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Fewer employer enterprises newly founded in 2020

More than 80 % of the new employer enterprises were created in the services sector

Vienna, 2022-08-26 – According to Statistics Austria, 16 100 new employer enterprises were created in Austria in 2020. Measured against the total number of active employer enterprises, this corresponds to an enterprise creation rate of 7.0 % and thus a decline compared to the previous year (2019: 7.6 %). In the same period, 15 049 employer enterprises disappeared from the market; the enterprise closing rate was 6.6 %.

On average, each new employer enterprise created 3.5 jobs in 2020 (see table 1), whereby the statistics on employer business demography cover both enterprises that already had employees at the time of foundation and enterprises that only became employers in the course of time. Most new employer enterprises (4 363 or 27.1 %) were founded in Vienna; Lower Austria (15.5 %) and Upper Austria (14.3 %) ranked second and third. With 8.5 %, Vienna also recorded the highest enterprise creation rate (see table 2). The most common legal form was the sole proprietorship (56.5 % of all new employer enterprises). The vast majority (87.5 %) of new employer enterprises had between one and four employees in the year of birth.

Wholesale and retail trade recorded highest number of new employer enterprises

83.6% of the new employer enterprises in 2020 were located in the services sector, most of them in wholesale and retail trade (2 926), accommodation and food service activities (2 258) and professional, scientific and technical activities (2 218). The highest employer enterprise creation rates were in real estate activities (10.5 %), followed by the information and communication sector (10.1 %) and other service activities (9.4 %). The lowest shares of newly founded employer enterprises were recorded in the economic branches of water supply; sewerage, waste management and remediation activities (2.8 %), manufacturing (4.2 %) and electricity, gas, steam and air conditioning supply (4.8 %; see table 1).

Knowledge- and research-intensive enterprise births most frequently without employees

48.1 % or 15 770 of the total of 32 773 new enterprises in Austria in 2020 were knowledge- and research-intensive companies. The vast majority of these (93.4 %) had no employees and therefore did not belong to the employer enterprises. 5.0 % of knowledge- and research-intensive enterprise births had one to four employees in the year of their creation; 1.1 % had five to nine employees and 0.5 % had ten or more employees (see table 3).

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

Table 1: Enterprise birth rates and persons employed 2020 per employer enterprise birth by economic branches

| Section (ÖNACE 2008) | Employer enterprise births 2020 | Enterprise birth rate in % | Persons employed per employer enterprise birth |
|--|---------------------------------|----------------------------|--|
| Total | 16 100 | 7.0 | 3.5 |
| B Mining and quarrying | 12 | 5.0 | 4.6 |
| C Manufacturing | 739 | 4.2 | 3.5 |
| D Electricity, gas, steam and air conditioning supply | 42 | 4.8 | 2.8 |
| E Water supply; sewerage, waste management and remediation activities | 33 | 2.8 | 2.9 |
| F Construction | 1 821 | 7.4 | 3.8 |
| B–F Industry and construction | 2 647 | 5.9 | 3.7 |
| G Wholesale and retail trade; repair of motor vehicles and motorcycles | 2 926 | 6.2 | 3.1 |
| H Transportation and storage | 727 | 7.8 | 4.7 |
| I Accommodation and food service activities | 2 258 | 6.8 | 4.6 |
| J Information and communication | 853 | 10.1 | 2.8 |
| K Financial and insurance activities ¹ | 278 | 6.7 | 2.6 |
| L Real estate activities | 801 | 10.5 | 2.4 |
| M Professional, scientific and technical activities | 2 218 | 7.5 | 2.8 |
| N Administrative and support service activities | 998 | 9.4 | 4.5 |
| P Education | 233 | 7.9 | 2.9 |
| Q Human health and social work activities | 1 038 | 5.6 | 3.4 |
| R Arts, entertainment and recreation | 312 | 8.3 | 2.8 |
| S Other service activities | 811 | 8.6 | 2.7 |
| G–S Services sector | 13 453 | 7.3 | 3.4 |

S: STATISTICS AUSTRIA, Employer business demography statistics 2020. Preliminary data.

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

Table 2: Employer enterprise births and enterprise birth rates 2020 by federal provinces

| Federal province | Employer enterprise births 2020 | Enterprise birth rate in % |
|------------------------|---------------------------------|----------------------------|
| Total (Austria) | 16 100 | 7.0 |
| Burgenland | 517 | 7.2 |
| Carinthia | 1 014 | 6.7 |
| Lower Austria | 2 503 | 6.5 |
| Upper Austria | 2 301 | 6.8 |
| Salzburg | 1 185 | 6.5 |
| Styria | 1 958 | 6.5 |
| Tyrol | 1 548 | 6.5 |
| Vorarlberg | 711 | 6.6 |
| Vienna | 4 363 | 8.5 |

S: STATISTICS AUSTRIA, Employer business demography statistics 2020. Preliminary data.

Tabelle 3: Knowledge- and research-intensive enterprise births 2015 to 2020 by employee size classes

| Employee size class | Knowledge- and research-intensive enterprise births | | | | | |
|---------------------|---|---------------|---------------|---------------|---------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 (preliminary) |
| Total | 22 698 | 23 798 | 21 677 | 21 050 | 18 206 | 15 770 |

| Employee size class | Knowledge- and research-intensive enterprise births | | | | | |
|-----------------------|---|--------|--------|--------|--------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 (preliminary) |
| 0 employees | 20 342 | 21 966 | 19 954 | 19 475 | 16 725 | 14 729 |
| 1-4 employees | 1 881 | 1 449 | 1 363 | 1 275 | 1 134 | 788 |
| 5-9 employees | 301 | 253 | 242 | 199 | 252 | 174 |
| 10 and more employees | 174 | 130 | 118 | 101 | 95 | 79 |

S: STATISTICS AUSTRIA, Business demography statistics 2020. Since reference year 2014 without methodological adjustments to ensure continuous time series.

Information on methodology, definitions: Employer business demography statistics are compiled on the basis of administrative data and the business registers of Statistics Austria. The database is adjusted for false employer enterprise births (creations) and false employer enterprise deaths (closures). A **real employer enterprise birth** (creation) occurs when only one enterprise is involved and a combination of production factors - especially employment - is created. **Two types** of “employer enterprise births” can be distinguished: a) an enterprise is newly founded in year t and already had at least one employee in the year of birth; b) an enterprise already exists before year t, was not an employer enterprise in the preceding two years and has at least one employee in year t for the first time. The number of employer enterprise births is the sum of these two entrepreneurial populations. Mergers, break-ups or restructurings for example are no real employer births; nor is a pure change of economic activity, legal form or location regarded as a new employer enterprise, even if new jobs are created. The definition of an employer enterprise death (closure) is similar. Accordingly, a **real employer enterprise closure** is given if a) an enterprise with at least one employee is closed; b) an enterprise has employees for the last time at time t. The **employer enterprise birth rate** is calculated as the share of new employer enterprises in the total number of employer enterprises active on the market.

Knowledge- and research-intensive enterprise births are defined on the basis of Eurostat's High-technology and knowledge-based services aggregations. The analysis is based on the statistics of general business demography. It includes activities according to sections J, K, M and O to R, divisions C 19 to C 30, C 33, H 50, H 51, N78 and N 80 as well as groups C 18.2 and C 32.5 of ÖNACE 2008.

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

Valerie Mayr-Birklbauer, phone: +43 1 711 28-7448 | e-mail: Valerie.Mayr-Birklbauer@statistik.gv.at

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

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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

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