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DE ESPAÑA

MINISTERIO
DE HACIENDA
Y ADMINISTRACIONES PÚBLICAS

General State Budget 2012



National Parliament

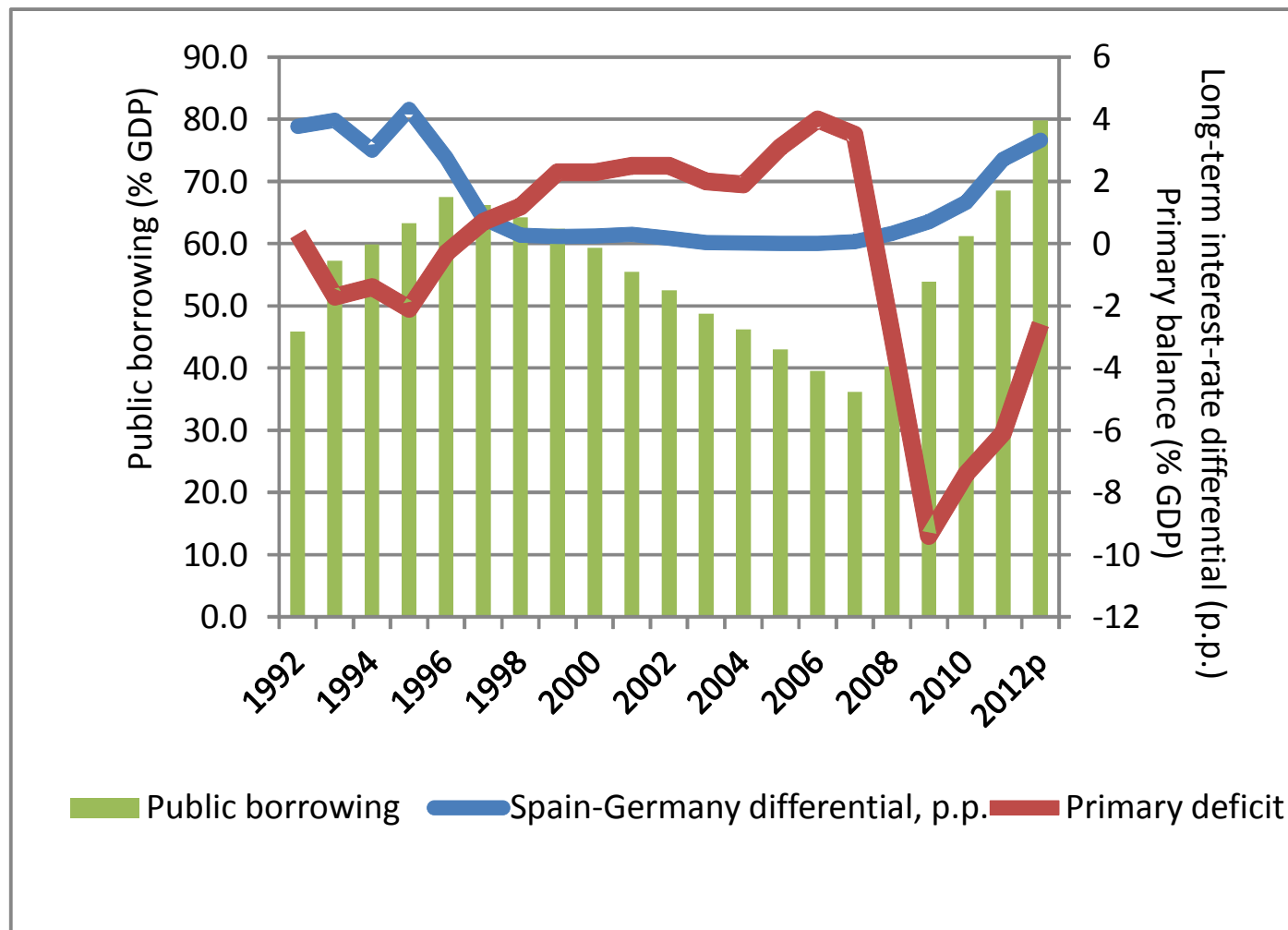
3-04-2012



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FISCAL CONSOLIDATION TO RECOVER LOST CONFIDENCE



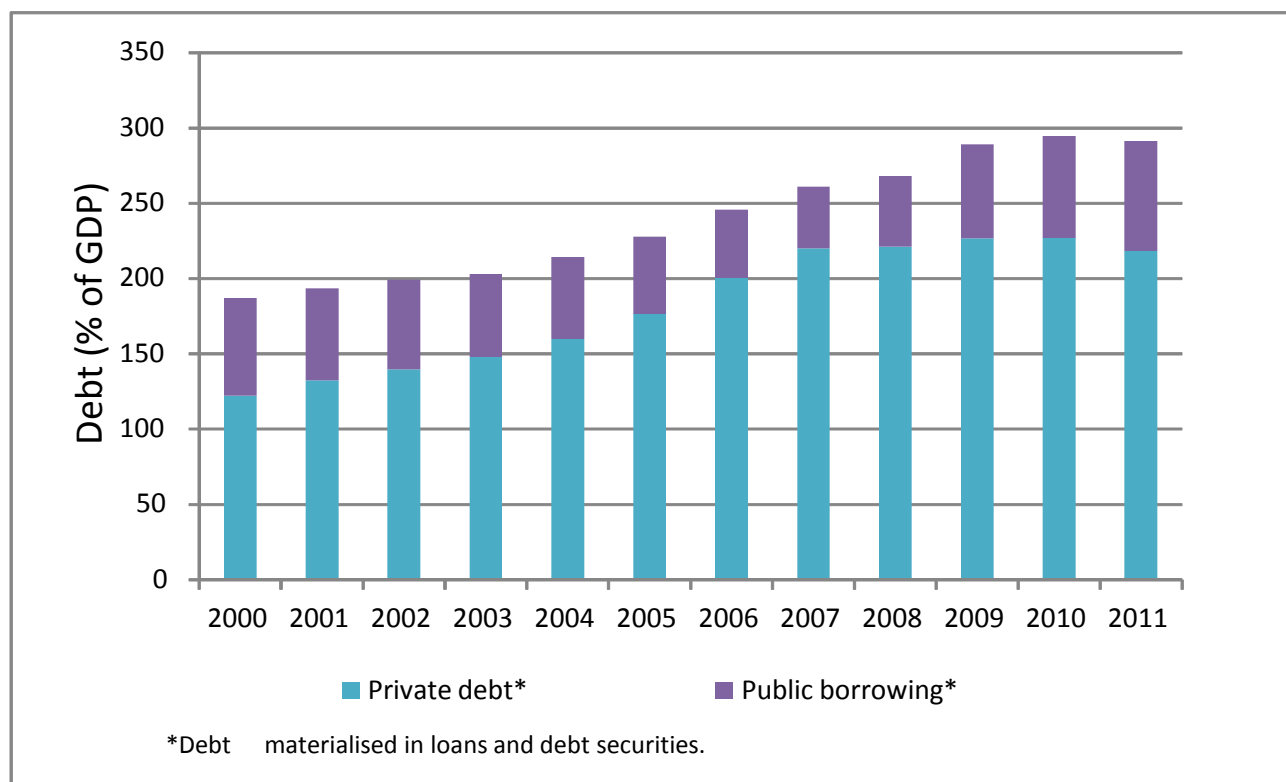


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PRIVATE DELEVERAGING AND LACK OF ADJUSTMENT IN THE PUBLIC SECTOR

DEBT OF NON-FINANCIAL SECTORS (% GDP)



2011 third quarter

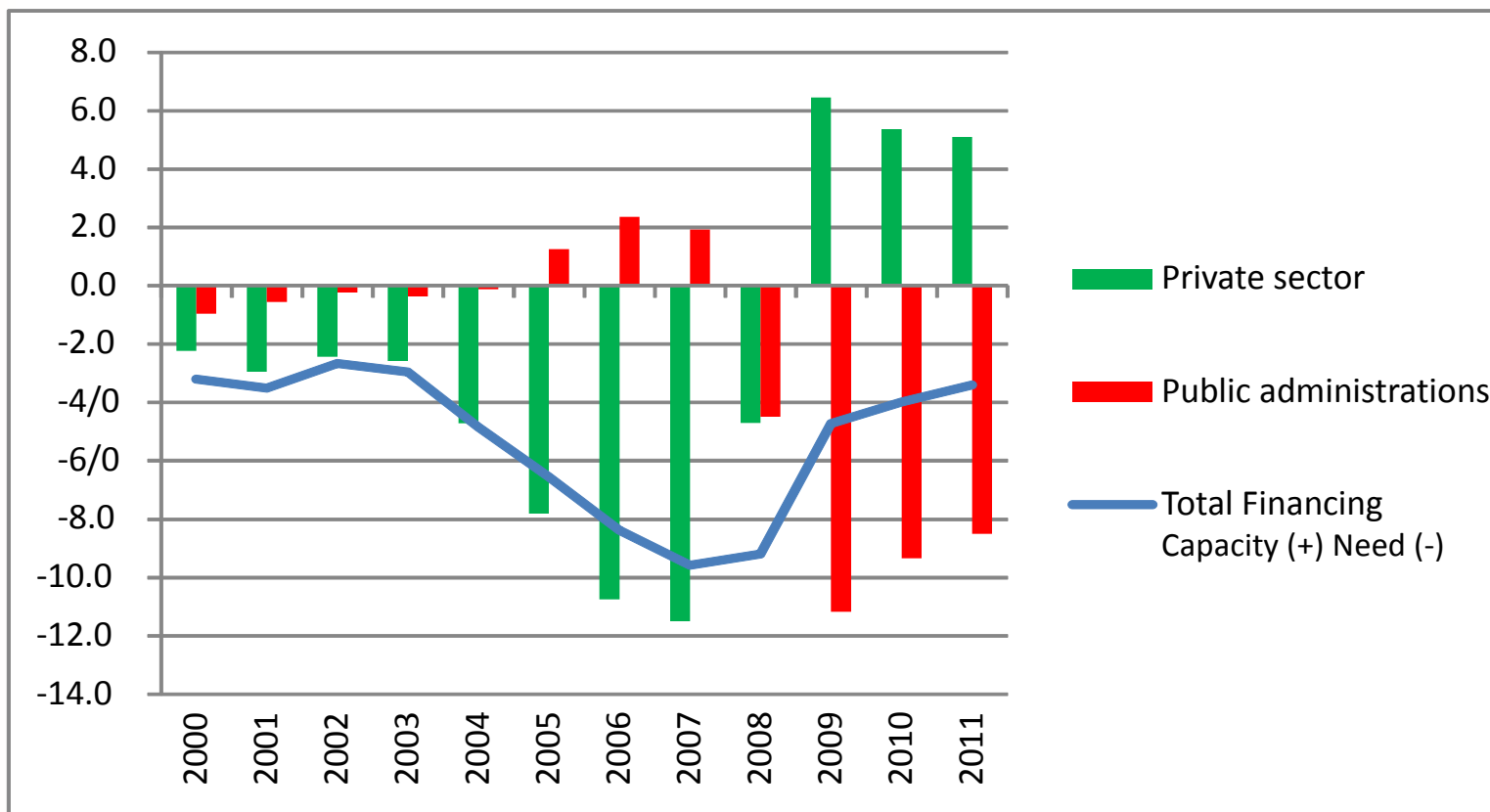


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THE PRIVATE SECTOR GENERATED A SURPLUS IN 2009, 2010 and 2011

FINANCING CAPACITY (+) AND NEED (-) IN RESPECT OF THE REST OF THE WORLD
(% GDP)





INCREASE IN PUBLIC IMBALANCE

(% GDP, variation in p.p.)

PUBLIC BORROWING	Belgium	Germany	Spain	France	Italy	Netherlands
2007	84.1	65.2	36.2	64.2	103.1	45.3
2007-2011	14.1	16.5	32.3	21.6	17.0	19.9
PUBLIC DEFICIT	Belgium	Germany	Spain	France	Italy	Netherlands
2007	-0.3	0.2	1.9	-2.7	-1.6	0.2
2007-2011	-3.4	0.7	-10.4	-2.5	-2.3	-4.9



STATE FISCAL ADJUSTMENT FOR 2012

	% GDP
Deficit reduction	1.6
Budgetary expenditure committed (interest payments, territorial administration funding, non-contributory social security benefits and State pensions)	0.9
Total deficit reduction + expenditure commitments	2.5

	% GDP
Increase in State revenue	0.8
Expenditure adjustment (excluding expenditure already committed)	1.7
TOTAL STATE ADJUSTMENT FOR 2012	2.5



€27.3 Bn




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OBJECTIVE: MEET DEFICIT REDUCTION TARGETS

Financing Capacity (+) / Need (-) (as % of GDP)

	2011	2012	Deficit reduction
Central government	-5.1	-3.5	-1.6
Autonomous Regions	-2.9	-1.5	-1.4
Local authorities	-0.4	-0.3	-0.1
Social Security	-0.1	0.0	-0.1
TOTAL	-8.5	-5.3	-3.2



The biggest
effort for fiscal
consolidation



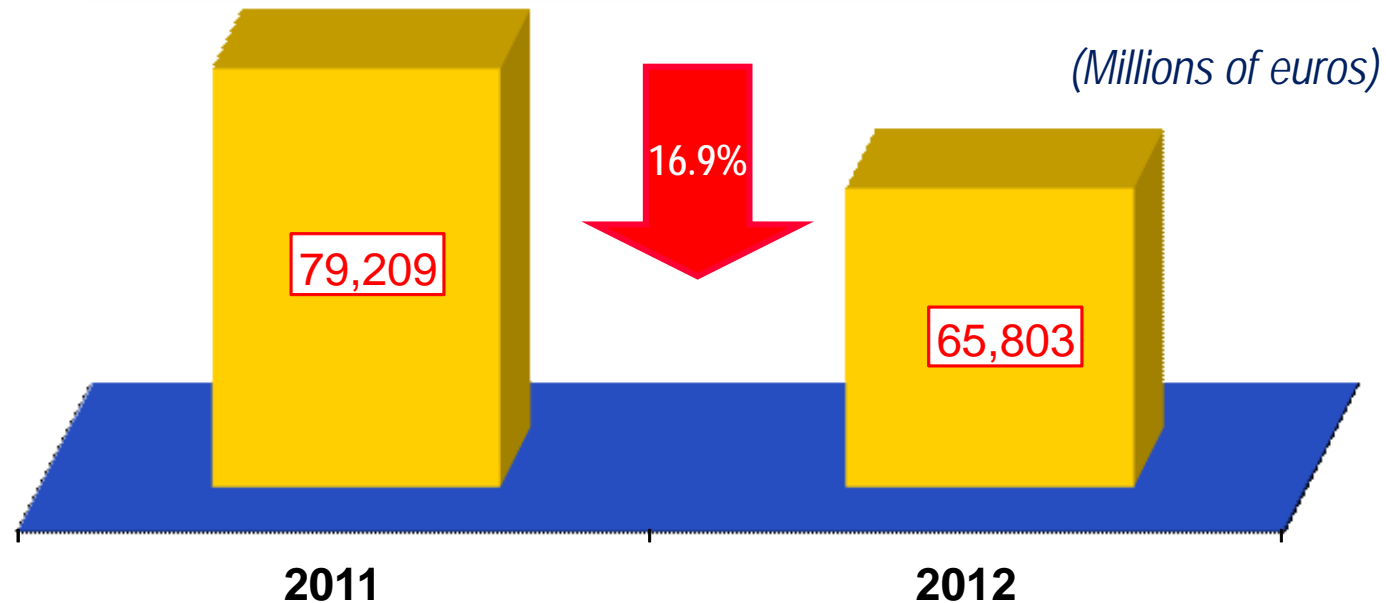
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AN EMERGENCY BUDGET TO ACHIEVE ECONOMIC RECOVERY

These strong fiscal adjustment measures allow the government to maintain public-sector salaries and basic benefits (pensions and unemployment benefits)

MINISTERIAL SPENDING WILL BE CUT BY 16.9%*



* Overall standard comparison discounting commitments made in preceding years and MEDE, including chapter 8



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NEW TAX MEASURES

Millions of euros

CORPORATE TAX



5,350

SPECIAL CHARGE



2,500

PERSONAL INCOME



4,100



NEW TAX MEASURES

Millions of euros

	In 2012
A. CORPORATE TAX	5,350
1. Deferral of tax reliefs	210
2. Unrestricted amortisation	840
3. Financial spending	1,050
4. Payment in instalments applied to accounting result	2,500
5. Tax on dividends originating abroad	750
B. OTHER DIRECT TAXES	2,500
2. Special charge	2,500
C. EXCISE	150
1. Tobacco	150
D. RATES	214
1. Legal fees	214
TOTAL	8,214
Temporary increase in personal income tax	4,100
TOTAL	12,314



STATE BUDGET BY MINISTRY

Non-financial expenditure + Chapter 8

(excluding territorial funding, commitments from previous years and contribution to MEDE)

Millions of euros

SECTIONS	2011	2012	% Δ 2012/11
12: M. OF FOREIGN AFFAIRS AND COOPERATION	2,646	1,205	-54.4
13: M. OF JUSTICE	1,681	1,574	-6,3
14: M. OF DEFENCE	6,929	6,316	-8.8
15: M. OF THE TREASURY AND PUBLIC ADMINISTRATIONS	3,473	2,679	-22.9
16: M. OF THE INTERIOR	7,822	7,485	-4.3
17: M. OF DEVELOPMENT	8,937	5,843	-34.6
18: M. OF EDUCATION, CULTURE AND SPORTS	3,918	3,088	-21.2
19: M. OF EMPLOYMENT AND SOCIAL SECURITY	22,593	20,924	-7.4
20: M. OF INDUSTRY, ENERGY AND TOURISM	5,515	3,753	-31.9
23: M. OF AGRICULTURE, FOOD AND THE ENVIRONMENT	2,808	1,932	-31.2
25: M. OF THE PRESIDENCY	449	432	-3.8
26: M. OF HEALTH, SOCIAL SERVICES AND EQUALITY	2,674	2,309	-13.7
27: M. OF THE ECONOMY AND COMPETITIVENESS	7,481	6,062	-19.0
31: VARIOUS MINISTERIAL EXPENSES	2,285	2,200	-3.7
TOTAL MINISTRIES	79,209	65,803	-16.9
OTHER ITEMS (a)	55,774	56,280	0.9
TOTAL EXPENDITURE	134,983	122,083	-9.6

(a) Constitution agencies, pensions, interest payments, territorial entities (excluding funding system), inter-territorial compensation fund, contributions to the EU and contingency fund.



STATE BUDGET FOR 2012

SUMMARY BY CHAPTERS

Excluding system of funding for regional governments, obligations from previous years and contribution to MEDE

(Millions of euros)

	Initial 2011	Initial 2012	% Δ on 2011
I. Personnel expenditure	26,982	27,339	1.3
- Active personnel	16,921	16,481	-2.6
State pensioners	10,062	10,858	7.9
II. Current expenses on goods and services	3,385	3,022	-10.7
III. Financial spending	27,421	28,876	5.3
IV. Current transfers	46,584	42,556	-8.6
Current Operations	104,372	101,792	-2.5
V. Contingency Fund and other unforeseen expenses	2,472	2,377	-3.8
VI. Real investments	5,817	4,679	-19.6
VII. Capital transfers	9,362	5,022	-46.4
Capital operations	15,178	9,701	-36.1
NON-FINANCIAL BUDGET	122,022	113,870	-6.7
VIII. Financial assets	12,960	8,213	-36.6
NON-FINANCIAL BUDGET +CHAPTER 8	134,983	122,083	-9.6

Major adjustments
to all budgetary
items except
interest payments
and pensions





MAIN ADJUSTMENTS TO THE COST BUDGET (I)

NON-FINANCIAL STATE BUDGET FOR 2012			
	2011	2012	Δ %
12. MINISTRY OF FOREIGN AFFAIRS			
Spanish Agency for International Development Cooperation	834	240	-71.2
Development Promotion Fund and Fund for Water	1,095	300	-72.6
14. MINISTRY OF DEFENCE			
Investments	1,005	654	-34.9
15. MINISTRY OF FINANCE AND PUBLIC ADMINISTRATION			
To the RTVE Corporation	535	331	-38.0
Subsidies for companies in economic development areas	177	126	-28.7
Financial assets	548	249	-54.6
17. MINISTRY OF PUBLIC WORKS			
Transport subsidies for non-mainland Spain residents	395	330	-16.5
Discounts on toll fares	134	95	-29.2
Renfe Operadora (chapter 4 and 8)*	600	0	-100.0
Road-construction agreements	341	129	-62.0
Grants for access to housing	785	456	-41.9
Investments (excluding €600m committed in previous years)	3,268	2,812	-13.9
Financial assets (excluding Renfe Operadora)	2,111	1,045	-50.5
18. MINISTRY OF EDUCATION, CULTURE AND SPORT			
Transfers excluding scholarships	1,503	972	-35.4
* €348 million is set aside for pending commitments undertaken in previous years			



MAIN ADJUSTMENTS TO THE COST BUDGET (II)

NON-FINANCIAL STATE BUDGET FOR 2012			
	2011	2012	? %
19. MINISTRY OF EMPLOYMENT AND SOCIAL SECURITY			
Public State Employment Service	15,746	13,288	-15.6
Immigrant Integration Fund	67	0	-100.0
20. MINISTRY OF INDUSTRY			
Institute for the Restructuring of Coal Mining	689	359	-47.9
Additional cost of energy generation	256	0	-100.0
Support for automotive industry. Electric cars	80	10	-87.5
Financial assets	3,412	2,628	-23.0
23. MINISTRY OF AGRICULTURE, FOOD AND THE ENVIRONMENT			
Rural development actions	200	28	-85.9
To autonomous regions' national agriculture and fisheries plans	160	84	-47.1
Financial assets	222	101	-54.4
26. MINISTRY OF HEALTH AND SOCIAL AFFAIRS			
Level agreed for Dependency	283	0	-100.0
27. MINISTRY OF ECONOMY AND COMPETITIVENESS			
Equity contribution to the Centre for the Development of Industrial Technology (CDTI)**	536	114	-78.7
Multilateral financial organisations	555	351	-36.8
** The CDTI retains a substantial surplus of liquid assets.			



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