

BASQUE BUSINESS STRUCTURE AND DEMOGRAPHY 2006

Personnel employed in companies located in the A.C. of the Basque Country increased by 3.1% in 2006

The year's most dynamic sector was Banking, insurance and business services with a 6.4% increase in employment

Companies operating in the A.C. of the Basque Country, except for those of the primary sector, carried out their activities in 186,306 establishments (factories, shops, offices, etc.) and employed 880,002 people in 2006, 3.1% more than the previous year, according to Eustat data. Employment in the A.C. of the Basque Country has grown by 120,419 since 2001, an average annual accumulated rate of 3.0%.

The total number of establishments grew by 2.6% as regards 2005, an increase centred on the sector of Banking, insurance and business services and on Construction, which both had 7.6% growth, and on Other service activities (including, among others, public administration, health, education and social services) with growth of 3%.

Employment increased in all branches of activity, except Industry and energy. The highest growth rate was seen in Banking, insurance and business services, with a 6.4% rise, followed by Construction, with 4.3%, Trade and repairs with 4.1% and Other service activities with 3.7%.

Establishments and employment by branches of activity. 2006

	A.C. of Euskadi				Alava			
	No.	06/05	Jobs	06/05	No.	06/05	Jobs	06/05
Total	186.306	2,6	880.002	3,1	24.171	1,5	141.904	1,8
Industry and energy	14.768	-1,6	222.392	-0,5	2.452	-0,6	45.839	-0,8
Construction	27.039	7,6	87.062	4,3	3.669	7,9	12.784	2,5
Trade and repairs	47.911	-0,4	138.980	4,1	5.897	-1,7	20.067	1,6
Hotels and catering	14.267	-2,6	45.611	2,5	1.930	-4,8	6.270	-0,8
Transport & communic.	15.154	0,6	49.851	3,5	1.840	-1,1	6.425	7,6
Banking, insur. & business	39.880	7,6	141.768	6,4	4.842	6,2	18.375	5,7
Other act. services	27.287	3,0	194.338	3,7	3.541	1,2	32.144	2,7

	Bizkaia				Gipuzkoa			
	No.	06/05	Jobs	06/05	No.	06/05	Jobs	06/05
Total	95.871	3,3	445.222	3,8	66.264	2,1	292.876	2,5
Industry and energy	6.603	-1,1	89.156	-0,9	5.713	-2,5	87.397	0,0
Construction	12.905	9,4	48.167	5,3	10.465	5,3	26.111	3,4
Trade and repairs	25.447	-0,4	73.741	4,1	16.567	0,1	45.172	5,1
Hotels and catering	7.910	-1,7	23.927	5,5	4.427	-3,3	15.414	-0,5
Transport & communic.	8.093	1,3	27.355	4,7	5.221	0,1	16.071	-0,1
Banking, insur. & business	21.404	8,5	83.765	7,5	13.634	6,6	39.628	4,5
Other act. services	13.509	3,6	99.111	3,7	10.237	2,7	63.083	4,3

Source: Eustat.

By province, the rate of growth in employment in Bizkaia surpassed the Basque average, reaching a rate of 3.8%, while Gipuzkoa showed a rate of 2.5% and Álava one of 1.8%. The Banking, insurance and business services sector led the growth of employment in Bizkaia with a rate of 7.5%, followed by Hotel and catering (5.5%) and Construction (5.3%). Most notable in Álava was the growth rate of Transport and communication, with 7.6%, while in Gipuzkoa rates above the Basque average were seen in Trade and repairs (5.1%) and Banking, insurance and business services (4.5%).

65.0% of personnel included in the directory belonged to the services sector, followed by industry (25.3%) and construction (9.9%). The maximum structural employment in industry by provinces continued to be in Álava, totalling 32.3% of employed personnel, followed by Gipuzkoa (29.8%) and Bizkaia (20.0%). This last-named province was at the head of employment, in terms of percentage, in the services sector (69.2%) and in construction (10.8%).

The branch of services accounting for the most employed personnel was Other service activities with 22.1% of the total, 194,338 people. It was followed in order of importance by Banking, insurance and business services, totalling 141,768 people, and Trade and repairs with 138,980, meaning, in both cases, around 16.0% of total employment.

As in previous years, structure by employment size remained unchanged. A mere 2,315 establishments, 1.2% of the total, had 50 or more employees, totalling 334,031 jobs, 38.0% of the total. On the other hand, 138,702 establishments, almost three quarters of the total, employed less than 3 people and represented only 18.6% of total employment.

COMPANIES

The number of companies carrying out their activities in the A.C. of the Basque Country, not including the primary sector, grew by 2.5% in 2006, making a total of 168,231 active companies. 97.7% of companies had their headquarters in the A.C. of the Basque Country and 3,857 companies were based in the rest of the State, employing 98,635 people, or 11.2% of the total.

The average size of companies remained steady, with 5.2 employees per company and 4.7 employees per establishment. If we analyse the legal form of ownership, however, we see an important difference between them. Individually-owned companies employed only 1.4 people, both per company and per establishment, while for the other forms of legal ownership these averages rose to 10.9 and 8.9 employees per company and per establishment respectively.

BUSINESS DEMOGRAPHY

The net balance between establishments that started up and those that ceased their activities was 4,775. In terms of net job creation, this meant an increase of 5,744 people in employment, due to the greater employment contribution by the new establishments compared to the loss of the ones that closed. Among those establishments that carried on with their activities, there was also an increase in employment of 20,459 people. As an overall result, economic activity meant the net creation of 26,203 jobs.

The greatest rotation was seen among establishments legally created with the status of individual ownership, generating 57.0% of new openings and 70.6% of closures. The overall balance of this type, due to new openings, showed an increase of 831 establishments and 2,931 jobs, which outweighed the losses due to closures or transformations to different types of legal ownership.

Demography of establishments. A.C. of the Basque Country. 2006

By activity	Overall balance (2006-2005)	
	No.	Jobs
Total	4.775	26.203
Industry and energy	-236	-1.207
Construction	1.906	3.603
Trade and repairs	-186	5.491
Hotels and catering	-387	1.127
Transport & communic.	88	1.672
Banking, insur. & business services	2.807	8.514
Other act. services	783	7.003

By legal identity	Overall balance (2006-2005)	
	No.	Jobs
Total	4.775	26.203
Natural person	831	2.931
Partnership	-186	-1.556
Limited company	3.114	19.628
Others companies and assoc.	996	3.797
Others legal forms	20	1.403

Source: Eustat.

In keeping with the pattern of recent years, Public Limited Companies (Sociedades limitadas) showed a positive global balance in 2006 of 3,114 establishments and a net increase of 19,628 jobs. This meant that they reached a figure of 239,659 jobs for the year, 27.2% of the total. In turn, establishments belonging to Private Limited Companies (Sociedades anónimas) reduced in number by 186 units and there was also a reduction in their net employment balance, which fell by 1,556 jobs.

If we analyse demography by activity, the most outstanding branches were Banking, insurance and business services, with 29.2% of all openings and 18.5% of all closures, and Construction, with 26.1% of openings and 21.1% of closures; they were closely followed by Trade and repairs with 17.8% of openings and the greatest proportion of closures, 25.7%.

In terms of employment, the greatest contribution was in the Banking, insurance and business services sector, which provided 26.2% of all new employment. This contribution was also proportionally much higher than its specific weight in sectors overall would suggest (16.1%). Second came the Construction sector, with a net contribution of 22.8%, leaving the Trade and repairs sector in third position, with 18.0%.

As for the size of the establishment, the most dynamic stratum, as is usually the case, was that of 2 or less employees. It alone accounted for 90.4% of all openings and 86.2% of all closures. However, establishments with 20 to 49 employees and with 50 or more were the most dynamic in terms of overall employment creation, contributing between them over half of new employment, 14,115 jobs, chiefly due to the increase in employment among the establishments that remained.

For further information:

Euskal Estatistika-Erakundea / Instituto Vasco de Estadística
 C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz
 Tel:+34-945-01 75 00 Fax:+34-945-01 75 01 E-mail: eustat@eustat.es
 Contact: Federico Gutiérrez
 Tel:+34-945-01 75 43 Fax:+34-945-01 75 01
 Press releases on the Internet: www.eustat.es
 Databank: www.eustat.es/bancopx/spanish/indice.asp