



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 2017







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## **Series 3: Economic Statistics**

### **Kosovo Government Accounts 2015 2017**



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

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## Foreword

Kosovo Agency of Statistic (KAS) has prepared the publication of the Kosovo Government Accounts for the year of 2017. This publication is prepared in compliance with IMF GFSM 2014 and ESA 2010\*. The publication presents the picture of government revenues and expenditures within this period of time.

KAS is grateful to the Ministry of Finance (MF) and the Kosovo Pension Savings Trust (KPST) for providing data about this publication.

*\*Note: The preparation of this publication according to the above standards is supported by the technical assistance of the International Monetary Fund (IMF), funded by the Swiss Confederation, for the period (2016-2018). KAS will continue to make changes in accordance with GFSM 2014 and ESA 2010 for the previous years (2008 - 2014).*

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

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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
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-	-	Not applicable

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## **1. Introduction**

The publication presents an overview of revenue and expenditure for the period 2015 - 2017, based on administrative data collection and estimates 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 2017 were 1,921.2 million Euros. Compared with the previous there is an increase by 8% of revenues.

The biggest part of revenue is comprised from Taxes on Product which represent 68% of the total revenues, current taxes on income, wealth, etc., 12%, while the other part of the revenues is distributed in other categories of the revenues.

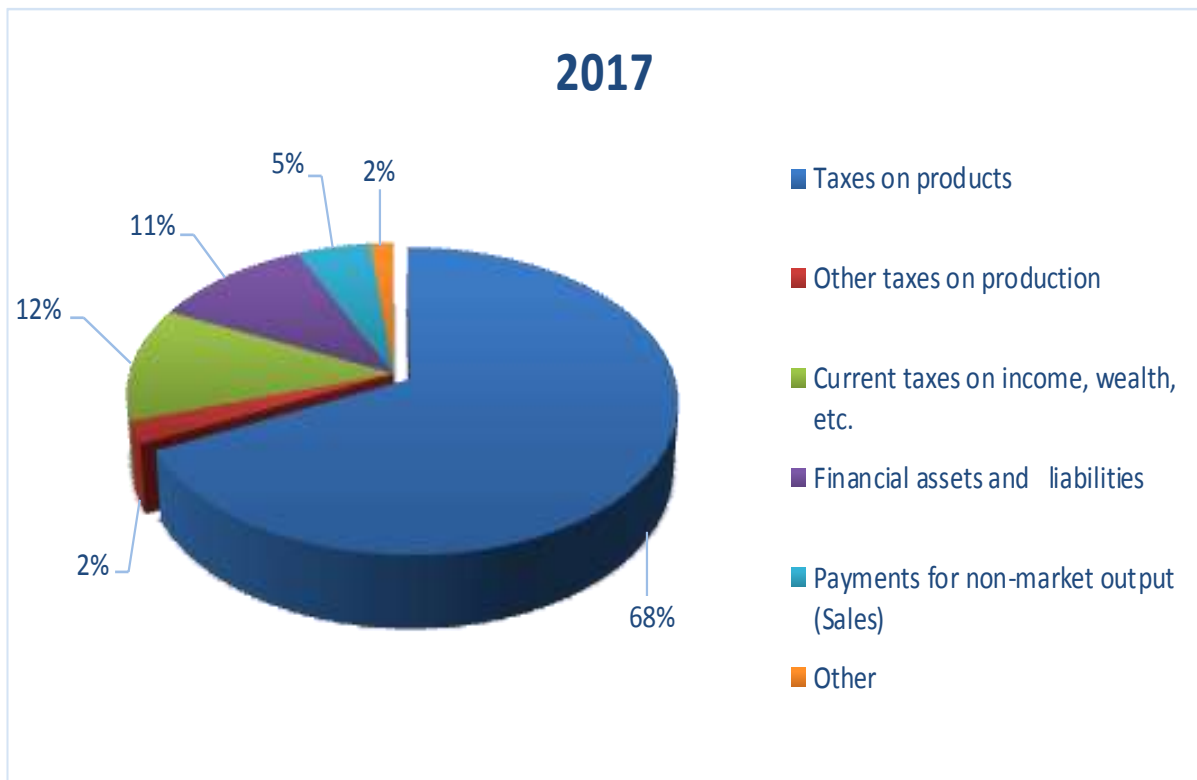
**Table 1. General Government Revenue based on ESA2010 (2015-2017)**

*(in million Euro)*

ESA2010	Description	2015	2016	2017
D21	Taxes on products	1,093.9	1,220.1	1,300.2
D211	Value added type taxes (VAT)	584.3	664.4	711.5
D212	Taxes and duties on imports excluding VAT	486.5	527.4	552.4
D2121	Import Duties	130.7	129.9	127.8
D2122	Taxes on imports excluding VAT and duties	355.8	397.5	424.6
D214	Taxes on products, except VAT and import taxes	23.1	28.3	36.3
D29	Other taxes on production	57.9	46.4	46.2
D4	Property income	16.5	7.2	9.4
D5	Current taxes on income, wealth, etc.	205.1	236.0	233.1
D7	Other current transfers	27.8	23.1	21.7
F	Financial assets and liabilities	227.8	154.8	212.0
P131	Payments for non-market output (Sales)	77.0	91.7	98.5
<b>Total</b>		<b>1,706.1</b>	<b>1,779.3</b>	<b>1,921.2</b>

Structure of General Government revenue is presented in Graph 1:

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



### 3. Expenditure - General Government

In 2017, the total expenditures of the General Government were 1,836.2 million Euros.

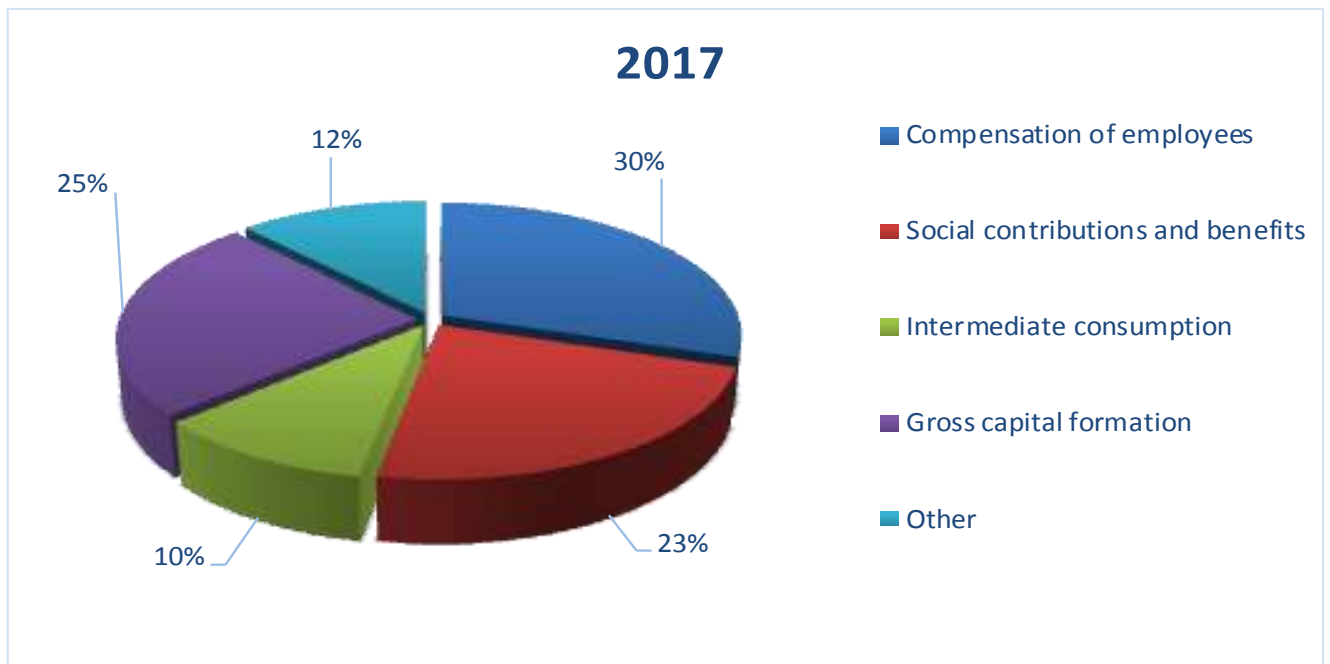
The biggest part of expenditure is comprised from Compensation of employees with 30%, Gross Capital Formation 25%, Social contributions and benefits 23%, Intermediate consumption 10%, while other part of the expenditure is distributed in other categories of the expenditure.

**Table 2. General Government Expenditures based on ESA2010 (2015 – 2017)**

<i>(in million Euro)</i>				
ESA2010	Description	2015	2016	2017
D1	Compensation of employees	526,3	544,8	550,7
D3	Subsidies	86,8	82,1	101,0
D4	Property income	15,9	19,1	18,7
D6	Social contributions and benefits	345,0	408,4	420,8
D7	Other current transfers	14,5	13,3	8,6
D9	Capital transfers	30,6	39,1	21,5
F	Financial assets and liabilities	29,6	67,3	60,4
NP	Acquisitions less disposals of non-produced assets	31,3	29,1	7,0
P2	Intermediate consumption	181,5	177,5	191,9
P5	Gross capital formation	350,7	383,7	455,5
<b>Total</b>		<b>1.612,3</b>	<b>1.764,7</b>	<b>1.836,2</b>

Structure of General Government expenditures is presented in Graph 2:

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



In 2017 the total expenditure of the General Government was 1,836.2 million Euros.

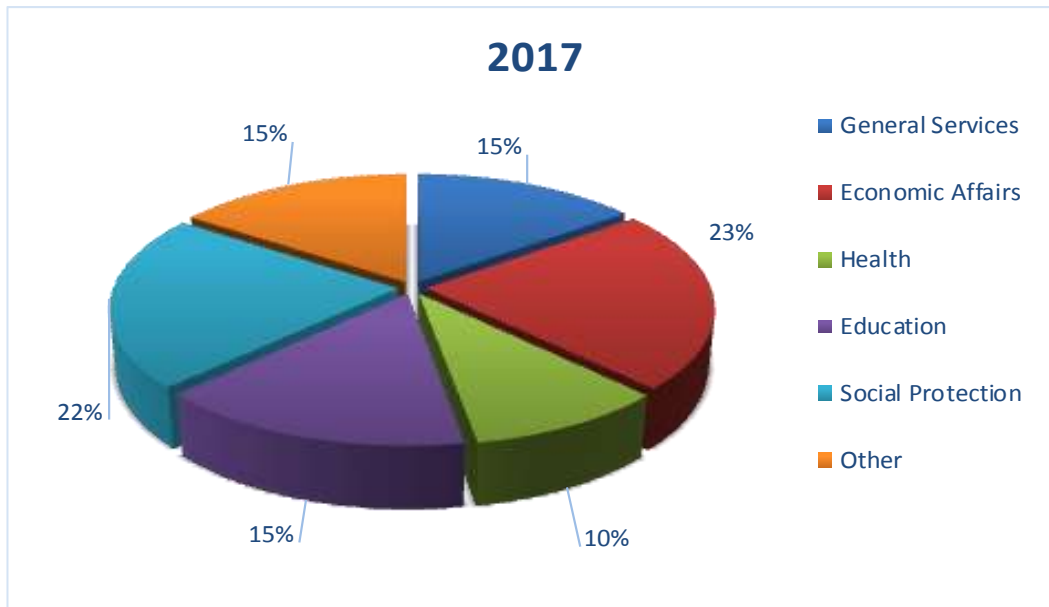
Distribution of expenditures is allocated in: Economic affairs with share of 23%, Social Protection 22%, Education 15%, General Services 15%, while remaining part of expenditure is allocated in other sectors.

**Table 3. Government Expenditure by COFOG (2015-2017)**

<i>(in million Euro)</i>			
Description	2015	2016	2017
General Services	369.3	179.5	270.5
Defense	34.8	104.6	34.9
Public order and Safety	84.6	160.3	156.0
Economic Affairs	322.8	385.6	418.8
Environmental Protection	13.9	19.8	9.9
Housing and Community Amenities	28.6	42.1	35.3
Health	164.8	168.2	178.6
Recreation, Culture and Religion	33.3	38.3	47.9
Education	261.9	280.2	282.7
Social Protection	298.3	386.0	401.4
<b>Grand Total</b>	<b>1,612.3</b>	<b>1,764.7</b>	<b>1,836.2</b>

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

**Graph 3 Structure of expenditures in 2017 by COFOG**



## Pension fund system

The pension system is comprised of 3 pillars. Each of them differs in the way it is funded and in the population layer that it covers:

**The first pillar** - is the scheme of basic social assistance which is applicable not only to the elderly. This is integrated into the Central Government, which means it is an integral part of the Government. Pension payments under this scheme are considered as a social benefit included in the expenditures on "Current Transfers to Households ". This system is funded by the General Government budget

**The second pillar** - is the scheme of mandatory pension savings. This scheme started to function in August 2002, when major employers and state agencies were obliged to pay contributions. Since 2003, the obligatory savings scheme has been expanded to include all employees and self-employed workers in Kosovo. Mandatory pension savings are administered and managed by the Kosovo Pension Savings Trust (KPST). KPST receives 10% of gross pay dividends between employer and employee (5% + 5%), while self-employed 10% of the earned income. KPST invests these funds through specialized asset managers.

**The third pillar** - the Articles of the Pensions Regulation on voluntary schemes ensure that these schemes are secure, adequately and transparently funded. Voluntary pension schemes are an option for businesses and various financial institutions and can be funded by employers 'and / or employees' contributions. The CBK Pension Department licenses and monitors voluntary schemes.

The main pension system is registered outside the Government. Contributions to pension payments are the flow between households and the corporate financial sector.

From an economic point of view, it does not seem to be entirely satisfactory that the mandatory main pension system is not reflected in the government account. Thus, KAS publications on Government Accounts in principle contain an overview of the funded pillar situation (contributions, asset revenues, payments and assets).

**Table 4: The main indicators for Kosovo pension pillar II (2004-2017)**

<i>(in million Euro)</i>				
Year	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
2017	160	103	35	1.620

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# 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. Programme of Official Statistics 2013/2017 is in 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

In KAS are employed in total 147 workers, of whom 100 (68,0 %) at the headquarters of the Agency, while in the Regional Offices, 47 (32,0%). Agency's educational qualifying structure is as follows: 73,5% with university education, 13,6% with with non-tertiary education, and 12.9% 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.

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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