

New enterprise creations

Key facts

- Diverging patterns of business start-up rates have emerged across OECD economies six years after the onset of the financial crisis.
- Start-up rates remain below pre-crisis levels in most Euro area economies, and particularly in Denmark and Spain, where signs of stabilisation are however observed. In Australia, Portugal, Sweden and the United Kingdom creations have regained the pre-crisis levels and even displayed a positive trend.
- In France start-up rates continue to be boosted by new legislation supporting *auto-entrepreneurs* introduced in 2009.

Relevance

The global crisis has heightened interest in entrepreneurship as an essential element to foster economic recovery and employment growth. In order to analyse the impacts of economic cycles on new firm creation, policy makers and analysts need as up-to-date as possible data. The short-term indicators presented in this section are an attempt to respond to this need.

Definitions

The *Timely Indicators of Entrepreneurship Database* uses data based on national definitions only. When possible, adjustments are made to get as close as possible to the *Eurostat-OECD Manual on Business Demography Statistics* standard definitions (for example by removing agriculture and public companies, exclude inactive companies, etc.).

Bankruptcy is used as an alternative indicator for the enterprise deaths measure recorded elsewhere in this publication.

Bankruptcy generally refers to the initiation of legal proceedings (insolvency) when an enterprise cannot guarantee the reimbursement of its debt. The firm may continue to live.

Sources for bankruptcies used in the *Timely Indicators of Entrepreneurship Database* are described in Table A.2., Annex.

Comparability

Since a single source is used, rather than the multiple sources used for national business registers, the population of enterprises is often incomplete. Depending on the country, the chosen single source may not cover certain legal forms of enterprises (e.g. sole proprietor) or sectors of activity (e.g. agriculture or education) or enterprises below a certain turnover or employment threshold.

The concepts of enterprise “creation” reflected in the data series differ across countries. The concept of enterprise birth is more restrictive than the concept of creation as it refers to a legal entity that appears for the first time with no other enterprise involved in the creation process. It excludes firm creations resulting from mergers or changes of name, type of activity or ownership.

Some sources only cover specific types of enterprises: data for Australia exclude non-incorporated companies; data for Spain exclude natural persons and sole proprietors; data for the United States only refer to establishments with employees.

Because of the comparability issues described above international comparisons of data from the *Timely Indicators of Entrepreneurship Database* should focus on changes in levels rather than levels per se.

Notes

In France a new individual enterprise status (*régime de l'auto-entrepreneur*) was implemented in January 2009.

The *trend-cycle* reflects the combined long-term (trend) and medium-to-long-term (cycle) movements in the original series (see <http://stats.oecd.org/glossary/detail.asp?ID=6693>).

Source/online database

OECD *Timely Indicators of Entrepreneurship (TIE) Database*.

For further reading

Eurostat (2010), Estimation of recent business demography data, DOC.06/EN/EUROSTAT/G2/BD/JUN10.

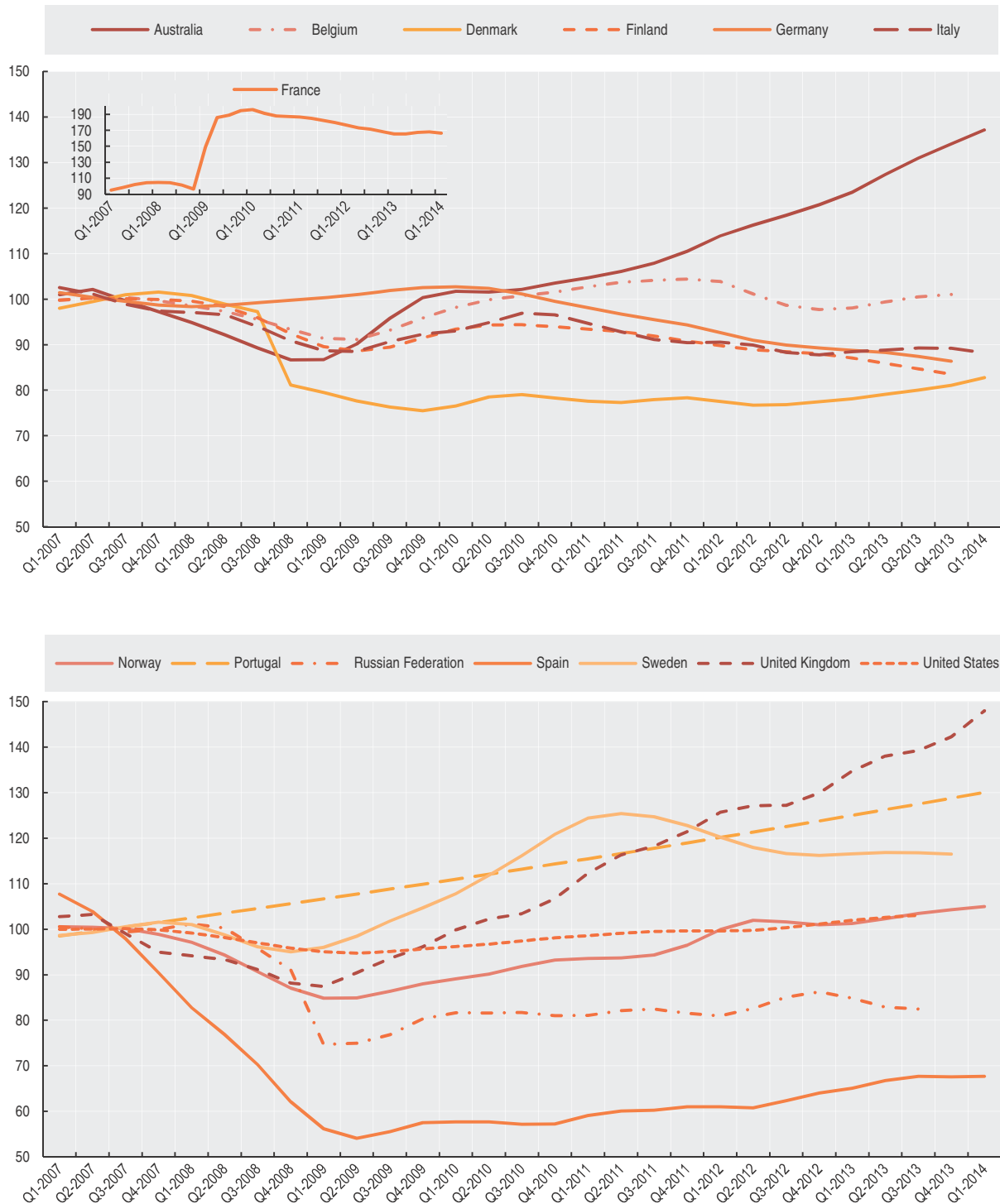
OECD (2010), “Measuring Entrepreneurship”, OECD Statistics Brief, No. 15. www.oecd.org/dataoecd/50/56/46413155.pdf.

OECD (2011), *Entrepreneurship at a Glance 2011*, Chapter 1, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264097711-en>.

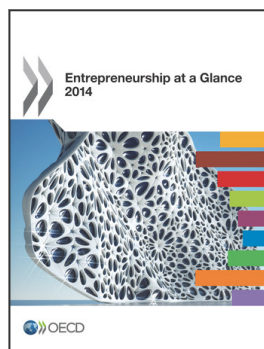
UN (2008), International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4, 2008, United Nations, New York. <http://unstats.un.org/unsd/cr/registry/isic-4.asp>.

Figure 1.1. **New enterprise creations, selected countries**

Trend-cycle average 2007 = 100



StatLink <http://dx.doi.org/10.1787/888933063176>



From:

Entrepreneurship at a Glance 2014

Access the complete publication at:

https://doi.org/10.1787/entrepreneur_aag-2014-en

Please cite this chapter as:

OECD (2014), "New enterprise creations", in *Entrepreneurship at a Glance 2014*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/entrepreneur_aag-2014-4-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.