Business Demography Indicators
2019

3,747,034 enterprises were active in Spain in 2019

365,893 were created whereas 319,427 disappeared, meaning a growth net rate of 1.2%

Less than 43% of the enterprises born in 2014 are surviving after five years under observation

Data now presented are comparable with those published last year, because it is used the same concept of enterprise adapted which was implemented for the reference year 2018. 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 2019 was 3,747,034. It is understood that *stock* is the population of enterprises that were active at any time during the reference period.

A 60.2% of this *stock* of enterprises belonged to the sector of *Rest of the services*, a 21.6% to *Trade*, a 12.6% to *Construction* and the remaining 5.6% to *Industry*.
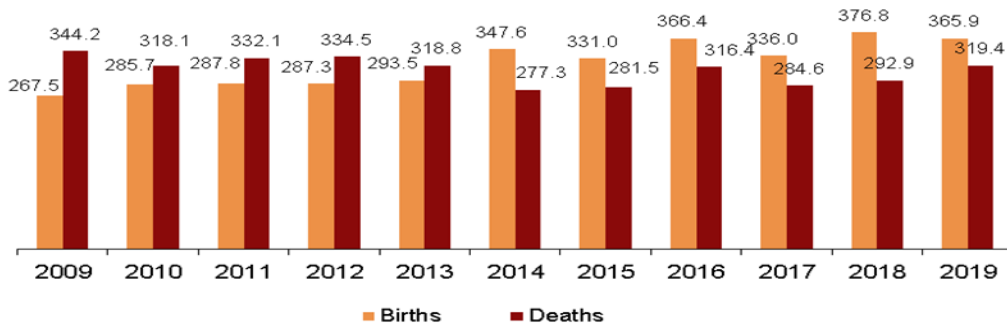
Stock, enterprise births and deaths by economic sectors. 2019

	Total	Industry	Construction	Trade	Rest of the services
Stock	3,747,034	211,567	470,329	810,607	2,254,531
Enterprise births	365,893	11,562	43,494	67,838	242,999
Enterprise deaths	319,427	13,731	42,146	76,133	187,417
Net balance	46,466	-2,169	1,348	-8,295	55,582
Birth rates (%)	9.8	5.5	9.2	8.4	10.8
Death rates (%)	8.5	6.5	9.0	9.4	8.3
Net rates (%)	1.2	-1.0	0.3	-1.0	2.5

The number of enterprises created in 2019 was higher than the number of those disappearing in 46,466 units.
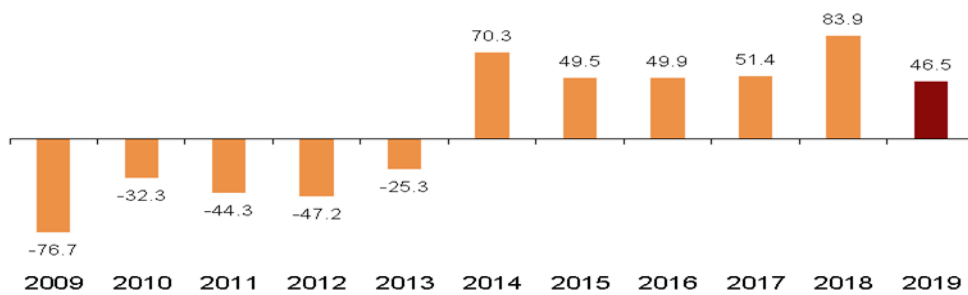
Focussing on the last 11 reference years, the number of enterprise births has been higher than that of deaths from 2014 to 2019. Before that period, it there was more deaths than births.

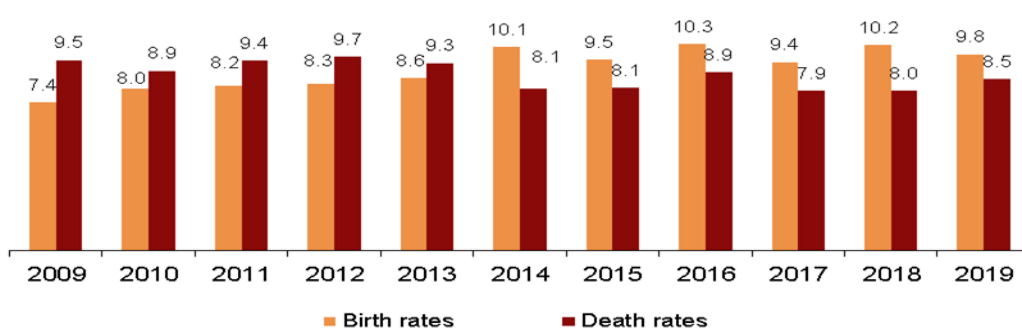**Enterprise births and deaths (thousands)**

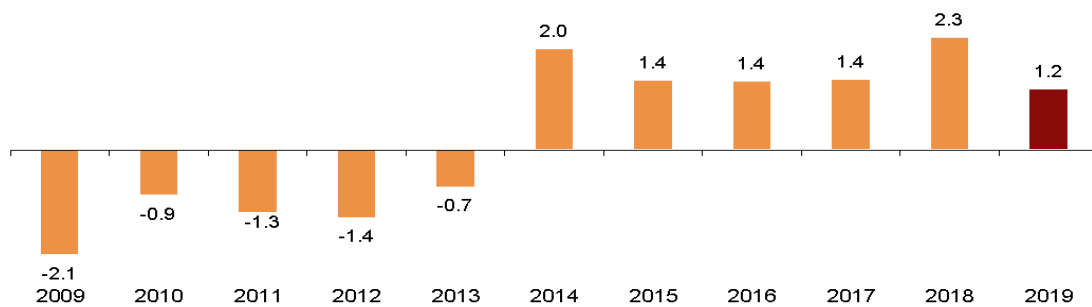**Net balance of enterprise births and deaths (thousands)**

Enterprise birth rate (births as a percentage of the population of active enterprises) was 9.8%. On the other hand, enterprise death rate was 8.5%. As a result, the growth net rate was 1.2%.

Enterprise births and deaths rates (%)

Enterprise births and deaths net rates (%)

Regarding sectors, *Rest of the services* and *Construction* were those having positive net rates (2.5% and 0.3% respectively).

Results by economic activities

The economic activities having a better demographic balance in 2019 (identified by their higher net rate or difference between births and deaths) were *Post and courier activities* (19.9%), *Air transport* (7.4%) and *Creative, arts and entertainment activities* (6.4%).

Activities with higher net rate. 2019

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Postal and courier activities	8,939	4,065	19.9
Air transport	38	18	7.4
Creative, arts and entertainment activities	9,197	5,912	6.4
Water transport	115	63	6.1
Employment activities	1,012	677	5.0
Other personal service activities	18,820	11,914	4.6
Financial service activities, except insurance and pension funding	216	117	4.5
Other professional, scientific and technical activities	12,790	9,374	4.4
Activities of membership organisations	3,304	1,543	4.2
Advertising and market research	7,672	5,720	3.7

On the other hand, the activities having the worst demographic balance were *Other mining and quarrying* (–3.7%), *Manufacture of furniture* and *Manufacture of other non-metallic mineral products* (both –3.1%).

Activities with lower net rate. 2019

NACE Rev. 2 Divisions	Births	Deaths	Net rates (%)
Programming and broadcasting activities	96	132	-2.2
Gambling and betting activities	558	836	-2.3
Manufacture of basic metals	47	84	-2.4
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	424	690	-2.5
Manufacture of rubber and plastic products	164	277	-2.5
Manufacture of electrical equipment	88	146	-2.8
Manufacture of leather and related products	380	522	-2.8
Manufacture of other non-metallic mineral products	266	528	-3.1
Manufacture of furniture	572	961	-3.1
Other mining and quarrying	46	116	-3.7

Results by size classes (number of employees)

In 2019, a 97.6% of enterprise births and a 97.1% of enterprise deaths had four or less employees.

Specifically, an 81.5% of enterprise births and a 74.2% 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 2.8%. On the contrary, the highest negative net rate happened in enterprises having from one to four employees (−1.2%).

Stock, enterprise births and deaths by size classes. 2019

	Total	Without employees	1 to 4 employees	5 to 9 employees	10 or more employees
Stock	3,747,034	2,180,690	1,218,753	197,522	150,069
Enterprise births	365,893	298,354	58,591	6,903	2,045
Enterprise deaths	319,427	237,014	73,194	7,062	2,157
Net balance	46,466	61,340	-14,603	-159	-112
Birth rates (%)	9.8	13.7	4.8	3.5	1.4
Death rates (%)	8.5	10.9	6.0	3.6	1.4
Net rates (%)	1.2	2.8	-1.2	-0.1	-0.1

Survivals of enterprise births

The first year of life is when producing the highest fall of enterprise units, having survival rates of 77.3% or lower.

It can be highlighted that the members making up the population of births in 2014 are reduced to less than the half after four years.

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 2014 (%)

Year of brith	Year observed					
	2014	2015	2016	2017	2018	2019
2014	100.0	76.5	62.3	53.5	47.2	42.1
2015		100.0	77.3	65.0	56.3	50.1
2016			100.0	76.5	64.1	56.0
2017				100.0	75.5	63.1
2018					100.0	77.0

Disappearances of enterprises in the first years of life

Going for a dipper 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 15 consecutive years.
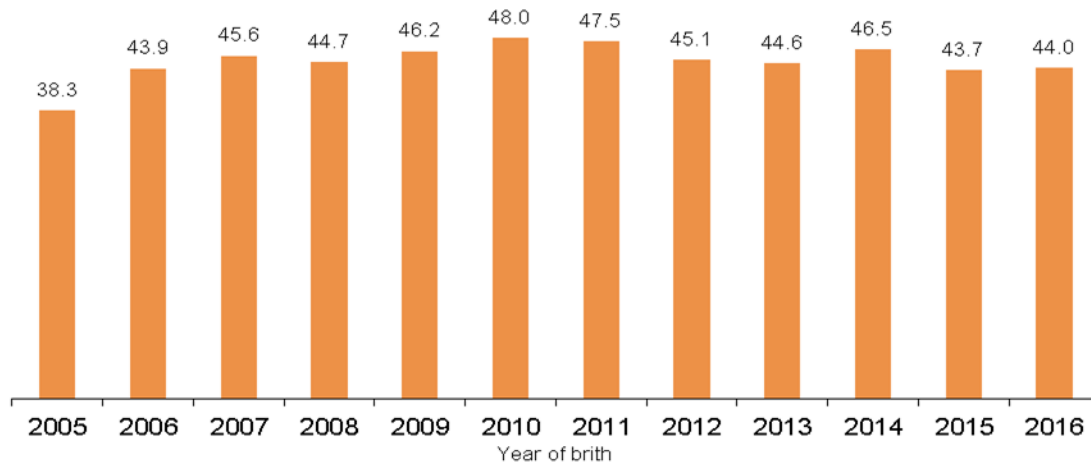
Disappearances of enterprises in the first three years of life (%)

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2018	23.0			
2017	24.5	12.4		
2016	23.5	12.4	8.1	44.0
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	21.4	13.1	9.9	44.0

As regards the accumulated disappearances in the first three years of enterprises' life, it can be pointed out that the mortality is increasing until 2010 where the highest level is reached.

Subsequently, mortality goes down progressively except for years 2014 and 2016 where there are small upturns.

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

Year of brith
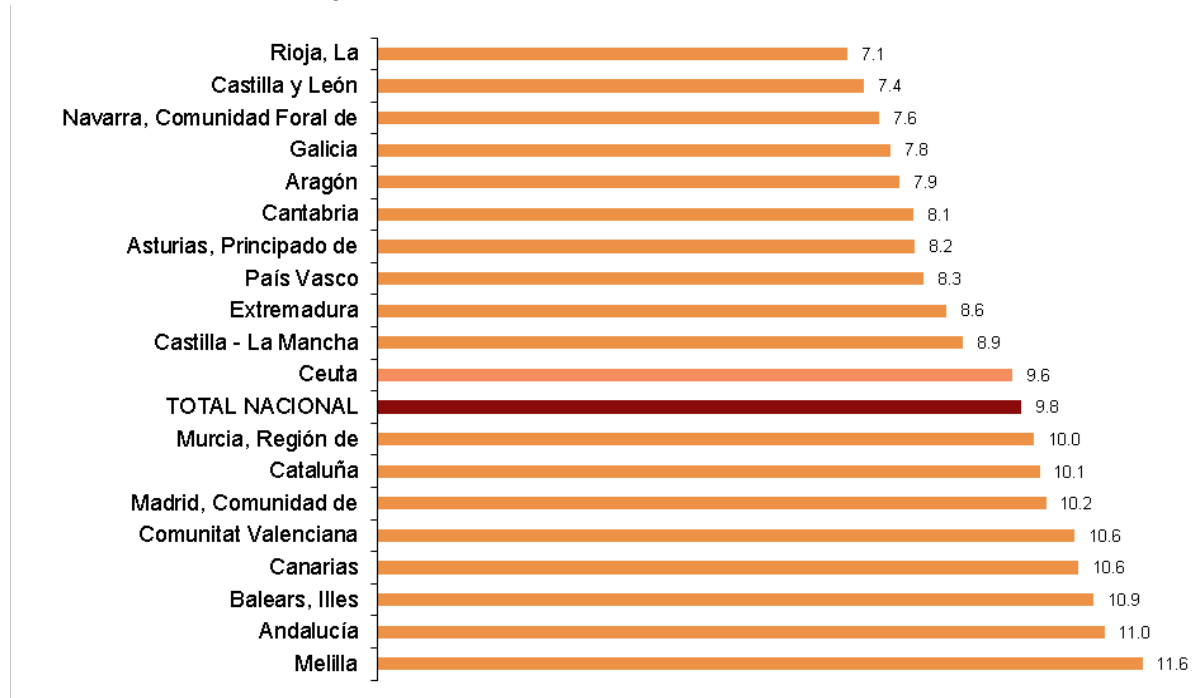
Results by Autonomous Communities and Cities

Regarding the territory where enterprises had their head offices, the autonomous city of Melilla (11.6%), Andalucía (11.0%) and Illes Balears (10.9%) showed the highest birth rates in 2019.

On the other hand, the lowest rates happened in La Rioja (7.1%), Castilla y León (7.4%) and Comunidad Foral de Navarra (7.6%).

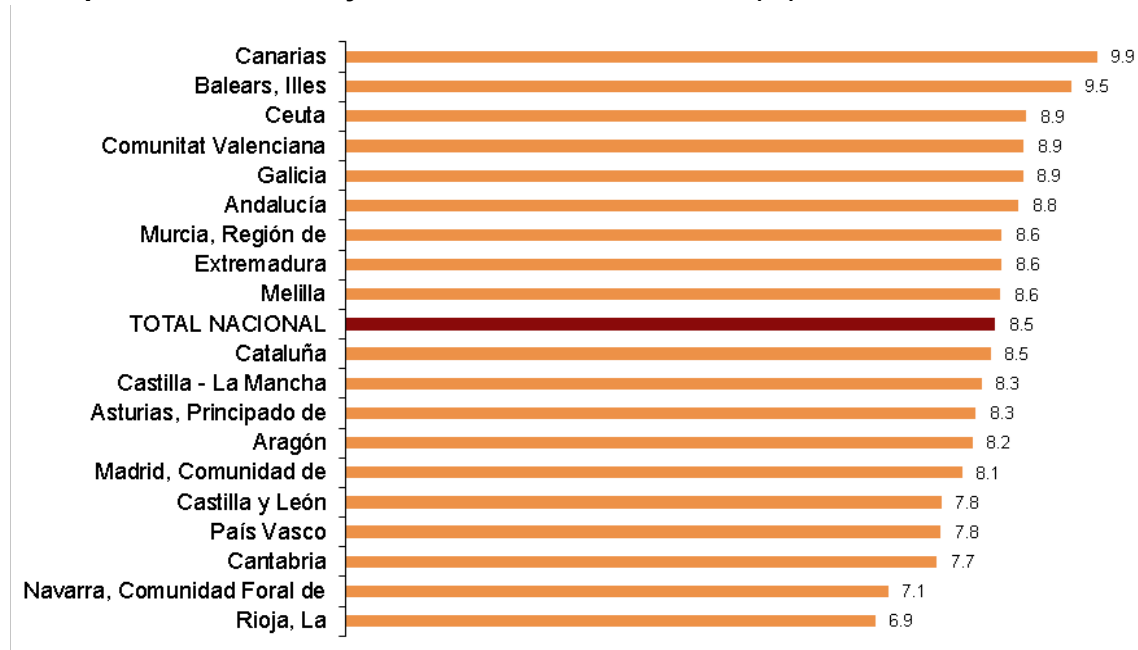***Stock*, enterprise births and deaths by Autonomous Communities. 2019**

	Stock	Births	Deaths	Net balance	Birth rates (%)	Death rates (%)	Net rates (%)
NATIONAL TOTAL	3,747,034	365,893	319,427	46,466	9.8	8.5	1.2
Andalucía	587,271	64,794	51,815	12,979	11.0	8.8	2.2
Aragón	98,964	7,843	8,137	-294	7.9	8.2	-0.3
Asturias, Principado de	75,003	6,118	6,195	-77	8.2	8.3	-0.1
Balears, Illes	111,689	12,148	10,629	1,519	10.9	9.5	1.4
Canarias	170,929	18,197	16,844	1,353	10.6	9.9	0.8
Cantabria	42,367	3,448	3,283	165	8.1	7.7	0.4
Castilla y León	174,462	12,887	13,631	-744	7.4	7.8	-0.4
Castilla - La Mancha	141,261	12,549	11,783	766	8.9	8.3	0.5
Cataluña	692,469	69,651	58,585	11,066	10.1	8.5	1.6
Comunitat Valenciana	409,537	43,357	36,418	6,939	10.6	8.9	1.7
Extremadura	74,154	6,400	6,419	-19	8.6	8.6	-0.03
Galicia	218,334	16,982	19,404	-2,422	7.8	8.9	-1.1
Madrid, Comunidad de	606,334	61,550	49,011	12,539	10.2	8.1	2.1
Murcia, Región de	106,646	10,631	9,179	1,452	10.0	8.6	1.4
Navarra, Comunidad Foral de	47,960	3,647	3,411	236	7.6	7.1	0.5
País Vasco	155,004	12,847	12,094	753	8.3	7.8	0.5
Rioja, La	24,431	1,740	1,697	43	7.1	6.9	0.2
Ceuta	4,202	405	375	30	9.6	8.9	0.7
Melilla	6,017	699	517	182	11.6	8.6	3.0

Enterprise birth rates by Autonomous Communities (%)

Autonomous Community	Rate
Rioja, La	7.1
Castilla y León	7.4
Navarra, Comunidad Foral de	7.6
Galicia	7.8
Aragón	7.9
Cantabria	8.1
Asturias, Principado de	8.2
País Vasco	8.3
Extremadura	8.6
Castilla - La Mancha	8.9
Ceuta	9.6
TOTAL NACIONAL	9.8
Murcia, Región de	10.0
Cataluña	10.1
Madrid, Comunidad de	10.2
Comunitat Valenciana	10.6
Canarias	10.6
Balears, Illes	10.9
Andalucía	11.0
Melilla	11.6

The highest death rates were recorded in Canarias (9.9%), Illes Balears (9.5%) and the autonomous city of Ceuta (8.9%). Moreover, the lowest were in La Rioja (6.9%), Comunidad Foral de Navarra (7.1%) and Cantabria (7.7%).

Enterprise death rates by Autonomous Communities (%)

Autonomous Community	Rate
Canarias	9.9
Balears, Illes	9.5
Ceuta	8.9
Comunitat Valenciana	8.9
Galicia	8.9
Andalucía	8.8
Murcia, Región de	8.6
Extremadura	8.6
Melilla	8.6
TOTAL NACIONAL	8.5
Cataluña	8.5
Castilla - La Mancha	8.3
Asturias, Principado de	8.3
Aragón	8.2
Madrid, Comunidad de	8.1
Castilla y León	7.8
País Vasco	7.8
Cantabria	7.7
Navarra, Comunidad Foral de	7.1
Rioja, La	6.9

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 2019 and that have not been reactivated in 2020. 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.
- Enterprise births.- Set of units that, throughout the reference year, have created a combination of new production factors.
- Enterprise deaths.- Set of units that, throughout the reference year, have dissolved all of their production factors.
- 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, the new definition of the statistical unit enterprise has been possible to apply to the cohort of enterprises born in 2018, which is the first followed 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 cuantify the relative relevance of events of creating and dissolving enterprises within the Spanish entreprenurial frame. The survival event is similar, but takes as reference the population of enterprise births detected in the initial observarion period.

More information about general methodology is available here:

http://www.ine.es/en/metodologia/t37/t373020419_en.pdf

Additionally, the standardized methodological report is available here:

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

INE statistics are produced in accordance with the Code of Good Practice for European Statistics, which is the basis for the institution's quality policy and strategy. For more information see the section on Quality at INE and the Code of Best Practices on the INE website.

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