

31.7% of companies operating in the Basque Country at the beginning of 2016 had been in operation for five years or under

The most dynamic stratum is that of fewer than three employees, which accounted for 91.8% of openings and 90.8% of closures

At the beginning of 2016, there were 158,436 companies operating in the Basque Country in various sectors of economic activity, of which 31.7% had been open for five years or under, according to Eustat data. These companies carried out their activities in 175,674 establishments (factories, shops, offices,...) with 14.1% in Álava, 51.8% in Bizkaia and 34.1% in Gipuzkoa.

By activity sector, the number of establishments increased regarding the previous year in the Property Activities sector (4.1%), Other Service activities (2.2%). Public Administration, Education and Health (2.0%) and Information & Communications (0.8%), On the other hand, there was a notable decrease in the number of establishments within the Primary sector (-1.8%), the Financial and Insurance Activities sector (-1.7%), the Primary sector (-1.6%) and the Construction sector (-1.5%). The overall balance for the establishments as a whole was down 0.4%.

Nomber of Establishments by activity branch and Inter-annual rates of variation. 01/01/2016

| | Basque Country | | Araba/Álava | | Bizkaia | | Gipuzkoa | |
|---|----------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | N. | % | N. | % | N. | % | N. | % |
| Total | 175.674 | -0,4 | 24.759 | -0,1 | 91.008 | -0,4 | 59.907 | -0,6 |
| Agriculture, livestock and fisheries | 5.907 | -1,6 | 1.949 | 7,7 | 1.917 | -4,9 | 2.041 | -6,3 |
| Industry,energy and sewerage | 11.958 | -1,8 | 2.033 | -1,9 | 5.185 | -1,9 | 4.740 | -1,7 |
| Construction | 20.629 | -1,5 | 2.615 | -3,1 | 10.657 | -1,2 | 7.357 | -1,4 |
| Trade, transportation and food service activities | 66.662 | -1,3 | 8.866 | -0,8 | 35.755 | -1,1 | 22.041 | -1,7 |
| Information and communication | 3.316 | 0,8 | 399 | 5,3 | 1.876 | -0,4 | 1.041 | 1,4 |
| Financial and insurance activities | 4.873 | -1,7 | 698 | 0,9 | 2.595 | -2,0 | 1.580 | -2,1 |
| Real estate activities | 3.015 | 4,1 | 213 | -1,4 | 1.766 | 3,5 | 1.036 | 6,6 |
| Professional activities and support services | 28.406 | 0,3 | 3.799 | -1,5 | 15.092 | 0,2 | 9.515 | 1,3 |
| Public Administration, education and health | 17.707 | 2,0 | 2.369 | 1,8 | 9.433 | 1,9 | 5.905 | 2,2 |
| Arts activities and other services | 13.201 | 2,2 | 1.818 | 0,9 | 6.732 | 3,2 | 4.651 | 1,4 |

Source: Eustat. **Directory of economic activities**

The largest sector was Trade, Transport and Hotel Management & Catering, with 37.9% of all establishments, followed by Professional Activities and Support Services (16.2%) and Construction (11.7%).

Throughout 2015, the distribution of establishments according to their size remained very similar to the previous year. Barely 2,305 establishments, 1.3% of the total, had 50 or more employees, despite accounting for 39.5% of the total. On the other hand, 131,253 establishments, almost three-quarters of the total, employed fewer than 3 people and accounted for just 18.9% of all those in work.

As regards the average size of the establishments by branch of activity, the greatest concentration of employed individuals was recorded in Industry, Energy and Sewerage, both in terms of the Basque Country overall, with an average size of 14.4 employees per establishment, and at provincial level, with Álava standing out at 18.2; the average size in Bizkaia and Gipuzkoa was 12.9 and 14.4 employees per establishment, respectively.

COMPANIES

Of the total of companies, legal units that provide support for the establishments' activities, 97.6% were based in the Basque Country and 3,749 in the rest of the State. Bizkaia, with 80,118 companies, contributed just over half; Gipuzkoa 53,225 (33.6%) and Álava 21,344 (13.5%).

The average size of companies in the Basque Country remained stable, with 5.4 employees per company and 4.9 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 11.2 and 9.1 employees per company and establishment, respectively.

BUSINESS DEMOGRAPHICS

In relation to age, the presence of relatively recent companies to the Basque business scene should be pointed out. 31.7% of companies operating in the Basque Country were five years old or under and the percentage of those in operation for two years or under stood at 16.4%.

Regarding rotation, and taking into account openings and closures of establishments, almost the same number began and ended activity over 2015. The greatest rotation was seen in the branches of Trade, Transportation and Hotel Management & Catering, with 29.6% of new openings and 33.8% of closures; 18.5% of new openings and 17.2% of closures in Professional Activities and Support Services; and Construction, with figures of 17.3% and 18.3%, respectively. All of this gave a negative total net balance of 710 establishments.

Establishment demographics. The Basque Country. 01/01/2016

| | New entries | Cancelled entries | | New entries | Cancelled entries |
|---|---------------|-------------------|----------------------------------|---------------|-------------------|
| Total | 16.045 | 16.755 | Total | 16.045 | 16.755 |
| Agriculture, livestock and fisheries | 835 | 931 | Individual holder | 10.869 | 11.345 |
| Industry, energy and sewerage | 713 | 883 | Partnership | 297 | 696 |
| Construction | 2.774 | 3.066 | Limited company | 3.428 | 3.501 |
| Trade, transportation and food service activities | 4.757 | 5.666 | Other companies and associations | 1.372 | 1.138 |
| Information and communication | 452 | 412 | Other legal forms | 79 | 75 |
| Financial and insurance activities | 359 | 447 | Other legal forms | | |
| Real estate activities | 385 | 293 | | | |
| Professional activities and support services | 2.962 | 2.878 | | | |
| Public Administration, education and health | 1.560 | 1.231 | | | |
| Arts activities and other services | 1.248 | 948 | | | |

Source: Eustat. Company start-up and failure statistics

In the analysis of demography by legal status, the establishments created under the individual ownership formula stand out for having generated 67.7% of both new openings and closures.

In terms of individuals employed, individually-owned establishments accounted for 40.1% of jobs created and 40.0% of jobs lost. Following these, Limited Companies accounted for 34.1% of jobs created and 31.1% 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 91.8% of all registrations and 90.8% of all closures.

On the contrary, the stratum of Large Stores, those with 50 or more employees, only accounted for 0.2% of all establishments opened and the 0.3% all closures. On the other hand, it accounted for 16.9% of all jobs created and 13.1% if all jobs lost.

For further information:

Eustat - Euskal Estatistika Erakundea / Instituto Vasco de Estadística

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

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

Further press releases on the Economic activities directory in the Basque Country

Database on the Economic activities directory in the Basque Country