

In the Basque Country, 64,000 people worked in Hospitality in 2019, 6.1% of the total

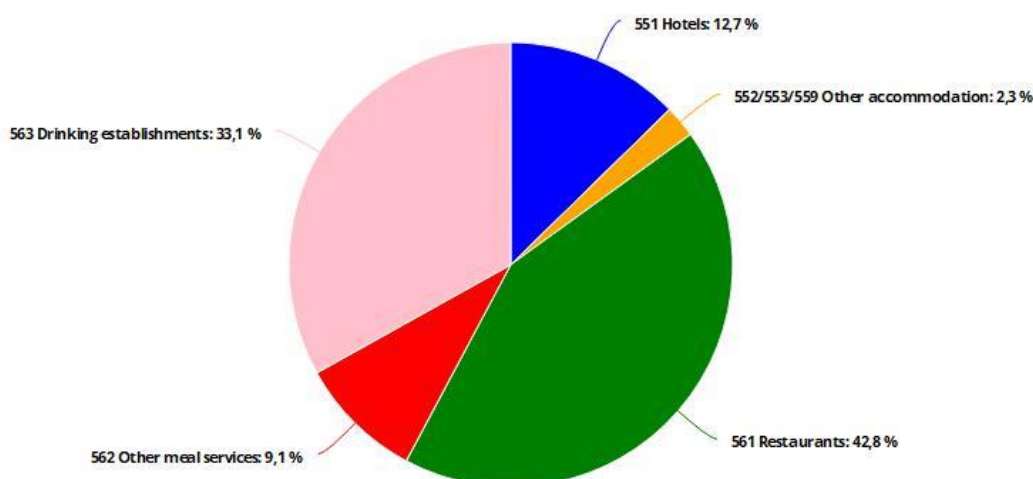
Three out of four establishments in the Hospitality sector had fewer than five employees

The *Hospitality* sector, which includes companies that offer accommodation services and those that offer food and drink services, employed 64,094 people in 2019, 6.1% of all people in work in the Basque Country, according to data prepared by Eustat.

2019 data confirm that, in the year prior to the pandemic, the Basque Hospitality sector turned over 4,510 million euros, 9.9% more than 2 years before, with a 5.4% increase in employment. These positive results from 2019 extended to practically all sub-sectors, which recorded significant upturns in their main economic variables.

Distribution of the turnover of the Hospitality sector of the Basque Country by activity groups (2019)

percentage



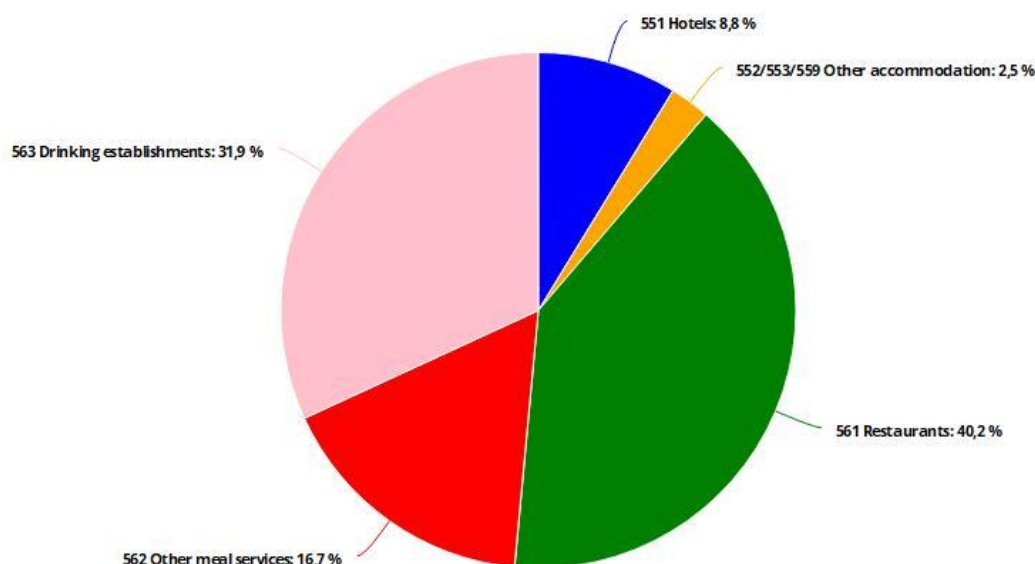
Source: Eustat. Services survey

Period availables 2019 ▾

Distribution of the employed staff of the Hospitality sector of the Basque Country by activity groups (2019)



percentage



Source: Eustat. Services survey

Period availables

Within *Hospitality*, the *Food & Drink* division, which in turn includes the sub-sectors of *Restaurants*, *Other Food Services* and *Drinks Establishments*, was dominant. It accounted for 90.2% of establishments, 88.7% of employment and 85% of turnover. In 2019, turnover increased by 7.9% and employment was up 4.2% compared to 2017.

Analysing the results at a more disaggregated activity level and within the division of *Food & Drink*, the activity of *Restaurants* is the most significant. It represented 50.3% of the division's total turnover and 45.3% of employment. In the past year it saw a 13.1% increase in turnover compared to 2017 and a 9.5% rise in employment. The sub-sector of *Drinks Establishments* also performed positively in turnover, with an increase of 2.4% and employment, up 1.1%. It accounted for 35.9% of jobs and 38.9% of turnover in the sub-sector as a whole. Lastly, *Other Food Services*, including catering, posted a rise in the number of jobs (3%) and in turnover (5.8%). It accounted for 18.8% of employment and 10.7% of turnover in the *Food & Drink* division.

The division of *Accommodation Services*, consisting of the *Hotels* and *Other accommodation* sub-sectors, saw a 15.4% increase in employment and a rise of up to 22.8% in turnover, all this with a 12.1% increase in establishments.

Main variables by activity group. 2019

	Establishments			Employed personal			Amount of the turnover		
	Value (thousands of euros)	% over total	Annual variation (%)	Value (thousands of euros)	% over total	Annual variation (%)	Value (thousands of euros)	% over total	Annual variation (%)
Hospitality	13.710	100,0	-0,8	64.094	100,0	5,4	4.509.764	100,0	9,9
Accommodation services	1.347	9,8	12,1	7.234	11,3	15,4	678.253	15,0	22,8
- Hotels	630	4,6	6,1	5.622	8,8	14,6	572.802	12,7	25,3
- Other accommodation	717	5,2	17,9	1.612	2,5	18,0	105.451	2,3	10,5
Food and beverage services	12.363	90,2	-2,1	56.860	88,7	4,2	3.831.511	85,0	7,9
- Restaurants	3.941	28,7	5,3	25.761	40,2	9,5	1.928.515	42,8	13,1
- Other food services	273	2,0	5,4	10.683	16,7	3,0	411.340	9,1	5,8
- Beverages establishments	8.149	59,4	-5,5	20.416	31,9	-1,1	1.491.656	33,1	2,4

Source: Eustat. Services survey

This division consists of the sub-sectors of *Hotels and Other accommodation*, the former having the most weight: 77.7% of employment and 84.5% of turnover in 2019. Both had the best figures in relation to turnover compared to 2017: 25.3% more in the case of *Hotels*, 10.5% more for *Other accommodation*. Employment also performed positively, up 14.6% in the former and 18% in the latter.

There was a larger proportion of Restaurants in Gipuzkoa and Drinks Establishments in Bizkaia

By province, all three provinces registered a positive trend in turnover and employment in 2019. In Gipuzkoa, sales were up by 9.3% and the number of jobs rose by 5.7% compared to 2017. In Bizkaia, employment increased at a similar rate, 5.6%, but turnover rose even more, by 10.5%. The figures were also positive for Álava, with sales up 9.7% compared to 2017 and a 3.7% increase in employment.

Main variables by province. 2019

	Basque Country	2019/2017 (%)	Áraba/Álava	2019/2017 (%)	Bizkaia	2019/2017 (%)	Gipuzkoa	2019/2017 (%)
Establishments (number)	13.710	-0,8	1.987	-1,2	7.243	-1,3	4.480	0,1
Employed personnel (number)	64.094	5,4	9.281	3,7	32.018	5,6	22.795	5,7
Turnover (Thousands euros)	4.509.764	9,9	668.314	9,7	2.154.681	10,5	1.686.769	9,3

Source: Eustat. Services survey

There were significant comparative differences in terms of the distribution of the various activities across each of the provinces. In Gipuzkoa, there was a larger proportion of *Restaurants*, which accounted for 34.8% of all establishments in the province and 44.7% of jobs there, compared to 28.6% of establishments and 40.4% of jobs in hospitality in Álava, and 25% of establishments and 37% of jobs in Bizkaia, all as a proportion of hospitality as a whole in their respective territories.

Another sub-sector that varied across the provinces was *Hotels*. 7% of all hospitality establishments in Gipuzkoa were hotels, whereas in the other two provinces this proportion dropped to 3.4% in both cases. In terms of employment, it accounted for 11% of all jobs in this sector in Gipuzkoa, 7.7% in Bizkaia and 6.9% in Álava.

Overall, the sub-sector of *Drinks Establishments* was the largest in terms of the number of establishments, but to widely varying degrees: 66.4% in Bizkaia, 58.8% in Álava and 48.5% in Gipuzkoa. The same does not apply regarding employment, due to the lower average number of people employed per establishment in this sub-sector. Both in Bizkaia and Álava, 34% of all people employed in hospitality worked in Drinks Establishments, whereas in the case of Gipuzkoa it was only 28%.

Three out of four establishments in the Hospitality sector had fewer than five employees

An analysis of the **size of establishments in the Hospitality sector** revealed a high concentration of microenterprises (with fewer than 10 employees) within the sector. In 2019, they accounted for 91.6% of all establishments and generated 57.1% of total turnover, with 53.6% of jobs.

Furthermore, this stratum is, to a large extent, comprised of smaller companies (between 1 and 4 employees), as they accounted for 75.1% of all establishments and employ one out of three people working in the sector (31.1%).

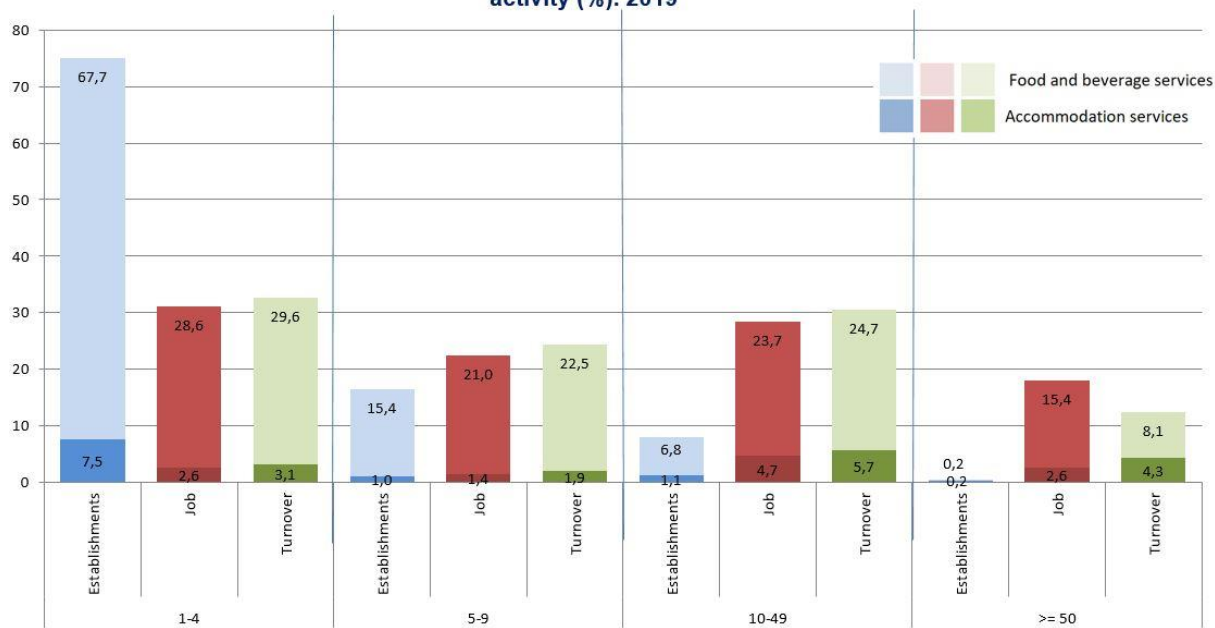
Still within the stratum of microenterprises, those with between 5 and 9 employees accounted for 16.5% of total establishments, 22.4% of jobs and 24.4% of turnover. Small companies (with 10 to 49 employees) represented 8% of establishments with 28.4% of employment, and 30.5% of total turnover. Finally, companies with 50 or more employees (medium and large companies) generated 12.4% of total turnover, provided employment to 18% of people in work and represented 0.4% of all establishments.

The most recent indicators reveal a downward trend among smaller companies (1 to 4 employees), since they lost 4% of their establishments between 2017 and 2019. Meanwhile, they shed 3.4% of jobs over these years, although they managed not only to keep their turnover steady, but even increased it slightly, by 0.2%.

Conversely, indicators for the other strata showed upward trends, with a practically direct correlation to size. The number of establishments in the stratum of 5 to 9 employees increased by 8.4%, for those with 10 to 49 employees it was up 13.1% and, lastly, for those with 50 or more workers it grew by 20.5%. In the same order of stratum, turnover grew by 10.8%, 15.5% and 24.9%, and employment was up by 8.9%, 11.3% and 9.0%.

Larger establishments were found in the *Hotels* sub-sector, in which 3.5% of such establishments had more than 50 employees, and especially in *Other Food Services* (Event catering and other food service activities), where the percentage reached 9.2%. At the other extreme, the most fragmented sub-sectors were *Other Accommodation* and *Drinks Establishments*, where 91.2% and 87% of establishments had fewer than four employees.

Distribution of the number of establishments, employed staff and turnover of the Hospitality sector of the Basque Country by employment stratum and division of activity (%). 2019



Source: Eustat. Services survey

For further information:

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