



***PUBLIC ADMINISTRATIONS ECONOMIC ACCOUNT IN THE
A.C.OF THE BASQUE COUNTRY***

Methodology note

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The current series of the Public Administrations Economic Account corresponds to the series of non-financial accounts, following the methodological criteria of the European System of National and Regional Accounts (ESA-95), contained in Regulation (EC) N° 2223/96 by the Council of 25 June 1996. In addition, criteria contained in the ESA-95 Manual on public deficit and public debt were applied together with Regulation (EC) 2516/2000 relating to taxes and social contributions and the Council Regulation No 448/98 and 1889/2002 relating to the "Allocation of Financial Intermediation Services Indirectly Measured (AFISM) to sectors/branches of user activity".

The series was carried out using Base year 2005 and the main features were as follows:

I. Definition of the sector:

The ESA defines the Public Administrations sector (S.13) as that which "includes all the institutional units that are other non-market producers, whose production is destined to individual or collective consumption, which is mainly financed through obligatory payments made by units belonging to other sectors and/or carry out transactions to redistribute national income and wealth". To determine non market producers, a criterion based on 50% of the production costs will be used, i.e. if sales cover less than 50% of production costs, the institutional unit is another non-market producer. The application of this criteria is carried out in accordance with the ESA-95 Manual on public deficit and public debt.

The application of these criteria lead to an argument of institutional units included in the Public Administrations sector, mainly public companies. As a consequence, based on 2005 Public Administrations Economic Accounts in the A.C. of the Basque Country the following public institutional units are included:

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I. BASQUE ADMINISTRATIONS

1. BASQUE GOVERNMENT

- General Administration
 - Basque Parliament
 - Basque Public Accounts Committee
 - Basque Data Protection Agency
- Administrative organizations:
 - Instituto Vasco de Administracion Pública (Basque Public Administration Institute)
 - Instituto de Alfabetización y reuskaldunización de adultos (Institute for Adult Literacy and the use of the Basque Language)
 - Instituto Vasco de Educación Física (Basque Physical Education Institute)
 - Instituto Vasco de Estadística (Basque Statistics Office)
 - Instituto Vasco de la Mujer (Basque Institute of Women)
 - Academia de Policía del País Vasco (Police Academy of the Basque Country)
 - Instituto Vasco de Seguridad y Salud Laborales (Basque Institute for Occupational Health and Safety)

- PUBLIC BODIES:
 - 1) UNIVERSITY OF THE BASQUE COUNTRY
 - 2) OSAKIDETZA –BASQUE PUBLIC HEALTH SERVICE
- PUBLIC COMPANIES:
 - 1)EGAILAN, S.A., Sociedad de Promoción de la Formación y el Empleo
 - 2)Orquesta de Euskadi, S.A.
 - 3)Sociedad Pública de Gestión Ambiental IHOBE, S.A.
 - 4)Centro para el Ahorro y Desarrollo Energético y Minero, S.A.U (CADEM)
 - 5)MENDIKOI, Nekazaritza Garapenerako Institutua, S.A
 - 6)NEIKER, Instituto Vasco de Investigación y Desarrollo Agrario, S.A.
 - 7)Eusko Trenbideak-Ferrocarriles Vascos, S.A.
 - 8)Grupo Euskal Irrati Telebista, S.A.

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- 9) OSATEK, S.A.
- 10) Sociedad de Hidrocarburos de Euskadi, S.A.U.
- 11) Consorcio de Transportes de Bizkaia
- 12) SOCADE
- 13) Red Ferroviaria Vasca-EuskalTrenbide Sarea

2. PROVINCIAL COUNCILS

PROVINCIAL COUNCIL OF ÁLAVA:

- GENERAL ADMINISTRATION AND ADMINISTRATIVE ORGANIZATIONS

- PUBLIC COMPANIES:

- 1) ARABAKO LANAK, S.A.
- 2) Sociedad Anónima de Gestión del Patrimonio Cultural Edificado de Alava-Arabako Kultura Ondare Eraikia Kudeatzeko Sozietate Anonimoaren "ARABARRI"
- 3) FERNANDO BUESA ARENA S.A.

PROVINCIAL COUNCIL OF BIZKAIA:

- GENERAL ADMINISTRATION AND ADMINISTRATIVE ORGANIZATIONS

- PUBLIC BODIES:

- 1) INSTITUTO TUTELAR DE BIZKAIA
- PUBLIC COMPANIES
- 1) Bideak-Bizkaiko Bideak, S.A.
- 2) Bizkaiko Enpresa eta Aurrerapen Zentrua, S.A. (BEAZ)
- 3) Centro Diseño Industrial, S.A.
- 4) Sala de Exposiciones Rekalde, S.L.

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PROVINCIAL COUNCIL OF GIPUZKOA:

- GENERAL ADMINISTRATION AND ADMINISTRATIVE ORGANIZATIONS

3.LOCAL BODIES

Town Councils, Autonomous Administrative Organizations and Associations.

II. STATE REGIONALIZED ADMINISTRATION:

1.STATE ADMINISTRATION.

- An estimate out of the activity of the State Administration in the territory of the A.C. of the Basque Country was carried, following the criteria of monetary flow, i.e. focusing on expenditure and income located in the territory (territorialized expenditure according to the General Intervention of the State Administration -IGAE and the amount of non-assumed charges).
- Mutualismo Administrativo (MUFACE, ISFAS, MUGEJU)

2.SOCIAL SECURITY:

- Management Institutions (INSS, ISM) and General Treasury of the Social Security
- INEM
- FOGASA
- Mutuats

The consolidation of the Accounts of the Basque Administrations and State Regionalized Administration results in the Accounts of the Public Administrations of the A.C. in the Basque Country.

II. Adjustment for uncertain collection:

In application of Regulation (EC) 2516/2000, an adjustment for uncertain tax collection and social contributions is included, attributing a negative capital resources transfer, which means a negative effect on Capacity/Need for finance.

III. Capital injections

In accordance with the ESA-95 criteria and the ESA-95 Manual on public deficit and public debt, , financial operations “that are aimed to cover losses accumulated over several financial years or exceptional losses due to causes alien to the company” were registered as non-financial operations (SEC-95 4.165b), negatively affecting the Capacity/need for finance.

IV. Allocation of Financial Intermediation Services Indirectly Measured (AFISM)

In accordance with Council Regulations 448/98 and 1889/2002, the AFISM were allocated to the sectors and branches of user activities, forming part of intermediate consumption. This automatically implies an increase in non-market production and therefore, an increase in final consumption expenditure. In addition, interest paid and received must be adjusted (paid interest decreased and received interest increased), which leads to an increase in available income, which compensates higher final consumption expenditure, not affecting Saving or the Capacity/need for finance.

Note: The economic accounts of the Public Administrations were produced in collaboration with the Statistical Body of the Department of Treasury and Public Administration, responsible for the statistics operation, Economic Accounts of the Basque Administration