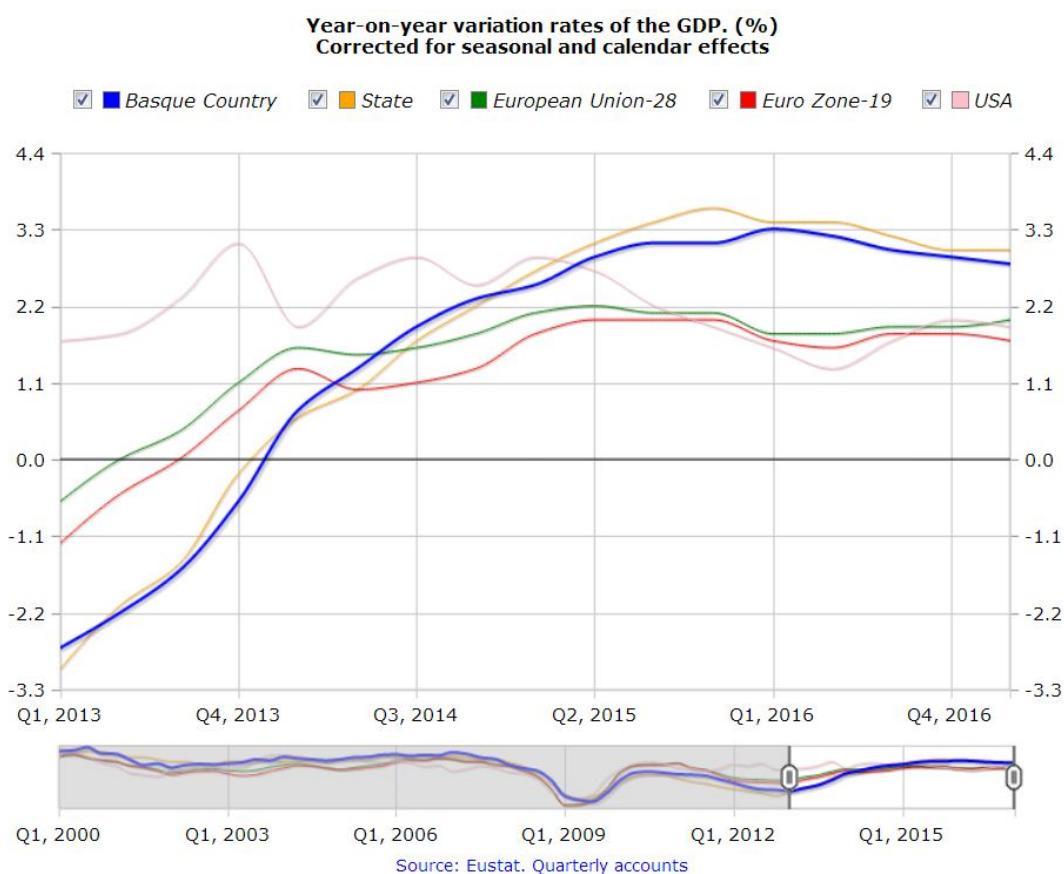


The GDP of the Basque Country registered 2.8% year-on-year growth in the first quarter of 2017

Growth was 0.7% compared to the previous quarter

The GDP of the Basque Country posted growth of 2.8% in the first quarter of 2017, compared to the same quarter of the previous year, according to Eustat data. With regards to the fourth quarter of 2016, the variation was 0.7%, one tenth higher than in the previous quarter.

The growth figures for the first quarter of 2017 were the same as those obtained for the Advance Quarterly Accounts for 26 April 2017.



From the point of view of supply, the year-on-year growth in GDP during the first quarter of 2017 has resulted from the positive performance of all activity sectors, without exception.

Industry grew at a lower rate compared to the previous quarter, with Construction slightly up and Services matching the performance of the previous period. However, performances were varied across all services sub-sectors.

In this first quarter, the **Industry** sector had a year-on-year growth rate of 2.0%, which was one percentage point lower than in the fourth quarter. This datum for the year-on-year performance shows a decrease of zero point nine percent in quarter-on-quarter terms. The annual performance of the manufacturing industry was identical, but its quarterly rate grew by two tenths.

Table 1. GDP m/p. Supply. Chain volume indexes. Year-on-year variation rates. Basque Country. %

	2015	2016	2016				2017
			I	II	III	IV	
AGRICULTURE, FORESTRY AND FISHING	13,4	1,6	11,6	2,8	-0,7	-7,3	2,6
INDUSTRY AND ENERGY	3,9	3,3	4,8	2,4	2,9	3,0	2,0
Manufacturing industry	4,7	3,5	4,7	2,6	3,1	3,3	2,0
CONSTRUCTION	0,5	1,6	-0,3	2,7	1,9	1,9	2,1
SERVICES	2,9	3,2	3,0	3,4	3,1	3,1	3,1
Trade, accommodation & food services and transport	4,5	3,6	3,1	3,9	3,7	3,5	3,7
Public administration, education, health and social services	2,5	2,4	2,2	2,4	2,4	2,7	2,6
Other services	2,0	3,3	3,4	3,6	3,0	3,0	3,0
GROSS ADDED VALUE at basic prices	3,1	3,1	3,3	3,1	3,0	2,9	2,8
NET TAXES ON PRODUCTS	1,1	3,1	3,2	3,2	2,9	3,1	3,0
GROSS DOMESTIC PRODUCT at market prices	2,9	3,1	3,3	3,2	3,0	2,9	2,8

Data corrected for seasonal and calendar effects
Source: Eustat. Quarterly accounts

The **Construction** sector showed a little more dynamism, with an annual growth rate at 2.1%, two tenths higher than in the previous quarter. However, the quarter-on-quarter rate was down by 2.3%.

Global activity within the **Services** sector recorded positive variations in both year-on-year and quarter-on-quarter terms: 3.1% and 1.3% respectively. The year-on-year growth of 3.1% in Services is the result of the positive performances of the sub-sectors, though to different extents: the **Trade, Hotel Management & Catering and Transport** branch grew at a rate of 3.7%, the highest of all sub-sectors. This was followed by the **Other Services** sector, which includes, amongst others, professional, finance and insurance activities, which posted an increase of 3.0%, with the **Public Administration, Education, Health and Social Services** coming in last place with an increase of 2.6%.

Table 2. GDP m/p. Supply. Chain volume indexes. Year-on-year variation rates. Basque Country. %

	2016				2017
	I	II	III	IV	
AGRICULTURE, FORESTRY AND FISHING	12,8	-6,9	0,0	-11,7	24,8
INDUSTRY AND ENERGY	0,1	0,7	1,4	0,8	-0,9
Manufacturing industry	1,5	-0,2	1,5	0,5	0,2
CONSTRUCTION	-2,5	0,1	-0,2	4,6	-2,3
SERVICES	1,3	1,0	0,4	0,3	1,3
Trade, accommodation & food services and transport	0,7	0,8	0,5	1,5	0,9
Public administration, education, health and social services	2,4	1,6	0,3	-1,6	2,3
Other services	1,1	0,9	0,5	0,5	1,1
GROSS ADDED VALUE at basic prices	0,9	0,8	0,6	0,6	0,8
NET TAXES ON PRODUCTS	0,4	1,0	0,6	1,1	0,3
GROSS DOMESTIC PRODUCT at market prices	0,8	0,8	0,6	0,6	0,7

Data corrected for seasonal and calendar effects
Source: Eustat. Quarterly accounts

In terms of quarter-on-quarter variation, the **Public Administration, Education, Health and Social Services** sector registered an increase of 2.3%, followed by **Other Services** with 1.1%, and finally, the **Trade, Hotel Management & Catering and Transport** sector, with growth of 0.9%.

The aggregated performance by sector has given rise to a 2.8% upturn in **Value Added**. This figure was one tenth down on the year-on-year figures for the previous quarter. There was also a 0.8% rise in the quarter-on-quarter rate.

From the point of view of Demand, the most significant piece of information is the solid positive performance in Internal Demand, which grew at a rate of 2.9%, although this figure is one tenth lower than the annual rate of the fourth quarter of 2016. Its two components (Final Consumption Expenditure and Gross Capital Formation) both performed positively, with identical growths to the overall rate.

In contrast, the external sector performance registered an increase of 0.7% for exports, compared to 0.9% for imports.

Final Consumption Expenditure of Households (Private Consumption) increased at a slightly higher rate compared to the final quarter of 2016. Growth in this quarter was 3.0%, one tenth higher than the previous quarter. The quarter-on-quarter rate was 0.6%, which was also higher than in the fourth quarter of 2016.

Table 3. GDP m/p. Demand. Chain volume indexes. Year-on-year variation rates. Basque Country. %

	2015	2016	2016				2017
			I	II	III	IV	
FINAL CONSUMPTION EXPENDITURE	2,8	3,0	3,1	3,2	2,7	2,9	2,9
Household and NPISHs final consumption expenditure	3,1	3,1	3,3	3,4	3,1	2,9	3,0
Public administrations final consumption expenditure	1,8	2,2	2,4	2,7	0,8	3,0	2,5
GROSS CAPITAL FORMATION	2,8	3,3	3,4	3,7	3,1	3,2	2,9
Gross fixed capital formation in equipment goods	6,5	7,5	10,7	7,0	6,1	6,6	4,9
Rest of gross capital formation	1,2	1,4	0,2	2,2	1,6	1,6	1,9
INTERNAL DEMAND	2,8	3,0	3,1	3,3	2,7	3,0	2,9
EXPORT OF GOODS AND SERVICES	0,6	2,2	4,2	3,0	1,6	0,3	0,7
IMPORT OF GOODS AND SERVICES	0,6	2,2	3,9	3,2	1,3	0,4	0,9
GROSS DOMESTIC PRODUCT at market prices	2,9	3,1	3,3	3,2	3,0	2,9	2,8

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

Public Consumption (Final Consumption Expenditure of Public Administrations) grew by 2.5% in year-on-year terms, five tenths lower than the estimated annual figure for the previous quarter.

The overall performance of the **Final Consumption Expenditure of Public Administrations** combined with the **Final Consumption Expenditure of Households** led to an upturn of 2.9% in **Final Consumption Expenditure**. With regards to the previous quarter there was an upturn of 1.8%.

Gross Capital Formation registered annual growth of 2.9%, which is three tenths lower than the figure recorded in the previous quarter.

Once again this overall performance of investment was based on two trends of different intensity. The variation of investment in capital goods showed a positive trend, with a year-on-year growth rate of 4.9%, resulting in a quarterly increase of 0.7%. In relation to the performance of Capital Goods, it should be noted that growth during this period was one point seven percentage points lower than in the fourth quarter of 2016. On the other hand, the rest of Gross Capital Formation, which is more closely related to the performance of the construction sector, recorded growth, with a year-on-year rate of 1.9%, three tenths higher than in the previous quarter.

Based on these performances, **Internal Demand** as a whole registered an increase of 2.9%.

Table 4. GDP m/p. Demand. Chain volume indexes. Year-on-year variation rates. Basque Country. %

	2016				2017
	I	II	III	IV	I
FINAL CONSUMPTION EXPENDITURE	1,8	0,7	0,1	0,3	1,8
Household and NPISHs final consumption expenditure	0,5	1,8	0,3	0,2	0,6
Public administrations final consumption expenditure	7,0	-3,7	-1,1	1,0	6,4
GROSS CAPITAL FORMATION	-0,2	1,1	0,4	1,9	-0,5
Gross fixed capital formation in equipment goods	2,4	0,6	3,1	0,4	0,7
Rest of gross capital formation	-1,4	1,3	-0,8	2,6	-1,1
EXPORT OF GOODS AND SERVICES	-1,2	5,9	-2,0	-2,1	-0,8
IMPORT OF GOODS AND SERVICES	-0,3	5,5	-2,6	-1,9	0,2
GROSS DOMESTIC PRODUCT at market prices	0,8	0,8	0,6	0,6	0,7

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

As regards the level of employment (measured in **Full-Time Equivalent Jobs**), there was an overall increase in the level of employment of 2.0% in year-on-year terms. This year-on-year rate means a 0.4% growth with respect to the fourth quarter of 2016.

Employment levels performed positively in relation to the same quarter of the previous year in all sectors of activity. As in previous quarters, the Services sector stood out due to its volume and intensity, and posted a year-on-year increase of 2.1%.

Both the industry and construction sectors grew at an annual rate of 1.8%, and, significantly, the Construction sector posted a more dynamic performance than it registered throughout 2016. There was a 0.4% rise in the year-on-year rate in the Primary sector, though its absolute figures were considerably more moderate.

The quarter-on-quarter rates for industry and services were up by 0.3% and 0.7%, respectively, while they were down by 2.8% in the primary sector and 1.7% in construction.

Regarding variation in **GDP by Province**, Álava and Bizkaia showed the largest growth in year-on-year terms, at 2.9% in both cases, while Gipuzkoa grew by 2.5%. In quarter-on-quarter terms Álava and Bizkaia were up by 0.8%, and Gipuzkoa by 0.5%.

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