

INDUSTRIAL AND CONSTRUCTION ACCOUNTS 2002

Industry in the A.C. of the Basque Country registered 2.0% growth in 2002.

Industrial employment experienced a positive evolution, with 1.2% growth over the annual period.

The industrial sector of the A.C. of the Basque Country confirmed in 2002 the first signs of a downturn that had been detected the previous year, growing at a nominal rate of 2.0%, according to Eustat data.

The high speed of growth reached by industry in the A.C. of the Basque Country over the four year period 1997-2000 (with 9.0% growth on average per year in nominal terms), has slowed down over the years 2001 and 2002, when positive although lower growth rates were registered; 3.6% in 2001 and 2.0% in 2002.

Main Industry variables. A.C. of the Basque Country Current prices	Value: Thousand Euros		
	Industry		
	2001	2002	Δ %
Number of establishments	15.061	14.977	-0,6
Employees	243.198	246.063	1,2
Gross Value Added factor cost	12.748.266	13.008.214	2,0
Gross Operating Surplus	5.678.879	5.610.202	-1,2
Investment	3.168.510	3.211.667	1,4
Amortization	1.898.949	1.994.159	5,0
Turnover	41.481.465	42.393.031	2,2
Other income	2.169.126	2.253.415	3,9
Operating costs	22.878.676	23.445.870	2,5
External services	5.801.879	5.937.657	2,3
Personnel costs	7.069.387	7.398.012	4,6
Other expenditure	2.168.882	1.940.165	-10,5
Pre-tax profit	3.136.674	3.213.405	2,4
Cash-Flow	5.035.623	5.207.564	3,4

Source: EUSTAT

The evolution of industrial employment was parallel to that of industrial production. Over 40,000 industrial net jobs were created over the growth period from 1997 to 2000, i.e., 5% average annual growth. The previous dynamism was weakened in 2001, although an annual growth rate of 3.0% was obtained, with a net figure of 7,000 jobs created. In 2002, the second year of the slow down, the industrial sector continued to generate employment, almost 3,000 jobs more than in 2001, which represents 1.2% growth. In 1994 industrial employment came to 192,274 persons employed and in 2002, eight years later, the figure was 246,663, slightly over 54,000 more jobs.

These are, in short, some of the most outstanding results presented in the Industrial Accounts prepared by EUSTAT:

- Industrial added value experienced a nominal increase of 2.0% in 2002, a positive figure, but below that obtained in 2001 (3.6%) and above all, over previous years.
- Among the most significant sectors, the highest annual growth in value added was produced in the branches of "Non metal minerals" (35.9%), "Final Chemicals" (28.7%), "Mechanical engineering" (13.9%), "Timber industry" (13.8%), "Bread and Milling" (11.9%) and "Forge and stamping" (10.8%), among others. Annual rates fell however for the sectors of "Oil refining" (-48.9%), "Non iron metallurgy" (-28.3%), "Electric material" (-11.2%) and "Machine tools" (-9.3%).
- Industrial employment improved its position by 1.2%, creating almost 3,000 more jobs in 2002.
- The sectors that created more employment, in percentage terms, in 2002 were: "Recycling" (23.3%), "Mechanical engineering" (7.3%), "Forge and stamping" (6.1%), "Dairy Industries" (5.6%) and "Bread and milling" (4.4%). Among the branches that lost employment were "Metal minerals" (-11.8%), "Electronic material" (-9.2%), "Canned Fish" (-5.7%) and "Textiles industry" (-5.1%).
- Investment carried out by the industrial sector also registered positive growth in 2002, 1.4%, but far from the rate registered the year before (27%).
- Repayment destined to replacing used fixed assets increased funding by 5.0% over 2002.
- Net investment for the year, investment minus depreciation, came to 1,200 million euros, a similar figure to that of the year before.
- Gross operating surplus fell for the second year running, -0.6% in 2001 and -1.2% in 2002.
- Personnel costs, on the other hand, grew 4.6% in 2002, less in any case than in 2001, in which a 7.3% rise was registered.
- Results before tax rose 2.4 percent with regard to 2001, although this was still below the figure for 2000.
- Cash-flow, which grew 3.4% in relation to the year before, practically matched the level reached in 2000, thanks to the resources earmarked to cover depreciation.

From a provincial perspective, we can observe that the better annual growth rates in 2002 were produced in the industrial sectors in Gipuzkoa and Álava, with increases of 2.8% and 2.7% respectively. The annual evolution of industry in Bizkaia (1.0%) was half the figure for the whole of the A.C. of the Basque Country (2.0%).

The Construction sector grew a nominal 10.3% in 2002.

The Construction Sector of the A.C. of the Basque Country, which had obtained 16.6% growth in 2001, obtained a result of 10.3% a year later. Personnel employed in this sector also evolved positively, reaching a 7.0% growth rate in 2002, which represents the creation of over 5,300 net jobs in the year. Other outstanding results were:

- Gross operating surplus underwent 5.3% growth and personnel costs increased by 12.9%.

- Results before tax contracted slightly (-0.3%) but the cash-flow improved on the previous figure by 2.7%.

Main Construction variables. A.C. of the Basque Country	Value: Thousand Euros		
	Construction		
	2001	2002	Δ %
Current prices			
Number of establishments	21.942	22.691	3,4
Employees	75.790	81.118	7,0
Gross Value Added factor cost	2.923.177	3.223.562	10,3
Gross Operating Surplus	1.002.472	1.055.865	5,3
Investment	197.289	204.052	3,4
Amortization	135.329	159.253	17,7
Turnover	9.476.311	10.341.805	9,1
Other income	604.515	878.514	45,3
Operating costs	5.929.877	6.563.835	10,7
External services	1.015.234	1.159.943	14,3
Personnel costs	1.920.705	2.167.697	12,9
Other expenditure	247.234	296.591	20,0
Pre-tax profit	671.544	669.375	-0,3
Cash-Flow	806.873	828.628	2,7

Source: EUSTAT

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