

BASQUE NEWS

N. 78 - 2005



Nearly 2,000 delegates from 60 countries met in the Basque Country.

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Ibarretxe: 'We are a strategic point in the international market' The Basque Country, the natural gas capital of the world

Leading gas giants gathered together in the BEC during Gastech 2005

The Basque Country has become a 'strategic point' in the international market for gas storage and distribution. The idea was launched by President Ibarretxe in the presence of nearly 2,000 delegates from 60 countries who had come to the Basque Country to participate in Gastech 2005, one of the industry's most important fairs. Ibarretxe acted as ambassador and urged the world's gas giants to invest in the Basque Country, highlighting the 'immense possibilities offered by our region for establishing business initiatives'.

For four days, the Basque Country became the world's natural gas capital. The principal world leaders in the supply, storage, transport and distribution of gas gathered together in the Bilbao Exhibition Centre, which, for a few days, became a giant showcase in addition to a key business centre.

The opening ceremony was attended by the Prime Minister of Trinidad and Tobago, as well as ministers of the Sultanate of Oman and the Arab Emirates, who were able to gain a first-

hand glimpse of the possibilities offered by the Basque Country within the increasingly important natural gas industry.

During his address, the Basque President thanked the organisers for having chosen the Basque Country as the venue for this key international fair. 'It used to be important to choose,' said Ibarretxe, 'but these days, it is more important to be chosen by others for the things you do, and this is why I would like to thank you for having chosen us as the venue for the important debates that will be held here.' The President described the Basque Country as a 'small, hardworking and peaceful country, whose best raw material is its people, who like to do things properly.'

The Basque Country makes a commitment to gas

Both the Basque President himself, and the Regional Minister for Industry, Ana Aguirre, strove to make it clear in their addresses that the Basque Government is firmly committed to promoting natural gas as a clean, environmentally-

friendly energy source.

In this sense, the Basque President announced that the Government's plans aimed to ensure that by the year 2010, the Basque Country will produce a 'surplus' of energy, and will be able to sell 15% of the energy produced, as opposed to the current situation in which the region still needs to import part of the energy it consumes. During the same time period, the consumption of natural gas in Basque homes is expected to rise. Currently, gas is supplied to half a million homes and the Government plans to ensure that by 2010, 100% of the municipalities in the region are connected to a gas supply network.

Similarly, with a view to the future, the Basque Country offers enormous potential within the gas industry; a potential that, in the words of the President, is the result of three key factors: the region's large storage capacity; its regasification plants and the possibilities offered by the port; and finally, its role as the gas link between the Peninsular and Europe.

The Gastech 2005 world gas fair held in Bilbao was a resounding success, as regards both its economic impact on the

Basque economy and the volume of business that was conducted during the event. The figures recorded by this year's fair could not have been more encouraging, since participation levels were the highest ever, with representatives from 300 companies, over 1,700 delegates from 60 different countries from all five continents and over 4,000 professionals. The fair also served to put the Basque Country firmly on the international gas map, within the industry of what many

Gastech 2005 generated an income of 10 million euros for the Basque Country

full, as were many of the region's most famous restaurants. Furthermore, car hire companies and other services

consider to be 'the fuel of the 21st century'.

It is estimated that the holding of this international forum in Bilbao has generated around 10 million euros for the Basque Country. This enormous impact was mainly noted in the services sector, particularly in the catering industry.

During the four days that Gastech 2005 lasted, the major hotels in both the Bizkaian capital and various neighbouring cities were completely

were hard met to cope with the demand.

From a business perspective, the gas fair provided local producers, methane generators and gas storage and distribution companies the opportunity to establish contacts and close a number of deals. Furthermore, Bilbao was also visited by the heads of the leading gas companies in the world, as well as the political representatives of some of the most important gas producing countries.

The new super jumbo jet to generate 2,000 million euros for Basque companies over the next 20 years

The Basque companies participating in the construction of the Airbus A380 (the largest passenger plane ever built) expect to invoice over 2,000 million euros over the next 20 years. Furthermore, the expected construction of nearly 700 jumbo jets will guarantee the Basque aeronautical sector work for the next two decades. The Basque companies that will be participating in this key European project are: the Bizkaian turbo propeller manufacturer, ITP, which will be responsible for manufacturing part of one of the Airbus engines; Gamesa, from Alava, which will manufacture the metal structures of the rear fuselage, between the passenger compartment and the tail; and SK10, also from Alava, which will contribute to the manufacture and assembly of various zones of the jumbo jet. Furthermore, around twenty other Basque companies will act as subcontractors for the three principal ones, which means that almost the entire Basque aeronautical industry, which directly employs around 4,500 people, will benefit from the building of these aeroplanes.

Fagor purchases Brandt and becomes the fourth largest domestic appliance manufacturer in Europe

Fagor Electrodomésticos, a member of the MCC group, has recently purchased a 100% shareholding in the French group Brandt, making the Basque company the fourth largest European manufacturer in the domestic appliance market. Furthermore, in the near future, the company also plans to purchase Grumal, a small Gipuzkoan group which manufactures components for kitchen units.

These acquisitions are the two largest operations carried out since the co-operative was first set up in the middle of the last century, and will enable Fagor to duplicate its current size and double its turnover. In specific

terms, the acquisition of the French domestic appliance manufacturer, which was ratified by the vast majority of the co-operative members, will involve an investment of around 180 million euros, according to sources in the industry.

Fagor currently has a workforce of around 6,000, and a total of 12 different factories: nine in the Basque Country and three in Morocco, Poland and China, respectively. For its part, Brandt, is the largest domestic appliance manufacturer in France, employing 4,700 people in a total of 7 different plants (six in France and one in Italy).

Breves

- ▶ **Basque families are the best savers in Spain.** 58% of homes in the Basque Country put away part of their income for a rainy day, making Basque families the best savers in Spain according to the Family Budget Survey carried out by the National Statistics Institute. The study also revealed that the Basque Country is the most optimistic Autonomous Region as regards how it perceives the economic situation.
- ▶ **The Basque Autonomous Region's three technology centres.** Miramón, in Gipuzkoa, Zamudio in Bizkaia and Miñano in Alava, provide jobs to around 10,000 workers, grouped in a total of 260 companies. These companies generate an annual business turnover of over 2,100 million euros, 42% of the total turnover generated by all technology parks in Spain, a figure which clearly demonstrates their strength and importance.

Over recent years, the Basque economy has grown twice as much as its neighbouring economies in Europe

The Basque President and the Vice President presented the economic balance sheet for the last term of office

During the 2001-2004 term of office, the Basque economy has recorded an average annual growth almost twice as high as that recorded by the fifteen countries of the old European Union. While during this period, the average annual growth in the Basque Country was 2.6% of the GDP, that of the EU-15 countries was just 1.4%, and that of the EU-25 1.5%.

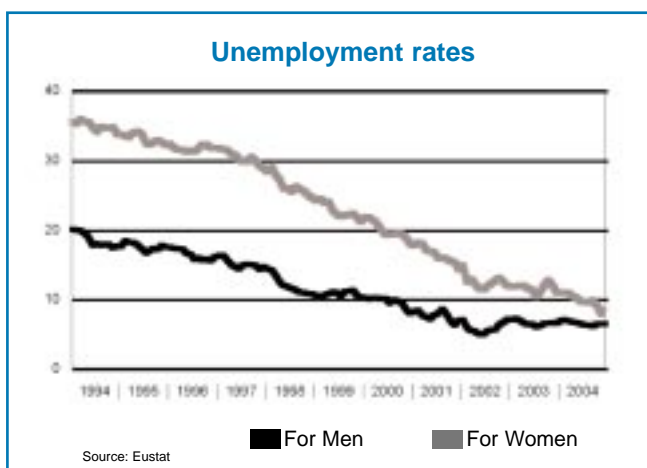
'In the face of the message of fear, the data regarding our economic growth are irrefutable' said the President during his presentation of the results. 'What happened to those harbingers of doom who predicted our fall into poverty and ruin merely as the result of our commitment to legitimate and democratic debate?' he asked, alluding to the reports that

All-time unemployment low, with a rate of under 8% and an even distribution between men and women

The main economic breakthrough of the last five years is the achievement of convergence in terms of employment with the parameters of the EU, with the figures for the Basque Country exceeding, for some time now, the European average, with the current figure being 7% above the European mean.

2004 saw record figures for the active population, with the incorporation of over 25,000 people into the labour market since 2001. Similarly, employment figures, which rose to 905,000 (with over 55,000 net new jobs being created during that period), were also at an all-time high. As a result, unemployment in the Basque Country reached its lowest ever mark, with the annual average being 7.8% of the active population, as opposed to 25% just ten years ago.

In this sense, we should also highlight the gradual convergence in terms of employment between men and women. While four years ago, unemployment among women was 9% higher than among men, today, this difference has dropped to just 3%. In fact, according to Eustat, there are currently more unemployed men (35,700) in the Basque Country than unemployed women (32,900).



	% Increase GDP Yearly average	% Increase GDP Accumulated
Basque Country	2.6	10.5
UE-15	1.4	5.8
(UE-25)	(1.5)	(6.1)

predicted a series of 'catastrophic' economic consequences if the Proposal for the New Statute was approved.

The Average Income in the Basque Country is 20% higher than in Spain

Over recent years, the Basque economy has been characterised by both its balance and competitiveness. We have seen the gradual decline of the construction industry (which has nevertheless not affected the general growth in activities at all), accompanied by the increase in the industrial sector which, by no coincidence, is in keeping with the trend reflected by the GDP.

We should remember that within the Basque economy, industry accounts for approximately 30% of the GDP. This means that the better the performance of our industrial sector, the greater the economic growth recorded.

Increase in the export of Basque products at a mid-high technological level

We can therefore confirm that the Basque Country has a healthy, balanced and competitive model of economic growth, especially if we look at the evolution of exports to the principal European countries (Germany, France and the United Kingdom), where over recent years, Basque products have gradually been increasing their market share. It is also important to note that these products incorporate an increasingly large technological component, which attests to the innovative nature of the production industry, a factor which helps make the Basque Country so competitive on some of the most demanding markets in its environment.

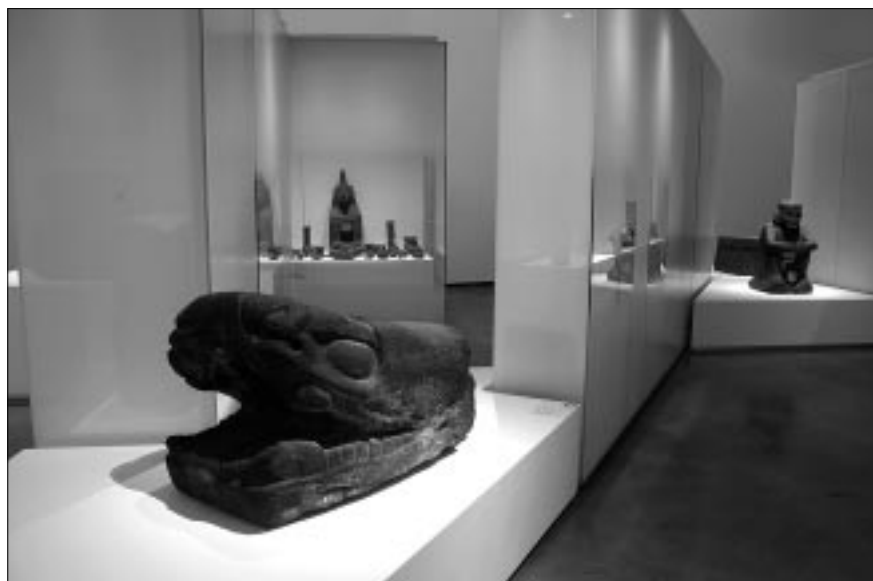
Prestigious international agencies attest to the economic results gained

This is the economic assessment of the situation afforded by the official statistics, statistics that are backed by the Standard & Poor's rating agency, according to which, the Basque Government is the healthiest Public Administration in Spain as regards its financial status. This assessment led the agency to award the Basque Government its highest rating. This 'reliability certificate', as the Basque President put it, attests to a Basque Country that, thanks to our collective efforts, the dynamism of the production sector and the contribution of the self-government institutions, is now firmly placed on the European map as one of the continent's most active, modern and innovative economies.

Aztecs conquer the Guggenheim

The Aztec empire has conquered the Guggenheim Museum in Bilbao. From March until the end of the summer, the Basque gallery will house what is, in the opinion of its General Director, Juan Ignacio Vidarte, one of 'the most important exhibitions organised to date in the Guggenheim'. The exhibition will feature a total of 600 items from over 50 museums and private collections from all over the world, as well as archaeological findings uncovered during the last decade, which are presented here for the first time outside Mexico.

In total, the exhaustive exhibition will fill 11 of the museum's 19 rooms, giving visitors an in-depth view of Aztec society from its beginning right following the Spanish conquest. Items on display include gods, jaguars, eagles, coyotes, human figures, jewels and everyday objects which evoke the different lifestyles of this civilisation,



often called the People of the Sun.

In the opinion of the experts, the Guggenheim exhibition is the most wide-ranging and historically accurate display organised to date about this mysterious culture, and 'you would need to travel a long way to see what is on display in Bilbao; not even the indigenous people themselves would have seen such a collection,' commented the exhibition organiser, Felipe Solís.

The Basque language finally has a home

**Furthermore, a new tool has been created in
order to gauge the current situation**

The Basque language finally has a home. It is called 'Euskararen Etxea' (Home of the Basque Language) and it is a space dedicated to the Basque language created by the Basque Government, the Bizkaia Provincial Government and the Bilbao Local Council.

The building is located in the Bizkaian capital and has four floors. The first floor contains a recreation of a train station and tracks the evolution of the Basque language over the centuries. The other floors house a media library (containing all the multimedia products published to date) and a number of different associations, all linked to the Basque language. For more information about this initiative, see the website on: www.euskararenetxea.net.

Furthermore, from now on, anyone interested in finding out more about the current situation of the Basque language or its evolution throughout the Basque Country, can make use of a new Internet tool: the Basque Country language indicator system (EAS).

This new instrument has been created to provide institutions, agencies and organisations working in the field of Basque use normalisation, as well as any interested private citizens, with detailed information regarding the situation of the Basque language in the different territories, based on the very latest data available. Moreover, with the aim of enabling an analysis of the evolution of the language, data corresponding to previous years are also available.

Any interested parties can access this information through the Deputy Ministry for Language Policy's website: www.euskara.euskadi.net

Tàpies and Saramago present a joint work for Elkarri

**The Basque President was
invited to the presentation**

'For irreversibility' is the title of the joint work created by the Nobel prize-winning writer, José Saramago, and the sculptor and painter, Antoni Tàpies, for Elkarri, which was presented recently in Barcelona during a ceremony attended by President Ibarretxe.

The work, which will be used to raise funds for the Elkarri peace movement, consists of two parts, one graphic one, created by Tàpies, and one written one, in which Saramago reminds us that 'peace is only possible if we work at it'.

Referring to the title of the work, during his address the Basque President ensured those present that 'peace in the Basque Country is, indeed, an irreversible process,' adding that the vast majority of Basque citizens are in favour of dialogue and negotiation, and reject violence, both that perpetrated by ETA and any other kind.

PUBLISHED BY:

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Eusko Jaurlaritzaren Inprimategi-Erreprografia Zerbitzua
Basque Government Printing-Reprography Service
National Book Catalogue Number VI-277/99