

Turnover in the Professional and Business Services sector stood at 8,641 million in 2020, down 13.6% on 2019

Micro-enterprises (employing less than 10 people) were the hardest hit by the COVID-19 pandemic: establishments were closed (-1.4%), employment fell (-1.7%) and sales dropped significantly (-18.4%)

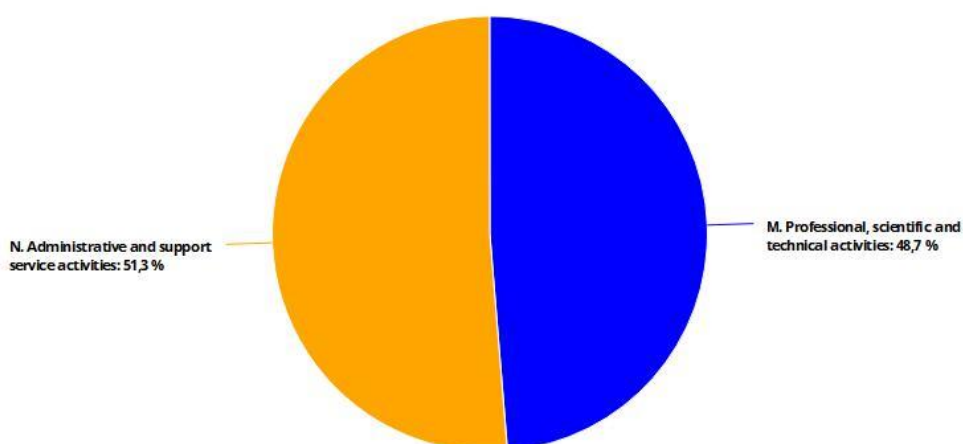
In 2020, the year the COVID-19 pandemic began and the most restrictive measures were imposed on economic activity, turnover of establishments in the **Professional and Business Services sector** stood at 8,641 million euros, down 13.6% on the previous year, according to Eustat data.

The number of establishments fell slightly, by 1.2%, making a total of 27,606, while the number of people employed decreased by 0.5%, representing 130,910 workers, 13.6% of total employment in the Basque economy for 2020.

Despite the significant reduction in turnover, the value added generated by establishments in the Professional and Business Services sector reached 5,620 million euros, a decline of just 4.4%.

Division of personnel employed within the professional activities and auxiliary service sector by activity sub-sector. 2020

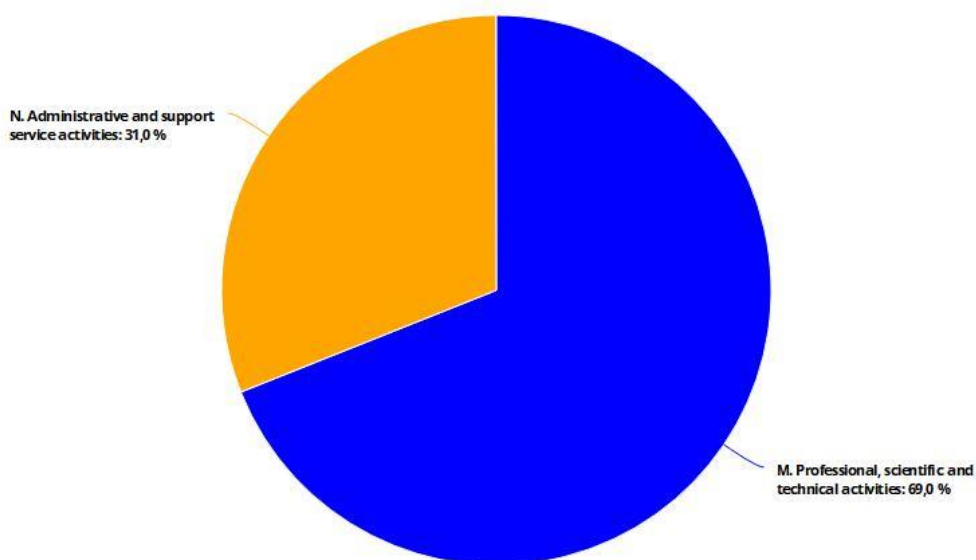
percentage



Source: Eustat. Services survey

Division of turnover within the professional activities and auxiliary service sector by activity sub-sector. 2020

percentage



Source: Eustat. Services survey

Analysis by Section

The Professional and Business Services sector is comprised of two sections: **Professional, Scientific and Technical Activities** and **Administrative Activities and Auxiliary Services**.

The **Professional, Scientific and Technical Activities** section had 21,571 establishments and was dominant in terms of the number of establishments, accounting for 78.8% of the total. It also dominated in regard to turnover, with 5,960 million euros, representing 69% of the sector's total. This was not the case with respect to employment, as its 63,771 employees accounted for slightly less than half of total employment in the sector (48.7%).

The gross value added for this section was well in excess of 3,777 million euros, even surpassing the amount achieved in 2019 by 0.5%.

In 2020, the Professional, Scientific and Technical Activities section registered a drop of 9.1% in turnover and 0.9% in the number of establishments compared to 2019, while employment rose by 2.7%.

The **Administrative Activities and Auxiliary Services** section, with overall turnover of 2,682 million euros, represented 31% of total turnover in Professional Activities and Auxiliary Services. Its 67,139 jobs made up 51.3% of total employment and its 5,855 establishments accounted for 21.2% of all establishments in this activity sector.

Unlike what happened with Professional, Scientific and Technical Activities, in the case of Administrative Activities and Auxiliary Services, the gross value added, which stood at just over 1,842 million euros, recorded a significant decrease in 2020 (-13.2%) in relation to 2019.

The Administrative Activities and Auxiliary Services section saw the number of establishments fall by 2.1%, employment decline by 3.3% and turnover drop by as much as 22.1%.

Analysis by Division

In an analysis of results at a more disaggregated activity level, and within the Professional, Scientific and Technical Activities section, the **divisions** that stood out were **Legal and Accounting Activities** and **Architectural and Engineering Services**. With turnover of 2,860 million euros for the former, 48% of its division, and 1,943 million euros for the latter, 32.6% of the division, between them they accounted for 80.6% of total turnover, 75.1% of total establishments and 70.7% of jobs.

In 2020, the division of Legal and Accounting Activities employed 26,769 people at 10,763 establishments, while the 5,569 establishments in Architectural and Engineering Services provided 18,323 jobs. Compared to 2019, both divisions saw a drop in turnover: it fell by 3.6% in the case of Legal and Accounting Activities and as much as 14.5% in Architectural and Engineering Services. In terms of the number of establishments, the former registered an increase of 0.3%, while the latter recorded a decrease of 2.1%. Employment was up 6% in Legal and Accounting Activities and 1.5% in Architectural and Engineering Services.

As regards the remaining three divisions, **Research and Development** posted a negative performance, with turnover falling by 9.9% compared to 2019. A similar drop (-9.3%) was seen in **Other Professional Activities** (which includes Design, Photography, Translation and Interpreting, and Veterinary Activities, among others), while turnover in the **Advertising and Market Research** division was down 18.5%.

On the other hand, there was an upward trend in employment in Research and Development activities, with 3.8% more jobs than in 2019, despite a comparable reduction (-3.9%) in the number of establishments. In Other Professional Activities, employment fell by 3.1% and the number of establishments decreased by 2.4%. A similar situation occurred in the Advertising and Market Research branch, which presented negative trends in both the number of establishments, down 0.3%, and the number of jobs, with employment dropping by 4.2%.

Main variables by activity group. Thousands of euros. 2020. 2020

	Establishments			Personnel employed			Amount of turnover		
	Value	% over total	Variation 2019-2020 (%)	Value	% over total	Variation 2019-2020 (%)	Value	% over total	Variation 2019-2020 (%)
Professional activities and auxiliary services	27.606	100.0	-1.2	130.910	100.0	-0.5	8.641.456	100.0	-13.6
Professional, scientific and technical activities	21.751	78.8	-0.9	63.771	48.7	2.7	5.959.913	69.0	-9.1
- Legal and accounting activities	10.763	39.0	0.3	26.769	20.4	6.0	2.859.596	33.1	-3.6
- Architectural and engineering services	5.569	20.2	-2.1	18.323	14.0	1.5	1.942.937	22.5	-14.5
Research and development	415	1.5	-3.9	8.115	6.2	3.8	451.733	5.2	-9.9
Advertising and market research	1.342	4.9	-0.3	3.813	2.9	-4.2	307.497	3.6	-18.5
Other professional activities	3.662	13.3	-2.4	6.751	5.2	-3.1	398.150	4.6	-9.3
Administrative activities and auxiliary services	5.855	21.2	-2.1	67.139	51.3	-3.3	2.681.543	31.0	-22.1
Rental and leasing activities	606	2.2	-2.6	2.546	1.9	-0.5	385.964	4.5	-15.5
- Employment related activities	208	0.8	-3.3	10.431	8.0	-14.5	265.164	3.1	-22.7
Travel agencies	726	2.6	-6.9	1.889	1.4	-13.9	210.264	2.4	-69.5
Other service activities	4.315	15.6	-1.1	52.273	39.9	-0.4	1.820.151	21.1	-6.9

Date: July 18, 2022

Source: Eustat. Services survey

Within the Administrative Activities and Auxiliary Services section, the **Other Services Activities** division (comprised of Security and Research Activities, Gardening and Building Services and Auxiliary Business Services) stood out for its contribution to the total. It accounted for three quarters of jobs and establishments overall within the section (77.9% and 73.7%, respectively). In 2020, its evolution was negative in terms of people employed (-0.4%), the number of establishments (-1.1%) and turnover (-6.9%).

Outside of Other Services Activities, the other divisions had a much smaller share of the section. **Travel Agencies** accounted for 12.4% of establishments and 2.8% of jobs; 10.4% of establishments and 3.8% of jobs were in **Rental Activities**, and 3.6% and 15.5% of establishments and jobs, respectively, were in **Employment-Related Activities**.

All three registered decreases in the number of establishments, as well as in turnover and employment. Of particular note was the fall in turnover in Travel Agencies, 69.5%, with a drop of 13.9% in employment and 6.9% in the number of establishments. Rental Activities saw a 15.5% reduction in turnover, a decrease of almost 0.5% in employment and 2.6% fewer establishments. Employment-Related Activities also recorded considerable drops in income (-22.7%) and employee numbers (-14.5%), although the number of establishments experienced a somewhat smaller decrease (-3.3%).

Provincial analysis

Employment rose in Gipuzkoa (2.1%), but fell slightly in Álava (-0.8%) and moderately in Bizkaia (-1.6%)

In terms of provincial distribution and looking at the number of establishments, 53.1% of the Basque Country total were located in Bizkaia, 33.5% in Gipuzkoa and 13.4% in Álava, with significant variations depending on the activity. For example, Legal and Accounting Activities accounted for 58.3% in Bizkaia, Research and Development Activities constituted 44.6% of the total in Gipuzkoa, and Employment-Related Activities represented 18.8% in Álava, to name the most representative in each province.

As regards employment, in 2020 the provincial distribution of the Basque Country total was 57.8% in Bizkaia, 28.8% in Gipuzkoa and 13.4% in Álava. In this case, the main activities by province were Other Services Activities in Bizkaia (62.2%), and once again in both provinces, Research and Development in Gipuzkoa (48.1%) and Employment-Related Activities in Álava (22.2%).

At the provincial level, all three provinces registered negative changes in the main indicators analysed in 2020.

Compared to 2019, there was a drop in turnover of 15.2% in Bizkaia, 14.8% in Álava and 9% in Gipuzkoa.

The decline was more moderate when it came to the evolution of the number of establishments and employment. With regard to the former, it was down 1% in Gipuzkoa and 1.3% in Álava and Bizkaia. As for employment, in Álava and Bizkaia it fell by 0.8% and 1.6%, respectively, whereas Gipuzkoa recorded an increase of 2.1%.

Main variables by province. Thousands of euros. 2020

	Basque Country	increase (%)	Araba/Álava	increase (%)	Bizkaia	increase (%)	Gipuzkoa	increase (%)
NU establishments	27.606	-1,2	3.686	-1,3	14.669	-1,3	9.251	-1,0
Personnel employed NU	130.910	-0,5	17.529	-0,8	75.731	-1,6	37.650	2,1
Turnover	8.641.456	-13,6	1.020.617	-14,8	5.296.047	-15,2	2.324.792	-9,0
Supplies	1.836.208	-24,2	197.922	-18,1	1.166.174	-27,7	472.112	-16,7
Expenditures on personnel	3.993.378	-3,4	500.032	-7,4	2.341.983	-3,6	1.151.363	-1,3

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Source: Eustat. Services survey

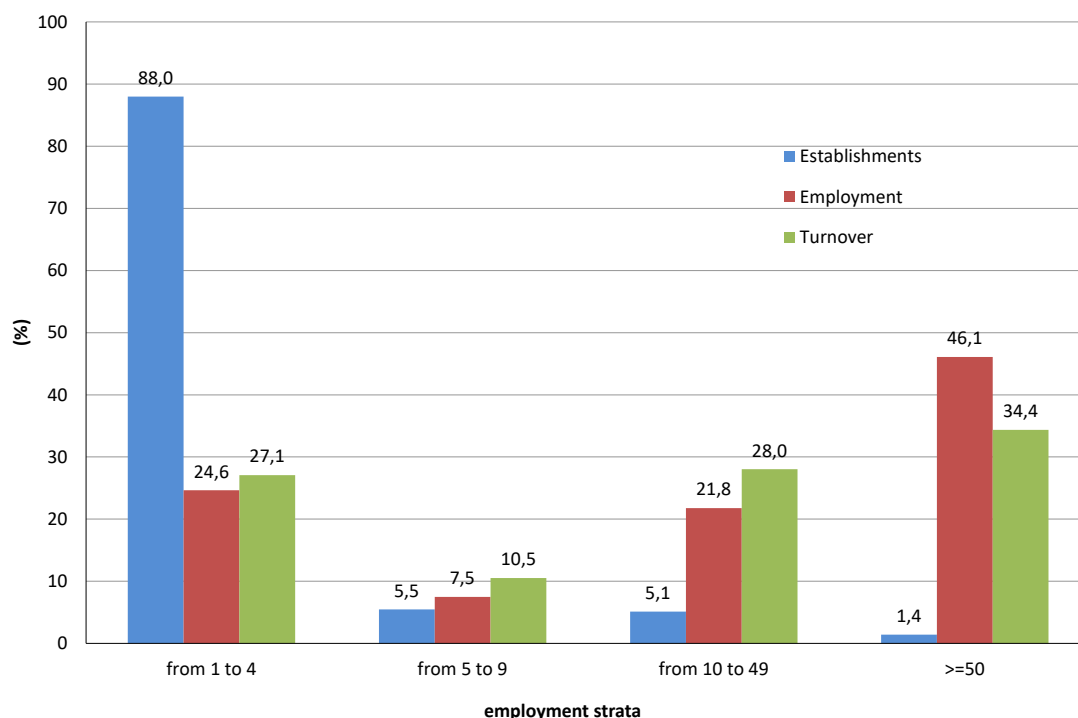
Staff expenditure fell in line with the aforementioned reductions in Álava and Bizkaia, with decreases of 7.4% and 3.6%; Gipuzkoa also saw a drop in staff expenditure, albeit more modest, of 1.3%.

Analysis by employment stratum

Micro-enterprises (employing less than 10 people) were the hardest hit by the pandemic in 2020: establishments were closed (-1.4%), employment fell (-1.7%) and sales dropped significantly (-18.4%)

Analysing details of **establishment size** according to employment provided additional information.

Firstly, micro-enterprises, that is, establishments with fewer than 10 employees, represented 93.5% of total establishments, employed 32.1% of all staff and generated 37.6% of the sector's turnover.



Small businesses, with 10 to 49 employees, represented 5.1% of establishments, provided employment for 21.8% of the sector and in 2020 generated 28% of turnover in the Professional Activities and Auxiliary Services sector as a whole. Finally, companies with 50 or more employees, with only 1.4% of establishments, employed 46.1% of the total and turned over a volume of 34.4% of the total.

The evolution between 2019 and 2020 was different for micro-enterprises than for other companies, which were only negatively affected by the pandemic in terms of turnover, but not employment or the number of establishments. Micro-enterprises saw a drop in employment, down 1.7%, as well as in the number of establishments (-1.4%) and turnover, which fell by 18.4%. On the other hand, small companies recorded growth of 1.3% in employment and a 1.8% rise in the total number of establishments, but a 16% reduction in turnover. Lastly, for larger companies, the number of establishments increased by 2.6%, employment decreased slightly by 0.5% and turnover was down a moderate 5.1%.

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