

6

JUNE



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

STATE BUDGET EXECUTION 6 MONTHS - JANUARY - JUNE 2010 - 2011
(Fiscal basis - in mio €)

	2010	2011	Change 6 / Months 11/10 (3=2:1)	2011	2010	2011	Annual change 11/10 (7=6:5)
	6 / Months (1)	6 / Months (2)		6 / Months Target (4)	Annual Outcome* (5)	Budget Estimates ** (6)	
Ordinary Budget							
1. Net Revenue(a+b-c)	23.796	21.818	-8,3	25.081	51.187	55.560	8,5
a. Revenue before Tax Refunds	26.062	24.514	-5,9	26.759	56.156	59.320	5,6
b. NATO revenue	3	19		7	13	40	207,7
c. Tax refunds	2.269	2.715	19,7	1.685	4.982	3.800	-23,7
2. Expenditures (a+b+c+d+e+f)	30.483	33.155	8,8	31.880	66.432	70.788	6,6
a. Primary expenditure ***	24.506	25.617	4,5	23.928	51.649	52.633	1,9
b. Transfers to hospitals for the settlement of part of their past debt ****	0	429		367	375	450	19,9
c. NATO expenditure (from special revenues)	4	2	-48,3	10	23	40	73,9
d. Military procurement programmes	177	78	-56,1	878	1.017	1.600	57,3
e. Guarantees called to bodies classified outside the General Government *****	65	21	-67,6	59	145	145	0,0
f. Interest payments	5.731	7.009	22,3	6.638	13.223	15.920	20,4
Public Investment Program (P.I.B.)							
3. Revenue	384	721	87,7	475	3.072	3.922	27,7
4. Expenditure	3.695	2.131	-42,3	4.050	8.447	8.500	0,6
5. State Budget Deficit (1-2+3-4)	9.997	12.747	27,5	10.374	20.620	19.806	-3,9

* According to the latest published data.

** According to the data published in the Budget for the year 2011.

*** 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	0			0	0
- Other receipts	0	0			0	0
Payments	236	5.713			4.251	3.522
- Expenditure by special bond issuance (Social Security Funds, repayment of unsettled hospital liabilities, etc.)	0	4.152			1.549	420
- Tax refunds by special bond issuance	0	0			315	0
- Capital payments to the Financial Stability Fund	0	0			1.500	2.000
- participation in the share capital increase of various enterprises	0	1.178			60	51
- Guarantees called to bodies classified inside the General Government *****	236	383			827	1.051
TOTAL STATE BUDGET RECEIPTS	24.181	22.539			54.259	59.482
TOTAL STATE BUDGET PAYMENTS	34.414	40.999			79.130	82.810
TOTAL BORROWING REQUIREMENTS *****	10.233	18.459			24.871	23.328

***** 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 data available for the execution of the State Budget for the six months January – June 2011, on a fiscal basis, the deficit amounts to 12,747 million Euros compared to the target of 10,374 million Euros set in the 2011 Budget. During the same period in 2010, the State Budget deficit amounted to 9,997 million Euros.

On State Budget (Ordinary and Public Investment Budget), expenditures are lower than the budget target (35,930 mil. Euros) by 644 million Euros while State Budget total revenues (Ordinary and Investment Budget) have a shortfall by 3,016 million Euros compared to the budget target (25,556 mil. Euros).

In particular, on a six month basis (January – June), net revenues amounted to 21,818 million Euros and they are declining by 8.3% comparing to the respective period of 2010. 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, lower receipts from vehicle's circulation fees by 393 million Euros in January 2011 (because the due date for payment was not extended into January 2011, as in 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, the non – attribution from the Credit Institutions of the State's entitlement (10%) on the value of their preferred shares, due to the shifting of their Shareholders General Assembly Meetings and, finally, the increased tax refunds due to the clearing of past years' obligations.

On the other hand, revenues from the Public Investment Budget increased by 87.7% or 337 million Euros vis-à-vis the six months of 2010.

It is noted that the current revenue shortfall is expected to be tackled during the next six 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 six 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 8.8% compared to the same period of 2010. This increase is mainly due to:

- the increased interest expenditures by 1,277 million Euros,
- the increased grants to Social Security Funds as a result of the reduced receipts from social security contributions by 1,280 million euros,
- to the Employment Agency (OAED) for the payment of unemployment benefits by 348 million Euros and
- to hospitals by 935 million euros (506 million euros for the year's 2011 procurements expenditure and 429 million euros for the settlement of past years obligations from procurement).

In particular, primary expenditures increased by 4.5% or 1,111 million Euros during the same period, mainly due to the increased grants to Social Security Funds (primary to the Agricultural Insurance Organization – OGA by 371 million Euros and to the Wage Earners Fund – IKA by 867 million Euros), to OAED by 348 million Euros and to hospitals by 506 million Euros.

Moreover, Public Investment Budget (P.I.B.) expenditures declined by 42.3% or 1,563 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 of Greece.

Fiscal Year 2011
 Ordinary Revenue State Budget Execution
 (in mio €)

S/N	Revenue Category	January - May	June	6 / Months Total	Budget Estimates \1	Percentage of 6 Months Revenues / Budget Estimates
		(1)	(2)	(3)	(4)	(5)=(3)/(4)
	Ordinary Budget					
A.	Recurring Revenue (I+II+III+IV)	19.962	3.863	23.825	57.520	41,4%
I	Direct Taxes	6.864	1.518	8.382	20.880	40,1%
1.	Income Tax	4.207	1.188	5.395	14.820	36,4%
	<i>Personal Income Tax</i>	2.783	678	3.461	10.600	32,6%
	<i>Corporate Income Tax</i>	737	302	1.038	2.800	37,1%
	<i>Other</i>	687	209	896	1.420	63,1%
2.	Property Taxes	173	26	198	910	21,8%
3.	Direct Tax Arrears	1.065	122	1.187	2.700	44,0%
4.	Other Direct Taxes	1.420	182	1.602	2.450	65,4%
II	Indirect Taxes	11.474	2.120	13.594	31.980	42,5%
1.	Transaction Taxes	7.704	1.242	8.947	19.290	46,4%
1.1	V.A.T.	7.374	1.158	8.532	18.030	47,3%
	<i>Fuel</i>	1.268	208	1.477	2.410	61,3%
	<i>Tobacco</i>	290	66	356	972	36,6%
	<i>Other</i>	5.815	884	6.699	14.648	45,7%
1.2	Other Transaction Taxes	331	85	415	1.260	33,0%
	<i>(Capital Transfers)</i>	221	47	268	828	(32,3%)
	<i>(Stamp Duty)</i>	109	38	147	432	(34,1%)
2.	Consumption Taxes	3.489	815	4.305	11.640	37,0%
2.1.	On Insurance Premiums	101	97	198	410	48,3%
2.2.	On Vehicles	46	13	59	285	20,8%
2.3.	Excise Tax on Fuel	1.823	397	2.220	5.240	42,4%
2.4.	Other Excise Taxes (Tobacco, etc)	1.255	272	1.528	3.911	39,1%
2.5.	Road duties	111	4	115	1.212	9,5%
2.6.	Other Consumption Taxes	153	31	184	582	31,7%
3.	Indirect Tax Arrears	142	35	177	530	33,4%
4.	Other Indirect Taxes	139	27	165	520	31,8%
	<i>(For E.U.)</i>	82	14	95	230	(41,5%)
	Total Tax Revenue (I+II)	18.339	3.638	21.976	52.860	41,6%
III	Drawings From E.U.	71	4	75	340	22,1%
IV	Other Non - Tax Revenue	1.552	221	1.773	4.320	41,0%
	Total Non - Tax Revenue (III+IV)	1.623	225	1.848	4.660	39,7%
B.	Non Recurring Revenue	630	78	709	1.840	38,5%
I	Revenue of incorporated off-budget accounts	520	50	570	1.157	49,3%
II	Liquidity Support Plan Proceeds	92	27	119	643	18,5%
III	NATO income	18	2	19	40	47,8%
C.	Total Revenue (A+B)	20.592	3.941	24.533	59.360	41,3%
D.	Tax Refunds	2.234	482	2.715	3.800	71,5%
E.	Total Net Revenue (C-D)	18.358	3.460	21.818	55.560	39,3%
	Public Investment Budget					
	E.U. Flows	612	31	644	3.722	17,3%
	Own Resources	61	17	78	200	38,8%
	Total	673	49	721	3.922	18,4%
	State Budget Total Revenue	19.031	3.508	22.539	59.482	37,9%

\1 According to the data published in the Budget for the year 2011.

Fiscal Year 2011
 STATE BUDGET EXECUTION
 Ordinary Budget Expenditure per Body
 (in mio €)

S/N	Bodies	January - May (1)	June (2)	Total 6 - Months (3)	Budget Estimates / 1 (4)	Percentage of 6 - Month Expenditure / Estimates (5)=(3)/(4)
1	Presidency of The Hellenic Republic	2	0	2	5	37,9%
2	Hellenic Parliament	54	13	68	198	34,1%
3	Ministry of Interior, Decentralisation and E-government	2.119	323	2.442	4.923	49,6%
4	Ministry of Foreign Affairs	116	9	125	356	35,2%
5	Ministry of National Defence	1.133	250	1.384	4.955	27,9%
6	Ministry of Health and Social Solidarity	2.301	788	3.089	6.992	44,2%
7	Ministry of Justice, Transparency and Human Rights	267	53	320	732	43,7%
8	Ministry of Education, Lifelong Learning and Religious Affairs	2.336	476	2.812	6.283	44,8%
9	Ministry of Culture and Tourism	141	36	177	525	33,7%
10	Ministry of Finance (not including General Governmental Expenditures)	372	71	443	920	48,1%
11	General Governmental Expenditures \2	44.107	4.374	48.482	75.747	64,0%
12	Ministry of Rural Development and Food	283	78	361	1.055	34,2%
13	Ministry of Environment, Energy and Climate Change	73	18	91	224	40,6%
14	Ministry of Labour and Social Security	7.008	1.223	8.231	13.072	63,0%
15	Ministry of Regional Development and Competitiveness	31	6	37	118	31,2%
16	Ministry of Infrastructure, Transport and Networks	330	77	407	839	48,5%
17	Ministry of Maritime Affairs, Islands and Fisheries	679	146	825	1.551	53,2%
18	Ministry of Citizen Protection	654	136	790	1.944	40,7%
	Total	62.006	8.079	70.085	120.439	58,2%

\1 According to the data published in the Budget for the year 2011.

\2 Including expenditure such as Public sector pensions, Payments to EU, Interest payments, Amortization payments, etc.

Fiscal Year 2011
 STATE BUDGET EXECUTION
 Ordinary Budget Expenditure by Category
 (in mio €)

Expenditure Category		January - May	June	Total 6 -	Budget	Percentage of 6 -
		(1)	(2)	Months	Estimates / 1	Month
		(1)	(2)	(3)	(4)	Expenditure /
		(1)	(2)	(3)	(4)	Estimates /
		(1)	(2)	(3)	(4)	(5)=(3)/(4)
A'	Salaries & Pensions (1+2+3)	8.923	1.820	10.743	21.593	49,8%
1	Salaries & Pensions of central government personnel	7.703	1.539	9.241	18.443	50,1%
	Wages	4.705	934	5.639	11.294	49,9%
	Salaries	2.657	535	3.192	6.258	51,0%
	Hourly - waged teacher's fees	0	1	1	33	1,7%
	Other allowances	81	24	104	327	31,8%
	Productivity bonus financed by incorporated off-budget accounts	261	46	306	532	57,6%
2	Salaries for hospital personnel and other government bodies	1.220	281	1.501	3.099	48,4%
	Salaries for hospital personnel	987	196	1.183	2.250	52,6%
	On Call duty of Hospital Personnel (Doctors)	137	28	165	400	41,3%
	Other allowances for Hospital Personnel	6	37	42	153	27,8%
	Welfare institutions, clergy and other government bodies	90	20	111	296	37,4%
	Subsidies to Local Governments for part-time employment, Citizen Service Centres, etc.	0	0	0	1	0,0%
3	New recruitment	0	0	0	50	0,0%
B'	Grants to Social Security Funds, Medical Care, Social Protection (4+5+6+7)	7.547	1.654	9.201	16.052	57,3%
4	Medical Care	578	3	582	1.312	44,3%
5	Grants to social security funds	5.623	1.040	6.663	10.500	63,5%
	Insurance Fund for the Agricultural Sector	2.268	420	2.688	4.600	58,4%
	Wage Earners' Fund	1.750	350	2.100	2.310	90,9%
	Seamen's Pension Fund	555	120	675	1.200	56,2%
	Insurance Fund of the Self Employed	530	100	630	800	78,8%
	Insurance Fund for the personnel working in Telecommunications Organisation	310	50	360	600	60,0%
	Social Funding	210	0	210	400	52,5%
	Other Social Security Funds	0	0	0	29	0,0%
	Other Social Insurance Expenditures	0	0	0	561	0,0%
6	Other Health Expenditures	193	312	506	1.200	42,1%
7	Social Protection	1.153	298	1.451	3.041	47,7%
	Complementary pension allowance ("EKAS" - except retired from Public Sector)	432	117	549	940	58,4%
	Allowances to families with many children	263	110	373	675	55,3%
	Grant to Intergenerational Solidarity Fund	0	0	0	606	0,0%
	Grant to Manpower Employment Agency ("OAED")	409	70	479	500	95,9%
	Other social protection income support	48	1	50	320	15,5%
C'	Operational and Other Expenditures (8+9+10+11)	2.205	460	2.665	7.830	34,0%
8	Grants to other entities	616	152	768	2.213	34,7%
	Public Transport Agencies	172	23	195	446	43,8%
	Grants to International Organizations	7	2	9	124	7,1%
	Other Grants	437	127	564	1.643	34,3%
9	Consumption expenditure	331	114	445	2.255	19,7%
	Transportation allowances	70	26	96	321	29,8%
	Operational expenses	166	41	207	912	22,7%
	Procurement	47	32	79	678	11,6%
	Other Expenditure	48	16	64	345	18,5%
10	Conditional Expenditure	1.256	187	1.443	3.222	44,8%
	Payments to E.U.	1.109	126	1.235	2.487	49,7%
	Agricultural Subsidies	147	61	208	735	28,3%
11	Non- Allocated	2	7	8	139	6,1%
	New Programmes and other expenditure	0	0	0	87	0,0%
	Other expenditure financed by incorporated off-budget accounts	2	1	2	32	7,2%
	Electoral Expenses	0	6	6	20	30,8%
D'	Earmarked Revenues	2.283	328	2.611	5.978	43,7%
E'	Payments in exchange of claims of Insurance Fund for the personnel working in the Public Electricity Company	332	65	397	600	66,2%
F'	Reserve	0	0	0	580	0,0%
I.	Ordinary Budget Total Primary Expenditure (A+B+C+D+E+F)	21.290	4.326	25.617	52.633	48,7%
II.	Subsidies to hospitals for the settlement of part of past debt	375	54	429	450	95,3%
III.	Interest Payments	5.844	1.165	7.009	15.920	44,0%
IV.	Total Ordinary Budget Primary Expenditure and Interest (I+II+III)	27.509	5.545	33.054	69.003	47,9%
V.	NATO Expenses (from special revenues)	2	0	2	40	5,4%
VI.	Payments for Ministry of National Defence military equipment procurement	64	14	78	1.600	4,9%
VII.	Guarantees called to bodies classified outside the General Government	15	6	21	145	14,5%
VIII.	Total Ordinary Budget Expenditure before Amortization, Participation in share capital increases and Guarantees called to bodies classified inside the General Government (IV+V+VI+VII)	27.590	5.565	33.155	70.788	46,8%
12	Amortization Payments for medium and long term Loans	18.552	1.105	19.657	28.130	69,9%
13	Amortization Payments for short term Loans	11.560	0	11.560	18.000	64,2%
14	Outstanding obligations settlement by bond issuance	4.140	12	4.152	420	
15	Participation in share capital increases of Enterprises	7	1.171	1.178	2.051	57,5%
16	Guarantees called to bodies classified inside the General Government	157	226	383	1.051	36,4%
V	Total Ordinary Budget expenditure (VIII+12+13+14+15+16)	62.006	8.079	70.084	120.439	58,2%

Fiscal year 2011
 Investment budget execution
 Expenditures per economic sector
 (in mio €.)

S/N	Economic sector	January - May	June	Total 6 - Months	Budget Estimates / 1	Percentage of 6 - Months Expenditure / Estimates
		(1)	(2)	(3)	(4)	(5)=(3)/(4)
1	Communications	0	0	0	20	1,6%
2	Agriculture	119	33	152	320	47,6%
3	Forestry	3	0	3	43	6,8%
4	Fishery	0	0	0	30	0,0%
5	Reclamation	58	8	65	151	43,3%
6	Industry & Manufacturing	554	61	616	1.810	34,0%
7	Energy	1	5	6	213	3,0%
8	Transportation	360	76	436	1.850	23,6%
9	Tourism	0	5	5	28	17,9%
10	Culture	8	4	12	85	13,6%
11	Education	125	48	173	495	35,0%
12	Professional Training	6	43	49	585	8,4%
13	Agglomeration - environment	62	16	78	204	38,0%
14	Health & Welfare	20	3	23	149	15,6%
15	Water supply- sewage system	26	0	26	120	21,6%
16	Public Administration	30	31	61	88	69,3%
17	General economic planning	21	37	58	129	44,7%
18	External affairs	4	0	4	18	22,1%
19	Defence	0	0	0	18	0,5%
20	Justice	2	0	2	17	12,1%
21	Public Security	5	1	6	126	4,4%
22	Research & Development	11	4	15	90	17,0%
23	Local government- Municipalities	67	0	67	600	11,2%
24	Prefectural Engineering	29	10	39	82	47,7%
25	Regional Programmes	173	43	216	1.140	18,9%
26	Other	8	0	8	32	25,6%
27	Employment	10	0	10	45	22,2%
28	Athletics	0	0	0	12	3,3%
29	Olympic Games Infrastructure	0	0	0	0	0,0%
30	Reserve account	0	0	0	0	0,0%
	Total	1.701	430	2.131	8.500	25,1%

/1 Preliminary Allocation

Fiscal year 2011
 Investment budget execution
 Expenditure per Body
 (in mio €.)

S/N	Bodies	January - May	June	Total 6 - Months	Budget Estimates / 1	Percentage of 6 - Months Expenditure / Estimates
		(1)	(2)	(3)	(4)	(5)=(3)/(4)
1	Hellenic Parliament	0	0	0	2	1,8%
2	Ministry of Interior, Decentralisation and E-government	100	31	130	710	18,3%
3	Ministry of Finance	1	1	3	14	18,6%
4	Ministry of Foreign Affairs	4	0	4	18	22,1%
5	Ministry of National Defence	0	0	0	18	0,5%
6	Ministry of Regional Development and Competitiveness	586	98	684	2.000	34,2%
7	Ministry of Environment, Energy and Climate Change	35	11	46	420	11,0%
8	Ministry of Education, Lifelong Learning and Religious Affairs	122	51	173	580	29,8%
9	Ministry of Infrastructure, Transport and Networks	466	91	556	2.220	25,1%
10	Ministry of Labour and Social Security	16	43	59	605	9,8%
11	Ministry of Health and Social Solidarity	9	3	12	75	15,5%
12	Ministry of Rural Development and Food	152	39	191	400	47,8%
13	Ministry of Justice, Transparency and Human Rights	1	0	1	8	8,5%
14	Ministry of Citizen Protection	3	1	4	78	4,5%
15	Ministry of Culture and Tourism	8	9	17	122	13,9%
16	Ministry of Maritime Affairs, Islands and Fisheries	12	1	12	90	13,6%
17	Decentralized Administrations	187	52	239	1.140	21,0%
	Total	1.701	430	2.131	8.500	25,1%

\1 According to the data published in the Budget for the year 2011.

