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Republika Kosova-Republic of Kosovo
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Agjencia e Statistikave të Kosovës - Agencija za Statistike Kosova - Kosovo Agency of Statistics

Series 3: Economic Statistics

Kosovo Government Accounts 2008 – 2015





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AGJENCIA E STATISTIKAVE TË KOSOVËS
AGENCIJA ZA STATISTIKE KOSOVA
KOSOVO AGENCY OF STATISTICS

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P r e f a c e

Kosovo Agency of Statistic (KAS), respectively Department of Economic Statistics and National Accounts, has prepared the “Kosovo Government Accounts publication for the 2008 – 2015”. This edition presents the picture of governmental revenues and expenditures within period of time.

KAS is grateful to the Ministry of Finance (MF) and the Kosovo Pension Savings Trust (KPST) on data provision concerning this publication.

Comments, proposals and suggestions are welcome and they can be forwarded to e-mail economic@rks-gov.net.

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Abbreviations

ESA	-	European System of Accounts
KAS	-	Kosovo Agency of Statistic
IMF	-	International Monetary Fund
MEF	-	Ministry of Finance
KPST	-	Kosovo Pension Savings Trust

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Contents

		Page
1	Introduction	4
2	Revenue - General Government.....	5
	Graph 1: Revenue - General Government 2015.....	5
	Table 1: Structure of General Government Revenue	6
3	Expenditure-General Government.....	7
	Graph 2: Expenditure-General Government 2015.....	7
	Table 2: Structure of Expenditure – General Government	7
	Graph 3: Government Expenditure based on sectors	8
	Table 3: Government Expenditure based on sectors	8
4	Pension fund system.....	9
	Table 4: The Main indicators for Kosovo pension pillar II:.....	10

1 Introduction

The publication presents an overview of revenue and expenditure for the period 2008 - 2015, based on administrative data collection and calculations of KAS. As a general rule is intended maximum compliance of the published figures with ESA 2010 standards and IMF manual for Government Finance statistics.

The data sources are the Treasury Department of the Ministry of Finance and Kosovo Pension Saving Trust.

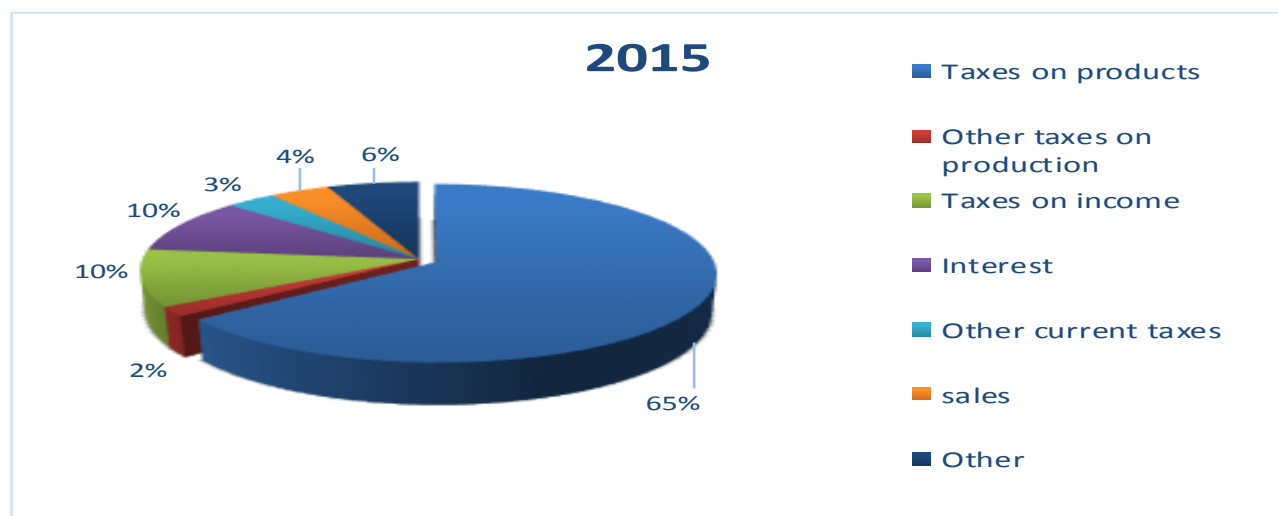
2 Revenue - General Government

Total revenues of the General Government in 2015 were 1,706.1 million Euros, which means that there is an increase in revenue with 26.4 % %, compared with the last year.

The biggest part of revenue is comprised from Taxes on Product, which represent 65% of the total revenue, while the other part of the revenues is divided in other category of the revenue.

Structure of General Government revenue is presented in Graph 1:

Graph 1: Revenue - General Government 2015



Most of the revenues of the General Government are the result of the import of economic entities or units in Kosovo, who constitute the taxes collected at the border. Structure of General Government revenue is presented in Table 1, of which:

- Border Revenues represent: value added tax at the border, the border excise, domestic excise, Customs import duties, various customs taxes and unspecified costumes taxes,
- The Internal Revenue present: value added tax, personal income tax, corporation tax, profit tax, Presumptive tax and other unspecified revenues from tax administration.
- Revenues from sale and interest include admission to the Central and Local levels, which are not collected by Tax Administration, but are administered by other budget organizations central and local level.

Table 1: Structure of General Government Revenue

(in million Euro)

Description	2008	2009	2010	2011	2012	2013	2014	2015
Value added type taxes (VAT)	363.4	403.1	455.7	540.2	547.8	558.7	558.8	610.1
Taxes and duties on imports excluding VAT	(0.1)	(0.1)	(0.1)	(0.0)	(0.3)	(0.6)	(0.4)	-
Import Duties	93.1	98.0	103.9	121.0	117.2	119.1	125.6	130.7
Taxes on imports excluding VAT and duties	132.4	150.4	157.6	200.0	303.0	300.8	315.3	355.8
Taxes on products, except VAT and import taxes	74.4	60.0	78.4	88.7	5.9	0.1	0.1	0.7
Taxes on products	663.2	711.5	795.5	949.8	973.6	978.1	999.4	1,097.3
Other taxes on production	18.1	15.4	30.3	40.7	25.0	37.4	37.2	30.4
Property income	1.8	2.9	1.6	1.4	1.7	1.6	12.2	6.6
Interest*	8.8	5.4	11.7	1.6	0.0	(0.0)	0.0	168.0
Distributed income of corporations	8.6	0.0	0.0	0.1	0.0	0.6	0.2	0.1
Dividends	-	200.0	83.2	61.5	44.1	31.8	8.8	14.7
Taxes on income	161.5	127.9	123.3	134.4	149.9	155.4	155.1	176.3
Other current taxes	41.2	40.9	42.7	53.6	69.7	72.4	73.1	55.8
Net non-life insurance premiums	0.0	0.2	0.1	0.4	0.1	0.1	0.1	0.0
Current transfers within general government	5.1	-	(0.1)	(0.6)	(0.0)	(0.1)	(0.0)	(0.4)
Current international cooperation	17.6	-	16.7	31.4	55.2	25.1	20.6	76.2
Miscellaneous current transfer	8.0	8.3	9.4	10.0	7.8	7.5	14.8	12.4
Capital taxes	1.5	1.3	1.4	1.6	1.6	1.6	1.6	-
Other capital transfers	0.6	-	-	0.4	0.9	0.2	0.3	1.1
sales	45.4	53.4	50.1	52.0	55.6	51.7	56.9	67.5
Acquisitions less disposals of fixed assets	-	-	-	-	29.1	26.3	-	-
Tax Refund	(21.3)	(24.8)	(27.0)	(27.1)	(31.0)	(34.0)	(30.7)	-
Other	(0.2)	0.01	-	0.03	0.01	0.01	-	-
Grand Total	959.9	1,142.4	1,139.0	1,311.3	1,383.4	1,355.7	1,349.5	1,706.1

* 2015 including securities, credit, etc.

3 Expenditure - General Government

Total General Government expenditure in 2015 was 1,612.3 million Euros.

The biggest part of expenditure is comprised from wages and salaries which represent 31%, Gross Fixed Capital Formation, which represent 24% of the total revenue, social contribution which represent 19%, Intermediate consumption which represent 14%, while the other part of the expenditure is divided in other structure of the expenditure.

Structure of General Government expenditure is presented in Graph 2:

Graph 2: Expenditure - General Government 2015

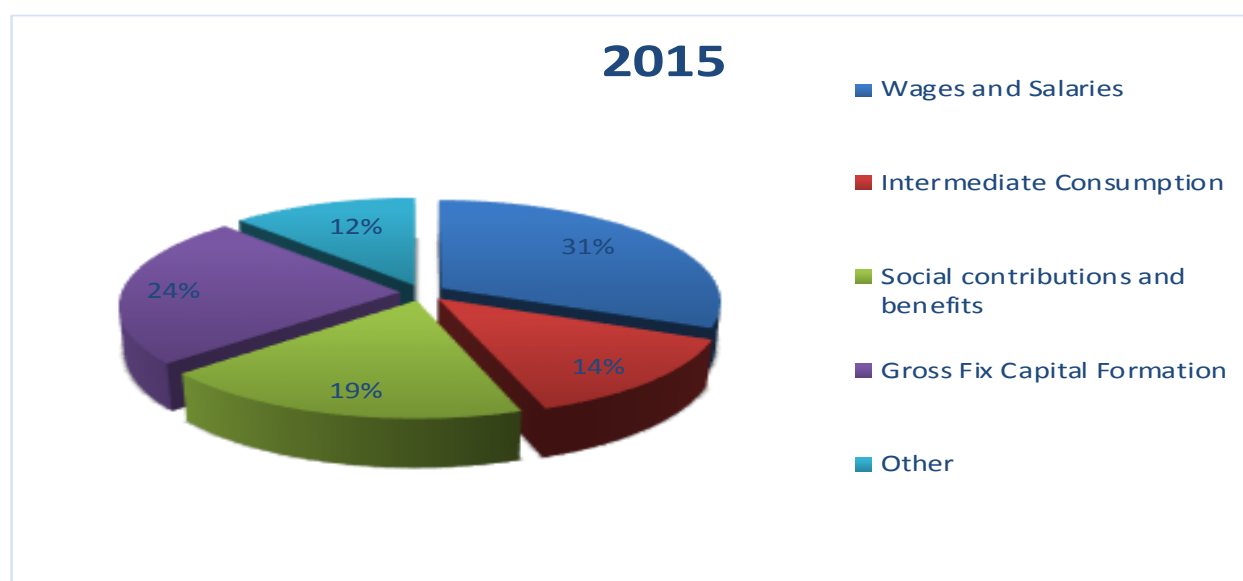


Table 2: Structure of Expenditure – General Government

(in million Euro)

Description	2008	2009	2010	2011	2012	2013	2014	2015
Wages and Salaries	235.3	268.8	307.1	372.7	394.3	427.8	489.52	504.13
Employees social contributions	10.8	12.7	30.0	36.9	38.9	19.9	23.14	24.95
VALUE ADDED	246.1	281.6	337.1	409.5	433.2	447.7	512.7	529.1
Intermediate Consumption	144.0	151.9	163.7	160.9	172.7	187.6	187.23	216.23
OUTPUT	390.1	433.5	500.7	570.5	605.9	635.3	699.9	745.3
Social contributions and benefits	137.9	156.1	171.8	176.3	198.5	228.7	282.06	306.93
Capital taxes	20.1	13.5	17.3	14.1	13.9	11.9	9.40	12.49
Gross Fixed Capital Formation	337.4	390.3	448.5	521.6	544.8	527.5	403.45	387.51
Subventions	72.1	100.8	81.6	80.2	81.8	87.0	82.46	115.17
Interest	-	43.8	-	-	-	-	34.88	44.88
Grand Total	957.6	1,138.0	1,220.0	1,362.7	1,445.0	1,490.2	1,512.1	1,612.3

Graph 3: Government Expenditure based on sectors

Total General Government expenditure in 2015 was 1,612.3 million Euros.

The biggest part of expenditure is allocated in General Services with share of 23%, Social Protection with share of 19%, Economic affairs with share of 20%, Education with share of 16%, while remaining part of expenditure is allocated in other sectors.

Allocation in percentage of expenditure by sectors is presented in graph 3.

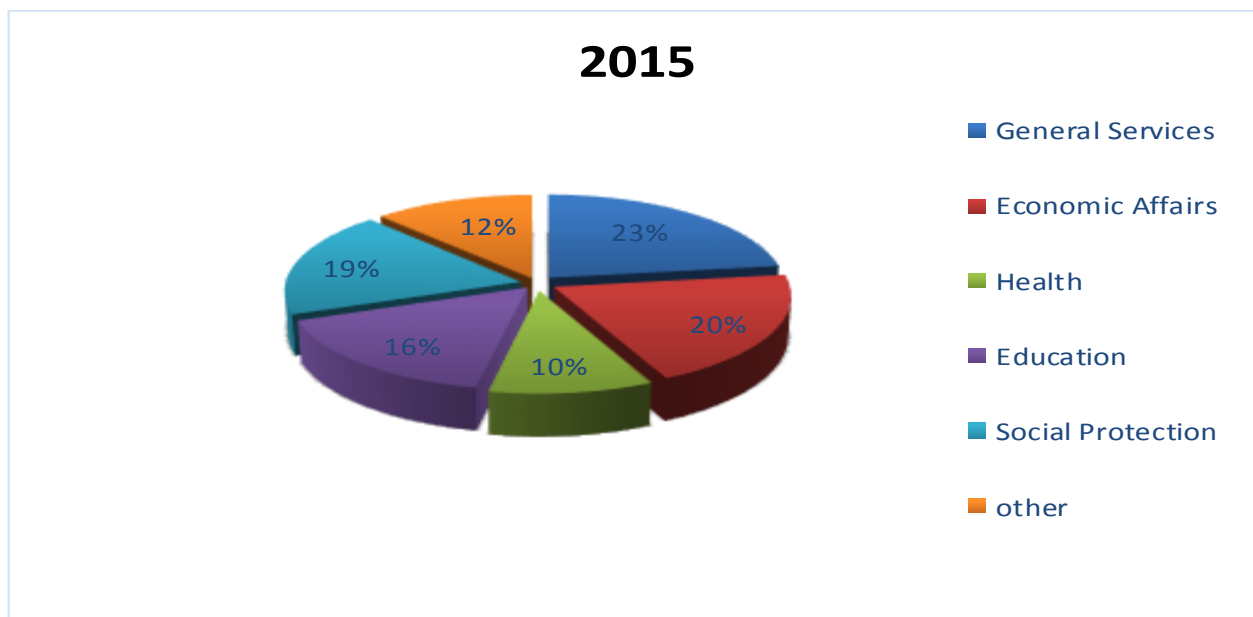


Table 3: Government Expenditure based on sectors

Total General Government expenditure in 2015 was 1,612.3 million Euros, which means that there is an increase of 6.6 % compared with the last year.

(in million Euro)

Description	2008	2009	2010	2011	2012	2013	2014	2015
General Services	192.3	283.8	276.1	271.5	277.6	324.1	463.3	369.3
Defense	18.5	21.2	26.5	29.6	31.3	30.5	28.1	34.8
Public order and Safety	80.6	90.6	101.7	104.5	117.1	116.1	102.2	84.6
Economic Affairs	277.1	292.1	332.6	422.1	431.4	388.5	254.6	322.8
Environmental Protection	2.1	2.5	3.1	1.8	2.0	3.0	6.7	13.9
Housing and Community Amenities	20.2	28.5	31.8	26.2	30.5	36.6	36.7	28.6
Health	81.3	99.6	108.6	119.1	128.6	138.7	114.3	164.8
Recreation, Culture and Religion	12.5	14.7	16.0	20.1	30.5	30.5	31.3	33.3
Education	130.9	145.5	162.6	194.3	198.2	204.4	207.3	261.9
Social Protection	142.2	159.6	161.0	173.5	197.9	217.9	267.7	298.3
Grand Total	957.6	1,138.0	1,220.0	1,362.7	1,445.0	1,490.2	1,512.1	1,612.3

4 Pension fund system

Social insurance system is somehow complicated. The pension system consist of 3 pillars, each of them are different in the way of how they are funded and the population which they cover:

The first Pillar - is a means-tested basic social assistance scheme which also, but not only, applicable to elderly. This pillar is integrated into Central Government, meaning that it is part of Government component. Pension outlays under this scheme are considered as social benefits included in the "current transfers to households". This system is financed by General Government receipts.

The second Pillar - is a mandatory pension funded scheme. This scheme was implemented from August 2002, when big employer and national agencies were mandatory for contribution. Since 2003 mandatory saving scheme is expanded in order to cover all the employers of Kosovo and self-employed. Mandatory pension Savings are administrated and managed by Kosovo Pension saving Trust. KPST receives pension contributions with an amount 10 % of gross wages separated between employers and employee (5% + 5%), and for self-employed 10 % of the earned income. KPST invest these assets through specialized management of assets.

The third Pillar - Articles of regulation on Pension on voluntary scheme ensure those schemes to be reliable, funded in adequate and transparent way. Vulnerary pension scheme presents an option for business and other financial institutions and can be funded from employers' contributions and employees. Department of pension in CBK license and monitor vulnerary scheme.

It should be stressed that Kosovo's main pension system, which is currently in an embryonic form but, will of course become increasingly important in the following years. This part was completely recorded outside the government sectors. In these conditions, contributions and pension payments are flows between the households and the financial corporation's sector.

From economic point of view, it does not seem fully satisfactory that the main mandatory pension system is not reflected at all in the government accounts. Hence, KAS publication concerning the government accounts contains a short overview, pro memoria of the situation of the funded pension pillar (contributions, revenue assets, payments and assets).

Table 4: The Main indicators for Kosovo pension pillar II:

(in million Euro)

Years	Collected Pension Contributions	Investment Return	Fees, Refunds & Other Payouts	Pension Assets Balance
2004	44	1	1	83
2005	52	11	2	144
2006	57	16	28	188
2007	64	6	5	252
2008	73	-91	6	228
2009	83	47	7	350
2010	95	26	8	463
2011	108	3	12	563
2012	113	54	16	715
2013	119	71	17	888
2014	129	67	21	1,063
2015	138	30	24	1,206

Source: Kosovo Pension Saving Trust

Kosovo Agency of Statistics

short description

Kosovo Agency of Statistics is a professional institution which deals with collection, processing and publication of official statistical data. As such acts since 1948 and has passed through several historical stages, structured according to state regulation of those times.

On 2 August 1999, the Agency has resumed his professional work (after nine years of interruption of all statistical series detrimental to the interest of Kosovo), as an independent institution under the Ministry of Public Administration. Since 12.12.2011 the Agency operates in the frames of the Prime Minister's Office. Office is funded by the Kosovo Consolidated Budget, but also by donors for specific projects and for technical professional support.

Kosovo Agency of Statistics acts according to the Law No. 04/L-036 which entered into force on 12.12.2011. Strategic development plan 2009-2013 is the middle term implementation for the development of statistical system in correlation with the European Union statistics (EUROSTAT).

Kosovo Agency of Statistics has this organizational structure: production departments; (Department of Economic statistics and National Accounts, Department of Agriculture and Environment statistics and Department of Social statistics. **Support Departments;** Department of Methodology and Information Technology, Department of Policy Planning, Coordination and Communication, Department of Census and survey and Department of Administration. **Within the Agency we also established Regional Offices;** Gjakove, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj

In ASK are employed in total 139 workers, of them 104 (74,8 %) at the headquarters of the Agency, while in the Regional Offices, 35 (25,2%), with qualifying structure, 70,5% with university education to 29,5% with secondary education.

We have professional and technical cooperation with all Ministries of the Government of Kosovo, especially with the Ministry of Economy and Finance, Central Bank of Kosovo, with international institutions, EUROSTAT, International Monetary Fund, World Bank, Sweden's SIDA, DFID, UNFPA, UNDP, UNVEF, and with the statistical institutions of the countries in the region.

Kosovo Agency of Statistics almost completely covers the territory of Kosovo, based on the statistical structure of the enumeration areas as the basic unit and sole in the country from which it gets first hand information. All surveys conducted in the field use the extension of the samples in these enumeration areas but also a statistical methodology according to international recommendations. During the collection of statistical data and reports from reporting entities are involved professionals, technicians, administrators, servants of the country offices, field enumerators from regional offices, etc.

We have successfully implemented the project of Population Census, Households and Dwellings in 2011, Census that was not carried out since 1981. Results obtained from the Census will have an important role in compiling the development policies.

The mission of the Agency; to meet the needs of users with qualitative statistical data, objective, in time and space so that users have reliable base to conduct regular analysis in the interest of planning and project development at the municipal and country level. To support government institutions, scientific institutes, research academies, businesses in order to provide proper information for decision-makers and other users in Kosovo

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