

SERVICES SURVEY. PROFESSIONAL ACTIVITIES AND AUXILIARY SERVICES 2022

Professional and business services topped 10 thousand million euros in turnover in 2022 for the first time in the Basque Country

Establishments with 10 to 49 employees, the driving force of economic growth

The turnover of establishments in the **Professional and Business Services sector** amounted to 10,392 million euros in 2022, in current prices, 11.6% higher than in 2021, according to Eustat data.

Thanks to a notable recovery in economic activity, the sector has increased its revenue by more than one thousand million euros compared to 2021, 393 million euros more than in 2019, the year before the COVID-19 pandemic. The effects of the disease were particularly severe in 2020, with a drop of almost 14%. However, in 2021 there was a marked recovery, with a 7.8% increase in sales, which reached 10,392 million euros in 2022, the highest turnover since records began.

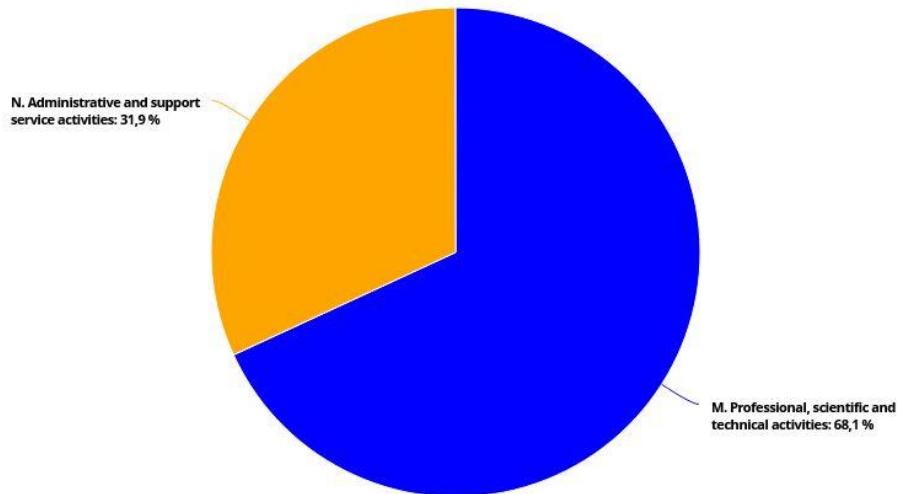
The number of people in work grew by 3%, with a total of 131,663 people employed, despite the slight decrease registered in the number of establishments, standing at 26,926, 1.5% less than in 2021 in relative terms.

In line with the increase in turnover, the gross value added at factor costs obtained by Professional and Business Services establishments – which represents the wealth generated and is equivalent to gross output minus intermediate consumption after adjustment for subsidies and indirect taxes – increased by 10.7%, standing at 6,725 million euros, 652 million more than in 2021, the highest sum for gross value added in the available historical series.

As a consequence of the strong performance of the indicators related to the economic activity of the Professional and Business Services sector, the operating income, which indicates profit before interest and taxes and reflects whether a company has made a loss or profit at the end of a financial year with regard to its activity, was 21.8% higher than in 2021, achieving a record figure of 2,572 million euros.

≡ Division of turnover within the professional activities and auxiliary service sector by activity sub-sector. 2022

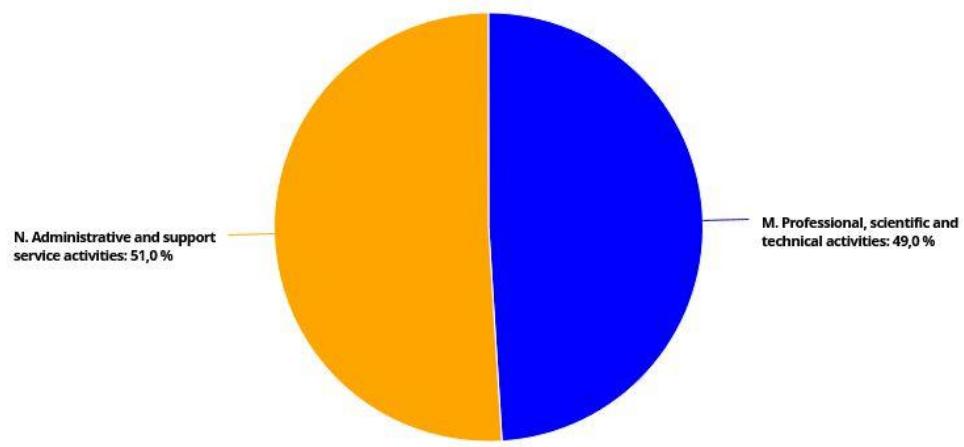
percentage



Source: Eustat. Services survey

≡ Division of personnel employed within the professional activities and auxiliary service sector by activity sub-sector. 2022

percentage



Source: Eustat. Services survey

Analysis by Division

The Professional and Business Services sector is comprised of two sections: Professional, Scientific and Technical Activities and Administrative Activities and Auxiliary Services.

With regard to the former, the **Professional, Scientific and Technical Activities** section had 21,085 establishments and was predominant in terms of number of establishments, accounting for 78.3% of the total. It also dominated in regard to turnover, with 7,081 million euros, representing 68.1% of the sector's total. This was not the case with respect to employment, as its 64,547 employees accounted for slightly less than half of total employment in the sector (49%).

In an analysis of the results at a more disaggregated activity level, it is worth highlighting the divisions **Legal and Accounting Activities** and **Architectural and Engineering Services** in this section. With turnover of 3,273 million euros for the former, 46.2% of its division, and 2,395 million euros for the latter, 33.8% of the division, between them they accounted for 80% of total turnover, 73.7% of total establishments and 69.1% of jobs.

This financial year, the Legal and Accounting Activities division employed 25,988 people at 10,217 establishments, while the 5,321 Architectural and Engineering Services establishments provided 18,597 jobs. Compared to the previous financial year, both divisions saw a rise in turnover, up 7.9% in Legal and Accounting Activities and 19.1% in Architectural and Engineering Services. In terms of the number of establishments, both divisions registered a decrease, the former of 3.4% and the latter of 2.5%. Employment grew in both divisions, by 2% in Legal and Accounting Activities and 0.6% in Architectural and Engineering Services.

As regards the remaining three divisions, **Research and Development** posted a very positive performance, with turnover increasing by 34.7% compared to the previous year. **Other Professional Activities** (including Design, Photography, Translation and Interpreting, and Veterinary Activities, among others) registered a significant rise of 14.4%, while turnover in the **Advertising and Market Research** division was up 0.7%.

There was an upward trend in employment in Research and Development Activities, with 6% more jobs than in 2021 and also a 5.9% rise in the number of establishments. Other Professional Activities posted increases of 4.8% in employment and 2% in the number of establishments. By contrast, the Advertising and Market Research branch registered negative trends in both the number of establishments, -3.2%, and people employed, -4.2%.

Main variables of the Professional activities and auxiliary services sector of the Basque Country by activity group (Thousands of euros). 2022

	Value	% over total	Annual variation (%)	Value	% over total	Annual variation (%)	Value	% over total	Annual variation (%)
Professional activities and auxiliary services	26.926	100,0	-1,5	131.663	100,0	3,0	10.392.257	100,0	11,6
Professional, scientific and technical activities	21.085	78,3	-2,0	64.547	49,0	2,0	7.080.549	68,1	13,3
-- Legal and accounting activities	10.217	48,5	-3,4	25.988	40,3	2,0	3.272.788	46,2	7,9
-- Architectural and engineering services	5.321	25,2	-2,5	18.597	28,8	0,6	2.395.059	33,8	19,1
- Research and development	434	2,1	5,9	8.914	13,8	6,0	560.008	7,9	34,7
- Advertising and market research	1.349	6,4	-3,2	3.871	6,0	-4,2	352.337	5,0	0,7
- Other professional activities	3.764	17,9	2,0	7.177	11,1	4,8	500.357	7,1	14,4
Administrative activities and auxiliary services	5.841	21,7	0,7	67.116	51,0	3,9	3.311.708	31,9	8,0
- Rental and leasing activities	597	10,2	-1,6	2.576	3,8	0,7	465.005	14,0	6,2
-- Employment related activities	232	4,0	5,9	9.617	14,3	10,1	381.481	11,5	9,5
- Travel agencies	717	12,3	3,9	1.842	2,7	0,9	370.544	11,2	12,3
- Other service activities	4.295	73,5	0,2	53.081	79,1	3,1	2.094.678	63,3	7,5

Date June 6, 2024

Source: Eustat. Services survey

For its part, the other major section, **Administrative Activities and Auxiliary Services**, turned over 3,312 million euros, representing 31.9% of the total revenue in Professional Activities and Auxiliary Services. Its 67,116 jobs made up 51% of total employment, while its 5,841 establishments accounted for 21.7% of all establishments in this sector of activity.

Within this section, it is worth highlighting the contribution to the total made by the **Other Services Activities** division – comprised of Security and Research Activities, Gardening and Building Services and Auxiliary Business Services. It accounted for three quarters of jobs and establishments overall within the section (79.1% and 73.5%, respectively). Its performance was positive in terms of people employed (3.1%) and number of establishments (0.2%). The same can be said of turnover, which rose by 7,5%.

Apart from Other Services Activities, the other divisions played a relatively small role in their section. As such, 12.3% of establishments and 2.7% of jobs corresponded to **Travel Agencies**; 10.2% of establishments and 3.8% of jobs to **Rental Activities**, and 4% of establishments and 14.3% of jobs to **Employment-Related Activities**.

All three registered increases in turnover. It is particularly worth noting the recovery in turnover in Travel Agencies, which posted a rise of 12.3% this year compared to the previous one; employment increased by 0.9% and the number of establishments also grew by 3.9%. For its part, Rental Activities registered an increase of 6.2% in turnover and 0.7% in employment and, by contrast, a drop of 1.6% in number of establishments. Employment-Related Activities also saw growth in people employed (10.1%), turnover (9.5%) and number of establishments (5.9%).

Analysis by employment stratum

Establishments with 10 to 49 employees, the driving force of economic growth

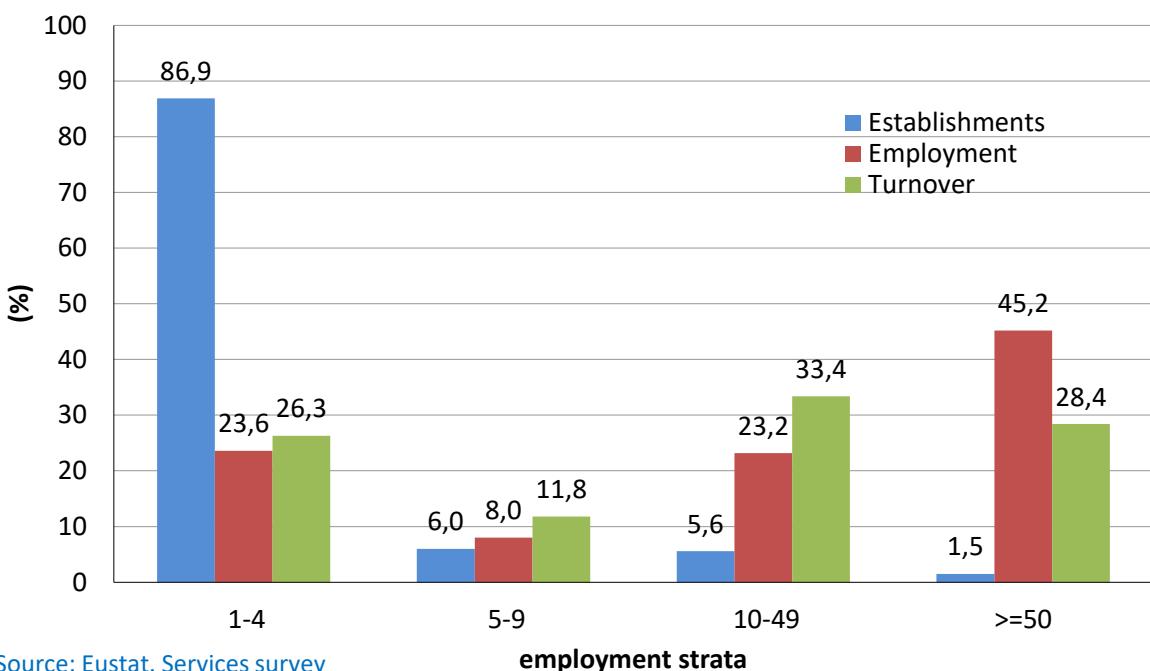
Analysing details of **establishment size** according to employment provided additional information.

The year-on-year trend was generally positive for all employment strata, but was particularly dynamic in the case of small establishments, those with 10 to 49 employees. Establishments of this size performed best in all the indicators: they registered growth of 5.2% in number of establishments, 5% in employment and 17.6% in turnover. In fact, establishments in this stratum contributed almost half, 48%, of the increase in turnover in the sector as a whole in 2022 while accounting for only 23% of employment. This excellent performance resulted in dynamic growth in the results for the financial year, 81.4% higher than in 2021.

In addition, companies with more than 50 employees registered an increase in turnover, 8.6%, people employed, 4.6%, and number of establishments, 2.1%; their results for the year posted a rise of 47.7%. In micro-enterprises, with 1 to 9 employees, however, the number of establishments decreased by 1.9% and employment fell slightly, 0.6%. By contrast, turnover grew by 8.9% and the results for the financial year improved by 2.2%.

In this last case, micro-enterprises represented 92.9% of the total number of establishments, employed 31.6% of all staff and generated 38.1% of turnover in the sector. Small businesses, with 10 to 49 employees, represented 5.6% of establishments, provided employment for 23.2% of the sector and generated 33.4% of turnover in the Professional Activities and Auxiliary Services sector as a whole. Finally, companies with 50 or more employees, with only 1.5% of establishments, employed 45.2% of the total and turned over a volume of 28.4% of the total.

Distribution of the turnover, employment and number of establishments for Professional Activities and Auxiliary Services in the Basque Country by employment stratum. 2022



Source: Eustat. Services survey

Provincial analysis

Widespread growth but with disparities between provinces

In terms of provincial distribution and looking at the number of establishments, 52.6% of the Basque Country total were located in Bizkaia, 33.8% in Gipuzkoa and 13.5% in Álava, with significant variations depending on the activity. For example, Legal and Accounting Activities accounted for 58.4% in Bizkaia, Research and Development Activities constituted 47.9% of the total in Gipuzkoa, and Employment-Related Activities represented 21.1% in Álava, to name the most representative in each province.

As regards employment, the distribution of the total for the Basque Country by province was 56.3% in Bizkaia, 29.4% in Gipuzkoa and 14.3% in Álava. In this case, the main activities by province were Travel Agencies in Bizkaia (61.9%), and once again in both provinces, Research and Development in Gipuzkoa (48.7%) and Employment-Related Activities in Álava (28%).

At provincial level, all three provinces registered positive trends in turnover. There was a 16.9% rise in turnover in Álava, 15% in Gipuzkoa and 9.1% in Bizkaia. The more modest growth in Bizkaia in 2022 was reflected in the fact that it barely returned to the level registered in 2019, the year before the pandemic; indeed, if the two years are compared, turnover was just 1.1% higher in the later year, while the variation was 8.1% in Gipuzkoa and as much as 9.7% in Álava.

The trend in the number of establishments and in employment varied by province. The former fell in all three with decreases of 2%, 1.1% and 0.8% in Bizkaia, Álava and Gipuzkoa, respectively. Employment increased in all three provinces: by 6.2% in Gipuzkoa, 5.2% in Álava and 0.8% in Bizkaia.

Main variables of the Professional activities and auxiliary services sector of the Basque Country by Historical Territory (Thousands of euros). 2022

	Basque Country	Increase (%) 2021-2022	Araba/Álava	Increase (%) 2021-2022	Bizkaia	Increase (%) 2021-2022	Gipuzkoa	Increase (%) 2021-2022
Establishments (number)	26.926	-1,5	3.639	-1,1	14.176	-2,0	9.111	-0,8
Employed personnel (number)	131.663	3,0	18.772	5,2	74.166	0,8	38.725	6,2
Turnover	10.392.257	11,6	1.314.265	16,9	6.318.003	9,1	2.759.989	15,0
Supplies	2.344.002	15,4	263.526	24,6	1.487.035	12,1	593.441	20,5
Expenditures on personnel	4.435.534	5,3	618.456	10,7	2.512.575	1,1	1.304.503	11,7

Date June 6, 2024

Source: Eustat. Services survey

In terms of personnel expenditure, the three provinces posted increases, albeit with significant differences; while it grew by 11.7% and 10.7% in Gipuzkoa and Álava, respectively, in Bizkaia it rose by just 1.1%.

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