Mittelstand at a glance

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).

About 3.4 million enterprises are small and medium-sized enterprises **(SME)**. 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 2.6 trillion euros and thus more than 27.3 % of the **total turn-over** of companies in Germany.

Combined, small and medium-sized enterprises generate approx. 55.7 % of the total **net value-added** of all enterprises.

More than 19.1 million employees work in SMEs. This represents more than 53.6 % of all **employees.**

More than 70 % of all **trainees** are employed in companies with less than 250 employees subject to social insurance contributions.

SMEs invest more than 8.55 billion euros annually in research and development.

(Data from 2022. More recent figures will be available in summer 2025.)

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

The IfM Bonn

The Institut für Mittelstandsforschung (IfM) Bonn was established in **1957** as 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 problems 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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IfM BONN

The German Mittelstand

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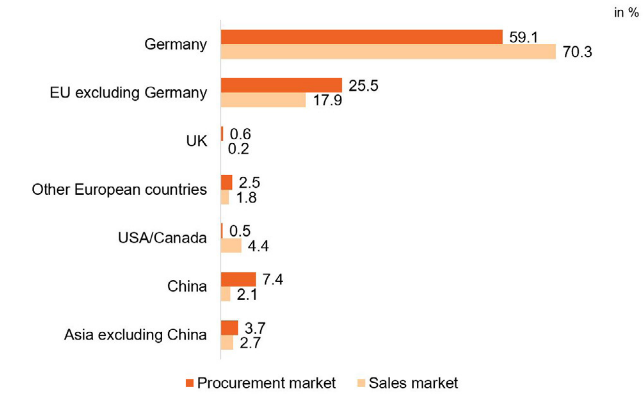
Applied Research & Practice Oriented

Mittelstand in brief

Recent research results

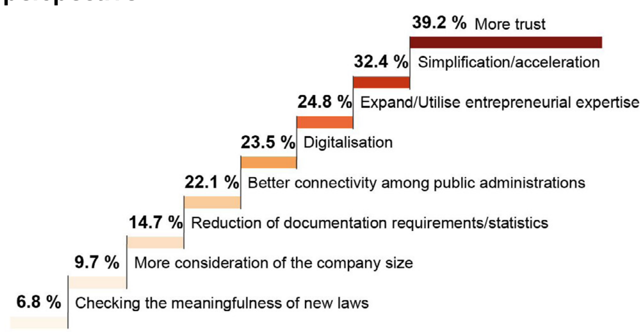
The European single market is of highest importance for Mittelstand industrial enterprises both as procurement and sales market, surpassing all other **foreign markets** in significance. Following at great distance are markets in other European countries and in China.

The most important procurement and sales markets in the coming 5 years



Four out of ten entrepreneurs feel that current bureaucratic requirements constrain their entrepreneurial autonomy. Approx. one quarter want entrepreneurial expertise to be more strongly considered during the legislative processes.

Measures to reduce bureaucracy from the companies' perspective



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**.

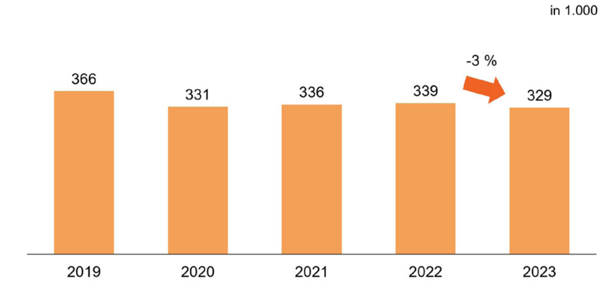
Stay updated on the latest IfM Bonn research results, subscribe to our newsletter at:

www.ifm-bonn.org

Recent figures

In 2023, more entrepreneurs started businesses in agriculture and forestry (+4.5%) and in the liberal professions (+1.7%) than in 2022. In contrast, **business start-ups** in the commercial sector are estimated to have declined by 5%. Overall, the number of new business start-ups decreased by 3% to 329,000. This figure remains below the pre-pandemic levels.

Total Number of Start-ups (2018-2023)



*Due to reporting errors at the municipal trade offices, there are no precise figures available for the number of commercial start-ups in 2023.

The Munich district is at the top of the **NUI regional ranking** (New Entrepreneurial Initiative) since 2018. The IfM Bonn annually determines how many new full-time and part-time commercial enterprise start-ups, takeovers and relocations have been registered in a region per 10,000 working-age inhabitants in the preceding year.

Approx. 38,000 business transfers are conducted each year in Germany, according to estimates from IfM Bonn.

Detailed information on start-up activities and business successions can be found at **www.ifm-bonn.org/statistics**.