

## C 5 New businesses

An international comparison of rates of new businesses – i.e. the number of new businesses as a percentage of the total number of businesses – is only possible at the European level.<sup>533</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>534</sup> In 2016, the rate of new businesses in Germany was 6.7 percent, well below the figures for the UK (15 percent), France (9.7 percent) and the Netherlands (9.6 percent).<sup>535</sup> Germany also failed to reach a top position in the field of knowledge-intensive services, where its start-up rate was 7.9 percent. Germany’s rate of new businesses of 3.4 percent in the R&D-intensive industries was the lowest of the countries examined here.

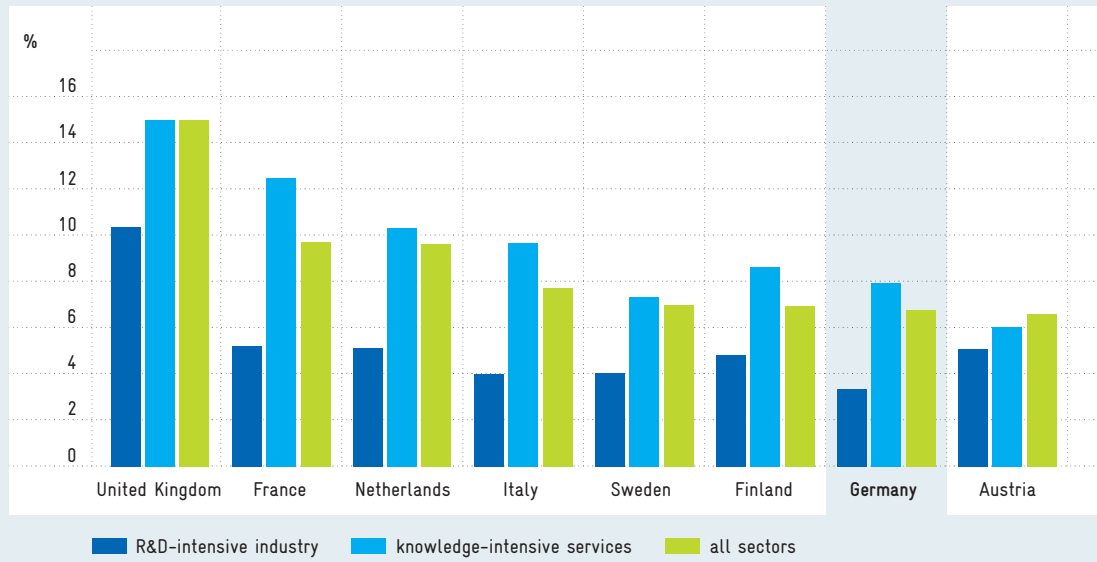
The figures on company dynamics in the knowledge-based economy shown in charts C 5-2 to C 5-4 are taken from an evaluation of the Mannheim Enterprise Panel (MUP) conducted by the Centre for European Economic Research (ZEW). The MUP is a ZEW panel dataset on businesses located in Germany and is compiled in cooperation with Creditreform, the largest credit information bureau in Germany. The definition of ‘business’ used for the MUP is restricted exclusively to economically active businesses; ‘new businesses’ are defined as original, newly formed businesses.<sup>536</sup> The rate of new businesses shown in figure C 5-2 is calculated on the basis of different data from that used in the Business Demography Statistics, which means that a direct comparison cannot be drawn here.<sup>537</sup> According to the data provided by the MUP, the rate of new businesses in the knowledge-based economy in 2017 was unchanged from the previous year at 4.5 percent (C 5-2).<sup>538</sup> The rate is therefore markedly lower than during the financial and economic crisis (2008: 6.2 percent; 2009: 6.8 percent).

The closure rate in the knowledge-based economy was lower than those of all other sectors during the entire study period. In 2017, the sector’s closure rate was recorded at 3.5 percent, a decline of approximately 0.4 percentage points compared to 2016 (C 5-3).<sup>539</sup> In all the sectors of the knowledge-based economy examined, the current rate was the lowest ever recorded in the study period.

Comparison of the Länder for the period 2015 to 2017 reveals significant differences in rates of new businesses within Germany (C 5-4).<sup>540</sup> Berlin had the highest rates of new businesses of all Länder: across all industries (7.3 percent), in R&D-intensive industries (5.3 percent) and in knowledge-intensive services (7.0 percent). The lowest rates were seen across all industries in the east German Länder. The figure was 3.3 percent in Thuringia, 3.7 percent in Saxony, 3.8 percent in Mecklenburg-Western Pomerania, 4.0 percent in Saxony-Anhalt and 4.1 percent in Brandenburg.

### Rates of new businesses in 2016 by international comparison as percentages

Rate of new businesses: number of new businesses as a percentage of the total number of businesses.



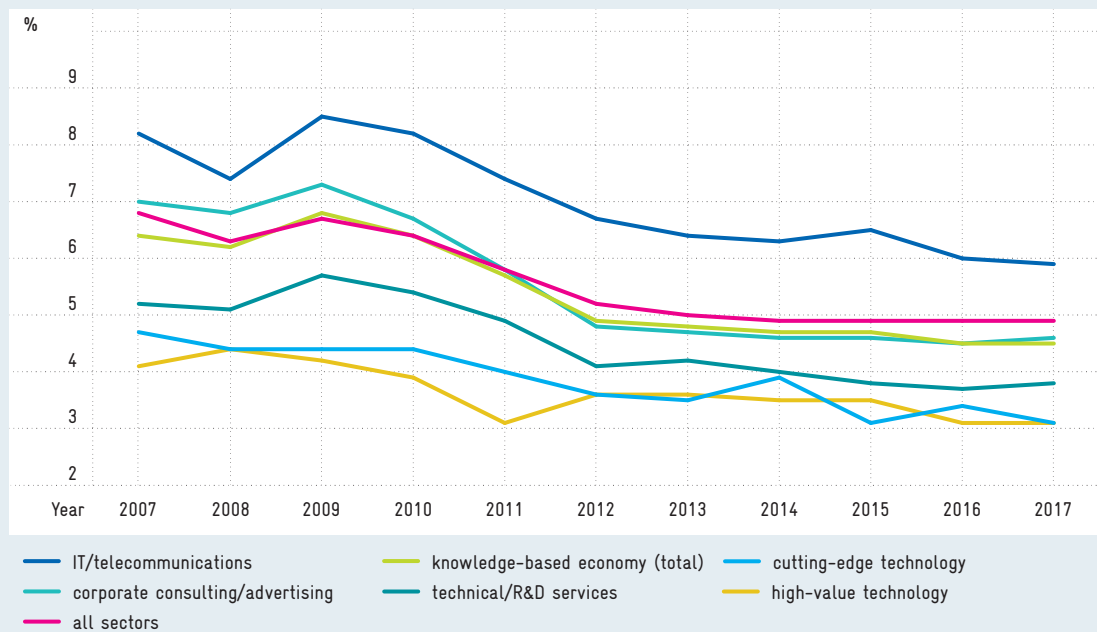
Source: Business Demography Statistics (Eurostat). Calculations by ZEW in Bersch and Gottschalk (2019).

Fig. C 5-1

[Download data](#)

### Rates of new businesses in Germany's knowledge-based economy 2007-2017 as percentages

Rate of new businesses: number of new businesses as a percentage of the total number of businesses.



All figures are provisional.

Source: Mannheim Enterprise Panel (ZEW). Calculations by ZEW in Bersch and Gottschalk (2019).

Fig. C 5-2

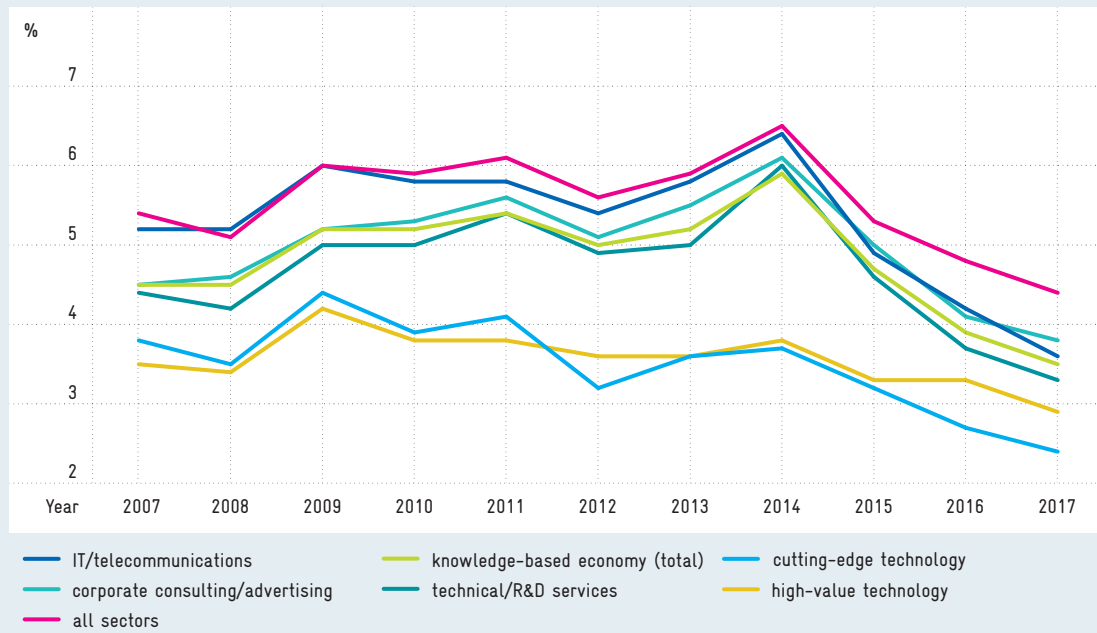
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Fig. C 5-3

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### Closure rates in Germany's knowledge-based economy 2007–2017 as percentages

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



All figures are provisional.

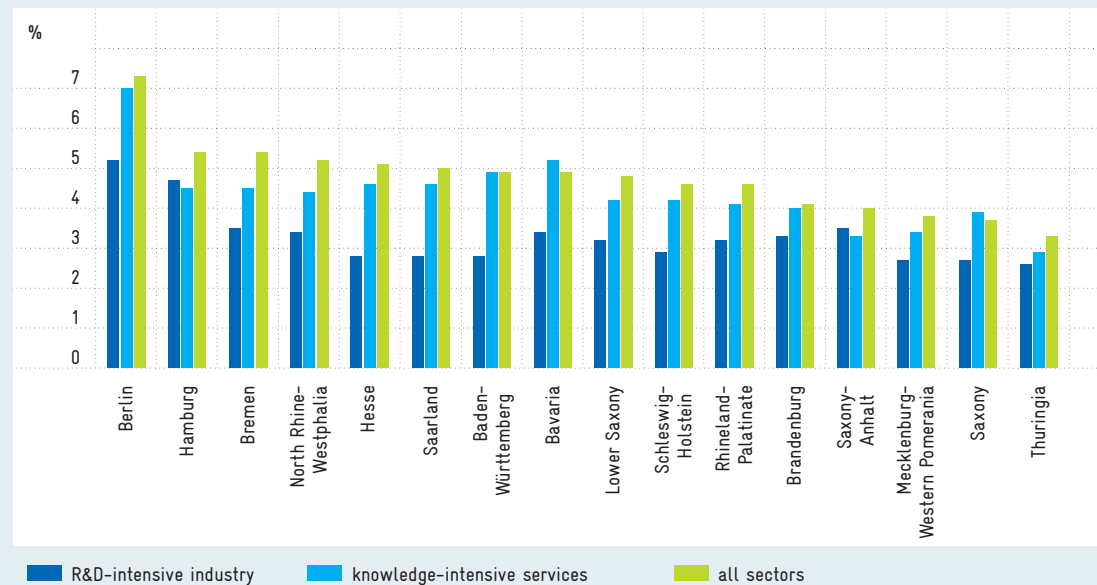
Source: Mannheim Enterprise Panel (ZEW). Calculations by ZEW in Bersch and Gottschalk (2019).

Fig. C 5-4

Download data

### Rates of new businesses by Länder 2015–2017 as percentages

Rate of new businesses: number of new businesses as a percentage of the total number of businesses.



All figures are provisional.

Source: Mannheim Enterprise Panel (ZEW). Calculations by ZEW in Bersch and Gottschalk (2019).