



Budget 2020, Catalonia 2030.

Law 4/2020

Country of
shared
prosperity.



Generalitat de Catalunya
Government of Catalonia



1 Public services and Institutional quality

A budget that increases previous expenditure levels in main public services and reinforces institutional structure, transparency and evaluation.

2 Reduction of social, gender and territorial inequality

A budget that ensures that no one is left behind and links the territory.

3 Knowledge, innovation and economic dynamism

A budget that promotes the productive and knowledge economy for a sustained and shared growth.

4 Zero emissions and waste horizon

A budget that boosts ambitious policies to face climate emergency.



A budget geared towards the United Nations Sustainable Development Goals. For the first time it measures the childhood expenditure and advances on gender perspective. A budget that begins a new phase to build, from now on, the Catalonia of 2030.

A budget that leaves behind austerity, surpassing the current expenditure levels in 2010 by 2,127 M€, and raising public investment by 428 M€.

A budget that drives an inclusive economy based on life and knowledge. The Catalan economy has been growing for six consecutive years, but as shown by the social progress and welfare indicators, this growth has not been transmitted to all strata of the population yet.

Climate emergency is a first-rate challenge. With this budget, we move towards a circular, emissions-free economy. It is not just about promoting renewable energy, but about transforming our cities, homes and industries.

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New
budgetary
issues.



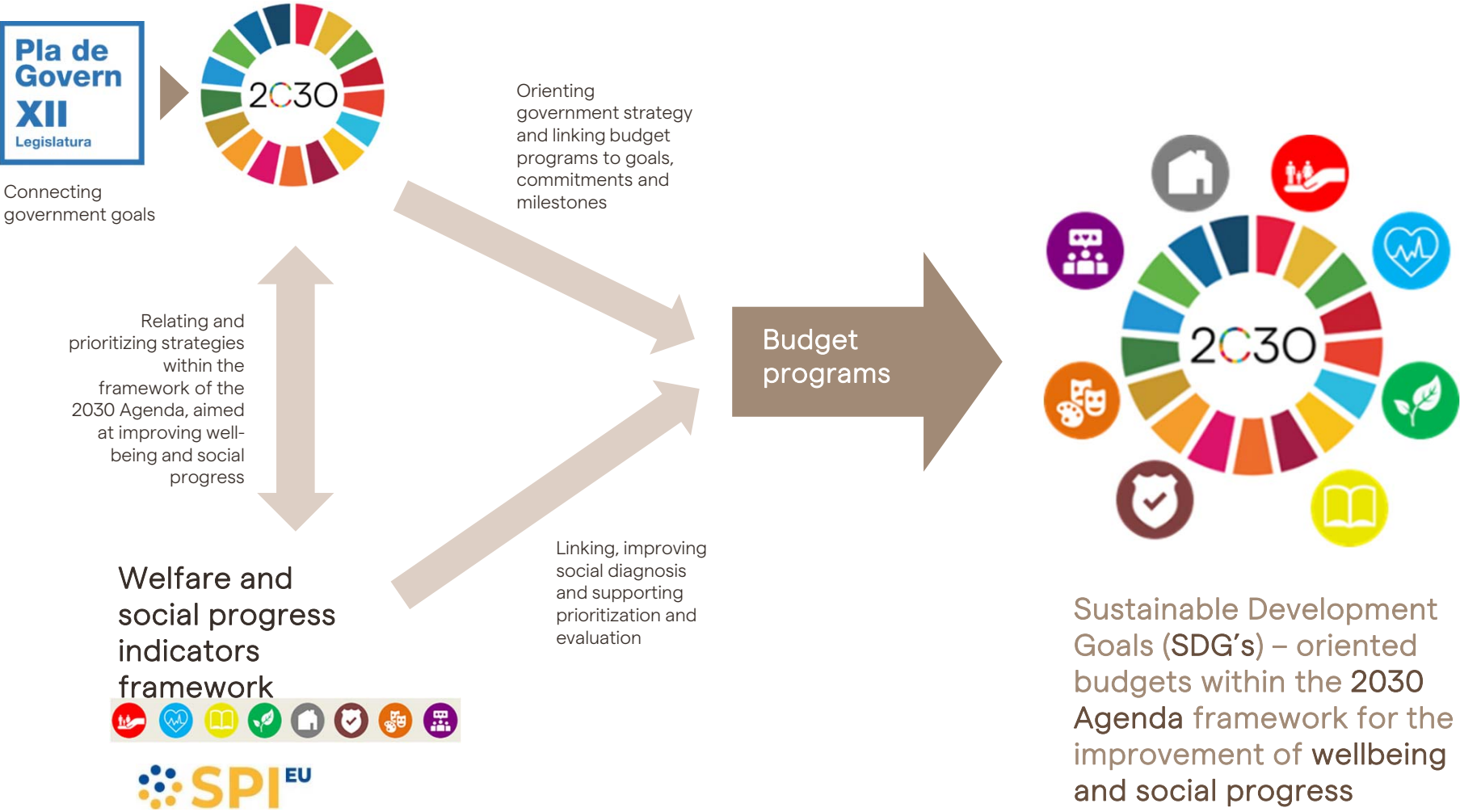
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1 Integrating SDGs into the budget

For the first time budget is related to Sustainable Development Goals

National Plan for the implementation of 2030 Agenda in Catalonia



1 Integrating SDGs into the budget

Towards social progress and welfare-oriented budgets within the framework of 2030 Agenda

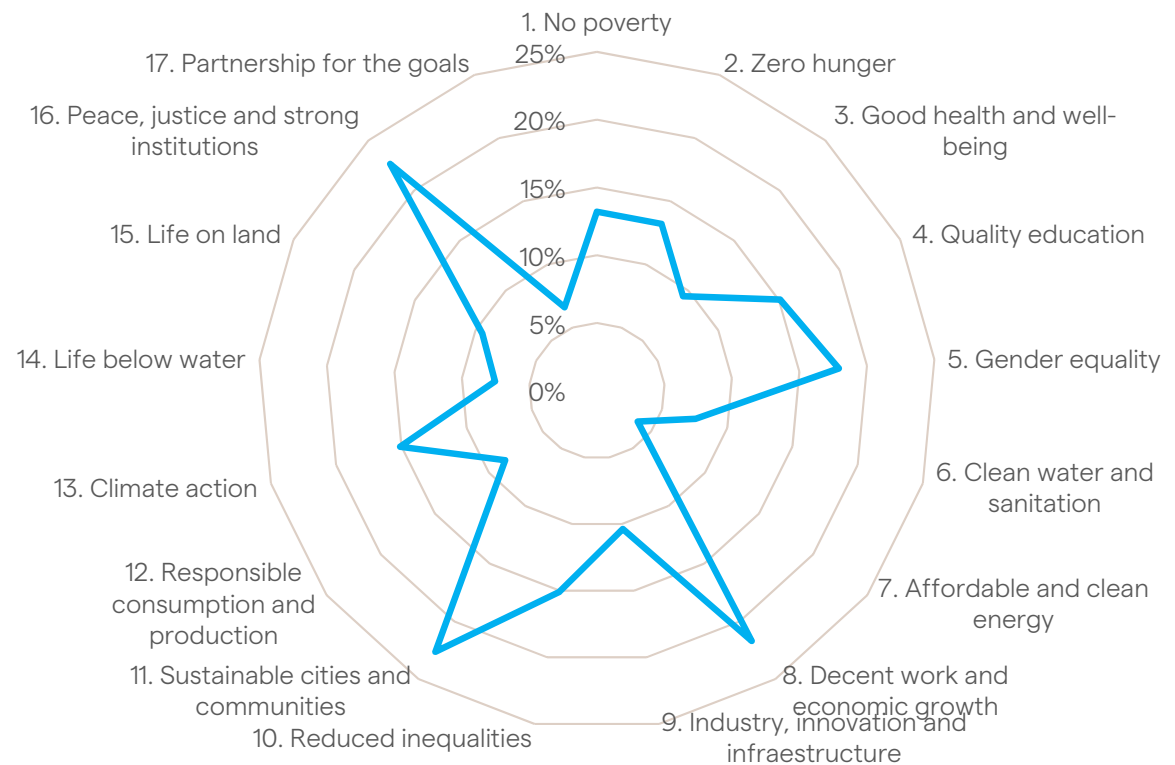
National Plan for the implementation of 2030 Agenda in Catalonia



74%

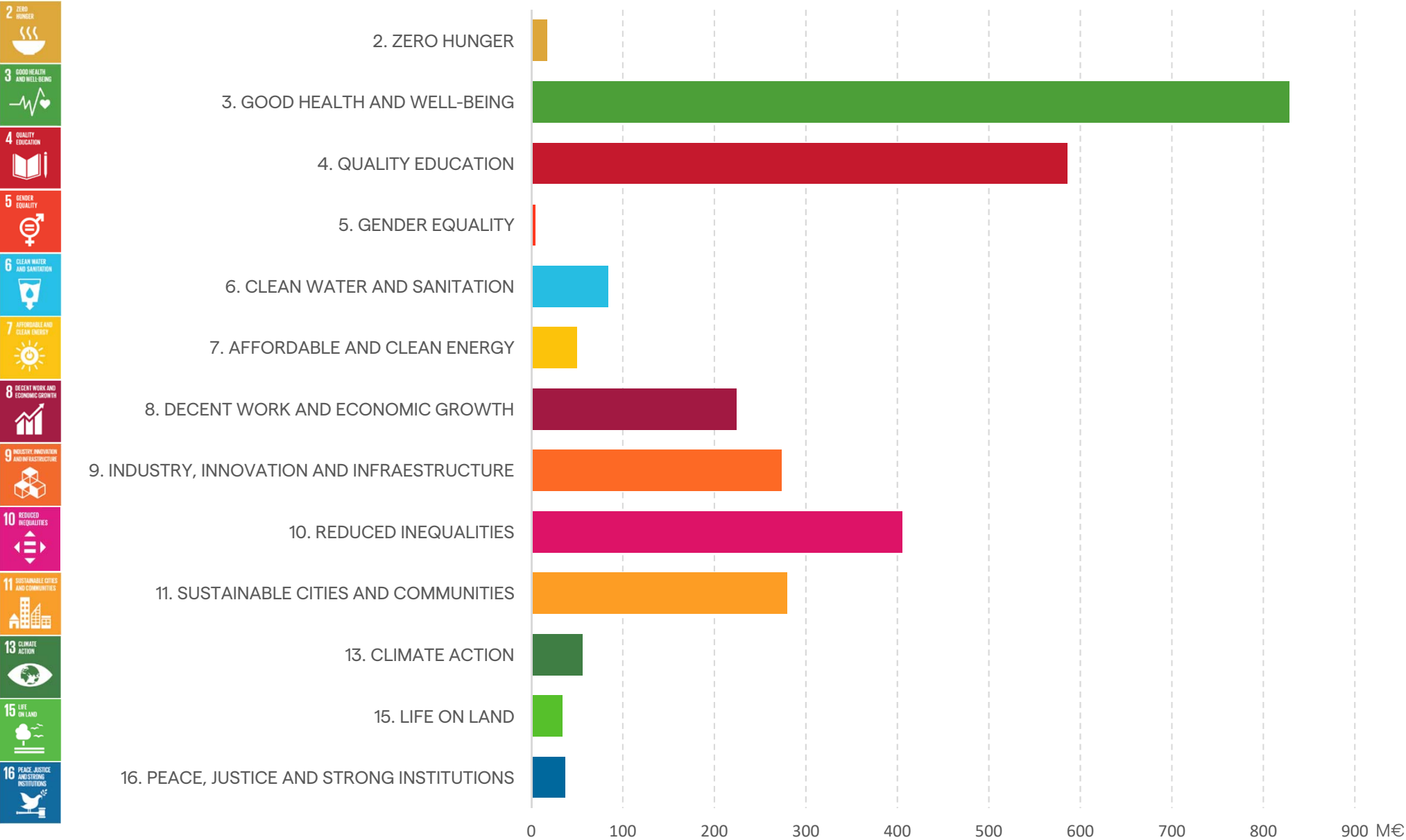
budget programs are connected to defined commitments and milestones related to SDGs

% of programs containing commitments to SDG's



1 Integrating SDGs into the budget

Mapping the main new items of the 2020 budget by SDG's



2 How Budget expenditure benefit children

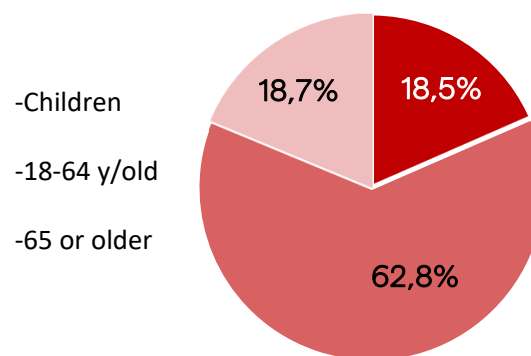
For the first time, budget expenditure on children has been evaluated, based on UNICEF's methodology and assessment



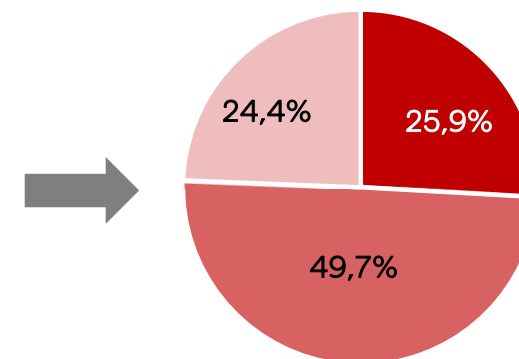
25.9%

% of public expenditure is addressed to children

Weight over all population



Weight over all budget expenditure



5,531€

euros per children

Transferences to local or other administrations are excluded as well as financial expenditure. It is a bigger expense compared to the 4,800 euros per children in 2017 budget.

18.5%

Weight of children

% of population that is less than 18 y/old (2018 reference year).

140%

Focus Index

Measures if children expenditure is greater or less than its weight on population. On the 2017 budget the focus index was 137, which then has increased 3%, that is, 40% of greater expenditure on children than its own weight on population.

3 Gender perspective on the budget

Salary gap is analyzed and is linked to Strategic Policy Plan in Gender equality



18.9%

Average salary gap in the Generalitat de Catalunya (Equality Plan, 2018)

Less gap compared to the average gap in Catalunya 23% (Idescat 2017).

45%

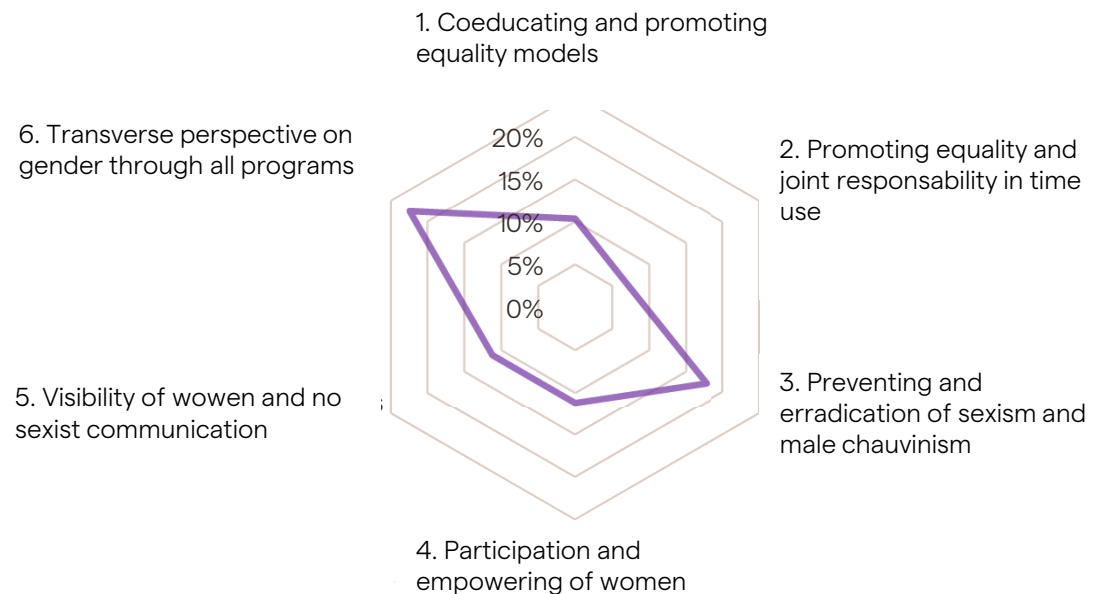
% of Public Programs that have courses of action included in equality plans.

Methodology

During 2020 proposals will be developed in order to assess gender equality performance on program reports.



% budget programs in each core aspect of the Equality Plan



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Economic
and social
context.



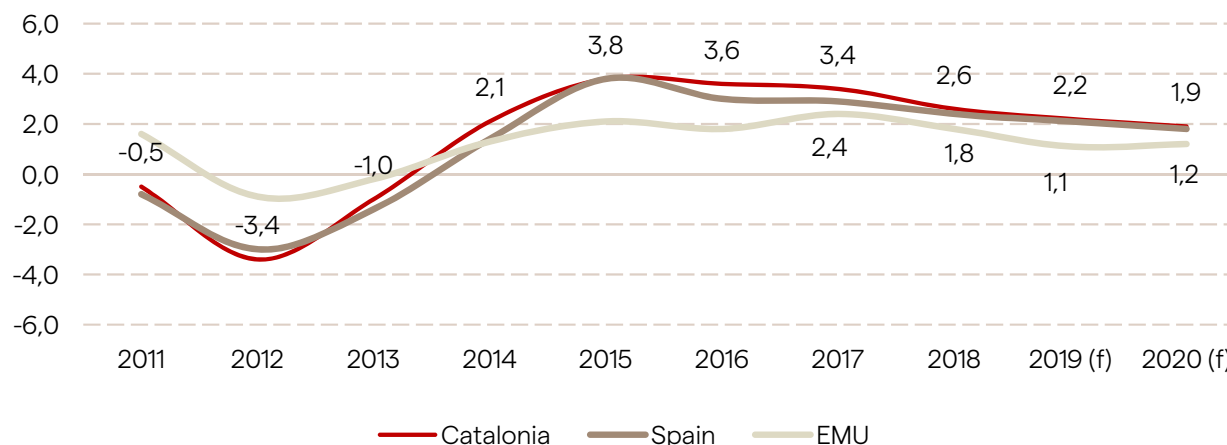
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Economic resilience

In an uncertain international environment, the Catalan economy registered in 2019 the 6th consecutive year of positive growth. Growth is expected to remain above the euro area average. It is expected that by the end of 2019 Catalan GDP will be 8% above the level of 2007.

Gross domestic product (annual percentage change in volume)

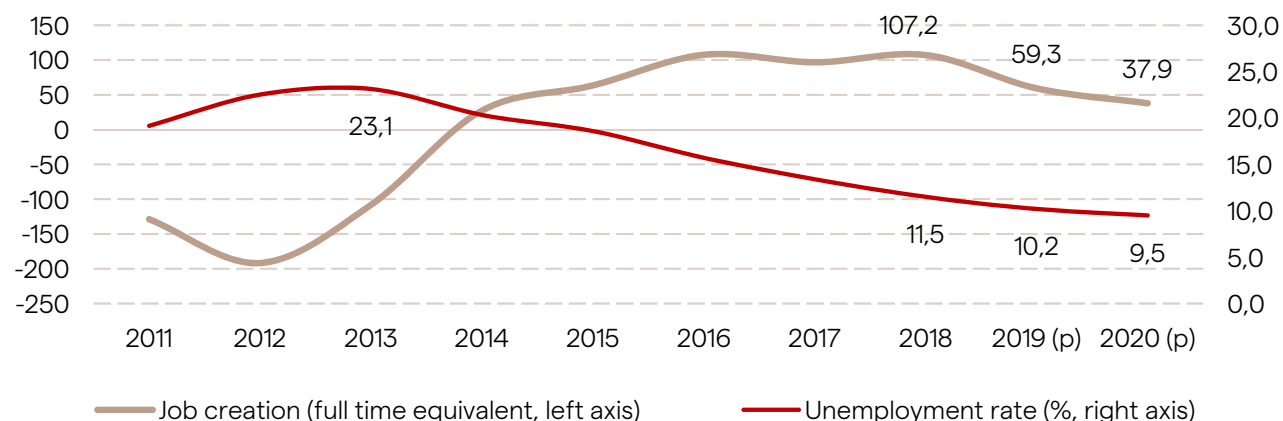


37,900

New jobs

37,900 jobs are expected to be created by 2020. Positive employment growth will continue despite a more moderate pace of economic growth.

Job creation and unemployment rate



2.1%

GDP growth in annual average up to 2019Q3

The economic recovery of recent years has been combined with a more diversified growth pattern. The external balance continued to make a positive contribution to growth, despite global trade tensions.

Domestic demand has been based on a moderate growth in private consumption, while gross capital formation (investment) has maintained a significant performance.

Evolution of GDP in Catalonia

Seasonally adjusted data (annual percentage change in volume)

	2017	2018	2019
	Annual average	Annual average	Annual average up to Q3
GDP	3.3	2.6	2.1
Domestic demand	2.9	2.5	1.7
Household consumption expenditure	2.4	2.0	1.2
Public administrations consumption expenditure ¹	2.1	1.9	2.2
Gross capital formation ²	5.2	4.6	2.9
Equipment goods and other assets	4.7	4.7	3.7
Construction	4.9	4.2	1.9
External balance ^{3, 4}	0.8	0.4	0.6

¹ Includes consumption expenditure of non-profit institutions serving households.

² Includes stock variation.

³ Foreign trade balance and balance with the rest of Spain.

⁴ Contribution to GDP growth.

20.7%

industrial GVA weight in Catalonia

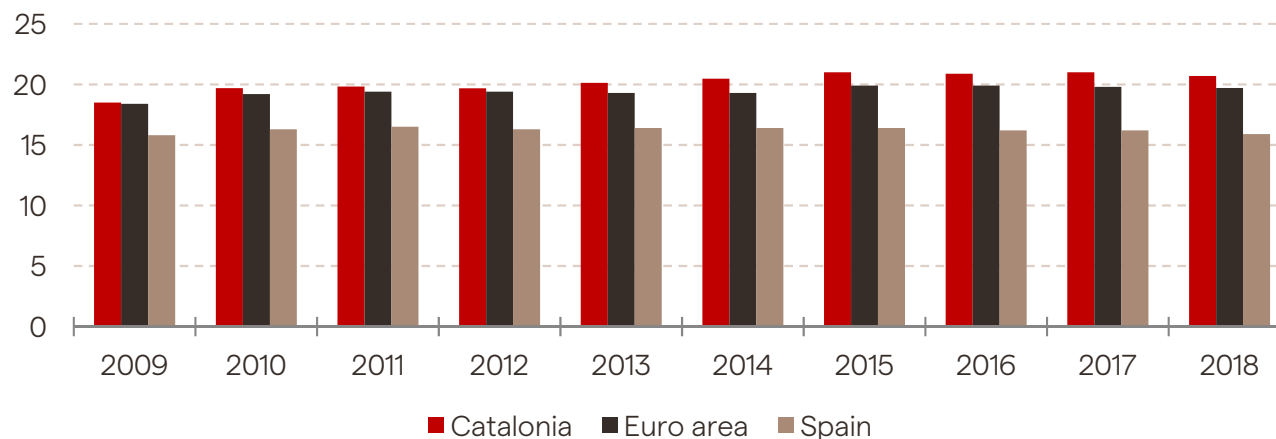
Industry in Catalonia has a significantly higher weight than the euro area average (19.7%). Industry is one of the pillars of the Catalan economy. It is a key factor in terms of competitiveness and technology transfer. After a great dynamism from 2014 to 2017, its performance has weakened in almost all advanced economies.

4,600 M€

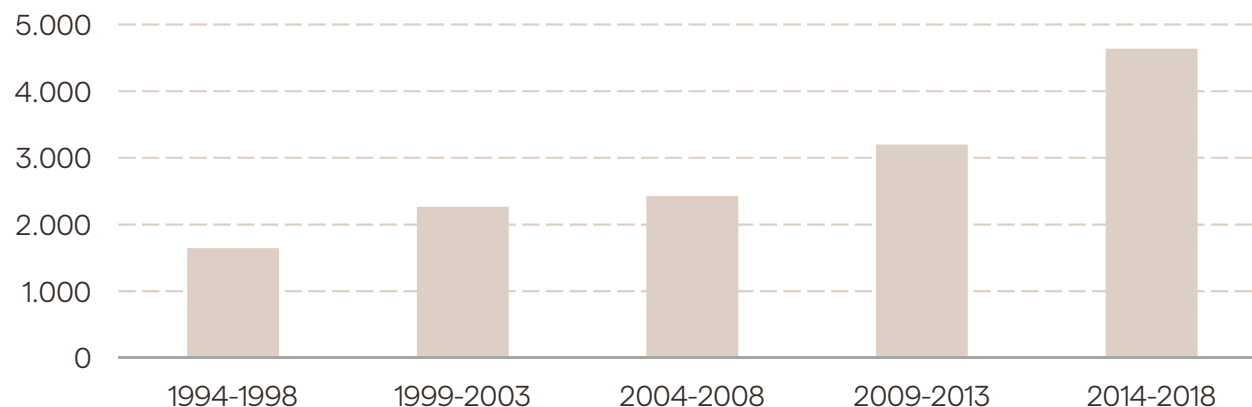
2014-2018 FDI average

In the last 5 years, gross foreign direct investment (FDI) in Catalonia has been 45% higher than in the previous five years.

Industrial GVA weight (%)



Gross foreign direct investment (FDI) in Catalonia (M €).
Average over 5-year periods



+2.8%

increase up to November 2019

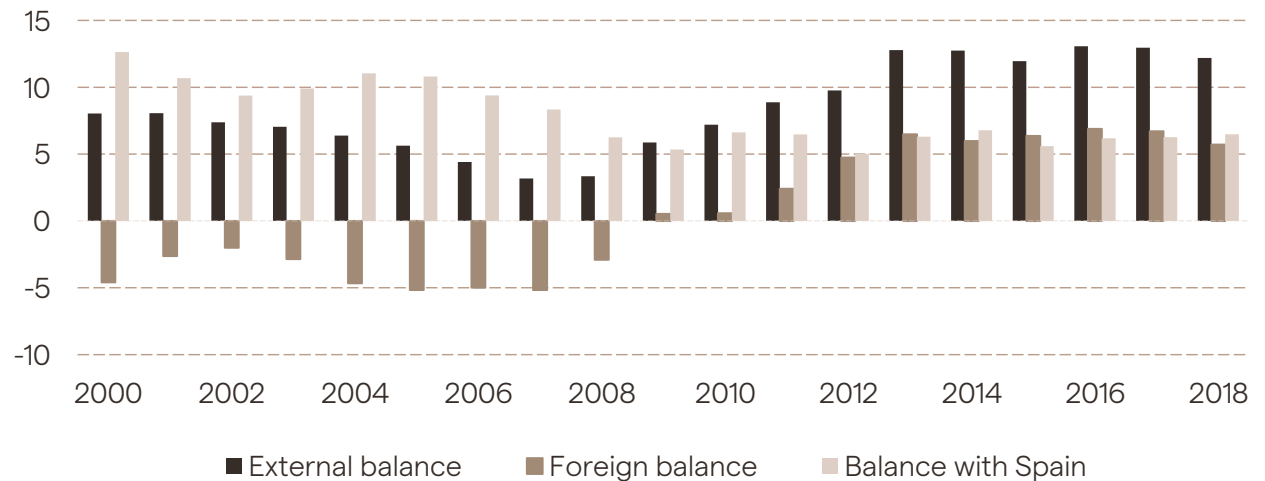
Exports of goods from Catalonia abroad grew by 2.2% in 2018. This increase contributes to the positive trend since 2009. Between 2009 and 2018, exports of goods rose by 71.8%.

5.7%

external trade balance

The external balance experienced a structural change since the crisis and continues with a positive performance since 2009.

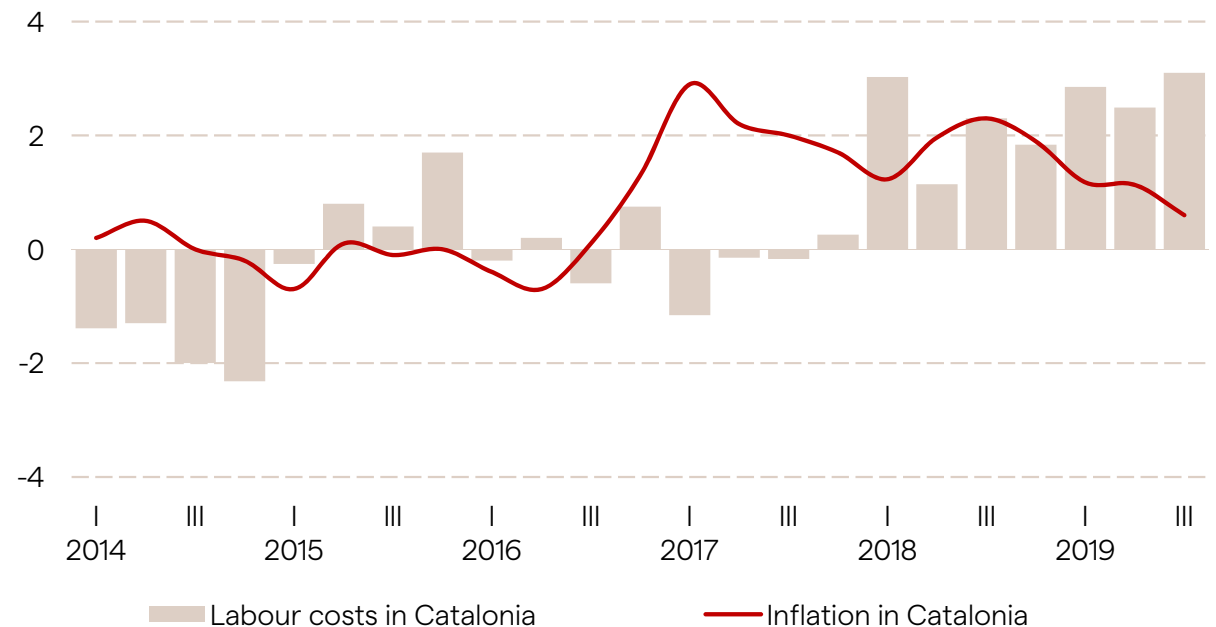
External balance by components (% of GDP)



Wage growth consolidates

Since 2018, progressive recovery of the workers' purchase power thanks to the stronger wage growth in a moderate inflation environment. Despite that, the effects of the crisis are still noticeable, especially among the lowest wages.

Labour costs per worker and month (annual percentage change)



Catalan Social Welfare and Progress Indicators allows a multidimensional view, beyond GDP

Living Conditions and Work



Average annual net income of households (€)	32,763 ▲
S80/S20	5,2 ▼
AROPE rate (%)	24,7 ▲
AROPE rate. Women (%)	27,5 ▲
AROPE rate. Under 18 years old (%)	31,2 ▲
At-risk-of-poverty rate (%)	21,3 ▲
In-work at-risk-of-poverty rate (%)	14,4 ▲
Very low work intensity (%)	5,8 ▼
Severely materially deprived (%)	6,5 ▲
Relative at-risk-of-poverty gap (%)	28,3 ▼
Coverage of unemployment benefits (%)	27,7 ▲
Employment rate from 20 to 64 years old (%)	72,9 ▲
Unemployment rate (%)	11,5 ▼
Unemployment rate. Women (%)	12,1 ▼
Unemployment rate. Youth (%)	27,7 ▼
Long-term unemployment rate (%)	4,7 ▼
Very long-term unemployment rate (%)	3,3 ▼

Dwellings



Household income devoted to expenditure on the main home (%)	24,9 ▼
Delay in the payment of expenditures related to the main home (%)	8,2 ▲
Households living in deteriorated housing (%)	20,1 ▲
Rooms per person (mitjana)	1,8 =

Health



Life expectancy at birth (Years)	83,6 ▲
Healthy life expectancy at birth (%)	82,2 ▼
Health satisfaction (%)	80,4 ▼
Children aged 6 to 12 years who are overweight or obese (%)	35,6 ▼
Prevalence of smoking among adults aged ≥15 years (%)	25,6 ▲
Children aged 4 to 14 years suffering from mental health problems (%)	5,9 ▲
Adults suffering from depression or anxiety (%)	18,0 ▲
Citizen satisfaction with the health care system (%)	89,6 ▼

Environment



Greenhouse gas emissions index (Index 100=1990)	115,1 ▲
Renewable energy consumption (%)	8,2 ▼
Common Farmland Bird Index (Index 100=2002)	95,2 ▼
Household recycling (%)	39,9 ▲
Concentration of contaminating substances in ambient air (µg/m³)	23 ▲

Inclusion, rights and participation



Trust in Catalan politicians (out of 10)	4,6 ▲
Trust in law courts (out of 10)	3,5 ▼
Women mayors (%)	18,4 ▲
Perceived level of corruption among politicians (%)	69,3 ▼

Education



Population aged 30 to 34 with tertiary educational attainment (%)	47,3 ▲
Population aged 20 to 24 that has completed secondary education (%)	75,1 ▲
Early leavers from education and training (%)	17,0 ▼
Young people aged 15 to 29 neither in employment nor in education and training (%)	15,4 ▲
Basic educational competences with a low performance from students on last year of secondary education	1\5 =
Basic educational competences with a high performance from students on last year of secondary education	1\5 ▼
Life-long learning of the population aged 25 to 64 (%)	8,8 ▲

Security and transport



Citizen safety perception (%)	19,4 ▲
Crime committed against property (Volume)	483.530 ▲
Traffic deaths. (Volume)	283 ▲

Leisure and culture



Household spending on cultural services (%)	0,5 =
Population aged 15 to 69 who practise physical activity (%)	82,8 ▲
Regular internet users (%)	85,1 ▲
Active leisure among children aged 3 to 14 years (%)	35,1 ▲

Indicators value are expressed in their informed unit of measurement (% , volume). Arrows show indicator value increase or decrease between the two consecutives most recent periods with available data. Green and red colors indicate if the variation it's socially favorable or unfavorable. Source: [Idescat](#) (regular publication).

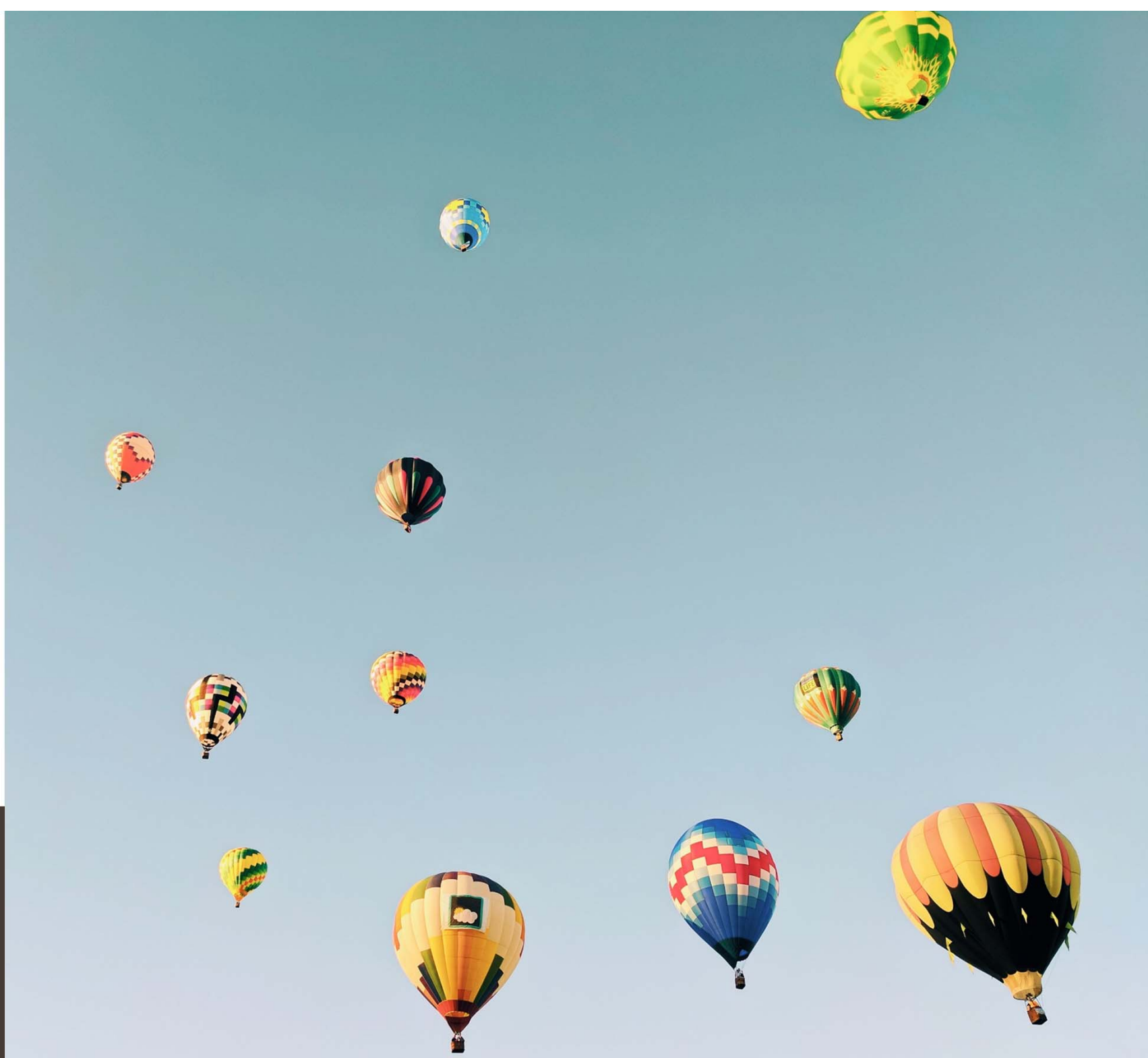
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Main trends
and features



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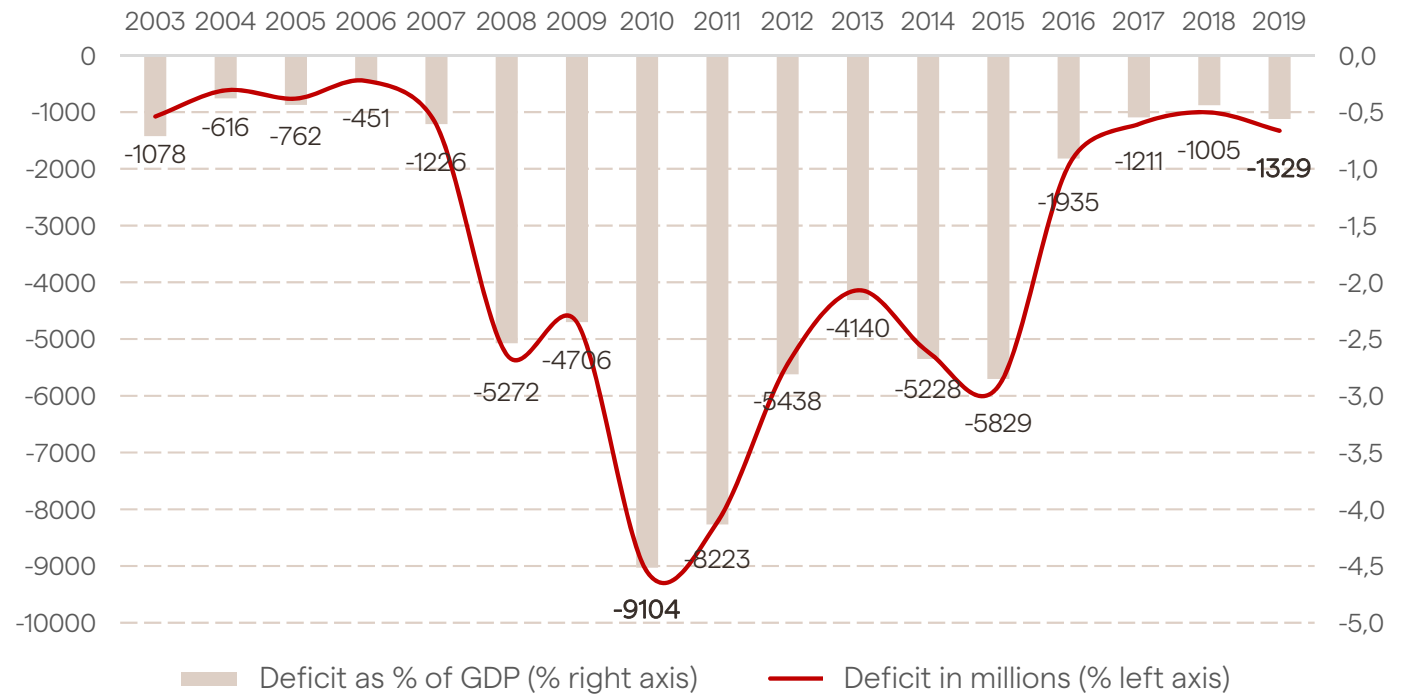


-7,775 M€

2010-2019 deficit reduction
(-85%)

Huge deficit reduction up to 2019.

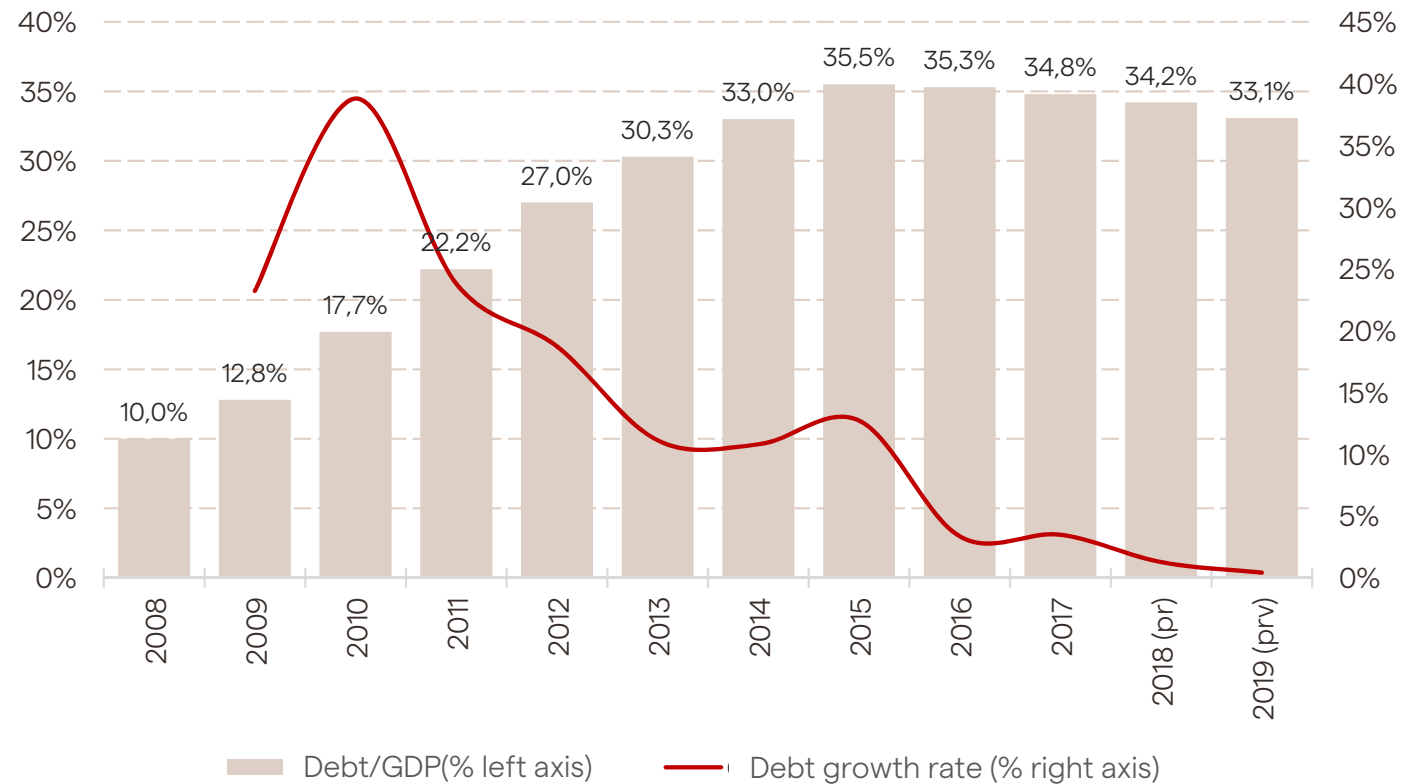
Improving sustainability of finance to
face future challenges.



33.1

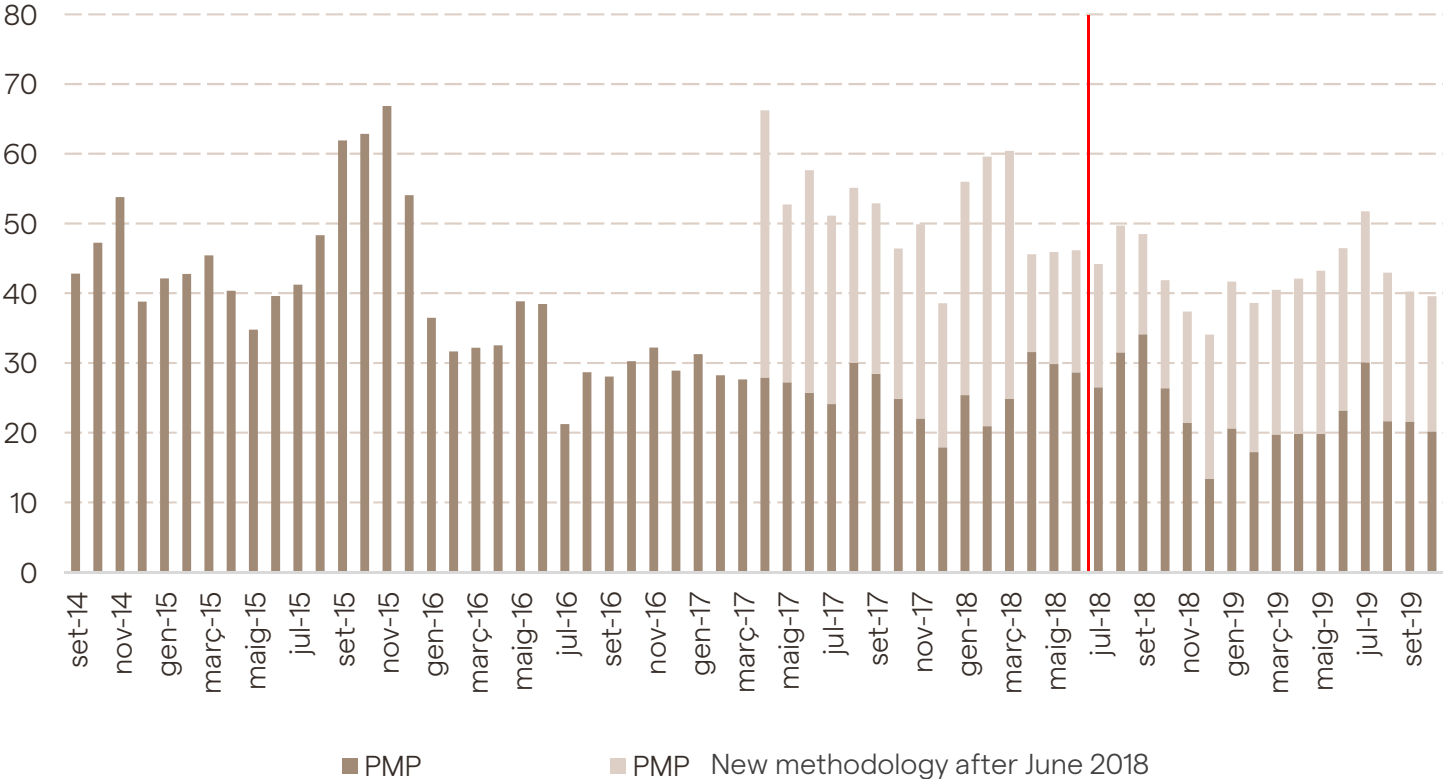
% debt over GDP
forecast 2019

Debt raises slower than the
economic growth and it
improves debt sustainability.



40 days
October 2019

The average period for payment to suppliers reduces year by year.

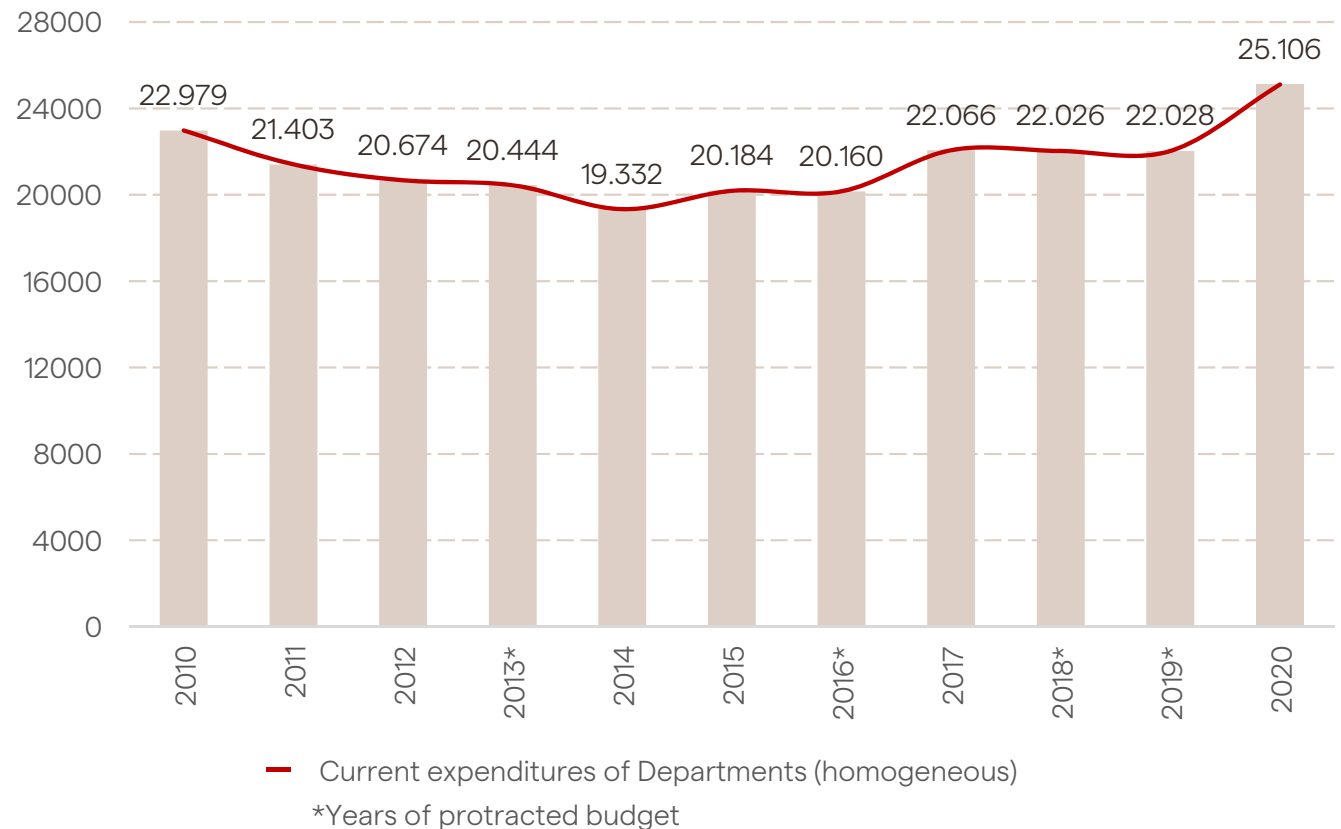


+2,127 M€

Increase from 2010

Current expenditures of departments are higher than 2010 values.

Data from year budgets homogeneous according to new distribution of responsibilities.



2,012 M€

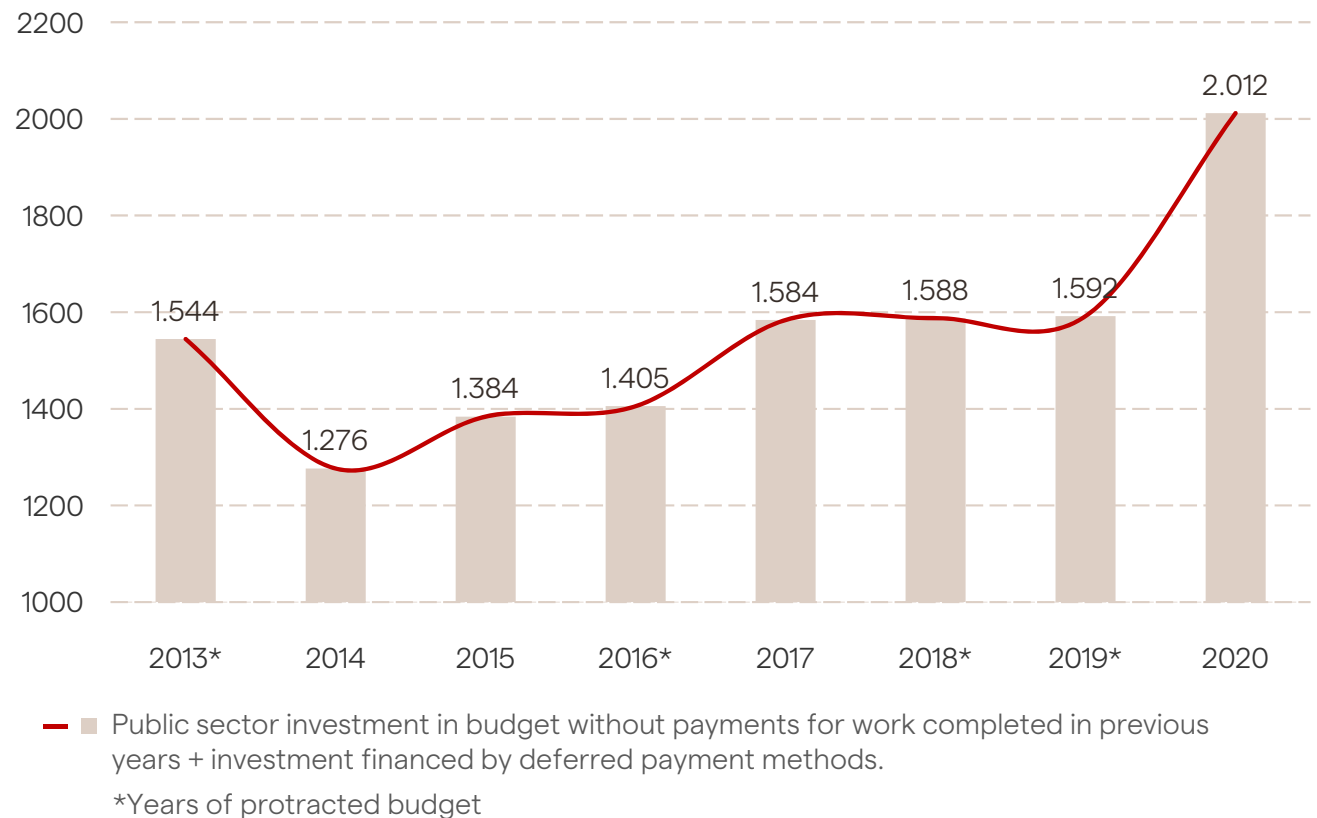
Public sector investment

Capital expenditures without payments for work completed in previous years, plus investment financed by deferred payment methods.

+427.9 M€

Increase from 2017

The expenditure raising allows to start the investment recovery, to booster the economic growth of Catalonia.



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Budget
framework



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0%

Deficit target in 2020 over GDP

Reference increase level of expenditure is 2.9%.

2020-2023 Fiscal Targets

	2020	2021	2022	2023
Deficit (% GDP)	0	0	0	0
Debt (% GDP)	31,4	30,8	29,8	28,8
Expenditure rule (% variation)	2,9	3,1	3,1	3,1

2019-2021 goals are still in force. 2022 continuity hypothesis

Medium-term financial framework 2020-2023

financial capacity/need. SEC2010

	2020	2021	2022	2023
Non-financial revenues	28.111	29.742	30.674	31.619
Non-financial expenditures	28.092	29.342	30.246	31.228
Non-financial balance	19	399	428	391
SEC Adjustments	-19	-253	-208	-207
Surplus (+)/Deficit (-)	0	147	220	184
As % of GDP	0%	0,1%	0,1%	0,1%

2019-2021 targets are still in force. 2022 continuity hypothesis
Does not include latest law amendments

Expenditure rule

2021 onwards the expenditure rule limits the maximum expenditure so that a surplus is generated and will be used to return of debt.

+3,070 M€

Non-financial and non-earmarked increase over 2017
Generalitat budget

18.4%

Increase in non-financial
and non-earmarked
revenues
(+4,174 M€ Over 2017 budget).

0%

Deficit target over %
GDP
Unfair: 0.3pp under what should
be according to stability national
rule.

-1.3 points

reduction % debt over
GDP
Engagement with public finance's
sustainability. Debt goal reduces by
1.3 pp between 2019 and 2020.

27,512M€

Non-financial and non-
earmarked Generalitat's
expenditure Increase in 12.6%
over 2017 budget.

+2,916 M€

Increase in departmental
expenditure
12.9% Increase over 2017 budget. Increase
in non-financial and non-earmarked (to
assign to department priorities).

77.3%

Increase in department
expenditure on Health,
Education (universities included)
and Social affairs.

+4,174 M€

Increase over 2017

Non financial and earmarked revenues. 94% of the increase coming from settlements.

Non financial and earmarked revenues (chapters 1 to 7) M€

	2017	2020	Var in M€	Var in %
Reg. financing system advan. payments	17,974	21,910	3,936	22%
Earmarked revenues	410	414	3	1%
Other revenues	3,684	4,188	504	14%
Additional income from central government	619	350	-269	-43%
Total	22,688	26,862	4,174	18%

+172.6 M€

Revenues by measures

New financial measures will contribute to put in additional resources and correct negative externalities.

New fiscal measures for 2020 M€

	Annual impact	2020
Wealth tax	18.6	0
Inheritance and donation tax	189.8	47.4
Tax on transfers and documented legal acts	13.2	0.6
Tax on stays in tourist accommodation establishments	20.5	10.3
Tax on empty housing	3.5	0
Tax on beverages with excess sugar	6.4	3.2
Tax on installations that have environmental impact	145.1	72.6
Environmental taxes over cars	155.5	38.6
Total	552.5	172.6

+2,916 M€

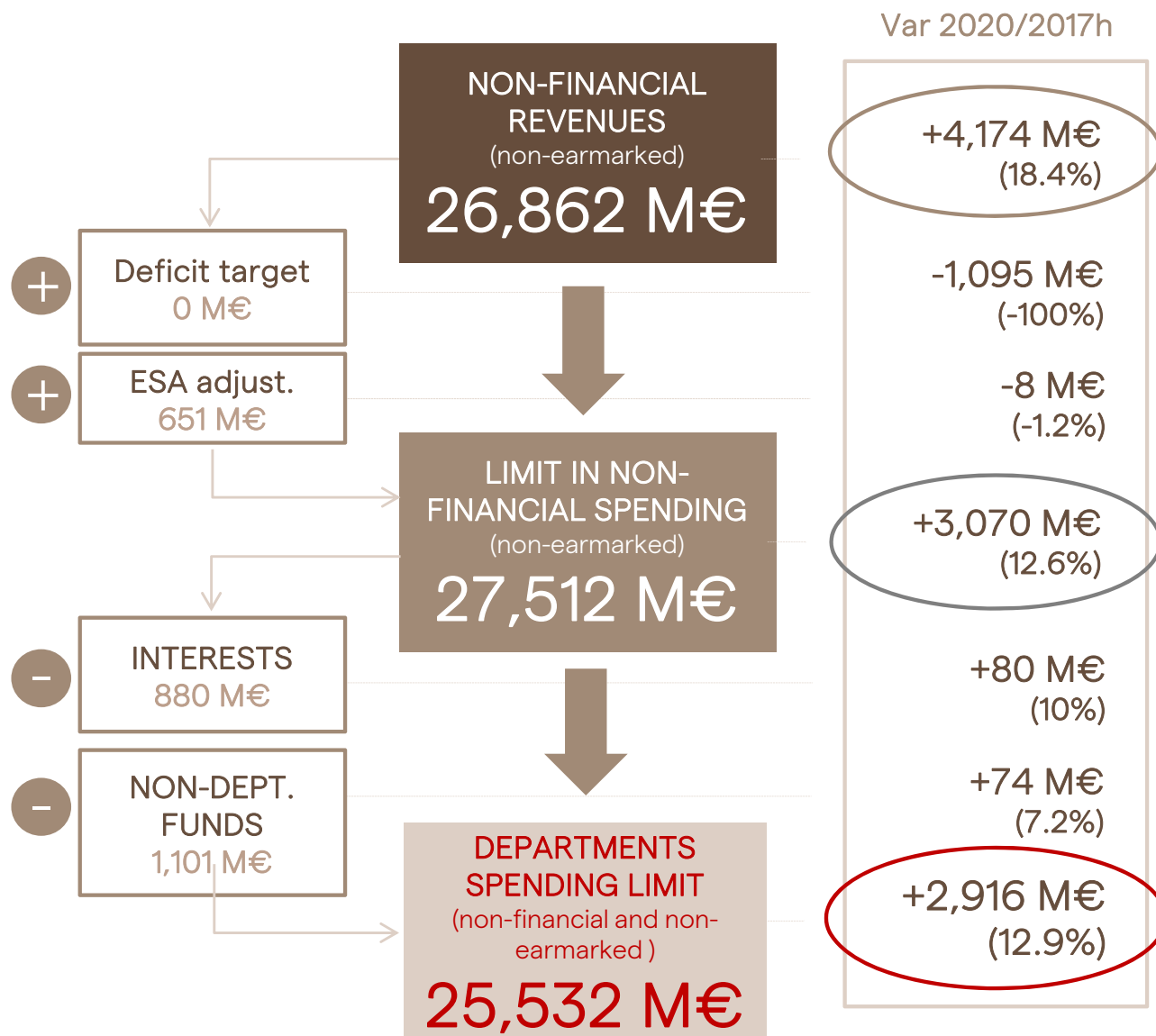
Increase in non-financial and non-earmarked department spending

In order to finance non departmental needs

0%

Deficit target for 2020

At the moment the goal is the equilibrium. A part of the increase in revenue will be used to reduce the deficit goal.



+12.9%

Increase over 2017

Departments will use this new resources on their programs and activities

77.3%

Of the departmental increase

To Health, Education (universities included) and Social affairs.

Budget section	2017	2020	Var in M€	Var in %	Dist. Var %	Weight 2020
Presidential Department	568	607	40	7.0%	1.4	2.4
Vice-presidency and of the Economy and Finance	210	209	-1	-0.5%	0.0	0.8
Foreign Action, Institutional Relations and Transparency	65	76	11	17.7%	0.4	0.3
Home Affairs	1,246	1,431	184	14.8%	6.3	5.6
Education	4,771	5,590	819	17.2%	28.1	21.9
Health	8,750	9,659	908	10.4%	31.2	37.8
Territory and Sustainability	1,858	2,011	153	8.2%	5.2	7.9
Culture	251	287	36	14.4%	1.2	1.1
Justice	956	1,042	87	9.1%	3.0	4.1
Labour, Social Affairs and Families	2,310	2,697	387	16.8%	13.3	10.6
Business and Knowledge	1,259	1,456	197	15.7%	6.8	5.7
Digital Policy and Public Administration	70	129	59	84.1%	2.0	0.5
Agriculture, Livestock, Fisheries and Food	303	339	36	11.8%	1.2	1.3
Subtotal departments	22,616	25,532	2,916	12.9%	100.0	100.0
Contingency Fund	330	250	-80	-24.2%		
Other non-department Funds	614	756	142	23.2%		
Higher bodies	82	95	13	15.3%		
Debt (interest)	799	879	80	10.0%		
Total expenditures	24,442	27,512	3,070	12.6%		
Total expenditure excluding interest	23,643	26,633	2,990	12.6%		

2017 is homogenous according new responsibilities . In 2017 140M€ were additional to education and for hiring teachers and 45M€ for the Guaranteed Income which were not listed in approved initial credits but were listed on additional orders of the budgetary Law.

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Budget
priorities



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1 Public services and Institutional quality

A budget that increases previous expenditure levels in main public services and reinforces institutional structure, transparency and evaluation.



Education exceeds pre-crisis levels

Current expenditure is 500 M€ above the maximum level in 2010. New jobs for teachers. Investment in public schools.



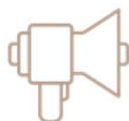
Health expenditure increases by 900 M€

Improving in 4 priorities: first assistance, developing further social and health attention, working conditions and public Health.



Security as a priority

New police and firefighter job positions. Increase in resources to develop strategic plan for firemen and rural officers.



Recovering working rights

Accomplishing the working rights recovery calendar.



Digital transformation of the administration

Adjusting processes and its relationship with citizens according to digital improvements. Develop electronic voting.



International delegations

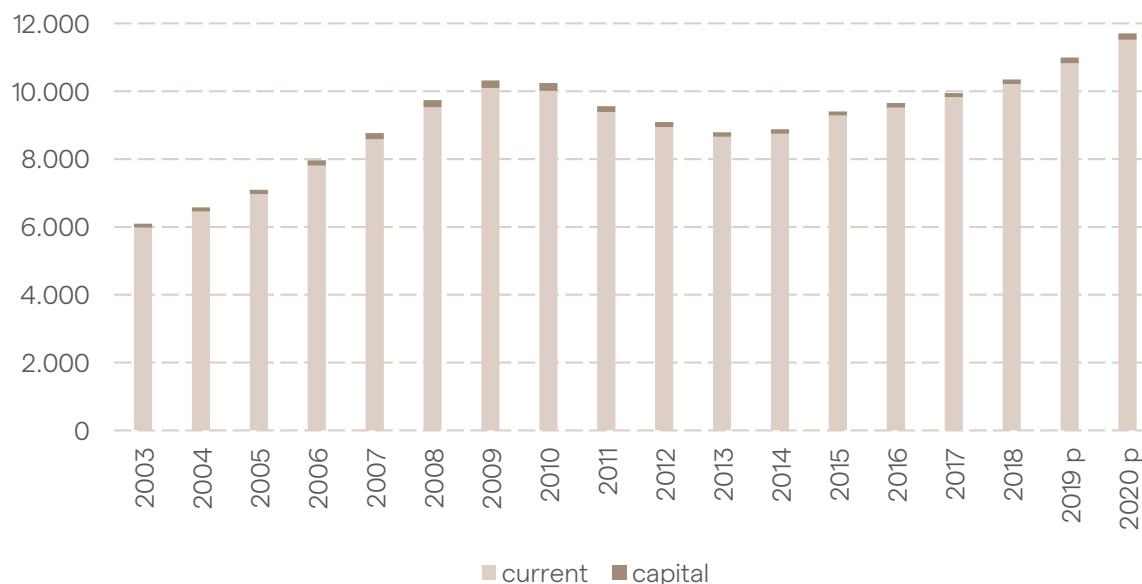
Developing the International delegations opening plan.



82,608 job positions in Health
+979 M€ Health group budget

In order to guarantee the universalization of Health System, while securing job conditions and therapeutic and pharmacologic innovations, in ageing population conditions and illnesses chronicity.

Health expenditure in M€



+1,400 **jobs** in first attendance.

+567 M€ to recover and improve **working conditions**.

+108 M€ to reinforce first attendance, improve **emergencies**, new performances included in Health services and increase in specialized attendance.

+73 M€ for **investments** (investment in equipment, first attendance, digital renovation, etc.)

+80 M€ for **pharmacological and hospital's medication** dispensation innovation

+33 M€ for **prescriptions and high cost medication** increments.

+26 M€ to improve the **public health and sanitary** research.

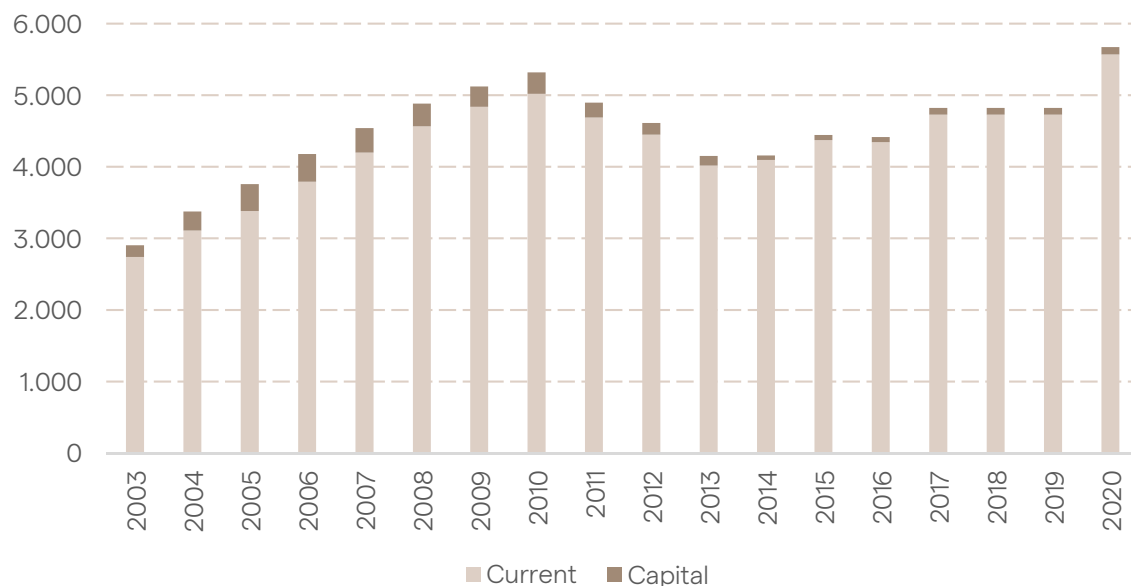
+14 M€ for social policies (to fight **STD's and child and gender violence** and for migrant **underage's attention**)



5.672 M€ budget
77.963 teachers
9.083 job positions in administration and services

In order to guarantee **inclusive school**, recover financing of the **kindergarten**, and to guarantee coverage of teachers and other personnel needs, and improve **digital education** and **job training**.

Education expenditure in M€



+850,7 M€ budget.

+5,395 **teachers** and +737 other personnel.

+70.8 M€ to finance kindergarten.

67.8 M€ Educative centers **investment Plan**.

+15 M€ **dining scholarship** for 7,365 primary school.

+1.8 M€ New dining scholarship plan in 103 secondary schools.

+17.2 M€ increase in **261 teachers** and **184 other personnel** for inclusive school.

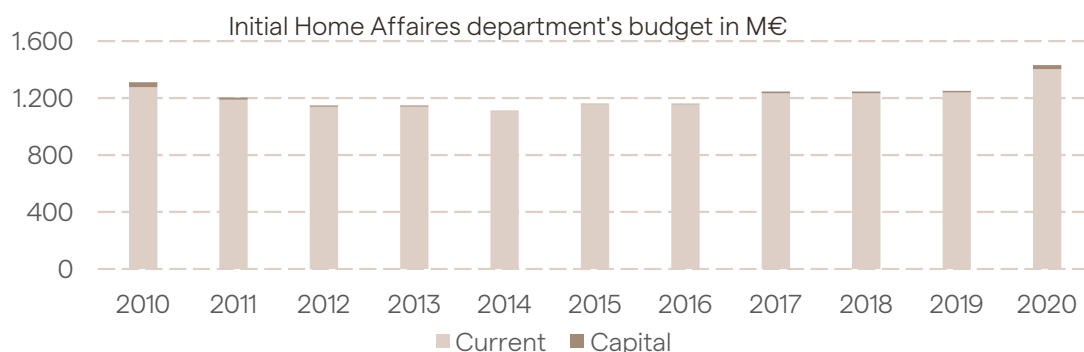
+ 3.7 M€ Digital Educative plan.

+12 M€ for teaching center.

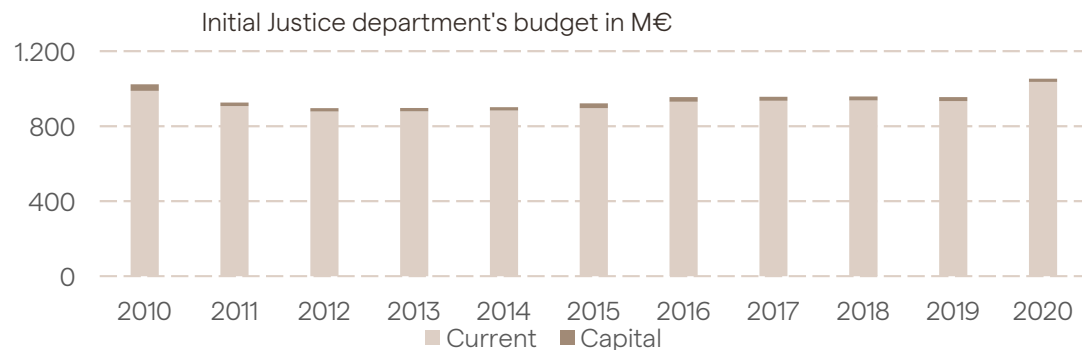
Enhance Catalan Vocational Education Agency.



1.431 M€ budget
18.817 policemen
3.702 firefighters



1.054 M€ budget
8.036 justice administratives
4.859 penitentiary staff



+184 M€ budget.

+ 1,218 **policemen**. (including 1,500 job positions from the 2018 and 2019 public offerings).
+ 378 **firefighters**. including 900 job positions from the public offerings between 2017 and 2020).

+9.4 M€ **new** emergency service **vehicles**.

+7 M€ new policemen **uniforms**.

+2,0 M€ Banyoles and Torredembarra **police stations works**.

+4,9 M€ Moià, Balaguer, Solsona, Girona and Granollers **fire stations works**.

+ 96 M€ budget.

+ 223 justice administratives employees.

+1,2 M€ deployment and modernization of the judicial equipment with 5 **new courts**.

+6,9 M€ new **penitentiary day center** of Tarragona construction

The starting of the **new women penitentiary center project**.

+ 3,8 M€ **free legal assistance**.



247.119 professionals
+ 1.980 M€ budget

To guarantee and improve the **provision of services** and the improvement of the **remuneration** in the public sector, as well as the **recovery of labor rights**.

Job positions included in the public sector budget	Budget 2017	Budget 2020	Var. 2020/2017	
			Number	%
Non-university teaching staff (Education dept.)	72.568	77.963	5.395	7%
Police	17.599	18.817	1.218	7%
Justice administration	7.813	8.036	223	3%
Prison staff	4.969	4.859	-110	-2%
Firefighters (1)	3.324	3.702	378	11%
Rural agents	523	557	34	7%
Other public administration staff	30.887	32.120	1.233	4%
Personnel of public sector entities	89.895	101.065	11.170	12%
Tax agency of Catalonia	903	873	-30	-3%
Health staff	73.165	82.608	9.443	13%
Other	15.827	17.584	1.757	11%
Total job positions public sector	227.578	247.119	19.541	9%

(1) Staff for prevention campaigns included

+19.541 new job positions.

+9.443 health
+5.395 education
+1.218 police
+378 firefighters

+2% wage increase in 2020.

323 M€ Other non-departmental fund to meet the partial refund 2013 pending 60% extra pay.

To comply with the **calendar** for the recovery of **labor rights** for public workers.

Promote **consolidation and stabilization of workforce** and reduce temporary workforce.



Evaluation of public policies 3 M€

+ 14,7% increase in **policy and opinion studies evaluation** programme.

+17,5% contributions from the Generalitat to the Catalan Consortium for the Evaluation of Public Policies (**IVÀLUA**).

Public Policies Evaluation Promotion Fund (**PROAVA**).

Interdepartmental Commission on Public Policy Evaluation (**CIAVA**).

Community of public policy evaluation practices (**COAVA**).

Continue with the implementation of the **evaluation repository** of Catalonia started in 2019.



The Law on measures includes a chapter about the **evaluation of the Catalan Public Finance Act**.

Spending review process

Continue to drive **spending review processes** for budget programs to maximize the value of public spending.

Open Government and transparency 3 M€ (+1,6 M€)

Open budgets and open budget **execution data** for good accountability.

Development of a tool to manage **participatory processes** in the Generalitat and in local governments.

Implement the strategy to **combat corruption** and to strengthen public integrity.



2 Reduction of social, gender and territorial inequality (1/2)

A budget that ensures that no one is left behind and links the territory.



Guaranteed citizenship income Deployment

Application of the Ias section of the GCI. Deployment of the regulations and extension of compatibilities in situations of high vulnerability.



University fees reduction

Additional funding to reduce university fees by 30% and compensate public universities for the loss of resources.



Kindergartens financing

Endowment of 70.8 M€ to recover funding for municipal kindergartens and a debt repayment plan at town councils.



Inclusive school and high school dining pilot

Resources for deploying the inclusive school (315 teachers, 290 support teaching staff, supervisors and other services). Pilot plan dining at 103 secondary schools, prioritizing disadvantaged environments. Increased dining scholarships.



Boost the minimum reference wage

During 2020 the impact and the calendar for introducing it to the Generalitat and public procurement will be studied, seeking consensus with all the agents.



Housing policies

New housing developments for rent and purchase. Extra resources to remove waiting list from Home Emergency Table.



2 Reduction of social, gender and territorial inequality (2/2)

A budget that ensures that no one is left behind and links the territory.



Long term care

Deployment of the Long term care law, and more resources for the SAD and fees increase prioritization.



Child and adolescent care

Improvement of care centers and equipment for the transition to adulthood. Emergency care for migrant minors without family referrals.



Fight against gender violence

More resources for gender equality policies and for combating gender violence and victim care. Mapping gender policies on the budget.



Free legal assistance and digital literacy

More resources for free legal assistance and a new digital literacy plan at prisons.



Fight against homelessness

Reactivation of the Catalan strategy against homelessness.



Development cooperation

More resources to fulfilled the Government's commitments. The budget for a humanitarian emergency corridor is activated.

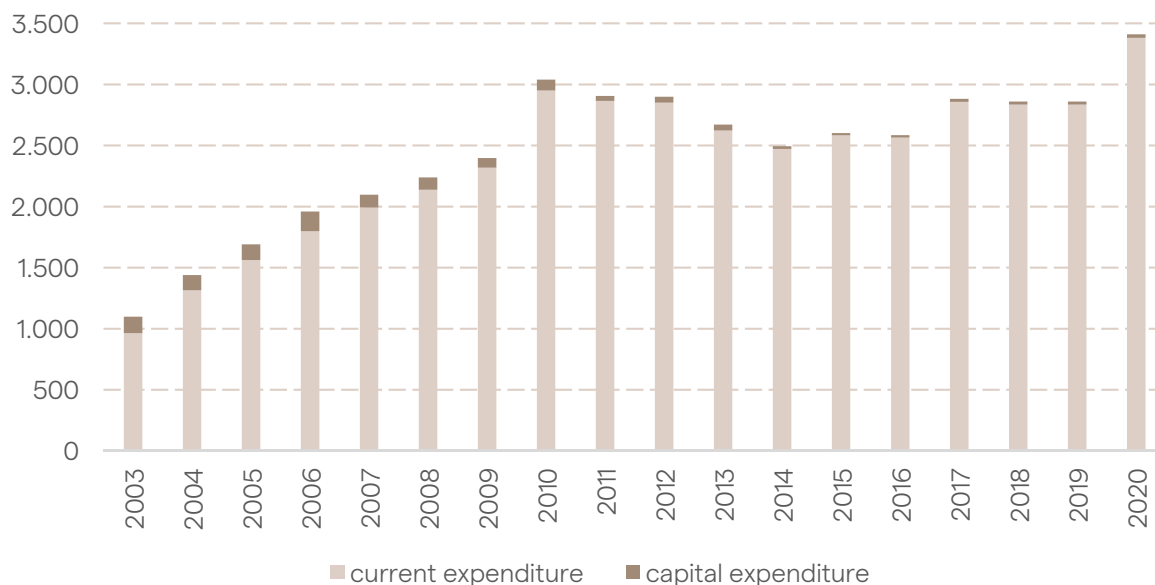
Priority 2 Labour, Social Affairs and Families expenditure recovering and exceeding previous levels



3.411 M€ budget
5.218 job positions

To guarantee equal opportunities through the deployment of **Guaranteed citizenship income**, and gradual updating of **social services rates**, with a clear vocation for **childhood** and attention to **diversity**.

Initial budget of the Department of Labour, Social Affairs and Families in M€



+529 M€ budget.

1.566 M€ to finance **long term care** policies (+92 M€).

388 M€ allocated to **Guaranteed citizenship income** (+125 M€).

Gradual updating of **long term and disability rates** (+90 M€ in 4 years).

306 M€ allocated to **childhood policies** (+68 M€).

+43 M€ to improve **local governments financing** in the field of social services.

13 M€ allocated to **attention to immigration** (+4 M€).

+5M€ allocated to promote the **Digital Transformation Program** of social protection .

+4 M€ allocated to programs to fight against **sexist violence** and services to **queer**.



Employment 918 M€ (+173,7 M€)

459 M€ employment policies (+51 M€).

26 M€ to consolidate the Youth Guarantee Program.

+32 M€ to improve the employability of disabled people.

+4,8 M€ for self-employed, cooperatives and unions, social economy business and social dialogue policies.

Fighting against job-related accidents and job insecurity.



To broaden the gender perspective of the public budget.

12,7 M€ to fight gender violence.

5,1 M€ to finance activity of Catalan Women Institute.



Universities 979 M€ (+145,3 M€)

+129,5 M€ current Universities funding, excluding R+D:

+68,6 M€ university funding.

+57,4 M€ 30% university fees lowering.

+3 M€ Changes in taxes PAU, PAP and PAU over 24-45 years old fees budget management.

+0,5 M€ Serra Hunter program.

+9,7 M€ University investment plan.



Housing and other urban activities 381 M€ (+51,5 M€)

Reduce the **Housing Emergency Table** waiting list.

+50,8 M€ **State Habitational plan**.

35,6 M€ for **housing acquisition** through preferential right.

30,5 M€ for **social rent housing building**.

13 M€ state **aids** for **social rent housing** promoter.

16,6 M€ housing **rehabilitations** state aids.

+4,5 M€ to improve **neighborhoods and old town centers**.



Development cooperation 32 M€

+14,4 M€ for **development cooperation** policies.



Cultural and Catalan language 281,6M€ (+34,7 M€)

+37,1 M€ **budget increment** to recover cultural infrastructure and strengthen the audiovisual sector.

+28,7 M€ **Audiovisual sector dynamism plan**.

+16 M€ investment in **public heritage**.

1,5% of the public works for **cultural heritage**.

+6 M€ **national infrastructure** actualization and enlargement.

+2 M€ for **cultural equipment** social projects.

+1 M€ from the tax on stays in tourist accommodation establishments for **Cultural heritage** and **Associationism** program.

+1 M€ technologic transformation of the **Parla.cat** platform.



3 Knowledge, innovation and economic dynamism (1/2)

A budget that boosts productive economy and knowledge for sustained and shared growth.



Industry and entrepreneurial ecosystem

Industrial revival program 4.0, support for digitalization processes and development of the Automotive and Mobility Plan. Development of the National Industry Pact.



Public high speed network

Region capitals and high inhabited areas high speed network deployment.



National knowledge-based society pact

More R+D+i, university and research centers funding. Researching talent attraction and retention. STEMcat plan, SmartCAT and DonesTIC strategy.



Vocational training Agency

Vocational training Agency deployment and young and over 45 in long unemployment situation employability improvement.



Smart and cultural Tourism

More tourism tax resources to promote a sustainable model and increase cultural heritage investment.



Cybersecurity Agency

Catalan Cybersecurity Agency Deployment.



3 Knowledge, innovation and economic dynamism (2/2)

A budget that boosts productive economy and knowledge for sustained and shared growth.



Economic promotion through ICF public bank

To consolidate the ICF as an investment public bank inside the European public banking framework.



Municipal infrastructure and services development plan

Municipal investment levels recovery through 2020-2024 PUOSC. New territorial equity bill.



Investment level recovery

Public sector investment reaches 2,012 M€, what represents a 428 M€ growth. Important investment effort at Fira de Barcelona (+36,1 M€).



Water cycle investment and ATL direct management

New water supplying entity incorporation to the existing net. New investment plan after the Catalan Water Agency (ACA) debt cancellation (+83,7M€). Capital transfers to ACA 52,7 M€ increase.



Cultural promotion and increasing the public cultural investment from 1 to 1.5%

Cultural budget recovery even though losing the digital content tax. Increasing the public works investment reserved funds for culture from 1 to 1.5% and incorporating 1 M€ from the Tax on stays in tourist accommodation establishments.



More agricultural resources

Incorporating earmarked funds to speed up the proceedings and a 98M€ non-financial resources increment. The Deployment of the new fertilization treatment and purines reuse.



R+D+I 615 M€ (+121,4 M€)

- +7,2 M€ to **Barcelona Supercomputing Center**.
- +3,5 M€ to **CELLS (Alba's Synchrotron)**.
- 4,3 M€ to **Knowledge industry's** program.
- 2 M€ to **CERCA** centers.
- 318,8 M€ **R+D Biomedical and health sciences** (+67,8 M€).
- +6,5 M€ to **agroalimentary innovation and research**.



Information, telecommunications and knowledge-based society 872,4 M€ (+147,7M€)

- +28,5 M€ to deploy the **high speed network**.
- +14,3 M€ to the **Catalan Cybersecurity Agency**.
- +2,9 M€ to develop the **SmartCatalonia** projects.
- +2,2 M€ to develop the **5G IoT network**.



Infrastructures 1.874 M€ (+355,6 M€)

- +8,3 M€ for **road conservation**.
- +33,6 M€ capital contributions to **Infracat** to invest in the road network.
- +2,2 M€ to **logistic infrastructures**.
- 38,7 M€ **rate** compensation for road usage.
- +83,7 M€ **cycle of water** investments (ACA and ATL)



Tourism 156 M€ (+29,0 M€)

- 72,8 M€ collection of the **Tax on stays in tourist accommodation establishments**.
- 24 M€ deploying the new **Catalan tourism marketing plan** initiatives.
- 14,2 M€ to support strategic **infrastructures**.
- 8,4 M€ deploying the **Catalan strategic Tourism plan** for 2019-2022.



Commerce, industry and entrepreneur ecosystem 176,9 M€ (+23,8 M€)

77,5 M€ commerce policy.

+36,1 M€ investment to enlarge the Fira de Barcelona.

Develop the Industry National Pact.

7,2 M€ for bonus loans for 4.0 industrial reactivation.

2,9 M€ to deploy the Automotive and Mobility plan.

2,7 M€ to the Reempresa program.

ICF 645 M€ in investments

430 M€ in loans.

180 M€ in endorsements.

35 M€ in venture capital.



Agriculture 466 M€ (+66,2 M€)

+24 M€ to amplify the beneficiaries and improve the competitiveness of the **Global Exploitation Contract**.

+47,1 M€ to improve the **agricultural**, the **fishing** and the **livestock** sectors.



PUOSC

+30 M€ to the **Municipal Infrastructure and Services Development Plan (PUOSC)**.





4 Zero emission and waste horizon

A budget that boosts ambitious policies to face climate emergency.



Green Taxes

+38.6 M€ on environmental taxes for cars, for public transportation and for programs that tackle environmental issues.



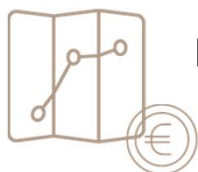
Green contracting

Commitment to reach 50% of public contracts with clauses tackling environmental issues and 2030 Agenda.



Boosting public transport

Modifying ATM prices increasing low frequency ticket prices and lowering high frequency tickets. Improving bus offer according to low emission area. Start construction of the central line of the L9 metro line.



Improving ATM financing

As a whole ATM current financing increases by +106,3 M€, in order to improve offer and frequency.



Implement renewable and efficient energy

Energy Saving and Efficiency Strategy on Generalitat's buildings. Installing solar collectors in 113 equipment before 2021. Boosting electric vehicle.



Investments in the framework of the Catalan Waste Plan.

More resources to the Catalan Waste Agency.



Environment 318 M€ (+72,1 M€)

+34 rural agent jobs (PECAR).

19,3 M€ Tax on **emissions of mechanical traction vehicles**.

+ 50,5 M€ for infrastructure and **waste treatment** management (ARC).

+5,4 M€ technical **prevention and environment control** works.

+15,4 M€ to protect and preserve the **environment and biodiversity**



Mobility 1.577 M€ (+229,7 M€)

+26 M€ to continue the **L10 works**.

+106,3 M€ for the **ATM funding**.

36,2 M€ for the integrated fees systems in Camp de Tarragona, Lleida and Girona areas.

24,6 M€ for the transport service of **road travelers**.

18,3 M€ Tax on **emissions of mechanical traction vehicles**.



Energy efficiency

+49 M€ **National Energy Efficiency Funding**.

+0,9 M€ Emergency package to fight **climate change** and promotion of the use of **renewable energies**



Budget 2020, Catalonia 2030.

Law 4/2020

ANNEX

Country of
shared
prosperity.



Generalitat de Catalunya
Government of Catalonia

Budget 2020, Catalonia 2030.

Law 4/2020

Revenues and
expenditures
composition



Generalitat de Catalunya
Government of Catalonia

32,521 M€



Generalitat

(1 entity)

Includes departments and non-departmental funds

32,600 M€



Administrative public sector

(21 entities)

Includes Generalitat, CatSalut and autonomous administrative bodies

28,817 M€*



Administrative public sector + ICS

(22 entities)

Includes Generalitat, CatSalut, autonomous administrative bodies and ICS

36,003 M€



Public sector

(191 entities)

Includes Generalitat, CatSalut, autonomous administrative bodies and 170 entities with majority holding of Generalitat and affiliated

35,470 M€



PA-ESA sector

(179 entities)

Includes Generalitat and all entities classified as Public Administration according to ESA regulations except public universities (includes those in which Generalitat does not have a majority stake).

Note: chapters 1 to 8

* Administrative Public Sector + ICS does not include local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

Evolution of entities included in the budget

191 public sector entities

Includes 12 entities ingress
and 5 entities leaving.

Includes affiliated entities

	2012	2014	2015	2017	2020
Generalitat	1	1	1	1	1
CatSalut, ICS and ICASS	3	3	-	-	-
Autonomous administrative entities and Catalan Healthcare Service	23	19	20	20	20
Autonomous commercial and financial entities	3	2	2	2	2
Public law companies	47	43	44	44	46
Trading companies	47	30	26	27	27
Consortiums	61	50	50	54	63
Foundations	43	35	37	34	32
Total public sector entities ⁽¹⁾	228	183	180	182	191
Consortium non-majority shareholding ⁽¹⁾	-	-	-	2	-
Total other entities non-majority shareholding ⁽²⁾	26	26	24	19	13
Total entities	254	209	204	203	204

(1) Non majority shareholding consortium included in the budget according to the Law 40/2015,

(2) Entities which Generalitat does not have a majority stake but are classified as public administration according to ESA regulations

179 bodies with impact on deficit, debt and expenditure rule

Subsector	Public sector entities	PA-ESA sector ¹	Total entities included in the budget
Generalitat	1	1	1
Autonomous administrative entities and Catalan Healthcare service	20	20	20
Total administrative public sector entities	21	21	21
Autonomous commercial and financial entities	2	1	2
Public law companies	46	43	46
Trading companies	27	16	27
Consortiums ⁽²⁾	63	56	63
Foundations	32	29	32
Total majority shareholding entities	191	166	191
Autonomous administrative entities		1	1
Trading companies		-	-
Consortiums		5	5
Foundations		7	7
Total other entities non-majority shareholding		13	13
Total entities		179	204

(1) Entities classified in the Administrative Public Sector of the Generalitat (APESA) that are relevant to comply with the budgetary rules (deficit, debt and expenditure rules)

(2) Includes non majority shareholding consortium included in the budget according to the Law 40/2015,



Generalitat

18.4%

Increase of non-financial non-earmarked revenues

Funding model increases
in 3,936 M€

Non-financial revenue excluding earmarked	Budget 2017	Budget 2020	Var. 2020 / 2017 M€	%
Income tax (Advanced payment)	8,039	10,095	2,056	25.6
VAT (Advanced payment)	6,119	7,536	1,417	23.2
Special taxes (tobacco, alcohol, hydrocarbons and energy) (advanced payment)	2,419	2,733	314	13.0
Overall Sufficiency Fund (advanced payment)	774	822	48	6.3
Guarantee Fund for Fundamental Public Services (advanced payment)	-868	-1,407	-539	62.1
Regional financing system advanced payment	16,483	19,779	3,296	20.0
Settlements t-2	1,616	2,256	640	39.6
Negative settlements 2008 and 2009	-125	-125	0	0.0
Total regional financing system advanced payment and settlements	17,974	21,910	3,936	21.9
Inheritance and donation tax	547	611	64	11.6
Wealth tax	517	555	37	7.2
Tax on property transfers, documented legal acts and corporate	1,756	2,244	489	27.8
Special tax on means of transport	74	131	56	75.9
Tax on hydrocarbons autonomous rate	230	0	-230	-100.0
Environmental taxes	35	117	83	239.9
Tax on carbon dioxide emissions from mechanical traction vehicles	0	39	--	--
Tax on facilities affecting the environment	0	73	--	--
Rest	35	6	--	--
Gambling taxes	229	252	23	10.2
Tax on large shopping areas	15	12	-3	-17.7
Tax on stays in tourist establishments	50	74	23	46.3
State tax on bank deposits	63	47	-16	-25.1
Tax on empty housing	12	14	2	20.0
Tax on the provision of content by providers of electronic	16	0	-16	-100.0
Tax on bottled beverages with sugar excess	31	33	2	5.3
Civil protection levy	4	4	0	-4.0
Tax on legal entities non-productive assets	0	3	--	--
Total own taxes and completely transferred taxes	3,579	4,096	517	14.5
Other non-earmarked revenue	515	496	-20	-3.8
Other revenues from financing system	619	150	-469	-75.8
DA 3a EAC	0	200	200	--
Disposal of property investments	0	9	9	--
Total other non-financial revenue	1,134	855	-279	-24.6
Total non-earmarked non-financial revenues	22,688	26,862	4,174	18.4

(1) Homogeneous (2) Non includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)



Generalitat

553 M€
additional fiscal
revenue

173 M€ additional for 2020

Revenue impact in M€	Annual Impact	Budgetary impact 2020
Income tax <i>Increase of the tax exempt minimum to 12,450€ and increase of the tax rate over 90,000€</i>	19	0
Inheritance and donation tax <i>Reintroduction of the multiplier coefficient and tax bonus reduction on large inheritances</i>	190	47
Tax on property transfers, documented legal acts and corporate <i>Reduction on some tax rates and tax framework changes</i>	13	1
Tax on stays in tourist establishments <i>Tax rate increment</i>	21	10
Tax on empty housing <i>Tax bonus reduction</i>	4	0
Tax on bottled beverages with sugar excess <i>Tax rate increment</i>	6	3
Tax on facilities affecting the environment	145	73
Tax on carbon dioxide emissions from mechanical traction vehicles	156	39
Total	553	173



Generalitat

17.7%

Increase of non-financial revenues

Positive evolution of taxes
and capital transfers

Capítol	Budget 2017 ¹	Budget 2020	Var. 2020/2017	
			M€	%
1. Direct taxes	9,630	12,817	3,187	33.1
2. Indirect taxes	11,145	13,244	2,099	18.8
3. Fees, sales and other revenues	375	362	-13	-3.4
4. Current transfers ⁽²⁾	5,779	4,986	-793	-13.7
5. Property revenues	41	23	-18	-43.9
Current revenue	26,971	31,431	4,460	16.5
6. Real investment	0	9	9	--
7. Capital transfers	71	375	304	428.0
Capital revenue	71	384	313	441.3
Non-financial revenue ⁽²⁾	27,042	31,816	4,774	17.7
8. Variation of financial assets	83	144	61	73.6
Total revenues chapters 1 to 8 ⁽²⁾	27,125	31,960	4,835	17.8
Net revenues from variations of financial liabilities ⁽³⁾	1,711	561	-1,150	-67.2
Total revenue 1 to 9 (net debt refinance)⁽²⁾	28,835	32,521	3,686	12.8

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Difference between revenue and expenditure of chapter 9



Generalitat

13%

Increase of non-financial expenditure

Including earmarked resources.

17,6% increase of employee compensation (in 2017, wage increase was included in the contingency fund)

Chapter	Budget 2017 ¹	Budget 2020	Var. 2020/2017	
			M€	%
1. Employee compensation	5,592	6,573	981	17.6
2. Current expend. on goods and services ⁽²⁾	2,120	2,386	266	12.5
3. Interests and financial fees	799	880	81	10.1
4. Current transfers ⁽²⁾	18,187	20,463	2,276	12.5
5. Contingency fund	330	250	-80	-24.2
Current expenditure ⁽²⁾	27,029	30,551	3,522	13.0
6. Real Investments	447	488	41	9.2
7. Capital transfers	647	735	88	13.5
Capital expenditure	1,094	1,222	128	11.7
Non-financial expenditure ⁽²⁾	28,123	31,774	3,651	13.0
8. Financial assets ⁽³⁾	712	748	36	5.0
Total expenditure chapters 1 to 8 ⁽²⁾	28,835	32,521	3,686	12.8

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Capital contribution to public sector entities, granting of loans, and acquisition of other financial assets



Generalitat

3,606 M€

**Increase of
expenditure
interests excluded**

Includes expenditure financed
with earmarked resource

Budget Section	Budget 2017 ¹	Budget 2020	Var. 2020/2017	
			M€	Distrib. %
Presidential Department	568	610	42	2.3
Vice-presidency and of the Economy and Finance	212	212	0	0.8
Foreign Action, Institutional Relations and Transparency	65	76	11	0.3
Home Affairs	1,246	1,431	185	5.3
Education	4,821	5,672	851	21.0
Health	8,807	9,716	909	36.0
Territory and Sustainability	1,858	2,064	206	7.6
Culture	261	298	37	1.1
Justice	957	1,054	97	3.9
Labour, Social Affairs and Families	2,882	3,411	529	12.6
Business and Knowledge	1,355	1,592	237	5.9
Digital Policy and Public Administration	75	139	64	0.5
Agriculture, Livestock, Fisheries and Food	634	726	92	2.7
Subtotal departments	23,741	27,002	3,261	100.0
Contingency Fund	330	250	-80	
Cross-departmental Funds	3,883	4,295	412	
Higher bodies	82	95	13	
Debts (interests)	799	879	80	
Total expenditures chapters 1 to 8 ⁽²⁾	28,835	32,521	3,686	
Total expenditure excluding interests	28,036	31,642	3,606	

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)



Administrative public sector

16.5%

Increase current revenue

Positive evolution of taxes (as a whole, they have grown by 25.4%)

Chapter	2017 ¹ Budget	2020 Budget	Var. 2020/2017	
			M€	%
1. Direct taxes	9,630	12,817	3,187	33.1
2. Indirect taxes	11,145	13,244	2,099	18.8
3. Fees, sales and other revenues	486	492	6	1.2
4. Current transfers ⁽²⁾	5,734	4,932	-802	-14.0
5. Property revenues	45	26	-19	-42.0
Current revenue	27,040	31,510	4,470	16.5
6. Real investment	0	9	9	--
7. Capital transfers	71	375	304	428.1
Capital revenue	71	384	313	441.4
Non-financial revenue ⁽²⁾	27,110	31,894	4,784	17.6
8. Variation of financial assets	83	144	61	73.9
Total revenues chapters 1 to 8 ⁽²⁾	27,194	32,039	4,845	17.8
Net revenues from variations of financial liabilities ⁽³⁾	1.711	561	-1,150	-67.2
Total revenue 1 to 9 (net debt refinance)⁽²⁾	28.904	32,600	3,696	12.8

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Difference between revenue and expenditure of chapter 9



Administrative public sector

3,528 M€
increase of current expenditure

Prioritization of social expenditures (guaranteed citizenship income, health, education) and Local government share of Central Government's revenue

Chapter	2017 ¹ Budget	2020 Budget	Var. 2020/2017	
			M€	%
1. Employee compensation	5,727	6,730	1,003	17.5
2. Current expend. on goods and services ⁽²⁾	7,043	7,800	757	10.8
3. Interests and financial fees	799	880	81	10.1
4. Current transfers ⁽²⁾	13,193	14,961	1,768	13.4
5. Contingency fund	330	250	-80	-24.2
Current expenditure ⁽²⁾	27,092	30,620	3,528	13.0
6. Real Investments	567	659	92	16.3
7. Capital transfers	532	573	41	7.7
Capital expenditure	1,099	1,232	133	12.1
Non-financial expenditure ⁽²⁾	28,192	31,852	3,660	13.0
8. Financial assets ⁽³⁾	713	748	35	4.9
Total expenditure chapters 1 to 8 ⁽²⁾	28,904	32,600	3,696	12.8

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Capital contribution to public sector entities, granting of loans, and acquisition of other financial assets



Administrative public sector+ICS

33.1%
Increase of direct taxes

36.6% increase of income taxes revenue (including settlements)

Chapter	2017 ¹ Budget	2020 Budget	Var. 2020/2017	
			M€	%
1. Direct taxes	9,630	12,817	3,187	33.1
2. Indirect taxes	11,145	13,244	2,099	18.8
3. Fees, sales and other revenues	551	557	6	1.1
4. Currents transfers ⁽²⁾	2,221	1,117	-1,104	-49.7
5. Property revenues	44	26	-18	-40.7
Current revenue ⁽²⁾	23,591	27,760	4,169	17.7
6. Real investment disposal	0	9	9	--
7. Capital transfers	41	341	300	732.2
Capital revenue	41	351	310	755.2
Non-financial revenue ⁽²⁾	23,632	28,111	4,479	19.0
8. Variation of financial assets	83	144	61	73.9
Total revenue chapters 1 to 8 ⁽²⁾	23,715	28,255	4,540	19.1
Net revenues from variations of financial liabilities ⁽³⁾	1,711	561	-1,150	-67.2
Total revenue 1 to 9 (net debt refinance) ⁽²⁾	25,426	28,817	3,391	13.3

(1) Homogeneous

(2) It does not include Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Difference between revenue and expenditure of chapter 9



Administrative public sector+ICS

3,226 M€
Increase of current expenses

Employee compensation increase 18,1%

Chapter	2017 ¹ Budget	2020 Bugdet	Var. 2020/2017	
			M€	%
1. Employee compensation	7,532	8,899	1,367	18.1
2. Current expend. on goods and services ⁽²⁾	7,660	8,396	736	9.6
3. Interests and financial fees	799	880	81	10.1
4. Current transfers ⁽²⁾	7,323	8,446	1,123	15.3
5. Contingency fund	330	250	-80	-24.2
Current expenditure ⁽²⁾	23,644	26,870	3,226	13.6
6. Real Investments	590	682	92	15.7
7. Capital transfers	502	539	37	7.4
Capital expenditure	1,092	1,221	129	11.8
Non-financial expenditure ⁽²⁾	24,736	28,092	3,356	13.6
8. Financial assets ⁽³⁾	689	725	36	5.2
Total expenditure chapters 1 to 8 ⁽²⁾	25,426	28,817	3,391	13.3

(1) Homogeneous

(2) It does not include Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Capital contribution to public sector entities, granting of loans, and acquisition of other financial assets



Public sector

16.9%

increase of non-financial revenue

A slightly lower increase than
Generalitat revenues

Chapter	2017 ¹ Budget	2020 Budget	Var. 2020/2017	
			M€	%
1. Direct taxes	9,630	12,817	3,187	33.1
2. Indirect taxes	11,145	13,244	2,099	18.8
3. Fees, sales and other revenues	2,572	2,798	226	8.8
4. Current transfers ⁽²⁾	6,382	5,721	-661	-10.4
5. Property revenues	234	148	-86	-36.6
Current revenue	29,963	34,727	4,764	15.9
6. Real investment	88	112	24	27.3
7. Capital transfers	108	416	308	285.2
Capital revenue	196	528	332	169.4
Non-financial revenue ⁽²⁾	30,159	35,255	5,096	16.9
8. Variation of financial assets	757	359	-398	-52.6
Total revenues chapters 1 to 8 ⁽²⁾	30,917	35,615	4,698	15.2
Net revenues from variations of financial liabilities ⁽³⁾	937	388	-549	-58.6
Total revenue 1 to 9 (net debt refinance) ⁽²⁾	31,854	36,003	4,149	13.0

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Difference between revenue and expenditure of chapter 9



Public sector

13.4%

Increase of non-financial expenditures

Capital expenditures grow above current expenditures
Employee compensation account for 48% of the increase.

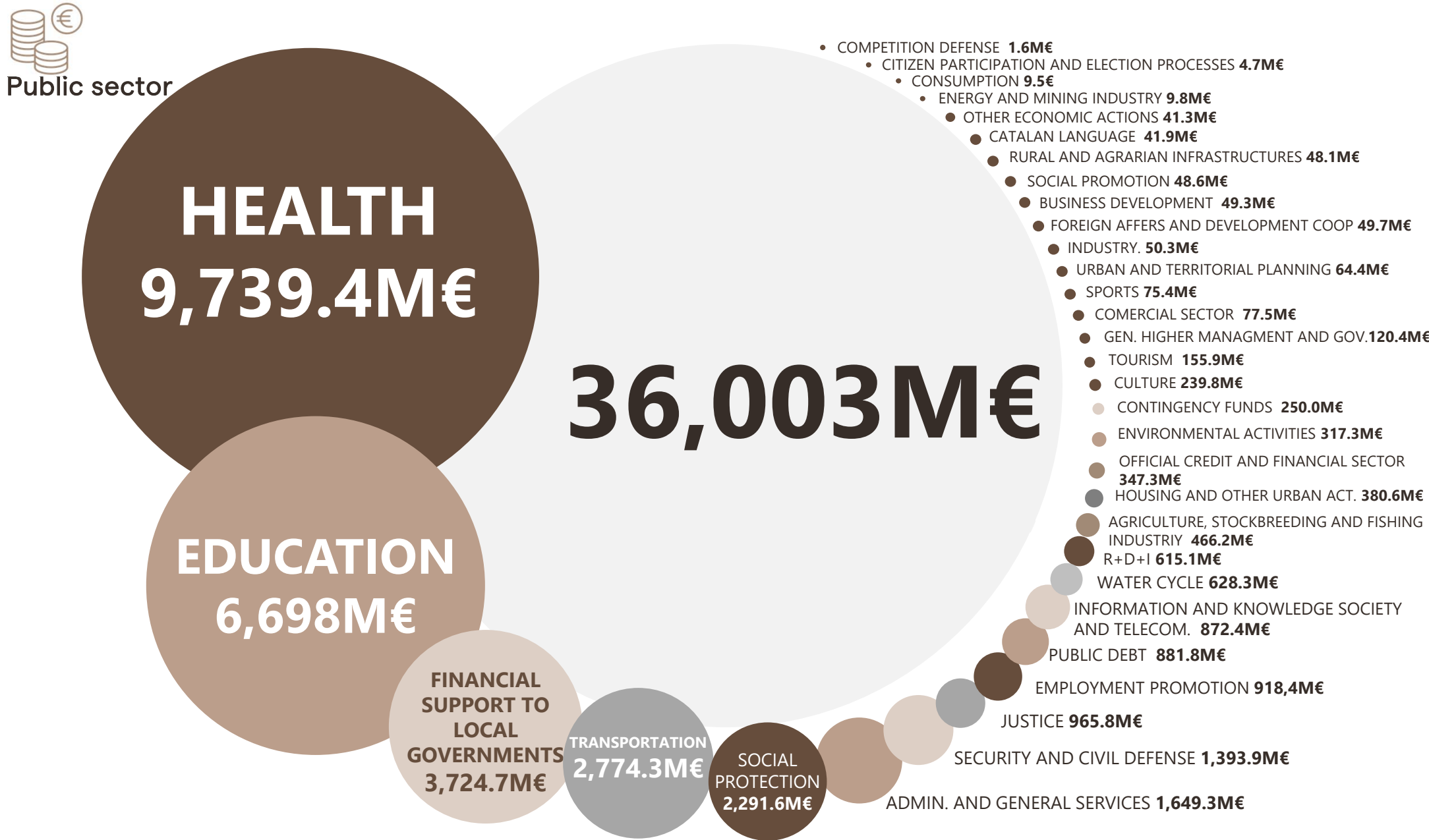
Chapter	2017 ¹ Budget	2020 Budget	Var. 2020/2017	
			M€	%
1. Employee compensation	9,929	11,909	1,980	19.9
2. Current expend. on goods and services ⁽²⁾	8,286	8,537	251	3.0
3. Interests and financial fees	994	1,244	250	25.2
4. Current transfers ⁽²⁾	10,239	11,631	1,392	13.6
5. Contingency fund	330	250	-80	-24.2
Current expenditure ⁽²⁾	29,778	33,571	3,793	12.7
6. Real Investments	1,058	1,380	322	30.5
7. Capital transfers	521	613	92	17.7
Capital expenditure	1,580	1,994	414	25.6
Non-financial expenditure ⁽²⁾	31,358	35,565	4,207	13.4
8. Financial assets ⁽³⁾	496	438	-58	-11.8
Total expenditure chapters 1 to 8 ⁽²⁾	31,854	36,003	4,149	13.0

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Capital contribution to public sector entities, granting of loans, and acquisition of other financial assets

Public Sector Budget of Generalitat de Catalunya by policies





PA-ESA sector

13.1%

Increase of total revenue

Mainly due to the growth of tax revenue and the capital transfers

Chapter	Budget 2017 ¹	Budget 2020	Var. 2020/2017	
			M€	%
1. Direct taxes	9,630	12,817	3,187	33.1
2. Indirect taxes	11,145	13,244	2,099	18.8
3. Fees, sales and other revenues	2,419	2,506	87	3.6
4. Current transfers ⁽²⁾	6,433	5,784	-649	-10.1
5. Property revenues	171	100	-71	-41.3
Current revenue	29,798	34,451	4,653	15.6
6. Real investment	94	113	19	20.2
7. Capital transfers	110	400	290	263.7
Capital revenue	205	513	308	150.3
Non-financial revenue ⁽²⁾	30,002	34,964	4,962	16.5
8. Variation of financial assets	95	86	-9	-9.8
Total revenues chapters 1 to 8 ⁽²⁾	30,098	35,050	4,952	16.5
Net revenues from variations of financial liabilities ⁽³⁾	1,259	420	-839	-66.6
Total revenue 1 to 9 (net debt refinance)⁽²⁾	31,357	35,470	4,113	13.1

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Difference between revenue and expenditure of chapter 9



PA-ESA sector

13.1%

Increase of total expenditure chapters 1 to 8

Employee compensation account for 48% of the increase.

Chapter	Budget 2017 ¹	Budget 2020	Var. 2020/2017	
			M€	%
1. Employee compensation	9,929	11,908	1,979	19.9
2. Current expend. on goods and services ⁽²⁾	8,204	8,383	179	2.2
3. Interests and financial fees	979	1,229	250	25.5
4. Current transfers ⁽²⁾	10,218	11,620	1,402	13.7
5. Contingency fund	330	250	-80	-24.2
Current expenditure ⁽²⁾	29,661	33,391	3,730	12.6
6. Real Investments	1,059	1,307	248	23.5
7. Capital transfers	537	615	78	14.5
Capital expenditure	1,595	1,922	326	19.9
Non-financial expenditure ⁽²⁾	31,256	35,313	4,057	13.0
8. Financial assets ⁽³⁾	100	157	56	56.0
Total expenditure chapters 1 to 8 ⁽²⁾	31,357	35,470	4,113	13.1

(1) Homogeneous

(2) It includes Local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

(3) Capital contribution to public sector entities, granting of loans, and acquisition of other financial assets

Budget 2020, Catalonia 2030.

Law 4/2020

Macroeconomic
framework



Generalitat de Catalunya
Government of Catalonia

1.9%

GDP growth 2020 (forecast)

The Catalan economy will continue to grow positively, but more moderate, in line with the downward revisions in most advanced economies.

1.1%

employment growth in 2020 (forecast)

Employment will continue to be created despite a more moderate economic growth.

Macroeconomic forecasts for Catalonia		2018	2019 (f)	2019 (up to Q3)	2020(f)
GDP	% change in volume	2.6	2.2	2.1	1.9
Domestic demand	Contribution to GDP growth	2.2	1.9	1.5	1.7
	% change in volume	2.0	1.9	1.2	1.6
Public administration (1)	% change in volume	1.9	1.8	2.2	1.7
Gross capital formation (2)	% change in volume	4.6	3.0	2.9	2.9
External trade balance	Contribution to GDP growth	0.1	0.3	0.6	0.3
Foreign trade balance	Contribution to GDP growth	-0.4	-0.1	0.4	0.1
Exports of goods and services	% change in volume	2.0	2.8	2.7	3.5
Imports of goods and services	% change in volume	3.6	3.6	2.0	3.8
Balance with the rest of Spain	Contribution to GDP growth	0.8	0.4	0.2	0.2
Jobs created (3)	% change	3.4	1.8	-	1.1
Unemployment rate (EPA)	Unemployed / active population (%)	11.5	10.2	11.2	9.5

(f) Forecast.

(1) Includes the expenditure consumption by non-profit making institutions at the service of households.

(2) Includes stock variation.

(3) Full time equivalent jobs.

Note: The forecasts prepared by the DVEH in June 2019 suggested a GDP growth rate of 2.2% in 2019 (one decimal point higher than the growth rate of GDP in Q3). This lower growth is mainly due to a less favourable international environment, which is causing significant weakness in external demand and the industrial sector (the most open sector). In April-May, a new macroeconomic scenario for Catalonia will be released.

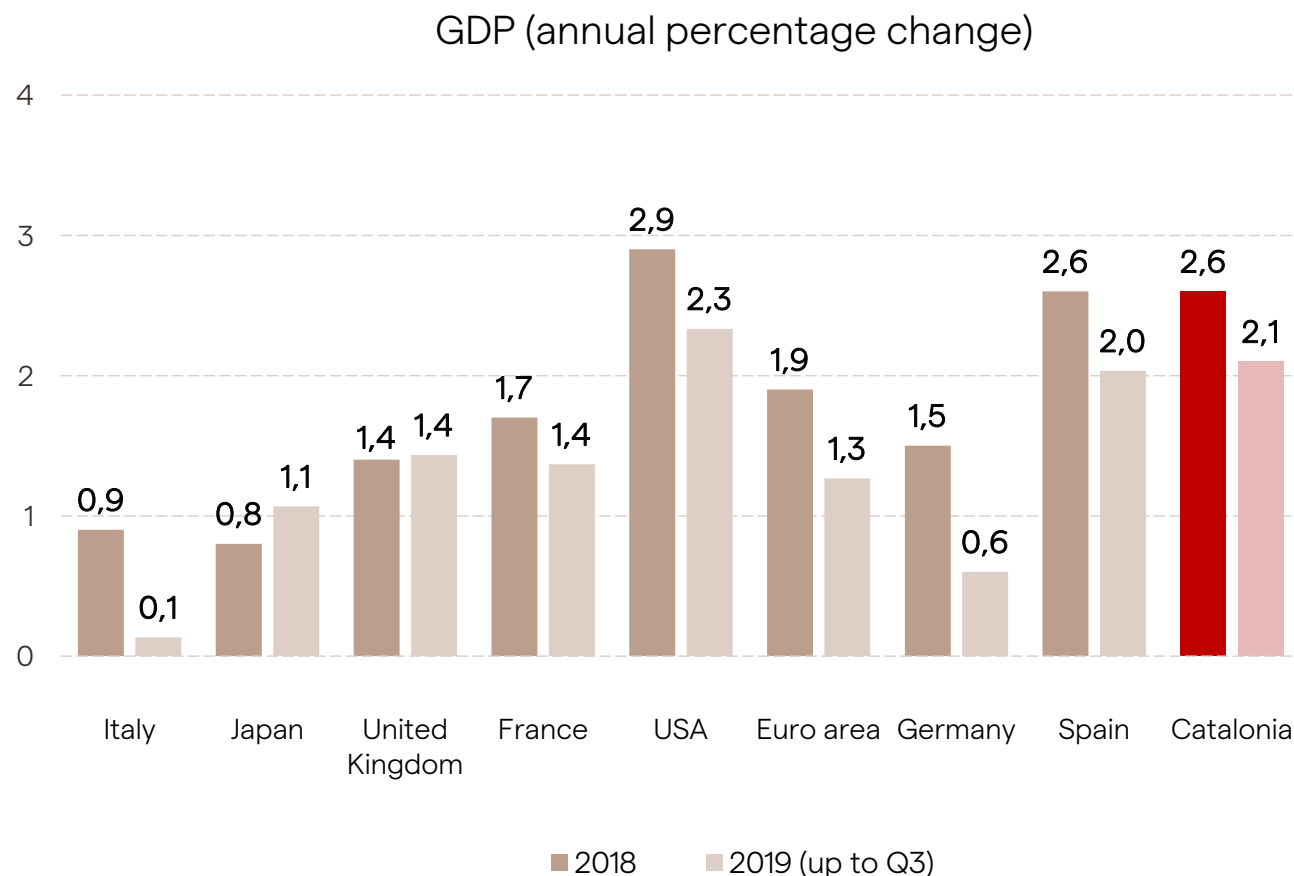
Source: Catalonia's macroeconomic scenario. 2019 and 2020 (June 2019).

2.1%

GDP growth in 2019 (annual average up to 2019Q3)

Slowdown in advanced economies due to trade tensions and geopolitical uncertainties, which have harmed the performance of international trade and industry.

The Brexit agreement and the US-China trade agreement could be a turning point, but uncertainties are still significant.

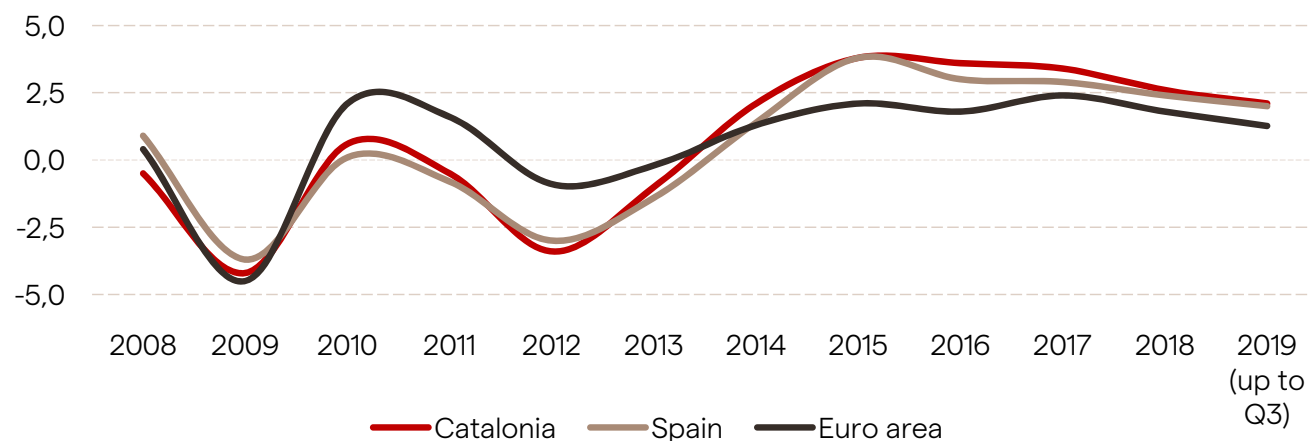


0.8 pp

above euro area annual growth
(average up to 2019Q3)

Economic growth during 2019 has been more moderate, but remains well above the euro area growth.

GDP (annual percentage change)

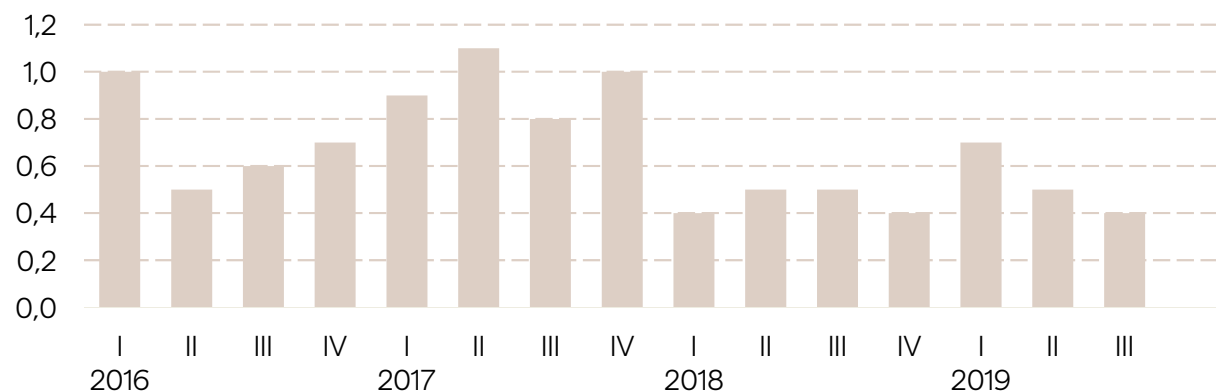


0.4%

quarterly growth in 2019Q3

The Catalan economy started to moderate in 2018, in line with the deterioration of the international environment (due to trade and geopolitical tensions).

GDP (quarter-on-quarter percentage change)



2.4%

increase in Social Security
affiliations in 2019 (annual
average)

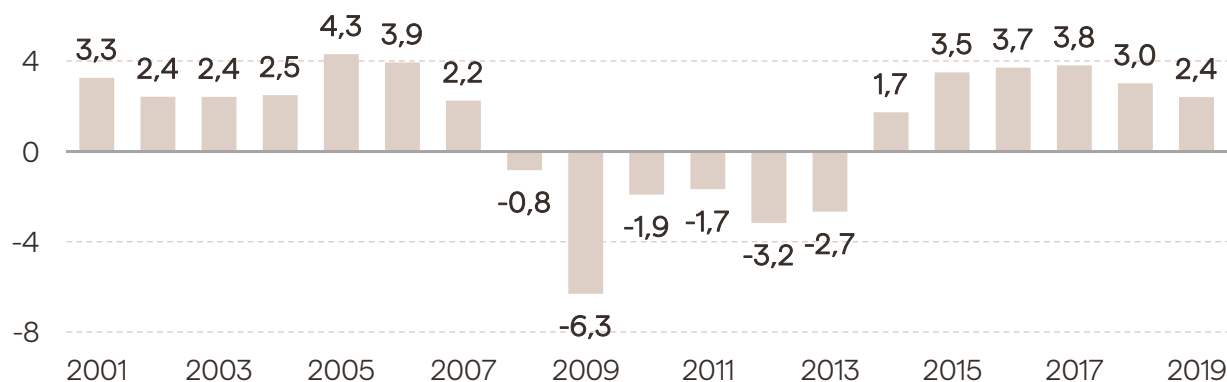
Despite the more moderate rate of
GDP growth, employment
continues to rise significantly

11.2%

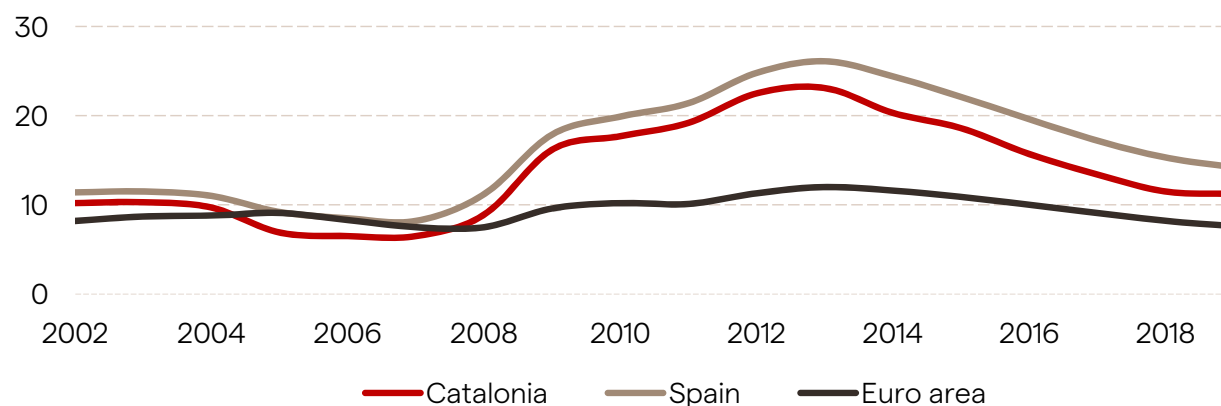
unemployment rate in
2019 (average up to
2019Q3)

The unemployment rate
experiences a modest decrease
because, despite the creation of
employment, the active population
rises strongly (2.3% year-on-year in
2019Q3)

Social Security affiliation (annual percentage change)



Unemployment rate (% unemployed/active population)



2.6%

affiliation increase in the
services sector

Employment growth in all main
sectors of activity in 2019.

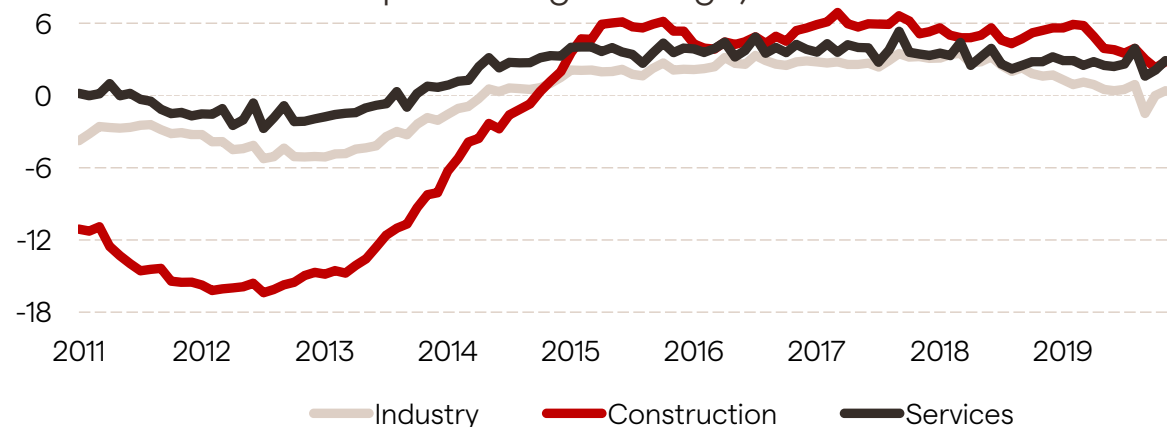
Employment grew strongly in the
services sector (2.6%), while it
slowed down industry due to its
greater external exposure.

40.1%

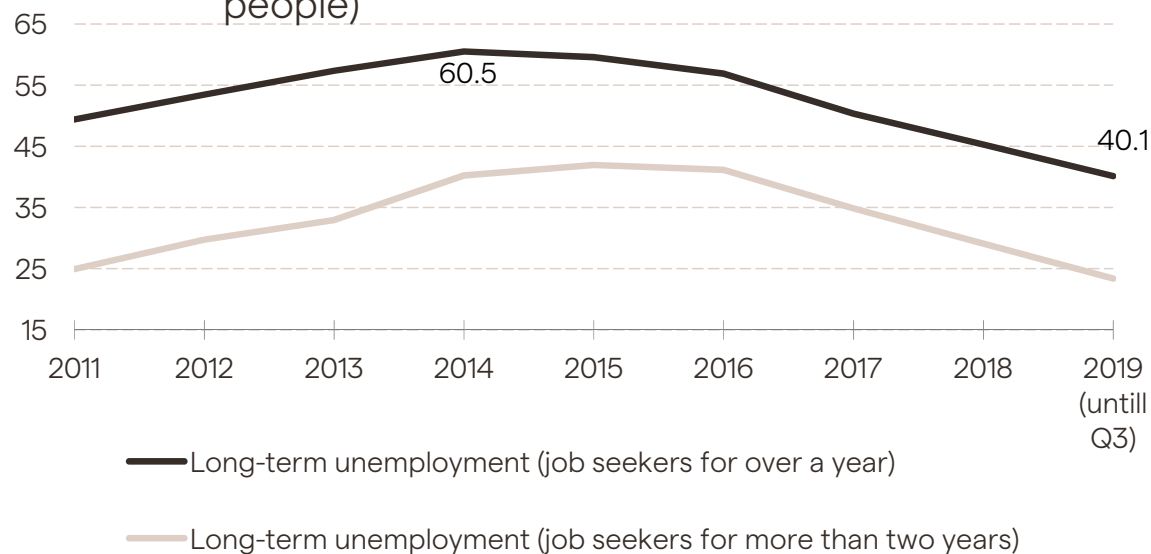
long-term unemployment

Ongoing and significant decrease
of long-term and very-long-term
unemployment. Long-term
unemployment goes from a
maximum of 60.5% in 2014 to 40.1%
in 2019 (up to Q3).

Social Security affiliation by sector (year-on-year
percentage change)



Long-term unemployment (% over unemployed
people)

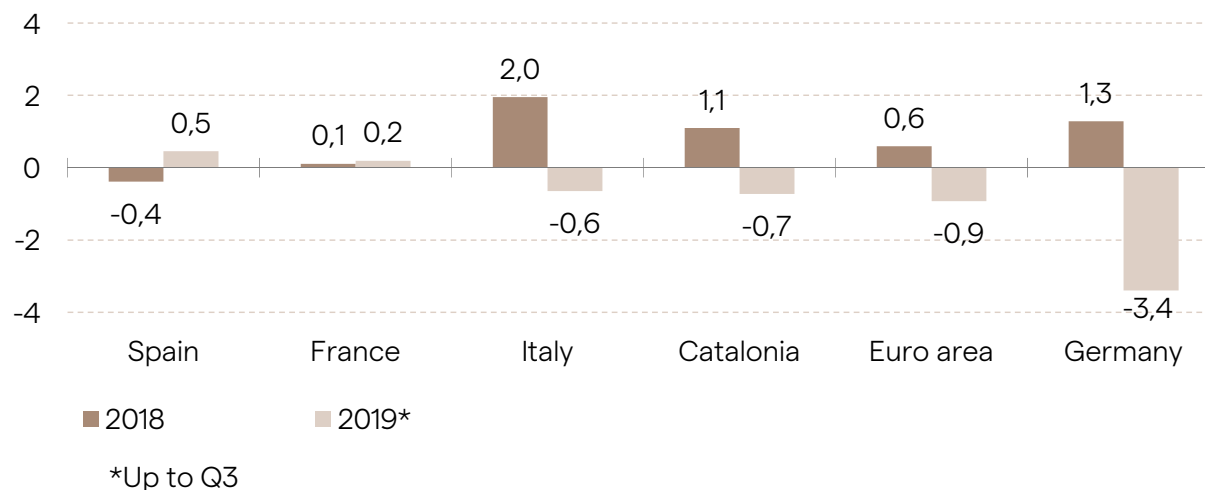


-0.7%

industry decline (up to Q3 2019)

One of the features of the current economic situation is the negative performance of industry in advanced economies. It is explained by transitory (commercial tensions) and structural factors (challenges such as the 4.0 revolution, new consumption patterns, the adjustment in the automotive sector, etc.). The weight of industry in Catalonia is higher than the European average and this increases exposure to global dynamics. The loss of dynamism in the Catalan case occurs after higher growth than in the neighboring economies during the recovery.

Evolution of industrial GVA
(percentage annual change)



Industry and Manufacture GVA in selected countries, 2018
(percentage of total)

	Manufactures	Total industry
Germany	22.7	25.4
Romania	22.0	26.1
Poland	19.1	25.0
Austria	18.9	22.1
Lithuania	18.4	21.4
Catalonia	17.7	20.7
Finland	17.5	21.0
Euro area (19)	16.9	19.7
Italy	16.8	19.6
European Union (28)	16.0	19.1
Bulgaria	15.5	21.6

12.2%

external balance over GDP

Catalonia has a large external balance. The foreign balance and the balance with the rest of Spain have similar figures. Catalonia has one of the largest external balances among EU countries, only behind Luxembourg, Ireland and Malta, and above open economies such as the Netherlands.

External sector of the Catalan economy, 2018

	% of GDP
Balance with the EU and the rest of the world	
Exports of goods and services	38.2
Imports of goods and services	32.5
Foreign Balance	5.7
Trade with the rest of Spain	
Balance with the rest of Spain	6.5
External balance	12.2

External balance in European countries, 2018

	% of GDP
Luxembourg	34.1
Ireland	31.2
Malta	21.4
Catalonia	12.2
Netherlands	10.6
Slovenia	9.5
Germany	6.8
Hungary	4.8
Euro area	4.4
Italy	2.5
Spain	2
United Kingdom	-1.5

64.3%

share of exports to EU-28

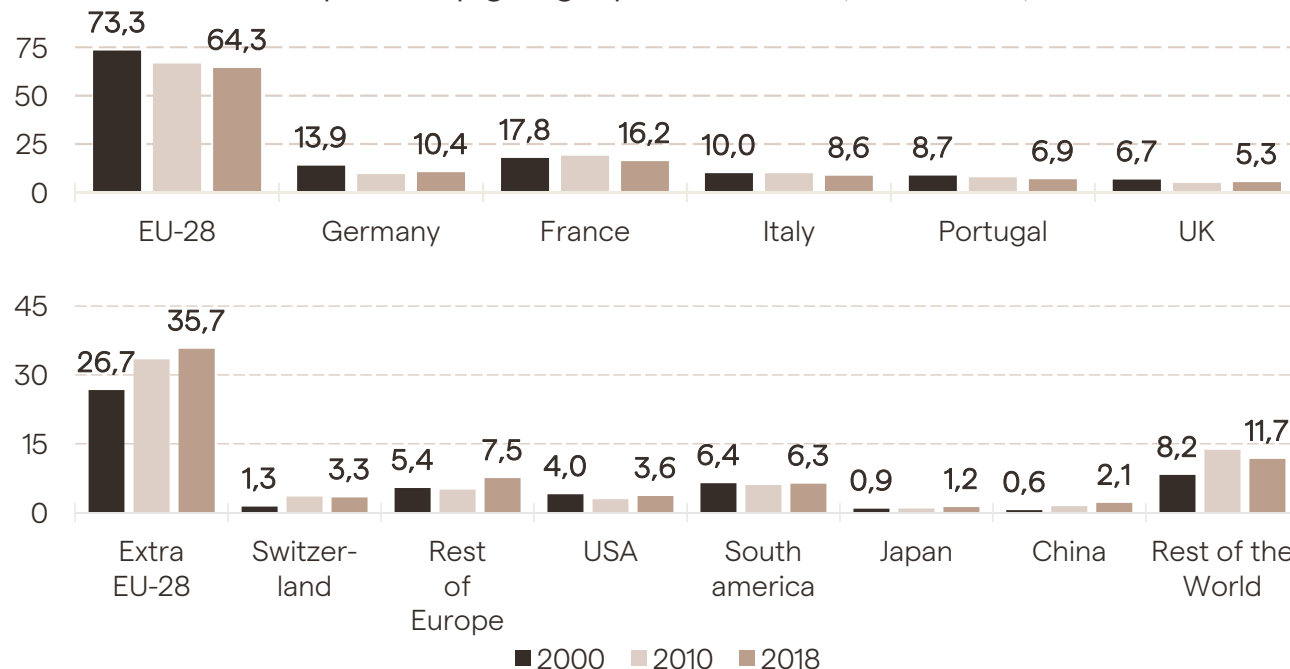
The EU is the main market for the Catalan exports of goods. Nevertheless, in recent years the share of exports to non-EU countries is increasing.

38.2%

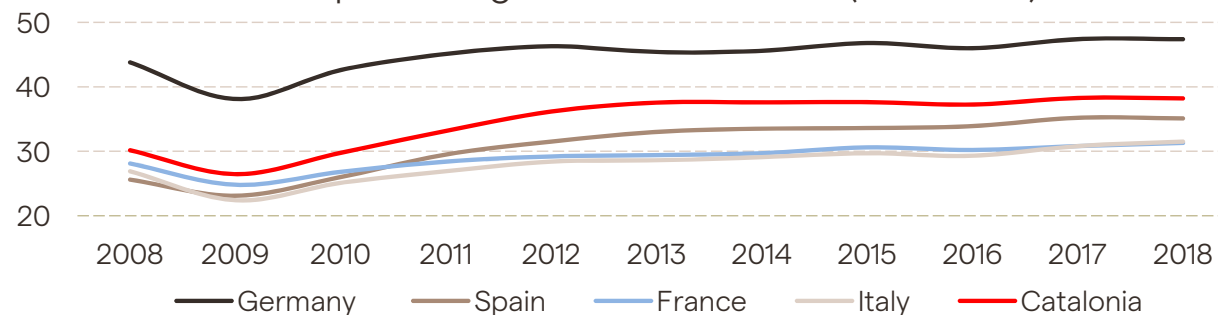
share of exports over GDP

The share of exports of goods and services over GDP is above that of Spain, France or Italy.

Exports by geographical areas (% of total)



Exports of goods and services (% of GDP)



19 million

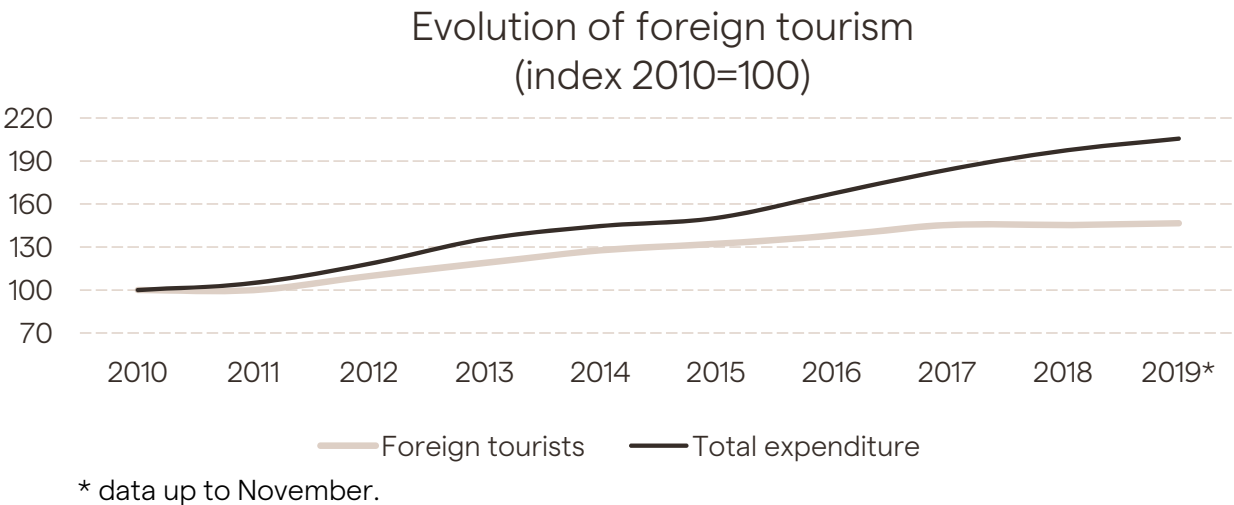
of foreign tourists in 2018

Foreign tourism grows steadily since 2010, and its expenditure even grows at a faster pace.

7.2%

increase of tourist expenditure

The total tourist expenditure was more than 20,000 million euros in 2018. One of the challenges of the Catalan economy is how to assimilate the increasing tourist flows among the territory. Lower seasonality and more diversification of tourism will be key elements to guarantee its quality and sustainability.



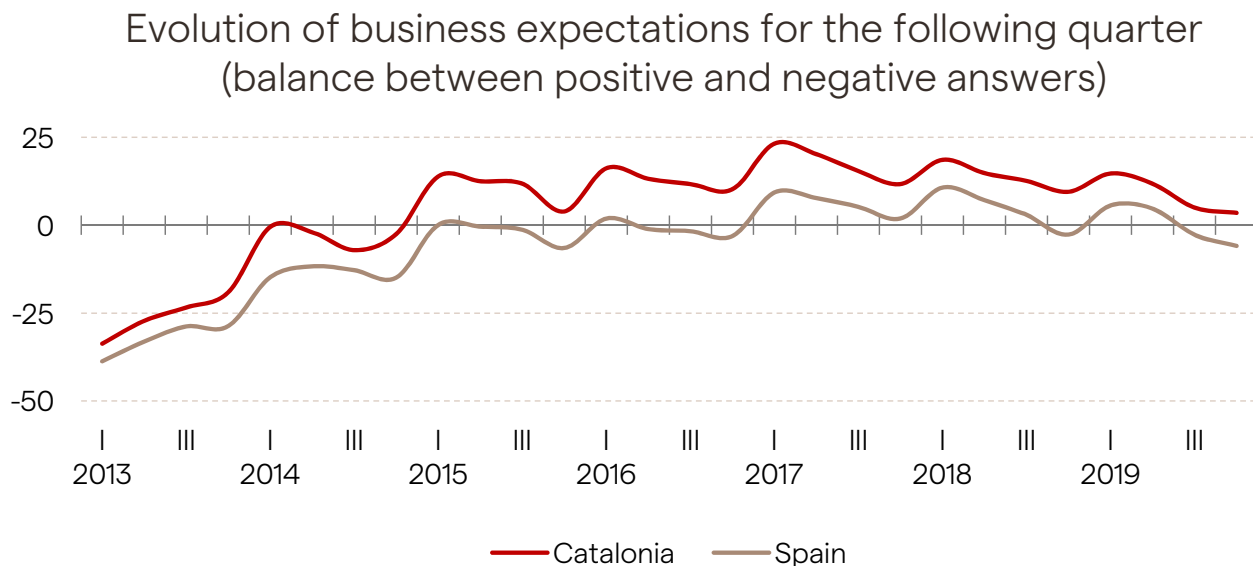
Tourist demand in Catalonia (2018)

	Tourists		Tourist Expenditure	
	Million travellers	% change	Million euros	% change
Foreign tourism	19.1	0.03	20,606	7.2

3.5 pp

business climate indicators

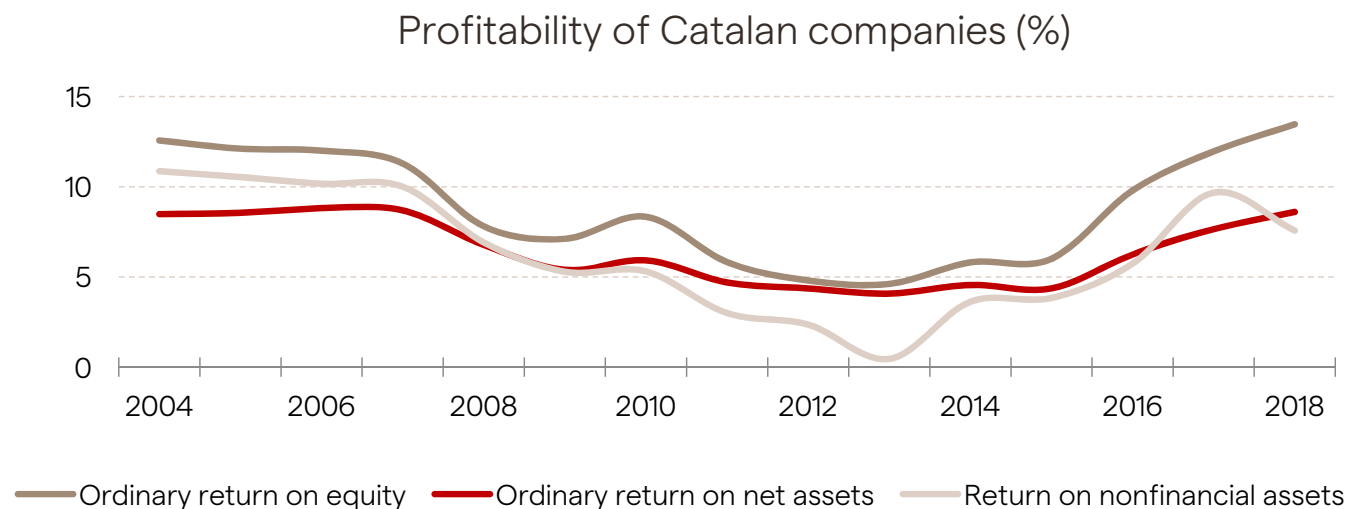
The business climate has been positive since 2015, with a similar evolution than Spain but with better expectations.



13.5%

return on equity

The return on equity and net assets of Catalan firms continues to increase.

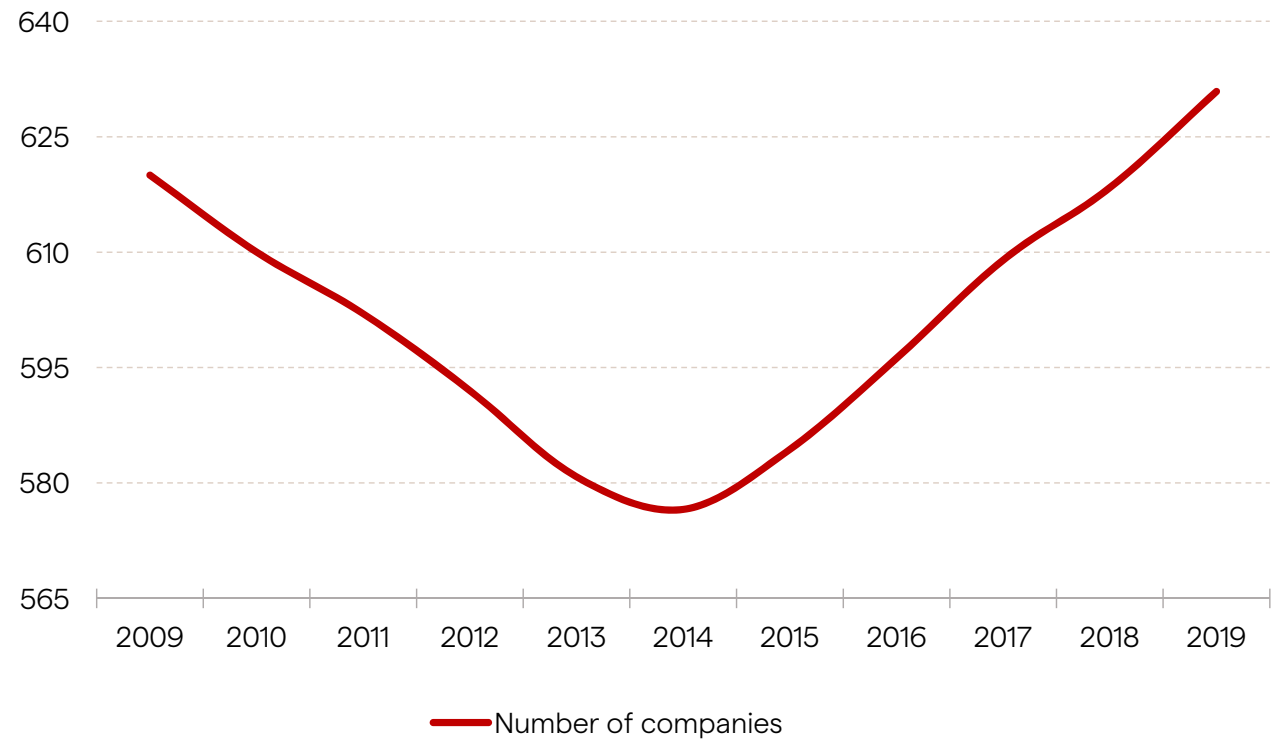


631

thousand companies with headquarters in Catalonia

The number of companies with registered offices in Catalonia grows by 2% during 2018. Catalonia has regained the number of companies it had 10 years ago (with more large companies and companies without employees).

Evolution of companies with head office in Catalonia*



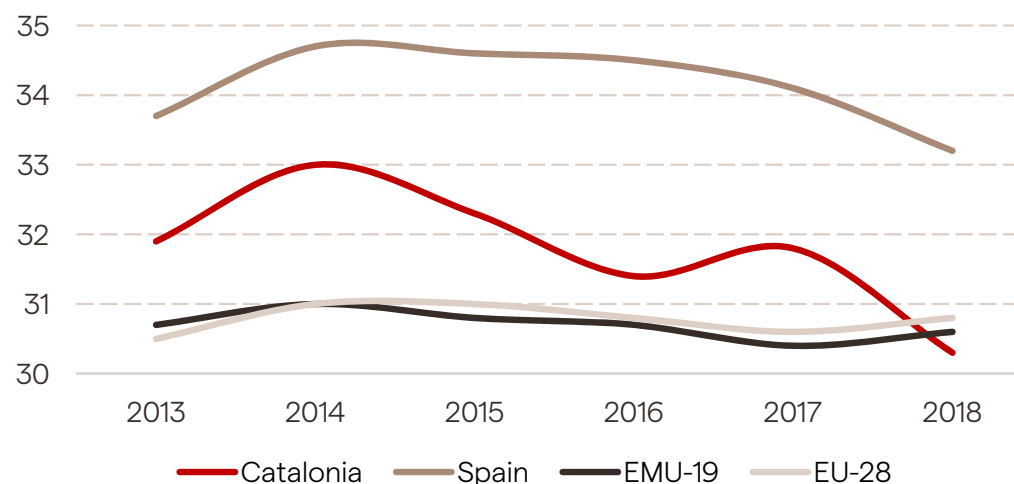
*Data on January 1st of each year. Data based on the methodology used up to 2018.

5.2

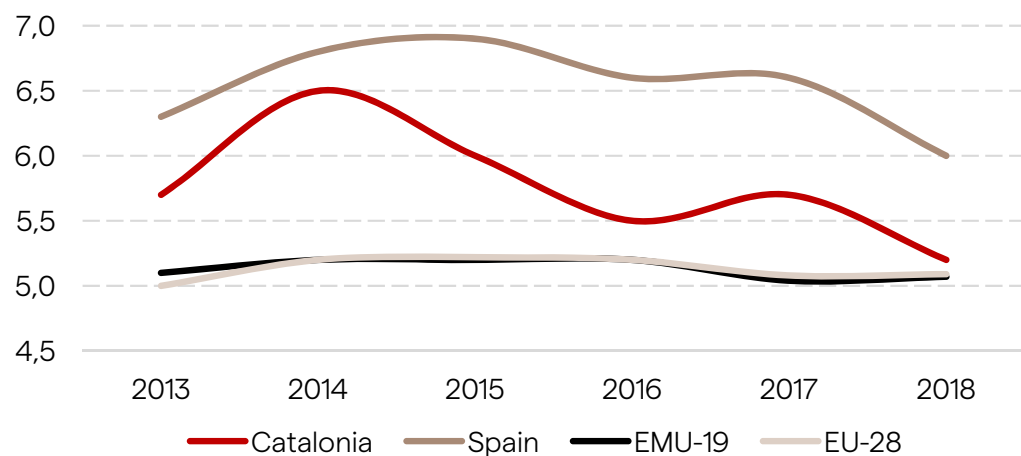
ratio S80/S20, that is the ratio of total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile)

The two main measures of inequality, the Gini index and the S80 / S20 ratio, decreased in 2018 and show the lowest value in the homogeneous series, which begins in 2013. The level of inequality measured with the S80 / S20 ratio is, however, still above the EU and the euro area.

Gini coefficient



S80/S20 ratio





Budget 2020, Catalonia 2030.

Law 4/2020

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Country of
shared
prosperity.



Generalitat de Catalunya
Government of Catalonia