



Size analysis of active businesses, 2018

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Key points

There were an estimated 259,200 enterprises active in Wales in 2018, the highest estimate since the start of the series in 2003, employing an estimated 1.2 million people.

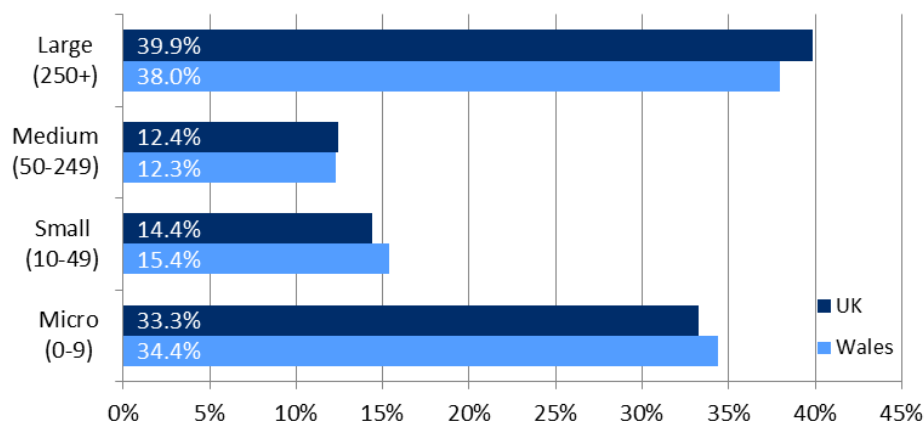
In 2018, 38.0 per cent of private sector employment in Wales was accounted for by large enterprises (those with 250 or more employees), compared to 39.9 per cent for the UK.

- The proportion of employment in the large size-band has fallen since 2003 by 3.6 percentage points in Wales and fell by 3.5 percentage points in the UK.

Small and Medium sized Enterprises (SMEs) accounted for 62.0 per cent of employment and 40.0 per cent of turnover in 2018 (with large enterprises accounting for the remainder).

- The majority of active enterprises were SMEs (those with 0-249 employees), accounting for 99.4 per cent of total enterprises in Wales in 2018. Micro enterprises (0-9 employees) accounted for 94.9 per cent of the total enterprises in Wales in 2018.
- Around 0.5 per cent of enterprises active in Wales were non-UK owned, accounting for 13.9 per cent of employment. This relatively high employment share is due to non-UK enterprises having a higher proportion of large enterprises than small and medium enterprises (SMEs).

Employment shares by employee size-band, 2018



About this release

This annual release provides data on the structure of enterprises active in Wales between 2003 and 2018, including estimates for the very smallest businesses that operate below the Value-Added Tax (VAT) threshold.

The Inter-Departmental Business Register (IDBR) extract used in this release was taken in March 2018.

In this bulletin

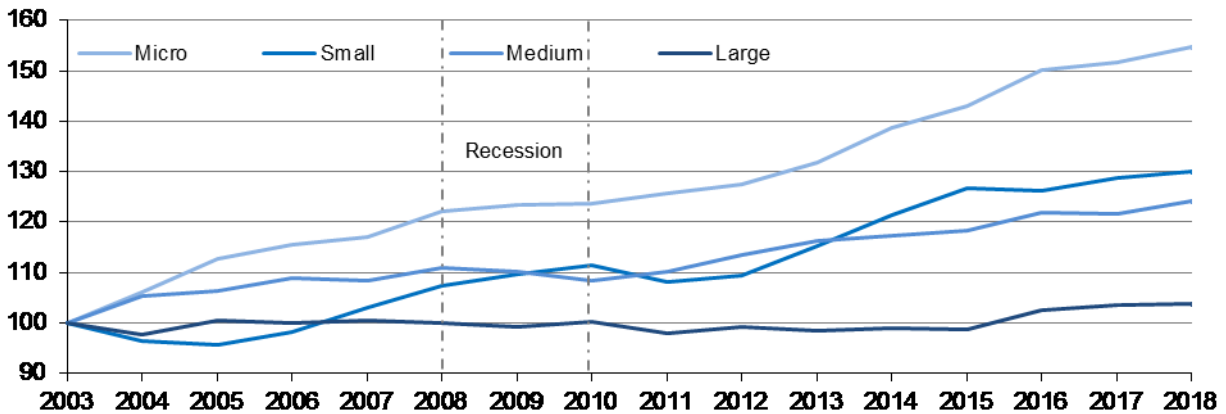
This bulletin contains new data on:

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1. Comparisons of business structure in Wales

There were an estimated 259,200 enterprises active in Wales in 2018, the highest estimate since the start of the series in 2003 (Table 1.1). This is a 2.0 per cent increase from 2017 and a 52.9 per cent increase from 2003. These enterprises employed an estimated 1.2 million people and had an estimated combined annual turnover of £115.0 billion.

Chart 1.1: Number of enterprises active in Wales by employee size-band, 2003-2018 (Index 2003=100) (a)

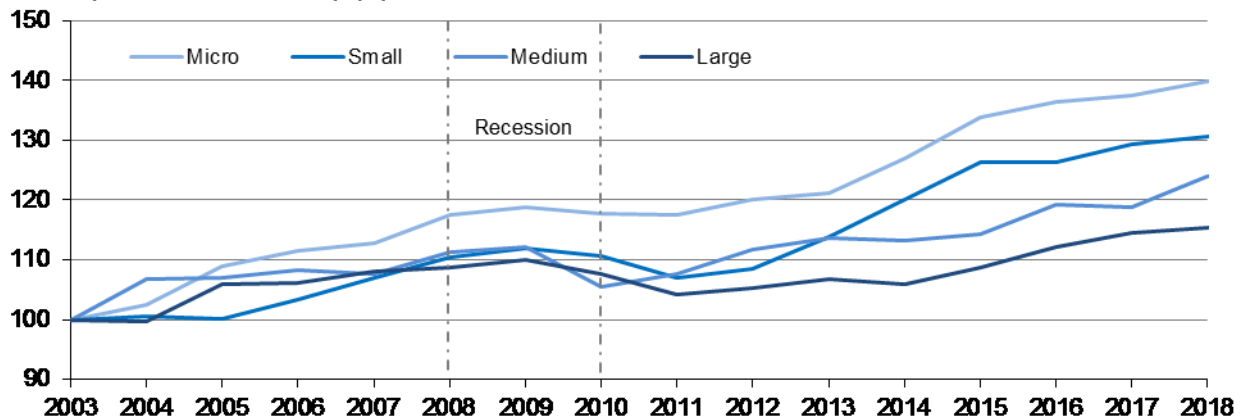


(a) Chart 1.1 uses indexed data (where 2003 is equal to 100) to show the change in active enterprises over time. The data is indexed because the number of enterprises active in Wales is largely dominated by the micro size band.

Between 2003 and 2018 employment in enterprises active in Wales grew by 26.3 per cent, with increases year on year except between 2010 and 2011. Enterprises in the micro size band had the largest percentage growth in employment in Wales (up 39.8 per cent), whilst employment in enterprises in the large size band had the smallest percentage increase (up 15.4 per cent).

However, this overall trend hides the impact of the 2008 recession. In 2009, the highest employment levels since 2003 were seen, followed by falls in employment between 2009 and 2011 across all size bands. Since 2011, employment has increased in all size-bands and reached its highest levels in 2018.

Chart 1.2: Employment in enterprises active in Wales by employee size-band, 2003-2018 (Index 2003=100) (a)



(a) Chart 1.2 uses indexed data (where 2003 is equal to 100) to show the change in the number of employees over time.

Table 1.1: Size-band analysis of enterprises active in Wales (a)

	2003	2010	2011	2012	2013	2014	2015	2016	2017	2018	% change latest year over:	
											2003	2017
Enterprises (000s) (b)												
Micro (0 - 9)	159.0	196.8	199.8	202.6	209.7	220.6	227.3	238.6	241.2	246.0	54.7	2.0
Small (10 - 49)	7.2	8.0	7.8	7.9	8.3	8.7	9.1	9.1	9.3	9.4	30.0	1.1
Medium (50 - 249)	1.7	1.9	1.9	2.0	2.0	2.0	2.1	2.1	2.1	2.2	24.2	2.2
Large (250+)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	3.8	0.1
All	169.5	208.3	211.1	214.0	221.6	233.0	240.1	251.4	254.2	259.2	52.9	2.0
Employment (000s)												
Micro (0 - 9)	285.4	335.9	335.2	342.6	346.1	362.3	381.8	389.2	392.7	399.0	39.8	1.6
Small (10 - 49)	136.7	151.1	146.3	148.3	155.8	164.3	172.7	172.7	176.7	178.4	30.6	1.0
Medium (50 - 249)	114.8	121.2	123.6	128.1	130.4	130.0	131.3	136.9	136.4	142.3	24.0	4.3
Large (250+)	381.6	410.5	397.6	401.9	407.8	404.3	414.7	427.7	437.5	440.3	15.4	0.6
All	918.5	1,018.6	1,002.6	1,021.0	1,040.0	1,060.9	1,100.5	1,126.5	1,143.3	1,160.0	26.3	1.5
Turnover (£bn) (c)												
Micro (0 - 9)	12.7	17.0	16.0	16.1	16.4	16.6	17.6	19.3	20.1	16.0	.	-20.2
Small (10 - 49)	8.0	11.6	10.6	10.6	11.9	11.7	12.4	12.7	13.2	13.7	.	4.5
Medium (50 - 249)	9.2	13.1	11.9	12.9	13.6	13.6	14.1	14.5	14.2	16.2	.	14.1
Large (250+)	40.2	61.9	56.1	63.2	73.7	74.9	74.8	70.6	69.6	69.0	.	-0.9
All	70.1	103.6	94.7	102.9	115.7	116.7	118.9	117.0	117.1	115.0	.	-1.8

(a) The full series are available on StatsWales.

(b) This is a count of enterprises that are active in Wales, including multi-region enterprises registered outside Wales.

(c) This excludes turnover in the financial and business services sector where turnover are not available on a comparable basis. Turnover data are not comparable from 2010 with prior years due to the move to SIC2007.

(r) Data for 2016 and 2017 has been revised since previously published.

Enterprises grew by 2.0 per cent since 2017 with all four size bands seeing increases. The largest increase was the medium size band which grew by 2.2 per cent. Between 2003 and 2018 the number of enterprises active in Wales grew by 52.9 per cent. This was largely due to growth in the micro size-band enterprises (up 54.7 per cent).

Over the year, employment increased by 1.5 per cent with all four size bands seeing increases. Medium size-band enterprises had the largest increase when compared to 2017 (up 4.3 per cent). Between 2003 and 2018, total private sector employment increased by 26.3 per cent, with micro sized enterprises having the largest increase in employment (up 39.8 per cent).

Over the year, turnover decreased by 1.8 per cent with two of the four size-bands seeing a decrease (micro and large). Medium size band enterprises had the largest increase in turnover when compared to 2017 (up 14.1 per cent), whilst turnover for micro size band enterprises fell by 20.2 per cent.

Table 1.2: Size-band proportions for enterprises active in Wales (a)

	2003	2010	2011	2012	2013	2014	2015	2016	2017	2018	% change latest year over:	
											2003	2017
Wales												
Enterprises (b)												
Micro (0 - 9)	93.8	94.5	94.7	94.7	94.6	94.7	94.7	94.9	94.9	94.9	1.1	0.0
Small (10 - 49)	4.2	3.9	3.7	3.7	3.7	3.8	3.8	3.6	3.6	3.6	-0.6	0.0
Medium (50 - 249)	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	-0.2	0.0
Large (250+)	1.0	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	-0.3	0.0
Employment												
Micro (0 - 9)	31.1	33.0	33.4	33.6	33.3	34.2	34.7	34.6	34.4	34.4	3.3	0.0
Small (10 - 49)	14.9	14.8	14.6	14.5	15.0	15.5	15.7	15.3	15.5	15.4	0.5	-0.1
Medium (50 - 249)	12.5	11.9	12.3	12.5	12.5	12.3	11.9	12.2	11.9	12.3	-0.2	0.3
Large (250+)	41.6	40.3	39.7	39.4	39.2	38.1	37.7	38.0	38.3	38.0	-3.6	-0.3
Turnover (c)												
Micro (0 - 9)	18.1	16.4	16.9	15.6	14.2	14.2	14.8	16.5	17.2	13.9	.	-3.2
Small (10 - 49)	11.4	11.2	11.2	10.3	10.3	10.0	10.4	10.8	11.2	11.9	.	0.7
Medium (50 - 249)	13.1	12.6	12.6	12.6	11.8	11.7	11.8	12.4	12.2	14.1	.	2.0
Large (250+)	57.4	59.7	59.3	61.5	63.7	64.1	62.9	60.3	59.4	60.0	.	0.5

(a) The full series are available on StatsWales.

(b) This is a count of enterprises that are active in Wales, including multi-region enterprises registered outside Wales.

(c) This excludes turnover in the financial and business services sector where turnover are not available on a comparable basis. Turnover data are not comparable from 2010 with prior years due to the move to SIC2007.

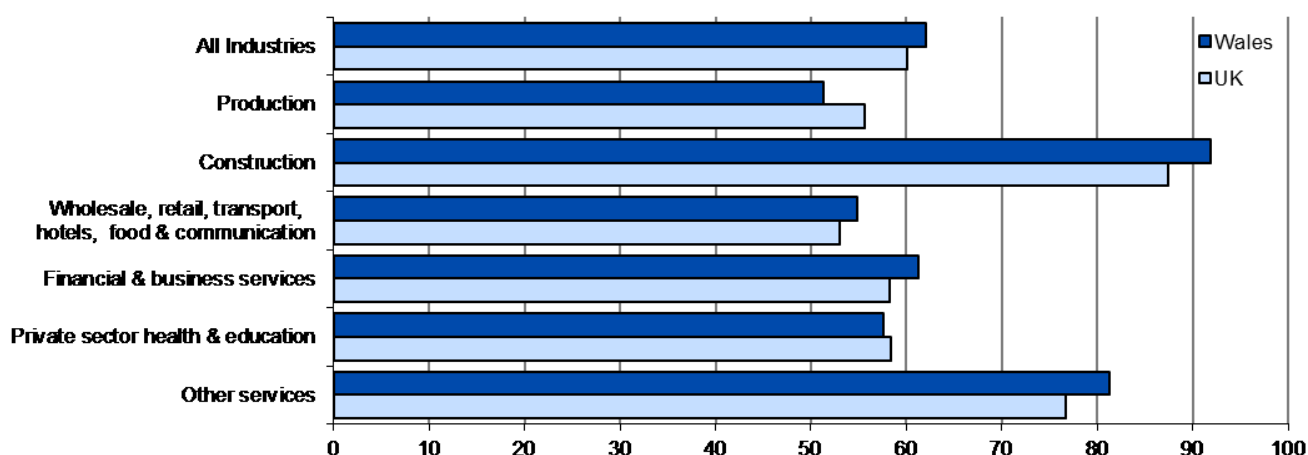
In 2018, 99.4 per cent of total enterprises active in Wales were small and medium sized enterprises (SMEs), with micro enterprises (0-9 employees) accounting for 94.9 per cent of the total enterprises active in Wales. SMEs accounted for 62.0 per cent of employment and 40.0 per cent of turnover in 2018 with large enterprises accounting for the remainder.

2. Industry and business structure in 2018, Wales

The construction sector had the largest proportion of employment in small/medium enterprises (SMEs) in Wales and the UK in 2018 (excluding agriculture). The smallest proportion of employment in SMEs was in the production sector whilst the wholesale, retail transport, hotels, food & communication sector had the smallest proportion of employment in the UK.

Wales has larger proportions of employment in SMEs than the UK in four of the six industry sectors (excluding agriculture). Of these the largest difference in employment is in the other services sector, 81.2 per cent in Wales compared to 76.7 per cent in the UK.

Chart 2.1: Proportion of employment in small/medium enterprises (SMEs) by industry in Wales and the UK, 2018 (a)



(a) Agriculture excluded due to disclosure

In 2018, wholesale, retail, transport, hotels, food and communication was the largest sector in Wales with 59,700 enterprises. It also had the largest employment amongst the sectors at 399,500 and the highest turnover at £54.1 billion. The three largest sectors (the wholesale, retail, transport, hotels, food and communication sector; the financial and business services sector; and the construction sector) accounted for 62.0 per cent of all enterprises active in Wales in 2018 and 61.3 per cent of total employment in enterprises active in Wales.

Table 2.1: Enterprises active in Wales by size band and industry

Industry / size band	Enterprises (a)												All 000s
	Micro (0-9)			Small (10-49) (b)			Medium (50 - 249) (b)			Large (250+) (b)			
	000s	% of total		000s	% of total		000s	% of total		000s	% of total		
Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK	Wales	
Agriculture, forestry & fishing	19.0	99.2	97.4	0.2	0.8	2.6	19.1
Production	16.8	91.2	91.7	1.0	5.2	6.3	0.4	2.4	1.7	0.2	1.2	0.4	18.5
Construction	46.4	97.9	98.4	0.8	1.6	1.4	0.1	0.3	0.2	0.1	0.2	-	47.4
Wholesale, retail, transport, hotels, food & communication	54.5	91.2	94.1	3.9	6.5	5.1	0.7	1.1	0.7	0.7	1.2	0.1	59.7
Financial & business services	51.2	95.6	96.7	1.6	2.9	2.6	0.4	0.8	0.5	0.4	0.7	0.1	53.6
Private sector health & education	28.4	93.3	95.2	1.5	4.9	3.8	0.4	1.2	0.8	0.2	0.6	0.2	30.4
Other services	29.7	97.3	97.7	0.6	2.0	2.0	0.1	0.4	0.3	0.1	0.3	0.1	30.5
All industries	246.0	94.9	96.0	9.4	3.6	3.3	2.2	0.8	0.6	1.7	0.6	0.1	259.2

(a) This is a count of enterprises that are active in Wales, including multi-region enterprises registered outside Wales.

(b) Small, Medium and Large categories for the Agriculture Sector have been combined to avoid disclosure.

The agriculture, forestry and fishing sector had the largest share of employment in micro enterprises in both Wales and the UK (90.3 per cent and 69.1 per cent respectively). Whereas, in the small size band enterprises the largest share of employment was in the private sector health and education (18.6 per cent for Wales and 16.6 per cent for the UK).

Table 2.2: Employees in enterprises active in Wales by size band and industry

Industry / size band	Employment												All 000s	
	Micro (0-9)			Small (10-49) (a)			Medium (50 - 249) (a)			Large (250+) (a)				
	000s	% of total		000s	% of total		000s	% of total		000s	% of total			
	Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK	Wales	
Agriculture, forestry & fishing	34.2	90.3	69.1	3.7	9.7	30.9	37.9
Production	26.6	16.0	18.5	19.7	11.8	16.0	39.0	23.5	21.2	81.1	48.7	44.3	166.4	
Construction	63.1	67.2	66.1	14.5	15.5	13.1	8.6	9.2	8.2	7.6	8.1	12.6	93.9	
Wholesale, retail, transport, hotels, food & communication	114.2	28.6	27.2	70.8	17.7	15.4	34.3	8.6	10.4	180.2	45.1	46.9	399.5	
Financial & business services	79.0	36.3	34.4	28.8	13.2	11.8	25.5	11.7	12.0	84.4	38.8	41.8	217.6	
Private sector health & education	38.4	22.5	25.7	31.8	18.6	16.6	28.0	16.4	16.1	72.3	42.4	41.6	170.4	
Other services	43.3	58.4	53.0	10.7	14.4	14.0	6.3	8.5	9.7	13.9	18.8	23.3	74.2	
All industries	399.0	34.4	33.3	178.4	15.4	14.4	142.3	12.3	12.4	440.3	38.0	39.9	1,160.0	

(a) Small, Medium and Large categories for the Agriculture Sector have been combined to avoid disclosure.

The largest share of employment in the medium size band enterprises was in the production sector for both Wales and the UK (23.5 per cent and 21.2 per cent respectively). This sector also had the largest share of employment in large size band enterprises in Wales (48.7 per cent). Whereas, the wholesale, retail, transport, hotels, food and communication sector was the largest in the UK (46.9 per cent).

The wholesale, retail, transport, hotels, food and communication sector also had the largest proportion of enterprises and employment in SMEs accounting for 22.9 per cent of active SMEs in Wales, and 30.5 per cent of employment.

Table 2.3: Turnover in enterprises active in Wales by size band and industry

Industry / size band	Turnover (a)												All £bn	
	Micro (0-9)			Small (10-49) (b)			Medium (50 - 249) (b)			Large (250+) (b)				
	£bn	% of total		£bn	% of total		£bn	% of total		£bn	% of total			
	Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK	Wales	
Agriculture, forestry & fishing	1.7	79.1	64.6	0.4	20.9	35.4	2.1
Production	2.7	6.6	5.9	2.5	6.1	8.8	7.1	17.7	15.8	28.0	69.5	69.5	40.3	
Construction	3.0	35.1	39.4	2.0	23.8	18.7	1.4	16.1	14.4	2.1	25.0	27.5	8.5	
Wholesale, retail, transport, hotels, food & communication	7.3	13.5	15.5	7.1	13.1	17.4	6.1	11.2	16.3	33.6	62.2	50.8	54.1	
Financial & business services
Private sector health & education	0.7	11.3	13.3	1.6	26.6	23.8	1.2	20.7	20.1	2.5	41.4	42.8	6.0	
Other services	0.8	18.9	18.2	0.4	9.2	11.2	0.3	7.8	10.0	2.7	64.0	60.7	4.2	
All industries	16.0	13.9	16.2	13.7	11.9	15.6	16.2	14.1	15.8	69.0	60.0	52.5	115.0	

(a) This excludes turnover in the financial and business services sector as data is not available on a comparable basis.

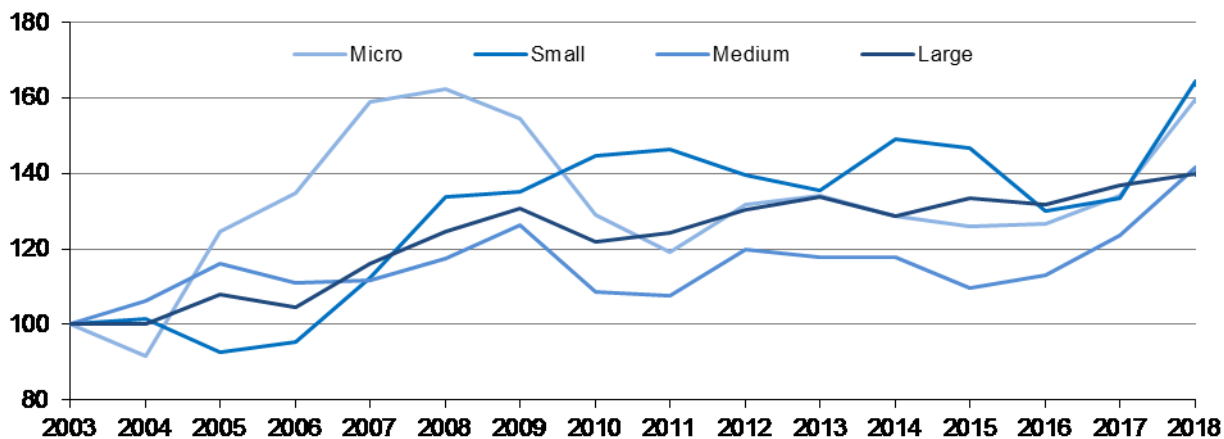
(b) Small, Medium and Large categories for the Agriculture Sector have been combined to avoid disclosure.

The largest proportion of turnover in the micro size band in Wales was in the agriculture, forestry and fishing sector (79.1 per cent). Whereas, in the large size band, the production sector had the largest proportion of turnover at 69.5 per cent.

3. Foreign ownership in Wales

In 2018, around 0.5 per cent of enterprises active in Wales were non-UK owned, accounting for 13.9 per cent of employment, up from 12.5 per cent in 2003. Over the latest year the number of non-UK owned enterprises increased (up 9.6 per cent) with employment in these enterprises increasing by 4.2 per cent.

Chart 3.1: Employment in foreign owned enterprises active in Wales by employee size band, 2003-2018 (Index 2003=100) (a)



(a) Chart 3.1 uses indexed data (where 2003 is equal to 100) to show the change in employment in foreign owned enterprises over time.

The number of UK owned enterprises active in Wales increased by 52.9 per cent between 2003 and 2018 compared to a 44.4 per cent increase in non-UK owned enterprises. The overall growth in employment in enterprises active in Wales between 2003 and 2018 was largely accounted for by employment in UK owned enterprises, which increased by 194,600 compared to a 46,900 increase in non-UK owned enterprises. However, employment in non-UK owned enterprises grew more over this period in percentage terms, up 40.8 per cent, compared to 24.2 per cent for UK owned enterprises. ([Table 3.1](#))

Table 3.1: Enterprises active in Wales by ownership (a) (r)

Ownership / size-band	2003	2010	2011	2012	2013	2014	2015	2016	2017	2018	% change latest year over:	
											2003	2017
Enterprises (000s)												
UK												
Micro (0 - 9)	158.8	196.6	199.6	202.4	209.5	220.5	227.2	238.4	241.0	245.8	54.8	2.0
Small (10 - 49)	7.1	7.9	7.6	7.7	8.2	8.6	9.0	9.0	9.1	9.2	29.4	0.8
Medium (50 - 249)	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	1.9	21.6	1.4
Large (250+)	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.1	1.1	-9.7	-2.6
All	168.7	207.2	210.0	212.9	220.5	231.9	239.0	250.3	253.1	258.0	52.9	1.9
Non-UK												
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	36.2	16.8
Small (10 - 49)	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.2	69.9	20.7
Medium (50 - 249)	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.3	46.2	8.4
Large (250+)	0.4	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.6	40.2	5.4
All	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.2	44.4	9.6
Percentage Non-UK												
Owned												
Micro (0 - 9)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Small (10 - 49)	1.4	1.8	1.7	1.7	1.7	1.8	1.7	1.5	1.6	1.9	0.4	0.3
Medium (50 - 249)	10.7	11.9	11.5	12.6	12.4	12.5	11.7	11.2	11.9	12.6	1.9	0.7
Large (250+)	26.9	31.3	32.6	34.4	33.9	34.8	35.7	34.8	34.6	36.4	9.5	1.8
All	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.0	0.0
Employment (000s)												
UK												
Micro (0 - 9)	285.0	335.3	334.7	342.1	345.5	361.8	381.2	388.7	392.2	398.3	39.8	1.6
Small (10 - 49)	134.4	147.9	143.0	145.2	152.7	160.9	169.4	169.8	173.8	174.8	30.0	0.6
Medium (50 - 249)	100.8	106.0	108.6	111.4	114.0	113.6	116.0	121.2	119.1	122.5	21.5	2.9
Large (250+)	283.3	290.5	275.4	273.6	276.1	277.8	283.4	298.2	302.9	302.5	6.8	-0.1
All	803.6	879.7	861.6	872.2	888.3	914.0	950.1	977.8	988.0	998.1	24.2	1.0
Non-UK												
Micro (0 - 9)	0.4	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.7	59.5	19.0
Small (10 - 49)	2.2	3.2	3.3	3.1	3.0	3.3	3.3	2.9	3.0	3.7	64.4	23.1
Medium (50 - 249)	14.0	15.2	15.0	16.7	16.5	16.4	15.3	15.8	17.3	19.7	41.5	14.4
Large (250+)	98.3	120.0	122.2	128.4	131.7	126.6	131.3	129.5	134.5	137.7	40.1	2.4
All	114.9	139.0	141.0	148.8	151.7	146.9	150.4	148.7	155.3	161.8	40.8	4.2
Percentage Non-UK												
Owned												
Micro (0 - 9)	0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.0	0.0
Small (10 - 49)	1.6	2.1	2.2	2.1	1.9	2.0	1.9	1.7	1.7	2.1	0.4	0.4
Medium (50 - 249)	12.2	12.5	12.2	13.1	12.6	12.6	11.7	11.5	12.7	13.9	1.7	1.2
Large (250+)	25.8	29.2	30.7	31.9	32.3	31.3	31.7	30.3	30.8	31.3	5.5	0.5
All	12.5	13.6	14.1	14.6	14.6	13.8	13.7	13.2	13.6	13.9	1.4	0.4

(a) This is a count of enterprises that are active in Wales, including multi-region enterprises registered outside Wales.

(r) Data for 2016 and 2017 has been revised since previously published.

4. Sub-Wales business structure 2018¹

In 2018, the largest share of enterprises was the micro size-band for all 22 local authorities in Wales, ranging from 88.3 per cent in Merthyr Tydfil to 95.5 per cent in Powys. The small size-band enterprises had the next largest share in all local authorities (except Merthyr Tydfil) followed by large size-band enterprises.

Cardiff had more active enterprises than any other local authority in Wales (33,350); followed by Powys (19,790) and Carmarthenshire (19,205). Merthyr Tydfil and Blaenau Gwent had the smallest number of active enterprises (3,175 and 4,015 respectively). (Table 4.1)

Table 4.1: Size-band analysis enterprises active in Wales by sub-region, 2018

Area	Enterprise Count (a)					Percentage of total			
	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250+)	Total	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250+)
Isle of Anglesey	5,740	220	50	130	6,140	93.5	3.6	0.8	2.1
Gwynedd	14,205	520	110	265	15,100	94.1	3.4	0.7	1.7
Conwy	9,360	445	125	275	10,210	91.7	4.4	1.2	2.7
Denbighshire	8,995	390	90	205	9,685	92.9	4.0	0.9	2.1
Flintshire	10,930	545	175	295	11,945	91.5	4.6	1.5	2.5
Wrexham	10,230	405	145	315	11,095	92.2	3.7	1.3	2.8
Powys	18,900	545	130	215	19,790	95.5	2.7	0.7	1.1
Ceredigion	7,755	295	50	165	8,270	93.8	3.6	0.6	2.0
Pembrokeshire	12,835	520	120	205	13,680	93.8	3.8	0.9	1.5
Carmarthenshire	18,150	595	160	300	19,205	94.5	3.1	0.8	1.6
Swansea	16,585	765	225	450	18,025	92.0	4.2	1.2	2.5
Neath Port Talbot	6,960	370	125	215	7,670	90.8	4.8	1.6	2.8
Bridgend	8,090	425	165	310	8,985	90.0	4.7	1.8	3.4
The Vale of Glamorgan	10,575	375	110	220	11,280	93.8	3.3	1.0	2.0
Rhondda Cynon Taf	13,860	540	180	260	14,835	93.4	3.7	1.2	1.7
Merthyr Tydfil	2,805	140	55	170	3,175	88.3	4.4	1.8	5.4
Caerphilly	9,190	405	145	220	9,960	92.3	4.1	1.4	2.2
Blaenau Gwent	3,695	145	50	125	4,015	91.9	3.6	1.3	3.2
Torfaen	4,825	280	105	215	5,430	88.9	5.1	2.0	4.0
Monmouthshire	11,405	330	100	185	12,020	94.9	2.7	0.8	1.5
Newport	10,480	440	170	385	11,475	91.3	3.9	1.5	3.4
Cardiff	30,605	1,320	540	880	33,350	91.8	4.0	1.6	2.6
North Wales	59,420	2,410	540	680	63,055	94.2	3.8	0.9	1.1
Mid Wales	26,655	830	165	280	27,935	95.4	3.0	0.6	1.0
South West Wales	54,505	2,170	505	625	57,810	94.3	3.8	0.9	1.1
South East Wales	105,470	4,155	1,235	1,310	112,170	94.0	3.7	1.1	1.2
Wales	246,005	9,365	2,155	1,675	259,200	94.9	3.6	0.8	0.6

(a) This is a count of enterprises that are active in the given area within Wales. Enterprises active in more than one area will be counted more than once so the sum across all the areas will not equal the figure for Wales.

¹ Geographical breakdowns of the data are workplace based. Each enterprise and its related employment and turnover is allocated to a sub-area of Wales based solely on the physical location of the enterprise or its sites. The employment aggregates take no account of the area in which those employed in an enterprise reside.

Powys and Ceredigion had the largest shares of employment in micro sized enterprises while Newport had the smallest in that size band. Pembrokeshire had the largest share of employment in small sized enterprises whilst Cardiff and Newport had the smallest shares. Caerphilly had the largest share of employment in medium sized enterprises whilst Ceredigion had the smallest share. Newport had the largest share of employment in large size-band enterprises whilst Powys had the smallest. (Chart 4.1) (The largest and the smallest shares mentioned above have been calculated using unrounded figures.)

Chart 4.1: Proportion of employment by size-band and local authority, 2018

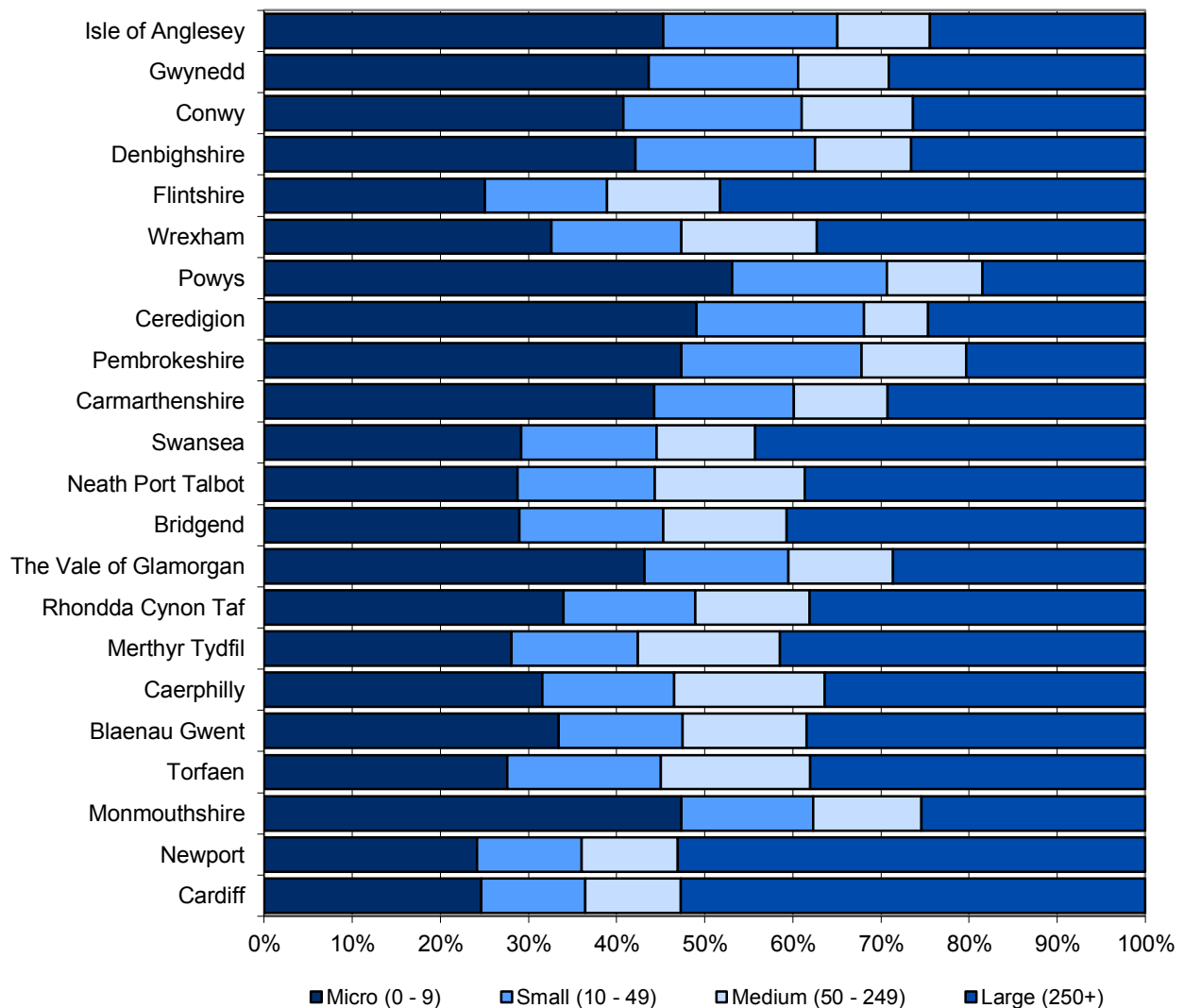


Table 4.2: Enterprises active in Wales by ownership and sub region, 2018 (a) (b)

Area	Non-UK owned		UK owned		% Non-UK owned	
	Enterprises	Employment (000s)	Enterprises	Employment (000s)	Enterprises	Employment
Isle of Anglesey	55	2.3	6,085	19.0	0.9	10.6
Gwynedd	90	2.9	15,015	48.7	0.6	5.7
Conwy	110	3.8	10,100	36.0	1.1	9.4
Denbighshire	75	3.3	9,610	31.7	0.8	9.4
Flintshire	170	17.4	11,775	54.8	1.4	24.1
Wrexham	165	10.1	10,925	40.3	1.5	20.1
Powys	70	2.7	19,720	54.3	0.3	4.7
Ceredigion	50	1.2	8,215	26.2	0.6	4.2
Pembrokeshire	80	2.7	13,600	43.2	0.6	5.9
Carmarthenshire	120	7.2	19,085	58.6	0.6	11.0
Swansea	195	9.6	17,830	81.9	1.1	10.5
Neath Port Talbot	90	8.7	7,580	32.8	1.1	21.0
Bridgend	150	10.3	8,835	37.1	1.7	21.8
The Vale of Glamorgan	80	4.1	11,195	34.4	0.7	10.7
Rhondda Cynon Taf	135	9.3	14,705	55.8	0.9	14.3
Merthyr Tydfil	60	3.0	3,115	14.1	1.8	17.3
Caerphilly	115	8.4	9,845	40.2	1.1	17.3
Blaenau Gwent	60	3.5	3,960	13.7	1.5	20.4
Torfaen	115	5.8	5,315	24.0	2.1	19.4
Monmouthshire	85	4.8	11,935	33.3	0.7	12.5
Newport	180	12.5	11,295	54.5	1.6	18.7
Cardiff	455	28.2	32,895	163.6	1.4	14.7
North Wales	395	39.8	62,655	230.4	0.6	14.7
Mid Wales	95	3.9	27,840	80.6	0.3	4.6
South West Wales	310	28.3	57,500	216.5	0.5	11.5
South East Wales	885	89.9	111,285	470.7	0.8	16.0
Wales	1,245	161.8	257,955	998.1	0.5	13.9

(a) Based on the ultimate ownership of the enterprise.

(b) This is a count of enterprises that are active in the given area within Wales. Enterprises active in more than one area will be counted more than once so the sum across all the areas will not equal the figure for Wales.

Amongst the 22 local authorities Torfaen had the largest percentage of non-UK owned enterprises (2.1 per cent) whilst Powys had the smallest percentage (0.3 per cent). Flintshire had the largest percentage of employment in non-UK owned enterprises (24.1 per cent) and Ceredigion had the lowest percentage (4.2 per cent).

5. Key quality information

Relevance

This bulletin provides estimates of the total number of businesses active in Wales including unregistered enterprises by size-band. These statistics are used by the Welsh Government to monitor changes in the structure of Welsh businesses. The primary data source is a detailed extract taken in March of each year from the Inter-Departmental Business Register (IDBR) maintained by the Office for National Statistics (ONS). This gives details of all enterprises active in Wales, including the UK employment and turnover and derived figures for the Welsh elements of employment and turnover (using information about the sites in each enterprise which are located in Wales). It also includes Standard Industrial Classification codes, geographical location, foreign ownership and legal status of each enterprise.

The analysis in this release is based on enterprises with some activity in Wales, regardless of the region of its headquarters. In this context, an enterprise is taken to be an entire organisation, including its head office and all the individual UK sites, wherever they may be located. The region of the enterprise is usually based on the location of its head office, although the individual sites may be located in other regions. The figures given for employment and turnover for Wales in this analysis relate only to the sites located in Wales.

The size-band of the enterprise is based on the number of UK employees (whether full-time or part-time) in the enterprise. An enterprise employing 10,000 UK staff but only a handful in Wales is categorised as a large, and not a micro, enterprise.

The data shown for foreign ownership is based on the ultimate ownership of the enterprise. It is assumed all unregistered enterprises (i.e. those which are not VAT or PAYE registered) are UK owned and those with unknown ownerships are UK owned.

The enterprises covered are all private sector enterprises (that is companies, sole-proprietorships, partnerships, private non-profit making bodies and mutual associations), plus public corporations and nationalised bodies. Local and central government organisations are excluded.

Accuracy

The IDBR covers a very high proportion of the employment and turnover in the UK, but it excludes most of the very large number of smallest businesses that operate below the VAT threshold so its coverage of the number of enterprises is less than 50 per cent. To correct for this, the figures presented in this release include estimates for unregistered enterprises, together with their related employment and turnover. These estimates for unregistered enterprises are calculated using a combination of:

- IDBR data
- information on persons who are self-employed in their main or second job, taken from the Labour Force Survey/Annual Population Survey carried out by the ONS
- information on the numbers of sole traders and partnerships from the Survey of Personal Incomes data provided by HM Revenue and Customs (HMRC).

Unregistered enterprises are assumed to be UK owned as these sole-proprietors/partnerships will be included as part of the APS, which is a survey of UK households.

A fuller description of the methodology is found on [StatsWales](#).

Estimates for turnover exclude figures for the financial and business services sector throughout the release. The turnover information recorded on the IDBR for enterprises in the financial services sector includes amounts involved in the transactions carried out by these enterprises and is therefore not comparable to turnover information from the other sectors.

As enterprise counts in this release have been independently rounded to the nearest five, employment counts to the nearest 100 and turnover aggregates to the nearest million pounds, the figures may not sum to totals exactly. The symbol “-” indicates that the figure is less than half the final digit shown.

To avoid suppression of data due to disclosure control (which must occur for any aggregates based on less than 20 enterprises), some size-bands are presented in aggregated form. These are shown in italics.

As the estimates of unregistered enterprises and their associated activity are based mainly on survey data, they are subject to a degree of sampling error. The unregistered estimates are included within the analysis as given but are not presented separately.

Our [revisions policy](#) is found on the Welsh Government website. Where the data is not from the Welsh Government, the revisions policy of the individual Government department is followed.

Timeliness and punctuality

The IDBR is updated using administrative and survey-based data sources with a variety of reference dates. For example data referred to here as 2018 could have been updated at any point up to March 2018.

Accessibility and clarity

All the data given in this release can be found on [StatsWales](#).

Comparability and coherence

The industry data prior to 2009 is based on SIC 2003, whilst industry data from 2009 onwards is based on SIC 2007. As such the sections are not comparable due to changes in the classification below section level. For more information see this article on the [Office for National Statistics website](#).

In 2015, the Office for National Statistics (ONS) extended the coverage of businesses on the Inter Departmental Business Register (IDBR) to include solely PAYE based UK businesses that were previously excluded because of a risk of duplication. Improvements in matching of administrative data and research into those units excluded indicated that the risk of duplication is very small. Of these businesses in 2015, 5,885 are located in Wales and 5,845 of them have less than 10 persons in employment.

At the UK level the estimate of the total number of VAT or PAYE registered enterprises increased by 253,000 between the start of 2011 and the start of 2012. Due to improvements made to HMRC computer systems approximately 53,000 extra businesses were added to the government Inter-Departmental Business Register (IDBR) at the UK level at the start of 2012.

Of those 53,000 extra businesses, some will have existed before 2011 and may have been active in Wales and therefore should have been included in previous estimates of the total business population. It is possible some of these previously existing businesses were captured in earlier estimates of the business population, but unfortunately the precise number cannot be calculated. The 2008/09 SPI data remains missing as it is not available from HMRC. The 2009 estimates of sole proprietors use the 2007/08 SPI data.

The Department for Business, Energy and Industrial Strategy (BEIS) produces annual estimates of businesses by size-band for the UK regions. The BEIS Business Population Estimates (BPE) release can be found in full on the [GOV.UK website](https://www.gov.uk).

Table 6.1 compares Welsh Government and BEIS enterprise and employment estimates for 2018. The BEIS analysis doesn't pick up all of the private sector employment in Wales. For the smallest size-bands these differences are mainly due to timing, coverage and methodology differences, but for the larger size-bands, the effects of the differing methods for allocating employment to regions are more apparent.

BEIS analysis excludes charities and non-profit bodies, which account for around 3,800 VAT/PAYE registered enterprises and 85,000 employees in Wales in 2018 (for the UK these figures are 75,000 enterprises and 2.1 million employees).

The BEIS analysis allocates enterprises and their related activity to a single region, generally using the location of the head office. This means counts of enterprises by region are meaningful but employment and turnover statistics less relevant. The BEIS analysis does not take into account enterprises registered outside Wales but with activity in Wales. This under-estimates the employment of businesses in Wales, particularly in respect of larger employers.

Table 5.1: Comparisons in enterprise counts and employment, 2018

Size-band	Welsh Government (WG)	Business, Energy & Industrial Strategy (BEIS)	Difference (BEIS - WG)	Percentage difference
Enterprise count (000s):				
Estimates:				
Micro (0 - 9)	246.0	188.8	-57.2	-23.3%
Small (10 - 49)	9.4	8.3	-1.0	-10.9%
Medium (50 - 249)	2.2	1.3	-0.9	-39.9%
Large (250+)	1.7	0.2	-1.5	-86.9%
All	259.2	198.6	-60.6	-23.4%
Percentage shares by size band:				
Micro (0 - 9)	94.9%	95.0%		
Small (10 - 49)	3.6%	4.2%		
Medium (50 - 249)	0.8%	0.7%		
Large (250+)	0.6%	0.1%		
All	100.0%	100.0%		
Employment (000s):				
Estimates:				
Micro (0 - 9)	399.0	334.0	-65.0	-16.3%
Small (10 - 49)	178.4	165.0	-13.4	-7.5%
Medium (50 - 249)	142.3	125.0	-17.3	-12.1%
Large (250+)	440.3	213.0	-227.3	-51.6%
All	1,159.9	837.0	-322.9	-27.8%
	38%	25%		
Percentage shares by size band:				
Micro (0 - 9)	34.4%	39.9%		
Small (10 - 49)	15.4%	19.7%		
Medium (50 - 249)	12.3%	14.9%		
Large (250+)	38.0%	25.4%		
All	100.0%	100.0%		

Source: Department for Business, Energy and Industrial Strategy; Welsh Government

National Statistics status

The [United Kingdom Statistics Authority](#) has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the [Code of Practice for Statistics](#).

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is Welsh Government's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators ("national indicators") that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the National Assembly. The 46 national indicators were laid in March 2016.

Information on the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

Further details

The document is available at:

<http://gov.wales/statistics-and-research/size-analysis-welsh-business/?lang=en>

Next update

November 2019

We want your feedback

We welcome any feedback on any aspect of these statistics which can be provided by email to

economic.stats@gov.wales

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