Statistical bulletin

Business demography, UK: 2025

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

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1 . Main points

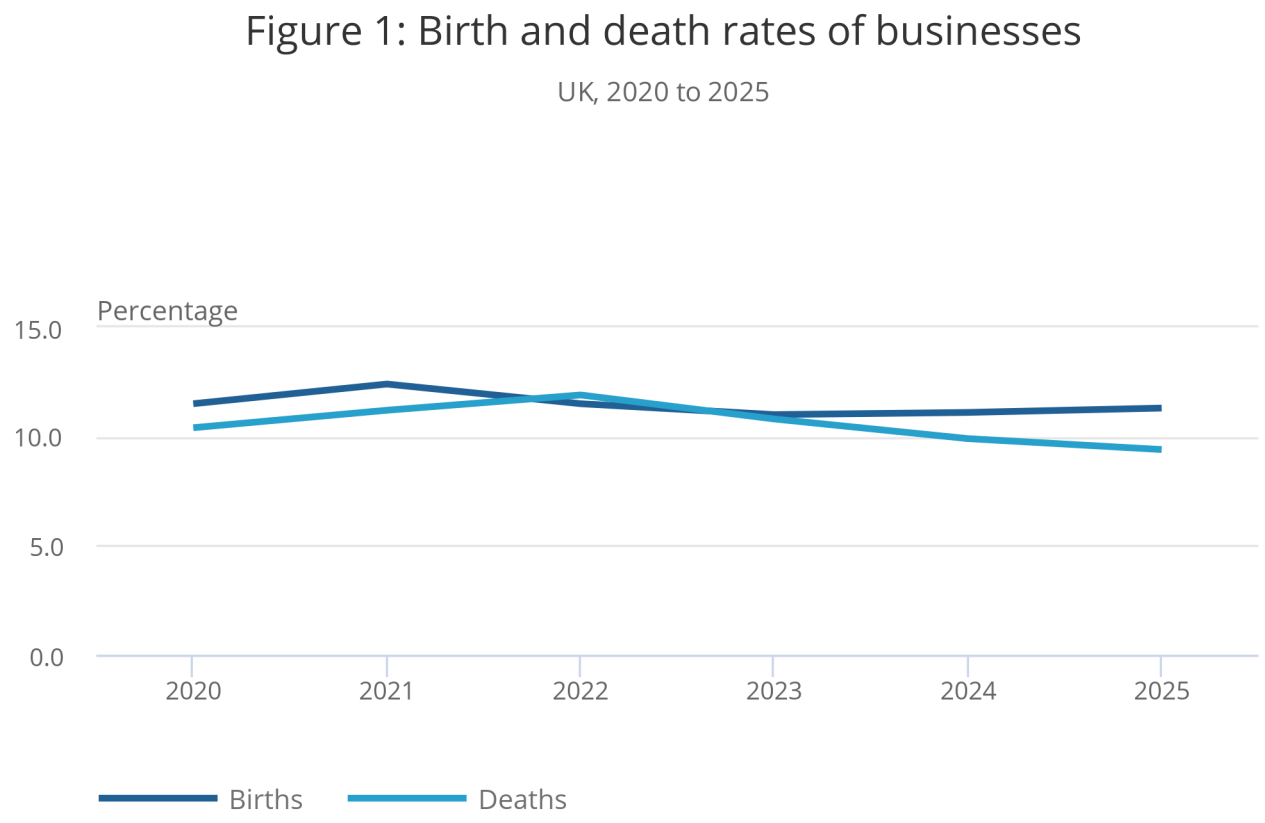
- The number of UK business births increased from 317,000 to 326,000 between 2024 and 2025; this has led to a small increase in the business birth rate, from 11.1% to 11.3%.
- The number of UK business deaths fell from 283,000 to 271,000 between 2024 and 2025; this has led to a decrease in the business death rate, from 9.9% to 9.4%, the lowest death rate since 2006.
- The transport and storage (including postal) industry has had both the highest birth and death rates since 2018; that trend continued in 2025, with the highest business birth rate, at 17.0%, and the highest death rate, at 14.3%.
- London had the highest business birth rate, at 12.7%. The North East and West Midlands had the joint-highest business death rate, at 10.1%.
- There were 13,940 high-growth businesses in the UK in 2025, measured by employment, compared with 14,330 in 2024.

2 . Business birth and death rates, 2020 to 2025

There was a small increase in the business birth rate in 2025, 11.3%, compared with 11.1% in 2024. The business death rate fell from 9.9% to 9.4% between 2024 and 2025. As a result, the gap between the business birth and death rates has widened, from 1.2 percentage points in 2024 to 1.9 percentage points in 2025.

Figure 1: Birth and death rates of businesses

UK, 2020 to 2025



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

There were approximately 2.9 million active businesses in the UK during 2025, an increase of 30,000 from the number of active businesses in 2024. Estimates for 2025 are available in greater geographical and industrial detail in our Business demography, UK dataset.

Table 1: Business birth and death rates
UK, 2020 to 2025

Count to nearest thousand

	Active	Births		Deaths	
	Count	**Count**	**Rate (%)**	**Count**	**Rate (%)**
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	11.9
2023	2,870	316	11.0	310	10.8
2024	2,860	317	11.1	283	9.9
2025	2,890	326	11.3	271	9.4

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

Notes

1. The death counts provided in this table for 2024 and 2025 are provisional.

3 . Industries with the highest business birth and death rates

There was an increase of 8,000 business births in 2025, up 2.6% from 2024. Out of the 15 industry groups, 13 of these showed an increase in the business birth rate compared with 2024. The transport and storage (including postal) industry had the highest business birth rate for the eighth consecutive year, at 17.0%.

The transport and storage (including postal) industry had the highest business death rate, at 14.3%, followed by the accommodation and food services industry, at 12.7%. The property industry had the lowest business death rate, at 6.3%.

Even though the transport and storage (including postal) industry had the highest business death rate in 2025, of 14.3%, this figure was lower than in 2024, when its death rate was 17.0%. This was also considerably lower than its figure in 2023, when it was 22.4%.

Table 2: Birth and death rates by broad industry group
UK, 2025

Counts given to the nearest thousand

	Active	Births		Deaths	
	Count	Count	Rate (%)	Count	Rate (%)
Production	159	12	7.7	12	7.7
Construction	428	43	10.1	37	8.7
Motor trades	91	9	9.4	7	7.6
Wholesale	111	10	9.1	10	8.6
Retail	241	28	11.8	25	10.3
Transport & storage (inc. postal)	138	23	17.0	20	14.3
Accommodation & food services	208	31	15.1	27	12.7
Information & communication	213	24	11.2	22	10.2
Finance & insurance	39	3	8.0	3	6.9
Property	138	15	11.0	9	6.3
Professional; scientific & technical	470	51	10.9	41	8.7
Business administration and support services	259	34	13.2	30	11.7
Education	51	6	11.2	4	7.7
Health	130	13	9.9	9	6.7
Arts; entertainment; recreation and other services	213	22	10.4	17	8.2
Total	2,890	326	11.3	271	9.4

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

Notes

1. The death counts provided in this table for 2025 are provisional.
2. Please note that figures are rounded.

Employer demography

Births and deaths of businesses can also be measured by employer demography. This measure shows the number of both new business births with one or more employees and of existing businesses that have started to employ at least one person. Business deaths also include both businesses with employees that cease to trade and 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 businesses with two or more employees.

Analysis of business births reveals that most industries show a large proportion of business births that were either sole proprietors or single employee limited businesses in 2025. For example, nearly 87% of business births in the transport and storage (including postal) industry in 2025 were in this category. In contrast, nearly three-quarters of business births in the accommodation and food services industry have two or more employees.

Table 3: Comparison of business births by industry and employee size bands
UK, 2025

Counts given to the nearest thousand

	Business Demography	Employers Demography	2 or more employees
Production	12,175	11,725	3,600
Construction	43,215	39,735	10,770
Motor trades	8,625	8,180	2,440
Wholesale	10,110	9,810	2,475
Retail	28,370	27,025	8,425
Transport and storage (inc. postal)	23,485	13,925	3,030
Accommodation and food services	31,440	31,085	23,340
Information and communication	23,925	23,240	5,480
Finance and insurance (Excl 6420)	3,100	3,020	1,025
Property	15,080	14,580	3,890
Professional, scientific and technical	51,135	48,915	11,085
Business administration and support services	34,160	33,325	9,335
Education	5,710	5,530	2,065
Health	12,780	12,660	4,660
Arts, entertainment, recreation and other services	22,280	20,125	8,470
Total	325,590	302,880	100,090

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

Notes

1. Please note that figures are rounded.

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

Employer business deaths exceeded business demography deaths in five industries: accommodation and food services; information and communication; finance and insurance; business administration and support services; and health. Employer deaths include businesses that stopped employing staff, even if they continued trading.

Table 4: Comparison of business deaths by industry and employee size bands
UK, 2025

Counts given to the nearest thousand

	Business Demography	Employers Demography	2 or more employees
Production	12,190	11,775	4,330
Construction	37,030	34,140	9,370
Motor trades	6,955	6,475	2,175
Wholesale	9,610	9,360	2,635
Retail	24,730	23,490	7,160
Transport and storage (inc. postal)	19,690	12,890	3,210
Accommodation and food services	26,565	27,225	18,615
Information and communication	21,775	22,020	4,165
Finance and insurance (Excl 6420)	2,700	2,735	1,000
Property	8,725	7,920	2,025
Professional, scientific and technical	40,980	40,060	8,240
Business administration and support services	30,460	30,820	8,725
Education	3,910	3,895	1,245
Health	8,630	8,965	3,010
Arts, entertainment, recreation and other services	17,405	15,755	5,805
Total	271,355	257,525	81,710

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

Notes

1. Please note that figures are rounded.

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

4 . Regions with the highest business birth and death rates

At the regional level, London had the highest business birth rate, at 12.7%. The main industry contributing to the births in London was professional, scientific and technical, at 18.1%, with management consultancy businesses contributing almost half of this increase.

The West Midlands and the North East were the regions with the highest business death rate, at 10.1%.

Business birth rates exceeded business death rates in every region and country shown in Table 5. London had the largest gap, at 2.8 percentage points, while the South West had the smallest gap, at 0.9 percentage points.

Table 5: Birth and death rates by region
UK, 2025

Counts given to the nearest thousand

	Active	Births		Deaths	
	Count	**Count**	**Rate (%)**	**Count**	**Rate (%)**
North East	78	10	12.4	8	10.1
North West	287	35	12.2	28	9.9
Yorkshire and The Humber	201	23	11.4	19	9.6
East Midlands	189	21	11.0	18	9.6
West Midlands	229	26	11.5	23	10.1
East	289	31	10.7	26	9.0
London	606	77	12.7	60	9.9
South East	435	45	10.4	38	8.8
South West	233	22	9.6	20	8.7
Wales	101	10	10.4	9	9.0
Scotland	174	19	10.8	16	9.1
Northern Ireland	67	6	9.1	5	7.6
Total	2,890	326	11.3	271	9.4

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

Notes

1. Please note that figures are rounded.

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

5 . Five year survival rates

The five-year survival rates show the percentage of businesses born in 2020 that survived into 2025. The region with the highest five-year survival rate was Northern Ireland, at 43.8%.

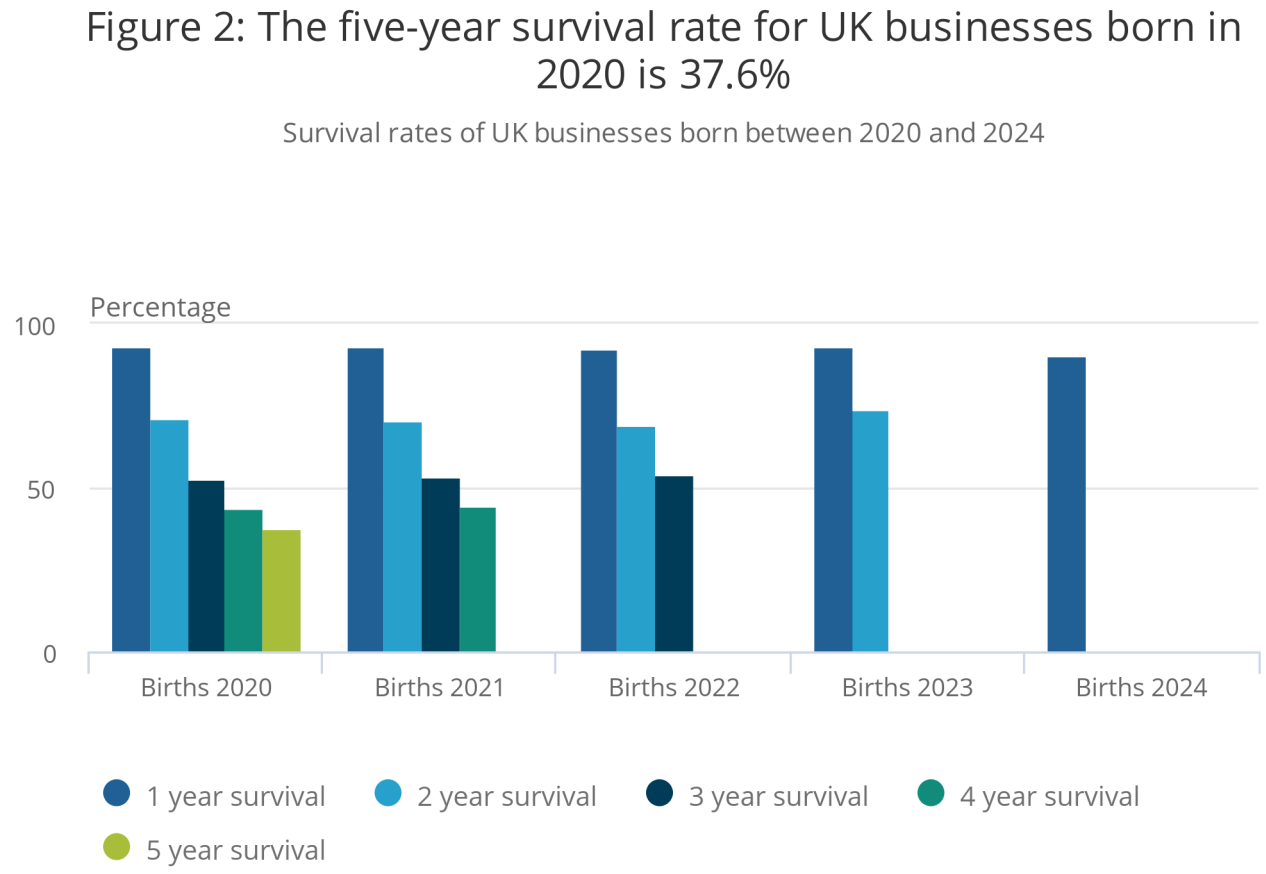
The region with the lowest five-year survival rate was the West Midlands, at 34.6%. This was influenced by an unusually high number of business births in the business administration and support services industry in 2019 and 2020. This was followed by two years of high business deaths, largely because of multiple business registrations at the same address in this area. This gave the West Midlands the lowest five-year survival rate for two consecutive years.

The transport and storage (including postal) industry has shown volatility in the number of business births and deaths in recent years, especially during the coronavirus (COVID-19) pandemic, when there was an increased demand for online retail.

However, many of these businesses operated for only a short period of time, which is why the transport and storage (including postal) industry has the lowest five-year survival rate of businesses born in 2020, at 17.2%.

Figure 2: The five-year survival rate for UK businesses born in 2020 is 37.6%

Survival rates of UK businesses born between 2020 and 2024



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

6 . High-growth businesses in the UK

At the UK level, 13,940 businesses (4.7%) are classed as “high growth” out of 298,000 businesses that had 10 or more employees in 2025. This is a decrease of 0.2 percentage points compared with 2024.

Breakdown by region

London was the region with the largest number of businesses showing high growth, at 3,370 businesses, with a high-growth rate of 6.1%. The industry with the most high-growth businesses in London was management consultancies activities, within the professional scientific and technical industry.

Northern Ireland had the smallest high-growth rate, at 2.6%.

Table 6: High growth rates by region
UK, 2025

	High Growth	Actives (10 or more employees)	% Rate
	Count	**Count**	**Rate (%)**
North East	410	9,160	4.5
North West	1,405	31,385	4.5
Yorkshire and The Humber	980	22,655	4.3
East Midlands	860	20,020	4.3
West Midlands	1,050	24,325	4.3
East	1,205	27,415	4.4
London	3,370	55,190	6.1
South East	2,035	42,155	4.8
South West	1,135	25,560	4.4
Wales	450	11,375	4.0
Scotland	830	21,210	3.9
Northern Ireland	210	7,945	2.6
Total	13,940	298,395	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 7.7%, followed by finance and insurance, at 7.6%. The industry with the smallest percentage of high-growth businesses was motor trades, at 2.7%.

Table 7: High growth rates by broad industry group
UK, 2025

	High Growth	Actives (10 or more employees)	% Rate
	Count	Count	Rate (%)
Production	990	30,425	3.3
Construction	900	21,030	4.3
Motor trades	180	6,760	2.7
Wholesale	710	18,165	3.9
Retail	825	21,185	3.9
Transport & storage (inc. postal)	440	9,645	4.6
Accommodation & food services	1,885	46,445	4.1
Information & communication	1,145	14,920	7.7
Finance & insurance	365	4,780	7.6
Property	195	7,015	2.8
Professional; scientific & technical	1,805	31,020	5.8
Business administration and support services	1,630	25,790	6.3
Education	470	8,740	5.4
Health	1,450	33,710	4.3
Arts; entertainment; recreation and other services	950	18,765	5.1
Total	13,940	298,395	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 19 November 2026
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 bulletin, “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, Value Added Tax (VAT) and Pay As You Earn (PAYE) – are referred to as business births. The business 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 business 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 demography

Employer 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 bulletin, measures all businesses with an average growth in employment of greater than 20% per year, over a three-year period (between 2022 and 2025). 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 the Office for 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 year 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).

The IDBR is updated using both administrative data and information from ONS business surveys. Year-on-year changes may therefore reflect changes in the methods and processes used to produce and update these underlying data, as well as genuine changes in the business population.

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, VAT and PAYE) are referred to as business births. The business 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 business death rate is calculated using the number of business 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 business deaths figures are calculated. In this release, we estimated the number of reactivations and adjusted the data accordingly. This adjustment is 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 bulletin are provisional and subject to revision. For this release, these are 2024 and 2025. Table 9 of our Business demography dataset shows the adjustments made to the business death data for reactivations.

In recent years, the number of multiple business registrations at a single postcode on the IDBR has increased. This has affected the number of business 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. Our multiple business registrations at a single postcode, UK: 2025 article explains this issue in more detail and gives rounded counts at district level for the births and deaths of these businesses.

An improvement was made to the 2021 edition of this bulletin onwards 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.

Accredited official statistics

These accredited official statistics were independently reviewed by the Office for Statistics Regulation in October 2020. They comply with the standards of trustworthiness, quality and value in the Code of Practice for Statistics and should be labelled "accredited official statistics".

10 . Related links

Multiple business registrations at a single postcode, UK: 2025
Article | Released 19 November 2026
Business demography explainer covering additional information on the impact of multiple registrations at a single postcode.

Business demography, quarterly, UK: July to September 2026
Bulletin | Released 29 October 2026
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: 2026
Bulletin | Released 24 September 2026
UK businesses broken down by legal status, industry, region, employment and turnover size bands.

Business population estimates 2026
Publication | Released 5 November 2026
Annual business population estimates for the UK and regions in 2025 from the Department for Business and Trade.

11 . Cite this statistical bulletin

Office for National Statistics (ONS), published 19 November 2026, ONS website, statistical bulletin, Business demography, UK: 2025