

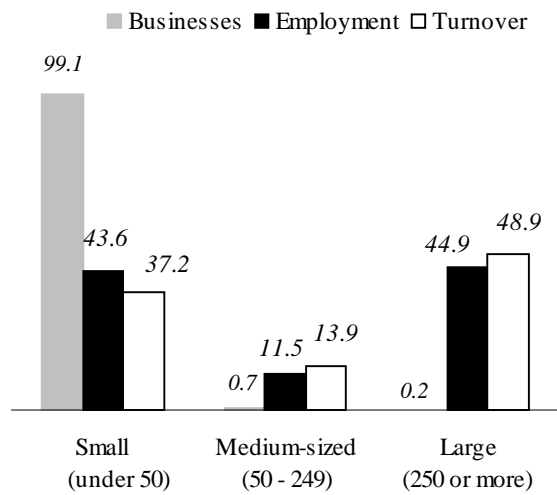
21 June 2001

Small and Medium-sized Enterprise (SME) Statistics for the UK, 2000

The Small Business Service, the agency within Government championing small businesses, today published headline statistics for the year 2000 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 2000.

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 only 25,000 were medium sized (50 to 249 employees) and less than 7,000 were large (250 or more employees).

Small businesses, including those without employees, accounted for over 99% of businesses, 44 percent of non-government employment and 37 percent of turnover. In contrast, the 7,000 largest businesses accounted for 45 percent of non-government employment and 49 percent of turnover (see Figure 1).

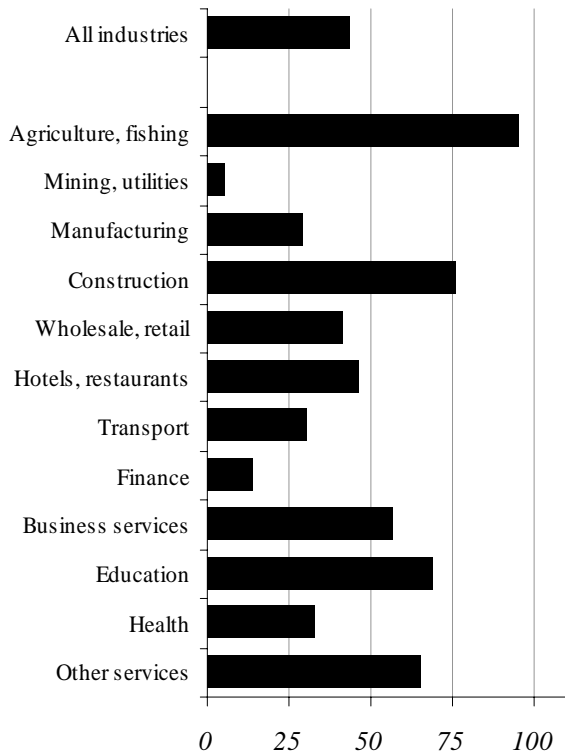
Trend in the number of businesses

The stock of enterprises has now been at a similar level for the sixth successive year following falls in 1992 and 1993. The business stock is 1.3 million higher than in 1980, the first year for which comparable figures are available. Most of the moderate growth in the business population between 1995 and 2000 has been in the number of 'micro' businesses employing fewer than ten people and in the number of one person companies.

Businesses with and without employees

Of the 3.7 million businesses trading at the start of 2000, nearly 2.6 million were sole proprietorships and partnerships comprising only the self-employed owner-manager(s), and companies comprising only an employee director. Only 1.1 million enterprises were employers¹.

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



Source: Small Business Service.

Industry Patterns

At the start of 2000, at least 95% of businesses in all but the electricity, gas and water supply sector were small or medium-sized.

The share of employment provided by small businesses (with under 50 employees) varies greatly from one industry to the next. In construction it is 76 percent while in finance it is only 14 percent. See Figure 2.

More detailed industry figures available in the dataset *Small and Medium-sized Enterprise (SME) Statistics for the UK 2000* show that employment was particularly reliant on small businesses in areas as diverse as manufacture of leather clothes, recycling, motorcycle repairs and real estate activities.

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.

¹ In previous years one-person companies (currently about 270,000 enterprises) were 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, 2000

UK, number, thousands, £million and percent

	Number = 100%	Size (number of employees)			
		none ¹	small (1-49)	medium (50-249)	large (250+)
Enterprises					
All industries	3,722,610	69.6	29.5	0.7	0.2
A,B Agriculture, forestry and fishing	190,390	69.2	30.7	0.1	0.0
C,E Mining, quarrying, energy, water	3,720	57.0	36.3	3.9	2.8
D Manufacturing	332,085	62.2	34.5	2.5	0.7
F Construction	678,515	81.8	18.0	0.2	0.0
G Wholesale, retail and repairs	536,040	51.3	47.8	0.8	0.2
H Hotels and restaurants	157,310	34.3	64.6	1.0	0.2
I Transport, storage, communication	228,075	80.6	18.6	0.6	0.2
J Financial intermediation	59,040	70.7	27.7	1.0	0.6
K Real estate, business activities	826,125	69.6	29.8	0.5	0.1
M Education	111,035	89.9	9.7	0.4	0.1
N Health and social work	207,375	75.3	23.5	1.0	0.3
O Other social/personal services	392,900	79.3	20.4	0.3	0.1
Employment ('000)					
All industries	22,132	13.5	30.1	11.5	44.9
A,B Agriculture, forestry and fishing	467	40.8	54.2	*	*
C,E Mining, quarrying, energy, water	239	1.3	4.3	*	*
D Manufacturing	4,191	6.0	23.1	21.2	49.7
F Construction	1,576	37.5	38.5	8.4	15.5
G Wholesale, retail and repairs	4,509	7.5	34.0	9.2	49.2
H Hotels and restaurants	1,621	5.3	40.9	8.8	45.0
I Transport, storage, communication	1,596	13.0	17.4	8.1	61.5
J Financial intermediation	1,080	4.3	9.6	6.1	79.9
K Real estate, business activities	3,271	19.6	37.2	12.5	30.6
M Education	267	40.1	28.9	*	*
N Health and social work	2,157	8.9	24.1	8.2	58.8
O Other social/personal services	1,159	29.1	36.3	9.4	25.2

Source: Small Business Service.

1. Sole proprietorships and partnerships comprising only the self-employed owner-manager(s) and companies comprising only an employee director.

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.

Table 1 (continued)

Number of enterprises, employment and turnover in the private sector
summary by size of enterprise and industry section, 2000

UK, number, thousands, £million and percent

	£ million = 100%	Size (number of employees)			
		none ¹	small (1-49)	medium (50-249)	large (250+)
Turnover					
All industries	2,033,728	7.4	29.8	13.9	48.9
A,B Agriculture, forestry and fishing	26,099	25.0	68.1	*	*
C,E Mining, quarrying, energy, water	96,560	5.4	4.1	*	*
D Manufacturing	482,927	1.8	15.5	16.4	66.3
F Construction	127,033	17.9	41.1	13.9	27.1
G Wholesale, retail and repairs	696,663	5.8	36.4	13.9	43.9
H Hotels and restaurants	50,131	4.7	41.6	9.7	43.9
I Transport, storage, communication	150,944	5.6	21.4	10.5	62.5
J Financial intermediation ²	-	-	-	-	-
K Real estate, business activities	253,532	15.0	41.6	18.4	25.0
M Education	8,786	27.0	40.1	*	*
N Health and social work	71,987	5.1	23.5	6.9	64.4
O Other social/personal services	69,067	18.3	34.2	10.5	37.0

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 or can be emailed on request from dorothy.vitty@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

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