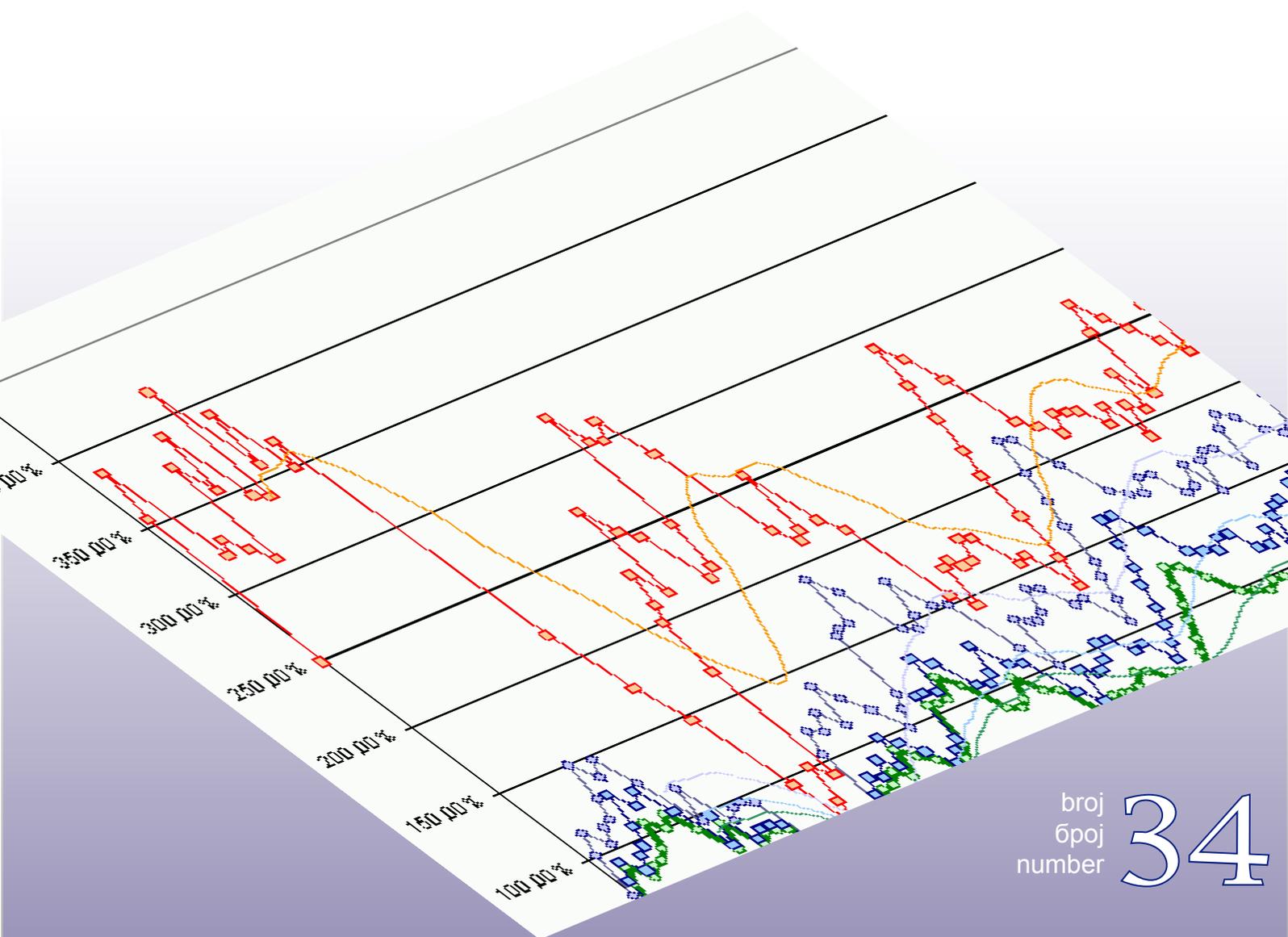




Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



broj
број
number **34**

With this issue

According to harmonized budget calendar of central governments in BiH, Macroeconomic Analysis Unit is obliged to prepare the projections of indirect taxes two times a year. These are required for preparation of the budgets for BiH, entities and Brcko District. In this issue of the Bulletin, we provide you with the projections of indirect taxes for the period from 2009 to 2011 in the form of two scenarios. The program scenario of the projections for indirect taxes is based on expected changes in indirect taxation policy due to the application of Stabilization and Accession Agreement. The Agreement with EU will lead to significant reduction of revenues from customs on import of goods from EU until all customs are abolished on imports from EU, which should be in 2013. In addition, the partnership with EU requires abolishment of all other revenues on imports, which have fiscal character such as customs recording.

Fiscal balance in BiH today is under strong influence of two processes: uncoordinated growth of budgets of administrative levels, which is the result of complex decentralized government structure in BiH and lack of obligatory fiscal coordination. In other hand, signing of the Stabilization and Accession Agreement will lead to gradual loss of customs and VAT revenues in a month already, since customs also goes into calculation base of VAT. However, the process of stabilization and accession requires fulfillment of conditions from *Acquis Communautaire*. The chapter of *Acquis-a* „Taxation“ includes harmonization of the excise rates with EU standards. This process will also lead to strong increase of excise rates on oil and gasoline, alcohol drinks and cigarettes in BiH. Due to negative macroeconomic and social implications that this process will bring, harmonization of domestic excise rates with European standards represents complex multi annual process, which should be started as soon as possible regardless the implications. Due to aforementioned reasons, the Governing Board is intensively working on changes of the excise taxation policy in certain segments in order to compensate negative effects of reduction of customs on goods from EU, and these changes will be in the light of harmonization with European standards. Certain proposals of the working group that is working on changes of the Law on excise are incorporated in the projections of indirect taxes presented in this bulletin.

Dinka Antić, MSc
Head of Unit – Supervisor

Table of contents:

Collection of indirect taxes in first quarter of 2008	2
Revenue projections from indirect taxes, 2008-2011	7
Consolidated report: BiH, entities, SA, I-III 2008	13
Consolidated report FBiH: Budget FBiH, cantons, municipalities – 2007	14
Consolidated reports: Cantons	15
From activities of the Unit	17

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

Collection of indirect taxes in the first quarter of 2008

(Author: Dinka Antić, MSc)

In the first quarter of 2008, total net amount of 1,096 billion KM of indirect taxes was collected in BiH and this does not include 12 million KM of collected, but unadjusted revenues¹. The collection increased by 14,8% in comparison with the first quarter of 2008.

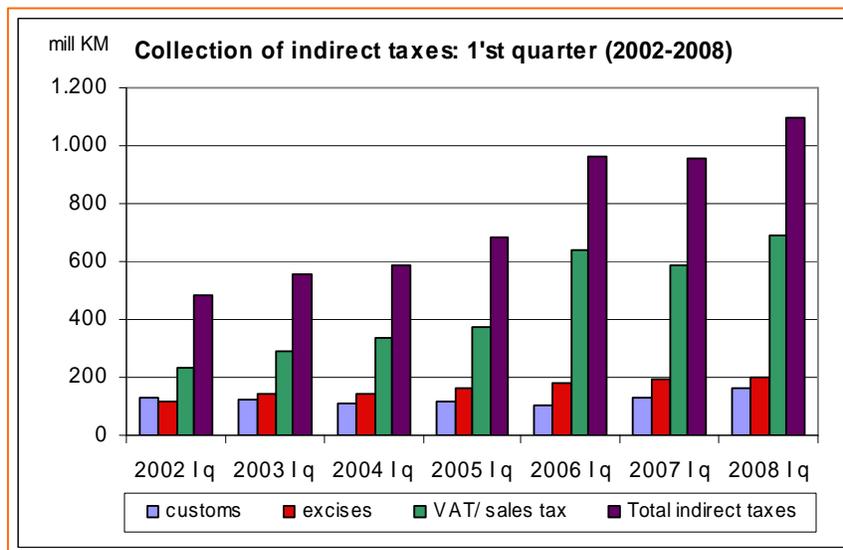


Chart 1

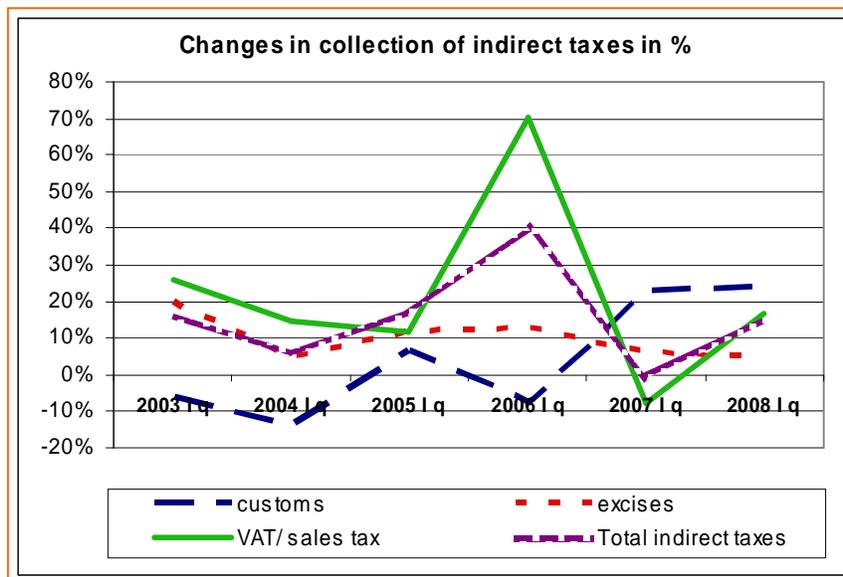


Chart 2

High growth of imports due to increase of price for energy, raw materials and food in the world market had impact on high collection of indirect taxes. In the first three months, the import increased by 27,4% in comparison with the first quarter of 2007. Impact of imports on gross collection of indirect taxes is illustrated in the following chart. Very high determination coefficient confirms strong connection with these two variables.

¹ Unadjusted revenues include revenues for which breakdown of payments (single account) and analytical records of taxpayers in IT modules of ITA can not be matched (VAT, customs, excise)

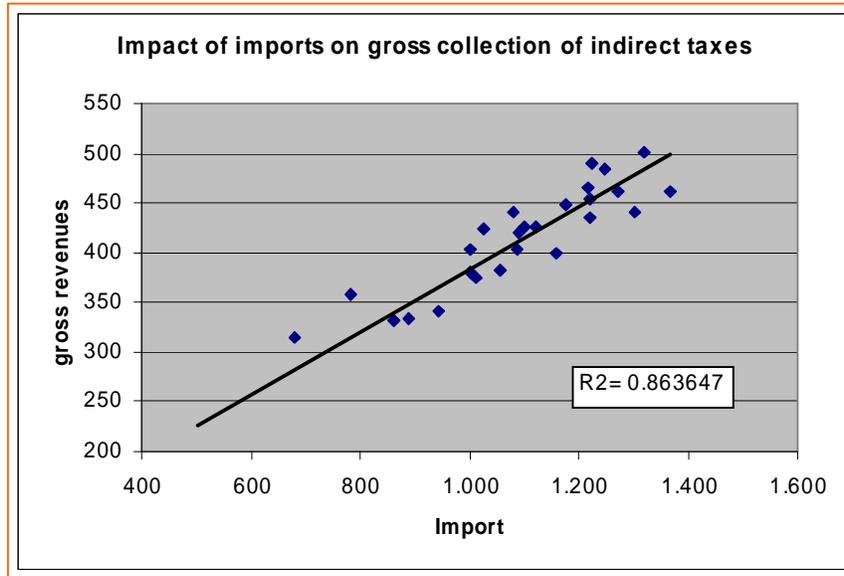


Chart 3

Growth of imports and prices in the world market had an impact on increase of revenues that are calculated *ad valorem* (customs and VAT), which changed the structure of collected indirect taxes in favor of customs.

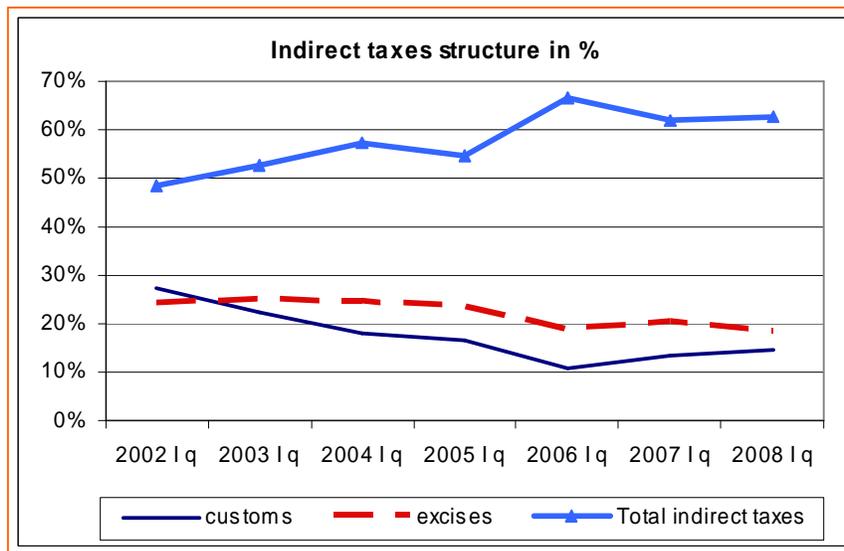


Chart 4

As opposed to customs revenues that increased by 24,25% in comparison with the first quarter of 2007, growth in collection of excise in the first three months was only 4,47%.

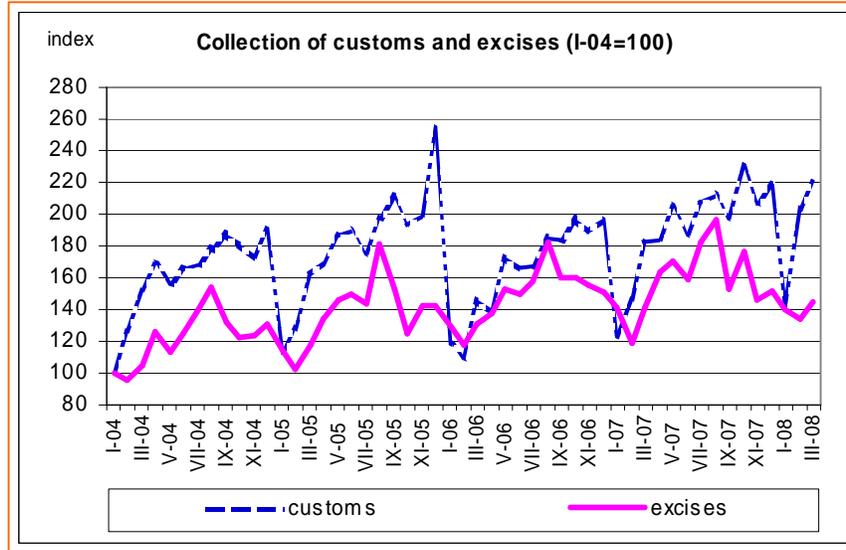


Chart 5

First quarter of 2008 caused problems in servicing refunds to VAT taxpayers. This was due to insufficient rate for allocation of funds for reserves in the single account, which are meant to be used for VAT refunds and other indirect taxes. March of 2008 brought stabilization in payment of VAT refunds, which had an impact on increase of net revenues from VAT.

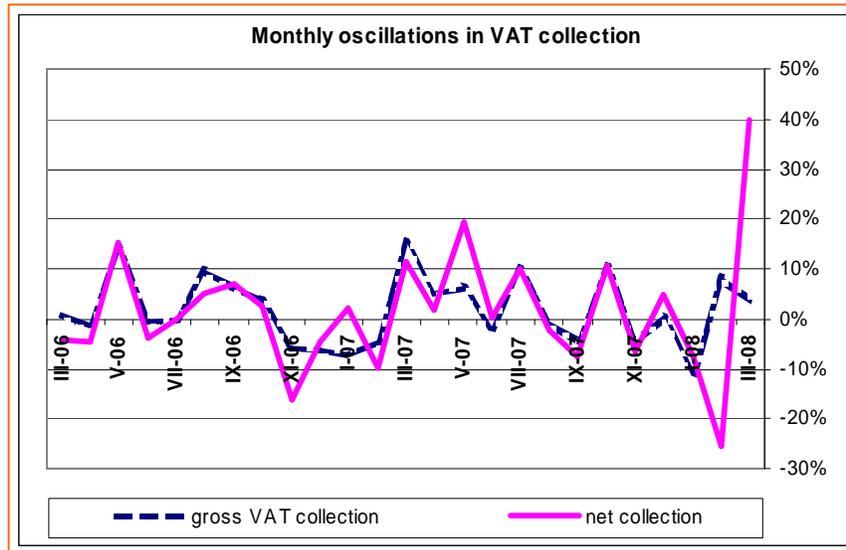


Chart 6

Rate of refunds at quarterly level amounts to a bit more than 23%. In the same period last year, rate of refunds was 19,5%. In second quarter, we can expect slow increase of VAT refunds as there was high number of refund requests indicated in VAT return for March. Increase of refunds produces higher outflows from the single account, which decreases net collection of VAT and indirect taxes in total.

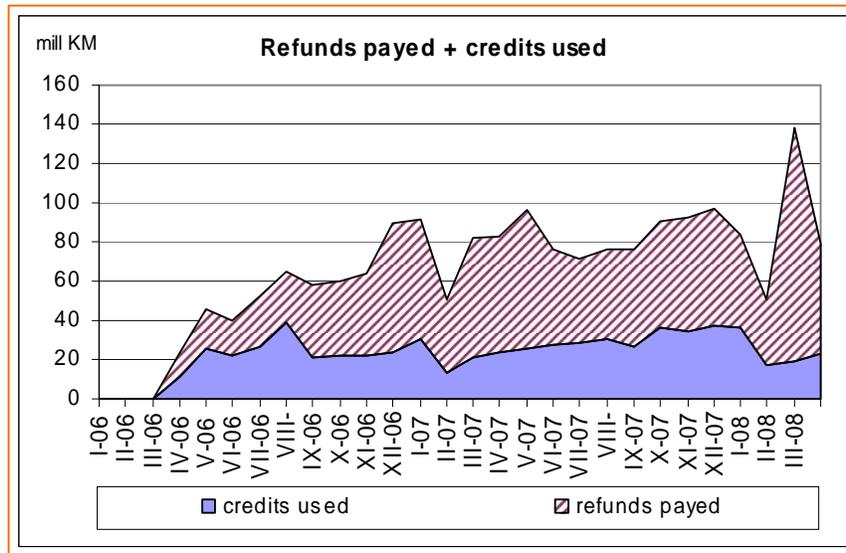


Chart 7

We should neglect high and stable requests for tax credits, which are “invisible” since they do not cause outflows from the single account, but they reduce gross collection of VAT and indirect taxes in total.

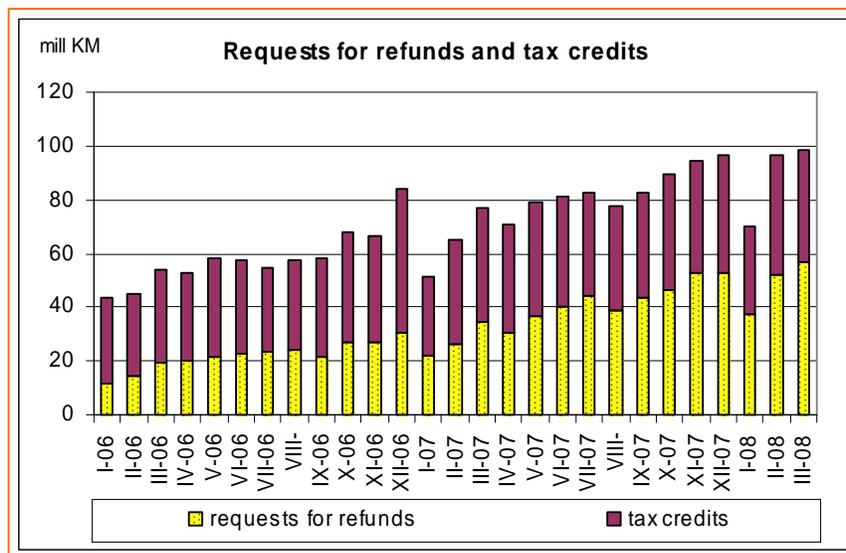


Chart 8

If we ignore first quarter of 2006 as starting phase of VAT implementation, we have data series that covers two years once we finalized first quarter of 2008. We can already see typical pattern in VAT collection in two basic phases of collection, in imports and net liabilities for VAT that is paid once the return is filed.

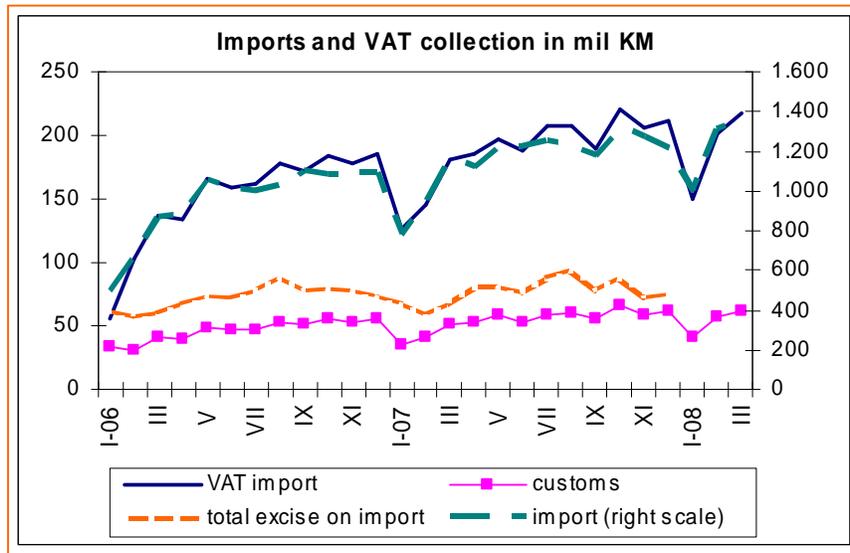


Chart 9

Application of EU Stabilization and Accession Agreement will inevitably lead to loss of revenues from customs and also partially VAT since imports from EU represent 48% of total imports. They represent almost 70% of revenues from indirect taxes that are calculated *ad valorem*.

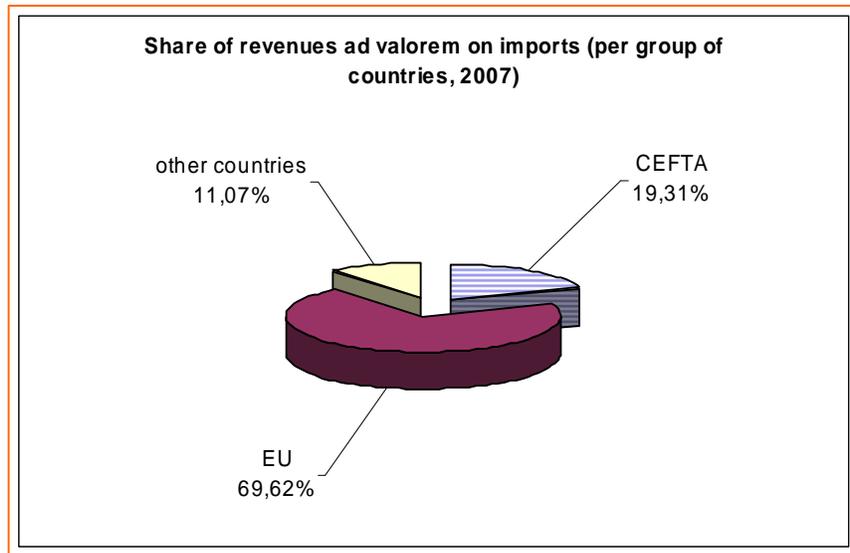


Chart 10

Negative effects of SAA on fiscal revenues of BiH may be neutralized only by increase of excise rate. Need for this is strengthened by obligations towards EU in terms of harmonizing national legislation with European standards. Due to negative macroeconomic and social implications that will be caused in this process, harmonization of domestic excise rates with European standards is complex multi annual process, which should be started as soon as possible regardless the implications. Due to this, the Governing Board is intensively working on changes of excise taxation policy in certain segments in order to compensate negative effects of reducing customs on goods from EU.

Projection of revenues from indirect taxes, 2008-2011

(Author: Aleksandra Regoje, Macroeconomist)

As part of the Budget Coordination Board's work, the Macroeconomic Analysis unit is responsible for revenue projections of indirect taxes. Projections are prepared two times a year, in April and September, and they represent basis for annual and medium term budget planning².

Revenue projections are prepared on basis of data on collected indirect taxes in previous period³ and macroeconomic projections of the Directorate for Economic Planning (DEP). The projection is prepared in two steps. First, baseline scenario is prepared on basis of current regulations and government policies i.e. under the assumption that there will be no changes of regulations in the period that the projection refers to. After that, program scenario is prepared on basis of policy changes formulated by the government.

Program scenario for the projection of indirect taxes is presented in the table no..... and it is based on the following assumptions:

- Application of Stabilization and Accession Agreement starts on June 1st, 2008.
- Changes of the Law on Customs Policy (abolishment of 1% of customs recording and introduction of fee for customs clearance) starts on January 1st, 2009.
- Changes of the Law on Excise starting on January 1st, 2009.

In 2008, increase of revenues from indirect taxes is expected by 8,68% compared to previous year. Since the amount of allocated funds in 2007 is increased by the amount of collected, but unallocated funds from 2006, projected growth of funds for allocation to budget beneficiaries in 2008 differs from projected revenue growth and it is 6,16%.

VAT

In 2008, net VAT revenues are expected to increase by 10,55% in comparison with previous year.

According to preliminary report for March, which was available at the time projections were prepared, net VAT revenues in first quarter of 2008 were 14,8% higher in comparison with the same period last year. We should have in mind that the comparison of revenue collection in mentioned period does not represent representative situation for analysis because delays in payment of refunds in the end of 2007 and January 2008, and significant payments of lagging and due VAT liabilities in February in the amount of 118,64 million KM.⁴

² Budget framework papers are prepared by state and entity ministries of finance and finance directorate from Brcko District.

³ At the time when the projections were prepared, data for first three months of 2008 were available (preliminary data for March).

⁴ Until February 2008, 10% of daily revenues to the single account were allocated for reserves used for refunds of indirect taxes, which proved to be insufficient in the end of 2007. The Governing Board made the decision on February 6th, to allocate 10% for reserves and in case this amount is not enough for payment of due liabilities, Article 9 of the Law on payments to single account and allocation of revenues will be applied.

Table 1. Revenue projections from indirect taxes for the period from 2008 to 2011 (program scenario)

	In million KM					Year / previous year (%)				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
VAT (net)	2.868,46	3.171,18	3.551,78	3.871,00	4.171,00	15,49%	10,55%	12,00%	8,99%	7,75%
Sales tax to Single Account	0,52					-95,71%				
Excise	917,55	965,09	1118,47	1187,42	1259,81	6,42%	5,18%	15,89%	6,16%	6,10%
Customs	655,17	697,31	582,23	488,96	391,45	17,56%	6,43%	-16,50%	-16,02%	-19,94%
Road Tolls	186,74	199,00	211,63	223,77	236,53	5,74%	6,56%	6,34%	5,74%	5,70%
Other	28,13	28,41	28,70	28,99	29,28	-8,38%	1,00%	1,00%	1,00%	1,00%
T O T A L	4.656,58	5.060,99	5.492,80	5.800,13	6.087,91	12,95%	8,68%	8,53%	5,60%	4,96%
Carryover to next year	110,9									
FUNDS FOR ALLOCATION	4.767,48	5.060,99	5.492,80	5.800,13	6.087,91	18,84%	6,16%	8,53%	5,60%	4,96%

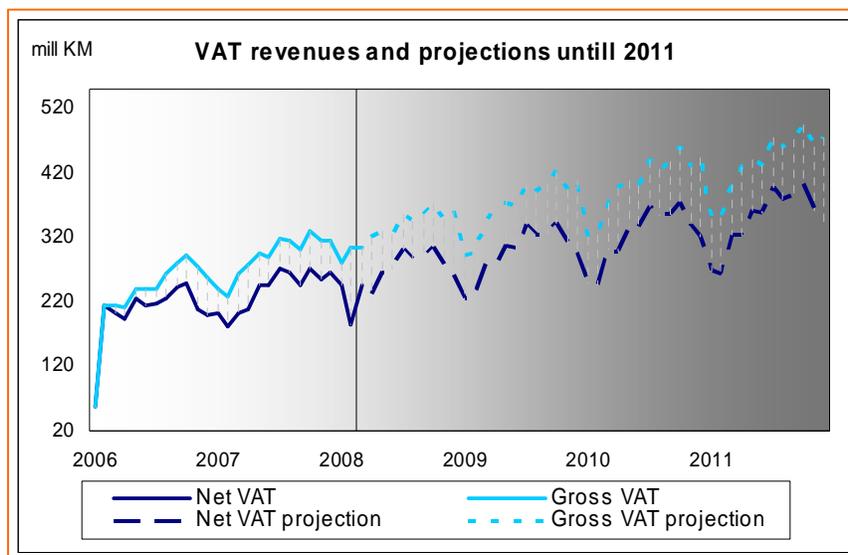


Chart 11

Projection of net revenues from VAT follows data series from VAT on import, domestic VAT, other revenues related to VAT and VAT refunds. VAT base was calculated by time adjustment of data on *cash* basis. Final result is checked by comparison of trends of projected VAT base with macroeconomic projections of spending, taking into consideration impact of other factors and assumptions for policy changes⁵.

Projection of VAT on imports is strictly related to import projections prepared by DEP. Projected rates of import growth are 15%, 10%, 8% and 7% for 2008, 2009, 2010 and 2011 respectively. Data for first three months point to growth of VAT on import in the amount of 25,5%, which is the consequence of strong growth of imports. Strong growth of imports in the beginning of the year is typical for previous years too. In previous years, there was double growth of imports in first three months in comparison with collected amount for the year.

Projection of domestic VAT follows historical seasonal pattern with the assumption that growth of these revenues in the period until 2011 will gradually get close to projected rate of economic growth.

Other revenues related to VAT refer to one time payments, payments in accordance with automatic assessment by ITA, penalty interest and fines related to VAT etc. Their projection is based on historical seasonal pattern and microeconomic projections of nominal GDP growth.

Projections of refunds are based on historical trends in their share in gross revenues and macroeconomic projections of spending, investments and exports. **The projection is based on the assumption that there will be no delays in payment of refunds in future period (as it was case in the end of 2007), so every change in regular dynamics of payments would have impact on accuracy of projected growth of net VAT.**

Excise

In 2007, 917,5 million KM of excise was collected, which is 6,4% higher than in previous year. Data for first three months of 2008⁶ indicated slower growth of excise. In this period, collection of revenues from excise was 3,6% higher in comparison with the same period last year.

⁵ According to DEP projections, projected growth rates of spending are 9,1%, 8,3%, 7,1% and 7% for 2008, 2009, 2010 and 2011 respectively.

⁶ At the time this projection was prepared, preliminary data for March 2008 were available

Highest growth was for excise on soft drinks, while the excise on alcohol and coffee had the decrease in collection (Chart 12).

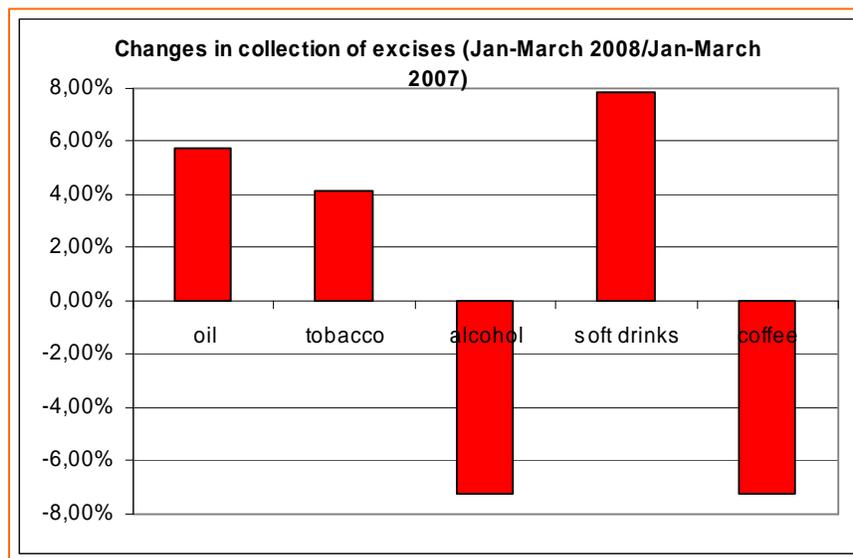


Chart 12

In 2008, growth of collected revenues from excise by 5,18% more than in previous year is expected. Projected growth for 2008 follows historic seasonal pattern of the collection in the last three years. Projections for the period from 2009 to 2011 is based on macroeconomic indicators of DEP and the program scenario includes estimated effects on the collection of revenues according to the measures proposed by the Working group for changes of the Law on excise⁷. Proposal of the Working group includes change of rates for certain excise categories in order to partially compensate reduction of revenues from customs, which will happen after the EU Stabilization and Accession Agreement goes into force.

Customs

In 2008, growth of revenues from customs is expected in the amount of 6,43% in comparison with previous year. The program scenario of the projections foresees application of SAA from June 1st, 2008.⁸, and changes of the Law on Customs Policy (abolishing 1% of customs recording and introduction of fee for customs clearance) starting on January 1st, 2009⁹.

Application of the Stabilization and Accession Agreement gives BiH status of potential candidate for EU membership and it includes establishment of free trade for the period of five years. Since the imports from EU represent about 47,7% of total imports to BiH, liberalization of the market with EU will have significant impact on reduction of customs revenues.

Data for three months of 2008 indicated strong growth of revenues by 25,1%, which is the consequence of strong growth of imports and prices in the world market and more efficient collection. The projection is based on macroeconomic assumptions of the growth of imports prepared by DEP and the assumption that import of goods from EU will be customs free in the five year period starting from the application of Stabilization and Accession Agreement.

⁷ Source: Proposal of the Working group for changes of the law on excise dated 25.03.2008.g.

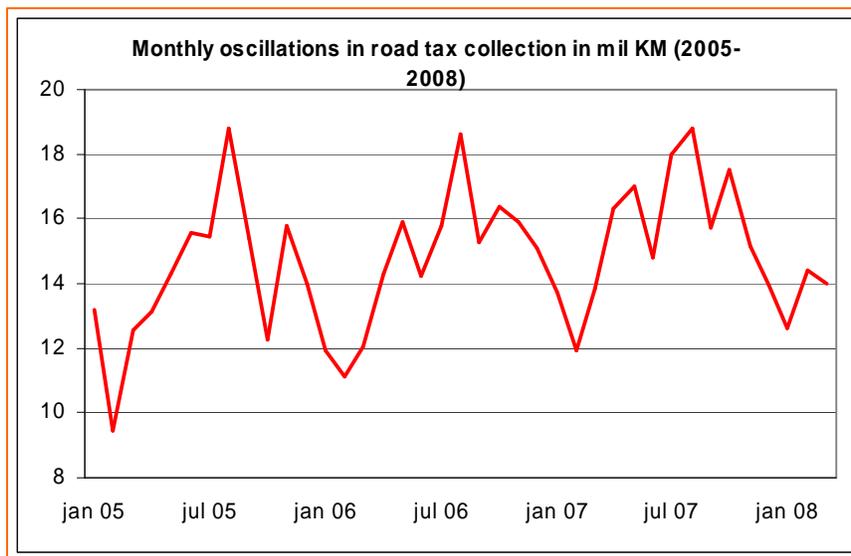
⁸ Projections from September 2007 are based on the assumption that application of SAA will start on January 1st, 2008. The agreement was not signed in envisaged period and customs revenues increased due to growth of imports and prices in the world market. So, increase in collection of indirect taxes in 2008 is above projected one and it is partially due to increase of customs revenues.

⁹ Official request that should be met within short deadline can be found in: Council Decision of 18 February 2008 on principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2006/55/EC; 2008/211/EC, Official Gazette EU, L80 dated 19.03.2008

We would like to underline that the projection of revenues from customs is uncertain due to expected implementation of SAA and its impact on import flows.

Road tolls

In first quarter of 2008, revenues from road tolls from the price of oil and oil products (road tolls) increased by 3,77% in comparison with the same period last year. Projected growth for 2008 follows historical seasonal pattern of the collection during the last three years. Projections for the next period are related to projected growth of real GDP.



Graph 13

Other

Item "Other" in the table 1 covers all revenues and fees, other paid refunds and collected, but unadjusted revenues.

Consolidated Reports

(prepared by: Mirela Kadić, research assistant)

Table 2. Consolidated report: BiH, entities, SA includes:

- revenues from indirect taxes collected by the Indirect Tax Authority on the Single Account,
- transfers from the ITA Single Account for external debt servicing,
- transfers from the ITA Single Account for financing Brčko District, cantons, municipalities and Road Directorates,
- revenues of the budget of Bosnia and Herzegovina from the ITA Single Account,
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Republika Srpska.

Table 3. Consolidated report FBiH: Budget FBiH, Cantons, Municipalities

1. The consolidated report includes:
 - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
 - revenues and expenditures of cantonal budgets in FBiH,
 - revenues and expenditures of municipal budgets in FBiH.
2. Report includes foreign debt amortization
3. Data for the following municipalities are estimated: Ravno (all months) and Prozor (XI and XII)

Table 4 and 5 Consolidated Reports: Cantons

Consolidated report includes:

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

Notes:

*Net domestic lending = lending-repayment of borrowing

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

BiH, entiteties, SA, I-III 2008

		I	II	III	Total
1	Current revenues	411,9	381,9	482,5	1276,3
11	Taxes	386,5	354,6	444,9	1186,0
111	Indirect taxes	370,2	325,0	405,8	1101,0
	VAT	247,3	183,8	257,3	688,5
	VAT on imports	149,5	200,9	217,0	567,4
	VAT from VAT returns	128,9	100,4	94,8	324,0
	VAT from automatic assessment done by ITA	0,0	0,0	0,0	0,1
	One-off VAT payments	0,3	0,1	0,2	0,6
	Other	1,2	1,1	1,0	3,3
	VAT refunds	-32,6	-118,6	-55,7	-206,9
	Custom duties	40,8	58,2	62,3	161,3
	Sales tax	0,5	1,5	0,9	3,0
	Excises	67,8	66,6	70,0	204,3
	on imports	53,9	55,0	57,9	166,8
	on domestic production	13,9	11,6	12,1	37,5
	Railroad tax	12,7	14,4	14,0	41,0
	Other	1,4	1,4	1,8	4,7
	Other refunds	-0,4	-0,9	-0,6	-1,8
112	Direct taxes	16,3	29,6	39,1	85,0
	Income taxes	8,0	18,8	26,6	53,4
	Other tax revenues	8,3	10,8	12,5	31,6
12	Non-tax income	24,3	27,1	37,4	88,8
13	Other revenues			0,1	0,1
14	Grants	0,2	0,0	0,0	0,2
15	Transfers from other level of government	0,9	0,1	0,1	1,2
2	Current expenditures	305,0	400,2	427,7	1132,9
21	Consumption expenditures	48,5	68,7	85,7	202,9
211	Wages and compensations	45,2	60,9	68,4	174,5
212	Purchases of goods and services	3,3	7,8	17,3	28,4
22	Grants	13,7	53,5	64,6	131,9
	Transfers to households	10,7	48,5	43,4	102,7
	Transfers to institutions / organizations	0,3	1,2	5,9	7,4
	Subsidies	2,7	3,8	15,2	21,8
23	Interest payments	0,6	10,1	13,6	24,3
24	Other outlays	1,9	44,4	25,5	71,8
25	Transfers from Single Account	224,3	205,4	219,8	649,5
	o/w : BiH Budget	51,6	51,6	61,5	164,8
	o/w: FBiH / Cantons, Municipalities, Road Fund	130,8	121,1	117,7	369,6
	o/w: RS / Municipalities, Road Fund	30,7	22,7	28,4	81,8
	o/w: Brcko	11,2	10,0	12,1	33,3
27	Transfers to lower levels of government	17,2	18,1	18,7	54,0
28	Net lending*	-1,3		-0,1	-1,4
3	Net acquisition of nonfinancial assets	4,7	4,7	8,4	17,8
4	Government surplus (+)/ deficit(-) (1-2-3)	102,2	-23,1	46,5	125,5
5	Net financing**	-0,57	-1,4	-35,2	-37,2

Table 2

FBIH: Budget FBIH, Cantons, Municipalities – 2007

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	I-XII 2007
1	Total revenues (11+12+13+14)	253.386.471	244.389.278	279.817.645	275.058.202	310.624.502	306.998.544	410.237.076	330.476.788	304.048.132	336.253.499	301.650.415	406.107.209	777.593.393	892.681.248	1.044.761.995	1.044.011.123	3.759.047.760
11	Tax revenues	222.273.199	211.880.666	233.912.721	231.875.096	270.367.042	265.182.592	280.367.927	287.422.907	262.717.989	287.004.765	254.293.546	292.151.856	668.066.586	767.424.730	830.508.824	833.450.166	3.099.450.307
	Income & profit tax	12.676.727	16.251.394	12.241.699	7.654.479	7.586.138	10.461.528	11.078.805	9.137.604	8.850.131	11.821.513	13.845.835	19.193.582	41.169.821	25.702.145	29.066.540	44.860.930	140.799.435
	Taxes on personal income and self-employment	13.730.335	15.671.009	17.684.583	19.267.724	18.117.551	18.277.526	20.083.930	18.289.210	17.906.315	20.301.126	19.897.203	30.465.323	47.085.927	55.662.801	56.279.455	70.663.653	229.691.836
	Property tax	6.519.016	8.375.847	5.192.713	6.014.396	6.920.532	5.919.038	6.119.325	7.597.226	6.343.396	7.318.907	6.283.096	7.465.478	20.087.576	18.853.966	20.059.947	21.067.480	80.068.970
	Indirect tax revenues *	188.133.659	169.890.564	194.845.259	197.504.571	236.313.208	229.229.941	241.532.582	250.502.157	228.139.061	245.891.344	212.654.022	233.246.979	552.869.482	663.047.720	720.173.799	691.792.344	2.627.883.346
	Other taxes	1.213.461	1.691.851	3.948.468	1.433.926	1.429.613	1.294.559	1.553.285	1.896.711	1.479.086	1.671.875	1.613.391	1.780.493	6.853.780	4.158.098	4.929.082	5.065.759	21.006.720
12	Non-tax revenues	30.103.863	31.595.462	44.413.693	41.938.156	38.135.392	39.030.088	127.909.707	40.745.260	38.521.630	46.563.637	41.412.399	107.443.010	106.113.017	119.103.636	207.176.597	195.419.046	627.812.296
13	Grants	903.223	659.471	1.224.519	968.435	1.750.625	1.932.286	1.413.799	1.915.064	2.389.401	2.183.619	4.590.682	6.027.494	2.787.213	4.651.346	5.718.265	12.801.795	25.958.619
14	Other revenues	106.186	253.680	266.711	276.515	371.443	853.578	545.642	393.556	419.111	501.478	1.353.788	484.850	626.577	1.501.536	1.358.309	2.340.116	5.826.538
2	Total expenditures (21+22)	158.452.791	173.528.940	195.878.864	248.063.951	275.558.278	318.337.242	260.821.514	230.005.400	276.582.428	294.331.268	314.148.093	662.975.347	527.860.594	841.959.471	767.409.342	1.271.454.707	3.408.684.114
21	Current expenditures	157.143.976	172.100.136	193.330.785	246.870.270	272.139.897	317.409.734	259.953.566	227.363.902	271.854.191	289.406.026	310.122.707	650.944.680	522.574.896	836.419.901	759.171.659	1.250.473.412	3.368.639.869
	Wages and compensations	79.570.163	81.397.864	86.122.061	89.232.711	94.755.451	128.172.425	77.469.293	87.423.145	91.860.267	98.684.247	101.391.406	135.299.290	247.090.088	312.160.587	256.752.704	335.374.943	1.151.378.322
	of which: Gross wages	63.633.653	66.146.687	68.030.121	71.700.883	74.484.921	84.077.186	63.883.643	72.867.060	75.123.056	75.359.452	77.769.121	99.134.419	197.810.461	230.262.991	211.873.759	252.262.993	892.210.203
	of which: Compensations	15.936.510	15.251.177	18.091.940	17.531.827	20.270.530	44.095.239	13.585.650	14.556.085	16.737.211	23.324.795	23.622.285	36.164.871	49.279.627	81.897.596	44.878.946	83.111.950	259.168.119
	Other taxes and contributions	7.553.034	7.781.748	8.216.130	8.546.221	8.873.804	10.175.785	7.670.315	8.769.377	8.993.518	8.980.812	9.362.287	11.691.558	23.550.912	27.595.809	25.433.210	30.034.657	106.614.588
	Purchases of goods and services	17.304.702	20.600.213	26.943.569	24.489.837	25.454.887	26.936.064	21.519.099	20.036.906	30.108.624	30.038.658	32.810.300	61.899.661	64.848.483	76.880.787	71.664.629	124.748.619	338.142.518
	Grants	49.469.941	58.910.348	68.358.744	120.555.637	139.371.196	137.235.373	152.777.184	109.099.738	131.159.448	148.063.954	161.242.068	431.457.955	176.739.033	397.162.206	393.036.370	740.763.977	1.707.701.586
	Interest	3.246.136	3.409.963	3.690.282	4.045.865	3.684.559	14.890.087	517.676	2.034.736	9.732.334	3.638.355	5.316.646	10.596.215	10.346.381	22.620.511	12.284.746	19.551.216	64.802.854
22	Other expenditures	1.573.951	2.492.040	2.599.715	1.550.816	1.799.224	2.513.222	1.281.439	1.892.126	2.353.510	1.408.004	2.418.184	3.145.841	6.665.706	5.863.262	5.527.075	6.972.029	25.028.072
23	Net lending**	-265.136	-1.063.235	-51.637	-357.135	1.619.157	-1.585.714	-413.492	749.373	2.374.726	3.517.237	1.607.202	8.884.826	-1.380.008	-323.692	2.710.608	14.009.265	15.016.173
3	Net acquisition of nonfinancial assets	2.853.961	559.646	5.865.599	-1.237.841	-1.716.714	25.986.016	22.982.149	21.479.204	15.325.995	20.058.271	31.819.981	81.183.130	9.279.206	23.031.461	59.787.347	133.061.382	225.159.396
4	Government surplus/deficit (1-2-3)	92.079.719	70.300.692	78.073.183	28.232.093	36.782.938	-37.324.714	126.433.413	78.992.184	12.139.709	21.863.960	-44.317.658	-338.051.268	240.453.593	27.690.317	217.565.306	-360.504.966	125.204.250
5	Net financing ***	-5.667.755	-5.881.713	-5.384.322	-7.294.254	-8.772.566	-26.541.050	-7.535.542	-3.983.677	-20.694.551	-10.607.016	-19.830.067	-28.881.937	-16.933.790	-42.607.870	-32.213.770	-59.319.020	-151.074.450

Table 3

Herzeg-bosnian Canton - 2007

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	I-XII 2007
1	Total revenues (11+12+13+14)	4.473.763	4.107.081	5.105.432	5.459.737	6.086.616	5.283.995	6.341.316	5.602.770	5.808.908	11.799.170	7.265.473	6.958.171	13.686.276	16.830.348	17.752.994	26.022.814	74.292.432
11	Tax revenues	3.797.810	3.703.939	3.795.231	4.230.214	4.592.070	4.213.112	5.173.802	4.670.659	4.417.896	8.727.818	4.986.869	5.139.331	11.296.980	13.035.396	14.262.357	18.854.017	57.448.751
	Income & profit tax	56.319	111.824	291.111	76.705	122.225	38.987	88.287	58.722	30.502	774.556	820.028	197.332	459.254	237.917	177.510	1.791.916	2.666.596
	Taxes on personal income and self-employment	461.351	262.406	307.421	317.367	392.577	342.132	485.303	389.116	399.354	807.466	381.898	618.662	1.031.178	1.052.076	1.273.772	1.808.025	5.165.052
	Property tax	51.588	55.095	74.330	432.653	75.908	59.733	74.070	77.889	73.458	125.718	74.154	68.558	181.012	568.294	225.417	268.429	1.243.153
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	71.237	115.052	155.517	73.898	257.045	89.825	252.154	66.493	62.660	-61.641	210.636	86.351	341.805	420.769	381.307	235.346	1.379.227
	Transfers from Single Account	3.111.248	2.751.072	3.287.875	3.304.313	3.708.356	3.653.741	4.250.390	4.056.585	3.810.765	7.050.727	3.470.180	4.141.045	9.150.195	10.666.411	12.117.740	14.661.952	46.596.298
	Other taxes	46.067	408.491	-321.022	25.278	35.959	28.694	23.598	21.855	41.158	30.991	29.974	27.384	133.535	89.931	86.611	88.349	398.426
12	Non-tax revenues	570.708	260.846	1.194.954	779.810	1.414.302	807.302	944.282	729.198	882.461	2.364.439	1.581.973	1.168.229	2.026.507	3.001.414	2.555.941	5.114.641	12.698.504
13	Grants	93.833	130.883	103.833	438.300	68.832	252.167	211.818	191.499	497.138	695.500	684.128	639.198	328.549	759.299	900.455	2.018.826	4.007.129
14	Other revenues	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	12.503	11.413	34.240	34.240	34.240	35.330	138.048
2	Total expenditures (21+22)	3.332.327	3.201.900	4.639.846	1.652.236	7.505.956	1.727.060	7.521.044	4.713.691	4.904.069	5.072.709	5.003.848	5.853.556	11.174.072	10.885.253	17.138.804	15.930.112	55.128.241
21	Current expenditures	3.341.267	3.210.840	4.648.786	1.661.176	7.514.896	1.736.000	7.529.984	4.722.631	4.913.009	5.081.649	5.012.788	5.862.496	11.200.892	10.912.073	17.165.624	15.956.933	55.235.522
	Wages and compensations	2.432.263	2.126.326	2.863.634	552.669	4.826.043	444.801	5.282.860	2.486.892	2.878.944	2.954.636	2.775.463	2.883.050	7.422.223	5.823.513	10.648.695	8.613.149	32.507.580
	of which: Gross wages	1.890.276	1.595.876	2.232.089	432.871	3.724.593	282.561	3.811.449	2.041.736	2.120.588	2.127.106	2.109.403	2.157.342	5.718.240	4.440.025	7.973.773	6.393.851	24.525.890
	of which: Compensations	541.987	530.450	631.546	119.799	1.101.450	162.240	1.471.411	445.156	758.355	827.529	666.060	725.708	1.703.983	1.383.488	2.674.922	2.219.297	7.981.690
	Other taxes and contributions	199.475	91.776	302.382	84.649	398.351	36.881	429.630	239.467	241.967	233.115	234.313	241.103	593.633	519.882	911.064	708.531	2.733.109
	Purchases of goods and services	318.105	365.546	593.089	344.801	783.852	224.664	652.495	462.694	577.959	747.353	561.162	881.529	1.276.740	1.353.317	1.693.148	2.190.044	6.513.249
	Grants	243.430	337.505	555.441	355.496	1.134.612	602.566	1.010.183	1.199.908	952.162	911.442	1.118.110	1.485.482	1.136.377	2.092.675	3.162.253	3.515.033	9.906.338
	Interest	6.191	0	15.347	12.127	5.991	20.369	-1	0	8.782	2.419	6.465	17.358	21.538	38.487	8.781	26.242	95.048
	Transfers to lower spending units	141.803	289.686	318.892	311.434	366.047	406.718	154.817	333.670	253.196	232.685	317.275	353.975	750.382	1.084.199	741.683	903.935	3.480.198
22	Net lending*	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-8.940	-26.820	-26.820	-26.820	-26.820	-107.281
3	Net acquisition of nonfinancial assets	274.454	187.287	389.245	204.176	252.123	323.654	211.823	174.991	1.263.585	496.280	580.627	606.491	850.985	779.953	1.650.399	1.683.398	4.964.734
4	Government surplus/deficit (1-2-3)	866.983	717.895	76.341	3.603.325	-1.671.463	3.233.281	-1.391.551	714.088	-358.746	6.230.182	1.680.998	498.125	1.661.219	5.165.143	-1.036.209	8.409.304	14.199.457
5	Net financing **	-24.862	-24.862	-24.862	-24.862	-24.862	-24.862	-24.862	-24.862	-24.862	-24.862	-24.862	-33.152	-74.585	-74.585	-74.585	-82.875	-306.630

Tabela 4

Herzegovina-Neretva Canton - 2007

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	I-XII 2007
1	Total revenues (11+12+13+14)	17.442.559	16.870.238	18.724.429	17.123.522	23.314.945	22.238.361	17.069.132	27.364.274	18.727.681	22.054.820	20.641.251	29.300.392	53.037.226	62.676.829	63.161.086	71.996.463	250.871.604
11	Tax revenues	14.570.043	12.486.210	14.912.759	13.299.560	17.390.865	15.984.412	12.478.029	22.776.542	15.927.958	17.058.013	15.038.362	17.400.631	41.969.012	46.674.836	51.182.529	49.497.007	189.323.384
	Income & profit tax	577.406	946.021	1.171.593	463.579	457.891	1.154.221	526.884	782.657	490.717	538.460	704.394	580.853	2.695.020	2.075.691	1.800.258	1.823.706	8.394.675
	Taxes on personal income and self-employment	1.635.275	1.609.291	2.148.659	1.768.878	2.400.359	2.110.946	1.592.326	2.268.515	1.868.415	2.207.681	2.060.897	3.414.137	5.393.225	6.280.183	5.729.255	7.682.716	25.085.380
	Property tax	656.044	637.749	616.623	442.038	741.730	511.945	650.636	961.712	801.907	730.905	871.622	610.570	1.910.416	1.695.713	2.414.255	2.213.097	8.233.480
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	1.006.747	417.907	192.758	320.509	1.200.352	308.082	488.692	930.954	282.488	309.727	296.020	267.247	1.617.412	1.828.943	1.702.134	872.994	6.021.483
	Transfers from Single Account	10.550.716	8.715.714	10.566.541	10.121.954	12.464.815	11.747.873	9.071.913	17.681.323	12.355.673	13.151.990	10.966.177	12.368.254	29.832.971	34.334.642	39.108.909	36.486.422	139.762.943
	Other taxes	143.856	159.528	216.585	182.602	125.718	151.345	147.578	151.382	128.758	119.251	139.251	159.570	519.969	459.665	427.717	418.072	1.825.423
12	Non-tax revenues	2.461.088	3.989.165	3.690.066	3.572.250	5.185.340	4.009.490	4.351.537	3.809.039	2.008.341	4.244.510	3.188.522	4.129.354	10.140.319	12.767.080	10.168.917	11.562.387	44.638.702
13	Grants	367.269	390.954	117.587	248.337	732.103	2.217.480	224.632	762.297	763.487	630.192	2.350.484	7.734.603	875.810	3.197.920	1.750.416	10.715.279	16.539.425
14	Other revenues	44.159	3.909	4.017	3.376	6.637	26.979	14.933	16.396	27.895	122.105	63.883	35.803	52.086	36.992	59.225	221.791	370.093
2	Total expenditures (21+22)	11.880.308	14.887.324	17.249.764	14.563.735	16.126.399	20.137.599	15.284.387	14.178.146	17.854.460	19.203.260	22.229.608	28.474.528	44.017.396	50.827.733	47.316.993	69.907.396	212.069.518
21	Current expenditures	11.830.308	14.887.324	17.214.766	14.563.735	16.126.399	20.137.599	15.284.387	14.178.146	17.854.460	19.203.260	22.229.608	28.424.528	43.932.398	50.827.733	47.316.993	69.857.396	211.934.520
	Wages and compensations	7.367.953	7.682.601	7.548.274	7.894.930	7.576.431	10.659.127	7.571.397	7.386.034	7.485.989	10.064.610	11.271.625	8.683.704	22.598.828	26.130.487	22.443.420	30.019.940	101.192.675
	of which: Gross wages	6.283.684	6.325.962	6.295.694	6.675.536	6.353.989	6.540.233	6.607.533	6.476.962	6.439.486	6.620.847	6.592.676	6.623.166	18.905.340	19.569.759	19.523.980	19.836.689	77.835.769
	of which: Compensations	1.084.268	1.356.638	1.252.581	1.219.393	1.222.442	4.118.894	963.864	909.072	1.046.504	3.443.763	4.678.950	2.060.538	3.693.488	6.560.728	2.919.440	10.183.251	23.356.907
	Other taxes and contributions	744.438	758.622	739.459	813.471	745.637	767.592	822.870	777.645	767.570	800.133	788.550	788.555	2.242.519	2.326.700	2.368.085	2.377.239	9.314.542
	Purchases of goods and services	1.295.435	1.793.202	3.829.208	1.507.187	3.355.028	2.612.828	1.822.241	1.948.230	2.264.056	1.729.196	3.405.372	4.956.482	6.917.844	7.475.043	6.034.527	10.091.050	30.518.464
	Grants	2.214.011	4.053.683	4.035.584	4.025.933	3.862.239	5.060.300	4.906.522	3.503.553	6.082.337	6.272.307	6.051.025	12.726.035	10.303.278	12.948.471	14.492.412	25.049.366	62.793.528
	Interest	66.305	20.314	23.337	32.411	16.069	15.954	24.084	18.538	127.012	17.771	18.609	16.527	109.957	64.434	169.634	52.907	396.932
	Transfers to lower spending units	142.167	578.902	1.038.903	289.805	570.996	1.021.798	137.273	544.146	1.127.496	319.243	694.425	1.253.226	1.759.972	1.882.599	1.808.915	2.266.893	7.718.379
22	Net lending*	50.000	0	34.998	0	0	0	0	0	0	0	0	50.000	84.998	0	0	50.000	134.998
3	Net acquisition of nonfinancial assets	458.329	759.780	1.325.131	1.930.328	431.978	3.063.718	1.103.179	327.767	522.319	627.153	2.259.180	3.807.377	2.543.240	5.426.024	1.953.265	6.693.710	16.616.240
4	Government surplus/deficit (1-2-3)	5.103.922	1.223.134	149.534	629.460	6.756.568	-962.956	681.565	12.858.360	350.903	2.224.407	-3.847.537	-2.981.513	6.476.590	6.423.071	13.890.828	-4.604.644	22.185.846
5	Net financing **	-23.972	-74.399	-93.125	-58.817	-16.794	-16.843	-22.636	-17.667	20.081	59.803	183.545	315.266	-191.495	-92.453	-20.223	558.615	254.444

Tabela 5

Seminar Cambridge Econometrics organized by the Project of EU Fiscal Policy Support to BiH

Director of the Cambridge Econometrics (CE), Ben Gardiner will hold a lecture on Cambridge Econometrics E views from 19 May to 23 May in Sarajevo and from 2 June to 6 June in Banja Luka. This seminar is organized by the EU-funded Project for Fiscal policy support to BiH (EUFPS) as one of training courses for the project beneficiaries in Macroeconomic Analysis Unit, Ministry of Finance and Treasury of BiH, Ministry of Finance of the Federation of Bosnia and Herzegovina, Ministry of Finance of the Republic of Srpska and Brcko District Revenue Authority.

Mr. Ben Gardiner is specialized in econometrics, macro-econometric modeling and manages and coordinates many high profile projects for the European Commission. Currently, Mr. Gardiner is responsible for directing CE's involvement in a framework contract for the European Commission's Directorate General for Enterprise (DG-Enterprise) looking at Sector competitiveness, and for overall co-ordination of a four-year DG Regio project investigating the factors driving European regional growth.

Training course in the application of econometric methods will strengthen BiH macroeconomic and fiscal management as well as send a message to potential investors that BiH is capable of pursuing a sound, coherent and stability-oriented economic policy.

