

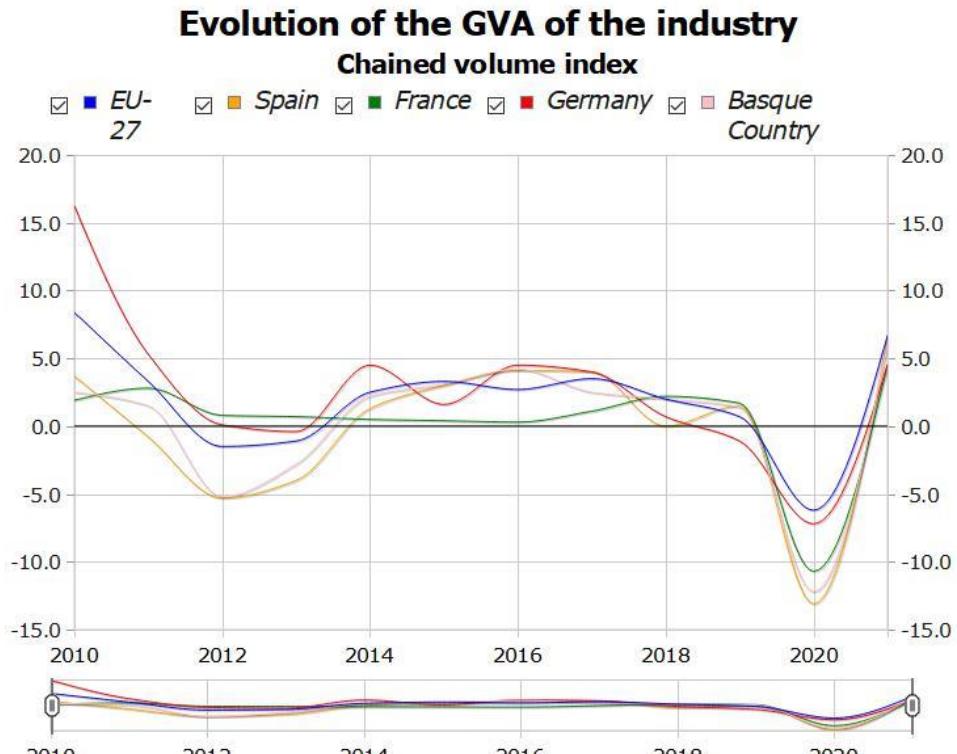
Clear international focus of Basque industry with exports representing 147% of GDP in 2021

Industrial expenditure on Innovation made up 37.7% of all expenditure in the Basque Country in 2021

One of the distinctive features of Basque industrial companies is their clear overseas focus, as shown by their high propensity towards exports. This indicator, which reflects the proportion of industrial exports out of overall industrial GDP, reached a figure of 147% in the Basque Country in 2021, according to Eustat data.

The value of exports was 26,022 million euros, with imports amounting to 21,282 million euros, giving a total coverage ratio of 122.3, as the percentage value of exports compared to imports.

Within the macroeconomic context in 2021, Basque industry registered a significant recovery following the adverse effects of the Covid-19 pandemic. This positive trend was reflected in various economic indicators.



Following the downturn suffered in 2020 as a result of the pandemic, value added in the industry sector saw a recovery in 2021. The EU-27 led this recovery with an increase of 6.7%, while the figure for the Basque Country was 6.1%. France and Germany registered more modest rises of 4.5%, while the figure for Spain stood at 6.6%.

In terms of sales, in 2021, Manufacturing and Extraction Industry activity in the Basque Country made up the previous year's decline caused by the pandemic (-18.4%), growing by 18.6%, with increases seen in nineteen of the twenty Basque districts. Particular mention should be made of the Esteribaciones del Gorbea, Añana, Encartaciones and Gran Bilbao districts. In terms of gross value added, the province of Álava registered growth of 11.2%, Bizkaia 21.9% and Gipuzkoa 14.5% in 2021.

As for employment, industry contributed 19.9% of all jobs in 2021, a proportion which remained higher than the Spanish and EU-27 averages. Employment was concentrated in sectors such as Metallurgy & Metal Products, Machinery & Equipment, and Transport Material.

An analysis of the distribution by sector reveals that Metallurgy & Metal Products, together with Electrical Energy, Gas & Steam, accounted for 37.8% of the GVA of Basque industry in 2021. Other notable sectors included Machinery and Equipment (11.2%) and Transport Material (10.8%), with a lower share for Extractive Industries and Textiles, Apparel, Leather and Footwear.

One of the most striking characteristics of Basque industry was its high sectoral concentration, which has not varied substantially in recent years. 26.5% of the Gross Value Added generated by Basque industry in 2021 corresponded to the Metallurgy and Metallurgy & Metal Products sector, a classic sector that has always had a significant percentage weight. If on top of that we add the Transport Material, Electricity, Gas & Steam and Machinery & Equipment sectors, they account for 59.8% of the industrial value added, 2.9 points more than in 2010.

The relative weight of industry in the Basque economy as a whole amounted to 23.4% in 2021, remaining significantly higher than the levels in Spain (16.9%), France (13.1%) and the EU-27 (19.9%), and only slightly lower than Germany (24.0%).

The average size of establishments in Basque industry in 2021 was 16.3 employees, with large variations between different sectors. The large majority of industrial establishments, namely 83.7%, had at least 20 workers and accounted for 21.4% of jobs. At the other extreme, 0.7% of establishments with more than 250 workers accounted for 24.5% of jobs.

With these figures, industry contributed 19.9% of the total employment in the Basque Country, much higher than the Spanish average of 10.9%, and the EU-27 average of 15.7%, for example.

As for productivity, to be understood as the ratio between gross value added at factor cost and staff employed, in 2020, the most recent year with Europe-wide figures available, the Basque Country attained a level of €58,700, higher than Spain (€55,900), but lower than the averages for the EU-27 (€64,000), France (€70,900) and Germany (€77,400).

In terms of the technological level of the different industrial sectors in the Basque Country, 5.3% of Basque industrial activities are at the high level, although during the period analysed (2010-2021) this level increased, having started out at 3.5% in 2020. Meanwhile, during this twelve-year period, sectors with some technological content grew by more than five percentage points, from 84.9% in 2010 to 90.5% in 2021.

Finally, the Basque Industry Overview also analyses innovation and the use of information and communication technologies as driving forces for improving competitiveness. Expenditure by industry as a whole on innovation activities for 2021 accounted for 37.7% of total spending in the Basque Country, with internal R&D being the most prominent element (54.1%).

Furthermore, Basque industry has a high level of implementation of Information and Communication Technologies, given that in practically all of the industrial sectors, over 91% of the industrial establishments have a computer, email, internet and mobile phone.

Among the many possibilities that the Internet offers is the opportunity to participate in e-commerce; this type of activity saw an increase last year in the Basque Country, both in terms of turnover and in the number of participating companies, with 35.6% of industrial establishments of 10 or more employees carrying out purchases or sales online in 2021, compared to 34.9% in 2020. Robotics and the use of 3D printers are another two of the Industry 4.0 indicators more widely implemented in industrial establishments than other sectors, amounting to 22% of those with 10 or more employees in the former, and 13.4% for 3D printers. Particular mention should also be made of the use of social media for business purposes in more than half of them (55.7%).

Methodological note:

The Basque Industry Overview is arranged into four sections. The first is focused on industry in the Basque Country in the macroeconomic Basque context and in comparison to surrounding economies; the second analyses the situation of industry in the Basque Country via factors such as value added and staff employed, and also discusses the smaller geographical context of regions; the third discusses key economic aspects such as competitiveness and investment; and lastly, the fourth chapter examines R&D+i in Basque industry and the use of information and communication technologies.

For further information:

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