

Basque Administration current expenditure increased by 7.5% in 2004

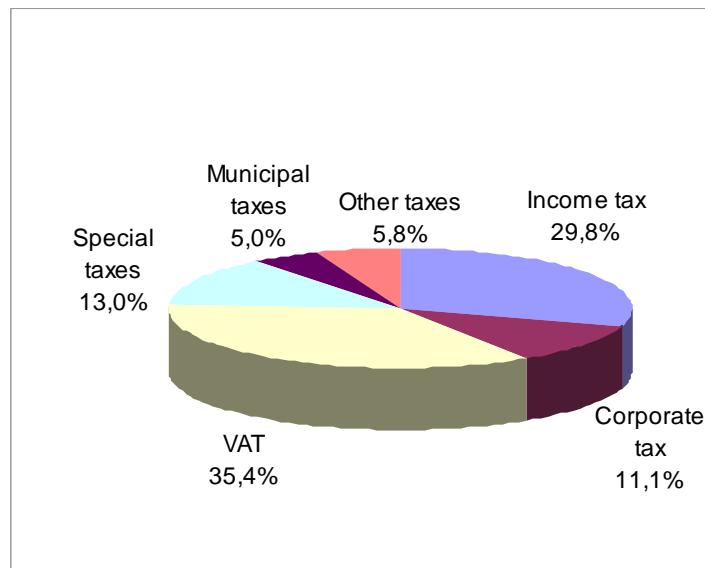
Outstanding financial debt came to 6.5% of the GDP, point two less than a year before

The current expenditure of the Basque administration –made up of the Basque Government, Provincial Councils and Municipal Administrations, together with their corresponding Autonomous Bodies and supra-municipal Organizations- increased by 7.5% over the financial year 2004, according to EUSTAT data. Total expenditure came to 9,552.2 million euros (+5.8%), while current income amounted to 11,584.4 million, with an annual growth rate of 9.2%, on the same period in 2004.

From the evolution of the above we can deduce that the balance of current operations (current income minus current expenditure) came to 2,032 million, 18.2% higher than the position a year before, in which the gross saving amounted to 1,720 million.

Tax revenues, which represented almost 90% of total current income, had a positive variation of 8.1%. Among these, income from VAT registered an annual increase of 12.5%.

Distribution of Basque administration Tax Revenue. 2004. (%)



Source: EUSTAT

Special taxes increased by 11.2% in 2004 and corporate taxes rose by 10.3%. Both income tax and municipal taxes presented more discrete growth, with 2.3% and 2.6% respectively.

In the area of current expenditure we can observe a moderate evolution in personnel costs, with a 3.7% annual increase, two point two below the rate in 2003. Current transfers -subsidies and non-returnable aid - accumulated 11.2% growth, one point two higher than a year before. Other current expenditure -operating costs- registered intermediate evolution with 6.6%. As a result, current transfers pushed up total current expenditure (7.5%), as they represent almost 40% of current expenditure.

To move from the balance of current operations to the non-financial budgetary balance it is necessary to take into account income and expenditure from capital operations. In 2004 capital revenue registered 4.2% growth and capital expenditure (real investment plus capital transfers) fell by 1.8%. The former totalled 256.3 million and the latter, in absolute figures, amounted to 1,922.8 million; the balance of capital operations was, consequently, negative (-1,656.6 million).

Consolidated liquidation of the Basque administration. 2004-2003

thousand euros	2.003	2.004	Δ%
TOTAL INCOME	11.393.778	12.442.799	9,2%
Current transactions	10.605.954	11.584.487	9,2%
-Tax revenue	9.602.300	10.382.350	8,1%
Income tax	3.022.246	3.091.369	2,3%
Corporate tax	1.041.402	1.148.605	10,3%
VAT	3.266.787	3.675.433	12,5%
Special taxes	1.208.827	1.344.756	11,2%
Municipal taxes	503.982	517.250	2,6%
Other taxes	559.056	604.937	8,2%
-Other current income	1.003.654	1.202.137	19,8%
Capital Transactions	246.102	256.323	4,2%
Total Non-financial Transactions	10.852.056	11.840.810	9,1%
Financial transactions	541.722	601.989	11,1%
TOTAL EXPENDITURE	11.433.152	12.093.699	5,8%
Current Transactions	8.885.968	9.552.250	7,5%
Expenditure on Personnel	2.429.192	2.518.879	3,7%
Current Transfers	3.271.957	3.638.877	11,2%
Other Current Expenditure	3.184.819	3.394.494	6,6%
Capital Investment and Transactions	1.957.593	1.922.833	-1,8%
Total Non-financial Transactions	10.843.561	11.475.083	5,8%
Financial transactions	589.591	618.616	4,9%
BALANCE OF CURRENT TRANSACTIONS	1.719.986	2.032.237	18,2%
NON-FINANCIAL BUDGETARY BALANCE	8.495	365.727	4205,2%

Source: EUSTAT

The sum of the current operations balance and the capital operations balance takes us to a non-financial budgetary balance, which in 2004 came to 365.7 million, compared to 8.4 million the year before.

Basque administration outstanding debt, which reached its lowest quota in 2001, with 2,776.4 million pending payment, recovered to 3,497.6 million in 2004. Over the last year 371.9 million in outstanding debt was repaid and 520.6 million new debt was incurred, by which the total sum has increased.

In addition, Basque administration financial debt in relation to GDP fell from 6.76% in 2003 to 6.56% in 2004, because GDP grew at a higher rate than debt.

Consolidated data of the Basque administration. 2004

	CONSOLIDATED TOTAL	BASQUE GOVT	ALAVA	BIZKAIA	GIPUZKOA	thousand euros
CURRENT INCOME	11.584.487	6.647.206	1.906.573	5.754.476	3.723.930	
CURRENT EXPENDITURE	9.552.250	5.660.600	1.748.179	5.311.896	3.279.273	
BALANCE OF CURRENT TRANSACTIONS	2.032.237	986.606	158.394	442.580	444.657	
CAPITAL INCOME	256.323	46.854	60.935	176.927	134.118	
CAPITAL EXPENDITURE	1.922.833	821.046	143.142	612.766	508.390	
NON-FINANCIAL BUDGETARY BALANCE	365.727	212.414	76.187	6.741	70.385	
 OUTSTANDING DEBT (Pending repayment 31-12-04)	 3.497.582	 1.964.186	 131.695	 993.736	 407.965	

Source: EUSTAT

The budget of the Basque administration came to 59,378 in 2003 and 59,606 a year later in 2004.

For further information:

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