

Turnover in the Trade and vehicle repair sector fell by 10.3% in the Basque Country in 2020 due to the pandemic

Retail trade in non-specialised establishments, the most significant in terms of employment and turnover, saw sales increase by 3.8% in 2020

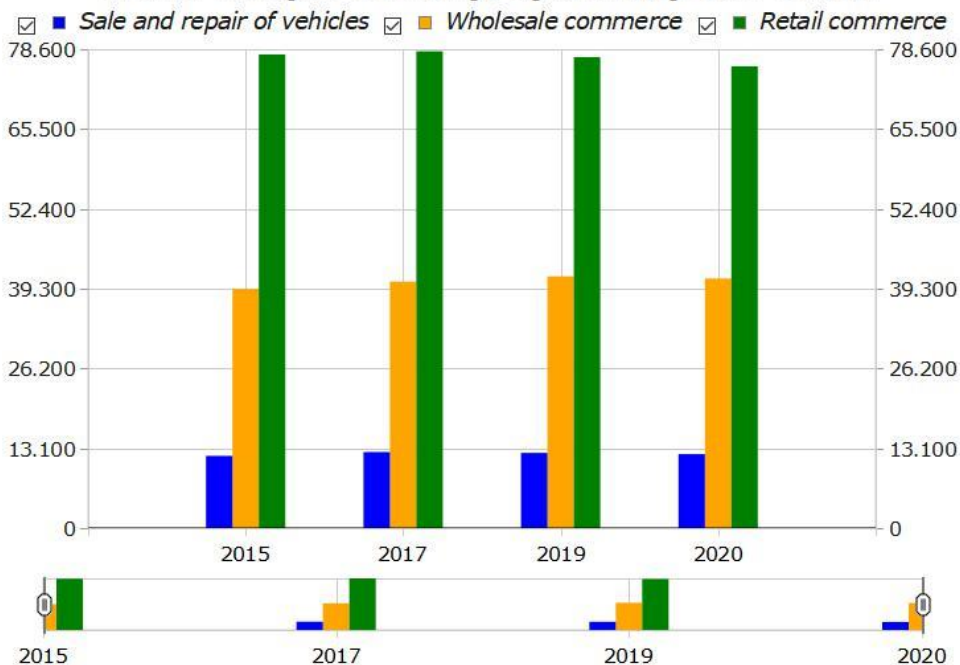
In 2020, the year when the COVID-19 pandemic began and the most restrictive measures were imposed on activity, the Trade and vehicle repair sector had a turnover of 31,893 million euros, 3,644 million less than in 2019, representing a drop of 10.3%, according to EUSTAT data.

This circumstance takes the sector back to the levels registered in 2014, when a period of uninterrupted growth began in the sector which lasted until 2019, with a yearly average of 2.8%.

Likewise, the effects of COVID-19 were reflected in the rest of the economic indicators for this sector, comprising companies whose main activity is listed in section G of CNAE-2009 [National Classification of Economic Activities], that is, Sale and repair of motor vehicles and motorcycles, Wholesale trade and trade intermediaries and Retail trade.

In 2020 a total of 36,689 establishments were in operation in the Trade and vehicle repair sector, that is, 2% fewer than the previous year, 2019. In addition, the number of persons employed decreased by 1.6%, with 128,903 people employed in 2020, just over two thousand fewer than in 2019, while the number of hours worked fell by 2.5% and personnel costs dropped by 12.7%.

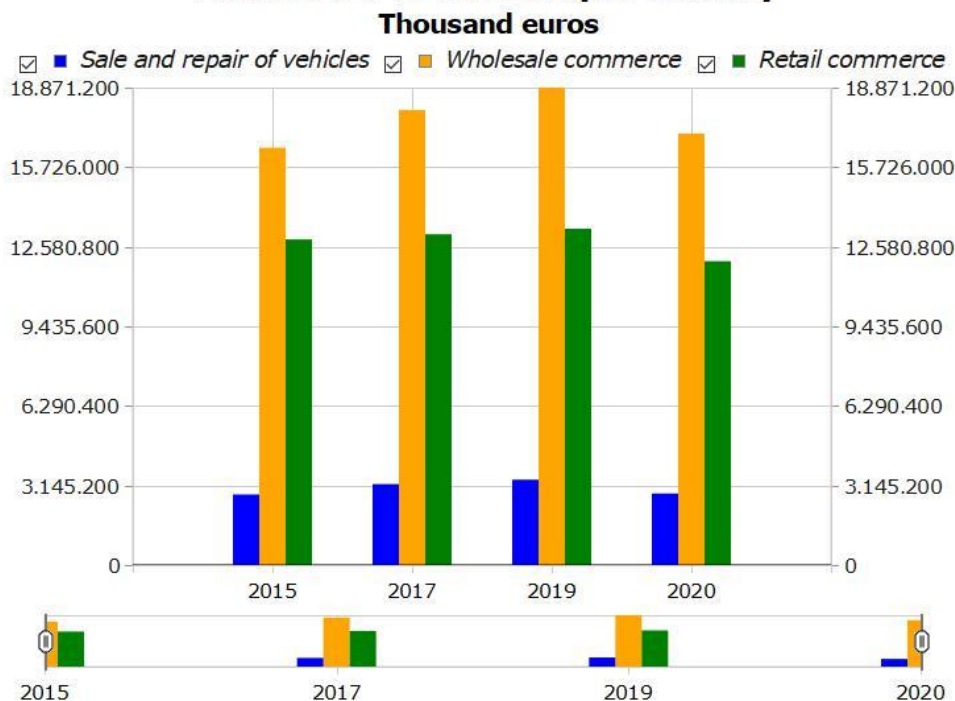
Personnel employed within the Trade and repair sector of the Basque Country, by activity sub-sector



In turn, added value shrank by 8.5%. Added value is a macroeconomic indicator representing the wealth created by the sector which corresponds to the gross revenue from operating activities after adjustment for operating subsidies and indirect taxes.

The trade margin on sales – the proportion of the gross trade margin over the net sales value of goods for resale – for the sector was 23.3%, more than one percentage point lower than in 2019 (24.5%).

Turnover within the Trade and repair sector by activity sub-sector of the Basque Country



Size of the establishments

Taking into account the size of the establishments in terms of persons employed, significant differences were observed. While the smallest stratum, those with between 1 and 9 persons employed, reported reductions in both turnover, -14.1%, and employment, -2.5%, those with between 10 and 49 employees experienced a 9.6% decrease in sales, but staff grew by 1.7%, and in the stratum of establishments with more than 50 people, employment fell by 4.3% and turnover by just 2.4%, all compared to 2019.

The number of establishments grew in the middle stratum, with 10 to 49 employees, it remained almost the same (-0.6%) in the stratum with the highest employment, and the figure for the smallest stratum fell by 2.2%.

Despite the decrease in establishments and employment, small businesses (up to nine persons employed) accounted for 94.1% of total establishments, 55.8% of staff and 39.8% of turnover in the Basque Country; medium-sized businesses (with between 10 and 49 employees) accounted for 5.5% of establishments, 29.4% of jobs and 42.0% of turnover; and, in turn, large businesses represented 0.5% of all establishments, 14.8% of people employed and 18.2% of sales.

The average of number of persons employed per establishment stood at 3.5; in *Wholesale trade* the figure was 4 people, in *Sale and repair of vehicles*, 3.8 people and in *Retail trade*, 3.3 people. In greater detail, the establishments with the largest number of staff, by some margin, are those corresponding to *Retail trade in non-specialised establishments* - large-scale retail premises and department stores - with an average of 9.3 employees per establishment, followed by *Wholesale trade in other machinery, equipment and supplies* - office furniture, machine tools, machinery for the textile industry, among others - with 7 employees. At the other end of the scale, the most fragmented sectors were *Retail trade via stalls and markets* and *Trade intermediaries*, with 1.2 and 1.3 persons employed, respectively.

Main variables of the trade and repair of vehicles sector in the Basque Country by employment stratum (thousands of euros). 2020

	Number or establishments			Personnel employed			Turnover		
	Value	% of total	Increase (%) 2010-2019	Value	% of total	Increase (%) 2010-2019	Value	% of total	Increase (%) 2010-2019
TOTAL	36.689	100,0	-2,0	128.903	100,0	-1,6	31.893.262	100,0	-10,3
From 1 to 9	34.519	94,1	-2,2	71.866	55,8	-2,5	12.699.776	39,8	-14,1
From 10 to 49	2.001	5,5	2,3	37.924	29,4	1,7	13.390.876	42,0	-9,6
50 or more	169	0,5	-0,6	19.113	14,8	-4,3	5.802.610	18,2	-2,4

Date May 27, 2022

Source: Eustat. Survey on trade and repairs

Province

At provincial level, Álava presented a less negative comparative performance for the set of indicators. In this province, sales fell by 7.5% and employment was practically unchanged (-0.1%); in Gipuzkoa, for its part, turnover fell by 9.9% with a limited impact on employment (-0.7%), while in Bizkaia, turnover dropped by 11.4% and staff by 2.6%.

In 2020 Bizkaia turned over a total of 16,012 million euros, 50.2% of the total, Gipuzkoa turned over 10,353 million and 32.5%, and Álava turned over 5,528 million and 17.3% of the total for the Basque Country.

With regard to employment, 66,995 people were employed in the trade sector in Bizkaia, 42,815 in Gipuzkoa and 19,093 in Álava. In relative terms, 52.0% of all jobs were in Bizkaia, 33.2% were in Gipuzkoa and the remaining 14.8% were in Álava. Meanwhile, staff expenditure fell by 13.2% in Bizkaia, 12.7% in Gipuzkoa, and 11.2% in Álava.

Main variables of the trade and repair of vehicles sector in the Basque Country by province (thousands of euros). 2020

	Basque Country	Increase (%) 2010-2019	Araba/Álava	Increase (%) 2010-2019	Bizkaia	Increase (%) 2010-2019	Gipuzkoa	Increase (%) 2010-2019
Personnel employed NU	128.903	-1,6	19.093	-0,1	66.995	-2,6	42.815	-0,7
Net amount of the turnover	31.893.262	-10,3	5.528.458	-7,5	16.011.980	-11,4	10.352.824	-9,9
Supplies	23.881.821	-10,4	4.163.583	-7,6	11.947.502	-11,6	7.770.736	-10,0
Expenditures on personnel	3.457.276	-12,7	529.905	-11,2	1.776.004	-13,2	1.151.367	-12,7
Profit for the year	827.979	-45,9	208.393	-38,8	345.869	-52,7	273.717	-40,4
Gross earnings against sales % (*)	23,3	-1,3	23,4	-0,7	23,5	-1,4	22,8	-1,4

(*)Difference in percentage points

Date May 27, 2022

Source: Eustat. Survey on trade and repairs

The trade margin on sales was also impacted by the pandemic with corrections of 1.4 percentage points in Bizkaia and Gipuzkoa and 0.7 percentage points less in the case of Álava. With these adjustments, the trade margin for *Trade and repair of vehicles* was 23.4% in Álava, 23.5% in Bizkaia and 22.8% in Gipuzkoa.

Activity groups

Retail trade in non-specialised establishments, the most significant in terms of employment and turnover, saw sales increase by 3.8% in 2020

The sector is divided into three major **activity groups**: **Sale and repair of Vehicles**, **Wholesale trade and trade intermediaries** and **Retail trade**.

All three presented negative trends in 2020 in both turnover and employment, albeit with significant differences in the activity groups that comprise each one.

The **Retail Trade** division, the largest in terms of personnel as it accounts for 58.8% of employment in the sector, turned over 37.7% of the total, with turnover falling by 9.6% and employment by 2.0%.

Main variables of the trade and repair sector in the Basque Country by activity group (thousands of euros). 2020

	Personnel employed			Turnover			Gross earnings
	Value	% of total	Increase (%) 2010-2019	Value	% of total	Increase (%) 2010-2019	Value
COMMERCE AND UPKEEP	128.903	100,0	-1,6	31.893.262	100,0	-10,3	23,3
Sale and repairs of vehicles	12.144	9,4	-1,6	2.829.055	8,9	-16,2	16,3
Sale of motor vehicles	4.012	33,0	-1,6	1.756.311	62,1	-18,1	9,4
Maintenance and repair of motor vehicles	6.259	51,5	-1,5	632.879	22,4	-16,6	.
Sale of motor vehicle parts and accessories	1.653	13,6	-3,3	392.481	13,9	-8,5	33,4
Sale, maintenance and repair of motorcycles	220	1,8	7,8	47.384	1,7	7,4	15,9
Wholesale trade and intermediaries	40.965	31,8	-0,9	17.054.479	53,5	-9,6	21,6
Trade intermediaries	4.708	11,5	-0,9	408.962	2,4	-18,4	.
Wholesale trade in agricultural raw materials and livestock	547	1,3	2,4	343.768	2,0	9,7	14,4
Wholesale trade in food, drink and tobacco products	9.602	23,4	-1,0	4.010.044	23,5	-8,7	17,8
Wholesale of household goods	6.236	15,2	-1,3	2.741.118	16,1	-3,8	25,9
Wholesale of information and communication equipment	1.322	3,2	0,8	751.623	4,4	-6,3	19,3
Wholesale of other machinery, equipment and supplies	7.719	18,8	0,5	2.210.797	13,0	-9,2	29,3
Other specialised wholesale	9.866	24,1	-0,9	6.305.840	37,0	-13,0	20,3
Non-specialised wholesale trade	965	2,4	-10,2	282.327	1,7	-14,3	29,8
Retail trade	75.794	58,8	-2,0	12.009.728	37,7	-9,6	27,1
Retail trade in specialised establishments	24.720	32,6	-0,3	4.718.829	39,3	3,8	25,5
Wholesale trade in food, drink and tobacco products	12.832	16,9	-1,8	1.765.254	14,7	-12,7	20,9
Retail sale of automotive fuel	2.025	2,7	-1,6	1.061.409	8,8	-9,1	8,5
Retail sale of information and communication equipment in specialised stores	1.972	2,6	-8,2	256.509	2,1	-12,8	24,5
Retail sale of other household equipment	8.019	10,6	-2,1	1.101.579	9,2	-11,5	30,9
Retail sale of cultural and recreation goods	3.605	4,8	-8,5	428.540	3,6	-23,6	29,7
Retail sale of other goods in specialised stores	20.422	26,9	-3,2	2.425.679	20,2	-24,5	39,3
Retail sale via stalls and markets	746	1,0	-4,7	42.232	0,4	-19,9	33,9
Retail trade not in establishments or in markets	1.453	1,9	19,7	209.697	1,7	9,6	41,6

Date May 27, 2022

Source: Eustat. Survey on trade and repairs

Within retail trade, the *Retail trade in non-specialised establishments* group - including large-scale retail premises and department stores, among others - was the most significant in terms of turnover (39.3%) and employment (32.6%) and the only one among the highest sales volume groups that presented positive performance in the year that COVID-19 broke out. As such, turnover for this group was 3.8% higher than the previous year and employment was largely unaffected (-0.3%).

Employment also fell by 3.2% in the next biggest contributing group in this division, *Retail trade of other items in specialised establishments* - including retail trade in clothes, footwear, pharmaceutical, medical, orthopaedic, cosmetic and hygiene products, watches and jewellery items and others - which turned over 24.5% less than in the previous year, contributing 20.2% of turnover and 26.9% of employment in *Retail trade*.

The activity group with the highest comparative growth in 2020 also falls within this division: *Retail trade not in stores, stalls or markets*. This group includes retail trade activities by mail order houses, over the internet, through vending machines, etc., which, despite the generalised downturn, saw sales rise by 9.6% and employment by as much as 19.7%.

For its part, the **Wholesale trade and trade intermediaries** division, with almost 53.5% of sector sales and 31.8% of employment, registered a drop of 9.6% in turnover and 0.9% in persons employed. The most significant groups were *Other specialised wholesale trade* -

wholesale of fuel, metals, construction materials, ironmongery, plumbing, chemical products, other semi-finished products, scrap and others - and *Food products, drinks and tobacco*, since, between them, they accounted for 60.5% of turnover for the division and provided employment for 47.5% of the total. They each registered decreases in both turnover, -13% for the former and -8.7% for the latter, and employment, -0.9% and -1.0%, respectively.

Sale and repair of vehicles was the division that presented the most negative trend in revenue, with a 16.2% drop in turnover and a 1.6% fall in employment. This section accounted for 9.4% of employment and 8.9% of total trade turnover in 2020.

Within this division, it is worth highlighting *Maintenance and repair of motor vehicles*, as it contributed over half of the persons employed, 51.5%, and 22.4% of turnover, and *Sale of motor vehicles*, which contributed 62.1% of turnover and 33% of employment for the division. Turnover fell by 16.6% for the former and 18.1% for the latter, with an impact on employment of -1.5% and -1.6%.

Lastly, the trade margin on sales for **Retail trade** was 27.1%, 2.5 percentage points lower than in 2019, for **Wholesale trade** it was 21.6%, 0.5 points lower, and the margin for the **Vehicle sales and repair** division stood at 16.3%, 1.5 percentage points below the previous year. In the activity groups as a whole, it is worth highlighting *Retail trade not in stores or markets* and *Retail trade of other articles in specialised establishments*, with a trade margin around 40% and, at over 30%, *Sale of motor vehicle parts and accessories*, *Retail sale of other household equipment* and *Retail sale via stalls and markets*.

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