

C.

TIMELY ENTREPRENEURSHIP INDICATORS

Definitions

The economic crisis has created increasing demand for more timely indicators of entrepreneurship. The EIP typically develops solid but less timely indicators, as a result of the (pure) definitions used (*e.g.* excluding re-activation in enterprise births) and of validation by national statistical offices.

An attempt has been made to collect more recent evidence on entrepreneurship across countries, focusing on administrative data sources accessible through the Internet. Data on firm entry have been collected for 12 countries:

- Australia: new business registrations
- Austria: new company registrations
- Belgium: new company registrations
- Denmark: new business registrations
- Finland: enterprise openings
- France: enterprise creations
- Germany: new company registrations
- Italy: new company registrations
- the Netherlands: new business
- Spain: new business registrations
- United Kingdom: new incorporated registrations
- United States: establishment openings excluding seasonal businesses

Comparability

As the names of the data series clearly suggest, the concepts on which the data are based differ across countries (see the specific websites for the methodology used in the different countries) and hence may differ from the EIP definitions of enterprise births. First, the unit of analysis is not always the enterprise (*e.g.* establishment in the United States) and in some countries the unit of analysis is not always clear.

Second, the data presented are administrative data, and most likely do not take into account the data consequences of mergers and acquisitions, re-activations, etc. As such, these indicators may not correspond exactly to the “official” EIP indicators.

Given the differences (among individual countries and with the EIP), changes in firm entry are presented rather than data on levels, on the assumption that the coverage of the data does not change over the time period considered. Data are based on year totals (except for Finland and the United States); 2009 data refer to the first half of 2009 and reflect the change from the corresponding period in 2008, but should be interpreted as preliminary data.

More broadly, the data presented are the result of an experimental data collection in order to discuss the impact of the economic crisis on entrepreneurship. The EIP plans to undertake further research on the development of timely indicators in order to identify data sources, to analyse differences in concepts and to examine differences with the EIP definitions.

Overview

Timely data on firm entries show a (remarkably) similar pattern across countries and clearly suggest that the economic crisis has had a significant impact on entrepreneurship. Firm entries seem to have slowed following the crisis, although there are differences in timing among countries.

The United States and the United Kingdom (and to a lesser extent Spain) observed a decrease in firm entries already in 2007, when most other countries were still reporting a steady rise. Germany reported a decrease in firm entries over the whole period considered; this may be related to the ending in 2005 of a government programme stimulating start-ups.

The subsequent strong fall in firm entries during 2008 and 2009 has resulted in fewer firm entries than in 2005 (except for France and Belgium). The data for the first half of 2009 should be interpreted with care, however, given the reported signs of economic recovery in recent months in some countries.

Source and for further reading

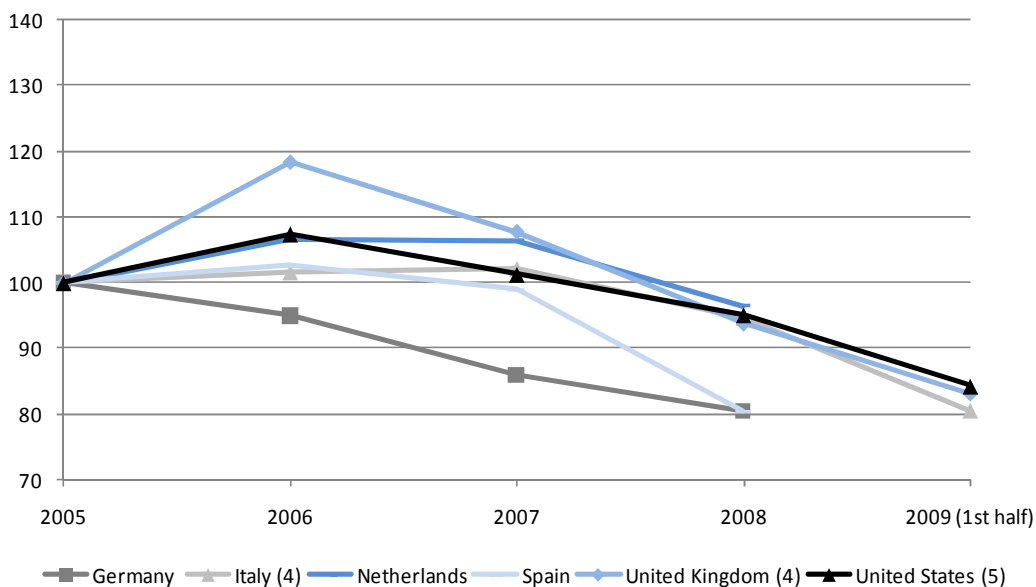
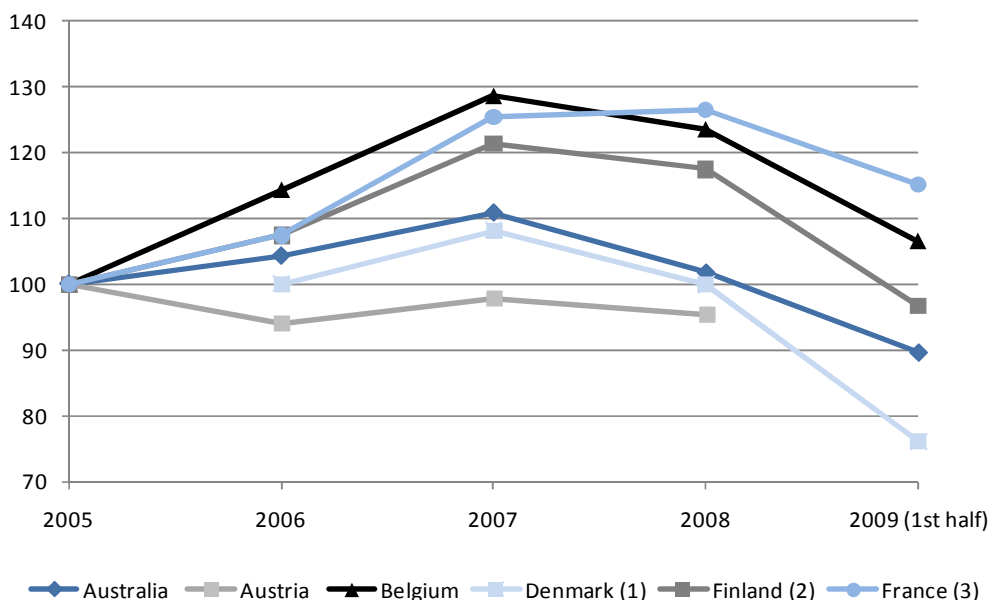
- Australia: Business.gov.au (www.business.gov.au).
- Austria: Wirtschaftskammer Osterreich (www.wko.at).
- Belgium: Graydon Belgium (www.graydon.be).
- Denmark: Danish Commerce and Companies Agency, Denmark Statistik (www.dst.dk).
- Finland : Statistics Finland (www.stat.fi).
- France: National Institute of Statistics and Economic Studies (INSEE) (www.insee.fr).
- Germany: Institut für Mittelstandsforschung (IFM) Bonn (www.ifm-bonn.org).
- Italy: Business Register of the Chambers of Commerce – MOVIMPRESSE (www.infocamere.it).
- The Netherlands: Central Bureau of Statistics (CBS) (www.cbs.nl).
- Spain : National Institute of Statistics (INE) (www.ine.es).
- United Kingdom: Companies House (www.companieshouse.gov.uk).
- United States: US Bureau of Labor Statistics (www.bls.gov).

C.1

Timely indicators on enterprise entries

Timely indicators on enterprise entries for selected countries, 2005-09

2005 = 100



1. Data for Denmark only available from 2006 onwards (hence 2006 = 100).
 2. Data refer to the first quarter of each year.
 3. Data for France exclude registrations of self-employed in order to mitigate the bias in the 2009 results as a consequence of a change in data collection (*régime de l'auto-entrepreneur*).
 4. 2009 data based only on the first quarter.
 5. Data refer to first quarter of each year.
- Source: National sources (see left page for more details).

C.

TIMELY ENTREPRENEURSHIP INDICATORS

Definitions

The economic crisis has created strong demand for more timely indicators of entrepreneurship. The EIP typically develops solid but less timely indicators, as a result of the (pure) definitions used (*e.g.* distinguishing enterprise deaths from lack of data for active enterprises) and of validation by national statistical offices.

An attempt has been made to collect more recent evidence on entrepreneurship across countries, focusing on administrative data sources accessible through the Internet. Data on firm exits have been collected for 12 countries:

- Australia: bankruptcies
- Austria: insolvent companies
- Belgium: bankruptcies
- Denmark: bankruptcies
- Finland: enterprise closings
- France: bankruptcy filings
- Germany: liquidations of companies
- Italy: company closings
- The Netherlands: bankruptcies
- Spain: closing downs
- United Kingdom: dissolved companies
- United States: establishment closings excluding seasonal businesses

Comparability

The data on firm exits are based on different concepts across countries (see the specific websites for the methodology used in the different countries) and may differ from the EIP definitions on enterprise deaths. First, the unit of analysis is not always the enterprise (*e.g.* establishment in the United States) and in some countries the unit of analysis is not always clear.

Second, the data are administrative data and most likely do not take into account the data consequences of mergers and acquisitions, etc. Further, deaths of firms are typically calculated with a two-year lag in order to account for active companies that do not fulfil their administrative requirements. As such, these indicators may not correspond exactly to the “official” EIP indicators.

Given the differences (among the individual countries and with the EIP), changes in firm exits are presented rather than data on levels, on the assumption that the coverage of the data does not change over time. Data are based on year totals (except for Finland and the United States); 2009 data refer to the first half of 2009 and present the change from the corresponding period in 2008, but should be interpreted as preliminary.

More broadly, the data presented are the result of an experimental data collection in order to discuss the impact of the economic crisis on entrepreneurship. The EIP plans to undertake further research in order to identify data sources, to analyse differences in concepts and to examine differences with the EIP definitions.

Overview

More timely data on firm exits show larger differences across countries (this is probably due to the different concepts used), but the impact of the economic crisis also seems prominent. Firm exits are relatively stable until 2007, although some countries reported a small increase in that year. All countries (except Germany and the Netherlands) report a very strong rise in firm exits in 2008 and 2009. Denmark, Italy and the United Kingdom report especially numerous exits in 2008 and 2009, but 2009 data have to be interpreted with care.

The number of firms exiting in 2008/09 is significantly higher in all countries (except Germany) than in 2005. Given that there is typically a time lag in firm exits, owing to the nature of liquidation, bankruptcy, etc., it can be expected that firm exits will remain high in the rest of 2009 (and maybe later).

Source and for further reading

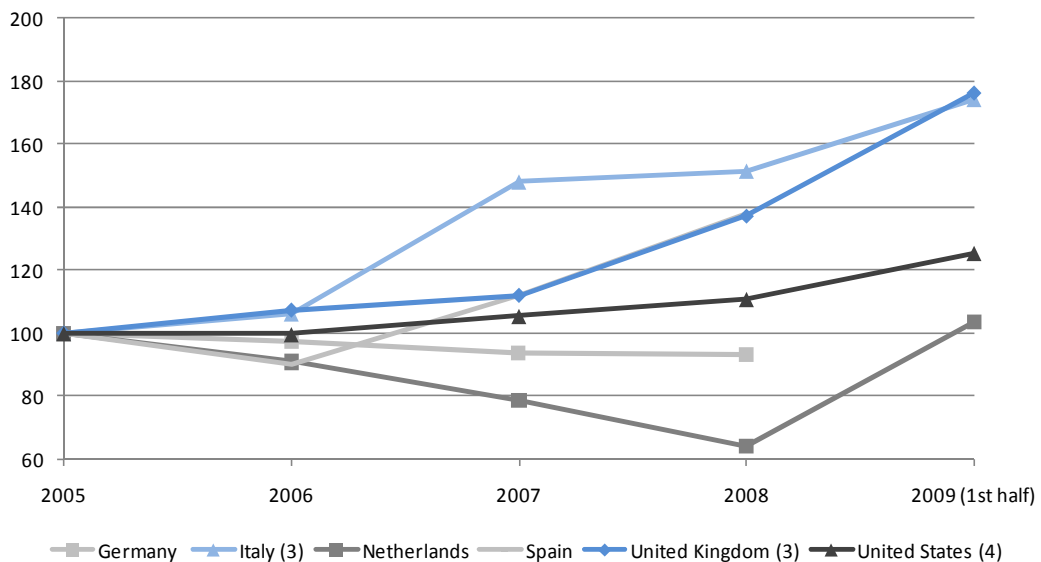
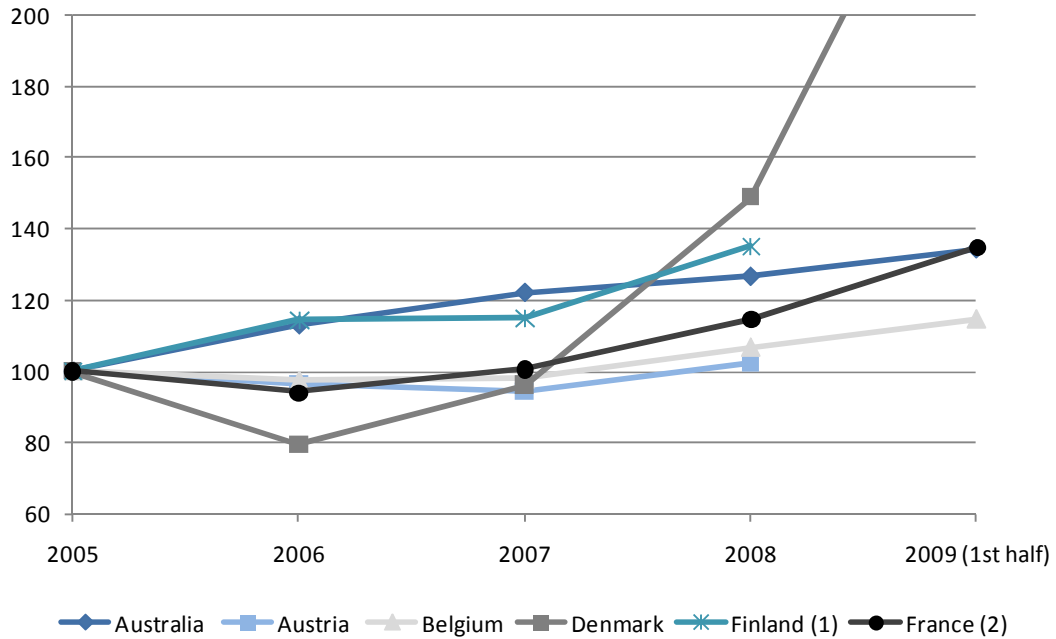
- Australia: Australian Government, Insolvency and Trustee Service (www.itsa.gov.au).
- Austria: Wirtschaftskammer Österreich (www.wko.at).
- Belgium: Graydon Belgium (www.graydon.be).
- Denmark: Denmark Statistik (www.dst.dk).
- Finland : Statistics Finland (www.stat.fi).
- France: National Institute of Statistics and Economic Studies (INSEE) (www.insee.fr).
- Germany: Institut für Mittelstandsforschung (IFM) Bonn (www.ifm-bonn.org).
- Italy: Business Register of the Chambers of Commerce – MOVIMPRESSE (www.infocamere.it).
- The Netherlands: Central Bureau of Statistics (CBS) (www.cbs.nl).
- Spain: National Institute of Statistics (INE) (www.ine.es).
- United Kingdom: Companies House (www.companieshouse.gov.uk).
- United States: US Bureau of Labor Statistics (www.bls.gov).

C.2

Timely indicators on enterprise exits

Timely indicators on enterprise exits for selected countries, 2005-09

2005 = 100



1. Data refer to the last quarter of each year.
 2. 2009 data based only on first 4 months.
 3. 2009 data based only on the first quarter.
 4. Data refer to the first quarter of each year.
- Source: National sources (see left page for more details).