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

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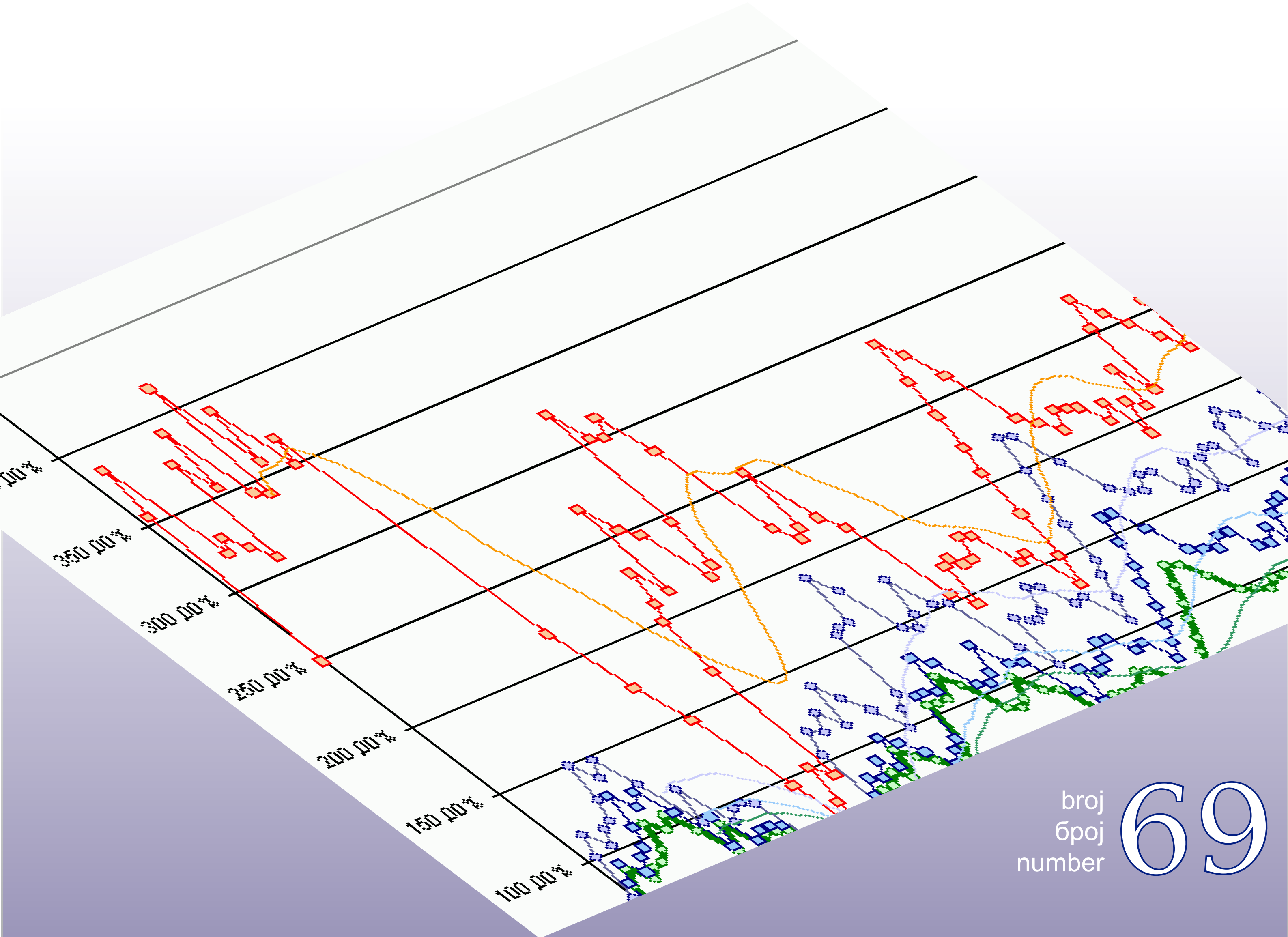

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• April 2011 • Travanj 2011 • Април 2011 • April 2011 •

With this issue

According to preliminary ITA report by type of revenue, after deduction of refunds, 1,097 billion KM of indirect taxes have been collected in the first quarter of 2011, which is 5,69% higher than in the same quarter of 2010. This percentage includes cca 13,9 mil KM of revenues which remained unadjusted after compilation of payments on Single Account with tax returns/ declarations in modules of ITA IT system. Despite some unfavorable developments, continuance of positive trend achieved in the fourth quarter of 2010 was recorded in the first quarter of 2011. Dynamics of the revenues collected from VAT in the first quarter 2011 is largely similar to quarterly pattern of dynamics of total revenue from indirect taxes, given the dominant share of these revenues in total revenues (Chart 1). Thus, the VAT revenues finally, for the first time since the begining of the crisis, reached the level of revenue from pre-crisis year 2008 (Chart 1).

Chart 1: Cumulatives comparison

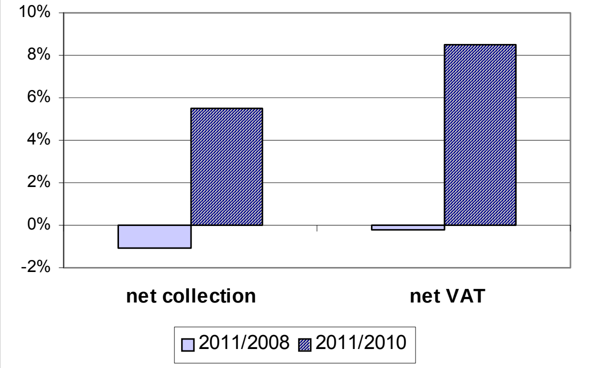
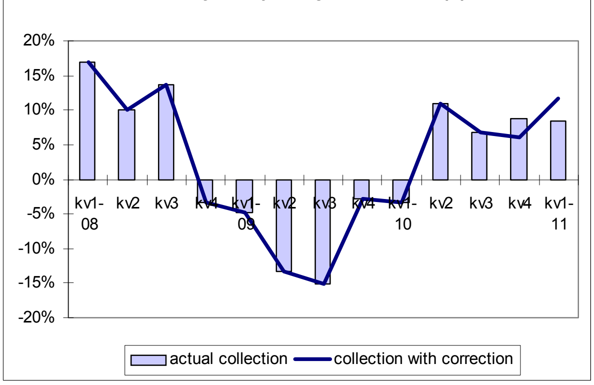


Chart 2: Quarterly changes in net VAT, q/q



However, VAT revenue collection is burdened by growing refunds. Requests for VAT refunds are growing, and negative effects were additionally enhanced by transfer of requests for refunds from 2010 to 2011. The transferred refunds reduced net VAT in the first quarter, but unduly increased surplus of the fiscal year 2010. The effects of transferred refunds on net VAT growth in the first quarter of 2011 compared with same quarter of 2010 amount minimally 3,2 index points (Chart 2). Besides extremely high monthly excise collection in March, the first quarter in whole brought decreased revenues from excises, in the first place excises on tobacco and road fee, but also stagnation of excises on oil derivatives, which is the subject of analysis published in this issue of Bulletin.

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Market of oil and oil products with review of the EU

(Author: Aleksandar Eskić, Macroeconomist in the Unit)

Introduction

Market of oil and oil products is a very important part of every national economy. Several key actions has taken place over the last several years that have had, and still have, a strong influence on economic trends in general. First of all Oil refinery Bosanski Brod has delivered the first volume of final product in late 2008. Since then the demand started to decrease for the imported products.

On the world market periods of a rapid expansion and then contraction on the supply side of oil have changed quite often. It occasionally led to an enormous increase in prices as a short-term benefit only for net oil exporting countries. At the same time increase in oil prices caused a run of inflationary spiral that has entailed increasing the general level of prices in almost all economies of the world.

In mid 2009 authorities of Bosnia and Herzegovina adopted a new Law on excises, which provides the additional tax burden on oil and oil products by highway fees amounting 0.10 KM/l, which led to an immediate increase in retail selling prices of these products.

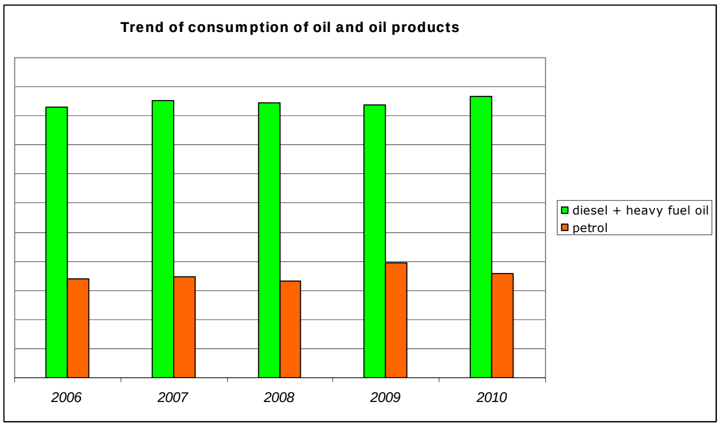
At the same time we may note that neither the neighboring countries were not idle. At EU level, the EU Council adopted a new Directive in 2008 (i.e. 2003). In the meantime it adopted several amendments to these directives relating exclusively to the 10 member states that joined the EU on May 1st 2004.

Also, Croatia has devised a new policy regarding the tax treatment of energy products that is applied from the beginning of 2010, and it actually represents a step closer to the EU. Serbia has also devised a new policy of taxing motor fuels and it has been implemented since the beginning 2011. According to latest information, the EU has a negative spoke on the occasion of the Law on Excises Duties and it is very likely that the Law will be changed in the near future.

Trends on domestic market

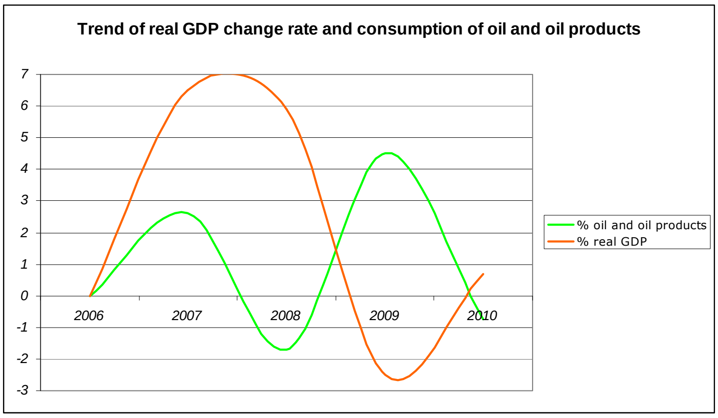
In Bosnia and Herzegovina is in application the Law on Excise Duties (*Official Gazette BiH 49/09*) which regulates the taxation of sale and/or import of certain types of products in the territory of BiH. Excise duty on oil products is calculated per liter of oil products determined at the temperature of +15 C. Also, it is prescribed that the provisions of this Law are related to the road and highway fee. This Law provides for the return of excise to physical and legal persons that use oil to heat residential and commercial premises and facilities for agricultural production. ITA is required to reimburse the paid excise tax within 30 days from the filing the request for return. As for the road and highway fees, the Law prescribes for exemption from paying road fee on diesel fuel used for mining, power plants and railways (propulsion rail vehicle), the amount approved by the Governing Board on the proposal of the government of entities and Brcko District.

As we noted in the introduction, Oil Refinery Bosanski Brod has delivered final products in late 2008. This has led to a reduction in demand for imported oil. Trend in total consumption of oil has fluctuated slightly around the equilibrium position until 2010. At the same time we see on the chart the increased share of petrol over the last two years than at the beginning of the period.



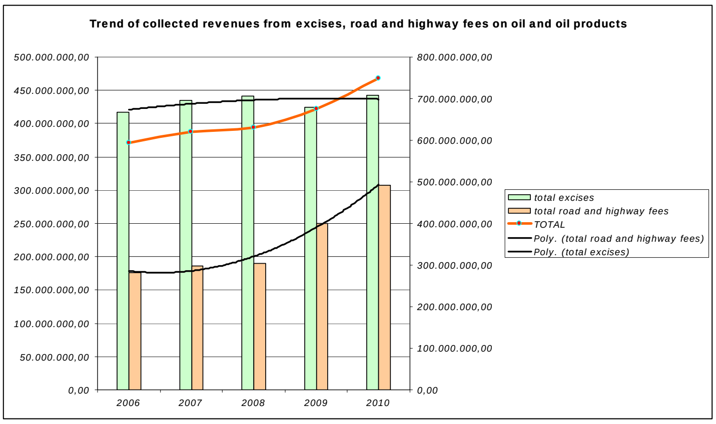
*) source of data: ITA BiH

Analyzing the indicator 'energy dependence' we conclude that BiH has a positive trend which, if we take the above, it is not surprising. Breakpoint is 2009 when this indicator is about 62%, while in 2010 it amounted to approximately 56%. In the EU, only Denmark (with Norway of course) is different from other countries and reported a positive relationship. By comparison, we can see that the energy dependence of Slovenia is 100%, while the Croatia has downward trend from 57.5% in 1998 to 84.6% in 2008.

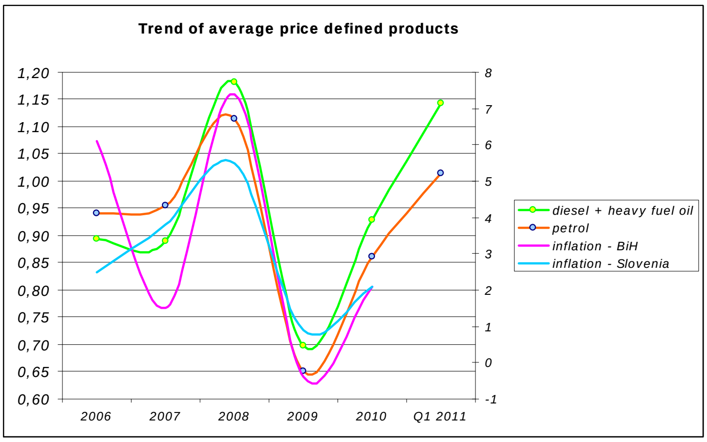


The next figure that we had in focus is 'energy intensity'. From the above chart we see that the rate of change in gross domestic energy consumption has the opposite direction compared to the rate of change in gross domestic product over the past few years. This leads us to a conclusion that there is no clear relationship (perhaps due to inadequate quality of statistical data) between these two phenomena in the observed period.

Regarding the collection of revenues from excise duty and road and highway fees on oil products the present condition could be expected if we take into consideration all the aforesaid. Namely, since the excise duty is calculated in absolute terms on volume, we have that the revenues from excises have slight oscillations around the equilibrium position as is the case with volume. However, the revenue from road fees have seen rapid growth that began in 2009 and continued in 2010. This is because the new Law on excises entered into force on mid 2009 which prescribed the introduction of special highway fee amounting to 0.10 KM/l earmarked for building highways. Noteworthy, here we emphasize that these revenues are not distributed as well as all other revenues collected by the ITA, but related to them are special rules for the distribution.



On the above chart we have tried to show how and to what extent correlation of changes in import prices of oil products and the level of inflation. We see that, with the exception of 2007, the average price (left scale) significantly correlated directly with the general price level (right scale).



*) podaci za inflaciju preuzeti iz tematske publikacije Agencije za statistiku BiH.
**) podaci za inflaciju u Sloveniji preuzeti sa Eurostat-a

Trends on EU market

Competitive, reliable and sustainable energy sector is of crucial importance for the economy and interest for it has been constantly growing in recent years. There are many reasons but some of the most pronounced are changes in oil prices, disruptions in energy supply from non-members, etc. This has led that the issues of energy are set in the focus of both national and European political action plans.

At the beginning of 2007 European Commission has adopted a document COM(2007)1 which proposed energy policy for Europe, in order to cope with climate change and increase energy security and competitiveness of the EU. This expresses the need for the EU to set a new path in order to secure, self-sustaining economy with lower emission of greenhouse gases, which will surely be of benefit to everyone. One of the goals is to provide users with more choices, and the second is to encourage investments in the field of energy infrastructure. Based on the proposal of the European Commission in March 2007 EU Council has set the following objectives:

- Reduce greenhouse gas emissions by at least 20% by 2020 (in comparision with level from 1990)
- Improve energy efficiency by 20% untill 2020
- Increase the share of energy from renewable sources to 20% by 2020
- Increase the share of bio fuels for transportation purposes to 10% by 2020

Using energy from renewable sources is considered as a key element in energy policy, reducing dependence on non-member countries, reducing emissions of greenhouse gases, and the separation of energy costs of oil prices. Another crucial element is the demand constraints, promoting energy efficiency both within the energy sector and end users.

Then the Council has adopted Directive 2008/118/EC from December 16, 2008 concerning the general arrangements in relation to excise duties and repeals Directive 92/12/EEC. This directive establishes a general arrangements for products subject to excise duty in order to guarantee their free movement and proper functioning of the internal market of the European Union. Primarily, this directive affects the consumption of energy products and electricity covered by Directive 2003/96/EC.

The system of minimum rates in the EU, which has long been referred exclusively to mineral oil, was extended to coal, natural gas and electricity. This system determines the minimum rates of taxation applicable to energy products used as fuel or fuel for heating and electricity. Precisely because the goal is to improve the functioning of the internal market by reducing distortions in terms of competition between mineral oils and other fuels. In accordance with the objectives of the EU and the Kyoto Protocol, this encourages more efficient use of energy in order to reduce dependence on imported energy and limit greenhouse gas emissions. Also, in the interest of protecting the environment, EU authorizes member countries to give tax advantages to businesses that take specific measures to reduce emissions.

Energy products and electricity are taxed when used as fuel or fuel for heating. The degree of taxation applied by EU member states can not be lower than the minimum rates specified in this Directive:

In euros per 1000 litres	From 01.01.2004.	From 01.01.2010.	BiH	%
(leaded) petrol (CN 2710 11 31, 2710 11 51, 2710 11 59)	421	421	204	*48*
Unleaded petrol (2710 11 31, 2710 11 41, 2710 11 45, 2710 11 49)	359	359	179	*50*
Diesel and gas oils (od 2710 19 41 do 2710 19 49)	302	330	153	*46*
Kerosene (2710 19 21, 2710 19 25)	302	330	153	*46*

From the above analysis we see that products under tariff code 2710 11 31 are classified under the 'gasoline' and the 'unleaded gasoline in the EU. "This is because it is possible that this product contains more or less of lead, which became the determining factor in excise tax treatment. Given that the amount of excise duties is different for the (lead) petrol than unleaded petrol, it is important to distinguish these products with the aim of appropriate tax treatment. In the document, the Customs Tariff for 2011 (*Official Gazette BiH 106/10*) under the tariff code is considered gasoline for airplanes regardless of the lead content in it. At the same time in the Rulebook on the Implementation of the Law on Excises in Bosnia and Herzegovina (*Official Gazette BiH 50/09*) in the part that refers to 'subject to taxation "in article 3 states that products under tariff code 2710 11 31 are classified and treated as 'petrol'. This leads us to conclude that it is needed to continue to take all necessary actions to bring national legislation in this area in line with those in the EU and harmonize with applicable directives at the EU level.

At the same time it is necessary to point out that the EU Parliament suggested higher rates of excise duties on energy products above. This means that it is very likely that there could be a further increase in rates of excise duty on these products any time soon. Similarly, Directive 2004/74/EC amending Directive 2003/96/EC relating to the ability of individual member states to apply reduced rates of excise duties on energy products and electricity as it is defined with the basic Directive. Minimum rates specified in Directive 2003/96/EC can create serious economic and social difficulties for certain Member States, particularly Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia and Slovakia in the sense that they have previously applied comparatively lower rates of excise duties on these products, as well as the fact that they are in an on-going process of economic transition, a relatively low level of income and the limited ability to compensate for the extra tax burden by reducing other taxes. It particularly emphasizes the fact that the strict application of the Directive 2003/96/EC inevitably led to price increases which would have adverse effect on the citizens and national economies of these countries, thereby creating a huge burden for small and medium-sized enterprises in particular.

Conclusion

Countries determine taxes to finance its expenditures. Different countries have different priorities in different periods. Also it should be kept in mind that changes and differences in excise duties on petrol products can very easily distort competition within the EU. Therefore, they are subject to certain common rules at EU level as well.

What Bosnia needs to take into account are changes that occur in its immediate environment. So we have that since the beginning of 2011 Republic of Serbia is implementing a new law on excises. This law provides for different tax treatment of oil and oil products manufactured in the country compared to those that are imported. Thus, we predicted that the tax liability on the gasoline produced in the country (including lead-free) is 45 din/l (approximately 0.87 KM/l), while on imported gasoline is 49 din/l (approximately 0.95 KM/l). For diesel fuel produced in the country excise duty is 35 din/l (0.68 KM/l) and the imported diesel fuel is 37 din/l (0.72 KM/l).

Also, since the beginning of 2010 Republic of Croatia is implementing the new Law on Excise Duties (adopted by the Croatian Parliament on 03.07.2009). This law is modeled with regard to the European legislation and it distinguishes between the application of different rates of excise duties on energy products depending on their final use. For comparison, here we indicate only the amount of excise duty on motor petrol and gas oil used as fuel. Excise duty on petrol is 3.60 kn/l (which is approximately 1.00 KM/l), the unleaded petrol is 2.85 kn/l (approximately 0.80 KM/l) and the diesel excise tax of 2,20 kn/l (approximately 0.60 KM/l). The same article leaves the possibility to the Croatian Government for changing the level of excise duty under this Act by a decree.

Finally, we conclude that it is necessary to make further efforts aimed at harmonizing national legislation with the EU which is in force, which should lead to a simplification of the existing solutions when it comes to tax policy to oil and petroleum product that is energy. For example, states that the product (goods) under the tariff code 2710 11 31 according to local regulations classified and taxed as petrol, while in the EU classification procedure differs from individual tax treatment of the product. So in the end we have to get it occurs in both categories; petrol and unleaded petrol, and it depends on the amount of lead in it which is taxed by the appropriate rate of excise duty. Likewise, it is time to begin to develop and update fiscal statistics for fiscal policy. This would allow for adequate access, depending on the end use of energy which is fully in line with European practices in this area.

How the competitiveness of economy is measured?

(author: Mirela Kadić)

Competitiveness refers to the ability of a nation or an economy to achieve overall levels of productivity that can sustain a rising standard of living in a complex world economy or to the country's ability to achieve faster economic growth than other countries and to increase prosperity in a way that its economic structure is changing and adapting to trends in international trade in more efficient way. At the industry or company level, it refers to the ability of particular firms i.e. industry to produce and sell products that can meet the tests of international markets (primarily, saleability) while providing an adequate return to the resources employed in their production[1].
The goal of ranking the competitiveness of national economy and its performance, and putting them into relation with other countries is the identification of potential market and institutional deficiencies and weaknesses in economic policy, which could jeopardize future economic growth. Today more than ever, at a time of rising uncertainty brought by the global economic crisis, there is a need to *'set range of institutions, policies and factors that determine the level of productivity of a country'*[2]. Such an economic environment (the enormous deficits caused by needs of the countries to give stimulus to their strategic industries, the fear of new recession, etc.) requires that countries never lose sight of long-term fundamentals of competitiveness at the expense of short-term urgencies.

Evolutionary path of the concept of competitiveness: from the absolute and relative comparative advantages of Smith and Ricardo to the concept of competitiveness of the nation

In the last thirty years, competitiveness is becoming one of the most frequently analyzed economic concepts. While on the microeconomic level there is no uncertainty about the methodologies of measuring competitiveness, at the macro level there are different, almost contradictory views on the measurement of competition among countries. Some analysts, like Paul Krugman, argue that competitiveness is not a concept that is applicable at the level of the overall economy, but only at company level. He argues that countries can not compete as companies do and he refers to the competition as 'dangerous obsession'[3]. Classical economics, whose representatives were Smith and Ricardo as the primary determinants of comparative advantage are identifying the availability of production factors. Weber refers to socio cultural capital and believes that the economic results can be explained by factors such as the system of values and religion. Schumpeter emphasized the role of entrepreneurship, innovation and technology, while Drucker talks about the concept of management as a basic factor of competitiveness. Solow emphasizes the role of education as an essential factor in long-term economic growth. Michael E. Porter, professor at Harvard Business School and author of several classics in the field of competitiveness rounds all these ideas in the system model called 'Porter's diamond of competitiveness'. He emphasized that the countries that can not find a clear distinction between the comparative and competitive advantages are the losers in the global economy. *'Also, in the competitive struggle for national prosperity the branch in which the nation competes is less important; far more important is how it competes.'*[4]

The level of competitiveness has been the subject of interest of many international institutions and organizations. So progress is monitored by the European Commission in its regular 'Progress Report', The European Bank for Reconstruction and Development, which annually publishes its 'Transition report' and releases its 'Transition index'. The World Bank prepares a report called 'Doing Business' which tracks business conditions through company development since operations

[1] Definition available at: http://www-agecon.ag.ohio-state.edu/class/AEDE601/glossary/glossc.htm
[2] 'The Global Competitiveness Report 2010-2011', World Economic Forum
[3] Krugman P. 'Competitiveness: A dangerous obsession', Foreign Affairs, March/April, Volume 73, No.2
[4] Porter M. 'Regional Competitiveness in Global Economy', Washington, June 2008.

started, through obeying legal obligations and regulatory measures, access to finances, investors protection, etc. The data are related to the decision reached in the current year which will come to force in the next one. There is also the 'Index of Economic Freedom', which is developed and published by the Heritage Foundation, then the 'World Competitiveness Yearbook', which is released by the International Institute for Management Development, which covers only 58 countries.
In Table 1 we presented an overview of ranks among 16 countries included B&H as well.

	GCR 2010-11[5]	DB 2011[6]	IEF 2011[7]	GCR	DB	IEF	Average rank	Standard deviation
1	2	3	4	5	6	7	8	9
Estonia	33	17	14	1	1	1	1	0,00
Lithuania	47	23	24	4	2	2	2	1,15
Slovakia	60	41	37	7	5	3	3	2,00
Hungary	52	46	51	6	7	4	4	1,53
Slovenia	45	42	66	3	6	9	5	3,00
Latvia	70	24	56	10	3	6	6	3,51
Macedonia	79	38	55	13	4	5	7	4,93
Poland	39	70	68	2	12	11	8	5,51
Bulgaria	71	51	60	11	8	7	9	2,08
Romania	67	56	63	9	9	8	10	0,58
Turkey	61	65	67	8	10	10	11	1,15
Montenegro	49	66	76	5	11	13	12	4,16
Albania	88	82	70	14	13	12	13	1,00
Croatia	77	84	82	12	14	14	14	1,15
Serbia	96	89	101	15	15	15	15	0,00
BiH	102	110	104	16	16	16	16	0,00

Table 1

Countries that have been chosen are EU potential candidates and candidate countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia and Croatia, Macedonia and Turkey) and several countries that are already EU members. More accurate criterion for selection is that are selected all European countries from the group 'efficiency-driven economies', all European countries from group transition between the 'efficiency-driven economies' to 'innovation-driven economies', and only one country from the 'Innovation-driven' economies (Slovenia).
Columns 2, 3 and 4 show the final ranking of selected countries in the context of all the countries for which the institutions is releasing ranks. The next three columns (5, 6 and 7) represent the ranking within a given group of 16 countries. Column 8 shows the average rank calculated by ranking the unweighted average of these three ranks, while column 9 i.e. standard deviation shows how important our average rank is, i.e. what the measure of dispersion is. 'Global Competitiveness Report' is considered as currently the most comprehensive and reliable report on the ranking of countries published by World Economic Forum, due to its coverage of a large number of countries, and the real correlation with the actual level of economic development. This report is based on the development of so-called Global Competitiveness Index (GCI). The index is made on the basis of 'hard' statistical indicators (hard data) and based on specially designed surveys (soft data). The aim of the survey is to measure those competitiveness factors that are not available from standard statistical data, that is to measure the perception of the subjects

[5] 'Global Competitiveness Report 2010-11' includes 139 countries.
[6] 'Doing Business 2011' includes 183 countries.
[7] 'Index of economic freedom 2011' includes 179 countries.

surveyed (middle and top management of a selected sample of companies[8]) on the effectiveness and independence of the judiciary, innovation tendency, efficiency of tax system, etc.
GCI is divided into three sub-indices, or in the twelve so-called *pillars*.

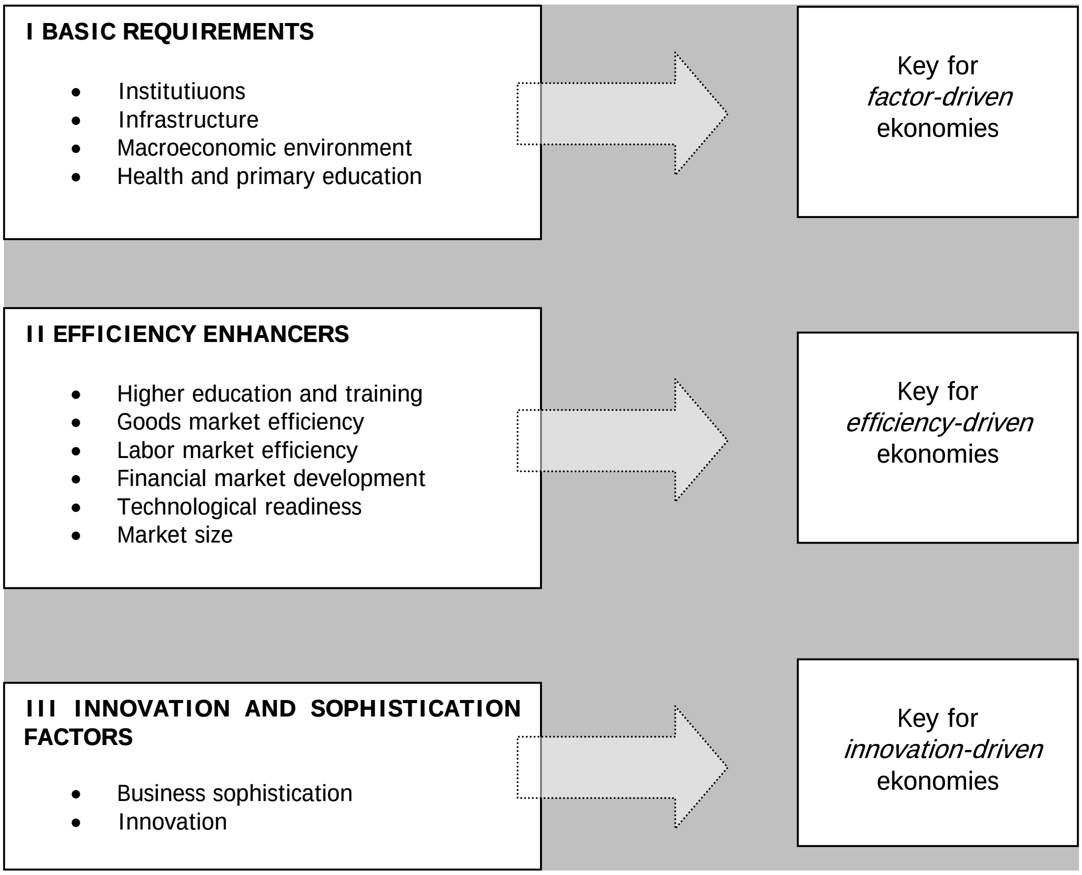


Chart 1

GCI assumes that countries go through three stages of development. The Chart 1 shows the relationship between these three stages of development and the pillars and sub indices i.e. which pillars are of the essential relevance for which development stage.

Stages of development		**GDP per capita US$[9]**
Stage 1.	**Factor-driven economies**	**> 2.000**
	Transition from 1 to 2	**2.000-3.000**
Stage 2.	**Efficiency-driven economies**	**3.000-9.000**
	Albania	3.808
	Macedonia	4.515

[8] Structure and size of the B&H sample is determined by MIT centre Sarajevo as a Partner Institute of the WEF for B&H.
[9] Source: World Bank; Available at: http://data.worldbank.org/indicator/NY.GDP.PCAP.CD

	B&H	4.525
	Serbia	5.872
	Bulgaria	6.423
	Montenegro	6.635
	Romania	7.500
	Turkey	8.215
	Transition from 2 to 3	**9.000-17.000**
	Lithuania	11.141
	Poland	11.273
	Latvia	11.616
	Hungary	12.868
	Croatia	14.222
	Estonia	14.238
	Slovakia	16.176
Stage 3.	**Innovation-driven economies**	**> 17.000**
	Slovenia	23.726

Table 2[10]

In table 2 it can be seen that Bosnia and Herzegovina is in a group of countries that are in the second stage of development i.e. it is 'efficiency-driven' economy'.

Competitiveness of Bosnia and Herzegovina by GCI
In a survey conducted by the WEF the last question in the questionnaire for entrepreneurs is to identify and rank the five most problematic factors for doing business provided in the list. In chart 2 we can see the problems entrepreneurs in B&H identified as the most problematic and how these perceptions were changing over the last three years.

In 2010 following factors are listed as the most problematic ones:
- access to financing (13,5%),
- tax rates (11,8%),
- inefficient government bureaucracy (11,5%),
- corruption (9,2%) and
- tax regulation (9,1%).

Access to financing is singled out as an extremely problematic item only this year, primarily due to the impact of the global economic crisis. An interesting fact is that entrepreneurs singled out 'tax rate' as the second most problematic factor, while the total tax rate further in the report (the official statistics) is identified as one of the competitive advantages of Bosnia and Herzegovina.
We assume that the main problem in an extremely complex tax system in BiH, which, due to the fragmentation of responsibilities between the state and entities, and non-compliance of the entity tax system hinders business companies operating in the territory of BiH (i.e. they have branches in both entities and Brcko District) and increases the cost of obeying tax regulations. On the other hand, the tax system in BiH is, in relation to other countries, competitive due to single rate VAT system and very low tax rates on income and profits.

[10] GDP per capita as a widely available measure is used as a proxy for wages, because internationally comparable data on wages are not available for all countries covered.

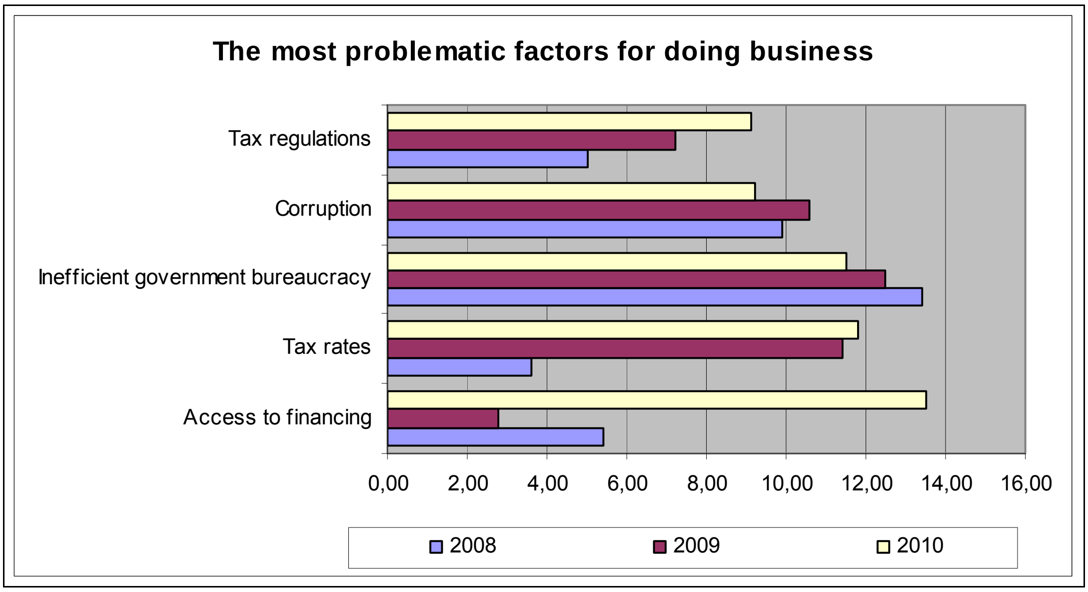


Chart 2

10 competitive advantages:

- Hiring and firing practices (10)
- Inflation* (14)
- Business cost of terrorism (18)
- Total tax rate* (23)
- Quality of math and science education (36)
- Business impact of tuberculosis (37)
- Flexibility of wage determination (40)
- Government debt* (44)
- Quality of electricity supply (48)
- Interest rate spread* (48)

10 competitive disadvantages:

- Efficiency of legal framework in settling disputes (137)
- Quality of roads (137)
- Extent of market dominance (137)
- Quality of ports (138)
- Quality of air transport infrastructure (138)
- Brain drain (138)
- Transparency of gov't policymaking (139)
- Ethical behavior of firms (139)
- Protection of minority shareholders interests (139)
- Quality of overall infrastructure (139)

*Items marked with stars are representing 'hard data' i.e. they are given from official statistical sources

As seen in Figure 3, Bosnia and Herzegovina is by far at the bottom of selected countries and is the least competitive European country in the last three years. Compared to the previous report, there are some improvement recorded within the pillar 'infrastructure', 'institutions', 'technological readiness' and 'innovation', while deterioration have been recorded within the pillars 'macroeconomic stability', 'health and primary education' and 'financial market development'. There is a certain inconsistency between the 'soft' data obtained from the survey and the 'hard' data, or data from official statistics, but in any case it is not significant for B&H to the extent that it causes to be ranked 102nd.

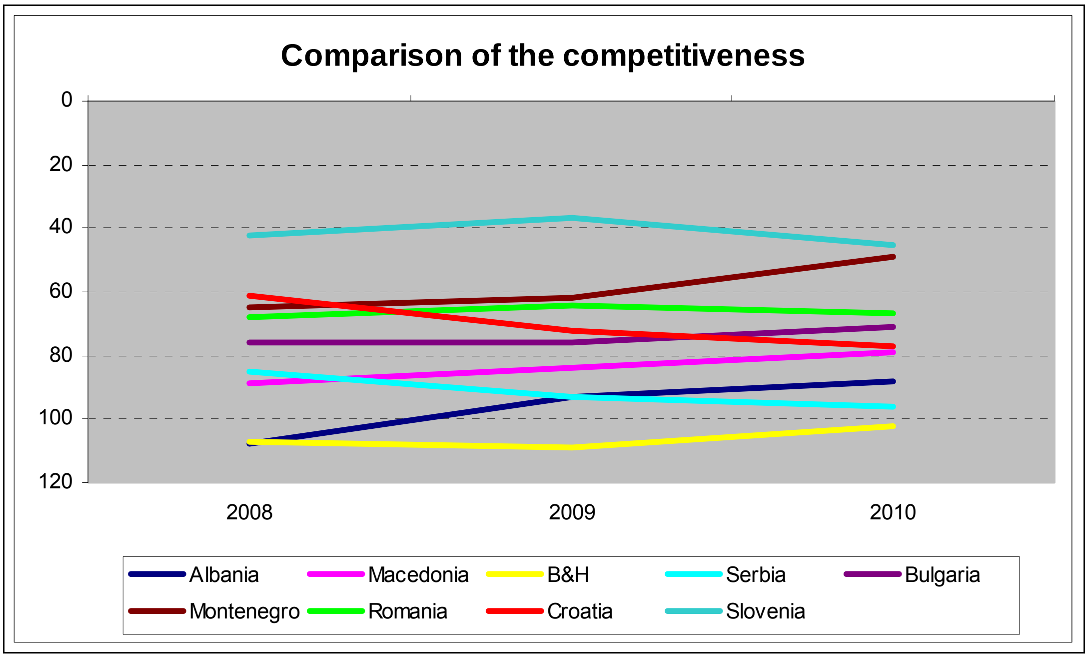


Chart 3

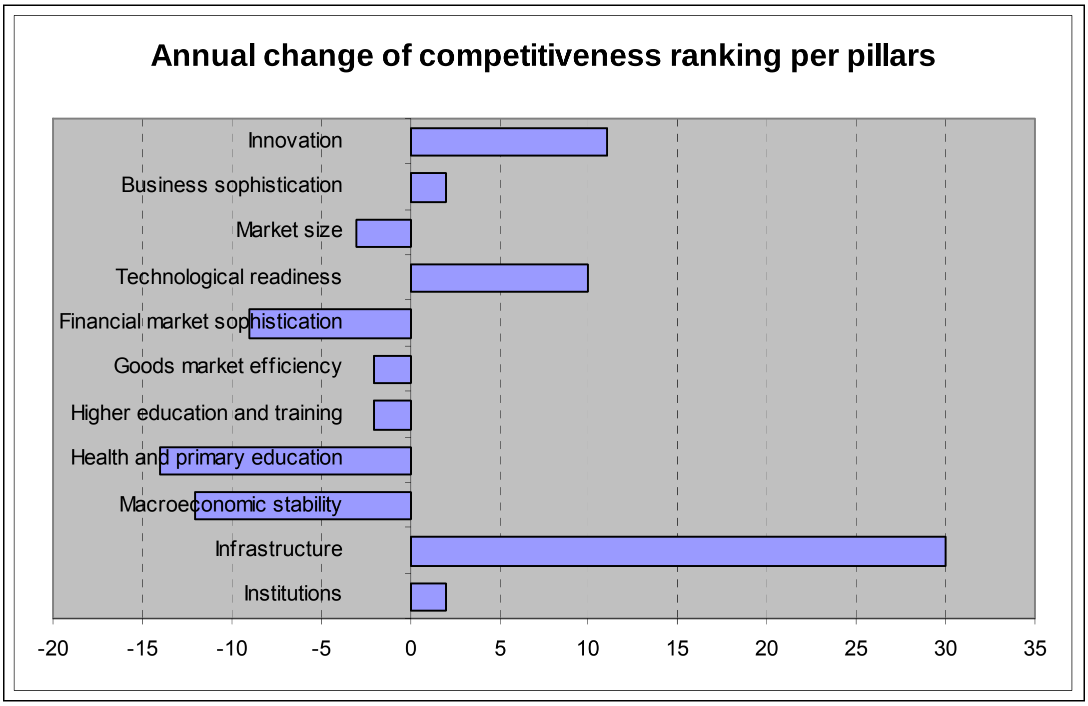


Chart 4

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.

Tables 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

Preliminary consolidated report: BiH, enitites and SA, I-II 2011

	I	II	Total
Revenues	409,1	386,9	796,0
Taxes	383,4	362,1	745,5
Indirect taxes	366,1	338,5	704,6
VAT	237,7	222,1	459,8
VAT on imports	138,3	180,4	318,7
VAT from VAT returns	149,5	115,6	265,2
VAT from automatic assessment done by ITA	0,0	0,1	0,1
One-off VAT payments	0,3	0,2	0,4
Other	2,7	2,6	5,2
VAT refunds	-53,1	-76,8	-129,9
Custom duties	15,5	20,9	36,4
Sales tax	0,0	0,0	0,0
Excises	93,2	76,4	169,6
on imports	60,6	54,1	114,7
on domestic production	32,6	22,3	54,9
Railroad tax	21,2	19,0	40,2
Other	1,5	1,3	2,8
Other refunds	-3,1	-1,2	-4,2
Direct taxes	17,3	23,6	40,9
Profit tax revenues	5,4	7,4	12,8
Income tax revenues	8,1	12,1	20,2
Other direct taxes	3,9	4,1	8,0
Contributions	0,0	0,0	0,0
Non-tax revenues	23,8	23,5	47,3
Grants	1,9	1,3	3,2
Other revenues	0,0	0,0	0,0
Expenditures	393,2	366,7	759,9
Wages and compensations	118,1	115,4	233,5
Purchases of goods and services	9,9	13,6	23,5
Subsidies and transfers	89,2	83,6	172,8
Interests (domestic and foreign)	3,3	4,6	7,8
Interests on foreign debt	3,3	4,6	7,8
Interests on domestic debt	0,0	0,0	0,0
Other current expenditure	2,9	3,4	6,3
Capital expenditures	0,2	0,4	0,6
Other expenditures	4,2	2,7	7,0
SA transfers	166,9	144,5	311,4
o/w: FBiH/cantons, municipalities, Road Fund	127,5	110,3	237,8
o/w: RS/cities, municipalities, Road Fund	28,5	24,2	52,7
o/w: Brčko	10,9	10,0	20,9
Net lending and capital gains	-1,5	-1,5	-2,9
Overall balance	15,8	20,2	36,0
Financing	-15,8	-20,2	-36,0

Table 1.

Canton Sarajevo, I-XII 2010

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I-XII 2010
1	**Revenues** (11+12+13+14)	**54.317.148**	**52.550.715**	**57.720.585**	**69.635.192**	**58.026.539**	**53.422.855**	**60.932.496**	**63.260.583**	**65.709.592**	**60.489.162**	**60.071.977**	**46.552.498**	**702.689.342**
11	**Tax revenues**	**44.245.090**	**41.306.346**	**44.676.053**	**51.198.349**	**46.975.036**	**44.764.486**	**50.336.417**	**51.364.064**	**55.575.499**	**49.461.549**	**49.788.900**	**53.997.326**	**583.689.115**
	Income and profit tax	10.594.976	10.108.612	13.851.682	15.851.346	10.496.101	10.284.131	11.061.263	9.838.174	11.851.612	10.175.450	10.479.173	15.201.746	139.794.266
	Property tax	2.224.259	4.556.217	3.030.127	2.429.503	2.121.028	2.523.598	2.122.160	1.970.072	4.718.904	2.222.779	2.474.342	2.413.398	32.806.386
	Indirect taxes	31.353.728	26.559.734	27.707.376	32.729.767	34.293.856	31.893.852	37.127.930	39.479.511	38.943.208	37.007.745	36.770.157	36.482.177	410.349.040
	Other taxes	72.127	81.783	86.868	187.734	64.051	62.905	25.064	76.308	61.775	55.575	65.229	-99.995	739.423
12	**Non-tax revenues**	**9.072.392**	**10.091.903**	**11.490.828**	**15.993.982**	**9.627.217**	**7.319.044**	**9.027.072**	**9.499.318**	**8.153.564**	**9.177.371**	**7.969.126**	**-9.583.056**	**97.838.762**
13	**Grants**	**999.666**	**862.641**	**974.053**	**2.134.310**	**1.424.287**	**1.049.500**	**1.279.182**	**1.817.551**	**1.690.304**	**1.426.308**	**2.024.126**	**1.646.036**	**17.327.964**
14	**Other revenues**	**0**	**289.825**	**579.650**	**308.550**	**0**	**289.825**	**289.825**	**579.650**	**290.225**	**423.934**	**289.825**	**492.191**	**3.833.500**
2	**Expenditures** (21+22)	**48.722.895**	**52.992.432**	**57.093.023**	**61.774.573**	**63.132.592**	**57.637.825**	**65.783.060**	**56.360.395**	**64.790.553**	**55.466.719**	**60.930.578**	**89.726.773**	**734.411.420**
21	**Current expenditures**	**48.822.450**	**53.054.130**	**57.169.905**	**61.672.835**	**62.725.000**	**57.738.106**	**64.899.446**	**56.427.659**	**64.673.707**	**55.668.787**	**61.001.408**	**90.715.345**	**734.568.779**
	Gross wages and compensations	22.960.317	23.471.521	23.860.303	24.180.848	23.978.248	23.896.521	26.723.411	22.794.733	23.586.917	23.571.924	24.274.040	25.236.418	288.535.201
	Purchases of good and services	3.289.162	6.012.171	6.011.037	6.493.352	5.976.393	5.477.088	5.182.990	4.106.244	5.516.371	4.850.397	6.586.714	9.957.353	69.459.271
	Grants	22.541.471	23.568.486	27.247.373	30.987.093	32.709.653	27.945.680	32.866.618	29.291.025	35.483.993	26.891.953	30.046.399	54.509.453	374.089.197
	Interests	31.501	1.953	51.193	11.542	60.706	418.817	126.426	235.657	86.426	354.512	94.255	1.012.122	2.485.110
	Transfers to lower budget units	0	0	0	0	0	0	0	0	0	0	0	0	0
22	**Net lending***	-99.555	-61.698	-76.882	101.738	407.592	-100.280	883.614	-67.264	116.846	-202.068	-70.830	-988.572	-157.359
3	**Net aquisition of nonfinancial assets**	**60.521**	**209.765**	**572.111**	**2.944.809**	**1.523.319**	**156.997**	**1.787.045**	**4.828.883**	**2.440.803**	**3.549.194**	**4.097.272**	**6.788.370**	**28.959.088**
4	**Government surplus/deficit** (1-2-3)	**5.533.733**	**-651.483**	**55.450**	**4.915.810**	**-6.629.371**	**-4.371.967**	**-6.637.609**	**2.071.305**	**-1.521.764**	**1.473.249**	**-4.955.873**	**-49.962.646**	**-60.681.166**
5	**Net financing** **	**-91.026**	**-9.722**	**-276.674**	**-9.722**	**-99.566**	**-10.031**	**33.714.888**	**-9.722**	**-273.955**	**-9.722**	**-92.298**	**-14.133**	**32.818.317**

Table 2.1.

Central Bosnia Canton, I-XII 2010

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I-XII 2010
1	**Revenues** (11+12+13+14)	**15.023.545**	**13.518.837**	**14.271.054**	**16.201.417**	**16.808.233**	**16.416.312**	**17.102.745**	**18.056.308**	**17.890.732**	**17.511.243**	**17.301.353**	**19.052.904**	**199.154.681**
11	**Tax revenues**	**12.536.490**	**11.209.102**	**11.627.750**	**13.565.437**	**14.186.132**	**13.017.296**	**14.511.228**	**15.320.045**	**14.920.937**	**14.234.957**	**14.266.503**	**15.139.780**	**164.535.657**
	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	1.714.118	1.406.622	1.467.898	1.701.646	2.446.426	22.141.981
	Property tax	338.414	496.048	375.361	393.851	375.607	374.634	402.821	358.851	504.505	327.760	323.446	554.910	4.826.206
	Indirect taxes	10.476.726	8.996.477	9.376.777	10.992.836	11.373.616	10.738.086	12.461.818	13.236.412	12.982.013	12.430.814	12.229.679	12.123.382	137.418.636
	Other taxes	9.755	16.627	8.278	8.774	8.908	10.760	11.992	10.664	27.797	8.486	11.732	15.062	148.834
12	**Non-tax revenues**	**2.315.995**	**2.116.970**	**2.445.591**	**2.337.662**	**2.342.786**	**2.913.703**	**2.227.915**	**2.111.731**	**2.119.601**	**2.358.082**	**2.527.764**	**3.276.666**	**29.094.466**
13	**Grants**	**171.060**	**187.765**	**197.713**	**298.318**	**279.315**	**485.312**	**363.602**	**624.532**	**850.194**	**913.850**	**519.585**	**748.958**	**5.640.205**
14	**Other revenues**	**0**	**5.000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4.353**	**-12.500**	**-112.500**	**-115.647**
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**	**15.628.071**	**20.028.709**	**16.271.863**	**15.694.645**	**21.276.825**	**191.851.778**
21	**Current expenditures**	**12.723.697**	**13.776.924**	**15.861.555**	**14.737.658**	**14.503.370**	**16.132.802**	**15.231.991**	**15.628.071**	**20.028.709**	**16.271.863**	**15.694.645**	**21.276.825**	**191.868.110**
	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	8.552.134	10.109.598	9.102.221	9.198.595	9.602.751	113.152.515
	Purchases of good and services	2.063.634	1.949.141	1.864.729	1.790.977	1.537.439	1.496.857	1.477.325	1.297.852	1.868.165	2.192.947	2.280.808	3.186.826	23.006.701
	Grants	1.877.196	2.669.265	3.712.525	3.649.107	3.659.562	4.438.447	3.429.009	5.644.014	7.829.723	4.820.044	4.098.660	8.292.284	54.119.837
	Interests	12.063	12.586	33.516	24.855	91.859	45.600	23.065	57.247	101.858	81.979	30.091	68.438	583.158
	Transfers to lower budget units	53.411	73.609	79.403	77.860	79.909	77.945	79.885	76.823	119.366	74.671	86.491	126.527	1.005.900
22	**Net lending***	0	0	-16.332	0	0	0	0	0	0	0	0	0	-16.332
3	**Net aquisition of nonfinancial assets**	**-29.165**	**81.593**	**83.466**	**526.494**	**294.471**	**207.177**	**589.624**	**428.830**	**945.225**	**1.231.976**	**1.246.223**	**2.940.500**	**8.546.414**
4	**Government surplus/deficit** (1-2-3)	**2.329.013**	**-339.680**	**-1.657.635**	**937.266**	**2.010.391**	**76.332**	**1.281.129**	**1.999.407**	**-3.083.202**	**7.404**	**360.484**	**-5.164.421**	**-1.243.511**
5	**Net financing** **	**-24.152**	**50.026**	**-22.443**	**297.861**	**4.090.903**	**-104.656**	**-105.214**	**-104.129**	**-104.693**	**-105.271**	**-104.158**	**-104.736**	**3.659.336**

Table 2.2.