



The Basque Eurocity

ECONOMIC FABRIC

The physical geography of this border, marked as it is by the Pyrenees and two coastal corridors, the Atlantic and Mediterranean, has a strong impact on the economic fabric of the border region. Thus, the coastlines play an important logistical role. 85% of goods and 70% of travellers pass through these two heavily-congested corridors and there are plans to modernise the transport infrastructures here. The majority of the mountain territory has a residential economy, mainly based on tourism and handicrafts.

In terms of the main economic sectors, the service sector is very dominant in the economies of Andorra and the departments of Pyrénées-Orientales and Haute-Garonne, while there is much more industry in the provinces of Guipuzkoa, Navarra and Girona. Lastly, the areas where the agricultural sector is most dominant are the provinces of Huesca and Lérida and the department of Pyrénées-Atlantiques. A number of sectors are represented along the whole of the border: agri-business, biotechnologies-healthcare, renewable energies and logistics-transport. In addition, in certain territories, we can note relative specialisms, such as aerospace (Aerospace Valley competitiveness cluster in Midi-Pyrénées and Aquitaine).

Along most of this border, there is a predominance of SMEs and even very small enterprises (in mountainous areas, mainly handicraft businesses), despite the specificity of territories such as Guipuzkoa where there are more medium-sized companies.

SECTORS OF ECONOMIC COOPERATION

Companies here tend to be involved more in international rather than local transactions, especially along the coastal parts of the border, which serve as important transport corridors. Here we can note a strengthening of economic links over the past few years, in particular in those areas where a shared identity, Basque or Catalan, plays an important role (agri-business, tourism). In the Pyrenees, despite the lack of transport connections, which is a major obstacle to economic exchanges, cross-border economic relations are very strong as the economies are focused more on tourism and agri-business, sectors in which local transactions are more frequent. In general terms, a change has taken place since the recent economic crisis as more and more Spanish firms have turned to local transactions with the French border territories.

- ✎ **Andorra is a very particular case.** As the Principality is highly specialised in the services sector, foreign trade is predominant. Trade with Spain is at present three times higher than that with France, a reversal of the trend in the 1990s.