

BASQUE BUSINESS STRUCTURE AND DEMOGRAPHY 2007

Personnel employed in companies located in the A.C. of the Basque Country increased by 4.5% in 2007

This year's most active sector was Construction at 6.1% but Services represented the largest portion of total employment at 66%.

Companies operating in the A.C. of the Basque Country, except for those of the primary sector, carried out their activities in 199,310 establishments (factories, shops, offices, etc.) and employed 919,370 people in 2007, 4.5% more than the previous year, according to Eustat data. Employment in the A.C. of the Basque Country has grown by 130,707 since 2002; an average annual accumulated rate of 3.1%.

The total number of establishments grew by 7.0% from 2006, an increase centred on the Construction sector with 10.3% growth, followed by Banking, Insurance and Business Services at 9.5%.

Employment increased in all branches of activity. The highest growth rate was seen in Other Service Activities with a 6.4% rise, followed by Construction, with a rise of 6.1%. Industry and Energy grew at a rate of only 0.2%.

Establishments and employment by branches of activity. 2007

	A.C. of Euskadi				Alava			
	No.	07/06	Jobs	07/06	No.	07/06	Jobs	07/06
Total	199.310	7,0	919.370	4,5	26.285	8,7	147.541	4,0
Industry and energy	15.211	3,0	222.781	0,2	2.524	2,9	45.714	-0,3
Construction	29.826	10,3	92.409	6,1	4.186	14,1	14.041	9,8
Trade and repairs	50.702	5,8	146.841	5,7	6.313	7,1	21.595	7,6
Hotels and catering	15.170	6,3	48.223	5,7	2.128	10,3	6.746	7,6
Transport & communic.	15.795	4,2	52.465	5,2	1.974	7,3	6.928	7,8
Banking, insur. & business services	43.688	9,5	149.874	5,7	5.362	10,7	19.482	6,0
Other act. services	28.918	6,0	206.777	6,4	3.798	7,3	33.035	2,8

	Bizkaia				Gipuzkoa			
	No.	07/06	Jobs	07/06	No.	07/06	Jobs	07/06
Total	101.900	6,3	464.483	4,3	71.125	7,3	307.346	4,9
Industry and energy	6.774	2,6	89.410	0,3	5.913	3,5	87.657	0,3
Construction	14.158	9,7	50.174	4,2	11.482	9,7	28.194	8,0
Trade and repairs	26.801	5,3	77.226	4,7	17.588	6,2	48.020	6,3
Hotels and catering	8.265	4,5	24.964	4,3	4.777	7,9	16.513	7,1
Transport & communic.	8.371	3,4	28.733	5,0	5.450	4,4	16.804	4,6
Banking, insur. & business services	23.219	8,5	86.729	3,5	15.107	10,8	43.663	10,2
Other act. services	14.312	5,9	107.247	8,2	10.808	5,6	66.495	5,4

Source: Eustat.

By province, the rate of growth in employment in Gipuzkoa surpassed the Basque average, reaching a rate of 4.9%. Bizkaia showed a rate of 4.3% and Álava one of 4.0%. The Banking, Insurance and Business Services sector led the growth of employment in Gipuzkoa with a rate of 10.2% and the following sectors also surpassed the Basque average: Construction (8.0%), Hotels and Catering (7.1%) and Trade and Repairs (6.3%). Most notable in Alava was the 9.8% growth in Construction, while Industry and Energy showed negative growth (-0.3%). In Bizkaia, rates above the Basque average were seen in the Other Service Activities sector with an 8.2% increase; while all other areas remained below the average, especially in Banking, Insurance and other Business Services (3.5%).

65.7% of personnel included in the directory belonged to the Services sector, followed by Industry (24.2%) and Construction (10.1%). The maximum structural employment in industry by province continued to be in Álava, totalling 31.0% of employed personnel, followed by Gipuzkoa (28.5%) and Bizkaia (19.2%). This last-named province was at the head of employment, in terms of percentage, in the Services sector (69.9%) and in Construction (10.8%).

The branch of services accounting for the most employed personnel was Other Service Activities with 22.5% of the total; 206,777 people. It was followed in order of importance by Banking, Insurance and Business Services, totalling 149,874 people; and Trade and Repairs with 146,841. In both cases that resulted in around 16.0% of total employment.

As in previous years, structure by employment size remained unchanged. A mere 2,365 establishments, 1.2% of the total, had 50 or more employees, totalling 341,232 jobs; 37.1% of the total. On the other hand, 149,278 establishments, almost three quarters of the total, employed less than 3 people and represented only 19.3% 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 7.3% in 2007, making a total of 180,475 active companies. 97.6% of companies had their headquarters in the A.C. of the Basque Country and 4,308 companies were based in the rest of the State, employing 100,853 people, or 11.0% of the total.

The average size of companies remained steady, with 5.1 employees per company and 4.6 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 10.4 and 8.6 employees per company and per establishment respectively.

BUSINESS DEMOGRAPHY

The net balance between establishments that started up and those that ceased their activities was 13,004; which is 8,229 more than in 2006. In terms of net job creation, this meant an increase of 22,599 employed people, 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 16,769 people. As an overall result, economic activity meant the net creation of 39,368 jobs.

The greatest rotation was seen among establishments legally created with the status of individual ownership, generating 57.5% of new openings and 69.3% of closures. The overall balance of this type, due to new openings, showed an increase of 6,501 establishments and 10,185 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 2007

By activity	Overall balance (2007-2006)	
	No.	Jobs
Total	13.004	39.368
Industry and energy	443	389
Construction	2.787	5.347
Trade and repairs	2.791	7.861
Hotels and catering	903	2.612
Transport & communic.	641	2.614
Banking, insur. & business service	3.808	8.106
Other act. services	1.631	12.439
By legal identity		
Total	13.004	39.368
Natural person	6.501	10.185
Partnership	123	-3.931
Limited company	5.126	21.622
Others companies and assoc.	1.291	5.743
Others legal forms	-37	5.749

Source: Eustat.

In keeping with the pattern of recent years, Limited Liability Companies showed a positive overall balance in 2007 of 5,126 establishments and a net increase of 21,622 jobs. This meant that they reached a figure of 261,281 jobs for the year; 28.4% of the total. In turn, establishments belonging to Public Limited Companies increased by 123 units; however their net employment balance fell by 3,931 jobs.

If we analyse demography by activity, the most outstanding branches were: Trade and Repairs, with 22.5% of all openings and 24.6% of all closures; Banking, Insurance and Business Services, with 26.2% of all opening and 19.5% of all closures; and Construction, with 22.1% of openings and 23.1% of closures.

In terms of employment, the greatest contribution was in the Other Activities sector, which provided 31.6% of all new employment. This contribution was also proportionally much higher than its specific weight in sectors overall would suggest (22.5%). The Banking, Insurance and Business Services sector came in second, with a net contribution of 20.6%, followed by Trade and Repair with 20.0%.

For the size of the establishment, the most dynamic stratum, as usual, was that of 2 or less employees. It alone accounted for 87.9% of all openings and 88.1% of all closures. Moreover; this type of establishment was also the most dynamic in terms of overall job growth, contributing 13,560 total new jobs, thanks to the great number of new establishments opened.

For more information:

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