

30 September 2020

**Statistics on Affiliates of Foreign Companies in Spain (FILINT)
Year 2018**

Affiliates of foreign companies invoiced 553,850 million euros and employed 1,660,033 people in 2018.

France, Germany and the United States were the countries whose affiliates in Spain generated the highest turnover

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

In 2018 there were 9,741 affiliates of foreign companies in the sectors *Industry, Trade and Non-financial market services*. These affiliates generated a turnover of 553,850 million euros, and employed 1,660,033 people.

These data from the Statistics on Affiliates of Foreign Companies in Spain are based, for the first time, on the statistical concept of 'Company'¹ according to which a Statistical Company can be formed by a single Legal Unit (as it had been until 2017) or by several. This criteria, which is being implemented throughout the European Statistical System, has also been adopted in the Structural Enterprise Statistics for the reference year 2018.

The new approach specifically affects the Legal Units that are part of enterprise groups, including the foreign multinationals that form part of this statistic. The statistical results for 2018 (based on the Statistical Company) are therefore not comparable with those of previous years (based on separate Legal Units). To facilitate comparison, the INE publishes both versions of the 2018 statistical results.

The methodological annex offers a brief summary of the practical implementation of the 'Statistical Enterprise' and its effects on the results.

¹ The reasons why the INE has adapted the company definition were communicated in a December 17, 2019 press release.

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

Results by branch of activity ²

42.7% of the affiliate companies belonged to the Services sector, 37.4% to the Trade sector and 19.9% to the industrial sector.

The affiliates in the industrial sector generated 48.4% of the overall turnover of affiliate companies, those in *Trade* generated 33.6% while those in the *Services* sector generated 18.0%.

In terms of employment distribution, the subsidiaries of the *Services* sector employed the highest percentage of people (43.3% of the total), followed by *Industry* (31.9%) and *Commerce* (24.8%).

Affiliates of Foreign Companies in Spain

Main variables by activity sector. Year 2018

Sector	Affiliates		Persons employed		Turnover	
	Number	%	Number	%	Millions	%
Industry	1,935	19.9	529,274	31.9	268,150	48.4
Trade	3,642	37.4	411,418	24.8	186,220	33.6
Services	4,164	42.7	719,341	43.3	99,480	18.0
TOTAL	9,741	100.0	1,660,033	100.0	553,850	100.0

Results by branch of activity

The activity branches with the highest number of affiliates were the two Wholesale trade activities (which accounted for 27.2% of the total subsidiaries) and *Professional, scientific and technical activities* (12.8%).

As regards turnover, the branches that contributed the most were *Transport material* (with 13.5% of the total), *Extractive industries, energy, water and waste* (12.9%) and *Wholesale of agricultural raw materials and live animals, beverages,...* (10.2%).

The branches with the most employed personnel were *Administrative activities and auxiliary services* (16.9% of the total), *Transport material* (8.6 %) and *Other retail trade* (6.7%).

² The companies studied were classified according to their main activity. Likewise, all of the study variables referring to the company are assigned to said activity.

Affiliates of Foreign Companies in Spain Main results by activity branch Year 2018

Industries	Affiliates		Persons employed		Turnover	
	Number	%	Number	%	Million €	%
Industry	1,935	19.9	529,274	31.9	268,150	48.4
- Mining and quarrying, energy, water supply and sewerage	268	2.7	79,296	4.8	71,276	12.9
- Food, beverages and tobacco	188	1.9	55,513	3.3	26,899	4.9
- Textile, apparel, leather and footwear	55	0.6	6,649	0.4	1,326	0.2
- Wood and cork, paper products and printing	113	1.2	17,297	1.0	5,694	1.0
- Manufacture of chemical and pharmaceutical	275	2.8	51,821	3.1	27,929	5.0
- Rubber and plastic products	152	1.6	32,167	1.9	8,761	1.6
- Other non-metallic mineral products	82	0.8	19,319	1.2	5,671	1.0
- Basic metals and fabricated metal products	201	2.1	40,503	2.4	22,099	4.0
- Electrical, electronic and optical equipment	121	1.2	37,785	2.3	13,149	2.4
- Machinery and mechanical products	174	1.8	26,947	1.6	7,140	1.3
- Transport equipment	152	1.6	143,085	8.6	75,001	13.5
- Other manufacturing	152	1.6	18,891	1.1	3,204	0.6
Trade	3,642	37.4	411,418	24.8	186,220	33.6
- Sale, maintenance and repair of motor vehicles and motorcycles	193	2.0	23,037	1.4	31,468	5.7
- Trading agents	407	4.2	10,804	0.7	1,663	0.3
- Wholesale of agricultural raw materials, live animals, food and household goods	1,076	11.0	89,480	5.4	56,756	10.2
- Wholesale of machinery, equipment and supplies	1,579	16.2	70,159	4.2	51,580	9.3
- Retail sale of food, automotive fuel and ICT equipment	42	0.4	105,927	6.4	26,141	4.7
- Other retail sale	345	3.5	112,010	6.7	18,613	3.4
Services	4,164	42.7	719,341	43.3	99,480	18.0
- Transport, postal and courier activities	81	0.8	33,423	2.0	5,790	1.0
- Warehousing and support activities for transportation	278	2.9	50,260	3.0	11,271	2.0
- Accommodation and food and beverage service activities	265	2.7	108,092	6.5	6,470	1.2
- Publishing, motion picture, radio and TV programming and broadcasting, and telecommunications	279	2.9	35,104	2.1	17,458	3.2
- Computer programming and consultancy, and information service activities	687	7.1	99,564	6.0	11,797	2.1
- Real estate activities	675	6.9	7,146	0.4	3,502	0.6
- Professional, scientific and technical activities	1,249	12.8	104,712	6.3	19,591	3.5
- Administrative and support service activities	648	6.7	281,039	16.9	23,601	4.3
TOTAL	9,741	100.0	1,660,033	100.0	553,850	100.0

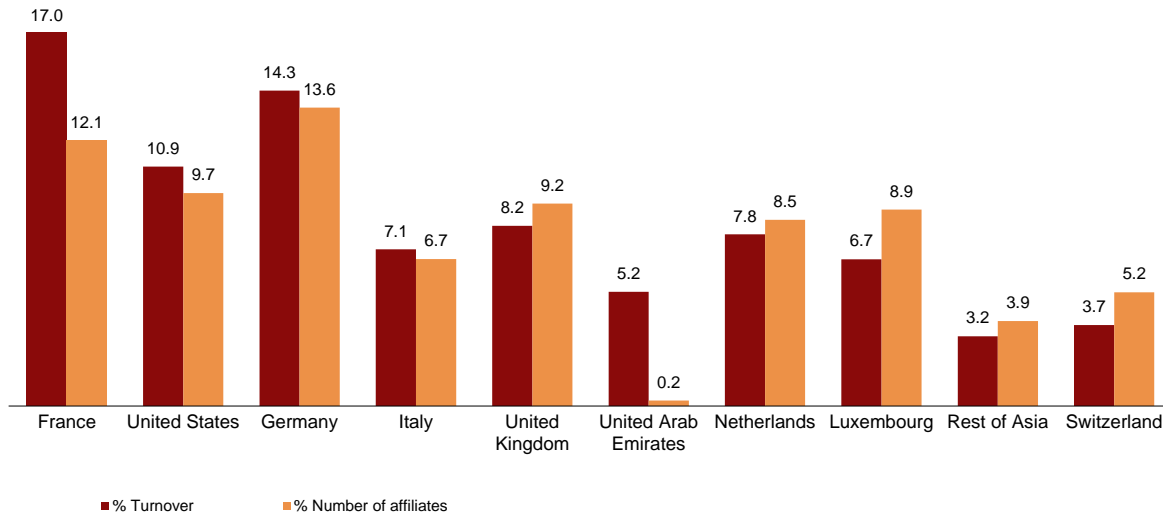
Results by country of the parent company

The countries whose affiliates generated the greatest turnover in 2018 were France (17.0% of the total), Germany (14.3%) and the United States (10.9%).

It should be noted that the 10 main countries accounted for 76.5% of the overall number of affiliates and 84.3% of the turnover generated by these affiliates.

In turn, the companies that contributed the greatest number of affiliate companies were Germany (13.6% of the total), France (12.1%) and the United States (9.7%).

Main parent company countries, according to turnover and number of affiliates. Year 2018. Percentages



When grouped by geographical area, the affiliates with parent companies in the Euro Zone generated 59.3% of the turnover of all affiliates. America concentrated 14.3% and the aggregate for the *Rest of the world* had 12.1% (of this percentage, the United Arab Emirates represented 5.2%, and Japan 3.5%).

Affiliates of Foreign Companies in Spain

Turnover according to geographical areas of the parent company and main countries in each area. Year 2018

Geo zone	Total Million €	%	Parent company main countries and share of turnover to total affiliates					
			Country 1	%	Country 2	%	Country 3	%
Euro zone	328,337	59.3	France	17.0	Germany	14.3	Italy	7.8
Rest of EU-28	55,877	10.1	United Kingdom	8.2	Sweden	1.0	Denmark	0.8
Rest of Europe	23,859	4.3	Switzerland	3.7	Norway	0.2	Turkey	0.1
America	78,978	14.3	United States	10.9	Mexico	1.5	Canada	0.7
Rest of the world	66,797	12.1	United Arab Emirate:	5.2	Japan	3.5	Republic of Kore:	0.9

Representativeness of foreign affiliates within the Spanish economy

Foreign company affiliates in Spain in the sectors of *Industry*, *Commerce* and *Non-financial market services* represented 0.4% of the total number of companies in these sectors in 2018.

They accounted for 14.8% and 29.1% of employment and turnover, respectively.

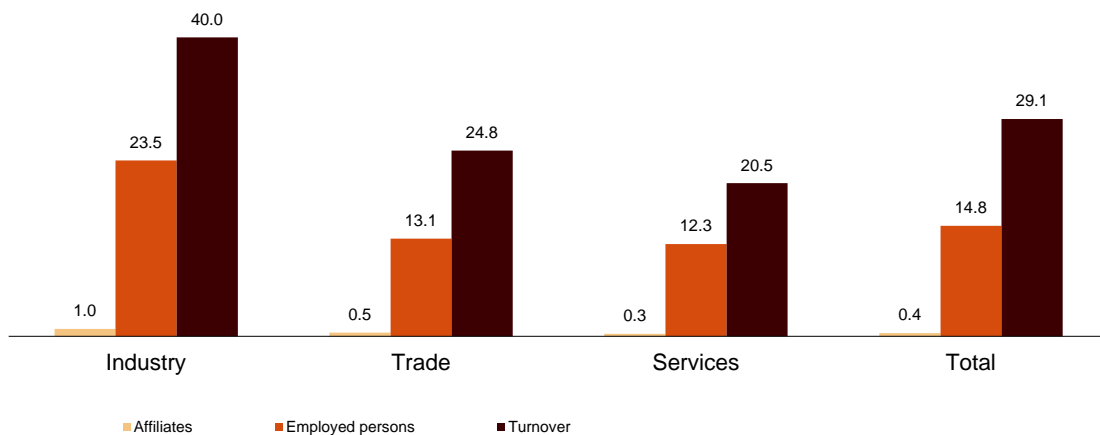
Results by branch of activity

In the industrial sector, 1.0% of companies were affiliates of foreign companies. In the *Trade* sector it was 0.5% and in the *Services* sector 0.3%.

As regards employment, 23.5% of the people employed in *Industry* worked in affiliates of foreign companies in 2018. In *Trade* and *Services* these percentages were 13.1% and 12.3%, respectively.

As far as turnover, *Industry* affiliates generated 40.0% of the sector's turnover, those of *Commerce* 24.8%, and those of the *Services* sector 20.5%.

Relationship between affiliates data and that for the total number of companies in the sector. Year 2018. Percentage



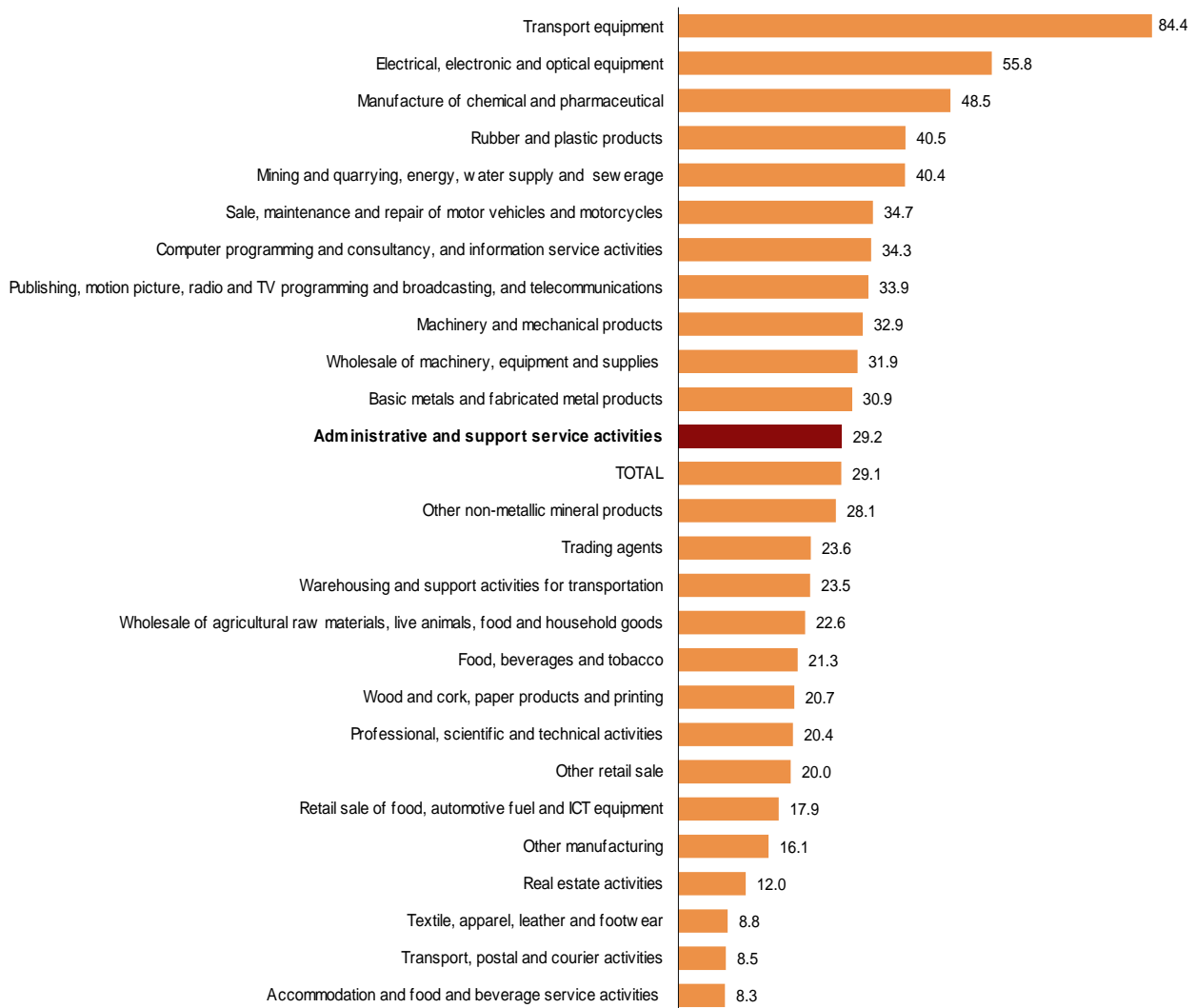
Results by branch of activity

As regards the contribution of affiliates of foreign companies for each branch of activity, *Transport equipment* should be noted, where 84.4% of the overall turnover was generated by affiliate companies.

Following that, the next branches with a significant weight from affiliates were *Electrical, electronic and optical material and equipment* and *Chemical and pharmaceutical industry*, which contributed 55.8% and 48.5%, respectively, of the total turnover generated in each branch.

In turn, the activity branches with the lowest contribution were *Hospitality, Transport and postal and mail activities* and *Textile, clothing, leather and footwear*. All had a turnover attributable from affiliates of less than 10.0% of the total.

Main activity branches by turnover generated by affiliates with respect to each branch's total. Year 2018. Percentage



Results by sales value outside Spain

In 2018, 41.9% of sales outside of Spain in the *Industry, Trade* and *Services* sectors was carried out by affiliate companies.

In *Industry*, affiliates generated 54.2% of exports. In *Trade* and *Services* these percentages were 21.8% and 27.0%, respectively.

By branch of activity, *Transport equipment* (89.7%), *Retail trade food, fuel and equipment for ICT* (69.3%) and *Electrical, electronic and optical material and equipment* (64.7%) accumulated the greatest percentages of sales abroad carried out by affiliate companies.

Sales outside Spain by branch of activity. Year 2018

Industries	Foreign enterprises affiliates	
	Million €	% of total sale outside Spain for each industry
Industry	118,091	54.2
- Mining and quarrying, energy, water supply and sewerage	12,502	47.2
- Food, beverages and tobacco	5,438	20.9
- Textile, apparel, leather and footwear	814	17.0
- Wood and cork, paper products and printing	2,284	34.7
- Manufacture of chemical and pharmaceutical	13,675	52.8
- Rubber and plastic products	4,475	55.6
- Other non-metallic mineral products	1,791	28.2
- Basic metals and fabricated metal products	10,113	37.1
- Electrical, electronic and optical equipment	7,783	64.7
- Machinery and mechanical products	4,077	38.1
- Transport equipment	54,150	89.7
- Other manufacturing	988	28.0
Trade	17,442	21.8
- Sale, maintenance and repair of motor vehicles and motorcycles	1,467	38.6
- Trading agents	397	34.5
- Wholesale of agricultural raw materials, live animals, food and household goods	6,308	14.3
- Wholesale of machinery, equipment and supplies	6,600	28.8
- Retail sale of food, automotive fuel and ICT equipment	906	69.3
- Other retail sale	1,763	25.3
Services	19,473	27.0
- Transport, postal and courier activities	1,314	10.5
- Warehousing and support activities for transportation	3,498	36.8
- Accommodation and food and beverage service activities	882	14.5
- Publishing, motion picture, radio and TV programming and broadcasting, and telecommunications	1,729	40.5
- Computer programming and consultancy, and information service activities	2,903	27.7
- Real estate activities	106	21.6
- Professional, scientific and technical activities	4,557	26.2
- Administrative and support service activities	4,484	39.9
TOTAL	155,005	41.9

Results by country of the parent company

In terms of added value, the French affiliates generated the greatest percentage: 4.2% of the added value generated by all of the companies resident in Spain in the sectors investigated.

As regards the main investor countries for each branch of activity, according to the percentage of added value that their affiliates generated over the total of the branch of activity, it should be underlined that Germany generated 22.9% in *Transport equipment*, France generated 19.0% in *Rubber and plastic products* and Germany generated 12.9% in *Commission trade*.

Main investing countries according to added value generated by affiliates, by branch of activity. Year 2018

Industries	Country	% of total value added for each industry
Industry	France	4.7
- Mining and quarrying, energy, water supply and sewerage	Italy	11.8
- Food, beverages and tobacco	United Kingdom	4.2
- Textile, apparel, leather and footwear	France	2.6
- Wood and cork, paper products and printing	Luxembourg	3.4
- Manufacture of chemical and pharmaceutical	United States	10.6
- Rubber and plastic products	France	19.0
- Other non-metallic mineral products	France	7.5
- Basic metals and fabricated metal products	Luxembourg	5.9
- Electrical, electronic and optical equipment	Germany	12.9
- Machinery and mechanical products	United States	8.7
- Transport equipment	Germany	22.9
- Other manufacturing	France	3.2
Trade	France	5.0
- Sale, maintenance and repair of motor vehicles and motorcycles	Germany	5.9
- Trading agents	United States	9.5
- Wholesale of agricultural raw materials, live animals, food and household goods	United States	6.0
- Wholesale of machinery, equipment and supplies	Germany	5.3
- Retail sale of food, automotive fuel and ICT equipment	France	8.2
- Other retail sale	France	6.2
Services	France	3.4
- Transport, postal and courier activities	United Kingdom	1.4
- Warehousing and support activities for transportation	United Kingdom	2.7
- Accommodation and food and beverage service activities	Luxembourg	1.5
- Publishing, motion picture, radio and TV programming and broadcasting, and telecommunications	France	10.8
- Computer programming and consultancy, and information service activities	United States	8.6
- Real estate activities	Luxembourg	3.4
- Professional, scientific and technical activities	United States	2.8
- Administrative and support service activities	France	4.6
TOTAL	France	4.2

Data Review and Update

The data published today are final. The results are available at INEBase.

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 this reason, in accordance with the European Statistical System, **as of the reference year 2018, the Structural Enterprise Statistics, together with the integrated FILINT statistics, established a new practical application of the statistical concept of Enterprise.** According to this practical application, an 'Enterprise' can be formed by a single Legal Unit (as it had been until 2017) or by several Legal Units.

This change in the treatment of enterprises was also implemented in the Statistical Use of the Central Enterprise Register (SUCER). 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

More information on the treatment of the Statistical Company in the Structural Enterprises Statistics (SES) can be found at the following link:

http://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736176902&menu=metodologia&idp=1254735576799

Effects of the implementation of the Statistical Enterprise in the FLINT

The adoption of the concept of the Statistical Enterprise 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 2018 statistical results based on the Statistical Enterprise:

- The effect of grouping and reclassification, due to the combination of the 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 SES variables to a greater or lesser extent.
- 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 SES Methodological document includes details on the consolidation process.

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

- Grouping and 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.

Affiliates of Foreign Companies in Spain Year 2018
Impact of the implementation of the Statistical Enterprise

	Effects as % of the statistic based on Legal Units - LEUs		
	TOTAL Effect	Grouping and reclassification effect	Consolidation effect
Main variables			
Number of enterprises	-32.2	-32.2	.
Turnover	-0.1	-0.1	.
Number of persons employed	-4.0	0.1	-4.2
Production value	-0.8	0.1	-0.9
Value added at factor cost	-5.2	0.2	-5.3
Total purchases of goods and services	-3.5	0.1	-3.6
Purchases of goods and services purchased for resale in the same condition as received	0.1	0.1	.
Personnel costs	-0.1	-0.1	.
Gross investment in tangible goods	-0.3	-0.3	.

(.) These variables have no consolidation effect.

For the FILINT Statistics, **the effect with the greatest impact is the variable 'Number of affiliates' with a reduction of -32.2%**. Indeed, if the Legal Unit were taken as an approximation to the concept of enterprise, in the sectors under study, 14,361 legal units affiliated with foreign companies would be recorded in 2018. Under the new approach, when several legal units are grouped to form each statistical enterprise, the count of affiliates is reduced to 9,741 foreign company affiliates.

For the remaining variables, the effect of grouping and classification on the total of study objects is not of great relevance, although certain economic variables are affected by the consolidation of economic data.

The following table shows the different effects according to the sectors considered in the FILINT statistic. 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).

Affiliates of Foreign Companies in Spain Year 2018
Impact of the implementation of the Statistical Enterprise by sectors

Sector	Affiliates		Persons employed			Turnover			Total purchases of goods and services		
	Grouping and reclassification effect	Grouping and reclassification effect	TOTAL effect	Grouping and reclassification effect	Consolidation effect	TOTAL effect	Grouping and reclassification effect	Consolidation effect			
Industry	-43.5	2.0	3.3	11.8	-8.5	3.3	14.7	-11.5			
Trade	-17.6	-0.7	-13.3	-13.1	-0.2	-15.3	-15.3	.			
Services	-36.1	-1.2	-3.1	-1.6	-1.5	-0.2	-0.2	0.0			
TOTAL	-32.2	-0.1	-4.0	0.1	-4.2	-5.2	0.2	-5.3			

Methodological note

The objective of the *Statistics on Affiliates of Foreign Companies in Spain* (FILINT) is to provide annual information on the main characteristics and economic indicators that determine the structure and activity of foreign company affiliates located in Spain, in both the industrial sector and in trade and non-financial services.

The FILINT statistic is fully integrated into the *Structural Business Statistics: Industrial Sector, Trade Sector and Services Sector*. For FILINT, research focuses on the group of companies that are foreign company affiliates; that is, companies located in Spain that are ultimately controlled by a non-resident institutional unit or company.

These statistics provide information regarding the main variables, broken down by activity, size or Autonomous Community of the subsidiary company, and by the country or geographical area of the parent company (final owner). Additional data is also offered regarding the percentage represented by the results of the subsidiaries of foreign companies, as compared with the total companies.

The Statistics on Affiliates of Foreign Companies in Spain (also known as Inward FATS) complements this information, which in the context of statistics on economic globalisation, provides the statistics on Affiliates of Spanish Companies Abroad (also known as Outward FATS).

Type of survey: annual continuous survey.

Population scope: companies located in Spain that are foreign company affiliates, and whose main activity is included in sections B to E (Industry), G (Trade), and H to J and L to N (Non-financial market services) of the CNAE-2009.

Geographical scope: the entire national territory, except Ceuta y Melilla

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

Collection method: using the exhaustive information collected on affiliates in the structural surveys of industry, trade and services.

For more information you can access the methodology at:

http://www.ine.es/dynqs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736161127&menu=metodologia&idp=1254735576550

And the standardized methodological report in:

<http://www.ine.es/dynt3/metadatos/es/RespuestaDatos.html?oe=30227>

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