



Appearance of the Secretary of State for Public Administrations

Beteta: "We are going to tackle the deficit, let nobody be in any doubt"

- Valencia is the region with the highest level of outstanding debt with suppliers, and Andalusia the region with the highest number of invoices to pay
- The Government warns the Autonomous Communities that the Stability Act will be enforced based only on legality, not on political colours

18 April 2012. "We have made a firm commitment to reduce the deficit to 5.3%, which will enable us to win back international credibility", asserted Antonio Beteta, the Secretary of State for Public Administrations, today during his appearance before the Budget Commission of the Spanish Congress to explain the draft General State Budget bill for 2012. He also encouraged citizens to start believing in the country's potential once again.

In his speech, Beteta explained that the Budget is a tool for generating the much needed confidence in the markets, alongside the Budgetary Stability Act. With this bill, accounts will be more transparent and no-one will be able to spend above their income", affirmed Beteta.

He also underlined that in 2012 regional funding is increasing, with €84,263.09 million (up 0.19%) earmarked for the Autonomous Communities, and €15,624.96 million (8.08% more) for Local Authorities. This is possible because the number of monthly payments for repaying losses from 2008 and 2009 has been extended from 60 to 120 and in March an advance of 50% of the payment for 2010 was paid out.

Furthermore, Beteta explained that the Government has put in place an extraordinary mechanism for paying suppliers who are owed payments by

Local Authorities and Autonomous Communities, which will serve as a boost to business activity and will prevent job destruction, as it will inject funds right where they are most needed, benefiting companies that supply services and goods to local authorities and the autonomous communities, who will be able to pay off their outstanding debts quickly and easily.

PAYING SUPPLIERS OF AUTONOMOUS COMMUNITIES

The Autonomous Communities that decided to join the mechanism for paying suppliers submitted a total of 3,918,986 outstanding invoices, with payment obligations totalling €17,255,345,839.26.

Community	No. Invoices	Amount pending payment
A.C. Andalusia	772.758	€2,763,530,185.51
A.C. Aragon	160.564	€405,595,253.76
A.C. Principality of Asturias	85.873	€259,024,409.06
A.C. of the Balearic Islands	237.164	€742,290,522.85
A.C. of the Canary Islands	53.806	€232,762,050.24
A.C. Cantabria	92.786	€329,066,828.24
A.C. Castilla-León	295.379	€1,066,078,910.39
A.C. Castilla-La Mancha	611.766	€2,510,450,329.34
A.C. Catalonia	268.489	€1,984,741,182.09
A.C. Extremadura	1.033	€227,282,656.13
A.C. Madrid	425.538	€1,279,463,936.25
A.C. Murcia	314.098	€1,173,377,827.83
A.C. La Rioja	21.085	€76,169,827.84
A.C. Valencia	578.647	€4,205,511,919.73
TOTAL	3.918.986	€17,255,345,839.26

Beteta stated that suppliers will begin to receive payment for their outstanding invoices in May and that the operation will have a direct impact on employment as it will contribute to the creation and will secure the future of up to 100,000 jobs.

The Secretary of State stressed that in order for suppliers who are owed payments by Local Authorities to receive their payments soon, they have to confirm their intention to sign up for the extraordinary mechanism of the Invoice Payment Plan, an essential requirement without which the sums owed by local authorities will not be paid.

There are two options for doing so: Either by going to the local authority with which there are outstanding invoices and carry out the application process on hard copy, until Friday 20 April or, alternatively, visit the Tax Agency's website (www.agenciatributaria.es) until Sunday 22 April.

Beteta explained that participation in the Payment Plan requires the submission of an Adjustment Plan, the submission period for which ended on 30 March for Local Councils and ends on 30 April for Autonomous Communities.

ADDITIONAL EFFORT FROM PUBLIC SECTOR EMPLOYEES

The Secretary of State called on public sector employees to make an additional effort, aware of the importance of the work they do and the fact that they have suffered a loss in purchasing power over the last few years, and underlined that extending their working hours to 37 and a half hours per week will result in savings of over €2,500 million for Autonomous Communities and Local Authorities. He also pointed out the need to examine staffing needs in the different Administrations.

COMPLIANCE WITH THE STABILITY ACT

He likewise stated that the Government expects the Administrations to move "from commitment to compliance" with the Budgetary Stability Act which is to come into effect "without looking at political colour, but rather applying the law".

Furthermore, in compliance with legal requirements, as provided for in the Organic Law on Budgetary Stability and Financial Sustainability, failure on the part of the autonomous communities to meet their financial obligations could result in "State intervention, if required".

Beteta explained that the restructuring plans submitted by the Autonomous Communities, which have to be reviewed by 30 April in order to adapt them to the actual income outlined in the Budgets, will reduce the Autonomous Communities' deficit by €10,436 million, of which €5,932 million correspond to measures to cut spending and €4,531 million to increased income. These €10,436 million to reduce the deficit come in addition to the €10,000 million announced by the Government. After

examining these figures, Beteta concluded that "we are going to tackle this, let no-one be in any doubt".