



## 'Ukraine is bankrupt' – Moscow

### Description

**UKRAINE/RUSSIA: The country has lost financial independence and cannot survive without Western funds, top Russian MP Vyacheslav Volodin claimed**

Ukraine has lost its financial independence as it cannot meet its obligations to its citizens without Western help, Russian State Duma Speaker Vyacheslav Volodin wrote on Monday.

Taking to Telegram, Volodin claimed that *“collected taxes form only 40% of the country’s budget,”* more than 60% of which covers military spending. Ukraine’s monthly deficit amounts to \$5 billion, Volodin reminded.

*“Ukraine is bankrupt,”* he said.

The same numbers were reported on Friday by the Wall Street Journal.

In the speaker’s opinion, *“without the help of Washington and Brussels, Kiev can no longer fulfill its obligations to citizens.”*

*“Ukraine has lost its financial independence,”* Volodin concluded.

On Monday, the Ukrainian government introduced draft legislation to abolish preferential taxation on fuel. An explanatory note on the Rada’s website says that *“there is a significant shortage of funds for financing the road industry.”* The legislation is poised to create *“during the period of martial law” conditions “for the proper functioning of the economy”* and increased budget revenue through excise duties.

In a recent interview with RBK Ukraine, Finance Minister Sergey Marchenko said that next year’s budget will be *“extremely tight”* due to *“war conditions.”*

*“There will be no expenses that will not be reviewed,”* he said.

According to Oleg Ustenko, a presidential adviser on economic issues, Ukraine’s state budget deficit is

expected to reach \$50 billion by the end of the year. That is about 30-35% of the country's GDP, he said in a TV interview last month, adding that *"this is a problem of war."*

Kiev says it needs \$5 billion a month in assistance from Western backers. However, Ustenko, quoted by the Financial Times, said in July they would need an extra \$4 billion a month over the next three months to cover the cost of emergency accommodation and housing repairs for millions of people, and to fund a basic minimum income for those who had lost their jobs.

The grants and loans pledged to Ukraine by the West have been arriving much slower than expected. So far, only €1 billion out of a €9 billion (\$9.3 billion) long-term loan package proposed by the European Commission in May has arrived. Since February, the EU has provided €2.2 billion.

The United States Agency for International Development [announced](#) in mid-July that it would send an additional \$1.7 billion, bringing the agency's total spending on Ukraine to \$4 billion.

Last week, Ukraine's finance minister said that his country expects \$3 billion of US financial aid to arrive in August and a further \$1.5 billion in September. According to Marchenko, the payments are part of an agreed \$7.5 billion financial aid package, and would be used to finance *"critical spending"* such as healthcare and pension costs.

### Category

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