Press Release

Business Demographics Indicators
Year 2012

In 2012, a total of 3,466,110 enterprises operated in Spain. 287,311 were created during the year, while 334,541 cease to exist

The enterprises created represented 8.3% of the total number, while those that ceased to exist represented 9.7%

More than half the enterprises created have survived three years following their year of birth

The stock of enterprises that operated in Spain in 2012 was 3,466,110. Stock is understood to be the set of enterprises that are active during all or part of the year.

54.3% of this stock of enterprises corresponded to units of the sector *Rest of services*, 24.7% to *Trade* and 14.5% to *Construction* while the remaining 6.6% corresponded to *Industry*.

In 2012, the number of enterprises that disappeared was greater than the number of births with 47,230 units.

The rate of births of enterprises stood at 8.3%, while the rate of deaths was 9.7%, yielding a net rate of −1.4%.

Stock, births and deaths of enterprises, by economic sector. Year 2012

|	TOTAL	Industry	Construction	Trade	Rest of services
Stock	3,466,110	228,285	501,626	854,553	1,881,646
Births	287,311	10,684	33,965	77,104	165,558
Deaths	334,541	19,127	61,795	82,283	171,336
Net variation	-47,230	-8,443	-27,830	-5,179	-5,778
Birth rate (%)	8.3	4.7	6.8	9.0	8.8
Death rate (%)	9.7	8.4	12.3	9.6	9.1
Net rate (%)	−1.4	−3.7	−5.5	−0.6	−0.3

By examining the performance of the stock of enterprises in the last seven years, it can be observed that the maximum was reached in 2008 with 3,711,835 units, while after four consecutive years of decreases, in 2012 the stock stood at 3,466,110.

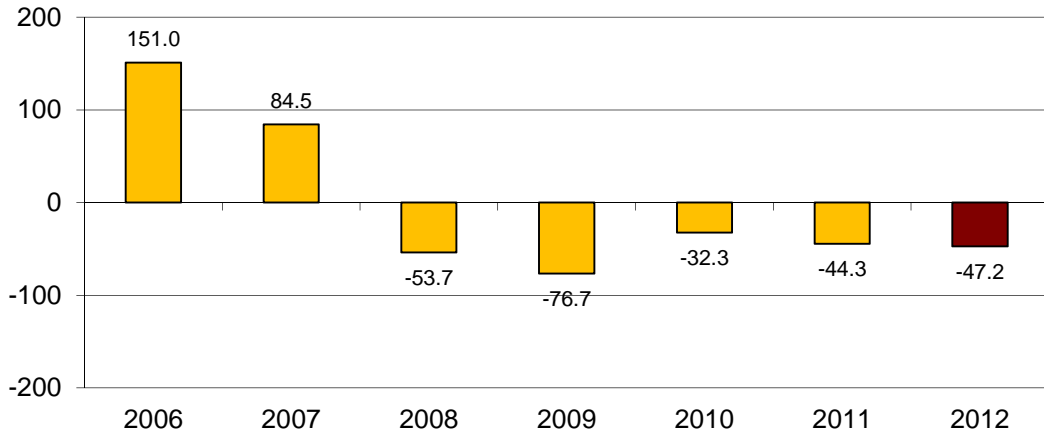### Performance of the stock of enterprises (in thousands)
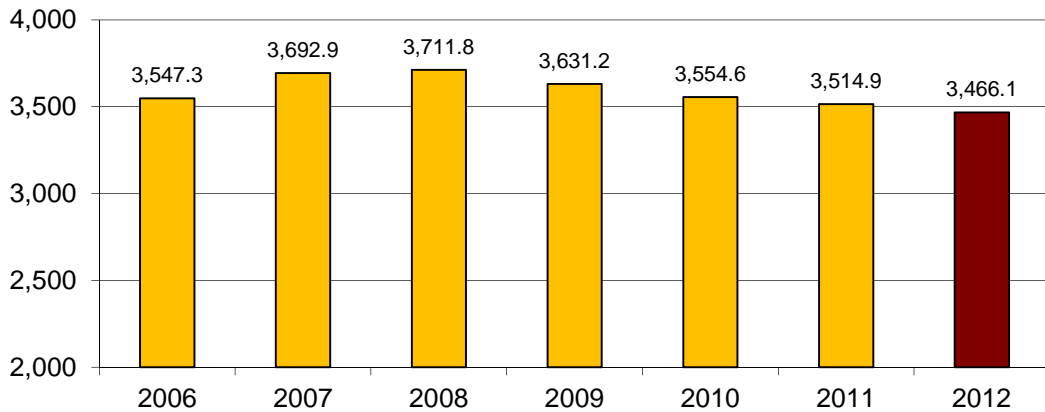
If we look at the performance of the birth and death events in terms of figures, it is worth noting that since 2008, the number of deaths has always been higher than that of births. In particular, in 2012, 334,541 enterprises ceased to exist and 287,311 were created.

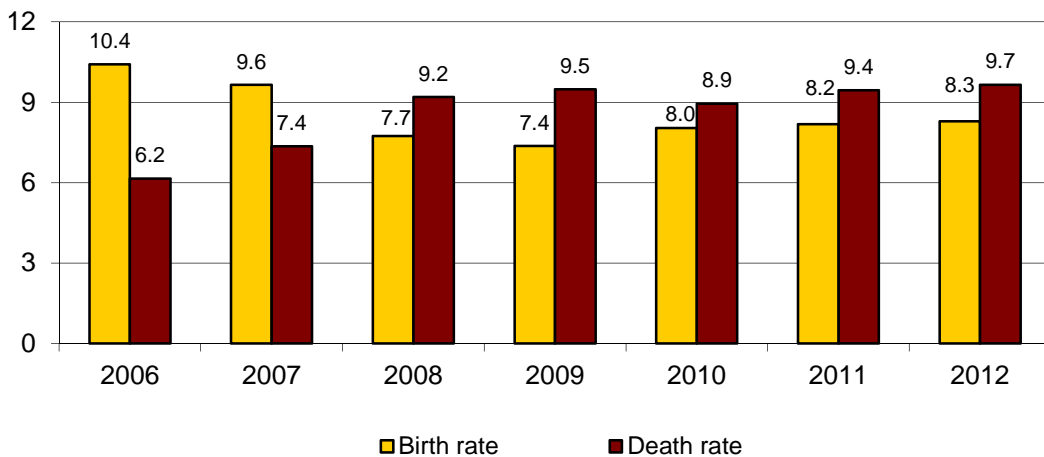### Performance of the number of births and deaths of enterprises (in thousands)
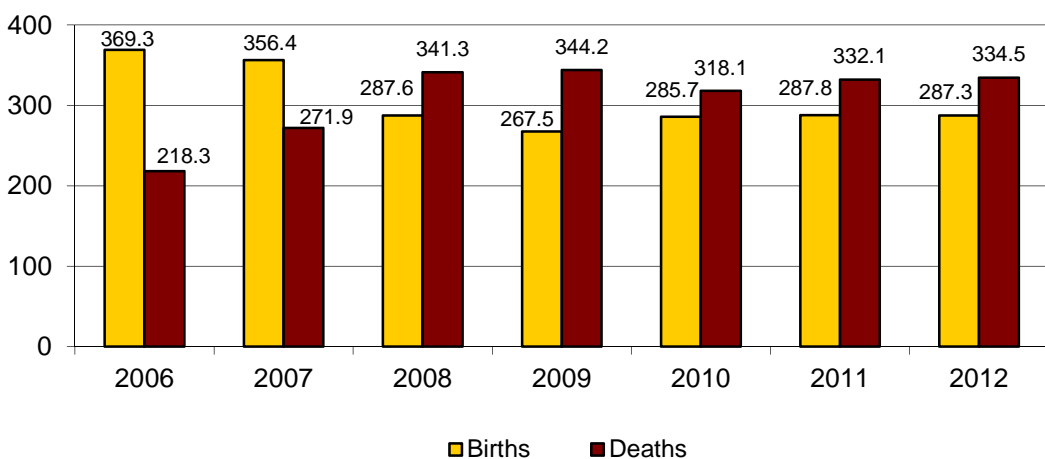
Net variation of births and deaths of enterprises (in thousands)
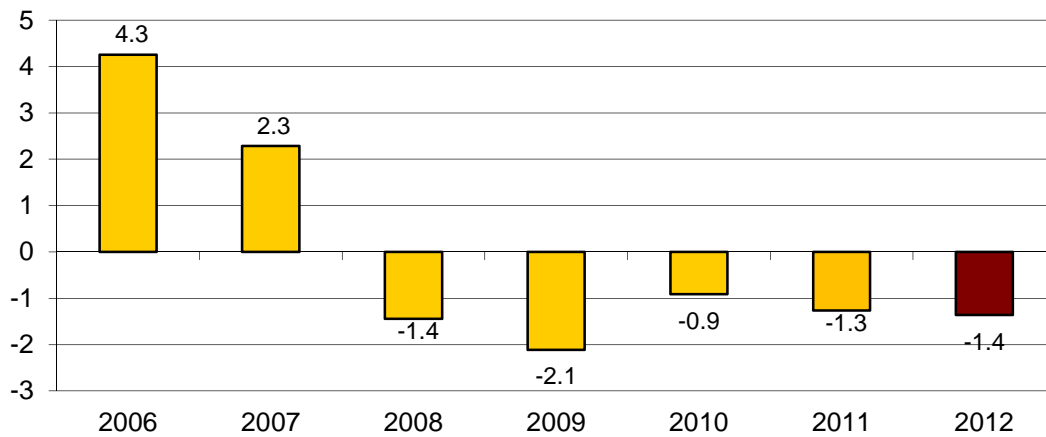

The following graphs offer a similar perspective, in this case considering rates for each birth and death case of enterprises and including the net rate.

Performance of birth and death rates of enterprises (%)

■ Birth rate   ■ Death rate

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

Results by economic activity

The economic activities with the best business demographics balance in 2012, identified by their greater positive net rate (difference between births and deaths) were *Remediation activities and other waste management services* (10.8%), *Activities of head offices; management consultancy activities* (4.3%) and *Air transport* (4.3%).

Activities with the highest net rate. Year 2012

CNAE-2009 divisions	Births	Deaths	Net rate (%)
Remediation activities and other waste management services	51	16	10.8
Activities of head offices; management consultancy activities	1,539	872	4.3
Air transport	45	33	4.3
Veterinary activities	804	450	3.8
Human health activities	12,473	7,250	3.7
Libraries, archives, museums and other cultural activities	405	319	3.0
Publishing activities	1,367	1,047	3.0
Computer programming, consultancy and related activities	3,627	2,836	2.7
Telecommunications	806	666	2.6

In turn, the activities with the worst business demographics balance, identified by their lower net rate (difference between births and deaths), were *Manufacture of furniture* (–6.6%), *Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials* (–6.1%), and *Manufacture of wearing apparel* (–6.1%).

Activities with the lowest net rate. Year 2012

CNAE-2009 divisions	Births	Deaths	Net rate (%)
Manufacture of electrical equipment	100	209	−4.4
Manufacture of other transport equipment	39	78	−4.4
Manufacture of fabricated metal products, except machinery and equipment	2,083	3,940	−4.5
Manufacture of other non-metallic mineral products	352	884	−5.0
Other mining and quarrying	68	195	−5.0
Specialised construction activities	16,396	27,420	−5.4
Construction of buildings	17,519	34,089	−6.0
Manufacture of wearing apparel	785	1,418	−6.1
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	457	1,261	−6.1
Manufacture of furniture	749	1,815	−6.6

Results by number of wage earners

Nearly 97% of the enterprises that were born or died in 2012 had four or fewer wage earners.

In turn, 78.5% of the enterprises born and 68.6% 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 40,060 units) and the net rate stood at −3.3%.

Stock, births and deaths of enterprises, by wage earner bracket. Year 2012

	Total	Without wage earners	1 to 4 wage earners	5 to 9 wage earners	10 or more wage earners
Stock	3,466,110	1,921,317	1,224,896	189,222	130,675
Births of enterprises	287,311	225,477	53,279	6,640	1,915
Deaths of enterprises	334,541	239,594	93,339	8,762	2,846
Net variation	−47,230	−4,117	−40,060	−2,122	−931
Birth rate (%)	8.3	11.3	4.3	3.5	1.5
Death rate (%)	9.7	11.9	7.6	4.6	2.2
Net rate (%)	−1.4	−0.2	−3.3	−1.1	−0.7

Survival of births of enterprises

As may be observed, the first year of life is where the greatest decreases in units take place, with survival rates of 79.9% or lower.

Another noteworthy aspect is that the figures of the initial population in 2007 were reduced to less than half after four years of observation, something that was also experienced by the cohort of enterprises born in 2008.

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 enterprises born since 2007 (%)

Year of birth	Year observed					
	2007	2008	2009	2010	2011	2012
2007	100.0	79.1	64.5	54.4	46.7	40.4
2008		100.0	79.2	66.0	55.3	47.1
2009			100.0	79.9	65.3	53.8
2010				100.0	76.5	62.4
2011					100.0	75.8

### 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 11 consecutive years.

Enterprises ceasing to exist in their first year of life (%)

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2011	24.2			
2010	23.5	14.1		
2009	20.1	14.7	11.5	46.2
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	18.6	12.4	10.0	39.6

Concerning the accumulated ceasing of enterprises in their first three years of life, it is observed that the mortality increases among enterprises born since 2006, while there is a slight decrease in mortality among the enterprises that were created in 2008.

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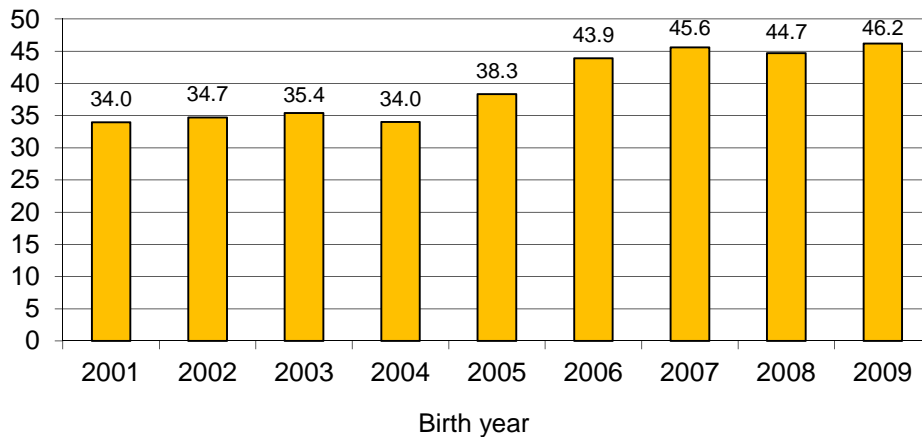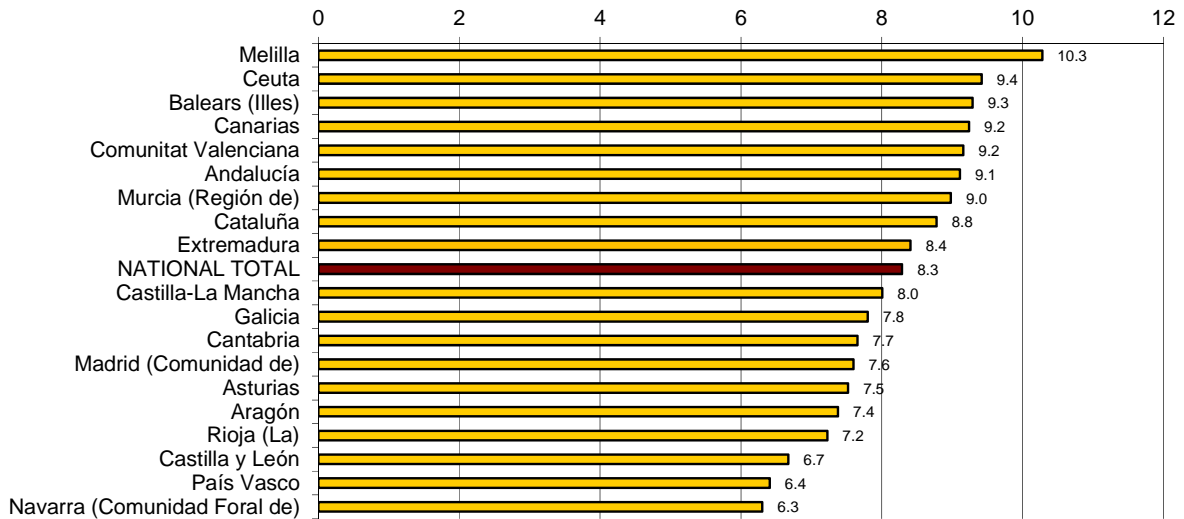

Results by Autonomous Community

Considering the territory in which the enterprise headquarters were located, Illes Balears (9.3%), Canarias and Comunitat Valenciana (both 9.2%) presented the highest birth rates in 2012.

In turn, Comunidad Foral de Navarra (6.3%) and País Vasco (6.4%) registered the lowest rates of births of enterprises.

Stock, births and deaths of enterprises, by Autonomous Community. Year 2012

	Stock	Birth	Deaths	Net variation	Birth rate (%)	Death rate (%)	Net rate (%)
NATIONAL TOTAL	3,466,110	287,311	334,541	-47,230	8.3	9.7	-1.4
Andalucía	528,200	48,106	55,857	-7,751	9.1	10.6	-1.5
Aragón	95,217	7,026	8,281	-1,255	7.4	8.7	-1.3
Asturias	73,731	5,545	7,238	-1,693	7.5	9.8	-2.3
Balears (Illes)	94,188	8,749	9,163	-414	9.3	9.7	-0.4
Canarias	143,949	13,297	14,415	-1,118	9.2	10.0	-0.8
Cantabria	40,899	3,131	3,877	-746	7.7	9.5	-1.8
Castilla y León	174,256	11,629	14,657	-3,028	6.7	8.4	-1.7
Castilla-La Mancha	138,342	11,078	13,984	-2,906	8.0	10.1	-2.1
Cataluña	643,050	56,438	66,060	-9,622	8.8	10.3	-1.5
Comunitat Valenciana	376,198	34,451	39,515	-5,064	9.2	10.5	-1.3
Extremadura	69,950	5,881	6,677	-796	8.4	9.5	-1.1
Galicia	209,668	16,359	17,827	-1,468	7.8	8.5	-0.7
Madrid, Comunidad de	538,008	40,878	45,402	-4,524	7.6	8.4	-0.8
Murcia, Región de	96,977	8,709	9,955	-1,246	9.0	10.3	-1.3
Navarra, C. Foral de	43,351	2,733	3,071	-338	6.3	7.1	-0.8
País Vasco	167,992	10,765	15,756	-4,991	6.4	9.4	-3.0
Rioja, La	24,023	1,736	2,007	-271	7.2	8.4	-1.1
Ceuta	3,918	369	356	13	9.4	9.1	0.3
Melilla	4,193	431	443	-12	10.3	10.6	-0.3

Clasification of Autonomous Communities by birth rate of enterprises (%)

Community	Rate
Melilla	10.3
Ceuta	9.4
Balears (Illes)	9.3
Canarias	9.2
Comunitat Valenciana	9.2
Andalucía	9.1
Murcia (Región de)	9.0
Cataluña	8.8
Extremadura	8.4
NATIONAL TOTAL	8.3
Castilla-La Mancha	8.0
Galicia	7.8
Cantabria	7.7
Madrid (Comunidad de)	7.6
Asturias	7.5
Aragón	7.4
Rioja (La)	7.2
Castilla y León	6.7
País Vasco	6.4
Navarra (Comunidad Foral de)	6.3

The highest rates of deaths of enterprises were registered in Andalucía (10.6%), Comunitat Valenciana (10.5%), Cataluña and Región de Murcia (both 10.3%).

The lowest rates were recorded in Comunidad Foral de Navarra (7.1%), La Rioja, Castilla y León and Comunidad de Madrid (8.4% in the three cases).

Clasification of Autonomous Communities by death rate of enterprises (%)

Community	Rate
Andalucía	10.6
Melilla	10.6
Comunitat Valenciana	10.5
Cataluña	10.3
Murcia (Región de)	10.3
Castilla-La Mancha	10.1
Canarias	10.0
Asturias	9.8
Balears (Illes)	9.7
NATIONAL TOTAL	9.7
Extremadura	9.5
Cantabria	9.5
País Vasco	9.4
Ceuta	9.1
Aragón	8.7
Galicia	8.5
Madrid (Comunidad de)	8.4
Castilla y León	8.4
Rioja (La)	8.4
Navarra (Comunidad Foral de)	7.1
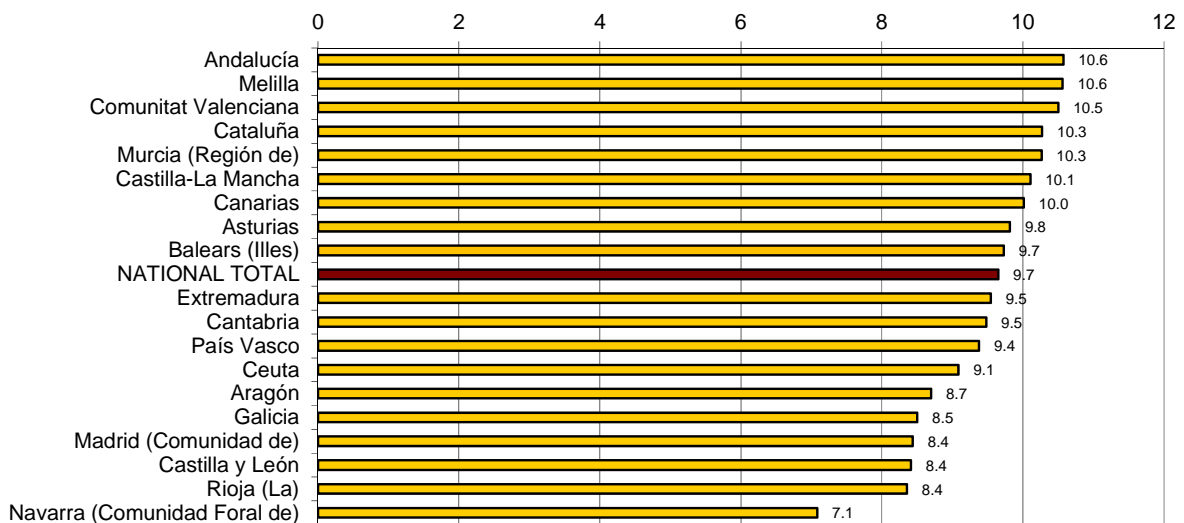
Methodological note

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 2014 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

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

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

$R_i^t = Births\ of\ activity\ i\ in\ year\ t$

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 2012 is provisional, as the enterprises reactivated in 2014 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.

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

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