

European SME Week 2015

9 out of 10 enterprises in the EU employed fewer than 10 persons

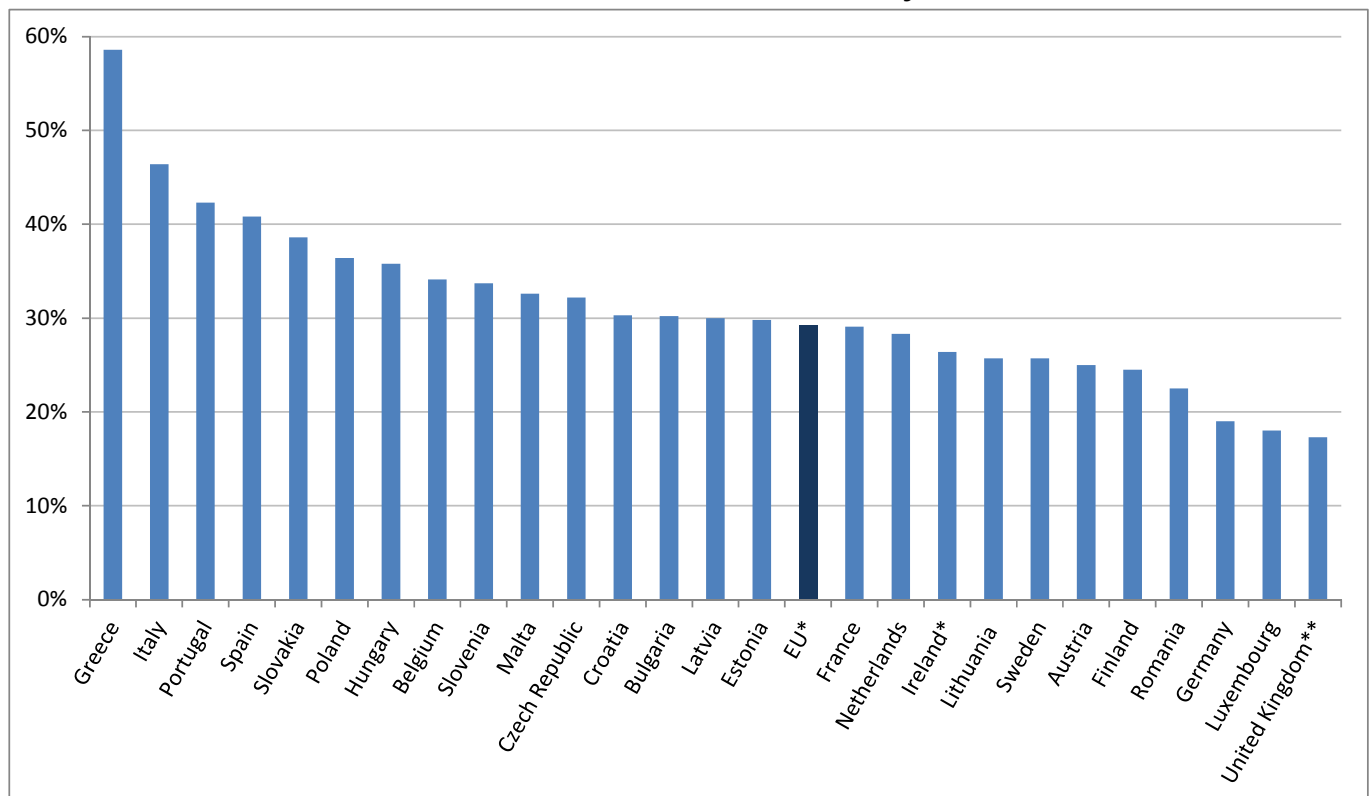
More than 1.6 million new sole-entrepreneurs in 2012

Micro-enterprises, as well as small and medium sized enterprises (SMEs), are considered as a driver of the economy of the **European Union (EU)**, creating jobs and contributing to economic growth. In 2012, of the 22.3 million enterprises in the **EU's** non-financial business economy, an overwhelming majority (92.7%) were micro-enterprises (with 0 to 9 persons employed) accounting for 29.2% of employment, 7.1% were small and medium enterprises (with 10 to 249 persons employed) accounting for 38.0% of employment, and 0.2% were large enterprises (with 250 or more persons employed) accounting for 33.0% of persons employed.

2.3 million enterprises were created in 2012 across the **EU**. Most of them (70.8%) had no employees. These sole-entrepreneurs represented 46.9% of all persons employed in newly-born enterprises.

On the occasion of the European SME week from 16 to 22 November, which aims to promote entrepreneurship, **Eurostat, the statistical office of the European Union**, publishes data on enterprises broken down by employment size classes, with a special focus on the importance of micro-enterprises in the EU business economy.

Share of micro-enterprises (fewer than 10 persons employed) in total employment in the non-financial business economy, 2012



* Data are estimated

** See country note

Data for Denmark and Cyprus are confidential.

Highest share of micro-enterprises in Greece, lowest in Germany

In all EU Member States, the vast majority of enterprises in the non-financial business economy were micro enterprises (fewer than 10 persons employed), with the highest shares being recorded in **Greece** (96.7%), **Slovakia** (96.5%), the **Czech Republic** (96.0%), **Poland** and **Portugal** (both 95.2%), **Italy** (94.9%) and **France** (94.8%). The share of small enterprises (10 to 49 persons employed) was below 10% in every Member State, except **Germany** (14.7%), **Austria** (10.9%), **Luxembourg** (10.6%) and **Romania** (10.2%) It is also in these four Member States that the highest shares of medium enterprises (50 to 249 persons employed) were observed. For large enterprises (at least 250 persons employed), the share was 0.5% or lower in all Member States for which data are available.

Highest shares of employment in micro-enterprises in Greece and Italy

In the majority of the EU Member States for which data are available, micro-enterprises accounted for the largest share of persons employed with proportions above 40% in a number of Southern EU Member States: **Greece** (58.6%), **Italy** (46.4%), **Portugal** (42.3%) and **Spain** (40.8%). In contrast, fewer than 1 person out of 5 was employed in a micro-enterprise in the **United Kingdom** (17.3% – see country note), **Luxembourg** (18.0%) and **Germany** (19.0%). At **EU** level, large enterprises were the first employer (accounting for 33.0% of all persons employed), followed by micro-enterprises (29.2%), small enterprises (20.8%) and medium enterprises (17.2%).

Enterprises in the non-financial business economy by size class, 2012
(based on number of persons employed)

	Number of enterprises					Number of persons employed				
	Total, 1 000s	Of which (%)				Total, 1 000s	Of which (%)			
		Micro (<10)	Small (10-49)	Medium (50-249)	Large (≥250)		Micro (<10)	Small (10-49)	Medium (50-249)	Large (≥250)
EU*	22 347	92.7	6.1	1.0	0.2	133 767	29.2	20.8	17.2	33.0
Belgium	566	94.2	4.9	0.7	0.2	2 718	34.1	20.3	15.7	29.9
Bulgaria	313	91.3	7.2	1.3	0.2	1 873	30.2	23.6	21.7	24.5
Czech Republic	1 007	96.0	3.2	0.7	0.1	3 522	32.2	18.3	19.3	30.2
Denmark	213	89.4	8.7	1.6	0.3	1 602	c	c	c	35.0
Germany	2 190	82.3	14.7	2.5	0.5	26 401	19.0	23.1	20.5	37.5
Estonia	58	89.7	8.3	1.7	0.3	394	29.8	24.6	23.8	21.9
Ireland*	147	89.0	9.0	c	c	1 097	26.4	23.3	c	c
Greece	727	96.7	2.8	0.4	0.1	2 199	58.6	17.0	10.9	13.5
Spain	2 385	94.5	4.8	0.6	0.1	10 923	40.8	19.6	13.5	26.1
France	2 882	94.8	c	0.7	c	15 496	29.1	c	15.3	c
Croatia	149	91.6	6.9	1.2	0.3	1 003	30.3	19.2	18.8	31.7
Italy	3 825	94.9	c	0.5	c	14 715	46.4	c	12.5	c
Cyprus	46	92.3	6.5	1.1	0.1	225	c	c	21.6	c
Latvia	92	90.2	8.0	1.5	0.2	574	30.0	25.1	23.7	21.2
Lithuania	142	90.6	7.6	1.5	0.2	836	25.7	25.7	24.8	23.8
Luxembourg	29	86.8	10.6	2.1	0.5	243	18.0	25.6	24.7	31.7
Hungary	529	94.5	4.5	c	c	2 431	35.8	18.5	c	c
Malta	27	93.8	5.0	1.1	0.2	119	32.6	22.9	23.8	20.7
Netherlands	863	94.0	4.9	1.0	0.2	5 359	28.3	19.6	18.8	33.3
Austria	308	87.1	10.9	1.7	0.3	2 671	25.0	23.9	19.2	32.0
Poland	1 520	95.2	3.6	1.0	0.2	8 327	36.4	13.9	18.6	31.1
Portugal	793	95.2	4.1	0.6	0.1	2 943	42.3	20.8	c	c
Romania	426	87.5	10.2	1.9	0.4	3 838	22.5	22.4	21.4	33.6
Slovenia	120	94.2	4.7	0.9	0.2	574	33.7	18.6	20.0	27.7
Slovakia	398	96.5	2.9	0.5	0.1	1 417	38.6	15.4	15.7	30.3
Finland	226	91.8	6.8	1.1	0.3	1 458	24.5	20.9	17.6	37.0
Sweden	662	94.6	4.5	0.8	0.2	3 025	25.7	c	c	34.6
United Kingdom**	1 704	88.9	9.2	1.5	0.3	17 785	17.3	19.4	16.3	47.0

* Data are estimated

** See country note

c confidential

Shares might not add up to 100% due to rounding.

The source dataset can be found [here](#).

Highest share of new sole-entrepreneurs in France

With 308 000 enterprises created, in 2012 **France** was the EU Member State with the highest number of newly-born enterprises, ahead of **Italy** (275 000), **Spain** (248 000), the **United Kingdom** (242 000), **Germany** (238 000) and **Poland** (229 000). Overall in the **EU**, 2.3 million enterprises were created in 2012.

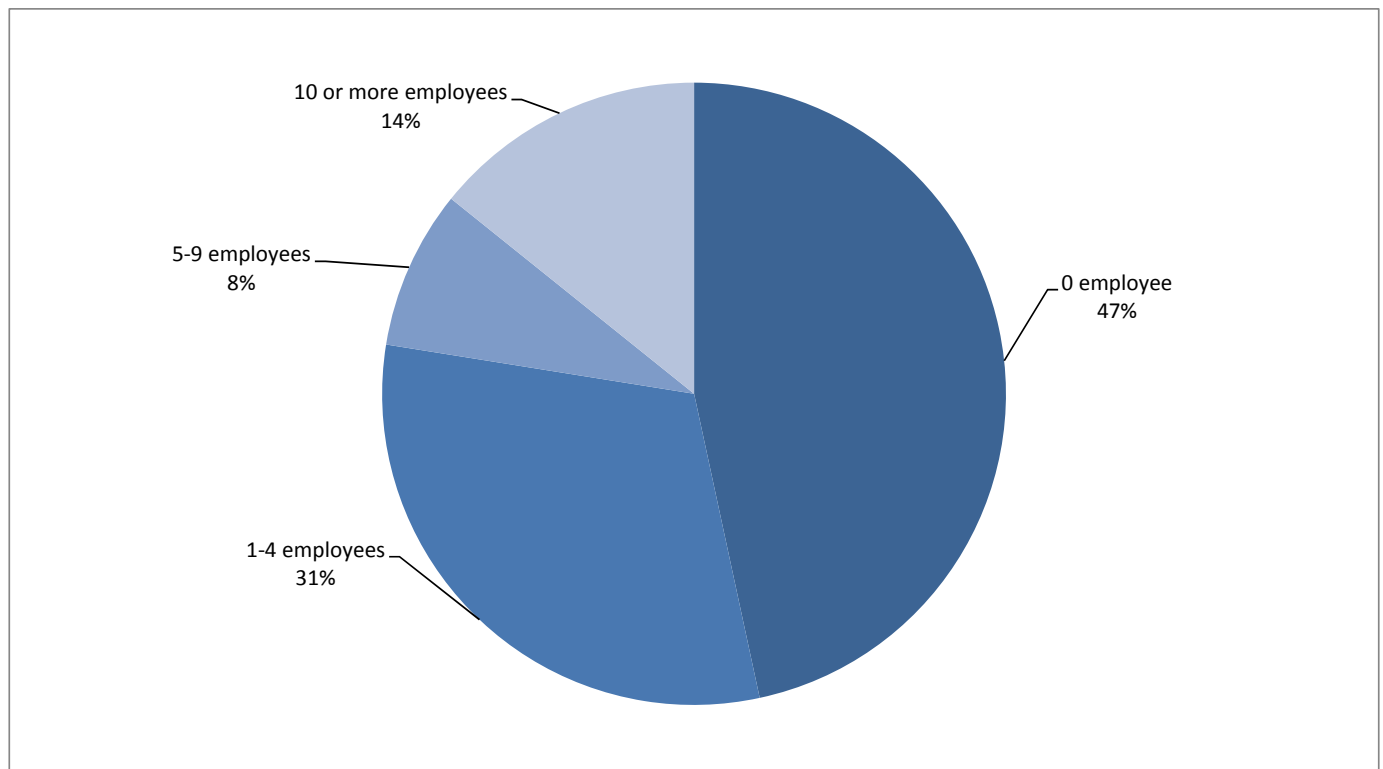
Unsurprisingly, in almost all EU Member States, the majority of newly-born enterprises had no employees (sole-entrepreneurs). The highest share of enterprises created without any employee was registered in **France** (92.3%), followed at a distance by **Poland** (86.9%), the **Netherlands** (86.4%) and the **Czech Republic** (86.1%). Only in three Member States was the main size class of newly-born enterprises not sole-entrepreneurs but enterprises with 1 to 4 employees: the **United Kingdom** (where 80.5% of all newly-born enterprises had between 1 and 4 employees – see country note), **Cyprus** (67.7%) and **Croatia** (47.7%). In the **EU**, 70.8% of newly-born enterprises had no employees, 26.4% 1 to 4 employees, 1.9% 5 to 9 employees and 0.9% 10 or more employees.

Sole-entrepreneurs make up the largest share of employment in newly-born enterprises

Among Member States for which data are available, sole-entrepreneurs accounted for the largest share of employment in newly-born enterprises in fourteen Member States. This was particularly the case in **France** (where newly-born enterprises without any employee represented 75.9% of total employment in newly-born enterprises), the **Czech Republic** (66.0%), the **Netherlands** (63.8%), **Portugal** (63.5%), **Poland** (63.1%), **Denmark** (62.5%) and **Belgium** (61.7%).

In nine Member States, the largest proportion of employment in newly-born enterprises was to be found among enterprises with 1 to 4 employees, notably in **Cyprus** (53.6%), the **United Kingdom** (52.8% – see country note) and **Finland** (50.0%). In **Croatia** (39.5%), **Romania** (39.2%) and **Malta** (32.9%), enterprises with ten or more employees represented the largest share of employment in newly-born enterprises. Overall in the **EU**, enterprises without any employee accounted for 46.9% of employment in newly-born enterprises, enterprises with 1 to 4 employees for 31.1%, those with 5 to 9 employees for 8.3% and enterprises with 10 or more employees for 14.3%.

Employment in newly-born enterprises in the EU, by size class, 2012



Newly-born enterprises in the business economy by size class, 2012

	Number of births of enterprises					Number of persons employed in newly-born enterprises				
	Total, 1 000s	Of which (%) By number of employees				Total, 1 000s	Of which (%) By number of employees			
		0	1-4	5-9	≥10		0	1-4	5-9	≥10
EU*	2 315	70.8	26.4	1.9	0.9	3 500	46.9	31.1	8.3	14.3
Belgium	28	80.8	17.4	1.2	0.6	42	61.7	23.3	5.7	9.3
Bulgaria	42	63.7	32.5	2.4	1.4	70	31.3	38.0	9.7	21.0
Czech Republic	86	86.1	11.7	1.5	0.7	112	66.0	15.4	7.4	11.2
Denmark	24	81.8	17.3	0.8	0.1	21	62.5	30.3	5.5	1.7
Germany*	238	72.9	25.0	1.5	0.6	347	50.4	36.3	7.4	5.9
Estonia	9	67.8	29.9	1.6	0.6	12	51.8	31.5	7.8	8.9
Ireland*	13	81.2	17.8	0.7	0.3	11	51.9	34.1	5.0	9.0
Greece	:	:	:	:	:	:	:	:	:	:
Spain	248	78.0	19.0	2.4	0.7	378	55.2	27.7	10.2	6.9
France	308	92.3	6.5	0.5	0.7	399	75.9	12.5	2.7	8.9
Croatia	12	45.5	47.7	4.3	2.6	34	16.3	34.4	9.9	39.5
Italy	275	76.1	22.1	1.2	0.7	354	53.2	27.2	6.4	13.1
Cyprus	3	27.3	67.7	3.5	1.5	5	16.1	53.6	13.5	16.9
Latvia	16	63.8	31.4	3.7	1.1	32	31.2	47.2	12.8	8.8
Lithuania	38	75.8	20.8	2.3	1.1	c	c	c	c	c
Luxembourg	3	55.1	39.0	4.3	1.6	5	23.0	43.9	15.5	17.7
Hungary	45	52.1	44.6	2.1	1.2	74	33.1	38.8	8.3	19.8
Malta	2	78.6	17.9	2.1	1.3	3	30.0	26.4	10.7	32.9
Netherlands	64	86.4	11.2	1.3	1.0	89	63.8	15.8	6.8	13.7
Austria	21	50.7	42.5	4.4	2.4	50	20.8	43.2	12.8	23.2
Poland	229	86.9	11.3	1.2	0.7	340	63.1	17.6	5.7	13.6
Portugal	101	81.5	16.5	1.3	0.6	130	63.5	21.2	6.5	8.8
Romania	79	59.1	34.8	3.7	2.4	182	25.8	24.8	10.2	39.2
Slovenia	13	73.8	24.2	1.5	0.5	15	50.8	31.8	7.9	9.5
Slovakia	43	63.5	34.9	1.0	0.6	54	50.0	34.0	5.1	10.9
Finland	26	65.0	33.8	0.8	0.4	14	18.7	50.0	10.0	21.3
Sweden	50	65.7	32.3	1.8	0.2	63	43.4	44.7	8.7	3.1
United Kingdom**	242	12.1	80.5	5.0	2.4	554	6.3	52.8	14.4	26.5

: Data not available

* Data are estimated

** See country note

c confidential

Shares might not add up to 100% due to rounding.

The source dataset can be found [here](#).

Methods and definitions

The data sources are the Eurostat **Structural business and Business demography statistics**. Structural business statistics describes the structure, conduct and performance of economic activities, down to the most detailed activity level (several hundred economic sectors). The Business demography data collection covers variables which explain the characteristics and demography of the business population. Data are mainly drawn from business registers.

Although 2012 data are used in this News Release for completeness and consistency purposes, more up-to-date data are available in the Eurostat dedicated [database](#).

Enterprise size classes: micro-enterprises = fewer than 10 persons employed; small and medium enterprises = 10-249 persons employed; large enterprises = 250 or more persons employed. In addition, in this News Release, sole-entrepreneurs refer to enterprises without any employee.

Number of persons employed includes the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams). It excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service.

Number of employees consists of persons who work for an employer on the basis of a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind. Part-time workers, seasonal workers, persons on strike or on short-term leave are all considered employees, while volunteers or workers on long-term leave are excluded.

Business economy refers to the following [NACE Rev. 2](#) sectors: industry (sections B to E), construction (section F), services (sections G to N, excluding activities of holding companies - K64.2).

Non-financial business economy is business economy excluding financial and insurance services (section K) and including repair of computers and personal and household goods (division S95).

An enterprise birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises. It does not include entries into a sub-population resulting only from a change of activity. A birth occurs when an enterprise starts from scratch and actually starts activity. An enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, are created. If a dormant unit is reactivated within two years, this event is not considered a birth.

Country note: United Kingdom

Enterprises below the VAT threshold are not obliged to be registered in the UK. It is estimated that about 750 000 such enterprises are not included in the register. These are generally sole proprietors, possibly operating on a part-time basis, with no employees and a low turnover.

For more information

The European Commission website dedicated to [the European SME week](#).

Eurostat [database](#) on structural business statistics.

Eurostat metadata on [structural business statistics](#).

Eurostat metadata on [business demography](#) statistics.

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