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|  | **Press Release** |  |

# IBI-Rating has affirmed the credit rating and the rating of investment attractiveness of Sumy city united territorial community

National rating agency IBI-Rating informs on affirming of the credit rating of Sumy city united territorial community (Sumy city UTC) at **uaA-** grade with an «**evolving**» outlook and the rating of investment attractiveness at **invA-** grade.  
  
**Such rating grades represent** the high ability of the city to pay off its financial commitments and high investment attractiveness. **The «evolving» outlook**, with the highest probability, implies of rating changes during the year. It is due to increased uncertainty regarding the actions of authorities and entities in case of aggravation of the epidemiological situation in Ukraine and the world. The notation «-» indicates an intermediate rating category relative to the main category.

**Were taken into account:**

1. The structure of the economic complex and the dynamics of key indicators

Sumy city UTC has a powerful industrial complex, the volume of sales of industrial products per 1 person significantly exceeds the same figure for Ukraine as a whole (according to the results of 2020 this excess was 36%).

Sumy city UTC has a developed retail network. The index of the physical volume of retail turnover in 2020 compared to 2019 increased by 6.8%. Per capita, the trade turnover is UAH 31.5 thousand, which exceeds the figure for Ukraine as a whole. The foreign trade turnover in goods per 1 person as of 01.01.2021 amounted to USD 2.507,1 which is also higher than in Ukraine as a whole.

2. Effectiveness of financial policy and budget indicators

Own budget revenues based on the results of 2020 amounted to UAH 1,965.3 million (+UAH 94.2 million or +5,0% compared to 2019). Own revenues formed 76.2% of the total budget revenues of the Sumy city UTC (against 62.6% based on the results of 2019).

The community's budget revenues are moderately diversified by sources and payers. The share of taxes paid by TOP-20 payers in 2020 amounted to 27.5% of the total amount of tax revenues received by the community budget. The indicator of the tax capacity of the budget of the Sumy city UTC (personal income tax per 1 inhabitant) is higher than the national average, which is why the budget remains a donor budget, transferring a reverse subsidy to the state budget - UAH 108,116.6 thousand according to the results of 2020.

The budget deficit of the community for 2020 amounted to UAH 10,871.3 thousand, which is mainly due to the allocation of the free balance of funds from the budget of the Sumy city UTC as of 01.01.2020 in accordance with part four of Article 14 and Article 72 of the Budget Code Of Ukraine.

The debt burden on the budget of Sumy city UTC remains low, which allows the city authorities to count on additional financial resources to finance socio-economic development activities and infrastructure projects. The ratio of consolidated debt of the Sumy city UTC to its own revenues for 2020 was 7.3%, to the planned revenues for 2021 - 6.5%.

3. Investment potential

The city of Sumy has a developed road transport infrastructure. There is a large railway station in the city; 2 highways of national importance and 2 highways of regional significance pass through the city. There is a bus station, which serves 250 carriers and carries out dispatch control of the movement of buses on regular routes. There is also a suburban bus station, from which international and intercity transportation is carried out. The Sumy airport is located within the city limits (it is in the communal ownership of the Sumy Regional Council), which operates in the mode of private transportation.

The Sumy city UTC has a powerful staff potential. At the same time, competition for business and the cost of labor resources is lower in comparison with the capital and most regional centers of Ukraine. There is a developed trade, industrial and business infrastructure. Work is underway to create the «Sumy» Industrial Park.

On the territory of the Sumy city UTC, there is a Target Program for Supporting Small and Medium-Sized Businesses of the Sumy city united territorial community for 2020-2022. Most of the local tax rates are below the maximum level stipulated by the legislation, which creates conditions for the development of entrepreneurship. Considerable attention is paid to measures for improving the energy efficiency of the municipal economy, primarily in the public sector. Work with potential investors is effectively organized, there is a positive experience in the implementation of investment projects with the involvement of funds from international financial organizations.

In order to conduct the analytical research the materials obtained from Sumy City Council have been used, including: indicators of the social and economic development, statistical data, treasury statements, program materials, other necessary internal information, as well as the information from the public sources, which the Rating agency considers credible.

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