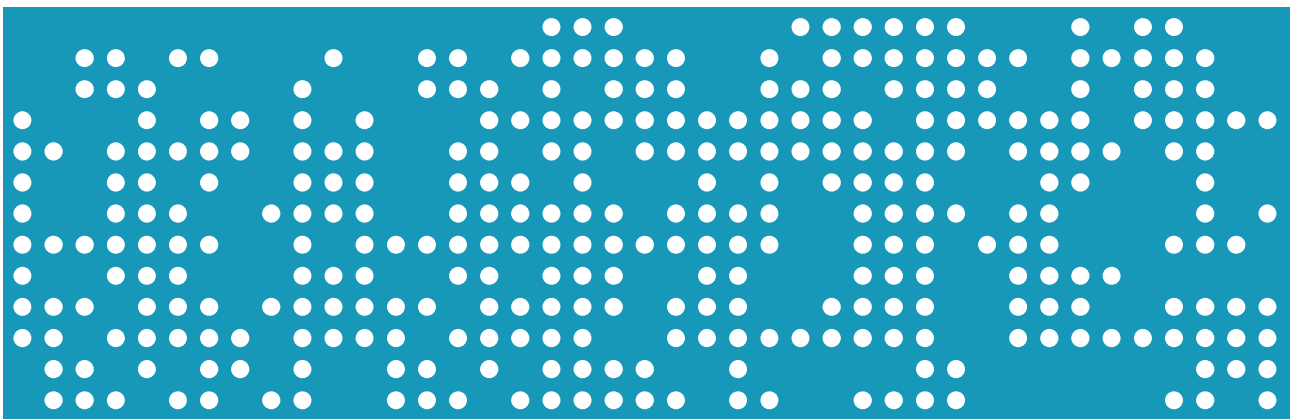


Report on the Telecommunication, Information Technology and Content Sector in Spain 2010. (2011 Edition)

EXECUTIVE SUMMARY



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EXECUTIVE SUMMARY

THE SECTOR AS A WHOLE (2010)¹

Enterprises: The number of active enterprises was **30,333** in 2009. Of these, 11% provided Telecommunication Services and 89% were involved in Information Technology (IT) and Content. By type of activity, 50 out of 100 IT enterprises were dedicated to Computer and Related Activities, followed by those engaged in Content (29%) and in Trade (11%).

Information Technology and Telecommunication (ICT) and Content enterprises accounted for 2.5% of the total number of service sector enterprises².

Revenue: The turnover in 2010 amounted to **€ 104,373 million**, a decrease of 2.8% compared to 2009. 62% of the turnover was generated by IT and Content enterprises and 38% by Telecommunications enterprises³. Within the IT and Content sector, Computer and Related Activities accounted for 42.5% of the turnover, followed by Trade with 25.2% and Content Activities with 19.5%.

The ICT revenue /GDP ratio for 2010 is 9.8%.

Employment: In 2010, ICT and Content enterprises employed **over 459,000 people, 1.5% less than in 2009**. IT activities generated the most jobs, with 83% of the total, a decrease of 1.2% compared to 2009. Telecommunication enterprises accounted for 17% of the employment, with 77,839 jobs.

Investment: ICT and Content enterprises **invested more than €16,000 million** in 2010. The greatest investments were made by Information Technology and Content enterprises that accounted for 73% of the total investment in the sector.

Gross Added Value at market prices: Gross added value at market prices exceeded €62,000 million in 2010, 2.2% less than in 2009. This amount represents 5.85% of the Gross Domestic Product⁴ of 2010, as compared to 6.04% in 2009.

Foreign trade: Trade balance of the ICT sector in 2010 was negative, amounting to **€11,201 million**, with coverage of **50.1%**. Exports reached **€11,224 million** and imports rose to **€22,425 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 2009 published by the Spanish National Statistics Institute, the number of enterprises in the services sector was 1,208,010.

³ 62% of the turnover was generated by IT enterprises and 38% by Telecommunications enterprises³.

⁴ GDP calculated by the INE by aggregating the four quarterly estimations of 2010.

THE TELECOMMUNICATIONS SECTOR IN SPAIN (2010)

Enterprises: The number of active enterprises was **3,343 in 2009**⁵. Telecommunications enterprises accounted for 11% of the total number of ICT sector enterprises.

Revenue: Revenue from the Telecommunications sector **fell by 3.5% in 2010, down to €39.787 billion**, which means a slow down in the trend started in 2009.

By categories, revenue from retail services amounted to €33,396 million, 3.4% less than in 2009, and revenue from wholesale services amounted to €6,391 million, 3.7% less than in 2009. The downward trend in the wholesale market dates back to 2006.

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.

Revenue from audiovisual services amounted to €4,423 million, excluding subsidies, 2.1% less than in 2009. This drop was caused by the reduced demand for Video-On-Demand and Pay-Per-View services.

Employment: In 2010, **employment** in the Telecommunications sector **decreased almost by 3%**, going from 80,080 employees in 2009 to 77,839 in 2010.

Mobile operators accounted for the greatest growth in their workforce.

Revenue per employee has increased significantly in the last eight years, from €315,000 per employee in 2003 to €429,000 per employee in 2010.

Investment: Investment in the Telecommunications sector in 2010 amounted to **€4,480 million**, including both Telecommunications activities and Audiovisual services, which represents an increase of 4.6% with respect to 2009.

⁵ Includes Telecommunication Operators and Audiovisual Services. **ONTSI's own elaboration based on data from the Companies Register.**

SPANISH IT AND CONTENT (2010)

Enterprises: In **2009** there were **26,990 enterprises** in the Information Technology and Content sector, **2.2% more than in 2008**. Of these, 50.2% (13,558 enterprises) were devoted to Computer and Related Activities, followed by Content enterprises with 29.6% of the total, Trade enterprises with 11.2% and enterprises engaged in Other Telecommunication Activities with 5.5%. Manufacturing enterprises only accounted for 3.4% of the total.

Revenue: 62% of the turnover of the sector as a whole (ICT and Content) was generated by IT and Content enterprises, which amounted to over **€64 billion in 2010**, showing a **decrease of 2.3%** compared to 2009. Turnover from Manufacturing enterprises recorded the greatest drop (-18.6%), Other Telecommunication Activities recorded a decrease of 14.4% and Content enterprises reduced its turnover by 3.1%. On the contrary, turnover from Trade enterprises rose by 12.7% and turnover from Computer and Related Activities rose by 0.7%.

Employment: In 2010, the IT and Content sector employed **over 381,000 people, 1.2% less than in 2009**. IT and Content generated 83% of the total employment of the sector as a whole. Most notable are Computer and Related Activities that created over 240,000 jobs, followed by Content enterprises with 69,000 jobs and Trade with over 35,000 jobs.

Investment: IT and Content enterprises invested **over 12,000 million euros** in 2010, out of which €6,861 million corresponded to Computer and Related Activities. These investments represented 73% of the total investment of the sector as a whole.

Figures from the Telecommunication, Information Technology and Content Sector

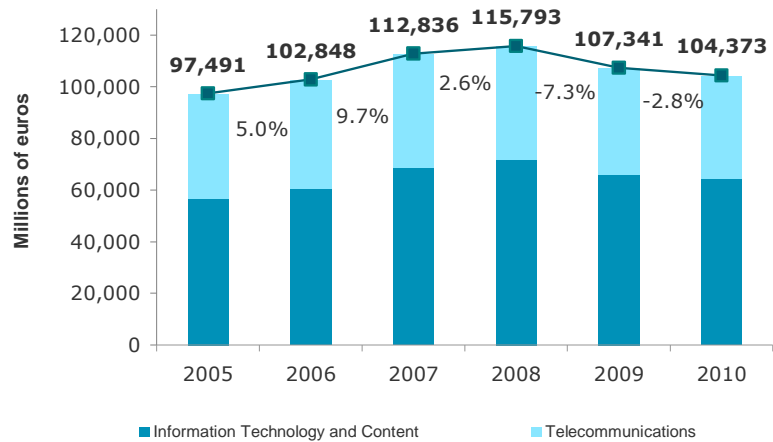
The sector is comprised of 30,333 enterprises.

The sector turnover reached €104,373 million in 2010, out of which €64,586 million correspond to the IT and Content sector and €39,787 million to the Telecommunication sector.

Employment reached 459,165 jobs in 2010.

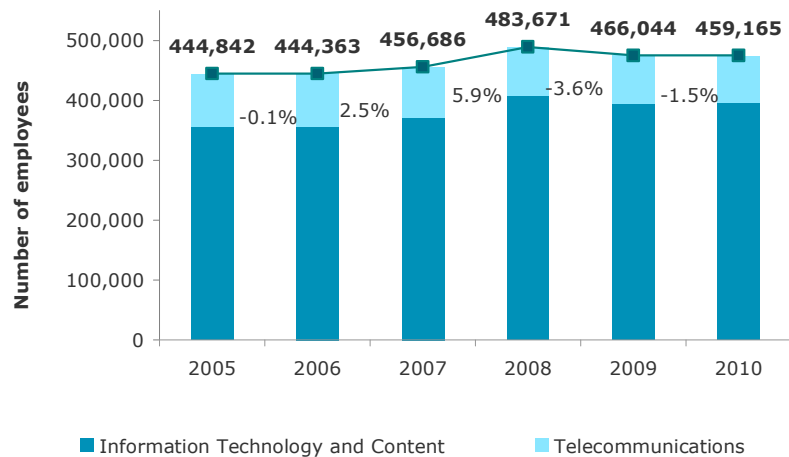
ICT and Content enterprises invested €16,681 million in 2010.

Sector turnover (Millions of euros)



Source: CMT and ONTSI

Employment (Number of employees)



Source: CMT and ONTSI

Enterprises (Number of enterprises)

	2007	2008	2009
Information Technology and Content	25,693	26,322	26,990
Telecommunications	3,373	3,373	3,343
Total	29,066	29,695	30,333

Source: ONTSI's own elaboration based on data from the Companies Register.

Investment (Millions of euros)

