

Statistical Press Release

03 April 2003

Small and Medium-sized Enterprise (SME) Statistics for the Regions, 2001

The Small Business Service, the DTI agency championing small businesses, today published headline statistics for the start of 2001 with regard to SMEs in the regions.

These statistics contain estimates of the regional business populations, breaking down the estimated UK population of 3.75 million active businesses. For each region statistics are provided with a size and industry breakdown of the number of businesses, employment and turnover, within the private sector and public corporations.

Figure 1
Number of businesses in UK and regions (millions)



Source: Small Business Service

Regional Business Populations

The entire UK business population is estimated to be 3.75 million. Of these, over 85% (3.26 million) are in England.

London and the South East have the biggest populations of the English regions, together accounting for nearly 1.3 million businesses (35% of the UK total).

Within England, the North East has the smallest business population at just fewer than 100,000. Northern Ireland has the smallest population of any UK region, at about 90,000.

In all regions SMEs (0 to 249 employees) make up over 99% of the business population.

Nearly 7,000 UK businesses are large (250 employees or more). Three regions (London, South East and the North West) account for 45% of these.

Regional SME Shares

In the UK as a whole, about 99.8% of businesses, 55% of employment and 51% of turnover is in SMEs.

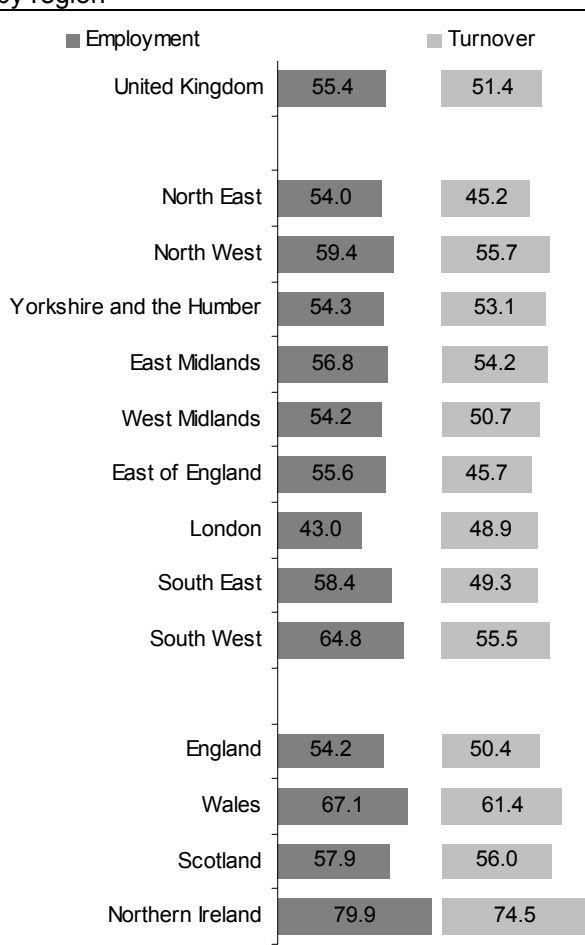
In terms of businesses, all regions follow the UK, with SMEs accounting for over 99% of all businesses in each.

In terms of employment and turnover, there is more variability. Wales, Scotland and Northern Ireland exceed the UK levels, but only five of the nine English regions have SME shares above UK levels.

Northern Ireland has the biggest SME base – it accounts for nearly 80% of employment and 75% of turnover. By comparison, London has the smallest SME base – it accounts for 43% of employment and 49% of turnover.

Hence, turnover per employment (a crude measure of productivity) is higher in SMEs than large businesses in London; this pattern is not repeated in any other region.

Figure 2
SME share of employment and turnover, percent by region



Source: Small Business Service

Industry Patterns

There are some interesting regional variations in the business population in different industries (see table 1). For instance, Agriculture (sectors A and B) accounts for about 5% of the UK business population, but in London this sector accounts for less than 1% and in the South West it is over 7%. In Northern Ireland agriculture accounts for over one-fifth (22%) of all businesses.

Other patterns are also evident: business and financial services (sectors J and K) account for 25% of UK businesses, but only 16% and 14% in Wales and Northern Ireland respectively. In London, the figure rises to 33%.

Typically about 90% of the businesses within an industry sector are based in England. In agriculture, however, this drops to 66%, reflecting the importance of this sector in Wales and Northern Ireland in particular.

Similarly, there is a lot of regional variation in the industry sectors in both employment and turnover.

Table 1
Industry summary of regional business population in the private sector and public corporations at the start of 2001

Businesses	Number, percent (=100%)	Industry section						
		A,B	C,D,E	F	G,H	I	J,K	M,N,O
United Kingdom	3,746,340	5	8	18	18	6	25	20
North East	97,000	4	11	12	20	9	22	21
North West	349,780	4	8	18	23	7	21	19
Yorkshire and the Humber	256,295	5	9	18	22	7	20	18
East Midlands	236,365	5	9	21	18	8	20	19
West Midlands	289,930	5	9	21	20	6	22	18
East of England	386,530	4	10	21	16	6	23	20
London	674,280	0	7	14	16	7	33	24
South East	625,510	3	7	20	14	6	30	20
South West	349,220	7	8	20	16	4	24	20
England	3,264,905	4	8	18	18	6	26	20
Wales	154,495	11	6	21	21	6	16	18
Scotland	237,075	10	7	16	18	7	23	18
Northern Ireland	89,870	22	5	22	20	6	14	12

Source: Small Business Service

National Statistics

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.

Notes to Editors

SME Statistics

1. There is no single source of estimates of the business population. The SME Statistics are compiled using a variety of sources, the main one being the Inter Departmental Business Register, administered by the Office for National Statistics.
2. The SME Statistics are published 15 months after the start of the reference year (in this case 2001). This reflects delays in the reporting of a minority of business births and deaths, and the time taken to record employment in all existing enterprises.
3. The estimates provided are based on the Inter Departmental Business Register and supplemented by estimates from the Labour Force Survey (ONS) and the Survey of Personal Incomes (Inland Revenue) which make adjustments for the very small businesses.
4. More detailed statistics are available in the full regional SME Statistics dataset, which can be downloaded from the Small Business Service website at <http://www.sbs.gov.uk/statistics/smestats.php>.
5. UK level statistics for the start of 2001 have already been published. These are also available from the Small Business Service website.

Small Business Service

The Small Business Service (SBS) is an Executive Agency of the Department for Trade and Industry (DTI). It was launched in 2000 to provide a single organisation in Government dedicated to helping small firms and representing them within Government. Its mission is to build an enterprise society in which small firms of all kinds thrive and achieve their potential.

The DTI, through the SBS, is responsible for the Business Link network of business advice and support. It is also responsible for national services such as the Small Firms Loan Guarantee Scheme and SMART.

Enquiries

For help and advice with these statistics please contact the SBS Analysis and Statistics team on 0114 259 7537/7570 or email statistics@sbs.gsi.gov.uk.

For general enquiries please contact the SBS Enquiry Line on 0114 259 7788.