

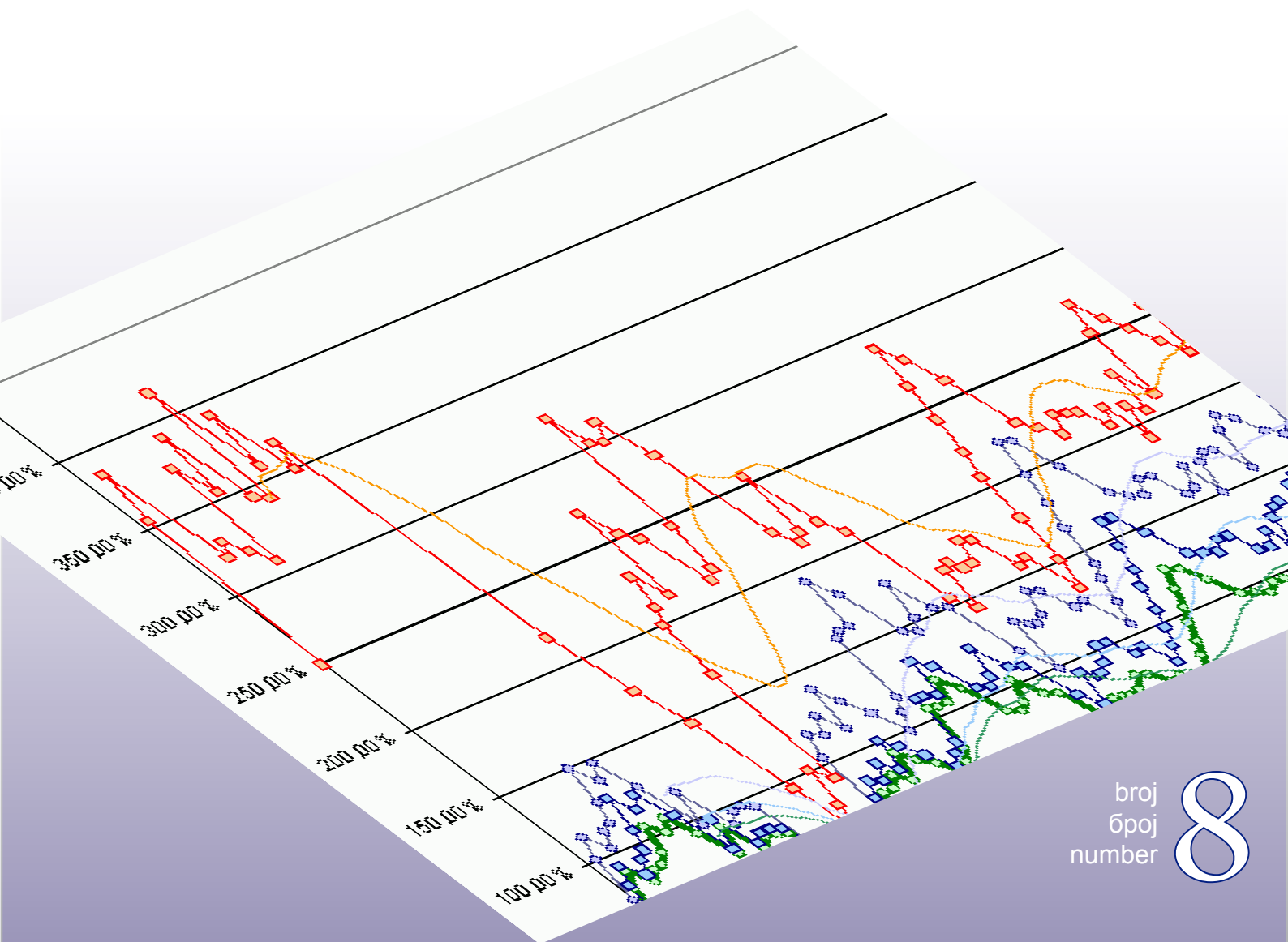
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-
neizravno oporezivanje



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

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



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number

8

With this issue...

Month of March was marked by regular visit of the International Monetary Fund. The mission expressed congratulations to BiH fiscal authorities, for successful implementation and encouraging results of the new Value Added Tax (VAT) taxation system. Above all expectations, Bosnia and Herzegovina passed difficult exam on the reform path towards the European Union!

Most important phases of the VAT implementation are behind us: declarations were processed for the first two months. Indirect Taxation Authority (ITA) conducted controls and then successfully realized first VAT refunds to taxpayers for VAT January declarations. Collection of VAT and other indirect taxes has significantly exceeded collection from the same period in 2005. Experiences from other countries show that the first year of VAT implementation is unstable in terms of revenues, so there should be careful forecasts for further collection and spending of revenue surplus that is result of VAT collection. Due to this, in every bulletin, the Unit will closely analyze collection of revenues from indirect taxes and especially from VAT.

In addition to regular activities, the Unit deals with analysis on collection of indirect taxes in the areas of special importance such as excisable products. In this issue, we present you analysis on collection of the revenues from tobacco and tobacco products in the last year.

As we reported, the system of electronic monthly reporting on revenues and expenditures for all levels of administration is functioning. Large number of cantons and municipalities delivered data for the first two months as well as budgets, enabling creation of various consolidated reports for state, entities and cantons, and reports on execution of budgets and cantons. In future period, the Unit intends to publish such reports in the bulletin or our web site.

Until we reach conditions for publishing monthly consolidated reports for all levels of administration, we will continue publishing monthly consolidated reports according to the same system of reporting as in 2005. In this issue, we provide you with consolidated report that includes fiscal operations of entities and ITA single account for February 2006. In the last issue of the bulletin, we published preliminary reports for the Federation of BiH and Republika Srpska. In this issue, we publish remaining reports for the general government and Brcko District.

The final reports for the Federation and Republika of Srpska can be downloaded from the web page of the Unit www.oma.uino.gov.ba within the Section Publications as well as the reports published in this Bulletin.

Dinka Antić, M.Sc.
Head of Unit - Supervisor

Contents:

News: Visit of IMF mission	2
Collection of indirect taxes – February 2006	3
Efficiency in collection of revenues from tobacco and tobacco products in 2005.	6
Tables	9
From activities of the Unit	13

translated by: Edin Smajlhodžić

Results of IMF visit: Congratulations for successful start of VAT!

(Prepared by: Dinka Antić)

As part of their regular visit to Bosnia and Herzegovina, IMF mission had few meetings with the Fiscal Council. Results of these talks can be summarized as follows:

1. VAT implementation.

Basic topic was analysis of the first results of the VAT introduction. On few occasions during their visit, IMF mission congratulated fiscal authorities and BiH citizens on successful fiscal reform and introduction of VAT. VAT implementation is surely largest economic reform in BiH and it has been achieving good results in first 2-3 months according to the analysis. There was increase of revenues, decrease of imports and increase of exports. Price increase effects on living standard of consumers should be neutralized through arranged social programs for targeted groups, as these became operational by passing the entity budgets for 2006. It's necessary closely follow up increase of imports in order to prevent frauds and tax evasion.

2. Strengthening of fiscal coordination.

In 2005, the Fiscal Council was established as highest fiscal authority in the country. Although the law on Fiscal Council has not been passed yet, this was not obstacle to successful work of the Fiscal Council. Both sides agreed that passing the law on Fiscal Council is priority in this year. There was also agreement reached that fiscal coordination should be strengthened in order to maintain fiscal stability. Special care should be given to providing estimates on future revenue trends as this is the first year of VAT.

The Fiscal Council in cooperation with the Central Bank should:

- Follow fiscal and monetary trends, budget realization, revenues and expenditures (public consumption) at all levels, especially after transfer of defense to the state level,
- Coordinate activities on usage of primary budget surplus that would be result of VAT revenue growth.

Strengthening of fiscal coordination includes adopting single budget calendar in 2007 for all governments in BiH.

3. Strengthening of domestic institutions and capacities that collect and process data.

Without reliable, timely and consolidated data there can not be good reports, macro fiscal analysis, projections and feedback especially in conditions of uncertain revenues, high expenditures and burden of internal and external debt. In this context, emphasis was put on need to strengthen coordination between statistical agencies and their capacities. The support was expressed to the work of EPPU and MAU with further strengthening of capacities and support of IMF experts.

Collection of indirect taxes – february 2006

(Prepared by: Dinka Antić)

A. Total collection analysis:

Total amount of indirect taxes collected for February 2006 in Bosnia and Herzegovina was KM 373 million¹. This represents 10,21% of the annual collection plan or almost 81% increase compared to the same month in 2005. Looking at the aggregate amount for January and February 2006, total for two months in 2006 represents **increase of 34% in collection of indirect taxes** compared to the same two months last year.

Planned indirect taxes collection in BiH for 2006 is KM 3,654 billion which represents 7,5% increase in comparison with the collection in 2005. The fact that collection in first two months is much more successful than collection in the same period last year is shown with data on achieving **18,6% of the annual indirect taxes collection plan** in the first two months. In the same period for 2005, total collected amount of indirect taxes represented 13% of the total indirect taxes collection in 2005.

B. Analysis per type of revenues:

In February this year, there was slight decrease in collection of customs duties and increase in collection of excise in comparison with the collection of these revenues in 2005. Looking at collection trends of these two revenue types from January 2004 up to now (Chart 1), one can observe so called standard scheme in collection and seasonal changes. This repeats on regular basis in both years. However, in 2005 this cycle repeats in higher nominal amount with sudden increase in collection of customs in December 2005 that was caused by large imports of all goods prior to VAT introduction.

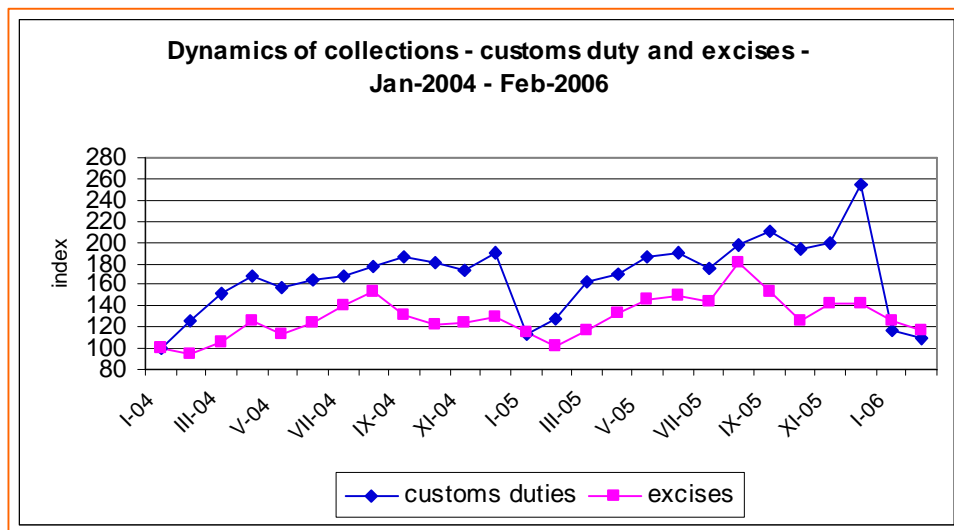


Chart 1.

¹ Collection of revenues in February 2006 includes: indirect taxes collected by ITA, real collection of lagging sales tax in RS and estimate of sales tax collection in the F BiH and Brcko District based on 50% collection in January, representing % of collection in RS for February compared to January 2006.

If seasonal changes are included for both types of revenue, there is slight increase in collection of customs and excises (charts 2 and 3):

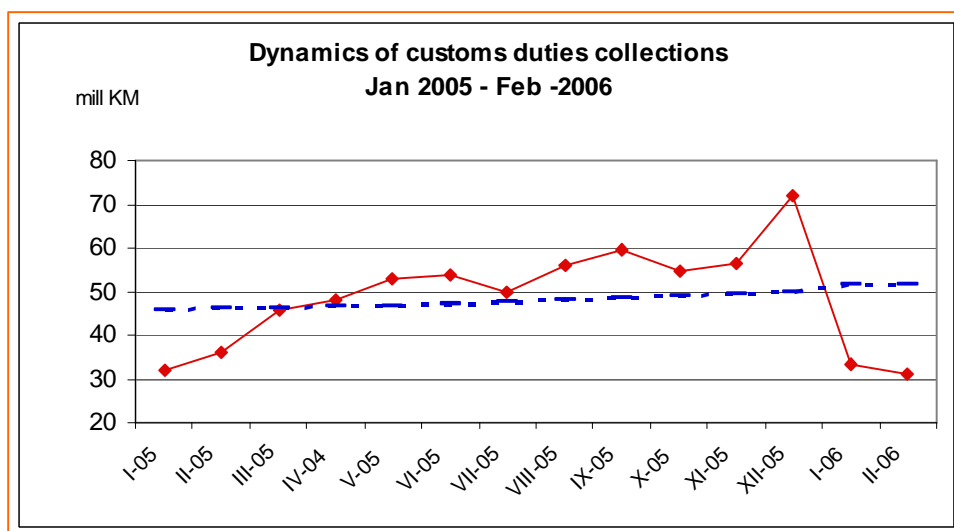


Chart 2.

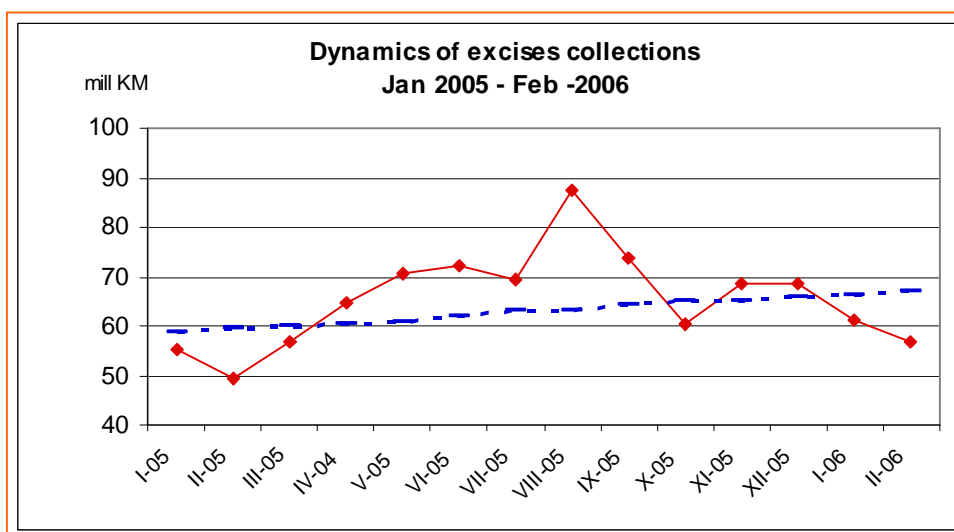


Chart 3.

As it was already explained, collection comparison of VAT and sales tax is possible at total level only regardless what level of government collected tax. In order to compare VAT collection in 2006 with the collection of sales tax in 2005, it's necessary to add collection of lagging sales tax from entity accounts to VAT collection². One can make a conclusion that VAT collected in February 2006 was two times higher than collection of sales tax in the same month in 2005. This ratio would be even better if lagging sales tax was included. However, we should bear in mind that January and February can not be taken as representative months for good analysis on VAT collection. Trends in collection of sales tax in 2005 and sales tax and VAT is shown in the chart 4.

² Bulletin No. 7 contains more information on methodology for comparative reporting on collection of indirect taxes in 2006

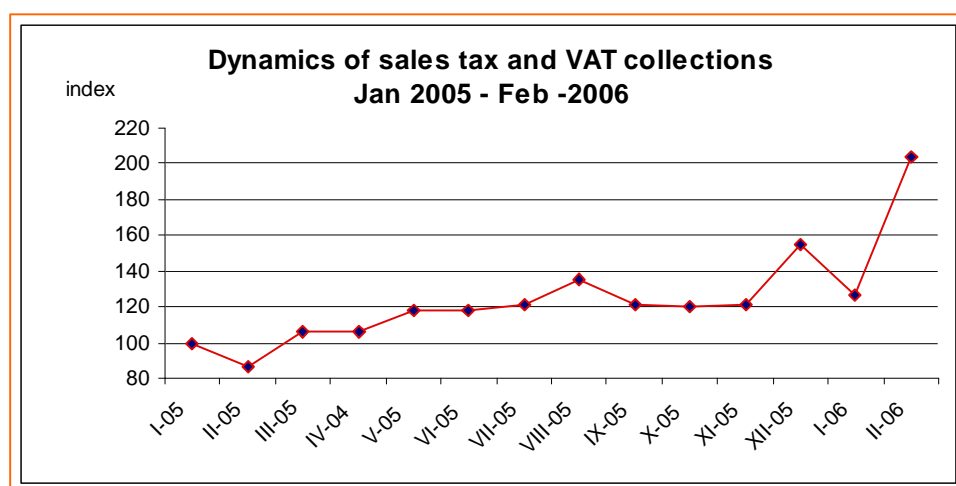


Chart 4.

C. Conclusions on the first two months after the VAT introduction:

- Customs revenues decreased by 6 %
- Excise revenues increased for more than 14%
- Sales tax and VAT revenues increased by 77 %
- Total amount of VAT collected was KM 270 mil.
- Total revenues from indirect taxes increased by 45%
- Increase of revenues from indirect taxes in BiH are mainly due to sales tax and VAT revenues

Excise and sales tax on tobacco and tobacco products: collection efficiency analysis in 2005

(prepared by: Ognjen Đukić)

Revenue growth in 2005

Total amount of 396.373.775 KM was collected to the Single Account in 2005 for excise and sales tax on tobacco and tobacco products. This represents 30,5% increase compared to the last year (see table 1). This increase of revenues is the result of different factors and the most significant is application of new excise rate on tobacco and tobacco products.³

	2004	2005	2005/2004
Excise	193,6	282,9	146,16%
On imports	87,1	159,1	182,7%
Domestic	106,5	123,8	116,3%
Sales tax	110,5	113,4	102,7%
On imports	45,7	64,1	140,5%
Domestic	64,8	49,3	76,1%
Total (excise + sales tax)	304,0	396,4	130,4%

Table 1. Excise and sales tax on tobacco and tobacco products, in mil. KM

Increase in 2005 does not automatically mean that there was increased efficiency in collection. These analysis aim to *estimate* if efficiency was improved in 2005 or weakened (in this case, increase of revenues is result of some other factors).

Methodology

In order to estimate if efficiency was improved in 2005 compared to the last year, we need to make revenues in these two years comparable. Comparability is achieved by correcting effects caused by changes that had impact on level of observed revenues in that year. This requires an estimate, that is quantification of the above mentioned effects (i.e. change of excise rate in 2005).⁴

Macroeconomic Analysis Unit had monthly data on imports and revenues from imported tobacco for 2003, 2004 and 2005, as well as revenues from domestic tobacco for 2004 and 2005.

In the analysis, corrections of data on collected revenues were made as follows:

1. Data for 2005 were reduced for the amount of growth in private consumption compared to the last year. Estimate of consumption growth is taken from the package of macroeconomic projections prepared by Economic and Policy Planning Unit (EPPU) and Monitoring and Implementation of Mid-Term Development Strategy Unit, which was adopted by the Fiscal Council in 2005.

Assumption: Consumption elasticity per unit for consumption of tobacco products compared to total consumption.

³ From the date Law on Excise in BiH went into force, excise rate of 49% is applied (on tax base excluding sales tax). This Law replaced entity laws on excises according to which excise rate on tobacco was 35%.

⁴ Selection of methodology depends on available information and length of data time series. As part of the analysis, the Unit had to use certain assumptions in lack of relevant information. All of the used assumptions are mentioned in the following text.

2. Amount of revenues in 2005 was reduced for the amount of change in excise rate that is reduced to the level of excise rates from 2004.

3. Series of data for 2005 now includes lagging revenues from excises and sales tax on tobacco from entity accounts (calculated in 2004 and collected in 2005 - residuals). This addition was made in the aim of obtaining data comparable with 2004 that include similar lagging revenues from 2003.

Assumption: estimate was made for lagging revenues on tobacco for the Federation.

4. Data were corrected for the amount of estimated effect of increase of excise rate in 2005. This effect relates to increase in imports of tobacco and tobacco products in December 2004 due to expected increase of excise rates. Such increase of imports in December 2004 resulted with decreased imports in January 2005. Failure to correct this effect would change picture on efficiency of collection between two observed years (see Chart 5)

Assumption 1: Effect is limited on December 2004 and January 2005

Assumption 2: Change of excise rate had neutral effect on revenues from domestic tobacco in 2004 and 2005.

Assumption 3: Introduction of VAT in 2006 had neutral effects on revenues from tobacco in 2005

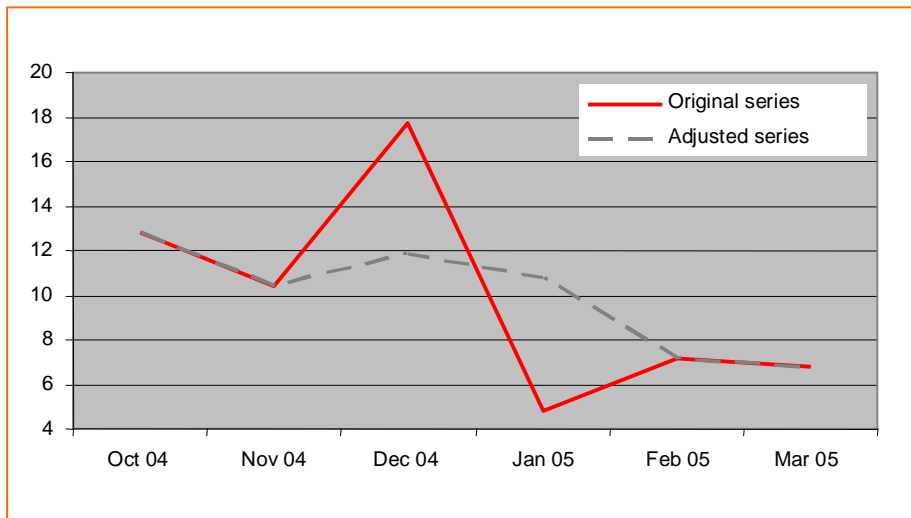


Chart 5. Import of tobacco and tobacco products, in mil. of KM
Source of data: Foreign Trade Chamber of BiH

All of the mentioned corrections in series are summarized in the Table 2:

	Excise	Sales tax	Total
Revenues in 2005	282,9	113,4	396,4
Revenues in 2004	193,6	110,5	304,0
Corrections of revenues for 2005			
Correction for consumption growth	-14,0	-5,6	-19,6
Correction for change of excise rate	-76,8	-10,1	-87,0
Correction for lagging revenues	1,7	4,2	5,9

Correction for decreased imports in January 2005	3,4	1,8	5,2
			0,0
Corrections of revenues for 2004	-3,4	-1,8	-5,2
Correction for increased imports in 2004	-3,4	-1,8	-5,2
Corrected revenues in 2005	197,2	103,7	300,9
Corrected revenues in 2004	190,2	108,7	298,8
Corrected revenues 2005-2004	7,1	-5,0	2,1
Corrected revenues 2005/2004	103,7%	95,4%	100,7%

Table 2. Corrections of revenues from tobacco and tobacco products for 2004 and 2005 (in mil. KM)

Additional non-quantified effects

In the aim of doing comprehensive analysis, it's important to mention another two effects which could not be precisely quantified. However, these effects could have had influence on revenues from tobacco in 2005 as follows:

1. Decrease in demand for tobacco products due to increase of prices as the result of excise rate increase in 2005.

This change of excise rate had effect on increase of retail price for tobacco and tobacco products. At the time these analysis were prepared, Macroeconomic Analysis Unit did not have data on trends of retail prices for tobacco products in BiH market. So, it remains unknown if and how strong the increase of excise rates affected increase of retail prices for tobacco products and decrease in demand. It's hard to estimate weight of this effect, although demand for tobacco products is considered to be not significantly price elastic.

2. Increase in smuggling and sale of tobacco products at black markets. Possibility of these effects might be caused by increase of duties on tobacco products in the formal sector.

Conclusion

It's not hard to conclude that two above mentioned effects had negative influence on collection of excise on tobacco and tobacco products in 2005. Through potential quantification and appropriate correction of data for 2005 we would get better picture on results on collection efficiency compared to the last year. Existence and influence of these effects currently remains as subjective estimate.

*So, under the assumption that these analysis cover and adequately quantify effects of these factors that influenced level of revenues from tobacco in 2005, the conclusion can be that **collection efficiency in 2005 increased for at least (or more than) 0,7% compared to the last year.***

Under the assumption that consumption of tobacco products increased proportionally with total private consumption, we can conclude that taxation of tobacco consumption increased in comparison with the last year, i.e. proportionally higher share consumption of this product was taxed.

It's important to mention that the above mentioned increase is fully reflection of improved collection of excise for 3,7% and efficiency for collection of sales tax on tobacco decreased by 4,6%.

Monthly Consolidated report January – February 2006.

prepared by: Aleksandra Regoje

	mill (KM)	I	II	total
Current Revenues		218,1	360,4	578,4
<i>Taxes</i>		206,0	343,9	549,9
<i>Indirect taxes</i>		190,5	322,3	512,8
VAT		57,3	212,7	270,0
Customs duties		33,3	30,8	64,1
Sales tax		24,8	10,2	35,0
Imported excisable products		7,8	0,2	8,0
Domestic excisable products		1,1	2,0	3,1
Other products		9,4	4,1	13,5
On services		6,5	4,0	10,5
Excises		62,8	56,9	119,7
on imports		50,5	45,7	96,2
on domestic production		12,3	11,2	23,5
Railroad tax		11,9	11,2	23,1
Other taxes		0,4	0,5	0,9
<i>Direct taxes</i>		6,9	10,3	17,3
Income taxes		6,9	10,3	17,3
<i>Other tax revenues</i>		8,6	11,3	19,8
<i>Non-tax income</i>		11,6	16,0	27,6
<i>Grants, gifts</i>		0,0	0,3	0,3
<i>Transfers from higher level of gvmt</i>		0,5	0,1	0,6
Current expenditures		220,5	325,3	545,8
<i>Consumption expenditures</i>		28,5	39,9	68,5
<i>Wages and compensations</i>		25,8	34,8	60,6
Wages		24,9	32,0	56,9
Compensations		0,9	2,8	3,7
<i>Purchases of goods and services</i>		2,8	5,1	7,9
<i>Grants</i>		37,5	10,3	47,8
Transfers to households		32,5	3,6	36,0
Transfers to institutions/organisations		0,8	0,8	1,6
Subsidies		4,2	5,9	10,1
<i>Interest payments</i>		0,0	0,4	0,5
<i>Other outlays</i>		0,8	1,2	2,0
<i>Transfers from Single Account</i>		142,6	241,3	383,9
BiH Budget		41,1	39,2	80,3
FBIH / Cantons, Road Fund		67,6	145,7	213,3
RS / Cities, Municipalities, Road Fund		13,1	15,6	28,8
Brčko Distrikt		4,5	9,3	13,7
Reserve		16,2	31,6	47,8
<i>Amortization of debt</i>		8,0	27,4	35,4
Transfers to lower levels of government		3,1	4,8	7,8
Government Savings (1-2)		-2,4	35,0	32,7
<i>Capital receipts</i>		23,9	0,0	23,9
<i>Capital outlays</i>		0,1	0,6	0,7
Government surplus/deficit (3+4-5)		21,4	34,5	55,8

Table 3. Monthly Consolidated report January - February 2006.

Notes to table 3:

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

Notes to table 4:

- The consolidated report includes:
 - revenues from indirect taxes collected by the Indirect Tax Authority on the Single Account,
 - revenues of the budget of Bosnia and Herzegovina,
 - revenues of the Federation of Bosnia and Herzegovina, the Republika Srpska and Brčko District,
 - expenditures of the budget of the FBiH, the RS and Brčko District.
- Revenues of the entities include the revenues collected by the Treasury of the entities.
- Transfers to lower levels (cantons, municipalities, Road Directorates, etc.), which are distributed on lower levels in accordance with entity legislation, include transfers from the ITA Single Account and transfers of other revenues collected at the level of the entities.
- Figures on revenues and expenditures of the Federation of Bosnia and Herzegovina and the Republika Srpska are not fully reconciled due to different accounting methods.

Notes to table 5:

- The report includes:
- Revenues of Brčko District transferred from the ITA Single Account and the revenues collected by the Revenue Agency of Brčko District
 - Expenditures of the budget of Brčko District

Monthly Consolidated report 2005. BiH – General Government

prepared by: Aleksandra Regoje

mill (KM)	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	total
Current Revenues	443,9	498,7	547,6	537,4	553,5	704,2	627,0	627,4	602,2	575,6	594,0	737,5	1490,3	1795,2	1856,5	1907,1	7049,1
<i>Taxes</i>	264,9	249,1	309,7	304,8	330,3	338,4	336,9	378,9	350,3	329,1	348,3	427,3	823,6	973,5	1066,1	1104,6	3967,9
<i>Indirect taxes</i>	229,7	206,0	251,2	262,9	287,9	295,7	290,5	335,9	306,0	283,4	298,7	354,4	686,9	846,4	932,4	936,5	3402,3
Customs duties	31,9	36,1	45,9	48,1	52,7	53,6	49,7	55,9	59,5	54,6	56,4	71,9	114,0	154,5	165,1	182,9	616,5
Sales tax	128,8	110,6	135,5	136,5	149,7	153,3	155,6	173,5	156,8	155,6	157,1	198,7	374,9	439,5	486,0	511,3	1811,7
Imported excisable products	32,4	23,0	29,5	33,1	35,8	40,0	35,6	45,1	42,2	37,3	41,6	34,5	84,9	108,8	122,9	113,4	430,0
Domestic excisable products	7,2	7,1	7,6	9,4	12,2	10,8	14,5	17,5	11,1	6,8	7,4	8,6	21,8	32,4	43,0	22,8	120,0
Other products	56,0	50,7	62,6	61,1	66,0	67,2	68,2	75,8	70,7	74,8	73,4	107,3	169,3	194,2	214,8	255,5	833,8
On services	28,1	27,3	32,5	30,3	33,3	33,5	35,6	34,1	31,5	35,2	33,4	47,0	87,9	97,1	101,2	115,5	401,8
Other	5,1	2,5	3,3	2,6	2,4	1,9	1,7	1,1	1,3	1,5	1,2	1,3	11,0	7,0	4,1	4,1	26,1
Excises	55,4	49,5	56,8	64,7	70,6	72,2	69,3	87,3	73,8	60,4	68,8	68,7	161,7	207,6	230,4	197,9	797,6
on imports	39,6	36,5	43,5	49,7	51,5	56,2	48,5	62,9	56,0	48,2	55,7	54,2	119,6	157,5	167,4	158,0	602,5
on domestic production	15,8	13,0	13,3	15,0	19,1	16,0	20,8	24,4	17,8	12,2	13,1	14,5	42,1	50,1	63,0	39,8	195,0
Railroad tax	13,2	9,5	12,5	13,2	14,3	15,6	15,4	18,8	15,4	12,3	15,8	14,0	35,2	43,0	49,6	42,0	169,9
Others	0,3	0,4	0,5	0,4	0,5	0,9	0,4	0,4	0,5	0,6	0,6	1,2	1,1	1,8	1,3	2,4	6,6
<i>Direct taxes</i>	14,2	19,1	26,7	13,3	11,6	12,4	13,8	12,9	13,6	13,3	20,5	24,6	60,0	37,3	40,3	58,4	196,0
Income taxes	14,2	19,1	26,7	13,3	11,6	12,4	13,8	12,9	13,6	13,3	20,5	24,6	60,0	37,3	40,3	58,4	196,0
Corporate income	7,9	10,4	16,2	6,3	5,0	6,0	7,0	6,2	6,3	6,0	11,5	13,2	34,4	17,2	19,5	30,8	102,0
Other income	6,4	8,7	10,5	7,0	6,7	6,4	6,8	6,7	7,2	7,2	9,0	11,4	25,5	20,1	20,7	27,6	94,0
Other taxes	21,0	24,0	31,8	28,6	30,8	30,4	32,7	30,1	30,7	32,4	29,0	48,3	76,7	89,8	93,4	109,7	369,6
<i>Non-tax income</i>	22,8	79,8	35,5	28,4	41,3	153,5	71,1	42,0	39,4	40,6	52,1	39,7	138,1	223,2	152,4	132,4	646,1
Social security contributions	137,8	146,5	179,1	168,1	161,5	178,3	181,8	182,6	184,1	185,7	173,1	244,0	463,4	507,8	548,4	602,8	2122,5
Other income	16,4	23,0	22,9	34,5	20,0	26,9	22,6	23,5	21,7	20,2	19,5	25,5	62,4	81,4	67,8	65,2	276,8
<i>Grants, gifts</i>	2,1	0,3	0,4	1,7	0,4	7,2	14,6	0,4	6,7	0,1	1,0	1,1	2,8	9,2	21,7	2,1	35,8
<i>Transfers from higher level of gov.</i>				0,0		0,0	0,0	0,0	0,0	0,0	0,0	0,0		0,0	0,1	0,0	0,1

mill (KM)	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	total
Current expenditures	386,0	511,2	537,4	520,9	536,3	614,0	543,3	571,6	555,9	567,0	595,9	843,2	1434,5	1671,2	1670,7	2006,2	6782,6
<i>Consumption expenditures</i>	57,8	84,3	104,5	98,0	95,8	133,9	71,3	92,2	94,5	101,7	95,4	166,0	246,7	327,7	258,0	363,1	1195,4
<i>Wages and compensations</i>	42,5	64,5	83,6	73,7	74,6	109,9	53,7	75,1	74,6	78,5	73,8	118,7	190,7	258,2	203,4	271,0	923,4
<i>Wages</i>	38,4	51,0	67,1	57,3	58,0	73,0	47,1	55,8	56,2	60,1	56,3	75,5	156,5	188,3	159,1	191,9	695,9
<i>Compensations</i>	4,1	13,5	16,5	16,3	16,6	37,0	6,5	19,4	18,4	18,4	17,5	43,2	34,1	69,9	44,3	79,1	227,5
<i>Purchases of goods and services</i>	12,5	17,0	18,0	20,3	17,5	20,6	17,4	16,7	19,9	23,1	21,5	47,3	47,5	58,3	54,0	92,0	251,8
<i>Other current expenditures</i>	2,8	2,8	2,8	4,1	3,7	3,3	0,2	0,4	0,0	0,1			8,5	11,1	0,6	0,1	20,3
<i>Grants</i>	171,1	207,7	240,0	229,6	222,0	281,3	250,0	244,1	251,5	250,4	257,7	349,4	618,9	732,9	745,5	857,5	2954,9
<i>Transfers to households</i>	9,5	38,6	36,5	40,0	37,5	80,4	42,1	39,2	44,4	42,0	62,2	70,3	84,6	157,9	125,7	174,6	542,7
<i>Transfers to institutions/organisations</i>	20,5	16,2	19,7	15,1	17,5	15,3	15,3	13,4	14,5	15,1	14,7	16,4	56,3	47,9	48,1	46,1	193,5
<i>Transfers to funds bases on social security contributions</i>	136,9	145,9	178,5	165,2	160,2	176,9	180,4	181,3	182,8	184,3	171,9	241,8	461,3	502,3	517,6	598,0	2106,1
<i>Subsidies</i>	4,2	7,1	5,4	9,3	6,7	8,7	12,2	10,2	9,8	9,1	9,0	20,8	16,7	24,8	32,2	38,8	112,5
<i>Interest payments</i>	0,1	0,1	0,0	0,1	0,0	0,0	0,0	0,1	0,1	0,3	0,5	0,1	0,1	0,1	0,2	0,8	1,3
<i>Other outlays</i>	5,7	9,4	10,7	9,8	8,2	6,8	10,3	8,5	9,7	8,8	14,3	63,4	25,8	24,8	28,5	86,5	165,7
<i>Expenditures from current reserve</i>	0,3	0,3	0,3	0,8	1,0	1,6	1,9	0,8	1,3	1,1	1,3	3,7	0,9	3,4	4,0	6,1	14,4
<i>Transfers from Single Account</i>	0,0	0,0	0,0	0,0	0,1	0,0	0,1	0,2	0,1	0,1	0,2	0,0	0,0	0,1	0,4	0,3	0,9
<i>Reserve</i>			0,0	0,0	0,1	0,0	0,1	0,2	0,1	0,1	0,2	0,0	0,0	0,1	0,4	0,3	0,9
<i>Amortization of debt</i>	10,5	24,8	12,7	16,3	34,7	12,4	12,7	22,4	16,4	13,6	37,2	15,6	47,9	63,4	51,4	66,5	229,2
<i>Transfers to lower level gov.</i>	140,5	184,6	169,1	166,3	174,4	178,0	197,0	203,3	182,5	190,9	189,3	245,1	494,2	518,7	582,7	625,3	2220,9
Government Savings (1-2)	57,9	-12,4	10,3	16,5	17,2	90,2	83,7	55,8	46,3	8,6	-2,0	-105,7	55,8	123,9	185,8	-99,1	266,4
<i>Capital outlays</i>	2,1	3,7	2,1	2,5	3,2	34,0	17,3	5,0	10,9	6,8	4,9	25,0	7,9	39,6	33,3	36,6	117,5
Government surplus/deficit (3-4)	55,8	-16,2	8,2	14,0	14,0	56,3	66,4	50,8	35,4	1,8	-6,8	-130,7	47,8	84,3	152,5	-135,7	148,9

Table 4. Monthly Consolidated report 2005. BiH – General Government

Monthly Consolidated report 2005 - Brčko Distrikt

prepared by: Aleksandra Regoje

in thousands KM	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	total
Current Revenues	12250	12096	13004	13536	14778	15400	14486	16672	16204	14509	16361	19486	37350	43713	47362	50356	178780
<i>Taxes</i>	7809	7656	8564	9139	10514	10793	10495	12165	10896	10116	10750	15892	24029	30446	33556	36758	124789
<i>Indirect taxes (incl. SA)</i>	7116	6963	7871	8501	9860	9829	9605	11176	10068	9340	9940	14341	21950	28191	30848	33621	114609
Customs duties	74	74	74	15	20	20	13	16	22	37	47	45	223	55	51	129	458
Sales Tax	3373	2278	2159	2641	3624	3211	3248	3452	3237	3539	3291	7656	7810	9477	9937	14486	41710
Imported excisable products	769	112	29	74	-29	111	-7	17	7	11	19	0	911	156	17	31	1114
Domestic excisable products	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other products	2053	1640	1538	1989	2926	2580	2644	2805	2518	2739	2564	6581	5232	7494	7968	11884	32578
On services	550	526	592	579	727	521	610	629	713	788	708	1075	1668	1827	1953	2571	8018
Excises	436	436	436	179	17	84	9	0	3	-1	0	-9	1308	280	12	-10	1591
on imports	383	383	383	188	15	-36	9	0	4	0	0	-9	1149	167	13	-9	1319
on domestic production	53	53	53	-9	2	120	0	0	-1	-1	0	0	160	113	-1	-1	271
Railroad tax	51	51	51	-55	-14	0	4	0	0	0	0	0	152	-70	4	0	86
Other taxes	91	91	91	6	18	28	7	18	21	11	45	47	274	53	46	102	475
Transfers from Single Account	3091	4032	5058	5715	6194	6486	6325	7689	6785	5754	6557	6602	12181	18396	20799	18913	70289
<i>Direct taxes</i>	255	255	255	144	173	454	403	488	347	292	267	472	766	771	1239	1031	3806
Income taxes	255	255	255	144	173	454	403	488	347	292	267	472	766	771	1239	1031	3806
Corporate income	127	127	127	74	115	384	259	308	177	113	100	144	381	573	743	357	2055
Other income	128	128	128	70	59	69	144	181	170	180	167	327	385	198	496	673	1752
Other direct taxes	438	438	438	494	481	510	486	501	482	484	543	1080	1313	1485	1469	2107	6374
<i>Non-tax income</i>	3199	3199	3199	3053	2987	3300	2651	3203	4032	2999	3433	1387	9597	9340	9886	7819	36643
Social security contributions	1241	1241	1241	1339	1276	1301	1316	1283	1266	1392	1258	2181	3723	3917	3866	4831	16337
Grants, gifts	0	0	0	0	0	0	0	0	0	0	897	25	0	0	0	922	922
Transfers from higher level of gov.	0	0	0	4	0	5	23	20	10	3	22	1	0	10	53	26	89
Current expenditures	10039	10039	10039	12847	10364	15013	13895	12383	14760	16548	17463	32621	30117	38224	41039	66631	176010
<i>Consumption expenditures</i>	8977	8977	8977	10530	8202	10896	8963	9475	10906	11572	11937	22347	26930	29628	29344	45856	131758
Wages and compensations	5347	5347	5347	4984	4916	4865	4892	4957	5009	5029	5044	5204	16042	14765	14857	15277	60941
Wages	5306	5306	5306	4881	4845	4805	4810	4859	4961	4973	4982	4981	15917	14532	14630	14936	60015
Comopensations	41	41	41	103	71	59	82	98	47	55	62	223	124	233	227	341	926
Purchases of goods and services	3629	3629	3629	5545	3286	6031	4071	4518	5897	6544	6893	17143	10888	14863	14487	30579	70817
Grants	757	757	757	1488	1170	2840	3154	2098	2741	4214	4186	6731	2271	5497	7993	15131	30894
Transfers to households	734	734	734	1129	1082	2032	2509	1836	2588	3898	3974	5572	2203	4243	6933	13444	26823
Transfers to organizations/institut.	23	23	23	359	88	808	645	263	153	316	212	1159					
Expenditures from current reserve	305	305	305	830	992	1277	1779	810	1113	761	1340	3542	915	3098	3701	5643	13358
Government Savings (1-2)	2211	2057	2965	689	4414	387	591	4288	1444	-2038	-1102	-13135	7233	5489	6323	-16275	2770
Capital outlays	172	172	172	358	793	374	604	1119	1674	2699	2646	6205	517	1525	3397	11550	16990
Government surplus/deficit (3-4)	2038	1885	2793	331	3620	13	-13	3169	-230	-4738	-3748	-19340	6716	3964	2925	-27826	-14221

Table 5. Monthly Consolidated report 2005 - Brčko Distrikt

From activities of the Unit

13. – 14. March 2006.

In the premises of Sarajevo Graduate School of Business Prof. Paul Bernd Spahn gave lectures on "Financial programming and policies". The course is based on the official IMF program and it includes topic on financial programming, real sector analysis, balance of payments, government sector, monetary trends, fiscal and monetary policy, foreign exchange policy and external debt. Materials from this seminar can be downloaded from the following link:

http://www.oma.uino.gov.ba/bos/publikacije/Financial_Planning_course/



Prof. Spahn is professor at the University of Frankfurt, IMF expert and world wide recognized expert in the field of macroeconomics and fiscal policy. For the last one year, Prof. Spahn was engaged by ITA Governing Board to work on establishing MAU and Fiscal Council of BiH. MAU would like to express its great thanks to Prof. Spahn FOR expert assistance and very successful team work on establishing and functioning of MAU.

March 15, 2006.

Coordination in preparation and making of annual budgets and medium term frameworks for all levels of administration in BiH represents urgent issue for strengthening public finances in BiH, fiscal stability and sustainability. As part of the Project for strengthening public finance management in BiH (PKF), the coordination group was established to work on preparing Framework Budget Paper and annual budgets in BiH. The group is composed of representatives from the state and entity ministries of finance, EPPU and MAU. Activities on making Framework Budget Papers is supported and coordinated by PKF financed through DFID, UK.

23. – 28. March 2006.

During the official visit of IMF mission, IMF delegation headed by Mr. Peter Doyle met with personnel of MAU and EPPU. Topics that were discussed included analysis of first effects as result of VAT introduction, macro indicators of BiH economy in the first two months of 2006 and possible trends during the year.