

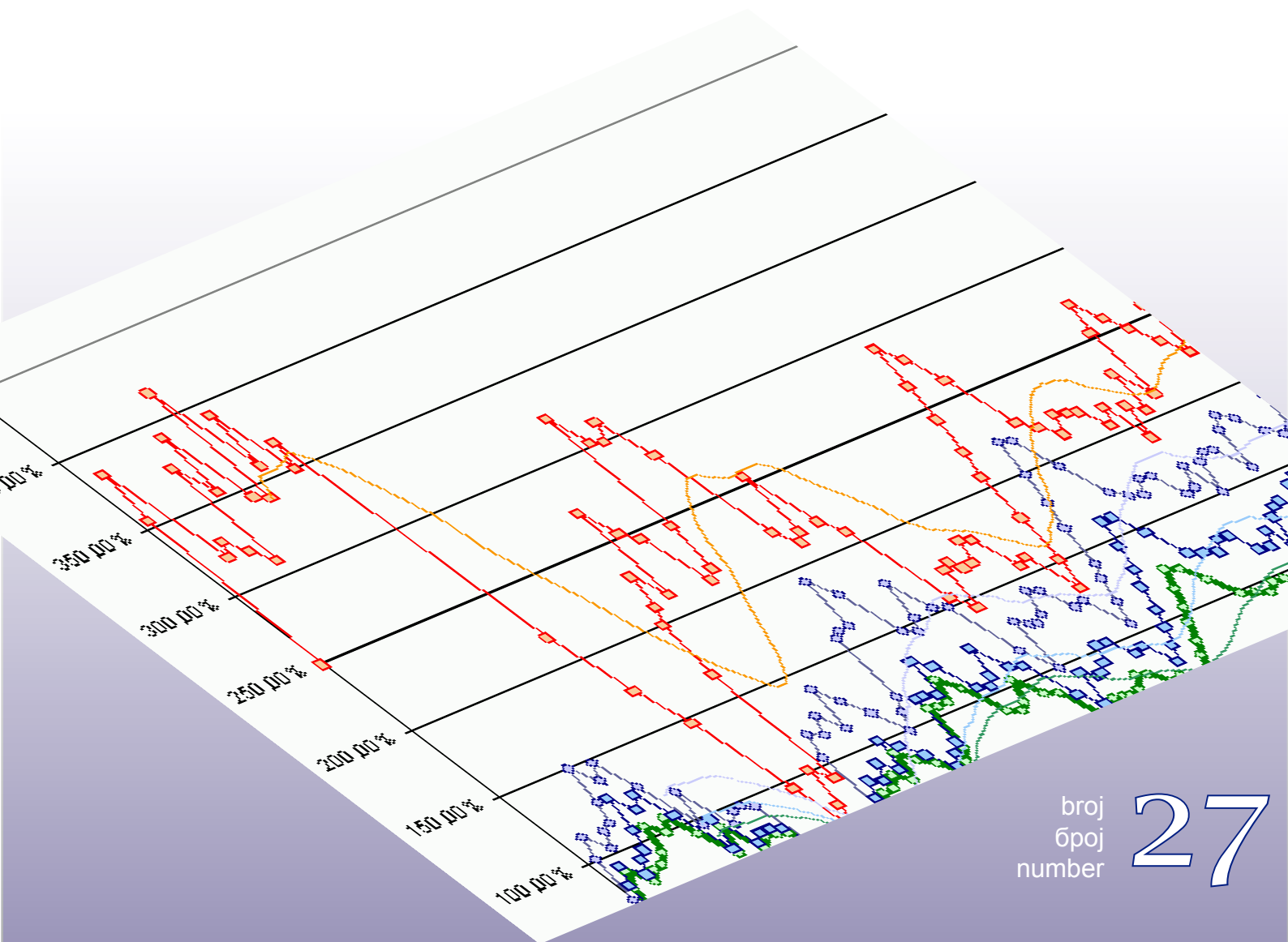
Bosna i Hercegovina  
Odjeljenje za makroekonomsku analizu  
Upravnog odbora Uprave za indirektno-  
neizravno oporezivanje



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*



broj  
број  
number

27

• Oktobar 2007 • Listopad 2007 • Октобар 2007 • October 2007 •

## With this issue

Key issue of the fiscal policy and conducting macroeconomic policy in decentralized countries such as BiH is the following: How to achieve fiscal sustainability of public finances of consolidated government in order to have fiscal policy of all levels of the administration in the function of keeping macroeconomic stability? In decentralized countries, lower levels of the administration (middle and local level) do not take enough care of effects of local and regional policies (e.g. externalities or spillovers to other jurisdictions, tax competition, fiscal deficits, exaggerated borrowing etc.) on achievement of total national goals, macroeconomic stability and credit rating of the country in international financial markets. In design of the system for fiscal coordination in complex countries, it's necessary to ensure flexibility of mechanism for fiscal coordination, so that the central government can manage instruments of macroeconomic policy in direction of achieving macroeconomic goals. It's necessary to have fiscal rules as binding for all levels of administration, and to have strict sanction mechanisms for implementation of fiscal rules and achievement of fiscal discipline. Fiscal coordination was recently a main topic of third Economic dialogue between European Commission and BiH and we have published small report on that. It is encouraging that there was consensus of fiscal authorities in BiH on necessity to establish BiH Fiscal Council.

In this issue of the Bulletin, we are providing regular analysis of collection of indirect taxes for August 2007 and review of foreign trade for the period from January to September 2007. We are continuing to publish consolidated monthly reports for BiH general government, which includes fiscal operations of entities and ITA Single Account for eight months. We also publish consolidated monthly reports for some cantons where all municipalities delivered their monthly reports to the Unit, and whose data have been verified and processed by this issue of the Bulletin.

Dinka Antić, MSc  
Head of Unit – Supervisor

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

## News: Economic dialogue between European Commission and BiH

Third Economic dialogue of the European Commission and BiH took place in Sarajevo on October 17<sup>th</sup>, 2007. Topic of this forum was fiscal coordination in BiH with special focus on establishment of BiH Fiscal Council. Economic dialogue gathered representatives of state and entity ministries of finance and General directorate of economic and financial affairs of the European Commission. In their presentations, representatives of European Commission talked about reasons for urgent resolving of fiscal coordination issues in complex country such as BiH. In presentation of possible models for fiscal coordination, there was comparative analysis of advantages and disadvantages for each of models in regards to fiscal and macroeconomic position of BiH.

Institutional cooperation, as a model for fiscal cooperation can be efficient if some conditions are met:

- Institution that is coordinating fiscal policy has legal basis for its actions,
- There are efficient mechanisms for decision making, which disable deadlocks in decision making,
- There are mechanisms for implementation of decisions including sanction mechanisms,
- Lower levels of administration are ready to transfer fiscal powers to the institution that coordinates fiscal policy.

Other model of fiscal coordination includes application of solid fiscal rules. Fiscal rules can an efficient mechanism of coordination in conditions with high level of fiscal decentralization, where lower levels of administration are not willing to transfer fiscal powers to the body that coordinates fiscal policy. However, bad side of fiscal rules is rigidity and non flexibility. Efficient application of fiscal rules requires existence of legal basis or strong institutions that will implement them and sanction levels of administration for breaking rules. For complex conditions in BiH, it's possible to combine advantages of both models, establish institution that will coordinate fiscal policy with strict rules to ensure fiscal discipline.

In the second part of the Dialogue, representatives of BiH presented main features of two draft Laws on Fiscal Council that were discussed this year. It is encouraging that there is high level of agreement on composition, mandate and functioning of the Fiscal Council. It is very important that fiscal authorities are aware of the fact that existence of the Fiscal Council is necessary for fiscal sustainability of BiH, and it's necessary to establish the Council as soon as possible. Its functioning that includes coordinated technical and advisory support, passing single accounting rules in accordance with GFS and single budget calendar and procedures for budget preparation may be implemented and upgraded gradually. Also, in certain stage of building fiscal coordination, it will be necessary to expand scope of fiscal cooperation to supervision of fiscal operations of cantons and local communities, extra budgetary funds, significant government agencies (such as Road Directorate), state banks and corporations that can serve to governments as channel for uncontrolled spending and exaggerated borrowing. Experiences of other countries show that these are usual ways to avoid fiscal rules. In order to prevent that, it's necessary to expand scope of fiscal coordination.

Third segment of the Dialogue referred to urgent issue of allocation of revenues from indirect taxes. Mr. Peter Nicholl, chairman of ITA Governing Board, presented last decisions of the ITA Governing Board, which are in direction of long term solution for allocation of revenues. At the last session of the ITA Governing Board, it was decided to use same coefficients that were used for allocation of indirect taxes from July to end of October 2007 and apply them until end of this year (review of coefficients for allocation in 2007 is provided in the attachment). In future period, the Governing Board will consider options for long term allocation of indirect taxes and certain solution, as implementation act, should be passed by mid December 2007.

## Attachment: Review of coefficients for allocation of indirect taxes

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>FBiH</b>	64.7967	65.05	65.05	65.05	65.05	64.88	64.58	64.58	64.58	64.58	64.58	64.58
<b>RS</b>	31.5142	31.57	31.57	31.57	31.57	31.57	31.87	31.87	31.87	31.87	31.87	31.87
<b>Brčko</b>	3.6891	3.38	3.38	3.38	3.38	3.55	3.55	3.55	3.55	3.55	3.55	3.55

Note: By the Decision of the High Representative, coefficient for Brčko District was fixed at 3,55, and shares of entities are calculated on basis of relative ratios of final consumption in both entities. Decision is in force as of June 1<sup>st</sup>, 2007.

### Collection of indirect taxes: August 2007.godine

(Prepared by: Dinka Antić, MSc)

In August 2007, total amount of 440 million KM of indirect taxes net<sup>1</sup> was collected to the single account of Indirect Taxation Authority. This is slightly higher than in the last month, i.e. 10% more than in the same month last year, observed at the level of entire BiH. Observed at the level of eight months, 211 million KM of indirect taxes was collected more than in the same period of 2006. In August, ITA collected another 9,686 million KM of unadjusted revenues<sup>2</sup>. Curve of collection shows stable growth trend (Chart 1.).

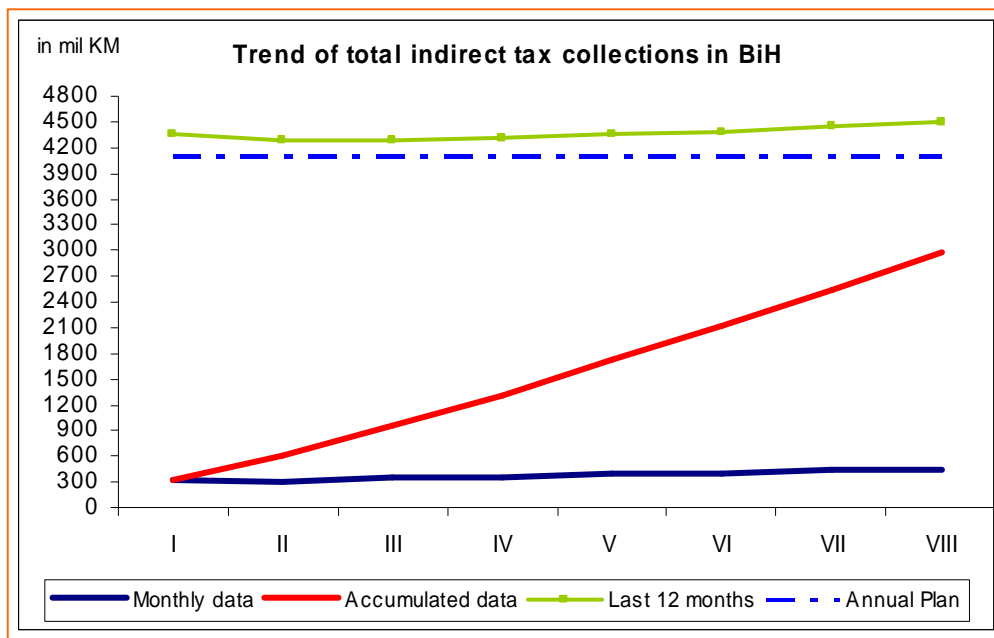


Chart 1.

In August 2007, collection of excise increased by 7,65% compared to the July 2007, i.e. 7,62% compared to August 2006. Observed at the level of period, there was increase of 9,85% in collection of excise for eight months compared to the same period last year. (Chart 2.). In structure of collection, highest increase was experienced with excise on imported oil and oil derivatives, and excise on imported and domestic tobacco and tobacco products. In August, there was slow growth in collection of revenues from customs and customs duties by 2,55% compared to July. However, comparison with the

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

<sup>2</sup> Unadjusted revenues include revenues for which relation can not be made between analytics of payment (single account) and analytical records of taxpayers in modules of ITA IT system (VAT, customs, excise).

same month in 2006 shows that the collection is higher by 15,28% while the growth for eight months is 21,19%.

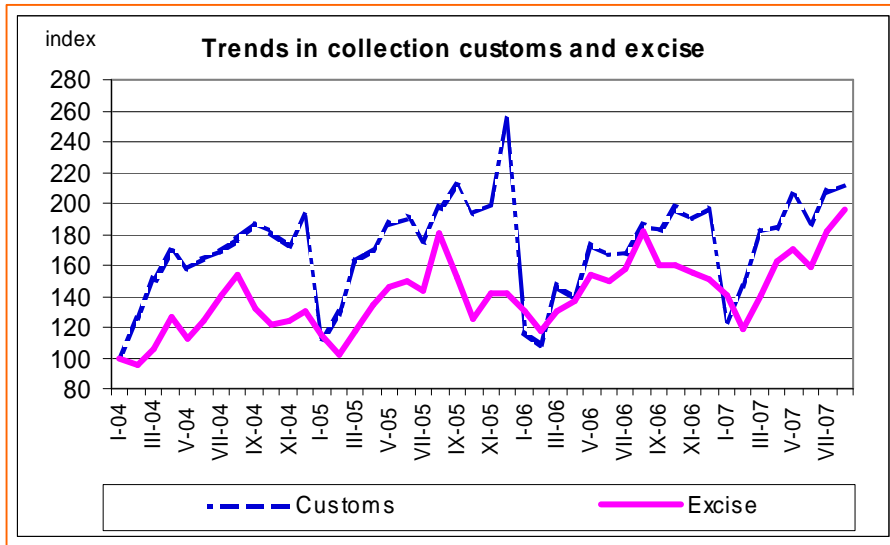


Chart 2.

Net VAT collection is 2,32% lower than in July 2007, which is the result of higher VAT refunds. However, in comparison with the same month of 2006, collection of VAT is higher by 17,37%, as shown in the Chart 3.

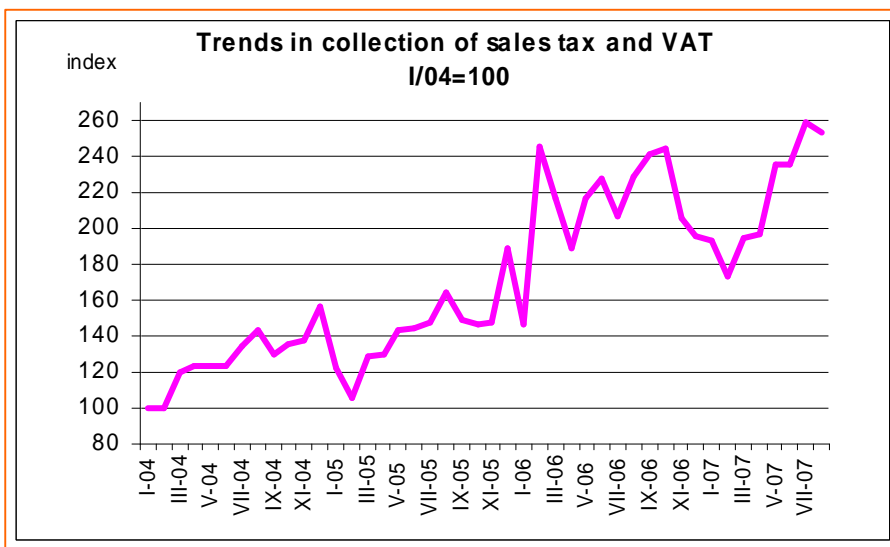


Chart 3.

As the result of increased payments of accumulated tax credits according to VAT declaration for January, VAT refunds also increased and their share in gross VAT inflows is 15,6%, which is below average monthly refund rate for the last year. (Chart 4.). Since taxpayers, besides all expectations, decided to use tax credits instead of cash refunds, higher refunds that will include lagging tax credits from VAT declarations for January might be expected in August.

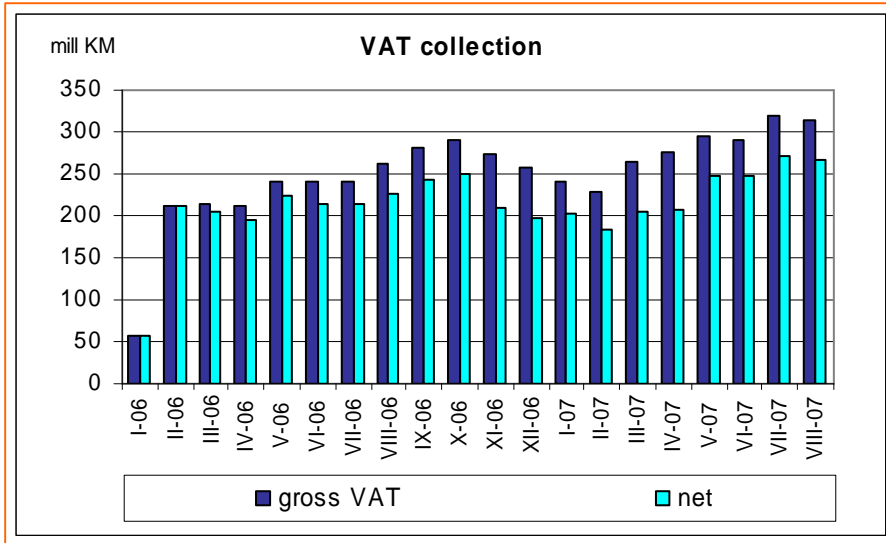


Chart 4.

On August 31, 2007, 120 million KM of tax credits were registered that will be used for compensation of future liabilities on basis of VAT. Debts of taxpayers on basis of VAT liabilities from declarations increased a bit and they amount to 21,19 million KM, while the amount of debt that is automatically assessed in IT system for ITA taxpayers who failed to file declarations amounts to 53,9 million KM. In the end, it can be concluded that introduction of VAT definitely changed tax structure in favor of VAT revenues, so today it's about 60% of total indirect taxes (Chart 5.). Increase of VAT shares could not have been neutralized by strong growth of customs revenues in the last year.

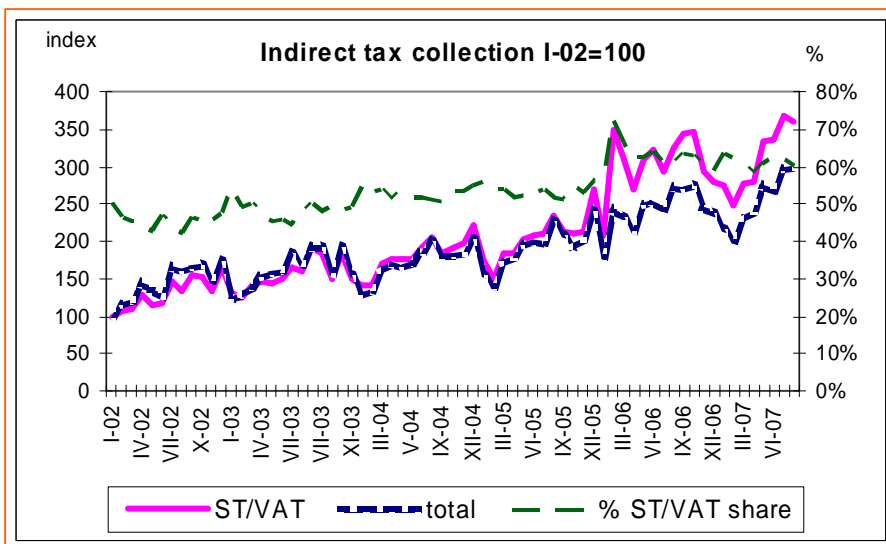


Chart 5.

**Foreign trade in the period from January to September 2007.**

(Prepared by: Mirela Kadić, Research Assistant)

Analysis of foreign trade in third quarter of 2007 represents a continuation in analyzing impact of VAT introduction on foreign trade trends. Beginning of VAT application in our country brought much turbulence in foreign trade trends and it had large impact on changes in amount of deficit and coverage of import by exports. In the last quarter of 2005, there was dramatic disturbance in foreign trade due to growth of imports and postponement of exports. Increase in imports especially referred to increase in purchases of machines, devices, mechanical and electrical devices, transport means and construction raw materials. All this and the fact that export companies postponed their exports for beginning of VAT application led to significant worsening of foreign trade position, increase of deficit from 14\$ in 2004 and coverage of imports by only 25% in December 2005 (Chart 6.) .

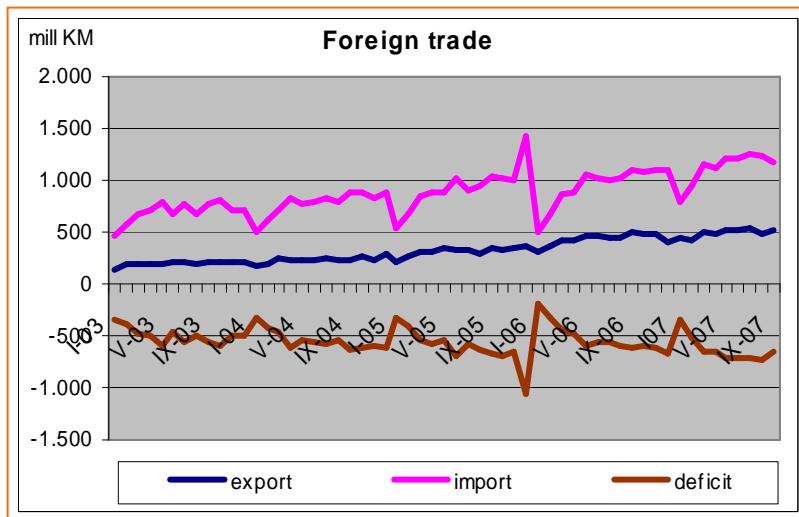


Chart 6.

Beginning of VAT application brought change of these ratios as it was expected, so coverage of imports by exports was 48,32% in the first two quarters of 2006. Last two quarters of 2006 led to moderating these turbulences, moderate growth of imports and partial shortfall in exports in IV. quarter of 2006.

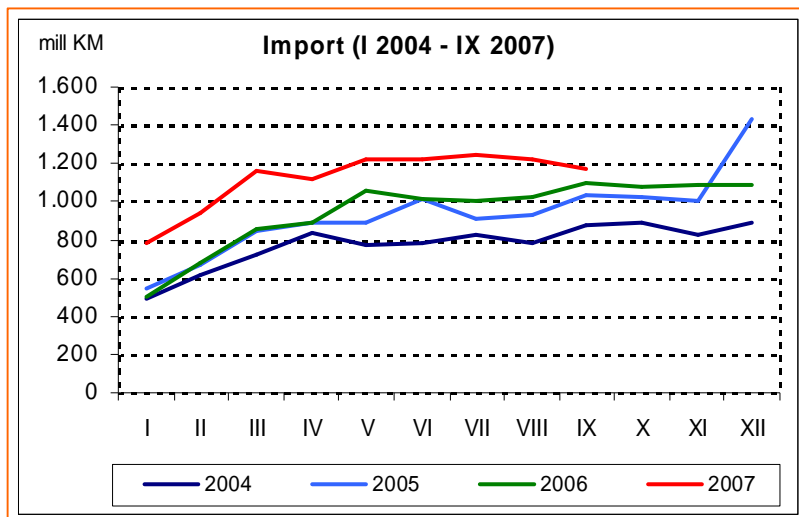


Chart 7.

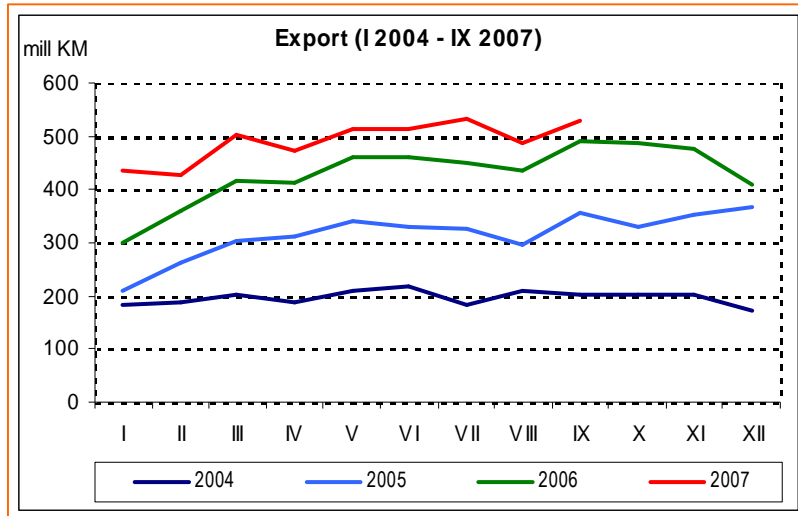


Chart 8.

Observing picture of foreign trade in the period from January to September of 2007 (Charts 7. and 8.) we come to a conclusion that slowly, but surely, positive impacts of VAT on imports and exports are "melting down". As opposed to last year deficit of 13%, deficit in this year increased by 30,92% compared to the same period last year or increase of 14% compared to the same period 2005. We also note a worse picture in coverage of imports of 43,73% compared to last year and almost 47% for the same period, strong growth of imports from 24,12% and growth of exports slowed down and it is 16,35%.

in thousand KM

	I-IX				
	2003	2004	2005	2006	2007
<b>Export</b>	1.713.336	2.028.224	2.735.344	3.793.085	4.413.351
<b>Import</b>	6.098.461	6.698.712	7.724.689	8.130.477	10.091.247
<b>Deficit</b>	-4.385.124	-4.670.488	-4.989.345	-4.337.392	-5.677.896
<b>Coverage</b>	28,09%	30,28%	35,41%	46,65%	43,73%

in thousand KM

GROUP OF PRODUCTS	IMPORT			EXPORT			COVERAGE	
	I-IX 2007	I-IX 2006	Growth rate	I-IX 2007	I-IX 2006	Growth rate	I-IX 2007 %	I-IX 2006 %
<b>TOTAL</b>	<b>10.091.247</b>	<b>8.130.477</b>	<b>24,12</b>	<b>4.413.351</b>	<b>3.793.085</b>	<b>16,35</b>	<b>43,73</b>	<b>46,65</b>
ANIMALS AND PRODUCTS OF ANIMAL ORIGIN	188.474	168.179	12,07	37.196	29.224	27,28	19,74	17,38
FOOD PRODUCTS	918.537	834.326	10,09	120.278	103.753	15,93	13,09	12,44
PRODUCTS OF MINERAL ORIGIN	1.485.795	1.387.583	7,08	429.238	443.662	-3,25	28,89	31,97
PRODUCTS OF CHEMICAL INDUSTRY OR SIMILAR INDUSTRIES	919.447	770.335	19,36	224.847	281.376	-20,09	24,45	36,53
PLASTIC MASS, RUBBER AND INDIA RUBBER	504.078	382.142	31,91	107.560	74.729	43,93	21,34	19,56
WOOD AND WOOD PRODUCTS	130.795	88.043	48,56	407.232	329.031	23,77	311,35	373,71
TEXTILE AND TEXTILE PRODUCTS	495.548	433.596	14,29	207.626	184.973	12,25	41,90	42,66
BASE METALS AND PRODUCTS OF BASE METALS	1.280.404	835.532	53,24	1.289.473	1.027.988	25,44	100,71	123,03
MACHINES, DEVICES, MECHANICAL AND ELECTRICAL DEVICES	1.660.319	1.238.479	34,06	559.766	465.848	20,16	33,71	37,61
TRANSPORT MEANS, ITS PARTS AND MATERIALS	749.926	560.189	33,87	80.161	73.337	9,31	10,69	13,09
OTHER	1.757.925	1.432.073	22,75	949.975	779.164	21,92	54,04	54,41



By insight into structure of foreign trade, we come to a conclusion that highest coverage of import and export is for primary raw materials, i.e. surplus in foreign trade is generated only for the following groups of products: wood and wood products, wood coal, iron and steel products, alumina and alumina products, led and products made by led and furniture.

In the end, estimates that positive effects of VAT on import and export are short term proved to be true. New tax system, by itself, if it is without systematic approach to export strategy, incentive to entrepreneurship and increase of competitiveness of domestic companies, is not enough for realization of long term success.

### **Consolidated Reports**

(prepared by: Aleksandra Regoje, macroeconomist in the Unit and Mirela Kadić, research assistant)

#### **Notes to table 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 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.

#### **Notes to tables 2, 3, 4 and 5**

Consolidated report includes:

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

## BiH: entities, Single Account, I-VIII 2007

		I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	Total
<b>1</b>	<b>Current revenues</b>	<b>348,5</b>	<b>337,5</b>	<b>403,3</b>	<b>393,5</b>	<b>444,2</b>	<b>430,2</b>	<b>569,9</b>	<b>483,5</b>	<b>1089,3</b>	<b>1267,9</b>	<b>1053,4</b>	<b>3410,6</b>
11	Taxes	338,3	318,9	378,0	372,8	425,9	413,2	459,9	458,7	1035,2	1212,0	918,6	3165,8
111	Indirect taxes	321,0	296,5	339,4	356,4	407,8	393,9	439,4	441,7	957,0	1158,1	881,1	2996,2
	VAT	202,5	182,6	203,8	207,2	246,8	247,1	272,1	265,8	588,9	701,2	537,8	1827,9
	VAT on imports	126,6	144,9	180,5	184,9	197,4	188,8	207,2	207,3	452,0	571,1	414,5	1437,5
	VAT from VAT returns	111,6	82,4	81,4	90,9	96,1	99,1	109,8	107,2	275,4	286,1	216,9	778,5
	VAT from automatic assessment done by ITA	0,1	0,1	0,0	0,0	0,1		0,1	0,0	0,1	0,1	0,1	0,3
	One-off VAT payments	0,2	0,4	0,1	0,1	0,1	0,1	0,1	0,1	0,8	0,2	0,2	1,2
	Other	0,9	0,9	1,3	1,1	1,2	1,5	1,0	0,5	3,1	3,8	1,5	8,4
	<b>VAT refunds</b>	<b>-36,9</b>	<b>-46,1</b>	<b>-59,6</b>	<b>-69,8</b>	<b>-48,0</b>	<b>-42,3</b>	<b>-46,1</b>	<b>-49,2</b>	<b>-142,6</b>	<b>-160,2</b>	<b>-95,4</b>	<b>-398,1</b>
	Custom duties	35,2	41,5	52,1	52,9	58,4	53,6	58,7	60,2	128,9	164,9	119,0	412,7
	Sales tax	0,7	1,5	0,8	1,1	0,9	0,7	0,9	1,0	2,9	2,6	1,9	7,4
	Excises	68,3	57,4	68,0	78,8	83,3	76,8	88,4	94,9	193,7	238,9	183,2	615,8
	on imports	53,7	47,5	54,2	64,7	65,5	61,3	70,3	75,3	155,4	191,5	145,6	492,5
	on domestic production	14,6	9,9	13,8	14,1	17,8	15,5	18,1	19,6	38,3	47,4	37,6	123,3
	Railroad tax	13,7	11,9	13,8	16,3	17,0	14,8	18,1	18,8	39,5	48,1	36,9	124,5
	Other	1,0	2,0	1,4	1,1	1,9	1,6	1,4	1,3	4,4	4,5	2,7	11,6
	<b>Other refunds</b>	<b>-0,5</b>	<b>-0,4</b>	<b>-0,5</b>	<b>-1,0</b>	<b>-0,5</b>	<b>-0,7</b>	<b>-0,2</b>	<b>-0,3</b>	<b>-1,3</b>	<b>-2,1</b>	<b>-0,5</b>	<b>-3,9</b>
112	Direct taxes	17,2	22,4	38,6	16,4	18,2	19,3	20,5	17,1	78,2	53,9	37,5	169,6
	Income taxes	6,2	12,6	27,5	5,3	7,3	8,7	8,6	6,2	46,3	21,3	14,9	82,4
	Other tax revenues	11,0	9,8	11,1	11,1	10,9	10,6	11,8	10,8	31,9	32,6	22,7	87,2
12	Non-tax income	10,0	18,4	25,1	20,2	18,1	16,8	109,9	24,5	53,5	55,1	134,4	243,0
13	Other revenues	0,0	0,0	0,1	0,1		0,1	0,0		0,1	0,2	0,0	0,3
14	Grants	0,0		0,0	0,0	0,0	0,0	0,0		0,0	0,0	0,0	0,0
15	Transfers from other level of government	0,2	0,1	0,1	0,4	0,1	0,1	0,1	0,2	0,5	0,6	0,4	1,5

<b>2</b>	<b>Current expenditures</b>	<b>256,1</b>	<b>316,7</b>	<b>353,6</b>	<b>376,3</b>	<b>413,7</b>	<b>462,3</b>	<b>454,1</b>	<b>419,8</b>	<b>926,4</b>	<b>1252,2</b>	<b>873,9</b>	<b>3052,6</b>
21	Consumption expenditures	34,5	50,2	54,7	54,5	55,6	87,1	42,7	55,7	139,4	197,2	98,4	435,1
211	Wages and compensations	30,4	45,1	46,0	44,4	45,6	75,0	32,5	47,5	121,5	165,0	79,9	366,5
212	Purchases of goods and services	4,1	5,1	8,8	10,1	10,0	12,1	10,3	8,2	17,9	32,2	18,5	68,6
22	Grants	14,3	46,3	51,9	53,6	87,5	89,7	83,9	61,2	112,4	230,8	145,2	488,4
	Transfers to households	10,7	38,0	40,2	40,1	74,6	67,8	66,2	44,4	88,9	182,5	110,5	381,9
	Transfers to institutions / organizations	0,9	1,8	1,1	4,7	4,1	11,0	8,3	4,5	3,8	19,9	12,9	36,6
	Subsidies	2,7	6,5	10,6	8,7	8,8	10,9	9,4	12,3	19,7	28,4	21,7	69,9
23	Interest payments	0,3	19,6	3,5	4,7	12,3	22,0	0,4	12,8	23,5	39,1	13,2	75,8
24	Other outlays	2,5	10,8	7,6	19,3	17,1	31,3	47,9	22,0	21,0	67,6	69,8	158,4
25	Transfers from Single Account	201,8	173,8	207,3	233,2	226,1	213,9	260,8	248,2	582,8	673,1	509,0	1764,9
	o/w : BiH Budget	46,2	44,0	46,2	67,6	54,1	51,6	54,1	56,6	136,5	173,3	110,7	420,5
	o/w: FBiH / Cantons, Municipalities, Road Fund	119,2	97,0	128,3	127,2	134,4	122,1	159,4	147,4	344,4	383,8	306,9	1035,1
	o/w: RS / Municipalities, Road Fund	25,8	23,7	22,2	27,7	25,5	28,1	33,6	30,6	71,7	81,3	64,2	217,2
	o/w: Brcko	10,6	9,1	10,6	10,7	12,0	12,0	13,7	13,6	30,2	34,7	27,3	92,2
27	Transfers to lower levels of government	2,7	16,1	28,5	8,0	18,1	19,0	19,3	19,9	47,3	45,1	39,2	131,7
28	Net lending*			0,0	3,0	-3,0	-0,7	-0,9		0,0	-0,8	-0,9	-1,7
<b>3</b>	<b>Net acquisition of nonfinancial assets</b>	<b>0,2</b>	<b>0,5</b>	<b>1,0</b>	<b>0,9</b>	<b>-7,9</b>	<b>29,0</b>	<b>20,0</b>	<b>16,3</b>	<b>1,8</b>	<b>22,0</b>	<b>36,4</b>	<b>60,2</b>
<b>4</b>	<b>Government surplus (+)/ deficit(-) (1-2-3)</b>	<b>92,2</b>	<b>20,3</b>	<b>48,7</b>	<b>16,3</b>	<b>38,4</b>	<b>-61,1</b>	<b>95,8</b>	<b>47,4</b>	<b>161,1</b>	<b>-6,4</b>	<b>143,1</b>	<b>297,9</b>
<b>5</b>	<b>Net financing**</b>	<b>-24,80</b>	<b>-11,3</b>	<b>-10,3</b>	<b>-9,9</b>	<b>-12,6</b>	<b>-23,8</b>	<b>-8,3</b>	<b>-4,8</b>	<b>-46,4</b>	<b>-46,4</b>	<b>-13,1</b>	<b>-105,8</b>

Table 1. Monthly Consolidated Report

## Sarajevo Canton, I – VII 2007

	I	II	III	IV	V	VI	VII	Q1	Q2	Q3	I-VII 2007	I-VII 2006
<b>1 Total revenues (11+12+13+14)</b>	<b>55.893.808</b>	<b>57.221.329</b>	<b>65.488.877</b>	<b>61.101.230</b>	<b>63.224.733</b>	<b>64.285.552</b>	<b>75.339.148</b>	<b>178.604.014</b>	<b>188.611.515</b>	<b>75.339.148</b>	<b>442.554.677</b>	<b>406.601.621</b>
11 Tax revenues	46.742.283	48.007.226	52.280.435	50.577.359	54.245.478	52.719.698	63.642.264	147.029.943	157.542.535	63.642.264	368.214.742	343.600.199
Income & profit tax	4.024.279	6.240.866	3.939.355	3.608.856	2.501.215	2.978.892	4.313.461	14.204.501	9.088.964	4.313.461	27.606.925	24.123.795
Taxes on personal income and self-employment	4.351.201	5.839.852	6.955.161	7.770.376	6.305.552	6.383.509	7.538.566	17.146.214	20.459.437	7.538.566	45.144.217	38.639.927
Property tax	3.102.185	5.407.642	2.069.444	2.215.034	3.189.662	2.619.483	2.708.159	10.579.271	8.024.179	2.708.159	21.311.610	15.823.097
Sales tax (incl.excises)(according to Regulations until 31,12,2005)	617.592	520.157	378.014	853.546	1.289.848	533.487	2.294.070	1.515.763	2.676.881	2.294.070	6.486.714	44.922.380
Transfers from Single Account	34.349.633	29.600.555	35.625.820	35.643.281	40.479.317	39.766.542	46.289.447	99.576.008	115.889.140	46.289.447	261.754.595	215.938.476
Other taxes	297.393	398.153	3.312.641	486.264	479.884	437.785	498.561	4.008.187	1.403.933	498.561	5.910.681	4.152.524
12 Non-tax revenues	9.012.924	7.847.816	12.227.033	8.815.997	7.273.274	9.744.198	9.288.829	29.087.773	25.833.468	9.288.829	64.210.070	58.018.933
13 Grants	138.601	1.147.537	758.244	1.484.709	1.379.879	1.169.452	2.081.953	2.044.382	4.034.040	2.081.953	8.160.375	4.982.489
14 Other revenues	0	218.750	223.166	223.166	326.102	652.204	326.102	441.916	1.201.472	326.102	1.969.490	
<b>2 Total expenditures (21+22)</b>	<b>37.126.998</b>	<b>42.675.385</b>	<b>48.768.516</b>	<b>74.269.601</b>	<b>55.847.897</b>	<b>59.626.552</b>	<b>61.846.624</b>	<b>128.570.899</b>	<b>189.744.050</b>	<b>61.846.624</b>	<b>380.161.572</b>	<b>338.347.125</b>
21 Current expenditures	37.368.534	43.705.906	48.808.170	74.642.692	55.875.456	61.111.663	62.215.259	129.882.610	191.629.811	62.215.259	383.727.680	348.196.752
Wages and compensations	19.930.262	19.440.569	19.876.650	19.953.676	20.018.185	26.233.389	17.893.198	59.247.481	66.205.250	17.893.198	143.345.930	129.463.021
of which: Gross wages	14.499.556	15.427.224	15.457.228	15.352.343	15.259.149	15.227.935	15.195.356	45.384.008	45.839.427	15.195.356	106.418.791	101.132.648
of which: Compensations	5.430.706	4.013.345	4.419.422	4.601.333	4.759.037	11.005.454	2.697.842	13.863.474	20.365.823	2.697.842	36.927.139	28.330.373
Other taxes and contributions	1.732.216	1.836.867	1.852.870	1.834.091	1.823.882	1.819.086	1.821.095	5.421.954	5.477.059	1.821.095	12.720.108	12.160.829
Purchases of goods and services	2.810.395	4.403.112	5.481.026	4.929.226	5.253.764	5.677.680	3.568.068	12.694.532	15.860.669	3.568.068	32.123.270	34.342.354
Grants	12.895.616	17.787.187	21.174.675	47.890.633	28.708.470	27.378.127	38.711.610	51.857.478	103.977.230	38.711.610	194.546.318	171.905.351
Interest	44	238.171	422.949	35.067	71.155	3.382	221.288	661.164	109.603	221.288	992.055	325.197
Transfers to lower spending units	0	0	0	0	0	0	0	0	0	0	0	0
22 Net lending*	-241.536	-1.030.521	-39.654	-373.091	-27.559	-1.485.111	-368.635	-1.311.711	-1.885.761	-368.635	-3.566.107	-9.849.627
<b>3 Net acquisition of nonfinancial assets</b>	<b>-171.812</b>	<b>215.726</b>	<b>1.016.102</b>	<b>-7.618.417</b>	<b>3.075.363</b>	<b>1.731.861</b>	<b>1.581.977</b>	<b>1.060.016</b>	<b>-2.811.192</b>	<b>1.581.977</b>	<b>-169.198</b>	<b>5.043.014</b>
<b>4 Government surplus/deficit (1-2-3)</b>	<b>18.938.622</b>	<b>14.330.217</b>	<b>15.704.260</b>	<b>-5.549.954</b>	<b>4.301.472</b>	<b>2.927.139</b>	<b>11.910.546</b>	<b>48.973.099</b>	<b>1.678.657</b>	<b>11.910.546</b>	<b>62.562.303</b>	<b>63.211.483</b>
<b>5 Net financing **</b>	<b>-1.568</b>	<b>-19.445</b>	<b>-10.517</b>	<b>-10.524</b>	<b>-47.552</b>	<b>-10.539</b>	<b>-10.539</b>	<b>-31.529</b>	<b>-68.615</b>	<b>-10.539</b>	<b>-110.684</b>	<b>-46.310</b>

Table 2. Monthly Consolidated Report

## West Herzegovina Canton, I – VIII 2007

	I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	I-VIII 2007	I-VIII 2006
<b>1 Total revenues (11+12+13+14)</b>	<b>6.477.454</b>	<b>5.765.405</b>	<b>7.116.735</b>	<b>7.224.114</b>	<b>7.975.395</b>	<b>6.995.099</b>	<b>8.657.630</b>	<b>8.604.687</b>	<b>19.359.594</b>	<b>22.194.609</b>	<b>17.262.317</b>	<b>58.816.520</b>	<b>52.410.533</b>
11 Tax revenues	5.499.238	4.937.146	6.046.183	6.362.746	6.944.484	6.289.382	7.491.243	6.723.193	16.482.567	19.596.613	14.214.435	50.293.615	43.186.003
Income & profit tax	154.547	340.310	667.316	968.302	264.985	488.091	438.939	262.842	1.162.173	1.721.379	701.780	3.585.332	2.373.224
Taxes on personal income and self-employment	377.977	469.992	570.032	746.352	609.362	572.606	701.769	527.610	1.418.001	1.928.320	1.229.379	4.575.701	3.161.466
Property tax	89.257	121.735	135.363	89.426	153.403	97.486	88.248	136.973	346.355	340.315	225.220	911.890	890.386
Sales tax (incl.excises)(according to Regulations until 31,12,2005)	445.732	218.934	165.734	209.562	542.055	216.422	418.249	208.847	830.400	968.039	627.097	2.425.535	5.659.436
Transfers from Single Account	4.202.629	3.558.343	4.328.665	4.155.231	5.126.013	4.808.379	5.654.069	5.360.511	12.089.637	14.089.622	11.014.581	37.193.840	30.070.649
Other taxes	229.096	227.831	179.074	193.873	248.667	106.399	189.968	226.410	636.002	548.938	416.378	1.601.318	1.030.842
12 Non-tax revenues	761.441	814.695	1.025.458	815.947	1.011.414	655.558	1.076.305	1.041.179	2.601.594	2.482.919	2.117.484	7.201.997	8.000.546
13 Grants	89.364	13.564	45.094	45.421	19.497	44.220	90.082	840.316	148.022	109.138	930.398	1.187.558	978.806
14 Other revenues	127.411	0	0	0	0	5.940	0	0	127.411	5.940	0	133.351	245.178
<b>2 Total expenditures (21+22)</b>	<b>4.714.883</b>	<b>6.177.463</b>	<b>6.359.985</b>	<b>6.450.008</b>	<b>7.106.257</b>	<b>6.927.221</b>	<b>6.575.693</b>	<b>6.521.545</b>	<b>17.252.331</b>	<b>20.483.486</b>	<b>13.097.238</b>	<b>50.833.054</b>	<b>40.438.559</b>
21 Current expenditures	4.714.883	6.177.463	6.359.985	6.390.008	7.106.257	6.987.221	6.575.693	6.521.545	17.252.331	20.483.486	13.097.238	50.833.054	40.438.559
Wages and compensations	2.874.444	2.834.991	2.925.434	3.461.372	2.983.623	3.889.314	2.759.429	2.973.623	8.634.870	10.334.309	5.733.051	24.702.230	20.052.530
of which: Gross wages	2.267.685	2.240.383	2.223.598	2.741.680	2.338.008	2.665.502	2.418.539	2.418.742	6.731.666	7.745.190	4.837.281	19.314.137	15.028.447
of which: Compensations	606.759	594.608	701.836	719.692	645.616	1.223.812	340.889	554.881	1.903.204	2.589.119	895.770	5.388.093	5.024.083
Other taxes and contributions	236.415	247.356	244.492	287.570	251.015	336.730	260.493	261.816	728.263	875.315	522.309	2.125.887	1.641.200
Purchases of goods and services	428.830	572.919	869.529	595.720	951.098	444.400	1.035.154	784.828	1.871.279	1.991.218	1.819.982	5.682.479	5.763.123
Grants	914.635	2.188.293	1.899.085	1.713.328	2.562.415	1.894.723	2.145.189	2.161.496	5.002.012	6.170.467	4.306.685	15.479.164	9.875.766
Interest	27.552	30.823	68.259	57.133	54.148	53.166	54.101	47.325	126.634	164.447	101.426	392.506	1.470.002
Transfers to lower spending units	233.007	303.081	353.186	274.885	303.958	368.888	321.328	292.457	889.274	947.731	613.785	2.450.789	1.635.938
22 Net lending*	0	0	0	60.000	0	-60.000	0	0	0	0	0	0	0
<b>3 Net acquisition of nonfinancial assets</b>	<b>17.950</b>	<b>-2.155.458</b>	<b>-6.878</b>	<b>78.455</b>	<b>175.977</b>	<b>221.229</b>	<b>-154.525</b>	<b>-44.617</b>	<b>-2.144.385</b>	<b>475.661</b>	<b>-199.141</b>	<b>-1.867.866</b>	<b>1.790.164</b>
<b>4 Government surplus/deficit (1-2-3)</b>	<b>1.744.621</b>	<b>1.743.400</b>	<b>763.628</b>	<b>695.651</b>	<b>693.161</b>	<b>-153.350</b>	<b>2.236.461</b>	<b>2.127.759</b>	<b>4.251.649</b>	<b>1.235.462</b>	<b>4.364.220</b>	<b>9.851.332</b>	<b>10.181.810</b>
<b>5 Net financing **</b>	<b>-34.952</b>	<b>-53.048</b>	<b>-111.897</b>	<b>-86.650</b>	<b>-104.962</b>	<b>-105.645</b>	<b>-68.529</b>	<b>-105.365</b>	<b>-199.897</b>	<b>-297.256</b>	<b>-173.894</b>	<b>-671.047</b>	<b>-68.987</b>

Table 3. Monthly Consolidated Report

**Bosnian Podrinje Canton, I – VIII 2007**

	I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	I-VIII 2007	I-VIII 2006
<b>1 Total revenues (11+12+13+14)</b>	<b>2.770.245</b>	<b>2.220.982</b>	<b>2.664.828</b>	<b>4.858.767</b>	<b>3.132.567</b>	<b>4.122.478</b>	<b>3.829.204</b>	<b>3.907.507</b>	<b>7.656.055</b>	<b>12.113.812</b>	<b>7.736.711</b>	<b>27.506.578</b>	<b>19.776.390</b>
11 Tax revenues	2.211.541	1.929.457	2.302.558	2.229.278	2.769.311	2.539.044	2.759.242	2.831.920	6.443.557	7.537.633	5.591.162	19.572.351	12.012.410
Income & profit tax	36.511	32.666	44.719	63.650	28.719	17.950	23.599	27.868	113.896	110.319	51.467	275.682	177.851
Taxes on personal income and self-employment	193.984	192.594	200.581	200.592	230.627	229.594	233.869	236.915	587.159	660.813	470.784	1.718.756	1.430.451
Property tax	18.376	23.296	27.118	25.850	25.437	29.714	29.653	47.158	68.790	81.001	76.810	226.602	133.532
Sales tax (incl.excises)(according to Regulations until 31,12,2005)	31.091	9.444	17.688	22.396	102.239	24.301	55.622	23.489	58.222	148.935	79.111	286.268	1.046.400
Transfers from Single Account	1.925.114	1.663.807	2.004.593	1.908.507	2.373.650	2.228.963	2.407.103	2.486.928	5.593.514	6.511.121	4.894.030	16.998.665	9.164.591
Other taxes	6.465	7.650	7.860	8.284	8.640	8.521	9.396	9.564	21.975	25.445	18.960	66.379	59.585
12 Non-tax revenues	373.445	199.404	259.332	124.231	213.079	185.592	127.258	178.417	832.181	522.902	305.675	1.660.759	3.195.174
13 Grants	179.861	88.513	100.670	2.500.383	144.692	1.378.840	900.839	889.423	369.044	4.023.915	1.790.262	6.183.221	4.540.457
14 Other revenues	5.397	3.607	2.269	4.875	5.485	19.002	41.865	7.747	11.273	29.362	49.612	90.246	28.349
<b>2 Total expenditures (21+22)</b>	<b>2.384.176</b>	<b>2.396.102</b>	<b>2.583.778</b>	<b>2.681.382</b>	<b>2.508.043</b>	<b>2.885.131</b>	<b>2.771.498</b>	<b>3.022.266</b>	<b>7.364.056</b>	<b>8.074.557</b>	<b>5.793.765</b>	<b>21.232.377</b>	<b>15.498.097</b>
21 Current expenditures	2.384.841	2.389.583	2.583.778	2.679.758	2.491.127	2.885.423	2.771.790	3.022.642	7.358.202	8.056.308	5.794.432	21.208.942	15.499.428
Wages and compensations	1.015.559	1.068.873	1.156.775	1.236.538	1.236.597	1.302.807	1.377.475	1.200.183	3.241.206	3.775.942	2.577.658	9.594.806	7.449.822
of which: Gross wages	817.323	832.593	933.316	984.739	990.776	952.831	985.965	1.002.958	2.583.233	2.928.346	1.988.923	7.500.501	5.835.344
of which: Compensations	198.236	236.279	223.458	251.800	245.821	349.976	391.511	197.225	657.974	847.596	588.735	2.094.305	1.614.478
Other taxes and contributions	100.615	100.528	113.255	117.954	117.816	116.031	123.365	122.244	314.397	351.802	245.610	911.809	739.968
Purchases of goods and services	499.269	561.206	433.439	494.637	422.436	263.849	224.986	473.074	1.493.914	1.180.922	698.060	3.372.896	2.873.478
Grants	766.975	656.896	878.042	828.441	712.343	1.200.602	1.042.615	1.223.860	2.301.912	2.741.385	2.266.475	7.309.773	4.412.379
Interest	2.424	2.080	2.268	2.188	1.934	2.134	1.848	1.781	6.772	6.257	3.629	16.658	23.781
Transfers to lower spending units	0	0	0	0	0	0	1.500	1.500	0	0	3.000	3.000	
22 Net lending*	-665	6.519	0	1.624	16.917	-292	-292	-376	5.854	18.249	-668	23.435	-1.331
<b>3 Net acquisition of nonfinancial assets</b>	<b>11.699</b>	<b>33.370</b>	<b>8.092</b>	<b>138.215</b>	<b>130.516</b>	<b>18.255</b>	<b>289.553</b>	<b>73.212</b>	<b>53.161</b>	<b>286.985</b>	<b>362.765</b>	<b>702.912</b>	<b>412.946</b>
<b>4 Government surplus/deficit (1-2-3)</b>	<b>374.370</b>	<b>-208.490</b>	<b>72.959</b>	<b>2.039.170</b>	<b>494.008</b>	<b>1.219.092</b>	<b>768.153</b>	<b>812.028</b>	<b>238.839</b>	<b>3.752.270</b>	<b>1.580.181</b>	<b>5.571.289</b>	<b>3.865.347</b>
<b>5 Net financing **</b>	<b>-14.702</b>	<b>-13.598</b>	<b>-14.356</b>	<b>-14.096</b>	<b>-13.398</b>	<b>-833</b>	<b>-13.325</b>	<b>0</b>	<b>-42.657</b>	<b>-28.328</b>	<b>-13.325</b>	<b>-84.309</b>	<b>-176.468</b>

Table 4. Monthly Consolidated Report

## Posavina Canton, I – VIII 2007

	I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	I-VIII 2007	I-VIII 2006
<b>1 Total revenues (11+12+13+14)</b>	<b>2.838.992</b>	<b>2.519.335</b>	<b>3.064.276</b>	<b>3.610.813</b>	<b>3.281.400</b>	<b>3.520.890</b>	<b>4.176.519</b>	<b>3.871.171</b>	<b>8.422.603</b>	<b>10.413.103</b>	<b>8.047.689</b>	<b>26.883.396</b>	<b>25.108.765</b>
11 Tax revenues	2.450.787	2.129.629	2.569.908	2.480.844	2.791.974	2.686.559	3.245.409	3.158.173	7.150.325	7.959.377	6.403.582	21.513.284	19.307.130
Income & profit tax	90.539	128.286	158.393	71.692	32.067	18.700	77.551	81.425	377.218	122.460	158.976	658.654	519.988
Taxes on personal income and self-employment	192.187	176.707	195.543	207.571	213.088	246.019	300.963	252.025	564.437	666.677	552.988	1.784.103	1.463.407
Property tax	48.138	31.794	30.487	45.591	45.609	23.540	63.494	49.378	110.418	114.740	112.873	338.031	241.084
Sales tax (incl.excises)(according to Regulations until 31,12,2005)	45.949	30.065	28.209	29.758	108.135	38.300	25.646	36.076	104.223	176.194	61.722	342.139	2.352.099
Transfers from Single Account	2.041.576	1.742.521	2.104.097	2.104.229	2.380.105	2.339.420	2.725.859	2.606.861	5.888.194	6.823.754	5.332.720	18.044.668	14.432.318
Other taxes	32.398	20.257	53.179	22.004	12.969	20.579	51.896	132.407	105.834	55.552	184.303	345.688	298.234
12 Non-tax revenues	309.205	389.705	494.368	463.302	489.426	470.998	629.396	521.855	1.193.278	1.423.726	1.151.251	3.768.255	3.532.183
13 Grants	79.000	0	0	666.667	0	333.333	166.667	189.867	79.000	1.000.000	356.533	1.435.533	2.269.452
14 Other revenues	0	0	0	0	0	30.000	135.047	1.277	0	30.000	136.323	166.323	
<b>2 Total expenditures (21+22)</b>	<b>2.255.269</b>	<b>2.222.278</b>	<b>2.346.195</b>	<b>2.299.019</b>	<b>2.646.447</b>	<b>3.156.007</b>	<b>2.643.362</b>	<b>2.327.690</b>	<b>6.823.742</b>	<b>8.101.472</b>	<b>4.971.051</b>	<b>19.896.266</b>	<b>19.379.934</b>
21 Current expenditures	2.255.269	2.222.478	2.343.395	2.299.119	2.646.547	3.156.107	2.643.462	2.327.790	6.821.142	8.101.772	4.971.251	19.894.166	19.388.537
Wages and compensations	1.355.586	1.354.642	1.417.877	1.363.422	1.366.946	1.756.341	1.222.032	1.289.633	4.128.105	4.486.708	2.511.665	11.126.479	10.214.289
of which: Gross wages	1.049.837	1.070.906	1.101.249	1.059.115	1.079.046	1.057.095	1.026.286	1.027.675	3.221.992	3.195.257	2.053.961	8.471.210	8.052.638
of which: Compensations	305.749	283.736	316.628	304.307	287.899	699.245	195.745	261.958	906.113	1.291.451	457.704	2.655.268	2.161.651
Other taxes and contributions	133.184	134.071	139.931	133.691	136.047	132.220	129.273	124.652	407.187	401.958	253.925	1.063.069	998.148
Purchases of goods and services	458.922	372.096	443.703	409.694	329.634	454.676	376.135	430.683	1.274.721	1.194.004	806.818	3.275.544	3.865.624
Grants	307.576	361.668	341.885	392.313	813.919	812.870	900.097	482.821	1.011.129	2.019.102	1.382.918	4.413.149	4.287.668
Interest	0	0	0	0	0	0	15.926	0	0	0	15.926	15.926	22.808
Transfers to lower spending units	0	0	0	0	0	0	0	0	0	0	0	0	
22 Net lending*	0	-200	2.800	-100	-100	-100	-100	-100	2.600	-300	-200	2.100	-8.603
<b>3 Net acquisition of nonfinancial assets</b>	<b>31.500</b>	<b>15.850</b>	<b>24.668</b>	<b>3.690</b>	<b>1.530</b>	<b>201.438</b>	<b>5.749</b>	<b>164.378</b>	<b>72.018</b>	<b>206.658</b>	<b>170.127</b>	<b>448.803</b>	<b>814.716</b>
<b>4 Government surplus/deficit (1-2-3)</b>	<b>552.223</b>	<b>281.207</b>	<b>693.413</b>	<b>1.308.104</b>	<b>633.424</b>	<b>163.445</b>	<b>1.527.408</b>	<b>1.379.104</b>	<b>1.526.843</b>	<b>2.104.973</b>	<b>2.906.511</b>	<b>6.538.327</b>	<b>4.914.115</b>
<b>5 Net financing **</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7.886</b>

Table 5. Monthly Consolidated Report