

STATE BUDGET EXECUTION 2011

BULLETIN

9

SEPTEMBER



**HELLENIC REPUBLIC
MINISTRY OF FINANCE
GENERAL ACCOUNTING OFFICE
BUDGET DIRECTORATE**

STATE BUDGET EXECUTION 9 MONTHS - JANUARY - SEPTEMBER 2010 - 2011
 (Fiscal basis - in mio €)

	2010	2011	Change 9 / Months 11/10 (3=2:1)	2011	2010	2011	2011	Annual change 11/10 (8=7:5)
	9 / Months (1)	9 / Months (2)		9 / Months new target (4)	Annual Outcome* (5)	MTFS ** (6)	Preliminary Draft Budget Estimates *** (7)	
Ordinary Budget								
1. Net Revenue(a+b-c)	36.507	34.980	-4,2	34.974	51.187	54.042	51.582	0,8
a. Revenue before Tax Refunds	39.758	38.898	-2,2	38.889	56.156	57.802	56.242	0,2
b. NATO revenue	8	23		25	13	40	40	
c. Tax refunds	3.259	3.942	20,9	3.940	4.982	3.800	4.700	-5,7
2. Expenditures (a+b+c+d+e+f)	49.067	52.488	7,0	52.475	66.432	70.225	69.912	5,2
a. Primary expenditure ****	36.757	37.807	2,9	37.798	51.649	52.009	51.799	0,3
b. Transfers to hospitals for the settlement of part of their past debt *****	300	434	44,7	434	375	450	450	19,9
c. NATO expenditure (from special revenues)	8	6	-23,0	5	23	40	40	73,9
d. Military procurement programmes	247	176	-28,7	174	1.017	1.500	1.100	8,2
e. Guarantees called to bodies classified outside the General Government *****	104	32	-69,4	33	145	224	224	54,3
f. Interest payments	11.652	14.033	20,4	14.031	13.223	16.002	16.300	23,3
Public Investment Program (P.I.B.)								
3. Revenue	1.348	1.877	39,2	1.878	3.072	3.925	3.322	8,1
4. Expenditure	5.438	3.532	-35,1	3.619	8.447	7.550	7.550	-10,6
5. State Budget Deficit (1-2+3-4)	16.650	19.163	15,1	19.242	20.620	19.808	22.558	9,4

* According to the latest published data.

** According to the data published in the Medium Term Financial Strategy.

*** According to the Preliminary Draft Budget submitted in the Parliament for the year 2012.

**** Not included in the year 2010, advance payments to LG's of amount 433 mil Euro, which were disbursed in the year 2009 and were included in the deficit formulation of the year 2009.

***** This amount does not affect the deficit of the current year 2011 because, according to the implemented ESA 95 methodology, it was included in the deficit of the respective years when it was created.

***** Data concerning guarantees called were not published in the corresponding budget execution bulletins of 2010.

RECEIPTS - PAYMENTS NOT INCLUDED IN THE TABLE ABOVE

Receipts	0	952		0	952	952
- Revenue from Financial Transactions	0	952		0	952	952
Payments	732	6.308		4.251	9.045	8.847
- Expenditure by special bond issuance (Social Security Funds, repayment of unsettled hospital liabilities, etc.)	0	4.152		1.549	4.600	4.320
- Tax refunds by special bond issuance	0	0		315	0	0
- Capital payments to the Financial Stability Fund	0	0		1.500	2.000	2.000
- participation in the share capital increase of various enterprises	0	1.217		60	1.200	1.270
- Guarantees called to bodies classified inside the General Government *	732	939		827	1.245	1.257
TOTAL STATE BUDGET RECEIPTS	37.856	37.809		54.259	58.919	55.856
TOTAL STATE BUDGET PAYMENTS	55.237	62.328		79.130	86.820	86.309
TOTAL BORROWING REQUIREMENTS *	17.382	24.519		24.871	27.901	30.454

* Total funding needs do not coincide with the total borrowing requirements of the state budget, because they include payments reciprocal to receipts of General Government bodies, thus they do not affect General Government balance.

According to the preliminary data available for the execution of the State Budget for the nine months January – September, on a fiscal basis, the deficit amounts to 19,163 million Euros compared to the new target of 19,242 million Euros set in the Preliminary Draft Budget submitted in the Parliament for 2012. During the same period in 2010, the State Budget deficit amounted to 16,650 million Euros.

On State Budget (Ordinary and Public Investment Budget), expenditures are lower than the new target by 74 million Euros while State Budget total revenues (Ordinary and Investment Budget) are increased by 5 million Euros.

In particular, on a nine month basis (January – September), net revenues amounted to 34,980 million Euros and they are declining by 4.2% comparing to the respective period of 2010 and restricting the shortfall (5.3%) in the first eight months of 2011. The revenue shortfall can be mainly attributed to the larger than projected recession – during the period when the Budget was being prepared – in the last quarter of 2010, the reduced receipts from withholding personal income tax in 2011 due to the more favourable tax treatment of personal income as a result of the new tax law and the income reduction, and finally, the increased tax refunds due to the clearing of past years' obligations.

The revenues from the Public Investment Budget increased by 39.2% or 529 million Euros vis-à-vis the nine months of 2010.

It is noted that the current revenue shortfall is expected to be tackled during the next three months, based on the anticipated performance of the tax regulations included in the implementing Law of the Medium Term Financial Strategy 2011-2015.

Furthermore, It should be noted that the report on the execution of the State Budget provides revenue data for the nine months of 2011 on a cash basis. The total level of revenues for 2011, on a national account basis however, is calculated based on the course of revenues in the first two months of 2012 also, while part of the revenues for the first months of 2011 contribute to the calculation of 2010 revenues on a national accounts basis.

Ordinary budget expenditures increased by 7.0% compared to the same period of 2010. This increase is mainly due to:

- the increased interest expenditures by 2,381 million Euros,
- the increased grants to Social Security Funds as a result of the reduced receipts from social security contributions by 1,862 million euros,
- the increased grant to Employment Agency (OAED) for the payment of unemployment benefits by 306 million Euros and
- to hospitals by 834 million euros (700 million euros for the year's 2011 procurements expenditure and 134 million euros for the settlement of past years obligations from procurement).

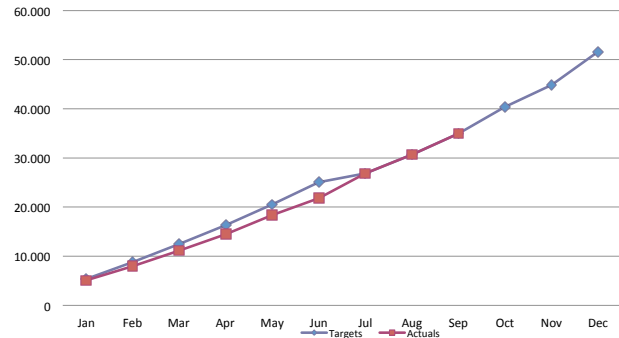
In particular, primary expenditures increased by 2,9% or 1.050 million Euros during the same period, mainly due to the increased grants to Social Security Funds (primary to the Agricultural Insurance Organization – OGA by 471 million Euros and to the Wage Earners Fund – IKA by 1,307 million Euros), to OAED by 306 million Euros and to hospitals by 700 million Euros.

Moreover, Public Investment Budget (P.I.B.) expenditures declined by 35.1% or 1,906 million Euros.

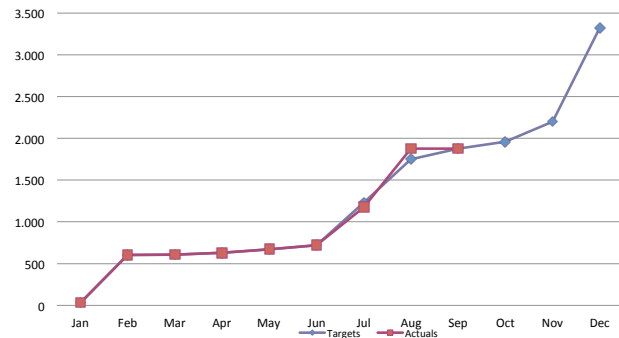
It should be noted that the above data correspond to the execution only of the State Budget and thus do not reflect all fiscal data that are taken into account when measuring the General Government deficit according to the ESA95 (Eurostat's) classification, which is the benchmark for the assessment of the Economic Policy Programme.

STATE BUDGET EXECUTION 7 MONTHS - JANUARY - JULY 2011

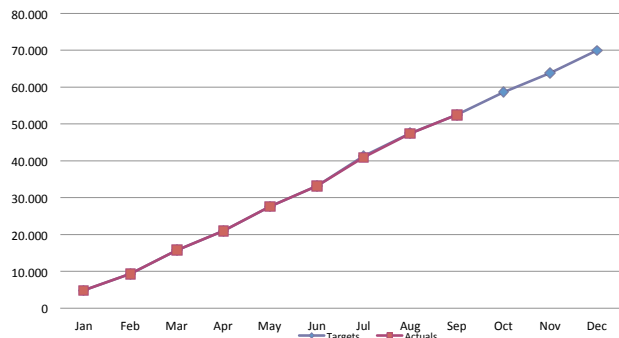
Ordinary Budget Net Revenues (Targets - Actuals)



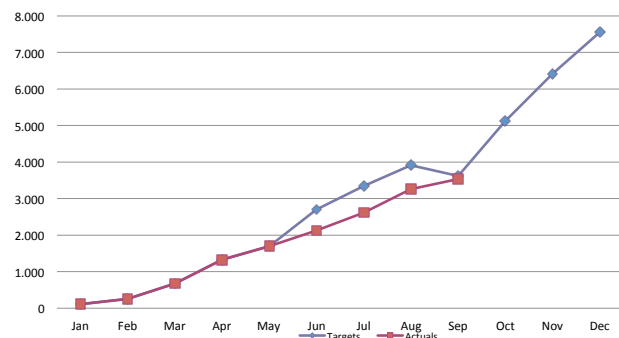
Public Investment Budget Revenues (Targets - Actuals)



Ordinary Budget Expenditure (Targets - Actuals)



Public Investment Budget Expenditure (Targets - Actuals)



State Budget Deficit (Targets - Actuals)

