



Cabinet of Ministers  
of Ukraine



MINISTRY OF  
FINANCE OF  
UKRAINE

# HIGHLIGHTS OF THE DRAFT STATE BUDGET - 2020



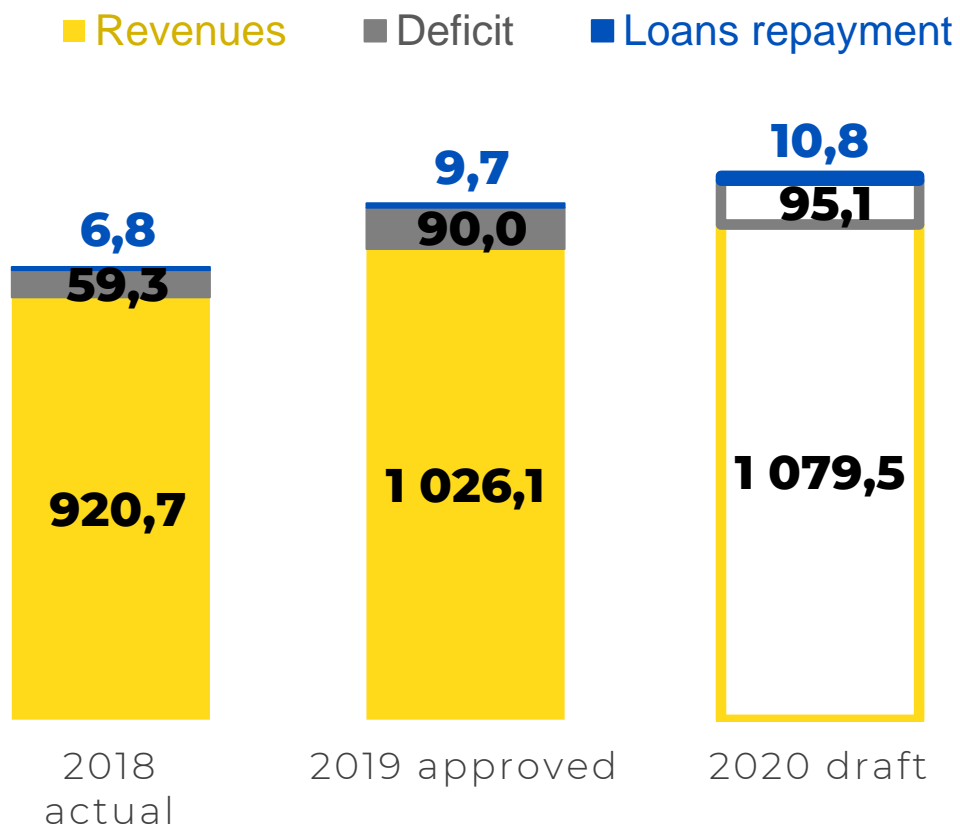
# KEY MACROECONOMIC ASSUMPTIONS

indicator	2018, actual	2019, estimate (as of 15.08.2019)	Forecast *		
			2020	2021	2022
GDP nominal, UAH billions	<b>3 558.7</b>	<b>4 014.7</b>	<b>4 551.7</b>	<b>5 069.9</b>	<b>5 617.3</b>
GDP real, % yoy	<b>3.3</b>	<b>3.0</b>	<b>3.3</b>	<b>3.8</b>	<b>4.1</b>
Consumer Price Index, % yoy	<b>9.8</b>	<b>7.4</b>	<b>6.0</b>	<b>5.7</b>	<b>5.3</b>
Producer Price Index, % yoy	<b>14.2</b>	<b>8.7</b>	<b>8.4</b>	<b>8.0</b>	<b>6.1</b>
Average monthly salary, UAH	<b>8 865</b>	<b>10 329</b>	<b>12 043</b>	<b>13 540</b>	<b>15 224</b>
Unemployment (WLO methodology), % of economically active population in 15-70 age	<b>8.8</b>	<b>8.6</b>	<b>8.1</b>	<b>8.0</b>	<b>7.9</b>
Exports of goods and services, % yoy	<b>9.7</b>	<b>7.3</b>	<b>7.6</b>	<b>6.9</b>	<b>7.1</b>
Imports of goods and services, % yoy	<b>12.6</b>	<b>7.1</b>	<b>8.0</b>	<b>7.1</b>	<b>7.3</b>

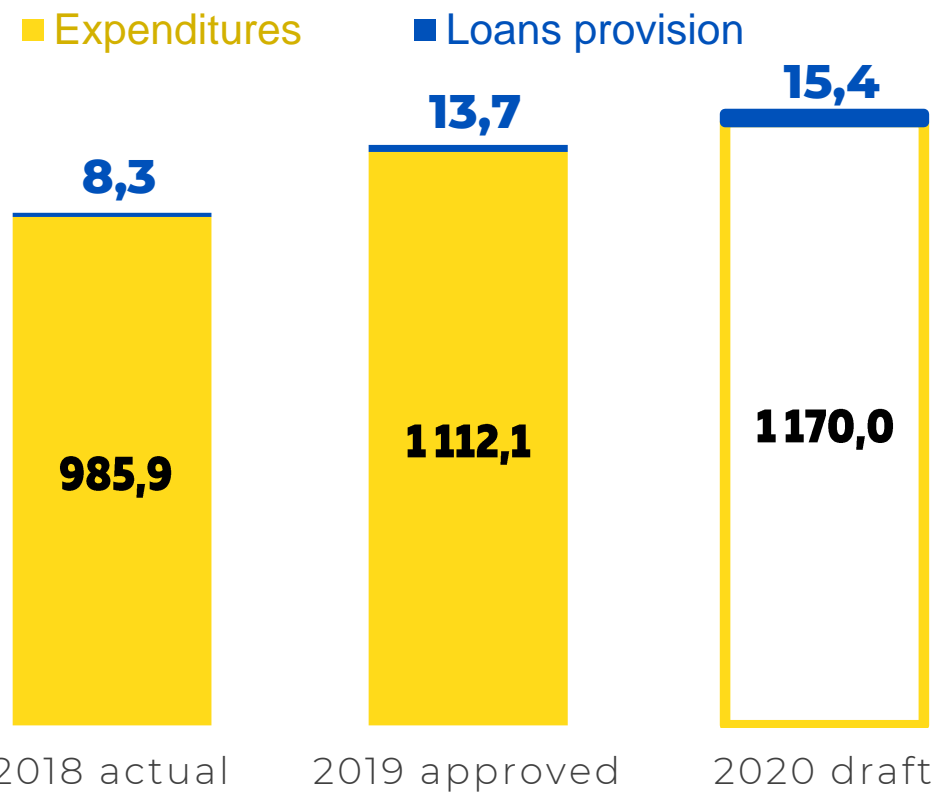
\* Approved by CMU Resolution of 15.05.2019 № 555

# STATE BUDGET. 2018-2020

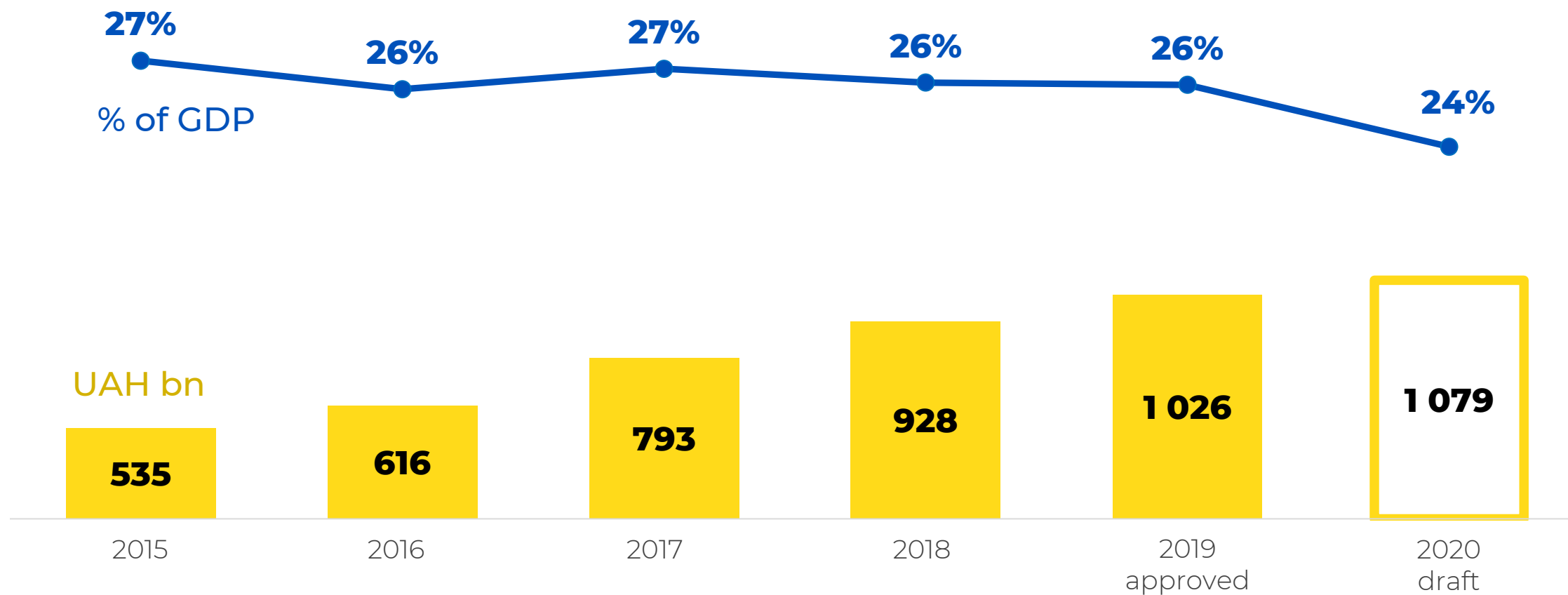
Revenues and deficit financing, UAH bn



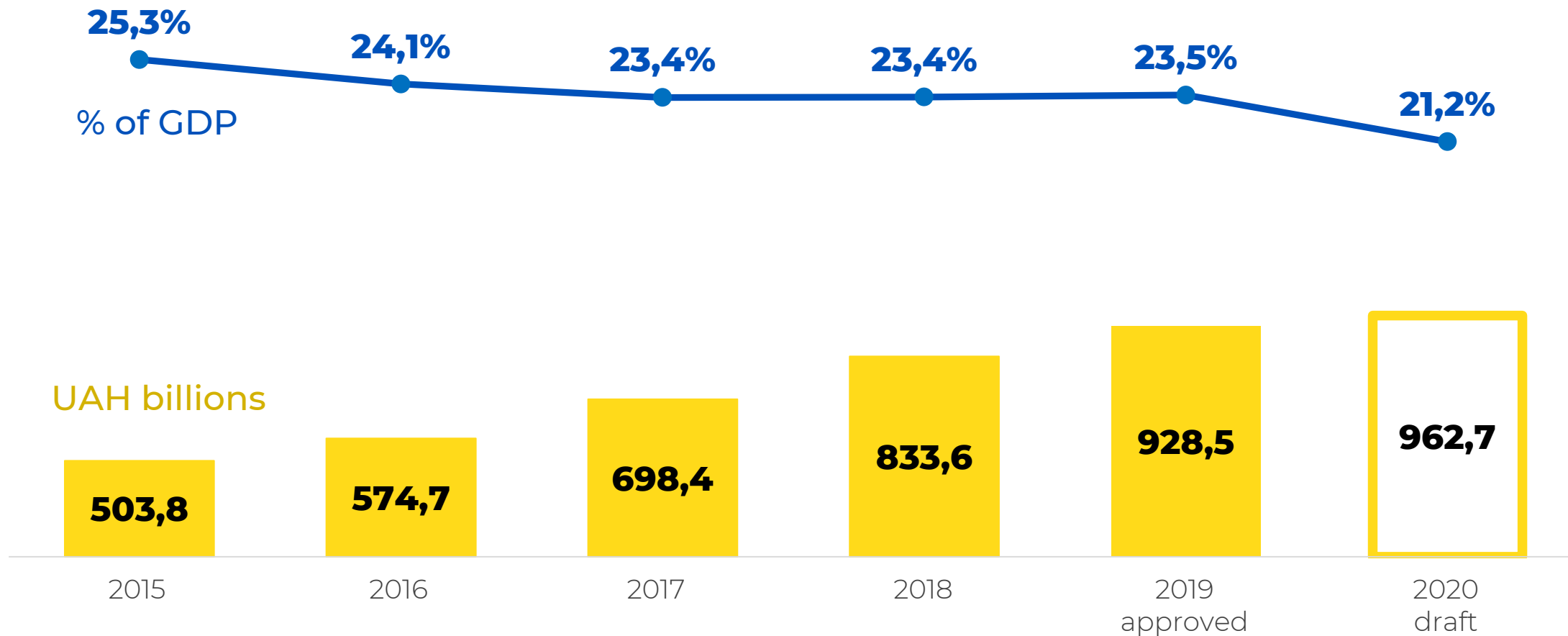
Spending, UAH bn



# STATE BUDGET REVENUES IN 2015-2020



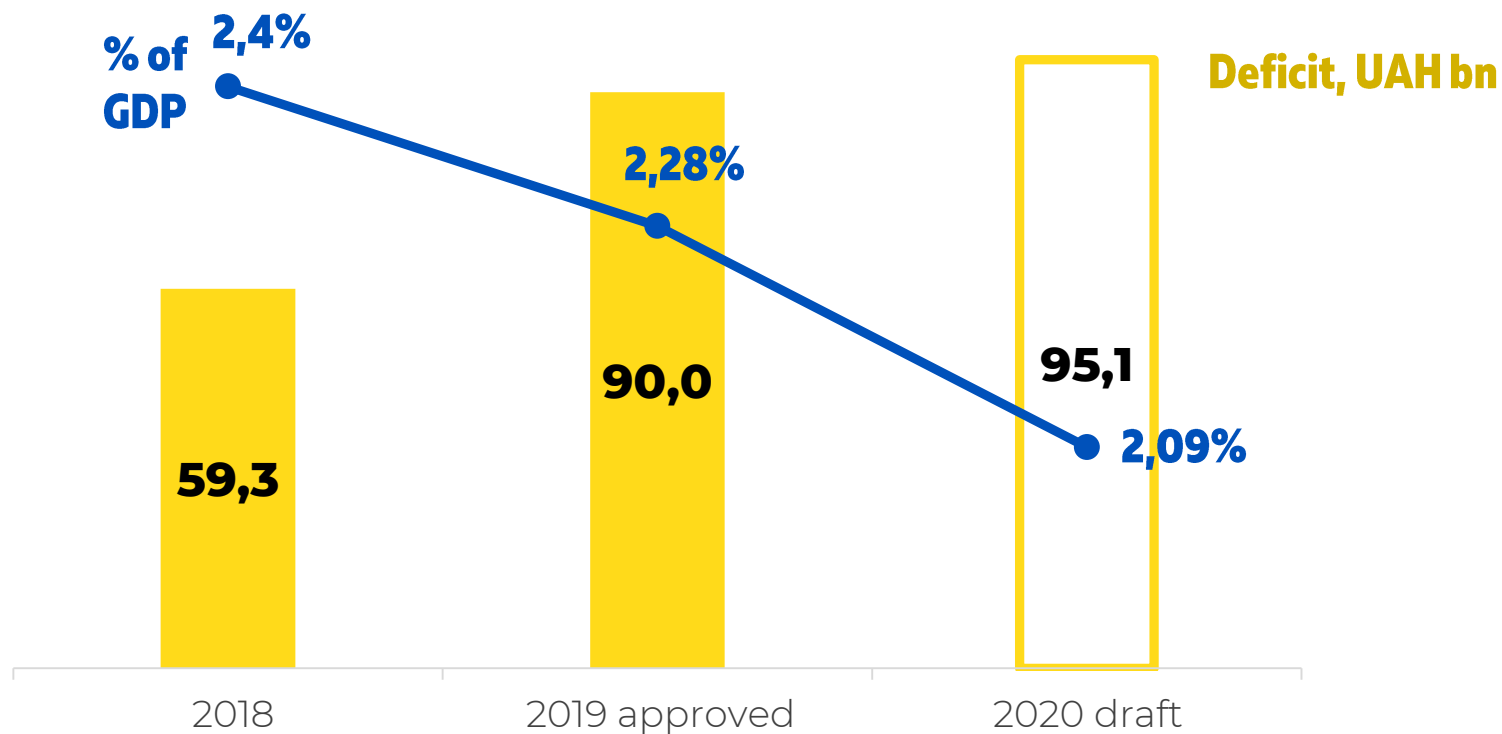
# GENERAL FUND OF THE STATE BUDGET REVENUES IN 2015-2020



# STATE BUDGET DEFICIT REDUCTION

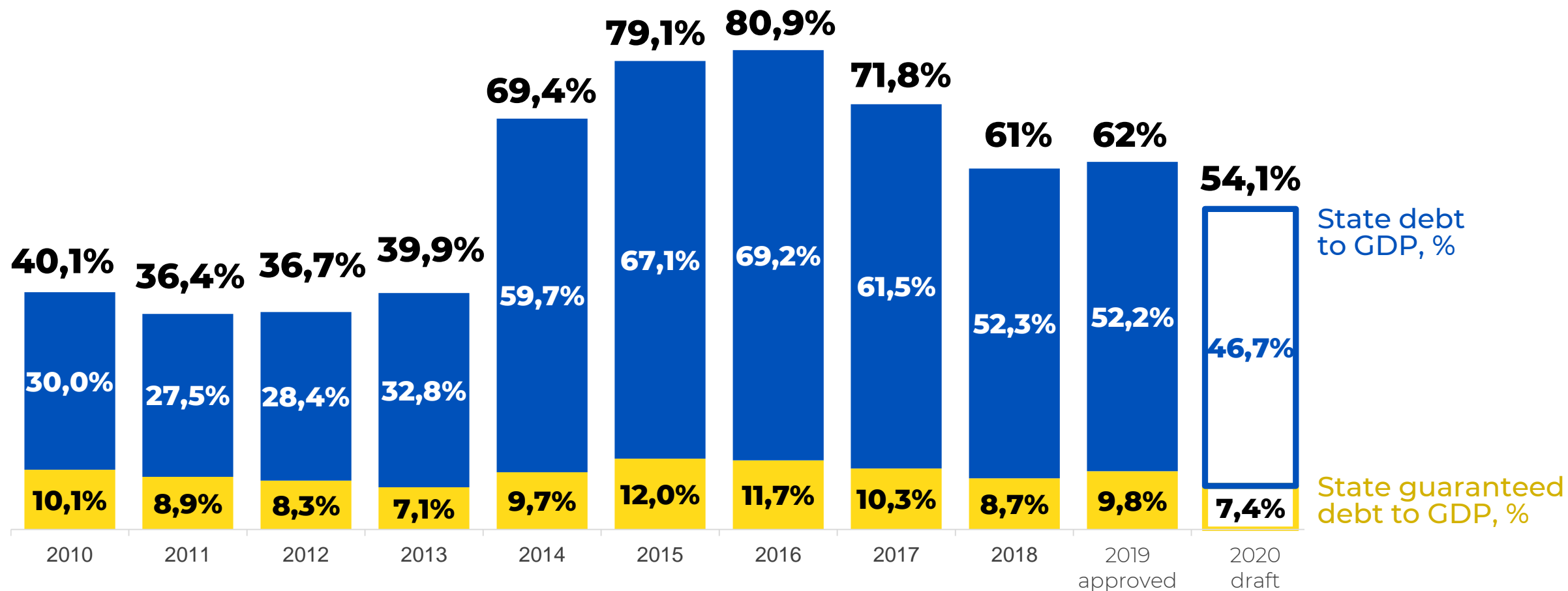


Further reduction of state budget deficit as % of GDP is planned for 2020



**Result of further fiscal consolidation – the country will live «by its own means»**

# STATE DEBT AND STATE GUARANTEED DEBT OF UKRAINE



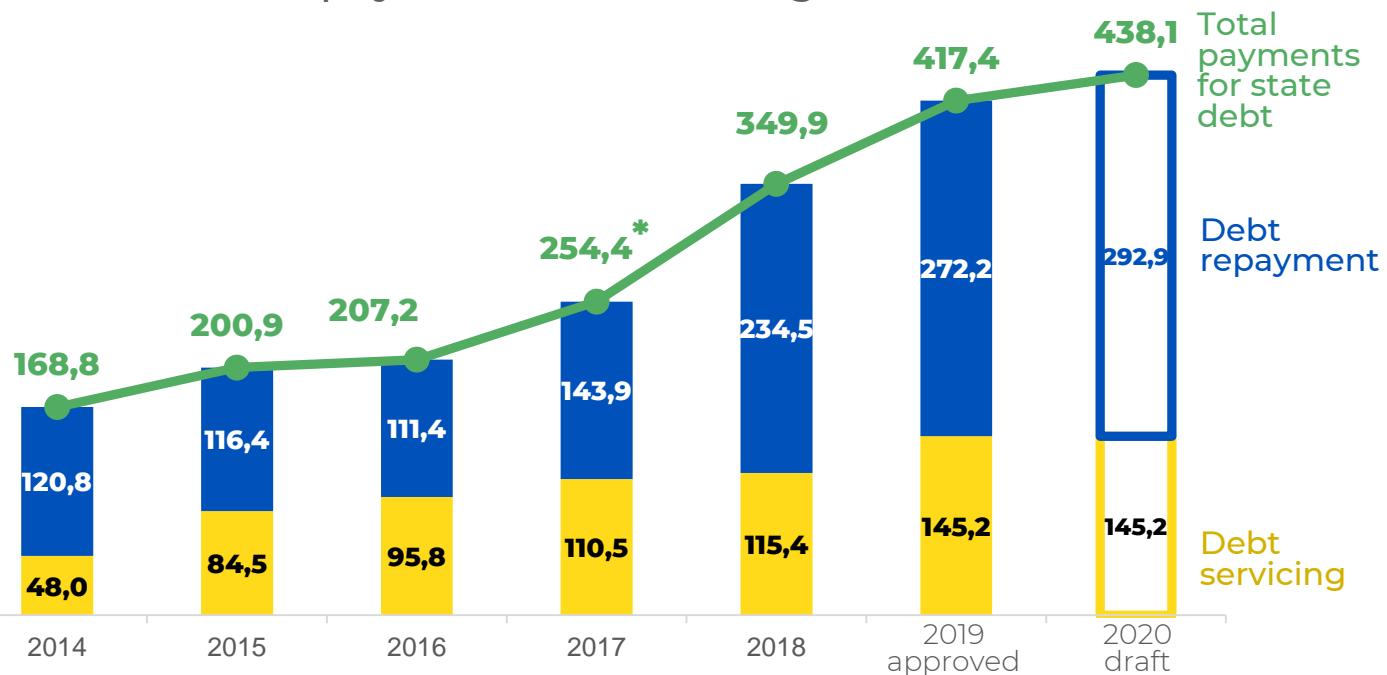
\* According to the approved state budget for 2019 and draft state budget for 2020

# DEBT BURDEN



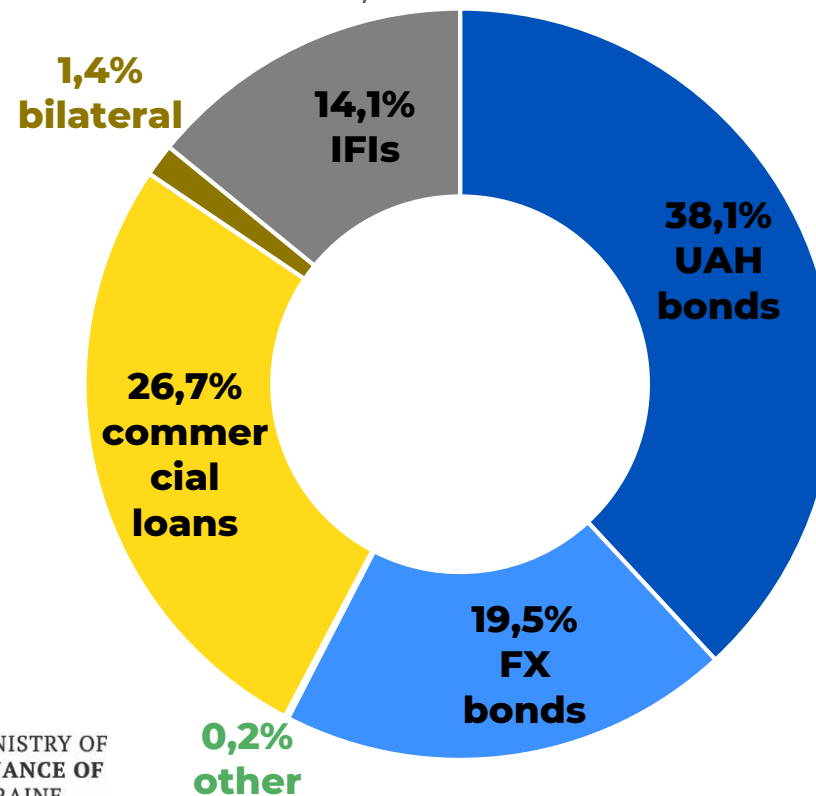
Total state debt payments in 2020 will be near **UAH 438.1 bn** (approx. **USD 14.9 bn**), including foreign currency payments of near **USD 9.2 bn**

State debt repayment and servicing, UAH billions



\* Excluding reprofiling of Government bonds held by the NBU

Payments for state debt in 2020 forecast, %

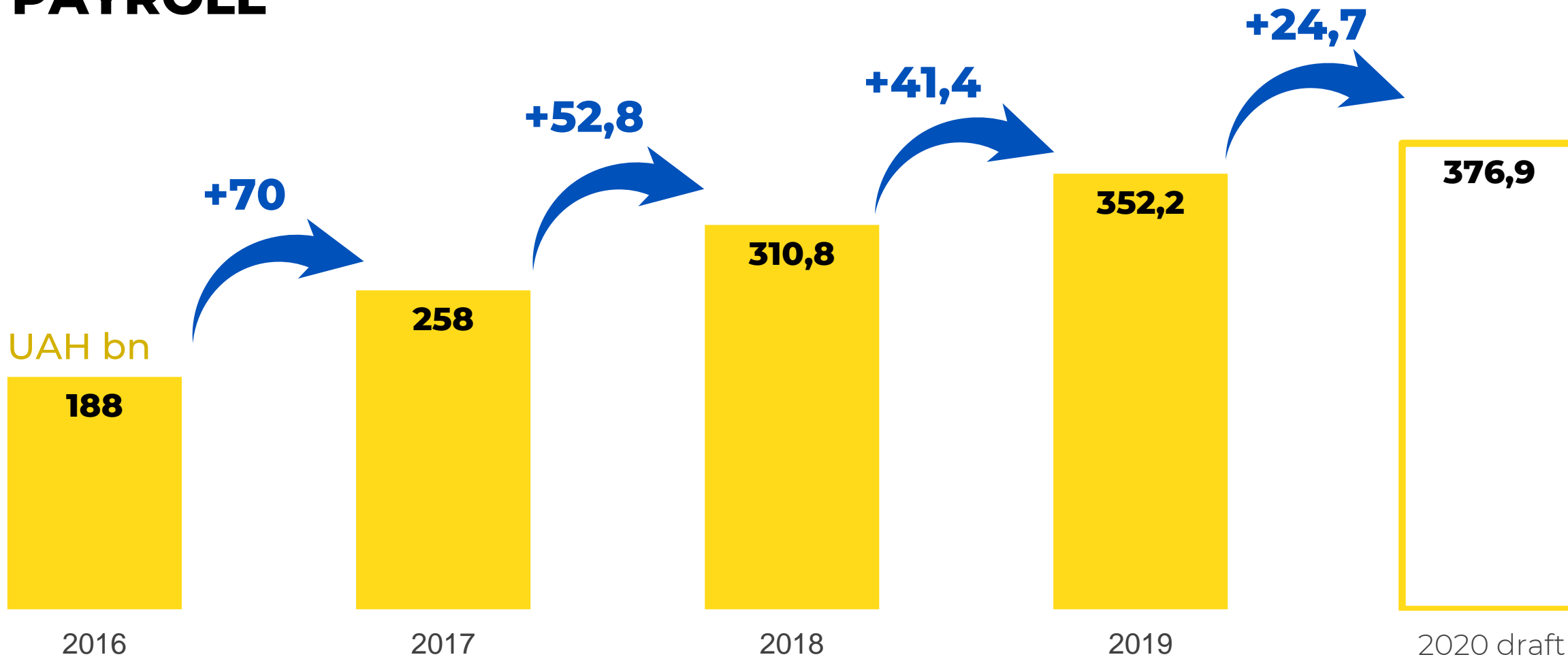




# MINIMUM WAGE AND BASE SALARY (TARIFF RATE) OF the 1<sup>st</sup> RATE of PUBLIC SECTOR EMPLOYEE

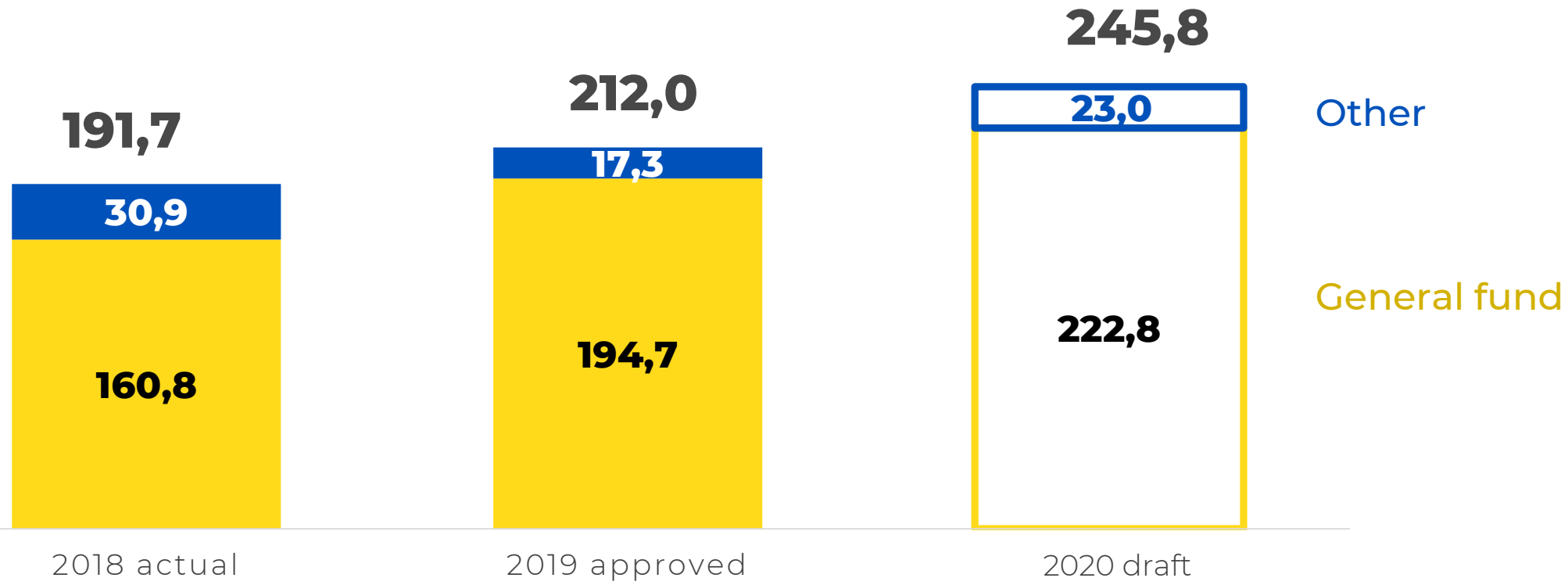
YEARS	OFFICIAL PAYMENT (TARIFF RATE) OF 1 <sup>ST</sup> CATEGORY EMPLOYEE	MINIMUM SALARY
2016	▸ 01.01.2016 – UAH 1 113	
	▸ 01.05.2016 – UAH 1 185	<b>+ UAH 72</b>
	▸ 01.12.2016 – UAH 1 335	<b>+ UAH 150</b>
2017	▸ 01.01.2017 – UAH 1 600	<b>+ UAH 265</b>
2018	▸ 01.01.2018 – UAH 1 762	<b>+ UAH 162</b>
2019	▸ 01.01.2019 – UAH 1 921	<b>+ UAH 159</b>
2020	▸ 01.01.2020 – UAH 2 102	<b>+ UAH 181</b>

# STATE BUDGET EXPENDITURES FOR WAGES AND PAYROLL

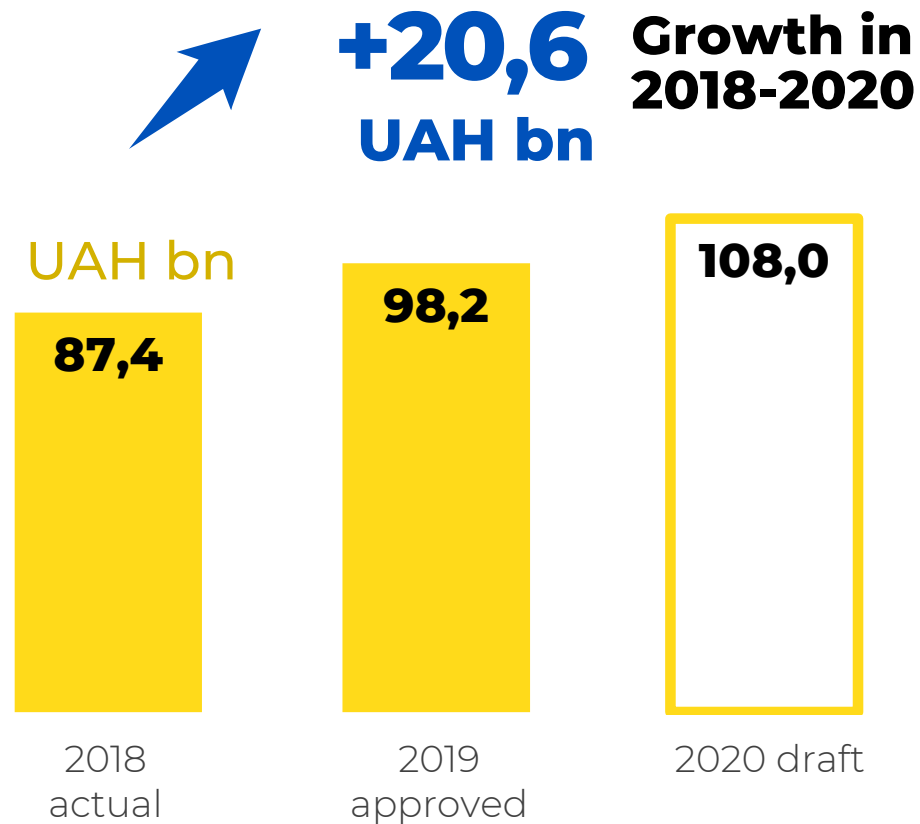


# EXPENDITURES FOR SECURITY AND DEFENSE

 **+62** General fund,  
2018-2020  
**UAH billion**



# PUBLIC HEALTHCARE (STATE BUDGET INCL. TRANSFERS)



## Strategic priorities:



Program of medical guarantees for all types of medical assistance

- ◆ primary healthcare
- ◆ emergency care
- ◆ secondary healthcare
- ◆ palliative medical assistance and medical rehabilitation
- ◆ reimbursement of medicines

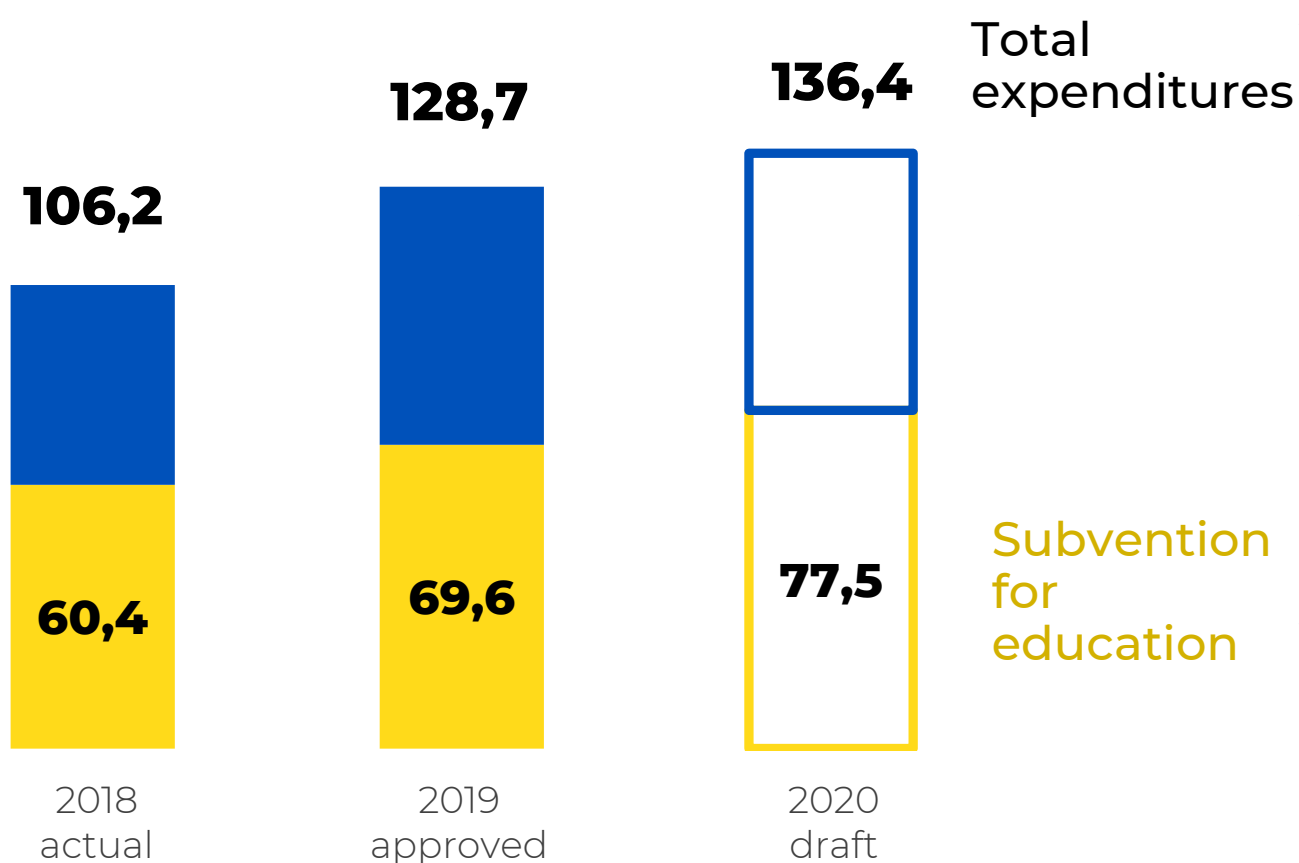
Development of emergency system

Creation of capable and efficient public health system



# Expenditures for education, 2018-2020

Expenditures incl. subventions, UAH bn



## Financing of priorities in education reform

- ◆ Subvention for education (teachers and employees of inclusive resource centers' salaries) – **UAH 77.5 bn**
- ◆ Support for New Ukrainian School – **UAH 1.4 bn**:
  - ◇ Modern equipment and furniture for primary school – **UAH 1.1 bn**.
  - ◇ Capacity building for teachers – **UAH 361,3 m**
- ◆ Inclusive education (additional classes for correction and development, special equipment and supplies for disabled) – **UAH 504,5 m**

# CULTURAL DEVELOPMENT

Financing priorities:



**1.3**  
UAH bn

Support to cinematography and Ukrainian cultural foundation projects



**0.1**  
UAH bn

Support to book publishing and popularization of Ukrainian book in the world, support for the Ukrainian book institute



**0.5**  
UAH bn

Construction of cultural facilities of national importance



**0.4**  
UAH bn

Preservation of national cultural heritage, incl. UNESCO world heritage



**2.0**  
UAH bn

Support to the National TV and radio company

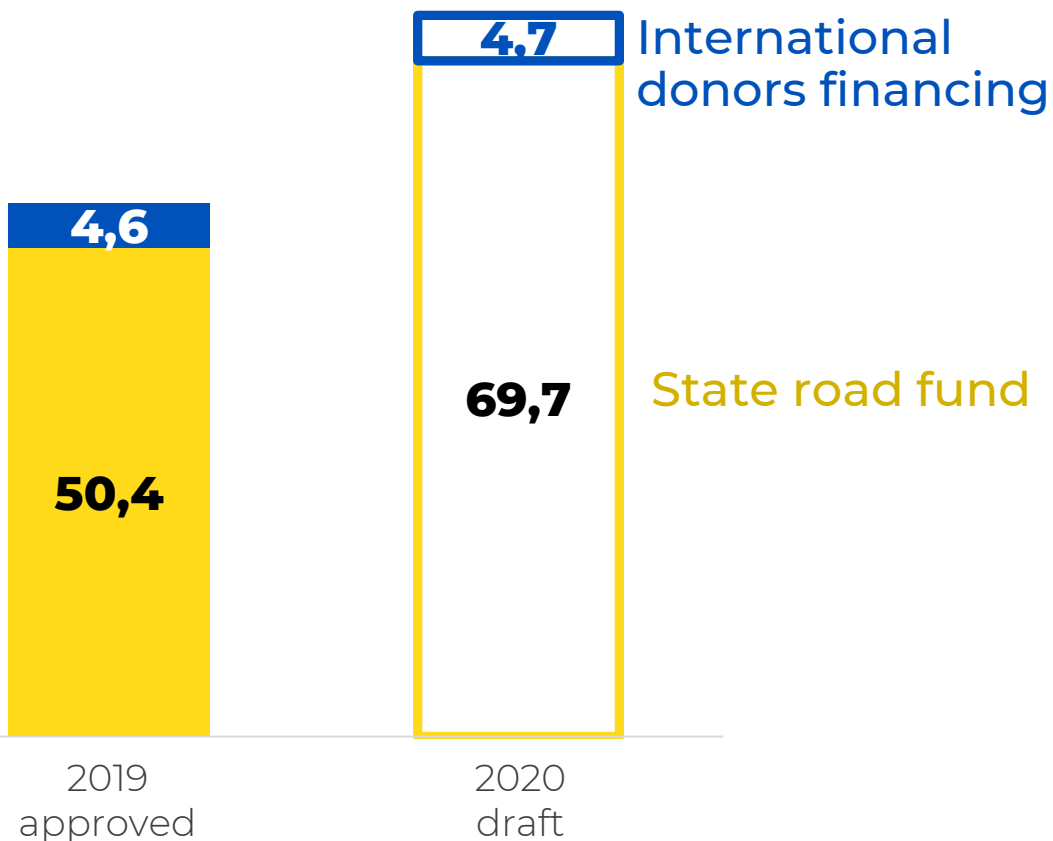


**1.4**  
UAH bn

Support for National theatres

# ROAD INFRASTRUCTURE DEVELOPMENT

Expenditures and financial sources in **2020**,  
UAH bn



State road fund expenditure priorities:

- ◆ Maintenance and development of network of roads of national importance – **UAH 38.0 bn**;
- ◆ Construction, reconstruction, repair and maintenance of roads of local importance and in municipalities (subvention from state budget to local budgets) – **UAH 22.2 bn**;
- ◆ Road and traffic safety, within state programs – **UAH 3.2 bn**;
- ◆ Repayment and servicing of loans taken and guaranteed by state for road network development – **UAH 6.3 bn**

# SUPPORT FOR AGRICULTURE



In order to launch agricultural land market in 2020, a new facility is planned to allow small and medium-sized farmers to take “cheap” loans for buying agricultural land



4.4

UAH  
bn

2020 budget provision to support the launch of agricultural land market reform



# ENERGY INDEPENDENCE

Reform of coal mining industry in 2020, UAH bn



Energy efficiency



The Energy efficiency Fund

Support for implementation of Ukraine's Energy Strategy until 2035

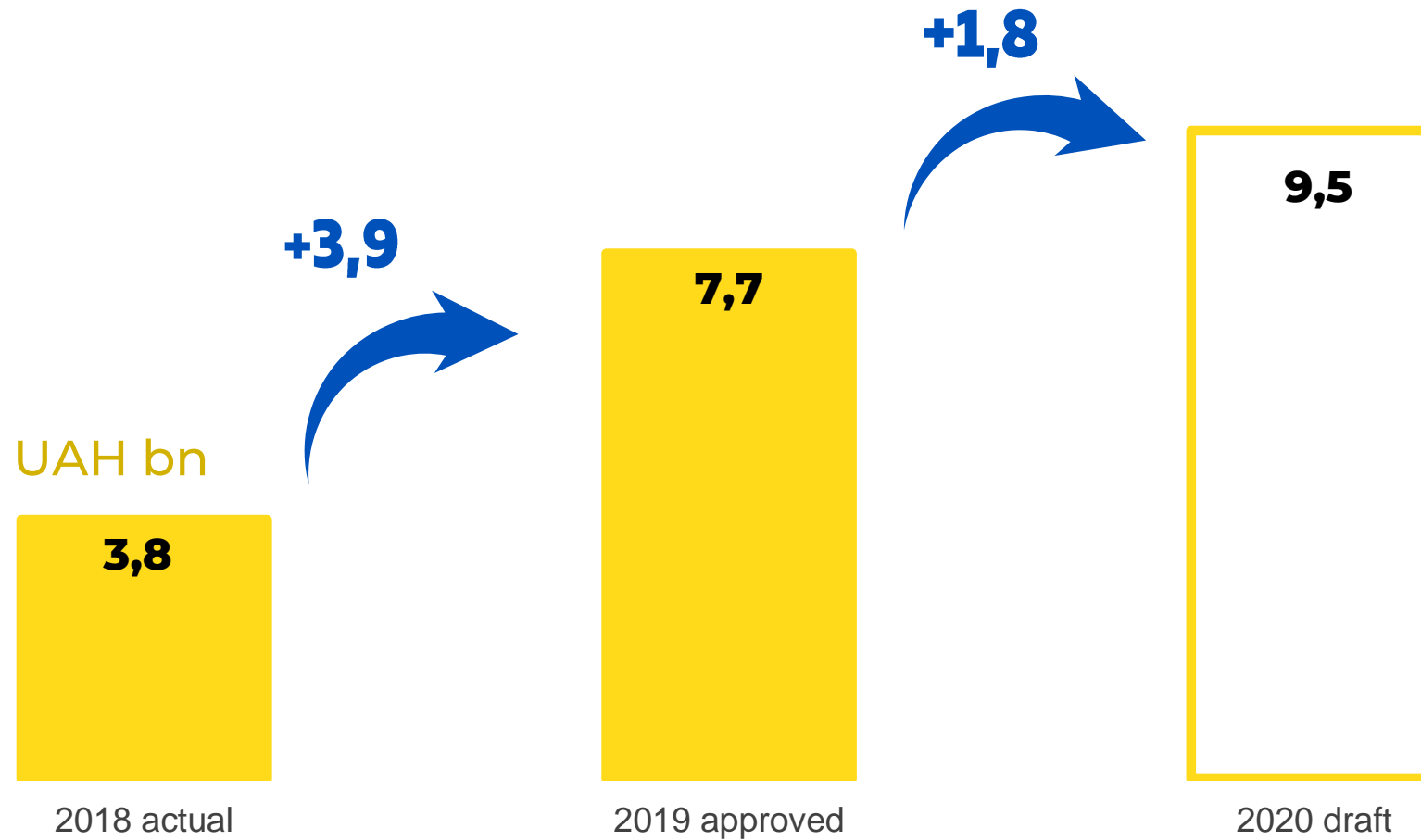


Budget support from the European Union



"Warm" loans

# STATE FUND FOR REGIONAL DEVELOPMENT



# LOANS TAKEN BY THE STATE FOR INVESTMENT PROJECTS

Total planned for 2020 – UAH 22 662 млн грн

**7 353,3 - IBRD**



**2 511,1 - EBRD**



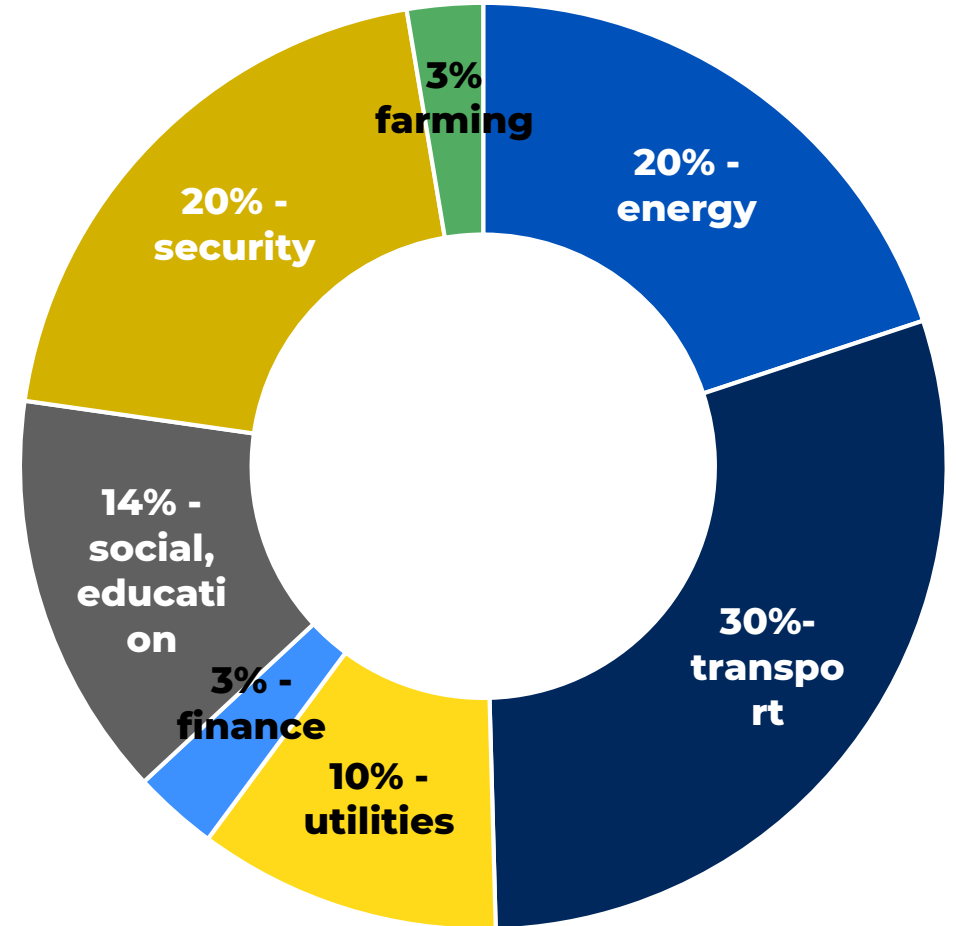
**6 137,6 - EIB**



**1 534,7 - KfW**



**5 125,3 - governments**





MINISTRY OF  
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[infomf@minfin.gov.ua](mailto:infomf@minfin.gov.ua)



+38 (044) 201-56-30