

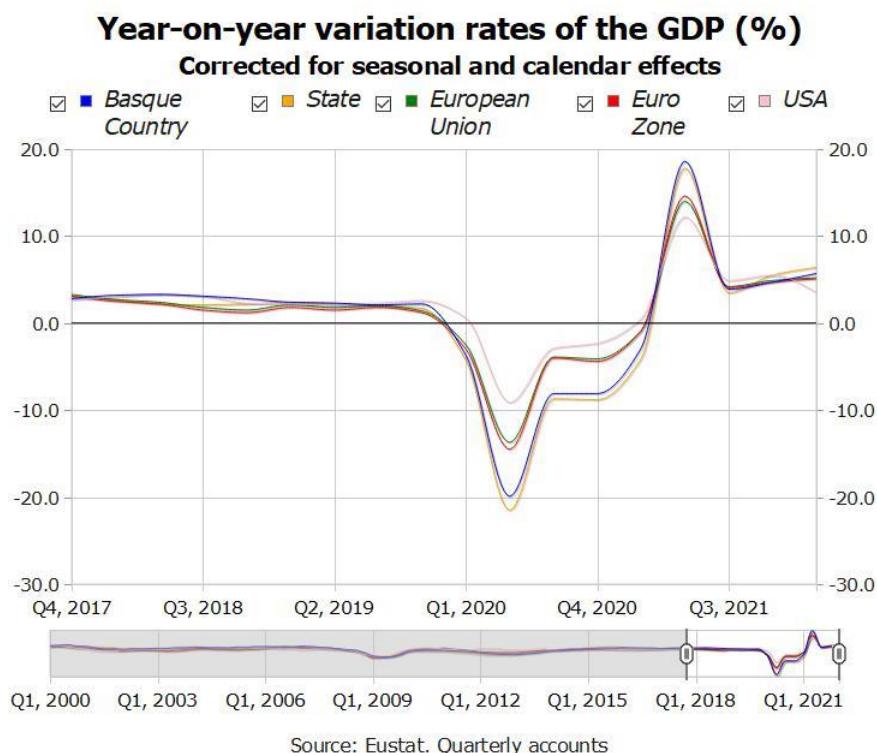
The GDP of the Basque Country saw seven quarters of consecutive growth, after increasing by 1.0% in the first quarter of 2022

In relation to the same quarter of 2021, GDP growth stood at 5.7% and that of employment at 5.0%

In the first quarter of 2022, the Gross Domestic Product (GDP) of the Basque Country rose by 1.0% in quarter-on-quarter terms, making seven consecutive quarters of growth, according to Eustat data. With regard to the same quarter of the previous year, the estimated year-on-year growth stood at 5.7%.

Employment, measured in full-time equivalent jobs, was up 0.9% in the first quarter of the year compared to the previous quarter, which was an increase of 5.0% in relation to the first quarter of 2021.

These estimates, which incorporate all the relevant economic information available at the time they were prepared, confirm the growth figures published in Eustat's *Advance Quarterly Accounts* of 25 April 2022.



The GDP of the Basque Country registered year-on-year growth of 5.7%, above that estimated for the European Union (5.2%), the Eurozone (5.1%) and the United States (3.5%). Meanwhile, the growth estimate for the Spanish economy was higher in the year-on-year comparison (6.4%), although the growth rate was more moderate with regard to the previous quarter (0.3%).

From the point of view of Supply, all sectors, except the primary sector, registered positive growth in year-on-year terms during the first quarter of 2022.

The **Primary** sector, in effect, recorded a decline in value added in real terms of 1.8% compared to the same quarter of the previous year, despite it being 15.0% higher than that estimated in the last quarter of 2021.

Growth in the **Industry** sector accelerated during the first quarter of the year, both in year-on-year terms and in quarter-on-quarter terms. Activity in the sector as a whole was up 6.5% on the first quarter of the previous year, following a rise of 3.5% in relation to the previous quarter. Estimated growth figures for the manufacturing industry were more moderate, standing at 5.9% and 3.4%, respectively.

GDP m/p. Supply. Chain volume indexes. Year-on-year variation rates. Basque Country (%). 2022/I

	2020	2021	2021				2022
			I	II	III	IV	I
AGRICULTURE, FORESTRY AND FISHERIES	-15,0	1,8	-7,1	7,8	4,6	2,6	-1,8
INDUSTRY AND ENERGY	-11,2	8,5	-1,1	30,2	5,5	4,3	6,5
Manufacturing industry	-11,6	9,2	-0,7	33,1	5,9	3,8	5,9
CONSTRUCTION	-8,2	2,4	-2,4	11,5	1,3	0,5	1,9
SERVICES	-9,0	5,0	-3,5	15,5	4,0	5,4	6,0
Trade, accommodation & food services and transport	-18,1	8,9	-5,5	26,1	6,1	12,2	11,0
Public administration, education, human health and social work activities	1,6	2,5	1,6	3,1	2,6	2,6	2,9
-Rest of services	-8,6	4,1	-5,0	17,3	3,5	3,1	4,8
GROSS VALUE ADDED at basic prices	-9,5	5,6	-2,9	18,4	4,2	4,8	5,8
NET TAXES ON PRODUCTS	-13,6	5,3	-3,0	20,4	1,9	3,7	3,9
GROSS DOMESTIC PRODUCT at market prices	-9,9	5,6	-2,9	18,6	3,9	4,7	5,7

Data corrected for seasonal and calendar effects

Date June 3, 2022

Source: Eustat. Quarterly accounts

The **Construction** sector also saw higher growth than in the previous quarter. With regard to the same quarter of the previous year, activity increased by 1.9%, with a 2.5% rise in activity compared to the previous quarter.

Global activity within the **Services** sector saw an estimated increase of 6.0% in respect of the same quarter of the previous year. This year-on-year growth largely came from those people-related services that remained closed or whose activity was restricted in the first quarter of 2021 (those linked to leisure and the tourism sector) and which were able to resume their normal level of activity during this quarter. This resulted in a 0.1% rise in the first quarter of the year with respect to the fourth quarter of 2021.

The performance of the Services sector varied by branches during this last quarter. The branch of **Trade, Hospitality and Transport** posted an increase in value added of 11.0% in relation to the first quarter of the previous year, following a rise of 1.2% in respect of the previous quarter. Of these activities, hospitality (both accommodation and catering services) performed the best.

Similarly, year-on-year growth accelerated in the **Other Services** branch (which includes property activities, professional, scientific and technical activities, communication, financial and insurance services, and people-related services), with a year-on-year increase of 4.8%. Once again, people-related services, particularly cultural, sport and recreational activities, were the biggest drivers of growth this quarter in comparison with the same quarter of 2021, when many of these activities were restricted due to the pandemic. In relation to the fourth quarter of 2021, on the other hand, there was an estimated fall of 1.0%.

The **Public Administration, Education, Health and Social Services** branch, after rising 0.9% compared to the previous quarter, continued to experience a steady increase in its value added, with a year-on-year growth rate of 2.9%.

GDP m/p. Supply. Chain volume indexes. Quarter-on-quarter variation rates. Basque Country (%). 2022/I

	2021				2022
	I	II	III	IV	I
AGRICULTURE, FORESTRY AND FISHERIES	20,1	10,8	-7,2	-16,9	15,0
INDUSTRY AND ENERGY	1,4	0,9	-0,2	2,1	3,5
Manufacturing industry	1,3	1,9	-0,3	0,9	3,4
CONSTRUCTION	1,0	-2,9	1,5	0,9	2,5
SERVICES	-0,5	2,1	2,3	1,4	0,1
Trade, accommodation & food services and transport	2,2	9,3	-2,7	3,2	1,2
Public administration, education, human health and social work activities	0,5	1,5	0,6	-0,1	0,9
-Rest of services	-2,7	-1,9	6,8	1,1	-1,0
GROSS VALUE ADDED at basic prices	0,2	1,6	1,6	1,4	1,1
NET TAXES ON PRODUCTS	-0,2	8,1	-4,6	0,7	0,1
GROSS DOMESTIC PRODUCT at market prices	0,2	2,2	1,0	1,3	1,0

Data corrected for seasonal and calendar effects

Date June 3, 2022

Source: Eustat. Quarterly accounts

The positive year-on-year performance of the majority of the sectors caused the **Value Added** of the Basque Country to increase at a faster rate than that observed in the previous quarter, reaching 5.8%. With regard to the previous quarter, Gross Value Added recovered by 1.1%, in line with the upward trend observed over recent quarters.

From the point of view of **Internal Demand**, the performance was different, with more moderate estimated year-on-year growth than the previous quarter, standing at 2.9%. The contribution of the foreign sector was therefore positive during the first quarter of 2021.

Final consumption expenditure of households and non-profit institutions serving households (ISFLSH) (private consumption) posted a year-on-year rise of 3.1%, while it fell by 0.2% in respect of the previous quarter.

For its part, the **Final Consumption Expenditure of Public Administrations** (public consumption) registered more modest growth than in previous quarters, with a year-on-year increase of 0.6%. Likewise, the evolution with respect to the previous quarter saw a decline of 3.5% compared to the previous quarter.

The overall performance of public and private consumption resulted in a year-on-year rise of 2.6% in **Final Consumption Expenditure**. However, in relation to the last quarter of 2021, this was a decrease of 0.9%.

In **Gross Capital Formation** (investment), year-on-year growth stood at 3.9%, lower than the estimate for the previous quarter (4.3%), although there was an increase of 1.5% in respect of the fourth quarter of 2021. Investment in **Capital Goods** registered a 6.6% rise compared to the same quarter of the previous year, which represented a recovery in quarter-on-quarter terms of 1.2%.

In **Other Gross Capital Formation**, which is more closely linked to the performance of construction goods, year-on-year growth was more moderate, standing at 2.2% (the same estimated growth as for the previous quarter), following an estimated increase of 1.7% in relation to the previous quarter.

GDP m/p. Demand. Chain volume indexes. Year-on-year variation rates. Basque Country (%). 2022/I

	2020	2021	2021				2022
			I	II	III	IV	I
FINAL CONSUMPTION EXPENDITURE	-8.9	4.8	-2.5	18.1	2.4	2.7	2.6
Household and NPISHs final consumption expenditure	-12.4	5.3	-3.7	22.6	2.1	3.0	3.1
Public administrations final consumption expenditure	3.8	3.0	1.6	5.2	3.5	1.7	0.6
GROSS CAPITAL FORMATION	-11.7	6.3	-1.3	21.4	3.7	4.3	3.9
Gross fixed capital formation in equipment goods	-12.9	12.8	1.9	41.3	7.6	7.5	6.6
Rest of Gross Capital Formation	-11.0	2.6	-3.2	11.2	1.5	2.2	2.2
INTERNAL DEMAND	-9.6	5.1	-2.2	18.9	2.7	3.1	2.9
EXPORT OF GOODS AND SERVICES	-16.1	11.8	-2.4	30.1	12.5	11.1	13.6
IMPORT OF GOODS AND SERVICES	-15.4	10.8	-1.4	29.8	10.2	8.1	8.9
GROSS DOMESTIC PRODUCT at market prices	-9.9	5.6	-2.9	18.6	3.9	4.7	5.7

Data corrected for seasonal and calendar effects

Date June 3, 2022

Source: Eustat. Quarterly accounts

Internal Demand, composed of Final Consumption Expenditure and Gross Capital Formation, rose by 2.9% in year-on-year terms in the first quarter of the year. This growth was below that estimated for GDP as a whole (5.7%), for which the contribution of the **Foreign Sector** was positive in this first quarter of the year. In effect, **Exports** of goods and services increased by 13.6% in year-on-year terms, more sharply than **Imports**, which were up 8.9%. The **foreign balance** therefore contributed positively to the year-on-year performance of the economy of the Basque Country.

GDP m/p. Demand. Chain volume indexes. Quarter-on-quarter variation rates. Basque Country %. 2022/I

	2021				2022
	I	II	III	IV	I
FINAL CONSUMPTION EXPENDITURE	-0.8	6.1	-3.2	0.8	-0.9
Household and NPISHs final consumption expenditure	-0.3	7.1	-3.9	0.4	-0.2
Public administrations final consumption expenditure	-2.4	3.0	-0.9	2.1	-3.5
GROSS CAPITAL FORMATION	1.8	-1.7	-1.2	5.4	1.5
Gross fixed capital formation in equipment goods	2.1	1.6	-5.8	10.1	1.2
Rest of Gross Capital Formation	1.7	-3.7	1.8	2.5	1.7
EXPORT OF GOODS AND SERVICES	4.0	3.2	1.4	2.0	6.3
IMPORT OF GOODS AND SERVICES	3.3	6.4	-4.4	2.9	4.0
GROSS DOMESTIC PRODUCT at market prices	0.2	2.2	1.0	1.3	1.0

Data corrected for seasonal and calendar effects

Date June 3, 2022

Source: Eustat. Quarterly accounts

In relation to the level of employment (measured in **Full-Time Equivalent Jobs**), employment as a whole grew by 5.0% compared to the first quarter of 2021, following a rise of 0.9% in respect of the previous quarter.

In this regard, it should be remembered that the definition of a job, according to the European System of Accounts (ESA), excludes persons temporarily not at work but who have a formal attachment to their job, for example, an assurance of return to work or an agreement as to the date of return, as is the case with ERTes (Temporary Labour Force Adjustment Plans).

Employment in the Primary sector dropped by 0.4%, both in year-on-year terms, compared to the first quarter of 2021, and in quarter-on-quarter terms. In Industry, the year-on-year rise in jobs stood at 2.6%, a figure 0.8% higher than that of the previous quarter. In Construction, the evolution in employment was also positive in year-on-year terms (an increase of 3.4%), although in quarter-on-quarter terms the performance was negative (down 1.5%). Finally, the number of full-time equivalent jobs in the Services sector increased both in year-on-year terms (up 5.9%) and in quarter-on-quarter terms (1.1%).

In terms of **GDP performance by Province in the first quarter of 2022**, Álava posted year-on-year growth of 5.5%, Gipuzkoa of 5.6% and Bizkaia of 5.7%. Compared to the last quarter of 2021, Álava registered the best GDP performance with a rise of 1.2%, followed by Bizkaia with 1.1% and 0.9% in the case of Gipuzkoa.

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