

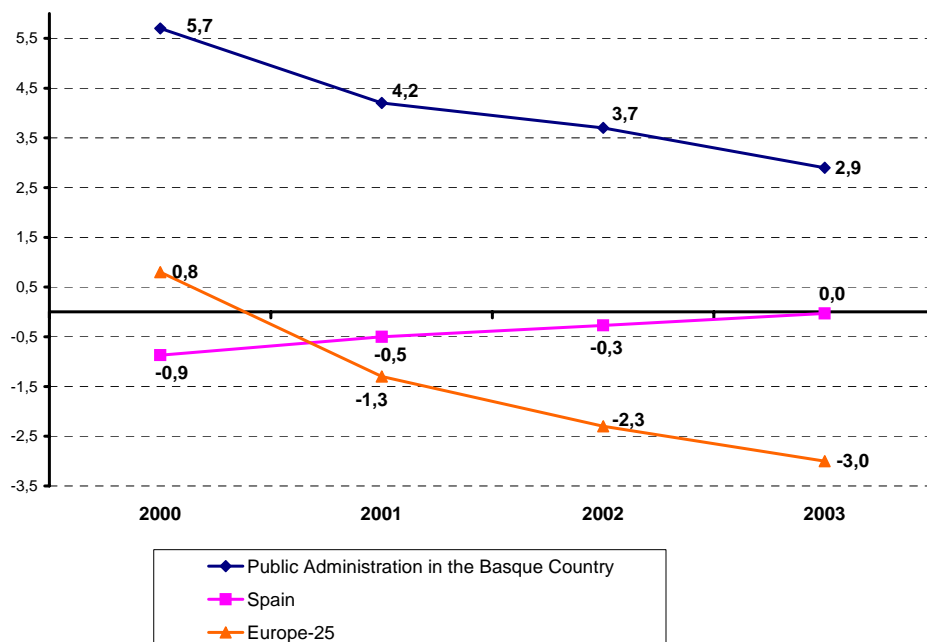
Public Administration surplus in the A.C. of the Basque Country reached 2.9% of the GDP in 2003

While the State Administration registered a 1,565 million euro surplus, Basque Administration presented a deficit of 147 million

The Public Administrations of the A.C. of the Basque Country (Basque Administrations and State Administration and regionalized Social Security) obtained a 2.9% budgetary surplus in terms of GDP in 2003, according to Eustat data. Nevertheless, over the period analysed from 2000 to 2003 this ratio fell from 5.7% in 2000 to 2.9% in 2003.

The comparison with the whole of the State and the European Union shows different trends. The Public Administration of the A.C. of the Basque Country, as a whole, presented a surplus trend, though falling, over the whole of this period. The Public Administration of the whole of the State gradually closed in on the goal of zero deficit, which was achieved in 2003. The Euro-25, however, showed a diametrically opposed trend, as it has moved further away from the zero deficit objective year after year, and in 2003 it stood at a deficit of 3.0% of the GDP.

Graph 1: Evolution of the Capacity (+) or Need (-) for finance of the Public Administration (% GDP)



Source: Eustat

The Central Administration and regionalized Social Security presented a surplus in 2003, whereas the Autonomous Administration registered a deficit

The finance capacity of the institutional bodies that make up the Public Administrations of the A.C. of the Basque Country vary substantially from other organizations in 2003. The regionalized Central Administration presented a surplus of non-finance resources on non-finance employment of 1,110 million euros which, mostly, corresponds to the Quota the Basque Country pays to the State. Regionalized Social Security also obtained a surplus of 455 million. That is to say that both Public Administrations under state responsibility totalled a 1,565 million surplus in terms of finance capacity in the A.C. of the Basque Country, which represented 3.2% of the GDP in 2003.

Table1: Net Saving and Capacity (+) or Need (-) for finance of the Public Administration of the A.C. of the Basque Country. 2003

	1.- Non-finance resources	2.- Non-finance employment	3.- Net saving	4.- Cap.(+) Need(-) for finance
Public Administration	18.015.091	16.596.788	3.078.408	1.418.303
Regionalized State Administration + Social Security	8.103.553	6.538.341	1.737.074	1.565.212
Regionalized State Administration	2.222.553	1.112.089	1.240.560	1.110.464
Regionalized Social Security	6.010.948	5.556.200	496.514	454.748
Basque Administrations(*)	11.299.215	11.446.124	1.341.335	-146.909
Basque Government	6.436.623	6.491.096	527.328	-54.473
Alava	1.808.572	1.846.024	84.373	-37.452
Bizkaia	5.585.542	5.658.097	346.855	-72.555
Gipuzkoa	3.691.217	3.673.646	382.779	17.571

(*) Basque Government includes Autonomous Administrative Bodies, University of the Basque Country, Osakidetza-Basque Public Health Service and several Public Companies
 Alava, Bizkaia and Gipuzkoa include the Provincial Councils and their Autonomous Administrative Bodies and several Public Companies; and Local Organizations

Source: Eustat

On the other hand, the Basque Administration registered a 147 million euro deficit, between non-finance resources and expenditure, which represented 0.3% del GDP of the A.C. of the Basque Country. This need for finance is divided in the following way: the Basque Government presented a 54 million deficit, 37 million for the provincial and municipal Administration of Álava and a 73 million deficit for Bizkaia, while the provincial and municipal Administration of Gipuzkoa presented a surplus of 18 million euros in 2003.

Over the period 2000-2003, the Public Administration in the A.C. of the Basque Country, as a whole, increased non-finance resources by 14.0% and employment (expenditure) grew by 24.0% and, as a consequence, its finance capacity fell from 2,404 million euros in 2000 to 1,418 million in 2003.

Non-finance resources of the Basque Administration increased by 13.1% over three years, while employment (expenditure) increased by 23.5%. The finance capacity for 2000, set at 721 million euros, became a deficit of 147 million euros in 2003.

Net Saving for the whole of the Public Administration in the A.C. of the Basque Country fell by 18.8% over this period, dropping from 3,793 million euros in 2000 to 3,078 in 2003, although the higher decrease occurred in 2001 (-21%), softened over 2002 and 2003 with 1% and 7% decreases respectively.

The differences between the Basque Administration and State Public Administration are substantial, once again. Net Saving for the Basque Administration fell by 28.3% over the period, while Net Saving by the State Public Administration in the A.C. of the Basque Country only fell by 9.6%.

**Table 2: Participation of Public Administration in Final Demand.
A.C. of the Basque Country (thousand euros). 2000-2003**

	2000	%	2001	%	2002	%	2003	%
Expenditure on Final Consumption	30.489.986	100,0	32.594.367	100,0	34.372.086	100,0	36.867.075	100,0
Expenditure on Final Consumption of Public Admin	5.866.817	19,2	6.574.732	20,2	6.963.085	20,3	7.551.277	20,5
Gross Formation of Capital	10.468.359	100,0	11.200.922	100,0	12.218.713	100,0	13.416.770	100,0
Gross Formation of Capital Pub Admin	1.227.090	11,7	1.327.166	11,8	1.437.383	11,8	1.508.409	11,2
Internal Demand	41.407.486	100,0	44.325.790	100,0	47.009.893	100,0	50.497.871	100,0
Public Internal Demand	7.093.907	17,1	7.901.898	17,8	8.400.468	17,9	9.059.686	17,9

Source: Eustat

The Internal Public Demand of the A.C. of the Basque Country in 2003 represented 17.9% of the total Internal Demand, point eight more than in 2000, although it has been constant since 2001.

Expenditure on Final Consumption by the Public Administration came to 20.5% of total Expenditure on Final Consumption of the A.C. of the Basque Country in 2003, one point three percent more than in 2000. The most important growth in the whole of the period occurred in 2001 (one percentage point), easing off over the following years.

Investment made by the Public Administration in the A.C. of the Basque Country lost weight over the period under consideration. The percentage of participation in Gross Formation of Capital in the economy of the A.C. of the Basque Country remained practically stable over the first three years of the period under analysis, later falling by half a point in 2003.

Note: for further information see the Methodology Note

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