

26 November 2013

Business Demographics Indicators.
Year 2011

In 2011, a total of 3,514,894 enterprises operated in Spain. 287,780 were created during the year, while 332,114 cease to exist.

The net rate of births and deaths of enterprises in 2011 stood at -1.3%, as compared with the -0.9% registered in 2010.

Approximately two out of three enterprises created between 2006 and 2009 have survived two years following their year of birth.

The stock of enterprises that operated in Spain in 2011 was 3,514.894. Stock is understood to be the set of enterprises that are active during all or part of the year.

53,9% of this stock of enterprises corresponded to units of the sector *Rest of services*, 24.4% to *Trade* and 15.1% to *Construction* while the remaining 6.6% corresponded to *Industry*.

In 2011, the number of enterprises that disappeared was greater than the number of births with 44,334 units.

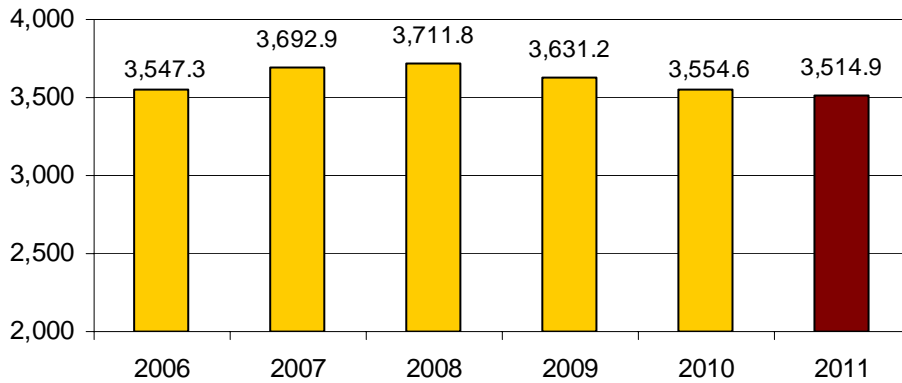
The rate of births of enterprises stood at 8.2%, while the rate of deaths was 9.4%, yielding a net rate of -1.3%. In 2010 the net rate was -0.9%.

Stock, births and deaths of enterprises, by economic sector. Year 2011

	TOTAL	Industry	Construction	Trade	Rest of services
Stock	3,514,894	232,035	530,529	857,014	1,895,316
Births	287,780	11,029	36,652	72,342	167,757
Deaths	332,114	16,588	57,043	76,342	182,141
Birth rate (%)	8.2	4.8	6.9	8.4	8.9
Death rate (%)	9.4	7.1	10.8	8.9	9.6
Net rate (%)	-1.3	-2.4	-3.8	-0.5	-0.8

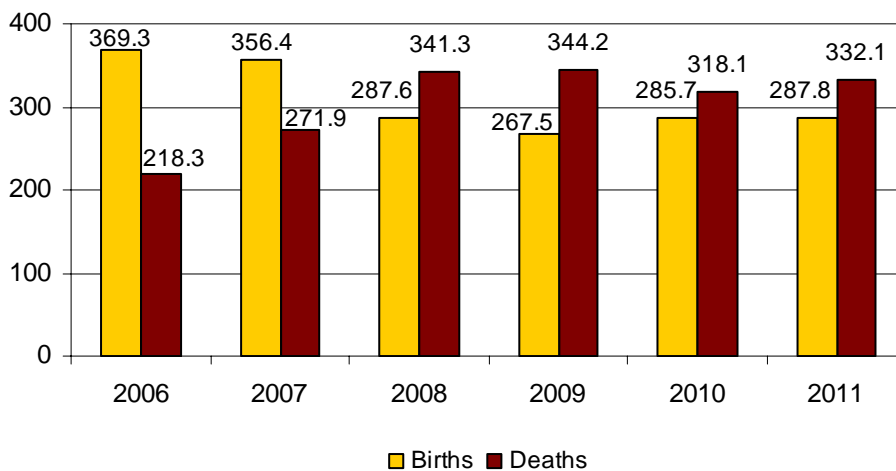
By examining the performance of the stock of enterprises in the last 6 years, it may be observed that the maximum is reached in 2008 with 3,711.835 units, while after three consecutive years of decreases, in 2011 the stock stood at 3,514.894.

**Performance of the stock of enterprises
(in thousands)**

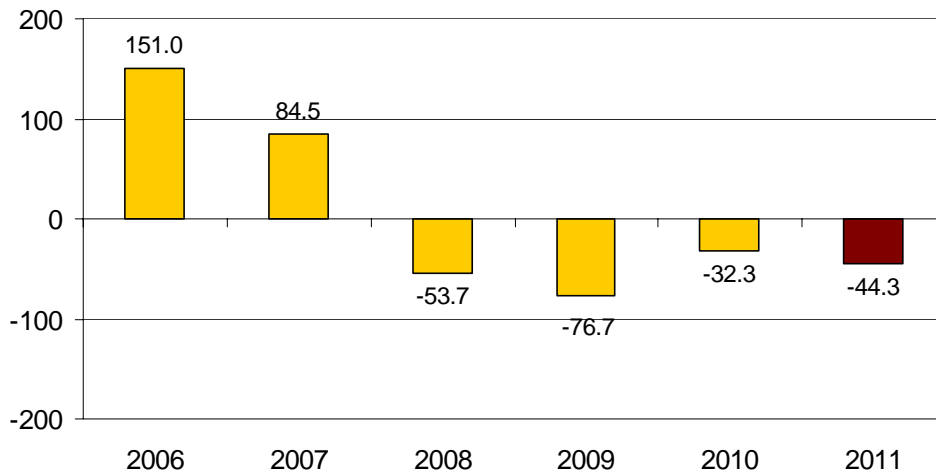


If we look at the performance of the birth and death events in terms of figures, we see that in the last four considered periods the number of deaths was higher than the number of births. In 2011, the net balance between births and deaths was -44,334 units.

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

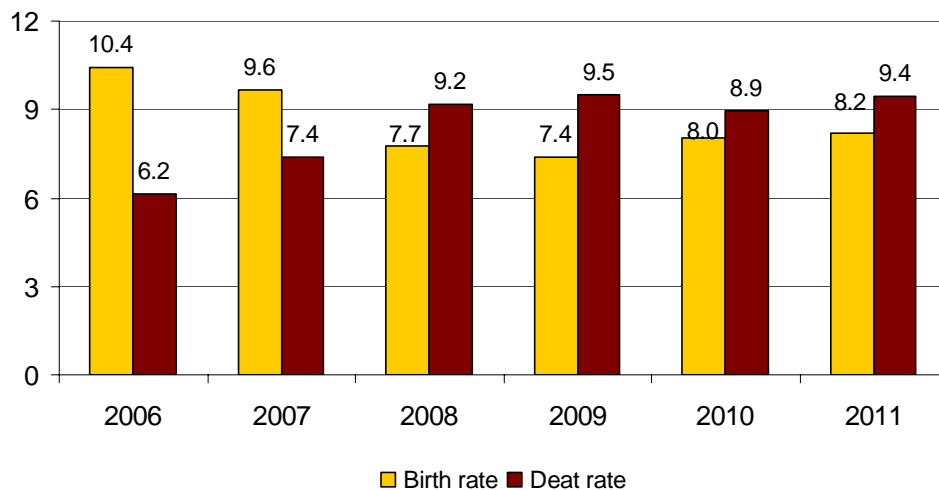


**Net variation of births and deaths of enterprises
(in thousands)**

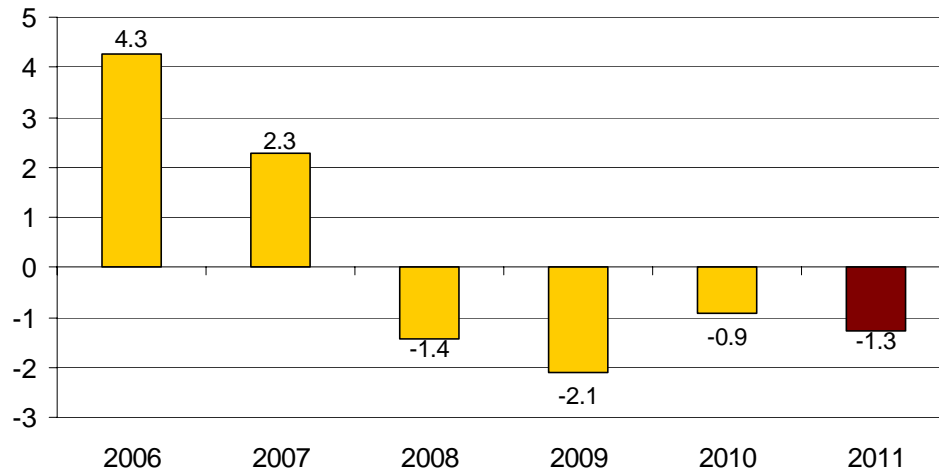


The following graphs offer a similar perspective, in this case considering rates for each birth and death case of enterprises and including the net rate.

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



Performance of the net birth and death rate of enterprises (%)



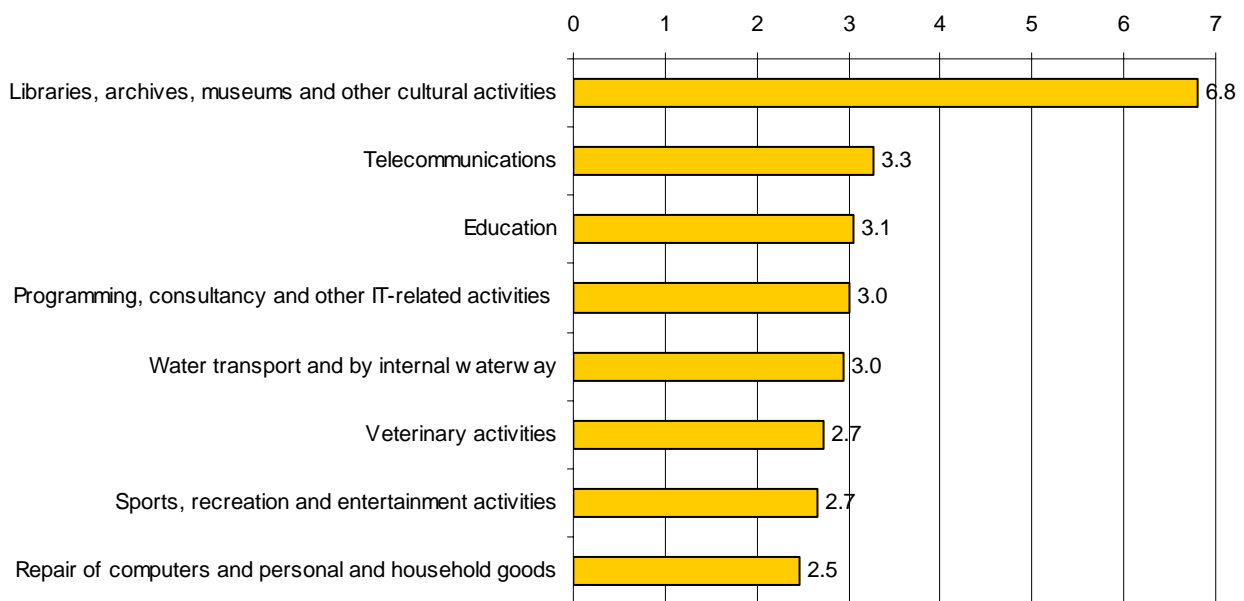
Results by economic activity

The economic activities with the best business demographics balance in 2011, identified by their greater positive net rate (difference between births and deaths) were *Libraries, archives, museums and other cultural activities* (6.8%), *Telecommunications* (3.3%) and *Education* (3.1%).

Activities with the highest net rate. Year 2011

CNAE-2009 divisions	Births	Deaths	Net rate (%)
Libraries, archives, museums and other cultural activities	378	206	6.8
Telecommunications	732	566	3.3
Education	10,337	7,782	3.1
Programming, consultancy and other IT-related activities	3,545	2,674	3.0
Water transport and by internal waterway	53	37	3.0
Veterinary activities	684	442	2.7
Sports, recreation and entertainment activities	3,571	2,794	2.7
Repair of computers and personal and household goods	3,516	2,785	2.5

Activities with the highest net rate. Year 2011 (%)

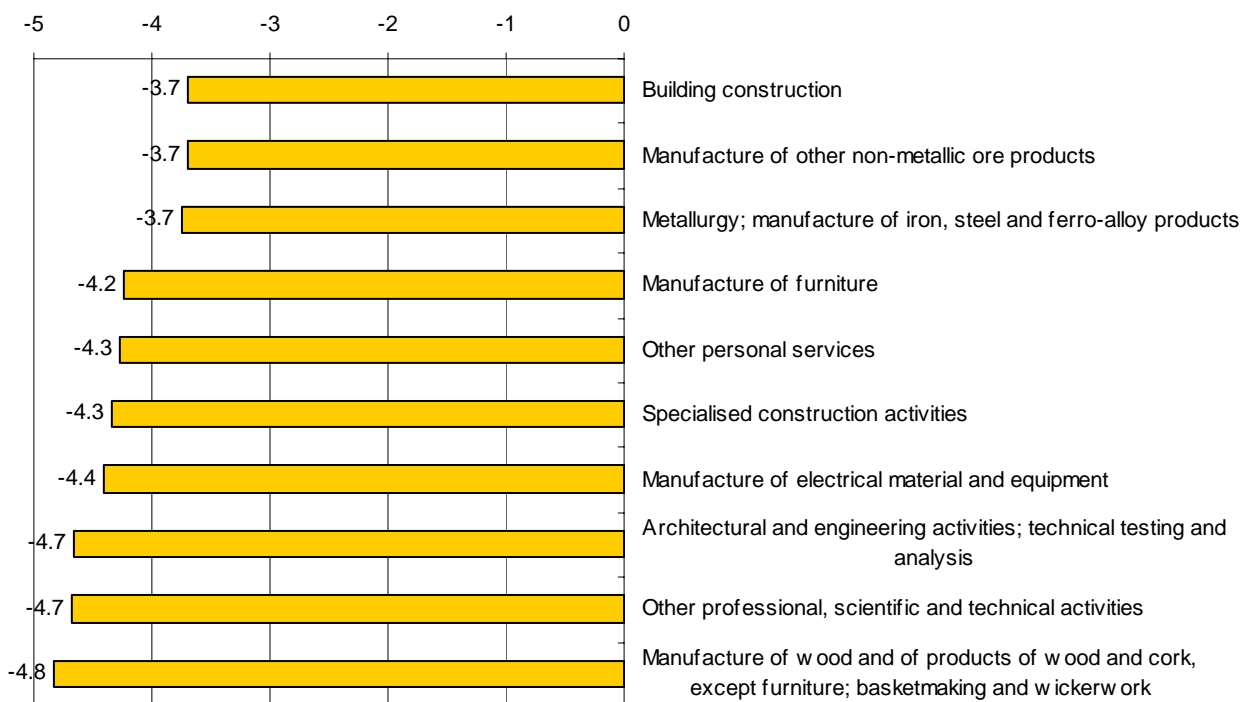


In turn, the activities presenting the worst business demographics balance, identified by their lower net rate (difference between births and deaths) were *Manufacture of wood and of products of wood and cork, except furniture; basketmaking and wickerwork* (-4.8%), *Other professional, scientific and technical activities* (-4.7%) and *Architectural and engineering activities; technical testing and analysis* (-4.7%).

Activities with the lowest net rate. Year 2011

CNAE-2009 divisions	Births	Deaths	Net rate (%)
Building construction	20,395	31,338	-3.7
Manufacture of other non-metallic mineral products	356	767	-3.7
Metallurgy; manufacture of iron, steel and ferro-alloy products	43	98	-3.7
Manufacture of furniture	846	1,569	-4.2
Other personal services	10,099	15,038	-4.3
Specialised construction activities	16,136	25,424	-4.3
Manufacture of electrical material and equipment	93	209	-4.4
Architectural and engineering activities; technical testing and analysis	8,714	14,981	-4.7
Other professional, scientific and technical activities	6,584	8,848	-4.7
Manufacture of wood and of products of wood and cork, except furniture; basketmaking and wickerwork	452	1,123	-4.8

Activities with the lowest net rate. Year 2011 (%)



Results by number of wage earners

Nearly 97% of the enterprises that were born or died in 2011 had four or fewer wage earners.

In turn, 78.7% of the enterprises born and 72.2% of the enterprises that died had no wage earners.

The greatest difference between births and deaths of enterprises took place among companies with one to four wage earners, where there were more deaths than births of enterprises (with 29,168 units) while the net rate stood at -2.5%.

Stock, births and deaths of enterprises, by wage earner bracket. Year 2011

	Total	Without wage earners	1 to 4 wage earners	5 to 9 wage earners	10 or more wage earners
Stock	3,514,894	2,012,258	1,165,514	196,964	140,158
Births of enterprises	287,780	226,421	52,773	6,648	1,938
Deaths of enterprises	332,114	239,628	81,941	7,908	2,637
Net variation	-44,334	-13,207	-29,168	-1,260	-699
Birth rate (%)	8.2	11.3	4.5	3.4	1.4
Death rate (%)	9.4	11.9	7.0	4.0	1.9
Net rate (%)	-1.3	-0.7	-2.5	-0.6	-0.5

Survival of births of enterprises

The following table has been obtained using the time monitoring of the populations of enterprises born in a given year. The survival indicators have been calculated for a maximum period of five years.

Survivals of the enterprises born since 2006 (%)

Year of birth	Observation year					
	2006	2007	2008	2009	2010	2011
2006	100.0	82.6	67.4	56.1	48.1	42.0
2007		100.0	79.1	64.5	54.4	46.7
2008			100.0	79.2	66.0	55.3
2009				100.0	79.9	65.3
2010					100.0	76.5

As may be observed, the first year of life is where the greatest decreases in units take place, with survival rates of 82.6% or lower.

Another noteworthy aspect is that the figures of the initial population in 2006 were reduced to less than half after four years of observation, something that was also experienced by the cohort of enterprises born in 2007.

Enterprises ceasing to exist in their first years of life

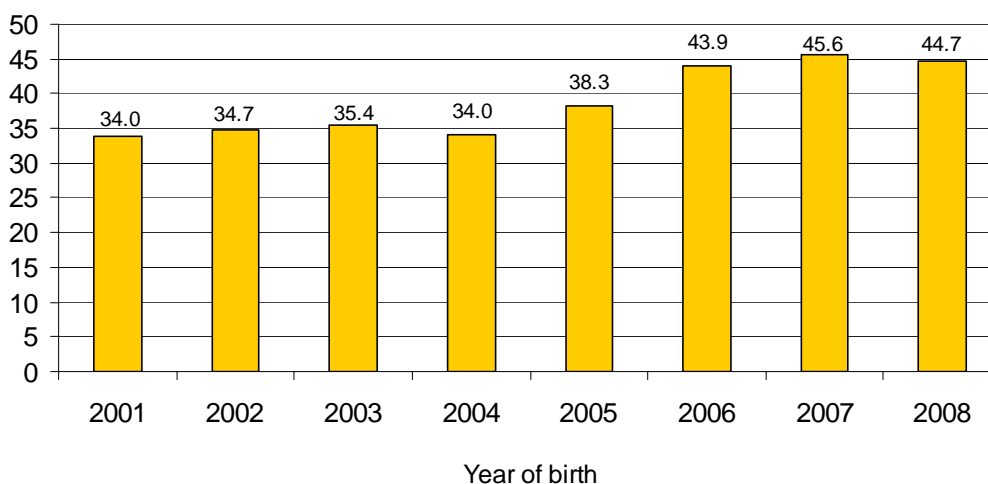
Analysing the loss of figures in greater detail, the following table quantifies the enterprises ceasing to exist in the first three years of their life, taking as a reference the cohorts of enterprises born in 10 consecutive years.

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

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2010	23.5			
2009	20.1	14.7		
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	18.1	12.2	9.8	38.8

Concerning the accumulated ceasing of enterprises in their first three years of life, it is observed that the mortality increases among enterprises born between 2005 and 2007, while there is a slight decrease in mortality among the enterprises that were created in 2008 (44.7%).

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



Results by Autonomous Community

Considering the territory in which the enterprise headquarters were located, País Vasco (5.6%) and Comunidad Foral de Navarra (6.6%) presented the lowest birth rates in 2011.

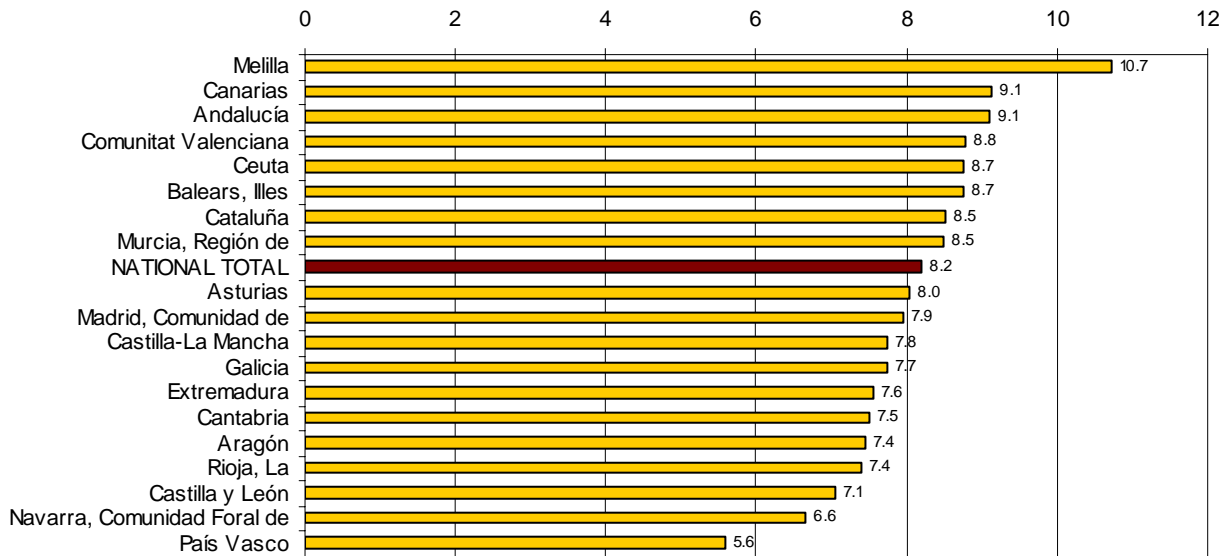
In turn, Andalucía and Canarias (9.1% in both cases) registered the highest rates of births of enterprises.

The highest rates of deaths of enterprises were registered in Andalucía (10.6%) and Región de Murcia (10.5%). The lowest such rates were recorded in Castilla y León (7.8%) and Comunidad Foral de Navarra (7.9%).

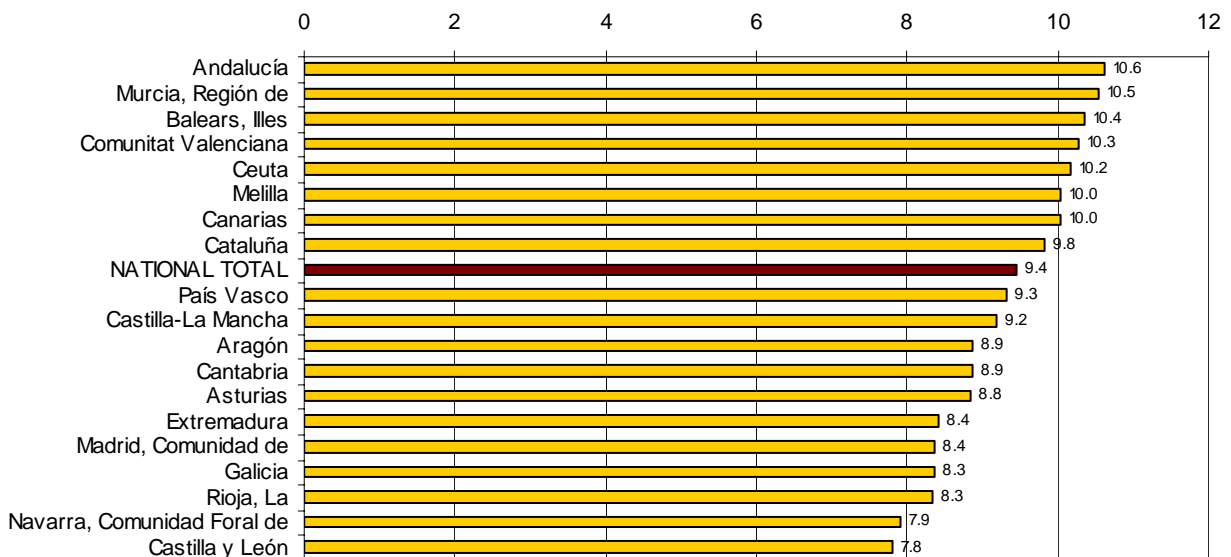
Stock, births and deaths of enterprises, by Autonomous Community. Year 2011

	Stock	Births	Deaths	Net variation	Birth rate (%)	Death rate (%)	Net rate (%)
NATIONAL TOTAL	3,514,894	287,780	332,114	-44,334	8.2	9.4	-1.3
Andalucía	540,043	49,147	57,363	-8,216	9.1	10.6	-1.5
Aragón	96,562	7,192	8,562	-1,370	7.4	8.9	-1.4
Asturias	75,160	6,030	6,645	-615	8.0	8.8	-0.8
Balears, Illes	95,529	8,350	9,889	-1,539	8.7	10.4	-1.6
Canarias	145,908	13,328	14,646	-1,318	9.1	10.0	-0.9
Cantabria	41,609	3,122	3,686	-564	7.5	8.9	-1.4
Castilla y León	176,060	12,430	13,731	-1,301	7.1	7.8	-0.7
Castilla-La Mancha	140,242	10,876	12,874	-1,998	7.8	9.2	-1.4
Cataluña	652,959	55,651	64,081	-8,430	8.5	9.8	-1.3
Comunitat Valenciana	381,253	33,524	39,128	-5,604	8.8	10.3	-1.5
Extremadura	70,357	5,318	5,921	-603	7.6	8.4	-0.9
Galicia	210,911	16,326	17,611	-1,285	7.7	8.3	-0.6
Madrid, Comunidad de	539,964	42,923	45,131	-2,208	7.9	8.4	-0.4
Murcia, Región de	98,975	8,402	10,422	-2,020	8.5	10.5	-2.0
Navarra, Comunidad Foral de	44,372	2,950	3,514	-564	6.6	7.9	-1.3
País Vasco	172,675	9,628	16,076	-6,448	5.6	9.3	-3.7
Rioja, La	24,208	1,792	2,015	-223	7.4	8.3	-0.9
Ceuta	3,966	347	403	-56	8.7	10.2	-1.4
Melilla	4,141	444	416	28	10.7	10.0	0.7

Clasificación de Comunidades Autónomas por tasa de nacimiento de empresas (%)



Clasificación de Comunidades Autónomas por tasa de muerte de empresas (%)



Methodological note

The Business Demographics Indicators provide aggregated information relating to the population of enterprises implanted within the national territory, taking into consideration the aspects linked to business dynamism and applying a methodology agreed upon within the scope of the European Union. This information is integrated into the Harmonised Business Demographics statistical operation included in the 2013 Annual Statistics programmed.

In addition, the data obtained on a national level is meant to meet the legal requirements of Regulation (EC) No. 295/2008 regarding the structural statistics of enterprises.

The methodology provides the guidelines that enable identification of populations and generating indicators relating to the stock, births, deaths and survival of enterprises, through a harmonised statistical use of the Business 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 towards identifying the following aggregates:

- *Stock of enterprises.*- Set of units that have remained active during all or part of the year. The enterprises that are entered are those that remain active at the end of the period, as are those enterprises that have completely ceased their activities during said period.
- *Births of enterprises.*- 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 enterprises.
- *Deaths of enterprises.*- Set of units that, over the course of the year, have dissolved all their production factors. There is no connection with other enterprises that may begin operating.
- *Survival of enterprises.*- 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 Central Business Register*). 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 demographics indicators directly.

The indicators proposed in the methodology quantify the relative importance of the phenomena of birth or death of enterprises within the Spanish business fabric. The survival phenomenon is similar, but taking as a reference the population of enterprises 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 activity i in year t

N_i^t = Stock of 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 activity i at the end of $t+k$, $k = 1, 2, \dots$

R_i^t = Births of activity i in year t

Death rate

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

D_i^t = Deaths of activity i in year t

N_i^t = Stock of activity i in year t

It must also be borne in mind that the data on enterprise deaths referring to 2011 is provisional, as the enterprises reactivated in 2013 cannot yet be identified, and these must be eliminated, according to the harmonised methodology.

Lastly, the National Statistics Institute would like to express its appreciation for the collaboration given by the different Public Bodies (Ministry of Labour and Social Security, State Tax Administration Agency, Department of Economy of Comunidad Foral de Navarra and Basque Statistics Institute), which supplied the basic data from which the Register has been generated, allowing for obtaining the indicators of this statistical operation.