

Ukraine 1H18 state budget revenue rises 14% yoy, below plan

Ukraine

Posted by:

Posted on : 2018/7/5 23:42:16

Analyst: "The chronic underperformance of customs in revenue collection is likely to be the result of notorious corruption in this realm. Methods of "tightening the screws" only bring temporary results, while systemic reforms can stimulate a long-term effect."

KYIV, July 5, 2018 - Ukraine's 1H18 state budget revenue rose 13.7% yoy to UAH 394.9 bln, which is 3.1% below plan, Concorde Capital informed clients today based on a State Treasury provisional report on July 2. Net tax revenue improved 17.2% yoy to UAH 190.2 bln (1% above plan), while customs revenue rose 18.7% yoy to UAH 150.1 bln (3.3% below plan). In June alone, net tax revenue jumped 24.2% to UAH 27.7 bln, which is 8.7% above plan. Meanwhile, customs revenue climbed 4.2% yoy to UAH 24.4 bln, which is 5.7% below plan. Local budgets' 1H18 revenue increased 16.4% yoy to UAH 112.7 bln, outperforming plan by 1.0%. Social payments (personal income tax and pension fund contributions paid by employers) jumped 27.8% yoy to UAH 107.7 bln. Concorde analyst Evgeniya Akhtyrko added: "The improvement in May customs revenue proved short-lived as they cooled off in June, keeping overall budget collections below plan. The chronic underperformance of customs in revenue collection is likely to be the result of notorious corruption in this realm. Methods of "tightening the screws" only bring temporary results, while systemic reforms can stimulate a long-term effect."

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