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# Fewer new enterprises in the pandemic year 2020

## 88.3 % of overall 32 773 new enterprises from the services sector

Vienna, 2022-06-30 – According to Statistics Austria, 32 773 new enterprises were founded in Austria in 2020. Measured against the total number of active enterprises, this corresponds to an enterprise creation rate of 5.7 % and thus a decline compared to the previous year (2019: 6.3 %). In the same period, 28 939 enterprises disappeared from the market; the enterprise closing rate was 5.0 %.

On average, 1.4 jobs were created per newly founded enterprise in 2020 (see Table 1). More jobs per new enterprise originated from industry and construction (1.7 persons employed) than from the services sector (1.3 persons employed). The vast majority of new enterprises began their activities in the legal form of a sole proprietorship (73.4 %) and without employees (86.7 %).

### Human health and social work activities recorded highest number of enterprise creations

88.3 % of the new enterprises were founded in the services sector, most of them in human health and social work activities (7 011), wholesale and retail trade (5 809) and professional, scientific and technical activities (4 295). The highest enterprise birth rates were recorded in administrative and support service activities (8.1 %), followed by the economic branches human health and social work activities (7.7 %) and transportation and storage (7.1 %). In the information and communication sector, the creation rate was 6.5 %. The lowest shares of newly created enterprises were in mining and quarrying (2.2 %), water supply; sewerage, waste management and remediation activities (2.3 %) as well as in real estate activities (2.5 %; see Table 1).

### Only slightly more than half of new enterprises still active after five years

The survival rates of a cohort of newly founded enterprises are declining year by year: One year after their creation, 85.7 % of the enterprises founded in 2015 were still active. The five-year survival rate (from 2015 to 2020) amounted to 51.0 % only. By economic branch, five-year survival rates were highest in mining and quarrying (75.0 %), electricity, gas, steam and air conditioning supply (71.3 %), real estate activities (69.1 %) and in manufacturing (67.5 %; see Table 2).

For detailed results or further information on the statistics on general business demography, please refer to our [website](#).

**Table 1: Enterprise birth rates and persons employed 2020 by economic branches**

Section (ÖNACE 2008)	Enterprise births	Enterprise birth rate in %	Persons employed per enterprise birth
<b>Total</b>	<b>32 773</b>	<b>5.7</b>	<b>1.4</b>
B Mining and quarrying	8	2.2	2.9
C Manufacturing	1 268	4.3	1.4
D Electricity, gas, steam and air conditioning supply	145	3.8	1.0
E Water supply; sewerage, waste management and remediation activities	66	2.3	0.8
F Construction	2 337	5.7	2.0
<b>B-F Industry and construction</b>	<b>3 824</b>	<b>4.9</b>	<b>1.7</b>

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	5 809	6.2	1.3
H	Transportation and storage	1 180	7.1	2.0
I	Accommodation and food service activities	2 655	5.2	2.4
J	Information and communication	1 855	6.5	1.1
K	Financial and insurance activities <sup>1</sup>	485	4.6	1.1
L	Real estate activities	510	2.5	1.0
M	Professional, scientific and technical activities	4 295	4.5	1.1
N	Administrative and support service activities	2 021	8.1	1.9
P	Education	435	3.5	1.2
Q	Human health and social work activities	7 011	7.7	1.1
R	Arts, entertainment and recreation	691	3.5	1.2
S	Other service activities	2 002	6.2	1.2
<b>G–S</b>	<b>Services sector</b>	<b>28 949</b>	<b>5.8</b>	<b>1.3</b>

S: STATISTICS AUSTRIA, Business demography statistics. Preliminary data.

1) Without groups 64.2 "Activities of holding companies" and 64.3 "Trusts and funds".

**Table 2: Survival rates of newly created enterprises in 2015 that survived until 2020 by economic branches**

Section (ÖNACE 2008)		Five-year survival rate in % of enterprises created in 2015
<b>Total</b>		<b>51.0</b>
B	Mining and quarrying	75.0
C	Manufacturing	67.5
D	Electricity, gas, steam and air conditioning supply	71.3
E	Water supply; sewerage, waste management and remediation activities	57.5
F	Construction	55.0
<b>B–F</b>	<b>Industry and construction</b>	<b>59.4</b>
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	50.5
H	Transportation and storage	46.0
I	Accommodation and food service activities	47.0
J	Information and communication	56.8
K	Financial and insurance activities <sup>1</sup>	47.4
L	Real estate activities	69.1
M	Professional, scientific and technical activities	58.9
N	Administrative and support service activities	49.3
P	Education	56.6
Q	Human health and social work activities	42.1
R	Arts, entertainment and recreation	52.7
S	Other service activities	54.8
<b>G–S</b>	<b>Services sector</b>	<b>50.0</b>

S: STATISTICS AUSTRIA, Business demography statistics. Preliminary data.

1) Without groups 64.2 "Activities of holding companies" and 64.3 "Trusts and funds".

**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.

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

Valerie Mayr-Birkbauer, phone: +43 1 711 28-7448 | e-mail: [Valerie.Mayr-Birkbauer@statistik.gv.at](mailto:Valerie.Mayr-Birkbauer@statistik.gv.at)

Hanna Freundl, phone: +43 1 711 28-7992 | e-mail: [Hanna.Freundl@statistik.gv.at](mailto:Hanna.Freundl@statistik.gv.at)

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STATISTICS AUSTRIA | Federal Institution under Public Law | Guglgasse 13 | 1110 Vienna | [www.statistik.at](http://www.statistik.at)

Press: phone: +43 1 711 28-7777 | e-mail: [presse@statistik.gv.at](mailto:presse@statistik.gv.at)

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