

Industrial activity in the Basque Country fell by 17.8% in June 2020

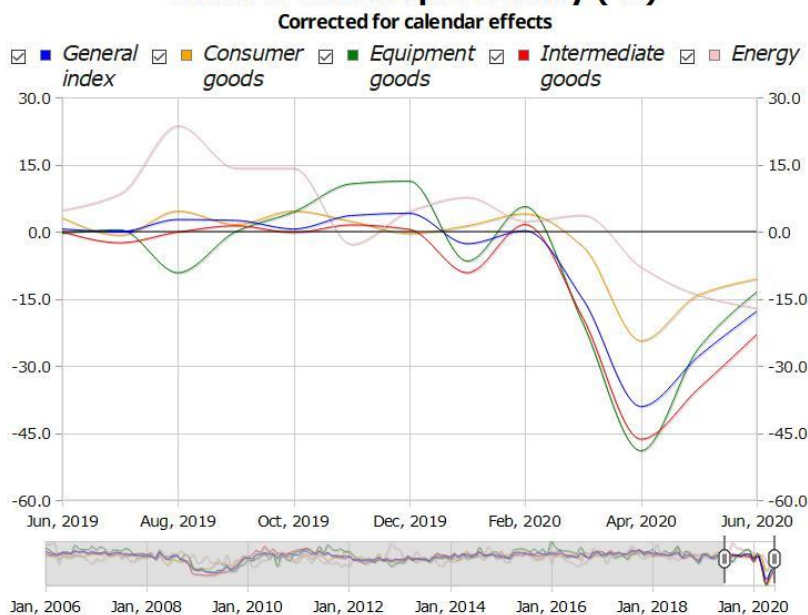
Compared to the previous month, May 2020, the industrial sector increased production by 16.8%

Industrial production of the Basque Country in June 2020 was down 17.8% 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 May, when in the year-on-year comparison the drop reached 27.8%.

Comparing June 2020 with May 2020, the industrial production of the Basque Country rose by 16.8%, once corrected for seasonal effects.

The balance for the first six months of 2020 closed with an accumulated contraction of 17.2% in industrial activity.

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



The index showed a downward trend for all the major industrial sectors in June 2020 compared to June 2019. *Intermediate Goods* fell by 23.0% and *Capital Goods* were down 13.5%. 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 10.6%, due to the 17.2% decrease in *Consumer Durables* and the 9.1% drop in *Consumer Non-Durables*. 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 17.1%, 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, June 2020 on May 2020, showed a positive evolution in all the main industrial sectors, except in the case of *Energy*, which fell by 0.9%, once corrected for seasonal effects. *Intermediate Goods* increased by 19%, *Capital Goods* were up 9.3%, and *Consumer Goods*, as a whole, rose by 1.9%, due to the combination of two increases of differing amounts: *Consumer Durables* increased by 6.6% while *Consumer Non-Durables* were up 1.0%.

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

	m / m-12
SECTOR A38	
KEY SECTORS⁽¹⁾	
10 - Metallurgy and metal products	-27,5
16 - Electricity, gas and steam	-25,0
09 - Rubber and plastic	-21,9
13 - Machinery and equipment	-11,4
14 - Transport material	-8,3
03 - Food, beverages and tobacco industries	-11,3
12 - Electrical equipment and material	-8,5
05 - Timber, paper and printing and reproduction	-12,9

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 June 2020 with regards to year-on-year variations, were: *Metallurgy & Metal Products*, which shrank by 27.5%, *Electricity, Gas & Steam*, down 25.0% and *Rubber and Plastics*, which decreased by 21.9%, once corrected for the corresponding calendar effects.

By province, the year-on-year performance of the Industrial Production Index for June 2020 was negative in the three provinces: In Álava there was a decrease of 14.8%, in Gipuzkoa there was a fall of 16.1% and, finally, in Bizkaia it was down 21.4%.

In month-on-month terms, June 2020 on May 2020, once corrected for seasonal effects, there was an increase in production of 25.5% in Álava, 18% in Gipuzkoa and, finally, of 10.5% in Bizkaia.

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

	Data corrected for calendar effects		Deseasonalised data	
	Jun2020 / Jun2019	A(Jun2020) / A(Jun2019)(*)	Jun2020 / May2020	May2020 / Apr2020
General index				
Basque Country	-17,8	-17,2	16,8	21,6
Araba/Álava	-14,8	-18,7	25,5	42,1
Bizkaia	-21,4	-17,3	10,5	15,3
Gipuzkoa	-16,1	-16,0	18,0	18,0
INDEXES BY ECONOMIC DESTINATION OF THE GOODS				
Consumer goods	-10,6	-8,2	1,9	18,0
Durable consumer goods	-17,2	-17,1	6,6	48,8
Non-durable consumer goods	-9,1	-6,1	1,0	13,2
Equipment goods	-13,5	-18,0	9,3	57,7
Intermediate goods	-23,0	-22,0	19,0	27,0
Energy	-17,1	-4,1	-0,9	-6,2

(*) 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 JUNE INDUSTRIAL PRODUCTION INDEX

The state of alarm declared in Royal Decree 463/2020 of 14 March in order to manage the health crisis caused by COVID-19 ended on 21 June. The exceptional measures adopted during the state of alarm have had a direct impact on the activity of the establishments that participate in the Industrial Production Index.

Eustat would like to thank all the establishments that have collaborated in making this effort despite the extraordinary circumstances. As a result, the June index was calculated with **94.1% coverage** of the sample - whose information was collected during July.

The models used in the correction of calendar effects and deseasonalisation of the series include the effect of COVID-19 on the variables studied, following the recommendations of the Statistical Office of the European Union (Eurostat) (Eurostat) in its methodological note Guidance on Time Series Treatment in the context of the COVID-19 crisis.

For further information:

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