

24 November 2017

Business Demographics Indicators
Year 2015

There were 3,482,354 companies in operation in Spain in 2015, 1.5% more than the previous year.

In 2015, 330,958 companies were created and 281,506 went out of business, representing a growth rate of 1.4%.

The stock of businesses that operated in Spain in 2015 amounted to 3,482,354, 1.5% more than in 2014. “*Stock*” is understood as the set of company that were active during the year, in whole or in part.

56.9% of this company stock corresponded to units of the service sector other than Commerce, 24.2% to *Commerce*, 12.9% to *Construction*, and the remaining 6.0% to *Industry*.

49,452 more companies were created in 2015 than went out of business.

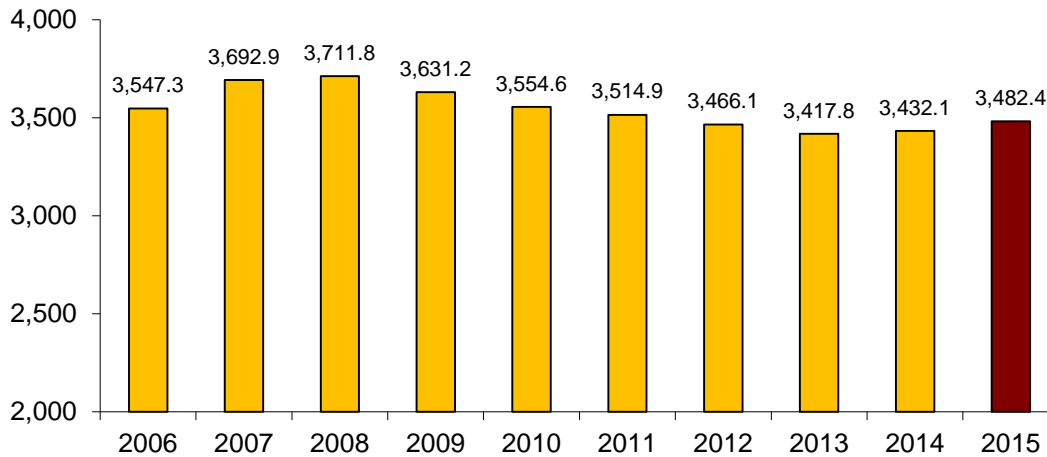
The rate of enterprise birth (quotient between those born and total stock) was 9.5%. For its part, the death rate was 8.1%. Consequently, the net growth rate was 1.4%.

Stock, births and deaths of enterprises, by economic sector. Year 2015

	Total	Industry	Construction	Trade	Rest of services
Stock	3,482,354	209,434	449,904	842,580	1,980,436
Births	330,958	12,050	39,917	76,519	202,472
Deaths	281,506	13,045	35,801	78,021	154,639
Net variation	49,452	-995	4,116	-1,502	47,833
Birth rate (%)	9.5	5.8	8.9	9.1	10.2
Death rate (%)	8.1	6.2	8.0	9.3	7.8
Net rate (%)	1.4	-0.5	0.9	-0.2	2.4

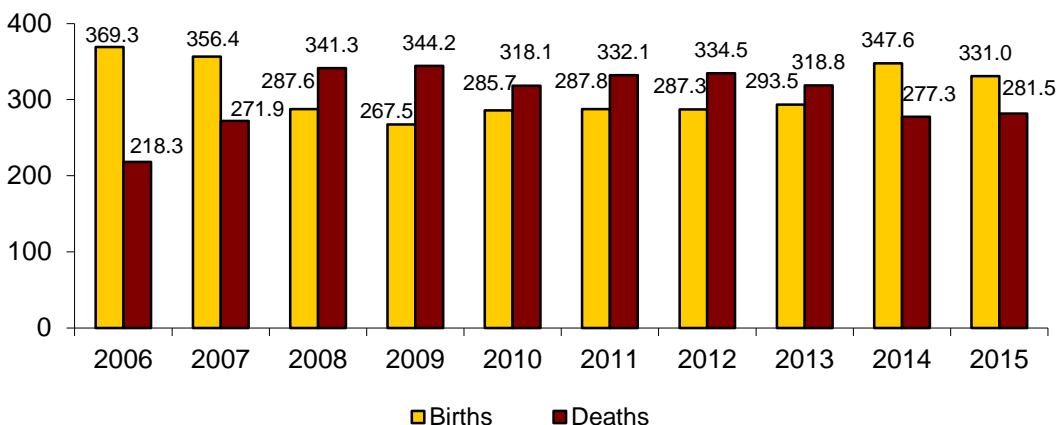
Looking at the evolution of company stock over the last 10 years, it is observed that its height was reached in 2008, with 3,711,835 units. Since then, stock fell over the next five years, increasing in 2014 and again in 2015.

Performance of the stock of enterprises (in thousands)

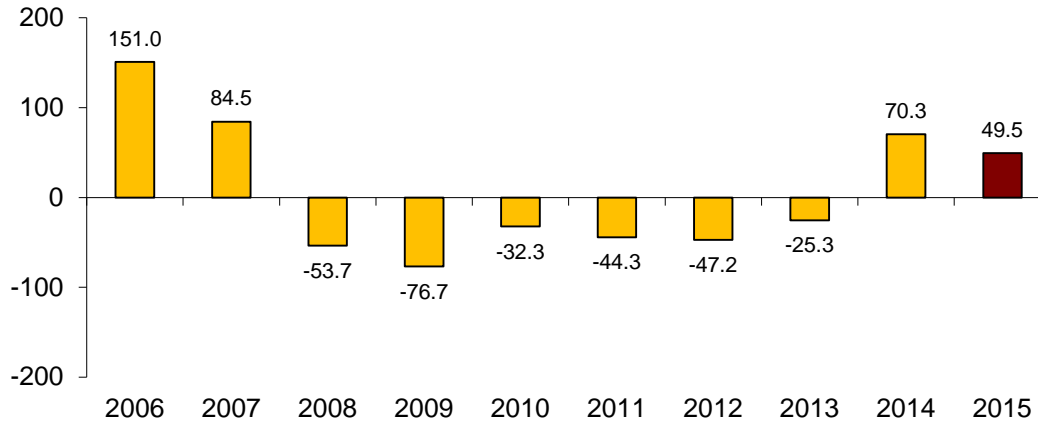


If we look at the company creation and death rates, it should be noted that 2014 was the first year since 2007 in which the number of enterprises born surpassed the number that died. In 2015, we again witnessed this effect, with 330,958 new enterprises born and only 281,506 deaths.

Performance of the number of births and deaths of enterprises (in thousands)



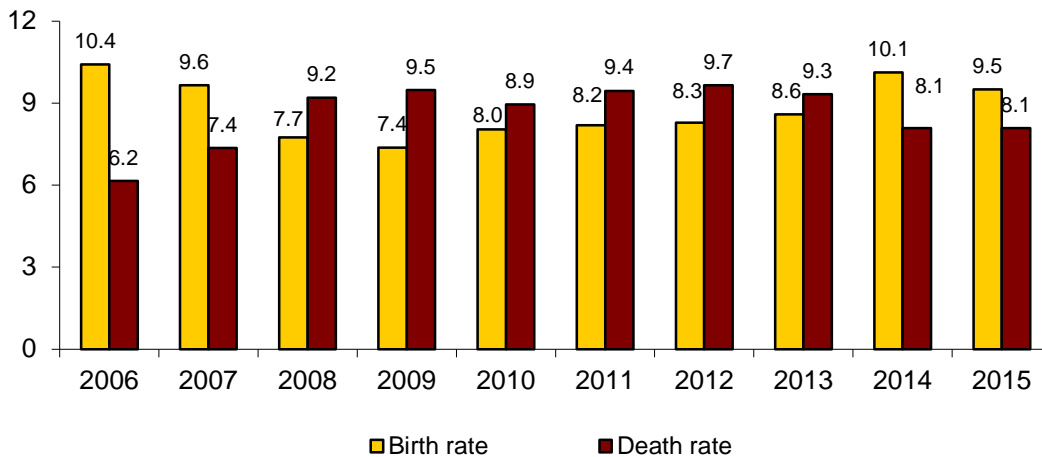
Net variation of births and deaths of enterprises (in thousands)



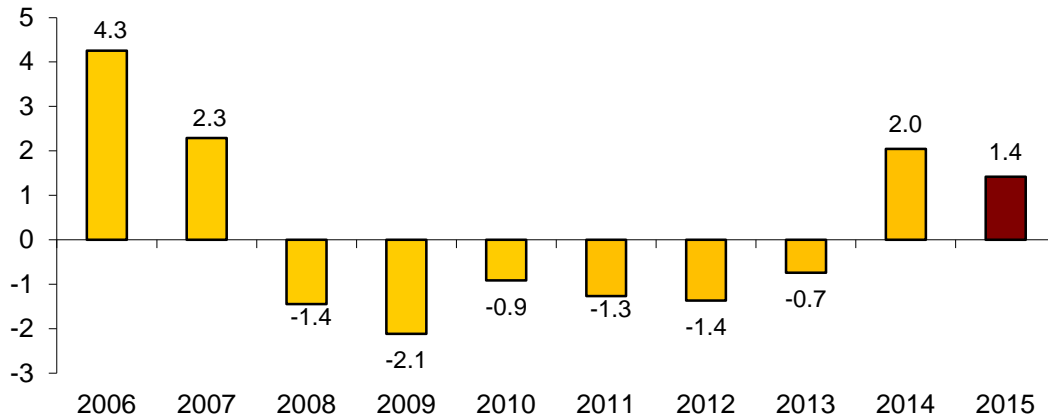
The following graphs offer a similar perspective, but considering rates for each enterprise birth and death event, and incorporating the net growth rate.

In 2015, the net rate was situated at 1.4%, compared to 2.0% in 2014.

Performance of birth and death rates of enterprises (%)



Performance of the birth and death rates of enterprises (%)



Results by economic activity

The economic activities with the best business demographic balance in 2015 (identified by their higher net rate or difference between births and deaths) were *Other professional activities, scientific and technical* (7.3%), *Veterinary activities* (6.2%) and *Programming, consultancy and other IT-related activities* (5.3%).

Activities with the highest net rate. Year 2015

CNAE-2009 divisions	Births	Deaths	Net rate (%)
Other professional, scientific and technical activities	9.794	5.778	7.3
Veterinary Activities	1.181	521	6.2
Computer programming, consultancy and other activities related to IT	4.823	3.009	5.3
Activities related to financial services and insurance	10.134	6.136	5.1
Education	13.979	8.890	5.0
Creation, artistic and entertainment activities	5.106	3.581	4.5
Health activities	13.342	6.941	4.3
Postal and courier activities	1.275	905	4.2
Administrative activities of the office and other ancillary activities to the companies	17.413	12.585	4.2
Real estate activities	15.199	8.106	4.2

Those with the worst business demographic balance (identified by their lower net rate) were *Other mining and quarrying* (-3.3%), *Radio and television programming and broadcasting activities* (-2.5%) and *Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials* (-2.4%).

Activities with the lowest net rate. Year 2015

CNAE-2009 divisions	Births	Deaths	Net rate (%)
Safety and research activities	280	320	-1.1
Electric energy, gas, steam and air conditioning supply	35	210	-1.2
Manufacture of motor vehicles, trailers and semi-trailers	53	76	-1.3
Manufacture of electrical material and equipment	93	123	-1.4
Manufacture of furniture	813	1,049	-1.7
Metallurgy; manufacture of iron, steel and ferro-alloy products	46	69	-1.8
Manufacture of other non-metallic ore products.	381	570	-2.1
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	501	769	-2.4
Radio and television programming and broadcast activities	117	166	-2.5
Other mining and quarrying	68	140	-3.3

Results by number of employees

97.1% of the enterprises that were born or that died in 2015 had four or fewer employees.

Specifically, 80.6% of the enterprises born and 72.0% of those that died had no employees.

The only negative gap between enterprise births and deaths occurred in the stratum of *one to four employees*, where enterprise deaths exceeded births by 15,522 units and the net rate stood at -1.3%.

The *No employees* stratum had the greatest positive gap between enterprise births and deaths, with a net rate of 3.2%.

Stock, births and deaths of enterprises, by employees size class. Year 2015

	Total	Without employees	1 to 4 employees	5 to 9 employees	10 or more employees
Stock	3,482,354	1,990,395	1,177,582	181,921	132,456
Births of enterprises	330,958	266,662	55,008	7,247	2,041
Deaths of enterprises	281,506	202,677	70,530	6,414	1,885
Net variation	49,452	63,985	-15,522	833	156
Birth rate (%)	9.5	13.4	4.7	4.0	1.5
Death rate (%)	8.1	10.2	6.0	3.5	1.4
Net rate (%)	1.4	3.2	-1.3	0.5	0.1

Survival of births of enterprises

The first year of life is when the largest numbers of enterprise units occur, with survival rates of 77.4% or lower.

It should be noted that the initial 2010 population numbers have been cut in half after four years, which also happens with the set of enterprises born in 2011.

The following table presents the populations of enterprises born in a given year, monitoring them over time. The survival indicators have been calculated for a maximum period of five years.

Survivals of enterprises born since 2010 (%)

Year of birth	Year observed					
	2010	2011	2012	2013	2014	2015
2010	100.0	76.5	62.4	52.0	44.9	40.0
2011		100.0	75.8	61.8	52.5	46.1
2012			100.0	76.0	63.4	54.9
2013				100.0	77.4	65.2
2014					100.0	76.5

Enterprises ceasing to exist in their first years of life

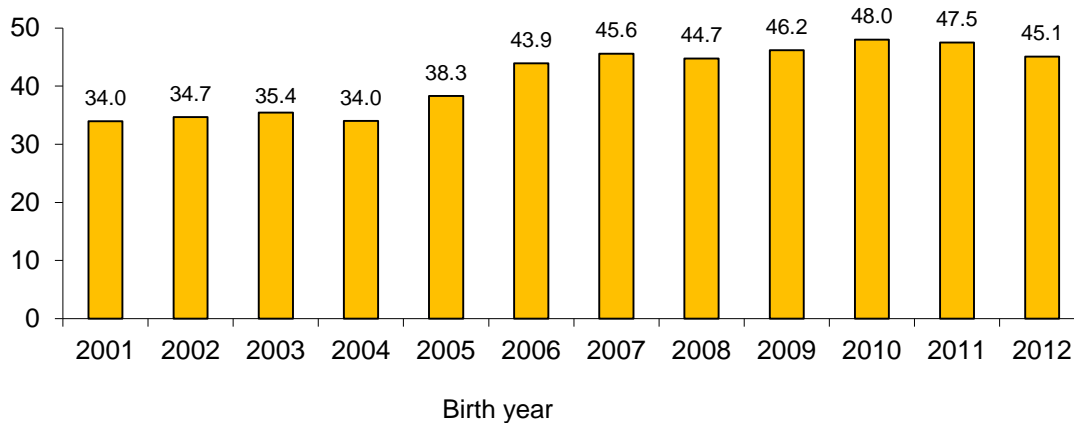
Analysing the losses in greater detail, the following table quantifies enterprise deaths in their first three years of life, taking as reference the cohorts of companies born in 14 consecutive years.

Enterprises ceasing to exist in their first three years of life (%)

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2014	23.5			
2013	22.6	12.3		
2012	24.0	12.5	8.5	45.1
2011	24.2	14.0	9.4	47.5
2010	23.5	14.1	10.4	48.0
2009	20.1	14.7	11.5	46.2
2008	20.8	13.2	10.8	44.7
2007	20.9	14.6	10.1	45.6
2006	17.4	15.3	11.3	43.9
2005	14.5	12.0	11.8	38.3
2004	15.5	9.3	9.3	34.0
2003	17.2	10.9	7.4	35.4
2002	14.2	10.2	10.3	34.7
2001	16.7	9.5	7.7	34.0
Average	19.6	12.5	9.9	41.5

In terms of accumulated deaths in the first three years of life, it should be noted that mortality reached its highest level in the 2010 cohort.

Accumulated enterprises ceasing to exist in the first three years of life, by birth year (%)



Results by Autonomous Community(*)

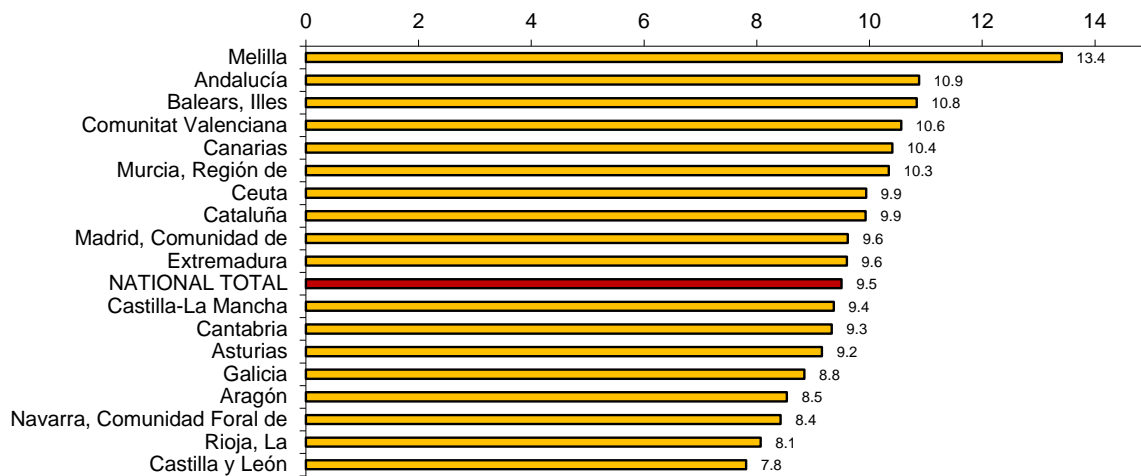
Considering the territory where the enterprises had their headquarters, Andalusia (10.9%), the Balearic Islands (10.8%) and the Valencian Community (10.6%) had the greatest birth rates in 2015. In turn, Castilla y León (7.8%), La Rioja (8.1%) and the Community of Navarra (8.4%) recorded the lowest birth rates.

Stock, births and deaths of enterprises, by Autonomous Communities. Year 2015

	Stock	Birth	Deaths	Net variation	Birth rate (%)	Death rate (%)	Net rate (%)
NATIONAL TOTAL	3,482,354	330,958	281,506	49,452	9.5	8.1	1.4
Andalucía	535,781	58,291	48,673	9,618	10.9	9.1	1.8
Aragón	96,301	8,218	7,793	425	8.5	8.1	0.4
Asturias	73,254	6,708	6,220	488	9.2	8.5	0.7
Balears, Illes	97,416	10,557	8,350	2,207	10.8	8.6	2.3
Canarias	148,471	15,452	13,235	2,217	10.4	8.9	1.5
Cantabria	40,737	3,801	3,382	419	9.3	8.3	1.0
Castilla y León	170,263	13,303	12,600	703	7.8	7.4	0.4
Castilla-La Mancha	137,203	12,850	11,754	1,096	9.4	8.6	0.8
Cataluña	639,275	63,499	51,162	12,337	9.9	8.0	1.9
Comunitat Valenciana	376,670	39,786	34,249	5,537	10.6	9.1	1.5
Extremadura	70,648	6,780	5,700	1,080	9.6	8.1	1.5
Galicia	212,010	18,752	16,530	2,222	8.8	7.8	1.0
Madrid, Comunidad de	556,493	53,512	46,475	7,037	9.6	8.4	1.3
Murcia, Región de	99,462	10,289	8,258	2,031	10.3	8.3	2.0
Navarra, Comunidad Foral de	46,456	3,914	3,255	659	8.4	7.0	1.4
Rioja, La	24,615	1,986	1,933	53	8.1	7.9	0.2
Ceuta	4,054	403	362	41	9.9	8.9	1.0
Melilla	4,728	634	440	194	13.4	9.3	4.1

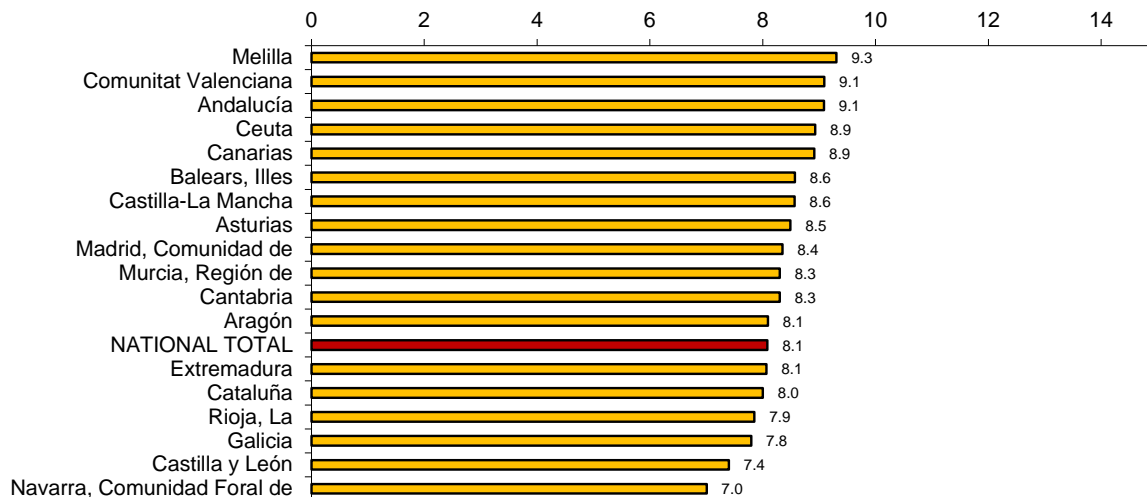
(*) Regarding the data on the Basque Country, see the methodological note.

Enterprise birth rates by Autonomous Community (%)



The greatest enterprise death rates were recorded in the Valencian Community, Andalusia (9.1% in both) and the Canary Islands (8.9%). And the lowest death rates were in the Community of Navarra (7.0%), Castilla y León (7.4%) and Galicia (7.8%).

Enterprise death rates by Autonomous Community (%)



(*) Regarding the data on the Basque Country, see the methodological note.

Methodological note

The Business Demographic Indicators provide aggregate information regarding the population of companies established in the national territory, considering aspects linked to business dynamism, and applying a methodology agreed on within the scope of the European Union. This information is integrated into the Harmonised Business Demographics statistical operation collected in the 2017 Annual Statistical Programme.

In addition, the data obtained at the national level is intended to satisfy the legal requirements of Regulation (EC) No. 295/2008 relating to business structural statistics.

This methodology provides the guidelines to identify populations and general indicators regarding the stock, creation, closure and survival of companies through a harmonised statistical use of the Company Directories managed in the Statistics Offices.

The delimitation of populations of interest is obtained through an ordered set of various procedures, designed according to the principles of the harmonised methodology. Basically, the tasks are intended to identify the following aggregates:

- *Enterprise Stock*: Set of units that have remained active during all or part of the year. The companies that remain active at the end of the period are counted, plus the companies that have ceased their activities throughout the period.
- *Enterprise births*: Set of units which created a combination of new production factors throughout the year. There is no link to other previously existing companies.
- *Enterprise deaths*: Set of units which dissolved all of its production factors throughout the year. There is no link with other companies that were able to begin operations.
- *Enterprise survivals*: Restricted to each cohort of births, this number corresponds to the set of units that continue to be active in each of the following five years.

The harmonised demographic analysis is not limited to a simple quantification of flows obtained in the process of updating the Directories (see *Statistical Exploitation of the CCD*). The delimitation and tabulation of the set of legal units that enter, remain and leave annually is normally obtained from the changes detected in the administrative sources that supply information, being a first step in the process of unit renovation. However, this starting point does not directly provide harmonised demographic indicators.

The indicators proposed in the methodology quantify the relative importance of the enterprise birth and death phenomena within the Spanish business fabric. The survival phenomena is similar, but takes as a reference the population of enterprise births detected in the initial observation period.

Below, the procedure used to calculate these indicators is presented.

Birth rate

$$TR_i^t = \frac{R_i^t}{N_i^t} \times 100$$

S_i^{t+k} = Supervivencias de la actividad i a finales del $t + k$, $k = 1, 2, \dots$
 R_i^t = Nacimientos de la actividad i en el año t
 N_i^t = Stock de la actividad i en el año t

Survival rate

$$TS_i^{t+k} = \frac{S_i^{t+k}}{R_i^t} \times 100$$

R_i^t = Nacimientos de la actividad i en el año t

Death rate

$$TD_i^t = \frac{D_i^t}{N_i^t} \times 100$$

D_i^t = Muertes de la actividad i en el año t

N_i^t = Stock de la actividad i en el año t

It must also be taken into account that the 2015 enterprise death data is provisional, as those enterprises that were reactivated in 2017 have not yet been identified, and therefore, they are subject to removal in accordance with the harmonised methodology.

For 2015, disaggregated data is not provided for the autonomous community of the Basque Country due to the loss of homogeneity in the series, due to the lack of availability of the information from the primary sources traditionally provided by the Basque Statistics Institute (EUSTAT). Once this situation is corrected, starting in 2016, this information will again be provided, as in previous years.

The INE is thankful for the collaboration provided by the different Public Agencies (the Ministry of Employment and Social Security, State Agency for Tax Administration and the Department of the Economy of the Autonomous Community of Navarra), which have provided the basic data used to create the Directory which provided the indicators for this statistical operation.