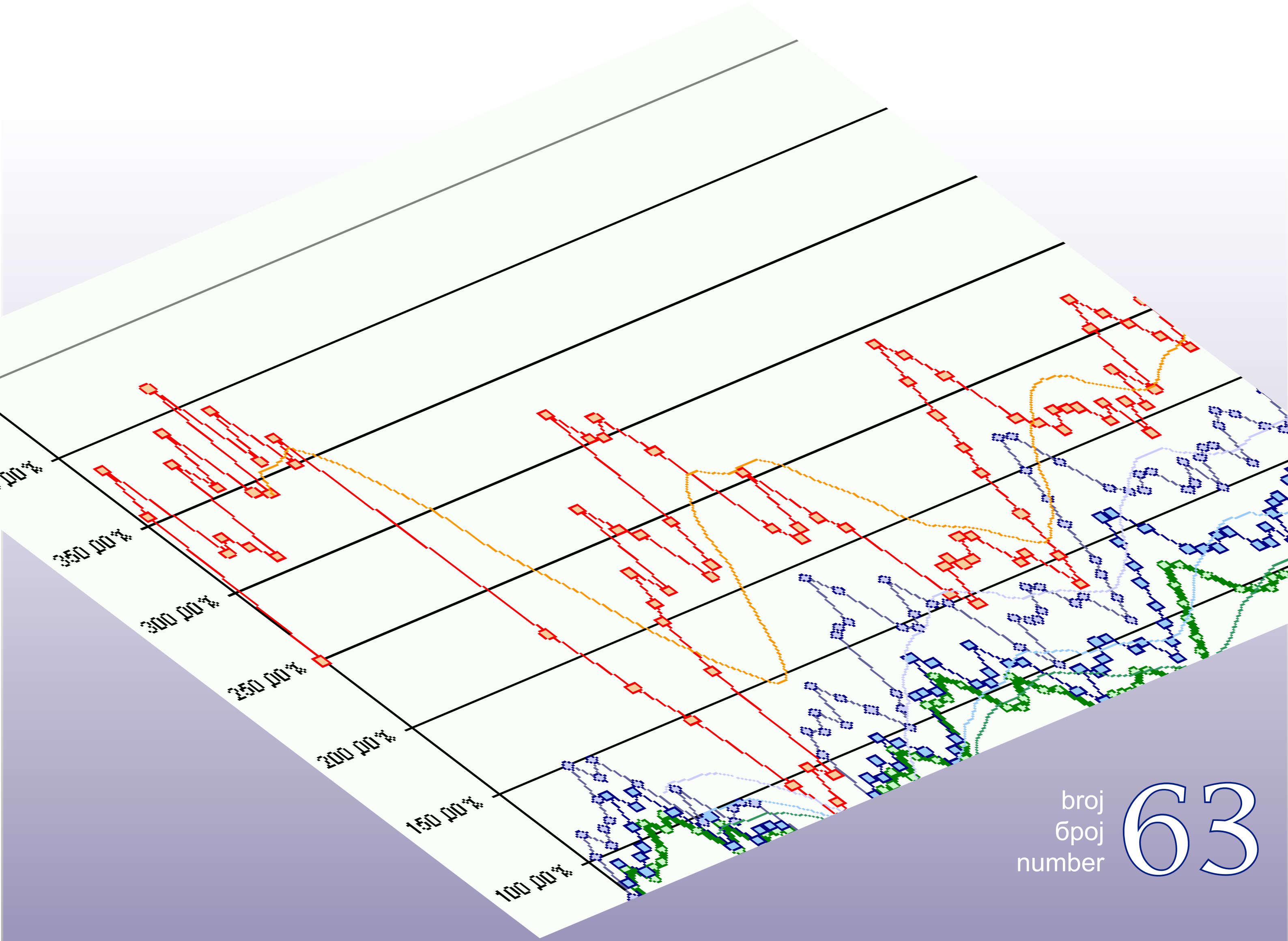
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-neizravno oporezivanje

Босна и Херцеговина
Одјељење за макроекономску анализу
Управног одбора Управе за индиректно опорезивање

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



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With this issue

In this edition we are very much pleased that we can publish the author's reflection of Mr. Milan Cuc, Resident Representative of the International Monetary Fund in Bosnia and Herzegovina. Analyzing the causes of fiscal deficits in BiH, Mr. Cuc points out that this is a result of excessive spending practices over the disposable income through years, which is initially or additionally motivated by high amount of revenues as result of the introduction of VAT. Speaking about the aims and immediate goals of the Stand-By Arrangement with the IMF, the author states that the first estimate of the effects of the Arrangement indicate positive progress, especially when it comes to the stability of the financial sector, but also in the sphere of the real economy and public finances. In future the focus of fiscal authorities in BiH should be directed towards fiscal consolidation and implementation of long-delayed reforms on the public expenditures side. Reduction of expenditures to acceptable levels can not be achieved without reduction of public spending and restructuring expenditures at all levels of the complex government structure in the country.

Fiscal sustainability in BiH in years to come involves the realization of the consolidated fiscal surplus required to finance the increased external indebtedness. In addition to the above, by restructuring public expenditures it is necessary to find space for funding necessary key reforms that are needed for the process of Euro-Atlantic integration process. Will it be possible to do that largely depends on the pace of growth of public revenues, whose biggest share represents revenues from indirect taxes. Positive trends in the collection of indirect taxes, which we announced in the last edition, continued in the month of September 2010. The growth of revenues from indirect taxes on a cumulative basis for the period is 7.8%. However, the largest share of the revenue increase appears as a change or changes in excise tax policy, and only a small part can be related to the modest growth of revenue from VAT. It remains to be seen whether the positive trends will persist in the fourth quarter of 2010 and continue over the next year.

In this edition we present the analysis of revenues from excise duties on coffee and all the parameters that may affect the level of collected revenues, with emphasis on the situation on world markets and taxation policy of coffee in the EU and neighboring countries.

Dinka Antić, PhD
Head of Unit

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IN FOCUS

Bosnia and Herzegovina and the International Monetary Fund: Stabilizing Public Finances

(prepared by: Milan Cuc, IMF Resident Representative in Bosnia and Herzegovina)

On October 15, 2010, the Executive Board of the International Monetary Fund (IMF) completed the second and third reviews of Bosnia and Herzegovina's (BiH) economic performance under the program supported by a Stand-By Arrangement (SBA). This brings the total IMF support since the start of the program to SDR 423 million (about KM 930 million). What is the nature for the IMF's support and how does it fit in with the country's fiscal policy priorities?

Global financial crisis touches Bosnia and Herzegovina

By early 2009, it was becoming increasingly clear that the country would not be spared the negative fallout from the global financial crisis.
However, the need for adjustment in BiH existed even before the onset of the global crisis. In 2008, the current account deficit of the balance of payments—the excess of domestic spending over the country's income—reached 14 percent of GDP, or €1.8 billion. Put simply, the country was living beyond its means. This was possible, at least temporarily, as long as it enjoyed easy access to foreign financing (foreign direct investment, borrowing by the subsidiaries from their foreign parent banks, etc.). However, as the crisis hit, foreign financing flows began to dry up, and private sector demand and related imports were squeezed. With Europe slipping into a recession, BiH's exports fell. The country was facing the prospect of a steep decline in economic activity.

Stand-By Arrangement with Bosnia and Herzegovina

Features:

- Approved on July 8, 2009
- Length: 36 months (July 2009 to June 2012)
- Total amount: SDR 1.01 billion (600 percent of quota; about EUR 1.1 billion)
- Disbursements: quarterly; subject to successful completion of quarterly reviews

Objectives:

- Safeguard the currency board and cushion effects of the adverse external environment
- Consolidate public finances and bring them on a sustainable medium-term path
- Maintain adequate liquidity and capitalization of banks
- Secure sufficient external financing and improve confidence

Stabilizing public finances

At the same time, public spending restraint had to be restored urgently. A fiscal stimulus—a temporary increase in public spending or cuts in taxes—to help the limping economy was not feasible. When the discussions on the economic program began in April 2009, the IMF mission estimated that, in the absence of corrective measures, the consolidated general government deficit was heading toward 8 percent of GDP for the year. The government budgets were no longer realistic. While some of the revenue shortfalls could be blamed on the global crisis, the country's fiscal problems went deeper. They were a legacy of the unsustainable expansion in public spending between after 2005. The temporary spurt in tax revenues following the introduction of the VAT had raised expectations of a strong, uninterrupted revenue growth, generating complacency about public spending control. Between 2006 and 2008, general government spending rose by 66 percent, in excess of the 46 percent increase in the economy's income as measured by nominal GDP. As a result, the overall fiscal balance moved from a surplus of about 2 percent of GDP in 2006 to a deficit of 3.5 percent of GDP in 2008.

It was against this backdrop that the Fiscal Council decided to approach the IMF with a request for financial support of the country's economic adjustment program. Spending and revenue measures were unavoidable to bring public finances on a sustainable path. The rationale for financial support was also clear: help spread the fiscal adjustment across several years and avoid pushing into a freefall an economy that was already suffering from declines in the private and the external demand.

Closing the fiscal gap was not going to be easy. The difference between the financing requirements and the available financing was estimated at about 9 percent of GDP. The program discussions with the IMF mission in April of 2009 focused on identifying a combination of credible policy measures at all levels of government and additional sources of financing that would help fill the financing gap. The table shows how the situation looked initially for 2009 (first column); how the agreed program sought to correct it (second column); and, how it actually turned out (last column).

Bosnia and Herzegovina: How the Gap Was Closed, 2009
(General Government, Percent of GDP)

	Before measures	Program	Outturn
Revenue	44.9	45.6	44.6
Expenditure	52.8	50.3	50.2
Balance	-7.9	-4.8	-5.7
Financing	7.9	4.8	5.7
Domestic financing	-2.2	0.4	1.8
External financing	0.8	4.3	3.8
of which: IMF	0.0	2.5	2.9
Financing gap	9.3	0.0	0.0

Sources: BiH authorities; and IMF staff estimates.

The program envisaged that the financing gap for 2009 would be closed through a combination of (a) revenue and expenditure measures, (b) additional domestic financing, and (c) additional external financing—roughly in equal contributions. Within the fiscal measures, expenditure would account for ¾ of the adjustment, while the revenue measures for ¼. In the end, tax revenues weakened more than projected and the deficit reached 5.7 percent of GDP (1 percent of GDP more than the original target). That, along with delays in some external loan disbursements, meant that domestic financing had to carry a relatively bigger share of the burden. BiH also benefited from about KM 300 million in the form of the general and special SDR allocations, which helped compensate for some of the shortfalls in external financing.

Initial gains

With the fiscal financing gap closed, the risk of public finances becoming a destabilizing factor for the general economy was considerably reduced. This, along with measures in the financial sector, helped restore confidence.[1] The economic activity bottomed out by the end of 2009. During 2010 we have seen some positive signs in a number of areas. Export growth resumed, reaching 29 percent in the first three quarters; industrial production has made modest gains; and indirect tax revenue is recovering, providing some relief to government budgets. The country's balance of payments improved, as the current account deficit was cut in half to 7 percent of GDP in 2009 and continues to edge lower. This, and IMF disbursements helped stabilize the central bank's reserves. On the fiscal front, the adjustment with a focus on expenditure restraint has continued: the general government deficit is projected to decline to 4.5 percent of GDP in 2010 (down from 5.7 percent in 2009). By adopting the necessary legislation, the Entities have taken the first step toward a fundamental reform of the system of veteran and civilian benefits. At the same time, spending on old-age pensions and public investment has remained protected.

Stand-By Arrangement and the Economic Program—Initial Results:

- Economic situation is stabilizing
- Output losses have been contained
- Confidence is recovering: deposits increasing; foreign exchange reserves stable; overall foreign bank exposure maintained
- The performance under the SBA has been broadly satisfactory. The quantitative targets for end-March and end-June have been met, except for the one on accumulation of domestic expenditure arrears

More work ahead

Further progress in fiscal consolidation is now needed to safeguard these early gains. The recovery remains fragile—it has yet to take firm hold and become more broad-based. The post-election environment adds political uncertainty to the mix. This underscores the importance of faster progress in fiscal reform to address the weaknesses in public finances. Bringing public finances on a sustainable footing cannot be done without systemic reforms of rights-based benefits and untargeted transfers, reining in overall public employee compensation, and reforming pensions systems. The overriding objective should be to contain current expenditure and help create space for much needed public investment spending, while protecting the most vulnerable. After the initial progress—including adoption of the legislation to reform the system of veteran and civilian benefits in both Entities and the wage law in the Federation—the challenge now is to step up the implementation of these reforms. The benefits from these reforms and the projected recovery in tax revenues should improve the country's fiscal health and allow a phase-out of IMF budget support.

[1] The commitments by foreign parent banks to maintain their exposure vis-à-vis BiH and keep their subsidiaries well capitalized were important in this respect as well.

Collection of indirect taxes: January – September 2010
(Author: Dinka Antić, PhD)

TOTAL REVENUES

According to the ITA preliminary report for September 2010, in the period I-IX 2010, it was collected 3,528 billion KM of indirect taxes after deduction of VAT refunds or for 7,80% more than in the same period of 2009. This amount also includes 33 million of unadjusted revenues. (Note: Unadjusted revenues are excluded from the analysis by revenue types.)

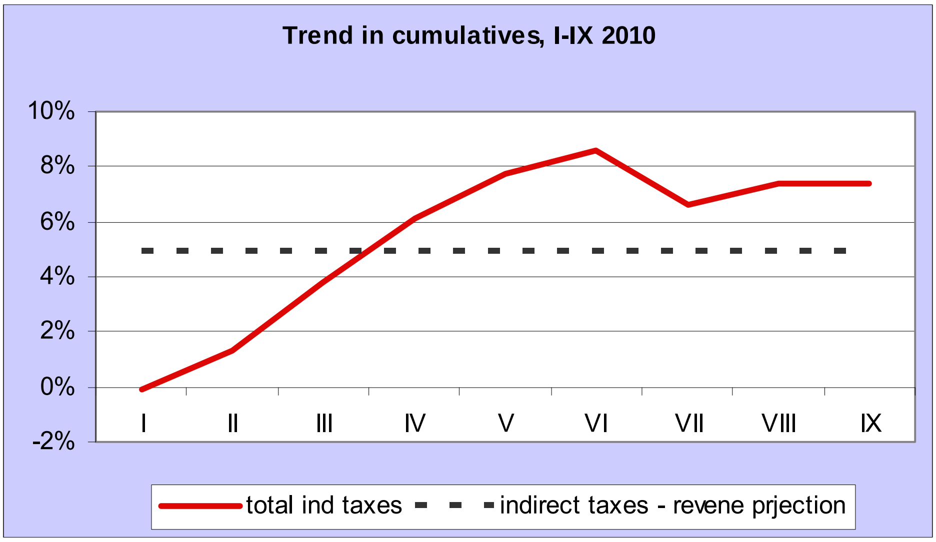


Chart 1

Significant oscillations can be noted in collection trend from the beginning of 2010 (Chart 1 & 2).

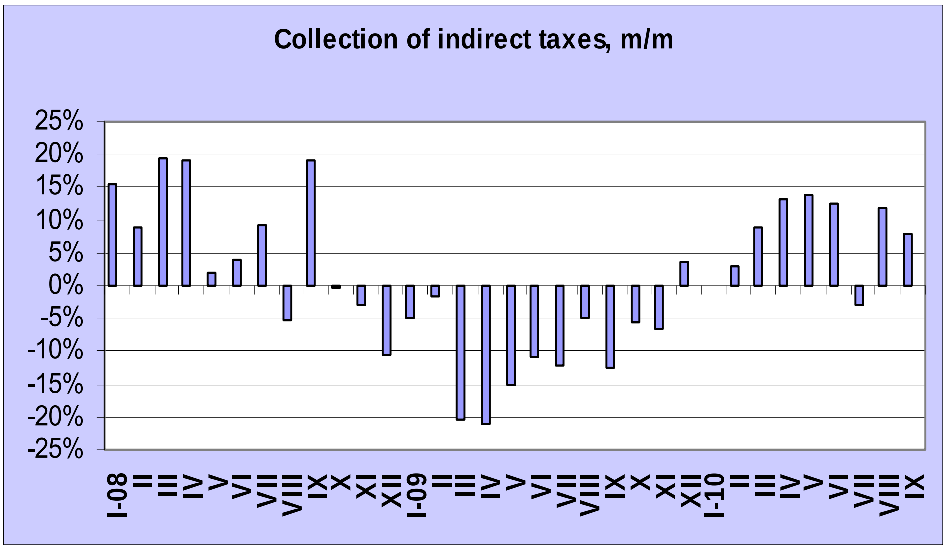


Chart 2

After the first quarter there was a raise which culminated in June but in July there was a drop which was expected due to uneven effects of implementation of the new Excise Law. However, there was certain stabilization during the last two months. Impact of the implementation of Excise

Law on the revenue trend is presented by quarterly comparison (comparison of quarter in 2010 with the same quarter of 2009). According to quarterly comparison shown in Chart 3 in the third quarter of 2010 there was a slowdown in increase which can be explained by the higher base for comparison in 2009 due to implementation of Excise Law.

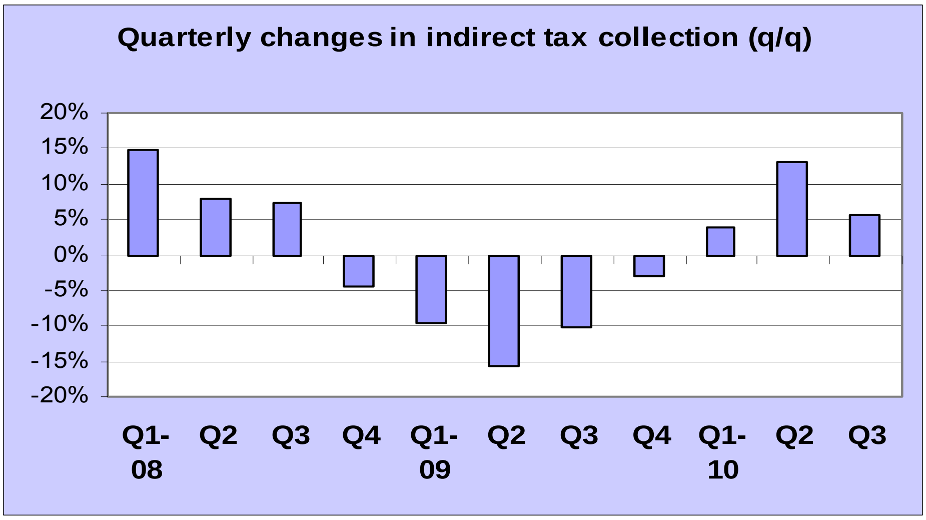


Chart3

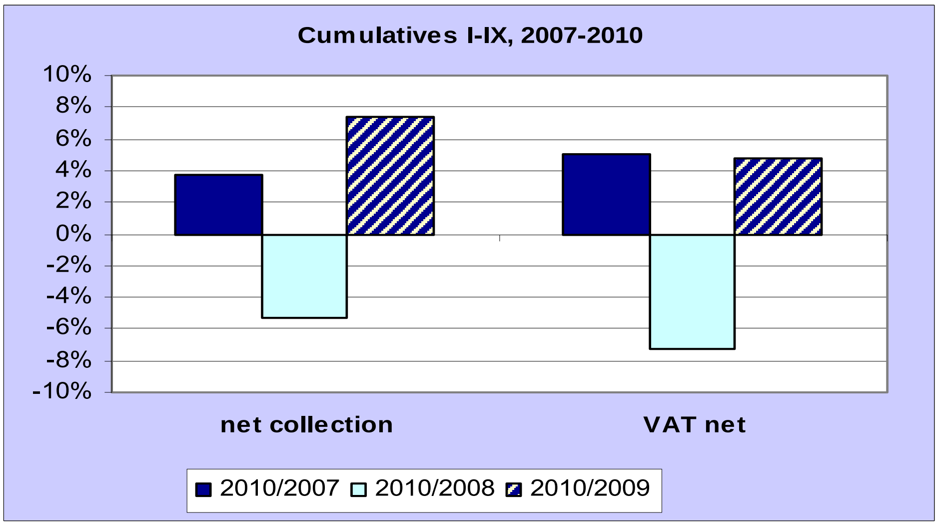


Chart 4

Comparing with pre-crisis period I-IX 2008 collection in 2010 is still getting behind for 5,3%, and VAT collection for 7,3% (Chart 4). At the same time, it is the indicator of consumption in 2010 in relation to the period before the crisis.

ANALYSIS BY TYPE OF REVENUES

	September 2010/09	cumulative I – IX 2010/09
Total	7,30%	7,80%
Customs	-5,24%	-15,83%
VAT	3,11%	4,76%
Excise	13,28%	15,50%

VAT

Growth of net revenues from VAT is stable during the last five months of 2010 and is ranging from 3 to 5% (Chart 5). This growth rate includes revenues from VAT on additionally collected excise duties on cigarettes and road taxes.

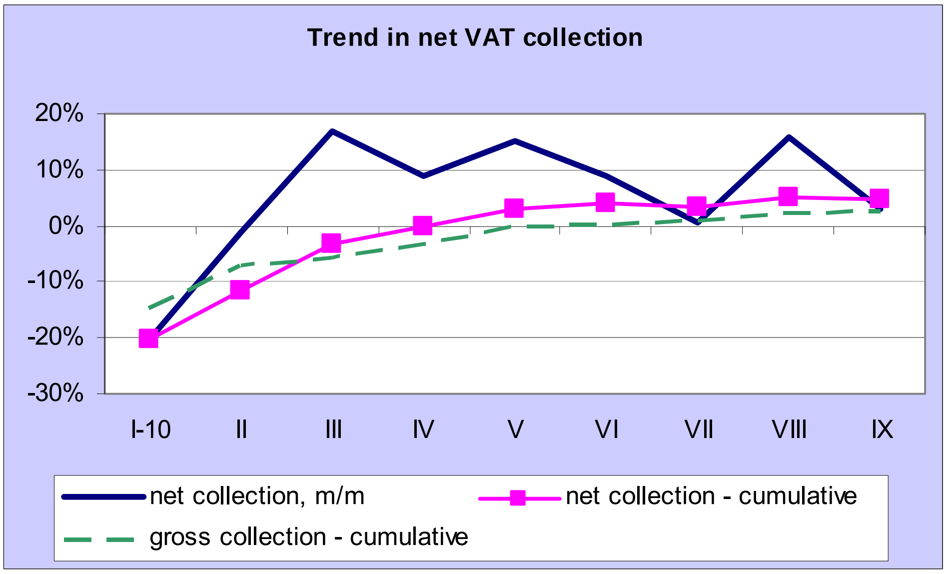


Chart 5

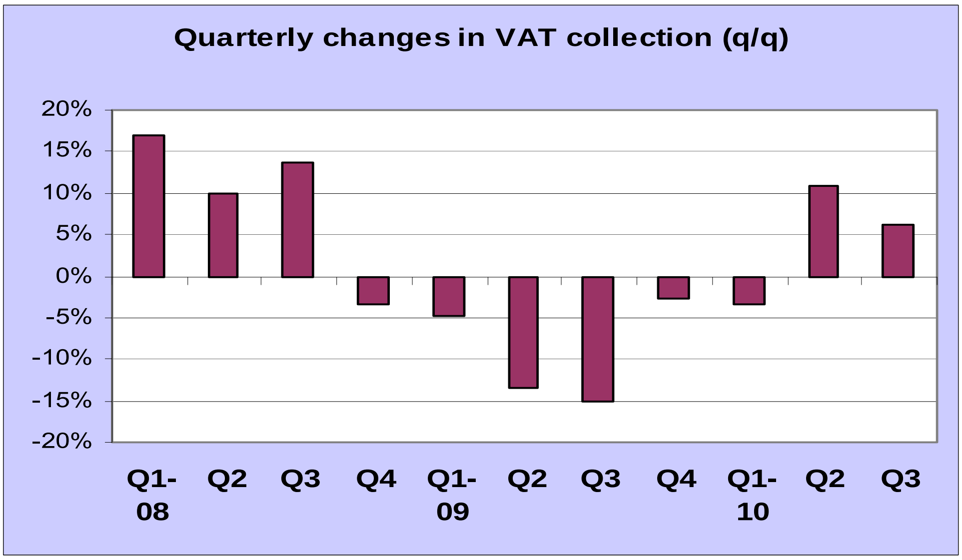


Chart 6

In Chart 5 it is evident that gross and net VAT collection is getting close due to increase of VAT refunds. For the first time after six consecutive quarters of a decrease of VAT refunds to taxpayers, in the third quarter of 2010 there was an increase of 12% in relation to the same quarter of 2009. The increase of refunds can be result of three factors:

- Growth of export,
- The ITA policy to speed the refund payments to the taxpayers in order to keep the taxpayers liquid and not having claims from the state,
- Frauds in VAT system.

Customs

Considering planned dynamics of abolishing customs duties on import of goods originated from EU there was a significant slowdown of decrease of these revenues as a great part of import is already under duty-free regime (Chart 7).

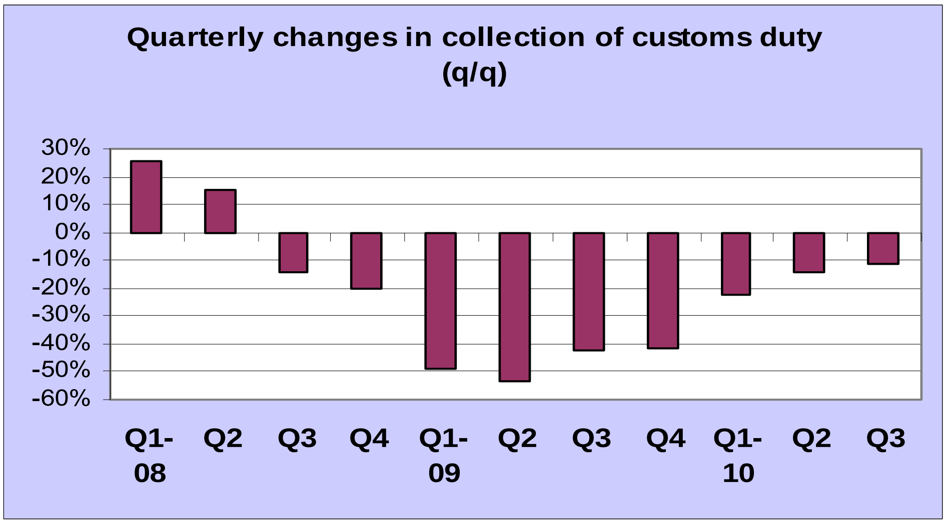


Chart 7

Excises and road fees

Due to uneven distribution of effects of the new Excise Law in 2010 there was a gradual slowdown of increase of revenues from excise duties (Chart 8).

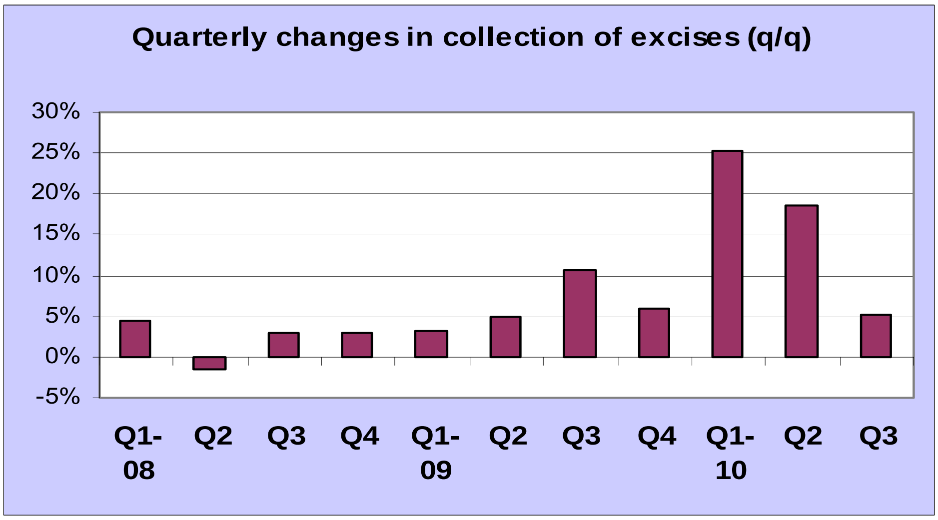


Chart 8

Excise products	September 2010/09	cumulative I – IX 2010/09
Oil derivatives	**8,84%**	**2,44%**
Tobacco total	**19,88%**	**33,93%**
Tobacco import	12,01%	35,80%
Tobacco domestic	33,79%	30,82%
Beer, wine, alcohol, ...	**6,85%**	**-6,07%**
Coffee	**-6,99%**	**-9,70%**
Road tax	**2,84%**	**33,49%**

In September, a continuation of the growth of revenues from excises on oil derivatives was recorded as well as a stronger growth of revenues from excises on domestic cigarettes. Growth of revenues from excises on alcohol, beer, wine, alcohol and non-alcoholic drinks in September was not enough for more significant shift at the period of 9 months. Negative trend in coffee taxation still continues

CONCLUSION

September brought a continuation of positive trends in collection of revenues from indirect taxes. Total net effects for the period of nine months in relation to the same period in 2009 amounts 275 million (242 million KM adjusted and 33 million KM unadjusted revenues) – Chart 9. After deduction of effects of increase of revenues from excises and road taxes net effect of consumption growth and economy on VAT revenues amount around 70 million KM.

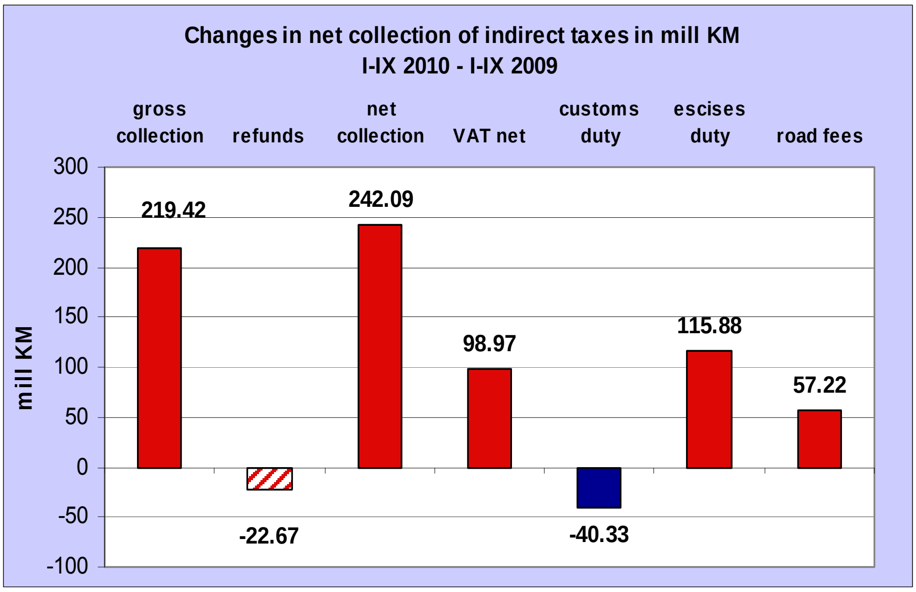


Chart 9

Dynamics of import and collected revenues from excise duty on coffee with emphasis on related local and EU policies

(Author: Aleksandar Eskić, Macroeconomist in the Unit)

INTRODUCTION

It has already been more than 15 months since the new Law on Excises entered into force which brought several important changes when it comes to regulation of trade and the taxation of coffee. The most important is that the excise duty occurs only when coffee and its related products cross the border, but not when trading in the country unlike the old Law had prescribed. Also, the size of excise duty moved upward. At the same time, the price of coffee on the international market continuously grows from month to month over the past few years. This phenomenon certainly negatively effects coffee consumption, especially in countries with relatively low income per capita. From the chart below we can see that the quantity of coffee subjected to the customs and tax treatment decreased by about 11% compared to the previously defined base period which we said is year 2006. At the same time, the value of coffee was constantly going up for the first six months amounted to almost 10% in comparison with the same period a year before. Consequently, the average price of imported coffee is constantly growing, which is nothing unusual taking into account the trend of coffee prices on world commodity markets. The average price of imported kilogram of coffee increased by 22.8%, while only in the third quarter of year 2010 compared to the average price in the first half rose by almost 14%. Here we can ask a couple legitimate questions:

1) Why did the average price of imported coffee have such a strong growth?
2) Why did we experience such a pronounced decline of imported quantities of coffee, and consequently fall of revenues from excise duty paid on coffee?

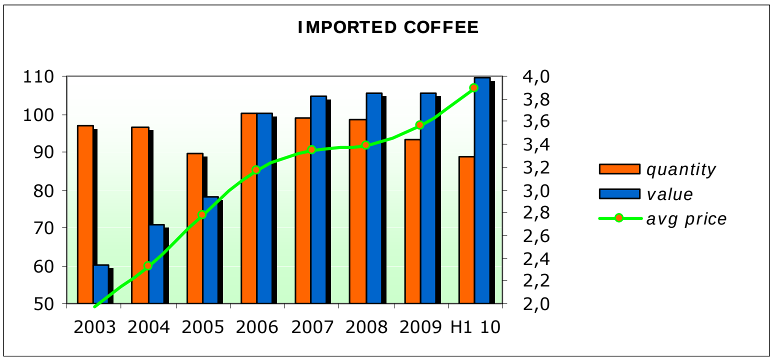
ANALYSIS

Before we try to answer these questions, it is necessary to analyze the composition of imported coffee in terms of share of certain groups of coffee in total imports in the way the International Coffee Organization classifies it. If we look at price changes of certain groups on the world coffee market, we see that prices of different groups have moved at a different pace, and even in different directions at certain time periods. Traditionally the most common sorts of coffee in this region people got used to consume are Robusta and Santos within Brazil Naturals, which recorded the slowest price growth. This leads us to the following questions: 'Did the structure of imported coffee significantly change in favor of more expensive sorts of coffee that would explain not only imports, but what is more important the consumption of coffee in the country?".

Table 1: Trends in terms of quantity, value and average price of coffee

	2006	2007	2008	2009	P1 2010	Q3 2010
Quantity	100,0	99,1	98,8	93,2	89,0	n/a
Value	100,0	104,7	105,7	105,5	109,6	n/a
Avg price	3,164	3,346	3,387	3,582	3,885	4,224
Price rate	*100*	*105,7*	*107,0*	*112,8*	*122,8*	*139,7*

Chart 1: Trends in terms of quantity, value and average price of coffee



On the chart below we can see that executed excise duty on coffee has a downward trend that corresponds with a decline of the quantity considering the fact that the excise tax on coffee is calculated based on the quantity of coffee and related products. Here, we conclude that there was decline of coffee consumption at the global level, but not in this extent, and with very few acceptable arguments. More details on this will follow.

Chart 2: Dynamics of executed excise duty on coffee

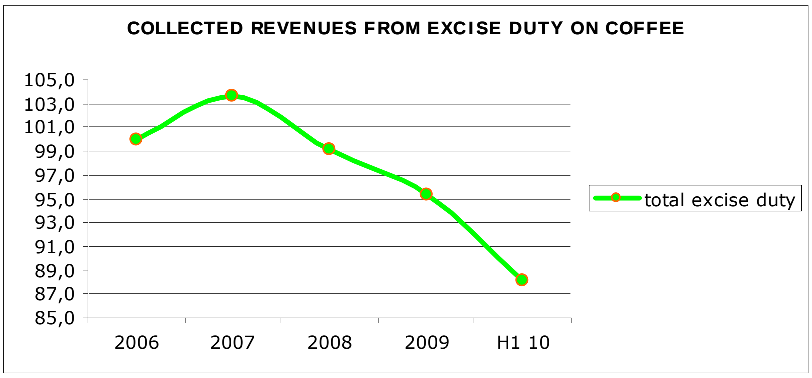


Table 2: Dynamic of executed excise duty on coffee

	2006	2007	2008	2009	P1 2010
Excise	100,0	103,7	99,2	95,4	88,13

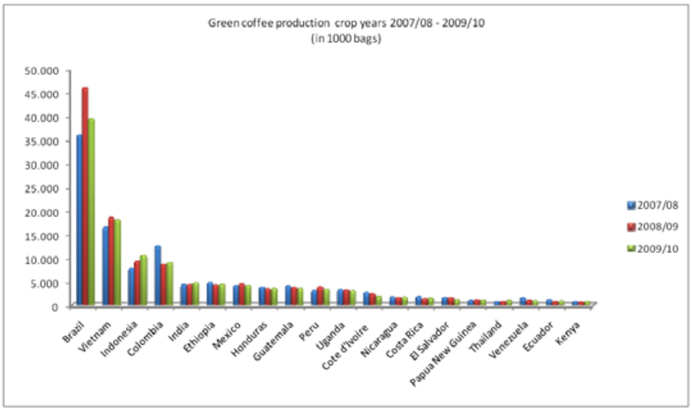
There are a few basic causes that led to a decline of registered imports of coffee. One relates to reduction of solvent demand as a result of the difficulties faced by almost all national economies in the world. Our economy in this case is not an exception; rather problems that we face with are far more complex. It certainly and expectedly causes a reduction in demand and a decline in consumption of certain goods. Another important reason is the reduced production of coffee on the global level, which ultimately led to price increases. We can not possibly be limited to demand driven inflation only, but costs driven inflation too which producers feel the best on their skin. Below we present a broader picture when talking about the coffee market in Bosnia and Herzegovina.

WORLD PRODUCTION AND WORLD TRADE OF COFFEE

International Coffee Organization has recently revised its assessment of the total production and underlined that it will come to a drop in coffee production on a global level by 6.3%. Projections show that in the near future total production will increase in such a way that Brazil would stay on the same level as expected and Colombia will return to the old track after two years with negative growth rates. Yields in Vietnam could be affected by adverse weather conditions.

Prices of green coffee on the world market are given in the form of ICO indicator prices for Colombian Mild, Other Mild varieties, Brazilian Naturals, and Robusta. High prices of Columbian Mild group continue to be caused by low coffee production in Colombia. The last two years, mainly two factors influencing this phenomenon, such as adverse weather conditions, as well as the rejuvenation of old coffee trees. In the long term, this program will mean healthier regeneration manufacturing base, while in the short term it means lower yields. Prices of Robusta sorts have increased because of possible bad weather in Vietnam. However, the difference in price between the Robusta and Arabica sorts is further increased.

Chart 3: Green coffee production by countries

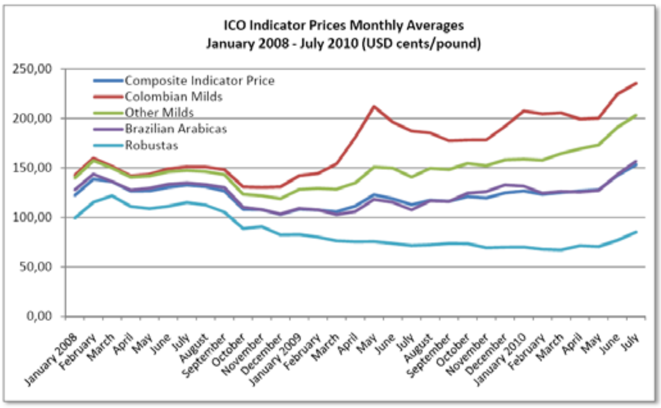


Izvor: International Coffee Organization, October 2010

Here we start from the share of different markets in each sort of coffee and their significance in the calculation of the ICO composite indicator price from October 1st 2001. We take into account only three markets, namely U.S., France and Germany. The share of each group is based on the average exports in the U.S. and the European Union in the period 1996 - 1998.

Chart 4: Trends in prices of observed groups of coffee

ICO INDICATOR PRICES



Source: International Coffee Organization, October 2010

Columbian Mild: 30% New York – 70% Germany
Other Mild: 40% New York – 60% Germany
Brazilian Naturals: 80% New York – 20% Germany
Robusta: 25% New York – 75% France

Fluctuations of weighted share of each group of coffee that build ICO composite price indicator is presented in the Table 3.

Table 3: Weighted share of each coffee group

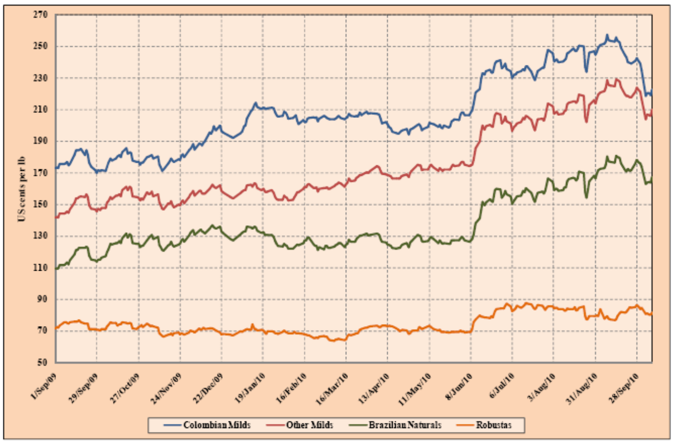
%	2005 - 2007	2007 - 2009	2009 - 2011
Columbian Mild	13	14	13
Other Mild	24	20	23
Brazilian Naturals	29	31	30
Robusta	34	35	34
Total	100	100	100

Source: European Coffee Federation, 2010

An interesting fact is that, according to the same source (European Coffee Federation), imports of raw coffee in Bosnia and Croatia was moving at the same level over the past 3 years.

During September the prices of coffee have recorded average growth of the ICO composite indicator of 1.6361 US$/lb compared to 1.5746 US$/lb. Significant growth rate occurs between May of the current year and is largely determined by changes in prices of Arabica group. The average value of the ICO composite indicator during 2009/2010 was 1.3441 US$/lb which represented an increase of 20.2% compared with the previous year. At the same time, total exports decreased by 4.4% in 2009/2010.

Chart 5: Prices of coffee classified into 4 groups from 01.09.2009 to 08.10.2010



Source: International Coffee Organization, October 2010

In calendar 2009, imports of green coffee to Western Europe decreased by 1.3% compared with the previous year. Austria is somehow specific where there was a decline of 60%. The reason for that is closure of the plants where the coffee is roasted, so there is reduced need for imports of green coffee. At the same time, according to the ICO, the countries of Central and Eastern Europe imported for 6.4% more green coffee than a year earlier.

Table 4: Overview of duties on coffee (excises and VAT) for selected EU countries

Country	***Excise duty on coffee***	***VAT***
Austria		10% roast 20% soluable
Belgium	green – 0,1983 EUR/kg roast – 0,2479 EUR/kg soluable – 0,6941 EUR/kg	6%
Denmark	green – 5,45 DKK/kg roast – 6,54 DKK/kg soluable – 14,17 DKK/kg	25%
Finland		13%
Germany	roast – 2,19 EUR/kg soluable – 4,78 EUR/kg	7%
Greece		11%
Italy		20% coffee 10% soluable
Nederland		6%
Slovenia		8,5%
Spain		8%
Sweden		12% retail 25% restorants
BiH	green – 1,50 KM/kg roast – 3,00 KM/kg other products – 3,50 KM/kg	17%

Source: International Coffee Organization, October 2010

INSTEAD OF CONCLUSION

In addition to the statement that there has been a major change in the coffee market in BiH, as well as other observed countries, we will try to follow closely revenues from excise duties on coffee and the effects of measures undertaken by the ITA in this field.

Some interesting details related to coffee

The global spread of coffee growing and drinking began in the Horn of Africa, where, according to legend, coffee trees originated in the Ethiopian province of Kaffa. It is recorded that the fruit of the plant, known as *coffee cherries*, was eaten by slaves taken from present day Sudan into Yemen and Arabia through the great port of its day, Mocha. Initially, the authorities in Yemen actively encouraged coffee drinking. The first coffeehouses or *kaveh kanes* opened in Mecca and quickly spread throughout the Arab world, thriving as places where chess was played, gossip was exchanged and singing, dancing and music were enjoyed. Nothing quite like this had existed before: a place where social and business life could be conducted in comfortable surroundings and where - for the price of a cup of coffee - anyone could venture. Perhaps predictably, the Arabian coffeehouse soon became a centre of political activity and was suppressed. Over the next few decades coffee and coffeehouses were banned numerous times but kept reappearing until eventually an acceptable way out was found when a tax was introduced on both.

By the late 1600's the Dutch were growing coffee at Malabar in India. Within a few years the Dutch colonies had become the main suppliers of coffee to Europe, where coffee had first been brought by Venetian traders in 1615. This was a period when the two other globally significant hot beverages also appeared in Europe. Hot chocolate was the first, brought by the Spanish from the Americas to Spain in 1528; and tea, which was first sold in Europe in 1610. The first European coffeehouse opened in Venice in 1683, with the most famous, Café Florien in Piazza San Marco, opening in 1720. It is still open for business today. The largest insurance market in the world, Lloyd's of London, began life as a coffeehouse. It was started in 1688 by Edward Lloyd, who prepared lists of the ships that his customers had insured.

The first literary reference to coffee being drunk in North America is from 1668 and, soon after, coffee houses were established in New York, Philadelphia, Boston and other towns. The Boston Tea Party Of 1773 was planned in a coffee house, the Green Dragon. Both the New York Stock Exchange and the Bank of New York started in coffeehouses in what is today known as Wall Street.

The importance of coffee to the world economy cannot be overstated. It is one of the most valuable primary products in world trade, in many years second in value only to oil as a source of foreign exchange to producing countries. Its cultivation, processing, trading, transportation and marketing provide employment for hundreds of millions of people worldwide. Coffee is crucial to the economies and politics of many developing countries; for many of the world's Least Developed Countries, exports of coffee account for more than 50 percent of their foreign exchange earnings. Coffee is a traded commodity on major futures and commodity exchanges, most importantly in London and New York.

Consolidated reports

(authors: Aleksandra Regoje and Mirela Kadić)

Table 1. (Consolidated report: B&H institutions, entities, SA)

1. 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 and expenditures of the institutions of Bosnia and Herzegovina,
   - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
   - revenues and expenditures of the budget of the Republika Srpska.

Table 2.1.-2.2. (Consolidated report: Cantons)

1. The consolidated report includes.
   - revenues and expenditures of the cantonal budgets,
   - revenues and expenditures of the budgets of related municipalities
2. Net financing = loans received – repayment of debt

BiH: BiH Institutions, entities and SA

	I	II	III	IV	V	VI	VII	VIII	IX	Total
Revenue	398,7	376,7	432,1	536,3	450,7	466,9	490,8	499,5	501,7	4.153,4
Taxes	368,1	344,7	391,2	446,3	420,9	432,5	427,5	464,7	448,4	3.744,3
Indirect taxes	351,0	325,1	351,2	378,0	399,9	410,0	407,2	444,6	427,3	3.494,3
VAT	203,2	206,9	223,5	232,2	252,9	255,8	257,3	277,7	268,5	2.177,9
VAT on imports	104,7	150,9	175,3	182,1	187,1	195,5	197,5	198,8	204,6	1.596,7
VAT from VAT returns	145,9	114,5	97,3	108,1	122,8	106,9	124,0	137,0	128,5	1.084,9
VAT from automatic assessment done by ITA	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,2	0,3
One-off VAT payments	0,2	0,2	0,0	0,0	0,2	0,3	0,2	0,0	0,1	1,4
Other	2,1	2,4	1,9	2,5	2,3	1,9	2,3	2,8	2,4	20,5
VAT returns	-49,8	-61,2	-51,0	-60,5	-59,6	-48,9	-66,7	-61,0	-67,3	-525,9
Custom duties	16,6	22,2	26,6	24,7	24,9	26,1	24,4	25,5	28,0	218,9
Sales tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Excises	107,9	76,0	78,0	95,2	95,2	102,9	97,3	109,5	101,3	863,3
on imports	65,2	52,5	54,9	61,6	57,6	61,7	65,9	67,4	58,9	545,6
on domestic production	42,7	23,6	23,1	33,6	37,5	41,2	31,4	42,2	42,4	317,7
Railroad tax	23,0	19,2	22,3	25,6	26,6	24,4	27,9	31,1	28,0	228,1
Other	1,1	1,2	1,8	1,5	1,3	1,5	1,6	1,4	1,4	12,6
Other refunds	-0,8	-0,3	-0,9	-1,2	-1,1	-0,6	-1,2	-0,6	0,0	-6,6
Direct taxes	17,1	19,6	40,0	68,3	21,0	22,5	20,3	20,1	21,1	250,1
Profit tax	9,4	10,8	29,2	57,6	11,7	12,1	9,7	9,7	10,0	160,1
Income tax	7,1	8,1	9,9	9,8	8,3	9,5	9,6	9,4	10,3	81,9
Other direct taxes	0,6	0,7	1,0	1,0	0,9	0,9	1,0	1,0	0,9	8,1
Contributions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Non-tax revenue	28,5	30,1	39,9	89,8	27,8	34,0	62,2	33,7	52,6	398,6
Grants	2,1	1,9	1,0	0,2	2,0	0,3	1,1	1,1	0,8	10,5

	I	II	III	IV	V	VI	VII	VIII	IX	Total
Expenditures	438,6	355,4	515,5	473,3	467,6	577,9	468,8	495,4	559,0	4.351,4
Wages and compensations	106,7	109,0	120,7	119,1	119,2	157,9	101,7	120,3	118,1	1.072,6
Purchases of goods and services	11,0	15,3	29,0	21,9	28,7	39,2	20,4	23,4	37,2	226,1
Subsidies and grants	98,4	89,9	162,0	118,1	94,6	132,6	118,6	109,5	143,7	1.067,6
Interest payments	2,5	3,7	11,0	5,2	9,0	18,3	1,6	6,1	7,8	65,0
Foreign	2,5	3,6	9,1	5,1	9,0	17,8	1,6	6,1	5,6	60,4
Domestic	0,0	0,1	1,9	0,0	0,0	0,5	0,0	0,0	2,1	4,6
Other current consumption	8,3	14,4	26,2	38,7	41,3	46,3	24,3	28,0	33,3	260,9
Capital expenditure	12,1	12,3	17,3	5,1	6,4	17,3	11,0	8,2	11,6	101,3
Other expenditure	58,3	7,4	-27,2	10,1	9,3	13,5	12,2	8,9	23,4	116,0
Transfers from SA	141,5	103,8	179,4	155,6	164,4	155,5	178,5	193,1	187,3	1.459,2
o/w: FBiH / Cantons, Municipalities, Road Fund	101,2	73,3	145,9	120,5	125,0	118,2	137,2	147,0	143,8	1.112,0
o/w: RS / Municialities, Road Fund	28,0	19,6	21,6	23,8	27,3	25,0	28,9	32,7	30,2	237,1
o/w: Brcko	12,4	11,0	11,9	11,3	12,1	12,3	12,4	13,4	13,3	110,1
Net lending and capital gains	-0,2	-0,4	-3,1	-0,6	-5,3	-2,8	0,5	-2,1	-3,4	-17,4
Balance	-39,9	21,4	-83,3	63,1	-17,0	-111,0	22,0	4,1	-57,3	-198,0
Financing	39,9	-21,4	83,3	-63,1	17,0	111,0	-22,0	-4,1	57,3	198,0

Table 1.

Srednjobosanski kanton, I-VII, 2010.

		I	II	III	IV	V	VI	VII	I-VII 2010
1	**Revenues** (11+12+13+14)	**15.023.545**	**13.518.837**	**14.271.054**	**16.201.417**	**16.837.755**	**16.487.177**	**17.102.745**	**109.442.529**
11	**Tax revenues**	**12.536.490**	**11.209.102**	**11.627.750**	**13.565.437**	**14.186.132**	**13.017.296**	**14.511.228**	**90.653.435**
	Income and profit tax	1.711.595	1.699.951	1.867.334	2.169.977	2.428.002	1.893.816	1.634.597	13.405.271
	Property tax	338.414	496.048	375.361	393.851	375.607	374.634	402.821	2.756.735
	Indirect taxes	10.476.726	8.996.477	9.376.777	10.992.836	11.373.616	10.738.086	12.461.818	74.416.336
	Other taxes	9.755	16.627	8.278	8.774	8.908	10.760	11.992	75.093
12	**Nontax revenues**	**2.315.995**	**2.116.970**	**2.445.591**	**2.337.662**	**2.342.786**	**2.913.703**	**2.227.915**	**16.700.622**
13	**Grants**	**171.060**	**187.765**	**197.713**	**298.318**	**308.837**	**556.177**	**363.602**	**2.083.472**
14	**Other revenues**	**0**	**5.000**	**0**	**0**	**0**	**0**	**0**	**5.000**
2	**Expenditures** (21+22)	**12.723.697**	**13.776.924**	**15.845.223**	**14.737.658**	**14.503.370**	**16.132.802**	**15.231.991**	**102.951.665**
21	**Current expenditures**	**12.723.697**	**13.776.924**	**15.861.555**	**14.737.658**	**14.503.370**	**16.132.802**	**15.231.991**	**102.967.997**
	Gross wages and compensations	8.717.393	9.072.322	10.171.382	9.194.860	9.134.602	10.073.951	10.222.707	66.587.216
	Purchases of goods and services	2.063.634	1.949.141	1.864.729	1.790.977	1.537.439	1.496.857	1.477.325	12.180.102
	Grants	1.877.196	2.669.265	3.712.525	3.649.107	3.659.562	4.438.447	3.429.009	23.435.111
	Interests payments	12.063	12.586	33.516	24.855	91.859	45.600	23.065	243.545
	Other expenditures	53.411	73.609	79.403	77.860	79.909	77.945	79.885	522.022
22	**Net lending***	0	0	-16.332	0	0	0	0	-16.332
3	**Net acquisition of nonfinancial assets**	**-29.165**	**81.593**	**83.466**	**526.494**	**294.471**	**207.177**	**589.624**	**1.753.660**
4	**Gov. surplus/deficit** (1-2-3)	**2.329.013**	**-339.680**	**-1.657.635**	**937.266**	**2.039.913**	**147.197**	**1.281.129**	**4.737.204**
5	**Net financing****	**-24.152**	**50.026**	**-22.443**	**297.861**	**4.090.903**	**-104.656**	**-105.214**	**4.182.324**

Tabela 2.1.

Bosansko-podrinjski kanton, I-VII, 2010.

		I	II	III	IV	V	VI	VII	I-VII 2010
1	**Revenues** (11+12+13+14)	**2.789.712**	**2.491.593**	**2.466.264**	**3.007.294**	**3.150.936**	**3.163.416**	**3.330.508**	**20.399.723**
11	**Tax revenues**	**2.354.969**	**2.109.402**	**2.141.597**	**2.610.781**	**2.561.312**	**2.425.677**	**2.792.827**	**16.996.566**
	Income and profit tax	189.327	221.999	226.167	355.422	222.765	224.253	245.647	1.685.581
	Property tax	20.780	44.620	14.972	21.305	19.880	8.650	12.064	142.271
	Indirect taxes	2.144.691	1.842.553	1.900.165	2.233.829	2.318.483	2.192.382	2.534.914	15.167.017
	Other taxes	171	230	294	225	185	392	201	1.697
12	**Nontax revenues**	**325.862**	**285.449**	**235.582**	**273.662**	**509.130**	**409.632**	**458.274**	**2.497.590**
13	**Grants**	**95.845**	**93.354**	**84.982**	**119.458**	**72.792**	**324.457**	**67.449**	**858.337**
14	**Other revenues**	**13.036**	**3.388**	**4.103**	**3.393**	**7.702**	**3.650**	**11.958**	**47.230**
2	**Expenditures** (21+22)	**2.746.925**	**3.248.773**	**2.938.706**	**2.932.537**	**3.495.079**	**2.791.299**	**3.632.738**	**21.786.056**
21	**Current expenditures**	**2.746.925**	**3.248.948**	**2.938.881**	**2.932.712**	**3.495.254**	**2.791.474**	**3.632.913**	**21.787.106**
	Gross wages and compensations	1.766.073	1.821.355	1.860.522	1.834.799	1.801.082	1.805.575	2.102.804	12.992.209
	Purchases of goods and services	431.172	363.368	431.632	261.796	325.632	267.884	300.880	2.382.364
	Grants	497.920	1.063.364	645.833	835.367	1.367.675	717.257	1.176.625	6.304.041
	Interests payments	51.559	862	806	749	865	758	52.604	108.203
	Other expenditures	200	0	89	0	0	0	0	289
22	**Net lending***	0	-175	-175	-175	-175	-175	-175	-1.050
3	**Net acquisition of nonfinancial assets**	**47.007**	**30.182**	**118.454**	**22.606**	**60.473**	**264.558**	**182.895**	**726.174**
4	**Gov. surplus/deficit** (1-2-3)	**-4.219**	**-787.363**	**-590.895**	**52.152**	**-404.615**	**107.559**	**-485.125**	**-2.112.507**
5	**Net financing****	**-154.063**	**-14.020**	**-15.213**	**-14.630**	**-17.359**	**-16.464**	**-167.571**	**-399.321**

Tabela 2.2.