

**Entrepreneurial  
activity in Barcelona  
and Catalonia  
in 2012**

**June 2013**



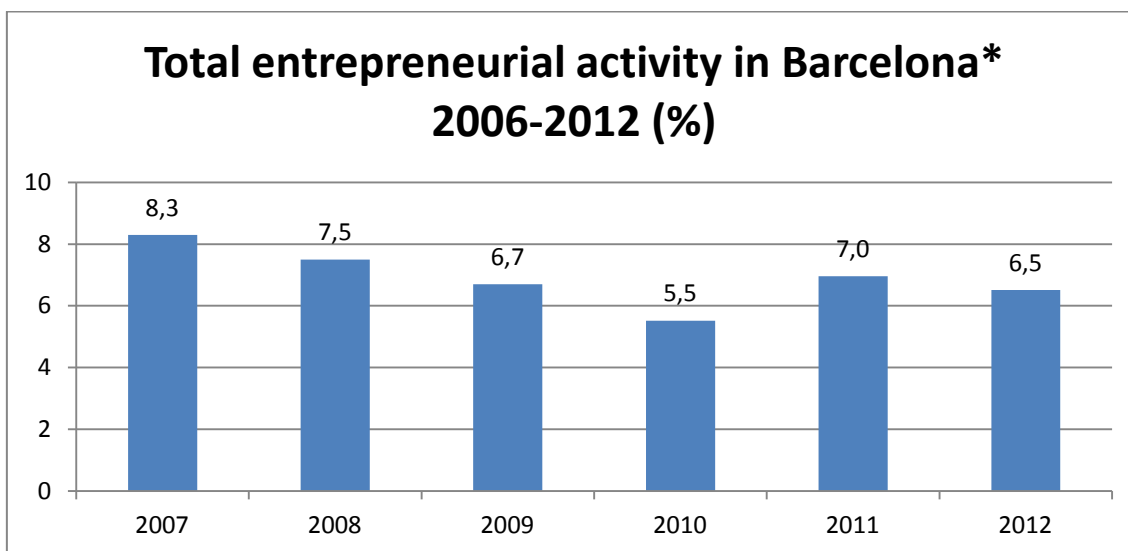
**Ajuntament  
de Barcelona**

## ENTREPRENEURIAL ACTIVITY IN BARCELONA AND CATALONIA IN 2012

This report contains the most significant results of the Catalonia Executive Report 2012 by the Global Entrepreneurship Monitor, promoted<sup>1</sup> by the Government of Catalonia Ministry of Enterprise and Employment and the Barcelona Regional Government and created by the Institute of Regional and Metropolitan Studies. The report is supplemented with a final section on the creation of trading companies in 2012, according to official INE statistics, which includes data on the city.

### Entrepreneurial activity in Barcelona and Catalonia

According to the Catalonia Executive Report 2012, based on the methodology of the Global Entrepreneurship Monitor, **total entrepreneurial activity (TEA) for the population residing in the province of Barcelona was 6.5%, down 0.5% from the previous year.** Thus, after rising 1.5% in 2011, the TEA for the province returned to the downward trend seen from 2007 to 2010, reaching a level similar to that of 2009.



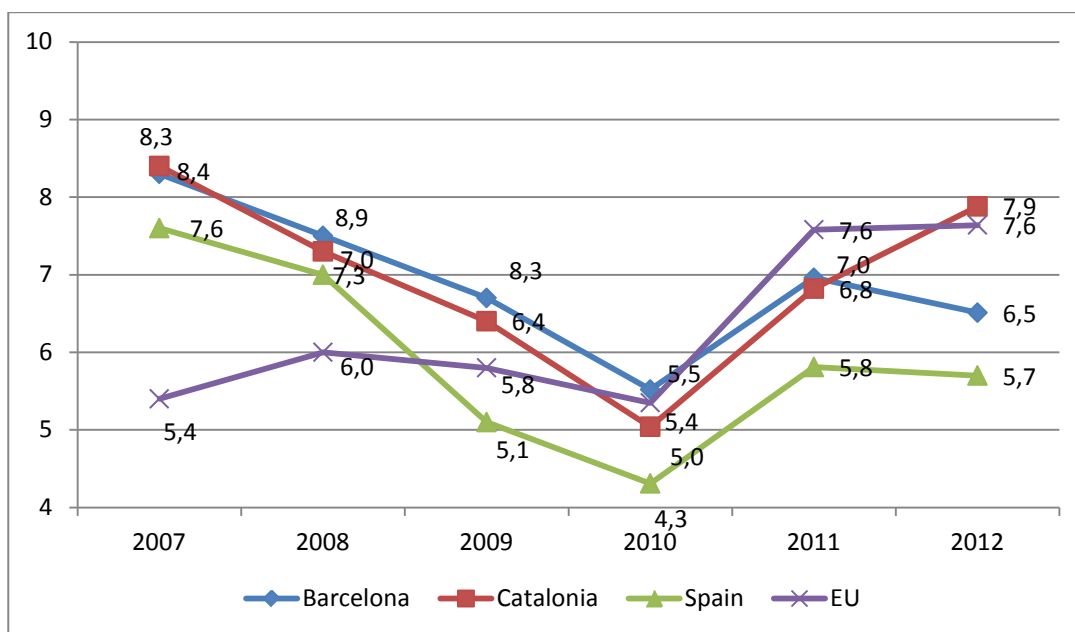
\* Provincial data expressed as a percentage of the population between 18 and 64 years old.

Source: Global Entrepreneurship Monitor-Catalonia 2011

<sup>1</sup> The Global Entrepreneurship Monitor project aims to obtain yearly data on entrepreneurial activity around the world based on an extensive international survey that uses the same methodology in more than 50 countries. The project has analysed Catalonia since 2003.

The positive evolution of entrepreneurial activity in 2012 in Catalonia as a whole must be noted, **with TEA at 7.9%, up 1.1% from 2011**, while the European Union (7.6%) and Spain (5.7%) have stagnated in this regard, with a slight increase and deterioration of 0.1% respectively with regard to the previous year. As a whole, **TEA in Catalonia has increased 56% since 2010**, when it was at 5%.

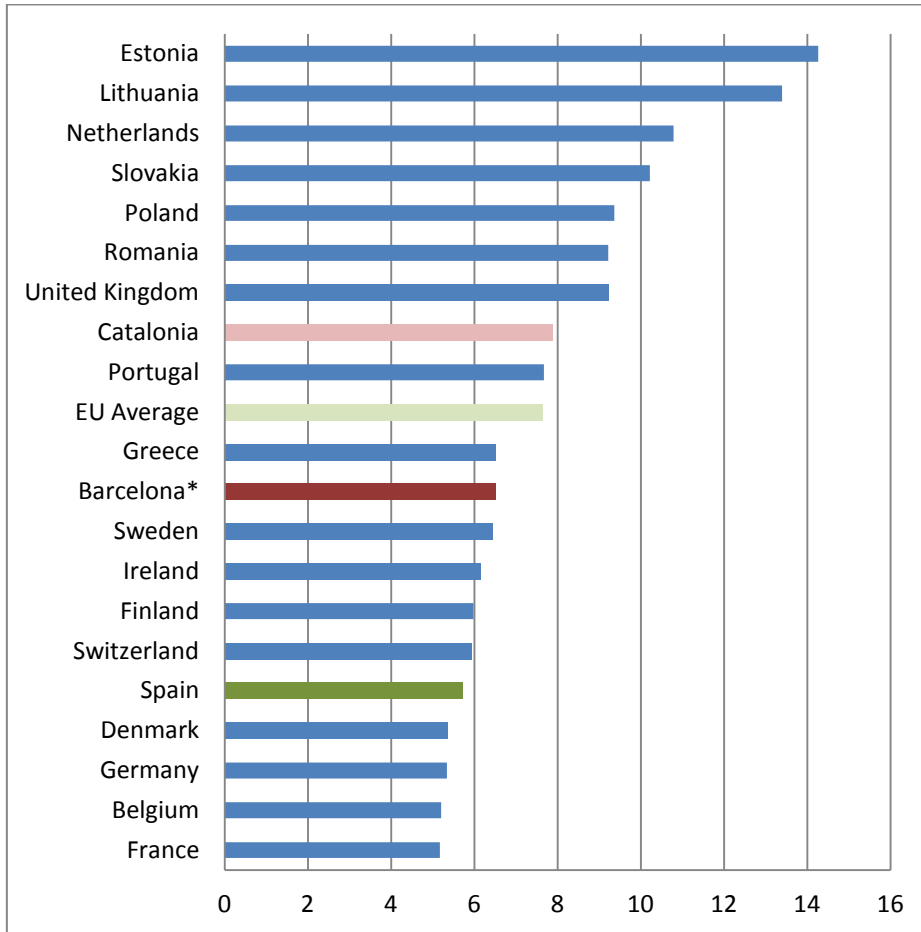
### Total entrepreneurial activity\* by area



\* Expressed as a percentage of the population. Includes nascent (< 3 months) and new (up 42 months of activity) firms. Source: Global Entrepreneurship Monitor, Catalonia Executive Report, various years

In a European context characterised by a slight stagnation in entrepreneurship and the predominance of Eastern European countries at the top of the ranking, Barcelona and Catalonia once again surpassed France (5.2%), Switzerland (5.9%) and Finland (6%), which they were also ranked ahead of in 2010, as well as maintaining TEA above that of Sweden (6.4%), Germany (5.3%) and Belgium (5.2%). **Additionally, Catalonia was above the European average (7.6%) after four consecutive years of falling below this level.**

## ENTREPRENEURIAL ACTIVITY IN EUROPEAN COUNTRIES 2012 (% of population 18-64 years old)

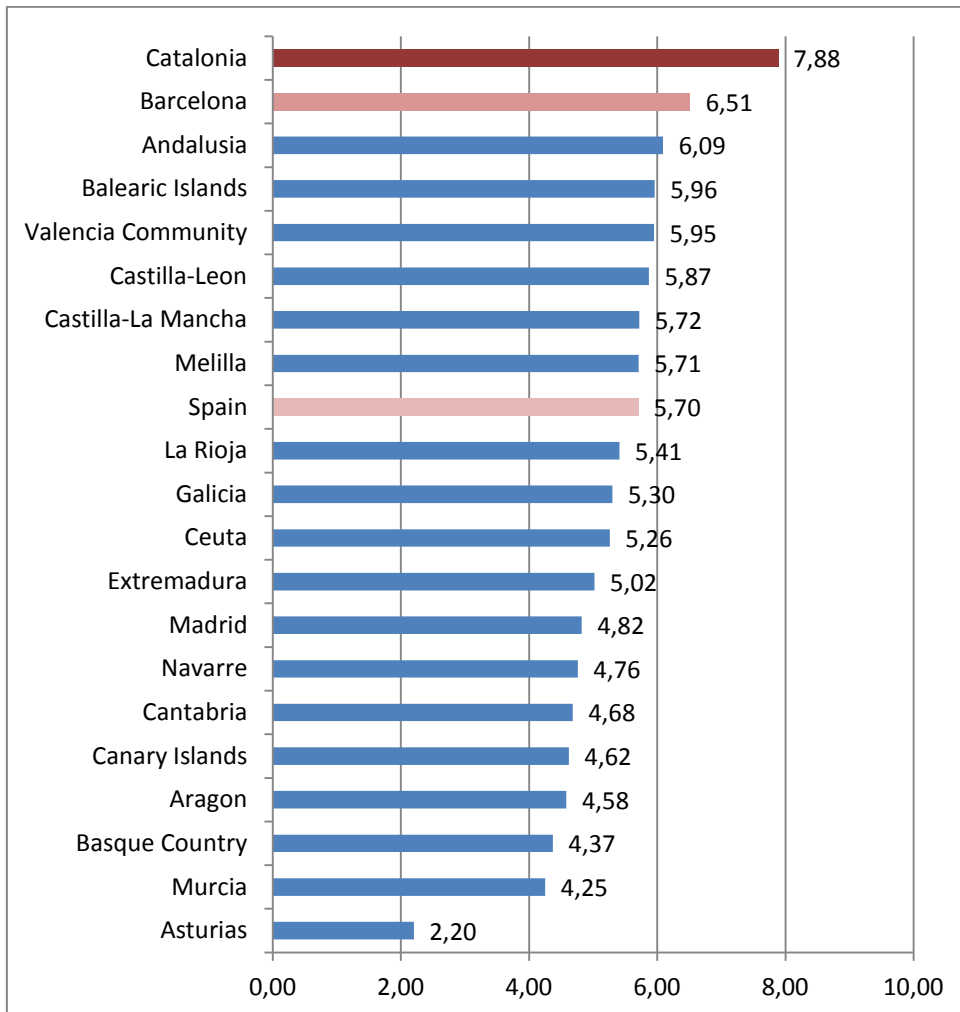


\*Provincial data

Source: Global Entrepreneurship Monitor (GEM), Catalonia Executive Report 2012

Furthermore, on the TEA ranking by Autonomous Community in Spain, Catalonia was number one and the rate in Barcelona was above that of every other Autonomous Community.

## Creation of companies in Spain (TEA in %), 2012



Source: Global Entrepreneurship Monitor (GEM), Catalonia Executive Report 2012

Among the reasons driving the creation of companies, in **2012 there was an increase in necessity-driven entrepreneurs** as a result of the difficult job market: **in Barcelona, 68.9% of all people involved in entrepreneurial activity were motivated by the desire to take advantage of a business opportunity**, while for **30% entrepreneurial drive was the result of a lack of job alternatives**, the latter up 10.2% from 2011. In Catalonia and Spain, the results were slightly more positive: necessity-driven entrepreneurship made up one-fourth of all those involved, while in 74.2% and 71.7% of the cases, respectively, the creation of the company was based on a business opportunity.



If we analyse the various stages of the business process, **more than one in four adults (29.1%) in the province of Barcelona was involved in a business process in 2012**: 13.5% said they wanted to start up a company (potential entrepreneurs), 4.3% had done so in the past 12 months (nascent entrepreneurs) and 2.2% in the previous 1 to 3 years (new entrepreneurs), while 9.1% were established companies. It must be noted that the area saw a 45% drop in new entrepreneurs<sup>2</sup>. In Catalonia, roughly one-third of the adult population (32.3%) was involved in the business process, and the number of established companies increased substantially (+20.8%) from the previous year. One concern is that the discontinuance rate was at 2.2% and 2.5% in Barcelona and Catalonia respectively, after seeing an increase of 14.6% in the region.

Regarding the analysis of the net business flow, and unlike the previous year, there were only 69% of the new entrepreneurs needed to compensate for and replace those who had discontinued activity the previous year in the province of Barcelona, which shows a drop in the net business flow and low regeneration levels. **The increase in the discontinuance rate** in the area with regard to 2011 (28.6%) was mainly due to the lack of business profits (55.2%), followed by difficulties accessing financing (6.6%) and the opportunity to sell or transfer the business (4.4%).

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<sup>2</sup> Those who have started operations of their own company in the last year.

## Entrepreneurial activity in the province of Barcelona and Catalonia

Entrepreneurs in the province of Barcelona were mainly men (69.9%) with post-secondary studies (65.3%), an income level between €20,001 and €40,000 (38.4%) and other employment (78.2%). The age group most highly represented among entrepreneurs was the 45-to-54-year-old bracket (31.3%).

## Entrepreneur profile, 2012

Early-stage entrepreneurs (%)

	Barcelona Prov.	Catalonia
<b>Gender</b>		
Male	69,9	69,5
Female	30,1	30,5
<b>Age</b>		
18-24	5,4	7,4
25-34	27,7	22,2
35-44	21,7	25,6
45-54	31,3	35,2
55-63	13,9	9,7
<b>Formal education</b>		
*Post-secondary stu	65,3	68,3
<b>Yearly Income</b>		
Less than €20,000	30,4	35,5
€20,001-€40,000	38,4	39,6
More than €40,000	31,2	14,2
More than €100,000	4,5	10,7
<b>Employment Status (nascent entrepreneurs)</b>		
Employed	78,2	76,6
Retired	0	2,3
Homemaker	0	0
Student	1,8	2,9
Unemployed	20	18,3

Source: Global Entrepreneurship Monitor,  
Catalonia Executive Report 2012



## Entrepreneurial activity in Barcelona and Catalonia in 2012

In Catalonia, the profile of entrepreneurs showed the same overarching characteristics, with a slightly higher percentage of entrepreneurs with post-secondary studies, of those between 45 and 54 years old, and of those with income between €20,001 and €40,000 (which in the region made up 68.3%, 35.2% and 39.6% of the total, respectively).

It is also noteworthy that **the proportion of female entrepreneurs was roughly 30% of the total in both Barcelona and Catalonia, having dropped in both cases (7.7% and 8.6% respectively) from levels seen in 2011**. Additionally, Barcelona showed a higher proportion of entrepreneurs under 35 than the region as a whole (33.1% compared to 29.6%), as well as a smaller drop in this indicator with regard to the previous year (down 3.4% in the province and 6.5% in Catalonia). In fact, **for the first time since 2006, the average age of Catalan entrepreneurs was above 40**.

Regarding the profile of companies created, **a significant percentage of companies were created in sectors with potential for greater value added in the province of Barcelona**, like business services (35.1%) and industry (11.2%). Nevertheless, more than half of all new companies were created in consumer-oriented sectors (52.9%), while in Catalonia the weight of the aforementioned sectors was 40.6%, 15.6% and 43.8% respectively.



**Business profile for entrepreneurial activity, 2012****Early-stage entrepreneurs (%)**

	<b>Barcelona Prov.</b>	<b>Catalonia</b>
<b>Sector</b>		
Transformative	19,4	20
Business services	41,9	40,6
Consumer-oriented	38,7	43,8
<b>Use of technology</b>		
Product innovation	37,7	50,8
Process innovation	37,5	39,7
Technology sector	12,9	9,4
<b>Employment</b>		
Freelance	66,3	
Micro-companies	97,2	
<b>Internationalisation</b>		
Exports	27,2	
1%-25%	12,5	
26%-75%	5,3	
76%-100%	9,4	

1. Includes nascent and new entrepreneurs

Source: Global Entrepreneurship Monitor, Catalonia Executive Report 2012

Catalan entrepreneurship has taken on a more innovative profile than that seen in the recent years of crisis, with significant growth in process innovation and the use of new technology. Thus, in 2012, 50.8% of new entrepreneurs in Catalonia carried out product innovation and 39.7% process innovation, percentages above those for the province of Barcelona (44.4% and 37.7% respectively). The weight of the technology sector was also greater in Catalonia than in Barcelona (9.4% and 6.4% respectively).

On the whole, the results of the 2012 GEM report on Catalonia demonstrate an **increase in entrepreneurial activity in Catalonia and a slight decrease in the province of Barcelona with regard to the previous year**, although in both cases levels are above those seen in other Spanish Autonomous Communities and benchmark countries. In both territories, **the rate of female and under-35**



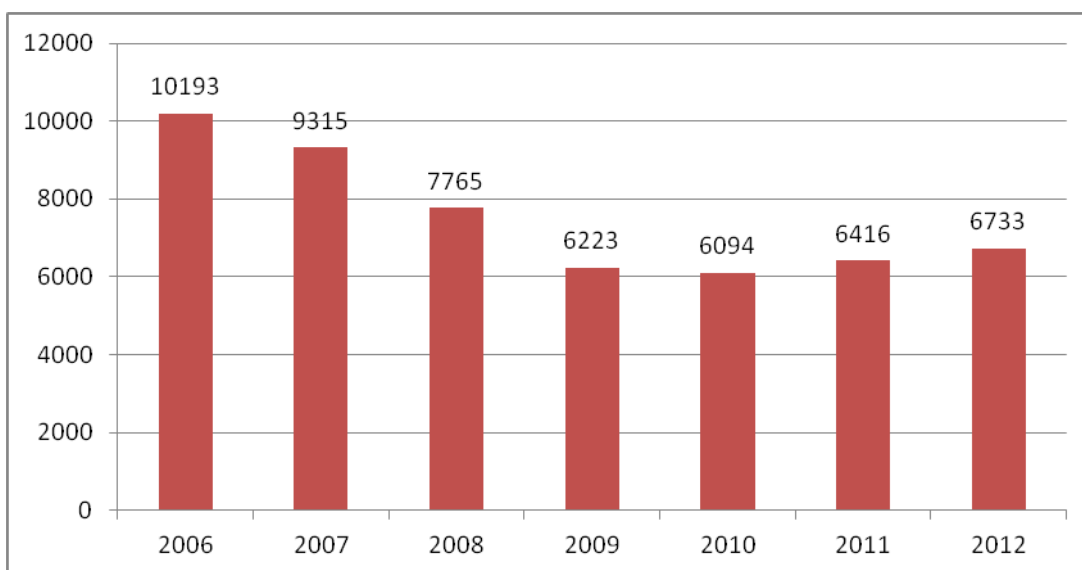
## Entrepreneurial activity in Barcelona and Catalonia in 2012

**entrepreneurship dropped** and a decrease has been detected in the entrepreneurial replacement rate, which has an unfavourable effect on the stock of companies. Deteriorating profitability of companies and, to a lesser degree, the lack of credit to finance activity, both situations resulting from the crisis, are among the main causes of the increase in discontinuance.

### Evolution of trading companies in 2012

According to data from the INE, in the city of **Barcelona 6,733 trading companies were created in 2012**, 323 more (4.9%) than in 2011. Thus, **the number of established trading companies grew for the second consecutive year and reached the highest level in four years**, although in absolute terms it is still far from those seen in the years before the crisis.

### Trading companies created in the city of Barcelona 2006-2012



Source: Created by the Barcelona City Council Department of Studies in Economy, Enterprise and Employment based on data from the INE

Regarding the province of Barcelona, 12,885 trading companies were registered in 2012, for a year-on-year variation of +4.4%, a rate above both the Spanish average (+2.7%) and that for Catalonia as a whole (+3.5%). **The city and province of Barcelona account for 7.7% and 14.8% of new companies created in Spain, respectively.**

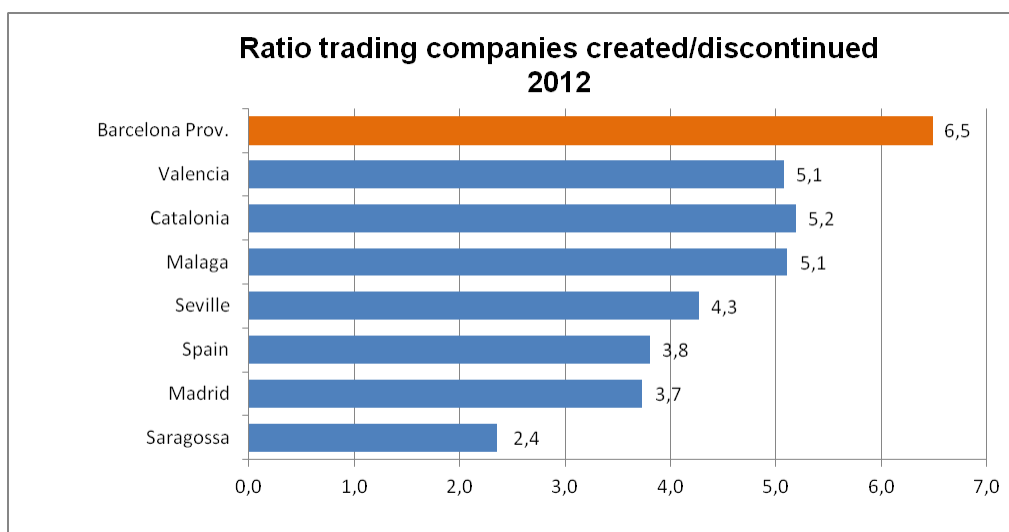


## Trading companies created in the main Spanish provinces

	2012	Ratio t.c. created / 1000 inhab.
<b>Barcelona city</b>	<b>6.733</b>	<b>4,2</b>
Barcelona province	12.885	2,3
Madrid	18.291	2,8
Valencia	4.823	1,9
Seville	3.569	1,8
Malaga	4.195	2,6
Saragossa	1.538	1,6
Catalonia	16.189	2,1
<b>Spain</b>	<b>87.066</b>	<b>1,8</b>

Source: Created by the Barcelona City Council Department of Studies in Economy, Enterprise and Employment based on data from the INE

Additionally, in 2012 **Barcelona had the highest rate of companies created to those discontinued (6.5) of all Spanish provinces**, so according to this statistical source the net flow of business creation in the province is positive and allows for business regeneration.



Source: Created by the Barcelona City Council Department of Studies in Economy, Enterprise and Employment based on data from the INE

Likewise, there was an increase of 37.1% in subscribed capital in trading companies in the city compared to 2011, which is the first time this figure has grown in three years.

It must be noted that **in the first months of 2013 the positive evolution of the creation of trading companies in Barcelona has continued**. In fact, from January to April, 2,644 companies were created in the city, 4.9% more than in the same period the previous year.