

Press release

Only a slight increase in the number of commercial start-ups in the first half of 2021

Despite the easing of pandemic-related barriers for start-ups, start-up activity will be weaker than before 2020

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Bonn, 09.09.2021. In the first half of 2021, the pandemic-related restrictions and support measures continued to have an impact on the number of business start-ups and closures: Compared to the first six months of 2020, the number of start-ups increased by only 4.3 %. At the same time, the number of business closures fell by 5.3 %. The difference between start-ups and company closures was significantly higher than in the same period of the previous year: Hence the number of companies in Germany grew in the first half of 2021.

Despite the opening of the national markets in the first half of the year and the rapid recovery of demand, the number of business start-ups in the commercial sector remains below the pre-pandemic level. The IfM researchers expect the special effects of the pandemic on start-ups and closures to subside by the end of 2021. Irrespective of this, the reintroduction of the need for master craftsman certificates (Meisterpflicht) in various branches will probably weaken start-up activity significantly.

Additionally, in view of the pandemic development, many employees preferred to start a secondary employment, i.e. self-employment alongside dependent employment: The number of these start-ups rose by 26 % to 176,000 compared to the same period last year. By comparison, the number of sideline start-ups was 140,000 in the 1st half of 2020, and 138,000 in the 1st half of 2019. This means that the number of sideline start-ups exceeded the number of business start-ups by more than 40 % in the first six months of 2021.

Compared to the same period in 2020, the number of start-ups in the commercial sector increased in all federal states between January and June 2021 - except in Rhineland-Palatinate and Saxony. The number of commercial start-ups increased the most in the federal states of Hamburg, Bremen and Saxony-Anhalt.

The IfM Bonn compiles statistics on business start-ups and closures based on business registrations and deregistrations. It distinguishes between business start-ups and closures in the main occupation and sideline start-ups and

closures. Reports not relevant to start-ups and closures (e.g. changes in legal form) are excluded from the data. In contrast, KfW Bankengruppe compiles its start-up statistics for the commercial and freelance sector based on a representative telephone survey of the population.

→ **Start-up and closure of businesses**