

# New blueprint to save Greece

Prime Minister Alexis Tsipras has submitted comprehensive reform proposals to free up a new three-year, €53.5 billion conditional loan from the European Stability Mechanism bailout fund

## PRIMARY SURPLUS

Primary budget surplus: Government tax revenues minus cost of running country, excluding interest on national debt

2015: **1%** of GDP, 2016: **2%**, 2017: **3%**,  
2018: **3.5%** **TOTAL: €17 billion\***

*\*based on 2014 GDP of €179.1bn*

## VALUE ADDED TAX

New VAT levels from October. Restaurants up **10% to 23%**. Foodstuffs, energy, water and hotels **13%** (hotels currently **6.5%**), and **6%** for medicine, books and theatre. Tax breaks for tourist islands scrapped by end 2016.

Reforms to generate **€1.8 billion** a year

## PUBLIC SECTOR

Salaries to be cut by 2019. Perks – such as paid leave and travel allowances – adjusted

in line with EU norms

## PENSION REFORMS

End early retirement, standardise retirement age to 67 by 2022.

Health contributions

to jump from **4% to 6%**

**€2.7bn** in 2015-16

## MILITARY SPENDING

Cut by €100m this year, and €200m in 2016

**€300m**

## TAX REFORMS

Raise corporate tax rate from **26% to 28%**. Farmers to lose fuel subsidies. Luxury tax

on recreational boats over five metres up **3% to 13%**

## TAX COLLECTION

New autonomous tax revenue agency to streamline collection and combat smuggling. Revenue lost to tax dodgers estimated at

**€20bn** a year

**Insolvency laws:** Amendments aimed to get debtors to pay up loans

## SHIPPING INDUSTRY

Proposed tax on €106bn Hellenic fleet – which in effect pays no tax. Plan likely to fail

because owners can register ships' flags in other countries

## PRIVATISATION

Government to sell off state assets, starting with electricity grid company, regional

airports and ports including Piraeus and Thessaloniki

