

PGC'23

Catalonia
Budget 2023



**Generalitat
de Catalunya**

Act 2/2023

**Per transformar Catalunya,
sempre endavant**

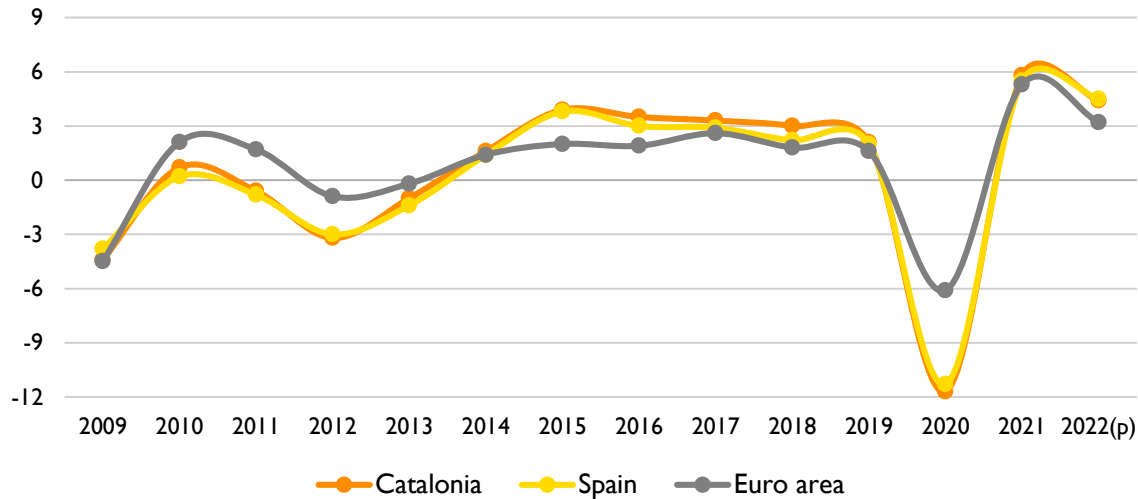


ECONOMIC AND SOCIAL CONTEXT

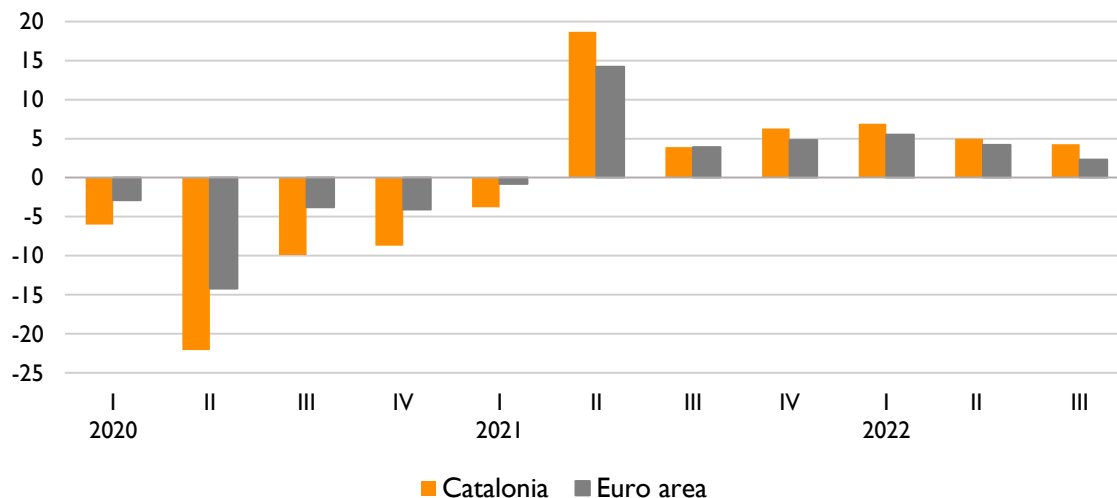


GDP keeps significant growth despite the context of global tensions

GDP evolution (% annual variation)



Year-on-year GDP growth by quarters (%)



Source: Idescat, Eurostat and European Commission.

4.4%

Growth forecast for 2022

After the GDP decline suffered in 2020 following the outbreak of the health crisis, the Catalan economy grew by 5.8% in 2021. The pre-pandemic balanced growth pattern is being restored, alongside greater diversification and a positive contribution from the external sector.

For the year 2022, marked by minimal health restrictions and global tensions, a growth increase of around 4.4% is estimated.

The economy is resilient and keeps growing above its surroundings

The Catalan economy withstands better than expected a few months ago, given the setting of strong inflationary pressures and rising interest rates. In the third quarter of 2022, the year-on-year increase in GDP accounts for 4.3% in Catalonia and 2.3% in the Euro area, becoming the sixth quarter in a row in which Catalan growth has exceeded that of the Euro area.

The 2023 GDP forecast shows a balanced external demand and an increase in investment that is notable considering the underlying uncertainty

Catalonia's macroeconomic forecasts

		2021	2022 (p)	2023 (p)
GDP	% change in volume	5.8	4.4	1.7
Domestic demand	Contribution to growth	4.7	2.3	1.7
Household consumption expenditure	% change in volume	5.2	1.9	1.8
Public administration consumption expenditure (1)	% change in volume	3.3	1.3	0.5
Gross capital formation (2)	% change in volume	8.1	6	3.6
External trade balance	Contribution to growth	1.1	2.1	0.1
Foreign trade balance	Contribution to growth	0.7	2.7	0.1
Total goods and services exports	% change in volume	13.8	15.9	2.8
Total goods and services imports	% change in volume	13.8	10.2	3.3
Balance with the rest of Spain	Contribution to growth	0.4	-0.6	0
Employment creation (3)	% change	7.9	2.5	1.2
Unemployment rate	unemployed / labour force (%)	11.6	9.5	9.4

(p) October 2022 forecast

(1) Includes consumption expenditure of non-profit institutions serving households

(2) Includes stock variation

(3) Full time equivalent jobs

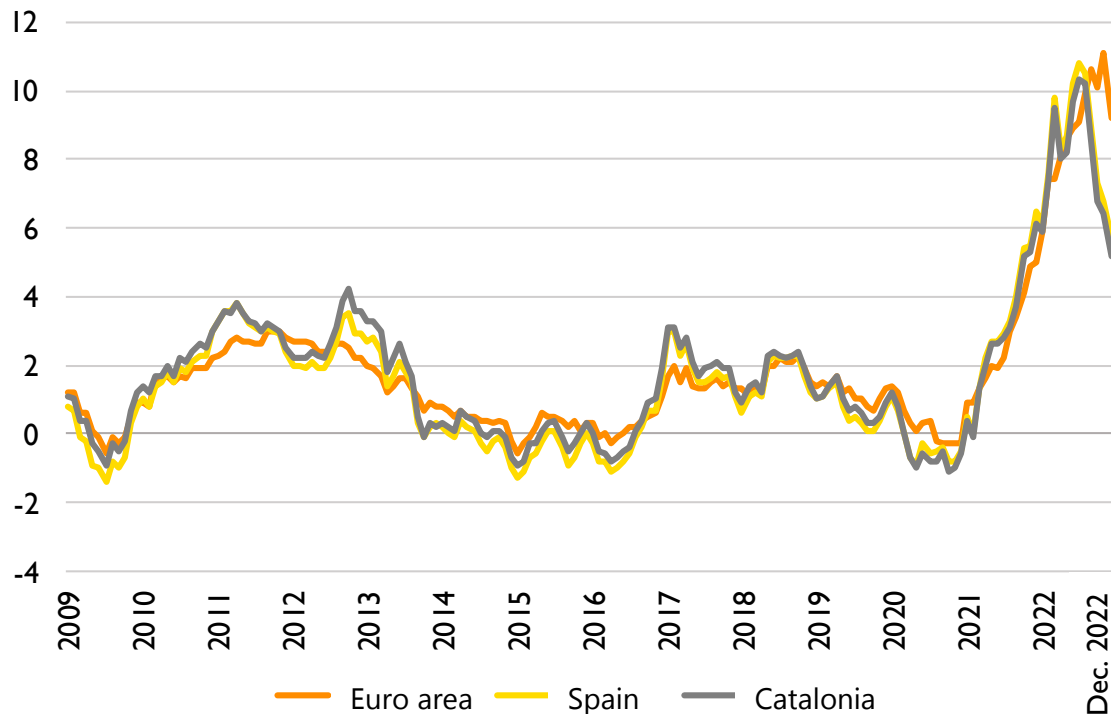
1.7%

Expected GDP growth in 2023

For 2023, there is an increasing likelihood that the central scenarios from the latest forecasts are being met. They predicted a slowdown in activity but not a recession. However, the degree of uncertainty remains very high.

Inflation remains high but shows the first signs of containment and falls below European figures

Consumer Price Index evolution (% annual variation)



5.2%

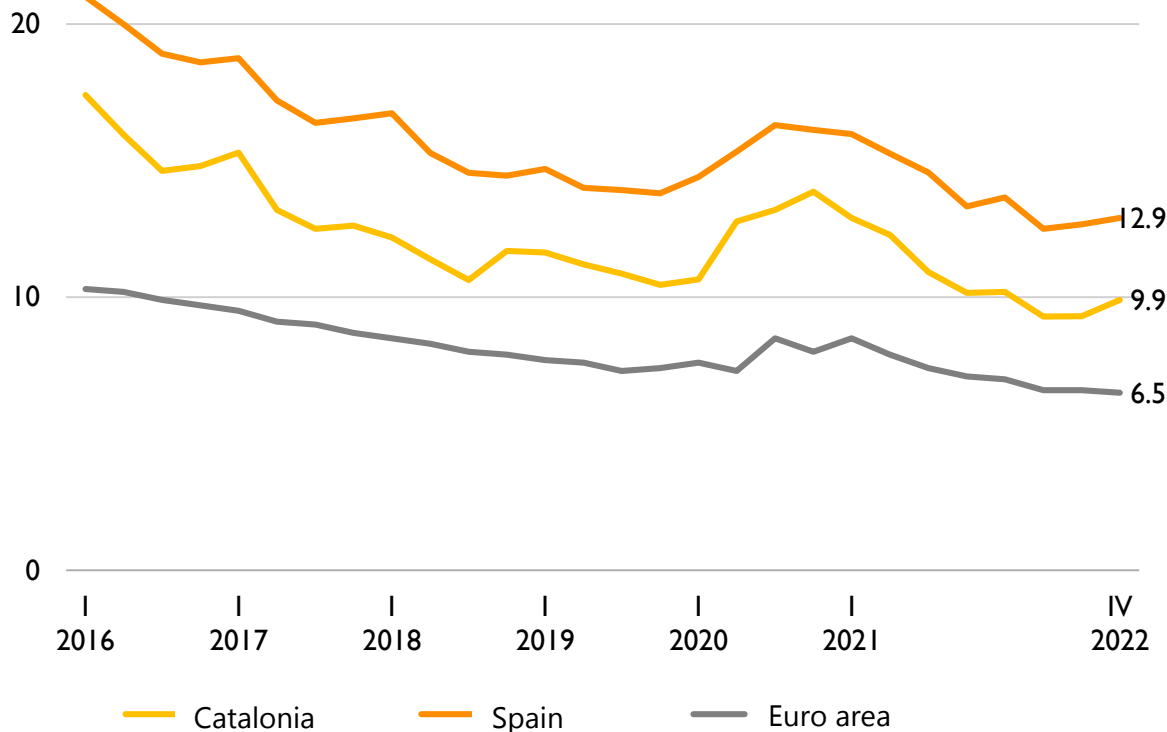
Year-on-year increase of price levels in December

During December, inflation continues to moderate in Catalonia, mostly due to the decline in energy prices. A similar pattern can be observed in the Euro area, with the corresponding index falling down to 9.2% (provisional data).

The gradual stock recovery and the mentioned de-escalation of energy prices has allowed the price level to move away faster than anticipated from the maximum values recorded a few months ago. Still, inflation is expected to remain high in the medium term.

The unemployment rate reaches its lowest level since 2008

Unemployment rate (% unemployed/labour force)



9.9%

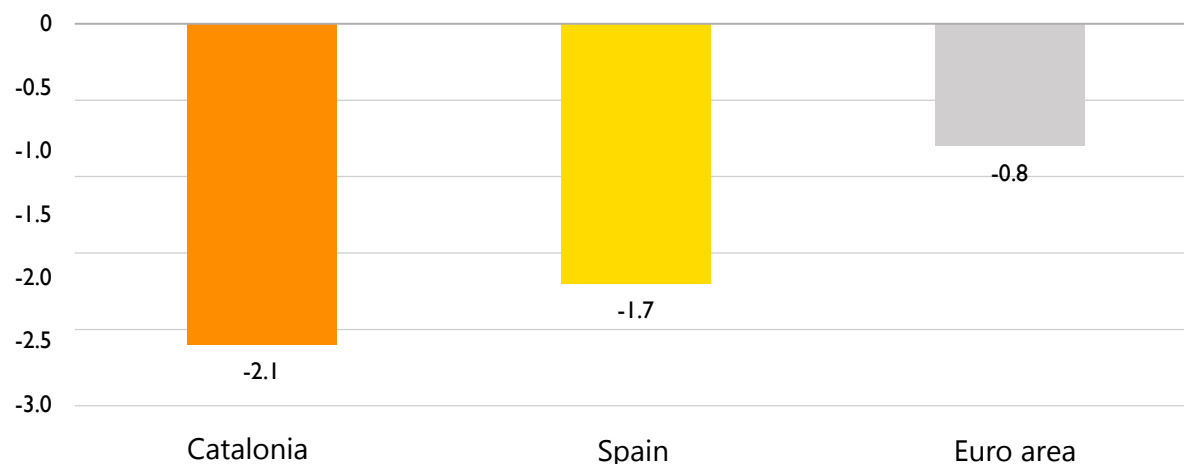
Unemployment rate in Q4 2022

In the fourth quarter of 2022 the unemployment rate stands 0.5 percentage points below pre-pandemic levels (Q4 2019). The average unemployment rate in 2022 is 9.9%, the lowest annual rate since 2008.

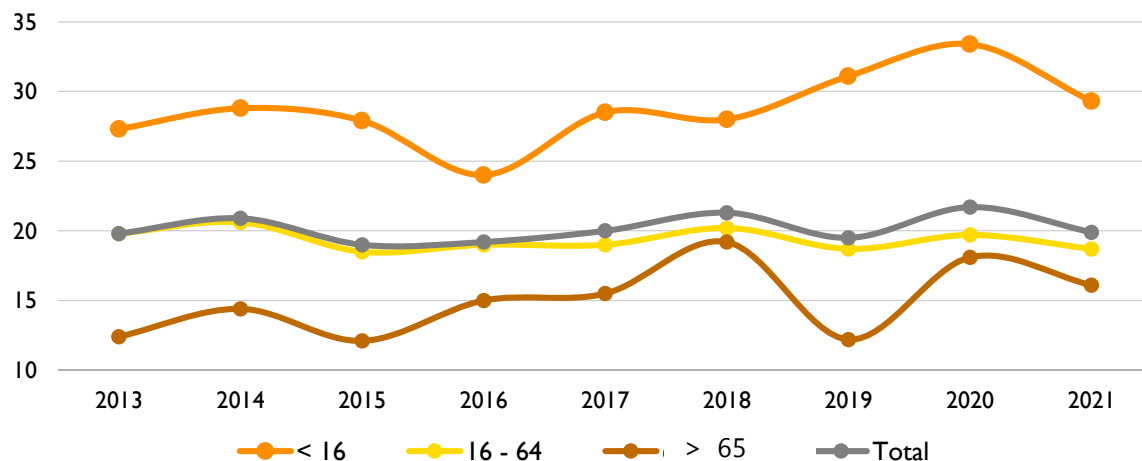
The labour market shows remarkable resilience: Social Security affiliations increased by 2.8% year-on-year in the 4th quarter, and registered unemployment decreased by 6.2% in December. Furthermore, in the cumulative total of 2022, permanent contracts account for 41.4% of new contracts, well above the 15% of the last few decades.

The welfare state prevents strong surges in inequality and poverty during the pandemic

Reduction of the Gini Index between 2014 and 2021



At-risk-of-poverty rate by age (%)



Source: Idescat.

Note: the reported year refers to the edition of the Survey on Living Conditions, which takes into account income from the previous year.

-1.8 pp

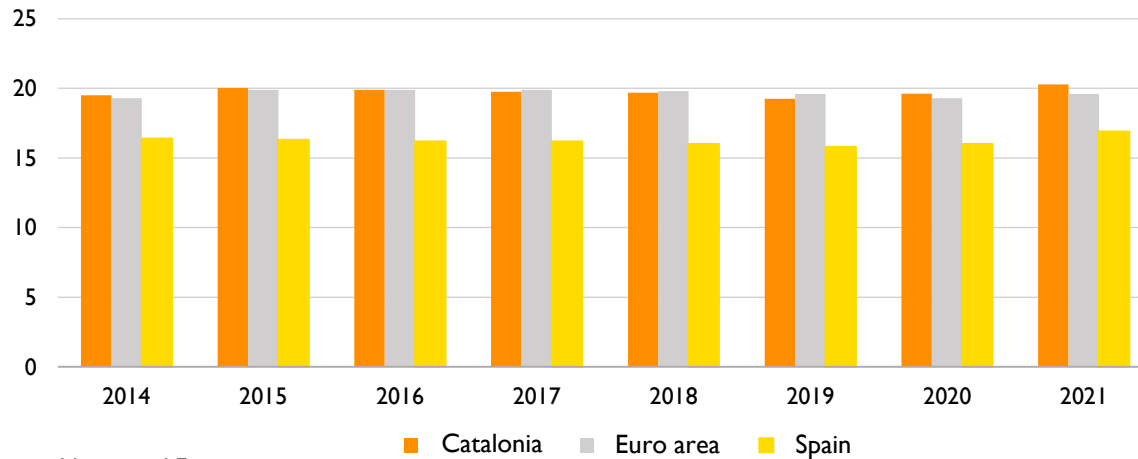
Reduction of the at-risk-of-poverty rate in 2020

The at-risk-of-poverty rate lowered by 1.8 percentage points during the pandemic year, and inequality was slightly reduced thanks to the impact of public transfers. As measured by the Gini index, the reduction in inequality in Catalonia between 2014 and 2021 was 2.1 (0.8 in the EU27).

An age bias can be found in some welfare indicators: young people score worse records in average income, at-risk-of-poverty rate and severe material deprivation, while those aged 64 and over show a much more favourable situation in these three indicators.

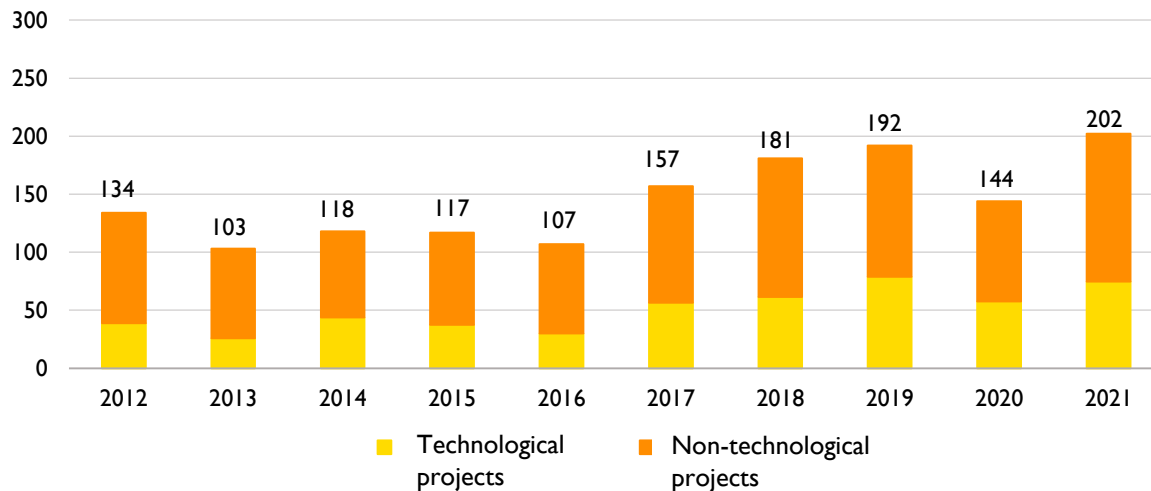
The Catalan economy keeps its industrial role and continues to be an attractive hub for foreign investment

Weight of the industrial GVA (%)



Source: Idescat and Eurostat.

Number of FDI projects received in the years 2012-2021



Source: ACCIÓ using data from fDi Markets

20.3%

Weight of the industrial GVA in Catalonia in 2021

The industrial sector, one of the pillars of the Catalan economy, has a higher weight than that of the average of the Euro area (19.6%).

In 2021, Catalonia has recovered the level of foreign direct investment (FDI) projects, even surpassing pre-pandemic values. The number of projects has increased by 40% since 2020 and by 50% since 2012. 2021 records the highest number of FDI projects in Catalonia and the third in terms of the ratio of technological projects, which account for 37% of the total projects.

The progress and well-being of a society have a multidimensional nature and go beyond GDP

Living and work conditions



Average annual net income of households (€)	34,983 ▼
S80/S20	5.4 ▼
AROPE rate (%)	25.9 ▼
AROPE rate. Women (%)	27.2 ▼
AROPE rate. Under 18 years old (%)	31.8 ▼
At-risk-of-poverty rate (%)	19.9 ▼
In work at-risk-of-poverty rate (%)	10.8 ▼
Low work intensity (%)	9.6 ▼
Severe material deprivation rate (%)	9.0 ▲
Relative median at-risk-of-poverty gap (%)	29.5 ▼
Coverage of unemployment benefits (%)	29.9 ▼
Employment rate from 20 to 64 years old (%)	73.1 ▲
Unemployment rate (%)	11.6 ▼
Unemployment rate. Women (%)	12.9 ▼
Unemployment rate. Youth (%)	28.9 ▼
Long-term unemployment rate (%)	4.8 ▲
Very long-term unemployment rate (%)	2.6 ▲

Housing



Household income devoted to primary housing expenses (%)	27.9 ▲
Delays in payment of primary housing expenses (%)	13.0 ▲
Housing suffering from dampness, lack of light and pollution (%)	38.6 ▲
Rooms per person (average)	1.9 ▲

Health



Life expectancy at birth (years)	82.4 ▼
Healthy life expectancy at birth (years)	82.3 ▲
Good self-perceived health status (%)	81.5 ▼
Overweight prevalence among children aged 6-14 (%)	40.4 ▲
Prevalence of smoking among persons aged > 15 years (%)	22.6 ▼
Children aged 4-14 suffering from mental health problems (%)	9.4 ▼
Adults suffering from depression or anxiety (%)	20.8 ▲
Citizen satisfaction with the health care system (%)	86.4 ▼

Environment



Greenhouse gas emissions index (index 100=1990)	120.9 ▲
Renewable energy consumption (%)	9.9 ▲
Farmland birds index (index 100=2002)	95.6 ▼
Selective waste collection (%)	45.9 ▲
Concentration level of air pollution by suspended particles (µg/m³)	21.0 ▼

Inclusion, rights and participation



Trust in Catalan politicians (out of 10)	3.4 ▼
Trust in the courts of justice (out of 10)	4.3 ▲
Female mayors (%)	22.9 ▲
Perceived level of widespread corruption among politicians (%)	50.2 ▼

Education



Population aged 30 to 34 with tertiary educational attainment (%)	53.0 ▲
Population aged 20 to 24 that has completed secondary education (%)	77.9 ▲
Early leavers from education and training (%)	14.8 ▼
Young population aged 15 to 29 neither in employment nor in education and training (%)	15.1 ▼
Last year secondary education's test low performance students (proportion)	3/5 ▲
Last year secondary education's test high performance students (proportion)	0/5 =
Life-long learning of the population aged 25 to 64 (%)	13.0 ▲

Safety and transportation



Citizen safety perception (%)	16.7 ▼
Crimes against property (volume)	380,595 ▲
Traffic deaths (volume)	204 ▼

Leisure and culture

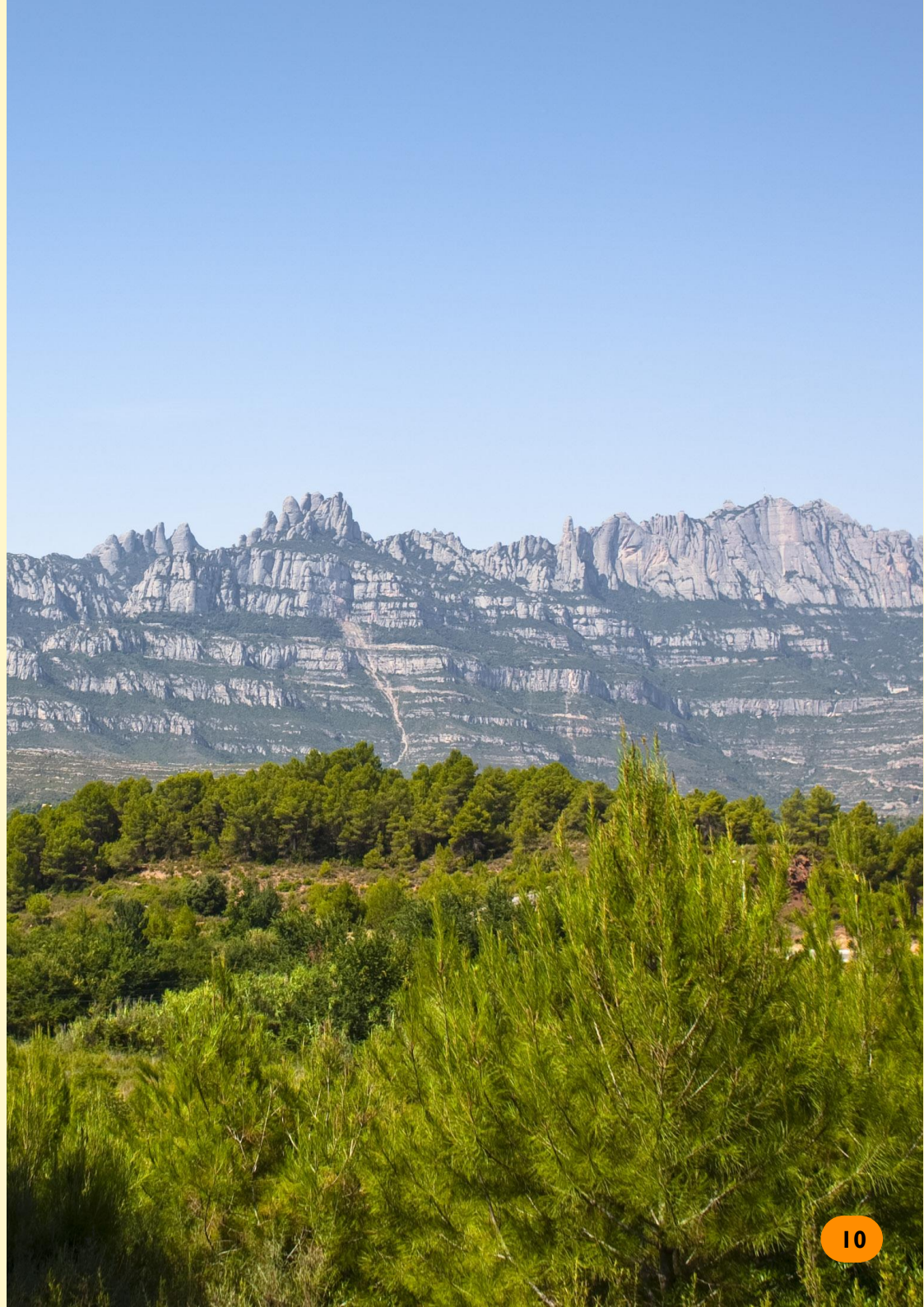


Household spending on cultural services (%)	0.2 ▼
Healthy physical activity in the population aged 15 to 69 (%)	83.7 ▲
Regular Internet users (%)	93.5 ▼
Active leisure among children aged 3 to 14 (%)	31.7 ▲

Source: Idescat.

Note: The figures show the value of the indicator in the corresponding unit (% or number). The arrows indicate the increase or decrease in the value of the indicator between the available periods.

BUDGET 2023 MAIN LINES OF ACTION



Main lines of action



A NEW IMPULSE FOR TRANSFORMING CATALONIA

A budget in which Generalitat's expenditure increases by 3,842 M€ to push for major transformations aiming at addressing the new social, economic and climate challenges faced by the country. But also to seize innovation opportunities as those offered by the Next Generation Funds; while maintaining rigorous management of public finances.



ACTIVATES AN ECONOMIC AND SOCIAL SHIELD

A budget to mitigate the effects of inflation and the energy crisis on citizens and businesses, but also to strengthen public services and fight against structural inequalities, ensuring that all people throughout the territory enjoy a dignified life.



DEPLOYS AND ACCELERATES THE GREEN TRANSITION

A budget to tackle climate change that includes ambitious actions in the field of energy transformation and commits to decarbonizing industry and homes, and pursues the permanent eradication in Catalonia of pollutants such as asbestos.



PROMOTES SHARED PROSPERITY

A budget to advance towards a more fair, inclusive and feminist model of society, based on new ways of producing and consuming; that contributes to the reindustrialization of Catalonia and favours the use of advanced technologies to achieve sustainable and environmentally-respectful economic growth.

Budget highlights

41,025 M€

Total Generalitat's expenditure

A new historical maximum is achieved (chapter 1 to 8).

+3,842 M€

Expenditure increase without NGEU

The increase in revenues allows for a 10.7% expenditure increase without NGEU funds.

1,185 M€

Next Generation funds

686 M€ from the Recovery and Resilience Mechanism and 499 M€ from the REACT funds.

+10.7%

Expenditure increase

Highest annual increase in absolute terms since 2006 (chapters 1 to 8, excluding NGEU).

0.3%

Deficit over GDP

Equivalent to 791 M€. This is the reference rate for obtaining financing.

32.7%

Debt over GDP

Reduced by 1.3 percentage points compared to 2022.



Activates an economic and social shield



Social benefits increase favouring more than 100,000 families

The Catalan Sufficiency Income Indicator has been updated for the first time since 2010, reflecting an increase of 8%. The Guaranteed Citizenship Income increases from 664€ to 717€/month, and the income to a family of 5 or more from 1,208€ to 1,305€/month



Public transport price reductions

71 M€ to expand fare discounts, as well as the gratuity of the T-16 and extending the T-Jove pass eligibility up to the age of 30.



Housing policies promotion

180 M€ for the widening of the public housing stock, 88 M€ for rental payment aids and 25 M€ for equipping emergency shelters with housing.



Strengthening the healthcare system to overcome the damage caused by COVID

Increase of 1,284 M€ to improve the working conditions and salaries of healthcare professionals; to recruit 4,370 more individuals into the system; to provide more resources into primary care (+279 M€), mental health and the reduction of waiting lists and to promote investments (Vall d'Hebron, Trueta, Clínic, Parc Salut Mar, Tortosa, Vendrell, Calella, Blanes and La Seu d'Urgell).



Halving the waiting lists for dependency

106 M€ for the creation of 2,000 new residential places and day canters, with the aim of achieving a maximum waiting time of 6 months (within 3 years). An additional 30 M€ assigned to economic benefits to support 10,500 families in accessing family caregivers.





Activates an economic and social shield



Strengthening the pillars of the education system

6,800 teaching positions in the education System are consolidated. Funding for kindergartens increases by 52 M€ to guarantee the free provision of I2, while 55 M€ are allocated for the implementation of the Pact against school segregation and 63 M€ for inclusive education. Additionally, 39 M€ are budgeted for updating education agreements, and an extra 26 M€ (bringing the total to 138 M€) for the Educational Facilities Plan.



A 27% increase in equality and feminism policies

Improvement of services for attention to domestic violence and increased contribution to municipalities for emergency situations (38.5 M€); care policies, especially services for childcare and youth care (26 M€); migration, refugee and anti-racism policies (16 M€).



Additional resources for security and emergency policies

The allocation for these policies increases by 221 M€ (14.7%), allowing for a 20.4% increase in investments by the Department of Interior, which include, among others, the construction of the Manresa community police station, the Jonquera police station, and the new fire stations in Terrassa and Tarragona.



Increase in social services fees

The 3% increase in social service fees, effective as of January 1st 2022, is consolidated, and during the Q1 2023, a new 4% increase will be implemented, both of them aimed at improving the remuneration and working conditions of the sector.



Integrated Social and Healthcare Services

Expansion of the territorial deployment of the Integrated Social and Health Care System.





Deploys and accelerates the green transition



Commitment to sustainable mobility

Investment in railway infrastructure is increased by 79 M€, reaching a total of 768 M€ for the operation and expansion of various metropolitan railway lines and FGC. The deployment of new railway sections in the region continues, with the completion of the first phase of the Camp de Tarragona Tram, expected to be operational by the end of 2026. Additionally, 63 M€ allocated to expanding the network of electric vehicle charging points.



Reinforcement of water resource management and development policies

700 M€ for improving water treatment plants, irrigation systems, aquifer management, and investment in water recovery infrastructure.



More renewable energy to increase energy sovereignty

Promoting the generation and storage and renewable energy with 180 M€ to accelerate domestic and industrial self-consumption (50% more than in 2022) and 25 M€ for bioenergy and biomass plants.



Asbestos eradication

10 M€ to endow the fund for the definitive eradication of asbestos in Catalonia.



Launching of Energètica pública

25 M€ allocated to Energètica to foster, among other projects, the installation of solar roofs in public buildings (starting with high schools, with a minimum projection of 15 MW), and on public land or under public ownership (such as pedestrian areas and pilot projects in the Segarra-Garrigues area), as well as to promote shared self-consumption projects and energy communities.





Deploys and accelerates the green transition



Energy efficiency measures

114 M€ to air-conditioning classrooms in educational centres and installing automatic lighting systems for public buildings.



Impetus to the Green Neighbourhood Law

Creation of the Technical office to deploy the “Green Neighbourhood Law” and allocation of 78 M€ for the energy-efficient rehabilitation of buildings in economically vulnerable areas.



Forest sustainability and biodiversity

120 M€ for sustainable forest management to increase the resilience of forests against natural disasters and to promote research in the field of prevention of fire risks and creation of infrastructures for protection, conservation and improvement of natural heritage and biodiversity in the territory.



Industry decarbonisation

Including the project to advance in the decarbonisation of the chemical industry in Tarragona through green hydrogen (5 M€), in collaboration with URV, UPC, Eurecat and ICIQ.



Prevention and environmental control

78 M€ for environmental prevention and control measures aimed at combating climate change, mitigating its effects and improving people’s quality of life.





Promotes shared prosperity



Implementation of the National Pact for the Industry

680 M€ to ensure the execution of the entire budget allocated in the National Pact for the Industry.



Deployment of the Law on Science

20 M€ to launch its deployment this year and an increase of 4.6 M€ for CERCA centres. Overall, the budget allocation for R+D+I policies adds up to 898 M€



Extending the public fibre optic network

140 M€ for the development of a public fibre optic network throughout the territory.



More funding for Universities

113 M€ increase in University funding. For the first time, the item exceeds 1,000 M€ (1,082 M€), including 56 M€ for the improvement of buildings and facilities, 93.5 M€ to compensate for the reduction in university tuition fees and 10 M€ for the teaching improvement incentive program.



Reinforcement of the Vocational Training system

An additional 99 M€ for the promotion of Vocational Education and Training, the salary equalization of VET teachers, the consolidation of the increase in job positions and the creation of new groups. Developing, altogether with employers' associations and unions, the first General Prospective Report 2023-2026, to adjust positions according to training needs and demands.





Promotes shared prosperity



Strong increase in support for culture

For the first time, 1.5% of the entire budget will be allocated to Culture; this Department's allocation represents a 27% growth with respect to 2022, 101 M€ more.



Support for language

59 M€ for supporting the dubbing and subtitling in Catalan of videogames and new audio-visual formats, for grants to promote Catalan, Occitan (Aranese in the Aran Valley) and Catalan sign language, and for expanding the range of Catalan language courses.



Sports and physical activity as essential goods

The endowment is increased by 21% up to 97.4 M€, and the development of a multi-year plan for adapted sport is planned.



Plan to promote the sustainability of agriculture, livestock and fishing

32 M€ to activate calls for investment support aid lines to promote the achievement of climate objectives, environmental conservation and the decarbonisation of the agricultural and livestock sector, with simplified and more accessible procedures.



Finestreta Única and Economic Activity Facilitation Law

Deploy at the technological and operational level the provisions of Law 18/2020 on the facilitation of economic activity, to expedite the opening of businesses in Catalonia; to strengthen the OGE team to support companies that want to develop a Strategic Business Project and to promote proactive services for companies, based on data analytics and unified processing.

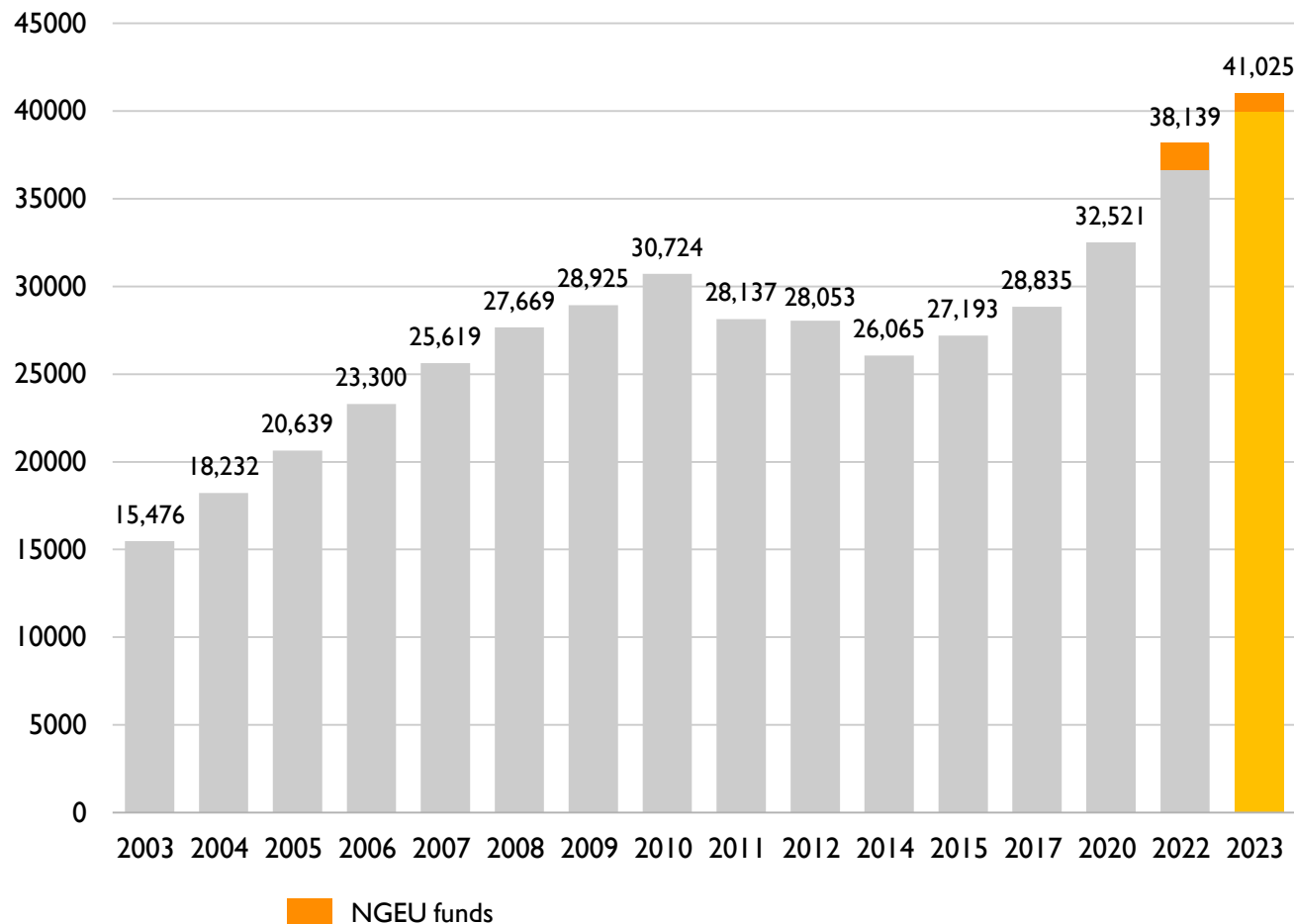


BUDGET HIGHLIGHTS



Generalitat's budget reaches a new all-time maximum

Generalitat's expenditure (chapters 1 to 8) M€



41,025 M€

Budget of the Generalitat de Catalunya with NGEU funds

Excluding NGEU funds, Generalitat's expenditure goes from 35,997 M€ in 2022 to 39,839 M€ in 2023, 3,842 M€ extra. This represents the highest annual growth since 2006.

Generalitat's revenues and expenditure

Limit in Generalitat's expenditure M€

	2022	2023	Var in M€	Var in %
Non-financial revenues (non-earmarked)	27,256	31,408	4,152	15.2
Deficit margin	1,487	791	-696	-46.8
ESA adjustments	1,272	1,282	10	0.8
Limit in non-financial expenditure (non-earmarked)	30,015	33,481	3,467	11.5
Earmarked revenues (including NGEU)	7,788	7,089	-699	-9.0
Earmarked ESA adjustments	183	305	122	66.8
Limit in non-financial expenditure	37,986	40,876	2,890	7.6
Financial expenditure (chapter 8)	154	149	-5	-3.0
Limit in Generalitat's expenditure (chapter 1 to 8)	38,139	41,025	2,885	7.6
NGEU funds	2,142	1,185	-957	-44.7
Limit in Generalitat's expenditure excluding NGEU (chapters 1 to 8)	35,997	39,839	3,842	10.7

+10.7 %

Expenditure increase

Higher revenues allow for an expenditure increase of 3,842 M€, considering earmarked funds except for the NGEU ones.

Generalitat's revenues

Generalitat's non-financial non-earmarked revenues

M€

	2022	2023	Var in M€	Var in %
Regional financing system (Advanced payment and settlements)	20,932	25,236	4,304	20.6
Own and transferred taxes	4,684	4,964	279	6.0
Mossos and DA3a	536	536	0	0.0
VAT (extraordinary resources)	500	0	-500	-100.0
Rest	603	672	69	11.4
Total	27,256	31,408	4,152	15.2

Earmarked revenues

M€

	2022	2023	Var in M€	Var in %
Recovery and Resilience Mechanism (MRR)	1,528	686	-841	-55.1
REACT-EU	425	277	-148	-34.8
Subtotal NGEU funds	1,953	963	-989	-50.6
Local government share of Central Gov. revenue	4,124	4,347	223	5.4
Other earmarked funds	1,711	1,779	67	3.9
Total	7,788	7,089	-699	-9.0

+15.2 %

Non-financial revenues

The positive evolution of income tax and VAT collections raises revenues for 2023.

7,089 M€

Earmarked revenues of Generalitat

The revenues from the Next Generation funds amount to 963 M€.

Generalitat's revenues

Own and transferred taxes

M€

	Budget 2022	Budget 2023	Variation 23/22	
			in M€	in %
Own taxes				
Tax on large shopping areas	7	9	2	22.9
Tax on empty housing	9	9	0	0.8
Tax on legal entities non-productive assets	1	1	0	0.4
Tax on stays in tourist establishments	45	67	22	50.4
Tax on bottled beverages with sugar excess	26	31	5	20.6
Tax on particle and gas emission to the atmosphere	1	1	0	9.6
Tax on carbon dioxide emission to the atmosphere	3	5	2	75.2
Tax on carbon dioxide emissions from mechanical traction vehicle	160	55	-105	-65.9
Tax on facilities affecting the environment	155	188	33	21.6
Civil protection levy	5	4	-1	-16.0
Subtotal own taxes	410	368	-41	-10.1
Transferred taxes				
Inheritance tax	643	733	90	13.9
Donation tax	138	146	9	6.5
Wealth tax	649	660	11	1.7
Tax on bank deposits	60	72	12	19.3
Tax on property transfers	1,815	1,941	126	7.0
Tax on documented legal acts	679	704	25	3.7
Tax on corporate legal acts	10	13	3	27.8
Special tax on means of transport	82	95	13	15.7
Gambling taxes	199	232	32	16.2
Subtotal transferred taxes	4,275	4,596	321	7.5
Total	4,684	4,964	279	6.0



Generalitat's expenditure

Generalitat's expenditure (chapters 1 to 8 excluding NGEU)

M€

	Budget 2022h (1)	Budget 2023	Variation 2023/2022h	
			in M€	in %
Presidential Ministry	814	911	96	11.8
Business and Labour	1,053	1,348	295	28.0
Economy and Finance	178	194	16	9.1
Equality and Feminisms	91	115	25	27.0
Foreign Action and European Union	90	100	10	11.0
Education	6,150	6,825	675	11.0
Research and Universities	1,437	1,580	143	10.0
Climate Action, Food and Rural Agenda	1,028	1,223	195	19.0
Home affairs	1,599	1,814	214	13.4
Territory	2,089	2,209	120	5.7
Health	10,295	11,423	1,128	11.0
Social Rights	2,981	3,322	341	11.4
Culture	373	474	101	27.0
Justice, Rights and Memory	1,091	1,161	70	6.4
Subtotal ministries	29,269	32,699	3,430	11.7
Non-minist. funds and Higher bodies	6,091	6,359	268	4.4
Interests	637	782	144	22.6
Total	35,997	39,839	3,842	10.7

(1) Homogeneous

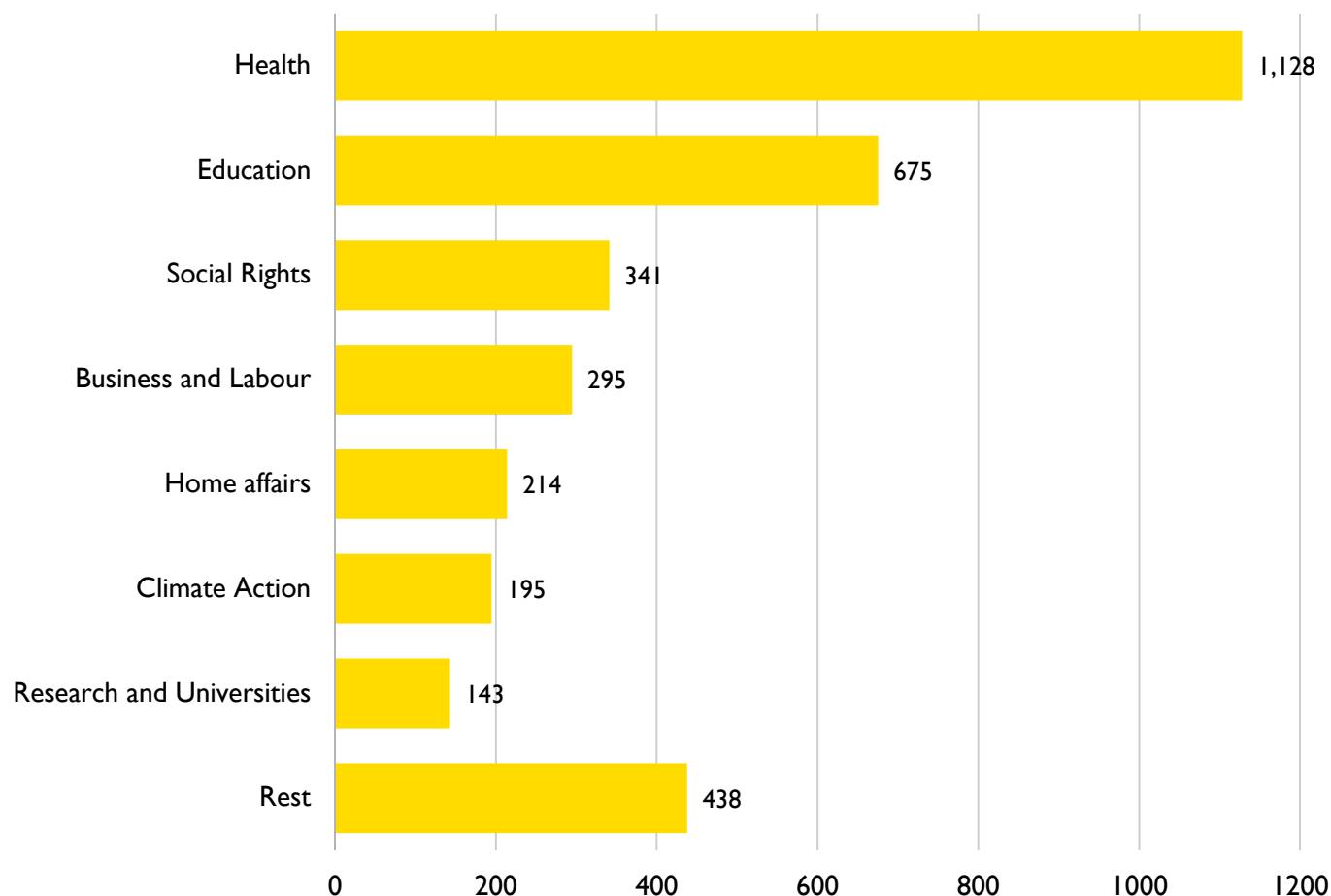
+3,430 M€

Increase in departmental spending excluding NGEU

The increases in Business and Labour, at 28%, and in Equality and Feminisms and Culture, both at 27%, stand out.

How is the increase distributed among Ministries?

M€



+32.9 %

Increase in resources to the Health ministry

1,128 M€ of the total increase allocated to the Health ministry, consolidating the extraordinary resources that were used in 2022 to face the pandemic. Additionally, the Health Ministry will receive 212 M€ from NGEU funds.

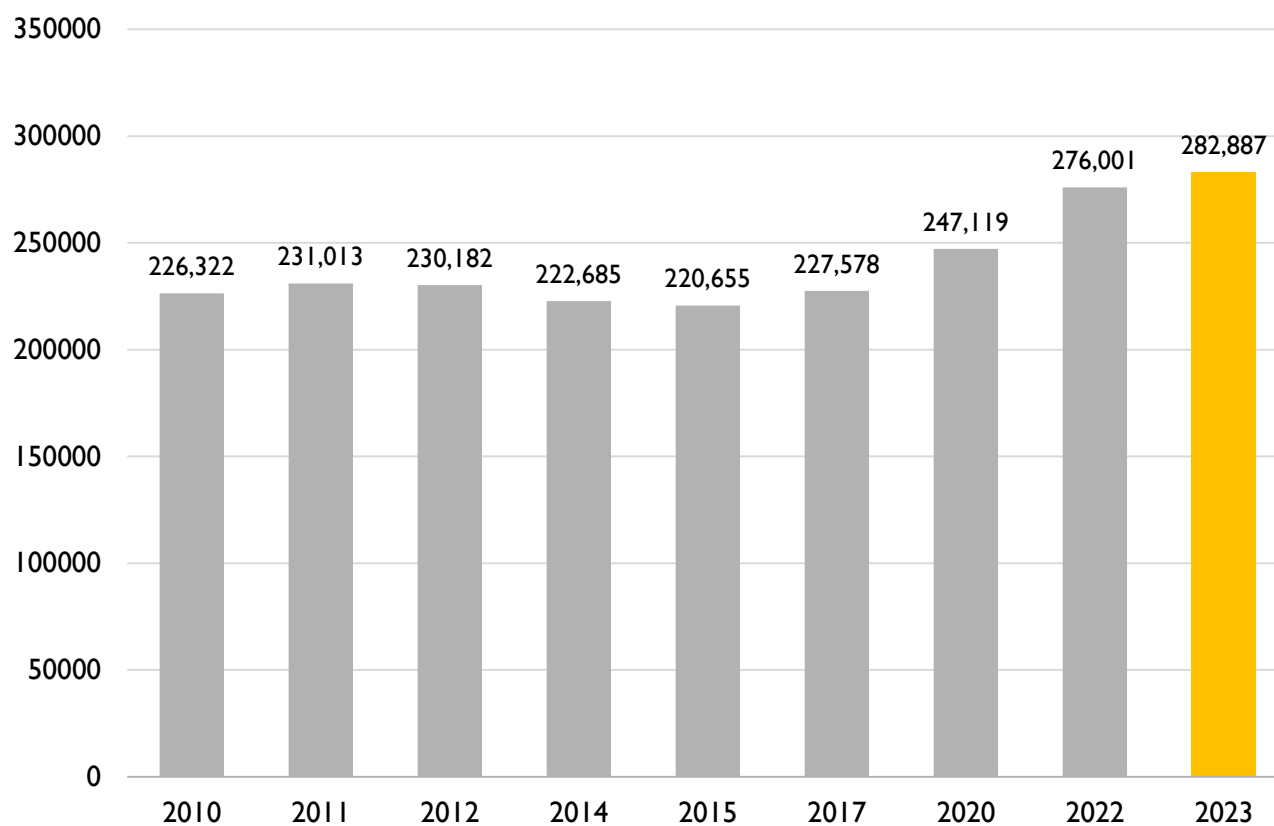
+19.7 %

Increase in resources to the Education ministry

675 M€ of the total increase assigned to the Education ministry. A significant portion of the temporary COVID-19 programs have been structured to improve students' care following the impact of the pandemic.

Public attention service staff increases and temporary positions are reduced

Budgeted job positions in the public sector



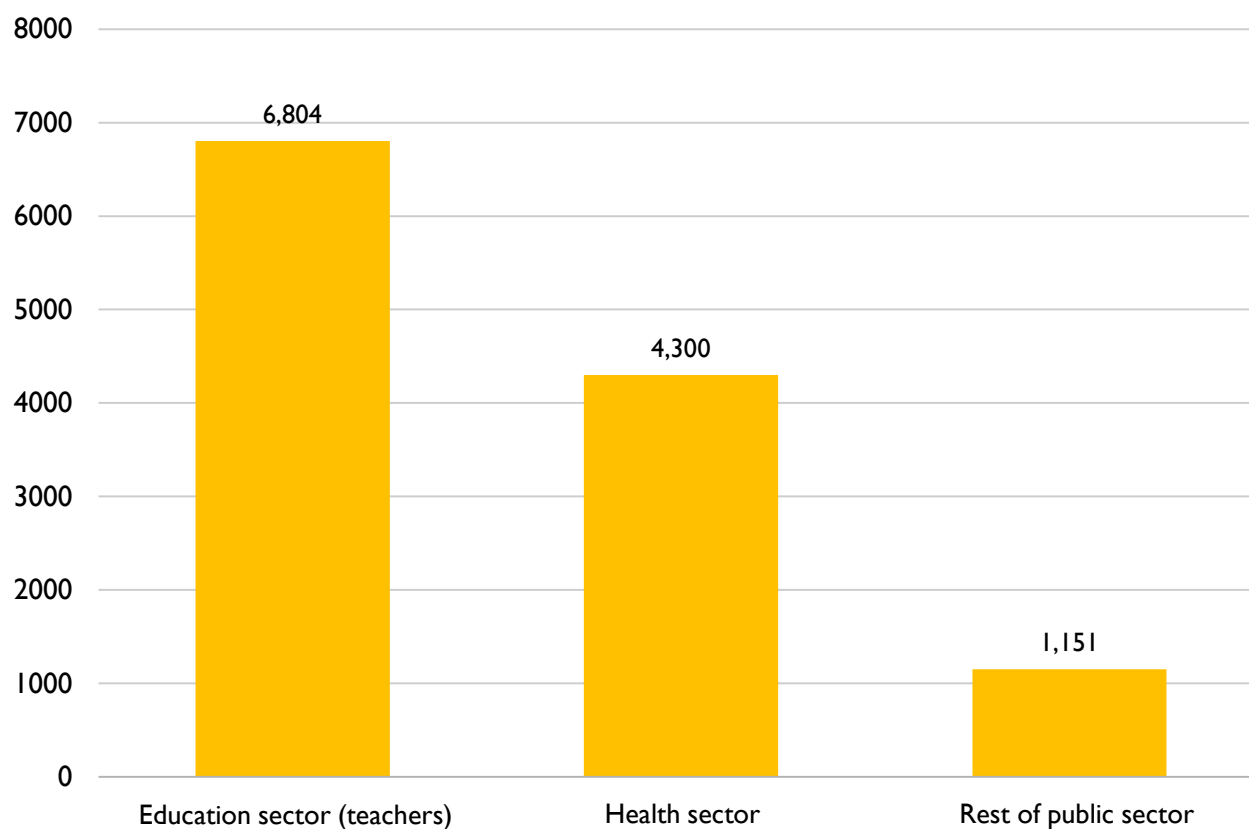
282,887

Job positions in the public sector

It represents a growth of 6,886 positions, which corresponds to an increase of 2.5%.

Staff increase distribution

Job positions in the public sector by areas



+12,255

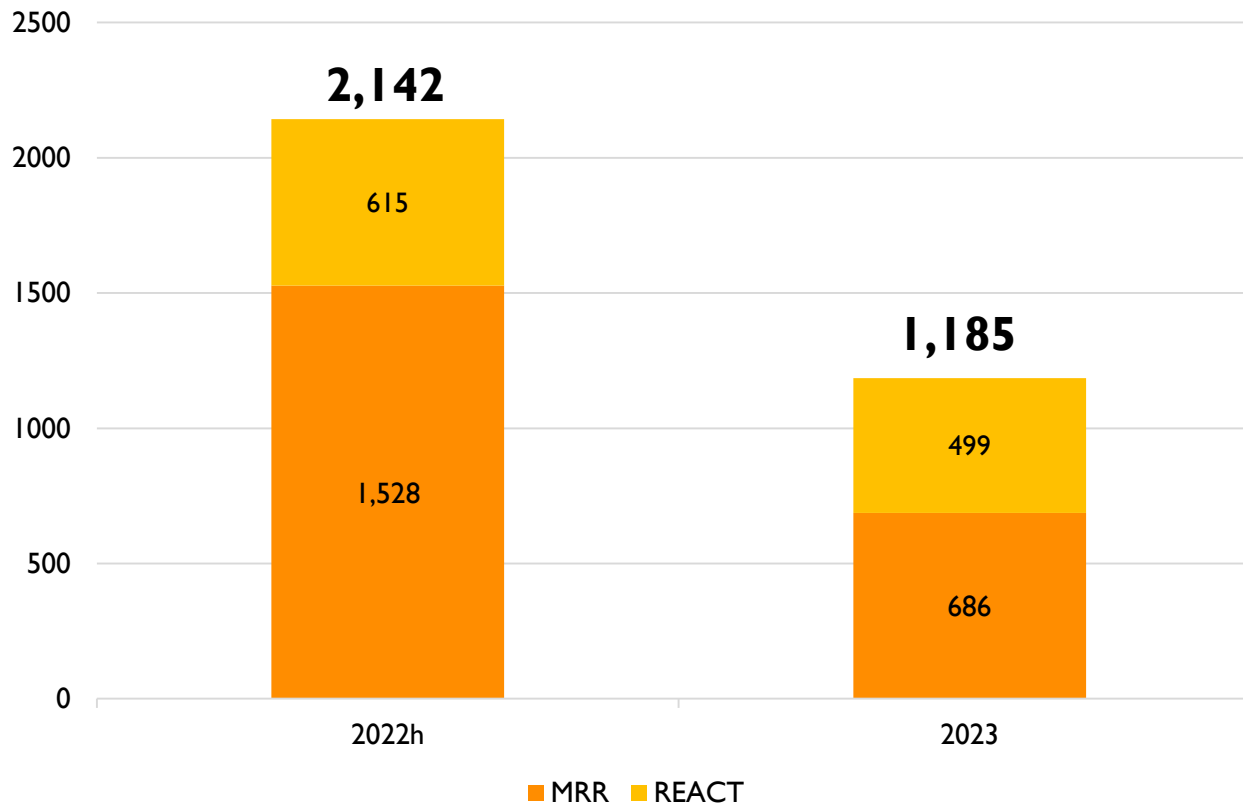
Increase of job positions in the public sector

12,255 structural positions have been created, which enables a reduction of 5,369 temporary positions and creates 6,886 new positions. The positions are distributed as follows:

55.5% of the positions in the education sector
35.1% of the positions in the health sector
9.4% in the rest of the public sector

Expenses financed with Next Generation funds

NGEU funds (MRR and REACT)
M€



1,185 M€

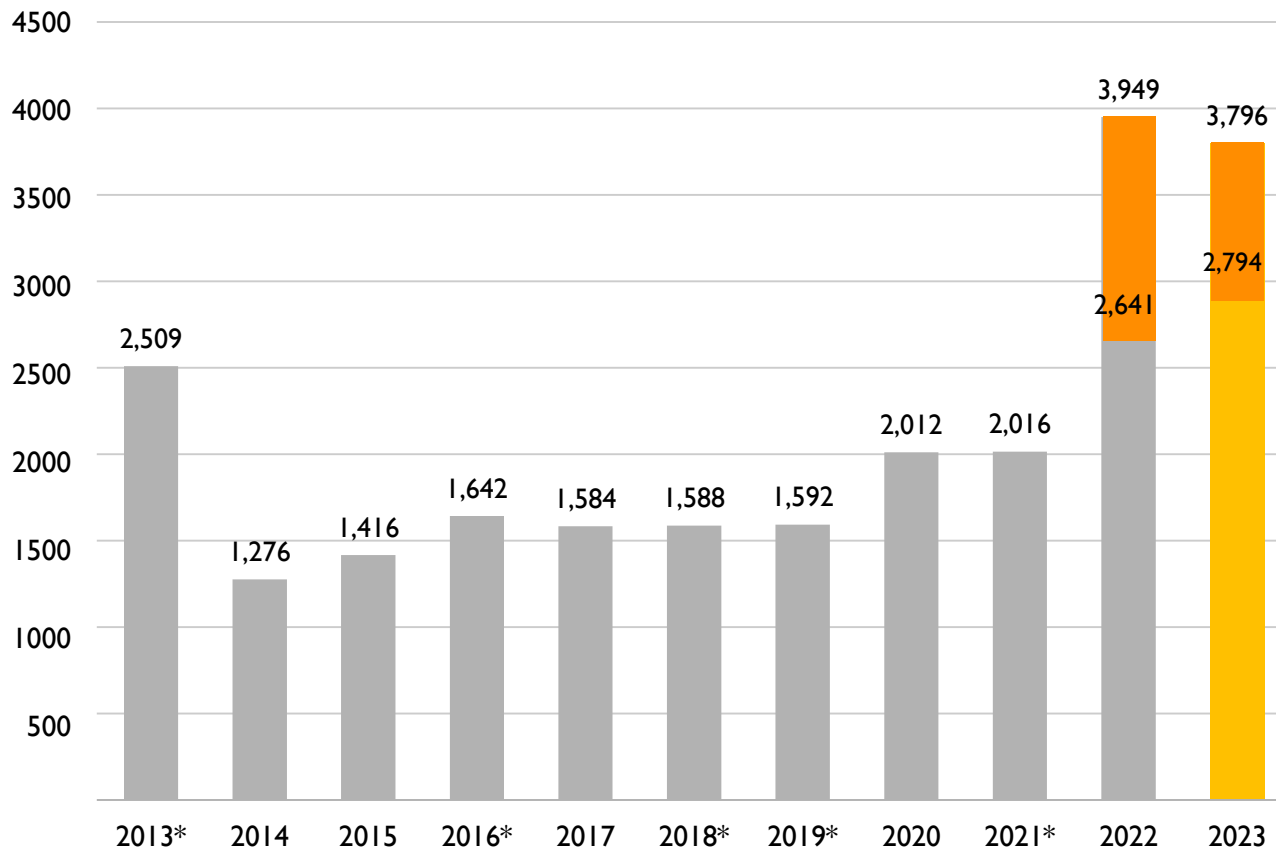
NGEU funds incorporated in the initial budget

1,185 M€ have been budgeted and this amount will increase during the year as new allocations are agreed in sectoral conferences.

The inclusion in the initial budget of all the NGEU funds planned for the financial year makes it possible to speed up their processing, regardless of its execution time. REACT funds can run until 2023 and MRR funds until 2026, depending on the components.

Investment's evolution

Net capital expenditures of payments for structured funding and investments with structured funding of the public sector
M€



* Extended budget

■ NGEU funds

2,794 M€

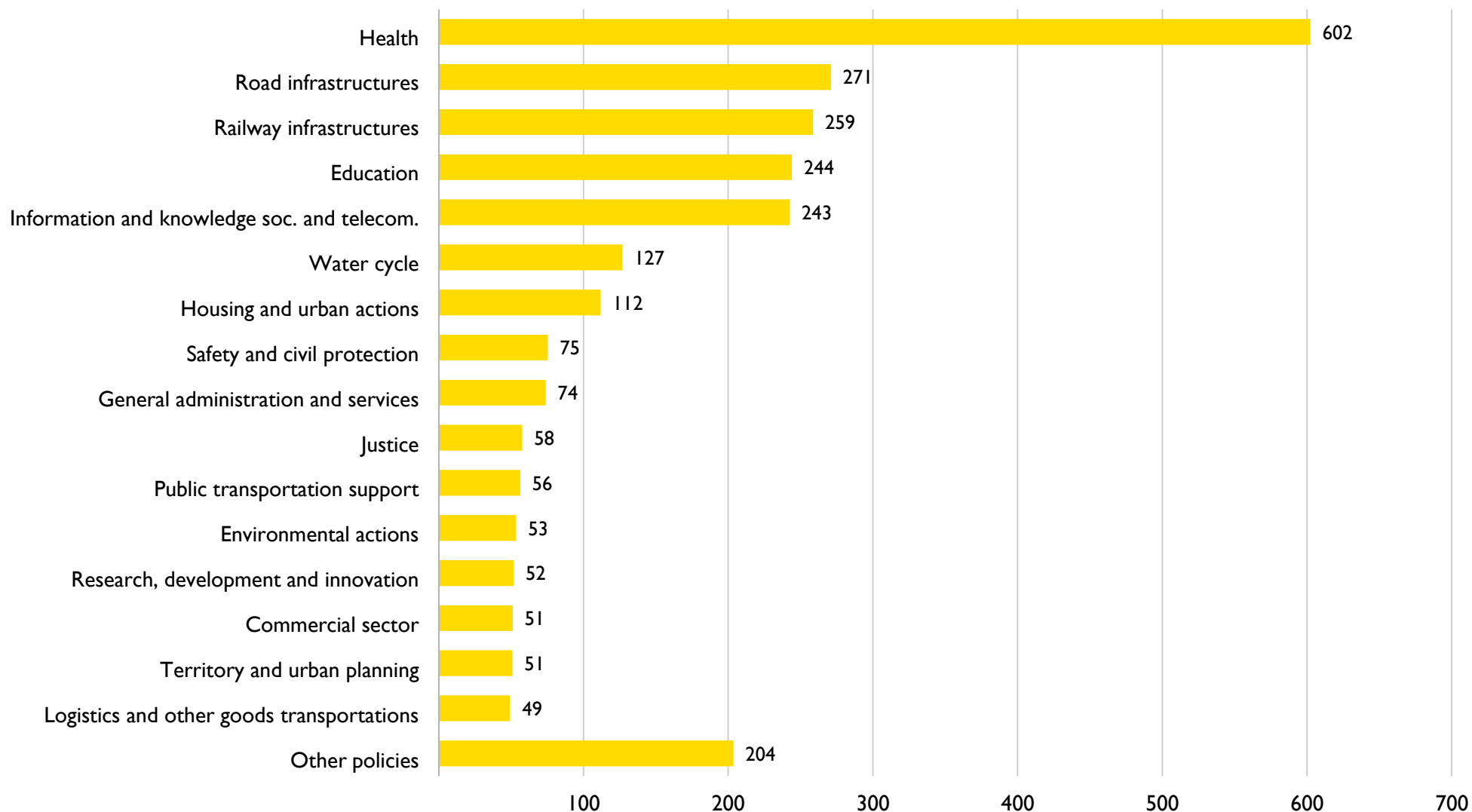
**Public sector investments,
excluding NGEU funds**

Without considering NGEU funds, public sector investment raise by 153 M€, a 5.8% increase.

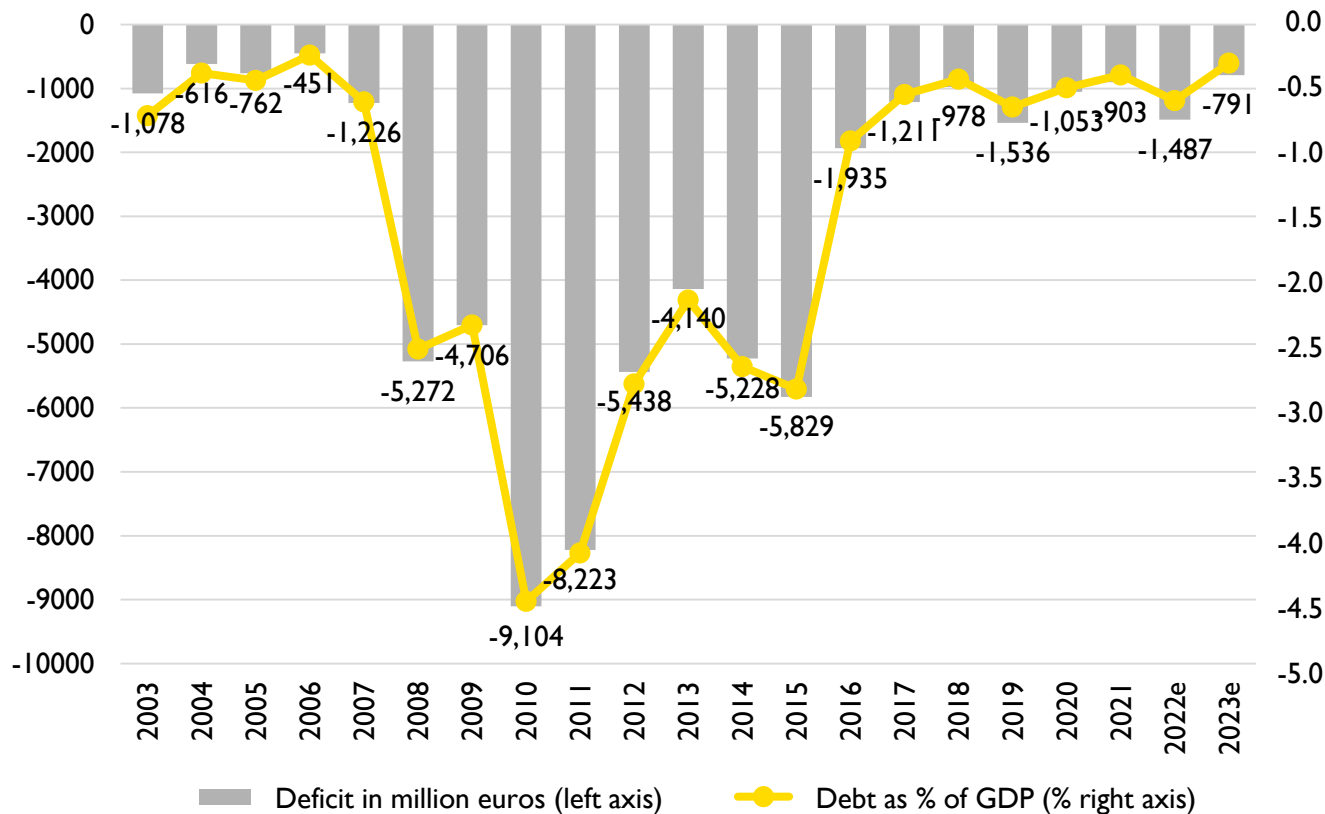
Additionally, there are 1,002 M€ of investments financed by Next Generation funds.

Public sector investments by policies

M€



Generalitat's deficit remains at levels of western sustainable economies



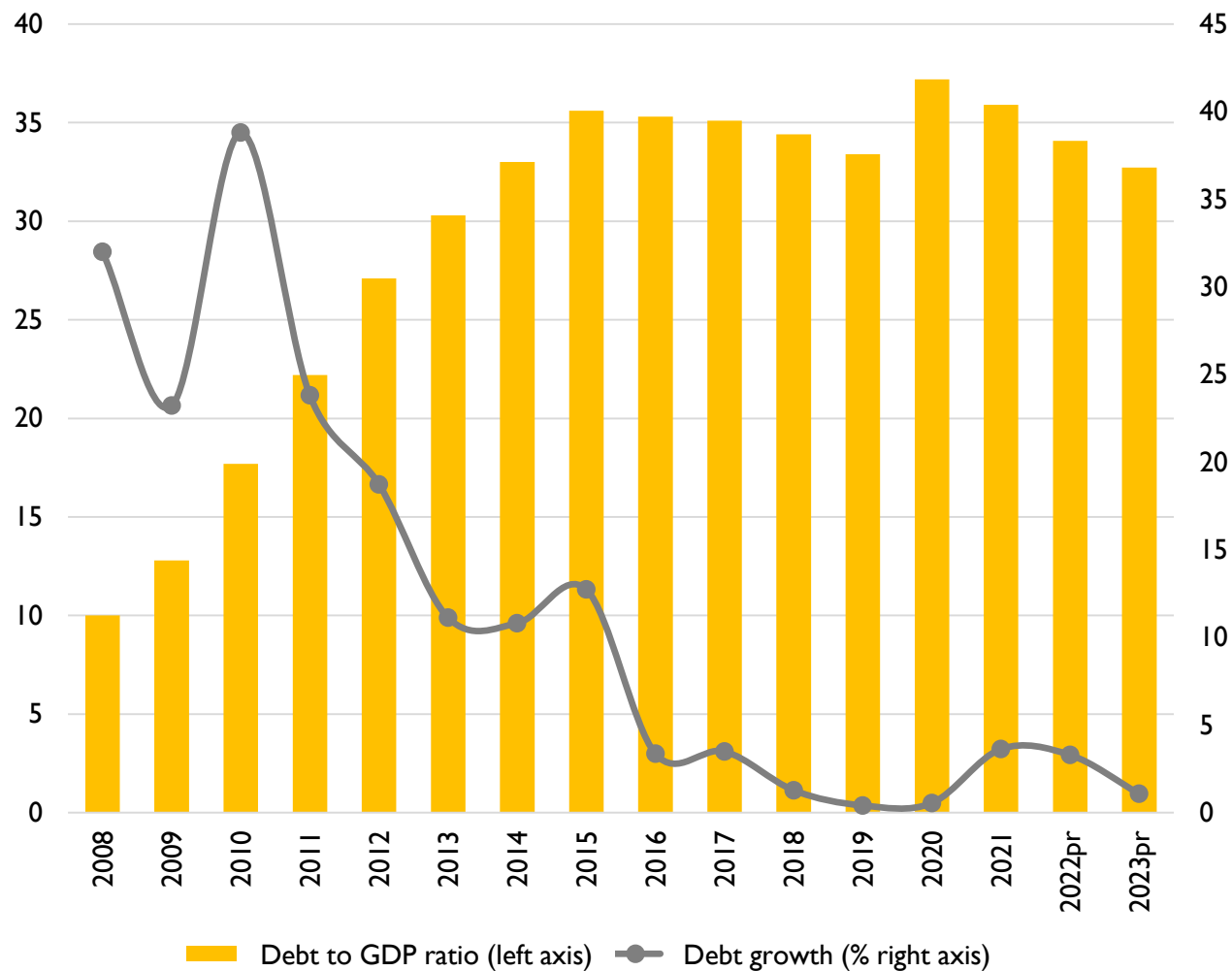
-791 M€

Deficit in millions euros

Despite the suspension of fiscal rules, a reference rate to finance the Generalitat's deficit is maintained, equivalent to 0.3% of GDP.

Since 2010, investment expenditure has increased by 10,301 M€ and the deficit has been reduced by 91.3% (-8,313 M€).

The weight of debt on GDP is reduced

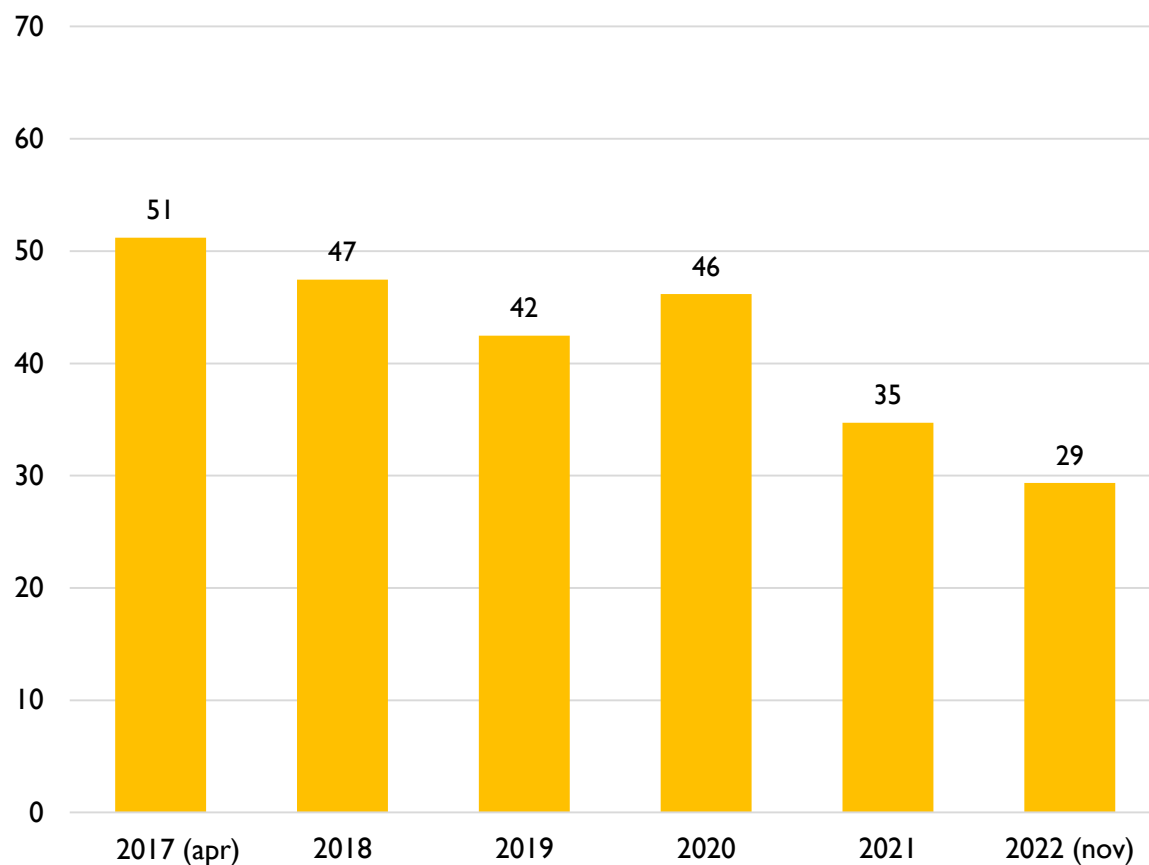


32.7 %

% of debt on DGP

Generalitat's debt as a percentage of GDP is expected to decrease from 34.1% to 32.7% in 2023.

Improvement in the average payment period



29 days

Average January - November 2022

The average payment period (APP) continues to decrease and by 2022 it falls below the 30-day period required by the regulation.

Budget's perimeters

(expenditure chapters 1 a 8, including NGEU funds)

41,025 M€

Generalitat sector

(1 entity)

Includes:

- Ministries
- Non-ministerial funds
- Higher bodies
(Parliament, Public Audit Office,...)

45,359 M€

Public sector

(206 entities)

Includes:

- Generalitat, CatSalut and 20 autonomous administrative entities
- 184 entities with majority shareholding of Generalitat and affiliated, of which:
 - Ferrocarrils de la Generalitat de Catalunya
 - Agència Catalana de l'Aigua
 - Servei Català d'Ocupació
 - Institut Català de la Salut (ICS)
 - Teatre Nacional de Catalunya
 - ATM
 - ICF
 - ACCIÓ

The budget's perspectives



Children

Expenditure on children is calculated according to Unicef's methodology, which enables a visualization of the budget effort across different age groups to focus on children.

6,952 €

Per child.
Tax benefits of 1,479€ per child are also estimated.

7%

Increase with respect to 2022, equivalent to additional 453€ per child



Climate and environment

Budget expenditure assignable as "green" is concentrated on the Rio markers of "Mitigation with significant intensity" (44.9%) and "Adaptation with mainstream intensity" (40.6%) and by categories, on "Improving air quality and reducing pollution" (50.3%) and "Water resources management" (29.4%).

2,608 M€

Green expenditure
(with one Rio marker)

140 M€

Increase with respect to 2022
(homogeneous terms)



Gender equality

New methodology for identifying the transformative power (capacity to impact on inequalities) and gender mainstreaming of budgetary programs.

47% of women

The presence of women in senior and leadership positions increases (43% in 2022)

68%

of the programs have a high or medium impact



SDG

The budget is linked to the Sustainable Development Goals: Health, Education and Sustainable Cities, the goals with the most resources.

84%

of policies are aligned with 2 or more SDGs



ANNEXES

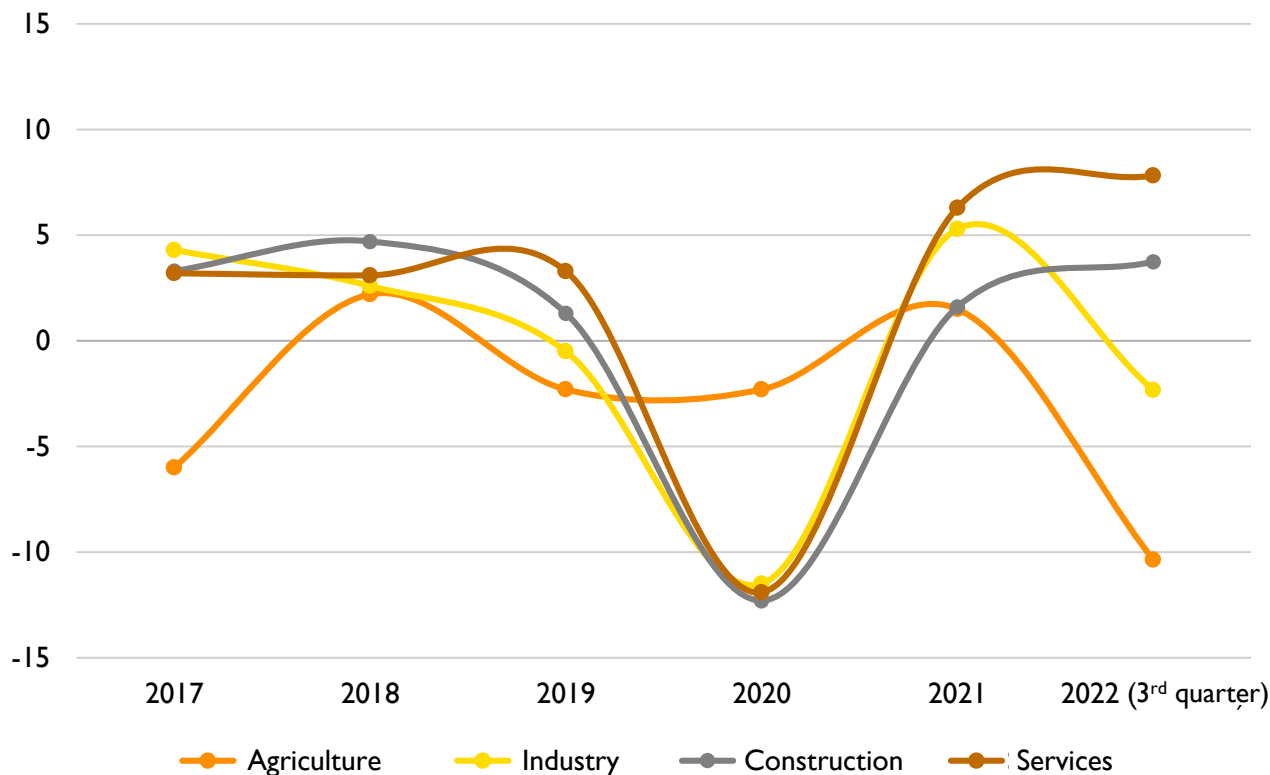


ANNEX

Macroeconomic data

Dynamism in services, while industry has been more affected by energy inflation and bottlenecks

GVA evolution by economic sectors (% year-on-year variation)



+7.8%

Services GVA average growth up to Q3

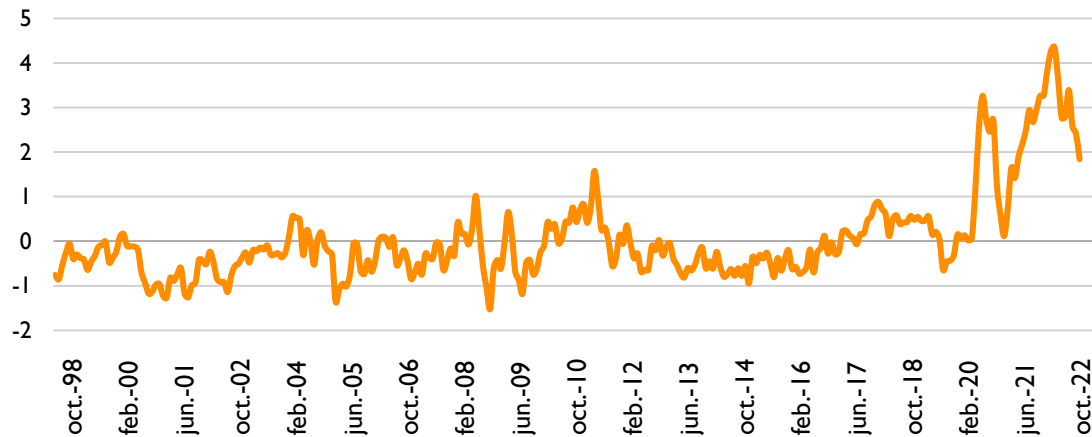
Dynamism in services, with generalized recovery, especially of tourism and related activities.

The industrial sector and agricultural sector have been the most affected by the increase in prices of energy and key inputs.

On the demand's side, investment maintains a remarkable pace so far, while consumptions is weakened by the impact of high inflation.

Strain reduction of value chains and prices of certain raw material

Global Supply Chain Pressure Index



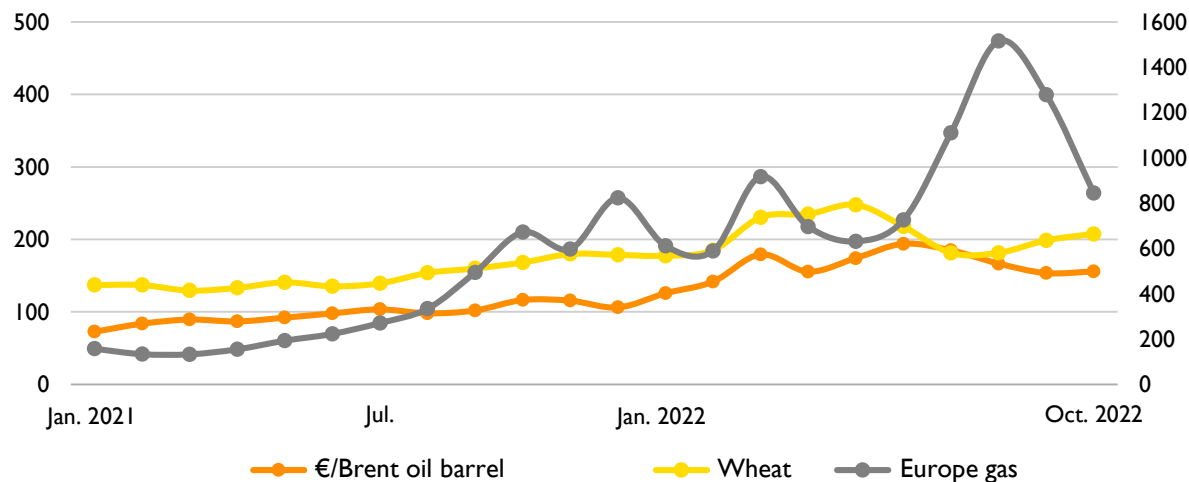
+58%

Gas price increase between October 2021 and October 2022

The Global Supply Chain Pressure Index decreases substantially throughout 2022. However, it remains at high levels compared to the historical values, which implies that the global supply chains continue to suffer disruptions.

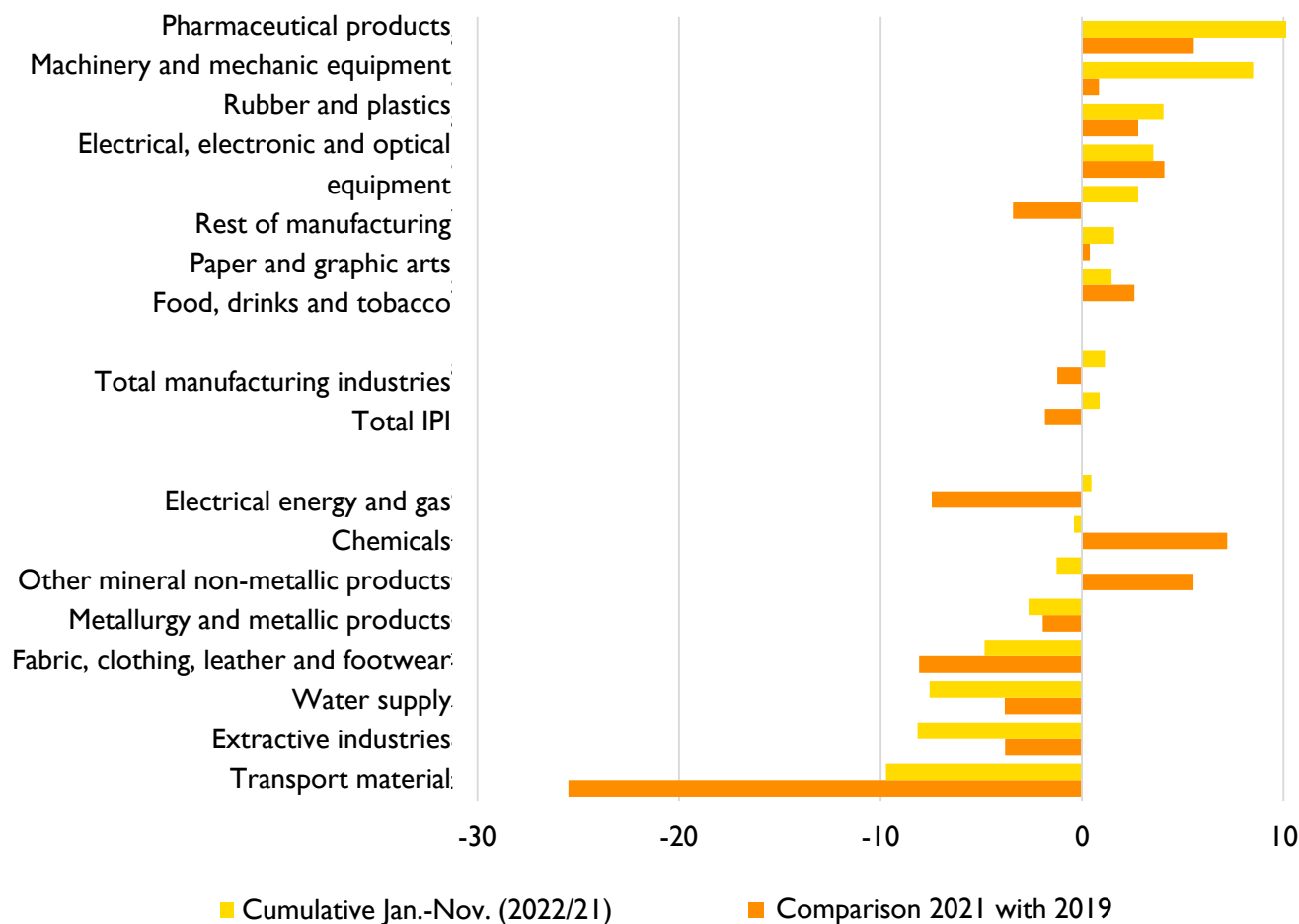
In the latter months the price of Brent barrel and gas has decreased.

Price evolution of certain raw materials (Index Dec. 2019 = 100)



Electro-intensive industrial branches show a contained pace of improvement, while the rest maintain their dynamism

Industrial production evolution (% variation)



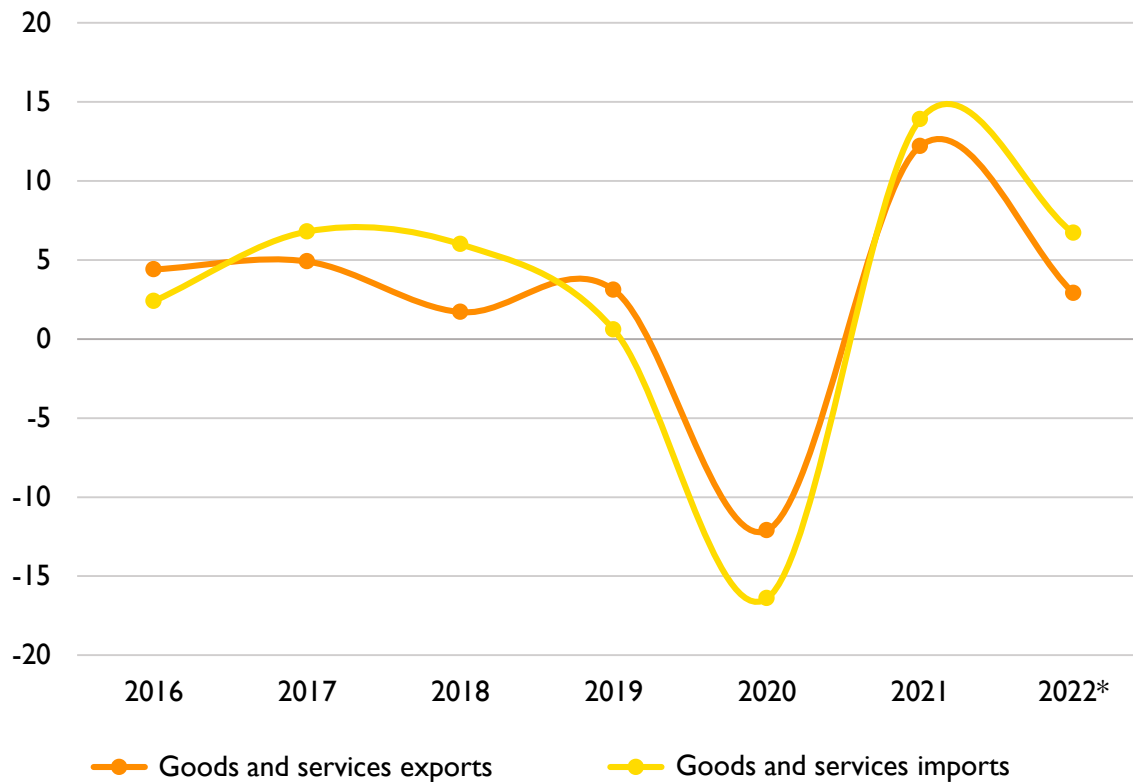
+0.9%

Average growth up to September

Industrial production grew by 0.9% between January and November 2022, compared to the same period of the previous year. So far, the impact of the energy crisis is concentrated in specific branches (such as metallurgy and fabric), without generalizing to overall industrial activity.

Even in a context of global tensions, Catalan exports continue to advance

Goods and services trade evolution, non-touristic (% year-on-year volume variation)



+2.9%

Average growth of non-touristic goods and services exports up to Q3 2022

Non-touristic goods and services exports, in volume, have increased by 2.9% year-on-year in Catalonia, on average for the first three quarters of 2022. Imports of goods and services are growing at a faster pace (6.7%).

The good performance of exports of goods of high technological level stands out, growing above the overall industrial goods.

Employment exceeds pre-pandemic levels

Evolution of Social Security affiliation in Catalonia by activities (Base 100 = 2019 December affiliation)



+0.9%

Affiliation growth of restricted activities, with respect to 2019

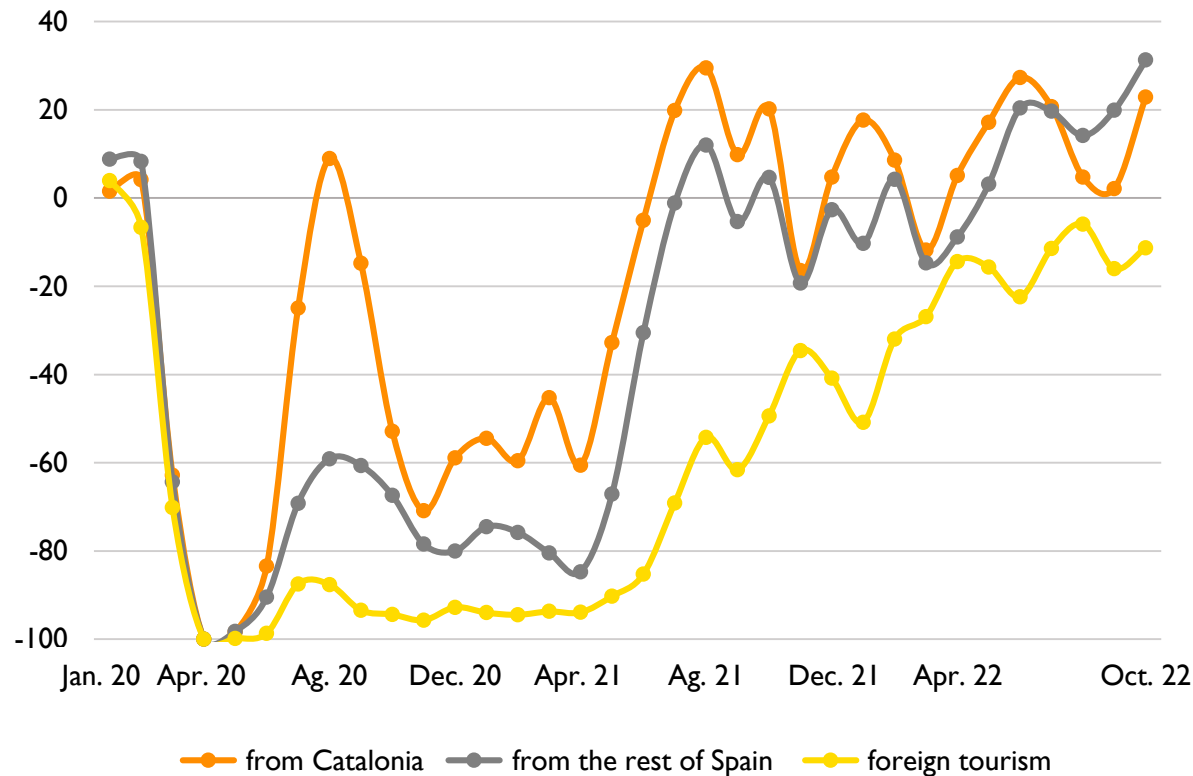
Labour market indicators show a favourable evolution.

In 2022 Social Security affiliation has increased significantly and exceeds pre-pandemic levels, both in activities with health-related restrictions (+0.9%) as well as lesser-restricted activities (5.9%).

More permanent employment is created and the temporary employment rate reaches its lowest values in the last decades (16.4% in the 3rd quarter).

Strong growth of foreign tourism, while domestic tourism significantly exceeds pre-pandemic levels

Evolution of hotel overnight stays by origin (% variation with respect to the same month in 2019)



+11.8%

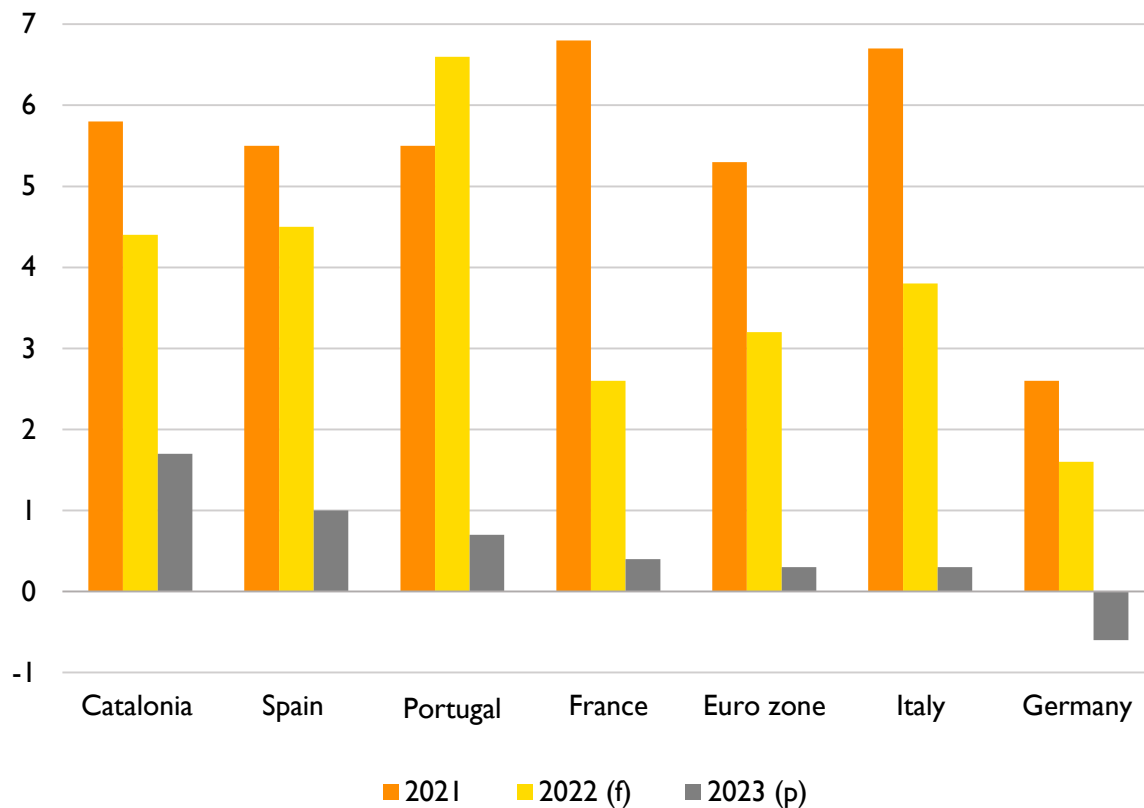
Growth of domestic hotel overnight stays with respect to 2019

Tourism continues its recovery with strength in 2022. Accumulated overnight stays in 2022 (up to October) of Catalan residents exceed by 11.8% the stays in the same period of 2019; the corresponding figure for the rest of Spain residents is 9.1% higher.

Foreign tourism has not caught up with pre-pandemic levels, but has a positive trend and the overnight stays until October represent 83% of 2019 levels.

Growth forecast of surrounding economies

GDP evolution (% year-on-year variation)



(f): forecast.

Source: Idescat, Eurostat, European Commission and Catalan Ministry of Economy and Finance

1.4 pp

Growth differential (in percentage points) with respect to the Euro zone 2023 forecast

Despite growth slowdown in 2023, the growth rate (1.7%) will continue to be above that of the Euro zone (0.3%).

The foreign balance increases

Catalan economy external balance 2021

	% GDP
External balance	12.8
Foreign balance	5.7
Total foreign exports	36.9
Total foreign imports	31.2
Balance with the rest of Spain	7.1

External balance in European countries 2021

	% GDP
Luxemburg	33.1
Ireland	22.3
Catalonia	12.8
Netherlands	10.5
Denmark	6.5
Germany	5.7
Euro zone	3.7
Spain	1.5

12.8%

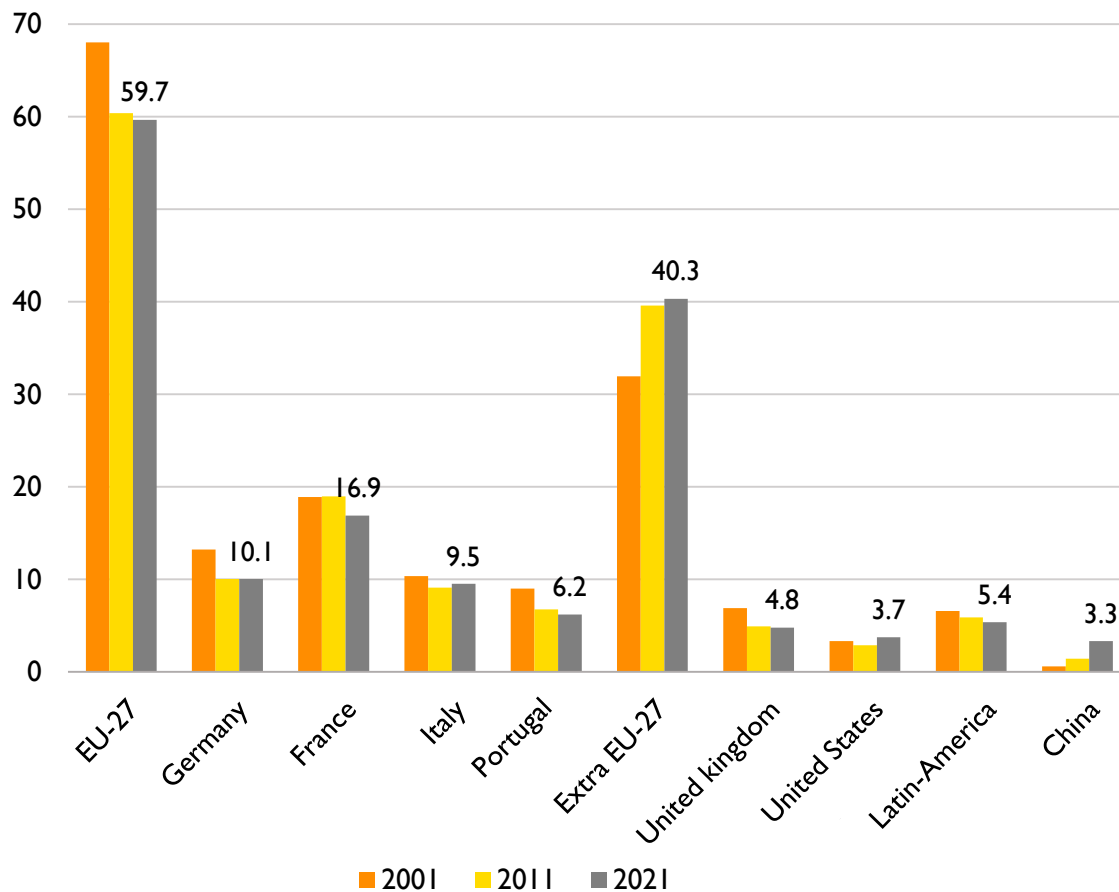
Foreign balance as GDP %

The foreign balance increased in 2021 (due to exports recovery which were highly affected by the pandemic). The balance with the rest of Spain has reduced slightly.

Catalonia presents one of the highest foreign balances in the European Union, only behind Luxemburg and Ireland, and ahead of open economies such as the Netherlands and Germany.

The EU continues to be the main exporting market

Goods exports by geographic areas (% of total)



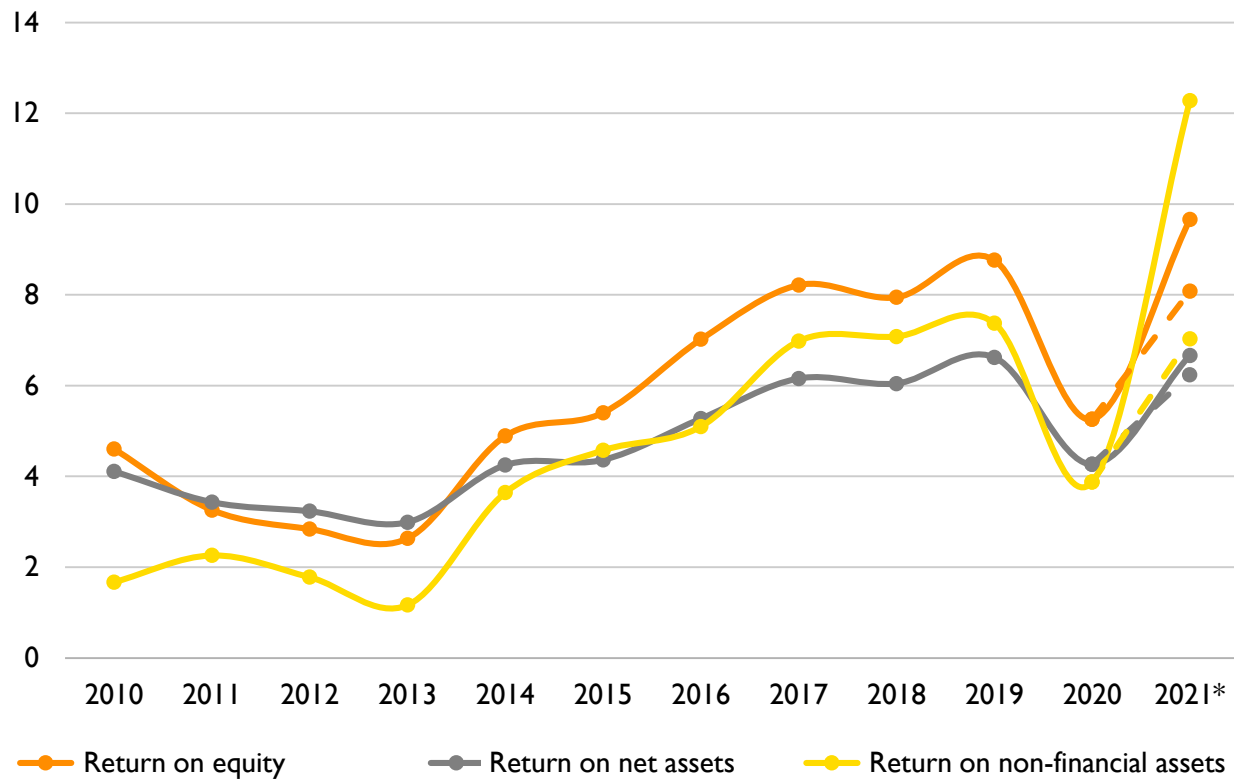
59.7%

Weight of the EU-27 exports (2021)

The EU is the main exporting market of Catalan goods. However, the exports to the rest of the world have gained importance, fostering trade diversification.

Catalan companies' profitability improved in 2021, but remained below 2019 levels

Catalan companies' profitability (%)



* The dashed lines indicate that 2021 data is linked to the proportion of the change in profitability between 2020 and 2021 (from the CBT).

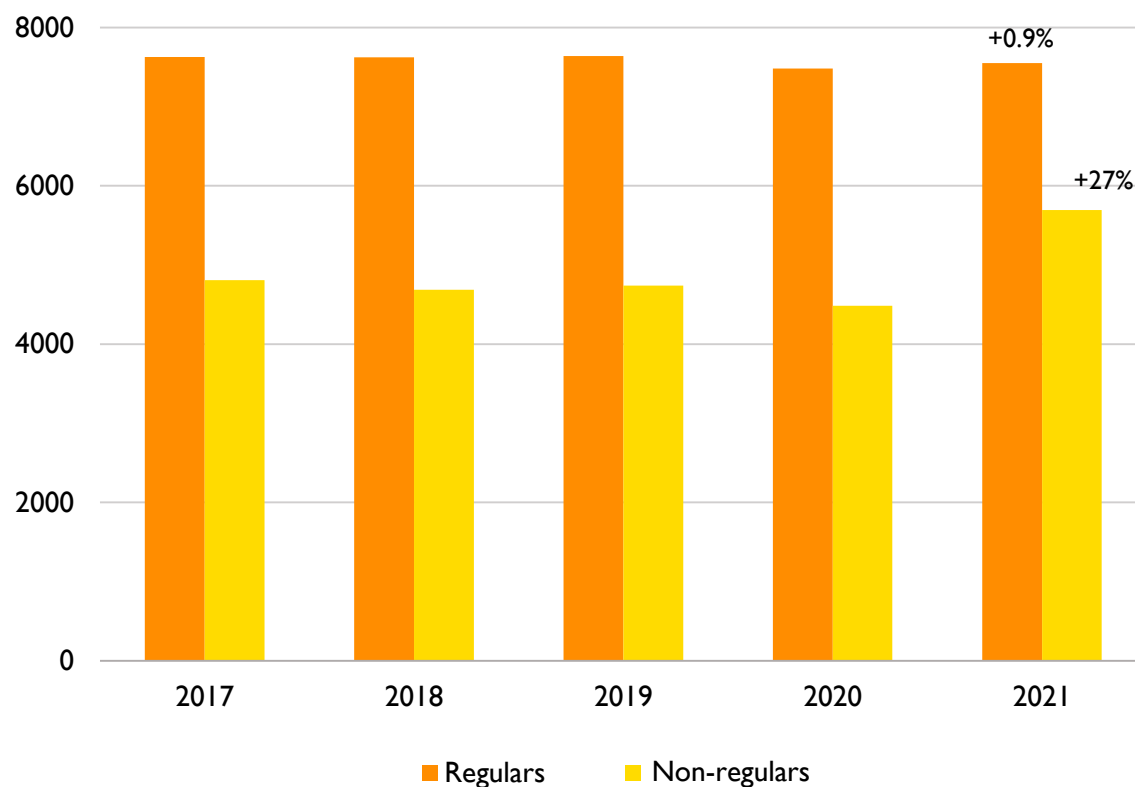
8.1%

Return on equity

Throughout 2021 all profitability ratios show certain improvement, although profitability is still behind pre-pandemic levels.

Catalonia's exporting base continues its expansion

Number of exporting companies, with volumes higher than 50,000 €



13.243

Exporting companies

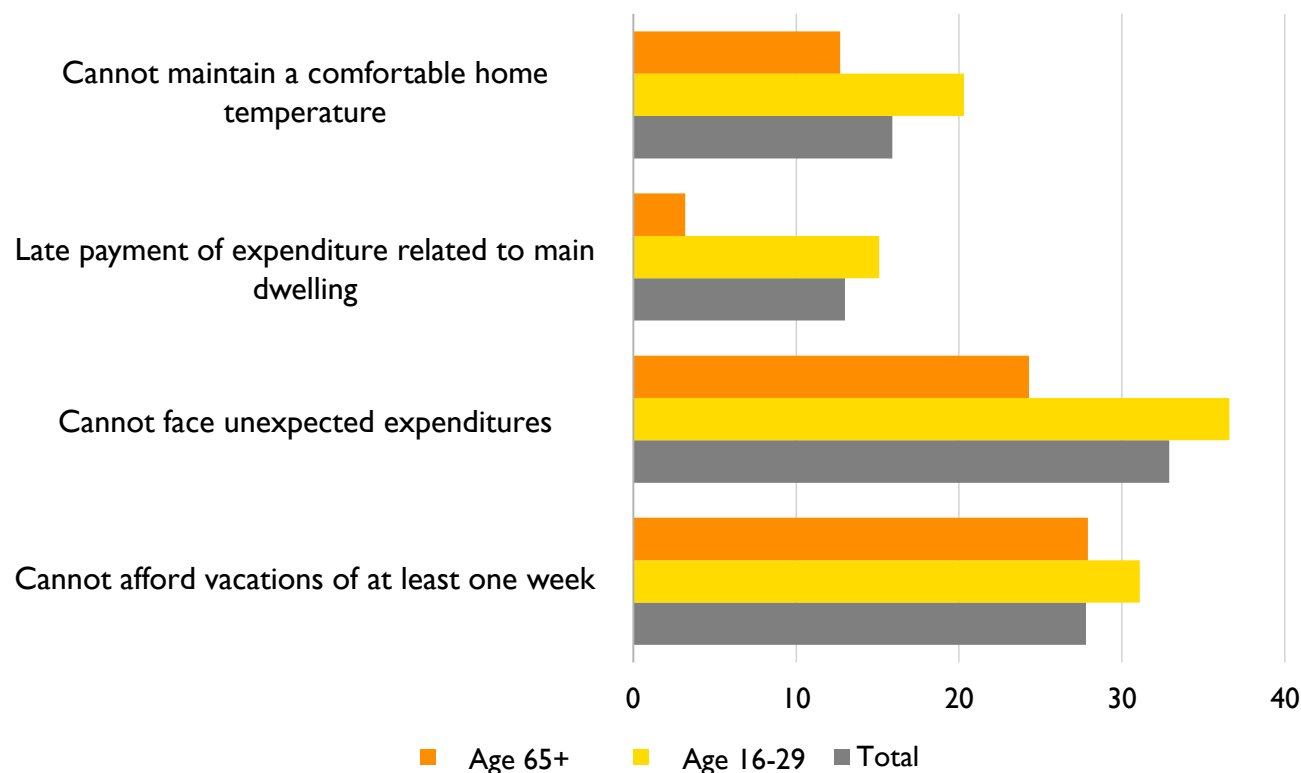
In 2021 the number of companies that exported an annual volume of 50,000 € or higher (13,243 companies) increased 10.7% compared to 2020 and accumulates an increase of 6.5% in the last 5 years.

ANNEX

Wellbeing and social progress indicators

Price increase, specially of energy, has an impact on severe material deprivation

Population with material deprivation by deprivation type and age Year 2021 (%)



2.3 pp

Increase of SMD between 2017 and 2021

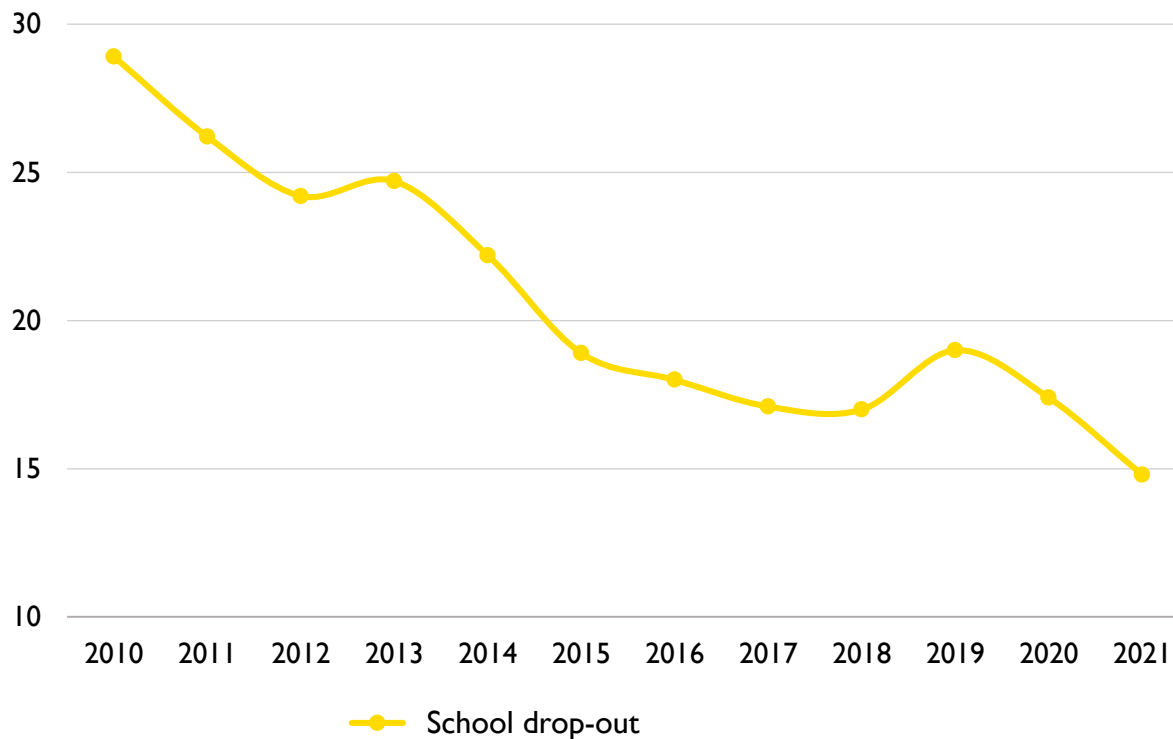
Most recent data on severe material deprivation (SMD) already captures inflation's effect.

In 2021 SMD was 7.3%, 2.1 points higher than the previous year.

Energy prices have a strong impact on SMD: in 2013, only 5.2% of the population could not maintain a comfortable home temperature. In 2021, the rate increased to 15.9%.

Wellbeing and social progress indicators show progress, even in areas with historic shortcomings

School drop-out rate (as % of population aged 18-24)



14.8%

School drop-out rate (age 18-24)

Wellbeing and social progress indicators published by Idescat, grouped in 6 areas, show a generalized improvement, even in areas with historic shortcomings such as education and environment.

As far as education is concerned, there has been a noticeable improvement in school drop-out, which has declined from 30% in 2010 to 14.8% in 2021. However, the percentage of young people who do not study nor work remains close to 15%.

As far as the environment is concerned, some indicators show certain progress such as air pollution due to suspended particles, the percentage of recycled waste and renewable energy consumption.

ANNEX

Revenue and expenditure composition

Evolution of the number of entities from the public sector and others included in the budget

Entities integrated into the budget (volume)

	2022	2023
Generalitat	1	1
Autonomous administrative entities and Catalan Healthcare Service	21	21
Autonomous commercial and financial entities	1	1
Public law companies	49	49
Trading companies	32	33
Consortiums (1)	64	64
Foundations	37	37
Total Generalitat's public sector entities (1)	205	206
Other AP-ESA non-majority shareholding entities (2)	11	11
Total entities	216	217

(1) Includes consortiums and foundations that are part of the budget according to the ACT 40/2015, of October the 1st, even though they are not under effective control of Generalitat, they have been assigned as part of Generalitat's Administration. They have been incorporated in the consolidated public sector since 2019.

(2) Entities which are included to calculate the deficit, debt and expenditure according to ESA regulations.

206

Entities in the public sector

1 entry

Evolution of the number of entities from the public sector and others included in the budget

Entities integrated into the budget (volume)

	Public sector entity	AP-ESA entity (1)	Total entities included in the budget
Generalitat	1	1	1
Autonomous administrative entities and Catalan Healthcare Service	21	21	21
Total administrative public sector entities	22	22	22
Total administrative public sector entities	1	1	1
Public law companies	49	46	49
Trading companies	33	22	33
Consortiums (2)	64	60	64
Foundations (2)	37	34	37
Total public sector entities	206	185	206
Autonomous administrative entity	-	1	1
Trading company	-	1	1
Consortium	-	6	6
Foundations	-	3	3
Other AP-ESA non-majority shareholding entities	-	11	11
Total entities	-	196	217

- (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). Currently not applying in 2022.
- (2) Includes consortiums and foundations that are part of the budget according to the ACT 40/2015, of October the 1st, even though they are not under effective control of Generalitat, they have been assigned as part of Generalitat's Administration. They have been incorporated in the consolidated public sector since 2019.

196

AP-ESA entities

Entities that have an impact on the deficit, debt and spending Rule, when fiscal rules are in force.

Budget's institutional perimeters

41,025 M€

Generalitat

(1 entity)

Includes ministries and non-ministerial funds.

45,359 M€

Public sector

(206 entities)

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

45,449 M€

AP-ESA sector

(196 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).

41,127 M€

Administrative public sector

(22 entities)

Includes Generalitat, CatSalut and autonomous administrative bodies

36,541 M€

Administrative public sector + ICS

(23 entities)

Includes Generalitat, CatSalut, autonomous administrative bodies and ICS.
It does not include local government share of Central Government's revenue nor European Agricultural Guarantee fund (EAGF)

Generalitat's revenue budget

Non-financial non-earmarked revenues

M€

	Budget 2022	Budget 2023	Variation	
			in M€	in %
Income tax	11,394	12,786	1,392	12.2
VAT	7,368	8,300	932	12.7
Special taxes	2,671	2,694	24	0.9
Overall Sufficiency Fund	-1,403	-1,479	-77	5.5
Guarantee Fund for Fundamental Public Services	1,027	1,079	52	5.1
Regional financing system advanced payment	21,057	23,380	2,323	11.0
Settlements t-2	0	1,980	1,980	-
Negative settlements 2008-2009	-125	-125	0	0.0
Total regional financing system advanced payment and settlements	20,932	25,236	4,304	20.6
Inheritance and donation tax	780	879	99	12.6
Wealth tax	649	660	11	1.7
Tax on property transfers, documented legal acts and corporate	2,504	2,658	154	6.2
Special tax on means of transport	82	95	13	15.7
Environmental taxes	318	248	-70	-22.0
Tax on carbon dioxide emissions from mechanical traction vehicles	160	55	-105	-65.9
Tax on facilities affecting the environment	155	188	33	21.6
Rest	4	6	2	60.7
Gambling taxes	199	232	32	16.2
Tax on large shopping areas	7	9	2	22.9
Tax on stays in tourist establishments	45	67	22	50.4
State tax on bank deposits	60	72	12	19.3
Tax on empty housing	9	9	0	0.8
Tax on bottled beverages with sugar excess	26	31	5	20.6
Civil protection levy	5	4	-1	-16.0
Tax on legal entities non-productive assets	1	1	0	0.4
Total own taxes and completely transferred taxes	4,684	4,964	279	6.0
Mossos d'esquadra police financing regularization	336	336	0	0.0
DA3 EAC	200	200	0	0.0
VAT compensation	500	0	-500	-100.0
Other non-earmarked revenue	604	670	66	10.9
Total other non-financial revenue	1,640	1,206	-434	-26.5
Total non-earmarked non-financial revenues	27,256	31,406	4,150	15.2

+15.2 %

Generalitat

Increase with respect to 2022

Regional financing system advanced payments and settlements increase by 4,304 M€ and tax revenues increase by 279 M€. However, other non-earmarked incomes decrease by 434 M€.

Generalitat's revenues

Revenues by chapter

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Direct taxes	13,163	13,163	15,387	15,387	2,224	16.9	2,224	16.9
2. Indirect taxes	11,738	11,738	14,087	14,087	2,349	20.0	2,349	20.0
3. Fees and other revenues	443	443	446	446	3	0.7	3	0.7
4. Current transfers (2)	7,311	7,621	7,182	7,366	-128	-1.8	-255	-3.3
5. Property revenues	17	17	22	22	5	29.7	5	29.7
Current revenues	32,672	32,983	37,124	37,308	4,452	13.6	4,326	13.1
6. Real investment sales	16	16	0	0	-16	-99.0	-16	-99.0
7. Capital transfers (2)	375	1,068	384	864	9	2.3	-203	-19.1
Capital revenues	391	1,084	384	864	-7	-1.9	-220	-20.3
Non-financial revenues	33,064	34,067	37,508	38,173	4,445	13.4	4,106	12.1
8. Var. of financial assets	178	1,127	285	584	107	59.9	-543	-48.2
Total revenue cap 1 to 8 (2)	33,242	35,194	37,793	38,757	4,551	13.7	3,563	10.1
9. Net revenue from variations of financial liabilities	2,945	2,945	2,268	2,268	-677	-23.0	-677	-23.0
Total chapter 1 to 9 (net debt refinance)	36,187	38,139	40,061	41,025	3,874	10.7	2,885	7.6

+13.7 %

Generalitat

Increase with respect to 2022 excluding NGEU. Chapters 1 to 8.

(1) Homogeneous.

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

Generalitat's expenditure

Expenditure by chapters M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Employee compensations	7,015	7,099	7,933	7,933	918	13.1	834	11.7
2. Current expen. on goods and services	3,429	3,714	3,747	3,869	317	9.2	155	4.2
3. Interests and financial fees	639	639	784	784	145	22.7	145	22.7
4. Current transfers (2)	22,250	22,716	24,574	24,728	2,324	10.4	2,012	8.9
5. Contingency fund	300	300	300	300	0	0.0	0	0.0
Current expenditure	33,634	34,468	37,338	37,614	3,704	11.0	3,146	9.1
6. Reals investments	578	980	644	886	66	11.5	-94	-9.6
7. Capital transfers (2)	853	1,748	743	1,161	-110	-12.9	-587	-33.6
Capital expenditure	1,431	2,727	1,387	2,046	-44	-3.1	-681	-25.0
Non-financial expenditure	35,065	37,195	38,724	39,660	3,660	10.4	2,464	6.6
8. Variation of financial assets (3)	932	944	1,115	1,365	182	19.6	421	44.6
Total expenditure chap 1 to 8 (2)	35,997	38,139	39,839	41,025	3,842	10.7	2,885	7.6

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF).

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

+10.7 %

Generalitat
Increase with respect to 2022
excluding NGEU

Generalitat's expenditure by ministries

Generalitat's expenditure (chapters 1 to 8)

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
Presidential Ministry	814	909	911	1,017	96	11.8	108	11.9
Business and Labour	1,053	1,253	1,348	1,472	295	28.0	220	17.5
Economy and Finance	178	178	194	194	16	9.1	16	9.1
Equality and Feminisms	91	92	115	116	25	27.0	25	26.8
Foreign action and European Union	90	90	100	100	10	11.0	10	11.0
Education	6,150	6,556	6,825	6,960	675	11.0	405	6.2
Research and Universities	1,437	1,477	1,580	1,589	143	10.0	112	7.6
Climate Action, Food and Rural Agenda	1,028	1,178	1,223	1,412	195	19.0	234	19.9
Home affairs	1,599	1,599	1,814	1,814	214	13.4	214	13.4
Territory	2,089	2,679	2,209	2,422	120	5.7	-258	-9.6
Health	10,295	10,614	11,423	11,636	1,128	11.0	1,022	9.6
Socials rights	2,981	3,227	3,322	3,470	341	11.4	243	7.5
Culture	373	385	474	477	101	27.0	92	23.9
Justice, rights and memory	1,091	1,091	1,161	1,205	70	6.4	114	10.5
Subtotal ministries	29,269	31,327	32,699	33,884	3,430	11.7	2,557	8.2
Non-ministerial funds and Higher Bodies	6,091	6,175	6,359	6,359	268	4.4	184	3.0
Interests	637	637	782	782	144	22.6	144	22.6
Total chapters 1 to 8 (1)	35,997	38,139	39,839	41,025	3,842	10.7	2,885	7.6

+10.7 %

Generalitat

Increase with respect to 2022,
excluding NGEU

(1) Homogeneous.

(2) Includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF)

Where do Generalitat's revenue and expenditure limits come from?

		Var. 2023/2022h
NON-FINANCIAL REVENUE (non-earmarked)	31,408 M€	+4,152 M€ (15.2%)
+ Deficit (0.3% GDP)	791M€	- 696 M€
+ ESA adjustments	1,282M€	+10 M€
NON-FINANCIAL EXPENDITURE LIMIT (non-earmarked)	33,481 M€	+3,467 M€ (11.5%)
+ Earmarked revenues	7,089 M€	-699 M€
+ ESA earmarked adjustments	305M€	+ 122 M€
NON-FINANCIAL EXPENDITURE LIMIT	40,875 M€	+2,890 M€ (7.6%)
+ Financial expenditure	149 M€	- 4.7 M€
TOTAL Chapters 1 a 8	41,025 M€	+ 2,885 M€ (7.6%)
- NGEU funds	1,185 M€	-957 M€
TOTAL Chapters 1 a 8 excluding NGEU	39,839 M€	+ 3,842 M€ (10.7%)
- Non-minist. funds and Higher Bodies and interests	7,140 M€	+410 M€
TOTAL Chapters 1 to 8 ministries Excluding NGEU	32,699 M€	+ 3,430 M€ (11.7%)

Variation detail

Reg. funding system and advanced pay.	+2,323 M€
Reg. funding system settlements	+1,980 M€
Own and transferred taxes	+381 M€
Rest	-516 M€

+4,303 M€
Regional funding
system resources

The budget 2022 was prepared with a deficit target of 0.6% if the GDP

The application of the remnant of treasury of the entities to fund investments increases, among others

MRR	686 M€ (-841 M€)
REACT (ERDF and ESF)*	499 M€ (-31.9 M€)
Local gov. part. state revenue	4,347 M€ (+223 M€)
Other earmarked funds	1,818 M€ (+121 M€)

The forecast of European fund revenues in
ESA terms increases

Interests	782 M€	(+144 M€)
Non-ministerial funds and Higher Bodies	6,359 M€	(+266 M€)

Non-financial non-earmarked expenditure limit distribution

Generalitat's expenditure (chapters 1 to 7 and non-financial non-earmarked 8) M€

	Budget 2022h (1)	Budget 2023	Variation 2023/2022h		Weight 2023
			in M€	in %	
Presidential Ministry	807	891	84	10.4	2.9
Business and Labour	562	715	153	27.2	2.3
Economy and Finance	171	187	16	9.5	0.6
Equality and Feminisms	59	79	20	33.5	0.3
Foreign action and European Union	90	100	10	11.0	0.3
Education	5,982	6,692	710	11.9	21.8
Research and Universities	1,291	1,433	142	11.0	4.7
Climate Action, Food and Rural Agenda	622	751	128	20.6	2.4
Home Affairs	1,598	1,783	185	11.6	5.8
Territory	2,031	2,127	96	4.7	6.9
Health	10,237	11,371	1,135	11.1	37.1
Socials Rights	2,620	2,919	298	11.4	9.5
Culture	357	458	102	28.5	1.5
Justice, Rights and Memory	1,086	1,153	67	6.2	3.8
Subtotal ministries	27,515	30,659	3,144	11.4	100.0
Contingency fund	300	300	0	0.0	
Cross-ministerial funds	1,464	1,515	51	3.5	
Higher bodies	99	102	3	2.7	
Interests	637	782	144	22.6	
Subtotal non-ministerial	2,500	2,698	198	7.9	
Total	30,015	33,357	3,342	11.1	

+11.4 %

Ministries

Increase with respect to 2022, non-financial non-earmarked expenditure, excluding extraordinary remnants.

(1) Homogeneous.

(2) It does not include extraordinary resources from Business and Labour (53.9 M€), Climate Action, Food and Rural Agenda (75 M€) and Home Affairs (30 M€)

Administrative public sector revenues

Revenues by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Direct taxes	13,163	13,163	15,387	15,387	2,224	16.9	2,224	16.9
2. Indirect taxes	11,738	11,738	14,087	14,087	2,349	20.0	2,349	20.0
3. Fees and other revenues	584	584	602	602	17	2.9	17	2.9
4. Current transfers (2)	7,247	7,557	7,089	7,272	-158	-2.2	-285	-3.8
5. Property revenues	21	21	26	26	5	23.1	5	23.1
Current revenues	32,754	33,064	37,190	37,374	4,436	13.5	4,310	13.0
6. Real investment sales	16	16	0	0	-16	-99.0	-16	-99.0
7. Capital transfers (2)	375	1,068	384	864	9	2.4	-203	-19.0
Capital revenue	391	1,084	384	865	-7	-1.9	-220	-20.3
Non-financial revenue	33,145	34,148	37,574	38,238	4,429	13.4	4,090	12.0
8. Var. of financial assets	181	1,130	322	621	141	77.7	-509	-45.1
Total revenue chap 1 to 8 (2)	33,326	35,279	37,896	38,860	4,570	13.7	3,581	10.2
9. Net revenues from variations of financial liabilities	2,945	2,945	2,268	2,268	-677	-23.0	-677	-23.0
Total chapter 1 to 9 (net debt refin.)	36,271	38,224	40,164	41,127	3,893	10.7	2,904	7.6

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF).

+13.7 %

Administrative public sector

Increase with respect to 2022 excluding NGEU. Chapters 1 to 8.

Administrative public sector expenditure

Expenditure by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Employee compensations	7,177	7,261	8,124	8,124	948	13.2	863	11.9
2. Current expen. on goods and services	9,031	9,317	9,947	10,073	917	10.2	756	8.1
3. Interests and financial fees	639	639	784	784	145	22.7	145	22.7
4. Current transfers (2)	16,562	17,025	18,262	18,413	1,700	10.3	1,388	8.2
5. Contingency fund	300	300	300	300	0	0.0	0	0.0
Current expenditure	33,709	34,543	37,419	37,694	3,710	11.0	3,152	9.1
6. Reals investments	753	1,375	886	1,266	133	17.6	-109	-7.9
7. Capital transfers (2)	686	1,360	747	1,164	61	8.9	-196	-14.4
Capital expenditure	1,439	2,735	1,632	2,430	194	13.5	-305	-11.2
Non-financial expenditure	35,148	37,278	39,051	40,125	3,903	11.1	2,846	7.6
8. Variation of financial assets (3)	934	945	891	1,003	-43	-4.6	57	6.1
Total expenditure chap 1 to 8 (2)	36,081	38,224	39,942	41,127	3,861	10.7	2,904	7.6

+10.7 %

Administrative public sector

Increase with respect to 2022 excluding NGEU.

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and 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 revenues

Revenues by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Direct taxes	13,163	13,163	15,387	15,387	2,224	16.9	2,224	16.9
2. Indirect taxes	11,738	11,738	14,087	14,087	2,349	20.0	2,349	20.0
3. Fees and other revenues	649	649	667	667	17	2.6	17	2.6
4. Current transfers (2)	2,840	3,151	2,465	2,649	-376	-13.2	-502	-15.9
5. Property revenues	21	21	26	26	5	23.1	5	23.1
Current revenues	28,412	28,723	32,631	32,815	4,219	14.8	4,092	14.2
6. Real investment sales	16	16	0	0	-16	-99.0	-16	-99.0
7. Capital transfers (2)	343	1,036	357	837	14	4.0	-198	-19.2
Capital revenue	359	1,052	357	837	-2	-0.7	-215	-20.4
Non-financial revenue	28,771	29,775	32,988	33,652	4,216	14.7	3,878	13.0
8. Var. of financial assets	181	1,130	322	621	141	77.7	-509	-45.1
Total revenue chap 1 to 8 (2)	28,953	30,905	33,310	34,273	4,357	15.0	3,368	10.9
9. Net revenues from variations of financial liabilities	2,945	2,945	2,268	2,268	-677	-23.0	-677	-23.0
Total chapter 1 to 9 (net debt refin.)	31,898	33,850	35,578	36,541	3,680	11.5	2,691	8.0

(1) Homogeneous.

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

+15.0 %

Administrative public sector + ICS

Increase with respect to 2022
excluding NGEU. Chapters 1 to 8.

Administrative public sector + ICS expenditure

Expenditure by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Employee compensations	9,663	9,848	10,932	10,932	1,269	13.1	1,085	11.0
2. Current expen. on goods and services	9,625	9,912	10,585	10,711	960	10.0	799	8.1
3. Interests and financial fees	639	639	784	784	145	22.7	145	22.7
4. Current transfers (2)	9,140	9,502	10,257	10,408	1,118	12.2	905	9.5
5. Contingency fund	300	300	300	300	0	0.0	0	0.0
Current expenditure	29,367	30,201	32,860	33,135	3,492	11.9	2,934	9.7
6. Reals investments	776	1,398	909	1,289	133	17.1	-109	-7.8
7. Capital transfers (2)	653	1,328	720	1,137	66	10.1	-191	-14.4
Capital expenditure	1,429	2,726	1,628	2,426	199	13.9	-300	-11.0
Non-financial expenditure	30,797	32,928	34,488	35,561	3,691	12.0	2,634	8.0
8. Variation of financial assets (3)	911	922	868	980	-43	-4.7	57	6.2
Total expenditure chap 1 to 8 (2)	31,707	33,850	35,356	36,541	3,648	11.5	2,691	8.0

(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.

+11.5 %

**Public sector administratiu
+ ICS**

Increase with respect to 2022
excluding NGEU.

Public sector revenues

Revenues by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Direct taxes	13,163	13,163	15,387	15,387	2,224	16.9	2,224	16.9
2. Indirect taxes	11,738	11,738	14,174	14,174	2,436	20.8	2,436	20.8
3. Fees and other revenues	2,867	2,867	3,152	3,169	285	10.0	302	10.5
4. Current transfers (2)	8,149	8,460	8,140	8,324	-9	-0.1	-136	-1.6
5. Property revenues	157	157	214	214	57	36.3	57	36.3
Current revenues	36,075	36,385	41,067	41,268	4,993	13.8	4,883	13.4
6. Real investment sales	283	283	128	128	-156	-54.9	-156	-54.9
7. Capital transfers (2)	445	1,138	440	921	-5	-1.1	-217	-19.1
Capital revenue	728	1,421	568	1,049	-160	-22.0	-373	-26.2
Non-financial revenue	36,803	37,806	41,636	42,316	4,832	13.1	4,510	11.9
8. Var. of financial assets	760	1,709	754	1,053	-6	-0.8	-656	-38.4
Total revenue chap 1 to 8 (2)	37,563	39,515	42,389	43,369	4,826	12.8	3,854	9.8
9. Net revenues from variations of financial liabilities	2,654	2,654	1,990	1,990	-664	-25.0	-664	-25.0
Total chapter 1 to 9 (net debt refin.)	40,217	42,169	44,379	45,359	4,162	10.3	3,190	7.6

+12.8 %

Public sector

Increase with respect to 2022 excluding NGEU. Chapters 1 to 8.

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF)

Public sector expenditure

Expenditure by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Employee compensations	13,185	13,371	14,784	14,787	1,599	12.1	1,416	10.6
2. Current expen. on goods and services	9,427	9,716	10,753	10,909	1,326	14.1	1,194	12.3
3. Interests and financial fees	982	982	1,119	1,119	136	13.9	136	13.9
4. Current transfers (2)	12,844	13,203	13,899	14,037	1,055	8.2	833	6.3
5. Contingency fund	300	300	300	300	0	0.0	0	0.0
Current expenditure	36,738	37,572	40,855	41,152	4,117	11.2	3,580	9.5
6. Reals investments	1,937	2,571	1,918	2,405	-19	-1.0	-165	-6.4
7. Capital transfers (2)	706	1,380	794	1,211	88	12.5	-169	-12.2
Capital expenditure	2,643	3,951	2,712	3,617	69	2.6	-334	-8.5
Non-financial expenditure	39,381	41,523	43,567	44,769	4,186	10.6	3,245	7.8
8. Variation of financial assets (3)	646	646	591	591	-55	-8.6	-55	-8.6
Total expenditure chap 1 to 8 (2)	40,027	42,169	44,157	45,359	4,130	10.3	3,190	7.6

+10.3 %

Public sector

Increase with respect to 2022 excluding NGEU.

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF)

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

Administrative public sector's revenues in ESA terms (AP-ESA)

Revenues by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Direct taxes	13,163	13,163	15,387	15,387	2,224	16.9	2,224	16.9
2. Indirect taxes	11,738	11,738	14,174	14,174	2,436	20.8	2,436	20.8
3. Fees and other revenues	2,613	2,613	2,899	2,916	287	11.0	303	11.6
4. Current transfers (2)	8,171	8,482	8,165	8,349	-6	-0.1	-133	-1.6
5. Property revenues	96	96	107	107	10	10.7	10	10.7
Current revenues	35,782	36,092	40,732	40,933	4,950	13.8	4,840	13.4
6. Real investment sales	285	285	130	130	-156	-54.5	-155	-54.5
7. Capital transfers (2)	434	1,126	427	908	-6	-1.4	-218	-19.4
Capital revenue	719	1,412	557	1,038	-162	-22.5	-374	-26.5
Non-financial revenue	36,501	37,504	41,289	41,970	4,789	13.1	4,466	11.9
8. Var. of financial assets	285	1,234	525	824	240	84.1	-410	-33.2
Total revenue chap 1 to 8 (2)	36,786	38,738	41,815	42,795	5,029	13.7	4,056	10.5
9. Net revenues from variations of financial liabilities	2,798	2,798	2,654	2,654	-144	-5.1	-144	-5.1
Total chapter 1 to 9 (net debt refin.)	39,584	41,536	44,469	45,449	4,885	12.3	3,913	9.4

+13.7 %

AP-ESA sector

Increase with respect to 2022 excluding NGEU. Chapters 1 to 8.

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF)

Administrative public sector's expenditure in ESA terms (AP-ESA)

Expenditure by chapters

M€

	Budget 2022h (1)		Budget 2023		Variation excluding NGEU		Total variation	
	Excluding NGEU	Total	Excluding NGEU	Total	in M€	in %	in M€	in %
1. Employee compensations	13,150	13,336	14,753	14,756	1,603	12.2	1,420	10.6
2. Current expen. on goods and services	9,273	9,561	10,572	10,728	1,299	14.0	1,167	12.2
3. Interests and financial fees	962	962	1,090	1,090	129	13.4	129	13.4
4. Current transfers (2)	12,850	13,209	13,905	14,043	1,056	8.2	834	6.3
5. Contingency fund	300	300	300	300	0	0.0	0	0.0
Current expenditure	36,534	37,368	40,620	40,917	4,086	11.2	3,549	9.5
6. Reals investments	1,843	2,477	1,844	2,332	1	0.1	-145	-5.9
7. Capital transfers (2)	709	1,383	796	1,213	87	12.3	-170	-12.3
Capital expenditure	2,551	3,860	2,640	3,545	88	3.5	-315	-8.2
Non-financial expenditure	39,085	41,228	43,260	44,462	4,175	10.7	3,234	7.8
8. Variation of financial assets (3)	308	308	987	987	679	220.4	679	220.4
Total expenditure chap 1 to 8 (2)	39,393	41,536	44,247	45,449	4,853	12.3	3,913	9.4

+12.3 %

AP-ESA sector

Increase with respect to 2022 excluding NGEU.

(1) Homogeneous.

(2) It includes Local government share of Central Government's revenue and European Agricultural Guarantee fund (EAGF)

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

ANNEX

European Union Next Generation Funds NGEU

Next Generation Funds

686 M€

Recovery and Resilience Mechanism

It includes funds distributed in sectoral conference during 2021 that were not applied to the 2021 budget. The endowment will be expanded with the funds distributed during 2022. The two components with the highest amounts are highlighted.

153 M€

Implementation of the Urban Agenda:
Urban rehabilitation and regeneration
plan (C02)

133 M€

Shock plan to safeguard and
strengthen inclusion policies in the
economy (C22)

499 M€

REACT-EU Funds

Recovery Assistance for Cohesion and the Territories
of Europe

They are integrated into the 2014-2020 Operational
Programs of the European Regional Development
Fund (ERDF) and the European Social Fund (ESF).

88%

REACT-EU EDRF

Including, among other actions, health products and
services, investments for the digital economy
transition, investments for the green economy
transition, investments in basic services'
infrastructures and technical assistance.

+12%

REACT-EU ESF

Including, among others, support for unemployment
and youth recruitment, high-level training in the
digital, green and social aid sectors for the
unemployed. Support for the hiring of vulnerable
groups, healthcare personnel and personnel in the
educational field.

Generalitat's budget distribution

European funds (MRR and REACT and NGEU by ministries)

M€

	Budget 2022h (1)			Budget 2023			Variation MRR		Variation REACT		Variation Total NGEU	
	MRR	REACT	Total NGEU	MRR	REACT	Total NGEU	in M€	in %	in M€	in %	in M€	in %
Presidential Ministry	52	43	95	47	60	107	-5	-9.8	17	38.8	12	12.2
Business and Labour	120	80	200	58	67	124	-62	-52.0	-13	-16.1	-75	-37.7
Economy and Finance	0	0	0	0	0	0	0	-	0	-	0	-
Equality and Feminisms	1	0	1	1	0	1	0	0.0	0	-	0	0.0
Foreign action and European Union	0	0	0	0	0	0	0	-	0	-	0	-
Education	344	61	406	46	89	135	-298	-86.6	28	45.2	-271	-66.7
Research and Universities	40	0	40	9	0	9	-32	-78.8	0	-	-32	-78.8
Climate Action, Food and Rural Agenda	150	0	150	189	0	189	40	26,4	0	-	40	26,4
Home affairs	0	0	0	0	0	0	0	-	0	-	0	-
Territory	564	27	591	159	54	213	-404	-71.7	26	96.7	-378	-63.9
Health	0	319	319	0	212	212	0	-	-107	-33.4	-107	-33.4
Socials rights	246	0	246	144	5	148	-102	-41.5	5	-	-98	-39.7
Culture	12	0	12	3	0	3	-9	-74.6	0	-	-9	-74.6
Justice, rights and memory	0	0	0	32	12	44	32	-	12	-	44	-
Subtotal ministries	1,528	530	2,058	686	499	1,185	-841	-55.1	-32	-6.0	-873	-42.4
Rest of public sector	0	85	85	3	14	17	3	-	-71	-	-68	-
Total public sector	1,528	615	2,142	689	513	1,202	-838	-54.9	-102	-16.6	-941	-43.9

(1) Homogeneous.

Note: NGEU expenditure is financed with NGEU revenues forecast and 221,4 M€ ESA NGEU adjustments.

MRR funds distribution

Recovery and Resilience Mechanism funds by ministerial aggrupation M€

Components	Ministerial aggrupation	Budget 2022 h (1)	Budget 2023	Variation	
				in M€	in %
C01. Shock plan for sustainable, connected and safe mobility in urban and metropolitan areas	TER	148	0	-148	-100.0
C02. Urban agenda implementation: Urban rehabilitation and regeneration plan	TER, ACC	392	153	-240	-61.1
C03. Environmental and digital transformation of the agrarian and fishing system	ACC	0	36	36	-
C04. Preservation and restoration of marine and terrestrial ecosystems and biodiversity	ACC	29	7	-22	-77.3
C05. Coast and hydric resources preservation	ACC, PRE	0	24	24	-
C06. Sustainable, safe and connected mobility	TER	18	7	-11	-62.7
C07. Renewable energy roll-out and integration	ACC	94	94	0	0.0
C08. Electric infrastructures, intelligent network promotion and flexibility roll-out	ACC	21	21	0	0.0
C11. Public administration modernization	JUS, PRE	0	62	62	-
C12. Spain 2030 Industrial Policy	ACC	0	13	13	-
C13. SME boost	EMT	0	8	8	-
C14. Touristic sector modernization and competitiveness	EMT	0	26	26	-
C15. Digital Connectivity , cybersecurity boost and 5G roll-out	TER, PRE	44	6	-38	-87.1
C19. Digital Skills national plan	PRE, EDU, EMT	236	4	-231	-98.1
C20. Strategic plan to boost vocational training	EDU	23	0	-23	-100.0
C21. Educational system modernization and digitalization including 0-3 early education	EDU	124	46	-78	-62.9
C22. Shock plan to ensure and strengthen inclusion policies in the economy	DSO, TER	246	133	-113	-46.0
C23. New public policies for a dynamic. Resilient and inclusive labour market.	EMT, REU, IFE, DSO, PRE	141	39	-102	-72.3
C24. Cultural industry revalorization	CLT	12	3	-9	-74.3
C26. Sports sector promotion plan	PRE, TER	0	7	7	-
Total Recovery and Resilience Mechanism (MRR)		1,528	689	-838	-54.9

(1) Homogeneous.

REACT funds distribution

REACT funds	Ministerial agrupation	Budget 2022 h (1)	Budget 2023	Variation	
				in M€	in %
REACT-EU - ERDF	DSO	0	4	4	-
REACT-EU - ERDF	EDU	41	23	-19	-45.3
REACT-EU - ERDF	EMT	0	3	3	-
REACT-EU - ERDF	JUS	0	8	8	-
REACT-EU - ERDF	TER	90	180	89	98.6
REACT-EU - ERDF	PRE	0	21	21	-
REACT-EU - ERDF	SLT	219	212	-7	-3.0
REACT-EU - ERDF	REU	0	1	1	-
REACT-EU - ERDF	DD11	2	0	-2	-100.0
Total REACT-EU - ERDF		353	452	99	28.1
REACT-EU - European Social Fund	EMT	80	61	-19	-23.8
REACT-EU - European Social Fund	SLT	100	0	-100	-100.0
REACT-EU - European Social Fund	EDU	0	0	0	-
REACT-EU - European Social Fund	DD11	83	0	-83	-100.0
Total REACT-EU - European Social Fund		262	61	-201	-76.7
Total REACT Funds		615	513	-102	-16.6

(1) Homogeneous.

513 M€

REACT funds allocated in the 2023 budget
(499 M€ to the ministries)

PGC'23

Catalonia
Budget 2023



**Generalitat
de Catalunya**

Act 2/2023

**Per transformar Catalunya,
sempre endavant**



**Generalitat
de Catalunya**

