

PUBLIC SECTOR ACCOUNTS IN THE BASQUE COUNTRY 2010

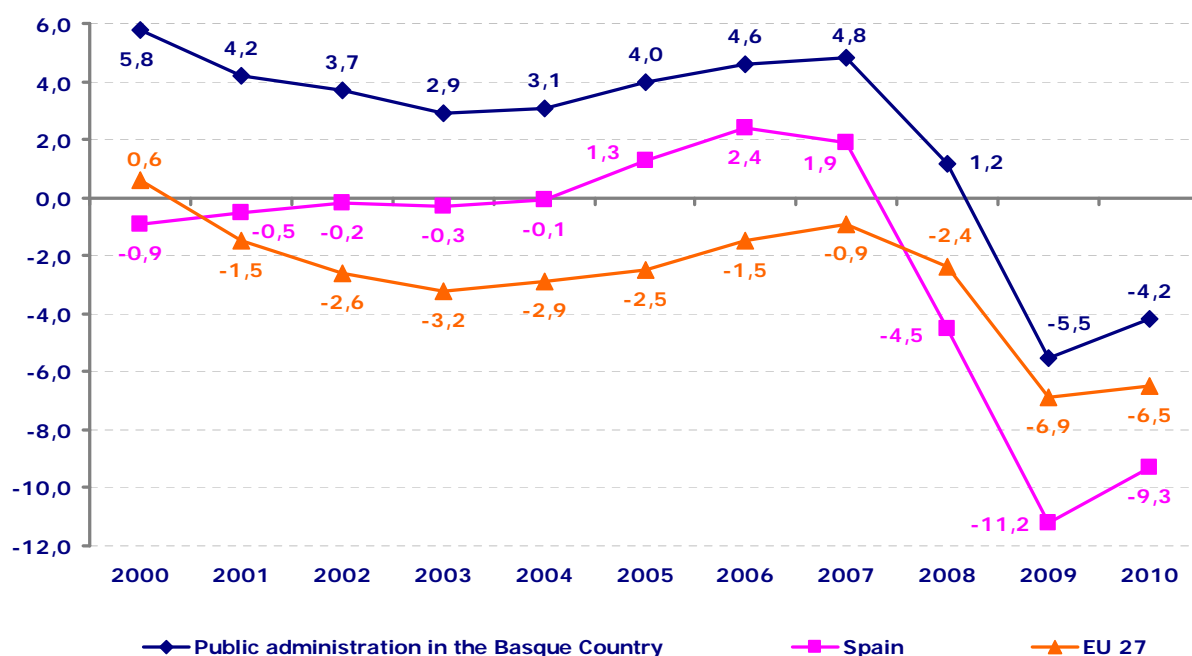
The Public Administrations in the Basque Country registered a deficit of 2752 million euros in 2010

The deficit represents 4.2% of the GDP, 1.3 points less than last year

In 2010, the Public Administrations as a whole in the Basque Country (Basque Administrations and regionalised State and Social Security Administration) registered a deficit of 2752 million euros, in terms of national accountancy, which represents 4.2% of GDP, according to Eustat data.

Despite being negative, the balance improved 1.3 points with regards to last year's balance. The same tendency is apparent in neighbouring countries. This, in the State considered as a whole, deficit fell from 11.2% of the GDP in 2009 to 9.3% of the GDP in 2010 and in the EU-27 as a whole, deficit fell from 6.9% of the GDP in 2009 to 6.5% of the GDP in 2010.

Graph 1: Evolution of the Financing Capacity (+) or Requirements (-) of the Public Authorities (% of the GDP)



Source: EUSTAT. Public Sector Accounts.
EUROSTAT

The fall in the need for financing on the part of the Public Administrations in the Basque Country can be explained by the fact that non-financial resources grew at a greater rate than non-financial employment: thus, whilst resources grew by 7.6% in comparison with 2009, non-financial employment grew by 3.4%.

Amongst non-financial resources, attention should be drawn to the improvement over last year of those with a greater weight, that is, Taxes on production and importation that, representing 28.9% of the total, increased by 6.6%; revenue resulting from Taxes on income and property, representing 23.5% of the resources, whilst falling 3.2%, the rate was clearly lower than the 17.7% that it fell in 2009 and social security contributions, representing 32.6% of the resources, increased 2.1%.

In the non-finance employment section, social loans and payments, which represent 42.5% of employment, rose by 4.7% on 2009, rising from 17.0% GDP in 2009 to 17.5% in 2010. Another section of greatest weight within employment, the Remuneration of Salaried Workers and Average Consumption, whilst increasing approximately 2% with regards to 2009, registered the smallest year-on-year increase since 2000.

In terms of institutional analysis, on the State Administration presented a positive balance in 2010, amounting to 255 million euros. Within regionalised Social Security, the negative balance worsened, falling from 554 million euros in 2009 to 860 million in 2010, as non-financial employment rose at a greater rate than non-financial resources, that is, Social Security Contributions rose by 2.1% whilst Social Provisions rose by 5.2%.

Table 1: Net Saving and Financing Capacity (+) or Requirements of the Public Authorities in the Basque Country. 2010. (Thousands of euros)

	1.- Non-finance resources	2.- Non-finance employment	3.- Net saving	4.- Cap.(+) Need.(-) for finance
Public Administration	24.134.486	26.886.621	-677.436	-2.752.135
Regionalized State Administration + Social Security	10.333.483	10.938.028	-298.471	-604.545
Regionalized State Administration	2.459.504	2.204.379	505.748	255.125
Regionalized Social Security	8.072.310	8.931.980	-804.219	-859.670
Basque Administrations(*)	16.202.140	18.349.730	-378.965	-2.147.590
Basque Government	9.273.496	10.879.009	-570.180	-1.605.513
Araba/Álava	2.594.963	2.681.280	-211.113	-86.316
Bizkaia	8.050.720	8.187.708	367.077	-136.988
Gipuzkoa	5.036.764	5.355.537	35.251	-318.773

See methodology note

(*) Basque Government includes Autonomous Administrative Bodies, University of the Basque Country, Osakidetza-Basque Public Health Service and several Public Companies

Álava, Bizkaia and Gipuzkoa include the Provincial Councils and their Autonomous Administrative Bodies and several Public Companies; and Local Organizations

(**) Social Security includes: Tesorería General de la Seguridad Social, Instituto Nacional de la Seguridad Social, Instituto Social de la Marina, INEM-Servicio Público de Empleo Estatal, Mutuas AT and EP, FOGASA

Source: EUSTAT. Public Sector Accounts

With regard to the Basque Administrations, the need for finance stood at 2148 million in 2010, which was 3.3% of GDP, in contrast to the 3302 million euros in 2009, which was 5.1% of GDP.

The need for finance with the institutions as a whole fell: the negative balance of the Basque Government as a whole fell from 2545 million euros in 2009 to 1606 million in 2010; in the combined regional and municipal administration of Araba/Álava the need for finance fell from 174 million to 86 million euros in 2010; in Bizkaia as a whole, the negative balance fell from 208 million in 2009 to 137 million in 2010 and in Gipuzkoa as a whole, the negative balance fell from 376 million in 2009 to 319 million in 2010.

Table 2: Stake of the Public Authorities in Final Demand. Basque Country (thousands of euros). 2005-2010

	2005	%	2006	%	2007	%	2008	%	2009	%	2010	%
Expenditure on Final Consumption	43.691.686	100,0	47.139.691	100,0	50.415.485	100,0	52.390.003	100,0	51.674.108	100,0	52.842.017	100,0
Expenditure on Final Consumption of Public Admin	8.475.920	19,4	9.131.861	19,4	9.995.041	19,8	10.978.096	21,0	11.653.562	22,6	11.726.425	22,2
Gross Formation of Capital	16.422.809	100,0	17.993.556	100,0	19.457.387	100,0	19.516.294	100,0	16.129.094	100,0	15.371.757	100,0
Gross Formation of Capital Pub Admin	1.506.473	9,2	1.656.706	9,2	1.880.579	9,6	2.065.866	10,6	2.499.786	15,5	2.476.320	16,1
Internal Demand	60.114.495	100,0	65.133.247	100,0	69.872.872	100,0	71.906.297	100,0	67.803.202	100,0	68.213.774	100,0
Public Internal Demand	9.982.393	16,6	10.788.567	16,6	11.875.403	17,0	13.043.962	18,1	14.153.348	20,9	14.202.745	20,8

Source: EUSTAT. Public Sector Accounts

The participation of internal public demand in total internal demand of the Basque Country remains the same as in 2010, representing 20.8%.

The participation of expenditure within final consumption of the Public Administrations decreases slightly, passing from 22.6% of expenditure in final consumption of the Basque Country in 2009 to 22.2% in 2010.

On the other hand, the Gross Capital Investment of the Public Administrations within the economy of the Basque Country as a whole increased its weight, passing from 15,5% in 2009 to 16.1% in 2010. On an institutional level, 95.4% of investment corresponded to the Basque Administrations, whilst the remaining 4.6% corresponded to the regionalised Central Administration as a whole.

For further information:

Basque Statistics Office

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

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

Contact: Clara Ramos Hernández

Tel: +34-945-01 75 97 Fax: +34-945-01 75 01

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