

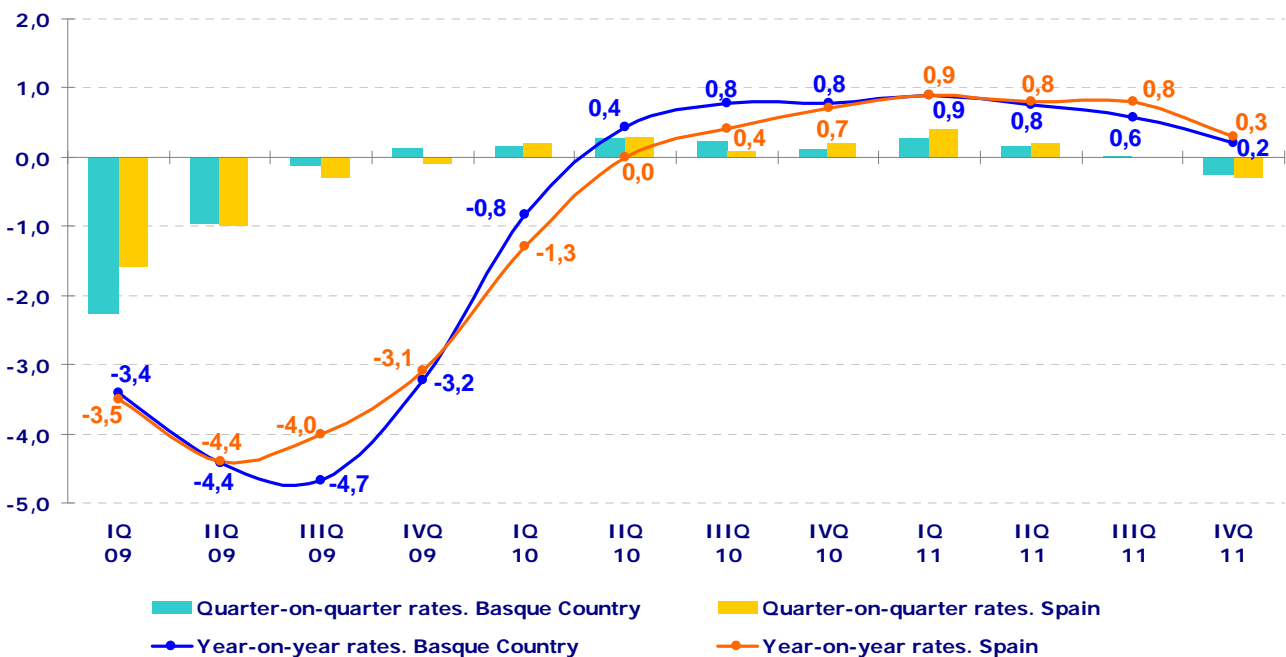
The GDP of the Basque Country registered 0.2% year-on-year growth in the fourth quarter of 2011

Growth was negative (-0.2%) with respect to the previous quarter

The GDP of the Basque Country registered year-on-year growth of 0.2% in the fourth quarter of 2011, compared to the same period of 2010, according to EUSTAT data. This positive rate was four-tenths down on the growth registered in the previous quarter. In the case of the Spanish economy this rate was 0.3%, in accordance with the advance estimation published by the INE.

With regards to the previous quarter, GDP growth of the Basque Country posted in the fourth quarter was negative (-0.2%), compared to that posted in the previous quarter, which revealed no quarter-on-quarter change (0.0%). This quarter-on-quarter variation, according to the advance estimation published by the INE, was one-tenth up on that registered by the Spanish economy (-0.3%).

Graph 1. GDP m/p. Year-on-year and month-on-month growth rates (%)



Source: EUSTAT - Quarterly Economic Accounts - and INE

From the point of view of supply, year-on-year growth in this quarter was mainly underpinned by the positive performance, although rather more slowly than in the previous quarter, by the Market Services sector. The Primary sector also performed positively in the fourth quarter of 2011. On the other hand, activity in the Industry, Construction and Non-market Services sectors continued on a negative trajectory compared to the same quarter of the previous year.

Table 1. GDP m/p. Supply. Chain volume indexes. Year-on-year growth rates. Basque Country. %

	2010	2011	2010				2011			
			I	II	III	IV	I	II	III	IV
Agriculture and fishing	24,7	-7,6	-7,3	9,6	51,8	48,2	-13,9	-16,0	-21,6	16,9
Industry	1,8	2,1	-1,4	2,2	3,5	2,8	3,7	3,3	1,5	-0,2
Construction	-9,8	-5,3	-11,0	-10,3	-9,8	-7,9	-4,6	-5,6	-6,0	-4,8
Services	0,6	0,9	0,6	0,9	0,4	0,5	0,8	1,0	1,3	0,6
Net taxes on products	2,0	0,2	0,9	2,0	3,0	2,0	0,0	-0,5	0,3	0,9
Gross Domestic Product at market prices	0,3	0,6	-0,8	0,4	0,8	0,8	0,9	0,8	0,6	0,2

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts

The **Primary** sector posted an increase both in year-on-year terms (16.9%) and quarter-on-quarter terms (50.3%), showing a year-on-year change in trend compared to previous quarters.

The **Industry** sector posted negative results in year-on-year terms (0.2%) following a 6 month uninterrupted period of positive growth. In quarter-on-quarter terms the negative performance experienced in the previous quarter was noticeable, going from a drop of 0.6% in the third quarter to -1.6% in the fourth quarter of the year.

Table 2. GDP m/p. Supply. Chain volume indexes. Year-on-year growth rates. Basque Country. %

	2010				2011			
	I	II	III	IV	I	II	III	IV
Agriculture and fishing	0,3	9,3	34,2	0,8	-41,8	6,6	25,3	50,3
Industry	-0,1	1,7	1,1	0,2	0,7	1,3	-0,6	-1,6
Construction	-6,1	-0,9	-1,0	0,0	-2,7	-2,0	-1,5	1,3
Services	0,0	0,3	-0,4	0,5	0,3	0,4	0,0	-0,1
Net taxes on products	0,1	1,1	0,4	0,4	-1,8	0,6	1,2	1,0
Gross Domestic Product at market prices	0,2	0,3	0,2	0,1	0,3	0,2	0,0	-0,2

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts

The **Construction** sector continued to contract, with a reduction in activity of -4.8% in the fourth quarter, in year-on-year terms. The magnitude of this reduction was lower than that observed in previous quarters, with the exception of the first quarter of 2011, achieving a positive performance compared to the previous quarter (1.3%) following a long period of quarter-on-quarter drops.

Activity in the **Market Services** sector continued to show positive growth (0.8%) in the fourth quarter of 2011 in year-on-year terms, one tenth less than the rate obtained in the previous quarter, whilst in quarter-on-quarter terms there was growth of 0.4% in this quarter.

On the other hand, the **Non-market Services** sector performed unfavourably in the last quarter both in year-on-year terms (0.3%) and quarter-on-quarter terms (-2.3%) following two quarters of positive performance in both terms.

The **Services** sector as a whole performed positively with respect to the fourth quarter of the previous year (0.6%), less favourably than that posted in previous quarters, and negatively for the first time in the year in quarter-on-quarter terms (0.1%).

The aggregated sectorial performance gave place to an increase in **Added Value** in year-on-year terms of 0.1%, inferior to those increments obtained in previous quarters. The reduction can also be seen in quarter-on-quarter terms, given that in the fourth quarter the quarter-on-quarter negative performance was noticeable, with a contraction of -0.4% against -0.1% registered in the previous quarter.

From the point of view of Demand, as in previous quarters, the foreign trade sector contributed positively to GDP growth, with pronounced year-on-year increases both in exports and imports.

Table 3. GDP m/p. Demand. Chain volume indexes. Year-on-year growth rates. Basque Countryi.
%

	2010	2011	2010				2011			
			I	II	III	IV	I	II	III	IV
Final home consumer spending	0,9	0,6	-0,6	1,5	1,5	1,3	0,8	0,3	0,9	0,5
Final Public Administration consumer spending	2,3	-0,8	1,8	2,7	3,0	1,5	1,3	1,3	-2,0	-3,6
Gross formation of capital	-6,0	-1,5	-9,7	-6,8	-4,0	-3,1	-1,8	-1,0	-0,2	-2,8
Internal Demand	-0,5	-0,1	-2,4	-0,3	0,4	0,2	0,3	0,2	0,2	-1,0
Total exports	7,6	9,0	4,0	9,8	6,5	10,0	13,3	3,2	12,4	7,3
Total imports	5,5	7,4	0,9	7,7	5,3	8,5	11,6	2,1	11,1	4,9
Gross Domestic Product at market prices	0,3	0,6	-0,8	0,4	0,8	0,8	0,9	0,8	0,6	0,2

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts.

Spending on Final Household Consumption (Private Consumption) posted positive growth of 0.5% in year-on-year terms, four-tenths down on that posted in the previous quarter. As in the previous quarter, in quarter-on-quarter terms there was a drop (-0.1% in the fourth quarter following -0.2% in the previous quarter).

Public Consumption (Public Administration Final Consumption Expenditure) is the macro-figure that suffered one of the largest reductions with a year-on-year rate of -3.6%, lower by more than one-and-a-half points than that of the previous quarter, a quarter-on-quarter fall of -2.4% against the rate of -0.9% observed in the third quarter.

The figure of the reduction of the expenditure of public administrations implied a contraction of the **Final Consumption Expenditure** (sum of Final Household Consumption and Public Consumption) both compared to the fourth quarter of the previous year (-0.4%) and with regards to the third quarter of 2011 (-0.7%).

In the fourth quarter of 2011 **Gross Capital Formation (Investment)** showed the worst results of 2011 with more pronounced drops than in previous quarters, both in year-on-year (-2.8%) and quarter-on-quarter (-1.9%) terms.

Internal Demand, composed of Final Consumption Expenditure and Gross Capital Formation suffered a contraction in the fourth quarter of the year. In year-on-year terms there was a drop of -1.0%, following positive growth in previous quarters, and in quarter-on-quarter terms there was a reduction of -1.1%, a more pronounced drop than that observed in the previous quarter (-0.6%).

Table 4. GDP m/p. Demand. Chain volume indexes. Year-on-year growth rates. Basque Country. %

	2010				2011			
	I	II	III	IV	I	II	III	IV
Final home consumer spending	0,7	1,1	-0,8	0,4	0,2	0,6	-0,2	-0,1
Final Public Administration consumer spending	-1,4	1,4	2,4	-0,8	-1,6	1,4	-0,9	-2,4
Gross formation of capital	-1,4	-1,6	-0,9	0,8	0,0	-0,8	-0,1	-1,9
Internal Demand	0,5	0,3	-0,6	0,0	0,6	0,1	-0,6	-1,1
Total exports	4,4	4,9	-0,5	1,0	7,6	-4,4	8,3	-3,7
Total imports	5,7	3,5	-1,5	0,7	8,7	-5,3	7,1	-4,9
Gross Domestic Product at market prices	0,2	0,3	0,2	0,1	0,3	0,2	0,0	-0,2

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts

As in previous quarters, the contribution of the **Foreign** sector to the performance of GDP was positive. In year-on-year terms the performance of exports was still greater (7.3%) than that of imports (4.9%), which resulted in a stronger foreign balance, meaning that GDP performed better compared to Internal Demand.

The modest year-on-year growth of GDP produced a drop in employment, measured in **Jobs**, which was quantified in a year-on-year fall of -1.3%, and in a decrease of 0.7% compared to the third quarter of 2011.

Job losses, as in previous quarters, were concentrated both in year-on-year and quarter-on-quarter terms in the Industry sector and, especially, in the Construction sector. In both sectors the year-on-year fall was greater than that seen in the previous quarter (-2.4% and -9.7% in the fourth quarter, respectively). The evolution of jobs in the Primary sector was also negative, although with lower year-on-year falls than in previous quarters (a year-on-year reduction of -2.2%). The Services sector is the only sector which generated jobs compared to the last quarter of 2010, with year-on-year growth of 0.2%, although the performance with respect to the third quarter of 2011 was once again negative.

As regards the performance of **GDP by Provinces**, Bizkaia posted a year-on-year performance that was more favourable than the Basque Country as a whole, with year-on-year growth of 0.3%. In the case of Gipuzkoa, growth stood at 0.2%, whilst GDP remained practically unchanged in Álava, although this province was the only one which saw an increase in activity compared to the third quarter of 2011, posting year-on-year growth of 0.1%.

GDP grew 0.6% in 2011 overall, with a fall in employment of 0.6%

Added value in the economy of the Basque Country grew 0.6% in 2011 overall. By sectors, the Industry and Services sectors were those which saw rises in added value (2,1% y 0,9% respectively). Within the Services sector, both market and non-market services maintained a positive evolution, estimated at 0.9% and 1.1%, respectively. On the other hand, the performance of added value in 2011 was negative both in the Construction sector (-5.3%) and the Primary sector (-7.6%). The effect of net taxes on products in 2011 overall was positive, with growth of 0.2%.

The analysis on the part of demand shows a decrease in **Internal Demand** of 0.1%, against year-on-year growth of 0.2% of GDP, with a positive contribution, therefore, of foreign balance in 2011 overall.

The growth in Final Household Consumption Expenditure (0.6%) and the contraction of Final Consumption Public Administration Expenditure (-0.8%) resulted in a positive performance of Final Consumption in 2011 overall, with growth of 0.3%. Gross Capital Investment, on the other hand, for the fourth consecutive year although to a lesser degree, posted negative performance estimated at -1.5%.

The performance for employment, measured in **jobs**, was negative, with a drop estimated at 0.6% in 2011 overall. The Services sector was the only sector to generate jobs throughout the year, with 0.9% growth in employment. The Primary, Industry and Construction sectors saw their employment levels fall, with variations of -3.9%, -1.9% and -7.8%, respectively.

For further information:

[Basque Statistics Office](#)

C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz

Tel: +34-945-01 75 00 Fax:+34-945-01 75 01 E-mail: eustat@eustat.es

Contact: Javier Aramburu

Tel:+34-945-01 75 80 Fax:+34-945-01 75 01

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