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## Entrepreneurship statistics and trends for 2023

In 2023, there were 1,238,617 new businesses established.

The real estate industry experienced the most significant decline in 2022, resulting in a decrease of 79,076 businesses, while other sectors remained similar to previous years.

There were increases in various sectors, such as accommodation and restaurants, up 8.1%; electricity, gas, and air, up 32.7%; and personal services, up 10.0%.

Decreases were seen in real estate, down 38.4%; wholesale and retail, down 1.4%; construction, down 8.6%; etc.

**Sejong, March 13, 2024** – The Ministry of SMEs and Startups (Minister OH Youngju) released the Entrepreneurship Statistics and Trends report for 2023. According to the report, the number of new businesses that started in 2023 has increased significantly in face-to-face industries due to the lifting of social distancing measures. Additionally, online and non-face-to-face related industries continue to grow. However, the report highlights that the global economic slowdown and the "3 Highs" (high interest rates, high exchange rates, and high prices) have had a negative impact on entrepreneurship. As a result, the number of new businesses has decreased by 6.0% (78,862) as compared to 2022, with a total of 1,238,617 new businesses established in 2023.

\* Number of new businesses by year (Number): (2019) 1,285,259 → (2020) 1,484,667 → (2021) 1,417,973 → (2022) 1,317,479 → (2023) 1,238,617

In 2022, there was a considerable drop of 79,076 (-38.4%) in new businesses in the real estate industry. This was mainly due to the sluggish real estate economy since 2022. As a result, the total number of new businesses also decreased. However, if we exclude the real estate industry, the number of new businesses is similar to the previous year.

\* Number of new businesses excluding the real estate industry by year (Number): (2019) 1,005,462 → (2020) 1,046,814 → (2021) 1,100,589 → (2022) 1,111,718 → (2023) 1,111,932

After the end of COVID-19, new businesses increased in the accommodation and restaurant industries (8.1%↑), and electricity, gas, and air industries (32.7%↑) as production in face-to-face industries ramped up.

\* Industries where new businesses were increased: Personal services (10.0%↑), business facility management (9.5%↑), education services (4.9%↑)

Due to a decline in investment and exports caused by slow growth in both Korean and international economies, the number of new businesses has decreased in several industries. Specifically, the wholesale and retail industry has seen a 1.4% decrease, the construction industry has experienced an 8.6% decrease, and the professional, scientific, and technical service industries have seen a 9.0% decrease.

\* Industries where new businesses were decreased: Real estate (38.4%↓), transportation and warehousing (6.9%↓), manufacturing (10.4%↓), finance and insurance (23.2%↓), agriculture, forestry, fishing and mining (9.5%↓), information and communication (2.5%↓), arts, sports and leisure (2.3%↓), health and social welfare (5.7%↓), and water, sewage and waste (2.0%↓).

The overall number of new businesses decreased year-on-year during most months on a month-to-month basis. However, there was a slight increase in October and November. If we exclude real estate, the number of startups increased from January to May and again from October to November.

#### < Number of New Businesses by Months and Changes From the Previous Year >

(Unit: Number, %)

Classification	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Total	105,777	109,338	118,257	101,452	107,598	108,082	104,483	104,068	91,907	99,364	102,579	85,712
	(-9.8)	(1.8)	(-4.7)	(-8.6)	(-7.1)	(-10.2)	(-8.0)	(-5.2)	(-8.2)	(0.4)	(1.6)	(-12.7)
Excluding real estate	93,898	97,501	107,372	91,483	94,536	97,004	93,228	93,930	82,960	90,436	93,304	76,280
	(1.9)	(12.6)	(3.7)	(0.9)	(3.2)	(-4.0)	(-3.8)	(-2.3)	(-5.5)	(2.6)	(3.2)	(-12.0)

\* ( ): Changes compared to the same month of the previous year

Entrepreneurs decreased across all age groups except for real estate. Excluding real estate, entrepreneurs increased in all age groups except those in their 40s (-2.8%) and 50s (-1.5%).

\* Changes in entrepreneurship by age group (% , year-on-year): (Under 30) -1.8 (30s) -3.5 (40s) -9.0 (50s) -9.1 (60+) -3.7

\*\* Excluding real estate (% , year-on-year): (Under 30) 1.3 (30s) 0.6 (40s) -2.8 (50s) -1.5 (60+) 5.8

In 2023, the number of startups in the technology sector declined by 3.5% YoY to 221,436 while the share of tech-based startups among all startups increased by 0.5%p compared to the previous year.

\* Number of technology-based startups and its share of total startups by year (Number, %) :

(2019) 220,607 (17.2) → (2020) 228,949 (15.4) → (2021) 239,620 (16.9) → (2022) 229,416 (17.4) → (2023) 221,436 (17.9)