

EQUITY ACCOUNTS OF NON-FINANCIAL COMPANIES (CPENF) 2006

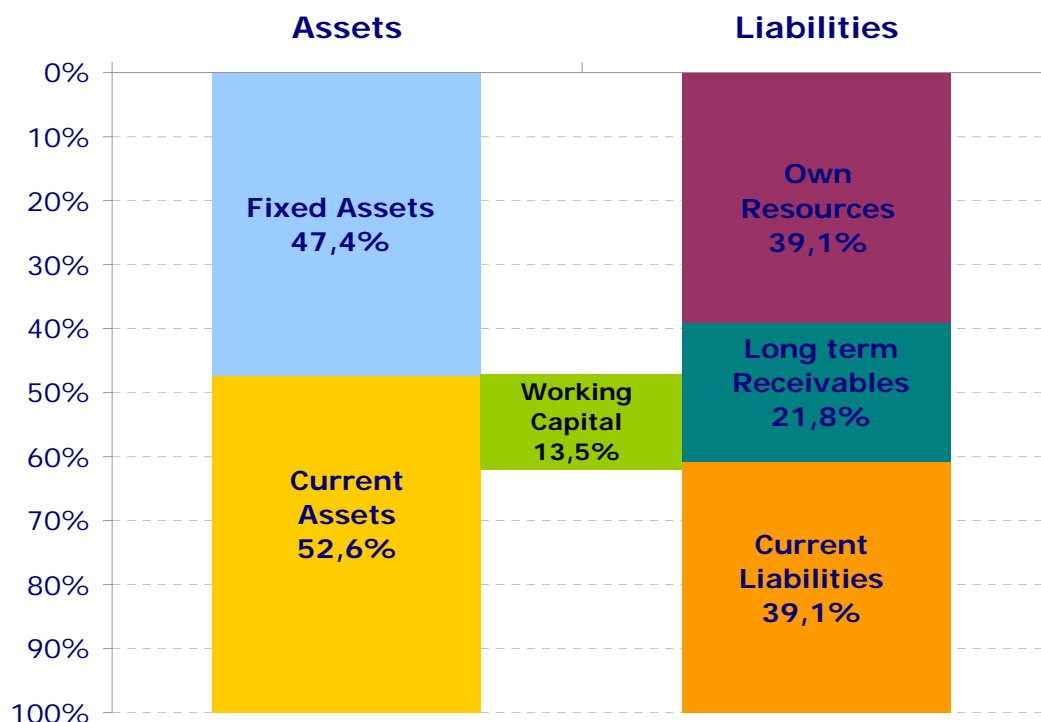
The value of the assets of non-financial companies doubled the GDP of the A.C. of the Basque Country

Current assets surpassed current liabilities by 13.5% in the short term, generating sufficient resources to deal with short-term debt

Estimated equity for all non-financial companies of the A.C. of the Basque Country is 143,737 million euros, a figure which was 2.3 times its GDP in 2006, according to Eustat data. Non-financial companies employed 794,627 people in the A.C. of the Basque Country, 80.5% of the total number of employed people.

Growth experienced in the period 2003-2006 for total assets was 35%, compared to growth of 25% in nominal GDP of the economy. Distribution by province of said equity came out as 17.1% for Álava, 53.0% for Bizkaia and 29.9% for Gipuzkoa.

Assets and Liabilities of the non-financial companies of the A.C. of the Basque Country. 2006.



Source: Eustat

As regards the weight of the different entries in the **Assets of the balance sheet**, Fixed Assets accounted for 47.4% of the total while Current Assets came to 52.6%. Under the headings included in fixed assets, most notable in terms of importance was Property, which came to 55% and Financial Investments, with 35%. There were also two outstanding entries within Current Assets: Debtors, which accounted for 49% of the total and Stock with 26%.

If we turn our attention to the **Liability of balance sheet**, the three most important accounts were Own Resources, with 39.1% of the total, Current Liabilities, with 39.1% and Long-term receivables, 21,8%. Within Own Resources, two entries stand out; Reserves, which came to 44% and Subscribed Capital, with 36%.

Main assets and liabilities of the non-financial companies of the A.C. of the Basque Country. 2006.

| | BASQUE COUNTRY | ÁLAVA | BIZKAIA | GIPUZKOA |
|--------------------------|--------------------|-------------------|-------------------|-------------------|
| Fixed assets | 68.131.188 | 10.831.532 | 36.852.736 | 20.446.920 |
| Total currents assets | 75.605.943 | 13.705.598 | 39.371.448 | 22.528.897 |
| -Stocks | 19.561.219 | 4.301.800 | 9.369.403 | 5.890.016 |
| -Available | 7.073.502 | 1.102.420 | 3.685.216 | 2.285.866 |
| -Realisable | 48.971.222 | 8.301.378 | 26.316.829 | 14.353.015 |
| Total Assets | 143.737.131 | 24.537.130 | 76.224.184 | 42.975.817 |
| Own resources | 56.200.973 | 9.847.252 | 28.490.954 | 17.862.767 |
| Long term receivables | 31.329.357 | 4.696.438 | 18.439.833 | 8.193.086 |
| Current liabilities | 56.206.801 | 9.993.440 | 29.293.397 | 16.919.964 |
| Total Liabilities | 143.737.131 | 24.537.130 | 76.224.184 | 42.975.817 |
| Working Capital | 19.399.142 | 3.712.158 | 10.078.051 | 5.608.933 |

Source: Eustat

In the analysis of the balance sheets, the **Working Capital** (difference between Current Assets and Current Liabilities) emphasises the existing financial balance, since sufficient resources were generated to regularly deal with short-term debts (Short-term receivable liabilities).

The Debt Ratio, the ratio that demonstrates the existing relationship between external funds and total resources, stood at 60.9% for the A.C. of the Basque Country, meaning that almost two thirds of our assets were financed with external resources.

As for the **economic profitability ratio**, it stood at 6.8% and showed the average performance achieved by companies over total assets. **Financial Profitability** explains the average performance achieved by companies over own funds, calculated at 13.7% for the total companies of the A.C. of the Basque Country. Both ratios experienced a substantial improvement in comparison with their values of four years earlier with growth of 26% and 38% respectively.

In the distribution of assets by sectors, the importance of industry was made clear within the economy of the A.C. of the Basque Country. Here we saw that 43% of assets corresponded to the industrial sector which had only 32% of employment, that construction had 9% of assets with 12% of employment and, finally, that market services accounted for 48% of the assets with 56% of employment.

Important differences can be seen in the **composition of company assets** in the construction sector compared to those of industry and market services. In this respect, we can see that property only accounted for 22% of total construction company assets, compared to 49% and 50% in companies from the industry sector and the market services sector respectively.

If we turn our attention to the **composition of liabilities on the balance sheet**, the construction sector had short-term debt of close 57%, while the industrial sector came to 37% and market services 38%.

This uneven composition of liabilities was reflected in ratios such as total debt, which in the case of construction came to 72.5%, compared to 58.7% for industry and 60.6% for market services.

As regards sector profitability, it can be seen that economic profitability was higher in industry (7%) and in services (6.7%) than in construction (6.5%). On the other hand, financial profitability was higher in construction (19.4%) than in industry (13.2%) and in services (13.5%).

METHODOLOGY NOTE: the Equity Accounts of the non-financial companies offer detailed information on the balance sheets and profit and loss accounts of all the activity sectors, except the primary sector and the banking and insurance sector.

The accounting reports deposited in the Mercantile Registers of Álava, Bizkaia and Gipuzkoa and in the Association of Registrars are the main source of this statistics operation. Information is also obtained from the Register of Co-operatives of the Basque Country from the Department of Justice, Employment and Social Security. The total number of accounting reports processed in this operation came to 21,000.

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