



HELLENIC REPUBLIC



HELLENIC STATISTICAL AUTHORITY

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PRESS RELEASE

Fiscal data for the years 2010-2013

The Hellenic Statistical Authority (ELSTAT) announces the fiscal data for the years 2010-2013 compiled in the context of the second Excessive Deficit Procedure (EDP) notification of 2014, which was transmitted to Eurostat in fulfilment of Greece's obligations according to Council Regulation (EC) 479/2009 as amended. These data have been produced for first time on the basis of the new Regulation ESA 2010 (549/2013) for the System of National Accounts, which became obligatory as of 1.09.2014.

The deficit of General Government for 2013, in accordance with ESA 2010, is estimated at 22.3 billion euro (12.2% of Gross Domestic Product), while the gross consolidated General Government debt at year-end 2013 is estimated at a nominal value of 319.1 billion euro (174.9% of Gross Domestic Product).

Table 1 below presents the main results for the period 2010 to 2013.

Table 1: Reporting of General Government deficit/surplus and debt levels and provision of associated data

Data are in millions of Euros	ESA 2010 codes	2010	2011	2012	2013
Balance: Deficit (-) / Surplus (+)	B.9				
General Government	S.13	-25,036	-21,031	-16,704	-22,257
Central Government	S.1311	-23,936	-19,083	-15,773	-26,365
Local Government	S.1313	-569	487	635	756
Social Security Funds	S.1314	-531	-2,435	-1,566	3,352
General Government consolidated gross debt					
Level at nominal value outstanding at the end of year		330,291	355,954	304,691	319,133
<i>By category:</i>					
Currency and deposits	AF.2	1,005	820	774	819
Securities other than shares, exc. financial derivatives	AF.3	252,528	251,791	93,499	79,206
Short-term	AF.31	9,121	11,844	16,516	11,993
Long-term	AF.32	243,407	239,947	76,983	67,213
Loans	AF.4	76,758	103,343	210,418	239,108
Short-term	AF.41	3,058	2,806	2,381	2,080
Long-term	AF.42	73,700	100,537	208,037	237,028
General Government expenditure on:					
Gross fixed capital formation	P.51g	7,277	5,066	4,731	4,945
Interest (consolidated) according to EDP	D.41 (uses)	13,236	15,066	9,742	7,271
Gross Domestic Product (GDP) at current market prices	B.1*g	226,210	207,752	194,204	182,438
Deficit (-) / Surplus (+) as % of GDP		-11.1	-10.1	-8.6	-12.2
General Government consolidated gross debt as % of GDP		146.0	171.3	156.9	174.9

Table 2 below presents the time series of GDP, General Government balance, primary balance, expenditure, revenue and debt as they are calculated in accordance with ESA 2010.

Table 2: GDP, General Government balance, expenditure, revenue and debt.

		2010	2011	2012	2013
Gross Domestic Product (GDP)	(million euro)	226,210	207,752	194,204	182,438
General Government balance deficit (-) / surplus (+) B.9	(million euro)	-25,036	-21,031	-16,704	-22,257
	(% of GDP)	-11.1	-10.1	-8.6	-12.2
General Government primary balance deficit (-) / surplus (+) ^{1/}	(million euro)	-11,800	-5,965	-6,962	-14,986
	(% of GDP)	-5.2	-2.9	-3.6	-8.2
General Government expenditure	(million euro)	117,774	111,633	104,491	108,040
	(% of GDP)	52.1	53.7	53.8	59.2
General Government revenue	(million euro)	92,738	90,602	87,787	85,783
	(% of GDP)	41.0	43.6	45.2	47.0
General Government debt ^{2/}	(million euro)	330,291	355,954	304,691	319,133
	(% of GDP)	146.0	171.3	156.9	174.9

^{1/} General Government primary balance is defined here as ESA 2010 General Government balance minus interest expenditure of General Government entities to other sectors. It differs from the definition of primary balance used under the Economic Adjustment Program for Greece.

^{2/} The General Government debt decrease in 2012 reflects inter alia the private sector involvement (PSI) exchange of bonds.

State support for the financial institutions and its impact on the General Government balance

Table 3 shows the impact of the support to the financial institutions from all interventions during the financial crisis on the General Government balance. In 2013 this amounted to 18,966 million euro. This figure includes the on-going revenues and expenditures associated with interventions starting from 2008, in addition to new revenues and expenditures that arose in 2013. As part of the latter, in 2013 General Government, through the Hellenic Financial Stability Fund (HFSF), made capital transfers of 6,221.4 million euro as a result of banks' resolutions and of 14,759.7 million euro as a result of the recapitalisation procedure of the four core banks. It should be noted that since the first EDP notification of 2014, the publication of the 2013 financial statements of HFSF according to international accounting standards (IAS) has taken place, and has provided the fair value of the assets of banks that entered liquidation in 2013. A revision of 412 million euros has been recorded in this second EDP notification of 2014 to capital transfer revenue, leading to a reduction of the General Government deficit for 2013 from that announced during the first EDP notification of 2014 (in April 2014).

Table 3: Impact of the support to financial institutions on General Government deficit 2010-2013

Year		Impact of the support to financial institutions on General Government deficit (minus sign denotes an increase in the deficit)
2010	(million euro)	960
	(% of GDP)	0.4
2011	(million euro)	633
	(% of GDP)	0.3
2012	(million euro)	-5,267
	(% of GDP)	-2.7
2013	(million euro)	-18,966
	(% of GDP)	-10.4

For the years 2010-2011 the impact of the support to financial institutions has been positive for the General Government balance. This is due to the fees accruing on the inter-bank lending guarantees and the bond loan scheme, plus the revenues from bank preference shares, being greater than the expenditures accrued. However, in the years 2012-2013 the expenditures of the support were larger than the related revenues.

Actions to safeguard data quality

The Hellenic Statistical Authority has undertaken all necessary actions so that the fiscal data compiled in the context of the second Excessive Deficit Procedure (EDP) notification of 2014 and reported here **are fully in line with the rules of the new European System of Accounts (ESA 2010)**.

Since the previous EDP notification (in March 2014) there has been continuous communication and close cooperation between Eurostat and ELSTAT, including a mission of Eurostat in Athens in September 2014, consistently with Regulation (EC) 479/2009 as in force. Eurostat guidance has been explicitly sought on all critical areas of the EDP data compilation. In addition, during the period since the last EDP notification, ELSTAT has regularly received advice from an external technical expert.

Revisions in deficit and debt data between the EDP notifications of October 2014 and April 2014

Table 4 below presents the revisions of the deficit and debt data, as percentages of GDP, between the EDP notifications of October 2014 and April 2014. Revisions in the data are partly on account of the implementation of ESA 2010. It should be noted that apart from the EDP fiscal data having been recalculated in accordance with ESA 2010, also GDP figures have been recalculated by ELSTAT in accordance with ESA 2010 rules.

Table 4: Changes in the data between October 2014 and April 2014

	2010	2011	2012	2013
October 2014				
Surplus (+) / Deficit (-) as % of GDP	-11.1	-10.1	-8.6	-12.2
Debt as % of GDP	146.0	171.3	156.9	174.9
April 2014				
Surplus (+) / Deficit (-) as % of GDP	-10.9	-9.6	-8.9	-12.7
Debt as % of GDP	148.3	170.3	157.2	175.1
Change (October 2014 – April 2014)*				
Surplus (+) / Deficit (-) as % of GDP	-0.2	-0.5	0.3	0.5
Debt as % of GDP	-2.3	+1.0	-0.3	-0.2

* The negative sign in the change denotes increase in the deficit and decrease in the debt

Causes of revisions to EDP deficit and debt between the EDP notifications of April 2014 and October 2014

Part of the revision to the deficit is due to changes in methodology from the introduction of the ESA 2010 (Regulation 549/2013) and changes to the definition of EDP deficit. The following table shows these sources of the revision to the deficit.

Table 5: Revisions to General Government balance between April 2014 and October 2014 due to ESA 2010 and changes to the definition of EDP deficit

Revision to balance* (in mio euro)	2010	2011	2012	2013
Sector delineation (ESA 2010)	+8	+21	-38	+114
Standardised guarantees (ESA 2010)	-328	-87	+316	+98
Intangibles (ESA 2010)	+50	+50	-812	+119
Swaps (change to definition)	-338	-129	-62	-3
Total revision due to ESA 2010 and change to definition	-608	-145	-596	+328

* A negative sign denotes deficit increase, a positive sign deficit decrease

In ESA 2010 the general government sector definition has changed by means of modification of the criteria of classification of an entity into General Government. Using the new delineation of General Government, three entities (Hellenic Aerospace Industry (EAB), Hellenic Vehicle Industry (ELBO), New Economy Development Fund (TANEO)) were reclassified into the General Government sector.

Standardised guarantees are a specific type of guarantees given generally for small amounts to many entities. The new ESA 2010 methodology follows a provisions approach to recording expenditure for guarantee calls, whereby expenditure is recorded when a provision for potential guarantee calls is made. In ESA95 a cash approach had been used instead, i.e., expenditure was recorded when cash payments were made.

Sales by the Government of intangible assets, such as licences to operate, were previously recorded under ESA95 as one-off sales of assets. Under ESA 2010 rules, the associated revenue is accrued over the appropriate period, which usually extends over a number of years.

The settlement of swaps was previously recorded differently in ESA95 (where it was treated as a financial transaction) and in EDP (where it was treated payment of interest—a nonfinancial transaction). Although the ESA95 and ESA 2010 ways of recording settlement of swaps are consistent, the EDP way of recording has been changed to be consistent with ESA. There is now only one deficit presentation, while previously there were two different presentations of the deficit—an ESA presentation and an EDP presentation.

Revisions in the debt between the first and second EDP notifications in 2014 are on account of both ESA 2010 changes and other factors. The ESA 2010 effect on EDP debt is exclusively on account of the change in General Government sector delineation. The other factors contributing to the revision of debt figures are mainly on account of the regular updating of the register, including the classification of Egnatia Odos into General Government.

Table 6: Revisions to General Government debt between April 2014 and October 2014

Revision to debt (in mio euro)	2010	2011	2012	2013
Sector delineation ESA 2010	188	211	148	21
Regular register update	590	602	607	263
Other	-1	0	0	146
Total	777	813	755	430

* The positive sign denotes an increase in debt

GDP revisions

As noted above, GDP has also been revised in accordance with ESA 2010 (see separate GDP press release of 10.10.2014 at the following link).

http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0702/PressReleases/A0702_SEL15_DT_AN_00_2013_02_F_EN.pdf

References

The detailed tables of the EDP notification are available on the website of ELSTAT:

http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0701/Other/A0701_SEL03_TB_AN_00_2014_07_P_EN.xls

Note: Measure of the primary balance under the Economic Adjustment Program for Greece

A measure of the primary balance as defined under the Economic Adjustment Program for Greece **is not calculated by ELSTAT and is not shown in this statistical Press Release.**

In measuring the primary balance under the Economic Adjustment Program, a number of expenditure and revenue items are treated differently than in the compilation of fiscal data for the purposes of the Excessive Deficit Procedure (EDP). The EDP fiscal figures presented in the present Press Release are fully consistent with ESA 2010 rules.

The items treated in a different way under the ESA2010 rules and under the Economic Adjustment Program include revenue from the privatisation of assets, expenditures on account of transactions relating to bank recapitalisation, and revenues from transfers related to the income of euro-area national central banks from their investment portfolio holdings of Greek Government securities.

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