

Ukraine parliament approves 2017 budget in first reading

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Posted by:

Posted on : 2016/10/21 23:45:26

Analyst: "Sticking to a timeline creates the chance to gain a high-quality spending plan without traditional surprises for taxpayers."

KYIV, Oct 21, 2016 (UBO) - Ukraine's parliament approved on Oct. 20 the 2017 budget in the first reading, with few changes from the draft that was submitted by the Cabinet, Concorde Capital informed clients in an online advisory today. Among its key proposals are revenue rising 17.3% yoy, the deficit set at 3% of GDP, excise duties hiked and a special tax regime for agri-producers cancelled. "We accepted only those suggestions of MPs that were based on realistic estimates and were backed by financial resources," stated Finance Minister Oleksandr Danylyuk, according to the ministry's web site. The 2017 spending plan is based on 3% yoy GDP growth, an 8.1% yoy CPI increase and UAH 27.2/USD average exchange rate. Nominal GDP is projected at UAH 2,585 bln (about USD 95.0 bln). Concorde analyst Alexander Paraschiy added: "This was the first time in memory that the budget's first reading was approved by the Oct. 20 deadline set by the budget code. Usually this step had been ignored and spending plans were adjusted and approved in the week before New Year's. "Sticking to a timeline creates the chance to gain a high-quality spending plan without traditional surprises for taxpayers. After this approval, only minor changes can be introduced for the second reading, which should be approved by Nov. 20, according to the budget code. If that's adhered to, the budget should be finally approved by Dec. 1, in line with the code.

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