

Assessment of the Fiscal and Macroeconomic Forecasts of the 2020

State Budget

(Law 4270, article 42, paragraph 4)

The Hellenic Fiscal Council (HFC) endorses the macroeconomic and fiscal forecasts of the 2020 state budget, to the extent that there are no significant deviations compared to the Draft State Budget, given the following conditions:

- a) There will be no negative deviation in the outcome of the additional measures that have been planned in order to improve fiscal performance. More specifically, measures that refer to “combating tax evasion and broadening the tax base by promoting electronic means of payments” are highly uncertain as to their outcome while it remains unclear how tax base will be broaden.
- b) The optimistic growth prospects will be materialized.
- c) The increase in the nominal GDP by 959 million euros according to estimations by the Ministry of Finance (MoF) (as a result of the additional growth and social measures) will yield additional tax revenues of about 330 million euros and social security contributions of 140 million euros.
- d) Any unforeseen expenditures stemming from courts decisions will be fiscally manageable.

The macroeconomic projections for 2020 have not been altered compared to the Draft Budget (growth rate of 2.8% for 2020) thus the HFC’s assessment of the Macroeconomic Forecasts still holds¹.

A detailed assessment of the fiscal developments is included in the autumn biannual report of the HFC, which was published on 18th of November 2019.

Athens, 21st of November 2019

On Behalf of the Board of the Hellenic Fiscal Council

The Chairman

Panagiotis Korliras

¹ <https://www.hfisc.gr/en/ekfrasi-gnomis/assessment-macroeconomic-forecasts-2020>

