



## Business statistics

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This note presents a statistical analysis of businesses in the UK.

It includes information on the number of businesses since 2000, small businesses, business by region, businesses by industry, business births and deaths and information on female representation in business. It also features some discussion of the sources of business statistics and their coverage.

- In 2014, there were 5.2 million businesses in the UK.
- Over 99% of businesses are Small or Medium Sized businesses – employing 0-249 people
- 5.0 million (96%) businesses were micro-businesses – employing 0-9 people. Micro-businesses accounted for 33% of employment and 19% of turnover.
- In London, there were 1,391 businesses per 10,000 resident adults. In the North East there were 701 per 10,000 resident adults.
- The service industries accounted for 73% of businesses, 79% of employment and 70% of turnover.
- The manufacturing sector accounted for 5% of businesses, 10% of employment and 16% of turnover.
- There were 346,000 business births in 2013 and 238,000 business deaths.
- 18% of SMEs are female led, and 22% of FTSE100 board members are female.

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## 1 Businesses in the UK

The table below shows the number of businesses in the UK since 2000.

### Private sector businesses in the UK

	Number of businesses (000s)	Change on year (000s)	% change on year	% that are employers
2000	3,467	-	-	32%
2001	3,502	35	1%	33%
2002	3,573	71	2%	33%
2003	3,679	106	3%	32%
2004	3,925	247	7%	30%
2005	3,927	1	0%	30%
2006	4,125	199	5%	29%
2007	4,272	146	4%	29%
2008	4,284	12	0%	29%
2009	4,375	92	2%	28%
2010	4,483	108	2%	27%
2011	4,589	106	2%	26%
2012	4,818	229	5%	26%
2013	4,914	96	2%	25%
2014	5,243	330	7%	24%

Source: BIS, Business Population Estimates

Notes: Data relates to the start of each year

In 2014, there were 5.2 million private sector businesses in the UK, up by around 330,000 or since 2013. This is the first time that there have been more than five million businesses in the UK.

Since 2000, the number of businesses in the UK has increased each year, by around 3% on average. In 2014, there were 1.8 million more businesses than in 2000, an increase of around 51% over this period.

The proportion of businesses that employ people has fallen since 2000 from around a third, to around a quarter. This decline in the number of employers as a proportion of all businesses is due to the growth in self-employment: the number of sole proprietorships (businesses with no employees) has grown faster than the number of all businesses.

The number of businesses with no employees has grown by 68% since 2000, compared with growth of 51% in the total number of businesses.

## 2 Businesses by size

The table below shows businesses in the UK broken down by the number of employees.

**Private sector businesses in the UK by number of employees**  
2014

	Businesses	Employment	Turnover	Businesses	Employment	Turnover
	1000s	1000s	£ billions	%	%	%
No employees	3,966	4,353	231	76%	17%	7%
SMEs (0-250 employees)	5,236	15,159	1,647	99.9%	60%	47%
Of which: Micro (0-9 employees)	5,010	8,276	655	96%	33%	19%
Small (10-49 employees)	195	3,807	515	4%	15%	15%
Medium (50-249 employees)	31	3,075	477	1%	12%	14%
Large (250+ employees)	7	10,070	1,874	0.1%	40%	53%
<i>Total, all businesses</i>	<i>5,243</i>	<i>25,229</i>	<i>3,521</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

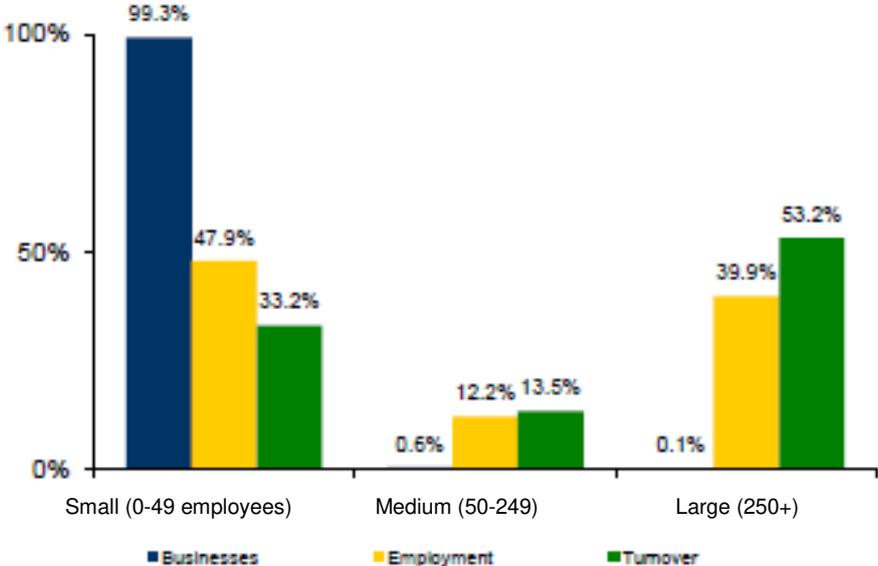
Source: BIS, Business Population Estimates  
Notes: Data relates to the start of 2014  
Numbers rounded to the nearest 1000

The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees. There were 5.2 million SMEs in the UK in 2014, which was over 99% of all business.

Micro-businesses are business with 0-9 employees. There were 5.0 million micro-businesses in the UK in 2014, accounting for 96% of all businesses.

Although the vast majority of businesses in the UK employ fewer than 10 people, this sort of business only accounts for 33% of employment and 19% of turnover. Large businesses, with more than 250 employees, accounted for 0.1% of businesses but 40% of employment and 53% of turnover, as the following chart shows.

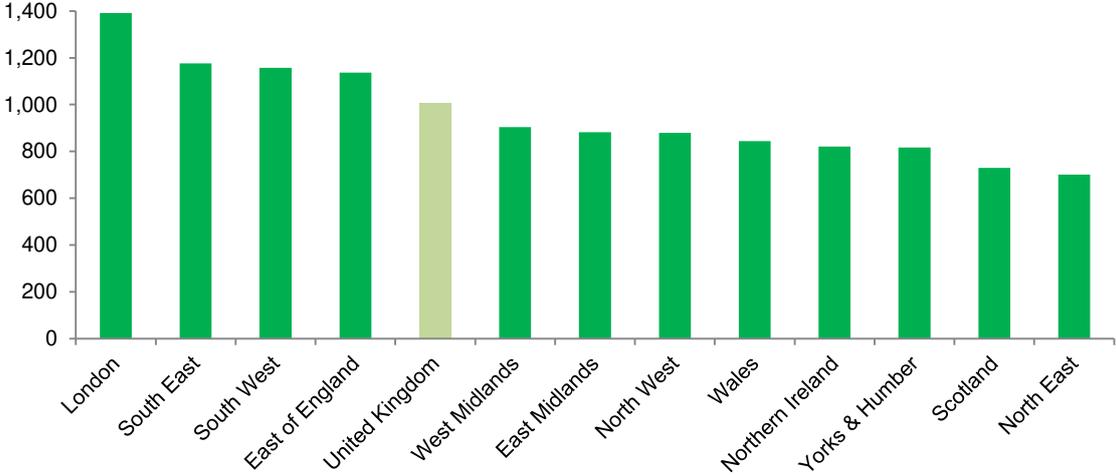
**Share of enterprises in the UK private sector, 2014**  
Source: BIS, Business population estimates, 2014, p 4



### 3 Businesses by region

The chart below shows how the number of businesses per head of population differs across the regions of the UK.

**Number of businesses per 10,000 resident adults, 2014**



In the UK in 2014 there were 1,007 businesses per 10,000 resident adults. In London there were 1,391 businesses per 10,000 residents, whilst in the North East there were 701 businesses per 10,000 residents.

The table on the following page shows detailed data on businesses by regions of the UK.

A third of UK businesses are in London or the South East (934,000 in London and 837,000 in the South East). Northern Ireland has 119,000 businesses whilst the North East has 151,000.

The only region or country to see a fall in the number of businesses in 2014 compared to 2013 was Scotland, which saw a 1% fall. London saw an 11% increase.

## Business statistics by regions and countries of the UK

2014

	Number of enterprises (000s)	% change on year*	Per 10,000 resident adults	Employers 000s	SMEs (0-249 emp) 000s	Manufacturing enterprises %
North East	151	11%	701	38	151	6%
North West	507	6%	879	129	507	5%
Yorkshire & Humber	354	0%	817	95	353	7%
East Midlands	331	5%	882	88	330	6%
West Midlands	413	9%	904	104	412	7%
East of England	549	9%	1,137	127	548	5%
London	934	11%	1,391	205	934	3%
South East	837	6%	1,176	193	835	5%
South West	513	10%	1,157	118	513	5%
England	4,589	8%	1,051	1,097	4,584	5%
Wales	213	12%	844	53	213	6%
Scotland	323	-1%	730	94	322	5%
Northern Ireland	119	5%	821	33	119	8%
<b>United Kingdom</b>	<b>5,243</b>	<b>7%</b>	<b>1,007</b>	<b>1,274</b>	<b>5,233</b>	<b>5%</b>

Source: BIS, Business Population Estimates

Notes: Data relates to the start of 2014

Numbers rounded to the nearest 1000

Data are available on the number of VAT or PAYE registered businesses at parliamentary constituency level. These data can be downloaded from the interactive ONS database, [NOMIS](#).

Information about businesses registered by constituency is available from the House of Commons Library's Business Information Service. Please ring Andy Clark (x3975) or Marguerite Page (x0998) for details.

## 4 Businesses by industry

The table below shows businesses by industry in the UK in 2014.

### Businesses by industry in the UK

2014

	Number of businesses		Employment	Turnover
	000s	%	%	%
Agriculture, mining and utilities	185	4%	3%	8%
Manufacturing	261	5%	10%	16%
Construction	950	18%	8%	7%
Total services	3,846	73%	79%	70%
<i>Of which:</i>				
Retail	539	10%	20%	36%
Transportation	285	5%	6%	5%
Accommodation & food	179	3%	8%	2%
ICT	321	6%	5%	6%
Financial and Insurance	84	2%	4%	-
Real estate activities	100	2%	2%	1%
Professional and scientific	780	15%	9%	7%
Administrative & support service	419	8%	10%	5%
Education	259	5%	2%	1%
Health and social work	337	6%	7%	2%
Arts and recreation	234	4%	3%	3%
Other service activities	311	6%	3%	1%
Total	5,243	-	-	-

Source: BIS, Business Population Estimates

Notes: Data relates to the start of 2014

Numbers rounded to the nearest 1000

In 2014 there 3.8 million businesses in the services industries, 73% of all businesses in the UK. The biggest of the service industries in terms of the number of businesses were the retail sector which accounted for 10% of all businesses and the professional, scientific and technical industry which accounted for 15% of businesses.

Overall, businesses in the service industries accounted for 79% of employment and 70% of total turnover. Businesses in the retail sector alone accounted for 20% of employment and 36% of all turnover in 2014.

Construction sector businesses accounted for 18% of all businesses, but only 8% of employment and 7% of turnover. This is explained by the fact that a large number of construction workers are self-employed, boosting the number of enterprises, but not the number employed in the sector.

Manufacturing firms accounted for 5% of businesses, 10% of employment and 16% of turnover.

## 5 Business births and deaths

The table below shows new business and businesses that ceased trading in each year from 2001 to 2013. The business birth rate is the proportion of active businesses that began trading in the reporting year. The business death rate is the proportion of active businesses that ceased trading in the reporting year.

**Business birth and death rates, UK**

	Births (000s)	Birth Rate	Deaths (000s)	Death Rate
2001	243	12%	212	10%
2002	243	11%	213	10%
2003	267	12%	232	11%
2004	280	13%	244	11%
2005	275	13%	228	10%
2006	256	12%	207	9%
2007	281	12%	224	10%
2008	267	11%	223	10%
2009	236	10%	277	12%
2010	235	10%	249	11%
2011	261	11%	230	10%
2012	270	11%	253	11%
2013	346	14%	238	10%

Source: ONS, *Business Demography 2014*

Notes: excludes the non-VAT registered businesses with no employees

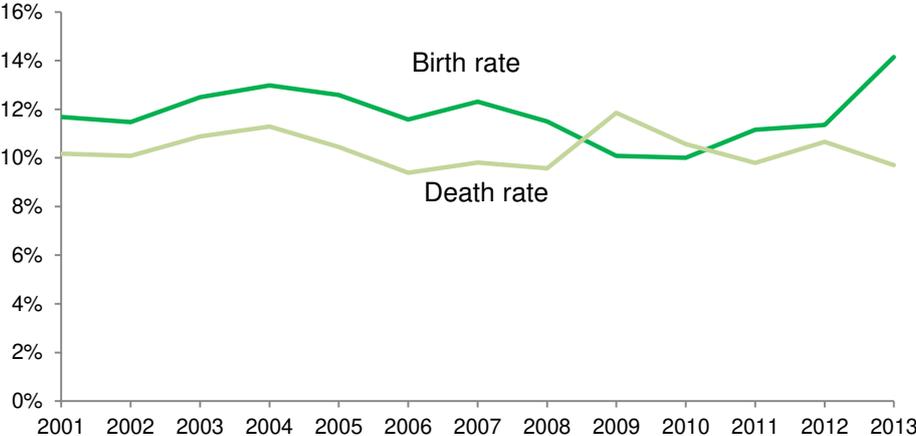
Birth rate = New businesses as a % of active businesses;

Death rate = Businesses that ceased trading as a % of active businesses

In 2013 in the UK, there were 346,000 business births, up 77,000 on the previous year, the biggest increase since the series began. Business births outnumber business deaths by 109,000 in 2013, the largest margin since the series began.

**Business birth and death rates in the UK**

*New businesses as a % of active businesses;  
Businesses that ceased trading as a % of active businesses*



2011 was the first year that the business birth rate was higher than the business death rate since 2008. In 2013, the business birth rate was 14%, whilst the business death rate was 10%.

### **Business births and deaths by region**

The table below shows business births and deaths in the regions of the UK in 2013.

#### **Business births and deaths by region and country**

*2013*

	Births (000s)	Birth rate %	Deaths (000s)	Death rate %
North East	10	15%	6	10%
North West	35	15%	24	10%
Yorkshire & Humber	23	14%	17	10%
East Midlands	22	14%	15	9%
West Midlands	26	13%	18	10%
East of England	33	13%	23	9%
London	84	18%	50	11%
South East	51	13%	37	9%
South West	26	12%	19	9%
England	309	14%	209	10%
Wales	11	13%	8	9%
Scotland	22	13%	15	9%
Northern Ireland	5	9%	5	9%
United Kingdom	346	14%	238	10%

Source: ONS, *Business Demography 2014*

Notes: excludes the non-VAT registered businesses with no employees

Birth rate = New businesses as a % of active businesses;

Death rate = Businesses that ceased trading as a % of active businesses

In 2013, the largest number of business births occurred in London (84,000). The largest number of business deaths also occurred in London (50,000). In all the regions of the UK excluding Northern Ireland, business births outnumbered business deaths.

The business death rate was broadly the same in all the regions of the UK – within a percentage point of 10%. There was more variation in the business birth rate: 9% in Northern Ireland compared with 18% in London. Most other regions had birth rates of around 14%.

## 6 Women in business

Various sources are used in this section to provide an indication of female involvement in business in the UK.

### Female-led SMEs

In 2012, it is estimated that 18% of SMEs were led by women. This equates to around 860,000 SMEs.<sup>1</sup>

Of SME employers, 19% were led by women in 2012, five percentage points up on 2010. In 2012, a further 23% of SME employers were equally led by men and women, meaning that 42% of SME employers were part-led by women.

Women-led SME employers tended to be younger, with around 32% having existed for only one year or less and a further 26% having existed for 2-3 years.

Women-led SME employers were concentrated in certain sectors. 22% were in the retail or transportation sector, compared to around 16% of all businesses.<sup>2</sup>

Between 2006 and 2010, female-led SMEs contributed around £50 billion to UK economic output, equivalent to 12% of UK output generated by SMEs.<sup>3</sup>

### Female start-ups

Estimates have been made of the proportion of women involved in “total early stage entrepreneurial activity” or TEA. TEA includes the owning or running of any business that is less than 3 and a half years old.<sup>4</sup>

In 2011, the TEA rate (the proportion of working aged people involved in TEA) in the UK was 7.4%. By gender, the TEA rate in the UK was 5.0% among women and 10.2% among men.<sup>5</sup>

Using these data we can estimate that 32.9% of TEA was accounted for by women in 2011. In the US, 40.2% of TEA was accounted for by women.<sup>6</sup>

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<sup>1</sup> BIS, *Small Business Survey 2012: businesses led by women and ethnic minorities*, March 2013

<sup>2</sup> BIS, *Small business survey 2012: SME employers*, March 2013

<sup>3</sup> BIS, *Estimates for Women-led, Minority Ethnic Group (MEG) led and Social Enterprises in the UK*, 2011, pp 2. Output is Gross Value Added.

<sup>4</sup> Global Entrepreneurship Monitoring Consortium, *United Kingdom 2011 Monitoring Report*, July 2012, pp 7

<sup>5</sup> *Ibid*, pp 12 and 18

<sup>6</sup> These data assume that there is the same number of male and female people of working age.

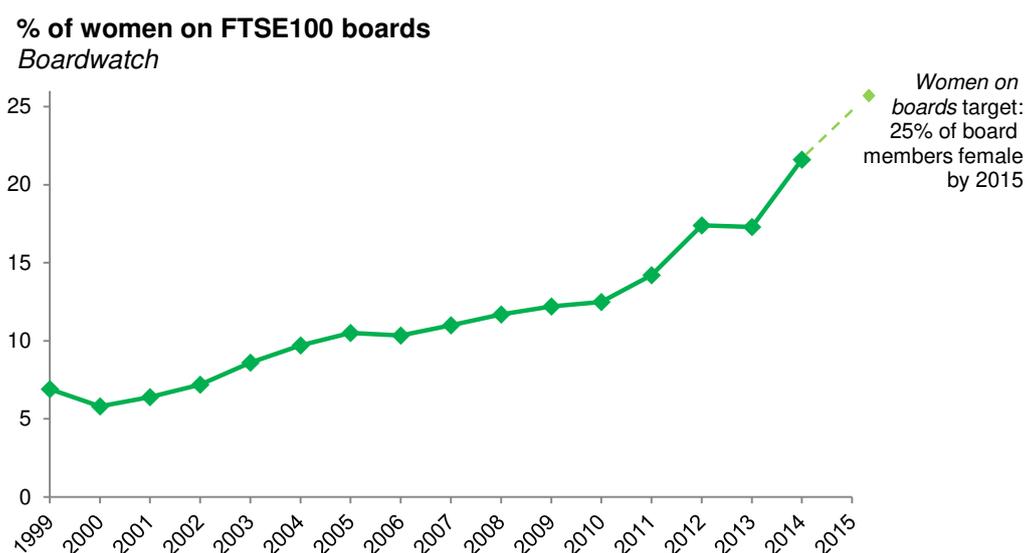
## Women on boards

A target that 25% of FTSE100 board members should be female by 2015 was set in the 2011 report, [Women on boards](#).<sup>7</sup>

The Professional Boards Forum's [BoardWatch](#) monitors progress towards this target. The most recent data show that in May 2014, **21.6% of FTSE100 directors were female**, up from 12.5% in 2011. This means that out of 1,117 FTSE100 board members, 241 were female. In order to reach Lord Davies target of 25% female board members, 48 more board seats need to be held by women by 2015.<sup>8</sup>

There were no all-male boards as of June 2014 for the first time.<sup>9</sup>

The following chart shows how the proportion of women on FTSE100 boards has increased steadily since the late 1990s.<sup>10</sup>



The Cranfield School of Management [Female FTSE board report](#) contains further analysis of female representation in senior positions in FTSE companies. It includes a ranking of FTSE100 companies by female representation on their boards. In 2013, Burberry was ranked 1<sup>st</sup> in the FTSE100 with a 38% female board.<sup>11</sup>

Further information and statistical analysis of female representation in various professions is contained in the House of Commons Library Standard Note, [Women in Public Life, the Professions and the Boardroom](#).

<sup>7</sup> Lord Davies of Abersoch and BIS, [Women on boards](#), February 2011, p 4

<sup>8</sup> Lord Davies, [Women on Boards](#), March 2014 (total number of board members is as of March, total number of women on boards is as of June 2014)

<sup>9</sup> Professional Boards Forum, [BoardWatch](#), June 2014

<sup>10</sup> Sealy et al., [Female FTSE 100 reports, Women on Boards: 6-months monitoring reports](#); Professional Boards Forum, [BoardWatch](#).

<sup>11</sup> Cranfield School of Management, [Female FTSE Report 2013](#), April 2013, p 8

## 7 Annex – UK business statistics: sources and coverage

There are various sources which provide statistics about businesses in the UK. These are explained in the Department for Business, Innovation and Skills (BIS) publication, [A guide to the UK Business Population and Demography](#).

Official data on the total number of businesses at national and regional level is published by BIS in the annual [Business population estimates](#) (BPE). BIS states that BPE is the only official source for data on the total number of enterprises in the UK, and associated turnover and employment.<sup>12</sup>

There are three main sources for the BPE: the Inter-Departmental Business Register (IDBR), the Labour Force Survey and HMRC self-assessment tax returns. The IDBR draws its information from HMRC records and it covers VAT and/or PAYE registered enterprises only.<sup>13</sup> In order to include businesses that are not covered by the IDBR, the BPE supplements the data with estimates of the number, employment and turnover of unregistered businesses based on data from the Labour Force Survey and additional data from HMRC. After adjustment to avoid double counting (for example of VAT-registered sole proprietorships), data from these three sources are combined in BPE.

Data on the number of VAT or PAYE registered enterprises only (excluding unregistered businesses too small to be registered for VAT and with no employees) are published in the annual publication [Business activity, size and location](#). This publication is the best source of information on businesses in local areas such as local authorities and parliamentary constituencies. The House of Commons Library Standard Note, [Businesses by constituency](#) makes extensive use of this source to analyse businesses in constituencies. However, since it excludes many small businesses, this publication is not a good source of information about the total number of businesses in the UK.

Information on business births and deaths is published in the annual publication, [Business demography](#). Data in this source is also based on the IDBR, and only covers VAT or PAYE registered enterprises. Its coverage differs from [Business activity, size and location](#) because [Business demography](#) examines active businesses in a whole year, rather than at a particular point in the year ([Business activity, size and location](#) only includes businesses active in March each year).

Data on businesses is also available from various surveys of the business population. Many of these are summarised on the Gov.uk [Annual business surveys](#) webpage. Others useful surveys include the [Global Entrepreneurship Monitoring report](#) and various ad hoc surveys conducted by business associations such as the [Federation of Small Businesses](#) and the [Confederation of British Industry](#).

Another important source of information about businesses is the ONS [Annual Business Survey](#). This source includes data on employment, turnover and approximate Gross Value Added of sectors in the economy, down to very detailed sectoral level. This source is based on returns from a sample of businesses selected from the IDBR.

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<sup>12</sup> BIS, [BPE: methodology and quality note](#), 2012

<sup>13</sup> The VAT registration threshold is currently VAT taxable turnover of £73,000.