

S2006:001

# Summary: Follow up of the newly established enterprises in 2001 – three years after the start



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Official provider of statistics



Producer



## Summary

The Swedish Institute for Growth Policy Studies is since the 1st of January 2001 responsible agency for producing official statistics on the area of New Enterprises. The area sheds light on the number of newly established enterprises and the survival of these. This report examines newly established enterprises in 2001, and of those still active in 2004.

The number of newly established enterprises in Sweden 2001 were about 35 000. After three years in business, 62 percent of these were still active. Compared to newly established enterprises in 1999, this was an increase in the survival rate with three percent units.

The survival rate was highest among firms operating in the industry sector, where the survival rate was 69 percent. 60 percent of all newly established firms in 2001 operating in the service sector were still active after three years in business. The highest survival rate could be found in the county of Gotland, where 73 percent of all newly established firms were still active in 2004. The counties of Skåne and Blekinge had the lowest survival rates.

Enterprises with more than one leader were found to have higher survival rate than enterprises with one leader. In both groups, enterprises with male management had the highest survival rate. High survival rate could also be found among those entrepreneurs with more than two years of experience from the business area, where 76 percent of the newly established enterprises were still active in 2004.

The newly established enterprises employed approximately 41 000 employees in 2001. Almost 26 000 of these, were working in establishments still active three years later. In 2004, the number of employees totaled approximately 46 000 employees. The total turnover of firms still active in 2004 amounted to SEK 34.9 billion in 2004, which was an average turnover of SEK 1.6 million per enterprise.

42 percent of the newly established firms, still active in 2004 could be classified as growth enterprises<sup>1</sup>. The industry with the highest share of growth enterprises was transportation and communication, where 59 percent of the newly established firms, still active in 2004 could be classified as growth enterprises. The highest number of growth enterprises was found in the county of Västernorrland, where 49 percent of all firms, still active in 2004 could be classified as growth enterprises.

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<sup>1</sup> Turnover of at least SEK 1 million in 2004 or at least two persons occupied at full-time or enterprises where the entrepreneur had stated that the profitability is good and that it is possible to live of the income from the enterprise.

The Swedish Institute for Growth Policy Studies (ITPS) is a Government Agency responsible for providing policy intelligence to strengthen growth policy in Sweden. ITPS primarily provides the Government Offices, Members of the Swedish Parliament, other state authorities and agencies with briefings based on statistical material, policy papers and key analyses. Business policy and regional development policy are areas given high priority.

Changes in policy should be based on:

- Statistic data and analyses of the structure and dynamics of industry  
– to obtain an up-to-date view of future challenges and opportunities.
- Evaluation of results and effects of policy measures and programmes  
– to provide benchmarks and learn from measures implemented earlier.
- Policy intelligence in order to look outwards and ahead  
– what issues are likely to come on the growth policy agenda in the future?

These represent the principal missions of ITPS.

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