

ECONOMIC ACCOUNTS OF THE PUBLIC ADMINISTRATION 2007

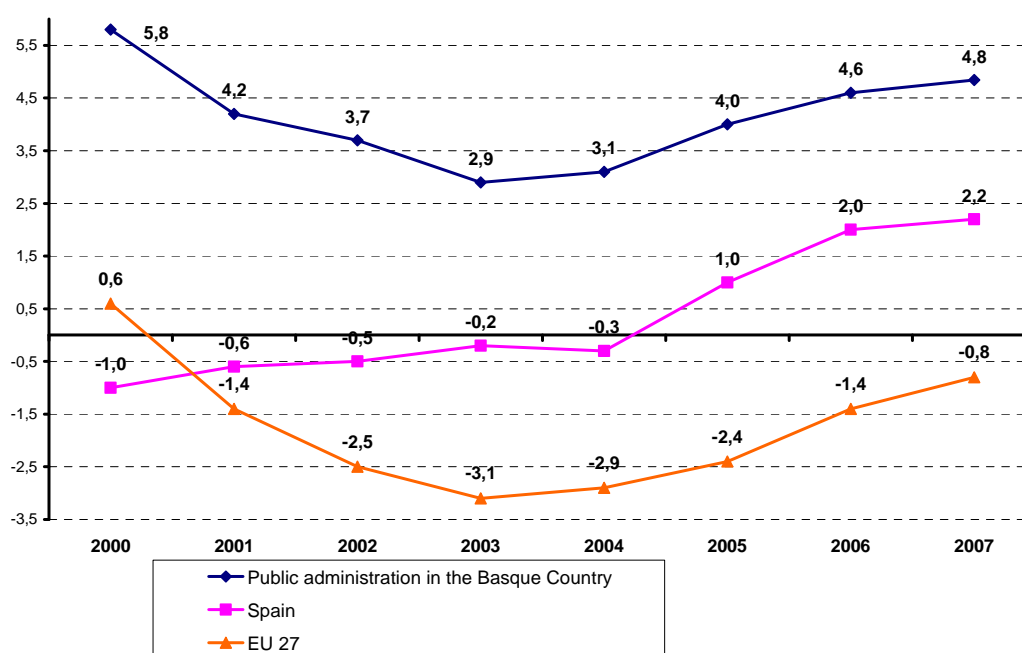
The surplus of the State Administration in the Basque Country came to 1,747 million euros and that of the Basque Administrations 1,445 million in 2007

The surplus for the Public Administration in the Basque Country as a whole accounted for 4.8% of GDP

The Public Administration in the Basque Country (Basque Administration and regional State Administration and Social Security) achieved a surplus of 3,192 million euros in 2007 in terms of funding capacity, accounting for 4.8% of GDP, according to Eustat data.

The Public Administration in the Basque Country improved on the 2006 result in terms of GDP by point two percentage points. The same improvement was seen in the State as a whole, where the Public Administration sector went from a 2.0% surplus in GDP terms in 2006 to one of 2.2% in 2007; in the European Union-27, the improvement was greater, with the deficit diminishing from 1.4% in 2006 to 0.8% of GDP in 2007.

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



Source: Eustat, Eurostat

The improvement in the funding capacity of the Public Administration in the Basque Country was as a result of the greater increase registered in non-financial resources in relation to that registered in non-financial uses: the former grew by 9.7% with regard to 2006, while uses did so by 9.2%.

All the institutional sectors that make up the Public Administration of the Basque Country achieved surpluses in 2007, although not to the same extent in all cases:

- The regional State Administration and regional Social Security improved their surplus in the Basque Country from 1,562 million euros in 2006 to 1,747 million euros in 2007. If broken down into its components, the regional State Administration continues to increase its surplus, reaching 1,561 million, compared to 1,505 obtained in 2006 and regional Social Security achieved a surplus of 186 million, meaning 128 million more than that obtained in 2006, when it came to 57 million.
- **The Basque Administration** improved its positive balance, going from 1,262 million in 2006 to 1,445 million in 2007. This result came from the sum of a positive balance of 709 million obtained in the institutional area of the Basque Government, 86 million corresponding to the Provincial and local authorities of Álava, 568 million to those of Bizkaia and 80 million to those of Gipuzkoa.

Table 1: Net Saving and funding Capacity (+) or Necessity (-) of the Public Administration in the Basque Country. 2007. (Thousands euros)

Unit: thousand euros

| | 1.- Non-finance resources | 2.- Non-finance employment | 3.- Net saving | 4.- Cap.(+) Need.(-) for finance |
|--|---------------------------|----------------------------|----------------|----------------------------------|
| Public Administration | 24.903.770 | 21.711.365 | 5.427.817 | 3.192.406 |
| Regionalized State Administration + Social Security | 10.246.133 | 8.499.058 | 2.091.471 | 1.747.075 |
| Regionalized State Administration | 3.231.108 | 1.669.664 | 1.869.746 | 1.561.444 |
| Regionalized Social Security | 7.213.896 | 7.028.265 | 221.725 | 185.631 |
| | | | | 0 |
| Basque Administrations(*) | 17.153.842 | 15.708.511 | 3.336.345 | 1.445.330 |
| Basque Government | 8.668.851 | 8.721.547 | 1.573.752 | 709.103 |
| Alava | 2.815.241 | 2.728.270 | 260.652 | 86.972 |
| Bizkaia | 8.784.390 | 8.215.757 | 1.033.756 | 568.633 |
| Gipuzkoa | 5.325.701 | 5.245.079 | 468.186 | 80.622 |

(*) 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

**Table 2: Participation of the Public Administration in Final Demand.
Basque Country (thousands euros). 2000-2007**

| | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | | 2006 | | 2007 |
|--|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|
| | | % | | % | | % | | % | | % | | % | | % | |
| Expenditure on Final Consumption | 30.847.065 | 100,0 | 33.020.950 | 100,0 | 34.843.030 | 100,0 | 37.402.290 | 100,0 | 40.519.702 | 100,0 | 43.691.686 | 100,0 | 47.139.691 | 100,0 | 50.347.972 |
| Expenditure on Final Consumption of Public Admin | 5.866.817 | 19,0 | 6.574.732 | 19,9 | 6.963.085 | 20,0 | 7.551.277 | 20,2 | 8.016.736 | 19,8 | 8.471.692 | 19,4 | 9.131.828 | 19,4 | 9.994.823 |
| Gross Formation of Capital | 10.917.500 | 100,0 | 11.688.578 | 100,0 | 12.541.881 | 100,0 | 13.489.319 | 100,0 | 15.040.639 | 100,0 | 16.422.809 | 100,0 | 17.993.556 | 100,0 | 19.625.186 |
| Gross Formation of Capital Pub Admin | 1.227.090 | 11,2 | 1.327.166 | 11,4 | 1.437.383 | 11,5 | 1.508.409 | 11,2 | 1.493.468 | 9,9 | 1.506.473 | 9,2 | 1.656.706 | 9,2 | 1.880.579 |
| Internal Demand | 41.764.565 | 100,0 | 44.709.528 | 100,0 | 47.384.911 | 100,0 | 50.891.609 | 100,0 | 55.560.341 | 100,0 | 60.114.495 | 100,0 | 65.133.247 | 100,0 | 69.973.158 |
| Public Internal Demand | 7.093.907 | 17,0 | 7.901.898 | 17,7 | 8.400.468 | 17,7 | 9.059.686 | 17,8 | 9.510.204 | 17,1 | 9.978.165 | 16,6 | 10.788.534 | 16,6 | 11.875.403 |

Source: Eustat

Participation of internal public demand in total internal demand increased with regard to 2006, standing at 17.0%.

Final consumption expenditure of the Public Administration came to 19.9% of final consumption expenditure of the Basque Country in 2007, point four per cent more than in 2006.

Public investment continued to increase; it did so by 13.5% with regard to 2006, meaning that the weight of the Public Administration in Gross Capital Formation in the economy of the Basque Country as a whole was 9.6%, point four percentage points more than in 2006. Of the total, 94.6% of investments made in 2007 corresponded to the Basque Administration and the remaining 5.39% to the regional central Administration as a whole. The Basque Administration went from an investment of 1,540 million in 2006 to 1,779 million in 2007, while the amount of the regional State Administration and regional Social Security as a whole diminished from 117 million in 2006 to 101 million in 2007.

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