

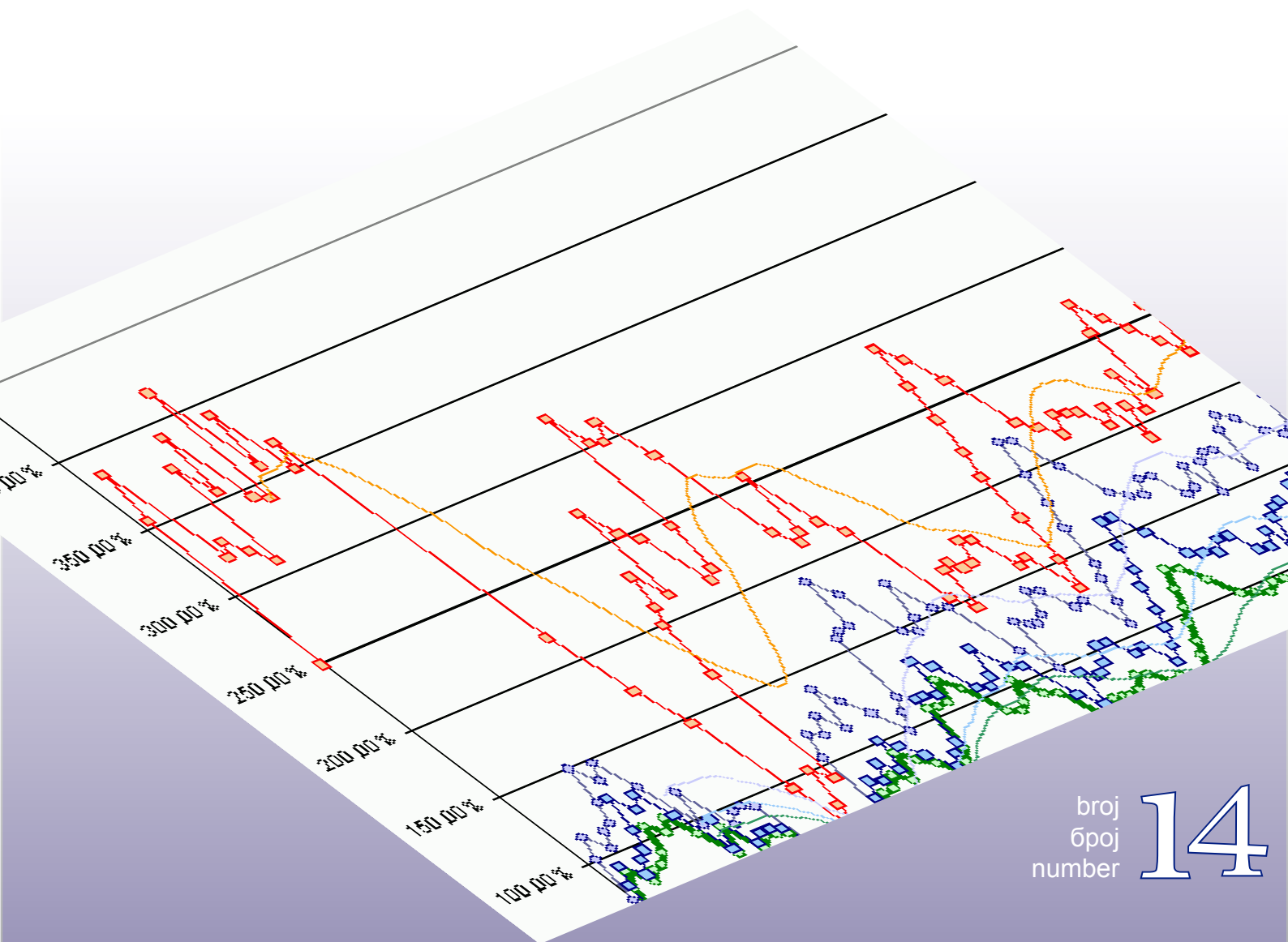
Bosna i Hercegovina  
Odjeljenje za makroekonomsku analizu  
Upravnog odbora Uprave za indirektno-  
neizravno oporezivanje



Босна и Херцеговина  
Одјељење за макроекономску анализу  
Управног одбора Управе за indirektno-  
опорезивање

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

# *Oma Bilten*



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number

14

## With this issue...

Great number of domestic and foreign analysts predicted that 2006 elections would lead to high increase of domestic consumption. Unfortunately, elections took place in the same year when VAT was introduced and there was real danger that all positive effects in the form of surplus of VAT current revenues would transfer into public spending in order to attract certain categories of voters. In the situation when BiH does not have stand by arrangement with International Monetary Fund, which obliges to have certain surplus, and the Law on Fiscal Council has not been adopted so there is not legal obligatory fiscal coordination between central governments, higher spending on public consumption would not be a surprise. However, unexpectedly, "leaving" parliamentarians of BiH and BiH Federation made decisions that might have long term consequences on sustainability of BiH fiscal position and total macroeconomic stability of the country. In other hand, there is constant danger of introducing VAT zero rate or exemptions that are not in compliance with VAT system in EU. Without taking into consideration that the plan for BiH is to open towards EU and reduce customs revenues as of 2007, creation of new short term liabilities accompanied with decrease of revenues would be destructive for fiscal sustainability of the country. If things remain as they are, we now lose opportunity to use increased VAT revenues for reduction of taxes on labor, which would initiate new job openings. Without examining appropriateness of the parliamentary decisions, the Unit provides comment on BiH fiscal position in the last few years and analysis of factors that can have impact on its fiscal position in future.

As up to now, we are providing you with analysis of indirect taxes collection in BiH for August 2006 with comment on indirect taxes collection for the first eight months.

For more in-depth analysis of spending surplus from VAT revenues – it's necessary to have data on budgets and budget executions for all levels of the government financed from the single account in both entities. The Unit will try to publish partial consolidations for level of the BiH Federation, which includes cantons and municipalities. We are expecting to complete information from the RS municipalities in near future. Based on available, verified and processed data, we are publishing consolidated monthly reports for fiscal operations of the single account and entities for August and consolidated monthly reports for general government, which include fiscal operations of central governments (budgets of BiH, entities and Brcko District) and cantonal budgets for the first six months of 2006. We are also providing consolidated monthly reports for some cantons whose municipalities delivered monthly reports to the Unit for period from January to June 2006.

Dinka Antić, MSc  
Head of Unit – Supervisor

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Translated by: Edin Smailhodžić

## Collection of indirect taxes – August 2006

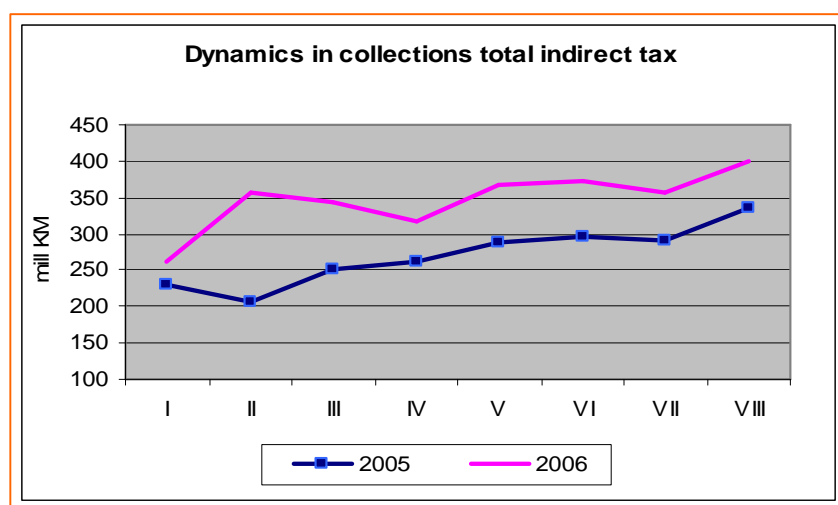
(Prepared by: Dinka Antić, MSc)

Analysis of collection of indirect taxes is based on the following data:

- net cash flow in the ITA Single Account<sup>1</sup>
- total collection of indirect taxes regardless what level of government carried out collection (ITA or entity governments)<sup>2</sup>

In August 2006, 386<sup>3</sup> million KM of net indirect taxes was collected in the single account, which is much higher than in July 2006. This is the highest monthly collection in the single account in 2006. For eight months of 2006, total amount of net indirect taxes collected in BiH was 2,776 billion KM or 28,5% more than in the same period of 2005. ITA collected 2,574 billion KM of net revenues or 93%, and entity administrations collected approximately 201 million KM.

Observing pattern in collection of indirect taxes for eight months of 2005 and 2006, it is observed that the collection in 2006 follows standard seasonal pattern of collection in 2005, except for „turbulences“ in the beginning of 2006 that was caused by VAT introduction:



Graph 1.

It's going to be interesting to follow further developments as August is traditionally month with highest collection of indirect taxes.

There was increase in collection of customs. Customs duties collection increased by 10,24% in comparison with July. However, amount of collected customs revenues in the period January-August was 8,96%. Increasing trend in collection of excise revenues has continued. Excise collection increased by almost 16% in comparison with July and the increase in observed period was 6,37% compared to the same period in 2005. There was increase of

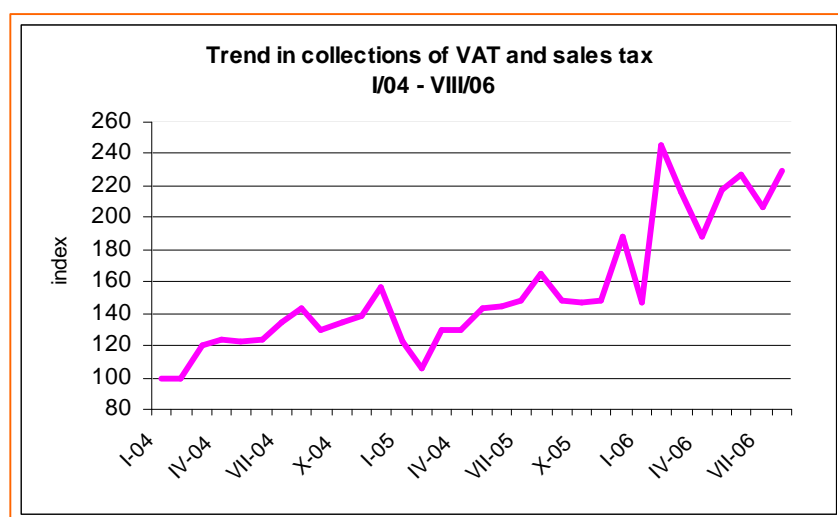
<sup>1</sup> Gross VAT collection is: collection of VAT on imports, collection of VAT per declarations and other cases of single or enforced collection of VAT. Net VAT collections is obtained after deducting gross collection by the amount of refunds. Revenues from other indirect taxes are reduced for the amounts of refunds from the single account.

<sup>2</sup> more information about problems in reporting on collection of indirect taxes in the first year of VAT can be found in the bulletin no. 7

<sup>3</sup> ITA collected additional 53,240 million KM of revenues that remained unadjusted after compilation of payments breakdown (single account) and records in modules of ITA IT system (VAT, customs, excise) on August 31<sup>st</sup>, 2006. Amount of unadjusted revenues is not included in analysis of collection of indirect taxes.

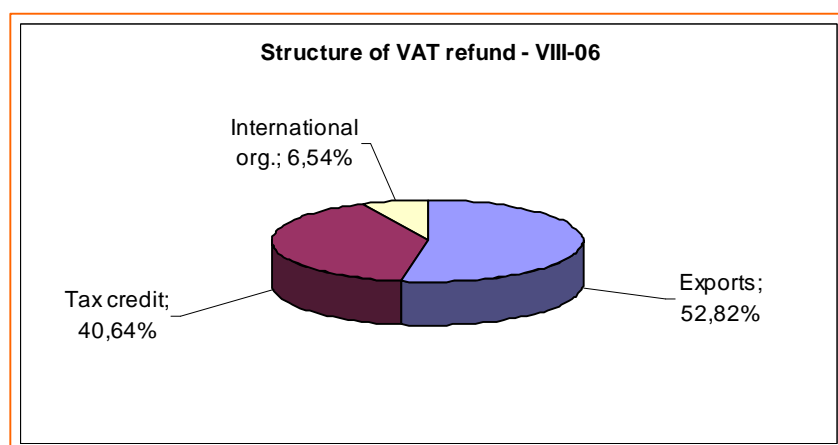
excise on imported oil and oil derivatives in August. It's also interesting to see high increase in collection of excise on tobacco and tobacco products in comparison with July, which significantly „differs“ from standard two month cycle in collection of excise on this group of products.

Comparison of collection of VAT and sales tax is possible only at the total level regardless what level of government collected tax. In order to compare collection of VAT in 2006 with the collection of sales tax in 2005, it's necessary to add lagging sales tax from entity accounts in 2006 to amount of VAT.<sup>4</sup> In August 2006, VAT revenues increased by 5,24% in comparison with July. Comparison of this with the same period in 2005, collection of VAT and sales tax increased by 54,16% compared to 2005. Trend of collection for this group of revenues is shown in the graph 2.



Graph 2.

Collection of VAT in August in absolute amount was highest in 2006 although payment of accumulated tax credits started in August for tax periods January and February. Total amount of refunds increased by 50% compared to July. Structure of VAT refund in August looked like shown in the graph 3:



Graph 3.

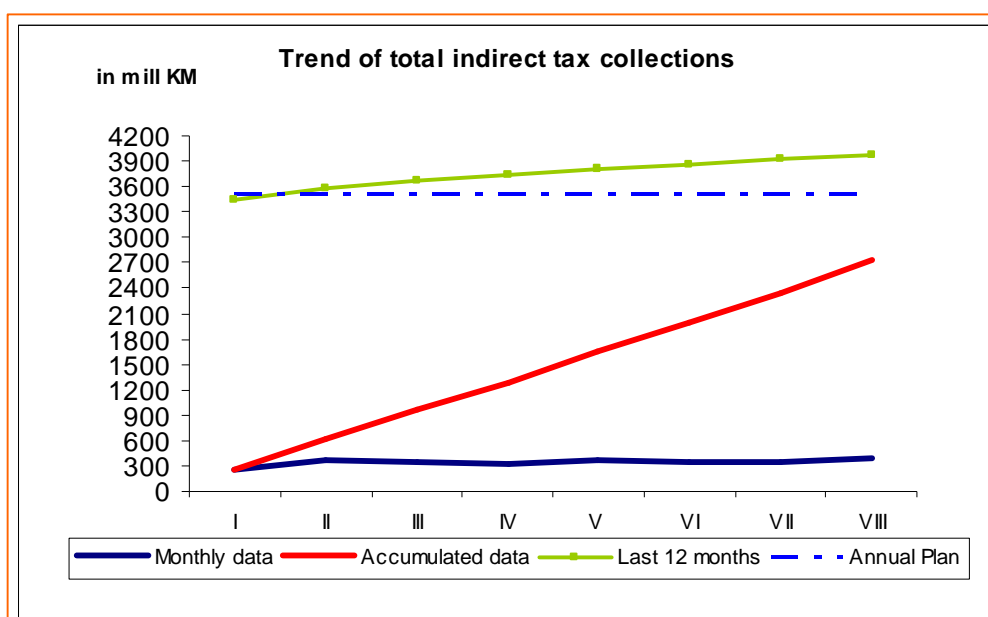
<sup>4</sup> More information about methodology for comparative reporting on collection of indirect taxes in 2006 can be found in the bulletin no. 7

On August 31, 2006, balance of accumulated tax credits amount to 121,7 million KM, which will be paid to taxpayers in accordance with timeline adopted by the ITA Governing Board in July 2006. Payment of accumulated tax credits will be implemented from ITA single account reserves.

VAT debts significantly increased and amount to 55,7 million KM in the end of the month. VAT compliance is pretty high as more than 98% registered taxpayers regularly file VAT declarations and pay their VAT liabilities. Only 18,5% of the debt falls on debts that derive from filed VAT declarations with penalty interest and additional burdens. Most of the debt was automatically assessed by ITA for taxpayers who failed to file declarations<sup>5</sup>. In order to improve financial discipline of taxpayers, prevent increase of debts and derogation of VAT system, **it's necessary for ITA to recruit staff for enforced collection departments in ITA regional centers.**

### Instead of conclusion

Generally speaking, collection of indirect taxes, and especially VAT, constantly increases and it is above projection. This can be observed in the graph 4:



Graph 4.

For eight months in 2006, amount collected was 76% higher than the plan for collection of indirect taxes in BiH<sup>6</sup>. When it comes to VAT, the plan is met with 83,11% and collection of lagging sales tax by entities already exceeded the plan by 33%.

The collection of indirect taxes was more than successful up to now.

<sup>5</sup> Tax assesment is done automatically in the IT system on basis of estimated turnover from this or last year, which means it might happen that in procedure of debt collection it's identified that amount of real debt for VAT less than assessed especially if some taxpayers stopped their business without informing ITA.

<sup>6</sup> Indirect taxes collection plan in 2006 is 3,653 billion KM, out of which 3,503 billion KM to ITA single account. Collection plan was adopted by BiH Fiscal council in October 2005. More information in Bulletin no. 3

We can expect lower collection of indirect taxes in the following months due to a number of reasons as follows:

- According to historic data from 2004 and 2005, the collection of indirect taxes is highest in August. Average monthly collection in the rest of the year is 8% lower than maximum in August
- Based on refund of accumulated tax credits.

Amount of indirect taxes collection also depends on level of collection of accumulated VAT debts by the end of the year.

However, the collection of indirect taxes can be influenced by decrease of oil prices in the world market, which should reflect on decrease in collection of indirect taxes on import of oil and oil derivatives that are calculated *ad valorem* (customs, VAT) since import of oil and oil derivatives represents 16% of total imports in BiH. Will the decrease of energy lead to decrease of input prices for domestic producers and prices of goods and services in BiH, which would lead to increasing competitiveness, sales and profit, is not very likely. It is common practice that oil prices in BiH market decrease slower than at the world market, while other traders keep the same retail prices and increase their profit because input price decreased.

Even nine months after introduction of VAT, there is misunderstanding of the public in regards to possible "surplus" of VAT revenues. This misunderstanding became even more encouraged by pre election campaign and promises to voters.

There is a need to clarify two things about creation of "surplus" and its spending:

- (i) the public is getting impression that VAT "surplus" is accumulated in one place
- (ii) and this accumulated "surplus" can be spent for various purposes (payment of social programs to payment of old foreign currency savings).

So, it's not bad to repeat that ITA empties single account on daily basis. After financing BiH budget and repayment of due foreign debt, collected revenues are distributed to accounts of entity and Brcko District treasuries. In accordance with entity regulations, entities make further allocation to cantons, road funds, municipalities and cities.

**So, all "surpluses" of revenues are not in the ITA account and they are not accumulated in place. These revenues are in accounts of entities, District, 10 cantons and 144 municipalities of the Federation and RS.** Only account without any revenue surpluses on this basis is the account of BiH treasury since the share of BiH budget from the ITA single account is financed in absolute amount. Other mentioned levels of government have percentage share in allocation of indirect taxes. This special position of BiH budget in the system of revenue allocation from the single account has advantages in case collection of indirect taxes is lower. BiH budget is protected then and other allocation participants would suffer from revenue loss. However, in conditions of high indirect taxes collection as it was in 2005 and especially in 2006, the state of BiH gets only amount agreed and surplus of revenues is used by other levels of government, entities, cantons and municipalities.

We should also mention that revenue "surpluses" can be used only in accordance with projected budgets or differently after rebalance. In other hand, although VAT "surpluses" are significant, dispersion on approximately 160 accounts of government levels in BiH does not allow most efficient allocation of these revenues, and especially not directing this surplus on payment of internal debts such as old foreign currency savings. So, **levels of government have great responsibility to use any surplus of revenues for right purposes** and for new liabilities that will be paid in 2007.

## Fiscal position of Bosnia and Herzegovina

(By: Ognjen Đukić, macroeconomist in the Unit)

### Fiscal consolidation: it's hard to achieve good results

In the last few years, Bosnia and Herzegovina made significant progress in reducing public spending to sustainable level. Control of spending was necessary given the fact that foreign aid to domestic budgets was constantly decreasing and this resulted in higher dependence on domestic sources of financing. In addition, poor definition of additional expenditure commitments in future period (unresolved issue of internal debt, plans on creation of new state institutions etc.) required precaution in process of medium term budget planning. International community led by IMF played important role in providing technical assistance to BiH authorities to estimate sustainable level of public spending<sup>7</sup>. In 2005, IMF proposed to include foreign financed projects (i.e. their part that represents BiH borrowing) in calculation of budget balance (surplus or deficit). In addition, IMF set out condition for signing stand by arrangement obliging Fiscal Council to plan surplus of 230 million KM in 2006 (1,5% of GDP). The Fiscal Council found this request as unacceptable because it meant that deficit of foreign financed projects should be compensated by additional reduction of spending in other items with the aim to achieve proposed surplus. There were also significant differences between government's and IMF's estimates on extent of foreign financed projects in 2006 and all this resulted in failure to sign the above mentioned stand by arrangement.

However, one can say that consolidated budget surplus of BiH in 2006 significantly improved (see Table 1) and according to Central Bank data, surplus of all levels of government, excluding municipalities and foreign financed projects, was 352 million KM in the end of 2005 (2,4% of GDP). It was estimated that if municipalities and foreign financed projects were included in this calculation, surplus would have been around KM 130 million ((0,9% of GDP), which is outstanding progress in comparison to previous years.

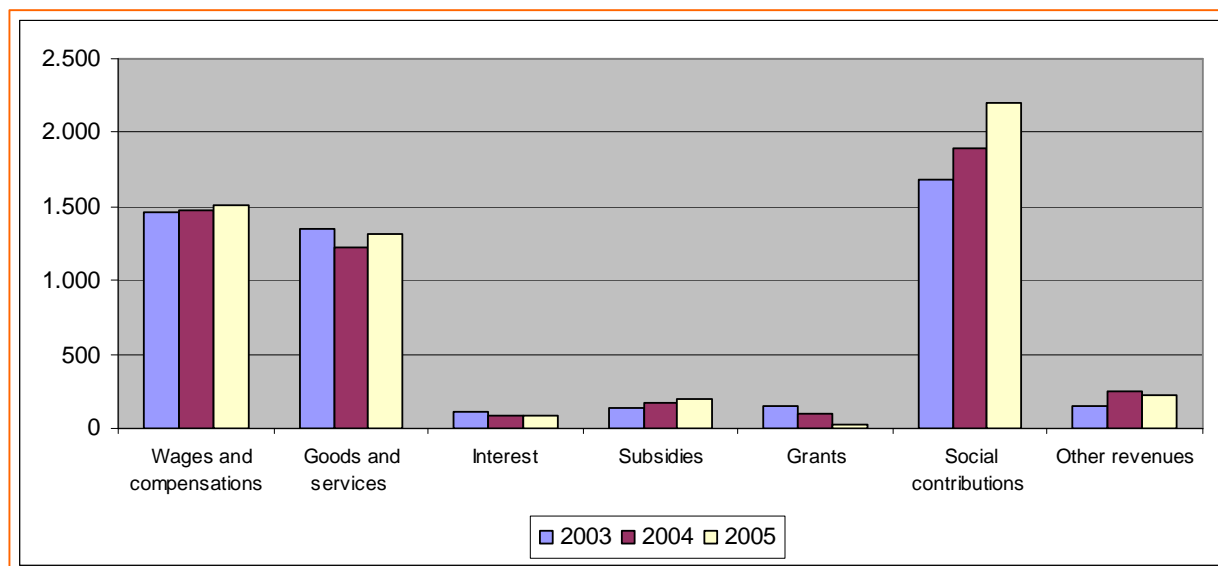
### Sources of surplus

How was this progress achieved? In the first place, it's because of relatively strong revenue growth in 2005, and especially in 2004, 5% and 9% respectively. Most significant sources of this growth come from increased collections of contributions 9,1% in 2004 and revenues from indirect taxation 17,4% in 2005. Indirect taxes represent the most significant source of revenues and they account for almost half of total current revenues in BiH. Their share in current revenues increased from 46,6% in 2003 to 49,4% in 2005. Growth of private consumption and imports as well as improved efficiency and increase through harmonization of laws in the field of indirect taxations and establishment of Indirect Taxation Authority are important factors that contributed to increase of these revenues. With introduction of VAT in 2006, increase in share of indirect taxes in total revenues is expected and future years will bring stabilization of this trend and strengthening of direct taxation. This process is directly related to the results of current reforms of direct taxes.

Regardless this, there would not have been progress in increase of surplus if consumption of public sector was not kept under growth of revenues during the observed period. Current revenues in observed period increased by 4,9% in 2004 and 9,1% in 2005 i.e. by 2% less than the revenues in previous years. One of the most positive features in this period was

<sup>7</sup> It is planned for BiH to develop domestic capacities in this field and other aspects of macroeconomic analysis through strengthening Macroeconomic analysis unit and Economic policy research unit (EPRU).

moderate growth of expenditures on salaries and allowances by 1,2% in 2004 and 2,5% in 2005. In this way, share of salaries in current expenditures is reduced to 27,2% in 2005. In other hand, current spending by social transfers had high increase in both years – 12% in 2004 and 16,5% in 2005- which **increased share of social transfers in total current expenditures from 33,4% in 2004 to 39,5% in 2005.**



Graph 5. Current expenditures for all levels of government in BiH, in million KM (it does not include municipalities and foreign financed projects)



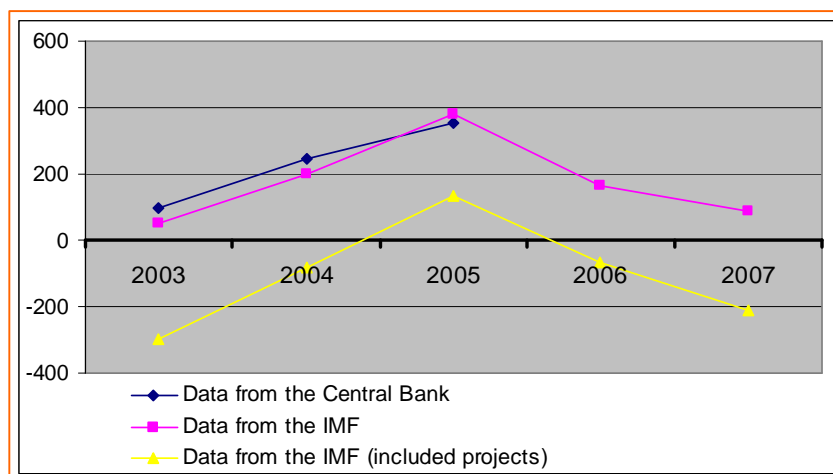
	Description	in thousands KM			structure in %			change in %	
		2003	2004	2005	2003	2004	2005	2004	2005
<b>1</b>	<b>Revenues</b>	<b>5.311.880</b>	<b>5.573.626</b>	<b>6.079.389</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>104,9%</b>	<b>109,1%</b>
	Tax	2.866.640	3.004.231	3.407.554	54,0%	53,9%	56,1%	104,8%	113,4%
	Tax on income, profit and capital gains	94.708	128.947	126.804	1,8%	2,3%	2,1%	136,2%	98,3%
	Wage and labor tax	213.599	231.238	252.425	4,0%	4,1%	4,2%	108,3%	109,2%
	Property tax	6.599	6.635	7.422	0,1%	0,1%	0,1%	100,6%	111,9%
	Indirect taxes	2.477.475	2.556.536	3.000.918	46,6%	45,9%	49,4%	103,2%	117,4%
	Other taxes	74.259	80.874	19.986	1,4%	1,5%	0,3%	108,9%	24,7%
	Social contributions	1.749.301	1.908.041	2.010.440	32,9%	34,2%	33,1%	109,1%	105,4%
	Grants	50.480	39.311	51.392	1,0%	0,7%	0,8%	77,9%	130,7%
	Other revenues	645.460	622.043	610.002	12,2%	11,2%	10,0%	96,4%	98,1%
<b>2</b>	<b>Expenditures</b>	<b>5.043.334</b>	<b>5.191.398</b>	<b>5.566.696</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>102,9%</b>	<b>107,2%</b>
	Employee allowances	1.461.172	1.478.294	1.515.616	29,0%	28,5%	27,2%	101,2%	102,5%
	Wages and allowance	1.461.172	1.478.294	1.515.616	29,0%	28,5%	27,2%	101,2%	102,5%
	Social contributions	0	0	0	0,0%	0,0%	0,0%	...	...
	Usage of goods and services	1.348.041	1.223.542	1.311.971	26,7%	23,6%	23,6%	90,8%	107,2%
	Interest	107.904	82.750	92.578	2,1%	1,6%	1,7%	76,7%	111,9%
	Subsidies	134.681	168.294	196.849	2,7%	3,2%	3,5%	125,0%	117,0%
	Grants	152.307	100.924	30.751	3,0%	1,9%	0,6%	66,3%	30,5%
	Social spending	1.686.033	1.888.502	2.200.051	33,4%	36,4%	39,5%	112,0%	116,5%
	Other expenditures	153.198	249.093	218.881	3,0%	4,8%	3,9%	162,6%	87,9%
	<b>Gross operational balance (1-2)</b>	<b>268.546</b>	<b>382.228</b>	<b>512.692</b>	<b>5,1%*</b>	<b>6,9%*</b>	<b>8,4%*</b>	<b>142,3%</b>	<b>134,1%</b>
	<b>Non financial transactions</b>								
<b>3</b>	<b>Net purchase of non financial assets</b>	<b>173.398</b>	<b>137.989</b>	<b>160.317</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>79,6%</b>	<b>116,2%</b>
	Fixed assets	168.686	115.027	198.286	97,3%	83,4%	123,7%	68,2%	172,4%
	Other	4.712	22.962	-37.969	2,7%	16,6%	-23,7%	487,3%	-165,4%
	<b>Net borrowing (1-2-3)</b>	<b>95.148</b>	<b>244.239</b>	<b>352.375</b>	<b>1,8%*</b>	<b>4,4%*</b>	<b>5,8%*</b>	<b>256,7%</b>	<b>144,3%</b>

Table 1. Budget execution for all levels of government in BiH, in millions KM (it does not include municipalities and foreign financed projects)

## Deficit again as of 2006?

However, budget plans for 2006 envisage bad performance of fiscal balance (See graph 6). Announced increase of VAT revenues strengthened requests for increase of budget salaries and social transfers while this year's republican elections contributed to putting these requests in the loop. BiH parliamentary assembly recently adopted law on liabilities based on old foreign currency savings, which envisages repayment within five years. Federal House of Representatives also adopted the law on rights of demobilized soldiers and members of their families, which also envisages increase of expenditures.

On few occasions, Macroeconomic analysis unit warned that significant share of increase in VAT revenues compared to sales tax revenues relates to initial effects of VAT introduction and we should not presume that this increase of revenues will continue in the following years. However, in the first part of 2006, there were announcements on increase of budget salaries especially at lower levels of government – cantons and municipalities – as well as increase of spending on other budget items. It's important to mention that increase of level of expenditures in one year carries burden of that spending level into the following years. Earlier experiences have shown that it was very difficult to return to prior situation through reduction of spending.



Graph 6. Budget surplus /deficit for all levels of government in BiH, in millions KM (2003-2005 real data, 2006-2007 projections)

In the last issue of the bulletin, we talked about importance and role of fiscal policy for macroeconomic stability of Bosnia and Herzegovina. There was also talk about key role of the Fiscal Council, which, amongst other things, has aim to determine consolidated fiscal position of BiH i.e. aim at certain level of budget surplus or deficit on which extent of public spending depends<sup>8</sup>. Most recent developments have shown weaknesses of the fiscal system in BiH and **consequences of failure to adopt law on fiscal council that would officially regulate method for coordination of fiscal policies at all levels of government**. Fiscal policy that is agreed and conducted in all levels of authorities and includes all forms of public spending is able to satisfy need for keeping macroeconomic

<sup>8</sup> Public sector spending, which includes spending of all government levels, state funds, road funds and foreign financed projects, represented half of the official gross domestic product (GDP) of BiH in 2005. This high share of public sector is partially due to under estimate of official GDP, which does not include adequate estimate of grey economy. If we use Central bank estimate on size of GDP including grey economy, the share of public sector spending decreases to 37% of GDP.

stability in BiH. It includes determining budget ceilings in accordance with revenues available for all levels of government and additional spending can be granted only through reduction of spending in other items or through additional taxation. Otherwise, uncontrolled public spending leads to an increase of foreign borrowing, increase of current deficit, stopping private investments, degrading credit rating of the country, and it can shake stability of monetary and banking system.

### **Transfers of competencies and budget of BiH institutions**

Transfers of competencies from one level of government to other one is always followed by increase of one and decrease of other budget. These trends require change in classic approach to budget reporting and its analysis. For example, it makes no sense then to compare executions of total budgets by economic classification during certain period with the same period last year if this is done individually by levels of government. In this context, analysis of consolidated reports that include more levels of government will become more important because only such reports reveal real changes in public spending by individual economic items. Reviews of budget executions by functional classification will also become more important because they reveal purpose of planned funds. Deeper budget analysis of individual budget users by users themselves or their governments will be necessary. This trend is in accordance with current reform of budget planning process, which aims to strengthen link between achieved results by individual budget users and allocated resources.

The above mentioned transfer of competencies is the most present in relation of entities – BiH institutions. Budget of institutions in 2006, excluding funds for external debt servicing, amounts to 666,5 million KM, which is almost double amount (198%) in comparison with 2005. Most significant contribution to this increase was establishment of Ministry of Defense at the state level with budget of 278,1 million KM. We can say that the state budget was in shadow of entity budgets and funds for the last few years due to their more exposed social component. However, strong growth of state budget and expectations for further growth require closer monitoring of discipline for its execution. In the first half of 2006, current expenditures amounted to 244,5 million KM, which represents execution of 42,6% compared to projected current expenditures. Highest item in current expenditures is gross salaries and allowances that were paid in the amount of 201,8 million or 45% of the plan in the first half of the year. **It is worthwhile to mention that projected gross salaries and allowances represent 78% of total current expenditures or 67% of total expenditures of BiH institutions.**

However, it's important to mention that assessment of share of salaries and allowances and other expenditures in the budget is most accurate through **consolidation of all government levels in which way we internationally comparable values.**

## Monthly Consolidated Report General government I – VIII 2006

prepared by: Aleksandra Regoje

mill KM

	I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	Total
<b>Current Revenues</b>	<b>218,1</b>	<b>360,4</b>	<b>384,9</b>	<b>342,7</b>	<b>401,7</b>	<b>385,4</b>	<b>494,7</b>	<b>431,5</b>	<b>963,4</b>	<b>1129,9</b>	<b>926,2</b>	<b>3019,5</b>
<i>Taxes</i>	206,0	343,9	355,1	330,5	382,5	368,1	375,6	406,6	904,9	1081,1	782,2	2768,2
<i>Indirect taxes</i>	190,7	322,6	323,6	315,9	366,4	351,2	357,0	388,5	836,9	1033,4	745,4	2615,8
<b>VAT</b>	<b>57,3</b>	<b>212,7</b>	<b>203,7</b>	<b>194,4</b>	<b>224,3</b>	<b>215,4</b>	<b>215,6</b>	<b>226,4</b>	<b>473,7</b>	<b>634,1</b>	<b>442,0</b>	<b>1549,9</b>
VAT on imports	56,5	102,6	136,7	134,2	165,7	159,2	161,1	178,5	295,8	459,2	339,6	1094,6
VAT from VAT returns	0,8	100,7	75,9	76,6	75,4	80,2	78,0	83,5	177,4	232,2	161,5	571,1
VAT from automatic assessment done by ITA			0,1	0,7	0,1	0,3	0,1	0,2	0,1	1,0	0,3	1,4
One-off VAT payments	0,1	9,4	2,1	0,3	0,1	0,2	0,2	0,3	11,6	0,6	0,5	12,7
Other			0,1	0,1	0,2	0,3	0,8	0,5	0,1	0,5	1,2	1,8
<b>VAT refunds</b>			<b>-11,2</b>	<b>-17,5</b>	<b>-17,2</b>	<b>-24,7</b>	<b>-24,5</b>	<b>-36,5</b>	<b>-11,2</b>	<b>-59,5</b>	<b>-61,0</b>	<b>-131,6</b>
Customs duties	33,3	30,8	41,5	39,3	49,1	47,0	47,4	52,2	105,6	135,4	99,6	340,6
<b>Sales tax</b>	<b>25,0</b>	<b>10,6</b>	<b>4,4</b>	<b>3,0</b>	<b>3,2</b>	<b>2,2</b>	<b>1,9</b>	<b>2,5</b>	<b>40,0</b>	<b>8,3</b>	<b>4,4</b>	<b>52,7</b>
Imported excisable products	7,8	0,2	0,0	0,0	0,2	0,0	0,0	0,0	8,0	0,2	0,0	8,3
Domestic excisable products	1,1	2,0	0,2	0,1	0,1	0,1	0,0	0,4	3,3	0,4	0,4	4,1
Other products	9,4	4,1	2,3	1,2	1,2	0,9	0,8	1,2	15,8	3,4	2,0	21,1
On services	6,5	4,0	1,7	0,9	0,7	0,4	0,4	0,3	12,2	2,0	0,8	15,0
Others	0,2	0,3	0,2	0,7	0,9	0,7	0,6	0,6	0,7	2,3	1,2	4,2
<b>Excises</b>	<b>62,8</b>	<b>56,9</b>	<b>63,1</b>	<b>66,4</b>	<b>74,0</b>	<b>72,2</b>	<b>76,1</b>	<b>88,1</b>	<b>182,8</b>	<b>212,6</b>	<b>164,2</b>	<b>559,5</b>
on imports	50,5	45,7	48,4	54,1	58,0	57,5	61,9	70,1	144,6	169,6	132,0	446,2
on domestic production	12,3	11,2	14,7	12,3	16,0	14,7	14,2	18,1	38,2	43,0	32,2	113,4
Railroad tax	11,9	11,2	12,1	14,3	15,9	14,3	15,8	18,6	35,1	44,5	34,4	114,0
Other	0,4	0,5	0,7	0,7	0,9	0,9	0,9	0,9	1,6	2,5	1,8	5,9
<b>Other refunds</b>			<b>-1,9</b>	<b>-2,2</b>	<b>-1,0</b>	<b>-0,7</b>	<b>-0,6</b>	<b>-0,4</b>	<b>-1,9</b>	<b>-3,9</b>	<b>-1,0</b>	<b>-6,8</b>
<b>Direct taxes</b>	<b>15,3</b>	<b>21,3</b>	<b>31,5</b>	<b>14,7</b>	<b>16,1</b>	<b>17,0</b>	<b>18,6</b>	<b>18,1</b>	<b>68,0</b>	<b>47,7</b>	<b>36,8</b>	<b>152,5</b>
Income taxes	6,9	10,3	20,0	3,6	3,4	5,5	5,6	5,5	37,3	12,4	11,0	60,8
<i>Other tax revenues</i>	8,4	10,9	11,4	11,0	12,7	11,5	13,0	12,7	30,7	35,2	25,7	91,7
<i>Non-tax income</i>	11,6	16,1	29,7	12,0	19,0	16,9	118,9	24,7	57,3	47,9	143,6	248,9
<i>Others revenues</i>	0,0	0,0	0,0	0,1	0,1	0,1	0,0	0,0	0,0	0,3	0,0	0,4
<i>Grants, gifts</i>	0,0	0,3	0,1	0,0	0,0	0,2		0,0	0,4	0,3	0,0	0,6
<i>Transfers from higher level of gvmt</i>	0,5	0,1	0,1	0,1	0,1	0,1	0,1	0,2	0,7	0,3	0,3	1,3

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	I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	total
<b>Current expenditures</b>	<b>203,4</b>	<b>298,8</b>	<b>221,3</b>	<b>339,6</b>	<b>402,0</b>	<b>370,4</b>	<b>359,5</b>	<b>379,7</b>	<b>723,5</b>	<b>1112,0</b>	<b>739,2</b>	<b>2574,7</b>
Consumption expenditures	28,5	43,5	46,7	48,2	49,1	62,5	45,0	45,3	118,8	159,8	90,4	368,9
Wages and compensations	25,8	37,4	39,6	40,5	41,7	53,1	36,3	37,1	102,8	135,4	73,4	311,6
Wages	24,9	34,7	36,5	37,2	38,4	47,7	31,3	30,4	96,0	123,3	61,7	281,0
Compensations	0,9	2,8	3,1	3,3	3,3	5,4	4,9	6,8	6,8	12,1	11,7	30,6
Purchases of goods and services	2,8	6,0	7,1	7,6	7,4	9,3	8,8	8,2	16,0	24,4	17,0	57,3
Grants	37,5	10,3	51,3	60,5	90,1	70,6	67,5	68,8	99,1	221,2	136,2	456,6
Transfers to households	32,5	3,6	45,2	38,3	68,7	53,7	41,8	45,0	81,2	160,7	86,8	328,7
Transfers to institutions/organizations	0,8	0,8	2,3	6,0	4,7	3,2	5,2	5,1	3,9	13,8	10,3	28,0
Subsidies	4,2	5,9	3,9	16,2	16,7	13,7	20,5	18,7	14,0	46,6	39,2	99,8
Interest payments	0,0	0,5	0,4	-0,3	0,1	0,4	0,0	0,2	0,9	0,2	0,2	1,3
Other outlays	0,8	2,3	1,7	6,7	3,6	3,7	3,5	1,5	4,8	14,0	5,0	23,8
Transfers from Single Account	126,4	209,7	95,3	174,6	198,2	194,3	212,0	217,2	431,4	567,1	429,2	1427,6
BiH Budget	41,1	39,2	43,1	59,4	48,5	48,5	46,2	50,7	123,4	156,3	96,9	376,6
FBiH / Cantons, Municipalities, Road Fund	67,6	145,7	23,7	94,3	113,9	115,9	124,7	132,5	237,0	324,1	257,2	818,3
RS / Cities, Municipalities, Road Fund	13,1	15,6	18,7	11,6	24,3	19,7	32,0	24,1	47,4	55,6	56,2	159,2
Brčko Distrikt	4,5	9,3	9,8	9,2	11,6	10,2	9,0	9,9	23,6	31,0	18,9	73,4
Amortization of debt	8,0	27,4	21,8	17,4	34,8	20,3	10,2	30,0	57,2	72,5	40,2	169,9
Transfers to lower levels of government	3,1	4,8	4,7	37,7	25,0	18,8	21,8	10,4	12,5	81,5	32,2	126,2
Net domestic lending*	-0,9	0,4	-0,6	-5,2	1,1	-0,2	-0,4	6,2	-1,1	-4,3	5,8	0,4
<b>Net acquisition of nonfinancial assets</b>	<b>-22,9</b>	<b>0,4</b>	<b>0,5</b>	<b>0,4</b>	<b>1,5</b>	<b>3,9</b>	<b>22,1</b>	<b>3,6</b>	<b>-22,0</b>	<b>5,8</b>	<b>25,7</b>	<b>9,5</b>
<b>Government surplus(+)/deficit (-)</b>	<b>37,6</b>	<b>61,2</b>	<b>163,1</b>	<b>2,7</b>	<b>-1,8</b>	<b>11,2</b>	<b>113,1</b>	<b>48,2</b>	<b>261,9</b>	<b>12,1</b>	<b>161,3</b>	<b>435,3</b>
o/w: Reserves from ITA Single Account	16,2	31,6	20,6	13,7	20,8	12,5	14,1	6,6	68,4	47,0	20,7	136,1
<b>Net domestic financing**</b>		<b>19,1</b>	<b>-0,6</b>	<b>-1,4</b>	<b>-1,3</b>	<b>-1,2</b>	<b>-1,6</b>	<b>-5,2</b>	<b>18,5</b>	<b>-3,9</b>	<b>-6,8</b>	<b>7,7</b>

\*Net domestic lending = lending-repayment of borrowing

\*\*Net domestic financing = Credits received – repayment of debts (doesn't include foreign debt)

Table 2. Monthly Consolidated Report General government I-VIII 2006

**Notes to Table 2:**

- The consolidated report includes:
  - revenues from indirect taxes collected by the Indirect Tax Authority on the Single Account,
  - transfers from the ITA Single Account for external debt servicing,
  - transfers from the ITA Single Account for financing Brčko District, cantons, municipalities and Road Directorates,
  - revenues of the budget of Bosnia and Herzegovina from the ITA Single Account,
  - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
  - revenues and expenditures of the budget of the Republika Srpska.
- Figures on revenues and expenditures of the Federation of Bosnia and Herzegovina and the Republika Srpska are not fully reconciled due to different accounting methods.

**Notes to Table3:**

1. The consolidated report includes:
  - revenues and expenditures of the budget of Bosnia and Herzegovina,
  - revenues and expenditures of the budget of Brčko District,
  - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
  - revenues and expenditures of the budget of the Republika Srpska,
  - revenues and expenditures of the budget of nine cantons in the Federation (missing canton: Herceg-Bosna).
2. Figures on revenues and expenditures of the Federation of Bosnia and Herzegovina and the Republika Srpska are not fully reconciled due to different accounting methods.

**Notes to Table 4:**

1. The consolidated report includes:
  - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
  - revenues and expenditures of the cantonal budgets in the Federation,
  - revenues and expenditures of the budgets of municipalities in the Federation of B&H.
2. Data which are not received are estimated. Those data are for the following cantons/municipalities: Canton Herceg-Bosna, municipalities Vitez and Drvar.
3. Data from Ravno municipality are not included because of the lack of required documentation.

**Notes to Table 5, 6 and 7:**

1. Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government";
2. Since the **expenditure item "Grants to individuals" contains grants directed through municipal budgets**, in cases where the amount of grants to other levels of government on expenditure side of cantons is lower than received grants on municipal items, the Unit proceeded in the following way: Remaining difference on items of municipalities "Grants from other levels of government" and "Capital support from other levels of governments" is reconciled with expenditure item of the cantonal budget "Grants to individuals".

## Monthly Consolidated Report, General government + Cantons, I – VI 2006. godine

prepared by: Aleksandra Regoje

	I	II	III	IV	V	VI	Ukupno
<b>Current Revenues</b> (11+12+13+14)	<b>211.078.171</b>	<b>204.822.027</b>	<b>483.058.728</b>	<b>376.061.198</b>	<b>412.190.750</b>	<b>374.004.155</b>	<b>2.061.215.030</b>
11 <b>Taxes</b>	<b>181.149.909</b>	<b>166.941.410</b>	<b>428.950.185</b>	<b>322.873.143</b>	<b>370.421.954</b>	<b>334.877.220</b>	<b>1.805.213.822</b>
Income & profit tax	10.925.048	15.429.327	26.699.743	9.051.058	8.579.901	10.376.934	<b>81.062.011</b>
Social security contributions (Brcko)	1.159.755	1.159.755	1.159.755	1.451.012	1.434.132	1.509.170	<b>7.873.578</b>
Taxes on personal income and self-employment	17.726.070	19.078.931	21.212.936	22.649.258	23.717.085	22.333.150	<b>126.717.429</b>
Property tax	1.926.398	3.108.291	2.437.985	2.339.930	2.039.416	2.228.319	<b>14.080.339</b>
Sales tax (incl.excises) (according to Regulations until 31.12.2005)	67.996.501	32.119.738	16.917.508	11.509.429	10.533.040	12.749.316	<b>151.825.532</b>
Transfers from Single Account	80.821.482	95.163.917	358.090.274	274.686.281	322.728.469	284.435.572	<b>1.415.925.996</b>
Other taxes	594.654	881.452	2.431.985	1.186.175	1.389.912	1.244.758	<b>7.728.937</b>
12 <b>Non-tax revenues</b>	<b>28.913.119</b>	<b>36.484.441</b>	<b>53.468.322</b>	<b>52.726.236</b>	<b>41.257.332</b>	<b>38.570.744</b>	<b>251.420.194</b>
of which: Dividends of public enterprises	58.024	138	22.201	2.584	6.960	725	<b>90.633</b>
of which: Licenses	134.733	419.578	54.302	70.207	86.609	60.702	<b>826.131</b>
13 <b>Grants</b>	<b>893.842</b>	<b>1.349.206</b>	<b>624.812</b>	<b>367.212</b>	<b>417.556</b>	<b>443.510</b>	<b>4.096.139</b>
of which: Grants from abroad	394.863	1.224.929	517.442	287.379	341.783	315.285	<b>3.081.682</b>
of which: Grants from other levels of government	498.979	124.277	107.370	79.833	75.773	128.225	<b>1.014.457</b>
14 <b>Other revenues</b>	<b>121.302</b>	<b>46.970</b>	<b>15.409</b>	<b>94.607</b>	<b>93.907</b>	<b>112.681</b>	<b>484.876</b>
<b>2 Total expenditures (21+22+23)</b>	<b>203.641.953</b>	<b>214.490.667</b>	<b>260.819.249</b>	<b>305.780.993</b>	<b>335.989.266</b>	<b>331.202.666</b>	<b>1.651.924.795</b>
21 <b>Current expenditures</b>	<b>203.812.590</b>	<b>212.045.686</b>	<b>262.922.664</b>	<b>308.846.679</b>	<b>334.887.563</b>	<b>332.541.548</b>	<b>1.655.056.730</b>
Wages and compensations	115.098.146	126.079.249	133.572.721	134.704.654	136.300.567	154.517.556	<b>800.272.893</b>
of which: Gross wages	100.420.774	108.073.015	114.157.690	115.977.270	115.608.020	123.111.620	<b>677.348.389</b>
of which: Compensations	14.677.373	18.006.234	19.415.031	18.727.384	20.692.547	31.405.936	<b>122.924.504</b>
Other taxes and contributions	5.427.629	6.286.524	6.515.575	6.683.088	6.695.597	7.682.023	<b>39.290.436</b>
Purchases of goods and services	20.556.606	29.123.189	29.449.970	32.433.426	33.401.979	34.334.533	<b>179.299.703</b>
Current transfers	62.355.206	48.657.319	88.053.243	131.536.421	152.437.967	129.451.698	<b>612.491.855</b>
of which: Grants to other levels of government	6.308.215	8.148.104	6.088.881	39.776.665	28.835.859	25.112.685	<b>114.270.410</b>
of which: Grants to households	43.438.776	13.899.735	59.181.457	50.635.431	81.312.649	69.702.059	<b>318.170.107</b>
of which: Grants to non-profit organizations	3.228.182	13.397.386	11.436.383	13.563.565	14.905.559	14.742.101	<b>71.273.176</b>
of which: Grants to public enterprises	8.674.322	13.030.958	10.954.823	22.686.063	23.783.056	16.986.161	<b>96.115.382</b>
Capital grants	0	1.026.722	4.300.294	3.128.041	5.238.492	5.430.798	<b>19.124.346</b>
of which: Capital grants to other levels of government	0	0	105.683	1.184.332	247.933	1.295.483	<b>2.833.430</b>
Interest	132.070	509.310	601.192	-248.020	123.179	473.774	<b>1.591.504</b>
Transfers to lower spending units	242.932	363.373	429.670	609.069	689.783	651.166	<b>2.985.993</b>
22 <b>Net lending*</b>	<b>-913.376</b>	<b>266.529</b>	<b>-3.823.423</b>	<b>-5.719.059</b>	<b>-1.095.299</b>	<b>-3.098.301</b>	<b>-14.382.929</b>
23 <b>Other expenditures</b>	<b>742.739</b>	<b>2.178.453</b>	<b>1.720.008</b>	<b>2.653.373</b>	<b>2.197.001</b>	<b>1.759.419</b>	<b>11.250.994</b>
3 <b>Net acquisition of nonfinancial assets</b>	<b>-20.678.172</b>	<b>1.386.487</b>	<b>2.511.061</b>	<b>2.880.085</b>	<b>4.933.775</b>	<b>11.231.065</b>	<b>2.264.300</b>
4 <b>Government surplus/deficit (1- 2-3)</b>	<b>28.114.391</b>	<b>-11.055.127</b>	<b>219.728.418</b>	<b>67.400.120</b>	<b>71.267.709</b>	<b>31.570.424</b>	<b>407.025.935</b>
5 <b>Net financing **</b>	<b>-34.802</b>	<b>19.073.571</b>	<b>-667.675</b>	<b>-1.410.605</b>	<b>-1.318.599</b>	<b>-1.297.275</b>	<b>14.344.615</b>

\*Net domestic lending=Lending-Repaxment of borrowing

\*\*Net domestic financing = Credits received – repayment of debts

Table 3. Monthly Consolidated Report, General government + Cantons, I-VI 2006. godine

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## Consolidated Report FBiH, I-IV 2006

prepared by: Aleksandra Regoje

	I	II	III	IV	Total
<b>Current Revenues</b>	128.466.439	96.962.341	362.081.832	237.853.201	825.363.813
<b>Taxes</b>	103.433.866	61.878.772	313.814.912	207.668.530	686.796.080
Income & profit tax	10.947.523	13.243.192	14.397.166	7.625.460	46.213.341
Taxes on personal income and self-employment	12.628.149	12.678.942	14.138.511	16.413.568	55.859.169
Property tax	5.508.081	5.538.016	5.212.821	4.442.214	20.701.131
Sales tax (incl.excises) (according to Regulations until 31,12,2005)	56.461.175	26.651.542	13.914.603	10.569.935	107.597.255
Transfers from Single Ac.	16.928.695	2.647.024	262.797.422	166.958.690	449.331.831
Other taxes	960.243	1.120.055	3.354.390	1.658.663	7.093.352
<b>Non-tax revenues</b>	24.383.947	33.686.024	47.519.242	29.776.988	135.366.200
<b>Grants</b>	179.073	1.019.589	352.193	44.056	1.594.912
of which: Grants from abroad	179.073	1.019.589	352.193	44.056	1.594.912
of which: Grants from other levels of government	0	0	0	0	0
<b>Other revenues</b>	469.553	377.956	395.485	363.628	1.606.622
<b>Total expenditures</b>	132.693.551	147.291.952	181.838.778	200.976.452	662.800.733
Current expenditures	132.644.392	147.324.134	185.081.447	201.506.944	666.556.917
Wages and compensations	62.543.046	74.709.000	79.015.753	80.272.059	296.539.859
of which: Gross wages	52.144.959	60.822.668	63.497.674	65.182.160	241.647.460
of which: Compensations	10.398.087	13.886.332	15.518.080	15.089.900	54.892.399
Other taxes and contributions	6.234.971	7.554.111	7.657.222	7.760.193	29.206.498
Purchases of goods and services	13.179.595	21.939.982	23.706.780	21.488.609	80.314.965
Grants	49.677.249	41.200.080	72.269.309	89.888.580	253.035.218
of which: Grants to other levels of government	3.302.649	4.358.037	3.476.517	4.986.057	16.123.260
Interest	326.870	743.380	723.810	56.190	1.850.250
<b>Transfers to lower spending units</b>	682.661	1.177.581	1.708.573	2.041.313	5.610.128
<b>Net lending*</b>	49.158	-32.182	-3.242.669	-530.492	-3.756.185
<b>Net acquisition of nonfinancial assets</b>	2.565.740	1.551.819	5.594.552	4.612.858	14.324.969
<b>Government surplus(+)/deficit(-)</b>	-6.792.852	-51.881.430	174.648.502	32.263.892	148.238.112
<b>Net financing**</b>	-24.349	12.402.468	-566.352	-1.697.388	10.114.379
Data which are not received are estimated. Those data are for the following cantons/ municipalities: Canton Herceg-Bosna, municipalities Vitez and Drvar Data from municipality Ravno are not included because of the lack of required documentation.					

Table 4. Consolidated Report FBiH, I-IV 2006



## Monthly Consolidated Report, Sarajevo Canton, I-VI 2006.

prepared by: Aleksandra Regoje

		I	II	III	IV	V	VI	Q1	Q2	Total
1	<b>Total revenues (11+12+13)</b>	<b>40.195.173</b>	<b>31.613.997</b>	<b>105.999.138</b>	<b>27.042.949</b>	<b>80.825.557</b>	<b>61.057.201</b>	<b>177.808.309</b>	<b>168.925.707</b>	<b>346.734.016</b>
11	<b>Tax revenues</b>	<b>34.428.775</b>	<b>20.471.943</b>	<b>90.588.939</b>	<b>20.564.189</b>	<b>73.721.618</b>	<b>52.725.645</b>	<b>145.489.657</b>	<b>147.011.453</b>	<b>292.501.110</b>
	Income & profit tax	2.662.047	3.956.173	4.777.261	3.796.752	2.590.845	2.814.700	11.395.481	9.202.297	20.597.778
	Taxes on personal income and self-employment	4.587.513	5.033.375	5.637.006	6.096.078	5.638.795	5.982.684	15.257.894	17.717.557	32.975.451
	Property tax	2.849.627	3.142.248	2.293.105	1.620.823	2.170.981	2.015.865	8.284.980	5.807.669	14.092.648
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	21.672.419	7.993.302	3.488.096	3.387.254	2.327.863	4.254.256	33.153.817	9.969.373	43.123.190
	Transfers from Single Account	2.387.736	1.096	72.309.770	5.297.380	60.637.023	37.303.174	74.698.602	103.237.578	177.936.179
	Other taxes	269.434	345.750	2.083.701	365.902	356.112	354.966	2.698.884	1.076.980	3.775.864
12	<b>Non-tax revenues</b>	<b>5.740.993</b>	<b>11.135.259</b>	<b>12.226.522</b>	<b>6.477.060</b>	<b>6.570.839</b>	<b>8.273.354</b>	<b>29.102.774</b>	<b>21.321.252</b>	<b>50.424.026</b>
13	<b>Grants</b>	<b>25.404</b>	<b>6.796</b>	<b>3.183.677</b>	<b>1.700</b>	<b>533.100</b>	<b>58.202</b>	<b>3.215.877</b>	<b>593.002</b>	<b>3.808.879</b>
	of which: Grants from abroad	318	0	2	0	385.950	46.794	320	432.744	433.064
	of which: Grants from other levels of government	25.087	6.796	3.183.675	1.700	147.150	11.408	3.215.558	160.258	3.375.816
2	<b>Total expenditures (21+22)</b>	<b>31.696.146</b>	<b>50.962.661</b>	<b>51.485.339</b>	<b>50.702.112</b>	<b>47.837.221</b>	<b>47.922.191</b>	<b>134.144.146</b>	<b>146.461.524</b>	<b>280.605.671</b>
21	<b>Current expenditures</b>	<b>31.817.135</b>	<b>51.017.913</b>	<b>54.676.598</b>	<b>51.056.330</b>	<b>49.965.581</b>	<b>51.020.072</b>	<b>137.511.646</b>	<b>152.041.984</b>	<b>289.553.629</b>
	Wages and compensations	16.478.796	17.975.243	18.397.698	18.764.446	18.157.083	18.429.287	52.851.737	55.350.817	108.202.554
	of which: Gross wages	13.666.447	14.542.836	14.429.268	15.146.451	14.540.328	14.656.112	42.638.551	44.342.891	86.981.442
	of which: Compensations	2.812.349	3.432.408	3.968.430	3.617.995	3.616.755	3.773.175	10.213.187	11.007.926	21.221.112
	Other taxes and contributions	1.650.019	1.744.895	1.740.198	1.813.000	1.747.961	1.760.259	5.135.112	5.321.221	10.456.332
	Purchases of goods and services	2.047.879	5.020.258	5.570.414	6.256.072	5.869.737	4.928.734	12.638.550	17.054.542	29.693.092
	Capital grants	11.636.519	26.273.721	28.771.082	24.187.771	24.113.534	25.897.836	66.681.322	74.199.141	140.880.462
	of which: Capital grants to other levels of government	1.605.031	614.797	2.220.727	3.890.680	1.953.524	2.696.875	4.440.556	8.541.080	12.981.635
	Other Grants	10.031.488	25.658.923	26.550.355	20.297.090	22.160.010	23.200.961	62.240.766	65.658.061	127.898.827
	Interest	3.922	3.796	197.207	35.042	77.266	3.956	204.925	116.264	321.189
22	<b>Net lending*</b>	<b>-120.989</b>	<b>-55.252</b>	<b>-3.191.259</b>	<b>-354.218</b>	<b>-2.128.360</b>	<b>-3.097.881</b>	<b>-3.367.500</b>	<b>-5.580.459</b>	<b>-8.947.959</b>
3	<b>Net acquisition of nonfinancial assets</b>	<b>242.914</b>	<b>-138.206</b>	<b>1.756.387</b>	<b>1.198.337</b>	<b>-124.789</b>	<b>75.313</b>	<b>1.861.096</b>	<b>1.148.861</b>	<b>3.009.957</b>
4	<b>Government surplus/deficit (1-2-3)</b>	<b>8.256.113</b>	<b>19.210.458</b>	<b>52.757.412</b>	<b>24.857.501</b>	<b>33.113.125</b>	<b>13.059.697</b>	<b>41.803.067</b>	<b>21.315.322</b>	<b>63.118.389</b>
5	<b>Net financing **</b>	<b>0</b>	<b>-1.404</b>	<b>-1.612</b>	<b>0</b>	<b>-39.825</b>	<b>-2.731</b>	<b>-3.016</b>	<b>-42.556</b>	<b>-45.572</b>

\*Net domestic lending=Lending-Repaxment of borrowing  
\*\*Net domestic financing = Credits received – repayment of debts

Table 5. Monthly Consolidated Report, Sarajevo Canton, I-VI 2006

## Monthly Consolidated Report, Bosnian Podrinje Canton, I-VI 2006

prepared by: Aleksandra Regoje

		I	II	III	IV	V	VI	Q1	Q2	Total
1	<b>Total revenues (11+12+13)</b>	<b>885.048</b>	<b>1.424.202</b>	<b>425.366</b>	<b>4.154.989</b>	<b>3.483.100</b>	<b>3.055.074</b>	<b>2.734.617</b>	<b>10.693.162</b>	<b>13.427.779</b>
11	<b>Tax revenues</b>	<b>732.906</b>	<b>352.748</b>	<b>253.035</b>	<b>2.636.183</b>	<b>2.003.443</b>	<b>1.626.364</b>	<b>1.338.690</b>	<b>6.265.989</b>	<b>7.604.679</b>
	Income & profit tax	11.938	19.566	23.594	17.250	46.803	15.979	55.097	80.031	135.128
	Taxes on personal income and self-employment	113.982	128.554	149.402	240.906	186.803	197.778	391.938	625.486	1.017.425
	Property tax	32.724	13.938	14.906	9.464	15.300	8.565	61.568	33.329	94.897
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	442.911	182.371	46.938	182.285	45.197	60.720	672.219	288.202	960.421
	Transfers from Single Account	126.931	3.739	8.386	2.175.782	1.702.059	1.335.299	139.056	5.213.140	5.352.196
	Other taxes	4.420	4.582	9.809	10.496	7.282	8.024	18.811	25.801	44.613
12	<b>Non-tax revenues</b>	<b>150.649</b>	<b>438.094</b>	<b>170.823</b>	<b>266.838</b>	<b>202.433</b>	<b>787.439</b>	<b>759.565</b>	<b>1.256.710</b>	<b>2.016.275</b>
13	<b>Grants</b>	<b>0</b>	<b>625.000</b>	<b>0</b>	<b>1.250.000</b>	<b>1.275.000</b>	<b>636.741</b>	<b>625.000</b>	<b>3.161.741</b>	<b>3.786.741</b>
	of which: Grants from other levels of government	0	625.000	0	1.250.000	1.275.000	625.000	625.000	3.150.000	3.775.000
2	<b>Total expenditures (21+22)</b>	<b>1.430.267</b>	<b>1.878.406</b>	<b>1.824.004</b>	<b>1.847.515</b>	<b>1.822.673</b>	<b>2.212.041</b>	<b>5.132.677</b>	<b>5.882.228</b>	<b>11.014.905</b>
21	<b>Current expenditures</b>	<b>1.430.267</b>	<b>1.878.626</b>	<b>1.824.223</b>	<b>1.847.734</b>	<b>1.822.884</b>	<b>2.212.193</b>	<b>5.133.116</b>	<b>5.882.812</b>	<b>11.015.927</b>
	Wages and compensations	604.064	933.624	956.080	930.022	910.819	1.381.206	2.493.769	3.222.047	5.715.816
	of which: Gross wages	462.436	770.547	781.264	781.722	733.460	843.955	2.014.247	2.359.137	4.373.384
	of which: Compensations	141.629	163.077	174.816	148.300	177.359	537.251	479.521	862.910	1.342.431
	Other taxes and contributions	91.823	93.816	94.214	94.381	87.661	102.167	279.853	284.209	564.062
	Purchases of goods and services	394.958	447.869	390.015	313.246	304.562	390.981	1.232.842	1.008.790	2.241.632
	Capital grants	336.345	400.567	380.933	507.571	517.075	335.362	1.117.845	1.360.008	2.477.853
	of which: Capital grants to other levels of government	10.106	56.596	37.543	15.208	71.554	84.693	104.245	171.455	275.700
	Other Grants	326.239	343.971	343.390	492.363	445.521	250.669	1.013.599	1.188.553	2.202.153
	Interest	3.077	2.750	2.980	2.515	2.766	2.477	8.807	7.758	16.565
22	<b>Net lending*</b>	<b>0</b>	<b>-220</b>	<b>-220</b>	<b>-220</b>	<b>-212</b>	<b>-153</b>	<b>-439</b>	<b>-584</b>	<b>-1.023</b>
3	<b>Net acquisition of nonfinancial assets</b>	<b>111.572</b>	<b>23.692</b>	<b>21.257</b>	<b>82.071</b>	<b>57.138</b>	<b>25.831</b>	<b>156.521</b>	<b>165.040</b>	<b>321.561</b>
4	<b>Government surplus/deficit (1-2-3)</b>	<b>-656.791</b>	<b>-477.896</b>	<b>-1.419.894</b>	<b>2.225.403</b>	<b>1.603.289</b>	<b>817.202</b>	<b>-2.554.581</b>	<b>4.645.894</b>	<b>2.091.313</b>
5	<b>Net financing **</b>	<b>-15.184</b>	<b>-14.625</b>	<b>-15.273</b>	<b>-13.895</b>	<b>-14.559</b>	<b>-14.055</b>	<b>-45.083</b>	<b>-42.509</b>	<b>-87.592</b>
<p>*Net domestic lending=Lending-Repaxment of borrowing  **Net domestic financing = Credit Received – repayment of debts</p>										

Table 6. Monthly Consolidated Report, Bosnian Podrinje Canton, I-VI 2006

## Monthly Consolidated Report, Posavina Canton, I-VI 2006

prepared by: Aleksandra Regoje

		I	II	III	IV	V	VI	Q1	Q2	Total
1	<b>Total revenues (11+12+13)</b>	<b>1.815.419</b>	<b>1.922.605</b>	<b>4.995.728</b>	<b>1.338.724</b>	<b>4.361.437</b>	<b>3.310.269</b>	<b>8.733.752</b>	<b>9.010.429</b>	<b>17.744.181</b>
11	<b>Tax revenues</b>	<b>1.496.091</b>	<b>985.299</b>	<b>4.343.963</b>	<b>762.092</b>	<b>3.539.911</b>	<b>2.614.569</b>	<b>6.825.353</b>	<b>6.916.572</b>	<b>13.741.926</b>
	Income & profit tax	36.023	107.810	126.959	46.250	36.851	44.035	270.792	127.137	397.929
	Taxes on personal income and self-employment	186.113	139.599	150.909	249.901	178.946	171.232	476.621	600.080	1.076.701
	Property tax	27.089	21.356	16.931	23.003	20.221	71.361	65.375	114.586	179.961
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	1.011.670	678.659	452.193	161.974	328.228	402.507	2.142.521	892.709	3.035.230
	Transfers from Single Account	208.569	5.712	3.528.121	255.147	2.951.897	1.912.345	3.742.402	5.119.389	8.861.791
	Other taxes	26.627	32.164	68.851	25.817	23.768	13.088	127.642	62.672	190.314
12	<b>Non-tax revenues</b>	<b>285.113</b>	<b>438.896</b>	<b>470.099</b>	<b>394.965</b>	<b>458.193</b>	<b>423.033</b>	<b>1.194.108</b>	<b>1.276.190</b>	<b>2.470.298</b>
13	<b>Grants</b>	<b>34.215</b>	<b>498.410</b>	<b>181.667</b>	<b>181.667</b>	<b>363.333</b>	<b>272.667</b>	<b>714.291</b>	<b>817.667</b>	<b>1.531.958</b>
	of which: Grants from other levels of government	0	185.667	181.667	181.667	363.333	231.667	367.333	776.667	1.144.000
2	<b>Total expenditures (21+22)</b>	<b>1.930.774</b>	<b>2.081.600</b>	<b>2.595.200</b>	<b>2.425.715</b>	<b>2.548.258</b>	<b>2.847.023</b>	<b>6.607.574</b>	<b>7.820.996</b>	<b>14.428.570</b>
21	<b>Current expenditures</b>	<b>1.930.321</b>	<b>2.084.005</b>	<b>2.595.200</b>	<b>2.427.032</b>	<b>2.549.575</b>	<b>2.847.023</b>	<b>6.609.526</b>	<b>7.823.630</b>	<b>14.433.156</b>
	Wages and compensations	1.212.293	1.240.960	1.297.876	1.269.115	1.318.214	1.335.639	3.751.129	3.922.968	7.674.097
	of which: Gross wages	986.429	1.006.704	1.024.321	1.025.275	1.054.303	1.021.455	3.017.454	3.101.033	6.118.487
	of which: Compensations	225.863	234.256	273.555	243.840	263.911	314.184	733.674	821.935	1.555.609
	Other taxes and contributions	119.786	122.838	124.306	128.140	130.002	129.965	366.931	388.108	755.038
	Purchases of goods and services	425.160	508.676	623.004	394.706	498.898	709.289	1.556.840	1.602.892	3.159.732
	Capital grants	170.377	209.064	547.555	632.593	600.059	672.124	926.996	1.904.775	2.831.772
	of which: Capital grants to other levels of government	12.691	18.279	138.385	269.491	142.962	171.002	169.354	583.455	752.809
	Other Grants	157.687	190.786	409.170	363.102	457.097	501.122	757.642	1.321.321	2.078.963
	Interest	2.704	2.467	2.459	2.478	2.403	6	7.630	4.887	12.517
22	<b>Net lending*</b>	<b>454</b>	<b>-2.405</b>	<b>0</b>	<b>-1.317</b>	<b>-1.317</b>	<b>0</b>	<b>-1.952</b>	<b>-2.634</b>	<b>-4.586</b>
3	<b>Net acquisition of nonfinancial assets</b>	<b>260.469</b>	<b>12.233</b>	<b>28.995</b>	<b>35.198</b>	<b>155.785</b>	<b>104.534</b>	<b>301.698</b>	<b>295.517</b>	<b>597.215</b>
4	<b>Government surplus/deficit (1-2-3)</b>	<b>-375.824</b>	<b>-171.228</b>	<b>2.371.533</b>	<b>1.122.189</b>	<b>1.657.393</b>	<b>358.712</b>	<b>1.824.481</b>	<b>893.916</b>	<b>2.718.397</b>
5	<b>Net financing **</b>	<b>-3.943</b>	<b>-3.943</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7.886</b>	<b>0</b>	<b>-7.886</b>
*Net domestic lending=Lending-Repaxment of borrowing **Net domestic financing = Credit Received – repayment of debts										

Table 7. Monthly Consolidated Report, Posavina Canton, I-VI 2006

## Activities of the Unit

### **Sarajevo, September 7th, 2006.**

Coordination group for preparation of budget framework paper and annual budgets in BiH completed the first stage in preparation of budgets for state and entities for 2007. Coordination group, established by Project for strengthening management of public finance in BiH (PKF), comprises of assistant finance ministers from state and entities, head of budget and finance department from Brcko District, director of EPPU and Head of MAU as technical support. For the last six months, the coordination group intensively worked on preparation of BFP for BiH and entities on basis of macroeconomic forecasts and fiscal projection prepared by EPPU and MAU. Since the group was primarily established to provide support to efficient medium term budget planning in BiH through advices and recommendations to the Fiscal council of BiH, it is expected that in process of making law on fiscal council there will be formalization of status and tasks of this coordination group as fiscal coordination of all government levels is important for fiscal authorities and fiscal sustainability of BiH. PKF project, funded by DFID provided strong and active support to creation of BFP coordination group and activities on preparation of budgets for institutions of BiH and entities.

### **Međugorje, September 21 and 22, 2006**

As part of international conference "Tax and accounting reform in BiH as factor of Euro-integration processes", Dinka Antić, MSc, Head of macroeconomic analysis unit, had presentation of "Pre-accession obligations of BiH in the field of indirect taxes". Respected professors from Croatia and BiH also addressed the conference. Conference was organized by "FIRCON" Ltd. from Mostar and many managers, accounting experts and auditors attended the conference.