

## BUSINESS DEMOGRAPHY PORTUGAL

Total of active employer enterprises										
Size class (number of employees)	1987 - 2000		2001 - 2005		2005		2006		2007	
	Average number of enterprises	Growth rate	Average number of enterprises	Growth rate	Number of enterprises	Growth rate	Number of enterprises	Growth rate	Number of enterprises	Growth rate
Total	179 575	7,0	308 813	4,7	340 775	8,9	344 021	1,0	354 920	3,2
1 - 4	103 548	8,9	198 733	6,3	226 362	11,2	230 318	1,7	238 304	3,5
5 - 9	38 950	5,8	60 325	2,0	62 590	3,9	61 776	-1,3	62 846	1,7
10 - 19	19 265	4,5	27 726	1,3	28 591	5,5	28 359	-0,8	29 281	3,3
20 - 49	11 477	3,2	14 853	1,7	15 649	6,4	15 872	1,4	16 539	4,2
50 - 249	5 491	2,0	6 295	0,9	6 639	4,1	6 756	1,8	6 988	3,4
≥ 250	844	-0,2	880	3,2	944	6,8	940	-0,4	962	2,3

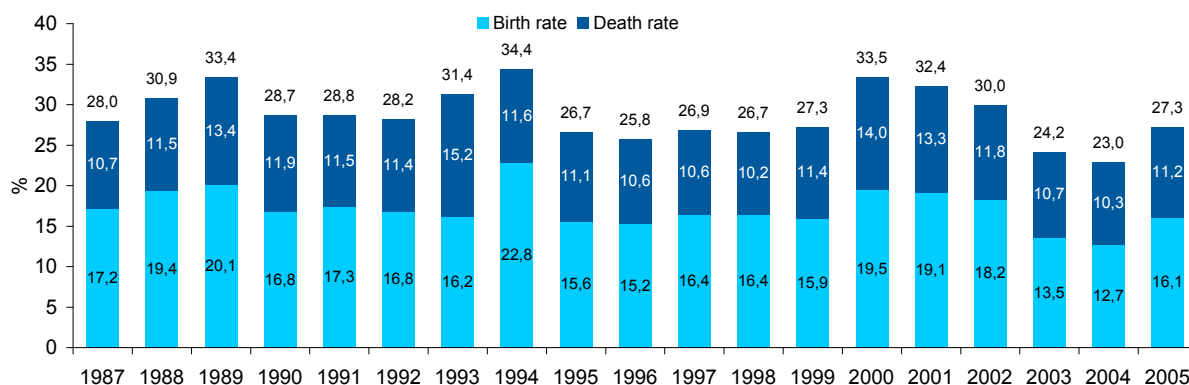
Note: Employer enterprises, according to the definition of the "Manual of Business Demography Statistics" (Eurostat/OECD, 2007), are those which employ at least one employee.

### Births and Deaths

Size class (number of employees)	Births										Deaths									
	1987 - 2000		2001 - 2007		2005		2006		2007		1985 - 2000		2001 - 2005		2003		2004		2005	
	Average number	Birth rate (%)	Average number	Birth rate (%)	Nº	Birth rate (%)	Nº	Birth rate (%)	Nº	Birth rate (%)	Average number	Death rate (%)	Average number	Death rate (%)	Nº	Death rate (%)	Nº	Death rate (%)	Nº	Death rate (%)
Total	31 368	17,5	47 675	15,0	54 865	16,1	43 980	12,8	44 611	12,6	20 162	11,9	35 202	11,4	32 774	10,7	32 093	10,3	38 082	11,2
1 - 4	24 442	23,9	39 783	19,3	46 284	20,4	37 784	16,4	38 748	16,3	15 272	15,9	29 446	14,9	27 726	14,1	27 404	13,5	32 559	14,4
5 - 9	4 459	11,7	5 186	8,6	5 208	8,3	3 998	6,5	3 795	6,0	2 870	7,9	3 590	6,0	3 139	5,2	2 965	4,9	3 447	5,5
10 - 19	1 575	8,3	1 735	6,2	1 953	6,8	1 379	4,9	1 277	4,4	1 194	6,5	1 305	4,7	1 138	4,1	1 032	3,8	1 299	4,5
20 - 49	671	5,9	725	4,8	1 037	6,6	625	3,9	616	3,7	590	5,3	611	4,1	546	3,8	500	3,4	578	3,7
50 - 249	201	3,7	220	3,4	349	5,3	182	2,7	153	2,2	214	4,0	228	3,6	207	3,4	176	2,8	177	2,7
≥ 250	20	2,4	26	2,9	34	3,6	12	1,3	22	2,3	22	2,6	23	2,7	18	2,1	16	1,8	22	2,3

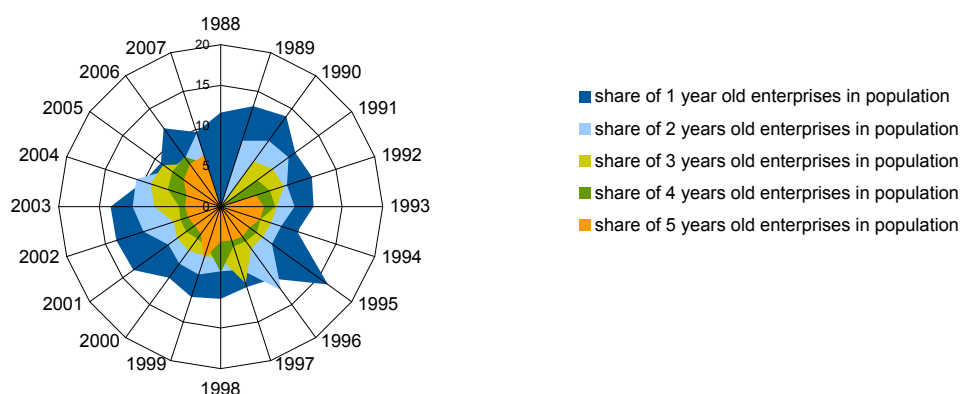
Note: Birth and death rates are composed by a numerator given by the number of total births and deaths, respectively, and by a denominator given by the total number of active employer enterprises in the reference period. The birth of an employer enterprise occurs when it starts its activity. It does not include entries into the population due to mergers and acquisitions, restructuring of enterprises or the reactivation of dormant units within a period of more than 2 years. This population is also composed of enterprises that although existing in previous years, were below the one employee threshold. Deaths occur due to the dissolution of the combination of production factors. They don't include exits from the population due to mergers, take-overs, break-ups or restructuring of enterprises. An enterprise death is counted only if it is not reactivated within 2 years.

### Churn dynamics, 1987-2005



Note: The sum of births and deaths of employer enterprises are at the top of the bars, and correspond to the churn rate.

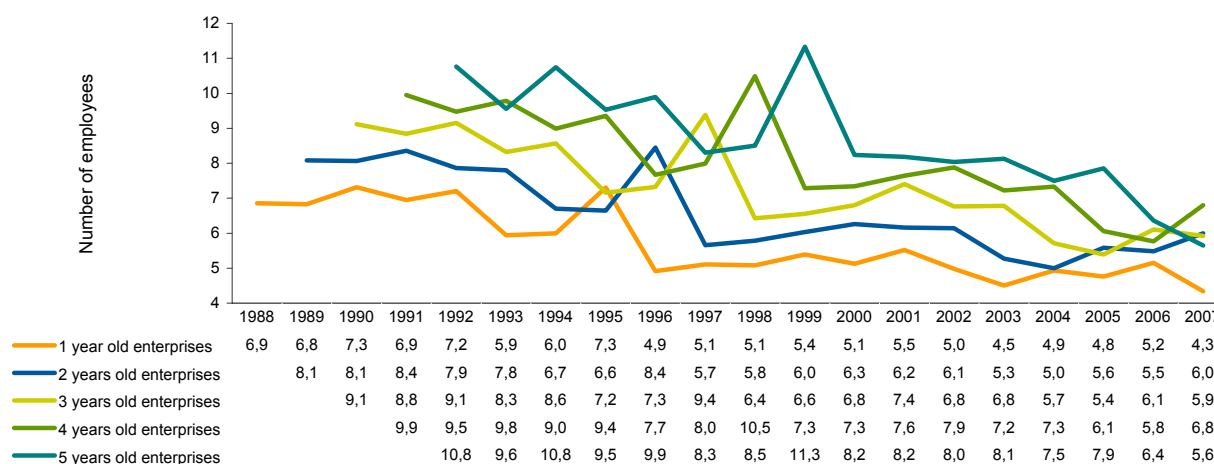
### Share of 1-5 years old enterprises in total population (%)



## Age and survival, outlook for 2007

Active In 2007	Total Enterprises 354 920 (100%)	Enterprises < 10 employees 301 150 (84,9%)	Enterprises ≥ 10 employees 53 770 (15,1%)
Born in 2006	1st year survivors 34 400 (9,7 %)	1st year survivors 31 817 (10,6%)	1st year survivors 2 583 (4,8%)
Born in 2005	2nd year survivors 33 896 (9,6%)	2nd year survivors 30 254 (10,0%)	2nd year survivors 3 642(6,8%)
Born in 2004	3rd year survivors 22 002 (6,2%)	3rd year survivors 19 770 (6,6%)	3rd year survivors 2 232 (4,2%)
Born in 2003	4th year survivors 19 678 (5,6%)	4th year survivors 17 520 (5,8%)	4th year survivors 2 158(4,0%)
Born in 2002	5th year survivors 23 692 (6,7%)	5th year survivors 21 010 (7,0%)	5th year survivors 2 682 (5,0%)

## Average firm size (number of employees)



## Probability of Survival (1987 - 2005)

Survival years	1987	1990	1993	1994	1995	1999	2000	2001
0								
1	87,3%	86,8%	87,4%	86,8%	86,6%	82,8%	84,1%	86,5%
2	75,5%	76,5%	77,7%	77,1%	76,0%	70,1%	72,8%	76,2%
3	67,3%	65,4%	70,4%	69,5%	68,0%	61,9%	64,6%	68,5%
4	61,4%	59,3%	64,5%	63,6%	61,1%	55,5%	58,5%	61,8%
5	56,2%	54,3%	59,5%	57,7%	54,1%	50,5%	52,9%	
6	50,4%	50,4%	54,8%	51,8%	48,6%	46,0%		
7	46,8%	46,9%	49,7%	46,8%	44,4%			
8	43,5%	43,9%	45,3%	43,3%	41,4%			
9	40,8%	40,8%	42,3%	40,3%	38,6%			
10	38,3%	37,3%	39,7%	37,7%	35,7%			
11	36,0%	34,4%	37,2%	35,0%				
12	33,7%	32,0%	35,1%					
13	31,1%	30,1%						
14	28,8%	28,5%						
15	27,1%	27,0%						
16	25,5%							
17	24,1%							
18	22,6%							

## Average size, Growth and Variance according to the age of the enterprise (1987 - 2005)

Age	Average size (n° employees)	Average of the growth rate of each enterprise *	Variance of growth rates (absolute value)
0	6,4		
1	7,8	24,2	1,68
2	9,0	13,4	1,25
3	10,1	9,7	0,91
4	11,2	8,4	3,93
5	12,3	6,6	1,03
6	12,9	5,5	1,00
7	13,4	4,7	1,03
8	14,4	4,0	0,63
9	15,4	4,8	0,63
10	16,5	3,7	0,69
11	17,5	3,1	0,53
12	18,7	2,4	0,47
13	20,1	2,2	0,44
14	21,3	1,5	0,48
15	22,6	2,8	0,43
16	23,6	0,0	0,45
17	25,4	-0,2	0,38
18	28,6	-1,2	0,32

Note: The non parametric Kaplan-Meier estimator was applied according to the following formula:  $\hat{S}(t) = \prod_{j: t_j \leq t} \left( \frac{n_j - d_j}{n_j} \right)$ . The probabilities relate to enterprises ("cohorts") born in the years mentioned above.

\* First, the annual growth rate of the number of employees is calculated for each enterprise, according to its age, over the period 1987 to 2005. Next, we compute the average of the growth rates, for all enterprises belonging to a given age group, aged from 1 to 18 years old.

Source: GEE, based on E. de Moraes Sarmento, and A. Nunes, "Entrepreneurship Performance Indicators", NIPE Workshop 2009 (Universidade do Minho), based on Quadros de Pessoal, GEP, Ministério do Trabalho e da Solidariedade Social.

## Employment

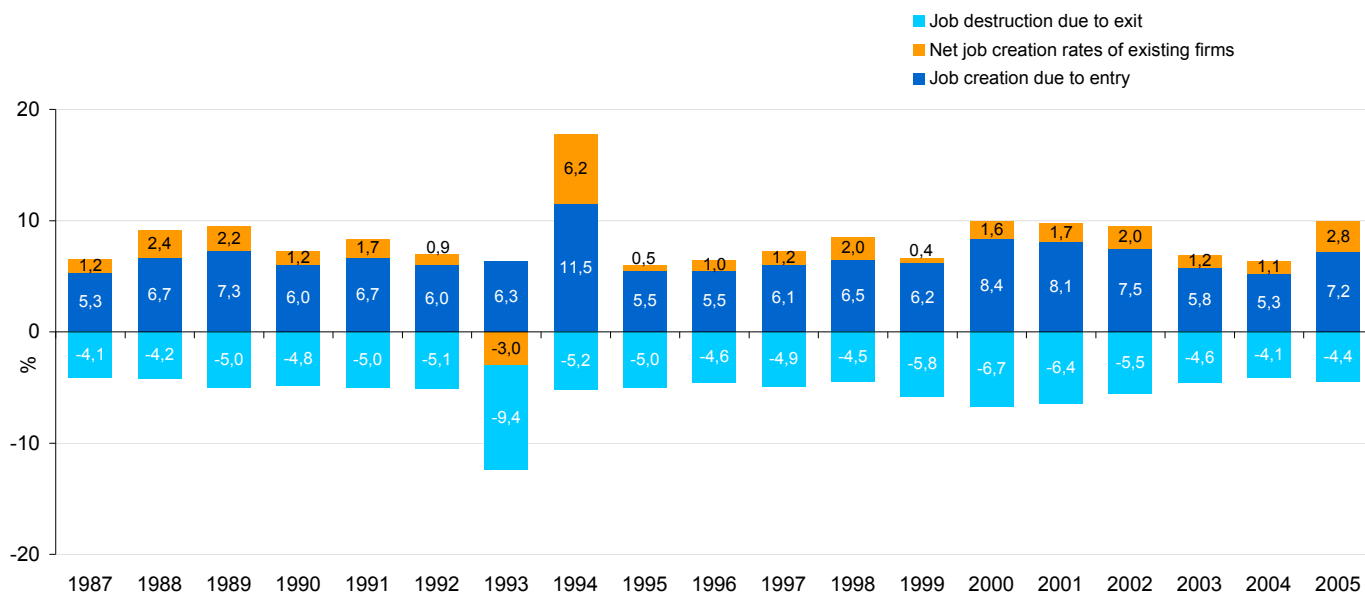
Employment in active employer enterprises										
Size class (number of employees)	1987 - 2000		2001 - 2005		2005		2006		2007	
	Average number of employees	Growth rate	Average number of employees	Growth rate	Number of employees	Growth rate	Number of employees	Growth rate	Number of employees	Growth rate
<b>Total</b>	2 273 188	2,6	2 897 498	1,9	3 069 323	5,9	3 099 502	1,0	3 205 372	3,4
1 - 4	239 079	7,8	423 633	4,8	466 739	8,2	470 766	0,9	484 285	2,9
5 - 9	252 148	5,8	390 211	2,0	404 694	3,9	399 451	-1,3	406 297	1,7
10 - 19	256 934	4,4	367 750	1,3	379 421	5,7	376 536	-0,8	389 223	3,4
20 - 49	344 860	3,1	444 679	1,8	468 965	6,7	475 793	1,5	495 628	4,2
50 - 249	532 513	1,7	598 496	0,8	629 895	4,1	646 129	2,6	668 359	3,4
≥ 250	647 655	-0,5	672 728	1,3	719 609	6,6	730 827	1,6	761 580	4,2

## Job creation and destruction

Size class (thousands of employees)	Creation										Destruction									
	1987 - 2000		2001 - 2007		2005		2006		2007		1985 - 2000		2001 - 2005		2003		2004		2005	
	Average number	Birth rate (%)	Average number	Birth rate (%)	Number	Birth rate (%)	Number	Birth rate (%)	Number	Birth rate (%)	Average number	Death rate (%)	Average number	Death rate (%)	Number	Death rate (%)	Number	Death rate (%)	Number	Death rate (%)
<b>Total</b>	153,2	6,7	182,7	6,2	221,2	7,2	148,6	4,8	150,1	4,7	117,3	5,2	145,2	5,0	131,2	4,6	120,0	4,1	136,6	4,4
1 - 4	50,0	21,2	71,2	16,4	78,2	16,8	63,9	13,6	65,3	13,5	30,4	13,7	51,7	2,6	48,5	11,5	46,9	10,9	54,0	11,6
5 - 9	28,2	11,5	32,8	8,4	32,9	8,1	25,3	6,3	23,9	5,9	18,4	7,8	22,8	1,2	19,8	5,1	18,8	4,8	21,9	5,4
10 - 19	20,7	8,2	22,7	6,1	26,0	6,9	18,2	4,8	16,8	4,3	15,8	6,5	17,2	1,0	15,0	4,1	13,5	3,8	17,1	4,5
20 - 49	19,6	5,7	21,1	4,6	30,8	6,6	18,1	3,8	18,0	3,6	17,4	5,2	18,1	1,0	16,4	3,8	14,9	3,4	16,8	3,6
50 - 249	18,0	3,4	20,3	3,3	31,8	5,0	16,8	2,6	13,9	2,1	19,7	3,7	21,0	0,7	19,5	3,3	15,1	2,5	16,2	2,6
≥ 250	16,8	2,6	14,5	2,1	21,5	3,0	6,4	0,9	12,2	1,6	15,7	2,4	14,5	0,6	12,1	1,9	10,7	1,6	10,6	1,5

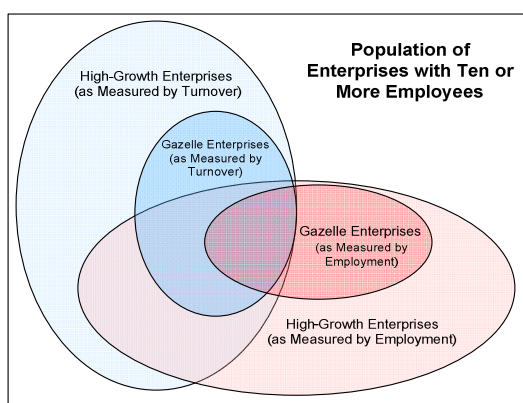
Note: Birth and Death rates are ratios composed by a numerator that corresponds to the total number of employees in employer enterprises that enter and exit the market yearly, respectively, and by a denominator that corresponds to total employment in active employer enterprises (according to the methodology of "Manual on Business Demographic Statistics", Eurostat/OECD, 2007).

## Net employment growth and its components (1987 - 2005)



Source: GEE, based on E.de Morais Sarmiento and A. Nunes, "Entrepreneurship Performance Indicators", NIPE Workshop 2009 (Universidade do Minho), based on Quadros de Pessoal, GEP, Ministério do Trabalho e da Solidariedade Social.

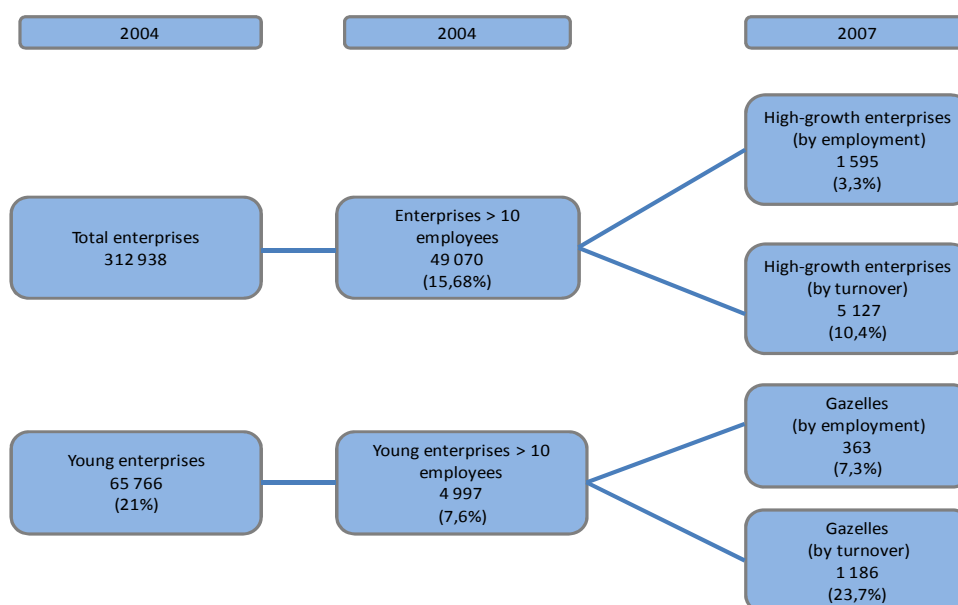
## High-Growth Enterprises and Gazelles



A **High-growth enterprise** is an enterprise with average annualised growth greater than 20% per annum, over a three year period. Growth can be measured by the number of employees or by turnover.

**Gazelles** are high growth enterprises that are up to 5 years old.

## High Growth Enterprises and Gazelles, outlook for 2007



## High Growth Enterprises and Gazelles, by employment

Year	High growth enterprises				Gazelles			
	Enterprises		Employees		Enterprises		Employees	
	Nº	Weight in the population with more than 10 employees (%)	Nº	Weight in the population with more than 10 employees (%)	Nº	Weight in the population with more than 10 employees (%)	Nº	Weight in the population with more than 10 employees (%)
1990	1.453	4,18	134.331	7,37				
1991	1.370	3,84	132.390	7,23				
1992	1.231	3,32	110.471	6,02	420	1,13	28.512	1,55
1993	1.007	2,74	92.613	5,26	336	0,91	22.192	1,26
1994	1.017	2,73	108.766	6,37	342	0,92	31.866	1,87
1995	948	2,56	108.433	6,34	267	0,72	28.090	1,64
1996	1.043	2,83	118.724	7,01	286	0,78	28.592	1,69
1997	1.171	2,99	139.456	7,89	286	0,73	27.422	1,55
1998	1.387	3,38	164.941	8,95	412	1,00	42.642	2,31
1999	1.466	3,36	191.704	10,00	433	0,99	50.533	2,64
2000	1.623	3,54	196.627	9,94	345	0,75	35.210	1,78
2001	1.827	3,72	207.052	9,91	402	0,82	41.039	1,96
2002	1.640	3,30	165.879	8,22	390	0,79	31.686	1,57
2003	1.370	2,79	142.951	7,03	335	0,68	32.778	1,61
2004	1.308	2,67	152.610	7,34	365	0,74	37.154	1,79
2005	1.339	2,58	135.622	6,17	394	0,76	33.996	1,55
2006	1.463	2,82	159.660	7,16	407	0,78	28.080	1,26
2007	1.595	2,97	175.259	7,57	363	0,68	33.998	1,47

Source: GEE, based on E. de Morais Sarmento and A. Nunes, "Entrepreneurship Performance Indicators", NIPE Workshop 2009 (Universidade do Minho), based on "Quadros de Pessoal", GEP, Ministério do Trabalho e da Solidariedade Social.