Spain Telecommunications and Information Technology Sector Report 2009. 2010 Edition.

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GOBIERNO DE ESPAÑA MINISTERIO DE INDUSTRIA, TURISMO Y COMERCIO

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EXECUTIVE SUMMARY

THE TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY SECTOR IN SPAIN (2009)[1]

Enterprises: The number of active **enterprises** was **29,620** in 2008. Of these, 11% provided Telecommunication Services and 89% were involved in IT. Within the IT sector, 50 out of 100 enterprises were dedicated to Computer and Related Activities, followed by those engaged in Trade (30%) and Content (10%).

IT and Telecommunications enterprises accounted for 2.2% of the total number of service sector enterprises[2].

Revenue: The turnover in 2009 amounted to **100,765 million euros**, a decrease of 7.3% compared to 2008. 58% of the turnover was generated by IT enterprises and 41% by Telecommunications enterprises[3]. Within the IT sector, Computer and Related Activities accounted for 37% of the turnover, followed by Trade with 23.6% and Content Activities with 22%.

The ICT revenue /GDP ratio for 2009 is 9.56%.

Employment: In 2009, IT and Telecommunication enterprises employed **over 418,600 people, 3.4% less than in 2008**. IT activities generated the most jobs, with 80% of the total, a decrease of 16% compared to 2008. Telecommunication services accounted for 19% of the employment, with 80,080 jobs.

Investment: IT and Telecommunications enterprises **invested more than €14,757 million** in 2009. The greatest investments were made by Information Technology enterprises that accounted for 70% of the total investment in the sector.

Gross Added Value at market prices: Gross added value at market prices exceeded €59,000 million, 9.6% less than in 2008. This amount represents 5.66% of the 2009 Gross Domestic Product, compared to 6.07% in 2008.

Foreign trade: **Trade balance of the ICT sector** in 2009 was negative, amounting to €**4.561 million**, with a **coverage** of **77.90%**. **Exports** reached €**16,081 million** and **imports** rose to **€20,642 million**.

[1] For the purposes of this study, the Telecommunications sector includes Audiovisual Services and Telecommunications operators; and the Information Technology sector includes ICT Manufacturing, ICT Trade, Computer and Related Activities, Other Telecommunication Activities, Content, Videogame distribution and Online advertising enterprises.

[2] According to the Services Survey 2008 published by the Spanish National Statistics Institute, the number of enterprises in the services sector was 1,368,497.

[3] Includes revenues from Telecommunication Operators and Audiovisual Services (source CMT).

THE TELECOMMUNICATIONS SECTOR IN SPAIN (2009)

Enterprises: The number of active enterprises was **3,298 in 2008**[4]. Telecommunications enterprises accounted for 11% of the total number of ICT sector enterprises.

Revenue: In 2009, the Spanish Telecommunications sector's revenue **fell by 5.4%, down to €41,765 million**, which is the first drop in absolute terms in the last decade.

The decrease in retail consumption by individuals, the rise in portability in both mobile and fixed telephony, and the increase in competence affected the sector.

Another important aspect to take into account regarding portability, is the change of provider when contracting an Internet plus voice package. In this regard, at the end of 2009, **44.6% of fixed telephony lines were packaged** with another service, especially with broadband.

Retail turnover reached €35,150 million, 4.9% less than the previous year. Revenue from wholesale services decreased by 8% down to €6,615 million in 2009.

By segments, broadband was the only one that grew in the last year, while revenue (and traffic) from fixed and mobile telephony recorded a drop.

Mobile communications accounted for 35.5% of the sector revenues. These were followed by fixed telephony services with 15%, and Internet services with 9.7%.

Audiovisual services fell almost by 18% compared to 2008, with a turnover of €4,000 million.

Employment: In 2009, **employment** in the Telecommunications sector **decreased almost by 2%**, going from 81,730 employees in 2008 to 80,080 in 2009.

Mobile operators accounted for the greatest growth in their workforce.

Cable operators, alternative operators and call centre providers reduced their number of employees throughout the year.

Audiovisual services recorded an increase of 12% in employment compared to 2008, reaching 22,000 million jobs.

Investment: Investment in the Telecommunications sector in 2009 amounted to **over €4,277 million**, including both Telecommunications activities and Audiovisual services, which represents a decrease of 17.7% with respect to 2008.

4 Includes Telecommunication Operators and Audiovisual Services. Source CMT

THE IT SECTOR IN SPAIN (2009)

Enterprises: In **2008** there were **26,322 enterprises** in the Information Technology sector, **2.4% less than in 2007**. Of these, 50% (13,000 enterprises) were devoted to Computer and Related Activities, followed by Content enterprises with 30% of the total, Trade enterprises with 11%, and enterprises engaged in Other Telecommunication Activities with 5.7%. Manufacturing enterprises only accounted for 3.5% of the total.

Revenue: 59% of the turnover was generated by IT enterprises, which amounted to **€59,000 million,** showing a **decrease of 8.5%** compared to 2008. Turnover from Manufacturing recorded the greatest drop (-20.4%), Trade reduced its turnover by 12.7%, Computer and Related Activities fell by 3.8%, Content enterprises reduced its turnover by 6.3 and Other Telecommunication Activities recorded a decrease of 5.9%.

Employment: In 2009, the IT sector employed **over 300,000 people**, **3.4% less than in 2008**. ITs generated 80% of the total employment in the ICT sector. Most notable are Computer and Related Activities that created over 200,000 jobs, followed by Content enterprises with 64,000 jobs and Trade with almost 40,000 jobs.

Investment: IT enterprises invested **over 10,000 million euros** in 2009. The investments made by IT enterprises represented 71% of the total investment, out of which 39% corresponded to Computer and Related Activities.

Figures from the Telecommunications and Information Technology Sector

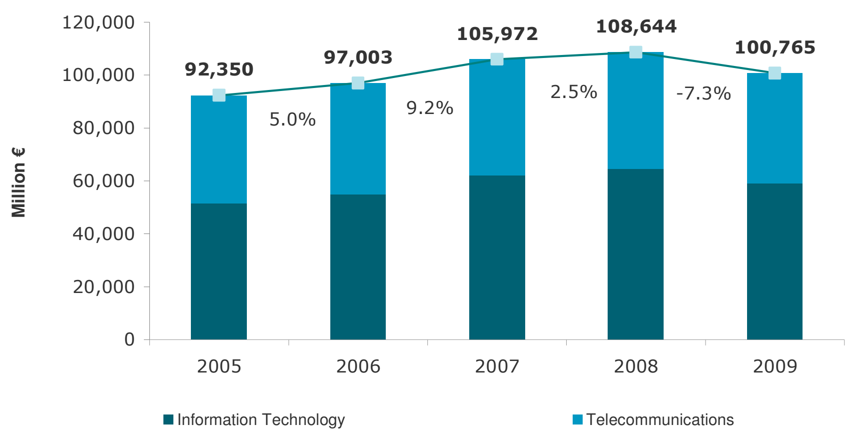
The sector is comprised of 29,620 enterprises.

The sector sales reached €100,765 million in 2009, out of which €59,000 million correspond to the IT sector and €41,765 million to the Telecommunications sector.

Employment reached 418,635 jobs in 2009.

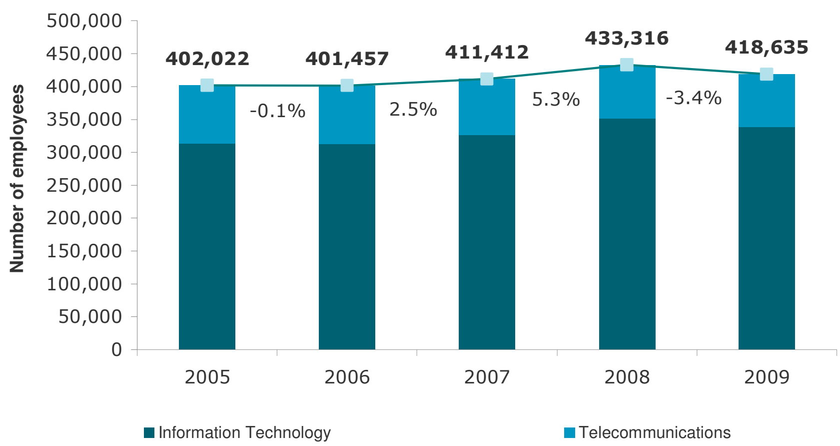
ICT enterprises invested more than €14,757 million in 2009.

Sector sales (Millions of euros)



Source: CMT and ONTSI

Employment (Number of employees)



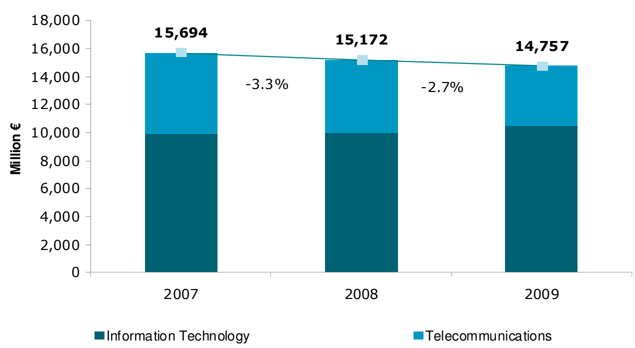
Source: CMT and ONTSI

Enterprises (Number of enterprises)

	2007	2008
Information Technology	25,693	26,322
Telecommunications	2,984	3,298
Total	**28,677**	**29,620**

Source: CMT and the Companies Register.

Investment (Millions of euros)



Source: CMT and ONTSI

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 and Communication Technology (ICT) sector, such as the number and size of the enterprises within each division of activity, accounting data (revenue, purchases, expenses), in addition to employment and investment structure. The Content and Audiovisual Services Sector is also analysed in this study.

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

The ICT 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 and communication technologies.

The enterprises corresponding to these codes have been selected using as a starting point a directory created based on the Companies 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 Telecommunications and Information Technology 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 Telecommunications and Information Technology sector.

- Chapter 3 analyses the production structure of the Information Technology sector, which includes the following activity divisions: Manufacturing, Trade, Computer and Related Activities, Other Telecommunication Activities and Content.

- 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.

In this edition, 2,516 enterprises based in Spain and with the greatest turnover for the different activity classes have been surveyed.

Indicators that offer results at national level have been defined, which make it possible to establish aggregations to generate a dynamic sector analysis.

The reference period runs from 2005 to 2009, using preliminary information for the last year.

As a result of the new methodological framework, based on the classification CNAE 2009, a base-year change has been carried out to link 2005 and 2009 series. Base exchange coefficients have been calculated to estimate data from previous years. Both methodologies (the new and the old one) had to coexist during a period of time (2007-2008) to link the two series. This allowed us to obtain results at a subgroup level.

1.2.2. Sample

The study concentrates on the economic activity of enterprises active during the reference period 2005-2009. The results of unconsolidated accounts have been used to ensure a better distribution of figures by activity classes.

1.3. ICT and Content sector classification

To characterise the macro sector, we have used the definition of Telecommunications, Information Technologies and Content proposed by the Organisation of Economic Co-operation and Development (OECD). In this way, results that are comparable at an international level are obtained.

1.3.1. ICT Classification

In 2002, the OECD proposed a new definition of the sector, that after successive reviews, was finally approved in 2007 and came into force in 2009, when was finally adopted both by the OECD and Eurostat.

The redefinition process of this sector arises as a result of reviewing the classification of economic activities given by the United Nations statistics division, entitled: "International Standard Industrial Classification of All Economic Activities" (ISIC) Rev. 4.

The European Economic Activity Classification and also the National Economic Activity Classification follow these recommendations, which have been adopted by the United Nations Statistical Commission. For this reason, in Spain, the Ministry of the Treasury approved the National Classification of Economic Activities (CNAE 2009)[5], fulfilling the requirements of Regulation (EC) No 1893/2006 of the European Parliament and of the Council, of 20 December 2006, which establishes the Statistical Classification of Economic Activities (NACE Rev. 2) and enhances the comparability of national classifications.

This classification is a boost to the work to modernise the production of national statistics as it reflects the current situation and enables companies, financial institutions, governments and other market operators to have reliable data that is comparable worldwide.

The international comparability of economic statistics requires that Countries use classifications of economic activities which follow these recommendations.

The OECD divides the ICT sector into two major sections: Manufacturing and Services. In general, the principles for classifying these ICT sections are the following:

In the case of Manufacturing, the products must be oriented towards the processing and communication of information, including its transfer and presentation. In the case of Services, these must allow information processing and communication via electronic media.

Class 61 of Telecommunications includes telecommunications installers. The rest of the information is obtained from the Telecommunications Market Commission (CMT). The same occurs with classes 6010 Radio broadcasting and 6020 Television programming and broadcasting activities, included within the definition of Content and Audiovisual services.

This report analyses the figures for the different activity classes within the divisions of Manufacturing, Trade, Computer and Related Activities, and Telecommunications. In the following table, these activities together with their CNAE 2009 code are provided.

In addition to the ICT sector, the Content and Audiovisual Services sector is analysed, due to the importance of it in the national economy.

5 (Royal Decree 475/2007, of 13 April)

1. ICT sector definition given by the OECD

Telecommunications and Information Technology Sector

CNAE 2009	ICT Manufacturing
2611	Manufacture of electronic components
2612	Manufacture of assembled printed circuits
2620	Manufacture of computers and peripheral equipment
2630	Manufacture of telecommunications equipment
2640	Manufacture of consumer electronics
2680	Manufacture of magnetic and optical media
	ICT Services
	Trade
4651	Wholesale trade of computers, computer peripheral equipment and software
4652	Wholesale trade of electronic and telecommunications equipment and their components
	Computer and Related Activities
5821	Publishing of computer games
5829	Publishing of other software
6201	IT programming activities
6202	IT consulting activities
6203	IT resource management
6209	Other services related to information technology and computing
6311	Data processing, hosting and related activities
6312	Web portals
9511	Repair of computers and peripheral equipment
9512	Repair of communications equipment
	Telecommunication
6110	Cable telecommunications
6120	Wireless telecommunications
6130	Satellite telecommunications
6190	Other telecommunications activities

1.3.2. Content Classification

When searching for a definition for the Content sector, the disparity of existing criteria and methodologies is noticeable, as most of these do not differentiate the Content sector from the ICT sector and include activity classes of one in the other.

In 1998, the OECD started 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 sector, 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 Audiovisual services sector by activity classes became applicable in 2009 and it has been used in this publication for the first time, based on the proposal made by the OECD in 2002, and drawn up from ISIC Rev. 4.

In point 3.5, the activity classes pertaining to the subgroup of Contents are analysed in depth, including Book and Newspaper Publishing and Other Publishing Activities, Cinema, Video and TV Programme Activities and Other Information Services [6].

The following table shows the classification used to characterise the Content and Audiovisual Services sector, according to the recommendations of the OECD.

[6] Audiovisual Services, together with Telecommunications, are analysed in depth in the Annual Report 2009 of the CMT.

2. Definition of the Content sector

Content sector	
CNAE 2009	**Book and Newspaper Publishing and Other Publishing Activities**
5811	Publishing of books
5812	Publishing of directories and postal address guides
5813	Publishing of newspapers
5814	Publishing of magazines
5819	Other publishing activities
CNAE	**Cinema, Video and TV Programme Activities**
5912	Cinematographic, video and television post-production activities
5914	Motion picture projection
5915	Film and video production activities
5916	Television programme production activities
5917	Film and video distribution activities
5918	Television programme distribution activities
CNAE	**Sound Recording and Music Edition Activities**
5920	Sound Recording and Music Edition Activities
CNAE	**Programming and Broadcasting Activities**
6010	Radio broadcasting activities
6020	Television programming and broadcasting activities
CNAE	**Other Information Services**
6391	News agency activities
6399	Other Information Services

1.4. Economic context

The macro-sector of Information and Communications Technologies (ICT), Content and Audiovisual Services is one of the most relevant sectors in the national economy, not only for its size and its contribution to the economy in general, but also for its importance in boosting economic progress, productivity improvements and other sectors development.

After the economic crisis that started in summer 2008, as a consequence of a period of international financial instability, the sector seeks now to contribute to a shift of the economic model in our country. The generalised use of ICTs makes it possible to increase competitiveness and productivity and to foster equal opportunities, by dynamising the economy and consolidating a sustainable growth model.

In this context, gross domestic product (GDP) at market prices in 2009 is estimated in €1,053,914 million. Real growth of the Spanish economy (annual variation rate of GDP in volume) is estimated to be 3.7%, almost 0.5 points above the real GDP in the Eurozone, which experienced a decrease of 4.2%.
National disposable income at market price is €18,301 per inhabitant.
The contribution of the domestic demand to aggregate growth is -6.4%, almost six points less than the previous year. At the same time, external demand contributed 2.8 points to GDP growth, 1.4 points more than the previous year.
Regarding the composition of the GDP, 77.7% corresponds to final consumption expense, 2.3% less than in 2008. The downturn in consumption expense by public administrations is significant.
Gross capital formation represents 24.4% of GDP and has experienced a drop of 16%.

In 2009, the Services sector maintains its supremacy as the main driving force of Spain's economy according to the Spanish National Statistics Institute, with a contribution to the Gross Domestic Product of 66%. 1.9% of Services enterprises are involved in Information Technologies. Subsidiaries of foreign enterprises generated 42.7% of ITC sales.

The labour market recorded a negative overall balance in the period 2008/2009 according to the Active Population Survey (APS), with a drop of 7.25% compared to 2008. The Services sector generated 71% of the employment, experiencing a 7.25% drop in the year-on-year figures.

In terms of prices, the decrease in oil prices and sustained drop in raw materials prices had a very positive effect on the annual average variation rate of the Consumer Price Index during the period 2008-2009, with prices 0.3% under the Eurozone inflation rate. This moderated reduction in prices was a real injection of income for households.

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

The deficit consolidated in Spain, in comparison to the rest of the world, dropped by 50%, representing less than 5% of the GDP, as a result of the tough adjustment of the private sector balance.

During the period 2008-2009, the corporate sector curbed its investment expectations. The contraction of corporate profits combined with an increased level of debt in enterprises and tougher credit conditions have caused a strong corporate investment contraction.

Spain Telecommunications and Information Technology Sector Report 2009. (2010 Edition)

2. Telecommunications and Information Technology Sector

2. TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY SECTOR

2.1. Telecommunications and Information Technology Sector

2.1.1. General figures

In 2008, the Telecommunications and Information Technology sector was comprised of 29,620 enterprises. Of these, 11% were involved in Telecommunication services and 89% were devoted to Information Technologies. By type of activity, 50 out of 100 IT enterprises were dedicated to Computer and Related Activities, followed by those engaged in Trade (30%) and Content (10%).

ICT enterprises account for 2.2% of the total number of service sector enterprises.

3. Number of ICT sector enterprises: Telecommunications and Information Technology. 2008
(Number of enterprises)

	2007	2008
Information Technology	**25,693**	**26,322**
Telecommunications	**2,984**	**3,298**
Total	**28,677**	**29,620**

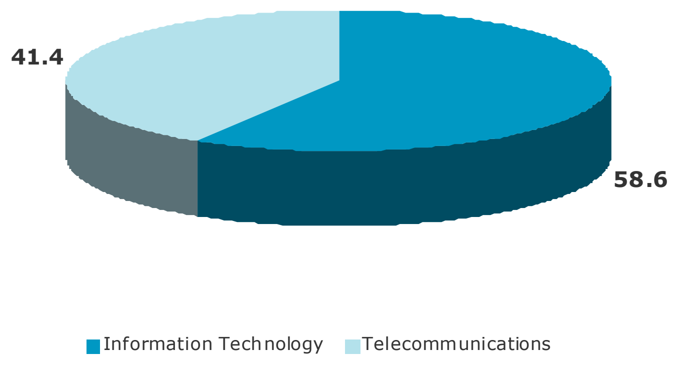
Source: CMT and the Companies Register.

The Telecommunications and Information Technology sector turnover amounted to €100,765 million in 2009, 7,3% less than in 2008. 58% of this turnover was generated by IT enterprises and 41% by Telecommunications enterprises[7]. Within the IT sector, Computer and Related Activities accounted for 37% of the turnover, followed by Trade with 23.6% and Content Activities with 22%.

Between 2005 and 2009, the Telecommunications and Information Technology sector grew by 9% with respect to 2005. Computer and Related Activities showed good management capacity, recording a growth of more than 40% compared to 2005. These were followed by Content activities with a growth of 17% and Telecommunications with 2%. ICT trade remained stable and Manufacturing fell by 13%.

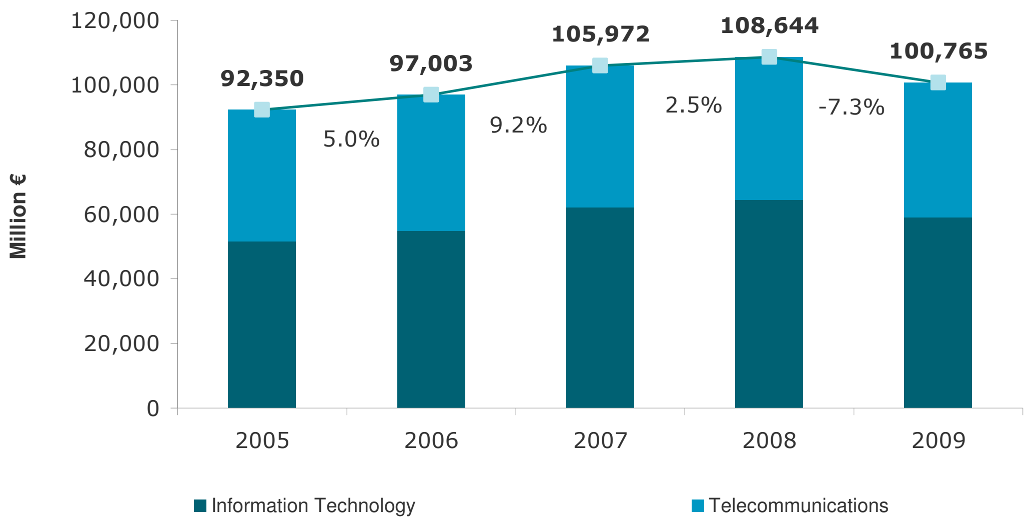
[7] Includes revenues from Telecommunication Operators and Audiovisual Services (source CMT).

4. ICT sector sales: Telecommunications and Information Technology. 2009
(% / total)



Source: CMT and ONTSI

5. Evolution of ICT sector sales: Telecommunications and Information Technology
(Millions of euros)



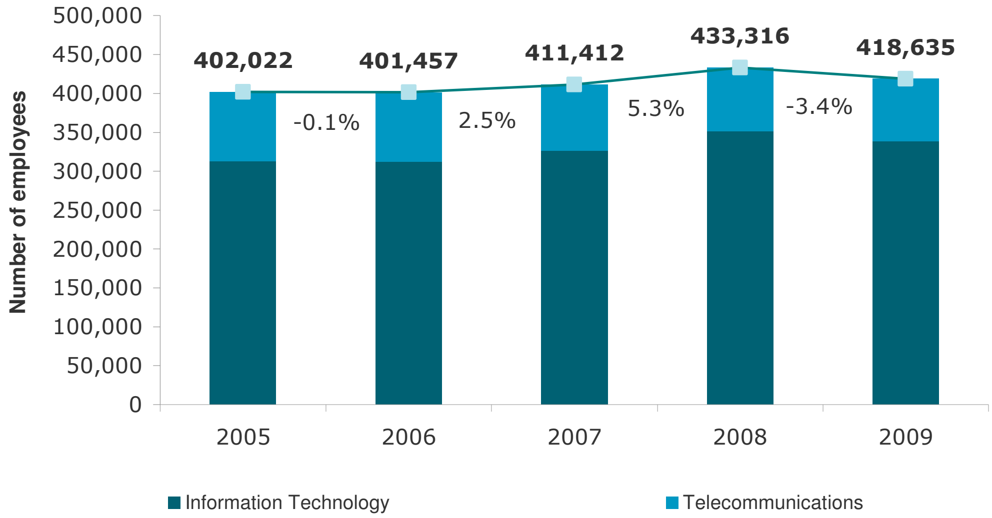
Source: CMT and ONTSI

In the period 2005-2009, employment grew by 4% with respect to 2005. Information Technologies, with an 8% increase, recorded the best results.

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. ICT services, like Trade and Other Telecommunication Activities, found it difficult to reduce its labour needs per product unit, although this did not affect the quantity or quality of its production.

In 2009, ICT enterprises employed **over 418,600 people, 3.4% less than in 2008**. IT activities generated the most jobs, with 80.9% of the total, a decrease of 3.7% compared to 2008. Telecommunication services accounted for 19% of the employment, 2% less than in 2008.

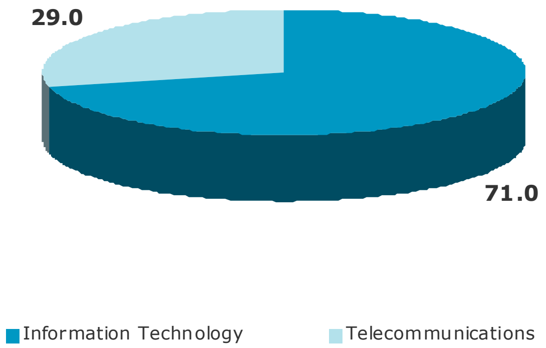
6. Evolution of ICT sector employment: Telecommunications and Information Technology
(Thousands of employees)



Source: CMT and ONTSI

ICT enterprises invested more than €14,757 million in 2009. The greatest investments were made by Information Technology enterprises that accounted for 71% of the total investment in the sector.

7. ICT sector investment: Telecommunications and Information Technology. 2009
(% / total)



Source: CMT and ONTSI

Revenue from the Telecommunications and Information Technology sector accounted for 9.56% of GDP. Gross added value at market prices exceeded €59,000 million, which was up 10% from 2005.

8. Gross Added Value at market cost for the ICT sector: Telecommunications and Information Technology
(Millions of euros)

	2005	2006	2007	2008	2009
Information Technology	32,363	33,578	39,893	42,671	37,930
Telecommunications	21,748	22,831	23,908	23,336	21,747
TOTAL	**54,111**	**56,408**	**63,801**	**66,007**	**59,677**

Source: ONTSI

2.2. The Telecommunications sector

2.2.1. General Telecommunications sector data

In 2008, the Telecommunications sector was comprised of 3,298 enterprises, with an employment creation capacity of 80,080 jobs.

9. Number of Telecommunications sector enterprises. 2008
(Number of enterprises)

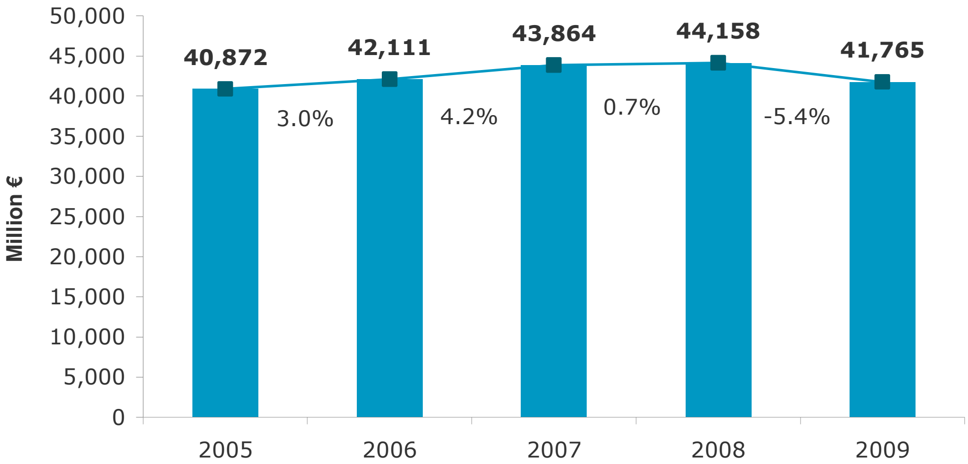
	2007	2008
Telecommunications Operators	1,967	2,224
Audiovisual Services	1,017	1,074
Total	**2,984**	**3,298**

Source: CMT and the Companies Register.

The sector was negatively influenced by the situation of economic downturn during 2009. Sales for the sector totalled €41,765 million, recording a decrease of 5.4%, which is the first drop in absolute terms in the last decade. The weakness of the demand as a consequence of the crisis affected final services, especially fixed and mobile telephony, which recorded both revenue and traffic reductions.

By services, wholesale fell by 8% while retail experienced a 4.9% drop.
Within retail, fixed telephony experienced a turnover drop of 8.3% and a reduction in the number of fixed lines. Total revenue from mobile telephony fell by 4.1%. The greatest drop in turnover was recorded by the television segment, with a decrease of 2.6% compared to 2008. This drop was mainly due to lower advertising revenues in free to air TV. Regarding Internet services, this was the only segment that experienced a turnover increase in the last year, 2.2% higher than in 2008.

10. Evolution of the Telecommunication sector sales
(Millions of euros)



Source: CMT

Total revenue from fixed telephony retail services totalled €6,485 million in 2009, recording a decrease of 8.3% compared to 2008. This amount represents 18.5% of all revenues from final services. 49.4% of the revenue from fixed telephony corresponded to connection or access services, and the rest to traffic services. Revenue from traffic evidenced the downward trend observed in the last years, since most users choose now flat rates instead of time-based rates, with the subsequent loss of revenue for operators.

In 2009, Telefónica maintained its supremacy over the rest of the operators in terms of traffic, with a share of 60.8%. Cable operators increased their share, going from 15.7% in 2008 to 16% in 2009. The other operators increased their share in a greater extent, reaching 23.2%.

Telefónica's share on traffic revenue decreased 4 points compared to the previous year. On the contrary, alternative operators gained weight in the market, as did with customers and lines.

In the last year, revenue from mobile telephony final services fell by 4.1%. This drop was mainly due to the decrease in revenue from voice traffic, which could not be compensated by the increase in data services (access to mobile broadband). Revenue from SMS and MMS also experienced a decrease, especially in the case of value added SMS.

Average revenue per minute shows a clear downward trend since 2002, due to different factors such as increased competence, and there are hardly any differences between contract and pay as you go options.

The number of broadband lines increased by 7.3%, totalling 9.79 million, which represents a 2.2% increase in terms of revenue (reaching €3,933 million). The penetration rate reached 21 lines per 100 inhabitants. As in other sectors, the increase in competence has caused a decrease in average revenues. Thus, average revenue for companies per broadband line was €341.4 a year, which means a decrease of €10.4 per line and year. However, the nominal value was very similar to those of previous years.

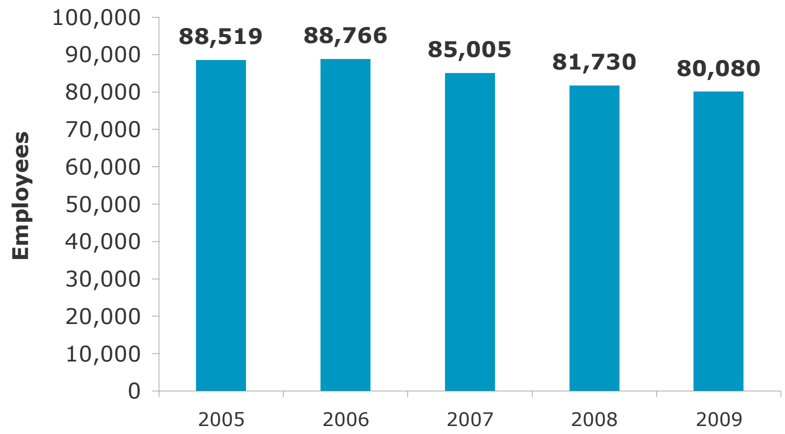
With regard to the economic evolution of Audiovisual services, after reaching the highest revenue values in 2007, they started to be affected by the economic crisis in 2008 and over 2009, with a significant impact on revenue. In the last year, the unsubsidised audiovisual market has experienced a significant drop of 17.91%, with revenue going from €5,531 million in 2008 to €4,541 million in 2009. The unsubsidised audiovisual market, on the other hand, has experienced a less significant drop (-12%) with a revenue of €5,991 million.

Free to air TV services, with a turnover of €2,367 million in 2009 (excluding subsidies) and recording a fall of 21.4%, represented 56.9% of the audiovisual sector's revenue. With €1,789 million revenue, pay television experienced a drop of 14.4% compared to 2008.

A high concentration of revenue and subscribers was observed in the main three market operators: Sogecable (with Digital+), Ono and Telefónica (with Imagenio) that added up to 83.1% of all subscribers (3.5 millions) and 91.8% of revenue. The biggest of the three, Sogecable, obtained almost 70% of total revenue and 43.6% of all subscribers, followed by Ono (13.1% of revenue and 23% of subscribers) and Telefónica (9% and 16.5% respectively). When calculating the average revenue per user, we observed that Sogecable is the operator with the highest ARPU, followed at a significant distance by Ono and Telefónica.

Another important aspect to take into account regarding portability, is the change of provider when contracting an Internet plus voice package. In this regard, at the end of 2009, 44.6% of fixed telephony lines were packaged with another service, especially with broadband.

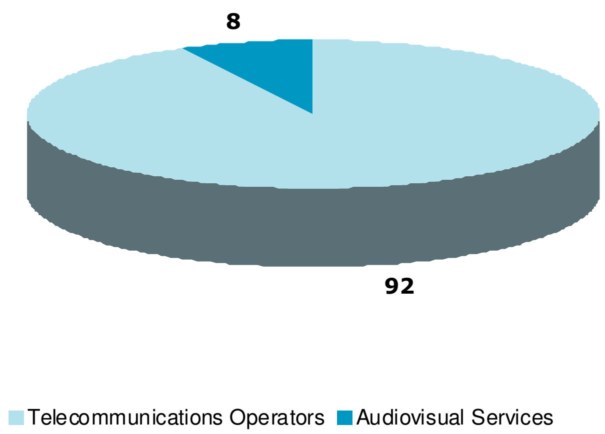
11. Evolution of Telecommunications sector employment
(Number of employees)



Source: CMT

In 2009, 80,080 people were employed in the sector, recording a 2% decrease from 2008. Mobile operators experienced the greatest growth in personnel. From 2005 to 2009, Telecommunications sector's employment has been reduced by 9.5%.

12. Investment made by the Telecommunications sector. 2009
(% / total)



Source: CMT

Investment by electronic communications operators in 2009 totalled €4,277 million, which represented a decrease of 17.3% compared to 2009, following the downward trend started in 2008.

This decrease has been mainly due to large operators. Telefónica de España and Vodafone reduced their investment by nearly 13%, while Movistar and Orange experienced drops of around 20%. Ono and the other regional cable operators reduced their investments by at least 30%. Only a few operators increased their investments, such as Jazztel with a rise of 32.7%.

Another noteworthy fact, both at the national and European level, is the modification of the regulatory framework. In the EU a new regulatory framework for electronic communications has been passed. In Spain the passing of the new General Law on Audiovisual Communication (March 2010) and the Law on Financing the Spanish Public Television (August del 2009), have had a direct impact on management and decision making processes (to invest or buy assets) of telecommunication services operators.

2.3. The Information Technology sector

2.3.1. General Information Technology sector data

In 2008, the Information Technology sector was comprised of more than 26,322 enterprises, accounting for 1.9% of Services sector enterprises[8].

Most of the active enterprises were included within the Computer and Related Activities division, with 13,151 active enterprises, accounting for 50% of the total. These were followed by Content enterprises, with 30%. There were more than 2,800 Trade enterprises, representing 10.9% of the total. In last place, active enterprises included in Computer and Related Activities and those included in Manufacturing, accounted for 5.7% and 3.5% respectively.

13. Number of IT sector enterprises. 2008
(Number of enterprises)

	2007	2008
Manufacturing	888	909
Trade	2,813	2,869
Computer and Related Activiti	12,985	13,151
Other Telecommunications Ac	1,491	1,509
Content	7,516	7,884
Total	**25,693**	**26,322**

Source: The Companies Register

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.

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 2008, where 34% of the enterprises had their headquarters. It was followed by Catalonia with 24% and Andalusia and the Region of Valencia, which with 9% and 8% respectively are becoming consolidated with a strong corporate fabric in their territory.

By activities, most notable is the high concentration of Manufacturing enterprises in Catalonia, as well as the high number of Computer and Related Activities enterprises present in the Region of Valencia and Andalusia.

[8] Source: According to the "2008 Annual Services Survey and Annual Trade Survey" published by the INE (Spanish National Statistics institute), the total number of services enterprises is 1,368,497.

14. Number of IT sector enterprises by autonomous region. 2008

(Number of enterprises)

	Manufacturing	Trade	Computer and Related Activities	Other Telecommunications Activities	Content	Total	% of the total
Andalusia	78	303	1,074	172	690	2,317	9%
Aragon	37	81	327	39	123	607	2%
Asturias	9	42	197	23	96	367	1%
Balearic Islands	6	37	233	33	158	467	2%
Canary Islands	12	137	344	75	183	751	3%
Cantabria	5	18	74	13	35	145	1%
Castile-Leon	22	91	339	50	210	712	3%
Castile-La Mancha	24	64	217	27	138	470	2%
Catalonia	257	652	3,129	254	1,940	6,232	24%
Ceuta	2	4	1	0	4	11	0%
Region of Valencia	99	261	1,065	133	551	2,109	8%
Extremadura	3	28	116	12	46	205	1%
Galicia	25	150	554	67	387	1,183	4%
La Rioja	5	10	40	6	14	75	0%
Madrid	264	756	4,535	477	2,797	8,829	34%
Melilla	0	1	4	4	6	15	0%
Murcia	7	72	175	42	87	383	1%
Navarre	8	29	123	26	79	265	1%
Basque Country	46	133	604	56	340	1,179	4%
Spain	**909**	**2,869**	**13,151**	**1,509**	**7,884**	**26,322**	**100%**

Source: The Companies Register

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 84% 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 division, where there were 88 enterprises with high employment-generating capacity.

By class of activity, the one with the greatest capacity for generating enterprises was that of other services related to information technology and computing, with 5,325 enterprises, followed by that dedicated to IT consulting activities, with a total of 3,911 enterprises.

The new National Classification of Economic Activities (CNAE) has entailed a real reorganisation of the Information Technology sector. The Manufacturing subgroup has been reduced to include only those activities closely related to information technologies, eliminating classes such as manufacture of valves, tubes, television and radio transmitters, or instruments and appliances for measuring, checking and testing, and industrial process control equipment.

The subgroup Trade has been resized and now concentrates IT equipment distribution and telecommunication activities.

Computer and Related Activities have increased their size, and the existing classes have been reorganized to become more detailed and to include new activities such as publishing of computer games or IT resource management and web portals, thus generating a more compact block of IT services that are closely linked to ICT activities.

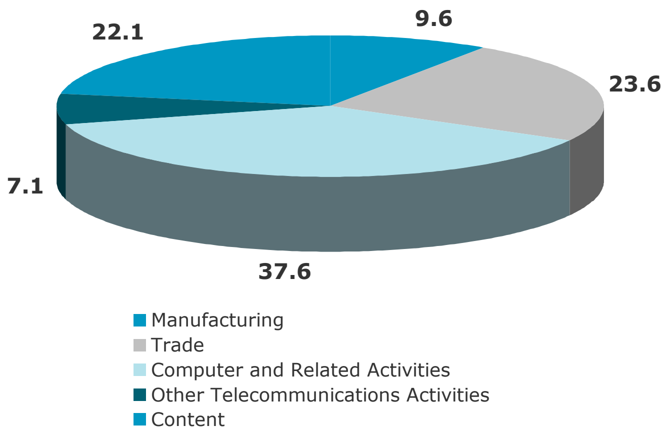
Revenue in the Information Technology sector, which amounted to €59,000 million, showed a decrease of 8.5% compared to 2008. Turnover from Manufacturing recorded the greatest drop (-20.4%), Trade reduced its turnover by 12.7%, Computer and Related Activities fell by 3.8%, Content enterprises reduced its turnover by 6.3% and Other Telecommunication Activities recorded a decrease of 5.9%.

In the period 2005-2009, the Information Technology sector grew 13.9%, being the Computer and Related Activities division the one that recorded the best results with an accumulated growth of 40.6%, while Trade was almost constant with 0.08%. Manufacturing activities continued to regress, with a decrease of 13% in this period.

In 2009, 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 the business of commercial distribution, the revenue of which decreased by 12.7% and was headed to Computer and Related Activities, which fell by 3.8% recording the best results of the sector.

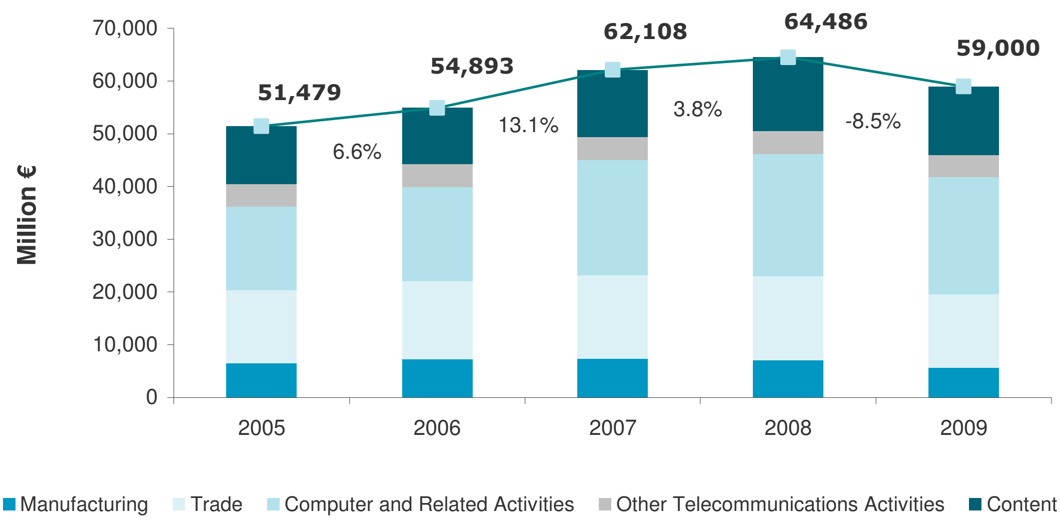
As regards the IT sector's operating revenue structure, sales represented 96% of total revenue. Most revenue comes from service provision, which with 40.7% is the main activity of these enterprises, followed by merchandise net sales with 34.6%. The strong recession of product sales in favour of merchandise sales is notable, which indicates that enterprises have opted for untransformed goods selling, in their attempt to reduce costs and increase gross margins.
Only 2.9% of revenue originated from activities other than the enterprises' principal activity.

15. IT sector sales. 2009
(% / total)



Source: ONTSI

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

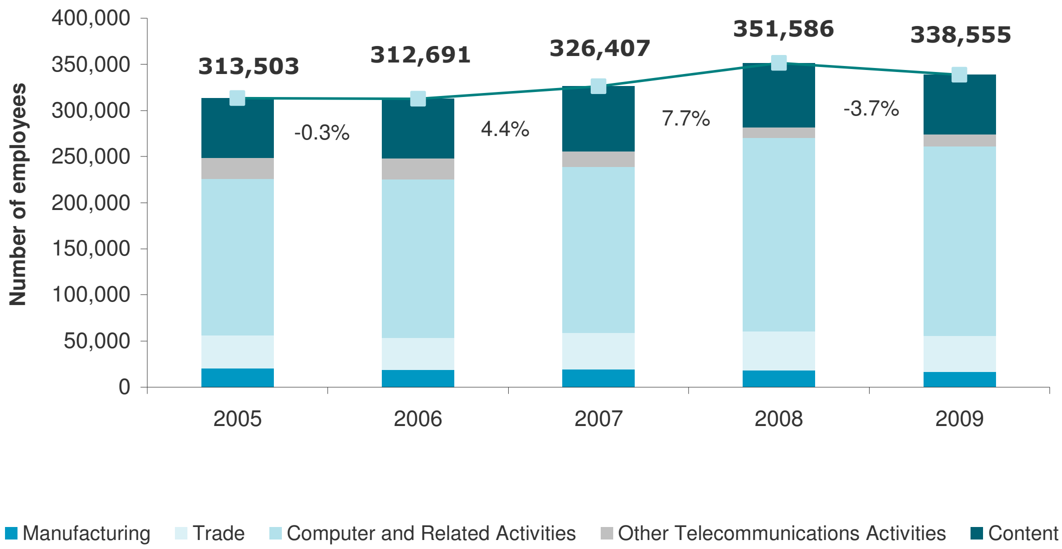


Source: ONTSI

Employment exceeded 338,000 persons in 2009, 3.7% less than in 2008. The greatest number of employees came from the Computer and Related Activities division, which accounted for 60.6% of total employment within the sector, with 205,168 employees. It was followed by Content with 19.1%, Trade with 11.5%, and Manufacturing and Other Telecommunications Activities, with 5% and 3.9% respectively.

During the period 2005-2009, employment followed a positive trend, growing 8% in this period. Computer and Related Activities constituted the division that experienced the greatest growth during the reference period with 21%, growing from 169,858 employees in 2005 to 205,168 in 2009. The number of employees in the Trade activity division also grew by 9% during the same period, from 35,712 enterprises in 2005 to 38,912 in 2009. On the other hand, there was a strong reduction in the number of jobs in the Manufacturing division, falling from 20,070 to 16,768, due to the cost reduction and enhanced competitiveness of Manufacturing activities. The division called Other Telecommunication Activities is the one with the most dramatic fall (-42%), while the Content division remained almost stable with a variation for that period of 1%.

17. Evolution of IT sector employment
(Number of employees)



Source: ONTSI

IT enterprises invested over 10,480 million euros during 2009; the investments made by Computer and Related Activities enterprises represent 55.5% of corporate investment in tangible and intangible assets.

Intangible fixed assets[9] represented 59.5% of the total investment made by IT enterprises, with particular significance of those belonging to the Computer and Related Activities division and, within it, investment made by enterprises engaging in IT programming activities.

Tangible fixed assets[10] represented 40.5% of the total investment; in this case all the divisions have maintained their investment activity at the same level of 2008, which seems to indicate that the turnover drop has not entailed decapitalization of tangible goods.

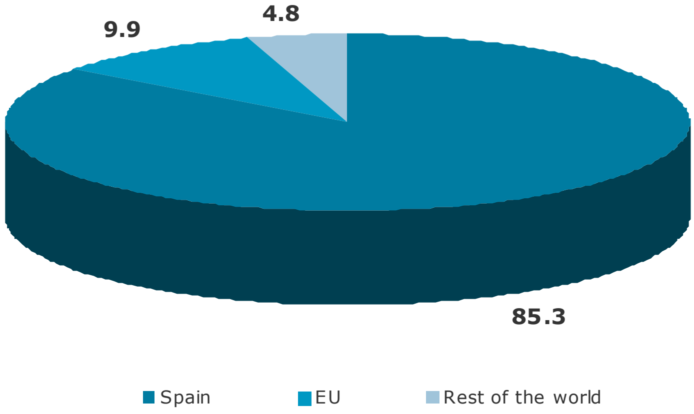
With regard to cost structure, supplies represent over 51% of it, out of which merchandise consumption accounts for €18,790 million.
It was followed by personnel costs, accounting for almost 25% of the total with €14,072 million and a drop of 5% compared to 2008. Other operating costs reach €11,470 million, 20% of the total operating costs, which means a drop of 18.4% compared to the previous year.

The main IT sector supplier (with 57.6%) is the domestic market: 28.6% of its suppliers are from the EU and 13.8% from the rest of the world.

In 2009, 85.3% of the turnover of technology enterprises was obtained through domestic demand for IT products and services.

[9] Includes real increases in intangible property elements created by virtue of rights that are susceptible of economic evaluation, as well as advancement payments received by the providers of these fixed assets.
[10] Includes real increases in tangible property elements represented by movables and real estate.

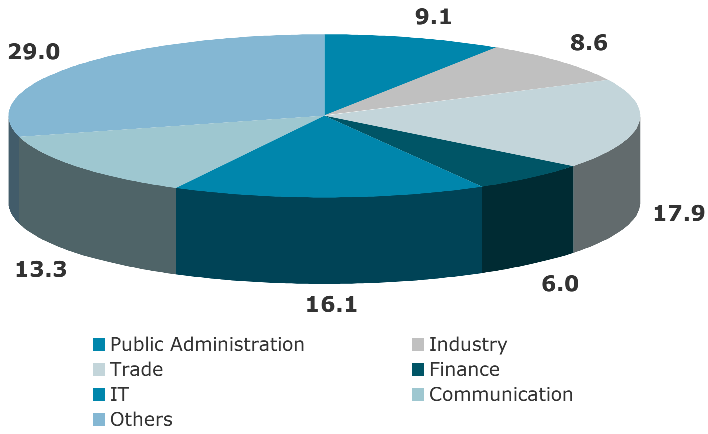
18. Geographical distribution of IT sector sales. 2009
(% / total)



Source: ONTSI

Trade, IT and communication, followed by public administrations are the main customers of Spanish technology enterprises, absorbing 56.4% 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 activities. Of note is also the presence of the main communication groups as customers that increasingly demand technology goods and services.

19. Functional distribution of sales in the IT sector. 2009
(% / total)



Source: ONTSI

Production value in 2009 reached €59,257 million, which was down 0.5% with respect to 2008.

Gross added value at market prices exceeded €37,930 million in 2009, 4.5% less than in 2008.

This amount represents 3.60% of the 2009 gross domestic product, compared to 3.92% in 2008.

Gross added value at factor cost generated in 2009 by the Information Technology sector reached €38,335 million, 2.8% less than in 2008. Enterprises allocate 37% of the gross added value to remuneration of their workforce, which represents a 8.1% increase with respect to 2008. The rest, that is to say, the gross operating surplus, allows evaluation of the profitability of the classes that comprise the IT sector, analysing the difference between gross added value at factor cost and the personnel costs.

The greatest contribution to this surplus corresponded to Computer and Related Activities, which accounted for nearly 44% of the total, having become consolidated as the main business generator within the IT sector.

IT sector productivity rose, reaching €113,231 per worker.

The contribution per product or service unit to the revenue-generating capacity of enterprises reached a maximum in Computer and Related Activities, standing at 82.10%.
Various service provision activities such as data processing, hosting and web portals, were above the Information Technology sector average in terms of their revenue-generating capacity.

2.3.2. IT sector statistics

2.3.2.1. Revenue

2.3.2.1.1. IT sector's operating revenue structure

20. IT sector operating income
(Millions of euros)

	2007	2008	2009
Sales	56,405	58,678	53,515
Own work capitalized	310	320	583
Operating subsidies	693	740	1,676
Changes in the stocks of finished goods and goods in process	ND	ND	244
Total	**57,408**	**59,739**	**56,017**

Source: ONTSI

21. IT sector operating income
(% / total)

	2007	2008	2009
Sales	98.3	98.2	95.5
Own work capitalized	0.5	0.5	1.0
Operating subsidies	1.2	1.2	3.0
Changes in the stocks of finished goods and goods in process	ND	ND	0.4
Total	**100**	**100**	**100**

Source: ONTSI

2.3.2.1.2. Sales

22. IT sector sales
(Millions of euros)

	2005	2006	2007	2008	2009
Manufacturing	6,479	7,289	7,332	7,079	5,635
Trade	13,905	14,745	15,917	15,941	13,916
Computer and Related Activities	15,789	17,876	21,714	23,082	22,205
Other Telecommunications Activities	4,236	4,347	4,502	4,454	4,193
Content	11,070	10,635	12,643	13,931	13,051
Total	**51,479**	**54,893**	**62,108**	**64,486**	**59,000**

Source: ONTSI

Note: Content includes the turnover from Videogame distribution and Online advertising activities

23. IT Sector operating income
(%)

	2005 / 2006	2006 / 2007	2007 / 2008	2008 / 2009
Manufacturing	12.5%	0.6%	-3.5%	-20.4%
Trade	6.0%	7.9%	0.1%	-12.7%
Computer and Related Activities	13.2%	21.5%	6.3%	-3.8%
Other Telecommunications Activities	2.6%	3.6%	-1.1%	-5.9%
Content	-3.9%	18.9%	10.2%	-6.3%
Total	**6.6%**	**13.1%**	**3.8%**	**-8.5%**

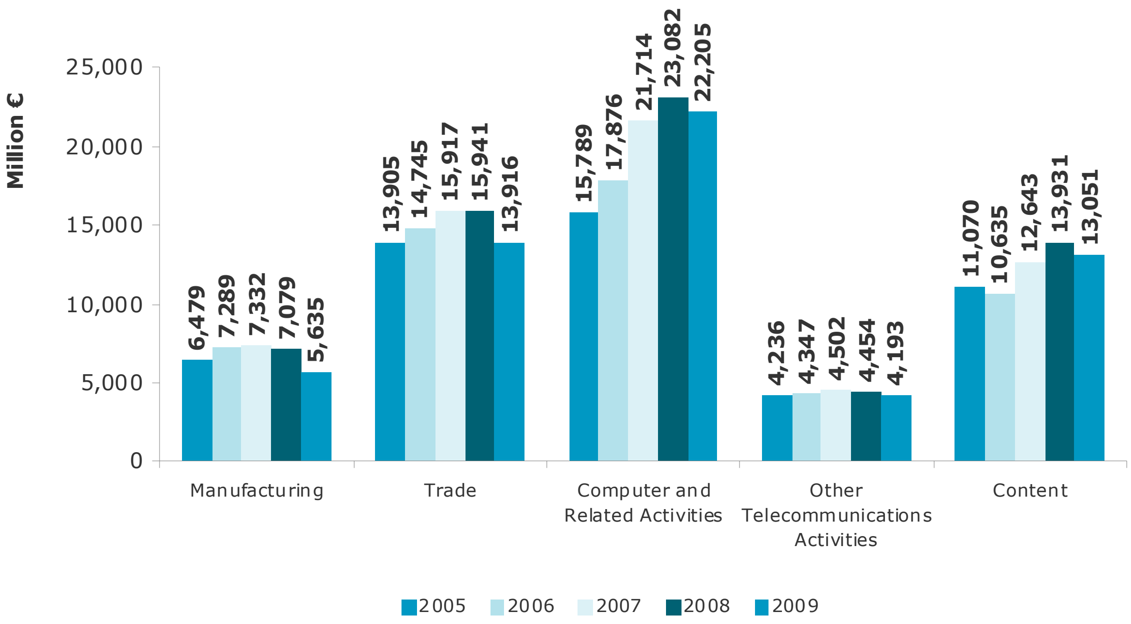
Source: ONTSI

24. IT sector sales. 2009
(% / total)

	2009
Manufacturing	9.6
Trade	23.6
Computer and Related Activities	37.6
Other Telecommunications Activities	7.1
Content	22.1
Total	**100**

Source: ONTSI

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



Source: ONTSI

Note: Content includes the turnover from Videogame distribution and Online advertising activities

2.3.2.1.3. IT sector sales structure

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

	2007	2008	2009
Product net sales	15,365	16,303	13,209
Merchandise net sales	22,021	22,680	18,511
Provision of services	19,019	19,695	21,795
Total	**56,405**	**58,678**	**53,515**

Source: ONTSI

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

	2007	2008	2009
Product net sales	27.2	27.8	24.7
Merchandise net sales	39.0	38.7	34.6
Provision of services	33.7	33.6	40.7
Total	**100**	**100**	**100**

Source: ONTSI

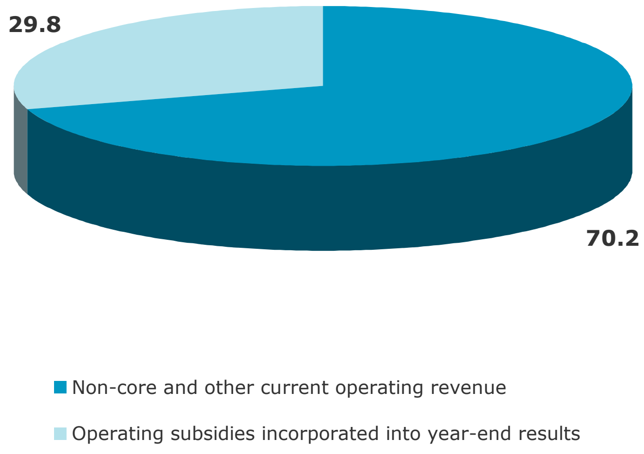
2.3.2.1.4.Other operating income

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

	2007	2008	2009
Non-core and other current operating revenue	529	571	1,176
Operating subsidies incorporated into year-end results	164	170	500
Total	**693**	**740**	**1,676**

Source: ONTSI

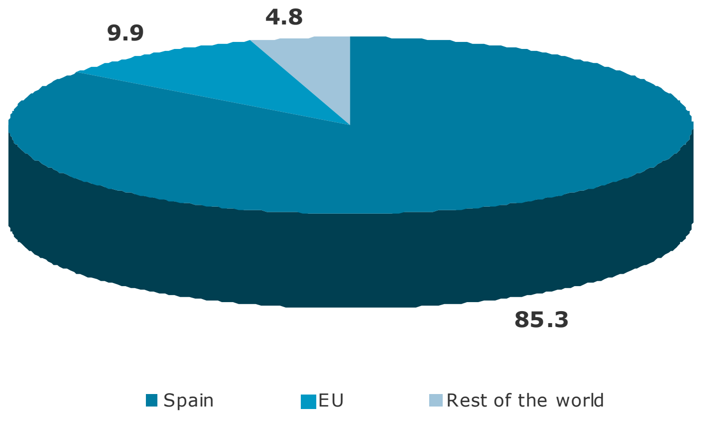
29. Distribution by categories of other operating income in the IT sector. 2009
(% / total)



Source: ONTSI

2.3.2.1.5. Geographical distribution of sales

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



Source: ONTSI

2.3.2.2. Employment

31. Employment in the IT sector
(Number of employees)

	2005	2006	2007	2008	2009
Manufacturing	20,070	18,576	18,941	18,453	16,768
Trade	35,712	35,216	39,851	41,886	38,912
Computer and Related Activities	169,858	171,423	180,160	209,784	205,168
Other Telecommunications Activities	22,590	22,578	16,172	11,644	13,054
Content	65,273	64,898	71,283	69,819	64,653
Total	**313,503**	**312,691**	**326,407**	**351,586**	**338,555**

Source: ONTSI

32. Variation in IT sector employment
(%)

	2005 / 2006	2006 / 2007	2007 / 2008	2008 / 2009
Manufacturing	-7.4%	2.0%	-2.6%	-9.1%
Trade	-1.4%	13.2%	5.1%	-7.1%
Computer and Related Activities	0.9%	5.1%	16.4%	-2.2%
Other Telecommunications Activities	-0.1%	-28.4%	-28.0%	12.1%
Content	-0.6%	9.8%	-2.1%	-7.4%
Total	**-0.3%**	**4.4%**	**7.7%**	**-3.7%**

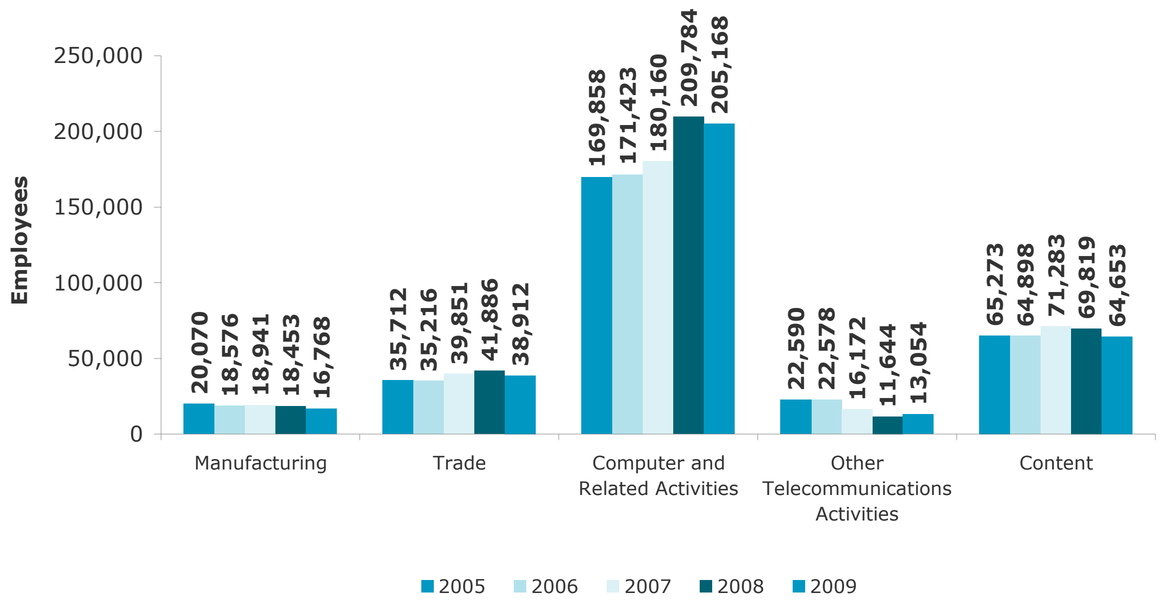
Source: ONTSI

33. Employment in the IT sector. 2009
(% / total)

	2009
Manufacturing	5.0
Trade	11.5
Computer and Related Activities	60.6
Other Telecommunications Activities	3.9
Content	19.1
Total	**100**

Source: ONTSI

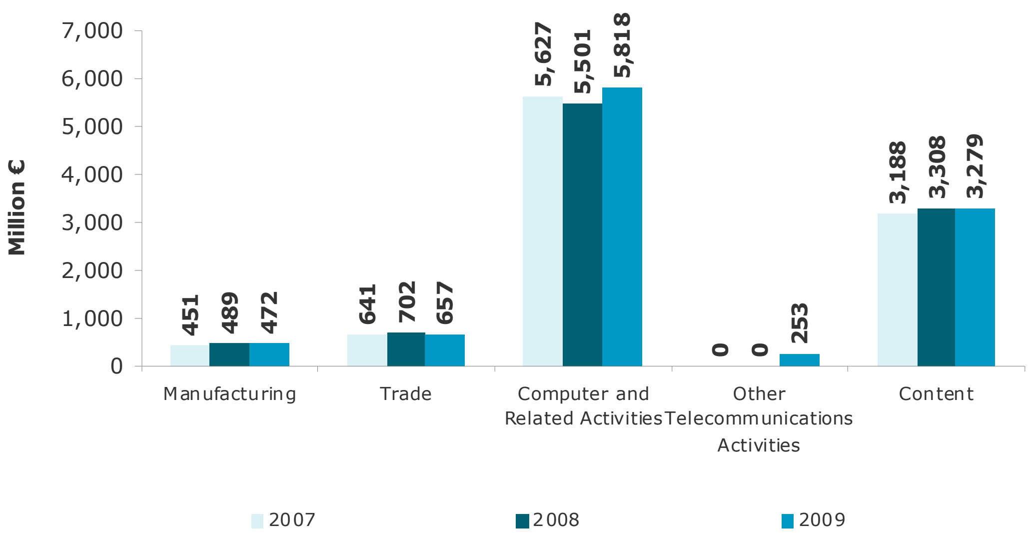
34. Evolution of IT sector employment
(Number of employees)



Source: ONTSI

2.3.2.3. Investment

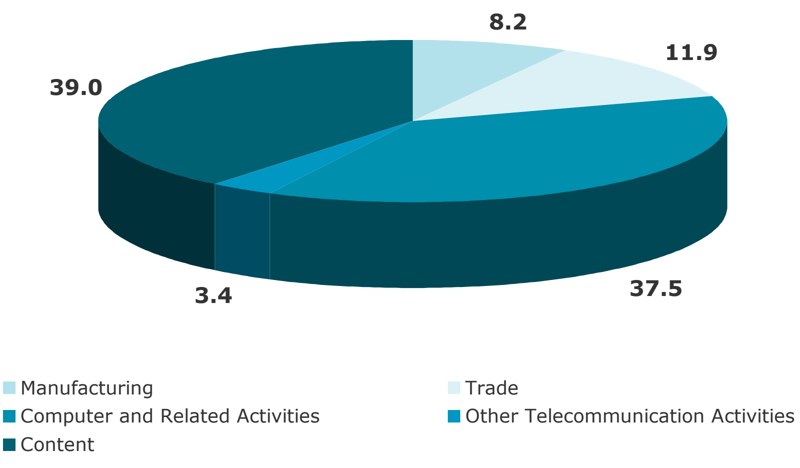
35. IT sector investment
(Millions of euros)



Source: ONTSI

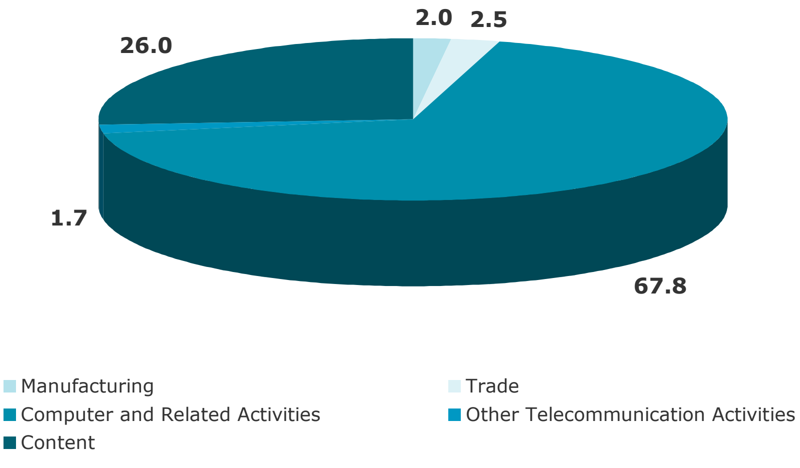
2.3.2.3.1. Structure of gross investment

36. IT sector tangible fixed assets. 2009
(% / total)



Source: ONTSI

37. IT sector intangible fixed assets. 2009
(% / total)



Source: ONTSI

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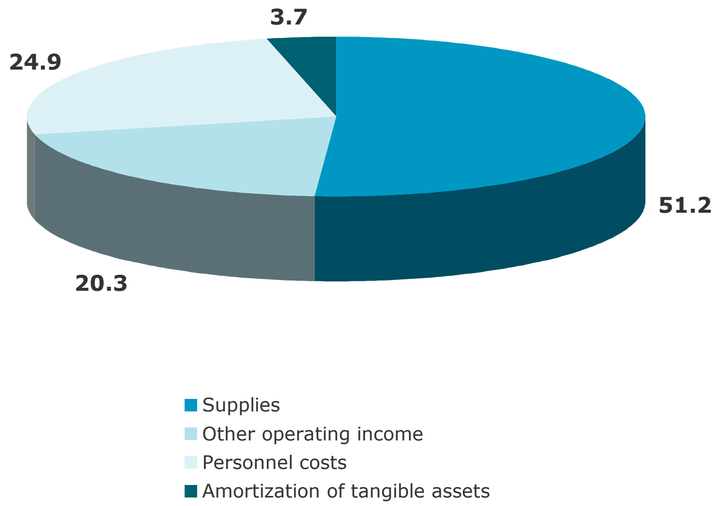
2.3.2.4. Structure of operating costs

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

		2007	2008	2009
Supplies		25,296	25,464	28,943
	Merchandise consumption	16,870	16,475	18,790
	Raw materials and other consumables consumption	4,090	4,242	5,138
	Work carried out by other enterprises	4,335	4,747	4,918
	Mechandise, raw materials and other supplies spoilage	0	0	96
Other operating income		12,280	14,050	11,470
	External services	12,249	14,015	11,363
	Expenditure on R&D	172	186	301
	Insurance premiums	88	102	130
	Other	11,989	13,727	10,932
	Taxes	31	35	107
Personnel costs		13,202	14,849	14,072
	Wages, salaries and related compensation	10,454	11,467	11,190
	Social security contributions	2,747	3,382	2,794
	Provisions	0	0	87
Amortization of tangible assets		704	531	2,087
Total		**43,056**	**54,894**	**56,572**

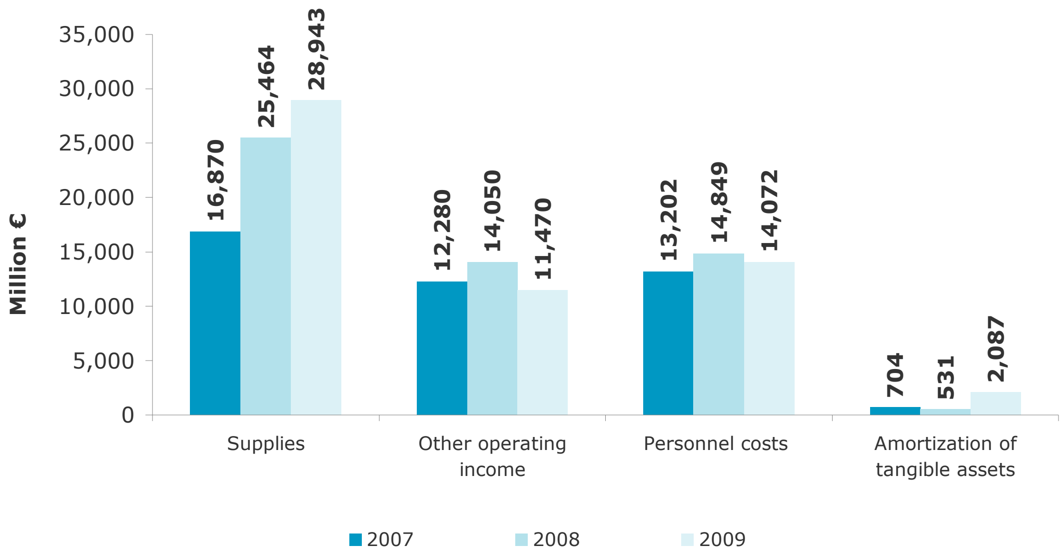
Source: ONTSI

39. Distribution of the purchase and cost categories of the IT sector. 2009
(% / total)



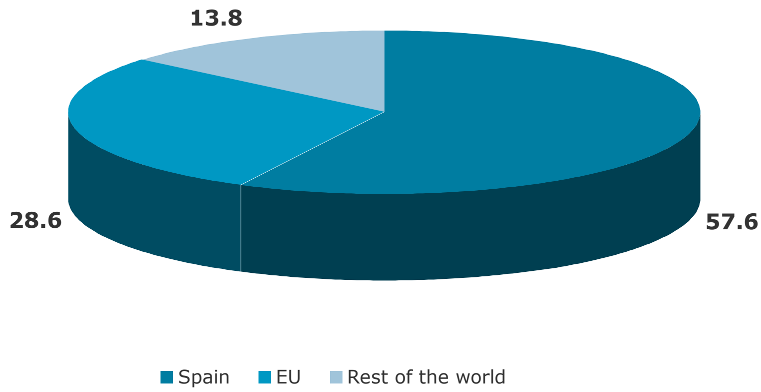
Source: ONTSI

40. Evolution of operating costs in the IT sector
(Millions of euros)



Source: ONTSI

41. Geographical distribution of purchases in the IT sector. 2009
(% / total)



Source: ONTSI

2.3.2.5. Financial expenses and revenue

42. Financial expenses and revenue in the IT sector

Financial expenses in the IT Sector
(Millions of euros)

	2009
Manufacturing	50
Trade	95
Computer and Related Activities	723
Other Telecommunications Activities	17
Content	324
Total	**1,209**

Revenue in the IT Sector
(Millions of euros)

	2009
Manufacturing	64
Trade	46
Computer and Related Activities	540
Other Telecommunications Activities	6
Content	274
Total	**930**

Source: ONTSI

2.3.3. The IT sector in the Spanish economy

2.3.3.1. Economic aggregates of the IT sector

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

	2005	2006	2007	2008	2009
Production	47,661	51,289	57,244	59,569	59,257
Intermediate consumption	17,924	20,451	20,162	19,866	21,327
Gross Added Value at market prices	**29,737**	**30,838**	**37,082**	**39,703**	**37,930**
Gross Added Value at factor cost	**29,641**	**30,923**	**36,878**	**39,442**	**38,335**
Remuneration of employees	11,752	13,016	11,627	13,016	14,072
Gross operating surplus	**18,070**	**18,188**	**25,547**	**26,772**	**24,263**

Source: ONTSI

44. Variation in economic aggregates of the IT sector
(%)

	2005 / 2006	2006 / 2007	2007 / 2008	2008 / 2009
Production	7.6%	11.6%	4.1%	-0.5%
Intermediate consumption	14.1%	-1.4%	-1.5%	7.4%
Gross Added Value at market prices	**3.7%**	**20.2%**	**7.1%**	**-4.5%**
Gross Added Value at factor cost	**4.3%**	**19.3%**	**7.0%**	**-2.8%**
Remuneration of employees	10.8%	-10.7%	12.0%	8.1%
Gross operating surplus	**0.7%**	**40.5%**	**4.8%**	**-9.4%**

Source: ONTSI

2.3.3.2. Productivity

45. IT Productivity
(Euros per employee)

	2005	2006	2007	2008	2009
Manufacturing	113,140	123,474	165,553	169,632	200,962
Trade	157,641	173,332	156,929	162,014	136,063
Computer and Related Activities	54,783	49,894	74,987	80,903	90,287
Other Telecommunications Activities	116,246	121,357	173,819	254,895	141,690
Content	141,455	123,068	138,131	154,202	143,797
Total	**82,983**	**73,452**	**100,666**	**108,180**	**113,231**

Source: ONTSI

2.3.3.3. Revenue-generating capacity

46. Revenue-generating capacity by activity divisions
(% / total)

	2005	2006	2007	2008	2009
Manufacturing	40.12	37.10	38.15	40.76	58.98
Trade	33.29	32.96	40.66	41.84	36.19
Computer and Related Activities	81.49	83.88	80.89	81.96	82.10
Other Telecommunications Activities	ND	ND	ND	ND	43.76
Content	87.56	79.20	85.88	85.39	76.67
Total	**60.44**	**58.94**	**64.49**	**66.39**	**64.69**

Source: ONTSI

47. Variation in the revenue-generating capacity of the IT sector
(%)

	2005 / 2006	2006 / 2007	2007 / 2008	2008 / 2009
Manufacturing	-7.5%	2.8%	6.8%	44.7%
Trade	-1.0%	23.4%	2.9%	-13.5%
Computer and Related Activities	2.9%	-3.6%	1.3%	0.2%
Other Telecommunications Activities	ND	ND	ND	ND
Content	-9.5%	8.4%	-0.6%	-10.2%
Total	**-2.5%**	**9.4%**	**2.9%**	**-2.6%**

Source: ONTSI

2.4. Foreign trade in the ICT sector

The following is an analysis of ICT product transactions (goods and services) in 2009.

For the calculation of ICT Foreign Trade figures, the definition given by the OECD in its report called "Guide to measuring the Information Society", 2009 (http://www.oecd.org/dataoecd/25/52/43281062.pdf[11]) has been taken as a reference, which is based on the UN's 2008 Central Product Classification (CPC) Ver. 2. that came into force in 2009 replacing the previous version (CPC v1 2002).

This classification has meant a real methodological change in the measurement of product data (understanding 'product' as the result of economic activities, both goods and services). The criterion for classification is the nature of the product. Under this criterion, products have been grouped by physical properties and composition. Also, new products have been introduced that were not present in the 2002 classification, and obsolete items lacking in interest have been eliminated.

The National Statistics Institute (INE) has been taken as the source for data concerning ICT services and the State Secretariat of Trade (MITyC, Datacomex[12]) as the source for data concerning ICT goods. Trade balance of the ICT sector in 2009 was negative, amounting to €4.561 million, with a coverage of 77.90%. Exports reached €16,081 million and imports amounted to €20,642 million.

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48. Foreign trade in ICT goods
(Millions of euros)

	2005	2006	2007	2008	2009*
Exports	12,104	11,220	13,130	13,199	16,081
Imports	23,901	26,209	29,331	30,885	20,642
Balance	-11,797	-14,989	-16,201	-17,685	-4,561
Coverage	50.6%	42.8%	44.8%	42.7%	77.9%

Source: Datacomex, MITyC and INE * Provisional data (in 2009 the classification of ICT products that was used changed)

With respect to foreign trade in ICT goods, exports reached €3,558 million and imports amounted to €13,657 million, with a balance of -10,098 million euro and a coverage of 26.06%.

[11] Annex 3: Relationship between ICT sector products and activity divisions (isic rev. 4/CPC V. 2.0)
[12] Takes the Spanish National Tax Authorities (AEAT) as the data source

49. Foreign trade in ICT goods

(Millions of euros)

	2005	2006	2007	2008	2009*
Exports	6,837	5,674	6,503	6,135	3,558
Imports	20,927	22,700	25,296	26,393	13,657
Balance	-14,090	-17,026	-18,793	-20,257	-10,098
Coverage	32.67%	25.00%	25.71%	23.25%	26.06%

Source: Datacomex and MITyC * Provisional data.

Provisional figures for 2009 for foreign trade in ICT services show a positive balance of €5,537 million and a coverage of 179.27%. Imports reached €6,985 million and exports amounted to €12,522 million.

50. Foreign trade in ICT services

(Millions of euros)

	2005	2006	2007	2008	2009*
Exports	5,266	5,546	6,627	7,064	12,522
Imports	2,973	3,509	4,035	4,492	6,985
Balance	2,293	2,037	2,592	2,572	5,537
Coverage	177.12%	158.05%	164.24%	157.26%	179.27%

Source: INE * Provisional data.

3. The Information Technology sector by activity divisions

3. THE ICT SECTOR BY ACTIVITY DIVISIONS

3.1. ICT Manufacturing

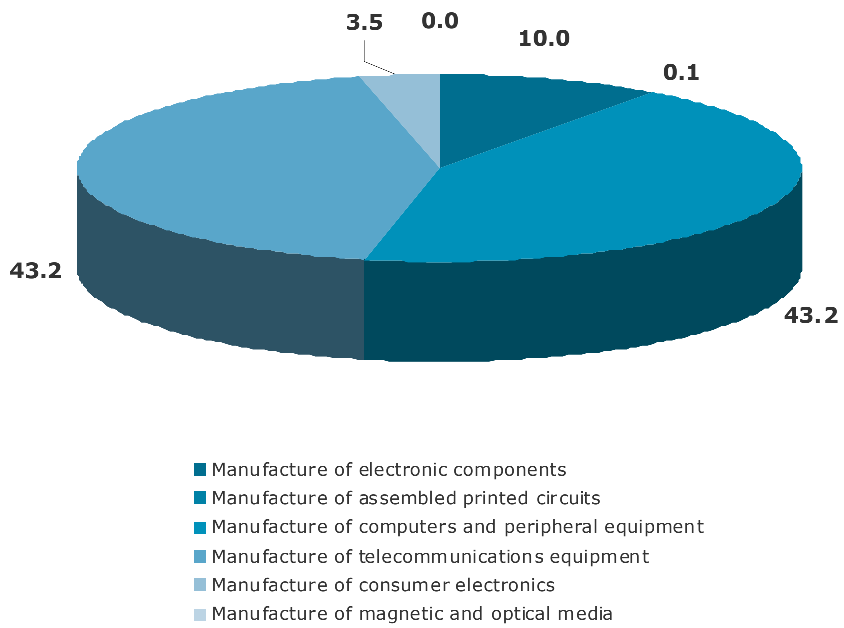
3.1.1. General figures

Net sales of ICT industrial enterprises, within the Manufacturing activity division, reached €5,635 million in 2009, representing a 20.4% drop with respect to 2008.

By activity classes, manufacture of computers and peripheral equipment (€2,437 million) and manufacture of telecommunications equipment (€2,433 million) are the activities with the highest turnover, each accounting for 43.2% of the total turnover in 2009. These are followed by manufacture of electronic components that account for 10% of the total turnover with €565 million.

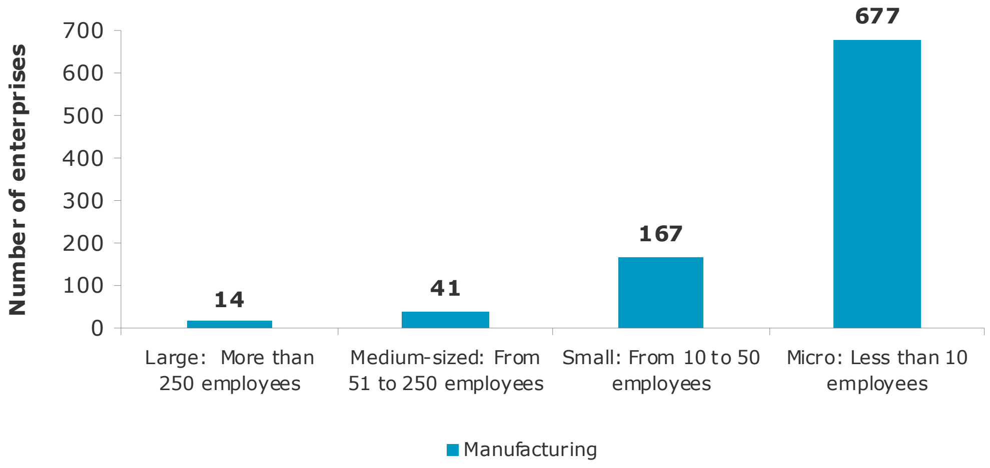
Between 2005 and 2009, the deceleration the IT industry, which had been slowly reducing its growth rate down to 13%, became consolidated. ICT manufacturing production in Spain was mainly based on hardware assembly, with new contracts strongly affected by the sharp overall cut in costs.

51. Sales - ICT Manufacturing
(% / total)



Source: ONTSI

52. Distribution of enterprises by number of employees – Manufacturing. 2008
(Number of enterprises)

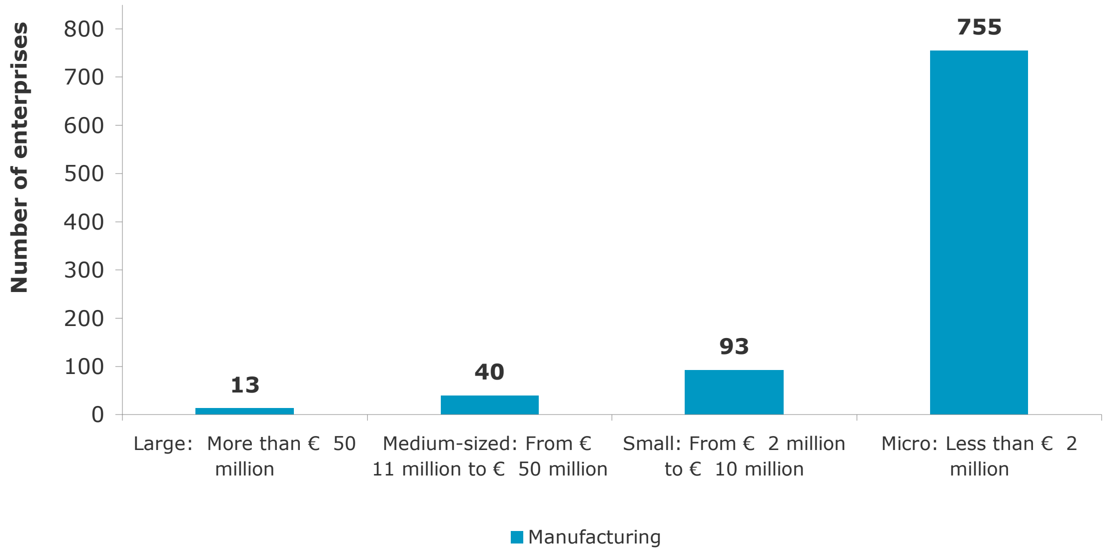


Source: ONTSI

ICT Manufacturing is supported by a corporate fabric composed of enterprises with less than ten employees, which account for 75% of the total. Only 2% are large enterprises, though this is the activity with the greatest presence in this type of companies.

As for turnover, only 1% of the enterprises have a turnover of over €50 million. And 84% have a sales generation capacity of less than €2 million.

53. Distribution of enterprises by sales - Manufacturing. 2008
(Number of enterprises)



Source: ONTSI

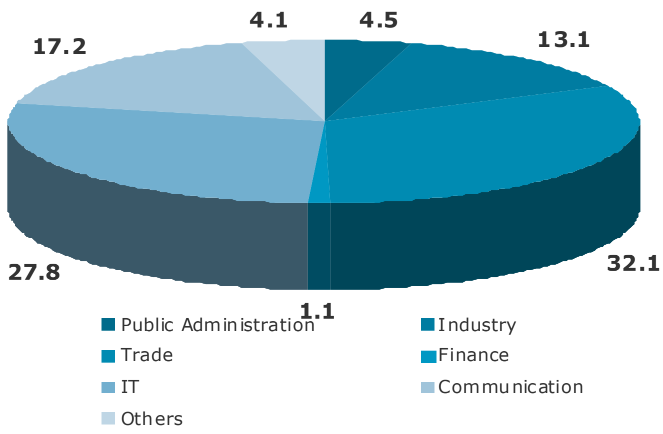
With regard to operating revenue structure, it can be seen that industrial distribution sales accounted for 97.7% of total revenue, of which the larger part was concentrated in industrial product sales (untransformed goods), followed by merchandise sales (goods transformed in the national territory).
There is a 7.9% of revenue originated from activities other than the enterprises' principal activity.

Manufacturing production is mainly absorbed by domestic demand, which stood at 78.6% in 2009, followed by exports to the EU, with 18.2%, and 3.2% to the rest of the world.

With regard to functional sales distribution, in 2009, 32.1% went to trade, 27.8% to IT, 17.2% to communication, 13.1% to industry and 4.5% to public administrations.

54. Functional distribution of sales - ICT Manufacturing. 2009

(% / total)

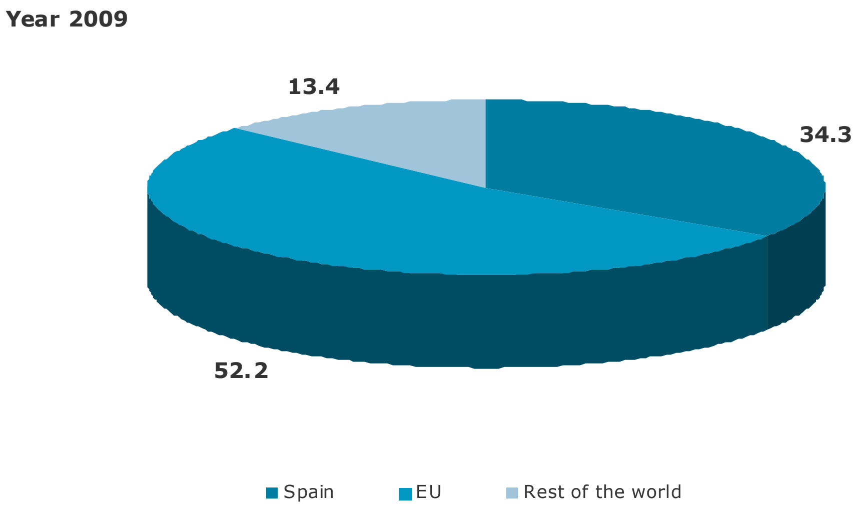


Source: ONTSI

The leading enterprise of the Manufacturing division had a revenue-based market share of 20.70%, while the four leading enterprises of the division accumulated 57.74% of the total.

55. Geographical distribution of purchases - ICT Manufacturing. 2009

(% / total)



Source: ONTSI

With regard to cost structure, consumption and work carried out by other enterprises accounted for 66.7% of total operating costs of these IT enterprises, followed by personnel costs, which accounted for 19.2% of the total, and external services[13] and tributes, which represented 11.1% of the total.

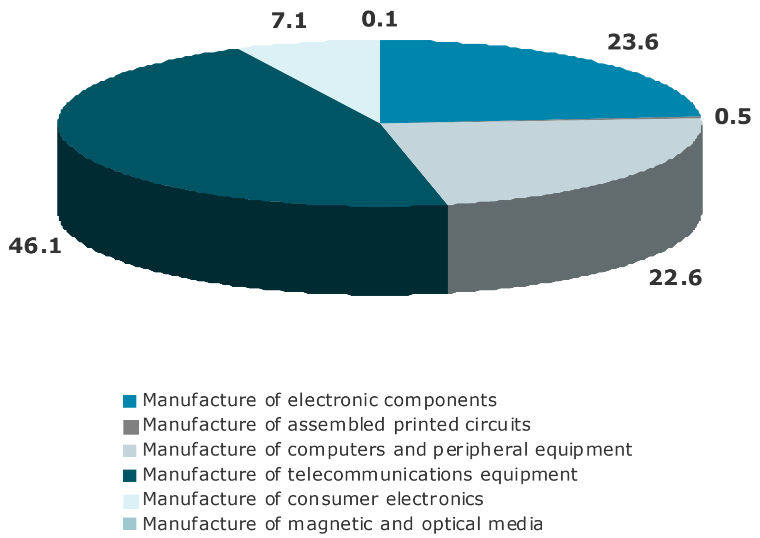
[13] External services include all the costs corresponding to production factors acquired from other enterprises

The IT industry obtains 34.3% of its supplies from the domestic market, 52.2% from the European market and 13.4% from the rest of the world.

The number of employed persons in the Manufacturing activity division was 16,768 persons, 9.1% less than in 2008.

Telecommunications equipment manufacturers generated the most jobs with 46.1% of the total, followed by electronic components manufacturers with 23.6%, computers and peripheral equipment manufacturers with 22.6%, and lastly consumer electronics manufacturers with 7.1%. The other 0.6% of employment was located in the manufacture of assembled printed circuits (0.5%) and the manufacture of magnetic and optical media (0.01%).

56. Employment - ICT Manufacturing
(% / total)



Source: ONTSI

IT manufacturing enterprises invested €472 million in 2009. The manufacture of telecommunications-related components accounted for 46.2% of the investment.

3.1.2. ICT Manufacturing statistics

3.1.2.1. Revenue

3.1.2.1.1. Structure of operating income

57. Operating income - ICT Manufacturing
(Millions of euros)

	2007	2008	2009
Sales	7,332	7,079	5,635
Own work capitalized	26	24	39
Operating subsidies	120	71	72
Changes in the stocks of finished goods and goods in process	ND	ND	20
Total	**7,477**	**7,174**	**5,766**

Source: ONTSI

58. Operating income - ICT Manufacturing
(% / total)

	2007	2008	2009
Sales	98.1	98.7	97.7
Own work capitalized	0.3	0.3	0.7
Operating subsidies	1.6	1.0	1.2
Changes in the stocks of finished goods and goods in process	ND	ND	0.3
Total	**100**	**100**	**100**

Source: ONTSI

3.1.2.1.2. Sales

59. Sales - ICT Manufacturing
(Millions of euros)

	2009
Manufacture of electronic components	565
Manufacture of assembled printed circuits	4
Manufacture of computers and peripheral equipment	2,437
Manufacture of telecommunications equipment	2,433
Manufacture of consumer electronics	195
Manufacture of magnetic and optical media	1
Total	**5,635**

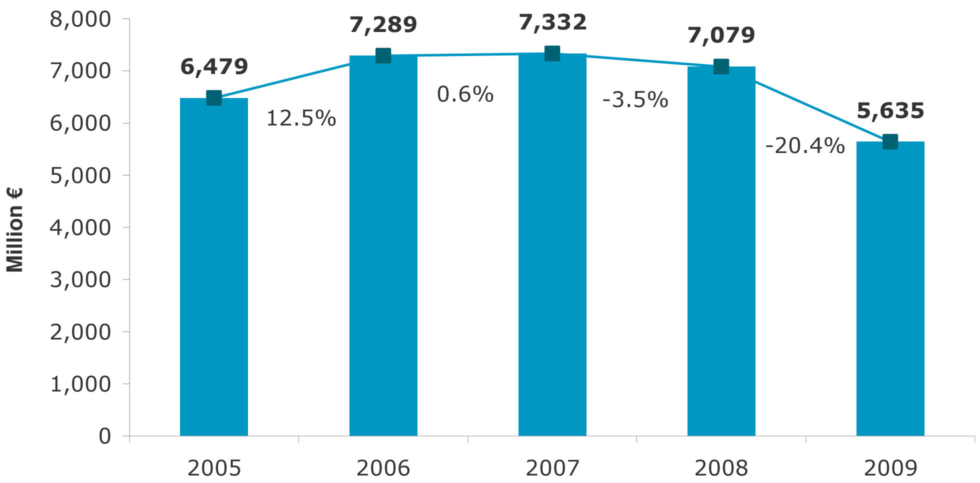
Source: ONTSI

60. Sales - ICT Manufacturing
(% / total)

	2009
Manufacture of electronic components	10.0
Manufacture of assembled printed circuits	0.1
Manufacture of computers and peripheral equipment	43.2
Manufacture of telecommunications equipment	43.2
Manufacture of consumer electronics	3.5
Manufacture of magnetic and optical media	0.0
Total	**100**

Source: ONTSI

61. Evolution of sales - ICT Manufacturing
(Millions of euros)



Source: ONTSI

3.1.2.1.3. Sales structure

62. Breakdown of Sales - ICT Manufacturing
(Millions of euros)

	2007	2008	2009
Product net sales	4,227	4,076	1,667
Merchandise net sales	2,736	2,644	3,525
Provision of services	369	359	443
Total	**7,332**	**7,079**	**5,635**

Source: ONTSI

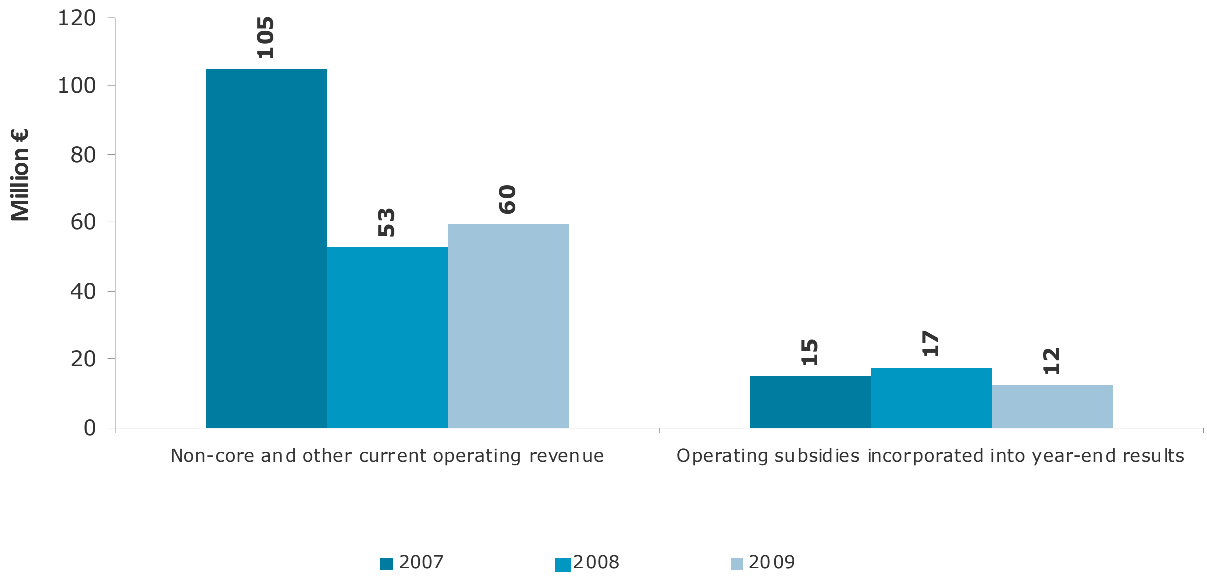
63. Breakdown of Sales - ICT Manufacturing
(% / total)

	2007	2008	2009
Product net sales	57.7	57.6	29.6
Merchandise net sales	37.3	37.4	62.6
Provision of services	5.0	5.1	7.9
Total	**100**	**100**	**100**

Source: ONTSI

3.1.2.1.4. Operating income

64. Other operating income - ICT Manufacturing
(Millions of euros)

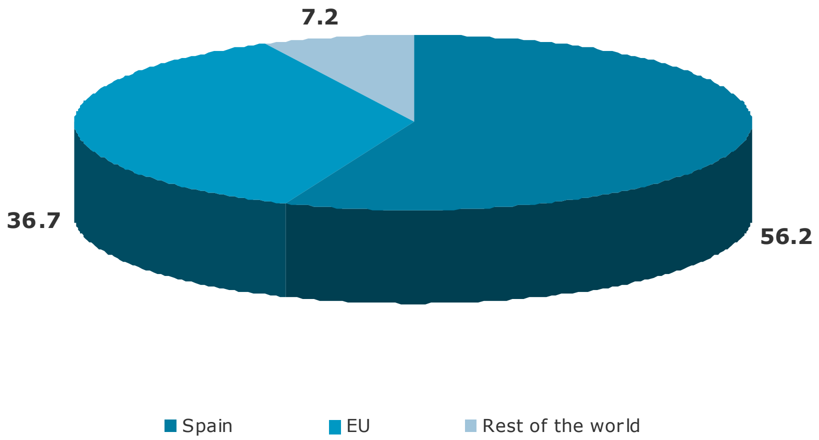


Source: ONTSI

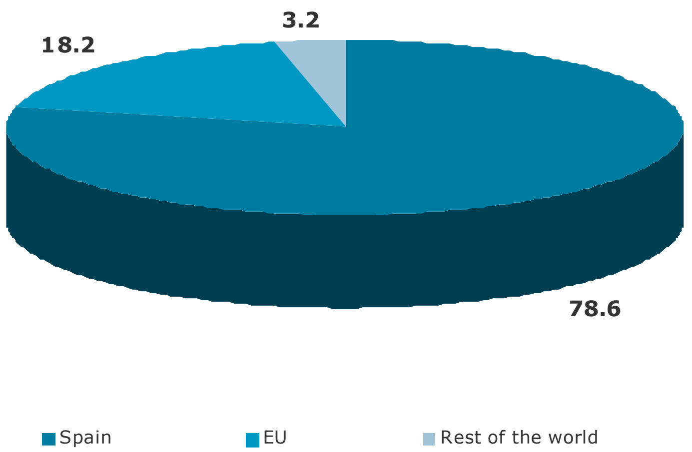
3.1.2.1.5. Geographical distribution of sales

65. Geographical distribution of sales - ICT Manufacturing
(% / total)

Year 2008



Year 2009

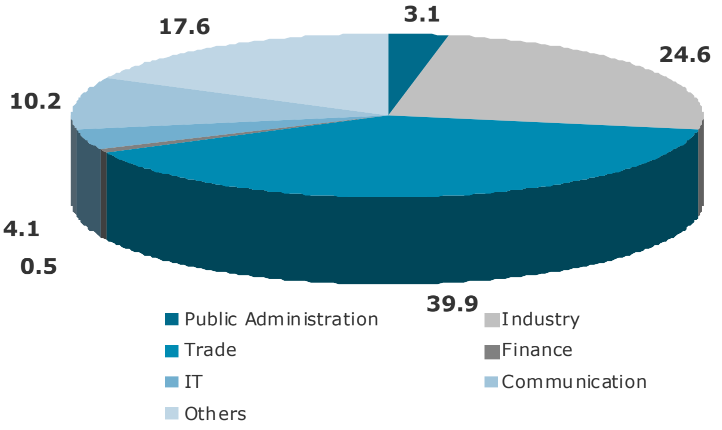


Source: ONTSI

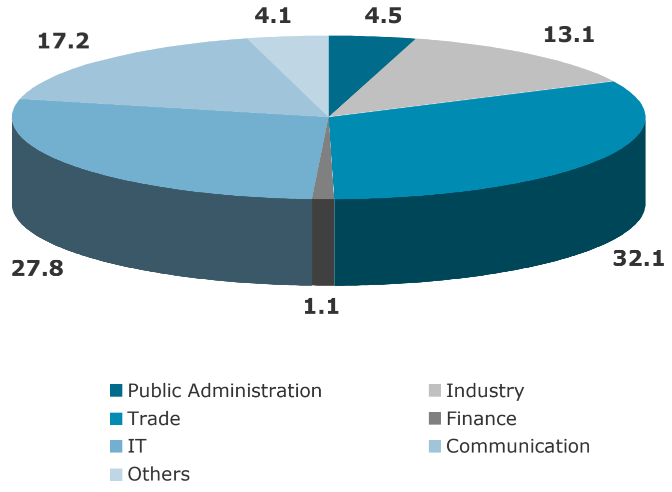
3.1.2.1.6. Functional distribution of sales

66. Functional distribution of sales - ICT Manufacturing
(% / total)

Year 2008



Year 2009



Source: ONTSI

3.1.2.2. Employment

67. Employment by activity classes – ICT Manufacturing. 2009
(Number of employees)

	2009
Manufacture of electronic components	3,952
Manufacture of assembled printed circuits	90
Manufacture of computers and peripheral equipment	3,791
Manufacture of telecommunications equipment	7,735
Manufacture of consumer electronics	1,187
Manufacture of magnetic and optical media	13
Total	**16,768**

Source: ONTSI

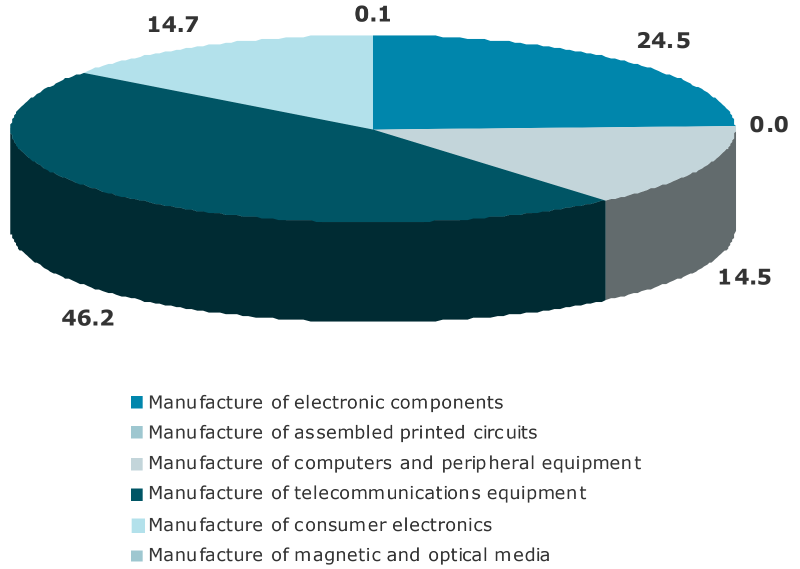
68. Employment by activity classes – ICT Manufacturing. 2009
(% / total)

	2009
Manufacture of electronic components	23.6
Manufacture of assembled printed circuits	0.5
Manufacture of computers and peripheral equipment	22.6
Manufacture of telecommunications equipment	46.1
Manufacture of consumer electronics	7.1
Manufacture of magnetic and optical media	0.1
Total	**100**

Source: ONTSI

3.1.2.3. Investment

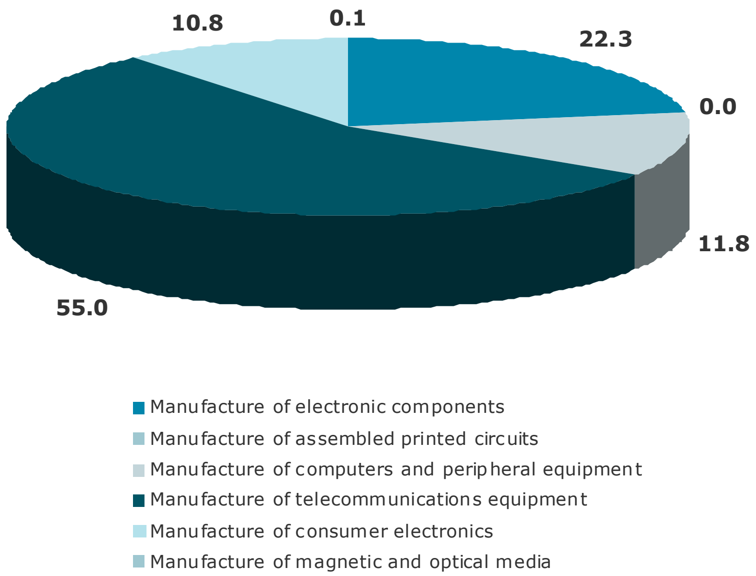
69. Investment - ICT Manufacturing. 2009
(% / total)



Source: ONTSI

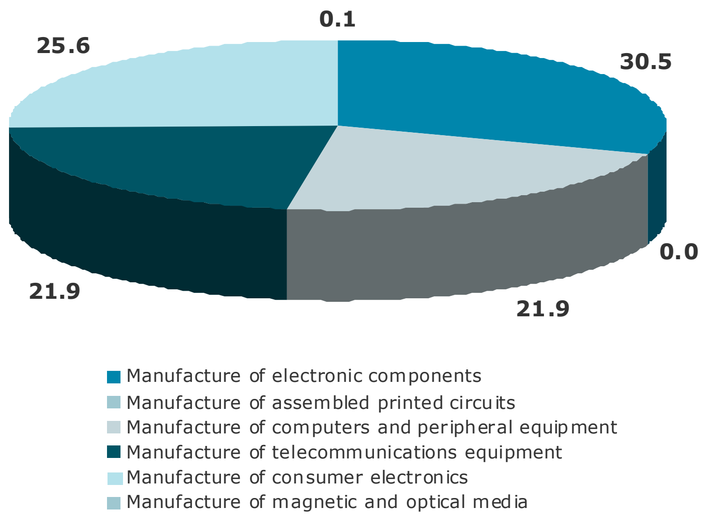
3.1.2.3.1. Structure of gross investment

70. Tangible fixed assets - ICT Manufacturing. 2009
(% / total)



Source: ONTSI

71. Intangible fixed assets - ICT Manufacturing. 2009
(% / total)



Source: ONTSI

3.1.2.4. Structure of operating costs

72. Distribution by purchase and cost categories - ICT Manufacturing
(Millions of euros)

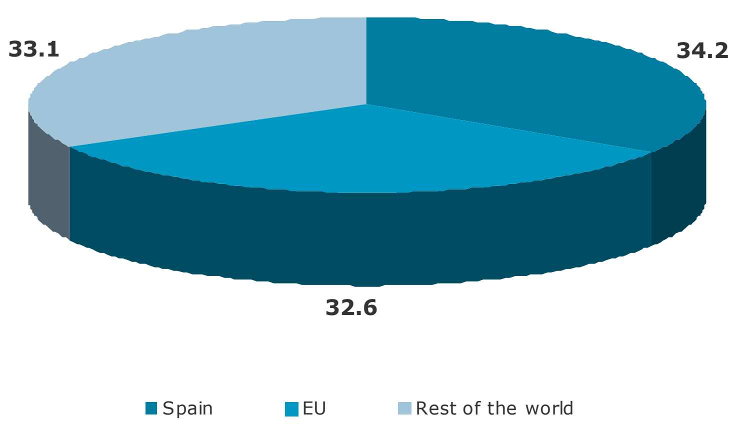
	2007	2008	2009
Supplies	3,423	3,114	2,790
Merchandise consumption	1,827	1,550	1,482
Raw materials and other consumables consumption	1,393	1,332	1,173
Work carried out by other enterprises	203	233	136
Mechandise, raw materials and other supplies spoilage			0
Other operating income	660	646	466
External services	650	633	459
Expenditure on R&D	52	36	50
Insurance premiums	14	15	12
Other	584	582	398
Taxes	10	13	7
Personnel costs	868	885	802
Wages, salaries and related compensation	685	699	642
Social security contributions	183	186	159
Provisions			1
Amortization of tangible assets	151	129	126
Total	**5,101**	**4,774**	**4,185**

Source: ONTSI

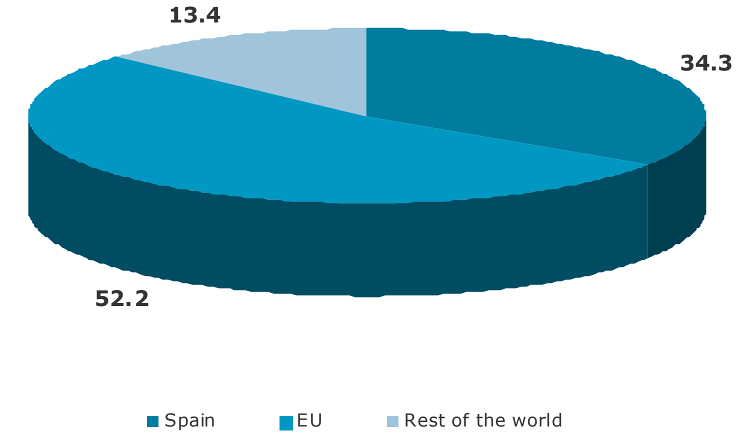
73. Geographical distribution of purchases and costs - ICT Manufacturing

(% / total)

Year 2008



Year 2009



Source: ONTSI

3.1.2.5. Financial expenses and revenue

74. Financial expenses and revenue - ICT Manufacturing 2009
(Millions of euros)

Financial expenses- ICT Manufacturing
(Millions of euros)

	2009
Manufacture of electronic components	18,90
Manufacture of assembled printed circuits	0,03
Manufacture of computers and peripheral equipment	9,81
Manufacture of telecommunications equipment	13,60
Manufacture of consumer electronics	7,45
Manufacture of magnetic and optical media	0,03
Total	**50**

Financial revenue- ICT Manufacturing
(Millions of euros)

	2009
Manufacture of electronic components	49.9
Manufacture of assembled printed circuits	0.0
Manufacture of computers and peripheral equipment	6.5
Manufacture of telecommunications equipment	6.4
Manufacture of consumer electronics	1.2
Manufacture of magnetic and optical media	0.0
Total	**64**

Source: ONTSI

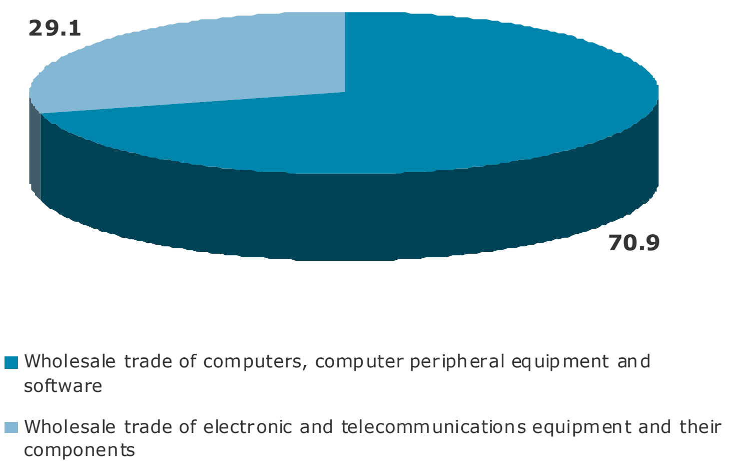
3.2. ICT Trade

3.2.1. General figures

Wholesale trade distribution of computers, peripheral equipment and software, as well as electronic and telecommunications equipment and their components, is acknowledged as an essential service activity for the development of the Information and Communication Technology sector.
Trade sector sales reached €13,916 million in 2009. Upon analysing the Trade division by activities, it can be seen that wholesale trade of computers, peripheral equipment and software sales represents 70.9% of the total, while wholesale of electronic and telecommunications equipment and their components accounts for the otter 29.1%.

During the period 2005-2009, Trade division sales fell by 12.7%. The reduction of transport costs, new trade distribution channels, improved stock management, and reduction of margins hinders growth of Trade activities.

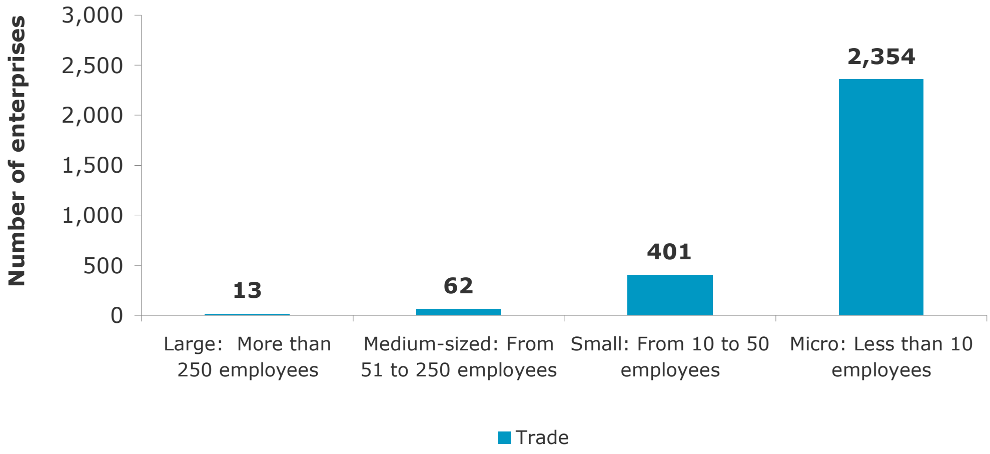
75. Sales - ICT Trade. 2009
(% / total)



Source: ONTSI

Operating income of enterprises engaging in trade activities totalled €14,611 million in 2009.

76. Distribution of enterprises by number of employees – ICT Trade. 2008
(Number of enterprises)

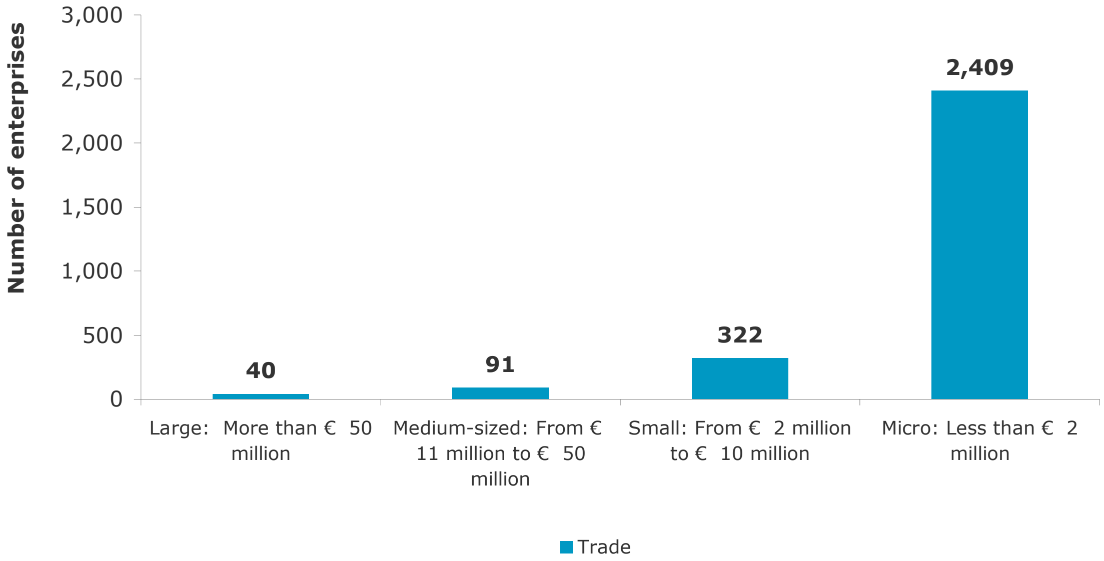


Source: ONTSI

Trade activities are carried out mainly by enterprises with less than ten employees, which account for 83% of the total. Only 0.5% of Trade activities are carried out by large enterprises.

As for turnover, 1% of the enterprises have a turnover of over €50 million. And 84% have a sales generation capacity of less than €2 million.

77. Distribution of enterprises by sales - ICT Trade. 2008
(Number of enterprises)



Source: ONTSI

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 95.2% of total revenue, most of which came from merchandise and product sales, this being the main activity.

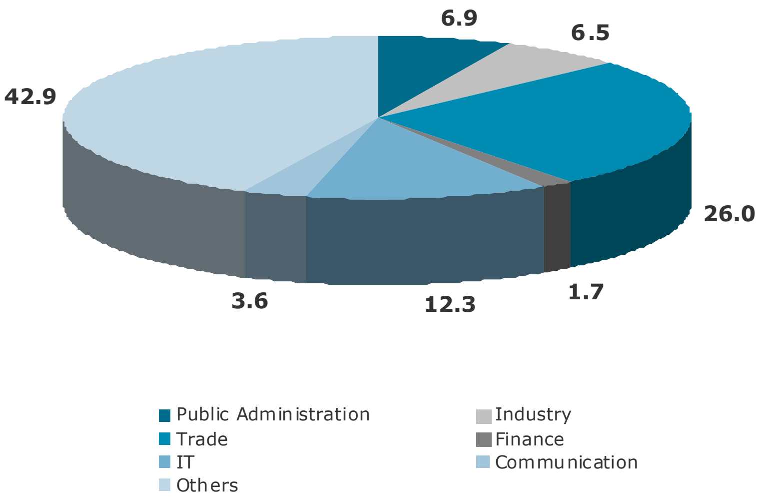
Only 4.1% of revenue originated from activities other than the enterprises' principal activity, for example subsidies.

The strong presence of subsidiaries in the activity classes 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 2009 was basically the Spanish market (88.5%), the European Union (9.4%), and the rest of the world (2.1%).

These sales were mainly distributed among trade (as distribution channel and end customer) with 26%, IT with 12.3%, public administrations with 6.9%, and industry with 6.5%.

78. Functional distribution of sales - ICT Trade. 2009
(% / total)



Source: ONTSI

The four main enterprises in the Trade division accounted for 32.07% of the total by turnover, and the leading enterprise had a market share of 9.54%

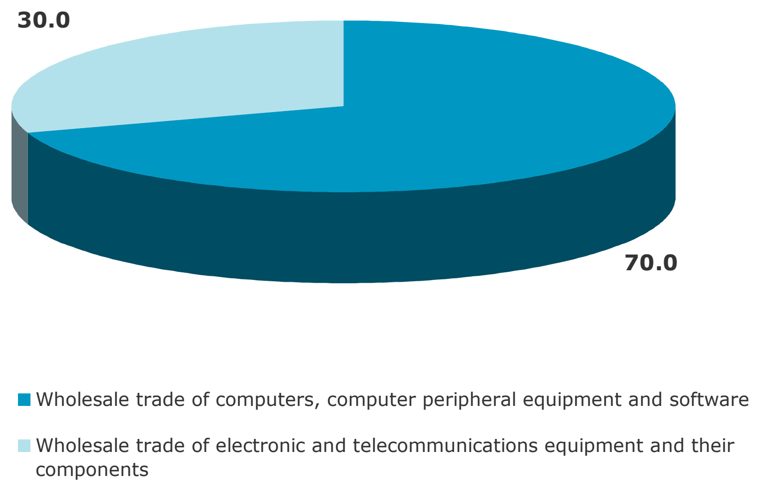
With regard to cost structure, consumption and work carried out by other enterprises accounted for 76% of total operating costs of these IT enterprises, followed by personnel costs, which accounted for 13.6% of the total.

IT trade activities obtain nearly 46% of their supplies from the Spanish market, 29.6% from the EU and 24.4% from the rest of the world.

Trade activities provided employment for 38,912 persons. The enterprises that provided the most employment were those engaging in wholesale trade of computers, peripheral equipment and software, which accounted for 70% of total employment in this activity division.

79. Employment by activity classes – ICT Trade. 2009

(% / total)



Source: ONTSI

Trade investment totalled €657 million. 58.8% of this investment corresponded to wholesale trade of computers, computer peripheral equipment and software, and the other 41.2% to wholesale of electronic and telecommunications equipment and their components.

3.2.2. Trade statistics

3.2.2.1. Revenue

3.2.2.1.1.1. Structure of operating income

80. Revenue - ICT Trade
(Millions of euros)

	2007	2008	2009
Sales	15,917	15,941	13,916
Own work capitalized	7	5	108
Operating subsidies	229	259	605
Changes in the stocks of finished goods and goods in process	ND	ND	-18
Total	**16,152**	**16,205**	**14,611**

Source: ONTSI

81. Revenue - ICT Trade
(% / total)

	2007	2008	2009
Sales	98.5	98.4	95.2
Own work capitalized	0.0	0.0	0.7
Operating subsidies	1.4	1.6	4.1
Changes in the stocks of finished goods and goods in process	ND	ND	-0.1
Total	**100**	**100**	**100**

Source: ONTSI

3.2.2.1.1.2. Sales

82. Sales - ICT Trade. 2009
(Millions of euros)

	2009
Wholesale trade of computers, computer peripheral equipment and software	9,870
Wholesale trade of electronic and telecommunications equipment and their components	4,047
Total	**13,916**

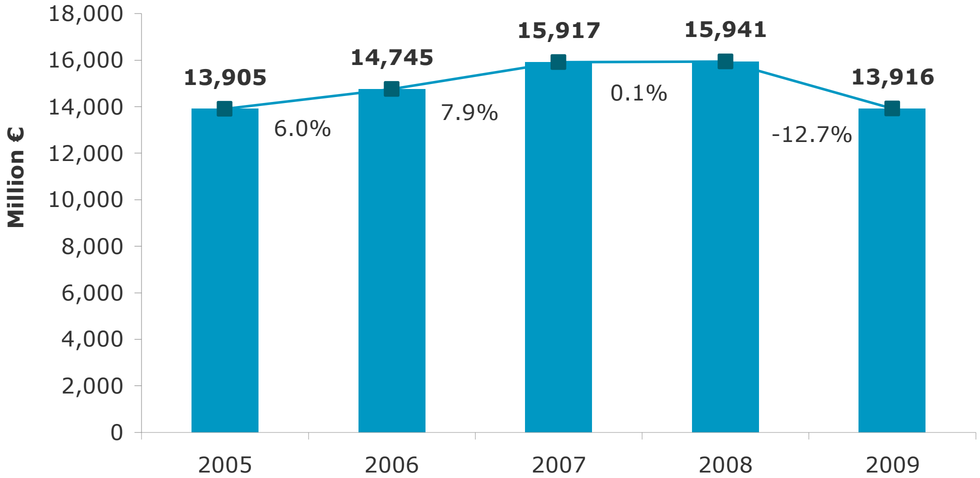
Source: ONTSI

83. Sales - ICT Trade. 2009
(% / total)

	2009
Wholesale trade of computers, computer peripheral equipment and software	70.9
Wholesale trade of electronic and telecommunications equipment and their components	29.1
Total	**100**

Source: ONTSI

84. Evolution of sales - ICT Trade
(Millions of euros)



Source: ONTSI

3.2.2.1.1.3. IT sector sales structure

85. Breakdown of sales - ICT Trade.
(Millions of euros)

	2007	2008	2009
Product net sales	3,987	3,963	4,409
Merchandise net sales	10,078	10,012	7,366
Provision of services	1,852	1,966	2,141
Total	**15,917**	**15,941**	**13,916**

Source: ONTSI

86. Breakdown of sales - ICT Trade.
(% / total)

	2007	2008	2009
Product net sales	25.0	24.9	31.7
Merchandise net sales	63.3	62.8	52.9
Provision of services	11.6	12.3	15.4
Total	**100**	**100**	**100**

Source: ONTSI

3.2.2.1.1.4. Other operating income

87. Other operating income - ICT Trade
(Millions of euros)

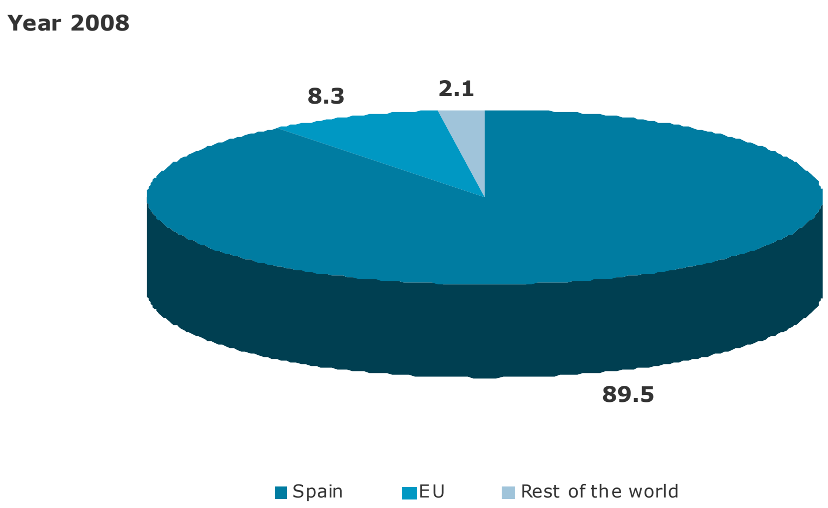
	2007	2008	2009
Non-core and other current operating revenue	225	255	585
Operating subsidies incorporated into year-end results	4	4	19
Total	**229**	**259**	**605**

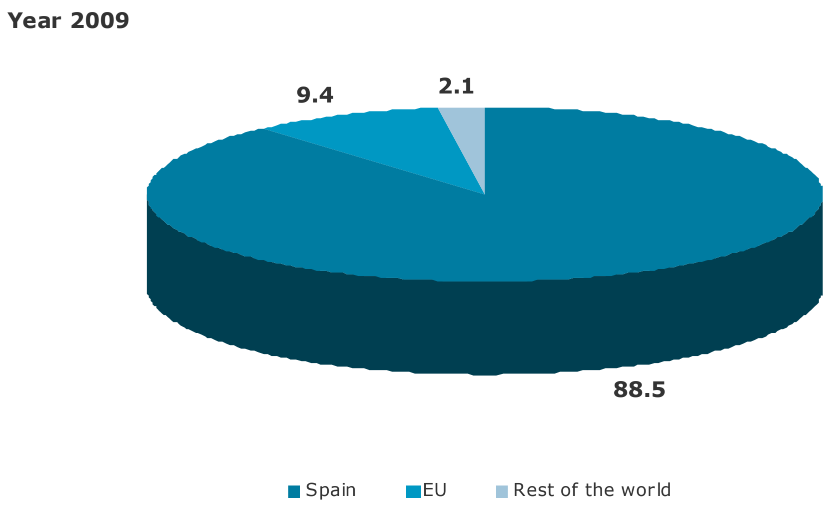
Source: ONTSI

3.2.2.1.1.5. Geographical distribution of sales

88. Geographical distribution of sales - ICT Trade

(% / total)





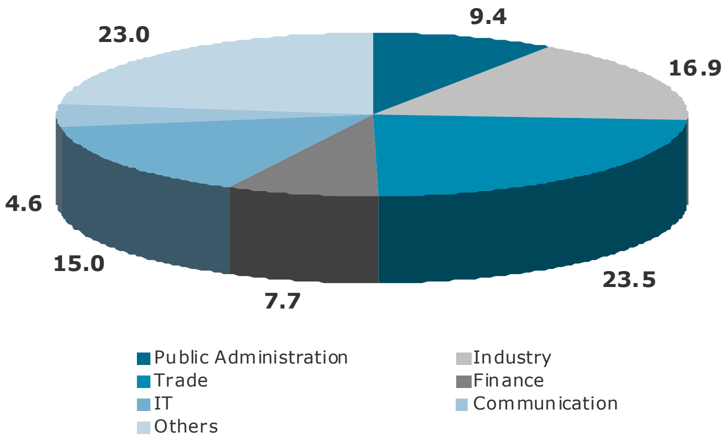
Source: ONTSI

3.2.2.1.1.6. Functional distribution of sales

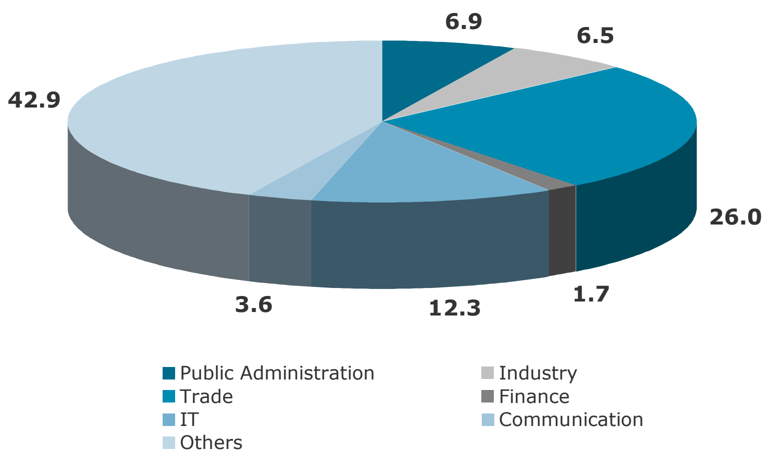
89. Functional distribution of sales - ICT Trade

(% / total)

Year 2008



Year 2009



Source: ONTSI

3.2.2.1.2. Employment

90. Employment - ICT Trade. 2009
(Number of employees)

	2009
Wholesale trade of computers, computer peripheral equipment and software	27,250
Wholesale trade of electronic and telecommunications equipment and their components	11,661
Total	**38,912**

Source: ONTSI

91. Employment - ICT Trade. 2009
(% / total)

	2009
Wholesale trade of computers, computer peripheral equipment and software	70.0
Wholesale trade of electronic and telecommunications equipment and their components	30.0
Total	**100**

Source: ONTSI

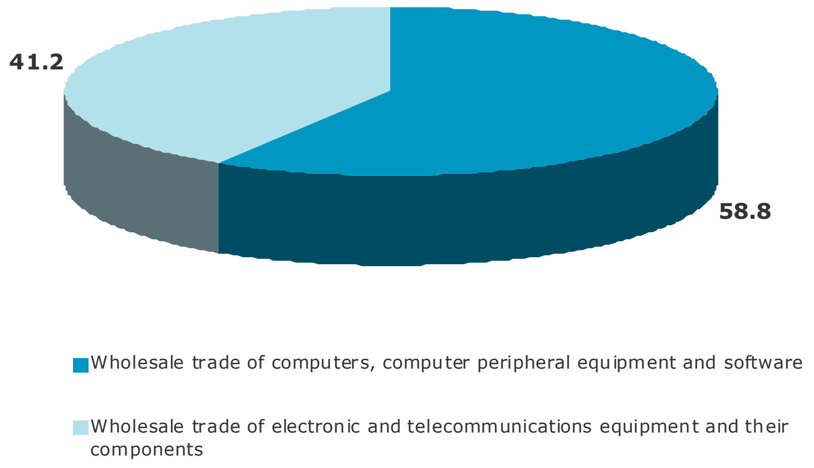
92. Evolution of employment - ICT Trade
(Number of employees)

	2005	2006	2007	2008	2009
Total	**35,712**	**35,216**	**39,851**	**41,886**	**38,912**

Source: ONTSI

3.2.2.1.3. Investment

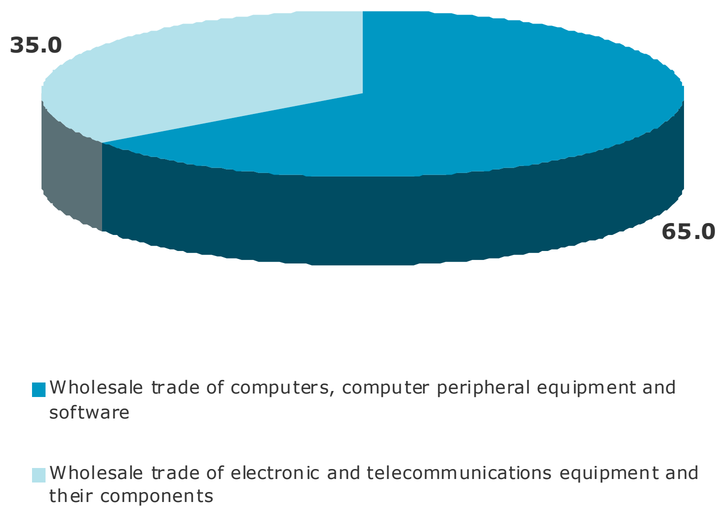
93. Investment - ICT Trade. 2009
(Millions of euros)



Source: ONTSI

3.2.2.1.3.1. Structure of gross investment

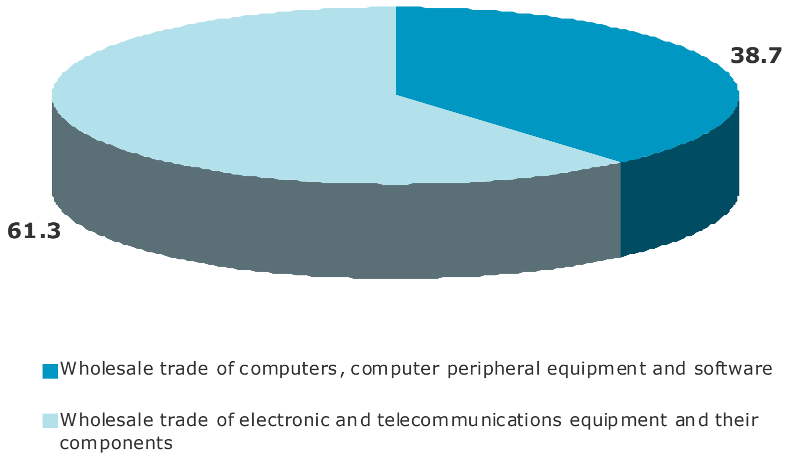
94. Tangible fixed assets - ICT Trade. 2009
(% / total)



Source: ONTSI

95. Intangible fixed assets - ICT Trade. 2009

(% / total)



Source: ONTSI

3.2.2.1.4. Structure of operating costs

96. Distribution by purchase and cost categories - ICT Trade

(Millions of euros)

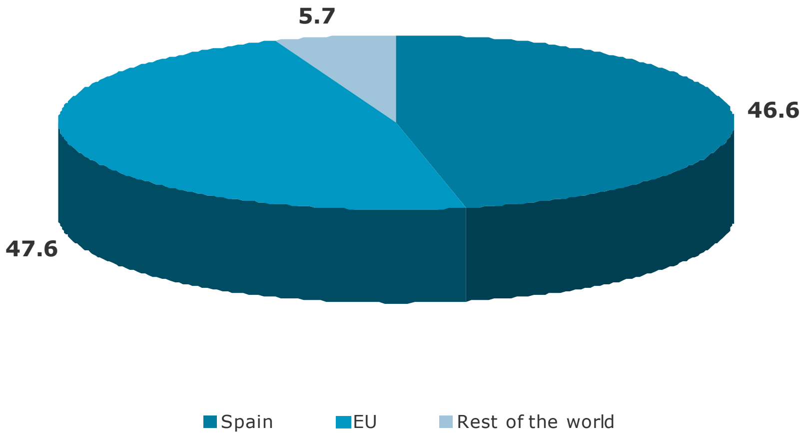
		2007	2008	2009
Supplies		11,779	11,524	10,969
	Merchandise consumption	9,535	9,196	9,447
	Raw materials and other consumables consumption	1,289	1,446	1,138
	Work carried out by other enterprises	955	883	371
	Mechandise, raw materials and other supplies spoilage			13
Other operating income		1,278	1,389	1,211
	External services	1,278	1,389	1,194
	Expenditure on R&D	9	14	10
	Insurance premiums	36	46	27
	Other	1,233	1,329	1,156
	Taxes	0	0	17
Personnel costs		2,094	2,255	1,962
	Wages, salaries and related compensation	1,605	1,733	1,581
	Social security contributions	489	522	382
	Provisions			0
Amortization of tangible assets		185	126	288
Total		**15,335**	**15,295**	**14,431**

Source: ONTSI

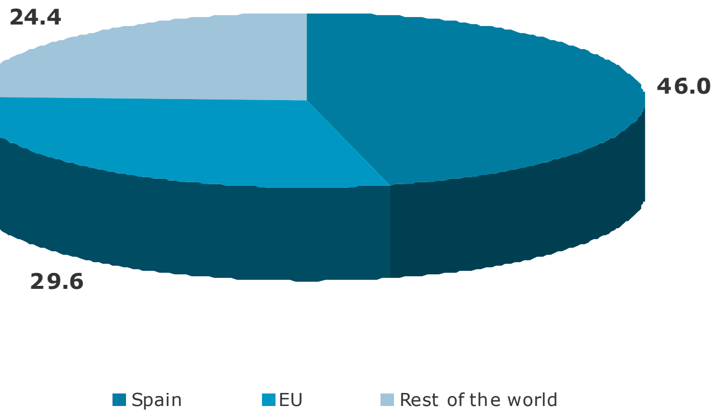
97. Geographical distribution of purchases - ICT Trade

(% / total)

Year 2008



Year 2009



Source: ONTSI

98. Distribution by purchase and cost categories - ICT Trade

(% / total)

		2007	2008	2009
Supplies		76.8	75.3	76.0
	Merchandise consumption	81.0	79.8	86.1
	Raw materials and other consumables consumption	10.9	12.5	10.4
	Work carried out by other enterprises	8.1	7.7	3.4
	Mechandise, raw materials and other supplies spoilage			0.1
Other operating income		8.3	9.1	8.4
	External services	100.0	100.0	98.6
	Expenditure on R&D	0.7	1.0	0.9
	Insurance premiums	2.8	3.3	2.3
	Other	96.5	95.7	96.8
	Taxes	0.0	0.0	1.4
Personnel costs		13.7	14.7	13.6
	Wages, salaries and related compensation	76.7	76.8	80.6
	Social security contributions	23.3	23.2	19.5
	Provisions			0.0
Amortization of tangible assets		1.2	0.8	2.0
Total		**100**	**100**	**100**

Source: ONTSI

3.2.2.1.5. Financial expenses and revenue

99. Financial expenses and revenue - ICT Trade

(Millions of euros)

Financial expenses- ICT Trade

(Millions of euros)

	2009
Wholesale trade of computers, computer peripheral equipment and software	59
Wholesale trade of electronic and telecommunications equipment and their components	36
Total	**95**

Financial revenue- ICT Trade

(Millions of euros)

	2009
Wholesale trade of computers, computer peripheral equipment and software	36
Wholesale trade of electronic and telecommunications equipment and their components	10
Total	**46**

Source: ONTSI

3.3. Computer and Related Activities

3.3.1.1. General figures

Turnover of enterprises in the Computer and Related Activities division in 2009 reached €22,205 million, equivalent to a decrease of 3.8% on 2008. The growth rate during the period 2005-2009 was 40.6%. This growth evidences the dynamism of an economic activity division in strong expansion, although the last year showed the effects of the economic crisis on this and other divisions of the IT sector.

Spanish enterprises engaging in Computer and Related Activities are mainly dedicated to edition, management and IT consulting services, as well as activities related to data processing and web portals. All these activities are undergoing a phase of profound renovation and adaptation to new technological innovations. Together with traditional services such as software development and edition services or e-mail and hosting management services, new communication channels have appeared such as social networks (Facebook, Tuenti, etc.) and mapping services (Google Earth, etc.).

Also, we find other new IT services included in the so-called category of 'cloud computing'. These are focused on the development of applications acting as services exclusively based on the Internet, which are accessible from a web browser and do not need software to be locally installed in a computer. These applications are remotely run and can be accessed from any web browser.

Electronic mail is still a relevant medium for many users but the emergence of new channels that allow real-time updates and take full advantage of communication, gives a new sense to both horizontal and vertical applications in this field.

Security applications on the web have an enormous growth potential, since they leverage server capabilities and improve efficiency with user opinions.

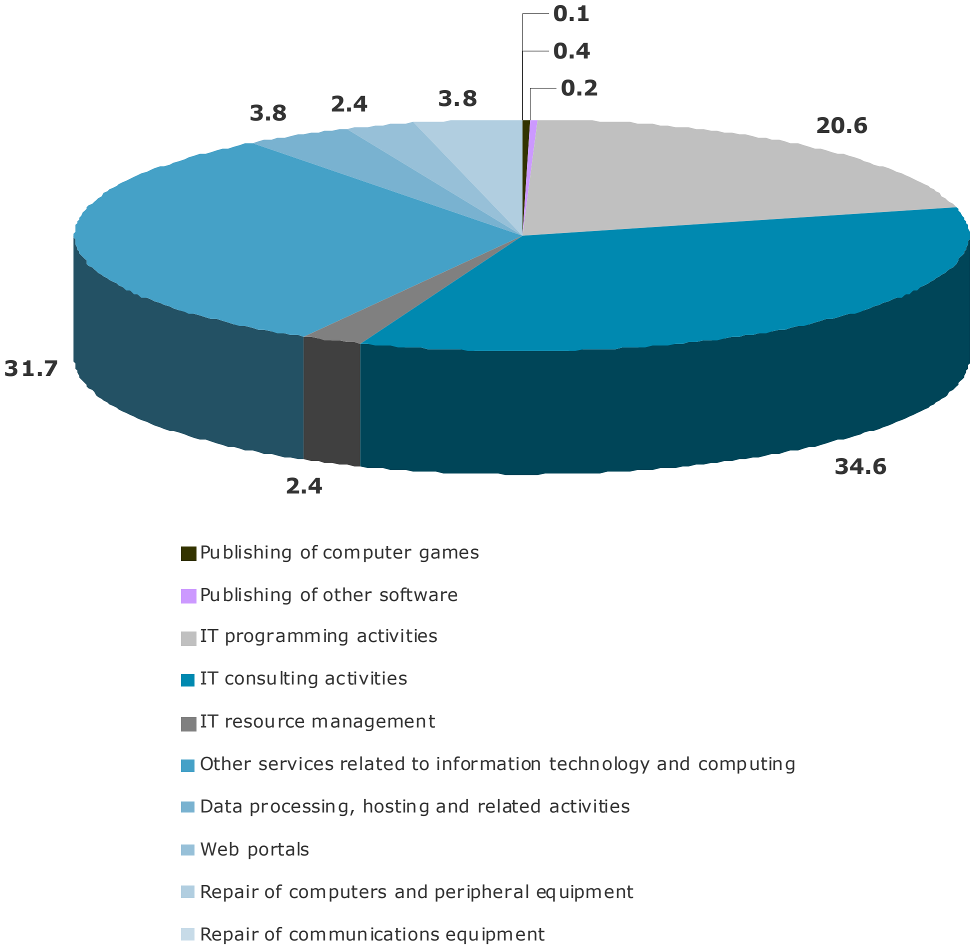
Edition, development and consulting of new applications under the SaaS (software as a service) model, with minimal implementation and maintenance costs, are a breakthrough in IT services provision.

This change represents the switchover from the traditional service model focused on cost and activity, with a tactical nature and a short term vision, to a new collaboration model focused on value and results, with a strategic nature and a long term vision.

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.

By activity classes, during the period studied, it can be seen that those dedicated to IT consulting and other services related to information technology and computing represent almost two-thirds of the sector (66.3%). If we also include IT programming activities, the percentage reaches 86.8%.

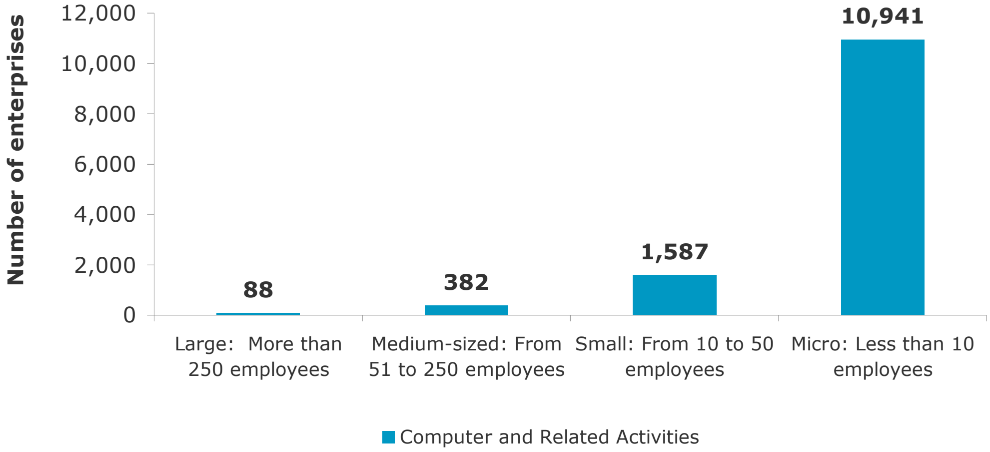
100. Sales - Computer and Related Activities.
(% / total)



Source: ONTSI

Domestic demand absorbs 81.3% of all services produced, and 11.3% is exported to the EU. There has been a reduction in sales targeted to the EU and other countries of 6.6 percentage points with respect to total sales.

101. Distribution of enterprises by number of employees – Computer and Related Activities. 2008
(Number of enterprises)



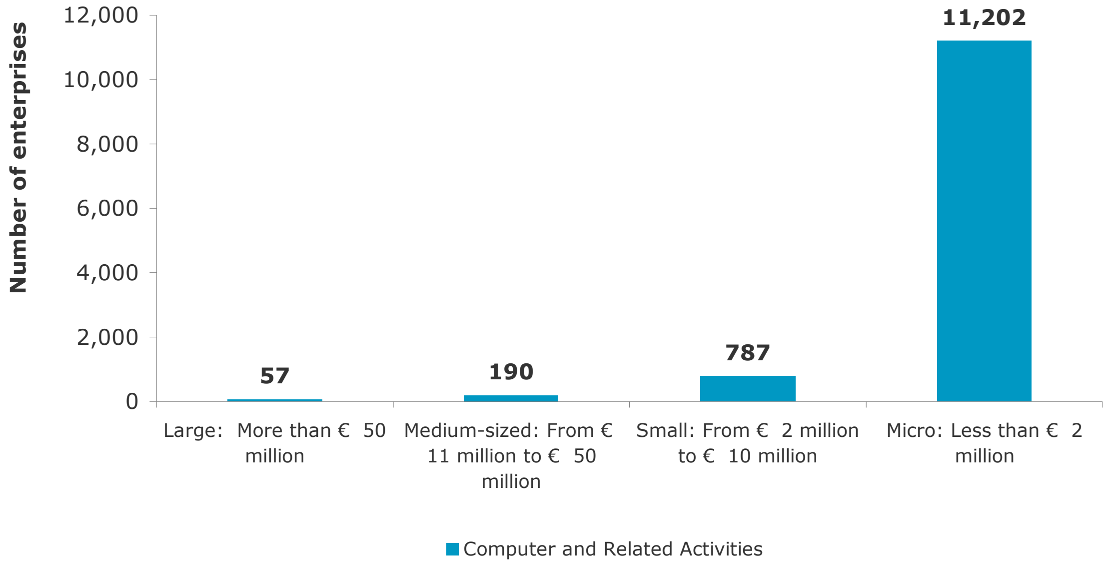
Source: ONTSI

Computer and Related Activities are carried out mainly by micro-enterprises with less than ten employees, which account for 84% of the total. Only 0.7% of Computer and Related Activities are carried out by large enterprises.

As for turnover, 0.5% of the enterprises have a turnover of over €50 million. And 92% have a sales generation capacity of less than €2 million.

102. Distribution of enterprises by sales - Computer and Related Activities. 2008

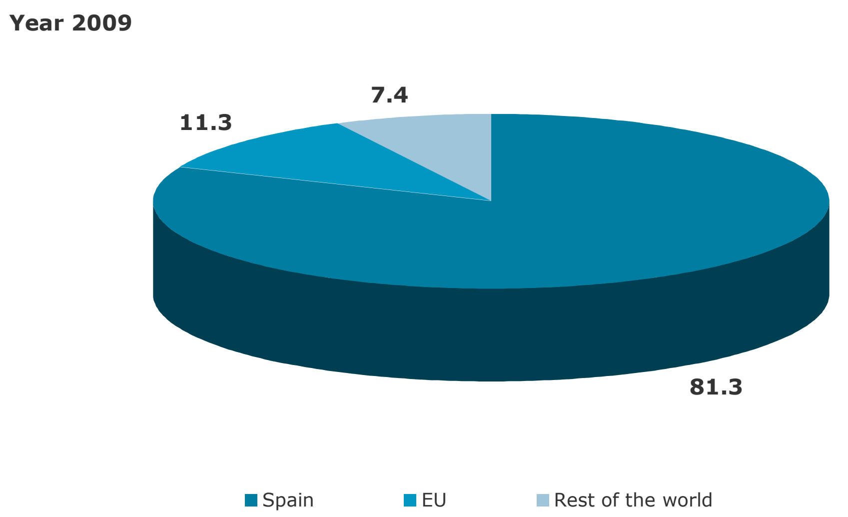
(Number of enterprises)



Source: ONTSI

103. Geographical distribution of sales - Computer and Related Activities 2009

(% / total)



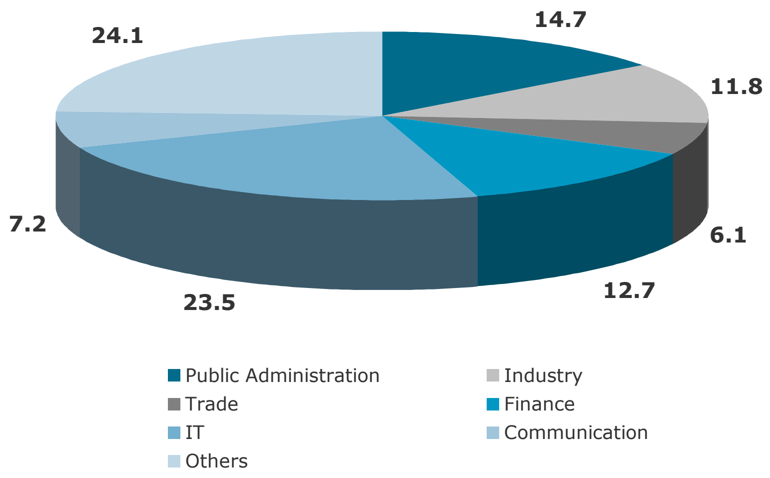
Source: ONTSI

With regard to the functional distribution of services in 2009, 23.5% were provided to IT, 14.7% to public administrations, 12.7% to finance, 11.8% to industry, 7.2% to communication and 6.1% 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.

In comparison to the previous year, the public administration increased it presence as a sales target, whereas finance and the other functional areas experienced a drop.

The four main enterprises of the Computer and Related Activities division accumulated a sales-based market share of over 20% and the leading enterprise had a revenue-based market share of 10.50%

104. Functional distribution of sales - Computer and Related Activities. 2009
(% / total)



Source: ONTSI

The number of employed persons in Computer and Related Activities in 2009 was 205,168 persons, 2.2% less than in 2008. IT consulting activities and other services related to information technology and computing account for 73.8% of all the employment in this division.

105. Employment - Computer and Related Activities 2009
(Number of employees)

	2009
Publishing of computer games	861
Publishing of other software	859
IT programming activities	24,401
IT consulting activities	76,876
IT resource management	2,280
Other services related to information technology and computing	74,489
Data processing, hosting and related activities	11,935
Web portals	2,905
Repair of computers and peripheral equipment	10,240
Repair of communications equipment	321
Total	**205,168**

Source: ONTSI

With regard to cost structure, personnel costs accounted for over 36% of the total with €7,950 million, followed by supplies that represent 32.2% of the cost structure and where merchandise consumption accounts for €3,969 million. Work carried out by other enterprises fell by 2.4%, which evidences that the crisis has negatively affected services contracting.

Other operating costs reached €5,959 million, 27% of the total.

These enterprises obtain 67.3% of their supplies from the Spanish market and 28.3% from the European market.

IT technology services enterprises invested €5,818 million in 2009. Activities with the greatest investment included those related to IT programming and consulting. The source of 72.7% of the investment was intangible assets, for instance developments, concessions, patents, licences and brands or IT applications.

3.3.1.2. Computer and Related Activities statistics

3.3.1.2.1. Revenue

3.3.1.2.1.1. Structure of operating income

106. Revenue - Computer and Related Activities
(Millions of euros)

	2007	2008	2009
Sales	21,714	23,082	22,205
Own work capitalized	274	286	310
Operating subsidies	279	374	576
Changes in the stocks of finished goods and goods in process	0	0	132
Total	**22,266**	**23,742**	**23,223**

Source: ONTSI

107. Revenue - Computer and Related Activities
(% / total)

	2007	2008	2009
Sales	97.5	97.2	95.6
Own work capitalized	1.2	1.2	1.3
Operating subsidies	1.3	1.6	2.5
Changes in the stocks of finished goods and goods in process	0.0	0.0	0.6
Total	**100**	**100**	**100**

Source: ONTSI

3.3.1.2.1.2. Sales

108. Sales - Computer and Related Activities. 2009
(Millions of euros)

	2009
Publishing of computer games	92
Publishing of other software	43
IT programming activities	4,567
IT consulting activities	7,673
IT resource management	533
Other services related to information technology and computing	7,043
Data processing, hosting and related activities	850
Web portals	541
Repair of computers and peripheral equipment	834
Repair of communications equipment	30
Total	**22,205**

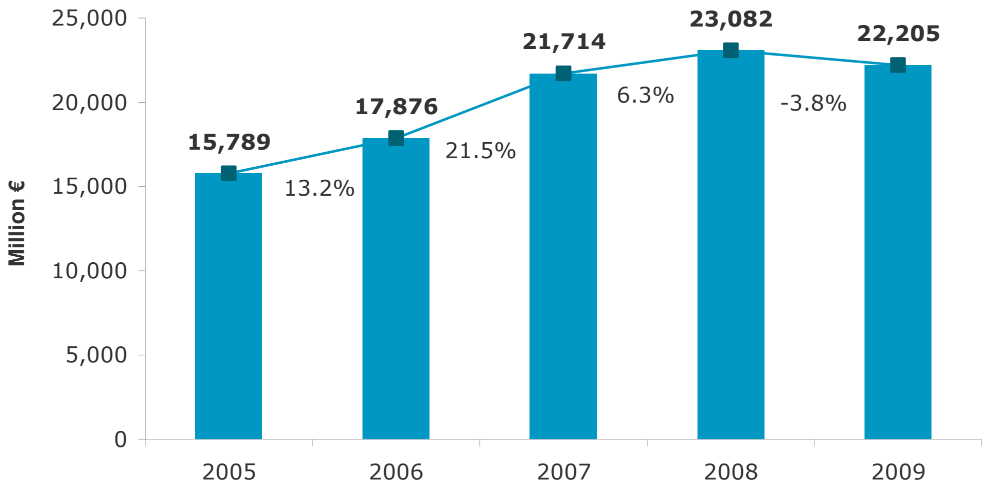
Source: ONTSI

109. Sales - Computer and Related Activities. 2009
(% / total)

	2009
Publishing of computer games	0.4
Publishing of other software	0.4
IT programming activities	11.9
IT consulting activities	37.5
IT resource management	1.1
Other services related to information technology and computing	36.3
Data processing, hosting and related activities	5.8
Web portals	1.4
Repair of computers and peripheral equipment	5.0
Repair of communications equipment	0.2
Total	**100**

Source: ONTSI

110. Evolution of ICT sector sales - Computer and Related Activities
(Millions of euros)



Source: ONTSI

3.3.1.2.2. IT sector sales structure

111. Breakdown of sales - Computer and Related Activities.
(Millions of euros)

	2007	2008	2009
Product net sales	3,381	3,641	2,331
Merchandise net sales	3,259	3,071	4,460
Provision of services	15,074	16,369	15,414
Total	**21,714**	**23,082**	**22,205**

Source: ONTSI

112. Breakdown of sales - Computer and Related Activities.
(% / total)

	2007	2008	2009
Product net sales	15.6	15.8	10.5
Merchandise net sales	15.0	13.3	20.1
Provision of services	69.4	70.9	69.4
Total	**100**	**100**	**100**

Source: ONTSI

3.3.1.2.2.1. Other operating income

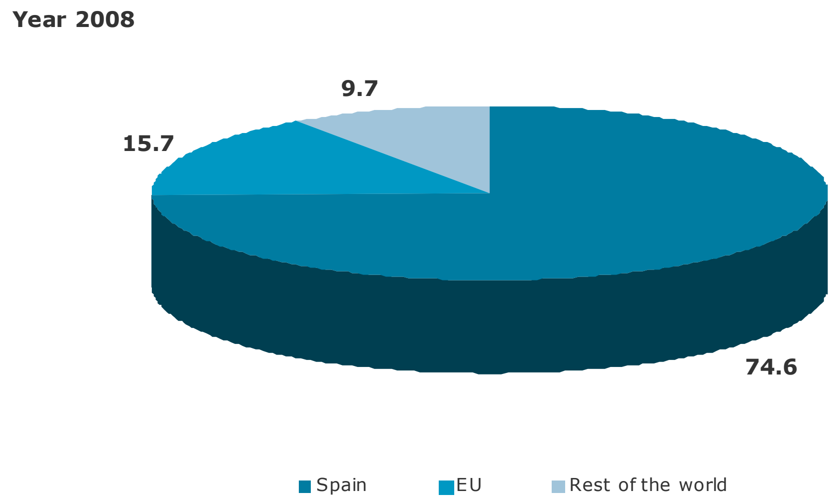
113. Other operating income - Computer and Related Activities
(Millions of euros)

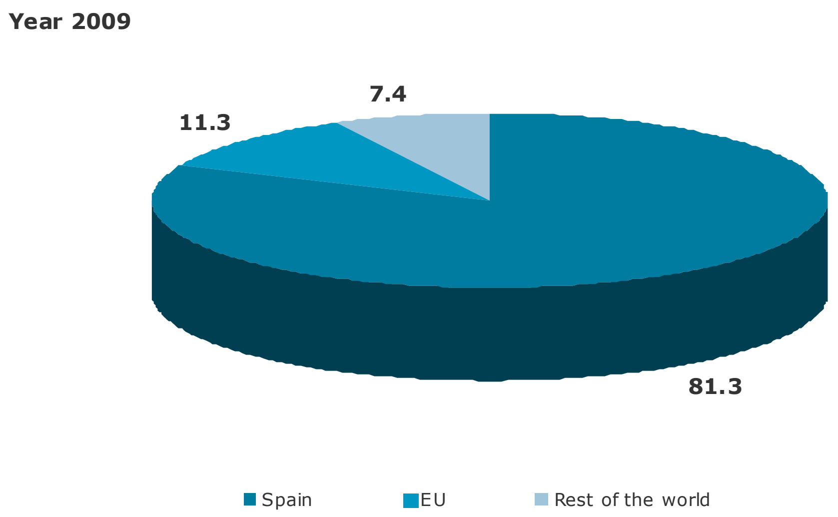
	2007	2008	2009
Non-core and other current operating revenue	180	236	180
Operating subsidies incorporated into year-end results	99	139	396
Total	**279**	**374**	**576**

Source: ONTSI

3.3.1.2.2.2. Geographical distribution of sales

114. Geographical distribution of ICT sector sales - Computer and Related Activities
(% / total)



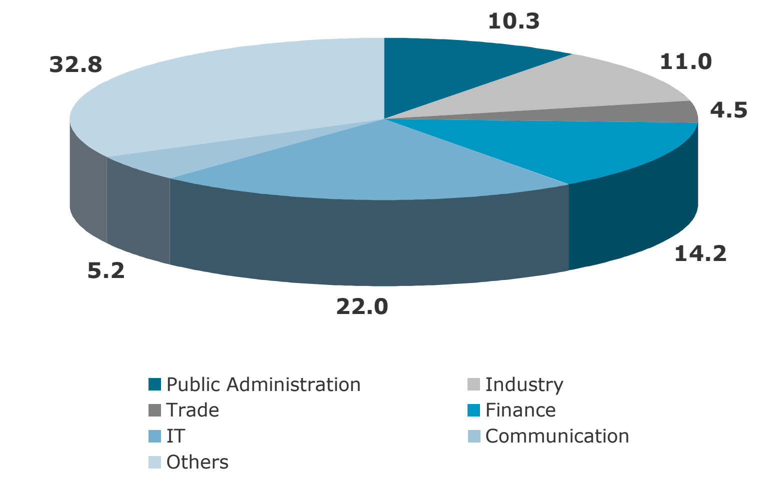


Source: ONTSI

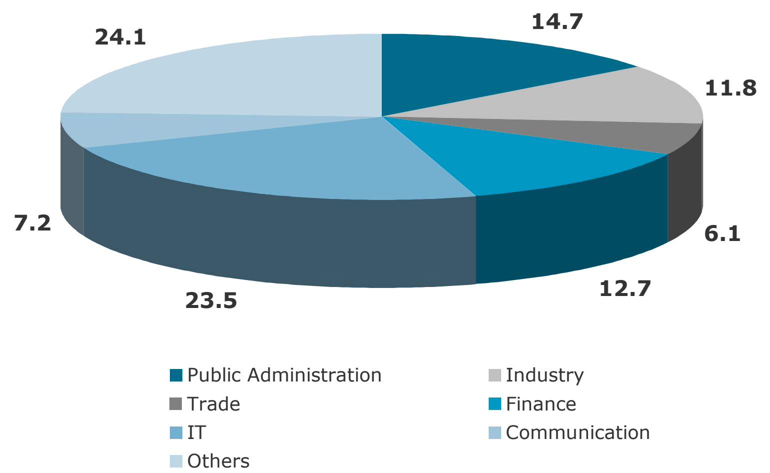
3.3.1.2.2.3. Functional distribution of sales

115. Functional distribution of sales - Computer and Related Activities
(% / total)

Year 2008



Year 2009



Source: ONTSI

3.3.1.2.3. Employment

116. Employment - Computer and Related Activities 2009
(Number of employees)

	2009
Publishing of computer games	861
Publishing of other software	859
IT programming activities	24,401
IT consulting activities	76,876
IT resource management	2,280
Other services related to information technology and computing	74,489
Data processing, hosting and related activities	11,935
Web portals	2,905
Repair of computers and peripheral equipment	10,240
Repair of communications equipment	321
Total	**205,168**

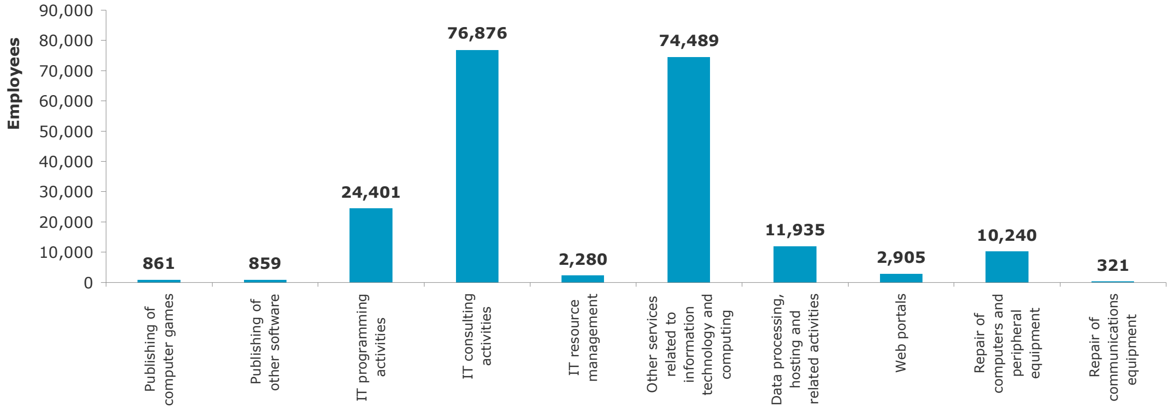
Source: ONTSI

117. Employment - Computer and Related Activities 2009
(% / total)

	2009
Publishing of computer games	0.4
Publishing of other software	0.4
IT programming activities	11.9
IT consulting activities	37.5
IT resource management	1.1
Other services related to information technology and computing	36.3
Data processing, hosting and related activities	5.8
Web portals	1.4
Repair of computers and peripheral equipment	5.0
Repair of communications equipment	0.2
Total	**100**

Source: ONTSI

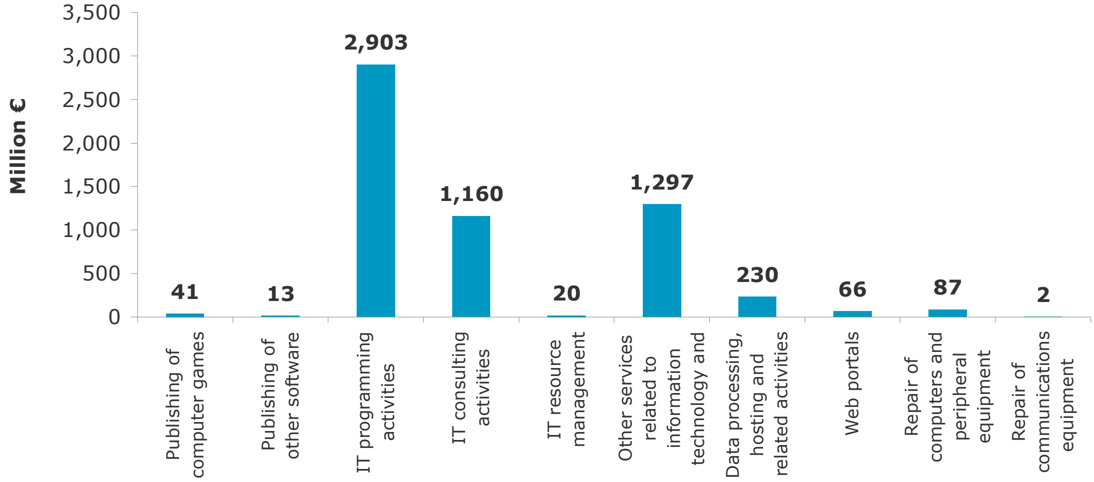
118. Evolution of employment - Computer and Related Activities
(Number of employees)



Source: ONTSI

3.3.1.2.4.Investment

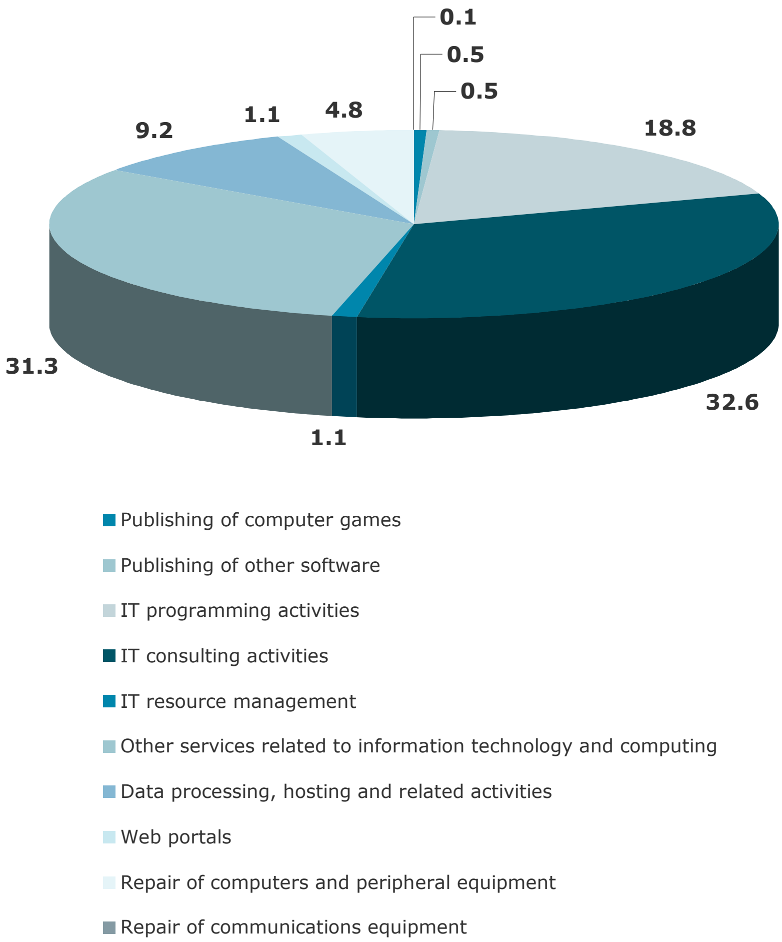
119. Investment - Computer and Related Activities
(Millions of euros)



Source: ONTSI

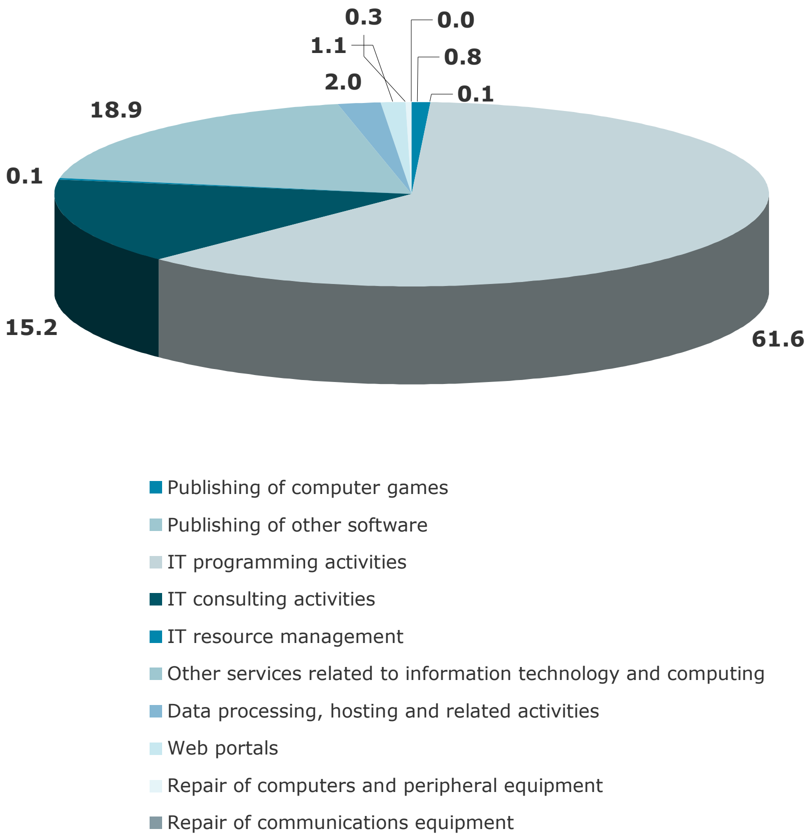
3.3.1.2.4.1. Structure of gross investment

120. Tangible fixed assets – Computer and Related Activities. 2009
(% / total)



Source: ONTSI

121. Intangible fixed assets – Computer and Related Activities. 2009
(% / total)



Source: ONTSI

3.3.1.2.5.Structure of operating costs

122. Distribution by purchase and cost categories - Computer and Related Activities
(Millions of euros)

		2007	2008	2009
Supplies		6,897	7,119	7,114
	Merchandise consumption	3,905	3,962	3,969
	Raw materials and other consumables consumption	816	809	837
	Work carried out by other enterprises	2,176	2,348	2,291
	Mechandise, raw materials and other supplies spoilage			17
Other operating income		5,666	6,063	5,959
	External services	5,649	6,045	5,918
	Expenditure on R&D	111	136	197
	Insurance premiums	33	36	39
	Other	5,505	5,873	5,682
	Taxes	17	18	41
Personnel costs		7,615	8,798	7,950
	Wages, salaries and related compensation	6,043	6,692	6,272
	Social security contributions	1,572	2,106	1,645
	Provisions			33
Amortization of tangible assets		1,058	906	1,058
Total		**21,236**	**22,886**	**22,080**

Source: ONTSI

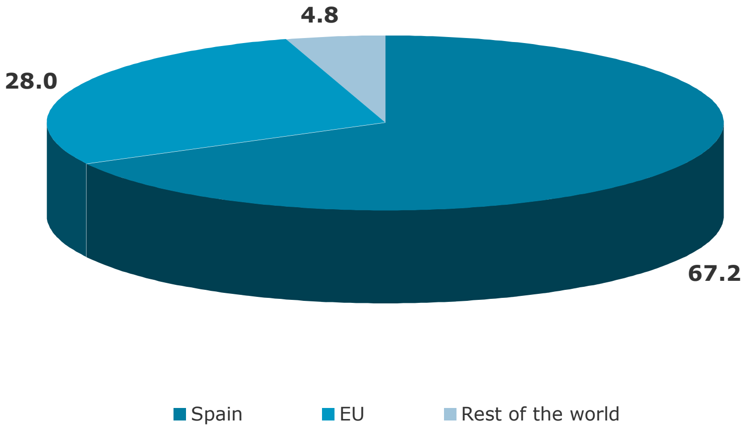
123. Distribution by purchase and cost categories - Computer and Related Activities
(% / total)

		2007	2008	2009
Supplies		32.5	31.1	32.2
	Merchandise consumption	56.6	55.7	55.8
	Raw materials and other consumables consumption	11.8	11.4	11.8
	Work carried out by other enterprises	31.5	33.0	32.2
	Mechandise, raw materials and other supplies spoilage			0.2
Other operating income		26.7	26.5	27.0
	External services	99.7	99.7	99.3
	Expenditure on R&D	2.0	2.2	3.3
	Insurance premiums	0.6	0.6	0.7
	Other	97.5	97.2	96.0
	Taxes	0.3	0.3	0.7
Personnel costs		35.9	38.4	36.0
	Wages, salaries and related compensation	79.4	76.1	78.9
	Social security contributions	20.6	23.9	20.7
	Provisions			0.4
Amortization of tangible assets		5.0	4.0	4.8
Total		**100**	**100**	**100**

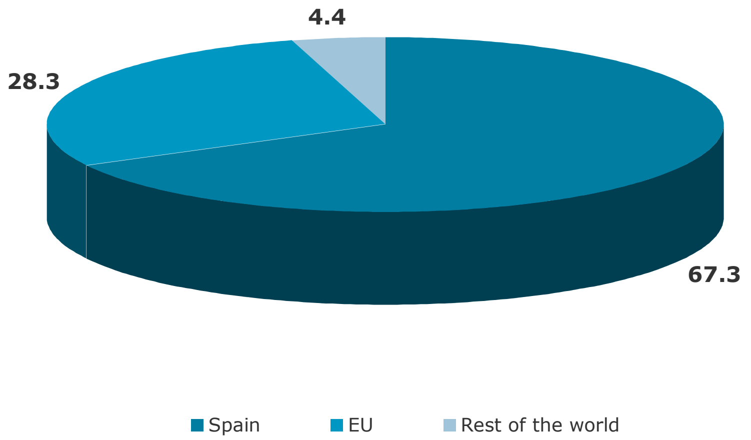
Source: ONTSI

124. Geographical distribution of purchases - Computer and Related Activities
(% / total)

Year 2008



Year 2009



Source: ONTSI

3.3.1.2.6. Financial expenses and revenue

125. Financial expenses and revenue - Computer and Related Activities 2009

(Millions of euros)

Financial expenses- Computer and Related Activities

(Millions of euros)

	2009
Publishing of computer games	1
Publishing of other software	0
IT programming activities	243
IT consulting activities	80
IT resource management	1
Other services related to information technology and computing	385
Data processing, hosting and related activities	7
Web portals	1
Repair of computers and peripheral equipment	4
Repair of communications equipment	0
Total	**723**

Financial revenue- Computer and Related Activities

(Millions of euros)

	2009
Publishing of computer games	1
Publishing of other software	0
IT programming activities	339
IT consulting activities	59
IT resource management	0
Other services related to information technology and computing	129
Data processing, hosting and related activities	6
Web portals	3
Repair of computers and peripheral equipment	2
Repair of communications equipment	0
Total	**540**

Source: ONTSI

3.4. Other Telecommunication Activities

3.4.1. General figures

The subgroup Other Telecommunication Activities is comprised of enterprises dedicated to the provision of services and specialised telecommunication applications, which are different from those involved in network exploitation or electronic communication services for third parties, according to the Telecommunications Market Commission's Register of Operators.

In 2008, the number of enterprises dedicated to this kind of activities was 1,509.

126. Number of enterprises - Other Telecommunication Activities 2008
(Number of enterprises)

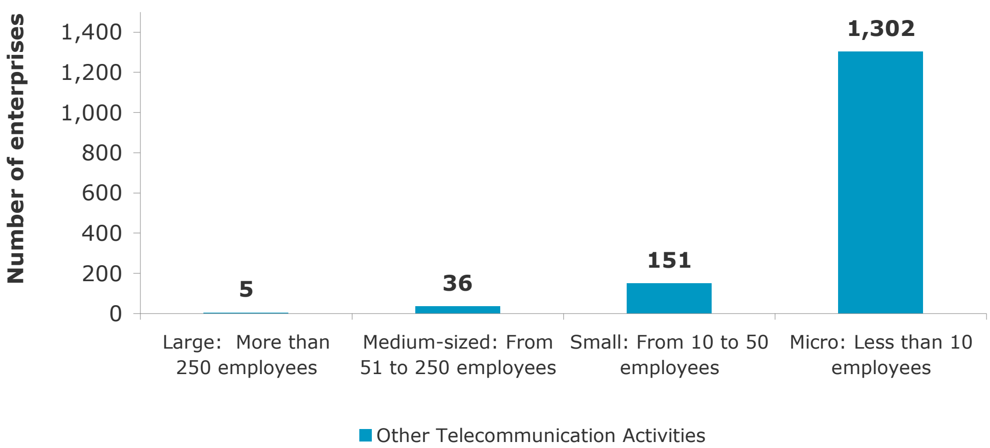
	2008
Other telecommunication activities	1,509
Total	**1,509**

Source: CMT and the Companies Register.

These activities are supported by a corporate fabric composed of micro-enterprises with less than ten employees, which account for 87% of the total. Only 0.3% of Other Telecommunication Activities are carried out by large enterprises.

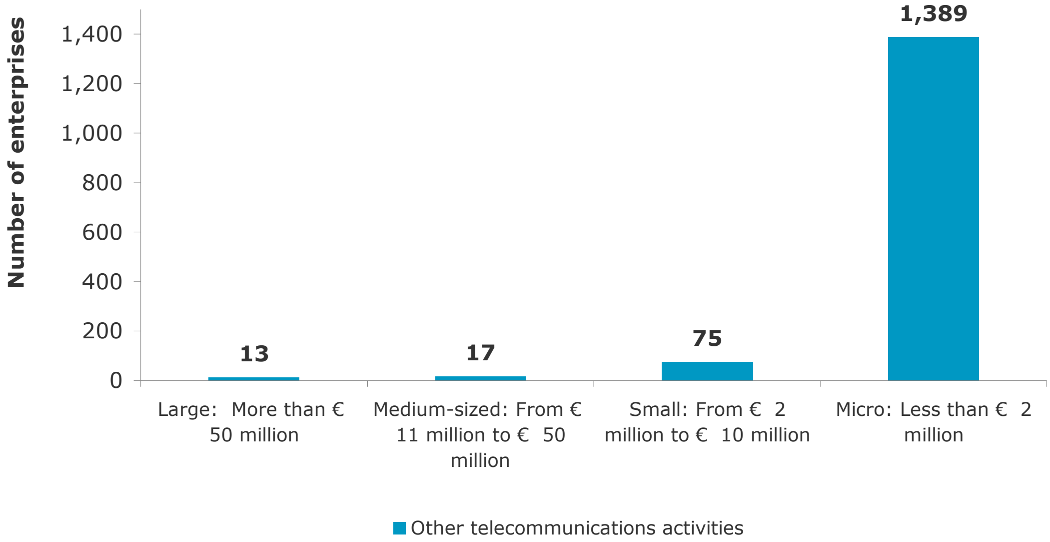
As for turnover, 1% of the enterprises have a turnover of over €50 million. And 93% have a sales generation capacity of less than €2 million.

127. Distribution of enterprises by number of employees - Other Telecommunication Activities. 2008
(Number of enterprises)



Source: ONTSI

128. Distribution of enterprises by sales - Other Telecommunication Activities. 2008
(Number of enterprises)



Source: ONTSI

Revenue from Other Telecommunication Activities totalled €4,193 million in 2009, 5.9% less than in 2008, and 8% less than in 2005.

129. Sales - Other Telecommunication Activities
(Millions of euros)

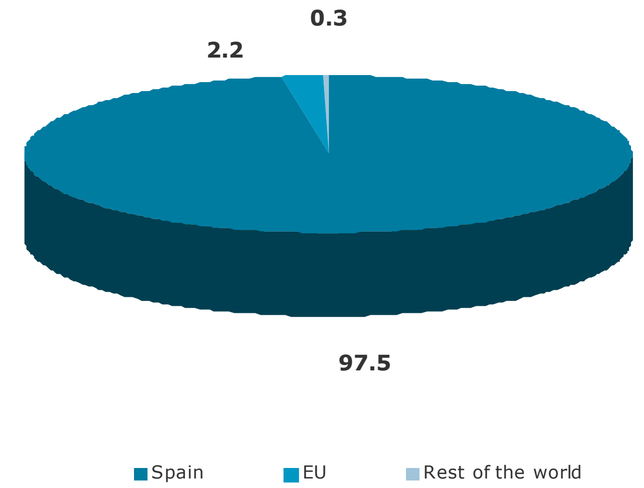
	2005	2006	2007	2008	2009
Other telecommunication activities	4,236	4,347	4,502	4,454	4,193
Total	**4,236**	**4,347**	**4,502**	**4,454**	**4,193**

Source: CMT and ONTSI

Sales were mainly devoted to satisfying the domestic demand at 97.5%, since many of these services are not a final product but are included in the value chain of other national services; the EU accounted for another 2.2%, while the remaining 0.3% was earmarked for other countries.

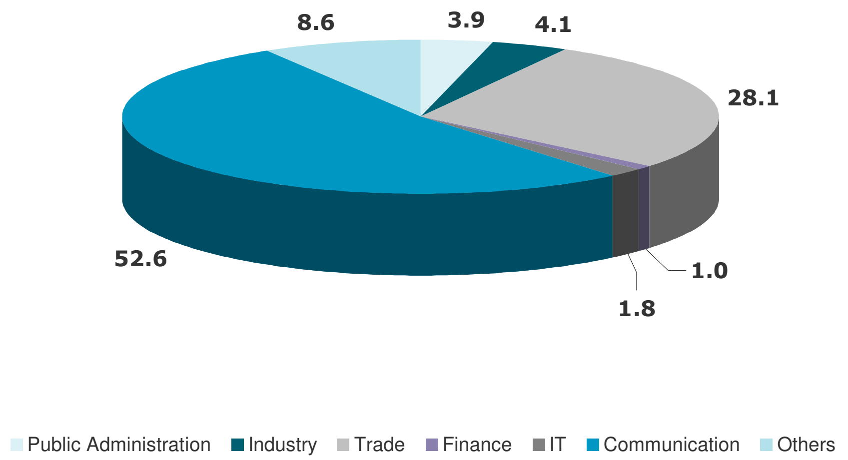
With regard to the functional distribution of sales in 2009, more than half (52%) went to communication, 28.1% to trade, 4% to industry, 4% to public administration, 1.8% to IT and 1% to finance.

130. Geographical distribution of sales - Other Telecommunication Activities 2009
(% / total)



Source: CMT and the Companies Register.

131. Functional distribution of sales - Other Telecommunication Activities 2009
(% / total)



Source: The Companies Register

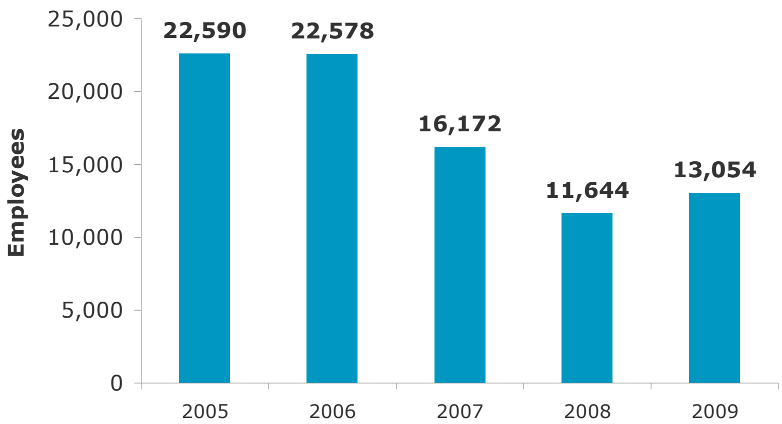
The number of persons employed in Other Telecommunication Activities totalled 13,054 in 2009, 12.1% more than in 2008, which evidences the upward trend of these type of services.

In terms of cost structure, supplies represent over 76.5% of the cost structure, out of which 12.4% corresponded to personnel costs, 9.2% to other operating costs and 1.9% to the amortization of tangible assets.

These enterprises obtain 87.4% of their supplies from the Spanish market and 12.1% from the European Union market.

Enterprises dedicated to Other Telecommunication Activities invested €253 million. Tangible assets account for 58% of the total, and intangible assets for 42%.

132. Employment - Other Telecommunication Activities
(Number of employees)



Source: ONTSI

3.4.2. Other Telecommunication Activities statistics

3.4.2.1. Revenue

3.4.2.1.1. Structure of operating income

133. Revenue - Other Telecommunication Activities. 2009
(Millions of euros)

	2009
Sales	4,193
Own work capitalized	3
Operating subsidies	63
Changes in the stocks of finished goods and goods in process	18
Total	**4,277**

Source: ONTSI

134. Revenue - Other Telecommunication Activities. 2009
(% / Total)

	2009
Sales	98.0
Own work capitalized	0.1
Operating subsidies	1.5
Changes in the stocks of finished goods and goods in process	0.4
Total	**100**

Source: ONTSI

3.4.2.1.2. Sales

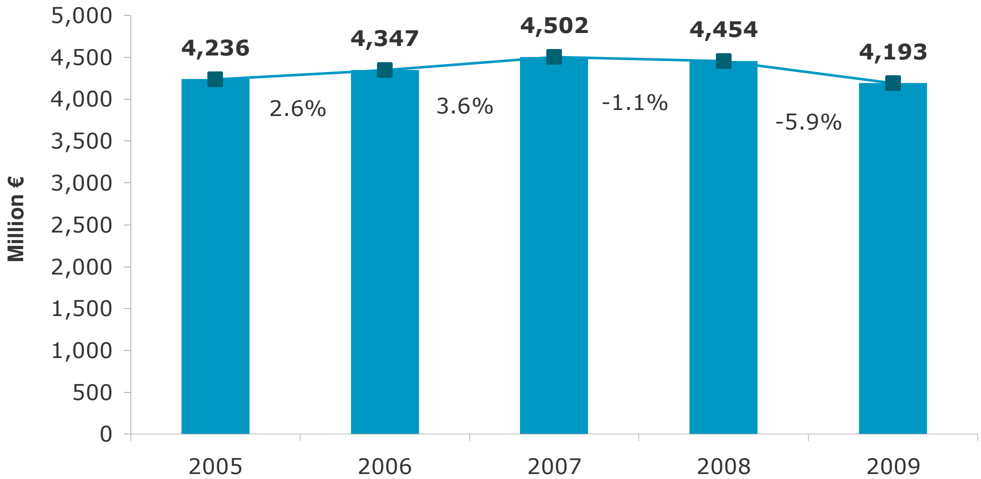
135. Sales - Other Telecommunication Activities 2009
(Millions of euros)

	2005	2006	2007	2008	2009
Other telecommunication activities	4,236	4,347	4,502	4,454	4,193
Total	**4,236**	**4,347**	**4,502**	**4,454**	**4,193**

Source: ONTSI

3.4.2.1.3. IT sector sales structure

136. Evolution of sales - Other Telecommunication Activities 2009
(Millions of euros)



Source: ONTSI

137. Breakdown of sales - Other Telecommunication Activities 2009
(Millions of euros)

	2009
Product net sales	1,268
Merchandise net sales	545
Provision of services	2,380
Total	**4,193**

Source: ONTSI

3.4.2.1.4. Other operating income

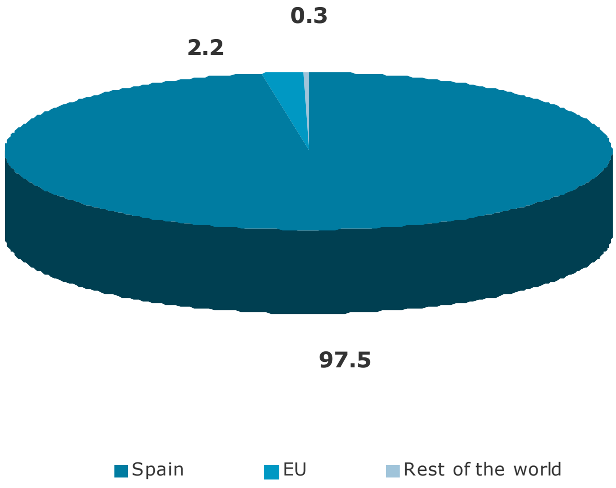
138. Other operating income - Other Telecommunication Activities 2009
(Millions of euros)

	2009
Non-core and other current operating revenue	50
Operating subsidies incorporated into year-end results	13
Total	**63**

Source: ONTSI

3.4.2.1.5. Geographical distribution of sales

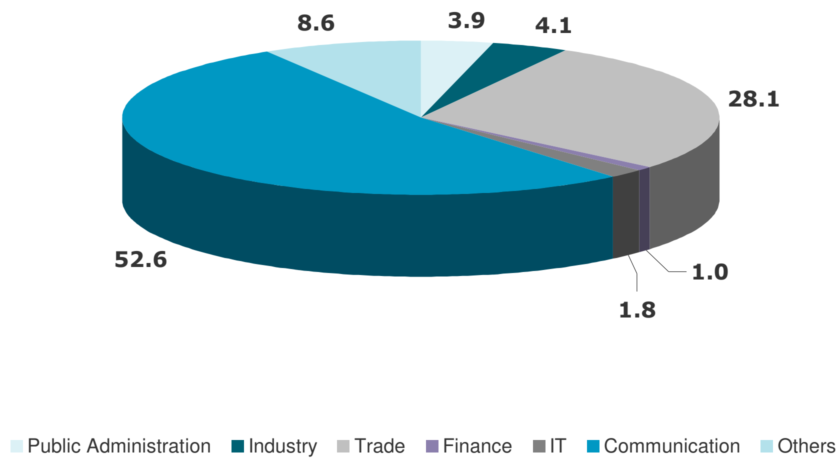
139. Geographical distribution of sales - Other Telecommunication Activities 2009
(% / total)



Source: ONTSI

3.4.2.1.6. Functional distribution of sales

140. Functional distribution of sales - Other Telecommunication Activities 2009
(% / total)



Source: ONTSI

3.4.2.1.7. Employment

141. Employment - Other Telecommunication Activities. 2009
(Number of employees)

	2005	2006	2007	2008	2009
Other telecommunication activities	22,590	22,578	16,172	11,644	13,054
Total	**22,590**	**22,578**	**16,172**	**11,644**	**13,054**

Source: ONTSI

142. Evolution of employment - Other Telecommunication Activities.
(Number of employees)

	2005	2006	2007	2008	2009
Other telecommunication activities	22,590	22,578	16,172	11,644	13,054
Total	**22,590**	**22,578**	**16,172**	**11,644**	**13,054**

Source: ONTSI

3.4.2.1.8. Investment

143. Investment - Other Telecommunication Activities. 2009
(Millions of euros)

	2009
Other telecommunication activities	253
Total	**253**

Source: ONTSI

3.4.2.1.8.1. Structure of gross investment

144. Tangible fixed assets - Other Telecommunication Activities. 2009
(% / total)

	2009
Other telecommunication activities	146
Total	**146**

Source: ONTSI

145. Intangible fixed assets - Other Telecommunication Activities. 2009
(% / total)

	2009
Other telecommunication activities	107
Total	**107**

Source: ONTSI

3.4.2.1.8.2. Structure of operating costs

146. Distribution by purchase and cost categories - Other Telecommunication Activities. 2009
(Millions of euros)

		2009
Supplies		3,251
	Merchandise consumption	1,498
	Raw materials and other consumables consumption	1,186
	Work carried out by other enterprises	566
	Mechandise, raw materials and other supplies spoilage	1
Other operating income		393
	External services	387
	Expenditure on R&D	18
	Insurance premiums	4
	Other	365
	Taxes	5
Personnel costs		525
	Wages, salaries and related compensation	419
	Social security contributions	105
	Provisions	1
Amortization of tangible assets		81
Total		**4,250**

Source: ONTSI

147. Distribution by purchase and cost categories - Other Telecommunication Activities. 2009

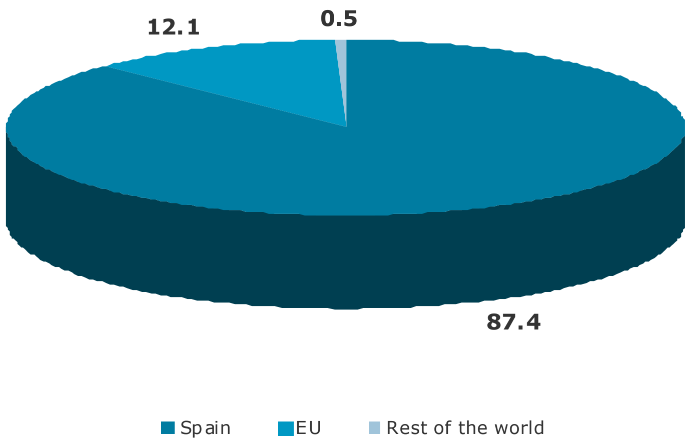
(% / total)

		2009
Supplies		76.5
	Merchandise consumption	46.1
	Raw materials and other consumables consumption	36.5
	Work carried out by other enterprises	17.4
	Mechandise, raw materials and other supplies spoilage	0.0
Other operating income		9.2
	External services	98.6
	Expenditure on R&D	4.6
	Insurance premiums	1.1
	Other	94.3
	Taxes	1.4
Personnel costs		12.4
	Wages, salaries and related compensation	79.7
	Social security contributions	20.0
	Provisions	0.3
Amortization of tangible assets		1.9
Total		**100**

Source: ONTSI

148. Geographical distribution of purchases - Other Telecommunication Activities 2009

(% / total)



Source: ONTSI

3.4.2.1.9. Financial expenses and revenue

149. Financial expenses and revenue - Other Telecommunication Activities 2009
(Millions of euros)

Financial expenses - Other Telecommunication Activities
Millions of euros

	2009
Other telecommunication activities	17
Total	**17**

Financial revenue - Other Telecommunication Activities
Millions of euros

	2009
Other telecommunication activities	6
Total	**6**

Source: ONTSI

3.5. Content

3.5.1. General figures

In line with ONTSI's habit to create the most comprehensive and homogeneous methodological frameworks possible, for the purposes of this study, Content activities are analysed as another division of the IT sector, due to their close relation with other IT activities.

The ONTSI considers that the activities included in the Content subgroup, namely book and newspaper publishing and other publishing activities, cinema, video and TV programme activities and other information services, are of a great importance and that is why they are analysed in depth in the present chapter.

Over 40% of the enterprises engage in Book and Newspaper Publishing and other publishing activities, followed by dose dedicated to cinema, video and TV programme activities.

Geographically, 3 autonomous regions account for 69% of all Content enterprises. Madrid is the most notable region, with 35% of the enterprises, followed by Catalonia and Andalusia with 25% and 9%, respectively.

150. Number of enterprises - Content. 2008
(Number of enterprises)

	2008
Book and Newspaper Publishing and Other Publishing Activities	**3,883**
Publishing of books	1,347
Publishing of directories and postal address guides	19
Publishing of newspapers	950
Publishing of magazines	615
Other publishing activities	615
Cinema, Video and TV Programme Activities	**3,096**
Cinematographic, video and television post-production activities	1,522
Motion picture projection	335
Film and video production activities	773
Television programme production activities	96
Film and video distribution activities	359
Television programme distribution activities	11
Sound Recording and Music Edition Activities	**520**
Sound Recording and Music Edition Activities	520
Other Information Services	**385**
News agency activities	101
Other Information Services	284
Total	**7,884**

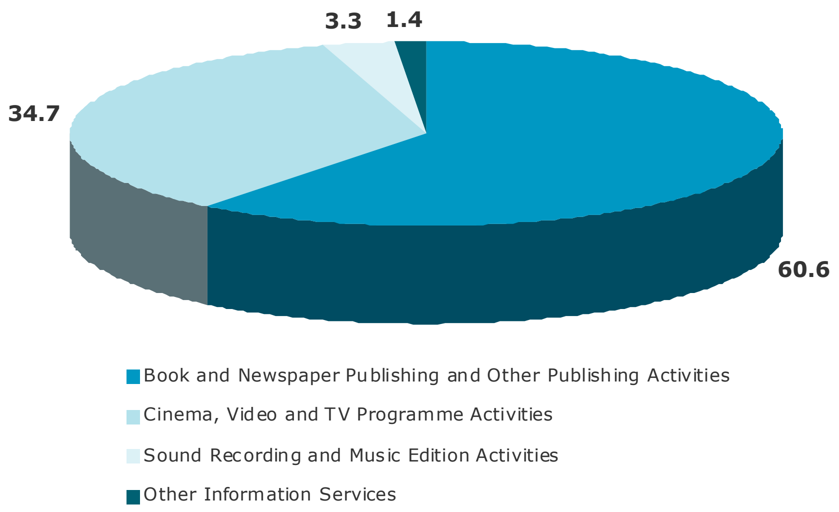
Source: The Companies Register

Revenue from the Content subgroup in 2009 amounted to €11,759 million, almost 6.5% less than in 2008, when turnover reached €12,577 million. By activity classes, book and newspaper publishing and other publishing activities leaded the field accounting for €7,128 million, followed by programming and broadcasting activities with €4,541 million and cinema, video and TV programme activities with €4,082 million.

Sound recording and music edition activities accounted for 2% of the total with €387 million.

Other information services, lastly, account for €162 million.

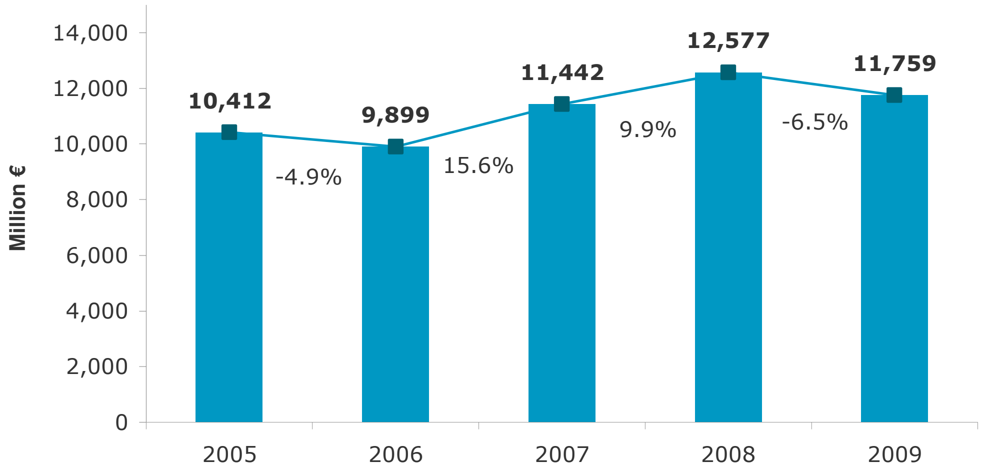
151. Sales - Content. 2009
(% / total)



Source: ONTSI

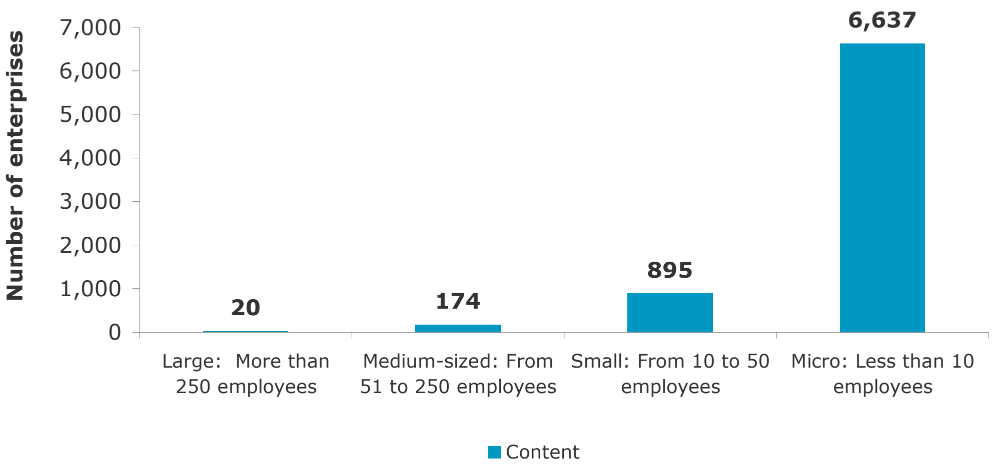
Between 2005 and 2009, Content sales became consolidated with a rise of 13%.

152. Evolution of sales – Content.
(Millions of euros)



Source: ONTSI

153. Distribution of enterprises by number of employees – Content. 2008
(Number of enterprises)



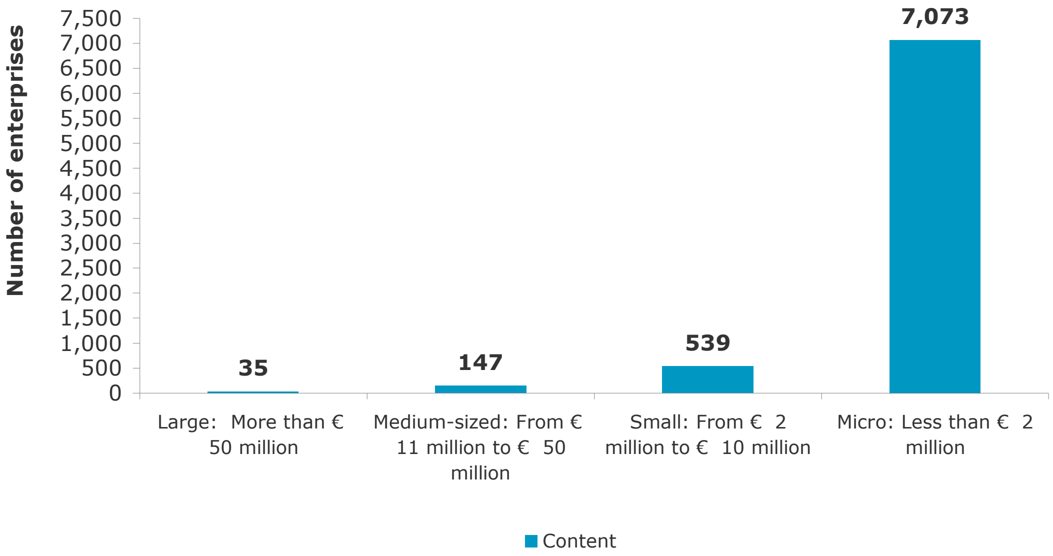
Source: ONTSI

Content activities are carried out mainly by micro-enterprises with less than ten employees, which account for 86% of the total. Only 0.3% of Content activities are carried out by large enterprises.

As for turnover, 0.4% of the enterprises have a turnover of over €50 million. And 91% have a sales generation capacity of less than €2 million.

154. Distribution of enterprises by sales - Content. 2008

(Number of enterprises)



Source: ONTSI

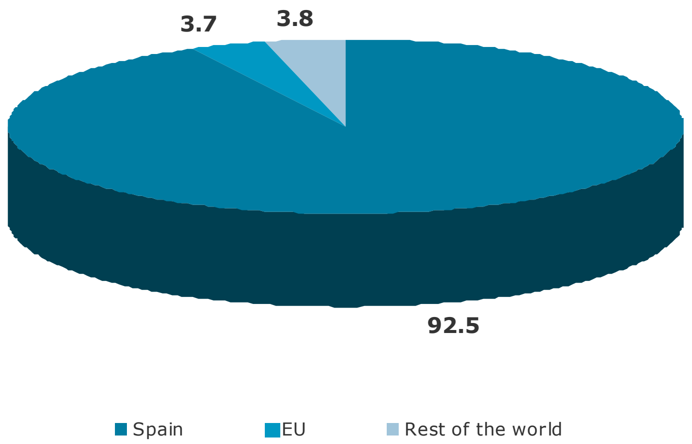
Content operating income in 2009 reached €12,418 million, which was down 1.6% with respect to 2008.

Content activities concentrate their turnover in product net sales that represent over 40.8% of the operating income. Service rendering went from accounting for 8% of the operating income to 32.3%, to the detriment of merchandise sales that fell from 55% down to 27%.

Product sales were mainly devoted to satisfying the domestic Content demand, at 92.5%; the EU accounted for another 3.7%, while the remaining 3.8% was earmarked for other countries. With respect to 2008, there was a slight increase in sales to non-EU countries, going from 0.4% in 2008 to 3.8% in 2009, an increase of 3 percentage points.

155. Geographical distribution of sales - Content. 2009

(% / total)



Source: ONTSI

With regard to the functional distribution of sales, communication activities absorb the largest percentage (34.8%), which evidences a strong correlation between large communication groups and Content creation. Commercial activities accounted for 23.8% of the turnover and public administrations demanded 3.3% of what was sold.

The main enterprises accumulated 15.31% of the total sales of this activity division, whilst the leading enterprise had a market share of 5.06%.

The number of persons employed in the Content subgroup reached 64,653, 7.4% less than in 2008. The activity class with the greatest number of employees was book and newspaper publishing and other publishing activities, followed by cinema, video and TV programme activities.

Recording and music edition activities accounted only for 2% of the employment, which evidences difficulties in maintaining jobs.

With regard to cost structure, supplies accounted for over 41% of the total, out of which merchandise consumption accounted for €2,394 million and work carried out by other enterprises for €1,555 million, 21% more than in 2008. It seems that the crisis has had a positive impact on enterprises that increased their demand of this type of services, which provide process flexibility and increased competiveness to them. This could explain the increase in outsourcing over the last year, followed by the rise in other operating income, which represented 29% of total operating costs.
Personnel costs totalled €2,833 million, 24.4% of total costs, with a drop of 2.7% compared to the previous year.

Content enterprises invested around €3,279 million in 2009.

3.5.2. Content statistics

3.5.2.1. Revenue

3.5.2.1.1. Structure of operating income

156. Operating income - Content
(Millions of euros)

	2007	2008	2009
Sales	11,442	12,577	11,759
Own work capitalized	4	5	126
Operating subsidies	66	37	423
Changes in the stocks of finished goods and goods in process	0	0	110
Total	**11,512**	**12,618**	**12,418**

Source: ONTSI

157. Operating income - Content
(% / total)

	2007	2008	2009
Sales	99.4	99.7	94.7
Own work capitalized	0.0	0.0	1.0
Operating subsidies	0.6	0.3	3.4
Changes in the stocks of finished goods and goods in process	0.0	0.0	0.9
Total	**100**	**100**	**100**

Source: ONTSI

3.5.2.1.2. Sales

158. Content sales. 2009
(Millions of euros)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**7,128**
Publishing of books	2,494
Publishing of directories and postal address guides	7
Publishing of newspapers	2,929
Publishing of magazines	401
Other publishing activities	1,297
Cinema, Video and TV Programme Activities	**4,082**
Cinematographic, video and television post-production activities	2,321
Motion picture projection	518
Film and video production activities	168
Television programme production activities	120
Film and video distribution activities	941
Television programme distribution activities	14
Sound Recording and Music Edition Activities	**387**
Sound Recording and Music Edition Activities	387
Other Information Services	**162**
News agency activities	72
Other Information Services	90
Total	**11,759**

Source: ONTSI

159. Content sales. 2009
(% / total)

	2009
Book and Newspaper Publishing and Other Publishing Activities	60.6
Publishing of books	35.0
Publishing of directories and postal address guides	0.1
Publishing of newspapers	41.1
Publishing of magazines	5.6
Other publishing activities	18.2
Cinema, Video and TV Programme Activities	34.7
Cinematographic, video and television post-production activities	56.9
Motion picture projection	12.7
Film and video production activities	4.1
Television programme production activities	2.9
Film and video distribution activities	23.0
Television programme distribution activities	0.3
Sound Recording and Music Edition Activities	3.3
Sound Recording and Music Edition Activities	100.0
Other Information Services	1.4
News agency activities	44.5
Other Information Services	55.5
Total	**100**

Source: ONTSI

3.5.2.1.3. Sales structure

160. Breakdown of Content sales.
(Millions of euros)

	2007	2008	2009
Product net sales	3,771	4,623	4,802
Merchandise net sales	5,947	6,953	3,160
Provision of services	1,724	1,001	3,797
Total	**11,442**	**12,577**	**11,759**

Source: ONTSI

161. Breakdown of Content sales.
(% / total)

	2007	2008	2009
Product net sales	33.0	36.8	40.8
Merchandise net sales	52.0	55.3	26.9
Provision of services	15.1	8.0	32.3
Total	**100**	**100**	**100**

Source: ONTSI

3.5.2.1.4. Other operating income

162. Other operating income - Content
(Millions of euros)

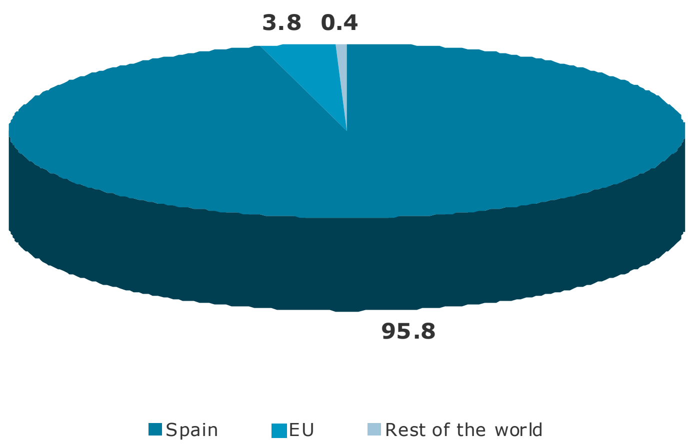
	2007	2008	2009
Non-core and other current operating revenue	20	27	351
Operating subsidies incorporated into year-end results	46	10	72
Total	**66**	**36**	**423**

Source: ONTSI

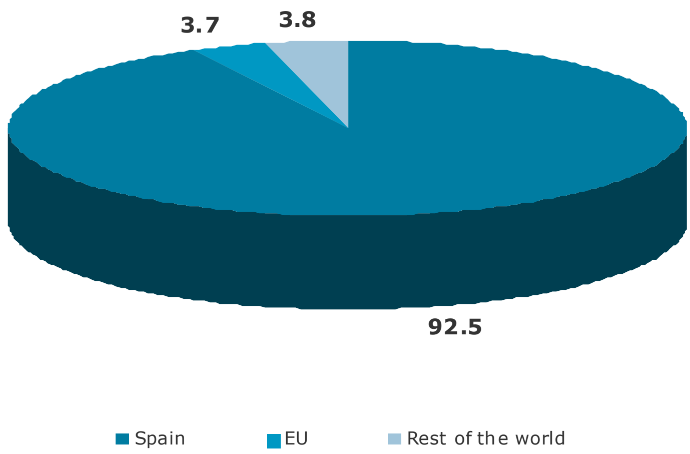
3.5.2.1.5. Geographical distribution of sales

163. Geographical distribution of sales - Content
(% / total)

Year 2008



Year 2009

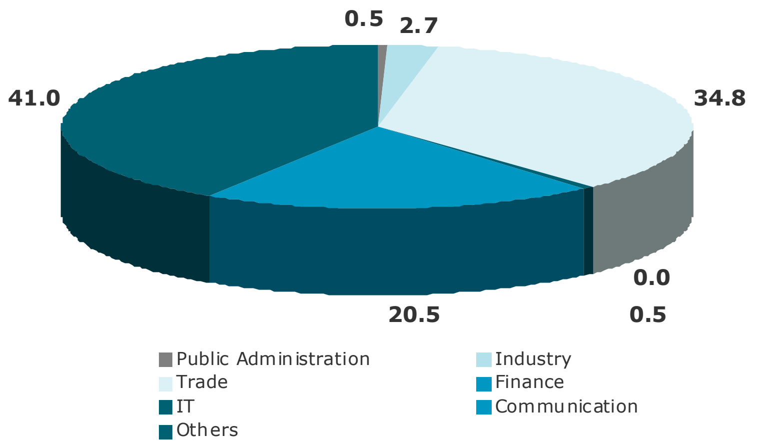


Source: ONTSI

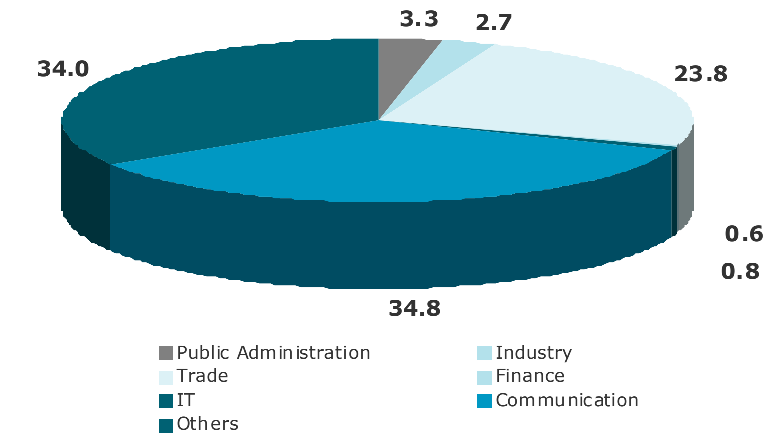
3.5.2.1.6. Functional distribution of sales

164. Functional distribution of sales - Content
(% / total)

Year 2008



Year 2009



Source: ONTSI

3.5.2.2. Employment

165. Employment by activity classes – Content. 2009
(Number of employees)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**39,293**
Publishing of books	13,948
Publishing of directories and postal address guides	127
Publishing of newspapers	16,597
Publishing of magazines	2,450
Other publishing activities	6,171
Cinema, Video and TV Programme Activities	**22,113**
Cinematographic, video and television post-production activities	12,676
Motion picture projection	5,078
Film and video production activities	1,453
Television programme production activities	1,340
Film and video distribution activities	1,510
Television programme distribution activities	56
Sound Recording and Music Edition Activities	**1,937**
Sound Recording and Music Edition Activities	1,937
Other Information Services	**1,310**
News agency activities	807
Other Information Services	503
Total	**64,653**

Source: ONTSI

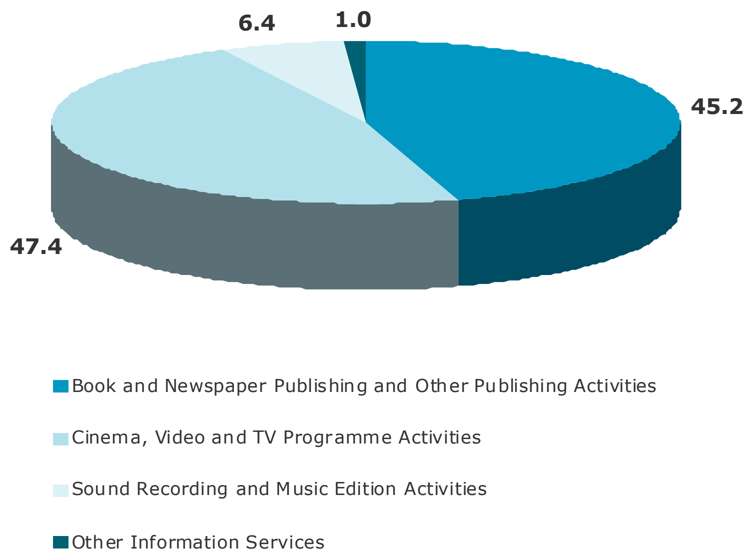
166. Employment by activity classes – Content. 2009
(% / total)

	2009
Book and Newspaper Publishing and Other Publishing Activities	60.8
Publishing of books	35.5
Publishing of directories and postal address guides	0.3
Publishing of newspapers	42.2
Publishing of magazines	6.2
Other publishing activities	15.7
Cinema, Video and TV Programme Activities	34.2
Cinematographic, video and television post-production activities	57.3
Motion picture projection	23.0
Film and video production activities	6.6
Television programme production activities	6.1
Film and video distribution activities	6.8
Television programme distribution activities	0.3
Sound Recording and Music Edition Activities	3.0
Sound Recording and Music Edition Activities	100.0
Other Information Services	2.0
News agency activities	61.6
Other Information Services	38.4
Total	**100**

Source: ONTSI

3.5.2.3. Investment

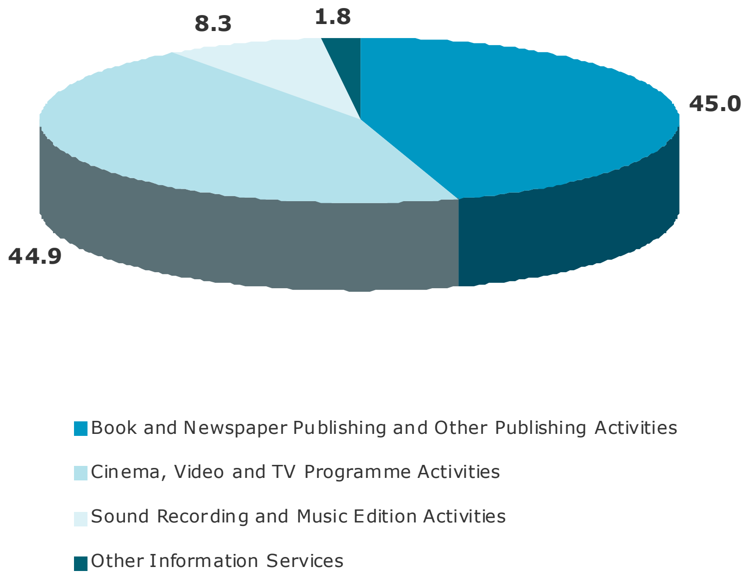
167. Content investment. 2009
(% / total)



Source: ONTSI

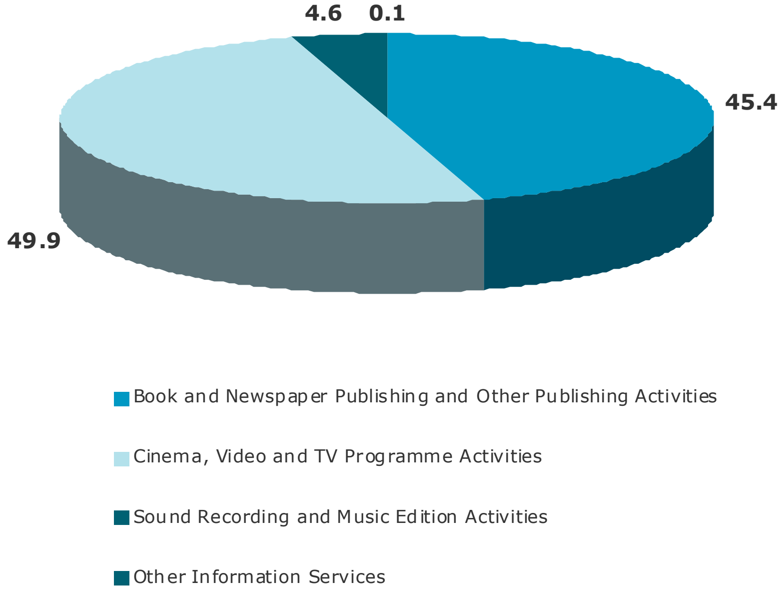
3.5.2.3.1. Structure of gross investment

168. Tangible fixed assets – Content 2009
(% / total)



Source: ONTSI

169. Tangible fixed assets – Content 2009
(% / total)



Source: ONTSI

3.5.2.4. Structure of operating costs

170. Distribution by purchase and cost categories - Content
(Millions of euros)

		2007	2008	2009
Supplies		3,198	3,707	4,818
	Merchandise consumption	1,603	1,767	2,394
	Raw materials and other consumables consumption	593	656	805
	Work carried out by other enterprises	1,002	1,284	1,555
	Mechandise, raw materials and other supplies spoilage			65
Other operating income		4,676	5,952	3,442
	External services	4,672	5,948	3,404
	Expenditure on R&D	0	0	26
	Insurance premiums	5	5	48
	Other	4,667	5,943	3,330
	Taxes	4	4	37
Personnel costs		2,625	2,911	2,833
	Wages, salaries and related compensation	2,121	2,343	2,277
	Social security contributions	504	568	503
	Provisions			52
Amortization of tangible assets		403	273	534
Total		**10,901**	**12,843**	**11,626**

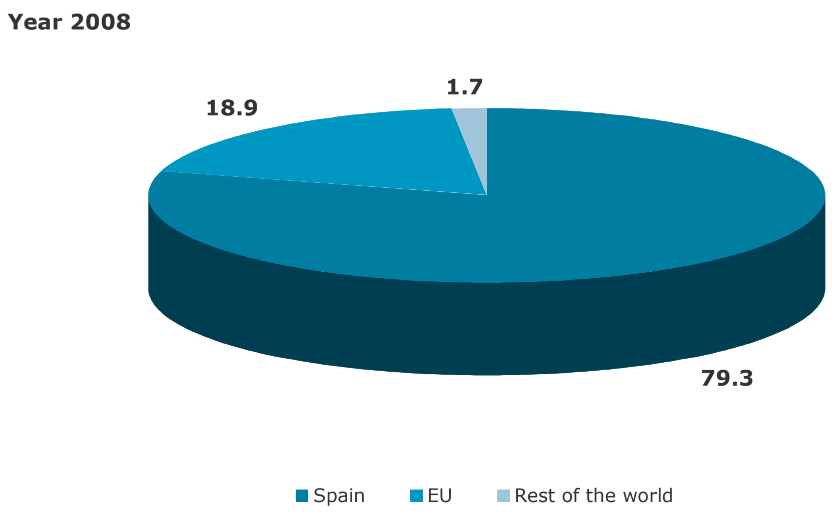
Source: ONTSI

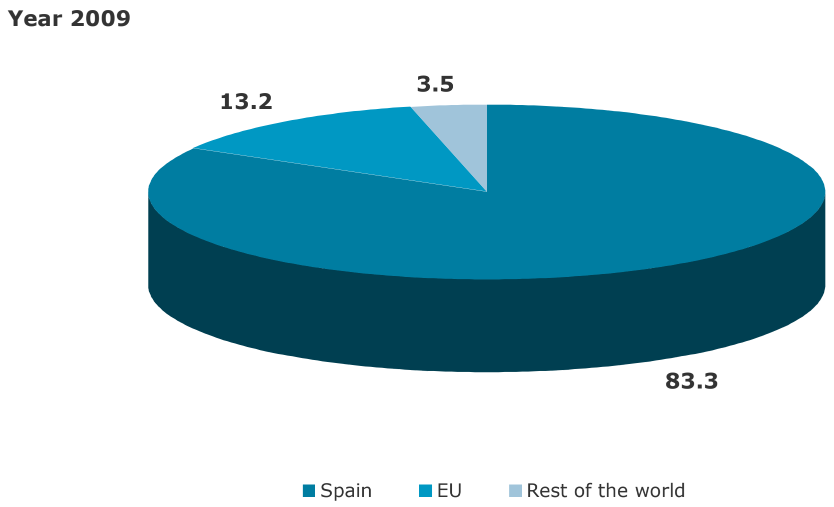
171. Purchases and costs - Content
(% / total)

		2007	2008	2009
Supplies		29.3	28.9	41.4
	Merchandise consumption	50.1	47.7	49.7
	Raw materials and other consumables consumption	18.5	17.7	16.7
	Work carried out by other enterprises	31.3	34.6	32.3
	Mechandise, raw materials and other supplies spoilage			1.3
Other operating income		42.9	46.3	29.6
	External services	99.9	99.9	98.9
	Expenditure on R&D	0.0	0.0	0.8
	Insurance premiums	0.1	0.1	1.4
	Other	99.9	99.9	97.8
	Taxes	0.1	0.1	1.1
Personnel costs		24.1	22.7	24.4
	Wages, salaries and related compensation	80.8	80.5	80.4
	Social security contributions	19.2	19.5	17.8
	Provisions			1.8
Amortization of tangible assets		3.7	2.1	4.6
Total		**100**	**100**	**100**

Source: ONTSI

172. Geographical distribution of Content purchases
(% / total)





Source: ONTSI

3.5.2.5. Financial expenses and revenue

173. Financial expenses and revenue - Content

(Millions of euros)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**183**
Publishing of books	139.96
Publishing of directories and postal address guides	0.05
Publishing of newspapers	18.75
Publishing of magazines	15.78
Other publishing activities	8.12
Cinema, Video and TV Programme Activities	**129.05**
Cinematographic, video and television post-production activities	89.67
Motion picture projection	15.05
Film and video production activities	2.74
Television programme production activities	0.44
Film and video distribution activities	20.93
Television programme distribution activities	0.23
Sound Recording and Music Edition Activities	**11.84**
Sound Recording and Music Edition Activities	11.84
Other Information Services	**0.68**
News agency activities	0.18
Other Information Services	0.50
Total	**324.22**

	2009
Book and Newspaper Publishing and Other Publishing Activities	**178.98**
Publishing of books	148.47
Publishing of directories and postal address guides	0.10
Publishing of newspapers	23.00
Publishing of magazines	2.52
Other publishing activities	4.88
Cinema, Video and TV Programme Activities	**90.01**
Cinematographic, video and television post-production activities	75.15
Motion picture projection	2.55
Film and video production activities	0.20
Television programme production activities	0.07
Film and video distribution activities	12.03
Television programme distribution activities	0.00
Sound Recording and Music Edition Activities	**4.47**
Sound Recording and Music Edition Activities	4.47
Other Information Services	**0.61**
News agency activities	0.46
Other Information Services	0.15
Total	**274.07**

Source: ONTSI

3.5.3. General Content and Audiovisual Services data

Aiming at offering a comprehensive perspective of the Content and Audiovisual Services sector, according to the classification proposed by the OECD, we include book publishing, cinema, music recording and other information services activity classes together with the Audiovisual Services activity classes published by the CMT.

Methodological changes for the implementation of the new CNAE 2009 classification, have entailed a real reorganisation of the Content and Audiovisual Services sector, by introducing new activity classes, such as publishing, and eliminating manufacturing processes such as reproduction of sound, video and computer media recordings.

174. Definition of the Content and Audiovisual Services sector

Content sector	
CNAE 2009	**Book and Newspaper Publishing and Other Publishing Activities**
5811	Publishing of books
5812	Publishing of directories and postal address guides
5813	Publishing of newspapers
5814	Publishing of magazines
5819	Other publishing activities
CNAE	**Cinema, Video and TV Programme Activities**
5912	Cinematographic, video and television post-production activities
5914	Motion picture projection
5915	Film and video production activities
5916	Television programme production activities
5917	Film and video distribution activities
5918	Television programme distribution activities
CNAE	**Sound Recording and Music Edition Activities**
5920	Sound Recording and Music Edition Activities
CNAE	**Programming and Broadcasting Activities**
6010	Radio broadcasting activities
6020	Television programming and broadcasting activities
CNAE	**Other Information Services**
6391	News agency activities
6399	Other Information Services

The Content and Audiovisual Services sector consisted in 2008 of more than 9,000 enterprises, representing 0.7% of all the enterprises in the Services sector[14].

By type of activity, the segment with the greatest enterprise-generating capacity was that of book and newspaper publishing and other publishing activities with 3,883 enterprises, representing 43% of the total, and the class dedicated to cinema, video and TV programme activities that accounted for 35% of the total with 3,096 enterprises.

[14] According to the Services Survey 2008 published by the Spanish National Statistics Institute, the number of enterprises in the services sector was 1,368,497.

175. Number of enterprises – Content and Audiovisual Services. 2008
(Number of enterprises)

	2008
Book and Newspaper Publishing and Other Publishing Activities	**3,883**
Publishing of books	1,347
Publishing of directories and postal address guides	19
Publishing of newspapers	950
Publishing of magazines	615
Other publishing activities	952
Cinema, Video and TV Programme Activities	**3,096**
Cinematographic, video and television post-production activities	1,522
Motion picture projection	335
Film and video production activities	773
Television programme production activities	96
Film and video distribution activities	359
Television programme distribution activities	11
Sound Recording and Music Edition Activities	**520**
Sound Recording and Music Edition Activities	520
Other Information Services	**385**
News agency activities	101
Other Information Services	284
Programming and Broadcasting Activities	1,074
Total	**8,958**

Source: CMT and the Companies Register.

In line with methodological renewal of the content sector, the ONTSI considers that, to get a global vision of sales from all productive processes related to information, culture and entertainment, the following activity classes should be considered: all the classes included in the OECD's classification (table 171. Definition of the Content and Audiovisual Services sector) together with videogames and online advertising activities.

This sector stands out for its capacity to create new business lines that are closely linked to new technological advances and are demanded by increasingly experimented users. According to the INE (National Statistical Institute of Spain), in 2009 users who used their mobile telephones to access the Internet via 3G[15] represented 9% of the total population.

Internet content downloading gives ground to streaming, that is to say, reproduction of music and video from remote websites in real time. Immediacy, improved connection speed and new terminals such as smartphones, digital tablets and netbooks are the causes for the increased use of streaming.

Global revenue from the Content and Audiovisual Services sector in 2009 amounted to €17,592 million, almost 9.6% less than in 2008, when turnover reached €19,462 million. By activity classes, book and newspaper publishing and other publishing activities accounted for 40.5% of the total sales with €7,128 million, followed by programming and broadcasting activities with 26% and €4,541 million and cinema, video and TV programme activities with 23% and €4,082 million.

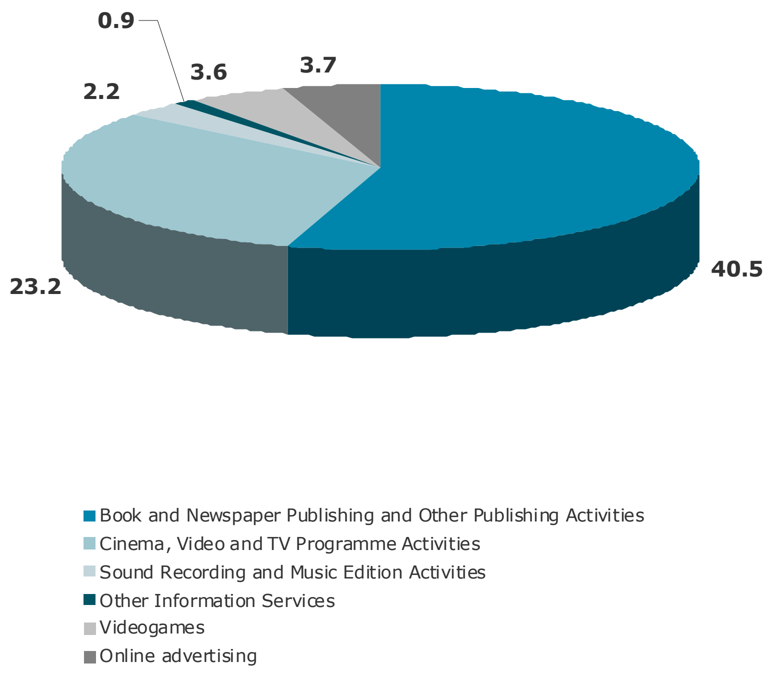
Sound recording and music edition activities accounted for 2% of the total with €387 million. According to the latest data from Promusicae (Spanish Music Producers), music sales reduced their contribution to global turnover in the period 2008/2009, due to the fall in physical disks sales. However, the market of mobile devices and the Internet has experienced a rise, accounting now for 25.8% of the total sales. Online music distribution has expanded from the Internet to other platforms as mobiles and consoles.

[15] Survey on the Equipment and Use of Information and Communication Technologies in households, 2009.

Other Information Services with 1% accounted for €162 million.

To the aforementioned activities we have to add turnover from videogame distribution (€638 million) and online advertising (€654 million). Videogame edition is not included within the Content and Audiovisual Services sector, since it corresponds to the Computer and Related Activities division.

176. Sales - Content and Audiovisual services 2009
(% / total)

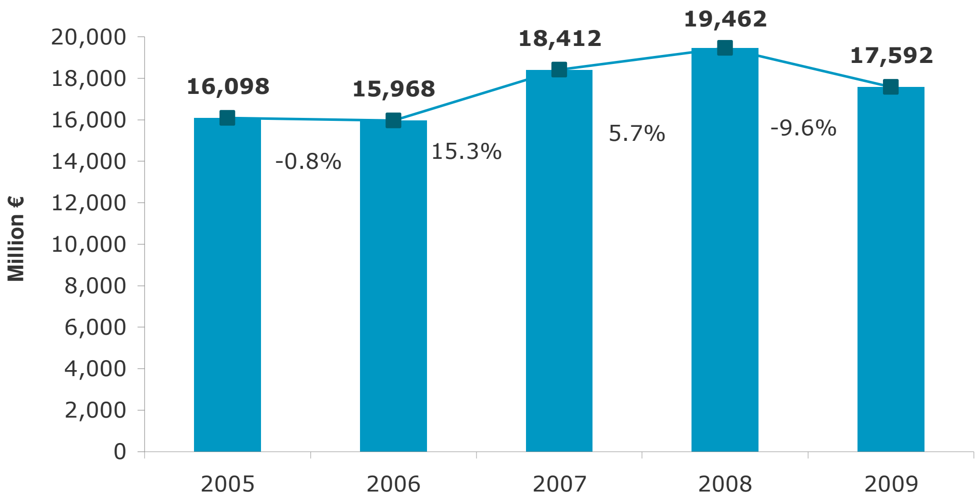


Source: CMT and ONTSI

Between 2005 and 2009, the Content and Audiovisual Services sector sales became consolidated with a rise of 9%.

177. Evolution of sales - Content and Audiovisual Services

(Millions of euros)



Source: CMT and ONTSI

The Content and Audiovisual Services sector employed 87,075 people in 2009, 5.2% less than in 2008. The activity with the greatest number of employees was book and newspaper publishing and other publishing activities, which generated 45 out of 100 jobs in the sector. Programming and Broadcasting Activities[16] accounted for 25.7% of the employment, and cinema, video and TV programme activities for 25.4%.

Only 2 out of 100 jobs were generated by sound recording and music edition activities, which evidences the difficulties in this division to maintain jobs.

[16] Source: Telecommunications Market Commission

3.5.4. Content and Audiovisual Services sector statistics

3.5.4.1. Revenue

3.5.4.1.1. Sales

178. Sales - Content and Audiovisual services 2009
(Millions of euros)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**7,128**
Publishing of books	2,494
Publishing of directories and postal address guides	7
Publishing of newspapers	2,929
Publishing of magazines	401
Other publishing activities	1,297
Cinema, Video and TV Programme Activities	**4,082**
Cinematographic, video and television post-production activities	2,321
Motion picture projection	518
Film and video production activities	168
Television programme production activities	120
Film and video distribution activities	941
Television programme distribution activities	14
Sound Recording and Music Edition Activities	**387**
Sound Recording and Music Edition Activities	387
Other Information Services	**162**
News agency activities	72
Other Information Services	90
Programming and Broadcasting Activities	**4,541**
Videogames	**638**
Online advertising	**654**
Total	**17,592**

Source: CMT and ONTSI

179. Sales - Content and Audiovisual services 2009
(% / total)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**40.5**
Publishing of books	35.0
Publishing of directories and postal address guides	0.1
Publishing of newspapers	41.1
Publishing of magazines	5.6
Other publishing activities	18.2
Cinema, Video and TV Programme Activities	**23.2**
Cinematographic, video and television post-production activities	56.9
Motion picture projection	12.7
Film and video production activities	4.1
Television programme production activities	2.9
Film and video distribution activities	23.0
Television programme distribution activities	0.3
Sound Recording and Music Edition Activities	**2.2**
Sound Recording and Music Edition Activities	2.2
Other Information Services	**0.9**
News agency activities	44.5
Other Information Services	55.5
Programming and Broadcasting Activities	**25.8**
Videogames	**3.6**
Online advertising	**3.7**
Total	**100**

Source: CMT and ONTSI

3.5.4.2. Employment

180. Employment by activity classes - Content and Audiovisual services 2009
(Number of employees)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**39,293**
Publishing of books	13,948
Publishing of directories and postal address guides	127
Publishing of newspapers	16,597
Publishing of magazines	2,450
Other publishing activities	6,171
Cinema, Video and TV Programme Activities	**22,113**
Cinematographic, video and television post-production activities	12,676
Motion picture projection	5,078
Film and video production activities	1,453
Television programme production activities	1,340
Film and video distribution activities	1,510
Television programme distribution activities	56
Sound Recording and Music Edition Activities	**1,937**
Sound Recording and Music Edition Activities	1,937
Other Information Services	**1,310**
News agency activities	807
Other Information Services	503
Programming and Broadcasting Activities	**22,422**
Total	**87,075**

Source: CMT and ONTSI

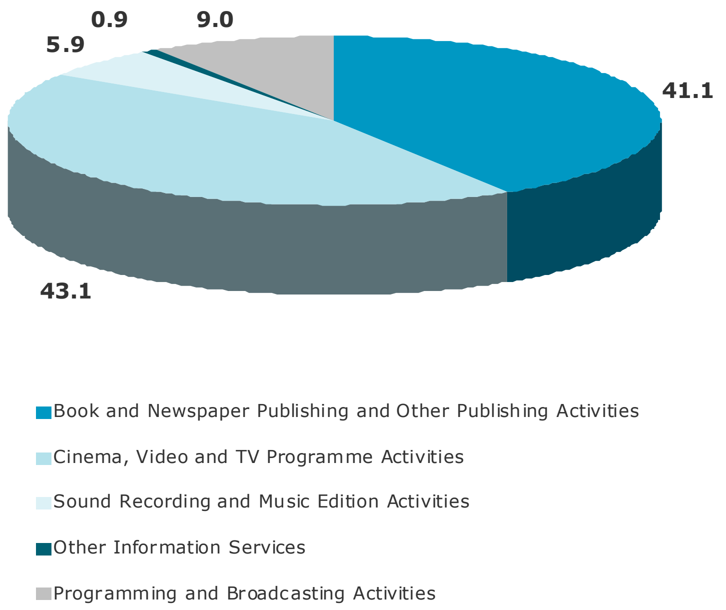
181. Employment by activity classes - Content and Audiovisual services 2009
(% / total)

	2009
Book and Newspaper Publishing and Other Publishing Activities	**45.1**
Publishing of books	35.5
Publishing of directories and postal address guides	0.3
Publishing of newspapers	42.2
Publishing of magazines	6.2
Other publishing activities	15.7
Cinema, Video and TV Programme Activities	**25.4**
Cinematographic, video and television post-production activities	57.3
Motion picture projection	23.0
Film and video production activities	6.6
Television programme production activities	6.1
Film and video distribution activities	6.8
Television programme distribution activities	0.3
Sound Recording and Music Edition Activities	**2.2**
Sound Recording and Music Edition Activities	2.2
Other Information Services	**1.5**
News agency activities	61.6
Other Information Services	38.4
Programming and Broadcasting Activities	**25.8**
Total	**100**

Source: CMT and ONTSI

3.5.4.3. Investment

182. Investment – Content and Audiovisual Services. 2009
(% / total)



Source: CMT and ONTSI

3.5.5. Content and Audiovisual Services digital percentage

This concept indicates the percentage of revenue corresponding to goods and/or services providing information in digital or electronic format. Pursuant to the aforementioned, products include publications, films, music, games and entertainment software that can be electronically distributed via the Internet or another network, or can be delivered in digital format over a physical medium (CD, DVD, pendrive, etc.). Additionally, digital or electronic content from new types of online web services must be included in this group, for instance news, information, games, financial services, etc.

For the purpose of this study, content is defined as "an organised message addressed to the people, which is published in mass media and other related mediums. The value of the product for the consumer relates, rather than to tangible properties, to their informative, educative, cultural or entertainment properties."

In 2009, these results have been boosted by:

-DTT penetration that reached 79.9% of all Spanish households

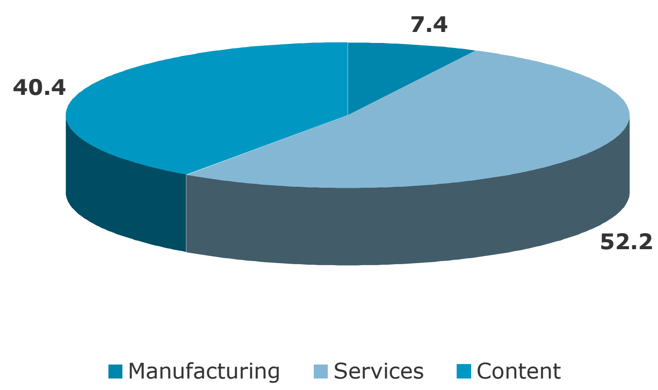
-Households with aerials adapted to DTT, which accounted for 87.9% of all Spanish households

-DTT perceived coverage, which was 91.9%.

The highest digital sales percentage is generated by services, which account for 52% of the total digital business, followed by the content industry with almost 41%. Within the last group, cinema, video and TV programme activities account for 57% of digital sales.

In 2009, digital sales represented 45% of the total sales from the Content and Audiovisual Services sector, exceeding 8 billion euros.

183. Digital ICT sales.
(% / total)



Source: ONTSI

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Spain Telecommunications and Information Technology Sector Report 2009. (2010 Edition)

4. Annex 1: Methodology notes

4. Annex 1: Methodology notes

4.1. Objective

To carry out the analysis contained in this report, we have used two main information sources. For the Information Technology sector and the Content sector, the ONTSI conducted a survey among a statistically representative sample of sector enterprises. For Telecommunications and Audiovisual Services activities, the Annual Report 2009 of the Telecommunications Market Commission (CMT) has been used.

The following is a description of the survey methodology used for the analysis of the Information Technology and Content sector.
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 activity divisions that comprise the Information Technology and Content sector, in such a manner as to cover the demand for information.

This operation seeks to determine the production structure of the different activity classes of the main processed products, intermediate consumption in the production process and end-consumption, in addition to measuring the contribution of each of these classes to the added value of the Telecommunications and Information Technology 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 2008.

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.

4.2. Scope

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

4.2.1. 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 C, G, and J of the Spanish National Classification of Economic Activities (CNAE 2009).

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.

4.2.2. Territorial scope

From a geographical point of view, the survey covers Spain in its entirety.

4.2.3. 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.

4.3. 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.

4.4. Variables

4.4.1. Classification variables

The tabulation is presented based on four classification criteria:

- Principal economic activity, according to CNAE2009 codes
- Size of the enterprise, by number of employees
- Size of the enterprise based on turnover
- Legal status

4.4.2. 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 Regulation No. 58/97 on Structural Statistics:
    - 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.

4.5. Design and sampling

4.5.1. 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.

4.5.2. Sample size

The size of the selected sample is approximately 2,516 statistical units and the size of the final effective sample is 2,117 statistical units.

4.5.3. Sample design

Stratified random sampling with proportional allocation is the procedure used for this study. Stratification was made based on sales and number of employees, obtaining a proportional sample size for each stratum once a minimum number of units had been established for each of the activity subsectors that comprised the sector.

4.5.4. Information collection technique and Fieldwork

Data is collected trough a telematic survey (CATI system) with a maximum length of 15 minutes**.** The fieldwork was carried out by a working group at Red.es headquarters in Madrid, which was in charge of providing technical support to the data collection system. The data collection process took three months, from March 22nd 2010 to June 22nd 2010.

4.5.5. 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.

4.5.6. Exchange coefficients

Exchange coefficients are used to make a so-called base-year change, a process that entails a continuity break in series. Exchange coefficients are values that make it possible to estimate data from previous years, and are calculated as the annual average ratio with the aim of collecting as much information as possible.

4.5.7. Sampling error

The margin of error for the total sample under conventional statistical conditions (p=q=50%) and a confidence interval of 95%, is ±0.02 with a response rate of 84%. Under the same conditions, the margin of error for Manufacturing oscillates at ±0.09, with a response rate of 83%. For Trade, the margin of error oscillates at ±0.05, with a response rate of 85%; for Computer and Related Activities, the margin of error oscillates at ±0.03, with a response rate of 86%; and for Other Telecommunication Activities, the margin of error oscillates at ±0.11, with a response rate of 83%. Lastly, for Content the margin of error oscillates at ±0.04, with a response rate of 79%.

Spain Telecommunications and Information Technology Sector Report 2009. (2010 Edition)

5. Annex 2: Sampling

5. Annex 2: Sampling

5.1. Sampling figures

The following table shows the sampling figures[17]:

184. IT sector survey sampling figures

IT Sector Sample

	POPULATION	% POPULATION	EFFECTIVE SAMPLE	% EFFECTIVE SAMPLE	SAMPLING FRACTION
Manufacturing	909	3.5%	103	4.9%	11.33%
Trade	2,869	10.9%	317	15.0%	11.05%
Computer and Related Activities	13,151	50.0%	1153	54.5%	8.77%
Telecommunication Activities	1,509	5.7%	73	3.4%	4.84%
Content	7,884	30.0%	471	22.2%	5.97%
Total	**26,322**	**100%**	**2,117**	**100%**	**8.04%**

Manufacturing Sample

	POPULATION	% POPULATION	EFFECTIVE SAMPLE	% EFFECTIVE SAMPLE	SAMPLING FRACTION
Manufacture of electronic components	320	35.2%	31	30.1%	9.69%
Manufacture of assembled printed circuits	6	0.7%	1	1.0%	16.67%
Manufacture of computers and peripheral equipment	317	34.9%	36	35.0%	11.36%
Manufacture of telecommunications equipment	171	18.8%	22	21.4%	12.87%
Manufacture of consumer electronics	88	9.7%	12	11.7%	13.64%
Manufacture of magnetic and optical media	7	0.8%	1	1.0%	14.29%
Total	**909**	**100%**	**103**	**100%**	**11.33%**

Trade Sample

	POPULATION	% POPULATION	EFFECTIVE SAMPLE	% EFFECTIVE SAMPLE	SAMPLING FRACTION
Wholesale trade of computers, computer peripheral equipment and software	1,925	67.1%	223	70.3%	11.58%
Wholesale trade of electronic and telecommunications equipment and their components	944	32.9%	94	29.7%	9.96%
Total	**2,869**	**100%**	**317**	**100%**	**11.05%**

17 Population: the set of individuals or elements with characteristics in common.
% of 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.

Computer and Related Activities Sample

	POPULATION	% POPULATION	EFFECTIVE SAMPLE	% EFFECTIVE SAMPLE	SAMPLING FRACTION
Publishing of computer games	56	0.4%	33	2.9%	58.93%
Publishing of other software	107	0.8%	18	1.6%	16.82%
IT programming activities	1,240	9.4%	88	7.6%	7.10%
IT consulting activities	3,911	29.7%	387	33.6%	9.90%
IT resource management	1,123	8.5%	48	4.2%	4.27%
Other services related to information technology and computing	5,325	40.5%	398	34.5%	7.47%
Data processing, hosting and related activities	485	3.7%	77	6.7%	15.88%
Web portals	83	0.6%	17	1.5%	20.48%
Repair of computers and peripheral equipment	747	5.7%	77	6.7%	10.31%
Repair of communications equipment	74	0.6%	10	0.9%	13.51%
Total	**13,151**	**100%**	**1,153**	**100%**	**8.77%**

Other Telecommunication Activities Sample

	POPULATION	% POPULATION	EFFECTIVE SAMPLE	% EFFECTIVE SAMPLE	SAMPLING FRACTION
Other Telecommunication Activities	1509	5.7%	73	4.8%	4.84%
Total	**1509**	**5.7%**	**73**	**4.8%**	**4.84%**

Content Sample

	POPULATION	% POPULATION	EFFECTIVE SAMPLE	% EFFECTIVE SAMPLE	SAMPLING FRACTION
Book and Newspaper Publishing and Other Publishing Activities	**3,883**	**49.3%**	**257**	**54.6%**	**6.62%**
Publishing of books	1,347	34.7%	100	38.9%	7.42%
Publishing of directories and postal address guides	19	0.5%	4	1.6%	21.05%
Publishing of newspapers	950	24.5%	60	23.3%	6.32%
Publishing of magazines	615	15.8%	36	14.0%	5.85%
Other publishing activities	952	24.5%	57	22.2%	5.99%
Cinema, Video and TV Programme Activities	**3,096**	**39.3%**	**165**	**35.0%**	**5.33%**
production activities	1,522	49.2%	87	52.7%	5.72%
Motion picture projection	335	10.8%	21	12.7%	6.27%
Film and video production activities	773	25.0%	28	17.0%	3.62%
Television programme production activities	96	3.1%	8	4.8%	8.33%
Film and video distribution activities	359	11.6%	19	11.5%	5.29%
Television programme distribution activities	11	0.4%	2	1.2%	18.18%
Sound Recording and Music Edition Activities	**520**	**6.6%**	**23**	**4.9%**	**4.42%**
Activities	520	100%	23	100%	4.42%
Other Information Services	**385**	**4.9%**	**26**	**5.5%**	**6.75%**
News agency activities	101	26%	8	31%	7.92%
Other Information Services	284	74%	18	69%	6.34%
Total	**7,884**	**100%**	**471**	**100%**	**5.97%**

Source: ONTSI

5.2. Sample errors

Sample errors are shown in the following table[18]:

185. Sample errors

CLASS	Population	Sample	Effective Sample	Response Rate %	ERROR FOR 95% OF NA	ERROR FOR 97% OF NA
Manufacturing	909	124	103	83%	0.09	0.10
Trade	2,869	375	317	85%	0.05	0.06
Computer and Related Activities	13,151	1,336	1,153	86%	0.03	0.03
Other Telecommunication Activities	1,509	88	73	83%	0.11	0.12
Content	7,884	593	471	79%	0.04	0.05

Source: ONTSI

18 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 is the sample average,

z^* is the statistical interval that has standard normal distribution ,

and is the population.

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

6. Annex 3: Relationship between ICT sector products and activity classes

6. ANNEX 3: RELATIONSHIP BETWEEN ICT SECTOR PRODUCTS AND ACTIVITY CLASSES (ISIC REV. 4/CPC V. 2.0)

6.1. Relationship between products and activity classes

The relationship between activity classes of the ICT sector and the Content and Audiovisual Services sector, and the products associated to those classes, is explained by the OECD in its report **Guide to measuring the Information Society, 2009** (http://www.oecd.org/dataoecd/25/52/43281062.pdf).

In this report, we can find a table for the ICT sector containing ICT goods and services, with their corresponding CPC v.2 and ISIC rev.4 codes (Table 4. ICT products, page 92), and a table for the Content and Audiovisual Services sector (Table 5. Content and media products, page 98).

Index of Tables and Figures