Office for National Statistics

Statistical bulletin

Business demography, quarterly, UK: April to June 2025

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.

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1 . Main points

- The number of businesses added to the Inter-Departmental Business Register (IDBR) (business creations) in the UK in Quarter 2 (Apr to June) 2025 was 78,015, a decrease of 4.2% on Quarter 2 2024.
- There was a decrease in creations in 9 out of 16 main industrial groups in Quarter 2 2025, compared with Quarter 2 2024; the most significant falls came from the business administration and support services and construction industries.
- The number of businesses removed from the IDBR (business closures) in the UK in Quarter 2 2025 was 74,025; this figure is 2.4% lower than the number of closures in Quarter 2 2024.
- There was a decrease in the number of closures in 8 out of 16 main industrial groups in Quarter 2 2025, compared with Quarter 2 2024; the most significant fall came from the transportation and storage industry.

These are official statistics in development and we advise caution when using the data. The quarterly data in this release are generally in line with the annual business demography figures, and provide new evidence using new methods. See Section 6: Data sources and quality for information on the methods used.

2 . Business creations

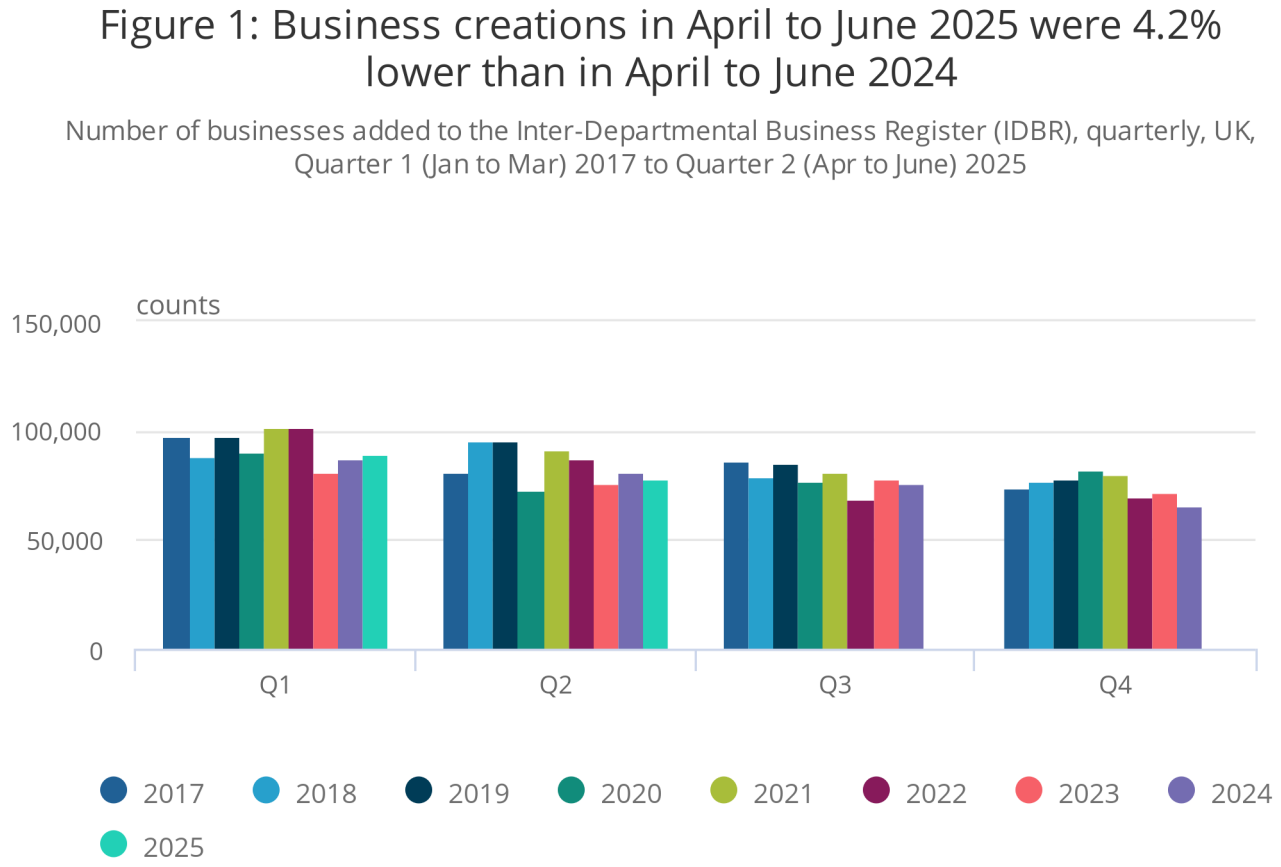
Business creations are new enterprise entries in the Inter-Departmental Business Register (IDBR). These are referred to as business births in our annual Business demography, UK bulletins and other data. For more information, see Section 6: Data sources and quality and Section 5: Glossary.

The number of business creations in the UK in Quarter 2 (Apr to June) 2025 was 78,015. This is 4.2% lower than the number of business creations in Quarter 2 2024.

The number of business creations decreased in 9 out of 16 main industrial groups during this quarter, compared with Quarter 2 2024. The most significant falls came in business administration and support services (down 14.2%), and construction (down 11.2%).

Figure 1: Business creations in April to June 2025 were 4.2% lower than in April to June 2024

Number of businesses added to the Inter-Departmental Business Register (IDBR), quarterly, UK, Quarter 1 (Jan to Mar) 2017 to Quarter 2 (Apr to June) 2025



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

3 . Business closures

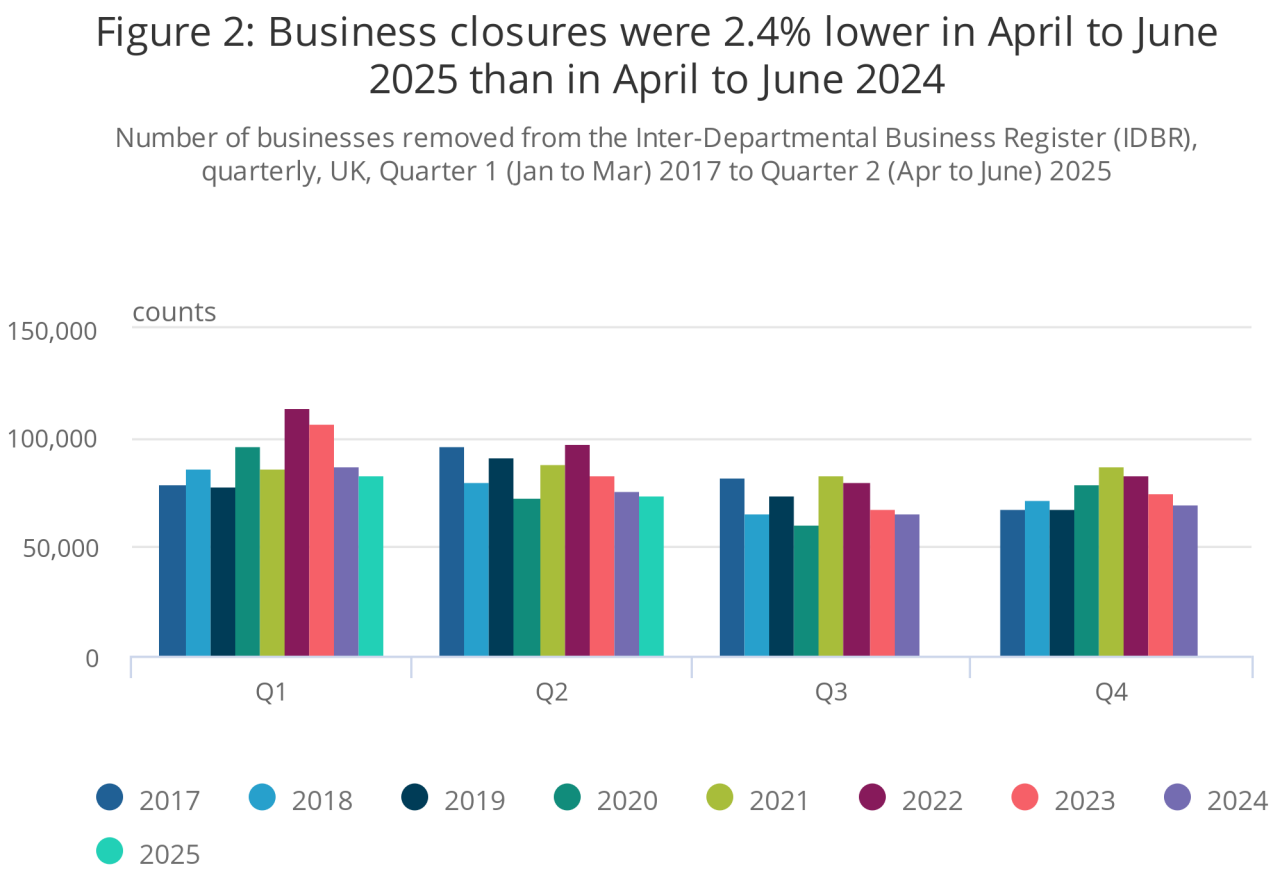
Business closures are those removed from the Inter-Departmental Business Register (IDBR). A business is removed from the IDBR if its turnover and employment are zero for several periods, or if the Office for National Statistics (ONS) is notified that the business has ceased trading through an administrative or survey source.

There were 74,025 business closures in the UK in Quarter 2 (Apr to June) 2025.

This is 2.4% lower than in Quarter 2 2024, with 8 out of 16 main industrial groups showing a decrease in closures. The most significant decrease came in the transportation and storage industry (down 18.1%).

Figure 2: Business closures were 2.4% lower in April to June 2025 than in April to June 2024

Number of businesses removed from the Inter-Departmental Business Register (IDBR), quarterly, UK, Quarter 1 (Jan to Mar) 2017 to Quarter 2 (Apr to June) 2025



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

4 . Data on business demography

Business demography, quarterly, UK
Dataset | Released 24 July 2025
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.

Business demography, quarterly, low-level geographic breakdown, UK
Dataset | Released 24 July 2025
Business creations or births and closures or deaths from the Inter-Departmental Business Register (IDBR), a low-level geographic breakdown for the UK, quarterly data. These are official statistics in development.

5 . Glossary

Business

For this release, the term "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 creations

Often referred to as business births, we refer to enterprises added to the Inter-Departmental Business Register (IDBR) as business creations in this release. Enterprises are added to the IDBR when a new business is identified from administrative sources. These are usually the Value Added Tax (VAT) or Pay As You Earn (PAYE) systems.

Business closures

Business closures are removals from the IDBR. These are referred to as business deaths in our annual Business demography, UK bulletins and other data.

A business is removed from the IDBR if its turnover and employment are zero for several periods, or the Office for National Statistics (ONS) is notified that the business has ceased trading.

The Inter-Departmental Business Register

A database of all businesses in the UK registered for Value Added Tax (VAT) and/or the Pay As You Earn (PAYE) Income Tax system. There are approximately 2.7 million businesses on the IDBR. The IDBR is used as a sampling frame for the Office for National Statistics (ONS) business surveys.

6 . Data sources and quality

Official statistics in development

Quarterly data in this release are not entirely consistent with our annual Business demography, UK bulletin, which is a more accurate reflection of business births and deaths.

Until September 2023, official statistics in development were called "experimental statistics". You can find further information on the Office for Statistics Regulation website.

Official statistics in development are official statistics that are in the testing phase and are not yet fully developed. Users should be aware that official statistics in development will potentially have a wider degree of uncertainty.

Previously, this release was called Business demography, quarterly experimental statistics, UK. Please note that in this bulletin, we have used the term "most significant" to mean changes that have been identified by weighting percentage movements of business creations and closures by the absolute difference in the change and ordering them by industry.

Since our Business demography, quarterly experimental statistics, UK: October to December 2022 bulletin, businesses that do not have either Value Added Tax (VAT) or Pay As You Earn (PAYE), but do have a live company number, have been removed from the figures. This is because they can misrepresent business creation and closure figures.

We create these enterprises on the Inter-Departmental Business Register (IDBR) to monitor them, usually because they help to give the full picture on the enterprise group. Often, these businesses do not have employment or turnover figures, but have some role in the enterprise group, such as the parent of the enterprise group. Most of our business surveys exclude these cases, and they are now also excluded from both annual and quarterly business demography results.

In our Quarter 3 (July to Sept) 2024 release, we took on revisions to births figures from Quarter 1 (Jan to Mar) 2023 to Quarter 3 2024 to account for VAT group births from the main administrative source, which had been omitted until then. The total number of births added was around 2,400. The births were allocated over the seven quarters from Quarter 1 2023 up to Quarter 3 2024. In the Quarter 4 (Oct to Dec) 2024 release, the industrial classification of those businesses was improved. This led to many businesses being reclassified out of finance and into their correct industrial classification.

Turnover and employment data

The turnover data on the IDBR are mostly derived from VAT or the Office for National Statistics (ONS) business survey records. Employment data on the IDBR are derived from PAYE or ONS business survey records. In some cases, values are imputed from administrative data. The turnover data are updated annually, every September, from available data. Employment data are updated more frequently for some businesses, but at least annually for all businesses.

The turnover and employment data for business closures are the stored values at the last update while the business was active on the IDBR. Often this is the last annual update. These figures are not adjusted for inflation, so the average turnover would be expected to rise slowly over time, in line with inflation.

For business creations, the value for turnover is usually that estimated by the business upon registration with HM

Revenue and Customs (HMRC) for VAT. The employment value is the number of registered employees on their PAYE scheme if they have one, and it is imputed if they do not. This value is revised on the IDBR when more up-to-date data are received, but it is not revised in these statistics.

Data on turnover and employment on the IDBR should not be used to measure economic growth, or the growth of the labour market. Other ONS sources should be used for this. Data points are generally current for larger businesses, but less current for smaller businesses.

Additional geographical breakdowns

From our Quarter 4 2021 bulletin, additional geographical breakdowns of business creations and closures have been made available to meet user needs. An unspecified geography category has also been introduced to deal with the distorting effect of multiple registrations at the same site. These apply where there are over 250 creations or closures at the same postcode.

Any creations or closures that happen at one of these postcodes are taken out of their geography and placed into the "unspecified" category. These cases still count towards the UK totals. The figures are provided in the dataset, published as part of this statistical release.

Time of recording

Business creations and closures in these data are based on the date on which the action occurs on the IDBR. Data for this release are extracted from the IDBR quarterly.

The date a business is added to the IDBR is generally on the same day, or within a few days, of the legal creation of the business as a company with Companies House. However, this can be several weeks after the effective birth of the business.

For business closures, the registration process can take a little longer because the death of a business may be long and complex. The effective death of a business may occur several months before its actual death from a legal perspective. A business is removed from the IDBR if information from HMRC, ONS business surveys, or Companies House indicates that it is no longer active. The ONS proves deaths by contacting businesses if necessary.

Frequency of data

The IDBR is updated from four main sources:

- VAT
- PAYE
- ONS business surveys
- Companies House

The updates occur in various frequencies from daily to annual. A shorter time period analysis of business creations and closures would be volatile because the PAYE update is quarterly. As such, this source is best suited to quarterly publications.

Timeliness

In line with international guidance from Eurostat and the Organisation for Economic Co-operation and Development (OECD), our annual Business demography, UK bulletins are published a year after the reference period. This is to allow for reactivations before deaths figures are calculated. We have published these quarterly data to provide a timelier indicator of business creations and closures to communicate the impact of the coronavirus (COVID-19) pandemic on the UK economy. However, these data will not be entirely consistent with our annual bulletin, and that remains the superior measure of business demography.

Comparison with the deaths figures produced for our annual Business demography, UK: 2021 bulletin published on 17 November 2022, showed that the quarterly figures were overestimating deaths because of reactivations. Reactivations arise as later information on business turnover or employment is received.

From our Business demography, quarterly experimental statistics, UK: October to December 2022 bulletin, we have introduced a method to take account of reactivations in business deaths. A similar, but smaller, issue occurs with births, when false births are removed by later IDBR processes. Using revised datasets taken a year after the original data were extracted from the IDBR, we have calculated an average reduction percentage to create more accurate early estimates. For this release we have applied a 10.6% reduction to business closures and a 2.3% reduction to business creations for Quarter 3 2024 to Quarter 2 (Apr to June) 2025.

It is standard practice to revise the births and deaths figures from the same quarter a year ago, recalculate the adjustments for false births and for reactivated deaths, and make revisions from that quarter onwards.

More detail about the IDBR and our annual official statistics on business demography is available in our Business demography Quality and Methodology Information (QMI).

7 . Related links

Business demography, UK: 2023
Bulletin | Released 18 November 2024
Annual change in the number of UK businesses broken down by sector of the economy.

Business insights and impact on the UK economy
Bulletin | Released 24 July 2025
The impact of challenges facing the economy and other events on UK businesses, including financial performance, workforce, trade, and business resilience.

Multiple business registrations at a single postcode, UK: 2023
Article | Last revised 18 November 2024
Business demography explainer covering additional information on the impact of multiple registrations at a single postcode.

Business dynamism in the UK economy: Quarter 1 (Jan to Mar) 1999 to Quarter 4 (Oct to Dec) 2019
Bulletin | Released 15 October 2020
Experimental statistics on business dynamism at a firm level using the Inter-Departmental Business Register (IDBR). The analysis includes changes in quarterly job creation and destruction rates by different firm characteristics since 1999 to 2019 for the UK.

8 . Cite this statistical bulletin

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