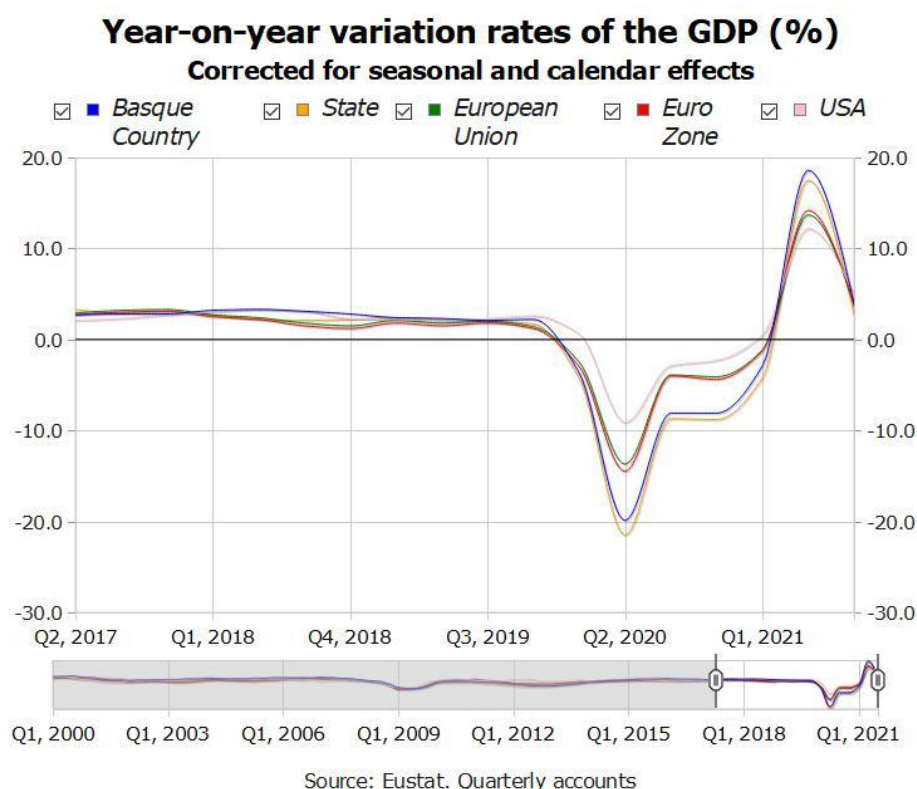


In the third quarter of 2021, the GDP of the Basque Country rose by 3.9% and employment was up 3.5% in year-on-year terms

In relation to the previous quarter, GDP growth stood at 1.0% and that of employment at 0.9%

The Gross Domestic Product (GDP) of the Basque Country grew by 3.9% in the third quarter of 2021, in relation to the same quarter of the previous year, according to Eustat data. With regard to the previous quarter, there was an increase of 1.0%. The Basque economy, following five consecutive quarters of quarter-on-quarter increases in GDP, continued the path to recovery commenced following the unprecedented downturn experienced in the second quarter of 2020.

Employment, measured in full-time equivalent jobs, also displayed a profile of continued recovery. With respect to the third quarter of 2020, growth is estimated at 3.5%. In relation to the previous quarter, the increase in the number of jobs stood at 0.9%.



The estimated year-on-year growth of the Basque Country GDP, identical to that of the European Union as a whole, stands above that estimated for both the Spanish economy (2.7%) and the Euro Zone (3.7%), although one point below that estimated for the economy of the United States (4.9%).

From the point of view of Supply, value added recovered significantly in year-on-year terms in all sectors during the third quarter of 2021.

The **Primary** sector recorded an increase in value added in real terms of 4.6% in respect of the same quarter of the previous year, which represented a quarter-on-quarter decrease of 7.2%.

Value added in the **Industry** sector rose by 5.5%, although there was a decrease of 0.2% in respect of the previous quarter. Manufacturing industry advanced 5.9% in year-on-year terms, which represented a decrease of 0.3% in relation to the second quarter.

GDP m/p. Supply. Chain volume indexes. Year-on-year variation rates (%). Basque Country

	2019	2020	2020		2021		
			III	IV	I	II	III
AGRICULTURE, FORESTRY AND FISHING	5,9	-15,0	-13,0	-28,1	-7,1	7,8	4,6
INDUSTRY AND ENERGY	1,4	-11,2	-8,9	-6,8	-1,1	30,2	5,5
Manufacturing industry	1,1	-11,6	-8,8	-6,6	-0,7	33,1	5,9
CONSTRUCTION	2,4	-8,2	-7,7	-6,5	-2,4	11,5	1,3
SERVICES	2,5	-9,0	-7,2	-7,7	-3,5	15,5	4,0
Trade, accommodation & food services and transport	2,2	-18,1	-16,0	-18,5	-5,5	26,1	6,1
Public administration, education, health and social services	3,2	1,6	1,6	1,3	1,6	3,1	2,6
Other services	2,4	-8,6	-6,1	-5,2	-5,0	17,3	3,5
GROSS ADDED VALUE at basic prices	2,3	-9,5	-7,7	-7,6	-2,9	18,4	4,2
NET TAXES ON PRODUCTS	2,0	-13,6	-11,8	-12,8	-3,0	20,4	1,9
GROSS DOMESTIC PRODUCT at market prices	2,2	-9,9	-8,1	-8,1	-2,9	18,6	3,9

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

The Construction sector also posted a year-on-year increase in its value added, with growth in the third quarter of 2021 reaching 1.3%. Furthermore, in relation to the previous quarter growth in its value added is estimated at 1.5%.

Global activity within the **Services** sector in the third quarter of the year was 4.0% higher than that observed in the same quarter of the previous year, following a recovery of 2.3% in relation to the second quarter of the year.

The revival of activity in the Services sector occurred to different extents and with varied trends. The branch of **Trade, Hospitality and Transport** posted an increase in value added of 6.1% in relation to the third quarter of the previous year, following a decrease of 2.7% in respect of the previous quarter.

The **Other Services** branch; which includes property, professional, scientific and technical, and financial and insurance activities; however, posted a more moderate recovery in relation to the same quarter of the previous year, up 3.5%, even though recovery in respect of the previous quarter rose to 6.8%.

The **Public Administration, Education, Health and Social Services** branch, increased its value added in both year-on-year terms, up 2.6%, and quarter-on-quarter terms, with a rise of 0.6%.

GDP m/p. Supply. Chain volume indexes. Year-on-year variation rates (%). Basque Country

	2020		2021		
	III	IV	I	II	III
AGRICULTURE, FORESTRY AND FISHING	-4,4	-15,3	20,1	10,8	-7,2
INDUSTRY AND ENERGY	23,2	3,2	1,4	0,9	-0,2
Manufacturing industry	25,4	2,9	1,3	1,9	-0,3
CONSTRUCTION	11,8	1,7	1,0	-2,9	1,5
SERVICES	13,6	0,0	-0,5	2,1	2,3
Trade, accommodation & food services and transport	15,7	-2,5	2,2	9,3	-2,7
Public administration, education, health and social services	1,1	0,0	0,5	1,5	0,6
Other services	21,1	1,5	-2,7	-1,9	6,8
GROSS ADDED VALUE at basic prices	15,5	0,7	0,2	1,6	1,6
NET TAXES ON PRODUCTS	12,7	-1,1	-0,2	8,1	-4,6
GROSS DOMESTIC PRODUCT at market prices	15,2	0,6	0,2	2,2	1,0

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

The positive year-on-year performance of all sectors brought the **Value Added** of the Basque Country up by 4.2% in year-on-year terms and 1.6% in quarter-on-quarter terms.

From the point of view of **Demand**, there was also a generalised recovery in all macro-magnitudes in relation to the third quarter of the previous year, although a decrease in relation to the second quarter of the year was estimated for many of them.

Final consumption expenditure of households and non-profit institutions serving households (ISFLSH) (**Private Consumption**) posted a year-on-year increase of 2.1%, even though it fell by 3.9% in respect of the previous quarter.

The final consumption expenditure of the Public Administrations (Public consumption) also performed positively in year-on-year terms, standing at 3.5%. The quarter-on-quarter decrease was less significant in this case, down 0.9%.

GDP m/p. Demand. Chain volume indexes. Year-on-year variation rates (%). Basque Country

	2019	2020	2020		2021		
			III	IV	I	II	III
FINAL CONSUMPTION EXPENDITURE	2,0	-8,9	-7,6	-7,0	-2,5	18,1	2,4
Household and NPISHs final consumption expenditure	1,7	-12,4	-10,3	-10,6	-3,7	22,6	2,1
Public administrations final consumption expenditure	3,1	3,8	2,8	6,5	1,6	5,2	3,5
GROSS CAPITAL FORMATION	3,3	-11,7	-11,5	-8,5	-1,3	21,4	3,7
Gross fixed capital formation in equipment goods	3,0	-12,9	-11,9	-5,6	1,9	41,3	7,6
Rest of gross capital formation	3,4	-11,0	-11,3	-10,2	-3,2	11,2	1,5
INTERNAL DEMAND	2,3	-9,6	-8,5	-7,4	-2,2	18,9	2,7
EXPORT OF GOODS AND SERVICES	-0,2	-16,1	-14,3	-13,8	-2,4	30,1	12,5
IMPORT OF GOODS AND SERVICES	0,0	-15,4	-14,7	-12,5	-1,4	29,8	10,2
GROSS DOMESTIC PRODUCT at market prices	2,2	-9,9	-8,1	-8,1	-2,9	18,6	3,9

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

The overall performance of public and private consumption resulted in year-on-year growth of 2.4% in **Final Consumption Expenditure**, which, in relation to the second quarter of the year, was a decrease of 3.2%.

In **Gross Capital Formation** (Investment), year-on-year recovery stood at 3.7%, following a drop of 1.2% in relation to the second quarter of 2021.

Investment in **Capital Goods** registered a 7.6% rise in respect of the same quarter of the previous year, which represented a decrease in quarter-on-quarter terms of 5.8%. In **Other Gross Capital Formation**, which is more closely linked to the performance of construction, more moderate growth was observed both in relation to the same quarter of the previous year (up 1.5%) and the previous quarter (1.8% higher).

Internal Demand, composed of Final Consumption Expenditure and Gross Capital Formation, experienced, as a whole, year-on-year growth of 2.7%. This growth was below that estimated for GDP as a whole (3.9%), for which the contribution of the **Foreign Sector** was positive in this third quarter of the year in the Basque economy. In effect, in year-on-year terms **exports** of goods and services rose more sharply than **imports** (the former increased by 12.5% and the latter by 10.2%).

GDP m/p. Demand. Chain volume indexes. Year-on-year variation rates (%). Basque Country

	2020		2021		
	III	IV	I	II	III
FINAL CONSUMPTION EXPENDITURE	11,6	0,6	-0,8	6,1	-3,2
Household and NPISHs final consumption expenditure	15,4	-0,4	-0,3	7,1	-3,9
Public administrations final consumption expenditure	0,7	3,9	-2,4	3,0	-0,9
GROSS CAPITAL FORMATION	15,7	4,8	1,8	-1,7	-1,2
Gross fixed capital formation in equipment goods	23,7	10,2	2,1	1,6	-5,8
Rest of gross capital formation	11,6	1,8	1,7	-3,7	1,8
EXPORT OF GOODS AND SERVICES	17,4	3,3	4,0	3,2	1,4
IMPORT OF GOODS AND SERVICES	12,6	4,9	3,3	6,4	-4,4
GROSS DOMESTIC PRODUCT at market prices	15,2	0,6	0,2	2,2	1,0

Data corrected for seasonal and calendar effects

Source: Eustat. Quarterly accounts

In the third quarter of 2021, employment, measured in **full-time equivalent jobs**, recovered by 3.5% in relation to the same quarter of the previous year. With regard to the previous quarter, the rise in employment stood at 0.9%, following the creation of 8,000 more full-time equivalent jobs.

In this regard, it should be remembered that the definition of a job, according to the European System of Accounts (ESA), excludes persons temporarily not at work but who have a formal attachment to their job, for example, an assurance of return to work or an agreement as to the date of return, as is the case with ERTes (Temporary Labour Force Adjustment Plans).

The Primary sector performed quite positively with regard to employment, with an increase 0.2% in relation to the third quarter of 2020, which meant a decrease of 1.6% in quarter-on-quarter terms. In Industry the year-on-year increase in jobs stood at 2.5%, after adding almost 2000 more new full-time equivalent jobs than in the second quarter. In Construction, the evolution in employment was also positive in year-on-year terms (an increase of 2.6%) although it fell in relation to the previous quarter (down 0.8%). Finally, the number of full-time equivalent jobs in the Services sector increased in both year-on-year terms, up 3.9%, and in quarter-on-quarter terms (almost 7,000 more full-time equivalent jobs in this quarter than in the previous one).

Regarding GDP by province, the evolution in this third quarter of 2021 was homogenous in year-on-year terms, with growth of 3.9% in both Álava and Gipuzkoa and growth of 4.0% in Bizkaia. The quarter-on-quarter evolution was more disparate, although positive in all three provinces: In Bizkaia growth was estimated at 1.4%, in relation to the second quarter of the year, while in Gipuzkoa and Álava the increase stood at 0.6% and 0.3%, respectively.

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