

Structural Business Statistics: Industrial Sector
Year 2018. Definitive Results

Turnover in the Industrial Sector reached 670,864 million euros in 2016

The manufacturing industry accounted for 82.1% of the total turnover of the sector and 89.6% of the employed personnel

The INE has adapted the statistical concept of Enterprise and has implemented it for the first time in this statistic

Turnover of companies in the Industry Sector reached 670,864 million euros in 2018. The value added generated by these companies stood at 153,206 million euros,

In accordance with the European Statistical System, in 2018 a new practical application of the statistical concept of 'Enterprise'¹ has been implemented for the Structural Business Statistics (SBS). Although the new approach only affects Legal Units that are part of enterprise groups (3.1% of the total), the statistical results of the SBS and its distribution by activities and enterprise sizes are affected. The 2018 data is thus not strictly comparable to that of other years. However, the methodological annex offers a comparative analysis under the assumption of considering Legal Units as an operational approach to enterprises, through 2017.

Main magnitudes². Year 2018

Economic variables	Million euros
Turnover	670.864
Total purchases of goods and services	533.795
Added value at factor cost	153.206
Personnel costs	83.222
Wages and salaries	63.922
Gross operating surplus	69.984
Investment in tangible assets	26.357
Enterprises and personnel employed	
Number of enterprises	195.340
Employed personnel (annual average, in thousands)	2.253

The reasons why the INE has adapted the company definition were communicated in a December 17, 2019 press release.

² All the economic variables are valued at current prices.

Results by activity sections³

The manufacturing industry accounted for 82.1% of the total turnover of the Industrial Sector and 89.6% of the employed personnel in 2018. Almost nine out of every 10 industrial companies were manufacturing companies.

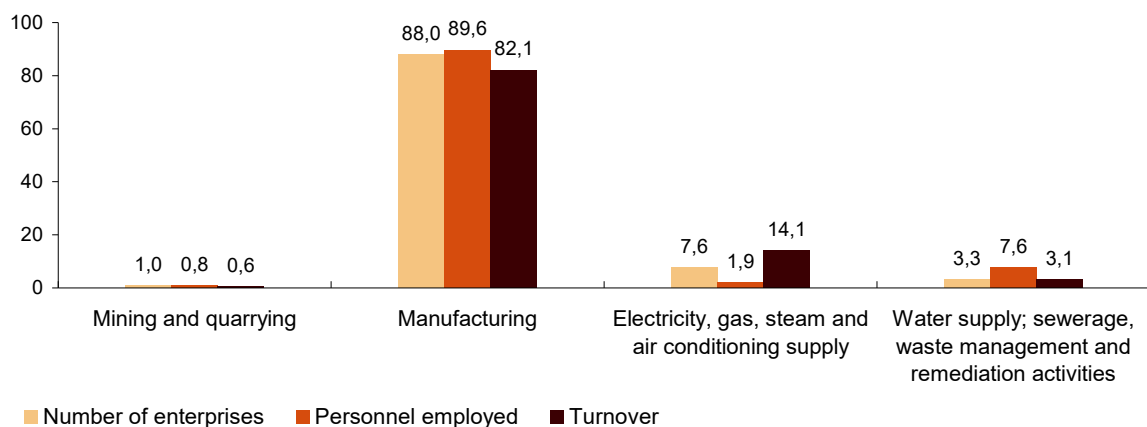
Another 14.1% of the sector's turnover corresponded to *Electricity, gas, steam and air conditioning supply*. These companies employed 1.9% of the sector's personnel.

On the other hand, the turnover of *Water supply; sewerage, waste management and remediation activities* accounted for 3.1% of the total. This activity employed 7.6% of the sector's personnel.

Number of companies, employed personnel and turnover by activity sections. Year 2018

Section of activity	Number of enterprises		Personnel employed		Turnover	
	Total	% over the total	Annual average	% over the total	Million euros	% over the total
Mining and quarrying	2.034	1,0	17.751	0,8	4.138	0,6
Manufacturing	171.994	88,0	2.019.905	89,6	551.091	82,1
Electricity, gas, steam and air conditioning supply	14.811	7,6	43.748	1,9	94.538	14,1
Water supply; sewerage, waste management and remediation activities	6.501	3,3	172.072	7,6	21.096	3,1
TOTAL	195.340	100,0	2.253.476	100,0	670.864	100,0

Distribution (%) in the Industrial Sector of the number of companies, employed personnel and turnover by divisions of activity. Year 2018



³ The enterprises studied were classified according to their main activity. Likewise, all of the study variables referring to the company are assigned to said activity.

Results by branch of activity

In a more disaggregated level, the branches of activity with the greatest contribution to the industrial turnover in 2018 were *Manufacture of food products* (with 15.7% of the total), *Electric power generation, transmission and distribution* (11.6%), and *Manufacture of motor vehicles, trailers and semi-trailers* (11.0%).

On the other hand, the activities that employed the greatest number of people were *Manufacture of food products* (with 16.8% of employment in the sector), *Manufacture of fabricated metal products, except machinery and equipment* (11.4%) and *Manufacturing of motor vehicles, trailers and semi-trailers* (7.2%).

Turnover and personnel employed by branch of activity. Year 2018

Branch of activity	Turnover		Personnel employed	
	Million euros	% over the total	Annual average	% over the total
Mining and quarrying	4.138	0,6	17.751	0,8
Manufacturing				
- Manufacture of food products	105.514	15,7	377.697	16,8
- Manufacture of beverages	20.327	3,0	56.862	2,5
- Manufacture of tobacco products	752	0,1	1.561	0,1
- Manufacture of textiles	6.069	0,9	46.123	2,0
- Manufacture of wearing apparel	4.526	0,7	43.715	1,9
- Manufacture of leather and related products	4.471	0,7	39.441	1,8
- Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	7.539	1,1	54.682	2,4
- Manufacture of paper and paper products	13.836	2,1	45.385	2,0
- Printing and reproduction of recorded media	6.176	0,9	60.452	2,7
- Manufacture of coke and refined petroleum products	56.838	8,5	13.189	0,6
- Manufacture of chemicals and chemical products	42.956	6,4	94.135	4,2
- Manufacture of basic pharmaceutical products and pharmaceutical preparations	14.641	2,2	47.449	2,1
- Manufacture of rubber and plastic products	21.647	3,2	100.876	4,5
- Manufacture of other non-metallic mineral products	20.220	3,0	98.615	4,4
- Manufacture of basic metals	33.297	5,0	60.757	2,7
- Manufacture of fabricated metal products, except machinery and equipment	38.201	5,7	256.135	11,4
- Manufacture of computer, electronic and optical products	4.570	0,7	27.800	1,2
- Manufacture of electrical equipment	18.977	2,8	71.760	3,2
- Manufacture of machinery and equipment n.e.c.	21.719	3,2	112.814	5,0
- Manufacture of motor vehicles, trailers and semi-trailers	73.488	11,0	161.721	7,2
- Manufacture of other transport equipment	15.394	2,3	49.602	2,2
- Manufacture of furniture	5.935	0,9	61.592	2,7
- Other manufacturing	4.299	0,6	41.991	1,9
- Repair and installation of machinery and equipment	9.700	1,4	95.550	4,2
Electricity, gas, steam and air conditioning supply				
- Electric power generation, transmission and distribution	78.030	11,6	37.873	1,7
- Manufacture and distribution of gas; steam and air conditioning supply	16.509	2,5	5.875	0,3
Water supply; sewerage, waste management and remediation activities				
- Water collection, treatment and supply	8.475	1,3	48.846	2,2
- Sewerage; waste collection, treatment and remediation activities	12.621	1,9	123.226	5,5
TOTAL	670.864	100,0	2.253.476	100,0

Productivity in the manufacturing industry

Productivity (added value by employed person) of the *Manufacturing industry* was 59,842 euros in 2018.

The activities with the highest productivity were *Manufacturing of coke and refined petroleum products* (415,878 euros), *Manufacture of tobacco products* (177,804 euros) and *Manufacturing of pharmaceutical products* (110,546 euros).

In contrast, the least productive activities were *Clothing manufacturing* (25,734 euros per employee), *Leather and footwear industry* (30,873 euros) and *Furniture manufacturing* (31,935 euros).

Productivity (in euros) by branch of activity in the manufacturing industry. Year 2018

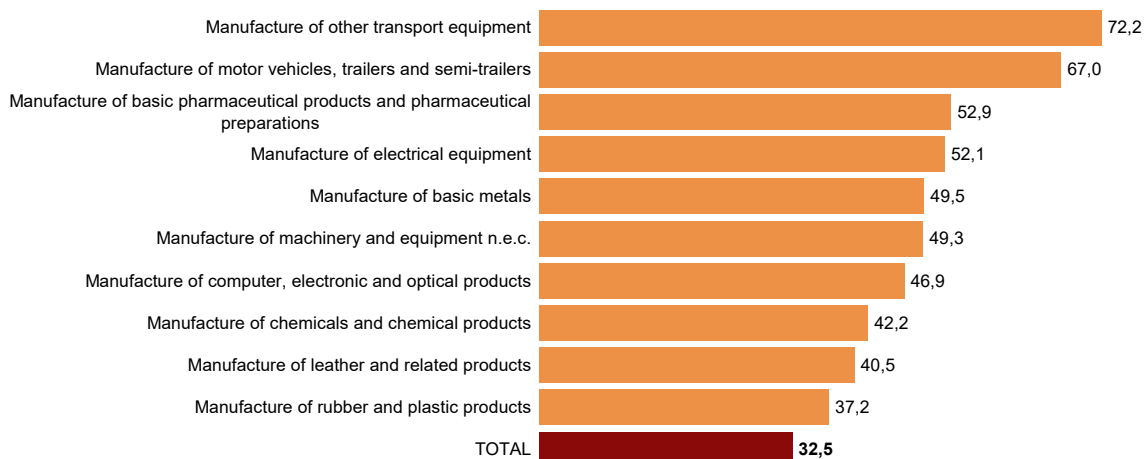


Geographical destination of sales

In 2018, 32.5% of the sales of companies in the Industrial Sector were made outside Spain, 22.1% went to European Union countries and 10.4% to the rest of the world.

The branches of activity with the highest percentage of sales outside Spain were *Manufacture of other transport material* (72.2%), *Manufacture of motor vehicles, trailers and semi-trailers* (67.0%) and *Manufacture of basic pharmaceutical products* (52.9%).

Branches of activity with the highest percentage of sales outside Spain. Year 2018



Investment in tangible assets

The investment in tangible assets made by the companies in the industry sector amounted to 26,357 million euros in 2018. 78.6% came from companies in the *Manufacturing industry* and 16.0% from *Electricity, gas, steam and air conditioning supply* companies.

Investment in tangible assets represented 17.2% of the value added of Industrial companies. By activity sections, this percentage ranged between 9.8% in *Water supply; sewerage, waste management and remediation activities*, and 24.3% in *Mining and quarrying*.

Investment in tangible assets by sections of activity. Year 2018

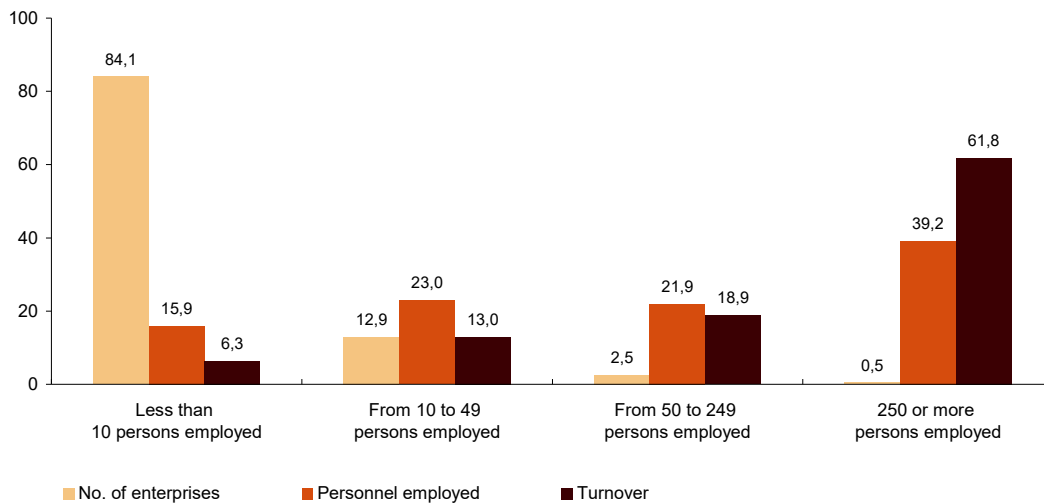
Section of activity	Million euros	% over the total	Investment/ Added value
Mining and quarrying	397	1,5	24,3
Manufacturing	20.725	78,6	17,1
Electricity, gas, steam and air conditioning supply	4.212	16,0	20,8
Water supply; sewerage, waste management and remediation activities	1.024	3,9	9,8
TOTAL	26.357	100,0	17,2

Results by size of the company

84.1% of industrial companies had fewer than 10 employees in 2018 and another 12.9% between 10 and 49. Together, these companies employed 38.9% of the sector's personnel and their turnover represented 19.3% of the total.

In turn, companies with 250 or more employees, that represented 0.5% of the total, employed 39.2% of the sector's personnel and had a turnover of 61.8% of the total sales of the sector.

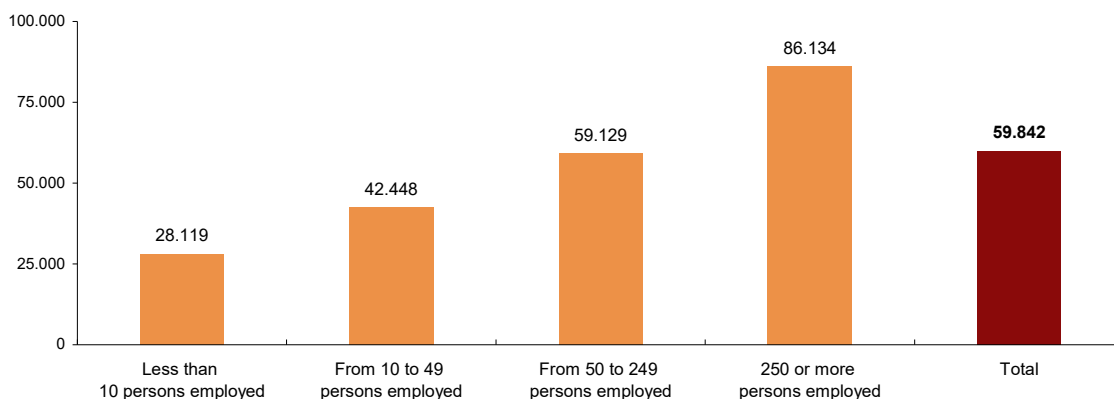
Distribution (in percentage) of the number of companies, employed personnel and turnover by size of the company. Year 2018



Size of the company and productivity within the manufacturing industry

The average productivity for companies in the manufacturing industry with 250 or more employees was 86,134 euros in 2018. In turn, companies with less than 10 employees were the least productive, with 28,119 euros.

Productivity (in euros) in the manufacturing industry by size of the company. Year 2018



Results by Autonomous Communities⁴

The Autonomous Communities with the greatest contribution to industrial turnover in the year 2018 were Cataluña (22.4% of the total), Andalucía (12.0%) and Comunitat Valenciana (10.4%).

In turn, those with the least weight in turnover were Illes Balears (0.7%), La Rioja (0.9%) and Canarias (1.1%).

Turnover in the Industrial Sector by Autonomous Communities and Cities. Year 2018

Autonomous Community	Turnover		Personnel employed	
	Million euros	% over the total	Annual average	% over the total
Andalucía	78.662	12,0	230.777	10,4
Aragón	30.720	4,7	96.453	4,3
Asturias, Principado de	14.663	2,2	51.917	2,3
Balears, Illes	4.906	0,7	26.468	1,2
Canarias	7.154	1,1	37.478	1,7
Cantabria	8.925	1,4	31.969	1,4
Castilla y León	40.324	6,1	128.881	5,8
Castilla-La Mancha	27.825	4,2	97.647	4,4
Cataluña	147.007	22,4	487.912	22,0
Comunitat Valenciana	68.626	10,4	269.555	12,1
Extremadura	8.553	1,3	28.638	1,3
Galicia	43.263	6,6	141.442	6,4
Madrid, Comunidad de	68.079	10,4	225.660	10,2
Murcia, Región de	22.927	3,5	77.870	3,5
Navarra, Comunidad Foral de	20.121	3,1	70.990	3,2
País Vasco	59.181	9,0	190.473	8,6
Rioja, La	6.008	0,9	26.050	1,2
Ceuta	148	0,0	996	0,0
Melilla	124	0,0	452	0,0
TOTAL	657.219	100,0	2.221.628	100,0

Data Review and Updates

The data published today are final. All results are available on INEBase.

⁴ To obtain the results by Autonomous Community, the Local Unit whose primary activity is industrial is considered a statistical unit. These local units may be part of Enterprises whose activity is included in other sectors and, in this case, their data at the Enterprise level is not included in the Industrial Sector. Another difference between this regional data (by premises) and the national data (by enterprises) is that only in the latter is it necessary to apply internal flow consolidations to each enterprise. This explains why the total turnover is somewhat higher in regional data than in national data.

Methodological annex

New practical implementation of the statistical unit 'Enterprise'

The statistical definition of the “Enterprise” statistical unit is established by a regulation of the European Union (696/93) that defines it as the *“smallest combination of legal units that produces goods or services and that enjoys a certain degree of decision-making autonomy, particularly when using the resources available to it.”*

Until the 2017 reference year, the INE, like most European Union statistical offices, has identified the statistical unit Enterprise with the Legal Unit (in the Spanish case, through the NIF) for operational purposes. Thus, for statistical purposes each Legal Unit formed an enterprise.

However, the progressive complexity of the way in which enterprise groups operate internally nowadays caused the European Statistical System to search for an improvement as regards the way in which the activity of these groups is reflected in enterprises’ official statistics. Legal Units that belong to enterprise groups sometimes sell their products or provide their services exclusively or mainly within the group, without being market-oriented or having decision-making power over the entire production process.

For all these reasons, and in accordance with the European Statistical System, based on the data referring to 2018, the **Structural Business Statistics** establish a new practical application for the statistical concept of Enterprise, by which an “enterprise” may be:

- An independent Legal Unit that is not part of the enterprise group, meaning that it should have decision-making autonomy.
- An enterprise group made up of one or more Legal Units, which operate together.
- A subset of one or more Legal Units of an enterprise group.

This change in the treatment of enterprises -which was also implemented in the Statistical Use of the Central Enterprise Register (DIRCE)- was announced by the INE in a December 17, 2019 Press Release:

https://www.ine.es/prensa/nueva_definicion_empresa.pdf

For more information on the delineation of the statistical unit Enterprise within enterprise groups, please see the following link:

https://www.ine.es/metodologia/t37/t3730200_profiling.pdf

Effects of the implementation of the Statistical Enterprise in the SBS

The adoption of the concept of the Statistical Enterprise in the SBS implies that, when the Enterprise is made up of more than one Legal Unit (LU), its LUs must be grouped, condensing all economic and employment figures into the Statistical Enterprise. Furthermore, when certain relationships exist between the Enterprise's LUs (such as vertical integration of industrial activities, and/or Industry-Trade relationships, and/or auxiliary relationships), certain intra-company flows must be consolidated. For this consolidation, the entry/input in some LUs and their corresponding expense/output counterpart in the other LUs involved in the internal flow must be deducted.

There are thus two effects on the statistical results of the 2018 SBS based on the Statistical Enterprise:

- **Reclassification effect**, due to the grouping of Legal Units that are part of the Enterprise and their reassignment to the main activity and size of said Enterprise. This effect occurs in all SBS variables to a greater or lesser extent, and has the greatest impact.
- **Consolidation effect**, due to the cancellation of intra-company flows. This second effect only occurs in certain economic variables (for example, turnover, value of production or purchases of goods and services). Employment variables and other economic variables considered additive are not impacted by this effect. The SBS Methodological document includes details on the consolidation process.

To measure the change produced in the SBS-2018 between the new approach (based on Statistical Enterprises) and the previously-applied approach (based on LUs), the following ratios are defined:

- **Reclassification effect**: Variation rate of the variables calculated for the Statistical Enterprises before consolidation, with respect to those obtained based on the LUs; both referring to the year 2018.
- **Consolidation effect**: Weight of the consolidation applied to each non-additive variable compared to those obtained based on the LUs that make up each Statistical Enterprise.

SBS: Industrial Sector. Year 2018

Impact of the implementation of the Statistical Enterprise

Main variables	As a percentage of statistics based on LUs		
	Total Effect	Reclassification Effect	Consolidation Effect
Turnover	2.1	10.2	-8.1
Production value	1.2	2.0	-0.8
Total purchases of goods and services	2.0	12.2	-10.2
Expenses in external services	4.2	6.5	-2.3
Added value at factor cost	3.0	3.0	.
Personnel expenses	2.1	2.1	.
Gross operating surplus	4.0	4.0	.
Investment in tangible assets	2.8	2.8	.
Number of companies	-2.3	-2.3	.
Employed personnel	1.4	1.4	.

(.) These variables have no consolidation effect.

It should be noted that to encompass and interpret the entirety of the change, all sectors of the economy should be considered jointly, since under the new approach, the LUs from one sector can now be integrated into Statistical Enterprises corresponding to another sector.

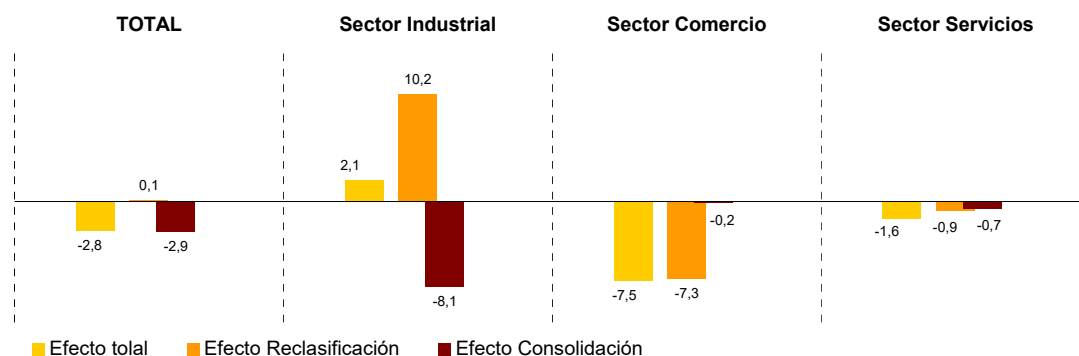
The following table shows the effect on the Industry, Trade and Services sectors. It should be borne in mind that this analysis is not complete, however, since important sectors such as Agriculture, Construction and Financial Services are lacking (although with the latter, interaction is limited).

SBS. Industrial, Trade, and Services Sectors Year 2018 Impact of the implementation of the Statistical Enterprise

Sector and subsector	Number of Companies	Personnel Employed	Turnover			Purchases of goods and services		
	REC Effect	REC Effect	Total Effect	REC Effect	CON Effect	Total Effect	REC Effect	CON Effect
TOTAL	-1.4	0.0	-2.8	0.1	-2.9	-3.5	0.2	-3.7
Industrial Sector	-2.3	1.4	2.1	10.2	-8.1	2.0	12.2	-10.2
Trade Sector	-0.8	0.1	-7.5	-7.3	-0.2	-8.4	-8.2	-0.2
Services sector	-1.5	-0.6	-1.6	-0.9	-0.7	-1.6	-0.5	-1.1
B Extractive industries	-7.1	-12.1	-19.5	-19.2	-0.3	-8.9	-8.4	-0.5
C Manufacturing industry	-1.5	1.6	2.8	12.6	-9.8	2.5	14.6	-12.1
D Electricity, gas, steam and air conditioning supply	-9.5	1.7	-0.3	0.1	-0.4	-0.2	0.2	-0.5
E Water supply, sewerage, waste management and decontamination activities	-4.9	0.8	0.8	1.7	-0.9	0.1	1.7	-1.7
G45 Wholesale and retail trade and repair of motor vehicles	-1.3	-0.1	-1.0	-0.8	-0.2	-1.2	-1.0	-0.2
G46 Wholesale trade and commission trade (*)	-1.7	-0.2	-12.5	-12.4	-0.1	-13.6	-13.5	-0.1
G47 Retail trade (*)	-0.3	0.3	0.1	0.4	-0.3	-0.2	0.2	-0.4
H Transport and storage	-1.3	0.1	-0.7	-0.3	-0.4	-1.1	-0.4	-0.7
I Accommodation	-0.7	0.2	0.5	1.2	-0.7	0.2	1.3	-1.1
J Information and communications	-2.3	-1.1	-4.4	-2.3	-2.1	-5.8	-2.5	-3.3
L Real estate activities	-3.6	-3.3	-7.2	-7.0	-0.2	-4.7	-4.3	-0.4
M Professional, scientific and technical activities	-1.7	-2.3	-2.4	-2.2	-0.2	-1.3	-0.9	-0.3
N Administrative and support service activities	-1.6	-0.1	0.4	0.7	-0.4	0.7	1.4	-0.6
R Arts, recreation and entertainment activities	-1.1	-0.2	0.4	0.7	-0.3	0.5	1.1	-0.6
S Other services (except associative activities)	-0.2	0.3	0.6	0.7	-0.2	0.2	0.6	-0.3

The calculation of the effects previously explained, applied to the Turnover figure for the three sectors of study, is shown in the graph below.

SBS. Turnover Impact of the implementation of the Statistical Enterprise in the SBS. Year 2018



Statistical results based on Legal Units

If the Legal Unit were taken as an approximation to the enterprise concept (as was previously done), the Industrial Sector would record a turnover of 657,219 million euros, 6.2% more than in the previous year.

SBS: Industrial Sector. Main magnitudes. Year 2018

Economic variables	Million euros	Annual variation (%)
Turnover	657.219	6,3
Total purchases of goods and services	523.469	6,8
Added value at factor cost	148.786	5,0
Personnel costs	81.502	6,0
Wages and salaries	62.557	5,9
Gross operating surplus	67.285	3,7
Investment in tangible assets	25.634	7,8
Legal Units and personnel employed		
Number of Legal Units	199.973	3,9
Employed personnel (annual average, in thousands)	2.222	3,5

By activity segments, *Electricity, gas, steam and air conditioning supply* would increase its turnover by 7.5% and the *Manufacturing industry* by 6.1%.

SBS: Industrial Sector. Results by Legal Unit activity segments. Year 2018

Section of activity	Number of enterprises			Personnel employed			Turnover		
	Total	%	Annual variation (%)	Annual average	%	Annual variation (%)	Million euros	%	Annual variation (%)
Mining and quarrying	2.189	1,1	4,0	20,2	0,9	3,2	5.139	0,8	20,7
Manufacturing	174.582	87,3	3,5	1.987,7	89,5	3,6	536.312	81,6	6,1
Electricity, gas, steam and air conditioning supply	16.369	8,2	10,7	43,0	1,9	2,8	94.830	14,4	7,5
Water supply; sewerage, waste management and remediation activities	6.833	3,4	0,3	170,7	7,7	2,5	20.938	3,2	3,9
TOTAL	199.973	100,0	3,9	2.221,6	100,0	3,5	657.219	100,0	6,3

Industrial companies with less than 10 employees would increase their turnover by 10.7% in 2018.

SBS: Industrial Sector. Results by Legal Unit size. Year 2018

Size of Legal Units (by number of persons employed)	Number of enterprises			Personnel employed			Turnover		
	Total	%	Annual variation (%)	Annual average	%	Annual variation (%)	Million euros	%	Annual variation (%)
Less than 10 persons employed	167.209	83,6	4,1	364	16,4	0,9	53.283	8,1	10,7
From 10 to 49 persons employed	26.384	13,2	2,1	546	24,6	1,5	96.341	14,7	2,3
From 50 to 249 persons employed	5.344	2,7	5,8	545	24,5	5,6	148.749	22,6	6,5
250 or more persons employed	1.037	0,5	7,1	766	34,5	4,9	358.847	54,6	6,8
TOTAL	199.973	100,0	3,9	2.222	100,0	3,5	657.219	100,0	6,3

Methodological note

The SBS: Industrial Sector is an annual structural statistical operation, aimed at companies whose main activity is described in sections B to E of the National Classification of Economic Activities CNAE-2009. This includes the manufacturing industry, mining and quarrying, electricity, gas, and water supply, and sewerage, waste management and remediation activities.

This operation, governed by Regulation 295/2008 of the Parliament and of the Council of the European Union, allows us to ascertain the main structural and economic characteristics of companies in the sector under study by means of a broad set of variables relating to employed personnel, turnover and other income, purchases and consumption, personnel expenses, taxes and investments. The statistic includes economic aggregates such as the value of production and gross value added, as well as main indicators.

Type of survey: annual continuous survey.

Population scope: companies whose main activity is described in sections B to E of CNAE-2009.

Geographical scope: the entire national territory.

Reference period: the calendar year, which, with some exceptions, coincides with the company's accounting year.

Sample size: the sample is made up of 46,600 units, of which 72% is obtained by collecting questionnaires. Administrative data is used for the remaining 28%, thus reducing the statistical burden on enterprises.

Collection method: Collection method: completion of the questionnaire by the respondent, mainly via the Internet (IRIA system), and use of administrative sources.

For more information you can access the methodology at:

http://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736143952&menu=metodologia&idp=1254735576715

And the standardised methodological report at:

<http://www.ine.es/dynt3/metadatos/es/RespuestaDatos.html?oe=30048>

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Press office: Telephone numbers: (+34) 91 583 93 63 /94 08 – gprensa@ine.es

Information Area: Telephone number: (+34) 91 583 91 00 – www.ine.es/infoine/?L=1
