

BASQUE BUSINESS STRUCTURE AND DEMOGRAPHY 2008

Personnel employed in companies located in the Basque Country increased by 2.5% in 2008

The Banking, insurance and business services sector showed the best performance, with 7.3% growth

Companies operating in the Basque Country, except for those of the primary sector, carried out their activities in 203,911 establishments (factories, shops, offices, etc.) and employed 942,479 people in 2008, 2.5% more than the previous year, according to Eustat data. Employment in the Basque Country has grown by 136,259 since 2003, an average annual accumulated rate of 3.2%.

The total number of establishments grew by 2.3% as regards 2007, an increase centred on the Construction sector with growth of 5.7% and Banking, insurance and business services with 4.8%.

Employment increased in all branches of activity, except Industry and energy, with a 0.2% fall. The highest growth rate was seen in Banking, insurance and business services, with a 7.3% rise, followed by Construction, with 4.5%.

Establishments and employment by branches of activity. 2008

	Basque Country				Araba/Alava			
	No.	08/07	Jobs	08/07	No.	08/07	Jobs	08/07
Total	203.911	2,3	942.479	2,5	26.936	2,5	150.985	2,3
Industry and energy	14.985	-1,5	222.378	-0,2	2.487	-1,5	45.249	-1,0
Construction	31.523	5,7	96.526	4,5	4.387	4,8	14.632	4,2
Trade and repairs	50.935	0,5	148.234	0,9	6.392	1,3	21.417	-0,8
Hotels and catering	15.195	0,2	48.847	1,3	2.147	0,9	7.066	4,7
Transport & communic.	15.766	-0,2	53.191	1,4	1.984	0,5	7.093	2,4
Banking, insur. & business services	45.776	4,8	160.829	7,3	5.607	4,6	21.021	7,9
Other act. services	29.731	2,8	212.474	2,8	3.932	3,5	34.507	4,5

	Bizkaia				Gipuzkoa			
	No.	08/07	Jobs	08/07	No.	08/07	Jobs	08/07
Total	104.838	2,9	478.326	3,0	72.137	1,4	313.168	1,9
Industry and energy	6.660	-1,7	89.932	0,6	5.838	-1,3	87.197	-0,5
Construction	15.352	8,4	52.746	5,1	11.784	2,6	29.148	3,4
Trade and repairs	26.988	0,7	78.469	1,6	17.555	-0,2	48.348	0,7
Hotels and catering	8.293	0,3	25.205	1,0	4.755	-0,5	16.576	0,4
Transport & communic.	8.423	0,6	29.274	1,9	5.359	-1,7	16.824	0,1
Banking, insur. & business services	24.321	4,7	93.394	7,7	15.848	4,9	46.414	6,3
Other act. services	14.801	3,4	109.306	1,9	10.998	1,8	68.661	3,3

Source: Eustat.

By province, the rate of growth in employment in Bizkaia surpassed the Basque average, reaching a rate of 3.0%, while Álava showed a rate of 2.3% and Gipuzkoa one of 1.9%. The Banking, insurance and business services sector led the growth of employment in Bizkaia with a rate of 7.7%. The growth rate of Banking, insurance and business services was also notable in Álava, with 7.9%, while Industry and energy turned out to be negative (-1.0%). Finally, Gipuzkoa had an above-average rate for Other services activities (3.3%), while for Industry and energy, the rate was negative (-0.5%) as in Álava.

66.2% of personnel included in the directory belonged to the services sector, followed by industry and energy (23.6%) and Construction (10.2%). The maximum structural employment in industry by provinces continued to be in Álava, totalling 30.0% of employed personnel, followed by Gipuzkoa (27.8%) and Bizkaia (18.8%). This last-named province was at the head of employment, in terms of percentage, in the services sector (70.2%) and in construction (11.0%).

The branch of services accounting for the most employed personnel was Other service activities with 22.5% of the total, 212,474 people. It was followed in order of importance by Banking, insurance and business services, totalling 160,829 people, and Trade and repairs with 148,234.

As in previous years, structure by employment size remained unchanged. A mere 2,423 establishments, 1.2% of the total, had 50 or more employees, totalling 346,648 jobs, 36.8% of the total. On the other hand, 152,518 establishments, almost three quarters of the total, employed less than 3 people and represented only 19.4% of total employment.

COMPANIES

The number of companies carrying out their activities in the Basque Country, not including the primary sector, grew by 2.1% in 2008, making a total of 184,290 active companies. 97.6% of companies had their headquarters in the A.C. of the Basque Country and 4,337 companies were based in the rest of the State, employing 106,271 people, 11.3% 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 10.3 and 8.5 employees per company and per establishment respectively.

BUSINESS DEMOGRAPHY

The net balance between establishments that started up and those that ceased their activities was 4,601, 8,403 less than in 2007. In terms of net job creation, this meant an increase of 8,656 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 14,453 people. As an overall result, economic activity meant the net creation of 23,109 jobs.

The greatest rotation was seen among establishments legally created with the status of individual ownership, generating 58.9% of new openings and 66.8% of closures. The overall balance of this type, due to new openings, showed an increase of 1,451 establishments and 2,554 jobs, which outweighed the losses due to closures or transformations to different types of legal ownership.

Demography of establishments. The Basque Country. 2008

Overall balance (2008-2007)		
	No.	Jobs
By activity		
Total	4.601	23.109
Industry and energy	-226	-403
Construction	1.697	4.117
Trade and repairs	233	1.393
Hotels and catering	25	624
Transport & communic.	-29	726
Banking, insur. & business services	2.088	10.955
Other act. services	813	5.697
By legal identity		
Total	4.601	23.109
Natural person	1.451	2.554
Partnership	-173	-1.334
Limited company	2.628	18.474
Others companies and assoc.	534	2.723
Others legal forms	161	692

Source: Eustat.

In keeping with the pattern of recent years, Public Limited Companies (Sociedades limitadas) showed a positive global balance in 2008 of 2,628 establishments and a net increase of 18,474 jobs. This meant that they reached a figure of 279,755 jobs for the year, 29.7% of the total. In turn, establishments belonging to Private Limited Companies (Sociedades anónimas) reduced in number by 173 units and there was also a reduction in their net employment balance, which fell by 1,334 jobs. With these results, Public Limited Companies surpassed Private Limited Companies in terms of employment for the first time in the Basque business structure.

If we analyse demography by activity, the most outstanding branches were Construction, with 27.6% of all openings and 24.1% of all closures, and Banking, insurance and business services, with 27.0% of openings and 20.5% of closures, and Trade and repairs with 18.1% of openings and 23.2% of closures.

In terms of employment, the greatest contribution was in the Banking, insurance and business services sector, which provided 47.4% of all new employment. This contribution was also significantly higher than its specific weight in sectors overall would suggest (17.1%). Second came the Other service activities sector, with a net contribution of 24.7%, and the Construction sector, with 17.8%.

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 87.4% of all openings and 89.0% of all closures. In addition, this type of establishment was also very dynamic in terms of overall employment creation, contributing 5,596 net jobs, chiefly due to the high amount of employment by establishments that opened. However, the stratum of 20 to 49 employees was the most dynamic in terms of overall employment creation, contributing 6,976 net jobs.

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