

Statistical bulletin

# Business demography, UK: 2022

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



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# 1 . Main points

- Between 2021 and 2022, the number of UK business births decreased from 364,000 to 337,000 leading to a fall in the birth rate from 12.4% to 11.5% over the two years.
- The number of UK business deaths increased from 328,000 to 345,000 between 2021 and 2022 leading to an increase in the death rate from 11.2% to 11.8% over the two years.
- This is the first time the business death rate has exceeded the business birth rate since 2010.
- The transport and storage (including postal) industry had the highest business birth rate, at 21.2%, and the highest death rate, at 23.8%.
- In 2022, there were 11,480 high-growth businesses in the UK, measured by employment, compared with 10,695 in 2021.

## 2 . Business birth and death rates, 2017 to 2022

In 2022 the business death rate (11.8%) was higher than the business birth rate (11.5%). This is the first time this has happened since 2010.

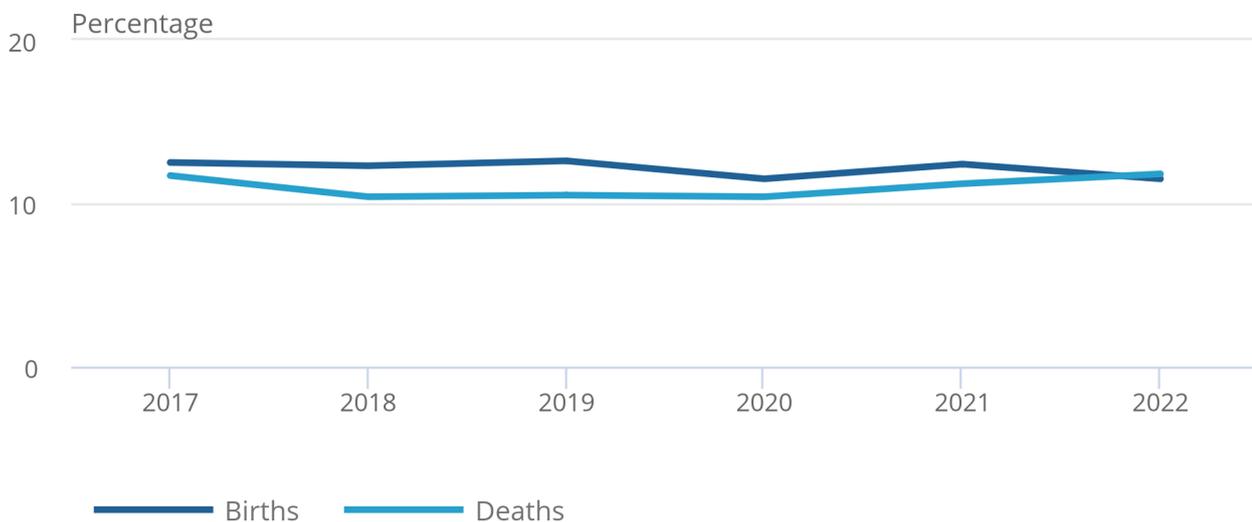
The birth rate in 2022, at 11.5%, is the same as the birth rate in 2020. The last time there was a birth rate lower than 11.5% was in 2012, when the birth rate was 11.4%. The death rate in 2022, at 11.8%, is the highest death rate since 2009, when the rate was also 11.8%.

**Figure 1: Birth and death rates of businesses**

UK, 2017 to 2022

Figure 1: Birth and death rates of businesses

UK, 2017 to 2022



**Source: Inter-Departmental Business Register from the Office for National Statistics**

There were approximately 2.9 million active businesses in the UK during 2022, a decrease of 15,000 on 2021 (Table 1). Estimates for 2022 are available in greater geographical and industrial detail in our [Business demography, UK dataset](#).

Table 1: Business birth and death rates  
UK, 2017 to 2022

**Count to nearest thousand**

	<b>Active Births</b>			<b>Deaths</b>	
	<b>Count</b>	<b>Count</b>	<b>Rate (%)</b>	<b>Count</b>	<b>Rate (%)</b>
<b>2017</b>	2,845	357	12.5	331	11.7
<b>2018</b>	2,841	349	12.3	297	10.4
<b>2019</b>	2,889	364	12.6	303	10.5
<b>2020</b>	2,897	333	11.5	300	10.4
<b>2021</b>	2,940	364	12.4	328	11.2
<b>2022</b>	2,925	337	11.5	345	11.8

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

Notes

1. The death counts provided in this table for 2021 and 2022 are provisional.

### 3 . Industries with the highest business birth and death rates

Of the 16 industry groups, 4 showed an increase in the birth rate compared with 2021.

The transport and storage (including postal) industry had the highest business birth rate at 21.2%. This industry has had the highest business birth rate since 2017 but the birth rate decreased by 4.7 percentage points from 2021 into 2022. The transport and storage death rate is now higher than the birth rate for 2022. The industry saw increases in births in couriers in 2020 and 2021 and in freight transport by road in 2021. However, both industries show falls in births in 2022 and in the case of couriers, a significant rise in business deaths in 2021 has continued into 2022.

Table 2: Birth and death rates by broad industry group  
UK, 2022

Counts given to the nearest thousand

	Active Count	Births		Deaths	
		Count	Rate (%)	Count	Rate (%)
<b>Production</b>	169	15	9.1	16	9.6
<b>Construction</b>	420	49	11.7	43	10.2
<b>Motor trades</b>	89	8	8.6	8	8.8
<b>Wholesale</b>	119	11	9.0	13	10.9
<b>Retail</b>	252	29	11.7	32	12.8
<b>Transport &amp; storage (inc. postal)</b>	172	36	21.2	41	23.8
<b>Accommodation &amp; food services</b>	201	29	14.2	26	12.8
<b>Information &amp; communication</b>	221	22	10.2	30	13.6
<b>Finance &amp; insurance</b>	40	3	6.9	3	8.5
<b>Property</b>	123	12	9.6	9	7.1
<b>Professional; scientific &amp; technical</b>	481	47	9.9	59	12.2
<b>Business administration and support services</b>	272	40	14.7	34	12.6
<b>Education</b>	48	5	10.4	4	9.3
<b>Health</b>	117	11	9.3	9	7.3
<b>Arts; entertainment; recreation and other services</b>	200	19	9.5	19	9.3
<b>Total</b>	2,925	337	11.5	345	11.8

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

Notes

1. The death counts provided in this table for 2022 are provisional.

Births and deaths of businesses can also be measured by employer business demography. This measure shows both the number of new business births (with one or more employees) and also the existing businesses that have started to employ at least one person. Likewise, the deaths show both the number of businesses with employees that cease to trade and also the number of businesses that have stopped employing staff.

Tables 3 and 4 show business births and deaths broken down by industry. They compare the total number of businesses, the businesses with at least one employee, and those businesses with two or more employees.

Analysis of business births shows that most industries have a large proportion of births which were either sole proprietors or single employee businesses in 2022. For example, over 80% of births in the transport and storage industry in 2022 were in this category. Conversely, the accommodation and food services industry shows virtually the opposite to this, with over 70% of businesses having two or more employees.

Table 3: Comparison of business births by industry and employee size bands  
UK, 2022

	<b>Business Demography</b>	<b>Employers Demography</b>	<b>2 or more employees</b>
<b>Production</b>	15,325	13,060	4,420
<b>Construction</b>	49,390	44,295	13,355
<b>Motor trades</b>	7,570	7,025	2,095
<b>Wholesale</b>	10,765	9,800	2,160
<b>Retail</b>	29,420	27,700	8,410
<b>Transport and storage (inc. postal)</b>	36,460	20,760	6,955
<b>Accommodation and food services</b>	28,550	28,055	20,635
<b>Information and communication</b>	22,455	21,395	5,165
<b>Finance and insurance (Excl 6420)</b>	2,775	2,690	1,035
<b>Property</b>	11,825	11,350	3,270
<b>Professional, scientific and technical</b>	47,445	44,890	10,895
<b>Business administration and support services</b>	39,965	38,825	13,565
<b>Education</b>	5,000	4,785	1,795
<b>Health</b>	10,890	10,780	3,960
<b>Arts, entertainment, recreation and other services</b>	19,090	17,540	7,705
<b>Total</b>	<b>336,925</b>	<b>302,950</b>	<b>105,420</b>

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

#### Notes

1. Please note that figures are rounded.

Table 4: Comparison of business deaths by industry and employee size bands  
UK, 2022

	<b>Business Demography</b>	<b>Employers Demography</b>	<b>2 or more employees</b>
<b>Production</b>	16,270	14,270	4,690
<b>Construction</b>	42,730	36,560	10,560
<b>Motor trades</b>	7,790	6,370	2,245
<b>Wholesale</b>	12,970	11,500	3,465
<b>Retail</b>	32,305	27,755	9,115
<b>Transport and storage (inc. postal)</b>	40,995	22,275	6,275
<b>Accommodation and food services</b>	25,715	24,840	17,380
<b>Information and communication</b>	30,080	28,925	5,245
<b>Finance and insurance (Excl 6420)</b>	3,415	3,290	1,170
<b>Property</b>	8,680	7,235	2,095
<b>Professional, scientific and technical</b>	58,870	54,580	10,175
<b>Business administration and support services</b>	34,110	32,180	9,180
<b>Education</b>	4,475	4,150	1,490
<b>Health</b>	8,545	8,530	2,945
<b>Arts, entertainment, recreation and other services</b>	18,540	15,395	5,890
<b>Total</b>	<b>345,490</b>	<b>297,855</b>	<b>91,920</b>

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

Notes

1. Please note that figures are rounded.

## 4 . Regions with the highest business births and deaths

At a regional level, London had the highest business birth rate at 12.7%. The main industry impacting births in the London was professional scientific and technical at 16.5%, with management consultancy contributing almost half of this increase.

The East Midlands was the region with the highest business death rate at 13.2%. The biggest proportion of these deaths was in transport and storage at 15.8%. Freight transport by road and removal services contributed to almost half of this increase.

Table 5: Birth and death rates by region  
UK, 2022

Counts given to the nearest thousand

	Active Count	Births		Deaths	
		Count	Rate (%)	Count	Rate (%)
<b>North East</b>	78	10	12.4	9	12.1
<b>North West</b>	291	36	12.5	37	12.6
<b>Yorkshire and The Humber</b>	205	26	12.6	24	11.5
<b>East Midlands</b>	197	23	11.5	26	13.2
<b>West Midlands</b>	237	29	12.1	30	12.7
<b>East</b>	290	32	11.0	33	11.2
<b>London</b>	603	77	12.7	77	12.7
<b>South East</b>	442	44	10.0	49	11.1
<b>South West</b>	237	25	10.3	25	10.4
<b>Wales</b>	105	12	11.6	12	11.2
<b>Scotland</b>	174	19	10.8	20	11.3
<b>Northern Ireland</b>	65	5	8.3	5	8.2
<b>Total</b>	2,925	337	11.5	345	11.8

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

Notes

1. The death counts provided in this table for 2022 are provisional.
2. Please note that figures are rounded.

## 5 . Business survival rates

The region with the highest five-year survival rate was Northern Ireland at 49.0%. The survival rates show the percentage of businesses that survived into 2022. For the second year running, Northern Ireland has shown the highest five-year business survival rate. The largest proportion of these surviving businesses was in the construction industry.

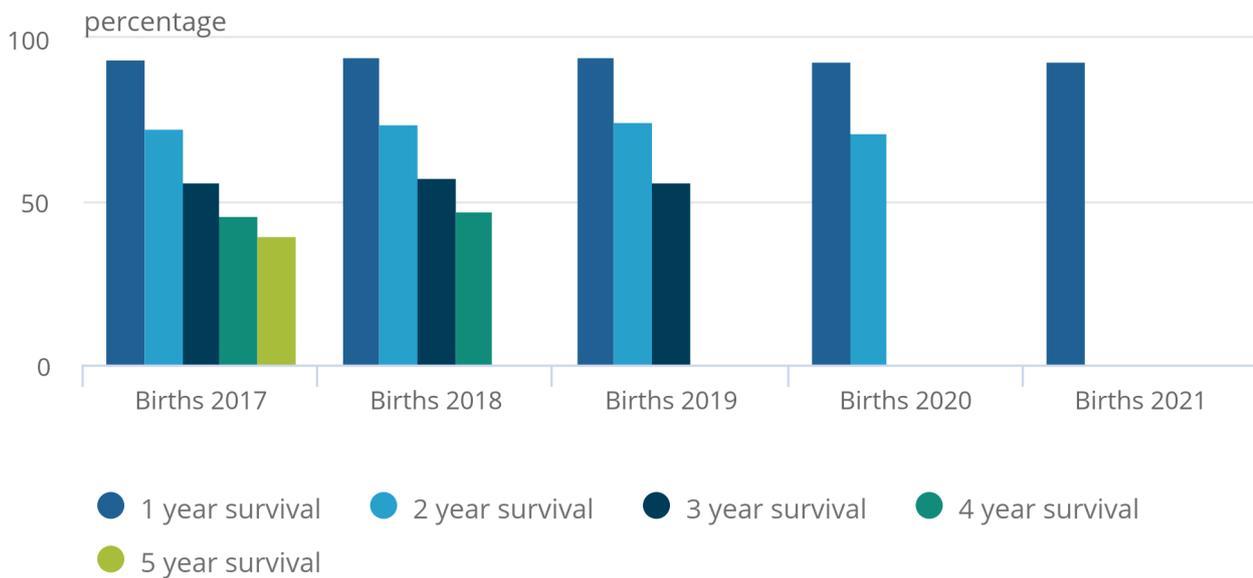
The region with the lowest five-year survival rate was the North West at 31.6%.

**Figure 2: The five-year survival rate for UK businesses born in 2017 is 39.6%**

Survival rates of UK businesses born between 2017 and 2022

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Survival rates of UK businesses born between 2017 and 2022



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

## 6 . High-growth businesses in the UK

At the UK level, out of 291,000 businesses that had 10 or more employees in 2022, 11,480 businesses (3.9%) have been classed as being high growth. This is an increase of 0.1 percentage points compared with last year.

## Breakdown by region

London was the region with the largest number of businesses showing high growth at 2,710 businesses, with a high-growth rate of 5.3%. Northern Ireland had the smallest high-growth rate at 2.9%.

There were decreases in the high-growth rate in the North East and East Midlands, but the remaining regions stayed the same or had a slight increase. The regions with the largest increase in the high-growth rate were London and South East at 0.4 percentage points.

Table 6: High-growth rates by region  
UK, 2022

	<b>High Growth</b>	<b>Actives (10 or more employees)</b>	<b>% Rate</b>
	<b>Count</b>	<b>Count</b>	<b>Rate (%)</b>
<b>North East</b>	340	9,075	3.7
<b>North West</b>	1,210	31,060	3.9
<b>Yorkshire and The Humber</b>	805	22,375	3.6
<b>East Midlands</b>	670	20,060	3.3
<b>West Midlands</b>	805	23,890	3.4
<b>East</b>	985	26,855	3.7
<b>London</b>	2,710	51,340	5.3
<b>South East</b>	1,680	41,450	4.1
<b>South West</b>	985	25,390	3.9
<b>Wales</b>	400	11,200	3.6
<b>Scotland</b>	670	20,770	3.2
<b>Northern Ireland</b>	225	7,650	2.9
<b>Total</b>	<b>11,485</b>	<b>291,115</b>	<b>3.9</b>

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

### Notes

1. Please note that figures are rounded.

## Breakdown by broad industry group

The industry with the highest percentage of businesses showing high growth was information and communication at 8.1%, followed by finance and insurance at 5.5%. The industry with the smallest percentage of high-growth businesses was property at 2.2%.

Most industries show an increase in the proportion of high-growth businesses with only construction, motor trades, property and health showing a fall. The industry to show the largest increase in high-growth rate was accommodation and food services, moving from 2.6% in 2021 to 3.1% in 2022.

Table 7: High growth rates by broad industry group  
UK, 2022

	<b>High Growth Count</b>	<b>Actives (10 or more employees) Count</b>	<b>% Rate Rate (%)</b>
<b>Production</b>	970	31,705	3.1
<b>Construction</b>	740	21,480	3.4
<b>Motor trades</b>	150	6,450	2.3
<b>Wholesale</b>	625	18,120	3.4
<b>Retail</b>	685	20,535	3.3
<b>Transport &amp; storage (inc. postal)</b>	395	10,765	3.7
<b>Accommodation &amp; food services</b>	1,335	43,010	3.1
<b>Information &amp; communication</b>	1,190	14,610	8.1
<b>Finance &amp; insurance</b>	265	4,855	5.5
<b>Property</b>	145	6,565	2.2
<b>Professional; scientific &amp; technical</b>	1,550	29,800	5.2
<b>Business administration and support services</b>	1,360	25,300	5.4
<b>Education</b>	330	8,370	3.9
<b>Health</b>	1,175	32,000	3.7
<b>Arts; entertainment; recreation and other services</b>	565	17,550	3.2
<b>Total</b>	11,480	291,115	3.9

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

### Notes

1. Please note that figures are rounded.

## 7 . Business demography, UK data

[Business demography, UK](#)

Dataset | Released 22 November 2023

Annual data on births, deaths and survivals of businesses in the UK, by geographical area and Standard Industrial Classification 2007: SIC 2007 groups.

## 8 . Glossary

### Active business

The starting point for the calculation of business demography data is the concept of active businesses in a reference year. These are defined as businesses that had either turnover or employment at any time during [the reference period](#).

### Business

For the purpose of this release, "business" is used to represent an enterprise. An enterprise is an organisational unit producing goods or services that has a certain degree of autonomy in decision-making.

### Business birth

New business registrations (identified through registration of the administrative units, that is, VAT and PAYE) are referred to as business births. The birth rate is calculated using the number of births as a proportion of the active businesses.

### Business death

Businesses that have ceased to trade (identified through de-registration of the administrative units) are referred to as business deaths. The death rate is calculated using the number of deaths as a proportion of the active businesses.

### Employer business birth

Employer business births include new businesses with at least one employee, as well as existing non-employer businesses that have become employer businesses.

### Employer business death

Employer business deaths are businesses that ceased to trade with at least one employee, as well as businesses that ceased to employ staff.

### Employer business demography

Employer business demography is an alternative measure of business demography based on businesses with at least one employee.

### High growth

High growth, for the purpose of this publication, measures all businesses with an average growth in employment of greater than 20%, per annum, over a three-year period (between 2018 to 2021). The size threshold used to identify these businesses is that they have 10 or more employees.

## Inter-Departmental Business Register

The Inter-Departmental Business Register (IDBR) is a database of all businesses in the UK registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). There are approximately 2.9 million businesses on the IDBR. The IDBR is the register of UK businesses used as a sampling frame for Office of National Statistics (ONS) business surveys.

### Survivals

A business is deemed to have survived if it was born in year  $t$  or has survived to year  $t$ , and it is active in terms of employment or turnover, or both, in any part of  $t+1$ .

## 9 . Measuring the data

### Data sources

Business demography is an annual publication produced from the Inter-Departmental Business Register (IDBR). The publication focuses on changes to the registered business population, that is, those businesses registered at HM Revenue and Customs (HMRC) for Value Added Tax (VAT) and/or Pay As You Earn (PAYE), and at Companies House.

### Quality

More quality and methodology information (QMI) on strengths, limitations, appropriate uses, and how the data were created is available in our [Business demography QMI](#).

## 10 . Strengths and limitations

The starting point for the calculation of business demography data is the concept of active businesses in a reference year. These are defined as businesses that had either turnover or employment at any time during [the reference period](#).

New business registrations (identified through registration of the administrative units, that is, Value Added Tax, (VAT) and Pay as You Earn, (PAYE)) are referred to as business births. The birth rate is calculated using the number of births as a proportion of the active businesses.

Businesses that have ceased to trade (identified through de-registration of the administrative units) are referred to as business deaths. The death rate is calculated using the number of deaths as a proportion of the active businesses.

The [Eurostat and Organisation for Economic Co-operation and Development \(OECD\) manual on business demography](#) statistics recommends waiting for two years after the reference period to allow for reactivations before deaths figures are calculated.

In this release, we estimated the number of reactivations and adjusted the data accordingly. This adjustment has been applied to all industries, by removing units from the death data. This can lead to different percentage adjustments at the lowest level of aggregation.

Since the level of reactivations is subject to some uncertainty, the latest two years in the publication are considered to be provisional and subject to revision. Table 9 of our [Business demography, UK dataset](#) shows the adjustments made to the death data for reactivations.

In recent years, the number of multiple business registrations at a single postcode on our [Inter-Departmental Business Register \(IDBR\)](#) have increased, affecting the number of births, deaths and survival rates. There are several reasons why these multiple registrations can occur, such as an increase in the use of management and personal service companies, virtual offices and foreign internet sellers.

To help users assess the effect of these registrations, our [Multiple business registrations at a single postcode, UK methodology](#) has been published to explain this issue in more detail. The Business demography, UK dataset gives rounded counts at district level for births of these businesses.

An improvement was made last year to the data shown for all of the years covered in the release by removing businesses that have neither VAT nor PAYE but do have a live company number. They were removed from both annual and quarterly demography because they can misrepresent business birth and death figures.

## 11 . Related links

[Multiple business registrations at a single postcode, UK: 2022](#)

Article | Released 22 November 2023

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

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

Bulletin | Released 26 October 2023

Business births and deaths from the Inter-Departmental Business Register (IDBR) with high-level breakdowns by industry and region. Quarterly Experimental Statistics.

[UK business: activity, size and location: 2023](#)

Bulletin | Released 27 September 2023

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

[Business population estimates](#)

Bulletin | Last updated 5 October 2023

Annual business population estimates for the UK and regions in 2023.

## 12 . Cite this statistical bulletin

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