

24 September 2013

Inward FATS in Spain
Year 2011

**Affiliates of foreign companies generate 26.0% of total turnover for
Industry, Trade and Services in 2011**

**France, Germany and the United States control more than 40% of
the total affiliates and about 50% of their turnover**

Of foreign companies, 8,986 affiliates were accounted for in the sectors of *Industry, Trade* and other *Non-financial market services* in the year 2011. The turnover generated by these affiliates stood at 422,347 million euros. Regarding the employment rate of affiliates, the latter employed 1,235,250 persons.

Structure of the Inward FATS in Spain

Results by branch of activity¹

37.8% of affiliate companies researched in the survey belonged to the *Trade* sector, 37.5% to the *Services* sector and the remaining 24.7% to *Industry*.

Number of affiliates of foreign companies by sector of activity

Year 2011

Sector	Affiliate companies	% of the total companies
Industry	2,216	24.7
Trade	3,398	37.8
Services	3,372	37.5
TOTAL	8,986	100.0

¹ The companies studied were classified according to their main activity. Likewise, all of the study variables referring to the company were assigned to said activity.

Industrial affiliates generated 50.6% of the total turnover of affiliate companies, *Trade* affiliates recorded 33.0% and those of *Services* generated 16.4%.

For the employment distribution by activity sectors, *Services* affiliates registered the highest percentage of persons (38.2% of the total), followed by *Industry* (34.6%) and *Trade* (27.2%).

Main variables by activity sector

Year 2011. (Main economic variables in millions of euros)

	Industry	Trade	Services	Total
Employees	427,643	336,029	471,578	1,235,250
Turnover	213,719	139,492	69,136	422,347
Production value	185,391	36,230	44,998	266,620
Added value at factor cost	40,582	18,382	25,993	84,957
Purchases and work carried out by other companies	152,025	108,601	31,417	292,043
Personnel costs	21,472	12,499	16,194	50,165
External services	27,331	16,660	13,595	57,587
Gross investment in material fixed assets	6,461	1,877	4,378	12,716
Total Operating Income	220,147	143,499	71,454	435,099
Total Operating Costs	212,470	140,920	67,942	421,333

Relation between the data of affiliates and total companies within the sector. Year 2011
(percentage)



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 were the two activities corresponding to *Wholesale trade* (which accounted for 26.6% of the total number of affiliates) and *Professional, scientific and technical activities* (with 10.8% of the total).

Main results by branch of activity

Year 2011

Branch of activity	Affiliates		Employees		Turnover	
	Number	%	Number	%	Millions €	%
Industry	2,216	24.7	427,643	34.6	213,719	50.6
Mining and quarrying industries, energy, water and waste	297	3.3	30,186	2.4	58,172	13.8
Food, beverages and tobacco	232	2.6	47,133	3.8	21,581	5.1
Textile, manufacture, leather and footwear	60	0.7	5,468	0.4	1,012	0.2
Wood and cork, paper and graphic arts	121	1.3	17,140	1.4	5,149	1.2
Chemical and pharmaceutical industry	291	3.2	43,601	3.5	24,959	5.9
Rubber and plastic products	192	2.1	33,647	2.7	8,981	2.1
Various non-metallic ore products	107	1.2	17,973	1.5	4,505	1.1
Metallurgy and manufacture of metallic products	234	2.6	36,404	2.9	18,352	4.3
Electrical, electronic and optical material and equipment	163	1.8	33,017	2.7	10,221	2.4
Mechanical machinery and equipment	187	2.1	23,423	1.9	5,780	1.4
Transport equipment	211	2.3	125,261	10.1	52,902	12.5
Various manufacturing industries	122	1.4	14,388	1.2	2,106	0.5
Trade	3,398	37.8	336,029	27.2	139,492	33.0
Sale and repair of motor vehicles and motorcycles	219	2.4	20,593	1.7	21,211	5.0
Commission trade	397	4.4	10,394	0.8	1,286	0.3
Wholesale of agrarian, food and household	1,000	11.1	64,084	5.2	42,773	10.1
Wholesale of machinery, equipment and others	1,396	15.5	56,272	4.6	37,562	8.9
Retail trade food, fuel and equipment for ICT	114	1.3	112,343	9.1	26,235	6.2
Publishing, cinema, radio, television and communications	271	3.0	72,343	5.9	10,425	2.5
Services	3,372	37.5	471,578	38.2	69,136	16.4
Transport	156	1.7	22,864	1.9	3,639	0.9
Storage and activities connected to transport	302	3.4	31,152	2.5	6,130	1.5
Accommodation	179	2.0	67,359	5.5	3,442	0.8
Other retail trade	304	3.4	29,012	2.3	18,041	4.3
Computer activities	376	4.2	54,281	4.4	7,200	1.7
Real estate activities	575	6.4	2,869	0.2	2,282	0.5
Professional, scientific and technical activities	971	10.8	65,872	5.3	15,450	3.7
Administrative and support service activities	510	5.7	198,169	16.0	12,952	3.1
National total employed persons	8,986	100.0	1,235,250	100.0	422,347	100.0

From the employment perspective, the branches of activity with the most employed personnel were *Administrative and support service activities* (16% of the total), *Transport equipment* (10.1%) and *Retail trade food, fuel and equipment for ICT* (9.1%).

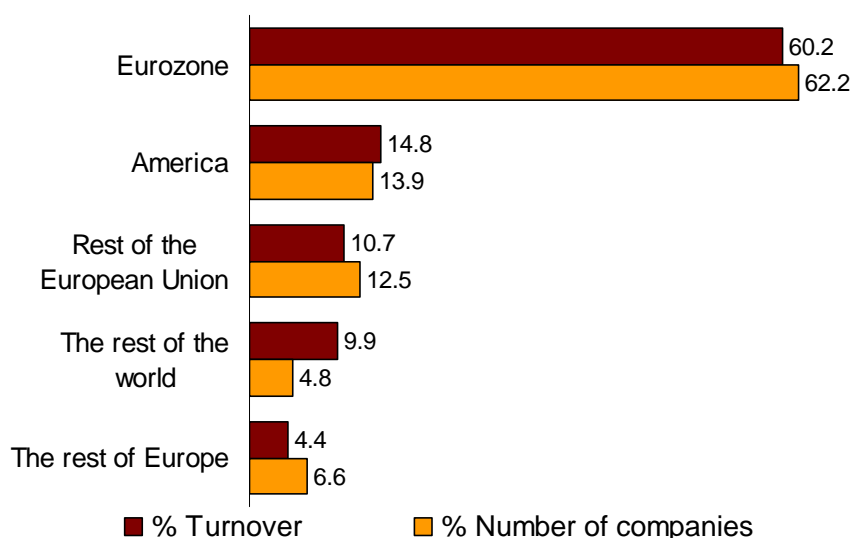
Regarding turnover, the branches that contributed the greatest percentage to the total were *Mining and quarrying industries, energy, water and waste* (13.8%) *Transport equipment* (12.5%) and *Wholesale agrarian, food and household products* (10.1%).

In turn, the branches with the slightest contribution were *Textile, manufacture, leather and footwear* (0.2%), *Trade intermediaries* (0.3%) and *Various manufacturing industries* (0.5%).

Results by geographical area of the parent company

The majority of companies controlling affiliates in Spain were located in the Eurozone (62.2%). The turnover generated by those affiliates also exceeded 60%.

Distribution by geographical area of the parent company. Year 2011



By economic sector, in the Eurozone, there were 67.8% of the foreign companies that controlled *Industrial* affiliates, 62.2% of those that controlled affiliates in the *Trade* sector and 58.4% of those corresponding to the rest of the *Services* sector. These affiliates generated 59.2%, 66.0% and 51.8% of the turnover of *Industry*, *Trade* and *Services*, respectively.

Number of affiliates of foreign companies by geographic area and sector

Year 2011

Geographic area	Industry		Trade		Services		Total	
	Number	%	Number	%	Number	%	Number	%
EUROZONE	1,503	67.8	2,114	62.2	1,968	58.4	5,586	62.2
Rest of the European Union	145	6.5	390	11.5	590	17.5	1,125	12.5
The rest of Europe	135	6.1	247	7.3	211	6.3	593	6.6
America	332	15.0	426	12.5	490	14.5	1,247	13.9
The rest of the world	101	4.6	221	6.5	114	3.4	435	4.8
TOTAL	2,216	100.0	3,398	100.0	3,372	100.0	8,986	100.0

Turnover of affiliates of foreign companies by geographic area and sector

Year 2011

Geographic area	Industry		Trade		Services		Total	
	Millions €	%	Millions €	%	Millions €	%	Millions €	%
EUROZONE	126,520	59.2	92,091	66.0	35,802	51.8	254,412	60.2
Rest of the European Union	13,905	6.5	14,476	10.4	16,678	24.1	45,059	10.7
The rest of Europe	10,134	4.7	5,239	3.8	3,055	4.4	18,427	4.4
America	32,699	15.3	17,505	12.5	12,267	17.7	62,471	14.8
The rest of the world	30,461	14.3	10,182	7.3	1,335	1.9	41,978	9.9
TOTAL	213,719	100.0	139,492	100.0	69,136	100.0	422,347	100.0

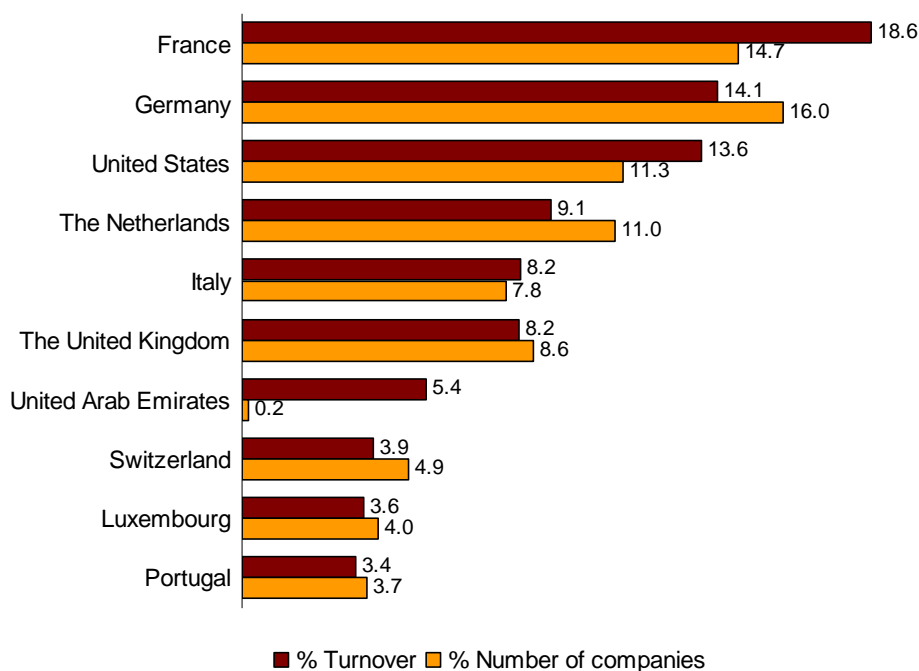
Results by geographical area of the parent company

In 2011, the countries whose affiliates generated the greatest turnover were France (18.6%), Germany (14.1%) and United States (13.6%).

In turn, the countries that contributed the highest number of companies were Germany (with 16.0% of the total), France (14.7%), the United States (11.3%) and The Netherlands (11.0%).

It is worth mentioning that the 10 main countries accounted for 82.3% of the total number of affiliates, overall reaching 88.2% of the total turnover of affiliate companies.

Main countries by turnover and number of affiliates. Year 2011



Representation of the foreign affiliates within the Spanish economy

The affiliates of foreign companies settled in Spain within the *Industrial, Trade and Non-financial services* sector recorded 0.5% of the total companies within those sectors. The turnover and employment generated by those companies resulted in 26.0% and 12.4% of the total, respectively.

Results by activity sector

Within the *industrial* sector, 1.7% of the companies were affiliates of foreign companies. As it refers to *Trade*, the percentage was 0.5% and to *Services*, the percentage was 0.3%.

Regarding turnover, *Industrial, Trade and Services* affiliates generated 37.2%, 21.4% and 17.4%, respectively, of the total turnover generated by the companies within each of them.

In turn, one out of five employed persons in *Industry* (20.9%) worked in affiliates of foreign companies in 2011. *Trade* and *Services* recorded a percentage of 11.1% and 9.6%, respectively.

Relation between the data of affiliates and total companies within the sector. Year 2011 (percentage)

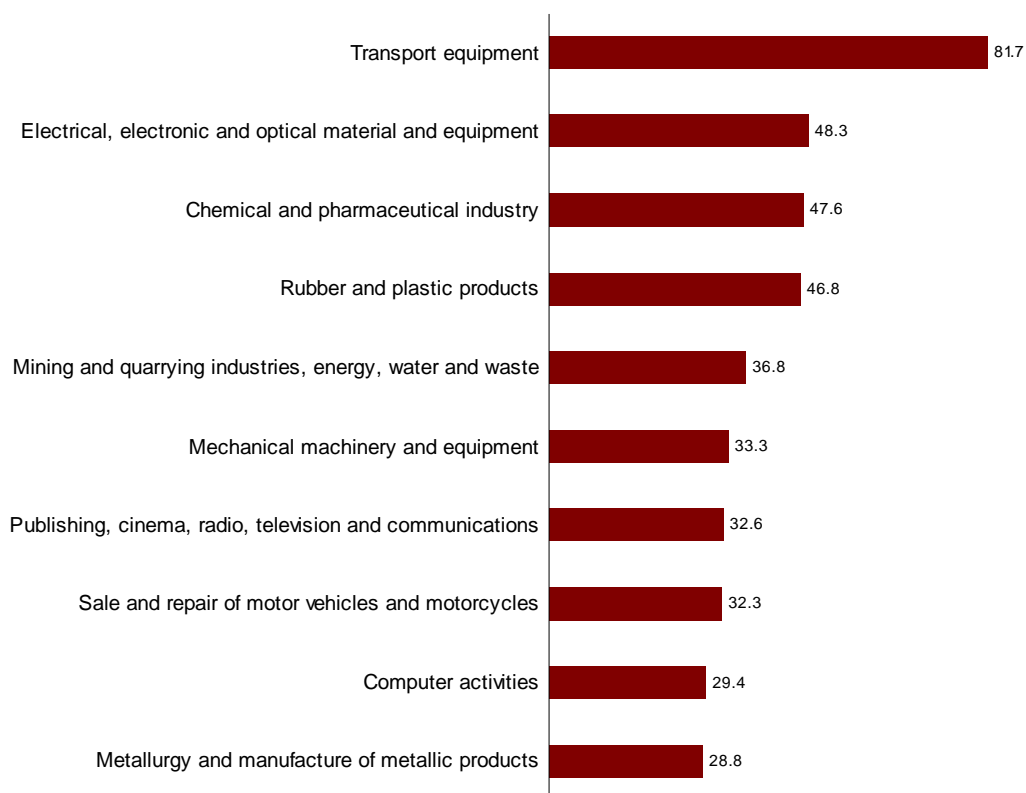


Results by branch of activity

Regarding the weight of affiliates of foreign companies by branch of activity, it is worth highlighting *Transport equipment*, in which 81.7% of the total turnover was generated by affiliate companies.

The following branches with a considerable weight regarding affiliates were *Electrical, electronic and optical material and equipment*, *Chemical and pharmaceutical industry* and *Rubber and plastic products*. Those companies contributed by 48.3%, 47.6% and 46.8%, respectively, to the total turnover generated within each branch of activity.

Main branches of activity by turnover generated by the affiliates, as compared with the total of each branch. Year 2011 (percentage)



In turn, the branches of activity that registered a lower contribution to the affiliate companies were *Textile, manufacture, leather and footwear*, *Accommodation* and *Transport*, with a turnover of the affiliates below 10% of the total.

Results by parent company country

In terms of added value, it was observed that the affiliates of French companies contributed the most to the total generated by foreign affiliates, with 4.0% of the added value generated by affiliates settled in Spain in each sector. *Trade* (5.5%) and the rest of the *Services* sector (2.9%) also contributed the most to the total added value.

Regarding the main countries investing in each sector by branch of activity, according to the percentage of added value that generated their affiliates on the total of the branch of activity, worth noting Germany, that generated 21.6% in *Transport equipment*, Italy, 16.4% in *Mining and quarrying industries, energy, water and waste*, The Netherlands, 16.4% in *Rubber and plastic products* and United States, 16.2% in *Commission trade*.

Main investing countries by branch of activity

Year 2011. (According to the value generated by their affiliates)

Branch of activity	Country	% the value added in each branch
Industry	Italy	5.1
Mining and quarrying industries, energy, water and waste	Italy	16.4
Food, beverages and tobacco	France	4.7
Textile, manufacture, leather and footwear	France	2.6
Wood and cork, paper and graphic arts	Luxemburg	2.5
Chemical and pharmaceutical industry	United States	9.6
Rubber and plastic products	The Netherlands	16.4
Various non-metallic ore products	France	8.8
Metallurgy and manufacture of metallic products	United States	4.7
Electrical, electronic and optical material and equipment	Germany	8.9
Mechanical machinery and equipment	United States	11.8
Transport equipment	Germany	21.6
Various manufacturing industries	United States	3.3
Trade	France	5.5
Sale and repair of motor vehicles and motorcycles	Alemania	6.1
Commission trade	United States	16.2
Wholesale of agrarian, food and household products	United States	6.3
Wholesale of machinery, equipment and others	Germany	3.5
Retail trade food, fuel and equipment for ICT	France	12.3
Publishing, cinema, radio, television and communications	France	5.0
Services	France	2.9
Transport	Germany	1.2
Storage and activities connected to transport	Germany	2.5
Accommodation	United Kingdom	1.7
Other retail trade	United Kingdom	11.7
Computer activities	France	7.6
Real estate activities	France	4.0
Professional, scientific and technical activities	United States	2.7
Administrative and support service activities	The Netherlands	5.2
National total employed persons	France	4.0

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.