

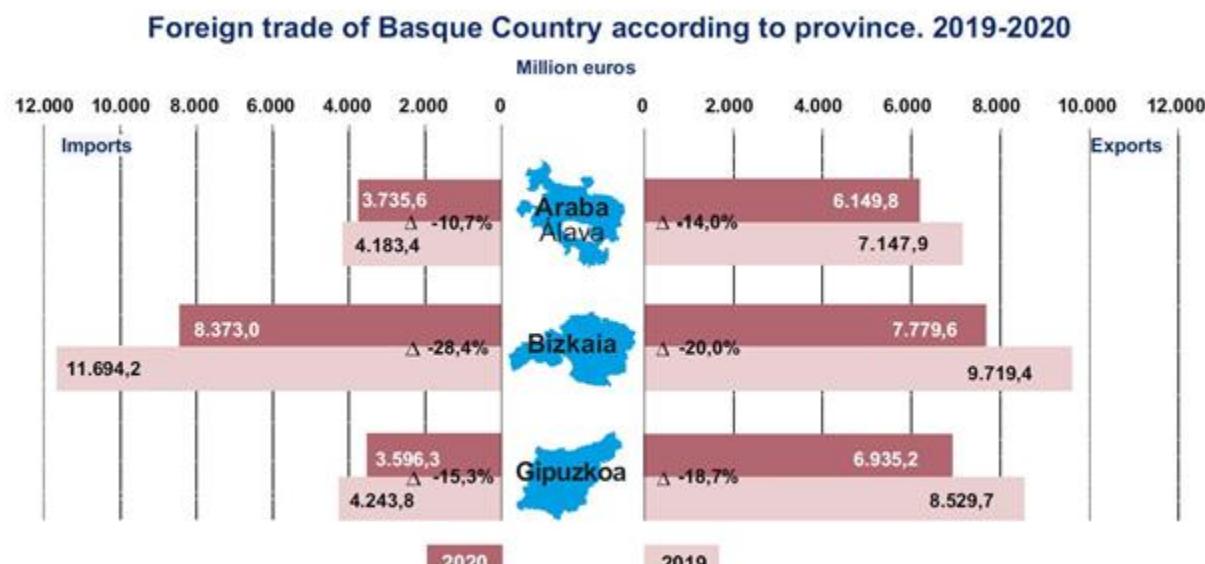
The Covid-19 crisis seriously affected foreign trade, but the positive trade balance was maintained in the Basque Country in 2020

In December, exports were down 10% and imports fell by 14.3%

In 2020, a year marked by the Covid-19 health crisis, exports of goods from the Basque Country reached 20,864.5 million euros, a drop of 17.8% compared to the volume of exports in 2019. Imports stood at 15,704.9 million euros, 21.9% down on the previous year, according to Eustat data.

This is the second worst record in the historical series available, surpassed only in 2009, when exports fell by 26.3% and imports were down 38.9%. In fact, the series shows negative growth only on seven occasions, with drops that do not in any case exceed 3%, except on the two dates mentioned.

In 2020, the decline in trade flows affected both exports and imports, which has kept the trade balance positive. The surplus for 2020 was in the order of 5,159.6 million, down 115.9 million, or 2.2%, on 2019.



Source: Eustat. Foreign trade statistics (ECOMEX)

Analysing the “non-energy” trade balance reveals that this was equally positive and reached 7,106.4 million, which represents, if we compare it with the previous year (8,661.4 million), a decrease of 18.0%. The balance for “energy products”, which was negative by 3,385.9 million in 2019, fell to -1,946.8 million, 42.5% less than the trade deficit for energy.

The Covid-19 pandemic has had an exceptional impact on import and export activity since March 2020. In that month, exports of goods fell by 21.8% and imports were down 14.9%. However, it was in April and May when its effects on foreign trade were more intensely felt. In April, exports were

less than half (-53.2%) of those recorded the previous year, 2019, and in May the value of exports dropped by 36%.

Evolution of exports and imports by month according to province. (Δ 2020/2019)

Basque Country	Exports			Basque Country	Imports			
	Araba/Álava	Bizkaia	Gipuzkoa		Araba/Álava	Bizkaia	Gipuzkoa	
Total	-17,8	-14,0	-20,0	-18,7	-21,9	-10,7	-28,4	-15,3
January	1,4	-2,7	14,5	-8,8	-5,9	-2,1	-1,6	-19,7
February	-7,9	4,7	-6,4	-19,7	-13,6	-8,8	-18,5	-4,8
March	-21,8	-29,3	-20,9	-16,6	-14,9	-13,1	-12,8	-22,0
April	-53,2	-69,2	-51,5	-44,3	-43,2	-55,3	-43,5	-31,1
May	-36,0	-34,5	-37,7	-35,5	-43,8	-36,4	-49,9	-34,1
June	-14,4	-7,9	-6,3	-28,0	-25,5	-20,0	-30,1	-19,3
July	-13,4	-7,0	-18,8	-13,7	-16,7	-0,1	-23,0	-14,5
August	-17,1	-17,2	-22,6	-11,2	-26,2	11,2	-37,8	-18,7
September	-8,2	3,4	-21,6	-2,3	-23,5	-15,8	-32,1	-7,8
October	-15,3	-3,8	-23,9	-15,4	-20,0	6,1	-35,0	-7,1
November	-11,6	-1,6	-18,2	-11,8	-12,7	-5,2	-21,4	4,2
December	-10,0	-12,0	-10,1	-8,4	-14,3	16,9	-30,8	-1,1

Source: Eustat. Foreign trade statistics (ECOMEX)

In the months immediately following, the negative trend in exports evened out significantly until September, when they reached a low of -8.2% since the start of the Covid-19 pandemic. The last quarter started with a negative spike in October, which brought the year-on-year rate, -15.3%, to mid-year levels. This quickly eased, until December closed at -10%.

Similarly, imports saw their lowest year-on-year rates in April and May, at -43.2% and -43.8%, respectively, and their monthly trends ran parallel to that of exports, albeit at higher negative values of around 20% or more, until the last two months of the year, when they fell to -12.7% in November and -14.3% in December.

In 2020, foreign trade was least affected in Álava

In 2020 overall, all three provinces experienced a considerable decline in foreign trade.

In this context of widespread downturns, the impact on Álava was comparatively lower. Its exports were down 14% and imports dropped 10.7%, following the slump in its exports in March (-29.3%) and especially in April (-69.2%), when it was, conversely, the worst affected province.

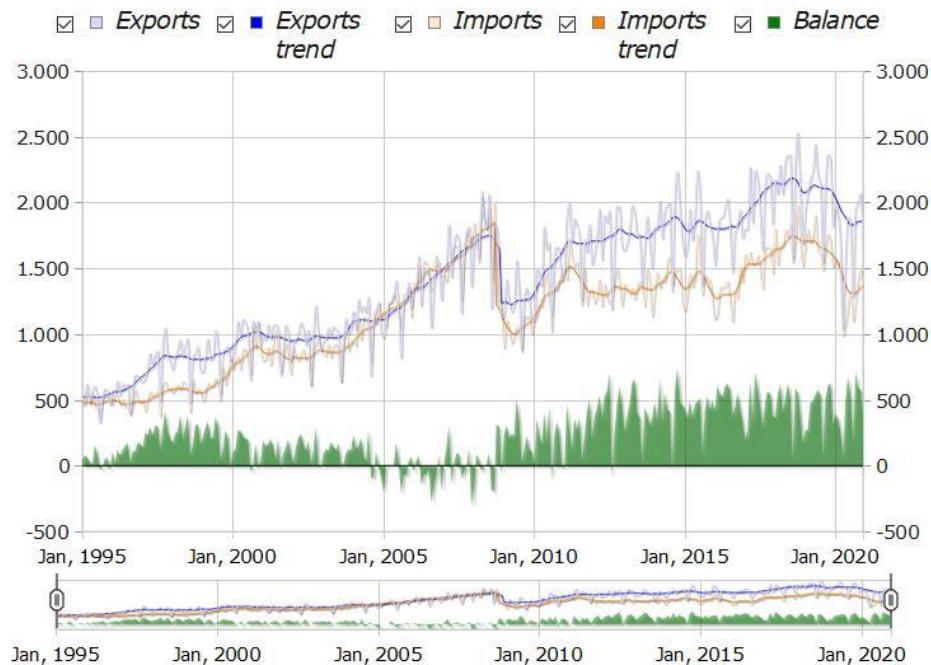
In 2020, Gipuzkoa, the only province that saw an increase in exports (11.6%) and imports (3.6%) at the close of 2019, lost 18.7% of exports and 15.3% of imports in 2020.

Lastly, Bizkaia, like Álava, experienced two consecutive years of declining imports and exports, with higher values for both: exports were down by 20.0% and imports by 28.4%. In its case, the highest values lasted throughout the second half of the year, whereas in Gipuzkoa and especially Araba/Álava, the effects of the crisis were somewhat alleviated.

Nevertheless, it should be noted that considering only non-energy exports, instead of 20%, the drop in exports from Bizkaia would have been limited to 11.3%, given the importance of exports of this kind in the province.

Evolution of the foreign trade of the Basque Country

Millions Euros



Source: Eustat. Foreign trade statistics (ECOMEX)

Within exports, the customs duty group with the greatest weight in the Basque Country is Passenger cars with fewer than 10 seats, which registered a year-on-year decrease of 23.3% in 2020

In 2020, the 25 main export duty groups accounted for more than half of the value of exports in this region (53.6%).

The two most important Basque export groups during 2020 were *Passenger cars with fewer than 10 seats* and *Vehicle parts and accessories*.

The former, with 1,757.1 million euros, accounted for 8.4% of total exports, after having dropped by 23.3% last year. For the latter, the fall was 19.5%, and the 1,421.9 million in exports accounted for 6.8% of the total. *Goods Transport Vehicles* accounted for the same percentage, and took third place in the ranking with 1,416.2 million euros. Exports in this group were down by only 0.4% on 2019.

On the list of most relevant groups, only two grew in year-on-year terms. These were *Railway or Tramway Vehicle Parts*, with exports worth 373.8 million euros, up 85.8%, and *Wine of fresh grapes*, up 2.4% at 205.2 million euros in 2020.

Conversely, there were significant decreases, both in absolute and relative terms, in *Refined Petroleum Oils* and in *Diesel and Electric Motor Units for Railway Tracks and Motorised Trams*. The former reached an export value of 813.5 million euros, which represented 3.9% of the total, after registering a year-on-year decrease of 43.9% for the period in question. The second fell by 69.1%,

with exports down by more than seven hundred million euros in one year, at only 333.9 million euros.

Main export tariff headings in the Basque Country. Thousands of euros. 2020

	2019	2020	%	20/19 (%)
Total	25.396.938	20.864.546	100	-17,8
Tourisms of less than 10 people	2.289.966	1.757.142	8,4	-23,3
Parts and accessories of motor vehicles	1.767.156	1.421.915	6,8	-19,5
Motor vehicles for goods transport	1.422.173	1.416.185	6,8	-0,4
New rubber tyres	956.987	907.193	4,3	-5,2
Refined petroleum oils	1.451.244	813.468	3,9	-43,9
Faucet articles, valves and similar organs for pipes	516.781	493.937	2,4	-4,4
Vehicle parts for rail road tracks or similar	201.218	373.767	1,8	85,8
Iron or steel non-soldered hollow tubes or profiles	476.094	366.412	1,8	-23,0
Iron or non-alloyed profiles	489.226	342.986	1,6	-29,9
Diesel or electric motor units for railway tracks and motorised trams	1.080.946	333.935	1,6	-69,1
Other iron and steel manufacturers	290.381	282.389	1,4	-2,8
Interchangeable tools for hand tools or machine tools	308.942	259.465	1,2	-16,0
Sheets and bands, of aluminum, of a thickness exceeding 0.2 mm	379.043	251.364	1,2	-33,7
Copper without refining; anodes for electrolytic refined copper	254.866	249.809	1,2	-2,0
Wine made with fresh grapes	200.393	205.165	1,0	2,4
Lifts, escalators, transporters...	223.911	202.004	1,0	-9,8
Bars and sections, in stainless steel	223.045	188.792	0,9	-15,4
Transmission shafts, bearings, gear units clutches...	219.502	181.144	0,9	-17,5
Padlocks, locks, bolts and keys made of base metals	194.585	173.958	0,8	-10,6
Other tubes and hollow profiles of iron or steel	183.245	167.758	0,8	-8,5
Bars and profiles, of other alloyed steels and bars for perforation	216.718	167.251	0,8	-22,8
Electrical transformers, static converters and reactance coils	184.658	157.980	0,8	-14,4
Wires, electrically conductive insulated cables and fiber optic cables	166.314	157.802	0,8	-5,1
Machines for washing, filling, closing, labeling containers and packaging devices	162.547	157.098	0,8	-3,4
Pictures, panels and support for control or distribution of electricity	160.248	154.743	0,7	-3,4

Source: Eustat. Foreign trade statistics (ECOMEX)

Exports to the European Union (EU-27) were down 12.6% and imports were down 13.4%

62.9% of our total exports, 13,124.9 million euros, were destined for the European Union, a 12.6% decrease compared to the previous year. For imports, the drop was 13.4% to a value of 8,605.9 million. Thus, the trade balance compared to the European Union was positive (4,519 million) but 561.7 million euros down on the previous year.

In more detail, Germany was our main trading partner in 2020. This country received 17.3% of total exports (3,607.4 million) and it accounted for a similar proportion of imports, 16.3%. France was the second most dynamic country in our international trade relations, accounting for 15.5% of Basque exports and 9.9% of imports.

The United States, the United Kingdom and Italy made up the five countries to which the Basque Country sent half of all the goods it exported.

After Germany and France, China, Italy and Mexico were the other major sources of imports, with these five countries accounting for 43.7% of imports in 2020.

Foreign trade of the Basque Country by destination countries. Thousands of euros. 2020

	Exports	%	Imports	%	Trade balance	Coverage rate (%)
TOTAL	20.864.546	100,0	15.704.926	100,0	5.159.620	132,9
Germany	3.607.353	17,3	2.562.413	16,3	1.044.941	140,8
France	3.232.933	15,5	1.560.155	9,9	1.672.778	207,2
United States	1.362.537	6,5	565.307	3,6	797.230	241,0
United Kingdom	1.343.328	6,4	507.284	3,2	836.045	264,8
Italy	1.067.472	5,1	849.809	5,4	217.664	125,6
Belgium	924.011	4,4	356.334	2,3	567.676	259,3
Portugal	867.840	4,2	410.973	2,6	456.867	211,2
Netherlands	786.136	3,8	472.517	3,0	313.619	166,4
Poland	514.591	2,5	328.405	2,1	186.186	156,7
Mexico	436.662	2,1	648.270	4,1	-211.608	67,4
People's Republic of China	436.350	2,1	1.242.995	7,9	-806.646	35,1
Czech Republic	310.009	1,5	152.989	1,0	157.021	202,6
Russian Federation	287.568	1,4	571.898	3,6	-284.330	50,3
Turkey	277.203	1,3	178.207	1,1	98.997	155,6
Sweden	272.462	1,3	300.516	1,9	-28.054	90,7
Austria	250.901	1,2	203.171	1,3	47.730	123,5
Switzerland	245.188	1,2	107.846	0,7	137.342	227,3
Norway	225.916	1,1	267.663	1,7	-41.747	84,4
Morocco	218.484	1,0	28.341	0,2	190.144	770,9
Brazil	217.156	1,0	247.123	1,6	-29.967	87,9

Source: Eustat. Foreign trade statistics (ECOMEX)

DECEMBER 2020

In December 2020, the performance of foreign trade in goods continued to be affected by the protracted crisis caused by the pandemic.

Exports of goods from the Basque Country reached 1,638.3 million euros, a decrease of 10% compared to December 2019. Imports, on the other hand, at 1,292.8 million, fell by 14.3% in year-on-year terms.

As a result, the Basque trade balance for this month was positive, at 345.5 million, and 34.6 million more than the balance recorded in December 2019.

As in previous months, the performance of energy products contributed to these year-on-year decreases to a large extent. *Energy* exports fell by 34.1%, while *non-energy* exports were down 7.9%.

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

	EXPORTS			IMPORTS		
	December		Δ %	December		Δ %
	2019	2020		2019	2020	
BASQUE COUNTRY						
TOTAL MONTH	1.820.145	1.638.284	-10,0	1.509.187	1.292.750	-14,3
ENERGY PRODUCTS	144.683	95.387	-34,1	444.017	161.852	-63,5
NON-ENERGY PRODUCTS	1.675.462	1.542.898	-7,9	1.065.170	1.130.899	6,2
ACCUMULATED YEARLY PERIOD	25.396.938	20.864.546	-17,8	20.121.458	15.704.926	-21,9
ENERGY PRODUCTS	2.022.885	951.362	-53,0	5.408.799	2.898.185	-46,4
NON-ENERGY PRODUCTS	23.374.053	19.913.185	-14,8	14.712.659	12.806.741	-13,0
ARABA / ÁLAVA						
TOTAL MONTH	470.657	414.251	-12,0	324.643	379.529	16,9
ACCUMULATED YEARLY PERIOD	7.147.860	6.149.756	-14,0	4.183.414	3.735.587	-10,7
BIZKAIA						
TOTAL MONTH	709.885	637.969	-10,1	871.311	603.296	-30,8
ACCUMULATED YEARLY PERIOD	9.719.368	7.779.566	-20,0	11.694.210	8.373.004	-28,4
GIPUZKOA						
TOTAL MONTH	639.603	586.065	-8,4	313.232	309.925	-1,1
ACCUMULATED YEARLY PERIOD	8.529.710	6.935.225	-18,7	4.243.833	3.596.336	-15,3

Source: Eustat. Foreign trade statistics (ECOMEX)

The direct nature of the relationship between imports and exports of energy products explains why energy imports were also down by 63.5% (282.2 million euros). Non-energy imports were up 6.2%.

However, overall, **imports of goods** to the Basque Country, with a total of 1,292.8 million euros, fell by 14.3% compared to March 2019.

At the provincial level, exports from Gipuzkoa declined by 8.4%, the biggest drop of all three provinces. The groups *Vehicle parts and accessories* (-20.5%), *Iron or Non-Alloy Steel Sections* (-55.6%) and, above all, *Vehicles for transporting 10 or more people, including the driver* (-78.4%) had the most significant impact on the final figure of 53.5 million euros less exported from Gipuzkoa in 2020.

The decline in exports in Bizkaia, whose value dropped by 10.1% in December 2020 compared to the same month of 2019, was mostly concentrated in *Refined Petroleum Oils*. It was the main export in Bizkaia, and it exported 48.9 million euros less than the same month of the previous year (-39.9%). Among the most important non-energy products, some positive trends were observed: *Vehicle parts and accessories*, *Unrefined copper and copper anodes for electrolytic refining* and *New Rubber Tyres* were up 12.1%, 301.5% and 27.9% more than the same month of the previous year.

Lastly, Álava was the worst performer in terms of exports in December 2020, with a 12.0% drop, essentially caused by the downturn in the *Passenger cars with fewer than 10 seats* and *Seamless tubes and hollow profiles made of iron or steel* export duty groups, of 31.3% and 47.5%, respectively.

It is also worth noting the positive performance in this province of one of its main export duty groups, *New Rubber Tyres*, which was up 10.7% in December 2020 compared to the same month of 2019.

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