



MINISTRY OF  
FINANCE OF  
UKRAINE

# GS Ukraine Webinar

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September 16, 2021

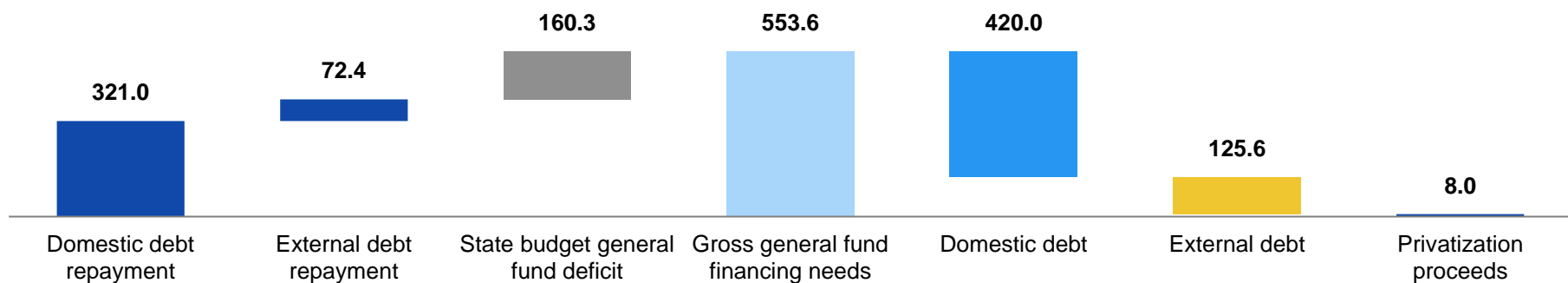


# 2022 draft budget law continues ongoing fiscal consolidation...

## 2022 draft state budget law

	2020	2021	2022
	<i>Actual</i>	<i>Law<sup>1</sup></i>	<i>Draft Law<sup>2</sup></i>
<b>(i) Revenues</b>	<b>1,076.0</b>	<b>1,097.5</b>	<b>1,267.4</b>
<i>as % of GDP</i>	25.7%	22.8%	23.6%
<b>(ii) Expenditures</b>	<b>1,288.1</b>	<b>1,335.2</b>	<b>1,441.9</b>
<i>as % of GDP</i>	30.7%	27.8%	26.9%
<b>(iii) Net lending</b>	<b>5.5</b>	<b>9.2</b>	<b>13.5</b>
<i>as % of GDP</i>	0.1%	0.2%	0.3%
<b>Overall state budget deficit</b>	<b>217.6</b>	<b>246.8</b>	<b>188.0</b>
<i>as % of GDP</i>	5.2%	5.1%	3.5%

## 2022 state budget general fund financing, UAHbn



Source Ministry of Finance of Ukraine, Verkhovna Rada of Ukraine

Notes 1 As of July 2021 (based on the monthly budget execution report of the State Treasury Service of Ukraine)

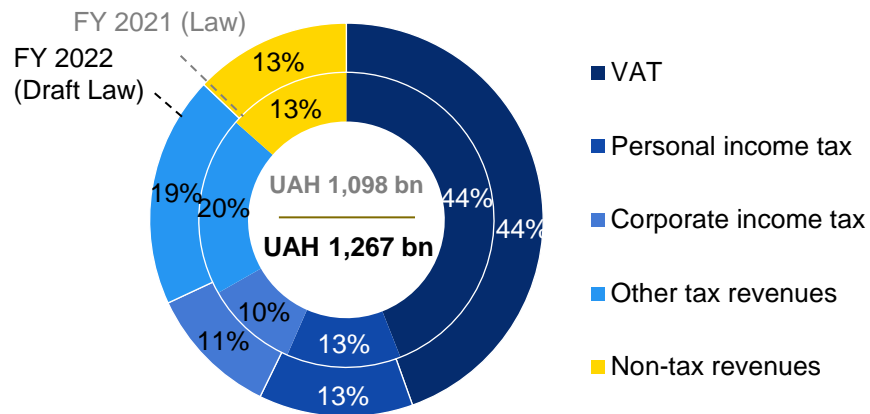
2 As of September 15, 2021

# ...with a focus on social welfare, healthcare, and economic activity expenditures

## 2022 draft state budget law

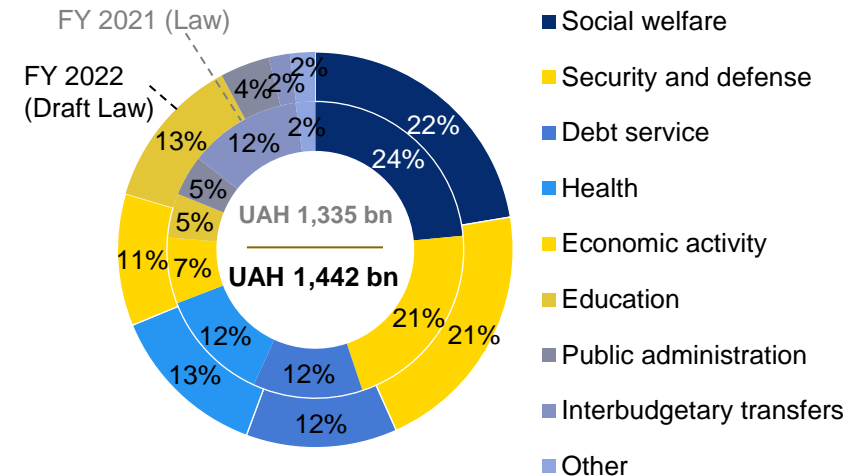
### 2022 vs 2021 state budget revenues split<sup>1</sup>

2022 state budget revenues: UAH 1,267bn



### 2022 vs 2021 state budget expenditures split<sup>1</sup>

2022 state budget expenditures: UAH 1,442bn



### Key indicators of 2022 Draft State Budget Law:

- ▶ **Total revenues:** UAH 1,267bn (+15%)
- ▶ **Total expenditures:** UAH 1,442bn (+8%)
- ▶ **Budget deficit:** UAH 188.0bn / 3.5% of GDP in 2022 (per government's forecast of UAH 5,369bn GDP in 2022)

Source Ministry of Finance of Ukraine, Verkhovna Rada of Ukraine

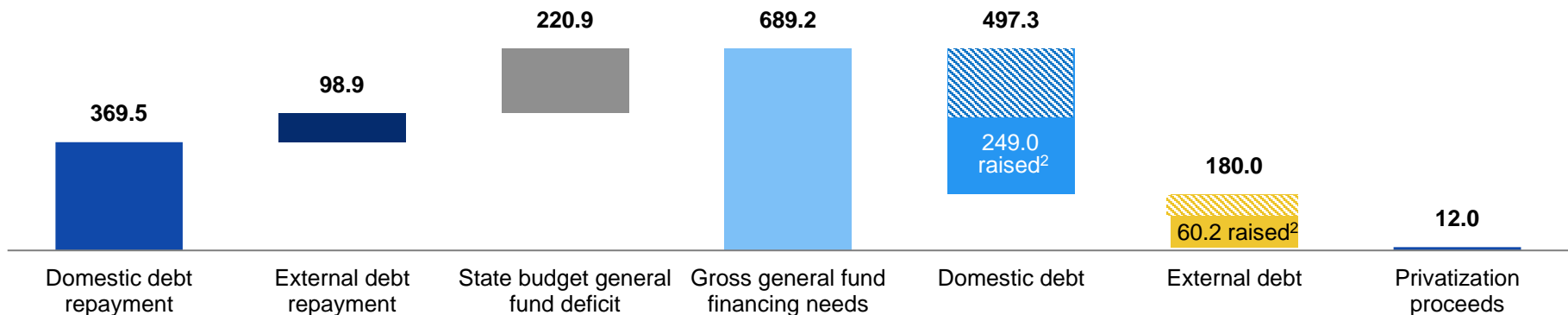
Notes 1 According to Draft State Budget Law 2022 (as of Sep 2021) and State Budget Law 2021 (as of Jul 2021)

# Strong state budget execution to date

## Jan-Aug 2021 state budget execution

UAHbn	Jan-Aug 2020	Jan-Aug 2021	% diff.	FY 2021 (Law as of Jul)	% execution
Revenues	688.7	820.6	+19%	1,097.5	75%
Expenditures	(727.0)	(828.4)	+14%	(1,335.2)	62%
Net lending	(2.9)	(2.2)	(24%)	(9.2)	24%
<b>Primary state budget balance</b>	<b>35.5</b>	<b>77.7</b>	<b>+119%</b>	<b>(87.0)</b>	<b>-</b>
<b>Overall state budget balance</b>	<b>(41.2)</b>	<b>(10.0)</b>	<b>(76%)</b>	<b>(246.8)</b>	<b>4%</b>

## 2021 state budget general fund financing<sup>1</sup>, UAHbn



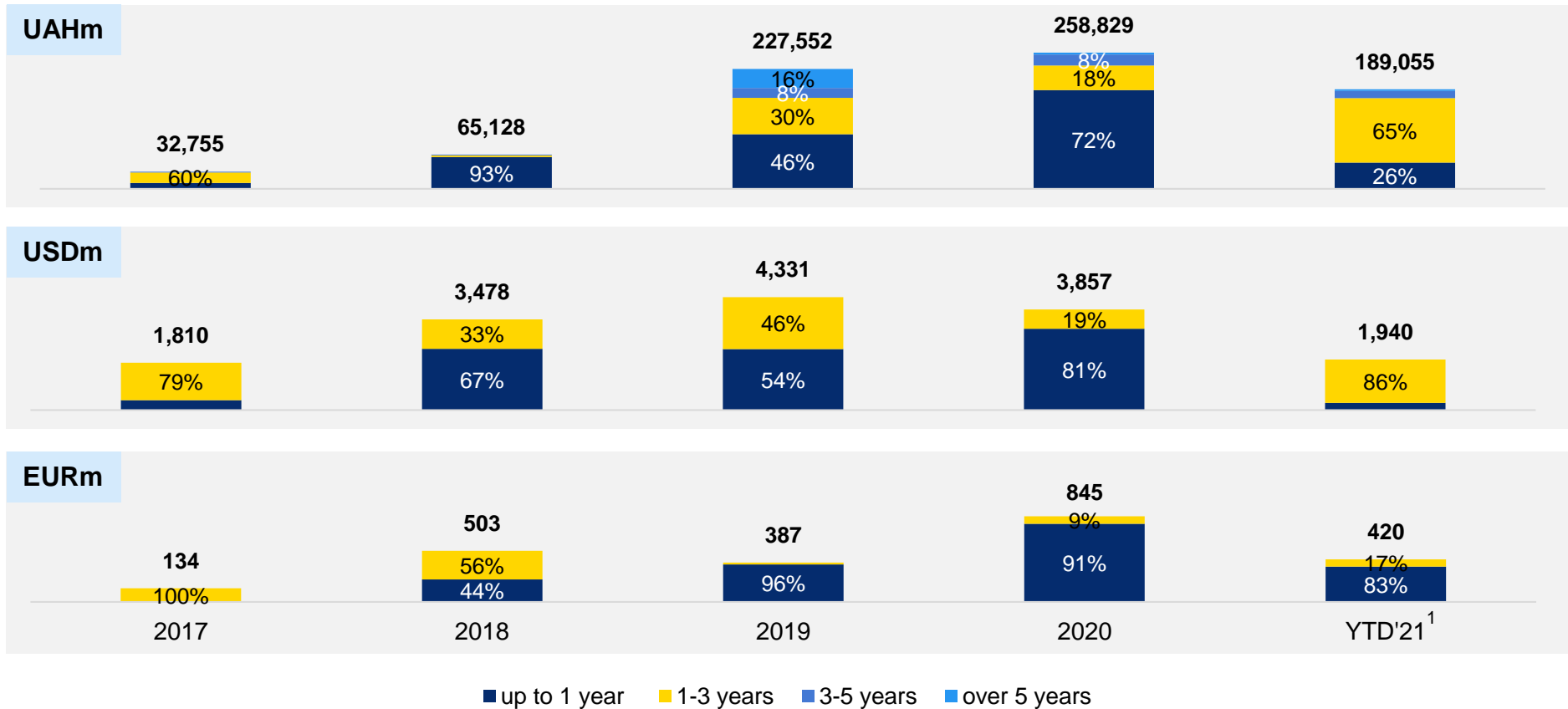
Source Ministry of Finance of Ukraine, State Treasury Service of Ukraine

Notes 1 Excluding UAH 20bn capitalization domestic bonds

2 As of September 15, 2021

# Significant acceleration of domestic debt issuances over the last 3 years

## Dynamics of state domestic debt issuances (funds remitted to the state budget)

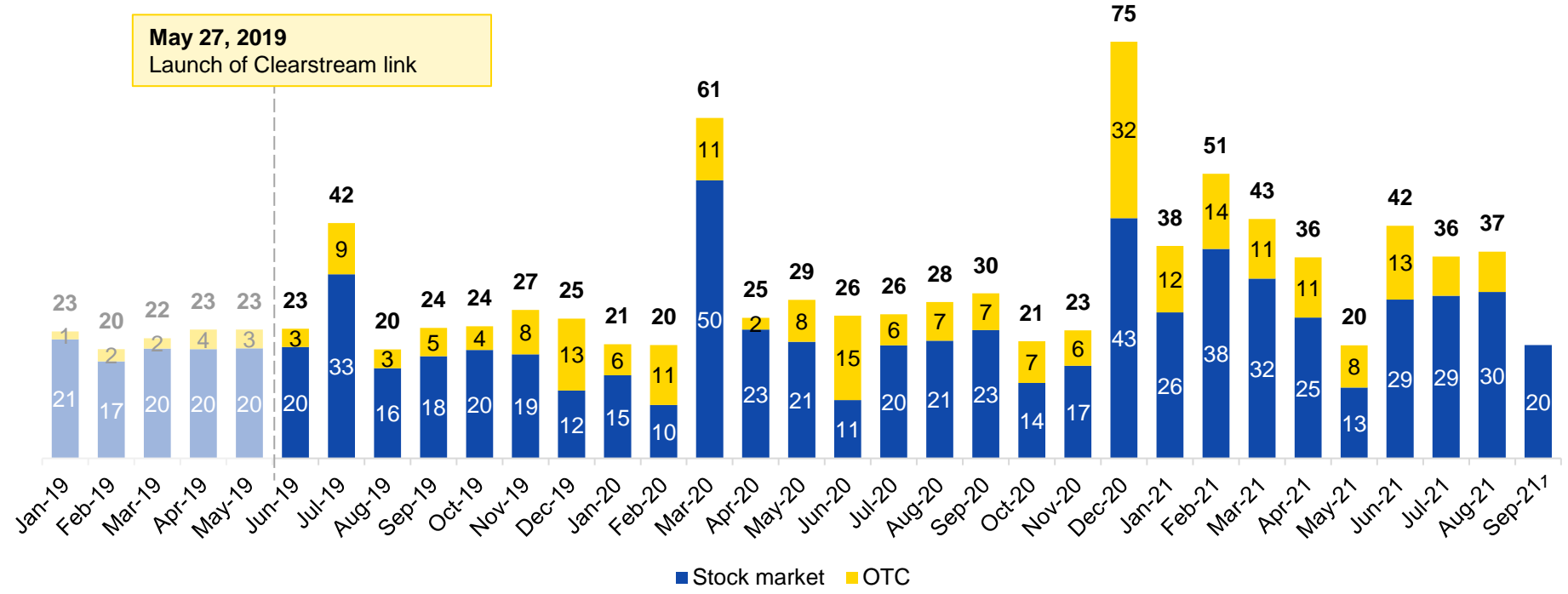


Source Ministry of Finance of Ukraine

Note 1 As of 15.09.2021

# Steady increase in the secondary trading of the state domestic debt

Secondary trading volume of domestic government bonds (stock market and OTC), UAHbn



- ▶ In 2020, the market continued to grow and reached UAH 386bn which is almost a 4x increase compared to 2016
- ▶ Further uptick in secondary trading volumes is exhibited 2021

Source National Bank of Ukraine, National Security and Stock Market Commission  
 Note 1 Includes total stock market and OTC secondary trading volumes