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Harmonised Demographics of Companies. Year 2009

The deaths of companies are double the births of companies in the *Industry* and *Construction* sectors

The companies born in 2004 are reduced by one-half over a five-year period

The number of deaths of companies was 75,875 units greater than the number of births of companies in the year 2009. In this way, the **birth rate of companies stood at 7.4%**, whereas the death rate was 9.5%, yielding a net rate of -2.1%.

Stock, births and deaths of companies, by economic sector. Year 2009

	Total	Industry	Construction	Trade	Rest of services
Stock	3,631,232	252,111	598,182	884,914	1,896,025
Births	267,546	10,393	36,126	63,533	157,494
Deaths	343,421	20,043	73,118	78,646	171,614
Birth rate (%)	7.37	4.12	6.04	7.18	8.31
Death rate (%)	9.46	7.95	12.22	8.89	9.05
Net rate (%)	-2.09	-3.83	-6.18	-1.71	-0.74

Results by economic sector

By sector, the negative balance between births and deaths was particularly relevant in the year 2009 for *Industry* and *Construction*, with net rates of -3.8% and -6.2%, respectively.

In turn, the *Trade* and *Rest of Services* sectors presented a more even result, though also with a negative balance. These were the activities that contributed the greatest number of units in the processes involving births and deaths of companies.

Results by number of wage earners

More than 96% of the companies that were born or died in 2009 had four or fewer wage earners. More than two-thirds of them had no wage earners.

Stock, births and deaths of companies by wage earner bracket. Year 2009

	Total	Without wage earners	1 to 4 wage earners	5 to 9 wage earners	10 or more earners
Stock	3,631,232	2,009,361	1,248,992	212,435	160,444
Births	267,546	208,617	50,236	6,464	2,229
Deaths	343,421	223,106	106,868	9,336	4,111
Birth rate (%)	7.37	10.38	4.02	3.04	1.39
Death rate (%)	9.46	11.10	8.56	4.39	2.56
Net rate (%)	-2.09	-0.72	-4.53	-1.35	-1.17

Survival of births of companies

One of the most innovative elements of this study focuses on the temporary monitoring of the population of companies born in a given year. The survival indicators have been calculated for a maximum period of five years.

Survival of the companies born since 2004 (as a %)

Births	Observation year					
	2004	2005	2006	2007	2008	2009
2004	100.00	84.51	75.25	65.99	56.90	49.33
2005		100.00	85.50	73.47	61.68	52.71
2006			100.00	82.63	67.36	56.07
2007				100.00	79.09	64.52
2008					100.00	79.18

As can be observed, the first year of life registers the greatest decreases of units, with survival rates under 85%.

Another noteworthy aspect is the fact that the initial population figures in 2004 were reduced by one-half over the five years of observation.

Results by Autonomous Community

By the region in which the company headquarters were located, in 2009, País Vasco and Comunidad Foral de Navarra presented the lowest birth rates of companies (5.3% in both cases); in the meantime, Andalucía (8.3%) and Canarias (8.1%) registered the highest rates.

In turn, the highest death rates of companies were recorded in Región de Murcia (11.5%) and Comunitat Valenciana (10.8%). The lowest were observed in País Vasco (6.3%) and Comunidad Foral de Navarra (7.6%).

Stock, births and deaths of companies, by Autonomous Community. Year 2009

	Stock	Births	Deaths	Birth rate (%)	Death rate (%)
National total	3,631,232	267,546	343,421	7.37	9.46
Andalucía	561,288	46,691	60,206	8.32	10.73
Aragón	100,200	7,040	8,617	7.03	8.60
Asturias, Principado de	76,771	5,164	6,559	6.73	8.54
Balears, Illes	100,493	7,809	10,700	7.77	10.65
Canarias	151,790	12,261	15,510	8.08	10.22
Cantabria	42,575	2,972	3,706	6.98	8.70
Castilla y León	181,803	11,523	14,499	6.34	7.98
Castilla-La Mancha	146,411	10,212	14,117	6.97	9.64
Cataluña	672,327	50,587	64,193	7.52	9.55
Comunitat Valenciana	396,129	30,870	42,569	7.79	10.75
Extremadura	73,235	5,449	7,571	7.44	10.34
Galicia	216,060	14,805	17,503	6.85	8.10
Madrid, Comunidad de	550,184	39,703	48,100	7.22	8.74
Murcia, Región de	104,604	8,137	12,002	7.78	11.47
Navarra, Comunidad Foral de	45,562	2,417	3,456	5.30	7.59
País Vasco	178,793	9,483	11,273	5.30	6.31
Rioja, La	24,958	1,686	1,980	6.76	7.93
Ceuta	3,977	343	419	8.62	10.54
Melilla	4,072	394	441	9.68	10.83

Methodological note

The general objective of the Harmonised Demographics of Companies is to provide aggregated information regarding the population of companies located in the country, considering the aspects linked to business dynamism, and applying a methodology agreed on within the scope of the European Union.

This methodology provides the guidelines that enable identifying populations and generating indicators regarding the stock, births, deaths and survival of companies, through a harmonised statistical operation of the Company Directories managed in Statistics Offices.

The delimitation of target populations of interest is obtained through an ordered set of procedures, of a diverse nature, designed in accordance with the principles of the harmonised methodology. Basically, the work is geared toward identifying the following aggregates:

- *Company stock*.- Set of units that have remained active during all or part of the year. The companies that are entered are those that remain active at the end of the period, as are those companies that have completely ceased their activities during said period.
- *Births of companies*.- Set of units that, over the course of the year, have created a combination of new production factors. There is no connection with other, previously existing companies.
- *Deaths of companies*.- Set of units that, over the course of the year, have dissolved all their production factors. There is no connection with other companies that may begin operating.
- *Survival of companies*.- Restricted to each birth cohort, this 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 the flows obtained in the updating processes of the Directories (see *Statistical Use of the CCD* on the official INE website). The delimitation and tabulation of the set of legal units that enter, remain and leave each year is normally obtained using the movements detected in the administrative sources that provide the information, these providing a first preview of the renovation processes of units. Nonetheless, this starting point does not enable obtaining the harmonised demographic indicators directly.

The indicators proposed in the methodology quantify the relative importance of the phenomena of birth or death of companies within the Spanish business fabric. The survival phenomenon is similar, but taking as a reference the population of companies born, detected in the initial observation period. The following shows the calculation procedure of those indicators.

Birth rate

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

R_i^t = Births of companies in activity i in year t

N_i^t = Company stock in activity i in year t

Survival rate

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

S_i^{t+k} = Survival of companies in activity i at the end of $t+k$, $k = 1, 2, \dots$

R_i^t = Births of companies in activity i in year t

Death rate

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

D_i^t = Deaths of companies in activity i in year t

N_i^t = Company stock in activity i in year t

Finally, it must be borne in mind that the data on the deaths of companies referring to 2009 is provisional, as it has not yet been possible to identify the companies reactivated in 2011, and which must be removed, according to the harmonised methodology.