

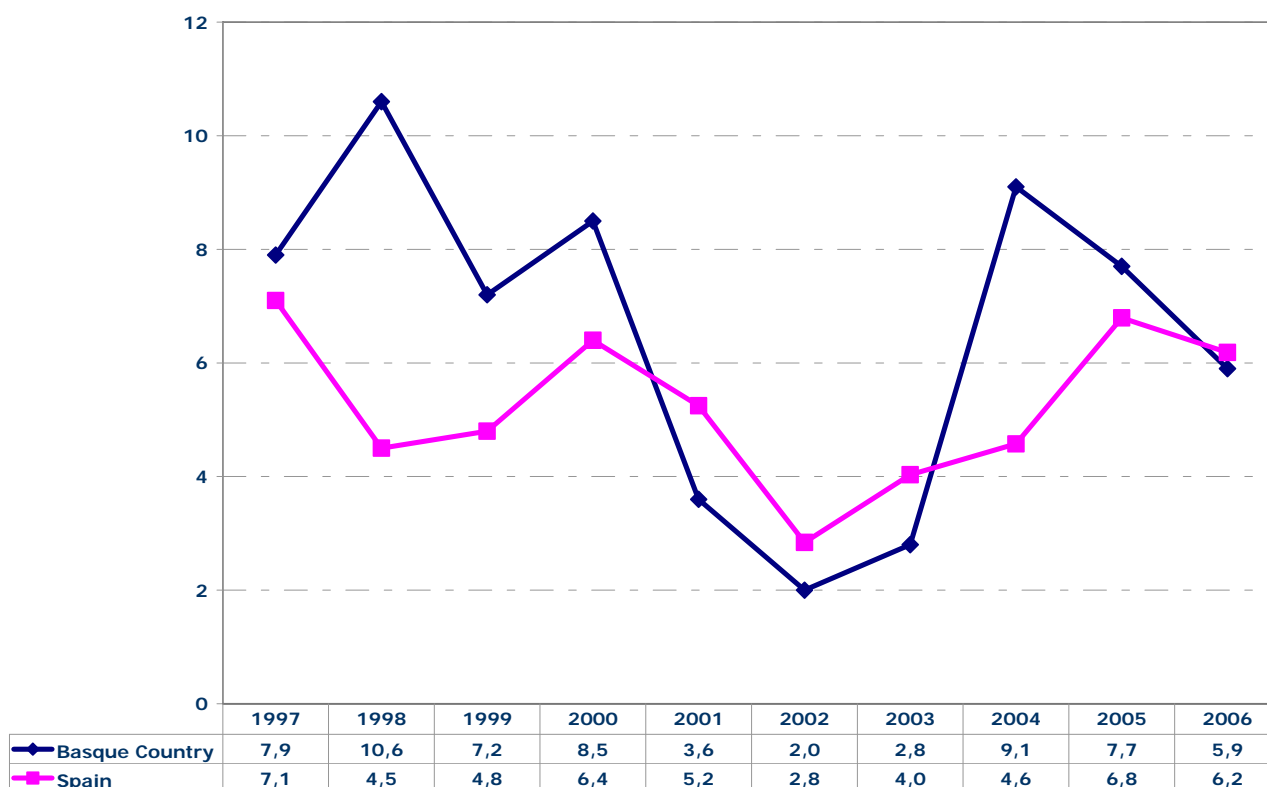
## Industry in the A.C of the Basque Country registered 5.9% nominal growth in 2006

**Construction, following the trend of previous years, grew by 9.4%**

The industrial sector in the A.C. of the Basque Country grew by 5.9% in 2006, according to EUSTAT data. Sectors with above average growth were Metallurgy and Metal Articles, Non-metal Industry, Timber Industry and Electronics and Machinery.

In 2006, industrial employment rose by 0.5% and in 6 of the 16 industrial sectors growth was higher than that percentage. Balanced over the last 10 years, the industrial sector has increased employment with over 50 thousand jobs, going from 202,088 positions in 1997 to 250,862 in 2006.

### Evolution of the Industrial Sector 1997-2006. Rates of growth (%)



Source: Eustat

Some of the most notable features of the industrial evolution of the A.C of the Basque Country in 2006 are:

- The increase in industrial added value was based in the sectors with the most heavy industry in the A.C. of the Basque Country. Specifically the Electricity, Gas and Water industry grew by 15.4%, Metallurgy and Metal Articles by 9.2%, Machinery by 7.5% and Electric Material also grew by 7.5%. These were followed by Leather and Footware (33.4%), Textile and Tailoring (26.9%), Timber Industry (14.7), Non-metallic Industry (9.4%) and Metallic and Non-metallic Minerals (8.0%). These all clearly surpassed the industrial average. Other sectors fell below the average with negative growth such as the Oil Refinery sector (-29.6%), Rubber and Plastic (-4.3%) and the food industry (-1.3%). Sectors also below the industrial average were: Transport Materials (4.0%), Paper, Publications and Graphic Art (4.8%), Chemical Industry (4.8%) and Other Manufacturing (5.5%)

### **Main industry variables A.C. of the Basque Country Current Prices**

	<i>Value: Thousand Euros</i>		
	<b>2005</b>	<b>2006</b>	<b>Δ %</b>
Employees	249.696	250.862	0,5
Gross Value Added factor cost	15.701.676	16.624.164	5,9
Gross Operating Surplus	7.100.123	7.582.819	6,8
Investment	2.763.023	2.680.690	-3,0
Amortization	2.397.019	2.615.136	9,1
Turnover	52.957.698	57.760.863	9,1
Operating costs	30.474.122	33.669.438	10,5
External services	7.083.023	7.639.109	7,9
Personnel costs	8.601.553	9.041.345	5,1
Pre-tax profit	4.412.763	4.525.347	2,6
Cash-Flow	6.809.782	7.140.483	4,9

**Source: Eustat**

- In 2006 industrial sector investment declined, with 3.0% negative growth.
- Turnover increased by 9.1% in 2006 compared with the previous year.
- In 2006 the sectors with the most growth in employment were: Oil Refinery (5.3%), Timber Industry (4.2%) and Electric Materials (3.2%) but it is the Metal and Metallic product sector that had the highest net employment in absolute terms, 1,076 more in the last year. On a different note, personnel costs went up 5.1%.
- The greatest industrial growth in 2006 occurred in Gipuzkoa (8.6%), a province with a presence of heavy industry like Machinery with an increase of 8.6% and Metallurgy and Metal Articles with 9.0% growth. Bizkaia follows with 4.6% growth and Álava comes third with industrial growth at 3.8%.

### **The construction sector grew by 9.4% in 2006**

The construction sector in the A.C. of the Basque Country registered 9.4% nominal growth with increases of 9.5% in Álava, 6.2% in Bizkaia and 16.8% in Gipuzkoa.

## Main Construction variables C. A.C. of the Basque Country Current Prices

	<i>Value: Thousand Euros</i>		
	2005	2006	Δ %
Employees	93.176	96.312	3,4
Gross Value Added factor cost	4.566.481	4.996.500	9,4
Gross Operating Surplus	1.694.332	1.829.851	8,0
Investment	437.565	347.103	-20,7
Amortization	200.116	246.969	23,4
Turnover	14.183.643	16.615.279	17,1
Operating costs	9.411.217	10.215.128	8,5
External services	1.411.170	1.614.433	14,4
Personnel costs	2.872.149	3.166.649	10,3
Pre-tax profit	1.329.323	1.424.258	7,1
Cash-Flow	1.529.439	1.671.227	9,3

Source: Eustat

- The number of people employed in the construction sector grew by 3.4%, have a point more than in 2005, reaching a figure of 96,312 active employees, which was up 3,136 people from 2005.
- Gross Operating Surplus was up by 8.0% and Personnel Costs increased by 10.3%
- Investments fell by 20% from last year.
- Turnover increased to an annual rate of 17.1% in 2006.
- Pre-tax results grew by 7.1% and Cash Flow was up by 9.3% although Depreciations fell by 23.4%.

### For more information:

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