



In an anticipatory measure on 11 March, the Formentera Island Council repayed four million euros in bank debt of a total eight-point-five million euro credit provided by the Spanish financial agency ICO (Instituto de Crédito Oficial), because it was so obliged by the regional autonomous government's continued failure to repay the debt it maintains with Formentera.

Although debt levels have fluctuated over recent years, they reached particularly worrisome heights in 2012, when our island council attested to outstanding debts of 11.5 million euros.

This debt has meant that for numerous expenditures, the Council has had to weather important financial costs alone, facing payments in the area of 700,000€ in some cases.

The Autonomous Community's failure to pay off its on-going debt has required the Formentera Island Council to tighten its already austere approach to economic pressures, placing at risk the financial stability and good-working operations of the local administration.

Progressive debt pay-off in recent years has permitted a slow balancing of our local council's accounts and a slow return to normality, though at the start of the year the Govern Balear's debt with the Formentera Council stood at close to six million euros.

The increased liquidity gives the Council increased possibilities to amortise certain credits in advance, thus lowering the pressure of bank interests and allowing the administration to dedicate economic resources to the benefit of the local population and the island.

The Council's provisions and the anticipated maturity of loans indicate insignificant debt levels by the end of 2014 and zero-debt by July of 2015.

The councilor of Hisenda (Tax Office), Bartomeu Escandell, stated, "It has been a very difficult last few years. We have acted with responsibility and rigour in moments when we've been obligated to increase financial pressure against our will". He added, "Two years have passed since I said that once reducing the pressure of debts with banks and with Palma we would be at measure to decrease the economic austerity applied in recent years. Thus, 2014 will be a year to study the evolution of economic factors and propose decreases looking ahead to 2015".