

23 November 2018

**Business Demography Indicators
2016**

There were 3,563,816 enterprises active in Spain in 2016, 2.3% more than the previous year

In 2016, 366,362 enterprises were created whereas 316,425 disappeared, representing a growth net rate of 1.4%

The *stock* of enterprises operating in Spain over the year 2016 was 3,563,816, 2.3% more than in 2015. It is understood that *stock* is the population of enterprises that were active at any time during the reference period.

57.4% of this *stock* of enterprises belonged to the sector of *Rest of the services*, 23.7% corresponded to *Trade*, 12.8% to *Construction* and the remaining 6.0% to *Manufacturing*.

The number of enterprises created in 2016 was higher than the number of those disappearing in 49,937 units.

Enterprise birth rate (births as a percentage of the population of active enterprises) was 10.3%. On the other hand, enterprise death rate was 8.9%. As a result, the growth net rate was 1.4%.

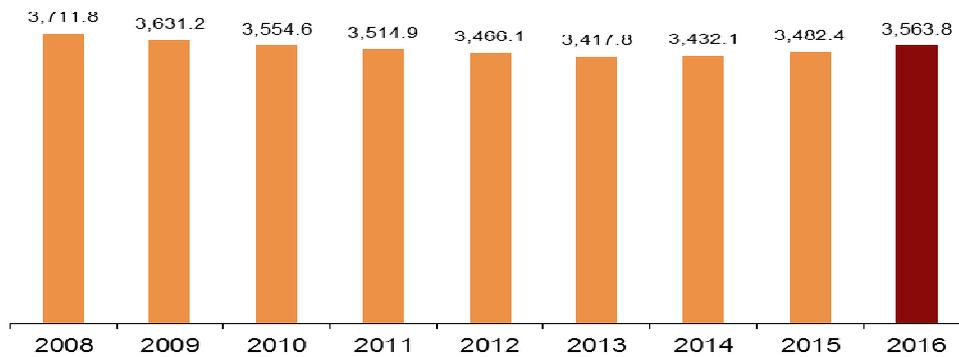
Regarding sectors, *Rest of the services* was the only one with positive growth net rate (2.6%).

Stock, enterprise births and deaths by economic sector. 2016

	Total	Industry	Construction	Trade	Rest of the services
Stock	3,563,816	215,509	456,475	844,913	2,046,919
Enterprise births	366,362	14,003	45,080	82,736	224,543
Enterprise deaths	316,425	14,833	45,392	84,338	171,862
Net balance	49,937	-830	-312	-1,602	52,681
Birth rates (%)	10.3	6.5	9.9	9.8	11.0
Death rates (%)	8.9	6.9	9.9	10.0	8.4
Net rates (%)	1.4	-0.4	-0.1	-0.2	2.6

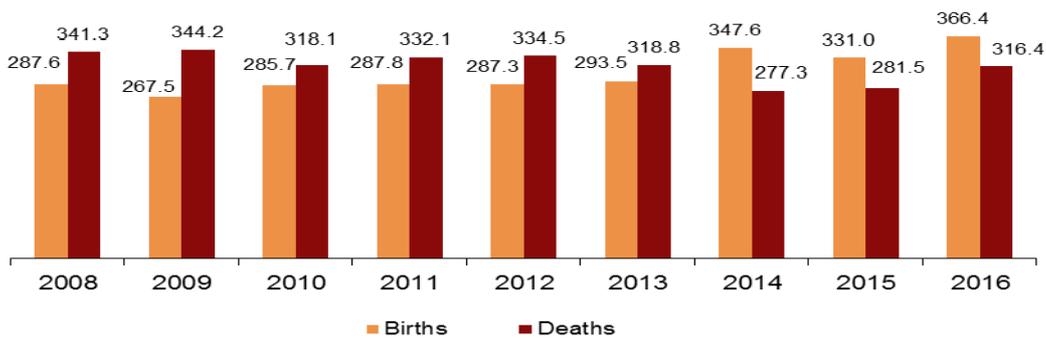
Checking the *stock* of enterprises in the last 9 years, it can be seen that the maximum was reached in 2008, with 3,711,835 units. Since then, stock fell over until 2013, and then it connected three increasing years.

Stock of enterprises (thousands)

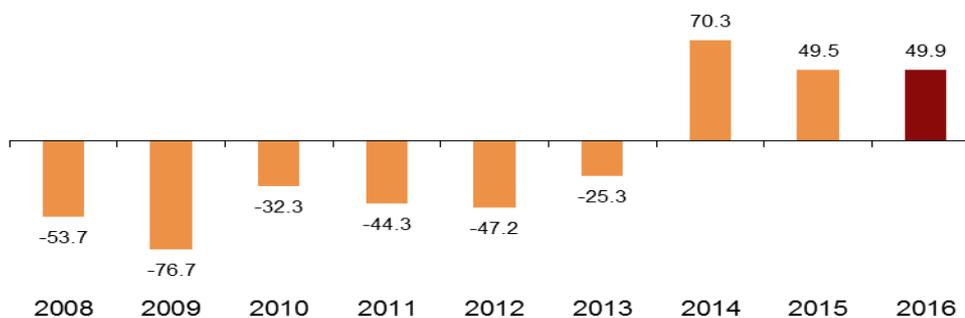


Observing the evolution of enterprise births and deaths, the number of births was higher than that of deaths in 2016, as it happened in the two previous years.

Enterprise births and deaths (thousands)

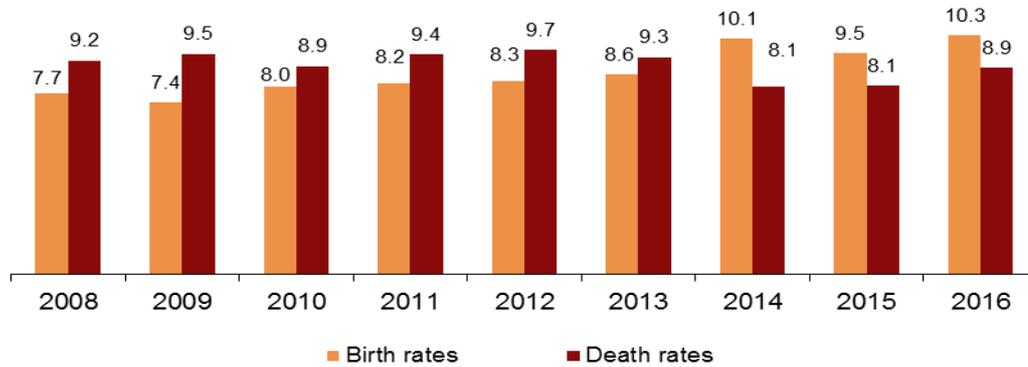


Net balance of enterprise births and deaths (thousands)



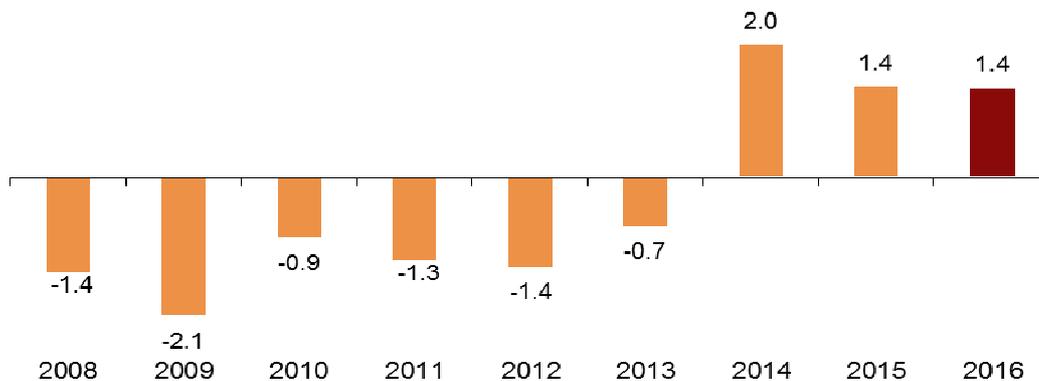
On the other hand, from 2014 birth rates were also higher than those of death were.

Enterprise births and deaths rates (%)



In 2016, the growth net rate was 1.4% like in 2015.

Enterprise births and deaths net rates (%)



Results by economic activity

The economic activities having a better demographic balance in 2016 (identified by their higher net rate or difference between births and deaths) were *Postal and courier activities* (11.9%), *Other professional, scientific and technical activities* (7.2%), and *Remediation activities and other waste management services* (6.5%).

Activities with higher net rate. 2016

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Postal and courier activities	2,299	1,100	11.9
Other professional, scientific and technical activities	11,156	6,777	7.2
Remediation activities and other waste management services	49	26	6.5
Creative, arts and entertainment activities	6,433	4,128	6.3
Employment activities	828	536	5.3
Education	16,082	10,622	5.0
Water transport	87	55	4.9
Real estate activities	16,991	9,621	4.1
Other personal service activities	16,446	11,335	3.8
Scientific research and development	992	728	3.7

On the other hand, the activities having the worst demographic balance were *Other mining and quarrying* (−3.2%), *Manufacture of other non-metallic mineral products* (−2.2%), and *Insurance, reinsurance and pension funding, except compulsory Social Security* (−2.1%).

Activities with lower net rate. 2016

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Manufacture of rubber and plastic products	222	284	-1.3
Manufacture of machinery and equipment n.e.c.	260	347	-1.4
Manufacture of electrical equipment	123	157	-1.5
Manufacture of wood and cork products, except furniture; manufacture of articles of straw and plaiting materials	620	793	-1.6
Manufacture of basic metals	39	65	-1.9
Manufacture of paper and paper products	72	109	-2.0
Programming and broadcasting activities	130	169	-2.0
Insurance, reinsurance and pension funding, except compulsory Social Security	31	52	-2.1
Manufacture of other non-metallic mineral products	391	589	-2.2
Other mining and quarrying	65	134	-3.2

Results by size class (number of employees)

In 2016, a 97.2% of enterprise births and a 96.8% of enterprise deaths had four or less employees.

Specifically, a 77.5% of enterprise births and a 71.8% of enterprise deaths had no employees.

Enterprises without employees showed the highest difference between enterprise births and deaths, reaching a net rate of 2.8%. On the contrary, the highest negative net rate happened in enterprises having from one to four employees (−0.6%).

Stock, enterprise births and deaths by size class. 2016

	Total	Without employees	1 to 4 employees	5 to 9 employees	10 or more employees
Stock	3,563,816	2,045,920	1,188,904	189,411	139,581
Enterprise births	366,362	283,774	72,256	8,292	2,040
Enterprise deaths	316,425	227,259	78,898	7,986	2,282
Net balance	49,937	56,515	-6,642	306	-242
Birth rates (%)	10.3	13.9	6.1	4.4	1.5
Death rates (%)	8.9	11.1	6.6	4.2	1.6
Net rates (%)	1.4	2.8	-0.6	0.2	-0.2

Survivals of enterprise birth

The highest fall of enterprise units is produced in the first year of life, having survival rates of 77.4% or lower.

It can be highlighted that the members making up the population of births in 2011 are reduced to less than the half after four years. This also happens to the cohort of enterprises born in 2012.

The following data table has been obtained from a time monitoring of enterprises born in a given year. Survival indicators have been calculated for a maximum period of five years.

Survivals of enterprises born from 2011 (%)

Year of birth	Year observed					
	2011	2012	2013	2014	2015	2016
2011	100.0	75.8	61.8	52.5	46.1	40.4
2012		100.0	76.0	63.4	54.9	47.6
2013			100.0	77.4	65.2	55.4
2014				100.0	76.5	62.3
2015					100.0	77.3

Disappearances of enterprises in the first years of life

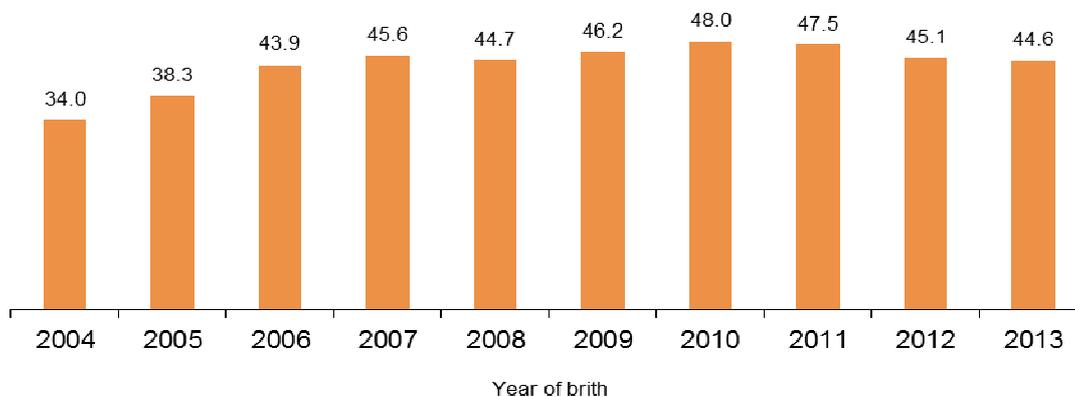
Analysing in greater detail in different cohorts, the following data table shows the disappearances of enterprises in their first three years of life, taking the cohorts of enterprises born in 12 consecutive years.

Disappearances of enterprises in the first three years of life (%)

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2015	22.7			
2014	23.5	14.2		
2013	22.6	12.3	9.8	44.6
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
Average	20.8	13.3	10.3	43.8

As regards the accumulated disappearances in the first three years of enterprises life, it can be pointed out that the highest mortality was reached for the cohort of enterprises born in 2010.

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



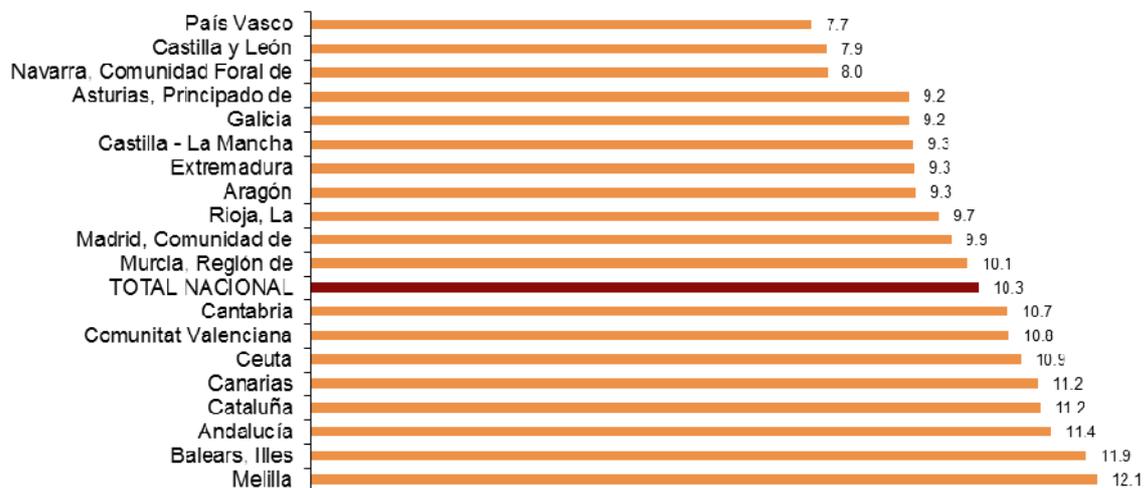
Results by Autonomous Community and City

Regarding the territory where enterprises had their head offices, the Autonomous City of Melilla (12.1), Illes Balears (11.9%), and Andalucía (11.4%) showed the highest birth rates in 2016. On the other hand, the lowest happened in Comunidad Foral de Navarra (8.0%), Castilla y León (7.9%), and País Vasco (7.7%).

Stock, enterprise births and deaths by Autonomous Community. 2016

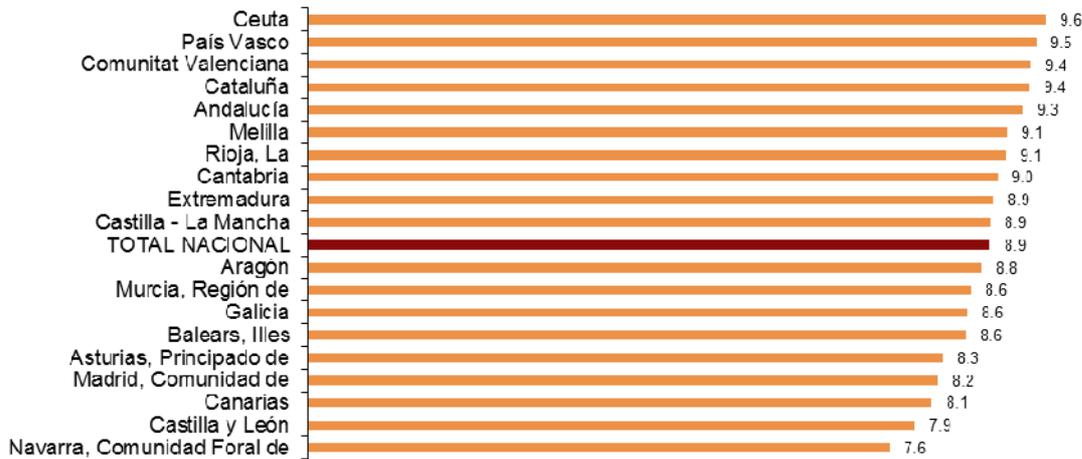
	Stock	Births	Deaths	Net balance	Birth rates (%)	Death rates (%)	Net rates (%)
NATIONAL TOTAL	3,563,816	366,362	316,425	49,937	10.3	8.9	1.4
Andalucía	550,573	62,770	51,256	11,514	11.4	9.3	2.1
Aragón	97,610	9,097	8,559	538	9.3	8.8	0.6
Asturias, Principado de	73,881	6,810	6,108	702	9.2	8.3	1.0
Balears, Illes	101,339	12,099	8,685	3,414	11.9	8.6	3.4
Canarias	153,130	17,143	12,442	4,701	11.2	8.1	3.1
Cantabria	41,852	4,491	3,759	732	10.7	9.0	1.7
Castilla y León	171,066	13,599	13,528	71	7.9	7.9	0.0
Castilla - La Mancha	138,151	12,822	12,277	545	9.3	8.9	0.4
Cataluña	662,992	74,512	62,319	12,193	11.2	9.4	1.8
Comunitat Valenciana	383,591	41,239	36,115	5,124	10.8	9.4	1.3
Extremadura	71,617	6,665	6,393	272	9.3	8.9	0.4
Galicia	215,461	19,862	18,485	1,377	9.2	8.6	0.6
Madrid, Comunidad de	566,708	55,929	46,502	9,427	9.9	8.2	1.7
Murcia, Región de	101,432	10,270	8,764	1,506	10.1	8.6	1.5
Navarra, Comunidad Foral de	47,022	3,739	3,563	176	8.0	7.6	0.4
País Vasco	153,230	11,838	14,543	-2,705	7.7	9.5	-1.8
Rioja, La	25,099	2,428	2,281	147	9.7	9.1	0.6
Ceuta	4,150	454	399	55	10.9	9.6	1.3
Melilla	4,912	595	447	148	12.1	9.1	3.0

Enterprise birth rates by Autonomous Community (%)



The highest death rates were recorded in the Autonomous City of Ceuta (9.6%), País Vasco (9.5%) and Comunitat Valenciana and Cataluña (both with 9.4%). Moreover, the lowest were in Comunidad Foral de Navarra (7.6%), Castilla y León (7.9%) and Canarias (8.1%).

Enterprise death rates by Autonomous Community (%)



Data updating and revisions

There is no data revision, although data relative to enterprise deaths are provisional, since those deaths are considered definitive after two years from the reference period. It is necessary to exclude enterprises that reactivate in the two years following the year when they die. The data appearing in tables are estimated by taking enterprise deaths detected in 2016 and that have not been reactivated in 2017. On that base population, a random exclusion of a small percentage of units is performed, in accordance with the experience of previous years on reactivations in the second year. The results show differences between final and provisional data, which are irrelevant.

Methodological Note

Business Demography Indicators provide aggregated information regarding the population of enterprises located in the national territory, considering the aspects linked to business dynamism and applying a methodology as agreed within the scope of the European Union.

The delimitation of populations of interest is carried out by means of an ordered set of procedures varying in nature, designed in accordance with the harmonized methodology principles. Basically, the work is geared to identify the following aggregates:

- Stock of enterprises.- Set of units that have been active during all or part of the reference year. This includes those enterprises that are economically active at the end of the period, plus those enterprises that have totally ceased their activities throughout that period.
- Enterprise births.- Set of units that, throughout the reference year, have created a combination of new production factors. There is no connection with other previously existing enterprises.
- Enterprise deaths.- Set of units that, throughout the reference year, have dissolved all of their production factors. They have no link with other enterprises that might begin to operate.
- Surviving enterprises.- Restricted to each cohort of births, this corresponds to the set of units that continue to be economically active in each of the five years following that of birth.

Business Demography analysis is not limited to just quantify the flows obtained during the processes of updating the Statistical Business Register (see *CBR movements* disseminated in the statistical operation *Statistical use of CBR*), since although movements of administrative sources offer a first approach to units renewal processes, the statistical work to be carried out for obtaining Business Demographic Indicators demands an additional effort, contributing added value to the administrative information.

The indicators proposed in the methodology quantify the relative relevance of events of creating and dissolving enterprises within the Spanish entrepreneurial frame. The survival event is similar, but takes as reference the population of enterprise births detected in the initial observation period.

More information about general methodology is available here:

http://www.ine.es/en/metodologia/t37/t373020416_en.pdf

Additionally, the standardized methodological report is available here:

<http://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30204>

For further information see **INEbase**: www.ine.es/en/ Twitter: @es_ine

All press releases at: www.ine.es/en/prensa/prensa_en.htm

Press office: Telephone numbers: (+34) 91 583 93 63 /94 08 – gprensa@ine.es

Information Area: Telephone number: (+34) 91 583 91 00 – www.ine.es/infoine/?L=1
