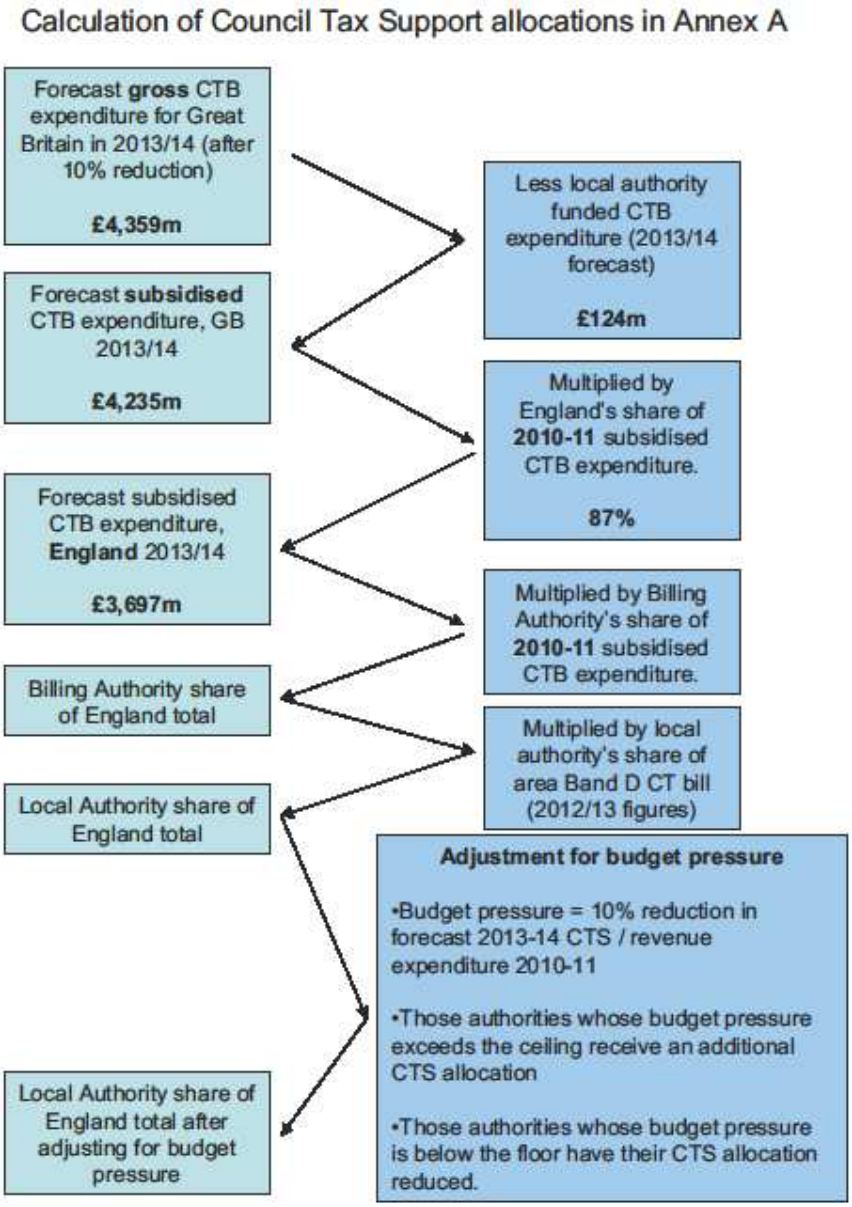ANNEX A CALCULATION OF GOVERNMENT SPENDING REDUCTION