



GOBIERNO  
DE ESPAÑA

MINISTERIO  
DE HACIENDA  
Y ADMINISTRACIONES PÚBLICAS

## PRESENTATION AT THE CONGRESS



# Central Government Budget Bill for 2013

*29 September 2012*



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# Macroeconomic scenario

Year on year growth rate in %	2011	2012	2013
Real GDP	0.4	-1.5	-0.5
Nominal GDP	1.4	-1.2	1.2
Private consumption	-1.0	-1.5	-1.4
Government consumption	-0.5	-4.8	-8.2
Gross Capital Formation	-5.5	-9.9	-2.1
National Demand (*)	-1.9	-4.0	-2.9
Exports of goods and services	7.6	1.6	6.0
Imports of goods and services	-0.9	-6.7	-1.5
External Demand (*)	2.3	2.5	2.3
Employment (**)	-1.9	-3.7	-0.2
Unemployment rate	21.6	24.6	24.3
Net lending (+) / borrowing need (-) Compared to RoW (***)	-3.2	-1.4	0.6

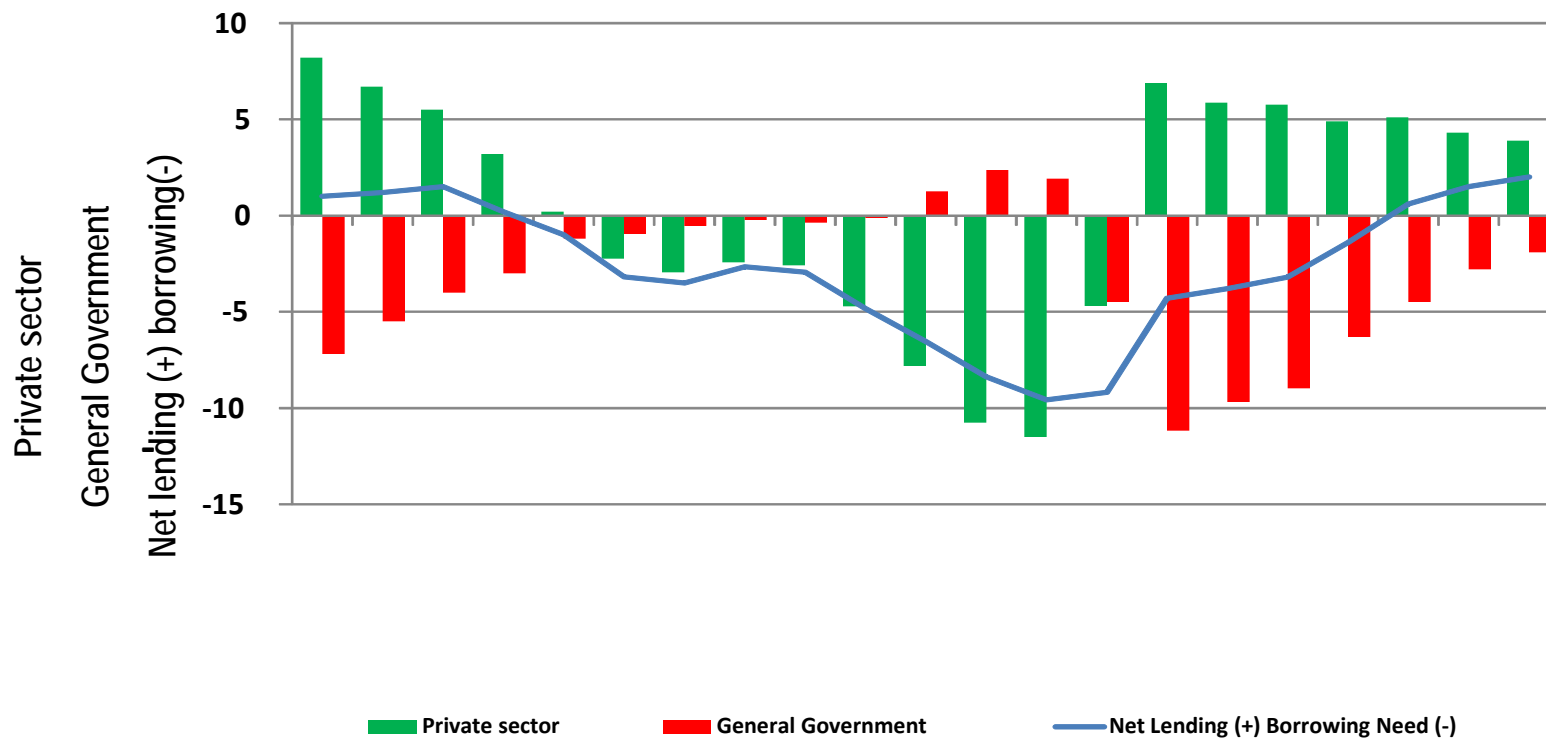
(\*) Contribution to GDP growth; (\*\*) EPA figures; (\*\*\*) % of GDP



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## Net lending (+) Borrowing Need(-) (% GDP)





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## Budget stability path

Net lending (+) / Borrowing Need(-) (%GDP)

	2011	2012	Stability targets		
			2013	2014	2015
Central Government and Social Security	-5.2	-4.5	-3.8	-2.7	-2.1
Autonomous Regions	-3.3	-1.5	-0.7	-0.1	0.2
Local Governments	-0.4	-0.3	0.0	0.0	0.0
<b>TOTAL</b>	<b>-8.9</b>	<b>-6.3</b>	<b>-4.5</b>	<b>-2.8</b>	<b>-1.9</b>

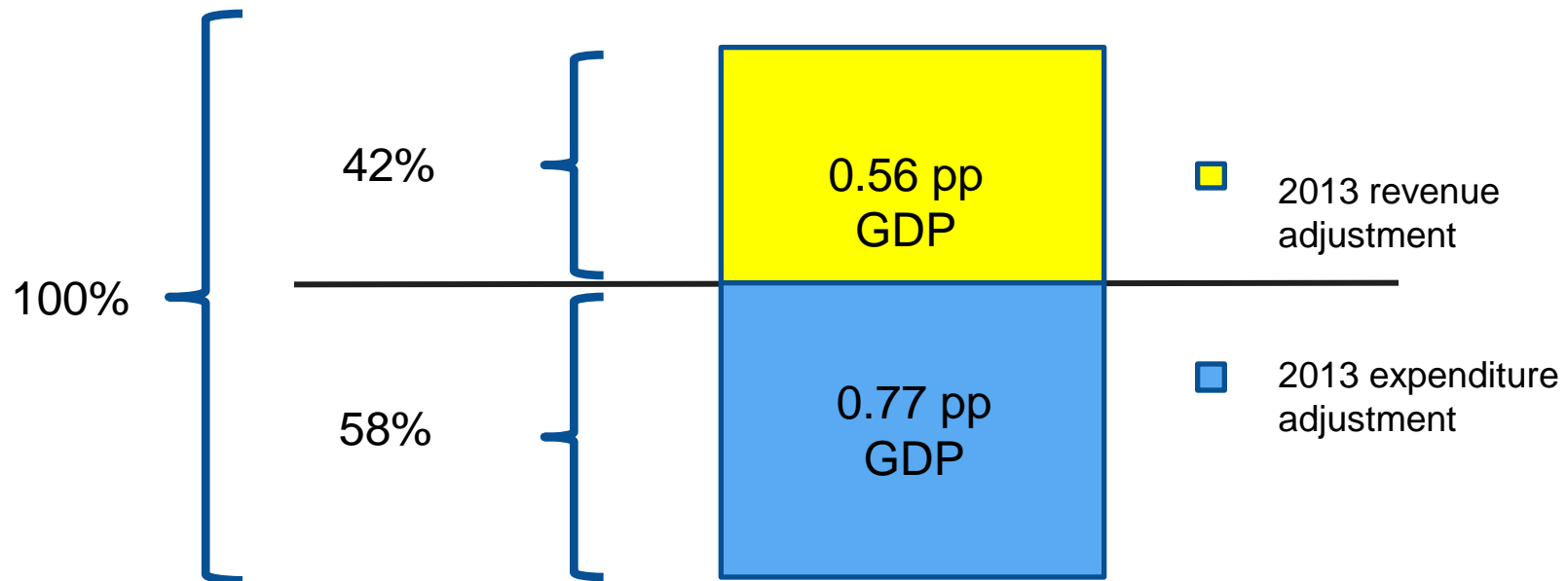


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# Central Government adjustment

## Contribution of expenditure and revenue measures to the Central Government's adjustment





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# Revenue

(in millions of euros)

ITEMS	2012		2013 BUDGET	INCREASE	
	BUDGET	COLLECTION			
	(1)	(2)	(3)	(3)/(1)	(3)/(2)
<b>TAX REVENUE</b>	<b>167,797</b>	<b>167,811</b>	<b>174,099</b>	<b>3.8</b>	<b>3.7</b>
Personal Income Tax	73,106	72,588	74,215	1.5	2.2
Corporate Income Tax	19,564	19,581	19,012	-2.8	-2.9
VAT	47,691	48,293	54,657	14.6	13.2
Excise Taxes	18,426	18,528	19,956	8.3	7.7
OTHER	9,010	8,821	6,259	-30.5	-29.0
<b>TOTAL NON-FINANCIAL REVENUE</b>	<b>211,089</b>	<b>213,012</b>	<b>193,910</b>	<b>-8.1</b>	<b>-9.0</b>

<b>TAX REVENUE (after transfer to Territorial Entities)</b>	<b>75,941</b>	<b>75,720</b>	<b>104,234</b>	<b>37.3</b>	<b>37.7</b>
Personal Income Tax	29,232	28,478	42,251	44.5	48.4
Corporate Income Tax	19,564	19,581	19,012	-2.8	-2.9
VAT	13,633	14,235	28,272	107.4	98.6
Excise Taxes	4,502	4,605	8,438	87.4	83.2
OTHER	9,010	8,821	6,260	-30.5	-29.0
<b>TOTAL NON-FINANCIAL REVENUE (after transfer to Territorial Entities)</b>	<b>119,233</b>	<b>120,921</b>	<b>124,044</b>	<b>4.0</b>	<b>2.6</b>



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## New tax measures:

*(in millions of euros)*

MEASURES	TAX REVENUE
COMPANY'S BALANCE SHEET UPDATE	300
DEDUCTION'S LIMIT FOR AMORTIZATION (70%)	2,371
ELIMINATE DEDUCTION FOR PURCHASE OF FIRST HOME (NEW HOMES)	90
NEW LEVY ON LOTTERY PRIZES OF MORE THAN €2,500 (20% )	824
SHORT TERM CAPITAL GAINS (GENERAL INCOME TAX RATE)	90
WEALTH TAX EXTENSION IN 2013 (Regions revenue)	700



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# Distribution of Central Government expenditure

(in millions of euros)

	2012	2013	Variation	
			€M	%
<b>Central Government expenditure (Sections I to VIII)*</b>	<b>160,842</b>	<b>169,775</b>	<b>8,933</b>	<b>5.6</b>
Contribution to Social Security	8,892	15,554	6,662	74.9
Interest	28,848	38,590	9,742	33.8
Territorial Entities funding system	36,489	35,314	-1,175	-3.2
<b>Central government-Expenditure excluding the above</b>	<b>86,613</b>	<b>80,317</b>	<b>-6,296</b>	<b>-7.3</b>
Other than ministries' expenditure	29,702	30,255	553	1.9
- <i>Public employees pensions (clases pasivas)</i>	11,280	12,150	870	7.7
- <i>European Union</i>	11,771	11,901	130	1.1
- <i>Obligations of previous financial years</i>	2,270	1,973	-297	-13.1
- <i>Contingency Fund</i>	2,323	2,536	213	9.2
- <i>Other expenditures **</i>	2,058	1,695	-363	-17.6
Contribution to the Public Employment Service	13,307	10,341	-2,966	-22.3
<b>Expenditure of Ministries (Sections I to VIII)</b>	<b>43,605</b>	<b>39,722</b>	<b>-3,883</b>	<b>-8.9</b>

\* Excluding contribution to the European Stabilisation Mechanism

\*\* Royal Household of His Majesty the King, constitutional bodies, FCI funds and other territorial entity costs

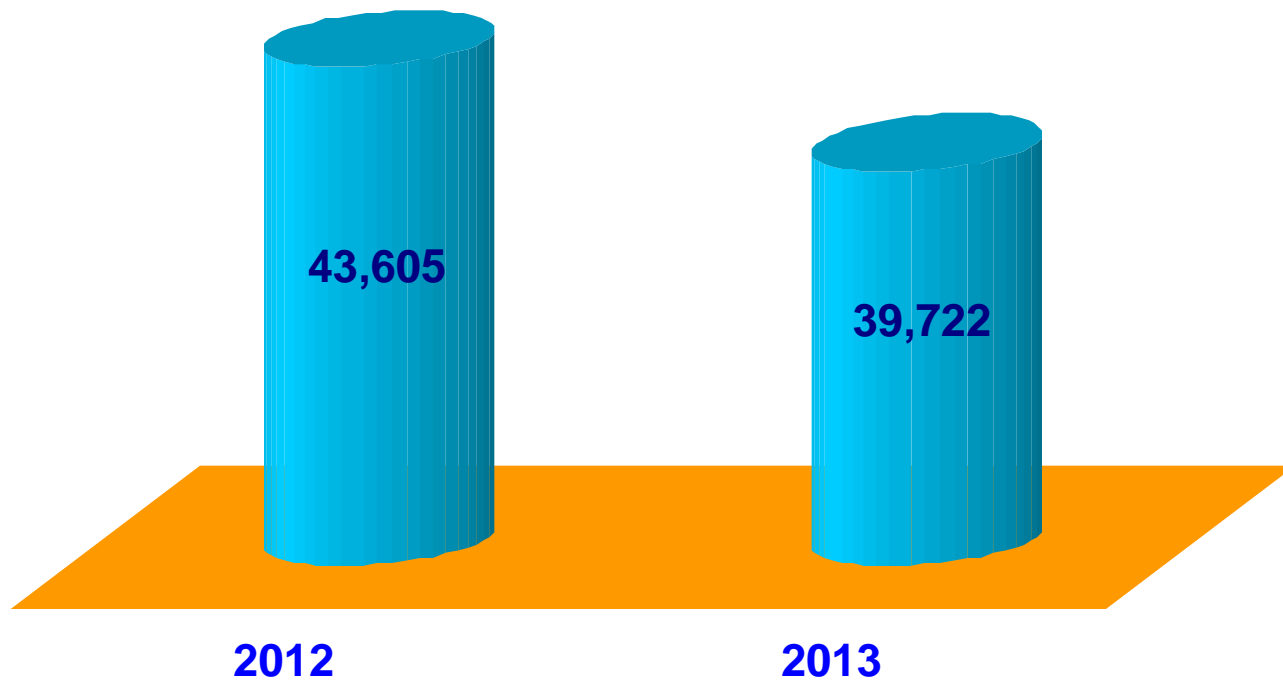




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# Ministries' expenditure will be cut by 8.9%



\* Excluding prior-year obligations and contributions to the Public Employment Service and Social Security and to the ESM.



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# Summary by sections

Millions of euros

SECTIONS	2012	2013	Difference	% Δ 2013/12
12: MINISTRY OF FOREIGN AFFAIRS AND COOPERATION	1,205	1,044	-161	-13.3
13: M. OF JUSTICE	1,574	1,508	-66	-4.2
14: M. OF DEFENCE	6,316	5,937	-379	-6.0
15: M. OF FINANCE AND PUBLIC ADMINISTRATIONS	2,680	2,425	-255	-9.5
16: M. OF THE INTERIOR	7,485	7,214	-270	-3.6
17: M. OF DEVELOPMENT	5,843	4,815	-1,028	-17.6
18: M. OF EDUCATION, CULTURE AND SPORTS	3,093	2,561	-532	-17.2
19: M. OF EMPLOYMENT AND SOCIAL SECURITY	500	459	-41	-8.3
20: M. OF INDUSTRY, ENERGY AND TOURISM	3,753	2,953	-800	-21.3
23: M. OF AGRICULTURE, FOOD AND THE ENVIRONMENT	1,936	1,680	-256	-13.2
25: M. OF THE PRESIDENCY	432	434	2	0.6
26: M. OF PUBLIC HEALTH	536	415	-121	-22.6
27: M. OF ECONOMY AND COMPETITIVENESS	6,061	6,301	240	4.0
31: MISCELLANEOUS MINISTRIES' EXPENDITURE	2,190	1,976	-214	-9.8
<b>Ministries excluding contributions to Social Security, Public Employment Service, obligations of previous financial years and contribution to ESM.</b>	<b>43,605</b>	<b>39,722</b>	<b>-3,883</b>	<b>-8.9</b>
Total Ministries' expenditure without excluding contributions to Social Security, Public Employment Service, obligations of previous financial years and contribution to ESM.	68,073	67,590	-483	-0.7



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# Economic classification of ministries' expenditure

(in millions of euros)

SECTIONS	BUDGET 2012	BUDGET 2013	VARIATION	
			Million €	%
I. Personnel expenditure	16,244	15,615	-629	-3.9
II. Current expenditure on goods and services	2,923	2,749	-174	-5.9
III. Financial expenditure (only ministries)	27	25	-2	-9.1
IV. Current transfers	7,554	6,909	-645	-8.5
<b>Current operations</b>	<b>26,749</b>	<b>25,298</b>	<b>-1,450</b>	<b>-5.4</b>
V. Contingency Fund and other unforeseen expenditure	44	30	-14	-32.5
VI. Real investments	3,931	3,240	-691	-17.6
VII. Capital transfers	4,668	3,485	-1,184	-25.4
<b>Capital operations</b>	<b>8,599</b>	<b>6,725</b>	<b>-1,874</b>	<b>-21.8</b>
<b>NON-FINANCIAL BUDGET</b>	<b>35,392</b>	<b>32,053</b>	<b>-3,339</b>	<b>-9.4</b>
VIII. Financial assets	8,212	7,668	-544	-6.6
<b>NON-FINANCIAL BUDGET + CHAPTER 8</b>	<b>43,605</b>	<b>39,722</b>	<b>-3,883</b>	<b>-8.9</b>

NOTE: Ministry expenditure excluding obligations of previous financial years, contributions to Public Employment Service and Social Security, and contribution to ESM.



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# Consolidated budget expenditure

*millions of euros*

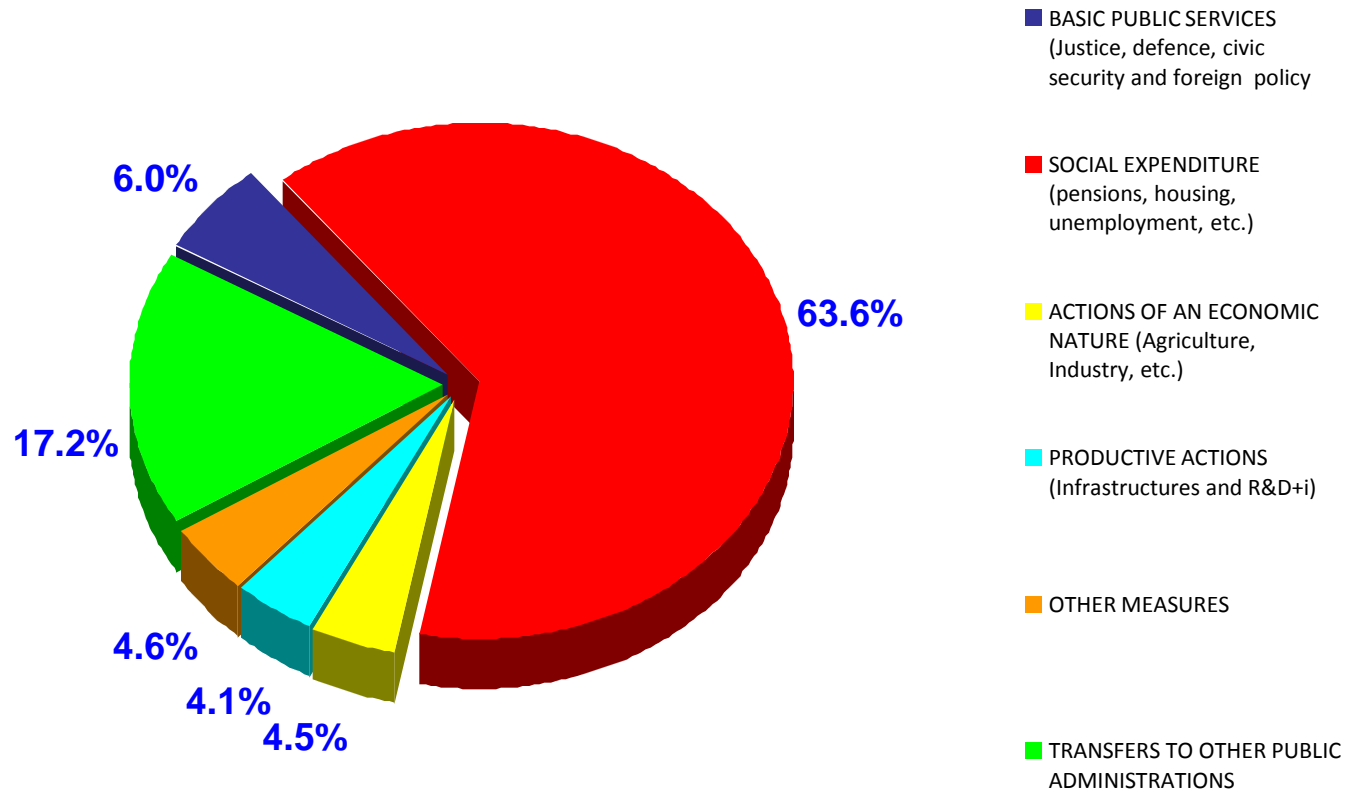
Chapters	Initial budget 2012 (1)	(%)	Initial budget 2013 (2)	(%)	Δ (% (2)/(1)
I. Personnel expenditure	33,150.73	9.2	33,289.84	8.7	0.4
I. Current expenditure on goods and services	7,619.82	2.1	7,180.64	1.9	-5.8
III. Financial expenditure	28,913.88	8.0	38,660.23	10.1	33.7
IV Current transfers	214,054.86	59.1	213,271.27	55.8	-0.4
<b>CURRENT OPERATIONS</b>	<b>283,739.29</b>	<b>78.4</b>	<b>292,401.98</b>	<b>76.5</b>	<b>3.1</b>
V. Contingency Fund and other unforeseen expenditure	2,367.26	0.7	2,565.84	0.7	8.94
VI. Real investment	6,182.28	1.7	5,252.19	1.4	-15.0
VII Capital transfers	6,618.55	1.8	5,312.52	1.4	-19.7
<b>CAPITAL OPERATIONS</b>	<b>12,800.84</b>	<b>3.5</b>	<b>10,564.72</b>	<b>2.8</b>	<b>-17.5</b>
<b>TOTAL NON-FINANCIAL OPERATIONS</b>	<b>298,907.39</b>	<b>82.6</b>	<b>305,532.53</b>	<b>80.0</b>	<b>2.2</b>
VIII. Financial assets	12,869.25	3.6	13,928.07	3.6	8.2
IX. Financial liabilities	50,289.17	13.9	62,588.22	16.4	24.5
<b>TOTAL FINANCIAL OPERATIONS</b>	<b>63,158.42</b>	<b>17.4</b>	<b>76,516.29</b>	<b>20.0</b>	<b>21.1</b>
<b>TOTAL BUDGET</b>	<b>362,065.81</b>	<b>100.0</b>	<b>382,048.83</b>	<b>100.0</b>	<b>5.5</b>



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# Consolidated Budget expenditure \*



\*Percentage of total excluding Public Debt



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# Main items

(in millions of euros)

	Budget 2012	Budget 2013	Variation 2013-2012	
			€ M	%Δ
Salaries of active personnel	14,576	14,106	-470	-3.2
<i>M. of Justice and M. of the Interior</i>	7,351	7,137	-214	-2.9
<i>M. of Defence</i>	4,636	4,504	-132	-2.9
<i>Rest of chapter 1</i>	2,589	2,465	-123	-4.8
Chapter 2	2,923	2,749	-174	-5.9
Investment	3,931	3,240	-691	-17.6
<i>Investment M. of Development and M. of Environmental Affairs</i>	2,813	2,388	-425	-15.1
<i>Investment M. of Defence</i>	654	485	-169	-25.9
<i>Rest of investment</i>	464	368	-97	-20.8
Institute for the Re-structuring of the Coal Mining Industry	359	371	12	3.4
RTVE Corporation (includes Orchestra and Choir)	343	293	-50	-14.6
General grants and university public prices compensation	1,138	1,161	23	2.0
Contributions to Int. Orgs. (Peace-keeping operations and other)	120	120	0	0.0
Spanish Agency for International Development Cooperation	240	172	-68	-28.4
Civil R+D (chapters 4, 7 and 8)	5,068	5,080	12	0.2
Road-construction agreements	129	97	-33	-25.1
Contributions to SEITTSA and ADIF and loans to road developers	948	647	-301	-31.8



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# Territorial funding

	<i>(in millions of euros)</i>		
	2012	2013	%
Territorial funding	100,194.53	100,664.61	0.47
Regional Government funding	85,322.88	84,732.16	-0.69
Local entities funding	14,871.65	15,932.44	7.13

The 2012 data for regional governments has been homogenised with those for 2013 through: inclusion of the Tax on Retail Sales of Hydrocarbon in the Excise Tax on Hydrocarbon, 2010 settlement effectively paid.

The data on local authorities takes into account reimbursements in 60 instalments.