



FEDERAL BUDGET AND FISCAL POLICY FIGURES AND INFORMATION

Abstract of the Federal Ministry of Finance's Monthly Report

July 2012

Federal budget and fiscal policy figures and information

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TRENDS IN THE FEDERAL BUDGET

Trends in the federal budget

Trends in the federal budget

| | Actual December 2011 | Estimated 2012 ¹ | Provisional outturn ² January to June 2012 |
|---|----------------------|-----------------------------|---|
| Expenditure (€ bn) | 296.2 | 312.7 | 148.0 |
| Infra-annual change in % against the previous year | | | -1.5 |
| Revenue (€ bn) | 278.5 | 280.2 | 129.7 |
| Infra-annual change in % against the previous year | | | 1.4 |
| Tax revenue (€ bn) | 248.1 | 252.2 | 119.1 |
| Infra-annual change in % against the previous year | | | 2.5 |
| Financial deficit (€ bn) | -17.7 | -32.5 | -18.2 |
| Cash shortfall (€ bn) | - | - | -1.6 |
| Adjusted for revenue from coin (€ bn) | -0.3 | -0.4 | -0.1 |
| Net borrowing/current financial market balance (€ bn) | -17.3 | -32.1 | -16.5 |

¹ Includes 2012 supplementary budget following second and third reading in the Bundestag.

² As per accounts.

Trend in expenditure

Federal expenditure from January to June 2012 inclusive amounted to €148.0bn. This was €2.3bn (-1.5%) less than in the same period last year. While interest and labour market expenditures declined (by -€1.0bn and -€2.4bn, respectively) along with other types of spending, expenditures in other areas such as the 2020 Higher Education Pact posted increases.

Trend in revenue

At €129.7bn, federal revenue up to and including June 2012 was roughly €1.8bn (+1.4%) higher than

the total for the same period last year. The revenue from taxes amounted to €119.1bn, which was €2.9bn (+2.5%) above last year's figure for the period. In contrast, administrative revenue fell by €1.1bn (-9.3%). This drop can be attributed mainly to a decline in the Bundesbank's profits, which were down by about €1.6bn compared with last year.

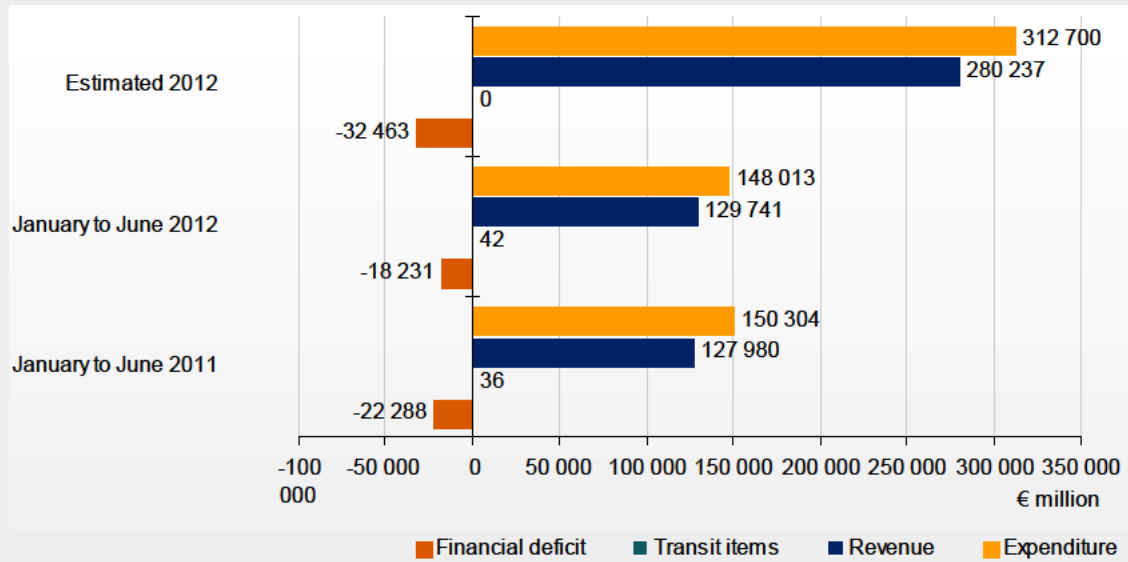
Financial balance

At this stage of the year, figures on the financial balance hold little indicative value. No reliable forecast for the remaining course of the year can be derived from the individual budget items or from the current fiscal deficit of -€18.2bn.



TRENDS IN THE FEDERAL BUDGET

Calculation of the financial deficit



Estimated: Includes 2012 supplementary budget following second and third reading in the Bundestag.
 Source: Federal Ministry of Finance

TRENDS IN THE FEDERAL BUDGET

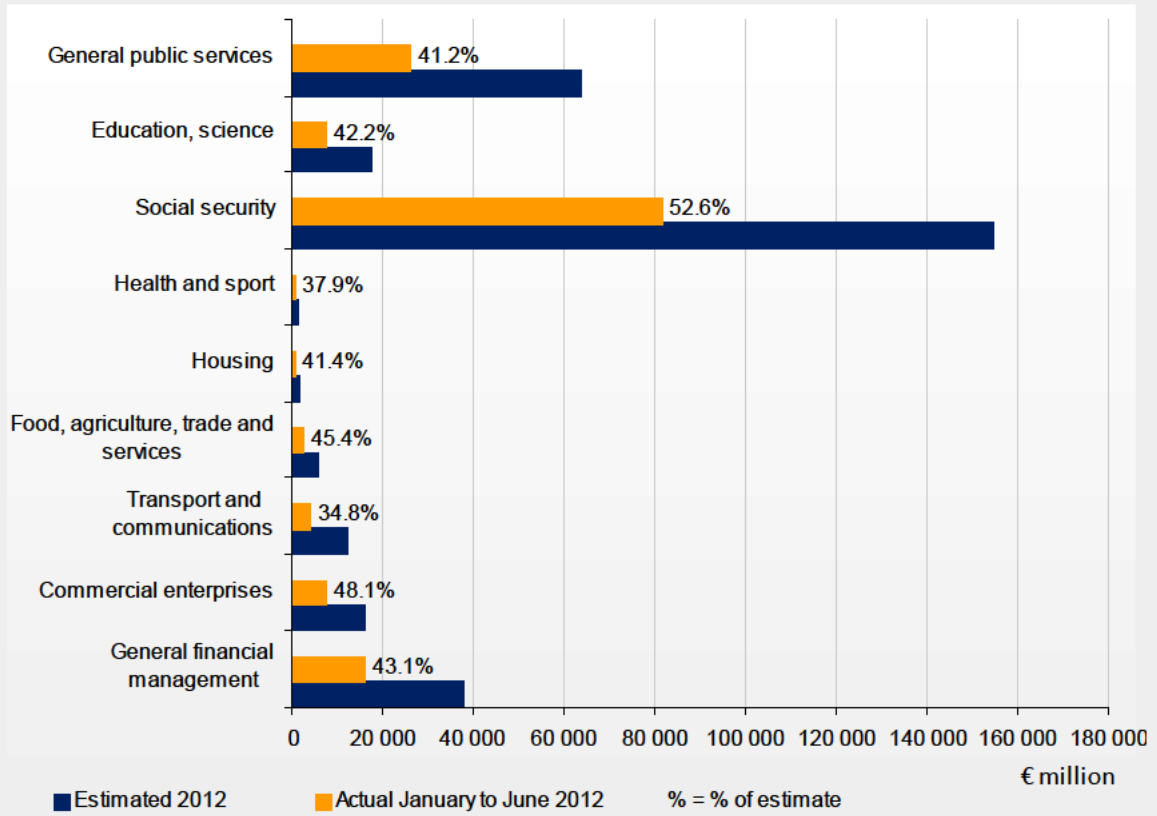
Trends in federal expenditure by functions

| | Actual December | | Estimated ¹ | | Actual | | Infra-annual change in % against the previous year |
|---|-----------------|--------------|------------------------|--------------|----------------------|----------------------|--|
| | 2011 | | 2012 | | January to June 2011 | January to June 2012 | |
| | € m | Share in % | € m | Share in % | in Mio. € | | |
| General public services | 54 407 | 18.4 | 63 904 | 20.4 | 25 546 | 26 354 | +3.2 |
| Economic cooperation and development | 5 931 | 2.0 | 6 292 | 2.0 | 2 618 | 2 891 | +10.4 |
| Defence | 31 710 | 10.7 | 31 734 | 10.1 | 15 133 | 15 629 | +3.3 |
| Government, central administration | 6 369 | 2.2 | 5 798 | 1.9 | 2 989 | 2 860 | -4.3 |
| Revenue administration | 3 754 | 1.3 | 4 326 | 1.4 | 1 759 | 1 856 | +5.5 |
| Education, science, research, cultural affairs | 16 086 | 5.4 | 17 994 | 5.8 | 6 915 | 7 600 | +9.9 |
| Fed. Education and Training Grants Act | 1 584 | 0.5 | 1 763 | 0.6 | 918 | 928 | +1.1 |
| Research and development | 9 361 | 3.2 | 10 083 | 3.2 | 3 308 | 3 591 | +8.6 |
| Social security, war-related social tasks, indemnification | 155 255 | 52.4 | 154 880 | 49.5 | 84 116 | 81 539 | -3.1 |
| Social security | 77 976 | 26.3 | 78 711 | 25.2 | 44 217 | 44 762 | +1.2 |
| Loan/subsidy to the Federal Employment Agency | 8 046 | 2.7 | 7 238 | 2.3 | 5 160 | 3 514 | -31.9 |
| Basic allowance for jobseekers | 33 035 | 11.2 | 32 735 | 10.5 | 16 571 | 15 808 | -4.6 |
| of which: Unemployment benefit II | 19 384 | 6.5 | 19 370 | 6.2 | 10 102 | 9 879 | -2.2 |
| Unemployment benefit II, government housing and heating allowances | 4 855 | 1.6 | 4 900 | 1.6 | 2 375 | 2 452 | +3.2 |
| Housing allowance | 745 | 0.3 | 650 | 0.2 | 417 | 308 | -26.1 |
| Upbringing allowance | 4 712 | 1.6 | 4 904 | 1.6 | 2 432 | 2 477 | +1.9 |
| War pensions, war pensioners' welfare | 1 684 | 0.6 | 1 613 | 0.5 | 944 | 849 | -10.1 |
| Health, environment, sport, recreation | 1 335 | 0.5 | 1 548 | 0.5 | 542 | 587 | +8.3 |
| Housing, regional planning and local community services | 2 033 | 0.7 | 2 066 | 0.7 | 757 | 855 | +12.9 |
| Housing | 1 366 | 0.5 | 1 387 | 0.4 | 658 | 715 | +8.7 |
| Food, agriculture and forestry as well as energy and water supply, trade, services | 5 656 | 1.9 | 5 672 | 1.8 | 2 828 | 2 573 | -9.0 |
| Regional promotion | 937 | 0.3 | 635 | 0.2 | 279 | 193 | -30.8 |
| Coal-mining | 1 349 | 0.5 | 1 200 | 0.4 | 1 350 | 1 182 | -12.4 |
| Guarantees | 797 | 0.3 | 1 500 | 0.5 | 321 | 368 | +14.6 |
| Transport and communications | 11 645 | 3.9 | 12 384 | 4.0 | 4 521 | 4 314 | -4.6 |
| Roads (excl. Local Transport Finance Act) | 6 115 | 2.1 | 6 126 | 2.0 | 1 938 | 1 769 | -8.7 |
| Commercial enterprises, general real property and capital assets | 15 986 | 5.4 | 16 407 | 5.2 | 7 747 | 7 888 | +1.8 |
| Federal railways fund | 5 020 | 1.7 | 5 239 | 1.7 | 2 337 | 2 305 | -1.4 |
| Railroads of the federation / Deutsche Bahn AG | 4 037 | 1.4 | 4 016 | 1.3 | 1 579 | 1 600 | +1.3 |
| General financial management | 33 825 | 11.4 | 37 846 | 12.1 | 17 332 | 16 304 | -5.9 |
| Interest expenditure | 32 800 | 11.1 | 34 207 | 10.9 | 16 891 | 15 844 | -6.2 |
| TOTAL EXPENDITURE | 296 228 | 100.0 | 312 700 | 100.0 | 150 304 | 148 013 | -1.5 |

¹ Includes 2012 supplementary budget following second and third reading in the Bundestag.

TRENDS IN THE FEDERAL BUDGET

Federal expenditure by functions, January to June 2012



Estimate: Includes 2012 supplementary budget following second and third reading in the Bundestag.

TRENDS IN THE FEDERAL BUDGET

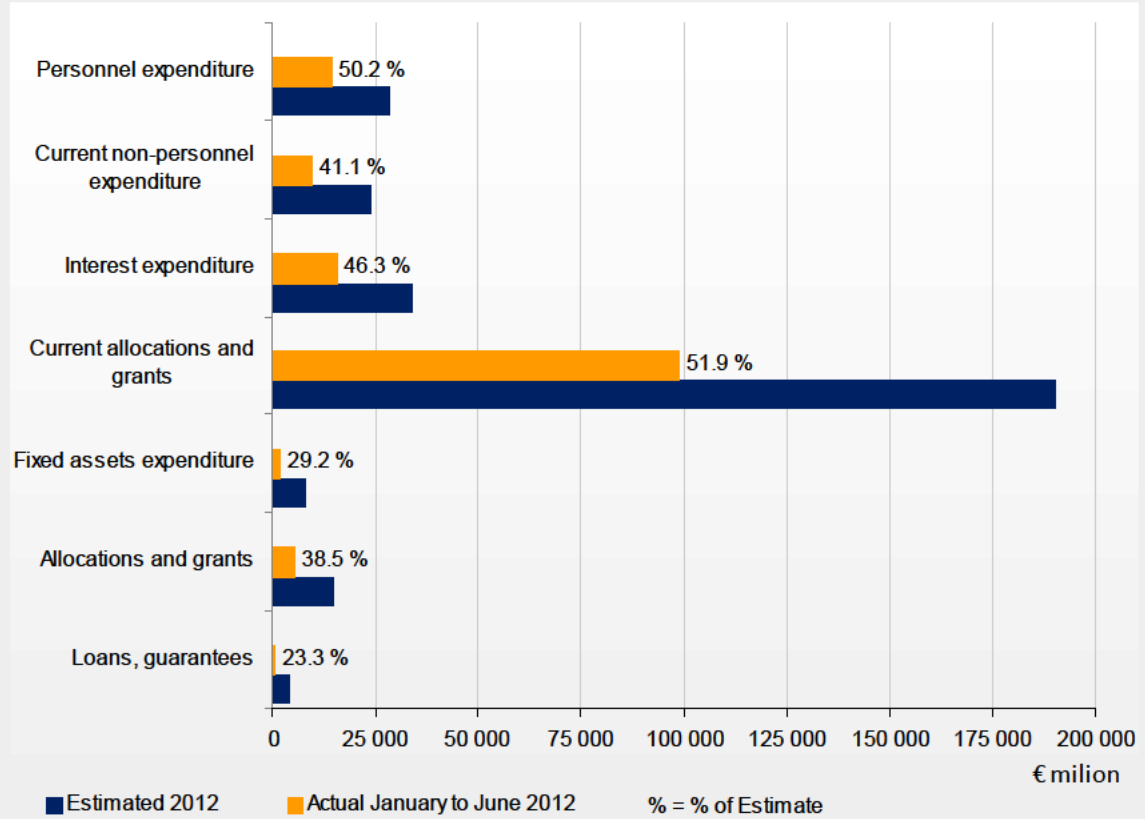
Trends in federal expenditure by economic categories

| | Actual December | | Estimated ¹ | | Actual | | Infra-annual change in % against the previous year |
|--|-----------------|--------------|------------------------|--------------|-------------------------|-------------------------|---|
| | 2011 | | 2012 | | January to June 2011 | January to June 2012 | |
| | € m | Share in % | € m | Share in % | in Mio. € | | |
| Consumption expenditure | 270 850 | 91.4 | 277 293 | 88.7 | 140 968 | 139 026 | -1.4 |
| Personnel expenditure | 27 856 | 9.4 | 28 497 | 9.1 | 14 682 | 14 303 | -2.6 |
| - Pay | 20 702 | 7.0 | 21 349 | 6.8 | 10 798 | 10 370 | -4.0 |
| - Pensions | 7 154 | 2.4 | 7 147 | 2.3 | 3 884 | 3 933 | +1.3 |
| Current non-personnel expenditure | 21 946 | 7.4 | 23 828 | 7.6 | 8 884 | 9 801 | +10.3 |
| - Administrative expenditure | 1 545 | 0.5 | 1 283 | 0.4 | 696 | 548 | -21.3 |
| - Military procurement | 10 137 | 3.4 | 10 673 | 3.4 | 4 066 | 4 055 | -0.3 |
| - Other | 10 264 | 3.5 | 11 871 | 3.8 | 4 122 | 5 199 | +26.1 |
| Interest expenditure | 32 800 | 11.1 | 34 207 | 10.9 | 16 891 | 15 844 | -6.2 |
| Current allocations and grants | 187 554 | 63.3 | 190 295 | 60.9 | 100 298 | 98 852 | -1.4 |
| - To authorities | 15 930 | 5.4 | 17 600 | 5.6 | 7 420 | 7 211 | -2.8 |
| - Other | 171 624 | 57.9 | 172 696 | 55.2 | 92 989 | 91 691 | -1.4 |
| of which | | | | | | | |
| Private enterprises | 23 882 | 8.1 | 25 106 | 8.0 | 12 153 | 12 004 | -1.2 |
| Pensions, assistance etc. | 26 718 | 9.0 | 26 931 | 8.6 | 13 988 | 13 765 | -1.6 |
| Social insurance funds | 115 398 | 39.0 | 113 678 | 36.4 | 64 314 | 62 421 | -2.9 |
| Other capital transfers | 695 | 0.2 | 467 | 0.1 | 214 | 226 | +5.6 |
| Investment expenditure | 25 378 | 8.6 | 35 650 | 11.4 | 9 335 | 8 988 | -3.7 |
| Financial aid | 18 202 | 6.1 | 27 653 | 8.8 | 7 072 | 6 655 | -5.9 |
| - Allocations and grants | 14 589 | 4.9 | 14 734 | 4.7 | 5 550 | 5 670 | +2.2 |
| - Loans, guarantees | 2 825 | 1.0 | 4 231 | 1.4 | 894 | 985 | +10.2 |
| - Participations, capital contributions | 788 | 0.3 | 8 687 | 2.8 | 628 | 0 | -100.0 |
| Fixed assets expenditure | 7 175 | 2.4 | 7 997 | 2.6 | 2 264 | 2 333 | +3.0 |
| - Building and construction | 5 814 | 2.0 | 6 519 | 2.1 | 1 889 | 1 938 | +2.6 |
| - Acquisition of movable property | 869 | 0.3 | 899 | 0.3 | 298 | 310 | +4.0 |
| - Acquisition of real property | 492 | 0.2 | 578 | 0.2 | 76 | 85 | +11.8 |
| General reduction/increase in expenditure | 0 | 0.0 | - 243 | -0.1 | 0 | 0 | |
| Total expenditure | 296 228 | 100.0 | 312 700 | 100.0 | 150 304 | 148 013 | -1.5 |

¹ Includes 2012 supplementary budget following second and third reading in the Bundestag.

TRENDS IN THE FEDERAL BUDGET

**Trends in federal expenditure by selected economic categories
January to June 2012**



Estimate: Includes 2012 supplementary budget following second and third reading in the Bundestag.

TRENDS IN THE FEDERAL BUDGET

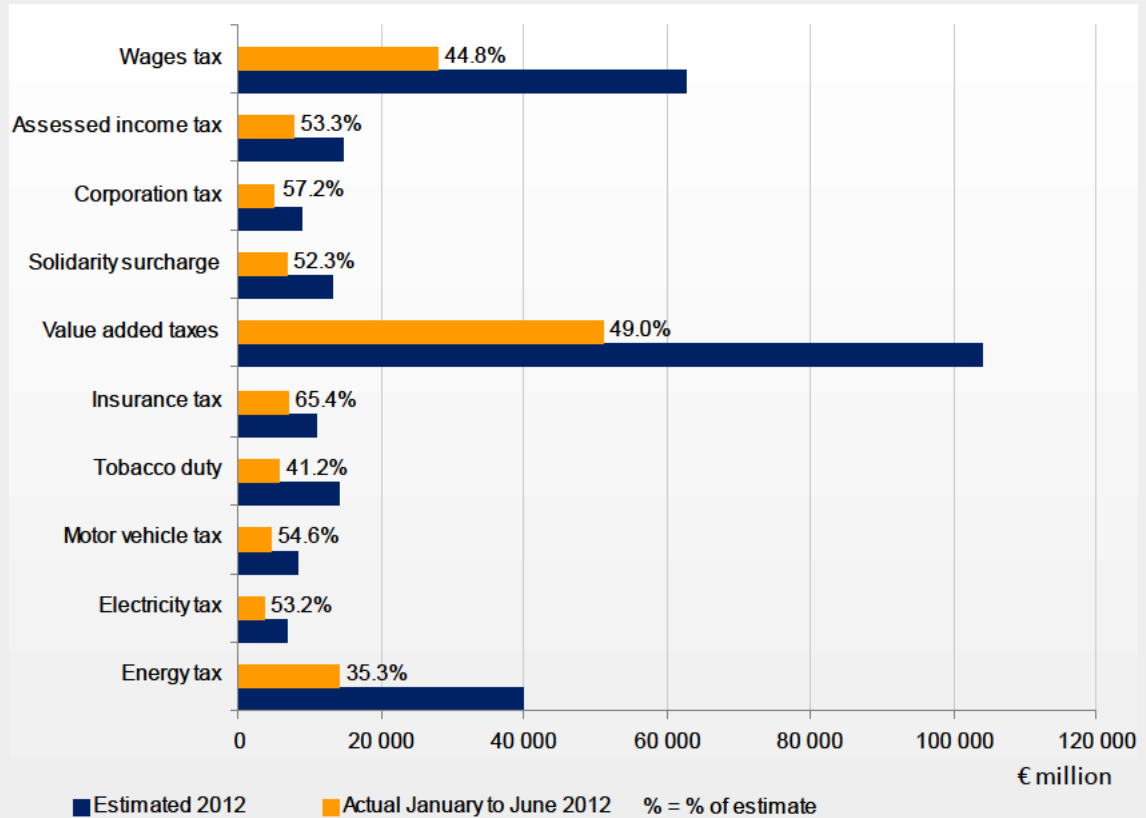
Trends in federal revenue

| | Actual December | | Estimated ¹ | | Actual | | Infra-annual change in % against the previous year |
|---|-----------------|--------------|------------------------|--------------|-------------------------|-------------------------|---|
| | 2011 | | 2012 | | January to June 2012 | January to June 2012 | |
| | € m | Share in % | € m | Share in % | in Mio. € | | |
| I. Tax revenue | 248 066 | 89.1 | 252 223 | 90.0 | 116 269 | 119 123 | +2.5 |
| Federal share of joint taxes: | 196 908 | 70.7 | 204 546 | 73.0 | 96 591 | 100 514 | +4.1 |
| revenue from individual and corporate income taxes (incl. interest income deduction) on which: | 93 488 | 33.6 | 98 887 | 35.3 | 45 746 | 49 066 | +7.3 |
| - Wages tax | 59 475 | 21.4 | 62 666 | 22.4 | 26 657 | 28 078 | +5.3 |
| - Assessed income tax | 13 599 | 4.9 | 14 717 | 5.3 | 6 852 | 7 848 | +14.5 |
| - Non-Assessed taxes on earnings | 9 068 | 3.3 | 8 825 | 3.1 | 6 685 | 5 729 | -14.3 |
| - interest income deduction | 3 529 | 1.3 | 3 529 | 1.3 | 2 203 | 2 177 | -1.2 |
| - Corporation tax | 7 817 | 2.8 | 9 150 | 3.3 | 3 350 | 5 233 | +56.2 |
| Value added taxes (VAT) | 101 899 | 36.6 | 104 080 | 37.1 | 50 387 | 51 015 | +1.2 |
| Trade tax apportionment | 1 520 | 0.5 | 1 579 | 0.6 | 458 | 433 | -5.5 |
| Energy tax | 40 036 | 14.4 | 39 950 | 14.3 | 14 459 | 14 113 | -2.4 |
| Tobacco duty | 14 414 | 5.2 | 14 200 | 5.1 | 6 193 | 5 855 | -5.5 |
| Solidarity surcharge | 12 781 | 4.6 | 13 300 | 4.7 | 6 522 | 6 952 | +6.6 |
| Insurance tax | 10 755 | 3.9 | 11 000 | 3.9 | 6 886 | 7 192 | +4.4 |
| Electricity tax | 7 247 | 2.6 | 6 920 | 2.5 | 3 744 | 3 680 | -1.7 |
| Motor vehicle tax | 8 422 | 3.0 | 8 400 | 3.0 | 4 564 | 4 585 | +0.5 |
| Nuclear fuel tax | 922 | 0.3 | 1 470 | 0.5 | 0 | 663 | X |
| Spirits duty | 2 151 | 0.8 | 2 121 | 0.8 | 1 057 | 1 067 | +0.9 |
| Coffee duty | 1 028 | 0.4 | 1 040 | 0.4 | 521 | 523 | +0.4 |
| Aviation tax | 905 | 0.3 | 960 | 0.3 | 348 | 421 | +21.0 |
| Supplemental grants to Länder | -12 110 | -4.3 | -11 283 | -4.0 | -6 104 | -5 671 | -7.1 |
| EU GNP own resources | -18 003 | -6.5 | -22 760 | -8.1 | -9 856 | -11 784 | +19.6 |
| EU VAT-based own resources | -1 890 | -0.7 | -2 030 | -0.7 | -916 | -1 191 | +30.0 |
| Allocations to Länder for short-haul public transport | -6 980 | -2.5 | -7 085 | -2.5 | -3 490 | -3 542 | +1.5 |
| Grants to the Länder for motor vehicle tax and HGV toll | -8 992 | -3.2 | -8 992 | -3.2 | -4 496 | -4 496 | +0.0 |
| II. Other revenue | 30 455 | 10.9 | 28 014 | 10.0 | 11 710 | 10 617 | -9.3 |
| Revenue from economic activity | 4 971 | 1.8 | 4 244 | 1.5 | 3 602 | 2 518 | -30.1 |
| Interest revenue | 483 | 0.2 | 519 | 0.2 | 125 | 107 | -14.4 |
| Return on loans, participations, privatization revenue | 5 267 | 1.9 | 6 713 | 2.4 | 1 276 | 1 351 | +5.9 |
| Total revenue | 278 520 | 100.0 | 280 237 | 100.0 | 127 980 | 129 741 | +1.4 |

¹ Includes 2012 supplementary budget following second and third reading in the Bundestag.

TRENDS IN THE FEDERAL BUDGET

**Federal tax revenue (by selected categories)
January to June 2012**



Estimate: Includes 2012 supplementary budget following second and third reading in the Bundestag.

TRENDS IN GENERAL GOVERNMENT TAX REVENUE

Trends in general government tax revenue

Development of tax revenue in total public budgets in the current year ¹

| 2012 | June | Change on the | January to | Change on the | 2012 | Change on the |
|--|---------------|---------------|----------------|---------------|---------------------|---------------|
| | in € m | in % | June | year | estimates | year |
| | | | in € m | in % | in € m ⁴ | in % |
| Joint taxes | | | | | | |
| Wages tax ² | 13 077 | +7.6 | 70 253 | +5.5 | 147 450 | +5.5 |
| Assessed income tax | 9 163 | +6.5 | 18 466 | +14.5 | 34 700 | +8.5 |
| Non-assessed taxes on earnings | 4 104 | +205.1 | 12 100 | -9.5 | 17 650 | -2.7 |
| Interest income deduction | 507 | +3.8 | 5 116 | -0.5 | 8 020 | +0.0 |
| Corporation tax | 5 235 | +1.4 | 10 466 | +56.2 | 18 300 | +17.1 |
| Value added taxes (VAT) | 14 663 | -5.5 | 95 566 | +2.2 | 196 350 | +3.3 |
| Trade tax apportionment | 1 | -44.0 | 1 044 | -5.5 | 3 811 | +3.8 |
| Increased trade tax apportionment | 1 | -45.4 | 892 | -6.4 | 3 239 | +0.6 |
| Total joint taxes | 46 752 | +8.0 | 213 904 | +5.1 | 429 520 | +4.6 |
| Federal taxes | | | | | | |
| Energy tax | 3 300 | -5.4 | 14 113 | -2.4 | 39 950 | -0.2 |
| Tobacco duty | 1 163 | +13.3 | 5 855 | -5.5 | 14 200 | -1.5 |
| Spirits duty | 164 | -3.8 | 1 066 | +1.0 | 2 120 | -1.4 |
| Insurance tax | 549 | +1.2 | 7 192 | +4.4 | 11 000 | +2.3 |
| Electricity duty | 843 | +13.3 | 3 680 | -1.7 | 6 920 | -4.5 |
| Motor vehicle tax | 687 | -2.8 | 4 585 | +0.5 | 8 400 | -0.3 |
| Aviation tax | 83 | +2.5 | 421 | +21.0 | 960 | +6.1 |
| Nuclear fuel tax | 344 | X | 663 | X | 1 470 | +59.4 |
| Solidarity surcharge | 1 769 | +11.1 | 6 952 | +6.6 | 13 300 | +4.1 |
| Other federal taxes | 118 | -8.5 | 767 | +0.0 | 1 507 | +0.3 |
| Total federal taxes | 9 019 | +6.4 | 45 294 | +1.7 | 99 827 | +0.7 |
| Länder taxes | | | | | | |
| Inheritance tax | 294 | -14.3 | 2 029 | -11.8 | 4 280 | +0.8 |
| Real property transfer tax | 563 | +8.6 | 3 559 | +17.9 | 7 330 | +15.2 |
| Lottery and sports betting tax | 108 | +0.4 | 716 | -0.9 | 1 419 | -0.1 |
| Beer duty | 71 | -1.7 | 337 | -1.4 | 700 | -0.3 |
| Other Länder taxes | 25 | +13.9 | 243 | +4.5 | 378 | +4.6 |
| Total Länder taxes | 1 060 | -0.2 | 6 884 | +4.1 | 14 107 | +7.7 |
| EU own resources | | | | | | |
| Customs duty | 338 | -9.6 | 2 139 | -3.2 | 4 750 | +3.9 |
| VAT-based own resources | 80 | -10.6 | 1 191 | +30.1 | 2 030 | +7.4 |
| GDP-based own resources | 811 | -16.3 | 11 784 | +19.6 | 22 760 | +26.4 |
| Total EU own resources | 1 230 | -14.2 | 15 114 | +16.4 | 29 540 | +20.8 |
| Federation³ | 28 013 | +8.9 | 121 330 | +2.8 | 252 254 | +1.7 |
| Länder³ | 24 237 | +7.4 | 115 947 | +4.5 | 234 206 | +4.4 |
| EU | 1 230 | -14.2 | 15 114 | +16.4 | 29 540 | +20.8 |
| Municipalities' share of income tax and value-added tax | 3 690 | +6.0 | 15 829 | +6.3 | 32 204 | +5.5 |
| Total tax revenue (excluding) | 57 169 | +7.5 | 268 220 | +4.4 | 548 204 | +4.0 |

¹ Method: Recording the total cash income of the individual taxes and distributing these to the various levels as set out by law. For technical reasons, the tax amounts actual received in the current month from the individual territorial subdivisions may differ from the amounts budgeted.

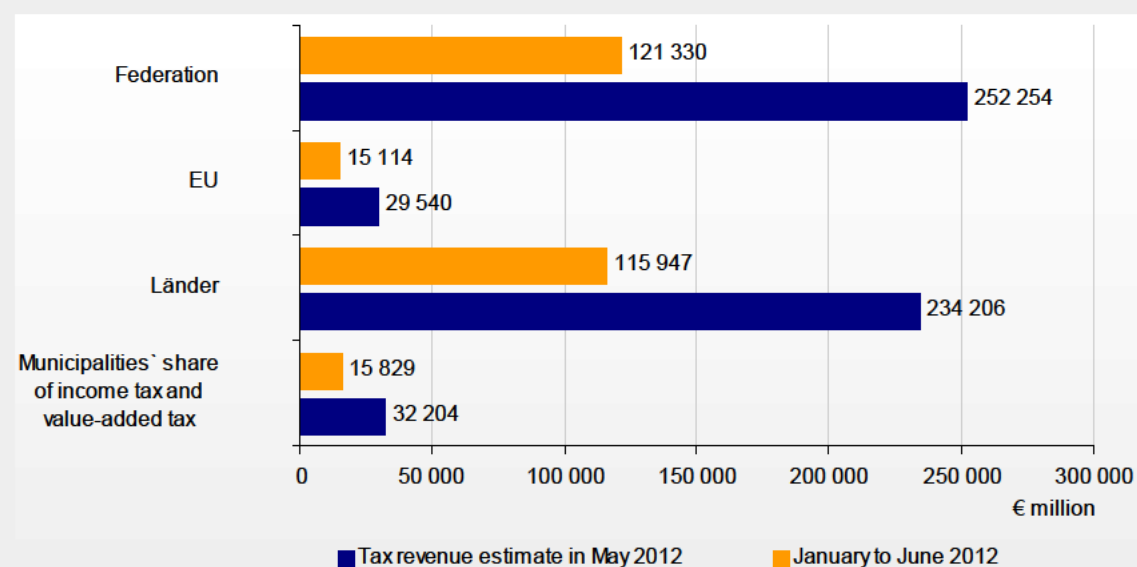
² After deduction of child benefit refunds by the Bundeszentralamt für Finanzen.

³ After supplementary grants; deviation from Table 1.3 on account of the method.

⁴ Result of the Working Party on Tax Revenue Estimates in May 2012.

TRENDS IN GENERAL GOVERNMENT TAX REVENUE

Tax revenue excluding local authority taxes, January to June 2012



Source: Federal Ministry of Finance

Tax revenue of the Federation and *Länder* in June 2012

Tax revenue (excluding local authority taxes) increased in June 2012 by 7.5% on the year. A breakdown of this figure shows year-on-year increases of 8.0% in joint taxes and 6.4% in taxes accruing solely to the Federation, while taxes accruing solely to the *Länder* registered a decline of 0.2%. June is a high-revenue month due to the deadlines for prepayments of assessed income tax and corporation tax. However, the marked increase in tax revenue compared with the previous June was attributable primarily to wages tax and non-assessed taxes on earnings. An unexpectedly pronounced decline in VAT revenue had a dampening impact on receipts. The cumulative tax revenue for January-June 2012 was up by 4.4% on the year. After taking supplementary federal grants (to *Länder* with below-average tax receipts) into account, the Federation's June tax take grew at a faster pace (+8.9%) than that of the *Länder* (+7.4%).

Cumulative totals for the period from January to June 2012 continue to show a solid plus, with tax yields for the Federation and *Länder* up 2.8% and 4.5%, respectively.

Cash receipts from wages tax in June 2012 were up 7.6% over the same month last year. In June, gross revenue from wages tax (before deduction of child benefit) posted its strongest increase for the year to date (+6.4%) after a rather disappointing gain in May (+3.1%). Tax yields can be expected to increase due to the distorting impact of last year's baseline figure together with various wage agreements and the continued expansion of employment. The volume of child benefit payments rose by 1.6%. Cash receipts from wages tax registered a 5.5% increase for the period from January to June 2012.

TRENDS IN GENERAL GOVERNMENT TAX REVENUE

Cash receipts from assessed income tax rose by 6.5% in June 2012. Gross revenue from assessed income tax grew at an even faster clip, up 7.4% compared with June 2011. The gain was driven by an over 8% increase in prepayments, while refunds (excluding employee refunds) and back payments remained virtually unchanged on balance. Refunds to employed persons assessed for income tax increased by 13.1%. For the period from January to June 2012, the rise in cash receipts was up markedly by 14.5%.

Cash receipts from corporation tax posted a gain of only 1.4% in June 2012. Despite a roughly 7% increase in prepayments, net receipts rose by only 1.5% since refunds rose as well. Gross receipts were reduced by approximately €60m in paid-out investment allowances. At €10.5bn, cash receipts for the January-May 2012 period were up markedly from €6.7bn for the same period in 2011.

Cash receipts from non-assessed taxes on earnings in June rose to €4.1bn compared with €1.3bn last June. The revenue losses (especially in May) resulting from the introduction of a new settlement procedure as of 1 January 2012 were largely balanced out in June, and the next two months are also likely to see higher yields due to the new system. Refunds paid out by the Federal Central Tax Office were down by 20.8% compared with June 2011. Cash receipts from non-assessed taxes on earnings totalled €12.1bn for the January-June 2012 period, down from €13.4bn for the same period a year ago.

The volume of receipts from the final withholding tax on interest and capital gains was up 3.8% over June 2011. However, the figure for the period between January and June 2012 was down by 0.5% on the year.

VAT revenue in June 2012 was down 5.5% on the year. For the first time this year, import VAT receipts also posted a decline (2.8%) compared with a year ago. Receipts from (domestic) VAT fell by 6.6%, which is its steepest decline this year by far. For the entire period from January to June 2012, VAT yield is up overall by just 2.2% in year-on-year terms. However, given the stability of the domestic economy, the results posted in June should not be overstated; it is likely that VAT revenue will continue to trend upward overall.

Taxes accruing solely to the Federation in June 2012 were up by a solid 6.4% over last year's level. The main factors contributing to this positive development were gains in tobacco duty (+13.3%), the solidarity surcharge (+11.1%), electricity duty (+13.3%) and insurance tax (+1.2%). Aviation tax registered a mild increase of 2.5%. Nuclear fuel duty payments totalled €343.5m in June (with cumulative revenue of €662.9m from January to June 2012). Of the taxes that are major revenue sources for the Federation, only energy duty posted a year-on-year decline in June (5.4%), which was due mainly to lower yields in the energy duty on natural gas (which were down by 39.7%). For the cumulative period of January-June 2012, the year-on-year increase in revenue from purely federal taxes was moderate, at 1.7%.

Revenue from taxes accruing solely to the Länder in June 2012 was down by 0.2% compared with June 2011. As was the case in May 2012, higher receipts from real property tax (+8.6%) were unable to balance out the sharp decline in inheritance tax receipts (14.3%). Gains were posted by fire protection tax (+7.9%) and betting and lottery tax (+0.4%), while beer duty receipts fell by 1.7%. Overall revenue from Länder taxes was up by 4.1% year-on-year for the period from January to June 2012.

FEDERAL BORROWING AND MARKET RESOURCES

Federal borrowing and market resources

Federal borrowing and market resources¹
Federal market resources after absorption of special fund debts

| | As on 30 April 2012 | Increase | Decrease | As on 31 May 2012 |
|---------------------------------------|------------------------|----------|----------|----------------------|
| € m | | | | |
| Index Linked Bonds | 48 000 | 1 500 | 0 | 49 500 |
| Federal bonds ² | 650 736 | 5 000 | 0 | 655 736 |
| Special federal bonds | 203 000 | 5 000 | 0 | 208 000 |
| Federal savings bonds ³ | 7 778 | 26 | 190 | 7 613 |
| Federal treasury notes | 136 000 | 5 000 | 0 | 141 000 |
| Treasury discount paper | 52 066 | 6 998 | 6 959 | 52 106 |
| Treasury financing paper ⁴ | 392 | 19 | 33 | 379 |
| German government day-bond | 2 118 | 32 | 41 | 2 109 |
| Loans against borrowers' notes | 12 061 | 0 | 0 | 12 061 |
| Treuhand medium-term notes | 852 | 0 | 0 | 852 |
| Total outstanding debt | 1 113 004 | | | 1 129 356 |

By remaining term

| | As on 30 April 2012 | | | As on 31 May 2012 |
|---------------------------------|------------------------|--|--|----------------------|
| € m | | | | |
| Short term (up to 1 year) | 226 581 | | | 226 511 |
| Medium term (1 year to 4 years) | 362 000 | | | 367 003 |
| Long term (over 4 years) | 524 423 | | | 535 842 |
| Total outstanding debt | 1 113 004 | | | 1 129 356 |

¹ For technical reasons the borrowing figures will be published with a delay of two months. The data for the time period up to and including December will therefore be published in the February monthly report.

² 10-year and 30-year federal government bonds (Bunds) and euro equivalent of the bond denominated in US dollars

³ Type A and type B federal savings notes (Bundesschatzbriefe)

⁴ One-year and two-year federal treasury notes (Schätze)

PUBLICATION SCHEDULE OF THE MONTHLY REPORTS

| Guaranteed debt | | | |
|---|------------------|--|--|
| | Budget framework | allocated amount as on 30 June 2012 | allocated amount as on 30 June 2011 |
| | € bn | | |
| Export credit guarantees | 135.0 | 122.1 | 115.9 |
| Untied loans, direct foreign investments, loans of the EIB, KfW shareholding in EIF | 50.0 | 41.4 | 37.3 |
| Bilateral financial cooperation projects | 9.0 | 4.0 | 2.7 |
| Food stockpiling | 0.7 | 0.0 | 0.0 |
| Domestic guarantees | 171.0 | 108.2 | 110.4 |
| International financial institutions | 62.0 | 56.1 | 55.9 |
| Treuhandanstalt-successor organisations | 1.2 | 1.0 | 1.0 |
| Interest compensation guarantees | 8.0 | 8.0 | 6.0 |
| Guarantees for loans to Greece under the Currency Union Financial Stability Act of 7 May 2010 | 22.4 | 22.4 | 22.4 |
| Loan guarantees under the Act on Guarantees pertaining to the European Stability Mechanism of 27 May 2010 | 211.0 | 95.3 | 9.2 |

Publication schedule of the Monthly Reports

| Publication schedule of the Monthly Reports | | |
|---|------------------|--------------------|
| Monthly Report | Reporting period | Publication date |
| August 2012 | July 2012 | August 20, 2012 |
| September 2012 | August 2012 | September 21, 2012 |
| October 2012 | September 2012 | October 22, 2012 |
| November 2012 | October 2012 | November 22, 2012 |
| December 2012 | November 2011 | December 21, 2012 |



KEY DATES ON THE FISCAL POLICY AGENDA

Key dates on the fiscal policy agenda

Key dates on the fiscal policy agenda

| | |
|----------------------|--|
| 14-15 September 2012 | Informal ECOFIN in Cyprus |
| 8-9 October 2012 | ECOFIN and Eurogroup in Luxembourg |
| 12-14 October 2012 | Annual Meetings of IMF and World Bank in Tokyo |
| 18-19 October 2012 | European Council in Brussels |
| 4-5 November 2012 | Meeting of G20 finance ministers and central bank governors in Mexico City |
| 12-13 November 2012 | ECOFIN and Eurogroup in Brussels |