

Statistics on Affiliates of Foreign Enterprises in Spain (Inward FATS)

Methodology

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Statistics on affiliates of foreign enterprises in Spain (Inward FATS)

1. Objectives and need for the operation

The main objective of this statistical operation is to provide information of the main characteristics and economic indicators that determine the structure and activity of the affiliates of foreign companies that operate in Spain, both in the industrial sector and in the services sector.

In order to assess the impact and the role carried out by the companies under foreign control, within the economy of a country, it is essential to have quality periodical statistics that provide information regarding the structure and activity of the affiliates of foreign companies. Although in the progressive integration process of the different domestic economies resulting from the process of economic globalisation, multinational corporations perform and will continue to perform a fundamental role in the future, small and medium-sized companies will also be, to a certain extent, affected by foreign control, and it is therefore necessary to glean in-depth knowledge on this phenomenon, and study it, in order to delimit, precisely, the importance thereof, in each subpopulation of companies. In turn, at the time of preparing economic policies that are orientated towards subjects such as competitiveness, employment, corporate policies or research, it is appropriate to have statistical information available regarding the affiliate companies, which enables assessing the effects that, whether directly or indirectly, foreign control might have on employment, wages or productivity in the different economic sectors.

In this sense, and for the purpose of responding adequately to the growing demand for statistical data on the phenomenon of affiliate companies, European Union scope *Regulation (EC) no. 716/2007 of the European Parliament and Council, of 20 June 2007, was passed, regarding community statistics on the structure and activity of foreign affiliates (FATS)*. This regulation establishes a common framework of action for the carrying out of statistical research regarding affiliate companies, within the scope of the countries of the European Union, and sets the main characteristics to be considered, both from the perspective of the variables to be analysed and the geographical or activity branch breakdowns requested, and from what refers to the measures necessary to guarantee the quality of the data obtained.

The FATS regulation has two different annexes, which deal with the study of the affiliates, from complementary perspectives: Inward FATS and Outward FATS. Each of these has different objectives, scope of application, variables and reference periods. Inward FATS is focused on the study of the affiliates of foreign companies within each country, and Outward FATS studies the affiliates of national companies abroad.

The **Statistics on affiliates of foreign enterprises in Spain (Inward FATS)** has been designed for the purpose of responding, within the scope of the industrial and services sector, to the demand requested in the Inward annex of the FATS regulation, that is, the research of foreign affiliates inside of each country.

Given that there is a strong link between the requirements as per variables, coverage and deadlines for this annex of the regulation and those established in the regulation of structural statistics (SBS), it has been considered appropriate, for reasons of efficiency and cost savings, to link the information collection of the Inward FATS to the structural surveys of industry and services, integrating it into the global collection process of these surveys, in such a way that it is possible to use the advantages that this implies, not only from the point of view of the methodological coherence of both studies, but also in terms of optimising the operational and management processes of both statistical operations.

The INE began to disseminate the Statistics of Foreign Enterprises in the Services Sector (which also included Trade) from the reference year 2005, with information available on this sector for the years 2005 to 2007.

As of the reference year 2008, the INE incorporated the information from the industrial sector into these statistics, to present to the different users an integrated set of information with data from three sectors (industry, trade and non-financial market services).

2. Research scopes

POPULATION SCOPE

The target population of study is made up of the companies located in Spain that are affiliates of foreign companies, and whose main activity is included in sections B to E (industry) and G to J and L to N (non-financial market services) of National Classification of Economic Activities 2009 (CNAE-2009).

An affiliate is understood to be that company located in Spain that is controlled by a foreign company. In accordance with the Manual of Recommendations regarding Affiliates Statistics, "*Foreign Affiliates Statistics (FATS)*", compiled by the Statistical Office of the European Union (Eurostat), in partnership with the different Member States, *control* is understood to be the ability for determining the general policy of a company, through the designation, as necessary, of the appropriate directors; in this sense, company A is considered to be controlled by institutional unit B, when B directly or indirectly controls more than half of the shareholders' vote, or more than half of the shares, of company A.

At times, the control may be exercised via effective minority control, without possessing more than half of the shares or of the votes, if for example, the percentage, though lower than 50%, is higher than that of any other owner. *Indirect control* refers to when this is exercised, not directly, but through another affiliate over which the unit has control. That is, if company A controls another company B, and the latter, in turn, controls a third company C, we may deduce that company A indirectly controls company C.

The listing of the activities (sections) of CNAE-2009 comprising the population scope of these statistics is as follows:

- B Extractive industries
- C Manufacturing industry
- D Supply of electrical energy, gas, steam and air conditioning
- E Water supply, sewage, waste management and remediation activities
- G Wholesale and retail trade; repair of motor vehicles and motorcycles
- H Transport and storage
- I Accommodation
- J Information and communications
- L Real estate activities
- M Professional, scientific and technical activities
- N Administrative and support services activities

GEOGRAPHICAL SCOPE

From the geographic viewpoint, the statistics cover the entire country (except Ceuta and Melilla).

TIME SCOPE

The statistics have annual periodicity.

The reference period for the data is the calendar year, which generally coincides with the annual accounting year. Exceptionally, the reporting units that operate by seasons or campaigns that comprise two different years and thus have their data recorded, refer the information to the season or campaign that ended in the reference year.

3. Statistical unit and reporting unit

STATISTICAL UNIT

The basic statistical unit of analysis is the company or branch under foreign control.

- The statistical definition of the “Enterprise” statistical unit is established by a regulation of the European Union (696/93) that defines it as the “the smallest combination of legal units that is an organizational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit’.
- A branch is understood to be the local unit without its own legal identity that depends on a company under foreign control.

Specifically, for IFATS statistics, statistical units are considered to be affiliated enterprises or branches of foreign enterprises whose main economic activity is included, according to CNAE-2009, in any of the investigated sectors (industry, commerce and other non-financial market services)

New as of the 2018 reference year: new practical implementation of the ‘enterprise’ statistical unit.

Until the 2017 reference year, the INE, like most European Union statistical offices, has identified the enterprise statistical unit with the Legal Unit (in the Spanish case, through the NIF) for operational purposes. **Thus, for statistical purposes each Legal Unit formed an enterprise.**

However, the progressive complexity of the way in which enterprise groups operate internally nowadays caused the European Statistical System (ESS) to search for an improvement as regards the way in which the activity of these groups is reflected in enterprises’ official statistics. Legal Units that belong to enterprise groups sometimes sell their products or provide their services exclusively or mainly within the group, without being market-oriented or having decision-making power over the entire production process.

For all these reasons, and in accordance with the European Statistical System (ESS), **based on data referring to the year 2018**, the Structural Enterprise Statistics -among which is the Statistics on affiliates of foreign companies in Spain (Inward FATS)- establish a new practical application of the statistical concept of Enterprise, by **which a ‘enterprise’ can be formed by a single Legal Unit (as it had been until 2017) or, in the case of enterprise groups, by several Legal Units.**

This change in the treatment of companies has also been implemented in the Statistical Exploitation of the Central Directory of Companies (DIRCE). For more information on the delineation of the Statistical unit Enterprise within the enterprise groups, the following link can be consulted:

https://www.ine.es/metodologia/t37/t3730200_profiling.pdf

The adoption of the concept of the Statistical Enterprise implies that, when the Enterprise is made up of more than one Legal Unit (LU), its LUs must be grouped, condensing all economic and employment figures into the Statistical Enterprise. Furthermore, when certain relationships exist between the Enterprise's LUs (such as vertical integration of industrial activities, and/or Industry-Trade relationships, and/or auxiliary relationships), certain intra-company flows must be consolidated. For this consolidation, the entry/input in some LUs and their corresponding expense/output counterpart in the other LUs involved in the internal flow must be deducted.

To understand in greater detail how the “enterprise statistical units” have been constructed in Inward FAT statistics, consult the methodology of the Structural Business Statistics (SBS): Industrial Sector, Trade Sector, and Services Sector.

https://ine.es/metodologia/t37/metodologia_eee2019.pdf

It should be noted that most of the Enterprises are independent Legal Units, so the Enterprise=Legal Unit identity remains valid. The change will only affect Legal Units (LU) that are part of Enterprise Groups. The latter are quite important in economic and employment terms, however, meaning that the Inward FATS data series produced since the reference year 2018 under the new Statistical Enterprise approach is not strictly comparable to that of previous years, produced under the traditional criteria based on separate Legal Units.

REPORTING UNIT

The reporting unit, or rather, the unit from which the basic information is obtained is the Legal Unit, since being perfectly defined and located and having accounting and employment data, the answer is facilitated and homogeneous information is obtained. Legal Units can be legal persons (commercial companies) or natural persons (individual entrepreneurs).

Basic information on the Legal Units comes either from direct collection (by completing questionnaires) or, increasingly, from the use of administrative sources (tax data for economic variables, and data from the Social Security for variables related to employment).

4. Classification variables

The following lists the classification variables used in the breakdown of the data offered in this statistical operation.

ECONOMIC ACTIVITY

The economic activity carried out by a company is defined as the creation of added value through the production of goods and services.

The statistical units (enterprises) frequently carry out several activities that may be classified in different classes of the National Classification of Economic Activities. In general, the activities carried out by an economic unit may be one of three types: main, secondary and auxiliary activities. The main activity is differentiated from the secondary, as it is the activity which generates the greatest added value. In turn, auxiliary activities are those which generate services that are not sold on the market and which only serve the unit on which they depend (administration department, transport or storage services).

The affiliate companies, for the purposes of this survey, are classified, depending on their main activity, that is, that activity that provides the greatest added value. Nevertheless, faced with sometimes difficult task for companies of calculating or estimating this variable, if such information is not available, the main activity shall be considered that which generates the greatest turnover, or failing this, that which requires the greatest number of employed persons.

From the perspective of the dissemination of results, two different breakdown levels are established for the activity of the affiliate companies:

- a) Classification of the affiliate companies according to the aggregate activity sector.
Three large sectors are considered:
Industry
Trade
Services
- b) Classification of the affiliate companies, according to the broken down branch of activity.

The different branches of activity considered within each sector are the following:

Industry

Mining and quarrying industries, energy, water and waste (CNAE 05-09, 19, 35-39)

Food, beverages and tobacco (CNAE 10-12)

Textile, manufacture, leather and footwear; (CNAE 13-15)

Wood and cork; paper and graphic arts (CNAE 16-18)

Chemical and pharmaceutical industry (CNAE 20, 21)

Rubber and plastic products (CNAE 22)

Various non-metallic mineral products (CNAE 23)

Metallurgy and manufacture of metallic products (CNAE 24, 25)

Electrical, electronic and optical material and equipment (CNAE 26, 27)

Mechanical machinery and equipment (CNAE 28)

Transport material (CNAE 29, 30)

Various manufacturing industries (CNAE 31-33)

Trade

Sale and repair of motor vehicles and motorcycles (CNAE 45)
Trade intermediaries (CNAE 461)
Wholesale of agricultural raw materials and live animals, food products, beverages and tobacco and articles for domestic use (CNAE 462-464)
Wholesale trade of IT equipment and other machinery and equipment and unspecialised wholesale trade (CNAE 465-469)
Retail trade of food, fuel for automotion and IT equipment in specialised establishments (CNAE 471-474)
Other retail trade (CNAE 475-479)
Services
Transport and postal and courier activities (CNAE 49-51, 53)
Storage and activities connected to transport (CNAE 52)
Accommodation (CNAE 55, 56)
Publishing, film, radio, television and telecommunications activities (CNAE 58-61)
IT programming and information services (CNAE 62, 63)
Real estate activities (CNAE 68)
Professional, scientific and technical activities (CNAE 69-75)
Administrative and support service activities (CNAE 77-82)

ENTERPRISE SIZE

The dimension or size of the enterprises is one of the most significant variables at the time of studying their behaviour, and analysing the results of a given research. The dimension of an enterprise may be established in terms of different variables (turnover, production value, employment, etc.). This survey has opted for considering the average number of persons employed as the reference variable to determine the size of the enterprises.

For the purposes of the dissemination of the results, two different breakdown levels are established for the enterprise size variable:

- a) Classification of the affiliates, according to aggregate size:

Micro-companies	1 - 9 employed persons
Small	10 - 49 employed persons
Medium	50 - 249 employed persons
Large	250 or more employed persons

- b) Classification of the affiliates, according to the broken down size bracket:
 - Fewer than 10 employed persons
 - 10 to 19 employed persons
 - 20 to 49 employed persons
 - 50 to 99 employed persons
 - 100 to 249 employed persons
 - 250 to 499 employed persons
 - 500 to 999 employed persons
 - 1000 or more employed persons

AUTONOMOUS COMMUNITY (only until 2018, for results based on Legal Units)

It presents the results of the main variables, broken down for each one of the 17 Autonomous Communities.

COUNTRY OR GEOGRAPHICAL AREA OF THE PARENT COMPANY

The results tables also provide information on the main variables, by geographical area of the parent company. In specific cases, and depending on its importance, the information offered is presented, broken down by country of origin of the parent company that controls the affiliate.

To this end, and in accordance with the methodology established by Eurostat, included both in the European regulation itself and in the corresponding manual of recommendations of affiliate statistics, the criterion applied at the time of determining the country of the parent company of the affiliate, is to consider that corresponding to the *final owner* company of the foreign affiliate located in Spain. the final owner of an affiliate is that institutional unit or company that, proceeding hierarchically upwards along the chain of control of said affiliate, exercises control over itself, not being controlled, in turn, by any other unit.

For the purposes of the dissemination of the results, two different breakdown levels are established for the geographical area of the company variable:

- Classification of the affiliate companies, according to aggregate geographical area:
 - Eurozone
 - Rest of the European Union
 - Rest of Europe
 - America
 - Rest of the world

- Classification of the affiliate companies, according to broken down geographical area:
 - Total Europe**
 - Total European Union
 - Total Eurozone
 - Germany
 - France
 - The Netherlands
 - Italy
 - Luxembourg
 - Portugal
 - Belgium
 - Rest of Eurozone countries
 - Denmark
 - Sweden
 - Rest of European Union

United Kingdom¹
Switzerland
Rest of European countries

Total America

United States
Rest of American countries

Total Asia

Japan
Rest of Asian countries

Total Africa and Oceania

5. Variables and analytical indicators

The dissemination tables of this statistical operation include information on the number of foreign affiliates in Spain (foreign-controlled enterprises), as well as on the following variables of analysis:

- Turnover
- Employed persons
- Production value
- Added value at factor cost
- Purchases and work carried out by other companies
- Personnel costs
- Expenses on external services
- Gross investment in material fixed assets
- Total operating income
- Total operating costs

They also provide data on the following economic indicators:

- Productivity: $\text{Added value} / \text{employed persons}$
- Average salary: $\text{Wages and salaries} / \text{wage earners}$
- Added value rate: $\text{Added value} / \text{production value}$
- Personnel cost rate: $\text{Personnel costs} / \text{added value}$

For the purpose of encouraging a better comprehension and interpretation of the results presented in the tables, we include below the definitions of the main variables and economic indicators used in this statistical operation.

¹ The United Kingdom left the European Union on February 1, 2020.

TURNOVER

Turnover comprises all amounts invoiced by the observation unit during the reference period, which corresponds to the commercial sales of goods and services supplied to third parties.

In the valuation of turnover, this considers all those fees and taxes on the goods and services invoiced by the unit, with the exception of the VAT invoiced by the unit to its clients, and other similar deductible taxes linked directly to turnover. It also includes other costs (transport, packaging, etc.) paid by the client, even if they are specified separately in the purchase invoice. However, possible reductions, sales and price discounts, as well as the value of returned packages, must be deducted from the total amount.

From the accounting point of view, the concept of turnover corresponds to the sum of amounts related to the net sale of products, the net sale of goods and the provision of services. Thus, it does not include subsidies or other operating income, or financial, extraordinary or other income that affects the result of the profit for the financial year.

PRODUCTION VALUE

The value of the production measures the amount of the goods and services actually produced by the enterprise during the reference year.

The value of the production is defined as the turnover, more or less the variations of the stocks of finished products, ongoing work and goods and services purchased for resale, less purchases of goods and services for resale, plus the work done by the enterprise for its asset (capitalized production) and other management income (excluding subsidies). Neither the income nor the expenses classified as financial or extraordinary in the company accounts are included in the production value.

ADDED VALUE AT FACTOR COST

The added value at factor cost is the gross income obtained from the operating activities, after adjusting for the effect of the operating subsidies and indirect taxes.

This value may be calculated from turnover, plus the capitalised production, plus other operating income, plus the variation in stocks, minus the purchases of goods and services, minus other taxes on the products linked to turnover but not deductible, minus the fees and taxes linked to production. As in the concept of production value, the income and the income classified as financial or extraordinary in the company accounts, are excluded from the added value.

The added value at factor cost is calculated as "gross", as value adjustments (such as amortisation) are not considered in its valuation.

PURCHASES AND WORK CARRIED OUT BY OTHER COMPANIES

The total purchases of goods and services include the value of all of the goods and services acquired by the company during the reference year for resale or consumption in the production process. The goods and services in question may be resold with or without ulterior transformation, used completely in the production process, or stored.

Included in the global concept of purchases are the materials that are directly incorporated into the goods produced (raw materials, intermediate products, components), as well as the small tools and non-capitalised capital goods. This also includes the value of the complementary materials (lubricants, water, packages, maintenance and repair materials, office material), energetic products used in the production process and purchases of materials used by the unit itself in the production of capital goods.

The total purchases of goods and services are valued at their purchase price, excluding deductible VAT and other deductible taxes that are directly linked to turnover.

From an accounting viewpoint, this concept is the total amount obtained as a result of aggregating the net purchases of raw materials, the net purchases of other supplies, the net purchases of merchandise and the work carried out by other companies.

EXPENSES ON EXTERNAL SERVICES

This concept comprises the total amount corresponding to the set of operating expenses of a different nature, carried out by the company during the reference year, such as expenditure on research and development, leases and taxes, repairs and preservation, independent professional services, transport, insurance premiums, bank services and the like, advertising, propaganda and public relations, supplies and other services.

- Expenditure on R&D comprises the group of expenses from research and development work commissioned by the company to other companies, universities or institutions dedicated to research work.
- The concept of leases and taxes includes both expenses for the rental of chattel and real estate, and those derived from the right to use or to the entitlement of the different expressions of industrial property.
- Expenses on repairs and preservation include current expenses originating as a result of work in maintenance, repairs and preservations of material goods.
- The concept of independent professional services includes the fees paid to economists, lawyers and auditors, commissions paid to representatives and mediating agents, as well as those amounts paid to other independent professionals as retribution for services provided to the company, etc.
- The concept of transport includes all those expenses of the company corresponding to transport carried out by third parties, when they are not included in the acquisition price of the fixed assets or stock. It includes those transport expenses associated with sales themselves.
- Expenditure on insurance premiums includes those premiums paid corresponding to non-social insurance (excluding those referring to the company personnel). It includes insurance for robberies, fires, etc.

- The concept of banking and similar services includes the commissions on loans and discounts, the commissions for the transfer of funds, the tax for the use of safes, the payments for portfolio management, wealth management, as well as other services and commissions that are not considered financial expenditure.
- The heading of advertising, propaganda and public relations includes all those expenses made by the company during the reference year on services in advertising or propaganda, representation expenses, etc.
- The concept of supplies includes the amount corresponding to the expenses on the acquisition of supplies that are not considered apt for storage (electricity, gas, water, etc.).
- Aside from the above concepts, this also includes, within external services, other expenses made by the company, such as travel allowances and expenses of the personnel, current office expenses, subscriptions to publications and periodicals, expenses on the meetings of executive bodies and shareholders, etc.

PERSONNEL COSTS

Personnel costs are defined as the total remuneration, in cash and in kind, that an employer must pay an employee (permanent and temporary employees, as well as domestic workers), in exchange for the work carried out by the latter during the reference period. Personnel costs include the social security contributions of the employees, and the taxes withheld by the unit, as well as the obligatory and voluntary social contributions of the employer.

Those remunerations paid during the reference period are considered included, regardless of whether they are paid by working day, production or piecework, and whether they are paid periodically or not (productivity and performance bonuses, payments, extraordinary payments, compensation for dismissal, accommodation, transport, living expenses and family subsidies, commissions, attendance bonuses, overtime, night work, etc.).

From the accounting perspective, a part of the concept of personnel costs comprises wages and salaries, compensation, the Social Security that the company is responsible for, as well as other social expenses.

GROSS INVESTMENT IN MATERIAL FIXED ASSETS

The concept of investment includes those capital material goods acquired from third parties, as well as those produced by the unit itself (that is, the capitalised production of material goods) that have a useful life longer than one year.

Investments are considered to be gross, that is, before the value adjustment and the adjustment of deducting the income obtained from grants. The goods purchased are valued at the purchase price, that is, including transport and installation costs, fees, taxes and other property transfer costs. Self-produced material goods are valued at the production cost. The goods incorporated as a result of business restructuring (mergers, segregations, etc.) should not be considered in the concept of investment. Purchases of small tools that are not capitalised and are included as current expenses, should not be considered part thereof either.

From the accounting perspective, investment in material fixed assets encompasses the concepts of land and natural goods, buildings, technical installations, machinery, tools, other installations, furniture, information processing equipment, transport elements and other material fixed assets.

EMPLOYED PERSONS

Employed persons are considered to be the group of people who, as part of the enterprise, contribute through their work, whether remunerated or not, to the activities of the same. They include working owners, partners who work regularly on the unit and unpaid family members who work regularly on the unit. Also included are people who, although they work outside the enterprise, belong to it and are employed by it (for example, the trade representatives, the courier staff and the repair and maintenance teams that work for the enterprise). The staff includes both fixed and temporary staff, either full-time or part-time.

Not included as employed persons:

- Exclusively capitalist partners and family members of the owner who do not participate actively in the enterprise.
- The members of the Board of Directors who do not dedicate at least one-third of the normal working day for the enterprise.
- The staff who work in the premises of the enterprise but that depend on another enterprise, from which they receive their wages.
- Staff facilitated by temporary work enterprises (TWC): It is the staff who works in the enterprise does not belong to it because they are staff supplied by temporary work enterprises.
- People with unlimited license, leave of absence, retired... unless they are still really working in the enterprise.
- Independent, autonomous workers: They are the professionals that are not on the payroll of the enterprise and that they are linked to this one by some contract other than those of work character, like commercial contracts or others, and that they work exclusively, or at least mainly, for the enterprise.
- In general, free professionals linked to the enterprise by a commercial contract.

Employed personnel include both employees and unpaid persons employed.

For the purposes of statistical results, information on employed personnel is presented on an annual average basis.

TOTAL OPERATING COSTS

This is the total amount obtained as a result of aggregating different expenses linked to use carried out by the company during the reference year (purchases and work carried out by other companies; personnel costs; expenses on external services; and other operating expenses). Internal expenses are valued at the production cost, and include all operating costs, including labour costs and capital expenditure.

TOTAL OPERATING INCOME

This is the total amount obtained as a result of aggregating different income linked to operation, obtained by the company during the reference year (net value of turnover; tasks performed by the company for assets; subsidies, gifts and legacies; and the remainder of operating income).

ECONOMIC INDICATORS

The information is completed with the dissemination of a set of economic indicators in the form of ratios, which contribute to enriching the results offered, and aid in interpreting the data provided in the statistical operation.

These indicators are provided by each one of the 26 branches of activity researched (12 industrial, 6 in trade and 8 from the remaining services), as well as by company size bracket.

The economic indicators or ratios disseminated are the following:

- *Productivity*: Is the quotient between the added value at factor cost and the average number of employed persons over the year. Figure expressed in euros.
- *Average wages*: It is the quotient (expressed in euros) between the total wages and salaries and the average number of wage earners over the year. This facilitates the comparative analysis of the average remuneration paid to the wage earners for each activity.
- *Added value rate*: It is defined as the percentage represented by the gross added value at factor cost with regard to the production value, and shows the income generation capacity per product or service unit.
- *Rates of personnel costs*: This proportion is represented by the personnel costs, as compared with the added value. It may be considered a measurement of the participation of remunerated employment in the distribution of income generated in the sector. Its complement would be the gross operating surplus rate.

6. Data processing

SURVEY FRAMEWORK AND DESIGN

The information necessary for the compilation of the survey framework is obtained from the Central Companies Directory of the INE (DIRCE), which contains data on the companies located in Spain that belong to a group of companies of a supra-national scope.

In addition to the identification and localisation data of the different statistical units, the DIRCE contains information regarding the economic activity and employment of the different companies, which enables including these concepts in the process of stratification. The information from the DIRCE is completed and updated with the data obtained from the survey itself.

The sample of the affiliates statistics is part of the global samples of the surveys on the structure of industry and services, and therefore, the criteria established in these surveys in terms of type of sampling, sample selection, etc., are applicable. Nevertheless, given the peculiarities of the target population of affiliates of study, it has been considered most appropriate, in terms of a better estimation of the results of the survey, to apply, whenever possible, comprehensiveness criteria in the selection process of the units. In any case, there is always a reduced number of units (affiliates) that are not localised a priori in the directory, which are detected in the general collection process, and that as a result, come from sampling strata.

DATA COLLECTION

The information collection necessary for the compilation of these statistics is framed within the general collection scheme of the structural surveys of industry, trade and services. The application of the efficiency criteria and reduction of the response workload for the informant units, as well as the search for alternatives of a lesser economic cost, suggest taking advantage of the statistical sources of structural economic information for the execution and obtaining of the information necessary for the affiliate statistics.

The management processes of the fieldwork, from the perspective of the IT management and from the perspective of the treatment of incidences and the control of errors, are also integrated within the general block of the structural surveys.

FILTERING AND ANALYSIS OF THE INFORMATION

The initial stage of the general filtering process of the information coincides in time with the fieldwork itself, and is carried out in parallel with the entire duration of the data collection. The recording modules include error controls whose basic objective is to establish levels of quality that are sufficient in the information collection, which allows for the adequate development of the subsequent phases designed for the processing and publishing of the data. On carrying out this first control, by the units in charge of the collection themselves, this enables the contact with the informant units, and makes it possible to achieve better, and above all, faster action in the resolution of problems.

In the subsequent general publishing process, a detection and filtering are carried out, of all of the possible errors and inconsistencies that affect the primary data, both referring to the identification and classification variables of each register, and regarding the content variables of the survey. To this end, different methods of editing and imputation are applied, giving priority to both the specific follow-up of the most significant units of each sector, and the control of the errors that have the greatest effect on the aggregated data.

SECTORIAL INTEGRATION

Although the structural statistics of the industry, trade and services sectors are disseminated separately, it has been considered convenient to design a single statistical product that jointly presents data on foreign affiliates in Spain of the three sectors, in order to respond in a more efficient way the current demands and statistical needs of the different users of this information.

The sectorial integration of the affiliate statistics constituted the first step in the development of the general integration project of these structural surveys of industry, trade and services, a project launched for the first time for the reference data 2015, and whose ultimate objective has been to design a new system of structural surveys, in which the different statistical sources of information coexist and are in turn integrated into a common methodological framework, in such a way that a more coherent supply of statistical information is configured and in accordance with the needs of the users.

7. Dissemination and results tables

The results of the statistics on affiliates of foreign enterprises in Spain (Inward FATS) are disseminated, integrating information from the industrial and services sectors, from reference year 2008.

We observe that, for previous periods (2005-2007), information is available referring only to the services sector, which may be obtained by viewing the corresponding *Services Sector Inward FATS*.

As already explained in section 3, **starting in 2018, the IFATS statistic applies a new operating concept of 'Enterprise'**, according to which a Statistical Enterprise can be made up of a single Legal Unit (as it had been until 2017) or by various Legal Units. Due to this change, the statistical results for 2018 (based on the Statistical Enterprises) are not comparable with those of previous years (based on separate Legal Units). To facilitate the comparison in 2018, the INE released the statistical results of said exercise under both versions.

For the reference year 2019, only data based on the Statistical Enterprises is disseminated, which will be the prevailing criterion for subsequent years

Therefore, in the IFATS publication in INEBase the statistical results for the different reference years are organized as follows:

- Results based on Legal Units (Series 2008 to 2018).
- Results based on Statistical Enterprises (2018 Series onwards).

INWARD FATS. RESULTS BASED ON LEGAL UNITS (2008-2018)

Tables are structured in four differentiated information blocks for data based exclusively on Legal Units. Each Legal Unit, represented by a NIF, is equivalent to an ENTERPRISE:

The reference year 2018 was the last year for which statistical results were published under this approach.

1. Number of affiliates of foreign companies

- 1.1. Number of affiliates of foreign companies by branch of activity.
- 1.2. Number of affiliates of foreign companies by size bracket.
- 1.3. Number of affiliates of foreign companies by Autonomous Community.
- 1.4. Number of affiliates of foreign companies by country of the parent company.
- 1.5. Number of affiliates of foreign companies by activity sector and company size.
- 1.6. Number of affiliates of foreign companies by activity sector and geographical area of the parent company.

2. Main variables

- 2.1. Main variables by branch of activity.
- 2.2. Main variables by size bracket.
- 2.3. Main variables by Autonomous Community.
- 2.4. Main variables by country of the parent company.
- 2.5. Main variables by activity sector and company size.
- 2.6. Main variables by activity sector and geographical area of the parent company.

3. Main indicators

- 3.1. Main variables by branch of activity.
- 3.2. Main variables by size bracket.

4. Main investing countries

- 4.1. Main investing countries by branch of activity.
- 4.2. Main investing countries by activity sector.

In order to enrich the dissemination of this survey and favour the comparative analysis of the results thereof, we also present, in the first three tables of blocks 1 and 2, aside from the specific data regarding affiliates provided by the survey, additional data regarding the percentage represented by the results of the affiliate companies, as compared with the total companies. This additional data has been obtained from the corresponding structural surveys of each sector: The Industrial Companies Survey, whose object of study is the group of industrial companies with one or more paid employed persons, the Annual Trade Survey and the Annual Services Survey, orientated towards the research of those companies whose main activity belongs to the area of trade and of non-financial market services, respectively.

INWARD FATS. RESULTS BASED ON STATISTICAL ENTERPRISES (2018 ONWARDS)

This new approach was implemented for the first time for the reference year 2018 and will be the one that will prevail for subsequent years.

The tables based on the "Enterprise Statistical Unit" are also structured in four differentiated blocks that are almost identical to those of the "Legal Unit."

Tables 1.3 and 2.3, which refer to autonomous communities, are eliminated, since the "Statistical Enterprise" can be formed by "Legal Units" located in different autonomous communities:

1. Number of affiliates of foreign enterprises

- 1.1. Number of affiliates of foreign enterprises by activity branch.
- 1.2. Number of affiliates of foreign enterprises by size interval (employed).
- 1.3. Number of affiliates of foreign enterprises by parent enterprise country.
- 1.4. Number of affiliates of foreign enterprises by activity sector and enterprise size.
- 1.5. Number of affiliates of foreign enterprises by activity sector and geographical area of the parent enterprise.

2. Main variables

- 2.1. Main variables by activity branch.
- 2.2. Main variables by size interval (employed).
- 2.3. Main variables by country of the parent enterprise.
- 2.4. Main variables by activity sector and enterprise size.
- 2.5. Main variables by activity sector and geographical area of the parent enterprise.

3. Main indicators

- 3.1. Main variables by activity branch.
- 3.2. Main variables by size interval (employed).

4. Main investor countries

- 4.1. Main investor countries by activity branch.
- 4.2. Main investor countries by activity sector.

In order to favour comparative analysis of the results thereof, the first two tables of blocks 1 and 2 are also contain -aside from the specific data on affiliates - additional data regarding the percentage represented by affiliate results in relation to the total number of enterprises.