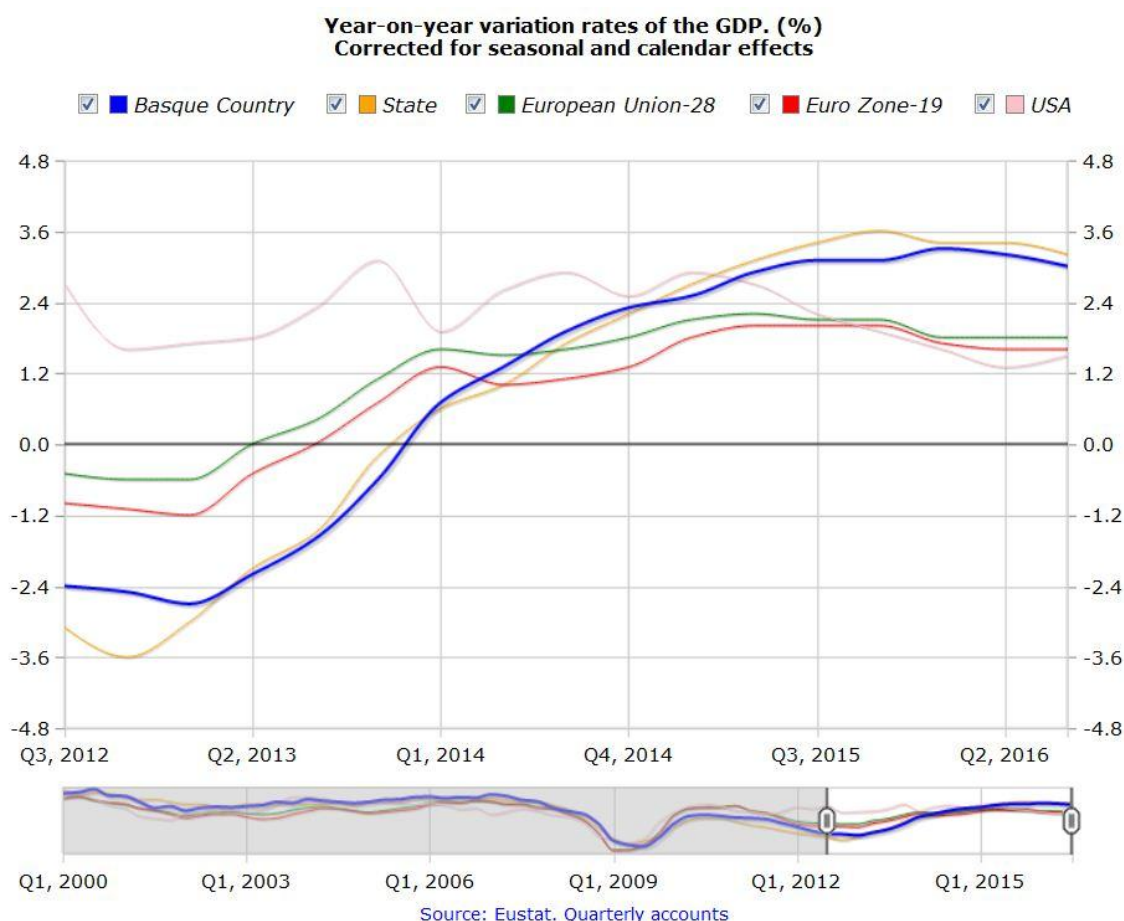


The GDP of the Basque Country registered 3.0% year-on-year growth in the third quarter of 2016

Over 16,000 net jobs were created on average during the first three quarters of 2016 compared with the same period of the previous year

The GDP of the Basque Country posted growth of 3.0% in the third quarter of 2016, compared to the same quarter of the previous year, according to Eustat data. With regards to the previous quarter, the variation was 0.6%. This data confirms the yearly and quarterly rates provided in the Advance quarterly accounts for 27 October.

Growth in the Basque economy in the third quarter of 2016 was two tenths lower than growth registered by the Spanish economy in annual terms, but was 1.4 percentage points higher than the growth of the Eurozone-19 (+1.6%).



From the point of view of supply, year-on-year GDP growth was due to the positive performance of both the industrial sector and the services sector. The construction sector, for its part, once again posted positive figures, while the primary sector posted slightly negative rates.

In more detail, the **Industry** sector posted, in this quarter, a positive year-on-year growth rate of 2.9%, which is five tenths higher than that of the second quarter. This year-on-year growth shows a

growth rate of 1.4% compared to the previous quarter. The **Manufacturing Industry** grew at a rate two tenths higher (3.1%), with a positive quarter-on-quarter rate of 1.5%.

The **Construction** sector managed to maintain positive growth rates, though growth was more moderate than during the previous quarter: 1.9% growth compared with a figure of 2.7% for the second quarter. This lower annual growth resulted in a quarter-on-quarter growth rate of 0.2%.

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

	2014	2015	2015		2016		
			III	IV	I	II	III
AGRICULTURE, FORESTRY AND FISHING	-19,8	13,4	13,1	24,3	11,6	2,8	-0,7
INDUSTRY AND ENERGY	2,0	3,9	4,5	4,9	4,8	2,4	2,9
Manufacturing industry	2,4	4,7	5,4	5,7	4,7	2,6	3,1
CONSTRUCTION	-1,7	0,5	0,2	-0,2	-0,3	2,7	1,9
SERVICES	1,7	2,9	3,1	2,8	3,0	3,4	3,1
Trade, accommodation & food services and transport	1,9	4,5	4,9	3,8	3,1	3,9	3,7
Public administration, education, health and social services	2,6	2,5	2,4	2,2	2,2	2,4	2,4
Other services	1,0	2,0	2,3	2,4	3,4	3,6	3,0
GROSS ADDED VALUE at basic prices	1,4	3,1	3,3	3,2	3,3	3,1	3,0
NET TAXES ON PRODUCTS	3,8	1,1	1,2	2,0	3,2	3,2	2,9
GROSS DOMESTIC PRODUCT at market prices	1,6	2,9	3,1	3,1	3,3	3,2	3,0

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

The **Services** sector underwent year-on-year growth of 3.1%, slightly less than the previous quarter (3.4%). However, all sub-sectors experienced upturns. The branches of both **Trade, Hotel Management & Catering and Transport** and **Other Services**, which includes, amongst others, professional, financial and insurance activities, posted higher growth rates, specifically 3.7% in the first branch and 3.0% in the second. The first of the two branches registered a decrease of two tenths from the annual rate of the second quarter, while the smallest growth in **Other Services** was six tenths. The branch of **Public Administration, Education, Health and Social Services** posted a positive annual rate of 2.4%, which is identical to the rate posted the previous quarter.

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

	2015		2016		
	III	IV	I	II	III
AGRICULTURE, FORESTRY AND FISHING	3,6	-5,5	12,8	-6,9	0,0
INDUSTRY AND ENERGY	0,9	0,7	0,1	0,7	1,4
Manufacturing industry	1,0	0,3	1,5	-0,2	1,5
CONSTRUCTION	0,6	4,6	-2,5	0,1	-0,2
SERVICES	0,8	0,3	1,3	1,0	0,4
Trade, accommodation & food services and transport	0,7	1,6	0,7	0,8	0,5
Public administration, education, health and social services	0,3	-1,9	2,4	1,6	0,3
Other services	1,0	0,5	1,1	0,9	0,5
GROSS ADDED VALUE at basic prices	0,8	0,6	0,9	0,8	0,6
NET TAXES ON PRODUCTS	0,9	0,9	0,4	1,0	0,6
GROSS DOMESTIC PRODUCT at market prices	0,8	0,6	0,8	0,8	0,6

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

In terms of quarter-on-quarter variation, all sub-sectors posted positive growth rates, and these rates were identical in the branches of **Trade, Hotel Management & Catering and Transport and Other Services**, at 0.5%. The branch of **Public Administration, Education, Health and Social Services** also grew by 0.3% in relation to the previous quarter.

The aggregated performance by sector has given rise to a 3.0% upturn in **Added Value** in year-on-year terms. This is a fall of one tenth from the year-on-year figure for the previous quarter. There was also a 0.6% rise in the quarter-on-quarter rate.

In terms of demand, it is worth noting that **Internal Demand** maintained a steady rate of growth at 2.7% in year-on-year terms, even though this annual rate is lower than the rate recorded for the previous quarter. This slowing down of growth is reflected in two components, Final Consumption Expenditure and Gross Capital Formation. With regards to the foreign sector, it should be noted that it has made a slightly positive contribution to growth, resulting in higher annual import rates than export rates - even though both rates were lower than the figures for the previous quarter.

Final Consumption Expenditure of Households (Private Consumption) saw a 3.1% annual rate of growth, which is three tenths lower than the rate for the second quarter. This slowing down of annual growth has resulted in a quarter-on-quarter growth rate of 0.3%.

Public Consumption (Final Consumption Expenditure of Public Administrations) grew by 0.8% in year-on-year terms, which means a quarter-on-quarter decline of 1.1%.

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

	2014	2015	2015		2016		
			III	IV	I	II	III
FINAL CONSUMPTION EXPENDITURE	1,9	2,8	3,2	2,7	3,1	3,2	2,7
Household and NPISHs final consumption expenditure	2,2	3,1	3,1	2,9	3,3	3,4	3,1
Public administrations final consumption expenditure	0,7	1,8	3,4	2,0	2,4	2,7	0,8
GROSS CAPITAL FORMATION	-0,5	2,8	2,8	2,8	3,4	3,7	3,1
Gross fixed capital formation in equipment goods	3,3	6,5	7,4	8,8	10,7	7,0	6,1
Rest of gross capital formation	-2,0	1,2	0,7	0,3	0,2	2,2	1,6
INTERNAL DEMAND	1,4	2,8	3,1	2,7	3,1	3,3	2,7
EXPORT OF GOODS AND SERVICES	5,8	0,6	-2,9	2,3	4,2	3,0	1,6
IMPORT OF GOODS AND SERVICES	5,3	0,6	-2,8	1,6	3,9	3,2	1,3
GROSS DOMESTIC PRODUCT at market prices	1,6	2,9	3,1	3,1	3,3	3,2	3,0

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 an upturn of 2.7% in **Final Consumption Expenditure**. With regards to the previous quarter there was an upturn of 0.1%.

Gross Capital Formation (Investment) grew at a positive year-on-year rate of 3.1%, and at a quarter-on-quarter rate of 0.4%. 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 6.1%, which equates to a quarterly increase of 3.1%. The rest of Gross Capital Formation, which is more closely related to trends in the construction sector, posted a year-on-year growth rate of 1.6%, with a decrease of 0.8% in the quarter-on-quarter rate.

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

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

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

With regards to employment (measured as **Full-time Equivalent Jobs**), there was an overall increase of 1.8% in year-on-year terms, which gives us the same annual rate as the previous quarter. This year-on-year rate means a 0.2% growth with respect to the second quarter of 2016.

Variation in the level of employment with respect to the same quarter of the previous year was positive in the Industry and Services sectors, negative in the Primary sector and steady in Construction. The Services sector stands out for its total volume of employment, whose annual rate grew by 2.0%. The Industry sector consolidated a year-on-year growth of a rate of 2.0%. It is also worth mentioning that it is the first year-on-year rate recorded in the Construction sector since the first quarter of 2008 that was not negative. The Primary sector, however, decreased by 1.4% in year-on-year terms.

As for the quarter-on-quarter rate, this once again underwent the same trend as the annual rate. Industry posted a positive rate of 0.9%, with Construction and Services also posting a positive rate, albeit of 0.1%. The Primary sector shrank by 3.6%.

Regarding variation in **GDP by Province**, Álava showed the largest growth in year-on-year terms, at 3.3%, while Gipuzkoa grew by 3.0% and Bizkaia by 2.8%. In quarter-on-quarter terms Álava was up by 1.1%, Gipuzkoa by 0.7% and Bizkaia by 0.4%.

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