

### 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

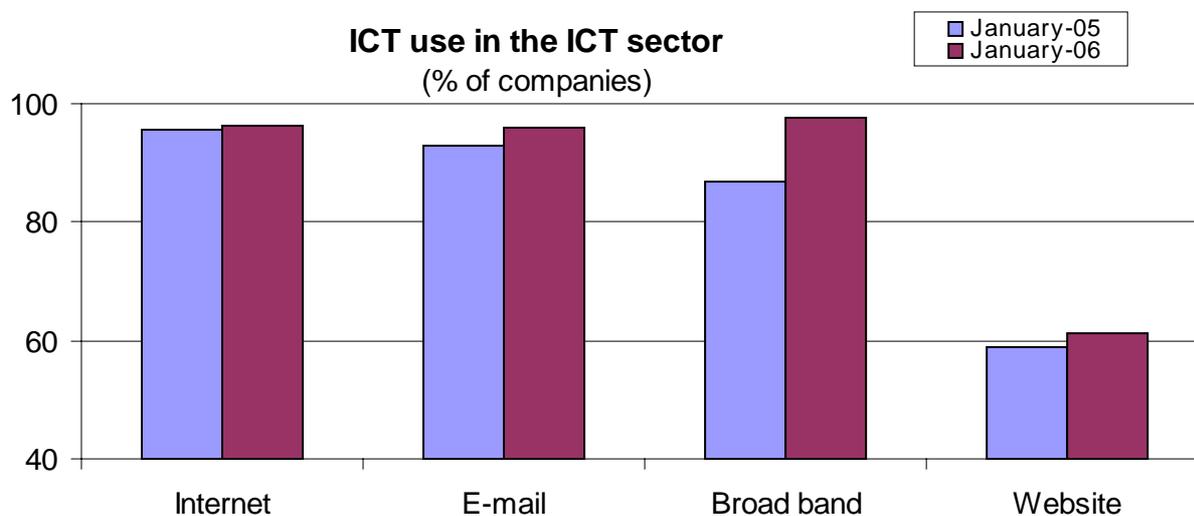
| ICT Sector                   | % of companies in the ICT Sector with innovative activities | Evolution of Expenditure on innovation activities in the ICT Sector |                   | % interannual variation |
|------------------------------|---|---|-------------------|-------------------------|
|                              |   | 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            |
| <b>TOTAL ICT SECTOR</b>                           | <b>5,463.1</b>   |
| <b>TOTAL INDUSTRIAL PRODUCTION</b>                | <b>381,757.3</b> |

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           |
| <b>TOTAL ICT SECTOR</b>                           | <b>-11,498.9</b> |
| <b>TOTAL INDUSTRIAL PRODUCTION</b>                | <b>-77,949.7</b> |

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**

| <b>NCEA</b>  | <b>Manufacture</b>   |
|--|--|
| 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  |
| <b>Services</b>  |  |
| <b>Wholesale trade of machinery and equipment</b>                  |  |
| 5160   | Wholesale trade of other electronic components and equipment   |
| 5167   | Wholesale trade of computers, peripheral equipment and computer programmes   |
| <b>Telecommunications</b>  |  |
| 6420   | Telecommunications   |
| <b>Renting of office machinery and equipment and IT Activities</b> |  |
| 7133   | Renting of office machinery and equipment (including computers)  |
| 7210   | Hardware consultancy   |
| 7221   | Editing software   |
| 7222   | Otras actividades de consultoria 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