

08 November 2023

Business Demography Indicators
Year 2021

3,416,248 enterprises were economically active in Spain in 2021

314,033 were created whereas 250,182 disappeared, meaning a net rate of 1.9%

45.4% of the enterprises born in 2016 are surviving after five years monitoring

Stock of enterprises

The *stock* of economically active enterprises operating in Spain over the year 2021 was 3,416,248. It is understood that *stock* is the population of enterprises that were economically active at any time during the reference period.

A 61.0% of this *stock* of enterprises belonged to the sector of *Rest of the services*, a 21.3% to *Trade*, a 11.9% to *Construction* and the remaining 5.7% to *Industry*.

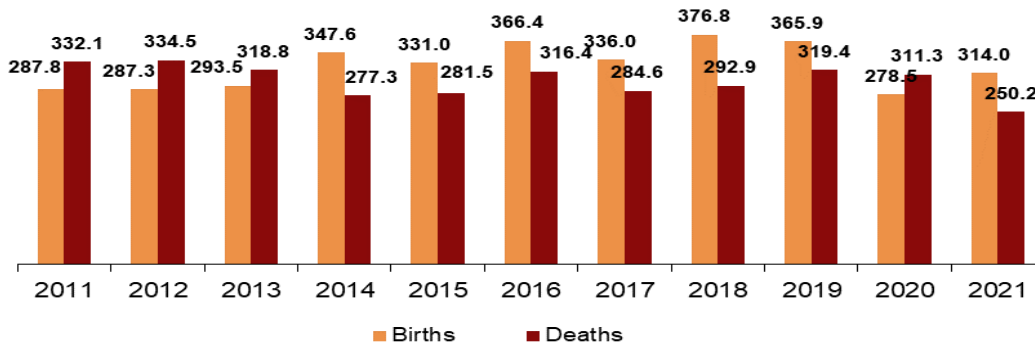
Stock, enterprise births and deaths by economic sectors. 2021

	Total	Industry	Construction	Trade	Rest of the services
Stock	3,416,248	194,308	407,702	729,343	2,084,895
Enterprise births	314,033	10,368	39,551	59,353	204,761
Enterprise deaths	250,182	9,909	29,378	54,981	155,914
Net balance	63,851	459	10,173	4,372	48,847
Birth rates (%)	9.2	5.3	9.7	8.1	9.8
Death rates (%)	7.3	5.1	7.2	7.5	7.5
Net rates (%)	1.9	0.2	2.5	0.6	2.3

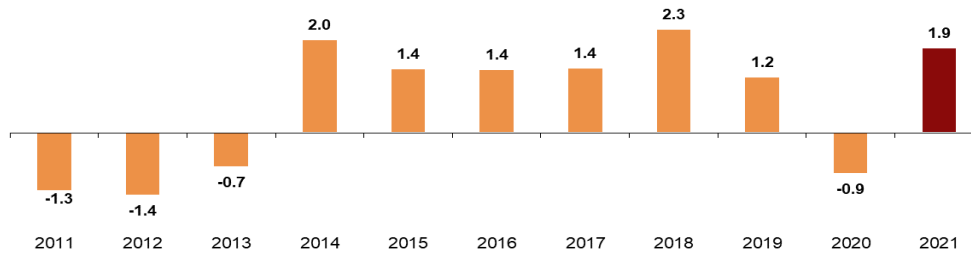
In 2021, 314,033 enterprises were created and 250,182 disappeared. As a result, the net balance was positive of 63,851 units.

Due to the entry into force of the Regulation EBS 2019/2152 and its Implementation Act 2020/1197, the statistic on Business Demography has adopted some methodological changes for the reference year 2021 leading to results that are not completely comparable with those of previous periods. These changes affect to the calculation of the number of economically active enterprises.

Enterprise births and deaths (thousands)

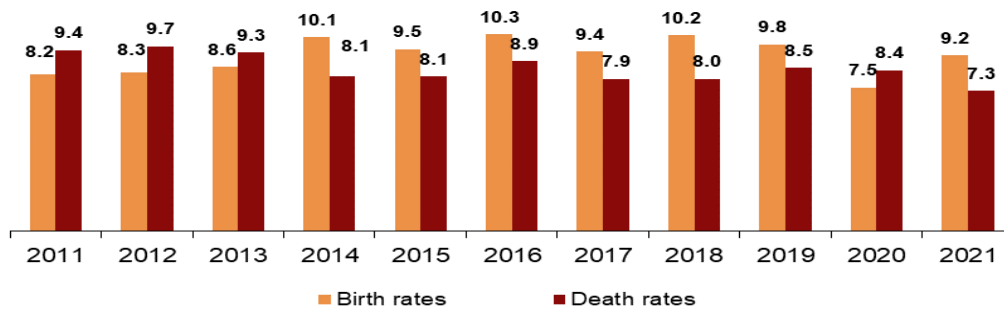


Net balance of enterprise births and deaths (thousands)

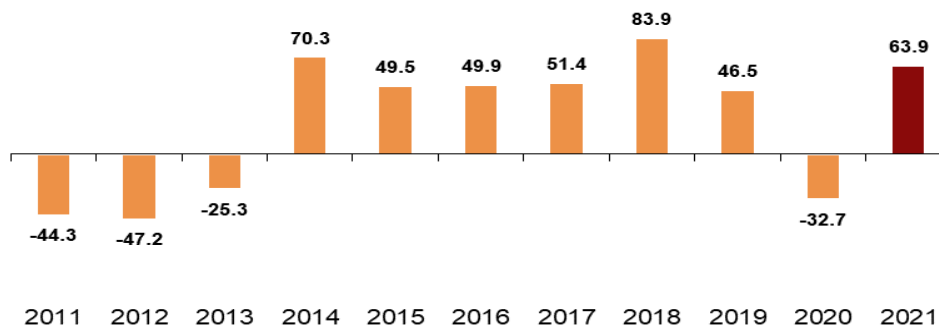


Enterprise birth rate (births as a percentage of the population of active enterprises) was 9.2%. On the other hand, enterprise death rate was 7.3%. As a result, the net rate was 1.9%.

Enterprise births and deaths rates (%)



Enterprise births and deaths net rates (%)



All sectors had positive net rates. Construction showed the best demographic balance (2.5%).

Results by size classes (number of employees)

In 2021, a 97.6% of enterprise births and a 98.1% of enterprise deaths had four or less employees.

Specifically, a 77.0% of enterprise births and a 74.1% of enterprise deaths had no employees.

Enterprises having no employees showed the highest positive difference between enterprise births and deaths, reaching a net rate of 3.0%. The rest of size classes also have had positive net rates.

Stock, enterprise births and deaths by size classes. 2021

	Total	Without employees	1 to 4 employees	5 to 9 employees	10 or more employees
Stock	3,416,248	1,865,293	1,200,884	189,110	160,961
Enterprise births	314,033	241,750	64,691	5,898	1,694
Enterprise deaths	250,182	185,438	60,010	3,637	1,097
Net balance	63,851	56,312	4,681	2,261	597
Birth rates (%)	9.2	13.0	5.4	3.1	1.1
Death rates (%)	7.3	9.9	5.0	1.9	0.7
Net rates (%)	1.9	3.0	0.4	1.2	0.4

Survivals of enterprise births

The first year of life is when producing the highest fall of enterprise units, having survival rates of 78.5% or lower.

It can be highlighted that the members making up the populations of births in 2016 and 2017 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 2016 (%)

Year of birth	Year observed					
	2016	2017	2018	2019	2020	2021
2016	100.0	76.5	64.1	56.0	49.9	45.4
2017		100.0	75.5	63.1	54.9	49.3
2018			100.0	76.9	63.5	55.3
2019				100.0	78.5	65.8
2020					100.0	77.8

Disappearances of enterprises in the first years of life

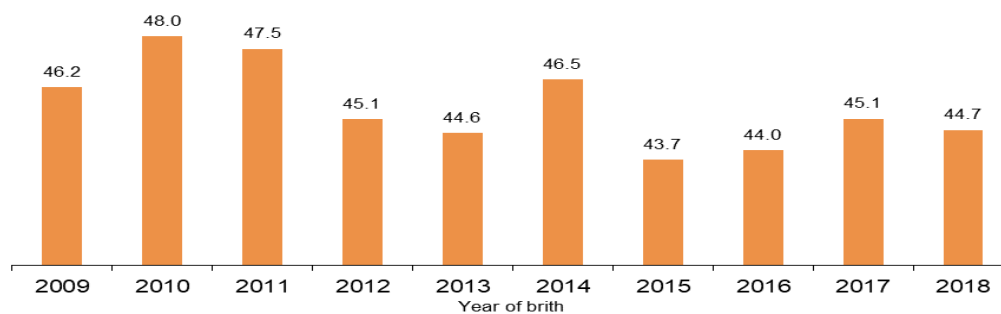
Going for a deeper analysis of members' losses in different cohorts, the following data table shows the disappearances of enterprises in their first three years of life, taking the cohorts of enterprises born in 12 consecutive years.

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

Cohorts	1st year of life	2nd year of life	3rd year of life	Accumulated
2020	22.2			
2019	21.5	12.7		
2018	23.1	13.4	8.2	44.7
2017	24.5	12.4	8.2	45.1
2016	23.5	12.4	8.1	44.0
2015	22.7	12.3	8.7	43.7
2014	23.5	14.2	8.8	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
Promedio	23.0	13.2	9.3	45.5

As regards the accumulated disappearances in the first three years of enterprises' life, it can be pointed out that the mortality reached the highest level 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, Canarias and Illes Balears (both 10.7%) and Andalucía (10.1%) showed the highest birth rates in 2021.

On the other hand, the lowest rates happened in La Rioja (6.5%), Castilla y León (6.8%) and Cantabria (7.4%).

Stock, enterprise births and deaths by Autonomous Communities. 2021

	Stock	Births	Deaths	Net balance	Birth rates (%)	Death rates (%)	Net rates (%)
TOTAL NACIONAL	3,416,248	314,033	250,182	63,851	9.2	7.3	1.9
Andalucía	555,801	55,881	42,583	13,298	10.1	7.7	2.4
Aragón	88,382	6,600	5,720	880	7.5	6.5	1.0
Asturias, Principado de	69,230	5,182	4,670	512	7.5	6.7	0.7
Balears, Illes	103,048	10,998	7,927	3,071	10.7	7.7	3.0
Canarias	146,065	15,610	11,227	4,383	10.7	7.7	3.0
Cantabria	39,609	2,930	2,449	481	7.4	6.2	1.2
Castilla y León	155,555	10,559	9,943	616	6.8	6.4	0.4
Castilla - La Mancha	130,885	10,809	8,756	2,053	8.3	6.7	1.6
Cataluña	635,587	59,273	47,120	12,153	9.3	7.4	1.9
Comunitat Valenciana	378,484	37,175	29,741	7,434	9.8	7.9	2.0
Extremadura	67,348	5,434	4,469	965	8.1	6.6	1.4
Galicia	196,675	15,167	12,706	2,461	7.7	6.5	1.3
Madrid, Comunidad de	537,752	52,421	40,900	11,521	9.7	7.6	2.1
Murcia, Región de	98,533	9,172	7,499	1,673	9.3	7.6	1.7
Navarra, Comunidad Foral de	40,361	3,380	2,590	790	8.4	6.4	2.0
País Vasco	141,543	11,173	9,613	1,560	7.9	6.8	1.1
Rioja, La	22,679	1,478	1,345	133	6.5	5.9	0.6
Ceuta	3,707	342	334	8	9.2	9.0	0.2
Melilla	5,004	449	590	-141	9.0	11.8	-2.8

The highest death rates were recorded in the autonomous cities of Melilla (11.8%) and Ceuta (9.0%), and in Comunitat Valenciana (7.9%).

Moreover, the lowest were in La Rioja (5.9%), Cantabria (6.2%) and Castilla y León and Comunidad Foral de Navarra (both 6.4%).

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 2021 and that have not been reactivated in 2022. 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.

Data presented here are using 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

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 economically 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.

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/t373020421_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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