

The budgetary balance of the Basque Administrations improved by 32.8% although it remained negative in 2010

The financial debt with regards to GDP rose from 7.2% in 2009 to 10.4% in 2010

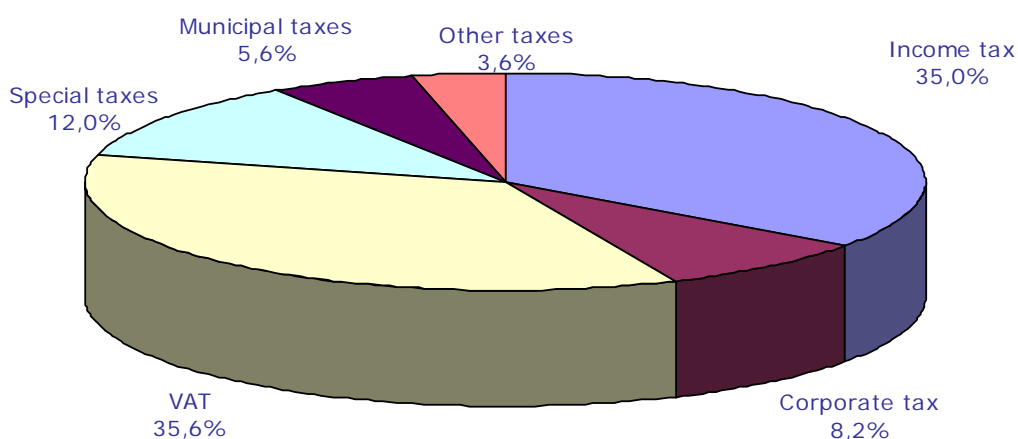
Income of the Basque Administrations (made up of the Basque Government, the Provincial Councils and Municipal Administrations, together with their corresponding Autonomous Bodies and supra and infra-municipal Entities) rose 7.4% in 2010 compared to 2009, whilst expenditure fell by 2.6%, according to EUSTAT data.

In the income section, that corresponding to current operations increased by 4.9%, capital operations 0.5% and financial operations, which had the biggest increases, grew by 25.1% with regards to 2009.

Expenditure was down by a total of 2.6%, the result of a 0.1% fall in expenditure deriving from current operations, 9.2% from capital operations, and 18.6% from financial operations.

This evolution of income and expenditure led to an improvement in budgetary balances in 2010. The balance of current operations went from negative to positive, standing at 433.2 million euros. The non-financial balance, although negative, also improved, going from -3020.7 million euros in 2009 to -2029.2 million in 2010, which was 3.1% of GDP in 2010.

Graph 1. Distribution of Basque Administration Tax Revenue. 2010 (%)



Source: EUSTAT. Public Sector Budgetary Statistics

The analysis of income in order of importance indicates that the recognised duties for VAT represented 35.6% of the total revenue areas, due to growth of 9% compared to 2009. Income from personal income tax (IRPF) increased by 4.5% and accounted for 35.0% of the total. In third place, in order of importance, were Special Taxes, up 2.2%. The taxes that experienced negative variation rates were Corporation tax, which was down 20.8%, and the group of the denominated Other taxes (Assets, Inheritance and Donations, Asset Transactions), down 4.6% as a whole. Both tax categories, Corporation tax and Other taxes, are the only ones that continued to reduce their contribution to combined income revenue from 2007.

On the expenditure side, all non-financial areas registered negative variation rates. Personnel expenditure fell by 0.3%; expenditure on Current Goods fell by 0.5%; Current Transfers were down 0.8% and Capital operations experienced the largest reduction, 9.2% compared to 2009. The areas that had positive variation rates were Financial Expenditure, which went from 87.3 million in 2009 to 141.0 million in 2010 and Financial Assets, which increased from 241.1 million in 2009 to 314.2 million in 2010.

Consolidated Liquidation of the Basque Administration. 2010-2009

| thousand euros | 2.009 | 2.010 | Δ% |
|--|-------------------|-------------------|---------------|
| TOTAL INCOME | 16.026.623 | 17.219.198 | 7,4% |
| Current transactions | 13.360.037 | 14.020.472 | 4,9% |
| <i>- Tax revenue</i> | 11.713.357 | 12.015.888 | 2,6% |
| Income tax | 4.028.560 | 4.207.908 | 4,5% |
| Corporate tax | 1.246.904 | 987.314 | -20,8% |
| VAT | 3.922.028 | 4.276.594 | 9,0% |
| Special taxes | 1.414.394 | 1.445.072 | 2,2% |
| Municipal taxes | 652.036 | 670.094 | 2,8% |
| Other taxes | 449.435 | 428.906 | -4,6% |
| <i>- Other current income</i> | 1.646.680 | 2.004.584 | 21,7% |
| Capital Transactions | 559.363 | 562.413 | 0,5% |
| Total Non-financial Transactions | 13.919.400 | 14.582.885 | 4,8% |
| Financial transactions | 2.107.223 | 2.636.313 | 25,1% |
| TOTAL EXPENDITURE | 17.635.817 | 17.178.072 | -2,6% |
| Current Transactions | 13.607.574 | 13.587.302 | -0,1% |
| Expenditure on Personnel | 3.464.284 | 3.455.355 | -0,3% |
| Current Transfers | 4.822.929 | 4.785.883 | -0,8% |
| Other Current Expenditure | 5.320.361 | 5.346.064 | 0,5% |
| Capital Investment and Transactions | 3.332.518 | 3.024.748 | -9,2% |
| Total Non-financial Transactions | 16.940.092 | 16.612.050 | -1,9% |
| Financial transactions | 695.726 | 566.022 | -18,6% |
| BALANCE OF CURRENT TRANSACTIONS | -247.537 | 433.170 | 275,0% |
| NON-FINANCIAL BUDGETARY BALANCE | -3.020.691 | -2.029.165 | -32,8% |

Source: EUSTAT. Public Sector Budgetary Statistics

The outstanding debt of the Basque Administrations stood at 6801.3 million euros on the 31st of December 2010, which was 48.0% more than in 2009, due to the fact that all of the administrations (Basque Government, Provincial Councils and the Municipal Administrations) acknowledged new loans.

This debt increase meant that, in relation to GDP, the percentage went from 7.2% in 2009 to 10.4% in 2010.

Consolidated Data of the Basque Administration. 2010

thousand euros

| | CONSOLIDATED TOTAL | BASQUE GOVT | ALAVA | BIZKAIA | GIPUZKOA |
|--|-----------------------|-------------------|-----------------|-----------------|----------------|
| CURRENT INCOME | 14.020.472 | 8.382.558 | 2.190.217 | 7.408.751 | 4.589.421 |
| CURRENT EXPENDITURE | 13.587.302 | 8.570.863 | 2.344.393 | 6.929.108 | 4.293.413 |
| BALANCE OF CURRENT TRANSACTIONS | 433.170 | -188.305 | -154.176 | 479.643 | 296.008 |
| CAPITAL INCOME | 562.413 | 196.859 | 91.121 | 253.407 | 218.044 |
| CAPITAL EXPENDITURE | 3.024.748 | 1.538.013 | 242.814 | 879.074 | 561.865 |
| NON-FINANCIAL BUDGETARY BALANCE | -2.029.165 | -1.529.459 | -305.869 | -146.024 | -47.813 |
| OUTSTANDING DEBT (Pending repayment 31-12-08) | 6.801.320 | 4.382.100 | 461.304 | 1.308.539 | 649.377 |

Source: EUSTAT. Public Sector Budgetary Statistics

In 2010, the 1145 bodies that comprise the Basque Administrations registered an average employment of 116,001 individuals, of which 70,211 were women and 45,790 were men. As regards the employment relationship, 68.2% were in permanent positions.

For further information:

Basque Statistics Office

C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz

Tel: +34-945-01 75 00 Fax: +34-945-01 75 01 E-mail: eustat@eustat.es

Contact: Jose Javier Aramburu

Tel: +34-945-01 75 80 Fax: +34-945-01 75 01

Further press releases on Public Sector Budgetary Statistics of the Basque Country.

Databank on Public Sector Budgetary Statistics of the Basque Country.