

Press release: 13 103-131/23

# More enterprises newly founded in 2021

88.5% of overall 35 371 new enterprises in the services sector

Vienna, 2023-06-29 — According to Statistics Austria, 35 371 new enterprises were founded in Austria in 2021. Measured against the total number of active enterprises, this corresponds to an enterprise birth rate of 6.0% and thus a rise compared to the previous year (2020: 5.7%). In 2021, more than one third (38.3%) of enterprises created newly five years before (2016) were still active on the market.

On average, 1.2 jobs were created per newly founded enterprise in 2021 (see table 1). More jobs per new enterprise originated from industry and construction (1.5 persons employed) than from the services sector (1.2 persons employed). The vast majority of new enterprises were of a sole proprietorship (77.1%) and without employees (81.2%).

## Most new enterprises in wholesale and retail trade

88.5% of the new enterprises were founded in the services sector, most of them in wholesale and retail trade (5 824), in professional, scientific and technical activities (5 180) and in human health and social work activities (4 210). The highest enterprise birth rates were recorded in administrative and support service activities (8.5%), followed by the economic branches education and other service activities (7.9% each). The lowest shares of newly created enterprises were in water supply; sewerage, waste management and remediation activities (1.3%), mining and quarrying (4.2%) as well as in financial and insurance activities (4.3 %; see table 1).

## More than one third of new enterprises still active after five years

The survival rates of a cohort of newly founded enterprises are declining year by year: 86.3% of new enterprises in 2016 were still active one year later. The five-year survival rate from 2016 to 2021 amounted to 38.3 % which corresponds to more than one third of surviving enterprises. By economic branch, five-year survival rates were highest in water supply; sewerage, waste management and remediation activities (65.9%), real estate activities (63.0%), electricity, gas, steam and air conditioning supply (57.8%) and in manufacturing (50.3%; see table 2).

For detailed results or further information on the statistics on general business demography, please refer to our <u>website</u>.

Table 1: Enterprise birth rates and persons employed 2021 by economic branches

	Section (ÖNACE 2008)	Enterprise births	Enterprise birth rate in %	Persons employed per enterprise birth
	Total	35 371	6,0	1.2
В	Mining and quarrying	14	4.2	0.8
С	Manufacturing	1 570	5.1	1.2
D	Electricity, gas, steam and air conditioning supply	170	4.4	1.2
E	Water supply; sewerage, waste management and remediation activities	36	1.3	1.1
F	Construction	2 284	5.6	1.7
B-F	Industry and construction	4 074	5.2	1.5

	Section (ÖNACE 2008)	Enterprise births	Enterprise birth rate in %	Persons employed per enterprise birth
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	5 824	6.3	1.2
Н	Transportation and storage	1 055	6.7	1.6
I	Accommodation and food service activities	2 074	4.4	2.0
J	Information and communication	2 078	7.1	1.1
K	Financial and insurance activities	527	4.3	1.2
L	Real estate activities	1 426	6.5	0.6
М	Professional, scientific and technical activities	5 180	5.6	1.1
N	Administrative and support service activities	2 133	8.5	1.5
Р	Education	1 768	7.9	1.0
Q	Human health and social work activities	4 210	5.3	1.1
R	Arts, entertainment and recreation	1 632	5.5	1.0
S	Other service activities <sup>1</sup>	3 390	7.9	1.1
G–S	Services sector <sup>1</sup>	31 297	6.1	1.2

S: STATISTICS AUSTRIA, Business demography statistics 2021.

Table 2: Survival rates of newly created enterprises in 2016 that survived until 2021 by economic branches

	Section (ÖNACE 2008)	Five-year survival rate in % of enterprises created in 2016
	Total	38.3
В	Mining and quarrying	31.3
С	Manufacturing	50.3
D	Electricity, gas, steam and air conditioning supply	57.8
E	Water supply; sewerage, waste management and remediation activities	65.9
F	Construction	48.4
B-F	Industry and construction	49.6
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	41.2
Н	Transportation and storage	37.8
ı	Accommodation and food service activities	39.5
J	Information and communication	45.5
K	Financial and insurance activities	33.2
L	Real estate activities	63.0
М	Professional, scientific and technical activities	48.3
N	Administrative and support service activities	42.2
Р	Education	47.4
Q	Human health and social work activities	18.2
R	Arts, entertainment and recreation	44.4
S	Other service activities <sup>1</sup>	45.6
G–S	Services sector <sup>1</sup>	37.1

S: STATISTICS AUSTRIA, Business demography statistics 2021.

<sup>1)</sup> Without division 94 – Activities of membership organisations.

<sup>1)</sup> Without division 94 – Activities of membership organisations.

Information on methodology, definitions: Business demography statistics are compiled on the basis of administrative data and the business registers of Statistics Austria. The database is adjusted for false enterprise births (creations) and false deaths (closures). A real enterprise birth (creation) occurs when only one enterprise is involved and a combination of production factors — especially employment — is created. The enterprise is established from scratch, so to speak. Mergers, break-ups or restructurings for example are no real births; nor is a pure change of economic activity, legal form or location regarded as a new enterprise. If a dormant unit is reactivated within two years, this does not count as a real birth. The definition of an enterprise death (closure) is similar. The enterprise birth rate is calculated as the share of new enterprises in the total number of enterprises active on the market.

With reference year 2021 there was a changeover in the business demography statistics to meet the requirements of Regulation (EU) 2019/2152 on European business statistics (EBS Regulation). The main methodological changes were the switch to the statistical enterprise as the new unit of measurement, full harmonisation with the structural business statistics, minor changes in coverage, and an adjusted method for calculating the annual average of employment according to EU requirements.

#### If you have any questions on this topic, please contact:

Valerie Mayr-Birklbauer, phone: +43 1 711 28-7448 | e-mail: <u>Valerie.Mayr-Birklbauer@statistik.gv.at</u> Hanna Freundl, phone: +43 1 711 28-7992 | e-mail: Hanna.Freundl@statistik.gv.at

### Media owner, producer and publisher:

STATISTICS AUSTRIA | Federal Institution under Public Law | Guglgasse 13 | 1110 Vienna | www.statistik.at

Press: phone: +43 1 711 28-7777 | e-mail: presse@statistik.gv.at

© STATISTICS AUSTRIA