



MINISTRY OF
FINANCE OF
UKRAINE



DRAFT STATE BUDGET OF UKRAINE FOR THE YEAR 2021

**Budget of opportunities
for development**

Approved by Cabinet of Ministers of Ukraine on September 14, 2020



Priorities of the Budget (1)



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 + UAH **41.4** bn

**Increased
minimum wage**

 + UAH **2.8** bn **Modern culture**

 + UAH **34** bn

**High quality
education**

 UAH **2.4** bn

**Care about elderly
(aid for retired people
75+)**

 + UAH **27.5** bn

**Accessible
health care**

 x **2.7** times **High achievement
Increase in spending athletics**

including
 UAH **2.6** bn

**COVID-
vaccination**



Priorities of the Budget (2)



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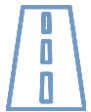
UAH **267.2** bn

**Defense and
Security**



+ UAH **1.4** bn

**Mass digitization
of the economy**



+ UAH **20.7** bn

**Big construction
(Highways)**



**Convenient passenger infrastructure
(new passenger carriages)**



+ UAH **3.0** bn

**Financially viable
regions**



Key Macroeconomic Indicators



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Indicator	2021
Nominal GDP, UAH billion	4, 505.9
Real GDP, %, y-o-y	4.6
Consumer price index, December to December of previous year	7.3
Producer price index, December to December of previous year	8.7
Average monthly salary, UAH	13,632.0
Level of unemployment among population aged 15-70, under the Ministry of Labor protection methodology, % to economically active population	9.2
Export of goods and services, % y/y	2.9
Import of goods and services, % y/y	10.6



State Budget Balance



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	2019 (actual)	2020 (plan)	2021 (forecast)
Revenues, UAH billion	998.3	978.8	1,071.1
Share in GDP, %	25.1	24.5	23.8
Spending and provision of loans, UAH billions	1,086.6	1,284.6	1,350.1
Share in GDP, %	27.3	32.2	30.0
Financing, UAH billion	81.0	298.4	270.4
Share in GDP, %	2.0	7.5	6.0
Loans repayment, UAH billion	7.3	7.4	8.6
Share in GDP, %	0.2	0.2	0.2

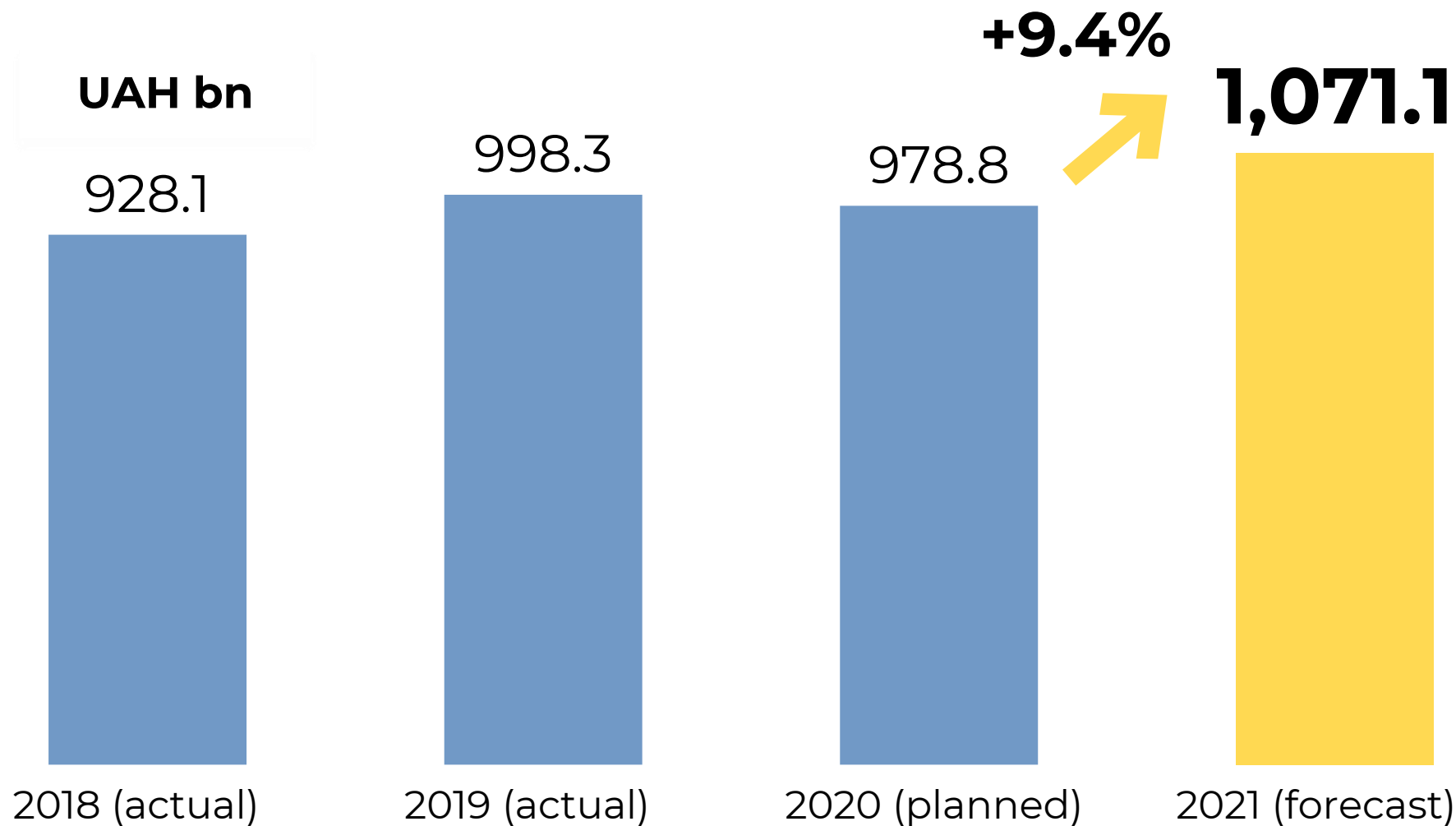


State Budget Revenues, 2018 – 2021

+ UAH 92.3 bn
compared to the 2020 plan



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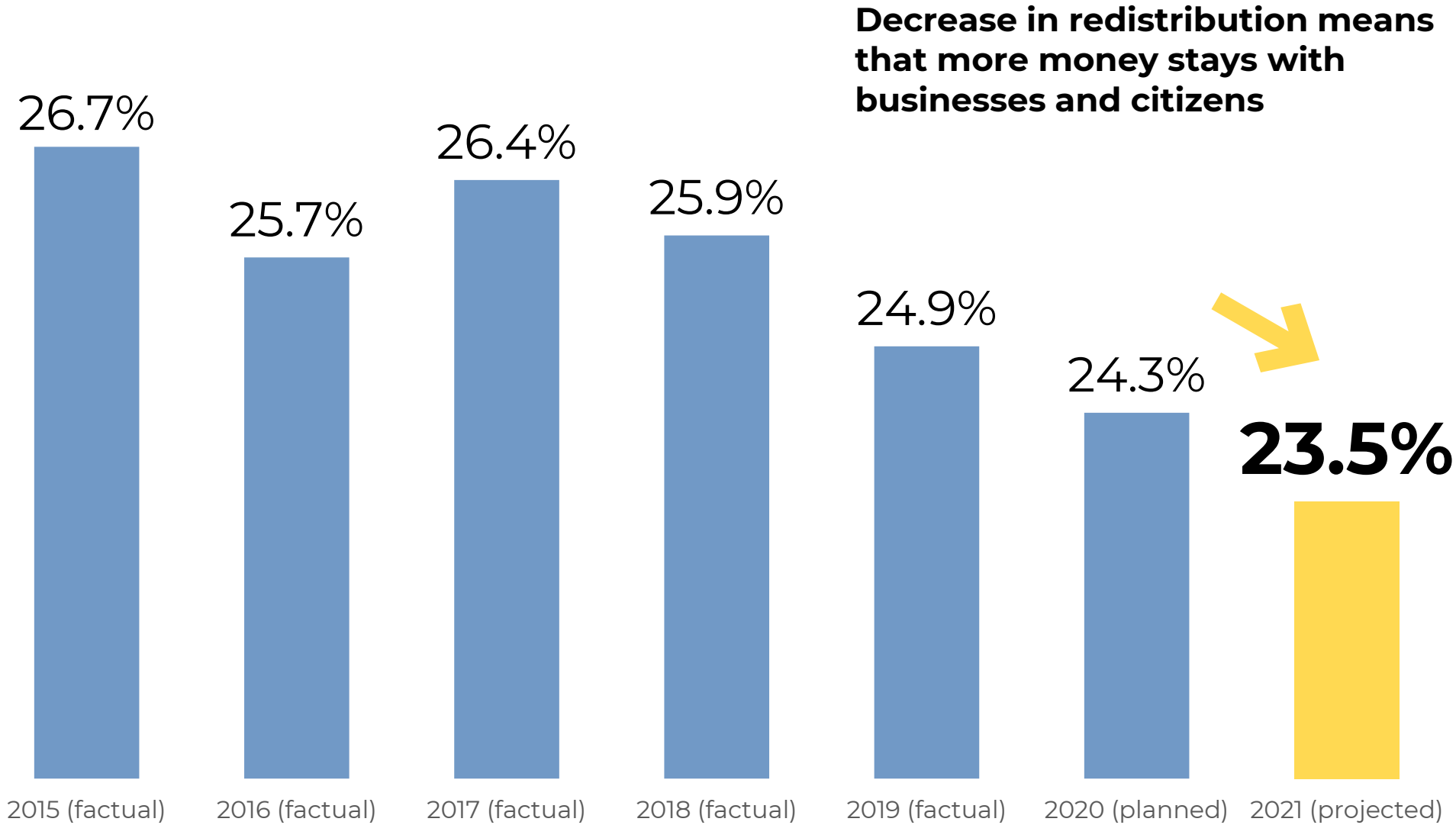
Redistribution of GDP through Budget Revenues (excluding inter-budgetary transfers)

(0.8)%

Compared to the 2020 plan



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Efficiency of Tax and Customs Services

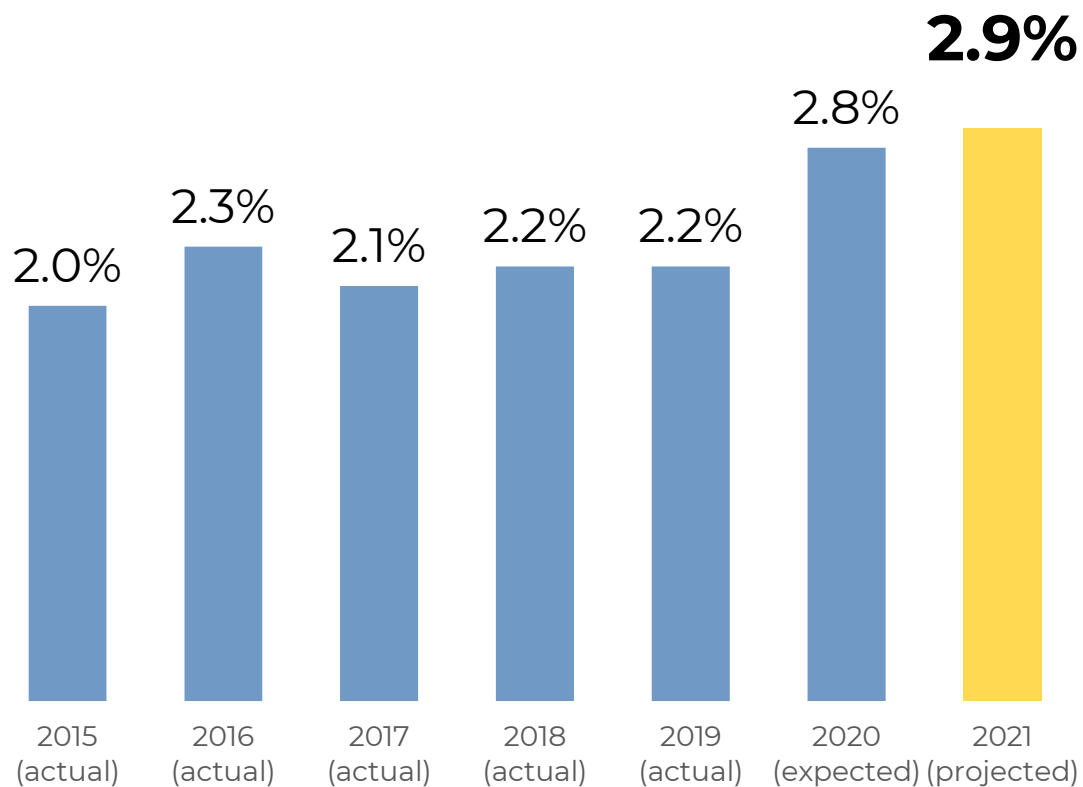


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**VAT internal (balance),
% of GDP**

**+53.0 UAH
bn**

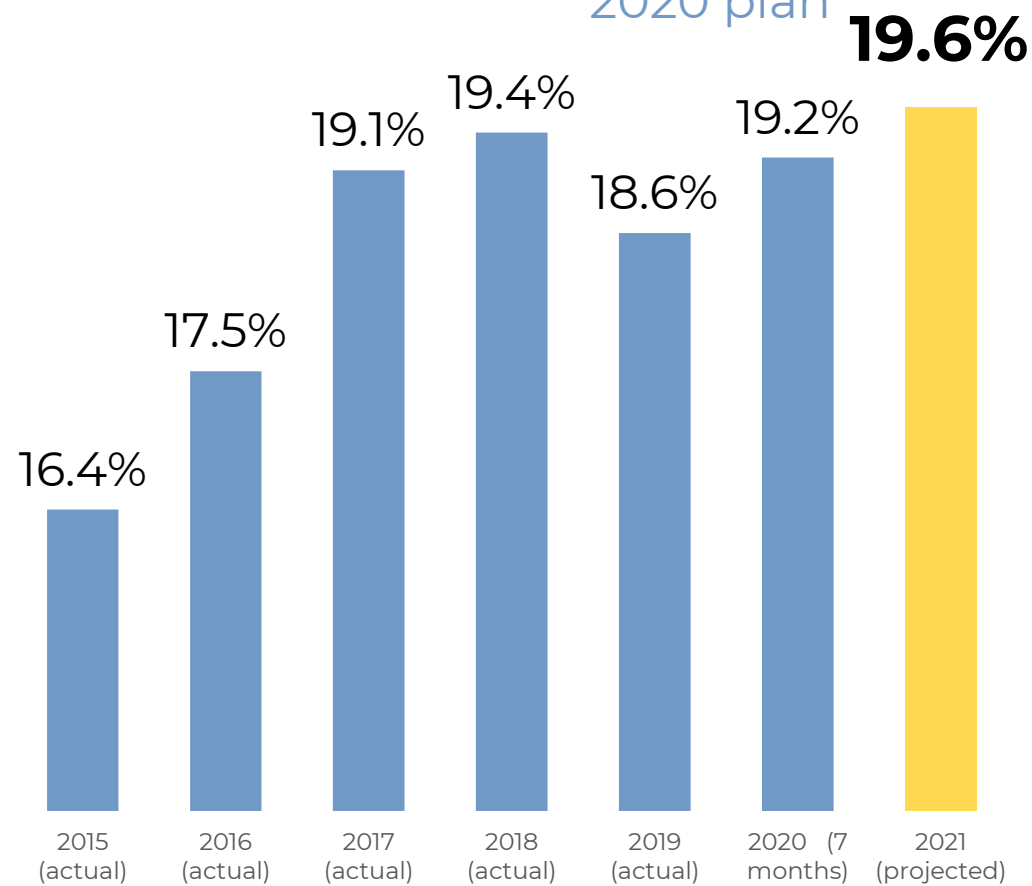
compared to the
2020 plan



**VAT import,
% of imports**

**+28.7 UAH
bn**

compared to the
2020 plan

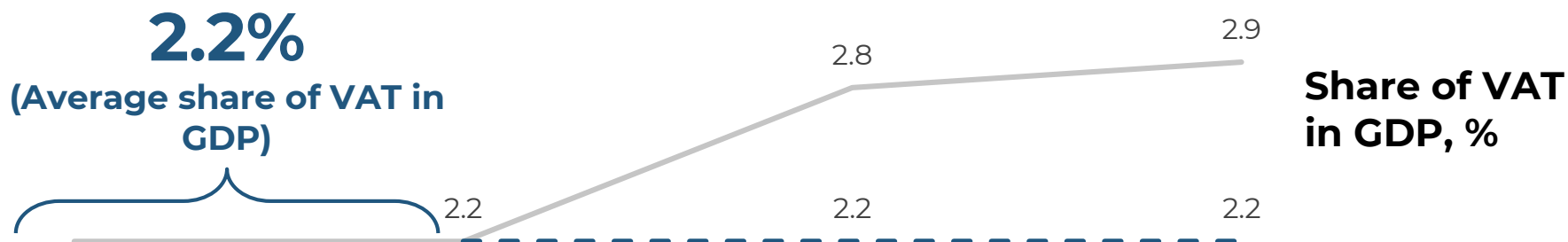




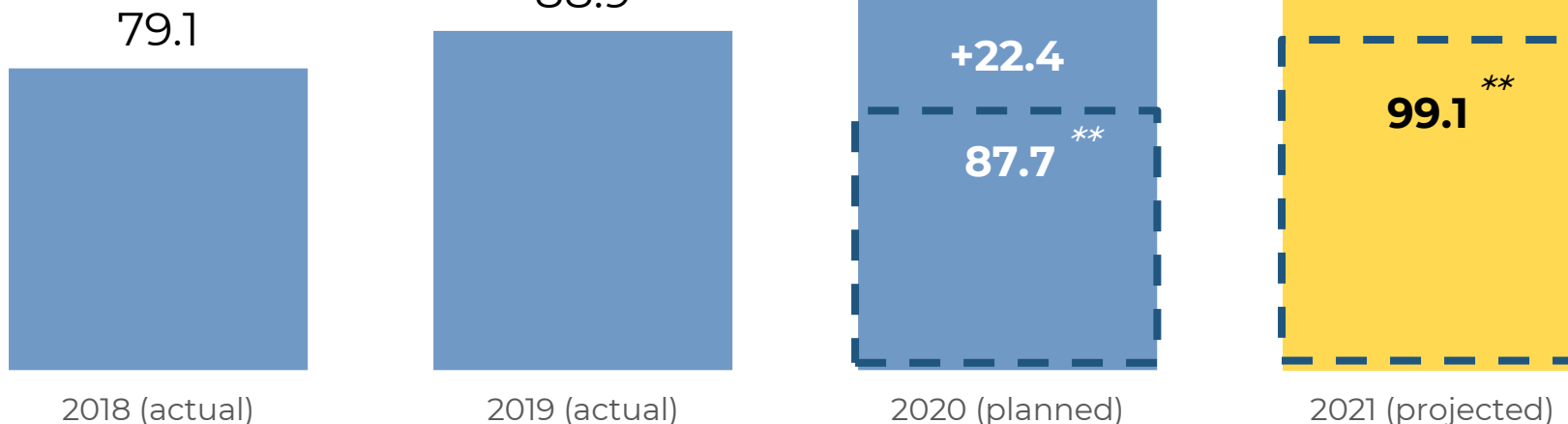
The share of VAT in the GDP in 2018-2021



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GDP revenues (balance), UAH billion



* expected

** calculated revenues with share of VAT in GDP at 2.2%

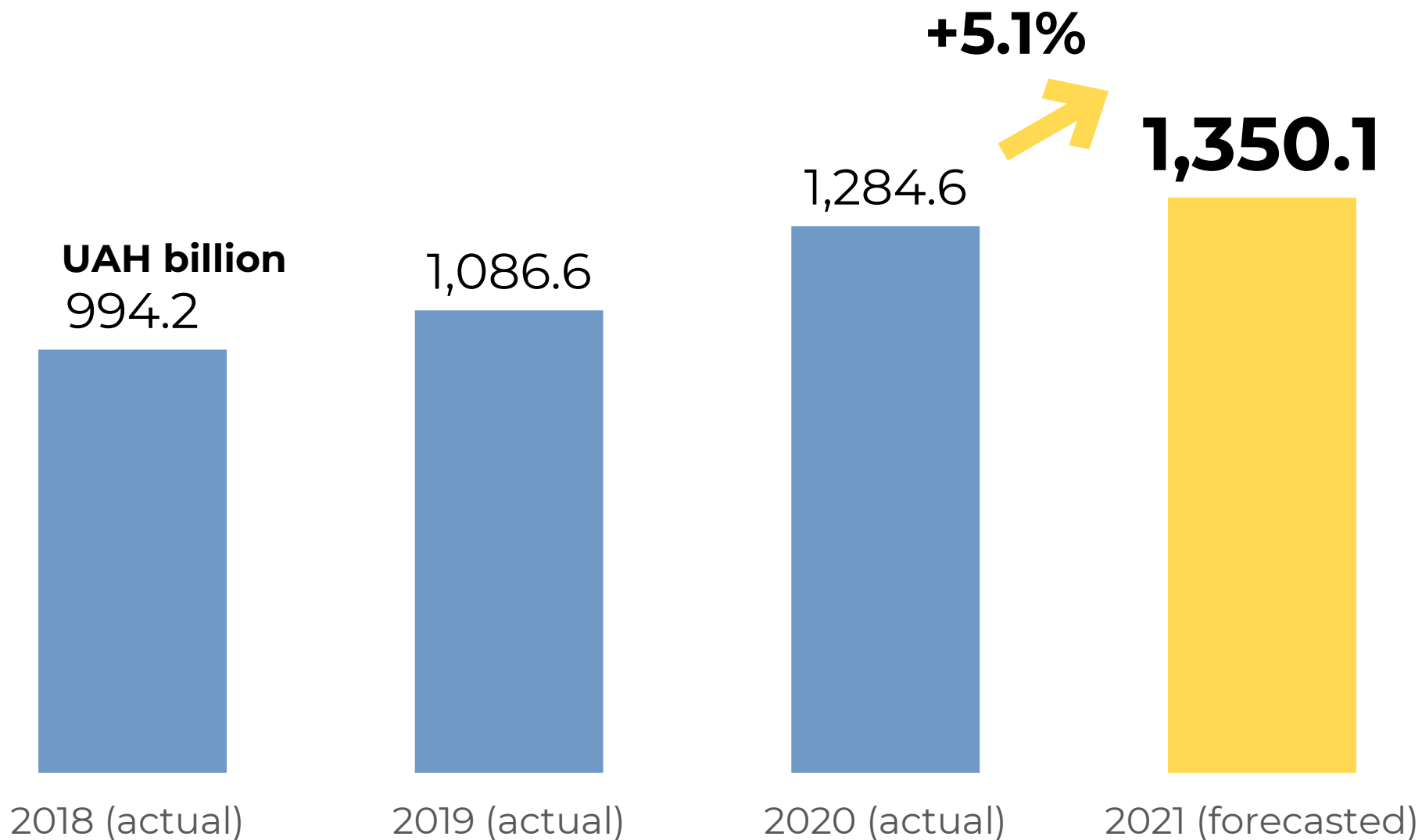


State Budget Expenditures and Lending 2018-2021

+UAH 65.5_{bn}
Compared to the 2020 plan



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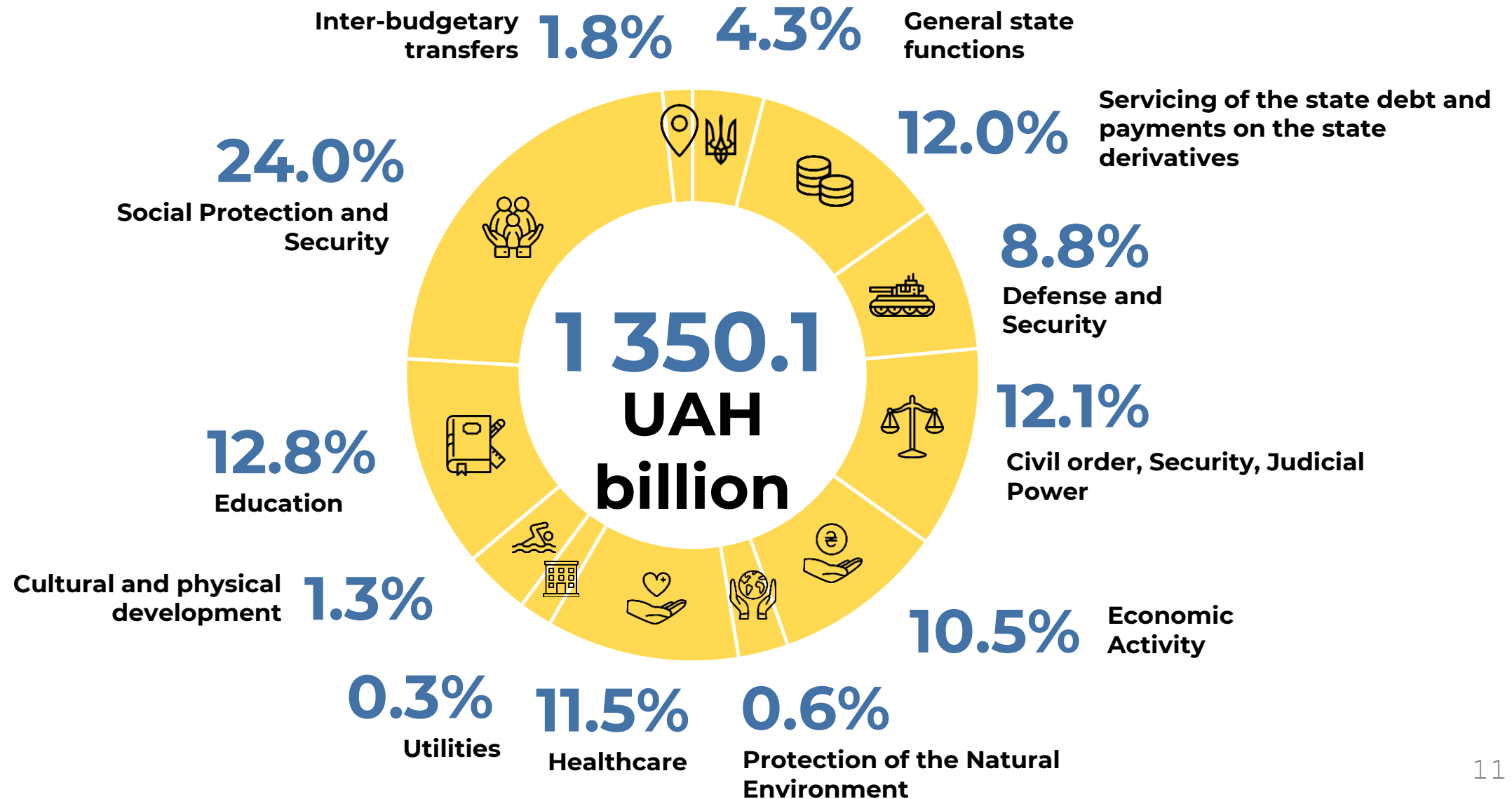




State Budget Expenditures and Lending in 2021 (by functional categories)



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Minimum Wage

expenditures for increasing of minimum wage

+UAH 41.4_{bn}



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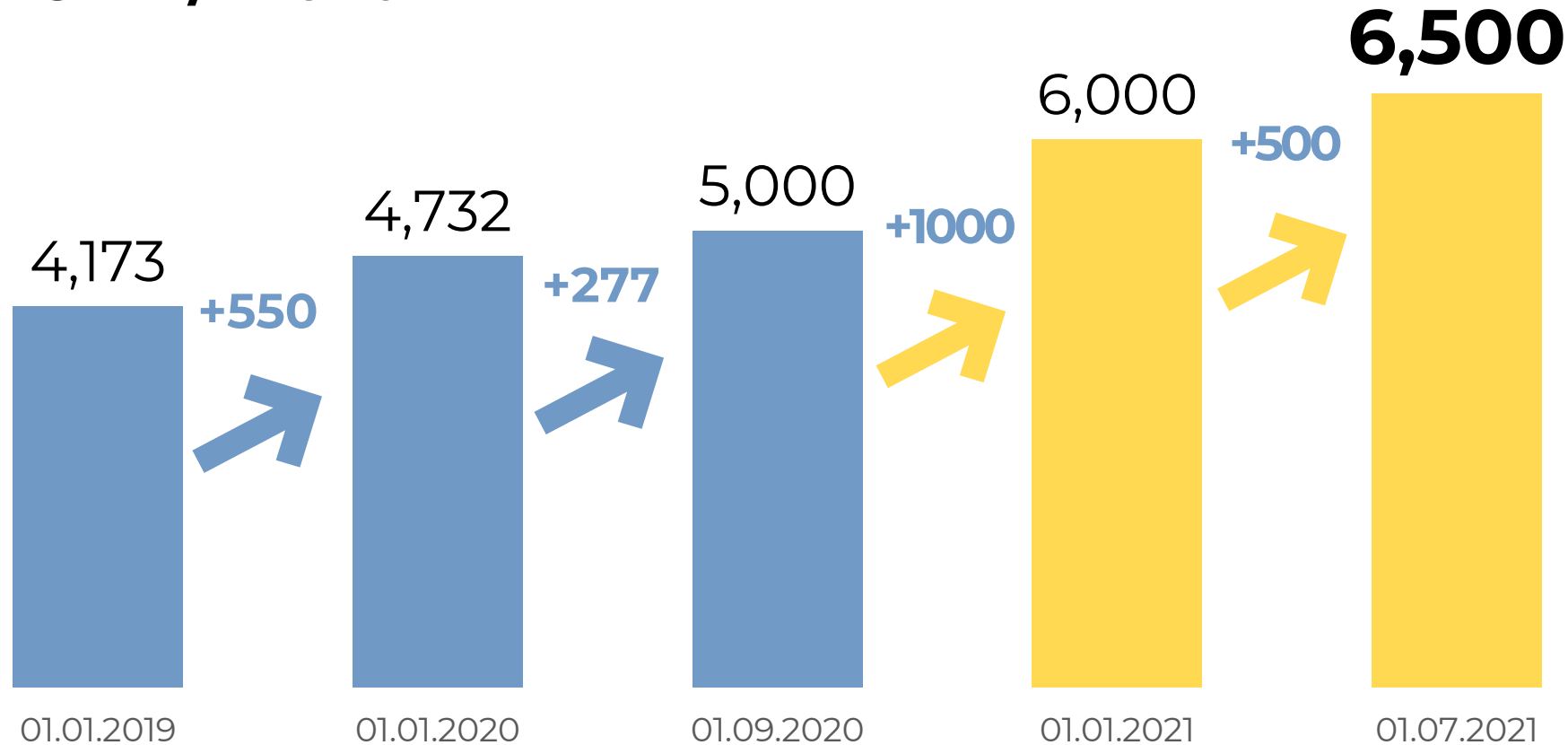
6 500

UAH / month

+1,500

UAH / month

Compared to the end of 2020





Social Security and Protection

+UAH 7.5^{bn} compared to the 2020 plan



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UAH 323.7 bn

203.8 bn



State budget expenditures
to the Pension fund

11.3 mln retirees

including

UAH 2.4 bn Aid for retirees 75+

UAH 104.1bn



Payment of:
aid (2.9 mln people)
benefits (1.7 mln people)
subsidies (2.5 mln people)



Social protection of internally displaced people



Social protection of citizens that have suffered due to the Chernobyl catastrophe



Social protection of disabled people, including disabled children



Social support to participants of the Anti Terrorist Operation / Joint Forces Operations



Housing for military servicemen

Budget, UAH bn

3.1



169,000

Aid beneficiaries

2.6



1,816,000

Aid beneficiaries

2.2



200,000

Aid beneficiaries

1.7



17.7000,00

Aid beneficiaries

2.1



5,000

Families will receive housing



Education

+34 UAH bn

Compared to the plan of 2020



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UAH 173.8_{bn}

including transfers

102.5 +21.2



Educational subvention to pay salaries of more than 400,000 teachers

+30%

 Teachers' salary growth

49.2

Expenditure on higher education



Support of the "New Ukrainian School"

1.4



440,000

Of first year students will receive new furniture



Construction, reconstruction of schools

1.0



300

Projects



Payment of academic scholarships

4.5



180,000

Scholars



Payment of social scholarships

0.9



33,000

Receivers



Prevention of COVID-19 spread in educational institutions

1.0

30,000

Children with special educational needs will be able to receive full-fledged education



Inclusive education for more than 30,000 pupils

0.5

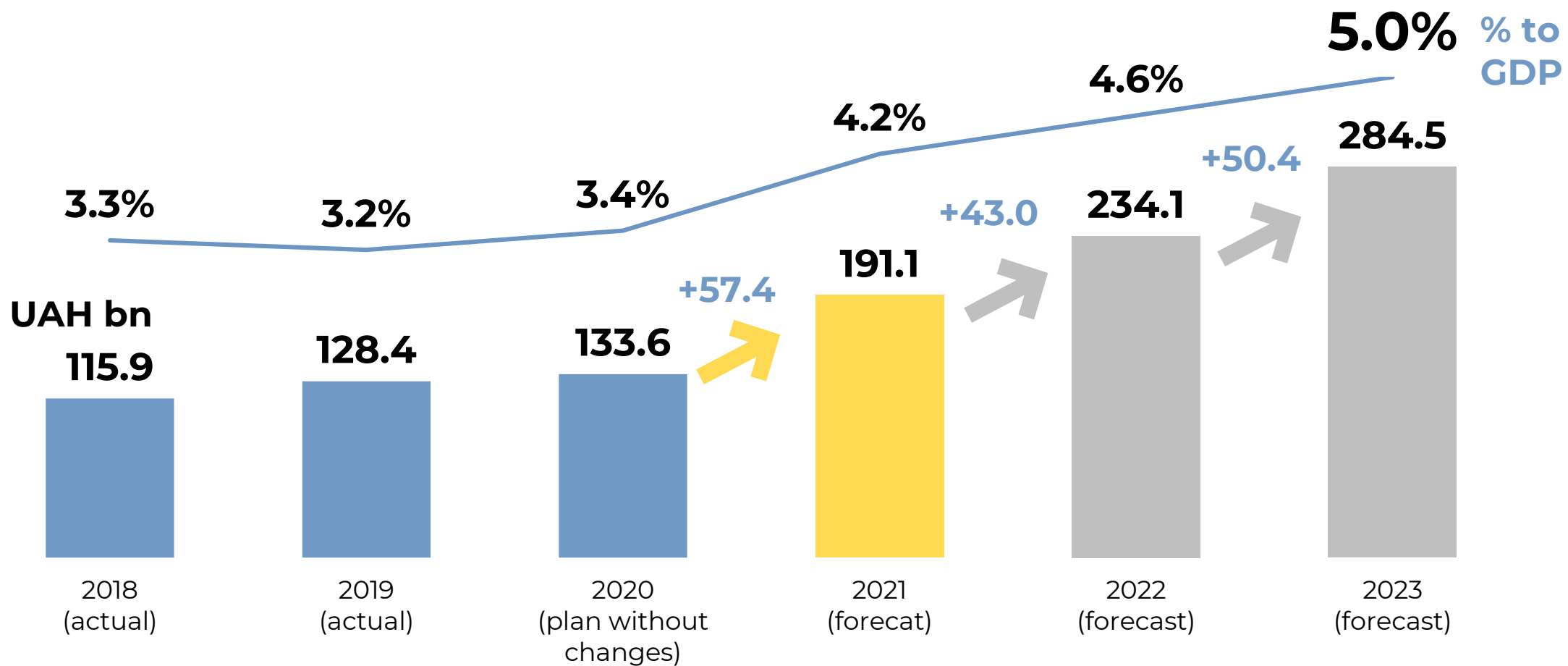




Consolidated Budget Expenditures on Healthcare, 2018-2023



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UAH 156.1_{bn}

With transfers

123.4










Medical guarantees program

+30%

Growth of medical professionals salaries



	Provision of healthcare by the national institutions
	Pilot projects on provision of highly specialized health care
	Centralized purchase of medicine
	Treatment abroad
	Purchase of COVID-19 vaccines
	Purchase of equipment for the major hospitals
	Development of the first aid

Budget
UAH bn

6.9

2.2

9.5

1.1

2.6

1.0

1.0



450

People will be treated abroad

210

Admission departments will be equipped with ECG, MRI, ultrasound

438

Ambulances will be purchased



1

Medical guarantees
program

UAH 15.8
bn

• 100% of patients with COVID-19 will receive timely aid



2

COVID-19 vaccination

UAH 2.6
bn

• 7.5 million doses of vaccine for risk groups



3

Prevention of COVID-19
spread in schools

UAH 1.0
bn

• Equipping teachers workplaces with everything that is necessary for remote learning





UAH 7.5 bn



Budget, UAH bn



Ensuring functionality of museums and libraries

1.0



902,000

New books for libraries



Support of projects by the Ukrainian Culture Fund

0.7



651

Cultural projects supported with the fund



State support of the cinematograph

0.6



170

Films in production and distributions



Fund for the development of institutions of national importance

1.0

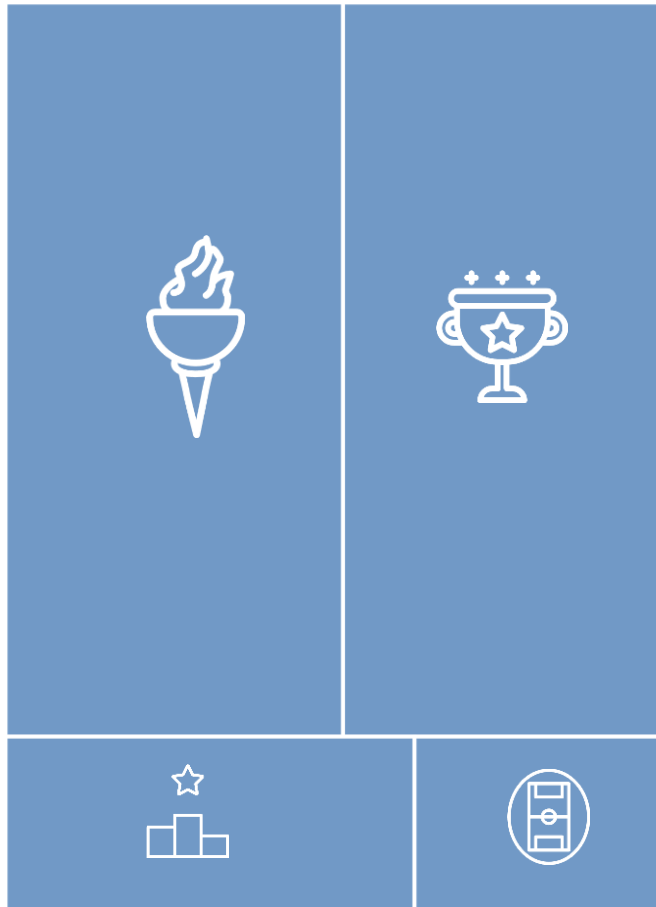


Preservation of cultural inheritance

0.6



UAH 7.4 bn



Preparation and participation of Ukrainian athletes in summer Olympic, Paralympic, Deaflympics games in 2021; preparation for 2022 games.

Budget,
UAH bln

2.8

1000

International athletic events with participation of Ukrainian athletes



Conduction of national and international athletic events, preparation and participation of athletes in international events

2.7

900

Athletic competitions conducted in Ukraine



Development and material and technical provision for sports

0.8

7

Bases of Olympics preparation restored



Creation of athletic infrastructure – project “Ukraine – the champion”

0.5

11

Athletic facilities constructed



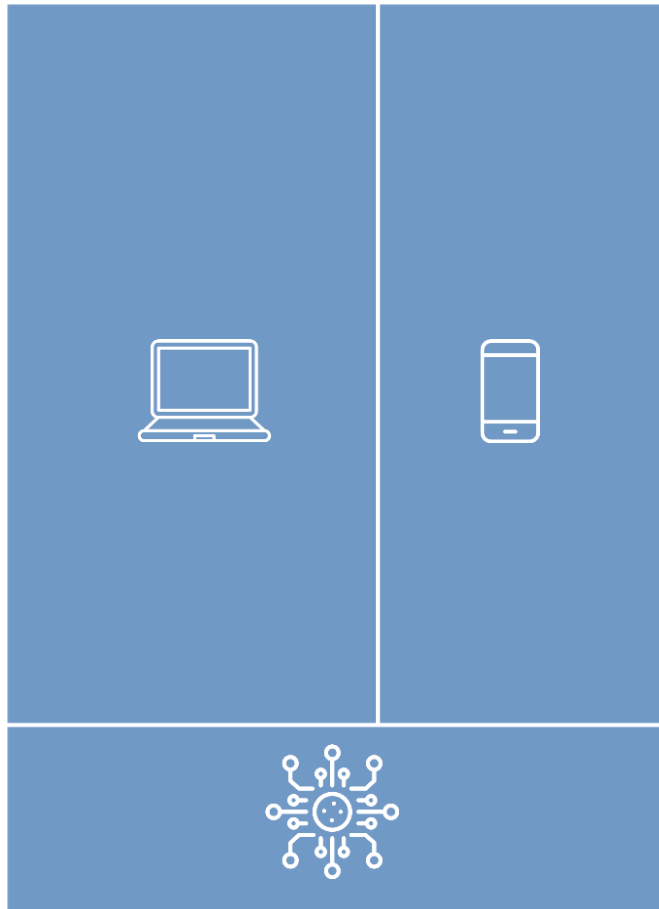
Digitalization of Economy

+UAH 1.4 bn
compared to the 2020 plan



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UAH 2.9 bn



Digitization of activities in authorities

**Budget,
bn UAH**

1.3



Web-portal of electronic services "Portal Diya"

1.0



100

Public services online



National program of digitalization

0.6

10

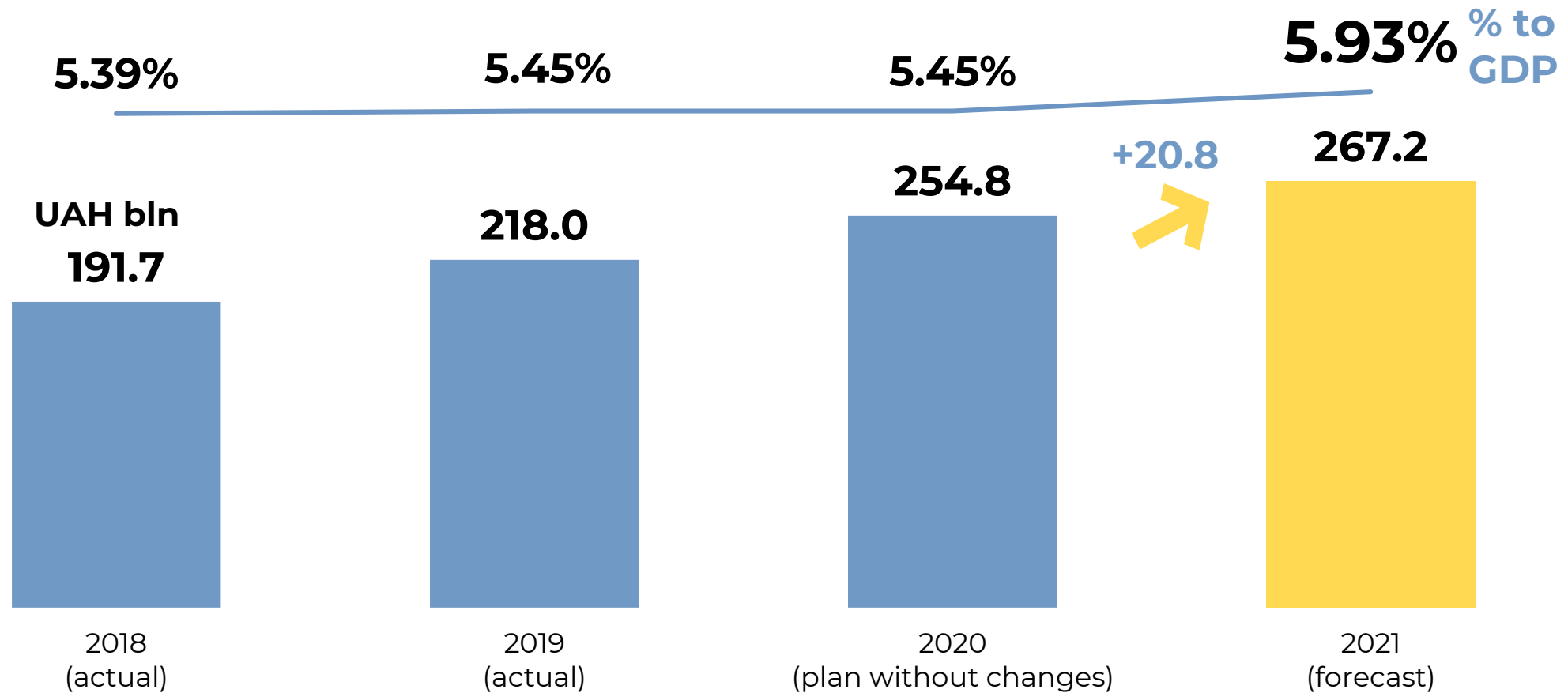
Digital documents in a smartphone



Consolidated Budget Expenditures on Defense and Security, 2018-2021



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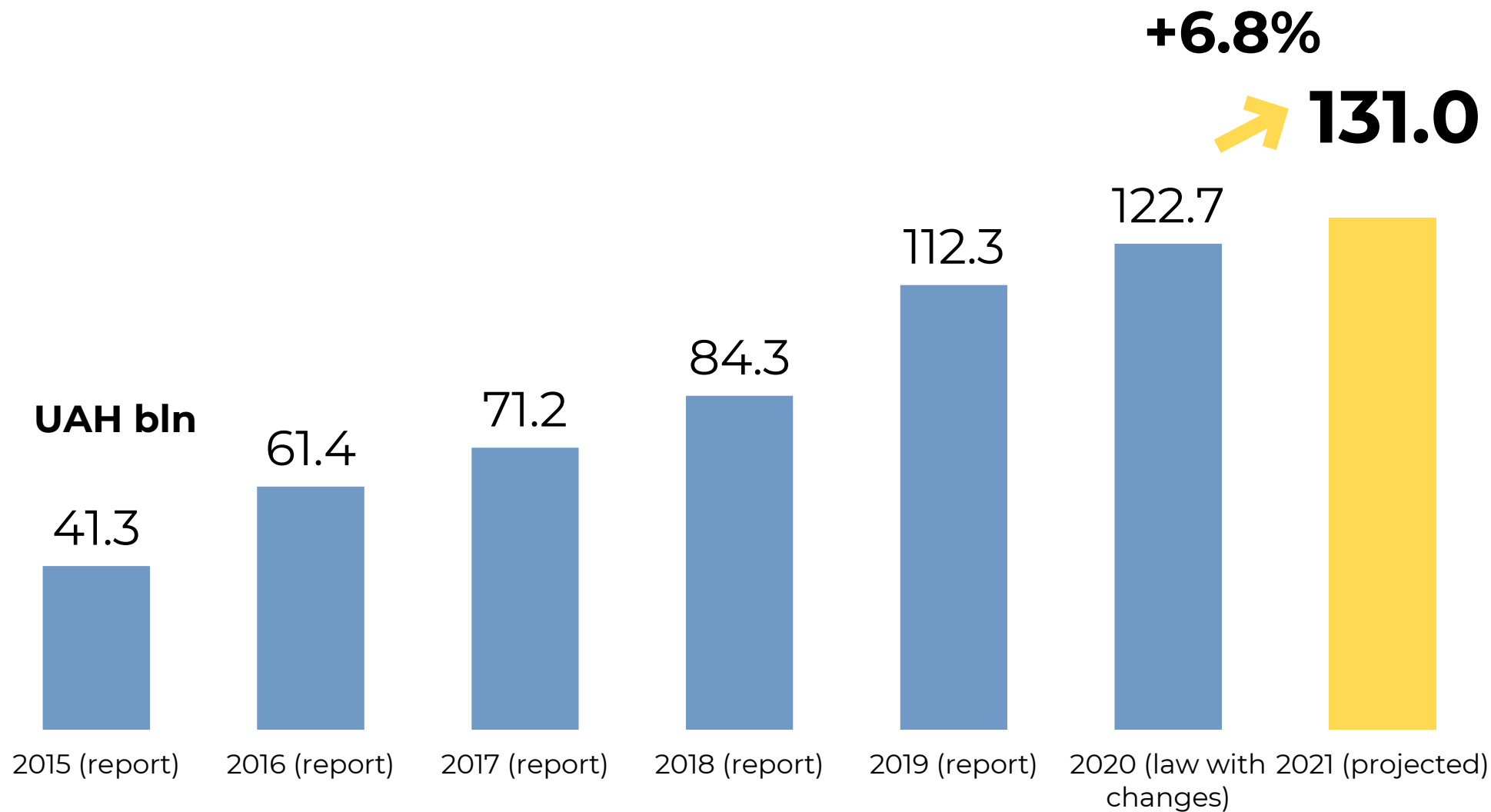


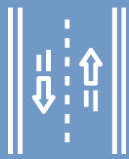
Expenditure on Financial Security (with benefits) of military servicemen, staff and managing personnel, policemen

+ UAH 8.3 bn
compared to 2020 plan



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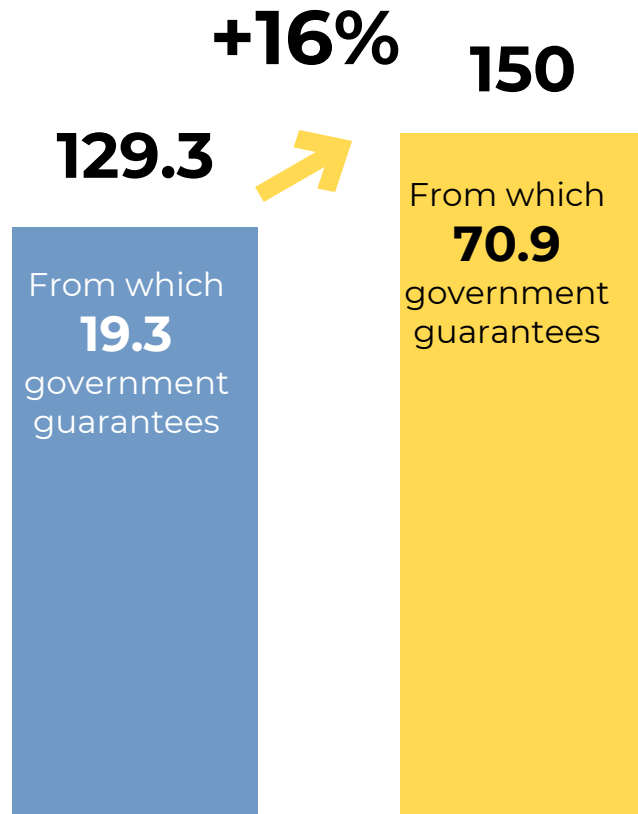
Development of the Road Infrastructure

+ UAH 20.7 bn
Compared to the plan of 2020



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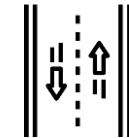
State support for the year 2021, UAH billion



2020 (planned) 2021 (projected)

Areas of directing road fund resources in 2021, UAH billion

36.6 Development and maintenance of highways of national importance



21.3 Construction, reconstruction, repair and maintenance of roads of local importance, streets and roads in cities (subvention)



13.5 Fulfillment of debt obligations with regards to borrowing under government guarantees for the development of road infrastructure





For the First Time the Government will Finance Passenger Railroad Infrastructure



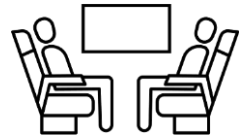
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1

Purchase of 100
passenger carriages

UAH 3.3
bn

- 100 new carriages will transport 2 million passengers each year

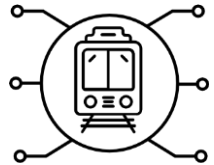


2

Modernization and
electrification of the
area between Zhytomyr
and Novograd-Volynskiy

UAH
528
mln

- Remove “transport blockade” from Zhytomyr
- The city will receive daily railroad connection with 19 regional centers



3

Modernization and
electrification of the area
between Cherkassy and
station of Taras
Shevchenko

UAH 195
mln

- Launching new high speed connection – Intercity train on Kyiv – Cherkassy route
- Duration of travel 2:45 hours





State Support of Business



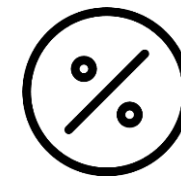
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1

Compensation of loan interest for micro- and small businesses
>18 authorized banks

**UAH 2
bn**

- Creation and preservation of jobs
- Decrease in migration abroad
- Creation of new businesses
- Creation of loan portfolio up to UAH 30 billion.



2

Portfolio guarantees

**UAH 10
bn**

- Easier access to capital markets for small and large businesses via state guaranteeing their debt obligations.



Approximate scheme of portfolio guarantees realization

Tax income to the budget, new jobs





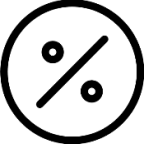
Provision of Housing to Citizens of Ukraine

>30 will be provided with housing
Thousand families




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Mortgage

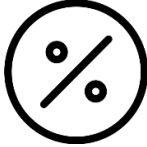
 **up to 7%** Rate for the whole loan period

 **20%** Minimal first payment

 **20 years** Maximum duration of mortgage

 **2 mln** Maximum amount of the loan


Financial leasing

 **5%** Leasing rate for the whole period

 **0%** First payment

 **20 years** Maximum term of leasing

 Independent choice of housing

 Priorities in provision of housing
Military servicemen and other types of state employees





Support for agriculture complex



**4.2 UAH
bn**



>9,000

Enterprises will receive
assistance



Decrease in cost of agriculture equipment



Decrease in cost of loans



Development of farms



Development of livestock breeding



Development of plant growing



Continuation of support under “5-7-9%” program (close to 60% of loans under the program)



Support and development of private reclamation systems

Besides that, provision of state guarantees for the development of state owned reclamation systems





State support of the regional development

+UAH 3.0_{bn}

compared to the 2020 plan



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UAH 33.4 bn >3% of revenues to the state budget

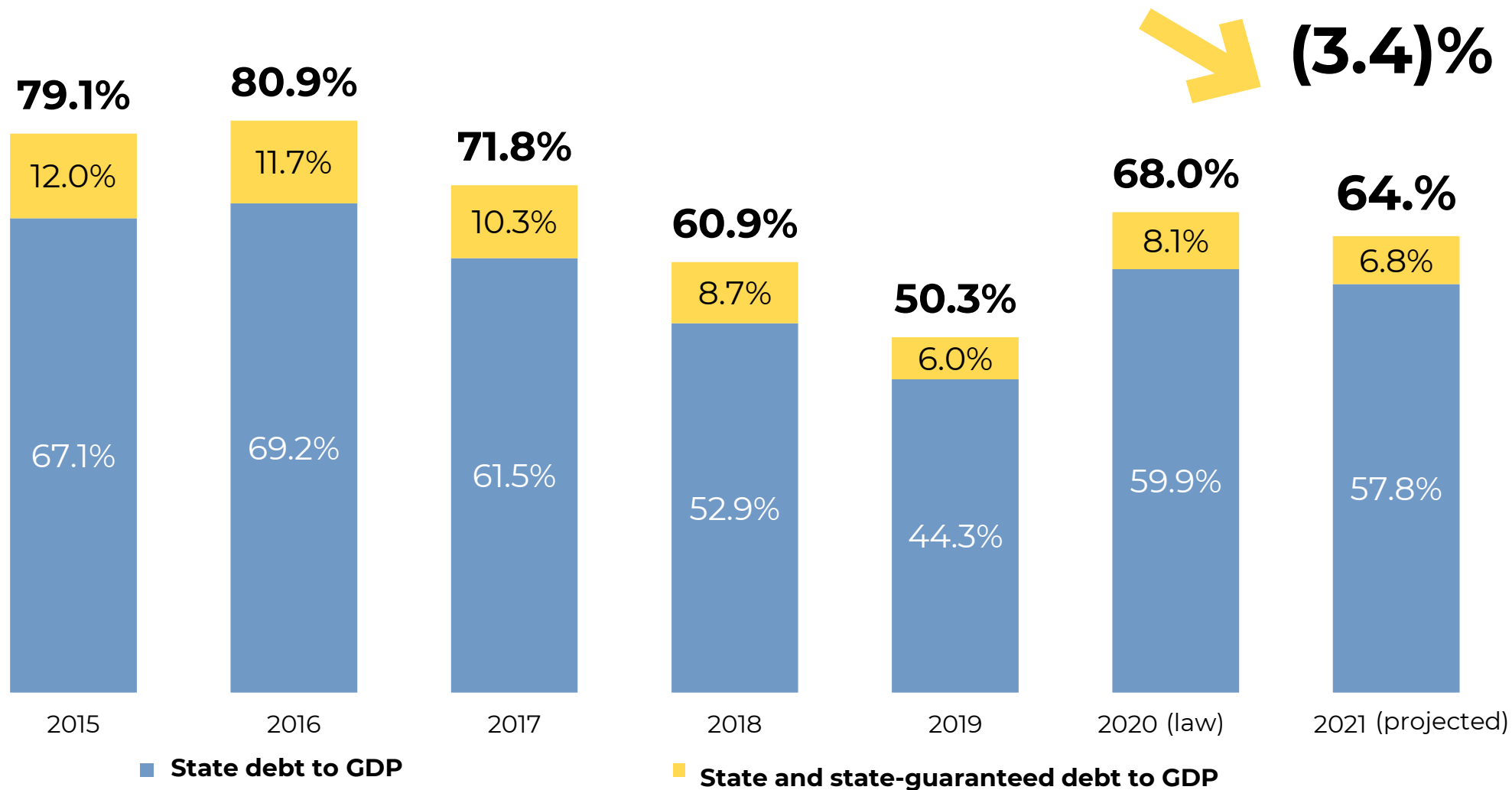
Direction of the budget funds	Effect	Amount of expenditure, UAH bln		
	Construction of highways	1,900 Km of roads	21.3	
	Support of the regional development projects (at cost of the State Fund for Regional development)		9.4	
	Construction, repair, reconstruction of education facilities ("Capable school for better results" program)	300 schools	1.0	
	Construction, repair, reconstruction of medical facilities ("Improvement of health care at service for people" project)	9 outpatient clinics and 3 cardio centers	0.6	
	Development of athletic infrastructure	11 athletic facilities	0.5	
	Construction and equipment of Center for provision of administrative services	50 CPAS	0.5	FOR THE FIRST TIME!
	Development of city building documentation	50 general plans of communities	0.1	FOR THE FIRST TIME! ²⁸



Dynamic of the State debt and State-Guaranteed Debt, % to GDP



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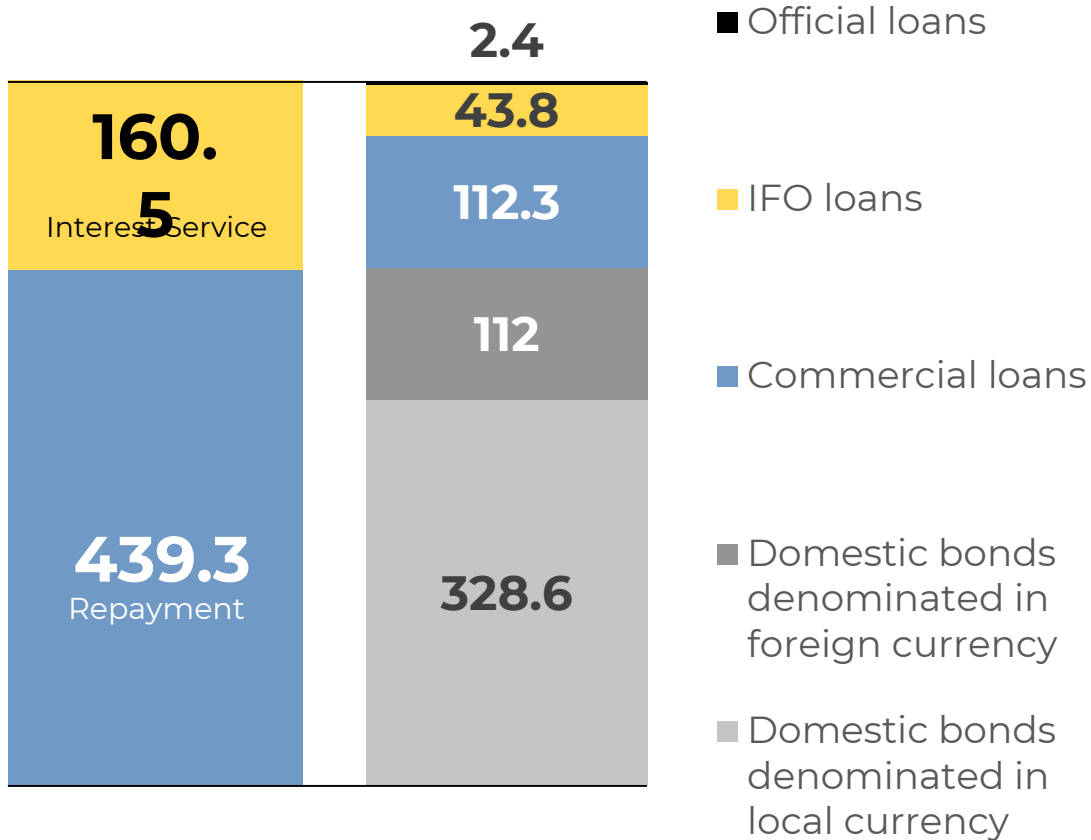
State Debt and Financing Sources of the General Fund of the Budget in 2021



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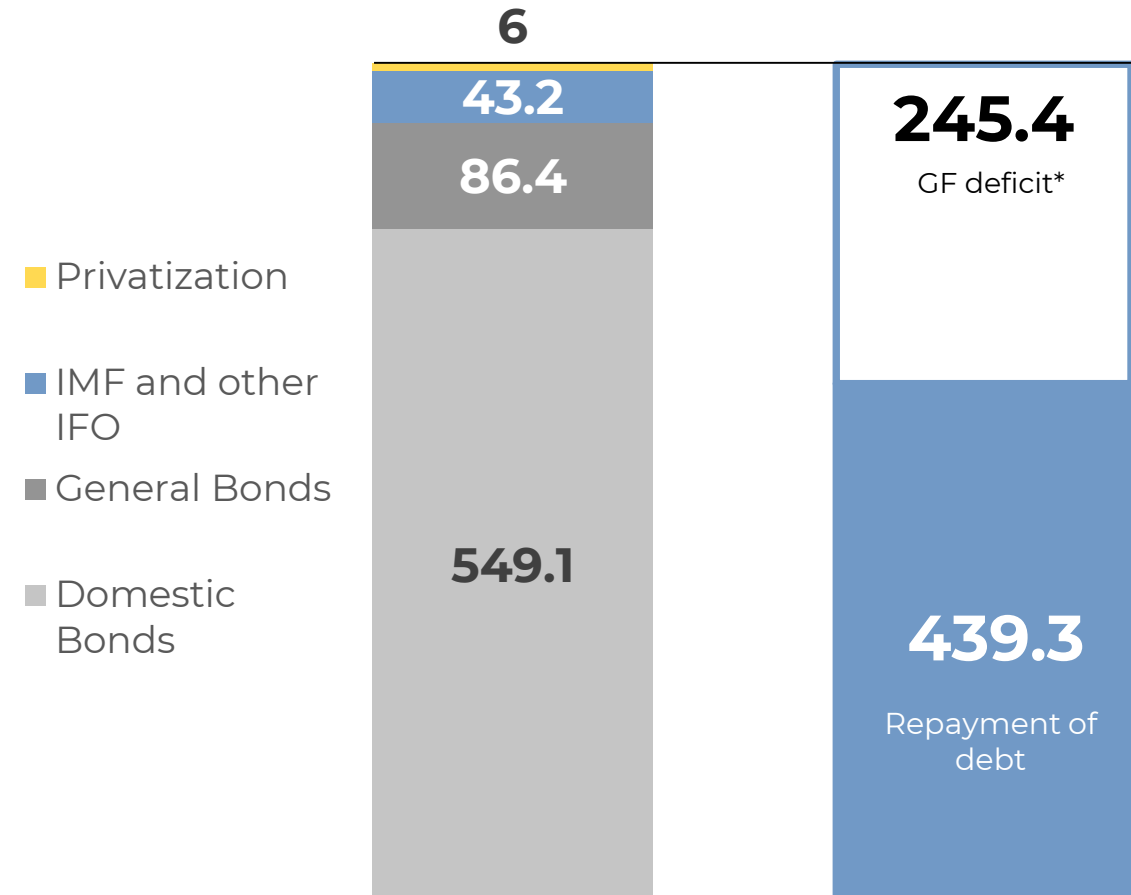
Expenditures on the state debt, UAH bn

599.8 UAH bn



Financing sources of the GF of the budget, UAH bn

684.7 UAH bn (+ 64.2 UAH bn compared to 2020)



* Deficit of the state budget, accounting for the special fund 30 is equal to UAH 270.4 billion



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2021