

Ukraine general budget revenue rises 31% in August

Ukraine

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KYIV, Sep 28, 2017 - Ukraine's general budget revenue rose 31.4% yoy in August, slowing from 43.4% yoy growth in the prior month, Concorde Capital informed clients based on a State Treasury report of Sept. 27. The growth was driven by a 92.1% yoy surge in rent on mineral extraction, 48.4% yoy growth in enterprise profit tax, 32.9% yoy increase in personal income tax, 20.0% yoy VAT growth and UAH 5.0 bln dividends from the NBU. For 8M17, general budget revenue grew 43.4% yoy. Revenue still exceeded spending as the general budget was reported in August with a UAH 15.8 bln surplus, which includes a UAH 11.5 bln surplus of the central budget and UAH 4.4 bln surplus of local budgets. For 8M17, the general budget had a UAH 68.6 bln surplus (UAH 38.5 bln at the central level and UAH 30.2 bln at the local level). Concorde analyst Alexander Paraschiy added: "State collections are in good shape. Growth rates are slowing, as we expected, however they are still higher than the government's targeted 25.5% revenue growth for 2017. We expect state revenue to keep easing in the coming months due to a high comparative base. A year ago, an NBU dividends wire (UAH 38.2 bln) peaked at the end of the year (4Q16). This year, we will see a drop in these revenues in 4Q17 since the main part of the accrued dividends (UAH 30 bln out of UAH 45 bln) has been already transferred to the budget. Despite the anticipated slowdown, we see strong chances to meet the targeted revenue level and for the deficit to be below the 3.0% of GDP standard.

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