Spain IT Sector Report 2008

2009 Edition

GOBIERNO DE ESPAÑA

MINISTERIO DE INDUSTRIA, TURISMO Y COMERCIO

SECRETARÍA DE ESTADO DE TELECOMUNICACIONES Y PARA LA SOCIEDAD DE LA INFORMACIÓN

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EXECUTIVE SUMMARY

IT SECTOR

IT Enterprises: The number of enterprises grew by 30%, from 16,077 in 2005 to 20,871 in 2007. More than 60% of the enterprises engaged in computer and related activities, 30% in trade and 8% in manufacturing.

IT Revenue: Turnover reached €60.4 billion in 2008, an increase of 1.7% with respect to 2007. This growth was mainly due to enterprises engaging in Computer and related activities, which grew by 6.3%. By zones, 43% of the turnover corresponds to trade activities, 38% to computer and related activities and 19% to manufacturing.

IT Employment: The IT sector employed around 300,000 people, nearly 11% more than in 2007. Computer and related activities constituted the segment that generated the greatest employment, at 62.7%, which was 16% more than in 2007. It was followed by trade enterprises, which accounted for 25.3% of the total, and manufacturing enterprises, which accounted for 12%.

IT Investment: IT enterprises invested more than €7 billion in 2008, with computer and related activities accounting for 74% of the total investment.

IT VABpm (Gross Value Added at Market Prices): Gross value added at market prices reached €34.9 billion, 5.6% more than in 2007. This amount represents 3.2% of the GDP for 2008.

DIGITAL CONTENT AND AUDIO-VISUAL SERVICES SECTOR

Enterprises: The number of enterprises nearly doubled, growing from 2,007 in 2005 to 2,984 in 2007. Sixty-nine percent of the enterprises engaged in cinematographic and video production.

Revenue: Turnover reached €2.8 billion in 2008, nearly 10% more than in 2007. By segments, 54% of turnover corresponded to cinematographic and video production activities, followed by film distribution with 34%.

Employment: The number of employed people was 13,586, 2.1% less than in 2007. Cinematographic and video production activities generated the greatest employment, with 74%. These were followed by film distribution enterprises, which accounted for 10%.

Investment: Content and audio-visual services enterprises invested 3.8% more than in 2007, reaching close to €300 million in 2008, while investments carried out by sound recordings publishing enterprises accounted for 62.6% of the investment.

VABpm (Gross Value Added at Market Prices): Gross added value at market prices reached €2.3 billion in 2008, 9.5% more than in 2007. This amount represents 0.2% of the GDP in 2008.

IT Sector figures

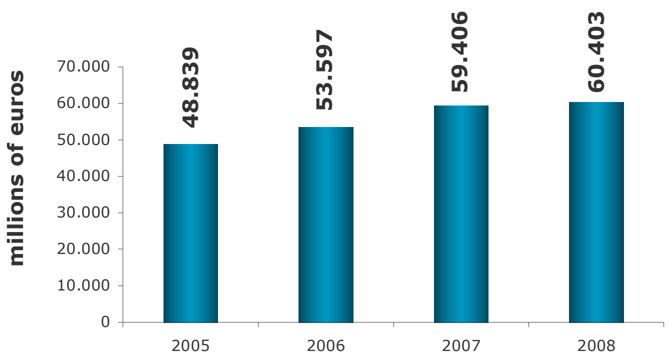
The IT sector is comprised of around 20,800 enterprises.

IT sales reached €60 billion in 2008, 1.7% more than in 2007.

IT employment grew 10.8%, the number of employed people exceeding 300,000.

IT companies invested more than €7 billion.

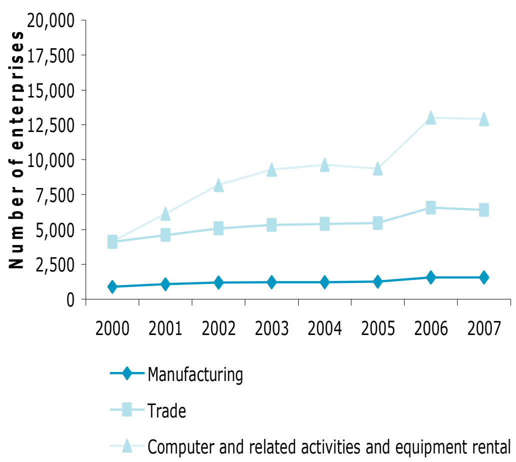
Sales



Employment

	2005	2006	2007	2008
Manufacturing	38,855	35,962	36,668	35,724
Trade	64,943	64,041	72,471	76,171
Computer and related activities and equipment rental	152,354	153,758	161,595	188,165
Total	**256,152**	**253,761**	**270,733**	**300,061**

Enterprises



Enterprise creation was on the rise, with 20,800 enterprises in 2007.

Investment[1]

[1] Figures for the period 2005-2006 are not available

1. INTRODUCTION

1.1. Conceptual framework

The main objective of the study is to learn about the current situation and recent evolution of the structural and economic characteristics specific to each of the activities that comprise the Information Technology (IT) sector, such as the number and size of the enterprises that comprise each branch of activity, accounting data (revenue, purchases, expenses), in addition to employment and investment structure. The IT sector, together with the Telecommunications sector, comprise the Information and Communication Technology (ICT) sector.

In order to determine the list of IT sector activities and products, the methodological work carried out by the OECD (Organisation for Economic Co-operation and Development) has been taken as a reference.

The "IT sector" is made up of manufacturing and services enterprises that have as their main activity any of those linked to the development, production, marketing and intensive use of information technology.

The IT (Information Technology) enterprises corresponding to these codes have been selected using as a starting point a directory created based on the Trade Register database, which constitutes the framework for the survey.

The study is structured in several blocks.

- Chapter 1 offers an approach to the definition of the IT sector, as well as setting out the methodology used for preparing the study and the most relevant indicators of the sector's enterprise structure.

- Chapter 2 presents a compilation of tables and figures designed to offer a quantitative view of the IT sector.

- Chapter 3 analyses the production structure of each branch of the activities that comprise the IT sector.

- Chapter 4 is devoted to analysing the structure of the digital content and audio-visual services in detail.

- Finally, the appendices offer detailed information on the methodology used, sampling and a list of products.

1.2. Methodology

The methodology used for preparing the study has been designed according to the following criteria:

1.2.1. Scope

The scope of the study is defined with respect to the population surveyed, time and space.

Indicators that offer results at national level have been defined, in addition to establishing aggregations to generate a dynamic sector analysis.

The reference period runs from 2005 to 2008, using preliminary information for the last year.

1.2.2. Sample

The study concentrates on the economic activity of enterprises active during the reference period. The results of unconsolidated accounts have been used to ensure a better distribution of figures by activity branch.

1.3. ICT sector classification

The current definition of the ICT (Information and Communication Technology) sector proposed by the OECD (Organisation for Economic Co-operation and Development) and adopted by EUROSTAT dates back to 2002.

It is sustained on the classification of economic activities given by the United Nations statistics division, entitled: "International Standard Industrial Classification of All Economic Activities" (ISIC) Revision 3.1.

The European classification of economic activities and, therefore, the Spanish version - CNAE (Spanish National Classification of Economic Activities) – 93 Rev. 1 - follows these recommendations adopted by the United Nations Statistics Commission.

In general, the principles for classifying an ICT sector activity branch are the following:

In the case of the manufacturing segment, the products must be oriented towards the processing and communication of information, including its transfer and presentation. They must also use electronic processes to detect, measure and/or record physical phenomena, or to control physical processes.

In the case of services, these must allow information processing and communication via electronic media.

The OECD divides the ICT sector into two major segments of activity: Manufacturing and Services.

Branch 6420, Telecommunications, is included within the definition of the sector, however, it does not fall within the scope of this report.

The same occurs with branch 9220, Radio and TV activities, included within the definition of digital content and audio-visual services, but not analysed in this report.

The figures for the manufacturing, trade and IT activities and IT equipment rental branches are analysed in this report, the last three included within the services segment. Within each segment, a series of activities has been defined. These activities are set out in the following table together with their corresponding CNAE - 93 Rev. 1 code.

We would highlight the appearance of new definition of the OECD, by ICT sector activity branches, which was applied in 2009 and, therefore, it will be included in the next publication that presents the data for said year.

1. ICT sector definition given by the OECD

CNAE	Manufacturing
3001	Manufacture of office machinery
3002	Manufacture of computers and other information processing equipment
3130	Manufacture of insulated wire and cable
3210	Manufacture of electronic valves and tubes and other electronic 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
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
	Trade
5160	Wholesale of other electronic parts and equipment
5167	Wholesale of computers, computer peripheral equipment and software
	Telecommunications
6420	Telecommunications
	Renting of office machinery and equipment
7133	Renting of office machinery and equipment, including computers
	Computer and related activities
7210	Hardware consultancy
7221	Publishing of software
7222	Other software consultancy and supply
7230	Data processing
7240	Database activities
7250	Maintenance and repair of office, accounting and computing machinery
7260	Other computer related activities

In addition to the ICT sector, we should also highlight the importance of the national economy in the digital content and audio-visual services sector. Contrary to other organisations, the OECD, based on an international agreement together with Eurostat, does not include the activity branches of this sector within the ICT sector. Therefore, both sectors - ICT and digital content and audio-visual services - will be studied independently, though both are included within the sphere of the Information Society.

1.4. Economic context

After the high growth phase during 2005-2006, sustained by the strength of domestic demand, the Spanish economy began to slow down due, firstly, to the gradual adjustment in real estate investment that began in 2007 after an extended boom period, and, secondly, to the negative effects generated by the period of international financial instability that arose in summer 2008.

In nominal terms, the GDP grew from €908.7 billion in 2005 to €1.1 trillion in 2008.

During the first months of 2008, the GDP underwent a sharper slowdown, reaching an annual variation rate of 1.2%, two and a half points less than in 2007.

In terms of PPP (Purchasing Power Parity), the GDP per capita in Spain in 2007 was 5.5% above the average of the 27 European Union Member States.

In terms of its composition, the evolution of the GDP during the 2005-2008 period was marked by the growing weakness of the main components of domestic demand, in which the reduction in family expenditure, followed by private investment in production, were particularly significant.

The global financial crisis affected domestic demand due to the negative impact on financing availability and conditions.

According to INE (Spanish National Statistics Institute) data for the period 2005-2008, the services sector has maintained a constant trend with weights of around 60% of the GDP at market prices, making it the main driving force of Spain's economy.

The labour market recorded a positive overall balance in 2006 with the creation of 571,800 full-time jobs according to National Accounting, whilst the Active Population Survey (APS) also reflected the labour market's dynamism throughout the four quarters of 2006, with average year-on-year growth in both active population (3.3%) and employment (4.1%). However, the period 2007-2008 recorded a negative balance, with a 0.5% drop in the year-on-year employment figures. The Services sector was the only sector that increased its employment rate, by 2.1%, with the total number of employed people in 2008 surpassing 22.8 million.

In terms of prices, the sharp rise in oil prices and sustained increase in unprocessed food prices had a negative effect on the Consumer Price Index during the period 2005-2006, with prices rising above the Eurozone inflation rate; however, as from 2007Q3 there were significant drops in prices, situating the annual average variation rate of goods and services prices at 4.1% in 2008.

Components that recorded the greatest drops include telecommunications services and IT equipment, which have contributed positively to the increased investment in technology.

The turbulent impacts in the energy and food raw materials global markets had a greater effect in Spain than in the EMU, giving rise to some sharp fluctuations in inflation in 2008, which ended with a negative inflation differential with respect to the EMU.

In 2008, the corporate sector curbed its investment expectations, recording an average growth, in real terms, of 0.5%, after the expansion of nearly 6% in 2007. In this latter year, the dynamism of the investment process initiated by Spanish enterprises in 2005 continued, with an average growth, in real terms, of 7.7% compared to 6% in 2006, due to which this component of demand contributed 1.3 pp to GDP growth.

2. The IT Sector

2. THE IT SECTOR

2.1. General IT sector data

IT sector revenue exceeded €60.4 billion in 2008, 1.7% more than 2007. By segments, services contributed the most to revenue with 81.1%, while trade, with 42.9%, and computer and related activities, with 38.2%, were the segments that recorded the greatest economic activity, followed by manufacturing enterprises with 18.9%.

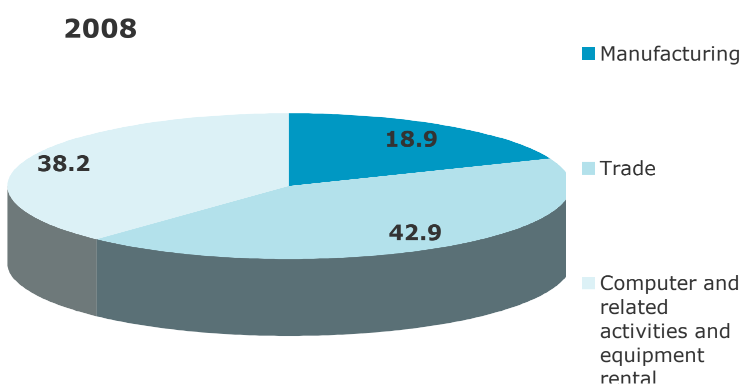
During the period 2005-2008, the IT sector grew 23.7%, the computer and related activities branches showing the most positive trend, with an accumulated growth of 46.2%. During the period 2005-2007, the trade activity branch recorded more stable growth of 14.6% but continued to have greater weight in the sector total, reaching 0.1% during the 2007-2008 period. With respect to the activity branches corresponding to manufacturing, these recorded positive growth during the period 2005–2007 at 13.2%, and slightly negative growth last year, falling by 3.5%.

In 2008, the IT sector became consolidated as the main driving force for new business models and growth in Spain, mainly due to the progressive change in business from trading, the revenue of which increased only 0.1%, to computer and related activities, which grew 6.3%.

As regards the IT sector's operating revenue structure, sales represented 98% of total revenue. Sales consisted mainly of merchandise sales, 39%, followed by rendering of services, 33%.

Only 1% of revenue originated from activities other than the enterprises' principal activity.

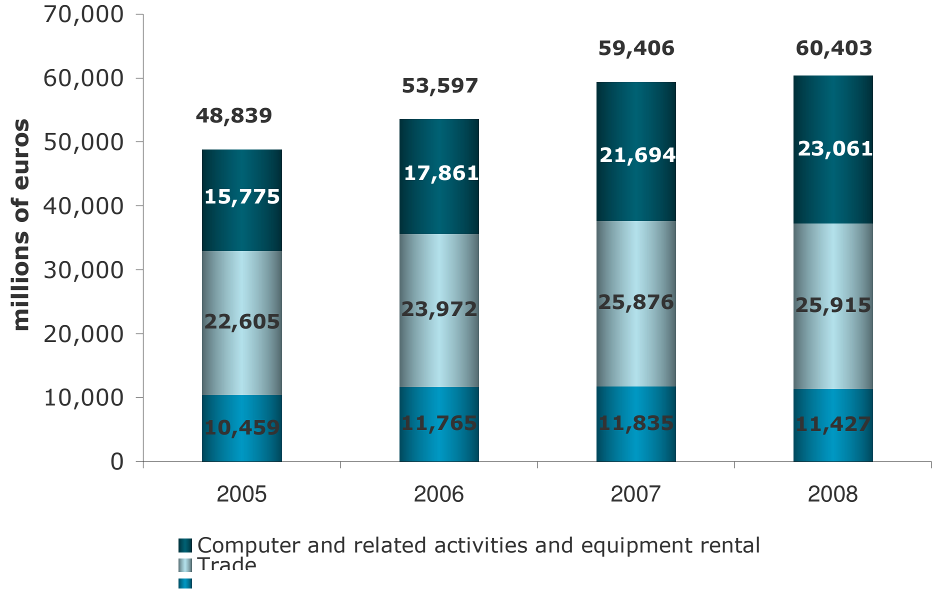
2. IT sector sales
(% / total)



Source: ONTSI

3. Evolution of IT sector sales

(Millions of euros)



Source: ONTSI

In 2007, the IT sector was comprised of more than 20,800 enterprises, accounting for 1.3% of services sector enterprises[2].
Most of the active enterprises were included within the trade services rendering segment, with 6,396 active enterprises, accounting for 30.6% of the total. More than 12,000 enterprises engaged in computer and related activities, accounting for 61.8% of the total, while there were 1,572 manufacturing enterprises, representing 7.5% of the total.

The creation of enterprises in the IT sector was on the rise but also their dissolution; this, together with sharp enterprise growth in 2006 with rates above 30%, caused a 1.3% drop in the corporate structure in 2007.

The number of IT sector enterprises fell by 1.3% in 2007 compared to the previous year, mainly due to the trade segment, in which the number of enterprises dropped 2.4%. This was followed by the computer and related activities segment, with a 0.8% drop. Finally, the manufacturing segment fell by 0.3%.

By type of activity, the segment with the greatest capacity for generating enterprises was that of program publishing and IT supplies and other consulting activities, with 4,320 enterprises, and the branch dedicated to other IT-related activities, with a total of 6,300 enterprises.

[2] Source: According to the "2007 Annual Services Survey and Annual Trade Survey" published by the INE (Spanish National Statistics institute), the total number of services enterprises is 2,194,509.

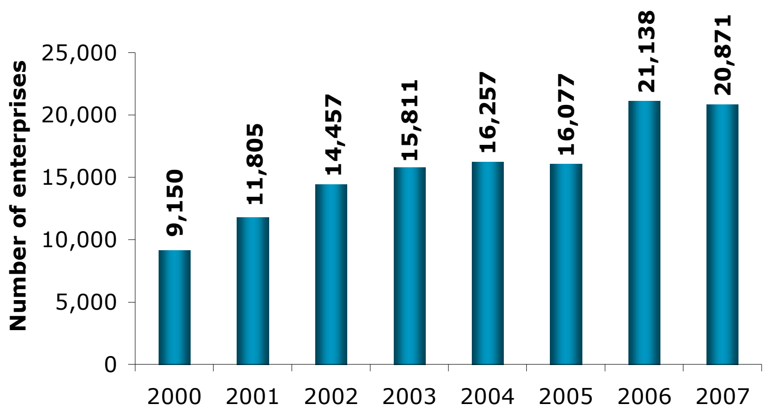
4. Number of IT sector enterprises
(Number of enterprises)

	2000	2001	2002	2003	2004	2005	2006	2007
Manufacturing	906	1,086	1,196	1,214	1,223	1,265	1,576	1,572
Trade	4,109	4,594	5,077	5,307	5,396	5,450	6,552	6,396
related activities and equipment rental	4,135	6,125	8,184	9,290	9,638	9,362	13,010	12,903
Total	**9,150**	**11,805**	**14,457**	**15,811**	**16,257**	**16,077**	**21,138**	**20,871**

Source: ONTSI

IT enterprises carry out a wide range of activities, with enormous differences both in the types of IT services offered and in the industrial production processes of information technologies, a characteristic that has a decisive effect on the sector's production structure.

5. Evolution of the number of IT sector enterprises
(Number of enterprises)



Source: ONTSI

In geographic terms, it should be noted that Madrid and Catalonia lead the autonomous regions with the highest number of installed enterprises.
Madrid was the autonomous region with the greatest number of IT enterprises in 2007, where 30% of the enterprises had their headquarters. It was followed by Catalonia with 25% and Andalusia, which with 8% is becoming consolidated with a strong corporate fabric in its territory.
By activities, the most notable is the high concentration of manufacturing enterprises in Catalonia, as well as the high number of computer and related activities present in the Region of Valencia and Andalusia.

Galicia and the Basque Country are becoming consolidated as emerging autonomous regions in the creation of enterprises engaging in computer and related activities.
With regard to sector structure by enterprise size, the growth of this sector is supported by a strong corporate fabric composed of micro-enterprises with less than ten employees, which account for 73% of the total and have a sales generation capacity of less than €2 million.
The presence of large enterprises remains constant, particularly in the computer and related activities segments, where there were one hundred enterprises with high employment-generating capacity.

6. Number of IT sector enterprises by autonomous region – 2007

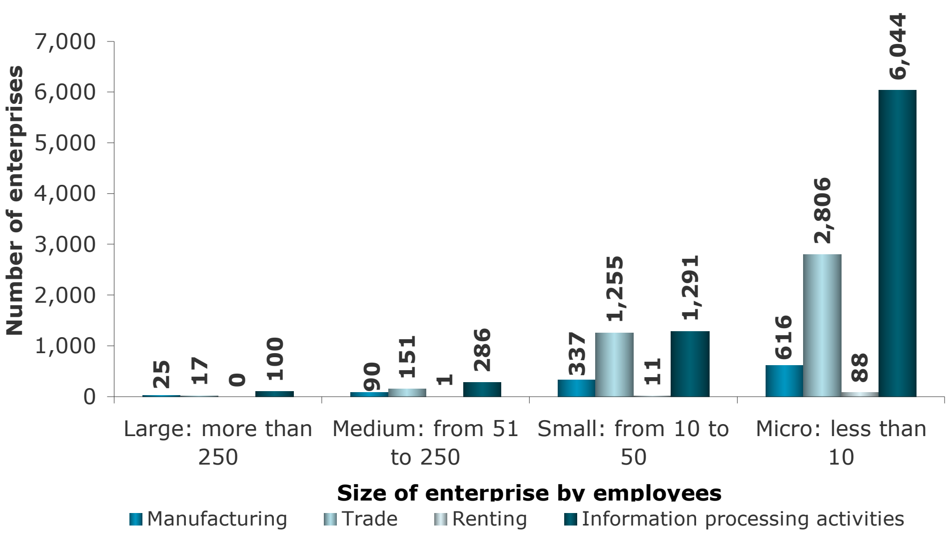
(Number of enterprises)

	Manufacturing	Trade	Renting	Information processing activities	Total	% / total
Andalusia	92	567	24	1,084	1,767	8.5
Aragon	84	192	4	307	587	2.8
Asturias	19	125	4	190	338	1.6
Balearic Islands	11	91	2	232	336	1.6
Canary Islands	12	183	7	339	541	2.6
Cantabria	13	45	0	63	121	0.6
Castilla & Leon	33	189	1	320	543	2.6
Castilla-La Mancha	36	152	3	225	416	2.0
Catalonia	544	1,655	39	3,001	5,239	25.1
Ceuta	2	6	0	2	10	0.0
Region of Valencia	128	655	18	1,035	1,836	8.8
Extremadura	8	58	2	109	177	0.8
Galicia	46	355	10	497	908	4.4
La Rioja	9	40	0	44	93	0.4
Madrid	359	1,435	40	4,403	6,237	29.9
Melilla	0	2	0	4	6	0.0
Murcia	15	136	2	174	327	1.6
Navarre	33	73	0	135	241	1.2
Basque Country	128	437	10	573	1,148	5.5
Spain	**1,572**	**6,396**	**166**	**12,737**	**20,871**	**100**

Source: ONTSI

7. Distribution of IT sector companies by number of employees – 2007

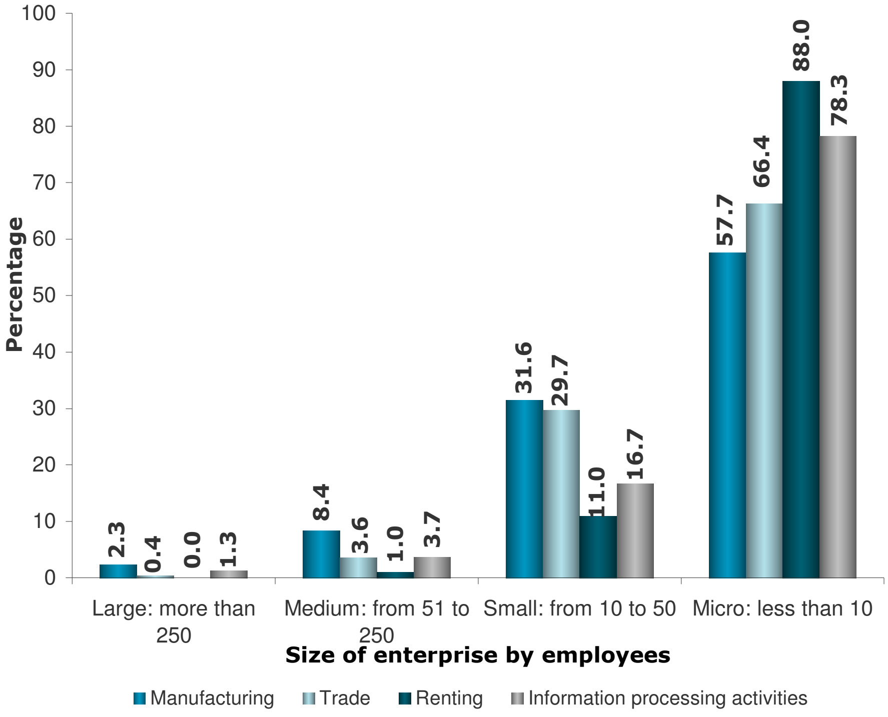
(Number of enterprises)



Source: ONTSI

8. Percentage of IT sector enterprises by number of employees – 2007

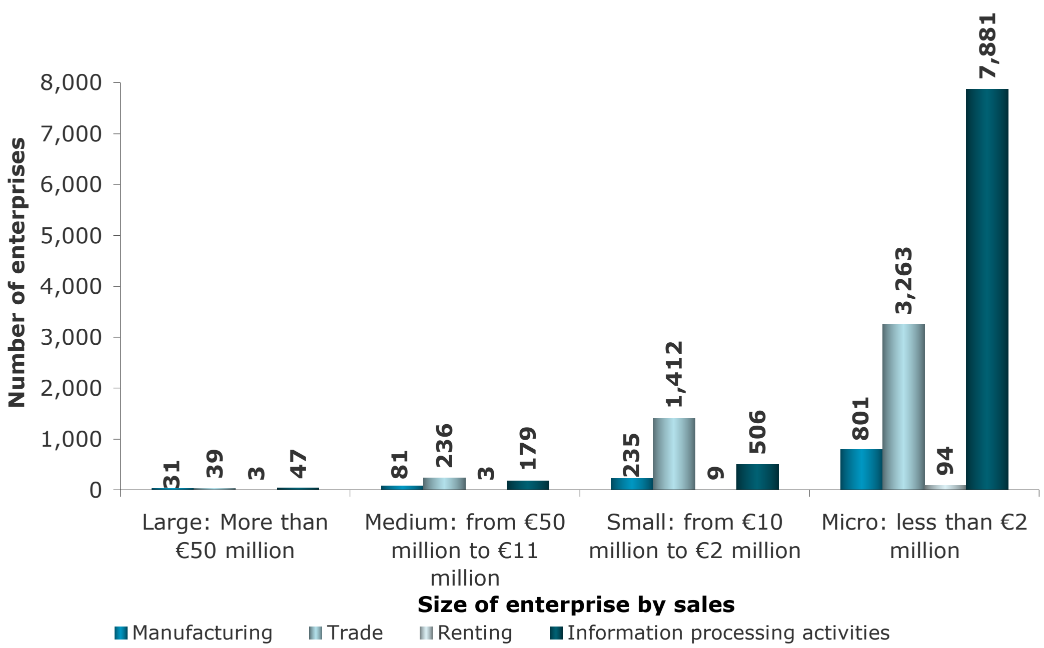
(% / total)



Source: ONTSI

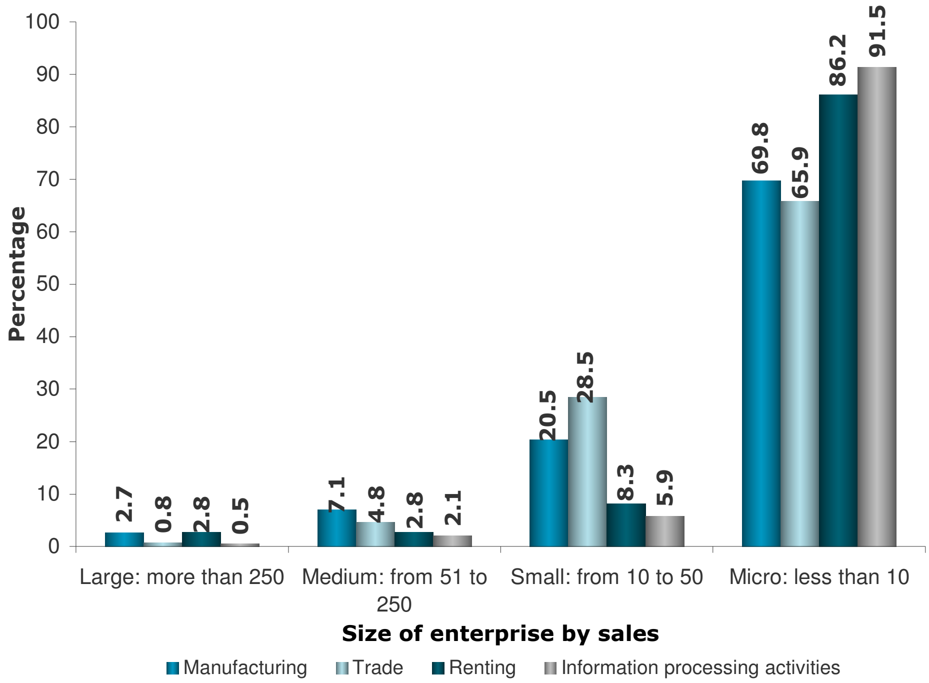
9. Distribution of IT sector enterprises by sales – 2007

(Number of enterprises)



Source: ONTSI

10. Percentage of IT sector enterprises by sales – 2007
(% / total)

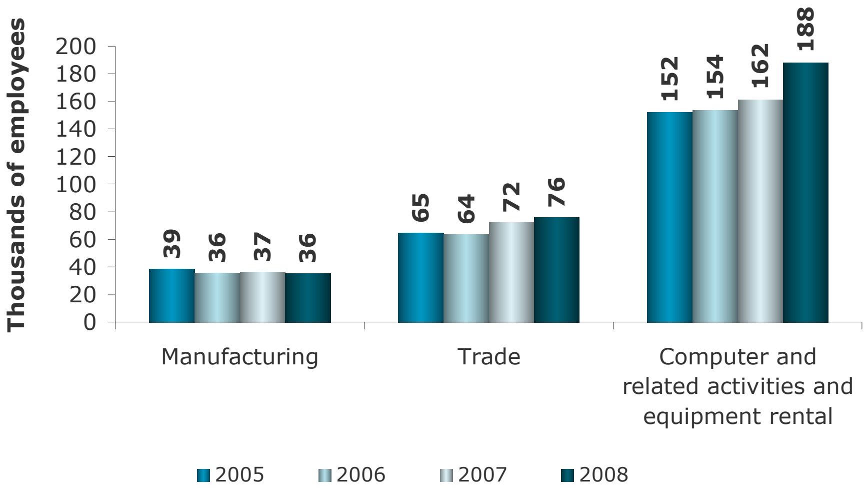


Source: ONTSI

Employment exceeded 300,000 persons in 2008, up by 10.2% with respect to 2007. The greatest number of employees came from the Computer and related activities segment, which accounted for 62.8% of employment within the sector, with 188,165 employees. It was followed by trade with 25.4% and manufacturing with 11.9%.

During the period 2005–2008, employment followed a positive trend, growing 17.1% in this period. Computer and related activities constituted the segment that experienced the greatest growth during the reference period, with 23.5%, growing from 152,354 employees in 2005 to 188,165 in 2008. The number of employees in the trade activity branches also grew by 17.3% during the same period, from 64,943 enterprises in 2005 to 76,171 in 2008. On the other hand, there was a slight reduction in the number of jobs in the manufacturing segment, falling from 38,855 in 2005 to 35,724, 8% less.

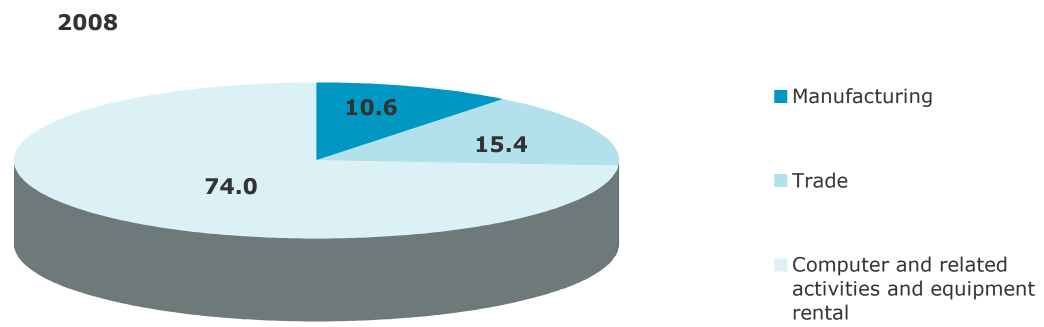
11. Evolution of IT sector employment
(Thousands of employees)



Source: ONTSI

IT companies invested more than €7 billion in 2008, while investment made by computer and related activities represented 74% of investment.

12. IT sector investment by activity branches
(% / total)



Source: ONTSI

Intangible fixed assets[3] represented 64% of the total investment made by IT enterprises, with particular significance of those belonging to the computer and related activities

[3] Includes the real increases in the enterprise's long-term elements

segment and, within this segment, investment made by enterprises engaging in database-related activities.

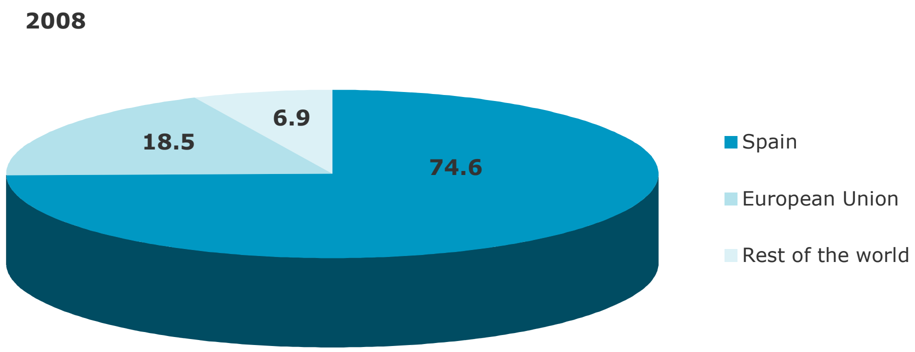
Tangible fixed assets[4] represented 36% of the total investment; in this case both trade and enterprises engaging in computer and related activities maintained their investment activity.

In terms of cost structure, the consumption and work carried out by other enterprises [5] represented 60% of the total operating costs of IT enterprises. This was followed by personnel costs, accounting for 24% of the total and external services,[6] accounting for 16% of total costs.

The main IT sector supplier is the domestic market: 12.8% of its suppliers are from the EU and 5.5% from the rest of the world.

In 2008, 74.6% of the turnover of technology enterprises was obtained through domestic demand for IT products and services.
Of note is the growth trend of distribution in the international market in 2008, which has increased from 6.3% in 2007 to 6.9%, and the consolidation of Spain's presence as a European market supplier.

13. Geographical distribution of IT sector sales
(% / total)



Source: ONTSI

By sectors, industry, trade and IT are the main customers of Spanish technology enterprises, absorbing 50% of their total turnover. The growing presence of the Public Administration as a direct customer is significant, highlighting the increasingly evident fact that IT enterprises are present in both private and public sector activity.

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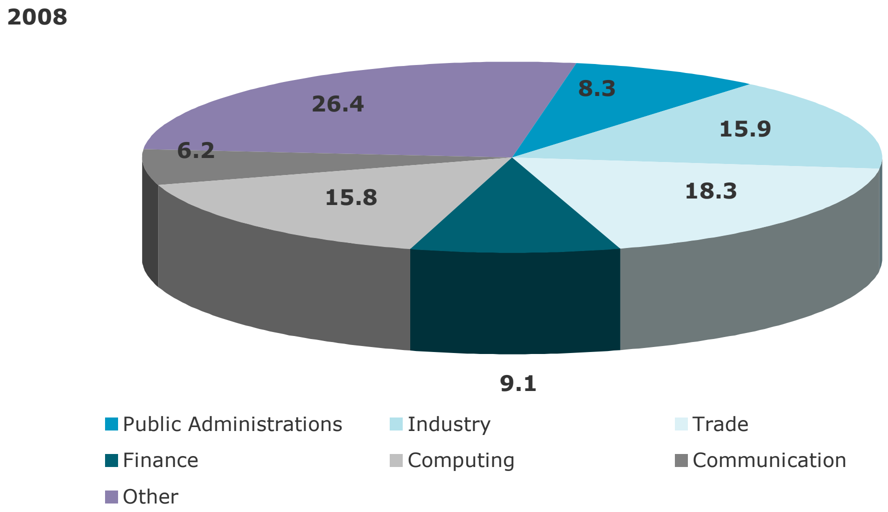
[4] Includes the real increases in the enterprises production resources
[5] They represent the value of all assets, except for fixed capital assets, and services consumed in the production process
[6] They comprise all costs corresponding to production factors acquired from other enterprises

14. Geographical distribution of IT sector sales
(% / total)



Source: ONTSI

The fifteen main IT sector enterprises accumulate 28.20% of market share based on turnover. Production value in 2008 reached €61.4 billion, which was up 1.7% with respect to 2007. Gross added value at market prices reached €34.9 billion in 2008, which was up 5.6% with respect to 2007. This amount represents 3.19% of the 2008 Gross Domestic Product, compared to 3.15% in 2007.

Gross added value at factor cost generated in 2008 by the IT sector reached €35.1 billion, an increase of 5.6% with respect to 2007; of which €13.8 billion (44%) corresponded to personnel costs and €21.1 billion (56%) to gross operating surplus, two points more than in the previous period.

Gross operating surplus allows evaluation of the profitability of the branches that comprise the IT sector, analysing the difference between gross added value at factor cost and the personnel costs. This indicator was nearly three points higher than for the previous year.
The greatest contribution to this surplus corresponded to computer and related activities, which accounted for nearly 60% of the total, having become consolidated as the main business generator within the IT sector.
IT sector productivity dropped by 4.7% in 2008 with respect to the previous year, with the Computer and related activities segment recording the sharpest drop (-7.3%).
The highest productivity corresponded to the manufacturing industry (5.2%), the main activity of which was the manufacture of information technology-intensive products and components.
High-tech activities related to knowledge and innovation, such as those related to databases, computer program publishing and general consulting, generated significant growth in productivity in these segments. IT services found it difficult to reduce its labour needs per product unit, although this did not affect the quantity or quality of its production.

The contribution per product or service unit to the revenue-generating capacity of enterprises reached a maximum in computer and related activities, standing at 95.81%.
The IT consulting services enterprises were above the services sector average in terms of their revenue-generating capacity, highlighting IT consulting, which in Spain alone recorded a turnover of nearly €12 million.

2.2. IT sector statistics

2.2.1. Revenue

2.2.1.1. Structure of operating income

15. IT sector operating income
(Millions of euros)

	2005	2006	2007	2008
Turnover	48,839	53,597	59,406	60,403
Work carried out by the enterprise for fixed assets	367	479	326	334
Operating subsidies	91	371	129	173
Current and other sundry revenue	923	1,319	714	736
TOTAL	**50,221**	**55,767**	**60,575**	**61,646**

Source: ONTSI

16. IT Sector operating income
(% / total)

	2005	2006	2007	2008
Turnover	97.2	96.1	98.1	98.0
Work carried out by the enterprise for fixed assets	0.7	0.9	0.5	0.5
Operating subsidies	0.2	0.7	0.2	0.3
Current and other sundry revenue	1.8	2.4	1.2	1.2
TOTAL	**100**	**100**	**100**	**100**

Source: ONTSI

2.2.1.2. Sales

17. IT sector sales
(Millions of euros)

	2005	2006	2007	2008
Manufacturing	10,459	11,765	11,835	11,427
Trade	22,605	23,972	25,876	25,915
Computer and related activities and equipment rental	15,775	17,861	21,694	23,061
Total	**48,839**	**53,597**	**59,406**	**60,403**

Source: ONTSI

18. Variation in IT sector sales
(%)

	2005 / 2006	2006 / 2007	2007 / 2008
Manufacturing	12.5%	0.6%	-3.5%
Trade	6.0%	7.9%	0.1%
Computer and related activities and equipment rental	13.2%	21.5%	6.3%
Total	**9.7%**	**10.8%**	**1.7%**

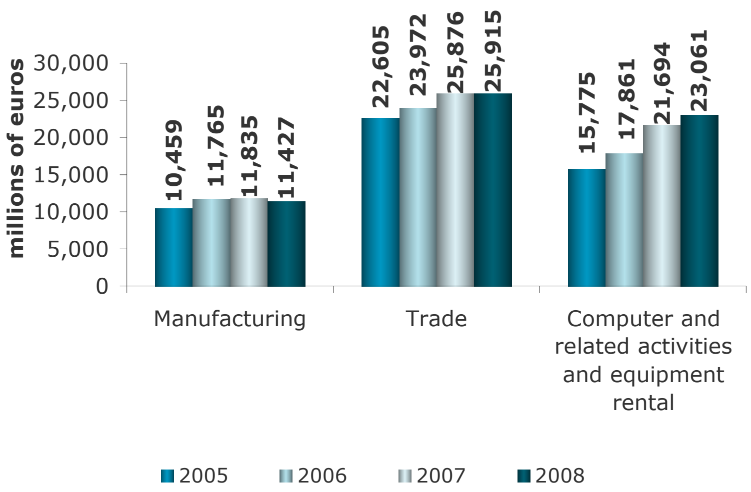
Source: ONTSI

19. IT sector sales
(% / total)

	2005	2006	2007	2008
Manufacturing	21.4	22.0	19.9	18.9
Trade	46.3	44.7	43.6	42.9
Computer and related activities and equipment rental	32.3	33.3	36.5	38.2
Total	**100**	**100**	**100**	**100**

Source: ONTSI

20. Evolution of IT sector sales
(Millions of euros)



Source: ONTSI

2.2.1.3. Breakdown of sales

21. Breakdown of IT sector sales
(Millions of euros)

	2005	2006	2007	2008
Net product sales	14,063	14,764	16,682	16,659
Net merchandise sales	20,794	21,712	24,057	23,613
Rendering of services	13,982	17,121	18,667	20,130
Total	**48,839**	**53,597**	**59,406**	**60,403**

Source: ONTSI

22. Breakdown of IT sector sales
(% / total)

	2005	2006	2007	2008
Net product sales	28.8	27.5	28.1	27.6
Net merchandise sales	42.6	40.5	40.5	39.1
Rendering of services	28.6	31.9	31.4	33.3
Total	**100**	**100**	**100**	**100**

Source: ONTSI

2.2.1.4. Other operating income

23. Evolution of other operating income in the IT sector
(Millions of euros)

	2005	2006	2007	2008
Manufacturing	58	76	169	86
Trade	785	1,164	366	415
Computer and related activities and equipment rental	79	79	179	235
Total	**922**	**1,319**	**714**	**736**

Source: ONTSI

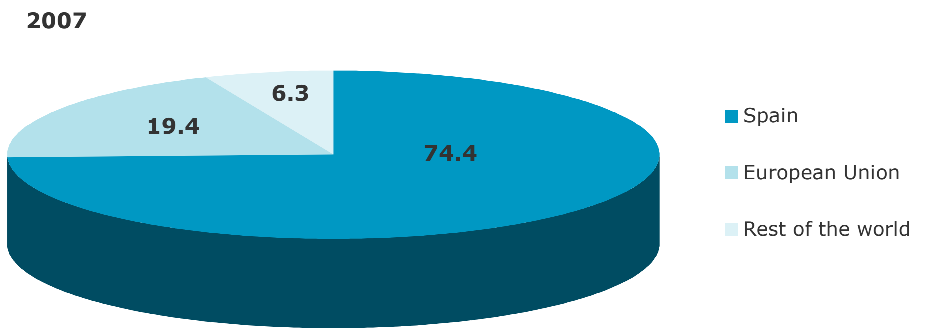
24. Evolucion of other operating income in the IT sector
(% / total)

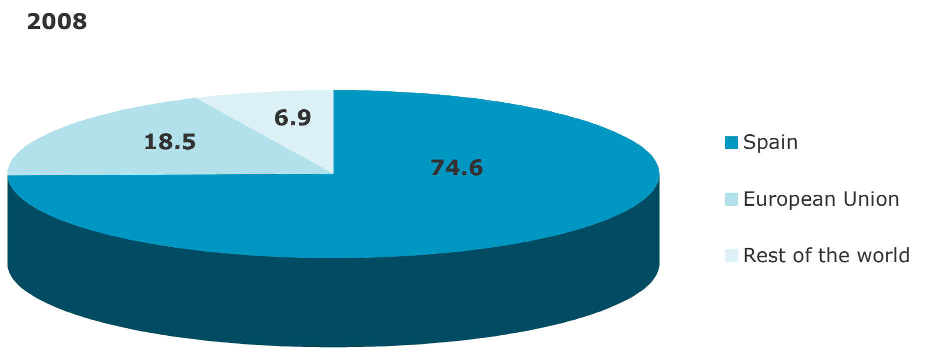
	2005	2006	2007	2008
Manufacturing	6.3	5.8	23.7	11.6
Trade	85.2	88.2	51.2	56.4
Computer and related activities and equipment rental	8.5	6.0	25.1	32.0
Total	**100**	**100**	**100**	**100**

Source: ONTSI

2.2.1.5. Geographical distribution of sales

25. Geographical distribution of IT sector sales
(% / total)



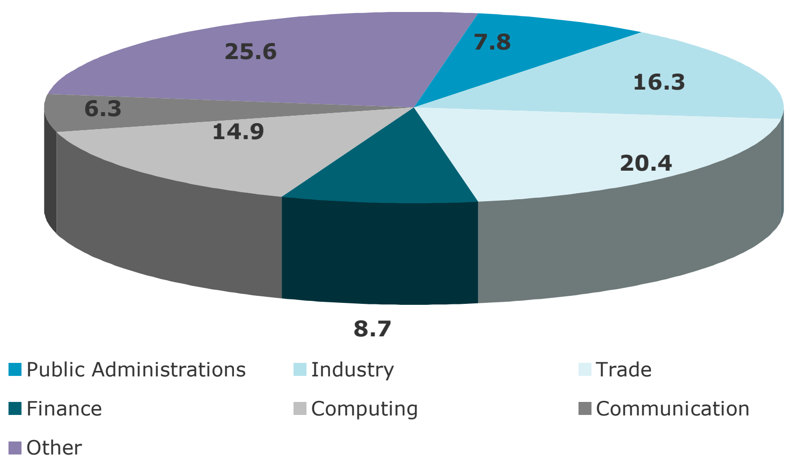


Source: ONTSI

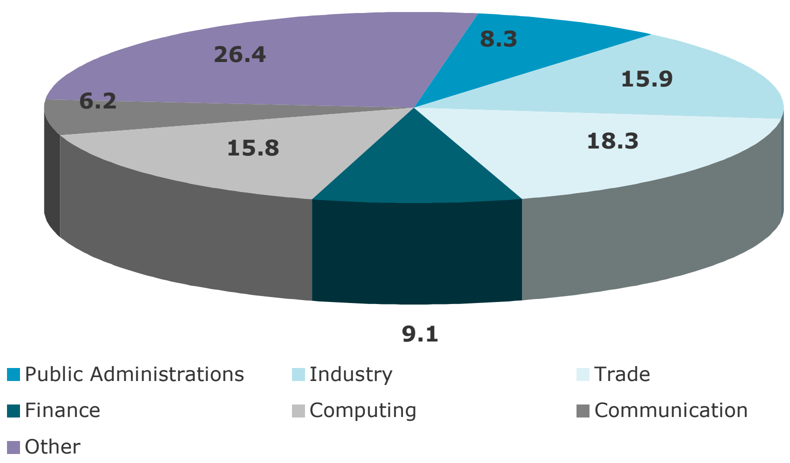
2.2.1.6. Functional distribution of sales

26. Functional distribution of sales in the IT sector
(% / total)

2007



2008



Source: ONTSI

2.2.2. Employment

27. IT sector employment by activity branches
(Number of employees)

	2005	2006	2007	2008
Manufacturing	38,855	35,962	36,668	35,724
Trade	64,943	64,041	72,471	76,171
Computer and related activities and equipment rental	152,354	153,758	161,595	188,165
Total	**256,152**	**253,761**	**270,733**	**300,061**

Source: ONTSI

28. Variation in IT sector employment
(%)

	2005 / 2006	2006 / 2007	2007 / 2008
Manufacturing	-7.4%	2.0%	-2.6%
Trade	-1.4%	13.2%	5.1%
Computer and related activities and equipment rental	0.9%	5.1%	16.4%
Total	**-0.9%**	**6.7%**	**10.8%**

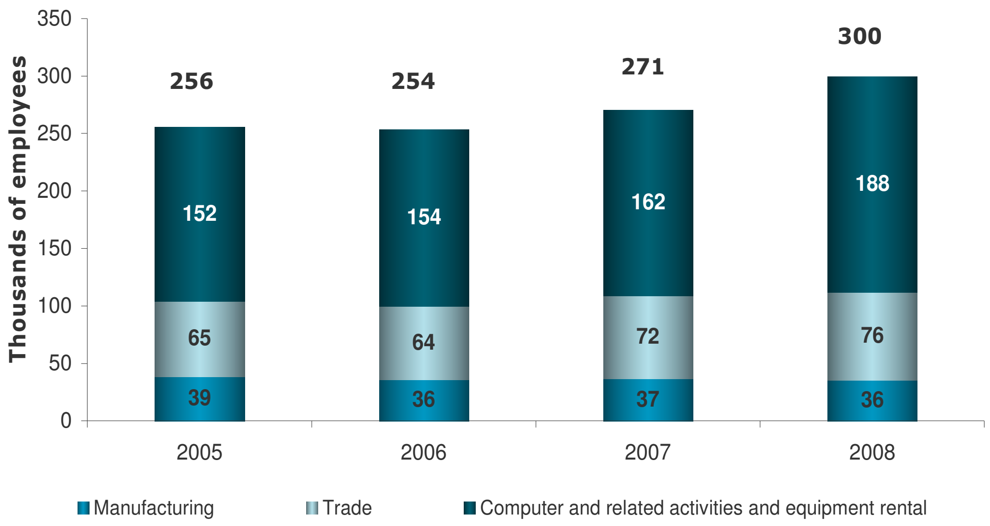
Source: ONTSI

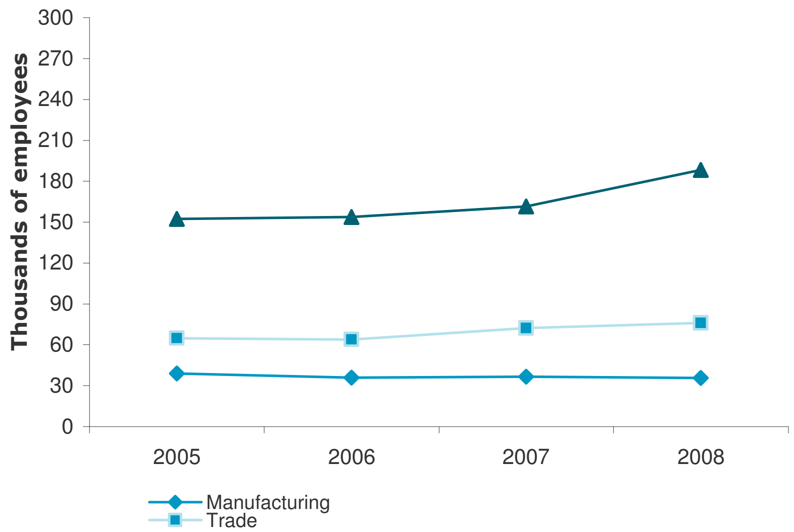
29. Employment by activity branches
(% / total)

	2005	2006	2007	2008
Manufacturing	15.2	14.2	13.5	11.9
Trade	25.4	25.2	26.8	25.4
Computer and related activities and equipment rental	59.5	60.6	59.7	62.7
Total	**100**	**100**	**100**	**100**

Source: ONTSI

30. Evolution of IT sector employment
(Thousands of employees)

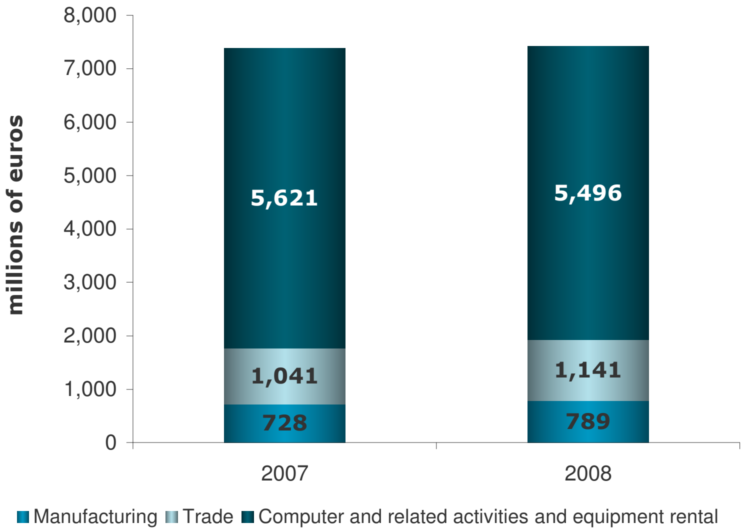




Source: ONTSI

2.2.3. Investment

31. IT sector investment[7]
(Millions of euros)

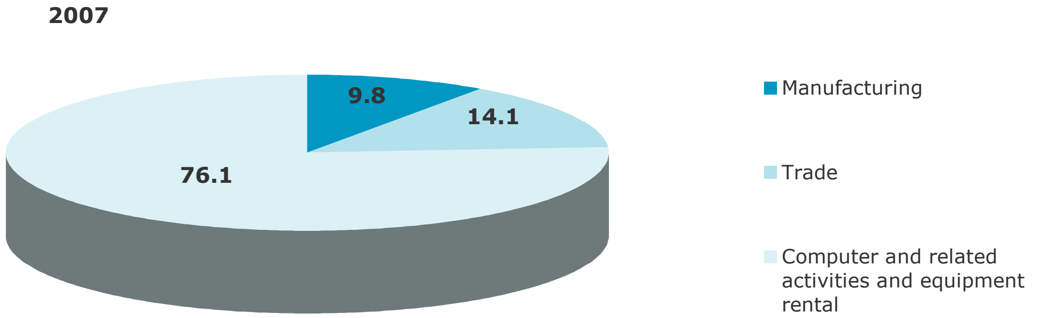


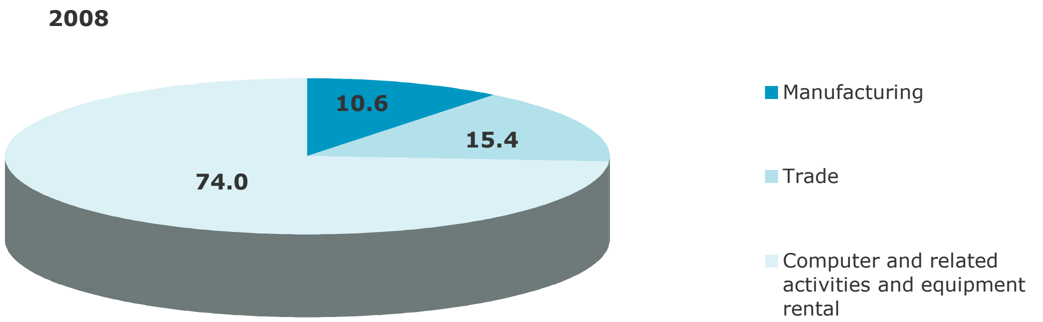
Source: ONTSI

[7] Figures for the period 2005-2006 are not available

32. IT sector investment

(% / total)

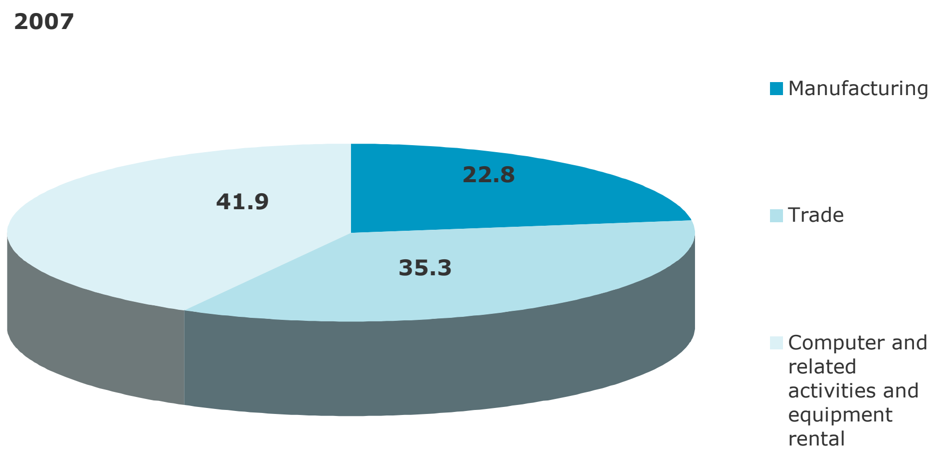


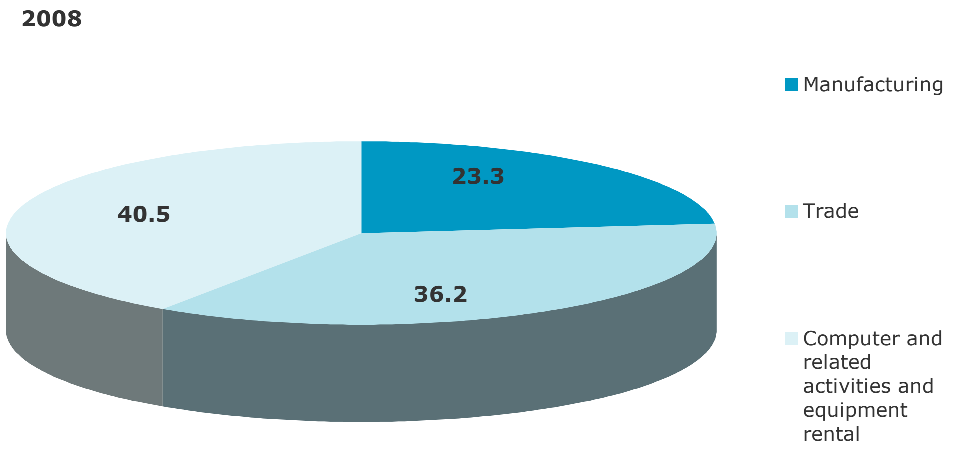


Source: ONTSI

2.2.3.1. Structure of gross investment

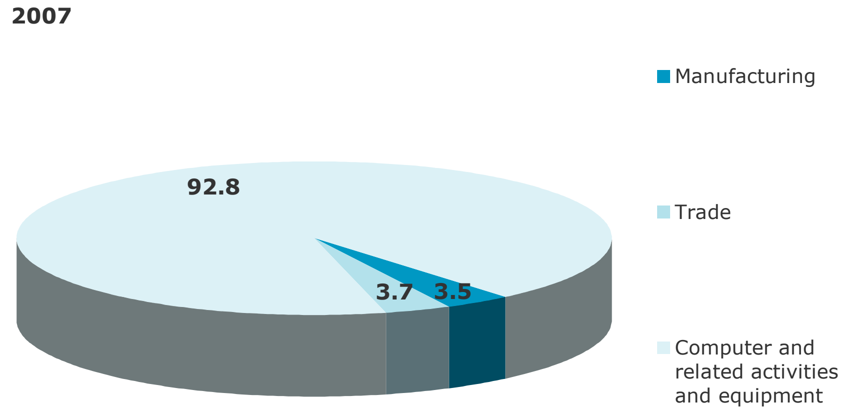
33. IT sector tangible fixed assets
(% / total)

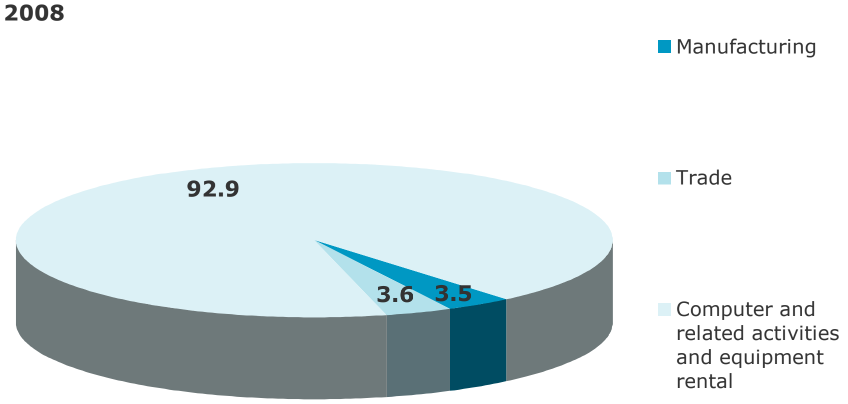




Source: ONTSI

34. IT sector intangible fixed assets
(% / total)





Source: ONTSI

2.2.4. Structure of operating costs

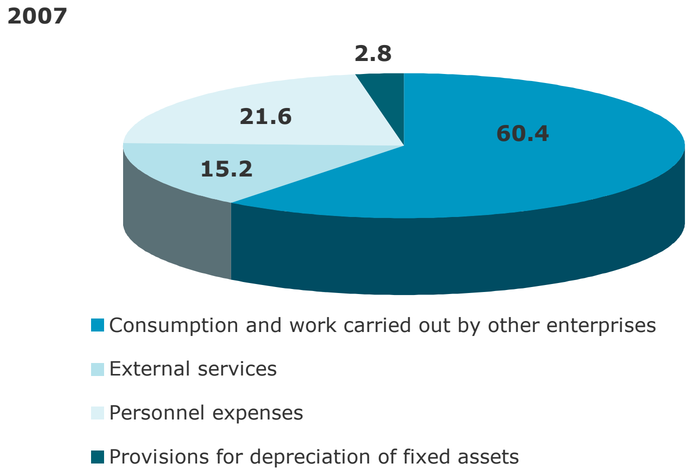
35. Distribution by purchase and cost categories in the IT sector

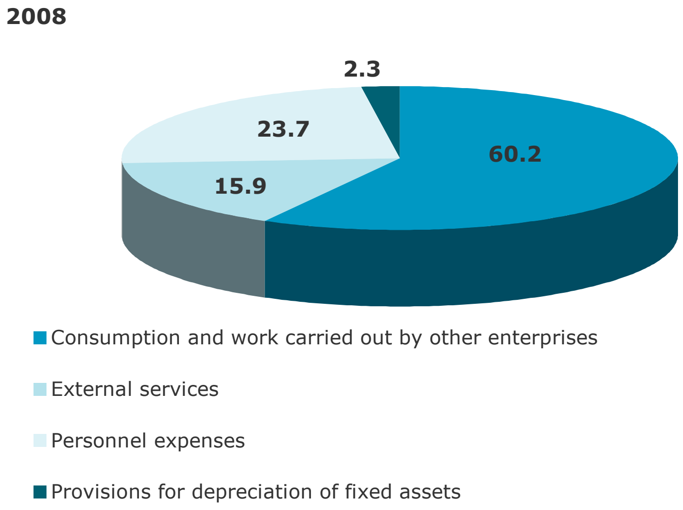
(Millions of euros)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	29,660	33,315	34,807	33,969
Consumption of raw materials	7,377	7,681	7,314	7,324
Consumption of other supplies	985	1,433	1,087	1,078
Consumption of merchandise	19,491	21,658	22,352	21,410
Work carried out by other enterprises	1,808	2,542	4,054	4,157
External services	4,946	6,192	8,771	9,319
Personnel expenses	11,019	13,169	12,414	13,885
Provisions for depreciation of fixed assets	858	1,211	1,600	1,318
TOTAL	**46,483**	**53,887**	**57,592**	**58,491**

Source: ONTSI

36. Distribution of the purchase and cost categories of the IT sector
(% / total)

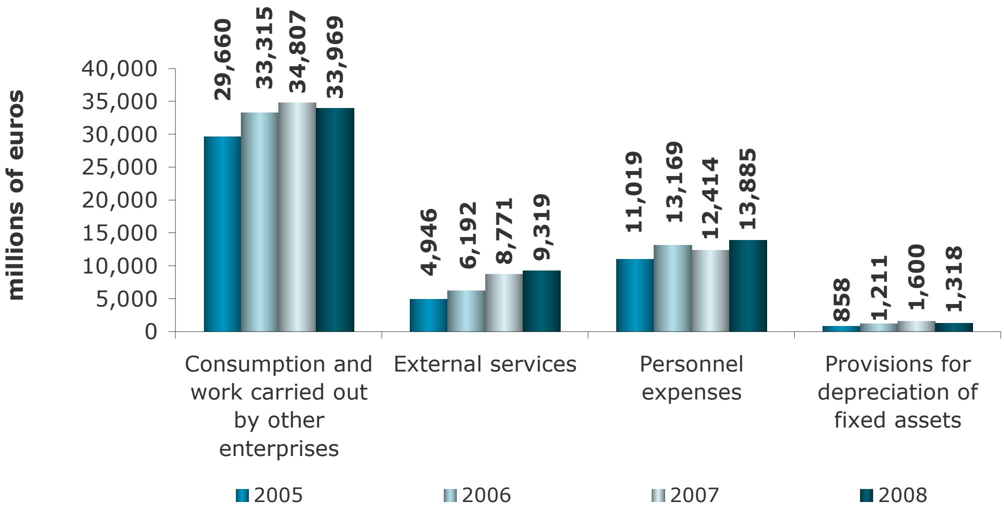




Source: ONTSI

37. Evolution of operating costs in the IT sector

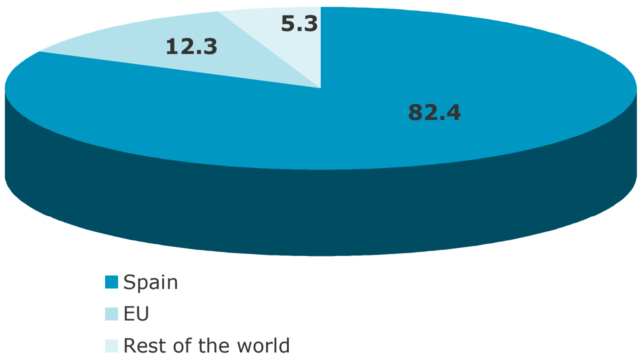
(Millions of euros)



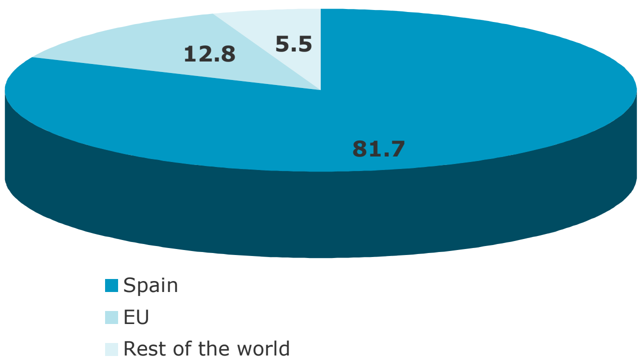
Source: ONTSI

38. Geographical distribution of purchases in the IT sector
(% / total)

2007



2008



Source: ONTSI

2.2.5. Financial expenses and revenue

39. Evolution of financial expenses and revenue in the IT sector

IT sector financial expenses
millions of euros

	2005	2006	2007	2008
Manufacturing	117	140	126	145
Trade	187	190	233	280
Computer and related activities and renting of equipment	99	306	516	311
Total	**404**	**636**	**875**	**736**

Financial revenue in the IT sector
millions of euros

	2005	2006	2007	2008
Manufacturing	72	84	69	80
Trade	111	127	181	180
Computer and related activities and equipment rental	103	32	362	553
Total	**286**	**243**	**613**	**813**

Source: ONTSI

2.2.6. Extraordinary expenses and revenue

40. Evolution of extraordinary expenses and revenue in the IT sector

Extraordinary IT sector expenses
millions of euros

	2005	2006	2007	2008
Manufacturing	6	6	216	10
Trade	59	22	64	68
Computer and related activities and equipment rental	123	76	117	38
Total	**188**	**104**	**397**	**116**

Extraordinary revenue in the IT sector
millions of euros

	2005	2006	2007	2008
Manufacturing	3	5	275	23
Trade	102	19	191	31
Computer and related activities and equipment rental	11	17	52	53
Total	**116**	**41**	**518**	**107**

Source: ONTSI

2.3. The IT sector in the spanish economy

2.3.1. Economic aggregates of the IT sector

41. Economic aggregates of the IT sector
(Millions of euros)

	2005	2006	2007	2008
Production	50,128.31	55,403.19	60,445.86	61,472.61
Intermediate consumption	24,957.74	27,622.58	27,321.09	26,506.58
Gross Added Value at market prices	**25,170.57**	**27,780.61**	**33,124.77**	**34,966.03**
Gross Added Value at factor cost	**25,199.81**	**28,089.28**	**33,183.55**	**35,056.22**
Employee remuneration	11,000.02	13,181.84	12,413.52	13,885.08
Gross operating surplus	**14,199.79**	**14,907.44**	**20,770.03**	**21,171.14**

Source: ONTSI

42. Variation in economic aggregates of the IT sector
(% / total)

	2005 / 2006	2006 / 2007	2007 / 2008
Production	10.5%	9.1%	1.7%
Intermediate consumption	10.7%	-1.1%	-3.0%
Gross Added Value at market prices	**10.4%**	**19.2%**	**5.6%**
Gross Added Value at factor cost	**11.5%**	**18.1%**	**5.6%**
Employee remuneration	19.8%	-5.8%	11.9%
Gross operating surplus	**5.0%**	**39.3%**	**1.9%**

Source: ONTSI

2.3.2. Productivity

43. Productivity by activity branches
(Euros per employee)

	2005	2006	2007	2008
Manufacturing	109,219	123,130	125,324	131,805
Trade	119,892	129,348	147,284	144,670
Computer and related activities and equipment rental	86,443	100,012	110,860	102,718
IT sector	**98,378**	**110,692**	**122,569**	**116,830**

Source: ONTSI

44. Variation in IT sector productivity
(% / total)

	2005 / 2006	2006 / 2007	2007 / 2008
Manufacturing	12.7%	1.8%	5.2%
Trade	7.9%	13.9%	-1.8%
Computer and related activities and equipment rental	15.7%	10.8%	-7.3%
IT sector	**12.5%**	**10.7%**	**-4.7%**

Source: ONTSI

2.3.3. Revenue-generating capacity

45. Revenue-generating capacity by activity branches
(% / total)

	2005	2006	2007	2008
Manufacturing	40.12	37.10	38.15	40.76
Trade	33.29	32.96	40.66	41.84
Computer and related activities and equipment rental	81.49	83.88	80.89	81.96
IT sector revenue generating capacity	**50.3**	**50.7**	**54.9**	**57.0**

Source: ONTSI

46. Variation in the revenue-generating capacity of the IT sector
(% / total)

	2005 / 2006	2006 / 2007	2007 / 2008
Manufacturing	-7.5%	2.8%	6.8%
Trade	-1.0%	23.4%	2.9%
Computer and related activities and equipment rental	2.9%	-3.6%	1.3%
IT sector revenue generating capacity	**0.9%**	**8.3%**	**3.9%**

Source: ONTSI

3. The IT Sector Analysed by Activity Segments

3. THE IT SECTOR ANALYSED BY ACTIVITY SEGMENTS

3.1. Manufacture

3.1.1. General figures

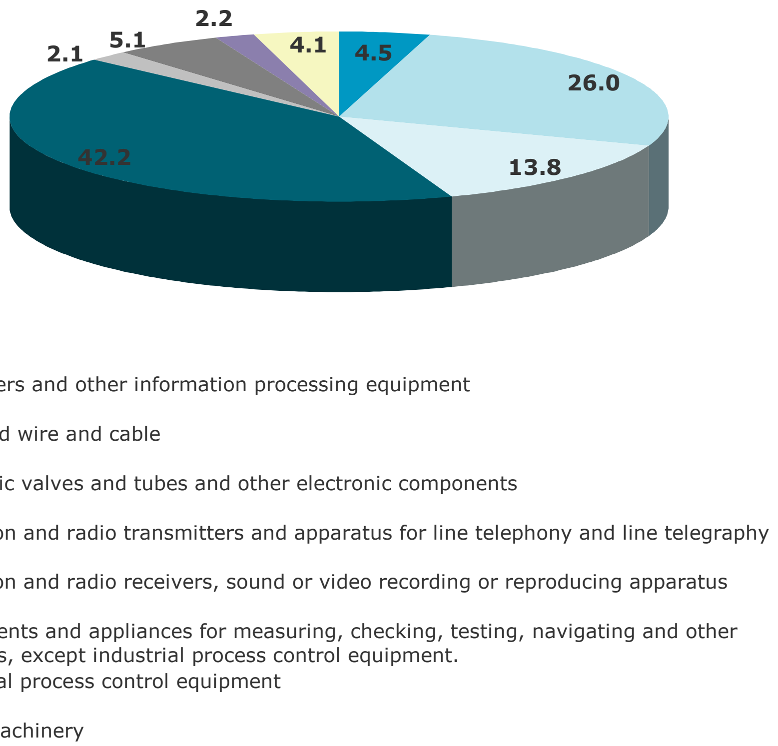
Net sales of IT industrial enterprises reached €11.4 billion in 2008, representing a 3.5% drop with respect to 2007.

The activity branch with the greatest sales was the sale of television and radio transmitters and apparatus for line telephony and line telegraphy, which accounted for 42.2% of revenue in 2008, more than €4.8 billion. This was followed by insulated electrical wires and cables, with €2.9 billion, accounting for 26% of the total; finally, valves, tubes and other electronic components, accounted for 13.8%, €1.5 billion.

During the period 2005–2008, the deceleration of IT industry, which had been slowly reducing its growth rate, became consolidated, falling from 12.5% during the period 2005-2006 to 0.6% in 2007 and -3.5% in 2008.

IT manufacturing production in Spain was mainly based on hardware assembly, with new contracts strongly affected by the sharp overall cut in costs.

47. IT sector sales - Manufacturing
(% / total)



Source: ONTSI

The enterprises that recorded the best results in 2008 were, in descending order, those dealing with instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment (24.2%); industrial process control equipment (17.9%); and electronic valves and tubes and other electronic components (1.5%).

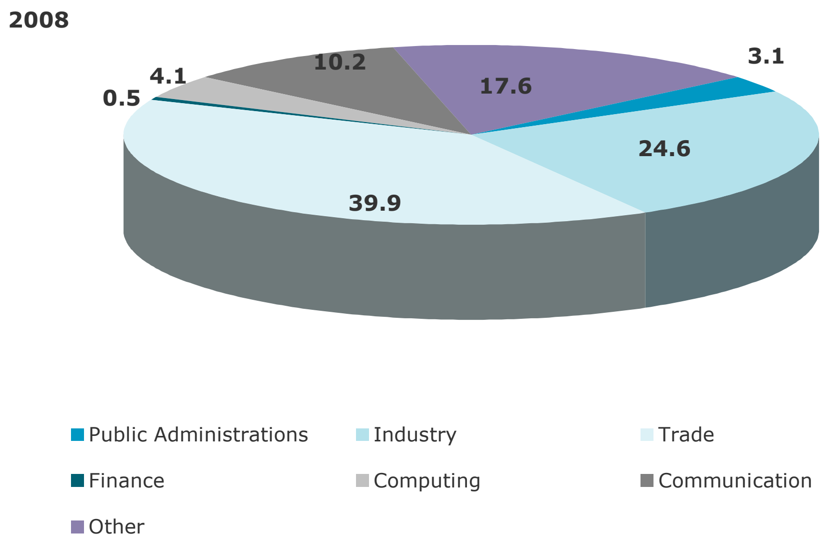
With regard to enterprises that suffered the greatest reduction in sales, these include, in descending order, office machines (19.4%); computers and other information processing equipment (16.7%); television and radio receivers, sound or video recording or reproducing apparatus (10.6%); electrical wires and cables (6.9%); and finally, transmitters (2.4%).

With regard to operating revenue structure, it can be seen that industrial distribution sales accounted for 98% of total revenue, of which the larger part was concentrated in industrial product sales, followed by merchandise sales.
Only 1% of revenue originated from activities other than the enterprises main activity.

Manufacturing production is mainly absorbed by domestic demand, which stood at 56.2% in 2008, followed by exports to the EU, with 36.7%, and 7.2% to the rest of the world.

With regard to functional sales distribution, in 2008, 39.9% went to trade, 24.6% to industry, 10.2% to communication, 4.1% to IT and 3.1% to public administrations.

48. Functional distribution of IT sector sales - Manufacturing
(% / total)



Source: ONTSI

The leading enterprise of the manufacturing segment had a revenue-based market share of 22.93%, while the four leading enterprises of the segment accumulated 38.98% of the total.

The number employed persons in the IT industry was 35,724 persons, 2.6% less than in 2007.

The enterprises that created the greatest employment were those belonging to the segments: television and radio transmitters and apparatus for line telephony and line telegraphy segment (27,3%); electronic valves and tubes and other electronic components (22.5%); insulated electrical wires and cables (20.1%); instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment (11.1%); and finally, computers and other information processing equipment, (9%).

The best performance in employment was recorded by enterprises belonging to the office machine activity branch, with 3.2% growth in employment, followed by industrial process control equipment enterprises, with 2.9%, and insulated electrical wires and cables, with 2.3%.

49. IT sector employment - Manufacturing

(% / total)

	2005	2006	2007	2008
Computers and other information processing equipment	8.1	6.8	9.3	9.0
Insulated wire and cable	26.8	22.0	19.2	20.1
Electronic valves and tubes and other electronic components	19.8	21.4	22.8	22.5
Television and radio transmitters and apparatus for line telephony and line telegraphy	23.5	26.8	28.1	27.3
Television and radio receivers, sound or video recording or reproducing apparatus	4.5	5.3	4.8	4.9
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	11.2	11.8	11.0	11.1
Industrial process control equipment	4.4	5.0	3.7	3.9
Office machinery	1.6	1.0	1.2	1.2
Total	**100**	**100**	**100**	**100**

Source: ONTSI

With regard to cost structure, consumption and work carried out by other enterprises accounted for 75% of total operating costs of these IT enterprises, followed by personnel costs, which accounted for 13% of total and external services[8], which represented 9% of the total.
The IT industry obtains 66.2% of its supplies from the domestic market, 21.1% from the European market and 12.7% from the rest of the world.

IT manufacturing enterprises invested €789 million in 2008, with 54% of the investment made by telecommunications-related component manufacturing segments, which have considerably increased their investment in R&D.

[8] External services include all the costs corresponding to production factors acquired from other enterprises

3.1.2. Manufacturing sector statistics

3.1.2.1. Revenue

3.1.2.1.1. Structure of operating income

50. IT sector operating income - Manufacturing
(Millions of euros)

	2005	2006	2007	2008
Turnover	10,459	11,765	11,835	11,427
Work carried out by the enterprise for fixed assets	59	93	41	39
Operating subsidies	48	106	24	28
Current and other sundry revenue	58	76	169	86
TOTAL	**10,624**	**12,040**	**12,070**	**11,580**

Source: ONTSI

51. IT sector operating income - Manufacturing
(% / total)

	2005	2006	2007	2008
Turnover	98.4	97.7	98.1	98.7
Work carried out by the enterprise for fixed assets	0.6	0.8	0.3	0.3
Operating subsidies	0.5	0.9	0.2	0.2
Current and other sundry revenue	0.5	0.6	1.4	0.7
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.1.2.1.2. Sales

52. IT sector sales - Manufacturing
(Millions of euros)

	2005	2006	2007	2008
Computers and other information processing equipment	855	683	620	517
Insulated wire and cable	2,642	2,952	3,192	2,972
Electronic valves and tubes and other electronic components	1,368	1,297	1,557	1,581
Television and radio transmitters and apparatus for line telephony and line telegraphy	3,930	5,062	4,939	4,818
Television and radio receivers, sound or video recording or reproducing apparatus	284	287	265	237
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	694	757	473	588
Industrial process control equipment	185	199	210	247
Office machinery	501	527	579	467
Total	**10,459**	**11,765**	**11,835**	**11,427**

Source: ONTSI

53. IT sector sales - Manufacturing

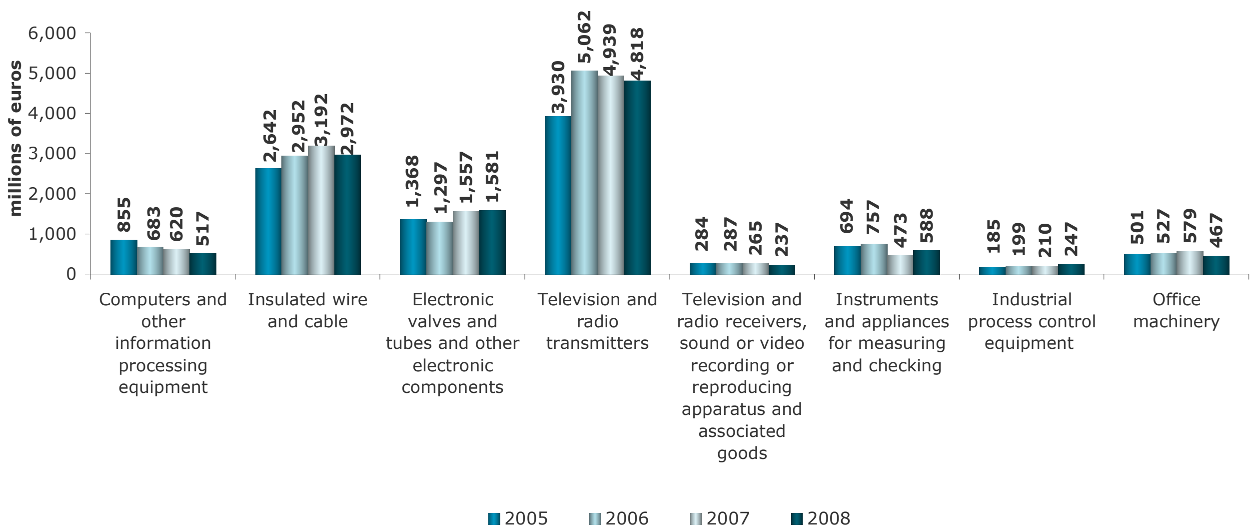
(% / total)

	2005	2006	2007	2008
Computers and other information processing equipment	8.2	5.8	5.2	4.5
Insulated wire and cable	25.3	25.1	27.0	26.0
Electronic valves and tubes and other electronic components	13.1	11.0	13.2	13.8
Television and radio transmitters and apparatus for line telephony and line telegraphy	37.6	43.0	41.7	42.2
Television and radio receivers, sound or video recording or reproducing apparatus	2.7	2.4	2.2	2.1
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	6.6	6.4	4.0	5.1
Industrial process control equipment	1.8	1.7	1.8	2.2
Office machinery	4.8	4.5	4.9	4.1
Total	**100**	**100**	**100**	**100**

Source: ONTSI

54. Evolution of IT sector sales - Manufacturing

(Millions of euros)



Source: ONTSI

3.1.2.1.3. Breakdown of sales

55. Breakdown of IT sector sales - Manufacturing
(Millions of euros)

	2005	2006	2007	2008
Net product sales	6,826	7,751	6,823	6,579
Net merchandise sales	3,481	3,777	4,417	4,268
Rendering of services	152	237	595	579
Total	**10,459**	**11,765**	**11,835**	**11,427**

Source: ONTSI

56. Breakdown of IT sector sales - Manufacturing
(% / total)

	2005	2006	2007	2008
Net product sales	65.3	65.9	57.7	57.6
Net merchandise sales	33.3	32.1	37.3	37.4
Rendering of services	1.5	2.0	5.0	5.1
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.1.2.1.4. Other operating income

57. Other IT sector operating income - Manufacturing
(Millions of euros)

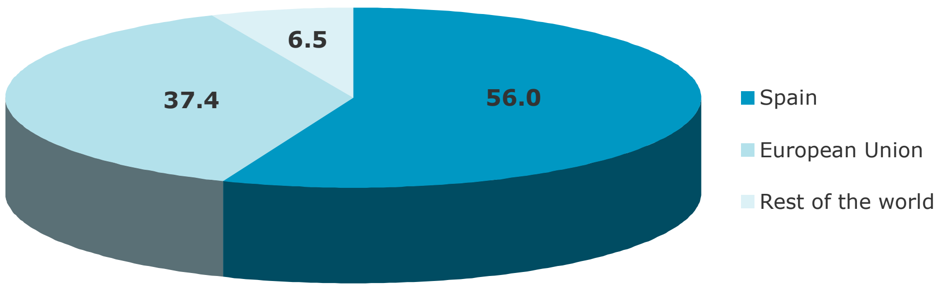
	2005	2006	2007	2008
Computers and other information processing equipment	5.93	7.25	10.65	11.11
Insulated wire and cable	18.75	32.66	7.99	6.48
Electronic valves and tubes and other electronic components	4.72	1.26	13.48	11.12
Television and radio transmitters and apparatus for line telephony and line telegraphy	24.38	29.95	108.05	41.61
Television and radio receivers, sound or video recording or reproducing apparatus	3.59	4.42	0.96	1.78
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	0.27	0.15	16.60	3.84
Industrial process control equipment	0.35	0.67	0.68	0.83
Office machinery	0.00	0.00	10.55	8.83
Total	**57.99**	**76.35**	**168.95**	**85.60**

Source: ONTSI

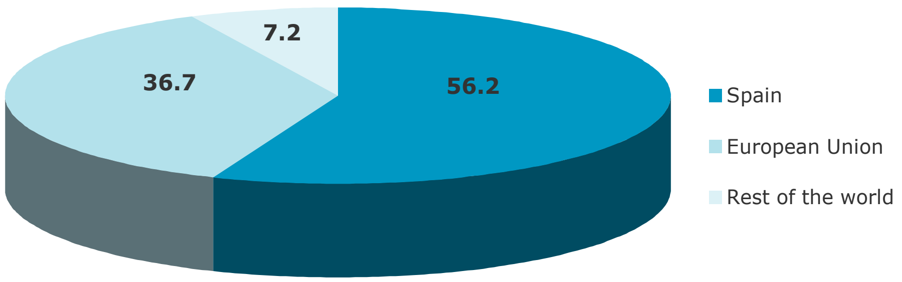
3.1.2.1.5. Geographical distribution of sales

58. Geographical distribution of IT sector sales - Manufacturing
(% / total)

2007



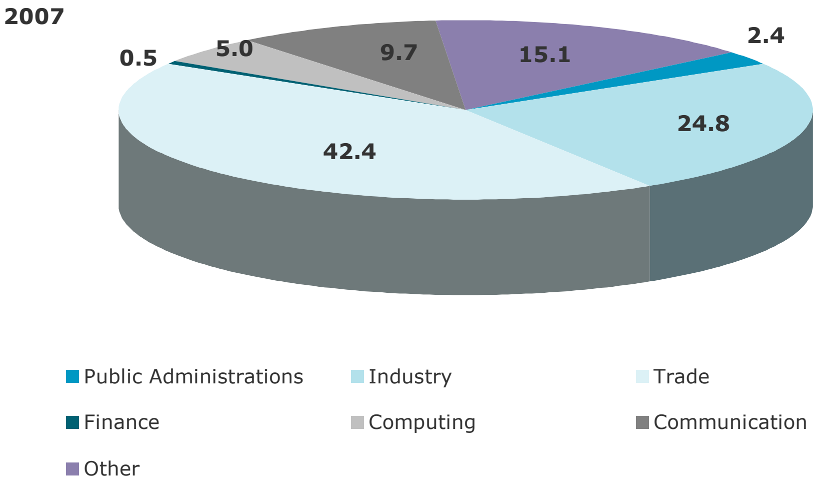
2008

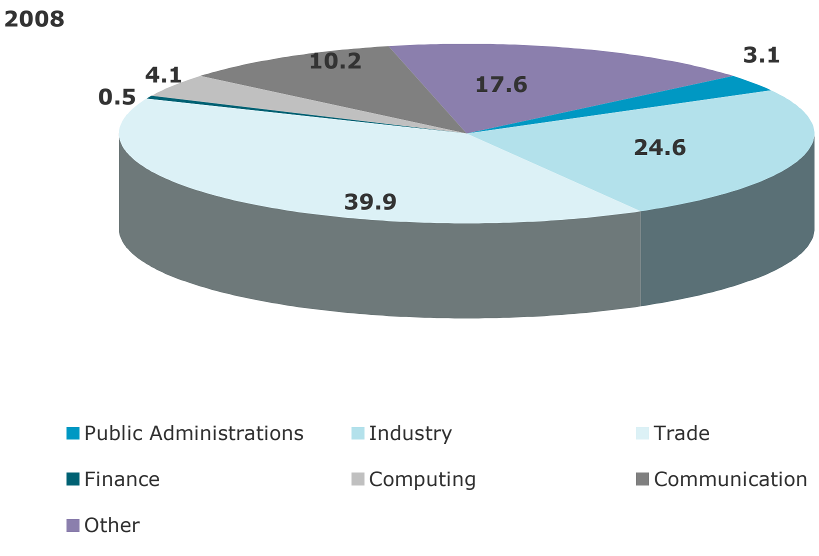


Source: ONTSI

3.1.2.1.6. Functional distribution of sales

59. Functional distribution of IT sector sales - Manufacturing
(% / total)





Source: ONTSI

3.1.2.2. Employment

610. Employment by activity branches - Manufacturing
(Number of employees)

	2005	2006	2007	2008
Computers and other information processing equipment	3,133	2,435	3,405	3,204
Insulated wire and cable	10,415	7,903	7,027	7,187
Electronic valves and tubes and other electronic components	7,704	7,683	8,365	8,040
Television and radio transmitters and apparatus for line telephony and line telegraphy	9,129	9,635	10,307	9,736
Television and radio receivers, sound or video recording or reproducing apparatus	1,737	1,916	1,746	1,744
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	4,371	4,252	4,022	3,964
Industrial process control equipment	1,726	1,794	1,370	1,409
Office machinery	640	344	427	441
Total	**38,855**	**35,962**	**36,668**	**35,724**

Source: ONTSI

601. Employment by activity branches - Manufacturing
(% / total)

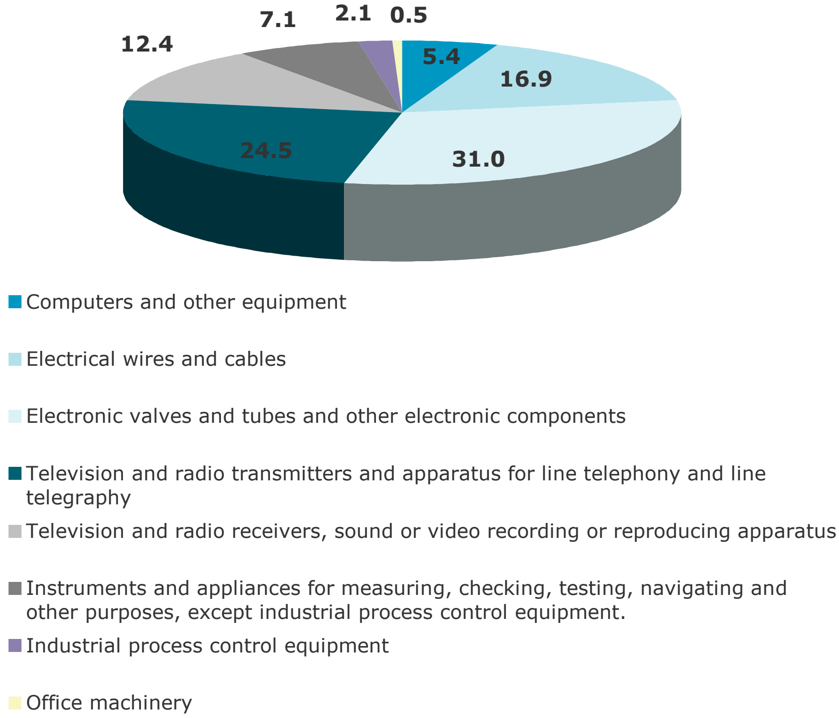
	2005	2006	2007	2008
Computers and other information processing equipment	8.1	6.8	9.3	9.0
Insulated wire and cable	26.8	22.0	19.2	20.1
Electronic valves and tubes and other electronic components	19.8	21.4	22.8	22.5
Television and radio transmitters and apparatus for line telephony and line telegraphy	23.5	26.8	28.1	27.3
Television and radio receivers, sound or video recording or reproducing apparatus	4.5	5.3	4.8	4.9
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	11.2	11.8	11.0	11.1
Industrial process control equipment	4.4	5.0	3.7	3.9
Office machinery	1.6	1.0	1.2	1.2
Total	**100**	**100**	**100**	**100**

Source: ONTSI

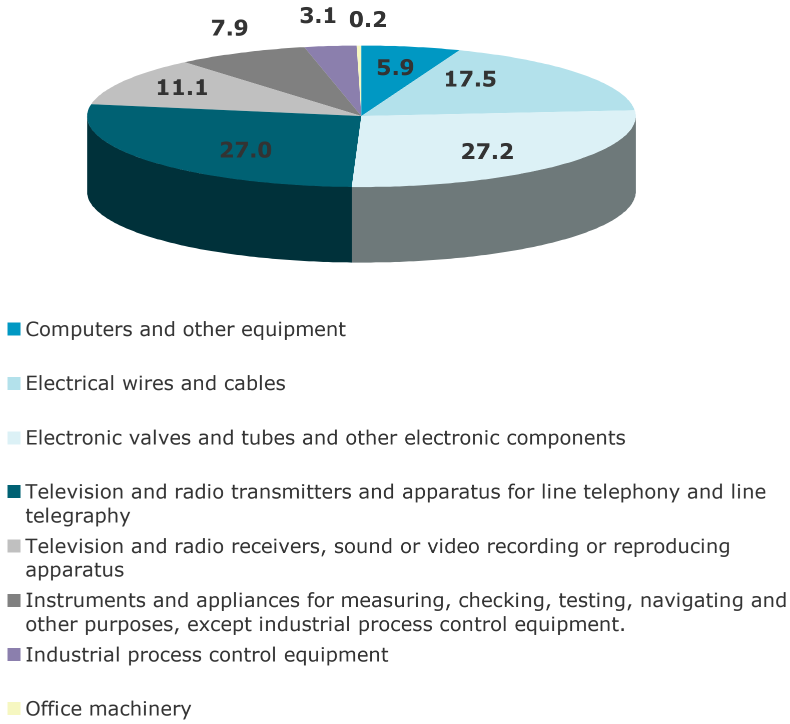
3.1.2.3. Investment

62. IT sector investment - Manufacturing
(% / total)

2007



2008



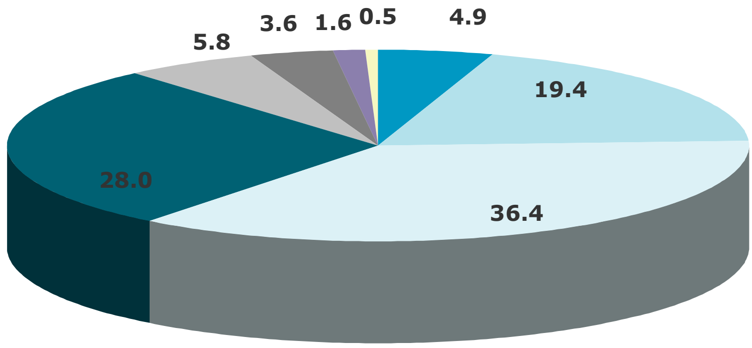
Source: ONTSI

3.1.2.3.1. Structure of gross investment

63. Tangible fixed assets in the manufacturing sector

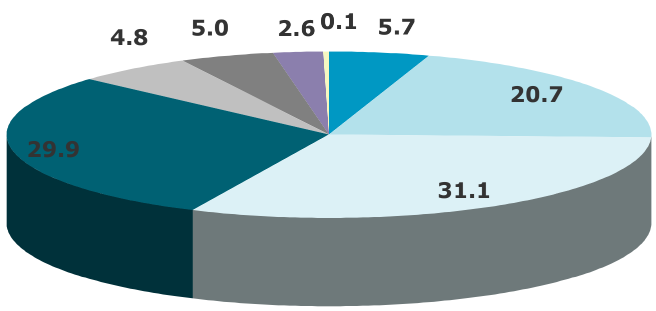
(% / total)

2007



- Computers and other information processing equipment
- Insulated wire and cable
- Electronic valves and tubes and other electronic components
- Television and radio transmitters and apparatus for line telephony and line telegraphy
- Television and radio receivers, sound or video recording or reproducing apparatus
- Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.
- Industrial process control equipment
- Office machinery

2008

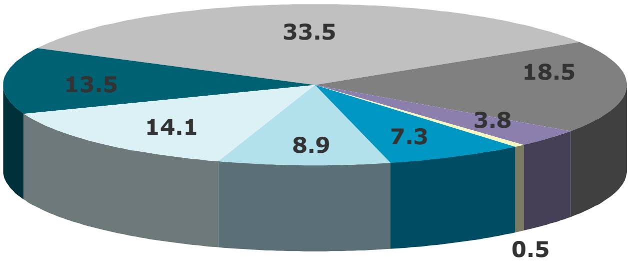


- Computers and other information processing equipment
- Insulated wire and cable
- Electronic valves and tubes and other electronic components
- Television and radio transmitters and apparatus for line telephony and line telegraphy
- Television and radio receivers, sound or video recording or reproducing apparatus
- Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.
- Industrial process control equipment
- Office machinery

Source: ONTSI

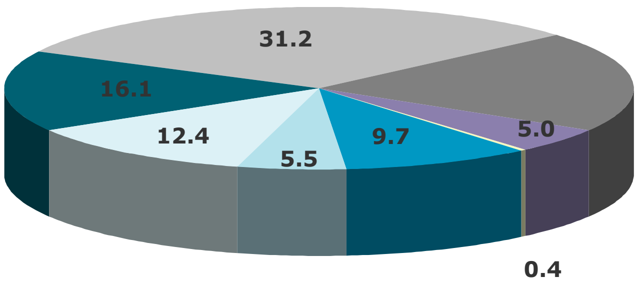
64. Intangible fixed assets in the manufacturing sector
(% / total)

2007



- Computers and other information processing equipment
- Insulated wire and cable
- Electronic valves and tubes and other electronic components
- Television and radio transmitters and apparatus for line telephony and line telegraphy
- Television and radio receivers, sound or video recording or reproducing apparatus
- Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.
- Industrial process control equipment
- Office machinery

2008



- Computers and other information processing equipment
- Insulated wire and cable
- Electronic valves and tubes and other electronic components
- Television and radio transmitters and apparatus for line telephony and line telegraphy
- Television and radio receivers, sound or video recording or reproducing apparatus
- Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.
- Industrial process control equipment
- Office machinery

Source: ONTSI

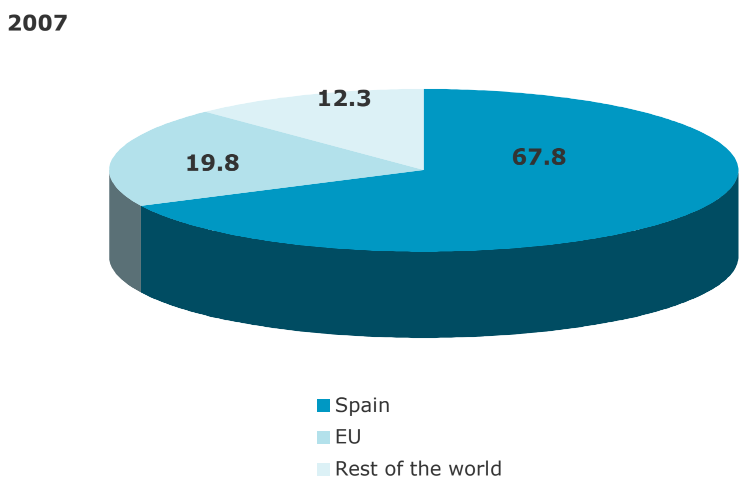
3.1.2.4. Structure of operating costs

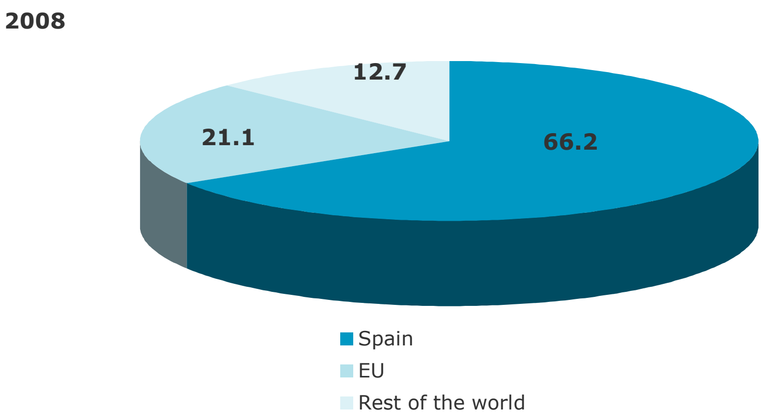
65. Distribution by purchase and cost categories in the IT sector - Manufacturing
(Millions of euros)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	7,345	8,767	8,768	8,121
Consumption of raw materials	4,745	5,134	5,405	5,157
Consumption of other supplies	200	274	86	87
Consumption of merchandise	2,273	3,209	2,950	2,502
Work carried out by other enterprises	127	150	328	376
External services	947	969	1,050	1,022
Personnel expenses	1,687	1,568	1,401	1,429
Provisions for depreciation of fixed assets	215	224	243	208
Total	**10,194**	**11,528**	**11,462**	**10,779**

Source: ONTSI

66. Geographical distribution of purchases and costs
(% / total)





Source: ONTSI

3.1.2.5. Financial expenses and revenue

67. Evolution of financial expenses and revenue in the manufacturing sector
(Millions of euros)

	2005	2006	2007	2008
Financial expenses	117	140	126	145
Financial revenue	72	84	69	80

Source: ONTSI

3.1.2.6. Extraordinary expenses and revenue

68. Evolution of extraordinary expenses and revenue in the manufacturing sector
(Millions of euros)

	2005	2006	2007	2008
Extraordinary expenses	6	6	216	10
Extraordinary revenue	3	5	275	23

Source: ONTSI

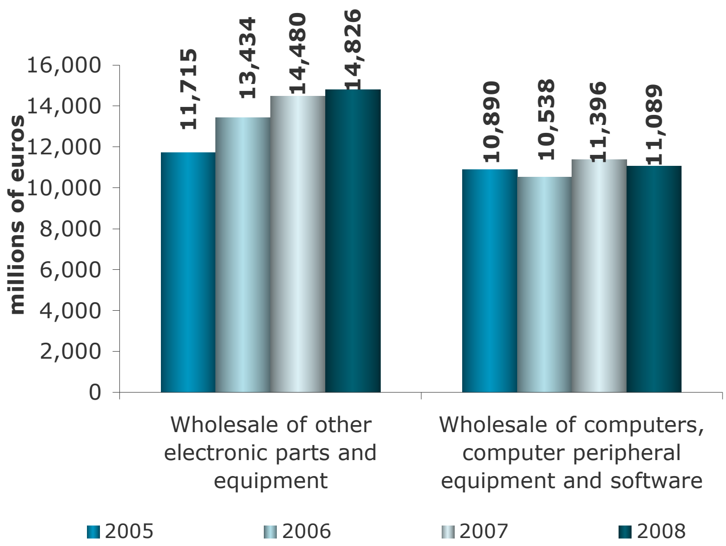
3.2. Trade

3.2.1. General trade sector figures

Trade sector sales recorded a slight rise from 2007 to 2008, growing from €25.8 billion in 2007 to €25.9 billion in 2008, representing a positive variation of 0.1%. Upon analysing the trade sector by activities, it can be seen that wholesale trade of other components and electronic equipment sales rose 2.4% with respect to 2007, while computers and computer program wholesale trade dropped by 2.7%. Of the total wholesale trade sales, 57.2% corresponded to wholesale trade of other electronic parts and equipment, and 42.8% to wholesale trade of computers, computer peripheral equipment and software.

During the period 2005-2008, trade sector sales grew by 14.6%. The greatest growth was recorded in wholesale trade of other electronic parts and equipment, with 26.6%, while wholesale trade of computers, computer peripheral equipment and software grew by 1.8%.

69. IT sector sales - Trade
(Millions of euros)



Source: ONTSI

Operating income of enterprises engaging in trade activities totalled €26.3 billion in 2008, representing a growth rate of 0.3%. During the period 2005-2008, the variation was 12.6%.

With regard to the operating income structure of trade activities, it should be noted that it was almost entirely linked to sales, which accounted for 98.4% of total revenue, most of which came from merchandise and product sales, this being the main activity.

Only 1.6% of revenue originated from activities other than the enterprises main activity.

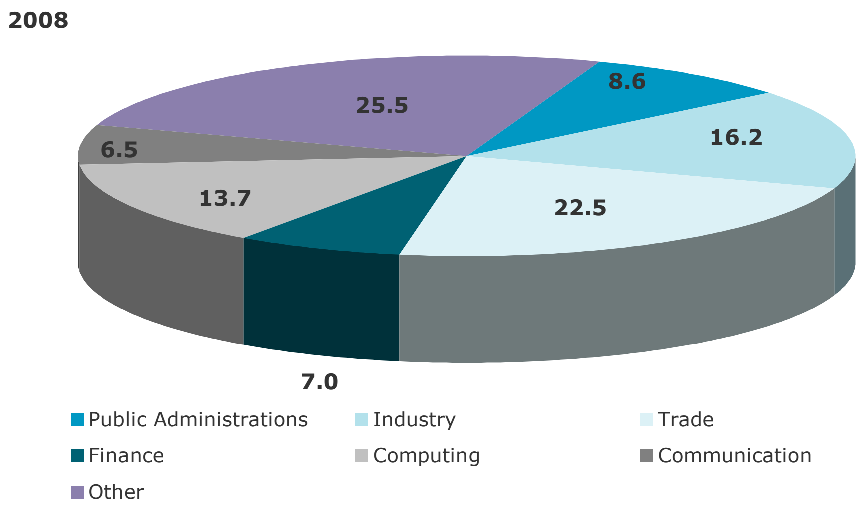
The strong presence of subsidiaries in the activity branches of machinery and equipment wholesale trading caused the Spanish market to be strongly influenced by the movements of international enterprises.

The destination of marketed IT products in 2008 was basically the Spanish market (89.5%), the European Union (8.3%), and the rest of the world (2.1%).

These sales were mainly distributed among trade, with 23.5% as distribution channel and end customer, industry with 16.9%, IT with 15%, and Public Administrations with 9.4%.

70. Functional distribution of IT sector sales - Trade

(% / total)



Source: ONTSI

The four main enterprises in the trade segment accounted for 16.89% of the total by turnover, whilst the leading enterprise had a market share of 5.95%.

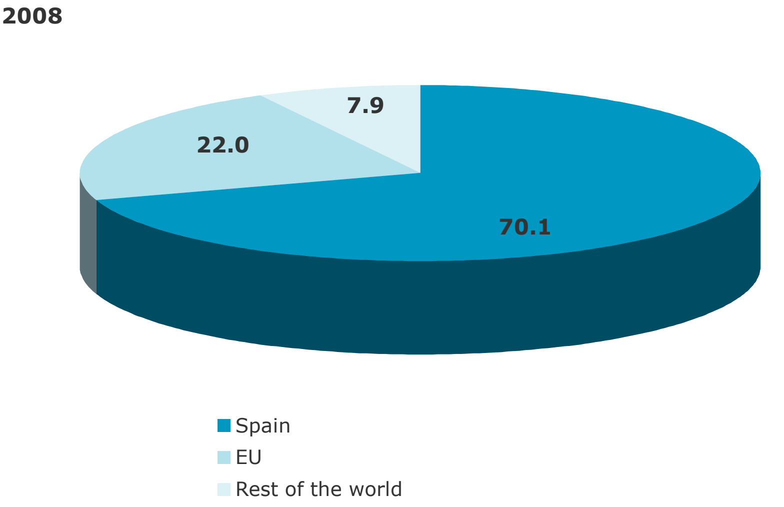
Trade activities provided employment for 76,171 persons. During the period 2005-2008, a growth rate of 17.3% was obtained. The enterprises that provided the most employment were those engaging in wholesale trade of other electronic parts and equipment, which accounted for 59.6% of total employment in this activity branch.

With regard to cost structure, it can be seen that the consumption and work carried out by other enterprises represented 75% of total operating costs of IT enterprises, followed by personnel costs, representing 15% of the total and external services[9], which represented 9% of the total.

IT trade activities obtain nearly 70.1% of their supplies from the Spanish market, 22% from the EU and 8% from the rest of the world.

[9] External services include all costs corresponding to production factors acquired from other enterprises

71. Geographical distribution of IT sector purchases - Trade
(% / total)



Source: ONTSI

Enterprises engaging in IT trade invested €1.1 billion in 2008. This represented 9.5% more than in 2007.

3.2.2. Trade sector statistics

3.2.2.1. Revenue

3.2.2.1.1. Structure of operating income

72. IT sector operating income - Trade
(Millions of euros)

	2005	2006	2007	2008
Turnover	22,605	23,972	25,876	25,915
Work carried out by the enterprise for fixed assets	0	0	11	9
Operating subsidies	6	1	6	6
Current and other sundry revenue	785	1,156	366	415
Total	**23,397**	**25,130**	**26,259**	**26,345**

Source: ONTSI

73. IT sector operating income - Trade
(% / total)

	2005	2006	2007	2008
Turnover	96.6	95.4	98.5	98.4
Work carried out by the enterprise for fixed assets	0.0	0.0	0.0	0.0
Operating subsidies	0.0	0.0	0.0	0.0
Current and other sundry revenue	3.4	4.6	1.4	1.6
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.2.2.1.2. Sales

74. IT sector sales - Trade
(Millions of euros)

	2005	2006	2007	2008
Wholesale of other electronic parts and equipment	11,715	13,434	14,480	14,826
Wholesale of computers, computer peripheral equipment and software	10,890	10,538	11,396	11,089
Total	**22,605**	**23,972**	**25,876**	**25,915**

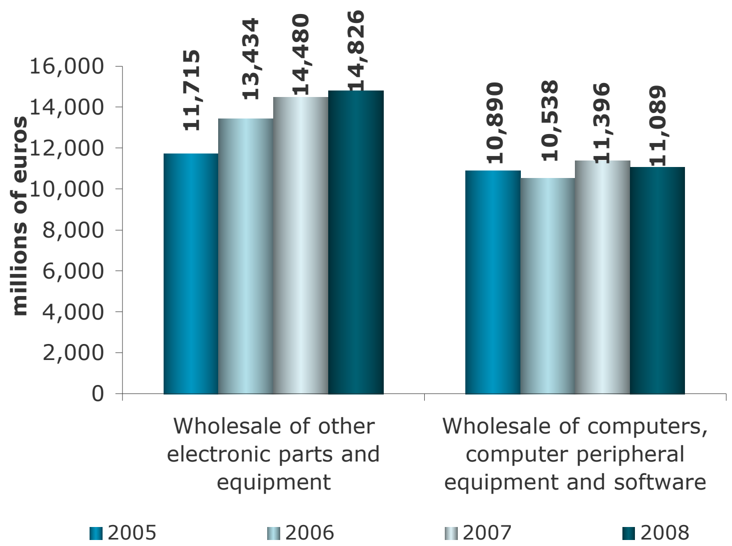
Source: ONTSI

75. IT sector sales - Trade
(% / total)

	2005	2006	2007	2008
Wholesale of other electronic parts and equipment	51.8	56.0	56.0	57.2
Wholesale of computers, computer peripheral equipment and software	48.2	44.0	44.0	42.8
Total	**100**	**100**	**100**	**100**

Source: ONTSI

76. Evolution of IT sector sales - Trade
(Millions of euros)



Source: ONTSI

3.2.2.1.3. Breakdown of sales

77. Breakdown of IT sector sales - Trade
(Millions of euros)

	2005	2006	2007	2008
Net product sales	5,831	5,342	6,481	6,442
Net merchandise sales	15,077	16,154	16,384	16,276
Rendering of services	1,698	2,477	3,011	3,196
Total	**22,605**	**23,972**	**25,876**	**25,915**

Source: ONTSI

78. Breakdown of IT sector sales - Trade
(% / total)

	2005	2006	2007	2008
Net product sales	25.8	22.3	25.0	24.9
Net merchandise sales	66.7	67.4	63.3	62.8
Rendering of services	7.5	10.3	11.6	12.3
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.2.2.1.4. Other operating income

79. Other IT sector operating income - Trade

(Millions of euros)

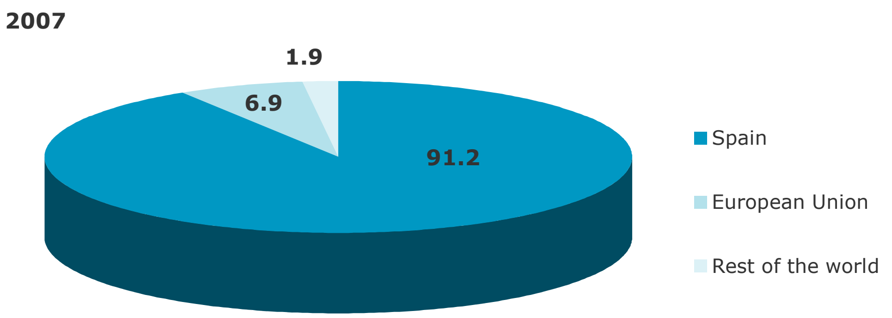
	2005	2006	2007	2008
Wholesale of other electronic parts and equipment	43	66	106	157
Wholesale of computers, computer peripheral equipment and software	742	1,098	260	258
Total	**785**	**1,164**	**366**	**415**

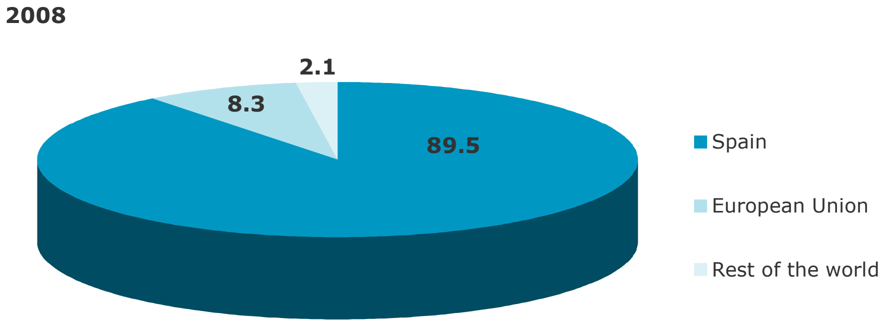
Source: ONTSI

3.2.2.1.5. Geographical distribution of sales

80. Geographical distribution of IT sector sales - Trade

(% / total)

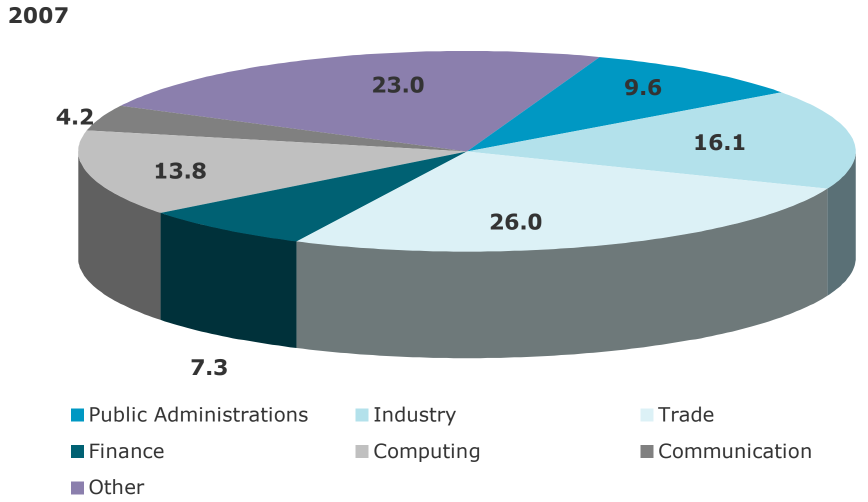


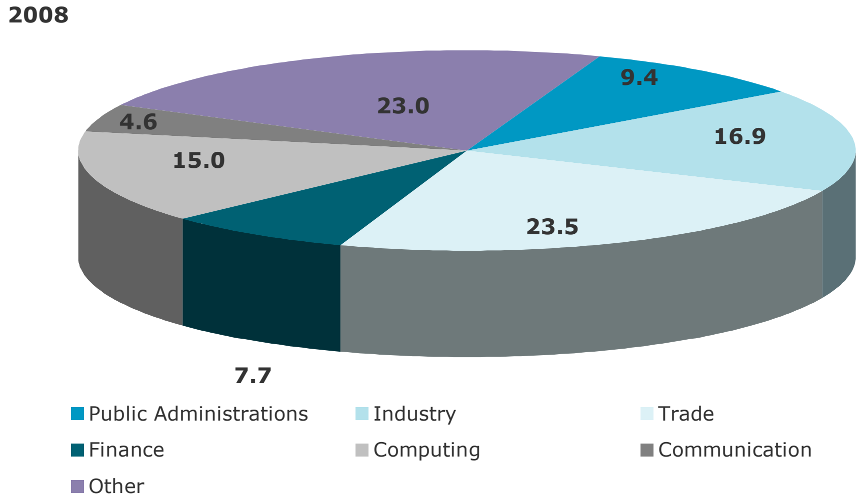


Source: ONTSI

3.2.2.1.6. Functional distribution of sales

81. Functional distribution of IT sector sales - Trade
(% / total)





Source: ONTSI

3.2.2.2. Employment

82. Employment by activity branches - Trade
(Number of employees)

	2005	2006	2007	2008
Wholesale of other electronic parts and equipment	40,071	39,696	40,853	45,379
Wholesale of computers, computer peripheral equipment and software	24,872	24,345	31,618	30,792
Total	**64,943**	**64,041**	**72,471**	**76,171**

Source: ONTSI

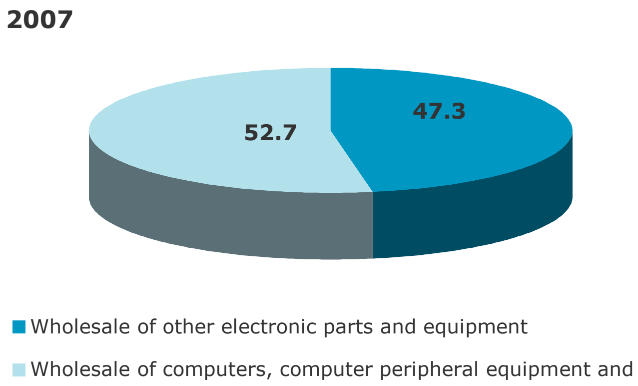
83. IT sector employment - Trade
(% / total)

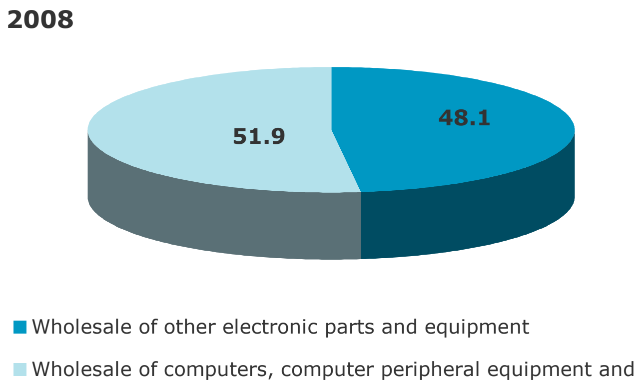
	2005	2006	2007	2008
Wholesale of other electronic parts and equipment	61.7	62.0	56.4	59.6
Wholesale of computers, computer peripheral equipment and software	38.3	38.0	43.6	40.4
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.2.2.3. Investment

84. IT sector investment - Trade
(Millions of euros)

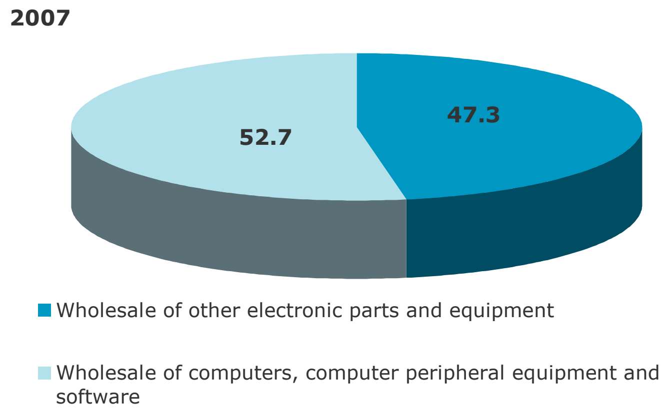


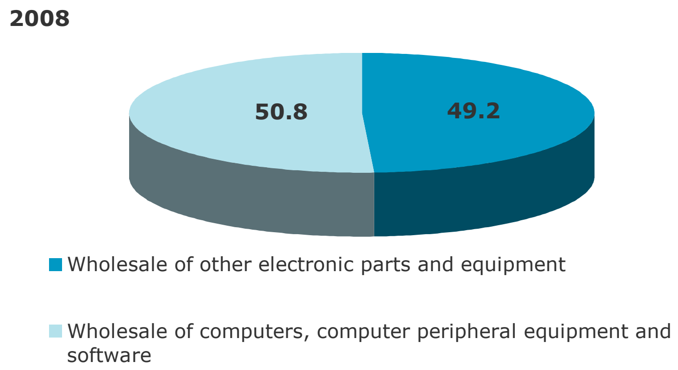


Source: ONTSI

3.2.2.3.1.Structure of gross investment

85. IT sector tangible fixed assets - Trade
(% / total)

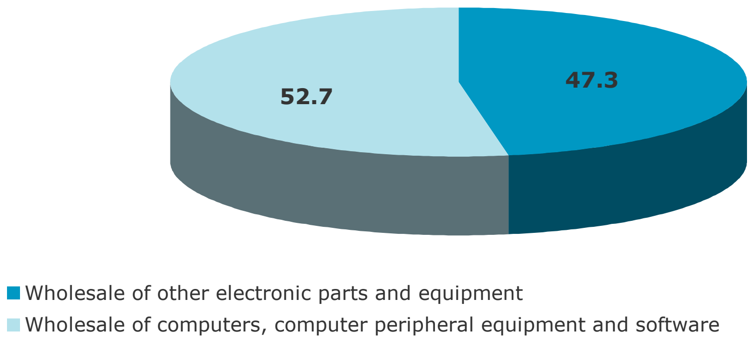




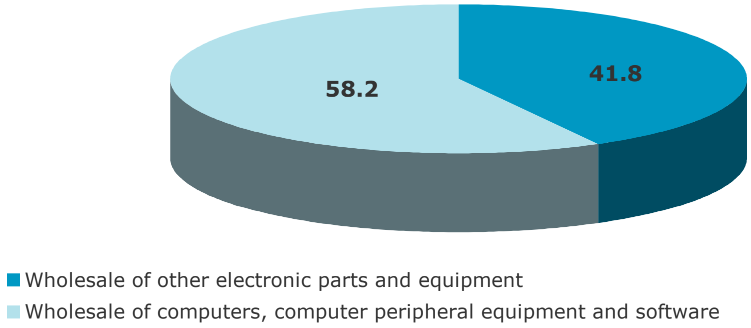
Source: ONTSI

86. IT sector intangible fixed assets - Trade
(% / total)

2007



2008



Source: ONTSI

3.2.2.4. Structure of operating costs

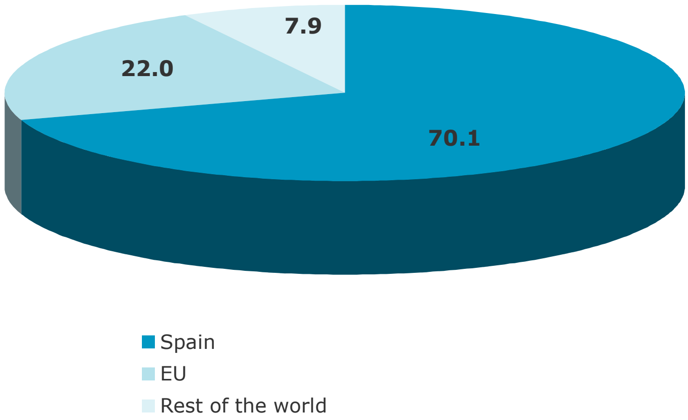
87. Distribution by purchase and cost categories in the IT sector - Trade
(Millions of euros)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	17,857	19,808	19,149	18,735
Consumption of raw materials	2,524	2,435	1,686	1,949
Consumption of other supplies	532	423	409	401
Consumption of merchandise	14,255	15,767	15,501	14,950
Work carried out by other enterprises	546	1,183	1,552	1,435
External services	1,663	1,654	2,078	2,258
Personnel expenses	1,814	2,180	3,404	3,666
Provisions for depreciation of fixed assets	202	63	300	205
Total	**21,537**	**23,704**	**24,930**	**24,865**

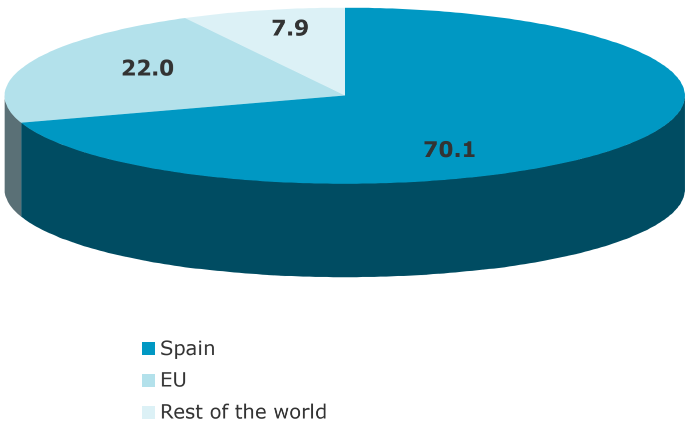
Source: ONTSI

88. Geographical distribution of IT sector purchases - Trade
(% / total)

2007



2008



Source: ONTSI

3.2.2.5. Financial expenses and revenue

89. Evolution of IT sector expenses and revenue - Trade
(Millions of euros)

	2005	2006	2007	2008
Financial expenses	187	190	233	280
Financial revenue	111	127	181	180

Source: ONTSI

3.2.2.6. Extraordinary expenses and revenue

90. Evolution of extraordinary expenses and revenue in the IT sector - Trade
(Millions of euros)

	2005	2006	2007	2008
Extraordinary expenses	59	22	64	68
Extraordinary revenue	102	19	191	31

Source: ONTSI

3.3. Computer and related activities and equipment rental

3.3.1. General figures for computer and related activities and equipment Rental

Turnover of enterprises that provide technological services reached €23.1 billion in 2008, an increase of 6.3% with respect to 2007. The growth rate during the period 2005-2008 was 46.2%. This growth evidences the dynamism of an economic activity segment in strong expansion.

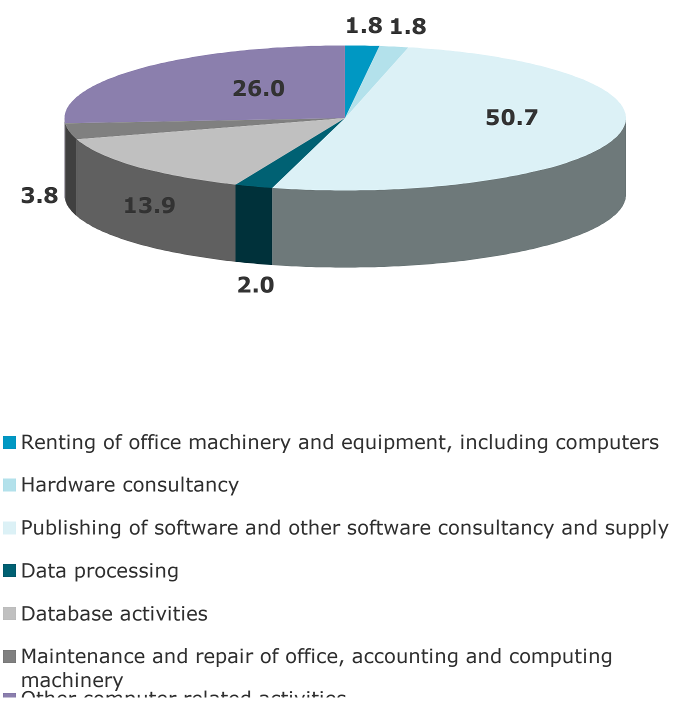
Spanish enterprises engaging in Computer and related activities were mainly devoted to consulting, integration and service management.

The new innovation-intensive business models based on enterprise management systems allowed these enterprises to position themselves in new market niches and establish new management systems and enterprise invoicing services, thereby achieving high growth rates and income-generating capacity.

The strong growth of this segment during the period 2005-2008 is evidenced by its high variation rates, ranging from 13.2% during the period 2005–2006 to 21.5% in 2007 and 6.3% in 2008.

By activity branches, during the period studied it can be seen that the branches dedicated to publishing of software and software consultancy and supply recorded growth rates in excess of 7%, with €11.6 billion in sales, in addition to those devoted to data processing, with a growth rate of 8% and €467 million in sales.

91. IT sector sales – Computer and related activities and equipment rental
(% / total)



Source: ONTSI

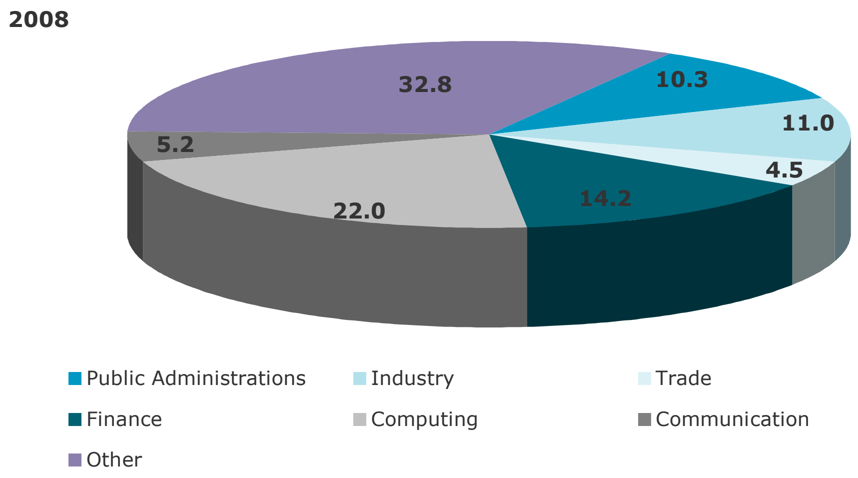
IT equipment consulting was the only activity branch that dropped 5.4%, probably due to corporate investment contracting in 2008.

The operating income structure of the enterprises that comprise these activity branches consisted almost entirely of rendering of services. Only 1% of revenue originated from activities other than the enterprises main activity.

Domestic demand absorbs 74.6% of all technological services produced, and 15.7% is exported to the EU.

With regard to the functional distribution of services in 2008, 22% were provided to IT, 11% to industry, 14.2% to finance, 10.3% to public administrations and 4.5% to trade, strengthening the presence of these enterprises in the main business sectors of the Spanish economy and increasing their presence in the public sector as service providers.

92. Functional distribution of sales – Computer and related activities and equipment rental
(% / total)



Source: ONTSI

The four main enterprises of the Computer and related activities and equipment rental segment accumulated a sales-based market share of 27.53%, while the leading enterprise had a market share of 12.44%.

Average turnover of the leading Spanish technology services enterprises has maintained a growth rate of around 9%.

The number of persons employed in the rendering of IT services is 188,165 persons, 16.4% more than in 2007.

93. IT sector employment – Computer and related activities and equipment rental

	2005	2006	2007	2008
Renting of office machinery and equipment, including computers	515	569	831	855
Hardware consultancy	3,555	3,434	2,436	2,448
Publishing of software and other software consultancy and supply	83,129	87,438	101,243	124,621
Data processing	5,516	5,071	6,422	6,702
Database activities	5,364	5,863	6,220	6,242
Maintenance and repair of office, accounting and computing machinery	8,816	8,407	9,663	10,209
Other computer related activities	45,459	42,976	34,780	37,089
Total	**152,354**	**153,758**	**161,595**	**188,165**

Source: ONTSI

The enterprises that provided the most employment were those engaging in publishing of software and software consultancy and supply, 66%; other computer related activities, nearly 20%, and maintenance and repair of office, accounting and computing machinery, 5.4%.

The best performance in terms of employment can be attributed to enterprises engaging in publishing of software and software consultancy and supply, with an employment generating capacity of 23%, followed by enterprises engaging in other computer related activities, with 6.6%.

Due to the fact that the cost structure of this segment is based on an activity that is labour intensive, personnel costs accounted for 38.5% of the total operating costs of computer and related services enterprises, followed by consumption and work carried out by other enterprises, accounting for 31% of the total, and external services[10], which accounted for 26.4% of the total.
These enterprises obtain 87.3% of their supplies from the Spanish market and 9% from the European market.

IT technology services enterprises invested €5.4 billion in 2008, 2.2% less than in 2007. Activities with the greatest investment included those related to databases, representing 49% of total investment, and computer program publishing, consulting activities and computer program supply, with 27% of the total.

[10] External services include all costs corresponding to production factors acquired from other enterprises

3.3.2. Computer and related activities and equipment rental sector statistics

3.3.2.1. Revenue

3.3.2.1.1. Structure of operating income

94. IT sector revenue – Computer and related activities and equipment rental
(Millions of euros)

	2005	2006	2007	2008
Turnover	15,775	17,861	21,694	23,061
Work carried out by the enterprise for fixed assets	307	386	274	286
Operating subsidies	37	264	99	139
Current and other sundry revenue	80	86	179	235
Total	**16,199**	**18,597**	**22,246**	**23,721**

Source: ONTSI

95. IT sector revenue – Computer and related activities and equipment rental
(% / total)

	2005	2006	2007	2008
Turnover	97.4	96.0	97.5	97.2
Work carried out by the enterprise for fixed assets	1.9	2.1	1.2	1.2
Operating subsidies	0.2	1.4	0.4	0.6
Current and other sundry revenue	0.5	0.5	0.8	1.0
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.3.2.1.2.Sales

96. IT sector sales – Computer and related activities and equipment rental
(Millions of euros)

	2005	2006	2007	2008
computers	277	300	375	426
Hardware consultancy	304	344	433	409
Publishing of software and other software consultancy and supply	9,344	9,863	10,879	11,681
Data processing	347	386	430	467
Database activities	241	1,748	3,117	3,208
computing machinery	760	775	848	873
Other computer related activities	4,503	4,447	5,612	5,997
Total	**15,775**	**17,861**	**21,694**	**23,061**

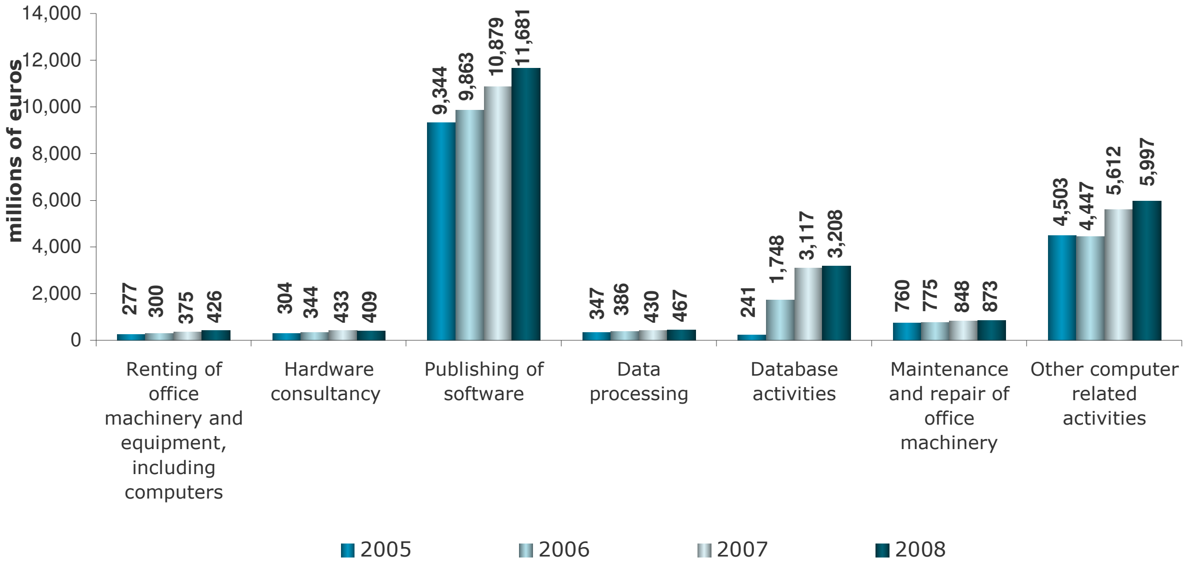
Source: ONTSI

97. IT sector sales – Computer and related activities and equipment rental
(% / total)

	2005	2006	2007	2008
Renting of office machinery and equipment, including computers	1.8	1.7	1.7	1.8
Hardware consultancy	1.9	1.9	2.0	1.8
Publishing of software and other software consultancy and supply	59.2	55.2	50.1	50.7
Data processing	2.2	2.2	2.0	2.0
Database activities	1.5	9.8	14.4	13.9
Maintenance and repair of office, accounting and computing machinery	4.8	4.3	3.9	3.8
Other computer related activities	28.5	24.9	25.9	26.0
Total	**100**	**100**	**100**	**100**

Source: ONTSI

98. Evolution of IT sector sales – Computer and related activities and equipment rental
(Number of enterprises)



Source: ONTSI

3.3.2.1.3. Breakdown of sales

99. Breakdown of IT sector sales – Computer and related activities and equipment rental
(Millions of euros)

	2005	2006	2007	2008
Net product sales	1,406	1,672	3,378	3,638
Net merchandise sales	2,236	1,782	3,256	3,069
Rendering of services	12,133	14,407	15,061	16,355
Total	**15,775**	**17,861**	**21,694**	**23,061**

Source: ONTSI

100. Breakdown of IT sector sales – Computer and related activities and equipment rental
(% / total)

	2005	2006	2007	2008
Net product sales	8.9	9.4	15.6	15.8
Net merchandise sales	14.2	10.0	15.0	13.3
Rendering of services	76.9	80.7	69.4	70.9
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.3.2.1.4. Other operating income

101. Other IT sector operating income – Computer and related activities and equipment rental
(Millions of euros)

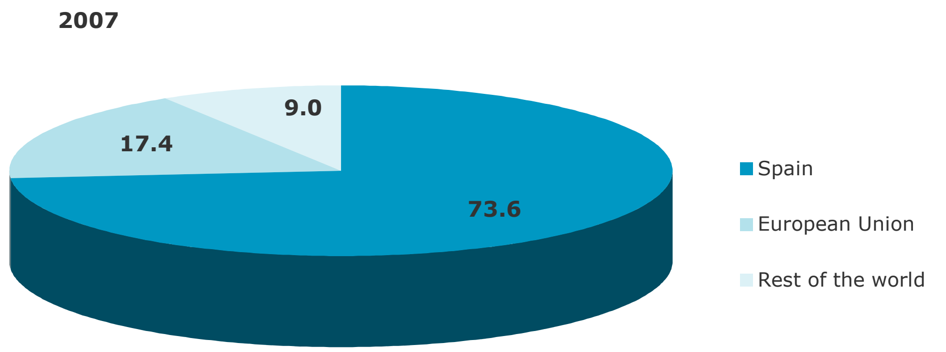
	2005	2006	2007	2008
Renting of office machinery and equipment, including computers	0.00	0.00	7.34	11.29
Hardware consultancy	0.06	0.12	2.69	3.86
Publishing of software and other software consultancy and supply	44.08	29.72	124.04	167.64
Data processing	0.07	0.02	3.89	5.67
Database activities	1.04	7.23	2.54	2.82
Maintenance and repair of office, accounting and computing machinery	5.60	3.88	7.84	3.86
Other computer related activities	27.95	45.52	31.05	40.22
Total	**78.80**	**86.48**	**179.40**	**235.36**

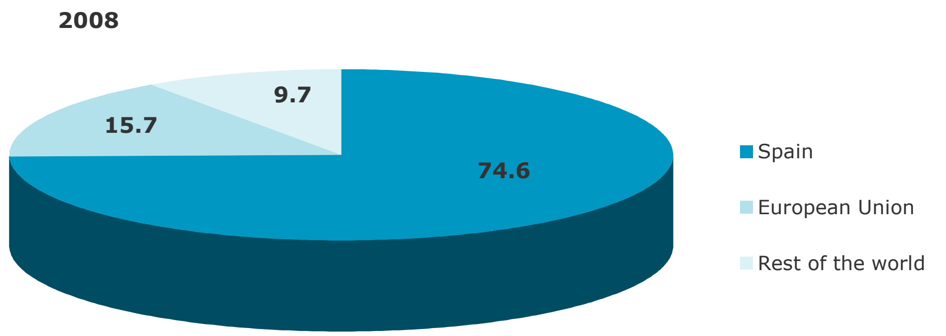
Source: ONTSI

3.3.2.1.5. Geographical distribution of sales

102. Geographical distribution of IT sector sales – Computer and related activities and equipment rental

(% / total)



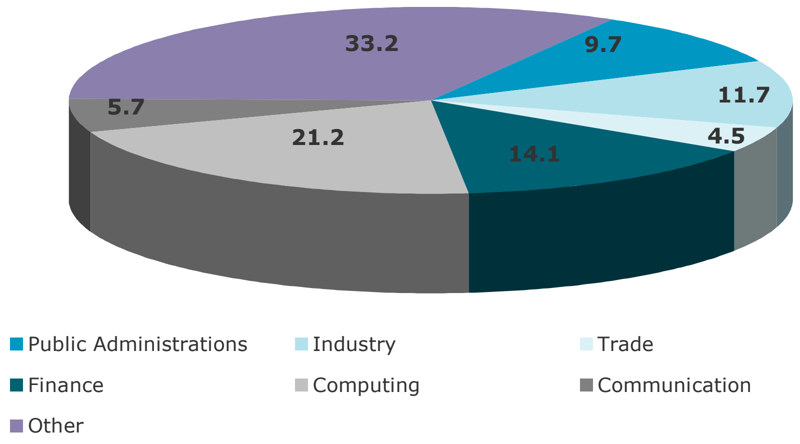


Source: ONTSI

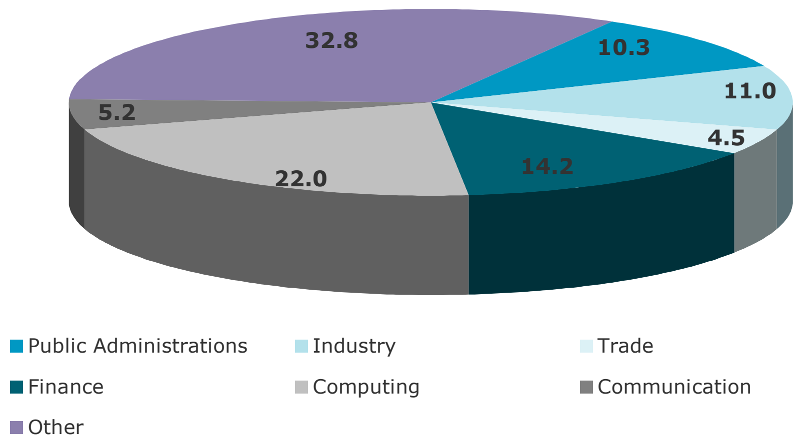
3.3.2.1.6. Functional distribution of sales

103. Functional distribution of IT sector sales – Computer and related activities and equipment rental
(% / total)

2007



2008



Source: ONTSI

3.3.2.2. Employment

104. IT sector employment – Computer and related activities and equipment rental
(Number of employees)

	2005	2006	2007	2008
Renting of office machinery and equipment, including computers	515	569	831	855
Hardware consultancy	3,555	3,434	2,436	2,448
Publishing of software and other software consultancy and supply	83,129	87,438	101,243	124,621
Data processing	5,516	5,071	6,422	6,702
Database activities	5,364	5,863	6,220	6,242
Maintenance and repair of office, accounting and computing machinery	8,816	8,407	9,663	10,209
Other computer related activities	45,459	42,976	34,780	37,089
Total	**152,354**	**153,758**	**161,595**	**188,165**

Source: ONTSI

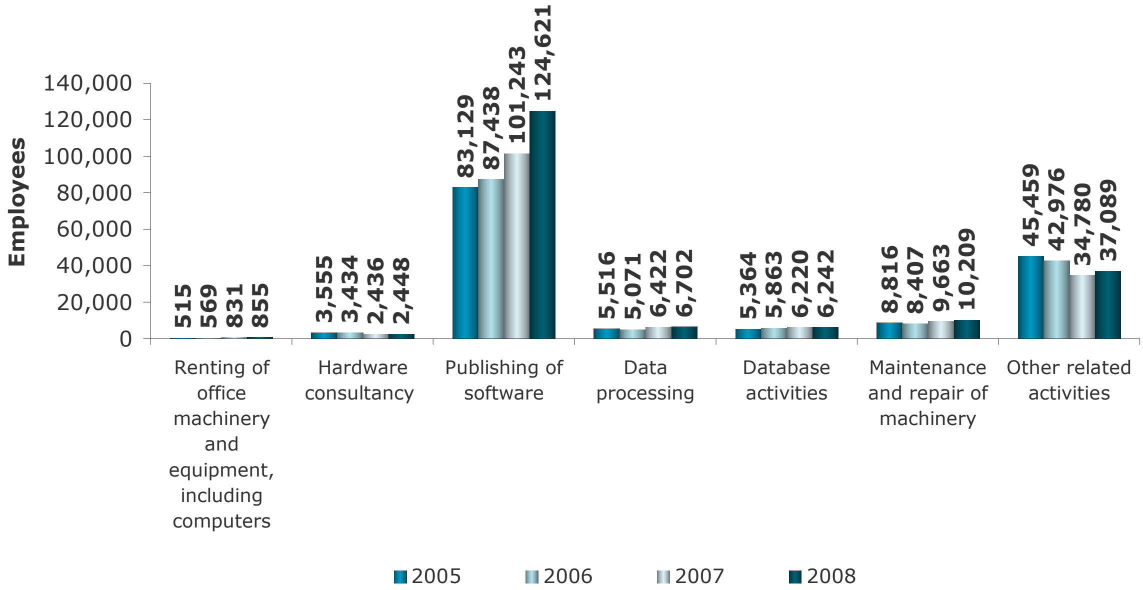
105. IT Sector employment – Computer and related activities and equipment rental
(% / total)

	2005	2006	2007	2008
Renting of office machinery and equipment, including computers	0.3	0.4	0.5	0.5
Hardware consultancy	2.3	2.2	1.5	1.3
Publishing of software and other software consultancy and supply	54.6	56.9	62.7	66.2
Data processing	3.6	3.3	4.0	3.6
Database activities	3.5	3.8	3.8	3.3
Maintenance and repair of office, accounting and computing machinery	5.8	5.5	6.0	5.4
Other computer related activities	29.8	28.0	21.1	19.7
Total	**100**	**100**	**100**	**100**

Source: ONTSI

106. Evolution of IT sector employment – Computer and related activities and equipment rental

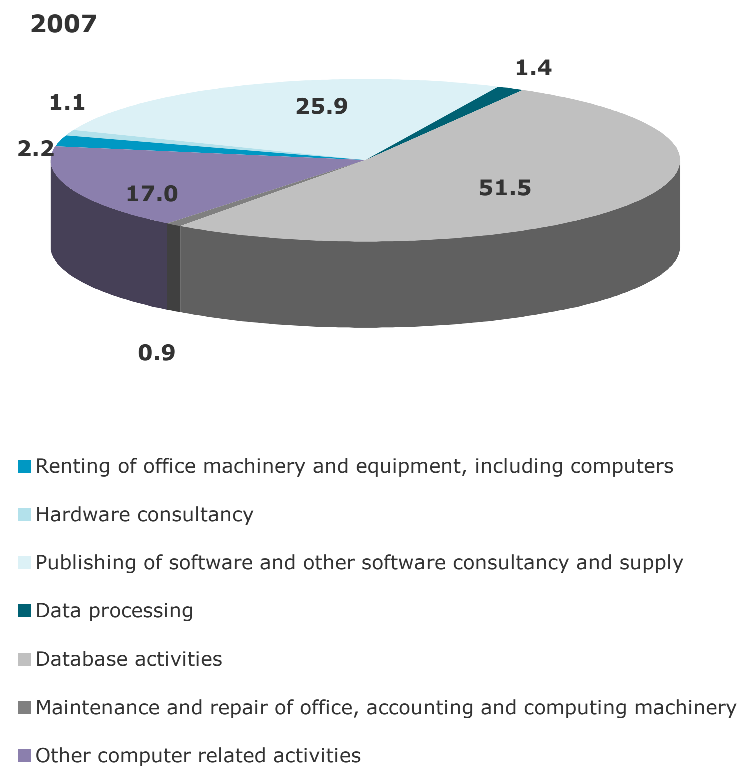
(Number of employees)

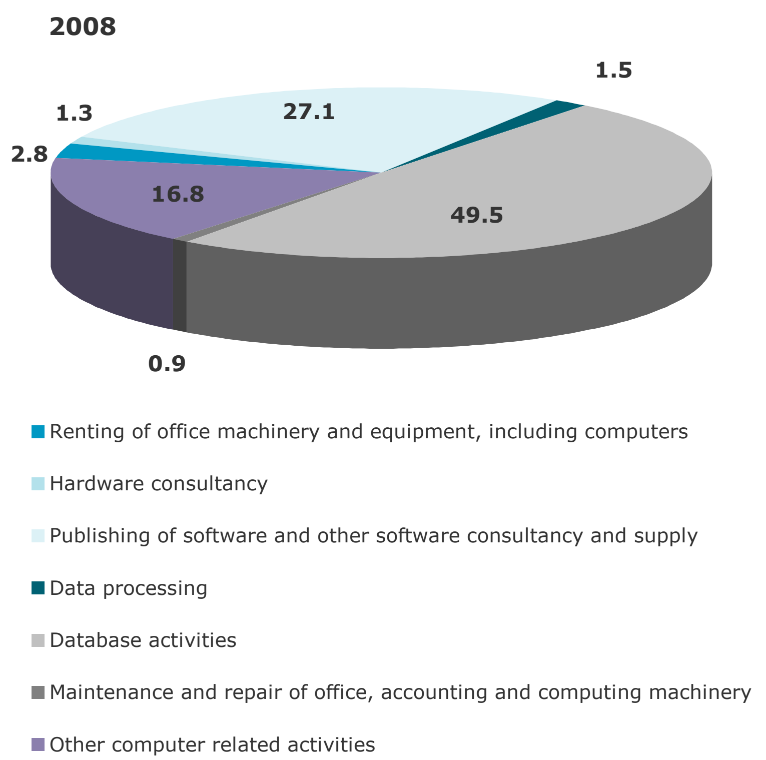


Source: ONTSI

3.3.2.3. Investment

107. IT sector investment – Computer and related activities and equipment rental
(Millions of euros)



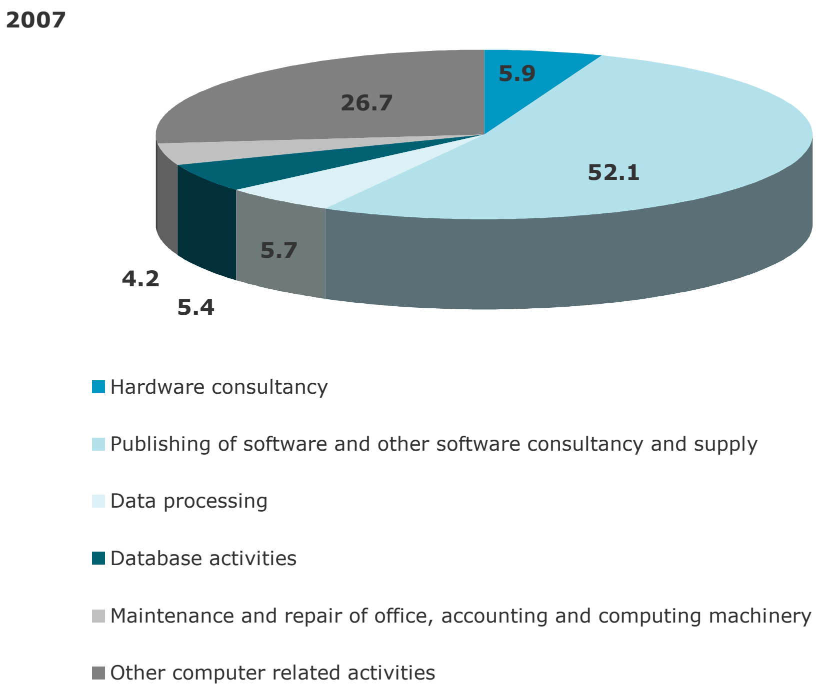


Source: ONTSI

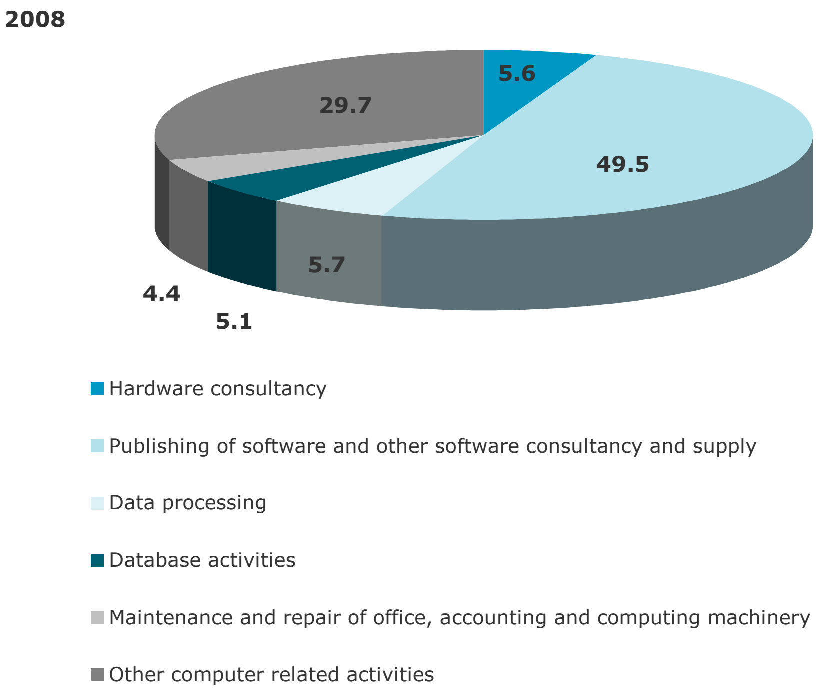
3.3.2.3.1.Structure of gross investment

108. IT sector tangible fixed assets - Computer and related activities and equipment rental
(% / total)

2007



2008

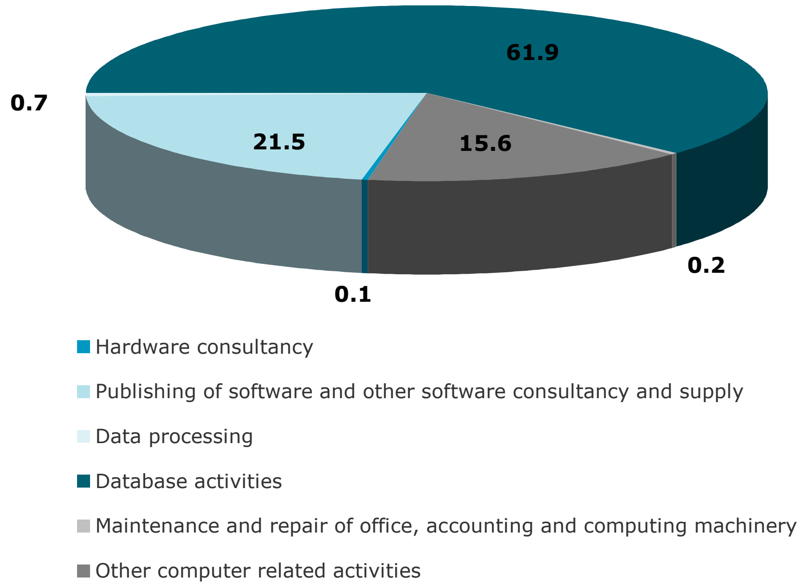


Source: ONTSI

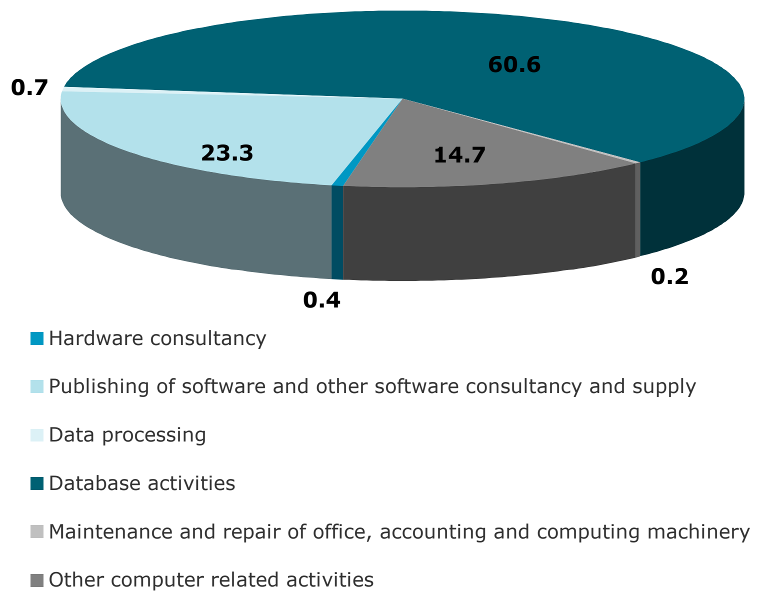
109. IT Sector intangible fixed assets - Computer and related activities and equipment rental

(% / total)

2007



2008



Source: ONTSI

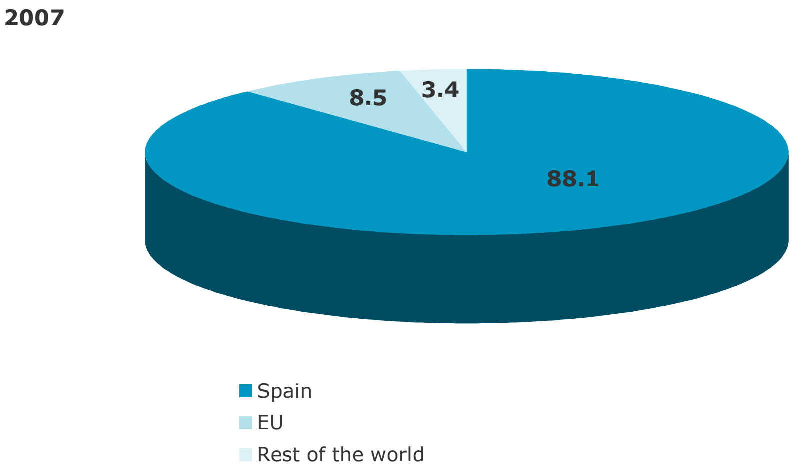
3.3.2.4. Structure of operating costs

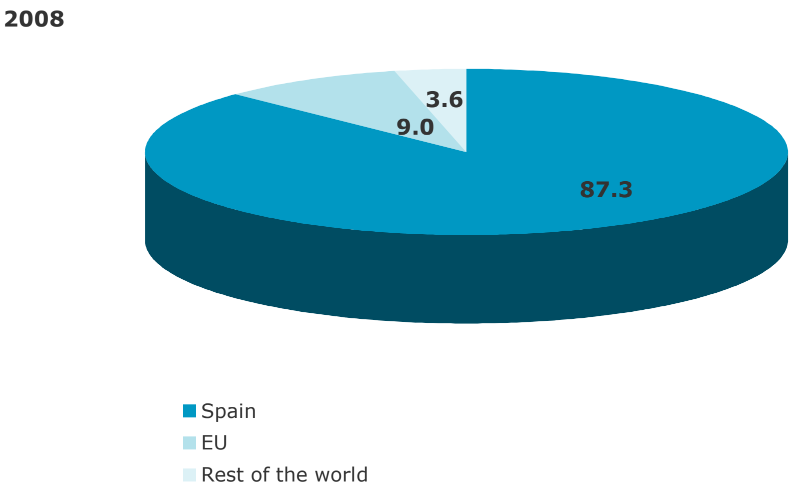
110. Distribution by purchase and cost categories in the IT Sector – Computer and related activities and equipment rental
(Millions of euros)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	4,458	4,739	6,890	7,113
Consumption of raw materials	108	112	223	219
Consumption of other supplies	252	736	593	590
Consumption of merchandise	2,962	2,682	3,902	3,958
Work carried out by other enterprises	1,135	1,209	2,174	2,346
External services	2,336	3,569	5,644	6,039
Personnel expenses	7,517	9,421	7,608	8,790
Provisions for depreciation of fixed assets	441	925	1,057	905
Total	**14,752**	**18,655**	**21,199**	**22,847**

Source: ONTSI

111. Geographical distribution of IT sector purchases – Computer and related activities and equipment rental
(% / total)





Source: ONTSI

112. Distribution by purchase and cost categories - Computer and related activities and equipment rental

(% / total)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	30.2	25.4	32.5	31.1
Consumption of raw materials	2.4	2.4	3.2	3.1
Consumption of other supplies	5.7	15.5	8.6	8.3
Consumption of merchandise	66.5	56.6	56.6	55.7
Work carried out by other enterprises	25.5	25.5	31.5	33.0
External services	15.8	19.1	26.6	26.4
Personnel expenses	51.0	50.5	35.9	38.5
Provisions for depreciation of fixed assets	3.0	5.0	5.0	4.0
Total	**100**	**100**	**100**	**100**

Source: ONTSI

3.3.2.5. Financial Expenses and Revenue

113. Evolution of financial expenses and revenue in the IT Sector – Computer and related activities and equipment rental

(Millions of euros)

	2005	2006	2007	2008
Financial expenses	99	306	516	311
Financial revenue	103	32	362	553

Source: ONTSI

3.3.2.6. Extraordinary Expenses and Revenue

114. Evolution of extraordinary expenses and revenue in the IT Sector – Computer and related activities and equipment rental

(Millions of euros)

	2005	2006	2007	2008
Extraordinary expenses	123	76	117	38
Extraordinary revenue	11	243	52	53

Source: ONTSI

Spain IT Sector Report 2008. 2009 Edition.

4. The Digital Content and Audio-visual Services Sector

4. THE DIGITAL CONTENT AND AUDIO-VISUAL SERVICES SECTOR

4.1. Methodology

When finding a definition for the content sector we should point out the disparity of current criteria and methodologies, as most of these do not differentiate the content sector from the ICT sector, and include activity branches of one in the other.

In 1998, the OECD starting working on a definition of the content industry through the WPIIS (Working Party on Indicators for the Information Society). The content sector was defined as: "the industry that manufactures products that provide content with information", considering the electronic content sector (or digital content sector) as a subsector of the former. Despite the definition adopted for the content and electronic content sectors, the OECD did not specify the economic activities that comprised said industry, only that the definition would be based on the North American classification system NAICS 2002 (North American Industry Classification System), where part of the industries pertaining to the ICT sector, such as telecommunications or Internet Service Providers (ISPs) were included.

Work on a new proposal started in October 2006, which was finally established as the definition in 2007, being: "The production (goods and services) of the content and audio-visual services industry is oriented towards informing, educating and/or entertaining via communication media. This industry includes the production, publication and/or distribution of content (information, culture and entertainment-related products) where the content corresponds to organised messages addressed to human beings". The new definition of the content and audio-visual services by activity branches became applicable in 2009 and, therefore, it will be included in the next publication that presents the data for said year.

For the purpose of this study, the classification used by the INE (Spanish National Statistics Institute) has been used, which indicates that the content sector is comprised of the activities shown in the following table, still based on the proposal made by the OECD in 2002 and drawn up based on ISIC Rev. 3.1 and the NAICS 2002 classification.

115. Definition of the digital content and audio-visual services sector

CNAE	Manufacturing
2214	Publishing of sound recordings
2231	Reproduction of sound recordings
2232	Reproduction of video recordings
2233	Reproduction of computer media
	Services audio-visual
9211	Motion picture and video production
9212	Motion picture and video distribution
9220	Radio and television activities

4.2. Content sector general figures

The digital content and digital services sector is comprised of more than 2,984 enterprises, representing 0.1% of services sector enterprises[11].

By type of activity, the segment with the greatest enterprise-generating capacity is that of cinematographic and video production, with 2,058 enterprises, representing 69% of the total, and the branch dedicated to film distribution, with 383 enterprises, representing 13%. Overall, media turnover represents 18% of the sector total, while audio-visual services account for 80% of the sector.

The creation of enterprises in this sector experienced a slight drop compared to the previous year in segments such as reproduction of recorded IT media, to -11%. In this regard, it can be seen that the industrial part of the sector lost 15% of its enterprises, compared to 0.4% in the services segment. These enterprise creation and dissolution movements were partially due to the sharp enterprise growth that took place during the period 2005-2006, recording rates in excess of 40%.

Geographically, three autonomous regions accounted for 71.6% of digital content and audio-visual services sector enterprises. Madrid was the most notable region, with 41% of the enterprises, followed by Catalonia and Andalusia with 22.6% and 8.1%, respectively.

[11]Source: According to the "2007 Annual Services Survey and Annual Trade Survey" published by the INE (Spanish National Statistics institute), the total number of services enterprises is 2,194,509.

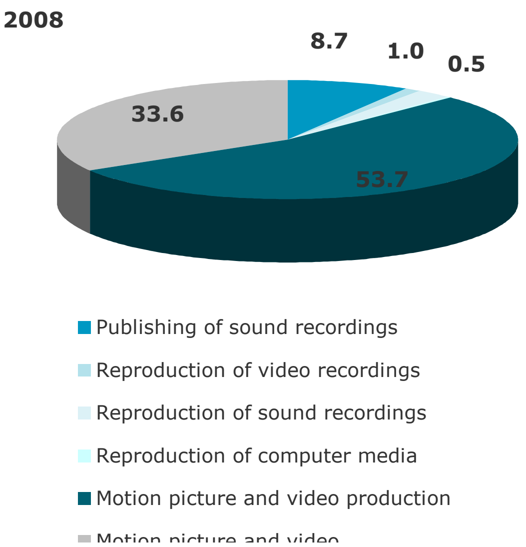
116. Number of digital content sector enterprises – 2007

	Content	% / total
Andalusia	241	8.1
Aragon	41	1.4
Asturias	34	1.1
Balearic Islands	49	1.6
Canary Islands	71	2.4
Cantabria	9	0.3
Castilla & Leon	53	1.8
Castilla-La Mancha	32	1.1
Catalonia	673	22.6
Ceuta	1	0.0
Region of Valencia	206	6.9
Extremadura	19	0.6
Galicia	126	4.2
La Rioja	3	0.1
Madrid	1,223	41.0
Melilla	1	0.0
Murcia	17	0.6
Navarre	22	0.7
Basque Country	163	5.5
Spain	**2,984**	**100**

Source: ONTSI

Invoicing in 2008 reached €2.8 billion, nearly 10% more than in 2007. This increase was due to the motion picture and video distribution segment, which rose 21%, followed by motion picture and video production, with an increase of 6.9%. These branches had the greatest weight within the digital content sector, representing jointly 87.4% of the total.

117. Sales – Digital content and audio-visual services
(% / total)



Source: ONTSI

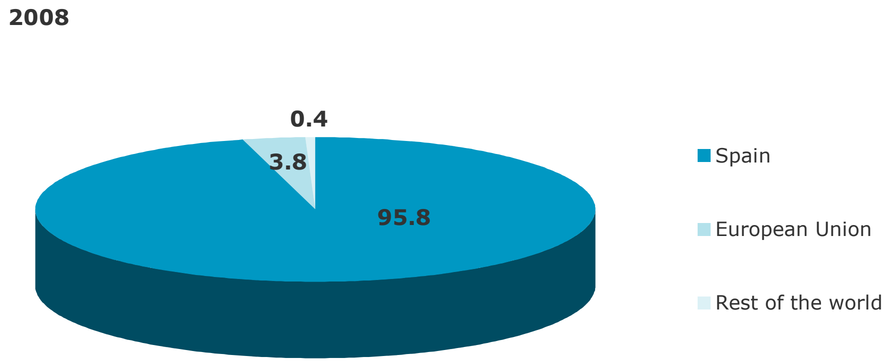
However, turnover in the manufacturing, publishing of sound recordings and reproduction of sound recording segments dropped considerably. This was partially due to the deceleration of the industrial part of the sector.

Digital content sector operating income reached €2.8 billion in 2008, 9.6% more than in 2007. The increase in revenue over the latter year was greater than that of previous years, 3.5% in 2007 and 4.1% in 2006. During the period 2005 to 2008, the digital content sector revenue grew by 18%.

The operating income structure of the enterprises that comprise these activity branches differs between the manufacturing and services branches. In industrial enterprises, turnover is obtained from product sales, followed by merchandise sales with 70%. In turn, audio-visual services concentrate their turnover in rendering of services, while merchandise and product sales are almost residual.

Product sales were mainly devoted to satisfying the domestic media demand, at 95.8%; the EU accounted for another 3.8%, while the remaining 0.4% was earmarked for other countries. With respect to 2008, there was a slight increase in sales to non-EU countries, going from 3.3% in 2007 to 3.8% in 2008, an increase of 0.5 percentage points.

118. Geographical distribution of sales - Digital content and audio-visual services
(% / total)



Source: ONTSI

With regard to the functional distribution of sales, commercial activities absorb the largest percentage (34.8%), followed by communication activities, with 20.5%, and industry, with 2.7%.

The number of persons employed in the digital content sector reached 13.5 billion, 2.1% less than in 2007. With respect to the period 2005-2008, employment grew by 7%. The activity branch with the greatest number of employees was motion picture and video production, which represented nearly three-quarters of the total employment (74.2%) in the digital content sector.

With regard to cost structure, consumption and work carried out by other enterprises represented 22% of the total operating costs.

The audio-visual services branches are more employment intensive, more so than manufacturing of sound, video and computer media recordings.

Investment in the digital content sector reached 3.8% in 2008, reaching nearly €300 million, most of which was encompassed within the publishing of sound recordings segment, which accounted for 62.6% of total investment.

Gross Added Value at Market Prices reached €2.3 billion in 2008, 9.5% more than in 2007.

4.3. Content sector statistics

4.3.1. Revenue

4.3.1.1. Structure of operating income

119. Operating income - Digital content and audio-visual services
(Millions of euros)

	2005	2006	2007	2008
Turnover	2,319	2,205	2,548	2,801
Work carried out by the enterprise for fixed assets	16	28	1	1
Operating subsidies	30	131	10	2
Current and other sundry revenue	14	13	4	6
Total	**2,378**	**2,377**	**2,564**	**2,810**

Source: ONTSI

120. Operating income - Digital content and audio-visual services
(% / total)

	2005	2006	2007	2008
Turnover	97.5	92.7	99.4	99.7
Work carried out by the enterprise for fixed assets	0.7	1.2	0.0	0.0
Operating subsidies	1.3	5.5	0.4	0.1
Current and other sundry revenue	0.6	0.5	0.2	0.2
Total	**100**	**100**	**100**	**100**

Source: ONTSI

4.3.1.2. Sales

121. Sales - Digital content and audio-visual services
(Millions of euros)

	2005	2006	2007	2008
Publishing of sound recordings	243	179	248	245
Reproduction of video recordings	97	56	30	29
Reproduction of sound recordings	75	69	71	68
Reproduction of computer media	22	22	13	13
Motion picture and video production	1,091	1,158	1,407	1,505
Motion picture and video distribution	791	721	779	942
Total	**2,319**	**2,205**	**2,548**	**2,801**

Source: ONTSI

122. Sales - Digital content and audio-visual services
(% / total)

	2005	2006	2007	2008
Publishing of sound recordings	10.5	8.1	9.7	8.7
Reproduction of video recordings	4.2	2.5	1.2	1.0
Reproduction of sound recordings	3.2	3.1	2.8	2.4
Reproduction of computer media	0.9	1.0	0.5	0.5
Motion picture and video production	47.1	52.5	55.2	53.7
Motion picture and video distribution	34.1	32.7	30.6	33.6
Total	**100**	**100**	**100**	**100**

Source: ONTSI

4.3.1.3. Breakdown of sales

123. Breakdown of sales - Digital content and audio-visual services
(Millions of euros)

	2005	2006	2007	2008
Net product sales	152	261	840	1,030
Net merchandise sales	1,553	1,045	1,325	1,548
Rendering of services	614	899	384	223
Total	**2,319**	**2,205**	**2,548**	**2,801**

Source: ONTSI

124. Breakdown of sales - Digital content and audio-visual services
(% / total)

	2005	2006	2007	2008
Net product sales	6.5	11.8	33.0	36.8
Net merchandise sales	67.0	47.4	52.0	55.3
Rendering of services	26.5	40.8	15.1	8.0
Total	**100**	**100**	**100**	**100**

Source: ONTSI

4.3.1.4. Other operating income

125. Other operating income - Digital content and audio-visual services
(Millions of euros)

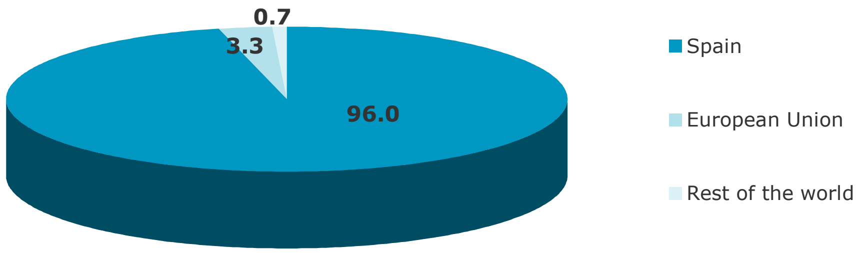
	2005	2006	2007	2008
Publishing of sound recordings	1.64	2.15	2.38	3.14
Reproduction of video recordings	0.04	0.00	0.32	0.36
Reproduction of computer media	1.04	0.56	0.45	0.35
Motion picture and video production	9.79	9.45	1.29	2.11
Motion picture and video distribution	1.05	1.05	0.00	0.00
Total	**13.55**	**13.20**	**4.44**	**5.96**

Source: ONTSI

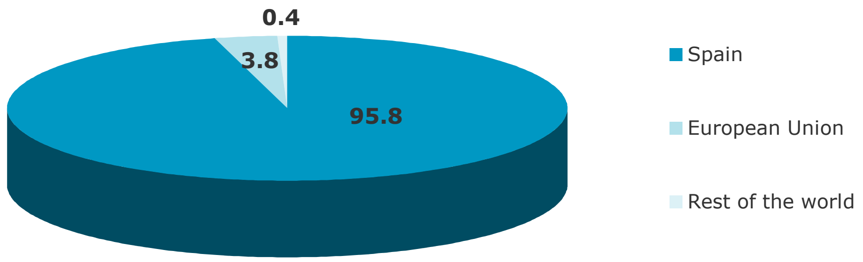
4.3.1.5. Geographical distribution of sales

126. Geographical distribution of sales - Digital content and audio-visual services
(% / total)

2007



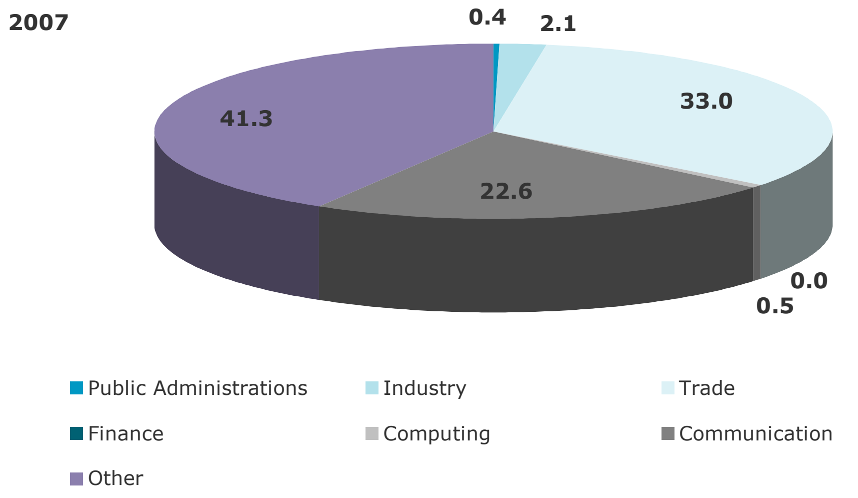
2008

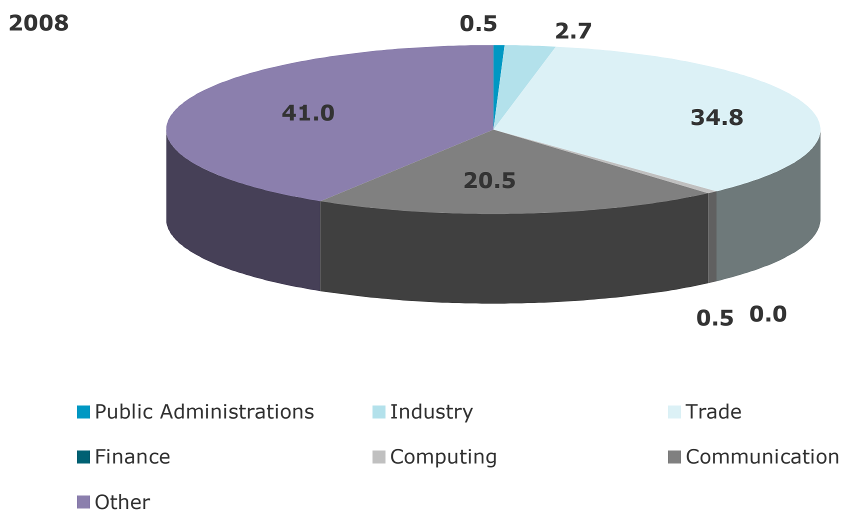


Source: ONTSI

4.3.1.6. Functional distribution of sales

127. Functional distribution of sales - Digital content and audio-visual services
(% / total)





Source: ONTSI

4.3.2. Employment

128. Employment by activity branches - Digital content and audio-visual services
(Number of employees)

	2005	2006	2007	2008
Publishing of sound recordings	1,005	815	1,113	1,102
Reproduction of video recordings	399	269	370	439
Reproduction of sound recordings	340	367	395	383
Reproduction of computer media	253	251	202	200
Motion picture and video production	8,697	9,084	10,254	10,075
Motion picture and video distribution	2,007	1,842	1,535	1,386
Total	**12,701**	**12,628**	**13,870**	**13,586**

Source: ONTSI

129. Employment by activity branches - Digital content and audio-visual services
(% / total)

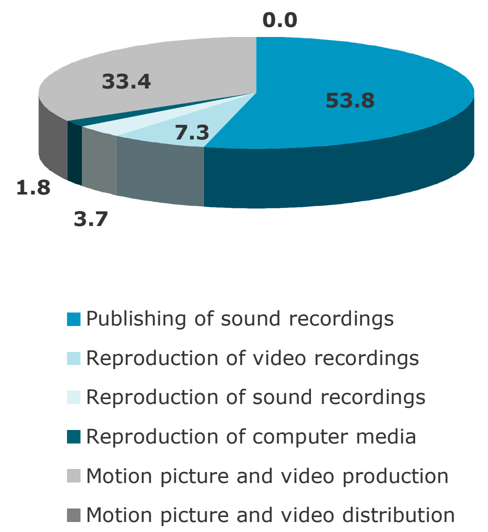
	2005	2006	2007	2008
Publishing of sound recordings	7.9	6.5	8.0	8.1
Reproduction of video recordings	3.1	2.1	2.7	3.2
Reproduction of sound recordings	2.7	2.9	2.8	2.8
Reproduction of computer media	2.0	2.0	1.5	1.5
Motion picture and video production	68.5	71.9	73.9	74.2
Motion picture and video distribution	15.8	14.6	11.1	10.2
Total	**100**	**100**	**100**	**100**

Source: ONTSI

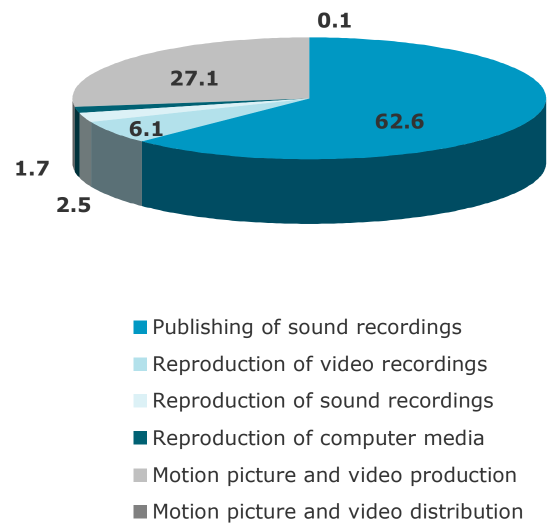
4.3.3. Investment

130. Investment - Digital content and audio-visual services

2007



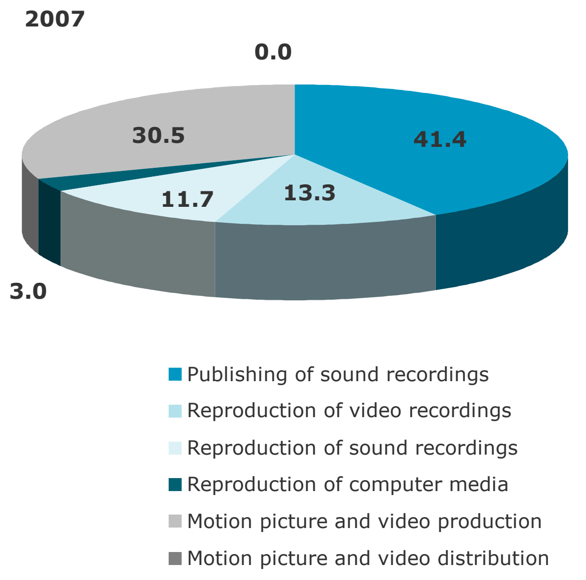
2008

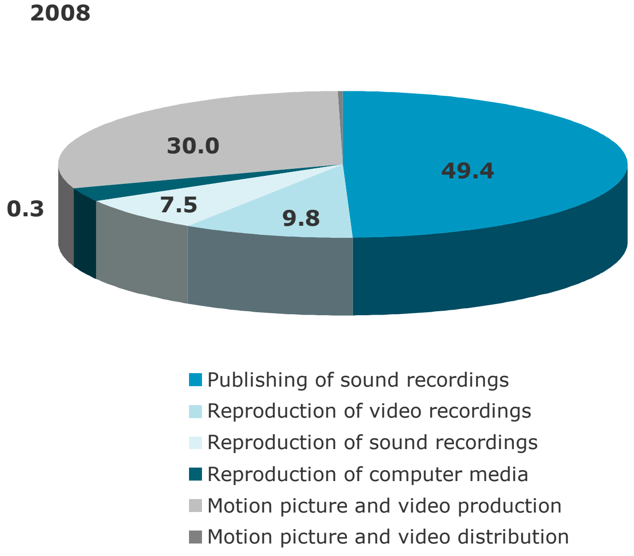


Source: ONTSI

4.3.3.1. Structure of gross investment

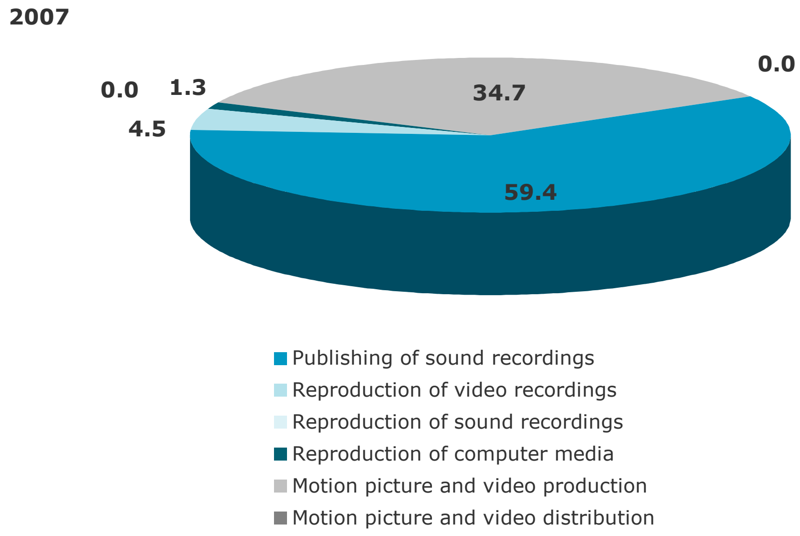
131. Tangible fixed assets - Digital content and audio-visual services
(%)

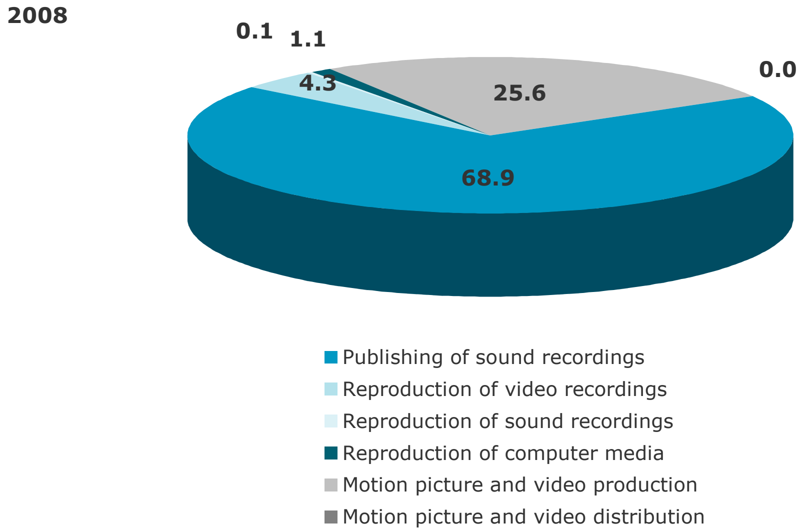




Source: ONTSI

132. Intangible fixed assets - Digital content and audio-visual services
(% / total)





Source: ONTSI

4.3.4. Operating cost structure

133. Distribution by purchase and cost categories - Digital content and audio-visual services
(Millions of euros)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	723	936	486	518
Consumption of raw materials	35	19	24	27
Consumption of other supplies	5	18	10	9
Consumption of merchandise	288	498	357	394
Work carried out by other enterprises	394	401	95	88
External services	464	421	1,169	1,522
Personnel expenses	465	282	234	240
Provisions for depreciation of fixed assets	332	500	90	61
Total	**1,983**	**2,138**	**1,978**	**2,342**

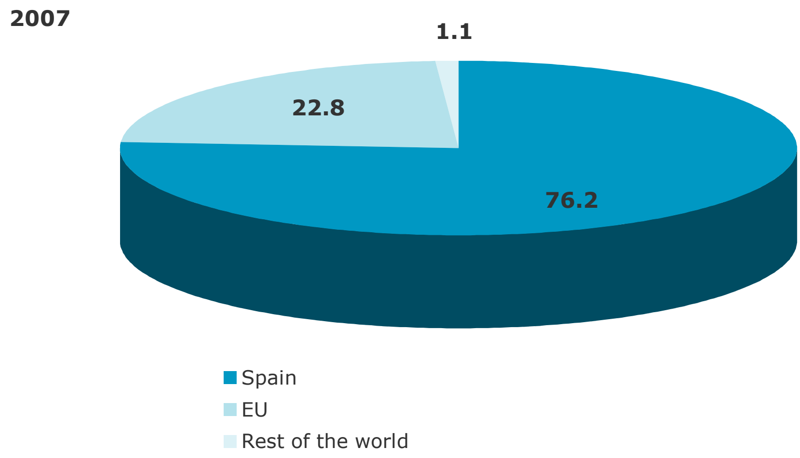
Source: ONTSI

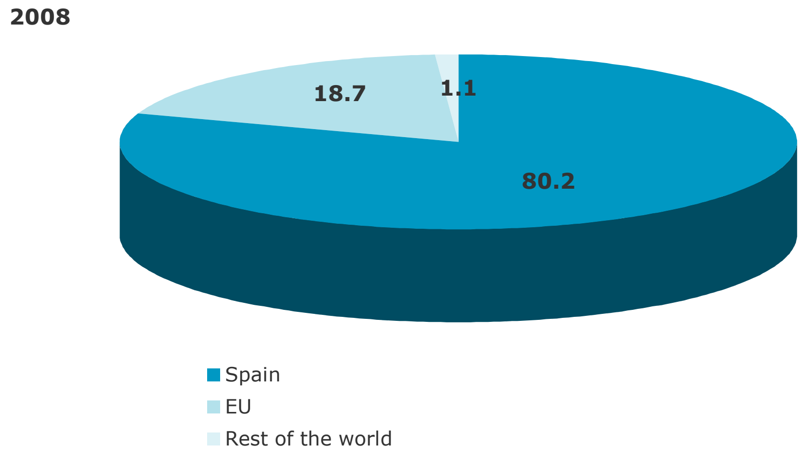
134. Purchases and costs - Digital content and audio-visual services
(% / total)

	2005	2006	2007	2008
Consumption and work carried out by other enterprises	36.5	43.8	24.6	22.1
Consumption of raw materials	4.9	2.0	5.0	5.3
Consumption of other supplies	0.8	1.9	2.0	1.8
Consumption of merchandise	39.9	53.2	73.5	75.9
Work carried out by other enterprises	54.5	42.9	19.5	17.0
External services	23.4	19.7	59.1	65.0
Personnel expenses	23.4	13.2	11.8	10.3
Provisions for depreciation of fixed assets	16.7	23.4	4.5	2.6
Total	**100**	**100**	**100**	**100**

Source: ONTSI

135. Geographical distribution of purchases - Digital content and audio-visual services
(% / total)





Source: ONTSI

4.3.5. Financial expenses and revenue

136. Evolution of financial expenses and revenue - Digital content and audio-visual services
(% / total)

	2005	2006	2007	2008
Financial expenses	36	28	11	16
Financial revenue	14	21	35	49

Source: ONTSI

4.3.6. Extraordinary expenses and revenue

137. Extraordinary expenses and revenue - Digital content and audio-visual services
(% / total)

	2005	2006	2007	2008
Extraordinary expenses	2	5	4	9
Extraordinary revenue	26	6	2	10

Source: ONTSI

5. Appendix I: Methodology notes

5. APPENDIX I: METHODOLOGY NOTES

5.1. Objective

The main objective of the survey is to provide precise, reliable and timely information on the main structural and activity-related characteristics of the different sectors that comprise IT sector activity, in such a manner as to cover the demand for information relating to this segment.

This operation seeks to determine the production structure of the different activity branches of the main processed products, intermediate consumption in the production process and end-consumption, in addition to measuring the contribution of each of these branches to the added value of the IT sector.

On the other hand, dynamic analysis of the sector is provided through the generation of a temporal series, taking 2005 as a base and using as a starting point information drawn from the a preliminary study carried out on the sector in 2006.

For this purpose, information relative to the enterprise's main activity, its legal status and expense and cost accounting structure was collected, in addition to capital and tax operations.

5.2. Scope

The scope of the study is defined with respect to the population surveyed, time and space.

5.2.1. Demographic scope

The population surveyed comprises a group of enterprises with one or more paid employees and with a principal activity that is included in Sections DL, G, and K of the Spanish National Classification of Economic Activities (CNAE-93 Rev.1).

The principal activity of an enterprise is understood as that which generates the greatest added value. When this information is not available, the principal activity is deemed as that which provides the greatest production value or, failing that, the one that employs the greatest number of people.

5.2.2. Territorial scope

From a geographical point of view, the survey covers Spain in its entirety. For the purpose of its statistical use, the survey is designed to provide results of the main macro magnitudes at autonomous region level.

5.2.3. Temporal scope

The survey is carried out on an annual basis. With regard to the reference period of the information, the requested data refers to the calendar year that is the object of the survey. Exceptionally, those enterprises that have accounting periods that do not coincide with the calendar year have referenced the tax period information corresponding to that year.

5.3. Survey units

By way of statistical unit, we have used those enterprises that carry out, as their principal activity, any manufacturing or provision of the services included in the demographic scope. This statistical unit is also the reporting unit as, given that it is perfectly defined and located and has the accounting and employment data, it facilitates the answers.

Consolidated accounting data encompassing all the juridical units that comprise the enterprise or institution were used.
The economic activity carried out by a reporting unit is defined as the creation of added value through the production of goods and services. Each of the statistical units studied (enterprises) frequently carry out diverse activities that need to be classified into separate categories according to the CNAE (Spanish National Classification of Economic Activities). In general, the activities carried out by an economic unit may be of three types: principal, secondary and auxiliary activities.
The principal activity differs from the secondary activities in that it generates the greatest added value, while auxiliary activities are those that generate services that are not sold to the market and only serve the unit on which they depend (administration departments, transport services or storage).
In view of the difficulty of calculating the added value for reporting units that carry out several activities, the principal activity is deemed as that which generates the greatest sales or, failing that, the one that employs the highest number of persons.
The reporting units were invited to provide information not only on the activity considered their principal activity, but also on all the secondary and auxiliary activities they carry out.

5.4. Variables

5.4.1. Classification variables

The tabulation is presented based on four classification criteria:

- Principal economic activity, according to CNAE-93 codes
- Size of the enterprise, by number of employees
- Legal status
- Geographical distribution, by autonomous region

5.4.2. Variables that are the object of study

The variables that are the object of study in this survey can be classified into four types:

- Variables stemming directly from the questionnaire. These correspond directly to the General Accounting Plan: sales, investment, employment, etc.
- Economic aggregates: variables derived from the foregoing, included under regulations of the EU Council:
    - Production value
    - Intermediate consumption
    - Gross Added Value at market prices
    - Gross Added Value at factor cost
    - Remuneration of employees
    - Gross operating surplus
    - Productivity
    - Revenue-generating capacity

- Indicators: For the purpose of facilitating a rapid visual analysis of the specific characteristics of each sector investigated and, within these, evidencing the differences or similarities between the enterprises that comprise it, indicators in the form of ratios were created based on the previously described variables.

5.5. Design and sampling

5.5.1. Survey framework

The annual accounts (income statement and balance sheet) deposited at the Companies Register have been used as the survey framework for all the activities.
This directory contains information on the principal economic activity and the number of employees of the enterprises, which allows stratification based on these concepts. This directory also includes data relative to the identification and localisation of statistical units necessary to gather information correctly.
The size of the selected sample is approximately 1,500 statistical units, representing 80% of sector's sales.

5.5.2. Sample design

Stratification was made based on sales and number of employees, obtaining a sample size for each stratum once a minimum number of units had been established for each of the activity branches that comprised the sector.

5.5.3. Elevation coefficients

Elevation coefficients are factors that, based on the data obtained from the sample, provide total demographic results.
Sample data were converted into demographic data through a matrix of elevation factors for each group of activity and occupational stratum. The variable used for obtaining the elevation factors was the number of enterprises registered in the Companies Register and their sales.

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6. Appendix II: Sampling

6. APPENDIX II: SAMPLING

6.1. Sampling figures

The sampling figures are shown in the following table[12]:

138. IT sector survey sampling figures

	POPULATION	POPULATION %	EFFECTIVE SAMPLE	EFFECTIVE SAMPLE %	SAMPLING FRACTION
Manufacturing	1,572	7.5%	162	12.2%	10.31%
Trade	6,396	30.6%	240	18.1%	3.75%
Computer and related activities and equipment rental	12,903	61.8%	921	69.6%	7.14%
Total	**20,871**	**100%**	**1,323**	**100%**	**6.34%**

IT sector enterprises - Manufacturing

	POPULATION	POPULATION %	EFFECTIVE SAMPLE	EFFECTIVE SAMPLE %	SAMPLING FRACTION
Computers and other information processing equipment	298	19.0%	41	25.3%	13.76%
Insulated wire and cable	162	10.3%	18	11.1%	11.11%
Electronic valves and tubes and other electronic components	390	24.8%	35	21.6%	8.97%
Television and radio transmitters and apparatus for line telephony and line telegraphy	171	10.9%	17	10.5%	9.94%
Television and radio receivers, sound or video recording or reproducing apparatus	100	6.4%	12	7.4%	12.00%
Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment.	274	17.4%	20	12.3%	7.30%
Industrial process control equipment	129	8.2%	12	7.4%	9.30%
Office machinery	48	3.1%	7	4.3%	14.58%
Total	**1,572**	**100%**	**162**	**100%**	**10.31%**

IT sector enterprises - Trade

	POPULATION	POPULATION %	EFFECTIVE SAMPLE	EFFECTIVE SAMPLE %	SAMPLING FRACTION
Wholesale of other electronic parts and equipment	3,944	61.7%	50	20.8%	1.27%
Wholesale of computers, computer peripheral equipment and software	2,452	38.3%	190	79.2%	7.75%
Total	**6,396**	**100%**	**240**	**100%**	**3.75%**

[12] Population: the set of individuals or elements with characteristics in common.
% Population: population of each branch in respect of the total.
Effective sample: all real subsets that are representative of the population.
% Effective sample: effective sample of each branch in respect of the total sample.
Sampling fraction: % represented by the sample in respect of the total population.

IT sector enterprises - Computer and related activities and equipment rental

	POPULATION	POPULATION %	EFFECTIVE SAMPLE	EFFECTIVE SAMPLE %	SAMPLING FRACTION
Renting of office machinery and equipment, including computers	166	1.3%	10	1.1%	6.02%
Hardware consultancy	626	4.9%	49	5.3%	7.83%
Publishing of software and other software consultancy and supply	4,320	33.5%	387	42.0%	8.96%
Data processing	384	3.0%	84	9.1%	21.88%
Database activities	327	2.5%	28	3.0%	8.56%
Maintenance and repair of office, accounting and computing machinery	780	6.0%	72	7.8%	9.23%
Other computer related activities	6,300	48.8%	291	31.6%	4.62%
Total	**12,903**	**100%**	**921**	**100%**	**7.14%**

IT sector enterprises - Digital content and audio-visual services

	POPULATION	POPULATION %	EFFECTIVE SAMPLE	EFFECTIVE SAMPLE %	SAMPLING FRACTION
Publishing of sound recordings	363	12.2%	3	15.0%	0.83%
Reproduction of video recordings	79	2.6%	6	30.0%	7.59%
Reproduction of sound recordings	53	1.8%	2	10.0%	3.77%
Reproduction of computer media	48	1.6%	4	20.0%	8.33%
Motion picture and video production	2,058	69.0%	2	10.0%	0.10%
Motion picture and video distribution	383	12.8%	3	15.0%	0.78%
Total	**2,984**	**100%**	**20**	**100%**	**0.67%**

Source: ONTSI

6.2. Sample errors

Sample errors are shown in the following table[13]:

139. Sample errors

BRANCH	Population	Sample	Effective sample	Answer rate %	ERROR WITH CONFIDENCE LEVEL OF 95%	ERROR WITH CONFIDENCE LEVEL OF 97%
Manufacturing	1,572	180	162	90%	0.07	0.08
Trade	6,396	275	240	87%	0.06	0.07
Computer and related activities and renting	12,903	1,026	921	90%	0.03	0.03
Digital content audio-visual services	2,984	20	20	100%	0.22	0.24

Source: ONTSI

[13] Population: the set of individuals or elements with characteristics in common.
Sample: all subsets that are representative of the population.
Effective sample: all real subsets that are representative of the population
% Reply rate: effective sample in respect of the sample

Error for 95% of reliability: the reliability interval, where $\hat{x}$ is the sample average,
z^* is the statistical interval that has standard normal distribution $N(0,1)$, σ is the known typical deviation and η is the population.

$$\hat{x} \pm z^* \frac{\sigma}{\sqrt{\eta}}$$

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7. Appendix II: Relationship between IT sector products and activity branches

7. APPENDIX III: RELATIONSHIP BETWEEN IT SECTOR PRODUCTS AND ACTIVITY BRANCHES (ISIC REV. 3.1/CPC V. 1.1)

7.1. Relationship between products and activity branches

A table showing the relationship between the IT sector activity branches and products associated to said branches is shown below.

Manufacture		
ISIC Rev 3.1	CPC version 1.1	
3000	45160	Other office machines (including hectograph or stencil duplicating machines, addressing machines, automatic bank-note dispensers, coin-counting machines, pencil-sharpening machines, and perforating or stapling machines)
	45170	Parts and accessories for the goods of subclasses 45110 to 45130, 45150, 45160, except covers, carrying cases and the like.
	45180	Parts and accessories for the goods of subclass 45140
	45210	Analogue or hybrid automated data processing machines
	45220	Portable digital automatic data processing machines weighing not more than 10 kg, such as laptops, notebooks and sub-notebooks
	45230	Digital automatic data processing machines, comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined
	45240	Digital automatic data processing machines presented in the form of systems
	45250	Other digital automatic data processing machines whether or not containing in the same housing one or two of the following types of units: storage units, input units, output units
	45260	Input or output units, whether or not containing storage units in the same housing
	45270	Storage units
	45280	Other automated data processing machines n.e.c.
	45290	Parts and accessories of computing machines
	87330	Installation services of office and accounting machinery, and computers
	88231	Office and accounting machine and computer manufacturing services
3130	46310	Insulated winding wire
	46320	Coaxial cable and other coaxial electric conductors
	46340	Other electric conductors, for voltages not exceeding 1000 V
	46350	Other electric conductors, for voltages exceeding 1000 V
	46360	Optical fibre cables made up of individually sheathed fibres
	87152	Maintenance and repair services of electrical machinery and apparatus n.e.c.
	87360	Installation services of electrical machinery and apparatus n.e.c.
	88232	Electrical machinery and apparatus manufacturing services
3210	47110	Electric capacitors
	47120	Electrical resistors (except heating resistors)
	47130	Printed circuits
	47140	Thermion, cold cathode or photo-cathode valves and tubes (including cathode ray tubes)
	47150	Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices; light emitting diodes; mounted piezoelectric crystals
	47160	Electronic integrated circuits
	47171	Parts for the goods of subclass 47110
	47172	Parts for the goods of subclass 47120
	47173	Parts for the goods of subclasses 47140 to 47160
	47600	Cards with magnetic strips or chip
	88233	Radio, television and communication equipment and apparatus manufacturing services
3220	47211	Transmission apparatus for radiotelephony, radiotelegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus

Manufacture		
ISIC Rev 3.1	CPC version 1.1	
	47212	Television cameras
	47220	Electrical apparatus for line telephony or line telegraphy; video phones
	47401	Parts for the goods of subclass 47220
	47403	Parts for the goods of subclasses 47211, 47212, 47311 to 47313, 47332 and 48220
	87153	Repair services of telecommunication equipment and apparatus
	87340	Installation services of radio, television and communications equipment and apparatus
	88233	Radio, television and communication equipment and apparatus manufacturing services
3230	47311	Radio broadcast receivers (except of a kind used in motor vehicles), including apparatus capable of receiving also radiotelephony or radiotelegraphy, whether or not combined with sound recording or reproducing apparatus or a clock
	47312	Radio broadcast receivers not capable of operating without an external source of power, of a kind used in motor vehicles, including apparatus capable of receiving also radiotelephony or radiotelegraphy
	47313	Television receivers, whether or not combined with radio-broadcast receivers or sound or video recording or reproducing apparatus
	47321	Turntables, record-players, cassette-players and other sound reproducing apparatus (not incorporating a sound recording device)
	47322	Magnetic tape recorders and other sound recording apparatus (whether or not incorporating a sound reproducing device)
	47323	Video recording or reproducing apparatus; camcorders and still image video cameras
	47331	Microphones and stands therefore; loudspeakers; headphones, earphones and combined microphone/speaker sets; audio-frequency electric amplifiers; electric sound amplifier sets
	47332	Reception apparatus for radiotelephony or radiotelegraphy
	47402	Parts for the goods of subclasses 47321 to 47323 and 47331
	47403	Parts for the goods of subclasses 47211, 47212, 47311 to 47313, 47332 and 48220
	87153	Repair services of telecommunication equipment and apparatus
	87340	Installation services of radio, television and communications equipment and apparatus
	88233	Radio, television and communication equipment and apparatus manufacturing services
3312	48211	Direction finding compasses; other navigational instruments and appliances
	48212	Surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders
	48220	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus
	48231	Balances with a sensitivity of 5 cg or better
	48232	Drafting tables and machines, and other drawing, marking-out or mathematical calculating instruments
	48233	Instruments for measuring length, for use in the hand (including measuring rods and tapes, micrometers and callipers) n.e.c.
	48241	Instruments and apparatus for measuring or detecting ionising radiation
	48242	Cathode-ray oscilloscopes and cathode-ray oscillographs
	48243	Instruments and apparatus (except cathode-ray oscilloscopes and oscillographs) for measuring or checking voltage, current, resistance or power, without a recording device (except electricity production or supply meters)
	48244	Instruments and apparatus (except cathode-ray oscilloscopes and oscillographs) for telecommunications
	48245	Instruments and apparatus for measuring or checking electrical quantities n.e.c.
	48251	Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers
	48252	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases, except navigational, hydrological or meteorological instruments and appliances, gas or liquid supply meters and automatic regulating or controlling instruments and apparatus
	48253	Instruments and apparatus for physical or chemical analysis, for measuring or checking viscosity, porosity, expansion, surface tension or the like, or for measuring or checking quantities of heat, sound or light

Manufacture		
ISIC Rev 3.1	CPC version 1.1	
	48261	Microscopes (except optical microscopes) and diffraction apparatus
	48262	Machines and appliances for testing the mechanical properties of materials
	48263	Gas, liquid or electricity supply or production meters
	48264	Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, except hydrographic and meteorological instruments; stroboscopes
	48265	Measuring, checking, regulating or controlling instruments, appliances and machines n.e.c.
	48281	Parts and accessories for the goods of subclasses 48211, 48212, 48232 and 48233, 48241 to 48245, 48251 to 48253, 48262; microtomes; parts and accessories n.e.c., for optical, photographic, cinematographic, precision, medical or surgical machines, instruments, apparatus and appliances
	48282	Parts and accessories for the goods of subclass 48261
	48283	Parts and accessories for the goods of subclasses 48263 and 48264
	87154	Repair services of medical, precision and optical instruments
	87350	Installation services of professional medical machinery and equipment, and precision and optical instruments
	88234	Medical precision and optical instrument, watch and clock manufacturing services
3313	48270	Automated industrial process control systems
	48284	Parts and accessories for the goods of subclasses 48265 and 48270
	87154	Repair services of medical, precision and optical instruments
	87350	Installation services of professional medical machinery and equipment, and precision and optical instruments
	88234	Medical precision and optical instrument, watch and clock manufacturing services

Services		
ISIC Rev 3.1	CPC version 1.1	
5152	61189	Wholesale trade services, except on a fee or contract basis, of other machinery and equipment n.e.c.
5151	61184	Wholesale trade services, except on a fee or contract basis, of computers and packaged software
6420	84110	Carrier services
	84121	Fixed telephony services: access and use
	84122	Fixed telephony services: call features
	84131	Mobile telecommunications services: access and use
	84132	Mobile telecommunications services: call features
	84140	Private network services
	84150	Data transmission services
	84160	All other telecommunications services
	84170	Programme distribution services
	84210	Internet backbone services
	84220	Internet access services
	84290	Other Internet telecommunications services
7123	73123	Leasing or rental services concerning office machinery and equipment (excl. computers) without operator
	73124	Leasing or rental services concerning computers without operator
72	83141	Hardware consultancy and systems integration services
	47520	Records, tapes and other recorded media for sound or other similarly recorded phenomena (except cinematographic film and cards with magnetic strip); packaged computer software
	73310	Licensing services for the right to use computer software
	83142	Software consultancy services
	83149	Other computer consultancy services
	83160	Systems maintenance services

Services		
ISIC Rev 3.1	CPC version 1.1	
	83150	Computer facilities management services
	83633	Sale of Internet advertising space (except on commission)
	85960	Data processing services
	83633	Sale of Internet advertising space (except on commission)
	84300	Online information provision services
	87120	Maintenance and repair services of office and accounting machinery
	87130	Computer hardware servicing, repair and maintenance
	83149	Other computer consultancy services

Content		
ISIC Rev 3.1	CPC version 1.1	
2213	32260	Music, printed or in manuscript
	47520	Records, tapes and other recorded media for sound or other similarly recorded phenomena (except cinematographic film and cards with magnetic strip); packaged computer software
	89110	Publishing, on a fee or contract basis
9211	38950	Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track
	73320	Licensing services for the right to use entertainment, literary or acoustic originals
	83639	Sale of other advertising space or time (except on commission)
	96111	Sound recording services
	96112	Audio post-production services
	96121	Motion picture, videotape and television programme production services
	96122	Radio programme production services
	96130	Audio-visual production support services
	96141	Motion picture and television programme distribution services
	96142	Film and video post-production services
	96149	Other services related to the production of motion pictures and television and radio programmes
9213	73320	Licensing services for the right to use entertainment, literary or acoustic originals
	83632	Sale of TV/radio advertising time (except on commission)
	96121	Motion picture, videotape and television programme production services
	96122	Radio programme production services
	96160	Broadcasting (programming and scheduling) services

Index of Tables and Figures

The main objective of the IT Sector Report 2008, published in 2009 by the Spanish Telecommunications and Information Society Observatory (ONTSI), is to ascertain the current state and recent evolution of the main structural and economic characteristics specific to each of the manufacturing, trade and service activities that analyze the IT sector in Spain, such as the number and size of the enterprises that comprise each branch of activity, accounting data (revenue, purchases, expenses), as well as the employment and investment structure. In addition, there is an appendix containing the principal indicators of the digital content and audio-visual services sector in Spain, excluding radio and television activities.

This survey is the first step in an analysis of the Information Technologies (IT) sector by the ONTSI, prompted by the sector's particular importance and the transversal influence of these activities on the other sectors of the Spanish economy, as a driving force behind innovation, technological progress and productivity.

In order to determine the list of IT sector activities and products, the methodological work carried out by the OECD (Organisation for Economic Co-operation and Development) has been taken as a reference. The "IT sector" is made up of manufacturing and service enterprises whose main activity is linked to the development, production, marketing and intensive use of information and communication technologies.

The Report focuses on the economic activity of enterprises active during 2008. The results of the unconsolidated accounts of a sample of sufficiently representative enterprises have been used to obtain figures by branch of activity.