6. Fiscal flows and policy

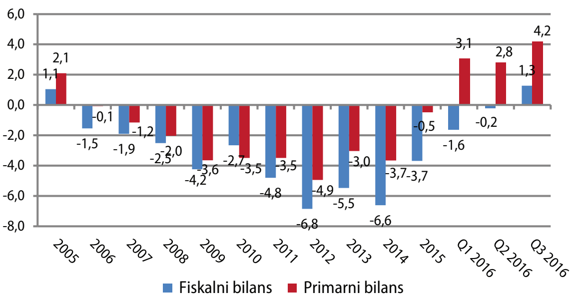
The strong upward trend in public revenues and a slight decrease in expenditures continued in the period July-October. This resulted in a consolidated budget surplus of RSD 12.4 billion in the same period. Consolidated fiscal deficit in the first ten months of 2016 was only RSD 5.8 billion (0.2% of the GDP recorded in the same period). This came as a consequence of growing revenues and generally efficient control of expenditures. Good fiscal result in the period July-October, and in the first ten months of 2016, was driven by the steady increase in real tax revenues (though it was somewhat slower than in the first half of the year), and a considerable increase in non-tax revenues. Increase in almost all types of tax revenues can be attributed to the increase in relevant tax bases (increase in consumption, income and employment), and efficient reduction in the size of the shadow economy. Moderate real rise in public expenditures continued in the period July-October and was primarily driven by continuation of the strong upward trend in capital expenditures, and a moderate increase in expenditures on goods and services. However, public expenditures in the aforementioned period, as well as in the first ten months of 2016, remained within the projected level. If the current trends continue, consolidated fiscal deficit in 2016 will narrow to 1.5% of GDP (or to 2% of GDP if the government assumes the debt owed by some state owned enterprises). Such fiscal result would represent a strong fiscal consolidation (by 2.2% of GDP) compared to the last year. Public debt (including the debt of local self-governments) totaled 73.5% of GDP at the end of October. It is expected to reach 75-76% of GDP by the end of the year, which is similar to the level recorded at the end of 2015. This indicates that the upward trend in public debt to GDP ratio continuing from 2009 is finally halted through fiscal consolidation measures. However, there is still the risk that the public debt may start growing again because its main drivers have not been entirely eliminated (assumption of the debt owed by the state-owned and public enterprises, introduction of discretionary measures allowing tax reduction or increased spending, and similar) since no notable progress in restructuring and privatization of these enterprises has been made.

Fiscal tendencies and macroeconomic implications

Strong upward trend in revenues and moderate increase in expenditures continue in Q3 resulting in a consolidated fiscal surplus of RSD 13.8 billion

Q3 2016 saw a considerable year-over-year increase in public revenues and somewhat slower rise in public expenditures. Accordingly, consolidated fiscal surplus of RSD 13.8 billion, approximately 1.3% of the quarterly GDP, was recorded in this quarter. This increase in public revenues was mainly driven by a strong rise in non-tax revenues. Tax revenues went up as well, though at somewhat slower pace than in the preceding quarters. On the other hand, the aforementioned rise in expenditures was primarily driven by capital expenditures, which continued growing notably in this quarter, and higher spending on goods and services. Positive trends in revenues continued in October, while the expenditures were kept under control. Accordingly, October was another consecutive month in which a small consolidated fiscal deficit (RSD 1.3 billion) was recorded. According to the preliminary data, November saw continuation of these positive trends, namely the central government budget deficit was only RSD 3 billion.

Graph T6-1. Serbia: Consolidated fiscal balance and primary balance (% of GDP)[1]



Source: *QM* calculations[2]

1 Primary fiscal balance (balance without interests) is the difference between consolidated public revenues and consolidated public expenditures subtracted by expenditures on interest payments.
2 Estimates for 2016 are based on the official projections made by the Ministry of Finance.

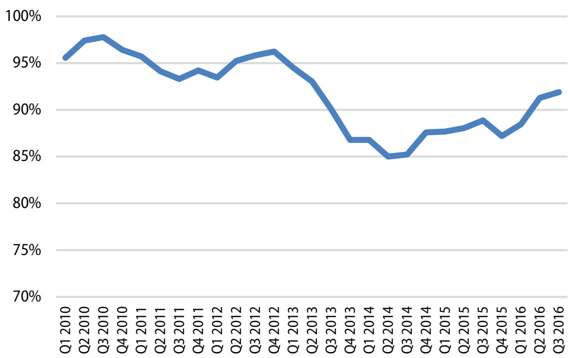
In the first ten months of 2016 consolidated fiscal deficit stands at RSD 5.8 billion (0.2% of GDP)

In the first ten months of 2016 consolidated fiscal deficit was RSD 5.8 billion (0.2% of the GDP recorded in the same period), while the primary surplus totaled RSD 112 billion (3.2% of the GDP recorded in this period). This fiscal result is way much better than expected, and is primarily attributed to a strong increase in tax and non-tax revenues.

Strong increase in tax revenues continues, though at somewhat slower pace than in the preceding period

Tax revenues grew by 7.5% in Q3 2016 compared to the same period last year. This year-over-year increase was somewhat slower than in the preceding quarter. Real seasonally adjusted tax revenues in this period remained unchanged compared to Q2 2016. Similarly, real tax revenues grew by 8% in the first nine months of 2016 compared to 2015. All types of tax revenues went up. Year-over-year increase in revenues from VAT (7.8%), excise revenues (17.2%), and social security contributions (3.2%) contributed the most to the total increase in tax revenues in this period, while revenues from corporate income tax had the highest growth rate. Although there was a considerable year-over-year increase in revenues from VAT in Q3 2016, these revenues (real seasonally adjusted) fell by 4.5% compared to the preceding quarter. This could be because previously postponed VAT refunds were realized, or perhaps the battle against the shadow economy slowed down. Collection efficiency of VAT (C-efficiency) kept improving in Q3, but was somewhat slower than in the preceding quarter, and remained below the level recorded at the end of 2012. Increase in excise revenues, especially from excise duty on petroleum products, was probably driven by reduction in illegal sale of these products, and increasingly frequent postponement of refund of excise duty on heating oil to enterprises. Rise in revenues from personal income tax and social security contributions is generally attributed to wage increase and rise in formal employment.

Graph T6-2: Annually adjusted C-efficiency ratio in Serbia

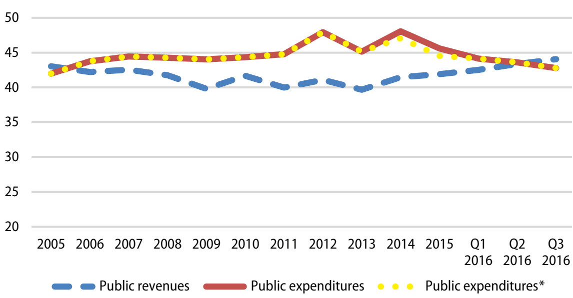


Source: *QM* calculations based on the MF data

Strong year-over-year increase in real non-tax revenues (by 15.9%) was recorded in Q3. These revenues (real seasonally adjusted) were higher than in the preceding quarter, as well (by 12.9%). This increase in non-tax revenues came as a consequence of intensified dividend payouts by public enterprises. Trends recorded in the first nine months of 2016 indicate a sharp increase in non-tax revenues (by 8%), although, according to the Fiscal Strategy for 2016, they were supposed to decrease by 20% in 2016 compared to 2015. This suggests that the government continued collecting dividend from public enterprises aggressively. However, such policy is a huge threat to these companies and their business operations in the long-run and, therefore, collection of dividend from these companies should be scaled down in the following period to enable them modernize and expand their capacities.

Expenditures keep growing, but at a slower pace than in the preceding quarter…

Graph T6-3. Serbia: Consolidated public revenues and public expenditures (% of GDP)[3]



Source: *QM* calculations based on the MF data

Real public expenditures slowed down in Q3 2016. There was a slight year-over-year increase in these expenditures in this quarter (by 2.3%). On the other hand, real seasonally adjusted expenditures decreased in Q3 compared to Q2 (by 1.4%). Trends in public expenditures in Q3 were mainly driven by continuation of the strong year-over-year increase in capital expenditures (by 25.3%), though at a slower pace than in the preceding quarter, a moderate real rise in expenditures on goods and services (by 4.2%), and a notable decrease in expenditures on subsidies (by 20%).

3 Public expenditures* have been adjusted for one-off payment for subsidies and pensions made in December 2014 and 2015.

…primarily due to a strong increase in capital expenditures, and expenditures on goods and services

In the first nine months of 2016 public expenditures grew moderately (by 4.2%). Current expenditures generally were in line with the projections (real increase of 2.3%), while capital expenditures grew steeply (29.8%). According to the Ministry of Finance's revised projections, capital expenditures in 2016 will exceed the last year's by 0.3% of GDP (10% increase), and will total 3.1% of GDP. This is good. However, they need to be scaled up to 4-5% of GDP annually and kept at that level for a longer period to make a more notable improvement in the infrastructure. Accordingly, the projected increase in capital expenditures to 3.3% of GDP in 2017 is good, but insufficient.

Fiscal deficit for 2016 might narrow to 1.5% of GDP…

If the current fiscal trends continue, consolidated fiscal deficit for 2016 may narrow to 1.5% of GDP. If the government assumes the non-guaranteed debt owed by Petrohemija, as announced earlier, and possibly the debt of other state-owned enterprises, consolidated fiscal deficit for 2016 will be larger, and account for 2% of GDP.

…a strong fiscal adjustment (by 2.2% of GDP) compared to 2015

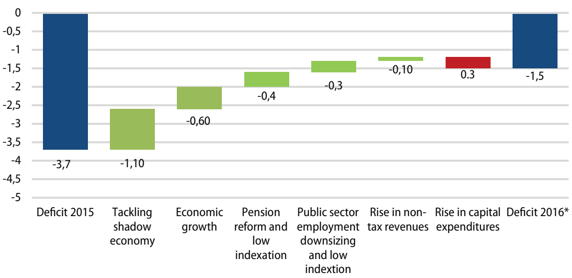
This would be a strong fiscal adjustment compared to 2015 (by 2.2% of GDP), and it would be achieved through a strong increase in tax revenues (faster rise in income and consumption, increased excise duties, excise duty on electricity, and reduction in the size of the shadow economy), increase in non-tax revenues, employee downsizing in the public sector, slower inflow of new pensioners due to the parametric reform of pensions undertaken in 2014, and a low indexation of wages and pensions. The aforementioned increase in capital expenditures contributed additional 0.3% of GDP to fiscal deficit. However, this is justifiable and necessary, considering the level of capital expenditures in Serbia, and their direct and indirect effects on economic growth.

Total fiscal adjustment of more than 5% of GDP made in 2015 and 2016…

Fiscal adjustment achieved through implementation of the fiscal consolidation programme in 2015 and 2016 totals 5.1% of GDP (2.9% of GDP in 2015 and 2.2% of GDP in 2016). This is a very good result. The largest reductions in fiscal deficit were made through reduction in public expenditures and increase in public revenues (3.2% of GDP and 1.9% of GDP respectively). Such structure of adjustment is suitable.

… more than a half of this adjustment achieved through reduction in expenditures on wages and pensions

Graph T6-4: Share of individual factors in fiscal consolidation in 2016 (% of GDP)



Source: *QM* calculations based on the MF data

Observed by individual factors, more than a half of the fiscal adjustment was achieved through reduction in expenditures on wages and pensions (cumulative decrease in expenditures on employees and pensions was 1.6% of GDP and 1.2% of GDP respectively in this period). This indicates that without implementation of the measures aimed at reduction of these expenditures (wage and pension reduction, low indexation, parametric reform of pensions, employee downsizing), fiscal consolidation would not be successful.

…indirect fiscal risks (related to public and state-owned enterprises) have not been eliminated yet

The key goal of fiscal consolidation is to reduce fiscal deficit to the level at which it would be possible to first tackle and then gradually reduce Serbia's public debt. Reduction in fiscal deficit down to 1.5-2% of GDP halted the upward trend in public debt which started several years ago. The risk that fiscal deficit and public debt may start growing again still remains because restructuring of public enterprises and privatization of state-owned enterprises are not developing at the necessary pace, and the government keeps covering their losses and assuming their debts at the end of the year. A more notable progress in restructuring and/or privatization of these companies is, therefore, crucial to the success of fiscal consolidation. Furthermore, measures that would result in increased spending (such as increase in wages and pensions larger than GDP growth rate), as well as the measures aimed at tax reduction (such as the announced reduction in income tax and contributions) could jeopardize sustainability of the achieved fiscal results. Such measures should be implemented along with adequate compensatory measures (reduction in some other expenditures, or increase in some other tax) that would offset their direct impact on the budget.

Medium-term fiscal goals defined in the Fiscal Strategy are adequate

According to the new Fiscal Strategy, fiscal deficit is to be reduced to 1.7% of GDP in 2017, and further down to 1% of GDP in 2019. Such fiscal goals are adequate, but need to be accompanied by a precise set of measures that would help achieve them. This is especially important because the three-year arrangement with the IMF expires at the beginning of 2018, which increases the risk that some measures that may push up the deficit (such as tax reduction and/or increased spending) would be implemented.

Trends in public debt

Serbia's public debt totaled EUR 24.1 billion (71.6% of GDP) at the end of Q3... ...or 73% of GDP including the debt of local self-governments

Serbia's public debt totaled EUR 24.1 billion (71.6% of GDP) at the end of Q3 2016, while the non-guaranteed debt of local self-governments increases this ratio to 73% of GDP. Public debt shrank compared both to its amount recorded at the end of Q2 and at the end of 2015 (by EUR 40 million and EUR 660 million, respectively). In relative terms, this reduction was 0.8% and 3% of GDP respectively. Decrease in public debt was larger in relative terms than in absolute amount because GDP grew in this period.

In the first three quarters of 2016 Serbia had almost balanced budget, so there was no need for further borrowing. Furthermore, no additional guarantees on loans to public and state-owned enterprises were issued in this period. Consequently, Q3, as well as the whole period from January to the end of September, saw reduction in both direct and indirect debt.

Public debt grew to 74% of GDP at the end of October

Real dinar to euro exchange rate remained almost unchanged in the first three quarters of 2016 and, therefore, did not affect the level of public debt. On the other hand, dinar slightly appreciated against dollar, which had positive impact on public debt. However, dinar to dollar exchange rate depreciated moderately in October and November (by 4%), and is, therefore, expected to push up the level of public debt by the end of 2016. Public debt stood at EUR 24.6 billion (72.2% of GDP) at the end of October, and was by EUR 450 million larger than at the end of September. This increase was to a certain extent caused by depreciation of dinar to dollar exchange rate.

Table T6-5. Serbia: Public debt[1] 2000-2016

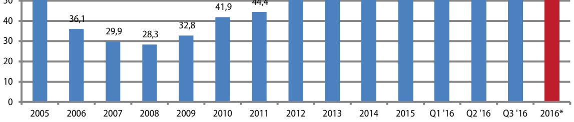
	Amount at the end of period, in billions EUR														
	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Q1 2016	Q2 2016	Q3 2016
I. Total direct debt	14.2	9.6	8.6	8.0	7.9	8.5	10.5	12.4	15.1	17.3	20.2	22.4	22.1	22.0	22.0
Domestic debt	4.1	4.3	3.8	3.4	3.2	4.1	4.6	5.1	6.5	7.0	8.2	9.1	9.1	8.7	8.8
Foreign debt	10.1	5.4	4.7	4.6	4.7	4.4	5.9	7.2	8.6	10.2	12.0	13.4	13.1	13.3	13.3
II. Indirect debt	-	0.7	0.8	0.8	0.9	1.4	1.7	2.1	2.6	2.81	2.5	2.4	2.3	2.2	2.1
III. Total debt (I+II)	**14.2**	**10.3**	**9.4**	**8.9**	**8.8**	**9.8**	**12.2**	**14.5**	**17.7**	**20.1**	**22.8**	**24.8**	**24.4**	**24.2**	**24.1**
Public debt / GDP (MF)[2]	**201.2%**	**50.2%**	**35.9%**	**29.9%**	**28.3%**	**32.8%**	**41.8%**	**45.4%**	**56.2%**	**59.6%**	**70.4%**	**75.5%**	**72.0%**	**71.9%**	**70.8%**
Public debt / GDP (QM)[3]	**169.3%**	**52.1%**	**36.1%**	**29.9%**	**28.3%**	**32.8%**	**41.9%**	**44.4%**	**56.1%**	**59.4%**	**70.4%**	**74.6%**	**73.2%**	**72.4%**	**71.6%**

1) According to the Public Debt Law, public debt includes debt of the Republic related to the contracts concluded by the Republic, debt from issuance of the t-bills and bonds, debt arising from the agreement on reprogramming of liabilities undertaken by the Republic under previously concluded contracts, as well as the debt arising from securities issued under separate laws, debt arising from warranties issued by the Republic or counterwarranties as well as the debt of the local governments, guaranteed by the Republic.
2) Estimate of the Ministry of Finance of the Republic of Serbia
3) *QM* estimate (Estimated GDP equals the sum of nominal GDP in the current quarter and three previous quarters)
Source: QM calculations based on the MoF data

Public debt may total 75-76% of GDP at the end of 2016

If fiscal deficit for 2016 narrows to 2% of GDP and if the government increases borrowing, instead of using the existing government deposits, to finance the deficit in December; and if the revised projections for economic growth are achieved; and if the slight depreciation of dinar to euro exchange rate continues (by 0.5% by the end of the year); and if dinar to dollar exchange rate remains steady; and if the guaranteed debt does not rebound, Serbia's public debt (including the debt of local self-governments) may total 75-76% of GDP. Assumption of debt owed by some state-owned or socially-owned enterprises, or issuance of new guarantees on their debt, or borrowing in advance intended for covering fiscal deficit in 2017 (for example realization of the

Graph T6-6. Trends in Serbia's public debt (% GDP)



Source: *QM* calculation

loan granted by the UAE) will push public debt above the projected level. On the other hand, if the government deposits are used for this purpose, public debt will be lower than projected.

Public debt has been tackled, but it is still very large, and its key drivers have not been eliminated

Public debt at 75-76% of GDP at the end of 2016 will mean that the government managed to stabilize it in the second year of implementation of the fiscal consolidation programme. This would mean that the upward trend in public debt has been halted (it totaled 74.6% GDP at the end of 2015). Efficiency and pace of restructuring and/or privatisation of public and state owned enterprises will be crucial to the dynamics of public debt in the following period. The debt has been halted at a relatively high level compared to the level of development of Serbian economy (expenditures on interest payments of almost 3.5% of GDP speak in favoure of this statement). Economic policy should, therefore, be directed at reduction in public debt much below 60% of GDP in the following period. This goal can be achieved through further reduction in fiscal deficit down to 1% of GDP, and restructuring and/or privatisation of public and state owned enterprises.

Appendices

Annex 1. Serbia: Consolidated General Government Fiscal Operations, 2010-2016 (bn RSD)

	2010	2011	2012	2013	2014	2015					2016			
						Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q1-Q3
I PUBLIC REVENUES	**1,278.4**	**1,362.6**	**1,472.1**	**1,538.1**	**1,620.8**	**380.5**	**424.7**	**432.5**	**457.1**	**1,694.8**	**414.7**	**460.8**	**476.9**	**1,352.4**
1. Current revenues	1,215.7	1,297.9	1,393.8	1,461.3	1,540.8	379.5	422.7	430.6	454.8	1687.6	413.3	458.8	472.5	1344.6
Tax revenue	1,056.5	1,131.0	1,225.9	1,296.4	1,369.9	324.9	368.7	373.3	396.7	1463.6	353.2	405.0	405.3	1163.6
Personal income taxes	139.1	150.8	35.3	156.1	146.5	32.5	35.6	37.6	41.1	146.8	34.5	37.7	40.5	112.7
Corporate income taxes	32.6	37.8	54.8	60.7	72.7	13.0	25.9	11.5	12.2	62.7	13.3	31.1	18.1	62.6
VAT and retail sales tax	319.4	342.4	367.5	380.6	409.6	96.2	100.1	108.2	111.6	416.1	103.8	114.9	112.7	331.5
Excises	152.4	170.9	181.1	204.8	212.5	46.3	57.2	63.8	68.5	235.8	57.4	65.5	75.2	198.1
Custom duties	44.3	38.8	35.8	32.5	31.2	7.9	7.9	8.3	9.2	33.3	8.6	8.7	9.2	26.6
Social contributions	323.0	346.6	378.9	418.3	440.3	115.6	125.9	126.7	137.5	505.7	120.5	130.8	132.6	383.9
Other taxes	46.0	43.5	42.6	43.5	57.3	13.4	16.0	17.2	16.6	63.3	15.1	16.3	16.9	48.2
Non-tax revenue	159.2	36.9	37.9	34.9	170.9	54.6	54.1	57.3	58.1	224.0	60.1	53.8	67.1	181.0
II TOTAL EXPENDITURE	**-1,419.5**	**-1,526.1**	**-1,717.3**	**-1,750.2**	**-1,878.9**	**-401.7**	**-438.9**	**-448.3**	**-555.1**	**-1,844.0**	**-430.7**	**-463.1**	**-463.1**	**-1,356.9**
1. Current expenditures	-1,224.8	-1,324.8	-1,479.9	-1,549.8	-1,628.0	-383.8	-406.0	-410.4	-496.3	-1696.6	-403.9	-419.5	-416.4	-1239.7
Wages and salaries	-308.1	-342.5	-374.7	-392.7	-388.6	-98.8	-104.3	-103.1	-112.9	-419.2	-99.8	-104.6	-103.7	-308.1
Expenditure on goods and services	-202.5	-23.3	-235.7	-236.9	-256.8	-50.9	-58.8	-65.0	-82.8	-257.6	-57.5	-67.2	-68.4	-193.0
Interest payment	-34.2	-44.8	-68.2	-94.5	-115.2	-40.6	-32.7	-32.4	-24.2	-129.9	-45.9	-32.0	-31.6	-109.6
Subsidies	-77.9	-80.5	-111.5	-101.2	-117.0	-18.7	-23.8	-25.3	-66.9	-134.7	-18.0	-24.1	-20.4	-62.5
Social transfers	-579.2	-609.0	-652.5	-687.6	-696.8	-166.7	-173.8	-174.8	-194.6	-710.0	-171.9	-176.3	-178.3	-526.5
o/w: pensions5)	*-394.0*	*-422.8*	-473.7	-498.0	-508.1	-121.0	-122.8	-122.1	-124.3	-490.2	-122.1	-123.8	-123.2	-369.1
Other current expenditures	-22.9	-31.7	-37.4	-36.9	-53.7	-8.1	-12.5	-9.9	-14.8	-45.3	-10.7	-15.3	-13.9	-40.0
2. Capital expenditures	-105.1	-111.1	-126.3	-84.0	-96.7	-10.5	-23.8	-29.7	-50.5	-114.5	-17.4	-31.4	-37.5	-86.3
3. Called guarantees	-2.7	-3.3	-3.7	-7.9	-29.7	-6.9	-8.2	-7.5	-7.5	-30.1	-8.7	-11.2	-8.2	-28.1
4. Buget lendng	-30.0	-25.0	-38.2	-35.6	-55.4	-0.5	-0.9	-0.7	-0.7	-2.7	-0.6	-1.0	-1.0	-2.6
CONSOLIDATED BALANCE	**-141.0**	**-163.5**	**-245.2**	**-212.1**	**-258.1**	**-21.2**	**-14.2**	**-15.8**	**-98.0**	**-149.1**	**-16.0**	**-2.2**	**13.8**	**-4.5**

Source: *QM* calculations based on the MF data

Annex 2. Serbia: Consolidated General Government Fiscal Operations, 2010-2016 (real growth rates, %)

	2010	2011	2012	2013	2014	2015					2016			
						Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q1-Q3
I PUBLIC REVENUES	**-1.5**	**-4.6**	**0.6**	**-2.2**	**3.2**	**6.9**	**3.5**	**4.5**	**-1.4**	**3.1**	**7.4**	**7.8**	**9.2**	**8.2**
1. Current revenues	-1.5	-4.4	0.1	-2.6	3.3	6.8	3.3	5.3	-1.4	3.3	7.3	7.9	8.6	8.0
Tax revenue	-2.5	-4.1	1.0	-1.7	3.5	1.3	-1.1	1.6	-0.4	0.3	7.1	9.2	7.5	8.0
Personal income taxes	-3.9	-2.9	2.1	-12.2	-8.1	0.1	-0.3	0.2	-4.1	-1.2	4.5	5.2	6.8	5.6
Corporate income taxes	-3.6	3.9	35.1	2.9	17.4	-17.1	-14.5	-20.1	-8.7	-15.0	1.2	19.3	55.8	22.9
VAT and retail sales tax	-0.7	-4.0	0.0	-3.8	5.4	1.9	1.5	4.7	-6.2	0.2	6.4	14.1	3.2	7.8
Excises	4.2	0.6	-1.2	5.1	1.6	7.1	1.9	7.6	20.5	9.4	22.2	13.8	16.6	17.2
Custom duties	-14.9	-21.5	-14.0	-15.6	-6.5	9.1	4.0	4.9	5.9	5.9	7.4	9.6	10.2	9.1
Social contributions	-6.5	-3.9	1.9	2.6	3.1	-1.2	-3.0	-2.4	-1.8	-2.1	2.7	3.2	3.7	3.2
Other taxes	14.5	-15.2	-8.8	-5.2	29.2	24.1	9.9	12.4	-4.5	8.9	10.9	0.7	-2.8	2.4
Non-tax revenue	5.8	-6.1	-6.2	-8.7	1.5	58.8	49.0	37.9	-7.8	27.9	8.5	-1.1	15.9	8.0
II TOTAL EXPENDITURE	**-1.7**	**3.3**	**4.3**	**-0.3**	**5.2**	**-5.4**	**-3.8**	**-1.3**	**-2.6**	**-3.2**	**5.7**	**4.9**	**2.3**	**4.2**
1. Current expenditures	-2.2	3.1	4.1	-2.7	2.9	-4.5	-3.0	-2.6	3.6	-1.4	3.7	2.7	0.4	2.3
Wages and salaries	-5.9	0.4	2.0	-2.6	-3.1	-12.9	-11.3	-10.6	-4.1	-9.7	-0.4	-0.4	-0.4	-0.4
Expenditure on goods and services	-0.3	4.3	1.5	-6.6	6.2	-1.0	-0.8	6.3	-6.5	-1.1	11.3	13.5	4.2	9.4
Interest payment	-0.3	17.4	41.9	28.8	19.3	13.2	12.2	19.2	-1.5	11.2	11.6	-2.6	-3.4	2.7
Subsidies	40.6	7.4	29.1	-15.6	13.2	-4.1	-1.4	-10.6	43.3	13.6	-5.3	0.5	-20.0	-8.7
Social transfers	13.9	5.8	-0.1	-2.1	-0.7	-3.2	-0.9	-0.4	6.0	0.5	1.6	0.8	1.0	1.2
o/w: pensions5)	-3.9	3.9	*4.4*	*-2.3*	*-0.1*	*-4.1*	*-4.9*	*-6.0*	*-4.3*	*-4.8*	-0.5	0.2	-0.2	-0.1
Other current expenditures	-6.1	23.9	9.9	-8.4	42.6	-15.8	-2.4	-30.5	-16.6	-16.7	30.0	21.8	39.9	29.8
2. Capital expenditures	-11.8	5.3	6.0	-38.2	12.7	-25.4	-7.4	23.2	47.8	16.8	64.1	30.7	25.3	33.6
3. Called guarantees	-2.7	-3.3	-3.7	248.7	267.8	98.8	34.8	-9.7	-38.3	0.1	25.3	36.0	8.2	23.5
4. Buget lending	-30.0	-25.0	-38.2	44.2	52.2	-90.9	-85.2	126.3	-98.4	-95.1	27.7	19.9	43.7	29.6

Source: *QM* calculations based on the MF data