

a country *on the move*

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- **The Basque Country has its own Treasury,**
- **It rules virtually all taxes levied under the Spanish tax system,**
- **And, unlike what occurs in most of Spain's other autonomous communities, the Basque Country, like the neighbouring community of Navarra, pays the State for the services the latter provides in the region.**

STATE

Armed Forces
Foreign Affairs
Monetary system
Ports and Airports
Postal system and communications
Foreign trade
Customs & Excise
National rail system

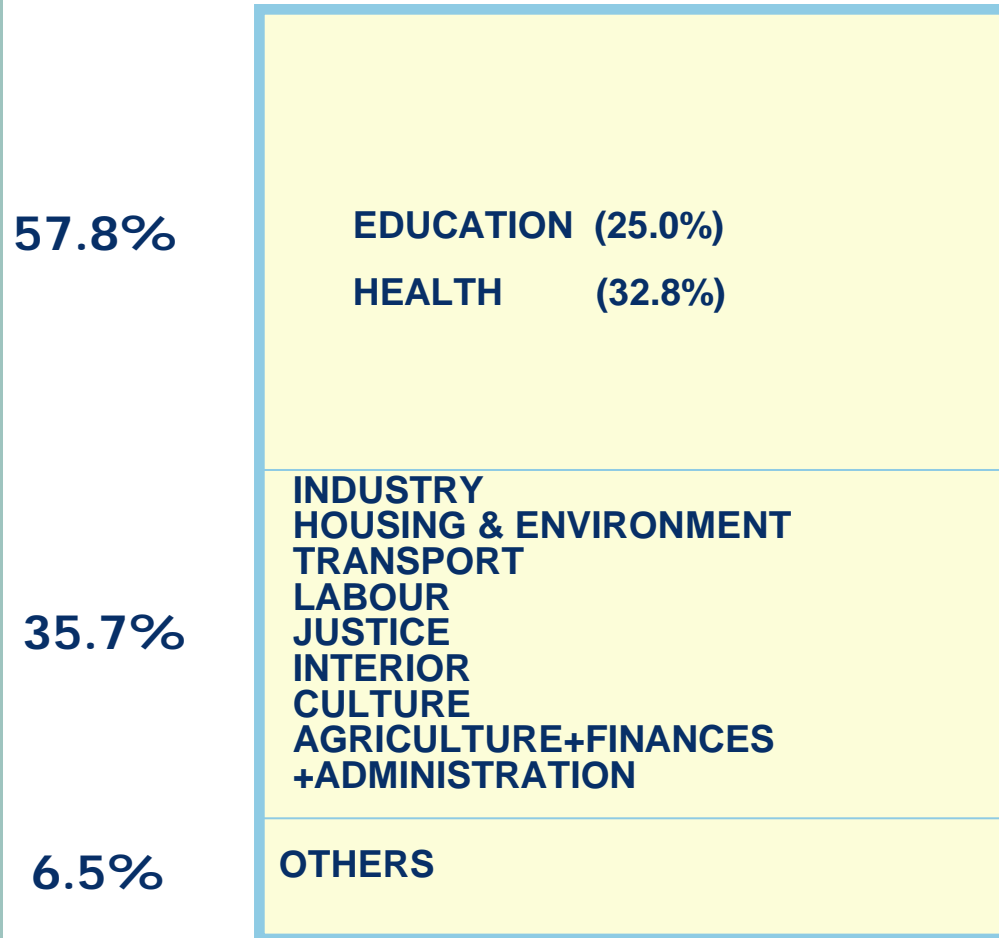
AUTONOMOUS COMMUNITY

Tax system
Education and Culture (EITB)
Health (Osakidetza)
Industry & Trade
Transport & Public Works
Police (Ertzaintza)
Housing & Environment
Agriculture & Tourism
Labour & Insurance
Water

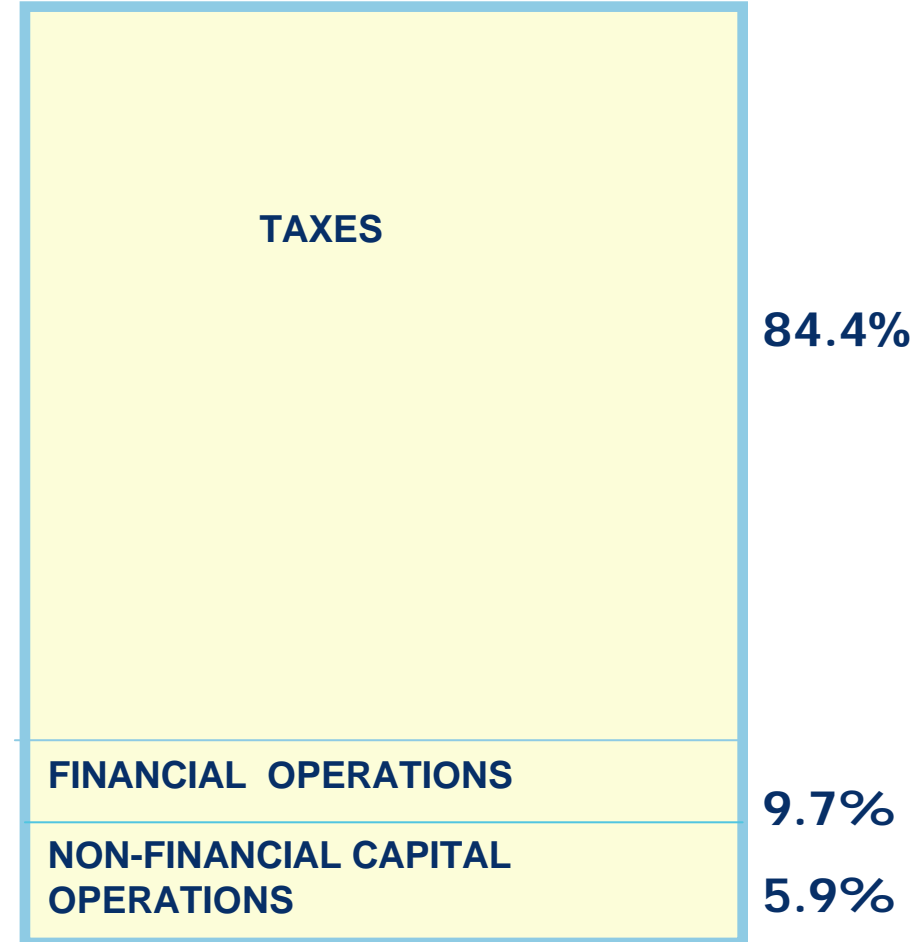
PENDING

Management National
Insurance Scheme
Vocational Training

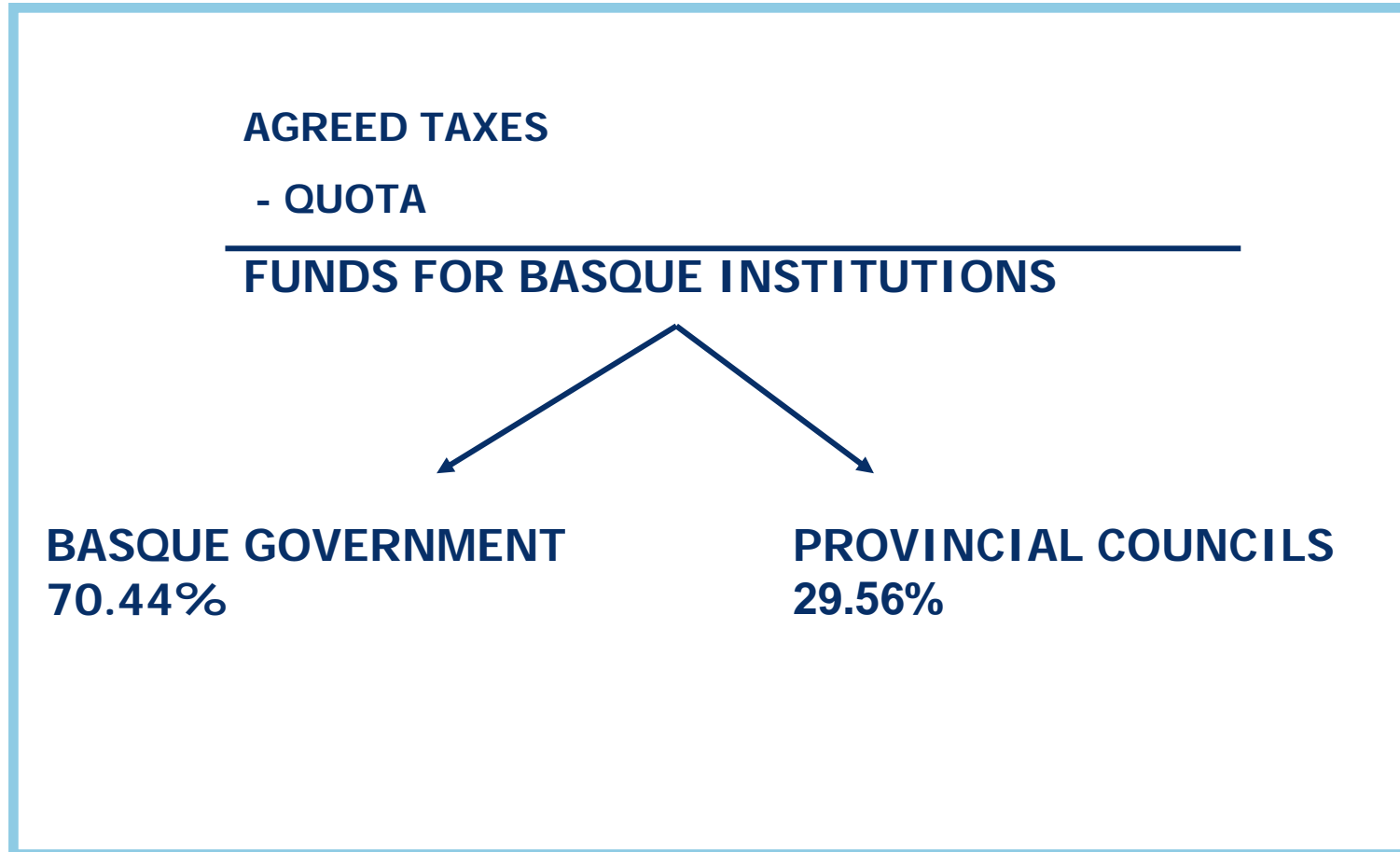
EXPENSES



REVENUES



Total → 10,487 million euros

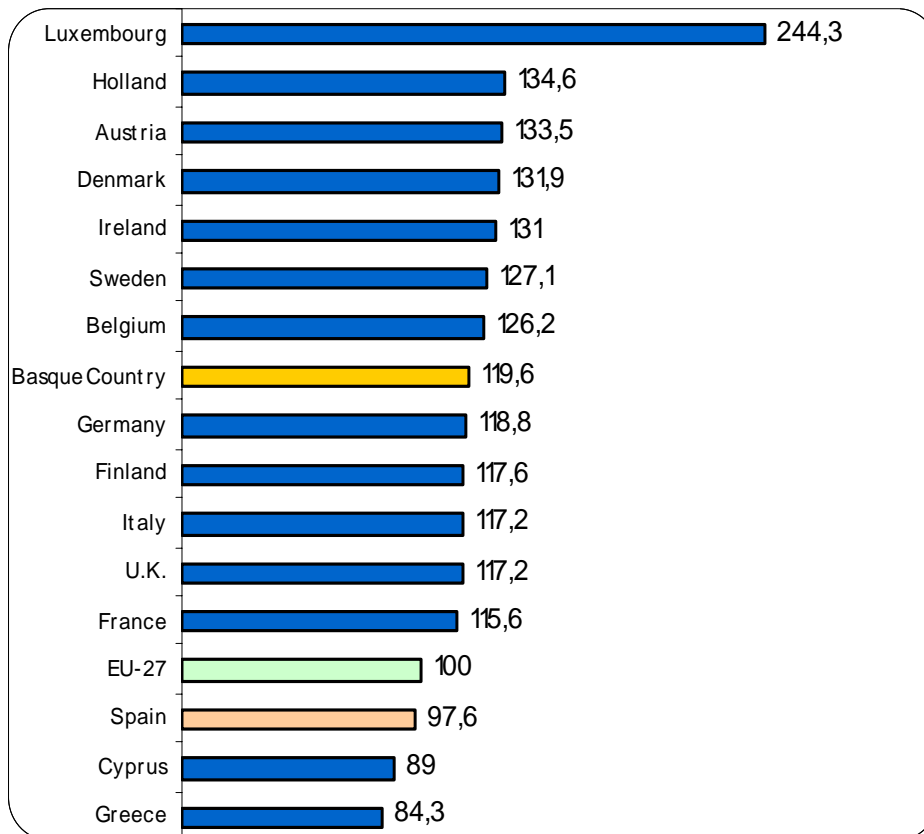


Vital Statistics	Figures
Area	7,234,8 Km ²
Population	2,129,338 inhab.
Population density	294.32 inhab./km ²
Number of municipalities	250
Official languages	Spanish and Basque
Capital	Vitoria-Gasteiz
Airports	3
Main ports	2
Technology Parks	4
Doctors (per 1000 inhabitants)	4.9
Number of beds (per 1000 inhabitants)	3.8

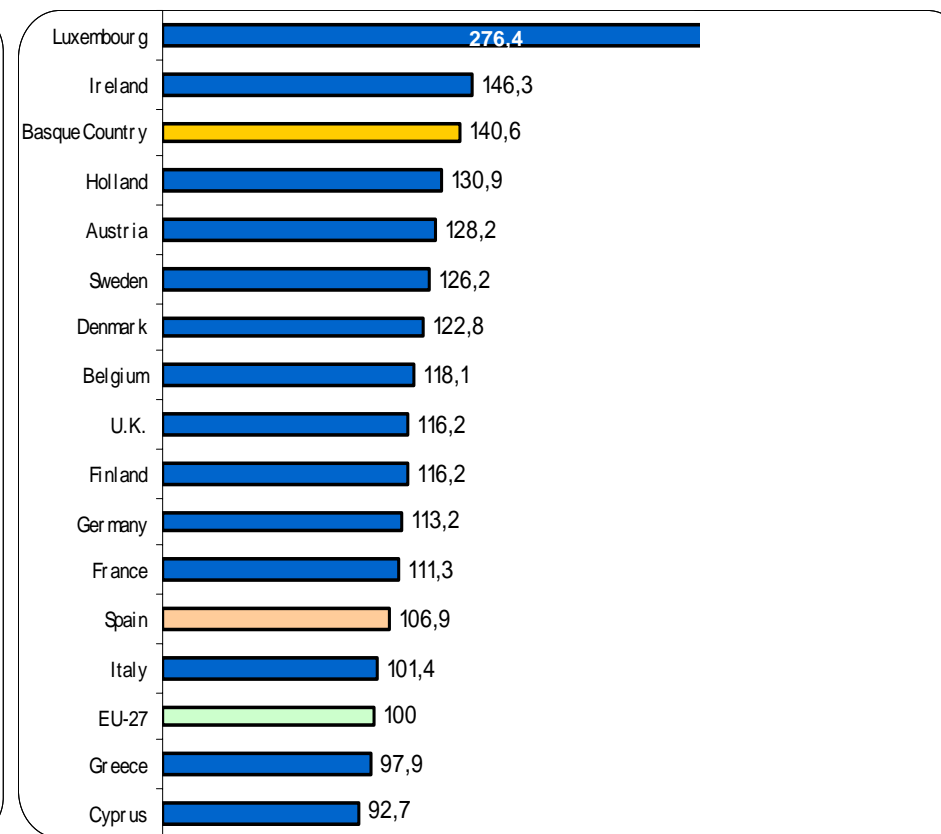
Vital statistics	Figures
Life expectancy	78.3 years (man) 85.6 (woman)
Population growth rate	0.54 %
Infant mortality rate	3.1 ‰
Student/teacher ratio secondary education (Source: EUSTAT)	8.3
Schooling (4-15 years) (Source: EUSTAT)	100%

Per capita GDP by country and year (EU-27=100)

In 2000, 7 European countries had a GDP higher than the Basque Country:



In 2007 only 2 countries in Europe-27 had a per capita GDP higher than the Basque Country:



Source: EUSTAT
PPP: Purchasing power parity

The economy in brief THE BASQUE COUNTRY IN SPAIN (2007)

POPULATION	4.74 %
GDP	6.20 %
EXPORTS	10.40 %
IMPORTS	6.70%
PERCENT OF TURNOVER IN THE INDUSTRIAL SECTOR (% of Spanish total) <ul style="list-style-type: none"> - Metallurgy and manufacture of metal products..... 21.60% - Machinery and mechanical equipment 20.40% - Rubber industry and plastic materials 16.26% - - Manufacture of transport material11.17% 	9.7%

Source: INE and the Ministry of Industry, Trade and Tourism

(*) First producer in the State.

UNEMPLOYMENT IN THE EUROPEAN UNION

	EU-27	Spain	Basque Country
2005	8,9	9.2	5.7
2006	8.1	8.5	4.1
2007	7.1	8.3	3.3
2008(*)	7.4	13.91	4.6

Source: Eustat, Eurostat and INE

(*) december 2008

Population 16 + (Thousands of people)

	2004	2005	2006	2007
Active Population	1,007.7	998.2	994.7	997.4
Employed	929.2	941.3	954.2	964.8
- Primary Sector	16.1	11.2	12.5	12
- Industry	250.2	246.6	244.5	245.5
- Construction	85.9	82.7	80.7	83.6
- Services	577	600.8	616.4	623.7
Unemployment	78.6	57	40.5	32.5
Unemployment Rate	7.8	5.7	4.1	3.3

Source: EUSTAT

R&D expenditure (% of GDP):

	1979	1998	2006	2007
Basque Country	0.069	1.10	1.47	1.65
Spain	0.30	0.87	1.20	1.27
EU-27	-	1.80	1.84	1.83

- R&D expenditure in Spain in 1979, was almost 5 times higher than in the Basque Country,
- In the last 23 years, R&D expenditure in the BC has increased 22-fold and 3-fold in Spain as a whole.
- The target set by the Basque Government for 2010 is to reach 1.9% of the GDP.

Source: Eustat

Public debt as a percentage of GDP by country and year

	2004	2005	2006	2007
Basque Country ^(*)	7.5	7.1	-	-
Spain	46.2	43.0	39.7	36.2
EU-27	62.1	62.6	61.3	58.7

Source: Eustat and Eurostat

(*)Basque Country: The Basque Government, Provincial Councils and City Councils are included.

RATINGS:

STANDARD and POOR'S

AAA

Outlook stable

MOODY'S

Aaa

Outlook stable

FITCH

AAA

Outlook stable

2006 European Innovation Index (EII)

Ranking	European Innovation Index (EII)	Position relative to the EU-25
EU 25	0.45	100
1	Sweden	0.73
2	Finland	0.68
3	Denmark	0.63
4	Germany	0.59
5	Luxembourg	0.54
6	United Kingdom	0.53
7	Netherlands	0.49
8	France	0.48
9	Austria	0.48
10	Belgium	0.48
11	Ireland	0.48
12	Slovenia	0.35
13	Basque Country	0.35
14	Czech Republic	0.34

Ranking	European Innovation Index (EII)	Position relative to the EU-25
15	Estonia	0,34
16	Italy	0,34
17	Spain	0,31
18	Malta	0,30
19	Cyprus	0,30
20	Lithuania	0,27
21	Hungary	0,26
22	Slovakia	0,23
23	Portugal	0,23
24	Latvia	0,22
25	Poland	0,22
26	Greece	0,22
27	Bulgaria	0,21
28	Romania	0,19

The European Innovation Index is made up of five elements: innovation boosters, creation of knowledge, business innovation, applying innovation and copyright.

Human Development Index Value - 2007

Ranking-HDI

1	Iceland	0.968	14	Spain	0.949
2	Norway	0.968	15	Denmark	0.949
3	Basque Country	0.964	16	Austria	0.948
4	Australia	0.962	17	United Kingdom	0.946
5	Canada	0.961	18	Belgium	0.946
6	Ireland	0.959	19	Luxembourg	0.944
7	Sweden	0.956	20	New Zealand	0.943
8	Switzerland	0.949	21	Italy	0.941
9	Japan	0.953	22	Hong Kong (China (RAE))	0.937
10	Netherlands	0.953	23	Germany	0.935
11	France	0.952	24	Israel	0.932
12	Finland	0.952	25	Greece	0.926
13	United States	0.951			

Human Development Index = $\frac{\text{Life Expectancy Index} + \text{Education Index} + \text{GDP Index}}{3}$

Source: Eustat, HDR and UNDP – United Nations Development Programme. Human Development Report 2007

AT-RISK-OF-POVERTY RATE (*)

Basque Country

9,8%

Spain

20%

EU-25

16%

(*) At-risk-of-poverty rate: percentage of persons with lower than average income

Source: Eurostat, INE and Eustat

