

High-growth enterprises rate

Key facts

- High-growth enterprises represent a small share of the total enterprise population, typically between 2% and 6% in most countries. While few in number, fast-growing firms generate employment for a considerable number of persons.
- High-growth enterprises are found in all economic sectors, although the share of high-growth enterprises can vary substantially between sectors. There is no consistent pattern across countries as to which sectors host the largest shares of high-growth enterprises.
- Across economic activities, relatively large shares of high-growth enterprises are found in scientific research and development as well as in computer programming and consultancy.
- Countries with a comparatively large share of high-growth enterprises in one activity tend to have a large

Definitions

High-growth enterprises are enterprises with average annualised growth in the number employees greater than 20% per year, over a three-year period, and with ten or more employees at the beginning of the observation period (*Eurostat-OECD Manual on Business Demography Statistics*, 2008).

In the European Union, the *Commission implementing regulation (EU) No. 439/2014* set the definition of high-growth enterprises as follows: all enterprises with at least 10 employees in the beginning of their growth and having average annualised growth in number of employees greater than 10% per annum, over a three year period.

In this section, both definitions of high-growth enterprises (respectively based on 20% and 10% threshold) are used. Detailed information on each figure is presented under “Comparability”.

The *rate of high-growth enterprises* measures the number of high-growth enterprises as a percentage of the population of enterprises with ten or more employees.

Average employment in high-growth enterprises is calculated by dividing the number of employees in high-growth enterprises in the reference period by the number of high-growth enterprises in the reference period.

Gazelles form a subset of high-growth enterprises. They are high-growth enterprises that have been employers for a period of up to five years. The *share of gazelles* corresponds to the number of gazelles as a percentage of the population of enterprises with ten or more employees.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

share of high-growth enterprises in other activities as well. Countries that stand out with regard to high shares of high-growth enterprises include Latvia, the Slovak Republic and Bulgaria.

Relevance

High-growth firms are important contributors to job and wealth creation. A small set of high-growth enterprises drives a disproportionately large amount of employment creation.

Comparability

A size threshold of ten employees at the start of any observation period is set to avoid introducing a small size class bias. The choice of size class threshold will necessarily have a higher or lower impact on the representativeness of the results depending on the size of the country.

In Figures 5.11 and 5.12, data on high-growth enterprises use a threshold of 20% or more employment growth for Brazil, Canada, Israel, New Zealand and the United States; for all the other countries, the growth threshold is 10% or more.

In Figure 5.13, data on high-growth enterprises use a threshold of 20% or more employment growth for Canada and the United States; for all the other countries, the growth threshold is 10% or more.

Figure 5.14 presents high-growth enterprises and gazelles data based on the employment growth of 20% or more for all countries.

Data for the United States are compiled according to ISIC Rev. 3. Data for Denmark, Estonia, Finland, the Netherlands and Portugal exhibit a break in the series in 2013.

Source

OECD Structural and Demographic Business Statistics (SDBS) (database), <http://dx.doi.org/10.1787/sdb-data-en>.

Further reading

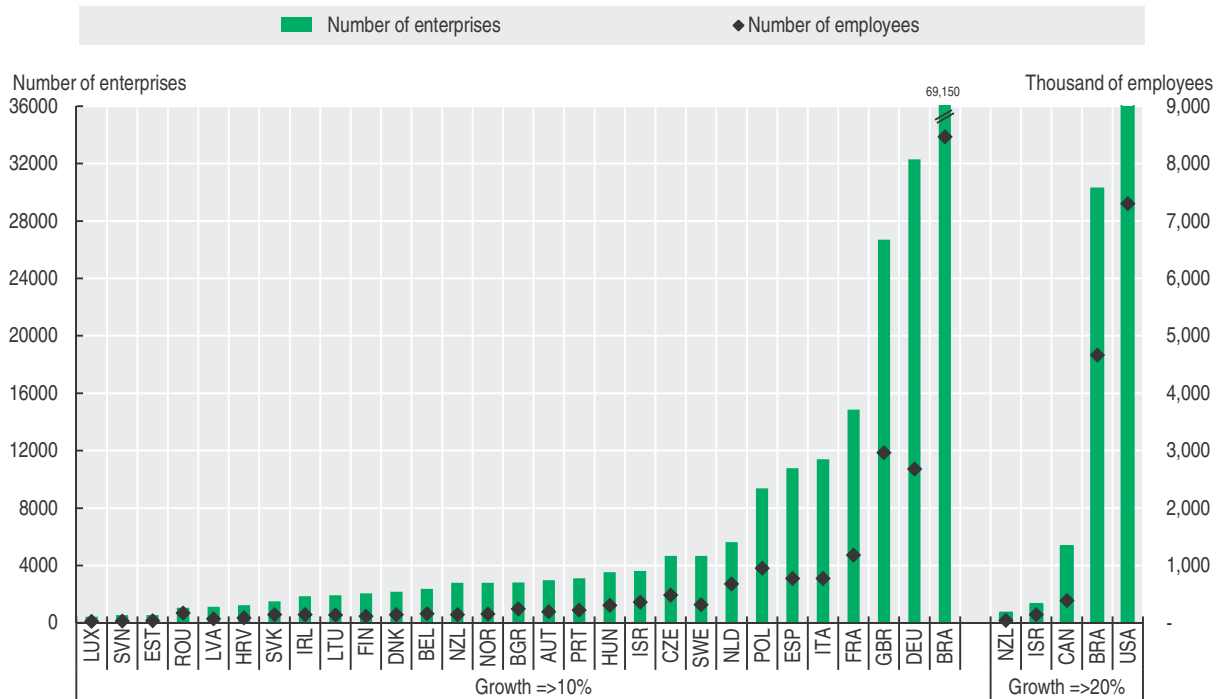
Ahmad, N. and D. Rude Petersen (2007), *High-Growth Enterprises and Gazelles – Preliminary and Summary Sensitivity Analysis*, OECD-FORA, Paris, www.oecd.org/document/31/0,3746,en_2825_499554_39151327_1_1_1_1,00.html.

Coad, A. et al. (2014), “High-growth firms: introduction to the special section”, *Oxford Journals, Industrial and Corporate Change*, <http://icc.oxfordjournals.org/content/23/1/91.full>.

OECD (2007), *The OECD Entrepreneurship Indicators Programme: Workshop on the Measurement of High-growth Enterprises*, 19 November 2007, Paris.

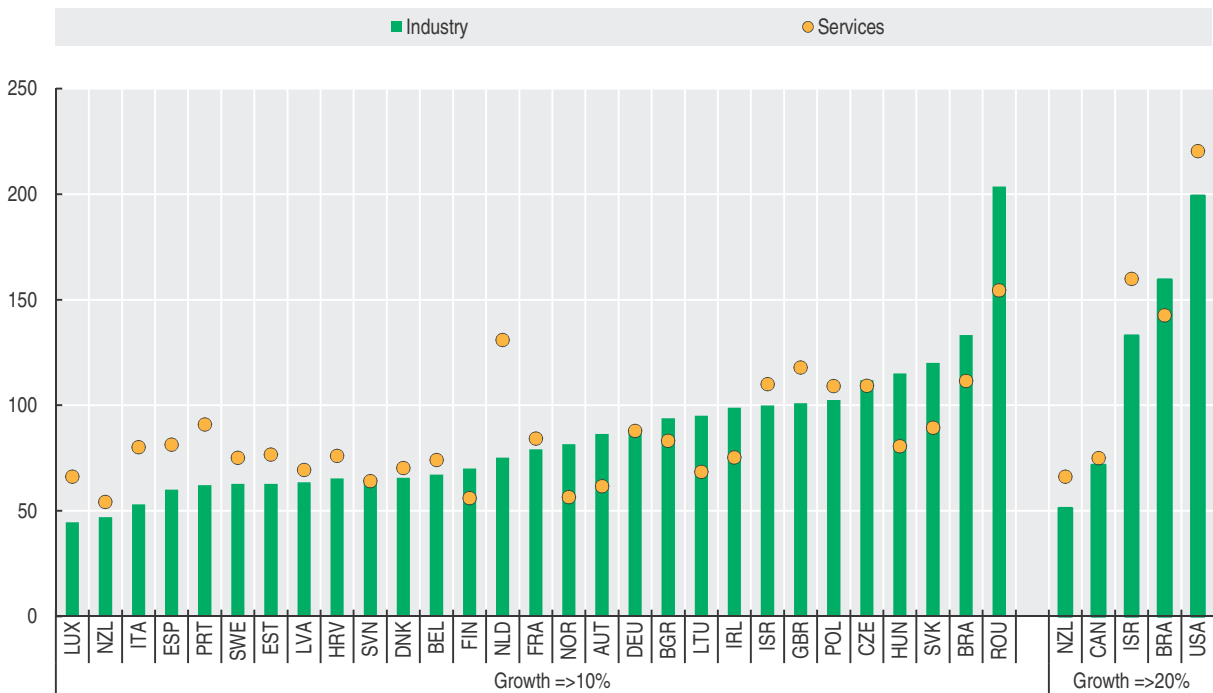
OECD/Eurostat (2008), *Eurostat-OECD Manual on Business Demography Statistics*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264041882-en>.

Figure 5.11. Number of high-growth enterprises and employment, total business economy
2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933404234>

Figure 5.12. Average employment in high-growth enterprises, by main sector
Number of employees per enterprise, 2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933404248>

5. ENTERPRISE GROWTH AND EMPLOYMENT CREATION

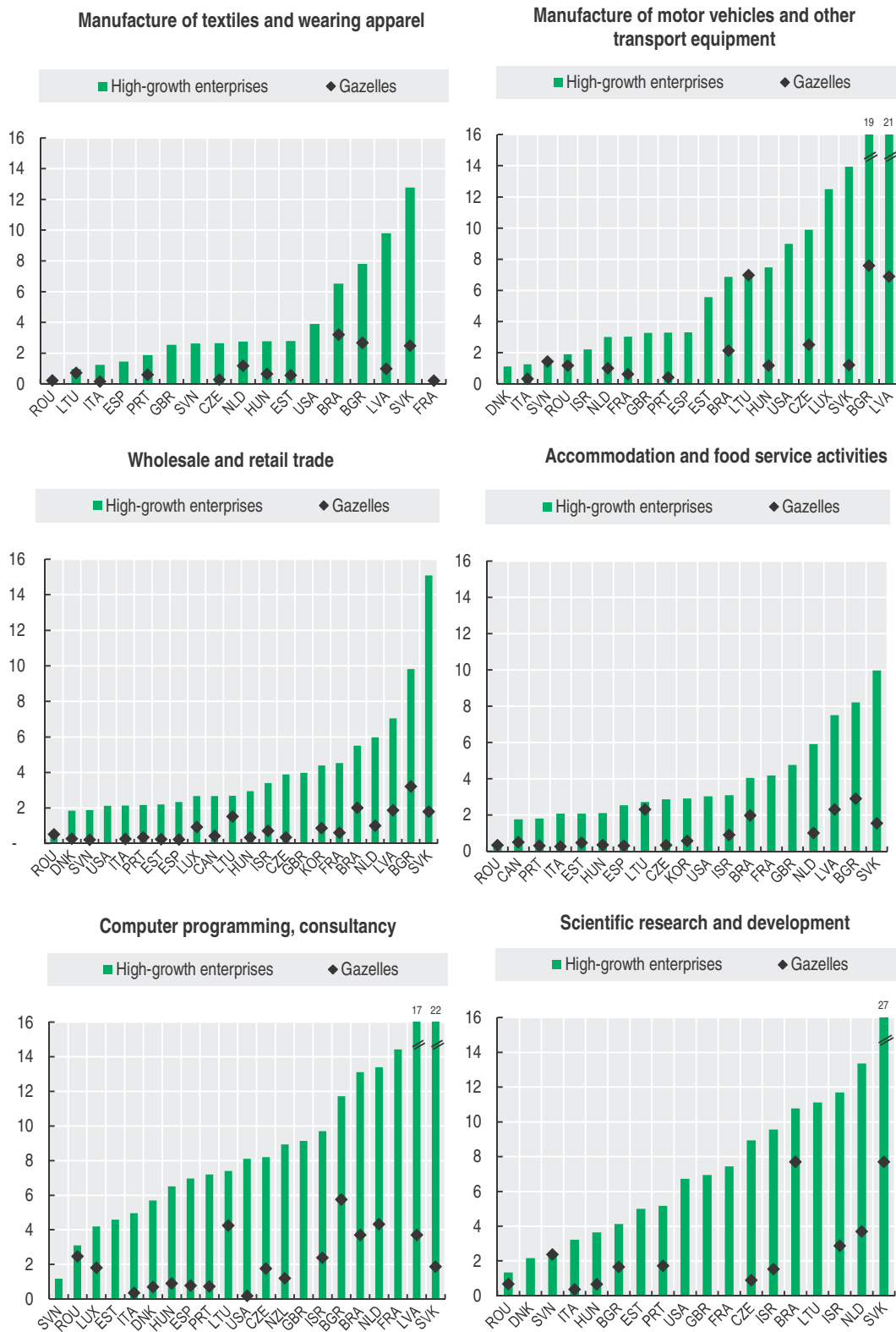
High-growth enterprises rate

Figure 5.13. **High-growth enterprises rate, by main sector**
 Percentage of all sector enterprises with 10 or more employees, 2013, or latest available year

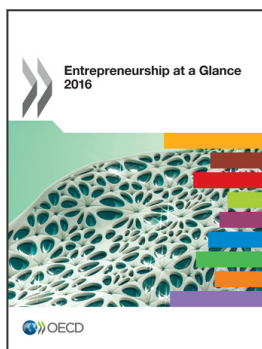


StatLink <http://dx.doi.org/10.1787/888933404254>

Figure 5.14. **Share of high-growth enterprises and gazelles**
 Percentage of total number of enterprises with 10 or more employees, 2013, or latest available year



StatLink <http://dx.doi.org/10.1787/888933404266>



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