

## **The on-going report on execution of the federal budget for January – March 2012**

1. Execution of the federal budget in January - March 2012 was conducted in conditions of the **continuous economic growth**, preservation of the favorable conjuncture for main goods of Russian exports, decrease of the number of unemployed, **low rates of consumer prices growth**. At the same time there was a considerable **capital outflow** from the country. **Negative events**, occurred in the second part of 2011 and at the beginning of 2012 in the **world financial and economic system** confirm that the fundamental reasons, which laid behind the appearance of the crisis of 2008 – 2009, have not been removed completely until now.

2. **The inflation level** in March 2012 to compare with December 2011 was 1,5 % (in March 2011 to compare with December 2010 – 3,8 %), that is 4,5 percent points lower than the margin level, established for 2012. **There are risks of inflation increase** in the second part of 2012, due to planned increase of rates for the services of natural monopolies from 1 July of the current year (power supply, gas, heat energy and so on), as well as possible growth of prices for gasoline and diesel fuel after the period of their stabilization at the beginning of 2012.

3. **The total external debt** of the Russian Federation **has increased** by 20,1 billion of US dollars, or by 3,7 % and amounted 565,2 billion of US dollars, that is by 203,5 billion US dollars or by 56,3 % more than the international reserves without taking into consideration the funds of the Reserve fund and National Wealth fund; **the international reserves** without taking into consideration the funds of the Reserve fund and the funds of the National Wealth fund have **decreased** by 24,9 billion US dollars or by 6,5 % and amounted 361,7 billion US dollars.

4. **The state debt of the Russian Federation** on April 1, 2012 amounted **5,3 trillion rubles**, whereas the state internal debt amounted 4,3 trillion rubles, the state external debt – 1,0 trillion rubles accordingly. Herewith the expenditures for servicing of state debt for January – March 2012 amounted 111,4 billion rubles, that is 2,1 times more than summary expenditures of the federal budget for the reporting period for the environment protection, culture and cinematography, physical culture and sport, mass media.

5. **The volume of state debt of the subjects** of the Russian Federation and the debt of **municipal establishments** on April 2012 amounted **1368,4** billion rubles,

including the state debt of subjects of the Russian Federation – 1 163,9 billion rubles, the debt of municipal establishments – 204,5 billion rubles.

6. Before the beginning of financial year 63 normative acts, provided by the schedule of preparation of normative legal acts on January 1, 2012 (95,5 %) were adopted. On **April 1, 2012 71** normative legal acts or 91 % of acts, provided by the schedule of preparation of normative legal acts on the stated date were **approved and adjusted**. Herewith 7,3 % of normative legal acts were accepted with **non-compliance with the deadlines**, stipulated by the schedule of their preparation, from half of the month to 3 months.

7. In January – March 2012 the federal budget was executed with the **deficit** in the amount of **118,6 billion rubles**, herewith internal state **borrowings** in the amount of **174,2 billion rubles**, external – **0,4 billion rubles were effected**. The **balance** of the federal budget funds was increased from the beginning of the year by 549,7 billion of rubles and amounted **6 147,6 billion rubles**, and without the means of the Reserve fund, the means of the National Wealth fund and the funds of the federal budget on deposits – by 220,9 billion rubles and amounted **1 651,9 billion rubles**.

8. **The revenues** of the federal budget for January – March 2012 were executed in the amount of **2 963,6 billion rubles**, that is by 570,8 billion rubles (or by 23,9 %) **more than the level of the corresponding period of 2011**, also including oil and gas revenues - 1 544,9 billion rubles and in comparison with 2011 increased by 410,7 billion rubles or by 36,2 %. There is still a considerable **aggregate indebtedness** to the budgetary system of the Russian Federation, relating to taxes and fees, which are administrated by the Federal Tax Service of the Russian Federation, penalties and fines on them on April 1, 2012 amounted **1 086,2 billion rubles**, the arrears increased by 29,7 billion rubles (by 9,8 %) and amounted **332,2 billion rubles**.

9. **The expenditures** of the federal budget for January – March 2012 were executed in the amount of **3 082,2 billion rubles** or **24,4 %** of budgetary appropriations, stipulated by law and 24,3 % of indicator of the consolidated budget list, taking into consideration the amendments and **exceeded the similar indicator for the last 11 years**. Herewith the level of execution of the budgetary appropriations, stipulated by law amounts from 8,6 % on the item “housing and utilities sector” to 34,1 % on the item “Education”. Below the average level the expenditures of the federal budget on 6 items of classification of the expenditures were executed. In January – February 2012 **at low level (9,3 %) the expenditures for state contracts for the purchase of the goods, works, services for state**

**purposes** were executed. The execution of stated expenditures **on 13 chief executors** amounted **less than 1 %**.

10. **Budgetary appropriations of the budget list** on April 1, 2012 amounted 12 703,7 billion rubles, that is by **47,3 billion rubles** or by 0,4 % **more than the expenditures, stipulated by law**. Taking into consideration the amendments, introduced by consolidated budget list, the budgetary appropriations were increased for 8 items of classification of expenditures and decreased for 3 items.

11. The cash **execution** of expenditures for **inter-budgetary transfers** to the budgets of subjects of the Russian Federation for January – March 2012 amounted **393,2 billion rubles** or **30,9 %** of the annual volume (1 274,1 billion rubles), calculated on the basis of budgetary appropriations, stipulated by law.

12. With regards to chief administrators, on **80** of them (74,1 % of total amount) the expenditures were executed **below the average level** (24,3 % of the indicator of consolidated list with amendments), from them on **11** (10,2 %) – **less than 10%**. On 9 chief administrators (8,3 %) execution of expenditures amounted more than 40 % of indicator of consolidated list with amendments, from them on 4 (3,7 %) – more than 50 %.

13. In January – March 2012 the cash execution of expenditures for implementation of the **Federal Target Programmes** amounted **12 %** of budgetary appropriations, stipulated by law and indicator of consolidated list with amendments (public part). Herewith the cash execution of expenditures **was not effected in case of 10 Federal Target Programmes** (18,2 % of the total amount).

14. The execution of expenditures for **Priority National Projects** amounted **74,5 billion rubles** or **24 %** of budgetary appropriations, stipulated by law and indicator of consolidated list with amendments, that is below the average level of execution of the federal budget expenditures by 0,4 percent point.

15. As of April 1, 2012 the **total amount of funds of the Reserve fund** was **1 826,6 billion rubles** and increased to compare with the beginning of the year by 1 015,1 billion rubles (2,3 times), the amount of funds of the **National Wealth fund** – **2 624,8 billion rubles** and decreased by 169,6 billion rubles (by 6,1 %) correspondently.