

PUBLIC SECTOR ACCOUNTS IN THE BASQUE COUNTRY 2009

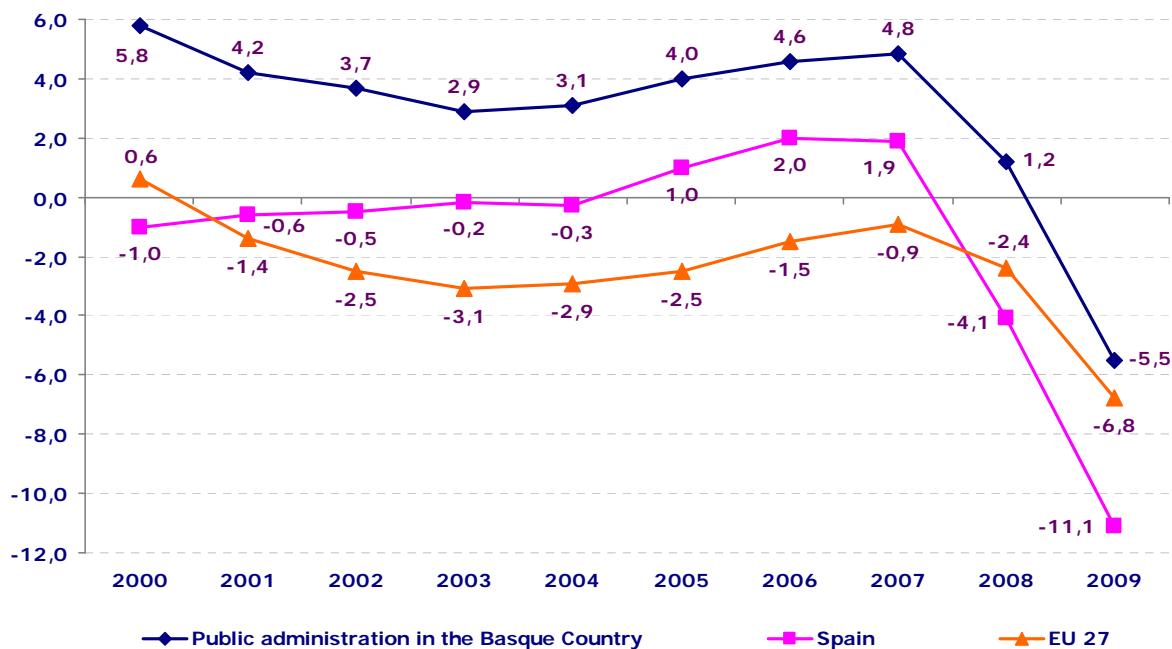
## The Public Administrations in the Basque Country registered a deficit of 3,564 million euros in 2009

**The deficit of the State Administration of the Basque Country stood at 262 million euros, whilst the Basque Administrations posted a deficit of 3,302 euros.**

In 2009, the Public Administrations as a whole in the Basque Country (Basque Administrations and regionalised State and Social Security Administration) registered a deficit of 3,564 million euros, in terms of national accountancy, which was 5.5% of GDP, according to Eustat data.

This negative balance goes against the series of positive balances registered by the Public Administrations sector in the Basque Country since 2000, which is the year that homogenous data became available.

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



Source: EUSTAT. Public Sector Accounts.  
EUROSTAT

This negative evolution of the balance is registered in the State as a whole, which went from a deficit of 4.1% of GDP in 2008 to 11.1% in 2009, and the European Union 27 group, which had a deficit of 6.8% of GDP in 2009, compared to 2.3% in 2008.

The need to finance the Public Administrations of the Basque Country is due to a decrease of 9.6% of non-financial resources, compared with 2008, together with an increase of 8.3% in non-finance employment.

Amongst the non-finance resources, the reduction of those of greater weight must be highlighted. Taxes on production and imports, which stood at 29.1%, reduced by 7.1%; Taxes on income and patrimony, which represent 26.1% of resources, reduced by 17.7%; and social contributions, which suppose 34.4%, witnessed a reduction of 0.6%.

In the non-finance employment section, social loans and payments, which represent 42.0% of employment, rose by 10.5% on 2008, rising from 14.5% GDP in 2008 to 16.9% in 2009.

In the institutional analysis, all of the balances of the administrations worsened, and only the regionalised State Administration showed a positive balance of 293 million euros in 2009, against 1,685 million in 2008. In regionalised Social Security the negative balance went from 122 million euros in 2008, to 554 million in 2009.

**Table 1: Net Saving and Financing Capacity (+) or Requirements of the Public Authorities in the Basque Country. 2009. (Thousands of euros)**

	1.- Non-finance resources	2.- Non-finance employment	3.- Net saving	4.- Cap.(+) Need.(-) for finance
<b>Public Administration</b>	22.435.735	25.999.906	-694.243	-3.564.172
<b>Regionalized State Administration + Social Security</b>	10.051.981	10.313.690	2.773	-261.709
<b>Regionalized State Administration</b>	2.813.429	2.520.784	511.262	292.645
<b>Regionalized Social Security</b>	7.955.808	8.510.162	-508.489	-554.354
<b>Basque Administrations(*)</b>	14.895.276	18.197.739	-697.016	-3.302.463
<b>Basque Government</b>	8.175.631	10.720.314	-1.448.454	-2.544.683
<b>Araba/Álava</b>	2.432.707	2.606.254	327.182	-173.547
<b>Bizkaia</b>	7.434.739	7.642.945	359.841	-208.206
<b>Gipuzkoa</b>	4.669.150	5.045.177	64.415	-376.027

(\*) 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: 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

With regard to the Basque Administrations, the need for finance stood at 3,302 million in 2009, which was 5.1% of GDP, in contrast to 758 million euros in 2008, which was 1.1% of GDP.

Continuing with the tendency already noted in the above exercise, all of the institutions posted a decline in their balances. The need for finance in the Basque Country as a whole goes from 785 million euros in 2008 to 2,545 million in 2009; in the combined regional and municipal administration of Araba/Álava the need for finance goes from 122 million to 174 million euros, in 2009; in Bizkaia there is a drop from a positive balance of 164 million in 2008 to a negative balance of 208 million in 2009 and in Gipuzkoa as a whole the negative balance rises from 15 million in 2008 to 376 million in 2009.

**Table 2: Stake of the Public Authorities in Final Demand. Basque Country (thousands of euros). 2004-2009**

	2004	%	2005	%	2006	%	2007	%	2008	%	2009	%
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	52.390.003	100,0	51.678.752	100,0
Gross Formation of Capital	8.004.388	19,8	8.475.920	19,4	9.131.861	19,4	9.995.041	19,8	10.978.096	21,0	11.653.562	22,6
Internal Demand	15.040.639	100,0	16.422.809	100,0	17.993.556	100,0	19.457.387	100,0	19.516.294	100,0	16.384.341	100,0
Public Internal Demand	1.493.468	9,9	1.506.473	9,2	1.656.706	9,2	1.880.579	9,6	2.065.866	10,6	2.499.786	15,3
	55.560.341	100,0	60.114.495	100,0	65.133.247	100,0	69.872.872	100,0	71.906.297	100,0	68.063.093	100,0
	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	14.153.348	20,8

Source: EUSTAT. Public Sector Accounts

The participation of internal public demand in total internal demand increased by 2.7 points with regards to 2008, standing at 20.8%.

The participation of the expenditure on final consumption of the Public Administrations also continues to increase, standing at 22.6% of final consumption expenditure in the Basque Country in 2009, against 21.0% in 2008.

The greatest increase is produced in the weighting of the Gross Capital Formation of Public Administrations in the combined economy of the Basque Country, which increases by 4.7 points, going from 10.6% in 2008 to 15.3% in 2008. Institutionally, 96.4% of investment corresponded to the Basque Administrations, and the remaining 3.6% to the regionalised central Administration as a whole.

**For further information:**

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