

The environmental economy of the Basque Country generated Gross Value Added of 1,390 million euros in 2020

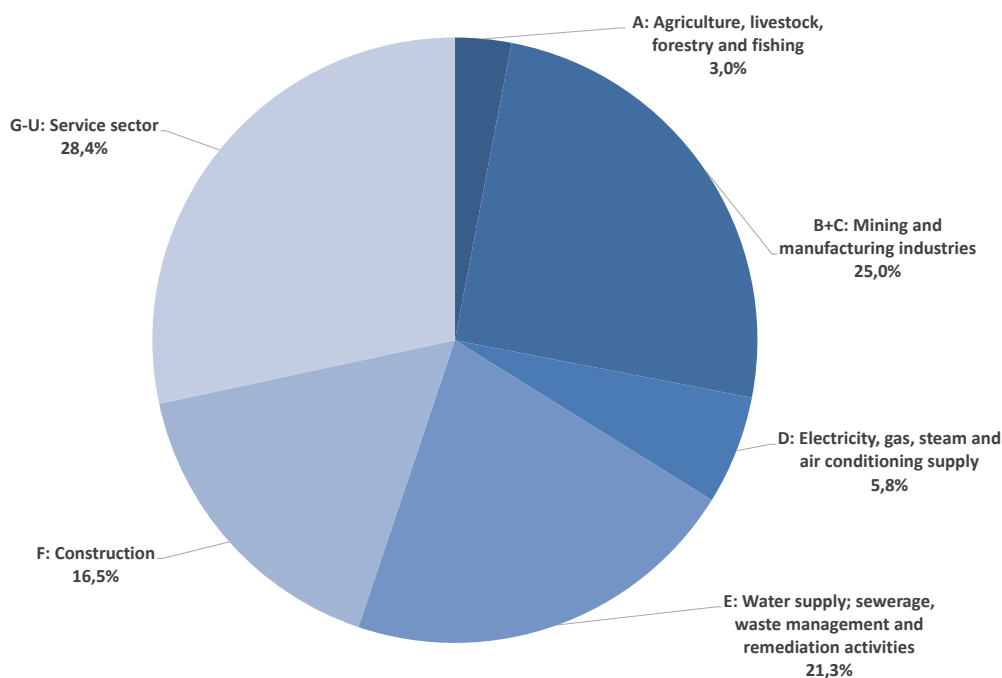
In terms of employment, the environmental economy generated 20,896 jobs, 2.3% of the total economy

According to data from the Environmental Goods and Services Account prepared by Eustat, the **Gross Value Added (GVA)** of the environmental economy stood at 1,390 million euros in 2020, equivalent to 1.94% of GDP, 8 hundredths more than the previous year. Compared to 2019, the year-on-year rate of environmental GVA was down 5.8%, a more measured decrease than that experienced by the Gross Domestic Product for the whole economy in the same period, which shrank by 9.7%.

The Environmental Goods and Services Account is part of the system of environmental accounts and is prepared according to Eurostat's methodology. These accounts allow for a coherent integration of economic and environmental aspects within the National Accounts system. The environmental goods and services (environmental economy) sub-sector is composed of the segment of the economy dedicated to the production of goods and services for **environmental protection** and activities related to the **management of natural resources** to reduce or eliminate environmental pressures.

By economic sector and in relation to GVA, in 2020 it is worth highlighting the contribution of **Services** (28.4%), followed by **Extraction and manufacturing industries** (25.0%) and **Water supply, waste cleanup and management** (21.3%), **Construction** (16.5%), **Electricity, gas, steam and air conditioning supply** (5.8%) and finally, the **Primary** sector (3.0%).

Environmental Gross Value Added of the Basque Country for economic activities (%). 2020



Source: Eustat. Environmental accounts. Environmental goods and services account

If we look at the **evolution over time**, it can be seen that in most sectors there was a drop in environmental GVA. Of particular note were the *Agriculture, livestock, forestry and fishing* sector, with a negative year-on-year rate of 17.0%, followed by the *Construction* sector, which fell by 12.0%, and the *Extraction and manufacturing industries* with -9.2%. Lastly, the *Electric energy, gas, steam and air conditioning supply* sector, together with the *Water supply, sewerage, waste management and remediation activities* underwent a somewhat more moderate drop, at -6.8% and -6.2% respectively. The *Services* sector was the only one which showed a positive trend, with an increase of 3.8%.

Gross Value Added of the environmental goods and services sector of the Basque Country by activity groups (thousands of euros). 2018-2020

	2018	2019	2020 (p)	% on environmental GVA			Annual variation rate (%)	
				2018	2019	2020 (p)	2019/2018	2020 (p)/2019
Total environmental GVA	1.309.945	1.476.372	1.390.282	100,0	100,0	100,0	12,7	-5,8
A: Agriculture, livestock, forestry and fishing	37.133	50.307	41.762	2,8	3,4	3,0	35,5	-17,0
B+C: Mining and manufacturing industries	362.467	383.397	348.155	27,7	26,0	25,0	5,8	-9,2
D: Electricity, gas, steam and air conditioning supply	99.028	86.684	80.764	7,6	5,9	5,8	-12,5	-6,8
E: Water supply; sewerage, waste management and remediation activities	324.971	315.992	296.263	24,8	21,4	21,3	-2,8	-6,2
F: Construction	137.892	260.150	228.916	10,5	17,6	16,5	88,7	-12,0
G-U: Service sector	348.454	379.843	394.422	26,6	25,7	28,4	9,0	3,8
G.D.P. m/p	76.888.235	79.537.107	71.828.616				3,4	-9,7

(p) provisional data

Source: Eustat. Environmental accounts. Environmental goods and services account

Employment generated by environmental activities, measured as full-time equivalent (FTE) jobs, rose to 2.3% of total employment in 2020, although it dropped 2.4% compared to 2019.

If we analyse **environmental employment by economic sector**, the *Services* sector comes out top with 30.2% of total environmental employment, 1.6% higher than 2019, followed by *Extraction and manufacturing industries* with 25.0%, *Construction* with 20.6%, and *Water supply and waste cleanup and management* activities, with 20.1%. Conversely, the sectors with the

lowest contribution to environmental employment were the *Primary* and the *Electricity, gas, steam and air conditioning supply* sectors, with 3.8% and 0.3%, respectively.

Full-time equivalent employment (FTE) of the environmental goods and services sector of the Basque Country by activity groups. 2018-2020

	2018	2019	2020 (p)	% on environmental employment			Annual variation rate (%)	
				2018	2019	2020 (p)	2019/2018	2020 (p)/2019
Full-time equivalent employment	19.078	21.418	20.896	100,0	100,0	100,0	12,3	-2,4
A: Agriculture, livestock, forestry and fishing	635	738	798	3,3	3,4	3,8	16,2	8,2
B+C: Mining and manufacturing industries	5.700	5.641	5.234	29,9	26,3	25,0	-1,0	-7,2
D: Electricity, gas, steam and air conditioning supply	60	48	60	0,3	0,2	0,3	-20,3	24,8
E: Water supply; sewerage, waste management and remediation activities	4.088	4.305	4.193	21,4	20,1	20,1	5,3	-2,6
F: Construction	2.501	4.475	4.298	13,1	20,9	20,6	78,9	-4,0
G-U: Service sector	6.095	6.212	6.314	31,9	29,0	30,2	1,9	1,6
FTE of the total economy	960.396	974.811	914.369				1,5	-6,2

(p) provisional data

Source: Eustat. Environmental accounts. Environmental goods and services account

In year-on-year terms, the sectors that stood out in terms of the evolution of environmental employment in 2020 were the *Electricity, gas, steam and air conditioning supply* sector, with a year-on-year rate of 24.8%, significantly higher than the previous period and, some way behind, the *Primary* sector, with growth of 8.2% compared to the previous year.

Taking into account the **main indicators** that relate the environmental sub-sector with the economy as a whole, environmental GVA accounted for 1.94% of GDP in 2020, eight hundredths more than the previous year, and Full-time Employment accounted for 2.29% of employment as a whole, nine hundredths higher than the previous year.

Regarding the contribution of the Basque Country to the total Spanish economy, it was observed that the GVA of the environmental economy in the Basque Country generated 5.0% of the environmental GVA of Spain in 2020. Furthermore, environmental employment in the Basque Country represented 4.8% of environmental employment generated nationally.

With regard to environmental GVA in relation to GDP, the value in Spain stood at 2.49%, higher than in the Basque Country, which reached 1.94% in 2020.

For the comparison with Europe, we analysed the latest data published by Eurostat, corresponding to 2019. The indicator of **Environmental GVA on GDP** in the Basque Country was 1.86%, similar to surrounding countries such as France (1.84%), Italy (1.90%) or Germany (1.96%). This data is lower than the average for the EU-27, with 2.32%. At the very top of the table were countries such as Finland (5.77%), Estonia (4.55%), Austria (4.21%) and Denmark (3.37%).

Indicators of the environmental goods and services sector of the Basque Country by activity groups (%). 2018-2020

	Environmental GVA over % GDP			Environmental Employment (FTE) on Employment (FTE) Total		
	2018	2019	2020 (p)	2018	2019	2020 (p)
Total environmental	1,70	1,86	1,94	1,99	2,20	2,29
A: Agriculture, livestock, forestry and fishing	0,05	0,06	0,06	0,07	0,08	0,09
B+C: Mining and manufacturing industries	0,47	0,48	0,48	0,59	0,58	0,57
D: Electricity, gas, steam and air conditioning supply	0,13	0,11	0,11	0,01	0,00	0,01
E: Water supply; sewerage, waste management and remediation activities	0,42	0,40	0,41	0,43	0,44	0,46
F: Construction	0,18	0,33	0,32	0,26	0,46	0,47
G-U: Service sector	0,45	0,48	0,55	0,63	0,64	0,69

(p) provisional data

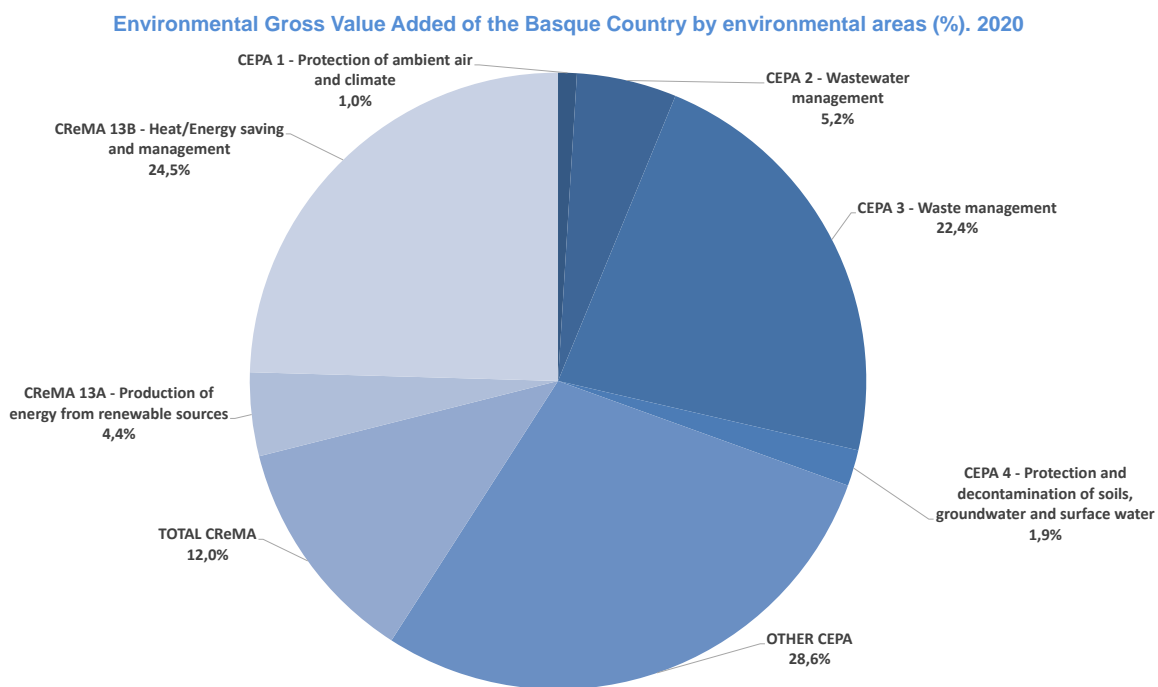
Source: Eustat. Environmental accounts. Environmental goods and services account

Following the European Regulation, **two major domains** stand out in terms of their environmental goals: **environmental protection activities** and **resource management activities**, categorised into two mutually exclusive classifications. On the one hand, environmental protection activities are described in the Classification of Environmental Protection Activities (**CEPA**) and, on the other, resource management activities for environmental protection are described in the Classification of Resource Management Activities (**CRMA**).

The domain that stood out with the highest proportion of total environmental GVA generated in 2020, corresponded to the category of Other CEPA, which includes activities related to noise reduction, preservation of biodiversity, protection against radiation and environmental R&D, among others, contributing 28.6%, followed by other activities such as Waste Management, which contributed 22.4% of the total.

The category of Other CRMA, which comprises activities such as the management of water, forest resources and wild fauna and flora, among others, contributed 24.5% of environmental GVA.

In terms of GDP, environmental protection activities (CEPA) contributed 1.14% of GDP in 2020, higher than the 0.79% from resource management activities.



In terms of employment (full-time equivalent jobs), activities associated with environmental protection also accounted for a large proportion of the total, 1.50% compared to 0.78% of resource management. More specifically, the environmental domain that contributed most to employment as a whole was Other CEPA (0.77%), followed by Other CRMA (0.56%).

Indicators of the environmental goods and services sector of the Basque Country by environmental area (%). 2018-2020

	Environmental GVA over % GDP			Environmental Employment (FTE) on Employment (FTE) Total		
	2018	2019	2020 (p)	2018	2019	2020 (p)
TOTAL (CEPA + CReMA)	1,70	1,86	1,94	1,99	2,20	2,29
TOTAL CEPA	0,95	1,09	1,14	1,25	1,46	1,50
CEPA 1 - Protection of ambient air and climate	0,02	0,02	0,02	0,03	0,03	0,03
CEPA 2 - Wastewater management	0,09	0,10	0,10	0,07	0,09	0,09
CEPA 3 - Waste management	0,42	0,42	0,43	0,53	0,57	0,54
CEPA 4 - Protection and decontamination of soils, groundwater and surface water	0,03	0,03	0,04	0,05	0,05	0,07
OTHER CEPA	0,39	0,52	0,55	0,56	0,71	0,77
TOTAL CReMA	0,76	0,77	0,79	0,74	0,74	0,78
CReMA 13A - Production of energy from renewable sources	0,25	0,23	0,23	0,15	0,15	0,15
CReMA 13B - Heat/Energy saving and management	0,08	0,09	0,08	0,08	0,08	0,07
OTHER CReMA	0,43	0,45	0,48	0,51	0,51	0,56

(p) provisional data

Source: Eustat. Environmental accounts. Environmental goods and services account

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