

Sales abroad represented 28% of Basque industry turnover in 2007

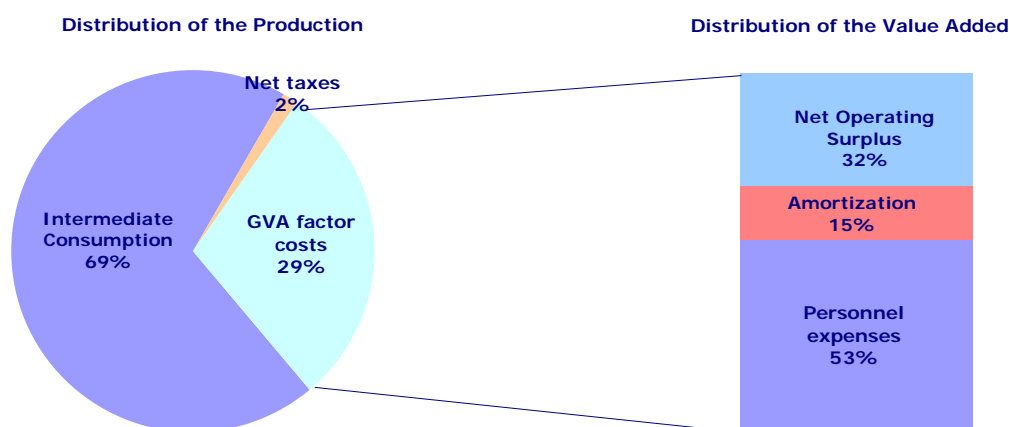
Remuneration of production factors was distributed as 53% for the employment factor and 47% for the capital factor

The industrial sector of the Basque Country made exports abroad to the tune of 17,400 million euros, 28% of total sales, according to Eustat data. Of total Basque industry sales, coming to 62 thousand million euros in 2007, another 36% went to the internal market and an identical quantity was sold to the rest of the State.

69% of total production of Basque industry corresponded to Intermediate Consumption, while 2% were net taxes and the remaining 29% was value added generated.

In the distribution of this value added, 53% remunerated the employment factor, 32% represented business surplus and the remaining 15% the provision for the depreciation of capital represented by amortization.

Graph 1. Distribution of the Production and the Value Added of the industrial sector 2007 (%)



Source: Eustat

Basque industry registered 6.0% nominal growth of value added in 2007. The sectors with growth above the industrial average were Metallurgy and Metal Articles, Metal and Non-metal Minerals, Transport Material and Non-metal Industry.

Industrial employment registered a 1.8% increase in 2007, with this growth centred on the sectors of Metallurgy and Metal Articles (5.2%), Other Manufactured (3.8%) and Electric Material (2.8%). Conversely, the Rubber and Plastic sector lost 700 jobs (-3.8%). The balance for the period between 1997 and 2007 showed that the industrial sector saw an increase in numbers of over fifty thousand jobs, going from 202,088 employees in 1997 to 255,294 in 2007.

Table 1.- Main industry variables. Basque Country. Current prices (Thousands €)

Current prices	2006	2007	Δ %
Employees	250.862	255.294	1,8
Gross Value Added factor cost	16.624.164	17.615.267	6,0
Gross Operating Surplus	7.582.819	8.247.568	8,8
Investment	2.680.690	2.598.755	-3,1
Amortization	2.615.136	2.685.622	2,7
Turnover	57.760.863	62.025.278	7,4
Operating costs	33.669.438	36.549.668	8,6
External services	7.639.109	8.148.591	6,7
Personnel costs	9.041.345	9.367.699	3,6
Pre-tax profit	4.525.347	5.183.615	14,5
Cash-Flow	7.140.483	7.869.237	10,2

Source: Eustat

Among the most outstanding aspects of the industrial evolution of the Basque Country in 2007 were the following:

- Turnover rose by 7.4% in 2007 with regard to the previous year.
- The growth of nominal industrial value added was based on growth in the sectors with greatest weight in the industry of the Basque Country: the sectors of Metallurgy and Metal Articles (13.1%), Transport Material (9.3%) and Non-metal Industry (7.6%). Negative growth was seen in the sectors of Chemicals (-13.3%), Oil Refining (-6.5%) and Rubber and Plastic (-1.6%).
- Gross Operating Surplus rose by 8.8%, with significant growth rates offered by the sectors of Metallurgy and Metal Articles (23.7%) and Transport Material 19.6%.
- Industry Cash-flow increased by 10.2% and pre-tax profits by 14.5%.
- The sectors with the greatest employment growth in 2007 were those of Oil Refining (5.3%) and especially, given its weight, the sector of Metallurgy and Metal Articles (5.2%) whose employment increased in size by 4,500 people. On the negative size, there was an outstanding loss of employment in the sector of Rubber and Plastic, with a fall of 3.8%. Personnel costs grew by an average of 3.6%.

By province, the greatest growth in nominal industrial gross value added in 2007 corresponded to the province of Gipuzkoa (7.6%), due to the sectors with the greatest weight such as Metallurgy, with an increase of 16.7%, and Transport Material with 12.7%. It was followed by Bizkaia, with growth of 5.4% and in third position was Álava, whose industry grew by 4.3%.

The construction sector obtained 16.1% growth in value added in 2007

The construction sector in the Basque Country experienced 16.1% nominal growth of GVA, with provincial growth of 14.9% in Álava, 18.1% in Bizkaia and 12.4% in Gipuzkoa.

Table 2.-Main Construction variables. Basque Country. Current prices (Thousands €)

	2006	2007	Δ %
Employees	96.312	101.437	5,3
Gross Value Added factor cost	4.996.500	5.799.692	16,1
Gross Operating Surplus	1.829.851	2.276.497	24,4
Investment	347.103	336.036	-3,2
Amortization	246.969	281.875	14,1
Turnover	16.615.279	19.766.324	19,0
Operating costs	10.215.128	12.593.631	23,3
External services	1.614.433	1.988.964	23,2
Personnel costs	3.166.649	3.523.195	11,3
Pre-tax profit	1.424.258	1.733.896	21,7
Cash-Flow	1.671.227	2.015.771	20,6

Fuente: Eustat

- Personnel employed in construction rose by 5.3%, almost two points higher than in 2006, surpassing 100 thousand employees, which is to say five thousand more people than the previous year.
- Gross Operating Surplus grew by 24.4% and Personnel costs by 11.3%.
- Turnover registered 19.0% growth in 2007.
- Pre-tax profits grew by 21.7% and Cash flow increased by 20.6%, with Amortization rising by 14.1%.

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