

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).

Approx. 3.52 million enterprises are small and medium-sized enterprises (**SMEs**), 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 28.6 % of the **total turn-over** of companies in Germany.

More than 21.8 million employees work in SMEs. This represents more than 54.4 % of all **employees**.

68.4% of all **apprentices** are employed by establishments (local units) with fewer than 250 employees subject to social security contributions.

SMEs invest approx. 10 billion euros annually in in-house **research and development**.

(Data from 2024. More recent figures will be available in summer 2027.)

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

The Institut für Mittelstandsforschung (IfM) Bonn was established in **1957** as a 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 challenges 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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www.ifm-bonn.org and Spotify.



First-hand information on the German Mittelstand

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Mittelstand in brief

Recent research results



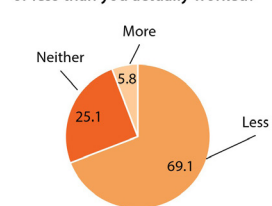
According to the latest IfM Bonn short survey, around 15,000 manufacturing enterprises are already active in the **security and defence sector**, while four in ten companies are considering entering this market in the future. Among the enterprises that can envisage producing for the security and defence sector, owner-managed Mittelstand businesses are more strongly represented than manager-led companies.

Mittelstand enterprises are aware of the **risks** associated with **trading with China**. At the same time, however, ending long-established business relationships and building new partnerships would involve considerable commercial risks. Initiatives on EU-level, such as the reduction of trade barriers and the strengthening of strategic raw materials partnerships, can help Mittelstand enterprises to identify and develop alternative business opportunities.

One in two self-employed female craftspeople in North Rhine-Westphalia continue working until seven days before giving birth, as there is currently no **statutory maternity protection for the self-employed**. In addition, almost all self-employed craftswomen carry out physically demanding work during pregnancy – work from which employed women are legally protected.

Expectations and reality: Workload around childbirth

Would you have liked to work more or less than you actually worked?



n = 259

Why were you unable to work less during this period?



n = 173. Multiple responses possible.

Source: IfM Bonn: Survey on maternity protection in the crafts sector (2025).

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**.

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

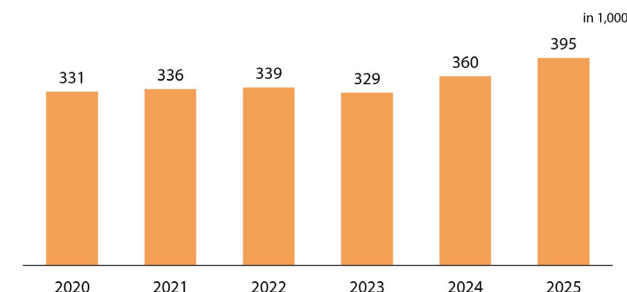
www.ifm-bonn.org

Recent figures



Business start-up activity increased again in 2025: Around 395,000 entrepreneurs started full-time self-employment, compared with just 360,000 in 2024. Of all new business start-ups, approx. 277,000 were in the commercial sector and 110,000 in the liberal professions. As start-ups in the liberal professions increased more strongly than those in the commercial sector, the ongoing structural shift in favour of the liberal professions continued.

Total new business start-ups (2020-2025)



In 2025, the district of Munich overtook once again the city of Leverkusen at the top of the **NUI regional ranking** (New Entrepreneurial Initiative). They are followed by the district of Teltow-Fläming and the city of Baden-Baden. The IfM Bonn annually determines how many full-time and part-time commercial business start-ups, takeovers and relocations have been registered in a region per 10,000 working-age inhabitants in the preceding year. In the current 2024 NUI regional ranking, the district of Munich and the city of Offenbach are follow as a second and third.

Approx. 37,200 business transfers take place each year in Germany, according to estimates of IfM Bonn.

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

www.ifm-bonn.org/statistics.