

## ICT Sector Indicators

Provisional results. Year 2006

### Turnover of companies in the ICT Sector increased 8.2 million euros in 2006

**The number of companies in the ICT Sector increased 8.1%**

**Internal expenditure in R&D activities in this sector increased 42.6%**

Turnover for companies in the Information and Communication Technologies (ICT) sector reached 97,261 million euros in the year 2006, representing an 8.2% increase as compared with 2005.

By sector, 87.4% of turnover for the sector corresponded to ICT service companies, and 12.6% to manufacturing companies.

In the case of ICT service companies, turnover increased 6.8%, as compared with 2005, with companies with computer activities being of particular note, representing 21.7% of turnover for the sector, and which increased to 16.0% in 2006; in turn, telecommunications companies maintained the greatest weight in terms of turnover, with 38.5% of total turnover for the sector, growing 3.0%.

Conversely, manufacturing companies recorded an interannual increase of 19.1% in turnover.

### Evolution of turnover in the ICT Sector

Economic data in thousands of euros

| ICT Sector (NACE-93)                                     | 2005              |                          | 2006              |                          | % interannual variation 2006/2005 |
|--|-------------------|--------------------------|-------------------|--------------------------|-----------------------------------|
|  | Turnover          | % compared to total 2005 | Turnover          | % compared to total 2006 |                                   |
| <b>Manufacture (30,3130,32, 3320,3330)</b>               | <b>10,296,578</b> | <b>11.5</b>              | <b>12,261,604</b> | <b>12.6</b>              | <b>19.1</b>                       |
| <b>Services:</b>   | <b>79,587,646</b> | <b>88.5</b>              | <b>84,999,023</b> | <b>87.4</b>              | <b>6.8</b>                        |
| - Wholesale trade of machinery and equipment (5160,5167) | 25,018,242        | 27.8                     | 26,410,945        | 27.2                     | 5.6                               |
| - Telecommunications (6420)                              | 36,346,208        | 40.4                     | 37,442,300        | 38.5                     | 3.0                               |
| - Computer activities (72)                               | 18,224,133        | 20.3                     | 21,145,778        | 21.7                     | 16.0                              |
| <b>TOTAL ICT SECTOR</b>                                  | <b>89,885,161</b> | <b>100.0</b>             | <b>97,260,627</b> | <b>100.0</b>             | <b>8.2</b>                        |

Source: Industrial Companies Survey and Annual Services Survey

### The number of companies in the ICT Sector increased 8.1%

The number of Spanish companies in the ICT Sector exceeded 40,000 in the year 2006, that is, 8.1% more than the previous year. The branch of activity with the highest number of companies was computer activities, standing at 31,715, that is, 9.8% more than in 2005.

**Employment in the ICT sector increased 5.7%**, reaching 395,617 employed persons. By sector, 12.4% of employed personnel corresponded to manufacturing companies (49,030 employed persons) and 87.6% to service companies (346,587 employed persons). Within the latter, companies with computer activities accounted for 56.3% of employed personnel (222,867 employed persons).

### Number of companies and employed persons in the ICT Sector

| ICT Sector (NCEA-93)                                   | 2006                |                         |                            |                         |
|--|---------------------|-------------------------|----------------------------|-------------------------|
|  | Number of companies | % interannual variation | Number of employed persons | % interannual variation |
| Manufacture (30,3130,32, 3320,3330)                    | 2,023               | -5.1                    | 49,030                     | -2.8                    |
| Services:  | 38,346              | 8.9                     | 346,587                    | 7.1                     |
| Wholesale trade of machinery and equipment (5160,5167) | 5,807               | 5.6                     | 61,727                     | 1.1                     |
| Telecommunications (6420)                              | 824                 | 0.1                     | 61,994                     | -0.4                    |
| Computer activities (72)                               | 31,715              | 9.8                     | 222,867                    | 11.2                    |
| <b>TOTAL ICT SECTOR</b>                                | <b>40,369</b>       | <b>8.1</b>              | <b>395,617</b>             | <b>5.7</b>              |

Source: Industrial Companies Survey and Annual Services Survey

### R&D investment grew 42.6%

During the year 2006, companies in the ICT Sector invested 1,111 million euros in internal R&D, 42.6% more than the previous year. This figure implied 16.9% of total expenditure of the business sector on R&D activities.

### Expenditure on R&D in the ICT Sector

(thousands of euros)

| ICT Sector                   | Internal expenditure on R&D |                  | % interannual variation |
|------------------------------|-----------------------------|------------------|-------------------------|
|                              | 2005                        | 2006             |                         |
| Manufacture                  | 267,893                     | 295,274          | 10.2                    |
| Services                     | 511,090                     | 815,714          | 59.6                    |
| <b>TOTAL ICT SECTOR</b>      | <b>778,983</b>              | <b>1,110,988</b> | <b>42.6</b>             |
| <b>TOTAL BUSINESS SECTOR</b> | <b>5,485,034</b>            | <b>6,557,529</b> | <b>19.6</b>             |

Source: Statistics on R&D Activities

The number of employees on a full-time equivalent (FTE) dedicated to R&D tasks in the ICT sector was 15,183, with an interannual increase of 12.0%. The number of employed women increased 5.0% and represented 20.6% of total personnel in R&D in the aforementioned sector.

### R&D personnel in the ICT Sector

| ICT Sector                   | R&D personnel (on an FTE) |             |                 |                     |
|------------------------------|---------------------------|-------------|-----------------|---------------------|
|                              | Total                     | % Women     | Researchers     | % Women researchers |
| Manufacture                  | 4,117.7                   | 14.4        | 2,469.0         | 12.4                |
| Services                     | 11,065.5                  | 23.0        | 5,381.0         | 22.3                |
| <b>TOTAL ICT SECTOR</b>      | <b>15,183.2</b>           | <b>20.6</b> | <b>7,850.0</b>  | <b>19.2</b>         |
| <b>TOTAL BUSINESS SECTOR</b> | <b>82,869.8</b>           | <b>29.2</b> | <b>39,935.7</b> | <b>28.2</b>         |

Source: Statistical Survey on R&D Activities

As far as research personnel was concerned, ICT Sector activities accounted for 18.3% of the total personnel dedicated to R&D in the business sector and 19.7% of researchers on a full time equivalent.

### 44.2% of the companies in the ICT sector carried out innovative activities in 2006

44.2% of ICT Sector companies carried out innovative activities in 2006, with an increase half a point higher than the previous year. By sector, 55.5% of manufacturing companies carried out innovative activities, as compared with 51.5% in 2005.

Expenditure on innovative activities in the ICT Sector increased 49.2%. This increase was 63.3% in the case of service companies, which accounted for 87.1% of the total for the aforementioned expenditure.

### Innovative activities in the ICT Sector

| ICT Sector                   | % companies with innovative activities in the ICT Sector | Evolution of expenditure on innovative activities in the ICT Sector |                   | % interannual variation |
|------------------------------|--|---|-------------------|-------------------------|
|                              |  | 2005  | 2006              |                         |
|                              |  | 2006  | 2006              |                         |
| Manufacture                  | 55.5   | 422,771   | 398,445           | -5.8                    |
| Services                     | 41.5   | 1,643,620   | 2,683,607         | 63.3                    |
| <b>TOTAL ICT SECTOR</b>      | <b>44.2</b>  | <b>2,066,391</b>  | <b>3,082,051</b>  | <b>49.2</b>             |
| <b>TOTAL BUSINESS SECTOR</b> | <b>16.1</b>  | <b>13,635,950</b>   | <b>16,533,416</b> | <b>21.2</b>             |

Source: Survey on Technological Innovation in Companies

## Flows of goods in the ICT sector

Production value for goods in the ICT Sector reached 6,125.8 million euros in the year 2006, according to the Industrial Products Survey, which indicates an increase of 12.1% as compared with the previous year. *Audio and video equipment* accounted for 35.9% of the total.

### Production value for goods in the ICT Sector by group of products

Economic data in millions of euros

| Groups of products                 | Production value |                  | % interannual variation |
|------------------------------------|------------------|------------------|-------------------------|
|                                    | 2005             | 2006             |                         |
| 1. Telecommunications equipment    | 1,239.6          | 1,100.3          | -11.2                   |
| 2. Computer equipment              | 571.1            | 513.6            | -10.1                   |
| 3. Electronic components           | 1,100.8          | 1,157.6          | 5.2                     |
| 4. Audio and video equipment       | 1,590.8          | 2,196.2          | 38.1                    |
| 5. Other ICT products              | 960.7            | 1,158.2          | 20.6                    |
| <b>TOTAL ICT SECTOR</b>            | <b>5,463.1</b>   | <b>6,125.8</b>   | <b>12.1</b>             |
| <b>TOTAL INDUSTRIAL PRODUCTION</b> | <b>381,757.3</b> | <b>417,148.2</b> | <b>9.3</b>              |

Source: Industrial Products Survey

Foreign trade of ICT products registered a negative balance in 2006 in excess of 14,000 million euros.

### Foreign trade in the ICT Sector by group of products in 2006

Economic data in millions of euros

| Groups of products                 | Exports          | Imports          | Trade balance    | Rate of coverage |
|------------------------------------|------------------|------------------|------------------|------------------|
| 1. Telecommunications equipment    | 1,027.4          | 5,020.9          | -3,993.5         | 20.5             |
| 2. Computer equipment              | 945.5            | 5,979.1          | -5,033.5         | 15.8             |
| 3. Electronic components           | 1,216.9          | 3,565.2          | -2,348.3         | 34.1             |
| 4. Audio and video equipment       | 2,723.3          | 4,391.8          | -1,668.6         | 62.0             |
| 5. Other ICT products              | 892.0            | 1,868.3          | -976.2           | 47.7             |
| <b>TOTAL ICT SECTOR</b>            | <b>6,805.1</b>   | <b>20,825.3</b>  | <b>-14,020.1</b> | <b>32.7</b>      |
| <b>TOTAL INDUSTRIAL PRODUCTION</b> | <b>170,438.6</b> | <b>262,687.2</b> | <b>-92,248.6</b> | <b>64.9</b>      |

Rate of coverage: Quotient between exports and imports, as a percentage

Source: Prepared by the INE with data from the State Tax Administration Agency

For further information see [INEbase-\[www.ine.es/en/welcome\\\_en.htm\]\(http://www.ine.es/en/welcome\_en.htm\)](http://www.ine.es/en/welcome_en.htm) All press releases at: [www.ine.es/en/prensa/prensa\\_en.htm](http://www.ine.es/en/prensa/prensa_en.htm)

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## Methodological Annex

The ICT Sector is comprised of the manufacturing and services industries whose main activity is linked to the development, production, commercialisation and intensive use of information and communication technologies. The ICT Sector is characterised by high rates of innovation, technological progress and productivity.

In statistical terms, the definition of the ICT Sector is developed through an exhaustive listing of the branches of activity corresponding to ICT companies (**focus by sector**) and ICT products (**focus by product**).

In order to determine the list of activities and products in the ICT sector, we have begun with the methodological work carried out by the OECD on the subject.

### List of branches of activity in the ICT Sector according to the NACE-93 Classification

| <b>NACE</b>  | <b>Manufacture</b>   |
|--|--|
| 3001   | Manufacture of office machines   |
| 3002   | Manufacture of computers and other IT equipment  |
| 3130   | Manufacture of insulated wire and cable  |
| 3210   | Manufacture of electronic valves, tubes and other components   |
| 3220   | Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy  |
| 3230   | Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods                                  |
| 3320   | Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment |
| 3330   | Manufacture of industrial process control equipment  |
| <b>Services</b>  |  |
| <b>Wholesale trade of machinery and equipment</b>                  |  |
| 5160   | Wholesale trade of other electronic components and equipment   |
| 5167   | Wholesale trade of computers, peripheral equipment and computer programmes   |
| <b>Telecommunications</b>  |  |
| 6420   | Telecommunications   |
| <b>Renting of office machinery and equipment and IT Activities</b> |  |
| 7133   | Renting of office machinery and equipment (including computers)  |
| 7210   | Hardware consultancy   |
| 7221   | Editing software   |
| 7222   | Other consultancy activities and supply of computer programmes   |
| 7230   | Data processing  |
| 7240   | Activities related to databases  |
| 7250   | Maintenance and repair of office, accounting and computing equipment   |
| 7260   | Other activities related to IT   |

### **Information sources**

The statistical information on the ICT Sector published in this note was obtained from the following statistical operations:

- Industrial Companies Survey. INE
- Annual Services Survey. INE
- Statistics on R&D Activities. INE
- Technological Innovation in Companies Survey. INE
- Quarterly Labour Cost Survey. INE
- Industrial Products Survey. INE
- Survey on the Use of Information and Communication Technologies and Electronic Commerce in Companies. INE
- Foreign Trade Statistics (prepared by the INE with data from the State Tax Administration Agency (AEAT))