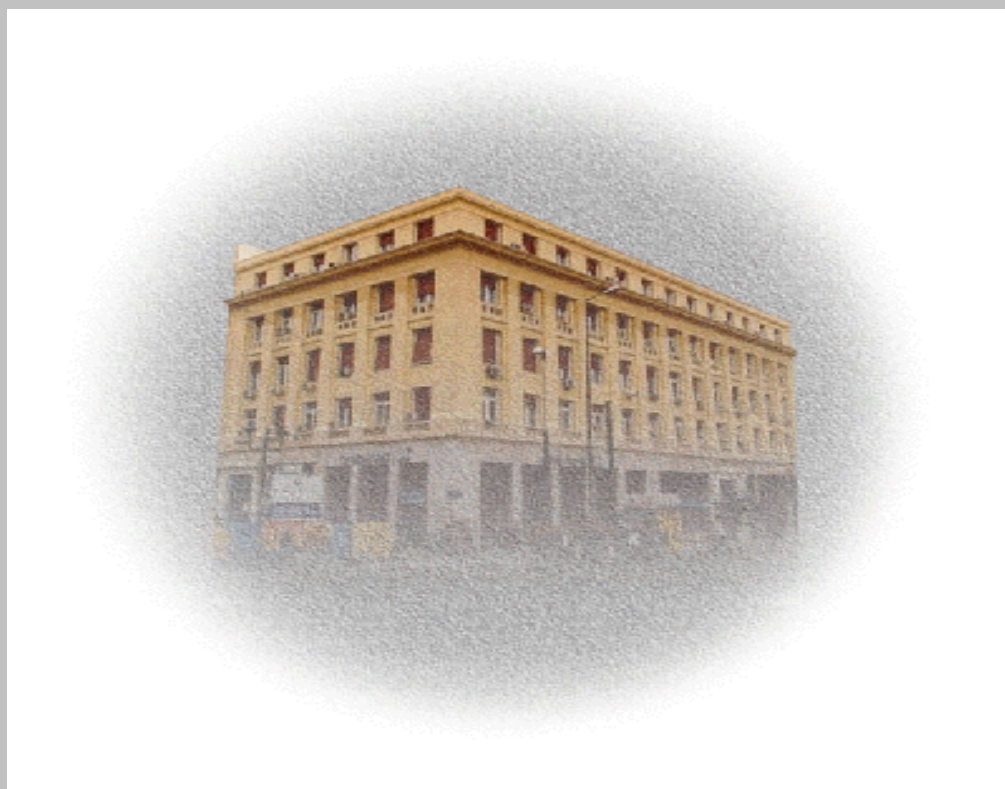


**STATE BUDGET EXECUTION 2011**

**BULLETIN**

**11**

**NOVEMBER**



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

STATE BUDGET EXECUTION 11 MONTHS - JANUARY - NOVEMBER 2010 - 2011

(Fiscal basis - in mio €)

	2010	2011	Change 11 / Months 11/10 (3=2:1)	2011	2010	2011	2011	Annual change 11/10 (8=7:5)
	11 / Months (1)	11 / Months (2)		11 / Months new target (4)	Annual Outcome/1 (5)	MTFS /2 (6)	Realisation Estimates/1 (7)	
<b>Ordinary Budget</b>								
1. Net Revenue(a+b+c-d)	45.235	43.833	-3,1	44.045	50.857	54.042	51.309	0,9
a. Revenue before Tax Refunds	49.575	47.724	-3,7	48.043	56.155	57.012	55.212	-1,7
b. NATO revenue	11	27	145,5	33	24	40	40	67,5
c. Special revenue from licensing public rights /7	0	785		506	0	790	1.056	
d. Tax refunds /6	4.351	4.703	8,1	4.537	5.322	3.800	5.000	-6,0
2. Expenditures (a+b+c+d+e+f)	59.049	62.706	6,2	63.499	66.932	70.225	69.495	3,8
a. Primary expenditure /3	45.073	46.412	3,0	46.918	52.146	52.009	51.790	-0,7
b. Transfers to hospitals for the settlement of part of their past debt /4	345	434	25,8	450	367	450	450	22,6
c. NATO expenditure (from special revenues)	12	10	-20,1	28	33	40	40	20,8
d. Military procurement programmes	604	272	-55,0	481	1.017	1.500	600	-41,0
e. Guarantees called to bodies classified outside the General Government /5	111	37	-66,9	51	145	224	235	62,1
f. Interest payments	12.904	15.542	20,4	15.571	13.223	16.002	16.380	23,9
<b>Public Investment Program (P.I.B.)</b>								
3. Revenue	1.459	2.643	81,2	2.623	3.072	3.925	3.365	9,5
4. Expenditure	7.161	4.287	-40,1	4.232	8.454	7.550	6.890	-18,5
5. State Budget Deficit (1-2+3-4)	19.516	20.516	5,1	21.063	21.457	19.808	21.712	1,2

/1 According to the voted Budget of 2012.

/2 According to the data published in the Medium Term Financial Strategy.

/3 In the annual outcome of 2010 they are included advances to Local Governments amounting to 433 mil Euro, disbursed in the year 2009 and settled in 2010 and 952.5 mil Euro disbursed in the year 2010 and have not been settled fiscally.

/4 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.

/5 Data concerning guarantees called were not published in the corresponding budget execution bulletins of 2010.

/6 In the annual tax refunds of 2010, an amount of 315 mil Euro is included concerning tax refunds by bond issuance, part of which had been settled in the period of 10 months

/7 This revenue is included in the privatization program of the MTFs and it has also been calculated towards the financial targets achievement of the Economic Policy Program. In the previous budget execution bulletins, these figures were included in revenue before tax refunds.

RECEIPTS - PAYMENTS NOT INCLUDED IN THE TABLE ABOVE

Receipts	0	952			0	952	952
- Revenue from Financial Transactions	0	952			0	952	952
Payments	832	6.388			3.933	9.045	6.638
- Expenditure by special bond issuance (Social Security Funds, repayment of unsettled hospital liabilities, etc.)	0	4.152			1.546	4.600	4.152
- Capital payments to the Financial Stability Fund	0	0			1.500	2.000	0
- participation in the share capital increase of various enterprises	60	1.227			60	1.200	1.240
- Guarantees called to bodies classified inside the General Government /5	772	1.009			827	1.245	1.246
<b>TOTAL STATE BUDGET RECEIPTS</b>	46.694	47.428			53.929	58.919	55.625
<b>TOTAL STATE BUDGET PAYMENTS</b>	67.042	73.380			79.319	86.820	83.024
<b>TOTAL BORROWING REQUIREMENTS /8</b>	20.348	25.952			25.390	27.902	27.399

/8 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 eleven months January – November 2011, on a fiscal basis, the deficit amounts to 20,516 million Euros compared to the new target of 21,063 million Euros set in the voted Budget for 2012. During the same period in 2010, the State Budget deficit amounted to 19,516 million Euros.

Total State Budget revenues (Ordinary and Investment Budget) are 192 million Euros below the new target, but total expenditures (Ordinary and Public Investment Budget) compensated for this revenue shortfall by amounting to 739 million Euros lower than the new target.

Specifically, on an eleven-month basis (January – November 2011), net revenues of the ordinary budget amounted to 43,833 million Euros, declining by 3.1% in comparison to the respective period of 2010. The revenue shortfall can be mainly attributed to the deeper recession than that projected when the 2011 Budget was prepared (last quarter of 2010), lower withholding personal income tax receipts due to the more favourable tax treatment as a result of the new tax law and reduction in taxable income, and finally to the increased tax refunds due to the clearing of previous years' obligations.

Revenues from the Public Investment Budget increased by 81.2% or 1.184 million Euros vis-à-vis the corresponding eleven months of 2010.

It should be noted that the current revenue shortfall will be reduced in December as the new tax regulations included in the Medium Term Fiscal Strategy 2011-2015 and voted in July and August 2011 come into full effect.

Furthermore, it should be noted that this report on the execution of the State Budget provides revenue data for the nine months of 2011 on a cash basis. However, in line with Eurostat methodology, total annual revenues are measured on a national account basis and include receipts from the first two months of 2012 also. Equivalently, a share of the revenues for the first months of 2011 is included in the calculation on a national accounts basis of total annual 2010 revenues.

Ordinary budget expenditures increased by 3.657 million Euros or 6.2% in the eleven months of 2011 on a year-on-year basis. This is mainly due to a significant increase in interest expenditures of 2,638 million Euros or 20.4% thus far in 2011 relative to 2010.

State Budget primary expenditures (spending excluding interest) increased by 3.0% or 1,339 million Euros between January-November 2011 on a year-on-year basis, reflecting an increase in grants of 2.768 million Euros relative to 2010 for social insurance and health, which exceeded the reduction of 1,429 million Euros in other spending categories.

The main recipients of the increased transfers were:

Social Security Funds with an increase of 1,611 million Euros, (in particular the Wage Earners Fund with 1,583 million Euros, the Insurance Fund of the Self Employed with 100 million Euros and the Seamen Pension Fund with 42 million Euros) due to shortfall in social security contributions;

The Greek Employment Organization (OAED) with an increase in transfers of 410 million Euros for unemployment benefits;

Hospitals with higher transfers of 1.059 million Euros (89 million Euros were disbursed for previous years' obligations).

Meanwhile, in January-November 2011, Public Investment Budget (P.I.B.) expenditures declined by 40.1% or 2,874 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) classification, which is the benchmark for the assessment of the Economic Adjustment Programme of Greece.

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