

## BASQUE BUSINESS STRUCTURE AND DEMOGRAPHY. 01/01/2021

## At the beginning of 2021, there were 1,400 fewer companies in the Basque Country than the previous year

***Basque companies were relatively young, 32.8% had been open for five years or under and 16% for two years or under***

As of 1 January 2021, there were 152,554 companies operating in the Basque Country in various sectors of economic activity, 1,417 companies fewer than the previous year (-0.9%), according to Eustat data. These companies carried out their activities in 169,897 establishments (factories, shops, offices, etc.), once again 1,474 fewer than the year before (-0.9%). These establishments were distributed amongst Álava (14.3%), Bizkaia (52.0%) and Gipuzkoa (33.7%).

The number of people employed in these establishments fell for the first time in five years, by 1.3%, in a year marked by the COVID-19 health crisis and the containment measures put in place with regard to employment. Employment dropped in almost all sectors, but there were three that recorded positive rates: Property Activities (2.5%), Information and Communications (1.4%) and Public Administration, Education & Health (0.6%).

Among the sectors in decline, it is worth highlighting the Financial and Insurance Activities sector, which, beyond the situation in 2020, continued the downward trend in employment that began 6 years ago, with 2.24% less employment this year.

### Percentage distribution of the employees and year-on-year variation by branches of activity according to territory. 01/01/2021

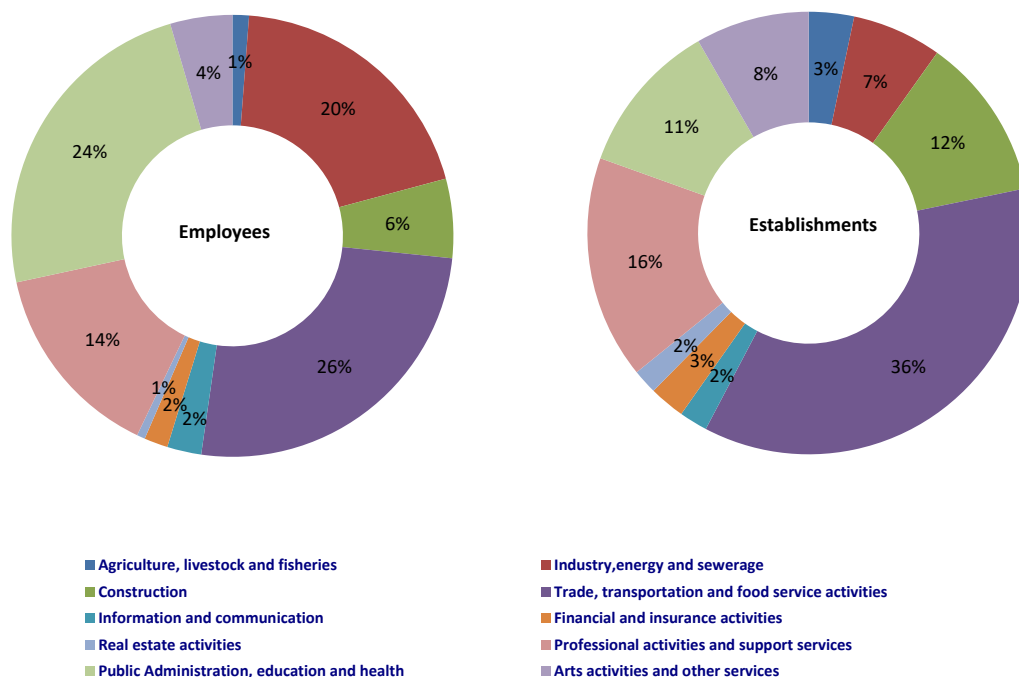
	Basque Country		Araba/Álava		Bizkaia		Gipuzkoa	
	Employees	Var. %	Employees	Var. %	Employees	Var. %	Employees	Var. %
<b>Total</b>	<b>100,0</b>	<b>-1,3</b>	<b>100,0</b>	<b>-1,6</b>	<b>100,0</b>	<b>-1,4</b>	<b>100,0</b>	<b>-1,1</b>
Agriculture, livestock and fisheries	1,2	-9,8	2,1	-13,0	1,0	-4,5	1,1	-13,3
Industry, energy and sewerage	19,6	-2,6	25,8	-2,6	15,0	-2,8	23,6	-2,5
Construction	5,8	-0,3	4,4	-1,1	6,5	-1,4	5,5	2,0
Trade, transportation and food service activities	25,6	-1,8	23,1	-1,3	26,3	-2,2	25,9	-1,5
Information and communication	2,5	1,4	1,7	0,2	3,3	2,3	1,8	-0,3
Financial and insurance activities	1,7	-2,2	1,2	-2,9	2,0	-1,1	1,5	-4,3
Real estate activities	0,6	2,5	0,4	-8,5	0,6	2,3	0,5	7,1
Professional activities and support services	14,5	-1,8	11,6	-0,5	16,9	-2,8	12,5	-0,1
Public Administration, education and health	23,8	0,6	25,6	0,2	23,9	1,2	22,9	-0,1
Arts activities and other services	4,5	-1,4	4,0	-3,6	4,5	-1,7	4,8	-0,1

Source: Eustat. Directory of economic activities

As regards structure, the largest sector, in terms of number of establishments, was *Trade, Transportation and Hospitality*, with 35.9% of the total, followed by *Professional Activities and Support Services* (16.3%) and *Construction* (11.9%).

The distribution of establishments according to their size remained very similar to previous years. Barely 2,529 establishments, 1.5% of the total, were establishments with an average of 50 or more employees, despite accounting for 41.4% of the total number of employees as a whole. On the other hand, 123,740 establishments, almost three-quarters of the total, were small (fewer than 3 employees) and accounted for 16.5% of all those in work. Nevertheless, 1,321 establishments with fewer than 6 employees were lost this year, representing 90% of the total number of closed establishments.

**Distribution of employees and number of establishments by activity in the Basque Country. 01/01/2021**



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 16.2 employees per establishment in the Basque Country overall, with Álava standing out with 20; the average size in Bizkaia and Gipuzkoa was 14.4 and 16.4 employees per establishment, respectively.

**Percentage distribution of employees in the Basque Country by branch of activity (A10) according to province and sex. 01/01/2021**

	Basque Country		Araba/Álava		Bizkaia		Gipuzkoa	
	Men	Women	Men	Women	Men	Women	Men	Women
<b>Total</b>	<b>56,0</b>	<b>44,0</b>	<b>57,7</b>	<b>42,3</b>	<b>55,5</b>	<b>44,5</b>	<b>55,9</b>	<b>44,1</b>
Agriculture, livestock and fisheries	79,3	20,7	78,7	21,3	81,9	18,1	76,3	23,7
Industry, energy and sewerage	79,3	20,7	80,4	19,6	79,7	20,3	78,4	21,6
Construction	89,8	10,2	89,0	11,0	89,7	10,3	90,5	9,5
Trade, transportation and food service activities	54,6	45,4	54,5	45,5	55,4	44,6	53,4	46,6
Information and communication	64,9	35,1	67,1	32,9	64,8	35,2	64,0	36,0
Financial and insurance activities	45,0	55,0	46,0	54,0	45,2	54,8	44,1	55,9
Real estate activities	49,7	50,3	46,7	53,3	50,4	49,6	49,3	50,7
Professional activities and support services	51,7	48,3	54,4	45,6	51,5	48,5	50,8	49,2
Public Administration, education and health	33,4	66,6	34,3	65,7	34,0	66,0	31,9	68,1
Arts activities and other services	45,4	54,6	44,9	55,1	46,8	53,2	43,6	56,4

Source: Eustat. Directory of economic activities

By sex, 44.0% of people employed in the Basque Country during 2020 were women, a similar proportion to the previous year, but with a slight trend towards narrowing the gap. The sectors with most female employees were Healthcare and social services (76.62% women), Education (68.32%) and Services (62.55%). By contrast, the sectors in which the majority of employees were male were Construction (89.8%), Industrial and Primary, each with 79.3% men.

## COMPANIES

Of the total of companies (legal units) that provide support for establishments' activities, 97.2% were based in the Basque Country and 4,230 in the rest of Spain. Bizkaia, with 77,151 companies, accounted for just over half; Gipuzkoa 50,315 (33.0%) and Álava 20,858 (13.7%).

The average size of companies in the Basque Country remained stable, with 6.0 employees per company and 5.4 per establishment. Companies under individual ownership only had 1.4 employees, both per company and establishment, whereas for the other legal forms these averages reached 12.5 and 10 employees per company and establishment, respectively.

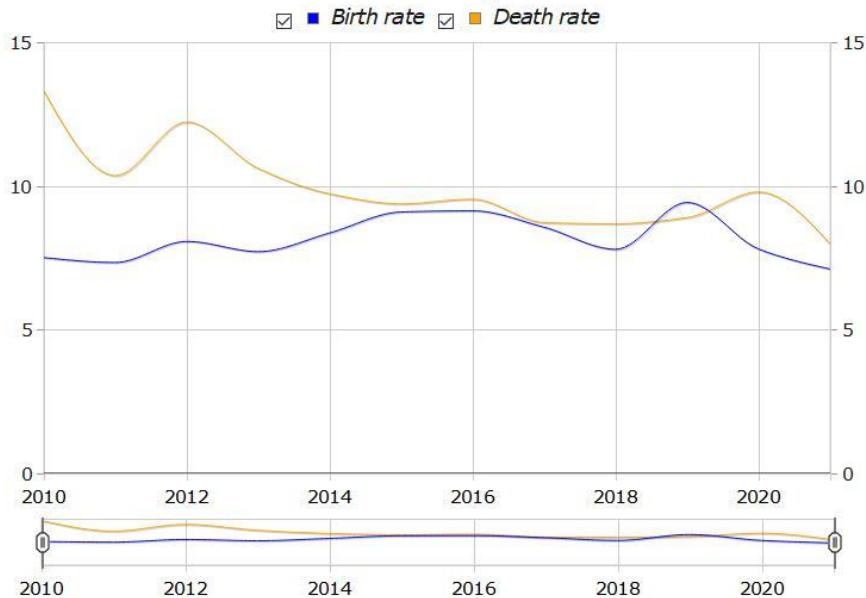
## BUSINESS DEMOGRAPHICS

In relation to age, it is worth noting the presence of recent companies on the Basque business scene. 32.8% 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 16.0%.

Regarding rotation, and taking into account openings and closures of establishments, 12,076 began and 13,553 ceased trading throughout 2020, generating a negative balance of 1,477 establishments. The establishment birth rate (quotient between those created and the stock) was 7.1% and the death rate was 8.0%. As a result, the net growth rate was negative (-0.9%).

### Rates of births and deaths of establishments. Basque Country

Percentage



Source: Eustat. Company start-up and failure statistics

The greatest rotation was seen in the branches of *Trade, Transportation and Hospitality*, with 29.1% of new openings and 33.0% of closures; 18.2% of new openings and 14.6% of closures in *Construction*; and *Professional Activities and Support Services*, with figures of 17.6% and 17.8%, respectively.

In the analysis of demography by legal status, the establishments created under the individual ownership formula stand out for having generated 67.1% of new openings and 67.6% of closures.

#### Establishment demographics in the Basque Country. 01/01/2021

By activity	New entries	Cancelled entries	By legal personality	New entries	Cancelled entries
<b>Total</b>	<b>12.076</b>	<b>13.553</b>	<b>Total</b>	<b>12.076</b>	<b>13.553</b>
Agriculture, livestock and fisheries	250	875	Natural person	8.104	9.165
Industry, energy and sewerage	495	678	Partnership	214	456
Construction	2.192	1.981	Limited company	2.776	2.859
Trade, transportation and food service activities	3.512	4.469	Other companies and associations	911	1.006
Information and communication	386	334	Other legal forms	71	67
Financial and insurance activities	257	372			
Real estate activities	348	224			
Professional activities and support services	2.124	2.417			
Public Administration, education and health	1.307	1.238			
Arts activities and other services	1.205	965			

Source: Eustat. Company start-up and failure statistics

In terms of individuals employed, individually-owned establishments accounted for 39.5% of jobs created in new establishments and 42.1% of jobs lost in establishment closures. Following these, Limited Companies accounted for 35.1% of jobs created in establishments opened and 31.7% 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 90.9% of all new openings and 89.5% of all closures.

On the contrary, the stratum of Large Stores, those with 50 or more employees, only accounted for 0.2% of both new openings and closures. On the other hand, it accounted for 11.6% of all jobs created in new openings and 10.9% of all jobs lost in establishment closures.

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