

## The turnover figure for industry in the Basque Country grew by 27% in 2022 and value added rose by 15.2%

**Investment was up 39.8% and exceeded 2,500 million euros for the first time since 2009**

2022 was an exceptional year for Basque Industry, as shown by the extraordinary increase in both **turnover** (up 27% on 2021) and **value added** (15.2%), according to Eustat data.

Total **revenue** exceeded the seventy-four thousand million euro mark for the first time to stand at 74,642 million euros at current prices in 2022, making it the highest figure since records began.

Meanwhile, **gross value added** at factor cost reached 16,650 million euros, 15.2% higher than in 2021, and became the second highest figure in history after that recorded in 2008. This indicator measures the economic value of the total production of goods and services, minus the resources necessary for their production, subsidies and indirect taxes.

This growth in Basque Industry in 2022 was reflected in all economic indicators. Starting with employment, the number of **people employed** in industry in the Basque Country increased by 1.4%. The total number of employees thus stood at 204,774, a rise of 2,824 people, who, as a whole, worked 2.5% more hours than in 2021. In turn, **personnel costs** increased by 6.6%.

### Main economic indicators of the industry of the Basque Country by province (thousands €). 2022

	Basque Country	2022-2021 increase (%)	Araba/Álava	2022-2021 increase (%)	Bizkaia	2022-2021 increase (%)	Gipuzkoa	2022-2021 increase (%)
Individuals employed NU	204,774	1,4	42,217	1,4	80,829	2,1	81,728	0,7
Turnover	74,641,778	27,0	16,599,678	23,5	35,602,015	38,1	22,440,085	14,8
Gross Value Added to factor costs	16,649,729	15,2	3,441,656	10,9	7,131,574	26,9	6,076,499	6,0
Expenditures on personnel	9,810,848	6,6	2,049,352	6,6	3,783,159	6,8	3,978,337	6,5
Apparent labor productivity	81,3	13,6	81,5	9,3	88,2	24,3	74,4	5,3
Personnel costs per person	47,9	5,1	48,5	5,1	46,8	4,6	48,7	5,7
Wage-adjusted labour productivity (%)	169,7	8,0	167,9	4,0	188,5	18,9	152,7	-0,4

Date April 17, 2024

Source: Eustat. Industrial Survey

In 2022, the Basque industrial sector registered **apparent labour productivity** (the output of a labour unit used in the production process) of 81,308 euros per person employed, 13.6% up on 2021, comfortably exceeding the eighty thousand euros per person mark for the first time.

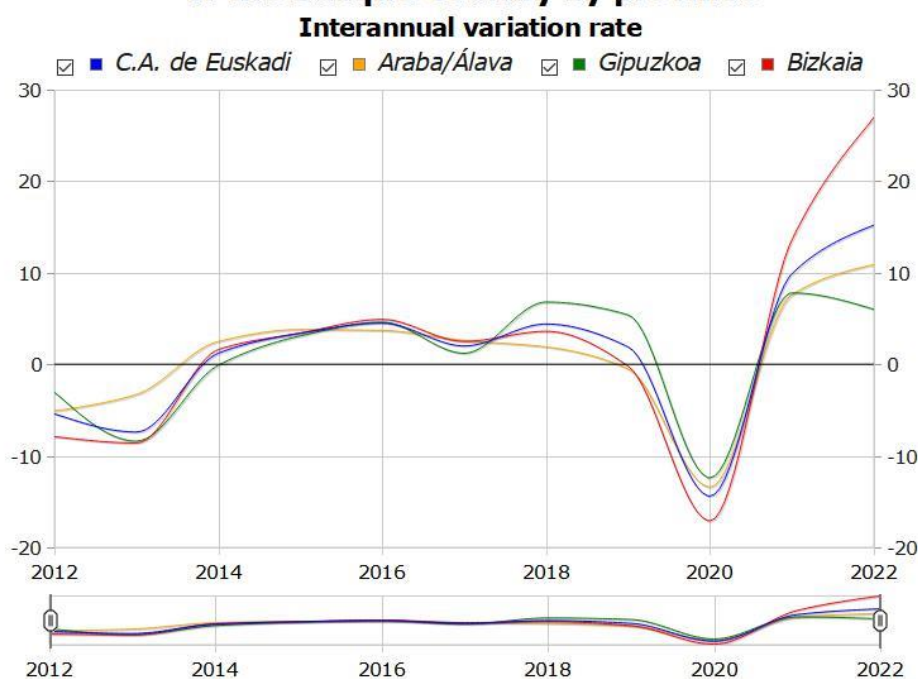
**Personnel costs per person** were 47,911 euros, 5.1% higher than those for the previous year. If both indicators are combined, the result is the **wage-adjusted labour productivity ratio**, which represents how much value added is obtained per person employed taking into account average costs. The value for 2022 was 169.7% or, in other words, in terms of value added, it was 1.697 times the value of costs per person employed. This indicator increased by 8% in 2022 compared to 2021.

Likewise, **investment** (2,520 million euros, up 39.8% on 2021) recovered strongly from the weakness observed in 2020, the year of the COVID-19 pandemic, when there was a negative rate of 13.5%, and from the slight recovery seen in 2021 (1.2%), making 2022 the year with the most economically powerful investment since 2009.

### ***Provincial analysis***

The turnover figure grew considerably in all three provinces, but it was Bizkaia that saw the most significant increase. Of the 15,884 million more euros in turnover in 2022 in the Autonomous Region as a whole, Bizkaia absorbed 9,827 million (61.9%), as a result of its turnover soaring by 38.1%. There was also a sharp rise in turnover of 23.5% in Álava, while growth in Gipuzkoa, although still considerable, stood at a comparatively low 14.8%.

### **Gross value added to factor costs of the industry sector of the Basque Country by province**



Source: Eustat. Industrial Survey

With regard to industrial employment, the provincial performance was similar to that of turnover; Bizkaia saw the greatest increase in employment (2.1%), while Álava and Gipuzkoa posted rises of 1.4% and 0.7%, respectively.

Logically, the aforementioned results had a knock-on effect on the gross value added generated by industry in each province. Thus, the figure for 2022 was 26.9% higher than that for 2021 in Bizkaia, 10.9% higher in Álava and 6% higher in Gipuzkoa. Measured per person employed, apparent labour productivity revealed that Bizkaia and Gipuzkoa were the provinces at either end of the scale: in the former, the upturn in productivity stood at 24.3%, while in the latter, it was 5.3%; Álava, in between the two, saw its average productivity rise by 9.3%.

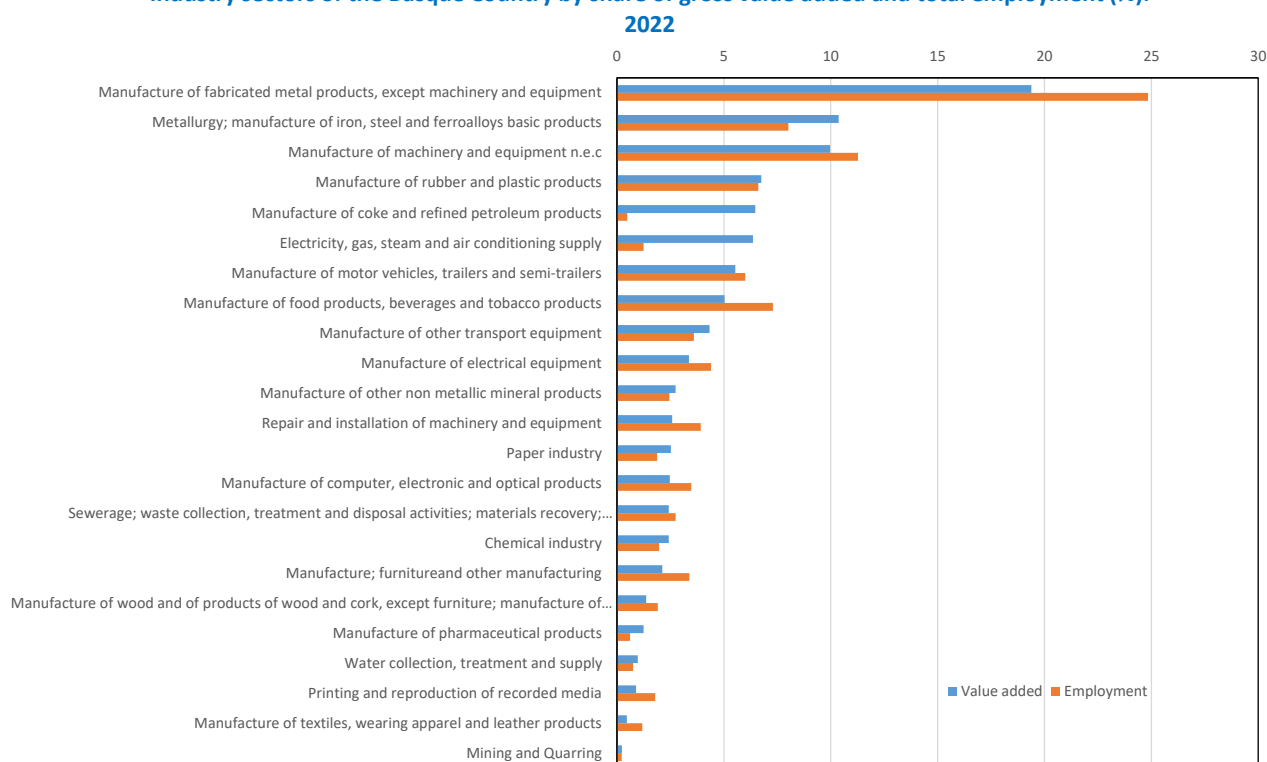
In contrast to what occurred in the other indicators, Bizkaia was the province where costs per person employed underwent the least adjustment, with an increase of 4.6% compared to 5.1% in Álava and 5.7% in Gipuzkoa. Thus, the average cost per person in Bizkaia was the lowest out of the three provinces, standing at 46,804 euros, while in Álava it was 48,543 euros and in Gipuzkoa 48,678 euros. With these data, the wage-adjusted labour productivity coefficient was 152.7% of average costs in Gipuzkoa, whereas in Álava it reached 167.9% and Bizkaia 188.5%.

### Sector-level analysis

In 2022, the main sectors in the Basque Country in terms of value added were *Manufacture of metal products, except machinery and equipment*, *Metallurgy, manufacture of iron, steel and ferro-alloy products* and *Manufacture of machinery and equipment n.e.c.* The *Manufacture of metal products* sector alone accumulated 19.4% of the total value added of Basque industry and these three sectors together accounted for almost 40% of the total (39.7%).

It should be noted that the percentages of total value added of industry for these three sectors were in line with the total number of people employed in industry. Thus, *Manufacture of metal products* accounted for 24.8% of total employment, *Manufacture of machinery and equipment* for 11.3% and *Metallurgy* for 8%.

Industry sectors of the Basque Country by share of gross value added and total employment (%).



Source: Eustat. Industrial statistics

In fact, the latter sub-sector, *Metallurgy*, and *Manufacture of metal products* were two of the main contributors to the excellent performance of industry in this indicator, as they recorded increases of 11% and 10.5%, respectively, in relation to 2021.

However, it should be mentioned in this section that the sectors of *Coke plants and oil refining* and *Electricity, gas, steam and air conditioning supply* were the main drivers of the rise in value

added, although they only accounted for 0.5% and 1.2%, respectively, of people employed in Basque industry.

As regards turnover, and for average growth of 27%, the ranking was once again topped by *Coke plants and oil refining* and *Electricity*, with rises of 92.1% and 38.8%. Sales also increased significantly in important sub-sectors in terms of their weight in Basque industry, such as *Iron and steel industry* (29.8%) and *Manufacture of motor vehicles* (18.9%), among others, within the general context of an increase in turnover.

Meanwhile, it is worth noting that Basque industry sub-sectors had very different characteristics. Apparent labour productivity ranged from 32 thousand euros per person employed for *Textile, garments, leather and footwear industries* to 1,107 thousand for *Coke plants and oil refining*. Other sectors with high apparent labour productivity were *Electricity, gas, steam and air conditioning supply* and *Manufacture of pharmaceutical products*, the former with productivity in excess of 417 thousand euros per person and the latter with productivity close to 166 thousand euros. On the other hand, standing out for their very low apparent labour productivity were *Textile, garments, leather and footwear industries* (31,725 euros per person) and the *Printing and reproduction of recorded media* sector (40,683 euros).

Average personnel costs per person followed a similar trend, ranging from 22,900 euros per person for *Textile, garments, leather and footwear industries* to 108,963 euros per person employed for the *Coke plants and oil refining* sector.

## Main economic indicators of the industry of the Basque Country by sector (A64). Thousands €. 2022

	Individuals employed NU	Turnover	Value added	Expenditures on personnel	Apparent labor productivity	Personnel costs per person	Wage-adjusted labour productivity (%)
Mining and quarrying	445	116.609	38.271	24.094	86,0	54,1	158,8
Manufacture of food products, beverages and tobacco products	14.932	4.785.193	837.812	517.710	56,1	34,7	161,8
Manufacture of textiles, wearing apparel and leather products	2.429	228.349	77.060	55.625	31,7	22,9	138,5
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	3.908	740.827	226.958	138.237	58,1	35,4	164,2
Manufacture of paper and paper products	3.839	1.890.331	420.322	209.712	109,5	54,6	200,4
Printing and reproduction of recorded media	3.654	375.075	148.657	117.261	40,7	32,1	126,8
Coke and refined petroleum	973	9.992.681	1.076.930	106.021	1.106,8	109,0	1.015,8
Chemical industry	4.029	1.798.108	402.945	216.300	100,0	53,7	186,3
Manufacture of pharmaceutical products	1.248	455.247	206.804	72.996	165,7	58,5	283,3
Manufacture of rubber and plastic products	13.527	3.864.751	1.124.566	647.934	83,1	47,9	173,6
Manufacture of other non metallic mineral products	5.021	1.396.692	455.738	262.169	90,8	52,2	173,8
Metallurgy, manufacture of iron, steel and ferroalloys basic products	16.415	9.118.859	1.725.840	947.559	105,1	57,7	182,1
Manufacture of fabricated metal products, except machinery and equipment	50.865	9.217.238	3.226.983	2.280.238	63,4	44,8	141,5
Manufacture of computer, electronic and optical products	7.119	1.200.774	411.013	290.676	57,7	40,8	141,4
Manufacture of electrical equipment	9.009	2.133.513	559.971	428.583	62,2	47,6	130,7
fabricacion de maquinaria y equipo n.e.c	23.093	5.743.572	1.659.034	1.203.493	71,8	52,1	137,9
Manufacture of motor vehicles, trailers and semi-trailers	12.272	6.594.335	922.233	685.010	75,1	55,8	134,6
Manufacture of other transport equipment	7.353	2.964.526	721.613	483.140	98,1	65,7	149,4
Manufacture; furniture and other manufacturing	6.923	1.110.470	352.938	237.383	51,0	34,3	148,7
Repair and installation of machinery and equipment	8.014	967.390	429.556	359.772	53,6	44,9	119,4
Electricity, gas, steam and air conditioning supply	2.538	8.531.954	1.059.548	203.563	417,5	80,2	520,5
Water collection, treatment and supply	1.546	345.392	161.277	86.984	104,3	56,3	185,4
Collection and treatment of residual water; waste treatment and disposal...	5.622	1.069.892	403.660	236.388	71,8	42,0	170,8

Date April 17, 2024

Source: Eustat. Industrial Survey

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