

## Summary

Full report is available [in Serbian >>](#)

**General government registered a surplus of RSD 35.1 bn in the three quarters of 2019.** Surpluses were recorded by the Republic and local government, whereas companies *Roads* and *Corridors* of Serbia and social security funds registered deficits.

The *surplus was by RSD 20.2 bn lower than* the one recorded *in the same period of 2018*. Lower surplus was attributable to the larger increase in expenditures over revenues (expenditures increased by RSD 128.7 bn and revenues by RSD 108.6 bn).

### CONSOLIDATED GENERAL GOVERNMENT REVENUES

January–September 2019 in RSD bn	Amount	Change y-o-y	
<b>TOTAL</b>	<b>1,646.2</b>	<b>108.6</b>	<b>7.1%</b>
<b>Current revenues</b>	<b>1,638.8</b>	<b>107.0</b>	<b>7.0%</b>
<u>Tax revenues</u>	<u>1,454.0</u>	<u>112.3</u>	<u>8.4%</u>
Personal income tax	146.3	17.4	13.5%
Corporate income tax	102.7	12.3	13.6%
Value added tax	395.1	19.5	5.2%
Excise taxes	225.5	14.8	7.0%
Customs	34.3	3.0	9.6%
Property tax	38.8	4.1	11.8%
Other tax revenues	21.9	1.6	7.7%
Social security contributions	489.4	39.7	8.8%
<u>Non-tax revenues</u>	<u>184.8</u>	<u>-5.4</u>	<u>-2.8%</u>
<b>Grants</b>	<b>7.4</b>	<b>1.6</b>	<b>28.2%</b>

Data source: Ministry of Finance of the Rep. of Serbia and PBO calculations  
Data do not include indirect budget beneficiaries which are not included in the budget execution system.

**Revenues of the general government totalled RSD 1,646.2 bn in the first nine months of 2019**, which represents a y-o-y *increase of RSD 76.0 bn (7.6%)*.

#### ◆ Substantial increases in revenues:

- ◇ *Social security contributions* increased by RSD 39.7 bn (8.8%). Social security contributions are paid on salaries, so their growth reflects an increase in average salaries and registered employment in the first three quarters of 2019 compared to the same period of 2018;
- ◇ *Value added tax* revenues rose by RSD 19.5 bn (5.2%). This increase largely reflects macroeconomic developments — in particular rise in consumption and a modest rise in the level of prices, which led to the increase in the value of goods and services the VAT is charged on;
- ◇ *Personal income tax revenues* were higher by RSD 17.4 bn (13.5%). The most substantial part of this tax is the salary tax; consequently, a y-o-y increase in

average salaries and registered employment partly explains an increase in the collected personal income taxes;

- ◇ *Excise taxes* rose by RSD 14.8 bn (7.0%), mostly due to a higher collection of excise taxes on petroleum products;
- ◇ *Corporate income tax revenues* increased by RSD 12.3 bn (13.6%), due to an increase in profitability of the corporate sector in 2018;
- ◆ *Non-tax revenues decreased* by RSD 5.4 bn (2.8%). This mainly refers to the lower proceeds from extraordinary non-tax revenues to the Republican budget;
- ◆ All other major **categories** of revenues of the general government increased, by smaller amounts.

### CONSOLIDATED GENERAL GOVERNMENT EXPENDITURES

January–September 2019 in RSD bn	Amount	Change y-o-y	
<b>TOTAL</b>	<b>1,611.1</b>	<b>128.7</b>	<b>8.7%</b>
<b>Current expenditures</b>	<b>1,445.6</b>	<b>105.4</b>	<b>7.9%</b>
<u>Expenditures for employees</u>	<u>379.8</u>	<u>30.6</u>	<u>8.8%</u>
<u>Purchase of goods and serv.</u>	<u>260.3</u>	<u>26.2</u>	<u>11.2%</u>
<u>Interest payment</u>	<u>97.4</u>	<u>2.4</u>	<u>2.5%</u>
<u>Subsidies</u>	<u>69.4</u>	<u>-0.5</u>	<u>-0.7%</u>
<u>Soc. assistance and transfers</u>	<u>578.0</u>	<u>33.0</u>	<u>6.1%</u>
Pensions	419.9	31.5	8.1%
Unemployment benefits	6.3	-0.5	-7.6%
Sick leave benefits	6.9	-3.2	-31.5%
Social assistance	121.7	5.4	4.6%
Other trans. to households	23.3	-0.2	-1.0%
<u>Other current expenditures</u>	<u>60.8</u>	<u>13.7</u>	<u>29.1%</u>
<b>Capital expenditures</b>	<b>152.3</b>	<b>29.8</b>	<b>24.3%</b>
<b>Activated guarantees</b>	<b>8.6</b>	<b>-7.0</b>	<b>-44.9%</b>
<b>Net lending</b>	<b>4.6</b>	<b>0.6</b>	<b>13.6%</b>

Data source: Ministry of Finance of the Rep. of Serbia and PBO calculations  
Data do not include indirect budget beneficiaries which are not included in the budget execution system.

**Expenditures of the general government totalled RSD 1,611.1 bn in the three quarters of 2019**, which represents a y-o-y *increase of RSD 128.7 bn (8.7%)*.

#### ◆ Substantial increases in expenditures:

- ◇ Outlays for *pensions* were higher by RSD 31.5 bn (8.1%), due to the abolition of the Law on Temporary Arrangement of the Pensions Payment Model;
- ◇ *Expenditures for employees* were higher by RSD 30.6 bn (8.8%). This change stems from the increases in

salaries in the parts of the public sector as of January 2019;

- ◇ *Capital expenditures* rose by RSD 29.8 bn (24.3%), largely reflecting higher capital spending from the Republican budget;
- ◇ *Purchase of goods and services* increased by RSD 26.2 bn (11.2%), reflecting higher spending of cities and municipalities and of the Republic (the increase in the budget of the Republic is partly attributable to the incorporation of the social institutions into the Republican budget accounts);
- ◇ *Other current expenditures* rose by RSD 13.7 bn (29.1%), reflecting higher spending in the Republican budget;

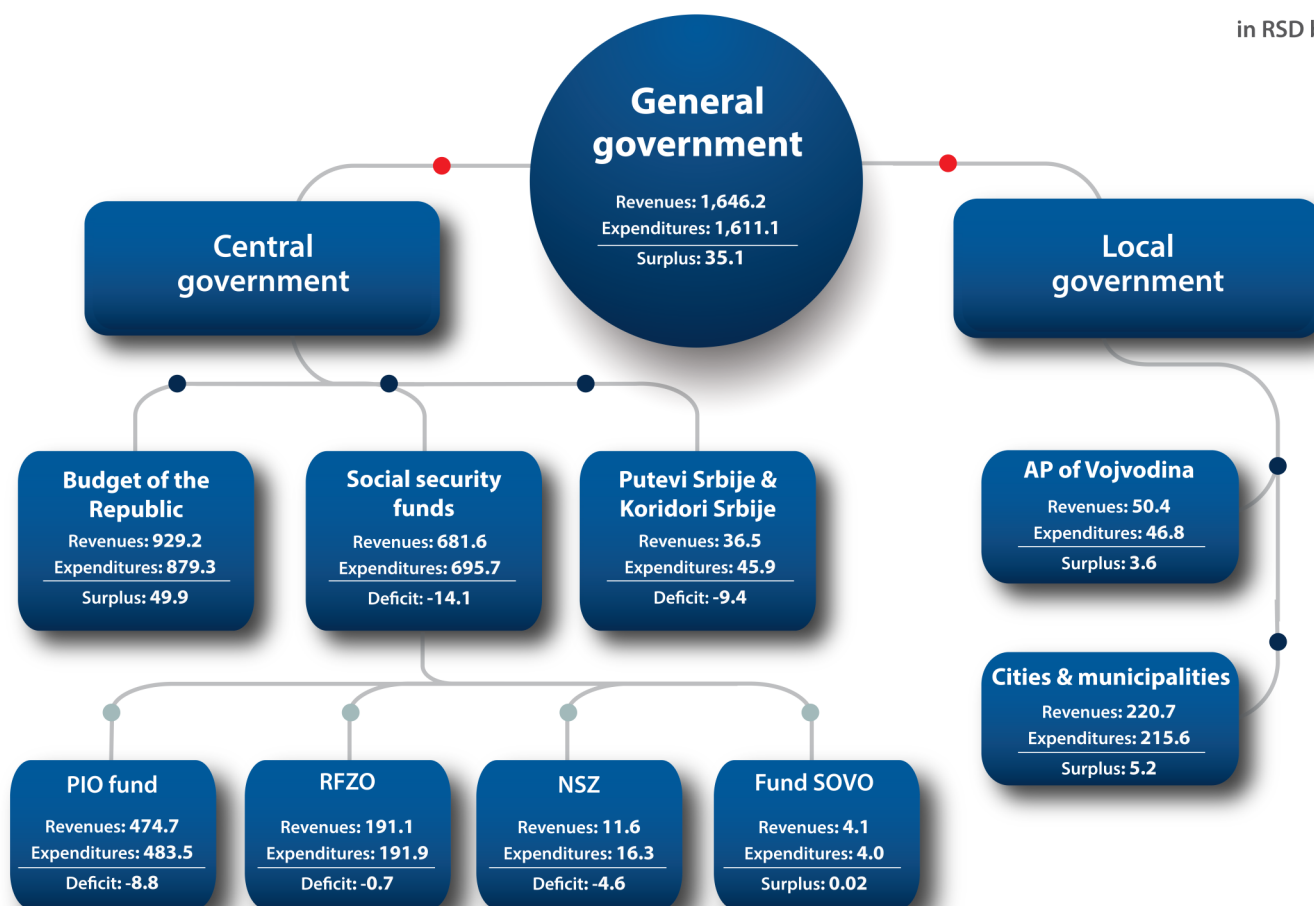
◇ *Social assistance* outlays were higher by 5.4 bn (4.6%), mainly due to higher payments from the Republican budget for child welfare;

- ◆ Outlays for *activated guarantees* decreased by RSD 7.0 bn (44.9%), because some of the guarantees had been fully repaid over the previous year;
- ◆ Other major categories of expenditures of the general government changed by smaller amounts.

## Schematic representation

## Fiscal balance by levels of government\* January–September 2019

in RSD bn



\*In accordance with the coverage in publications of the Ministry of Finance of the Republic of Serbia.

**Notes:**

Data are consolidated at the general government level, whereas data at individual levels of government include transfers. Data do not include indirect budget beneficiaries which are not included in the budget execution system.

**Data source:** Ministry of Finance of the Republic of Serbia – Macroeconomic and Fiscal Data

Other reports prepared by the Parliamentary Budget Office are available at

[www.pbk.rs](http://www.pbk.rs)