



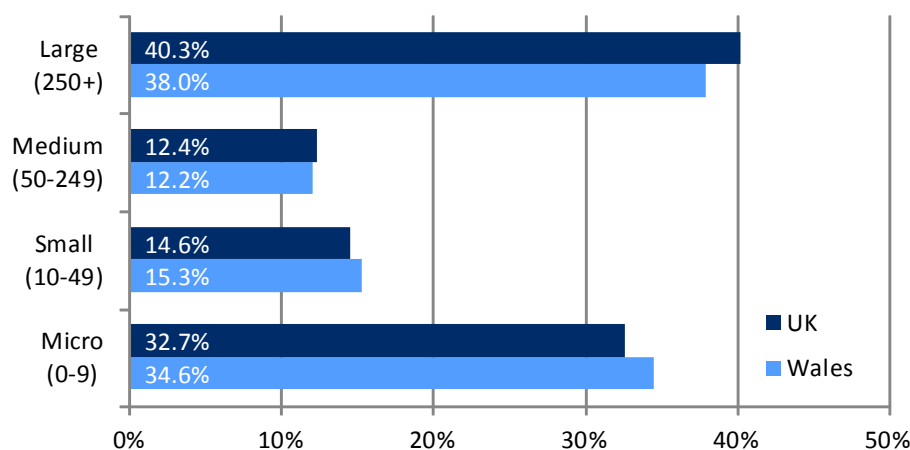
Size Analysis of Welsh Businesses, 2016

29 Nov 2016
SFR 158/2016

Key points

- In 2016, 38.0 per cent of private sector employment in Wales was accounted for by large enterprises (those with 250 or more employees), compared to 40.3 per cent for the UK.
- Between 2003 and 2016, the proportion of employment in the large size-band fell by 3.6 percentage points in Wales and fell by 3.1 percentage points in the UK.
- There were an estimated 250,100 enterprises active in Wales in 2016, the highest estimate since the start of the series in 2003, employing an estimated 1.1 million people.
- In 2016, around 0.4 per cent of enterprises active in Wales were non-UK owned, accounting for 13.2 per cent of employment in 2016, down from 13.7 in 2015.
- The majority of active enterprises were small and medium sized enterprises, accounting for 99.3 per cent of total enterprises in Wales in 2016. Micro enterprises (0-9 employees) accounted for 94.9 per cent of the total enterprises in Wales in 2016.
- Small and medium sized enterprises accounted for 62.0 per cent of employment and 39.7 per cent of turnover in 2016 with large enterprises accounting for the remainder.

Employment shares by employee size-band, 2016



About this release

This annual release provides data on the structure of enterprises active in Wales between 2003 and 2016, including estimates for the very smallest businesses that operate below the VAT threshold.

The Inter-departmental Business Register extract used in this release was taken on 31 March 2016.

In this bulletin

This bulletin contains new data on:

Business structure in Wales and the UK	3
Foreign ownership	6
Industry analysis	8
Sub-Wales analysis	10

Contents

1. Comparisons of business structure in Wales and the UK	3
Table 1.1: Size-band analysis of enterprises active in Wales, 2003-2016	3
Chart 1.1: Number of enterprises active in Wales by employee size-band, 2003-2016	4
Chart 1.2: Employment in enterprises active in Wales by employee size-band, 2003-2016	4
Table 1.2: Size-band proportions for enterprises active in Wales and the UK, 2003-2016	5
2. Foreign ownership in Wales	6
Chart 2.1: Proportion of employment in foreign owned enterprises active in Wales, 2003-2016	6
Table 2.1: Enterprises active in Wales by ownership, 2003–2016	7
3. Industry and business structure in Wales and the UK, 2016	8
Table 3.1: Size-band and industry analysis of enterprises active in Wales	9
4. Sub-Wales business structure, 2016	10
Table 4.1: Size-band analysis of enterprises active in Wales by sub-region	10
Chart 4.1: Proportion of employment by size-band and local authority	11
Table 4.2: Size-band analysis of employment in Welsh enterprises by sub-region	12
Table 4.3: Enterprises active in Wales by ownership and sub-region.....	13
5. Industry and business structure in sub-Wales regions, 2016	14
Chart 5.1: Proportion of employment in small/medium enterprises (SMEs) by industry in Wales and the UK	14
Chart 5.2: Proportion of employment in small/medium enterprises (SMEs) by industry in West Wales and the Valleys and East Wales.....	14
Table 5.1: Industry analysis of active enterprises in West Wales and the Valleys.....	15
Table 5.2: Industry analysis of active enterprises in East Wales.....	17
6. Key Quality Information	18
Table 6.1: Comparison in enterprise counts and employment.....	21

Revision Note

In 2015, the Office for National Statistics (ONS) extended the coverage of businesses on the Inter Departmental Business Register (IDBR) to include PAYE based UK businesses that were previously excluded because of a risk of duplication. Improvements in matching indicated that the risk of duplication is very small. Of these businesses, 5,885 were located in Wales and 5,845 of them have less than 10 persons in employment. These businesses were not included in the 2015 Size Analysis release and we have revised the commentary to reflect this.

1. Comparisons of business structure in Wales and the UK

There were an estimated 250,100 enterprises active in Wales in 2016, the highest estimate since the start of the series in 2003 (*Table 1.1*). This increased over 2015 and 2003, up 4.6 per cent and 47.5 per cent respectively. These enterprises employed an estimated 1.1 million people and an estimated combined annual turnover of £117.0 billion.

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

	2003	2009	2010	2011	2012	2013	2014	2015	2016	% change latest year over:	
										2003	2015
Enterprises (000s) (b)											
Micro (0 - 9)	159.0	196.4	196.8	199.8	202.6	209.7	220.6	226.3	237.2	49.2	4.8
Small (10 - 49)	7.2	7.9	8.0	7.8	7.9	8.3	8.7	9.1	9.1	26.3	-0.4
Medium (50 - 249)	1.7	1.9	1.9	1.9	2.0	2.0	2.0	2.1	2.1	21.9	3.1
Large (250+)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	2.5	4.0
All	169.5	207.8	208.3	211.1	214.0	221.6	233.0	239.1	250.1	47.5	4.6
Employment (000s)											
Micro (0 - 9)	285.4	339.0	335.9	335.2	342.6	346.1	362.3	381.8	389.6	36.5	2.0
Small (10 - 49)	136.7	152.9	151.1	146.3	148.3	155.8	164.3	172.7	172.7	26.3	0.0
Medium (50 - 249)	114.8	128.7	121.2	123.6	128.1	130.4	130.0	131.3	136.9	19.3	4.3
Large (250+)	381.6	419.7	410.5	397.6	401.9	407.8	404.3	414.7	427.7	12.1	3.1
All	918.5	1,040.3	1,018.6	1,002.6	1,021.0	1,040.0	1,060.9	1,100.5	1,126.8	22.7	2.4
Turnover (£bn) (c)											
Micro (0 - 9)	12.7	16.5	17.0	16.0	16.1	16.4	16.6	17.6	19.3	.	9.4
Small (10 - 49)	8.0	10.8	11.6	10.6	10.6	11.9	11.7	12.4	12.7	.	2.0
Medium (50 - 249)	9.2	13.3	13.1	11.9	12.9	13.6	13.6	14.1	14.5	.	3.1
Large (250+)	40.2	55.6	61.9	56.1	63.2	73.7	74.9	74.8	70.6	.	-5.7
All	70.1	96.1	103.6	94.7	102.9	115.7	116.7	118.9	117.0	.	-1.6

(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 2012-2015 has been revised since previously published.

Over the year employment increased by 2.4 per cent. All size-bands had increased, apart from the small size band which stayed the same. Medium-band enterprises had the largest increase (up 4.3 per cent). Between 2003 and 2016, total private sector employment increased by 22.7 per cent, with micro sized enterprises having the largest increase in employment (up 36.5 per cent) and large sized enterprises the smallest (up 12.1 per cent).

Over the year turnover increased in three of the four size-bands with a total decrease of 1.6 per cent. Micro size-band enterprises had the largest increase in turnover (up 9.4 per cent), whilst turnover in large size-band enterprises fell by 5.7 per cent due to a decrease in the *Production* sector.

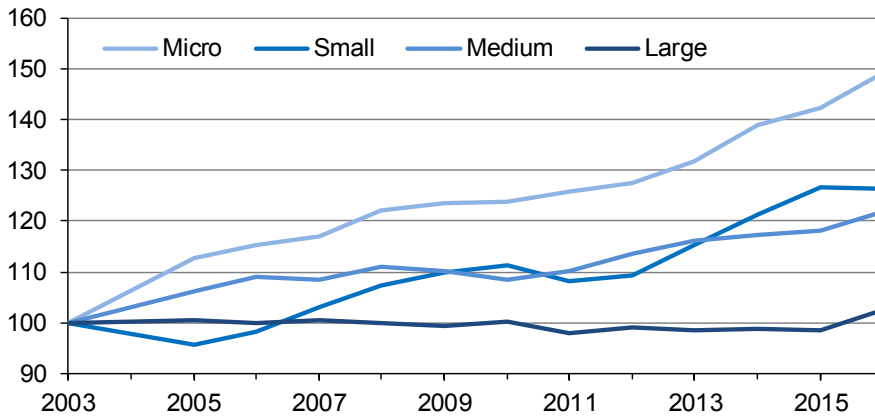
Between 2003 and 2016 the number of enterprises active in Wales grew by 47.5 per cent.

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 5.1 per cent).

Between 2003 and 2016 the overall increase in enterprises active in Wales was largely due to growth in the micro size-band enterprises (up 49.2 per cent). Recent increases in micro size

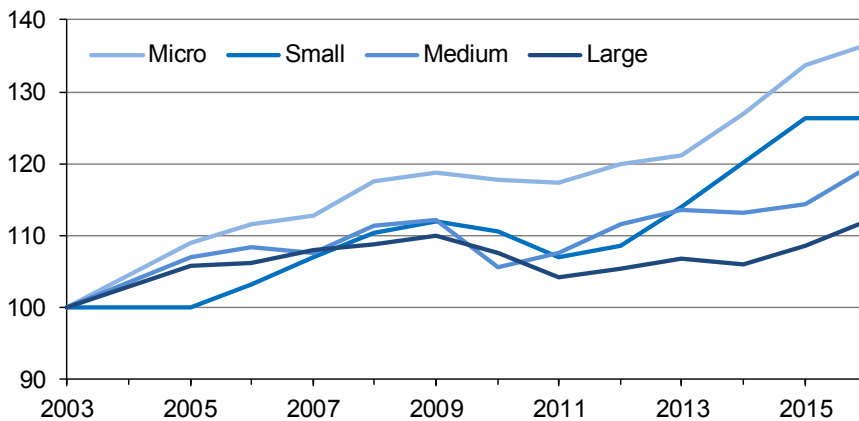
enterprises could be as a result of the recent labour market conditions, which may have encouraged people to set up businesses as they are made redundant, for example. The increase in the latest year is also partly due to the extended coverage of businesses on the IDBR.

Chart 1.1: Number of enterprises active in Wales by employee size-band, 2003-2016 (2003=100)



Between 2003 and 2016 employment in enterprises active in Wales grew by 22.7 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 five years.

Chart 1.2: Employment in enterprises active in Wales by employee size-band, 2003-2016 (2003=100)



Between 2003 and 2016 enterprises in the micro size-band had the largest percentage growth in employment in Wales (up 36.5 per cent), whilst employment in enterprises in the large size-band had the smallest percentage increase (up 12.1 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 2016 employment increased in all size-bands except small which slightly decreased. Employment reached its highest levels in 2016 in all size-bands with the exception of the small enterprise size-band which reached its highest level in 2015 and was unchanged in 2016.

The proportions of active enterprises and employment in each size-band are similar in Wales and the UK. This differed when looking at turnover, with the large size-band accounting for 60.3 per cent of total turnover in Wales, compared to 55.2 per cent in the UK in 2016. (Table 1.2)

In 2016 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 94.9 per cent of the total enterprises in Wales. SMEs accounted for 62.0 per cent of employment and 39.7 per cent of turnover in 2016 with large enterprises accounting for the remainder.

Table 1.2: Size-band proportions for enterprises active in Wales and the UK (a) (r)

	2003	2009	2010	2011	2012	2013	2014	2015	2016	% change latest year over:	
										2003	2015
Wales											
Enterprises (b)											
Micro (0 - 9)	93.8	94.5	94.5	94.7	94.7	94.6	94.7	94.7	94.9	1.1	0.2
Small (10 - 49)	4.2	3.8	3.9	3.7	3.7	3.7	3.8	3.8	3.6	-0.6	-0.2
Medium (50 - 249)	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	-0.2	0.0
Large (250+)	1.0	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	-0.3	0.0
Employment											
Micro (0 - 9)	31.1	32.6	33.0	33.4	33.6	33.3	34.2	34.7	34.6	3.5	-0.1
Small (10 - 49)	14.9	14.7	14.8	14.6	14.5	15.0	15.5	15.7	15.3	0.4	-0.4
Medium (50 - 249)	12.5	12.4	11.9	12.3	12.5	12.5	12.3	11.9	12.2	-0.3	0.2
Large (250+)	41.6	40.3	40.3	39.7	39.4	39.2	38.1	37.7	38.0	-3.6	0.3
Turnover (c)											
Micro (0 - 9)	18.1	17.1	16.4	16.9	15.6	14.2	14.2	14.8	16.5	.	1.7
Small (10 - 49)	11.4	11.2	11.2	11.2	10.3	10.3	10.0	10.4	10.8	.	0.4
Medium (50 - 249)	13.1	13.8	12.6	12.6	12.6	11.8	11.7	11.8	12.4	.	0.6
Large (250+)	57.4	57.8	59.7	59.3	61.5	63.7	64.1	62.9	60.3	.	-2.6
UK											
Enterprises											
Micro (0 - 9)	94.5	95.3	95.5	95.7	95.7	95.7	95.7	95.7	95.9	1.4	0.1
Small (10 - 49)	4.5	3.9	3.7	3.5	3.5	3.6	3.6	3.5	3.4	-1.1	-0.1
Medium (50 - 249)	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	-0.2	0.0
Large (250+)	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0
Employment											
Micro (0 - 9)	28.2	30.1	30.7	31.5	31.9	31.4	31.7	32.6	32.7	4.5	0.0
Small (10 - 49)	15.1	14.5	14.4	14.2	14.4	14.7	14.8	14.9	14.6	-0.5	-0.2
Medium (50 - 249)	13.3	12.6	12.5	12.5	12.5	12.5	12.5	12.3	12.4	-0.9	0.1
Large (250+)	43.4	42.7	42.3	41.8	41.3	41.5	41.0	40.2	40.3	-3.1	0.2
Turnover (c)											
Micro (0 - 9)	19.2	18.0	18.3	18.4	18.1	16.2	16.4	16.1	16.5	.	0.4
Small (10 - 49)	15.1	14.9	14.7	14.6	14.2	14.6	14.3	14.3	14.2	.	-0.1
Medium (50 - 249)	15.6	13.9	13.3	13.5	14.2	15.0	13.4	14.3	14.1	.	-0.2
Large (250+)	50.1	53.2	53.6	53.5	53.5	54.2	55.8	55.3	55.2	.	-0.1

(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.

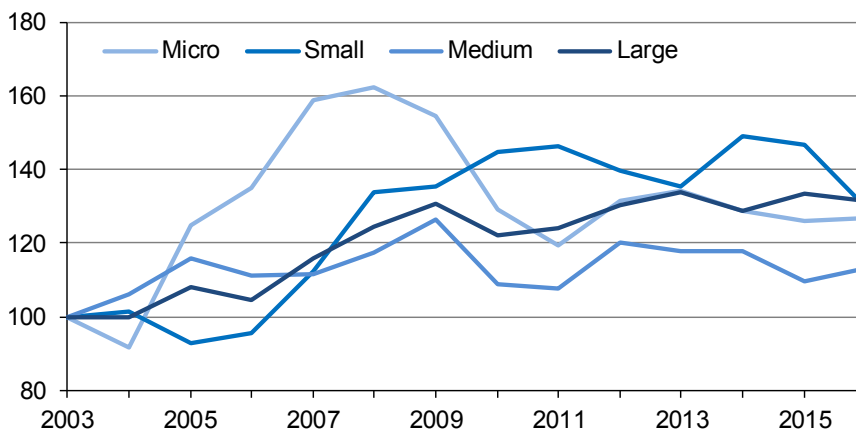
(c) This excludes turnover in the financial and business services sector where turnover are not available on a comparable basis. Turnover data are not comparable from 2010 with prior years due to the move to SIC2007.

(r) Data for 2012-2015 has been revised since previously published.

2. Foreign ownership in Wales

The number of UK owned enterprises increased by 47.6 per cent between 2003 and 2016 compared to a 28.1 per cent increase in non-UK owned enterprises. The overall growth in employment in enterprises active in Wales between 2003 and 2016 was largely accounted for by employment in UK owned enterprises, which increased by 174,600 compared to a 33,700 increase in non-UK owned enterprises. However, employment in non-UK owned enterprises grew more over this period in percentage terms, up 29.4 per cent, compared to 21.7 per cent for UK owned enterprises. (Table 2.1)

Chart 2.1: Employment in foreign owned enterprises active in Wales by employee size-band, 2003-2016 (2003=100)



In 2016, around 0.4 per cent of enterprises active in Wales were non-UK owned, accounting for 13.2 per cent of employment in 2016, up from 12.5 per cent in 2003. Over the latest year the number of non-UK owned enterprises decreased (down 1.4 per cent) with employment in these enterprises decreasing by 1.2 per cent.

Between 2003 and 2009 there was an increase in employment in non-UK owned enterprises of 30.5 per cent. Between 2009 and 2010 there was a fall in employment in non-UK owned enterprises 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, followed by a fall overall between 2013 and 2016.

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 five years.

Table 2.1: Enterprises active in Wales by ownership (a) (r)

Ownership / size-band	2003	2009	2010	2011	2012	2013	2014	2015	2016	% change latest year over:	
										2003	2015
Enterprises (000s)											
UK											
Micro (0 - 9)	158.8	196.2	196.6	199.6	202.4	209.5	220.5	226.2	237.1	49.2	4.8
Small (10 - 49)	7.1	7.8	7.9	7.6	7.7	8.2	8.6	9.0	9.0	26.1	-0.2
Medium (50 - 249)	1.6	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.9	21.3	3.8
Large (250+)	1.2	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.1	-8.5	5.6
All	168.7	206.7	207.2	210.0	212.9	220.5	231.9	238.0	249.0	47.6	4.6
Non-UK											
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	10.9	-3.2
Small (10 - 49)	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	35.0	-9.2
Medium (50 - 249)	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	26.9	-1.7
Large (250+)	0.4	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.6	32.4	1.2
All	0.9	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.1	28.1	-1.4
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	1.8	1.8	1.7	1.7	1.7	1.8	1.7	1.5	0.2	-0.1
Medium (50 - 249)	10.7	12.5	11.9	11.5	12.6	12.4	12.5	11.7	11.2	1.0	-0.7
Large (250+)	26.9	33.5	31.3	32.6	34.4	33.9	34.8	35.7	34.8	8.8	1.0
All	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.0	0.0
Employment (000s)											
UK											
Micro (0 - 9)	285.0	338.3	335.3	334.7	342.1	345.5	361.8	381.2	389.0	36.5	2.0
Small (10 - 49)	134.4	149.9	147.9	143.0	145.2	152.7	160.9	169.4	169.8	26.3	0.2
Medium (50 - 249)	100.8	111.1	106.0	108.6	111.4	114.0	113.6	116.0	121.2	20.2	4.5
Large (250+)	283.3	291.0	290.5	275.4	273.6	276.1	277.8	283.4	298.2	5.2	5.2
All	803.6	890.2	879.7	861.6	872.2	888.3	914.0	950.1	978.1	21.7	3.0
Non-UK											
Micro (0 - 9)	0.4	0.7	0.5	0.5	0.6	0.6	0.5	0.5	0.5	26.7	0.6
Small (10 - 49)	2.2	3.0	3.2	3.3	3.1	3.0	3.3	3.3	2.9	29.9	-11.5
Medium (50 - 249)	14.0	17.6	15.2	15.0	16.7	16.5	16.4	15.3	15.8	13.0	2.9
Large (250+)	98.3	128.7	120.0	122.2	128.4	131.7	126.6	131.3	129.5	31.7	-1.4
All	114.9	150.0	139.0	141.0	148.8	151.7	146.9	150.4	148.7	29.4	-1.2
Percentage Non-UK Owned											
Micro (0 - 9)	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.0	0.0
Small (10 - 49)	1.6	2.0	2.1	2.2	2.1	1.9	2.0	1.9	1.7	0.3	-0.1
Medium (50 - 249)	12.2	13.7	12.5	12.2	13.1	12.6	12.6	11.7	11.5	-0.5	-1.0
Large (250+)	25.8	30.7	29.2	30.7	31.9	32.3	31.3	31.7	30.3	5.9	0.4
All	12.5	14.4	13.6	14.1	14.6	14.6	13.8	13.7	13.2	1.2	-0.2

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

(r) Data for 2012-2015 has been revised since previously published.

3. Industry and business structure in 2016, Wales and the UK

In 2016, *Wholesale, retail, transport, hotels, food and communication* was the largest sector in Wales with 58,200 enterprises. The employment in this sector was also the largest amongst the sectors at 385,900. The second largest number of enterprises was in the *Financial and business services* sector (53,800) followed by the *Construction* sector (48,900). Collectively these three sectors accounted for 64.4 per cent of all enterprises active in Wales and 61.5 per cent of total employment in enterprises active in Wales. (Table 3.1)

Although *Production* was the smallest sector when looking at the number of enterprises (14,800), it had the fourth largest employment (161,900) and the highest turnover (£53.7 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 (90.8 per cent and 71.2 per cent respectively), followed by Construction (67.9 per cent and 66.0 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 (12.1 per cent) whereas in the UK the *Financial and business services* sector had the smallest share (11.6 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 (19.1 per cent and 17.4 per cent respectively).

In Wales, the smallest share of employment in medium size-band enterprises was in the *Wholesale, retail, transport, hotels, food and communication* sector (8.2 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 (23.0 per cent and 21.1 per cent respectively).

Production had the largest share of employment in large size-band enterprises in Wales (50.8 per cent) whilst the *Wholesale, retail, transport, hotels, food and communication* sector was the largest in the UK (47.7 per cent). The *Construction* sector had the smallest share of employment in this size-band for both Wales and the UK (8.3 per cent and 12.7 per cent respectively).

The *Wholesale, retail, transport, hotels, food and communication* sector had the largest proportion of SMEs accounting for 23.1 per cent of active SMEs in Wales. The *Production* sector had the smallest proportion of the SMEs active in Wales accounting for 5.9 per cent of the total.

Similarly the *Wholesale, retail, transport, hotels, food and communication* sector had the largest proportion of employment at 30.4 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 4.9 per cent.

Table 3.1: Size-band and industry analysis of enterprises active in Wales, 2016

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)	16.8	99.1	97.5	31.1	90.8	71.2	1.8	84.2	65.4
Small, Medium and Large (10+) (c)	0.2	0.9	2.5	3.2	9.2	28.8	0.3	15.8	34.6
All	16.9			34.3			2.2		
Production									
Micro (0 - 9)	13.2	89.0	91.1	22.8	14.1	18.0	2.7	5.0	6.0
Small (10 - 49)	1.0	6.5	6.7	19.6	12.1	16.4	2.4	4.4	8.4
Medium (50 - 249)	0.4	2.9	1.8	37.2	23.0	21.1	7.0	13.0	14.7
Large (250+)	0.2	1.6	0.4	82.3	50.8	44.5	41.6	77.6	70.9
All	14.8			161.9			53.7		
Construction									
Micro (0 - 9)	47.9	98.1	98.4	65.1	67.9	66.0	4.2	46.8	46.6
Small (10 - 49)	0.8	1.5	1.4	13.9	14.5	13.5	1.5	16.9	17.3
Medium (50 - 249)	0.1	0.3	0.2	8.9	9.3	7.8	1.2	13.2	11.6
Large (250+)	0.1	0.1	-	7.9	8.3	12.7	2.1	23.1	24.5
All	48.9			95.8			8.9		
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	53.2	91.4	93.7	113.7	29.5	26.5	8.1	19.5	14.1
Small (10 - 49)	3.7	6.4	5.4	67.4	17.5	15.5	6.5	15.7	15.8
Medium (50 - 249)	0.6	1.1	0.7	31.7	8.2	10.3	4.6	11.1	14.6
Large (250+)	0.7	1.2	0.2	173.1	44.9	47.7	22.3	53.6	55.4
All	58.2			385.9			41.6		
Financial & business services									
Micro (0 - 9)	51.6	95.8	96.7	78.5	37.2	33.7	.	.	.
Small (10 - 49)	1.5	2.7	2.6	27.4	13.0	11.6	.	.	.
Medium (50 - 249)	0.4	0.7	0.5	23.9	11.3	11.9	.	.	.
Large (250+)	0.4	0.7	0.1	81.5	38.6	42.8	.	.	.
All	53.8			211.3			.	.	.
Private sector health & education									
Micro (0 - 9)	26.5	92.8	94.9	36.5	21.9	25.1	1.3	20.8	23.3
Small (10 - 49)	1.5	5.2	4.1	31.9	19.1	17.4	1.6	26.3	23.1
Medium (50 - 249)	0.4	1.3	0.8	27.7	16.6	16.2	1.2	20.6	18.4
Large (250+)	0.2	0.7	0.2	70.6	42.3	41.3	2.0	32.2	35.2
All	28.6			166.7			6.1		
Other services									
Micro (0 - 9)	28.1	97.3	97.6	41.8	59.0	53.4	1.2	26.5	23.9
Small (10 - 49)	0.6	2.0	2.1	10.3	14.5	14.6	0.4	8.9	8.6
Medium (50 - 249)	0.1	0.4	0.3	6.8	9.5	10.1	0.4	8.3	7.3
Large (250+)	0.1	0.3	0.1	12.0	17.0	22.0	2.6	56.3	60.1
All	28.8			70.9			4.6		
All industries									
Micro (0 - 9)	237.2	94.9	95.9	389.6	34.6	32.7	19.3	16.5	16.5
Small (10 - 49)	9.1	3.6	3.4	172.7	15.3	14.6	12.7	10.8	14.2
Medium (50 - 249)	2.1	0.8	0.6	136.9	12.2	12.4	14.5	12.4	14.1
Large (250+)	1.7	0.7	0.1	427.7	38.0	40.3	70.6	60.3	55.2
All	250.1			1,126.8			117.0		

(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 as data is not available on a comparable basis.

(c) Categories combined to avoid disclosure.

4. Sub-Wales business structure 2016¹

In 2016, the largest share of enterprises was the micro size-band for all 22 local authorities in Wales, ranging from 88.0 per cent in Merthyr Tydfil to 95.8 per cent in Powys. The small size-band enterprises had the next largest share in all local authorities (bar Merthyr Tydfil) followed by large size-band enterprises. Medium size-band enterprises had the smallest share of enterprises for all authorities. Cardiff had more active enterprises than any other local authority in Wales (28,225); followed by Powys (20,445) and Carmarthenshire (18,160). Merthyr Tydfil and Blaenau Gwent had the smallest number of enterprises active (2,985 and 3,355 respectively). (Table 4.1)

Table 4.1: Size-band analysis enterprises active in Wales by sub-region, 2016

Area	Enterprise Count (a)					Percentage of total			
	Micro (0 - 9)	(10 - 49)	(50 - 249)	Large (250+)	Total	Micro (0 - 9)	(10 - 49)	(50 - 249)	Large (250+)
Isle of Anglesey	6,485	210	50	125	6,865	94.4	3.0	0.7	1.8
Gwynedd	14,935	495	115	245	15,785	94.6	3.1	0.7	1.6
Conwy	8,670	435	120	270	9,500	91.3	4.6	1.3	2.9
Denbighshire	7,965	375	85	210	8,635	92.2	4.3	1.0	2.4
Flintshire	11,755	540	170	300	12,765	92.1	4.2	1.3	2.3
Wrexham	8,670	410	130	305	9,515	91.1	4.3	1.4	3.2
Powys	19,580	530	135	205	20,445	95.8	2.6	0.7	1.0
Ceredigion	8,825	315	55	165	9,360	94.3	3.3	0.6	1.8
Pembrokeshire	12,295	505	120	215	13,135	93.6	3.8	0.9	1.6
Carmarthenshire	17,130	580	150	300	18,160	94.3	3.2	0.8	1.7
Swansea	15,410	730	220	445	16,800	91.7	4.3	1.3	2.7
Neath Port Talbot	6,465	365	120	215	7,165	90.2	5.1	1.7	3.0
Bridgend	9,400	415	155	300	10,275	91.5	4.0	1.5	2.9
The Vale of Glamorgan	10,435	365	105	210	11,115	93.9	3.3	1.0	1.9
Rhondda Cynon Taf	14,765	525	180	260	15,730	93.8	3.3	1.1	1.7
Merthyr Tydfil	2,625	135	50	175	2,985	88.0	4.6	1.6	5.8
Caerphilly	9,130	415	145	210	9,900	92.2	4.2	1.5	2.1
Blaenau Gwent	3,030	150	45	130	3,355	90.3	4.5	1.3	3.9
Torfaen	4,550	275	100	215	5,145	88.5	5.4	2.0	4.2
Monmouthshire	9,905	345	80	185	10,515	94.2	3.3	0.8	1.8
Newport	9,845	415	170	370	10,800	91.1	3.9	1.6	3.4
Cardiff	25,560	1,255	525	880	28,225	90.6	4.4	1.9	3.1
North Wales	58,430	2,345	515	680	61,970	94.3	3.8	0.8	1.1
Mid Wales	28,400	835	175	275	29,680	95.7	2.8	0.6	0.9
South West Wales	51,265	2,090	500	635	54,490	94.1	3.8	0.9	1.2
South East Wales	99,170	4,025	1,215	1,280	105,690	93.8	3.8	1.1	1.2
West Wales and the Valleys	141,570	5,580	1,235	1,035	149,420	94.7	3.7	0.8	0.7
East Wales	95,715	3,740	1,130	1,290	101,875	94.0	3.7	1.1	1.3
Wales	237,215	9,095	2,115	1,655	250,080	94.9	3.6	0.8	0.7

(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.

West Wales and the Valleys had a larger share of micro size-band enterprises than East Wales (94.7 per cent compared with 94.0 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 both the micro size-band and the large size-band. Shares of employment in the micro size-band ranged from 29.9 per cent in South East Wales to 53.2 per cent in Mid Wales and shares of employment in the large size-band varied from 19.8 per cent in Mid Wales to 43.6 per cent in South East Wales.

Powys and Ceredigion had the largest shares of employment in micro sized enterprises while Newport and Cardiff had the smallest in that size. Denbighshire and Conwy had the largest shares of employment in small sized enterprises whilst Cardiff and Newport had the smallest shares. Torfaen and Caerphilly had the largest shares of employment in medium sized enterprises whilst the Isle of Anglesey and Ceredigion had the smallest shares. Cardiff and Newport had the largest shares of employment in large size-band enterprises whilst Pembrokeshire and Powys had the smallest.

(Table 4.2, Chart 4.1)

Chart 4.1: Proportion of employment by size-band and local authority, 2016

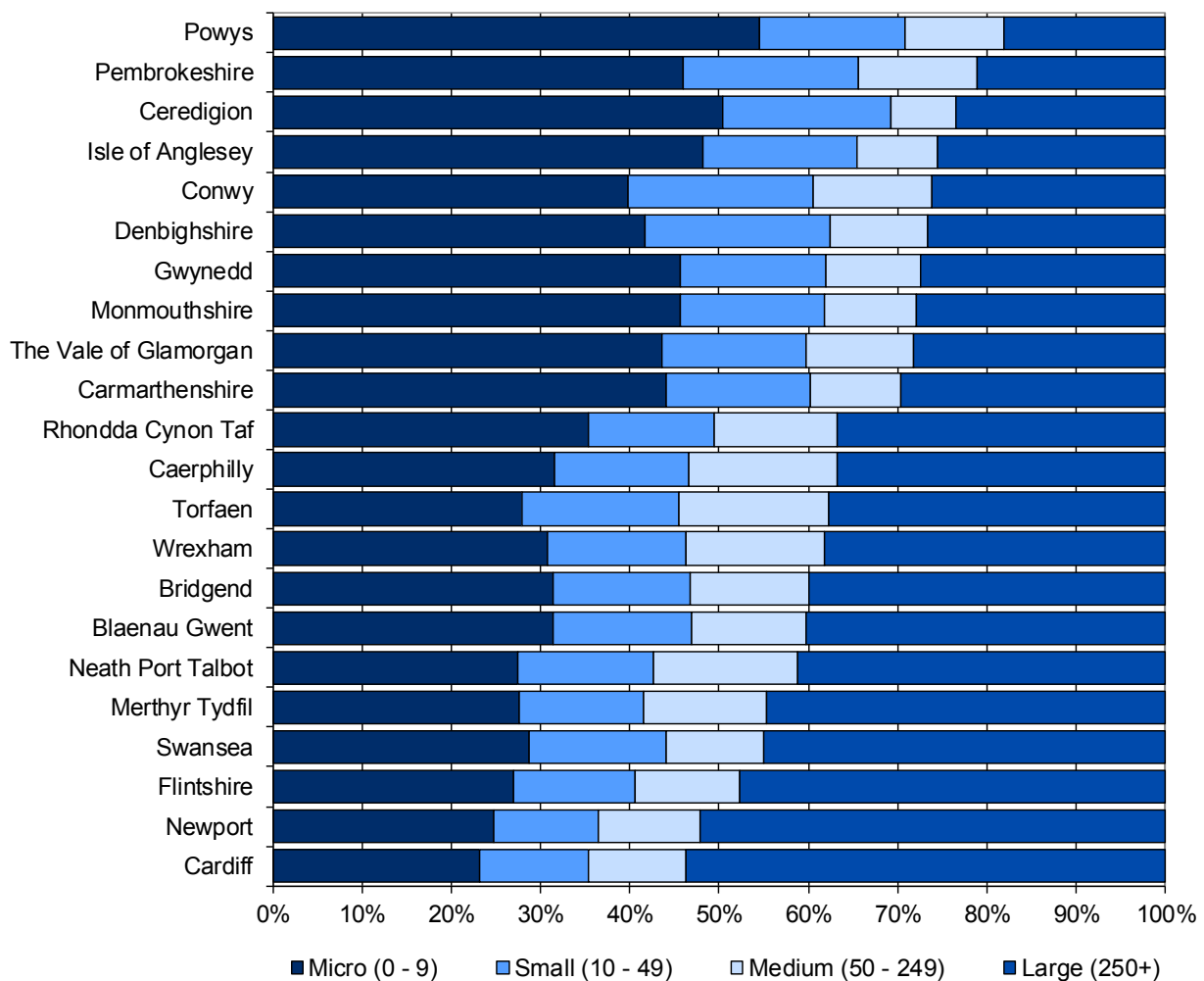


Table 4.2: Size-band analysis of employment by Welsh authorities, 2016

Area	Employment (000s)					Percentage of total			
	Micro (0 - 9)	(10 - 49)	(50 - 249)	Large (250+)	Total	Micro (0 - 9)	(10 - 49)	(50 - 249)	Large (250+)
Isle of Anglesey	10.5	3.8	2.0	5.6	21.9	48.1	17.4	9.0	25.5
Gwynedd	23.4	8.4	5.5	14.1	51.3	45.6	16.3	10.6	27.4
Conwy	15.2	7.9	5.1	10.0	38.3	39.9	20.7	13.3	26.1
Denbighshire	13.8	6.9	3.7	8.8	33.2	41.6	20.8	11.0	26.6
Flintshire	19.2	9.7	8.4	34.1	71.5	26.9	13.6	11.7	47.7
Wrexham	14.7	7.4	7.4	18.2	47.8	30.8	15.5	15.6	38.2
Powys	31.8	9.6	6.5	10.5	58.4	54.5	16.4	11.1	18.0
Ceredigion	14.6	5.4	2.1	6.8	28.9	50.5	18.7	7.4	23.4
Pembrokeshire	20.9	8.9	6.0	9.5	45.4	46.0	19.7	13.3	21.0
Carmarthenshire	27.9	10.2	6.5	18.8	63.4	44.0	16.2	10.2	29.7
Swansea	25.4	13.5	9.6	39.6	88.2	28.8	15.4	10.9	44.9
Neath Port Talbot	11.4	6.3	6.8	17.1	41.7	27.4	15.2	16.2	41.2
Bridgend	15.1	7.5	6.4	19.3	48.2	31.3	15.5	13.2	40.0
The Vale of Glamorgan	16.4	6.0	4.6	10.6	37.7	43.6	16.1	12.2	28.1
Rhondda Cynon Taf	23.4	9.3	9.1	24.3	66.0	35.4	14.1	13.8	36.8
Merthyr Tydfil	4.6	2.3	2.3	7.5	16.7	27.6	14.0	13.6	44.8
Caerphilly	15.3	7.3	8.1	17.8	48.4	31.5	15.0	16.7	36.8
Blaenau Gwent	5.1	2.5	2.1	6.6	16.3	31.4	15.5	12.8	40.3
Torfaen	7.9	4.9	4.7	10.6	28.1	28.0	17.5	16.8	37.7
Monmouthshire	16.2	5.8	3.6	9.9	35.5	45.7	16.2	10.2	27.9
Newport	15.4	7.3	7.1	32.4	62.2	24.8	11.7	11.5	52.1
Cardiff	41.4	21.6	19.6	95.6	178.1	23.2	12.1	11.0	53.6
North Wales	96.9	44.1	32.0	90.8	263.8	36.7	16.7	12.1	34.4
Mid Wales	46.4	15.0	8.6	17.3	87.2	53.2	17.2	9.9	19.8
South West Wales	85.6	39.0	28.9	85.1	238.6	35.9	16.4	12.1	35.7
South East Wales	160.7	74.5	67.5	234.4	537.1	29.9	13.9	12.6	43.6
West Wales and the Valleys	234.4	105.3	79.7	216.4	635.7	36.9	16.6	12.5	34.0
East Wales	155.2	67.4	57.2	211.3	491.1	31.6	13.7	11.6	43.0
Wales	389.6	172.7	136.9	427.7	1,126.8	34.6	15.3	12.2	38.0

Cardiff had the largest employment in active enterprises (178,100) followed by Swansea (88,200), Flintshire (71,500) and Rhondda Cynon Taf (66,000). Blaenau Gwent had the smallest number in employment (16,300) followed by Merthyr Tydfil (16,700) and the Isle of Anglesey (21,900). West Wales and the Valleys (635,700) had more employment in active enterprises than East Wales (491,100) and a larger proportion of employment in all size-bands except large enterprises.

Amongst the 22 local authorities Torfaen and Merthyr Tydfil had the largest percentage of non-UK owned enterprises (1.9 per cent and 1.6 per cent respectively) whilst Powys had the smallest percentage (0.3 per cent) followed by Gwynedd, Ceredigion and Pembrokeshire (0.5 per cent). (Table 4.3)

Flintshire had the largest percentage of employment in non-UK owned enterprises (22.9 per cent) followed by Neath Port Talbot (22.2 per cent) and Blaenau Gwent (20.8 per cent). Ceredigion had the lowest percentage of employment in non-UK owned enterprises (3.4 per cent) followed by Powys (5.1 per cent).

East Wales had a larger percentage of foreign owned enterprises than West Wales and the Valleys (0.7 per cent compared to 0.4 per cent). This was also reflected in employment, 14.6 per cent in East Wales compared to 12.1 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 (0.7 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 (15.0 per cent) and Mid Wales the smallest (4.5 per cent).

Table 4.3: Enterprises active in Wales by ownership and sub region, 2016 (a) (b)

Area	Non-UK owned		UK owned		% Non-UK owned	
	Enterprises	Employment (000s)	Enterprises	Employment (000s)	Enterprises	Employment
Isle of Anglesey	45	2.3	6,820	19.6	0.7	10.3
Gwynedd	75	2.7	15,710	48.6	0.5	5.2
Conwy	95	3.5	9,405	34.8	1.0	9.1
Denbighshire	70	3.0	8,560	30.3	0.8	8.9
Flintshire	150	16.4	12,615	55.1	1.2	22.9
Wrexham	150	8.5	9,365	39.3	1.6	17.7
Powys	60	3.0	20,385	55.4	0.3	5.1
Ceredigion	45	1.0	9,315	27.9	0.5	3.4
Pembrokeshire	70	2.5	13,065	42.8	0.5	5.6
Carmarthenshire	105	6.9	18,055	56.5	0.6	10.9
Swansea	175	9.0	16,630	79.2	1.0	10.2
Neath Port Talbot	75	9.3	7,090	32.4	1.1	22.2
Bridgend	135	9.8	10,145	38.4	1.3	20.4
The Vale of Glamorgan	80	4.6	11,035	33.1	0.7	12.2
Rhondda Cynon Taf	115	8.6	15,615	57.4	0.7	13.0
Merthyr Tydfil	50	2.2	2,935	14.5	1.6	13.1
Caerphilly	100	8.5	9,800	39.9	1.0	17.5
Blaenau Gwent	50	3.4	3,305	12.9	1.5	20.8
Torfaen	95	4.7	5,045	23.4	1.9	16.6
Monmouthshire	70	4.3	10,450	31.2	0.6	12.1
Newport	150	10.9	10,650	51.3	1.4	17.5
Cardiff	400	23.9	27,820	154.2	1.4	13.4
North Wales	365	36.2	61,605	227.7	0.6	13.7
Mid Wales	85	4.0	29,595	83.3	0.3	4.5
South West Wales	280	27.7	54,215	210.9	0.5	11.6
South East Wales	775	80.8	104,915	456.3	0.7	15.0
West Wales and the Valleys	615	77.2	148,810	558.6	0.4	12.1
East Wales	715	71.5	101,160	419.6	0.7	14.6
Wales	1,105	148.7	248,975	978.1	0.4	13.2

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

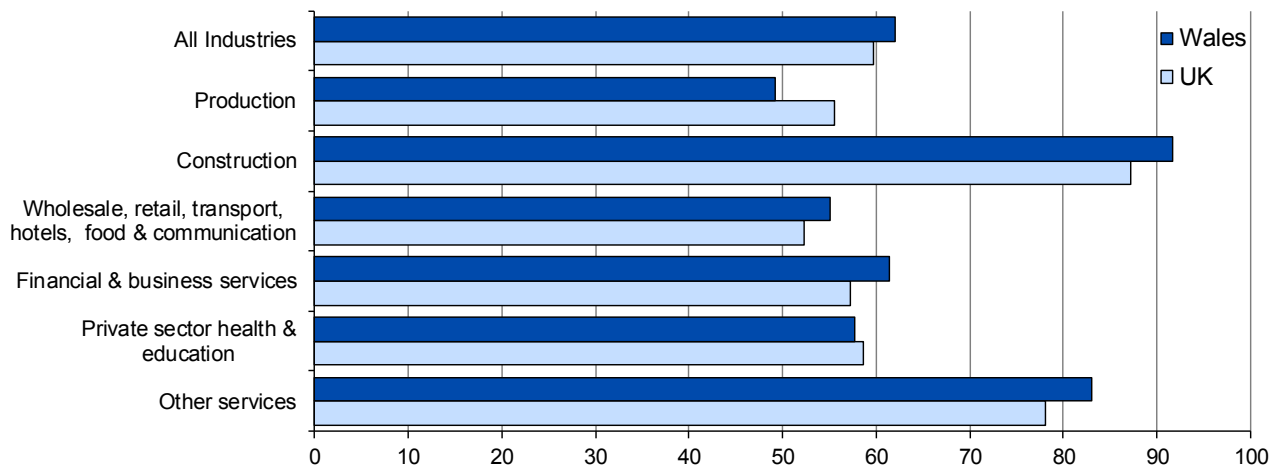
(b) This is a count of enterprises that are active in the given area within Wales. Enterprises active in more than one area will be counted more than once so the sum across all the areas will not equal the figure for Wales.

5. Industry and business structure in sub-Wales regions, 2016

The *Construction* sector had the largest proportion of employment in SMEs in Wales (excluding *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 has larger proportions of employment in SMEs than the UK in four of the six industry sectors, with the largest difference in employment in the other services sector, 83.0 per cent compared to 78.0 per in the UK. In *Production*, the proportion of employment in SMEs was 6.3 percentage points lower than the UK (49.2 per cent compared to 55.5 per cent). (Chart 5.1)

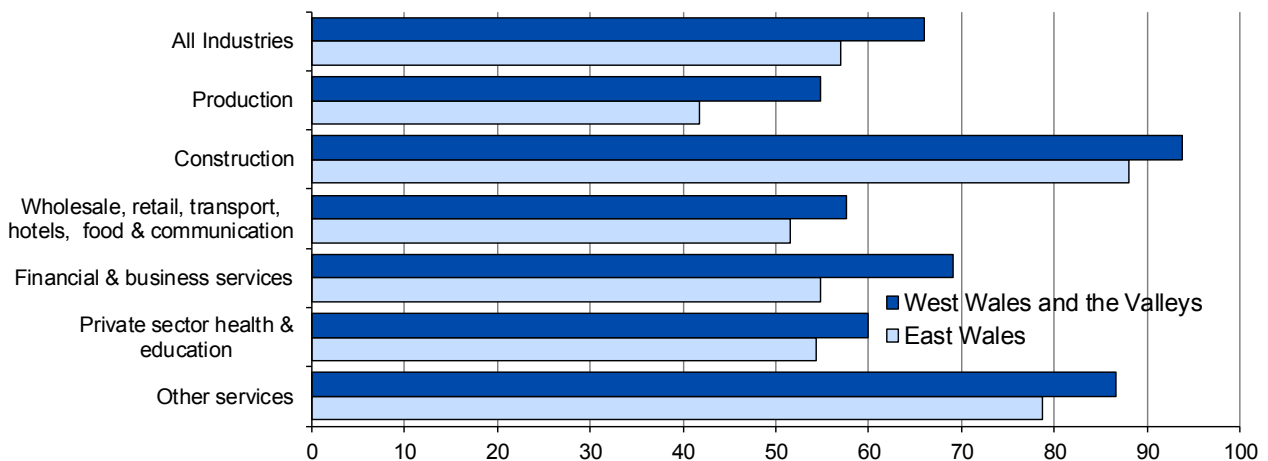
Chart 5.1: Proportion of employment in small/medium enterprises (SMEs) by industry in Wales and the UK, 2016 (a)



(a) *Agriculture* excluded due to disclosure.

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*, 69.1 per cent in West Wales and the Valleys compared to 54.9 per cent in East Wales. (Chart 5.2)

Chart 5.2: Proportion of employment in small/medium enterprises (SMEs) by industry in West Wales and the Valleys and East Wales, 2016 (a)



(a) *Agriculture* excluded due to disclosure.

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 & communication* (35,200) followed by the *Construction* (32,300). These two sectors accounted for 45.2 per cent of the total enterprises active. The smallest sector was *Agriculture, forestry and fishing* (10,200) which accounted for seven per cent of the total enterprises active. (Table 5.1)

Table 5.1: Industry analysis of active enterprises in West Wales and the Valleys, 2016

Industry / size band	Enterprises (a)			Employment			Turnover (b)		
	Thousands	% of total		Thousands	% of total		£bn	% of total	
	WW&V	WW&V	Wales	WW&V	WW&V	Wales	WW&V	WW&V	Wales
Agriculture, forestry & fishing									
Micro (0 - 9)	10.1	99.2	99.1	18.7	91.8	90.8	1.1	86.2	84.2
Small, Medium and Large (10+) (c)	0.1	0.8	0.9	1.7	8.2	9.2	0.2	13.8	15.8
All	10.2			20.4			1.3		
Production									
Micro (0 - 9)	9.2	90.0	89.0	15.4	16.7	14.1	1.6	4.8	5.0
Small (10 - 49)	0.6	6.1	6.5	12.7	13.8	12.1	1.4	4.2	4.4
Medium (50 - 249)	0.3	2.6	2.9	22.4	24.3	23.0	3.6	11.1	13.0
Large (250+)	0.1	1.40	1.6	41.7	45.2	50.8	25.9	79.9	77.6
All	10.3			92.2			32.5		
Construction									
Micro (0 - 9)	31.7	98.2	98.1	43.0	69.3	67.9	2.4	48.7	46.8
Small (10 - 49)	0.5	1.5	1.5	8.7	14.1	14.5	0.9	18.5	16.9
Medium (50 - 249)	0.1	0.3	0.3	6.4	10.4	9.3	0.7	14.5	13.2
Large (250+)	0.0	0.1	0.1	3.9	6.3	8.3	0.9	18.2	23.1
All	32.3			62.0			5.0		
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	32.0	91.0	91.4	70.2	31.1	29.5	4.7	20.3	19.5
Small (10 - 49)	2.3	6.6	6.4	42.2	18.7	17.5	3.7	15.9	15.7
Medium (50 - 249)	0.4	1.0	1.1	17.7	7.9	8.2	2.6	10.9	11.1
Large (250+)	0.5	1.36	1.2	95.7	42.4	44.9	12.4	52.9	53.6
All	35.2			225.9			23.3		
Financial & business services									
Micro (0 - 9)	25.8	95.6	95.8	40.1	41.3	37.2	.	.	.
Small (10 - 49)	0.8	2.9	2.7	14.5	14.9	13.0	.	.	.
Medium (50 - 249)	0.2	0.8	0.7	12.6	13.0	11.3	.	.	.
Large (250+)	0.2	0.7	0.7	30.0	30.9	38.6	.	.	.
All	27.0			97.2			.	.	.
Private sector health & education									
Micro (0 - 9)	16.9	92.7	92.8	22.8	23.0	21.9	0.8	22.4	20.8
Small (10 - 49)	1.0	5.2	5.2	20.0	20.2	19.1	1.0	29.1	26.3
Medium (50 - 249)	0.2	1.3	1.3	16.5	16.7	16.6	0.7	21.4	20.6
Large (250+)	0.1	0.7	0.7	39.7	40.1	42.3	0.9	27.1	32.2
All	18.2			99.1			3.4		
Other services									
Micro (0 - 9)	15.8	97.2	97.3	24.1	61.8	59.0	0.7	26.8	26.5
Small (10 - 49)	0.3	2.1	2.0	5.9	15.0	14.5	0.2	8.8	8.9
Medium (50 - 249)	0.1	0.4	0.4	3.8	9.8	9.5	0.2	6.1	8.3
Large (250+)	0.0	0.3	0.3	5.2	13.4	17.0	1.5	58.3	56.3
All	16.3			39.0			2.6		
All industries									
Micro (0 - 9)	141.6	94.7	94.9	234.4	36.9	34.6	11.3	16.6	16.5
Small (10 - 49)	5.6	3.7	3.6	105.3	16.6	15.3	7.3	10.8	10.8
Medium (50 - 249)	1.2	0.8	0.8	79.7	12.5	12.2	7.8	11.4	12.4
Large (250+)	1.0	0.7	0.7	216.4	34.0	38.0	41.7	61.2	60.3
All	149.4			635.7			68.1		

(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 comparable data is not available.

(c) Categories combined to avoid disclosure.

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 (225,900) followed by the *Private sector health & education* (99,100). These two sectors accounted for over half of total employment in enterprises active in West Wales and the Valleys (51.1 per cent). The smallest sector was *Agriculture, forestry and fishing* (20,400) which accounted for three per cent of total employment. (Table 5.2)

The highest share of large size-band enterprises in West Wales and the Valleys was in the *Production* sector and the *Wholesale, retail, transport, hotels, food and communication* sector (1.4 per cent). These two sectors also had the highest shares of employment in this size-band (45.2 per cent and 42.4 per cent respectively). The *Agriculture, forestry and fishing* and *Construction* sectors had the smallest share of large size-band enterprises.

In East Wales the largest sector in terms of the total number of enterprises active was the *Financial and business services* sector (27,100), followed by the *Wholesale, retail, transport, hotels, food and communication* sector (23,600). These two sectors accounted for 49.8 per cent of the total enterprises active. The smallest sector was *Production* (4,600) which accounted for 4.5 per cent of the total enterprises active. (Table 5.2)

The same two 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 160,000 and the *Financial and business services* sector employment at 114,100. These two sectors accounted for 55.8 per cent of the total employment in enterprises active in East Wales. The smallest sector was *Agriculture, forestry and fishing* (13,900) which accounted for three 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 (3.1 per cent and 2.4 per cent respectively). These two sectors also had the highest shares of employment in this size-band (58.2 per cent and 48.4 per cent). The *Agriculture, forestry & fishing* and 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 4.2 percentage points higher than that for Wales and 7.7 percentage points higher than East Wales.

For the small size-band enterprises, West Wales and the Valleys had a higher share of employment than East Wales and Wales for all industry sectors apart from *Construction*. East Wales had a higher share of employment than Wales in only *Construction* and West Wales and Valleys had a higher share of employment in all sectors apart from *Construction*.

For medium size-band enterprises, East Wales had lower shares of employment than Wales in all sectors apart from the *Wholesale, retail, transport, hotels, food and communication* sector and West Wales and the Valleys had higher shares of employment than Wales in all sectors apart from the *Wholesale, retail, transport, hotels, food and communication* sector.

West Wales and the Valleys had smaller shares of employment in the large size-band enterprises than Wales in all sectors. East Wales had larger shares of employment than Wales for all sectors.

Table 5.2: Industry analysis of enterprises active in East Wales, 2016

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)	6.7	99.0	99.1	12.4	89.2	90.8	0.7	81.4	84.2
Small, Medium and Large (10+) (c)	0.1	1.0	0.9	1.5	10.8	9.2	0.2	18.6	15.8
All	6.7			13.9			0.9		
Production									
Micro (0 - 9)	3.9	85.1	89.0	7.4	10.6	14.1	1.1	5.1	5.0
Small (10 - 49)	0.4	7.6	6.5	6.9	9.9	12.1	1.0	4.8	4.4
Medium (50 - 249)	0.2	4.1	2.9	14.8	21.3	23.0	3.4	16.1	13.0
Large (250+)	0.1	3.1	1.6	40.6	58.2	50.8	15.7	74.0	77.6
All	4.6			69.7			21.2		
Construction									
Micro (0 - 9)	16.2	97.6	98.1	22.1	65.3	67.9	1.7	44.4	46.8
Small (10 - 49)	0.3	1.7	1.5	5.2	15.4	14.5	0.6	14.9	16.9
Medium (50 - 249)	0.1	0.3	0.3	2.5	7.4	9.3	0.4	11.4	13.2
Large (250+)	0.1	0.3	0.1	4.0	11.9	8.3	1.1	29.3	23.1
All	16.6			33.8			3.9		
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	21.2	89.8	91.4	43.5	27.2	29.5	3.4	18.6	19.5
Small (10 - 49)	1.5	6.2	6.4	25.1	15.7	17.5	2.8	15.6	15.7
Medium (50 - 249)	0.4	1.5	1.1	14.0	8.7	8.2	2.1	11.4	11.1
Large (250+)	0.6	2.4	1.2	77.4	48.4	44.9	9.9	54.4	53.6
All	23.6			160.0			18.3		
Financial & business services									
Micro (0 - 9)	25.8	95.2	95.8	38.4	33.6	37.2	.	.	.
Small (10 - 49)	0.8	2.8	2.7	12.9	11.3	13.0	.	.	.
Medium (50 - 249)	0.2	0.9	0.7	11.3	9.9	11.3	.	.	.
Large (250+)	0.3	1.1	0.7	51.5	45.1	38.6	.	.	.
All	27.1			114.1			.	.	.
Private sector health & education									
Micro (0 - 9)	9.7	91.3	92.8	13.7	20.3	21.9	0.5	18.8	20.8
Small (10 - 49)	0.6	5.4	5.2	11.9	17.6	19.1	0.6	22.7	26.3
Medium (50 - 249)	0.2	1.9	1.3	11.1	16.4	16.6	0.5	19.6	20.6
Large (250+)	0.1	1.3	0.7	30.9	45.6	42.3	1.0	38.9	32.2
All	10.6			67.6			2.6		
Other services									
Micro (0 - 9)	12.3	96.8	97.3	17.7	55.6	59.0	0.5	26.1	26.5
Small (10 - 49)	0.3	2.0	2.0	4.4	13.8	14.5	0.2	9.0	8.9
Medium (50 - 249)	0.1	0.6	0.4	3.0	9.3	9.5	0.2	11.1	8.3
Large (250+)	0.1	0.5	0.3	6.8	21.3	17.0	1.1	53.7	56.3
All	12.7			31.9			2.0		
All industries									
Micro (0 - 9)	95.7	94.0	94.9	155.2	31.6	34.6	8.0	16.3	16.5
Small (10 - 49)	3.7	3.7	3.6	67.4	13.7	15.3	5.3	10.9	10.8
Medium (50 - 249)	1.1	1.1	0.8	57.2	11.6	12.2	6.7	13.7	12.4
Large (250+)	1.3	1.3	0.7	211.3	43.0	38.0	28.9	59.1	60.3
All	101.9			491.1			48.9		

(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 comparable data is not available.

(c) Categories combined to avoid disclosure.

6. 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 enterprises.

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; 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 is available on the [StatsWales website](#).

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.

The [Welsh Government revisions policy](#). 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 2015 could have been updated at any point up to March 2015.

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 the article '[Changes in Industrial Classification: SIC 03 to SIC 07](#)':

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](#).

Table 6.1 compares Welsh Government and BEIS enterprise and employment estimates for 2016. Around 24 per cent of private sector employment in Wales is not picked up by the BEIS analysis, and 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.

BEIS analysis excludes charities and non-profit bodies, which 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 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 6.1: Comparisons in enterprise counts and employment, 2016

Size-band	Welsh	Business, Energy & Industrial	Difference	
	Government (WG)	Strategy (BIS)	(WG - BEIS)	Percentage difference
Enterprise count (000s):				
Estimates:				
Micro (0 - 9)	237.2	212.3	-24.9	-10.5%
Small (10 - 49)	9.1	8.1	-1.0	-10.8%
Medium (50 - 249)	2.1	1.2	-0.9	-41.3%
Large (250+)	1.7	0.2	-1.5	-87.6%
All	250.1	221.9	-28.2	-11.3%
Percentage shares by size band:				
Micro (0 - 9)	94.9%	95.7%		
Small (10 - 49)	3.6%	3.7%		
Medium (50 - 249)	0.8%	0.6%		
Large (250+)	0.7%	0.1%		
All	100.0%	100.0%		
Employment (000s):				
Estimates:				
Micro (0 - 9)	389.5	363.0	-26.5	-6.8%
Small (10 - 49)	172.7	159.0	-13.7	-7.9%
Medium (50 - 249)	136.9	119.0	-17.9	-13.1%
Large (250+)	427.7	218.0	-209.7	-49.0%
All	1,126.8	859.0	-267.8	-23.8%
	38%	25%		
Percentage shares by size band:				
Micro (0 - 9)	34.6%	42.3%		
Small (10 - 49)	15.3%	18.5%		
Medium (50 - 249)	12.2%	13.9%		
Large (250+)	38.0%	25.4%		
All	100.0%	100.0%		

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 Official 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 Official 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 indicators and associated technical information - [How do you measure a nation's progress? - National Indicators](#)

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>

Next update

November 2017

We want your feedback

We welcome any feedback on any aspect of these statistics which can be provided by email to economic.stats@wales.gsi.gov.uk.

Open Government Licence

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated.

