



Quarterly evolution of the Autonomous Communities

Autonomous regions end the second quarter with a deficit of 0.77% of GDP, on track to meet the target of 1.5% at year end

- The coming into force of the Budgetary Stability Act, together with compliance by the autonomous regions with fiscal consolidation has decreased the deficit by 53.70% compared to 2011

13 September 2012. The Minister of Finance and Public Administrations, Cristóbal Montoro, together with the Secretary of State for Budgets and Expenditure, Marta Fernández Currás, and the Secretary of State for Public Administrations, Antonio Beteta, have released the figures for the quarterly budget implementation in terms of the national accounts of the autonomous regions for the second quarter of the year, in accordance with the Budgetary Stability Act.

According to the preliminary figures released, the national accounting results of the regions for the second quarter of this year shows a situation consistent with achieving the estimated deficit of 1.5% of GDP for the full year.

Specifically, the combined autonomous regions accumulated a deficit of 8.063 billion euros, equivalent to 0.77% of GDP, which is 53.7% lower than a year ago, when the deficit was 17.414 billion euros, 1.64% of the GDP recorded at the end of the first half of 2011.

In like-for-like terms the deficit was 9.823 billion euros or 0.93% of GDP.

This positive evolution shows how the regions are on course to meet the 1.5% of GDP at year end. The national accounting figures presented

today form part of the commitment to improve budgetary control of the autonomous regions and has resulted in the availability of the budget figures on a quarterly basis in terms of national accounts.

In addition, from mid-October, budget implementation information will be available on a monthly basis for the regions and in terms of national accounts from 2013.

This positive trend is also a result of the fiscal consolidation efforts being made by the regions, with the launch of the economic and financial plans (PEFs), which will begin to have a noticeable effect throughout the second half of the year.

The commitment to transparency in budget implementation enables the evolution of region's income and expenditure to be monitored, allowing the automatic application of preventive measures and an early warning mechanism, similar to that in European legislation.

This significant effort to reduce the deficit is also evident if the effect of advance transfers from the Spanish state to the autonomous regions is removed.