

27 September 2012

**Inward FATS in Spain
Year 2010**

**Affiliates of foreign companies generate 25.5% of total turnover for
Industry, Trade and Services in 2010**

**France, Germany and the United States control more than 40% of
the total affiliates and more than half of their turnover**

Of foreign companies, 8,620 affiliates were accounted for in the sectors of Industry in Services in the year 2010, representing 0.4% of the total companies.

Turnover generated by these affiliates stood at 401,021 million euros (25.5% of the total). Regarding the employment rate of affiliates, the latter employed 1,234,131 persons, 12.1% of the total number of employed persons.

Results by branch of activity

39.8% of affiliate companies researched in the survey belonged to the Trade sector, 37.4% to the Services sector and the remaining 22.8% to Industry.

Number of affiliates of foreign companies by sector of activity

Sector	Affiliate companies	% of the total number of affiliates	% of the total number companies
Industry	1,963	22.8%	1.4%
Trade	3,434	39.8%	0.5%
Services	3,223	37.4%	0.3%
National total employed persons	8,620	100.0%	0.4%

Industrial affiliates generated 47.3% of the total turnover of affiliate companies and 36.4% of the total number of affiliates.

Turnover for affiliates in the Trade sector represented 35.5% of the total number of affiliates, and 21.7% of the total for the sector. In the Services sector, those percentages were 17.2% and 17.5%, respectively.

Main variables by activity sector

Year 2010. (main economic variables in millions of euros)

	Industry	Trade	Services	Total
Employees	423,413	338,011	472,707	1,234,131
Turnover	189,661	142,205	69,155	401,021
Production value	167,291	35,632	45,349	248,272
Added value at factor cost	39,211	18,046	24,710	81,967
Purchases and work carried out by other companies	131,277	111,187	30,581	273,045
Personnel costs	21,278	12,097	15,516	48,891
External services	26,074	16,370	15,121	57,564
Gross investment in material fixed assets	8,084	1,938	3,415	13,438
Total Operating Income	196,033	145,973	71,321	413,327
Total Operating Costs	188,632	142,395	67,186	398,212

In 2010, one out of five persons employed in Industry worked for affiliates of foreign companies. In Trade and Services, the corresponding percentages stood at 10.9% and 9.5%, respectively.

For the sectors as a whole, affiliates generated more than 25% of the production value, turnover, purchases and foreign services, and the entirety of operating income and expenses. In terms of added value, affiliates represented 19.9% of the total.

Relation between affiliates and data of all companies by sector

Año 2010. (Dates in percentage)

	Industry	Trade	Services	Total
Employees	19.8	10.9	9.5	12.1
Turnover	36.4	21.7	17.5	25.5
Production value	34.8	20.5	14.4	25.6
Added value at factor cost	29.7	18.3	13.6	19.9
Purchases and work carried out by other companies	39.4	21.9	21.1	27.7
Personnel costs	28.0	18.9	14.0	19.5
External services	35.1	26.2	17.8	25.9
Gross investment in material fixed assets	32.7	17.9	9.6	18.9
Total Operating Income	36.5	21.8	17.2	25.5
Total Operating Costs	36.7	22.0	18.0	26.0

Results by branch of activity

On analysis of the number of affiliate companies for each of the 26 branches of activity of which information is offered in the survey, it was observed that the branches with the highest number of foreign affiliate companies in 2010 were the two activities corresponding to *Wholesale trade* (which accounted for 28.3% of the total number of affiliates) and *Professional, scientific and technical activities* (with 10.6% of the total).

From the employment perspective, the branches of activity with the most employed personnel were *Administrative and support service activities* (16.6%); *Transport material* (9.9%) and *Retail trade of food, fuel and IT equipment* (9.3%).

Regarding turnover, the branches that contributed the greatest percentage to the total were *Transport equipment* (12.7%), *Wholesale agrarian, food and household products* (10.8%) and *Mining and quarrying industries, energy, water and waste* (10.5%). In turn, the branches with the smallest contribution were *Textile, manufacture, leather and footwear* (0.3%), *Trade intermediaries* (0.3%) and *Various manufacturing industries* (0.5%).

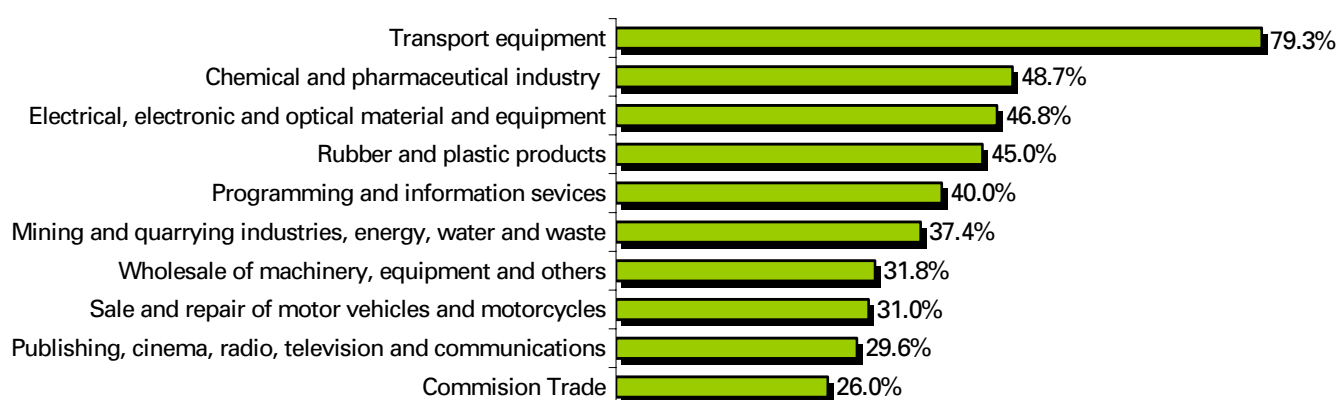
Main result by branch of activity Year 2010

Branch of activity	Affiliate companies	Employees	Turnover
Industry	1,963	423,413	189,661
Mining and quarrying industries, energy, water and waste	181	27,953	42,214
Food, beverages and tobacco	179	46,839	19,563
Textile, manufacture, leather and footwear	47	6,155	1,054
Wood and cork, paper and graphic arts	117	17,120	4,863
Chemical and pharmaceutical industry	269	45,277	24,319
Rubber and plastic products	208	34,505	8,142
Various non-metallic ore products	115	19,137	4,789
Metallurgy and manufacture of metallic products	189	33,005	15,435
Electrical, electronic and optical material and equipment	149	34,606	11,183
Mechanical machinery and equipment	188	24,823	5,216
Transport equipment	204	121,659	50,830
Various manufacturing industries	118	12,333	2,053
Trade	3,434	338,011	142,205
Sale and repair of motor vehicles and motorcycles	215	19,581	21,754
Commission trade	384	9,689	1,238
Wholesale of agrarian, food and household products	1,020	64,305	43,294
Wholesale of machinery, equipment and others	1,423	58,074	39,245
Retail trade food, fuel and equipment for ICT	119	115,089	26,653
Other retail trade	273	71,274	10,022
Services	3,223	472,707	69,155
Transport	114	19,165	3,273
storage and activities connected to transport	294	30,740	5,819
Accommodation	169	73,992	3,441
Publishing, cinema, radio, television and communications	281	28,645	16,830
Computer activities	357	52,217	9,350
Real estate activities	565	2,768	2,142
Professional, scientific and technical activities	918	59,972	14,021
Administrative and support service activities	524	205,208	14,278
National total employed persons	8,620	1,234,131	401,021

If we compare the results for affiliates with those corresponding to the total number of companies in each activity, we may be able to determine the importance and weight that they represent in each of the activities researched.

Thus, it is important to highlight the *Transport Equipment*, in which 79.3% of the total turnover was generated by affiliate companies.

Main branches of activity by turnover of affiliates Year 2010 (in percentage)



In turn, the branches of activity in which the contribution (in terms of turnover) of affiliate companies was lowest in relation to the total for each activity, were *Textile, manufacture, leather and footwear; Accommodation and Transport*. All of them registered a percentage attributable to affiliate companies below 10% of the total.

Results by geographical area of the parent company

The majority of companies controlling affiliates (62.9%) were located in the Eurozone.

By economic sector, in the Eurozone, there were 70.4% of the foreign companies that controlled industrial affiliates, 61.8% of those that controlled affiliates in the trade sector and 59.5% of those corresponding to the rest of the services sector.

Turnover of foreign affiliates by geographic area

Year 2010

Geographic area	Industry	Trade	Services	Total
EUROZONE	1,382	2,122	1,918	5,423
Rest of the European Union	129	408	583	1,120
The rest of Europe	101	248	194	543
America	269	425	434	1,128
The rest of the world	83	230	94	407
TOTAL	1,963	3,434	3,223	8,620

Considering turnover to be a reference variable, it could be observed that the affiliates of companies from Eurozone countries generated 65.3% of the total turnover for affiliates in 2010.

The affiliates of European companies together accounted for 80.4% of total turnover, the affiliates of companies from the rest of the world accounted for 19.6%. Among them worth noting the affiliates of American companies, 14.3%

Turnover of affiliates of foreign companies by geographic area and sector

Year 2010. (Million of euros)

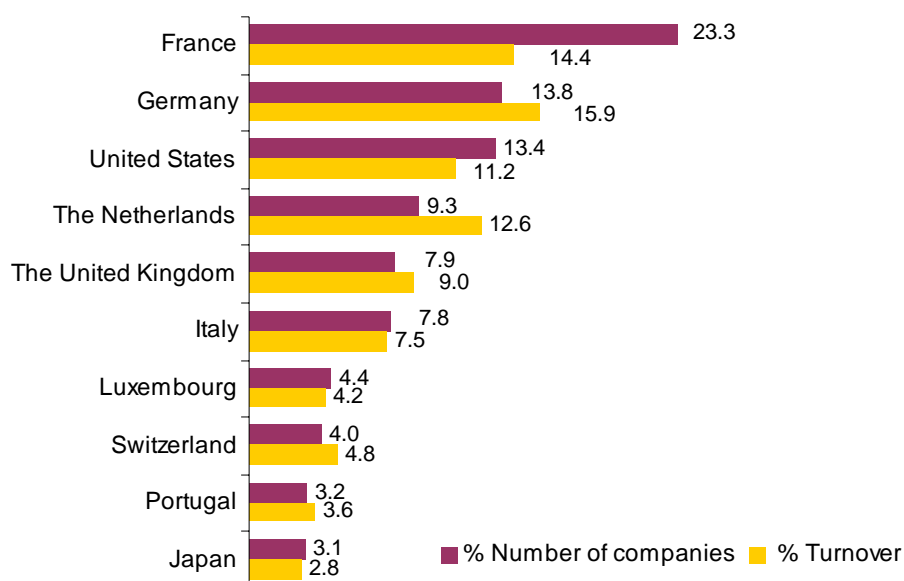
Geographic area	Industry	Trade	Services	Total
EUROZONE	134,613	89,152	37,942	261,707
Rest of the European Union	9,707	14,652	17,458	41,817
The rest of Europe	9,868	6,511	2,676	19,056
America	29,308	18,135	9,926	57,370
The rest of the world	6,164	13,755	1,152	21,071
TOTAL	189,661	142,205	69,155	401,021

Results by parent company country

In 2010, the countries whose affiliates generated the greatest turnover were France (23.3%), Germany (13.8%) and United States (13.4%). In turn, the countries that contributed the highest number of companies were Germany (with 15.9% of the total), France (14.4%) and The Netherlands (12.6%).

It is worth mentioning that the 10 main countries accounted for 86.0% of the total number of affiliates, overall reaching 90.1% of the total turnover of affiliate companies.

Main countries by turnover and number of affiliates. Year 2010



In terms of added value, it was observed that the affiliates of French companies contributed the most to the total generated by foreign affiliates, with 21.4% of the total and to total added value generated by affiliates in each sector: 18.8% in Industry, 28.4% in Trade, 20.5% in the rest of the services sector.

Regarding main countries investing in each sector, according to the percentage of added value that generated their affiliates, worth noting France, generated 69.0% in *Retail trade of food, automobile fuel and ICT equipment*, Italy, 65.5% in *Mining and quarrying industries, energy, water and waste* and United States, 62.6% in *Commission trade*.

Main investing countries by branch of activity

Year 2010. (According to the value generated by their affiliates)

Branch of activity	Country	% the value added in each branch
Industry	France	18.8
Mining and quarrying industries, energy, water and waste	Italy	65.5
Food, beverages and tobacco	The Netherlands	24.1
Textile, manufacture, leather and footwear	France	39.3
Wood and cork, paper and graphic arts	Luxemburg	18.1
Chemical and pharmaceutical industry	United States	19.2
Rubber and plastic products	The Netherlands	34.1
Various non-metallic ore products	France	43.4
Metallurgy and manufacture of metallic products	Luxemburg	30.9
Electrical, electronic and optical material and equipment	Germany	21.2
Mechanical machinery and equipment	United States	39.0
Transport equipment	Germany	27.9
Various manufacturing industries	United States	26.7
Trade	France	28.4
Sale and repair of motor vehicles and motorcycles	Germany	31.7
Commission trade	United States	62.6
Wholesale of agrarian, food and household products	United States	26.6
Wholesale of machinery, equipment and others	United States	18.3
Retail trade food, fuel and equipment for ICT	France	69.0
Other retail trade	France	41.1
Services	France	20.5
Transport	United Kingdom	36.5
storage and activities connected to transport	Germany	25.6
Accommodation	France	21.3
Publishing, cinema, radio, television and communications	United Kingdom	47.8
Computer activities	France	23.6
Real estate activities	France	31.9
Professional, scientific and technical activities	United States	23.7
Administrative and support service activities	The Netherlands	25.3
National total employed persons	France	21.4

Methodological note

The Services Sector Inward Foreign Affiliates Statistics (Inward FATS) offers information regarding the main economic variables of the affiliates of foreign companies that operate in the sectors of industry, trade and the rest of the non-financial market services. The scope of this survey includes those affiliate companies whose main activity is included in sections B to E, G to J and L to N of the National Classification of Economic Activities in force (CNAE-09). This survey fulfils, in this area, (EC) Regulation no. 716/2007 of the European Parliament and Council, of 20 June 2007, regarding the community statistics on the structure and activity of foreign affiliates.

Affiliates of foreign companies are considered to be those companies located in Spain that are controlled by a non-resident institutional unit or company. To this end, control is understood to be the ability to determine the general policy of the company. One unit controls another, when it directly or indirectly possesses more than half of the shareholders' vote, or more than half of the shares; nevertheless, at times, this ability to control may be made effective through a minority control, that is, without the need to possess half of the shares or of the votes (for example, if the percentage, even below 50%, is greater than that of any other owner). In accordance with the methodology established by the European regulation on affiliates statistics, the criterion applied in this survey to determine the company that controls each affiliate is that of the final owner. The final owner of a foreign affiliate is considered to be that institutional unit or company that, proceeding hierarchically upwards along the chain of control of said affiliate, exercises control over itself, not being controlled, in turn, by any other unit.

This statistical operation provides information regarding the main variables, broken down both by the activity, size or Autonomous Community of the affiliate company, and by the country or geographical area of the parent company (final owner).

In order to enrich the dissemination of this survey and favour the comparative analysis of the results thereof, we also present, aside from the specific data regarding affiliates provided by the survey, additional data regarding the percentage represented by the results of the affiliate companies, as compared with the total companies. This additional data has been obtained from the corresponding structural surveys of each sector: The Industrial Companies Survey, whose object of study is the group of industrial companies with one or more paid employed persons, the Annual Trade Survey and the Annual Services Survey, orientated towards the research of those companies whose main activity belongs to the areas of trade and of non-financial market services, respectively.