

(This note has been revised due to an error in the primary data processing)

Tax revenues of the Basque Administrations fell by 8.7% in 2020, a year marked by the health crisis

Long-term debt with financial institutions stood at 12,587 million euros as of 31 December 2020, 17.6% of GDP

In 2020, the first year of the pandemic, 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) registered an 8.7% decrease in tax revenues, according to Eustat data.

This drop in tax revenues brought the total income from non-financial operations down by 5.3%. However, the total consolidated income, which rose to 19,671 million euros, saw an upward trend, with an increase of 3.4% in respect of the previous year, which was offset by the growth in financial income. Expenditure amounted to 18,746 million, falling by 2.3% compared to 2019.

Consolidated liquidation of Basque Administrations (thousands of euros). 2019-2020

	2019	2020	Increase (%)
TOTAL INCOME	19,021,597	19,670,829	3.4
CURRENT OPERATIONS	17,744,597	16,779,468	-5.4
Tax revenue	16,193,421	14,785,737	-8.7
PERSONAL INCOME TAX	5,736,020	5,697,121	-0.7
Corporate income tax	1,355,146	1,091,926	-19.4
VAT	6,033,589	5,224,239	-13.4
SPECIAL TAXES	1,641,430	1,364,935	-16.8
City taxes	763,648	766,319	0.3
OTHER TAXES	663,588	641,196	-3.4
Other current income	1,551,176	1,993,732	28.5
CAPITAL OPERATIONS	150,725	173,315	15.0
TOTAL NON-FINANCIAL OPERATIONS	17,895,322	16,952,783	-5.3
FINANCIAL OPERATIONS	1,126,274	2,718,046	141.3
TOTAL COSTS	19,186,225	18,745,944	-2.3
CURRENT OPERATIONS	15,267,188	15,903,803	4.2
Expenditures on personnel	3,934,114	4,050,572	3.0
CURRENT TRANSFERS	5,291,677	5,639,082	6.6
Other current expenditure	6,041,396	6,214,149	2.9
INVESTMENTS AND CAPITAL TRANSFERS	1,728,199	1,557,252	-9.9
TOTAL NON-FINANCIAL OPERATIONS	16,995,387	17,461,055	2.7
FINANCIAL OPERATIONS	2,190,838	1,284,890	-41.4
BALANCE OF CURRENT TRANSACTIONS	2,477,409	875,666	-64.7
NONFINANCIAL BUDGETARY BALANCE	899,935	-508,271	-

Date June 24, 2022

Source: Eustat. Public sector budgetary statistics

Focusing on **non-financial operations**, there was a downturn of 5.3% in income, whereas expenditure was up 2.7% on 2019, leading to a negative non-financial budgetary balance of -508 million euros in 2020, compared to a positive balance of 900 million euros in 2019.

With regard to the analysis of **financial operations**, opposite trends were observed for income and expenditure, as while financial income reached 2,718 million euros (+141.3%), financial expenditure stood at 1,285 million euros, down 41.4% on the previous year.

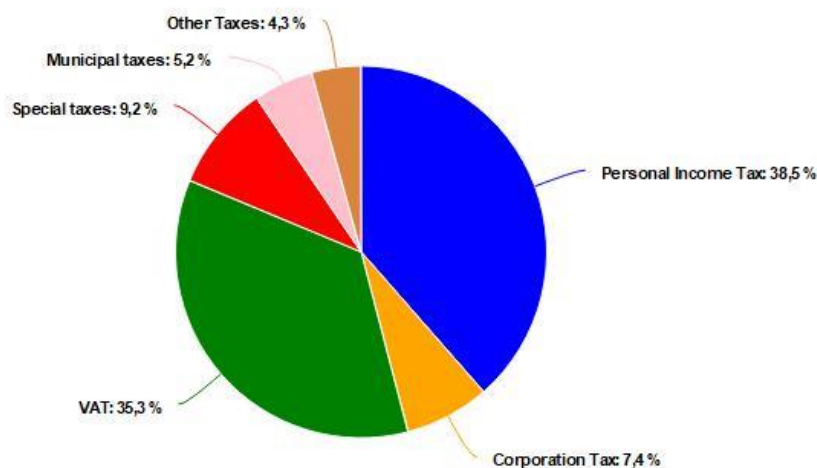
Non-financial income experienced a downturn of 5.3%, primarily caused by the drop in current income (-5.4%), which accounted for 86.2% of total income. Income from capital operations, which carries little weight, recorded a rise of 15.0%.

In 2020, a year marked by COVID-19, data on **tax revenues** showed negative performances, which correlate with the anomalous activity of the various sectors of the economy. Thus, this item, which represented 75.2% of total income, posted an overall rate of decline of 8.7%.

The greatest decreases in tax revenues were in Corporate Tax and Special Taxes, with falls of 19.4% and 16.8%, respectively. On the other hand, Income Tax and VAT had the most weight, providing 38.5% and 35.3% of all such revenue, respectively. As regards VAT, there was a 13.4% drop in relation to 2019, while Income Tax registered a slight decrease of 0.7%. Income from Other Taxes, with a weight of 4.3%, fell by 3.4%.

Municipal Taxes posted an upturn of 0.3%, although they only accounted for 5.2% of Taxes.

Distribution of tax revenues of the administrations of the Basque Country (2020)



Eustat. Public sector budgetary statistics

Other Current Income, which includes taxes, transfers and equity income, accounted for 10.1% of total income from current operations and registered a 28.5% increase.

Current expenditure saw a rise of 4.2%. This increase was primarily caused by Current Transfers, which represented 30.1% of total expenditure and recorded growth of 6.6% compared to 2019. In second place, staff expenditure, accounting for 21.6% of total expenditure, increased by 3.0%. Finally, Other Current Expenditure was up 2.9%.

Expenditure on **Investments and Capital Transfers**, however, which represented 8.3% of the total, posted a drop of 9.9% in respect of 2019.

By institution, the Basque Government registered a negative non-financial budgetary balance of -638 million. Among the Provincial Administrations (Provincial Councils and Local Entities), Gipuzkoa was the only province that also had a negative balance (-24 million), as a result of both the balances of the Council itself and its Autonomous Bodies (-18 million) and of the other local entities (-6 million). The other two provinces recorded positive balances, although they were more moderate than in 2019.

Consolidated data of the Basque Administrations (thousands of euros). 2020

	Total consolidated	Basque Government	Araba / Álava	Bizkaia	Gipuzkoa
CURRENT INCOME	16.779.468	10.150.450	2.587.644	8.217.996	5.234.308
CURRENT EXPENDITURES	15.903.803	10.010.845	2.484.988	7.784.671	5.034.227
BALANCE OF CURRENT TRANSACTIONS	875.666	139.605	102.656	433.325	200.081
CAPITAL INCOME	173.315	69.941	30.500	48.730	47.310
CAPITAL EXPENDITURES	1.557.252	847.129	129.134	332.778	271.377
NONFINANCIAL BUDGETARY BALANCE	-508.271	-637.583	4.022	149.276	-23.987
OUTSTANDING DEBT (Pending repayment 31-10-20)	12.587.106	10.062.027	597.442	1.530.102	397.535

Date: June 24, 2022

Source: Eustat, Public sector budgetary statistics

The outstanding debt (unpaid **debt** owed by the institutions, arising from long-term loans with financial institutions) stood at 12,587.1 million euros as of 31 December 2020, 17.6% of GDP. The new liabilities acquired in 2020 increased to 2,662.7 million, while depreciations amounted to 1,007.2 million.

The total outstanding debt of the Basque Government at the end of 2020 accounted for 79.9% of total outstanding debt, followed by Bizkaia (12.2%), Gipuzkoa (3.2%) and, lastly, Álava with the remaining 4.7%.

For further information:

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