

20 November 2019

Business Demography Indicators
Year 2017

3,580,773 enterprises were active in Spain in 2017, 0.5% more than the last year

336,000 enterprises were created in 2017 whereas 284,614 disappeared, meaning a growth net rate of 1.4%

The *stock* of enterprises operating in Spain over the year 2017 was 3,580,773, 0.5% more than in 2016. It is understood that *stock* is the population of enterprises that were active at any time during the reference period.

A 58.0% of this *stock* of enterprises belonged to the sector of *Rest of the services*, a 23.1% to *Trade*, a 12.7% to *Construction* and the remaining 6.1% to *Industry*.

The number of enterprises created in 2017 was higher than the number of those disappearing in 51,386 units.

Enterprise birth rate (births as a percentage of the population of active enterprises) was 9.4%. On the other hand, enterprise death rate was 7.9%. As a result, the growth net rate was 1.4%.

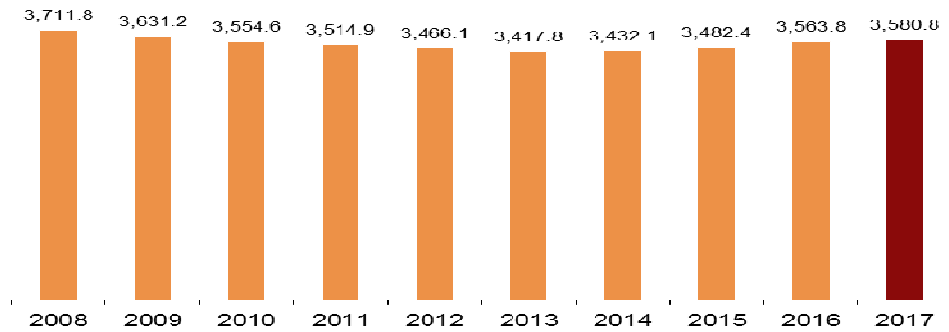
Regarding sectors, *Rest of the services* and *Construction* were those that had positive growth net rate (2.4% and 1.4% respectively).

Stock, enterprise births and deaths by economic sectors. 2017

	Total	Industry	Construction	Trade	Rest of the services
Stock	3,580,773	220,087	455,101	828,906	2,076,679
Enterprise births	336,000	11,925	42,477	70,348	211,250
Enterprise deaths	284,614	12,087	36,318	74,436	161,773
Net balance	51,386	-162	6,159	-4,088	49,477
Birth rates (%)	9.4	5.4	9.3	8.5	10.2
Death rates (%)	7.9	5.5	8.0	9.0	7.8
Net rates (%)	1.4	-0.1	1.4	-0.5	2.4

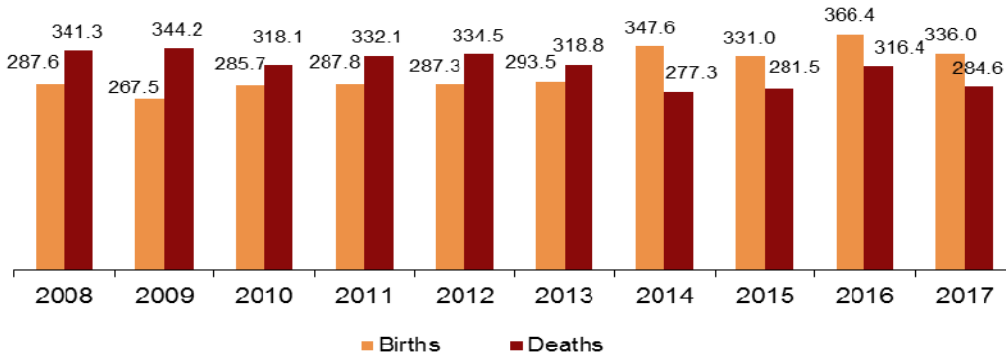
Checking the *stock* of enterprises in the last 10 years, it can be seen that the maximum was reached in 2008, with 3,711,835 units. That figure was decreasing until 2013, and then it connected four increasing years.

Stock of enterprises (thousands)

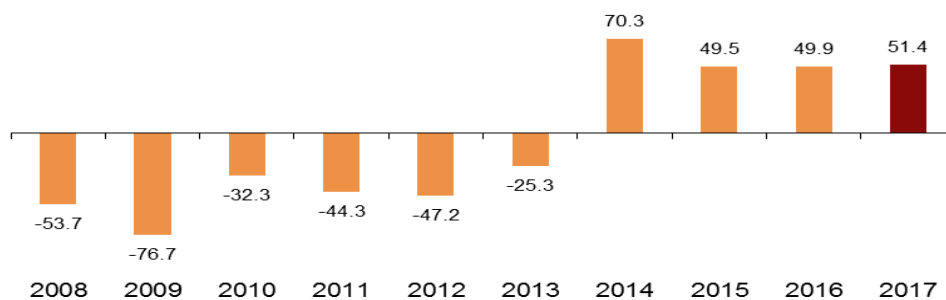


If we observe the evolution of enterprise births and deaths, the number of births was higher than that of deaths in 2017, as it happened in the three previous years.

Enterprise births and deaths (thousands)

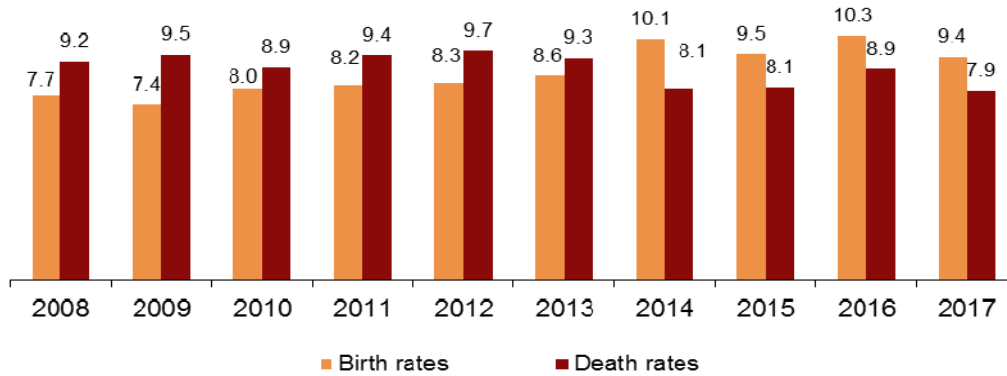


Net balance of enterprise births and deaths (thousands)



On the other hand, from 2014 birth rates were also higher than those of death were.

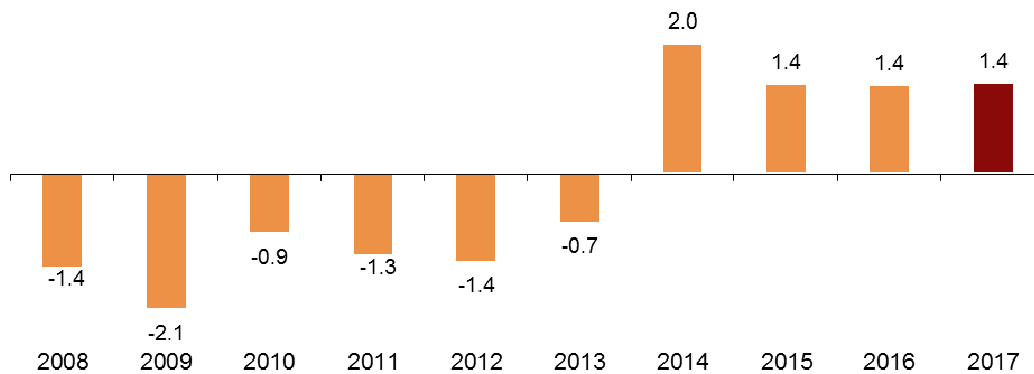
Enterprise births and deaths rates (%)



In 2017, the growth net rate was 1.4% like in 2016.

Enterprise births and deaths net rates (%)

Results by economic activities



The economic activities having a better demographic balance in 2017 (identified by their higher net rate or difference between births and deaths) were *Post and courier activities* (20.7%), *Sea transport and transport by domestic navigable routes* (6.9%), and *Artistic and show business activities* (6.1%).

Activities with higher net rate. 2017

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Post and courier activities	4,436	1,680	20.7
Sea transport and transport by domestic navigable routes	100	44	6.9
Artistic and showbusiness activities	6,578	4,188	6.1
Other professional, scientific and technical activities	11,190	7,274	5.9
Employment-related activities	842	546	5.1
Accommodation services	2,743	1,410	4.4
Real estate activities	16,237	8,237	4.3
Travel agency and tour operator activities, reservation services and related activities	1,730	1,121	4.1
Financial services, except insurance and pension funds	186	86	4.0
Education	14,798	10,660	3.7

On the other hand, the activities having the worst demographic balance were *Gambling and betting activities* (−2.3%), *Other extraction industries* (−1.9%), and *Manufacture of furniture* (−1.6%).

Activities with lower net rate. 2017

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Leather and footwear industry	415	473	-1.1
Retail trade, except motor vehicles and motorcycles	42,591	48,770	-1.2
Manufacture of rubber and plastic products	183	248	-1.4
Paper industry	70	97	-1.5
Manufacture of other non-metallic mineral products	276	419	-1.6
Manufacture of wood and cork products, except furniture; manufacture of articles of straw and plaiting materials	486	663	-1.6
Manufacture of furniture	703	916	-1.6
Other extraction industries	40	81	-1.9
Gambling and betting activities	504	782	-2.3

Results by size classes (number of employees)

In 2017, a 97.3% of enterprise births and a 96.9% of enterprise deaths had four or less employees.

Specifically, a 79.1% of enterprise births and a 70.9% of enterprise deaths had no employees.

The enterprises without employees showed the highest difference between enterprise births and deaths, reaching a net rate of 3.1%. On the contrary, the only one negative net rate happened in enterprises having from one to four employees (−1.1%).

Stock, enterprise births and deaths by size classes. 2017

	Total	Without employees	1 to 4 employees	5 to 9 employees	10 or more employees
Stock	3,580,773	2,038,645	1,202,237	193,949	145,942
Enterprise births	336,000	265,932	60,952	7,116	2,000
Enterprise deaths	284,614	201,765	74,156	6,713	1,980
Net balance	51,386	64,167	-13,204	403	20
Birth rates (%)	9.4	13.0	5.1	3.7	1.4
Death rates (%)	7.9	9.9	6.2	3.5	1.4
Net rates (%)	1.4	3.1	-1.1	0.2	0.0

Survivals of enterprise births

The first year of life is when producing the highest fall of enterprise units, having survival rates of 77.4% or lower.

It can be highlighted that the members making up the population of births in 2012 are reduced to less than the half after four years. This also happens to the cohort of enterprises born in 2013.

The following data table has been obtained from a time monitoring of enterprises born in a given year. Survival indicators have been calculated for a maximum period of five years.

Survivals of enterprises born from 2012 (%)

Year of birth	Year observed					
	2012	2013	2014	2015	2016	2017
2012	100.0	76.0	63.4	54.9	47.6	42.7
2013		100.0	77.4	65.2	55.4	49.2
2014			100.0	76.5	62.3	53.5
2015				100.0	77.3	65.0
2016					100.0	76.5

Disappearances of enterprises in the first years of life

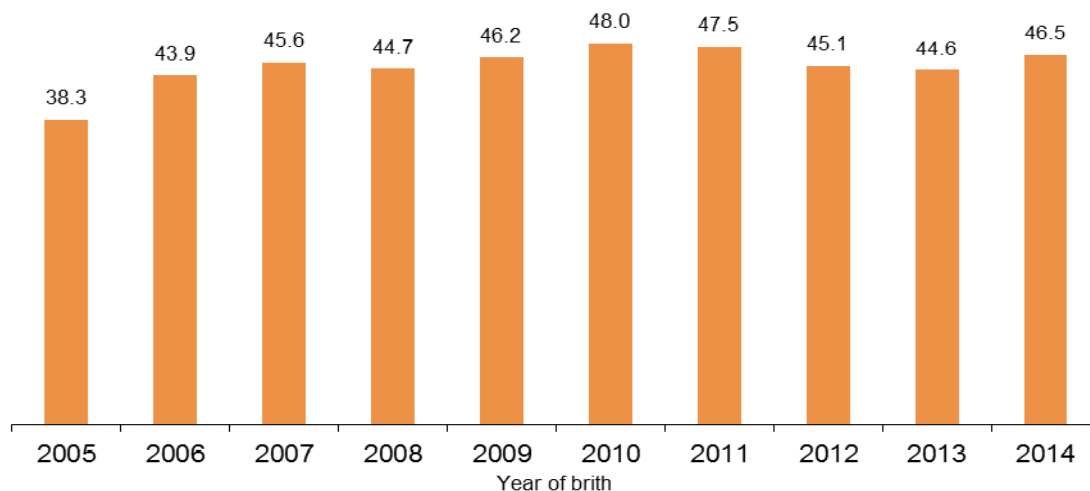
Going for a deeper analysis of members' losses in different cohorts, the following data table shows the disappearances of enterprises in their first three years of life, taking the cohorts of enterprises born in 13 consecutive years.

Disappearances of enterprises in the first three years of life (%)

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2016	23.5			
2015	22.7	12.3		
2014	23.5	14.2	8.7	46.5
2013	22.6	12.3	9.8	44.6
2012	24.0	12.5	8.5	45.1
2011	24.2	14.0	9.4	47.5
2010	23.5	14.1	10.4	48.0
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
Average	21.0	13.2	10.1	44.0

As regards the accumulated disappearances in the first three years of enterprises life, it can be pointed out that the highest mortality was reached for the cohort of enterprises born in 2010.

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



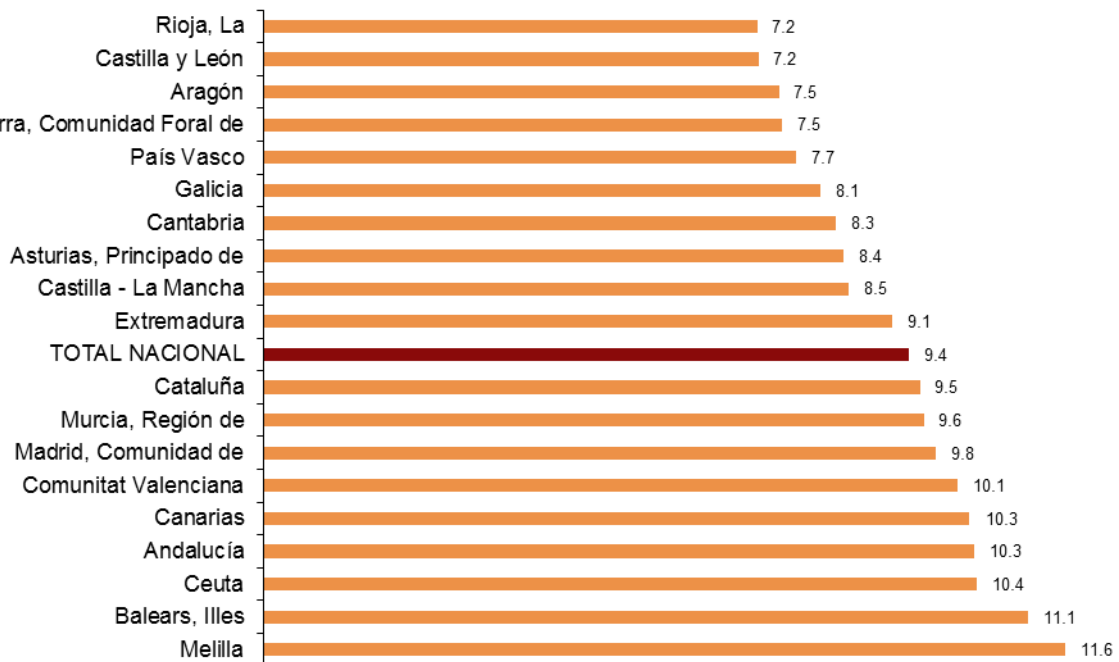
Results by Autonomous Communities and Cities

Regarding the territory where enterprises had their head offices, the autonomous city of Melilla (11.6%), Illes Balears (11.1%) and Ceuta (10.4%) showed the highest birth rates in 2017. On the other hand, the lowest happened in Comunidad Foral de Navarra and Aragón (both 7.5%), and Castilla y León and La Rioja (both 7.2%).

Stock, enterprise births and deaths by Autonomous Communities. 2017

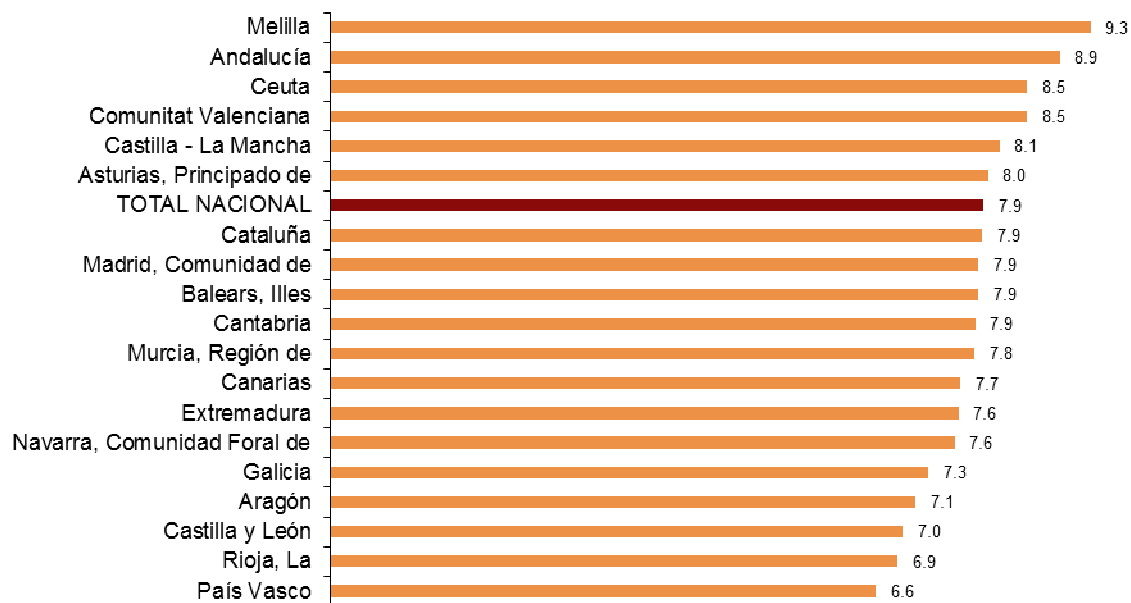
	Stock	Births	Deaths	Net balance	Birth rates (%)	Death rates (%)	Net rates (%)
NATIONAL TOTAL	3,580,773	336,000	284,614	51,386	9.4	7.9	1.4
Andalucía	555,168	57,312	49,302	8,010	10.3	8.9	1.4
Aragón	96,149	7,202	6,850	352	7.5	7.1	0.4
Asturias, Principado de	73,890	6,231	5,913	318	8.4	8.0	0.4
Balears, Illes	104,313	11,585	8,227	3,358	11.1	7.9	3.2
Canarias	157,147	16,121	12,050	4,071	10.3	7.7	2.6
Cantabria	41,372	3,439	3,248	191	8.3	7.9	0.5
Castilla y León	169,422	12,187	11,811	376	7.2	7.0	0.2
Castilla - La Mancha	137,428	11,682	11,191	491	8.5	8.1	0.4
Cataluña	661,178	63,042	52,444	10,598	9.5	7.9	1.6
Comunitat Valenciana	385,991	38,937	32,727	6,210	10.1	8.5	1.6
Extremadura	71,632	6,542	5,475	1,067	9.1	7.6	1.5
Galicia	213,787	17,312	15,556	1,756	8.1	7.3	0.8
Madrid, Comunidad de	577,483	56,434	45,561	10,873	9.8	7.9	1.9
Murcia, Región de	102,519	9,837	8,038	1,799	9.6	7.8	1.8
Navarra, Comunidad Foral de	47,058	3,548	3,577	-29	7.5	7.6	-0.1
País Vasco	152,530	11,813	10,133	1,680	7.7	6.6	1.1
Rioja, La	24,490	1,756	1,690	66	7.2	6.9	0.3
Ceuta	4,160	431	353	78	10.4	8.5	1.9
Melilla	5,056	589	468	121	11.6	9.3	2.4

Enterprise birth rates by Autonomous Communities (%)



The highest death rates were recorded in the autonomous city of Melilla (9.3%), Andalucía (8.9%) and Ceuta and Comunitat Valenciana (both 8.5%). Moreover, the lowest were in País Vasco (6.6%), La Rioja (6.9%) and Castilla y León (7.0%).

Enterprise death rates by Autonomous Communities (%)



Nevertheless, it should be pointed out that the *stock* of enterprises is subjected to changes, which are not completely determined by the demographic events. Other phenomena should be considered, like entries/leavings of units to/from the scope of economic activities, territorial movements or restructurings in enterprise groups.

Data updating and revisions

There is no data revision, although data relative to enterprise deaths are provisional, since those deaths are considered definitive after two years from the reference period. It is necessary to exclude enterprises that reactivate in the two years following the year when they die. The data appearing in tables are estimated by taking enterprise deaths detected in 2017 and that have not been reactivated in 2018. On that base population, a random exclusion of a small percentage of units is performed, in accordance with the experience of previous years on reactivations in the second year. The results show differences between final and provisional data, which are irrelevant.

Methodological Note

Business Demography Indicators provide aggregated information regarding the population of enterprises located in the national territory, considering the aspects linked to business dynamism and applying a methodology as agreed within the scope of the European Union.

The delimitation of populations of interest is carried out by means of an ordered set of procedures varying in nature, designed in accordance with the harmonized methodology principles. Basically, the work is geared to identify the following aggregates:

- Stock of enterprises.- Set of units that have been active during all or part of the reference year. This includes those enterprises that are economically active at the end of the period, plus those enterprises that have totally ceased their activities throughout that period.
- Enterprise births.- Set of units that, throughout the reference year, have created a combination of new production factors. There is no connection with other previously existing enterprises.
- Enterprise deaths.- Set of units that, throughout the reference year, have dissolved all of their production factors. They have no link with other enterprises that might begin to operate.
- Surviving enterprises.- Restricted to each cohort of births, this corresponds to the set of units that continue to be economically active in each of the five years following that of birth.

Business Demography analysis is not limited to just quantify the flows obtained during the processes of updating the Statistical Business Register (see *CBR movements* disseminated in the statistical operation *Statistical use of CBR*), since although movements of administrative sources offer a first approach to units renewal processes, the statistical work to be carried out for obtaining Business Demographic Indicators demands an additional effort, contributing added value to the administrative information.

The indicators proposed in the methodology quantify the relative relevance of events of creating and dissolving enterprises within the Spanish entrepreneurial frame. The survival event is similar, but takes as reference the population of enterprise births detected in the initial observation period.

More information about general methodology is available here:

http://www.ine.es/en/metodologia/t37/t373020417_en.pdf

Additionally, the standardized methodological report is available here:

<http://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30204>

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