



Republika e Kosovës  
Republika Kosova-Republic of Kosovo  
*Qeveria - Vlada - Government*  
Zyra e Kryeministrit -Ured Premijera -Office of the Prime Minister  
*Agjencia e Statistikave të Kosovës - Agencija za Statistike Kosova - Kosovo Agency of Statistics*

## Series 3: Economic Statistics

# Kosovo Government Accounts 2015 – 2016



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





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Publisher: - Kosovo Agency of Statistics (KAS)

Publication date: June, 2017

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## P r e f a c e

Kosovo Agency of Statistic (KAS), has prepared the Kosovo Government Accounts publication for the year 2016. This publication is prepared in compliance with IMF GFSM 2014 and ESA 2010\*. The publication presents the picture of government 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 providing concerning this publication.

*\*Note: Preparation of this publication based on the mentioned standards is supported by the IMF technical assistance, financed by Confederation Suisse, started from 2016, this assistance will continue until 2018. KAS will apply these standards based on GFSM 2014 and ESA 2010 for previous years (2008- 2014).*

Comments, proposals and suggestions are welcomed and they can be forwarded to e-mail [infoask@rks-gov.net](mailto:infoask@rks-gov.net).

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Prishtinë, June 2017

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## Abbreviations

KAS	-	Kosovo Agency of Statistics
MF	-	Ministry of Finance
CBK	-	Central Bank of Kosovo
IMF	-	International Monetary Fond
ESA	-	European System of Accounts
GFSM	-	Government Finance Statistics Manual
COFOG	-	Classification Of the Functions Of Government
KPST	-	Kosovo Pension Savings Trust
:	-	Figure not available
-	-	Not applicable

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## **1. Introduction**

The publication presents an overview of revenue and expenditure for the period 2015 - 2016, based on administrative data collection and calculations of KAS.

Publication is prepared based on IMF manual for Government Finance statistics (GFSM 2014) and ESA 2010

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 year 2016 were 1,779.3 million Euros. Compared with the previous year we have an increase of 4.3%.

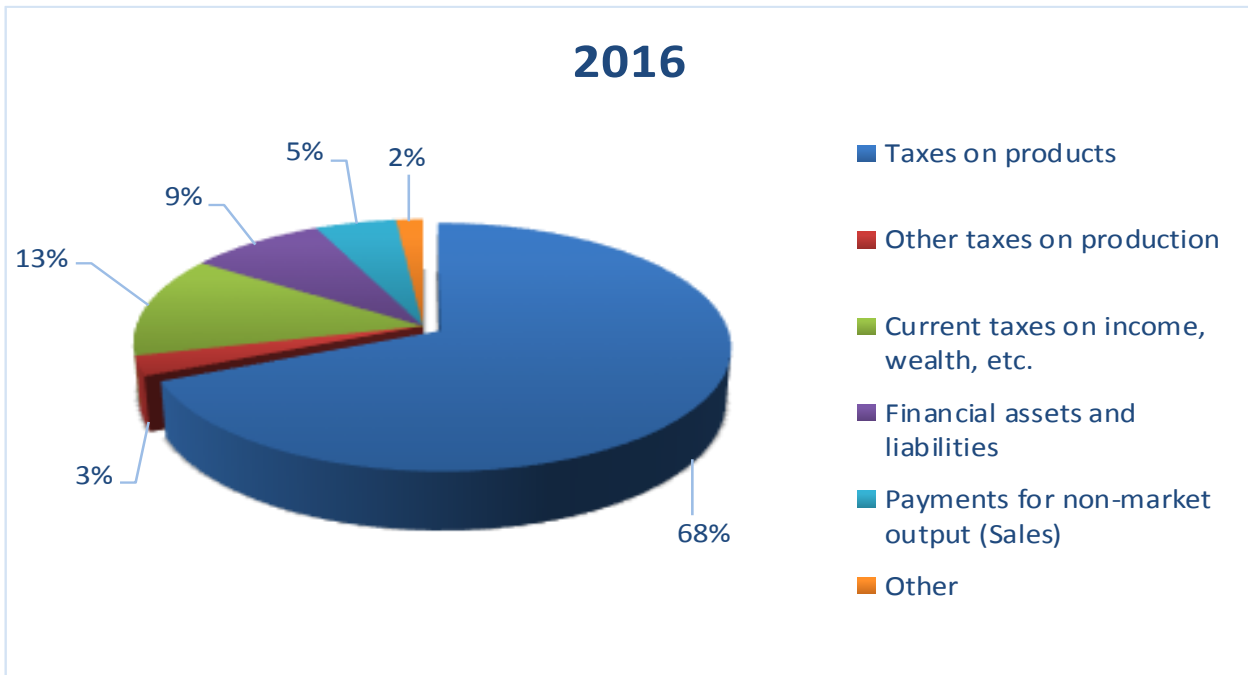
The biggest part of revenue is comprised from Taxes on Product, which represent 69%, of the total revenue, current taxes on income, wealth 13%, while the other part of the revenues is distributed in other category of the revenue.

**Table 1. General Government Revenue based on ESA2010 (2015-2016)**

<i>(in milion Euro)</i>			
ESA2010	Description	2015	2016
D21	Taxes on products	1.093.9	1.220.1
D211	Value added type taxes (VAT)	584.3	664.4
D212	Taxes and duties on imports excluding VAT	486.5	527.4
D2121	<i>Import Duties</i>	130.7	129.9
D2122	<i>Taxes on imports excluding VAT and duties</i>	355.8	397.5
D214	Taxes on products, except VAT and import taxes	23.1	28.3
D29	Other taxes on production	57.9	46.4
D4	Property income	16.5	7.2
D5	Current taxes on income, wealth, etc.	205.1	236.0
D7	Other current transfers	27.8	23.1
F	Financial assets and liabilities	227.8	154.8
P131	Payments for non-market output (Sales)	77.0	91.7
<b>Total</b>		<b>1.706.1</b>	<b>1.779.3</b>

Structure of General Government revenue is presented in Graph 1:

**Graph 1. Revenue - General Government based on ESA2010**



### 3. Expenditure - General Government

In 2016, the total expenses of the General Government were 1,764.7 million Euros.

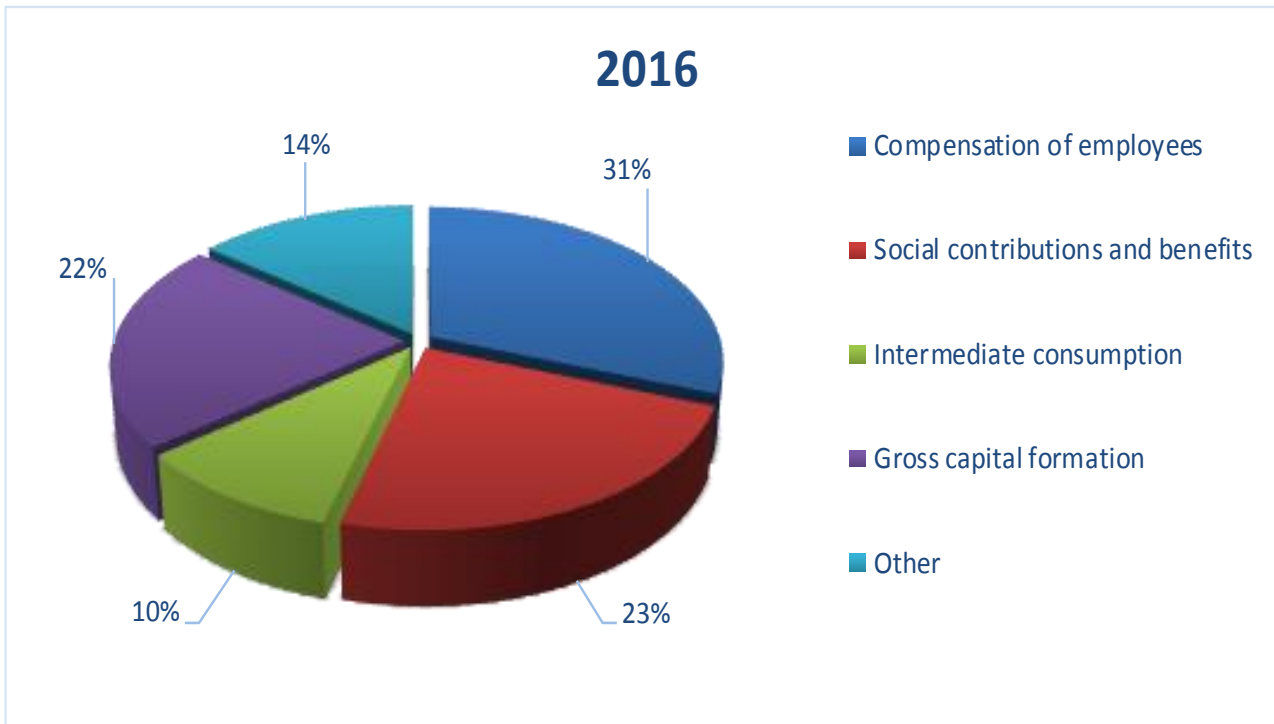
The biggest part of expenditure is comprised from Compensation of employees with 31%, Social contributions and benefits 23%, Gross Capital Formation 22%, Intermediate consumption 10%, while the other part of the expenditure is distributed in other category of the expenditure.

**Table 2. General Government Expenditures based on ESA2010 (2015 – 2016)**

<i>(in million Euro)</i>			
ESA2010	Description	2015	2016
D1	Compensation of employees	526.3	544.8
D3	Subsidies	86.8	82.1
D4	Property income	15.9	19.1
D6	Social contributions and benefits	345.0	408.4
D7	Other current transfers	14.5	13.3
D9	Capital transfers	30.6	39.1
F	Financial assets and liabilities	29.6	67.3
NP	Acquisitions less disposals of non-produced assets	31.3	29.1
P2	Intermediate consumption	181.5	177.5
P5	Gross capital formation	350.7	383.7
<b>Total</b>		<b>1.612.3</b>	<b>1.764.7</b>

Structure of General Government expenditure is presented in Graph 2:

**Graph 2. Structure of General Government expenses based on ESA2010**



In 2016 the total expenditure of the General Government was 1,764.7 million Euros.

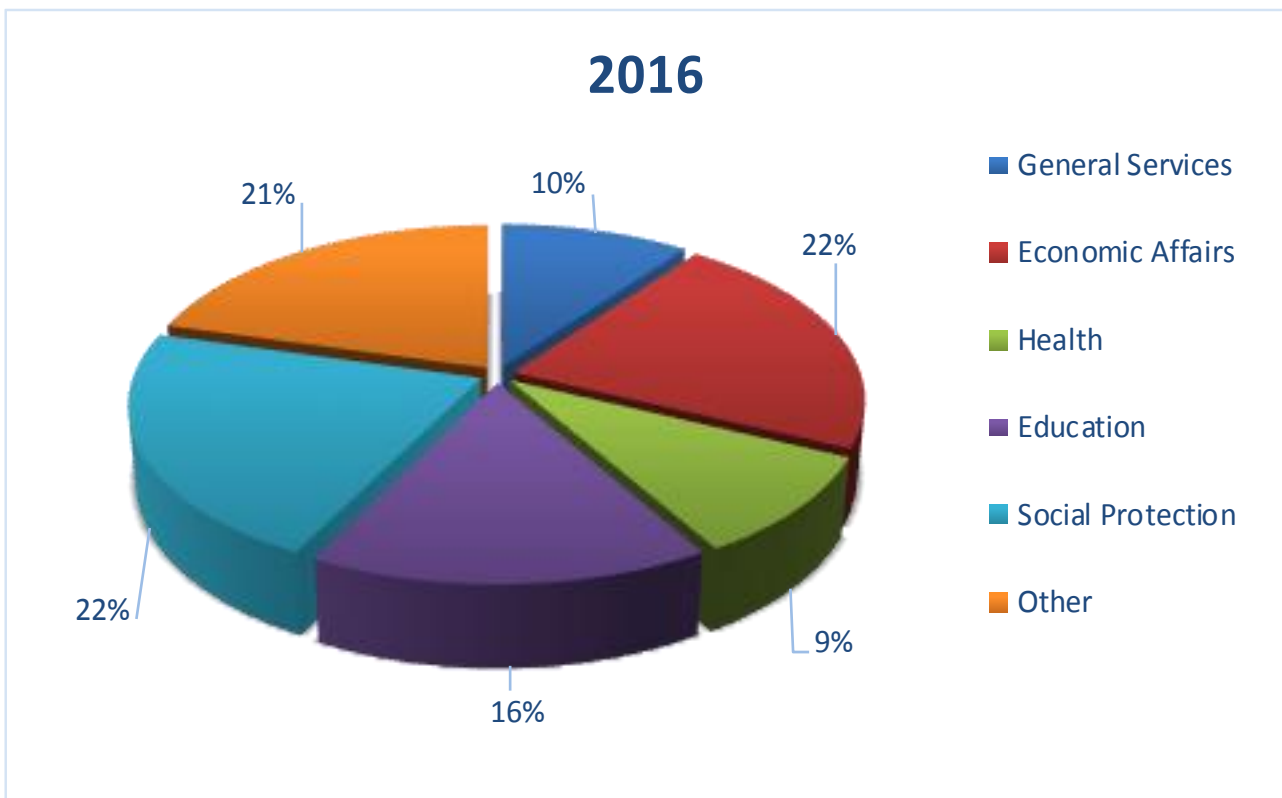
Distribution of expenditures is allocated in: Economic affairs with share of 22%, Education 22%, Social Protection 16%, General Services 10%, while remaining part of expenditure is allocated in other sectors.

**Table 3. Government Expenditure by COFOG (2015-2016)**

Description	<i>(in million Euro)</i>	
	2015	2016
General Services	369.3	179.5
Defense	34.8	104.6
Public order and Safety	84.6	160.3
Economic Affairs	322.8	385.6
Environmental Protection	13.9	19.8
Housing and Community Amenities	28.6	42.1
Health	164.8	168.2
Recreation, Culture and Religion	33.3	38.3
Education	261.9	280.2
Social Protection	298.3	386.0
<b>Grand Total</b>	<b>1.612.3</b>	<b>1.764.7</b>

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

**Graph 3 Structure of expenditures for 2016 by COFOG**



## Pension fund system

The pension system consists of 3 pillars. Each of them is 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.

The Kosovo’s main pension system is completely recorded outside the government sector. 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 in principle contains an overview of situation on 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
2016	152	65	29	1.393

# 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 are also established Regional Offices**; Gjakove, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj

Number of employees and budget are still limited. In KAS are employed in total 143 workers, of whom 98 (68,58 %) at the headquarters of the Agency, while in the Regional Offices, 45 (31,5%). Agency's educational qualifying structure is as follows: 61,7% with university education, 15,4% with with non-tertiary education, and 17.5% 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, UNIVEF, 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.

In 2011, the project of Population Census , Households and Dwellings was successfully implemented, and in 2014 was successfully carried out the Agriculture Census. The result obtained from these censuses will have an important role in 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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