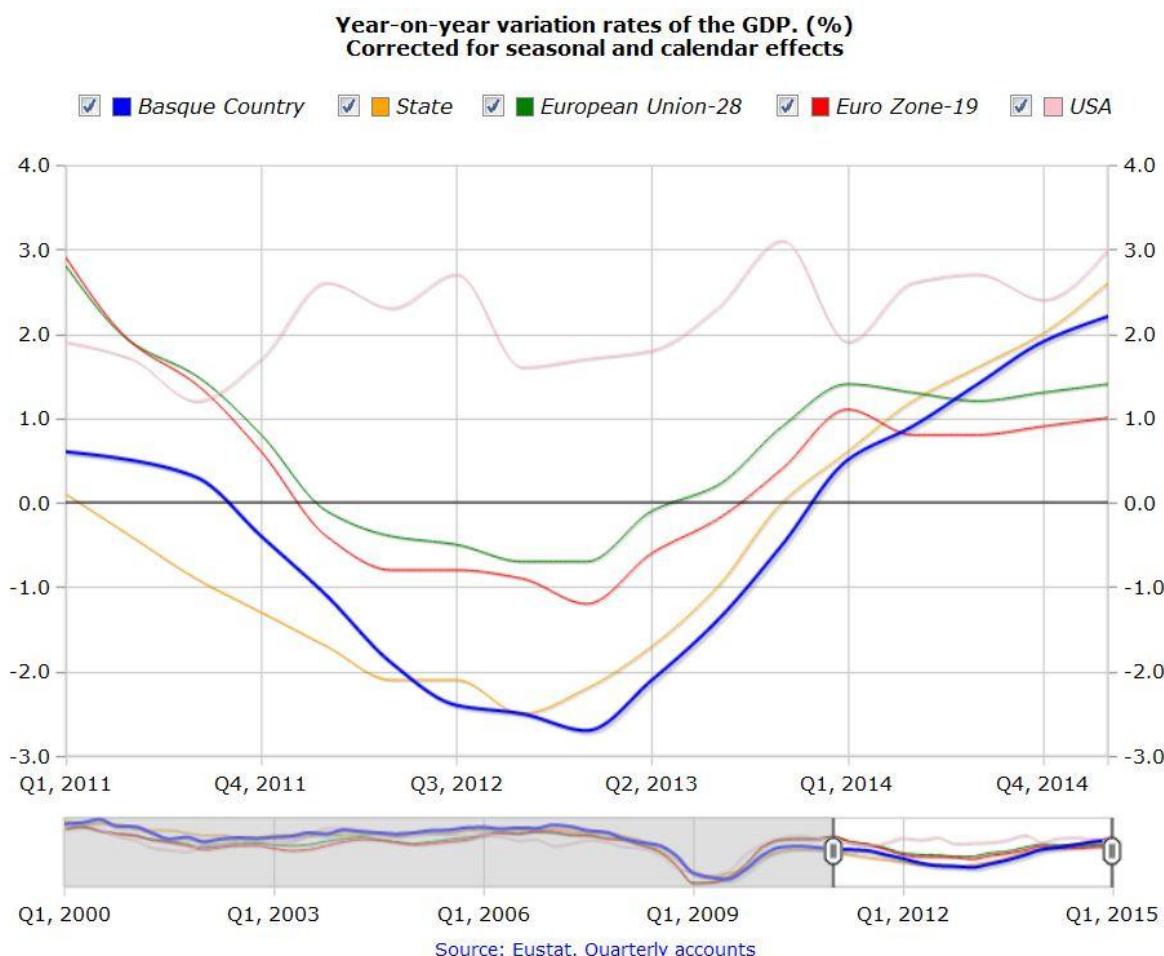


The GDP of the Basque Country registered 2.2% year-on-year growth in the first quarter of 2015

Growth was 0.6% compared to the previous quarter

GDP of the Basque Country saw growth of 2.2% in the first quarter of 2015 with respect to the same quarter of the previous year, according to Eustat data. This is equivalent to an increase of three tenths on the growth registered in the preceding quarter. With regards to the previous quarter, the variation was 0.6%. These data confirm those provided in the Advance Quarterly Accounts of 29 April.

Growth of the Basque economy was four tenths lower than that of the Spanish economy in year-on-year terms, but it has more than doubled the growth of the Eurozone-19 (+1.0%).



From the point of view of supply, the year-on-year growth in GDP was due to the positive performance of all activity sectors.

Thus, the rate of growth in the primary sector has accelerated (13.9%) compared with the growth posted in the previous quarter. The growth rate of industry, on the other hand, has slowed, though it saw a positive year-on-year rate. Variation in the construction sector was notable, as it has seen a positive growth rate for the first time since the last quarter of 2007. The services sector overall, with the exception of the primary sector, showed the greatest dynamism, with an increased year-on-year growth rate which was also higher than that seen in the previous quarter. This fact is especially significant in Other Services, which includes professional activities, finance and insurance, among others.

In more detail, the **Industry** sector posted, in this first quarter, a positive year-on-year growth rate of 0.2%, which is eight tenths below that of the fourth quarter, although the fact that it is the fifth consecutive quarter with positive year-on-year growth rates is significant. In quarter-on-quarter terms, a decrease of 0.5% was seen in this first quarter. The manufacturing industry grew at a rate one tenth higher (0.3%), with a positive quarter-on-quarter rate of 1.2%.

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

	2013	2014	2014				2015
			I	II	III	IV	
AGRICULTURE AND FISHING	-5,5	5,5	-1,9	6,2	13,8	4,6	13,9
INDUSTRY AND ENERGY	-2,6	1,0	0,8	0,9	1,4	1,0	0,2
Manufacturing industry	-1,5	1,1	0,9	1,0	1,4	1,1	0,3
CONSTRUCTION	-4,7	-3,0	-4,1	-3,6	-2,5	-2,0	0,6
SERVICES	-0,9	1,5	0,6	1,1	1,7	2,6	2,8
Trade, hotel management & catering and transport	-1,6	1,6	0,3	1,3	1,9	3,0	3,0
Public administration, education, health and social services	0,1	2,2	1,7	2,0	2,4	2,8	2,7
Other services	-0,9	1,1	0,3	0,6	1,3	2,2	2,6
GROSS ADDED VALUE at basic prices	-1,6	1,1	0,3	0,8	1,5	1,9	2,1
Net taxes on products	-2,7	1,7	1,9	2,2	0,8	1,9	2,6
Gross Domestic Product at market prices	-1,7	1,2	0,5	0,9	1,4	1,9	2,2

Data corrected for seasonal and calendar effects.

Source: Eustat. Quarterly accounts

The **Construction** sector, after 28 consecutive quarters with negative year-on-year rates, showed its first signs of recovery, posting a growth rate of 0.6%. This rate is two points and six tenths higher than in the previous quarter. Even so, there was a quarter-on-quarter decrease of 2.9%.

Global activity within the **Services** sector recorded positive variations in both year-on-year terms and quarter-on-quarter terms: 2.8% and 1.0% respectively.

The year-on-year growth of 2.8% in **Services** follows the variation in all subsectors, which was positive, but to different extents: the branch of **Trade, Hotel Management & Catering and Transport** shows the highest growth rate once again (3.0%); followed by **Public Administration, Education, Health and Social Services** with 2.7% growth; and **Other Services** - that covers professional, financial and insurance activities, among others - grew at a rate of 2.6%.

Regarding quarter-on-quarter variation, it is worth noting that all subsectors registered positive growth rates, with services linked to **Public Administration, Education, Health and Social Services** registering the highest quarter-on-quarter growth rate, at 2.4%. The branches of both **Trade, Hotel Management & Catering and Transport** and **Other Services** also posted positive rates, of 0.6% and 0.5% respectively.

The aggregated performance by sector has led to a rise in **Added Value** of 2.1% in year-on-year terms, maintaining the positive balance registered throughout 2014. This is an improvement of two tenths over the year-on-year figure of the previous quarter. There was also a 0.6% rise in the quarter-on-quarter rate, for the sixth consecutive quarter.

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

	2014				2015
	I	II	III	IV	I
AGRICULTURE AND FISHING	10,6	4,9	-1,0	-9,0	20,5
INDUSTRY AND ENERGY	0,3	0,3	0,9	-0,5	-0,5
Manufacturing industry	2,0	-0,9	0,9	-0,9	1,2
CONSTRUCTION	-5,4	-2,4	1,1	5,0	-2,9
SERVICES	0,9	0,7	0,4	0,7	1,0
Trade, hotel management & catering and transport	0,6	0,4	0,3	1,8	0,6
Public administration, education, health and social services	2,5	1,4	0,6	-1,5	2,4
Other services	0,1	0,5	0,3	1,3	0,5
GROSS ADDED VALUE at basic prices	0,4	0,4	0,5	0,6	0,6
Net taxes on products	-0,4	0,8	0,5	1,1	0,3
Gross Domestic Product at market prices	0,3	0,4	0,5	0,7	0,6

Data corrected for seasonal and calendar effects.

Source: Eustat. Quarterly accounts

From the point of view of Demand, the positive growth rates of **Internal Demand** were consolidated with growth of 2.1% in year-on-year terms, an increase of one tenth on the previous quarter. Furthermore, this positive performance is reflected in its two components, Final Consumption Expenditure and Gross Capital Formation. With regards to the external sector, it is important to note that there has been a decrease in both import and export levels, even though the contribution of the external balance to GDP was slightly positive.

The annual growth rate of **Household Final Consumption Expenditure (Private Consumption)** continued to accelerate, as it did throughout 2014. Growth in this quarter was 2.9%, three tenths higher than the previous quarter. The quarter-on-quarter rate was 0.4%, three tenths lower than in the fourth quarter.

Public Consumption (Final Consumption Expenditure of Public Administrations) grew by 0.2% in year-on-year terms (1.6 percentage points more than in the previous quarter), which means a quarter-on-quarter growth rate of 6.4%.

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

	2013	2014	2014				2015
			I	II	III	IV	
FINAL CONSUMPTION EXPENDITURE	-1,1	1,4	0,3	1,2	1,7	2,4	2,3
Household final consumption expenditure and ISFLSH	-1,0	1,6	0,2	1,4	2,2	2,6	2,9
Public administrations final consumption expenditure	-1,4	0,9	1,0	0,8	-0,1	1,8	0,2
GROSS CAPITAL FORMATION	-4,6	0,0	-0,9	0,0	0,2	0,6	1,3
Gross fixed capital formation in equipment goods	-3,1	2,2	0,4	1,5	2,9	4,0	3,8
Rest of gross capital formation	-5,2	-1,0	-1,5	-0,6	-1,0	-0,7	0,3
INTERNAL DEMAND	-1,9	1,1	0,1	1,0	1,4	2,0	2,1
EXPORT OF GOODS AND SERVICES	0,9	3,4	3,3	2,1	3,6	4,7	-1,4
IMPORT OF GOODS AND SERVICES	0,4	3,2	2,6	2,1	3,4	4,7	-1,4
Gross Domestic Product at market prices	-1,7	1,2	0,5	0,9	1,4	1,9	2,2

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

The overall performance of the **Final Consumption Expenditure of Public Administrations** combined with the **Final Consumption Expenditure of Households** led to a upturn of 2.3% in **Final Consumption Expenditure**. With regards to the previous quarter there was an upturn of 1.6%.

Gross Capital Formation (Investment) grew at a positive year-on-year rate of 1.3%, seven tenths more than that registered in the previous quarter. Even so, there was a quarter-on-quarter decrease of 1.2%. Once again this overall performance of investment was based on two trends of different intensity. The variation of investment in capital goods showed a more positive trend, with a year-on-year growth rate of 3.8%, which equates to a quarterly increase of 0.6%. The rest of Gross Capital Formation, which is more closely related to the performance of the construction sector, also posted positive results in the year-on-year rate (0.3%), but a decrease of 1.9% in the quarter-on-quarter rate.

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

	2014				2015
	I	II	III	IV	I
FINAL CONSUMPTION EXPENDITURE	1,8	-0,1	0,2	0,6	1,6
Household final consumption expenditure and ISFLSH	0,1	1,2	0,6	0,7	0,4
Public administrations final consumption expenditure	8,0	-4,8	-1,3	0,2	6,4
GROSS CAPITAL FORMATION	-1,9	0,5	0,8	1,2	-1,2
Gross fixed capital formation in equipment goods	0,9	2,1	2,4	-1,4	0,6
Rest of gross capital formation	-2,9	-0,1	0,1	2,3	-1,9
EXPORT OF GOODS AND SERVICES	1,5	6,2	3,3	-5,9	-4,4
IMPORT OF GOODS AND SERVICES	2,4	5,2	2,9	-5,6	-3,5
Gross Domestic Product at market prices	0,3	0,4	0,5	0,7	0,6

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 1.4% in year-on-year terms, which was the fourth consecutive rise. This year-on-year rate means a 0.3% growth with respect to the fourth quarter of 2014.

Once again, variation in the level of employment with respect to the same quarter of the previous year was positive in the primary and services sectors, and negative in Industry and Construction. The Services sector stands out for its total volume of employment, whose annual rate grew by 2.4%. The Primary sector also grew at a rate of 1.3%. The greatest year-on-year downturn occurred in Industry, which fell by 1.5%. Similarly, the loss of employment in Construction was 0.1%.

The primary sector saw a negative performance in the quarter-on-quarter rate (-1.5%), as did industry (-0.3%) and construction (-3.1%). Conversely, services saw positive growth of 0.8%.

Regarding variation in **GDP by Province**, Gipuzkoa showed the largest growth in year-on-year terms, at 2.4%, while Bizkaia grew by 2.2% and Álava by 1.7%. In quarter-on-quarter terms Álava and Bizkaia were up by 0.6%, and Gipuzkoa by 0.5%.

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