

## The number of companies and their employed personnel in the Basque Country increased in 2019

**32% of companies operating in the Basque Country have been in operation for five years or less**

At the beginning of 2019, there were 157,358 companies operating in the Basque Country in various sectors of economic activity, 830 companies more than the previous year (0.5%), according to Eustat data. These companies carried out their activities in 174,771 establishments (factories, shops, offices, etc.), which registered a similar increase (0.5%). These establishments were distributed amongst Álava (13.7%), Bizkaia (50.5%) and Gipuzkoa (33.2%).

The number of people employed in these establishments increased for the fourth consecutive year, 2.4% in the last year. By activity sector, the number of people employed increased in the *Information & Communications* sector (5.8%), the *Arts Activities and Other Services* sector (4.6%) and the *Property Activities* sector (4.5%), among others. On the other hand, there was a decrease in the number of people employed only in the *Agriculture, Livestock and Fishing* sector (-1.7%) and in the *Financial and Insurance Activities* sector (-0.7%).

### Percentage distribution of the employees and year-on-year variation by branches of activity according to territory. 01/01/2019

|   | Basque Country |            | Araba/Álava  |            | Bizkaia      |            | Gipuzkoa     |            |
|---|----------------|------------|--------------|------------|--------------|------------|--------------|------------|
|   | Δ%             |            | Δ%           |            | Δ%           |            | Δ%           |            |
| <b>Total</b>                                      | <b>100,0</b>   | <b>2,4</b> | <b>100,0</b> | <b>2,8</b> | <b>100,0</b> | <b>2,6</b> | <b>100,0</b> | <b>1,9</b> |
| Agriculture, livestock and fisheries              | 1,3            | -1,7       | 2,3          | -3,3       | 1,1          | 1,7        | 1,3          | -4,3       |
| Industry, energy and sewerage                     | 20,0           | 1,4        | 26,4         | 2,5        | 15,3         | -0,6       | 24,0         | 2,8        |
| Construction                                      | 5,7            | 3,6        | 4,2          | 2,2        | 6,4          | 3,6        | 5,5          | 4,3        |
| Trade, transportation and food service activities | 25,9           | 1,8        | 22,7         | 3,0        | 26,8         | 1,9        | 26,1         | 1,1        |
| Information and communication                     | 2,4            | 5,8        | 1,8          | 10,7       | 3,1          | 4,7        | 1,8          | 6,2        |
| Financial and insurance activities                | 1,8            | -0,7       | 1,3          | -1,7       | 2,1          | 0,1        | 1,6          | -1,9       |
| Real estate activities                            | 0,6            | 4,5        | 0,4          | 11,2       | 0,6          | 2,5        | 0,5          | 5,9        |
| Professional activities and support services      | 14,7           | 3,5        | 12,0         | 1,9        | 17,2         | 3,6        | 12,3         | 4,2        |
| Public Administration, education and health       | 23,0           | 2,7        | 24,9         | 3,1        | 22,9         | 4,2        | 22,1         | 0,0        |
| Arts activities and other services                | 4,5            | 4,6        | 3,9          | 7,3        | 4,6          | 4,0        | 4,7          | 4,2        |

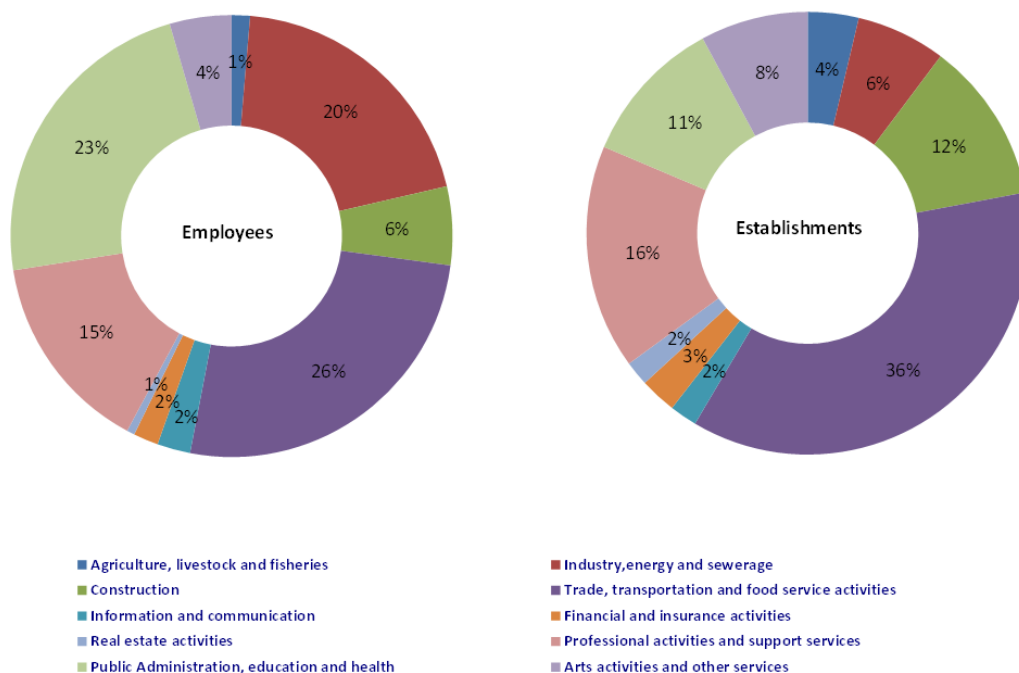
Source: Eustat. Directory of economic activities

The largest sector, in terms of number of establishments, was *Trade, Transport and Hotel Management & Catering*, with 36.5% of the total, followed by *Professional Activities and Support Services* (16.4%) and *Construction* (11.8%).

The distribution of establishments according to their size remained very similar to the previous year. Barely 2,470 establishments, 1.4% of the total, were establishments with

an average of 50 or more employees, despite accounting for 41% of the total number of employees as a whole. On the other hand, 128,070 establishments, almost three-quarters of the total, were small (fewer than 3 employees) and accounted for 17.2% of all those in work.

**Distribution of employees and number of establishments by branches of activity in the Basque Country. 01/01/2019**



Source: Eustat. Directory of economic activities

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 16 employees per establishment in the Basque Country overall, with Álava standing out with 20.4; the average size in Bizkaia and Gipuzkoa was 14.1 and 16 employees per establishment, respectively.

By sex, 43.8% of people employed in the Basque Country during 2018 were women, a slightly lower proportion than that of the previous year (44.1%). The sectors with most female employees were *Health activities and Social Services* (76.9%), *Education* (67.9%), *Other services* (62.5%) and *Hotel Management & Catering* (54.9%). By contrast, the sectors in which the majority of employees are male are *Primary* (77.2% men), *Industrial* (79.8%) and *Construction* (89.6%).

**Percentage distribution of employees in the Basque Country by branches of activity (A10) according to territory and sex. 01/01/2019**

|  | C.A. de Euskadi |             | Araba/Álava |             | Bizkaia     |             | Gipuzkoa    |             |
|--|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Pers. Empl.     | Mujeres     | Pers. Empl. | Mujeres     | Pers. Empl. | Mujeres     | Pers. Empl. | Mujeres     |
| <b>Total</b>                             | <b>56,2</b>     | <b>43,8</b> | <b>57,9</b> | <b>42,1</b> | <b>55,5</b> | <b>44,5</b> | <b>56,5</b> | <b>43,5</b> |
| Agricultura, ganadería y pesca           | 77,2            | 22,8        | 76,7        | 23,3        | 79,7        | 20,3        | 74,6        | 25,4        |
| Industria, energía y saneamiento         | 79,8            | 20,2        | 81,2        | 18,8        | 80,1        | 19,9        | 78,8        | 21,2        |
| Construcción                             | 89,6            | 10,4        | 89,1        | 10,9        | 89,4        | 10,6        | 90,2        | 9,8         |
| Comercio, transporte y hostelería        | 54,2            | 45,8        | 53,4        | 46,6        | 55,2        | 44,8        | 53,2        | 46,8        |
| Información y comunicaciones             | 64,0            | 36,0        | 65,4        | 34,6        | 63,8        | 36,2        | 63,8        | 36,2        |
| Actividades financieras y seguros        | 45,3            | 54,7        | 45,3        | 54,7        | 45,6        | 54,4        | 44,8        | 55,2        |
| Actividades inmobiliarias                | 51,0            | 49,0        | 50,3        | 49,7        | 51,7        | 48,3        | 50,0        | 50,0        |
| Actividades profesionales y auxiliares   | 51,5            | 48,5        | 54,3        | 45,7        | 51,0        | 49,0        | 51,0        | 49,0        |
| Adm. pública, educación y sanidad        | 33,8            | 66,2        | 34,5        | 65,5        | 34,1        | 65,9        | 33,0        | 67,0        |
| Actividades artísticas y otros servicios | 44,7            | 55,3        | 41,8        | 58,2        | 46,2        | 53,8        | 43,7        | 56,3        |

Fuente: Eustat. Directorio de actividades económicas

## COMPANIES

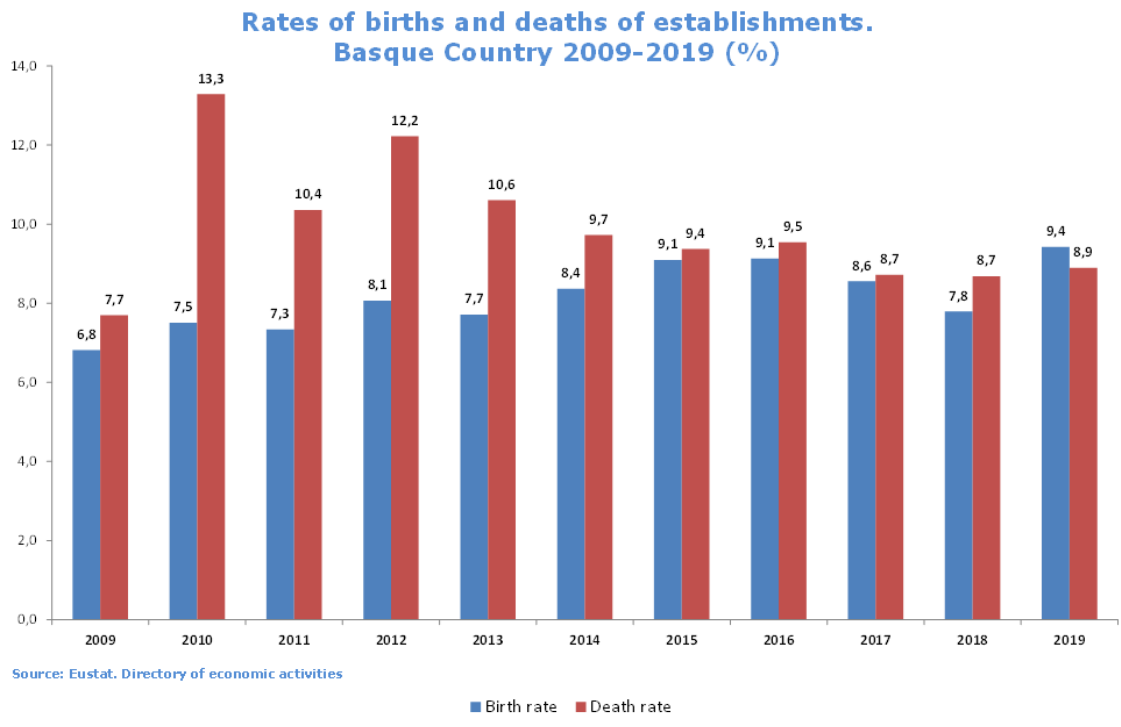
Of the total of companies, legal units that provide support for establishment's activities, 97.4% were based in the Basque Country and 4,091 in the rest of Spain. Bizkaia, with 79,454 companies, contributed just over half; Gipuzkoa 52,217 (33.1%) and Álava 21,596 (13.7%).

The average size of companies in the Basque Country remained stable, with 5.8 employees per company and 5.2 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 12 and 9.7 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. 32% of companies operating in the Basque Country were five years old or under and the percentage of those in operation for two or under stood at 15%.

Regarding rotation, and taking into account openings and closures of establishments, 16,472 began and 15,550 ceased trading throughout 2018, with a positive balance of 922 establishments. The establishment birth rate (quotient between those created and the stock) was 9.4% and the death rate was 8.9%. As a result, the net growth rate was positive (0.5%) for the first time in 11 years.



The greatest rotation was seen in the branches of *Trade, Transportation and Hotel Management & Catering*, with 25.7% of new openings and 32.7% of closures; 17.5% of new openings and 17% of closures in *Professional Activities and Support Services*, and *Construction*, with figures of 17.2% and 16.9% respectively.

In the analysis of demography by legal status, the establishments created under the individual ownership formula stand out for having generated 68.6% of new openings and 71.8% of closures.

#### Establishment demographics. The Basque Country. 01/01/2019

|   | New entries   | Cancelled entries |                                  | New entries   | Cancelled entries |
|---|---------------|-------------------|----------------------------------|---------------|-------------------|
| <b>Total</b>                                      | <b>16.472</b> | <b>15.550</b>     | <b>Total</b>                     | <b>16.472</b> | <b>15.550</b>     |
| Agriculture, livestock and fisheries              | 1.393         | 856               | <b>Individual holder</b>         | 11.307        | 11.162            |
| Industry,energy and sewerage                      | 748           | 812               | Partnership                      | 312           | 357               |
| Construction                                      | 2.841         | 2.625             | Limited company                  | 3.473         | 2.877             |
| Trade, transportation and food service activities | 4.239         | 5.089             | Other companies and associations | 1.295         | 1.105             |
| Information and communication                     | 489           | 409               | Other legal forms                | 85            | 49                |
| Financial and insurance activities                | 368           | 374               | Other legal forms                |               |                   |
| Real estate activities                            | 389           | 326               |                                  |               |                   |
| Professional activities and support services      | 2.877         | 2.639             |                                  |               |                   |
| Public Administration, education and health       | 1.796         | 1.396             |                                  |               |                   |
| Arts activities and other services                | 1.332         | 1.024             |                                  |               |                   |

Source: Eustat. Company start-up and failure statistics

In terms of individuals employed, individually-owned establishments accounted for 43.1% of jobs created in new establishments and 47.9% of jobs lost in establishment closures. Following these, Limited Companies accounted for 31.7% of jobs created in establishments opened and 30.4% 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 91.7% of all new openings and 91.6% of all closures.

On the contrary, the stratum of Large Stores, those with 50 or more employees, only accounted for 0.1%, both new openings and closures. On the other hand, it accounted for 8.4% of all jobs created in new openings and 7.8% of all jobs lost in establishment closures.

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***For further information:***

*Eustat - Euskal Estatistika Erakundea / Basque Statistics Institute*

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

*Press Service: [servicioprensa@eustat.es](mailto:servicioprensa@eustat.es) Tel: 945 01 75 62*