

Mittelstand at a glance

The macro-economic significance of the German Mittelstand can only be illustrated approximately by referring to the SME definition of the European Commission. Original Mittelstand data are not available since the official enterprise statistics do not cover the defining qualitative characteristics of Mittelstand enterprises (management, ownership, economic independence).

About 3.4 million enterprises are small and medium-sized enterprises (**SME**). This represents 99.2 % of all companies in the private sector.

On average, German small and medium-sized enterprises are **larger** compared to SMEs in other EU member states.

SMEs generate more than 2.8 trillion euros and thus more than 28.0 % of the **total turn-over** of companies in Germany.

More than 19.1 million employees work in SMEs. This represents more than 53.1 % of all **employees**.

More than 69.4 % of all **trainees** are employed in companies with less than 250 employees subject to social insurance contributions.

SMEs invest more than 10.2 billion euros annually in **research and development** within their companies.

(Data from 2023. More recent figures will be available in summer 2026.)

The SME Development Indicator on www.ifm-bonn.org provides you with a quarterly overview of the economic situation in companies.

The IfM Bonn

The Institut für Mittelstandsforschung (IfM) Bonn was established in **1957** as foundation of private law at the **initiative** of **Ludwig Erhard**, then Minister of Economic Affairs.

The institute's task is to analyse the status-quo, development, and problems of Mittelstand (SME) enterprises. Its current research programme, individual studies, as well as statistical data on the Mittelstand in Germany can be found at www.ifm-bonn.org/en/.

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The German Mittelstand

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Applied
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Recent research results

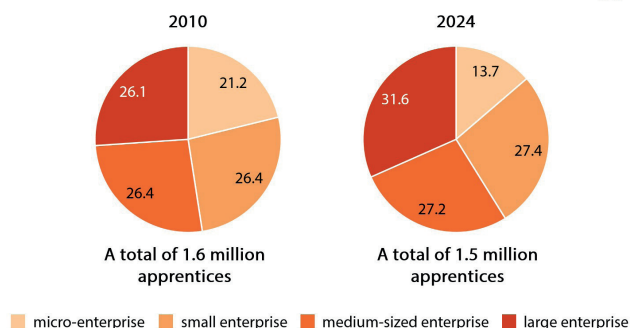


The number of small and medium-sized enterprise (SME) using **artificial intelligence (AI)** procedures increased by 8 percentage points to 19 % between 2023 and 2024. While the share of SME in Germany using AI remains above the EU average, it is still significantly lower than that of comparable companies in Denmark (26 %), Sweden (24 %), or Belgium (23 %).

Although micro, small and medium-sized enterprises (68.4 %) continue to train most **apprentices**, the proportion of apprentices trained by large establishments has been growing consistently for years. At the same time, very small establishments with less than 10 employees (subject to social insurance contributions) are gradually falling further behind in the competition for future skilled workers.

Distribution of apprentices across enterprise size classes (2010/2024)

in %



Source: Federal Employment Agency: Employment statistics (Status: 31st December); Calculations by IfM Bonn.

To **accelerate** and simplify **commercial building permit procedures**, building regulations should be simplified, according to research by IfM Bonn. It would also be helpful if local authorities were more service-oriented.

Mittelstand in brief

Who belongs to the Mittelstand?



The IfM Bonn defines Mittelstand by a **combination of ownership and management characteristics**. To be specific, this means:

In a Mittelstand enterprise,

up to two natural persons or their family members hold (directly or indirectly) **at least 50 %** of the shares of the enterprise

&

these natural persons are part of the **management team**.

How many **workers** these **enterprises** employ or how much turnover they generate is **irrelevant** – unlike in the case of SMEs.

If they meet the above criteria, **family businesses** with **more than 250 employees** or an annual turnover of more than 50 million euros therefore **also belong to the Mittelstand**.

The terms

Mittelstand,
family businesses,
owner-managed enterprise, and
family-run business

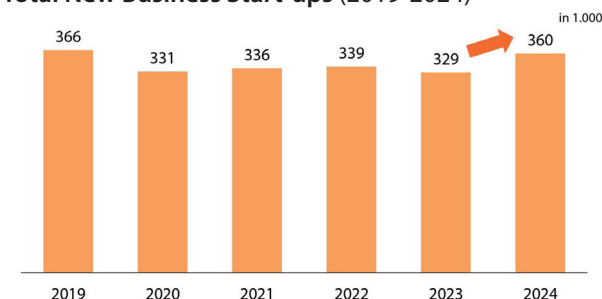
may be used **synonymously**.

Recent figures



In 2024, more founders started businesses in the commercial sector (+13.8 %) and in the liberal professions (+0.3 %) as in the previous year. In contrast, **start-ups** in agriculture and forestry declined (-8.5 %). Overall, the total number of new businesses increased to 360,000, but it still remains below the level of the pre-pandemic year 2019.

Total New Business Start-ups (2019-2024)*



*Limited comparability of annual figures due to over- or under-reporting of the liberal professions and agri-cultural and forestry businesses resulting from IT system changes in the federal states. 2023: Estimate for commercial enterprises based on the previous year's trends.

The city of Leverkusen is at the top of the **NUI regional ranking** (New Entrepreneurial Initiative) since 2023. The IfM Bonn annually determines how many full-time and part-time commercial enterprise start-ups, takeovers and relocations have been registered in a region per 10,000 working-age inhabitants in the preceding year. In the 2024 NUI regional ranking, the district of Munich and the city of Offenbach are on the second and third place.

Approx. 38,000 business transfers take place each year in Germany, according to estimates of IfM Bonn.

Stay updated on the latest IfM Bonn research results, subscribe to our newsletter at:

www.ifm-bonn.org

Detailed information on business start-up activities and business successions can be found at

www.ifm-bonn.org/statistics