

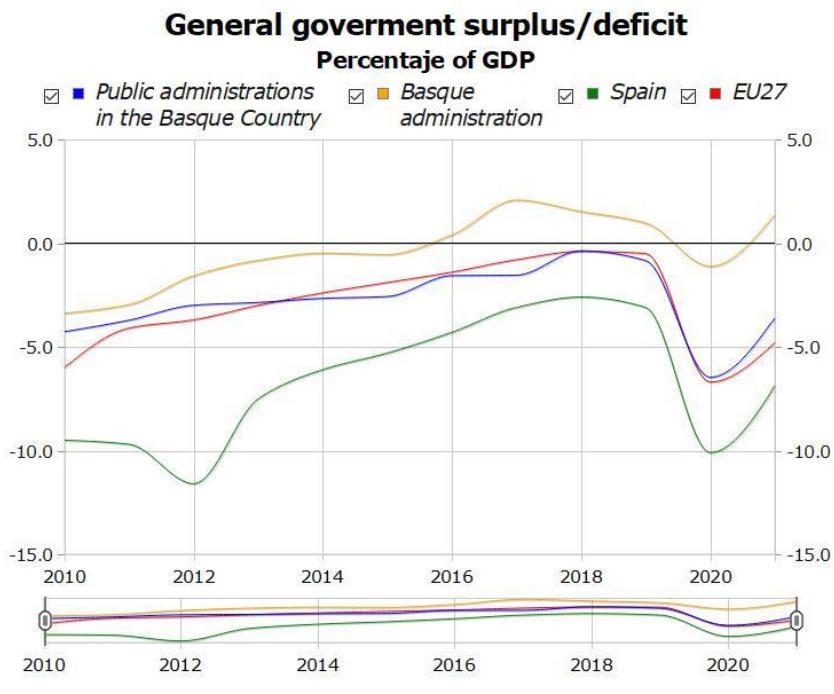
The deficit of the Public Administrations in the Basque Country stood at 3.6% of GDP in 2021, 2.9 percentage points down on the previous year

This deficit was lower than that of the EU27 (4.8%) and Spain (6.9%)

In 2021, the Public Administrations (Basque Administrations, Provincial State Administration and Provincial Social Security) registered a deficit in relation to GDP of 3.6%, 2.9 percentage points lower than the previous year, according to data prepared by Eustat, in accordance with the criteria established by the System of National and Regional Accounts of the European Union (ESA-2010).

The deficit for 2021 stood at 2,806 million euros, a decrease of 1,842 million in respect of 2020. This improvement in the deficit in 2021 was due to the 9.9% increase in non-financial resources, equivalent to a further 2,737 million, compared to the 2.8% rise in non-financial spending, i.e. 895 million more. As a result, the balance increased by 1,842 million euros in 2021, up 39.6% on 2020.

This positive evolution of the deficit of the Public Administrations was also seen in neighbouring countries. In terms of the EU27 average, the deficit as a percentage of GDP fell by 1.9 points to stand at 4.8% in 2021. In Spain, it dropped by 3.2 percentage points to 6.9% of GDP.



From the **institutional** point of view, the Basque Administrations (which include the Basque Government, Provincial Councils, Municipal Entities and dependent entities categorised as Public Administration) saw their balance increase by 1,879 million euros, going from having a **funding requirement (deficit)** of 805 million in 2020, to having a **funding capacity (surplus)** of 1,074 million in 2021.

The Provincial Administration as a whole (State plus Social Security) registered a decline in its balance of 37 million, with its **funding requirement (deficit)** rising from 3,843 million in 2020 to 3,880 million in 2021.

Net Savings and Capacity (+) or Need (-) for funding of the Public Administrations of the Basque Country (thousands of euros). 2021

	Revenue	Expenditure	Net saving	Net lending (+) / net borrowing (-)
--Public Administrations	30.432.647	33.238.723	-1.951.281	-2.806.076
State Administration + Provincialised Social Security	12.228.752	16.108.739	-3.769.406	-3.879.987
Provincialised State Administration	2.449.272	2.881.787	-320.326	-432.515
Provincialised Social Security	9.779.480	13.226.952	-3.449.080	-3.447.472
Basque Administration	21.259.613	20.185.702	1.818.125	1.073.911
Basque Government	13.266.421	12.640.011	996.996	626.409
Araba/Álava	3.133.656	3.042.048	128.107	91.608
Bizkaia	9.777.558	9.641.757	358.840	135.801
Gipuzkoa	6.442.790	6.222.697	334.182	220.093

Bodies included, see methodology note

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In detail, the **Provincial State Administration** saw its balance fall by 508 million euros, going from a positive balance of 76 million in 2020 to a negative balance of 433 million in 2021.

Meanwhile, **Provincial Social Security** recorded total spending of 13,227 million euros and total resources of 9,779 million, resulting in a negative balance of 3,447 million. This amount, however, represented an improvement in the deficit of 471 million compared to the balance recorded in 2020, owing to the increase in non-financial resources (primarily social security contributions) of 5.4%, i.e. 496 million, and restrained non-financial spending, which rose by just 0.1%. 96.7% of spending corresponded to expenditure on social benefits (including pensions and unemployment benefits), which increased by 1.6%, i.e. 202 million more, reaching 12,788 million in 2021.

As regards the **Basque Administrations**, all the institutions included in this grouping saw their balance increase. The funding capacity of entities of the Basque Government as a whole rose by 1,310 million euros, going from a negative balance of 684 million euros in 2020 to a positive balance of 626 million in 2021. This was due to the fact that non-financial resources increased by 20.3% to stand at 13,266 million, and non-financial spending grew by 7.9% to reach 12,640 million.

The Regional and Municipal Administration of Álava overall posted a positive balance of 92 million euros, up 87 million on the previous year. Bizkaia went from registering a funding requirement of 109 million euros in 2020 to having a funding capacity of 136 million in 2021. The funding requirement for Gipuzkoa as a whole also went from 17 million in 2020 to a surplus of 220 million in 2021.

Altogether, the Public Administrations in the Basque Country managed non-financial resources totalling 30,433 million euros in 2021, 9.9% more than in 2020, whilst non-financial spending grew by 2.8% to 33,239 million euros. As a result, the funding requirement stood at 2,806 million, down 39.6% on the previous year.

Non-financial resources and spending of the Public Administrations of the Basque Country (thousands of euros). 2020-2021

	2020	2021	2021/2020 (%)
Revenue	27.695.460	30.432.647	9,9
Market output and output for own final use	1.039.227	1.147.365	10,4
Payments for other non-market production	445.991	557.046	24,9
Taxes on production and imports (to be collected)	7.990.846	9.211.452	15,3
Property income	191.598	229.461	19,8
Taxes according to income, patrimony, etc.	7.528.321	8.108.801	7,7
Social contributions	9.504.729	9.968.061	4,9
Other current transfers	839.465	811.059	-3,4
Capital taxes (to be collected)	211.242	255.278	20,8
Investment aid (to be collected)	91.160	264.927	190,6
Other capital transfers (to be collected) (1)	-147.119	-120.802	-17,9
Expenditure	32.343.562	33.238.723	2,8
Pay to salaried workers	7.841.342	8.165.515	4,1
-Intermediate consumption	4.168.969	4.567.383	9,6
Subsidies (to be paid)	996.269	993.824	-0,2
Other taxes on production	37.142	38.201	2,9
Property income	215.939	187.781	-13,0
Current taxes on income, wealth (payable)	982	559	-43,0
Social benefits other than social transfers in kind	13.807.304	13.984.183	1,3
Social transfers in kind: production purchased on the market	2.234.381	2.340.151	4,7
Other current transfers	844.807	920.784	9,0
Gross capital formation	1.556.373	1.540.341	-1,0
Capital transfers (to be paid)	635.546	486.764	-23,4
Net acquisitions of non-financial non-produced assets	4.508	13.238	193,7
Net saving	-3.414.240	-1.951.281	-42,8
Net lending (+) / net borrowing (-)	-4.648.103	-2.806.076	-39,6

(1)Includes capital transfers unlikely to be collected

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Within **Non-Financial Resources**, the largest items recorded growth in 2021. Specifically, *Social Security Contributions* continued to be the largest item (32.8%) and posted a rise of 4.9%, i.e. 463 million more, reaching 9,968 million in 2021. *Taxes on Production and Imports*, which accounted for 30.3% of resources, increased by 15.3% to stand at 9,211 million. *Taxes on Income, Assets and Other Components* grew by 7.7% to 8,108 million, representing 26.6% of resources.

The only item that registered a drop was *Other Current Transfers*, falling by 3.4% to 811 million in 2021. In short, non-financial resources increased by 2,737 million in 2021 compared to the previous year, more than recovering the 1,633 million euro loss of resources seen in 2020.

Non-Financial Spending stood at 33,239 million euros, 895 million more than in 2020. In terms of expenditure, it was once again the largest items that saw an increase. *Social benefits different from social transfers in kind* (including Social Security and social welfare benefits), which accounted for 42.1% of spending, grew by 1.3%, i.e. 177 million, to stand at 13,984 million. This rise was much lower than that seen in 2020, when *Benefits* recorded an increase of 12.0%, more than 1,400 million.

Employee Remuneration, which represented 24.6% of expenditure, was up 4.1%, reaching 8,166 million euros. The item with the highest growth was *Intermediate Consumption*, which increased by 9.6% to stand at 4,567 million and accounted for 13.7% of spending. *Social Transfers in Kind: production acquired on the market* saw a rise of 106 million, i.e. 4.7%, reaching 2,340 million, 7.0% of total expenditure.

Among the items that posted a decrease, the most notable were: capital spending (*Gross Capital Formation*, *Capital transfers (to be paid)* and *Acquisitions of other assets*), which registered 156 million less than in 2020, totalling 2,040 million and representing 6.1% of expenditure. *Subsidies (to be paid)* fell by 0.2% to 994 million, accounting for 3.0% of total spending.

Final Demand of the Public Administrations. Basque Country (thousands of euros). 2018-2021

	2018	%	2019	%	2020	%	2021	%
Expenditure on final consumption by Public Administrations	12.321.209	90,1	13.079.809	89,6	13.603.897	89,7	14.192.983	90,2
Gross Capital Formation of the Public Administrations	1.358.033	9,9	1.511.918	10,4	1.556.373	10,3	1.540.341	9,8
Internal Public Demand	13.679.242	100,0	14.591.727	100,0	15.160.270	100,0	15.733.324	100,0

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In the **final expenditure structure** of the Public Administrations, Final Consumption Expenditure, which is the total expenditure by the administrations on the production of goods and services plus the purchase of goods and services produced by market producers which are supplied to households (social transfers in kind), represented 90.2% of Internal Public Demand in 2021, 0.5 percentage points up on the previous year. Gross Capital Formation (Public investment) reached 1,540 million euros, 1.0% less than the previous year.

Institutionally, 94.6% of investments corresponded to the Basque Administrations, 0.1 percentage points more than in 2020, despite the fact that they reduced their expenditure by 13 million to 1,458 million in 2021. Furthermore, the amount corresponding to the Provincial Administration as a whole, State plus Social Security, stood at 83 million euros in 2021, down 3.9% on the previous year.

For further information:

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