

## **The on-going report on execution of the federal budget for January – June 2013**

On July 19, 2013 the Board of the Accounts Chamber has approved the on-going report on the process of the federal budget execution for January – June 2013, in which it is stated that the measures, taken by the Government of the Russian Federation, have positively affected social and economic development of the Russian Federation and the level of the federal budget execution.

So, there was an increase in real disposable money income of the population and the average amount of assigned monthly pensions. The revenues of the federal budget exceeded the corresponding period of 2012 and amounted 6,3 trillion rubles, or 48,6 % of the year forecast. The federal budget was executed with surplus in the amount of 318 bln. rubles with the deficit, approved by legislation for 2013 in the amount of 521,4 bln. rubles.

The expenditures for national priority projects were executed above the average level, herewith as regards to the National Priority Project «The Health», the execution amounted 64,7 %, that is connected with transfer of subsidies for provision of high-technology medical care to the population. Within the framework of implementation of the National Priority Project «Affordable and Comfortable Housing to the citizens of Russia» in full scale subventions were transferred for provision of housing to handicapped persons and practically in full scale expenditures were executed for the activities aimed at provision of housing to the veterans of the Great Patriotic War.

However, there are still several problems, which require special attention of the Government of the Russian Federation.

The slowing of economic growth in Russia, lower level of world prices for the Urals oil to compare with corresponding period of the previous year, increased inflation level in the economy, relatively low banking sector activity and considerable capital outflow from the country amid continuing crisis developments in euro-zone, create risks for the budgetary system of the country and require implementation of measures aimed at development of the economic growth model, the investment climate improvement. It is necessary to approve additional measures also in the sphere of further reforming of budgetary process, reduction of budgetary dependence on the revenues, stipulated by conjuncture.

The execution of the overall volume of expenditures amounted 5,9 trillion rubles, that is lower to compare with the similar indicator for 2012 by 1,4 percent point. The execution of expenditures on divisions of budgetary classification was effected unequally: from 32,5 % of annual appropriations under the division “Culture, Cinematography” to 53,7 % under the division “National defense”. A substantial part of the ministries and departments unsatisfactory executed the budgetary appropriations. During the period of January – May 2013 expenditures on Federal Target Programs amounted only 20,1%, expenditures on 6 Federal Target Programs were not executed at all. At a low level were executed expenditures on a number of Federal Target Programs, aimed at social and economic development of the territories: on the Federal Target Program of development of the Kaliningrad region until 2015 the execution was only 3,5 %, on the Federal Target Program «Social and economic development of the Kuril islands (the Sakhalin region) for 2007 – 2015» - 7,4 %.

There was a continuing growth of aggregate external debt of the Russian Federation; the aggregate debt of subjects of the Russian Federation and municipal formations was remaining at a considerably high level.

The Board has taken decision to present the on-going report to the Chambers of the Federal Council and the analytical note on the process of the federal budget execution for January – June 2013 to the Chairman of the Government of the Russian Federation D.A.Medvedev.