

7

JULY



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

STATE BUDGET EXECUTION 7 MONTHS - JANUARY - JULY 2010 - 2011

(Fiscal basis - in mio €)

	2010	2011	Change 7 / Months 11/10 (3=2:1)	2011	2010	2011	2011	Annual change 11/10 (8=7:5)
	7 / Months (1)	7 / Months (2)		7 / Months new target (4)	Annual Outcome* (5)	Budget Estimates ** (6)	MTFS Estimates *** (7)	
Ordinary Budget								
1. Net Revenue(a+b-c)	28.671	26.846	-6,4	26.876	51.187	55.560	54.042	5,6
a. Revenue before Tax Refunds	31.356	29.940	-4,5	29.861	56.156	59.320	57.802	2,9
b. NATO revenue	3	20		21	13	40	40	
c. Tax refunds	2.688	3.113	15,8	3.006	4.982	3.800	3.800	-23,7
2. Expenditures (a+b+c+d+e+f)	38.196	40.969	7,3	41.238	66.432	70.788	70.225	5,7
a. Primary expenditure ****	28.784	30.174	4,8	30.162	51.649	52.633	52.009	0,7
b. Transfers to hospitals for the settlement of part of their past debt *****	190	434	128,5	450	375	450	450	19,9
c. NATO expenditure (from special revenues)	4	2	-46,0	5	23	40	40	73,9
d. Military procurement programmes	224	116	-48,3	525	1.017	1.600	1.500	47,5
e. Guarantees called to bodies classified outside the General Government *****	80	25	-69,3	49	145	145	224	54,5
f. Interest payments	8.913	10.218	14,6	10.047	13.223	15.920	16.002	21,0
Public Investment Program (P.I.B.)								
3. Revenue	1.276	1.173	-8,1	1.230	3.072	3.922	3.925	27,8
4. Expenditure	4.201	2.620	-37,6	3.343	8.447	8.500	7.550	-10,6
5. State Budget Deficit (1-2+3-4)	12.449	15.571	25,1	16.475	20.620	19.806	19.808	-3,9

* According to the latest published data.

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

*** Medium Term Fiscal Strategy

**** 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	0	952	
- Other receipts	0	952			0	0	952	
Payments	272	5.746			4.251	3.522	9.045	
- Expenditure by special bond issuance (Social Security Funds, repayment of unsettled hospital liabilities, etc.)	0	4.152			1.549	420	4.600	
- 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	1.180			60	51	1.200	
- Guarantees called to bodies classified inside the General Government *	272	414			827	1.051	1.245	
TOTAL STATE BUDGET RECEIPTS	29.948	28.970			54.259	59.482	58.919	
TOTAL STATE BUDGET PAYMENTS	42.669	49.335			79.130	82.810	86.820	
TOTAL BORROWING REQUIREMENTS *	12.721	20.365			24.871	23.328	27.902	

* 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 seven months January – July 2011, on a fiscal basis, the deficit amounts to 15,571 million Euros compared to the new target of 16,475 million Euros set in the 2011 MTFS. During the same period in 2010, the State Budget deficit amounted to 12.449 million Euros.

On State Budget (Ordinary and Public Investment Budget), expenditures are lower than the new target by 992 million Euros while State Budget total revenues (Ordinary and Investment Budget) have a shortfall by 87 million Euros.

In particular, on a seven month basis (January – July), net revenues amounted to 26,846 million Euros and they are declining by 6.4% comparing to the respective period of 2010 and restricting the shortfall (8.3%) in the first six 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, 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, and finally, the increased tax refunds due to the clearing of past years' obligations.

The revenues from the Public Investment Budget decreased by 8.1% or 104 million Euros vis-à-vis the seven months of 2010.

It is noted that the current revenue shortfall is expected to be tackled during the remaining next five 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 seven 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 7.1% compared to the same period of 2010. This increase is mainly due to:

- the increased interest expenditures by 1,305 million Euros,
- the increased grants to Social Security Funds as a result of the reduced receipts from social security contributions by 1,691 million euros,
- the increased grant to Employment Agency (OAED) for the payment of unemployment benefits by 301 million Euros and
- to hospitals by 779 million euros (535 million euros for the year's 2011 procurements expenditure and 244 million euros for the settlement of past years obligations from procurement).

In particular, primary expenditures increased by 4.8% or 1,390 million Euros during the same period, mainly due to the increased grants to Social Security Funds (primary to the Agricultural Insurance Organization – OGA by 411 million Euros and to the Wage Earners Fund – IKA by 1,217 million Euros), to OAED by 301 million Euros and to hospitals by 535 million Euros.

Moreover, Public Investment Budget (P.I.B.) expenditures declined by 37.6% or 1,581 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 - June	July	7 / Months Total	Budget Estimates \1	MTFS Estimates \2	Percentage of 7 Months Revenues / MTFS Estimates
		(1)	(2)	(3)	(4)	(5)	(6)=(3)/(5)
	Ordinary Budget						
A.	Recurring Revenue (I+II+III+IV)	23.825	4.946	28.771	57.520	55.592	51,8%
I	Direct Taxes	8.382	1.867	10.249	20.880	20.554	49,9%
1.	Income Tax	5.395	1.480	6.875	14.820	12.656	54,3%
	<i>Personal Income Tax</i>	3.461	991	4.452	10.600	8.313	53,6%
	<i>Corporate Income Tax</i>	1.038	295	1.333	2.800	2.660	50,1%
	<i>Other</i>	896	194	1.089	1.420	1.683	64,7%
2.	Property Taxes	198	83	281	910	732	38,5%
3.	Direct Tax Arrears	1.187	117	1.304	2.700	2.724	47,9%
4.	Other Direct Taxes	1.602	187	1.789	2.450	4.442	40,3%
II	Indirect Taxes	13.594	2.682	16.276	31.980	30.219	53,9%
1.	Transaction Taxes	8.947	1.811	10.758	19.290	18.372	58,6%
1.1	V.A.T.	8.532	1.719	10.251	18.030	17.361	59,0%
	<i>Fuel</i>	1.477	217	1.694	2.410	2.587	65,5%
	<i>Tobacco</i>	356	78	434	972	785	55,3%
	<i>Other</i>	6.699	1.424	8.123	14.648	13.989	58,1%
1.2	Other Transaction Taxes	415	92	507	1.260	1.011	50,2%
	<i>(Capital Transfers)</i>	(268)	(49)	(317)	(828)	(612)	(51,8%)
	<i>(Stamp Duty)</i>	(147)	(43)	(190)	(432)	(399)	(47,6%)
2.	Consumption Taxes	4.305	803	5.108	11.640	10.813	47,2%
2.1.	On Insurance Premiums	198	1	199	410	389	51,1%
2.2.	On Vehicles	59	8	67	285	170	39,5%
2.3.	Excise Tax on Fuel	2.220	428	2.648	5.240	4.698	56,4%
2.4.	Other Excise Taxes (Tobacco, etc)	1.528	332	1.860	3.911	3.629	51,3%
2.5.	Road duties	115	3	118	1.212	1.343	8,8%
2.6.	Other Consumption Taxes	184	31	215	582	584	36,8%
3.	Indirect Tax Arrears	177	40	217	530	608	35,7%
4.	Other Indirect Taxes	165	28	193	520	426	45,4%
	<i>(For E.U.)</i>	(95)	(16)	(112)	(230)	(206)	(54,2%)
	Total Tax Revenue (I+II)	21.976	4.549	26.525	52.860	50.773	52,2%
III	Drawings From E.U.	75	5	80	340	185	43,1%
IV	Other Non - Tax Revenue	1.773	393	2.166	4.320	4.634	46,7%
	Total Non - Tax Revenue (III+IV)	1.848	397	2.246	4.660	4.819	46,6%
B.	Non Recurring Revenue	709	480	1.189	1.840	2.250	52,8%
I	Revenue of incorporated off-budget accounts	570	71	641	1.157	1.113	57,6%
II	Liquidity Support Plan Proceeds	119	409	528	643	1.097	48,1%
III	NATO income	19	1	20	40	40	49,4%
C.	Total Revenue (A+B)	24.533	5.426	29.960	59.360	57.842	51,8%
D.	Tax Refunds	2.715	398	3.113	3.800	3.800	81,9%
E.	Total Net Revenue (C-D)	21.818	5.028	26.846	55.560	54.042	49,7%
	Public Investment Budget						
	<i>E.U. Flows</i>	644	439	1.083	3.722	3.722	29,1%
	<i>Own Resources</i>	78	12	90	200	203	44,3%
	Total	721	451	1.173	3.922	3.925	29,9%
	State Budget Total Revenue	22.539	5.480	28.019	59.482	57.967	48,3%
REVENUE FROM FINANCIAL TRANSACTIONS				952			
	<i>Revenue from the acquisition of preferred shares of Agricultural Bank of Greece (ATE)</i>			675			
	<i>Transfer from Reserve Fund of Consignments and Loans (TPD)</i>			250			
	<i>Proceeds from the liquidation of DEKA SA</i>			27			

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

\2 Medium Term Fiscal Strategy

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

S/N	Bodies	January - June (1)	July (2)	7 / Months Total (3)	Budget Estimates \1 (4)	MTFS Estimates \2 (5)	Percentage of 7 Months / MTFS Estimates (6)=(3)/(5)
1	Presidency of The Hellenic Republic	2	0	2	5	5	46,4%
2	Hellenic Parliament	68	10	77	198	195	39,6%
3	Ministry of Interior, Decentralisation and E-government	2.442	356	2.798	4.923	4.507	62,1%
4	Ministry of Foreign Affairs	125	42	167	356	343	48,6%
5	Ministry of National Defence	1.384	323	1.706	4.955	4.757	35,9%
6	Ministry of Health and Social Solidarity	3.089	331	3.420	6.992	5.620	60,9%
7	Ministry of Justice, Transparency and Human Rights	320	54	373	732	667	56,0%
8	Ministry of Education, Lifelong Learning and Religious Affairs	2.812	501	3.313	6.283	5.986	55,3%
9	Ministry of Culture and Tourism	177	37	214	525	443	48,2%
10	Ministry of Finance (not including General Governmental Expenditures)	443	84	527	920	968	54,4%
11	General Governmental Expenditures \3	48.482	8.307	56.788	75.747	97.258	58,4%
12	Ministry of Rural Development and Food	361	209	571	1.055	1.043	54,7%
13	Ministry of Environment, Energy and Climate Change	91	19	110	224	237	46,2%
14	Ministry of Labour and Social Security	8.231	1.445	9.676	13.072	15.358	63,0%
15	Ministry of Regional Development and Competitiveness	37	7	43	118	110	39,3%
16	Ministry of Infrastructure, Transport and Networks	407	92	499	839	883	56,5%
17	Ministry of Maritime Affairs, Islands and Fisheries	825	93	918	1.551	1.306	70,3%
18	Ministry of Citizen Protection	790	187	977	1.944	2.037	48,0%
	Total	70.085	12.094	82.179	120.439	141.721	58,0%

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

\2 Medium Term Fiscal Strategy

\3 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 - June	July	7 / Months Total	Budget Estimates \1	MTFS Estimates \2	Percentage of 7 Months / MTFS Estimates
		(1)	(2)	(3)	(4)	(5)	(6)=(3)/(5)
A'	Salaries & Pensions (1+2+3)	10.743	2.003	12.746	21.593	21.633	58,9%
1	Salaries & Pensions of central government personnel	9.241	1.722	10.963	18.443	18.485	59,3%
	Wages	5.639	1.033	6.672	11.294	11.371	58,7%
	Salaries	3.192	597	3.789	6.258	6.258	60,5%
	Hourly - waged teacher's fees	1	2	2	33	31	6,9%
	Other allowances	104	21	125	327	284	44,1%
	Productivity bonus financed by incorporated off-budget accounts	306	70	376	532	542	69,4%
2	Salaries for hospital personnel and other government bodies	1.501	281	1.783	3.099	3.098	57,5%
	Salaries for hospital personnel	1.183	214	1.397	2.250	2.304	60,6%
	On Call duty of Hospital Personnel (Doctors)	165	29	195	400	400	48,6%
	Other allowances for Hospital Personnel	42	15	57	153	103	55,9%
	Welfare institutions, clergy and other government bodies	111	23	133	296	291	45,8%
	Subsidies to Local Governments for part-time employment, Citizen Service Centres, etc.	0	0	0	1	1	28,0%
3	New recruitment	0	0	0	50	50	0,0%
B'	Grants to Social Security Funds, Medical Care, Social Protection (4+5+6+7)	9.201	1.522	10.723	16.052	16.814	63,8%
4	Medical Care	582	80	662	1.312	1.181	56,0%
5	Grants to social security funds	6.663	1.307	7.970	10.500	11.109	71,7%
	Insurance Fund for the Agricultural Sector	2.688	445	3.133	4.600	4.600	68,1%
	Wage Earners' Fund	2.100	550	2.650	2.310	2.910	91,1%
	Seamen's Pension Fund	675	82	757	1.200	1.130	67,0%
	Insurance Fund of the Self Employed	630	130	760	800	800	95,0%
	Insurance Fund for the personnel working in Telecommunications Organisation	360	100	460	600	550	83,6%
	Social Funding	210	0	210	400	400	52,5%
	Other Social Security Funds	0	0	0	29	28	0,0%
	Other Social Insurance Expenditures	0	0	0	561	691	0,0%
6	Other Health Expenditures	506	30	535	1.200	1.200	44,6%
7	Social Protection	1.451	106	1.557	3.041	3.324	46,8%
	Complementary pension allowance ("EKAS" - except retired from Public Sector)	549	73	622	940	890	69,9%
	Allowances to families with many children	373	0	373	675	700	53,3%
	Grant to Intergenerational Solidarity Fund	0	0	0	606	575	0,0%
	Grant to Manpower Employment Agency ("OAED")	479	30	509	500	1.064	47,9%
	Other social protection income support	50	3	52	320	95	54,8%
C'	Operational and Other Expenditures (8+9+10+11)	2.665	677	3.342	7.830	7.221	46,3%
8	Grants to other entities	768	143	911	2.213	1.715	53,1%
	Public Transport Agencies	195	49	245	446	446	54,9%
	Grants to International Organizations	9	14	23	124	128	17,9%
	Other Grants	564	80	644	1.643	1.141	56,4%
9	Consumption expenditure	445	159	605	2.255	2.278	26,5%
	Transportation allowances	96	24	119	321	303	39,4%
	Operational expenses	207	79	286	912	823	34,7%
	Procurement	79	46	125	678	650	19,2%
	Other Expenditure	64	11	75	345	503	14,9%
10	Conditional Expenditure	1.443	372	1.815	3.222	3.110	58,4%
	Payments to E.U.	1.235	197	1.432	2.487	2.355	60,8%
	Agricultural Subsidies	208	175	384	735	755	50,8%
11	Non- Allocated	8	2	11	139	117	9,1%
	New Programmes and other expenditure	0	0	0	87	70	0,0%
	Other expenditure financed by incorporated off-budget accounts	2	0	3	32	27	10,1%
	Electoral Expenses	6	2	8	20	20	39,4%
D'	Earmarked Revenues	2.611	355	2.966	5.978	5.162	57,5%
E'	Payments in exchange of claims of Insurance Fund for the personnel working in the Public Electricity Company	397	0	397	600	600	66,2%
F'	Reserve	0	0	0	580	580	0,0%
I.	Ordinary Budget Total Primary Expenditure (A+B+C+D+E+F)	25.617	4.558	30.174	52.633	52.010	58,0%
II.	Subsidies to hospitals for the settlement of part of past debt	429	5	434	450	450	96,5%
III.	Interest Payments	7.009	3.209	10.218	15.920	16.002	63,9%
IV.	Total Ordinary Budget Primary Expenditure and Interest (I+II+III)	33.054	7.772	40.826	69.003	68.462	59,6%
V.	NATO Expenses (from special revenues)	2	0	2	40	40	5,9%
VI.	Payments for Ministry of National Defence military equipment procurement	78	38	116	1.600	1.500	7,7%
VII.	Guarantees called to bodies classified outside the General Government	21	4	25	145	224	11,0%
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)	33.155	7.814	40.969	70.788	70.226	58,3%
12	Amortization Payments for medium an long term Loans	19.657	237	19.894	28.130	28.950	68,7%
13	Amortization Payments for short term Loans	11.560	4.010	15.569	18.000	33.500	46,5%
14	Outstanding obligations settlement by bond issuance	4.152	0	4.152	420	4.600	90,3%
15	Participation in share capital increases of Enterprises	1.178	2	1.180	2.051	3.200	36,9%
16	Guarantees called to bodies classified inside the General Government	383	31	414	1.051	1.245	33,3%
V	Total Ordinary Budget expenditure (VIII+12+13+14+15+16)	70.084	12.094	82.179	120.439	141.721	58,0%

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

\2 Medium Term Fiscal Strategy

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

S/N	Economic sector	January - June (1)	July (2)	7 / Months Total (3)	Budget Estimates \1 (4)	MTFS Estimates \2 (5)	Percentage of 7 Months / MTFS Estimates (6)=(3)/(5)
1	Communications	0	0	0	20	20	2,2%
2	Agriculture	152	16	168	320	320	52,6%
3	Forestry	3	0	3	43	43	7,6%
4	Fishery	0	0	0	30	30	0,0%
5	Reclamation	65	8	73	151	151	48,3%
6	Industry & Manufacturing	616	85	700	1.810	1.010	69,3%
7	Energy	6	14	21	213	213	9,7%
8	Transportation	436	104	540	1.850	1.750	30,8%
9	Tourism	5	0	5	28	28	17,9%
10	Culture	12	5	16	85	85	19,3%
11	Education	173	22	195	495	495	39,4%
12	Professional Training	49	19	68	585	585	11,6%
13	Agglomeration - environment	78	18	96	204	204	46,9%
14	Health & Welfare	23	7	30	149	149	20,4%
15	Water supply- sewage system	26	16	42	120	120	34,7%
16	Public Administration	61	5	66	88	88	74,7%
17	General economic planning	58	2	60	129	129	46,1%
18	External affairs	4	0	4	18	18	22,1%
19	Defence	0	0	0	18	18	1,0%
20	Justice	2	2	4	17	17	25,2%
21	Public Security	6	10	15	126	126	12,2%
22	Research & Development	15	7	23	90	90	25,3%
23	Local government- Municipalities	67	100	167	600	600	27,8%
24	Prefectural Engineering	39	8	47	82	82	57,6%
25	Regional Programmes	216	42	258	1.140	1.090	23,7%
26	Other	8	0	8	32	32	25,9%
27	Employment	10	0	10	45	45	22,2%
28	Athletics	0	0	0	12	12	3,3%
	Total	2.131	489	2.620	8.500	7.550	34,7%

/1 Preliminary Allocation

2\ Medium Term Fiscal Strategy

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

S/N	Bodies	January - June	July	7 / Months Total	Budget Estimates \\1	MTFS Estimates \\2	Percentage of 7 Months / MTFS Estimates
		(1)	(2)	(3)	(4)	(5)	(6)=(3)/(5)
1	Hellenic Parliament	0		0	2	2	1,8%
2	Ministry of Interior, Decentralisation and E-government	130	104	235	710	508	46,2%
3	Ministry of Finance	3	0	3	14	13	21,9%
4	Ministry of Foreign Affairs	4	0	4	18	15	26,6%
5	Ministry of National Defence	0	0	0	18	17	1,1%
6	Ministry of Regional Development and Competitiveness	684	86	770	2.000	1.550	49,7%
7	Ministry of Environment, Energy and Climate Change	46	25	72	420	413	17,3%
8	Ministry of Education, Lifelong Learning and Religious Affairs	173	24	196	580	521	37,7%
9	Ministry of Infrastructure, Transport and Networks	556	135	691	2.220	2.090	33,1%
10	Ministry of Labour and Social Security	59	19	78	605	589	13,3%
11	Ministry of Health and Social Solidarity	12	4	16	75	65	24,5%
12	Ministry of Rural Development and Food	191	22	213	400	390	54,7%
13	Ministry of Justice, Transparency and Human Rights	1	2	3	8	7	41,5%
14	Ministry of Citizen Protection	4	4	8	78	75	10,2%
15	Ministry of Culture and Tourism	17	5	22	122	112	19,4%
16	Ministry of Maritime Affairs, Islands and Fisheries	12	9	21	90	82	25,7%
17	Decentralized Administrations	239	49	288	1.140	1.101	26,2%
	Total	2.131	489	2.620	8.500	7.550	34,7%

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

2\\ Medium Term Fiscal Strategy

