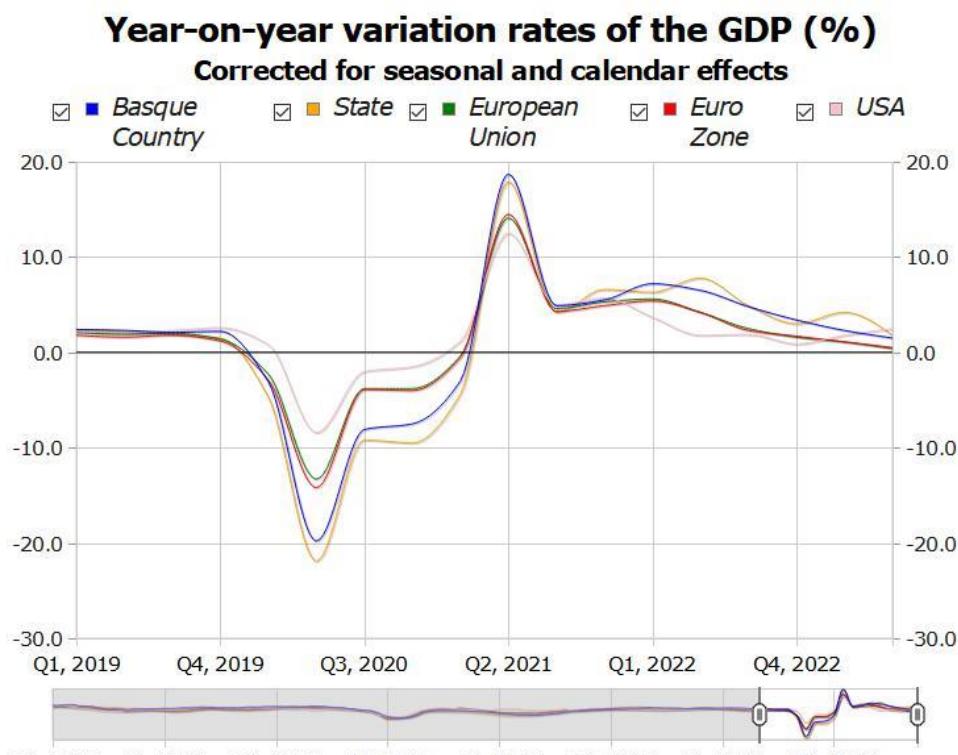


The Basque Country GDP rose by 1.5% in the second quarter of 2023 and more than 14,000 jobs were created

The nominal Basque GDP in 2022 was 8.5% higher than the GDP in 2019

The Gross Domestic Product (GDP) of the Basque Country rose by 0.4% in the second quarter of 2023 in quarter-on-quarter terms and year-on-year growth was estimated at 1.5%, according to Eustat data. Employment, measured in full-time equivalent jobs, was up 0.7% in the second quarter of 2023 compared to the first quarter of the year, representing an increase of 1.5% in year-on-year terms, i.e. a total of 14,270 more net jobs than in the second quarter of 2022.

These estimates, which incorporate all the relevant economic information available at the time they were prepared, were one tenth down on those obtained in Eustat's *Advance Quarterly Accounts* of 17 July, both in quarter-on-quarter and year-on-year growth. The estimated variation for employment remained unchanged. Revisions of the annual aggregates for 2021 and 2022 were also included, which represented GDP real growth of 6.0% for 2021 and 5.4% for 2022. The revision also affected the aggregates in nominal terms. If we compare the nominal GDP data of 2022 with that prior to COVID-19, GDP in 2022 is 8.5% higher than that of 2019.



Source: Eustat. Quarterly accounts

The estimated year-on-year growth in the Basque Country's GDP during the second quarter (1.5%) was above the latest estimate made for the economy of the Eurozone (0.5%) as well as the European Union as a whole (0.4%). The *Advance Quarterly National Accounts of Spain* of 28 July estimated Spanish growth at 1.8%.

From the point of view of Supply, the evolution in value added was not homogeneous in year-on-year terms (second quarter of 2023 in respect of the second quarter of 2022) .

GDP m/p. Supply. Chain volume indexes. Year-on-year variation rates. Basque Country (%). 2023/II

	2021	2022	2022				2023	
			II	III	IV	I		
AGRICULTURE, FORESTRY AND FISHERIES		15.1	-8.7	-13.6	-2.3	-7.3	2.1	-6.7
INDUSTRY AND ENERGY		5.3	4.7	6.7	3.1	2.4	1.1	-0.5
Manufacturing industry		9.0	4.4	6.0	2.0	2.3	1.4	-0.3
CONSTRUCTION		1.0	6.7	7.3	9.0	6.0	0.9	4.2
SERVICES		6.6	5.9	6.8	5.2	3.7	2.9	2.1
Trade, accommodation & food services and transport		15.6	14.6	18.6	12.9	8.2	5.4	2.9
Public administration, education, human health and social work activities		2.3	0.9	0.2	0.3	1.4	1.2	2.1
-Rest of services		4.1	3.2	3.3	3.1	2.0	2.1	1.4
GROSS VALUE ADDED at basic prices		6.1	5.5	6.6	4.9	3.4	2.4	1.5
NET TAXES ON PRODUCTS		5.2	4.6	5.2	4.2	3.1	1.6	1.3
GROSS DOMESTIC PRODUCT at market prices	6.0	5.4	6.5	4.8	3.4	2.3	1.5	

Data corrected for seasonal and calendar effects

Date September 19, 2023

Source: Eustat. Quarterly accounts

The **Primary** sector registered a decrease in its value added in real terms of 6.7% compared to the same quarter of the previous year and of 1.3% in relation to the previous quarter.

In the **Industry** sector, value added in year-on-year terms decreased by 0.5%, corresponding to a 0.3% decline in Manufacturing Industry. Compared to the first quarter of 2023, Industry as a whole fell by 0.6% and in the case of Manufacturing Industry by 0.2%.

However, the **Construction** sector posted a year-on-year increase in value added in real terms of 4.2% in the second quarter of 2023, following an increase of 1.2% compared to the previous quarter.

Global activity in the **Services** sector was up 2.1% in relation to the same quarter of 2022, which meant a 0.4% rise in its value added in respect of the previous quarter.

The performance of the Services sector during this last quarter was positive in all three disaggregated branches. The branch of **Trade, Hospitality and Transport** posted an increase in value added of 2.9% in relation to the second quarter of the previous year, following a rise of 0.4% in respect of the previous quarter. Year-on-year growth was more moderate in the **Other Services** branch (which includes activities such as property, professional, scientific and technical, and financial and insurance activities), with a growth rate of 1.4% in year-on-year terms; in relation to the previous quarter, growth reached 0.3%.

In the **Public Administration, Education, Health and Social Services** branch, following an increase of 0.4% in relation to the previous quarter, the growth in value added in relation to that observed in the second quarter of 2022 stood at 2.1%.

GDP m/p. Supply. Chain volume indexes. Quarter-on-quarter variation rates. Basque Country (%). 2023/II

	2022		2023		
	II	III	IV	I	II
AGRICULTURE, FORESTRY AND FISHERIES	8.1	4.9	-13.3	4.0	-1.3
INDUSTRY AND ENERGY	1.0	-3.2	2.3	1.0	-0.6
Manufacturing industry	1.5	-3.3	2.0	1.3	-0.2
CONSTRUCTION	-2.0	1.1	1.4	0.4	1.2
SERVICES	1.2	1.1	0.3	0.3	0.4
Trade, accommodation & food services and transport	2.9	0.3	0.2	1.9	0.4
Public administration, education, human health and social work activities	-0.6	0.7	1.0	0.0	0.4
-Rest of services	1.0	1.9	0.0	-0.7	0.3
GROSS VALUE ADDED at basic prices	1.0	0.1	0.7	0.5	0.1
NET TAXES ON PRODUCTS	2.6	-0.3	-1.5	0.9	2.3
GROSS DOMESTIC PRODUCT at market prices	1.2	0.1	0.5	0.5	0.4

Data corrected for seasonal and calendar effects

Date September 19, 2023

Source: Eustat. Quarterly accounts

The year-on-year performance of all sectors gave rise to an increase in Basque Country **Value Added** of 1.5% during the second quarter of 2023. In relation to the previous quarter, there was a more moderate increase, standing at 0.1% above that observed in the first quarter of the year.

From the point of view of **Demand**, year-on-year growth was generalised, although compared to the previous quarter performance was not positive in all cases.

Final consumption expenditure of households and non-profit institutions serving households (ISFLSH) (**Private Consumption**) posted a year-on-year rise of 1.3%, following an increase of 1.6% in respect of the previous quarter.

The final consumption expenditure of Public Administrations (**Public Consumption**), also increased by 2.0% in relation to the second quarter of 2022, although it was down 2.5% on the previous quarter.

GDP m/p. Demand. Chain volume indexes. Year-on-year variation rates. Basque Country (%). 2023/II

	2021	2022	2022			2023	
			II	III	IV	I	II
FINAL CONSUMPTION EXPENDITURE	5.2	6.0	6.3	6.2	4.4	1.9	1.5
Household and NPISHs final consumption expenditure	5.8	7.7	8.7	8.0	5.1	1.7	1.3
Public administrations final consumption expenditure	3.2	0.7	-1.7	0.8	2.2	2.4	2.0
GROSS CAPITAL FORMATION	5.9	8.7	10.4	9.9	4.8	1.6	2.5
Gross fixed capital formation in equipment goods	11.1	7.1	8.6	7.5	3.2	2.4	0.9
Rest of Gross Capital Formation	2.8	9.6	11.6	11.4	5.9	1.1	3.5
INTERNAL DEMAND	5.3	6.7	7.2	7.1	4.5	1.8	1.7
EXPORT OF GOODS AND SERVICES	10.7	17.1	22.4	16.8	8.6	6.3	-2.5
IMPORT OF GOODS AND SERVICES	9.4	18.7	22.9	20.6	10.2	5.5	-2.0
GROSS DOMESTIC PRODUCT at market prices	6.0	5.4	6.5	4.8	3.4	2.3	1.5

Data corrected for seasonal and calendar effects

Date September 19, 2023

Source: Eustat. Quarterly accounts

The overall performance of public and private consumption resulted in a year-on-year rise of 1.5% in **Final Consumption Expenditure**, which was an increase of 0.7% in relation to the first quarter of 2023.

In **Gross Capital Formation** (Investment), year-on-year growth stood at 2.5%, following an increase of 0.6% compared to the previous quarter. Investment in **Capital Goods** registered a 0.9% rise in respect of the same quarter of the previous year, which represented a decrease in quarter-on-quarter terms of 0.1%.

In **Other Gross Capital Formation**, which is more closely linked to the performance of construction, year-on-year growth stood at 3.5%, following an estimated increase of 1.0% compared to the previous quarter.

Internal Demand, composed of Final Consumption Expenditure and Gross Capital Formation, experienced year-on-year growth of 1.7% in the second quarter of the year. This increase was below that estimated for GDP as a whole (1.5%), for which the contribution of the **Foreign Sector** was negative during the second quarter of the year. In effect, **Exports** of goods and services decreased by 2.5% in year-on-year terms, to a greater degree than **Imports**, which were 2.0% down on those observed in the second quarter of the previous year. The **foreign balance** therefore contributed negatively 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 %. 2023/II

	2022			2023	
	II	III	IV	I	II
FINAL CONSUMPTION EXPENDITURE	1.1	-0.7	1.2	0.3	0.7
Household and NPISHs final consumption expenditure	2.0	-1.8	0.9	0.6	1.6
Public administrations final consumption expenditure	-2.1	3.1	2.2	-0.8	-2.5
GROSS CAPITAL FORMATION	-0.3	-2.8	3.2	1.6	0.6
Gross fixed capital formation in equipment goods	1.4	-6.7	6.2	1.9	-0.1
Rest of Gross Capital Formation	-1.3	-0.3	1.3	1.4	1.0
EXPORT OF GOODS AND SERVICES	2.9	-1.6	-1.2	6.2	-5.6
IMPORT OF GOODS AND SERVICES	2.2	-3.3	0.6	6.1	-5.0
GROSS DOMESTIC PRODUCT at market prices	1.2	0.1	0.5	0.5	0.4

Data corrected for seasonal and calendar effects

Date September 19, 2023

Source: Eustat. Quarterly accounts

In relation to the level of employment (measured in **Full-Time Equivalent Jobs**), employment as a whole grew by 1.5% in relation to the second quarter of 2022, following a rise of 0.7% in respect of the previous quarter.

The Primary sector saw a 2.1% drop in employment compared to the second quarter of 2022, although it was up 0.4% in quarter-on-quarter terms. In Industry, job creation in year-on-year terms stood at 1.0%, which meant a level of employment 0.2% higher than in the previous quarter. In Construction, there was also a positive evolution in employment, in both year-on-year (an increase of 0.3%) and quarter-on-quarter (growth of 0.4%) terms. Finally, the number of full-time equivalent jobs in the Services sector increased by 1.8% in year-on-year terms, after rising 0.9% in quarter-on-quarter terms.

As regards **GDP performance by Province** in the second quarter of 2023, Álava posted year-on-year growth of 1.6%, Gipuzkoa of 1.5% and Bizkaia of 1.4%. In relation to the previous quarter, growth reached 0.4% in Gipuzkoa, whereas it stood at 0.3% in Bizkaia and Álava.

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