

**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	2011	2010	2011	Annual change 11/10
	6 / Months	6 / Months		6 / Months Target	Annual outcome*	Budget Estimates **	
	(1)	(2)	(3=2:1)	(4)	(5)	(6)	(7=6:5)
<b>Ordinary Budget</b>							
<b>1. Net Revenue(a+b-c)</b>	<b>23.796</b>	<b>21.814</b>	<b>-8,3</b>	<b>25.081</b>	<b>51.187</b>	<b>55.560</b>	<b>8,5</b>
a. Revenue before Tax Refunds	26.062	24.510	-6,0	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
<b>2. Expenditures (a+b+c+d+e+f)</b>	<b>30.483</b>	<b>33.155</b>	<b>8,8</b>	<b>31.880</b>	<b>66.432</b>	<b>70.788</b>	<b>6,6</b>
a. Primary expenditure ***	24.506	25.616	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
<b>Public Investment Program (P.I.B.)</b>							
<b>3. Revenue</b>	<b>384</b>	<b>690</b>	<b>79,6</b>	<b>475</b>	<b>3.072</b>	<b>3.922</b>	<b>27,7</b>
<b>4. Expenditure</b>	<b>3.695</b>	<b>2.131</b>	<b>-42,3</b>	<b>4.050</b>	<b>8.447</b>	<b>8.500</b>	<b>0,6</b>
<b>5. State Budget Deficit (1-2+3-4)</b>	<b>9.997</b>	<b>12.781</b>	<b>27,9</b>	<b>10.374</b>	<b>20.620</b>	<b>19.806</b>	<b>-3,9</b>

\* 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

<b>Receipts</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
- Other receipts	0	0			0	0	
<b>Payments</b>	<b>236</b>	<b>5.705</b>			<b>4.251</b>	<b>3.522</b>	
- Expenditure by special bond issuance (Social Security Funds, repayment of unsettled hospital liabilities, etc.)	0	4.144			1.549	420	
- Tax refunds by special bond issuance	0				315	0	
- Capital payments to the Financial Stability Fund	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	
<b>TOTAL STATE BUDGET RECEIPTS</b>	<b>24.181</b>	<b>22.504</b>			<b>54.259</b>	<b>59.482</b>	
<b>TOTAL STATE BUDGET PAYMENTS</b>	<b>34.413</b>	<b>40.991</b>			<b>79.130</b>	<b>82.810</b>	
<b>TOTAL BORROWING REQUIREMENTS *****</b>	<b>10.233</b>	<b>18.487</b>			<b>24.871</b>	<b>23.328</b>	

\*\*\*\*\* 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 six months January – June 2011, on a fiscal basis, the deficit amounts to 12,781 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 3,051 million Euros compared to the budget target (25,556 mil. Euros).

In particular, on a six month basis (January – June), net revenues amounted to 21,814 million Euros and 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 fact that credit institutions shifted for July the payment of 10% on the value of their preferred shares held by the State and the increased tax refunds due to the clearing of past years' obligations.

On the other hand, revenues from the Public Investment Budget increased by 79.6% or 306 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 measures 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 five 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.

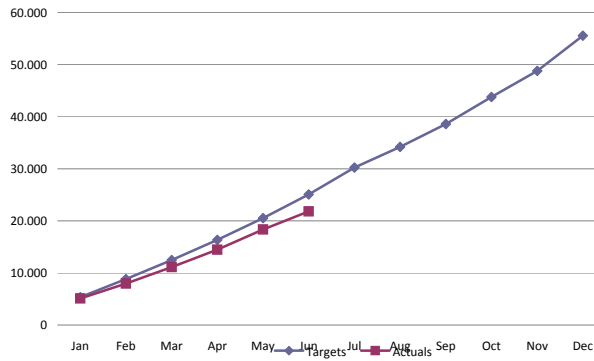
Ordinary budget expenditures increased by 8.8% compared to the same period of 2010. This increase mainly is due to the transfer of 429 million Euros to hospitals for the settlement of past debts and increased interest payments expenditures by 1,277 million Euros. Primary expenditures increased by 4.5% or 1,110 million Euros during the same period, mainly due to the increased grants to Social Security Funds (mainly to the Agricultural Insurance Organization – OGA and to the Wage Earners Fund – IKA) due to the reduced receipts from social security contributions, to the Employment Agency (OAED) for the payment of unemployment benefits and to Hospitals for the settlement of their obligations from procurement.

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

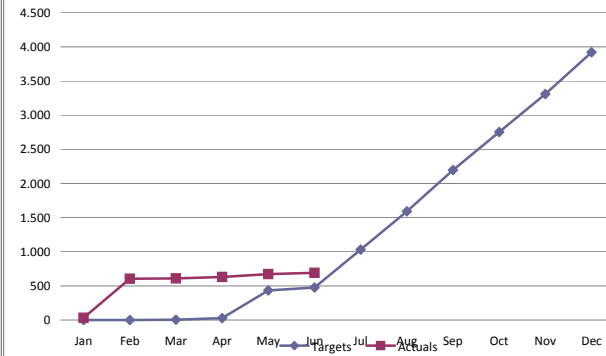
It should be noted that the above data correspond to the execution only of the State Budget and thus do not reflect all fiscal data that are taken into account when measuring the General Government deficit according to the ESA95 (Eurostat's) classification, which is the benchmark for the assessment of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

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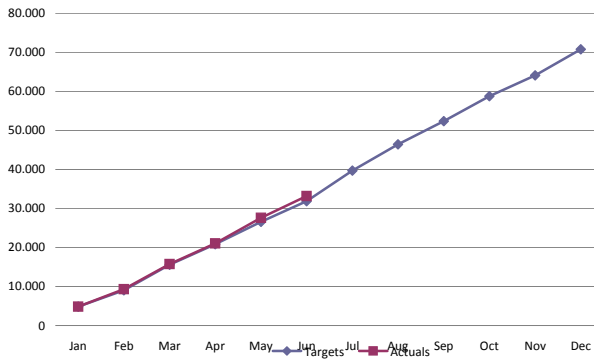
Ordinary Budget Net Revenues (Targets - Actuals)



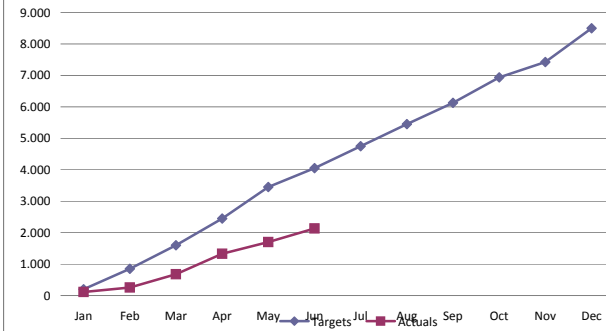
Public Investment Budget Revenues (Targets - Actuals)



Ordinary Budget Expenditure (Targets - Actuals)



Public Investment Budget Expenditure (Targets - Actuals)



State Budget Deficit (Targets - Actuals)

