

ECONOMIC ACCOUNTS OF THE PUBLIC ADMINISTRATION 2005

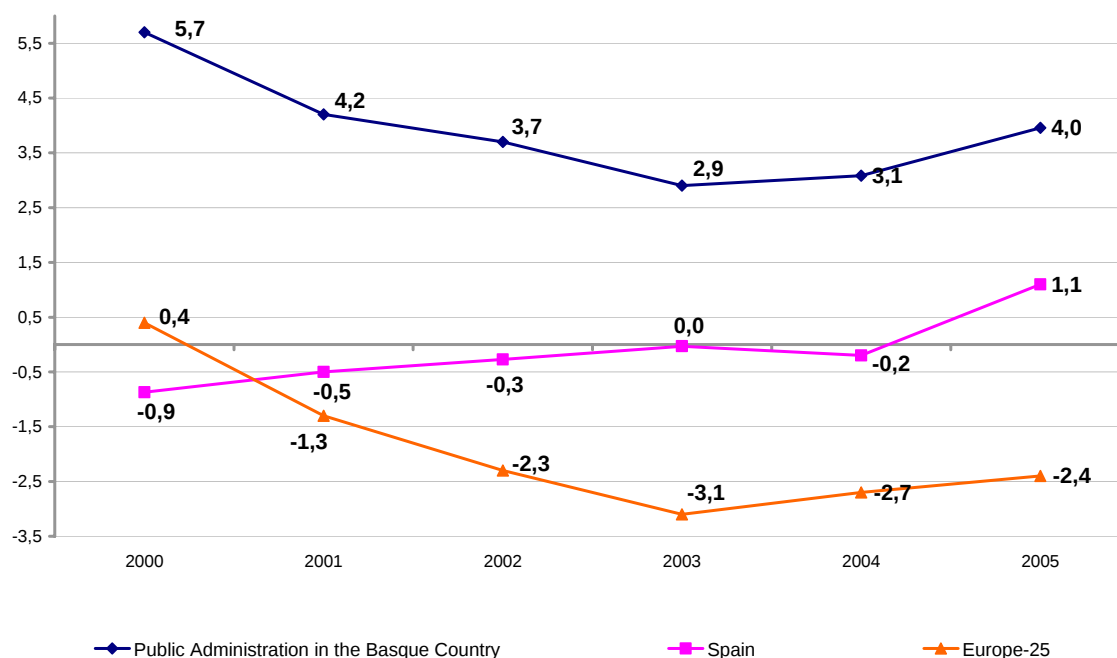
The State Administration obtained a surplus of 1,496 million euros in the A.C. of the Basque Country and the Basque Administrations one of 781 million in 2005

The surplus for the Public Administration in the A.C. of the Basque Country as a whole accounted for 4.0% of GDP

The Public Administration in the A.C. of the Basque Country (Basque Administration and regional State Administration and Social Security) achieved a surplus of 2,277 million euros in 2005 in terms of funding capacity, accounting for 4.0% of GDP, according to EUSTAT data.

The Public Administration in the A.C. of the Basque Country in 2005 maintained the trend towards a surplus of previous years, improving on the result achieved in 2004 by point nine percent. In the case of Spain, its Public Administration sector went from a 0.2% deficit in GDP terms in 2004, to a surplus of 1.1% in 2005; in the European Union-25, its deficit improved slightly, going from 2.7% in 2004 to 2.4% of GDP in 2005.

Graph 1: Evolution of the funding Capacity (+) or Necessity (-) of the Public Administration (% of GDP)



Source: Eustat

The improvement in the funding capacity of the Public Administration in the A.C. of the Basque Country was as a result of the greater increase registered in non-financial resources, which grew by 8.4% in relation to 2004, while non-financial uses did so by 5.6%.

Each and every sector of the institutions that make up the Public Administration of the A.C. of the Basque Country achieved surpluses in 2005:

- **The regional State Administration and regional Social Security** obtained surpluses of 1,154 million and 342 million respectively, accounting for 65.7% of the Public Administration in the A.C. of the Basque Country as a whole. These surpluses have remained steady over recent years.
- **The Basque Administration** achieved a positive balance of 781 million, the result of the sum of a positive balance of 431 million obtained in the institutional area of the Basque Government, 77 million corresponding to the Provincial and local authorities of Álava, 144 million in those of Bizkaia and 129 million in those of Gipuzkoa. Compared to 2004, the Basque Government and the Provincial and local authorities of Bizkaia went from a negative balance to a positive one in 2005; in the other provinces, they increased their positive balance.

Table 1: Net Saving and funding Capacity (+) or Necessity (-) of the Public Administration in the A.C. of the Basque Country. 2005. (Thousands euros)

Unit: thousand euros

	1 Non-finance resources	2 Non-finance employment	3 Net saving	4 Cap.(+) Need.(-) for finance
Public Administration	20.799.489	18.522.366	3.824.526	2.277.123
Regionalized State Administration + Social Security	8.917.531	7.421.294	1.666.918	1.496.237
Regionalized State Administration	2.398.405	1.244.568	1.278.319	1.153.837
Regionalized Social Security (**)	6.685.108	6.342.708	388.599	342.400
Basque Administrations (*)	13.530.378	12.749.492	2.157.608	780.886
Basque Government	7.847.098	7.416.577	1.113.207	430.522
Alava	2.203.941	2.126.773	157.816	77.168
Bizkaia	6.773.956	6.629.559	486.274	144.398
Gipuzkoa	4.326.024	4.197.225	400.311	128.799

(*) 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

(**) Social Security includes: General Treasury for Social Security, National Social Security Institute, Social Marine Institute, INEM-State Public Employment Service, Mutual Funds for Occupational Accident and Illness (AT and EP), Wage Guarantee Fund (FOGASA)

Source: Eustat

Over the period 2000-2005, the Public Administration in the A.C. of the Basque Country increased its non-financial resources by 31.7% and non-financial uses by 38.3%; as a result, funding capacity reduced by 5% over this period. From 2000 to 2003 funding capacity diminished, but in 2004 and 2005 it increased, passing the 2,000 million mark in the latter year and getting close to the levels of 2000.

Net saving for the Administrations in the A.C. of the Basque Country as a whole went from 3,793 million euros in 2000 to 3,825 million euros in 2005, meaning a 0.8% increase.

**Table 2: Participation of the Public Administration in Final Demand.
A.C. of the Basque Country (thousands euros). 2000-2005**

	Unit: thousand euros											
	2000	%	2001	%	2002	%	2003	%	2004	%	2005	%
Expenditure on Final Consumption	30.489.986	100,0	32.594.367	100,0	34.372.086	100,0	36.867.075	100,0	39.821.096	100,0	42.803.247	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	8.016.736	20,1	8.471.692	19,8
Gross Formation of Capital	10.468.359	100,0	11.200.922	100,0	12.218.713	100,0	13.416.770	100,0	14.848.714	100,0	16.645.106	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	1.493.468	10,1	1.506.473	9,1
Internal Demand	41.407.486	100,0	44.325.790	100,0	47.009.893	100,0	50.497.871	100,0	55.056.113	100,0	59.448.353	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	9.510.204	17,3	9.978.165	16,8

Source: Eustat

Internal public demand of the A.C. of the Basque Country represented 16.8% of total internal demand in 2005.

Final consumption expenditure of the Public Administration came to 19.8% of final consumption expenditure of the A.C. of the Basque Country in 2005, point six per cent more than in 2000 and point three percent less than in 2004.

The weight of investments made by the Public Administration in 2005 in Gross Capital Formation of the economy of the A.C. of the Basque Country as a whole was 9.1%, one percentage point lower than in 2004. By institution, 94% of investments made in 2005 corresponded to the Basque Administration and only 6% to the regional State Administration and regional Social Security, percentages that have remained steady over recent years.



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