

SDR 202/2015

10 December 2015

Size Analysis of Welsh Businesses, 2015

This release provides data on the structure of enterprises active in Wales between 2003 and 2015, including estimates for the very smallest businesses that operate below the VAT threshold.

When considering the *count* of enterprises active in Wales in 2015, a higher proportion was accounted for by businesses with 250 or more employees (large size-band) than for the UK. Given that many of the large enterprises will be active in Wales as well as in the UK this is to be expected.

Therefore in terms of analysing the proportion of activity in each size-band, it is more appropriate to look at *employment*.

Chart 1: Employment shares by employee size-band, Wales, 2015

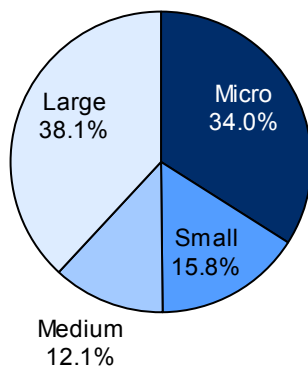
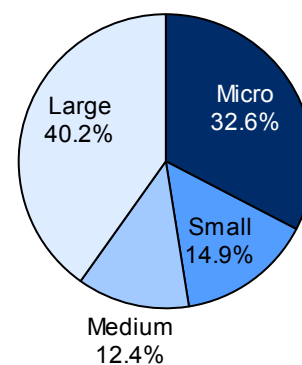


Chart 2: Employment shares by employee size-band, UK, 2015



Key Points

- In 2015, 38.1 per cent of private sector employment in Wales was accounted for by large enterprises (those with 250 or more employees), compared to 40.2 per cent for the UK.
- Between 2003 and 2015, the proportion of employment in the large size-band fell by 3.4 percentage points in Wales and fell by 3.2 percentage points in the UK.
- Between 2003 and 2015, around 0.5 per cent of enterprises active in Wales were non-UK owned, accounting for 13.8 per cent of employment in 2015, up from 12.5 per cent in 2003.
- There was considerable variation between industry sectors in 2015, with employment in agriculture almost entirely amongst micro businesses (90.5 per cent) and employment in production industries concentrated in the large size-band (50.5 per cent).
- Within Wales, the local authorities with the largest proportion of private sector employment in the large size-band were Cardiff and Newport (both 52.8 per cent), and the smallest was Powys (16.4 per cent).

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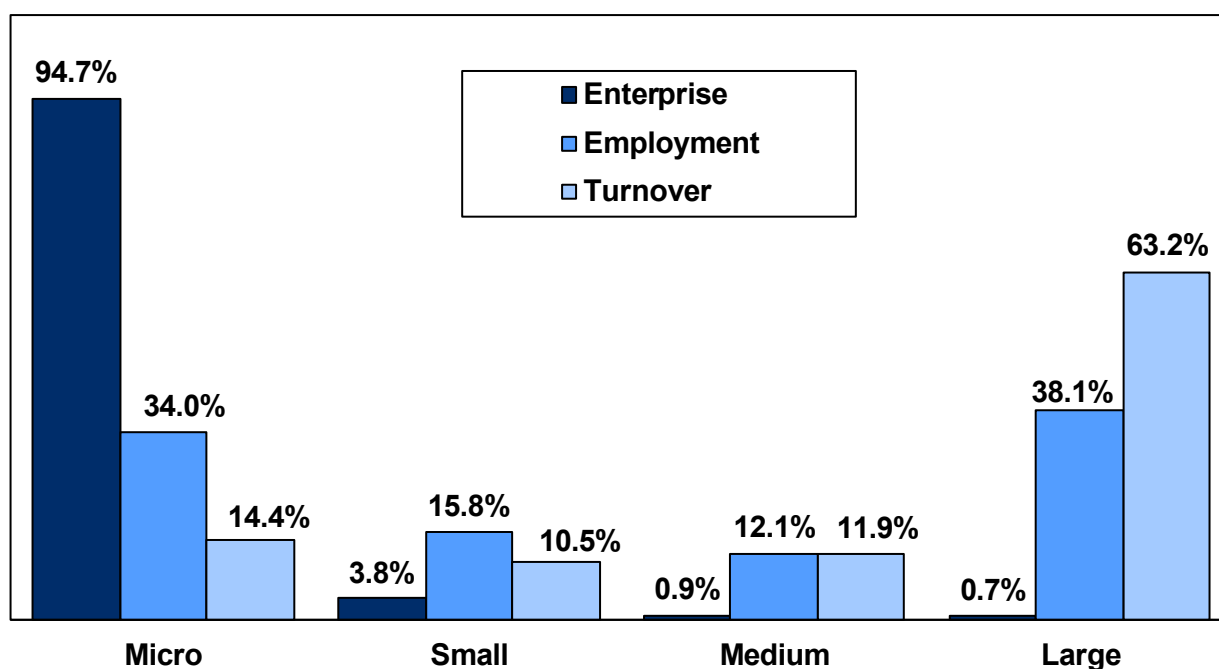
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Summary

Chart 3: Percentage Shares by employee size-band, Wales, 2015



There were an estimated 238,200 enterprises active in Wales in 2015, the highest estimate since the start of the series in 2003.

These 238,200 private sector enterprises active in Wales in 2015 employed an estimated 1.09 million people and had an estimated combined annual turnover of £118.4 billion¹.

The majority of these active enterprises were small and medium sized enterprises (SMEs)² accounting for 99.3 per cent of total enterprises in Wales in 2015. Of which micro (0-9 employees)³ accounted for 94.7 per cent of the total enterprises in Wales in 2015.

SMEs accounted for 61.9 per cent of employment and 36.8 per cent of turnover in 2015 with large enterprises accounting for the remainder.

Time Series Analysis

In 2015, the Office for National Statistics (ONS) extended the coverage of businesses on the Inter Departmental Business Register (IDBR) to include 105,000 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, 5,885 are located in Wales and 5,845 of them have less than 10 persons in employment. Additionally, between 2011 and 2012 there were improvements to HMRCs computer systems, which impacted on the registered business figures for 2012. This release excludes businesses with unmatched PAYE records.

¹ This excludes turnover in the financial and business services sector where turnover are not available on a comparable basis.

² SMEs are defined as micro (0-9 employees) plus small (10-49 employees) plus medium (50-249) employees

³ Enterprises with zero employees are either i) sole proprietorships and partnerships comprising only the self-employed owner-manager(s), or ii) companies comprising only one employee director.

Introduction

This release updates SDR 180/2014 released on 23 October 2014, which gave results for 2003 – 2014. This update includes new data for 2015 and revisions to data for 2005 - 2014. The revisions are due to:

- Re-weighted Annual Population Survey (APS) data for 2004 to 2013.
- Inclusion of Survey of Personal Incomes (SPI) data for 2011/12 and 2012/13.

Data for 2004 to 2007 are not shown in the release (due to the width of the tables) but are available on StatsWales (see notes section 'Accessing the Data').

Standard Industrial Classification (SIC) 2007

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 the article on the link below: (<http://gov.wales/statistics-and-research/changes-industrial-classification-sic03-sic07/?lang=en>)

Background to the analysis

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.

In all cases, the size-band of the enterprise is based on the number of UK employees (whether full-time or part-time) in the enterprise. So 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. For example, if an enterprise is part of a UK company; which is then ultimately owned by a Japanese company, it would be recorded as a foreign owned business. It is also important to note that the data presented in this analysis is based on a snapshot at March of each year. Therefore a business which was UK owned in 2014 which then became non-UK owned in 2015, will be recorded as UK owned in 2014 and then non-UK owned in 2015. It is also assumed that 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 in the analysis 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.

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Section 1: Comparisons of business structure in Wales and the UK

This section shows a time series of business structure data in Wales and the UK. It includes a count of active enterprises along with the employment and turnover of these enterprises.

Table 1: Size-band analysis of enterprises active in Wales (a) (r)

	2003	2008	2009	2010	2011	2012	2013	2014	2015	% change latest year over:	
										2003	2014
Enterprises (000s) (b)											
Micro (0 - 9)	159.0	194.2	196.4	196.8	199.8	202.6	209.7	220.4	225.5	41.8	2.3
Small (10 - 49)	7.2	7.7	7.9	8.0	7.8	7.9	8.3	8.7	9.1	26.3	4.1
Medium (50 - 249)	1.7	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.1	18.2	0.9
Large (250+)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	-1.4	-0.3
All	169.5	205.5	207.8	208.3	211.1	214.0	221.6	232.8	238.2	40.5	2.3
Employment (000s)											
Micro (0 - 9)	285.4	335.5	339.0	335.9	335.2	342.6	346.1	362.4	370.0	29.6	2.1
Small (10 - 49)	136.7	151.0	152.9	151.1	146.3	148.3	155.8	164.3	172.3	26.1	4.9
Medium (50 - 249)	114.8	127.8	128.7	121.2	123.6	128.1	130.4	130.0	131.3	14.4	1.0
Large (250+)	381.6	414.9	419.7	410.5	397.6	401.9	407.8	404.3	414.7	8.7	2.6
All	918.5	1,029.2	1,040.3	1,018.6	1,002.6	1,021.0	1,040.0	1,060.9	1,088.4	18.5	2.6
Turnover (£bn) (c)											
Micro (0 - 9)	12.7	16.2	16.5	17.0	16.0	16.1	16.4	16.6	17.1	.	3.2
Small (10 - 49)	8.0	9.8	10.8	11.6	10.6	10.6	11.9	11.7	12.4	.	6.0
Medium (50 - 249)	9.2	12.5	13.3	13.1	11.9	12.9	13.6	13.6	14.1	.	3.4
Large (250+)	40.2	51.4	55.6	61.9	56.1	63.2	73.7	74.9	74.8	.	0.0
All	70.1	89.9	96.1	103.6	94.7	102.9	115.7	116.7	118.4	.	1.4

(a) The full series are available on statswales.

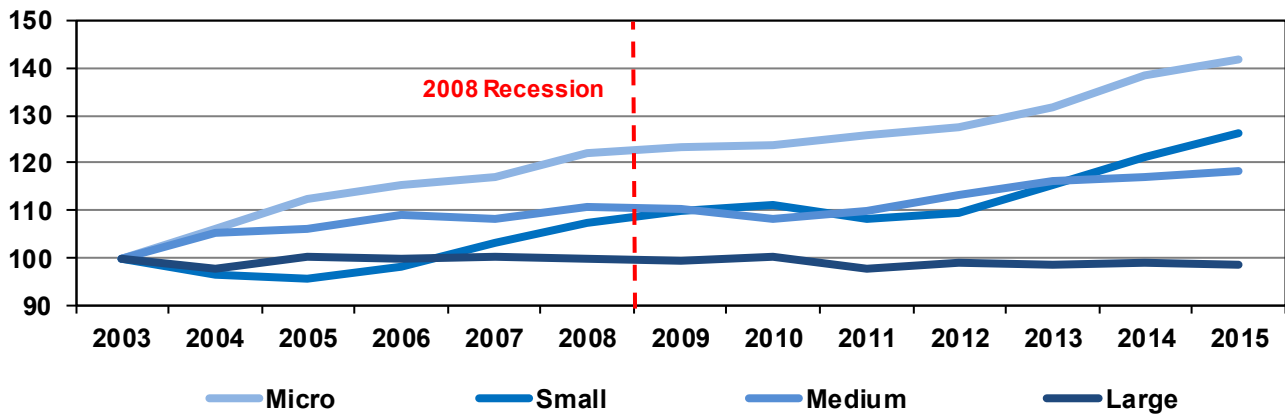
(b) This is a count of enterprises that are active in Wales, including multi-region enterprises registered outside Wales.

(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 2005-2014 has been revised since previously published.

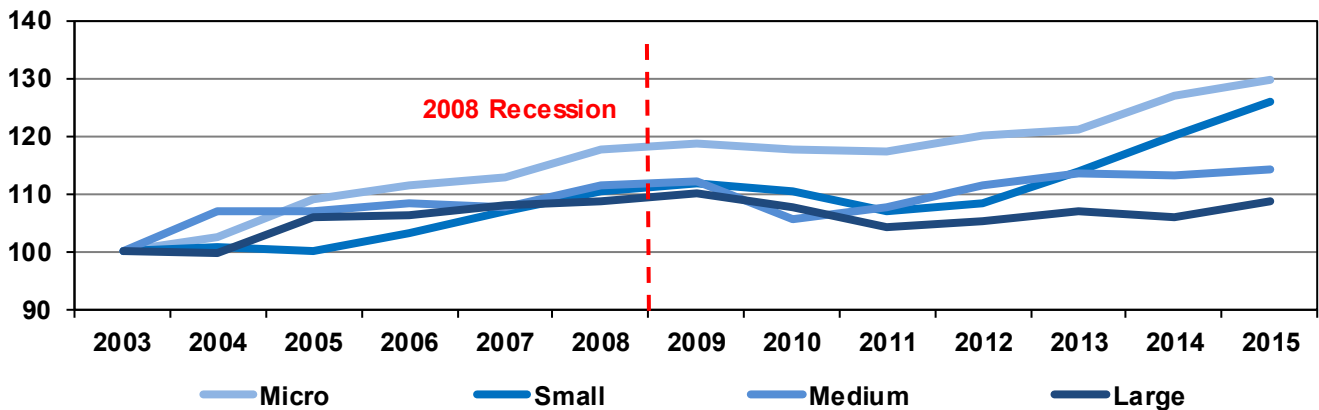
- There were an estimated 238,200 enterprises active in Wales in 2015, the highest estimate since the start of the series in 2003. This increased both over the latest year and 2003, up 2.3 per cent and 40.5 per cent respectively.
- These 238,200 enterprises active in Wales in 2015 employed an estimated 1.09 million people and had an estimated combined annual turnover of £118.4 billion.
- Over the year employment increased by 2.6 per cent. All size-bands had increases, with the small size-band enterprises having the largest increase (up 4.9 per cent).
- Between 2003 and 2015, total private sector employment increased by 18.5 per cent, with micro sized enterprises having the largest increase (up 29.6 per cent) and large sized enterprises the smallest (up 8.7 per cent).
- Over the year turnover increased in three of the four size-bands with a total increase of 1.4 per cent. Looking at the individual size-bands, small size-band enterprises had the largest increase in turnover (up 6.0 per cent), whilst turnover in large size-band enterprises was unchanged.

Chart 4: Number of enterprises active in Wales by employee size-band, 2003-2015 (2003=100)



- Between 2003 and 2015 the number of enterprises active in Wales grew by 40.5 per cent. Between 2003 and 2009 the number of enterprises active grew by 22.6 per cent; post 2009 growth slowed, with the largest growth in the number of enterprise active between 2013 and 2014 (up 5.0 per cent).
- Between 2003 and 2015 the overall increase in enterprises active in Wales was largely due to growth in the micro size-band enterprises (up 41.8 per cent), whilst large enterprises was the only size-band to have a fall (down 1.4 per cent). Recent increases in micro size enterprises could be as a result of the recent labour market conditions, which may have encouraged people to set up businesses as they are made redundant, for example.

Chart 5: Employment in enterprises active in Wales by employee size-band, 2003-2015 (2003=100)



- Between 2003 and 2015 employment in enterprises active in Wales grew by 18.5 per cent. There was year on year growth in employment in enterprises active in Wales between 2003 and 2009. However, between 2009 and 2011 there were falls in employment, with growth in employment over the latest 4 years.
- Between 2003 and 2015 enterprises in the micro size-band had the largest percentage growth in employment in Wales (up 29.6 per cent), whilst employment in enterprises in the large size-band had the smallest percentage increase (up 8.7 per cent).
- However, this trend hides the impact of the 2008 recession. After reaching the highest employment levels since 2003 in 2009, all size-bands had falls in employment between 2009 and 2011. Between 2011 and 2015 employment increased in all size-bands. Employment reached its highest levels in 2015 in all size-bands with the exception of the large enterprise size-band which reached its highest level in 2009 and is now just below its pre-recession level.

Table 2: Size-band proportions for enterprises active in Wales and the UK (a) (r)

	2003	2008	2009	2010	2011	2012	2013	2014	2015	% change latest year over:	
										2003	2014
Wales											
Enterprises (b)											
Micro (0 - 9)	93.8	94.5	94.5	94.5	94.7	94.7	94.6	94.7	94.7	0.9	0.0
Small (10 - 49)	4.2	3.8	3.8	3.9	3.7	3.7	3.7	3.8	3.8	-0.4	0.1
Medium (50 - 249)	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	-0.2	0.0
Large (250+)	1.0	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	-0.3	0.0
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.
Employment											
Micro (0 - 9)	31.1	32.6	32.6	33.0	33.4	33.6	33.3	34.2	34.0	2.9	-0.2
Small (10 - 49)	14.9	14.7	14.7	14.8	14.6	14.5	15.0	15.5	15.8	1.0	0.3
Medium (50 - 249)	12.5	12.4	12.4	11.9	12.3	12.5	12.5	12.3	12.1	-0.4	-0.2
Large (250+)	41.6	40.3	40.3	40.3	39.7	39.4	39.2	38.1	38.1	-3.4	0.0
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.
Turnover (c)											
Micro (0 - 9)	18.1	18.1	17.1	16.4	16.9	15.6	14.2	14.2	14.4	.	0.2
Small (10 - 49)	11.4	10.9	11.2	11.2	11.2	10.3	10.3	10.0	10.5	.	0.5
Medium (50 - 249)	13.1	13.9	13.8	12.6	12.6	12.6	11.8	11.7	11.9	.	0.2
Large (250+)	57.4	57.1	57.8	59.7	59.3	61.5	63.7	64.1	63.2	.	-0.9
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.
UK											
Enterprises											
Micro (0 - 9)	94.5	95.4	95.3	95.5	95.7	95.7	95.7	95.7	95.7	1.2	0.1
Small (10 - 49)	4.5	3.8	3.9	3.7	3.5	3.5	3.6	3.6	3.5	-1.0	-0.1
Medium (50 - 249)	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	-0.2	0.0
Large (250+)	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.
Employment											
Micro (0 - 9)	28.2	30.3	30.1	30.7	31.5	31.9	31.4	31.7	32.6	4.4	0.9
Small (10 - 49)	15.1	14.4	14.5	14.4	14.2	14.4	14.7	14.8	14.9	-0.3	0.0
Medium (50 - 249)	13.3	12.6	12.6	12.5	12.5	12.5	12.5	12.5	12.4	-0.9	-0.1
Large (250+)	43.4	42.7	42.7	42.3	41.8	41.3	41.5	41.0	40.2	-3.2	-0.8
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.
Turnover (c)											
Micro (0 - 9)	19.2	19.2	18.0	18.3	18.4	18.1	16.2	16.4	16.1	.	-0.3
Small (10 - 49)	15.1	14.7	14.9	14.7	14.6	14.2	14.6	14.3	14.3	.	0.0
Medium (50 - 249)	15.6	14.4	13.9	13.3	13.5	14.2	15.0	13.4	14.3	.	0.9
Large (250+)	50.1	51.7	53.2	53.6	53.5	53.5	54.2	55.8	55.3	.	-0.5
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.

(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.

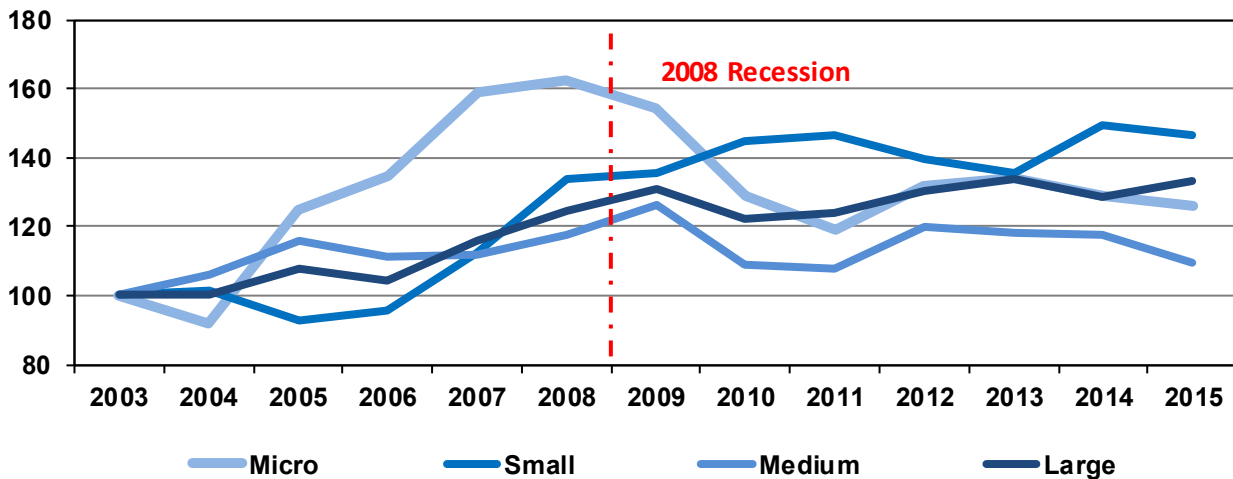
(r) Data for 2005-2014 has been revised since previously published.

- When looking at the business structure in Wales compared to the UK, the proportions of active enterprises and employment in each size-band were similar. This differed when looking at turnover, with the large size-band accounting for 63.2 per cent of total turnover in Wales, compared to 55.3 per cent in the UK in 2015.
- In 2015 the majority of total enterprises active in Wales (99.3 per cent) were small and medium sized enterprises (SMEs), with micro enterprises (0-9 employees) accounting for 94.7 per cent of the total enterprises in Wales.
- SMEs accounted for 61.9 per cent of employment and 36.8 per cent of turnover in 2015 with large enterprises accounting for the remainder.

Section 2: Analysis of foreign ownership in Wales

This section shows a time series of foreign ownership in Wales. It includes a count of active enterprises along with the employment of these enterprises. Equivalent UK data are not available in this release. This section does not take into account change in ownership. For example if a business with 3,000 employees was UK owned in 2014 then became non-UK owned in 2015, it would be recorded as UK owned in 2014 and non-UK owned in 2015; with a reduction of 3,000 employees in 2015 in the UK owned enterprises and an increase of 3,000 employees in the non-UK owned enterprises.

Chart 6: Employment in foreign owned enterprises active in Wales by employee size-band, 2003-2015 (2003=100)



- The number of UK owned enterprises increased by 40.5 per cent between 2003 and 2015 compared to a 29.9 per cent increase in non-UK owned enterprises.
- The overall growth in employment in enterprises active in Wales between 2003 and 2015 was largely accounted for by employment in UK owned enterprises, which increased by 134,400 compared to a 35,500 increase in non-UK owned enterprises. However, employment in non-UK owned enterprises grew more over this period in percentage terms, up 30.9 per cent, compared to 16.7 per cent for UK owned enterprises.
- Between 2003 and 2015, around 0.5 per cent of enterprises active in Wales were non-UK owned, accounting for 13.8 per cent of employment in 2015, up from 12.5 per cent in 2003.
- Over the latest year the number of non-UK owned enterprises increased (up 1.0 per cent) with employment in these enterprises increasing by 2.4 per cent.
- Whilst employment increased overall in non-UK owned enterprises between 2003 and 2015; between 2003 and 2009 there was an increase in employment of 30.5 per cent. Between 2009 and 2010 there was a fall in employment overall, with large percentage falls seen in micro and medium sized enterprises whilst employment in small sized enterprises increased. Between 2011 and 2013 there was an increase overall in employment, followed by a fall in 2014 and an increase over the latest year.
- For UK owned enterprises there was an overall growth in employment between 2003 and 2009 of 10.8 per cent. After the 2008 recession, there was a fall in employment between 2009 and 2011, followed by increases in the latest 4 years.

Table 3: Enterprises active in Wales by ownership (a) (r)

Ownership / size-band	2003	2008	2009	2010	2011	2012	2013	2014	2015	% change latest year over:	
										2003	2014
Enterprises (000s)											
UK											
Micro (0 - 9)	158.8	194.0	196.2	196.6	199.6	202.4	209.5	220.3	225.3	41.8	2.3
Small (10 - 49)	7.1	7.6	7.8	7.9	7.6	7.7	8.2	8.6	8.9	26.0	4.2
Medium (50 - 249)	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	16.9	1.7
Large (250+)	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	-13.3	-1.7
All	168.7	204.5	206.7	207.2	210.0	212.9	220.5	231.7	237.1	40.5	2.3
Non-UK											
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	14.5	9.7
Small (10 - 49)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	48.5	-2.5
Medium (50 - 249)	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	29.0	-5.1
Large (250+)	0.4	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.6	30.8	2.5
All	0.9	1.0	1.1	1.0	1.0	1.1	1.1	1.1	1.1	29.9	1.0
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	0.0	0.0
Small (10 - 49)	1.4	1.7	1.8	1.8	1.7	1.7	1.7	1.8	1.7	0.3	-0.1
Medium (50 - 249)	10.7	11.3	12.5	11.9	11.5	12.6	12.4	12.5	11.7	1.0	-0.7
Large (250+)	26.9	31.2	33.5	31.3	32.6	34.4	33.9	34.8	35.7	8.8	1.0
All	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0
Employment (000s)											
UK											
Micro (0 - 9)	285.0	334.8	338.3	335.3	334.7	342.1	345.5	361.8	369.5	29.6	2.1
Small (10 - 49)	134.4	148.0	149.9	147.9	143.0	145.2	152.7	160.9	169.0	25.7	5.0
Medium (50 - 249)	100.8	111.4	111.1	106.0	108.6	111.4	114.0	113.6	116.0	15.0	2.1
Large (250+)	283.3	292.4	291.0	290.5	275.4	273.6	276.1	277.8	283.4	0.0	2.0
All	803.6	886.6	890.2	879.7	861.6	872.2	888.3	914.1	937.9	16.7	2.6
Non-UK											
Micro (0 - 9)	0.4	0.7	0.7	0.5	0.5	0.6	0.6	0.5	0.5	26.0	-2.2
Small (10 - 49)	2.2	3.0	3.0	3.2	3.3	3.1	3.0	3.3	3.3	46.9	-1.6
Medium (50 - 249)	14.0	16.4	17.6	15.2	15.0	16.7	16.5	16.4	15.3	9.8	-6.8
Large (250+)	98.3	122.6	128.7	120.0	122.2	128.4	131.7	126.6	131.3	33.5	3.8
All	114.9	142.6	150.0	139.0	141.0	148.8	151.7	146.9	150.4	30.9	2.4
Percentage Non-UK Owned											
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.1	0.0	0.0
Small (10 - 49)	1.6	2.0	2.0	2.1	2.2	2.1	1.9	2.0	1.9	0.3	-0.1
Medium (50 - 249)	12.2	12.8	13.7	12.5	12.2	13.1	12.6	12.6	11.7	-0.5	-1.0
Large (250+)	25.8	29.5	30.7	29.2	30.7	31.9	32.3	31.3	31.7	5.9	0.4
All	12.5	13.9	14.4	13.6	14.1	14.6	14.6	13.8	13.8	1.3	0.0

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

(r) Data for 2005-2014 has been revised since previously published.

Section 3: Analysis of industry and business structure in Wales and the UK

This section shows the variation of business structure within each size-band and industry in Wales compared with the UK.

Table 4: Size-band and industry analysis of enterprises active in Wales, 2015

Industry / size band	Enterprises (a)			Employment			Turnover (b)		
	Thousands	% of total		Thousands	% of total		£bn	% of total	
	Wales	Wales	UK	Wales	Wales	UK	Wales	Wales	UK
Agriculture, forestry & fishing									
Micro (0 - 9)	16.3	99.1	97.6	30.6	90.5	73.1	1.8	83.3	64.9
10+	0.2	0.9	2.4	3.2	9.5	26.9	0.4	16.7	35.1
All	16.5	100.0	100.0	33.8	100.0	100.0	2.1	100.0	100.0
Production									
Micro (0 - 9)	14.3	89.8	90.5	24.1	14.9	17.3	1.6	2.7	5.3
Small (10 - 49)	1.0	6.1	7.2	19.8	12.3	16.4	2.2	3.8	7.6
Medium (50 - 249)	0.4	2.7	1.9	36.1	22.3	21.1	7.3	12.4	14.4
Large (250+)	0.2	1.4	0.4	81.7	50.5	45.2	47.4	81.1	72.7
All	15.9	100.0	100.0	161.8	100.0	100.0	58.4	100.0	100.0
Construction									
Micro (0 - 9)	45.3	97.9	98.3	61.9	67.3	64.8	3.7	46.5	46.1
Small (10 - 49)	0.8	1.6	1.5	13.8	15.1	13.7	1.4	17.8	16.8
Medium (50 - 249)	0.1	0.3	0.2	8.0	8.7	7.8	1.0	13.0	12.5
Large (250+)	0.1	0.2	-	8.2	8.9	13.7	1.8	22.7	24.6
All	46.2	100.0	100.0	91.9	100.0	100.0	8.0	100.0	100.0
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	55.5	91.8	93.7	114.5	29.8	26.8	7.8	19.2	14.5
Small (10 - 49)	3.7	6.1	5.5	66.7	17.4	15.5	6.6	16.3	16.6
Medium (50 - 249)	0.6	1.0	0.7	29.8	7.8	10.1	4.1	10.2	14.9
Large (250+)	0.7	1.1	0.2	172.7	45.0	47.5	22.0	54.3	54.0
All	60.5	100.0	100.0	383.7	100.0	100.0	40.5	100.0	100.0
Financial & business services									
Micro (0 - 9)	45.1	95.3	96.6	68.6	34.1	33.6	.	.	.
Small (10 - 49)	1.5	3.1	2.8	27.6	13.7	12.0	.	.	.
Medium (50 - 249)	0.4	0.8	0.5	22.5	11.2	12.1	.	.	.
Large (250+)	0.4	0.8	0.1	82.3	40.9	42.3	.	.	.
All	47.3	100.0	100.0	201.1	100.0	100.0	.	.	.
Private sector health & education									
Micro (0 - 9)	25.3	92.5	94.8	35.0	22.6	25.3	1.2	22.2	22.9
Small (10 - 49)	1.5	5.5	4.2	32.2	20.8	17.9	1.6	28.8	23.7
Medium (50 - 249)	0.4	1.4	0.8	27.9	18.0	16.0	1.3	22.8	18.8
Large (250+)	0.2	0.6	0.2	59.7	38.6	40.8	1.4	26.2	34.6
All	27.3	100.0	100.0	154.8	100.0	100.0	5.5	100.0	100.0
Other services									
Micro (0 - 9)	23.7	96.8	97.5	35.2	57.5	53.6	1.0	26.6	23.3
Small (10 - 49)	0.6	2.4	2.1	10.0	16.3	14.9	0.4	9.8	8.6
Medium (50 - 249)	0.1	0.5	0.3	6.1	9.9	9.9	0.3	8.7	7.1
Large (250+)	0.1	0.3	0.1	10.0	16.3	21.5	2.1	54.9	61.0
All	24.5	100.0	100.0	61.2	100.0	100.0	3.9	100.0	100.0
All industries									
Micro (0 - 9)	225.5	94.7	95.7	370.0	34.0	32.6	17.1	14.4	16.1
Small (10 - 49)	9.1	3.8	3.5	172.3	15.8	14.9	12.4	10.5	14.3
Medium (50 - 249)	2.1	0.9	0.6	131.3	12.1	12.4	14.1	11.9	14.3
Large (250+)	1.6	0.7	0.1	414.7	38.1	40.2	74.8	63.2	55.3
All	238.2	100.0	100.0	1,088.4	100.0	100.0	118.4	100.0	100.0

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

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

In 2015:

- When looking at the total number of enterprises, the wholesale, retail, transport, hotels, food and communication was the largest sector in Wales with 60,500 enterprises. The employment in this sector was also the largest amongst the sectors at 383,700. The second largest number of enterprises was in the financial and business services sector (47,300) followed by the construction sector (46,200). Collectively these 3 sectors accounted for 65 per cent of all enterprises active in Wales and 62 per cent of total employment in enterprises active in Wales.
- Although production was the smallest sector when looking at the number of enterprises (15,900), it had the third largest employment (161,800) and the highest turnover (£58.4 billion) amongst the industry sectors (please note turnover from financial and business services is not included in this release).
- The agriculture, forestry and fishing sector had the largest share of employment in micro enterprises in both Wales and the UK (90.5 per cent and 73.1 per cent respectively), followed by construction (67.3 per cent and 64.8 per cent respectively). Production and private sector health and education were the sectors with the smallest share of employment in this size-band for both Wales and the UK.
- In Wales the production sector had the smallest share of employment in small size-band enterprises (12.3 per cent) whereas in the UK the financial and business services sector had the smallest share (12.0 per cent). The largest share of employment in this size-band was in the private sector health and education for both Wales and the UK (20.8 per cent and 17.9 per cent respectively).
- The smallest share of employment in medium size-band enterprises was in the wholesale, retail, transport, hotels and food and information and communication sector (7.8 per cent), whereas in the UK the construction sector had the smallest share (7.8 per cent). The largest share of employment in this size-band was in the production sector for both Wales and the UK (22.3 per cent and 21.1 per cent respectively).
- Production had the largest share of employment in large size-band enterprises in Wales (50.5 per cent) whilst the wholesale, retail, transport, hotels, food and communication sector was the largest in the UK (47.5 per cent). The construction sector had the smallest share of employment in this size-band for both Wales and the UK (8.9 per cent and 13.7 per cent respectively).

Chart 7: Employment shares for the production industry by employee size-band, Wales, 2015

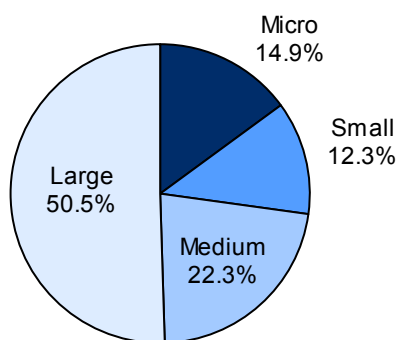
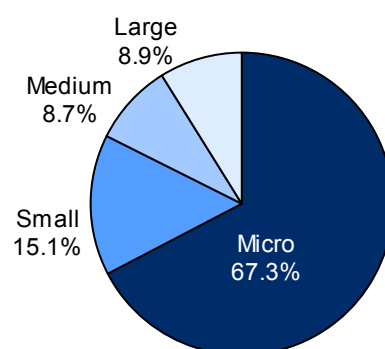


Chart 8: Employment shares for the construction industry by employee size-band, Wales, 2015



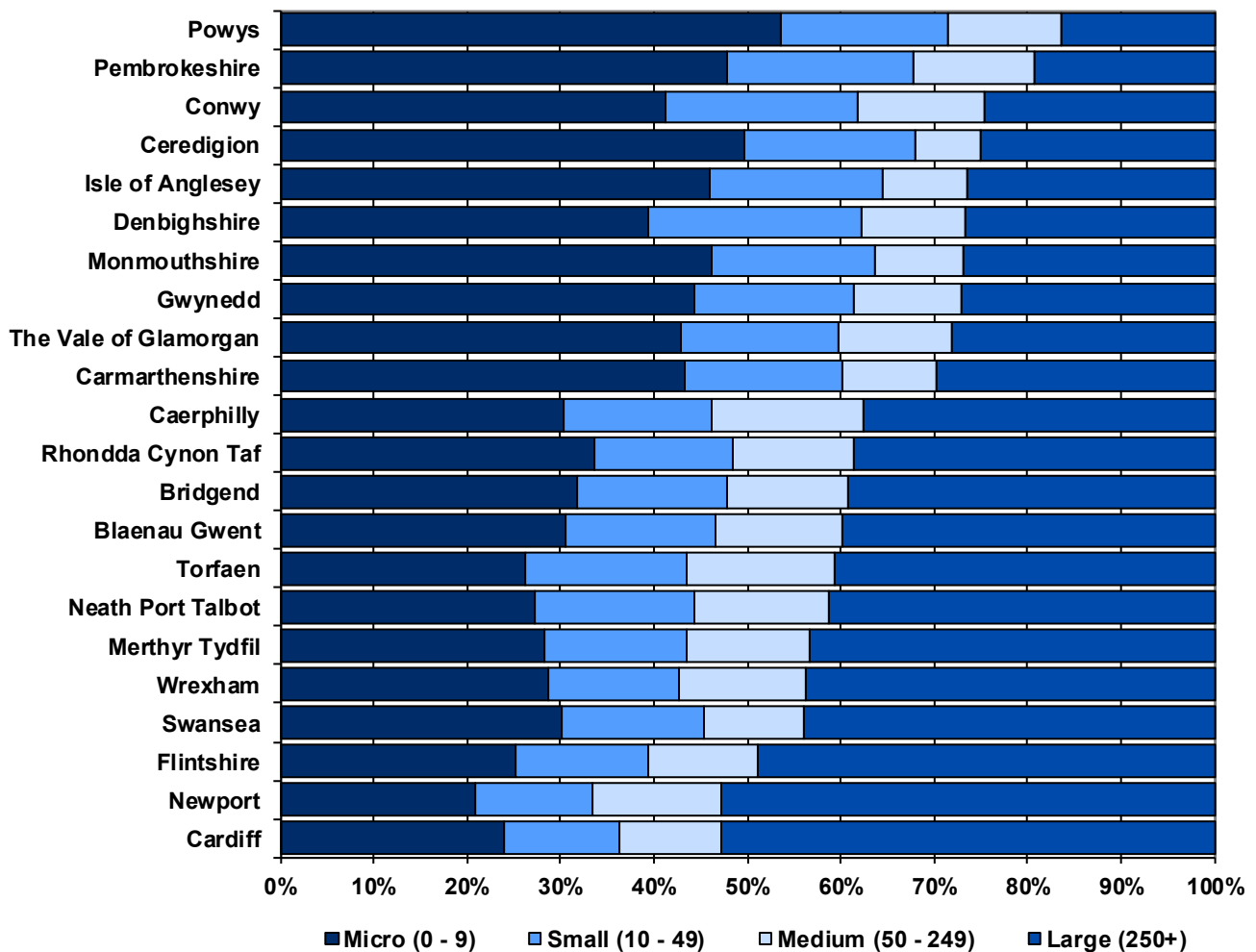
- In 2015, the wholesale, retail, transport, hotels, food and communication sector had the largest proportion of SMEs accounting for 25.3 per cent of active SMEs in Wales. The production sector had the smallest proportion of the SMEs active in Wales accounting for 6.6 per cent of the total.
- Similarly the wholesale, retail, transport, hotels, food and communication sector had the largest proportion of employment at 31.3 per cent in SMEs active in Wales. The agriculture, forestry and fishing sector had the smallest proportion of total employment in SMEs in Wales at 5.0 per cent.

Section 4: Analysis of sub-Wales business structure

This section provides geographical breakdowns of the data presented so far. Please note that all 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.

It is important to note that because the analysis is based on this concept of enterprises active within an area, the enterprise counts for sub-areas of Wales will not add up to the Wales totals across these areas. This is because an individual enterprise active in Wales may be active in more than one of the sub-areas of Wales, in which case it will be counted more than once when adding over the areas. However, the employment and turnover variables are fully allocated across the sub-areas of Wales and so addition of these variables over the areas does yield totals that are consistent with the Wales figures.

Chart 9: Proportion of employment by size-band and local authority, 2015



- Rural authorities in Wales generally had the largest shares in employment in micro sized enterprises (Powys and Ceredigion highest) whilst Newport and Cardiff had the smallest shares. Denbighshire and Conwy had the largest shares of employment in small sized enterprises whilst Cardiff and Newport had the smallest shares.
- Caerphilly and Torfaen had the largest shares of employment in medium sized enterprises whilst Ceredigion and Isle of Anglesey had the smallest shares. Cardiff and Newport had the largest shares of employment in large size-band enterprises whilst Powys and Pembrokeshire had the smallest.

Table 5: Size-band analysis enterprises active in Wales by sub-region, 2015

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+)	Total
Isle of Anglesey	5,740	210	45	120	6,115	93.9	3.4	0.8	1.9	100.0
Gwynedd	13,390	490	115	240	14,235	94.1	3.5	0.8	1.7	100.0
Conwy	9,015	440	115	270	9,840	91.6	4.5	1.2	2.7	100.0
Denbighshire	7,160	390	85	205	7,835	91.4	5.0	1.1	2.6	100.0
Flintshire	10,410	540	175	285	11,410	91.2	4.7	1.5	2.5	100.0
Wrexham	8,920	415	135	300	9,775	91.3	4.3	1.4	3.1	100.0
Powys	17,570	535	140	195	18,435	95.3	2.9	0.7	1.1	100.0
Ceredigion	8,375	300	55	160	8,890	94.2	3.4	0.6	1.8	100.0
Pembrokeshire	12,680	495	115	210	13,500	93.9	3.7	0.8	1.6	100.0
Carmarthenshire	15,845	580	145	295	16,865	94.0	3.4	0.9	1.7	100.0
Swansea	16,990	720	210	440	18,360	92.5	3.9	1.1	2.4	100.0
Neath Port Talbot	5,710	370	110	210	6,400	89.2	5.8	1.7	3.3	100.0
Bridgend	9,155	420	155	295	10,025	91.4	4.2	1.5	2.9	100.0
The Vale of Glamorgan	9,720	365	100	205	10,390	93.5	3.5	1.0	2.0	100.0
Rhondda Cynon Taf	13,520	530	165	250	14,470	93.4	3.7	1.1	1.7	100.0
Merthyr Tydfil	2,790	150	50	170	3,160	88.3	4.7	1.6	5.4	100.0
Caerphilly	8,420	430	145	205	9,200	91.5	4.7	1.6	2.2	100.0
Blaenau Gwent	3,110	155	50	130	3,440	90.4	4.5	1.4	3.7	100.0
Torfaen	4,350	285	90	220	4,940	88.0	5.7	1.9	4.4	100.0
Monmouthshire	9,380	340	80	180	9,980	94.0	3.4	0.8	1.8	100.0
Newport	6,900	415	180	355	7,850	87.9	5.3	2.3	4.5	100.0
Cardiff	26,520	1,235	510	865	29,130	91.0	4.2	1.8	3.0	100.0
North Wales	54,575	2,365	520	650	58,110	93.9	4.1	0.9	1.1	100.0
Mid Wales	25,945	820	180	265	27,210	95.4	3.0	0.7	1.0	100.0
South West Wales	51,190	2,085	470	620	54,370	94.2	3.8	0.9	1.1	100.0
South East Wales	93,790	4,025	1,170	1,245	100,235	93.6	4.0	1.2	1.2	100.0
West Wales and the Valleys	136,135	5,610	1,185	1,015	143,940	94.6	3.9	0.8	0.7	100.0
East Wales	89,395	3,725	1,115	1,235	95,465	93.6	3.9	1.2	1.3	100.0
Wales	225,450	9,095	2,050	1,595	238,190	94.7	3.8	0.9	0.7	100.0

(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.

In 2015:

- For the 22 local authorities in Wales the largest share of enterprises was the micro size-band, ranging from 87.9 per cent in Newport to 95.3 per cent in Powys. The small size-band enterprises had the next largest share in 21 of the 22 local authorities followed by large size-band enterprises (Merthyr Tydfil has a larger share of large enterprises). Medium size-band enterprises had the smallest share of enterprises for all 22 local authorities.
- Cardiff had more active enterprises than any other local authority in Wales (29,130); followed by Powys (18,435) and Swansea (18,360). Merthyr Tydfil and Blaenau Gwent had the smallest number of enterprises active (3,160 and 3,440 respectively).
- West Wales and the Valleys had a larger share of micro size-band enterprises than East Wales (94.6 per cent compared with 93.6 per cent) whilst East Wales had a larger share of enterprises in the large size-band (1.3 per cent compared to 0.7 per cent). This was also reflected in the employment within these enterprises.

- The share of enterprises active in the four Welsh economic regions between each size-band was broadly similar however when looking at the employment shares there are large differences in the both the micro size-band and the large size-band. Shares of employment in the micro size-band ranged from 29.4 per cent in South East Wales to 52.3 per cent in Mid Wales and shares of employment in the large size-band varied from 19.4 per cent in Mid Wales to 43.6 per cent in South East Wales.

Table 6: Size-band analysis of employment in Welsh enterprises by sub region, 2015

Area	Employment (000s)					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+)	Total
Isle of Anglesey	9.5	3.9	1.9	5.5	20.7	45.9	18.6	9.1	26.3	100.0
Gwynedd	21.5	8.2	5.7	13.1	48.5	44.3	17.0	11.7	27.0	100.0
Conwy	15.3	7.6	5.0	9.1	36.9	41.3	20.6	13.4	24.7	100.0
Denbighshire	12.5	7.2	3.5	8.5	31.6	39.5	22.7	11.1	26.7	100.0
Flintshire	17.5	9.8	8.2	33.8	69.2	25.3	14.1	11.8	48.8	100.0
Wrexham	14.8	7.3	7.0	22.7	51.8	28.6	14.2	13.4	43.8	100.0
Powys	28.9	9.6	6.4	8.8	53.8	53.7	17.9	12.0	16.4	100.0
Ceredigion	13.8	5.1	2.0	7.0	27.9	49.6	18.3	7.0	25.0	100.0
Pembrokeshire	21.3	8.9	5.8	8.6	44.6	47.7	20.0	13.0	19.2	100.0
Carmarthenshire	26.3	10.2	6.2	18.0	60.7	43.4	16.8	10.2	29.6	100.0
Swansea	26.7	13.3	9.4	38.8	88.2	30.2	15.1	10.7	44.0	100.0
Neath Port Talbot	10.4	6.5	5.6	15.7	38.2	27.2	17.1	14.5	41.2	100.0
Bridgend	14.5	7.4	5.9	17.9	45.8	31.7	16.2	12.9	39.1	100.0
The Vale of Glamorgan	15.5	6.1	4.4	10.2	36.2	42.9	17.0	12.0	28.2	100.0
Rhondda Cynon Taf	21.6	9.5	8.3	24.6	64.0	33.7	14.9	13.0	38.5	100.0
Merthyr Tydfil	4.6	2.5	2.1	7.0	16.2	28.3	15.3	13.2	43.3	100.0
Caerphilly	14.1	7.4	7.6	17.5	46.6	30.3	15.9	16.3	37.5	100.0
Blaenau Gwent	5.1	2.7	2.3	6.6	16.6	30.6	16.0	13.6	39.8	100.0
Torfaen	7.5	5.0	4.5	11.6	28.6	26.2	17.3	15.9	40.5	100.0
Monmouthshire	15.5	5.9	3.1	9.0	33.6	46.3	17.5	9.3	26.9	100.0
Newport	11.7	7.0	7.7	29.5	55.8	21.0	12.5	13.7	52.8	100.0
Cardiff	41.5	21.2	18.8	91.4	173.0	24.0	12.3	10.9	52.8	100.0
North Wales	91.0	44.0	31.2	92.5	258.6	35.2	17.0	12.1	35.8	100.0
Mid Wales	42.7	14.7	8.4	15.8	81.7	52.3	18.0	10.3	19.4	100.0
South West Wales	84.7	39.0	27.0	81.1	231.7	36.5	16.8	11.6	35.0	100.0
South East Wales	151.6	74.6	64.8	225.3	516.3	29.4	14.4	12.5	43.6	100.0
West Wales and the Valleys	224.6	105.4	75.7	209.4	615.1	36.5	17.1	12.3	34.0	100.0
East Wales	145.4	66.9	55.6	205.4	473.2	30.7	14.1	11.7	43.4	100.0
Wales	370.0	172.3	131.3	414.7	1,088.4	34.0	15.8	12.1	38.1	100.0

In 2015:

- Cardiff had the largest employment in active enterprises amongst the 22 local authorities in Wales (173,000) followed by Swansea (88,200), Flintshire (69,200) and Rhondda Cynon Taf (64,000). Merthyr Tydfil had the smallest number in employment (16,200) followed by Blaenau Gwent (16,600) and the Isle of Anglesey (20,700).
- When comparing West Wales and the Valleys to East Wales; West Wales and the Valleys had the largest employment in active enterprises (615,100 compared to 473,200) and a larger proportion of employment in all size-bands except the large size-band enterprises.

Table 7: Enterprises active in Wales by ownership and sub region, 2015 (a) (b)

Area	Non-UK owned		UK owned		% Non-UK owned	
	Enterprises	Employment (000s)	Enterprises	Employment (000s)	Enterprises	Employment
Isle of Anglesey	50	2.4	6,065	18.3	0.8	11.4
Gwynedd	70	2.9	14,165	45.6	0.5	5.9
Conwy	95	3.6	9,740	33.3	1.0	9.8
Denbighshire	65	2.8	7,770	28.8	0.8	8.9
Flintshire	160	17.2	11,250	51.9	1.4	24.9
Wrexham	140	8.8	9,635	43.0	1.4	16.9
Powys	55	2.4	18,380	51.4	0.3	4.5
Ceredigion	50	1.1	8,840	26.7	0.6	4.1
Pembrokeshire	65	2.6	13,430	42.0	0.5	5.8
Carmarthenshire	110	7.0	16,755	53.7	0.6	11.6
Swansea	170	9.1	18,190	79.1	0.9	10.3
Neath Port Talbot	80	9.1	6,320	29.1	1.3	23.9
Bridgend	135	9.5	9,890	36.3	1.3	20.8
The Vale of Glamorgan	85	4.4	10,310	31.8	0.8	12.1
Rhondda Cynon Taf	105	8.5	14,365	55.5	0.7	13.3
Merthyr Tydfil	55	2.5	3,105	13.8	1.7	15.2
Caerphilly	90	8.1	9,105	38.6	1.0	17.3
Blaenau Gwent	50	3.9	3,390	12.7	1.5	23.5
Torfaen	95	5.8	4,845	22.8	2.0	20.1
Monmouthshire	65	3.6	9,915	30.0	0.6	10.7
Newport	150	10.9	7,700	44.9	1.9	19.6
Cardiff	420	24.2	28,710	148.8	1.4	14.0
North Wales	360	37.7	57,745	221.0	0.6	14.6
Mid Wales	85	3.6	27,125	78.1	0.3	4.4
South West Wales	280	27.8	54,090	203.9	0.5	12.0
South East Wales	785	81.4	99,445	435.0	0.8	15.8
West Wales and the Valleys	615	78.9	143,330	536.2	0.4	12.8
East Wales	730	71.5	94,740	401.7	0.8	15.1
Wales	1,120	150.4	237,070	937.9	0.5	13.8

(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.

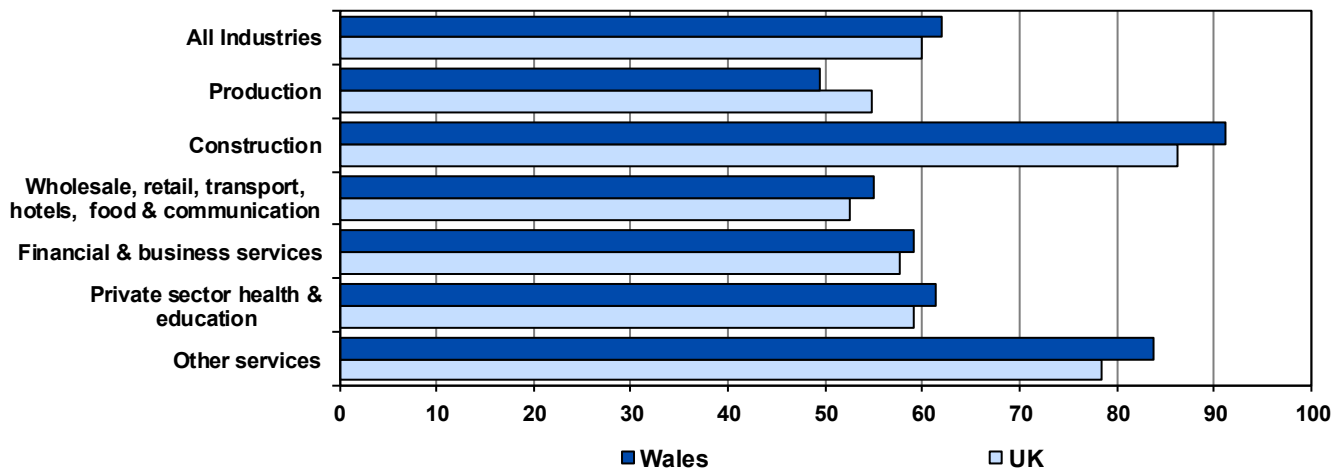
In 2015:

- Amongst the 22 local authorities Torfaen and Newport had the largest percentage of non-UK owned enterprises (2.0 per cent and 1.9 per cent respectively) whilst Powys had the smallest percentage (0.3 per cent) followed by Gwynedd and Pembrokeshire (both 0.5 per cent).
- Flintshire had the largest percentage of employment in non-UK owned enterprises (24.9 per cent) followed by Neath Port Talbot (23.9 per cent) and Blaenau Gwent (23.5 per cent). Ceredigion had the lowest percentage of employment in non-UK owned enterprises (4.1 per cent) followed by Powys (4.5 per cent).
- East Wales had a larger percentage of foreign owned enterprises than West Wales and the Valleys (0.8 per cent compared to 0.4 per cent). This was also reflected in employment, 15.1 per cent in East Wales compared to 12.8 per cent in West Wales and the Valleys.
- Of the four Welsh economic regions, South East Wales had the largest percentage of non-UK owned enterprises (0.8 per cent) and Mid Wales the smallest (0.3 per cent). South East Wales also had the highest percentage of employment in non-UK owned enterprises (15.8 per cent) and Mid Wales the smallest (4.4 per cent).

Section 5: Analysis of industry and business structure in sub-Wales regions

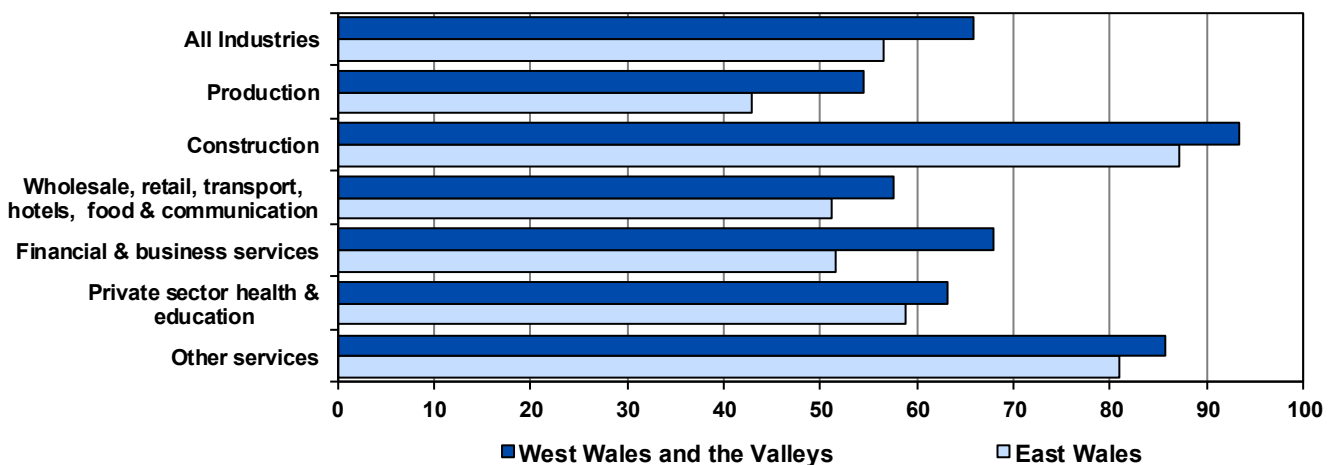
This section shows the variation of business structure within each size-band and industry in the sub regions of Wales.

Chart 10: Proportion of employment in small/medium enterprises (SMEs) by industry in Wales and the UK, 2015 (a)



(a) Agriculture excluded due to disclosure.

Chart 11: Proportion of employment in small/medium enterprises (SMEs) by industry in West Wales and the Valleys and East Wales, 2015 (a)



(a) Agriculture excluded due to disclosure.

In 2015:

- The construction sector had the largest proportion of employment in SMEs all four areas (note that this analysis excludes agriculture). The smallest proportion of employment in East Wales, West Wales and the Valleys and Wales was in the production sector whilst the wholesale, retail transport, hotels, food & communication sector was the smallest in the UK.
- Wales larger proportions of employment in SMEs than the UK in 5 of the 6 industry sectors, with the largest difference in employment in the other services sector, 83.7 per cent compared to 78.5 per in the UK. In the remaining sector, production, the proportion of employment in SMEs was 5.3 percentage points lower than the UK (49.5 per cent compared to 54.8 per cent).
- West Wales and the Valleys had larger proportions of employment in SMEs than East Wales in all of the 6 industry sectors. The largest difference in employment was in the financial & business services, 68.0 per cent in West Wales and the Valleys compared to 51.5 per cent in East Wales.

Table 8: Industry analysis of active enterprises in West Wales and the Valleys, 2015

Industry / size band	Enterprises (a)			Employment			Turnover (b)		
	Thousands		% of total	Thousands		% of total	£bn		% of total
	WW&V	Wales	Wales	WW&V	Wales	WW&V	Wales	Wales	
Agriculture, forestry & fishing									
Micro (0 - 9)	10.4	99.2	99.1	19.1	92.3	90.5	1.1	85.7	83.3
10+	0.1	0.8	0.9	1.6	7.7	9.5	0.2	14.3	16.7
All	10.5	100.0	100.0	20.7	100.0	100.0	1.2	100.0	100.0
Production									
Micro (0 - 9)	9.2	90.0	89.8	15.4	16.8	14.9	0.9	2.5	2.7
Small (10 - 49)	0.6	6.1	6.1	12.9	14.1	12.3	1.3	3.6	3.8
Medium (50 - 249)	0.3	2.5	2.7	21.7	23.7	22.3	3.4	9.3	12.4
Large (250+)	0.1	1.4	1.4	41.6	45.4	50.5	31.2	84.5	81.1
All	10.2	100.0	100.0	91.6	100.0	100.0	36.9	100.0	100.0
Construction									
Micro (0 - 9)	29.3	98.0	97.9	40.1	68.8	67.3	2.1	48.0	46.5
Small (10 - 49)	0.5	1.6	1.6	8.5	14.6	15.1	0.9	19.6	17.8
Medium (50 - 249)	0.1	0.3	0.3	5.8	9.9	8.7	0.6	14.3	13.0
Large (250+)	0.0	0.1	0.2	3.9	6.6	8.9	0.8	18.0	22.7
All	29.8	100.0	100.0	58.3	100.0	100.0	4.5	100.0	100.0
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	34.3	91.6	91.8	71.7	31.7	29.8	4.6	20.2	19.2
Small (10 - 49)	2.3	6.3	6.1	41.9	18.6	17.4	3.8	16.7	16.3
Medium (50 - 249)	0.3	0.9	1.0	16.7	7.4	7.8	2.2	9.8	10.2
Large (250+)	0.5	1.2	1.1	95.6	42.3	45.0	12.1	53.3	54.3
All	37.5	100.0	100.0	226.0	100.0	100.0	22.7	100.0	100.0
Financial & business services									
Micro (0 - 9)	23.9	95.3	95.3	36.6	39.5	34.1	.	.	.
Small (10 - 49)	0.8	3.1	3.1	14.7	15.9	13.7	.	.	.
Medium (50 - 249)	0.2	0.8	0.8	11.6	12.5	11.2	.	.	.
Large (250+)	0.2	0.8	0.8	29.7	32.0	40.9	.	.	.
All	25.1	100.0	100.0	92.5	100.0	100.0	.	.	.
Private sector health & education									
Micro (0 - 9)	15.1	91.9	92.5	20.8	22.8	22.6	0.7	23.9	22.2
Small (10 - 49)	1.0	5.9	5.5	20.4	22.4	20.8	1.0	32.4	28.8
Medium (50 - 249)	0.2	1.5	1.4	16.4	18.0	18.0	0.7	23.9	22.8
Large (250+)	0.1	0.7	0.6	33.5	36.8	38.6	0.6	19.9	26.2
All	16.4	100.0	100.0	91.0	100.0	100.0	3.1	100.0	100.0
Other services									
Micro (0 - 9)	14.0	97.0	96.8	20.9	59.8	57.5	0.6	27.0	26.6
Small (10 - 49)	0.3	2.3	2.4	5.7	16.4	16.3	0.2	9.1	9.8
Medium (50 - 249)	0.1	0.4	0.5	3.4	9.6	9.9	0.1	6.5	8.7
Large (250+)	0.0	0.3	0.3	5.0	14.3	16.3	1.3	57.4	54.9
All	14.4	100.0	100.0	34.9	100.0	100.0	2.2	100.0	100.0
All industries									
Micro (0 - 9)	136.1	94.6	94.7	224.6	36.5	34.0	10.0	14.2	14.4
Small (10 - 49)	5.6	3.9	3.8	105.4	17.1	15.8	7.3	10.3	10.5
Medium (50 - 249)	1.2	0.8	0.9	75.7	12.3	12.1	7.2	10.3	11.9
Large (250+)	1.0	0.7	0.7	209.4	34.0	38.1	46.0	65.2	63.2
All	143.9	100.0	100.0	615.1	100.0	100.0	70.6	100.0	100.0

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

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

Table 9: Industry analysis of enterprises active in East Wales, 2015

Industry / size band	Enterprises (a)			Employment			Turnover (b)		
	Thousands	% of total		Thousands	% of total		£bn	% of total	
	EW	EW	Wales	EW	EW	Wales	EW	EW	Wales
Agriculture, forestry & fishing									
Micro (0 - 9)	6.0	98.9	99.1	11.5	87.7	90.5	0.7	80.1	83.3
10+	0.1	1.1	0.9	1.6	12.3	9.5	0.2	19.9	16.7
All	6.0	100.0	100.0	13.1	100.0	100.0	0.9	100.0	100.0
Production									
Micro (0 - 9)	5.0	88.2	89.8	8.7	12.5	14.9	0.6	3.0	2.7
Small (10 - 49)	0.4	6.2	6.1	7.0	9.9	12.3	0.9	4.0	3.8
Medium (50 - 249)	0.2	3.2	2.7	14.4	20.5	22.3	3.8	17.7	12.4
Large (250+)	0.1	2.4	1.4	40.0	57.1	50.5	16.2	75.3	81.1
All	5.7	100.0	100.0	70.2	100.0	100.0	21.6	100.0	100.0
Construction									
Micro (0 - 9)	16.0	97.6	97.9	21.8	64.8	67.3	1.6	44.7	46.5
Small (10 - 49)	0.3	1.8	1.6	5.3	15.8	15.1	0.6	15.6	17.8
Medium (50 - 249)	0.1	0.3	0.3	2.2	6.7	8.7	0.4	11.3	13.0
Large (250+)	0.1	0.3	0.2	4.3	12.7	8.9	1.0	28.4	22.7
All	16.4	100.0	100.0	33.6	100.0	100.0	3.6	100.0	100.0
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	21.2	90.0	91.8	42.8	27.1	29.8	3.2	18.0	19.2
Small (10 - 49)	1.5	6.1	6.1	24.8	15.7	17.4	2.8	15.9	16.3
Medium (50 - 249)	0.4	1.5	1.0	13.1	8.3	7.8	1.9	10.6	10.2
Large (250+)	0.6	2.4	1.1	77.0	48.8	45.0	9.9	55.6	54.3
All	23.6	100.0	100.0	157.8	100.0	100.0	17.8	100.0	100.0
Financial & business services									
Micro (0 - 9)	21.2	94.4	95.3	32.1	29.5	34.1	.	.	.
Small (10 - 49)	0.8	3.3	3.1	12.9	11.9	13.7	.	.	.
Medium (50 - 249)	0.2	1.1	0.8	10.9	10.1	11.2	.	.	.
Large (250+)	0.3	1.2	0.8	52.6	48.5	40.9	.	.	.
All	22.5	100.0	100.0	108.5	100.0	100.0	.	.	.
Private sector health & education									
Micro (0 - 9)	10.2	91.8	92.5	14.2	22.3	22.6	0.5	20.1	22.2
Small (10 - 49)	0.6	5.1	5.5	11.8	18.5	20.8	0.6	24.2	28.8
Medium (50 - 249)	0.2	1.8	1.4	11.5	18.1	18.0	0.5	21.4	22.8
Large (250+)	0.1	1.2	0.6	26.2	41.1	38.6	0.8	34.3	26.2
All	11.1	100.0	100.0	63.8	100.0	100.0	2.4	100.0	100.0
Other services									
Micro (0 - 9)	9.8	96.1	96.8	14.3	54.5	57.5	0.4	26.0	26.6
Small (10 - 49)	0.3	2.5	2.4	4.2	16.1	16.3	0.2	10.9	9.8
Medium (50 - 249)	0.1	0.7	0.5	2.7	10.3	9.9	0.2	11.8	8.7
Large (250+)	0.1	0.7	0.3	5.0	19.1	16.3	0.8	51.3	54.9
All	10.2	100.0	100.0	26.3	100.0	100.0	1.6	100.0	100.0
All industries									
Micro (0 - 9)	89.4	93.6	94.7	145.4	30.7	34.0	7.1	14.7	14.4
Small (10 - 49)	3.7	3.9	3.8	66.9	14.1	15.8	5.1	10.7	10.5
Medium (50 - 249)	1.1	1.2	0.9	55.6	11.7	12.1	6.8	14.3	11.9
Large (250+)	1.2	1.3	0.7	205.4	43.4	38.1	28.9	60.3	63.2
All	95.5	100.0	100.0	473.2	100.0	100.0	47.8	100.0	100.0

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

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

In 2015:

- The largest sector in terms of the total number of enterprises active in West Wales and the Valleys was the wholesale, retail, transport, hotels, food and communication sector (37,500) followed by the construction sector (29,800). These 2 sectors accounted for 47 per cent of the total enterprises active. The smallest sector was production (10,200) which accounted for 7 per cent of the total enterprises active.
- In West Wales and the Valleys the wholesale, retail, transport, hotels, food and communication sector was also the largest sector in terms of total employment (226,000) followed by the financial and business services sector (92,500). These 2 sectors accounted for over half of total employment in enterprises active in West Wales and the Valleys (52 per cent). The smallest sector was agriculture, forestry and fishing (20,700) which accounted for 3 per cent of total employment.
- The highest share of large size-band enterprises in West Wales and the Valleys was in the production sector (1.4 per cent) followed by the wholesale, retail, transport, hotels, food and communication sector (1.2 per cent). These 2 sectors also had the highest shares of employment in this size-band (45.4 per cent and 42.3 per cent respectively). The construction sector had the smallest share of large size-band enterprises (0.1 per cent), with this sector also having the smallest employment share (6.6 per cent).
- In East Wales the largest sector in terms of the total number of enterprises active was the wholesale, retail, transport, hotels, food and communication sector (23,600) followed by the financial and business services sector (22,500). These 2 sectors accounted for 48 per cent of the total enterprises active. The smallest sector was production (5,700) which accounted for 6 per cent of the total enterprises active.
- The same 2 sectors were also the largest sectors in terms of total employment in East Wales with the wholesale, retail, transport, hotels, food and communication sector employment at 157,800 and the financial and business services sector employment at 108,500. These 2 sectors accounted for 56 per cent of the total employment in enterprises active in East Wales. The smallest sector was agriculture, forestry and fishing (13,100) which accounted for 3 per cent of total employment.
- The highest share of large size-band enterprises in East Wales was in the production sector and the wholesale, retail, transport, hotels, food and communication sector (both 2.4 per cent). These 2 sectors also had the highest shares of employment in this size-band (57.1 per cent and 48.8 per cent). The construction and other services sectors had the smallest shares of large size-band enterprises and employment.
- In all industry sectors, West Wales and the Valleys had a higher share of employment in micro size-band enterprises than both East Wales and Wales. The share of employment in micro size-band enterprises within the financial and business services sector showed the largest differences, with the share of employment in West Wales and the Valleys being 5.4 percentage points higher than that for Wales and 10.0 percentage points higher than East Wales.
- For the small size-band enterprises, West Wales and the Valleys had a higher share of employment for all industry sectors except for the construction sector, where East Wales was 1.2 percentage points higher and Wales was 0.4 percentage points higher.
- West Wales and the Valleys had higher shares of employment in the medium size-band enterprises than in both East Wales and Wales in 3 of the industry sectors (the production sector, construction sector and the financial and business services sector).
- West Wales and the Valleys had smaller shares of employment in the large size-band enterprises than in both East Wales and Wales across all industry sectors, with the largest differences in the financial and business services and the production sectors.

Section 6: Comparisons with the Department of Business Innovation and Skills Business Population Estimates

The Department for Business, Innovation and Skills (BIS) produces annual estimates of businesses by size-band for the UK regions. The BIS analysis allocates enterprises and all of the associated employment to where the enterprise is headquartered.

The table below provides a comparison between Welsh Government and BIS enterprise and employment estimates for 2015, the most recently available BIS data. The table shows that around 22 per cent of private sector employment in Wales is not picked up by the BIS analysis, and that this percentage increases as the size-band increases. 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. It should be noted that the BIS analysis excludes charities and non-profit bodies, these account for around 3,500 VAT/PAYE registered enterprises and 68,000 employees in Wales in 2015 (for the UK these figures are 70,000 enterprises and 1.9 million employees).

The proportion of employment in the large size-band is significantly higher in this analysis (around two-fifths in the WG analysis, compared with one-quarter in the BIS analysis). Conversely, the proportions of employment in all other size-bands are lower in the WG analysis.

It is important to understand that the BIS analysis is not incorrect; however, it measures something different, and is more useful in providing a count of enterprises by size across different parts of the UK.

Table 10: Comparisons in enterprise counts and employment, 2015

Size-band	Welsh	Business	Difference (WG - BIS)	Percentage difference
	Government (WG)	Innovation & Skills (BIS)		
Enterprise count (000s):				
Estimates:				
Micro (0 - 9)	225.5	203.2	-22.2	-9.9%
Small (10 - 49)	9.1	8.2	-0.9	-10.2%
Medium (50 - 249)	2.1	1.2	-0.9	-42.2%
Large (250+)	1.6	0.2	-1.4	-87.4%
All	238.2	212.8	-25.4	-10.7%
Percentage shares by size band:				
Micro (0 - 9)	94.7%	95.5%		
Small (10 - 49)	3.8%	3.8%		
Medium (50 - 249)	0.9%	0.6%		
Large (250+)	0.7%	0.1%		
All	100.0%	100.0%		
Employment (000s):				
Estimates:				
Micro (0 - 9)	370.0	354.0	-16.0	-4.3%
Small (10 - 49)	172.3	160.0	-12.3	-7.1%
Medium (50 - 249)	131.3	115.0	-16.3	-12.4%
Large (250+)	414.7	215.0	-199.7	-48.2%
All	1,088.3	844.0	-244.3	-22.5%
Percentage shares by size band:				
Micro (0 - 9)	34.0%	41.9%		
Small (10 - 49)	15.8%	19.0%		
Medium (50 - 249)	12.1%	13.6%		
Large (250+)	38.1%	25.5%		
All	100.0%	100.0%		

Source: Department for Business, Innovation and Skills; Welsh Government

Changes to this release and planned changes for future releases

This release:

There are revisions to data for 2005 to 2014 due to re-weighted Annual Population Survey (APS) data for 2004 to 2013 and the inclusion of Survey of Personal Incomes (SPI) data for 2011/12 and 2012/13.

Future releases:

In 2015, the Office for National Statistics (ONS) extended the coverage of businesses on the Inter Departmental Business Register (IDBR) to include 105,000 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, 5,885 are located in Wales and 5,845 of them have less than 10 persons in employment. Next year's release will include these businesses.

Policy/Operational Context

This bulletin, produced by the Welsh Government, 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 changes implemented in this bulletin in 2010 were in response to our user consultation held in 2009. Our 2012 user consultation provides more information on how our outputs are used:

<http://gov.wales/consultations/statistics/economicoutputs/?status=closed>

Notes

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

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

In order to avoid suppression of data due to disclosure control (which must occur for any aggregates based on less than 20 enterprises), some of the size-bands have been presented in an aggregated form. These aggregated size-bands are shown in italics, and have been chosen to limit the amount of aggregation whilst ensuring no data are suppressed.

The Welsh sub-regional breakdowns of the data given in this bulletin are at NUTS2, local authority and economic region levels. Nomenclature of Units for Territorial Statistics (NUTS) is an EU hierarchical geographic breakdown of member states. NUTS1 defines the regions of UK (of which Wales is one), whilst NUTS4 defines local authorities, with NUTS2 and NUTS3 representing successive hierarchical aggregations of local authorities. Within Wales, there are 2 NUTS2 areas, namely ‘West Wales and the Valleys’ and ‘East Wales’. The economic regions are aggregations of local authorities in Wales.

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.

Key Quality Information: Methodology

The Welsh Government has derived the data in this release from a number of sources. The primary 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 identifiers for industry (using the Standard Industrial Classification), geographical location, foreign ownership and legal status of each enterprise, thus allowing the analysis given here.

The IDBR covers a very high proportion of the employment and turnover in the UK, but because it excludes most of the very large number of smallest businesses that operate below the VAT threshold, its coverage in terms of the number of enterprises is only partial (less than 50 per cent). In order to correct for this, the figures presented here 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; and
- information on the numbers of sole traders and partnerships from the Survey of Personal Incomes data provided by Her Majesties 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 used (as described for the previous release, the methodology used has not changed) can be found at: <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Structure>

Key Quality Information: Accuracy of the data and National Statistics

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.

The IDBR is updated using administrative and survey-based data sources with a variety of reference dates. For example data referred to here as 2015 could have been updated at any point up to March 2015.

This release has been produced to high professional standards set out in the Code of Practice and is not subject to any political interference. This release was designated as National Statistics following an assessment undertaken by the UK Statistics Authority, published in November 2011.

Business Innovation and Skills (BIS) Business Population Estimates (BPE)

The BIS BPE release can be found in full at: <https://www.gov.uk/government/collections/business-population-estimates>. In order to produce figures for all regions, enterprises and their related activity are necessarily allocated to a single region in the BIS analysis (generally using location of head office). This means that whilst the counts of enterprises by region are meaningful (in the context of a count of Welsh owned enterprises); the related employment and turnover statistics are less relevant.

If the BIS analysis is used to allocate employment to size-bands it arguably leads to the conclusion that the Welsh economy is significantly more concentrated in the SME size-bands than the UK economy is. This release which allocates employment to size-bands according to the activity of all employers, regardless of head office location shows this is not the case.

The existing and commonly used analysis of business structure for Wales produced by BIS are based only on enterprises that are registered in Wales, taking no account of enterprises registered outside Wales with activity in Wales. This under-estimates the employment of businesses in Wales particularly in respect of larger employers.

By considering all enterprises active in Wales, this release provides a fuller picture and a more accurate analysis of the structure of Welsh business.

Revisions

Where the data is not from the Welsh Government, we follow the revisions policy of the individual Government department.

For data from our own outputs, we follow Welsh Government policy.

Accessing the data

All the data given in this release can be found on StatsWales, via the following link

<https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Structure>



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<http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>