



MINISTRY OF
FINANCE OF
UKRAINE

BUDGET DECLARATION FOR 2022–2024

(in accordance with the Article 33
of the Budget Code of Ukraine)





PRIORITIES



to stimulate development of Small and Medium-Sized Enterprises



to strengthen Defense and Security of the state



to promote agrarian industry development



to provide clean and safe environment, preserve and restore natural ecosystems



to improve administrative services and their digitalization, to promote informatization of society, IT business development, to improve digital literacy of Ukrainians



to strengthen energy independence



to provide effective social support and pensions



to provide good quality education



to provide access to the basic medical services



to increase public finances transparency

PURPOSE



In the medium term, the Government's efforts will be focused on keeping the macroeconomic stability and accelerating the economy to overcome the negative impacts of COVID-19





KEY MACROECONOMIC FORECAST INDICATORS



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Indicator	2022	2023	2024
Nominal GDP, UAH bn	5,371.6	5,994.6	6,651.7
Real GDP,% y-o-y	3.8	4.7	5.0
CPI change,% y-o-y	6.2	5.3	5.0
PPI change,% y-o-y	8.0	6.1	5.7
Average monthly salary, UAH	15,423	17,159	19,063
Unemployment rate, %% y-o-y	8.5	8.0	7.8
Export of goods and services, % y-o-y growth	6.5	7.7	7.9
Import of goods and services, y-o-y growth	9.2	9.4	8.6



STATE BUDGET INDICATORS ENVISAGED BY BUDGET DECLARATION FOR 2022-2024



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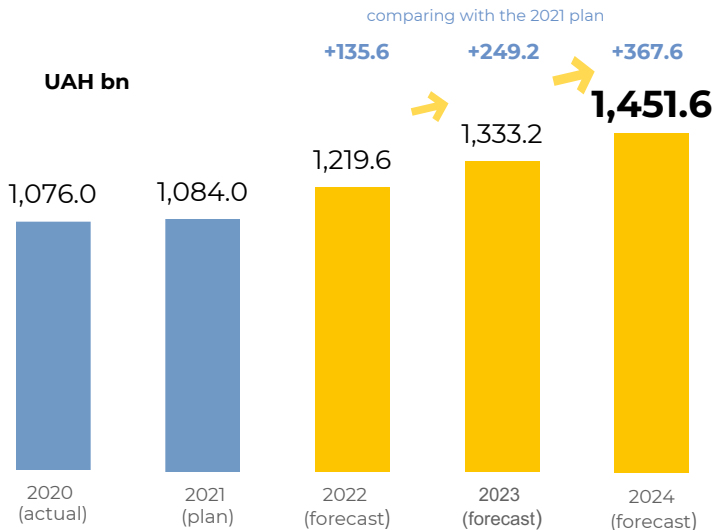
	2020 (actual)	2021 (plan)	2022 (forecast)	2023 (forecast)	2024 (forecast)
State budget revenues, UAH bn	1,076	1,084	1,219.6	1,333.2	1,451.6
Share in GDP, %	25.7	24.1	22.7	22.2	21.8
State budget expenditures, UAH bn	1,303.2	1,339.3	1,417.7	1,522.9	1,641.5
Share in GDP, %	31.1	29.7	27.4	25.4	24.7
State budget financing, UAH bn	217.6	246.6	188.0	179.8	179.6
Share in GDP, %	5.2	5.5	3.5	3.0	2.7
Repayments of loans, UAH bn	9.5	8.6	10.0	9.9	10.3
Share in GDP, %	0.2	0.2	0.2	0.2	0.2



REVENUES OF THE STATE BUDGET



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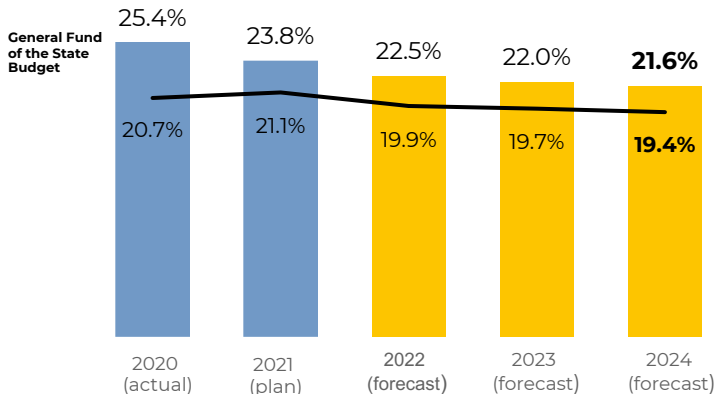
REDISTRIBUTION OF GDP THROUGH STATE BUDGET REVENUES

(excluding inter-budgetary transfers)



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Reducing redistribution of GDP means that more funds remain with businesses and citizens





Improvement the excise tax administration tools



Gradual harmonization of excise tax rates on tobacco products with the level provided by the EU directive



Introduction of E-excise for alcoholic beverages and tobacco products



Harmonization of the provisions of the national VAT legislation with the provisions of the EU legislation



Implementation of the BEPS standards, accessing the procedure of automatic tax information exchange according to the international standards



Negotiating international agreements on avoiding the double taxation with Liechtenstein, Hong Kong, France, Montenegro and Japan



The priority of Tax Policy for 2022 - 2024 is to increase the efficiency and facilitate taxes administration while minimizing opportunities for overuse, ensuring correspondence of tax rates with inflation in the economy





UAH30 bn

annually



**Amendments to the Tax Code of Ukraine
provide for the following :**



Bringing the absolute values of tax rates in line with
the actual level of macroeconomic indicators



Improving the efficiency of the use of
mineral recourses fee and excise tax



Counteracting frauds and non-return of foreign
exchange earnings



Improving the completeness of tax payments and
the efficiency of tax debt administration



establishing the most transparent and clear rules, harmonized with legislation of the EU and international organizations



balancing simplifications of procedures in foreign trade with ensuring proper supervision of compliance with the customs legislation



improving organizational and functional structure of the State Tax Service



motivation of customs officers



user-friendly and reliable electronic customs services



modernization and reconstruction of customs infrastructure facilities, providing customs with modern technical means of customs control



The Customs Policy priority for 2022 - 2024 is to build in the State Customs Service an effective model of customs policy measures implementation and to implement the best international practices, improve existing procedures, establish institutional renewal processes and develop functional capacity





UAH 100_{bn}



Funds to be distributed in accordance with the Program of the President of Ukraine, the Goals and Priorities set by the Action Program of the Cabinet of Ministers of Ukraine, the other program documents of economic and social development, incl. the National Economic Strategy 2030





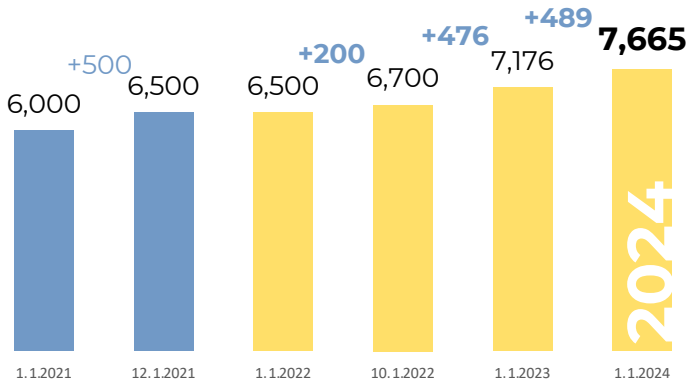
MINIMUM WAGE IN 2022-2024



МІНІСТЕРСТВО
ФІНАНСІВ
УКРАЇНИ



The planned gradual increase in the minimum wage based on the real capabilities of the economy, UAH





UAH 943 bn

UAH 195.3 bn (in 2022-2024)



The expenditures of the state budget on the Pension Fund

11.1 million of pensioners



Social protection of the internally displaced people



Social protection of persons affected by the Chornobyl disaster



Social protection of persons with disabilities, incl. children



Social support of Anti-Terrorist Operation / Joint Forces Operation participants

UAH 319.7 bn

Social aid payments

(3.1 million people)

Allowances **(1.7 million people)**

Subsidies **(2.5 million people)**





UAH 549_{bn}



Primary healthcare

The population share with a declaration signed with a family doctor in 2024 is 95.8%

Including transfers



4% of GDP



Outpatient, inpatient secondary (specialized)

and tertiary (highly specialized) medical care, incl. priority services and conditions



Urgent healthcare care that can provide timely, high-

quality and effective response to emergent conditions



Palliative care and medical rehabilitation



Reimbursement of the cost of pharmaceuticals for the number of patients who will receive medicines at the expense of the state budget or with a small surcharge



COVID-19 vaccines procurements





UAH556 bn
with transfers



Support to the "New Ukrainian School"



Academic scholarships



Social scholarships



Reintegration of young people from
the occupied territories



Inclusive education



UAH 41 ^{bn}



grant-based support for research project



researches at the Vernadsky Research Base
Antarctic station



researches performed by the young scientists



research infrastructure development



science in universities



scientific researches in the National Academy of
Sciences and the National Sectoral Academies of
Sciences





UAH 21_{bn}



State support to theaters and artistic teams



Museums and libraries



Projects support by the Ukrainian Cultural Foundation



State support of cinematography



Preservation of cultural heritage



Construction of objects of national importance



Improvement of the touristic potential of Ukraine



UAH 2.2 ^{bn}



Introduction of electronic interaction between electronic registers, and registers' optimization



Ensuring access to high-speed Internet for social infrastructure institutions, local governments and citizens



Reliable information protection in the public electronic registers, and an effective system to counteract cyber threats



Transfer of popular public services into e-format



Development of Internet access networks, creating conditions for the 4th and 5th generation mobile networks expansion



Development of the Administrative Services Centers network



Creating conditions for the development of IT business and other sectors of the creative economy



1

Compensation of loans interest payments for small and medium sized enterprises (Affordable Loans 5-7-9%)

The Enterprise Development Fund Guarantees (replenishment of the authorized capital of the Entrepreneurship Development Fund in 2020)

13.3
UAH bn



- Expansion of small and medium sized businesses
- Creating new and preserving existing jobs
- Reducing migration abroad and returning migrant workers to Ukraine
- Creating new businesses
- Business support during the quarantine period and the post-quarantine period



2

Portfolio guarantees

10
UAH bn
ANNUALLY



- Facilitating SMEs' access to financial resources by partially guaranteeing their debt obligations by the state





UAH 13.5_{bn}

**general fund
of the State Budget**



>9000

Businesses will receive assistance



Cheaper purchase of agricultural machinery and equipment



Cheaper loans



Farms' development



Development of animal production



Development of horticulture, viticulture and hop growing



Cheaper insurance payments



State support for the development of land reclamation



In addition, support will be continued through the program 5-7-9% (about 50% of loans under the program)



UAH 240.6 _{bn}



development and maintenance of the network of state and local roads, public roads



ensuring road safety



execution of debt obligations on state guaranteed borrowings for the road network development





UAH109.4_{bn}



Elaboration of plans for the spatial development of territories



Providing quality public services to the population with maximum proximity to the place of residence



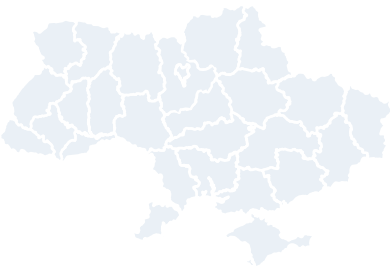
Supporting territorial communities in maintaining educational and health care institutions



Improving and developing the infrastructure of territorial communities for economic growth and a better life



Implementing projects under the Ukrainian Recovery Programme.





UAH 903^{bn}



**not less than
5% of
GDP annually**



creation and development of production of new models of armaments and production of new weapons and military equipment for the Armed Forces of Ukraine, other military formations and law enforcement agencies



increasing the level of remuneration for servicemen, and police officers



development of security and defense sector on the principles and standards of the NATO



building the capacity of the Armed Forces of Ukraine and other agencies of the security and defense sector to deter, sustain and repel armed aggression against Ukraine, and counter the hybrid threats



an appropriate level of combat training of troops



development of the intelligence capabilities



strengthening cyber-security, counterintelligence protection and counterterrorism



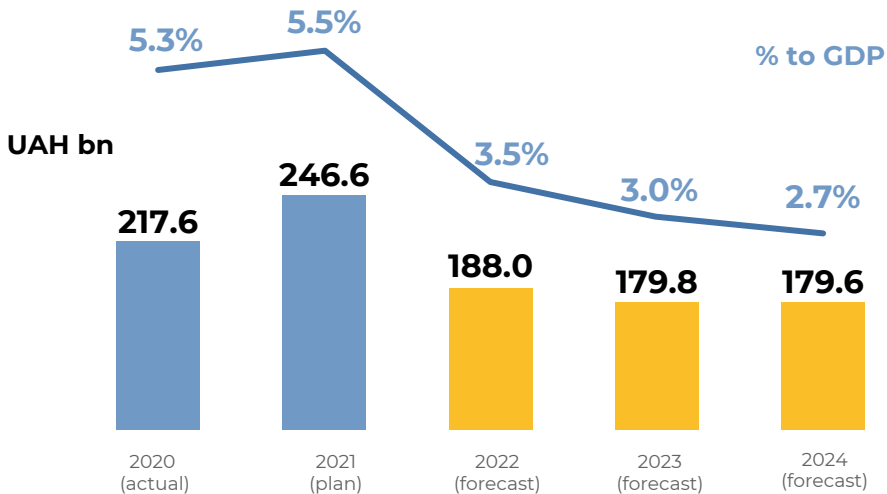
safe environment for people, protection of human rights and freedoms, prevention of emergencies and fires



STATE BUDGET DEFICIT

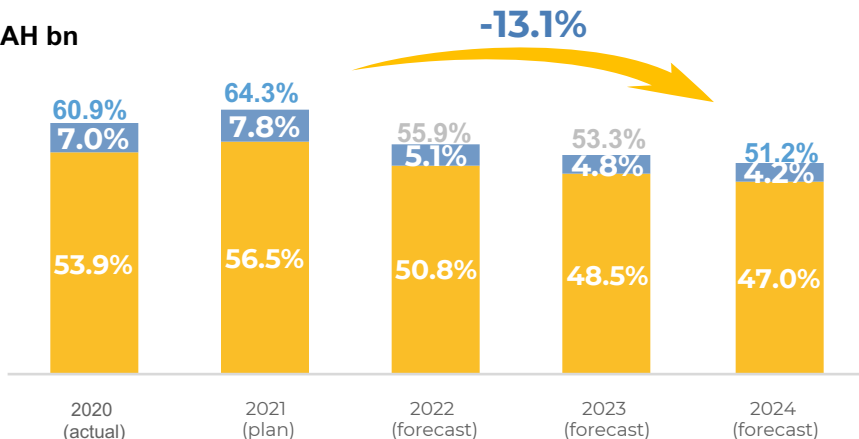


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UAH bn



* Incl. the limit for state guarantees for 2020 agreed with the IMF in the amount of UAH 40 billion



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