

Industrial activity in the Basque Country fell by 27.8% in May 2020

Compared to the previous month, April 2020, the industrial sector increased production by 16.5%

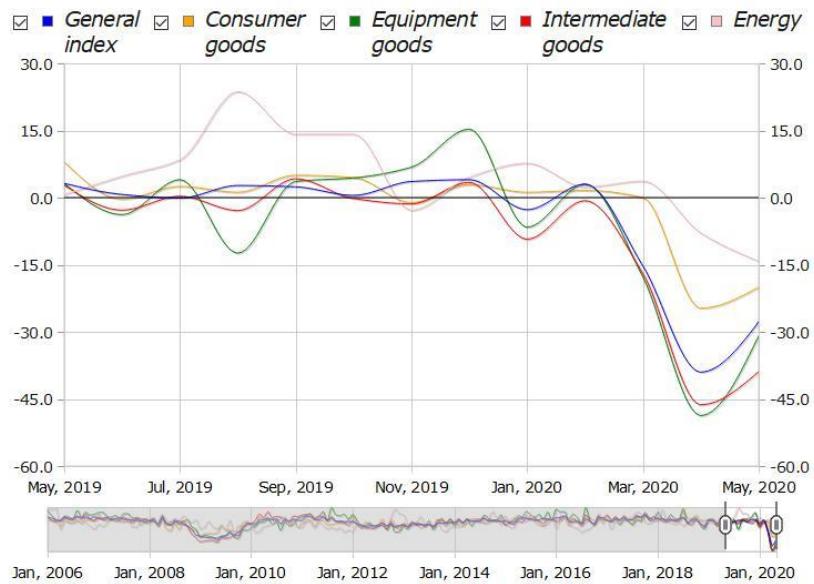
Industrial production of the Basque Country in May 2020 was down 27.8% compared to the same month of 2019, in homogeneous terms of the working calendar, according to Eustat data. This decrease is significantly less than that observed in April, when in the year-on-year comparison the drop reached 39%.

Comparing May 2020 with April 2020, the industrial production of the Basque Country rose by 16.5%, once seasonal effects had been corrected. One month earlier, the comparison of April with March showed a fall of 25.1%.

The balance for the first five months of 2020 closed with an accumulated contraction of 16.5% in industrial activity.

Year-on-year variation rate of the industrial production index in the Basque Country (%)

Corrected for calendar effects



Source: Eustat. Industrial production index

The index showed a downward trend for all the major industrial sectors in May 2020 compared to May 2019. *Intermediate Goods* fell by 38.9% and *Capital Goods* were down 30.9%. Included among the former are the activities of metallurgy, manufacture of metal products, chemical industry and manufacture of rubber and plastic products; while among the latter it is worth mentioning manufacture of motor vehicles, construction of locomotives and railway material, naval construction and manufacture of aircraft.

Consumer Goods, as a whole, posted a year-on-year decrease of 20.0%, due to the 32.1% decrease in *Consumer Durables*, whilst *Consumer Non-Durables* were down 17.2%. Within *Consumer Durables* are the activities of manufacture of furniture, domestic appliances and electronic products. Included in the large sector of *Consumer Non-Durables* are the preparation, processing and conservation of foodstuffs; manufacture of cleaning and hygiene products; and manufacture of clothing.

Energy fell by 14.2%, once corrected for the appropriate calendar effects. Among the activities that stood out in this sector were the supply of electrical power and oil refining.

In contrast, the month-on-month variation, May 2020 on April 2020, showed a positive evolution in all the main industrial sectors, except in the case of *Energy*, which fell by 5.3%, once corrected for seasonal effects. *Capital Goods* increased by 34.8%, *Intermediate Goods* were up 15%, and *Consumer Goods*, as a whole, rose by 6.1%, due to the combination of two increases of differing amounts: *Consumer Durables* increased by 25.7% while *Consumer Non-Durables* were up 3.1%.

Industrial production in the Basque Country. Key Sectors. Year-on-year growth rates. A-38 Sectorisation. Provisional Data

SECTOR A38	m / m-12
KEY SECTORS⁽¹⁾	
10 - Metallurgy and metal products	-42,1
16 - Electricity, gas and steam	-11,7
09 - Rubber and plastic	-46,6
13 - Machinery and equipment	-22,5
14 - Transport material	-35,6
03 - Food, beverages and tobacco industries	-21,6
12 - Electrical equipment and material	-29,8
05 - Timber, paper and printing and reproduction	-20,1

Data corrected for calendar effects

(1) Sectors with greatest weight in industry

Source: Eustat. Industrial production index

At a more disaggregated level, among the largest sectors in Basque industry, those that registered the most significant downturns in May 2020 with regards to year-on-year variations, were: *Rubber & Plastics*, which shrank by 46.6%; *Metallurgy & Metal Products*, down 42.1%; and *Transport Material*, which fell by 35.6%, once corrected for the corresponding calendar effects. Among the most important sectors, *Electricity, Gas & Steam*, with a reduction of 11.7%, showed the least pronounced reduction.

By province, the year-on-year performance of the Industrial Production Index for May 2020 was negative in the three provinces: In Álava there was a decrease of 30.2%, in Bizkaia there was a fall of 28.4% and, finally, in Gipuzkoa it was down 25.7%.

In month-on-month terms, May 2020 on April 2020, always in deseasonalised terms, there was an increase in production of 27% in Álava, 14% in Gipuzkoa and, finally, of 13.7% in Bizkaia.

Industrial Production in the Basque Country. Growth rates. Provisional data. May 2020

	Data corrected for calendar effects		Deseasonalised data	
	May 2020 / May 2019	A (May 2020) / A (May 2019) (*)	May 2020 / Apr 2020	Apr 2020 / Mar 2020
General index				
Basque Country	-27,8	-16,5	16,5	-25,1
Araba/Álava	-30,2	-19,7	27,0	-29,9
Bizkaia	-28,4	-15,6	13,7	-26,6
Gipuzkoa	-25,7	-15,3	14,0	-20,7
INDEXES BY ECONOMIC DESTINATION OF THE GOODS				
Consumer goods	-20,0	-9,0	6,1	-15,6
Durable consumer goods	-32,1	-19,0	25,7	-29,3
Non-durable consumer goods	-17,2	-6,6	3,1	-13,0
Equipment goods	-30,9	-20,2	34,8	-32,5
Intermediate goods	-38,9	-22,8	15,0	-28,2
Energy	-14,2	-1,5	-5,3	-10,2

(*) Year-on-year variation rate for the accumulated period from January to the current month of 2020 compared to the same accumulated period of 2019

Source: Eustat. Industrial production index

NOTE ON THE EFFECT OF THE COVID-19 CRISIS ON THE MAY INDUSTRIAL PRODUCTION INDEX

Royal Decree 463/2020, of 14 March, declared a state of alarm in order to manage the health crisis caused by **COVID-19**.

The exceptional measures adopted subsequently brought the usual activity of the majority of industrial establishments to a partial or total standstill. A gradual reactivation of the sector was observed during May.

Eustat would like to thank all the companies that have collaborated in making this effort despite the extraordinary circumstances. As a result, the May index, whose information was collected during June, was calculated with **94.10% coverage** of the sample.

For further information:

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