

Statistical bulletin

Business demography, UK: 2023

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

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Release date:
18 November 2024

Next release:
To be announced

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1 . Main points

- Between 2022 and 2023, the number of UK business births decreased from 337,000 to 316,000; this has led to a fall in the business birth rate from 11.5% to 11.0%.
- The number of UK business deaths fell from 349,000 to 309,000 between 2022 and 2023; this has led to a decrease in the business death rate from 11.9% to 10.8%.
- The transport and storage (including postal) industry had the highest business birth rate, at 14.5%, and the highest death rate, at 21.6%.
- In 2023, there were 13,750 high-growth businesses in the UK, measured by employment, compared with 11,480 in 2022.

2 . Business birth and death rates, 2018 to 2023

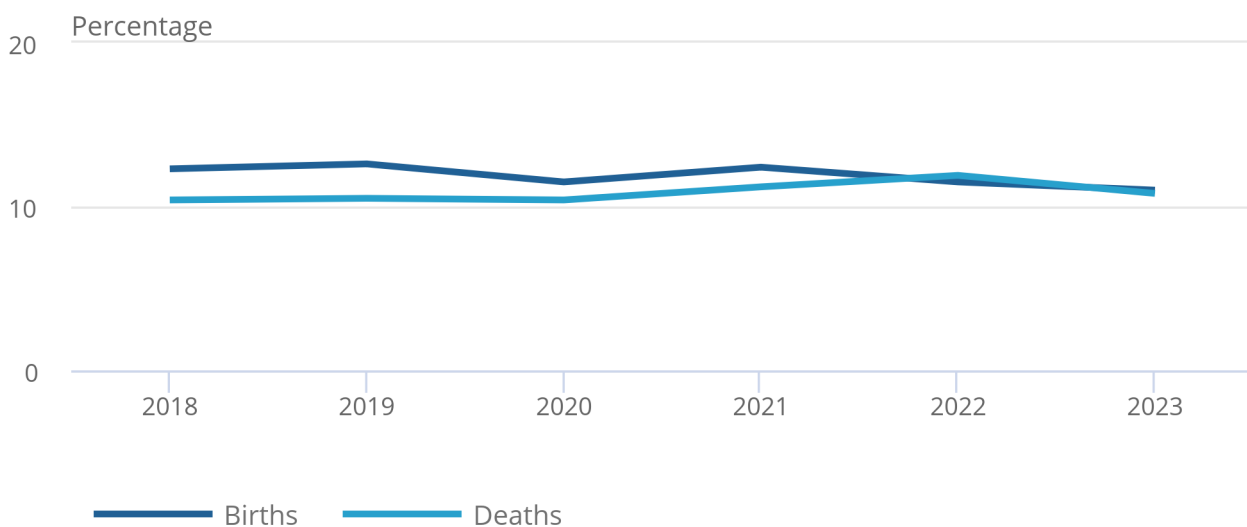
In 2022, business deaths exceeded the births for the first time since 2010. In 2023, there was a return to the birth rate (11.0%) exceeding the death rate (10.8%). This is mainly because the death rate decreased by more than one percentage point (11.9% to 10.8%). The birth rate, though higher than the death rate, is the lowest it has been since 2010.

Figure 1: Birth and death rates of 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

There were approximately 2.9 million active businesses in the UK during 2023, a decrease of 54,000 from the number of active businesses in 2022 (Table 1). Estimates for 2023 are available in greater geographical and industrial detail in our [Business demography, UK dataset](#).

Table 1: Business birth and death rates
UK, 2018 to 2023

Count to the nearest thousand

	Active		Births		Deaths	
	Count	Count Rate (%)	Count	Count Rate (%)	Count	Count Rate (%)
2018	2,841	349	12.3	297	10.4	
2019	2,889	364	12.6	303	10.5	
2020	2,897	333	11.5	300	10.4	
2021	2,940	364	12.4	328	11.2	
2022	2,925	337	11.5	345	11.8	
2023	2,870	316	11.0	309	10.8	

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

Notes

1. The death counts provided in this table for 2022 and 2023 are provisional.

3 . Industries with the highest business birth and death rates

There was a decrease in the business birth rate in 7 out of the 15 industry groups between 2022 and 2023. The largest fall came from transport and storage, which accounted for 70% of the fall in the overall birth rate.

Although transport and storage has the highest business birth rate of the industry groups since 2017 (at 14.5%), its business birth rate has seen a large decrease of 6.7 percentage points since 2022. The transport and storage death rate continues to be considerably higher than its birth rate for 2023, at 21.6% and 14.5%, respectively. This industry has shown volatility in the number of business births and deaths in recent years. Large increases in births between 2018 and 2021 have been replaced by decreases. The largest decrease in this industry since last year was in other postal and courier activities, where the number of births dropped by over one-half.

Over three-quarters of the businesses in other postal and courier activities are sole proprietors and, in 2023, 18% of the businesses in this industry were born and died within the same year. This industry also showed the largest decrease in the number of deaths, which was particularly high last year, when the death rate was 36.6% (compared with 27.8% in 2023) and 28% of the businesses born in 2022 died the same year.

Table 2: Birth and death rates by broad industry group
UK, 2023

Counts given to the nearest thousand

	Active Count	Births		Deaths	
		Count	Rate (%)	Count	Rate (%)
Production	163	12	7.4	15	9.0
Construction	422	47	11.2	43	10.1
Motor trades	88	8	8.7	7	8.2
Wholesale	115	10	8.4	12	10.1
Retail	245	27	10.9	29	11.8
Transport & storage (inc. postal)	150	22	14.5	33	21.6
Accommodation & food services	203	29	14.2	29	14.3
Information & communication	212	22	10.6	22	10.5
Finance & insurance (Excl 6420)	39	2	6.4	3	7.2
Property	126	13	10.1	9	6.9
Professional; scientific & technical	466	49	10.6	45	9.7
Business administration and support services	270	38	14.2	34	12.8
Education	48	5	10.5	4	8.5
Health	121	12	10.1	8	6.5
Arts; entertainment; recreation and other services	203	20	9.8	18	8.7
Total	2,870	316	11.0	309	10.8

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

Notes

1. The death counts provided in this table for 2023 are provisional.

Births and deaths of businesses can also be measured by employer business demography. This measure not only shows the number of new business births (with one or more employees) but also the existing businesses that have started to employ at least one person. Likewise, the deaths not only show the number of businesses with employees that cease to trade but 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.

Most industries had a large proportion of business births that were either sole-proprietor or single-employee businesses in 2023. For example, nearly 85% of births in the transport and storage industry in 2023 were in one of these categories. Conversely, the accommodation and food services industry shows almost the opposite, with over 70% of businesses having two or more employees.

Table 3: Comparison of business births by industry and employee size bands
UK, 2023

	Business Demography	Employers Demography	2 or more employees
Production	12,055	11,370	3,640
Construction	47,115	41,900	11,745
Motor trades	7,705	7,070	2,065
Wholesale	9,620	9,250	2,125
Retail	26,730	25,150	7,710
Transport and storage (inc. postal)	21,785	14,620	3,300
Accommodation and food services	28,800	28,200	21,175
Information and communication	22,380	21,425	4,935
Finance and insurance (Excl 6420)	2,470	2,430	880
Property	12,790	12,130	3,410
Professional, scientific and technical	49,215	46,885	10,555
Business administration and support services	38,250	37,410	11,635
Education	5,030	4,820	1,770
Health	12,215	12,125	4,190
Arts, entertainment, recreation and other services	19,865	17,855	7,270
Total	316,025	292,640	96,405

Source: Inter-Departmental Business Register (IDBR) 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, 2023

	Business Demography	Employers Demography	2 or more employees
Production	14,780	13,775	5,025
Construction	42,555	40,145	11,640
Motor trades	7,205	6,735	2,265
Wholesale	11,575	11,205	2,905
Retail	28,785	27,055	8,485
Transport and storage (inc. postal)	32,505	23,100	7,860
Accommodation and food services	28,990	30,280	20,410
Information and communication	22,255	22,930	4,085
Finance and insurance (Excl 6420)	2,785	2,830	1,070
Property	8,670	7,890	2,120
Professional, scientific and technical	45,035	44,890	8,760
Business administration and support services	34,445	35,355	11,020
Education	4,085	4,155	1,420
Health	7,880	8,290	2,935
Arts, entertainment, recreation and other services	17,740	16,465	6,100
Total	309,290	295,100	96,100

Source: Inter-Departmental Business Register (IDBR) 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 12.6%. However, this is the lowest birth rate for London since 2009. The main industry contributing to the births in London was professional, scientific and technical, at 17.9%, with management consultancy businesses contributing to almost half of this increase.

The West Midlands was the region with the highest business death rate, at 12.4%. The biggest proportion of these deaths was in transport and storage, at 17.5%. Freight transport by road and removal services contributed to over half of this increase.

Table 5: Birth and death rates by region
UK, 2023

Counts given to the nearest thousand

	Active Count	Births		Deaths	
		Count	Rate (%)	Count	Rate (%)
North East	77	9	11.7	9	11.7
North West	285	33	11.6	33	11.7
Yorkshire and The Humber	202	22	11.0	23	11.5
East Midlands	190	20	10.8	21	11.2
West Midlands	232	26	11.3	29	12.4
East	286	30	10.6	29	10.3
London	592	75	12.6	66	11.1
South East	433	43	9.9	42	9.8
South West	234	23	9.8	23	9.7
Wales	102	11	10.3	11	11.1
Scotland	172	18	10.6	17	10.1
Northern Ireland	65	5	8.3	5	7.9
Total	2,870	316	11.0	309	10.8

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

Notes

1. The death counts provided in this table for 2023 are provisional.

5 . Regional five-year survival rates

The region with the highest five-year survival rate was Northern Ireland, at 47.7%. The survival rates show the percentage of businesses that survived into 2023. Northern Ireland, for the third year running, has shown the highest five-year business survival rate. The largest proportion of these surviving businesses were in the construction industry.

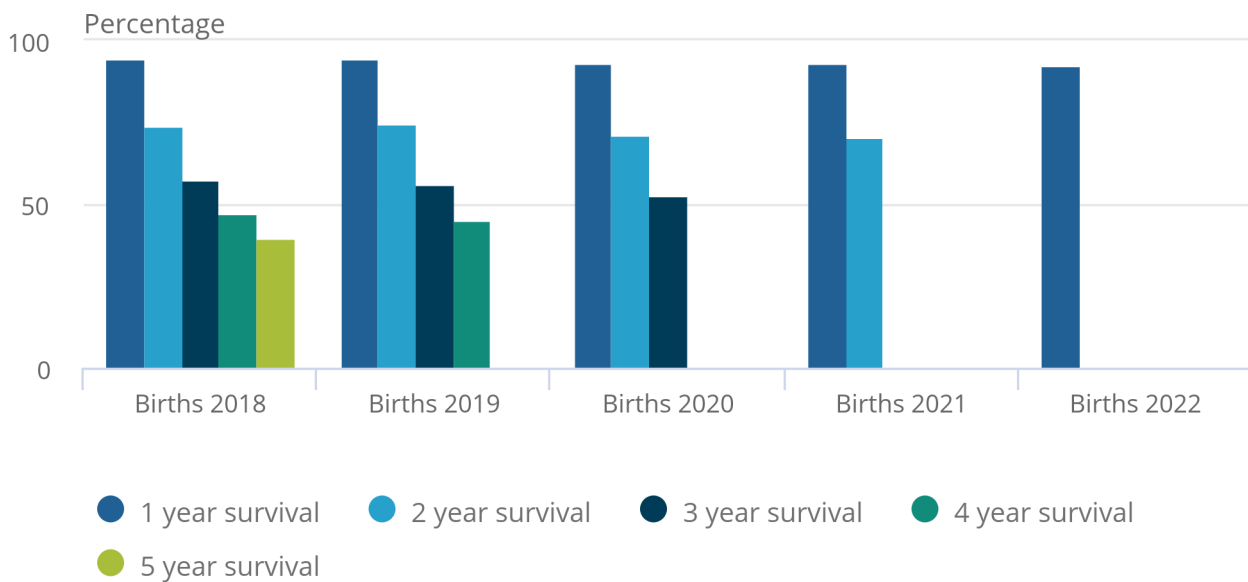
The region with the lowest five-year survival rate was the West Midlands, at 34.7%.

Figure 2: The five-year survival rate for UK businesses born in 2018 is 39.4%

Survival rates of UK businesses born between 2018 and 2022

Figure 2: The five-year survival rate for UK businesses born in 2018 is 39.4%

Survival rates of UK businesses born between 2018 and 2022



Source: Inter-Departmental Business Register (IDBR) 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 2023, 13,750 businesses (4.7%) are classed as high-growth. This is an increase of 0.8 percentage points compared with last year.

Breakdown by region

London was the region with the largest number of businesses showing high-growth, at 3,305 businesses, with a high-growth rate of 6.3%. Northern Ireland had the smallest high-growth rate, at 3.1%.

All regions saw an increase in high-growth in 2023. The region with the highest increase in growth rate was London, up 1 percentage point.

Table 6: High-growth rates by region
UK, 2023

	High-growth	Actives (10 or more employees)	% Rate
	Count	Count	Rate (%)
North East	415	9,045	4.6
North West	1,400	30,835	4.5
Yorkshire and The Humber	965	22,225	4.3
East Midlands	805	19,835	4.1
West Midlands	920	23,775	3.9
East	1,170	26,905	4.3
London	3,305	52,465	6.3
South East	2,035	41,435	4.9
South West	1,205	25,260	4.8
Wales	460	11,100	4.1
Scotland	830	20,840	4.0
Northern Ireland	240	7,770	3.1
Total	13,750	291,490	4.7

Source: Inter-Departmental Business Register (IDBR) 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 in high-growth was information and communication at 9.5%, followed by finance and insurance at 6.6%. The industry with the smallest percentage of high-growth businesses was motor trades, at 2.6%.

All industries showed an increase in the proportion of high-growth businesses in 2023 compared with 2022. The industries to show the largest increase in high-growth rate were information and communication and arts, entertainment, recreation and other services. The high-growth rate for both industries increased by 1.4 percentage points.

Table 7: High-growth rates by broad industry group
UK, 2023

	High-growth	Actives (10 or more employees)	% Rate
	Count	Count	Rate (%)
Production	1,090	31,200	3.5
Construction	800	21,220	3.8
Motor trades	165	6,465	2.6
Wholesale	705	17,985	3.9
Retail	775	20,460	3.8
Transport & storage (inc. postal)	465	10,105	4.6
Accommodation & food services	1,790	43,595	4.1
Information & communication	1,410	14,775	9.5
Finance & insurance (Excl 6420)	320	4,840	6.6
Property	200	6,510	3.1
Professional; scientific & technical	1,810	30,140	6.0
Business administration and support services	1,630	25,610	6.4
Education	425	8,185	5.2
Health	1,350	32,580	4.1
Arts; entertainment; recreation and other services	815	17,820	4.6
Total	13,750	291,490	4.7

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

Notes

1. Please note that figures are rounded.

7 . Data on Business demography, UK

[Business demography, UK](#)

Dataset | Released 18 November 2024

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.

Employers' 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 year, over a three-year period (between 2020 to 2023). 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 VAT and/or the PAYE income tax system. 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 and/or turnover in any part of t plus 1.

9 . Data sources and quality

Measuring the data

Business demography is an annual bulletin produced from the Inter-Departmental Business Register (IDBR). The bulletin 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](#).

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. As the level of reactivations is subject to some uncertainty, the latest two years in the publication are provisional and subject to revision. Table 9 of our [Business demography 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 the [Inter-Departmental Business Register \(IDBR\)](#) have increased. This has affected 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. We have published our [Multiple business registrations at a single postcode methodology](#) to help users assess the effect of these registrations. The dataset accompanying this article gives rounded counts at district level for the births of these businesses.

From the 2021 publication onwards, we removed businesses that have neither VAT nor PAYE but that do have a live company number. They were removed from both our annual and quarterly demography releases because they can misrepresent business birth and death figures.

Industrial classification of businesses on the IDBR often comes from imperfect sources. We embarked on a programme of work to examine the quality of the industrial classification for businesses on the IDBR. More information on this is available in our [Investigating the accuracy of Standard Industrial Classification \(SIC\) using the Business Register and Employment Survey \(BRES\) methodology](#), published in May 2023.

10 . Related links

[Multiple business registrations at a single postcode, UK: 2023](#)

Article | Released 18 November 2024

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

[Business demography, quarterly, UK: July to September 2024](#)

Bulletin | Released 25 October 2024

Business creations or births and closures or deaths from the Inter-Departmental Business Register (IDBR) with high-level breakdowns by industry and region. These are official statistics in development.

[UK business: activity, size and location: 2024](#)

Bulletin | Released 25 September 2024

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

[Business population estimates](#)

Statistical release | Updated 3 October 2024

Annual business population estimates for the UK and regions in 2024 from the Department for Business and Trade.

11 . Cite this statistical bulletin

Office for National Statistics (ONS), published 18 November 2024, ONS website, statistical bulletin, [Business demography, UK: 2023](#)