

Statistical bulletin

# UK business; activity, size and location: 2022

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



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## Table of contents

1. [Main points](#)
2. [Small increase in the number of businesses](#)
3. [Corporate businesses continue to see an increase](#)
4. [Professional, scientific, and technical industry accounts for the largest share of businesses](#)
5. [Most regions in the UK saw small increases in the number of businesses](#)
6. [Decrease in the number of Sites](#)
7. [UK business Data](#)
8. [Glossary](#)
9. [Measuring the data](#)
10. [Strengths and limitations](#)
11. [Related links](#)
12. [Cite this statistical bulletin](#)

# 1 . Main points

- The number of Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses in the UK as of March 2022 was 2.768 million, a small increase of 0.1% from 2.765 million in March 2021.
- The number of companies and public corporations has continued to rise and represents 74.4% of total UK businesses, while the proportion of sole proprietors and partnerships has fallen to 22.0%.
- The largest industry group is still professional, scientific, and technical, making up 15.6% of all registered businesses in the UK; this is down 0.8 percentage points from March last year.
- This is the first year since 2011 that the number of sites (local units) has decreased (small fall of 0.1%).

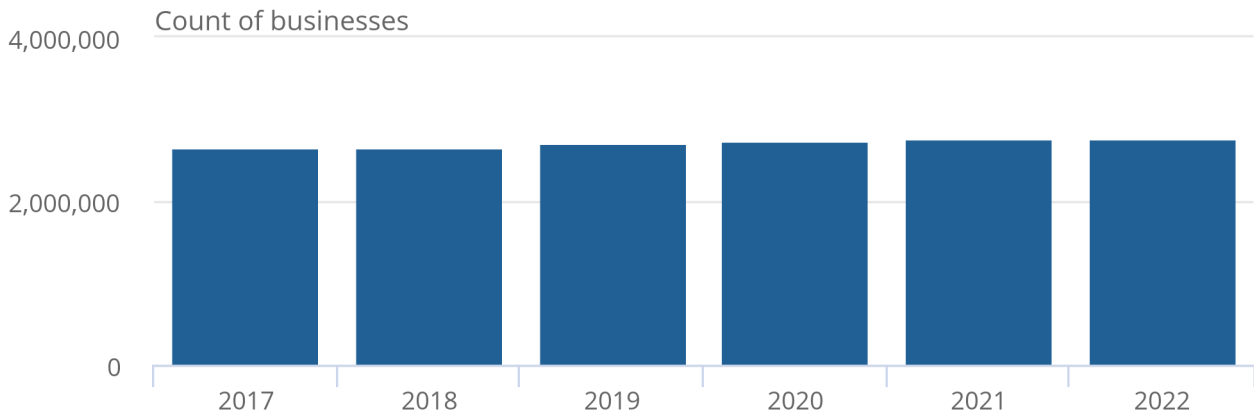
## 2 . Small increase in the number of businesses

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

UK, 2017 to 2022

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UK, 2017 to 2022



Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

The number of VAT and/or PAYE businesses in the UK as of March 2022 was 2.768 million, a small increase of 0.1% from 2.765 million in March 2021. The business population has remained fairly steady over the last two years, while GDP fell sharply, year-on-year into the first quarter of 2021, then rose sharply into the first quarter of 2022. It appears that the end of business support schemes did not lead to a fall in the business population. Overall, the growth in the population has slowed since 2018 compared with the 2012 to 2018 time period. This is consistent with a general fall in [business dynamism](#) since the financial crisis of 2007 to 2008.

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

UK, 1985 to 2022

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UK, 1985 to 2022



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

Notes:

1. For background information relating to figure 2 please see [Section 10](#)

### 3 . Corporate businesses continue to see an increase

Between March 2021 and March 2022, there was a small increase of 0.2% in corporate businesses (companies and public corporations). The decrease in sole proprietors and partnerships has continued with a fall of 0.5% into March 2022, compared with a fall of 2.3% last year. This decrease has been driven by a decline in partnerships, rather than sole proprietors. There is a small increase in the number of sole proprietors, largely because of increases in the number of unlicensed couriers in the transport and storage industry and in the construction of domestic buildings in the construction industry.

Table 1: Percentage of businesses by status  
UK, 2017 to 2022

	2017	2018	2019	2020	2021	2022
<b>Sole Proprietors</b>	17.5	16.9	16.3	15.7	15.4	15.5
<b>Partnerships</b>	8.1	7.9	7.5	7.1	6.7	6.5
<b>Sole Proprietors and Partnerships</b>	25.6	24.8	23.8	22.8	22.1	22.0
<b>Companies and Public Corporations</b>	70.7	71.4	72.5	73.6	74.3	74.4
<b>General Government and Non-Profit Making Bodies</b>	3.8	3.8	3.7	3.7	3.6	3.6

Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

Of the 2.06 million corporate businesses, 45.0% are single employee limited companies. The largest number 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 6.4% in 2021, and by 10.0% in 2022.

## **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 15.6% of all registered businesses in the UK. The number of businesses in this industry has decreased for three years running, but it remains the largest broad industry group since 2013.

Table 2: Number of VAT and/or PAYE businesses by broad industry group  
UK, 2020 to 2022

Count given to the nearest thousand

	2020	%	2021	%	2022	%
<b>Agriculture, forestry and fishing</b>	149	5.4	141	5.1	143	5.1
<b>Production</b>	153	5.6	155	5.6	155	5.6
<b>Mining, quarrying and utilities</b>	15	0.5	15	0.6	16	0.6
<b>Manufacturing</b>	138	5.0	140	5.1	138	5.0
<b>Construction</b>	351	12.8	360	13.0	375	13.5
<b>Wholesale and retail; repair of motor vehicles</b>	387	14.1	406	14.7	414	15.0
<b>Motor trades</b>	77	2.8	79	2.9	81	2.9
<b>Wholesale</b>	101	3.7	107	3.9	108	3.9
<b>Retail</b>	209	7.6	221	8.0	224	8.1
<b>Transport and storage (inc. postal)</b>	123	4.5	138	5.0	138	5.0
<b>Accommodation and food services</b>	162	5.9	167	6.0	175	6.3
<b>Information and communication</b>	226	8.2	213	7.7	196	7.1
<b>Finance and insurance</b>	62	2.3	61	2.2	60	2.2
<b>Property</b>	102	3.7	105	3.8	111	4.0
<b>Professional, scientific and technical</b>	468	17.0	453	16.4	431	15.6
<b>Business administration and support services</b>	236	8.6	230	8.3	229	8.3
<b>Public administration and defence</b>	8	0.3	8	0.3	8	0.3
<b>Education</b>	45	1.6	45	1.6	47	1.7
<b>Health</b>	103	3.8	105	3.8	106	3.8
<b>Arts, entertainment, recreation and other services</b>	176	6.4	177	6.4	181	6.5
<b>TOTAL</b>	2,750	100	2,765	100	2,768	100

Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

Notes

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

The rapid growth seen in the transport and storage industry in previous years has halted this year. In 2022, the property industry exhibited the highest percentage growth rate. The largest contributor to this was businesses classified to buying and selling of own real estate. The biggest decrease in growth was seen in the information and communication industry, and this was driven by the information technology consultancy activities sector.



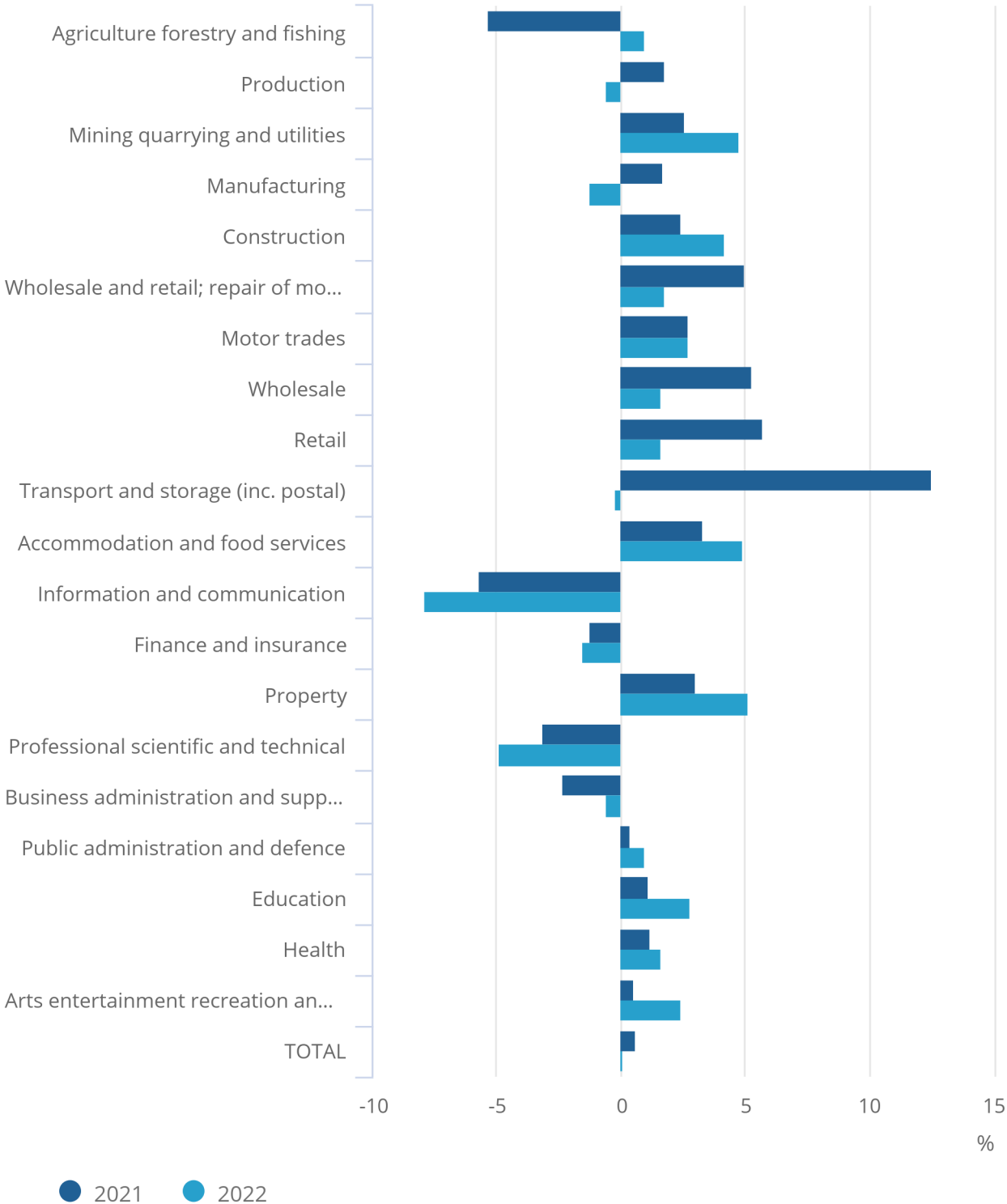


**Figure 3: Information and Communication industry showed the largest percentage decrease in businesses**

UK, 2021 to 2022

# Figure 3: Information and Communication industry showed the largest percentage decrease in businesses

UK, 2021 to 2022



Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

Although there is small growth overall in the number of businesses in March 2022 compared with March 2021, the number in the information and communication industry fell by 7.9%. This decrease may have been influenced by the coronavirus (COVID-19) pandemic with businesses reluctant to take on consultancy work in uncertain times. The introduction of the contractors “off payroll – working rules” changes ([IR35](#)) introduced by HM Revenue and Customs (HMRC) may have also been a factor.

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

There were small increases in the number of businesses in most regions between 2021 and 2022, but the South East and Scotland showed small decreases. The biggest decrease was in the South East (fall of 1.8%). This was driven by falls in the professional, scientific, and technical industries, and information and communication industries. The figures in Table 3 show similar numbers of businesses by region from March 2020, the start of the coronavirus pandemic, to March 2022. Table 3 shows that the distribution of businesses across regions is fairly stable over this period.

Table 3: Number of VAT and/or PAYE based businesses by region UK, 2020 to 2022

Count given to the nearest thousand

	2020	%	2021	%	2022	%
<b>North East</b>	71	2.6	73	2.6	73	2.6
<b>North West</b>	267	9.7	271	9.8	271	9.8
<b>Yorkshire and The Humber</b>	189	6.9	192	6.9	193	7.0
<b>East Midlands</b>	184	6.7	189	6.8	189	6.8
<b>West Midlands</b>	222	8.1	219	7.9	222	8.0
<b>East</b>	271	9.9	271	9.8	273	9.9
<b>London</b>	531	19.3	535	19.3	536	19.4
<b>South East</b>	418	15.2	420	15.2	413	14.9
<b>South West</b>	236	8.6	237	8.6	238	8.6
<b>Wales</b>	106	3.8	107	3.9	108	3.9
<b>Scotland</b>	178	6.5	175	6.3	174	6.3
<b>Northern Ireland</b>	75	2.7	77	2.8	78	2.8
<b>TOTAL</b>	2,750	100	2,765	100	2,768	100

Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

Notes

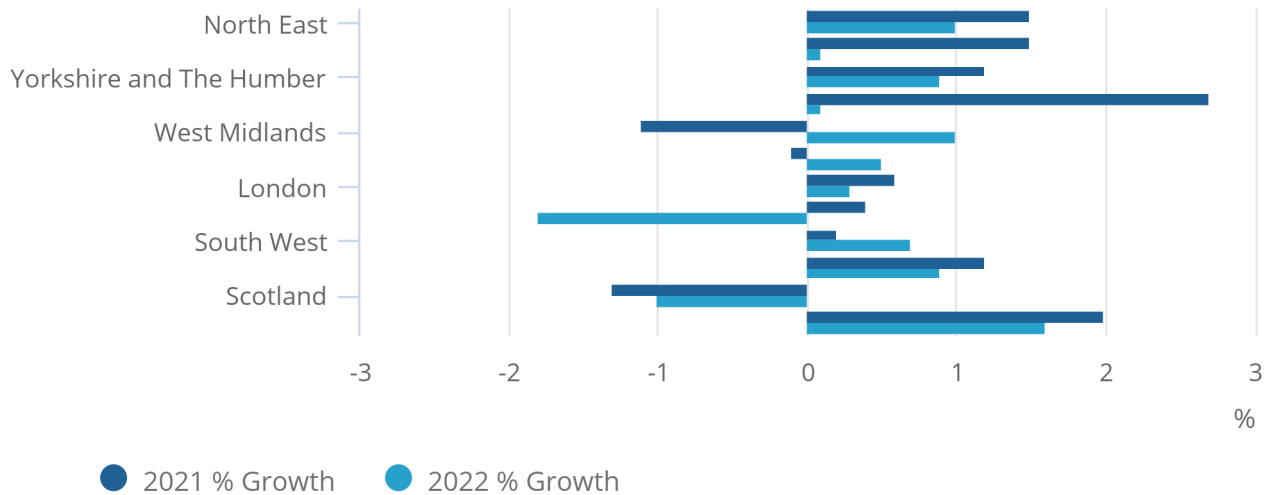
1. Please note that figures may not sum because of rounding.

#### Figure 4: Northern Ireland showed the biggest percentage growth in businesses

UK, 2021 to 2022

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UK, 2021 to 2022



Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

Northern Ireland shows the largest percentage growth (1.6%) in the number of businesses between 2021 and 2022, representing around 1,300 businesses. The South East and Scotland both showed decreases in business growth at 1.8% and 1.0%, respectively.

Please note that, for various reasons, [multiple business registrations](#) can be recorded at a single address, and this can distort data for smaller geographical areas.

## 6 . Decrease in the number of Sites

This is the first year since 2011 that the number of sites has decreased (down by 0.1%). Out of the 2.768 million VAT and/or 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 3,100 sites. This fall came mainly from businesses with 20 or more sites.

Table 4: Number of VAT and/or PAYE businesses and their associated local units  
UK, 2022

	Number of local units					
	1	2 to 4	5 to 9	10 to 19	20 or more	Total
<b>Business</b>	2,709,395	45,750	7,000	2,810	2,745	2,767,700
<b>Local units</b>	2,709,395	109,085	44,470	37,280	319,750	3,219,980

Source: Office for National Statistics (ONS) – Inter-Departmental Business Register (IDBR)

## 7 . UK business Data

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

Dataset | Released 28 September 2022

The data contained in these tables are numbers of enterprises and local units produced from a snapshot of the Inter-Departmental Business Register (IDBR) taken on 11 March 2022. The publication contains tables on local units and enterprises by geography, industry, legal status and employment size band. Additional tables at enterprise level provide information by turnover size band.

## 8 . Glossary

### Business

For the purpose 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 can be defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources.

## **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 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 which 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**

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

- the strengths and limitations of the data and how it compares 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 11 March 2022, 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 VAT and/or PAYE. The Department for Business, Energy and Industrial Strategy (BEIS) produces [Business Population Estimates](#) which seek 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 with calendar year growth rates for GDP too.

Numerous breaks in the [methodology](#) of the IDBR exist over time. It is not possible to calculate a growth rate in the IDBR for 1996 as the IDBR was created in 1995.

Please note 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 2021

Annual business population estimates for the UK and regions in 2021.

### [Business demography UK:2020](#)

Bulletin | Released 18 November 2021

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

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

Bulletin | Released 28 July 2022

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: 2020](#)

Article | Released 18 November 2021

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 28 September 2022, [ONS website](#), statistical bulletin, [UK business: activity, size and location: 2022](#)