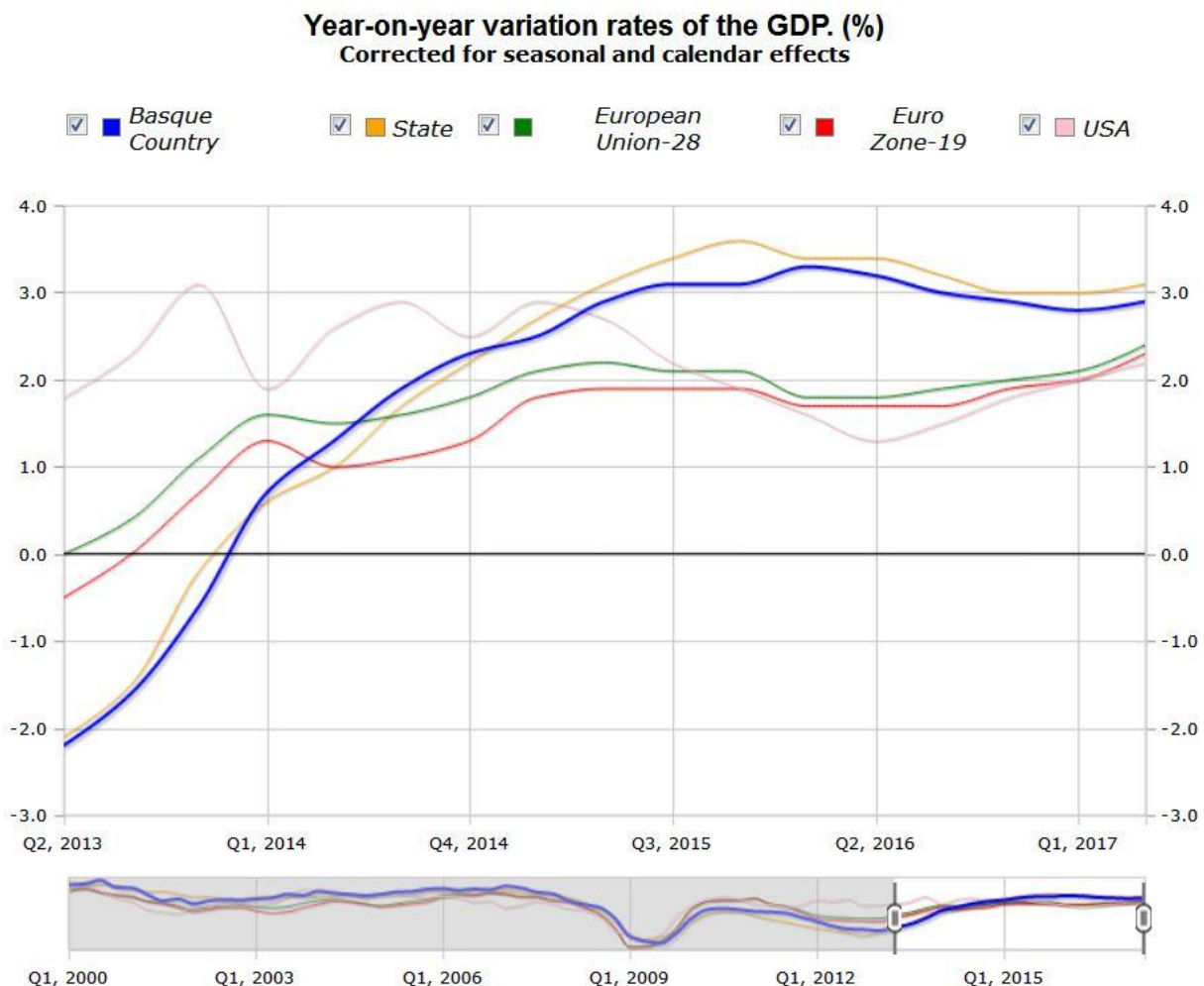


The GDP of the Basque Country posted a 2.9% year-on-year growth in the second quarter of 2017

Employment showed a year-on-year growth of 2.2%, with positive contributions in all branches of activity

The GDP of the Basque Country posted growth of 2.9% in the second quarter of 2017, compared to the same quarter of the previous year, according to Eustat data. With regards to the first quarter of 2017, the variation was 0.9%, two tenths higher than in the previous quarter.

The growth figures for the second quarter of 2017 were the same as those obtained for the Advance Quarterly Accounts for 28 July 2017.



Source: Eustat. Quarterly accounts

From the point of view of supply, the year-on-year growth in GDP during the second quarter of 2017 has resulted from the positive performance of all activity sectors, except the Primary sector. Both Industry and Services were slightly up on the previous quarter. This was not the case for Construction, which saw a slight fall in the annual figure obtained in the first quarter.

In this quarter, the **Industry** sector had a year-on-year growth rate of 2.3%, which was three tenths higher than in the first quarter. This figure for the year-on-year performance shows a growth of one point in quarter-on-quarter terms. The manufacturing industry showed a similar performance with an annual growth of 2.8% growth, which meant a quarterly growth of 0.6%.

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

	2015	2016	2016			2017	
			II	III	IV	I	II
AGRICULTURE, FORESTRY AND FISHING	13,4	1,6	2,8	-0,7	-7,3	2,6	-2,7
INDUSTRY AND ENERGY	3,9	3,3	2,4	2,9	3,0	2,0	2,3
Manufacturing industry	4,7	3,5	2,6	3,1	3,3	2,0	2,8
CONSTRUCTION	0,5	1,6	2,7	1,9	1,9	2,1	2,0
SERVICES	2,9	3,2	3,4	3,1	3,1	3,1	3,2
Trade, accommodation & food services and transport	4,5	3,6	3,9	3,7	3,5	3,7	3,9
Public administration, education, health and social services	2,5	2,4	2,4	2,4	2,7	2,6	2,7
Other services	2,0	3,3	3,6	3,0	3,0	3,0	2,9
GROSS ADDED VALUE at basic prices	3,1	3,1	3,1	3,0	2,9	2,8	2,9
NET TAXES ON PRODUCTS	1,1	3,1	3,2	2,9	3,1	3,0	3,0
GROSS DOMESTIC PRODUCT at market prices	2,9	3,1	3,2	3,0	2,9	2,8	2,9

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

Global activity within the **Services** sector recorded positive variations in both year-on-year and quarter-on-quarter terms: 3.2% and 1.1% respectively. The year-on-year growth of 3.2% in Services is the result of the positive performances of the sub-sectors, though to different extents: the **Trade, Hotel Management & Catering and Transport** branch grew at a rate of 3.9%, the highest of all sub-sectors. This was followed by the **Other Services** sector, which includes, amongst others, professional, finance and insurance activities, which posted an increase of 2.9%, with the **Public Administration, Education, Health and Social Services** coming in last place with an increase of 2.7%.

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

	2016			2017	
	II	III	IV	I	II
AGRICULTURE, FORESTRY AND FISHING	-6,9	0,0	-11,7	24,8	-11,7
INDUSTRY AND ENERGY	0,7	1,4	0,8	-0,9	1,0
Manufacturing industry	-0,2	1,5	0,5	0,2	0,6
CONSTRUCTION	0,1	-0,2	4,6	-2,3	0,0
SERVICES	1,0	0,4	0,3	1,3	1,1
Trade, accommodation & food services and transport	0,8	0,5	1,5	0,9	1,0
Public administration, education, health and social services	1,6	0,3	-1,6	2,3	1,8
Other services	0,9	0,5	0,5	1,1	0,8
GROSS ADDED VALUE at basic prices	0,8	0,6	0,6	0,8	0,9
NET TAXES ON PRODUCTS	1,0	0,6	1,1	0,3	1,0
GROSS DOMESTIC PRODUCT at market prices	0,8	0,6	0,6	0,7	0,9

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

Regarding quarter-on-quarter variation, the branch of **Public Administration, Education, Health and Social Services**, registered an increase of 1.8%, followed by **Trade, Hotel Management & Catering and Transport**, which went up by 1.0% and the **Other Services** branch with an increase of 0.8%.

The **Construction** sector was a little less dynamic, with an annual growth rate at 2.0%, one tenth lower than in the previous quarter. However, the quarter-on-quarter rate showed no variation (0.0%).

The aggregated performance by sector has given rise to an upturn in **Added Value** of 2.9%, one tenth higher than in the first quarter of 2017. There was also a 0.9% rise in the quarter-on-quarter rate.

From the point of view of demand, two factors determine the overall performance of GDP. On the one hand, Internal Demand continued to perform positively, with a growth rate of 2.7%. Its two components (Final Consumption Expenditure and Gross Capital Formation) both performed positively, although both showed a more moderate rate of annual growth compared to that of the previous quarter.

On the other hand, the external sector performance registered an increase of 1.7% for exports, compared to 1.4% for imports.

Final Consumption Expenditure of Households (Private Consumption) maintained its growth profile measured as an annual rate. Growth in this quarter was 3.0%, identical to the previous quarter. The quarter-on-quarter rate was 1.9%, higher than in the first quarter.

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

	2015	2016	2016			2017	
			II	III	IV	I	II
FINAL CONSUMPTION EXPENDITURE	2,8	3,0	3,2	2,7	2,9	2,9	2,7
Household and NPISHs final consumption expenditure	3,1	3,1	3,4	3,1	2,9	3,0	3,0
Public administrations final consumption expenditure	1,8	2,2	2,7	0,8	3,0	2,5	1,2
GROSS CAPITAL FORMATION	2,8	3,3	3,7	3,1	3,2	2,9	2,5
Gross fixed capital formation in equipment goods	6,5	7,5	7,0	6,1	6,6	4,9	4,0
Rest of gross capital formation	1,2	1,4	2,2	1,6	1,6	1,9	1,8
INTERNAL DEMAND	2,8	3,0	3,3	2,7	3,0	2,9	2,7
EXPORT OF GOODS AND SERVICES	0,6	2,2	3,0	1,6	0,3	0,7	1,7
IMPORT OF GOODS AND SERVICES	0,6	2,2	3,2	1,3	0,4	0,9	1,4
GROSS DOMESTIC PRODUCT at market prices	2,9	3,1	3,2	3,0	2,9	2,8	2,9

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

Public Consumption (Final Consumption Expenditure of Public Administrations) grew by 1.2% in year-on-year terms, less than the previous quarter, which gave rise to a quarterly decrease (-4.8%).

The overall performance of the **Final Consumption Expenditure of Public Administrations** combined with the **Final Consumption Expenditure of Households** led to an upturn of 2.7% in **Final Consumption Expenditure**. With regards to the previous quarter there was an upturn of 0.5%.

Gross Capital Formation registered annual growth of 2.5%, which is four tenths lower than the figure recorded in the previous quarter.

Once again this overall performance of investment was based on two trends of different intensity. The variation of investment in capital goods showed a positive trend, with a year-on-year growth rate of 4.0%, a figure slightly lower than the annual rate achieved in the first quarter. This annual rate gave rise to a quarter-on-quarter drop of 0.2%. The rest of Gross Capital Formation, which is more closely related to the performance of the construction sector, showed a different performance pattern, registering more modest growth rates, with a year-on-year variation of 1.8%, one tenth less than in the previous quarter.

Based on these performances, **Internal Demand** as a whole registered an increase of 2.7%.

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

	2016			2017	
	II	III	IV	I	II
FINAL CONSUMPTION EXPENDITURE	0,7	0,1	0,3	1,8	0,5
Household and NPISHs final consumption expenditure	1,8	0,3	0,2	0,6	1,9
Public administrations final consumption expenditure	-3,7	-1,1	1,0	6,4	-4,8
GROSS CAPITAL FORMATION	1,1	0,4	1,9	-0,5	0,8
Gross fixed capital formation in equipment goods	0,6	3,1	0,4	0,7	-0,2
Rest of gross capital formation	1,3	-0,8	2,6	-1,1	1,2
EXPORT OF GOODS AND SERVICES	5,9	-2,0	-2,1	-0,8	6,9
IMPORT OF GOODS AND SERVICES	5,5	-2,6	-1,9	0,2	6,0
GROSS DOMESTIC PRODUCT at market prices	0,8	0,6	0,6	0,7	0,9

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

As regards the level of employment (measured in **Full-Time Equivalent Jobs**), there was an overall increase in the level of employment of 2.2% in year-on-year terms, almost 20,000 more jobs. This year-on-year rate means a 0.8% growth with respect to the first quarter of 2017.

Employment levels performed positively in relation to the same quarter of the previous year in all sectors of activity. As in previous quarters, the Services sector stood out due to its volume and intensity, and posted a year-on-year increase of 2.3%.

The industry and construction sectors grew at an annual rate of 1.9% and 1.8%, respectively. There was a 0.5% rise in the year-on-year rate in the Primary sector, though its absolute figures were considerably more moderate.

The quarter-on-quarter rates for industry and services were up by 0.4% and 0.9%, respectively, construction maintained the level of the previous quarter and the primary sector rose by 7.1%.

Regarding variation in **GDP by Province**, Álava and Bizkaia showed the largest growth in year-on-year terms, at 3.1% and 2.9%, respectively, while Gipuzkoa grew by 2.7%. In quarter-on-quarter terms Álava and Gipuzkoa were up by 1.0%, and Bizkaia by 0.8%.

For further information:

Eustat - Euskal Estatistika Erakundea / Instituto Vasco de Estadística

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

Press Service: servicioprensa@eustat.eus Tlf: 945 01 75 62