

INFORMATION SOCIETY SURVEY -ESI- Companies Year 2005

## Renewed Growth in Communication and Information Technologies in Basque Companies in 2005

### ***Half of Basque companies have Internet access, mainly through ADSL lines***

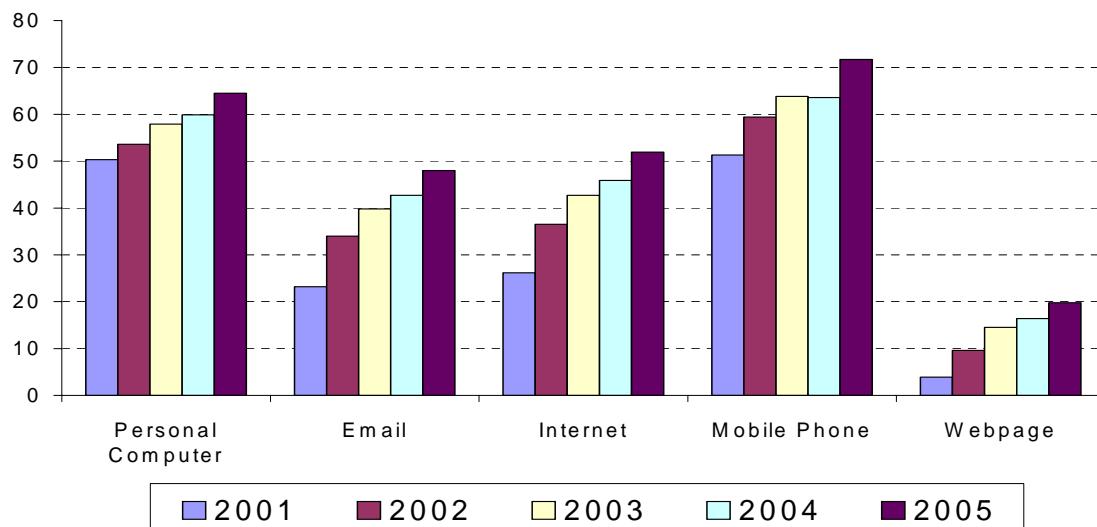
The current edition of the Information Society Survey, carried out by Eustat, reveals, once again, significant growth in communication information technology equipment in Basque companies at the beginning of 2005, after much more moderate results in the previous year.

Furthermore, the percentage of employees who use these technologies also increased significantly, reaching above 40% of personnel in every case.

Almost all the increases registered in CIT – Communication and Technology – equipment by Basque companies in 2005 are by double, returning to the growth rates obtained before 2004.

Thus, while businesses with a mobile phone increased by 8.1 percentage points to 71.7% of the total, those with access to Internet grew by 6 points, now representing more than half, specifically 51.9%. Those with email account for 48% having increased by 5.3 percentage points, and 64.5% of businesses have a computer after an increase in this figure of 4.6 points.

**Graph 1: Basque Companies and CIT equipment (%)**



**Source: Eustat**

A provincial breakdown of the figures reveals that the biggest increases took place in Bizkaia, in email (5.8), Internet (6.8), mobile phone (9.6) and in WebPages (3.8), while Guipúzcoa registered the most growth in personal computers (6.1). In the case of Alava, which was the best-equipped province, the advantage over the other provinces is reduced as it registered lower growth rates.

**Table 1: CIT Equipment in Companies, by Province.  
Year 2005.**

|                            | Personal Computer |            | Email       |            | Internet    |            | Mobile Phone |            | Webpage     |            |
|----------------------------|-------------------|------------|-------------|------------|-------------|------------|--------------|------------|-------------|------------|
|                            | %                 | Variation* | %           | Variation* | %           | Variation* | %            | Variation* | %           | Variation* |
| A.C. of the Basque Country | <b>64,5</b>       | <b>4,6</b> | <b>48,0</b> | <b>5,3</b> | <b>51,9</b> | <b>6,0</b> | <b>71,7</b>  | <b>8,1</b> | <b>19,8</b> | <b>3,4</b> |
| Alava                      | 67,7              | 0,8        | 47,8        | 3,4        | 50,6        | 3,2        | 75,1         | 3,3        | 20,3        | 3,1        |
| Bizkaia                    | 63,4              | 4,4        | 48,3        | 5,8        | 51,8        | 6,8        | 71,0         | 9,6        | 19,8        | 3,8        |
| Gipuzkoa                   | 64,9              | 6,1        | 47,7        | 5,3        | 52,5        | 5,7        | 71,5         | 7,8        | 19,6        | 2,9        |

\* Difference in percentage points in comparison to the previous year.

**Source: Eustat**

***Companies with 10 or more employees also revealed significant improvements their CIT equipment, albeit at a lower rate than smaller companies.***

Although there were significant increases in companies at all levels of employment, it was the smaller companies (0-9 employees), which, while they continue to be less well equipped, were catching up with those companies with more employees, as they registered higher percentage growth.

Thus, in those companies with between 0 to 9 employees CIT equipment varies between 16.3% of businesses which have a Website and 70.5% which have a mobile phone, to 44.5% which have email, 48.8% who have access to Internet and 61.9% which have a computer.

Compared to this, the percentage of businesses with 10 or more employees with a Website reaches 63.7%, those with a computer 97.2%, with the figure for mobile phones rising to 86.4%, for email 91.9% and access to Internet standing at 91.1%. In this size of company, except for Websites which grew by 7.9% on last year, compared to a growth of 3 points for smaller companies, all the increases were lower than those registered in smaller companies for other kinds of equipment.

If the comparison takes into account the percentage of employees who use these technologies, the differences are further reduced, due to, among other things the greater progress of the small companies and that not all the employees of big companies have access to the equipment. Thus, we observe that 53.7% of employees in companies with between 0 and 9 employees use the computer compared with 56.9% in companies employing 10 or more. Similarly, 41.1% have Internet access compared to 44.0% in the larger companies and 37.5% use email to 46.1% in the bigger employers.

### **One in two Basque companies have Internet access**

After an increase of 6 percentage points more than half of Basque companies, 51.9%, have Internet access. Among the ways of accessing the net, and after several years of significant increases, the latest being 8.4%, ADSL remains the method favoured by the majority, reaching 61.7% of all users.

The modem continues to be the second option, accounting for 38% of the total after falling 4 points, followed by ISDN which, after falling 1.2 points, still represents 10.4%. Finally, the mobile phone and other ways of connection account for 3.9% and 5.2%, after increasing their share by 1.7 and 2 percentage points, respectively.

**Table 2: Businesses with access to Internet and ways of access. (%).**

|                  | Total employees |      |      |      | with 10 or more employees |      |      |      |
|------------------|-----------------|------|------|------|---------------------------|------|------|------|
|                  | 2005            | 2004 | 2003 | 2002 | 2005                      | 2004 | 2003 | 2002 |
| % establishments | 51,9            | 45,9 | 42,7 | 36,5 | 91,1                      | 88,1 | 86,7 | 80,8 |
| via:             |                 |      |      |      |                           |      |      |      |
| Modem            | 38,0            | 42,0 | 49,3 | 58,4 | 19,8                      | 24,4 | 25,5 | 37,5 |
| RDSL             | 10,4            | 11,6 | 15,3 | 23,1 | 14,4                      | 16,8 | 25,4 | 36,2 |
| ADSL             | 61,7            | 53,3 | 40,3 | 26,2 | 77,5                      | 70,2 | 58,4 | 37,2 |
| Mobile Phone     | 3,9             | 2,2  | 2,0  | 2,5  | 5,3                       | 3,5  | 3,2  | 3,0  |
| Other            | 5,2             | 3,2  | 2,8  | 2,2  | 10,1                      | 7,7  | 8,0  | 6,5  |

**Source: Eustat**

Among businesses with 10 or more employees, 91.1% have access to Internet. In this category of businesses ADSL is also the most popular access route to the Internet with 77.5% going online this way, a distant second choice is the modem (19.8%), ISDN (14.4%), other lines (10.1%) and the mobile telephone (5.3%).

### **WebPage access is becoming common in Basque companies with 10 or more employees**

As regards companies with access to WebPages, an increase can be seen both in those that have their own Web (11.7%), and those that have their page located with another server (8.1%), so that 19.8% of all companies in the A.C. of Euskadi have access to a WebPage, following an increase of 3.4 percent.

However, and in contrast to other kinds of tools, it has been in companies with 10 or more employees where the greatest increase has been noticed. 36.6% have their own WebPage, while 27.1% have a WebPage located with a server. To summarize, after an increase of 7.9%, 63.7% of companies in this category have a WebPage.

### **Although e-commerce continued to grow, it still was relatively insignificant in Basque companies in 2004**

Basque companies do not as yet make great use of e-commerce. The proportion that carry out purchases or sales on the net or through other electronic systems (EDE, Electronic data exchange) is still low, so that the statistical estimate remains insecure and is subject to a wide error margins.

Nevertheless, some growth can be seen in companies carrying out e-commerce, rising from 5.1% observed in 2003 to 7.6% in 2004. This increase is due to the increase in businesses, now 6.8%, that buy through electronic methods and, to a lesser extent, those companies which sell using the same methods and account for 1.7%.

It is estimated that some 13,000 establishments use e-commerce in the A.C. of the Basque Country, with 15% of total purchases and 22% of total sales carried out in this way by these companies.

Among businesses with 10 or more employees, 13.4% carry out some form of e-commerce, 10.9% making electronic purchases and 4.1% electronic sales.

In the breakdown by sectors it is the industrial sectors which take the lead with regard to e-commerce, with Paper and Graphic Arts and Electrical Material standing out with 29.5% and 25.1% respectively. The Chemical Industry, Transport Material and Machinery Industry also have more than 10% of businesses using e-commerce. In the service sector, Business Services and Banking and Insurance stand out with 13.7% and 12.8% of their establishments carrying out e-commerce.

**Methodology note:** The Information Society Survey (ESI companies), carried out by Eustat for the fifth consecutive year in the first quarter of 2005, is aimed at Basque companies in any sector excepting the primary sector, and its purpose is to find out the level of communication and information technology equipment (CIT) in companies and the use made of the Internet and the importance of e-commerce. The survey is based on the questionnaire answers of 7,500 companies from the A.C. of Euskadi.

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