

In 2022, the Hospitality sector in the Basque Country achieved the best financial year result in its history, with a rise of 21.7%

After two years of decline, employment grew by 5.5%, bringing the number of people employed in the sector to over 62,000

In 2022, the *Hospitality* sector in the Basque Country saw its result for the financial year increase by 21.7%, thus achieving the best result in the known historical series in the Basque Country, according to Eustat data.

This sector, which includes companies offering accommodation services and those that offer food and drink services, achieved a profit of 291.4 million euros in nominal terms in 2022, once profit tax had been discounted.

The excellent result was primarily due to the performance of turnover, which rose by 25.7%, consolidating the 33.9% increase seen in 2021 and demonstrating the clear recovery of the sector, which was hit hard by the COVID-19 pandemic in 2020, when turnover dropped by almost half (-47.4%).

Although turnover is now close to 4,000 million euros (3,992.5 million), it is still below the 4,500 million euros registered in 2019.

Main variables of Hospitality sector of the Basque Country by activity group (thousands of euros). 2022

	Establishments		Personnel employed		Turnover		Profit for the year	
	Value	Annual variation (%) 2022-2021	Value	Annual variation (%) 2022-2021	Value	Annual variation (%) 2022-2021	Value	Annual variation (%) 2022-2021
HOSTELRY	13.420	0.1	62.406	5.5	3.992.463	25.7	291.355	21.7
Accommodation services	1.405	2.3	6.629	6.6	643.032	52.6	54.184	87.6
Hotels and similar accommodation	646	1.6	4.908	6.1	507.572	56.6	41.670	288.0
Other accommodation	759	3.0	1.721	8.1	135.460	39.4	12.514	-31.0
Food and beverage services	12.015	-0.2	55.777	5.4	3.349.431	21.6	237.171	12.6
Restaurants and food stalls	4.284	5.1	26.405	6.6	1.824.009	26.3	95.560	23.0
Other meal services	284	8.0	10.694	16.0	376.347	9.8	7.362	36.8
Drinking establishments	7.447	-3.2	18.678	-1.3	1.149.075	18.8	134.243	5.3

Date May 15, 2024

Source: Eustat. Services survey

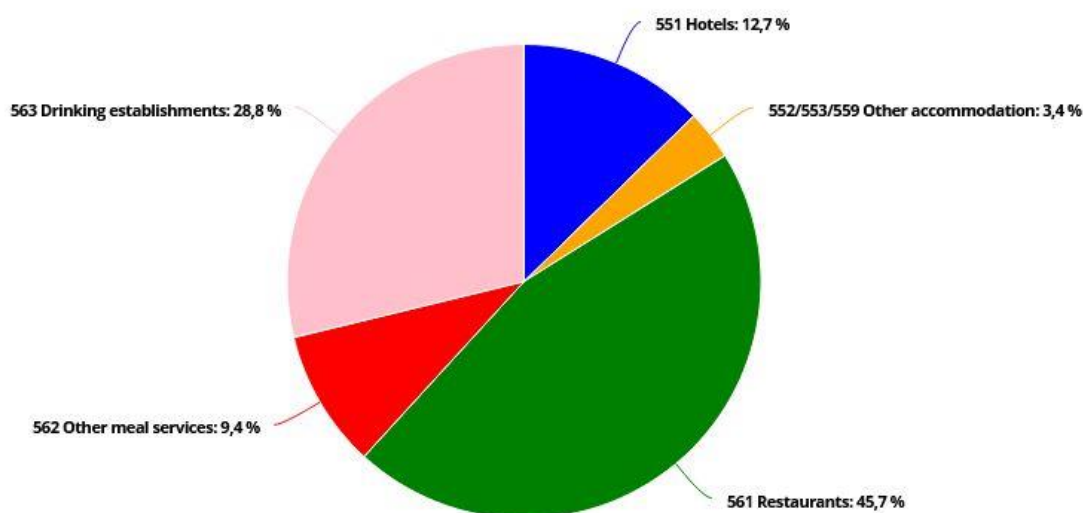
Reflecting the good evolution of activity in the Basque *Hospitality* sector in 2022 was the **increase in employment of 5.5%**, 3,262 more people, bringing the total number of jobs to 62,406, after decreases in both 2020 and 2021 of 5.6% and 2.3%, respectively. Following this rise, 2022 saw the second best employment figure after the record of 64,000 people in employment achieved in 2019. Meanwhile, the number of establishments remained stable at 13,420 in total, with a small increase of 0.1%.

As regards expenditure, both supplies and staff expenditure saw significant rises (the former of 23.1% and the latter of 22.1%), but, as with turnover, figures were below pre-pandemic levels in absolute terms.

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), which rose by 21.2%, reaching 1,721 million.

≡ Distribution of the turnover of the Hospitality sector of the Basque Country by activity groups. 2022

percentage



Source: Eustat. Services survey

Analysis by division

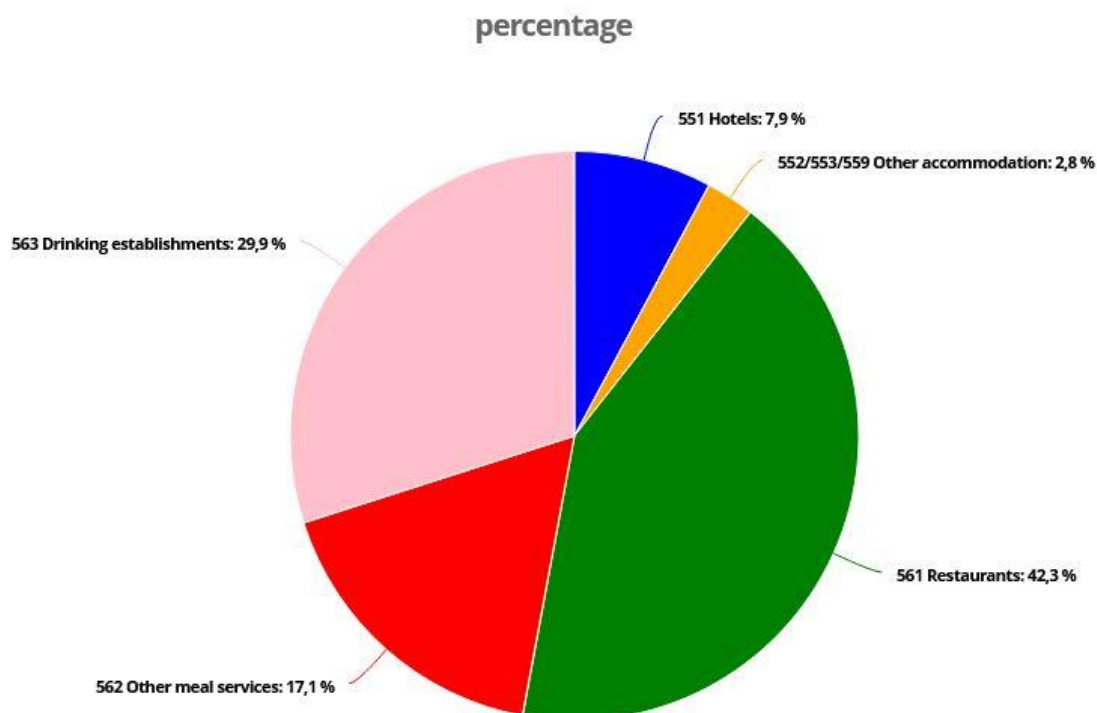
Within *Hospitality*, the *Food & Drink* division (which includes the sub-sectors of *Restaurants*, *Other Food Services* and *Drinks Establishments*) was dominant. It accounted for 89.5% of establishments, a similar figure to employment (89.4%), and 83.9% of turnover.

Its turnover reached 3,349 million euros, an increase of 21.6% over the 2021 figure. Likewise, employment grew by 5.4%, up 2,853 jobs, with a total of 55,777 people working in this division. The number of establishments remained almost identical at 12,105 (22 fewer establishments).

The *Food & Drink* division ended 2022 with a markedly positive result: 237 million euros, the highest known figure for the division, up 26.6 million on the previous year (12.6%).

An analysis of the results at a more disaggregated level of activity reveals that *Restaurants*, the most significant sub-sector in terms of employment and turnover, saw a positive variation of 26.3% in turnover, with an increase in both employment (6.6%) and the number of establishments (5.1%).

≡ Distribution of the employed staff of the Hospitality sector of the Basque Country by activity groups. 2022



Source: Eustat. Services survey

Meanwhile, the *Drinks Establishments* sub-sector benefited from growth in turnover of 18.8%, but the number of people employed fell by 1.3% and the number of establishments was down 3.2%.

The *Other Food Services* sub-sector, including catering, saw a 9.8% rise in turnover. There were also increases in the number of people employed (16%) and the number of establishments (8%).

Accommodation Services, comprising the *Hotels* and *Other Accommodation* sub-sectors, represented a smaller share of *Hospitality* as a whole, as they accounted for 10.6% of jobs and 10.5% of establishments, while in relation to these indicators, the turnover figure was relatively high, standing at 16.1%. Turnover increased by 52.6% to 643 million euros, employment (6,629 people) rose by 6.6%, and the number of establishments (1,405) was up 2.3%.

The most representative sub-sector of this division was *Hotels*, whose turnover grew by 56.6%, accounting for nearly 80% of business in *Accommodation Services*.

Such extraordinary growth was due to the decreases suffered in the pandemic years. This recovery brought with it spectacular rises in the financial year result for 2022 (288%) and gross value added (44.5%), as well as equally spectacular increases in employment (6.1%) and the number of establishments (1.6%).

Lastly, the *Other Accommodation* sub-sector, which, while responsible for 54% of establishments in *Accommodation Services*, only accounted for 26% of people employed, ended the year on an equally positive note. Having been less affected by the pandemic, employment rose by 8.1%, the number of establishments by 3%, turnover by 39.4% and value added by 30.1%. The result for the financial year, however, fell by 31%.

Provincial analysis

When looking at the provincial evolution, although there was an overall positive trend common to all indicators, there were variations in the degree to which they affected each province.

In the case of the result for the financial year, while in Bizkaia it increased by 27% and in Gipuzkoa it was up 20.4%, in the province of Álava growth was limited to 6.5%.

Likewise, turnover increased in all three provinces, but at a slightly slower rate in Álava (22.4%) than in Bizkaia (25.3%) or Gipuzkoa (27.5%).

As regards employment, Álava lay in between the other two provinces. In Gipuzkoa, employment in the *Hospitality* sector recorded considerable growth of 8.4% in the last year, in Álava, it was close to 6% (5.9%), while in Bizkaia, it was limited to 3.3%.

Lastly, the number of establishments saw hardly any variation in the Basque Country as a whole (0.1%), but it is worth noting the provincial heterogeneity, as it grew by 0.7% in Álava and 0.5% in Gipuzkoa, whilst falling by 0.4% in Bizkaia.

Main variables of Hospitality sector of the Basque Country by province (thousands of euros). 2022

	Basque Country	Annual variation (%) 2022-2021	Araba/ Álava	Annual variation (%) 2022-2021	Bizkaia	Annual variation (%) 2022-2021	Gipuzkoa	Annual variation (%) 2022-2021
NU establishments	13.420	0,1	1.943	0,7	7.032	-0,4	4.445	0,5
Personnel employed NU	62.406	5,5	8.921	5,9	30.567	3,3	22.918	8,4
Turnover	3.992.463	25,7	524.862	22,4	1.918.256	25,3	1.549.345	27,5
Profit for the year	291.355	21,7	29.338	6,5	131.162	27,0	130.855	20,4

Date May 15, 2024

Source: Eustat. Services survey

For further information:

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