

NEW ENTERPRISES

C 4

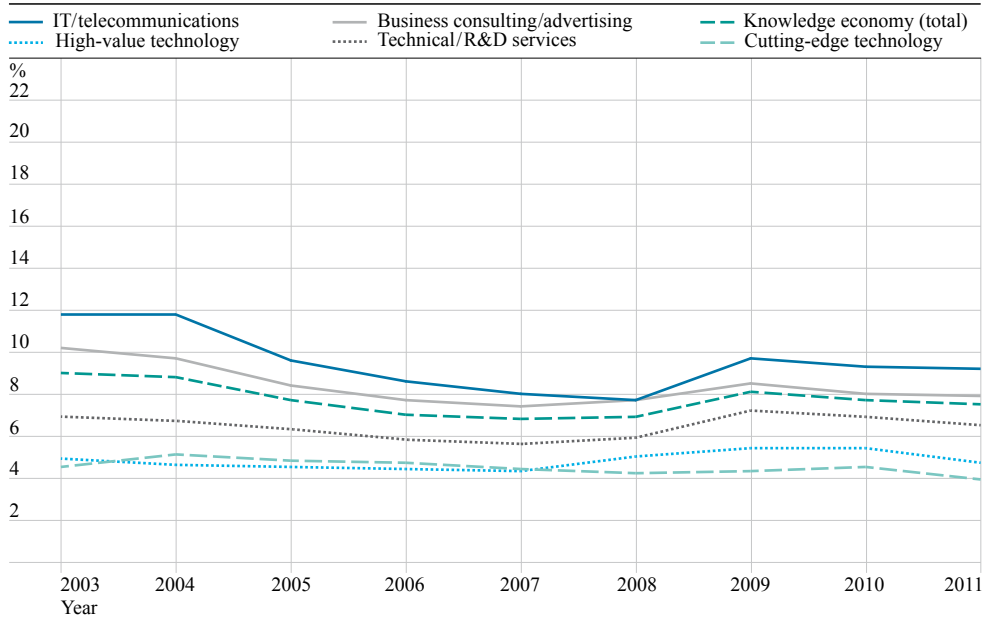
With their innovative products, processes and business models, business start-ups – and especially those in research and knowledge-intensive sectors – pose a challenge to existing companies. The creation of new enterprises and the market exit of unsuccessful or formerly successful companies signify the competition for the best solutions. Company dynamics are therefore an important aspect of structural change. Especially in new fields of technology, in the emergence of new trends in demand, and in the early phase of the transfer of scientific knowledge to the development of new products and processes new enterprises open up market niches, while also facilitating the breakthrough of innovative ideas that are not pursued by large companies.

The results displayed in graphs C 4–1 to C 4–3 of company dynamics in the knowledge economy are based on an evaluation of the Mannheim Enterprise Panel (MUP), conducted by the Centre for European Economic Research (ZEW).³⁹² According to this evaluation, the start-up rate (C 4–1) in the knowledge economy amounted to 7.6 percent in 2011 and thus once again decreased when compared with the previous year. The closure rate (C 4–2), however, remained almost stable at 7.2 percent in 2011.

Company dynamics (C 4–3) provide information on the direction and strength of structural change in the business sector. The intra-sectoral comparison for the 2010/2011 period reveals that the sector group with the strongest dynamics was energy supply, mining and waste disposal, while the weakest dynamics were recorded in cutting-edge technology and high-value technology. Between the 2006/2007 and 2010/2011 periods, company dynamics in the knowledge economy remained almost stable, albeit in most of the knowledge economy's sectors it remained well below the levels of 2003/2004, i.e. innovation competition has weakened in these fields.

Graphs C 4–4 and C 4–5 show results from the Global Entrepreneurship Monitor (GEM).³⁹³ The rate of nascent entrepreneurs (C 4–4) denotes the proportion of the population aged 18 to 64 years that is actively involved in starting up a business. In 2011, this proportion increased in Germany for the second consecutive year, after a continuous decrease in the preceding years. The rate of opportunity entrepreneurs (C 4–5) shows the proportion of nascent entrepreneurs who start up a business in order to exploit a business idea, in contrast to those who start up a business for lack of alternative income sources. Compared with the previous year, this proportion increased significantly in 2011 in Germany, which indicates a positive effect in terms of economic structural change, since opportunity entrepreneurs much more frequently state that they offer products or services that are new to the customer.³⁹⁴

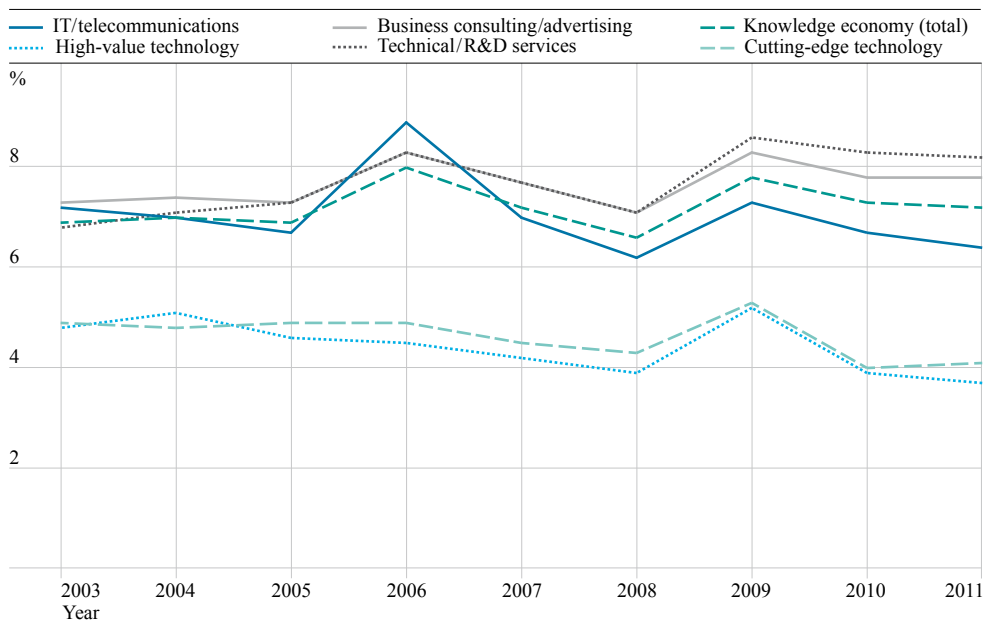
C 4-1 Start-up rates in Germany's knowledge economy
 (figures in percent)



Start-up rate:
 number of start-up busi-
 nesses, as a percentage of
 total number of companies.

All figures are provisional.
 Source: Mannheim Enterprise Panel (MUP). Calculations by ZEW.

C 4-2 Closure rates in Germany's knowledge economy
 (figures in percent)



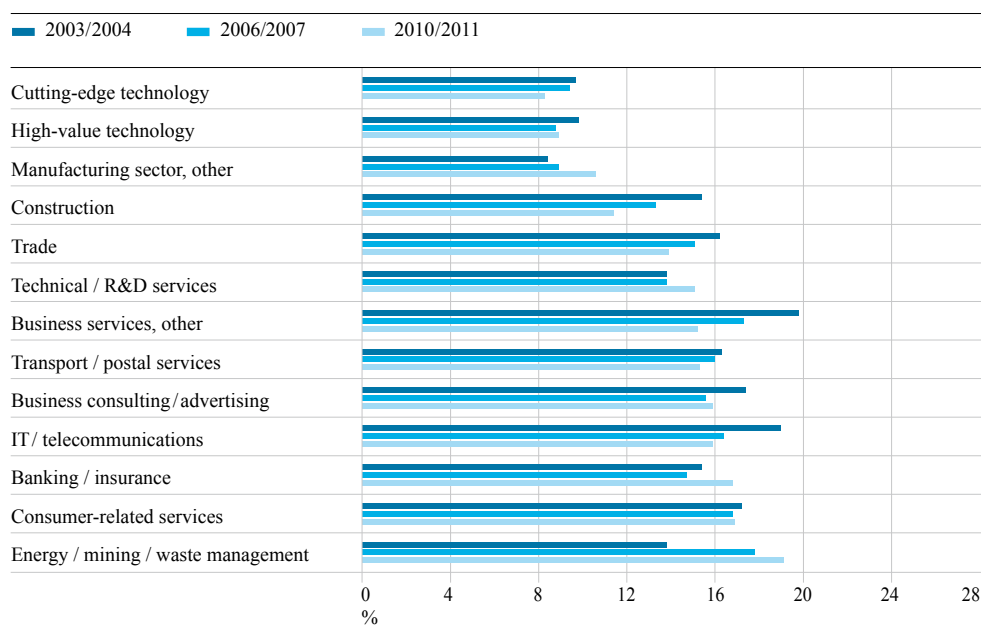
Closure rate:
 number of companies shut
 down during the course of a
 year, as a percentage of total
 number of companies.

All figures are provisional.
 Source: Mannheim Enterprise Panel (MUP). Calculations by ZEW.

Company dynamics in Germany according to sector groups (figures in percent)

C 4-3

Company dynamics: number of start-up businesses, plus number of company closures, as a percentage of total number of companies at mid-year.



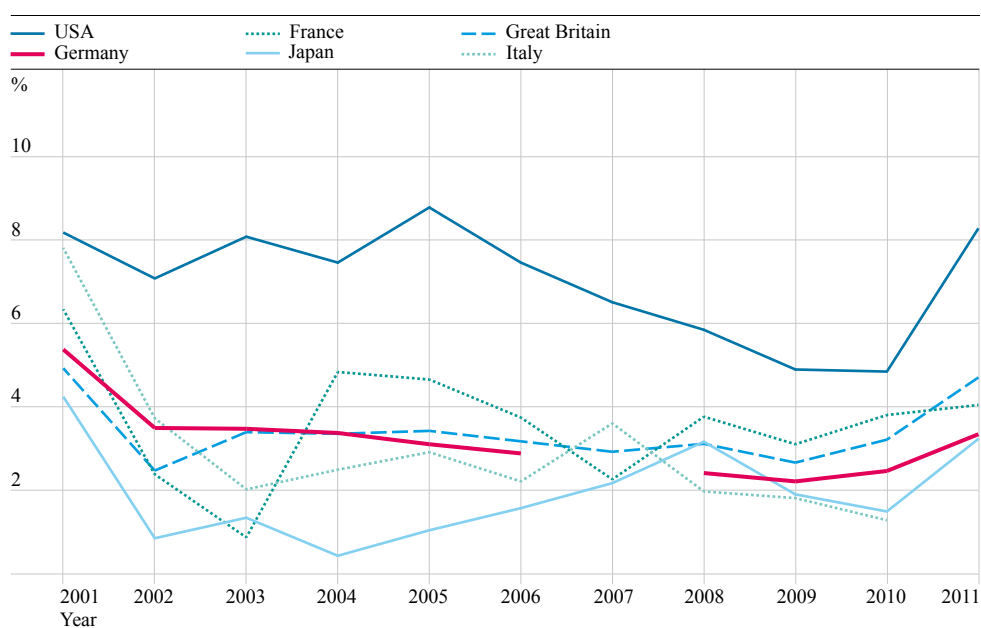
All figures are provisional.

Source: Mannheim Enterprise Panel (MUP). Calculations by ZEW.

Rate of nascent entrepreneurs (figures in percent)

C 4-4

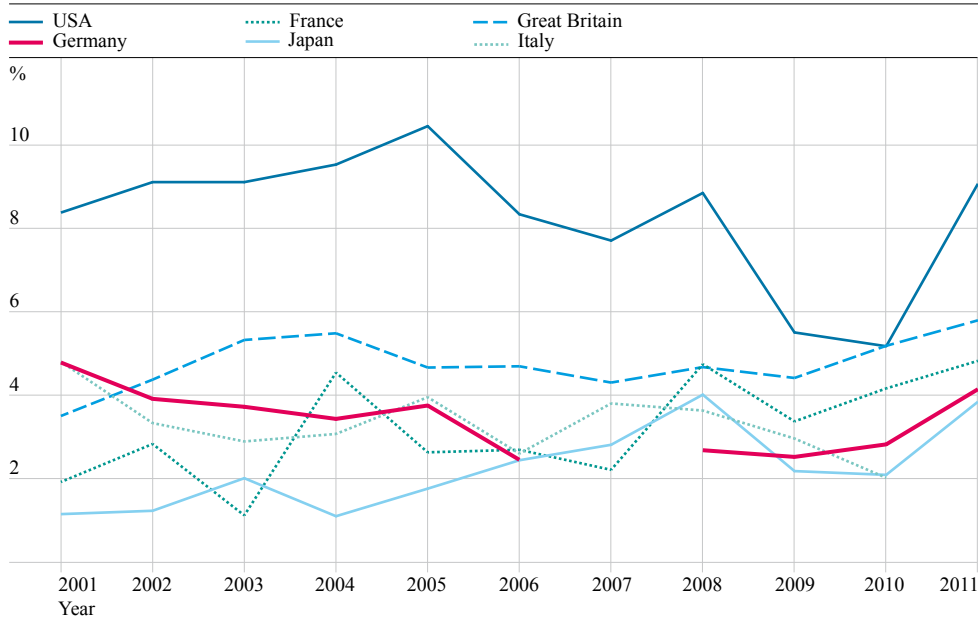
Rate of nascent entrepreneurs: number of persons aged 18 to 64 who are actively involved in starting up a new business – which may include e.g. the following activities: acquiring equipment and locations, organising an entrepreneurial team, drawing up a business plan, providing capital – and who intend to be the owner of or a shareholder/partner in a company, and who have not paid any wages or salaries during a period of three months prior to the survey, as a percentage of all persons aged 18 to 64, in the relevant country.



Germany did not participate in GEM in 2007 and Italy did not participate in 2011.

Source: Global Entrepreneurship Monitor (GEM), Adult Population Surveys 2000–2011.

C 4-5 Opportunity Entrepreneurs
 (figures in percent)



Opportunity entrepreneurship: number of persons aged 18 to 64 who are nascent entrepreneurs (cf. C 4-4) and who intend to go into business in order to exploit a business idea, as a percentage of all persons aged 18 to 64, in the relevant country.

Germany did not participate in GEM in 2007 and Italy did not participate in 2011.
 Source: Global Entrepreneurship Monitor (GEM), Adult Population Surveys 2000–2011.