

New enterprise creations

Key facts

- In most countries, with the exception of Germany, Italy and Finland, new enterprise creations have been on an upward trend since the height of the crisis, particularly in Australia and the United Kingdom, and in Denmark, Portugal and Sweden in more recent periods. In many Euro area economies new creations remain, however, below pre-crisis levels.
- In France levels of new creations continue to be boosted by legislation supporting auto-entrepreneurs introduced in 2009.

Relevance

To analyse the impacts of economic cycles on new firm creation, policy makers and analysts need up-to-date data. The short-term indicators presented in this section are an attempt to respond to this need.

Definitions

The OECD *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, excluding public companies and inactive companies).

Sources and definitions for enterprise entries used in the *Timely Indicators of Entrepreneurship Database* are described in Table A.1, Annex A.

Some of the national sources selected for the timely indicators use the concept of enterprise birth, while others use the broader concept of enterprise creation.

An *enterprise creation* refers to the emergence of a new production unit. This can be either due to a real birth of the unit, or creations by mergers, break-ups, split-offs or through the re-activation of dormant enterprises.

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>).

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, this may mean that certain legal forms of enterprises (e.g. sole proprietors), sectors of activity (e.g. agriculture or education) or enterprises below a certain turnover or employment threshold may not be covered. For example, data for Australia exclude non-incorporated companies; data for Spain exclude natural persons and sole proprietors; and data for the United States only refer to establishments with employees.

The concept of enterprise “creation” reflected in the data series differs 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.

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

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

Source

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

Further reading

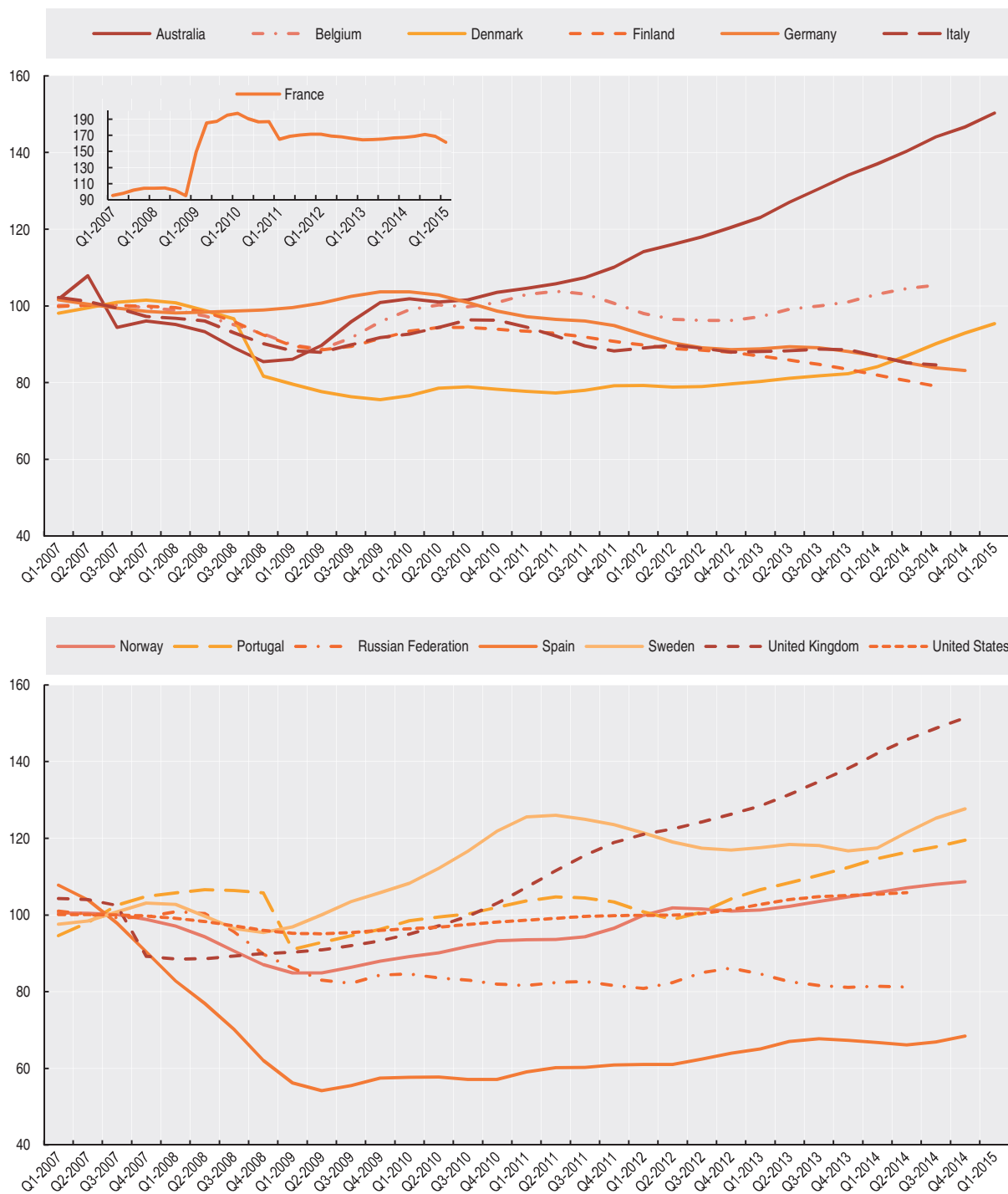
Eurostat (2010), Estimation of recent business demography data, DOC.06/EN/EUROSTAT/G2/BD/JUN10.


OECD (2010), “Measuring Entrepreneurship”, OECD Statistics Brief, No. 15, <http://www.oecd.org/std/46413155.pdf>.

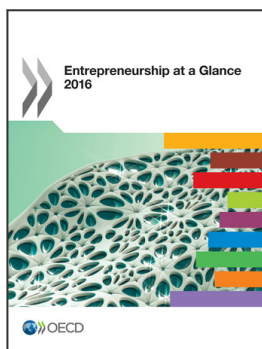
UN (2008), International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4, 2008, United Nations, New York, <http://unstats.un.org/unsd/cr/registry/isic-4.asp>.

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

Trend-cycle, 2007 = 100



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