

Statistical bulletin

# UK business; activity, size and location: 2023

UK businesses broken down by legal status, industry, region, employment and turnover size bands.



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# 1 . Main points

- The number of Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses in the UK as of March 2023 was 2.727 million, a decrease of 1.5% from March 2022.
- This is the first fall in the number of VAT and/or PAYE-registered businesses since the fall of 0.9% from March 2010 to March 2011.
- The numbers of businesses within all categories of legal status fell except for local authorities and non-profit organisations.
- The largest industry group is professional, scientific, and technical, making up 15.2% of all registered businesses in the UK; this is down 0.4 percentage points from March last year.

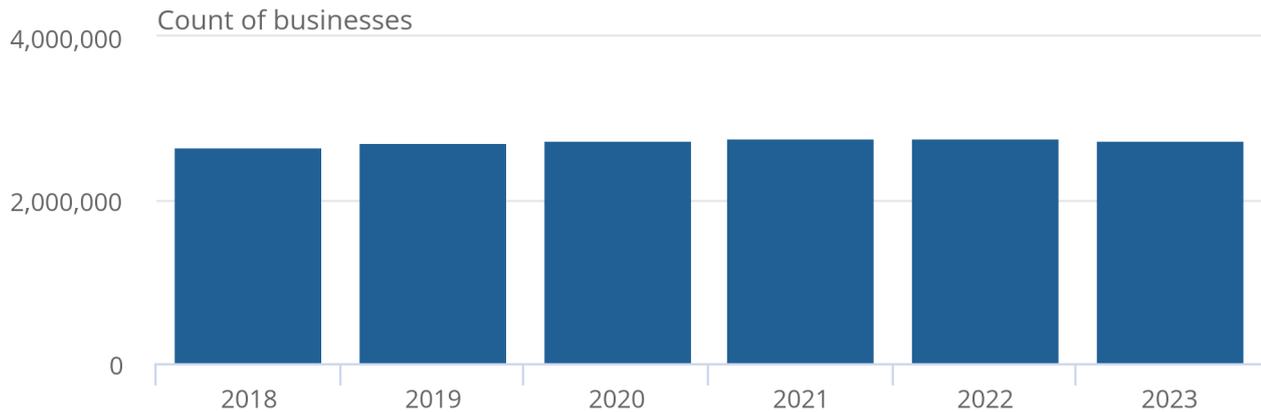
## 2 . Small decrease in the number of businesses

Figure 1: Number of VAT and/or PAYE-based businesses

UK, 2018 to 2023

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UK, 2018 to 2023



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

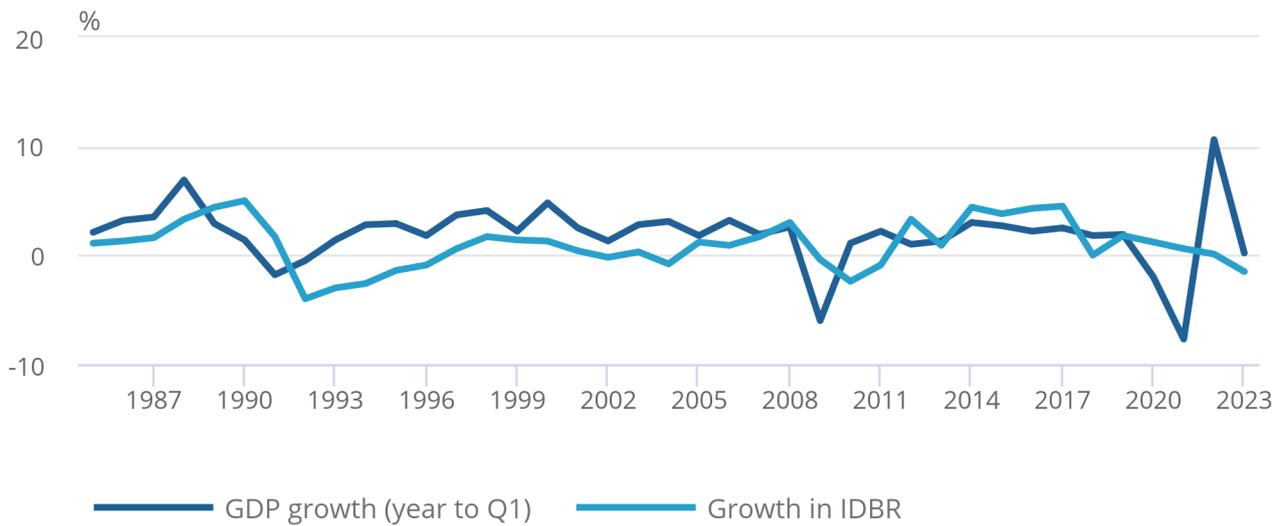
The number of Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses in the UK as of March 2023 was 2.727 million, a decrease of 1.5% from 2.768 million in March 2022. During the coronavirus (COVID-19) pandemic, the business population remained fairly steady but is now showing this small fall, while gross domestic product (GDP) fell sharply, year-on-year into the first quarter of 2021, then rose sharply into the first quarter of 2022. GDP is showing a very small increase year-on-year in the first quarter of 2023, as we move beyond the years most affected by the coronavirus pandemic. Overall, the growth in the business population has slowed since 2018 compared with the 2012 to 2018 time period.

**Figure 2: Business growth and economic growth diverged in recent years**

UK, 1985 to 2023

Figure 2: Business growth and economic growth diverged in recent years

UK, 1985 to 2023



Source: Inter-Departmental Business Register (IDBR), and gross domestic product (GDP) from the Office for National Statistics

Notes:

For background information relating to Figure 2, please see [Section 10: Strengths and limitations](#).

### 3 . Fall in businesses for all legal status categories except local authorities and non-profit organisations

Between March 2022 and March 2023, there was a decrease of 0.9% in the number of companies. Partnerships fell by 4.5% and the main contributor to this was Retail sale in non-specialised stores with food, beverages or tobacco predominating, with a decrease of 8.5%. Sole proprietors fell by 3.4%, with the largest decrease coming from unlicensed carriers (13.1% fall). Only local authorities and non-profit organisations showed an increase over the previous year.

Table 1: Count of businesses by status  
UK, 2021 to 2023

	2021	%	2022	%	2023	%
<b>1 - Company (incl. Building Society)</b>	2,054,065	1.5	2,058,885	0.2	2,039,920	-0.9
<b>2 - Sole Proprietor</b>	426,375	-1.1	427,710	0.3	413,160	-3.4
<b>3 - Partnership</b>	185,265	-4.9	181,010	-2.3	172,890	-4.5
<b>4 - Public Corporation /Nationalised Body</b>	185	-2.6	180	-2.7	175	-2.8
<b>5 - Central Government</b>	3,550	-4.8	3,420	-3.7	3,280	-4.1
<b>6 - Local Authority</b>	8,780	-0.1	8,850	0.8	9,030	2.0
<b>7 - Non-profit Body or Mutual Association</b>	86,930	-1.1	87,645	0.8	88,375	0.8
<b>Total</b>	2,765,150	0.6	2,767,700	0.1	2,726,830	-1.5

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

#### Notes

1. Please note that figures may not sum because of rounding.

Table 2 shows the share of the total number of businesses by legal status. The proportion of companies and public corporations has continued to rise and represents 74.8% of total UK businesses.

Table 2: Percentage of businesses by status  
UK, 2021 to 2023

	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023</b>	<b>%</b>
<b>1 - Company (incl. Building Society)</b>	2,054,065	74.3	2,058,885	74.4	2,039,920	74.8
<b>2 - Sole Proprietor</b>	426,375	15.4	427,710	15.5	413,160	15.2
<b>3 - Partnership</b>	185,265	6.7	181,010	6.5	172,890	6.3
<b>4 - Public Corporation /Nationalised Body</b>	185	0.0	180	0.0	175	0.0
<b>5 - Central Government</b>	3,550	0.1	3,420	0.1	3,280	0.1
<b>6 - Local Authority</b>	8,780	0.3	8,850	0.3	9,030	0.3
<b>7 - Non-profit Body or Mutual Association</b>	86,930	3.1	87,645	3.2	88,375	3.2
<b>Total</b>	<b>2,765,150</b>	<b>100</b>	<b>2,767,700</b>	<b>100</b>	<b>2,726,830</b>	<b>100</b>

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

#### Notes

1. Please note that figures may not sum because of rounding.

Of the 2.04 million companies, 44.0% are single-employee limited companies. The majority of these are businesses in the professional, scientific, and technical industry, which carry out management consultancy activities. However, the number of these management consultancy businesses decreased by 10.0% in 2022, and by 5.6% in 2023.

## **4 . Professional, scientific, and technical industry accounts for the largest share of businesses**

The professional, scientific, and technical industry accounted for the largest number of businesses, with 15.2% of all registered businesses in the UK. The number of businesses in this industry has decreased for four years running, but it has remained the largest broad industry group since 2013.

Table 3: Number of VAT and/or PAYE businesses by broad industry group  
UK, 2021 to 2023

Count given to the nearest thousand

	2021	%	2022	%	2023	%
<b>Agriculture, forestry and fishing</b>	141	5.1	143	5.1	141	5.2
<b>Production</b>	155	5.6	155	5.6	152	5.6
<b>Mining, quarrying and utilities</b>	15	0.6	16	0.6	16	0.6
<b>Manufacturing</b>	140	5.1	138	5.0	136	5.0
<b>Construction</b>	360	13.0	375	13.5	378	13.8
<b>Wholesale and retail; repair of motor vehicles</b>	406	14.7	414	15.0	402	14.7
<b>Motor trades</b>	79	2.9	81	2.9	81	3.0
<b>Wholesale</b>	107	3.9	108	3.9	104	3.8
<b>Retail</b>	221	8.0	224	8.1	217	8.0
<b>Transport and storage (inc. postal)</b>	138	5.0	138	5.0	129	4.7
<b>Accommodation and food services</b>	167	6.0	175	6.3	175	6.4
<b>Information and communication</b>	213	7.7	196	7.1	187	6.9
<b>Finance and insurance</b>	61	2.2	60	2.2	59	2.2
<b>Property</b>	105	3.8	111	4.0	114	4.2
<b>Professional, scientific and technical</b>	453	16.4	431	15.6	415	15.2
<b>Business administration and support services</b>	230	8.3	229	8.3	226	8.3
<b>Public administration and defence</b>	8	0.3	8	0.3	8	0.3
<b>Education</b>	45	1.6	47	1.7	47	1.7
<b>Health</b>	105	3.8	106	3.8	109	4.0
<b>Arts, entertainment, recreation and other services</b>	177	6.4	181	6.5	184	6.8
<b>TOTAL</b>	2,765	100	2,768	100	2,727	100

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

1. Please note that figures may not sum because of rounding.

The strong growth seen in the transport and storage industry in 2021 has been replaced by falls in 2022 and 2023 with a decrease in the number of businesses in 2023 of 6.9%. Within transport and storage, courier activities (down 12.2%) and freight transport by road (down 8.3%) showed the biggest decrease. The number of businesses in the Information and Communication industry fell by 4.5 % in 2023. This is the third consecutive fall in this industry. In 2023, the property and health industries exhibited the highest percentage growth rate at 2.8%.

**Figure 3: The transport and storage industry showed the largest percentage decrease in businesses**

UK, 2022 to 2023

Figure 3: The transport and storage industry showed the largest percentage decrease in businesses

UK, 2022 to 2023



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics



## 5 . Most regions in the UK saw decreases in the number of businesses

Between 2022 and 2023, there were decreases in the number of businesses in all regions except Northern Ireland. There has been a fall of 0.4 percentage points in the South East since 2021 but Table 4 shows that the distribution of businesses across regions has been fairly stable since 2021.

Table 4: Number of VAT and/or PAYE-based businesses by region UK, 2021 to 2023

Count given to the nearest thousand

	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023</b>	<b>%</b>
<b>North East</b>	73	2.6	73	2.6	73	2.7
<b>North West</b>	271	9.8	271	9.8	267	9.8
<b>Yorkshire and The Humber</b>	192	6.9	193	7.0	192	7.1
<b>East Midlands</b>	189	6.8	189	6.8	184	6.7
<b>West Midlands</b>	219	7.9	222	8.0	218	8.0
<b>East</b>	271	9.8	273	9.9	270	9.9
<b>London</b>	535	19.3	536	19.4	526	19.3
<b>South East</b>	420	15.2	413	14.9	405	14.8
<b>South West</b>	237	8.6	238	8.6	237	8.7
<b>Wales</b>	107	3.9	108	3.9	107	3.9
<b>Scotland</b>	175	6.3	174	6.3	171	6.3
<b>Northern Ireland</b>	77	2.8	78	2.8	78	2.9
<b>TOTAL</b>	<b>2,765</b>	<b>100</b>	<b>2,768</b>	<b>100</b>	<b>2,727</b>	<b>100</b>

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

1. Please note that figures may not sum because of rounding.

**Figure 4: Northern Ireland was the only region to show an increase in the number of businesses**

UK, 2022 to 2023

Figure 4: Northern Ireland was the only region to show an increase in the number of businesses

UK, 2022 to 2023



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

The number of businesses in Northern Ireland increased by 0.3% between 2022 and 2023. East Midlands saw the biggest decrease of 2.9%.

Please note that, for various reasons, multiple business registrations can be recorded at a single address, as explained in our [Multiple business registrations at a single postcode, UK: 2021 methodology](#), and this can distort data for smaller geographical areas.

## 6 . Decrease in the number of sites

For two consecutive years, the number of sites has decreased (down by 1.4% in 2023). Out of the 2.727 million Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses, only 58,000 operate from more than one site. Out of these businesses, the industry with the biggest decrease in sites is the retail sector with a drop of 3,520 sites. This fall came mainly from businesses with 20 or more sites.

Table 5: Number of VAT and/or PAYE businesses and their associated local units  
UK, 2023

	Number of local units					
	1	2 to 4	5 to 9	10 to 19	20 or more	Total
<b>Business</b>	2,668,905	45,450	6,955	2,825	2,695	2,726,830
<b>Local units</b>	2,668,910	108,360	44,075	37,420	316,945	3,175,710

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

1. Please note that figures may not sum because of rounding.

## 7 . UK business Data

[UK business: activity, size and location](#)

Dataset | Released 10 March 2023

Numbers of enterprises and local units produced from a snapshot of the Inter-Departmental Business Register (IDBR) taken on 10 March 2023.

## 8 . Glossary

### Business

For the purposes of this release, the term "business" is used to represent an enterprise.

### Company

Companies are businesses that are legally separate entities from the owners. These owners have limited liability, meaning they are not wholly responsible for losses and debts.

### Enterprise

An enterprise is an organisational unit producing goods or services that has a certain degree of autonomy in decision making.

## **IDBR**

The Inter-Departmental Business Register (IDBR) is a comprehensive list of UK businesses used by government for statistical purposes. The IDBR provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It is also an important data source for analyses of business activities.

The two main sources of input are Value Added Tax (VAT) and Pay As You Earn (PAYE) records from HM Revenue and Customs (HMRC). Additional information comes from Companies House, Dun and Bradstreet, and ONS business surveys.

## **Local unit**

A local unit is an individual site (for example a factory or shop) within an enterprise.

## **Partnerships**

A business run by two or more self-employed people.

## **Public corporations**

A public corporation is a market body that is controlled by central government, local government, or other public corporations, and which has substantial day-to-day operating independence so that it is seen as an institutional unit separate from its parent departments.

## **Sole proprietors**

A business run by one self-employed person.

# **9 . Measuring the data**

Our [UK business: activity, size and location Quality and Methodology Information](#) document contains important information on:

- the strengths and limitations of the data and how they compare with related data
- quality characteristics
- users and uses of the data
- how the output was created
- accessibility and characteristics

## 10 . Strengths and limitations

The figures for this release are produced from an extract taken from the Inter-Departmental Business Register (IDBR), recording the position of businesses on 10 March 2023, in line with the same timing of all previous releases of this publication.

This publication represents the businesses registered with HM Revenue and Customs (HMRC) for Value Added Tax (VAT) and/or PAYE. The Department for Business and Trade (DBT) produces [Business Population Estimates](#), which seeks to provide full coverage of all types of businesses in the UK including an estimate of the unregistered business population.

Since IDBR snapshots for this release are taken in March, the appropriate gross domestic product (GDP) growth rate for Figure 2 is the year to Quarter 1 (Jan to Mar). However, the trends are similar to calendar-year growth rates for GDP.

Please note that the figures in the statistical bulletin tables use disclosure methods and are rounded individually. Therefore, the sum of component items may be slightly different to the totals shown.

## 11 . Related links

### [Business Population Estimates](#)

Bulletin | Released 7 October 2022

Annual business population estimates for the UK and regions in 2022.

### [Business demography UK: 2021](#)

Bulletin | Released 18 November 2022

Annual change in the number of UK businesses broken down by sector of the economy.

### [Business demography, quarterly experimental statistics](#)

Bulletin | Released 27 July 2023

Experimental quarterly statistics on business births and deaths from the Inter-Departmental Business Register, with high-level breakdowns by industry and region.

### [Multiple business registrations at a single postcode: 2021](#)

Article | Released 18 November 2022

Business demography explainer covering additional information on the impact of multiple registrations at a single postcode.

## 12 . Cite this statistical bulletin

Office for National Statistics (ONS), released 27 September 2023, [ONS website](#), statistical bulletin, [UK business: activity, size and location: 2023](#)