

31 October 2008

**Services Sector Inward FATS.
Year 2006**

Foreign affiliates produce 16.4% of Services sector turnover and employ 8.8% of the total employees

The presence of foreign affiliate companies is greatest in the Information Technologies sector

Today, for the first time, the National Statistics Institute (INE) is publishing the Services Sector Inward Foreign Affiliates Statistics. The scope of this survey includes those companies dedicated to Trade, Tourism, Transport, Information Technologies, Real Estate and Rental Activities and Business Services.

In the year 2006, **0.2% of the companies operating in these sectors were affiliates of foreign companies**. The turnover produced by these affiliates represented 16.4% of the total.

Regarding employment, of the almost 8.5 million workers who worked in the Services sector during the year 2006, 8.8% were hired by companies under foreign control. These employees obtained 13.7% of the total remuneration for the sector.

Main results by control type

Economic variables in millions of euros. Year 2006

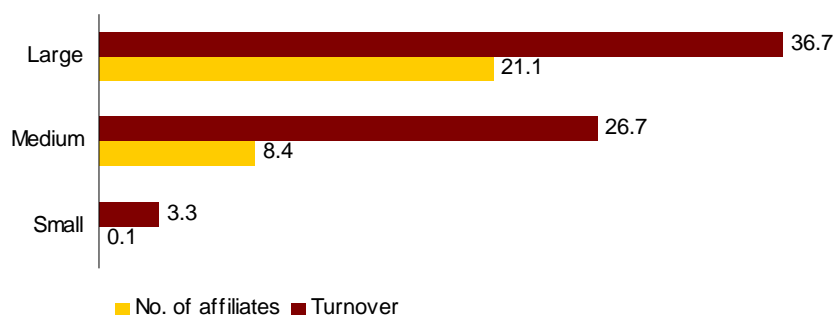
Variable	Total	Foreign Control	Foreign Control /Total (%)
Number of companies	1,975,159	3,511	0.2
Turnover	1,165,243	191,449	16.4
Production value	521,374	69,990	13.4
Added value at factor cost	292,544	37,761	12.9
Personnel costs	158,087	21,623	13.7
Personnel employed (annual average)	8,412,413	739,904	8.8

One in five large companies is a foreign affiliate

21.1% of large companies (with more than 249 employees) were foreign affiliates and their invoicing accounted for 36.7% of total turnover produced by said companies of the Services sector in the year 2006.

These percentages decreased for smaller companies. Thus, for medium-sized companies (50 to 249 employees), 8.4% of the companies were under foreign control in 2006, and their turnover represented 26.7% of the total. In small companies (fewer than 50 employees), the representation of foreign affiliates was 0.1%, and the turnover was 3.3% of the total.

Participation by number of companies and turnover of the affiliates of foreign companies by size (%)

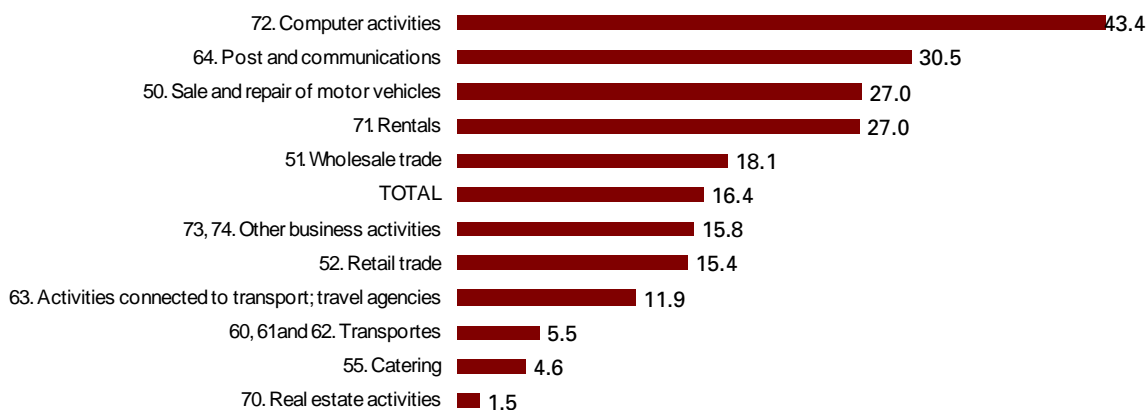


Foreign affiliates account for 43.4% of total turnover in Computer Activities

In the analysis by economic activity, worth noting was that, in the year 2006, 43.4% of the total turnover of Computer Activities companies corresponded to foreign affiliates. This percentage reached 30.5% in telecommunications companies.

In turn, the foreign affiliates of the companies in Real Estate Activities, Accommodation and Transport had the least impact, with percentages of 1.5%, 4.6% and 5.5%, respectively, over the total turnover produced.

Turnover produced by the affiliates of foreign companies on the companies total, by economic activity (in %)



Foreign affiliates are more productive, but their employment is less stable

In relative terms (total companies = 100), productivity, measured in terms of added value per employee, of the affiliates of foreign companies, was 46.8% higher than the average of the total companies in the year 2006.

The same occurs with the average salary (which was 19.3% higher than the average of the total companies), and with the female employment rate (15.7% higher). However, the employment stability rate of the affiliates of foreign companies was 12.8% lower than the average rate.

Economic and employment indicators by control type

Indicators	Total	Foreign control	Index (Total companies=100)
Productivity (€)	34,775	51,035	146.8
Average salary (€)	18,526	22,097	119.3
Added value rate (%)	56.1	54.0	96.3
Personnel cost rate (%)	54.0	57.3	106.1
Employment stability rate (%)	70.3	61.3	87.2
Female participation rate (%)	43.9	50.8	115.7

- Productivity (€): added value / total employed
- Average salary (€): wages and salaries / total employees
- Added value rate (%): added value / production value
- Personnel expenditure rate (%): personnel costs / added value
- Employment stability rate (%): permanent employees / total employees
- Female participation rate (%): no. of women employed / total employed

Companies in the euro zone monopolise the turnover of the foreign affiliates in Spain

The affiliates of European companies produced 82.6% of the total turnover of foreign affiliates in Spain during the year 2006.

Among the European affiliates, those from euro zone countries monopolised 64.1% of total invoicing, those from countries from the rest of the European Union, 15.9%, and the rest of Europe, 2.6%.

In turn, the affiliates of American companies accounted for 12.0%, those from Asia, 5.0%, and those from the rest of the world, 0.4% of the total turnover produced by foreign affiliates in Spain.

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

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Methodological note

The Services Sector Inward Foreign Affiliates Statistics provides information on the affiliates of foreign companies that operate in the non-financial market services sector. The scope of this survey includes those affiliates dedicated to Trade, Tourism, Transport, Information Technologies, Real Estate and Rental Activities and Business Services. This survey complies, in this area, with EC Regulation no. 716/2007 of the European Parliament and Council of 20 June 2007, regarding community statistics on the structure and activity of foreign affiliates.

Affiliates of foreign companies are considered to be those companies resident in Spain that are controlled by a non-resident institutional unit. Control is understood to be the capacity to determine the general policy of a company: one unit controls another when it possesses, directly or indirectly, more than one half of the vote of the shareholders or more than one half of the shares.

These statistics allow for ascertaining the specific characteristics of the foreign affiliates, by activity, size and geographical breakdown of the final owner. The final owner of a foreign affiliate is considered to be the institutional unit that, rising through the chain of command of said affiliate, is not controlled by any other unit.

These results will facilitate the monitoring of the effectiveness of the domestic market and the progressive integration of the economies within the context of the so-called globalisation process. They may also be useful in the preparation of policies regarding economy, jurisdiction, business, research, technical development and employment within the framework of the liberalisation process.

To favour this analysis, comparative results are offered for these companies, under foreign control, and for the rest of the companies resident in Spain, under national control.