

## C 5 New enterprises<sup>400</sup>

An international comparison of start-up rates – i.e. the number of start-up businesses as a percentage of the total number of companies – is only possible at the European level.<sup>401</sup> The Business Demography Statistics provided by Eurostat are used for this purpose (cf. C 5-1). They constitute part of the European Union's Structural Business Statistics (SBS), an official database that is based on evaluations of business registers in the individual Member States. The figures for Germany are provided by the Federal Statistical Office's business demography statistics, which are derived from the German business register.<sup>402</sup> In 2015, the start-up rate in Germany was 7.1 percent, well below the figures for the UK (14.7 percent), the Netherlands (9.7 percent) and France (9.4 percent).<sup>403</sup> Germany did not reach a top position in knowledge-intensive services either; here its start-up rate was 8.3 percent. Germany's start-up rate of 3.8 percent in the R&D-intensive industries was the lowest of the countries examined here.

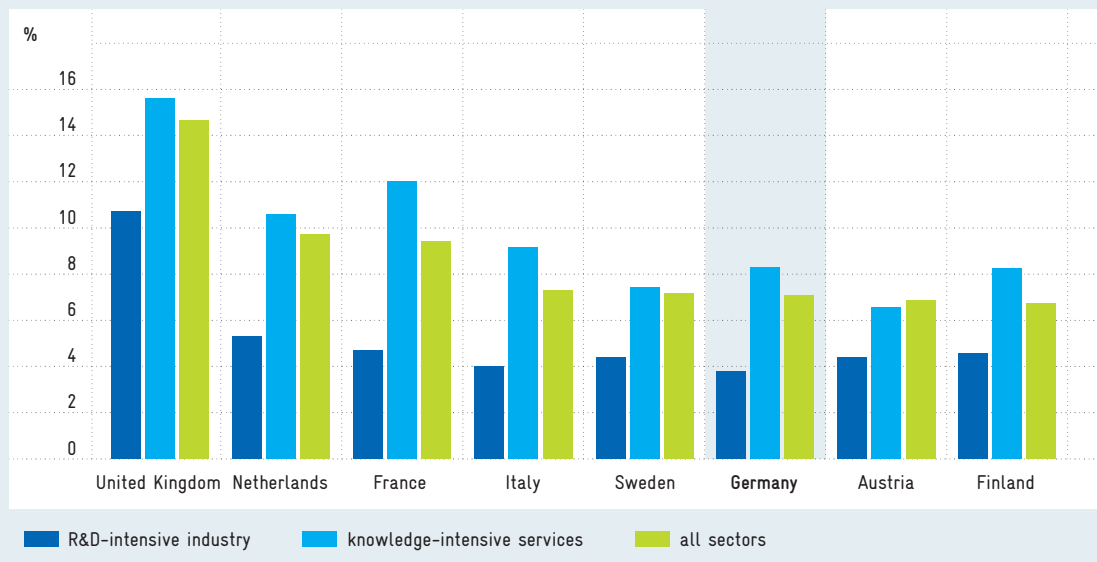
The figures on company dynamics in the knowledge-based economy shown in charts C 5-2 to C 5-4 are taken from an evaluation of the Mannheim Enterprise Panel (MUP) conducted by the Centre for European Economic Research (ZEW). The MUP is a ZEW panel dataset on businesses located in Germany. It is compiled in cooperation with Creditreform, the largest credit information bureau in Germany. The definition of 'company' used by the MUP is restricted exclusively to economically active companies; 'start-ups' are defined as original, newly formed companies.<sup>404</sup> The start-up rate shown in figure C 5-2 is calculated on the basis of different data from those used in the Business Demography Statistics, which means that a direct comparison cannot be drawn here.<sup>405</sup> According to the data provided by the MUP, the start-up rate in the knowledge-based economy in 2016 was 4.6 percent, 2.4 percentage points lower than ten years earlier (C 5-2).<sup>406</sup> As in previous years, the field of IT/telecommunications had the highest start-up rate – 6.0 percent in 2016 – within the knowledge-based economy.

The closure rate in the knowledge-based economy was 4.3 percent in 2016, around 0.8 percent lower than in 2015 (C 5-3).<sup>407</sup> In all the sectors of the knowledge-based economy examined, the current rate was lower than in the previous year.

Comparison of the Länder reveals significant differences in start-up rates within Germany (C 5-4).<sup>408</sup> Berlin had the highest start-up rates of all Länder: across all industries (7.4 percent), in R&D-intensive industries (5.6 percent), and in knowledge-intensive services (7.1 percent). The lowest rates were seen across all industries in the east German Länder. The figure was 3.5 percent in Thuringia, 3.8 percent in Saxony, 4.0 percent in Saxony-Anhalt, 4.1 percent in Brandenburg and 4.6 percent in Mecklenburg-Western Pomerania.

### Start-up rates in 2015 by international comparison as percentages

Start-up rate: number of start-up businesses as a percentage of the total number of companies.



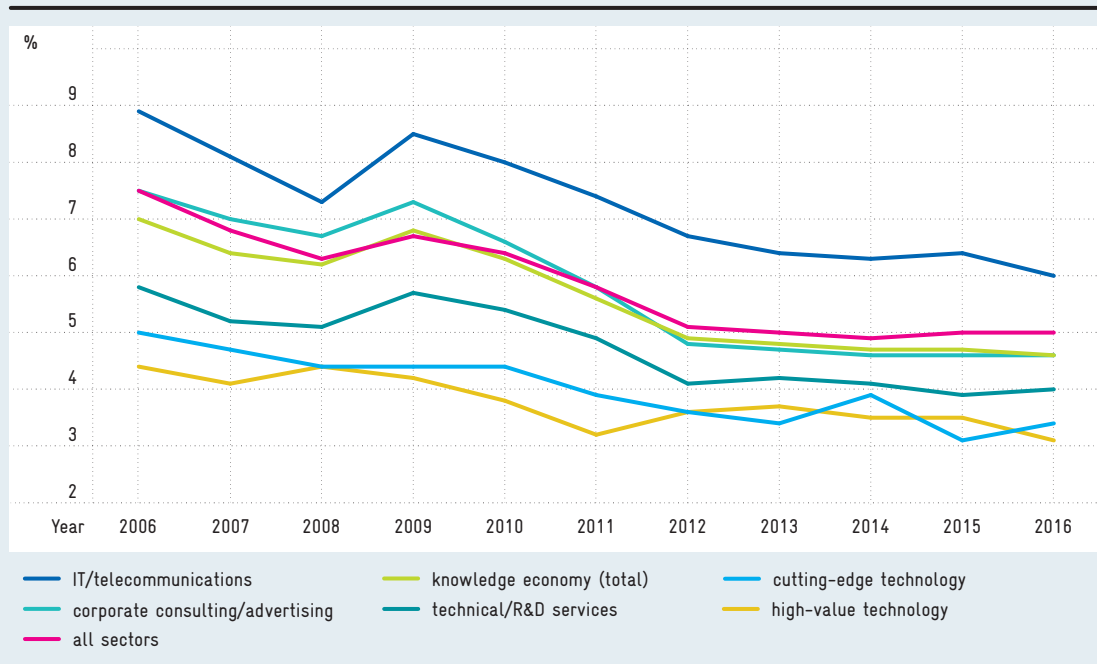
Source: Business Demography Statistics (Eurostat).  
Calculations by ZEW in Bersch et al. (2018).

Fig. C 5-1

Download data

### Start-up rates in Germany's knowledge economy 2006–2016 as percentages

Start-up rate: number of start-up businesses as a percentage of the total number of companies.



All figures are provisional.  
Source: Mannheim Enterprise Panel (ZEW). Calculations by ZEW in Bersch et al. (2018)

Fig. C 5-2

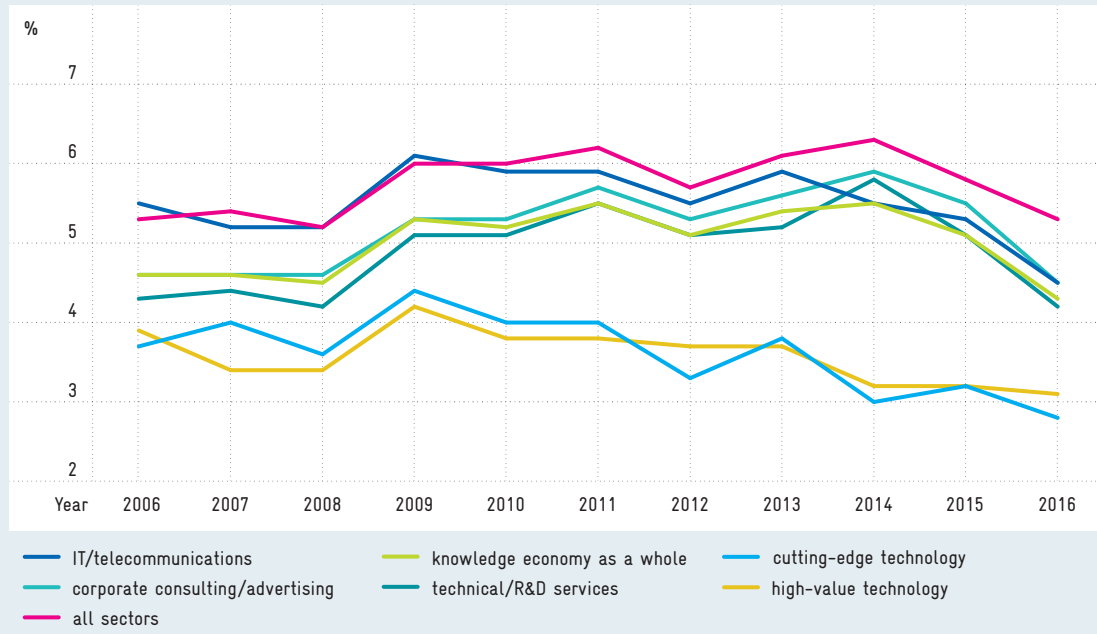
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Fig. C 5-3

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### Closure rates in Germany's knowledge economy 2006–2016 as percentages

Closure rate: number of companies that close down during a year as a percentage of all companies.



All figures are provisional.

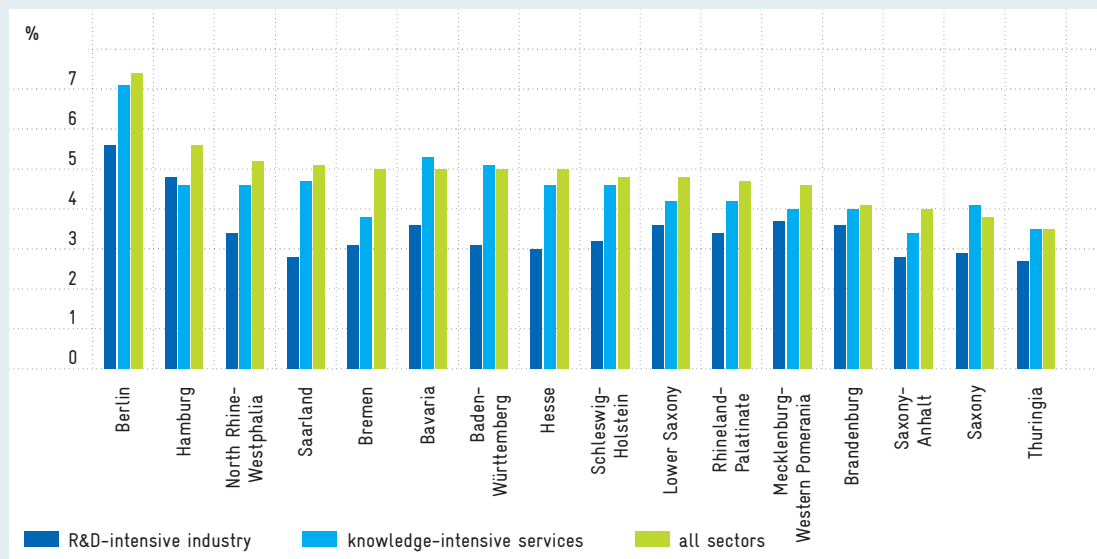
Source: Mannheim Enterprise Panel (ZEW). Calculations by ZEW in Bersch et al. (2018)

Fig. C 5-4

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### Start-up rates by Länder 2014–2016 as percentages

Start-up rate: number of start-up businesses as a percentage of all companies.



All figures are provisional.

Source: Mannheim Enterprise Panel (ZEW). Calculations by ZEW in Bersch et al. (2018)