

SDR 180/2014

23 October 2014

Size Analysis of Welsh Businesses, 2014

This release provides data on the structure of enterprises active in Wales between 2003 and 2014, including estimates for the very smallest businesses that operate below the VAT threshold.

When considering the *count* of enterprises active in Wales in 2014, 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, 2014

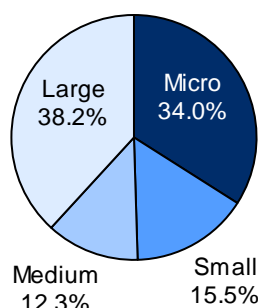
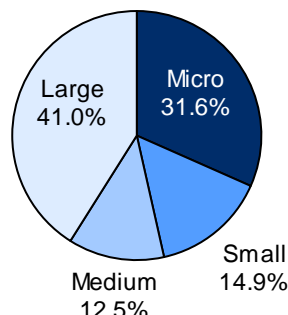


Chart 2: Employment shares by employee size-band, UK, 2014



Key Points

- In 2014, 38.2 per cent of private sector employment in Wales was accounted for by large enterprises (those with 250 or more employees), compared to 41.0 per cent for the UK as a whole.
- Between 2003 and 2014, the proportion of employment in the large size-band fell by 3.4 percentage points in Wales and fell by 2.4 percentage points in the UK.
- Between 2003 and 2014, around 0.5 per cent of enterprises active in Wales were non-UK owned, accounting for 13.9 per cent of employment in 2014, up from 12.5 per cent in 2003.
- There was considerable variation between industry sectors in 2014, with employment in agriculture almost entirely amongst micro businesses (91.5 per cent) and employment in production industries concentrated in the large size-band (51.3 per cent).
- Within Wales, the local authority with the largest proportion of private sector employment in the large size-band was Newport (54.1 per cent), and the smallest was Powys (16.3 per cent).

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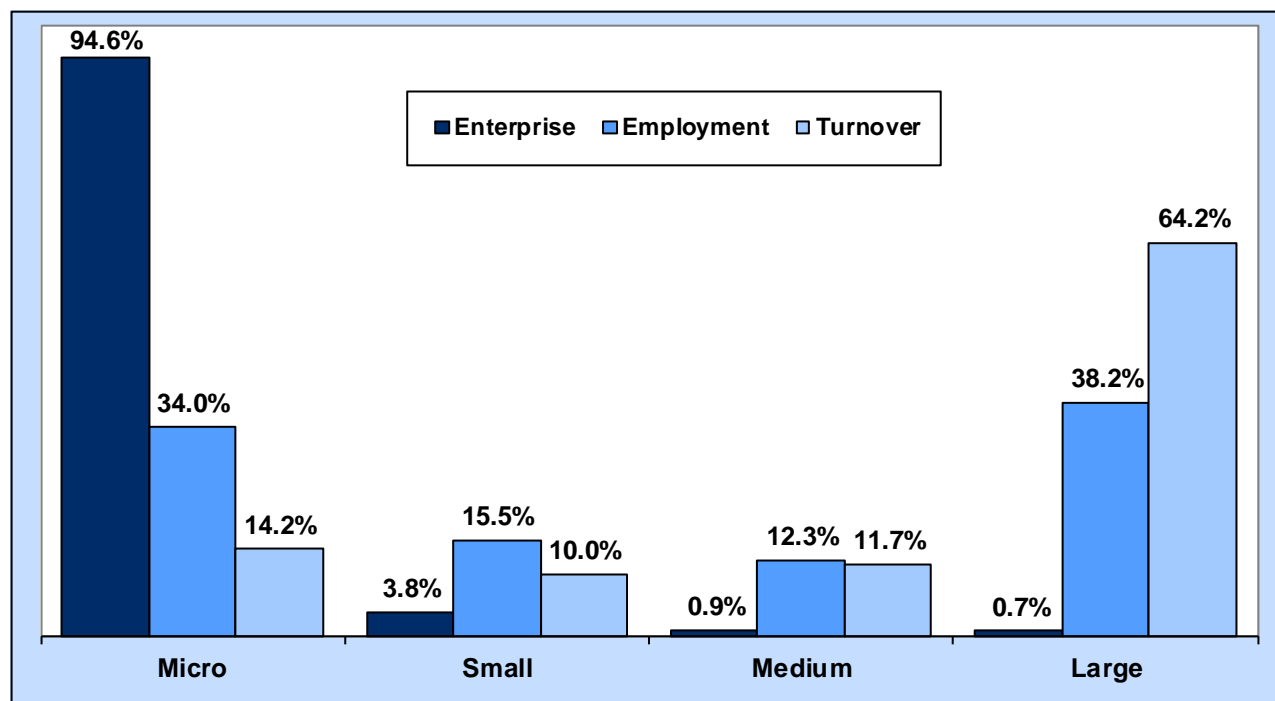
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Summary

Chart 3: Percentage Shares by employee size-band, Wales, 2014



There were an estimated 231,100 enterprises active in Wales in 2014, the highest estimate since comparable data started (which was in 2003).

These 231,100 private sector enterprises active in Wales in 2014 employed an estimated 1.06 million people and had an estimated combined annual turnover of £116.6 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 2014. Of which micro (0-9 employees)³ accounted for 94.6 per cent of the total enterprises in Wales in 2014.

SMEs accounted for 61.8 per cent of employment and 35.8 per cent of turnover in 2014 with large enterprises accounting for the remainder.

Time Series Analysis

Between 2011 and 2012 there were improvements to HMRCs computer systems. This has impacted on the registered business figures for 2012 and comparisons between 2012 onwards and previous years should be made with that in mind. More information is given later in the notes section.

Despite the recent economic conditions, between 2003 and 2014 the number of enterprises active in Wales grew by 36.3 per cent. Between 2003 and 2009 the number of enterprises active grew by 20.9 per cent; post 2009 growth slowed, such that in 2010 there was no growth on 2009, but the number of enterprise active grew between 2011 and 2013 and continued to increase over the latest year (up 5.3 per cent).

Between 2003 and 2014 the overall increase in enterprises active in Wales was largely due to growth in the micro size-band enterprises (up 37.6 per cent), whilst large enterprises was the only size-band to have a fall (down 1.2 per cent).

Between 2003 and 2014 employment in enterprises active in Wales grew by 15.2 per cent. There was year on year growth in employment in enterprises active in Wales between 2003 and 2009, however, between 2009/2010 and 2010/2011 there were falls in employment, with growth in employment over the latest 3 years.

¹ This excludes turnover in the financial and business services sector.

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.

Between 2003 and 2014 enterprises in the micro size-band had the largest growth in employment in Wales (up 26.1 per cent) accounting for over half of the overall increase; whilst employment in enterprises in the large size-band had the smallest increase (up 5.9 per cent).

However, this trend hides the impact of the 2008 recession. After reaching the highest employment levels since 2003 (the earliest point for which comparable data exists) in 2009, all size-bands had falls in employment between 2009 and 2011. Employment in enterprises in the large size-band had the largest fall over this period (down 5.3 per cent); whilst employment in micro sized enterprises had the smallest fall (down 1.5 per cent).

Between 2011 and 2013 employment increased in all size-bands, over the latest year (2013 – 2014) employment in the micro and small size-band enterprises increased whilst employment in the medium and large size-band enterprises fell. Employment reached its highest levels in 2014 for the micro and small size-bands, for the medium size-band employment reached its highest level in 2013 whilst employment in the large enterprise size-band reached its highest level in 2009 and still hasn't recovered to its pre-recession levels.

Introduction

This release updates SDR 186/2013 released on 24 October 2013, which gave results for 2003 – 2013. This update includes new data for 2014.

Data for intermediate years 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

As noted in SDR 198/2011 (Size Analysis of Welsh Businesses 2011), 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://wales.gov.uk/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 2011 which then became non-UK owned in 2012, will be recorded as UK owned in 2011 and then non-UK owned in 2012. 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.

Contents

SECTION 1: COMPARISONS OF BUSINESS STRUCTURE IN WALES AND THE UK

Table 1: Size-band analysis of enterprises active in Wales, 2003-2014	5
Chart 4: Number of enterprises active in Wales by employee size-band, 2003-2014	6
Chart 5: Employment in enterprises active in Wales by employee size-band, 2003-2014	6
Table 2: Size-band proportions for enterprises active in Wales and the UK, 2003-2014	7

SECTION 2: ANALYSIS OF FOREIGN OWNERSHIP IN WALES

Chart 6: Proportion of employment in foreign owned enterprises active in Wales, 2003-2014	8
Table 3: Enterprises active in Wales by ownership, 2003-2014	9

SECTION 3: ANALYSIS OF INDUSTRY AND BUSINESS STRUCTURE IN WALES AND THE UK

Table 4: Size-band and industry analysis of enterprises active in Wales, 2014	10
Chart 7: Employment shares for the production industry by employee size-band, Wales, 2014	11
Chart 8: Employment shares for the construction industry by employee size-band, Wales, 2014	11

SECTION 4: ANALYSIS OF SUB- WALES BUSINESS STRUCTURE

Chart 9: Proportion of employment by size-band and local authority, 2014	12
Table 5: Size-band analysis of enterprises active in Wales by sub-region, 2014	13
Table 6: Size-band analysis of employment in Welsh enterprises by sub-region, 2014	14
Table 7: Enterprises active in Wales by ownership and sub-region, 2014	15

SECTION 5: ANALYSIS OF INDUSTRY AND BUSINESS STRUCTURE IN SUB-WALES REGIONS

Chart 10: Proportion of employment in small/medium enterprises (SMEs) by industry, 2014	16
Table 8: Industry analysis of active enterprises in West Wales and the Valleys, 2014	17
Table 9: Industry analysis of active enterprises in East Wales, 2014	18

SECTION 6: COMPARISONS WITH THE DEPARTMENT OF BUSINESS INNOVATION AND SKILLS BUSINESS POPULATION ESTIMATES

Table 10: Comparison in enterprise counts and employment, 2013	20
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NOTES	21
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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, 2003-2014 (a)

									% change latest over:	
	2003	2008	2009	2010	2011	2012	2013	2014	2003	2013
Enterprises (000s) (b)										
Micro (0 - 9)	159.0	191.8	193.6	193.4	196.5	200.5	207.5	218.7	37.6	5.4
Small (10 - 49)	7.2	7.7	7.9	8.0	7.8	7.9	8.3	8.7	21.3	5.3
Medium (50 - 249)	1.7	1.9	1.9	1.9	1.9	2.0	2.0	2.0	17.2	0.8
Large (250+)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	-1.2	0.3
All	169.5	203.1	205.0	204.9	207.7	211.9	219.4	231.1	36.3	5.3
Employment (000s)										
Micro (0 - 9)	285.4	332.6	335.7	332.0	330.6	339.2	343.0	360.0	26.1	4.9
Small (10 - 49)	136.7	151.0	152.9	151.1	146.3	148.3	155.8	164.3	20.2	5.5
Medium (50 - 249)	114.8	127.8	128.7	121.2	123.6	128.1	130.4	130.0	13.3	-0.3
Large (250+)	381.6	414.9	419.7	410.5	397.6	401.9	407.8	404.3	5.9	-0.8
All	918.5	1,026.3	1,037.0	1,014.8	998.0	1,017.5	1,036.9	1,058.5	15.2	2.1
Turnover (£bn) (c)										
Micro (0 - 9)	12.7	16.2	16.4	16.9	15.9	16.0	16.4	16.5	.	0.9
Small (10 - 49)	8.0	9.8	10.8	11.6	10.6	10.6	11.9	11.7	.	-1.6
Medium (50 - 249)	9.2	12.5	13.3	13.1	11.9	12.9	13.6	13.6	.	-0.3
Large (250+)	40.2	51.4	55.6	61.9	56.1	63.2	73.7	74.9	.	1.5
All	70.1	89.9	96.0	103.5	94.6	102.8	115.6	116.6	.	0.9

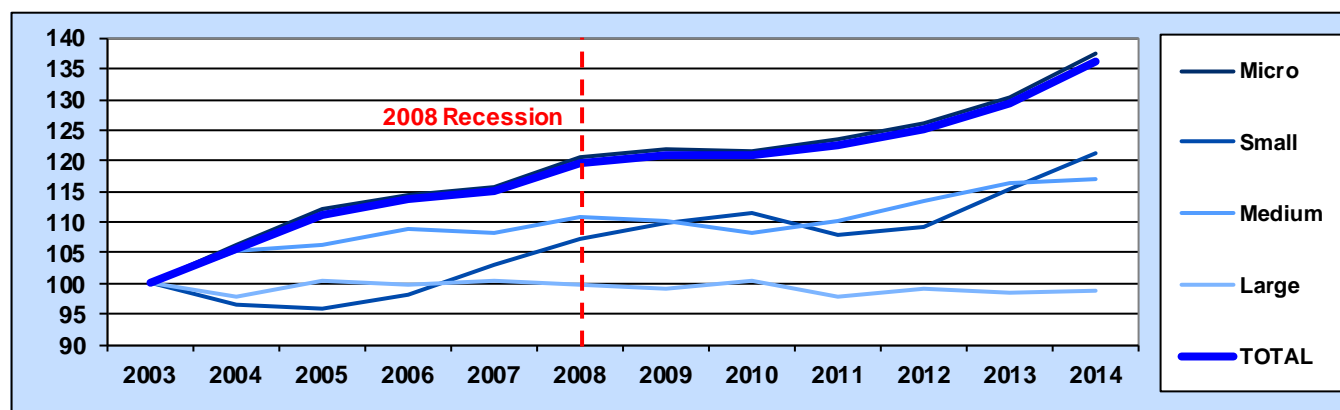
(a) The full series are available on statswales. [Link to dataset](#)

(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. Turnover data are not comparable from 2010 with prior years due to the move to SIC2007.

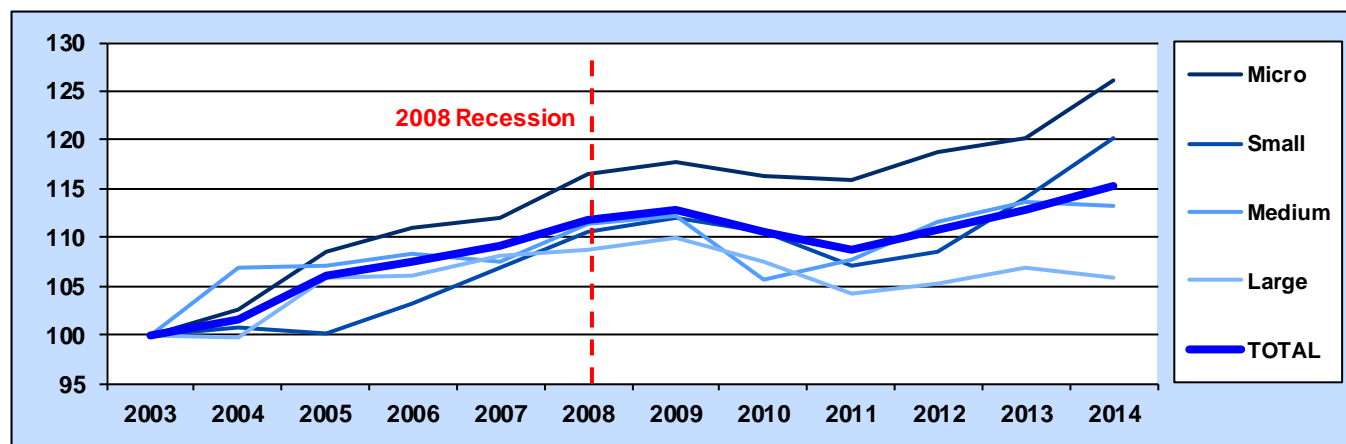
- There were an estimated 231,100 enterprises active in Wales in 2014, the highest estimate since the start of the series in 2003. This increased both over the latest year and 2003, up 5.3 per cent and 36.3 per cent respectively.
- These 231,100 enterprises active in Wales in 2014 employed an estimated 1.06 million people and had an estimated combined annual turnover of £116.6 billion.
- Over the year employment increased by 2.1 per cent, with increases in the micro and small size-band enterprises and falls in the medium and large size-band enterprises. Looking at the individual size-bands, small size-band enterprises had the largest increase in employment over the year (up 5.5 per cent) whilst large size-band enterprises had the largest fall (down 0.8 per cent).
- Between 2003 and 2014, total private sector employment increased by 15.2 per cent, with micro sized enterprises having the largest increase (up 26.1 per cent) and large sized enterprises the smallest (up 5.9 per cent).
- Over the year turnover increased in two of the four size-bands with a total increase of 0.9 per cent. Looking at the individual size-bands, large enterprises had the largest increase in turnover, up 1.5 per cent. Small sized enterprises had the largest fall in turnover over the year, down 1.6 per cent.

Chart 4: Number of enterprises active in Wales by employee size-band, 2003-2014 (2003=100)



- Despite the recent economic conditions, between 2003 and 2014 the number of enterprises active in Wales grew by 36.3 per cent. Between 2003 and 2009 the number of enterprises active grew by 20.9 per cent; post 2009 growth slowed, such that in 2010 there was no growth on 2009, but the number of enterprise active grew between 2011 and 2013 and continued to increase over the latest year (up 5.3 per cent).
- Between 2003 and 2014 enterprises in the micro size-band saw the largest growth (up 37.6 per cent), driving the overall increase, whilst the only fall was in the large size-band (down 1.2 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.

Chart 5: Employment in enterprises active in Wales by employee size-band, 2003-2014 (2003=100)



- Between 2003 and 2014 employment in enterprises active in Wales grew by 15.2 per cent. There was year on year growth in employment in enterprises active in Wales between 2003 and 2009, however, between 2009/2010 and 2010/2011 there were falls in employment (during the 2008 recession), with growth in employment over the latest 3 years.
- Between 2003 and 2014 enterprises in the micro size-band had the largest growth in employment in Wales (up 26.1 per cent) driving the overall increase; whilst employment in enterprises in the large size-band had the smallest increase (up 5.9 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 except for the medium size-band had falls in employment between 2009 and 2011. Between 2011 and 2013, employment increased in all size-bands, over the latest year (2013 – 2014) employment in the micro and small size-band enterprises increased whilst employment in the medium and large size-band enterprises fell. Employment reached its highest levels in 2014 for the micro and small size-bands, for the medium size-band employment reached its highest level in 2013 whilst employment in the large enterprise size-band reached its highest level in 2009 and still hasn't recovered to its pre-recession levels.

Table 2: Size-band proportions for enterprises active in Wales and the UK, 2003-2014 (a)

									<i>Change latest over:</i>	
	2003	2008	2009	2010	2011	2012	2013	2014	2003	2013
Wales										
Enterprises (b)										
Micro (0 - 9)	93.8	94.5	94.4	94.4	94.6	94.6	94.6	94.6	0.9	0.1
Small (10 - 49)	4.2	3.8	3.9	3.9	3.7	3.7	3.8	3.8	-0.5	0.0
Medium (50 - 249)	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	-0.1	0.0
Large (250+)	1.0	0.8	0.8	0.8	0.8	0.8	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	.	.
Employment										
Micro (0 - 9)	31.1	32.4	32.4	32.7	33.1	33.3	33.1	34.0	2.9	0.9
Small (10 - 49)	14.9	14.7	14.7	14.9	14.7	14.6	15.0	15.5	0.6	0.5
Medium (50 - 249)	12.5	12.5	12.4	11.9	12.4	12.6	12.6	12.3	-0.2	-0.3
Large (250+)	41.6	40.4	40.5	40.5	39.8	39.5	39.3	38.2	-3.4	-1.1
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.
Turnover (c)										
Micro (0 - 9)	18.1	18.0	17.1	16.3	16.8	15.6	14.1	14.2	.	0.0
Small (10 - 49)	11.4	10.9	11.2	11.2	11.2	10.3	10.3	10.0	.	-0.3
Medium (50 - 249)	13.1	13.9	13.8	12.7	12.6	12.6	11.8	11.7	.	-0.1
Large (250+)	57.4	57.2	57.9	59.8	59.4	61.5	63.8	64.2	.	0.4
All	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	95.6	1.1	0.0
Small (10 - 49)	4.5	3.8	3.9	3.7	3.5	3.6	3.6	3.6	-0.9	0.0
Medium (50 - 249)	0.8	0.7	0.7	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	0.0
All	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	31.4	31.8	31.3	31.6	3.4	0.4
Small (10 - 49)	15.1	14.4	14.6	14.4	14.2	14.4	14.7	14.9	-0.3	0.2
Medium (50 - 249)	13.3	12.6	12.6	12.5	12.5	12.5	12.5	12.5	-0.8	0.0
Large (250+)	43.4	42.8	42.8	42.4	41.8	41.3	41.6	41.0	-2.4	-0.5
All	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	18.0	16.2	16.4	.	0.2
Small (10 - 49)	15.1	14.7	14.9	14.7	14.6	14.2	14.6	14.3	.	-0.3
Medium (50 - 249)	15.6	14.4	13.9	13.3	13.5	14.2	15.0	13.4	.	-1.6
Large (250+)	50.1	51.7	53.2	53.6	53.5	53.5	54.2	55.9	.	1.6
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.	.

(a) The full series are available on statswales. [Link to dataset](#)

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

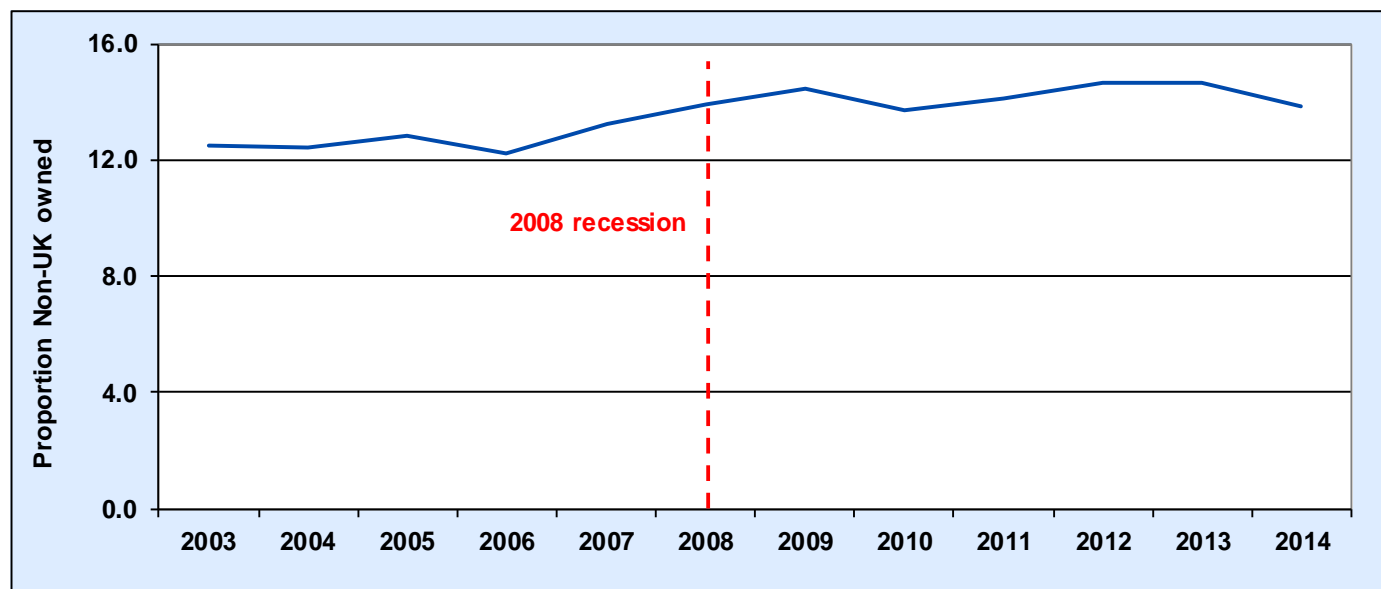
(c) This excludes turnover in the financial and business services sector. Turnover data are not comparable from 2010 with prior years due to the move to SIC2007.

- 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 64.2 per cent of total turnover in Wales, compared to 55.9 per cent in the UK in 2014.
- In 2014 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 94.6 per cent of the total enterprises in Wales in 2014.
- SMEs accounted for 61.8 per cent of employment and 35.8 per cent of turnover in 2014 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 2011 then became non-UK owned in 2012, it would be recorded as UK owned in 2011 and non-UK owned in 2012; with a reduction of 3,000 employees in 2012 in the UK owned enterprises and an increase of 3,000 employees in the non-UK owned enterprises.

Chart 6: Proportion of employment in foreign owned enterprises active in Wales, 2003-2014



- The number of UK owned enterprises increased by 36.4 per cent between 2003 and 2014 compared to a 28.7 per cent increase in non-UK owned enterprises.
- The overall growth in employment in enterprises active in Wales between 2003 and 2014 was largely accounted for by employment in UK owned enterprises, which increased by 108,100 compared to a 31,900 increase in non-UK owned enterprises. However employment in non-UK owned enterprises grew more over this period in percentage terms, up 27.8 per cent, compared to 13.5 per cent for UK owned enterprises.
- Between 2003 and 2014, around 0.5 per cent of enterprises active in Wales were non-UK owned, accounting for 13.9 per cent of employment in 2014, up from 12.5 per cent in 2003.
- In 2014 the percentage of non-UK owned enterprises accounted for just over a third of enterprises and almost a third of employment in the large size-band; this proportion falls as the size of the business decreases.
- Over the latest year the number of non-UK owned enterprises increased (up 2.0 per cent) whilst employment in these enterprises fell, down 3.2 per cent.
- Whilst employment increased overall in non-UK owned enterprises between 2003 and 2014; between 2003 and 2009 there was an increase in employment of 30.5 per cent (partly driven by large increases in micro and small enterprises). Between 2009 and 2010 overall there was a fall in employment with large falls seen in micro and medium enterprises whilst employment in small sized enterprises increased. Between 2011 and 2013 there were overall increases in employment whilst there was an overall fall over the latest year.
- For UK owned enterprises there was an overall growth in employment between 2003 and 2009 of 10.4 per cent. After the start of the 2008 recession there was year on year falls in employment to 2011, with an increase over the latest 3 years.

Table 3: Enterprises active in Wales by ownership, 2003-2014 (a)

Ownership / size-band	2003	2008	2009	2010	2011	2012	2013	2014	% change latest over:	
									2003	2013
Enterprises (000s)										
UK										
Micro (0 - 9)	158.8	191.6	193.4	193.2	196.3	200.3	207.3	218.6	37.6	5.4
Small (10 - 49)	7.1	7.6	7.8	7.9	7.6	7.7	8.2	8.6	20.9	5.2
Medium (50 - 249)	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.8	14.9	0.7
Large (250+)	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.0	-11.8	-1.0
All	168.7	202.0	203.9	203.9	206.7	210.8	218.3	230.0	36.4	5.4
Non-UK										
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	4.3	-8.3
Small (10 - 49)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	52.4	10.6
Medium (50 - 249)	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	36.0	1.6
Large (250+)	0.4	0.5	0.5	0.5	0.5	0.6	0.5	0.6	27.6	3.0
All	0.9	1.0	1.1	1.0	1.0	1.1	1.1	1.1	28.7	2.0
Percentage Non-UK										
Owned										
Micro (0 - 9)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Small (10 - 49)	1.4	1.7	1.8	1.8	1.7	1.7	1.7	1.8	0.4	0.1
Medium (50 - 249)	10.7	11.3	12.5	11.9	11.5	12.6	12.4	12.5	1.7	0.1
Large (250+)	26.9	31.2	33.5	31.3	32.6	34.4	33.9	34.8	7.8	0.9
All	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	332.0	335.1	331.5	330.1	338.6	342.4	359.4	26.1	5.0
Small (10 - 49)	134.4	148.0	149.9	147.9	143.0	145.2	152.7	160.9	19.7	5.4
Medium (50 - 249)	100.8	111.4	111.1	106.0	108.6	111.4	114.0	113.6	12.6	-0.3
Large (250+)	283.3	292.4	291.0	290.5	275.4	273.6	276.1	277.8	-2.0	0.6
All	803.6	883.7	887.0	875.8	857.0	868.8	885.2	911.7	13.5	3.0
Non-UK										
Micro (0 - 9)	0.4	0.7	0.7	0.5	0.5	0.6	0.6	0.5	28.8	-4.1
Small (10 - 49)	2.2	3.0	3.0	3.2	3.3	3.1	3.0	3.3	49.2	10.2
Medium (50 - 249)	14.0	16.4	17.6	15.2	15.0	16.7	16.5	16.4	17.8	-0.2
Large (250+)	98.3	122.6	128.7	120.0	122.2	128.4	131.7	126.6	28.7	-3.9
All	114.9	142.6	150.0	139.0	141.0	148.8	151.7	146.9	27.8	-3.2
Percentage Non-UK										
Owned										
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0
Small (10 - 49)	1.6	2.0	2.0	2.1	2.2	2.1	1.9	2.0	0.4	0.1
Medium (50 - 249)	12.2	12.8	13.7	12.5	12.2	13.1	12.6	12.6	0.5	0.0
Large (250+)	25.8	29.5	30.7	29.2	30.7	31.9	32.3	31.3	5.5	-1.0
All	12.5	13.9	14.5	13.7	14.1	14.6	14.6	13.9	1.4	-0.8

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

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, 2014

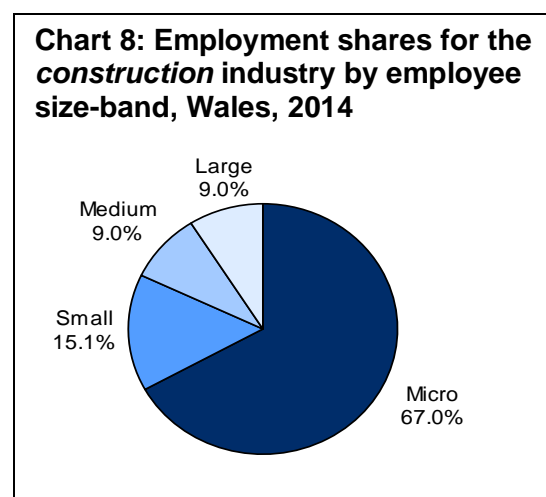
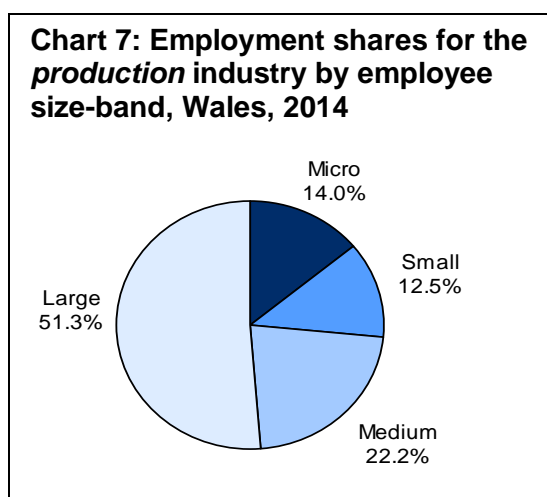
Industry / size band	Enterprises (000s) (a)			Employment (000s)			Turnover (£bn) (b)		
	Wales	% of total		Wales	% of total		Wales	% of total	
		Wales	UK		Wales	UK		Wales	UK
Agriculture, forestry & fishing									
Micro (0 - 9)	15.9	99.2	97.4	29.8	91.5	72.5	1.7	85.5	65.7
10+	0.1	0.8	2.6	2.8	8.5	27.5	0.3	14.5	34.3
All	16.1	100.0	100.0	32.5	100.0	100.0	2.0	100.0	100.0
Production									
Micro (0 - 9)	13.0	88.9	90.6	22.4	14.0	17.4	1.5	2.6	5.1
Small (10 - 49)	1.0	6.6	7.1	20.0	12.5	16.5	2.1	3.6	7.6
Medium (50 - 249)	0.4	2.9	1.9	35.5	22.2	21.1	6.2	10.6	14.4
Large (250+)	0.2	1.6	0.4	82.0	51.3	45.0	48.6	83.1	73.0
All	14.7	100.0	100.0	159.9	100.0	100.0	58.4	100.0	100.0
Construction									
Micro (0 - 9)	43.1	97.9	98.3	59.0	67.0	64.5	3.5	46.6	44.7
Small (10 - 49)	0.7	1.6	1.5	13.3	15.1	13.7	1.3	17.2	16.6
Medium (50 - 249)	0.1	0.3	0.2	7.9	9.0	7.7	1.0	13.7	11.8
Large (250+)	0.1	0.2	-	7.9	9.0	14.2	1.7	22.5	26.9
All	44.0	100.0	100.0	88.2	100.0	100.0	7.6	100.0	100.0
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	53.3	91.8	93.7	111.2	29.6	26.3	7.6	19.0	15.4
Small (10 - 49)	3.5	6.0	5.4	62.0	16.5	15.0	6.4	16.0	16.7
Medium (50 - 249)	0.6	1.0	0.7	29.8	7.9	10.0	4.7	11.9	13.5
Large (250+)	0.7	1.2	0.2	172.9	46.0	48.7	21.2	53.2	54.5
All	58.1	100.0	100.0	375.8	100.0	100.0	39.9	100.0	100.0
Financial & business services									
Micro (0 - 9)	43.4	95.3	96.5	66.2	35.1	32.2	.	.	.
Small (10 - 49)	1.4	3.1	2.9	25.8	13.7	12.2	.	.	.
Medium (50 - 249)	0.4	0.9	0.5	23.1	12.3	12.5	.	.	.
Large (250+)	0.4	0.8	0.1	73.4	38.9	43.1	.	.	.
All	45.6	100.0	100.0	188.5	100.0	100.0	.	.	.
Private sector health & education									
Micro (0 - 9)	23.2	91.9	94.3	32.8	21.7	23.9	1.1	23.3	23.6
Small (10 - 49)	1.5	5.9	4.6	31.9	21.2	18.4	1.4	29.6	25.1
Medium (50 - 249)	0.4	1.5	0.9	27.9	18.5	16.2	0.9	18.8	17.3
Large (250+)	0.2	0.7	0.2	58.1	38.6	41.4	1.3	28.3	34.0
All	25.2	100.0	100.0	150.7	100.0	100.0	4.7	100.0	100.0
Other services									
Micro (0 - 9)	26.8	97.3	97.4	38.5	61.2	51.6	1.1	26.9	23.2
Small (10 - 49)	0.6	2.0	2.2	9.4	15.0	15.3	0.4	8.8	9.2
Medium (50 - 249)	0.1	0.4	0.3	5.2	8.3	10.0	0.7	16.2	7.6
Large (250+)	0.1	0.3	0.1	9.8	15.5	23.1	1.9	48.2	60.0
All	27.5	100.0	100.0	63.0	100.0	100.0	4.0	100.0	100.0
All industries									
Micro (0 - 9)	218.7	94.6	95.6	360.0	34.0	31.6	16.5	14.2	16.4
Small (10 - 49)	8.7	3.8	3.6	164.3	15.5	14.9	11.7	10.0	14.3
Medium (50 - 249)	2.0	0.9	0.6	130.0	12.3	12.5	13.6	11.7	13.4
Large (250+)	1.6	0.7	0.1	404.3	38.2	41.0	74.9	64.2	55.9
All	231.1	100.0	100.0	1,058.5	100.0	100.0	116.6	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.

In 2014:

- When looking at the total number of enterprises the wholesale, retail, transport, hotels, food and communication was the largest sector in Wales with 58,100 enterprises with the employment in this sector also being the largest amongst the sectors at 375,800. The second largest number of enterprises was in the financial and business services sector (45,600) followed by the construction sector (44,000). Collectively these 3 sectors accounted for 64 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 (14,700), it had the third largest employment (159,900) 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 (91.5 per cent and 72.5 per cent respectively), followed by construction (67.0 per cent and 64.5 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 (12.5 per cent) whereas in the UK the financial and business services sector had the smallest share (12.2 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 (21.2 per cent and 18.4 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 (7.9 per cent) whereas in the UK the construction sector had the smallest share (7.7 per cent). The largest share of employment in this size-band was in the production sector for both Wales and the UK (22.2 per cent and 21.1 per cent respectively).
- Production had the largest share of employment in large size-band enterprises in Wales (51.3 per cent) whilst the wholesale, retail, transport, hotels, food and communication sector was the largest in the UK (48.7 per cent). The construction sector had the smallest share of employment in this size-band for both Wales and the UK (9.0 per cent and 14.2 per cent respectively).



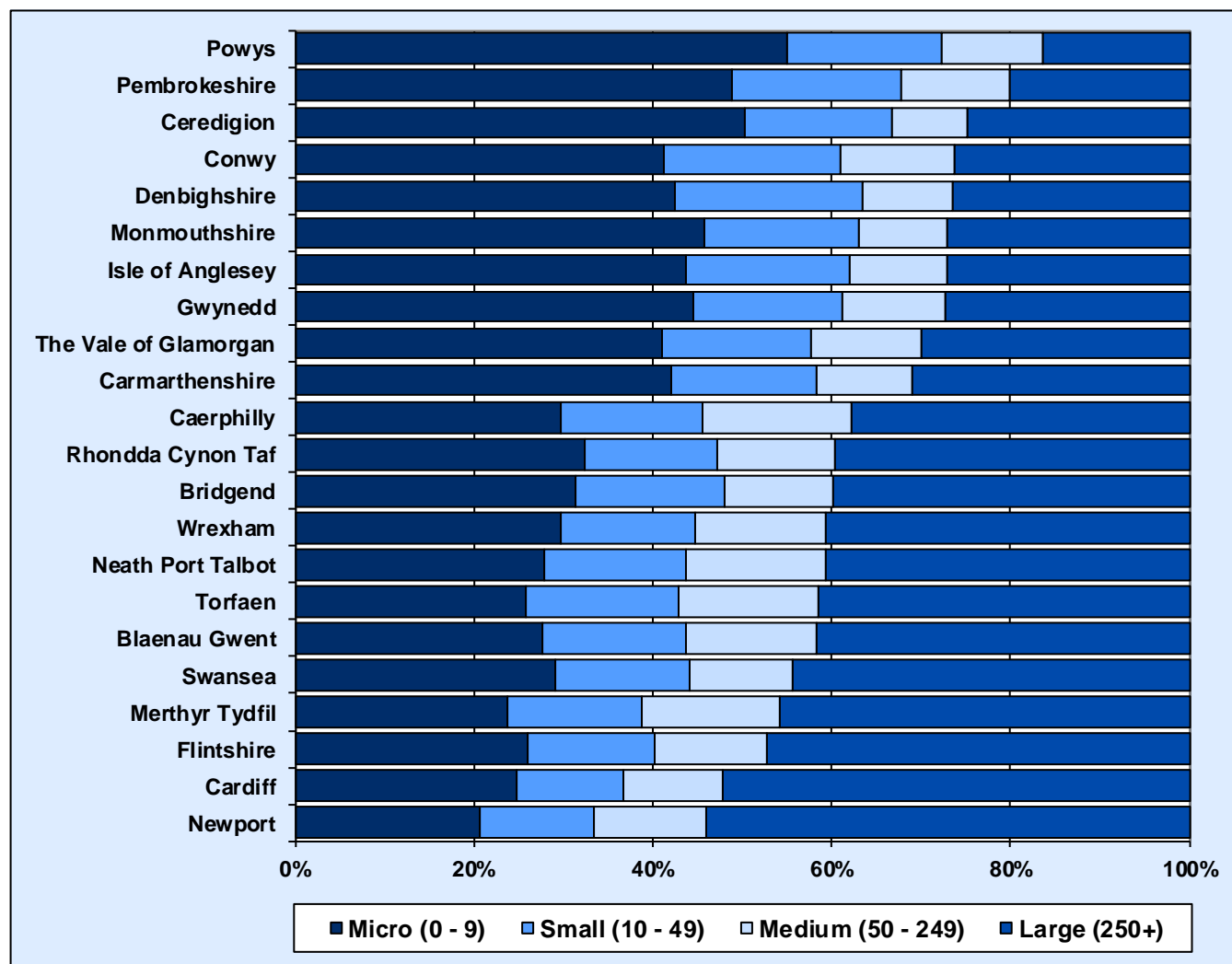
- In 2014, the wholesale, retail, transport, hotels, food and communication sector had the largest proportion of SMEs accounting for 25.0 per cent of active SMEs in Wales. The production sector had the smallest proportion of the SMEs active in Wales accounting for 6.3 per cent of the total.
- Similarly the wholesale, retail, transport, hotels, food and communication sector had the largest proportion of employment at 31.0 per cent in SMEs active in Wales. Agriculture, forestry and fishing was the sector with the smallest proportion of total employment in SMEs in Wales (4.9 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 as they are workplace based.

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, 2014



- The rural authorities in Wales had the largest shares in employment in micro sized enterprises (Powys, Ceredigion and Pembrokeshire) whilst Newport and Merthyr Tydfil 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 Monmouthshire had the smallest shares. Newport and Cardiff 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, 2014

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	4,730	190	50	120	5,090	92.9	3.7	1.0	2.3	100.0
Gwynedd	13,250	475	115	240	14,080	94.1	3.4	0.8	1.7	100.0
Conwy	8,870	420	125	270	9,685	91.6	4.3	1.3	2.8	100.0
Denbighshire	8,320	375	85	210	8,985	92.6	4.2	0.9	2.3	100.0
Flintshire	10,065	520	175	275	11,040	91.2	4.7	1.6	2.5	100.0
Wrexham	8,775	420	135	305	9,635	91.1	4.4	1.4	3.2	100.0
Powys	18,490	520	140	190	19,335	95.6	2.7	0.7	1.0	100.0
Ceredigion	8,520	280	60	155	9,020	94.5	3.1	0.7	1.7	100.0
Pembrokeshire	12,415	455	105	205	13,185	94.2	3.5	0.8	1.6	100.0
Carmarthenshire	14,640	550	145	290	15,625	93.7	3.5	0.9	1.9	100.0
Swansea	15,020	685	220	445	16,365	91.8	4.2	1.3	2.7	100.0
Neath Port Talbot	6,340	360	115	210	7,025	90.2	5.1	1.6	3.0	100.0
Bridgend	8,810	420	145	290	9,665	91.2	4.3	1.5	3.0	100.0
The Vale of Glamorgan	8,640	355	105	200	9,300	92.9	3.8	1.1	2.2	100.0
Rhondda Cynon Taf	12,340	525	155	265	13,285	92.9	4.0	1.2	2.0	100.0
Merthyr Tydfil	1,960	135	50	170	2,315	84.6	5.9	2.1	7.4	100.0
Caerphilly	7,910	410	140	210	8,675	91.2	4.7	1.6	2.4	100.0
Blaenau Gwent	2,340	145	55	125	2,665	87.9	5.4	2.0	4.7	100.0
Torfaen	3,950	270	90	225	4,530	87.1	5.9	2.0	4.9	100.0
Monmouthshire	9,130	330	85	185	9,725	93.9	3.4	0.9	1.9	100.0
Newport	6,820	430	175	345	7,770	87.8	5.5	2.3	4.5	100.0
Cardiff	27,640	1,205	510	860	30,210	91.5	4.0	1.7	2.8	100.0
North Wales	53,960	2,270	515	655	57,400	94.0	4.0	0.9	1.1	100.0
Mid Wales	27,010	790	180	255	28,235	95.7	2.8	0.6	0.9	100.0
South West Wales	48,385	1,970	470	635	51,465	94.0	3.8	0.9	1.2	100.0
South East Wales	89,450	3,920	1,160	1,245	95,780	93.4	4.1	1.2	1.3	100.0
West Wales and the Valleys	129,300	5,340	1,180	1,030	136,845	94.5	3.9	0.9	0.8	100.0
East Wales	89,535	3,645	1,105	1,220	95,505	93.7	3.8	1.2	1.3	100.0
Wales	218,745	8,740	2,030	1,595	231,110	94.6	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 2014:

- Of the 22 local authorities Powys had the largest share of micro size-band enterprises; Merthyr Tydfil and Torfaen had the largest share of small size-band enterprises; Newport had the largest share of medium size-band enterprises and Merthyr Tydfil had the largest share of large size-band enterprises.
- Merthyr Tydfil had the smallest share of enterprises in the micro size-band amongst the 22 local authorities; Powys had the smallest share of both small and large size-band enterprises; whilst Powys and Ceredigion had the smallest share of medium size-band enterprises.
- West Wales and the Valleys had a larger share of micro size-band enterprises than East Wales (94.5 per cent compared with 93.7 per cent) whilst East Wales had a larger share of enterprises in the large size-band. This was reflected in the employment within these enterprises also.
- Cardiff had more active enterprises than any other local authority in Wales (30,210); followed by Powys (19,335). Merthyr Tydfil and Blaenau Gwent had the smallest number of enterprises active (2,315 and 2,665 respectively).

- In 2014 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 28.9 per cent in South East Wales to 53.4 per cent in Mid Wales and shares of employment in the large size-band varied from 19.2 per cent in Mid Wales to 44.2 per cent in South East Wales.

Table 6: Size-band analysis of employment in Welsh enterprises by sub region, 2014

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	8.3	3.5	2.1	5.2	19.1	43.8	18.2	10.9	27.1	100.0
Gwynedd	21.3	7.9	5.5	13.0	47.6	44.6	16.6	11.5	27.2	100.0
Conwy	15.1	7.3	4.7	9.6	36.6	41.2	19.8	12.8	26.2	100.0
Denbighshire	13.8	6.8	3.3	8.6	32.5	42.4	21.0	10.3	26.3	100.0
Flintshire	17.1	9.2	8.2	30.9	65.4	26.1	14.1	12.5	47.2	100.0
Wrexham	14.4	7.3	7.0	19.6	48.3	29.8	15.1	14.6	40.6	100.0
Powys	29.9	9.4	6.2	8.9	54.4	55.0	17.3	11.4	16.3	100.0
Ceredigion	14.0	4.6	2.3	6.9	27.7	50.4	16.5	8.3	24.8	100.0
Pembrokeshire	21.0	8.2	5.2	8.7	43.0	48.8	18.9	12.1	20.1	100.0
Carmarthenshire	24.4	9.5	6.2	18.0	58.0	42.1	16.3	10.6	31.0	100.0
Swansea	24.4	12.5	9.7	37.1	83.6	29.2	14.9	11.6	44.3	100.0
Neath Port Talbot	10.9	6.2	6.0	15.9	38.9	27.9	15.9	15.4	40.7	100.0
Bridgend	14.1	7.5	5.5	17.9	45.0	31.4	16.6	12.3	39.8	100.0
The Vale of Glamorgan	14.3	5.8	4.3	10.4	34.7	41.1	16.6	12.3	30.0	100.0
Rhondda Cynon Taf	20.1	9.2	8.2	24.6	62.0	32.4	14.8	13.2	39.6	100.0
Merthyr Tydfil	3.7	2.3	2.4	7.0	15.3	23.8	14.9	15.4	45.9	100.0
Caerphilly	13.5	7.3	7.5	17.2	45.6	29.7	16.0	16.5	37.8	100.0
Blaenau Gwent	4.3	2.5	2.3	6.4	15.4	27.7	16.0	14.6	41.7	100.0
Torfaen	7.0	4.6	4.2	11.2	27.0	25.8	17.1	15.6	41.5	100.0
Monmouthshire	14.9	5.7	3.2	8.8	32.6	45.7	17.4	9.9	27.0	100.0
Newport	11.4	7.0	6.8	29.8	55.1	20.7	12.7	12.4	54.1	100.0
Cardiff	42.3	20.3	19.3	88.9	170.7	24.8	11.9	11.3	52.1	100.0
North Wales	89.9	42.0	30.8	86.8	249.4	36.1	16.8	12.3	34.8	100.0
Mid Wales	43.9	14.0	8.5	15.7	82.1	53.4	17.0	10.3	19.2	100.0
South West Wales	80.7	36.3	27.1	79.6	223.6	36.1	16.2	12.1	35.6	100.0
South East Wales	145.5	72.0	63.6	222.2	503.4	28.9	14.3	12.6	44.2	100.0
West Wales and the Valleys	215.7	99.6	75.0	207.0	597.3	36.1	16.7	12.6	34.7	100.0
East Wales	144.3	64.6	55.0	197.3	461.2	31.3	14.0	11.9	42.8	100.0
Wales	360.0	164.3	130.0	404.3	1,058.5	34.0	15.5	12.3	38.2	100.0

In 2014:

- Cardiff had the largest employment in active enterprises amongst the 22 local authorities in Wales (170,700) followed by Swansea (83,600), Flintshire (65,400) and Rhondda Cynon Taf (62,000). Merthyr Tydfil had the smallest number in employment (15,300) followed by Blaenau Gwent (15,400) and the Isle of Anglesey (19,100).
- When comparing West Wales and the Valleys to East Wales; West Wales and the Valleys had the largest employment in active enterprises (597,300 compared to 461,200), with it having 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, 2014 (a)(b)

Area	Non-UK owned		UK owned		% Non-UK owned	
	Enterprises	Employment (000s)	Enterprises	Employment (000s)	Enterprises	Employment
Isle of Anglesey	45	2.2	5,045	16.9	0.9	11.4
Gwynedd	75	2.8	14,010	44.8	0.5	5.9
Conwy	100	3.7	9,585	32.8	1.0	10.2
Denbighshire	75	3.2	8,910	29.3	0.8	9.9
Flintshire	150	16.7	10,890	48.7	1.3	25.5
Wrexham	150	9.6	9,485	38.7	1.5	19.8
Powys	60	2.6	19,275	51.8	0.3	4.8
Ceredigion	50	1.1	8,970	26.6	0.5	3.9
Pembrokeshire	70	2.6	13,115	40.4	0.5	6.0
Carmarthenshire	100	5.2	15,525	52.8	0.6	9.0
Swansea	170	8.2	16,195	75.4	1.0	9.8
Neath Port Talbot	80	9.1	6,950	29.9	1.1	23.3
Bridgend	125	9.2	9,540	35.8	1.3	20.4
The Vale of Glamorgan	85	4.4	9,215	30.3	0.9	12.6
Rhondda Cynon Taf	115	9.3	13,170	52.7	0.9	15.0
Merthyr Tydfil	50	2.4	2,265	12.9	2.2	15.9
Caerphilly	100	8.7	8,575	36.9	1.1	19.0
Blaenau Gwent	50	3.7	2,615	11.7	1.9	23.9
Torfaen	100	5.7	4,430	21.3	2.2	21.0
Monmouthshire	70	3.2	9,660	29.4	0.7	9.8
Newport	155	10.5	7,615	44.5	2.0	19.1
Cardiff	405	22.8	29,800	147.9	1.3	13.4
North Wales	360	38.2	57,040	211.3	0.6	15.3
Mid Wales	85	3.7	28,150	78.4	0.3	4.5
South West Wales	275	25.1	51,185	198.5	0.5	11.2
South East Wales	785	79.9	94,995	423.5	0.8	15.9
West Wales and the Valleys	605	77.1	136,240	520.2	0.4	12.9
East Wales	720	69.8	94,785	391.4	0.8	15.1
Wales	1,110	146.9	230,005	911.7	0.5	13.9

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

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

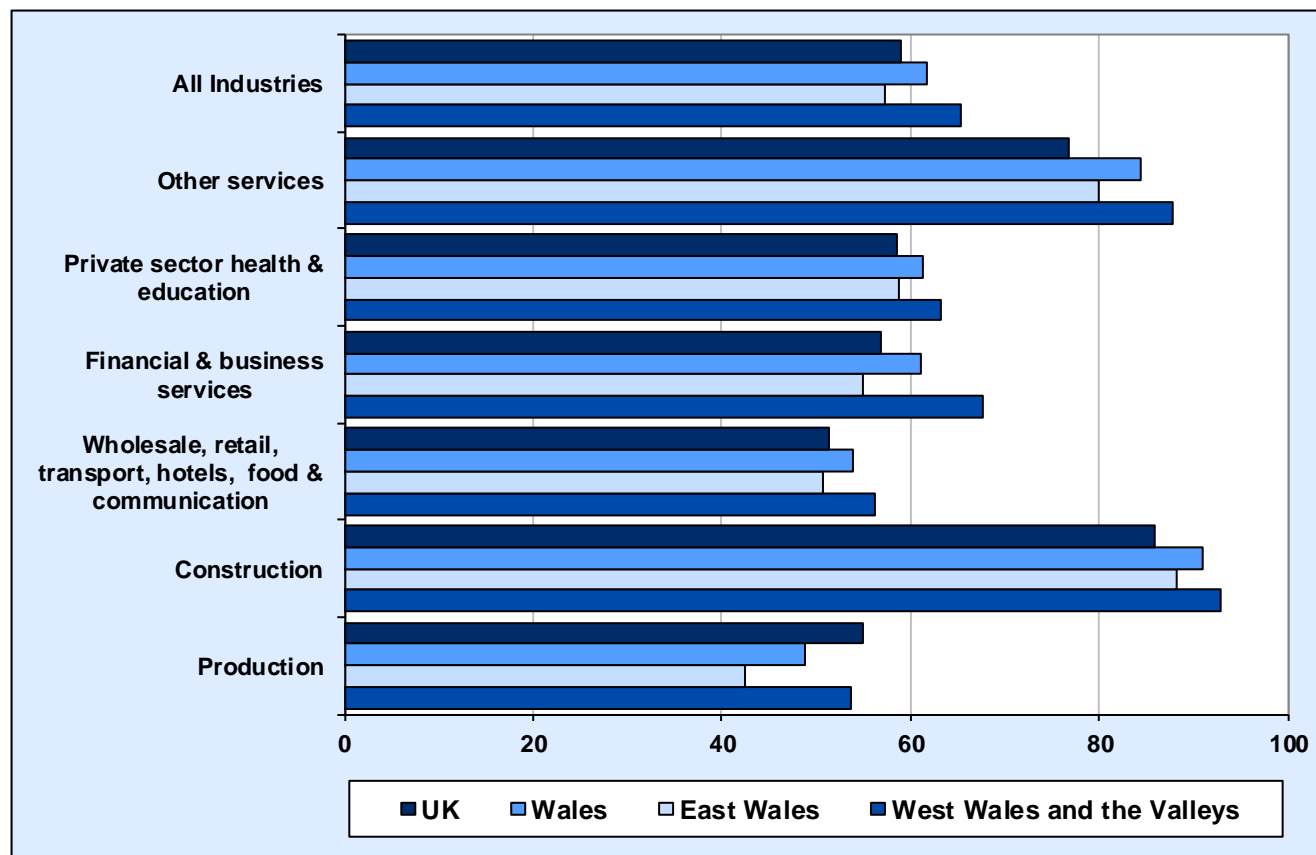
In 2014:

- Amongst the 22 local authorities Torfaen and Merthyr Tydfil had the largest percentage of non-UK owned enterprises (both 2.2 per cent) whilst Powys had the smallest percentage (0.3 per cent) followed by Ceredigion and Pembrokeshire (both 0.5 per cent).
- Flintshire had the largest percentage of employment in non-UK owned enterprises (25.5 per cent) followed by Blaenau Gwent (23.9 per cent) and Neath Port Talbot (23.3 per cent). Ceredigion had the lowest percentage of employment in non-UK owned enterprises (3.9 per cent) followed by Powys (4.8 per cent) and Gwynedd (5.9 per cent).
- East Wales had a larger percentage of foreign owned enterprises than West Wales and the Valleys (0.8 per cent compared with 0.4 per cent). This was also reflected in employment, 15.1 per cent in East Wales compared to 12.9 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 (15.9 per cent) and Mid Wales the smallest (4.5 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, 2014 (a)



(a) Agriculture excluded due to disclosure.

In 2014:

- 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.
- West Wales and the Valleys had 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, 87.7 per cent compared to 76.9 per in the UK. The remaining sector, production, had 1.3 percentage points lower employment than the UK (53.7 per cent compared to 55.0 per cent).
- East Wales had larger proportions of employment in SMEs than the UK in 3 of the 6 industry sectors (the construction, private sector health and education and other services sectors). The largest difference in employment was in the production sector, 42.5 per cent compared to 55.0 per cent in the UK.

Table 8: Industry analysis of active enterprises in West Wales and the Valleys, 2014

Industry / size band	Enterprises (000s) (a)			Employment (000s)			Turnover (£bn) (b)		
	WW&V	% of total		WW&V	% of total		WW&V	% of total	
		WW&V	Wales		WW&V	Wales		WW&V	Wales
Agriculture, forestry & fishing									
Micro (0 - 9)	10.2	99.3	99.2	18.8	93.5	91.5	1.0	87.5	85.5
10+	0.1	0.7	0.8	1.3	6.5	8.5	0.1	12.5	14.5
All	10.3	100.0	100.0	20.1	100.0	100.0	1.2	100.0	100.0
Production									
Micro (0 - 9)	7.7	88.3	88.9	13.5	15.2	14.0	0.9	2.5	2.6
Small (10 - 49)	0.6	7.1	6.6	12.8	14.3	12.5	1.2	3.3	3.6
Medium (50 - 249)	0.3	2.9	2.9	21.6	24.2	22.2	3.5	9.5	10.6
Large (250+)	0.2	1.7	1.6	41.2	46.3	51.3	30.6	84.7	83.1
All	8.8	100.0	100.0	89.1	100.0	100.0	36.2	100.0	100.0
Construction									
Micro (0 - 9)	26.1	97.9	97.9	36.4	67.8	67.0	2.0	48.3	46.6
Small (10 - 49)	0.4	1.7	1.6	8.1	15.0	15.1	0.8	18.5	17.2
Medium (50 - 249)	0.1	0.3	0.3	5.4	10.0	9.0	0.6	15.0	13.7
Large (250+)	0.0	0.2	0.2	3.8	7.1	9.0	0.7	18.2	22.5
All	26.6	100.0	100.0	53.6	100.0	100.0	4.1	100.0	100.0
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	32.0	91.5	91.8	68.7	31.3	29.6	4.4	19.8	19.0
Small (10 - 49)	2.2	6.2	6.0	38.4	17.5	16.5	3.7	16.6	16.0
Medium (50 - 249)	0.3	0.9	1.0	16.4	7.5	7.9	2.4	10.7	11.9
Large (250+)	0.5	1.3	1.2	96.0	43.7	46.0	11.8	52.9	53.2
All	35.0	100.0	100.0	219.6	100.0	100.0	22.3	100.0	100.0
Financial & business services									
Micro (0 - 9)	22.7	95.2	95.3	35.1	39.0	35.1	.	.	.
Small (10 - 49)	0.7	3.1	3.1	13.6	15.2	13.7	.	.	.
Medium (50 - 249)	0.2	0.9	0.9	12.3	13.7	12.3	.	.	.
Large (250+)	0.2	0.8	0.8	29.0	32.2	38.9	.	.	.
All	23.9	100.0	100.0	90.0	100.0	100.0	.	.	.
Private sector health & education									
Micro (0 - 9)	13.6	91.1	91.9	19.2	21.8	21.7	0.6	25.0	23.3
Small (10 - 49)	1.0	6.4	5.9	20.3	23.1	21.2	0.9	34.8	29.6
Medium (50 - 249)	0.3	1.7	1.5	16.3	18.5	18.5	0.5	19.0	18.8
Large (250+)	0.1	0.8	0.7	32.2	36.7	38.6	0.5	21.2	28.3
All	14.9	100.0	100.0	87.9	100.0	100.0	2.6	100.0	100.0
Other services									
Micro (0 - 9)	16.9	97.6	97.3	24.0	65.0	61.2	0.7	29.9	26.9
Small (10 - 49)	0.3	1.9	2.0	5.4	14.7	15.0	0.2	8.3	8.8
Medium (50 - 249)	0.1	0.3	0.4	3.0	8.1	8.3	0.3	12.2	16.2
Large (250+)	0.0	0.2	0.3	4.5	12.3	15.5	1.1	49.7	48.2
All	17.3	100.0	100.0	37.0	100.0	100.0	2.2	100.0	100.0
All industries									
Micro (0 - 9)	129.3	94.5	94.6	215.7	36.1	34.0	9.6	14.0	14.2
Small (10 - 49)	5.3	3.9	3.8	99.6	16.7	15.5	6.8	10.0	10.0
Medium (50 - 249)	1.2	0.9	0.9	75.0	12.6	12.3	7.2	10.5	11.7
Large (250+)	1.0	0.8	0.7	207.0	34.7	38.2	44.9	65.5	64.2
All	136.8	100.0	100.0	597.3	100.0	100.0	68.6	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.

Table 9: Industry analysis of enterprises active in East Wales, 2014

Industry / size band	Enterprises (000s) (a)			Employment (000s)			Turnover (£bn) (b)		
	EW	% of total		EW	% of total		EW	% of total	
		EW	Wales		EW	Wales		EW	Wales
Agriculture, forestry & fishing									
Micro (0 - 9)	5.7	98.9	99.2	11.0	88.3	91.5	0.7	82.7	85.5
10+	0.1	1.1	0.8	1.5	11.7	8.5	0.1	17.3	14.5
All	5.7	100.0	100.0	12.5	100.0	100.0	0.8	100.0	100.0
Production									
Micro (0 - 9)	5.3	88.6	88.9	8.9	12.6	14.0	0.6	2.8	2.6
Small (10 - 49)	0.4	6.1	6.6	7.2	10.2	12.5	0.9	4.0	3.6
Medium (50 - 249)	0.2	3.1	2.9	13.9	19.7	22.2	2.8	12.5	10.6
Large (250+)	0.1	2.3	1.6	40.7	57.5	51.3	17.9	80.7	83.1
All	6.0	100.0	100.0	70.8	100.0	100.0	22.2	100.0	100.0
Construction									
Micro (0 - 9)	17.0	97.8	97.9	22.7	65.7	67.0	1.5	44.5	46.6
Small (10 - 49)	0.3	1.6	1.6	5.2	15.1	15.1	0.5	15.6	17.2
Medium (50 - 249)	0.1	0.3	0.3	2.5	7.4	9.0	0.4	12.3	13.7
Large (250+)	0.1	0.3	0.2	4.1	11.8	9.0	1.0	27.6	22.5
All	17.4	100.0	100.0	34.5	100.0	100.0	3.5	100.0	100.0
Wholesale, retail, transport, hotels, food & communication									
Micro (0 - 9)	21.4	90.3	91.8	42.5	27.2	29.6	3.1	17.9	19.0
Small (10 - 49)	1.4	5.9	6.0	23.6	15.1	16.5	2.7	15.2	16.0
Medium (50 - 249)	0.4	1.5	1.0	13.4	8.6	7.9	2.4	13.4	11.9
Large (250+)	0.6	2.3	1.2	76.8	49.2	46.0	9.4	53.5	53.2
All	23.7	100.0	100.0	156.3	100.0	100.0	17.6	100.0	100.0
Financial & business services									
Micro (0 - 9)	20.7	94.4	95.3	31.1	31.6	35.1	.	.	.
Small (10 - 49)	0.7	3.3	3.1	12.2	12.3	13.7	.	.	.
Medium (50 - 249)	0.2	1.1	0.9	10.9	11.0	12.3	.	.	.
Large (250+)	0.3	1.3	0.8	44.3	45.0	38.9	.	.	.
All	22.0	100.0	100.0	98.5	100.0	100.0	.	.	.
Private sector health & education									
Micro (0 - 9)	9.6	91.5	91.9	13.6	21.7	21.7	0.5	21.4	23.3
Small (10 - 49)	0.6	5.4	5.9	11.6	18.5	21.2	0.5	23.5	29.6
Medium (50 - 249)	0.2	1.9	1.5	11.6	18.5	18.5	0.4	18.5	18.8
Large (250+)	0.1	1.2	0.7	25.9	41.3	38.6	0.8	36.7	28.3
All	10.5	100.0	100.0	62.7	100.0	100.0	2.2	100.0	100.0
Other services									
Micro (0 - 9)	9.9	96.2	97.3	14.5	55.7	61.2	0.4	23.1	26.9
Small (10 - 49)	0.3	2.5	2.0	4.0	15.4	15.0	0.2	9.4	8.8
Medium (50 - 249)	0.1	0.7	0.4	2.3	8.7	8.3	0.4	21.1	16.2
Large (250+)	0.1	0.7	0.3	5.2	20.1	15.5	0.8	46.4	48.2
All	10.3	100.0	100.0	26.0	100.0	100.0	1.8	100.0	100.0
All industries									
Micro (0 - 9)	89.5	93.7	94.6	144.3	31.3	34.0	6.9	14.3	14.2
Small (10 - 49)	3.6	3.8	3.8	64.6	14.0	15.5	4.9	10.1	10.0
Medium (50 - 249)	1.1	1.2	0.9	55.0	11.9	12.3	6.4	13.2	11.7
Large (250+)	1.2	1.3	0.7	197.3	42.8	38.2	30.0	62.3	64.2
All	95.5	100.0	100.0	461.2	100.0	100.0	48.1	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.

In 2014:

- 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 (35,000) followed by the construction sector (26,600), with these 2 sectors accounting for 45 per cent of the total enterprises active. The smallest sector was production (8,800) which accounted for 6 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 (219,600) followed by the financial and business services sector (90,000) with these 2 sectors accounting 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 (20,100) 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 (1.7 per cent) followed by the wholesale, retail, transport, hotels, food and communication sector (1.3 per cent), with these 2 sectors also having the highest shares of employment in this size-band (46.3 per cent and 43.7 per cent respectively). The construction and other services sectors had the smallest share of large size-band enterprises (both 0.2 per cent) and these 2 sectors also had the smallest employment shares (7.1 per cent and 12.3 per cent respectively).
- The largest sector in terms of the total number of enterprises active in East Wales was the wholesale, retail, transport, hotels, food and communication sector (23,700) followed by the financial and business services sector (22,000), with these 2 sectors accounting for 48 per cent of the total enterprises active. The smallest sector was agriculture, forestry and fishing (5,700) which accounted for 6 per cent of the total enterprises active.
- In East Wales the largest sector in terms of total employment was the wholesale, retail, transport, hotels, food and communication sector (156,300) followed by the financial and business services sector (98,500) with these 2 sectors accounting for 55 per cent of total employment in enterprises active in East Wales. The smallest sector was agriculture, forestry and fishing (12,500) 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 2.3 per cent) with these 2 sectors also having the highest shares of employment in this size-band (57.5 per cent and 49.2 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 other services sectors showed the largest differences, with the share of employment in West Wales and the Valleys being 3.8 percentage points higher than that for Wales and 9.3 percentage points higher than East Wales.
- West Wales and the Valleys had smaller shares of employment in the large size-band enterprises across all industry sectors than both East Wales and Wales, with the largest differences in the financial and business services sector and the production sector.
- 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 0.1 percentage points higher and Wales had an equal share and the other services sector where East Wales was 0.8 percentage points higher and Wales 0.3 percentage points higher.
- West Wales and the Valleys had higher shares of employment in the medium size-band enterprises in 3 of the industry sectors (production, construction and the financial and business services sectors) than in both East Wales and Wales.

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 2013, the most recently available BIS data. The table shows that around 26 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 70,000 employees in Wales in 2013 (for the UK these figures are 68,000 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 the micro and small 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, 2013

Size-band	Welsh Government (WG)	Business Innovation & Skills (BIS)	Difference (WG - BIS)	% difference
Enterprise count (000s):				
Estimates:				
Micro (0 - 9)	207.5	180.9	-26.6	-12.8%
Small (10 - 49)	8.3	7.4	-0.9	-10.7%
Medium (50 - 249)	2.0	1.2	-0.8	-41.0%
Large (250+)	1.6	0.2	-1.4	-88.4%
All	219.4	189.7	-29.7	-13.6%
Percentage shares by size band:				
Micro (0 - 9)	94.6%	95.4%		
Small (10 - 49)	3.8%	3.9%		
Medium (50 - 249)	0.9%	0.6%		
Large (250+)	0.7%	0.1%		
All	100.0%	100.0%		
Employment (000s):				
Estimates:				
Micro (0 - 9)	343.0	322.0	-21.0	-6.1%
Small (10 - 49)	155.8	145.0	-10.8	-6.9%
Medium (50 - 249)	130.4	112.0	-18.4	-14.1%
Large (250+)	407.8	190.0	-217.8	-53.4%
All	1,036.9	769.0	-267.9	-25.8%
Percentage shares by size band:				
Micro (0 - 9)	33.1%	41.9%		
Small (10 - 49)	15.0%	18.9%		
Medium (50 - 249)	12.6%	14.6%		
Large (250+)	39.3%	24.7%		
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 no changes/revisions from last year's bulletin.

Future releases:

There are no planned changes/revisions to future bulletins.

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://wales.gov.uk/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 (around 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.wales.gov.uk/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 2014, the data could have been updated at any point up to March 2014.

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.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Structure>