

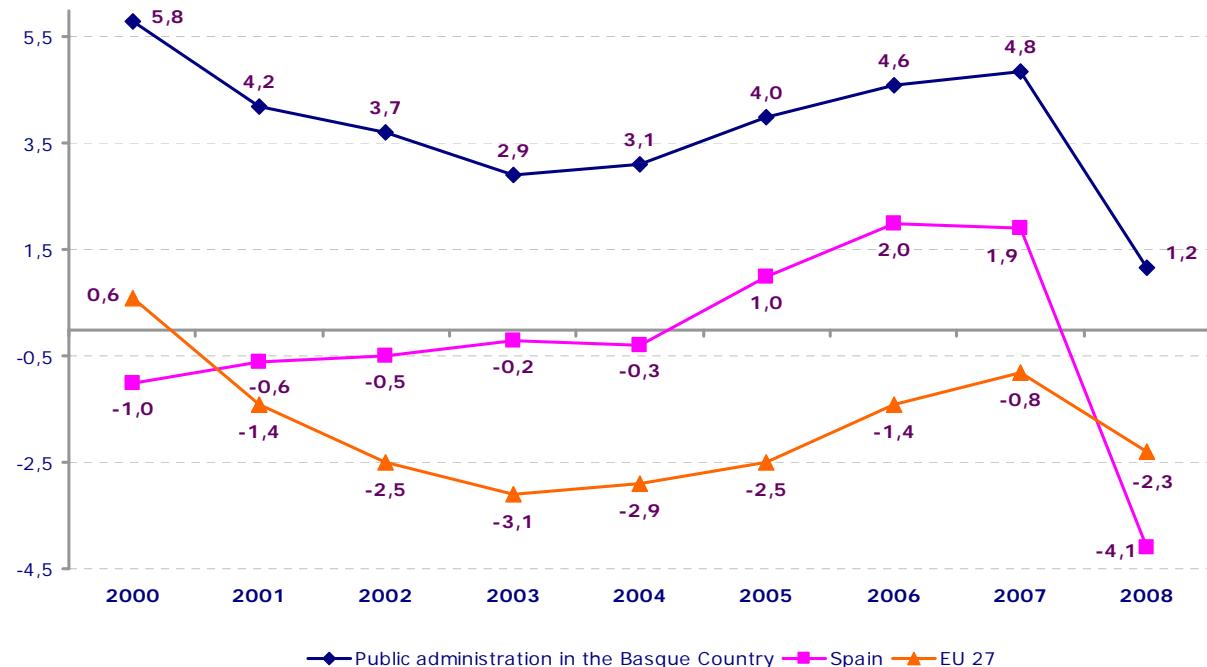
PUBLIC SECTOR ACCOUNTS IN THE BASQUE COUNTRY - 2008

The Public Sector surplus in the Basque Country stood at 805 million euros in 2008

The Central Spanish public sector in the Basque Country posted a surplus of 1,563 million euros, while the Basque public sector registered a deficit of 758 million euros.

The Public Sector in the the Basque Country (Basque Administration and Central Spanish Public Administration and regionalised Social Security Institute) posted a surplus of 805 million euros in 2008, which accounted for 1.2% of GDP, according to Eustat data. However, compared to the previous year, it was down 75% in absolute terms and 3.6 percentage points in terms of GDP.

Graph 1: Evolution of the Financing Capacity (+) or Requirements (-) of the Public Authorities (% of the GDP)



Source: EUSTAT. Public Sector Accounts.
 EUROSTAT

The negative performance was greater in Spain as a whole, where the public sector went from a surplus of 1.9% in terms of GDP in 2007 to a deficit of 4.1% in 2008. In the European Union-27, the negative balance also worsened, going from a 0.8% deficit in 2007 to 2.3% of the GDP in 2008.

The reduction in the funding capacities of the Public Authorities in the Basque Country was due to the negative evolution of non-financial resources, which fell by 0.4% compared to 2007, together with a 10.5% growth in non-financial jobs.

The institutional analysis shows that only the regionalised Central Spanish Public Sector improved its surplus balance with respect to 2007, rising from 1,561 million to 1,685 million in 2008. On the other hand, the regionalised Social Security posted a deficit in 122 million euros in 2008 compared to the surplus of 186 million in 2007.

As far as the Basque Public Sector was concerned, all the institutions posted a poorer balance: the municipal and provincial authorities of Bizkaia registered a surplus overall of 164 million euros, in 2008, 71% down on 2007. The other authorities went from a surplus in 2007 to a deficit in 2008. Thus, Álava posted a deficit of 122 million euros, the deficit was 15 million in Gipuzkoa and the negative balance for the Basque Government as a whole was 785 million euros.

Table 1: Net Saving and Financing Capacity (+) or Requirements of the Public Authorities in the Basque Country. 2008. (Thousands of euros)

	1.- Non-finance resources	2.- Non-finance employment	3.- Net saving	4.- Cap.(+) Need.(-) for finance
Public Administration	24.806.687	24.001.693	3.269.761	804.994
Regionalized State Administration + Social Security	10.767.250	9.204.315	1.908.914	1.562.936
Regionalized State Administration	3.377.743	1.692.920	1.991.319	1.684.823
Regionalized Social Security	7.610.642	7.732.529	-82.405	-121.887
Basque Administrations(*)	16.662.372	17.420.314	1.360.847	-757.942
Basque Government	8.961.775	9.746.713	234.166	-784.939
Álava	2.634.599	2.756.406	91.313	-121.807
Bizkaia	8.501.123	8.337.259	675.917	163.864
Gipuzkoa	5.143.229	5.158.290	359.451	-15.060

(*) Basque Government includes Autonomous Administrative Bodies, University of the Basque Country, Osakidetza-Basque Public Health Service and several Public Companies

Álava, Bizkaia and Gipuzkoa include the Provincial Councils and their Autonomous Administrative Bodies and several Public Companies; and Local Organizations

(**) Social Security includes: Tesorería General de la Seguridad Social, Instituto Nacional de la Seguridad Social, Instituto Social de la Marina, INEM-Servicio Público de Empleo Estatal, Mutuas AT and EP, FOGASA

Source: EUSTAT. Public Sector Accounts

Table 2: Stake of the Public Authorities in Final Demand. Basque Country (thousands of euros). 2004-2008

	2004	%	2005	%	2006	%	2007	%	2008	%
Expenditure on Final Consumption of Public Admin	40.519.702	100,0	43.691.686	100,0	47.139.691	100,0	50.415.485	100,0	52.140.893	100,0
	8.004.388	19,8	8.475.920	19,4	9.131.861	19,4	9.995.041	19,8	10.978.096	21,1
Gross Formation of Capital	15.040.639	100,0	16.422.809	100,0	17.993.556	100,0	19.457.387	100,0	19.818.678	100,0
Pub Admin	1.493.468	9,9	1.506.473	9,2	1.656.706	9,2	1.880.579	9,6	2.065.866	10,4
Internal Demand	55.560.341	100,0	60.114.495	100,0	65.133.247	100,0	69.872.872	100,0	71.959.471	100,0
Public Internal Demand	9.497.856	17,1	9.982.393	16,6	10.788.567	16,6	11.875.403	17,0	13.043.962	18,1

Source: EUSTAT. Public Sector Accounts

The stake of the public sector internal demand in the total internal demand increased by 18.1% compared to 2007.

The Public Sector final consumption expenditure stood at 21.1% of the final consumption expenditure of the Basque Country in 2008, compared to 19.8% in 2007.

The weight of the Public Sector in the Gross Fixed Capital Formation of the economy overall of the Basque Country also increased by 8 tenths from 9.6% to 10.4% in 2008. By institutions, 94.5% of the investments were by the Basque Administration and the remaining 5.5% by the regionalised Central Spanish Public Sector overall.

For further information:

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