

## SUMMARY

### **Conclusion of the Accounts Chamber of the Russian Federation on the draft federal law "On the federal budget for 2013 and for the planned period 2014 and 2015" (key provisions)**

1. The Conclusion of the Accounts Chamber of the Russian Federation on the draft federal law "On the federal budget for 2013 and for the planned period 2014 and 2015" (further – the Conclusion) was prepared in accordance with the Budget Code of the Russian Federation, Federal Law "On the Accounts Chamber of the Russian Federation" and other legislative acts of the Russian Federation.
2. During preparation of the Conclusion the Accounts Chamber of the Russian Federation (further – the Accounts Chamber) took into consideration the provisions, formulated in the Budget Address of the President of the Russian Federation to the Federal Assembly of the Russian Federation of June 28, 2012 on the budget policy in 2013 - 2015, Decrees of the President of the Russian Federation of May 7, 2012, key directions of the budget and tax policy for 2013 - 2015, the Concept of the long-term social and economic development of the Russian Federation till 2020.
3. The macroeconomic conditions of elaboration of the forecast of social and economic development of the Russian Federation for 2013 and for the planned period 2014 and 2015 are characterized by continuing economic growth, further decrease in the number of unemployed, taking into account the unstable condition of the world economy, which provides preservation of the capital outflow from the country, high volatility of the exchange rate dynamics of the ruble against the US dollar with the overall tendency to its weakening, as well as decrease of growth rates in separate sectors of the economy.
4. In 2013 – 2015 there are risks of decrease of prices for the Urals oil and natural gas at the world markets due to possible slowdown of growth or recession of the world economy; non-achievement of the forecasted parameters of volume and growth rates of GDP, also due to possible difficulties, related to attraction of financial resources for provision of the planned increase of internal demand; deviation of the ruble rate against the US dollar from the forecasted levels, connected with the instability of the world economy and financial markets; the risks of non-achievement of the forecasted growth of investment activity due to maintenance of high dependence of the investments in the fixed assets on the dynamics of investments of fuel and energy and transport complexes, as well as the targeted levels of inflation, connected with possible increase of prices for food at the world markets and increase of prices and tariffs for the products (services) of infrastructure monopolies above the forecasted level; the risks of possible decrease of the competitiveness of the domestic products in the situation of functioning of the country within the framework of the rules and regulations of the World Trade Organization.
5. The forecasted volumes of investments in the fixed capital could be insufficient for settlement of the tasks, set by the President of the Russian Federation, aimed at modernization, technical re-equipment and transition of the economy to the innovative path of development. Basic production assets to a large extent are physically out of date, and the process of their renewal is going very slowly. Besides the main part of investments is forwarded not to the high-technology spheres, but to the spheres, connected with production of goods with low share of added value.
6. The share of mineral products and metals in the exports structure remains at a high level, that, in fact, confirms the raw-oriented exports and doesn't promote diversification of production and increase of the export ratio of production with high added value.

7. An excess of the forecasted growth rates of the physical volumes of imports of goods over the dynamics of the physical volumes of exports of goods in 2013 – 2015 leads to decrease of the surplus of the balance of trade. As a result it is forecasted a negative figure of the balance on current account in 2015 (9,0 – 12,0 billion US dollars), that can lead to risks for the stable social and economic development in the middle-term and long-term perspective.
8. The relatively moderate dynamics of real money income of the population, proposed in the forecast, doesn't still promote more active decrease of the quantity of population with the money income below the subsistence minimum.
9. The defining characteristics of the draft law are the following: planned introduction from 2013 of new budgetary regulations in the part of usage of oil and gas revenues of the federal budget; decrease of revenues, expenditures and deficit of the federal budget in percentage to GDP; increase of social expenditures for different directions of the social sphere; growth of the volumes of inter-budgetary transfers, forwarded from the federal budget for covering of the deficit of the Pension Fund of the Russian Federation; increase of expenditures for national defense; growth of state borrowings and guarantees, receipts of funds from privatization, increase of expenditures for the state debt servicing.
10. The decrease of the federal budget revenues to GDP from 20,7 % in 2012 to 18,8 % in 2015 is stipulated by the decrease of the volumes of oil and gas revenues to the budget and shows that it is necessary to conduct complex long-term measures aimed at diversification and development of tax base of the federal budget.  
The main part of the federal budget expenditures in 2013 – 2015 will consist of revenues from payment of the Value Added Tax, customs duties and mineral extraction tax.
11. The share of expenditures of the federal budget in GDP decreases in 2015 to compare with 2012 to 18,8 % from 20,9 %. In real terms the overall volume of expenditures to compare with the previous period in 2013 will decrease by 0,2 %, in 2014 – by 0,5 %, in 2015 will increase by 2,5 %.
12. In the structure of the total volume of the federal budget expenditures the first place belongs to expenditures for social policy (in 2013 – 29,6 %; in 2014 – 29,0 %; in 2015 – 29,2 %), the second place belongs to expenses for national defense (in 2013 – 16,0 %; in 2014 – 17,6 %; in 2015 – 19,7 %), the third place belongs to national security and law enforcement activities (in 2013 – 15,2 %, in 2014 – 14,9 %, in 2015 – 13,6 %), which will be ahead of the expenditures for the national economy (2013 - 13 %, 2014 - 12,3 %, 2015 - 11,3 %).
13. The federal budget deficit is planned to reduce from 521,4 billion rubles (0,8 % to GDP) in 2013 to 10,8 billion rubles (0,01 % to GDP) in 2015.
14. In the sources of financing of the federal budget deficit are provided considerable internal borrowings: in 2013 in the amount of 1 213,2 billion rubles, in 2014 – 842,2 billion rubles and in 2015 – 1 114,8 billion rubles, as well as funds from privatization in the amount of 427,7 billion rubles, 330,8 billion rubles and 595,1 billion rubles correspondently, which considerably exceed the deficit of the federal budget. At the same time in the sources of financing of the federal budget deficit is provided the refilling of the Reserve fund in 2013 in the amount of 373,4 billion rubles, in 2014 – 596,3 billion rubles and in 2015 – 818,6 billion rubles.

15. The volume of the state debt of the Russian Federation (further – the state debt) will increase from 8 746,7 billion rubles (13,1 % to GDP) in 2013 to 11 146,7 billion rubles (13,4 % to GDP) in 2015, including also state internal debt – from 6 600,6 billion rubles (9,9 % to GDP) to 8 313,7 billion rubles (10 % to GDP) correspondently, the level of which 1,5 times exceeds the level for 2012 (5 462,1 billion rubles), stipulated by legislation.  
The level of state external debt will increase from 66,2 billion US dollars (2 146,1 billion rubles or 3,2 % to GDP) in 2013 to 83,8 billion US dollars (2 833,0 billion rubles or 3,4 % to GDP) in 2015.
16. The expenditures for servicing of the state debt will increase from 383,3 billion rubles in 2012 to 508,0 billion rubles in 2015. The volume of the indicated expenditures will considerably exceed the budgetary appropriations, which will be allocated in 2015 for public utilities sector, protection of environment, culture, cinematography, physical culture and sports, mass media (327,6 billion rubles), healthcare (373,1, billion rubles) and are comparable with the expenditures for education (591,9 billion rubles).
17. In 2013 – 2015 is forecasted the annual increase of revenues and expenditures of consolidated budgets of the subjects of the Russian Federation. In 2015 the revenues and expenditures of the stated budgets will increase to compare with 2012 by 35,7 % and 35,2 % correspondently. The execution of consolidated budgets of the subjects of the Russian Federation in 2013 is forecasted with deficit in the amount of 120,8 billion rubles (0,18 % to GDP) and in 2014 - 86,0 billion rubles (0,12 % to GDP), for 2015 their execution is totally forecasted without deficit.  
The increase in revenues of the consolidated budgets of the subjects of the Russian Federation is provided by means of rise of receipt of tax and non-tax revenues, with simultaneous decrease of volume of inter-budget transfers, granted from the federal budget. In 2015 the volume of inter-budgetary transfers to compare with 2012 will decrease by 14,9 %.
18. In the situation of limitation of budget expenditures in accordance with the budgetary rules, the actuality of the system of measures, connected with necessity to modernize the management of public finances is increasing, in the first turn with the aim to increase the efficiency of budget expenditures and budget discipline, increase of control over usage of state funds.  
In accordance with the opinion of the Accounts Chamber it is vital to prepare a complex of measures aimed at development of the revenue potential of the budgetary system of the Russian Federation in the volumes, which could provide long-term balance and sustainability of the budgetary system.
19. On the basis of the abovementioned the Accounts Chamber considers it is necessary to take into account the remarks and proposals of the Conclusion during consideration of the draft law by the State Duma.