24 June 2020

#### Structural Business Statistics: Services Sector Year 2018. Final results

# Turnover of the Services sector stood at 530,655 million euros in 2018

# More than one fifth of the sector's turnover corresponded to the activity *Transport and storage*

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

Turnover of enterprises in the *Non-financial market services sector* reached 530,655 million euros in 2018. Value added generated by enterprises in this sector stood at 238,514 million euros.

In accordance with the European Statistical System, a new practical application of the statistical concept of 'Enterprise' has been implemented for the Structural Business Statistics. 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 magnitudes<sup>2</sup>. Year 2018

Economic variables	Million euros
Turnover	530.655
Total purchases of goods and services	313.811
Added value at factor cost	238.514
Personnel costs	147.774
Wages and salaries	115.906
Gross operating surplus	90.740
Investment in tangible assets	33.966
Enterprises and personnel employed	
Number of enterprises	1.563.653
Employed personnel (annual average, in thousands)	6.535

<sup>&</sup>lt;sup>1</sup>The reasons why the INE has adapted the company definition were communicated in a December 17, 2019 press release.

<sup>&</sup>lt;sup>2</sup> All the economic variables are valued at current prices.

## Results by activity sections<sup>3</sup>

More than a fifth of the sector's turnover in 2018 (21.9%) corresponded to *Transport and storage*. The enterprises in this activity employed 14.1% of the total personnel in the sector.

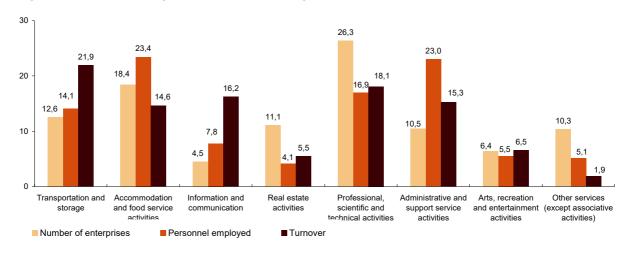
The following section of activity with greater weight in turnover was *Professional, scientific and technical activities*, with 18.1% of the total turnover of the sector and 16.9% of employment.

The activities that employed the greatest number of people were *Accommodation* (23.4% of the total) and *Administrative and support service activities* (23.0%).

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

Section of activity	Number of	enterprises	Personnel e	mployed	Turnover		
	Total	% over the total	Annual average	% over the total	Million euros	% over the total	
Transportation and storage	196.645	12,6	919.353	14,1	116.285	21,9	
Accommodation and food service activities	287.273	18,4	1.530.432	23,4	77.722	14,6	
Information and communication	69.943	4,5	508.972	7,8	85.936	16,2	
Real estate activities	172.836	11,1	267.191	4,1	29.167	5,5	
Professional, scientific and technical activities	411.883	26,3	1.106.863	16,9	95.959	18,1	
Administrative and support service activities	163.860	10,5	1.505.705	23,0	81.028	15,3	
Arts, recreation and entertainment activities	99.592	6,4	361.480	5,5	34.707	6,5	
Other services (except associative activities)	161.621	10,3	334.645	5,1	9.850	1,9	
TOTAL	1.563.653	100,0	6.534.641	100,0	530.655	100,0	

## Distribution (in percent) in the Services sector of the number of enterprises, personnel employed and turnover by divisions of activity. Year 2018



<sup>&</sup>lt;sup>3</sup> 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 divisions of activity

At a more disaggregated level, the divisions with greater contribution to the sector's turnover in 2018 were *Food and beverage service activities* (9.7% of the total), *Land transport and transport via pipelines* (9.2%) and *Warehousing and support activities for transportation* (9,1%).

The divisions of activity that employed the largest number of people were *Food and beverage* service activities (18.5% of the total), *Services to buildings and landscape activities* (9.7%) and *Land transport and transport via pipelines* (8.4%).

#### Turnover and employed personnel by divisions of activity. Year 2018

Division of activity	activity Turnover			Personnel employed			
	Million euros	% over the total	Annual average	% over the total			
Transportation and storage							
- Land transport and transport via pipelines	48.849	9,2	551.353	8,4			
- Water transport	2.218	0,4	8.699	0,1			
- Air transport	12.033	2,3	32.568	0,5			
- Warehousing and support activities for transportation	48.028	9,1	235.132	3,6			
- Postal and courier activities	5.158	1,0	91.601	1,4			
Accommodation and food service activities							
- Accommodation	26.454	5,0	322.472	4,9			
- Food and beverage service activities	51.269	9,7	1.207.960	18,5			
Information and communication		-		-			
- Publishing activities	5.969	1,1	51.751	0,8			
- Motion picture, video and television programme production, sound recording and music publishing activities	6.134	1,2	37.441	0,6			
- Programming and broadcasting activities	5.977	1,1	29.567	0,5			
- Telecommunications	33.487	6,3	70.045	1,1			
- Computer programming, consultancy and related activities	31.816	6,0	293.560	4,5			
- Information service activities	2.552	0,5	26.608	0,4			
Real estate activities							
- Real estate activities	29.167	5,5	267.191	4,1			
Professional, scientific and technical activities	·						
- Legal and accounting activities	21.139	4,0	361.190	5,5			
- Activities of head offices; management consultancy activities	19.516	3,7	135.153	2,1			
<ul> <li>Architectural and engineering activities; technical testing and analysis</li> </ul>	26.006	4,9	293.402	4,5			
- Scientific research and development	2.400	0,5	53.924	0,8			
- Advertising and market research	18.770	3,5	124.200	1,9			
- Other professional, scientific and technical activities	6.965	1,3	113.647	1,7			
- Veterinary activities	1.162	0,2	25.347	0,4			
Administrative and support service activities							
- Rental and leasing activities	13.015	2,5	67.689	1,0			
- Employment activities	6.947	1,3	258.108	3,9			
<ul> <li>Travel agency, tour operator reservation service and related activities</li> </ul>	23.989	4,5	62.344	1,0			
- Security and investigation activities	5.609	1,1	146.454	2,2			
- Services to buildings and landscape activities	15.492	2,9	635.075	9,7			
<ul> <li>Office administrative, office support and other business support activities</li> </ul>	15.976	3,0	336.036	5,1			
Arts, recreation and entertainment activities							
- Creative, arts and entertainment activities	3.316	0,6	72.499	1,1			
- Libraries, archives, museums and other cultural activities	911	0,2	18.098	0,3			
- Gambling and betting activities	17.293	3,3	51.099	0,8			
- Sports activities and amusement and recreation activities	13.187	2,5	219.784	3,4			
Other services (except associative activities)							
- Repair of computers and personal and household goods	2.613	0,5	53.062	0,8			
- Other personal service activities	7.237	1,4	281.583	4,3			
TOTAL	530.655	100,0	6.534.641	100,0			

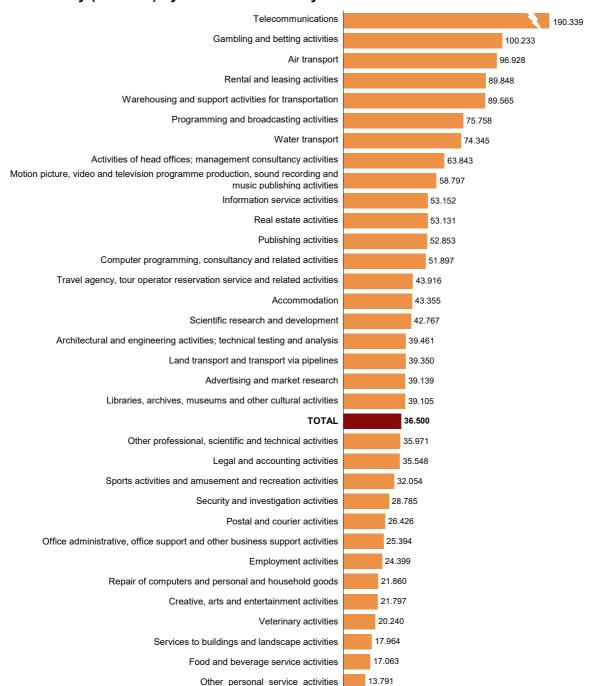
### **Productivity**

The productivity of the services sector (value added per employed person) was 36,500 euros in 2018.

The divisions of activity that experienced the highest productivity were *Telecommunications* (190,339 euros) and *Gambling and betting activities* (100,233 euros).

On the other hand, those with the lowest productivity were *Other personal services* (laundries, hairdressers and other personal services), with 13,791 euros, and Food and beverage services, with 17,063 euros.

#### Productivity (in euros) by divisions of activity in the Services sector. Year 2018

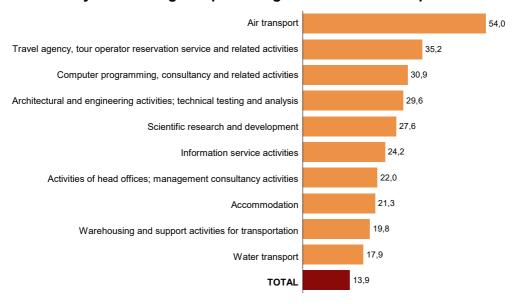


#### Geographical destination of sales

In 2018, 86.1% of sales in the services sector were made within Spain, 7.9% were made to European Union countries and 6.0% to the rest of the world.

The activity divisions with the highest percentage of sales outside Spain were *Air transport* (54.0%), *Travel agency, tour operators, reservation services and related activities* (35.2%) and *Programming, consulting and other activities related to computing* (30.9%).

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



#### Investment in tangible assets

Investment in tangible assets carried out by the services sector amounted to 33,966 million euros in 2018. More than a quarter (27.3) came from *Transport and storage* enterprises.

Investment in tangible assets accounted for 14.2% of the value added of the sector. This percentage ranged from 6.4% for *Professional, scientific and technical activities* and 44.5% for *Real estate activities*.

#### Investment in tangible assets by sections of activity. Year 2018

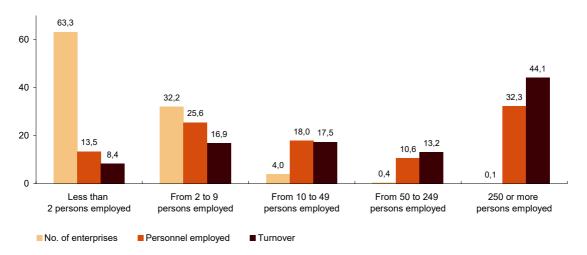
Section of activity	Million euros	% over the total	Investment/ Added value	
Transportation and storage	9.278	27,3	18,9	
Accommodation and food service activities	4.212	12,4	12,2	
Information and communication	4.283	12,6	11,5	
Real estate activities	6.312	18,6	44,5	
Professional, scientific and technical activities	2.869	8,4	6,4	
Administrative and support service activities	4.842	14,3	12,3	
Arts, recreation and entertainment activities	1.622	4,8	11,2	
Other services (except associative activities)	549	1,6	10,9	
TOTAL	33.966	100,0	14,2	

### Results by size of the company

The services sector is characterised by a predominance of very small enterprises. More than 95% had less than 10 employees in 2018. These enterprises provided employment for 39.1% of personnel and their turnover represented 25.3% of the total for the sector.

On the other hand, enterprises with 250 or more employees represented 0.1% of the total and invoiced 44.1% of the sector's turnover. These enterprises employed 32.3% of the personnel.

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

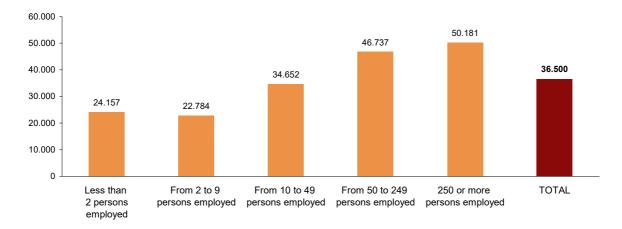


## Size of the company and productivity

In medium sized and large enterprises (with 50 or more employees), productivity surpassed 46,000 euros in 2018.

On the contrary, enterprises with less than 10 employees were the ones with the lowest productivity, with 24,157 euros for enterprises with fewer than two employees and 22,784 euros for those with two to nine employees.

#### Productivity (in euros) in the Services sector by size of the company. Year 2018



### Results by Autonomous Communities<sup>4</sup>

The Autonomous Communities with the greatest participation in turnover for the Services sector in the year 2018 were Comunidad de Madrid (with 35.0% of the total), Cataluña (19.6%) and Andalucía (9.1%).

In turn, those with the least weight were La Rioja (0.3%), Cantabria and Extremadura (both with 0.7%).

## Turnover and personnel employed in the Services sector by Autonomous Communities and Cities. Year 2018

Autonomous Community	Turnover Personnel employe					
	Million euros	% over the total	Annual average	% over the total		
Andalucía	45.293	9,1	800.080	13,5		
Aragón	9.676	1,9	147.380	2,5		
Asturias, Principado de	6.071	1,2	106.216	1,8		
Balears, Illes	23.283	4,7	198.775	3,4		
Canarias	22.324	4,5	310.346	5,2		
Cantabria	3.479	0,7	59.701	1,0		
Castilla y León	12.538	2,5	228.896	3,9		
Castilla-La Mancha	9.067	1,8	152.900	2,6		
Cataluña	97.656	19,6	1.150.110	19,4		
Comunitat Valenciana	35.838	7,2	540.955	9,1		
Extremadura	3.544	0,7	76.030	1,3		
Galicia	17.719	3,6	274.345	4,6		
Madrid, Comunidad de	173.948	35,0	1.358.813	22,9		
Murcia, Región de	8.724	1,8	144.704	2,4		
Navarra, Comunidad Foral de	4.595	0,9	66.778	1,1		
País Vasco	21.331	4,3	272.937	4,6		
Rioja, La	1.708	0,3	29.799	0,5		
Ceuta	327	0,1	5.677	0,1		
Melilla	311	0,1	6.665	0,1		
TOTAL	497.431	100,0	5.931.106	100,0		

<sup>(\*)</sup> The results by Autonomous Community do not include Section R nor Division 96 of CNAE-2009

#### **Data Review and Updates**

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

<sup>&</sup>lt;sup>4</sup>To obtain the results by Autonomous Community, the Local Unit whose main activity is Services 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 Services 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 intracompany 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: Services sector. Year 2018 Impact of the implementation of the Statistical Enterprise

	As a percenta	age of statistics based on ULEs						
	Total	Reclassification	Consolidation					
Main variables	Effect	Effect	Effect					
Turnover	-1.6	-0.9	-0.7					
Production value	-2.2	-1.3	-0.8					
Total purchases of goods and services	-1.6	-0.5	-1.1					
Expenses in external services	-4.6	-1.9	-2.7					
Added value at factor cost	-1.3	-1.3						
Personnel expenses	-1.3	-1.3						
Gross operating surplus	-1.4	-1.4						
Investment in tangible assets	-4.7	-4.7						
Number of companies	-1.5	-1.5						
Employed personnel	-0.6	-0.6						

<sup>(.)</sup> 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 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

Sec	Sector and subsector		Personnel Employed	Turnove	er		Purchases of goods and services		
		REC Effect	REC Effect	Total Effect	REC Effect	CON Effect	Total Effect	REC Effect	CON Effect
TOT	AL	-1.4	0.0	-2.8	0.1	-2.9	-3.5	0.2	-3.7
Indu	strial Sector	-2.3	1.4	2.1	10.2	-8.1	2.0	12.2	-10.2
Trad	le Sector	-0.8	0.1	-7.5	-7.3	-0.2	-8.4	-8.2	-0.2
Serv	rices sector	-1.5	-0.6	-1.6	-0.9	-0.7	-1.6	-0.5	-1.1
В	Extractive industries	-7.1	-12.1	-19.5	-19.2	-0.3	-8.9	-8.4	-0.5
С	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
Н	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
М	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 Services Sector would present a turnover of 539,187 million euros, 7.0% more than in the previous year.

SBS: Services sector. Main magnitudes. Year 2018

Economic variables	Million euros	Annual variation (%)		
Turnover	539.187	7,0		
Total purchases of goods and services	318.877	8,3		
Added value at factor cost	241.747	5,8		
Personnel costs	149.714	8,1		
Wages and salaries	117.447	8,0		
Gross operating surplus	92.033	2,3		
Investment in tangible assets	35.651	1,5		
Legal Units and personnel employed				
Number of Legal Units	1.587.741	2,4		
Employed personnel (annual average, in thousands)	6.574	4,6		

By service activity sections, *Professional, scientific and technical activities*would record the greatest increase in turnover, with a variation of 10.0% compared to the previous year.

SBS: Services sector. Results by Legal Unit activity divisions. Year 2018

Section of activity	Number of	Number of Legal Units			emplo	yed	Turnover		
	Total	%	Annual variation (%)	Annual average	%	Annual variation (%)	Million euros	%	Annual variation (%)
Transportation and storage	199.135	12,5	1,0	918,4	14,0	3,2	117.149	21,7	5,5
Accommodation and food service activities	289.374	18,2	-2,9	1.528,0	23,2	4,2	77.335	14,3	6,0
Information and communication	71.603	4,5	0,1	514,9	7,8	7,0	89.862	16,7	5,4
Real estate activities Professional, scientific and technical	179.289	11,3	3,3	276,3	4,2	4,1	31.440	5,8	9,6
activities	419.079	26,4	5,4	1.133,3	17,2	7,3	98.303	18,2	10,0
Administrative and support service activities	166.569	10,5	1,1	1.507,3	22,9	3,5	80.733	15,0	6,9
Arts, recreation and entertainment activities	100.717	6,3	10,9	362,3	5,5	4,6	34.571	6,4	9,9
Other services (except associative activities)	161.974	10,2	2,8	333,8	5,1	4,3	9.794	1,8	1,8
TOTAL	1.587.741	100,0	2,4	6.574,2	100,0	4,6	539.187	100,0	7,0

By size, Service enterprises with 10 to 49 employees would increase their turnover by 8.8% in 2018.

SBS: Services sector. Results by Legal Unit size. Year 2018

Size of Legal Units	Number of Legal Units			Personnel	emplo	yed	Turnover		
(by number of persons employed)	Total	%	Annual variation (%)	Annual average	%	Annual variation (%)	Million euros	%	Annual variation (%)
Less than 10 persons employed	1.511.770	95,2	2,3	2.592	39,4	3,5	146.709	27,2	5,2
From 10 to 49 persons employed	66.289	4,2	3,6	1.255	19,1	3,3	102.803	19,1	8,8
From 50 to 249 persons employed	7.812	0,5	10,2	806	12,3	7,9	92.579	17,2	7,0
250 or more persons employed	1.869	0,1	5,8	1.922	29,2	5,9	197.097	36,6	7,4
TOTAL	1.587.741	100,0	2,4	6.574	100,0	4,6	539.187	100,0	7,0

## Methodological note

The SBS: The Services Sector is an annual structural statistical operation aimed at enterprises, societies and individuals whose main activity is described in sections H, I, J, L, M, N, R and divisions 95 and 96 of section S of the CNAE-2009. Therefore, this includes the activities of transport and storage, accommodation, information and communications, real estate activities, professional, scientific and technical activities, administrative and support service activities, arts, entertainment and recreation and repair of computers and personal and household goods and other personal services (with the exception of the activities of membership organisations, Division 94).

This operation allows us to ascertain the main structural and economic characteristics of the enterprises 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 statistics 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:** enterprises whose main activity is described in sections H, I, J, L, M, N, R and divisions S95 and S96 of the 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 83,000 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:** 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=1254736176865&menu=metodologia&idp=1254735576778

And the standardised methodological report at:

http://www.ine.es/dynt3/metadatos/es/RespuestaDatos.html?oe=30177

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