



Business Demography Statistics in 2018

Active enterprises

In 2018, the number of active enterprises* was 6.25 million, rising by 3.3% from 2017.

- In 2018, the number of active enterprises* was 6.25 million, rising by 199 thousand (3.3%) from 2017.

* Active enterprises refer to enterprises with annual sales or employees among profit enterprises.

- Among active enterprises, corporate enterprises amounted to 657 thousand in 2018, which increased by 5.7% from 2017. Sole proprietorships amounted to 5.593 million in 2018, which increased by 3.0% from 2017.

- The share of corporate enterprises and sole proprietorships stood at 10.5% and 89.5%, respectively.

(Unit: thousand, %)

	2013	2014	2015	2016	2017	2018	Share
Active enterprises	5,377	5,559	5,554	5,776	6,051	6,250	100.0
(Year-on-year)	(-0.0)	(3.4)	(-0.1)	(4.0)	(4.8)	(3.3)	
Corporate enterprises	481	512	548	585	621	657	10.5
(Year-on-year)	(6.0)	(6.6)	(7.0)	(6.7)	(6.2)	(5.7)	
Sole proprietorships	4,897	5,046	5,005	5,191	5,429	5,593	89.5
(Year-on-year)	(-0.6)	(3.1)	(-0.8)	(3.7)	(4.6)	(3.0)	

- As for active enterprises by industry, 'Information and Communications' showed the highest year-on-year percent change at 8.5%, which was followed by 'Real Estate Activities' (7.4%) and 'Business Facilities Management and Business Support Services' (7.4%).

- As for the number of active enterprises by industry, 'Wholesale and Retail Trade' recorded the highest figure (22.9%, 1.428 million enterprises), which was followed by 'Real Estate Activities' (21.8%, 1.364 million enterprises) and 'Accommodation and Food Service Activities' (13.3%, 834 thousand enterprises). These 3 industries accounted for 58.0% of the total active enterprises.

- In 2018, enterprises recording annual sales of 'Less than 50 million won' marked 3.082 million, which accounted for 49.3% of the total active enterprises.

	2013	2014	2015	2016	2017	2018
- Enterprises recording annual sales of 'Less than 50 million won'	2,876	2,937	2,808	2,891	2,996	3,082
- Share (%)	53.5	52.8	50.6	50.0	49.5	49.3

- One-person active enterprises amounted to 4.93 million, which occupied 78.9% of the total active enterprises. This share showed a steadily decreasing trend.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
- One-person enterprises (thousand)	4,423	4,543	4,451	4,591	4,802	4,930
- Share (%)	82.3	81.7	80.1	79.5	79.4	78.9

- Active enterprises with female CEOs amounted to 2.418 million, which accounted for 38.7% of the total active enterprises. This share showed a steadily rising trend.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
- Enterprises with female CEOs (thousand)	2,012	2,091	2,108	2,208	2,328	2,418
- Share (%)	37.4	37.6	38.0	38.2	38.5	38.7

- As for active enterprises by age group of CEOs, enterprises whose CEOs were '60 or more' increased by 8.9%, while enterprises whose CEOs were '40 ~ 49' decreased by 0.9%.

- As for the share of active enterprises by age group of CEOs, enterprises whose CEOs were '50 ~ 59' showed the highest figure at 31.8%, which was followed by enterprises whose CEOs were '40 ~ 49' (27.0%).

	<u>Total</u>	<u>29 or less</u>	<u>30 ~ 39</u>	<u>40 ~ 49</u>	<u>50 ~ 59</u>	<u>60 or more</u>
- Active enterprises (thousand)	6,250	197	852	1,685	1,987	1,522
- Year-on-year (%)	3.3	6.0	1.1	-0.9	3.7	8.9
- Share (%)	100.0	3.2	13.6	27.0	31.8	24.4

Birth enterprises

In 2018, the number of birth enterprises was 920 thousand, rising by 0.7% from 2017.

- **In 2018, the number of birth enterprises was 920 thousand, rising by 7 thousand (0.7%) from 2017.**

- In 2018, the birth rate of enterprises stood at 14.7%, down 0.4%p from 2017.

- Among birth enterprises, corporate enterprises marked 69 thousand in 2018, rising by 2.1% from 2017. Sole proprietorships marked 851 thousand in 2018, rising by 0.6% from 2017.

- Corporate enterprises and sole proprietorships recorded 7.5% and 92.5% of the total birth enterprises, respectively.

(Unit: thousand, %)

Classification	2013	2014	2015	2016	2017	Share	
Birth enterprises	749	843	813	876	913	920	100.0
Birth rates	13.9	15.2	14.6	15.2	15.1	14.7	
Corporate enterprises (Year-on-year)	62 (3.1)	68 (9.5)	66 (-3.4)	69 (4.5)	68 (-1.2)	69 (2.1)	7.5
Sole proprietorships (Year-on-year)	687 (-3.3)	775 (12.8)	747 (-3.5)	808 (8.1)	845 (4.7)	851 (0.6)	92.5

- As for birth enterprises by industry, 'Information and Communications' showed the highest year-on-year percent change at 11.2%, which was followed by 'Real Estate Activities' (8.6%) and 'Construction' (4.5%).
- As for the number of birth enterprises by industry, 'Real Estate Activities' recorded the highest figure (25.5%. 234 thousand enterprises), which was followed by 'Wholesale and Retail Trade' (21.8%, 200 thousand enterprises) and 'Accommodation and Food Service Activities' (17.2%, 158 thousand enterprises). These 3 industries accounted for 64.4% of the total birth enterprises.
- One-person birth enterprises amounted to 821 thousand, which occupied 89.3% of the total birth enterprises.
- As for birth enterprises by age group of CEOs, enterprises whose CEOs were '60 or more' increased by 4.8%, while enterprises whose CEOs were '30 ~ 39' decreased by 2.0%.
- As for the share of birth enterprises by age group of CEOs, enterprises whose CEOs were '40 ~ 49' showed the highest figure at 28.9%, which was followed by enterprises whose CEOs were '50 ~ 59' (25.5%).

Death enterprises

In 2017, the number of death enterprises was 698 thousand, rising by 11.5% from 2016.

- **In 2017, the number of death enterprises was 698 thousand, rising by 72 thousand (11.5%) from 2016.**

- In 2017, the death rate of enterprises stood at 11.5%, up 0.7%p from 2016.

* Enterprises that were active in the year (x) and were not active in the following year of the year (x+1) were counted as death enterprises for the year (x).

- Among death enterprises, corporate enterprises marked 42 thousand in 2017, rising by 4.4% from 2016. Sole proprietorships marked 656 thousand in 2017, rising by 12.0% from 2016.

- Corporate enterprises and sole proprietorships recorded 6.0% and 94.0% of the total death enterprises, respectively.

(Unit: thousand, %)

Classification	2013	2014	2015	2016	2017	
						Share
Death enterprises	664	777	640	626	698	100.0
Death rates	12.4	14.0	11.5	10.8	11.5	
Corporate enterprises	41	39	39	40	42	6.0
(Year-on-year)	(6.0)	(-4.6)	(1.4)	(1.4)	(4.4)	
Sole proprietorships	623	738	601	586	656	94.0
(Year-on-year)	(11.3)	(18.3)	(-18.6)	(-2.4)	(12.0)	

- As for death enterprises by industry, 'Transportation and Storage' recorded the highest figure of 30.7%, which was followed by 'Real Estate Activities' (28.8%) and 'Business Facilities Management and Business Support Services' (18.0%).

- As for the number of death enterprises by industry, 'Wholesale and Retail Trade' recorded the highest figure of 25.4% (178 thousand enterprises), which was followed by 'Accommodation and Food Service Activities' (20.9%, 146 thousand enterprises) and 'Real Estate Activities' (19.5%, 136 thousand enterprises). These 3 industries occupied 65.8% of the total death enterprises.

○ One-person death enterprises amounted to 644 thousand, which occupied 92.2% of the total death enterprises.

○ As for death enterprises by age group of CEOs, enterprises whose CEOs were '60 or more' recorded the highest year-on-year percent change at 24.2%, which was followed by enterprises whose CEOs were '29 or less' (15.4%).

- As for the share of death enterprises by age group of CEOs, enterprises whose CEOs were '40 ~ 49' showed the highest share at 27.4%, which was followed by enterprises whose CEOs were '50 ~ 59' (27.1%).

Survival rates **The one-year and five-year survival rates for birth enterprises stood at 65.0% and 29.2%, respectively.**

□ **As for active enterprises in 2017, the one-year survival rate for enterprises born in 2016 and still alive in 2017 stood at 65.0%, down 0.3%p compared to 2016. As for active enterprises in 2017, the five-year survival rate for enterprises born in 2012 and still alive in 2017 went down by 0.7%p compared to 2016.**

* The one-year (or five-year) survival rate of birth enterprises indicates the percentage of sustained enterprises after the birth of enterprises one (or 5 years) ago.

○ The one-year survival rate of corporate enterprises in 2017 stood at 72.7%, up 0.2%p from 2016. The five-year survival rate of corporate enterprises in 2017 stood at 39.8%, up 2.4%p from 2016.

- The one-year survival rate of sole proprietorships in 2017 stood at 64.3%, down 0.4%p from 2016. The five-year survival rate of sole proprietorships in 2017 stood at 28.3%, up 0.4%p from 2016.

(Unit: %)

Classification	2013	2014	2015	2016	2017
One-year survival rates	60.1	62.4	62.7	65.3	65.0
Corporate enterprises	70.8	72.0	73.1	72.5	72.7
Sole proprietorships	59.2	61.5	61.7	64.7	64.3
Five-year survival rates	29.0	27.3	27.5	28.5	29.2
Corporate enterprises	32.2	34.6	35.6	37.4	39.8
Sole proprietorships	28.7	26.8	26.9	27.9	28.3

○ As for one-year and five-year survival rates by industry, 'Electricity, Gas and Water Supply' (1-year survival rate: 88.8%, 5-year survival rate: 76.1%) recorded the highest figure. Whereas, 'Financial and Insurance Activities' (1-year survival rate: 52.6%, 5-year survival rate: 17.8%) recorded the lowest figure.

< One-year survival rates >

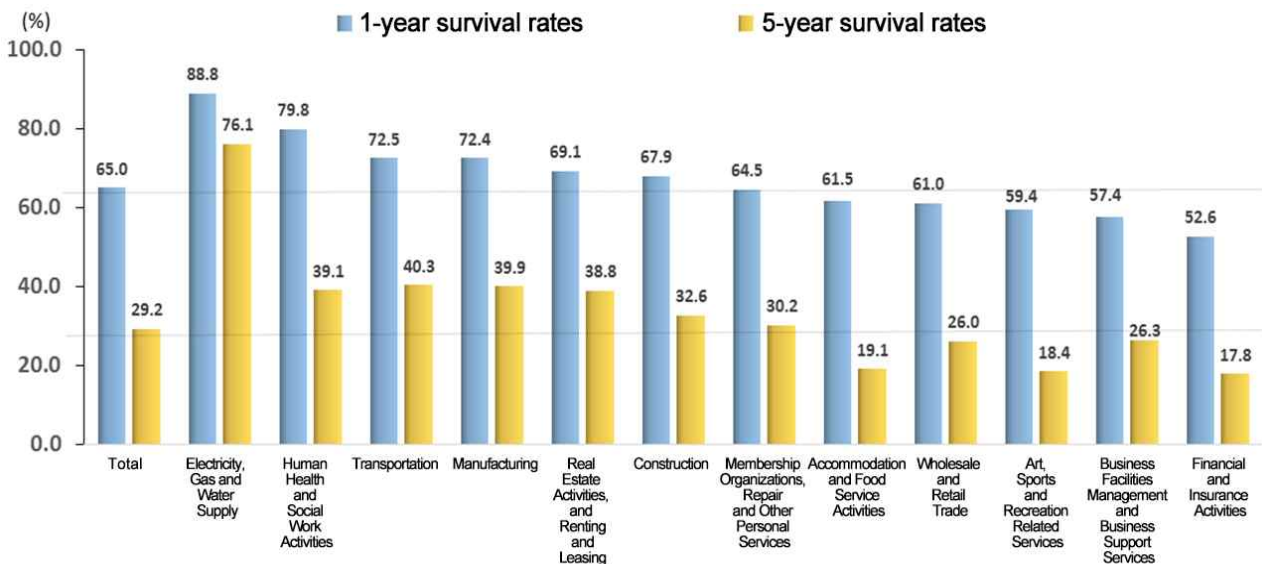
* Top industries: Electricity, Gas and Water Supply (88.8%), Human Health and Social Work Activities (79.8%), Transportation (72.5%)

* Bottom industries: Financial and Insurance Activities (52.6%), Business Facilities Management and Business Support Services (57.4%), Art, Sports and Recreation Related Services (59.4%)

< Five-year survival rates >

* Top industries: Electricity, Gas and Water Supply (76.1%), Transportation (40.3%), Manufacturing (39.9%)

* Bottom industries: Financial and Insurance Activities (17.8%), Art, Sports and Recreation Related Services (18.4%), Accommodation and Food Service Activities (19.1%)



High-growth enterprises and gazelles

In 2018, the number of high-growth enterprises was 4,600, rising by 79 (1.7%) from 2017. In 2018, the number of gazelles was 1,160, falling by 27 (-2.3%) from 2017.

□ In 2018, the number of high-growth enterprises dropped in ‘Manufacturing’ (77 enterprises) and ‘Construction’ (40 enterprises). Whereas, the number of high-growth enterprises grew in ‘Professional, Scientific and Technical Activities’ (75 enterprises) and ‘Information and Communications’ (53 enterprises).

* High-growth enterprises refer to enterprises with average annualised growth greater than 20% per annum, over the 3-year period, in terms of annual sales and regular workers)

○ As for high-growth enterprises by industry, ‘Manufacturing’ showed the highest share of high-growth enterprises (29.9%), which was followed by ‘Wholesale and Retail Trade’ (15.5%) and ‘Construction’ (12.3%).

- As for gazelles by industry, 'Business Facilities Management and Business Support Services' and 'Human Health and Social Work Activities' increased by 33 gazelles and 22 gazelles, respectively. Whereas, 'Manufacturing' and 'Wholesale and Retail Trade' declined by 92 gazelles and 11 gazelles, respectively.

* Gazelles refer to enterprises up to 5 years old among high-growth enterprises.

- As for the share of gazelles by industry, 'Manufacturing' recorded the highest figure at 29.5%, which was followed by 'Wholesale and Retail Trade' (16.9%) and 'Business Facilities Management and Business Support Services' (11.7%).

< High-growth enterprises and gazelles by industry >

(Unit: each, %)

Classification	Total	Manufacturing	Construction	Wholesale and Retail Trade	Accommodation and Food Service Activities
High-growth enterprises	4,600	1,376	567	711	81
(Year-on-year)	(1.7)	(-5.3)	(-6.6)	(1.3)	(26.6)
Share	100.0	29.9	12.3	15.5	1.8
Gazelles	1,160	342	45	196	26
(Year-on-year)	(-2.3)	(-21.2)	(-18.2)	(-5.3)	(23.8)
Share	100.0	29.5	3.9	16.9	2.2

Classification	Information and Communications	Professional, Scientific and Technical Activities	Business Facilities Management and Business Support Services	Human Health and Social Work Activities
High-growth enterprises	397	422	456	145
(Year-on-year)	(15.4)	(21.6)	(-4.0)	(11.5)
Share	8.6	9.2	9.9	3.2
Gazelles	129	127	136	66
(Year-on-year)	(12.2)	(16.5)	(32.0)	(50.0)
Share	11.1	10.9	11.7	5.7