

The Professional and Business Services sector employed almost 132,000 people in 2019, 12.6% of the total

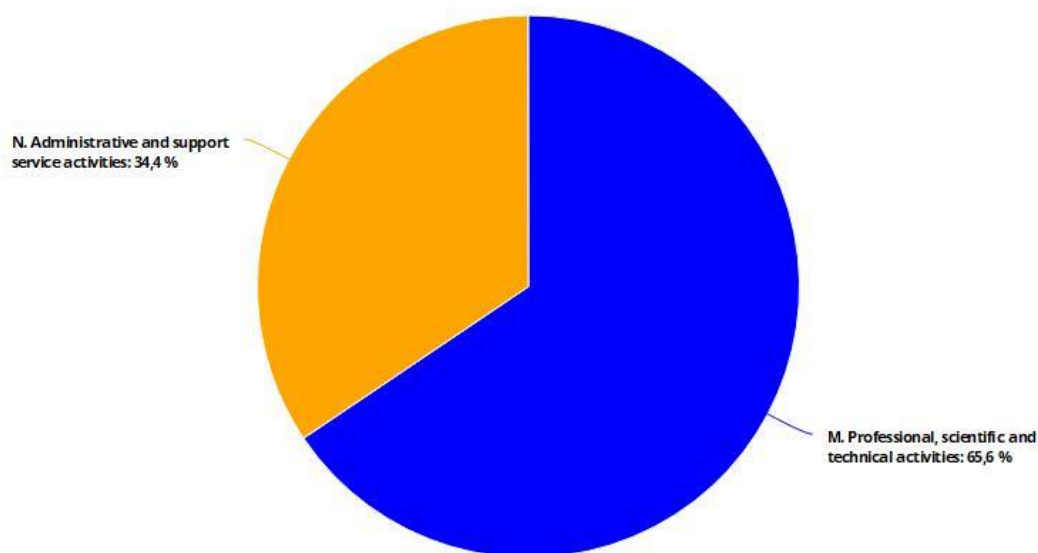
Small companies with between 10 and 49 employees saw the largest growth

In 2019, the year before the pandemic, the Professional and Business Services sector employed 131,529 people, 12.6% of all people in work in the Basque economy for that year, according to data prepared by Eustat.

The number of people employed in the Professional and Business Services sector – which encompasses professional, scientific administrative and auxiliary service activities – increased by 4% compared to 2017, and the sector turned over 9,999 million euros, 0.8% more than two years previously. Despite the growth in employment and turnover, the number of establishments fell by 1.4%, making a total of 27,993.

Division of turnover within the professional activities and auxiliary service sector by activity sub-sector (2019)

percentage

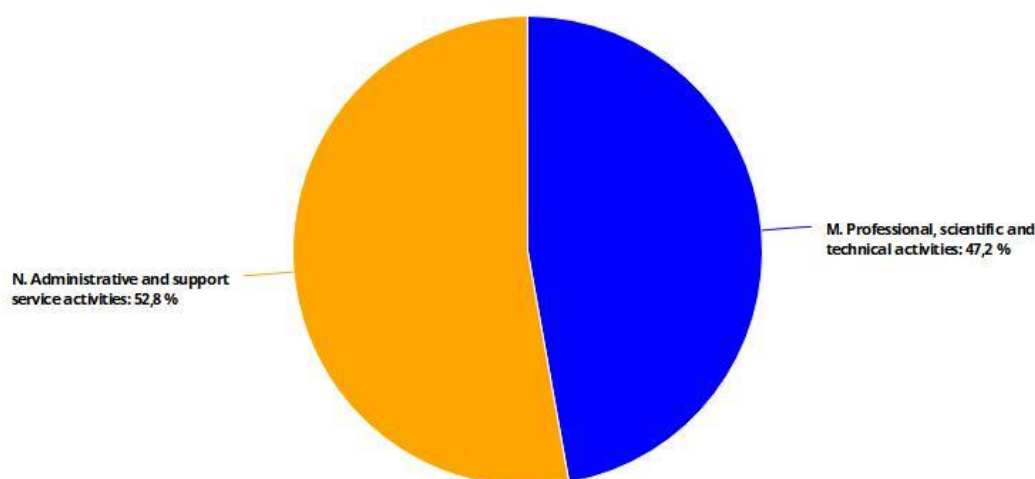


Source: Eustat. Services survey

Period availables 2019 ▾

Division of personnel employed within the professional activities and auxiliary service sector by activity sub-sector (2019)

percentage



Source: Eustat. Services survey

Period availables

Within Professional Services and Auxiliary Services, **the Professional, Scientific and Technical Activities section** - which in itself encompasses the divisions of Legal and Accounting Activities, Architectural and Engineering Services, Research and Development, Advertising and Market Research and Other Professional Activities - was the leading division in terms of the number of establishments, representing 78.6% of the total, and in terms of turnover, 65.6%, although it did not cover half of total employment, standing at 47.2%.

Between 2017 and 2019, the sector's turnover declined by 2.8% and the number of establishments fell by 1.9%, while employment increased slightly, by 0.3%.

In an analysis of results at a more disaggregated activity level, and within the Professional, Scientific and Technical Activity section, the divisions that stood out were Legal and Accounting Activities and Architectural and Engineering Services. With similar turnover, 2,965 million euros for the first, 45.2% of its division, and 2,274 million euros for the second, 34.7% of the division, between them they accounted for 79.9% of total turnover, 74.8% total establishments and 69.8% of jobs.

In 2019, the division of Legal and Accounting Activities employed 25,256 people at 10,732 establishments, while the 5,689 establishments in Architectural and Engineering Services provided 18,056 jobs. Compared to 2017, both have declined in terms of turnover, -7.1% in Legal and Accounting Activities and -1.8% in the case of Architectural and Engineering Services, and in terms of the number of establishments, -2.9% for the former and -3.2% for the latter. Employment fell 2.9% in Legal and Accounting Activities but in Architectural and Engineering Services it was up 1.5%.

As regards the three remaining divisions, there was a significant upturn in Research and Development, where turnover grew by 25.8% compared to 2017. This was the division that saw the largest growth in turnover of all Professional and Business Services. On the other hand, turnover was down in both Advertising and Market Research and Other Professional Activities, falling by 2.5% and 2.3% respectively.

As in the case of turnover, there was an upward trend in employment and the number of jobs in Research and Development activities, with 4.1% more establishments and 7% more jobs in 2019 compared to 2017. In Other Professional Activities (which includes Design, Photography, Translation, Interpreting and Veterinary Activities) employment was up by 3.8% and the number of establishments rose by 3% in these two years. The same did not apply for the Advertising and Market Research, which showed negative trends in terms of the number of establishments, which was down 2.7%, and in the number of jobs, which was down 2.3%.

Main variables by activity group (Thousands of euros). 2019

	Establishments			Personnel employed			Turnover figure		
	Value	% over total	Variation 2017-2019 (%)	Value	% over total	Variation 2017-2019 (%)	Value	% over total	Variation 2017-2019 (%)
Professional activities and auxiliary services	27.933	100,0	-1,4	131.529	100,0	4,0	9.999.179	100,0	0,8
Professional, scientific and technical activities	21.952	78,6	-1,9	62.074	47,2	0,3	6.556.269	65,6	-2,8
Legal and accounting activities	10.732	38,4	-2,9	25.256	19,2	-2,9	2.965.031	29,7	-7,1
Architectural and engineering services	5.689	20,4	-3,2	18.056	13,7	1,5	2.273.616	22,7	-1,8
Research and development	432	1,5	4,1	7.816	5,9	7,0	501.152	5,0	25,8
Advertising and market research	1.346	4,8	-2,7	3.980	3,0	-2,3	377.336	3,8	-2,5
Other professional activities	3.753	13,4	3,0	6.966	5,3	3,8	439.134	4,4	-2,3
Administrative and support service activities	5.981	21,4	0,5	69.455	52,8	7,6	3.442.910	34,4	8,2
Rental and leasing activities	622	2,2	-5,9	2.558	1,9	2,0	456.900	4,6	7,7
Employment activities	215	0,8	8,0	12.201	9,3	5,9	342.953	3,4	6,5
Travel agencies	780	2,8	6,1	2.193	1,7	6,7	689.033	6,9	9,2
Other service activities	4.364	15,6	0,2	52.503	39,9	8,3	1.954.024	19,5	8,3

Source: Eustat. Services survey

The **Administrative Activities and Auxiliary Services** section, with overall turnover of 3,443 million euros, accounted for 34.4% of total turnover in Professional Activities and Auxiliary Services. Its 69,455 jobs made up 52.8% of total employment and its 5,981 establishments accounted for 21.4% of all establishments in this activity sector.

Furthermore, there was a significant increase in turnover in 2019 compared to 2017, of 8.2%. Employment was up 7.6%, together with a slight increase in the total number of establishments (0.5%).

Within this section, the Other Services Activities division – which is comprised of Security and Research Activities, Gardening and Building Services and Auxiliary Business Services – stood out for its contribution to the total. It accounted for three quarters of jobs and establishments overall within the section (75.6% and 73%, respectively). The changes it underwent in 2019 were positive with regards to staff employed and turnover, which both increased by 8.3%, representing 56.8% of the division's turnover. As regards the number of establishments, the slight increase of 0.2% compared to 2017 means that this division accounted for 15.6% of all Auxiliary Services establishments.

Outside of Other Services Activities, the other divisions have a much lower share of the section. Travel Agencies accounted for 13% of establishments and 3.2% of jobs; 10.4% of establishments and 3.7% of jobs were in Rental Activities, and 3.6% and 17.6% of establishments and jobs, respectively, were in Employment-Related Activities.

All three saw increases in turnover and employment: for Travel Agencies they were up 9.2% and 6.7%, respectively, for Rental Activities they rose by 7.7% and 2%, and for Employment-Related Activities they increased by 6.5% and 5.9%. This was not the case for the number of establishments, because while the total number of Travel Agency establishments grew by

6.1% and Employment-Related Activities were up 8%, Rental Activities saw the number of establishments rise by 5.9%.

Comparatively, there was a larger predominance of establishments in Legal and Accounting Activities in Bizkaia, in Research and Development in Gipuzkoa and in Employment-Related Activities in Álava

At the provincial level, the three provinces registered positive changes in the main indicators analysed in 2019. Compared to 2017, turnover varied the most across the provinces. First place was occupied by Álava, whose sales provided an increase of 6.5% for the sector as a whole, followed by Gipuzkoa (0.8%), while in Bizkaia there was a slight decrease (-0.3%).

Main variables by Province (Thousands of euros). 2019

	Basque Country	Δ%	Araba/Álava	Δ%	Bizkaia	Δ%	Gipuzkoa	Δ%
Establishments (number)	27.933	-1,4	3.735	-0,3	14.858	-0,9	9.340	-2,5
Employed personnel (number)	131.529	4,0	17.663	0,6	76.978	4,2	36.888	5,4
Turnover	9.999.179	0,8	1.198.064	6,5	6.247.191	-0,3	2.553.924	0,8
Supplyings	2.421.220	-4,7	241.668	-11,3	1.613.093	-3,2	566.459	-5,6
Expenditures on personnel	4.135.952	6,8	540.093	4,5	2.429.757	6,1	1.166.102	9,5
Exterior services	2.197.959	3,0	266.930	7,3	1.346.713	5,8	584.316	-4,7
Profit for the year	1.184.391	-16,2	138.678	52,5	758.241	-23,5	287.472	-13,0

Source: Eustat. Services survey

As regards employment, there were increases of 5.4% in Gipuzkoa, 4.2% in Bizkaia and 0.6% in Álava. Lastly, the number of establishments fell slightly in Álava (-0.3%) and Bizkaia (-0.9%), while there was a bigger drop in Gipuzkoa (-2.5%).

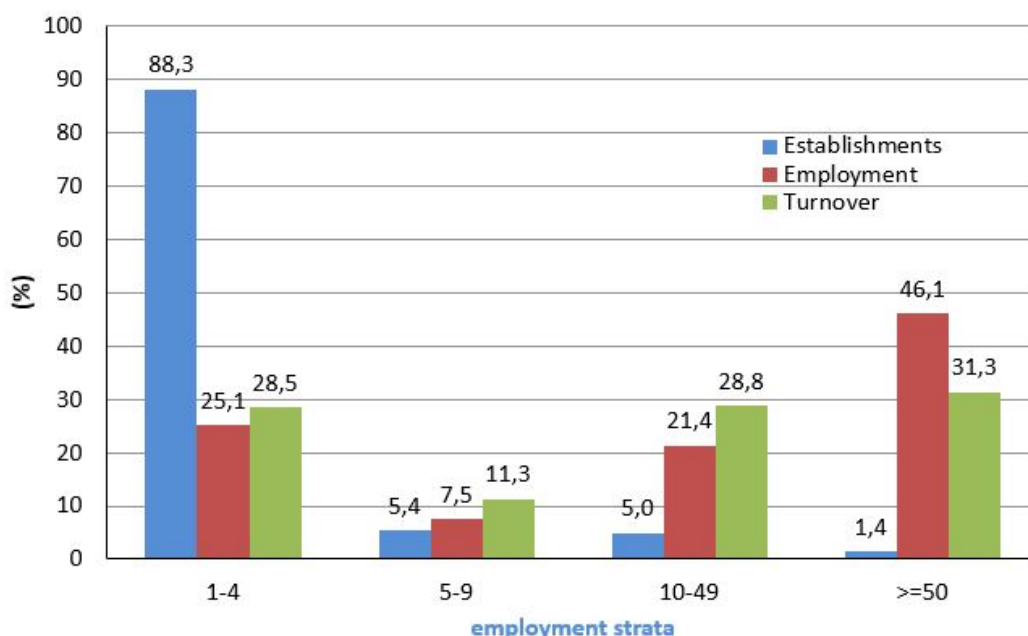
Looking at the number of establishments, 53.2% of the Basque Country total were located in Bizkaia, 33.4% in Gipuzkoa and 13.4% in Álava. These benchmark percentages were exceeded at the provincial level in some activities. The main ones were: Legal and Accounting Activities in Bizkaia, accounting for 58.5%; Research and Development in Gipuzkoa, where they accounted for 43.1%; and in Álava it was Employment-Related Activities, with 18.6%.

In terms of employment, in 2019 the distribution of the Basque Country total was 58.5% in Bizkaia, 28% in Gipuzkoa and 13.4% in Álava. In this case, the main activities by province were Other Services Activities in Bizkaia (64.1%), once again it was Research and Development in Gipuzkoa (47.5%) and Employment-Related Activities in Álava (22.8%).

Small companies (with 10 to 49 employees) saw the highest rate of growth between 2017 and 2019

Analysing details of **establishment size** according to employment did not provide any further information. Firstly, microenterprises, that is, establishments with fewer than 10 employees, represented 93.7% of the total establishments, employed 32.5% of all staff and generated 39.9% of the sector's turnover.

Distribution of the turnover, employment and number of establishments for Professional Activities and Auxiliary Services in the Basque Country by employment stratum. 2019



Source: Eustat. Services survey

Small businesses, with 10 to 49 employees, represented 5% of establishments, provided employment for 21.4% of the sector and in 2019 generated 28.8% of the sector's turnover. Finally, companies with 50 or more employees, with only 1.4% of establishments, employed 46.1% of the total and turned over a volume of 31.3% of the total.

The trend between 2017 and 2019 was very different for microenterprises than for other companies. Microenterprises have seen a 2% drop in employment and the number of establishments, while turnover saw no variation. On the other hand, small companies posted 10.3% growth in employment, a 9.3% rise in total establishments and an upturn of 2.2% in turnover. This upward trend was also shared by larger companies, for which employment rose by 5.8%, the number of establishments was up 7%, as was turnover, albeit more moderately at 0.4%.

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