# **KEY DISCOVERIES (all respondents)**

# *Based on data from BUSINESS DYNAMICS Power Bi 2018- 2021.*

The Business Dynamics survey is completed every year. It collects data from business registers from around the world on registered companies, incorporations and terminations.

This Key Discovery document looks at the responses from the full number of respondents from 2018- 2021, which represent around 82 million companies.

# *Business Dynamics – Registered Companies*

* The number of registered companies on the registers in the responding jurisdictions has been steadily rising in the period 2018-2021, regardless of development status or region.
* The number of registered companies on the registers in the responding jurisdictions per 1000 inhabitants has also been rising regardless of development status. There is a stable growth rate of the number of registered companies per 1000 inhabitants in the developed countries and the countries in transition, while in the developing countries the nubmer shows considerable raise in 2021 compared to previously observed years. This growth though should be attributed to the increase of number of respondent jurisdictions.
* In Europe the total number of companies has increased slightly by 1.89% in 2019-2020, and showing significant increase by 9.38% in 2020-2021. For the observed period 2020-2021 Substanstial increase in LLCs and increase in private limited companies (10%) is shown, but decrease in other legal forms.
* We generally observe a reduction in the total number of general partnerships across jurisdictions regardless of development status mostly in countries of Central America, Europe and Oceania. However, significant increase in number of registered general partnership has been witnessed with the inclusion of new respondents (Asia, North America and South America).
* Sole traders show notable increase in developing countries and very low decrease in transition countries and showing a deacrease in developed countries. This is also reflected in the total numbers of registered sole traders by development status: In 2021 – 11.94 sole traders per 1000 inhabitants in developed countries, 7.75 in developing countries, and 36.95 in transition countries.
* In developed countries we observe the highest net increase rate 2020-2021 for total number of LLCs and private limited companies compared to other legal forms, 92% and 16% respectivley.
* Significant raise of the variation for the period 2020 – 2021 is shown of all legal forms in the developing countries compared to previous observed periods.
* The number of LLCs is growing steadily in transition and developing countries by years and with much bigger increasy of the number in developed countries if we observe the numbers per 1000 inhabitants by the development status.

# *Business Dynamics - Incorporations*

* New incorporations have been steadily rising in total numbers for the observed period (2018 – 2021) in jurisdictions by their development status.
* We observe decending growth rate in the varition of incorporations 2020-2021 compared to 2019-2020 only in jurisdictions in transition.
* New incorporations have also been rising regardless of geographical region, except for South America were new incorporation have been decreasing.
* In responses from European jurisdictions we see a decrease (2018-2021) in new incorporations for sole traders, general partnership and public limited companies, and a notable increase in LLCs and private limited companies.
* However, in Europe we observe a lower growth rate for 2019-2020 (1.24%) as compared to 2018-2019 (6.67%).
* The number of incorporations per 1000 inhabitants has been rising in developing jurisdictions, but

in 2021 we observe 7.29 new incorporations per 1000 inhabitants in developed jurisdictions, 4.46 in transition jurisdictions, and 1.52 in developing jurisdictions.

* In the responses from African, Asian, North and Central American and Oceanian registries, we observe 3.02, 1.82, 8.96, 0.71, 15.64 respectively new incorporations per 1000 inhabitant. The incorporations in these jurisdictions show constant growth throughout the observed period (2018-2021).
* The ratio of incorporations vs.registered companies has been pretty steady in 2018-2020, regardless of development status but in 2021 there is a drop in this ratio in all of these three development jurisdictions

# *Business Dynamics - Terminations*

* Regarding terminations, regardless of the development status we see an increase in 2021 compared to 2020.
* There are big differences in terminations per 1000 inhabitants among developing, developed and transition countries. While in developed countries terminations are between 3 and 5 per 1000 inhabitants, in transition countries between 1 and 1.5, and in developing countries below 1 in four years.
* The proportion between terminations and incorporations is also higher in developed countries, over 50%, followed by developing areas with values under 40%. In transition countries this proportion is around 20%. This proportion increases in 2021 compared to 2020 in developed and transition countries while in the developing countries remains steady.
* If we consider the proportion between compulsory and total terminations, the numbers of developing countries are very similar to developed ones. For transition countries this proportion is always lower than in the other areas.
* The terminations by region per 1000 inhabitants, Oceania has the lead with 9.67, followed by North America with 4.04, North America with 3.95, and Asia with 0.75.
* Regarding the proportion between compulsory and total terminations, the numbers of developing countries are very similar to developed ones. For transition countries this proportion is always lower than in the other areas.
* In North America there is almost doubled number of terminations of Sole Traders, General Partnerships and Limited Companies, and significant increase of terminations of LLCs for 2021 compared to 2020.
* South America has a decrease in the numbers of sole traders and LLCs and increase of the terminations of general partnerships and stable number of terminations the rest of the organizational forms for 2021 compared to 2020.
* In Europe there is significant increase in terminations of LLCs and Private Limited Companies and decrease in terminations of general partnerships, sole traders and public limited companies for 2021 compared to 2020.
* Oceania has significant increase in terminations of Sole Traders for 2021 compared to 2020.
* Except for the significant decrease of the numbers of terminations of sole traders in South America and the increase in Oceania and if we consider the rest different types of legal forms of companies as a whole, we notice stable numbers of the terminations in Oceania and South America in the observed period 2018 - 2021.
* In 2021, we notice significant increase of the numbers of terminations of Sole Traders and General Partnerships in Asia and North America. In these regions the course is steady if we look at the numbers of terminations of Private Liability Company and Public Liability Company.
* There is also a significant increase of the numbers of terminations of LLCs and Private Liability Companies in North America, Europe in 2021.
* Looking closely by regions in terms of the proportion of incorporations/terminations (at the ratios) we can conclude that there are no significant changes, except for Central America where the proportion raises.
* Looking at the trend of incorporations minus terminations in Asia and Oceania there is negative trend for General Partnerships. And in Europe and South America there is negative trend for Public Limited Companies. While in Oceania negative trend is present only with General Partnerships.
* The ratio compulsory vs. total terminations is steady across Oceania and the ratio have been raising across all other regions for the respective period.