

The weight of the industrial sector in the Basque Country stood at 24.2% in 2022

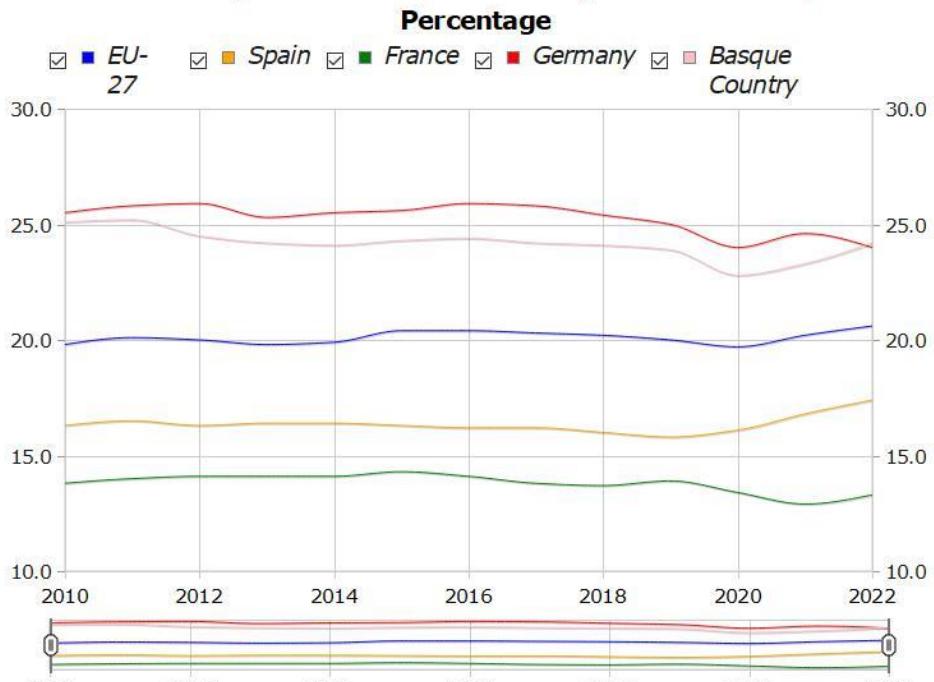
Industry revenue exceeded 74,000 million euros

In terms of gross value added, the **relative weight of industry in the Basque economy as a whole** amounted to 24.2% in 2022, remaining significantly higher than the levels in Spain (17.4%), France (13.3%) and the EU27 (20.6%), and slightly higher than in Germany (24.0%), according to Eustat data.

In current terms, revenue from the industry sector totalled 74,642 million euros in 2022, the highest amount in the historical series for the Basque Country. This **turnover figure** represented an increase of 26.1% compared to 2021.

Within the macroeconomic context of 2022, it was an exceptional year for industry in the Basque Country and this dynamism was reflected in all economic indicators, demonstrating this positive trend.

Participation of the industry in the GVAbp



Source: Eustat-Industrial statistics, INE, Eurostat

The evolution of **value added** in the industry sector in 2022 showed similar figures to those from before 2020, the year of the COVID-19 pandemic, when it saw a sharp drop. In 2022 and in terms of volume, it was the Basque Country that recorded the greatest increase of 4.7%, followed by Spain, with a rise of 2.6%, the EU27, up 1.9%, and, lastly, France and Germany, with decreases of 1.5% and 0.5%, respectively.

One of the most striking characteristics of Basque industry was its high **sectoral concentration**, which has hardly changed in recent years. 30.2% of the Gross Value Added generated by Basque industry in 2022 corresponded to Metallurgy and metal products, a classic sector that has always had a significant percentage weight. If on top of that we add the sectors of Machinery and equipment (10.1%), Transport material (9.9%) and Electricity, gas & steam (9.3%), together they accounted for 59.5% of industrial value added, 2.6 points more than in 2010.

The **average size of establishments** in Basque industry in 2022 was 16.9 employees, with large variations between different sectors. The vast majority of industrial establishments, specifically 83.3%, had fewer than 20 workers and were responsible for 20.8% of jobs. At the other end of the scale, 0.8% of establishments had more than 250 workers and accounted for 25.4% of jobs.

As for **employment**, industry contributed 19.8% of all jobs in 2022, a proportion which remains higher than the averages for Spain (11.1%) and the EU27 (15.6%). It should be noted that this figure also exceeded the rates in neighbouring countries: in Germany, the weight of employment in industry stood at 17.8%, in Italy it was 16.7% and in France 10.1%. Employment was concentrated in sectors such as Metallurgy and metal products, Machinery and equipment and Transport material. These three branches of industrial activity alone accounted for 53.7% of people employed in industry.

With regard to **productivity**, understood as the ratio between gross value added at factor cost and the number of staff employed, in 2021, the most recent year with Europe-wide figures available, the Basque Country attained a level of €68,000, higher than that of Spain (€63,100), but lower than the averages for the EU27 (€74,700), France (€81,000) and Germany (€92,600).

In terms of the **technological level** of the different industrial sectors in the Basque Country, 5.2% of Basque industrial activities were at the high level, although this figure increased during the period analysed (2010-2022), having started out at 3.5% in 2010.

Furthermore, over this thirteen-year period, the proportion of sectors with some technological content grew by more than five percentage points, rising from 84.9% in 2010 to 90.0% in 2022.

One of the distinctive features of Basque industrial companies was their clear overseas focus, as shown by their high **export propensity**. This indicator, which reflects the proportion of industrial exports over industrial GVA, reached a value of 140% in the Basque Country in 2022. The export propensity of the industrial sector was primarily driven by the sectors of Transport material (480%), Machinery and equipment (217%) and Chemical industry (195%).

The value of **exports** was 32,721 million euros, with **imports** amounting to 29,662 million euros, giving a total coverage ratio of 110.3, as the percentage value of exports compared to imports.

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 2022 accounted for 41.8% of total spending in all sectors in the Basque Country, with internal R&D being the most prominent element (47.6%) within expenditure on innovation as a whole.

Furthermore, Basque industry had a high level of implementation of **information and communication technologies**, given that in practically all industrial sectors, over 92% of industrial establishments had a computer and internet.

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 44.8% of industrial establishments with 10 or more employees carrying out purchases or sales online in 2022, compared to 35.6% in 2021.

Lastly, among the nine indicators analysed in **Industry 4.0**, which refers to the digital transformation of companies, of particular note were the use of Social Networks for business purposes, with 53.4% of establishments, and Cloud Computing, with 31.0% of establishments paying for this service.

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 communications technologies.

For further information:

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