

24 September 2014

Inward FATS in Spain
Year 2012

Affiliates of foreign companies generate 27.2% of total turnover for *Industry, Trade and Services* in 2012. They invoiced a total of 429,096 million euros and employed 1,234,011 persons.

Affiliates of France (18.0%) and Germany and the United States (both registering 13.2%) produced the highest turnovers

The activity branches for which affiliates obtained the highest turnovers were *Mining and quarrying industries, energy, water and waste management* (17.1%) and *Transport equipment* (11.3%)

In 2012, 9,655 affiliates of foreign companies were accounted for in the sectors of *Industry, Trade* and other *Non-financial market services*.

The turnover generated by these affiliates stood at 429,096 million euros. Regarding the employment rate of affiliates, they employed 1,234,011 persons.

Structure of the Inward FATS in Spain

Results by branch of activity¹

36.9% of affiliate companies researched in the survey belonged to the *Trade* sector, 37.7% to the *Services* sector and the remaining 25.4% to *Industry*.

Main variables by activity sector

Year 2012. (Main economic variables in million euros)

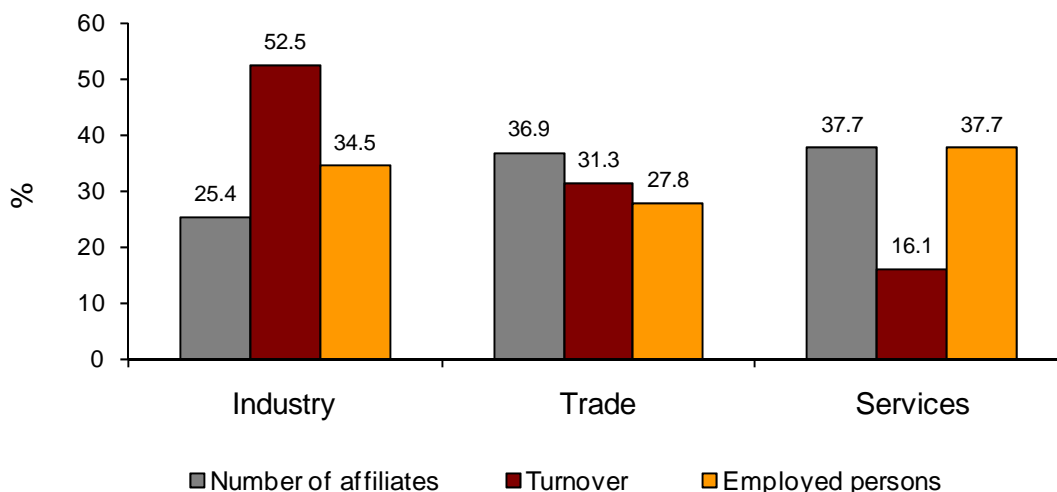
Sector	Affiliate companies	Employed persons	Turnover
Industry	2,449	425,910	225,386
Trade	3,566	342,962	134,514
Services	3,640	465,139	69,196
TOTAL	9,655	1,234,011	429,096

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 52.5% of the total turnover of affiliate companies, *Trade* affiliates recorded 31.3% and those of *Services* generated 16.1%.

For the employment distribution by activity sectors, *Services* affiliates registered the highest percentage of persons (37.7% of the total), followed by *Industry* (34.5%) and *Trade* (27.8%).

Main variables by activity sector. Year 2012 (in percentage)



Other variables by activity sector

Year 2012. (in million euros)

	Industry	Trade	Services	Total
Production value	190,311	36,223	45,256	271,790
Added value at factor cost	40,496	18,270	25,472	84,239
Purchases and work carried out by other companies	161,685	101,709	31,576	294,971
Personnel costs	21,786	13,106	16,432	51,324
External services	28,617	16,828	14,210	59,655
Gross investment in material fixed assets	7,840	1,771	3,928	13,539
Total Operating Income	231,039	137,862	71,758	440,659
Total Operating Costs	223,660	134,754	70,280	428,693

Results by branch of activity

On analysing 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 26.3% of the total number of affiliates) and *Professional, scientific and technical activities* (with 10.9% of the total).

Main results by branch of activity

Year 2012

Branch of activity	Affiliates		Employees		Turnover	
	Number	%	Number	%	Million €	%
Industry	2,449	25.4	425,910	34.5	225,386	52.5
Mining and quarrying industries, energy, water and	379	3.9	32,299	2.6	73,245	17.1
Food, beverages and tobacco	214	2.2	47,022	3.8	22,060	5.1
Textile, manufacture, leather and footwear	55	0.6	5,055	0.4	921	0.2
Wood and cork, paper and graphic arts	148	1.5	16,674	1.4	5,035	1.2
Chemical and pharmaceutical industry	306	3.2	46,511	3.8	28,528	6.6
Rubber and plastic products	193	2.0	33,826	2.7	8,722	2.0
Various non-metallic ore products	124	1.3	16,516	1.3	4,209	1.0
Metallurgy and manufacture of metallic products	243	2.5	34,953	2.8	15,661	3.6
Electrical, electronic and optical material and equipment	215	2.2	32,585	2.6	9,851	2.3
Mechanical machinery and equipment	217	2.2	24,661	2.0	6,361	1.5
Transport equipment	214	2.2	120,745	9.8	48,376	11.3
Various manufacturing industries	141	1.5	15,063	1.2	2,417	0.6
Trade	3,566	36.9	342,962	27.8	134,514	31.3
Sale and repair of motor vehicles and motorcycles	207	2.1	19,713	1.6	16,724	3.9
Commission trade	418	4.3	11,211	0.9	1,396	0.3
Wholesale of agrarian, food and household products	1,067	11.0	70,936	5.7	46,109	10.7
Wholesale of machinery, equipment and others	1,478	15.3	59,786	4.8	34,763	8.1
Retail trade food, fuel and equipment for ICT	128	1.3	107,886	8.7	24,999	5.8
Publishing, cinema, radio, television and	268	2.8	73,430	6.0	10,523	2.5
Services	3,640	37.7	465,139	37.7	69,196	16.1
Transport	158	1.6	22,373	1.8	3,610	0.8
Storage and activities connected to transport	322	3.3	30,723	2.5	6,324	1.5
Accommodation	181	1.9	66,504	5.4	3,527	0.8
Other retail trade	333	3.4	32,223	2.6	18,876	4.4
Computer activities	404	4.2	52,369	4.2	6,958	1.6
Real estate activities	612	6.3	3,911	0.3	2,354	0.5
Professional, scientific and technical activities	1,051	10.9	67,899	5.5	14,529	3.4
Administrative and support service activities	580	6.0	189,137	15.3	13,018	3.0
National total employed persons	9,655	100.0	1,234,011	100.0	429,096	100.0

From the employment perspective, the branches of activity with the most employed personnel were *Administrative and support service activities* (15.3%), *Transport equipment* (9.8%) and *Retail trade of food, fuel and equipment for ICT* (8.7%).

Regarding turnover, the branches that contributed the greatest percentage to the total were *Mining and quarrying industries, energy, water and waste* (17.1%) *Transport equipment* (11.3%) and *Wholesale of agrarian, food and household products* (10.7%).

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

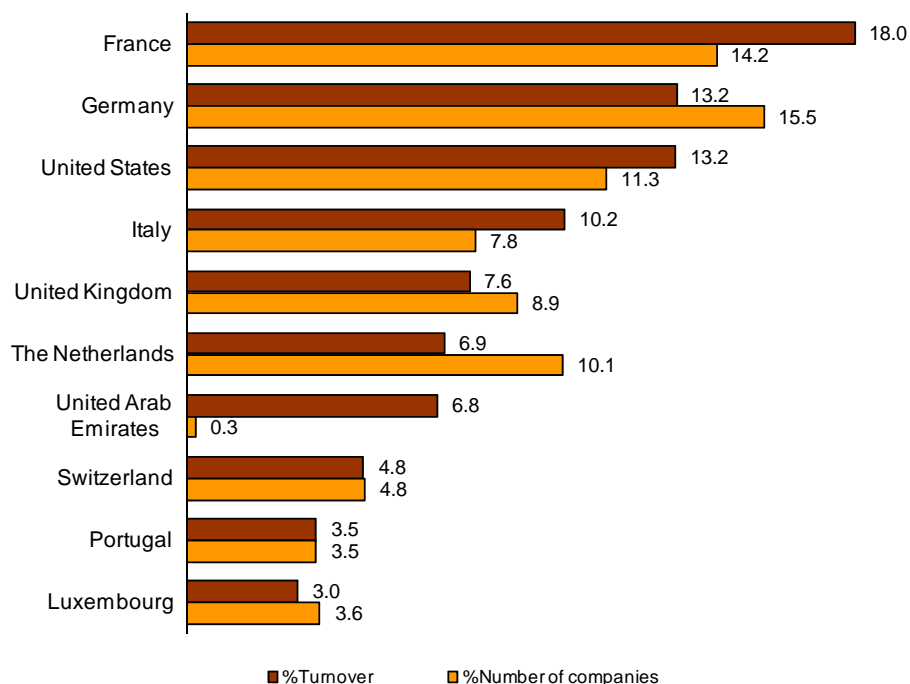
Results by country of the parent company

In 2012, the countries whose affiliates generated the greatest turnover were France (18.0%) and Germany and the United States (both registering 13.2%).

In turn, the countries that contributed the highest number of companies were Germany (with 15.5% of the total), France (14.2%) and the United States (11.3%).

It is worth mentioning that the 10 main countries accounted for 80.1% of the total number of affiliates, overall reaching 87.1% of the total turnover of affiliate companies.

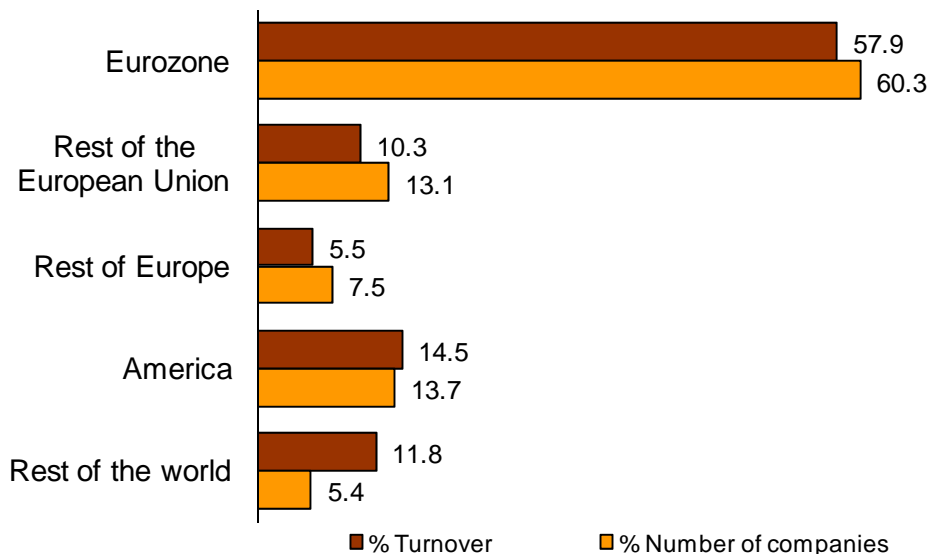
Main countries by turnover and number of affiliates. Year 2012



Results by geographical area of the parent company

Most companies which controlled affiliates in Spain were settled in the Eurozone (60.3%). The turnover generated by these affiliates was 57.9%.

Distribution by geographical area of the parent company. Year 2012



By economic sector, in the Eurozone there were 66.8% of the foreign companies that controlled *Industrial* affiliates, 62.0% of those that controlled affiliates in the *Trade* sector and 54.2% of those corresponding to the rest of the *Services* sector. These affiliates generated 57.4%, 63.0% and 49.7% of the turnover in *Industry*, *Trade* and *Services*, respectively.

Number of affiliates of foreign companies by geographic area and sector

Year 2012

Geographic area	Industry		Trade		Services		Total	
	Number	%	Number	%	Number	%	Number	%
EUROZONE	1,635	66.8	2,212	62.0	1,973	54.2	5,820	60.3
Rest of the European Union	184	7.5	392	11.0	693	19.0	1,269	13.1
The rest of Europe	149	6.1	259	7.3	314	8.6	722	7.5
America	343	14.0	452	12.7	530	14.6	1,325	13.7
The rest of the world	138	5.6	251	7.0	130	3.6	519	5.4
TOTAL	2,449	100.0	3,566	100.0	3,640	100.0	9,655	100.0

Turnover of affiliates of foreign companies by geographic area and sector

Year 2012

Geographic area	Industry		Trade		Services		Total	
	Millions €	%	Millions €	%	Millions €	%	Millions €	%
EUROZONE	129,475	57.4	84,784	63.0	34,402	49.7	248,661	57.9
Rest of the European Union	13,818	6.1	12,692	9.4	17,607	25.4	44,117	10.3
The rest of Europe	10,426	4.6	8,799	6.5	4,372	6.3	23,597	5.5
America	34,119	15.1	16,873	12.5	11,013	15.9	62,005	14.5
The rest of the world	37,549	16.7	11,366	8.4	1,803	2.6	50,717	11.8
TOTAL	225,386	100.0	134,514	100.0	69,196	100.0	429,096	100.0

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 in 2012.

The turnover and employment generated by those companies resulted in 27.2% and 12.8% of the total, respectively.

Results by activity sector

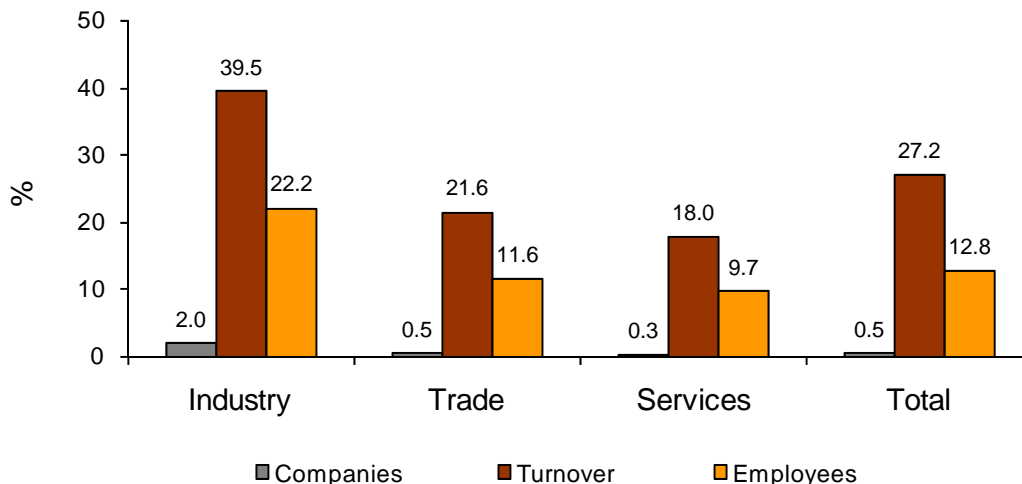
Within the *Industrial* sector, 2.0% of the companies were affiliates of foreign companies. As it refers to *Trade*, the percentage was 0.5% and to *Services*, the percentage was 0.3%.

Regarding turnover, *Industrial, Trade and Services* affiliates generated 39.5%, 21.6% and 18.0%, respectively, of the total turnover generated by the companies within each of them.

In turn, 22.2% persons employed in *Industry* worked in affiliates of foreign companies in 2012. *Trade* and *Services* recorded a percentage of 11.6% and 9.7%, respectively.

Relation between the data of affiliates and total companies within the sector. Year 2012

(percentage)

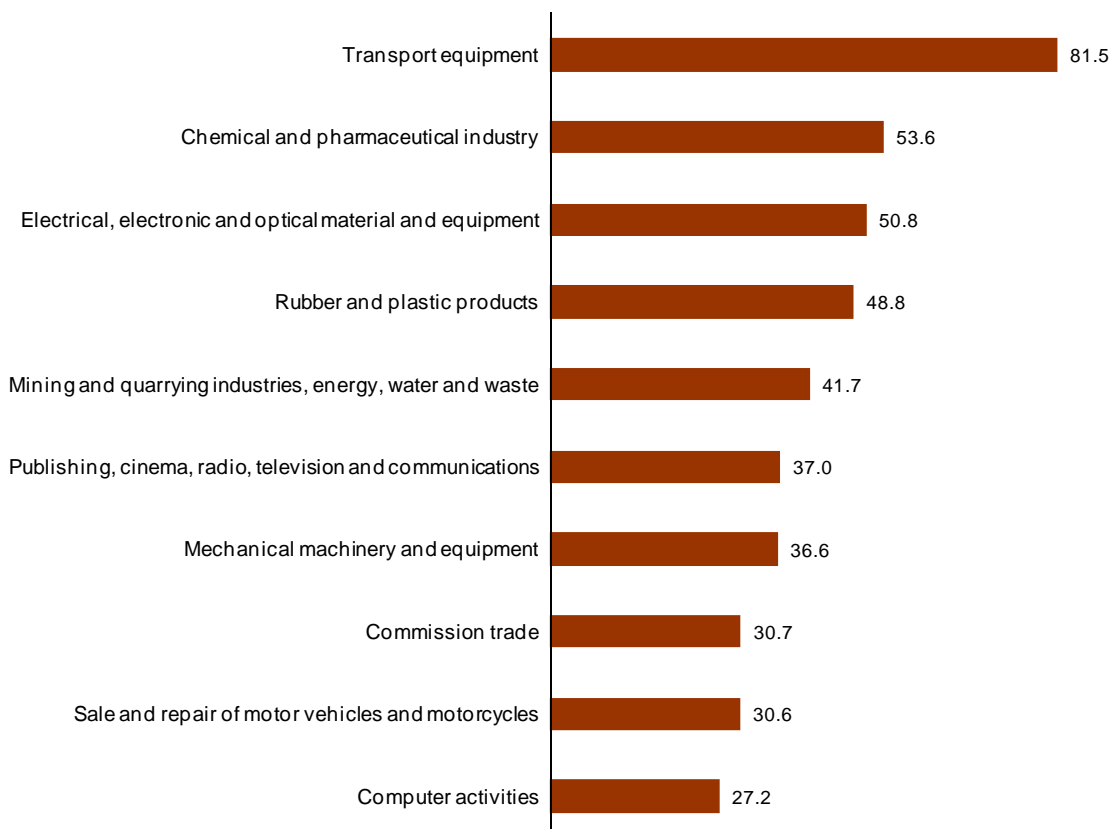


Results by branch of activity

Regarding the weight of affiliates of foreign companies by branch of activity, it is worth noting *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 *Chemical and pharmaceutical industry*; *Electrical, electronic and optical material and equipment* and *Rubber and plastic products*. Those companies contributed by 53.6%, 50.8% and 48.8%, 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 2012 (percentage)



In turn, the branches of activity that registered a lower contribution to the affiliate companies were *Real state activities*, *Textile, manufacture, leather and footwear*, *Accommodation* and *Transport*, all them registering 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 4.1% of the added value generated by affiliates settled in Spain in all sectors analysed. The French affiliates were also those which contributed the most to the total added value in *Trade* (5.7%) and the rest of *Services* (3.1%) sectors.

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 21.3% in *Transport equipment*; the Netherlands, 20.0% in *Rubber and plastic products*; the United States, 19.8% in *Commission trade* and Italy, 15.3% in *Mining and quarrying industries, energy, water and waste*.

Main investing countries by branch of activity

Year 2012. (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	15.3
Food, beverages and tobacco	France	4.4
Textile, manufacture, leather and footwear	France	2.1
Wood and cork, paper and graphic arts	Sweden	2.7
Chemical and pharmaceutical industry	The United States	14.2
Rubber and plastic products	The Netherlands	20.0
Various non-metallic ore products	France	5.7
Metallurgy and manufacture of metallic products	Louxeembourg	3.5
Electrical, electronic and optical material and equipment	France	10.0
Mechanical machinery and equipment	The United States	13.6
Transport equipment	Germany	21.3
Various manufacturing industries	France	3.4
Trade	France	5.7
Sale and repair of motor vehicles and motorcycles	France	5.5
Commission trade	The United States	19.8
Wholesale of agrarian, food and household products	The United States	6.5
Wholesale of machinery, equipment and others	The United States	4.8
Retail trade food, fuel and equipment for ICT	France	11.7
Other retail trade	France	5.1
Services	France	3.1
Transport	Germany	1.3
Storage and activities connected to transport	Germany	2.7
Accommodation	United Kingdom	2.0
Publishing, cinema, radio, television and communications	United Kingdom	11.1
Computer activities	The United States	7.9
Real estate activities	The Netherlands	3.3
Professional, scientific and technical activities	The United States	2.6
Administrative and support service activities	The Netherlands	3.8
TOTAL	France	4.1

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 of the 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.

The Services Sector Inward Foreign Affiliates Statistics (Inward FATS) completes the information provided by the Outward Foreign Affiliates Statistics (Onward FATS) in the area of the statistics on the economic globalization.