

BASQUE BUSINESS STRUCTURE AND DEMOGRAPHY. Year 2005

Personnel employed in companies located in the A.C. of the Basque Country increased by 4.1% in 2005

The services sector improved performance and employs 64% of the total of employed personnel

Companies that operate in the A.C. of the Basque Country, except for those in the primary sector, carried out their activity in 181,533 establishments (factories, shops, offices, ...) and employed 853,835 persons in 2005, 4.1% more than the year before, according to the latest update of the Directory of Economic Activities, carried out by Eustat. Since 2000 employment has grown in the A.C. of the Basque Country by 110,006 jobs, to an average accumulated annual rate of 2.8%.

The total number of establishments grew by 3.5% with regard to 2004, the increase being concentrated in the Banking, insurance and business services sector, followed by Construction and Trade and repairs, while the rest remained practically stable.

All the activity branches increased employment. The largest growth rate occurred in Banking, insurance and business services, with a 9.5% rise, followed by Trade and repairs and Hotel and Catering, both with 4.7% growth, and identical growth for Other service activities and Construction with 4.6%.

Establishments and employment by activity branches. 2005

	A.C. of Euskadi				Alava				Bizkaia				Gipuzkoa			
	No.	05/04	Jobs	05/04	No.	05/04	Jobs	05/04	No.	05/04	Jobs	05/04	No.	05/04	Jobs	05/04
Total	181.533	3,5	853.835	4,1	23.812	4,9	139.400	4,3	92.820	3,6	428.792	4,1	64.901	2,8	285.643	4,1
Industry and energy	15.004	-0,8	223.599	0,5	2.468	1,1	46.218	1,7	6.676	-0,3	89.959	-0,5	5.860	-2,1	87.422	0,8
Construction	25.133	4,8	83.459	4,6	3.400	7,8	12.468	8,3	11.793	4,7	45.736	3,7	9.940	3,9	25.255	4,4
Trade and repairs	48.098	4,6	133.524	4,7	5.997	5,4	19.746	6,6	25.547	5,0	70.813	4,8	16.554	3,7	42.965	3,9
Hotels and catering	14.654	-1,5	44.484	4,7	2.027	-0,5	6.319	5,3	8.048	-1,5	22.676	2,9	4.579	-2,0	15.489	7,2
Transport & communic.	15.067	1,1	48.180	2,5	1.860	3,8	5.971	3,4	7.992	0,8	26.119	1,4	5.215	0,6	16.090	4,0
Banking, insur. & business services	37.073	7,6	133.254	9,5	4.561	6,9	17.388	5,7	19.725	7,7	77.950	11,0	12.787	7,6	37.916	8,3
Other act. services	26.504	1,6	187.335	4,6	3.499	5,6	31.290	4,5	13.039	1,2	95.539	4,0	9.966	0,9	60.506	5,7

Source: Eustat.

By provinces, job creation in Alava was higher than the Basque average, reaching a rate of 4.3%, while Bizkaia and Gipuzkoa presented a rate of 4.1%. The Banking, insurance and business services sector leads growth in employment in Bizkaia and Gipuzkoa, the former with a rate of 11.0%. In Álava the growth rate for Construction was outstanding with 8.3%, while Gipuzkoa presented higher than the Basque average rates in Hotel and Catering (7.2%) and Transport and communications (4.0%).

64.0% of personnel included in the directory are found in the services sector, followed by industry (26.2%) and construction (9.8%). The maximum structural employment in industry by provinces continues in Alava, which reached 33.2% of employed personnel, followed by Gipuzkoa (30.6%) and Bizkaia (21.0%). This province was at the head in

percentage of personnel employed in the services sector (68.4%) and in construction (10.7%).

The services branch that had more employed personnel was Other services activities with 21.9% of the total, 187.335 personas. They are followed in importance by the Trade and repairs branches with 133,524 persons, and Banking, insurance and business services with 133,254, which represents both cases with 15.6% of total employment.

As in previous years, the structure by employment size remains invariable. Just 2,245 establishments, 1.2% of the total, had 50 or more jobs, totalling 327,186 jobs, 38.3% of the total. On the other hand, 135,004 establishments, almost three quarters of the total, did not reach 3 jobs and accounted for only 18.6% of total employment.

COMPANIES

The number of companies that carry out their activity in the A.C. of the Basque Country, except for the primary sector, grew 3.4% in 2005, with 164,086 active companies. 97.8% of companies are based in the A.C. of the Basque Country and 3,669 companies in the rest of the State, the latter employing 95,553 persons, 11.2% of the total.

The average size of companies remained stable, with 5.2 employees per company and 4.7 employees by establishment. An analysis of the legal status, however, offers important differences. Individually run businesses only reached 1.3 and 1.4 jobs, respectively per company and per establishment, while for the rest of the legal forms the averages rose to 11.1 and 9.1 employees per company and per establishment respectively.

BUSINESS DEMOGRAPHY

The net balance between establishments that began and those that ceased activity was 6,121, almost double the figure in 2004. In terms of net job creation, they represent an increase of 12,858 persons employed, due to a greater contribution to employment by new establishments compared to the loss in employment for closed businesses. Among the establishments that continue with activity there was also an increase in employment with 20,934 persons. As an overall result, economic activity has represented the creation of 33,792 jobs.

A greater rotation occurs in those establishments created under the legal formula of Individual, which generated 59.1% of new companies and 67.5% of closed companies. The overall balance of this group was increased by 2,064 establishments and 2,215 jobs, due to new businesses, which surpassed losses due to closure or transformation to a different legal status.

Demography of establishments. A.C. of the Basque Country. 2005

By activity	Overall balance (2005-2004)		By legal identity	Overall balance (2005-2004)	
	No.	Jobs		No.	Jobs
Total	6.121	33.792	Total	6.121	33.792
Industry and energy	-116	1.098	Natural person	2.064	2.215
Construction	1.143	3.640	Partnership	60	8.775
Trade and repairs	2.126	6.046	Limited company	3.126	16.703
Hotels and catering	-225	1.989	Others companies and assc	863	3.924
Transport & communic.	161	1.167	Others legal forms	8	2.175
Banking, insur. & business services	2.603	11.554			
Other act. services	429	8.298			

Source: Eustat.

Following the dynamism of previous years, the Limited Company offered a positive overall balance of 3,126 establishments in 2005 and a net increase of 16,703 jobs. In this way it reached the figure of 220,031 jobs in the year, 25.8% of the total. In addition, establishments belonging to Public Limited Companies did not fall in number as in 2004 but increased by 60 units, and the net balance employment increased by 8,775 jobs.

A demographic analysis by activity shows the most important branches to be Banking, insurance and business services, with 28.5% of all new companies and 22.5% of closures, and Trade and repairs, 24.7% of new companies and 20.4% of closures; closely followed by Construction with 20.6% of new companies and 21.4% of closures.

In terms of employment, the highest contribution occurred in the Banking, insurance and business services sector, which contributed 23.8% of the total new employment. This is also considerably higher than would correspond to the specific weight in the whole of the sectors (15.6%). Second place is taken by the Trade and repairs sector, with a net contribution of 20.1%, leaving in third place the sector of Other service activities, with 18.9%.

By size of establishments, the most dynamic stratum is that of 2 or fewer jobs as has usually been the case. They account for 84.9% of all new jobs and el 85.0% of all losses. However, the most dynamic stratum with regard to overall job creation is that with 50 and more jobs, which contributes almost half new employment, 16,759 jobs, above all due to the increase in employment among the establishments that remain.

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