

Table 1a. Macroeconomic prospects

	ESA Code	2012	2012	2013	2014	2015	2016	2017
		Level (10 <sup>6</sup> euros)	rate of change	rate of change	rate of change	rate of change	rate of change	rate of change
1. Real GDP <sup>1</sup>	B1*g	165644,9	-3,2	-2,3	0,6	1,5	1,8	2,2
2. Nominal GDP	B1*g	165409,2	-3,3	-0,6	1,8	2,7	3,5	3,7
<b>Components of real GDP</b>								
3. Private Consumption expenditure	P.3	107435,3	-5,6	-3,2	0,1	0,9	1,0	1,2
4. Government Consumption expenditure	P.3	32781,3	-4,4	-4,2	-3,1	-1,9	-2,0	-0,9
5. Gross fixed capital formation	P.51	26095,8	-14,5	-7,6	2,5	5,5	6,1	6,5
6. Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P53	189,4	0,1	0,1	0,2	0,2	0,2	0,2
7. Exports of goods and services	P.6	63166,3	3,3	0,8	4,5	4,8	5,0	5,0
8. Imports of goods and services	P.7	63854,2	-6,9	-3,9	3,0	4,0	4,2	4,4
<b>Contributions to real GDP growth</b>								
9. Final domestic demand		-	-7,0	-4,1	-0,1	1,1	1,3	1,7
10. Changes in inventories and net acquisition of valuables	P.52 + P53	-	0,2	0,0	0,0	0,0	0,0	0,0
11. External balance of goods and services	B.11	-	4,0	1,8	0,6	0,4	0,5	0,4

<sup>1</sup> Real GDP is measured at previous year prices.

Table 1b. Price developments

	ESA Code	2012	2012	2013	2014	2015	2016	2017
			rate of change	rate of change	rate of change	rate of change	rate of change	rate of change
1. GDP deflator			-0,1	1,8	1,3	1,2	1,7	1,5
2. Private consumption deflator			2,0	0,5	1,0	1,5	1,5	1,5
3. HICP			2,8	0,7	1,0	1,5	1,5	1,5
6. Export price deflator (goods and services)			1,4	0,5	1,2	1,6	1,6	1,4
7. Import price deflator (goods and services)			1,6	-0,5	0,4	1,2	1,4	1,2

Table 1c. Labour market developments

	ESA Code	2012	2012	2013	2014	2015	2016	2017
		Level	rate of change	rate of change	rate of change	rate of change	rate of change	rate of change
1. Employment, persons <sup>1</sup>		4634,7	-4,2	-3,9	-0,6	0,4	0,7	2,3
2. Employment, hours worked <sup>2</sup>		4510,5	-4,2	-3,9	-0,6	0,4	0,7	2,3
2. Unemployment rate (%) <sup>3</sup>			15,7	18,2	18,5	18,1	17,5	16,7
4. Labour productivity, persons <sup>4</sup>		27,0	1,1	1,7	1,1	1,1	1,0	-0,1
5. Labour productivity, hours worked <sup>5</sup>		27,7	1,1	1,7	1,1	1,1	1,0	-0,1
6. Compensation of employees	D.1	79243,7	-7,3	-0,9	-0,3	1,2	1,9	3,9
7. Compensation per employee		19,9	-2,7	3,1	0,2	0,7	1,1	1,5

<sup>1</sup> Occupied population, domestic concept national accounts definition. <sup>2</sup> National accounts definition. <sup>3</sup> Harmonised definition, Eurostat; levels. <sup>4</sup> Real GDP per person employed. <sup>5</sup> Real GDP per hour worked.

Table 1d. Sectoral balances

% of GDP	ESA Code	2012	2013	2014	2015	2016	2017
1. Net lending/borrowing vis-à-vis the rest of the world	B.9	0,4	1,4	2,0	2,2	2,4	2,6
of which:							
- Balance on goods and services		-0,5	1,7	2,6	3,1	3,6	4,0
- Balance of primary incomes and transfers		-1,4	-2,0	-2,1	-2,4	-2,5	-2,7
- Capital account		2,3	1,7	1,4	1,4	1,3	1,3
2. Net lending/borrowing of the private sector	B.9	6,8	6,9	6,0	4,7	3,7	2,8
3. Net lending/borrowing of general government	EDP B.9	-6,4	-5,5	-4,0	-2,5	-1,2	-0,2
Statistical discrepancy		0,0	0,0	0,0	0,0	0,0	0,0

Table 2a. General government budgetary prospects<sup>(\*)</sup>

	ESA Code	2012	2012	2013	2014	2015	2016	2017
		Level	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
<b>Net lending (EDP B.9) by sub-sector</b>								
1. General government	S.13	-10596	-6,4	-5,5	-4,0	-2,5	-1,2	-0,2
2. Central government	S.1311	-11724	-7,1					
3. State government	S.1312	-	-	-	-	-	-	-
4. Local government	S.1313	847	0,5					
5. Social security funds	S.1314	281	0,2					
<b>General government (S13)</b>								
6. Total revenue	TR	67794	41,0	42,6	42,2	41,7	41,6	41,7
7. Total expenditure	TE <sup>1</sup>	78390	47,4	48,1	46,2	44,2	42,9	41,9
8. Net lending/borrowing	EDP B.9	-10596	-6,4	-5,5	-4,0	-2,5	-1,2	-0,2
9. Interest expenditure	EDP D.41	7265	4,4	4,4	4,4	4,3	4,4	4,4
10. Primary balance <sup>2</sup>		-3331	-2,0	-1,1	0,3	1,8	3,1	4,2
11. One-off and other temporary measures <sup>3</sup>		-1047	-0,6	0,1	-0,3	0,0	0,0	0,0
<b>Selected components of revenue</b>								
12. Total taxes (12=12a+12b+12c)		38072	23,0	24,2	24,2	24,3	24,4	24,7
12a. Taxes on production and imports	D.2	22522	13,6	13,2	13,3	13,5	13,7	13,9
12b. Current taxes on income, wealth, etc	D.5	15291	9,2	10,9	10,8	10,7	10,7	10,8
12c. Capital taxes	D.91	258	0,2	0,0	0,0	0,0	0,0	0,0
13. Social contributions	D.61	19230	11,6	12,0	11,9	11,4	11,1	11,1
14. Property income	D.4	1045	0,6	1,0	0,9	0,9	0,6	0,5
15. Other <sup>4</sup> (15=16-(12+13+14))		9447	5,7	5,4	5,2	5,2	5,4	5,4
16=6. Total revenue	TR	67794	41,0	42,6	42,2	41,7	41,6	41,7
p.m.: Tax burden <sup>5</sup> (D.2+D.5+D.611+D.91-D.995)		53054	32,1	33,5	33,4	33,4	33,5	33,8
<b>Selected components of expenditure</b>								
17. Compensation of employees + intermediate consumption	D.1+P.2	23845	14,4	15,0	14,3	13,3	12,7	12,3
17a. Compensation of employees	D.1	16309	9,9	10,6	9,9	9,1	8,7	8,4
17b. Intermediate consumption	P.2	7536	4,6	4,4	4,4	4,1	4,0	3,9
18. Social payments (18=18a+18b)		37355	22,6	23,9	22,7	22,1	21,7	21,3
of which Unemployment benefits <sup>6</sup>		2593	1,6	1,8	1,8	1,8	1,7	1,6
18a. Social transfers in kind supplied via market producers	D.6311, D.63121, D.63131	7566	4,6	4,7	4,5	4,4	4,3	4,2
18b. Social transfers other than in kind	D.62	29789	18,0	19,1	18,2	17,7	17,4	17,1
19.=9. Interest expenditure	EDP D.41	7265	4,4	4,4	4,4	4,3	4,4	4,4
20. Subsidies	D.3	1039	0,6	0,5	0,5	0,5	0,5	0,5
21. Gross fixed capital formation	P.51	3057	1,8	1,9	1,8	1,7	1,6	1,5
22. Capital transfers	D.9	2364	1,4	0,2	0,2	0,2	0,1	0,1
23. Other <sup>7</sup> (23=24-(17+18+19+20+21+22))		3465	2,1	2,2	2,3	2,1	1,9	1,8
24=7. Total expenditure	TE <sup>1</sup>	78390	47,4	48,1	46,2	44,2	42,9	41,9
p.m.: Government consumption (nominal)	P.3	30243	18,3	18,8	17,9	16,6	15,9	15,2

(\*) The figures presented don't include the exact composition of measures that the Government will implement in order to make effective the necessary budget consolidation.

<sup>1</sup> Adjusted for the net flow of swap-related flows, so that TR-TE=EDP B.9. <sup>2</sup> The primary balance is calculated as (EDP B.9, item 8) plus (EDP D.41, item 9). 3A plus sign means deficit-reducing one-off measures. <sup>4</sup> P.11+P.12+P.131+D.39+D.7+D.9 (other than D.91). <sup>5</sup> Including those collected by the EU and including an adjustment for uncollected taxes and social contributions (D.995), if appropriate. <sup>6</sup> Includes cash benefits (D.621 and D.624) and in kind benefits (D.631) related to unemployment benefits. <sup>7</sup> D.29+D.4 (other than D.41) + D.5+D.7+P.52+P.53+K.2+D.8.

**Table 2b. No-policy change projections (\*)**

		2012	2012	2013	2014	2015	2016	2017
		Level	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
<b>1. Total revenue at unchanged policies</b>		67794	41,0	39,7	39,2	38,7	38,5	38,6
Discretionary revenue measures								
<b>2. Total expenditure at unchanged policies</b>		78390	47,4	48,4	48,2	46,6	45,3	44,4
Discretionary expenditure measures								

(\*) 2012: values of the General Government account (NSI). From 2013 onwards, it is a no-policy change scenario.

**Table 2c. Amounts to be excluded from expenditure benchmark**

		2012	2012	2013	2014	2015	2016	2017
		Level	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
<b>1. Expenditure on EU programmes fully matched by EU funds revenue</b>								
<b>2. Cyclical unemployment benefit expenditure <sup>1</sup></b>								
<b>3. Effects of discretionary revenue measures <sup>2</sup></b>								
<b>4. Revenue increases mandated by law</b>								

<sup>1</sup> According to the Commission methodology.

<sup>2</sup> Revenue increases mandated by law should not be included in the effect of discretionary revenue measures: data reported in rows 3 and 4 should be mutually exclusive.

**Table 3. General government expenditure by function**

% of GDP	COFOG Code	2011	2016
1. General public services	1	8,4	
2. Defence	2	1,3	
3. Public order and safety	3	2,0	
4. Economic affairs	4	4,2	
5. Environmental protection	5	0,5	
6. Housing and community amenities	6	0,6	
7. Health	7	6,8	
8. Recreation, culture and religion	8	1,1	
9. Education	9	6,2	
10. Social protection	10	18,1	
11. Total expenditure (= item 7=26 in Table 2)	TE <sup>1</sup>	49,4	

<sup>1</sup> Adjusted for the net flow of swap-related flows, so that TR-TE=EDP B.9.

**Table 4. General government debt developments <sup>(\*)</sup>**

% of GDP		2012	2013	2014	2015	2016	2017
<b>1. Gross debt <sup>1</sup></b>		123,0	122,3	123,7	122,5	119,3	115,0
<b>2. Change in gross debt ratio</b>		14,7	-0,7	1,4	-1,2	-3,2	-4,3
<b>Contributions to changes in gross debt</b>							
<b>3. Primary balance</b>		2,0	1,1	-0,3	-1,8	-3,1	-4,2
<b>4. Interest expenditure</b>	EDP D.41	4,4	4,4	4,4	4,3	4,4	4,4
<b>5. Stock-flow adjustment</b>		4,6	-6,9	-0,4	-0,4	-0,3	-0,3
- Differences between cash and accruals							
- Net accumulation of financial assets		2,9	-6,9	-0,4	-0,4	-0,3	-0,3
<i>of which:</i>							
- privatisation proceeds							
- Valuation effects and other							
<b>p.m. implicit interest rate on debt</b>		3,9	3,5	3,6	3,6	3,7	3,8
<b>Other relevant variables</b>							
6. Liquid financial assets		50,3	43,4	43,0	42,6	42,3	42,1
7. Net financial debt (7=1-6)		72,7	78,9	80,7	79,9	77,0	73,0
8. Debt amortization (existing bonds) since the end of the previous year <sup>1</sup>		10,2	3,5	8,4	9,7	7,1	6,6
9. Percentage of debt denominated in foreigner currency <sup>2</sup>		5,0	5,5	6,1	5,8	5,0	3,9
10. Average maturity <sup>3</sup>		6,9	8,2	8,0	7,7	7,3	6,9

<sup>1</sup> Non-consolidated State debt figures. % of GDP

<sup>2</sup> Share of foreign-currency debt in total debt after swaps.

<sup>3</sup> Nominal debt after swaps, excluding Tbills issued in favour of FRDP.

(\*) The figures for the 2012' debt are the ones of the 7th review of the EAP.

**Table 5. Cyclical developments**

% of GDP	ESA Code	2012	2013	2014	2015	2016	2017
<b>1. Real GDP growth (%)</b>		-3,2	-2,3	0,6	1,5	1,8	2,2
<b>2. Net lending of general government</b>	EDP B.9	-6,4	-5,5	-4,0	-2,5	-1,2	-0,2
<b>3. Interest expenditure</b>	EDP D.41	4,4	4,4	4,4	4,3	4,4	4,4
<b>4. One-off and other temporary measures <sup>1</sup></b>		-0,6	0,1	-0,3	0,0	0,0	0,0
5. Potential GDP growth (%)		-1,5	-1,3	-0,6	0,0	0,4	0,8
contributions:							
- labour		-1,9	-1,5	-1,0	-0,6	-0,4	-0,2
- capital		-0,4	-0,5	-0,4	-0,3	-0,2	0,0
- total factor productivity		0,7	0,7	0,8	0,9	1,0	1,0
6. Output gap		-3,4	-4,5	-3,4	-1,9	-0,6	0,6
7. Cyclical budgetary component		-1,6	-2,0	-1,5	-0,9	-0,3	0,3
8. Cyclically-adjusted balance (2-7)		-4,9	-3,4	-2,5	-1,6	-1,0	-0,5
9. Cyclically-adjusted primary balance (8+3)		-0,5	0,9	1,9	2,7	3,4	3,9
10. Structural balance (8-4)		-4,2	-3,6	-2,1	-1,6	-1,0	-0,5

<sup>1</sup> A plus sign means deficit-reducing one-off measures.

**Table 6. Divergence from previous update**

	ESA Code	2012	2013	2014	2015	2016	2017
<b>Real GDP growth (%)</b>							
<b>Previous update</b>		-3,0	0,6	2,0	2,4	2,8	:
<b>Current update</b>		-3,2	-2,3	0,6	1,5	1,8	2,2
<b>Difference</b>		-0,2	-2,9	-1,4	-0,9	-1,0	:
<b>General government net lending (% of GDP)</b>	EDP B.9						
<b>Previous update</b>		-4,5	-3,0	-1,8	-1,0	-0,5	:
<b>Current update</b>		-6,4	-5,5	-4,0	-2,5	-1,2	-0,2
<b>Difference</b>		-1,9	-2,4	-2,2	-1,4	-0,8	:
<b>General government gross debt (% of GDP)</b>							
<b>Previous update</b>		113,1	115,7	113,4	109,5	103,9	:
<b>Current update</b>		123,0	122,3	123,7	122,5	119,3	115,0
<b>Difference</b>		9,9	6,6	10,3	13,0	15,4	:

**Table 7. Long-term sustainability of public finances**

% of GDP	2007	2010	2020	2030	2040	2050	2060
<b>Total expenditure</b>							
Of which: <b>age-related expenditures</b> <sup>(b)</sup>		24,8	24,5	24,3	24,7	25,3	25,3
Pension expenditure	10,9	12,5	13,5	13,2	13,1	13,1	12,7
Social Security pension	6,9	8,0	9,1	9,3	10,3	11,5	12,0
<i>Old-age and early pensions</i>	5,1	6,1	7,2	7,5	8,6	9,8	10,3
<i>Other pensions (disability, survivors)</i>	1,8	1,9	2,0	1,8	1,7	1,7	1,7
Civil servants subsystem (CGA)	3,9	4,6	4,4	3,9	2,8	1,6	0,7
Health care		7,2	6,7	7,2	7,7	8,1	8,3
Long-term care		0,3	0,3	0,4	0,4	0,5	0,6
Education expenditure		4,7	3,9	3,5	3,5	3,6	3,7
Other demographic-related expenditures <sup>(a)</sup>		1,2	1,3	1,0	0,9	0,8	0,8
Interest expenditure							
<b>Total revenue</b>							
Of which: property income							
of which: from pensions contributions (or social contributions if appropriate)	10,7	10,9	10,6	9,3	8,8	8,6	8,6
Pension reserve fund assets							
Of which: consolidated public pension fund assets (assets other than government liabilities)							
<b>Systemic pension reform</b> <sup>1</sup>							
Social contributions diverted to mandatory private scheme <sup>2</sup>							
Pension expenditure paid by mandatory private scheme <sup>3</sup>							
<b>Assumptions</b> <sup>4</sup>							
Labour productivity growth		1,8	0,9	2,0	2,0	1,8	1,5
Real GDP growth		1,3	1,5	1,9	1,3	1,1	1,1
Participation rate males (aged 20-64)		83,9	84,2	84,0	83,6	83,9	83,6
Participation rates females (aged 20-64)		74,9	78,5	80,3	80,5	81,0	80,7
Total participation rates (aged 20-64)		79,4	81,3	82,1	82,1	82,5	82,1
Unemployment rate (15_64)		11,4	11,6	8,0	7,5	7,3	7,3
Population aged 65+ over total population		18,0	20,7	24,2	28,2	31,4	32,0

<sup>1</sup> Refer to pension reforms that introduce a multi-pillar system that includes a mandatory fully funded pillar.

<sup>2</sup> Social contributions or other revenue received by the mandatory fully funded pillar to cover for the pension obligations it acquired in conjunction with the systemic reform.

<sup>3</sup> Pension expenditure or other social benefits paid by the mandatory fully funded pillar linked to the pension obligations it acquired in conjunction with the systemic pension reform.

<sup>4</sup> Assumptions underlying the Ageing Report 2012. <sup>(a)</sup> Unemployment benefit expenditures. <sup>(b)</sup> Strictly-age-related expenditures.

**Table 7b. Contingent liabilities**

% of GDP	2012	2013
<b>Public guarantees <sup>(1)</sup></b>	20,9	20,9
<i>of which: linked to the financial sector</i>	10,0	9,9

<sup>(1)</sup> Outstanding amounts. 2013 estimate on 31 of March.

**Table 8. Basic assumptions**

	2012	2013	2014	2015	2016	2017
<b>Short-term interest rate (annual average)</b>	0,6	0,2	0,4	0,4	0,4	0,4
<b>Long-term interest rate (annual average)</b>	5,0	5,0	5,0	3,5	3,6	3,6
<b>USD/€exchange rate (annual average)</b>	1,28	1,33	1,32	1,32	1,32	1,32
<b>Nominal effective exchange rate (annual change)</b>	-1,5	0,8	0,0	0,0	0,0	0,0
<b>World excluding EU, GDP growth</b>	4,1	4,2	4,7	4,7	4,7	4,7
<b>EU GDP growth</b>	-0,2	0,0	1,3	1,3	1,3	1,3
<b>Growth of relevant foreign markets</b>	-0,3	-0,4	4,2	4,7	4,7	4,7
<b>World import volumes, excluding EU</b>	4,9	4,2	6,0	6,0	6,0	6,0
<b>Oil prices, (Brent, USD/barrel)</b>	111,6	113,7	106,4	98,1	94,3	96,2