

20 November 2020

Business Demography Indicators 2018

3,682,313 enterprises were active in Spain in 2018

**376,785 enterprises were created whereas 292,912 disappeared,
meaning a growth net rate of 2.3%**

**Results reflect the implementation of the new statistical concept of
enterprise**

The concept of enterprise used in Business Demography related to 2018 has changed with regard to that applied in the last release, in order to offer a more proper vision of our productive frame, one which better suits in the context of a globalised economy. This initiative is being implemented and coordinated throughout the European Statistical System (ESS). The definition of enterprise can be consulted in Council Regulation (EEC) No 696/1993, and more details about this issue in the following link:

https://www.ine.es/en/prensa/nueva_definicion_empresa_en.pdf

Stock of enterprises

The *stock* of enterprises operating in Spain over the year 2018 was 3,682,313. It is understood that *stock* is the population of enterprises that were active at any time during the reference period.

A 59.2% of this *stock* of enterprises belonged to the sector of *Rest of the services*, a 22.4% to *Trade*, a 12.7% to *Construction* and the remaining 5.8% to *Industry*.

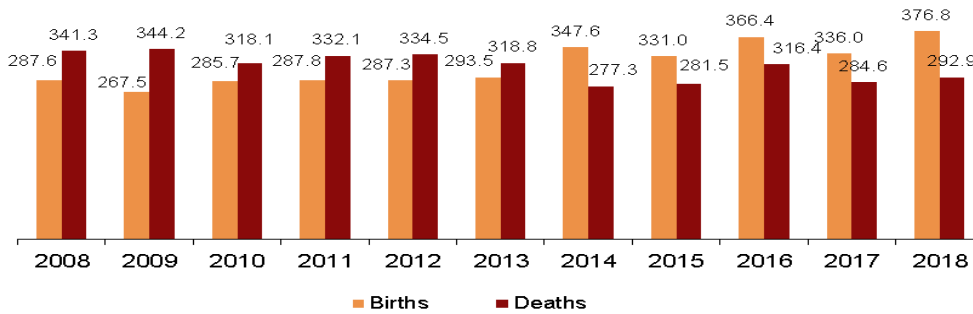
Stock, enterprise births and deaths by economic sectors. 2018

	Total	Industry	Construction	Trade	Rest of the services
Stock	3,682,313	214,101	466,777	823,045	2,178,390
Enterprise births	376,785	12,991	47,863	73,313	242,618
Enterprise deaths	292,912	12,326	36,918	72,962	170,706
Net balance	83,873	665	10,945	351	71,912
Birth rates (%)	10.2	6.1	10.3	8.9	11.1
Death rates (%)	8.0	5.8	7.9	8.9	7.8
Net rates (%)	2.3	0.3	2.3	0.0	3.3

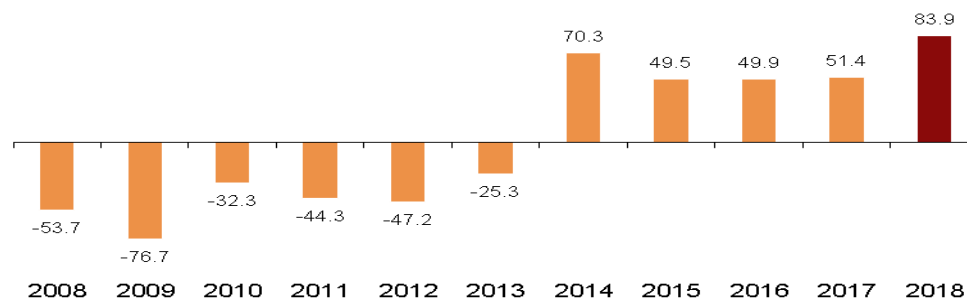
The number of enterprises created in 2018 was higher than the number of those disappearing in 83,873 units.

Focussing on the last 11 reference years, the number of enterprise births has been higher than that of deaths from 2014 to 2018. Before that period, it there was more deaths than births.

Enterprise births and deaths (thousands)

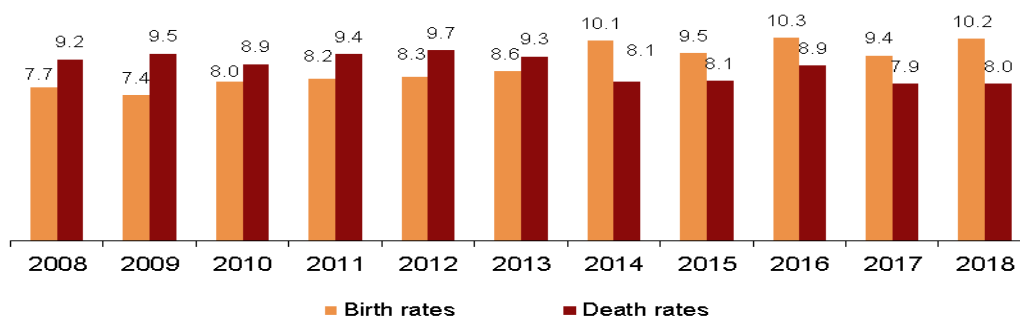


Net balance of enterprise births and deaths (thousands)

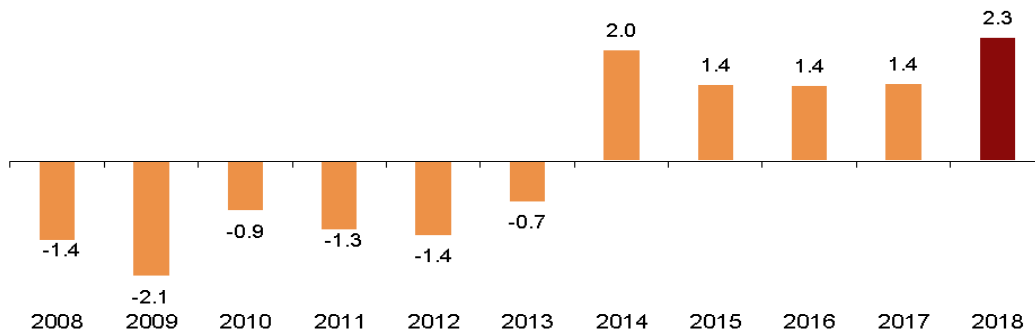


Enterprise birth rate (births as a percentage of the population of active enterprises) was 10.2%. On the other hand, enterprise death rate was 8.0%. As a result, the growth net rate was 2.3%. Enterprise birth rates have been higher than those of deaths have from 2014.

Enterprise births and deaths rates (%)



Enterprise births and deaths net rates (%)



Regarding sectors, *Rest of the services* and *Construction* were those that had higher growth net rates (3.3% and 2.3% respectively).

Results by economic activities

The economic activities having a better demographic balance in 2018 (identified by their higher net rate or difference between births and deaths) were *Post and courier activities* (20.4%), *Artistic and show business activities* (10.7%) and *Water Sea transport and transport by domestic navigable routes* (9.4%).

Activities with higher net rate. 2018

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Post and courier activities	6,645	2,943	20.4
Artistic and showbusiness activities	9,696	4,718	10.7
Sea transport and transport by domestic navigable routes	114	47	9.4
Other professional, scientific and technical activities	13,958	7,971	8.2
Employment-related activities	1,091	589	8.1
Education	18,590	11,200	6.3
Advertising and market studies	7,831	4,894	5.9
Travel agency and tour operator activities, reservation services and related activities	2,102	1,195	5.8
Motion picture, video and television programme activities, sound recording and music publishing	1,111	649	5.3
Sports, recreation and entertainment activities	5,959	3,666	5.1

On the other hand, the activities having the worst demographic balance were *Other extraction industries* (-2.8%), *Gambling and betting activities* (-2.7%), and *Manufacture of electrical material and equipment* (-2.4%).

Activities with lower net rate. 2018

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Retail trade, except motor vehicles and motorcycles	44,086	46,998	-0.6
Supply of electrical energy, gas, steam and air conditioning	40	187	-1.1
Manufacture of furniture	761	941	-1.4
Manufacture of rubber and plastic products	167	233	-1.4
Manufacture of other non-metallic mineral products	331	472	-1.6
Land transport and transport via pipelines	6,780	10,743	-2.3
Manufacture of electrical material and equipment	98	150	-2.4
Gambling and betting activities	480	809	-2.7
Other extraction industries	43	98	-2.8

Results by size classes (number of employees)

In 2018, a 97.5% of enterprise births and a 96.9% of enterprise deaths had four or less employees.

Specifically, a 81.0% of enterprise births and a 71.4% of enterprise deaths had no employees.

The enterprises without employees showed the highest positive difference between enterprise births and deaths, reaching a net rate of 4.5%. On the contrary, the highest negative net rate happened in enterprises having from one to four employees (-1.0%).

Stock, enterprise births and deaths by size classes. 2018

	Total	Without employees	1 to 4 employees	5 to 9 employees	10 or more employees
Stock	3,682,313	2,124,349	1,217,379	194,407	146,178
Enterprise births	376,785	305,034	62,436	7,221	2,094
Enterprise deaths	292,912	209,085	74,833	6,861	2,133
Net balance	83,873	95,949	-12,397	360	-39
Birth rates (%)	10.2	14.4	5.1	3.7	1.4
Death rates (%)	8.0	9.8	6.1	3.5	1.5
Net rates (%)	2.3	4.5	-1.0	0.2	-0.03

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 2013 are reduced to less than the half after four years. This also happens to the cohort of enterprises born in 2014.

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 2013 (%)

Year of birth	Year observed					
	2013	2014	2015	2016	2017	2018
2013	100.0	77.4	65.2	55.4	49.2	44.1
2014		100.0	76.5	62.3	53.5	47.2
2015			100.0	77.3	65.0	56.3
2016				100.0	76.5	64.1
2017					100.0	75.5

Disappearances of enterprises in the first years of life

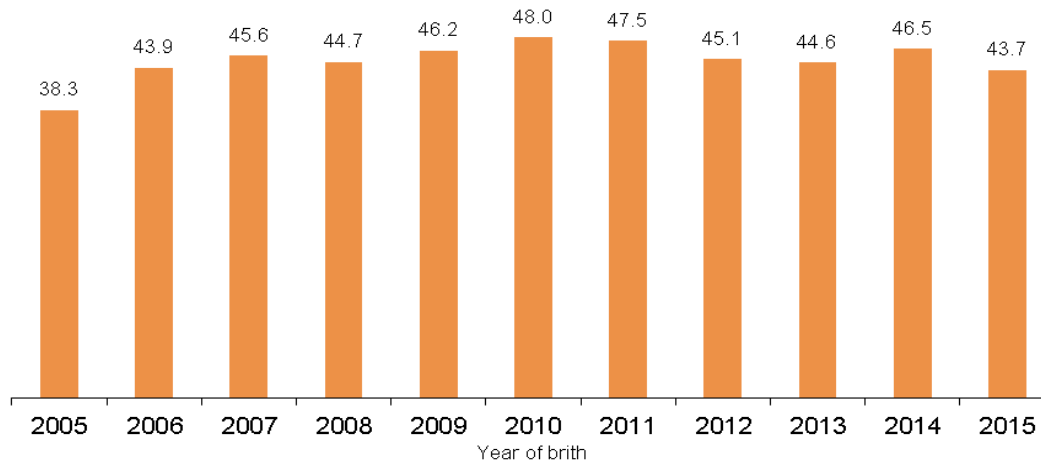
Going for a deeper analysis of members' losses in different cohorts, the following data table shows the disappearances of enterprises in their first three years of life, taking the cohorts of enterprises born in 14 consecutive years.

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

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2017	24.5			
2016	23.5	12.4		
2015	22.7	12.3	8.7	43.7
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	21.3	13.1	10.0	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 (%)



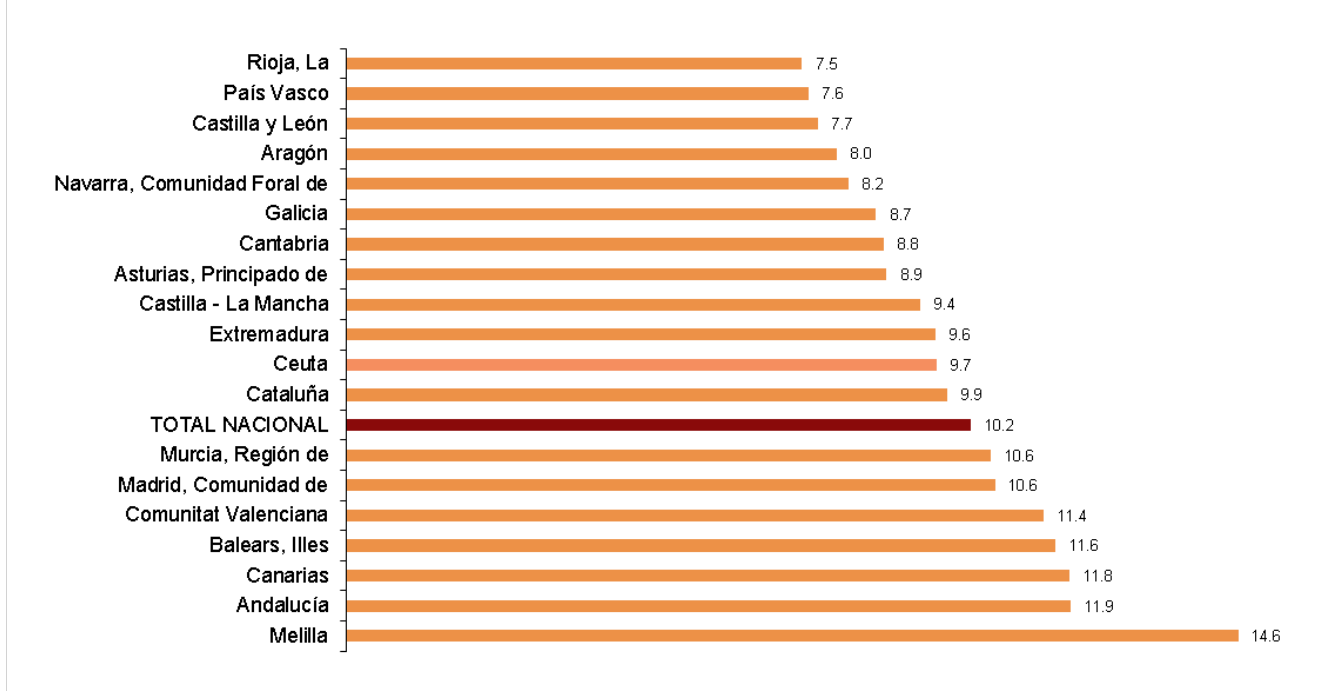
Results by Autonomous Communities and Cities

Regarding the territory where enterprises had their head offices, the autonomous city of Melilla (14.6%), Andalucía (11.9%) and Canarias (11.8%) showed the highest birth rates in 2018. On the other hand, the lowest happened in La Rioja (7.5%), País Vasco (7.6%) and Castilla y León (7.7%).

Stock, enterprise births and deaths by Autonomous Communities. 2018

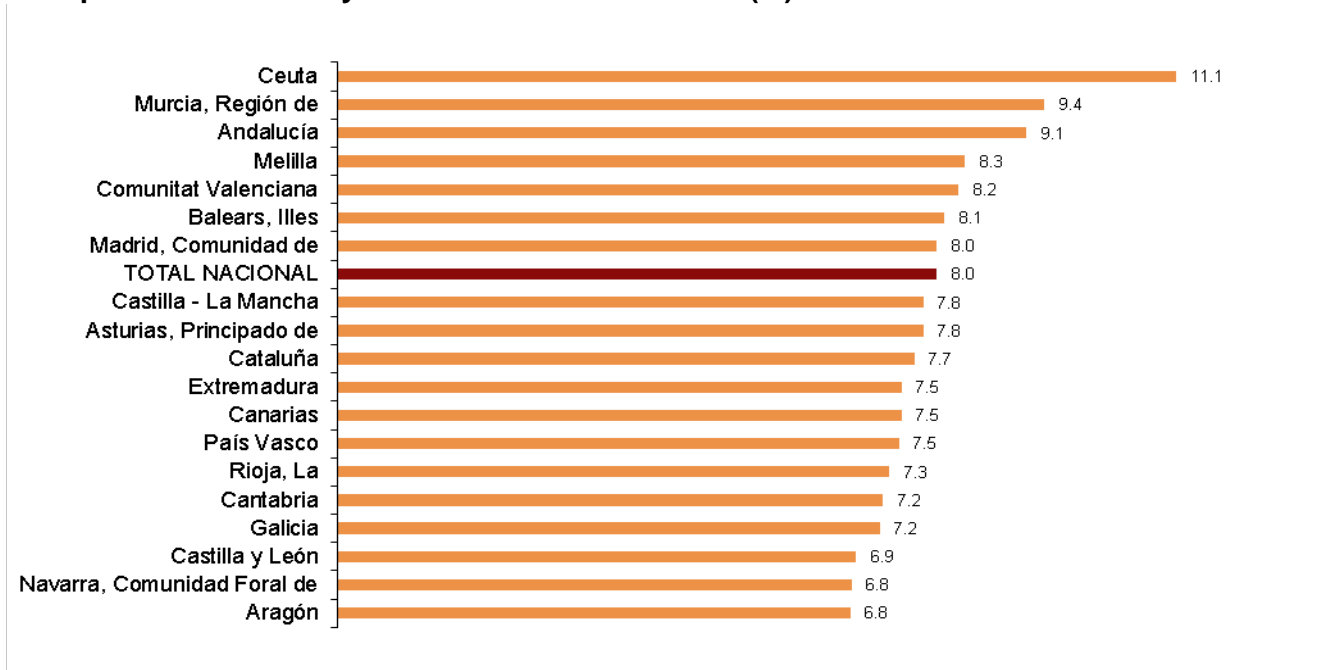
	Stock	Births	Deaths	Net balance	Birth rates (%)	Death rates (%)	Net rates (%)
NATIONAL TOTAL	3,682,313	376,785	292,912	83,873	10.2	8.0	2.3
Andalucía	576,526	68,472	52,743	15,729	11.9	9.1	2.7
Aragón	97,987	7,871	6,671	1,200	8.0	6.8	1.2
Asturias, Principado de	74,982	6,639	5,832	807	8.9	7.8	1.1
Balears, Illes	108,419	12,602	8,737	3,865	11.6	8.1	3.6
Canarias	165,169	19,572	12,372	7,200	11.8	7.5	4.4
Cantabria	41,993	3,697	3,040	657	8.8	7.2	1.6
Castilla y León	174,003	13,438	11,971	1,467	7.7	6.9	0.8
Castilla - La Mancha	140,485	13,204	10,927	2,277	9.4	7.8	1.6
Cataluña	676,347	66,641	51,827	14,814	9.9	7.7	2.2
Comunitat Valenciana	398,903	45,615	32,878	12,737	11.4	8.2	3.2
Extremadura	73,572	7,099	5,511	1,588	9.6	7.5	2.2
Galicia	217,734	18,902	15,673	3,229	8.7	7.2	1.5
Madrid, Comunidad de	593,932	63,137	47,278	15,859	10.6	8.0	2.7
Murcia, Región de	106,352	11,237	9,985	1,252	10.6	9.4	1.2
Navarra, Comunidad Foral de	47,647	3,923	3,253	670	8.2	6.8	1.4
País Vasco	153,624	11,640	11,456	184	7.6	7.5	0.1
Rioja, La	24,573	1,835	1,800	35	7.5	7.3	0.1
Ceuta	4,257	412	474	-62	9.7	11.1	-1.5
Melilla	5,808	849	484	365	14.6	8.3	6.3

Enterprise birth rates by Autonomous Communities (%)



The highest death rates were recorded in the autonomous city of Ceuta (11.1%), Región de Murcia (9.4%) and Andalucía (9.1%). Moreover, the lowest were in Aragón and Comunidad Foral de Navarra (both 6.8%), and Castilla y León (6.9%).

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 2018 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

The new definition of enterprise stresses on the economic factors of the units prevailing over the traditional vision, which is more oriented towards legal aspects. With this reformulation, an enterprise can correspond to an *independent legal unit*, to a *group of companies* or to an *autonomous part* of a group.

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. For this aggregate, it should be pointed out that the new definition of the statistical unit enterprise is still not possible to apply because the cohorts of enterprises born before 2018 were built on the base of the former definition of enterprise. The cohort of enterprises born in 2018 will be the first followed through the next ages according to the new definition.

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/t373020418_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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Press office: Telephone numbers: (+34) 91 583 93 63 /94 08 – gprensa@ine.es

Information Area: Telephone number: (+34) 91 583 91 00 – www.ine.es/infoine/?L=1
