



**HELLENIC REPUBLIC  
MINISTRY OF FINANCE**

**PRESS RELEASE**

Athens, April 20th, 2010

**STATE BUDGET EXECUTION JANUARY – MARCH 2010**

According to the data available for the state budget execution for the first quarter of 2010 (January - March), on a fiscal basis, the deficit amounted to 4.327 million euro, against 7.119 million euro of the same period of 2009 and consequently declined by 39.2%, against an annual target of a reduction of 30.2%. The state budget is implemented in accordance with the targets set in the Stability and Growth Program (SGP), in which a deficit reduction to 8.7% of GDP is planned.

It should be emphasized that the state budget result for the first quarter of 2010 (January - March), is due to both a restriction of expenditures and revenues increases, and has been accomplished even before the attribution of the additional measures adopted by the Government on March 3, 2010.

Net revenues of the ordinary budget, increased by 9.7% compared to the same period of previous year, against an annual target set in the SGP of an increase of 11.7%. This development reflects also receipts of 732 million euro from the imposition of an extraordinary tax on the profits of large companies for the year 2008, increased receipts from the excise tax and corresponding VAT on fuel, tobacco and alcoholic beverages due to the adjustment of their tax rates, as well as a reduction in tax refunds by 342 million euro compared to the same period of the previous year.

Ordinary budget expenditures of the first quarter 2010 period declined by 3.0% against a target of a reduction of 3.5% set in the SGP. In particular, primary expenditures declined by 6.2% against an annual target of a reduction by 2.8%, whereas interest expenditures increased 14.5% against an annual target for increase by 5.1%. Decrease of primary expenditures is mainly due to restriction of

expenditures for health and social security (lower grants to the Social Security Funds by 229 million euro compared to the respective period of 2009), reduced operational and other expenses, such as grants and consumption expenditure, by 701 million euro and, finally, reduced third-party returned resources by 234 million euro.

The increase in interest expenditures is due to higher interest payments realized on higher bonds capital, as a result of higher borrowing in the year 2009.

Finally, Public Investment Budget (PIB) expenditures are declined by 48.2% and PIB revenues decreased by 36.0%, compared to the same period of 2009.