

PUBLIC SECTOR ACCOUNTS IN THE BASQUE COUNTRY 2011

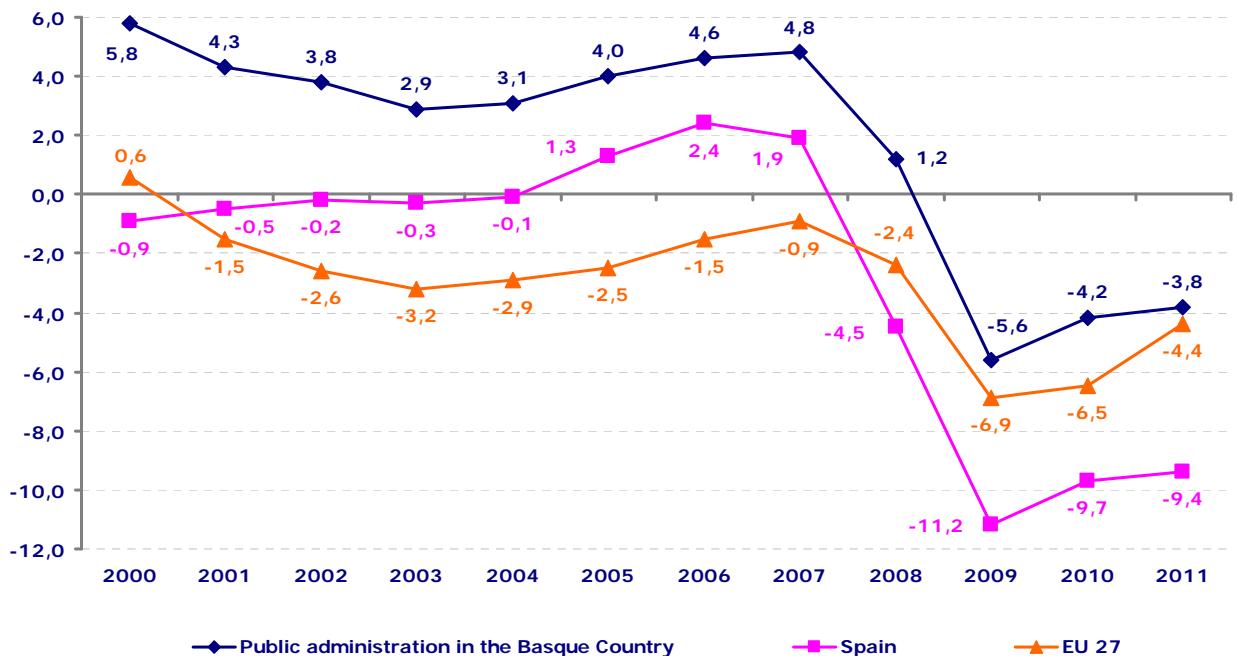
The Public Administrations in the Basque Country registered a deficit of 2,512 million euros in 2011, 3.8% of GDP

The Basque Administrations accounted for 95.9% of public investment, and the central Administration, 4.1%

In 2011, the Public Administrations as a whole in the Basque Country (Basque Administrations and regionalised State and Social Security Administration) registered a deficit of 2,512 million euros, in terms of national accountancy, which was 3.8% of GDP, four tenths lower than the previous year, according to Eustat data.

The deficit in 2011 was 240 million less than that registered in 2010, when it reached 2,750 million. Compared to other areas, the deficit of the Public Administrations of the Basque Country was lower than that of the state as a whole, which reached 9.4% of GDP, and that recorded in the European Union-27 which was 4.4% of GDP.

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



Source: EUSTAT. Public Sector Accounts..
EUROSTAT

There was a reduction in the deficit of the Public Administrations of the Basque Country (the need for finance) because non-finance employment fell more than non-finance resources; while resources were down by 0.9% with respect to 2010, non-finance employment was down 1.7%.

An analysis of the most important **non-finance resources** shows that social security contributions, which account for 33.4% of resources, increased by 1.5%, and income through taxes on income and patrimony, which account for 25.6% of resources, increased by 6.6%. On the other hand, taxes on production and imports, accounting for 28.2% of the total, fell by 3.3%; and income due to other current transfers and capital operations, 7.0% of the total, were down by 24.3%. This trend means that the total non-finance resources registered in 2011 were 213 million less than in 2010.

In the **non-finance employment** section, social benefits and payments, which represent 43.7% of employment, rose by 1.8% on 2010. They also increased their relative weight, rising from 42.5% of total non-finance employment in 2010 to 43.9% in 2011. On the other hand, the remuneration of salaried workers and intermediate consumption, which make up 38.7% of employment, fell by 0.1% and 1.8% respectively with respect to 2010. This was the first year since 2000 to register a fall in both areas. This trend means that the total non-finance employment registered in 2011 was 453 million less than in 2010.

Table 1: Net Saving and Financing Capacity (+) or Requirements of the Public Authorities in the Basque Country. 2011. (Thousands of euros)

	1.- Non-finance resources	2.- Non-finance employment	3.- Net saving	4.- Cap.(+) Need.(-) for finance
Public Administration	23.921.864	26.433.508	-534.905	-2.511.644
Regionalized State Administration + Social Security	10.237.712	10.769.783	-280.739	-532.071
Regionalized State Administration	2.186.547	1.867.067	572.122	319.480
Regionalized Social Security	8.071.852	8.923.403	-852.861	-851.551
Basque Administrations(*)	15.881.967	17.861.540	-254.166	-1.979.573
Basque Government	9.285.794	10.941.851	-779.881	-1.656.057
Araba/Álava	2.499.608	2.557.571	111.376	-57.963
Bizkaia	8.016.896	7.828.740	578.060	188.156
Gipuzkoa	4.726.779	5.180.488	-163.721	-453.708

See methodology note

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

Alava, 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

In the institutional analysis, the regionalised State Administration showed a positive balance of 319 million euros in 2011, and the negative balance of the regionalised Social Security went from 860 million euros in 2010 to 851 million in 2011, due to the fact that non-finance resources increased more than non-finance employment; specifically, resources from social security contributions rose by 2.0% while employment in Social Provisions rose by 1.6%.

With regard to the Basque Administrations, the need for finance stood at 1,980 million in 2011, which was 3.0% of GDP, in contrast to 2,148 million euros in 2010, which was 3.3% of GDP. The distribution is as follows:

- A negative balance for entities belonging to the Basque Government as a whole which went from 1,606 million euros in 2010 to 1,6 million in 2011.
- In the combined regional and municipal administration of Álava the need for finance went from 86 million in 2010 to 58 million euros in 2011.
- In Bizkaia as a whole there was an increase from a negative balance of 137 million in 2010 to a positive balance of 188 million in 2011.
- In Gipuzkoa as a whole the negative balance rose from 319 million in 2010 to 453 million in 2011.

Table 2: Stake of the Public Authorities in Final Demand. Basque Country (thousands of euros). 2007-2011

	2007	%	2008	%	2009	%	2010	%	2011	%
Expenditure on Final Consumption	49.376.152	100,0	51.322.850	100,0	50.639.505	100,0	51.780.691	100,0	52.826.737	100,0
Expenditure on Final Consumption of Public Admin	9.995.041	20,2	10.978.096	21,4	11.653.562	23,0	11.726.425	22,6	11.647.005	22,0
Gross Formation of Capital	20.706.415	100,0	20.838.703	100,0	17.485.687	100,0	16.695.047	100,0	16.544.784	100,0
Gross Formation of Capital Pub Admin	1.880.579	9,6	2.065.866	9,9	2.499.786	14,3	2.476.320	14,8	2.111.136	12,8
Internal Demand	70.082.567	100,0	72.161.553	100,0	68.125.192	100,0	68.475.738	100,0	69.371.521	100,0
Public Internal Demand	11.875.620	17,0	13.043.962	18,1	14.153.348	20,8	14.202.745	20,7	13.758.141	19,8

Source: EUSTAT. Definitive Economic Accounts of the Public Administrations and Economic Accounts for 2008-2010 and advance for 2011. Base 2010

The participation of **internal public demand** in the total internal demand of the Basque Country fell from 20.7% in 2010 to 19.8% in 2011.

This fall occurred because the two components were down: the Public Administrations Final Consumption Expenditure was down from 22.6% of the Basque Country's Final Consumption Expenditure in 2010, to 22.0% in 2011. The Gross Capital Formulation of Public Administrations also reduced its contribution in the combined economy of the Basque Country, dropping from 14.8% in 2010 to 12.8% in 2011.

Institutionally, 95.9% of investment corresponded to the Basque Administrations, and the remaining 4.1% to the regionalised central Administration as a whole.

For further information:

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