

Turnover in the Vehicle trade and repair sector as a whole increased by 14.5% in the Basque Country in 2021

The Vehicle trade and repair sector employed almost 129,000 people

In 2021, the year after the COVID-19 pandemic, the Vehicle trade and repair sector as a whole had a turnover of 36,521 million euros, 4,628 million more than in 2020, a rise of 14.5%, according to Eustat data.

A total of 35,898 establishments were in operation in this sector, 2.2% fewer than the previous year, 2020. However, the number of persons employed remained stable, with 128,839 people employed in 2021, practically the same figure as in 2020. Meanwhile, the number of hours worked saw a slight increase of 0.4% and personnel costs were up 8.7%.

The trade margin on sales (the proportion of the gross trade margin over the net sales value of goods for resale) for the sector was 22.3%, one percentage point lower than in 2020.

Main variables of the trade and repair of vehicles sector in the Basque Country by province (thousands of euros). 2021

	Basque Country	Increase % 2021-2020	Araba/Álava	Increase % 2021-2020	Bizkaia	Increase % 2021-2020	Gipuzkoa	Increase % 2021-2020
Personnel employed NU	128.839	0,0	18.996	-0,5	67.559	0,8	42.284	-1,2
Net amount of the turnover	36.520.764	14,5	6.211.074	12,3	18.836.324	17,6	11.473.366	10,8
Supplies	27.454.135	15,0	4.682.589	12,5	14.169.401	18,6	8.602.145	10,7
Expenditures on personnel	3.757.537	8,7	562.428	6,1	1.949.839	9,8	1.245.270	8,2
Profit for the year	1.845.138	122,8	405.113	94,4	880.549	154,6	559.476	104,4
Gross earnings against sales % (*)	22,3	-4,1	22,8	-2,9	22,1	-6,0	22,4	-1,8

(*)Difference in percentage points

Date May 11, 2023

Source: Eustat. Survey on trade and repairs

Provinces

At provincial level, Bizkaia registered the best performance for the set of indicators. In this province, sales rose by 17.6% and employment increased slightly (0.8%); in Álava, turnover was up 12.3% with a limited impact on employment (-0.5%), while in Gipuzkoa, turnover grew by 10.8%, although employment was down 1.2%.

In 2021, Bizkaia turned over a total of 18,836 million euros, 51.6% of the total, Gipuzkoa turned over 11,473 million, 31.4%, and Álava turned over 6,211 million, 17.0% of the total for the Basque Country.

Meanwhile, staff expenditure rose by 9.8% in Bizkaia, 8.2% in Gipuzkoa, and 6.1% in Álava.

The trade margin on sales saw a decrease in all three provinces, dropping 6.0 percentage points in Bizkaia, 2.9 in Álava and 1.8 percentage points in Gipuzkoa.

Divisions

In 2021, the three divisions comprising the Vehicle trade and repair sector (Sale and repair of vehicles, Wholesale trade and trade intermediaries and Retail trade) registered positive trends in turnover, while employment recorded slight increases and decreases.

The **Retail Trade** division, the largest in terms of personnel as it accounted for 59.2% of employment in the sector, turned over 35.7% of the total, with turnover rising by 8.6% and employment by 0.6%.

Main variables of the trade and repair sector in the Basque Country by activity group (thousands of euros). 2021

	Personnel employed			Turnover			Gross earnings
	Value	% of total	Increase % 2021-2020	Value	% of total	Increase % 2021-2020	Value
COMMERCE AND UPKEEP	128.839	100,0	0,0	36.520.764	100,0	14,5	22,3
Sale and repairs of vehicles	12.012	9,3	-1,1	3.121.547	8,5	10,3	19,6
Wholesale trade and intermediaries	40.582	31,5	-0,9	20.360.567	55,8	19,4	19,1
Retail trade	76.245	59,2	0,6	13.038.650	35,7	8,6	27,6

Date May 11, 2023

Source: Eustat. Survey on trade and repairs

For its part, **Wholesale trade and trade intermediaries**, with 55.8% of the sector's sales and 31.5% of employment, was the division that presented the most positive trend in terms of turnover. It saw a 19.4% rise in turnover, but a 0.9% drop in the number of people employed.

Sale and repair of vehicles also saw a positive trend in revenue, with growth of 10.3% in turnover and a 1.1% fall in employment. This section accounted for 9.3% of employment and 8.5% of total trade turnover in 2021.

Lastly, the trade margin on sales for **Retail trade** was 27.6%, 0.5 percentage points higher than in 2020. For **Wholesale trade** it was 19.1%, 2.5 points higher, and the margin for the **Sale and repair of vehicles** division stood at 19.6%, 3.3 percentage points above the previous year.

BASQUE RETAIL TRADE SINCE THE TURN OF THE MILLENNIUM

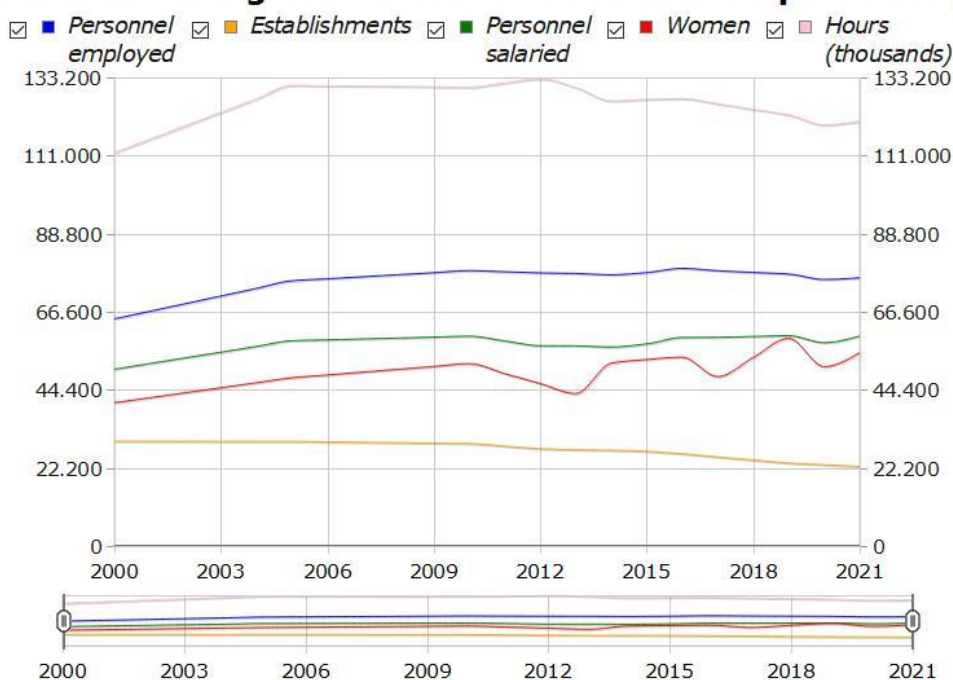
Between 2000 and 2021, almost 7,200 businesses closed, but the retail sector created 12,000 new net jobs during the same period

Since the turn of the millennium, the structure of Basque retail trade has changed significantly. Firstly, it should be noted that the number of establishments fell by 7,187, going from the initial 29,791 to 22,604 in 2021, resulting in 24.1% fewer establishments compared to 2000. However, this evolution was accompanied by a considerable increase in employment: the nearly 12,000 new jobs created between these two dates added 18.1% to the figure from the start of this period, 64,564, to reach 76,245 jobs in 2021.

Concentration of employment in larger retailers

This evolution was accompanied by an increasing concentration of retail employment in larger establishments. Thus, businesses with fifty or more employees accounted for 18.7% of retail employment in 2021, when in 2000 their proportion of the total stood at 11.7%, having generated more than half of the new jobs created in the period. Likewise, businesses with 10 to 49 employees went from representing 16% of employment to 21.8% between 2005 and 2021. On the other hand, smaller businesses, those with fewer than ten employees, saw their share fall to 59.5% in 2021, whereas in 2000 it exceeded 70%.

Main macro figures of retail trade of the Basque Country



Source: Eustat. Survey on trade and repairs

Note: The values for 2001 to 2004, 2006 to 2009, 2011 and 2018 have been linearly interpolated for graphical representation only

Feminisation of employment and shorter working hours

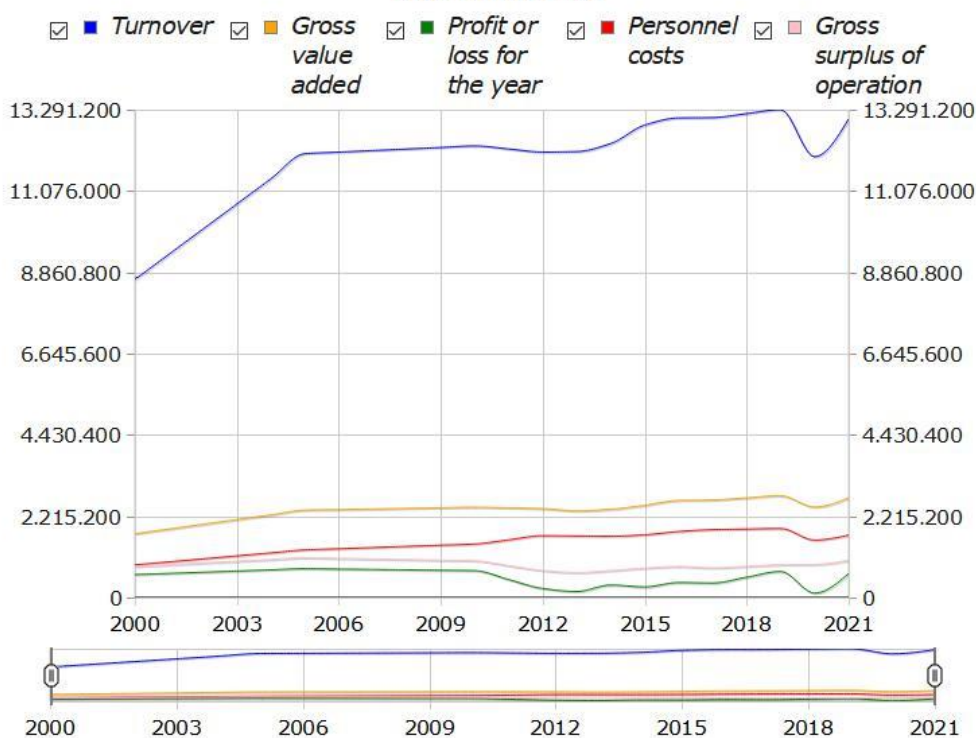
Meanwhile, there was an increasing prevalence of women employed in the sector. In effect, while in 2000 the employment of women easily accounted for more than half of the total with 63.1%, twenty-one years later the proportion of women had risen by 9 percentage points to 72.1%, reaching a peak of 76.4% in 2019.

One last note on employment: the number of hours worked annually by each employee fell dramatically. Although the total number of hours increased by 7.4%, the average per person decreased by 8.6%, standing at 1,584 hours in 2021 compared to 1,732 at the beginning of the millennium.

COVID-19 halted the expansionary phase of retail trade that began in 2015

Between 2000 and 2021, retail sales volumes saw a clear increase and figures for 2021 exceeded those for 2000 by 45%, with 12,520 million euros in sales in nominal terms. Following the considerable growth of the first five-year period, which was reflected in a 39% increase in 2005, there was a period when sales stalled in a slump that lasted almost ten years and ended in 2014 with a sales volume (11,870 million) even lower than in 2005. However, the outlook changed significantly in 2015, with the beginning of a period of moderate but sustained growth of nearly 1% per year, interrupted only by the limitations on activity imposed due to COVID-19 in 2020. 2021 already showed clear signs of a recovery which, although almost 400 million euros short of the turnover in 2019 (12,881 million), seemed to set it on the path of previous years.

Main economic indicators of retail trade of the Basque Country



Source: Eustat. Survey on trade and repairs

Note: The values for 2001 to 2004, 2006 to 2009, 2011 and 2018 have been linearly interpolated for graphical representation only

If we consider the sales per person ratio, it should be noted that the second highest value was that recorded in 2021, with 164.2 thousand euros per employee, following that registered in 2019 (166.6 thousand euros). This figure has regularly exceeded 160 thousand euros since 2015.

For its part, the trade margin on sales, an important metric for assessing the profitability of a business as it indicates the profit obtained by a company in relation to its total sales revenue, has hovered around 29% since 2010 in the case of Basque retail trade. In 2020 and 2021, it stabilised at around 27%: 27.1% in 2020 and 27.7% in 2021.

Synchrony between personnel costs and productivity from 2013 onwards

The average personnel cost was 22,300 euros in 2021, but 13,770 in 2000. From 2000 to 2012, the average cost saw significant rises of 24.9% between 2000 and 2005, 8.3% in the following five-year period and 16.5% between 2010 and 2012. From 2013 onwards, there were more moderate cost increases, with a peak of 3.8% in 2017. Once again, 2020, with a negative evolution of 15.1%, and 2021, which recovered part of the loss with a cost increase of 8.0%, were outliers in this trend.

Closely related to personnel costs, wage-adjusted productivity measures efficiency in the use of human resources by relating the quantity produced to labour costs. This indicator went in the opposite direction to that of personnel costs up to 2012: while costs rose, productivity fell. It went from 195.5% in 2000 to 143.9% in 2012. Once salaries stabilised, so did wage-adjusted productivity, resulting in increases that were even larger than those in the average personnel cost for some of the years up to 2021. In 2021, the increase in wage-adjusted productivity stood at 1.3%, but in 2020 it was 6.9% and in 2014 and 2015 it stood at 2.3% and 2.1%, respectively.

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