



**ADDITIONAL FISCAL MEASURES UNDERTAKEN BY THE SPANISH
GOVERNMENT ON JULY 13th, 2012**

- The Spanish Government has presented additional fiscal measures designed to achieve Spain's deficit targets convened with the European Commission in the framework of the Excessive Deficit Procedure.
- These measures include, among others:
 - A significant **increase in tax revenues**, including VAT, corporate income tax, personal income tax and excise duties.
 - A substantial review of the **unemployment benefit regime** and of **social security** contributions.
 - Measures to increase the **efficiency of the public sector** and to reduce the **public sector wage bill**.
 - A frontloading of the sustainability factors in the **pension system**.
- The estimated impact of these measures is approximately 13.5 billion euros in the remainder of 2012, 22.9 billion euros in 2013, and 20 billion euros in 2014. This calculation **excludes the valuation of the impact of further measures**, including Energy and Environmental taxation, which will be announced at a later date.

Estimated impact of the fiscal measures announced on July 13 th (In € bn)				
	2012	2013	2014	TOTAL
VAT	2.30	10.13	9.67	22.10
Corp. Income Tax	2.59	2.45	2.45	7.49
Excise Duties	-0.06	0.39	0.39	0.73
Pers. Income Tax	0.15	1.93	2.04	4.11
Additional Expenditure cuts	1.00	0.00	0.00	1.00
Public Services	5.43	1.92	1.87	9.22
Employment	1.90	5.81	6.05	13.76
Social Security	0.07	-1.15	-3.89	-4.98
Dependency Law	0.16	1.39	1.47	3.02
TOTAL	13.53	22.86	20.05	56.44

- These measures are additional to those already announced in the 2012 Central Government Budget in April 2012, and to the Economic and Financial plans presented by the Autonomous Regional Governments in May 2012.
- This package has been approved by the Central Government and will enter into force immediately, with the exception of the VAT tax increase, which will enter into force in September.



Estimated Impact of Income and Expenditure Measures Approved on July 13 th (In € Million)									
	2012			2013			2014		
	Central Government	Autonomous Regions	Local Governments	Central Government	Autonomous Regions	Local Governments	Central Government	Autonomous Regions	Local Governments
VAT*	2 300.0			10 134.0			9 670.0		
Corp. Income Tax*	2 585.0			2 450.0			2 450.0		
Excise Duties*	-55.0			390.0			390.0		
Pers. Income Tax*	145.0			1 925.0			2 035.0		
Additional Expenditure Cuts	1 000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Services	1 026.2	3 442.6	956.2	389.3	1 200.6	333.5	379.5	1 167.8	324.4
Employment	1 900.9	0.0	0.0	5 805.9	0.0	0.0	6 049.4	0.0	0.0
Social Security	69.8	0.0	0.0	-1 154.3	0.0	0.0	-3 893.9	0.0	0.0
Dependency Law	95.0	65.0	0.0	864.0	527.0	0.0	873.0	600.0	0.0
Total impact of measures	13530.8***			22864.9***			20045.1***		
Previously Adopted Measures (Central Government Budget and Economic & Financial Plans under Supervision)									
Central Government Budget 2012	27 300.0								
Regional Economic & Financial Plans**		18 425.0							
Regions Health Care and Education (April 2012)						6 267.0			
Local Governments' Economic Plans			3 060.0			3 361.0			3 123.0
Reform of the Local Administrations						3 500.0			

* Pending the split between levels of the Government Administration

** Only includes the Economic & Financial Plans presented for 2012

*** Pending a valuation of the impact of measures involving Energy and Environmental Taxation