

Industrial employment in the Basque Country rose for the first time in 6 years

Investment made by the industrial sector in 2015 also increased (7.5%) following a sharp decrease in 2014

The number of people employed in Industry in 2015 rose to 194,458, 1.1% more than the previous year and the first increase following six consecutive years of decreases in employment according to Eustat data.

Gross Added Value at factor cost also saw an upward trend, with growth of 3.4%, which was higher than the figure recorded the previous year (1.2%). As a result, the productivity of Basque industry, measured as value added per person in work, was €69,645 in 2015, 2.3% up on the previous year.

Another variable that underwent a significant change in 2015 was Investment, which rose by 7.5% following a significant decrease in 2014, though the figure remained at levels very different to those in the years prior to the crisis.

The net turnover figure, however, underwent a nominal decrease of 1.7% in 2015, which was mitigated by a greater fall in expenditure on supplies and external services, which boosted added value growth.

Main industry variable. Basque Country. Current prices (thousands €)

	2015	2014	Δ %
Employees NU	194.458	192.387	1,1
Net amount of the turnover	54.890.865	55.865.644	-1,7
Supplies	33.792.479	34.993.118	-3,4
External services	7.470.075	7.562.684	-1,2
Personnel costs	8.306.777	8.386.566	-1,0
Gross added value at factor costs	13.542.946	13.101.641	3,4
Investment	1.840.799	1.712.525	7,5

Source: Eustat. Industrial statistics

Within the various **sections** of Industry and Energy, *Manufacturing Industry* stood out, accounting for 95.6% of total people employed and 84.2% of the turnover figure and 86.6% of total added value. As a whole, Manufacturing Industry underwent an upturn in 2015 in employment, with a 1.3% increase in total people employed and a 6.5% increase in added value, though the turnover figure fell by 1.2%.

Within *Manufacturing Industry*, and due to its weight in the Basque industrial sector, the upward trends in the branches of *Transport Material* and *Machinery and Equipment* were particularly notable, undergoing increases in employment (1.7% and 2.3% respectively), sales (8.5% and 8.7% respectively) and added value (11.2% and 7.2% respectively). The branches that recorded the biggest decreases in turnover in 2015, however, were Coke

Plants & Oil Refining (-18.8%), Metallurgy & Metal Products (-2.7%) and Electrical Material & Equipment (-11.4%). The latter branch also underwent decreases in personnel (-4.5%) and added value (-16.6%). The metallurgy branch, on the other hand, saw personnel increase by 0.9%, though added value fell by 1.0%.

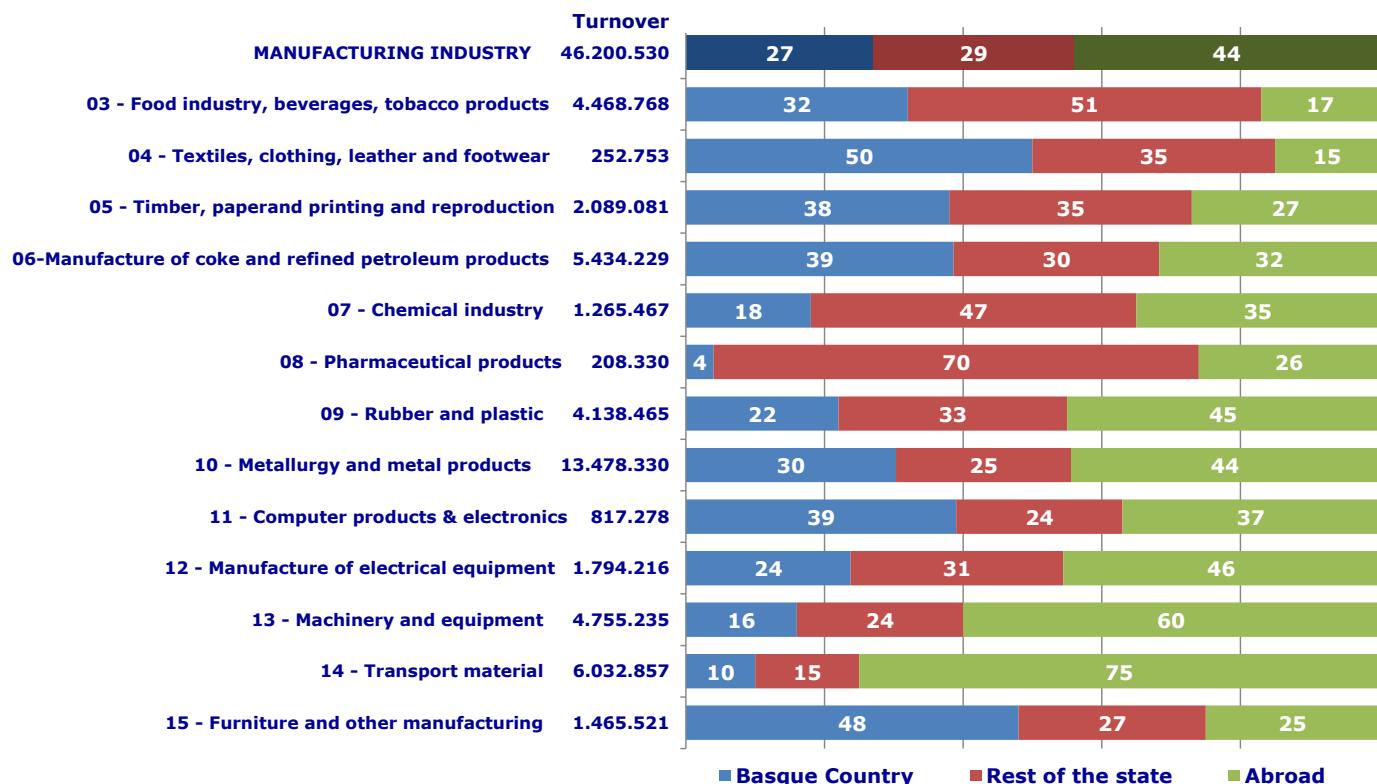
Table 2. Sections of activity. Basque Country. Current prices. Thousands €. 2015

	Employed personnel	Amount of the turnover	Employee Costs	Gross added value at factor costs
Industria y Energía	194.458	54.890.865	8.306.777	13.542.946
Mining and quarrying	467	212.299	22.838	45.891
Manufacturing	185.861	46.231.527	7.857.763	11.732.904
Electricity, gas, steam and air conditioning supply	2.255	7.447.268	191.930	1.343.287
Water supply and sewerage	5.875	999.771	234.246	420.864

Source: Eustat. Industrial statistics

In 2015, the manufacturing industry sector remained focused on external markets. Specifically, the Basque Manufacturing Industry made 43.9% of its sales abroad, 0.7 percentage points more than in 2014 and 10.9 points more than at the beginning of the crisis, in 2008. Out of the total sales, 28.1% was to the European Union while 15.9% was to the Rest of the World. Sales to the Rest of Spain were actually up by 1.1 percentage points from 2014, but were 7.5 percentage points down from 2008, accounting for 29% of total sales in 2015. Finally, the internal market (the Basque Country) took 27% of the total sold, 1.8 percentage points down from 2014 and 3.4 points less than in 2008.

Gráfico 1. Destination of manufacturing industry sales. Basque Country. Current prices. Thousands € and %. 2015

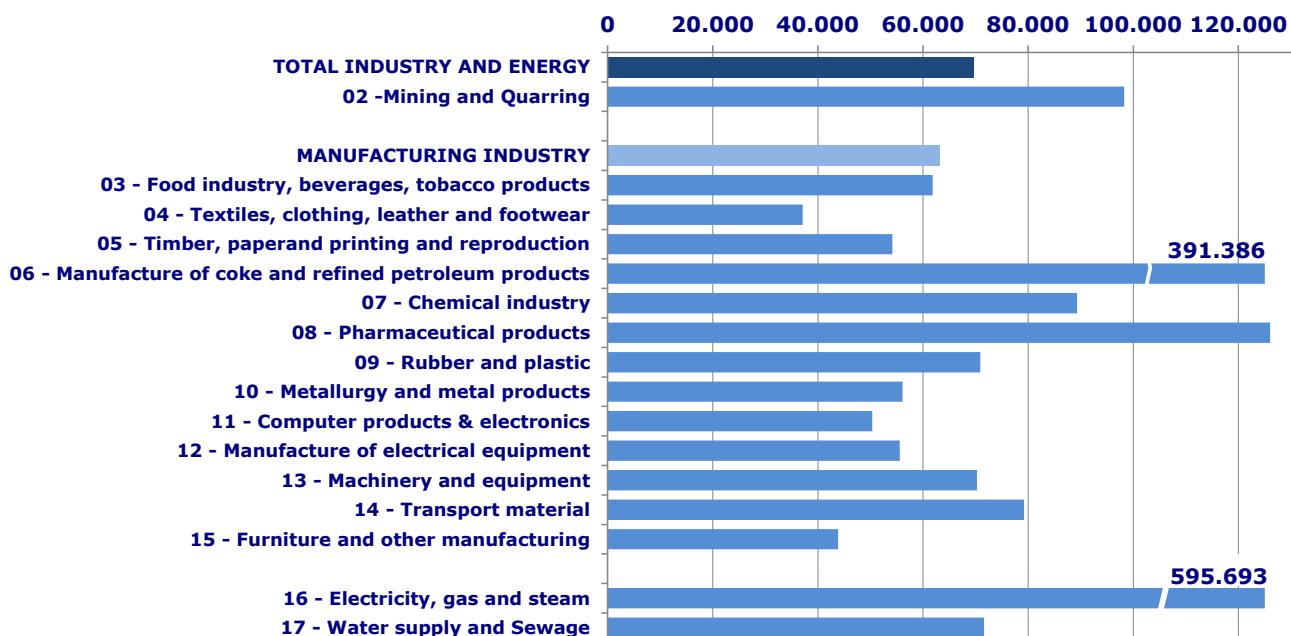


Source: Eustat. Industrial statistics

On a sectoral basis, the inclination towards exports is significant in the sectors of *Transport Material* and *Machinery & Equipment*, with 75% and 60% of their respective sales being made abroad in 2015. The trend in the *Electrical Material & Equipment* sector is also notable, which went from exporting 25% in 2008 to 46% in 2015.

In terms of **productivity**, and excluding the *Electricity, Gas & Steam* (596 thousand euros per person) and *Coke Plants & Oil Refining* sectors (391 thousand euros per person), the branches with the most Productivity within Industry and Energy in 2015 were *Pharmaceutical Products*, with 126 thousand euros per person, and *Extraction Industries*, with 98 thousand euros per person. At the other end of the scale are the *Textile, Garments, Leather & Footwear* (37 thousand euros) and *Furniture & Other Manufacturing Industries* sectors (44 thousand euros). The average turnover for the Manufacturing Industry stood at 63,127 euros, 5.1% up on 2014, with the figure standing at 69,645 euros for Industry and Energy as a whole, 2.3% up on the previous year.

Gráfico 2. Productivity by sector. Basque Country. Current prices. Thousands €. 2015



Source: Eustat. Industrial statistics

By province, turnover increases were heterogeneous, with Álava seeing a growth of 1.2% and Gipuzkoa 2.7%, whereas Bizkaia saw a fall of 6%. In terms of the variation in employment, all three provinces experienced upwards trends of a similar magnitude, with employment in Álava and Bizkaia rising by 0.7%, and by 1.7% in Gipuzkoa. Added Value also increased in all three territories: Álava by 3.8%, Bizkaia by 3.4% and by 3.1% in Gipuzkoa.

For further information:

Eustat - Euskal Estatistika Erakundea / Instituto Vasco de Estadística
 C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz
 Press Service: servicioprensa@eustat.es Tel: 945 01 75 62
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