

C 5 New businesses

An international comparison of start-up rates, i.e. the number of new businesses as a percentage of the total number of companies, is only possible at the European level.³³⁶ The Business Demography Statistics provided by Eurostat are used here for this purpose (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.³³⁷ In 2017, the start-up rate in Germany was 6.8 percent, well below the figures for the UK (13.5 percent), France (10 percent) and the Netherlands (9.5 percent).³³⁸ Germany's start-up rate of 3.4 percent in the R&D-intensive industries was the lowest of the countries examined here. Germany also failed to reach a top position in knowledge-intensive services, where its start-up rate was 8 percent.

The figures on business dynamics in the knowledge-intensive sectors shown in charts C 5-2 to C 5-4 are taken from an evaluation of the Mannheim Enterprise Panel (MUP) conducted by the ZEW – Leibniz 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.³³⁹ The definition of 'business' used by the MUP is restricted exclusively to economically active companies; 'start-ups' are defined as original, newly formed businesses.³⁴⁰ The start-up rate shown in figure C 5-2 is thus calculated on the basis of different data from those used in the Business Demography Statistics, so that a direct comparison cannot be drawn here.³⁴¹ This means that the figures deviate from those given in Figure C 5-1 for Germany. After the start-up rate in the knowledge-intensive sectors fell significantly in the years following the financial and economic crisis, it has remained relatively constant in recent years. In 2018, it amounted to 4.3 percent – the same as in the two previous years.³⁴²

It is gratifying that the closure rate, i.e. market exits, in the knowledge-intensive sectors has fallen for the last four years in a row and was only 2.7 percent in 2018 (C 5-3).³⁴³ In all the sectors of the knowledge-intensive sectors examined, the current rate was lower than at any time during the period under review.

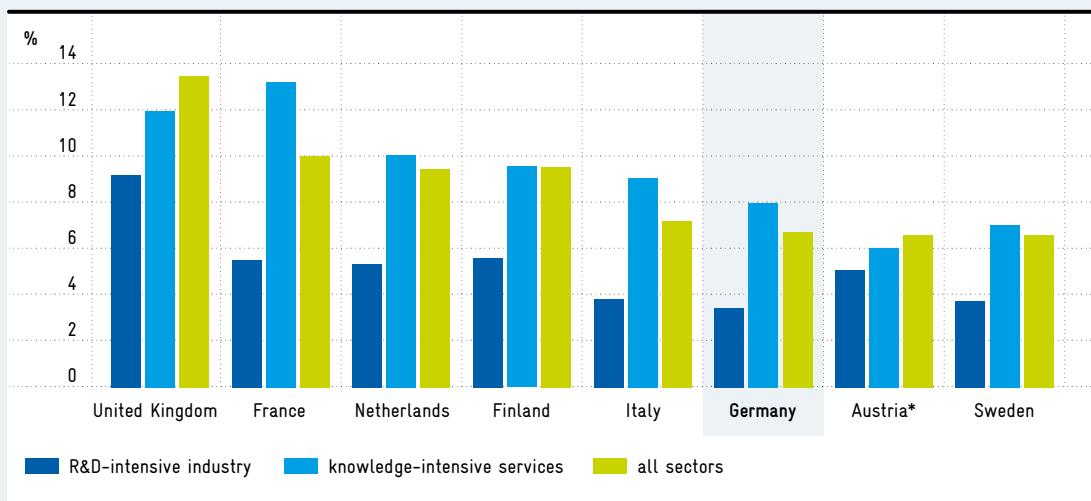
A comparison of the Länder for the period 2016 to 2018 shows that the start-up rates across all sectors were lower in the east German territorial Länder than in west German territorial Länder and in city states (C 5-4).³⁴⁴ However, looking at R&D-intensive industry, Saxony-Anhalt and Brandenburg had start-up rates (4.2 and 3.6 percent) that were surpassed only by Berlin and Hamburg. Berlin and Hamburg had the highest start-up rates of all Länder: across all industries (6.8 and 5.4 percent), in R&D-intensive industries (4.7 and 4.1 percent), and in knowledge-intensive services (6.8 and 4.7 percent).

Start-up rates in 2017 by international comparison as percentages

Fig. C 5-1

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

Download data



* 2016.

Source: Business Demography Statistics (Eurostat). Calculations by ZEW (ZEW – Leibniz Centre for European Economic Research) in Bersch et al. (2020).

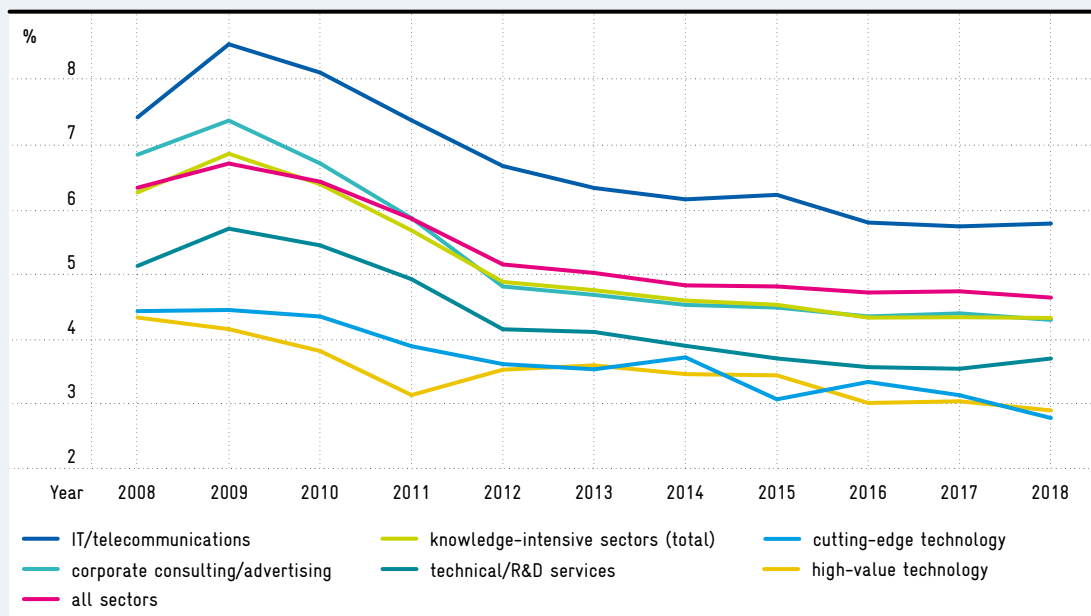
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Start-up rates in Germany's knowledge-intensive sectors 2008-2018 as percentages

Fig. C 5-2

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

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All figures are provisional.

Source: Mannheim Enterprise Panel. Calculations by ZEW (ZEW – Leibniz Centre for European Economic Research) in Bersch et al. (2020).

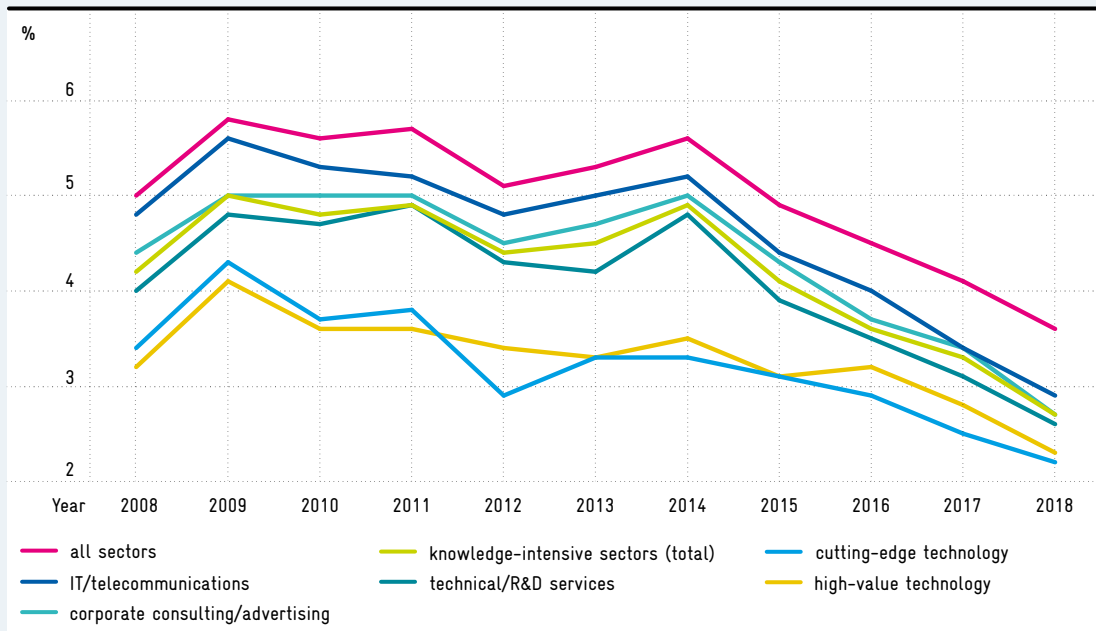
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Fig. C 5-3

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Closure rates in Germany's knowledge-intensive sectors 2008–2018 as percentages

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



All figures are provisional.

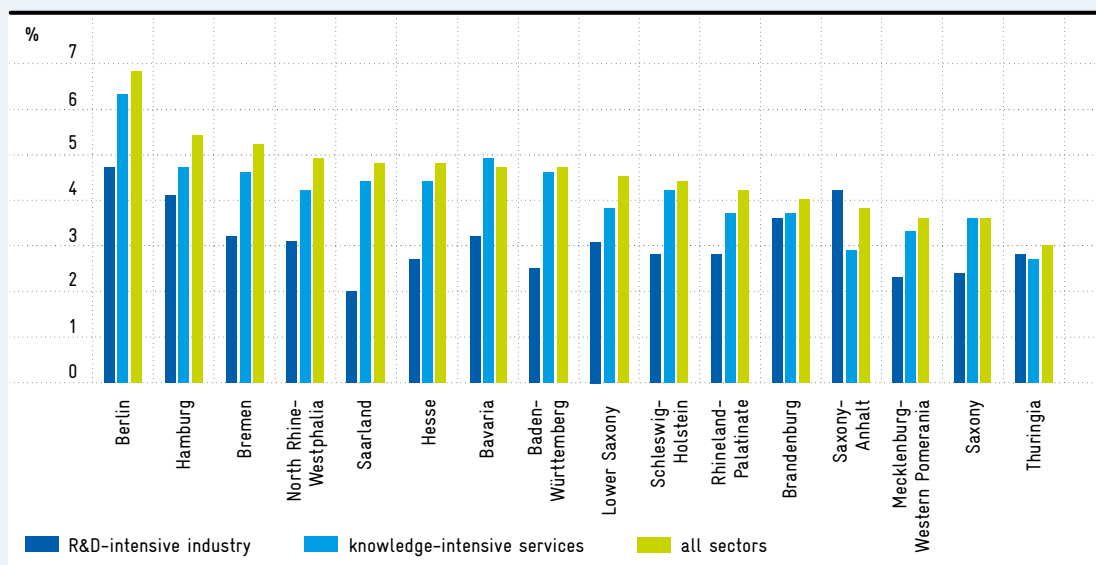
Source: Mannheim Enterprise Panel. Calculations by ZEW (ZEW – Leibniz Centre for European Economic Research) in Bersch et al. (2020)
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Fig. C 5-4

Download data

Start-up rates by Länder 2016–2018 as percentages

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



All figures are provisional.

Source: Mannheim Enterprise Panel. Calculations by ZEW (ZEW – Leibniz Centre for European Economic Research) in Bersch et al. (2020)
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