

## Three-quarters of Basque establishments have less than 3 employees

### ***The total number of establishments fell by 5.5%***

The structure by employment size of the establishments of the Basque Country remained unchanged in 2009, according to Eustat data. Barely 2,338 establishments, 1.2% of the total had 50 or more employees, even though they accounted for 37.2% of employment. On the other hand, 141,607 establishments, nearly three-quarters of the total, employed less than 3 people and accounted for just 19.1% of all employment.

The companies operating in the Basque Country, except for those of the primary section, traded in 191,057 establishments (factories, shops, offices, etc.), 5.5% down on the previous year.

The total number of establishments fell in all sectors except in the case of the Public Administration, Education & Health, which grew by 0.4%. There was a significant decrease in Construction (11.9%), in Real Estate Activities (6.9%) and in Information & Communications (6.6%), all of which were over the average.

**Nomber of Establishments by activity branch and Inter-annual rates of variation. 1-1-2010**

	Basque Country		Álava		Bizkaia		Gipuzkoa	
	N.	%	N.	%	N.	%	N.	%
<b>Total</b>	<b>191.057</b>	<b>-5,5</b>	<b>25.277</b>	<b>-5,7</b>	<b>99.086</b>	<b>-5,3</b>	<b>66.694</b>	<b>-5,7</b>
Industry and energy	14.404	-3,2	2.345	-2,7	6.447	-3,6	5.612	-3,0
Construction	29.656	-11,9	4.097	-13,2	14.668	-10,9	10.891	-12,8
Trade, transportation and storage and accommodation and food service activities	74.616	-5,4	9.741	-4,2	39.771	-5,7	25.104	-5,2
Information and communication	3.304	-6,6	422	-7,0	1.752	-6,3	1.130	-7,0
Financial and insurance activities	5.137	-1,9	763	-2,1	2.719	-1,9	1.655	-1,9
Real estate activities	5.708	-6,9	250	-7,4	3.348	-6,6	2.110	-7,4
Professional activities	29.392	-3,7	3.898	-5,7	15.727	-3,1	9.767	-3,7
Public Administration, education and health	15.272	0,4	2.029	0,1	8.118	-0,1	5.125	1,3
Other service activities	13.568	-3,4	1.732	-5,3	6.536	-1,7	5.300	-4,9

Source: Eustat. [Directory of Economic Activities](#)

The performance by province was very similar, with establishments being lost in all sectors, with the exception of the Public Administration, Education & Health sector that rose by 1.3% in Gipuzkoa and 0.1% in Álava. The Construction sector suffered the greatest losses and fell by 13.2% in Álava, 10.9% in Bizkaia and 12.8% in Gipuzkoa. Special mention should also be made of the downturn in the Real Estate Activities

actor, where the figure fell by 7.4% in Álava and Gipuzkoa, and by 6.6% in Bizkaia. In a similar way, the Information & Communications sector registered decreases of 7.0% in Álava and Gipuzkoa, and 6% in Bizkaia.

With respect to the average size of the establishments by branch of activity, the greatest concentration of employment was in Industry & Energy, both in terms of the Basque Country overall, with an average size of 13.9 employees per establishment, and at provincial level. Álava stood out with 18.1 employees and the average size in Gipuzkoa and Bizkaia was 13.9 and 12.4 employees per establishment, respectively. Special mention should likewise be made of the average size of the establishments in the Public Administration, Education & Health sector in the three provinces: 14.4 in Álava, 10.7 in Gipuzkoa and 10.6 in Bizkaia.

## COMPANIES

The number of companies operating within the Basque Country, not including the primary sector, fell by 6.0% in 2009, which meant there were 171,345 active companies, 10,939 fewer than in 2008. 97.6% of them had their headquarters in the Basque Country and 4,075 in the rest of Spain.

The average size of companies grew slightly, with an average of 5.3 employees per company and 4.7 per establishment. However, if we analyse the legal form of ownership, there are significant differences. Companies under individual ownership only employed 1.4 people, both per company and per establishment, while these averages rose to 10.4 and 8.5 employees per company and per establishment, respectively.

## BUSINESS DEMOGRAPHICS

The net balance between start-ups and those that stopped trading was -11,036. The greatest rotation was in companies under individual ownership, which accounted for 67.0% of the new companies registered and 71.4% of the ones that closed. The overall balance of this category fell by 8,584 establishments, as more companies closed than opened.

### Establishment demographics. The Basque Country

	New entries	Cancelled entries		New entries	Cancelled entries
<b>Total</b>	<b>14.346</b>	<b>25.382</b>	<b>Total</b>	<b>14.346</b>	<b>25.382</b>
Industry and energy	1.091	1.541	Individual holder	9.618	18.127
Construction	2.859	6.902	Partnership	341	938
Trade, transportation and Hostelry	4.056	8.357	Limited company	3.028	4.240
Información y comunicaciones	426	568	Other companies and associations	981	1.942
Actividades financieras y seguros	365	458	Other legal forms	378	135
Actividades inmobiliarias	363	789			
Actividades profesionales	2.795	3.954			
Adm. pública, educación y sanidad	1.411	1.390			
Otras actividades de servicios	980	1.423			

Source: Eustat. Directory of Economic Activities

The aggregate of Other Legal Status was the only one to offer a positive overall balance of 255 establishments, specifically Cooperatives, Autonomous Entities & Similar and Other Administration Entities. The Public Limited Companies category recorded the fewest losses (788) and Limited Companies performed in a similar way, as 919 companies closed.

If we analyse the demographics by activity, the most outstanding branches were Trade, Transport & the Catering Industry (28.3% of all new companies and 32.9% of the closures), Construction (19.9% of start-ups and 27.2% of closures) and Professional Activities (19.5% of start-up and 15.6% of closures).

In terms of the size of the establishment, the most dynamic stratum was, as usual, that of 2 or less employees. It alone accounted for 88.7% of all new companies and 89.9% of all closures.

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**For further information:**

**Basque Statistics Office**

C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz

Tel: +34-945-01 75 00 Fax: +34-945-01 75 01 E-mail: [eustat@eustat.es](mailto:eustat@eustat.es)

Contact: Federico Gutiérrez

Tel: +34-945-01 75 43 Fax: +34-945-01 75 01

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