The GDP of the Basque Country registered 0.6% year-on-year growth in the third quarter of 2011

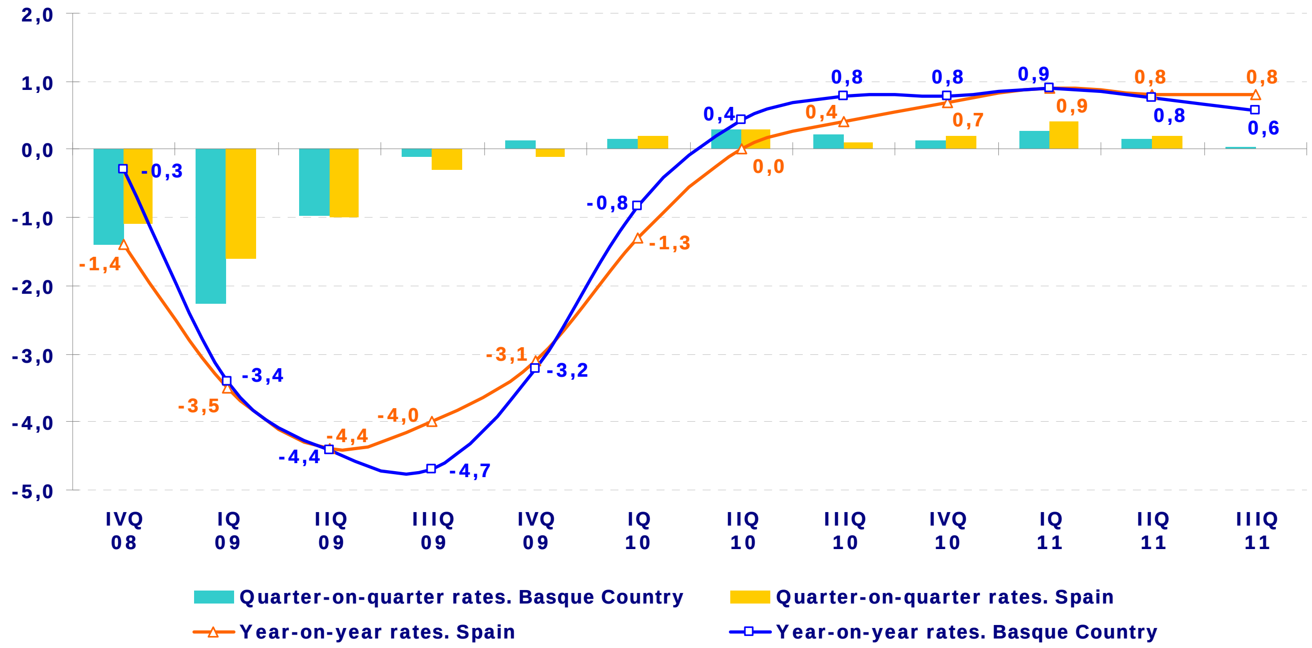
There was no change in growth (0.0%) with respect to the previous quarter

The GDP of the Basque Country registered growth of 0.6% in the third quarter of 2011, compared to the same period of 2010, according to EUSTAT data. This positive rate was two tenths down on the growth registered in the previous quarter.

This figure was 0.8% for the Spanish economy, according to the advance estimate published by the National Statistics Institute (INE).

With regards to the previous quarter, there was no change (0.0%) in the GDP of the Basque Country, compared to 0.2% registered in the quarter before. This quarter-on-quarter variation was identical to that registered by the Spanish economy.

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



Source: EUSTAT - Quarterly Economic Accounts - and INE

From the point of view of supply, year-on-year growth in this quarter was mainly underpinned by the positive performance, although rather more slowly than in the previous quarter, by the industrial sector. There was a light upturn in the services sector, due to the improvement in non-market services. The activity of the construction sector again failed to show signs of recuperation, showing a negative trend even more noticeable than that from the previous quarter.

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

	2009	2010	2010				2011		
			I	II	III	IV	I	II	III
Agriculture and fishing	-5,5	24,7	-7,3	9,6	51,8	48,2	-13,9	-16,0	-21,6
Industry	-12,7	1,8	-1,4	2,2	3,5	2,8	3,7	3,3	1,5
Construction	-7,4	-9,8	-11,0	-10,3	-9,8	-7,9	-4,6	-5,6	-6,0
Services	-0,1	0,6	0,6	0,9	0,4	0,5	0,8	1,0	1,3
Net taxes on products	-0,2	2,0	0,9	2,0	3,0	2,0	0,0	-0,5	0,3
Gross Domestic Product at market prices	**-3,9**	**0,3**	**-0,8**	**0,4**	**0,8**	**0,8**	**0,9**	**0,8**	**0,6**

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts

The **primary** sector posted a downturn in year-on-year terms (-21.6%), although with respect to the previous quarter it was up by 25.3%.

The **industrial** sector continued to show positive growth rates in year-on-year terms, despite the growth observed in this quarter (1.5%) continuing to be inferior to that observed in the second quarter (3.3%). This performance, transferred to quarter-on-quarter growth, shows a decrease of 0.6% compared to a rise of 1.3% posted in the second quarter.

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

	2010				2011		
	I	II	III	IV	I	II	III
Agriculture and fishing	0,3	9,3	34,2	0,8	-41,8	6,6	25,3
Industry	-0,1	1,7	1,1	0,2	0,7	1,3	-0,6
Construction	-6,1	-0,9	-1,0	0,0	-2,7	-2,0	-1,5
Services	0,0	0,3	-0,4	0,5	0,3	0,4	0,0
Net taxes on products	0,1	1,1	0,4	0,4	-1,8	0,6	1,2
Gross Domestic Product at market prices	**0,2**	**0,3**	**0,2**	**0,1**	**0,3**	**0,2**	**0,0**

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts

The **Construction** sector continued on a downward path, again registering a negative year-on-year rate (-6.0%) for this quarter, which is also four-tenths less than that posted in the previous quarter. This drop, as in previous quarters, includes both civil works and, especially, building. Quarter-on-quarter performance also continued to post negative values (-1.5%) although with a higher rate than that observed in the previous quarter (-2.0%).

In year-on-year terms, global performance of the services sector continued to be positive and, as in previous quarters, slightly better than the preceding quarter. In year-on-year terms growth was 1.3%, three-tenths higher than growth posted in the second quarter of the year. In month-on-month terms the sector showed signs of slowing down, with no change in growth (0.0%), against a positive performance of 0.4% registered in the previous quarter.

The aggregated sectorial performance gave place to an increase of **Added Value** of 0.6% in year-on-year terms, three-tenths less than that posted in the second quarter of the year. The month-on-month growth rate was also less than that observed in the previous quarter, going from positive growth of 0.1% in the third quarter of the year to a negative rate of 0.1% in the third quarter.

The most positive results **in terms of Demand,** for another quarter, were posted by the foreign sector, which was positive for the performance of GDP, with notable growth rates both in exports and imports, and significant increases with respect to the rates of the previous quarter.

As in the previous quarter, internal Demand posted year-on-year growth of 0.2%. In quarter-on-quarter terms, there was a decrease of 0.6% compared with positive growth of 0.1% posted in the previous quarter.

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

	2009	2010	2010				2011		
			I	II	III	IV	I	II	III
Final home consumer spending	-3,9	0,9	-0,6	1,5	1,5	1,3	0,8	0,3	0,9
Final Public Administration consumer spending	5,0	2,3	1,8	2,7	3,0	1,5	1,3	1,3	-2,0
Gross formation of capital	-15,2	-6,0	-9,7	-6,8	-4,0	-3,1	-1,8	-1,0	-0,2
Internal Demand	-5,6	-0,5	-2,4	-0,3	0,4	0,2	0,3	0,2	0,2
Total exports	-13,2	7,6	4,0	9,8	6,5	10,0	13,3	3,2	12,4
Total imports	-14,9	5,5	0,9	7,7	5,3	8,5	11,6	2,1	11,1
Gross Domestic Product at market prices	**-3,9**	**0,3**	**-0,8**	**0,4**	**0,8**	**0,8**	**0,9**	**0,8**	**0,6**

Data corrected for seasonal and calendar effects.
Source: EUSTAT. Quarterly Economic Accounts.

Spending on Final Household Consumption (Private Consumption) posted positive growth of 0.9% in year-on-year terms, six-tenths more than that posted in the previous quarter. However, this three-month period saw a quarter-on-quarter decrease of 0.2%, following three consecutive quarters of moderate positive growth.

Public Consumption (Spending on Final Public Sector Consumption) posted a year-on-year negative rate of -2.0% following a long period of positive growth, compared to a rate of 1.3% in the previous quarter. This year-on-year contraction shows a month-on-month drop of nine-tenths, clearly down on the 1.4% growth posted in the previous quarter.

There were negative rates in **Gross Capital Formation (Investment)** for another three-month period both in year-on-year and quarter-on-quarter terms, although there was clear improvement for both magnitudes compared with the previous quarter. There was a year-on-year drop of 0.2%, compared to a drop of 1.0% in the previous quarter, and the month-on-month fall of 0.8% posted in the second quarter was 0.1% in this three-month period.

The performance of both Public and Private Consumption and of Gross Capital Formation, along with their relative weightings, determined the performance of **Internal Demand,** which posted a positive rate in year-on-year terms (0.2%). This rate was the same as that posted in the previous quarter. However, in month-on-month terms there was a reverse with respect to the previous quarter, with this quarter suffering a contraction of 0.6% compared with the slight growth of 0.1% posted in the previous three-month period.

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

	2010				2011		
	I	II	III	IV	I	II	III
Final home consumer spending	0,7	1,1	-0,8	0,4	0,2	0,6	-0,2
Final Public Administration consumer spending	-1,4	1,4	2,4	-0,8	-1,6	1,4	-0,9
Gross formation of capital	-1,4	-1,6	-0,9	0,8	0,0	-0,8	-0,1
Internal Demand	0,5	0,3	-0,6	0,0	0,6	0,1	-0,6
Total exports	4,4	4,9	-0,5	1,0	7,6	-4,4	8,3
Total imports	5,7	3,5	-1,5	0,7	8,7	-5,3	7,1
Gross Domestic Product at market prices	**0,2**	**0,3**	**0,2**	**0,1**	**0,3**	**0,2**	**0,0**

Data corrected for seasonal and calendar effects.

Source: EUSTAT. Quarterly Economic Accounts

As in previous quarters, the contribution of the **foreign sector** to the performance of GDP was positive. In year-on-year terms the performance of exports was still greater (12.4%) than that of imports (11.1%), which resulted in a stronger foreign balance, meaning that GDP performed better compared to Internal Demand.

With respect to employment, measured in **job figures**, it dropped by seven-tenths in year-on-year terms with a drop of four-tenths in the quarter-on-quarter rate. By sectors, employment continued to go down in industry and construction both in year-on-year and quarter-on-quarter terms. The services sector had the best sectorial results with positive year-on-year performance of 0.7%, whereas in quarter-on-quarter terms it saw a drop of 0.1%.

With reference to the evolution of **GDP by provinces,** the best performance in year-on-year terms was in Araba/Álava, which posted growth of 0.8%. Both Bizkaia and Gipuzkoa showed positive growth rates of 0.5%. The best performance in month-on-month terms was posted by Gipuzkoa, with growth of 0.2%, whereas there was no change (0.0%) in either Araba/Álava or Bizkaia.

For further information:
Basque Statistics Office
C/ Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz
Tel: +34-945-01 75 00 Fax:+34-945-01 75 01 E-mail: ***eustat@eustat.es***
Contact: Javier Aramburu
Tel:+34-945-01 75 80 Fax:+34-945-01 75 01
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