

Funding Requirements of Public Administrations in the BasqueCountry reached 1,763 million euros in 2015

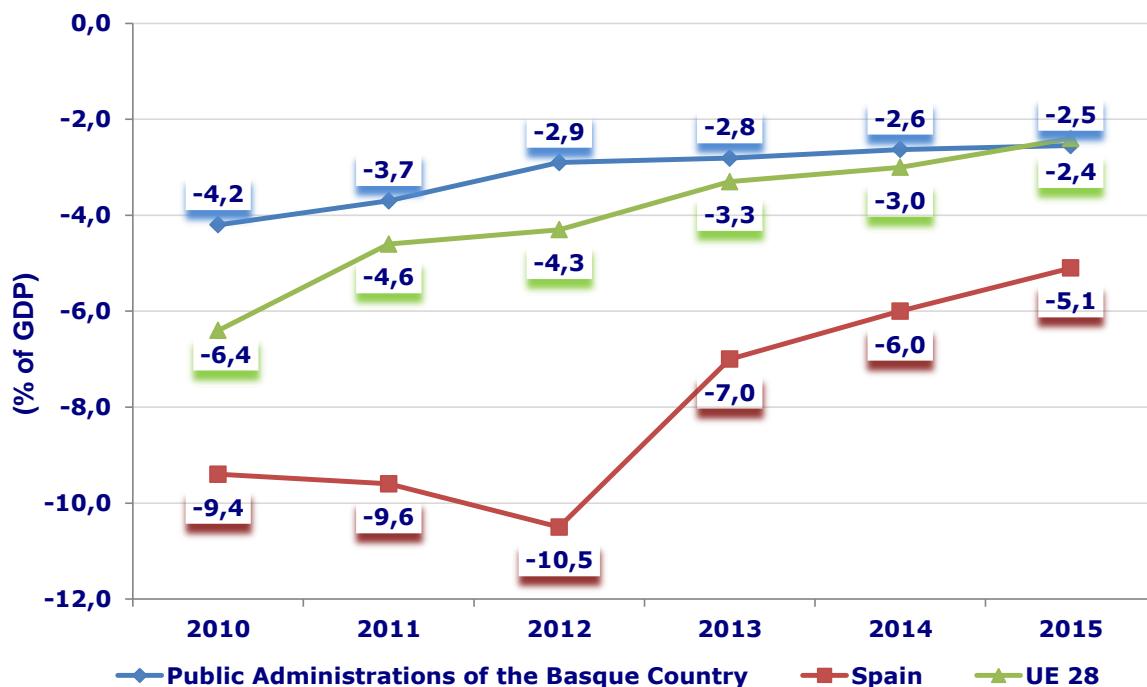
This was a deficit of 2.5% of the GDP in 2015, one tenth less than the previous year

In 2015, the deficit of Public Administrations (Basque Administrations, Provincial State Administration and Provincial Social Security) fell by 0.2% to 1,763 million euros according to Eustat data. In figures, the Public Administrations managed Non-Financial Resources totalling 24,721 million in 2015, whilst Non-Financial Spending totalled 26,484 million euros.

The lower funding requirements of Public Administrations in the Basque Country were the result of non-financial resources increasing slightly more than non-financial spending, whereas resources rose by 0.8% from 2014, with non-financial spending increasing by 0.7%.

The deficit totalled 2.5% of GDP, one tenth less than the previous year. This development is similar to what we see in the neighbouring countries. As such, the deficit in Spain as a whole fell from 6.0% of GDP in 2014 to 5.1% of GDP in 2015, with the deficit going from 3.0% of GDP in 2014 to 2.4% in 2015 in the European Union-28 as a whole.

Graph 1. International comparison of the funding requirements of the Public Administrations (% of GDP)



Source: Eustat. Public administration accounts. SEC2010
 EUROSTAT

Within **Non-Financial Resources**, the most significant sectors were: Social Security Contributions (32.9% of resources), Taxes on Production and Imports (30.2%) and Taxes on Income, Assets and Other Components (25.7%). Compared to the previous year, the latter sector saw the largest growth at 1.7% (108 million euros). Social Security Contributions also rose slightly from 2014 by 0.5%, whereas Taxes on Production and Imports fell by 1.4%. Non-Financial Resources as a whole rose by 197 million euros compared with 2014.

Table 1. Non-financial resources and spending of the Public Administrations of the Basque Country (thousands of euros). 2015

	2014	2014/2013 (%)
Non finance resources	24.720.693	0,8
Market output and output for own final use	946.516	8,0
Payments for other non-market production	604.657	6,0
Taxes on production and imports (to be collected)	7.471.229	-1,4
Property income	249.036	-0,5
Taxes according to income, patrimony, etc,	6.359.638	1,7
Social contributions	8.138.032	0,5
Other current transfers	948.945	4,9
Capital taxes (to be collected)	222.796	15,3
Investment aid (to be collected)	48.611	-41,0
Other capital transfers (to be collected) (1)	-268.767	-3,3
Expenditure	26.483.904	0,7
Salaried remuneration	6.680.329	2,3
Intermediate consumption	3.689.002	8,2
Subsidies (to be paid)	578.841	17,5
Other taxes on production	32.354	6,6
Property income	329.704	-17,8
Current tax on income (to be collected)	0	0,0
Social benefits other than social transfers in kind	10.706.919	0,6
Social transfers in kind: production purchased on the market	2.026.216	1,6
Other current transfers	650.064	-8,8
Gross Formation of Capital	1.272.477	-16,3
Capital transfers (to be paid)	492.881	-10,0
Net acquisitions of non-financial non-produced assets	25.117	64,8
Net saving	-617.177	61,3
Net lending (+) / net borrowing (-)	-1.763.211	-0,2

(1) Includes capital transfers unlikely to be collected

Source: Eustat. Public administration accounts. SEC2010

Non-Financial Spending totalled 26,484 million euros, which is 193 million euros more than the figure for 2014. The sum of *Social Provisions and Social Transfers in Kind: Production Purchased on the Market* (including educational and healthcare agreements as well as pharmaceutical expenditure) accounted for 48.1% of expenditure, and rose by 100 million euros, or 0.8%, compared to the previous year. Employee Remuneration, which accounted for 25.2% of expenditure, rose by 2.3%, and Intermediate Consumption, which

accounted for 13.9% of expenditure, is the sector that experienced the most growth, i.e. 8.2%. Gross Capital Formation, on the other hand, which accounted for 4.8% of spending, was down by 16.3%, 247 million euros, compared to 2014.

In terms of **institutions**, the Provincial State Administration in the Basque Country attained a funding capacity of 644 million euros in 2015, which was 5.1% more than in 2014, and Provincial Social Security required 2,031 million euros of funding, which was 1.4% less than in 2014.

Table 2. Net Savings and Capacity (+) or Need (-) for funding of the Public Administrations of the Basque Country (thousands of euros). 2015

	Non finance resources	Expenditure	Net saving	Net lending (+) / net borrowing (-)
Public Administrations	24.720.693	26.483.904	-617.177	-1.763.211
State Administration + Provincialised Social Security	10.340.356	11.728.179	-1.220.498	-1.387.823
Provincialised State Administration	2.359.291	1.715.636	802.973	643.655
Provincialised Social Security	7.981.399	10.012.877	-2.023.471	-2.031.478
Basque Administration	16.625.935	17.001.323	603.321	-375.388
Basque Government	9.789.695	10.228.610	8.891	-438.915
Araba/Álava	2.527.912	2.526.466	71.939	1.446
Bizkaia	7.891.919	7.914.314	255.779	-22.395
Gipuzkoa	5.094.825	5.010.350	266.711	84.475

Bodies included, see methodology note 2015

Source: Eustat. Public administration accounts. SEC2010

With regard to the Basque Administrations, the funding required went from 320 million in 2014 to 375 million in 2015. In other words, the balance decreased by 55 million euros. Bodies belonging to the Basque Government required 198 million euros less funding, putting their funding requirements at 439 million euros in 2015.

The positive balance for the Regional and Municipal Administration of Álava as a whole increased by 11 million euros, going from a negative balance of 10 million euros in 2014 to a positive balance of 1 million euros in 2014. The positive balance for Gipuzkoa as a whole also increased by 43 million euros, with the region attaining a funding capacity of 84 million euros in 2015. The balance for Bizkaia as a whole, however, decreased: 2015 saw a negative balance of 22 million euros in contrast to the positive balance of 285 million euros attained in 2014.

Table 3. Final Demand of the Public Administrations. Basque Country (thousands of euros). 2011-2015

	2011	%	2012	%	2013	%	2014	%	2015	%
Expenditure on final consumption by Public Administrations	11.798.770	83,8	11.295.409	86,2	11.128.539	87,7	11.216.772	88,1	11.518.530	90,1
Gross Capital Formation of the Public Administrations	2.276.731	16,2	1.811.098	13,8	1.554.269	12,3	1.519.573	11,9	1.272.477	9,9
Internal Public Demand	14.075.501	100,0	13.106.507	100,0	12.682.808	100,0	12.736.345	100,0	12.791.007	100,0

Source: Eustat. Public administration accounts. SEC2010

In terms of the **final expenditure structure** of the Public Administrations, Gross Capital Formation continued to see its share of Internal Public Demand go down, falling by 6.2 percentage points from 2011 to 9.9% in 2015. Final Consumption Expenditure, on the other hand, which is the total expenditure by the administrations on the production of goods and services and the purchase of goods and services produced by market producers which are supplied to households (social transfers in kind), increased its share from 83.8% in 2011 to 90.1% in 2015.

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