

**Statistical Press Release**

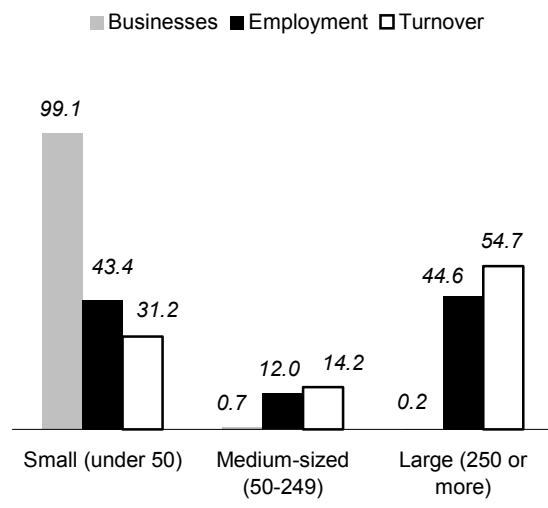
01 August 2002

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

The Small Business Service, the agency within Government championing small businesses, today published headline statistics for the year 2001 with regard to SMEs in the UK. It is estimated that there were 3.7 million active businesses in the UK at the start of 2001, with a small increase on 2000 figures.

The statistics contain a size breakdown of the number of businesses in the UK, from small traders with no employees to those with 500 or more employees. They also show the contribution to employment and turnover made by businesses of different sizes, industry by industry.

Figure 1  
Share of private sector businesses, employment and turnover by size of business, UK



Source: Small Business Service

**Small, Medium and Large Businesses**

Of the entire business population of 3.7 million enterprises less than 28,000 were medium-sized (50-249 employees) and less than 7,000 were large (250 employees or more).

Small businesses, including those without employees, accounted for over 99 percent of businesses, about 43 percent of non-government employment and 31 percent of turnover. In contrast the 7,000 largest businesses accounted for 45 percent of non-government employment and 55 percent of turnover (see Figure 1).

**Trend in the number of businesses**

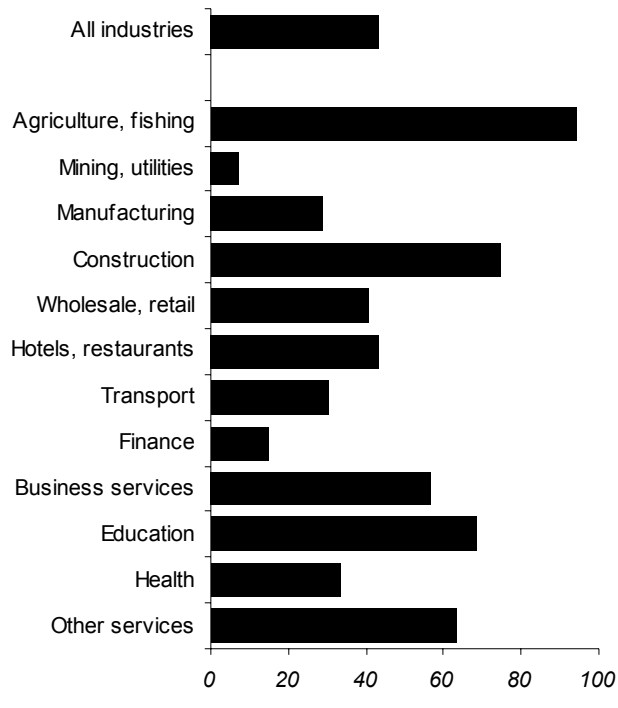
The stock of enterprises has again remained at a level comparable to the last few years. The business stock is more than 1.3 million above the level in 1980, the first year for which comparable figures are available. Most of the growth in the business population has been in the number of 'micro' businesses employing fewer than ten

people and in the number of one-person companies. 2001 also saw the number of medium-sized companies reach 27,000 for the first time since 1994.

## Businesses with and without employees

Of the 3.7 million businesses trading at the start of 2001, almost 2.6 million were sole proprietorships and partnerships comprising only the self-employed owner-manager(s), companies comprising only an employee director. Approximately 1.15 million businesses were employers<sup>1</sup>, a slight increase on 2000.

Figure 2  
Share of employment in small businesses (less than 50 employees) by industry sector, UK



Source: Small Business Service

## Industry Patterns

At the start of 2001 at least 95 percent of businesses in all industries were SMEs.

The share of employment provided by small businesses (0-49 employees) varied greatly between industries. In finance for instance it is about 15 percent compared to 75 percent in construction (see Figure 2).

The share of turnover is similarly variable between industries (see full dataset for details).

The detailed industry figures (down to three-digit SIC level) show just how diverse SME employment is, with large numbers in both retail and architecture for instance.

## 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 that they meet customer needs. They are produced free from any political interference.

<sup>1</sup> In previous years (before 2000) one-person companies have been included in the '1-4 employee' size-class, along with small employers. However, most are sole traders who, in the act of setting up a limited company, have changed their status from self-employed trader to employee-director. Therefore they are now included in the 'no employee' size-class alongside sole traders.

**TABLE 1**

Number of enterprises, employment and turnover in the private sector summary by size of enterprise and industry section, 2001

UK, number, thousands, £million and percent

		Size (number of employees)			
		none <sup>1</sup>	small (1-49)	medium (50-249)	large (250+)
	= 100%				
<b>Enterprises</b>					
All industries	3,746,340	69.3	29.8	0.7	0.2
A,B Agriculture, forestry and fishing	181,140	68.8	31.1	0.1	0.0
C,E Mining, quarrying, energy, water	5,800	69.7	26.2	2.5	1.6
D Manufacturing	292,750	57.2	39.1	3.0	0.8
F Construction	691,800	82.6	17.1	0.3	0.0
G Wholesale, retail and repairs	541,655	51.8	47.1	0.8	0.2
H Hotels and restaurants	123,425	13.7	84.6	1.4	0.2
I Transport, storage, communication	235,565	80.7	18.5	0.6	0.2
J Financial intermediation	64,300	71.9	26.5	1.0	0.5
K Real estate, business activities	867,485	69.3	30.0	0.5	0.1
M Education	117,430	89.3	10.2	0.4	0.1
N Health and social work	233,035	77.6	21.2	1.0	0.2
O Other social/personal services	391,955	78.5	21.1	0.3	0.1
<b>Employment ('000)</b>					
All industries	22,622	12.8	30.6	12.0	44.6
A,B Agriculture, forestry and fishing	452	40.3	53.8	*	*
C,E Mining, quarrying, energy, water	221	2.2	5.1	*	*
D Manufacturing	4,103	4.7	24.3	21.8	49.2
F Construction	1,666	36.1	38.7	9.7	15.5
G Wholesale, retail and repairs	4,652	7.0	33.6	9.5	49.9
H Hotels and restaurants	1,560	1.6	41.8	10.4	46.2
I Transport, storage, communication	1,657	12.6	17.9	8.6	60.9
J Financial intermediation	1,076	4.7	10.3	*	78.5
K Real estate, business activities	3,491	18.5	38.4	13.4	29.8
M Education	289	38.2	30.2	16.0	15.6
N Health and social work	2,253	9.4	24.1	8.5	58.0
O Other social/personal services	1,200	27.3	35.9	9.9	26.9
Source: Small Business Service.					
<b>Turnover (£million)</b>					
All industries	2,112,013	7.2	29.0	15.1	48.6
A,B Agriculture, forestry and fishing	26,250	24.6	67.4	*	*
C,E Mining, quarrying, energy, water	95,418	6.6	3.4	*	*
D Manufacturing	457,239	1.7	16.4	18.3	63.6
F Construction	136,927	18.7	40.0	16.0	25.3
G Wholesale, retail and repairs	725,436	4.9	32.9	15.0	47.2
H Hotels and restaurants	49,359	3.1	43.9	11.4	41.5
I Transport, storage, communication	168,449	5.3	20.2	12.6	61.9
J Financial intermediation <sup>2</sup>	-	-	-	-	-
K Real estate, business activities	292,203	13.9	41.0	17.1	28.1
M Education	9,912	26.1	42.5	17.5	14.0
N Health and social work	74,911	5.5	23.9	7.4	63.2
O Other social/personal services	75,909	17.2	34.2	12.0	36.5
Source: Small Business Service					

1. Sole proprietorships and partnerships comprising only the self-employed owner-manager(s) and companies comprising only an employee director.
2. Turnover for the finance industry is not available on a comparable basis.

Numbers are rounded to the nearest 5 to avoid disclosure. Counts of less than 3 appear as zero.

A \* symbol replaces data for groups of fewer than 20 enterprises to avoid disclosure.

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## **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 source in the Inter Departmental Business Register administered by the Office for National Statistics.
2. The SME statistics are published eighteen months after the start of the reference year. This reflects the long 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 here take account of the very small businesses that do not appear on the official business register. Since they are estimated using survey data, the reliability of the statistics is lower for the smallest size class.
4. More detailed statistics showing the size breakdown of the number of businesses and their employment and turnover in each of the UK's 200 main industries and services are available free of charge. They can be downloaded from the Small Business Service website at [www.sbs.gov.uk/statistics](http://www.sbs.gov.uk/statistics) or can be emailed on request from [ian.thomson@sbs.gov.uk](mailto:ian.thomson@sbs.gov.uk). These statistics were formerly available as the statistical bulletin *Small and Medium-sized Enterprise (SME) Statistics for the UK*.

### **Small Business Service**

The Small Business Service (SBS) was launched in April 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 main objectives of the SBS are to:

- help all small businesses realise their potential
- provide world class business support services to enhance the performance of small businesses with growth potential
- promote enterprise across society and particularly in under-represented and disadvantaged groups

The SBS is responsible for the network of Business Links which provide information, advice and access to experts on all issues relating to running your own business. It also runs national services to help small firms such as the Benchmarking service, the Small Firms Loan Guarantee Scheme, the High Technology Fund and Smart grants for technology transfer.

Visit the Small Business Service web-site on [www.sbs.gov.uk](http://www.sbs.gov.uk)

For enquiries relating to these statistics contact Ian Thomson on 0114 259 7537.

For all other general enquiries please contact:

SBS Enquiry Line

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