

The turnover of the Hospitality sector in the Basque Country grew by 33.9% in 2021, but did not regain pre-pandemic levels

The result for the financial year, however, was the highest in the entire historical series

In 2021 the *Hospitality* sector in the Basque Country, which includes companies offering accommodation services and those that offer food and drink services, saw 33.9% growth in turnover, according to Eustat data.

Although this figure represents a significant relative increase, the hospitality sector's turnover of 3,175 million euros in 2021 was still far from the 4,510 million euros achieved in 2019, the year before the COVID-19 pandemic. As such, of the 2,139 million euros lost as a result of the pandemic, 804 million was recovered.

The Basque *Hospitality* sector employed 59,144 people in 13,410 establishments in 2021, amounting to a 2.3% drop in the number of people working and a 0.8% decrease in the number of establishments, compared to the 2020 figures. In absolute terms, this meant a reduction of 1,375 jobs and 113 establishments which, added to those recorded in 2020, the year of the pandemic, represented a loss of 2.2% of establishments and 7.7% of employment, compared to 2019.

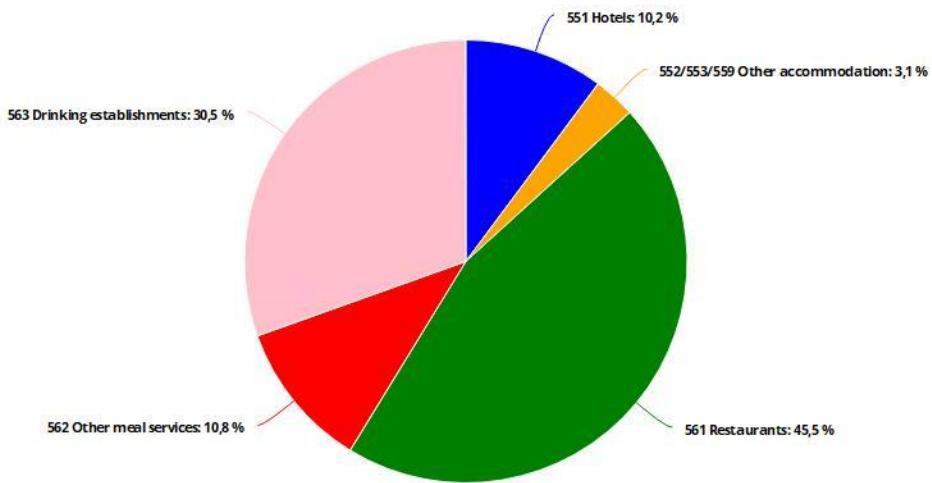
However, hospitality ended 2021 with the best financial year result in the available historical series. Indeed, the 239.5 million surplus not only returned this indicator to positive figures, but also made it by far the best year ever recorded, substantially above 2017, which until now held first place with a positive result of 195.1 million euros for the financial year.

This result is mainly due to restraint across expenditure items, particularly supplies and personnel. Although personnel expenditure rose by 14.4% last year, it is still at a level 34.8% lower than in 2019. Similarly, supplies grew by 31.6% in 2021, but they were still 25% lower than two years earlier.

It is also worth noting the trend in gross value added at factor cost - which represents the wealth generated and is equivalent to gross output minus intermediate consumption after adjustment for subsidies and indirect taxes - as this rose by 48.3% in just one year; however, it was 28.8% lower than the figure for 2019.

Distribution of the turnover of the Hospitality sector of the Basque Country by activity groups. 2021 ≡

percentage

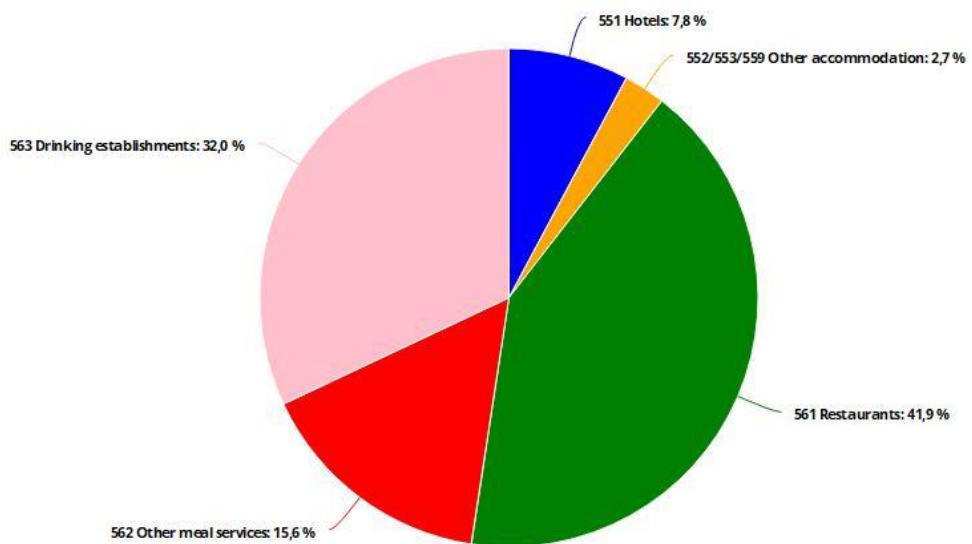


Source: Eustat. Services survey

Period availables 2021 ▾

Distribution of the employed staff of the Hospitality sector of the Basque Country by activity groups. 2021 ≡

percentage



Source: Eustat. Services survey

Period availables 2021 ▾

Within *Hospitality*, the *Food & Drink* division, which in turn includes the sub-sectors of *Restaurants*, *Other food services* and *Drinks establishments*, predominated, accounting for 89.8% of establishments, 89.5% of employment and a similar proportion of turnover, 86.7%.

In 2021, its turnover reached 2,754 million euros, an increase of 30.9% on the 2020 figure. Conversely, employment fell by 2.5%, a loss of 1,300 jobs, with a total of 52,924 people working in this division in 2021. There was also a reduction in the number of establishments, albeit to a lesser extent, specifically 113 fewer establishments.

Although it reduced in size, the *Food and drinks* division was able to end the year with a positive result: 210.6 million euros, well above the result of 143 million for 2017, the highest figure until now.

An analysis of the results at a more disaggregated level of activity reveals that *Restaurants*, the most significant sub-sector, saw a positive variation of 33.4% in turnover, maintaining employment (+0.5%) and even increasing the number of establishments (+3.0%).

The other two sub-sectors in this division recorded new reductions in employment and the number of establishments. This decline meant a drop of 2.8% in the number of establishments and 3.4% in employment in the case of the *Drinks establishments* sub-sector. The decrease was more accentuated in the *Other food services* sub-sector, including catering, where the number of people employed fell by almost 8% and the number of establishments dropped by 4%. By contrast, turnover rose by 31% for *Drinks establishments* and by 21.1% for *Other food services*.

More striking was the upturn in the *Accommodation services* division, comprising the *Hotels and Other accommodation* sub-sectors, which was hit even harder than *Food and drink services* by the consequences of the COVID-19 pandemic. 2021 saw a consolidation of its employment figures, over 6,200 people (-0.7%), and the number of establishments, above 1,370 (+0.4%). Turnover regained 153.9 million euros and comfortably exceeded 400 million euros (421.3 million), representing an increase of 57.6% in 2021.

Main variables of Hospitality sector of the Basque Country by activity group (thousands of euros). 2021

	Establishments		Personnel employed		Turnover		Profit for the year	
	Value	Annual variation (%)	Value	Annual variation (%)	Value	Annual variation (%)	Value	Annual variation (thousands of euros)
HOSTELRY	13.410	-0.8	59.144		-2.3	3.175.322	33.9	239.463
Accommodation services	1.373	0.4	6.220		-0.7	421.270	58	28.878
Hotels and similar accommodation	636	1.0	4.628		-1.2	324.081	65.7	10.741
Other accommodation	737	-0.1	1.592		0.7	97.189	35.4	18.137
Food and beverage services	12.037	-1.0	52.924		-2.5	2.754.052	30.9	210.585
Restaurants and food stalls	4.077	3.0	24.781		0.5	1.444.409	33.4	77.691
Other meal services	263	-4.0	9.222		-7.9	342.691	21.1	5.382
Drinking establishments	7.697	-2.8	18.921		-3.4	966.952	31.0	127.512

Date June 29, 2023

Source: Eustat. Services survey

Positive trend in economic indicators in the three provinces, albeit to varying degrees

All three provinces performed positively in the figures for the 2021 financial year. Compared to 2020, hospitality turnover rose by 26.7% in Álava, 31% in Bizkaia and as much as 40.7% in Gipuzkoa. The results for added value are even more striking, with an increase of 37.6% for Álava, 44% for Bizkaia and 58.5% in the case of Gipuzkoa.

Consequently, the result for the 2021 financial year is positive with 27.5 million in Álava, 103.2 million in Bizkaia and 108.7 million in Gipuzkoa. While in 2020 all three provinces recorded yearly results in deficit for the first time, in 2021, by contrast, all three registered the highest yearly results in the available historical series. This was the case despite significant reductions in employment, ranging from 2.1% in Bizkaia to 2.6% in Álava, with 2.4% in Gipuzkoa. In addition, there were 1.6% fewer establishments in Álava and 1.2% in Bizkaia; in Gipuzkoa, for its part, the figure remained virtually unchanged (0.1%).

Main variables of Hospitality sector of the Basque Country by province . 2021

	Basque Country	Annual variation (%) 2021-2020	Araba/Álava	Annual variation (%) 2021-2020	Bizkaia	Annual variation (%) 2021-2020	Gipuzkoa	Annual variation (%) 2021-2020
NU establishments	13.410	-0.8	1.930	-1.6	7.058	-1.2	4.422	0.1
Personnel employed NU	59.144	-2.3	8.424	-2.6	29.580	-2.1	21.140	-2.4
Turnover (thousands of euros)	3.175.322	33,9	428.854	26,7	1.531.030	31,0	1.215.438	40,7

Date June 29, 2023

Source: Eustat. Services survey

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