## Press release

The number of commercial start-ups has decreased by 50% compared to 2003.

IfM Bonn: Despite an overall negative trend, in five districts and cities the start-up activities have been expanded



**Bonn, 6 October 2021:** Germany's number of business start-ups dropped sharply between 2003 (507,000) and 2019 (266,000). Accordingly, the average start-up intensity has decreased from 92 start-ups per 10,000 working-age people (2003) to 47 (2019).

However, start-ups intensities have varied considerably across districts, what can be observed in the average annual rate of change in start-up intensity in the 401 districts and independent cities: On average, it dropped by 4.3 % annually. "Nevertheless, we were able to observe a positive trend in the annual rate of change in five regions: In the districts of Görlitz, Marburg-Biedenkopf and Teltow-Fläming as well as in the cities of Leverkusen and Mülheim an der Ruhr," reports project manager Dr Rosemarie Kay. "Overall, the start-up intensity was above the average in about 40 % of the districts."

## Regional disparities increased

In 2003, there were considerable regional differences in start-up activities. The range of start-up intensity varied from 50 to 162 start-ups per 10,000 people in the working age. These local differences have not decreased over time, but even increased. The so-called coefficient of variation (standard deviation/mean) has risen from 0.19 in 2003 to 0.32 in 2019.

In 2019, the Institute for Mittelstand Research (IfM) Bonn has started to build a database on regional start-up ecosystems, which provide insights into start-up activities and their possible determinants. Currently, the effects of the pandemic in 2020 on business start-up activity in the districts and independent cities are objects of investigation.