

# Alona Lebedieva: Ukraine's 2025 Budget – Balancing Challenges and Opportunities

KYIV, UKRAINE, November 27, 2024 /EINPresswire.com/ -- On November 19, the Verkhovna Rada approved Ukraine's budget for 2025. This decision not only sets the state's financial benchmarks but also highlights the challenges the country will face in the coming year. Amidst the war, the budget remains a critical tool for ensuring stability and advancing strategic reforms.



Alona Lebedieva

The total revenues are set at UAH 2.32 trillion, while expenditures amount to UAH 3.9 trillion. The nearly UAH 1.6 trillion deficit is expected to be covered through international aid. This reliance on external funding, coupled with a projected economic growth rate of just 2.7%, presents significant risks.

"Today, Ukraine's budget is not just a financial document, but a survival plan. The fragile balance between social stability, defense, and infrastructure development depends on the effective management of international aid and domestic resources," says Alona Lebedieva, owner of the Ukrainian Multi-Profile School. industrial and investment group Aurum Group.

The main emphasis in the budget is on defense – UAH 2.2 trillion. This is justified in wartime conditions, but such a direction of funds limits opportunities for other areas. Against this background, the allocation of funds for critical infrastructure and support for the education sector looks like a positive step, although its scale is limited.

Business support through the "5-7-9%" credit program is set at UAH 18 billion – this is a vital but insufficient measure for small and medium-sized businesses given the possible increase in the tax burden. Raising the corporate tax rate for banks to 50% could raise UAH 41.8 billion for the budget, but risks resistance from the financial sector, potentially affecting access to credit.

"Public policy should be aimed at balance. Excessive tax increases or increased fiscal pressure can hinder business recovery, which, in turn, will cause additional burden on the state. The

wartime economy must be supported through development incentives, and not just by increasing the tax burden," Lebedieva emphasizes.

Another risk factor is the projected average exchange rate of UAH 45/USD. If this forecast does not materialize, it could lead to a revenue deficit that would require a budget revision as early as the first half of 2025. In such a scenario, the government may need to identify new sources of financing, potentially affecting social programs, education, and healthcare.

The key point is the allocation of funds for the restoration of critical infrastructure. Projects such as the restoration of water supply in the Kherson region, the construction of waste processing plants, the construction of sewage treatment plants, address urgent issues. However, these programs will require additional resources to have a systemic impact.

"Strong infrastructure is the basis for future development. Today, these investments may seem insignificant, but they can have a multiplier effect for the regions most affected by the war. It is crucial that these projects do not fall victim to budget cuts if a deficit arises," Lebedieva adds.

The budget's dependence on international aid remains a major problem. Any delays in funding could force the country to reconsider its priorities, with potentially serious social and economic consequences.

"Flexibility is the key to the success of this budget. The government must be ready to adapt its plans and respond quickly to changes, especially with regard to external financing. At the same time, clear and transparent communication with business and society is important for maintaining trust and mobilizing internal resources," concludes Alona Lebedieva.

Ukraine's 2025 budget is a serious challenge. Its successful implementation requires a balance between defense priorities, social protection, and economic development. In wartime, it is extremely important not only to meet current needs, but also to lay the foundation for long-term recovery and sustainable growth.

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