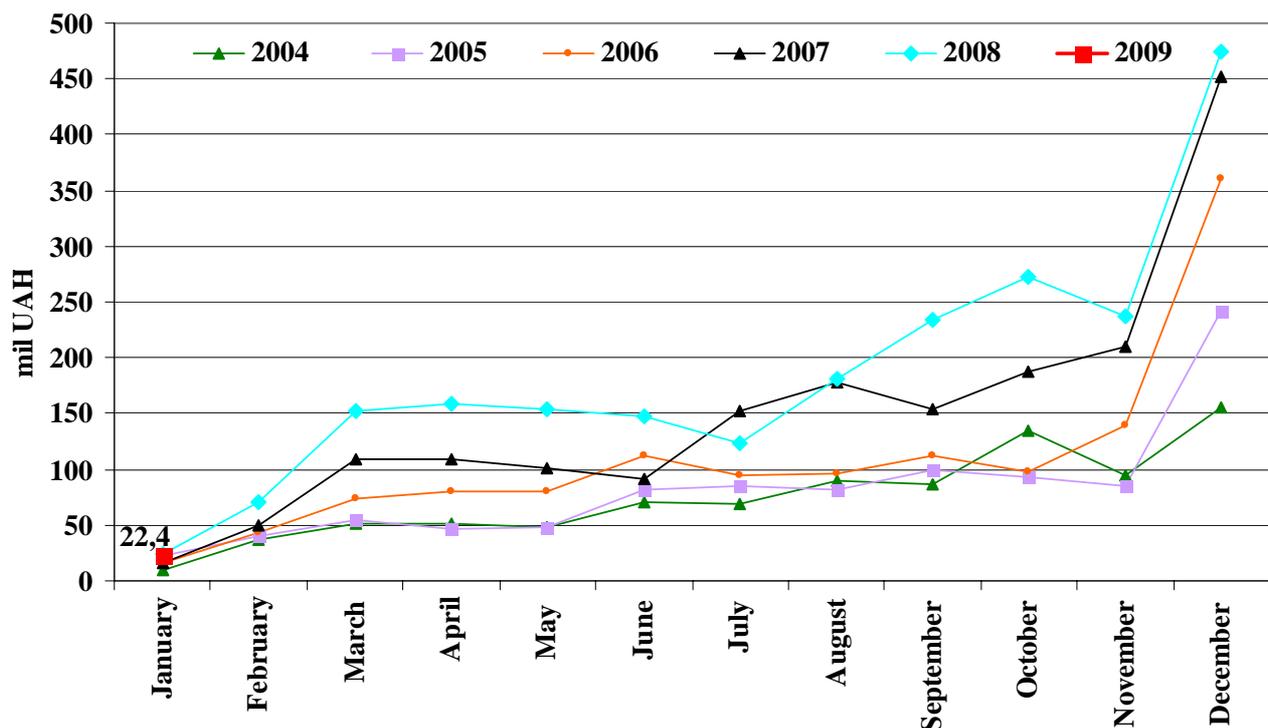
Graph 41

### State Budget Expenditures for Transport Monthly Trends in 2004-2009



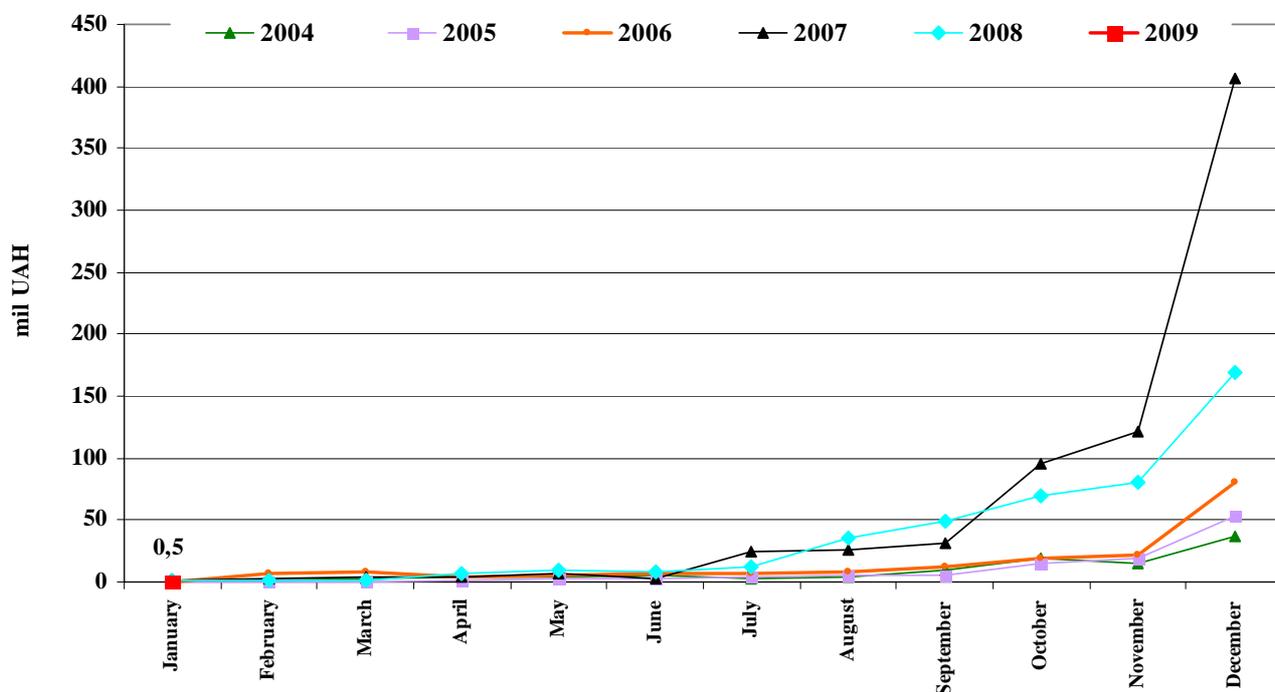
Graph 42

### State Budget Expenditures for Environmental Protection Monthly Trends in 2004-2009



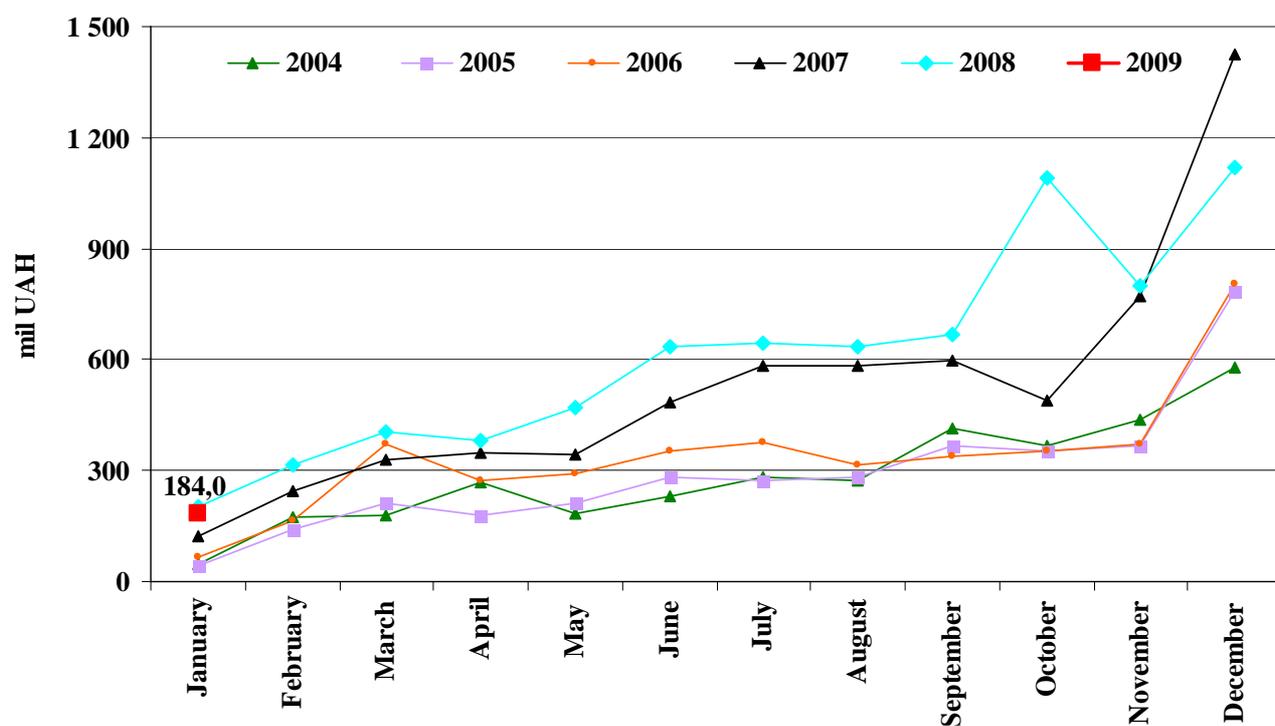
Graph 43

### State Budget Expenditures for Housing and Communal Sector Monthly Trends in 2004-2009



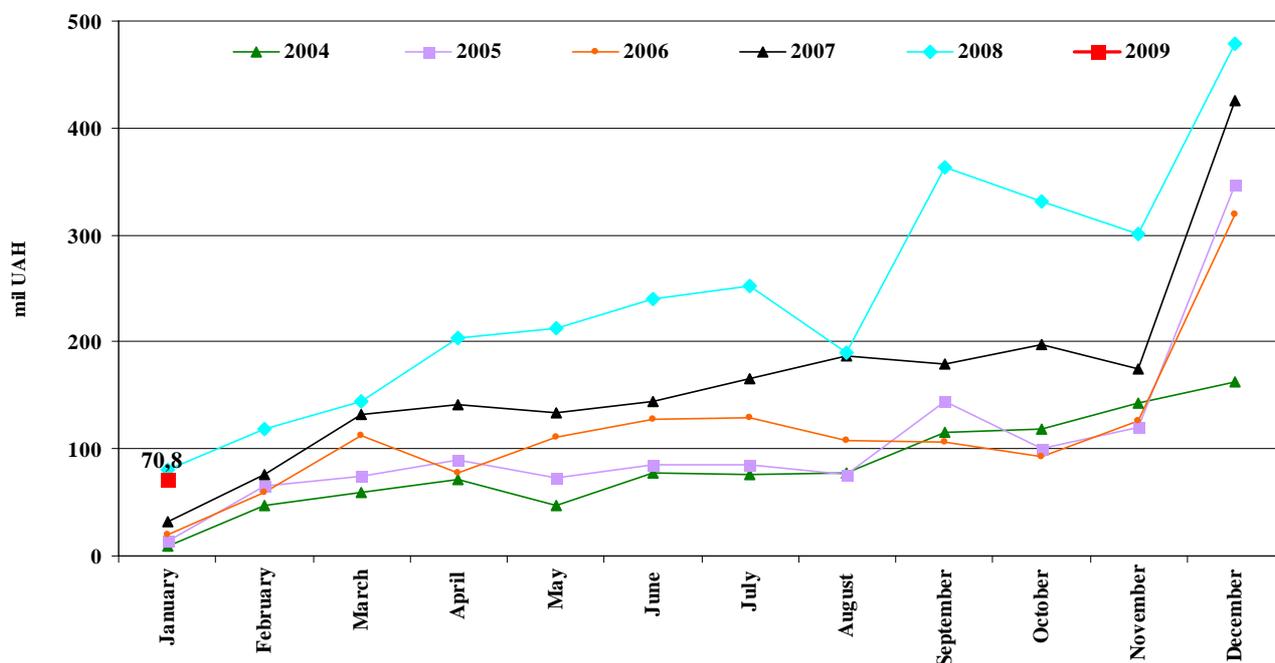
Graph 44

### State Budget Expenditures for Healthcare Monthly Trends in 2004-2009



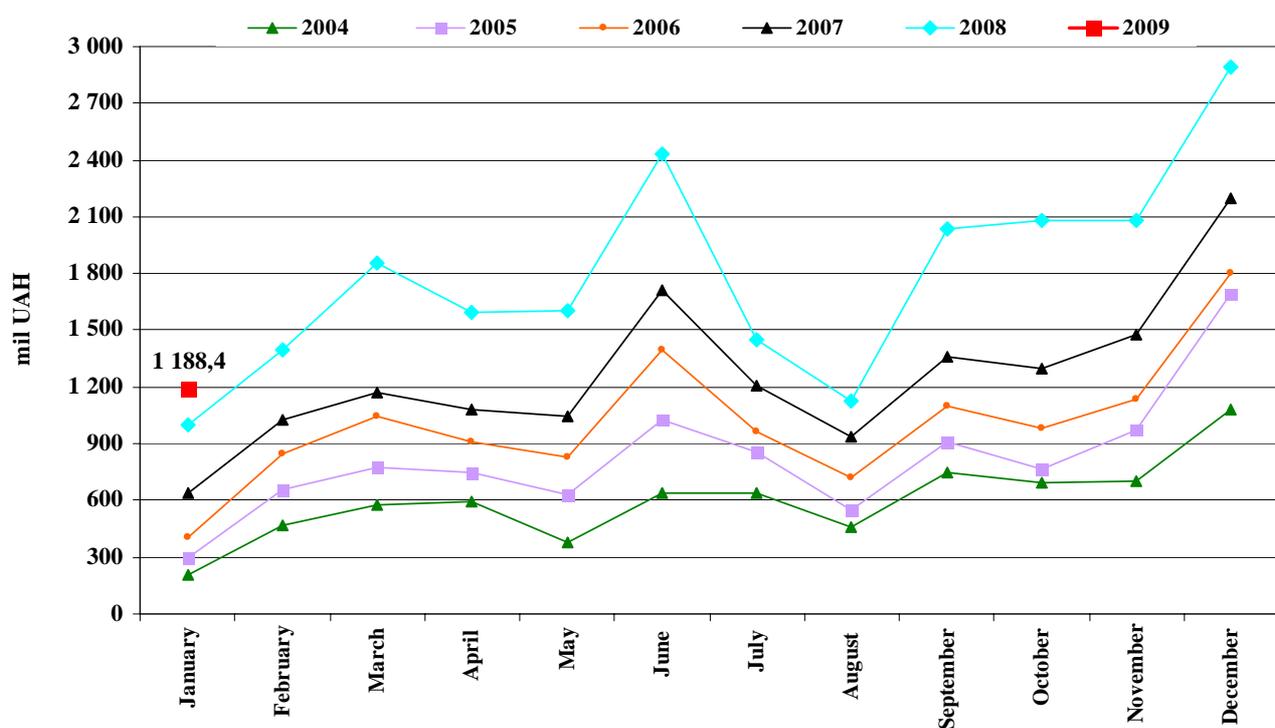
Graph 45

### State Budget Expenditures for Spiritual and Physical Development Monthly Trends in 2004-2009



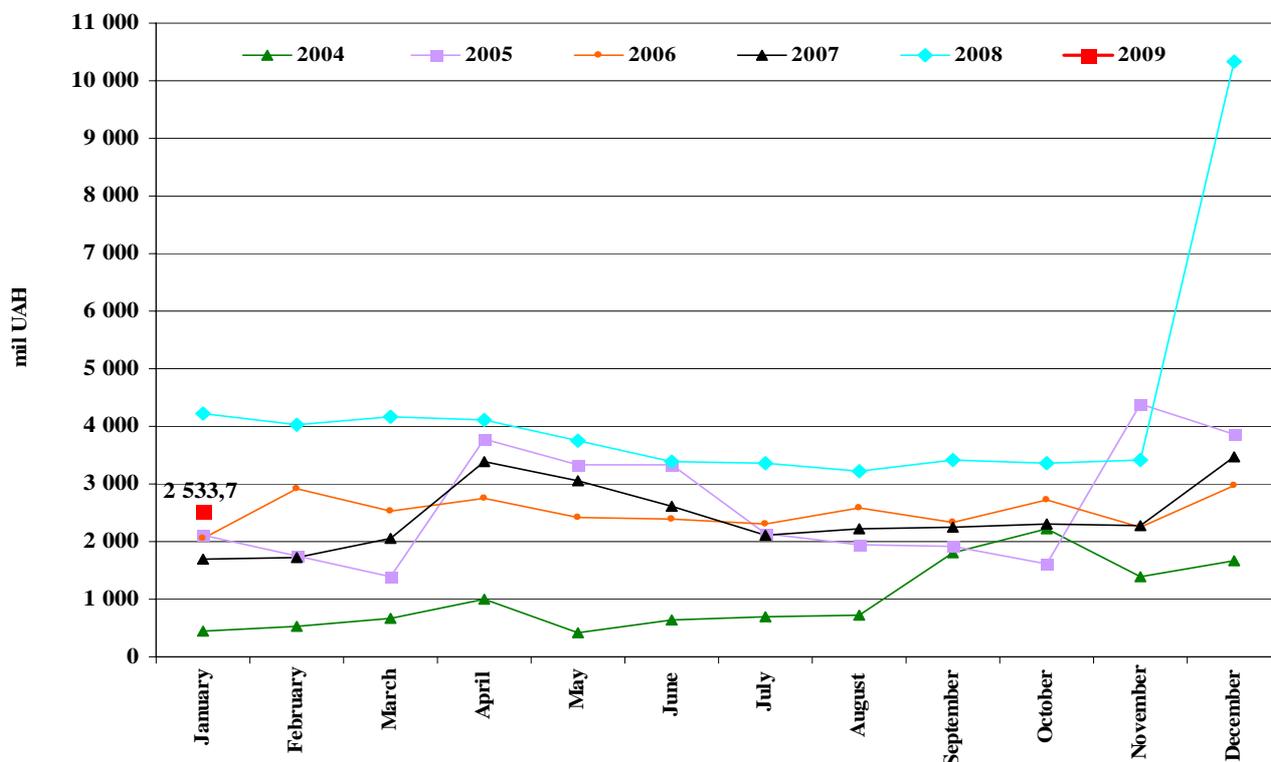
Graph 46

### State Budget Expenditures for Education Monthly Trends in 2004-2009



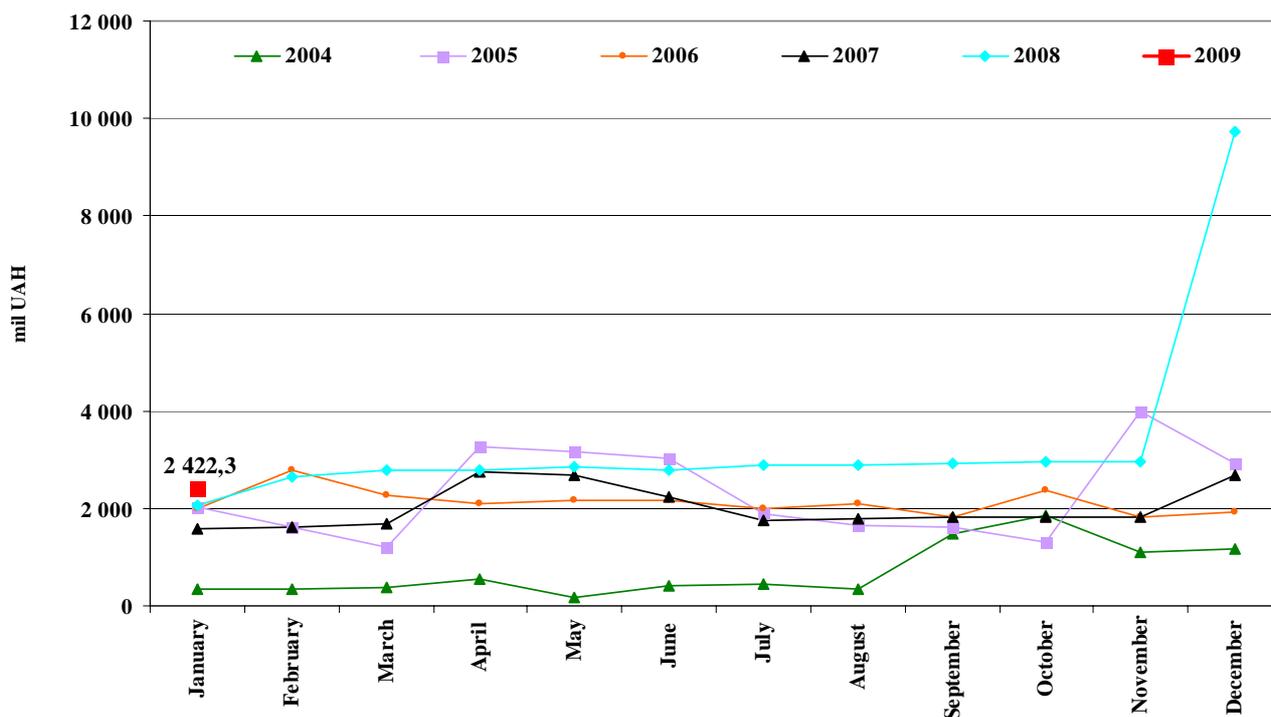
Graph 47

### State Budget Expenditures for Social Protection and Social Security Monthly Trends in 2004-2009



Graph 48

### State Budget Expenditures for Social Protection of Pensioners Monthly Trends in 2004-2009



# Local Budget Expenditures

Graph 49

## Total Local Budget Expenditures (Less Intergovernmental Transfers) Monthly Trends in 2004-2009

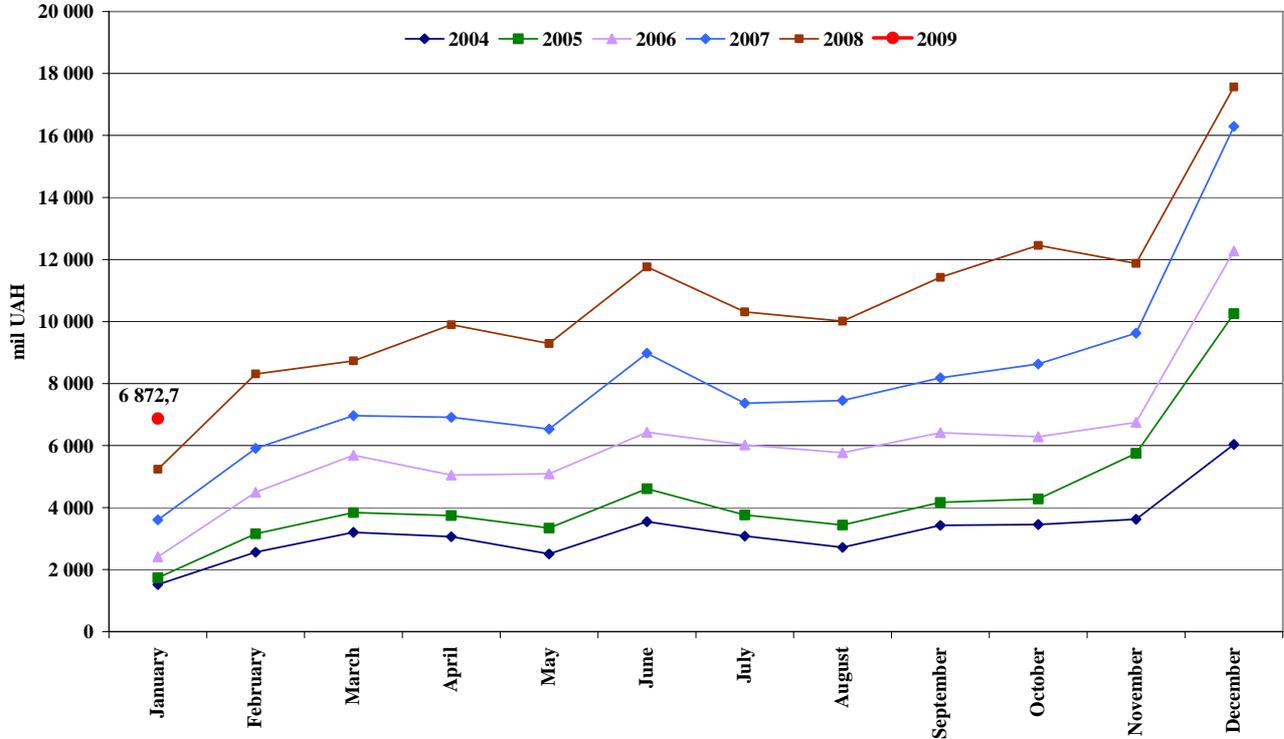


Diagram 21

## Structure of Actual Local Budget Expenditures in January 2004-2009

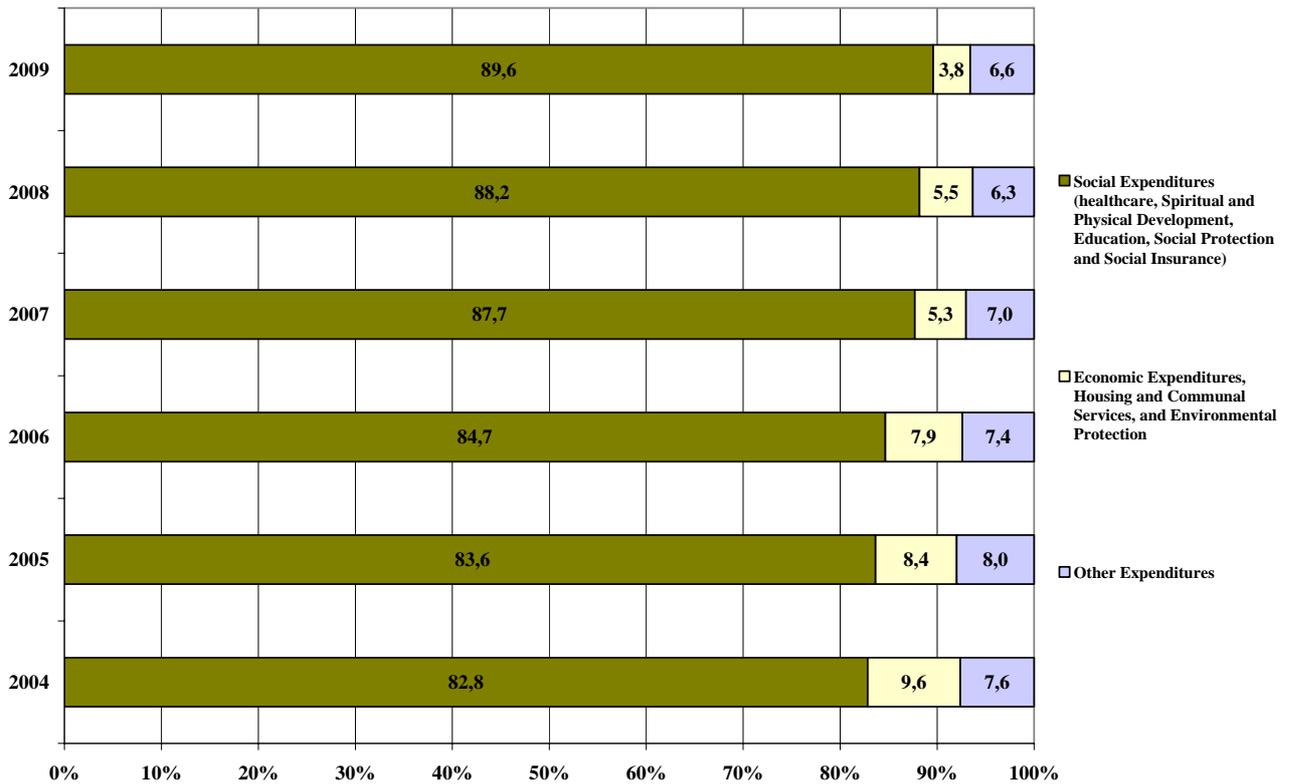
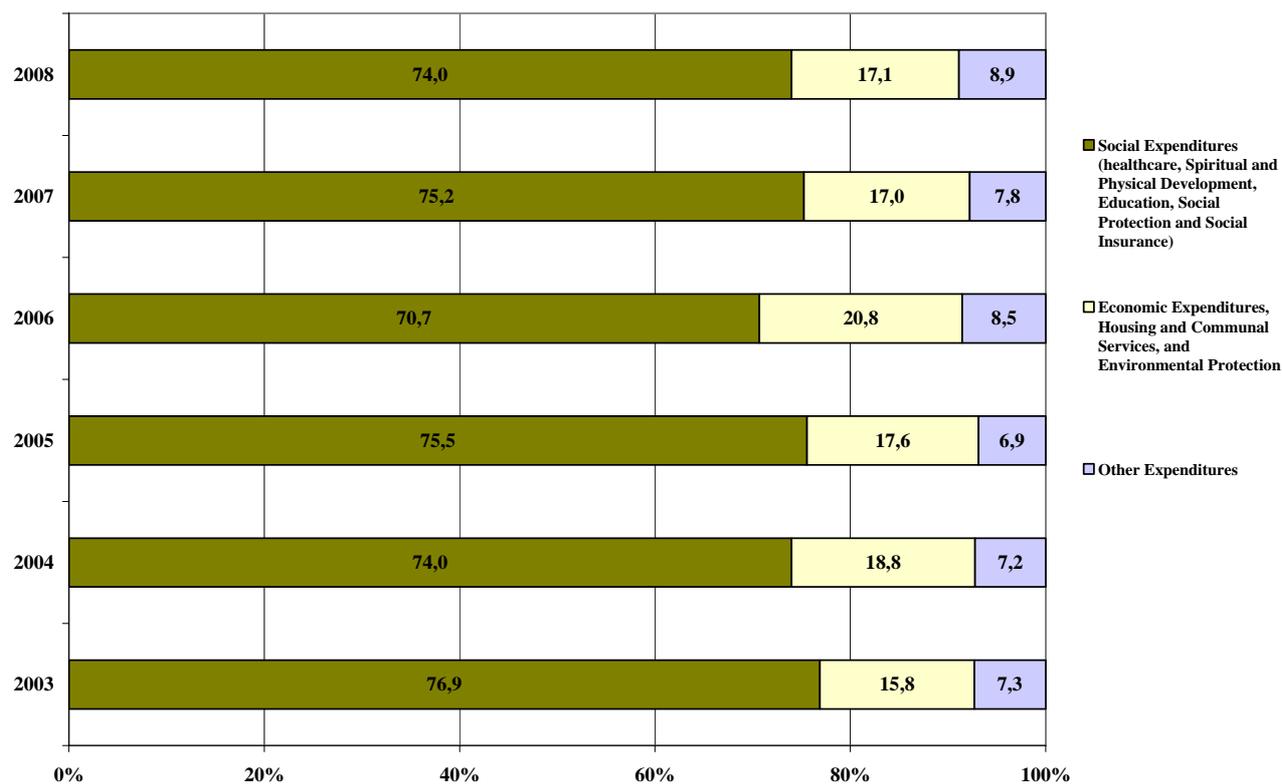


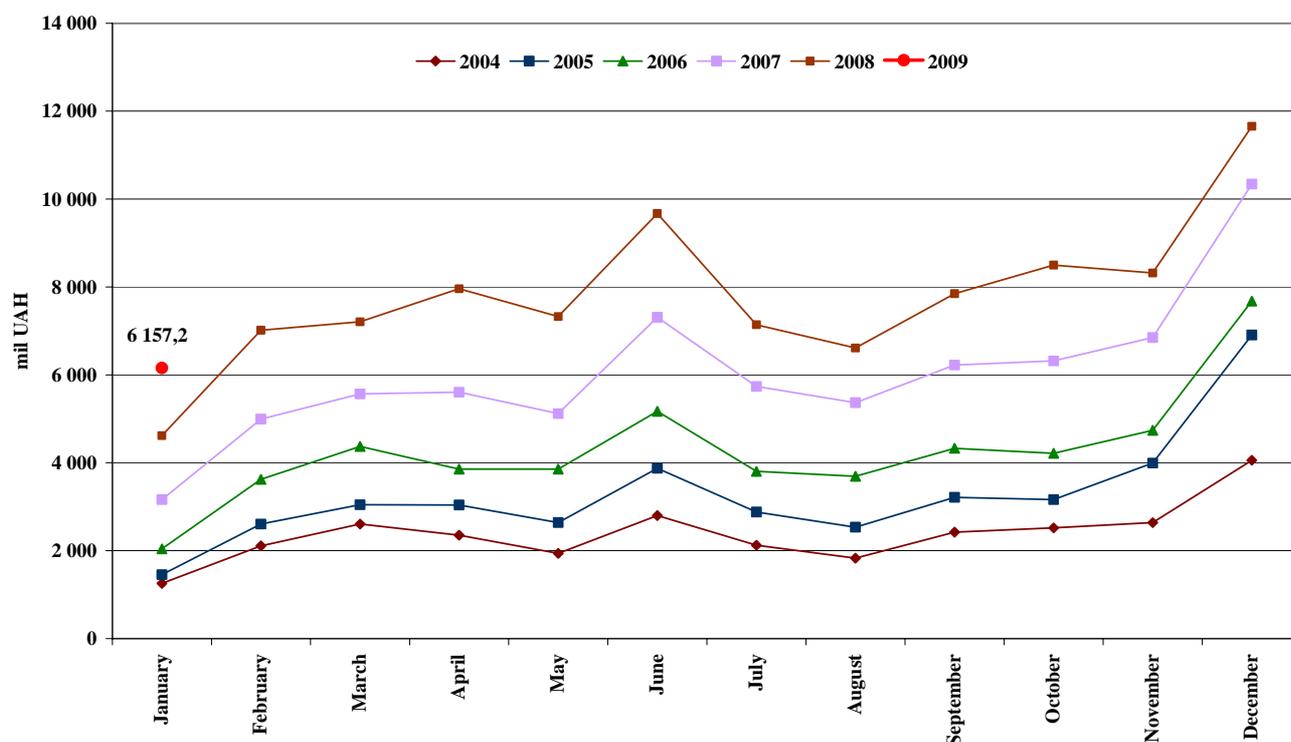
Diagram 22

**Structure of Actual Local Budget Expenditures in January-December 2003-2008**



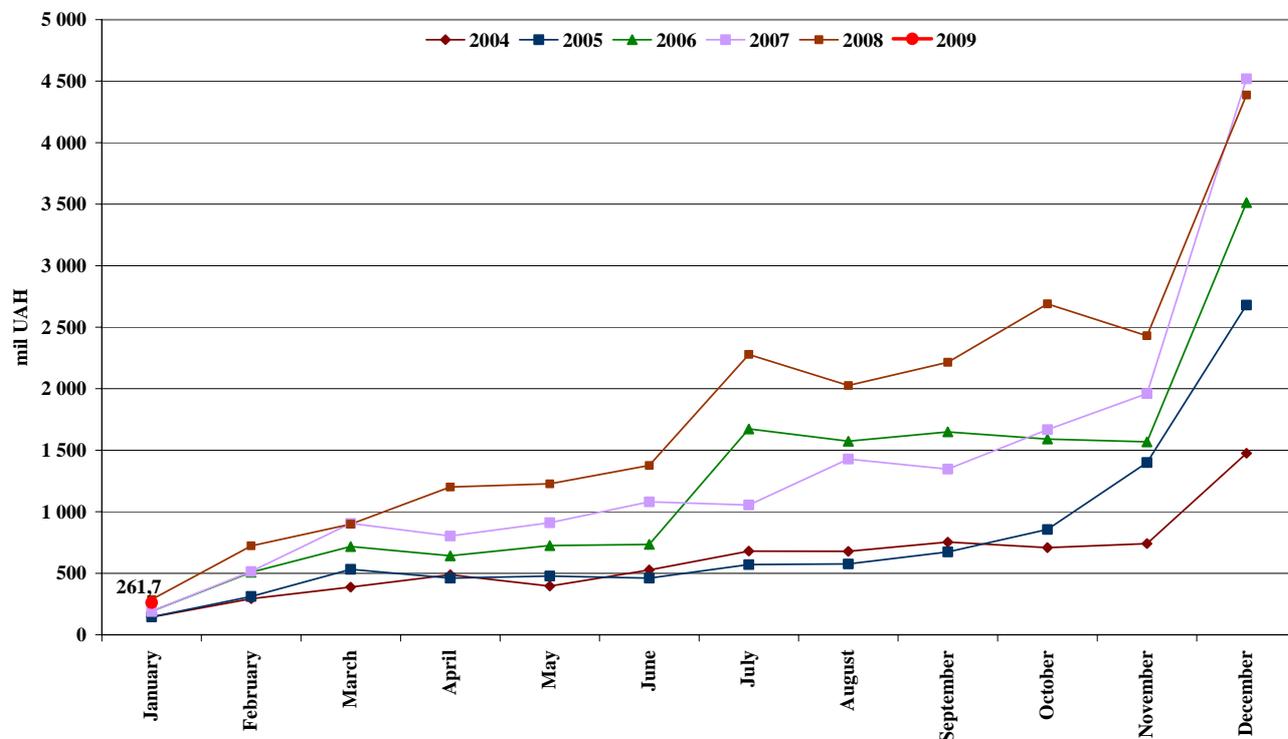
Graph 50

**Local Budget Social Expenditures (Healthcare, Education, Spiritual and Physical Development, Social Protection and Social Security) Monthly Trends in 2004-2009**



Graph 51

### Local Budget Social Expenditures for Economic Activities, Housing and Communal Sector, and Environmental Protection Monthly Trends in 2004-2009



Graph 52

### Other Local Budget Expenditures Monthly Trends in 2004-2009

