

## The number of people employed increased for the third consecutive year in Basque companies in 2018, but their numbers were down

***The companies were relatively young, 33% had been open for five years or under and 16.2% for two years or under***

At the beginning of 2018, there were 156,528 companies operating in the Basque Country in various sectors of economic activity, 1,558 companies fewer than the previous year (-0.9%), according to Eustat data. These companies carried out their activities in 173,849 establishments (factories, shops, offices,...), which registered a similar decrease (-0.9%). However, the number of people employed in these establishments increased for the third consecutive year, by 1.8%.

The distribution of establishments with economic activity in the Basque Country is practically the same as that of a year ago, 14.1% in Álava, 51.9% in Bizkaia and 34.0% in Gipuzkoa. By activity sector, the number of establishments increased compared to the previous year in the sectors of *Public Administration, Education & Health* (1.4%) and *Information & Communication* (1.4%). On the other hand, there was a notable decrease in the number of establishments within the sectors of *Financial and Insurance Activities* (-2.6%) and *Trade, Transportation and Hotel Management* (-2.2%).

### Number of Establishments by activity branch and Inter-annual rates of variation. 01/01/2018

	Basque Country		Araba/Álava		Bizkaia		Gipuzkoa	
	N.	%	N.	%	N.	%	N.	%
<b>Total</b>	<b>173.849</b>	<b>-0,9</b>	<b>24.493</b>	<b>-1,5</b>	<b>90.196</b>	<b>-0,8</b>	<b>59.160</b>	<b>-0,8</b>
Agriculture, livestock and fisheries	5.962	-0,8	2.157	0,6	1.879	-3,0	1.926	0,1
Industry,energy and sewerage	11.526	-1,0	1.991	-0,9	4.960	-0,9	4.575	-1,2
Construction	20.418	-0,4	2.523	-2,0	10.735	0,7	7.160	-1,4
Trade, transportation and food service activities	64.562	-2,2	8.566	-2,5	34.523	-2,4	21.473	-1,9
Information and communication	3.412	1,4	419	2,7	1.948	1,3	1.045	1,1
Financial and insurance activities	4.660	-2,6	643	-4,9	2.469	-2,9	1.548	-1,3
Real estate activities	3.068	0,7	228	7,5	1.831	1,2	1.009	-1,6
Professional activities and support services	28.446	-0,4	3.764	-1,8	15.068	-0,5	9.614	0,3
Public Administration, education and health	18.332	1,4	2.411	0,9	9.832	2,0	6.089	0,7
Arts activities and other services	13.463	0,8	1.791	-2,3	6.951	1,2	4.721	1,3

Source: Eustat. Directory of economic activities

The largest sector, in terms of number, was *Trade, Transport and Hotel Management & Catering*, with 37.1% of all establishments, followed by *Professional Activities and Support Services* (16.4%) and *Construction* (11.7%).

Throughout 2017, the distribution of establishments according to their size remained very similar to the previous year. Barely 2,421 establishments, 1.4% of the total, had 50 or more employees, despite accounting for 40.5% of the total number of employees. On the other hand, 127,562 establishments, almost three-quarters of the total, employed fewer than 3 people and accounted for just 17.6% of all those in work.

As regards the average size of the establishments by the largest branches of activity, the greatest concentration of employed individuals was recorded in the *Industry, Energy and Sewerage* sector, with an average size of 15.6 employees per establishment in the Basque Country overall, with Álava standing out with 19.8; the average size in Bizkaia and Gipuzkoa was 14.1 and 15.4 employees per establishment, respectively.

By sex, 44.1% of people employed in the Basque Country during 2017 were women, a very similar proportion to that of the previous year (44.5%). The sectors with most female employees were *Health activities and Social Services* (76.5%), *Education* (67.8%), *Other services* (66%) and *Hotel Management & Catering* (56.4%). By contrast, the sectors in which the majority of employees are male are *Extraction Industries and Construction*, the proportion of women being around 10%.

## **COMPANIES**

Of the total of companies, legal units that provide support for establishment's activities, 97.5% were based in the Basque Country and 3891 in the rest of Spain. Bizkaia, with 79,118 companies, contributed just over half; Gipuzkoa 52,315 (33.4%) and Álava 21,204 (13.5%).

The average size of companies in the Basque Country remained stable, with 5.7 employees per company and 5.1 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 11.8 and 9.5 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. 33% 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 16.2%.

Regarding rotation, and taking into account openings and closures of establishments, 13,550 began and 15,094 ceased trading throughout 2017, with a negative balance of 1,544 establishments. The greatest rotation was seen in the branches of *Trade, Transportation and Hotel Management & Catering*, with 28.4% of new openings and 33.4% of closures; 18.9% of new openings and 18% of closures in *Construction*; and *Professional Activities and Support Services*, with figures of 18.6% and 17.6%, respectively.

In the analysis of demography by legal status, the establishments created under the individual ownership formula stand out for having generated 65.3% of new openings and 64.6% of closures.

In terms of individuals employed, individually-owned establishments accounted for 41.3% of jobs created in new establishments and 40.6% of jobs lost in establishment closures. Following these, Limited Companies accounted for 35.6% of jobs created in establishments opened and 32.4% of jobs lost in establishment closures.

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 90.2% of all new openings and 91.2% of all closures.

On the contrary, the stratum of Large Stores, those with 50 or more employees, only accounted for 0.1% of all establishments, both new openings and closures. On the other hand, it accounted for 7.4% of all jobs created in new openings and 8.7% of all jobs lost in establishment closures.

#### **Establishment demographics. The Basque Country. 01/01/2018**

	<b>New entries</b>	<b>Cancelled entries</b>		<b>New entries</b>	<b>Cancelled entries</b>
<b>Total</b>	<b>13.550</b>	<b>15.094</b>	<b>Total</b>	<b>13.550</b>	<b>15.094</b>
Agriculture, livestock and fisheries	450	484	<b>Individual holder</b>	8.844	9.758
Industry, energy and sewerage	580	731	Partnership	230	505
Construction	2.563	2.713	Limited company	3.255	3.572
Trade, transportation and food service activities	3.843	5.047	Other companies and associations	1.124	1.120
Information and communication	428	426	Other legal forms	97	139
Financial and insurance activities	289	412	Other legal forms		
Real estate activities	311	310			
Professional activities and support services	2.519	2.660			
Public Administration, education and health	1.491	1.284			
Arts activities and other services	1.076	1.027			

**Source: Eustat. Company start-up and failure statistics**

#### **For further information:**

*Eustat - Euskal Estatistika Erakundea / Basque Statistics Institute*  
 C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz  
 Press Service: [servicioprensa@eustat.eus](mailto:servicioprensa@eustat.eus) Tel: 945 01 75 62