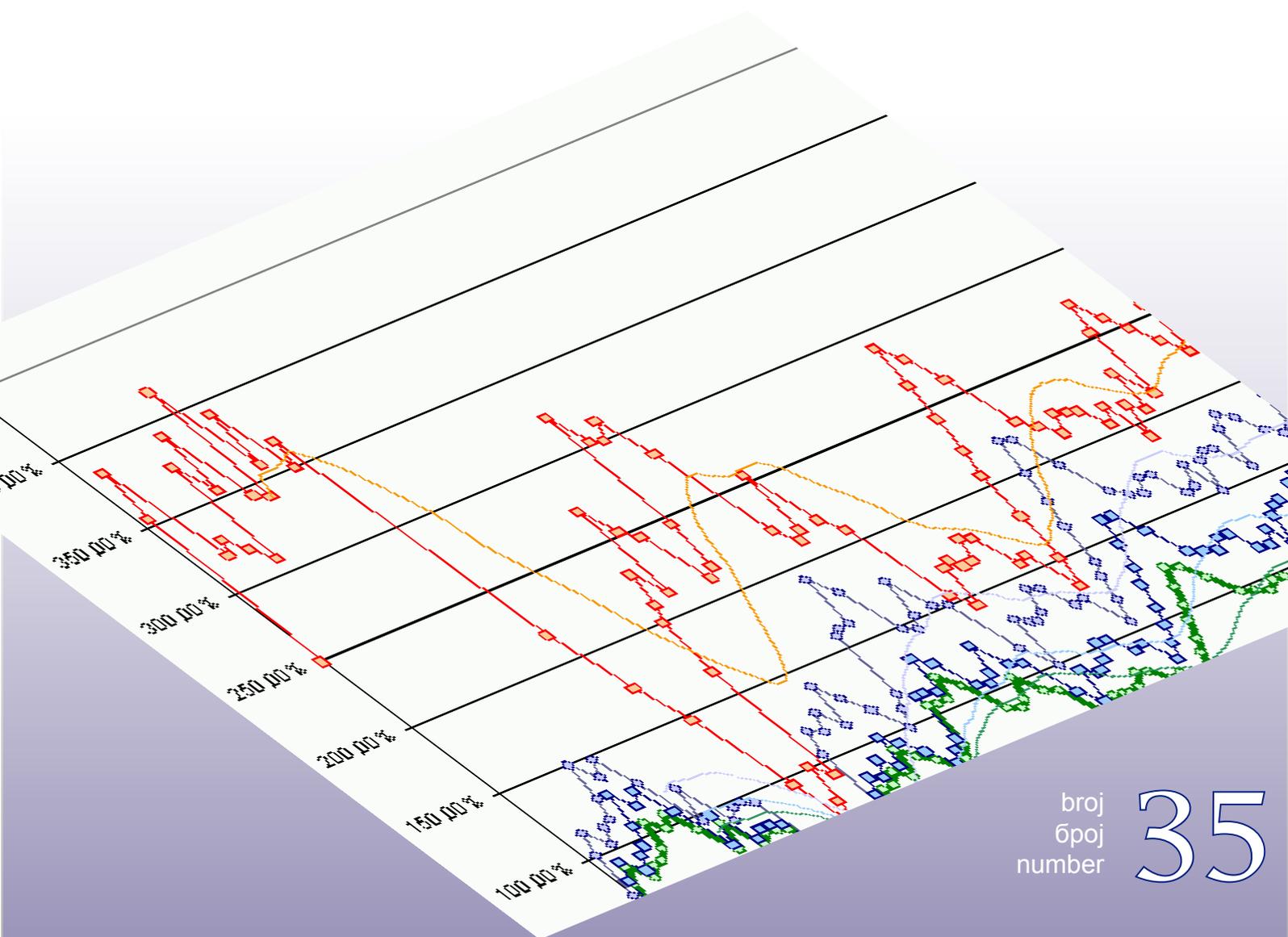




Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



broj
број
number

35

With this issue

Signing of the Stabilization and Association Agreement with EU represents biggest progress for Bosnia and Herzegovina since the end of the war and signing of the Dayton Peace Accord. Implementation of the Agreement requires mobilization of all pro-European forces in our country in order to meet conditions required in inclusion to European integrations. Most significant segment of the Agreement is provisional trade agreement, which envisages abolishment of customs in mutual trade of goods between EU and BiH. Since BiH is highly dependent on imports from EU, every change related to taxation of imports will affect economic position of domestic companies and population. According to basic principles of international economy, taxation of international trade in the form of customs and other measures that have fiscal effect represents "dead" burden for economy. Introduction of customs in addition to higher input prices, which spill into higher selling prices of goods and services in final consumption leads to weakening of competitiveness of domestic companies in protected sectors. Due to customs protectionism, these sectors face with inefficiency and dispersing limited resources, functioning of market mechanisms is biased and investors do not get right signals on profitability of activities etc. In addition to economic and social effects of the implementation of provisional trade agreement with EU in the next five year period, it will also have impact on reduction of customs revenues and budgets of all levels of the government in BiH. Reduction of customs rates should lead to lower prices of inputs and final products. This should improve competitiveness of companies and reduce pressure on household budget of citizens. However, reduction of prices primarily depends on market structure. Monopolization and cartelization of domestic market will for sure lead to spillover of savings from customs and input costs into profits of producers or traders. So, only implementation of free movement of goods and services with removal of all barriers including fiscal ones and regulation of concentration in BiH by the state regulators may create room for full operation of market mechanisms and lowering selling prices and higher welfare of BiH citizens.

Dinka Antić, MSc
Head of Unit – Supervisor

Table of contents:

| | |
|---|----|
| Collection of indirect taxes: April 2008 | 2 |
| Foreign trade exchange | 5 |
| Agreement and on stabilization and association with EU | 9 |
| Consolidated report: BiH: Entiteties, SA, I-IV 2008 | 14 |
| Consolidated report: BiH: State, Entiteties, Brčko Distrikt, Cantons I-III, 2008 | 15 |
| Consolidated report: BiH: State, Entities, Brčko Distrikt, Cantons, Municipalities 2007 | 16 |
| Consolidated reports: cantons | 17 |
| From activities of the Unit | 20 |

Technical design : Sulejman Hasanović, IT officer
Translation by : Edin Smailhodžić, EU Fiscal Policy Support Project

Collection of indirect taxes: April 2008

(Author: Dinka Antić, MSc)

In first four months of 2008, total amount of 1,52 billion KM of net¹ indirect taxes was collected after refunds of VAT and other indirect taxes. That is 16,11% higher than in the same period 2007. In April, net collection of indirect taxes was 4,72% higher than in previous month and 19,11% higher than in April 2007.

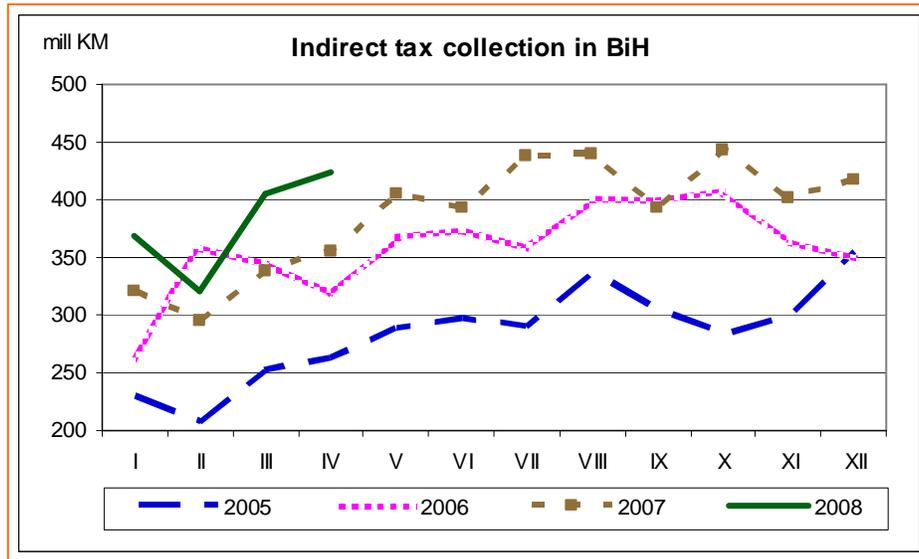


Chart 1

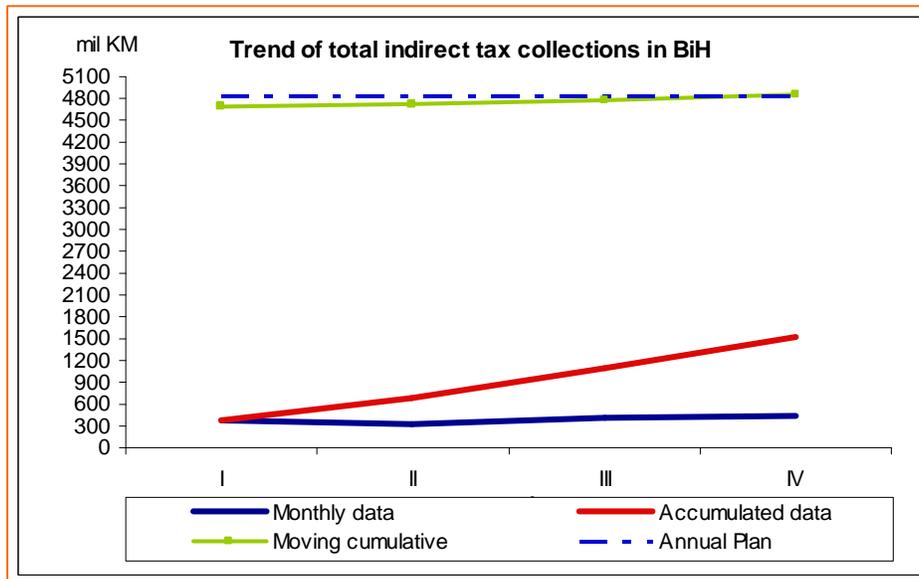


Chart 2

¹ In the same period, ITA collected additional 21,5 million KM of indirect taxes that on April 30th, 2008, remained unadjusted after the compilation of IT system module of ITA (payments to single account and module for customs, excise and VAT).

One of major reasons for increase in collection of indirect taxes is of course growth of imports by 28% at the level of four months i.e. 29,5% in comparison with April 2007. Growth of imports caused growth of *ad valorem* revenues, customs and VAT. At the level of four months, collection of customs revenues was 24,5% higher than in the same period of 2008. Increase in collection of revenues from customs compared to March was 6,95%.

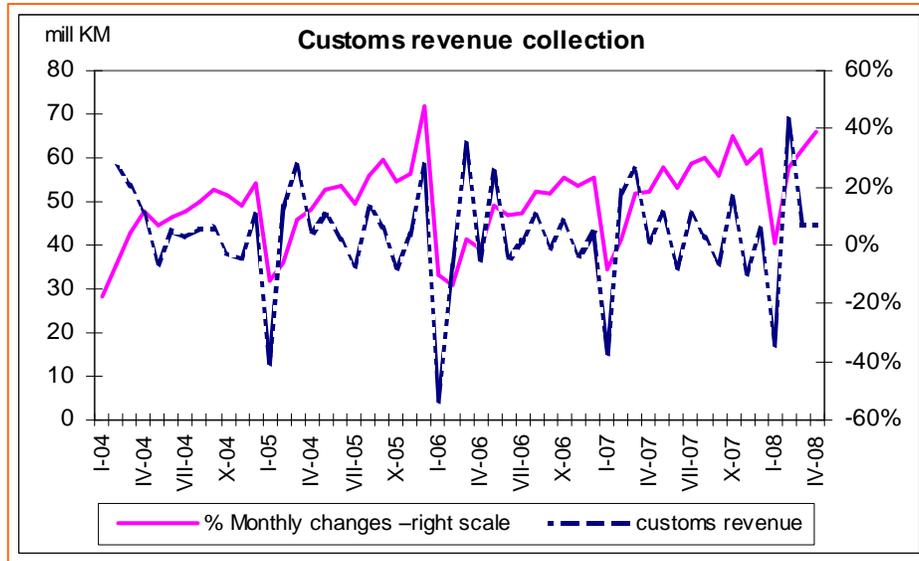


Chart 3

As opposed to customs revenues, excise has much slower collection. Compared to first four months of 2007, the collection of excise was 3,27% higher although the increase in April was 12,96% in comparison with March 2008. However, in comparison with April 2007, increase in collection of excise was only 0,30%. This can be observed in the chart 4. In the last few months, there was slower increase in collection of excise on cigarettes, coffee, alcohol and beer. At the level of four months, growth in collection of excise on alcohol, soft drinks and beer was only 0,5% and 2,6% on coffee and cigarettes.

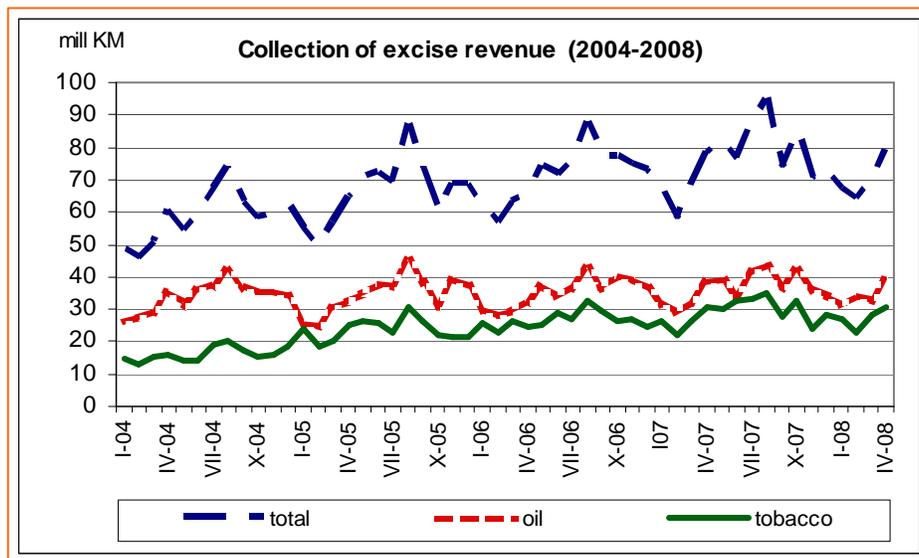


Chart 4

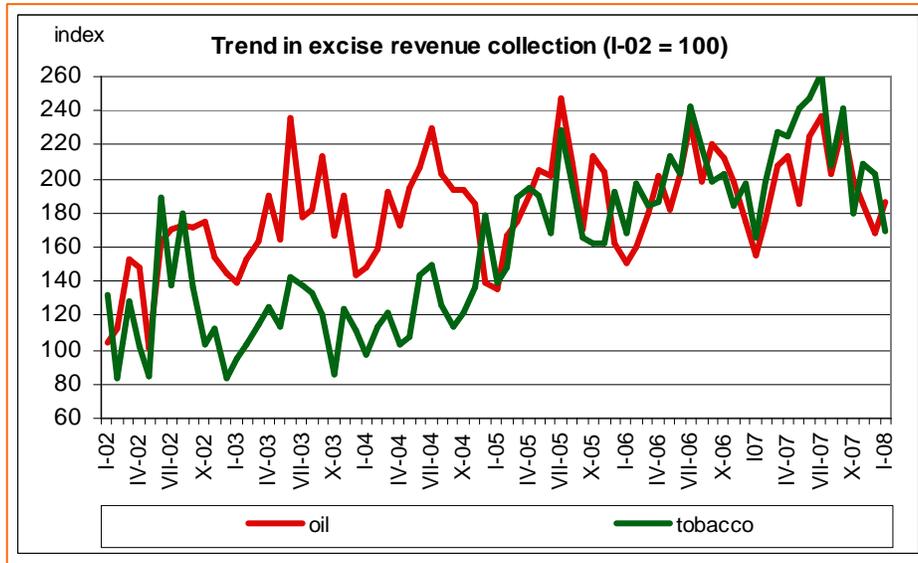


Chart 5

Increase in collection of VAT at the level of four months is very high and stable, 19,24% net while increase of gross collection was 20,97%. Thanks to higher refunds of VAT, increase in net collection was only 1,25% although increase in collection of gross VAT was 7,8% higher than in March. Share of refunds increased to 15% in April, which is also average for refunds in four months.

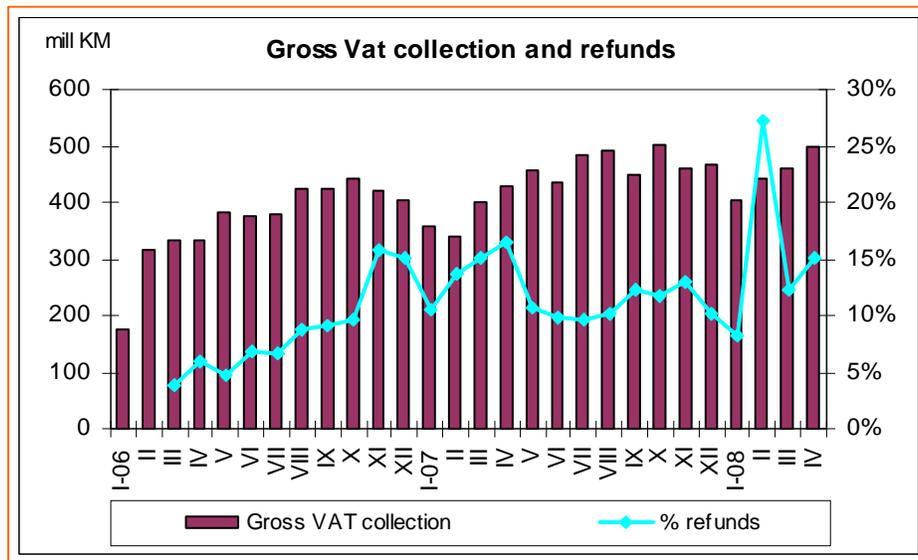


Chart 6

Foreign trade in the period from January to April, 2008

(Prepared by: Mirela Kadić)

Analysis of foreign trade exchange in the period from January-February, 2008, represents continuation of analysis published in previous issues of the Unit's bulletin. For needs of reviewing trends of foreign trade of BiH in first four months of this year, we will observe the same period in last few years.

Main trends in foreign trade exchange

In the Chart 7, January of 2003 is represented as base. In addition to long term and continuous trend in growth of foreign trade exchange, we can also notice uniform oscillations of curve for export, import and deficit in observed years. As we can see in the beginning of the year, there was sudden decrease of deficit due to increase of exports and decrease of imports. This trend was very strong in the beginning of 2006. As the curve moves towards the end of the year, foreign trade exchange gets worse, exports decrease and imports increase at the same time..

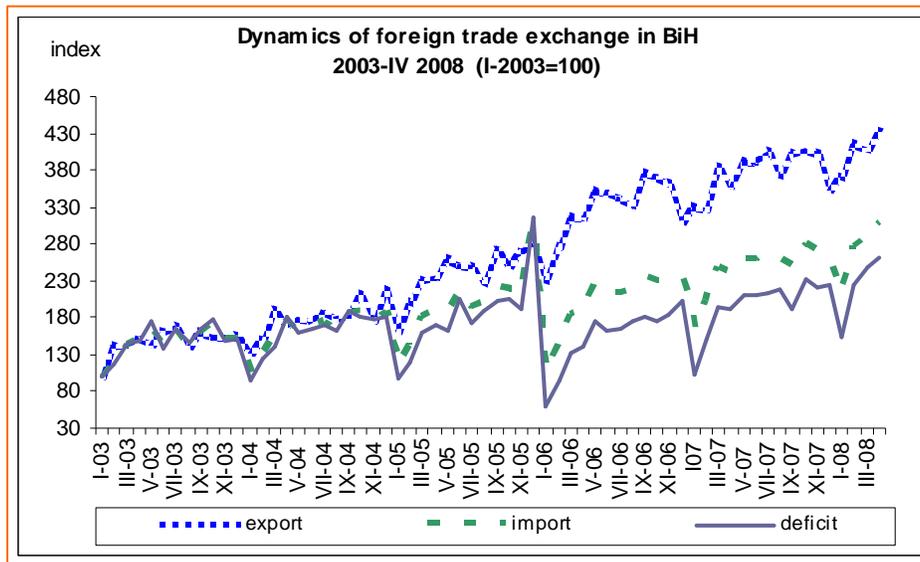


Chart 7

The curve for deficit, imports and exports is similar and it repeats in the beginning of 2008. Imports decreased by 18%, exports increased by 5% and trade deficit decreased by 32% in January compared to December. Although volume of trade is continuously increasing in absolute values, we can notice that ratio between imports and exports got worse. First four months of this year were marked by higher growth of imports ((27,97%) than exports (16,23%) compared to the same period last year. Deficit increased by 37,93% and import-export coverage decreased to 9,18%.

u 000 KM

| | I-IV 2003 | I-IV 2004 | I-IV 2005 | I-IV 2006 | I-IV 2007 | I-IV 2008 | 2008/2007 | 2007/2006 |
|----------|------------|------------|------------|------------|------------|------------|-----------|-----------|
| Export | 703.417 | 841.820 | 1.086.399 | 1.492.393 | 1.836.715 | 2.134.859 | 16,23% | 23,07% |
| Import | 2.424.396 | 2.664.062 | 2.938.053 | 2.933.311 | 4.004.452 | 5.124.839 | 27,98% | 36,52% |
| Deficit | -1.720.979 | -1.822.242 | -1.851.654 | -1.440.918 | -2.167.737 | -2.989.980 | 37,93% | 50,44% |
| Coverage | 29,01 | 31,60 | 36,98 | 50,88 | 45,87 | 41,66 | -9,18% | -9,85% |

High increase of imports value compared to the last year can be partially explained by increase of general price level at the world market, due to enormous price increase of oil and oil products, food and food products. In the Chart 8, we can see average rate of import growth in the period from January to April 2008 compared to the same period last year and also growth rates for groups of products with significant share in total imports.

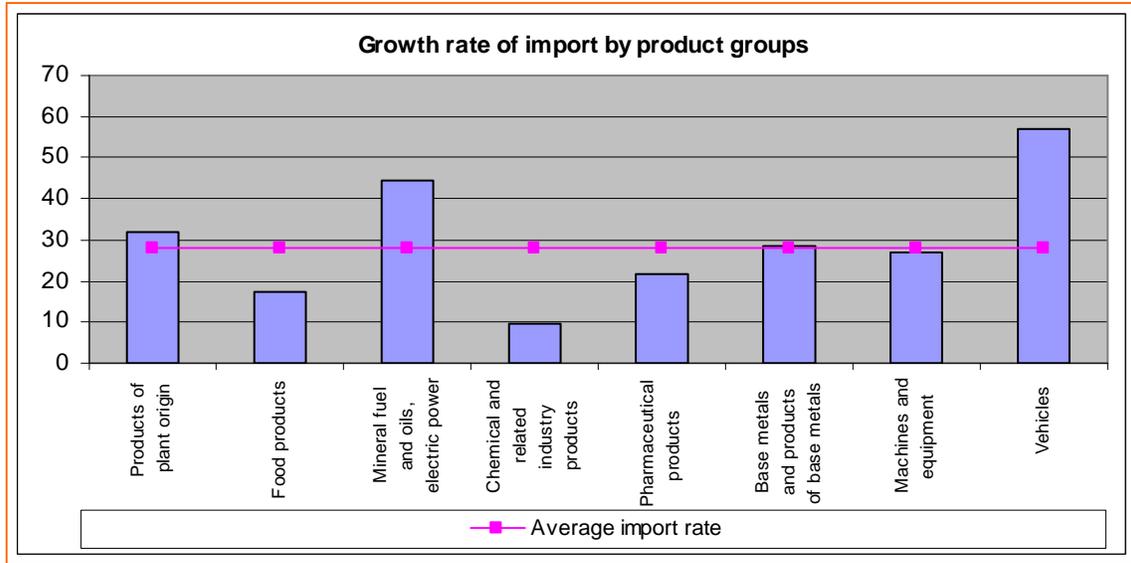


Chart 8

Import of products of plant and mineral origin, machinery, devices and especially means of transport has experienced growth higher than average compared to the same period in 2007. In the group of products of mineral origin, which represents 16,33% of total imports in first four months of 2008, it is important to underline increase of imports of sub-group "mineral fuels" by 44,28% compared to the same period 2007.

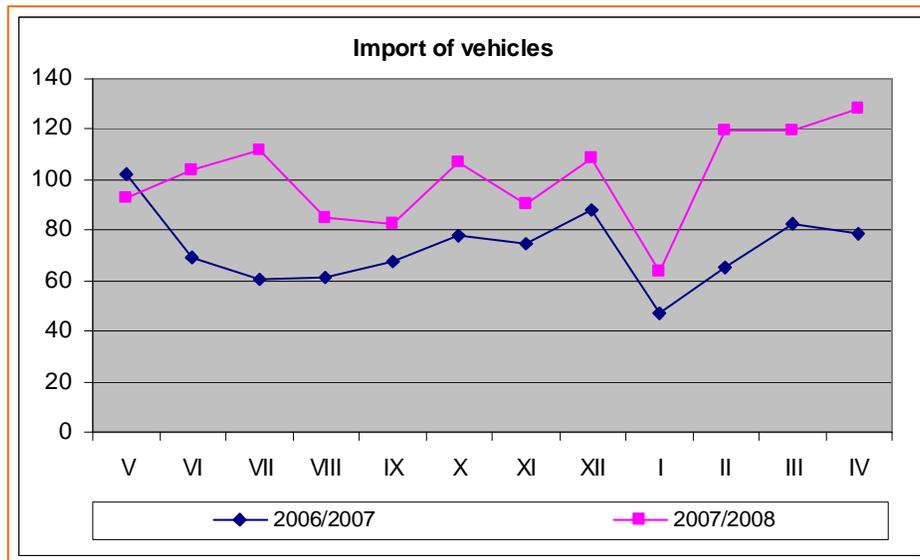


Chart 9

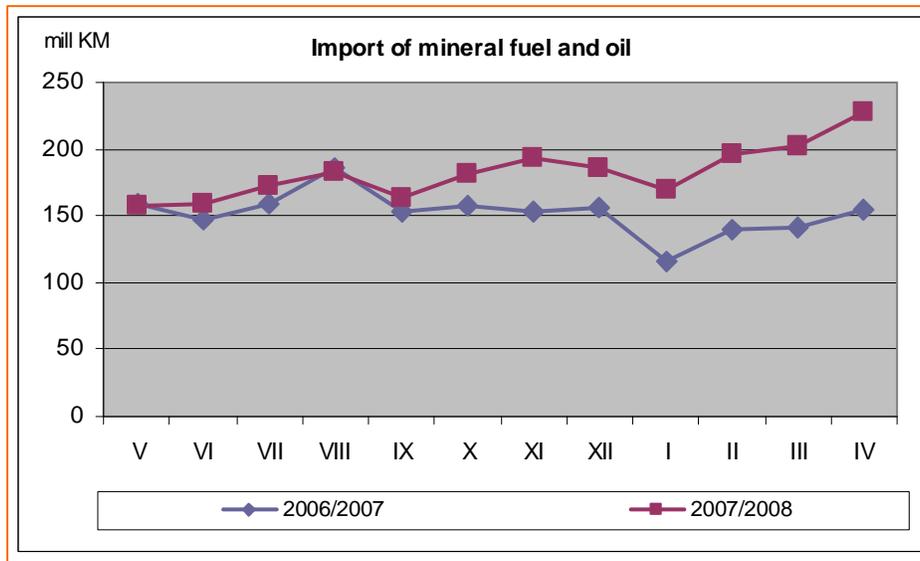


Chart 10

Exports in the period from January to April 2008 increased by 16,23% compared to the same period in 2007. Observing the chart 9, we can notice that the group of products of mineral origin (most significant group is electrical energy), chemical products, food products, textile, machines, devices and furniture showed higher rate of exports than the average rate.

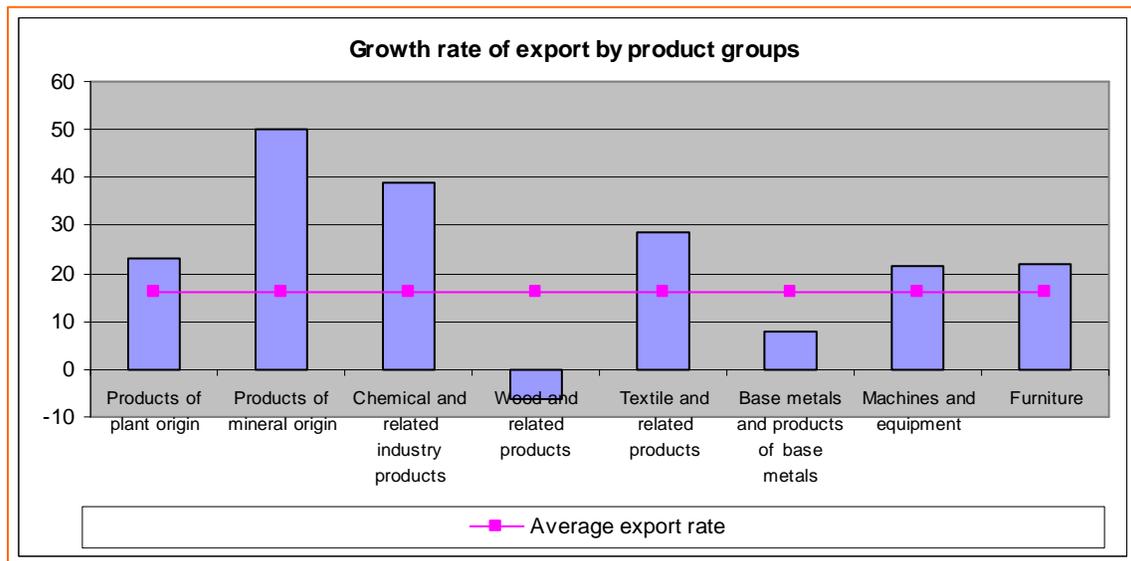


Chart 11

Export of group of products "mineral fuels, mineral oils and electrical energy" shows significant growth of exports as well as "miscellaneous products", which contains furniture products in accordance with harmonized WTO system of codes.

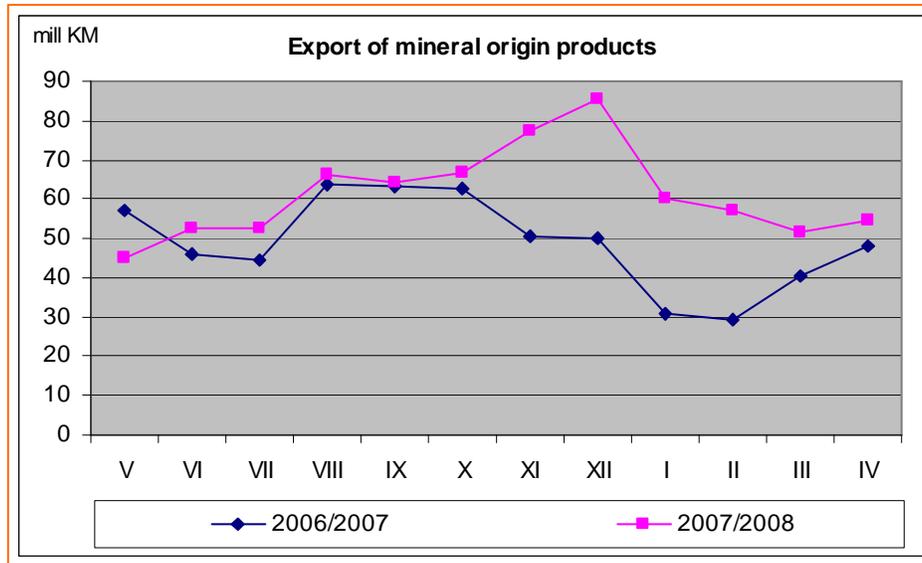


Chart 12

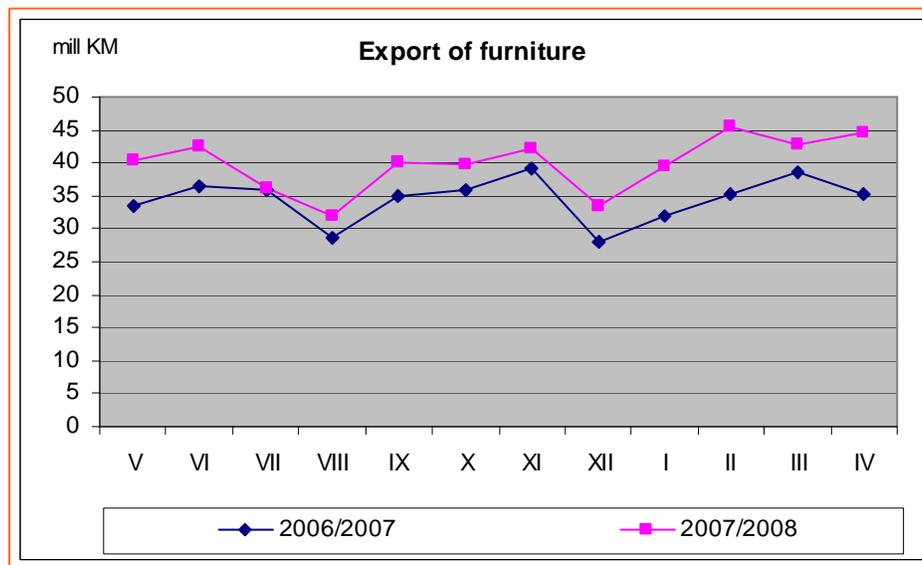


Chart 13

We also see significant decrease in exports of wood and wood products by 6,4% compared to the same period last year. Share of wood exports in first four months of 2008 was only 7,19%. Export of iron, which represents 6,78% of total exports increased only by 4% and export of aluminum, which represents 10,54% of BiH exports, decreased by 2% compared to the same period in 2007.

Instead of conclusions

In first four months of 2008, we can notice the following trends in foreign trade compared to the same period last year:

- **Increase of exports by 16,23%**
- **Increase of imports by 27,97%**
- **Increase of deficit by 37,93%**
- **Coverage of imports by exports is 41,66%, which is 9,18% less than in the same period of 2007**

Stabilization and Association Agreement

(Prepared by: Dinka Antić, MSc.)

1. INTRODUCTION

Signing of the Stabilization and Association Agreement (SAA) between European Union and Bosnia and Herzegovina represents first important step towards full membership of BiH in the Union. The Agreement represents first contractual relation between our country and EU and BiH has become now one of privileged countries. In other hand, the Agreement envisages first phase of the implementation:

- *General requirements* from EU legal heritage (*Acquis Communautaire*), which must be met by all new member states and
- *Specific requirements*, which EU defines for concrete new member state and these depend on assessment of European Commission on economic and political situation in candidate country..

Logical continuation of the Agreement is getting status of the country-candidate, which represents last step to full membership.²

2. BASIC ELEMENTS OF THE AGREEMENT

Through implementation of the Agreement, signatories, 27 EU member states and BiH will try to achieve the following goals:

- a) Strengthening democracy and rule of law in BiH,
- b) Achieving political, economic and institutional stability in BiH,
- c) Achieving regional cooperation and stability,
- d) Creation of conditions for political dialogue,
- e) Support to development of economic and international cooperation of BiH with EU member states,
- f) Harmonization of BiH legislation with EU legislation,
- g) Strengthening single economic space in BiH,
- h) Enabling free trade between EU and BiH,
- i) Creation of propulsive business environment,
- j) Transformation of BiH economy into functional market economy.

Association will be carried out gradually in transitional period of maximum six years. It is envisaged to establish a Council for Stabilization and Association that will annually control implementation of the Agreement. Implementation of the Agreement from BiH side includes:

- Adoption and implementation of new legislation,
- Implementation of economic reforms,
- Implementation of administrative and institutional reforms.

Implementation of the Agreement should be harmonized with priorities determined by European partnership. European partnership includes achievement of short and long term objectives. One of significant objectives is to meet economic criteria, harmonization of customs and taxation³. The Agreement consists of ten chapters and it covers areas such as: political dialogue, regional cooperation, free movement of goods, movement of labor, business establishment, providing services, movement of capital, harmonization of laws, implementation of laws and rules of

² Out of neighboring countries, candidate countries for EU membership are Croatia, Turkey and Macedonia while Albania and Montenegro signed Stabilization and Association Agreement. Serbia signed provisional agreement.

³ Council Decision of 18 February 2008 on principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2006/55/EC; 2008/211/EC, Službene novine EU, L80 od 19.03.2008

competition, justice, freedom and security, cooperation policy, financial cooperation, institutional, general and final provisions. The Agreement includes seven annexes and seven protocols:

One of most important parts of the Agreement is contained in the Chapter III in regards to free movement of goods, which we are going to present in separate section. For implementation of fiscal policy, the following segments are also important:

- **Cooperation in the field of statistics**, which imposes creation of efficient statistical systems that will ensure comparable, reliable, objective and correct data required for planning and monitoring of transition and reforms in BiH. In accordance with provisions of Article 88 *“statistical system should harmonized with basic statistical principles of UN, the code of practice of on European Statistics and provisions of Economic law in the field of statistics, and it should be developed in direction of legal heritage (acquis) of the Community”*;
- **Cooperation in the field of banking, insurance and other financial services**;
- **Cooperation in the field of audit and financial control** will be directed to internal audit and control in public sector and external audit. In accordance with the Agreement, BiH is obliged to adopt relevant regulations, develop internal audit of public sector, including financial management and control, functional independent internal audit and independent systems of external audit in BiH in accordance with international standards of control and audit, methodologies and EU best practice. Cooperation also includes strengthening capacities and training in institutions;
- **Harmonization in the field of customs**, in order to harmonize BiH customs system with EU system in order to achieve trade liberalization;
- **Harmonization in the field of taxation**, which envisages further reforms of fiscal system and restructuring tax administration in order to improve efficiency in tax collection and prevention of tax evasions. Harmonization in the field of taxes includes elimination of harmful tax competition on basis principles from EC Code of Conduct for Business Taxation, 1997.

Agreement on Stabilization and Association goes into force first day of second month after deposition of last instrument of ratification or approval. In essence, this provision means that every EU member state must ratify or approve the Agreement and the Agreement goes into force only after it has been ratified or approved by the last member state. It is estimated that the ratification of the Agreement will take up to two years. In the meantime, provisional Agreement on trade and trade issues between European community and Bosnia and Herzegovina.

3. PROVISIONAL AGREEMENT ON TRADE AND TRADE ISSUES

Essence of provisional trade agreement between EU and BiH consists of Chapter III of the Agreement – free movement of goods. In first years of Provisional Agreement, most significant provisions are related to establishment of free trade area. BiH got **maximum deadline of five years** to establish free trade area once the Provisional Agreement goes into force in accordance with provisions of the Agreement, GATT 1994 and World Trade Organization (WTO) with meeting special conditions:

- Combined nomenclature will be used for classification of goods in trade between the parties,
- Definition of customs and taxes of the same effect as customs include any duties or taxes imposed on import or export of goods. It includes every form of additional duties or taxes related to such imports or exports, but it does not include taxes same as internal taxes, anti-dumping or compensation measures, fees or taxes proportional to costs of provided services.

Above listed conditions envisage introduction of customs concessions, while taxes such as excise, VAT or road fees remain in the force. The Agreement provides application of taxes for provided

services, which is important for partial compensation of revenue losses from so called customs recording, which is currently collected by ITA in the amount of 1% on customs base. Customs recording *de facto* has character of additional customs (*ad valorem* or proportional tax) and it has to be abolished once the Agreement goes into force. Reduction of customs that BiH will apply will be rounded on closest decimal numbers by using regular arithmetic principles. Chapter « Free movement of goods » consists of two important parts:

- Chapter I – Industrial products
- Chapter II – Agriculture and fisheries

3.1. Chapter I – Customs concessions on industrial products

Provisions of the Chapter I is applied on products originating from the Community or BiH, which are covered in Chapter 25 to 97 of Combined nomenclature with the exception of products listed in the Annex I § I (ii) of the WTO Agreement on Agriculture. Customs concessions on industrial products are mutually applied: on import of goods from EU to BiH and import of BiH goods to EU. When the Agreement goes into force, customs on import of EU industrial products to BiH and taxes of the same effect will be abolished as well as quantity restrictions on import of these products from BiH to the Community. Once the Agreement goes into force, customs will be abolished on import of goods coming from EU except for the ones listed in Annex 1, and also taxes that have the same effect as customs on import to BiH for industrial products from the Community. Customs on import products from EU listed in the Annex I (a), (b) and (c) will gradually be reduced as follows:

| Annex | "0" | "1" | "2" | "3" | "4" | "5" |
|--------------|------------|------------|------------|------------|------------|------------|
| I (a) | 50% | 0% | | | | |
| I (b) | 75% | 50% | 25% | 0% | | |
| I (c) | 90% | 80% | 60% | 40% | 20% | 0% |

Note:

Year „0“: entering Agreement into force, 1 July 2008

Year "1": 1 Jan 2009., Year "2": 1 Jan 2010., Year "3": 1 Jan 2011., Year "4": 1 Jan 2012., Year "5": 1 Jan 2013

In order to properly understand above mentioned table, it is necessary to emphasize that percentages do not represent reduction of current customs rate and that they represent relative customs rate expressed compared to starting one:

$$\text{New customs rate for period "0" ...} = \text{starting customs rate} \times \frac{\% \text{ in Annex I}}{\% \text{ for period "0" ...}} / 100$$

Starting customs rate represents customs rate that was in force prior to the Provisional agreement. For example, if certain good falls under Annex I (c) and it is current customs rate is 15%, the following customs rates will be applied on import of that good from EU:

| | Starting | "0" | "1" | "2" | "3" | "4" | "5" |
|---------------------|-----------------|--------------|------------|------------|------------|------------|------------|
| Annex I (c) | | 90% | 80% | 60% | 40% | 20% | 0% |
| Customs rate | 15% | 13.5% | 12% | 9% | 6% | 3% | 0% |

Application of the Agreement includes elimination of all export customs and taxes of the same effect in mutual trade of EU and BiH, and other quantity restrictions and measures of the same effect. Customs tariff itself is very complex document. In addition, use of concession systems on imports from EU is even more complex by application of gradual elimination of customs on a number of goods listed in Annexes of the Agreement. Annexes of the Agreement contain hundreds

of pages, which are elaborated at the level of series of eight figures in the nomenclature. Bearing in mind the fact that more than 80% of imports refer to industrial products does not allow simple review of customs rates on import of industrial products. Due to this, we will use informative review using mainly four figures of the nomenclature with general description for most important goods.

3.2. Chapter II – Customs concessions on agricultural and fish products

Customs concessions apply on trade with agricultural and fish products from the Community or BiH. Products from this chapter refer to the products from the Chapter 1 to 24 of Combined Nomenclature and products listed in the Annex I §I (ii) of WTO Agreement on Agriculture. Definition of goods that fall under this chapter includes fish and fish products covered by the Chapter 3, tariff numbers 1604 and 1605 and tariff items 0511 91, 1902 20 10 and 2301 20 00. Just as for industrial products, customs concession on agricultural and fish products apply mutually: on import of goods from EU to BiH and import of goods from BiH to EU..

Once the Agreement goes into force, customs on import of agricultural products from BiH to EU and taxes of the same effect will be abolished as well as quantity restrictions on imports to the Community except for the tariff numbers: 0102, 0201, 0202, 1701, 1702 and 2204 of Combined Nomenclature. In accordance with Article 12 for products covered by Chapters 7 and 8 of Combined Nomenclature, for which Common Customs Tariff envisages application *ad valorem* customs and specific customs, abolishment will apply only on *ad valorem* share of customs duties. EU keeps certain customs regime on import of baby-beef products from BiH, which is determined in Annex II in the amount of 20% of *ad valorem* customs and 20% of specific customs duties determined in EC Common Customs Tariff. These rates are applied as part of annual quota of 1.500 tones expressed in net weight of half carcass. When the Agreement goes into force, EU will abolish customs on import of products from BiH for tariff numbers 1701 and 1702 of Combined Nomenclature as part of annual customs quota of 12.000 tones net. Customs on import of agricultural products from EU will be abolished as follows:

| Annex | "0" | "1" | "2" | "3" | "4" | "5" |
|---------------|---|------------|------------|------------|------------|------------|
| III(a) | 0% | | | | | |
| III(b) | 50% | 0% | | | | |
| III(c) | 75% | 50% | 25% | 0% | | |
| III(d) | 90% | 80% | 60% | 40% | 20% | 0% |
| III(e) | 0% as part of provided customs quota for each product | | | | | |

When the Agreement goes into force, EU will abolish all customs or taxes with the same effect on fish and fish products from BiH except for the ones listed in Annex IV, which are subject of special provisions. For fish products, few arrangements are envisaged that can be presented in the following way:

| Annex IV | "0" | "1" | "2" | "3" | "4" | "5" |
|-----------------|------------|------------|------------|------------|------------|------------|
| (1) | 0% | | | | | |
| (2) | 50% | 50% | | | | |
| (3) | 75% | 50% | 25% | 0% | | |
| (4) | 90% | 80% | 60% | 40% | 20% | 0% |
| (5) | 100% | 100% | 100% | 100% | 100% | 100% |

We may notice that the customs for certain fish products in Annex IV are kept even after transitional period – group (5). We should underline that the Agreement provides possibility to change regime of imports to free trade imports. In accordance with Article 8 of Provisional Agreement, which is also Article 23 of the Agreement, BiH has expressed readiness to reduce its customs duties in trade with the Community faster than it is determined by Article 6 (Article 21 of SAA) if it is possible according to general economic situation and situation in concrete business sector.

Consolidated Reports

(prepared by: Mirela Kadić, research assistant)

Table 1. (Consolidated report: BiH: SA and Entiteties)

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.

Table 2. (Consolidated report: BiH: State, Entiteties, Brčko Distrikt, Cantons)

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 10 cantons in the Federation

2. Report includes amortization of foreign debt

3. 2007 year report is not fully comparable with previous year data because of separation of Health insurance fund of Brcko District as an independent financial institution.

Table 3. (Consolidated report: BiH: State, Entiteties, Brčko Distrikt, Cantons, Municipalities)

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 Republika Srpska, and budgets of RS municipalities
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina, cantonal and municipal budgets in Federation,

2. Report includes amortization of foreign debt

Table 4,5 and 6 (Consolidated reports: Cantons)

Consolidated report includes:

- revenues and expenditures of the cantonal budgets,
- revenues and expenditures of the budgets of related municipalities.

Notes:

*Net domestic lending = lending-repayment of borrowing

**Net domestic financing = Credits received . repayment of debts (doesn.t include foreign debt)

BiH: Enteties, SA, I-IV 2008

| | | I | II | III | IV | Q1 | Q2 | Total |
|----------|---|--------------|---------------|--------------|--------------|---------------|--------------|---------------|
| 1 | Current revenues | 411,9 | 381,9 | 482,2 | 486,5 | 1276,0 | 486,5 | 1762,5 |
| 11 | Taxes | 386,5 | 354,6 | 444,9 | 465,0 | 1186,0 | 465,0 | 1651,0 |
| 111 | Indirect taxes | 370,2 | 325,0 | 405,8 | 424,6 | 1101,0 | 424,6 | 1525,6 |
| | VAT | 247,3 | 183,8 | 257,3 | 260,5 | 688,5 | 260,5 | 949,0 |
| | VAT on imports | 149,5 | 200,9 | 217,0 | 234,0 | 567,4 | 234,0 | 801,4 |
| | VAT from VAT returns | 128,9 | 100,4 | 94,8 | 100,0 | 324,0 | 100,0 | 424,0 |
| | VAT from automatic assessment done by ITA | 0,0 | 0,0 | 0,0 | 0,1 | 0,1 | 0,1 | 0,1 |
| | One-off VAT payments | 0,3 | 0,1 | 0,2 | 0,1 | 0,6 | 0,1 | 0,7 |
| | Other | 1,2 | 1,1 | 1,0 | 1,1 | 3,3 | 1,1 | 4,4 |
| | VAT refunds | -32,6 | -118,6 | -55,7 | -74,6 | -206,9 | -74,6 | -281,5 |
| | Custom duties | 40,8 | 58,2 | 62,3 | 66,8 | 161,3 | 66,8 | 228,1 |
| | Sales tax | 0,5 | 1,5 | 0,9 | 0,7 | 3,0 | 0,7 | 3,7 |
| | Excises | 67,8 | 66,6 | 70,0 | 79,0 | 204,3 | 79,0 | 283,4 |
| | on imports | 53,9 | 55,0 | 57,9 | 65,9 | 166,8 | 65,9 | 232,7 |
| | on domestic production | 13,9 | 11,6 | 12,1 | 13,1 | 37,5 | 13,1 | 50,6 |
| | Railroad tax | 12,7 | 14,4 | 14,0 | 16,6 | 41,0 | 16,6 | 57,7 |
| | Other | 1,4 | 1,4 | 1,8 | 1,5 | 4,7 | 1,5 | 6,2 |
| | Other refunds | -0,4 | -0,9 | -0,6 | -0,7 | -1,8 | -0,7 | -2,5 |
| 112 | Direct taxes | 16,3 | 29,6 | 39,1 | 40,4 | 85,0 | 40,4 | 125,4 |
| | Income taxes | 8,0 | 18,8 | 26,6 | 27,4 | 53,4 | 27,4 | 80,8 |
| | Other tax revenues | 8,3 | 10,8 | 12,5 | 13,1 | 31,6 | 13,1 | 44,7 |
| 12 | Non-tax income | 24,3 | 27,1 | 37,1 | 21,1 | 88,5 | 21,1 | 109,7 |
| 13 | Other revenues | | | 0,1 | | 0,1 | | 0,1 |
| 14 | Grants | 0,2 | 0,0 | 0,0 | 0,0 | 0,2 | 0,0 | 0,2 |
| 15 | Transfers from other level of government | 0,9 | 0,1 | 0,1 | 0,3 | 1,2 | 0,3 | 1,5 |
| 2 | Current expenditures | 305,0 | 400,2 | 427,7 | 487,7 | 1133,0 | 487,7 | 1620,6 |
| 21 | Consumption expenditures | 48,5 | 68,7 | 85,7 | 78,2 | 202,9 | 78,2 | 281,1 |
| 211 | Wages and compensations | 45,2 | 61,0 | 68,5 | 65,8 | 174,6 | 65,8 | 240,4 |
| 212 | Purchases of goods and services | 3,3 | 7,7 | 17,2 | 12,5 | 28,3 | 12,5 | 40,7 |
| 22 | Grants | 13,7 | 53,5 | 64,6 | 79,3 | 131,9 | 79,3 | 211,2 |
| | Transfers to households | 10,7 | 48,5 | 43,4 | 56,0 | 102,7 | 56,0 | 158,6 |
| | Transfers to institutions / organizations | 0,3 | 1,2 | 5,9 | 5,1 | 7,4 | 5,1 | 12,5 |
| | Subsidies | 2,7 | 3,8 | 15,2 | 18,3 | 21,8 | 18,3 | 40,1 |
| 23 | Interest payments | 0,6 | 10,1 | 13,6 | 5,4 | 24,3 | 5,4 | 29,6 |
| 24 | Other outlays | 1,9 | 44,4 | 25,5 | 31,9 | 71,8 | 31,9 | 103,7 |
| 25 | Transfers from Single Account | 224,3 | 205,4 | 219,8 | 248,2 | 649,5 | 248,2 | 897,8 |
| | o/w : BiH Budget | 51,6 | 51,6 | 61,5 | 57,6 | 164,8 | 57,6 | 222,4 |
| | o/w: FBiH / Cantons, Municipalities, Road Fund | 130,8 | 121,1 | 117,7 | 144,6 | 369,6 | 144,6 | 514,2 |
| | o/w: RS / Municipalities, Road Fund | 30,7 | 22,7 | 28,4 | 33,1 | 81,8 | 33,1 | 114,8 |
| | o/w: Brcko | 11,2 | 10,0 | 12,1 | 13,1 | 33,3 | 13,1 | 46,4 |
| 27 | Transfers to lower levels of government | 17,2 | 18,1 | 18,7 | 40,2 | 54,0 | 40,2 | 94,2 |
| 28 | Net lending* | -1,3 | | -0,1 | 4,5 | -1,4 | 4,5 | 3,1 |
| 3 | Net acquisition of nonfinancial assets | 4,7 | 4,7 | 8,4 | 5,0 | 17,8 | 5,0 | 22,8 |
| 4 | Government surplus (+)/ deficit(-) (1-2-3) | 102,2 | -23,0 | 46,1 | -6,2 | 125,2 | -6,2 | 119,0 |
| 5 | Net financing** | -0,57 | -1,4 | -35,2 | -9,0 | -37,2 | -9,0 | -46,3 |

Table 1

BiH: State, Entiteties, Brčko Distrikt, Cantons I-III, 2008

| | | I | II | III | I-III 2008 |
|----------|---|--------------------|--------------------|--------------------|----------------------|
| 1 | Current Revenues (11+12+13+14) | 423.659.841 | 420.569.714 | 482.529.883 | 1.326.759.439 |
| 11 | Taxes | 366.368.405 | 361.982.891 | 418.495.063 | 1.146.846.359 |
| | Income & profit tax | 18.385.527 | 24.482.537 | 35.742.870 | 78.610.934 |
| | Taxes on personal income and self-employment | 20.288.003 | 28.717.920 | 25.577.987 | 74.583.910 |
| | Property tax | 2.238.756 | 2.330.702 | 1.712.566 | 6.282.024 |
| | Transfers from Single Account | 324.452.314 | 304.903.346 | 350.317.034 | 979.672.694 |
| | Other taxes | 1.003.805 | 1.548.385 | 5.144.607 | 7.696.797 |
| 12 | Non-tax revenues | 55.653.792 | 56.153.369 | 61.905.066 | 173.712.228 |
| 13 | Grants | 1.517.617 | 2.377.022 | 2.068.242 | 5.962.881 |
| 14 | Other revenues | 120.027 | 56.432 | 61.512 | 237.971 |
| 2 | Total expenditures (21+22+23) | 318.678.616 | 365.897.683 | 369.808.905 | 1.054.385.204 |
| 21 | Current expenditures | 318.273.059 | 363.398.270 | 366.689.294 | 1.048.360.622 |
| | Wages and compensations | 173.411.342 | 176.836.186 | 177.048.918 | 527.296.447 |
| | of which: Gross wages | 148.016.307 | 150.142.346 | 150.308.302 | 448.466.956 |
| | of which: Compensations | 25.395.035 | 26.693.840 | 26.740.615 | 78.829.491 |
| | Other taxes and contributions | 10.266.381 | 10.504.641 | 10.374.468 | 31.145.490 |
| | Purchases of goods and services | 25.633.196 | 33.525.955 | 40.881.879 | 100.041.030 |
| | Capital grants | 104.432.953 | 128.644.668 | 132.016.798 | 365.094.419 |
| | Interest | 4.529.186 | 13.886.820 | 6.367.230 | 24.783.236 |
| 22 | Other expenditures | 2.064.004 | 2.196.423 | 2.900.435 | 7.160.861 |
| 23 | Net lending** | -1.658.447 | 302.990 | 219.176 | -1.136.280 |
| 3 | Net acquisition of nonfinancial assets | 9.699.508 | 7.427.114 | 10.308.974 | 27.435.595 |
| 4 | Government surplus/deficit (1-2-3) | 95.281.718 | 47.244.918 | 102.412.004 | 244.938.640 |
| 5 | Net financing *** | -12.088.041 | -12.710.168 | -12.377.429 | -37.175.638 |

Table 2

BiH: State, Entities, Brčko Distrikt, Cantons, Municipalities 2007

| | | I | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII | Q1 | Q2 | Q3 | Q4 | I-XII 2007 |
|----------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Current Revenues (11+12+13+14) | 454.547.354 | 452.305.607 | 526.621.855 | 539.823.687 | 551.252.646 | 550.686.659 | 667.261.116 | 583.108.638 | 538.749.158 | 600.377.252 | 576.805.161 | 695.649.136 | 1.433.474.816 | 1.641.762.992 | 1.789.118.911 | 1.872.831.549 | 6.737.188.268 |
| 11 | Taxes | 387.373.138 | 376.401.131 | 435.285.436 | 430.565.815 | 469.277.775 | 455.196.699 | 487.317.541 | 497.183.612 | 455.744.505 | 503.050.686 | 459.330.550 | 504.105.122 | 1.199.059.705 | 1.355.040.289 | 1.440.245.658 | 1.466.486.358 | 5.460.832.009 |
| | Income & profit tax | 13.847.969 | 22.615.144 | 36.717.773 | 12.837.559 | 13.161.089 | 15.815.263 | 17.051.972 | 14.034.026 | 13.426.514 | 16.526.761 | 18.749.581 | 25.334.969 | 73.180.886 | 41.813.911 | 44.512.512 | 60.611.310 | 220.118.619 |
| | Social security contributions (Brcko) | 885.985 | 1.296.358 | 1.444.201 | 205.994 | -3.458.091 | -313.774 | 58.636 | 101.920 | -19.620 | 607 | -195.538 | 606 | 3.626.544 | -3.565.871 | 140.936 | -194.325 | 7.284 |
| | Taxes on personal income and self-employment | 25.630.744 | 26.553.412 | 29.554.758 | 31.128.780 | 30.246.411 | 30.434.743 | 33.752.449 | 30.890.844 | 30.007.306 | 33.155.905 | 32.944.597 | 22.778.834 | 81.738.915 | 91.809.935 | 94.650.598 | 88.879.337 | 357.078.784 |
| | Property tax | 10.603.949 | 12.004.602 | 9.302.422 | 10.170.017 | 10.588.872 | 9.283.250 | 9.207.807 | 10.712.414 | 9.220.059 | 10.324.016 | 9.512.090 | 10.907.810 | 31.910.974 | 30.042.139 | 29.140.280 | 30.743.916 | 121.837.309 |
| | Transfers from Single Account | 334.740.526 | 311.490.154 | 353.658.659 | 374.145.425 | 416.691.459 | 398.050.335 | 424.810.483 | 438.828.744 | 400.512.198 | 436.880.686 | 395.852.241 | 438.095.265 | 999.889.339 | 1.188.887.219 | 1.264.151.424 | 1.270.828.191 | 4.723.756.173 |
| | Other taxes | 1.663.965 | 2.441.461 | 4.607.622 | 2.078.040 | 2.048.034 | 1.926.882 | 2.436.195 | 2.615.664 | 2.598.049 | 6.162.710 | 2.467.579 | 6.987.638 | 8.713.048 | 6.052.956 | 7.649.909 | 15.617.927 | 38.033.840 |
| 12 | Non-tax revenues | 58.605.646 | 67.499.641 | 82.227.888 | 73.731.158 | 73.781.561 | 84.161.464 | 170.727.253 | 77.917.977 | 74.299.004 | 88.551.789 | 101.773.681 | 174.140.058 | 208.333.175 | 231.674.183 | 322.944.233 | 364.465.528 | 1.127.417.119 |
| 13 | Grants | 7.736.664 | 7.425.448 | 8.017.578 | 33.945.312 | 6.959.366 | 7.956.730 | 8.616.602 | 7.559.454 | 8.211.827 | 8.146.080 | 14.278.073 | 23.016.414 | 23.179.690 | 48.861.408 | 24.387.884 | 45.440.567 | 141.869.549 |
| 14 | Other revenues | 831.906 | 979.388 | 1.090.953 | 1.581.402 | 1.233.945 | 3.371.765 | 599.719 | 447.595 | 493.822 | 628.697 | 1.422.857 | -5.612.458 | 2.902.247 | 6.187.112 | 1.541.136 | -3.560.904 | 7.069.590 |
| 2 | Total expenditures (21+22+23) | 295.583.283 | 344.646.643 | 375.702.844 | 409.246.156 | 451.083.766 | 540.815.711 | 464.835.664 | 425.906.437 | 473.370.816 | 506.732.413 | 567.287.504 | 1.007.196.544 | 1.015.932.770 | 1.401.145.633 | 1.364.112.917 | 2.081.216.461 | 5.862.407.782 |
| 21 | Current expenditures | 286.766.467 | 335.785.485 | 367.412.336 | 398.671.631 | 447.600.999 | 514.044.111 | 437.452.408 | 414.826.763 | 465.826.473 | 502.155.608 | 563.699.469 | 1.037.619.064 | 989.964.287 | 1.360.316.742 | 1.318.105.644 | 2.103.474.141 | 5.771.860.814 |
| | Wages and compensations | 160.245.276 | 164.268.817 | 169.084.268 | 174.509.787 | 182.668.635 | 225.335.628 | 164.563.673 | 174.576.021 | 181.431.024 | 190.003.801 | 191.828.101 | 240.304.825 | 493.598.360 | 582.514.050 | 520.570.717 | 622.136.726 | 2.218.819.854 |
| | of which: Gross wages | 132.307.505 | 136.933.644 | 138.652.968 | 144.851.564 | 148.799.314 | 149.678.452 | 139.685.719 | 147.923.384 | 150.592.864 | 151.406.170 | 153.929.518 | 187.894.265 | 407.894.117 | 443.329.331 | 438.201.966 | 493.229.952 | 1.782.655.366 |
| | of which: Compensations | 27.937.771 | 27.335.173 | 30.431.299 | 29.658.222 | 33.869.321 | 75.657.176 | 24.877.954 | 26.652.637 | 30.838.160 | 38.597.631 | 37.898.583 | 52.410.560 | 85.704.243 | 139.184.720 | 82.368.751 | 128.906.773 | 436.164.488 |
| | Other taxes and contributions | 9.094.234 | 9.076.165 | 9.597.978 | 9.743.573 | 10.201.325 | 14.537.724 | 8.689.568 | 10.181.569 | 10.487.279 | 11.074.631 | 10.884.173 | 13.383.994 | 27.768.377 | 34.482.622 | 29.358.416 | 35.342.798 | 126.952.213 |
| | Purchases of goods and services | 37.294.563 | 45.801.874 | 51.471.092 | 52.990.739 | 53.720.395 | 53.794.118 | 52.192.326 | 52.021.613 | 63.842.063 | 75.377.224 | 87.650.130 | 155.833.968 | 134.567.530 | 160.505.252 | 168.056.002 | 318.861.322 | 781.990.106 |
| | Capital grants | 76.133.158 | 101.200.116 | 130.712.328 | 155.923.246 | 187.910.647 | 197.736.665 | 210.692.250 | 164.665.298 | 197.371.902 | 219.858.449 | 258.242.221 | 609.781.680 | 308.045.602 | 541.570.558 | 572.729.450 | 1.087.882.349 | 2.510.227.960 |
| | Interest | 3.999.235 | 15.438.513 | 6.546.669 | 5.504.287 | 13.099.997 | 22.639.976 | 1.314.591 | 13.382.261 | 12.694.206 | 5.841.503 | 15.094.845 | 18.314.598 | 25.984.418 | 41.244.259 | 27.391.058 | 39.250.946 | 133.870.681 |
| 22 | Other expenditures | 8.400.151 | 9.242.593 | 7.657.344 | 7.271.017 | 4.225.158 | 28.373.339 | 28.027.731 | 9.648.501 | 4.487.620 | -2.662.788 | 4.128.356 | -39.123.693 | 25.300.088 | 39.869.513 | 42.163.852 | -37.658.125 | 69.675.328 |
| 23 | Net lending** | 416.665 | -381.434 | 633.164 | 3.303.508 | -742.391 | -1.601.739 | -644.475 | 1.431.174 | 3.056.723 | 7.239.593 | -540.320 | 8.701.172 | 668.395 | 959.378 | 3.843.422 | 15.400.445 | 20.871.640 |
| 3 | Net acquisition of nonfinancial assets | 21.393.683 | 19.268.230 | 24.859.856 | 25.770.684 | 20.796.952 | 50.713.856 | 46.980.928 | 51.931.442 | 39.872.926 | 64.053.655 | 65.011.368 | 164.593.129 | 65.521.769 | 97.281.492 | 138.785.296 | 293.658.152 | 595.246.708 |
| 4 | Government surplus/deficit (1-2-3) | 137.570.388 | 88.390.734 | 126.059.155 | 104.806.847 | 79.371.928 | -40.842.908 | 155.444.523 | 105.270.759 | 25.505.416 | 29.591.183 | -55.493.712 | -476.140.536 | 352.020.277 | 143.335.867 | 286.220.698 | -502.043.064 | 279.533.777 |
| 5 | Net financing *** | -28.623.291 | -5.733.410 | -6.892.984 | -8.472.951 | -10.944.019 | -30.028.100 | -13.117.312 | -3.232.559 | -19.407.587 | -9.063.424 | -20.214.181 | -13.003.502 | -41.249.684 | -49.445.070 | -35.757.459 | -42.281.107 | -168.733.321 |

Table 3

Bosnian Podrinje Canton, I-III, 2008

| | | I | II | III | I-III 2008 | I-III 2007 |
|----------|---|------------------|------------------|------------------|------------------|------------------|
| 1 | Total revenues (11+12+13+14) | 2.768.849 | 2.750.910 | 3.037.627 | 8.557.385 | 7.656.054 |
| 11 | Tax revenues | 2.467.845 | 2.248.870 | 2.728.926 | 7.445.640 | 6.443.556 |
| | Income & profit tax | 37.212 | 65.132 | 44.962 | 147.305 | 113.896 |
| | Taxes on personal income and self-employment | 160.574 | 255.134 | 266.876 | 682.584 | 587.159 |
| | Property tax | 32.174 | 77.592 | 51.961 | 161.727 | 68.790 |
| | Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 58.243 | 64.563 | 10.764 | 133.570 | 58.222 |
| | Transfers from Single Account | 2.172.347 | 1.775.526 | 2.343.046 | 6.290.919 | 5.593.514 |
| | Other taxes | 7.296 | 10.922 | 11.317 | 29.534 | 21.975 |
| 12 | Non-tax revenues | 242.861 | 391.911 | 238.928 | 873.700 | 832.181 |
| 13 | Grants | 19.326 | 104.955 | 66.742 | 191.023 | 369.044 |
| 14 | Other revenues | 38.817 | 5.174 | 3.032 | 47.022 | 11.273 |
| 2 | Total expenditures (21+22) | 2.680.335 | 2.890.455 | 3.317.156 | 8.887.946 | 7.364.056 |
| 21 | Current expenditures | 2.680.335 | 2.890.977 | 3.317.594 | 8.888.906 | 7.358.202 |
| | Wages and compensations | 1.510.491 | 1.614.763 | 1.602.366 | 4.727.620 | 3.241.207 |
| | of which: Gross wages | 1.295.121 | 1.377.112 | 1.342.975 | 4.015.209 | 2.583.233 |
| | of which: Compensations | 215.370 | 237.650 | 259.391 | 712.411 | 657.974 |
| | Other taxes and contributions | 161.773 | 164.952 | 166.770 | 493.495 | 314.397 |
| | Purchases of goods and services | 405.810 | 528.559 | 524.316 | 1.458.685 | 1.493.914 |
| | Grants | 602.070 | 580.335 | 1.022.392 | 2.204.798 | 2.301.912 |
| | Interest | 191 | 2.368 | 1.364 | 3.923 | 6.772 |
| | Transfers to lower spending units | 0 | 0 | 386 | 386 | |
| 22 | Net lending* | 0 | -522 | -438 | -960 | 5.854 |
| 3 | Net acquisition of nonfinancial assets | 70.853 | 55.825 | 369.530 | 496.208 | 53.161 |
| 4 | Government surplus/deficit (1-2-3) | 17.660 | -195.370 | -649.058 | -826.768 | 238.837 |
| 5 | Net financing ** | -8.193 | -18.465 | -129.110 | -155.768 | -42.657 |

Table 4

Posavina Canton, I-III, 2008

| | | I | II | III | I-III 2008 | I-III 2007 |
|----------|---|------------------|------------------|------------------|------------------|------------------|
| 1 | Total revenues (11+12+13+14) | 3.487.262 | 3.029.419 | 3.170.705 | 9.687.386 | 8.422.602 |
| 11 | Tax revenues | 2.599.548 | 2.249.073 | 2.764.919 | 7.613.540 | 7.150.324 |
| | Income & profit tax | 117.870 | 145.482 | 103.275 | 366.627 | 377.218 |
| | Taxes on personal income and self-employment | 223.105 | 266.557 | 239.037 | 728.699 | 564.437 |
| | Property tax | 43.961 | 37.479 | 68.256 | 149.696 | 110.418 |
| | Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 54.757 | 31.903 | 39.002 | 125.663 | 104.223 |
| | Transfers from Single Account | 2.126.256 | 1.729.663 | 2.275.991 | 6.131.910 | 5.888.194 |
| | Other taxes | 33.598 | 37.989 | 39.358 | 110.945 | 105.834 |
| 12 | Non-tax revenues | 702.515 | 722.914 | 345.643 | 1.771.073 | 1.193.278 |
| 13 | Grants | 95.722 | 1.000 | 60.143 | 156.865 | 79.000 |
| 14 | Other revenues | 89.476 | 56.432 | 0 | 145.908 | |
| 2 | Total expenditures (21+22) | 2.324.550 | 2.510.260 | 3.106.441 | 7.941.251 | 6.823.742 |
| 21 | Current expenditures | 2.324.550 | 2.512.260 | 3.104.590 | 7.941.400 | 6.821.142 |
| | Wages and compensations | 1.498.631 | 1.537.560 | 1.488.138 | 4.524.329 | 4.128.105 |
| | of which: Gross wages | 1.154.865 | 1.193.138 | 1.176.546 | 3.524.549 | 3.221.992 |
| | of which: Compensations | 343.766 | 344.422 | 311.592 | 999.780 | 906.113 |
| | Other taxes and contributions | 139.408 | 141.599 | 140.115 | 421.121 | 407.187 |
| | Purchases of goods and services | 805.504 | 530.607 | 746.513 | 2.082.624 | 1.274.721 |
| | Grants | -135.939 | 300.793 | 728.487 | 893.341 | 1.011.129 |
| | Interest | 16.947 | 1.701 | 1.337 | 19.985 | |
| | Transfers to lower spending units | 0 | 0 | 0 | 0 | |
| 22 | Net lending* | 0 | -2.000 | 1.851 | -149 | 2.600 |
| 3 | Net acquisition of nonfinancial assets | 677 | 6.352 | 97.679 | 104.707 | 72.018 |
| 4 | Government surplus/deficit (1-2-3) | 1.162.035 | 512.807 | -33.415 | 1.641.428 | 1.526.842 |
| 5 | Net financing ** | 0 | 0 | -3.943 | -3.943 | |

Table 5

Una Sana Canton, I-III, 2008

| | | I | II | III | I-III 2008 | I-III 2007 |
|----------|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | Total revenues (11+12+13+14) | 20.067.566 | 17.881.682 | 20.574.663 | 58.523.911 | 50.137.590 |
| 11 | Tax revenues | 16.461.802 | 13.947.626 | 16.658.883 | 47.068.311 | 40.785.437 |
| | Income & profit tax | 562.084 | 548.285 | 385.650 | 1.496.019 | 1.241.853 |
| | Taxes on personal income and self-employment | 1.231.875 | 1.361.470 | 1.351.203 | 3.944.548 | 3.685.480 |
| | Property tax | 536.647 | 680.350 | 561.504 | 1.778.501 | 847.790 |
| | Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 791.858 | 596.587 | 307.919 | 1.696.364 | 1.179.297 |
| | Transfers from Single Account | 13.273.018 | 10.679.276 | 13.978.449 | 37.930.742 | 33.676.060 |
| | Other taxes | 66.321 | 81.658 | 74.157 | 222.136 | 154.957 |
| 12 | Non-tax revenues | 3.596.764 | 3.873.251 | 3.379.649 | 10.849.664 | 8.776.617 |
| 13 | Grants | 9.000 | 60.805 | 536.131 | 605.936 | 572.736 |
| 14 | Other revenues | 0 | 0 | 0 | 0 | 2.800 |
| 2 | Total expenditures (21+22) | 13.680.705 | 15.298.820 | 17.200.582 | 46.180.107 | 35.946.578 |
| 21 | Current expenditures | 13.680.705 | 15.310.710 | 17.188.039 | 46.179.454 | 35.949.990 |
| | Wages and compensations | 8.685.481 | 8.978.123 | 9.467.693 | 27.131.297 | 23.167.513 |
| | of which: Gross wages | 7.162.158 | 7.442.346 | 7.664.285 | 22.268.790 | 19.230.786 |
| | of which: Compensations | 1.523.322 | 1.535.777 | 1.803.408 | 4.862.507 | 3.936.727 |
| | Other taxes and contributions | 873.842 | 889.296 | 921.802 | 2.684.939 | 2.379.458 |
| | Purchases of goods and services | 1.266.870 | 1.227.447 | 1.765.420 | 4.259.736 | 3.997.445 |
| | Grants | 1.070.717 | 2.597.507 | 2.423.523 | 6.091.747 | 5.879.515 |
| | Interest | 89.914 | 126.406 | 82.656 | 298.977 | 178.147 |
| | Transfers to lower spending units | 1.693.881 | 1.491.932 | 2.526.945 | 5.712.757 | 347.912 |
| 22 | Net lending* | 0 | -11.890 | 12.543 | 653 | -3.412 |
| 3 | Net acquisition of nonfinancial assets | 760.113 | 507.648 | 1.161.961 | 2.429.722 | 859.512 |
| 4 | Government surplus/deficit (1-2-3) | 5.626.748 | 2.075.214 | 2.212.119 | 9.914.082 | 13.331.500 |
| 5 | Net financing ** | -1.673 | -1.673 | -38.782 | -42.128 | -60.638 |

Table 6

From activities of the Unit

Neum, May 29 to 31, 2008 – In organization of the consulting and publishing agency “Revicon” from Sarajevo, IX. International symposium was organized in Neum on the topic “Competitiveness and European path of Bosnia and Herzegovina”. The conference was opened by Mr. Željko Komšić, member of BiH Presidency, and Mr. Kemal Kozarić, governor of BiH Central Bank who also addressed to the participants. He emphasized impact of financial stability on competitiveness of BiH companies. In the section “Taxes”, lectures were given on impact of direct and indirect taxes and different system arrangements in BiH, neighboring countries and European Union on competitiveness of companies. Revicon experts presented comparative analysis of legal framework for reform of profit and income taxation in the Federation of BiH and Republika Srpska. Ms. Zdravka Barac, tax advisor from Croatia, presented comparative analysis of certain VAT segments in Croatia and BiH. Within the same section, Mr. Dinko Ćorluka, assistant director for taxes in ITA, gave a lecture on economic, fiscal, legal and operational aspects of comprehensive introduction of fiscal cash registers in BiH and Dinka Antić, Msc, head of Macroeconomic Analysis Unit gave a presentation on “Reflections of redesigned EU VAT system on Bosnia and Herzegovina”. She underlined that a competitiveness of companies is one of key goals of the EU strategy until 2020, and EU is redesigning legal framework of VAT system in order to remove all barriers that jeopardize competitiveness and implementation of “four freedoms” in EU. Selection of European path for BiH imposes a need to continually harmonize domestic legal framework for VAT system in BiH with European legal framework and standards.

