

## Current revenue of Basque Administrations down by 4.2% in 2008

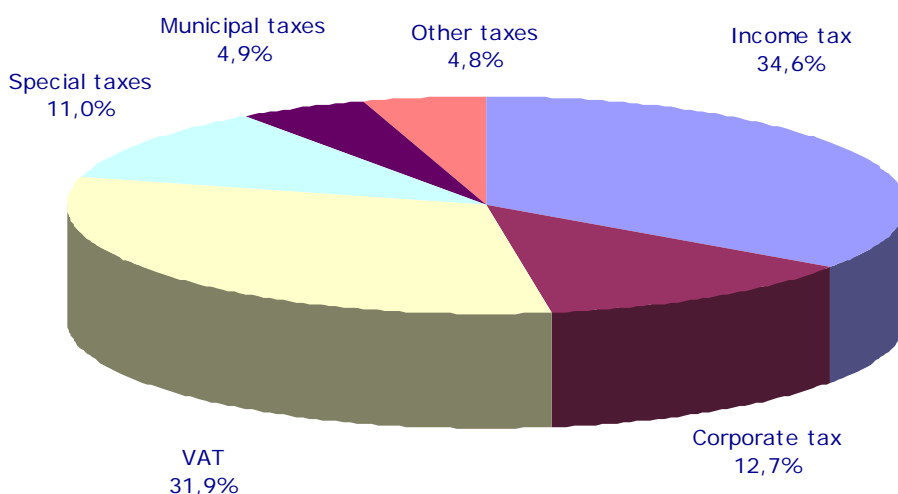
**The financial debt as of 31 December 2008 was 2,926 million euros, representing 4.3% GDP**

The Basque administration – made up of the Basque Government, Provincial Councils and Municipal Administrations, together with their corresponding Autonomous Bodies and supra-municipal Organizations - posted a non-financial budgetary balance of -542.2 million in 2008, according to EUSTAT data. This negative balance was a reverse on the positive series posted since 1996.

The negative balance is explained by different performance of non-financial income and expenditure. With respect to 2007, income fell by 4.3%, while expenditure rose by 9.7%. The increase in expenditure was nearly one point under the figure for 2007, but the significant drop in tax revenue (-6.4%), compared to increases of around 10% of previous years, explains how the balance has gone from positive to negative.

The majority of tax revenues, which represented almost 87,6% of total current income, had annual negative variation rates. The largest downturn was posted by Corporation Tax, which collected 2,046.7 million euros in 2007, but that fell to 1,708.9 million in 2008, which was a rate of -16.5%. Income from VAT also fell from 4,852.7 million euros in 2007 to 4,208.3 million in 2008, which was down by 11.3%. The Special Duties and Local Taxes fell more moderately, by 2.7% and 1.1%, respectively.

**Graph 1. Distribution of Basque Administration Tax Revenue. 2008 (%)**



Source: EUSTAT. Public Sector Budgetary Statistics

On the other hand, the revenue from personal income tax rose by 4.7%, but was far behind the increases of around 10% of previous years.

As far as expenditure is concerned, all the non-financial chapters registered positive variation rates. Staff costs rose by 7.5%, 3 tenths down on the previous year, and other current expenditures grew by around 10%. With regard to capital operations, investments experienced more moderate growth (2%).

As a result of the negative evolution of current revenue (-4.2%) and the positive variation in current expenditure (+9.7%), the current balance in 2008 was positive, but 49.4% down on that of 2007. Added to the negative balance of the capital operations, the non-financial budgetary balance is negative (542.2 million euros), which accounts for 0.8% of the GDP.

### Consolidated Liquidation of the Basque Administration. 2008-2007

thousand euros	2.007	2.008	Δ%
<b>TOTAL INCOME</b>	<b>16.420.090</b>	<b>16.181.125</b>	<b>-1,5%</b>
<b>Current transactions</b>	<b>15.974.866</b>	<b>15.308.586</b>	<b>-4,2%</b>
-Tax revenue	14.340.706	13.416.823	-6,4%
Income tax	4.439.897	4.648.560	4,7%
Corporate tax	2.046.705	1.708.884	-16,5%
VAT	4.852.690	4.280.279	-11,8%
Special taxes	1.520.359	1.478.679	-2,7%
Municipal taxes	659.243	651.712	-1,1%
Other taxes	821.813	648.709	-21,1%
-Other current income	1.634.160	1.891.763	15,8%
<b>Capital Transactions</b>	<b>286.322</b>	<b>259.656</b>	<b>-9,3%</b>
<b>Total Non-financial Transactions</b>	<b>16.261.188</b>	<b>15.568.242</b>	<b>-4,3%</b>
<b>Financial transactions</b>	<b>158.902</b>	<b>612.883</b>	<b>285,7%</b>
<b>TOTAL EXPENDITURE</b>	<b>15.413.989</b>	<b>16.739.868</b>	<b>8,6%</b>
<b>Current Transactions</b>	<b>12.224.007</b>	<b>13.411.726</b>	<b>9,7%</b>
Expenditure on Personnel	3.036.579	3.265.489	7,5%
Current Transfers	4.735.966	5.242.693	10,7%
Other Current Expenditure	4.451.462	4.903.544	10,2%
<b>Capital Investment and Transactions</b>	<b>2.455.336</b>	<b>2.698.674</b>	<b>9,9%</b>
<b>Total Non-financial Transactions</b>	<b>14.679.343</b>	<b>16.110.400</b>	<b>9,7%</b>
<b>Financial transactions</b>	<b>734.646</b>	<b>629.468</b>	<b>-14,3%</b>
<b>BALANCE OF CURRENT TRANSACTIONS</b>	<b>3.750.859</b>	<b>1.896.860</b>	<b>-49,4%</b>
<b>NON-FINANCIAL BUDGETARY BALANCE</b>	<b>1.581.845</b>	<b>-542.158</b>	<b>-134,3%</b>

Source: EUSTAT. Public Sector Budgetary Statistics

The financial debt of the Basque Administrations was 2,926.3 million euros as of 31 December 2008. In this last year, 338.6 million of outstanding debt was repaid but 551.7 million new debt was incurred, 27% more than in 2007, as all the administrations (Basque Government, Provincial Councils and the municipal authorities overall) incurred new debt.

This debt increase has meant that the percentage in relation to the GDP rose from 4.1% in 2007 to 4.3% in 2008.

**Consolidated Data of the Basque Administration. 2008**

	thousand euros				
	CONSOLIDATED TOTAL	SQUE GOVT	ALAVA	BIZKAIA	GIPUZKOA
CURRENT INCOME	15.308.586	8.363.590	2.481.791	7.962.292	4.794.835
CURRENT EXPENDITURE	13.411.726	7.800.751	2.349.378	7.192.024	4.364.786
<b>BALANCE OF CURRENT TRANSACTIONS</b>	<b>1.896.860</b>	<b>562.839</b>	<b>132.413</b>	<b>770.268</b>	<b>430.049</b>
CAPITAL INCOME	259.656	84.683	36.948	204.941	167.359
CAPITAL EXPENDITURE	2.698.674	1.241.727	256.833	829.255	605.677
<b>NON-FINANCIAL BUDGETARY BALANCE</b>	<b>-542.158</b>	<b>-594.205</b>	<b>-87.472</b>	<b>145.954</b>	<b>-8.269</b>
<b>OUTSTANDING DEBT (Pending repayment 31-12-08)</b>	2.926.329	1.266.900	219.251	1.001.506	438.672

Source: EUSTAT. Public Sector Budgetary Statistics

In 2008, the Basque Administrations overall were formed by a total of 1,085 entities. The Basque Administrations employed 110,508 people, 4.1% up on 2007. 70.1% of whom worked for the public sector of the General Administration of the Autonomous Community, 9.2% for the public sector of the Provincial Administrations and the remaining 20.7% for the public sector of the Local Administrations. In terms of the employment status, 69.0% were permanent employees.

**For further information:**

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Further press releases on Public Sector Budgetary Statistics of the Basque Country.

Databank on Public Sector Budgetary Statistics of the Basque Country.