

### ICT Sector indicators

Provisional results. Year 2005

**The number of companies in the ICT Sector increased 4.4% in 2005**

**Turnover of the companies in the ICT Sector reached 89,885 million euros, 8% more than in 2004**

**Internal expenditure on R&D activities grew 12.5% for companies in this Sector**

The number of Spanish companies in the Information and Communications Technologies Sector (ICT) surpassed 37,300 in the year 2005, that is, 4.4% more than in 2004. Turnover for these companies reached 89,885 million euros, for an increase of 8%.

More than 88% of this figure corresponded to ICT Services companies, whose turnover experienced a 7.8% increase as compared to 2004. On the other hand, ICT manufacturing companies increased turnover by 9.5%

By branches of activity, telecommunications companies generated 40.4% of the total turnover of the ICT Sector, in excess of 36,346 million euros.

### Evolution of turnover in the ICT sector

Economic data in thousands of euros

NACE-93	ICT Sector	2004		2005		% interannual variation
		Turnover	% compared to total 2004	Turnover	% compared to total 2005	
30-33	<b>Manufacture</b>	9,406,453	11.3	10,296,578	11.5	9.5
	<b>Services</b>	73,825,423	88.7	79,588,583	88.5	7.8
5160-5167	Wholesale trade of machinery and equipment	23,321,571	28.0	25,018,242	27.8	7.3
6420	Telecommunications	33,238,155	39.9	36,346,208	40.4	9.4
721-726	Computer activities	17,265,697	20.7	18,224,133	20.3	5.6
	<b>TOTAL ICT SECTOR</b>	<b>83,231,876</b>	<b>100.0</b>	<b>89,885,161</b>	<b>100.0</b>	<b>8.0</b>

Source: Industrial Companies Survey and Annual Services Survey

## Employment in the ICT Sector increased 2.7%

The ICT Sector employed more than 374,000 persons in 2005, which indicates an increase of 2.7% with respect to the previous year.

The number of employees in the manufacturing Sectors rose to 50,457, while the ICT Services Sector employed 323,664 persons. The branches of activity of *Renting of machinery and equipment* and *Computer activities* accounted for 53.6% of the total personnel employed in the ICT Sector.

The number of employees on a full-time equivalent (FTE) dedicated to R&D tasks in the ICT Sector was 13,556.2, with an interannual increase of 5.2%. Women represented 22% of the total personnel in R&D.

Activities in the ICT Sector focused 18.0% of the total personnel dedicated to R&D on the business Sector and 19.3% of the researchers on a full-time equivalent.

## R&D investment grew 12.5%

During the year 2005, the companies in the ICT Sector invested 779 million euros in internal R&D, 12.5% more than the previous year. This figure implied 14.2% of total expenditure of the business Sector on R&D activities.

## Main R&D indicators in the ICT Sector

Economic data in thousands of euros

ICT Sector	Internal expenditure on R&D (thousands of euros)	Personnel in R&D (on FTE)			
		Total	% Women	Researchers	% Women
Manufacture	267,893	4,101.5	15.5	2,388.8	13.6
Services	511,090	9,454.7	24.9	4,373.8	22.6
<b>TOTAL ICT SECTOR</b>	<b>778,983</b>	<b>13,556.2</b>	<b>22.0</b>	<b>6,762.6</b>	<b>19.4</b>
<b>TOTAL BUSINESS SECTOR</b>	<b>5,485,034</b>	<b>75,344.7</b>	<b>28.3</b>	<b>35,033.6</b>	<b>27.2</b>

Source: Statistical Survey on R&D Activities

## 43.6% of the companies in the ICT Sector carried out innovative activities in 2005

43.6% of the companies in the ICT Sector carried out innovated activities in 2005, which implies an increase of more than two percentage points over the figure from the previous year. Expenditure on these activities reached 2,066 million euros, 22% more than in 2004.

The companies in the *Telecommunications* branch accounted for 54.2% of total expenditure on innovative activities in the ICT Sector.

## Innovative activities in the ICT Sector

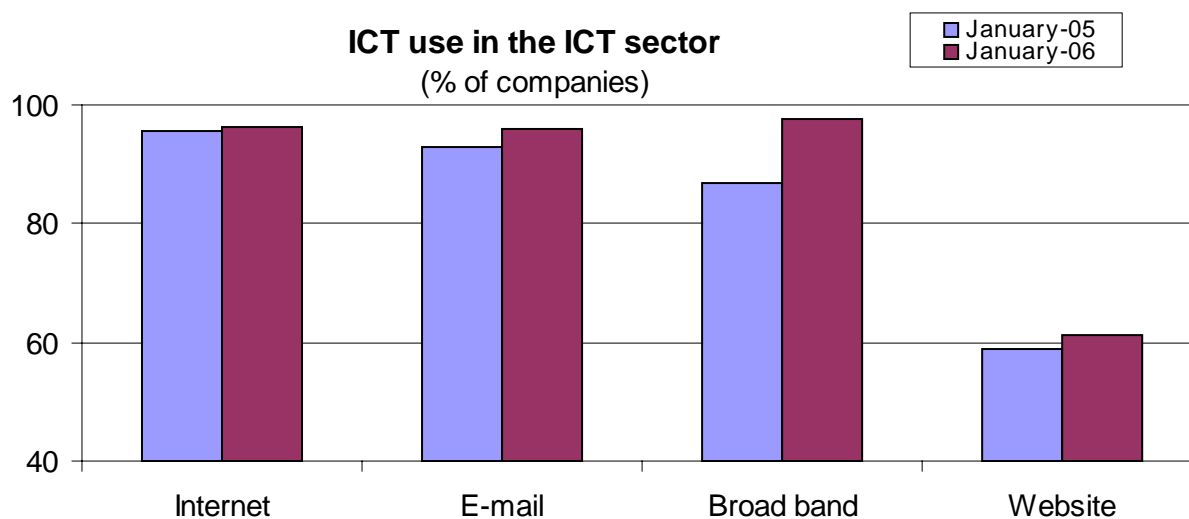
ICT Sector	% of companies in the ICT Sector with innovative activities	Evolution of Expenditure on innovation activities in the ICT Sector		% interannual variation
		2004	2005	
Manufacture	51.5	367,586	422,771	15.0
Services	41.4	1,322,789	1,643,620	24.3
<b>TOTAL ICT SECTOR</b>	<b>43.6</b>	<b>1,690,375</b>	<b>2,066,391</b>	<b>22.2</b>
<b>TOTAL BUSINESS SECTOR</b>	<b>16.9</b>	<b>12,490,813</b>	<b>13,635,950</b>	<b>9.2</b>

Source: Technical Innovation in Companies Survey

## Use of ICT in companies in the ICT Sector

In January 2006, of the total companies in the ICT Sector that had an Internet connection, 97.6% accessed the network through some kind of broad band solution, which implies an increase of more than 10 points in comparison with the same month of the previous year.

The percentage of companies in the ICT Sector with an Internet connection and website/page in January 2006 was 61.1%, with an increase of 3.5%.



NOTE: the data relating to E-mail, Broad band and Website are computed over the total number of companies with an Internet connection

Source: Survey on the Use of ICT and E-Commerce in Companies

25.3% of the companies in the ICT Sector made purchases or placed orders by e-commerce during the year 2005. 13.1% of the companies in the ICT Sector made sales by e-commerce during the same period.

## Production value for goods exceeds 5,400 million euros

Production value for goods in the ICT Sector reached 5,463.1 million euros in the year 2005, according to the Industrial Products Survey, which indicates an increase of 2.9% with respect to the same year. *Audio and video equipment* accounted for 29.1% of the total production value for ICT goods.

## Production value for goods in the ICT Sector by groups of products in 2005

Economic data in millions of euros

Groups of products	Production value
1. Telecommunications equipment	1,239.6
2. Computer equipment	571.1
3. Electronics componentsComponentes electrónicos	1,100.8
4. Audio and video equipment	1,590.8
5. Other ICT products	960.7
TOTAL ICT SECTOR	5,463.1
TOTAL INDUSTRIAL PRODUCTION	381,757.3

Source: Industrial Products Survey

Foreign trade of ICT products presented a negative balance of more than 11,400 million euros.

## Foreign trade in the ICT Sector by groups of products in 2005

Economic data in millions of euros

Groups of products	Trade balance
1. Telecommunications equipment	-3,662.6
2. Computer equipment	-4,685.6
3. Electronics componentsComponentes electrónicos	-765.0
4. Audio and video equipment	-1,652.8
5. Other ICT products	-732.9
TOTAL ICT SECTOR	-11,498.9
TOTAL INDUSTRIAL PRODUCTION	-77,949.7

Source: Preparation with data from the State Tax Administration Agency

For further information see **INEbase-[www.ine.es](http://www.ine.es)** All press releases at: **[www.ine.es/prensa/prensa.htm](http://www.ine.es/prensa/prensa.htm)**

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## **Methodology Annex**

The ICT Sector is comprised of the manufacturing and services industries whose main activity is linking to the development, production, commercialisation and intensive use of information and communications technologies. The ICT Sector is characterised by high rates of innovation, technological progress and productivity, producing a considerable impact on economic activity.

In statistical terms, the definition of the ICT Sector is developed through an exhaustive listing of the branches of activity corresponding to ICT companies (**focus by Sector**) and ICT products (**focus by products**).

In order to determine the list of activities and products in the ICT Sector, we have begun with the methodological work carried out by the OECD on the subject.

### **List of branches of activity in the ICT Sector according to the NCEA-93 Classification**

NCEA	Manufacture
3001	Manufacture of office machines
3002	Manufacture of computers and other IT equipment
3130	Manufacture of insulated wire and cable
3210	Manufacture of electronic valves, tubes and other components
3220	Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
3230	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
3320	Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment
3330	Manufacture of industrial process control equipment
	Services
	Wholesale trade of machinery and equipment
5160	Wholesale trade of other electronic components and equipment
5167	Wholesale trade of computers, peripheral equipment and computer programmes
	Telecommunications
6420	Telecommunications
	Renting of office machinery and equipment and IT Activities
7133	Renting of office machinery and equipment (including computers)
7210	Hardware consultancy
7221	Editing software
7222	Otras actividades de consultoría y suministro de programas informáticos
7230	Data processing
7240	Activities related to databases
7250	Maintenance and repair of office, accounting and computing equipment
7260	Other activities related to IT

The statistical information on the ICT Sector was obtained from the following INE statistical operations:

- Industrial Companies Survey
- Annual Services Survey
- Statistics on R+D Activities
- Technological Innovation in Companies Survey
- Quarterly Labour Cost Survey
- Industrial Products Survey
- Foreign Trade Statistics (own compilation from AEAT data)
- Survey on the Use of Information and Communication Technologies and Electronic Commerce in Companies