

The deficit of the Public Administrations in the Basque Country rose to 3,337 million euros in 2023, 3.6% of GDP

The Basque Administrations recorded a deficit of 203 million euros

The **Public Administrations** (Basque Administrations, Provincial State Administration and Provincial Social Security) registered a deficit of 3,337 million euros, which was an increase of 365 million in respect of 2022, 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 **non-financial resources** managed in 2023 totalled 34,878 million euros, 6.7% more than in 2022, whilst **non-financial spending** grew by 7.1% to 38,214 million euros. As a result, the funding requirement stood at 3,337 million, 12.3% higher than the previous year.

Non-financial resources and spending of the Public Administrations of the Basque Country (thousands of euros). 2022-2023

	2022	2023	2023/2022 (%)
Revenue	32,697,202	34,877,543	6.7
Market output and output for own final use	1,222,677	1,341,299	9.7
Payments for other non-market production	730,051	688,110	-5.7
Taxes on production and imports (to be collected)	10,145,120	10,135,834	-0.1
Property income	228,127	496,721	117.7
Taxes according to income, patrimony, etc.	8,650,716	9,587,521	10.8
Social contributions	10,385,496	11,214,080	8.0
Other current transfers	1,027,191	1,044,936	1.7
Capital taxes (to be collected)	197,835	229,404	16.0
Investment aid (to be collected)	95,855	72,380	-24.5
Other capital transfers (to be collected) (1)	14,134	67,257	375.8
Expenditure	35,669,423	38,214,436	7.1
Pay to salaried workers	8,891,428	9,173,964	3.2
-Intermediate consumption	4,790,322	4,999,518	4.4
Subsidies (to be paid)	1,406,416	952,678	-32.3
Other taxes on production	37,568	40,785	8.6
Property income	211,312	311,574	47.4
Current taxes on income, wealth (payable)	2,469	2,212	-10.4
Social benefits other than social transfers in kind	14,288,857	15,604,270	9.2
Social transfers in kind: production purchased on the market	2,494,398	2,616,542	4.9
Other current transfers	882,884	933,627	5.7
Gross capital formation	1,942,464	2,738,291	41.0
Capital transfers (to be paid)	702,501	849,031	20.9
Net acquisitions of non-financial non-produced assets	18,805	-8,055	-142.8
Net saving	-1,505,755	-1,220,460	-18.9
Net lending (+) / net borrowing (-)	-2,972,221	-3,336,894	12.3

(1) Includes capital transfers unlikely to be collected

Date July 30, 2025

Iturria: Eustat. Public Administration Accounts

The breakdown of **non-financial resources** showed different trends. Among the three most significant items, which accounted for 88.7% of the total, was *Social Security Contributions*, which continued to be the largest item (32.2% of the total) and posted a rise of 8.0%, i.e. 829 million more, reaching 11,214 million in 2023. *Taxes on Income, Assets and Other Components*, which represented 27.5% of resources, grew by 10.8% to 9,588 million. In contrast, the amount corresponding to *Taxes on Production and Imports*, which accounted for 29.1% of resources, fell by 0.1% to stand at 10,136 million. This drop was primarily caused by the decrease in income from VAT and tax on Capital Transfers and Documented Legal Acts.

The other items recorded an overall positive performance. Specifically, total revenue from *Market Output and Payments for Other Output* (5.8% of resources) increased by 3.9%. *Other Current Transfers* (3.0% of resources) rose by 1.7%. *Income from Property* (1.4% of the total) registered growth of 117.7%, primarily due to the increase in income from interest, which reached 497 million in 2023. *Taxes on Capital* rose by 16.0% to stand at 229 million. Lastly, the remaining capital transfers (*Investment Aid and Other Capital Transfers*) saw an overall increase of 27%, with a total of 140 million euros in 2023.

Non-Financial Spending stood at 38,214 million euros, 2,545 million more than in 2022. Most items performed positively.

The largest amount corresponded to *Social benefits different from social transfers in kind* (including Social Security and social welfare benefits), which accounted for 40.8% of spending and increased by 9.2% (i.e. 1,315 million more than the previous year) to stand at 15,604 million in 2023. *Employee Remuneration*, which represented 24.0% of expenditure, was up 3.2%, reaching 9,174 million euros. *Intermediate Consumption* grew by 4.4% to nearly 5,000 million, i.e. 13.1% of spending. *Gross Capital Formation* (investment) recorded an increase of 41.0%, reaching 2,738 million euros in 2023, 7.2% of expenditure. *Social Transfers in Kind: production acquired on the market* (including health and education agreements) rose by 4.9% to 2,617 million, 6.8% of total spending. Finally, *Capital Transfers (to be paid) and Acquisitions of Other Assets* together grew by 16.6% to 841 million and accounted for 2.2% of expenditure.

Of the items that registered a drop, the most significant was *Subsidies (to be paid)*, which fell by 32.3% (i.e. down 454 million) to stand at 953 million in 2023. This decrease was primarily due to the reduction in spending on fuel and energy price subsidies.

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 decline by 667 million euros, going from having a **funding capacity (surplus)** of 465 million in 2022, to having a **funding requirement (deficit)** of 203 million in 2023.

The **Provincial Administration** as a whole (State plus Social Security) registered an improvement in its balance of 303 million, with its **funding requirement (deficit)** going from 3,437 million in 2022 to 3,134 million in 2023.

Net Savings and Capacity (+) or Need (-) for funding of the Public Administrations of the Basque Country (thousands of euros). 2023

	Revenue	Expenditure	Net saving	Net lending (+) / net borrowing (-)
Public Administrations	34,877,543	38,214,436	-1,220,460	-3,336,894
State Administration + Provincialised Social Security	13,975,741	17,109,797	-2,663,434	-3,134,056
Provincialised State Administration	2,892,456	2,647,528	717,285	244,928
Provincialised Social Security	11,083,284	14,462,268	-3,380,718	-3,378,984
Basque Administration	23,428,348	23,631,186	1,442,974	-202,838
Basque Government	14,350,950	14,457,124	581,220	-106,175
Araba/Álava	3,449,705	3,418,634	112,152	31,071
Bizkaia	11,076,281	11,243,774	512,547	-167,493
Gipuzkoa	7,088,745	7,048,987	237,054	39,759

Bodies included: see methodology note

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As regards the **Basque Administrations**, in detail, the entities of the **Basque Government** as a whole saw their balance decline by 87 million euros, going from a negative balance of 19 million euros in 2022 to a negative balance of 106 million in 2023.

The Regional and Municipal Administration of **Álava** overall posted a positive balance of 31 million euros, 26 million down on the previous year. **Bizkaia** recorded a drop in its balance of 368 million euros, going from a positive balance of 201 million in 2022, to a negative balance of 167 million in 2023. **Gipuzkoa** also saw a decline, going from a positive balance of 226 million in 2022 to 40 million in 2023.

Meanwhile, the **Provincial State Administration** saw its balance rise by 613 million euros, going from a deficit of 368 million in 2022 to a funding capacity of 245 million in 2023. On the one hand, non-financial resources increased by more than 400 million, largely owing to the higher quota paid by the Basque Administrations in 2023. On the other, non-financial spending fell by 195 million euros, primarily due to the fact that in 2022 the State transferred 360 million euros to the Basque Country to finance extraordinary and temporary price subsidies for certain energy products, which does not apply in 2023.

With regard to **Provincial Social Security**, the funding requirement increased by 310 million euros to stand at 3,379 million in 2023.

Final Demand of the Public Administrations. Basque Country (thousands of euros). 2021-2023

	2021	%	2022	%	2023	%
Expenditure on final consumption by Public Administrations	14,201,693	90.2	15,150,467	88.6	15,895,191	85.3
Gross Capital Formation of the Public Administrations	1,540,341	9.8	1,942,464	11.4	2,738,291	14.7
Internal Public Demand	15,742,034	100.0	17,092,932	100.0	18,633,482	100.0

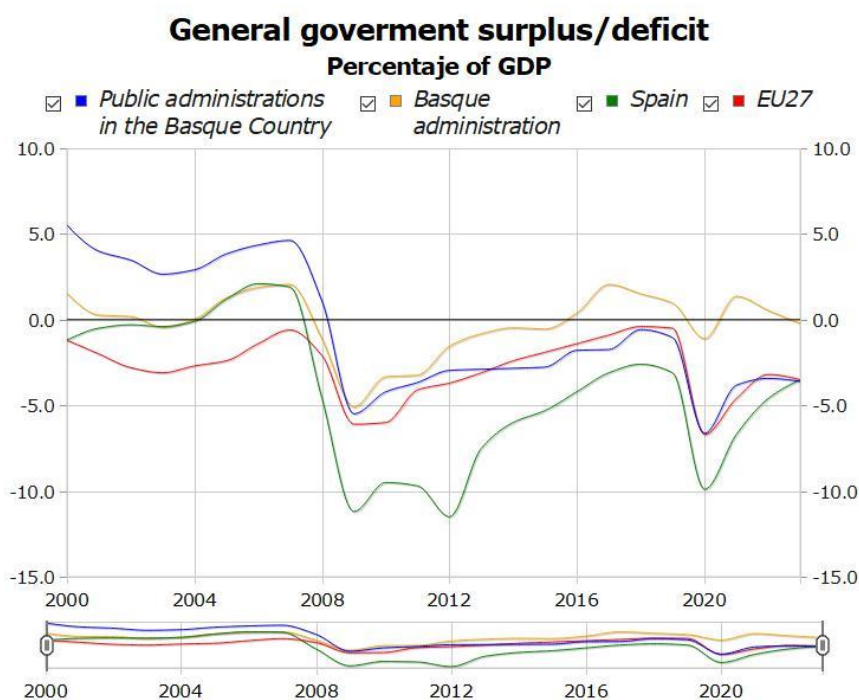
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In the **final expenditure structure** of the Public Administrations, Final Consumption Expenditure, which is the total expenditure by the administrations on the production of goods and services plus the purchase of goods and services produced by market producers which are supplied to households (social transfers in kind), represented 85.3% of Internal Public Demand in 2023, 3.3 percentage points down on the previous year. In contrast, Gross Capital Formation (Public Investment) increased its share of Internal Demand from 11.4% to 14.7%, reaching 2,738 million euros.

Institutionally, 95.2% of investments corresponded to the Basque Administrations, totalling 2,608 million, i.e. 770 million more than in 2022. Furthermore, the amount corresponding to the Provincial Administration as a whole, State plus Social Security, stood at 130 million euros, up 26 million on the previous year.

In terms of GDP, the deficit of the Public Administrations in the Basque Country represented 3.6%, i.e. it rose by 0.2 percentage points compared to the previous year.



Source: Eustat. Public administration accounts and Eurostat

This increase in the funding requirement of the Public Administrations was also seen in the average for the EU27, where the deficit as a percentage of GDP rose by 0.3 percentage points, going from 3.2% in 2022 to 3.5% in 2023. The deficit increased in countries such as France (from 4.7% to 5.4%), Germany (from 2.1% to 2.5%), Belgium (from 3.6% to 4.1%) and Finland (from 0.2% to 3.0%). In Spain, however, the deficit fell by 1.1 percentage points, going from 4.6% to 3.5% of GDP.

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