

**BASQUE BUSINESS STRUCTURE AND DEMOGRAPHY I-1-2012**

## The total number of Basque establishments dropped for the fourth consecutive year

***The net balance between start-up establishments and those that stopped trading was negative by more than 7000 establishments***

of economic activity and traded in 184,471 establishments (factories, shops and offices), according to Eustat data.

The number of establishments fell in every sector compared to the previous year, except in Public Administration, Education & Health, which gained 0.9%. Real Estate 18.9% of all employment.

**Number of Establishments by activity branch and Inter-annual rates of variation. I-1-2012**

	Basque Country		Araba/Álava		Bizkaia		Gipuzkoa	
	N.	%	N.	%	N.	%	N.	%
<b>Total</b>	<b>184.471</b>	<b>-</b>	<b>25.788</b>	<b>-</b>	<b>95.302</b>	<b>-</b>	<b>63.381</b>	<b>-</b>
Agriculture, livestock and fisheries	6.240	-	1.813	-	2.036	-	2.391	-
<b>Other sectors</b>	<b>178.231</b>	<b>-3,9</b>	<b>23.975</b>	<b>-3,7</b>	<b>93.266</b>	<b>-3,7</b>	<b>60.990</b>	<b>-4,4</b>
Industry, energy and sewerage	13.413	-5,0	2.222	-4,2	6.003	-5,8	5.188	-4,3
Construction	24.844	-8,8	3.322	-13,0	12.469	-8,4	9.053	-7,8
Trade, transportation and food service activities	70.403	-2,2	9.250	-2,6	37.686	-2,2	23.467	-2,2
Information and communication	3.180	-2,3	414	-3,9	1.740	0,6	1.026	-6,4
Financial and insurance activities	5.188	-0,2	760	-2,9	2.803	1,2	1.625	-1,3
Real estate activities	4.204	-24,5	245	-3,9	2.479	-25,9	1.480	-24,7
Professional activities and support services	28.609	-0,7	3.899	0,7	15.325	-1,4	9.385	-0,2
Public Administration, education and health	15.897	0,9	2.149	1,5	8.472	1,3	5.276	0,2
Arts activities and other services	12.493	-7,5	1.714	-4,2	6.289	-3,8	4.490	-13,2

Source: Eustat. Directory of Economic Activities

The largest sector was Trade, Transport and Hotel Management & Catering, with 38.2% in all establishments, followed by Professional Activities & Support Services (15.55%) and Construction (13.5%).

Trade, Transport and Hotel Management & Catering was the most important sector in terms of employment, occupying 25.9% of the Basque Country total recorded by the Directory. Industry, Energy & Sewerage came next, with 21.7% of the total, and Public Administration, Education & Health with 20.1%.

The sectoral structure differed in the three Provinces. Thus, the greatest provider of employment in Álava was Industry, Energy & Health, with 28.6% of all the employment in the province; followed by Trade, Transport and Hotel Management & Catering, with 21.7%.

In Gipuzkoa, on the other hand, Trade, Transport and Hotel Management & Catering, with 25.9% of the total employment recorded was very similar to Industry, Energy & Sewerage, with 25.4% of the total. Public Administration, Education & Health came third, with 19.3%.

In Bizkaia, the Trade, Transport and Hotel Management & Catering sector predominated, with 26.9% of the total employment in the province. The Public Administration, Education & Health sector came second, with 20.1%, whereas Industry, Energy & Sewerage, with 17.1% of the total, was in third place.

The distribution of establishments by size in 2011 was very similar to the previous year. Barely 2,314 establishments, 1.3% of the total, had 50 or more employees, despite accounting for 37.7% of employment. On the other hand, 137,997 establishments, almost three-quarters of the total, employed less than 3 people and accounted for just 19.7% of all employment.

As regards the average size of the establishments by branch of activity, the greatest concentration of employment was recorded in Industry, Energy & Sewerage, both in terms of the Basque Country overall, with an average size of 14.1 employees per establishment, and at provincial level, with Álava standing out with 18.3, and the average size in Gipuzkoa and Bizkaia being 14.1 and 12.6 employees per establishment, respectively. The average size of the establishments in the Public Administration, Education & Health sector was also noteworthy, standing at 14.3 in Álava, 10.7 in Gipuzkoa and 10.6 in Bizkaia.

## **COMPANIES**

Of the total of companies, legal units that provide support for establishment's activities, 97.6% were based in the Basque Country and 3891 in the rest of the State. Bizkaia, with 83,284 companies, contributed just over half; Gipuzkoa 56,491 and Álava 21,851.

The average size of companies in the Basque Country remained stable, with 5.3 employees per company and 4.7 per establishment. The analysis by legal status reveals, however, noticeable differences. Companies under individual ownership only had 1.4 employees, both per company and establishment, whereas for the other legal forms these averages reached 10.9 and 8.8 employees per company and establishment, respectively.

## **BUSINESS DEMOGRAPHICS**

Leaving the Agriculture, Livestock & Fishing sector aside, the net balance between start-up establishments and those that stopped trading was -7269.

The greatest rotation was seen in the branches of Trade, Transportation & Hostelry, with 36.2% of new openings and 32.0% of closures; 18.3% of new openings and 23.1% of closures in Construction; and Professional Activities & Support Services, with figures of 17.7% and 12.9%, respectively.

**Establishment demographics. (except Agriculture, livestock and fisheries).  
The Basque Country. I-1-2012**

	New entries	Cancelled entries		New entries	Cancelled entries
<b>Total</b>	<b>14.573</b>	<b>21.869</b>	<b>Total</b>	<b>14.573</b>	<b>21.869</b>
Industry, energy and sewerage	690	1.391	Individual holder	9.807	9.956
Construction	2.670	5.058	Partnership	253	1.063
Trade, transportation and food service activities	5.272	7.008	Limited company	3.193	6.498
Information and communication	416	437	Other companies and associations	1.213	4.198
Financial and insurance activities	382	386	Other legal forms	107	154
Real estate activities	235	1.560			
Professional activities and support services	2.584	2.822			
Public Administration, education and health	1.210	1.077			
Arts activities and other services	1.114	2.130			

Source: Eustat. Directory of Economic Activities

In the analysis of demography by legal status, the establishments created under the individual ownership formula stand out for having generated 67.3% of new openings and 45.5% of closures.

All types of legal status lost establishments. The one that lost the fewest is Other Legal Status (37) and most were lost in Other Companies & Associations and Limited Companies, which lost 3176 and 3138 establishments, respectively.

In terms of employment, individually owned establishments accounted for 42.2% of jobs created and 25.6% of jobs lost. Following these, Limited Company owned establishments accounted for 32.3% of jobs created and 38.6% of jobs lost.

In terms of establishment size, the most dynamic stratum was that of 2 employees or under, as has become the norm. This stratum alone accounted for 91.7% of all registrations and 86.7% of all closures.

On the contrary, the stratum of Large Stores, those with 50 or more employees, only accounted for 0.2% of all registrations and the same percentage of all closures. On the other hand, it accounted for 8.7% of all new jobs created and 11.1% of all jobs lost.

**Note:** Companies and establishments belonging to the Primary sector have been included in the Basque Country's Directory of Economic Activities for the first time.

**For further information:**

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