



ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT



Preliminary Report of the Data Track ICE Risk Capital Project

Tim Davis, Eric Gonnard, Patrizio Sicari
OECD Statistics Directorate




ICE Risk Capital Project

Background: The EIP's work on "Access to Finance" supports three "clients"

- Entrepreneurship Indicators Programme
 - Indicators on Determinants of Entrepreneurship
 - Reflect requirements of OECD and EU countries
- CFE Study on High Growth SMEs
 - Component on financing of HGSMEs
- ICE Risk Capital Project
 - Data Track: Handbook and Possible New Data Sources

ICE Risk Capital Project

Purpose of Report and Handbook

- Report to ICE: Handbook + New data collection
- Handbook 
 - Terminology
 - Data sources
 - Indicator “Boxes”
 - Core indicators
- Help government policy analysts and makers
- Context is “entrepreneurship”



Handbook

- Scope
- Definitions
- Data sources
 - Characteristics, Issues
 - Demand, Supply
- Existing Indicators – Activity, Performance, Impact
- Other Capital Indicators
- Indicator Framework and desirable indicators
- OECD VC database and Indicators



ICE Risk Capital Project

Scope

- Not about assessment / regulation of PE industry
- Not about valuation guidelines

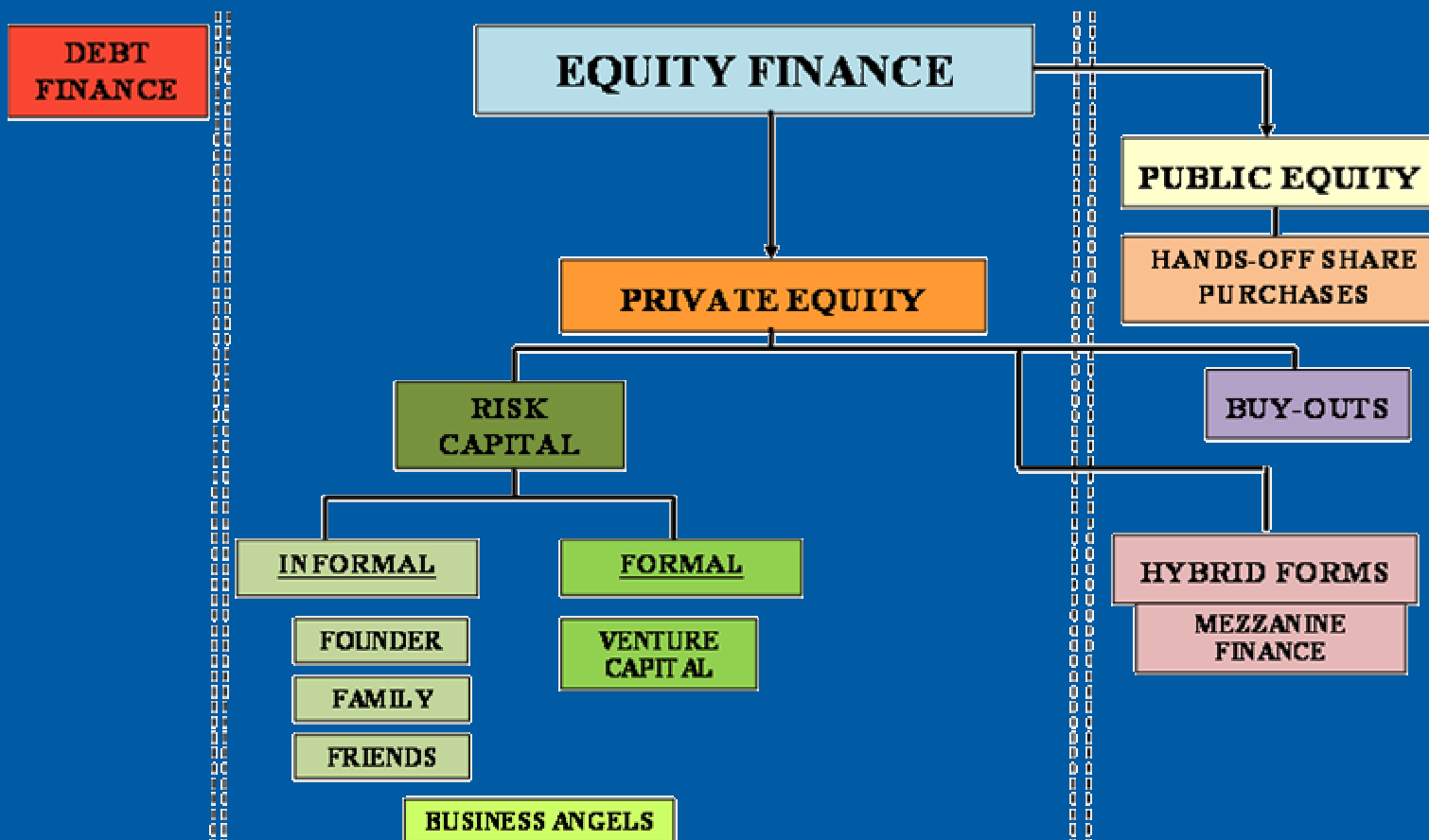
- But what terminology / data should be covered?
- Scope defined in terms of:
 - Types of financing
 - Stages of investment
 - Specific subset of firms

Sources of Confusion

- The term PE describes both a broad category and sub-component (buyouts)
- CVCA: $PE = VC + \text{Mezzanine} + \text{Buyout}$
- EVCA: PE = seed to buyout; VC is subcomponent

But

- EVCA includes buyouts in VC in published data
- ICE adds term “risk capital” and drops term VC
- But $VC \neq \text{Risk Capital}$



- Scope of ICE Risk Capital study limited to the boxes under “Risk Capital”
- But all portfolio firms included, whether SME or not.

Possible New Information Sources

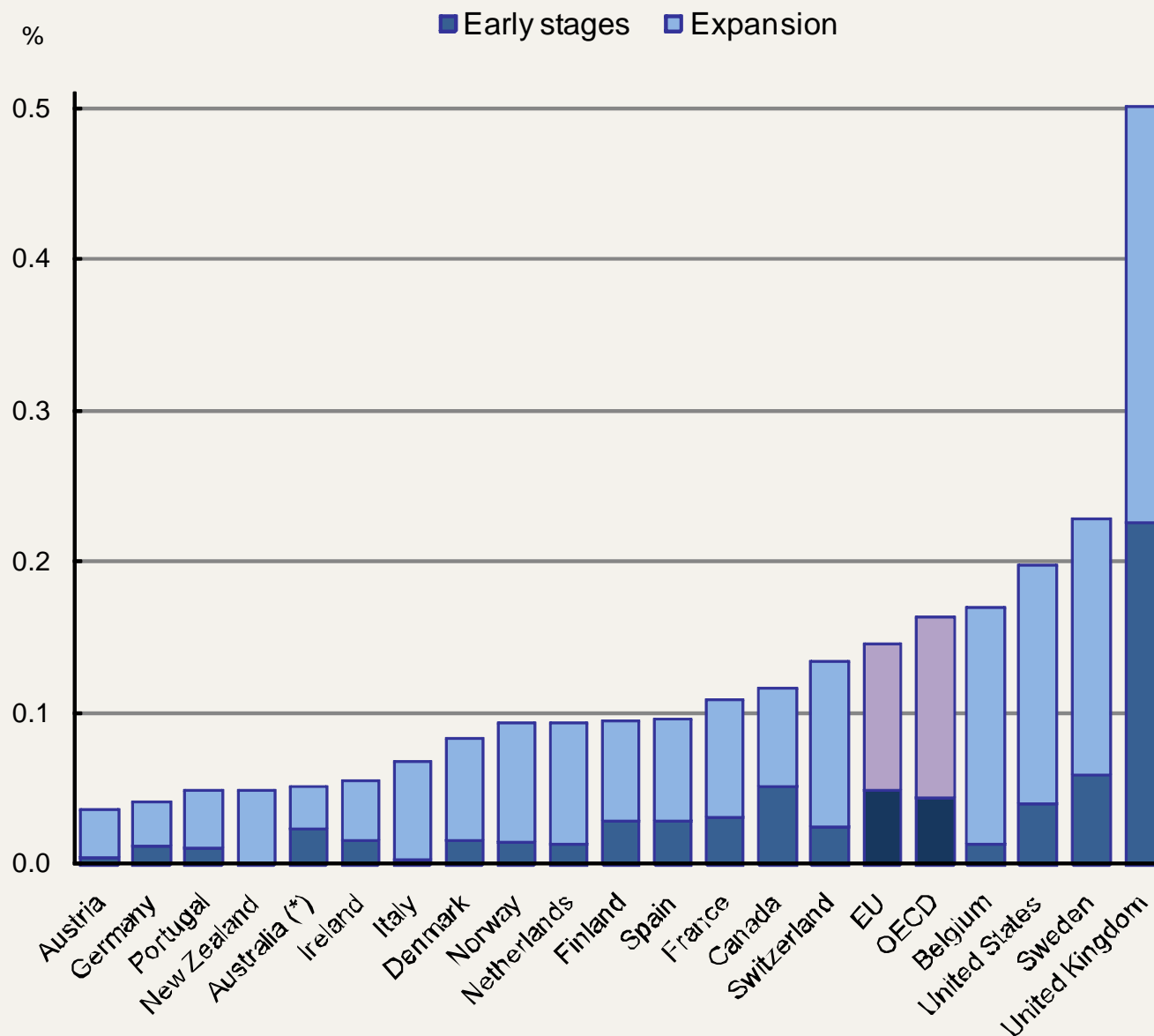
- Demand side information sources
- Surveys of SMEs regarding demand for finance exist in several countries
- Most are unique and address national data needs
- Little cross country comparison is possible
- Eurostat planning survey on financing
- OECD testing questions on financing for growth
- Coordinate and harmonise methods?
- Organise Seminar to discuss questions? Results?



Sample Indicators from OECD Venture Capital Database

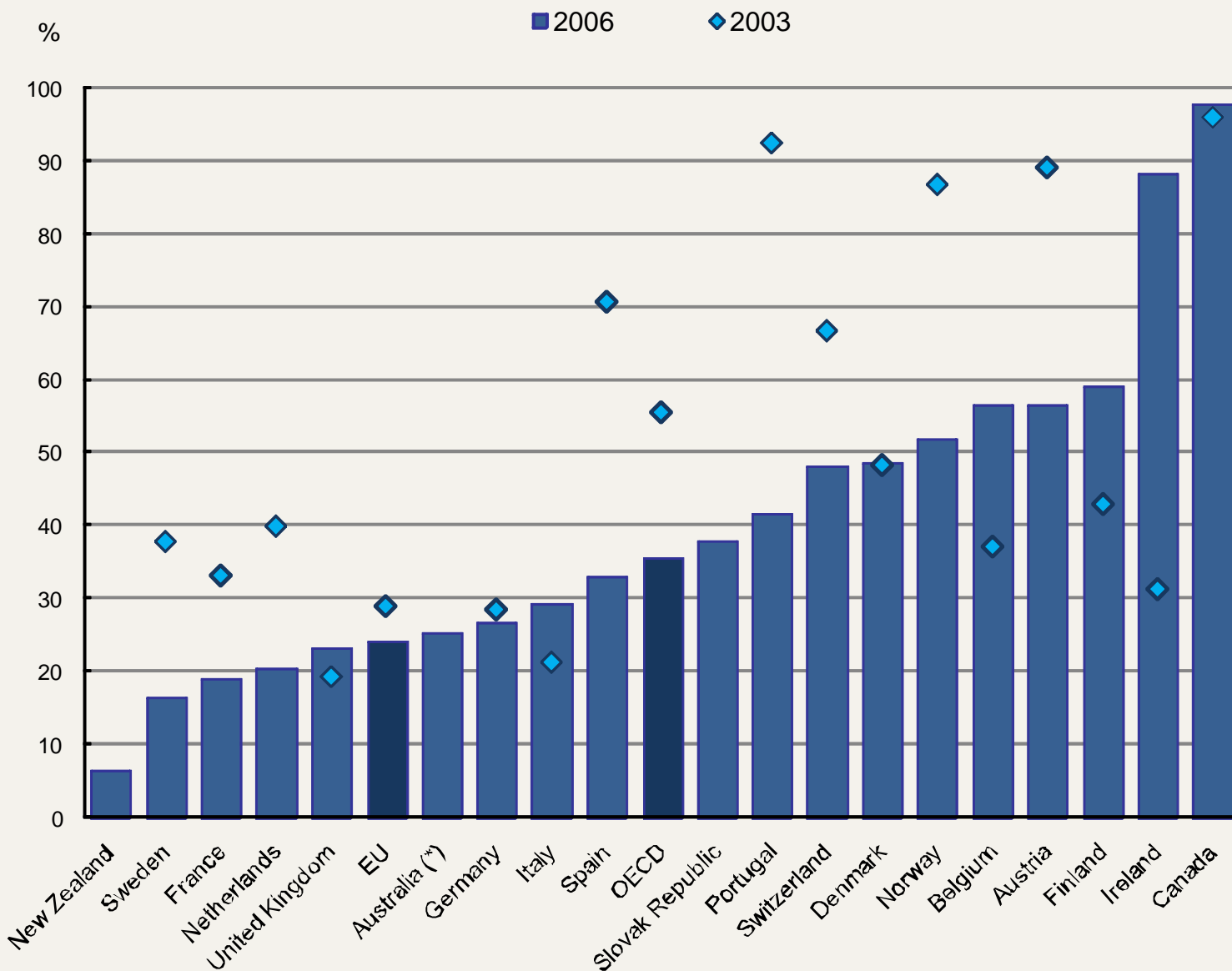
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Venture Capital investment as a percentage of GDP 2006 or latest available year



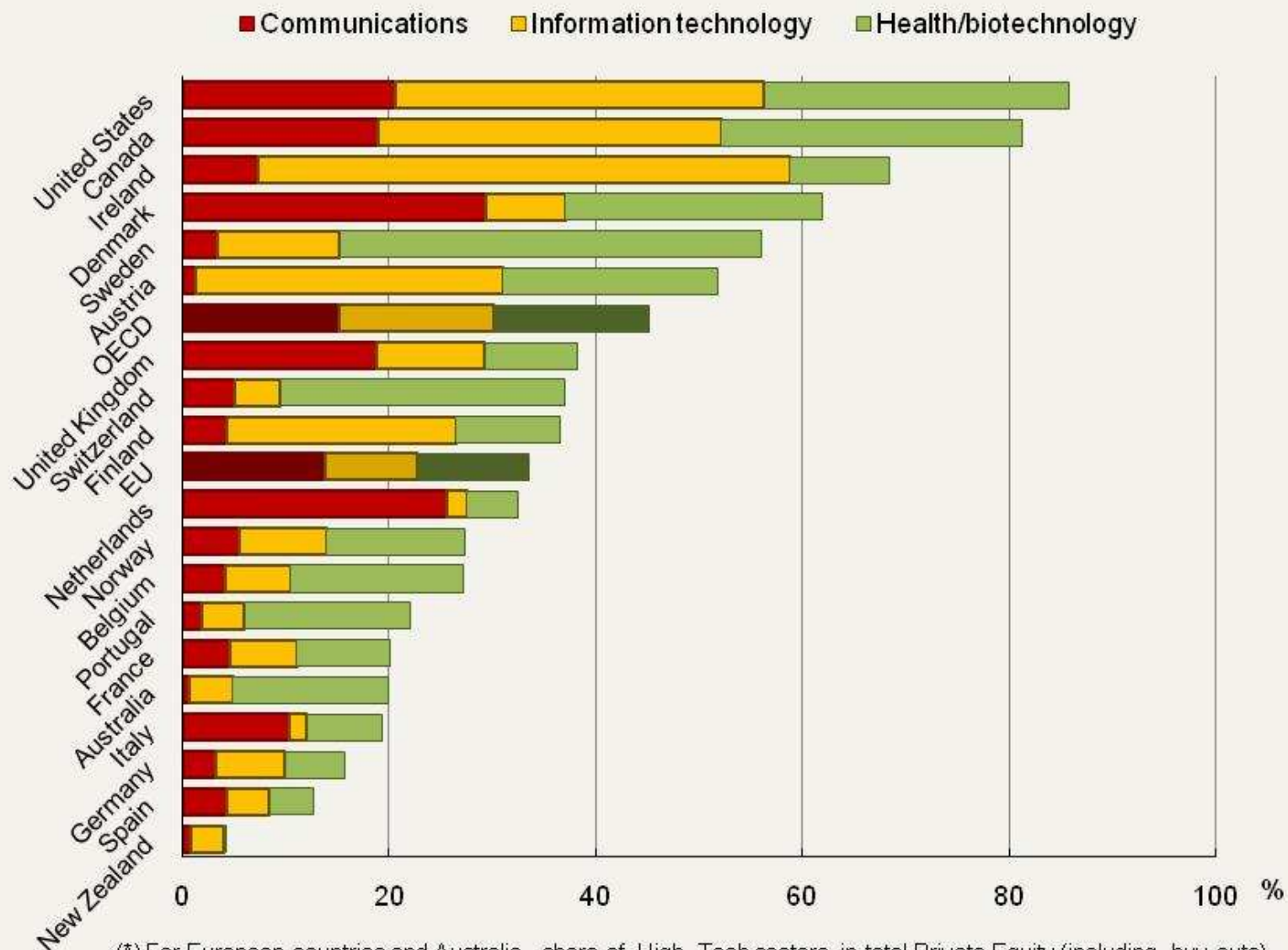
(*) 2005 data

Share of Venture Capital in Private Equity investment 2003-2006



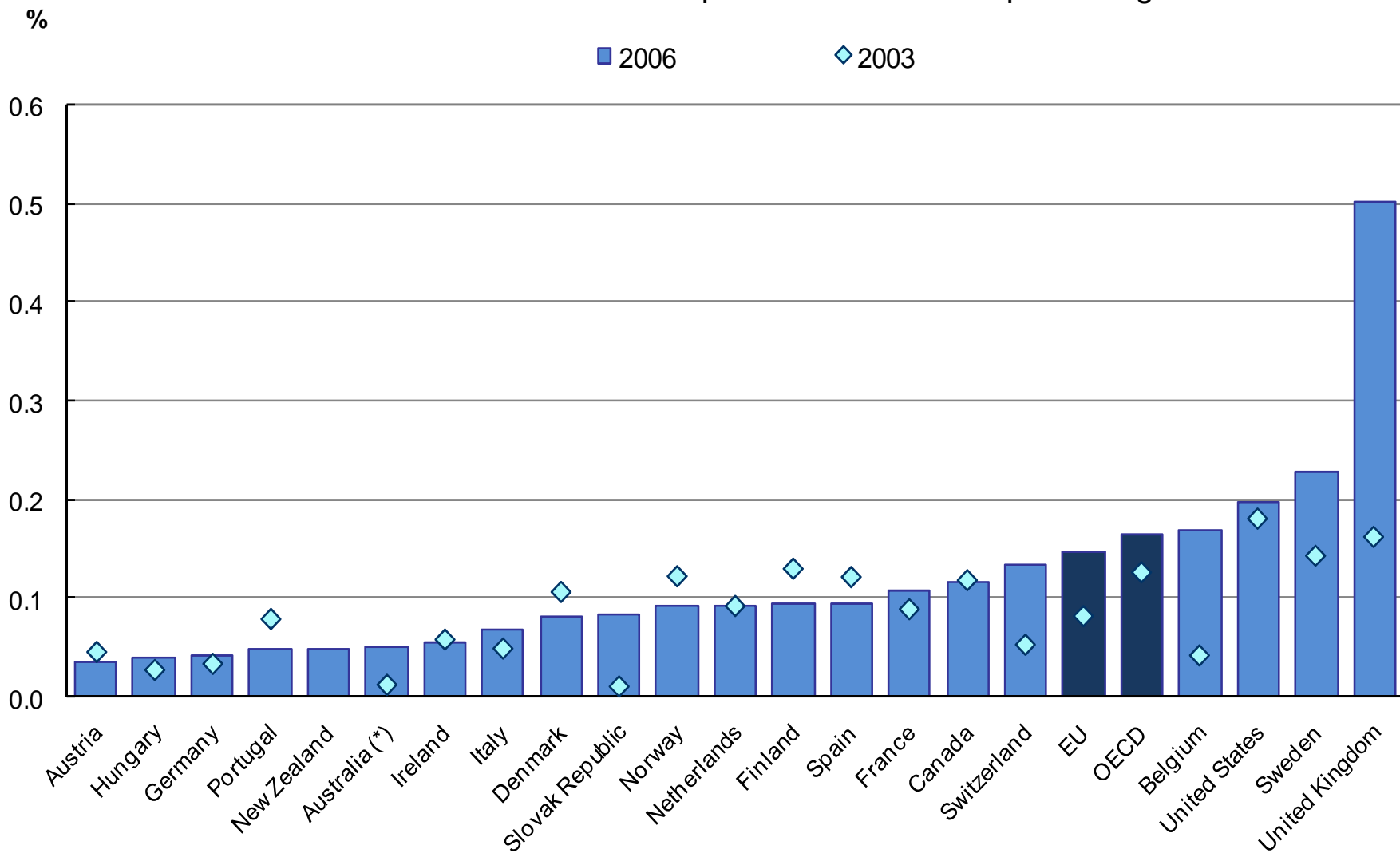
(*) 2005 data

Share of high-technology sectors in total Venture Capital investment ,2006 (*)



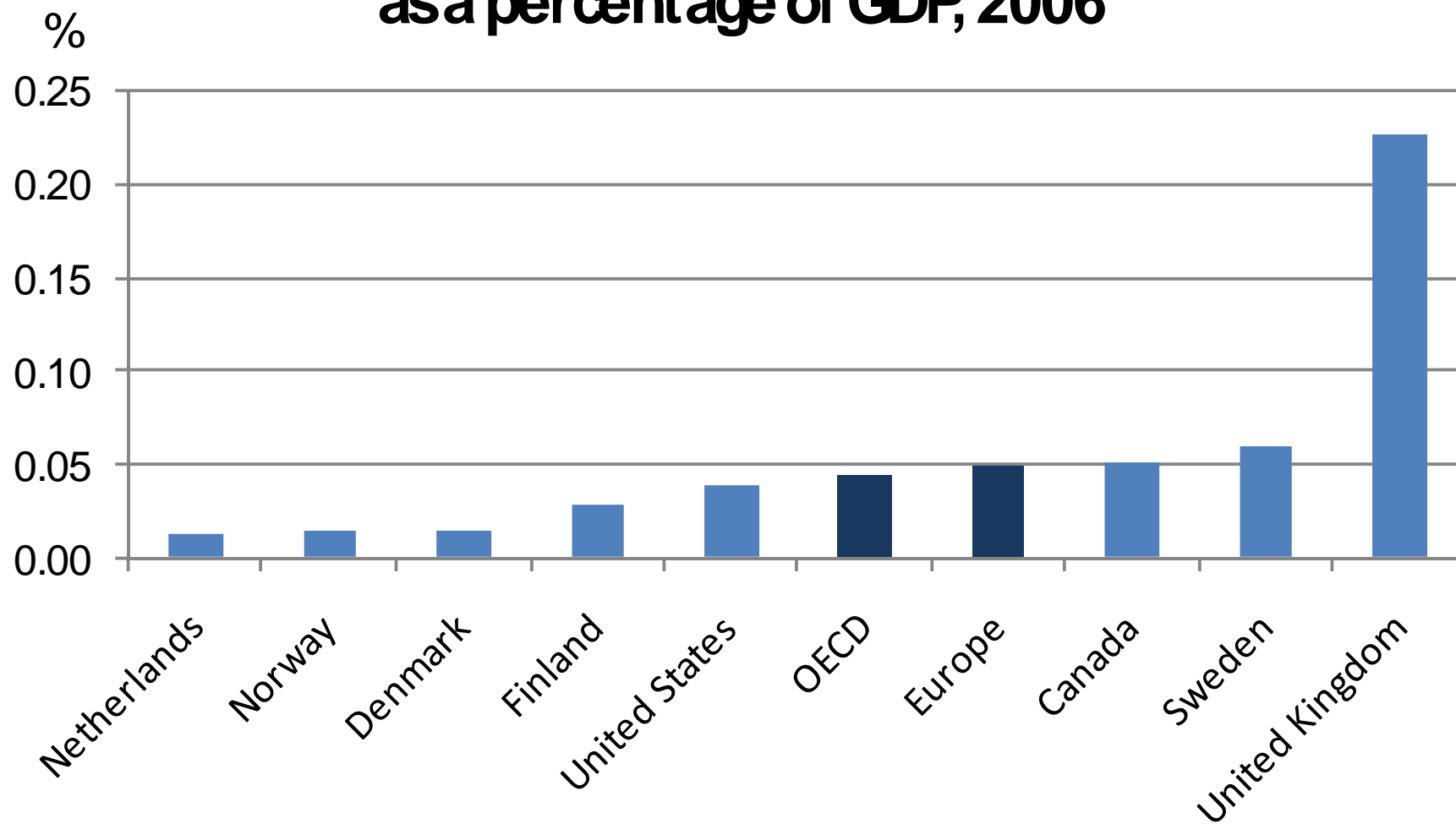
(*) For European countries and Australia, share of High-Tech sectors in total Private Equity (including buy-outs)

2003-2006 trends in Venture Capital investment as a percentage of GDP

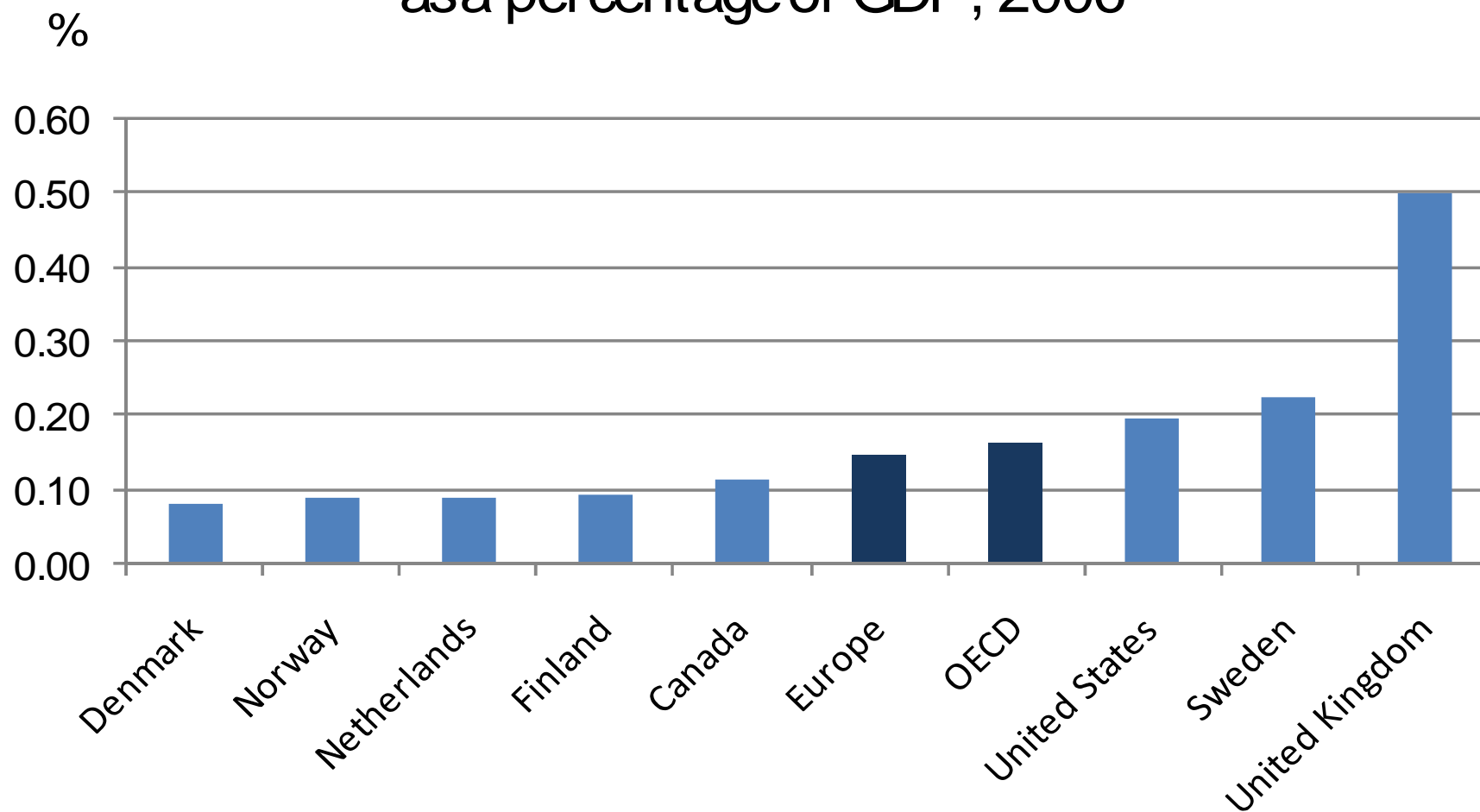


(*) 2003-2005

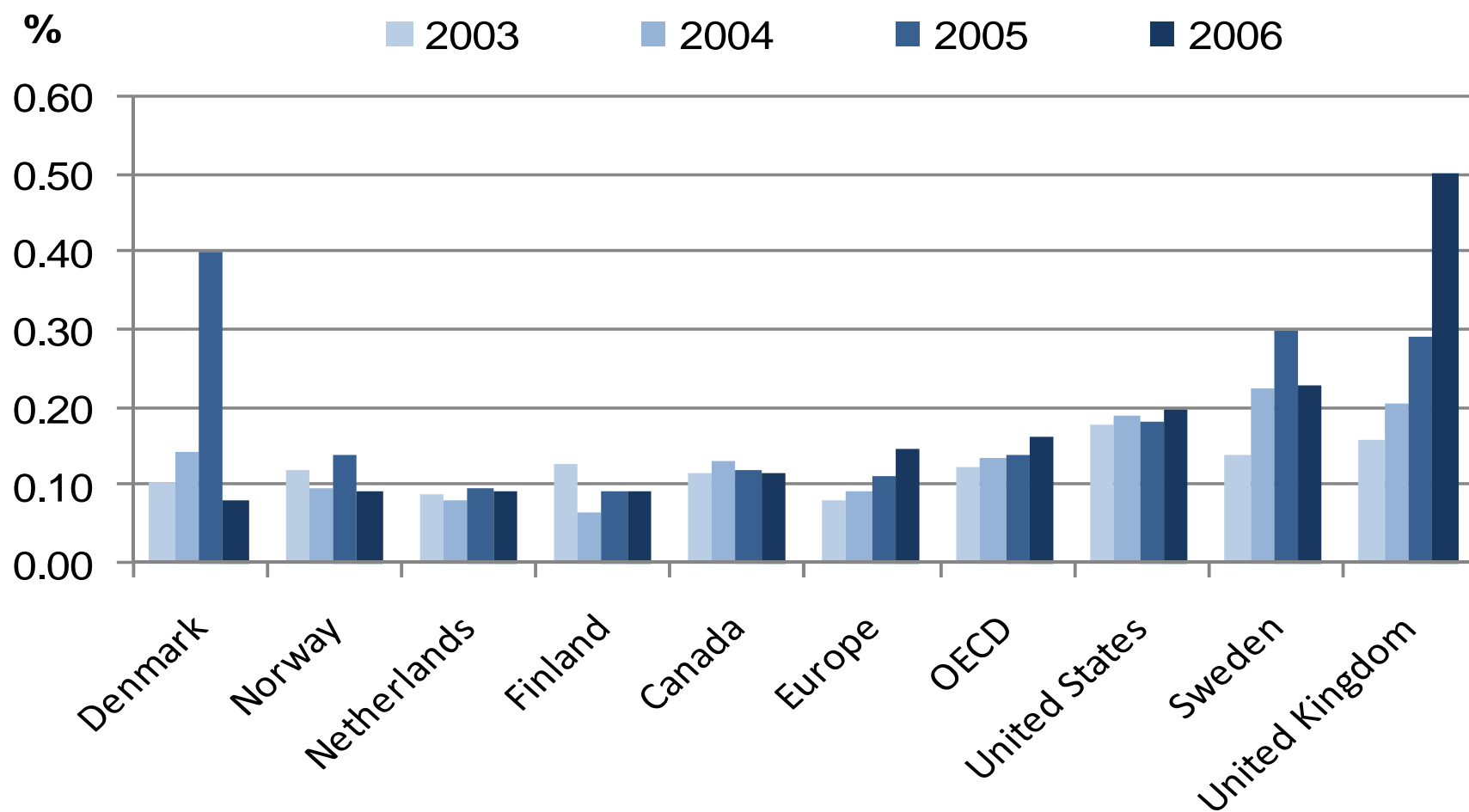
Early stage investment as a percentage of GDP, 2006



Venture capital investment as a percentage of GDP, 2006



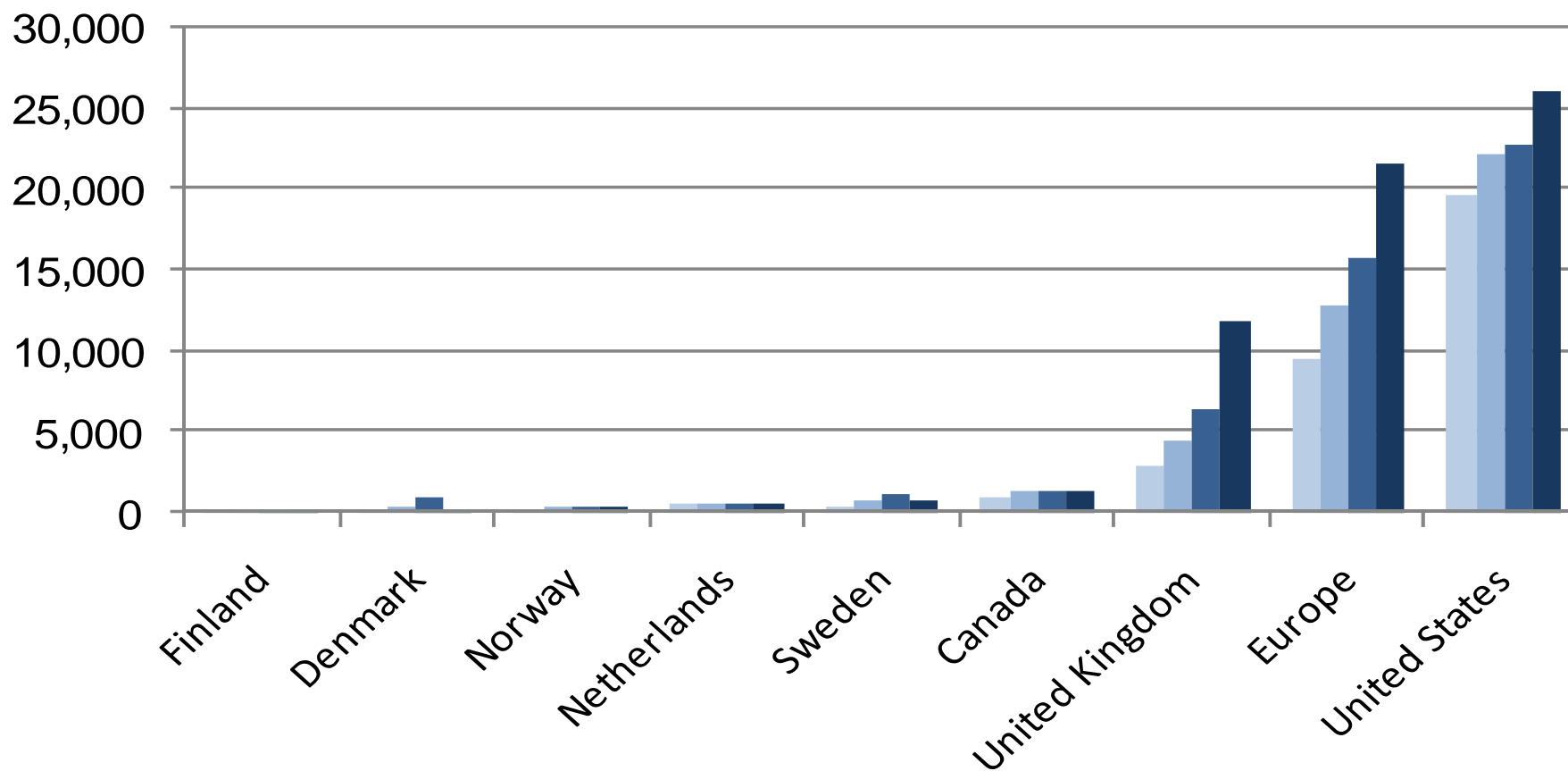
Venture capital investment as a percentage of GDP, 2003-2006



Venture capital investment

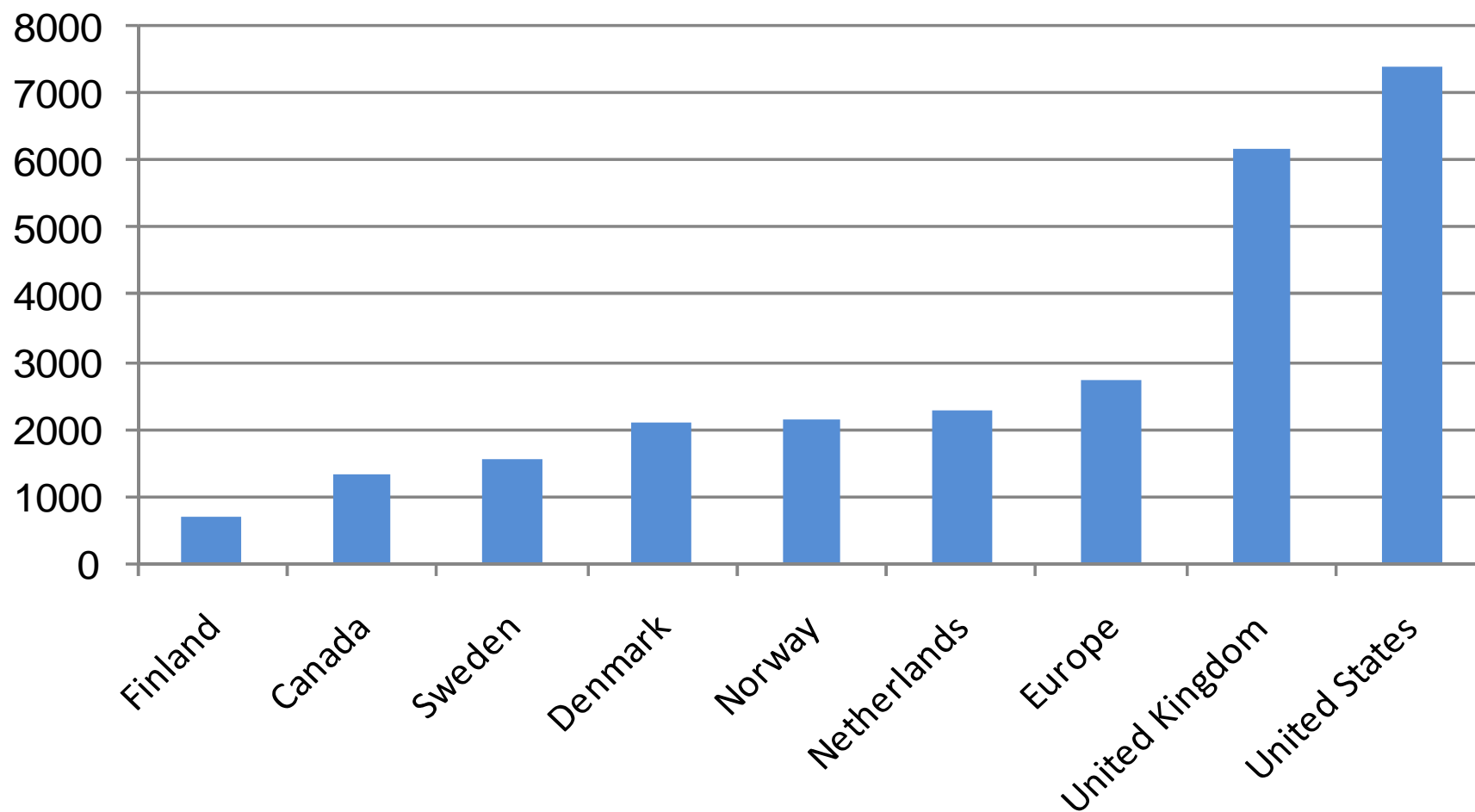
Million USD

2003 2004 2005 2006



Average deal size Venture capital investment, 2006

in 000 USD



Average deal size - Venture capital investment 2003-2006

