

INDUSTRIAL AND CONSTRUCTION STATISTICS OF THE BASQUE COUNTRY 2010

Added value in Basque industry grew by 3.5% in 2010

Personnel in work fell by 2.9%

Added value at factor cost, after having suffered an intense drop of 20.3% in 2009, recovered in 2010 with a growth rate estimated at 3.5%, according to Eustat data.

This positive year-on-year growth had a different sectorial evolution rate, with the *Coke Plants & Oil Refinery* sector obtaining growth of 60.0%, followed by the *Electronic & Computer Products* sector, which grew by 12.1%. In third and fourth place were *Pharmaceutical Products* and *Water Supply & Sewage* with increases of 11.6% and 9.8%, respectively.

On the other hand, on the side of the most notable drops were *Extraction Industries* (-20.7%), the *Textile, Garments, Leather & Footwear* sector (-5.4%) and *Electricity, Gas & Steam* (-4.8%).

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

Current prices	2009	2010	Δ %
Employees	225.337	218.819	-2,9
Gross Value Added factor cost	14.074.809	14.563.855	3,5
Gross Operating Surplus	5.148.248	5.712.172	11,0
Investment	2.190.359	2.058.524	-6,0
Funds for depreciation	2.431.103	2.572.858	5,8
Net amount of the turnover	49.226.282	53.469.783	8,6
Supplies	27.707.567	31.712.901	14,5
External services	7.532.715	7.921.970	5,2
Personnel costs	8.926.561	8.851.683	-0,8
Pre-tax profit	2.023.478	2.522.314	24,7
Profit or loss for the year from ongoing operations	1.878.687	2.186.500	16,4

Source: EUSTAT. Industrial Statistics

Regarding turnover of Basque industry, if in 2009 it suffered a drop of 25%, in 2010 it recovered, standing at 53,469 million euros with growth of 8.6%, but without reaching the 2008 monetary value of 65,654 million euros.

In Basque industry as a whole the loss of employment stood at over six thousand five-hundred individuals, which was a drop of 2.9% compared to the previous year. The loss of employment was more or less general across all sectors, especially affecting the *Extraction Industry* sector (-9.7%) and the *Timber, Paper & Graphic Arts* sector (-6.1%). The only sectors to see an increase in employment were *Pharmaceutical Products* (5.0%), *Water Supply & Sewage* (4.5%) and *Food, Beverages & Tobacco* (2.5%).

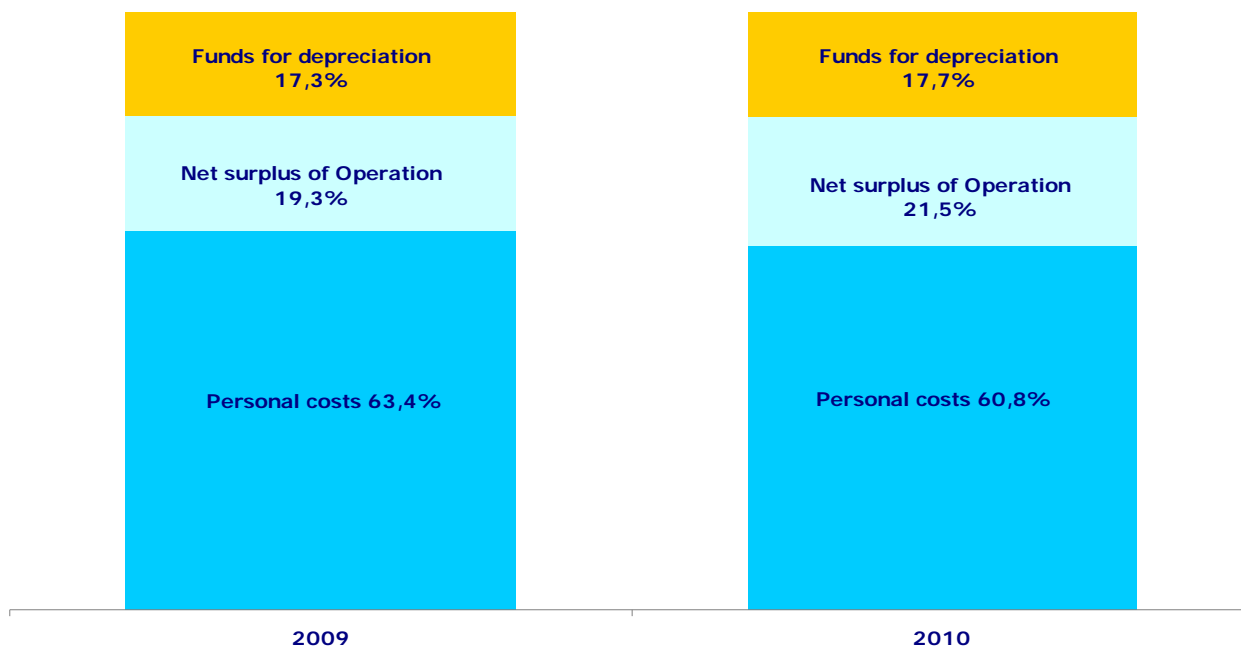
In keeping with the above, productivity in Basque industry in 2010, measured in terms of value added per employee, rose by 6.6%.

Other noteworthy aspects of the industrial evolution of the Basque Country in the 2010 financial year were:

- Personnel expenditure fell by 0.8%.
- Investment fell by 6,0%, and stood at 2059 million euros. The sectors with the best evolution of the investment variable were *Pharmaceutical Products* (60.5%) and *Electronic & Computer Products* (35.6%).
- The Gross Operating Surplus grew by 11.0% which, together with more moderate growth in amortizations meant that the net surplus increased by 15.5%.
- In keeping with the above, the result of the financial year rose 16.4%.

From the analysis of the **distribution of added value at factor cost** it can be gathered that, in 2010, 60.8% remunerated the employment factor, 21.5% represented business surplus and the remaining 17.7% the provision for the depreciation of capital represented by amortization. In relation to 2009, personnel costs were down 2.6 participation points in added value. The operating surplus posted a participation increase compared to 2009 of 2.2 points.

Graph 1. Distribution of added value at factor cost of the industrial sector 2008-2010



Source: EUSTAT. Industrial Statistics

Provincially, the evolution was homogenous both for employment and added value. The biggest growth in added value was in Bizkaia, with 3.7%, followed by Gipuzkoa with 3.4% and Álava with 3.3%. Employment fell by 3.0 in Gipuzkoa, 2.9% in Álava and 2.7% in Bizkaia.

The two most important traits in the Construction sector in 2010 were a drop in employment of 9.0% and a fall of 11% in added value

At provincial level the general performance was repeated, with general falls both in employment and in added value, at a similar magnitude to the occurrences in the Basque Country.

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

	2009	2010	Δ %
Employees	94.354	85.827	-9,0
Gross Value Added factor cost	5.932.017	5.279.630	-11,0
Gross Operating Surplus	2.025.584	1.805.782	-10,9
Investment	497.385	345.899	-30,5
Funds for depreciation	395.542	418.234	5,7
Net amount of the turnover	21.001.878	17.099.703	-18,6
Supplies	14.548.392	10.254.339	-29,5
External services	2.216.520	1.981.536	-10,6
Personnel costs	3.906.433	3.473.848	-11,1
Pre-tax profit	970.482	477.814	-50,8
Profit or loss for the year from ongoing operations	848.637	389.986	-54,0

Source: EUSTAT. Construction Statistics

Other aspects that stood out were:

- The percentage decrease of employment in construction of 9.0% translated into a loss of 8500 job positions compared to the previous year.
- The drop in the sum of the net turnover figure stood at 18,6% and Personnel Costs fell by 11.1%.
- The Gross Operating Surplus was down 10.9% which, together with growth in amortizations caused the net surplus to fall by 14.9%.
- Pre-tax profits fell by 50.8% and the yearly result was down by 54.0%.

For further information:

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