

Exports of non-energy products from the Basque Country fell by 7.2% in October 2020

Basque exports to the United Kingdom exceeded 1,100 million in the first ten months of 2020 and showed a positive balance of 700 million euros

According to Eustat data, in October 2020 **exports** of goods from the Basque Country (accounting for 2,001.3 million euros) were down 15.3% compared to the same month of the previous year.

The performance of exports for October 2020 is heavily conditioned by the performance of energy products, given that these registered a very sharp decrease of 89.3%, a percentage that exceeds that recorded in April (-81.1%), which was the highest to date, within the negative trend that started in January 2019. Exports of non-energy products fell by 7.2%.

The performance of **imports** was similar (1,406 million), which dropped by 20.0%, owing to the decrease both in energy products (-61.5%) and non-energy products (-4.8%).

Evolution of the foreign trade of the Basque Country. Thousands of euros. October 2020

	EXPORTS			IMPORTS		
	October		Δ %	October		Δ %
	2019	2020		2019	2020	
BASQUE COUNTRY						
TOTAL MONTH	2.362.289	2.001.253	-15,3	1.756.822	1.406.024	-20,0
ENERGY PRODUCTS	232.945	24.849	-89,3	469.573	180.644	-61,5
NON-ENERGY PRODUCTS	2.129.344	1.976.404	-7,2	1.287.249	1.225.380	-4,8
ACCUMULATED YEARLY PERIOD	21.237.709	17.157.778	-19,2	16.903.721	12.920.762	-23,6
ENERGY PRODUCTS	1.730.735	783.405	-54,7	4.545.653	2.430.137	-46,5
NON-ENERGY PRODUCTS	19.506.974	16.374.373	-16,1	12.358.068	10.490.625	-15,1
ARABA / ÁLAVA						
TOTAL MONTH	689.396	663.139	-3,8	401.076	425.620	6,1
ACCUMULATED YEARLY PERIOD	6.050.400	5.118.461	-15,4	3.461.784	2.979.683	-13,9
BIZKAIA						
TOTAL MONTH	910.979	693.193	-23,9	1.001.881	651.527	-35,0
ACCUMULATED YEARLY PERIOD	8.082.449	6.383.069	-21,0	9.840.714	6.997.828	-28,9
GIPUZKOA						
TOTAL MONTH	761.914	644.922	-15,4	353.865	328.877	-7,1
ACCUMULATED YEARLY PERIOD	7.104.860	5.656.248	-20,4	3.601.222	2.943.251	-18,3

Source: Eustat. Foreign trade statistics (ECOMEX)

By province, Bizkaia had the worst export performance, with a 23.9% drop in exports, due to the aforementioned decrease in energy exports (-208.5 million euros, with a fall of 89.7%). This decline was mostly concentrated in products such as “Naphthalene”, “Lubricating oils”, “Bitumen”, “Unleaded petrol”, “Crude oils”, “Diesel” and “Fuel”, which reported residual exports in that month. Non-energy products fell by 1.4% in this province.

Exports from Gipuzkoa dropped by 15.4% mainly due to the decline in "*Transport Material*" (-19.2% and down 35.1 million) and "*Electrical Material*" (-22.2% with -64.8 million).

Exports from Álava fell by 3.8%, cutting short the positive trend of the previous month. This slight decrease in exports in October 2020 is (more than 2/3) due to the fall in "*Metals & Manufactured*" (-17.3% and down 18.7 million).

In October, five **countries** (Germany, France, Italy, United Kingdom and the United States) were our main customers, absorbing 53.7% (1,074.8 million) of total exports from the Basque Country. The first three belong to the EU27, which accounts for 66.1% of exports. This percentage would have been 73.0% for the former EU28.

If we consider the twelve countries that accounted for Basque exports this month, we will find that, of all of them, only three have posted positive year-on-year rates: Italy grew by 47.5%, Austria was up 19.5% and Germany, our main destination for exports, increased slightly by 0.9%. This month sales to the United States decreased by 41.1%, along with those to China (-14.2%) and Mexico (-2.7%).

Over half (61.8%) of all imports came from the EU27 and would have reached 64.0% for the erstwhile EU28. Among the largest European countries, purchases from countries such as Germany (4.7%), France (14.1%) y Poland (48.4%) have risen. However, those from Portugal (-1.7%), Italy (-12.7%) and Belgium (-19.4%) fell. For the rest of the world, imports originating in China (-13.7%) and the United States (-32.3%) were also down. Those from Mexico, on the other hand, grew (15.3%).

Products traded in October 2020

The analysis of the different areas of **export activity (A86)** for October 2020 revealed a collapse in *Coke Plants and Oil Refining*, with a fall of 86.2% compared to the same month of the previous year and with an export volume of only 24.5 million euros, a figure never before seen. The activity areas of "*Iron & Steel Products*" (-14.6%), "*General Use Machinery*" (-10.7%) and "*Motor Vehicles*", with a slight decrease of 1.3%, also followed this downward trend. Conversely, there was a sharp rise in "*Non-Ferrous Metals*" (74.3%).

A more detailed examination reveals that, in October 2020, the ten largest customs duty groups accounted for 42.9% of exports, with a combined value of 858.7 million euros. The following groups stood out with varying increases: "*Railway or Tramway Vehicle Parts*" (151.0% and 33.1 million euros more than in October 2019) and "*Goods Transport Vehicles*" (42.6% and 54.6 million euros more) and, in particular, "*Refined copper and copper alloys, unwrought*" (3,581.2% and up 50.8 million). At the other end of the scale, sharp decreases occurred in "*Refined Petroleum Oils*" (-90.5% and down 149.5 million euros) and in "*Passenger Cars with Fewer than 10 Seats*" (-22.0% and down 54.1 million euros).

This month, half of the 10 main groups are within the vehicle sector which, with a year-on-year increase of 5.4%, managed to export 34.2 million euros more than in the same month of the previous year.

**Main exporting tariff headings in the Basque Country. Thousands of euros (p).
 January-October 2020 accumulated**

	2019	2020	2020 %	2020/2019 (%)
Total	21.237.709	17.157.778	100	-19,2
Tourisms of less than 10 people	1.940.117	1.516.728	8,8	-21,8
Parts and accessories of motor vehicles	1.498.804	1.149.281	6,7	-23,3
Motor vehicles for goods transport	1.199.324	1.119.094	6,5	-6,7
New rubber tyres	830.923	760.811	4,4	-8,4
Refined petroleum oils	1.217.478	679.451	4,0	-44,2
Faucet articles, valves and similar organs for pipes	428.496	397.143	2,3	-7,3
Vehicle parts for rail road tracks or similar	175.894	340.672	2,0	93,7
Iron or steel non-soldered hollow tubes or profiles	388.143	314.155	1,8	-19,1
Iron or non-alloyed profiles	401.747	282.864	1,6	-29,6
Diesel or electric motor units for railway tracks and motorised trams	884.663	282.233	1,6	-68,1
Sheets and bands, of aluminum, of a thickness exceeding 0.2 mm	333.051	223.713	1,3	-32,8
Other iron and steel manufacturers	249.423	216.933	1,3	-13,0
Interchangeable tools for hand tools or machine tools	259.458	214.284	1,2	-17,4
Lifts, escalators, transporters...	193.180	177.165	1,0	-8,3
Wine made with fresh grapes	161.280	163.150	1,0	1,2
Bars and sections, in stainless steel	193.533	158.119	0,9	-18,3
Transmission shafts, bearings, gear units clutches...	187.113	151.955	0,9	-18,8
Copper without refining; anodes for electrolytic refined copper	121.178	151.476	0,9	25,0
Padlocks, locks, bolts and keys made of base metals	160.417	145.769	0,8	-9,1
Bars and profiles, of other alloyed steels and bars for perforation	189.132	139.963	0,8	-26,0
Other tubes and hollow profiles of iron or steel	159.401	139.107	0,8	-12,7
Electrical transformers, static converters and reactance coils	154.405	135.121	0,8	-12,5
Machines for washing, filling, closing, labeling containers and packaging devices	131.893	131.111	0,8	-0,6
Other cast articles of iron or steel	152.893	129.482	0,8	-15,3
Wires, electrically conductive insulated cables and fiber optic cables	142.939	127.626	0,7	-10,7

(p)Provisional data

Source: Eustat. Foreign trade statistics (ECOMEX)

The analysis of the largest areas of **import** activity (A86) revealed that the largest, "Manufacture of Motor Vehicles", came in first place in terms of quantity imported, with an increase of 10.4% and 177.8 million. "Extraction & Petroleum Industries" saw a decline of 72.0%, a pattern followed by "General Use Machinery" (-13.0%) and "Iron & Steel Products" (-15.9%).

In terms of **customs duty groups**, the largest of these groups, "Petroleum Oils or Oils Obtained from Bituminous Minerals" (accounting for 7.5% of the total), fell by 70.1%. This trend was also observed in 10 of the 25 largest customs duty groups, notably "Petroleum gas and other hydrocarbon gases" (-84.6%). There was a notable rise in "Refined Petroleum Oils" which, with an increase of 176.4% and 58 million, was the fourth most imported product in October 2020 (third in the previous month). It seems, then, that for this product, what is not produced in the Basque Country is imported. More specifically, we can say that these mainly include "Low-sulphur diesel" and "Kerosene/jet fuel".

BALANCE FOR THE FIRST TEN MONTHS OF 2020

Over the first ten months of 2020, the Basque Country recorded a positive balance of 4,237 million euros in terms of foreign trade in goods

During the first ten months of the year, the Basque Country's **exports** fell by 19.2% compared to the same period in 2019. This translates into a decrease of 4,079.9 million euros. The total amount of exports in this period was 17,157.8 million, equivalent to a trade balance of 4,237.0 million euros, almost 97 million down on that registered in the same period of 2019. Consequently, the coverage rate stood at 132.8%, which is 7.2 percentage points higher than in 2019, despite the gross decrease in the millions of euros exported.

Over the course of this period, more than 17,100 million euros' worth of goods were exported, led by Bizkaia with 6,383.1 million and followed by Gipuzkoa with 5,656.2 million and Álava with 5,118.5 million. Compared to the equivalent period for 2019, significant decreases were recorded by the three provinces in terms of total exports. Bizkaia headed the list with -21.0% (down 1,699.4 million euros), followed by Gipuzkoa with -20.4% (down -1,448.6 million euros) and Álava, which decreased by 15.4% (down 931.9 million euros).

The ranking for these first ten months of 2020 placed Germany as the prime recipient of goods from the Basque Country, with 17.7% (3,033.6 millions). After Germany came France (15.5% and 2,666.4 million euros), the United States (6.5%, and 1,115.0 million euros) and the United Kingdom (6.4% and 1,103.9 million euros). Between them, these four countries accounted for almost half of Basque exports for this period (46.2%).

Cumulative **imports** for the Basque Country as a whole during the period analysed amounted to 12,920.8 million euros. The year-on-year comparison of this figure revealed that it is almost 3,983 million euros down on the equivalent for the same period in 2019.

The ten most exported products (**customs duty groups**) during the first ten months of 2020 accounted for 39.9% of all exports, reaching a total of 6,842.4 million euros. Of these groups, only one recorded an increase: namely, *Railway or Tramway Vehicle Parts*, which grew by 93.7% (164.8 million euros) compared to the same period in 2019. All of the other groups recorded lower figures than the equivalent period for 2019. Most of the aforementioned decreases stood above 100 million euros, with four of them standing out with downturns in excess of 349 million; three are connected to groups in the vehicle sector. "*Passenger Cars with Fewer than 10 Seats*" fell by 21.8% (down 423.4 million euros), "*Vehicle Parts and Accessories*" fell by 23.3% (down 349.5 million euros) and "*Diesel and Electric Motor Units for Railway Tracks and Motorised Trams*" fell by 68.1% (down 602.4 million euros). A considerable downturn (-44.2%, down 538.0 million euros) was also registered in "*Refined Petroleum Oils*".

Main tariff headings exported to the United Kingdom from the Basque Country. Thousands of euros (p). January-October 2020 accumulated

	2019	2020	2020 %	2020/2019 (%)
Total	1.969.752	1.103.896	100	-44,0
Parts and accessories of motor vehicles	160.118	112.807	10,2	-29,5
Diesel or electric motor units for railway tracks and motorised trams	519.746	95.190	8,6	-81,7
Vehicle parts for rail road tracks or similar	42.802	81.500	7,4	90,4
Iron or non-alloyed profiles	140.272	68.058	6,2	-51,5
New rubber tyres	81.063	65.809	6,0	-18,8
Motor vehicles for goods transport	137.728	58.350	5,3	-57,6
Tourisms of less than 10 people	124.678	50.791	4,6	-59,3
Wine made with fresh grapes	30.002	34.609	3,1	15,4
Faucet articles, valves and similar organs for pipes	32.181	25.507	2,3	-20,7
Parts of spark ignition or compression ignition engines	34.205	21.707	2,0	-36,5
Turbojet engines, propeller turbines and other combustion turbines, including their parts and components	28.975	21.158	1,9	-27,0
Refined petroleum oils	19.539	16.836	1,5	-13,8
Sunflower oil, flak or cotton even refined but not chemically modified	11.083	15.831	1,4	42,8
Aircraft parts	9.354	15.794	1,4	68,8
Construction-based sheets, rods, profiles, tubes and similars, of cast iron, iron or steel	2.475	14.528	1,3	487,1
Chocolate and other food preparations containing cocoa	14.442	13.939	1,3	-3,5
Motor vehicles for the transport of ten or more persons, including the driver	26.732	13.736	1,2	-48,6
Sheets and bands, of aluminum, of a thickness exceeding 0.2 mm	21.816	12.600	1,1	-42,2
Bars and sections in stainless steel	22.858	12.359	1,1	-45,9
Goods not specifically covered by the customs tariff	311	11.800	1,1	3688,1
Cranes and lifting devices, bridges and wheelbarrow crane	7.850	11.194	1,0	42,6
Lifts, escalators, transporters...	16.291	11.173	1,0	-31,4
Iron or steel non-soldered hollow tubes or profiles	15.725	10.455	0,9	-33,5
Bars and profiles, of other alloyed steels and bars for perforation	11.570	9.983	0,9	-13,7
Padlocks, locks, bolts and keys made of base metals	14.395	9.959	0,9	-30,8

(p)Provisional data

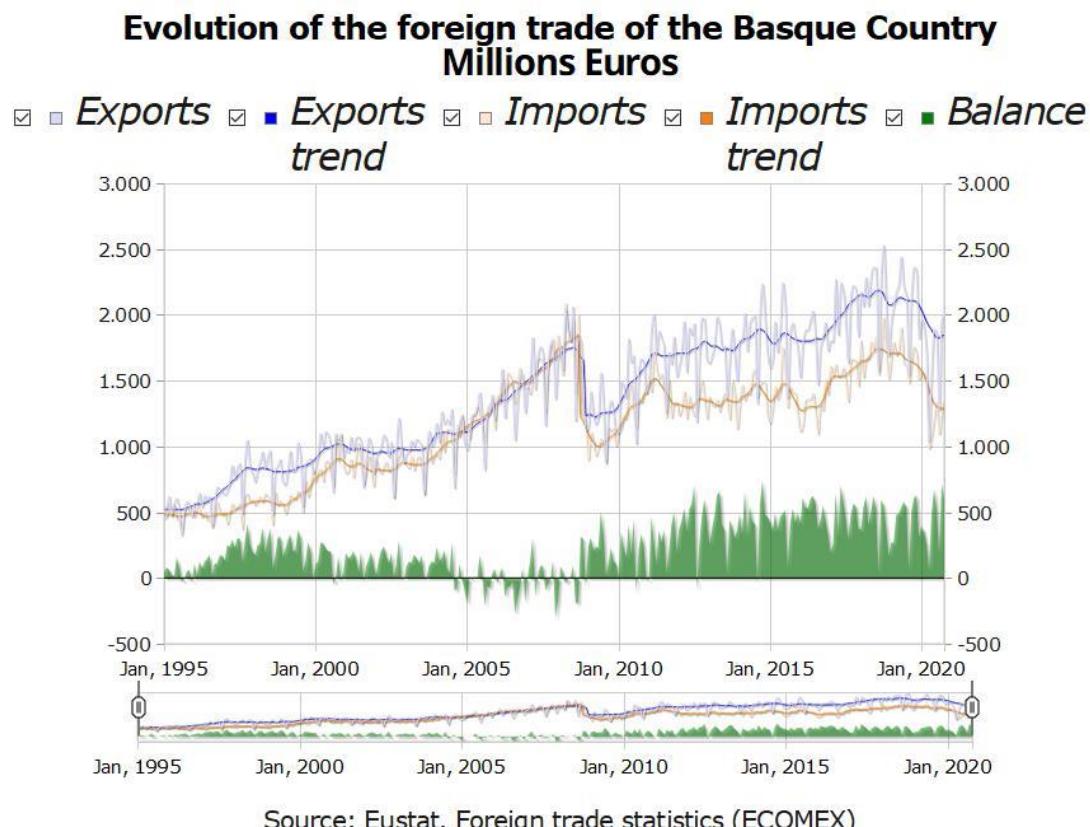
Source: Eustat. Foreign trade statistics (ECOMEX)

If we broaden the focus of our analysis to the 25 main products (53.9% of the total, with 9,247.4 million euros in exports), we see that only another two, in addition to the one mentioned above, saw increases on 2019, namely “*Wine made with fresh grapes*” (1.2% and up 1.9 million) and “*Unrefined copper and copper anodes for electrolytic refining*” (25.0% and up 30.3 million).

Cumulative **imports** for the Basque Country as a whole during this time period amounted to 12,920.8 million euros. Comparing this figure in year-on-year terms, we see that it is almost 3,983 million euros down on the equivalent for the same period in 2019. This decrease (-23.6%) is largely due to the fact that the province of Bizkaia (with accumulated imports of 6,997.8 million) registered a downturn of 28.9%, hence exports were down by 2,842.9 million on the same period of the previous year. Imports also decreased in Gipuzkoa (-18.3%, down by 658.0 million euros) and Álava (-13.9%, down by 482.1 million euros), with the value of imports in these two provinces standing at 2,943.3 and 2,979.7 million euros, respectively.

Imports of *Energy Products* fell by 46.5% and those of *Non-energy Products* were down 15.1%.

Foreign trade in goods in the Basque Country during 2020 so far had a **positive balance** of 4,237.0 million euros. Although this is almost 97 million down on that registered during the same period of the previous year, it enables a positive coverage rate to be maintained, passing from 125.6 % to 132.8%.



FOREIGN TRADE WITH THE UNITED KINGDOM

Foreign trade in goods from the Basque Country with the United Kingdom had a positive balance of 701.3 million euros during the first ten months of 2020

For the first ten months of 2020 as a whole, exports to the United Kingdom continued to be significant (1,103.9 million), representing 6.4% of the total, a figure very close to the average of the last 28 years (7.0%). This percentage takes it to fourth place in the country ranking, which is topped by Germany (17.7%), France (15.5%) and the United States (6.5%). The United Kingdom has always occupied one of the top positions in the export ranking: third, fourth or fifth place.

In this same period, imports from the United Kingdom (402.6 million) accounted for 3.1% of the total, a percentage that it is below the historical series average, which began in 1990 and stands at 8.5%, with periods (1994 to 2003) in which it has been between 10.6% and 12.2%. Currently, the weight of British exports places the United Kingdom in ninth place in the import ranking, during the period considered, behind countries such as Germany (16.0%), France (9.8%), China (8.0%), Italia (5.0%), México (4.2%) and Russia (4.0%), Ireland (4.0%) and the United States (4.0%). In 1994 and 1995 the United Kingdom did in fact occupy second place. As a consequence of this double flow, export-import, there was a negative trade balance from 1990 to 2004, when it became positive. This pattern has been maintained up to the present, with the exception of 2014 and 2015. In 2020 so far, the trade balance of goods generated a surplus of 701.3 million euros, which places the coverage rate (if it is greater than 100 we export more than we import) at 274.2%, above countries such as Germany (147.1%), France (211.5%) or the United States (226.6%).

Principales partidas arancelarias exportadas al Reino Unido desde la C.A. de Euskadi. Miles de euros (p). Acumulado Enero-Octubre 2020

	2019	2020	2020 %	2020/2019 (%)
Total	1.969.752	1.103.896	100	-44,0
Partes y accesorios de vehículos automóviles	160.118	112.807	10,2	-29,5
Automotores para vías férreas y tranvías autopropulsados	519.746	95.190	8,6	-81,7
Partes de vehículos para vías férreas o similares	42.802	81.500	7,4	90,4
Perfiles de hierro o acero sin alear	140.272	68.058	6,2	-51,5
Neumáticos nuevos de caucho	81.063	65.809	6,0	-18,8
Vehículos automóviles para el transporte de mercancías	137.728	58.350	5,3	-57,6
Turismos de menos de 10 personas	124.678	50.791	4,6	-59,3
Vino de uvas frescas	30.002	34.609	3,1	15,4
Artículos de grifería, válvulas y órganos similares para tuberías	32.181	25.507	2,3	-20,7
Partes de motores de encendido por chispa o por compresión	34.205	21.707	2,0	-36,5
Turborreactores, turbopropulsores y demás turbinas de gas, incluidas sus partes y componentes	28.975	21.158	1,9	-27,0
Aceites refinados de petróleo	19.539	16.836	1,5	-13,8
Aceites de girasol, cártamo o algodón, incluso refinados, pero sin modificar químicamente	11.083	15.831	1,4	42,8
Partes de aeronaves	9.354	15.794	1,4	68,8
Construcciones a base de chapas, barras, perfiles, tubos y similares de fundición, hierro o acero	2.475	14.528	1,3	487,1
Chocolate y demás preparaciones alimenticias que contengan cacao	14.442	13.939	1,3	-3,5
Vehículos automóviles para transporte de diez o más personas, incluido el conductor	26.732	13.736	1,2	-48,6
Chapas y tiras, de aluminio, de espesor superior a 0,2 mm	21.816	12.600	1,1	-42,2
Barras y perfiles, de acero inoxidable	22.858	12.359	1,1	-45,9
Mercancías no contempladas específicamente en el arancel aduanero	311	11.800	1,1	3688,1
Grúas y aparatos de elevación, puentes y carretillas grúa	7.850	11.194	1,0	42,6
Ascensores, escaleras mecánicas, transportadores,...	16.291	11.173	1,0	-31,4
Tubos y perfiles huecos, sin soldadura, de hierro o acero	15.725	10.455	0,9	-33,5
Barras y perfiles de los demás aceros aleados y barras huecas para perforación	11.570	9.983	0,9	-13,7
Candados, cerraduras, cerrojos y llaves de metales comunes	14.395	9.959	0,9	-30,8

(p) Datos provisionales

Fuente: Eustat. Estadística de comercio exterior (ECOMEX)

If we analyse the **products that we sell to the United Kingdom**, we should point out, for exports in the first ten months of 2020, that the main product (4-digit customs duty group) exported was "Vehicle Parts and Accessories" (112.8 million) with 10.2% of the total, followed, in order, by "Diesel and Electric Motor Units for Railway Tracks and Motorised Trams" (95.2 million and 8.6%), "Railway or Tramway Vehicle Parts" (81.5 million and 7.4%), "Iron or Non-Alloy Steel Sections" (68.1 million and 6.2%), "New Rubber Tyres" (65.8 million and 6.0%), "Goods Transport Vehicles" (58.4 million and

5.3%) and “Passenger Cars with Fewer than 10 Seats” (50.8 million and 4.6%). As we can see, seven of the eight first customs duty groups were related to vehicles, which had two other products among the top 25, including “Aircraft Parts” (15.8 million and 1.4%) and “Vehicles for transporting 10 or more people, including the driver” (13.7 million and 1.2%). This group accounted for 45.7% of the total exported between January and October 2020, with 504.5 million. Throughout 2019, a total of 1,338.3 million, 57.6% of the total, were exported in this group. Other noteworthy customs duty groups/sections among the main exports include “Base Metals & Manufactured” and “Machinery and Mechanical Appliances”.

The main products imported from the United Kingdom during the period considered were, by order of significance: “Petroleum oils or oils obtained from bituminous minerals” (88.7 million and 24.3% of the total), “Remelting scrap ingots of iron or steel” (22.3 million and 6.1%), “Flat, hot-rolled iron or non-alloy steel products of a width exceeding 599mm” (18.2 million and 5.0%), “Fresh or Refrigerated Fish” (15.0 million and 4.1%), “Railway or Tramway Vehicle Parts” (13.8 million and 3.8%) and “Refined Petroleum Oils” (13.1 million and 3.6%). These products have also been the most important over recent years (2000 to 2018), alternating in the top positions, with the exception of 2011, 2012 and 2013, when there were no imports of petroleum oils. Attention should also be drawn to another two products that, albeit with a more irregular trajectory and since 2004, have always been in the top ten: “Turbo-reactors, turbo-propellers and other gas turbines, and their parts and components” and “Stainless steel in ingots or other primary forms”. To conclude the analysis of imports, we can say that ten products account for 58% of imports, that the classification of “Mineral fuels, oils and products of their distillation” comprised a quarter of total imports in the period in question (102.4 million and 25.4%) and that, together with “Iron and Steel” (78.1 million and 19.4%), they set the trend for imports to the Basque Country from the United Kingdom.

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