

The GDP for the Basque Country posted a year-on-year fall of 0.6% in the first quarter of 2010

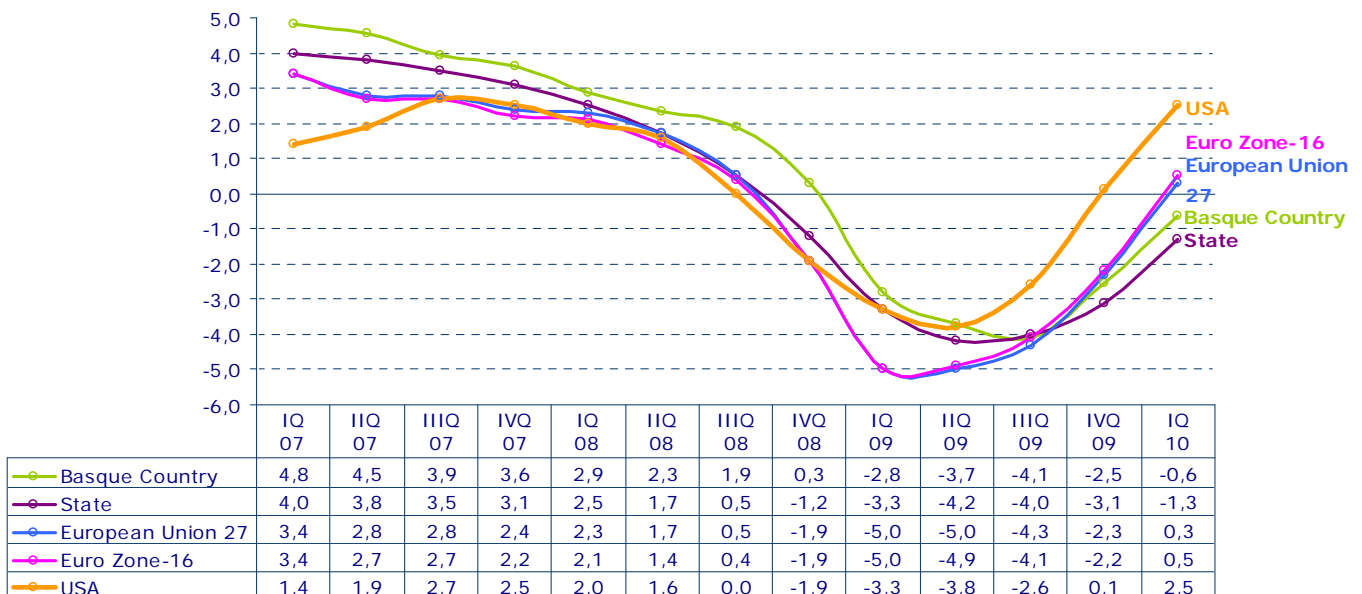
Growth was positive compared to the previous quarter and stood at 0.1%

GDP created by economic activity in the Basque Country registered a decrease of 0.6% in the first quarter of 2010, compared to the same period of 2009, according to EUSTAT data. This rate was up 1.9 points with respect to the previous quarter.

This figure was -1.3% for the Spanish economy, 0.3% for European-27 overall, for the 0.5% for the Euro-16 zone and 2.5% for the US economy.

With respect to the previous quarter, the GDP of the Basque Country registered positive growth of 0.1%, which was the second positive quarter-on-quarter data after four consecutive quarters with negative rates. Inter-quarterly variation also stood at 0.1% for the Spanish economy, 0.2% for the average of the European Union-27 and the Euro Zone-16 and 0.8% for the US economy.

Graph 1. GDP m/p. Year-on-year growth rates (%)



Iturria: Source: Eustat. Quarterly Economic Accounts.
INE and Eurostat

From the point of view of supply, all the sectors except services posted negative growth rates, as market services are the reason for improvement in the year-on-year performance of the GDP and the growth in terms of the previous quarter.

Table 1. GDP m/p. Supply. Chain volume indexes. Year-on-year growth rates

	2008	2009	2009				2010
			I	II	III	IV	I
Agriculture and fishing	0,5	2,1	12,5	7,9	-0,9	-10,2	-19,5
Industry	-0,5	-9,5	-10,0	-10,3	-11,6	-5,9	-1,6
Construction	-1,1	-5,7	-5,5	-6,4	-6,2	-4,8	-6,5
Services	3,5	-0,1	0,8	-0,3	-0,4	-0,6	0,7
Net taxes on products	1,8	-3,4	-3,6	-4,0	-3,8	-2,3	0,0
Gross Domestic Product at market prices	1,9	-3,3	-2,8	-3,7	-4,1	-2,5	-0,6

Data corrected for seasonal and calendar effects.

Source: Eustat. Quarterly Economic Accounts

The **primary** sector registered a 19.5% fall with respect to the same quarter 2009, together with a quarter-on-quarter drop of 4.6%.

The **industrial** sector posted a relative better year-on-year result (-1.6%) this first quarter than in the previous quarter (-5.9%), but that improved performance is unable to generate a positive quarter-on-quarter result and the growth obtained in the previous growth could not be maintained. The downturn of Industry in this first quarter compared to the previous one stood at 0.3%. This performance was reflected in the number of people employed in the sector.

Table 2. GDP m/p. Supply. Chain volume indexes. Year-on-year growth rates

	2009				2010
	I	II	III	IV	I
Agriculture and fishing	6,4	-10,7	-7,6	2,4	-4,6
Industry	-4,8	-1,5	-0,1	0,5	-0,3
Construction	-2,0	-1,3	-0,9	-0,7	-3,7
Services	-1,2	0,0	0,3	0,3	0,1
Net taxes on products	-2,1	-0,2	-1,2	1,1	0,2
Gross Domestic Product at market prices	-1,8	-0,9	-0,1	0,2	0,1

Data corrected for seasonal and calendar effects.

Source: Eustat. Quarterly Economic Accounts

The **Construction** sector posted a greater fall in terms of activity, with year-on-year (-6.5%) and quarter-on-quarter (-3.7%) rates under those of the previous quarter, where a slight improvement had been noted. In the same way as in the case of Industry, this situation had an impact on the employment figures.

The overall performance of the **Services** sector performed better than the other sectors, with positive year-on-year (0.7%) and quarter-on-quarter (0.1%) rates. With respect to the first quarter of 2009, the improvement is 1.3 points, which means that the quarter-on-quarter rate was down two tenths on the previous quarter, even though it remained positive.

The **Market Services** posted positive year-on-year (0.6%) and quarter-on-quarter (0.1%) growth rates, even though growth on the previous quarter was more moderate than that registered in the last quarter of 2009.

On the other hand, **Non-Market Services** entered a period of moderate growth, with year-on-year growth of 1.3% and a negative quarter-on-quarter rate of 0.4%, which meant it was the second consecutive quarter with a negative rate.

With regard to performance in terms of Demand, the most important fact is the relative improvement of Internal Demand, whose year-on-year rates went from a decrease of 3.2% in the fourth quarter of 2009 to one of 1.5% in the first quarter of 2010. The quarter-on-quarter rate moderated its growth to 0.1%, with respect to 0.2% in the previous quarter.

Table 3. GDP m/p. Demand. Chain volume indexes. Year-on-year growth rates

	2008	2009	2009				2010
			I	II	III	IV	I
Final home consumer spending	1,6	-3,8	-3,7	-4,6	-4,3	-2,6	-0,6
Final Public Administration consumer spending	4,8	3,2	4,2	3,4	2,6	2,5	0,5
Gross formation of capital	0,5	-8,3	-7,5	-9,4	-8,8	-7,5	-4,7
Internal Demand	1,8	-4,0	-3,6	-4,7	-4,5	-3,2	-1,5
Total exports	4,1	-14,4	-13,1	-16,6	-16,1	-11,7	-1,7
Total imports	3,8	-14,7	-13,7	-17,1	-15,5	-12,1	-3,5
Gross Domestic Product at market prices	1,9	-3,3	-2,8	-3,7	-4,1	-2,5	-0,6

Data corrected for seasonal and calendar effects.

Source: Eustat. Quarterly Economic Accounts.

Expenditure on **Household Final Consumption (Private Consumption)** showed signs of recovery in this quarter, with a year-on-year fall of 0.6%, two points more moderate than in the previous quarter. Furthermore, for the second consecutive quarter and after five quarters with negative quarter-on-quarter rates, Household Consumption posted growth of 0.6% on the previous quarter, with this determining the positive performance of GDP from the point of view of Demand.

Public Consumption showed clear symptoms of weakness, with year-on-year 0.5% growth and a negative quarter-on-quarter performance of 1.8%, after 7 quarters of successive increases.

The performance of the **Gross Capital Formation (Investment)** is determined by that of the Construction and Capital Goods sector. Their combined performance sharpened the quarter-on-quarter downturn (-1.4%). In year-on-year terms, even though with less negative rates than those registered throughout 2009, it was the worst performance in terms of demand, with a decrease of 4.7%.

Table 4. GDP m/p. Demand. Chain volume indexes. Year-on-year growth rates

	2009				2010
	I	II	III	IV	I
Final home consumer spending	-1,5	-0,9	-0,7	0,5	0,6
Final Public Administration consumer spending	0,1	0,1	2,0	0,4	-1,8
Gross formation of capital	-4,3	-2,9	-0,3	-0,1	-1,4
Internal Demand	-1,7	-1,4	-0,3	0,2	0,1
Total exports	-7,4	-3,5	1,4	-2,5	3,1
Total imports	-5,2	-5,4	1,2	-3,3	4,1
Gross Domestic Product at market prices	-1,8	-0,9	-0,1	0,2	0,1

Data corrected for seasonal and calendar effects.

Source: Eustat. Quarterly Economic Accounts

As far as the **foreign sector** was concerned, the most important fact is its better performance. The volume of foreign transactions, that had recorded downturns of the order an average year-on-year of 15% in 2009, showed a considerable recovery, even though the rates remained negative; exports posed a drop of 1.7% and imports 3.5%, with regard to the same quarter of the previous year. This relative improvement in foreign trade could also be seen in the positive rates with respect to the previous quarter, which in terms of exports, meant growth of 3.1% and imports by 4.1%.

The **number of people** employed fell by 0.9% on the previous quarter, and there was a 1.9% drop with respect to the same quarter of 2009. This means that, with respect to the previous quarter, around eight thousand five hundred net jobs were lost. The job losses in this quarter with respect to the previous one were generalised in all sectors, but particularly significant in Industry and Construction. Compared to the same quarter of the previous year 18.594 jobs were lost.

With reference to the evolution of **GDP by provinces**, Álava posted the best performance, in quarter-on-quarter rates, with growth of 0.4%, while Bizkaia and Gipuzkoa did not show appreciable signs of growth (0.0%) with respect to the previous quarter. In year-on-year terms, Gipuzkoa showed positive growth, while Álava and Bizkaia recorded negative rates, but improved on those of the fourth quarter of 2009.

For further information:

[Basque Statistics Office](#)

C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz

Tlf:+34-945-01 75 00 Fax:+34-945-01 75 01 E-mail: eustat@eustat.es

Contact: Javier Aramburu

Tel:+34-945-01 75 06 Fax:+34-945-01 75 01

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