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INITIATIVE (MFSI-II) ROLL-OUT**

Monthly Monitoring of Main Indicators of the Budget System of Ukraine as of March 1, 2012

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.

This product is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the Institute for Budgetary and Socio-Economic Research (IBSER) and do not necessarily reflect the views of USAID or the United States Government.

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Monitoring of the Execution of the Consolidated, State and Local Budgets in Ukraine

- **The actual revenue of the State budget of Ukraine** totaled UAH 51.6bn in January-February 2012, which is UAH 7.3bn or 16.5% more than in 2011.

The enterprise profit tax, which was 18.1% higher than in 2011, was the main driver behind this growth in revenue, as the deadline for paying this tax for 2011 was in February.

The revenue intake was 15.5% of the annual plan, which is more than usual. In particular, 21.6% of the annual amount for the enterprise profit tax was received, which gives grounds for revising the annual plan for this source.

- **The expenditures of the consolidated budget of Ukraine** totaled UAH 35.0bn in February 2012, which is 22.1% more year-on-year.

Compared to 2011, consolidated budget expenditures increased for all items. Expenditures for spiritual and physical development doubled compared to February 2011, and reached UAH 311.4bn. Expenditures grew significantly for economic activity (by 64.3%), general government functions (by 37.4%), and the housing and communal services sector (by 33.1%). Expenditures also grew for spiritual and physical development (by 27.3%), healthcare (by 22.2%), and education (by 20.7%). A slight increase was noted in expenditures for public order, security, and judiciary (13.9%), social protection and social security (by 9.3%), and defense (by 9.2%).

- **The actual expenditures of the State budget of Ukraine** totaled UAH 26.7bn, which is 24.8% more year-on-year.

In terms of the **functional classification** of expenditure items, the following were observed compared to February, 2011:

- expenditures for general government functions increased by 40.8% and totaled UAH 3.5bn;
- expenditures for defense increased by 9.2% and totaled UAH 940.2mn;
- expenditures for public order, security, and the judiciary increased by 13.9% and totaled UAH 2.4bn;
- expenditures for economic activity increased by 75.2% and totaled UAH 2.4bn;
- expenditures for environmental protection increased more than 2.2 times and totaled UAH 213.2mn;
- expenditures for housing and communal services increased more than 4.6 times to UAH 2.3mn;
- expenditures for healthcare increased by 24.0% year-on-year and totaled UAH 560.4mn;
- expenditures for spiritual and physical development increased by 31.2% and amounted to UAH 175.4mn;
- expenditures for education increased by 12.0% and totaled UAH 2.3bn;
- expenditures for social protection and social security increased by 19.6% and amounted to UAH 6.0bn.

The amount of UAH 808.7mn was provided from the State budget to cover the Pension Fund deficit, which points to a continued decline in the need for expenditures for covering the Pension Fund deficit.

- The State budget received UAH 154.5mn in **repaid credits** in February 2012, including remittances to the General Fund of the State budget totalling UAH 131.6mn.

Under the State budget, a total of UAH 294.8mn in **credits** were issued in the period under review.

A State budget surplus of UAH 4.5bn accrued in the reviewed period, which is 7.3% less than the February 2011 surplus.

UAH 4.9bn in State budget debt principal was repaid.

Internal debt repayment totaled UAH 4.5bn, and external debt repayment totaled UAH 377.4mn.

State budget borrowing totaled UAH 6.2bn, including UAH 5.9bn borrowed for the General Fund of the State budget. Domestic market borrowing totaled UAH 5.9bn, and borrowing from foreign sources totaled UAH 294.7mn.

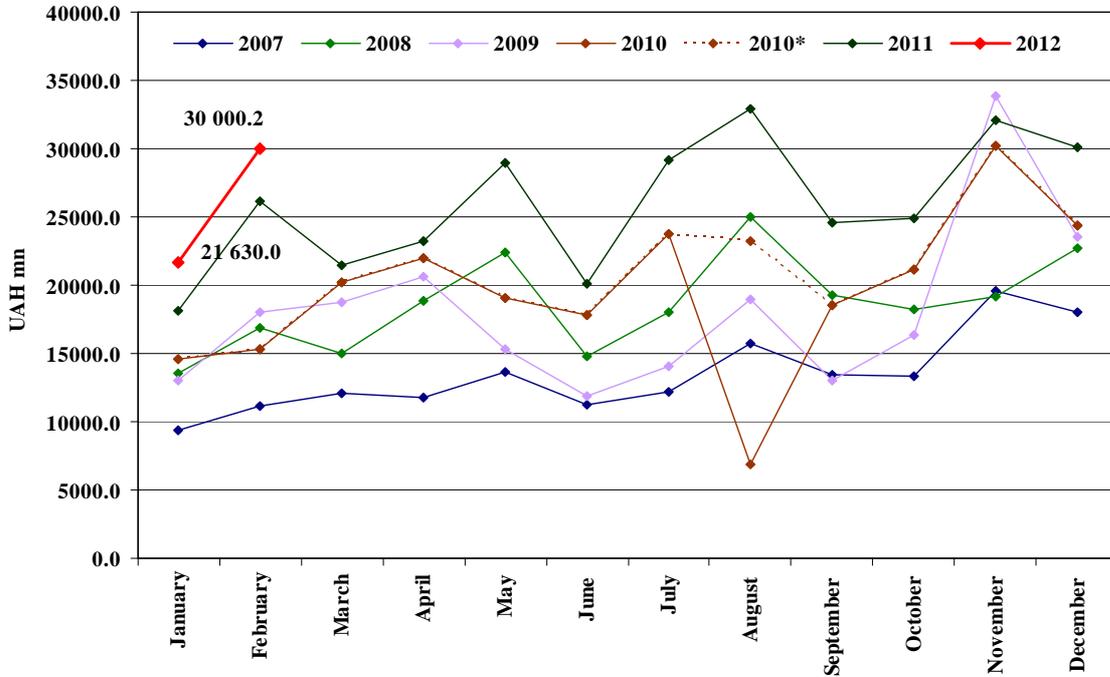
The State budget received UAH 282.4mn from the privatization of State property.

- **Total local budget revenue (without intergovernmental transfers)** amounted to UAH 7.8bn in February 2012, which is 20.3% more than in 2011. The General Fund of local budgets received UAH 6.5bn and the Special Fund received UAH 1.3bn. In regional terms, the highest growth, at +38.9% year-on-year, was observed in Mykolaiv Oblast. The lowest growth was recorded in the Autonomous Republic of Crimea, which showed a growth of 10.0%.
- **Expenditures of local budgets (without intergovernmental transfers)** increased by 24.2% and reached nearly UAH 17.5bn in February 2012. General Fund expenditures of local budgets totaled UAH 15.9bn and Special Fund expenditures totaled UAH 1.6bn. In regional terms, the highest growth, at +40.4% year-on-year, was observed in Kyiv Oblast. The lowest figures were recorded for Kharkiv Oblast and the City of Kyiv, where growth amounted to +10.0% and +10.9%, respectively.

State Budget Revenue

Graph 1

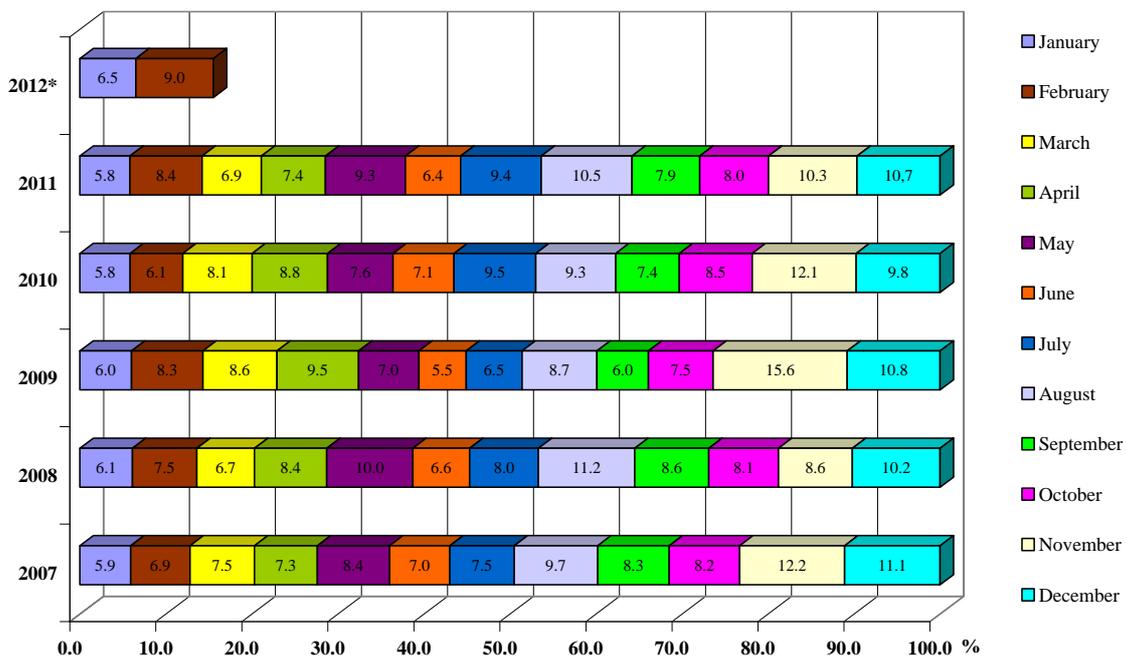
State Budget Total Revenues Monthly Trends in 2007–2012 (Less Intergovernmental Transfers)



*excluding the amount of VAT reimbursement debt of Hr 16.4bn

Diagram 1

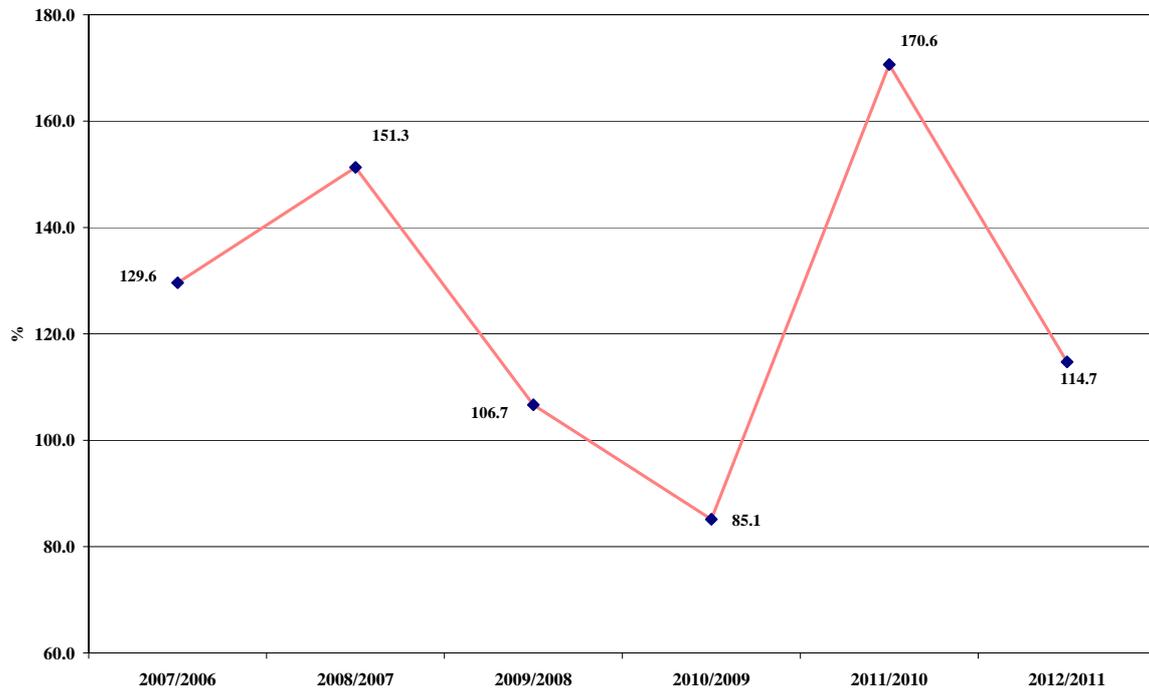
Dynamics of the Share of Ukraine's State Budget Revenue in Annual Amounts in 2007–2012



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

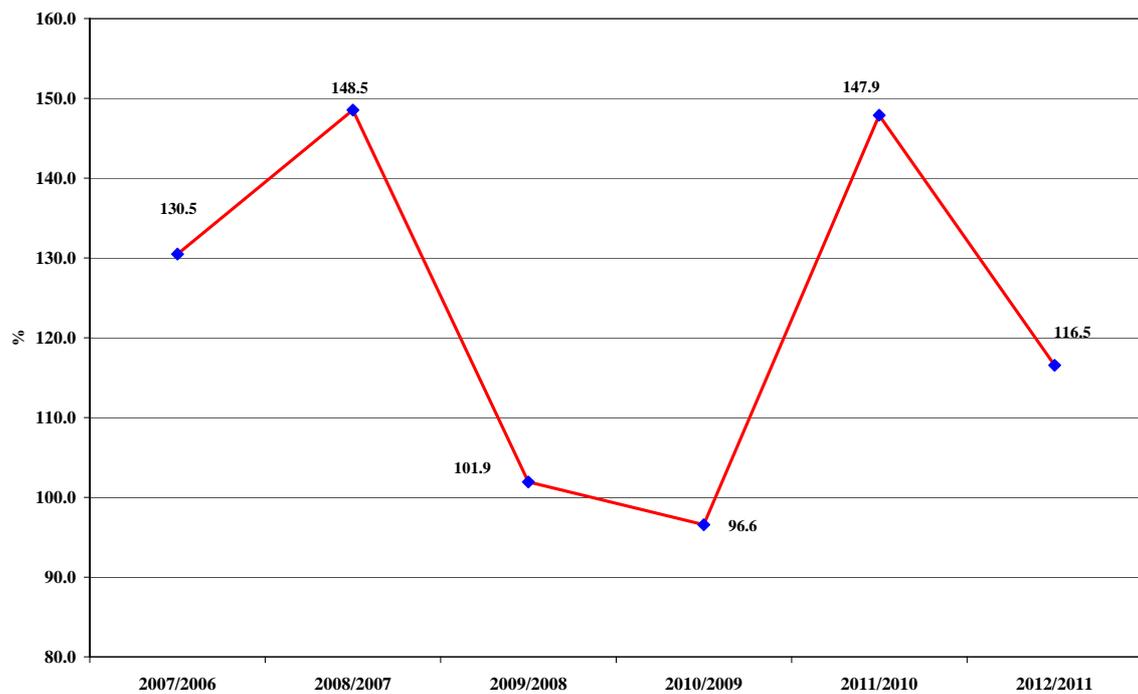
Graph 2

Growth Rates of Ukraine's State Budget Revenue in February 2007–2012



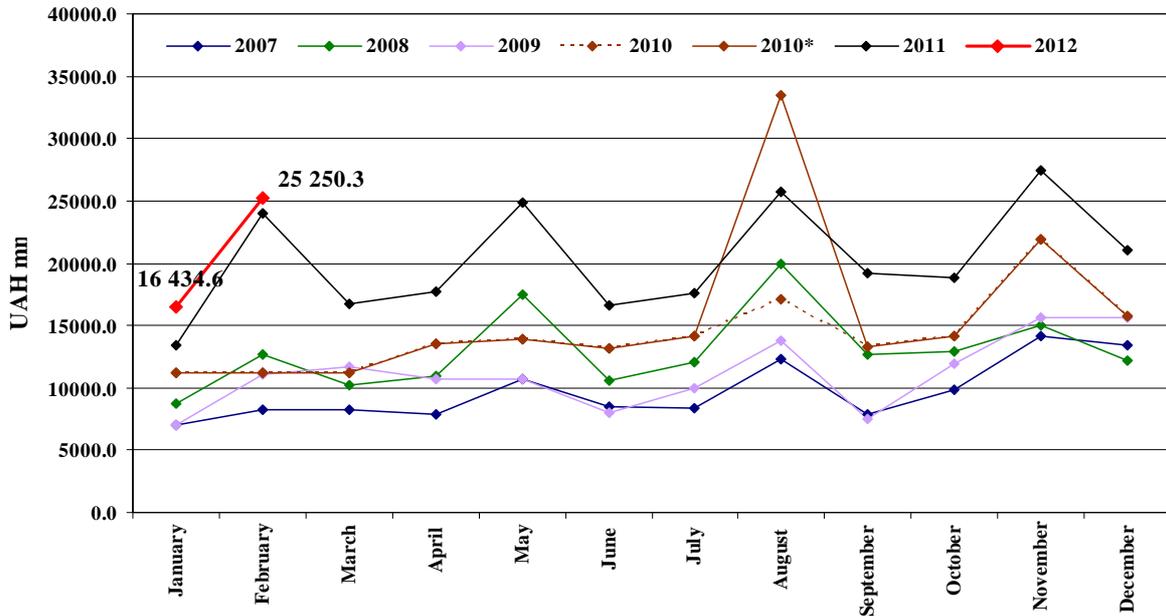
Graph 3

Growth Rates of Ukraine's State Budget Revenue in January-February 2007–2012



Graph 4

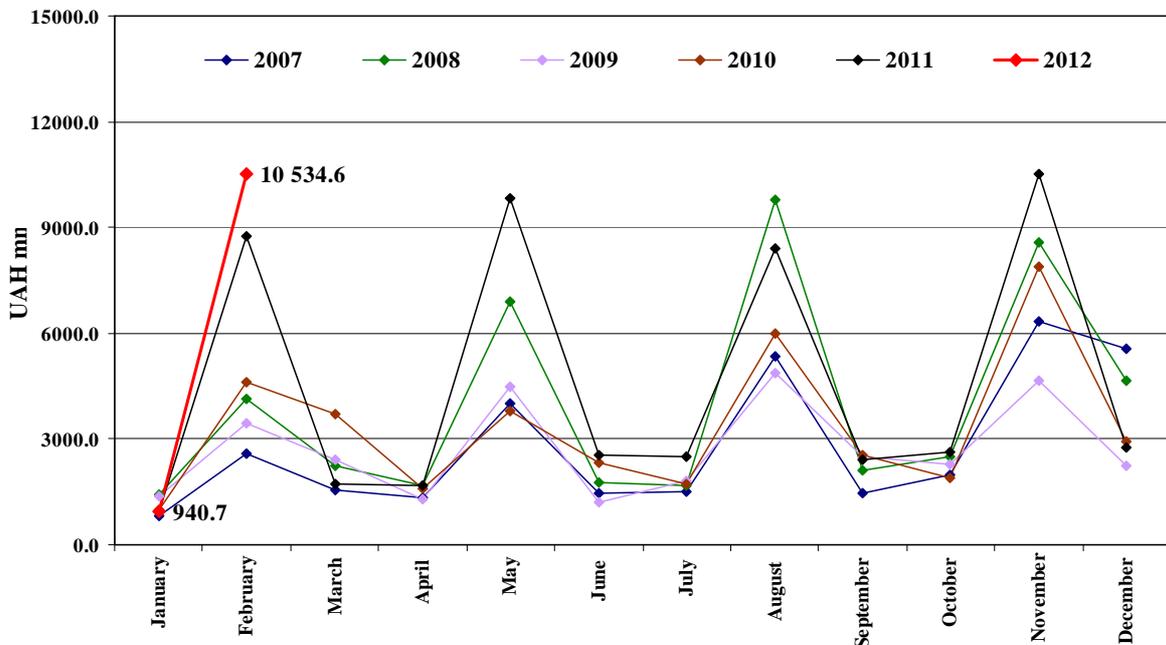
State Budget Tax Revenue, Monthly Trends in 2007–2012



*excluding the amount of VAT reimbursement debt of Hr 16.4bn

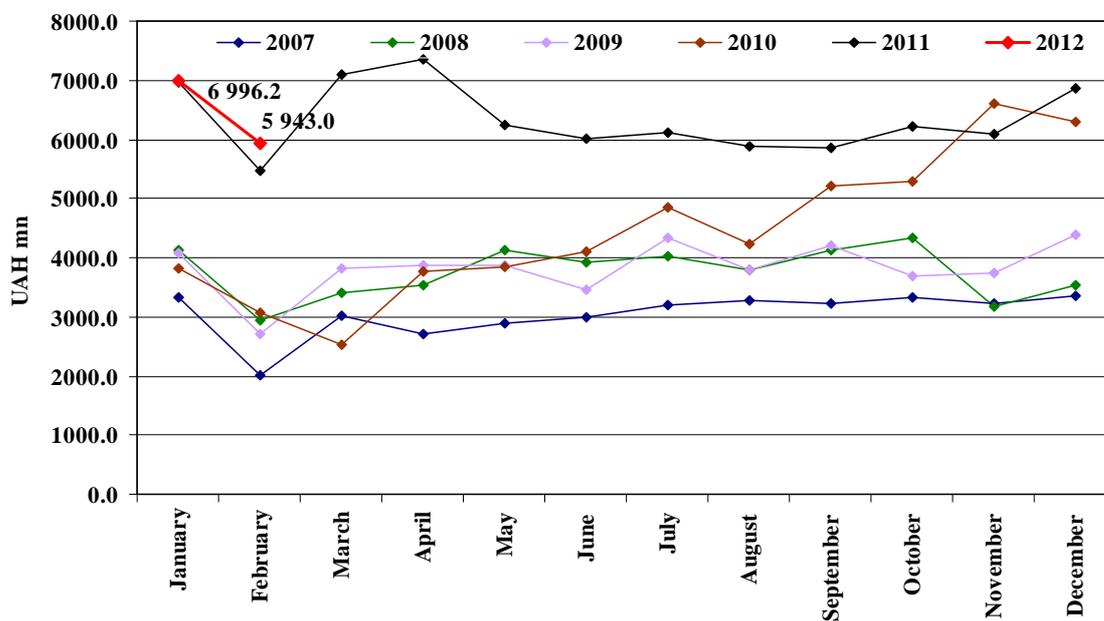
Graph 5

State Budget Enterprise Profit Tax, Monthly Trends in 2007–2012



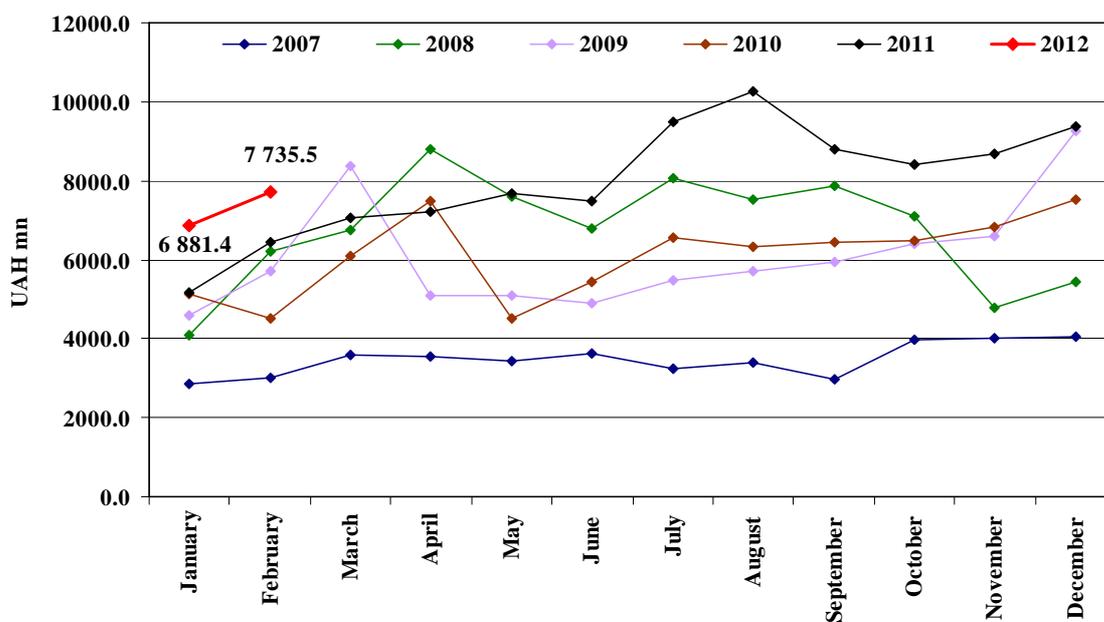
Graph 6

Dynamics of Monthly State Budget Revenues from VAT on Goods (Works, Services) Produced in Ukraine in 2007–2012

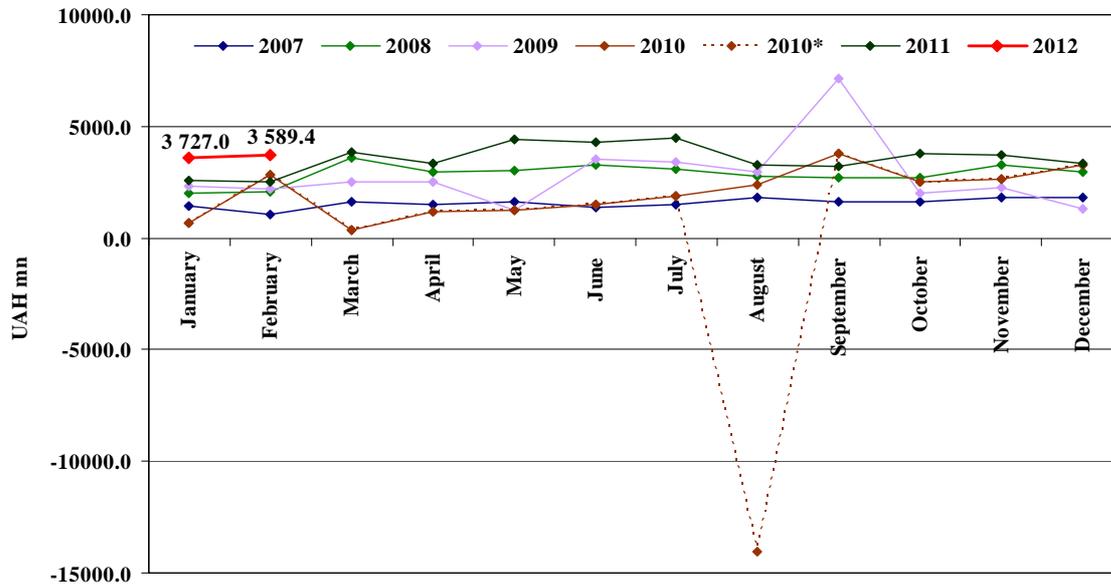


Graph 7

Dynamics of Monthly State Budget Revenue from VAT on Goods Imported into Ukraine in 2007–2012

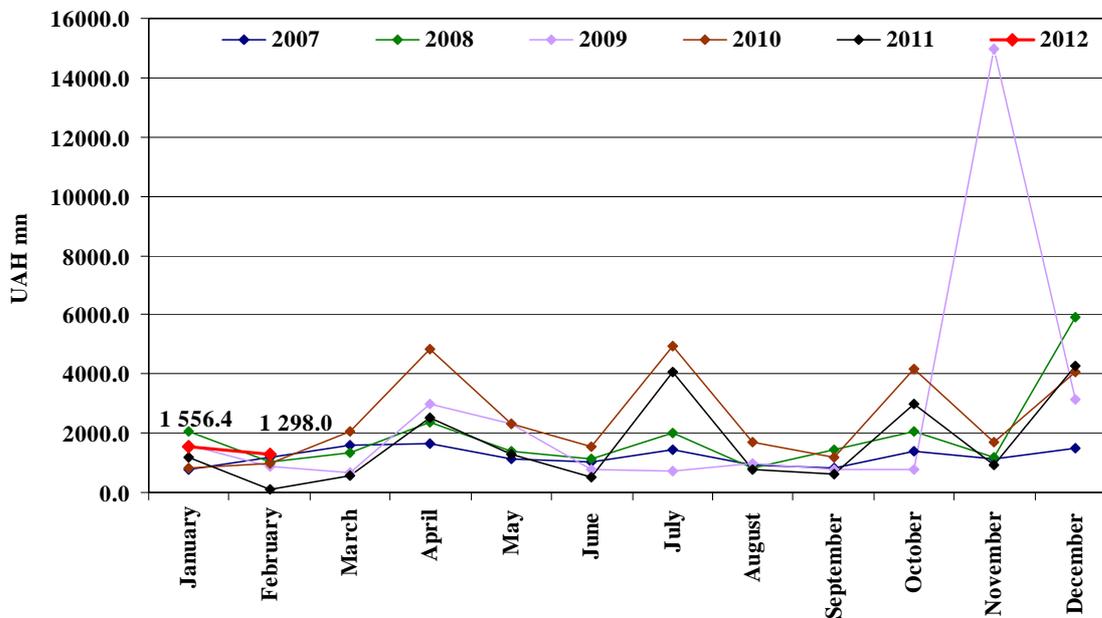


Dynamics of Monthly VAT Refund from the State Budget in 2007–2012



*excluding the amount of VAT reimbursement debt of Hr 16.4bn.

State Budget Non-tax Revenue, Monthly Trends in 2007–2012



Local Budget Revenue

Graph 10

Local Budget Revenue, Monthly Trends (Less Intergovernmental Transfers) in 2007–2012

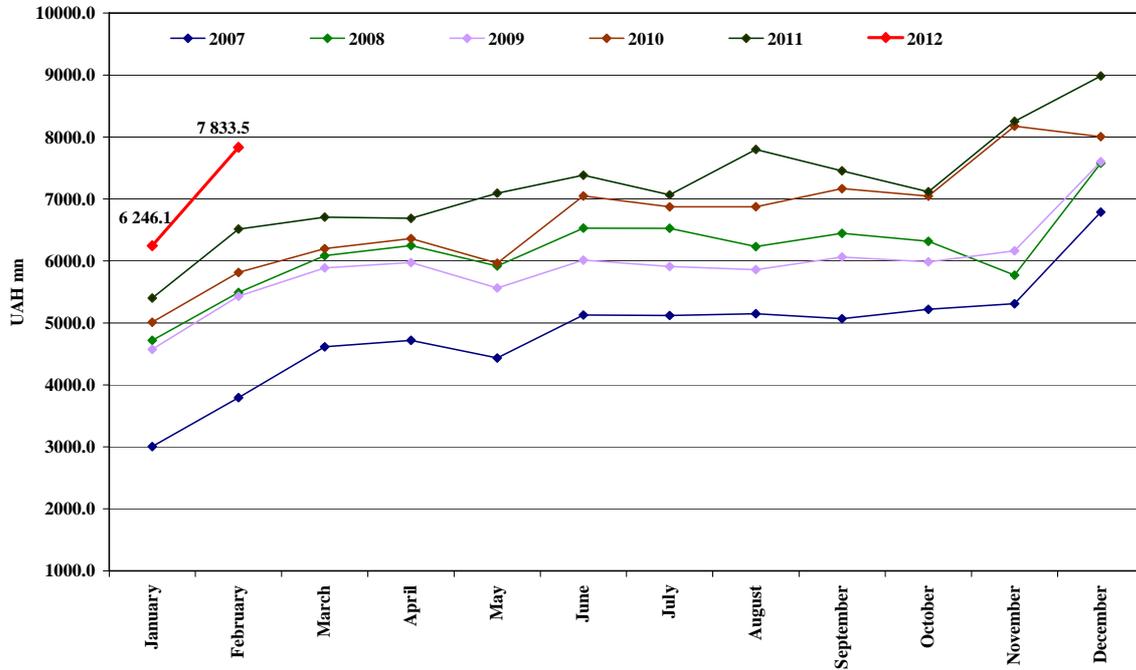
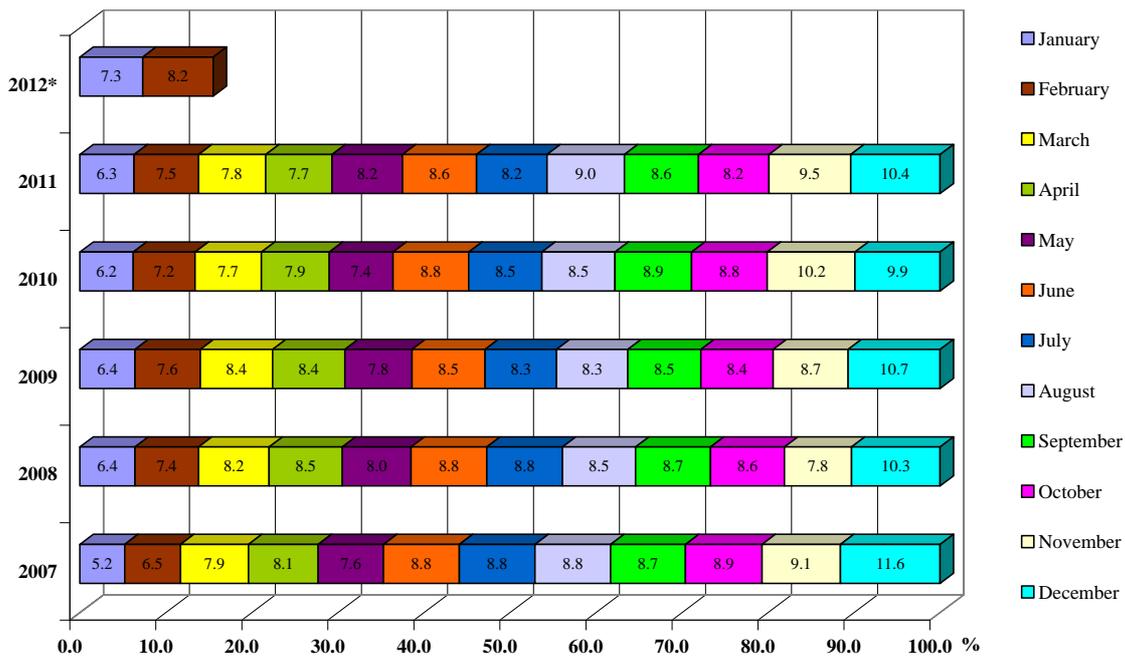


Diagram 2

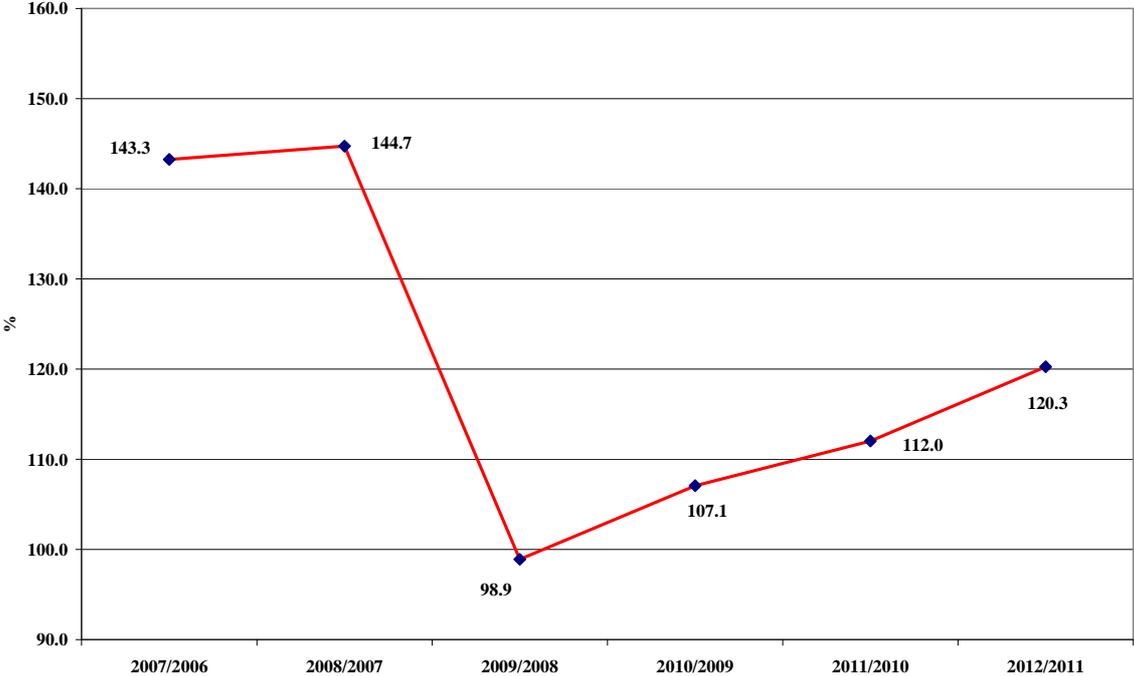
Dynamics of the Share of Local Budget Revenue in Annual Amounts in 2007–2012



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

Graph 11

Growth Rates of Local Budget Revenue in February 2007–2012



Graph 12

Growth Rates of Local Budget Revenue in January-February 2007–2012

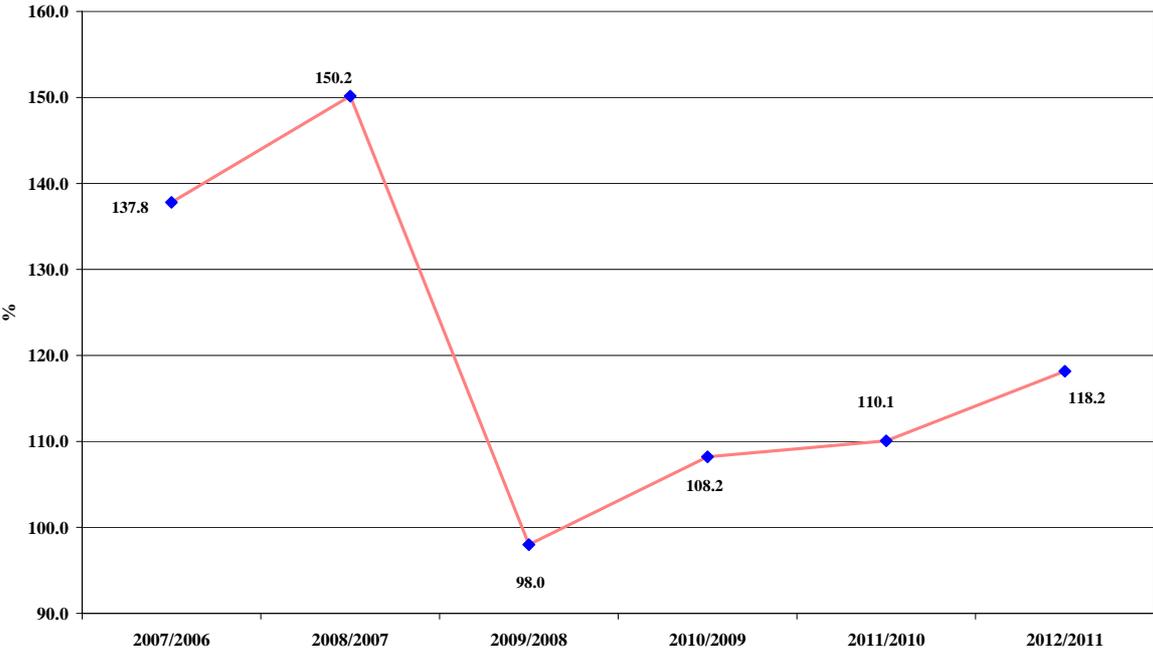
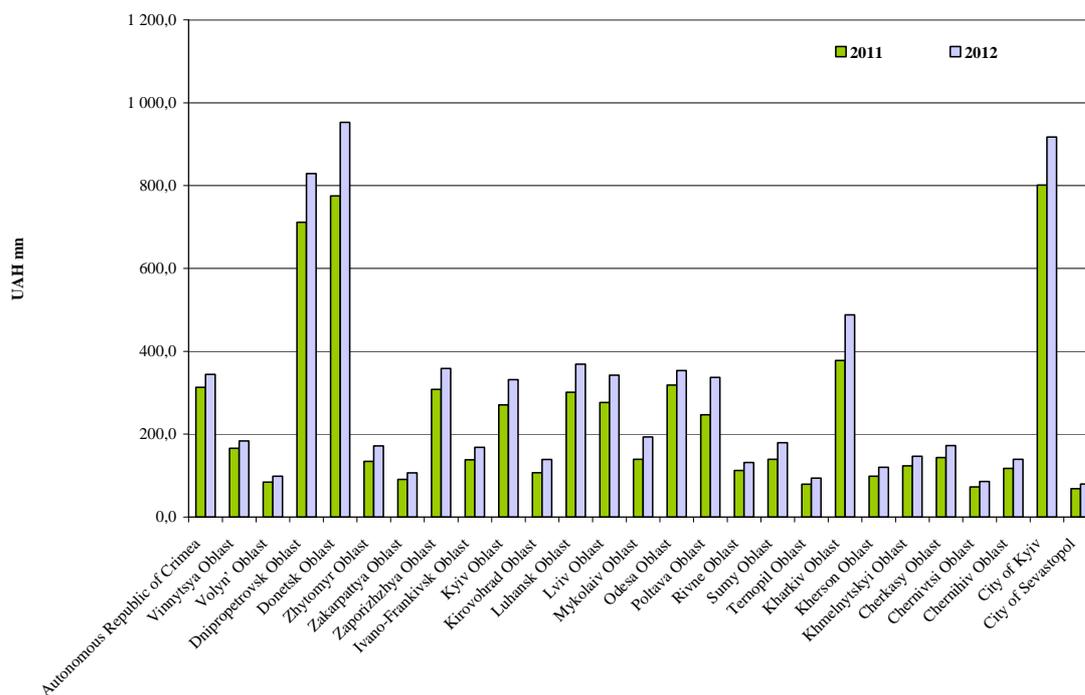


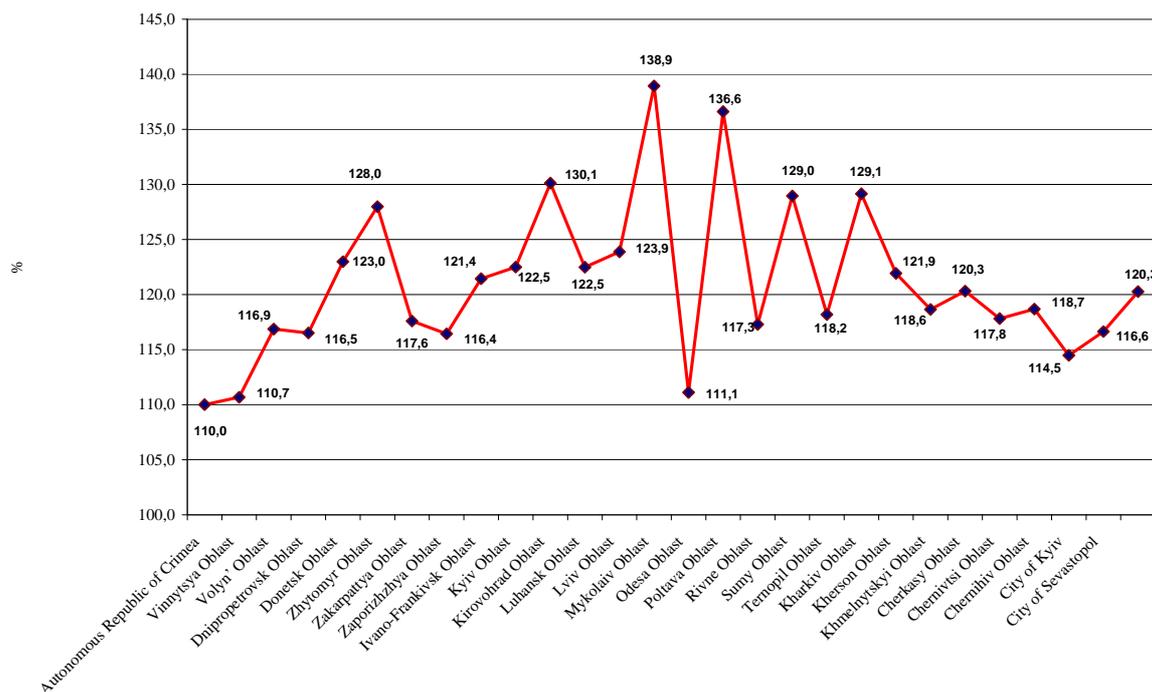
Diagram 3

Regional Distribution of Local Budget Revenue in February 2011–2012



Graph 13

Local Budget Revenue Growth Rate by Region in February 2012 (% vs. 2011)



State Budget Deficit

Diagram 4

Budget Deficit/Surplus, Monthly Trends in 2007

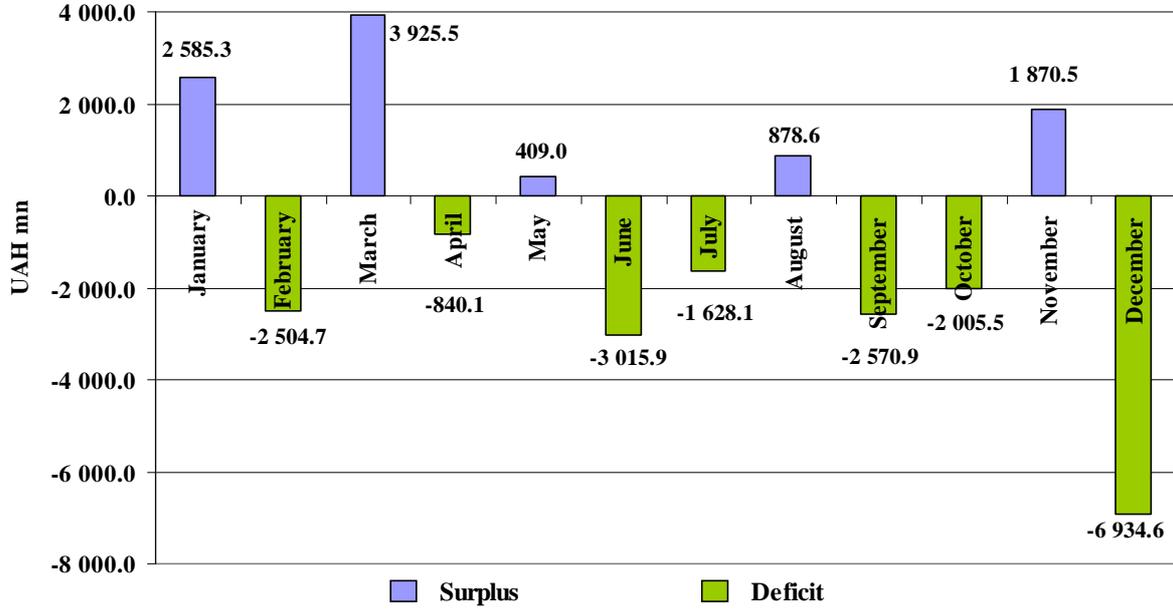


Diagram 5

Budget Deficit/Surplus, Monthly Trends in 2008

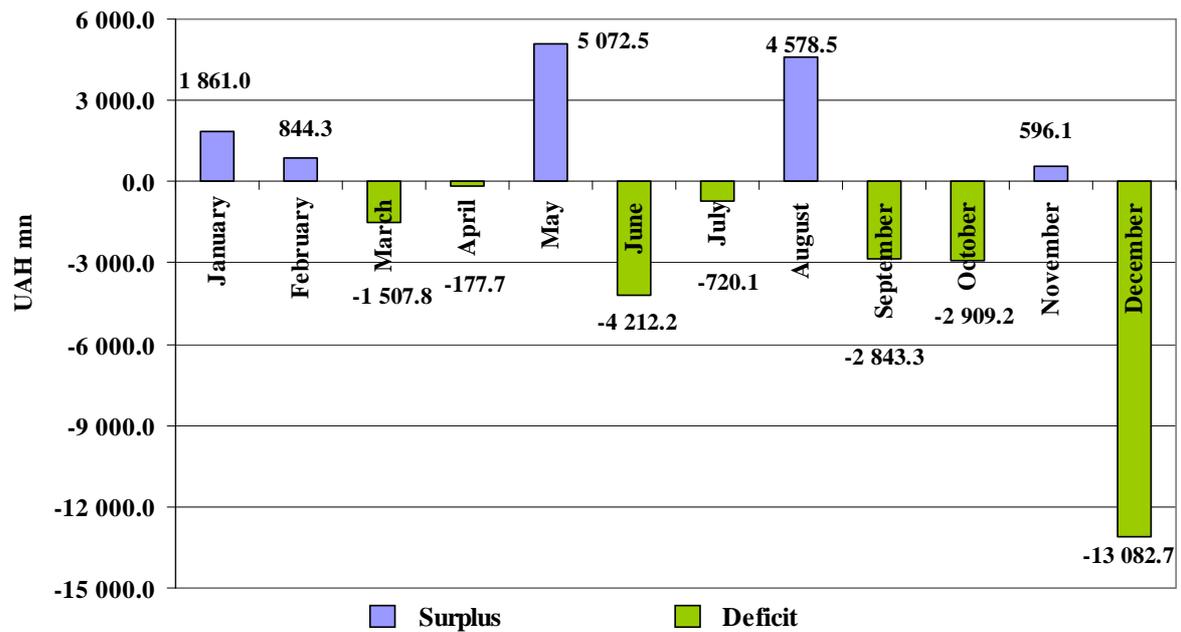


Diagram 6

Budget Deficit/Surplus, Monthly Trends in 2009

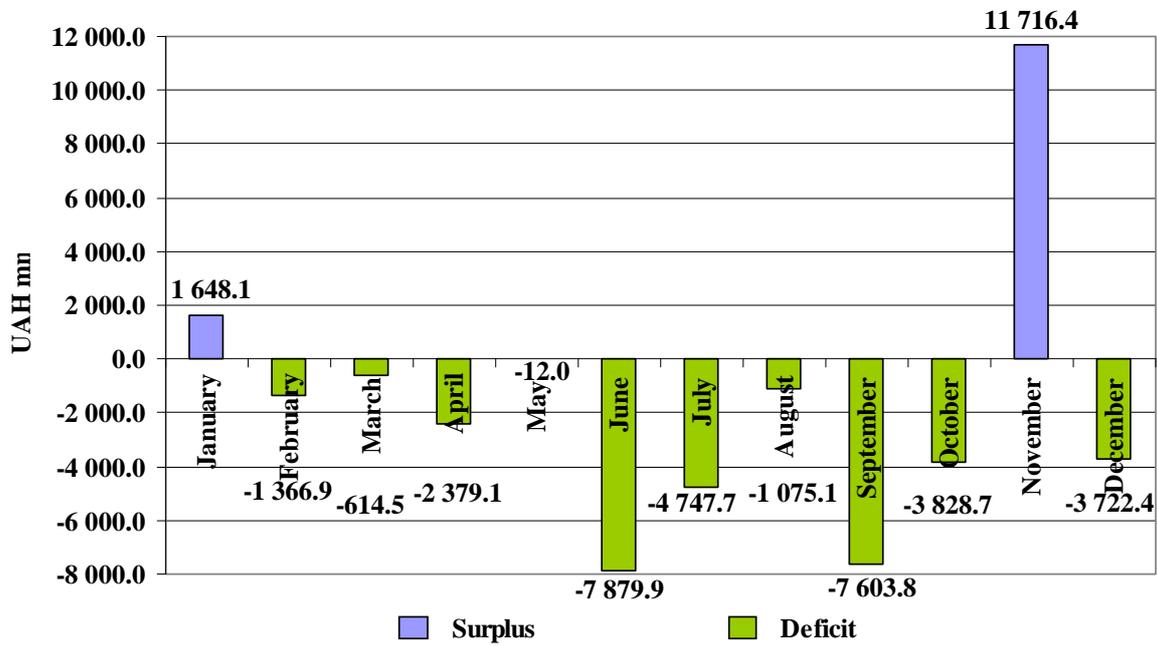


Diagram 7

Budget Deficit/Surplus, Monthly Trends in 2010

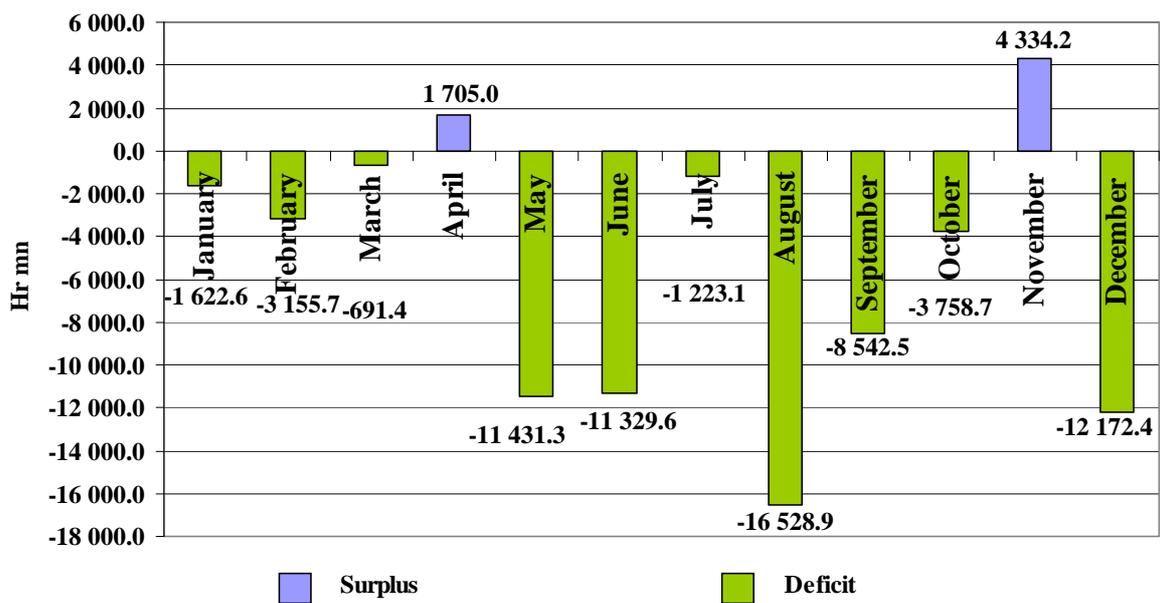


Diagram 8

Budget Deficit/Surplus, Monthly Trends in 2011

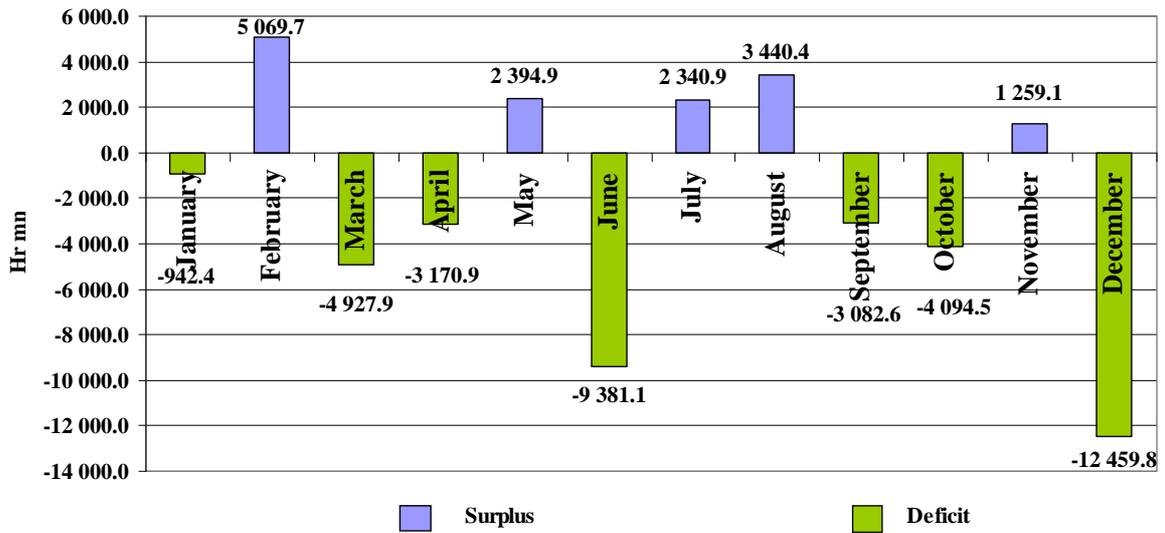
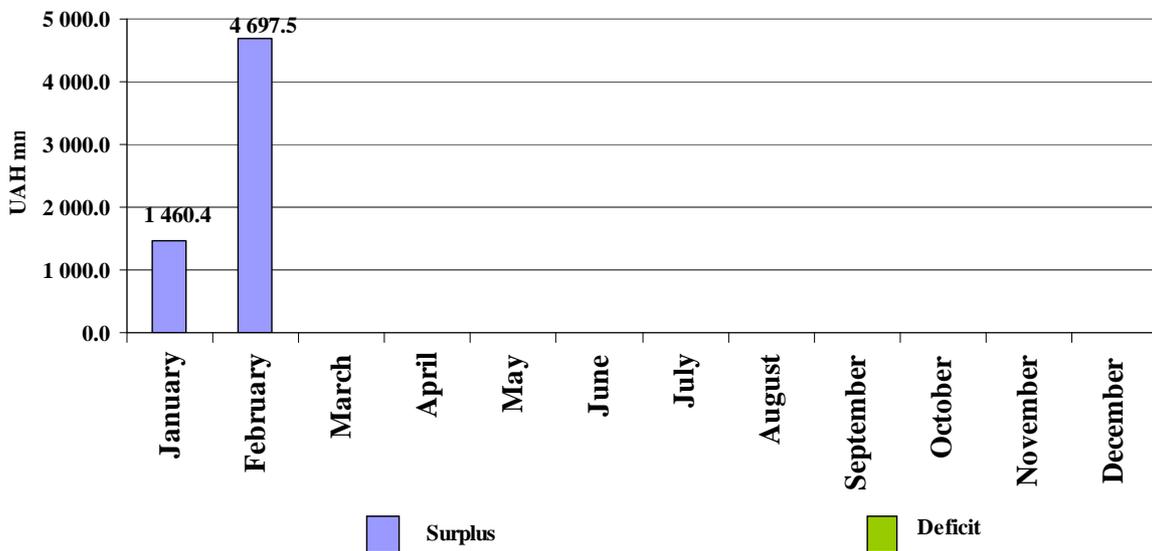


Diagram 9

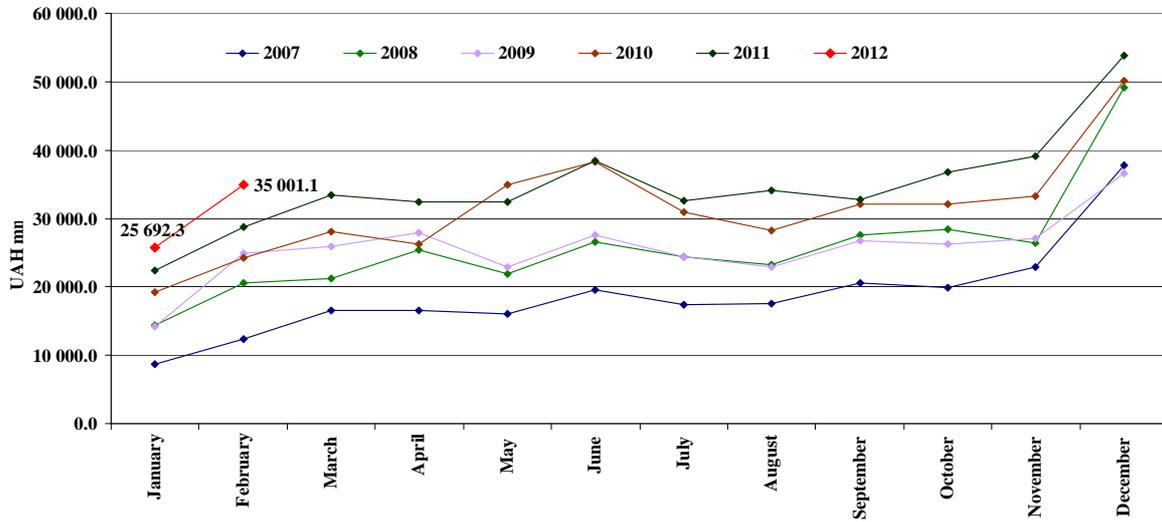
Budget Deficit/Surplus, Monthly Trends in 2012



Consolidated Budget Expenditures

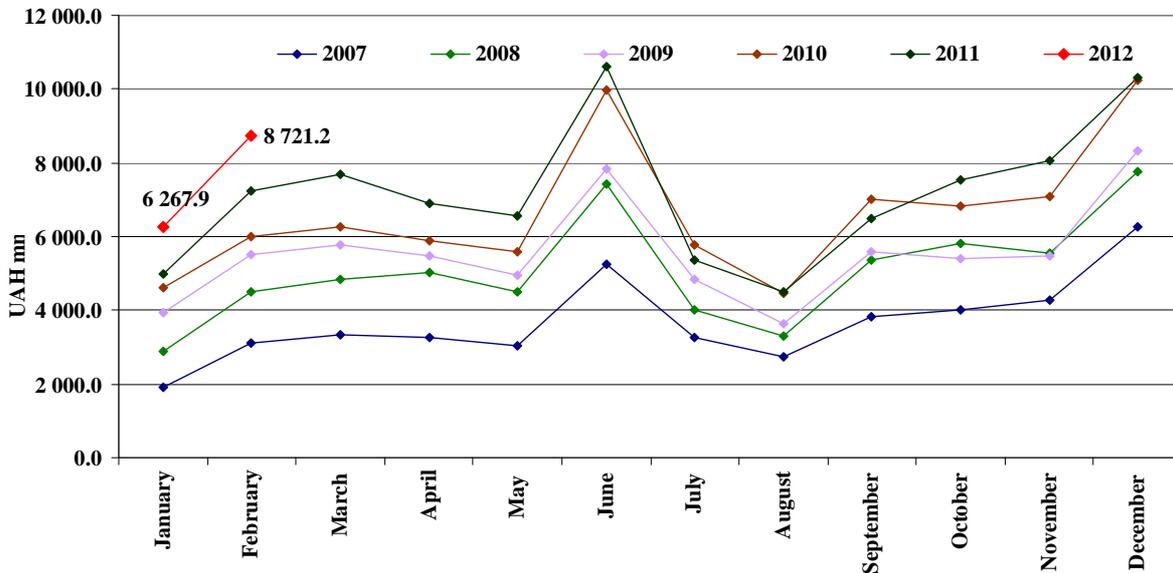
Graph 14

Consolidated Budget Expenditures, Monthly Trends in 2007–2012



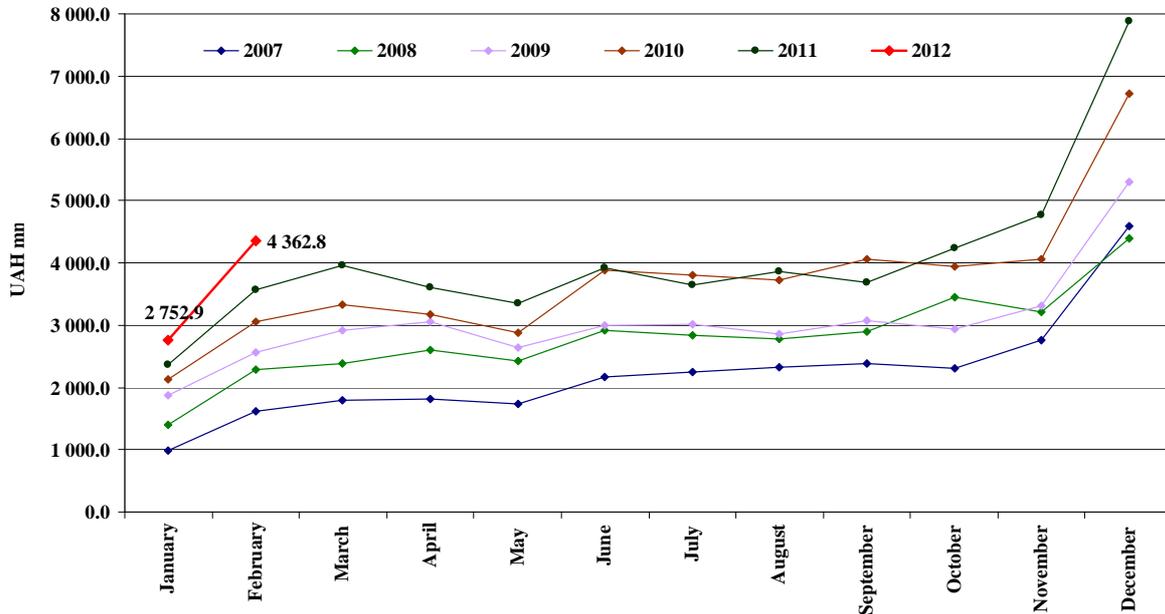
Graph 15

Consolidated Budget Education Expenditures, Monthly Trends in 2007–2012



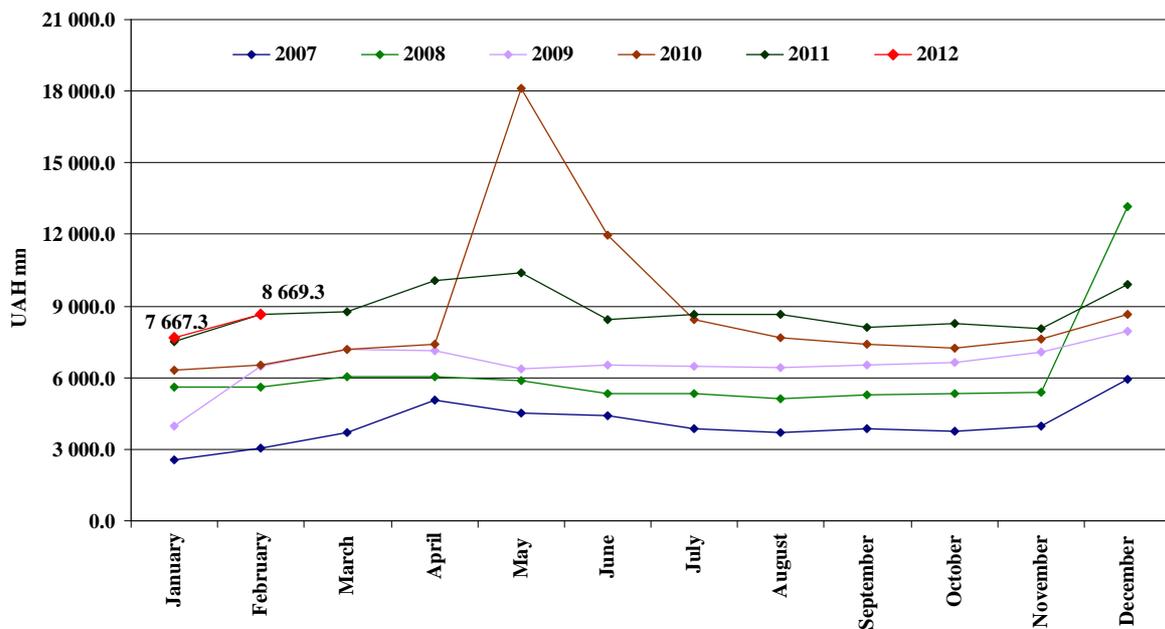
Graph 16

Consolidated Budget Health Expenditures, Monthly Trends in 2007–2012



Graph 17

Consolidated Budget Expenditures for Social Protection and Social Security, Monthly Trends in 2007–2012



State Budget Expenditures

Diagram 10

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

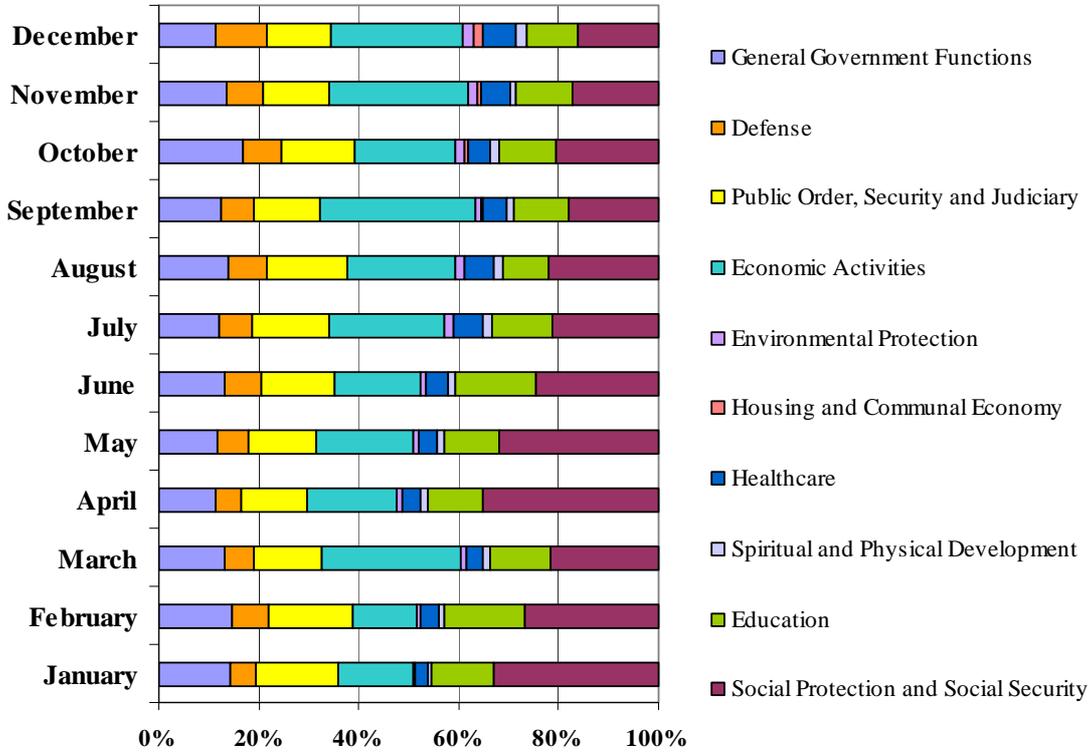


Diagram 11

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

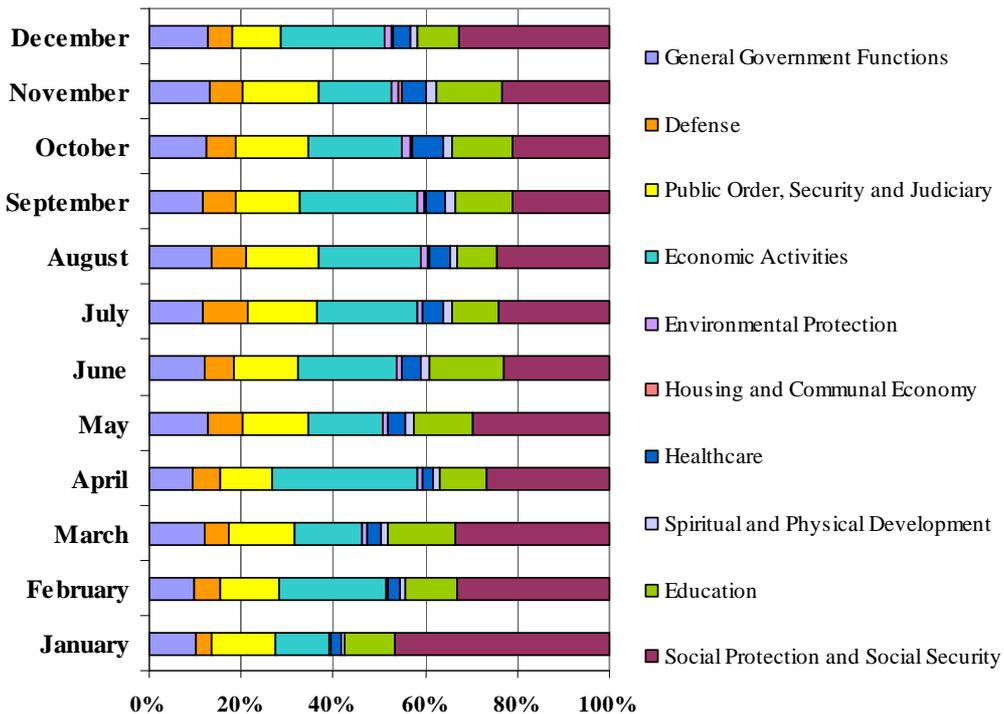


Diagram 12

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

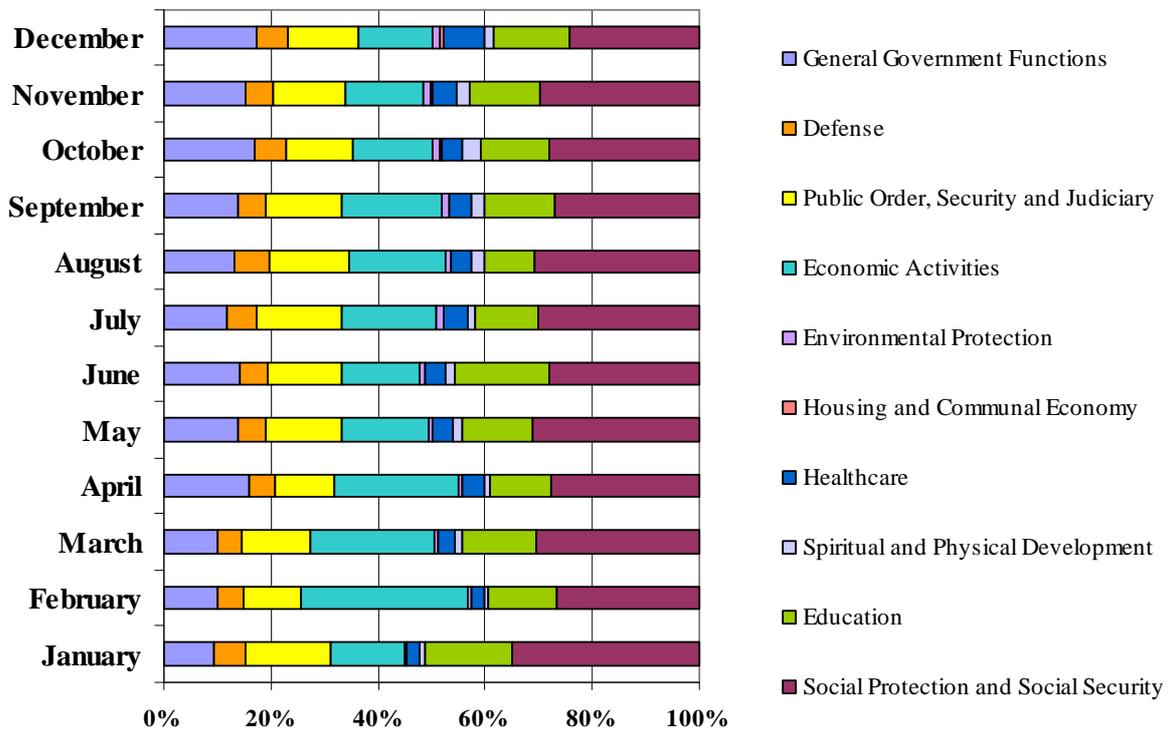


Diagram 13

Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2010

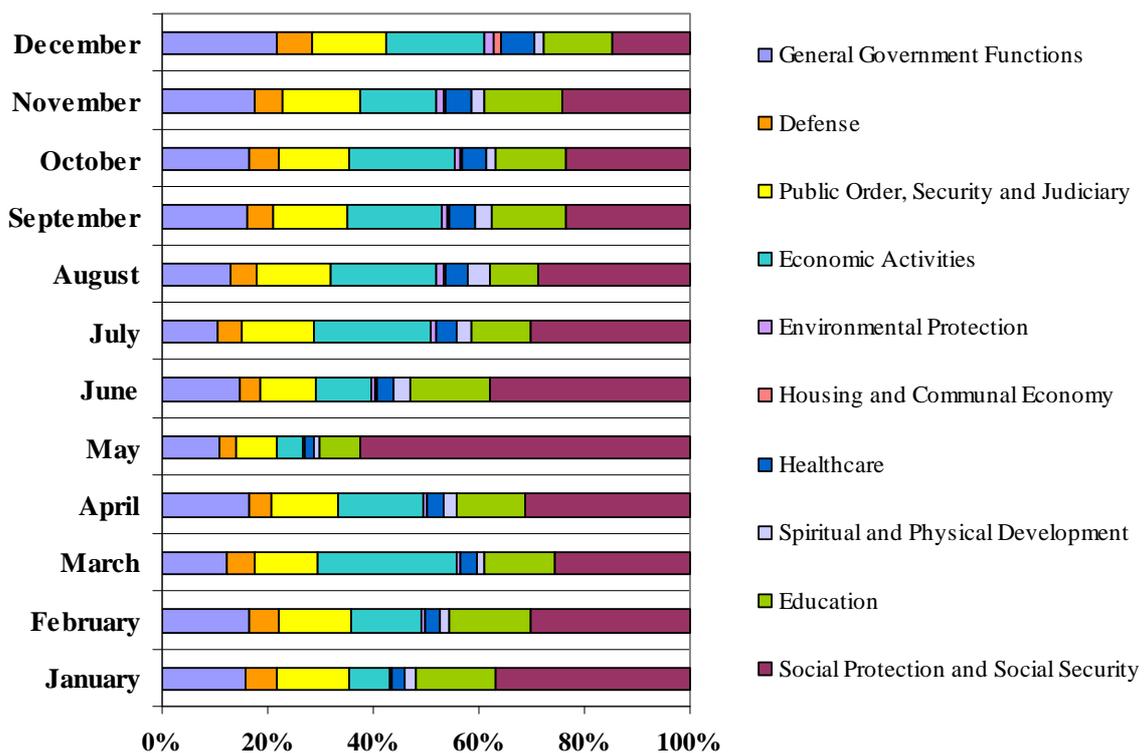


Diagram 14

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

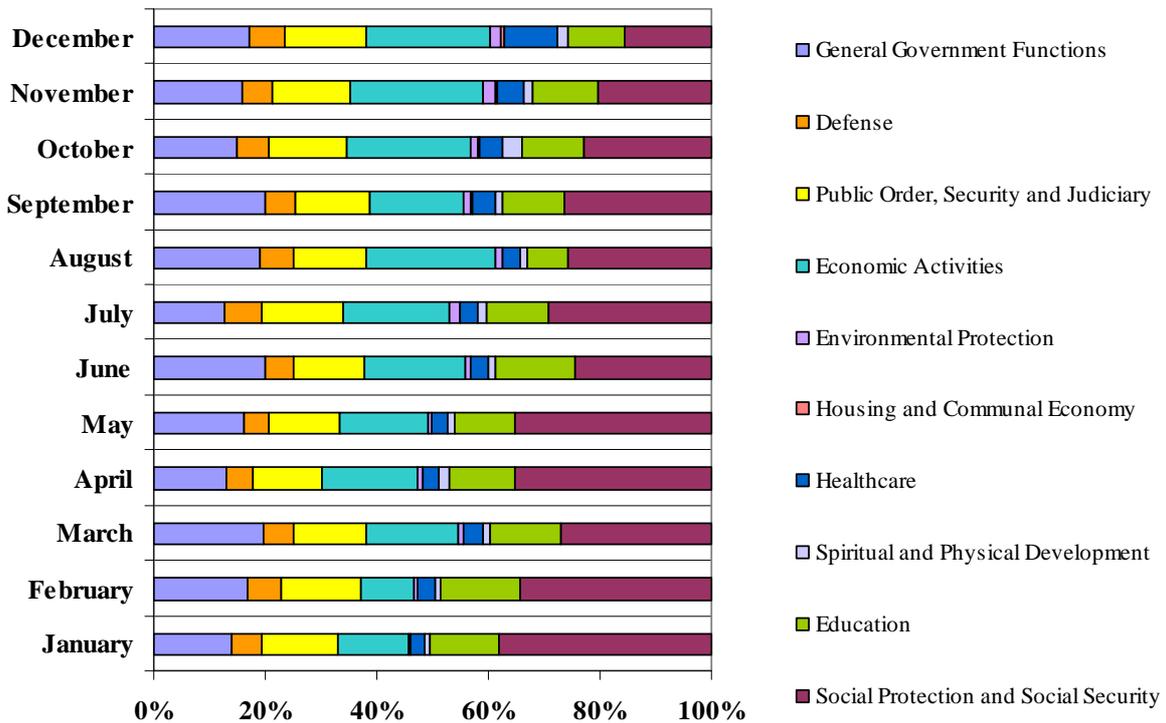
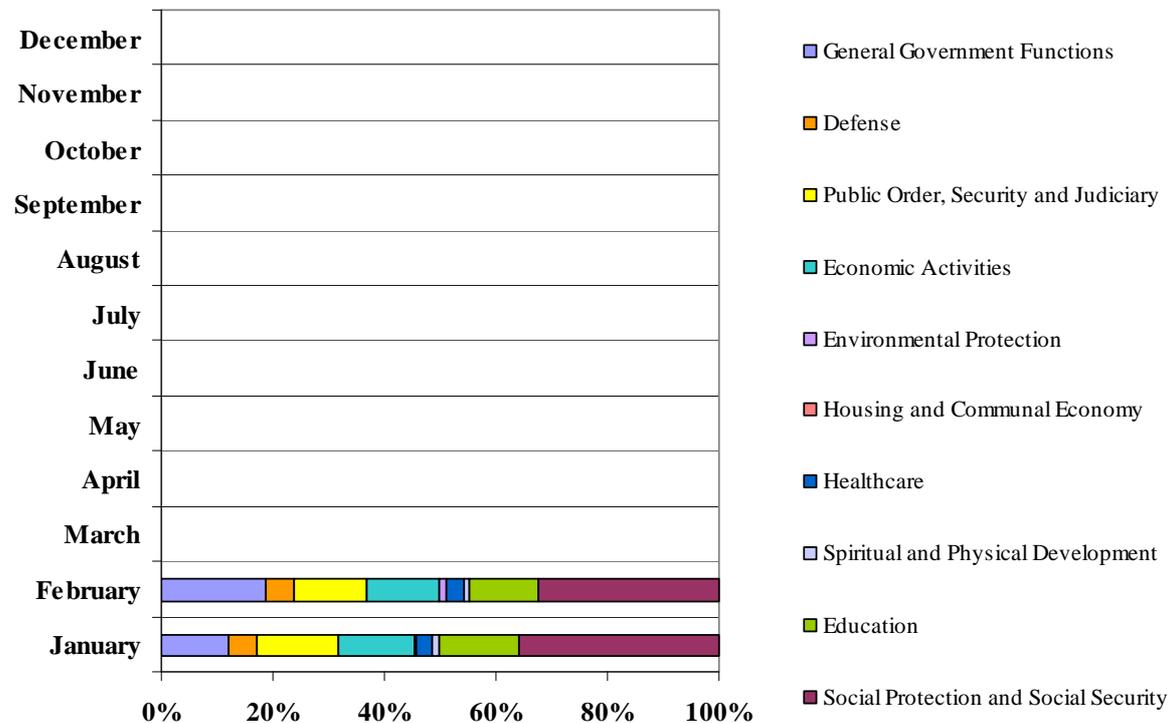


Diagram 15

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



Graph 18

Monthly Trends of State Budget Expenditures in 2007–2012

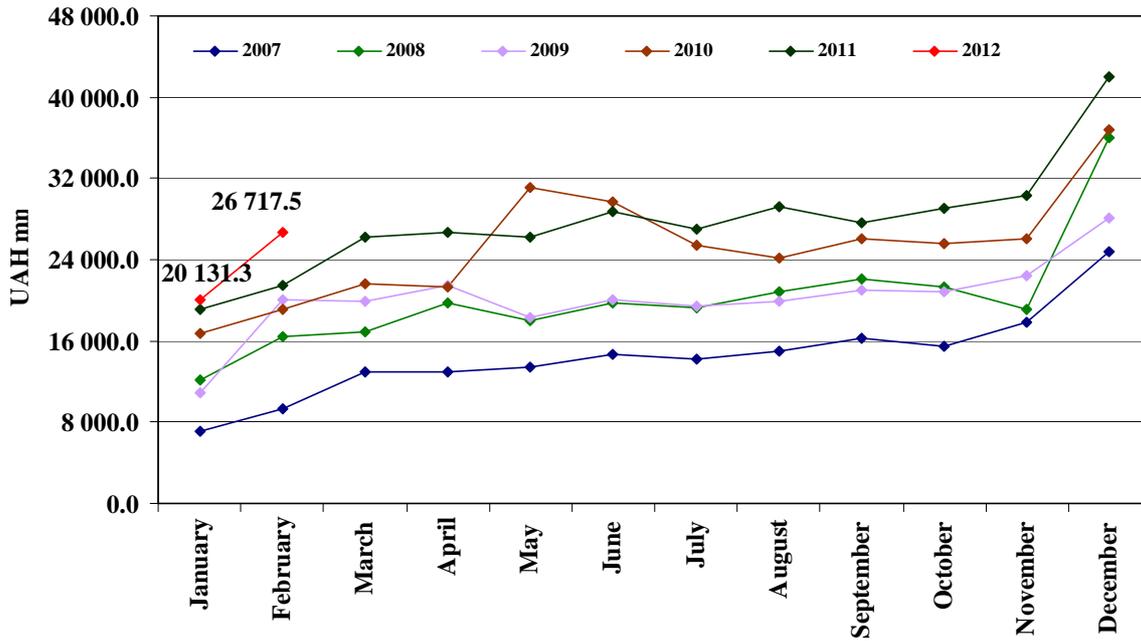
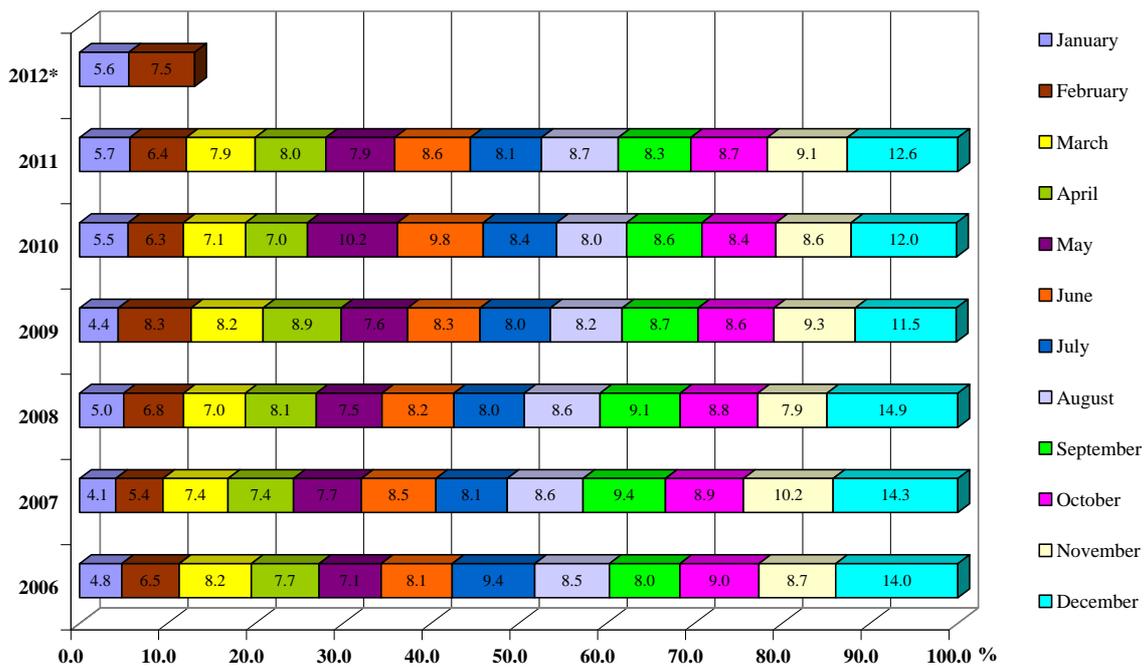


Diagram 16

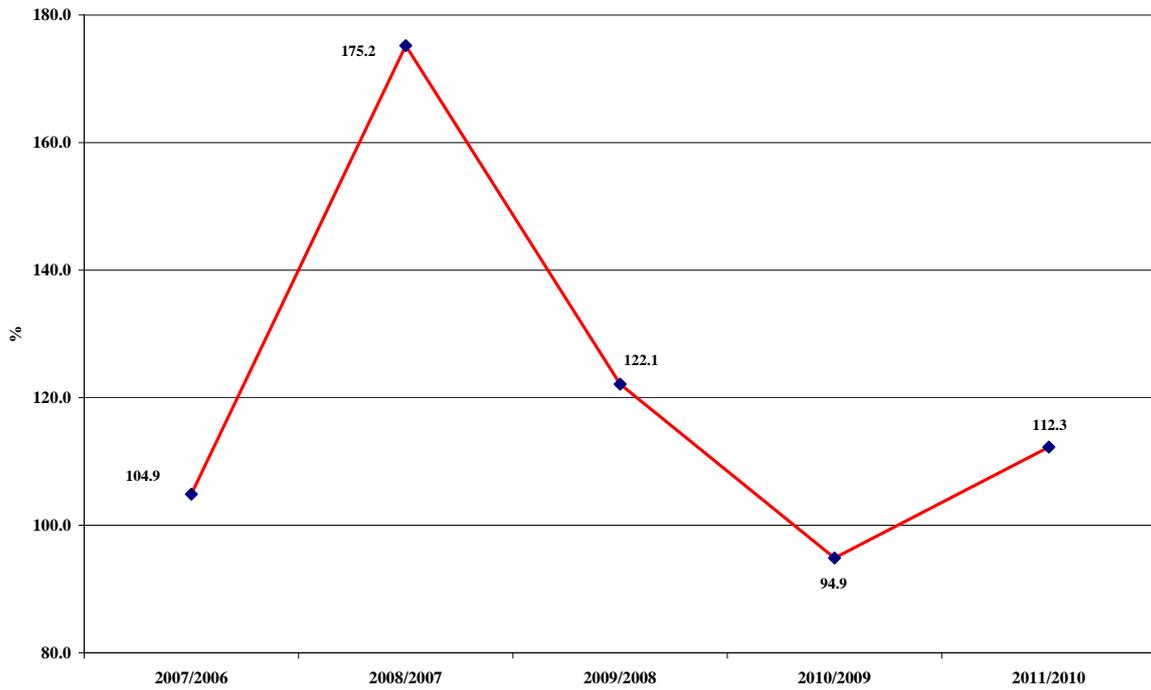
Dynamics of the Share of Ukraine's State Budget Total Expenditures in Annual Amounts in 2007–2012



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

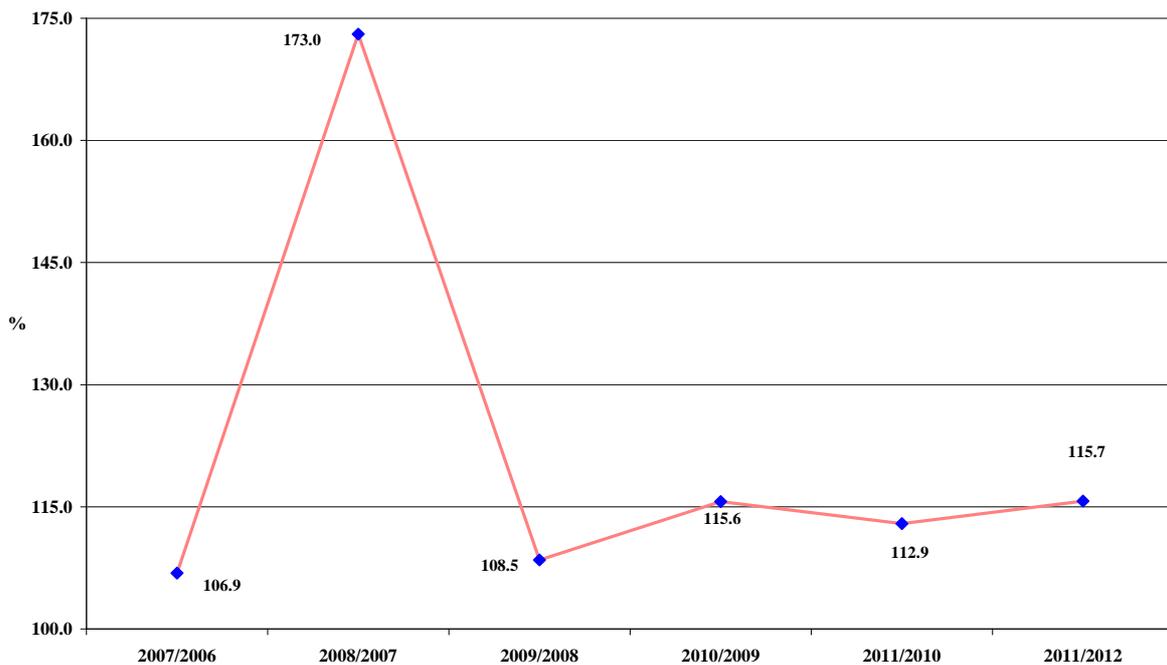
Graph 19

Growth Rates of Ukraine's State Budget Expenditures in February 2007–2012



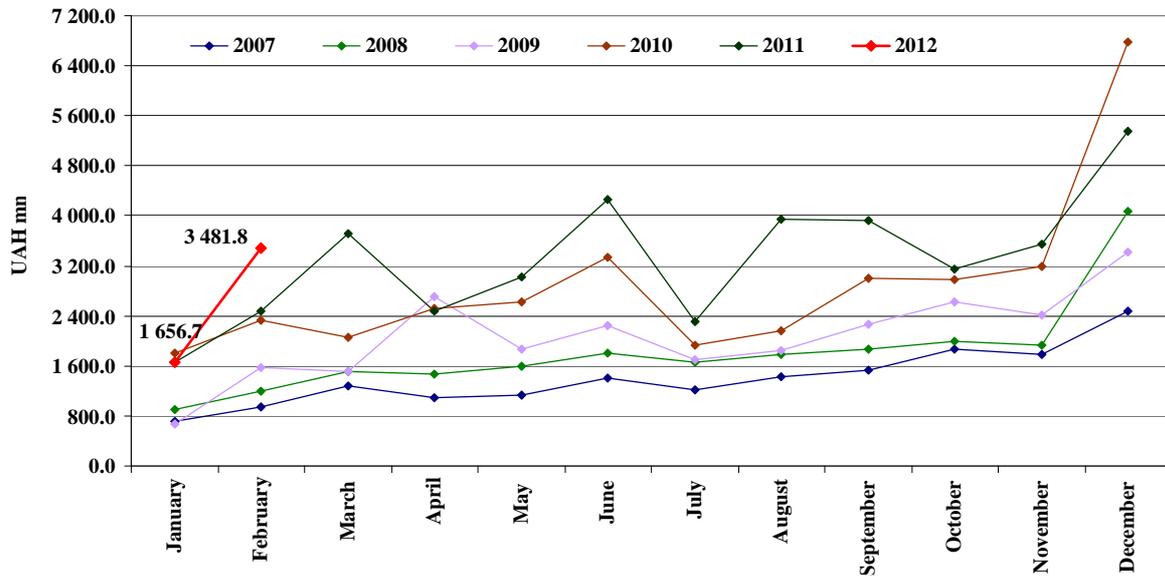
Graph 20

Growth Rates of Ukraine's State Budget Expenditures in January-February 2007–2012



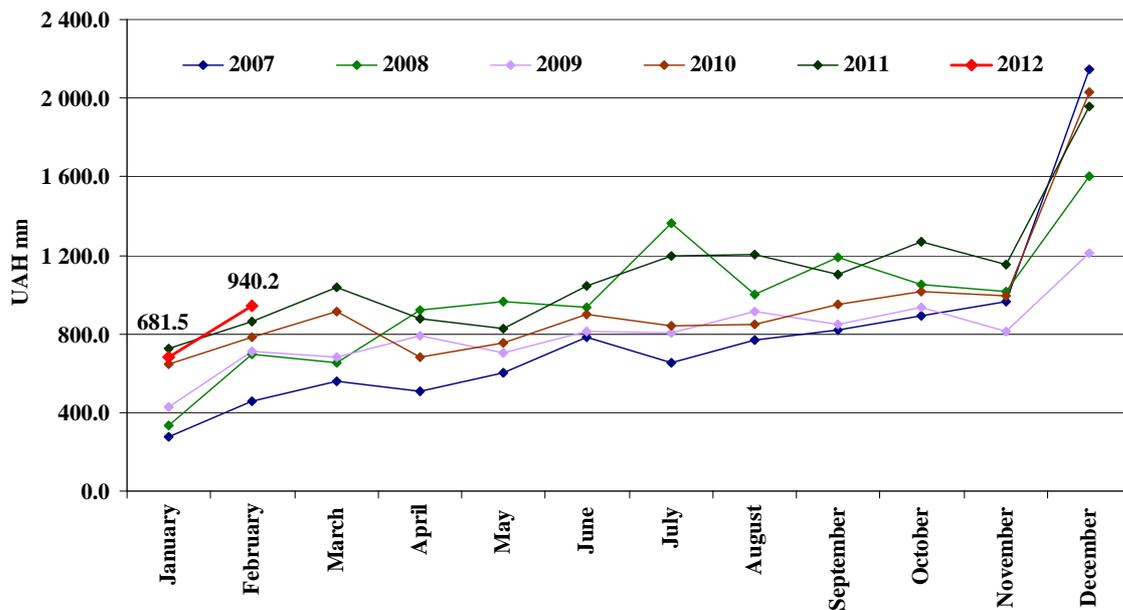
Graph 21

State Budget Expenditures for General Government Functions, Monthly Trends in 2007–2012



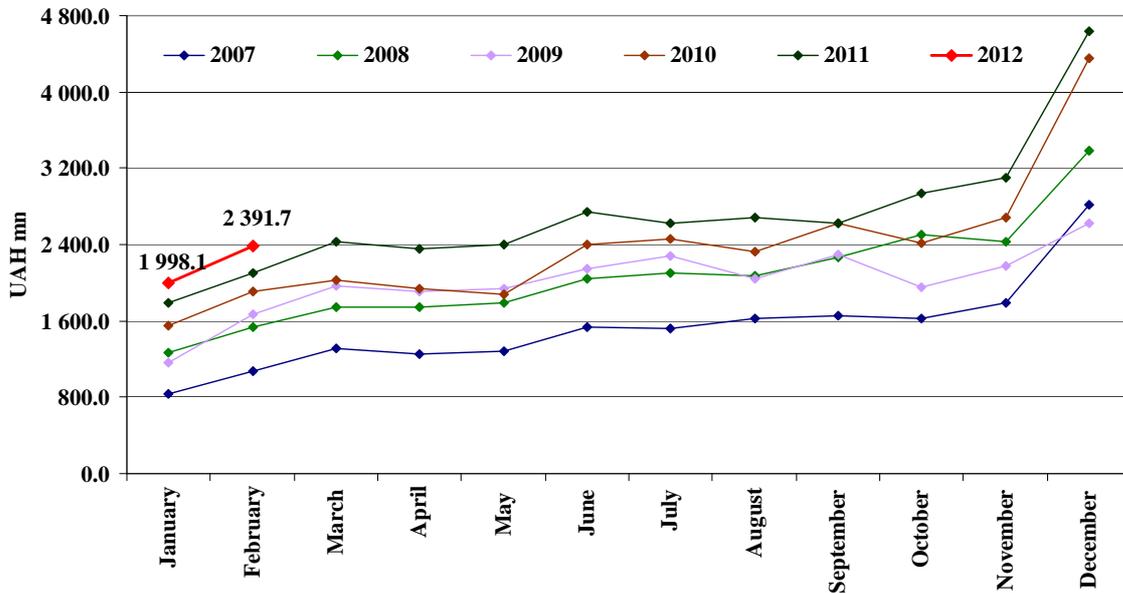
Graph 22

State Budget Expenditures for Defense, Monthly Trends in 2007–2012



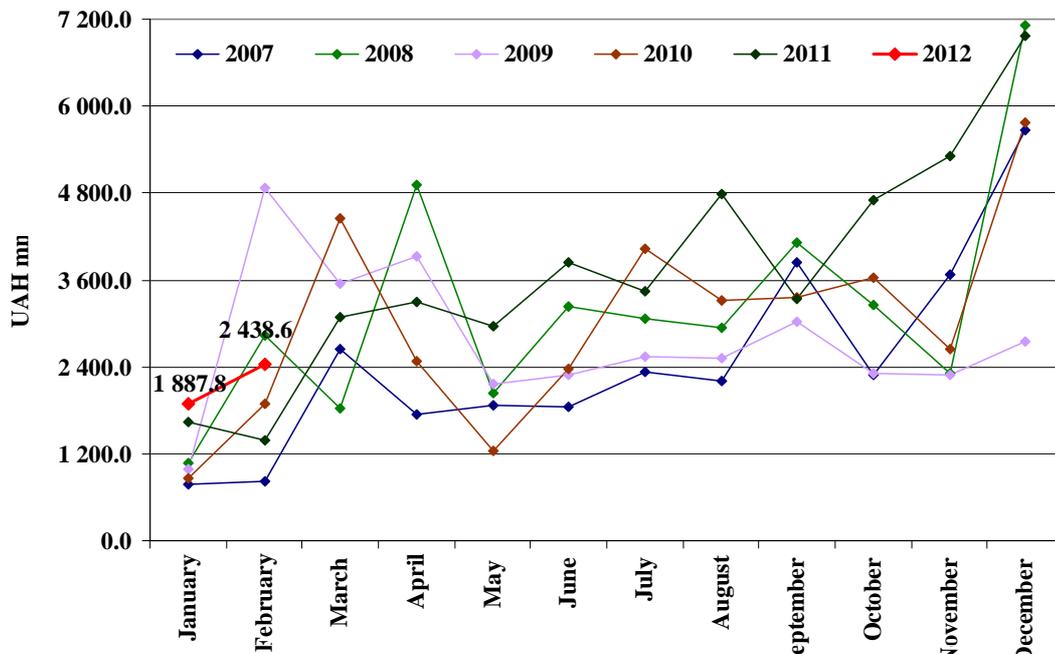
Graph 23

State Budget Expenditures for Public Order, Security, and the Judiciary, Monthly Trends in 2007–2012



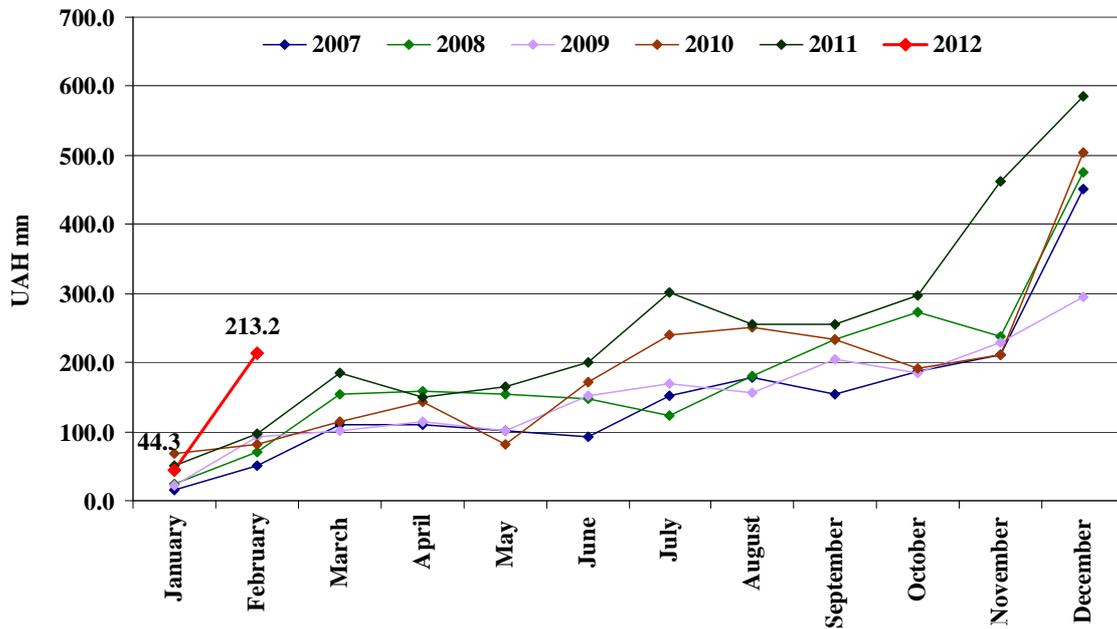
Graph 24

State Budget Expenditures for Economic Activities, Monthly Trends in 2007–2012



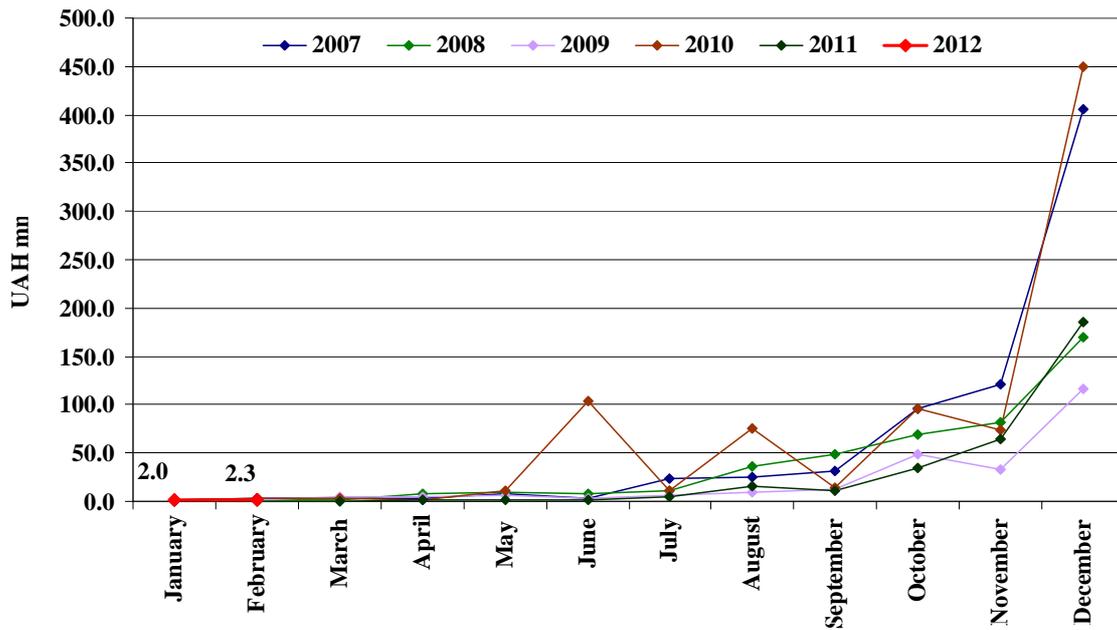
Graph 25

State Budget Expenditures for Environmental Protection, Monthly Trends in 2007–2012



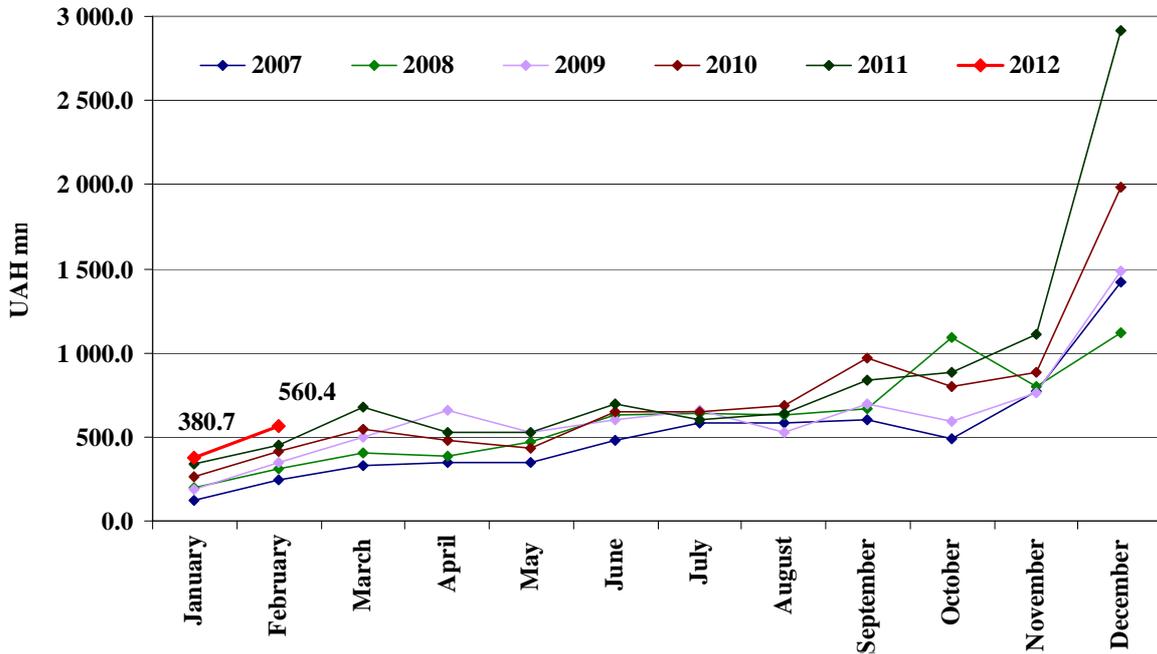
Graph 26

State Budget Expenditures for Housing and the Communal Sector, Monthly Trends in 2007–2012



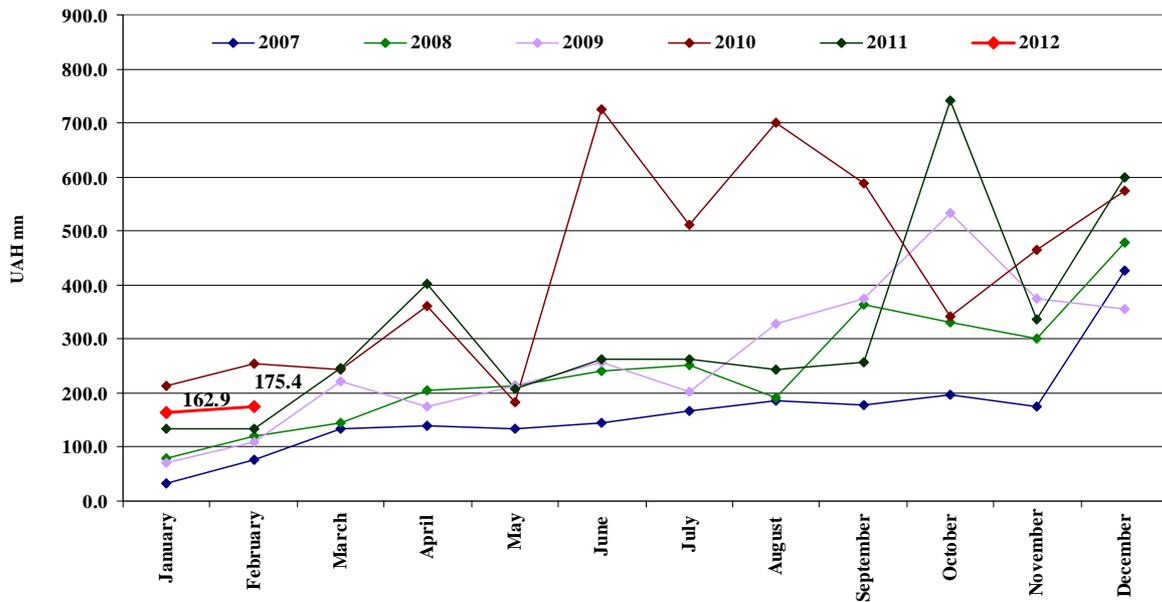
Graph 27

State Budget Expenditures for Healthcare, Monthly Trends in 2007–2012



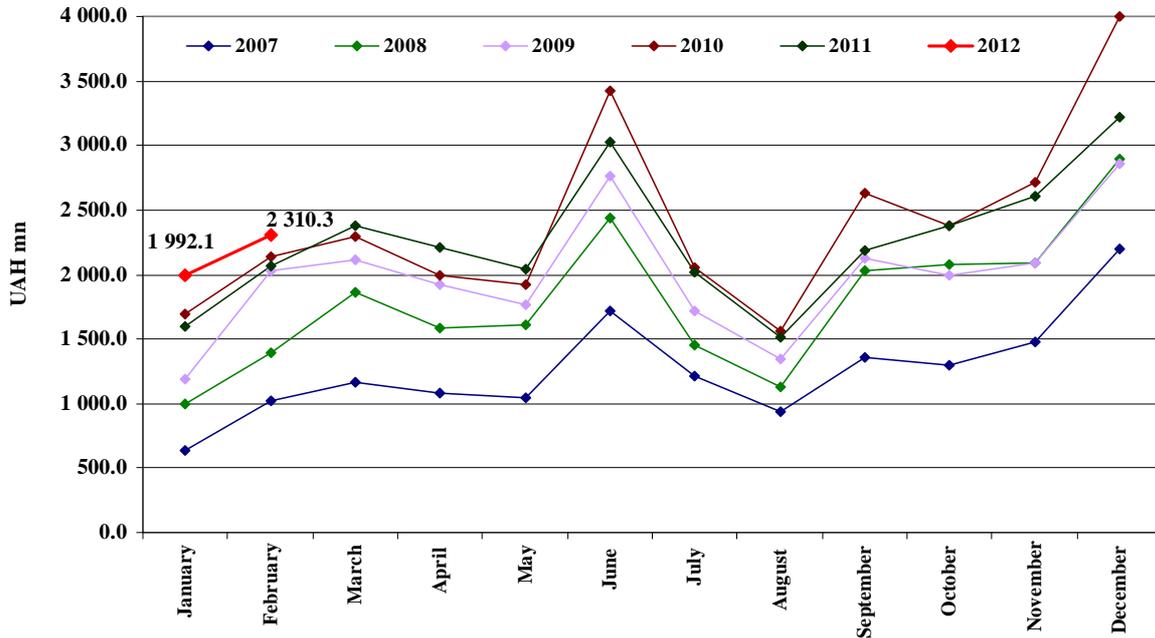
Graph 28

State Budget Expenditures for Spiritual and Physical Development, Monthly Trends in 2007–2012



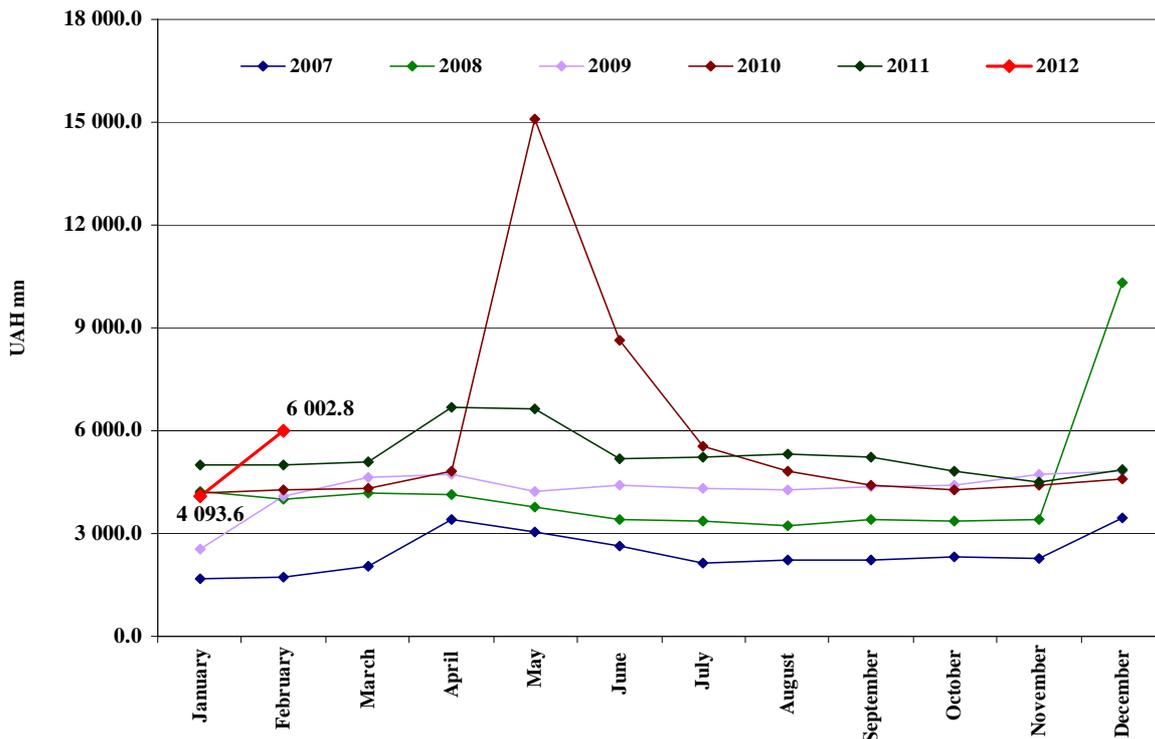
Graph 29

State Budget Expenditures for Education, Monthly Trends in 2007–2012

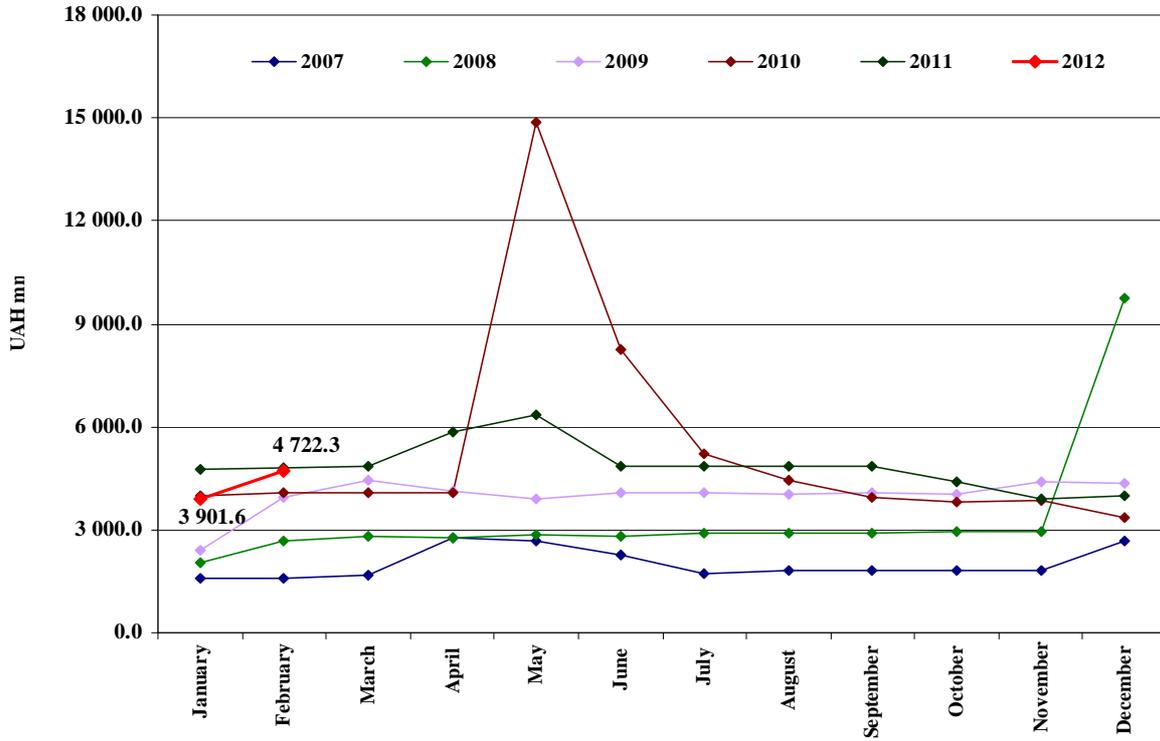


Graph 30

State Budget Expenditures for Social Protection and Social Security, Monthly Trends in 2007–2012



State Budget Expenditures for the Social Protection of Pensioners, Monthly Trends in 2007–2012



Local Budget Expenditures

Graph 32

Total Local Budget Expenditures (Less Intergovernmental Transfers), Monthly Trends in 2007–2012

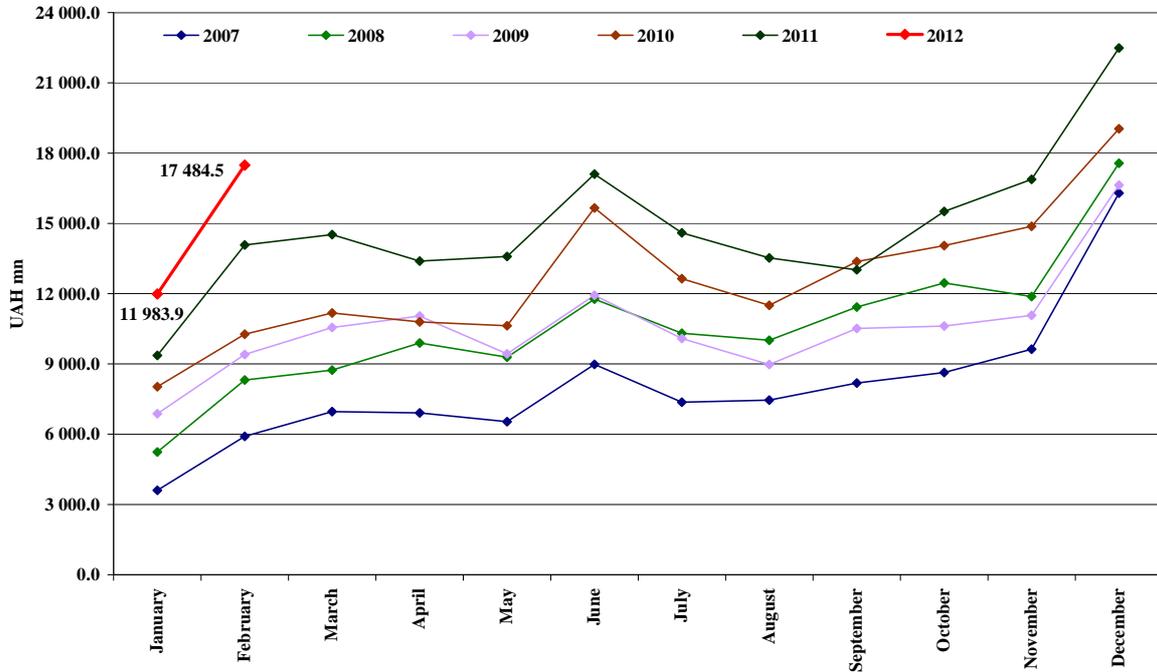
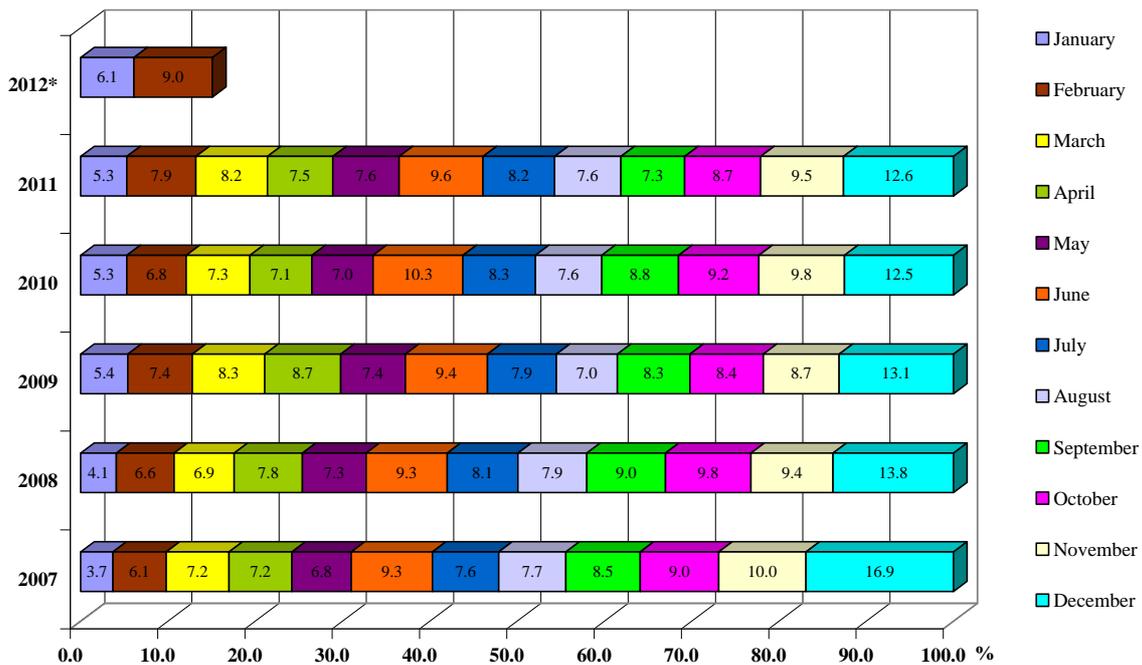


Diagram 17

Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2007–2012



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

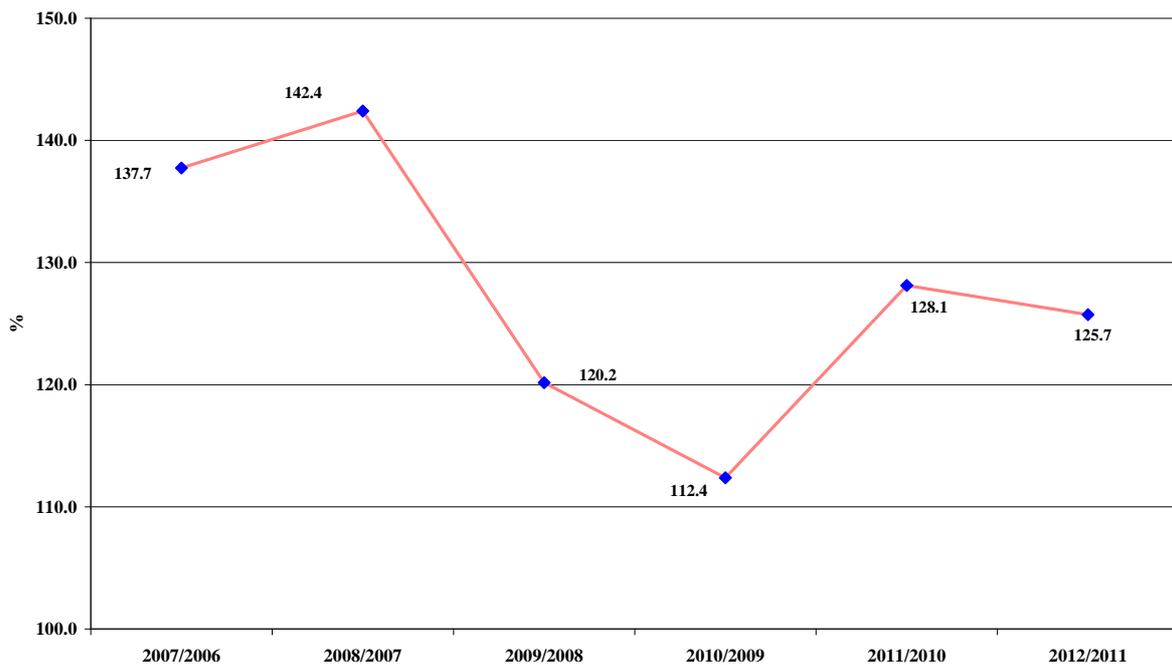
Graph 33

Growth Rates of Local Budget Expenditures in February 2007–2012

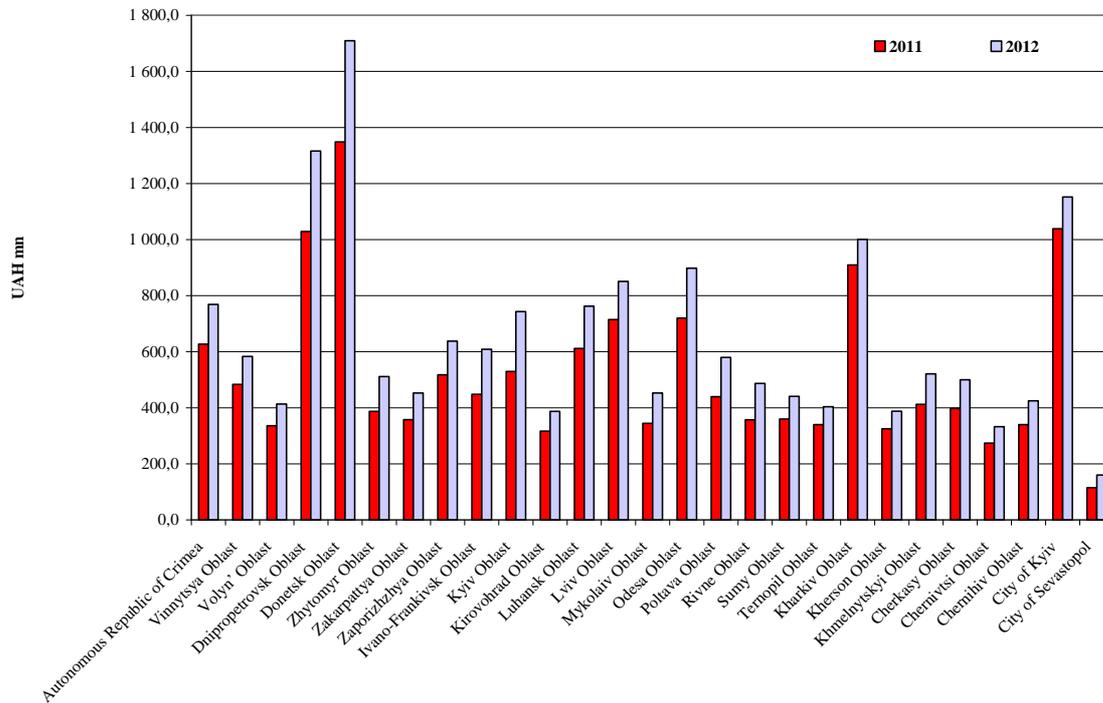


Graph 34

Growth Rates of Local Budget Expenditures in January-February 2007-2012



Regional Distribution of Actual Local Budget Expenditures in February 2011–2012



Graph 35

Local Budget Expenditures Growth Rate by Region in February 2012 (% vs. 2011)

