



**USAID**  
FROM THE AMERICAN PEOPLE

**MUNICIPAL FINANCE STRENGTHENING  
INITIATIVE (MFSI-II) ROLL-OUT**

**Monthly Monitoring of  
Main Indicators of the Budget  
System of Ukraine  
as of November 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.

---

15-V, Borysglib's'ka Str., 2st floor,  
Kyiv, 04070, Ukraine  
Phone: (38 044) 353-58-68, 492-97-80/81  
Fax: (38 044) 492-97-83



## Contents

<b>Monitoring of the Execution of the Consolidated, State and Local Budgets in Ukraine</b> .....	4
State Budget Revenues .....	6
Local Budget Revenues .....	11
State Budget Deficit .....	14
Consolidated Budget Expenditures .....	17
State Budget Expenditures .....	19
Local Budget Expenditures .....	30

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

- **Consolidated and State budget revenues** amounted to more than 70% of the annual plan in January through October 2012 (74.4% and 71.8%, respectively). This is below the budget execution level of the previous five years, which amounted to 78.9% on average.

As in the year to September, revenue intake as a percentage of the annual plan was the lowest for rent and value-added tax (68.5% each). As such, a shortfall against the annual plan from these two sources could be expected.

The slowing-down of the tax revenue growth rate observed since the beginning of the year continued in October 2012. The rate of growth of tax revenues in general has decreased from 65.4% to 6.4% this year; that of VAT from 63.2% to 5.9%. Enterprise profit tax growth fell from 42.3% to 4.8%, with the collection of rent and fees for fuel and energy resources actually falling 11.2% year-on-year.

Therefore, a shortfall against the plan for some types of tax revenues, in particular, the value-added tax and rent, could be projected.

- **Consolidated budget expenditures** totaled UAH 43.0bn in October 2012, which is 17.2% more year-on-year.

Consolidated budget expenditures increased year-on-year for nearly all items. However, the expenditures for economic activity decreased by 17.7% and totaled UAH 5.1bn in October 2012. Also, the expenditures for environmental protection and defense decreased by 11.3% to UAH 0.4bn and by 4.8% to UAH 1.2bn, respectively.

The highest growth is noted in the expenditures for the housing and communal services, which increased nearly 3.6 times against October 2011. They totaled UAH 2.2bn. The expenditures for general government functions increased significantly and amounted to UAH 5.2bn in September of this year. Growth was also demonstrated by the expenditures for social protection and social security (29.0%), healthcare (22.4%), and education (13.8%). A slight increase was noted in the expenditures for spiritual and physical development (by 5.8%) and public order, security, and judiciary (4.6%).

- **The actual expenditures of the State budget of Ukraine** totaled UAH 35.4bn, which is 21.8% more year-on-year.

In terms of expenditures by **functional classification**, the following changes were observed compared to October 2011:

- expenditures for general government functions increased by 40.2% and totaled UAH 4.4bn;
- expenditures for defense decreased by 4.8% and totaled UAH 1.2bn;
- expenditures for public order, security, and judiciary increased by 4.8% and totaled UAH 3.1bn;
- expenditures for economic activity decreased by 16.1% and totaled nearly UAH 4.0bn;
- expenditures for environmental protection decreased by 44.0% to UAH 166.6mn;
- expenditures for housing and communal services increased 3.2 times to UAH 109.9mn;
- expenditures for healthcare increased by 11.4% and totaled nearly UAH 1.0bn;

- expenditures for spiritual and physical development increased by 6.9% and amounted to UAH 0.8bn;
- expenditures for education increased by 3.5% and totaled UAH 2.5bn;
- expenditures for social protection and social security increased by 35.1% and amounted to UAH 6.5bn.

The State budget provided UAH 1.5bn for covering the Pension Fund deficit, which is 1.5 times more than in October 2011.

- The State budget received UAH 329.9mn in **repaid credits** in October 2012, including remittances to the General Fund of the State budget at the amount of UAH 87.1mn.

The State budget **issued** a total of UAH 961.1mn in **credits** in the period under review (October 2012).

A State budget deficit of UAH 8.8bn was noted this October, which is 2.2 times higher year-on-year.

The State budget debt principal repayments totaled UAH 4.6bn. The internal debt repayment totaled UAH 4.1bn, and external debt repayment totaled UAH 0.5bn.

The State budget borrowing totaled UAH 5.1bn, including UAH 4.3bn borrowed for the General Fund of the State budget. Internal market borrowing totaled UAH 4.8bn, and borrowing from external sources amounted to UAH 0.3bn.

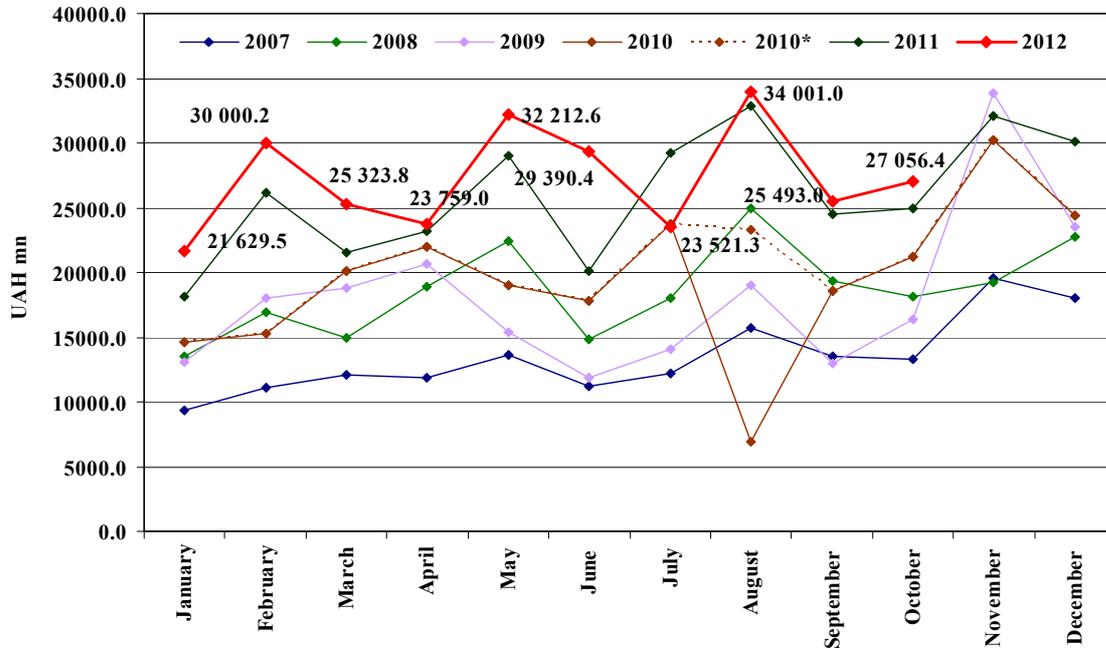
The State budget received UAH 311.0mn from the privatization of State property.

- **The total local budget revenues (without intergovernmental transfers)** amounted to UAH 8.7bn in October 2012, which is 21.8% more than in 2011. The General Fund of local budgets received UAH 6.9bn and Special Fund received UAH 1.8bn. The highest growth by region, +35.4% year-on-year, was in Mykolaiv Oblast. The lowest figure was recorded in Poltava Oblast, with a growth of 8.8%.
- **Expenditures of local budgets (without intergovernmental transfers)** increased by 24.8% in October 2012 year-on-year and amounted to UAH 19.4bn. The General Fund expenditures of local budgets totaled UAH 14.9bn and Special Fund expenditures totaled UAH 4.5bn. The highest growth rate by region, +69.8% year-on-year, was in the city of Kyiv. The lowest figures were in the Sumy oblast budget, with a 1.1% decrease.

# State Budget Revenue

Graph 1

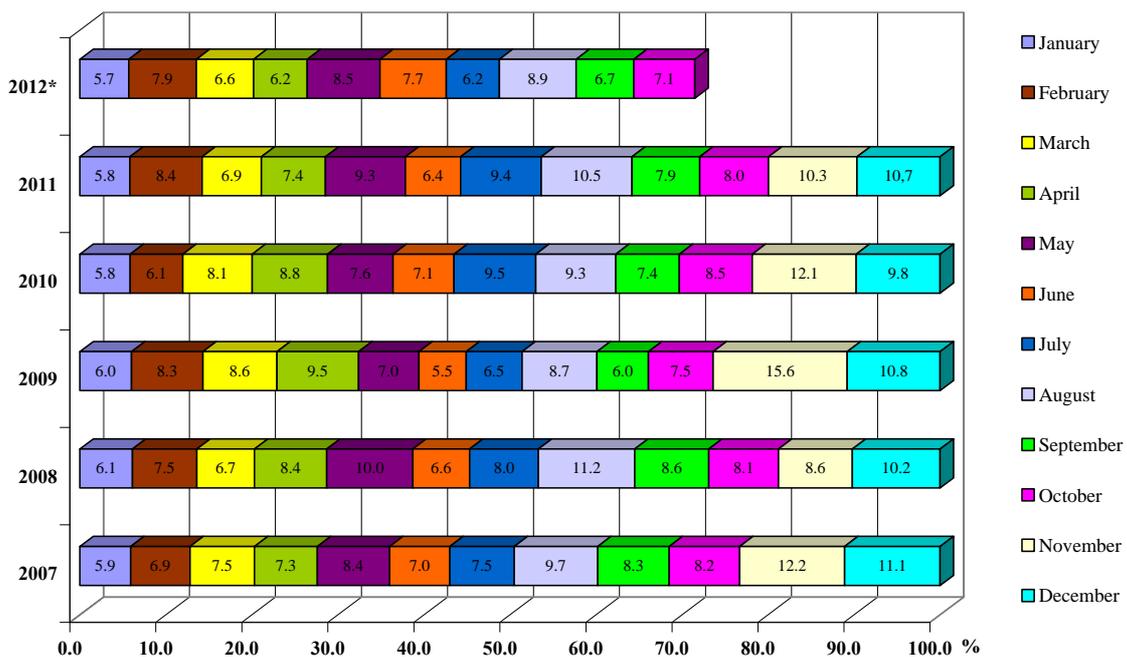
## State Budget Total Revenue Monthly Trends in 2007–2012 (Less Intergovernmental Transfers)



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

Diagram 1

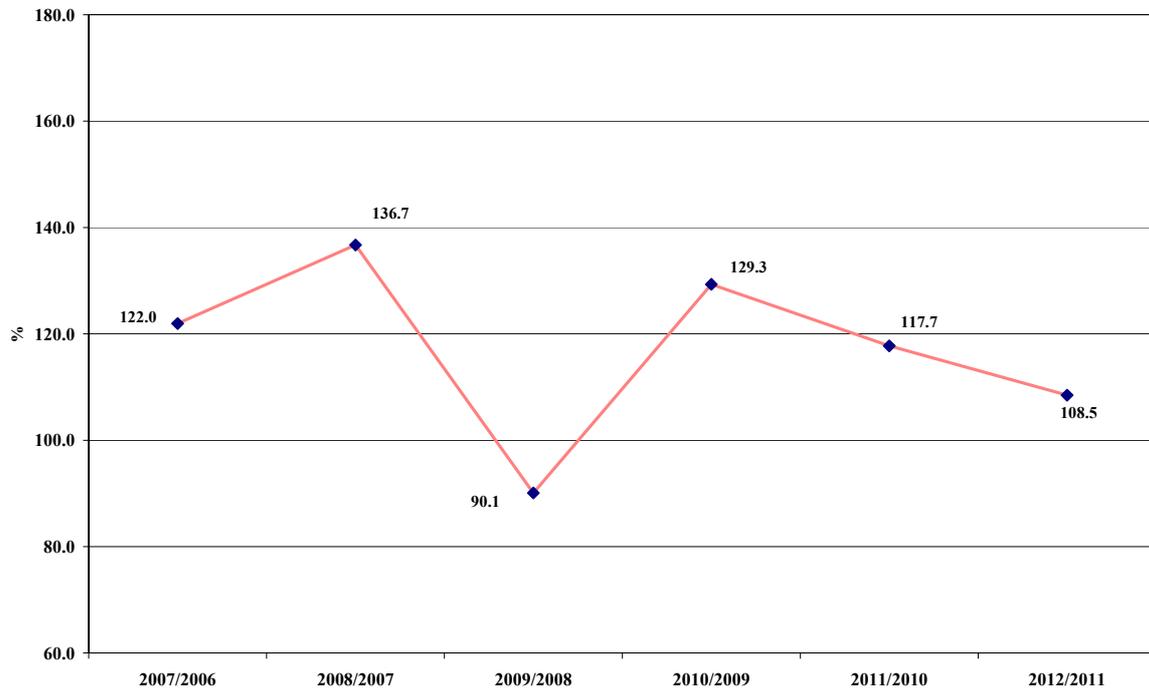
## Dynamics of the Share of Ukraine's State Budget Revenue in Annual Amounts in 2007–2012



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

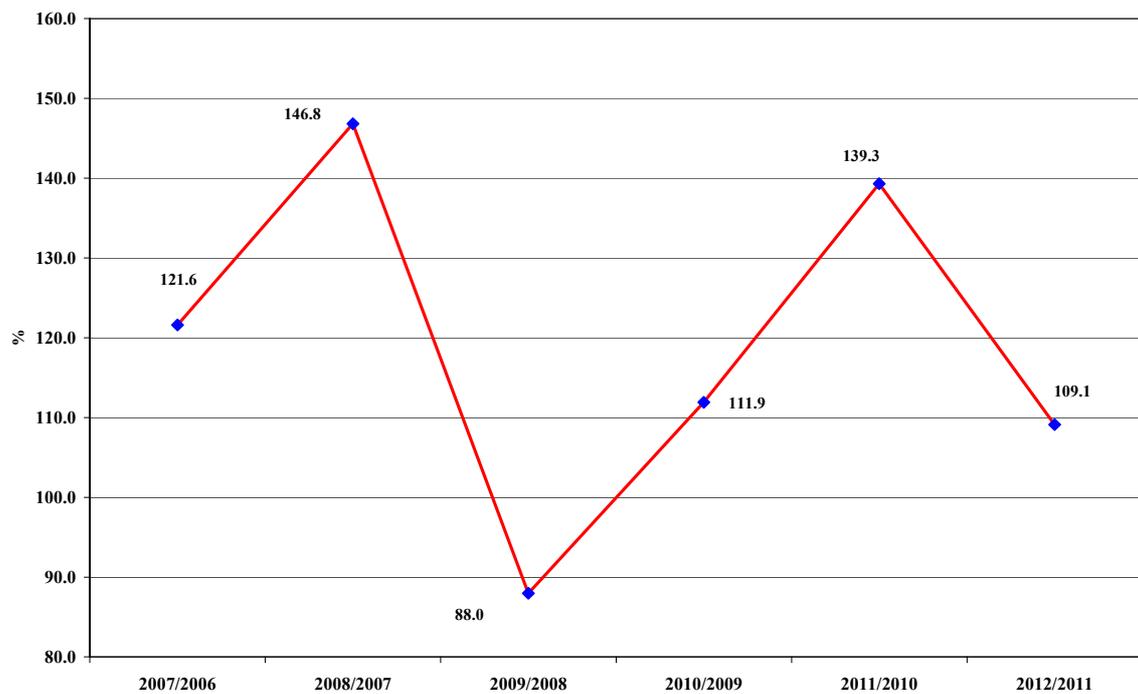
Graph 2

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



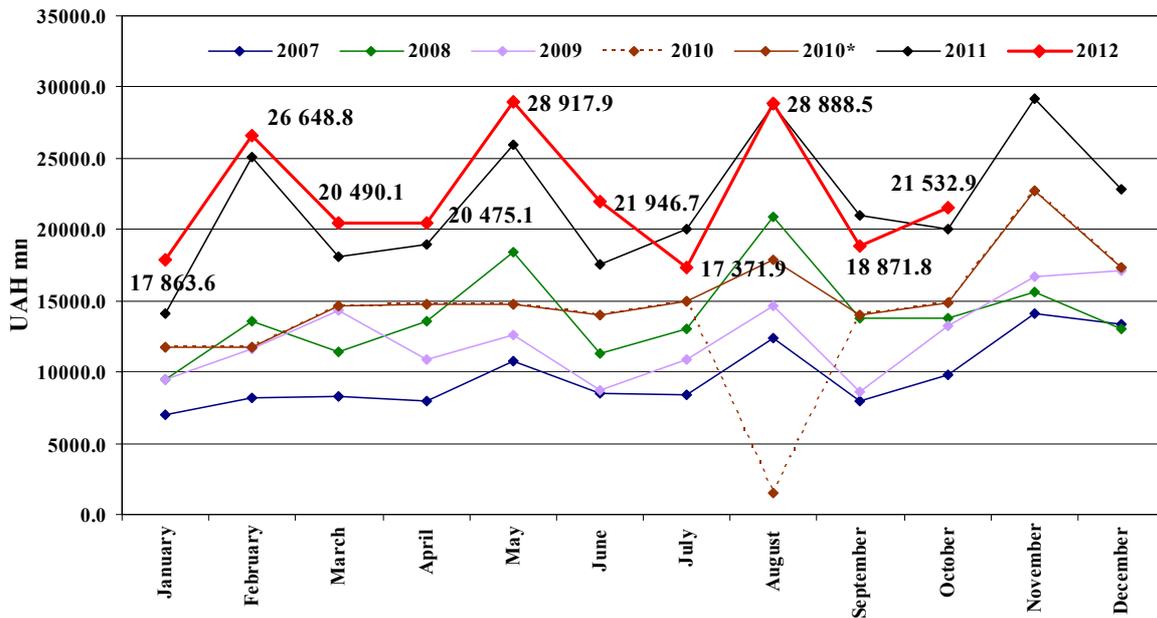
Graph 3

### Growth Rates of Ukraine's State Budget Revenue in January-October 2007-2012



Graph 4

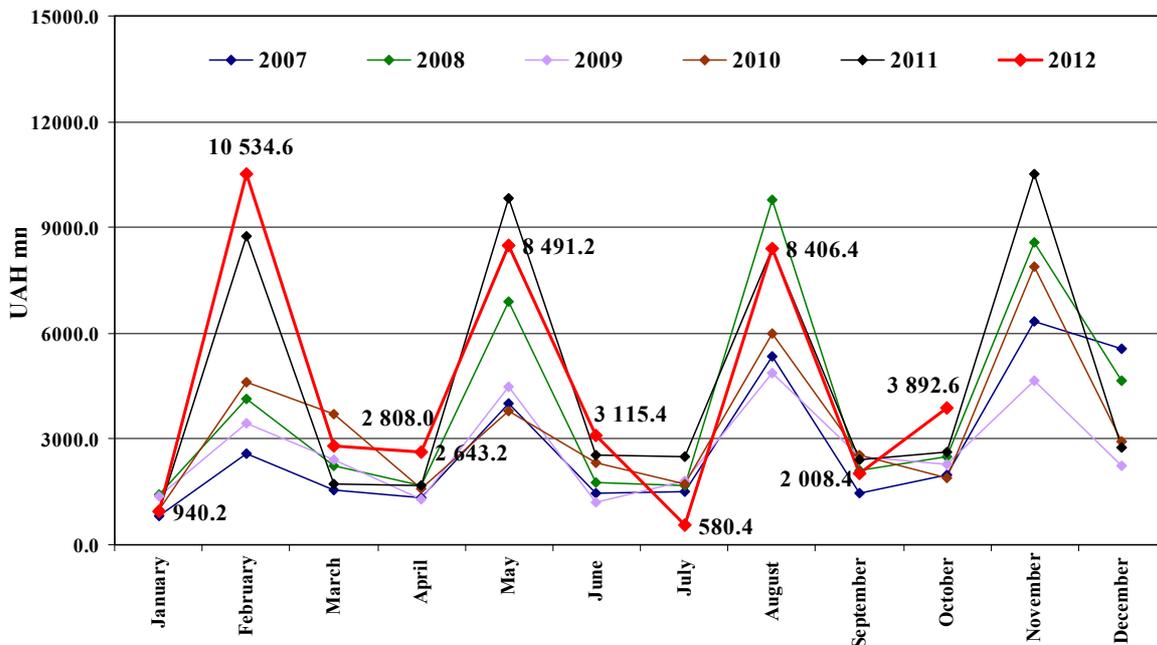
### State Budget Tax Revenue Monthly Trends in 2007–2012



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

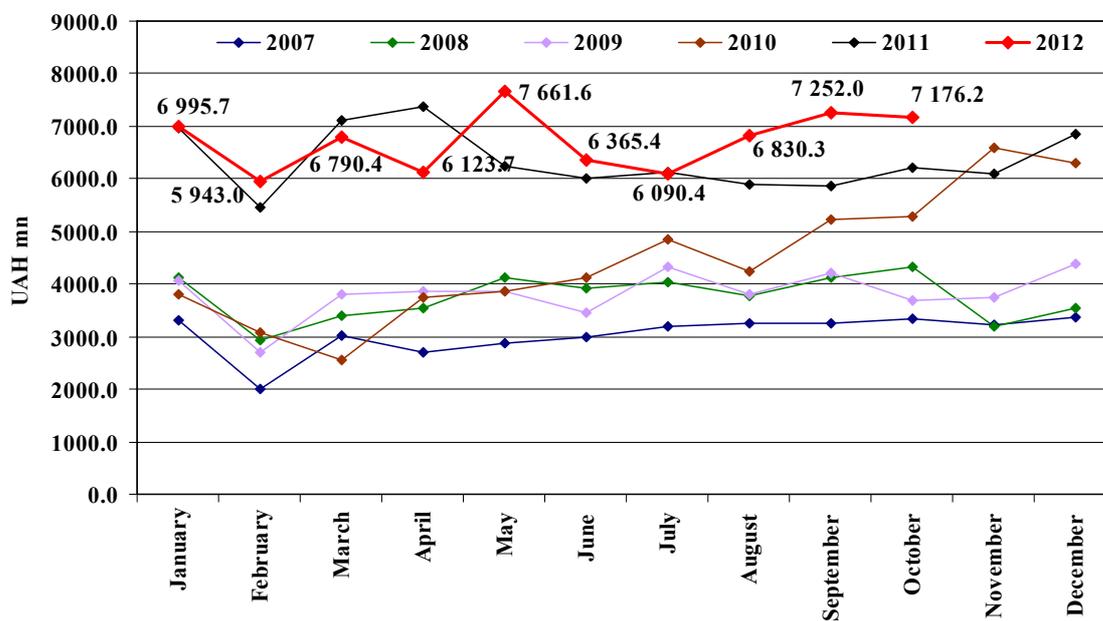
Graph 5

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



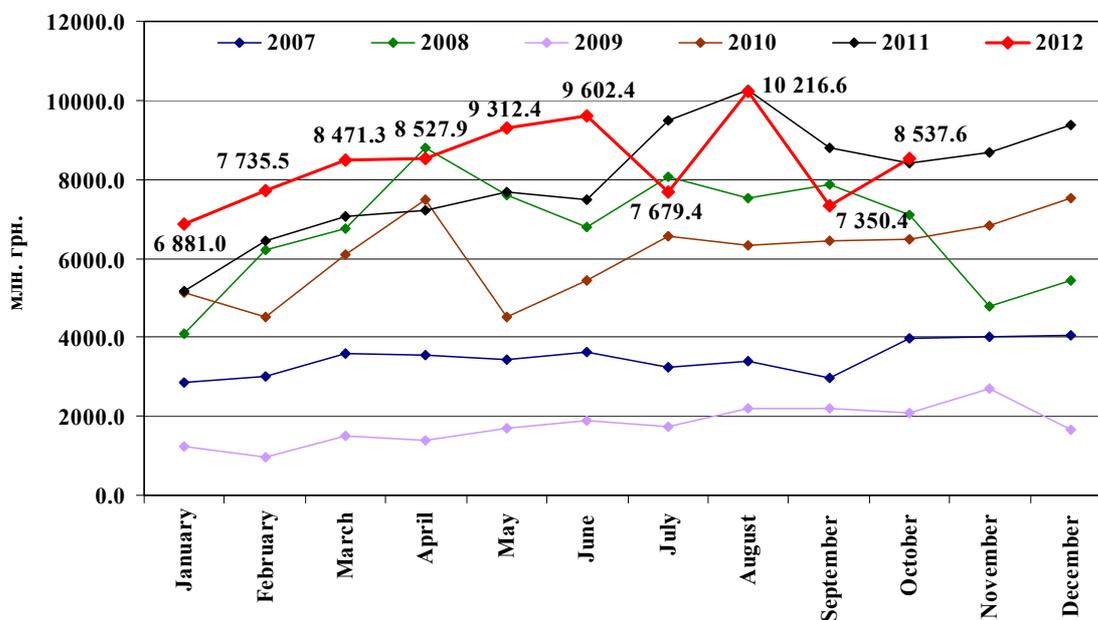
Graph 6

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



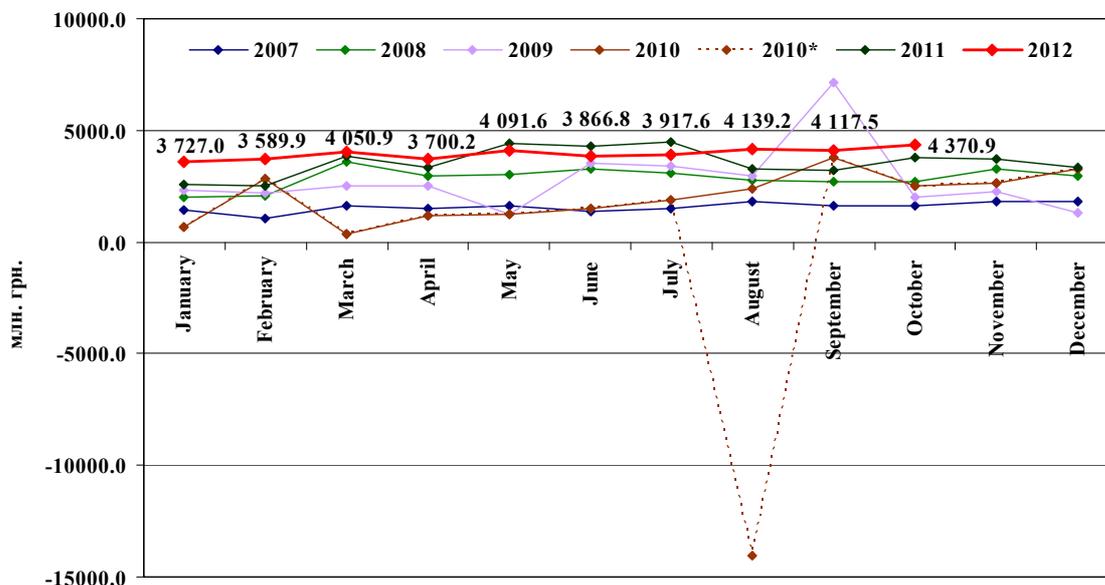
Graph 7

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



Graph 8

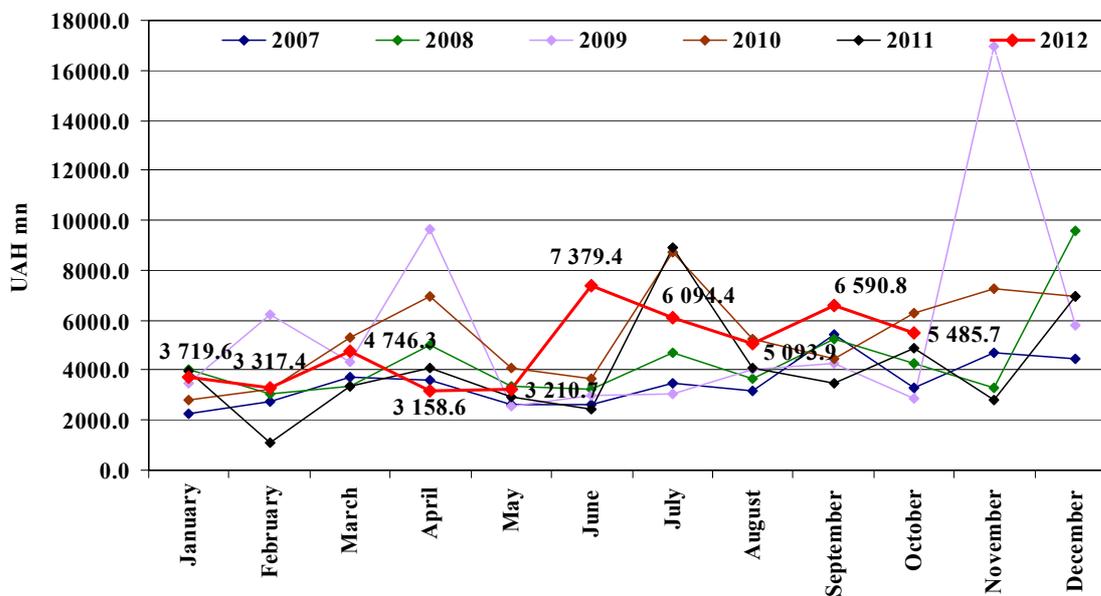
### Dynamics of Monthly VAT Refunds from the State Budget in 2007–2012



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

Graph 9

### 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

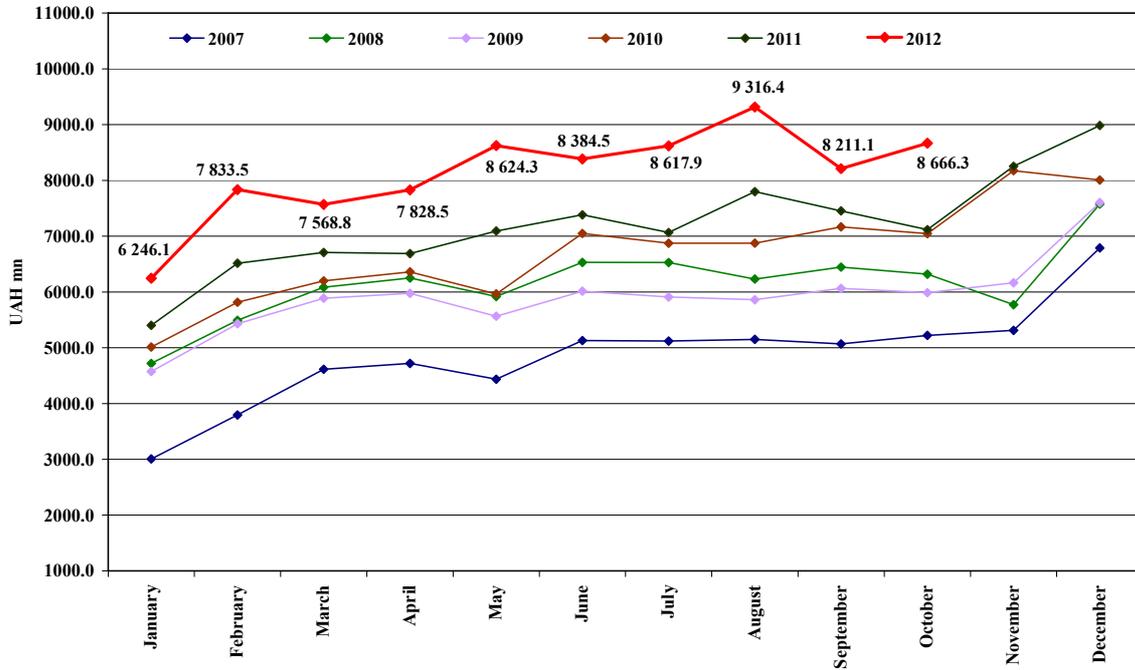
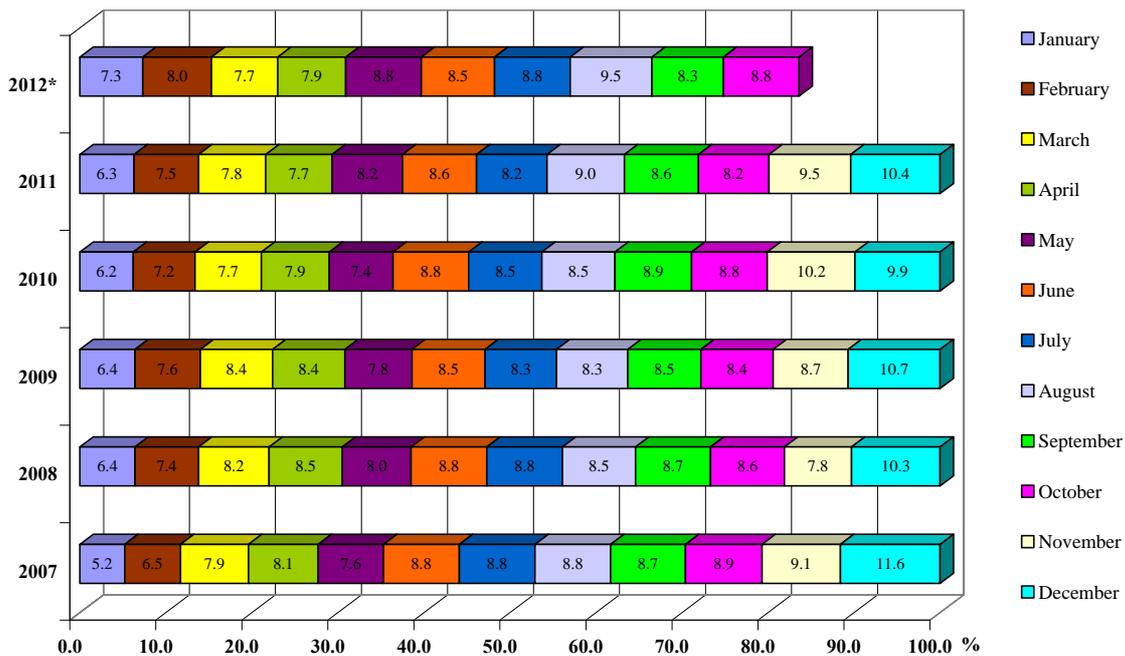


Diagram 2

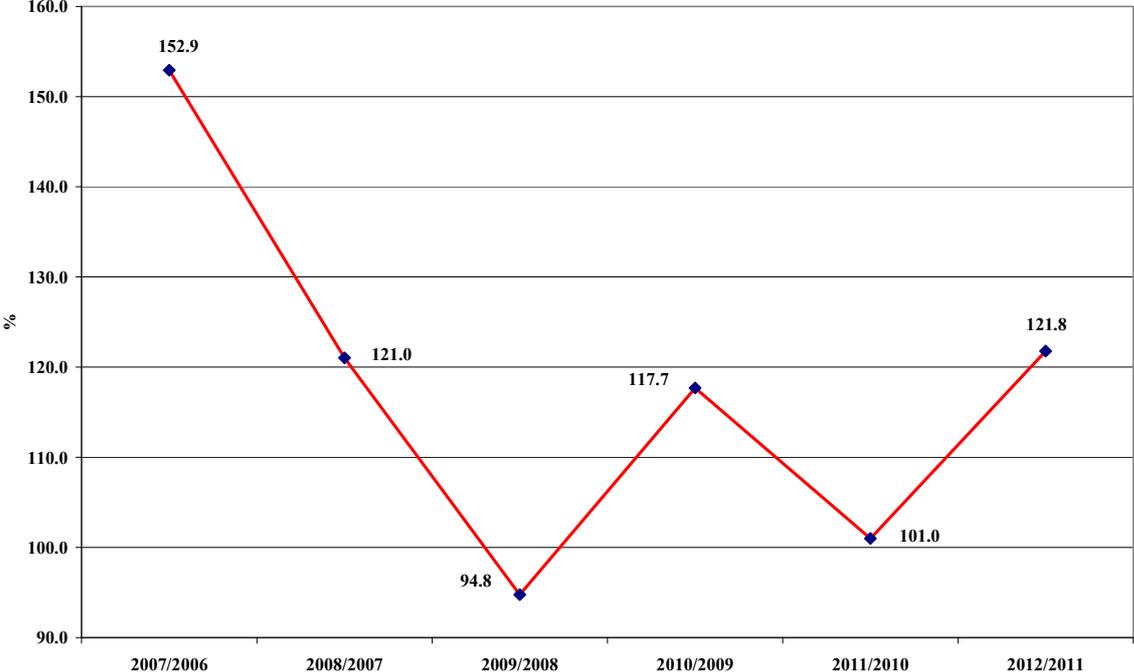
## Dynamics of the Share of Local Budget Revenue in Annual Amounts in 2007–2012



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

Graph 11

### Growth Rates of Local Budget Revenue in October 2007–2012



Graph 12

### Growth Rates of Local Budget Revenue in January-October 2007-2012

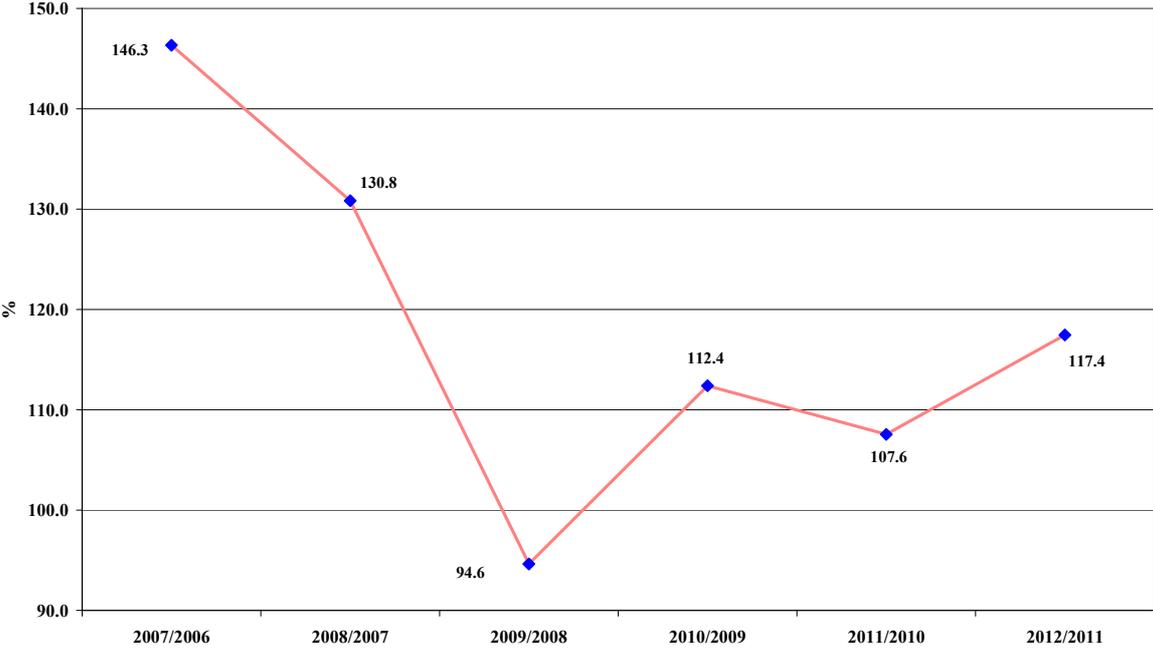
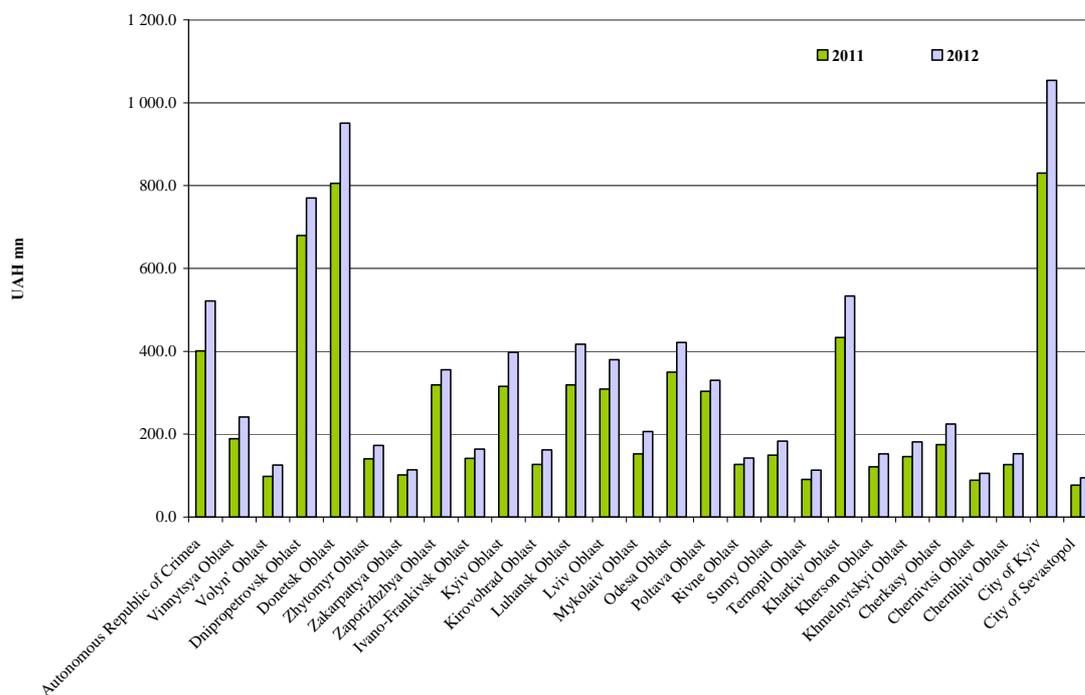


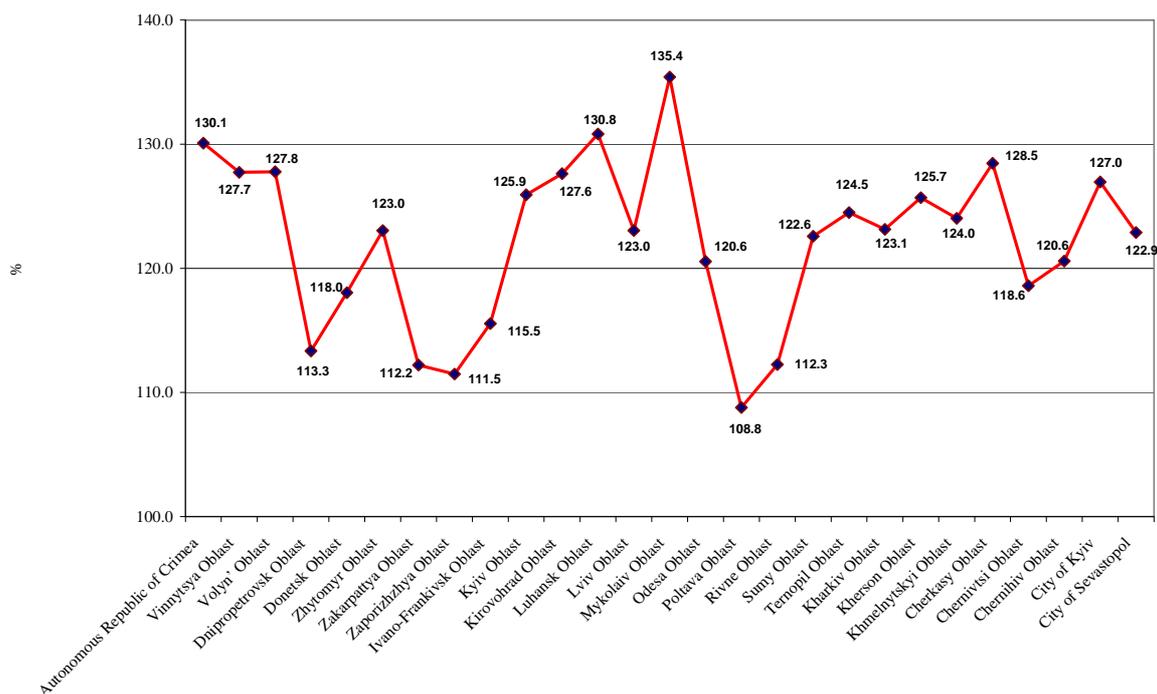
Diagram 3

### Regional Distribution of Local Budget Revenue in October 2011–2012



Graph 13

### Local Budget Revenues Growth Rate by Region in October 2012 (% vs. previous year)



# State Budget Deficit

Diagram 4

## Budget Deficit/Surplus, Monthly Trends in 2007

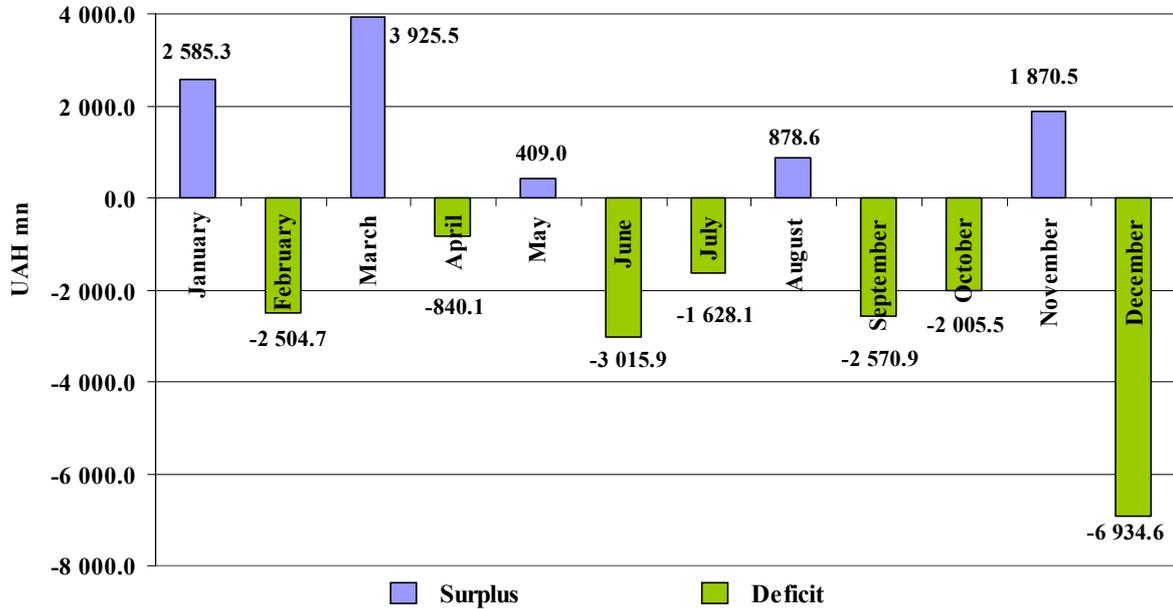


Diagram 5

## Budget Deficit/Surplus, Monthly Trends in 2008

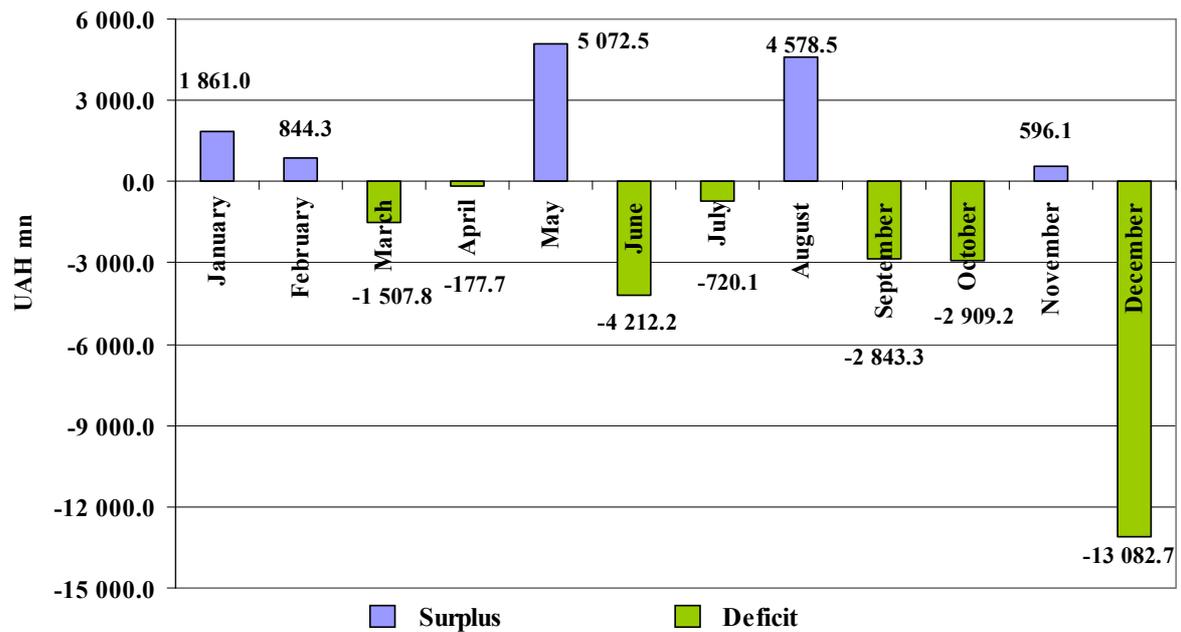


Diagram 6

### Budget Deficit/Surplus, Monthly Trends in 2009

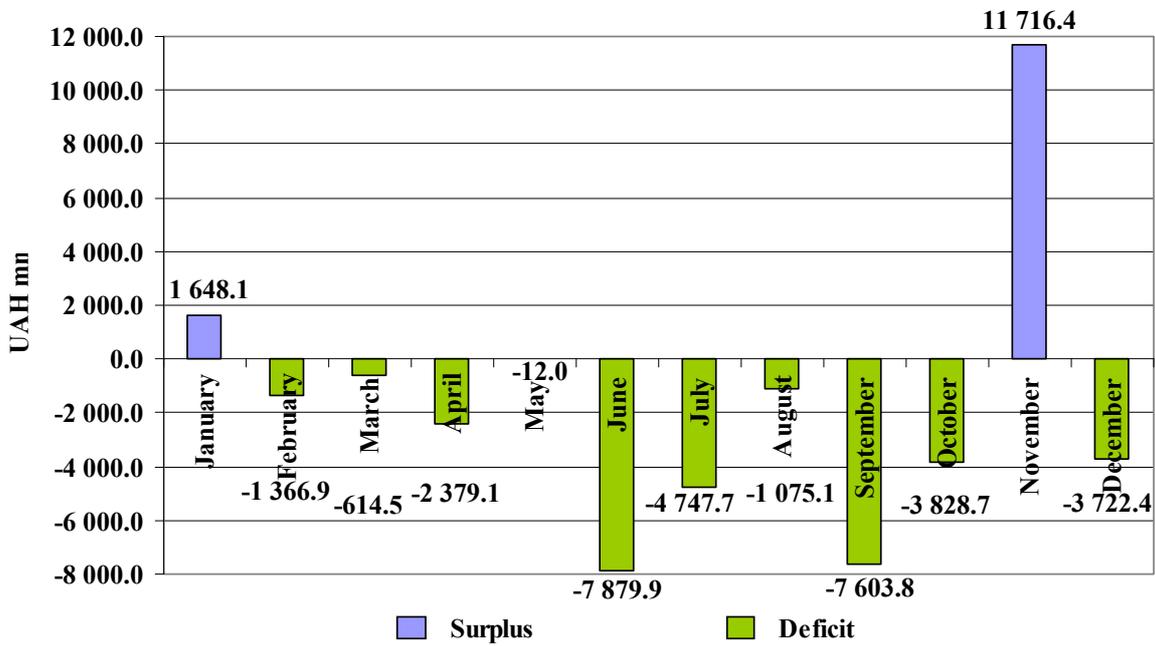


Diagram 7

### Budget Deficit/Surplus, Monthly Trends in 2010

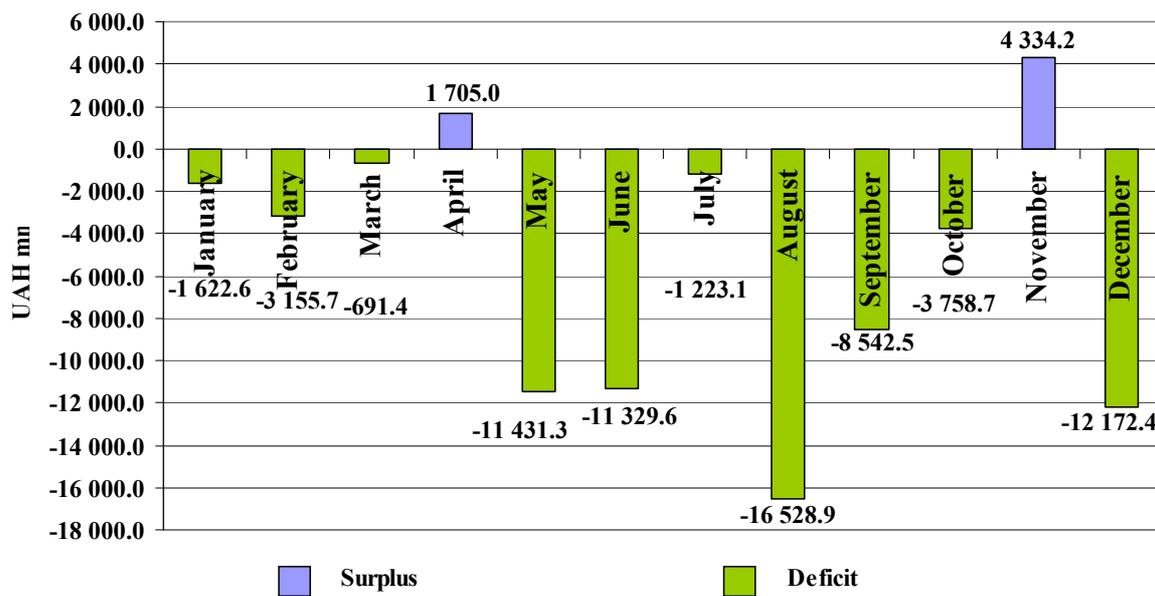


Diagram 8

### Budget Deficit/Surplus, Monthly Trends in 2011

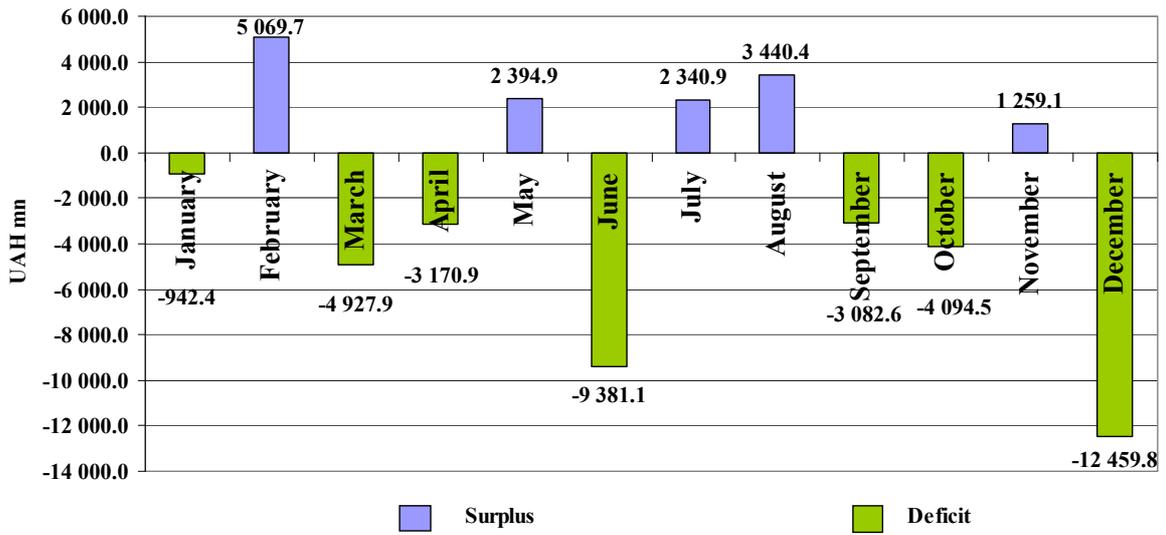
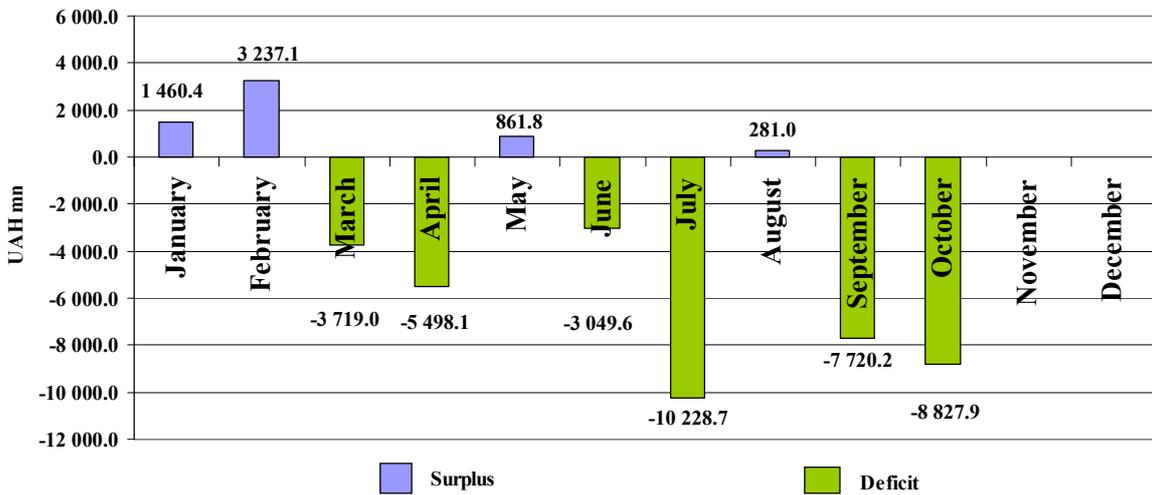


Diagram 9

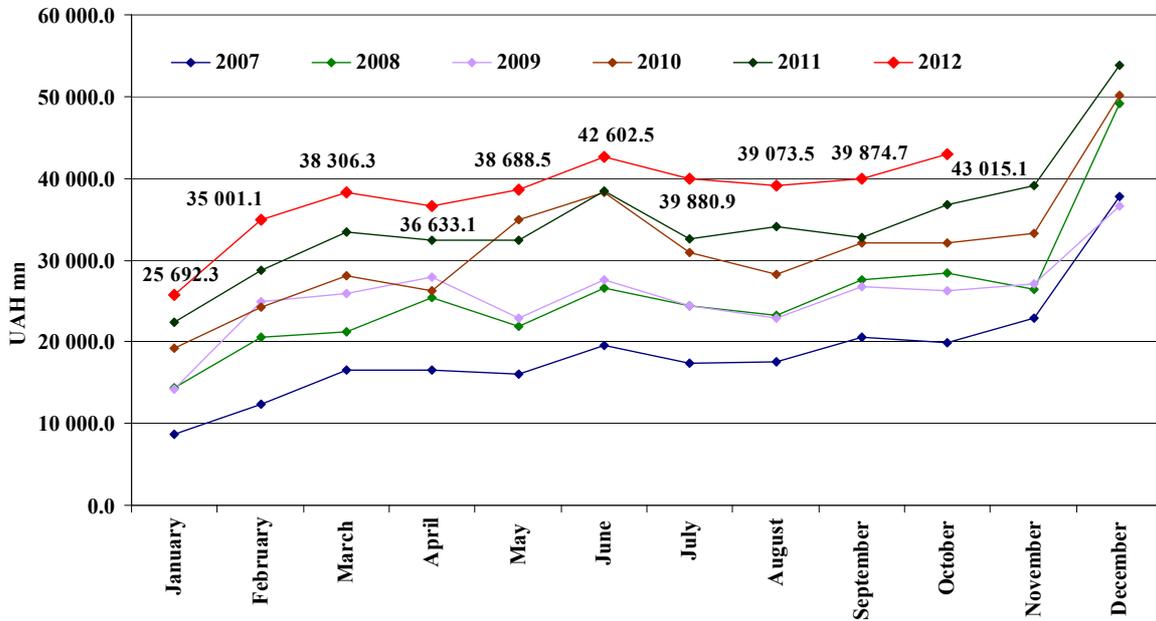
### Budget Deficit/Surplus, Monthly Trends in 2012



# Consolidated Budget Expenditures

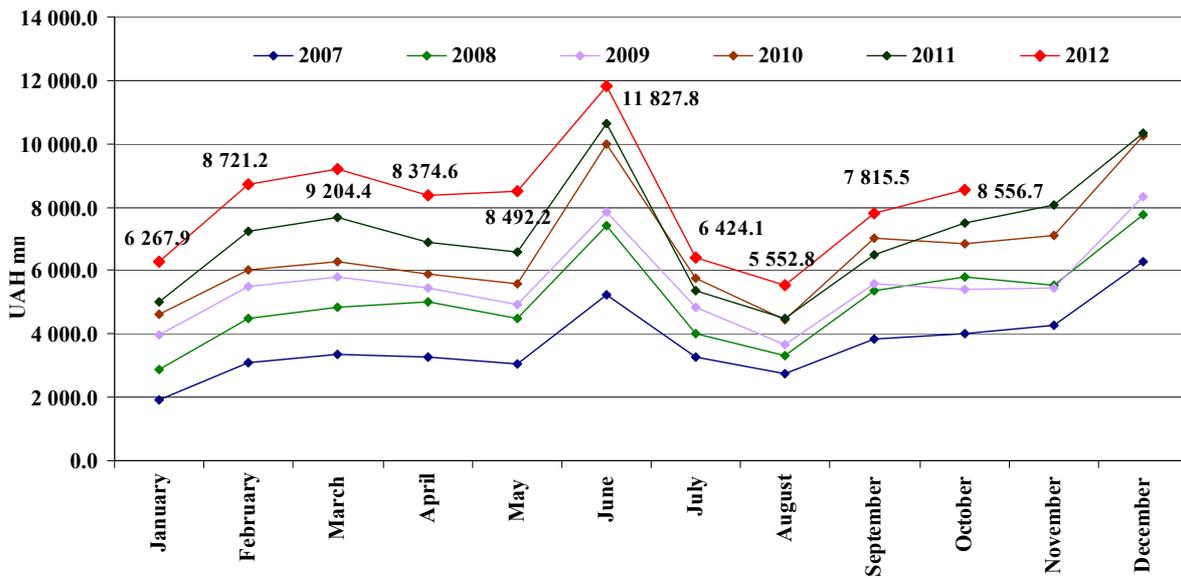
Graph 14

## Consolidated Budget Expenditures, Monthly Trends in 2007–2012



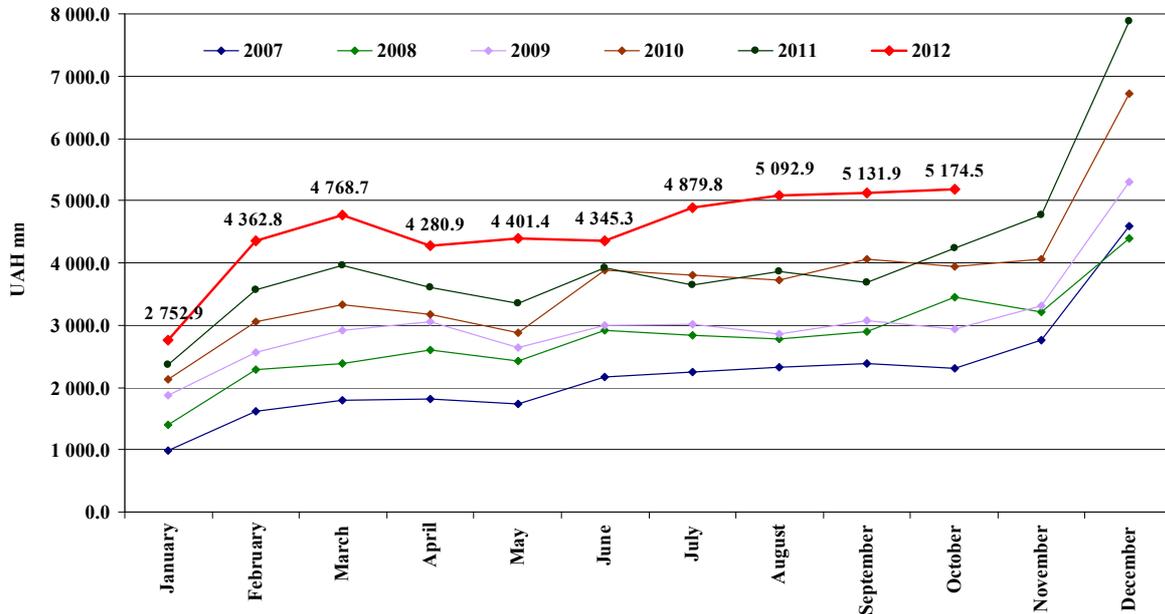
Graph 15

## Consolidated Budget Education Expenditures, Monthly Trends in 2007–2012



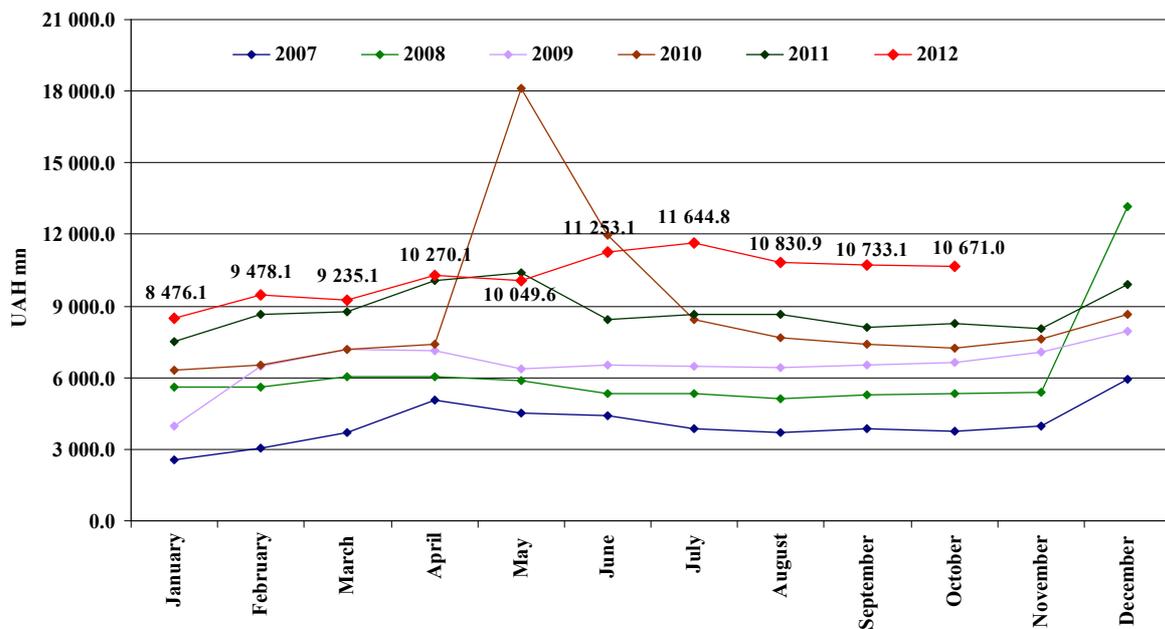
Graph 16

### 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

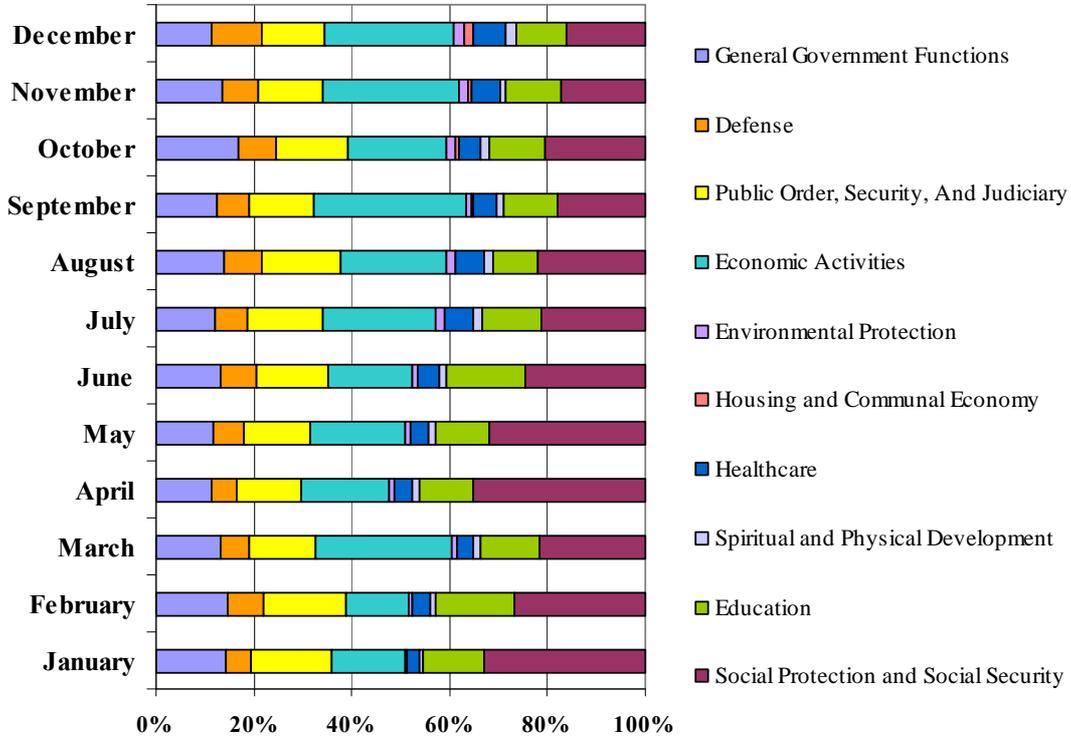


Diagram 11

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

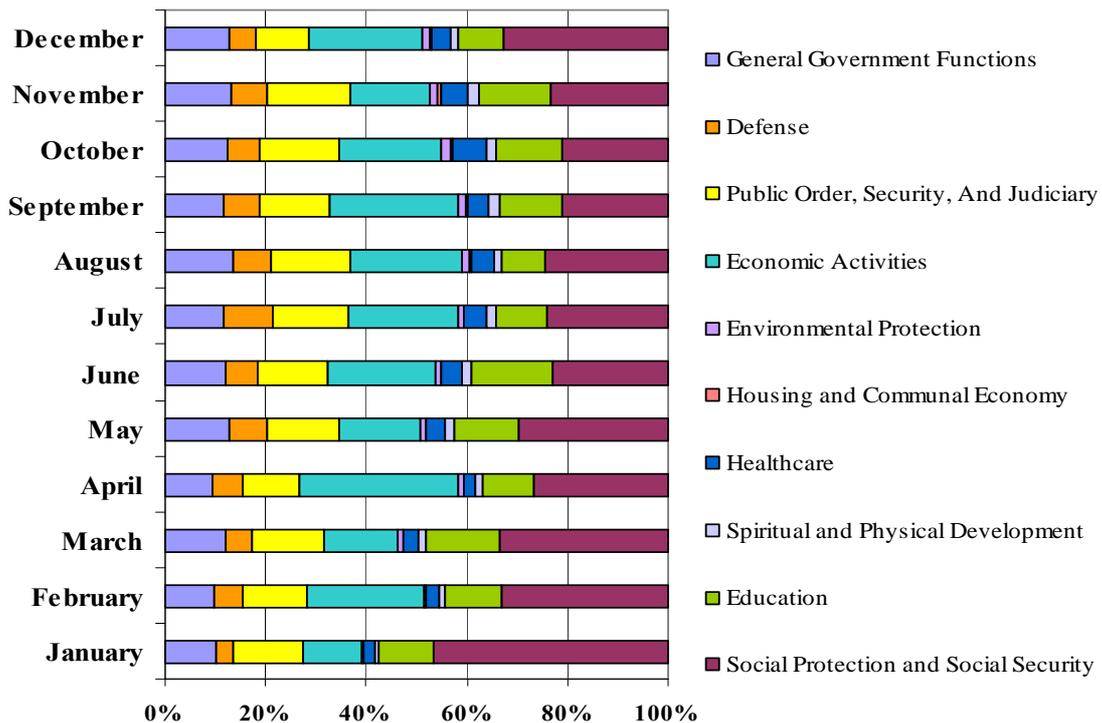


Diagram 12

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

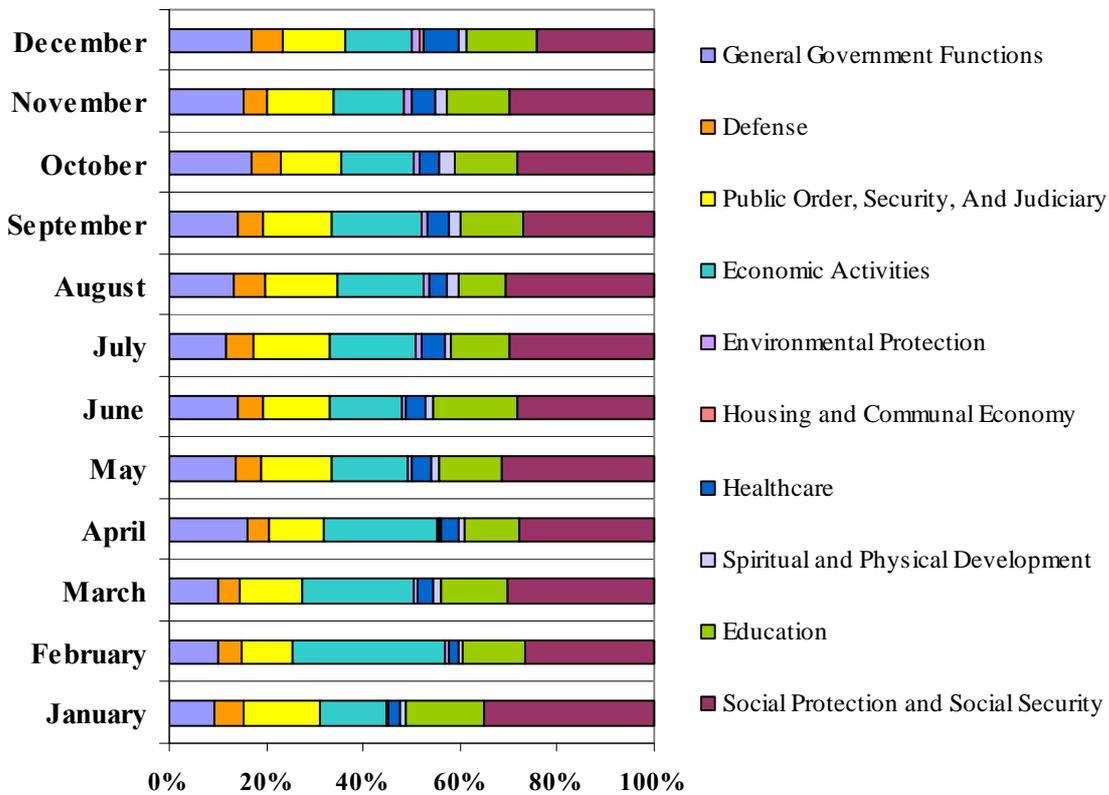


Diagram 13

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

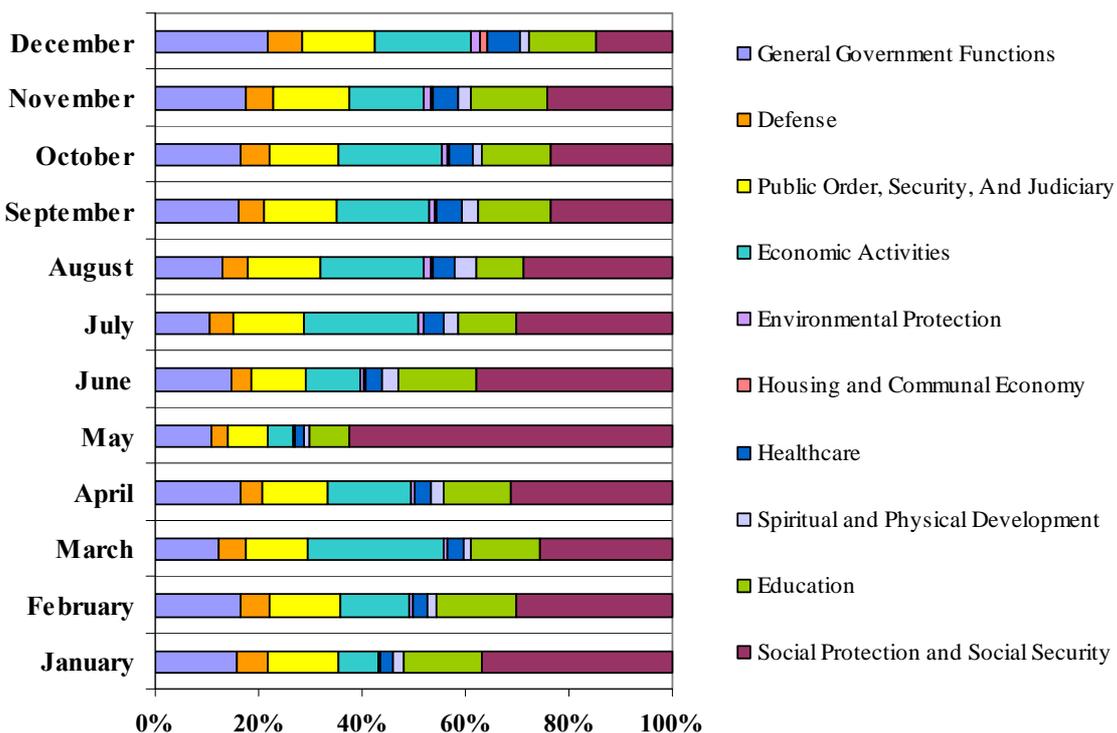


Diagram 14

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

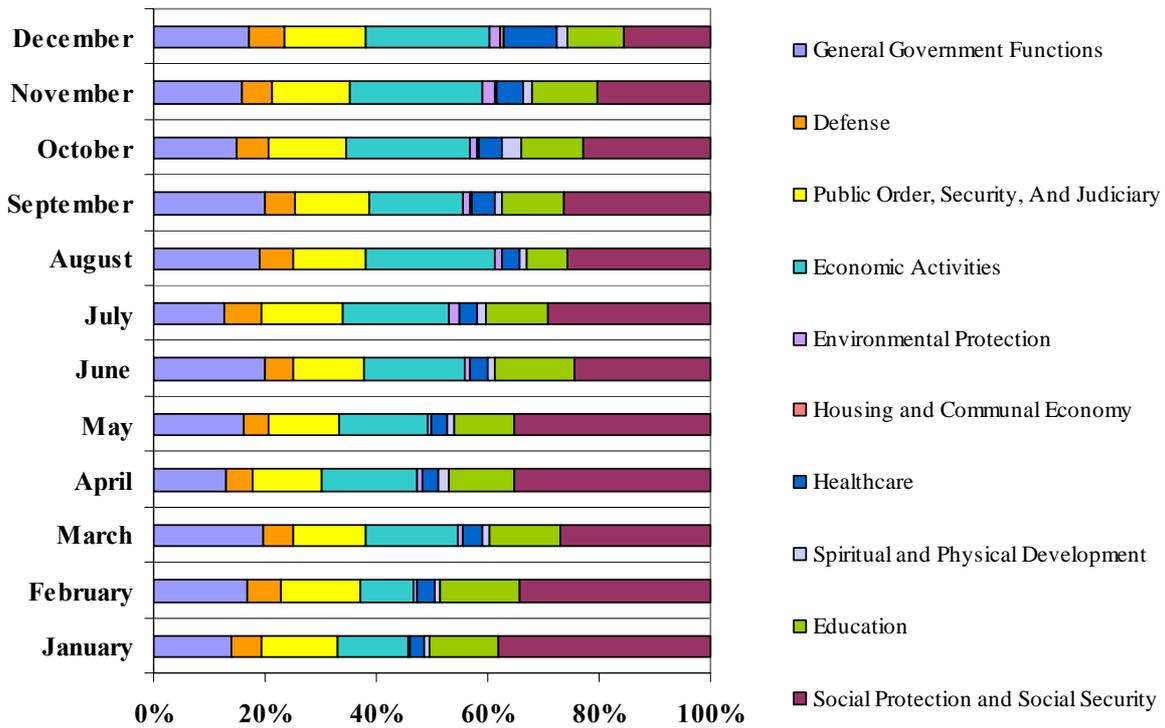
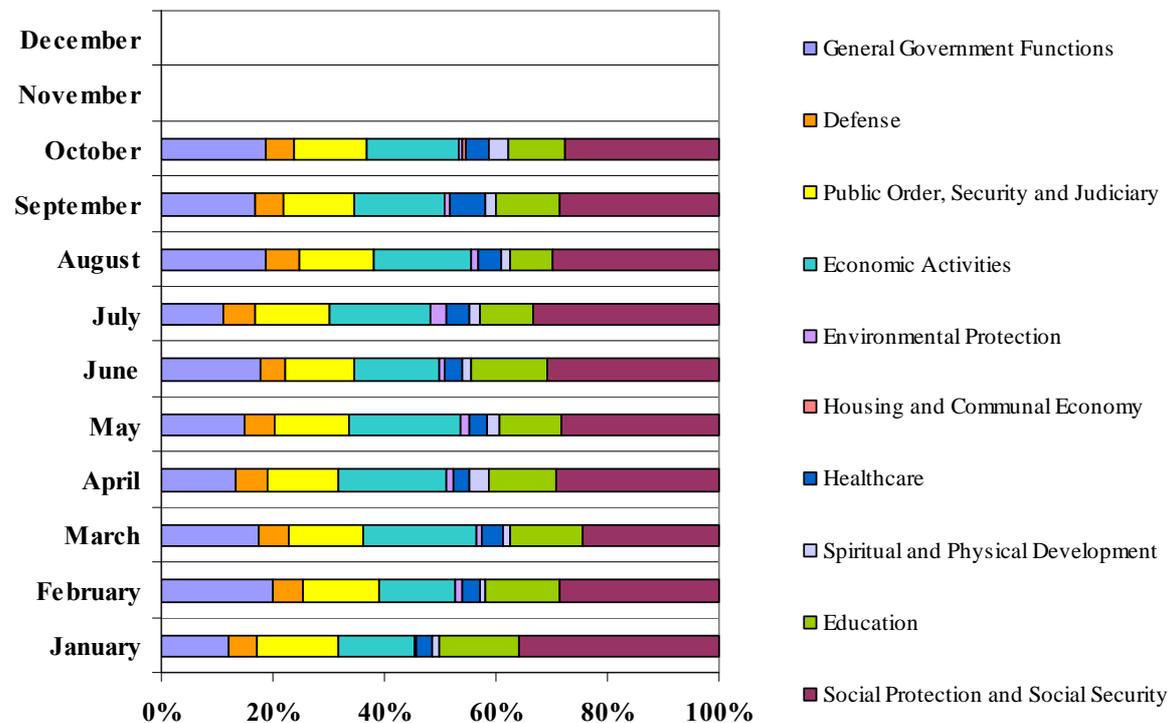


Diagram 15

### 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

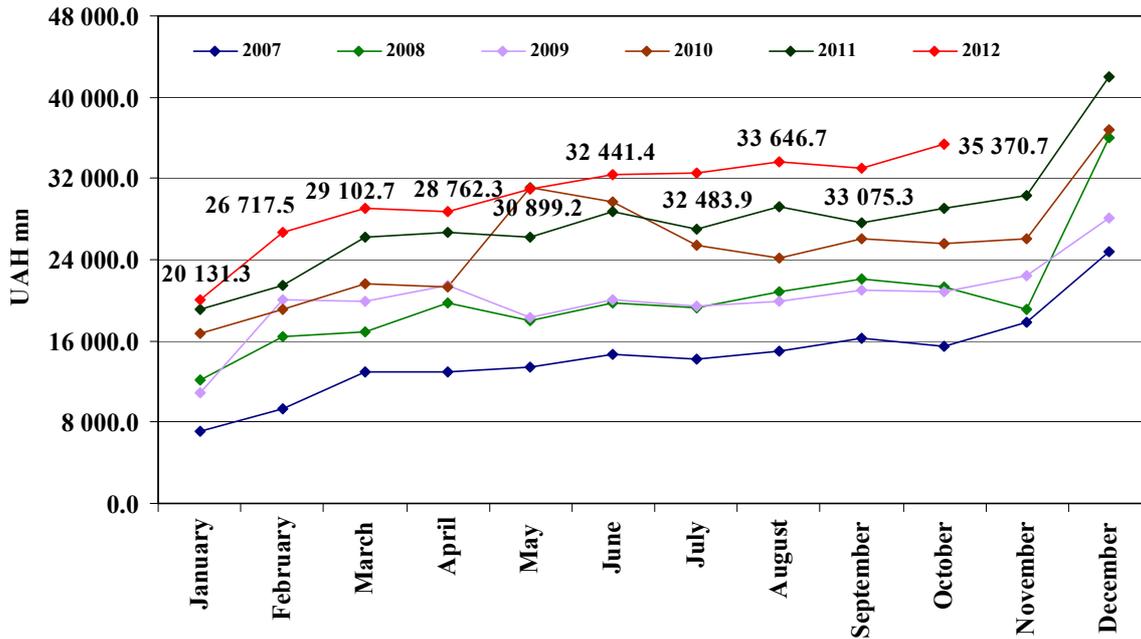
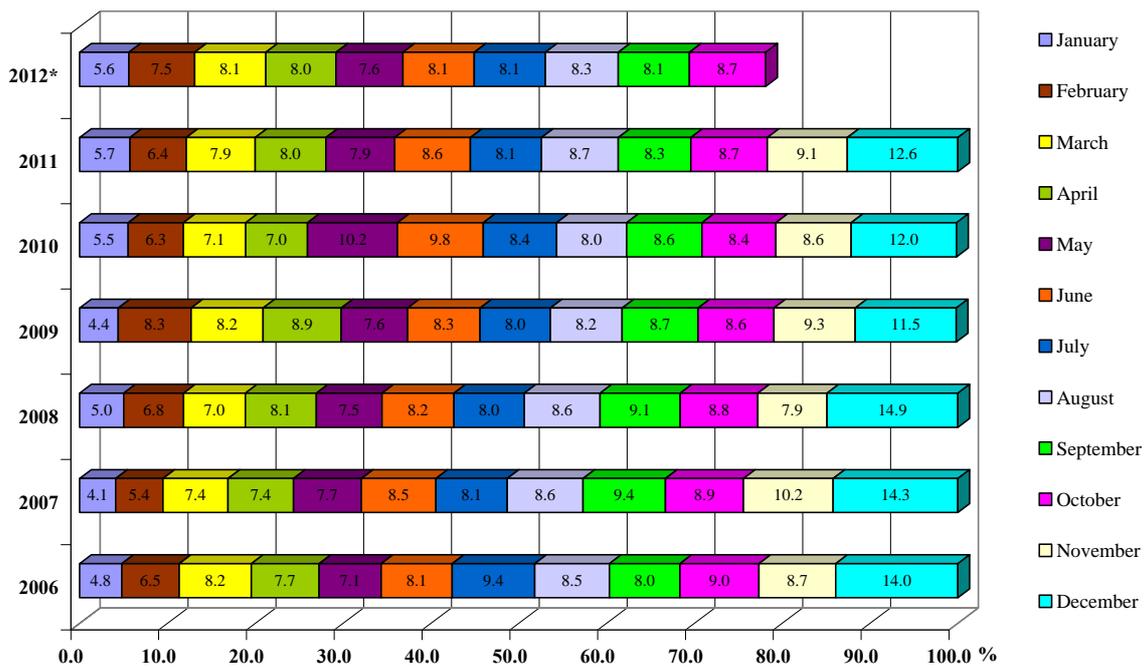


Diagram 16

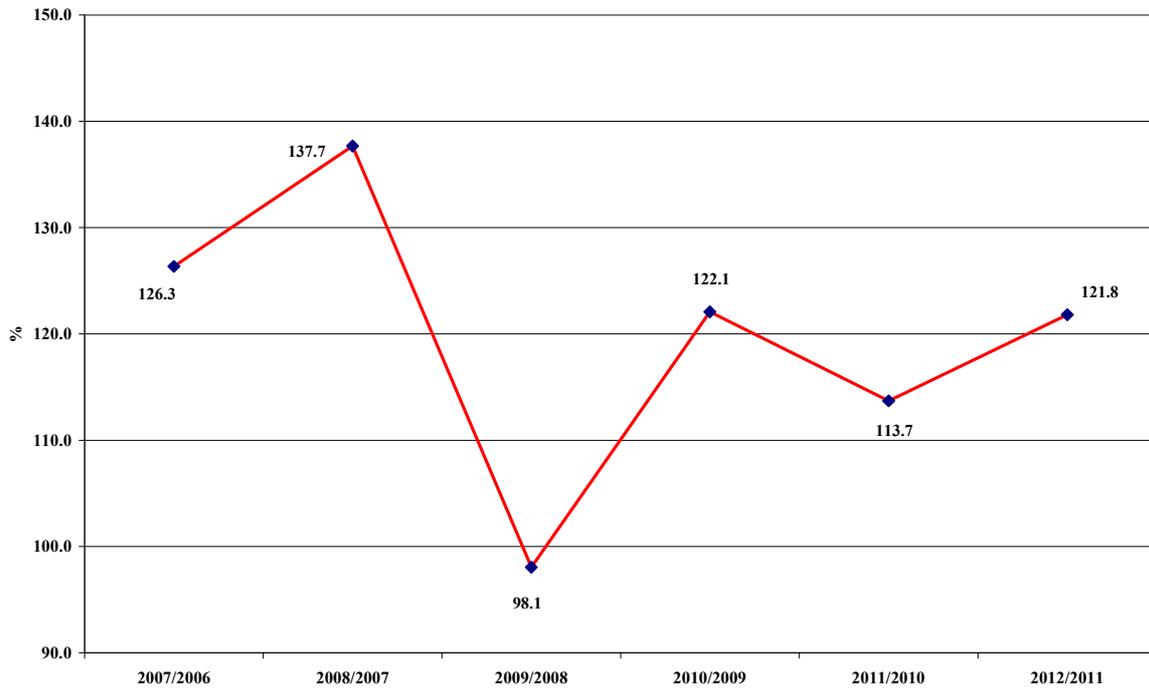
### Dynamics of the Share of Ukraine's State Budget Total Expenditures in Annual Amounts in 2007–2012



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

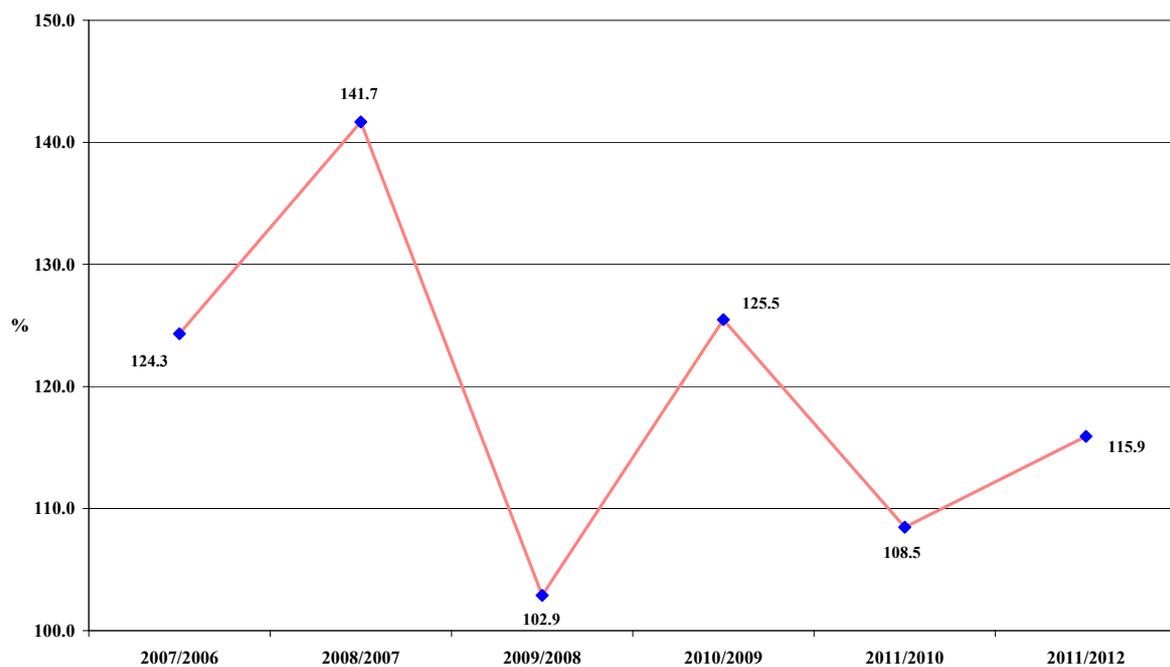
Graph 19

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



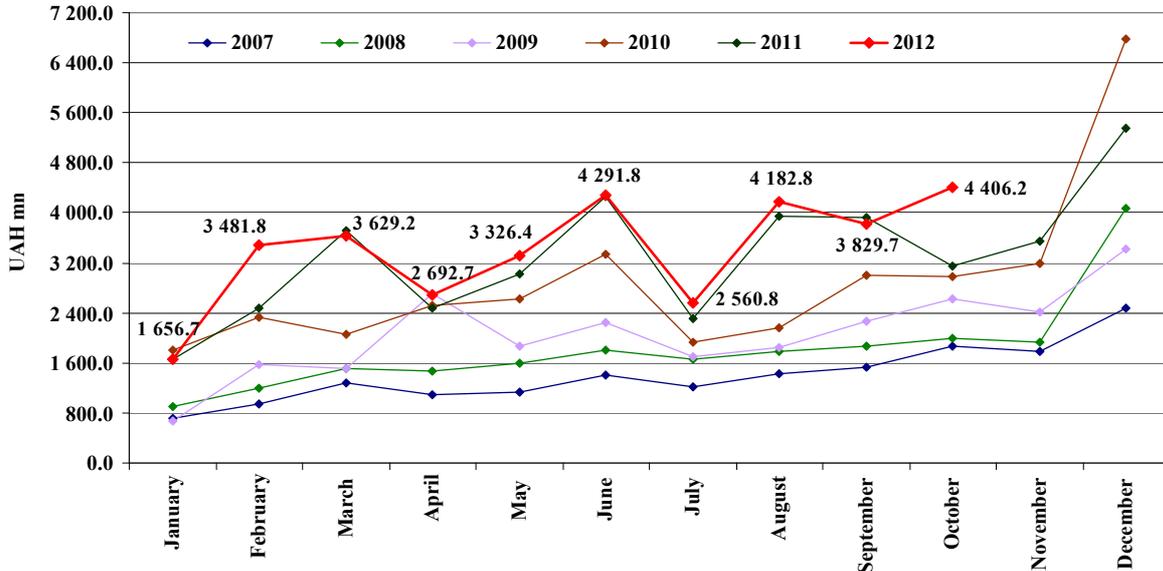
Graph 20

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



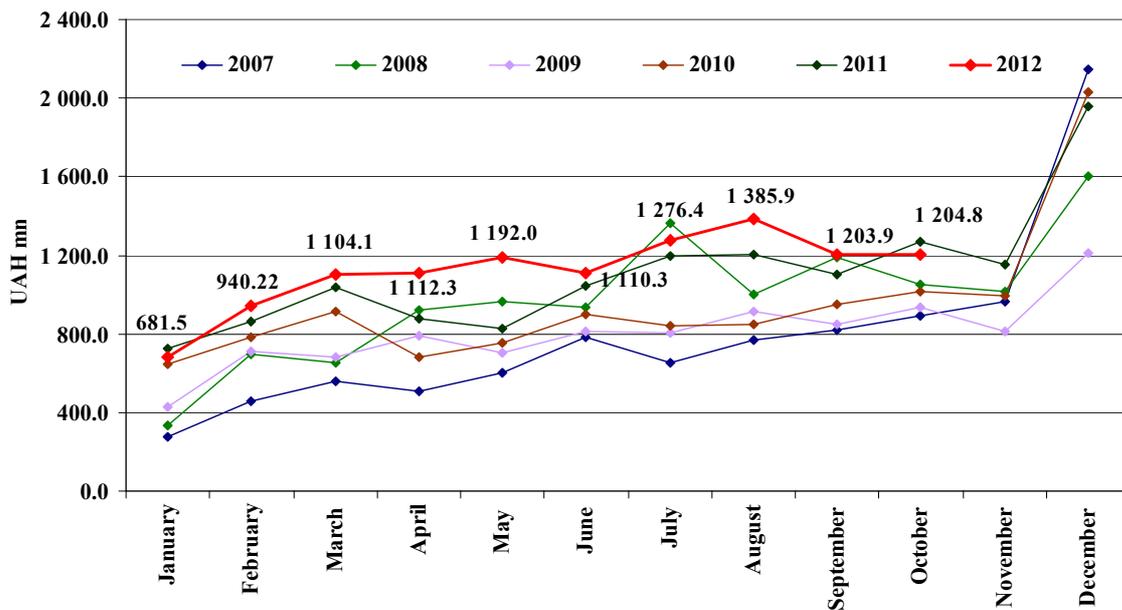
Graph 21

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



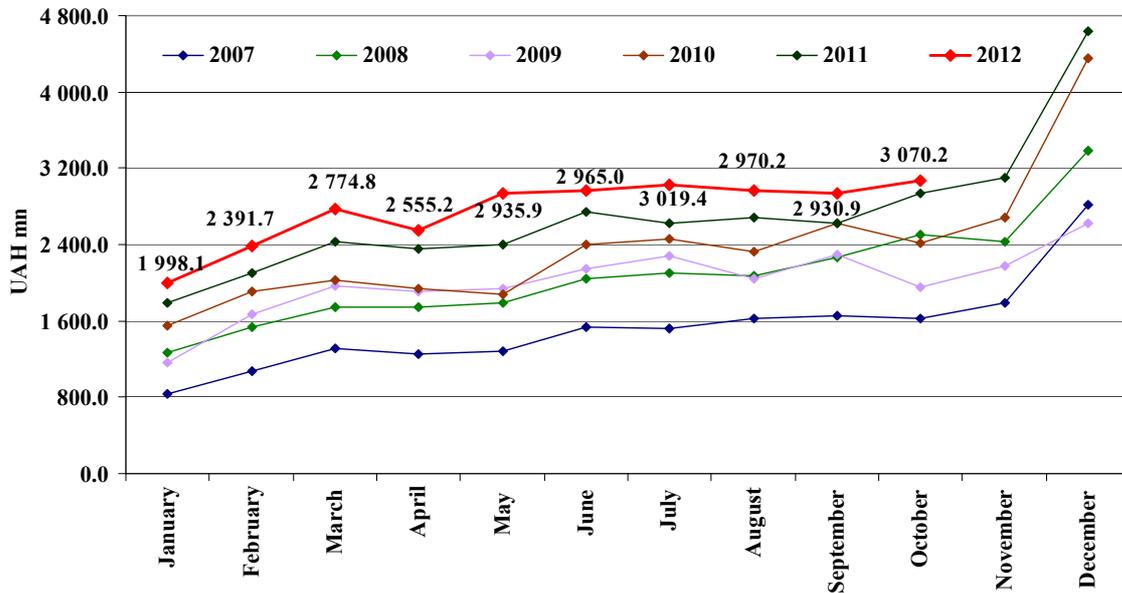
Graph 22

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



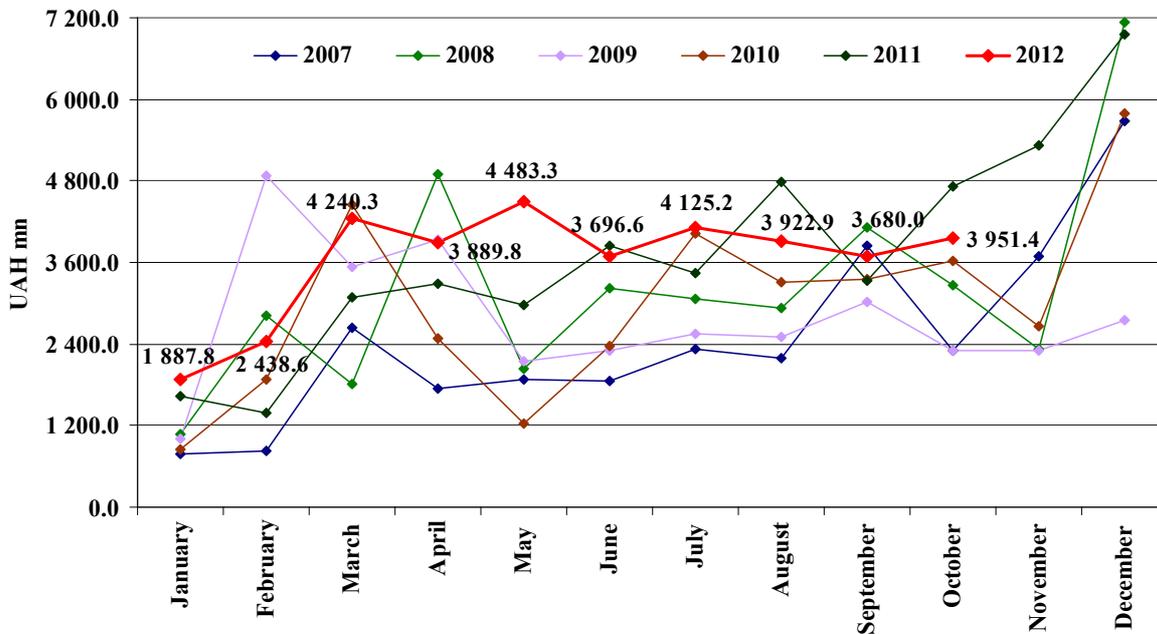
Graph 23

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



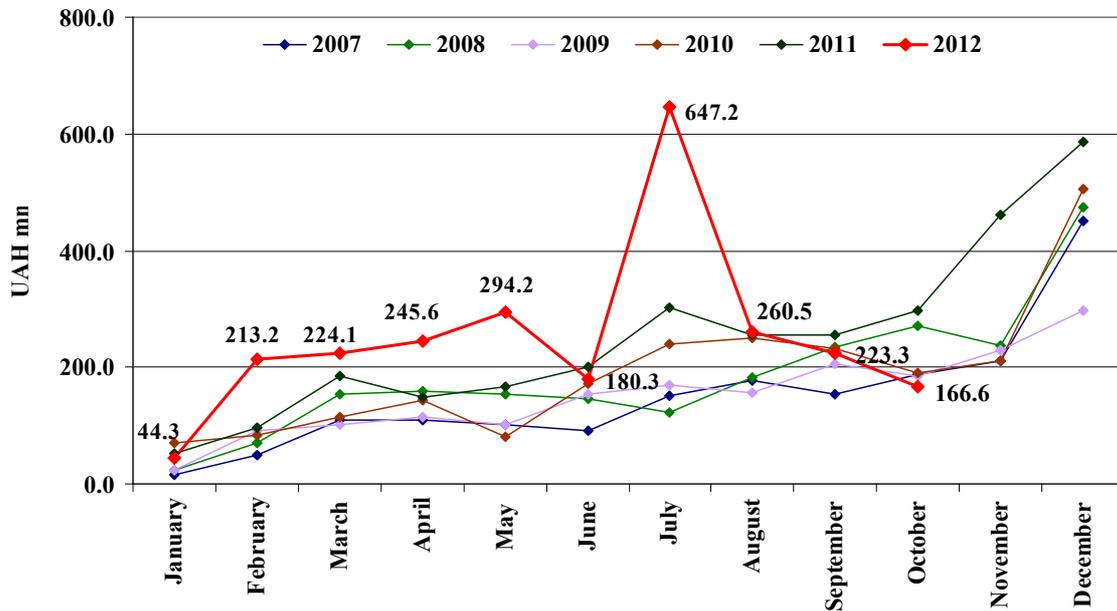
Graph 24

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



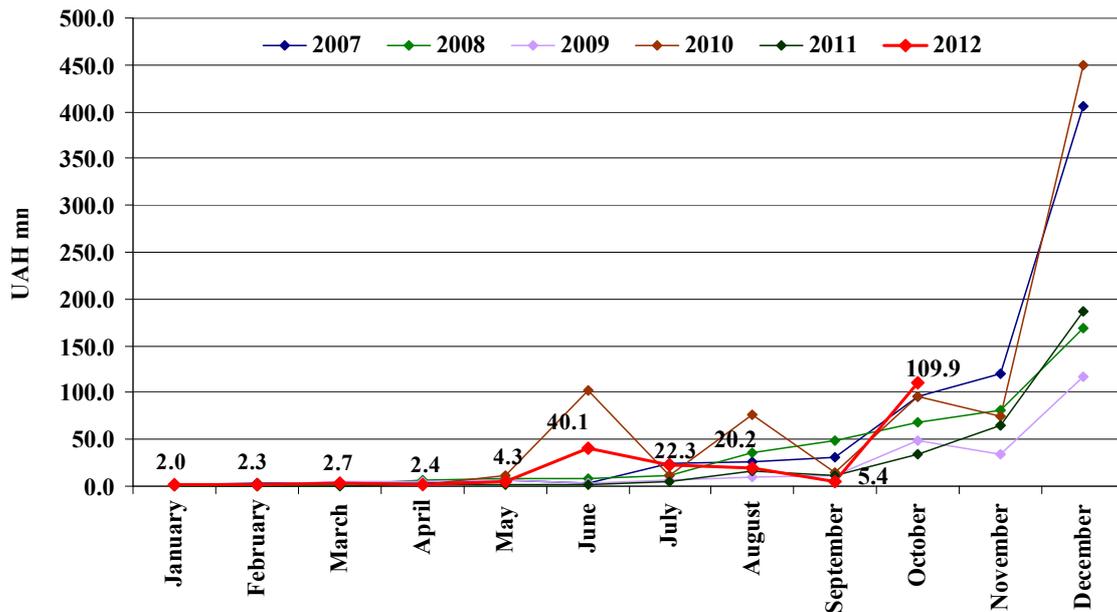
Graph 25

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



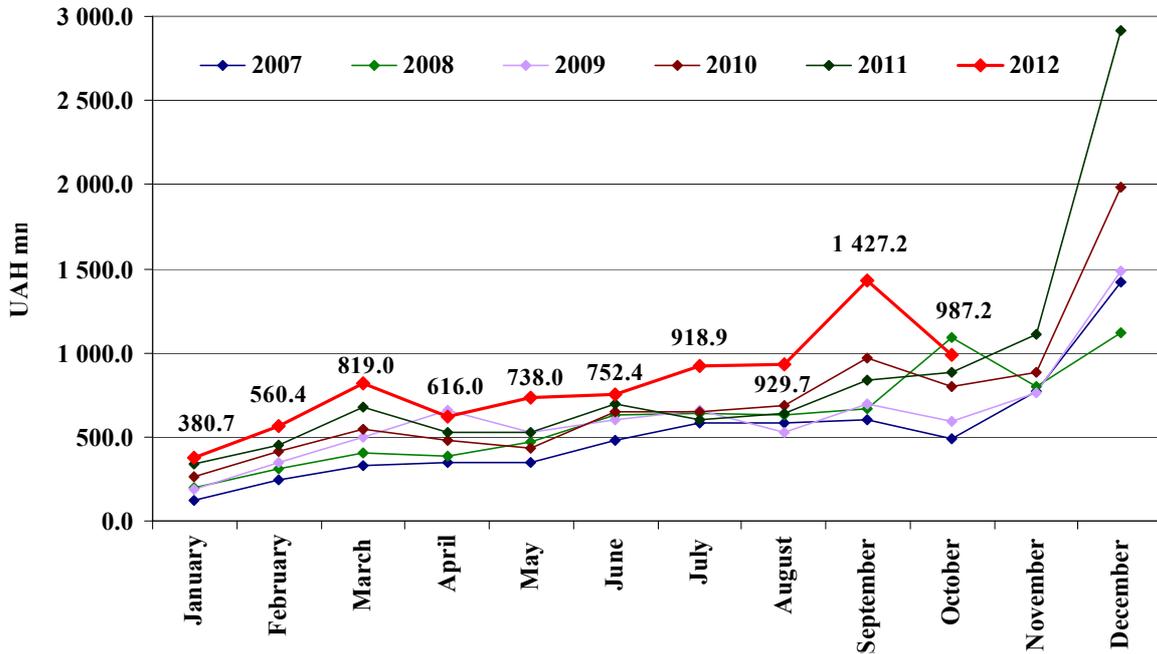
Graph 26

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



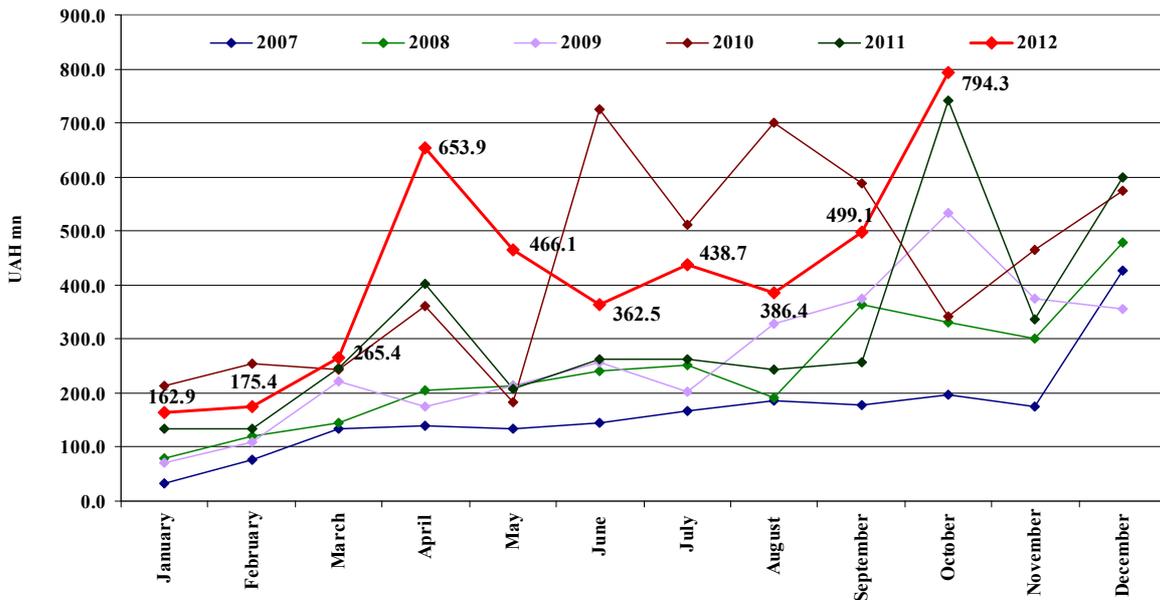
Graph 27

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



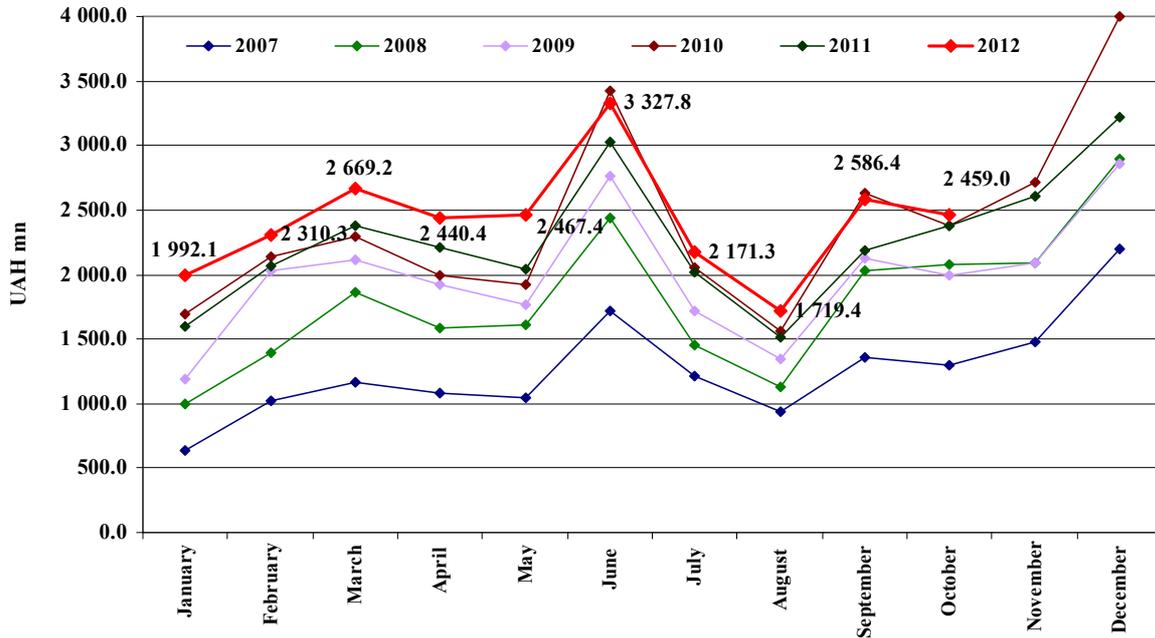
Graph 28

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



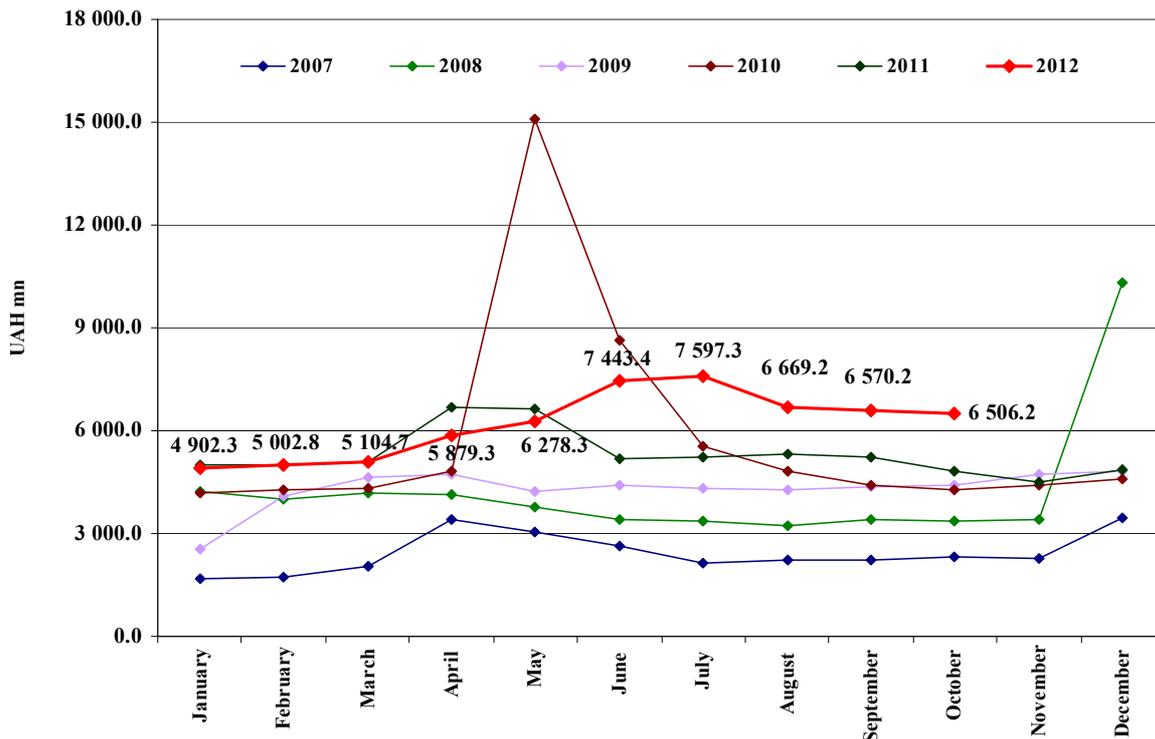
Graph 29

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

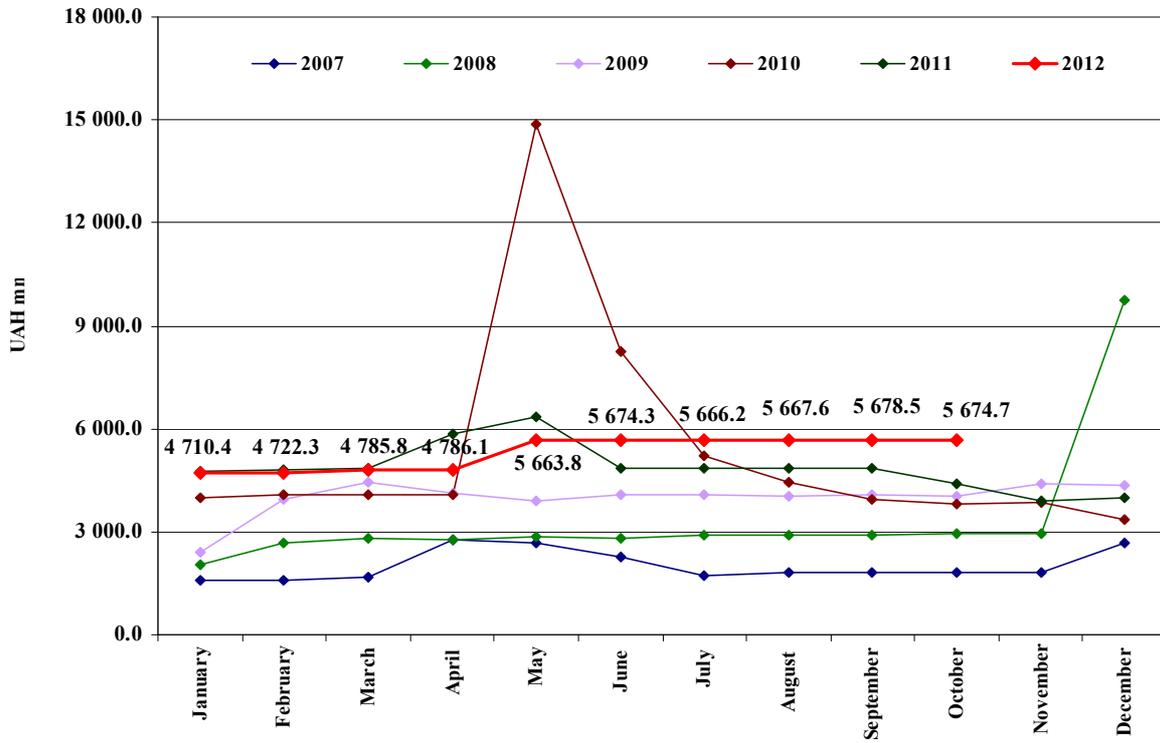


Graph 30

### 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

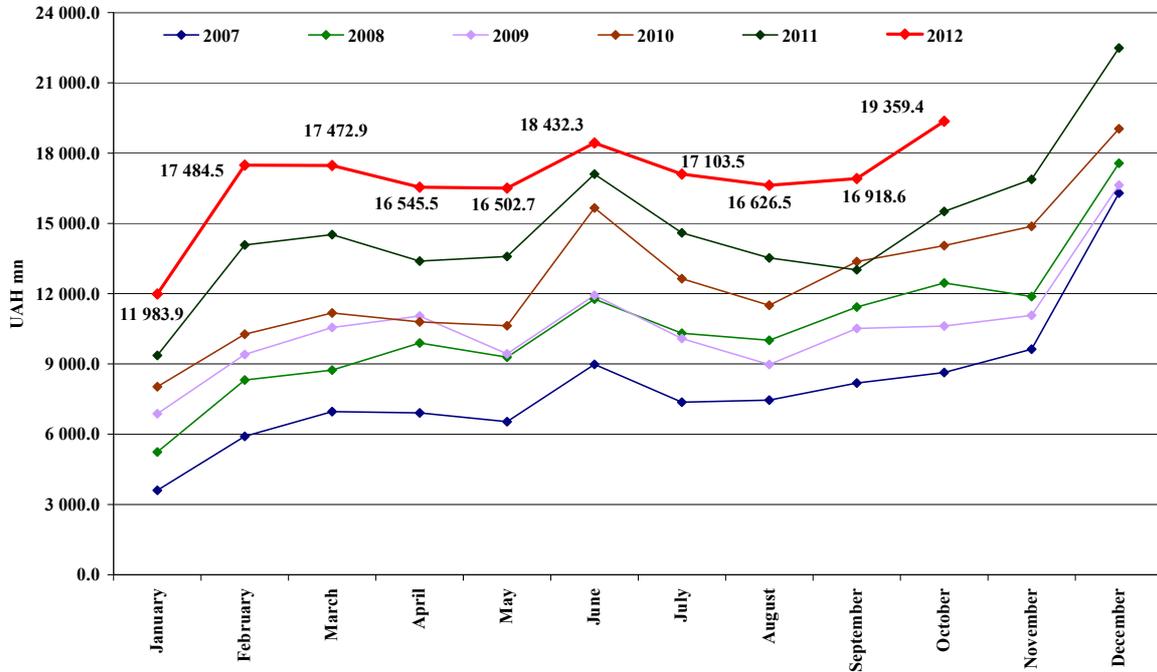
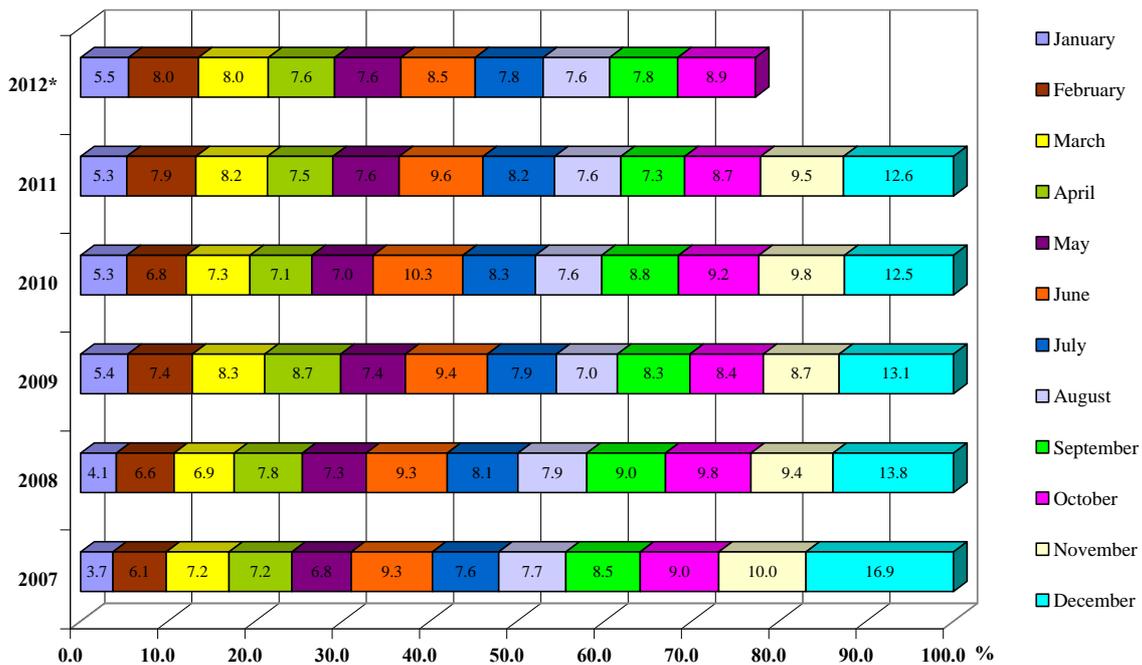


Diagram 17

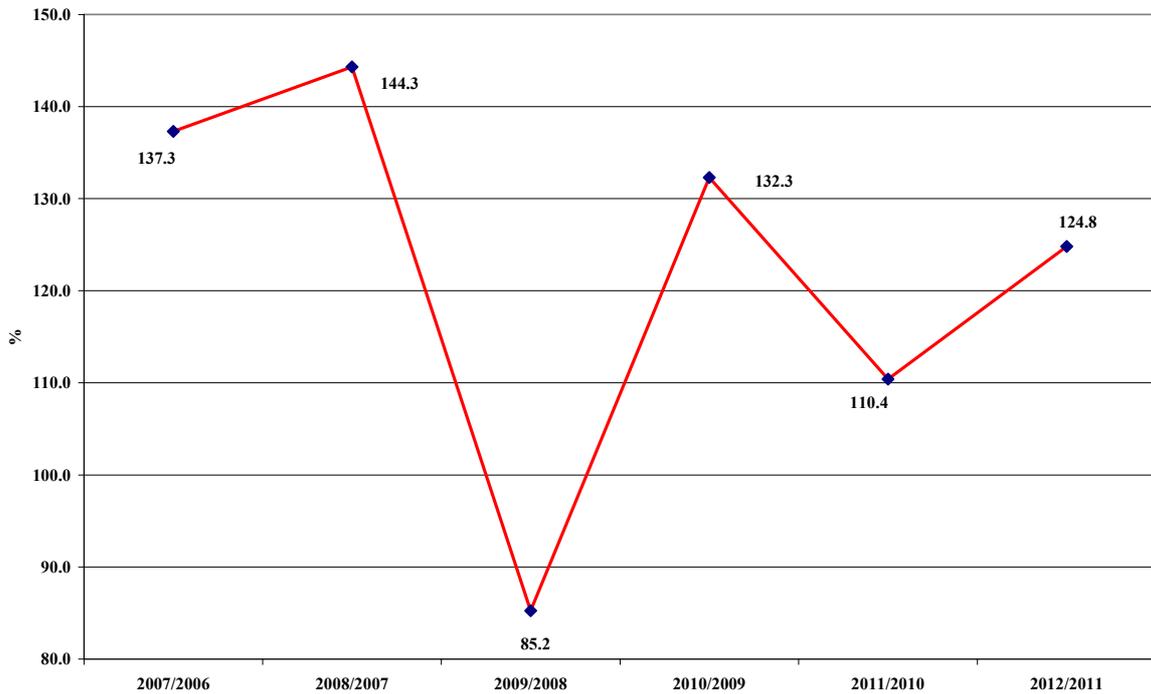
## Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2007–2012



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

Graph 33

### Growth Rates of Local Budget Expenditures in October 2007–2012



Graph 34

### Growth Rates of Local Budget Expenditures in January-October 2007-2012

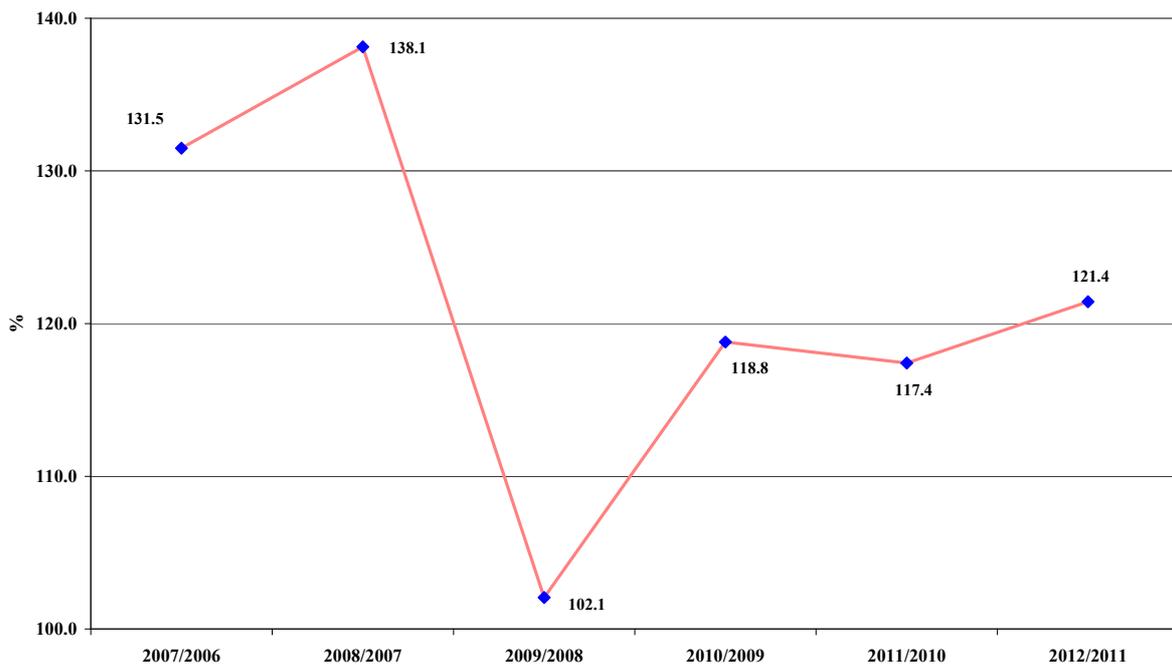
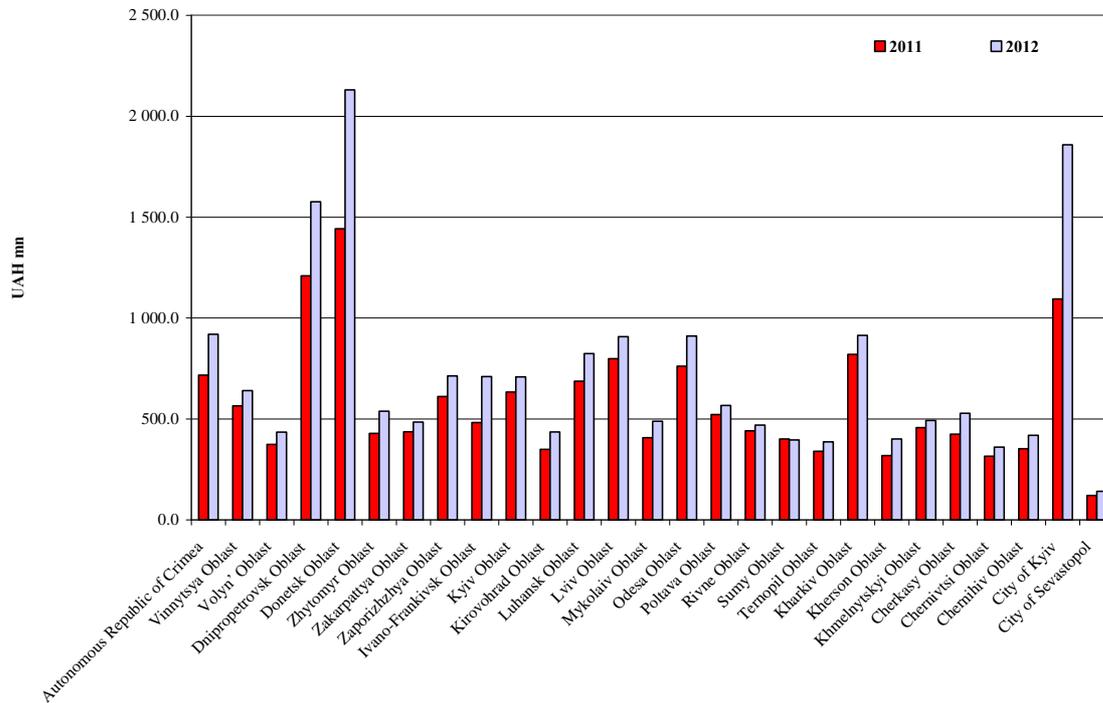


Diagram 18

### Regional Distribution of Actual Local Budget Expenditures in October 2011–2012



Graph 35

### Local Budget Expenditures, Growth Rate by Region in October 2012 (% vs. previous year)

