

Basque Industry turnover fell by 25% in 2009

The number of people in work was down by 9.6%

The Basque Industry turnover, which was over 65,000 million euros in 2008, fell by 25% in 2009, down to 49,226 million euros, according to Eustat data.

With regard to the value added at factor cost, it was down an average of 20.3% in 2009, although the sectors performed in different ways. The greatest downturns were posted by *Metallurgy and Metal Items* (-33.7%), by *Electronic and Computer Products* (-23.1%) and by the *Chemical Industry* (-22.1%). On the other hand, *Pharmaceutical Products* (4.3%) was the only sector with positive growth rates. The *Water Supply and Sanitation* (-1.8%) and *Electricity* (-6.8%) sectors fell, but at not such an intense rate as in the other sectors.

Around 24,000 jobs were lost, which was -9.6% down on the previous year for Basque Industry over all, and the *Rubber & Plastic, Textile, Garments, Leather & Footwear* and the *Metallurgy* sectors were particularly hit, with decreases of over 12%. Only two sectors, *Pharmaceutical Products* (+0.8%) and *Coke Plants and Oil Refining* (+3.9%), out of a total of sixteen, recorded positive rates.

Table 1. Main industry variable. Basque Country. Current prices (thousands €)

Current prices	2008	2009	Δ %
Employees	249,230	225,337	-9.6
Gross Value Added factor cost	17,658,352	14,074,809	-20.3
Gross Operating Surplus	7,894,920	5,148,248	-34.8
Investment	3,049,473	2,190,359	-28.2
Amortization	2,638,769	2,431,103	-7.9
Turnover	65,654,476	49,226,282	-25.0
Supplies	39,833,249	27,707,567	-30.4
External services	8,634,231	7,532,715	-12.8
Personnel costs	9,763,432	8,926,561	-8.6
Pre-tax profit	4,355,364	2,023,478	-53.5
Profit for the year	3,926,838	1,878,687	-52.2

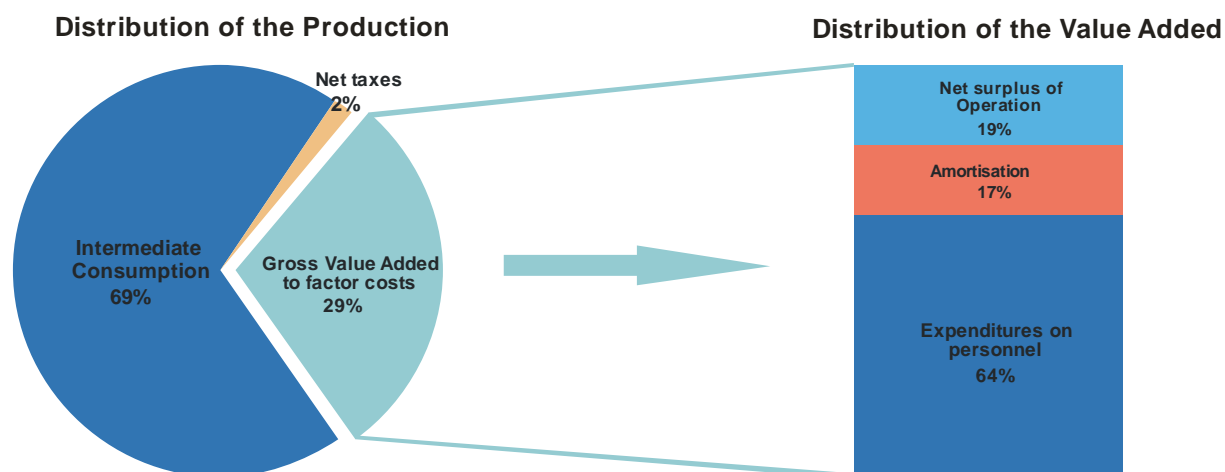
Source: EUSTAT. Industrial Statistics

The productivity of Basque Industry in 2009, measured in terms of value added per employee, fell by 11.8%.

By analysing the **production structure**, 69% of total production of Basque industry was from Intermediate Input, while 2% was net taxes and the value added at factor cost generated represented the remaining 29%.

In the distribution of that value added, 64% came from the employment factor, 19% represented business surplus and the remaining 17% was the provision for the depreciation of capital represented by amortization. With respect to 2008, the lower percentage of the net operating surplus should be noted, as it accounted for 31% of the value added at factor cost in that year. However, the stake of personnel expenses was up by 10 points on 2008.

Graph 1. Distribution of the Production and the Value Added of the industrial sector 2009



Source: EUSTAT. Industrial Statistics

Some of the most outstanding features of the industrial evolution of the Basque Country in 2009 were:

- Personnel Expenses fell by 8.6%.
- Basque companies invested 860 million euros fewer than in 2008, which was an average decrease of 28.2%. This downturn in investments was noted in all sectors, except for *Oil Refining*.
- The Gross Operating Surplus fell by 34.8%, which together with the more moderate decrease in depreciation, meant that the net surplus was down by 48.3%.
- In keeping with the above, the result for the year fell by 52.2%.

Employment and value added fell in a similar way in **all three provinces**. The drop in value added in Álava was 22.2%, 20.3% in Gipuzkoa and 19.4% in Bizkaia. The number of people in work was likewise down 8.1% in Álava, 9.9% in Bizkaia and 10% in Gipuzkoa.

The two most important features of the Construction sector in 2009 was the 9.0% loss of jobs and a 11.6% downturn in value added

The provinces followed the general trends, with widespread job losses and drops in the value added, even though the evolution was less negative in Gipuzkoa. The worst performance was in Álava both in terms of jobs and value added.

Table 2. Main Construction Variables. Basque Country. Current prices (thousands €)

	2008	2009	Δ %
Employees	103,635	94,354	-9.0
Gross Value Added factor cost	6,710,745	5,932,017	-11.6
Gross Operating Surplus	2,667,364	2,025,584	-24.1
Investment	500,729	497,385	-0.7
Amortization	376,519	395,542	5.1
Turnover	24,810,267	21,001,878	-15.4
Supplies	19,284,100	14,548,392	-24.6
External services	2,474,818	2,216,520	-10.4
Personnel costs	4,043,381	3,906,433	-3.4
Pre-tax profit	1,835,193	970,482	-47.1
Profit for the year	1,666,067	848,637	-49.1

Source: EUSTAT. Construction Statistics

Other notable aspects were:

- The percentage drop in construction jobs of 9.0% meant that 9,300 people joined the ranks of the unemployed compared to the previous year.
- The drop in the turnover stood at 15.4% and Personnel Expenses were down by 3.4%.
- The Gross Operating Surplus fell by 24.1%, which together with the 5.1% of the depreciation, meant that the Net Surplus fell by 28.8%.
- Pre-tax profit fell by 18.5% and the result of the year was down by 16.5%.

Methodological note: The 2009 Industrial Statistics and 2009 Construction Statistics were prepared using the [CNAE-2009](#) economic activities classification to replace the CNAE-93, along with the new sector aggregations.

For further information:

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