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Inward FATS in Spain
Year 2009

Affiliates of foreign companies generate 22.5% of total turnover for Industry and Services in 2009

Their turnover is 344,668 million euros, 10.9% less than last year

France, Germany and the United States control more than 40% of the total affiliates and more than half of their turnover

Of foreign companies, 8,064 affiliates were accounted for in the sectors of Industry in Services in the year 2009, representing 0.4% of the total companies.

Turnover generated by these affiliates stood at 344,668 million euros (22.5% of the total). Regarding the employment rate of affiliates, the latter employed 1,133,551 persons, 10.9% of the total number of employed persons.

Results by branch of activity

41.4% of affiliate companies researched in the survey belonged to the Trade sector, 38.4% to the Services sector and the remaining 20.2% to Industry.

Number of affiliates of foreign companies by sector of activity

Sector	Affiliate companies	% of the total number of affiliates	% of the total number companies
Industry	1,631	20.2%	1.2%
Trade	3,338	41.4%	0.4%
Services	3,095	38.4%	0.3%
National total employed persons	8,064	100.0%	0.4%

Industrial affiliates generated 40.5% of the total turnover of affiliate companies, and 28.1% of the total turnover for Industry. Turnover for affiliates in the Trade sector represented 40.5% of the total number of affiliates, and 21.7% of the total for the sector. In the Services sector, those percentages were 18.9% and 16.6%, respectively.

Turnover by sector of activity (in millions of euros)

Sector	Turnover	% of the total number of affiliates	% of the total number companies	% Variation 09/08
Industry	139,675	40.5%	28.1%	-19.7%
Trade	139,696	40.5%	21.7%	-4.5%
Services	65,297	18.9%	16.6%	-1.7%
National total employed persons	344,668	100.0%	22.5%	-10.9%

In the year 2009, employed personnel affiliates of foreign companies in sectors of Industry and services decreased 5.7% as compared with the previous year. Turnover decreased 10.9%.

In turn, gross investment in material fixed assets decreased 32.0%, totalling 11,416 million euros. The operating income registered a 10.7% decrease, similar to that experienced by operating expenses (10.6%).

Main variables by activity sector (main economic variables in millions of euros)

	Industry	Trade	Services	National total employed persons	% Variation 09/08
Employees	331,918	339,625	462,008	1,133,551	-5.7%
Turnover	139,675	139,696	65,297	344,668	-10.9%
Production value	119,372	34,517	43,791	197,680	-16.8%
Added value at factor cost	25,965	16,935	23,663	66,563	-9.5%
Purchases and work carried out by other companies	95,891	107,135	28,108	231,134	-13.6%
Personnel costs	16,113	12,290	15,289	43,692	-2.4%
External services	19,201	16,706	14,976	50,883	-6.4%
Gross investment in material fixed assets	4,985	1,711	4,719	11,416	-32.0%
Total Operating Income	143,620	143,701	67,181	354,502	-10.7%
Total Operating Costs	137,877	138,824	64,812	341,513	-10.6%

Results by branch of activity

On analysis of the number of affiliate companies for each of the 26 branches of activity of which information is offered in the survey, it was observed that the branches with the highest number of foreign affiliate companies in 2009 were the two activities corresponding to *Wholesale trade* (which accounted for 29.4% of the total number of affiliates) and *Professional, scientific and technical activities* (with 10.6% of the total).

From the employment perspective, the branches of activity with the most employed personnel were *Administrative and support service activities* (17.5%); *Retail trade of food, fuel and IT equipment* (10.5%) and *Transport material* (8.9%).

Finally, regarding turnover, the branches that contributed the greatest percentage to the total were *Wholesale agrarian, food and household products* (12.0%), *Wholesale machinery and equipment and others* (11.8%) and *Transport equipment* (11.4%).

The branches with the smallest contribution were *Textile, manufacture, leather and footwear* (0.3%), *Trade intermediaries* (0.3%) and *Various manufacturing industries* (0.4%).

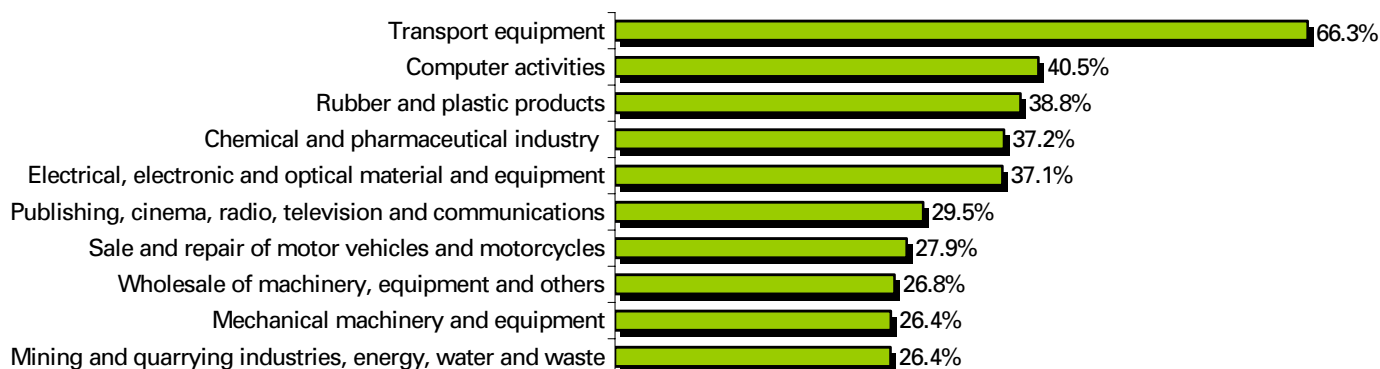
Branch of activity	companies		
	s	Employees	Turnover
Industry	1,631	331,918	139,675
Mining and quarrying industries, energy, water and waste	73	9,001	28,371
Food, beverages and tobacco	133	38,560	16,560
Textile, manufacture, leather and footwear	49	5,475	905
Wood and cork, paper and graphic arts	102	12,118	3,069
Chemical and pharmaceutical industry	200	35,727	16,721
Rubber and plastic products	194	30,732	6,421
Various non-metallic ore products	90	15,528	3,748
Metallurgy and manufacture of metallic products	233	28,223	10,019
Electrical, electronic and optical material and equipment	117	29,041	8,682
Mechanical machinery and equipment	177	19,007	4,512
Transport equipment	185	100,588	39,257
Various manufacturing industries	79	7,919	1,410
Trade	3,338	339,625	139,696
Sale and repair of motor vehicles and motorcycles	217	18,631	19,456
Commission trade	359	9,518	1,188
Wholesale of agrarian, food and household products	962	64,130	41,342
Wholesale of machinery, equipment and others	1,407	61,042	40,814
Retail trade food, fuel and equipment for ICT	124	118,869	27,622
Other retail trade	269	67,434	9,274
Services	3,095	462,008	65,297
Transport	111	18,809	3,480
storage and activities connected to transport	293	27,736	5,109
Accommodation	164	72,904	3,449
Publishing, cinema, radio, television and communications	270	27,630	17,373
Computer activities	360	55,778	9,268
Real estate activities	530	3,142	1,777
Professional, scientific and technical activities	853	57,641	13,146
Administrative and support service activities	513	198,368	11,695
National total employed persons	8,064	1,133,551	344,668

If we compare the results for affiliates with those corresponding to the total number of companies in each activity, we may be able to determine the importance and weight that they represent in each of the activities researched.

Thus, it is important to highlight the *Transport Equipment*, in which 66.3% of the total turnover was generated by affiliate companies.

The 10 branches of activity in which the turnover of the affiliates implied a greater percentage as compared with the turnover generated by the total companies in each activity were the following:

Main branches of activity by turnover of affiliates



In contrast, the branches of activity in which the contribution (in terms of turnover) of affiliate companies was lowest in relation to the total for each activity, was *Real estate activities; Various manufacturing industries; Textile, manufacture, leather and footwear, Accommodation; and Transport*. All of them registered a percentage attributable to affiliate companies below 10% of the total.

Results by geographical area of the parent company

If we analyse the results by geographical area of the parent company, it was worth noting that in 2009 the majority of companies controlling affiliates (60.6%) were located in the Eurozone.

By economic sector, in the Eurozone, there were 70.3% of the foreign companies that controlled industrial affiliates, 60.1% of those that controlled affiliates in the trade sector and 56.0% of those corresponding to the rest of the services sector.

Considering turnover to be a reference variable, it could be observed that the affiliates of companies from Eurozone countries generated 62.7% of the total turnover for affiliates in 2009. The affiliates of European companies together accounted for 80.6% of total turnover, the affiliates of companies from the rest of the world accounted for 19.4%, and affiliates of American companies, 13.6%

Turnover of foreign affiliates by geographic area

Geographic area	Turnover	% of the total	% Variation 09/08
EUROZONE	216,102	62.7%	-11.8%
Rest of the European Union	43,150	12.5%	-7.2%
The rest of Europe	18,574	5.4%	-3.5%
The rest of the world	66,842	19.4%	-11.9%
National total employed persons	344,668	100.0%	-10.9%

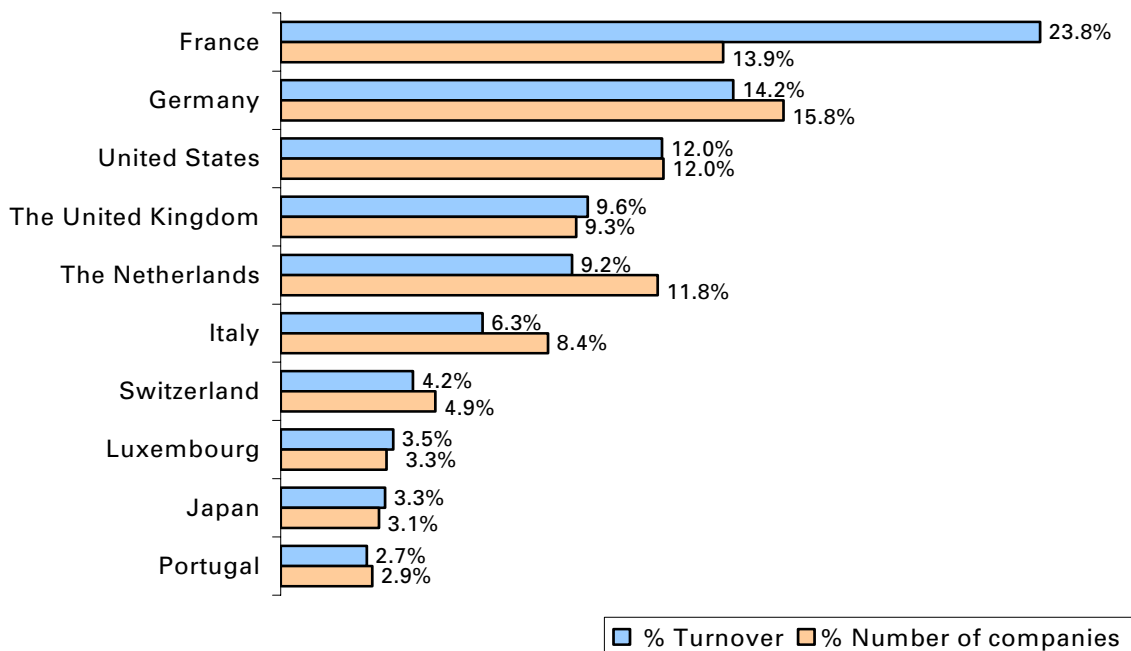
Results by parent company country

If we consider the results depending on the country corresponding to the parent company, it could be observed that countries whose affiliates generated the greatest turnover were France (23.8%), Germany (14.2%) and United States (12.0%).

The countries that contributed the highest number of companies were Germany (with 15.8% of the total), France (13.9%) and United States (12.0%).

In the graph shown below, the main countries are detailed by turnover and number of companies (as a percentage over the total number of affiliates). It is worth mentioning that the 10 main countries accounted for 85.3% of the total number of affiliates in 2009, overall reaching 88.8% of the total turnover of affiliate companies.

Main countries by turnover and number of affiliates



In terms of added value, it was observed that the affiliates of French companies contributed the most to the total generated by foreign affiliates (20.9%), followed by American companies (14.4%) and German companies (12.7%).

By economic sector, France was the main country investing in industry and trade, whereas the United Kingdom invested most in the services sector.

The following table contains, for each activity sector, the main countries of origin of the affiliates, in order of their contribution to total added value generated by affiliates in each sector.

Main investing countries by activity sector and added value

Activity sector	First Investor		Second Investor		Third Investor	
	Country parent company	%Added Value	Country parent company	%Added Value	Country parent company	%Added Value
Industry	France	18.7%	Germany	13.7%	Netherlands	12.9%
Trade	France	28.0%	United States	19.0%	Germany	14.3%
Services	The United Kingdom	21.0%	France	18.2%	United States	14.8%
National total employed persons	France	20.9%	United States	14.4%	Germany	12.7%

Methodological note

The Services Sector Inward Foreign Affiliates Statistics (Inward FATS) offers information regarding the main economic variables of the affiliates of foreign companies that operate in the sectors of industry, trade and the rest of the non-financial market services. The scope of this survey includes those affiliate companies whose main activity is included in sections B to E, G to J and L to N of the National Classification of Economic Activities in force (CNAE-09). This survey fulfils, in this area, (EC) Regulation no. 716/2007 of the European Parliament and Council, of 20 June 2007, regarding the community statistics on the structure and activity of foreign affiliates.

Affiliates of foreign companies are considered to be those companies located in Spain that are controlled by a non-resident institutional unit or company. To this end, control is understood to be the ability to determine the general policy of the company. One unit controls another, when it directly or indirectly possesses more than half of the shareholders' vote, or more than half of the shares; nevertheless, at times, this ability to control may be made effective through a minority control, that is, without the need to possess half of the shares or of the votes (for example, if the percentage, even below 50%, is greater than that of any other owner). In accordance with the methodology established by the European regulation on affiliates statistics, the criterion applied in this survey to determine the company that controls each affiliate is that of the final owner. The final owner of a foreign affiliate is considered to be that institutional unit or company that, proceeding hierarchically upwards along the chain of control of said affiliate, exercises control over itself, not being controlled, in turn, by any other unit.

This statistical operation provides information regarding the main variables, broken down both by the activity, size or Autonomous Community of the affiliate company, and by the country or geographical area of the parent company (final owner).

In order to enrich the dissemination of this survey and favour the comparative analysis of the results thereof, we also present, aside from the specific data regarding affiliates provided by the survey, additional data regarding the percentage represented by the results of the affiliate companies, as compared with the total companies. This additional data has been obtained from the corresponding structural surveys of each sector: The Industrial Companies Survey, whose object of study is the group of industrial companies with one or more paid employed persons, the Annual Trade Survey and the Annual Services Survey, orientated towards the research of those companies whose main activity belongs to the areas of trade and of non-financial market services, respectively.

For further information see INEbase-www.ine.es/en/welcome_en.htm All press releases at: www.ine.es/en/prensa/prensa_en.htm

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