

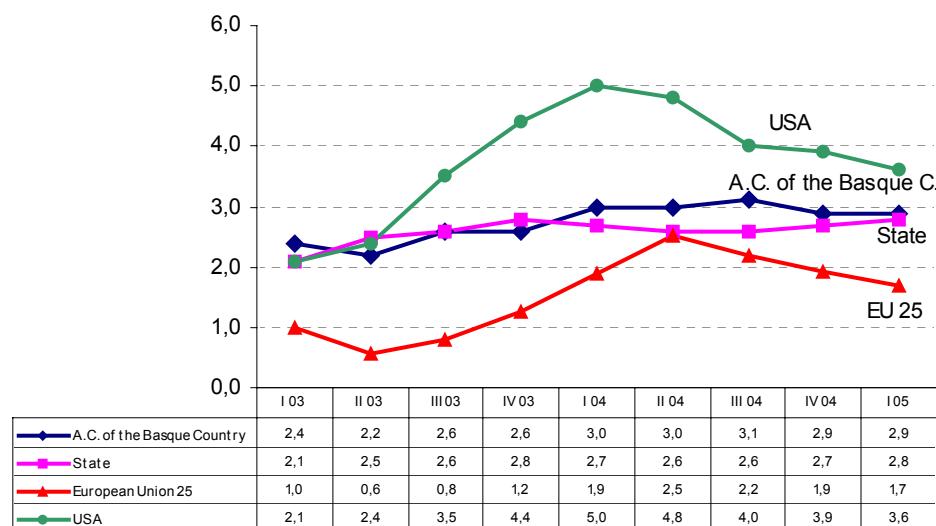
## The GDP of the A.C. of the Basque Country grew 2.9% in the first quarter of 2005

*The Primary and Construction sectors, and Investment from the perspective of demand, were the components that performed best over the first quarter of the year*

The economy of the A.C. of the Basque Country grew 2.9% over the first quarter of 2005 in relation to the same period in 2004, according to Eustat data. If the evolution is measured in relation to the previous quarter, the inter-quarter growth rate is 0.5%.

The inter-annual evaluation of the A.C. of the Basque Country is similar to that of the Spanish economy, but higher than the rate estimated in the same period for the European Union-25 (1.7%) and the European Union-15 (1.6%), and double the rate for the Euro zone (1.4%), in which we find ourselves.

### GDP at market prices. Inter-annual variation rate. Base 2000



Source: Quarterly Economic Accounts, Eustat.

State Data, INE (except 1<sup>st</sup> quarter 2005, Bank of Spain). Data EU 25 and USA, Eurostat.

From the viewpoint of supply, the sectors that grew above the average inter-annual rate were Agro-Fishery (14.3%) and Construction (4.3%). Both sectors show an accelerated profile, both in inter-annual and inter-quarter terms.

**GDP market prices. Supply. Inter-annual growth rates. Base 2000.  
 Constant prices. A.C. of the Basque Country.**

	2003	2004	2004				2005
			I	II	III	IV	
Agriculture and fishing	-15,6	15,1	23,5	4,2	20,2	13,7	14,3
Industry	1,4	2,4	2,1	2,4	2,5	2,5	1,4
Construction	3,7	3,5	3,8	3,6	3,4	3,3	4,3
Services	3,0	2,8	2,8	3,0	2,8	2,6	2,9
Net taxes on products	4,5	4,8	4,8	4,7	4,8	4,7	4,7
<b>Gross Domestic Product at market prices</b>	<b>2,5</b>	<b>3,0</b>	<b>3,0</b>	<b>3,0</b>	<b>3,1</b>	<b>2,9</b>	<b>2,9</b>

*Data corrected for seasonal and calendar effects. Unit: %*

*Source: Quarterly economic accounts, Eustat*

The industrial sector, with its important involvement in the structure of the Basque economy, registered a more modest 1.4% inter-annual growth. In addition, there was a negative 0.3% inter-quarter rate, showing a visible deceleration with regard to the last quarter of the previous year.

Services, on the whole, followed a positive trend in their inter-annual evolution, marking the same rate as the average for the economy. Among the Services, Market services set the trend with 3.0% inter-annual growth compared to 2.0% for Non-Market services.

**From a demand perspective**, internal Demand grew by 2.8%, point one percent below the GDP and, in addition, the foreign Balance made a small contribution to the growth of the GDP, where both imports and exports increased by a mere 0.6%.

**GDP market prices. Demand. Inter-annual growth rates. Base 2000.  
 Constant prices. A.C. of the Basque Country.**

	2003	2004	2004				2005
			I	II	III	IV	
Final home consumer spending	2,5	2,4	2,6	2,5	2,4	2,2	2,2
Final Public Administration consumer spending	3,5	3,1	3,2	3,3	3,0	3,1	3,3
Gross formation of capital	3,1	3,2	2,6	3,3	3,4	3,6	4,0
Internal Demand	2,8	2,7	2,7	2,8	2,8	2,7	2,8
Total exports	0,9	9,0	10,9	6,7	9,9	8,3	0,6
Total imports	1,4	8,3	10,0	6,3	9,1	7,8	0,6
<b>Gross Domestic Product at market prices</b>	<b>2,5</b>	<b>3,0</b>	<b>3,0</b>	<b>3,0</b>	<b>3,1</b>	<b>2,9</b>	<b>2,9</b>

*Data corrected for seasonal and calendar effects. Unit: %*

*Source: Quarterly economic accounts, Eustat*

Expenditure on household consumption registered a moderate inter-annual increase of 2.2%, although it marks an acceleration on the previous quarter, rising from an inter-quarter rate of 0.3% in the fourth quarter of 2004 to 0.8% in the first quarter of the year.

Expenditure on public consumption followed a sharper inter-annual trend than household consumption, growing at an inter-annual rate of 3.3% and surpassing the whole of Expenditure on final consumption by 2.4%.

The most dynamic component in demand was, without doubt, Gross Capital Formation (Investment) which registered an inter-annual evolution of 4.0%. Investment, materialized in the purchase of capital goods and the building subsector, raised the tone of effective demand.

Employment increased to a rate of 1.8% with regard to the first quarter of 2004, creating over 16,000 net jobs over the year. The sectors that generated employment inter-annual were Construction (2.6%) and Services (2.7%), while jobs were lost in the Agro-Fishery sector (-1.2%) and Industry (-0.3%).

By provinces, GDP increased 3.0% in Bizkaia in the first quarter of 2005, 2.8% in Gipuzkoa and 2.7% in Alava, all of which are inter-annual rates.

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