



## Size Analysis of Active Businesses in Wales, 2017

21 Dec 2017  
SFR 189/2017

### Key points

**There were an estimated 253,600 enterprises active in Wales in 2017, the highest estimate since the start of the series in 2003, employing an estimated 1.1 million people.**

- In 2017, around 0.4 per cent of enterprises active in Wales were non-UK owned, accounting for 13.6 per cent of employment in 2017. This relatively high employment share is due to non-UK enterprises having a higher proportion of large enterprises than small and medium enterprises (SMEs).

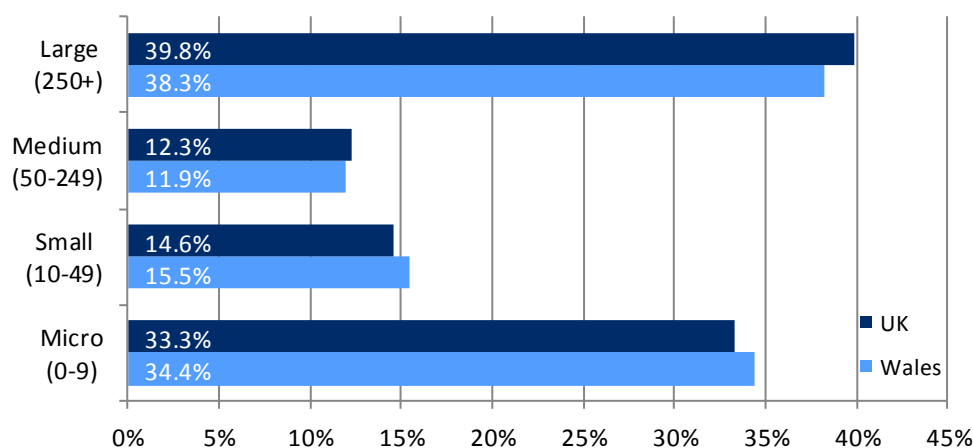
**In 2017, 38.3 per cent of private sector employment in Wales was accounted for by large enterprises (those with 250 or more employees), compared to 39.8 per cent for the UK.**

- Between 2003 and 2017, the proportion of employment in the large size-band fell by 3.3 percentage points in Wales and fell by 3.6 percentage points in the UK.

**SMEs accounted for 61.7 per cent of employment and 40.6 per cent of turnover in 2017 (with large enterprises accounting for the remainder).**

- The majority of active enterprises were small and medium sized enterprises, accounting for 99.3 per cent of total enterprises in Wales in 2017. Micro enterprises (0-9 employees) accounted for 94.9 per cent of the total enterprises in Wales in 2017.

### Employment shares by employee size-band, 2017



### About this release

This annual release provides data on the structure of enterprises active in Wales between 2003 and 2017, including estimates for the very smallest businesses that operate below the Value-Added Tax (VAT) threshold.

The Inter-Departmental Business Register (IDBR) extract used in this release was taken on 31 March 2017.

### In this bulletin

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# 1. Comparisons of business structure in Wales and the UK

There were an estimated 253,600 enterprises active in Wales in 2017, the highest estimate since the start of the series in 2003 (*Table 1.1*). This is a 1.1 per cent increase from 2016 and a 49.6 per cent increase from 2003. These enterprises employed an estimated 1.1 million people and had an estimated combined annual turnover of £117.1 billion.

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

										<i>% change latest year over:</i>	
	<u>2003</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2003</u>	<u>2016</u>
<b>Enterprises (000s) (b)</b>											
Micro (0 - 9)	159.0	196.8	199.8	202.6	209.7	220.6	227.3	238.0	240.6	51.3	1.1
Small (10 - 49)	7.2	8.0	7.8	7.9	8.3	8.7	9.1	9.1	9.3	28.6	1.9
Medium (50 - 249)	1.7	1.9	1.9	2.0	2.0	2.0	2.1	2.1	2.1	21.5	-0.3
Large (250+)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	3.7	1.1
<b>All</b>	<b>169.5</b>	<b>208.3</b>	<b>211.1</b>	<b>214.0</b>	<b>221.6</b>	<b>233.0</b>	<b>240.1</b>	<b>250.8</b>	<b>253.6</b>	<b>49.6</b>	<b>1.1</b>
<b>Employment (000s)</b>											
Micro (0 - 9)	285.4	335.9	335.2	342.6	346.1	362.3	381.8	389.2	392.7	37.6	0.9
Small (10 - 49)	136.7	151.1	146.3	148.3	155.8	164.3	172.7	172.7	176.7	29.3	2.4
Medium (50 - 249)	114.8	121.2	123.6	128.1	130.4	130.0	131.3	136.9	136.4	18.8	-0.4
Large (250+)	381.6	410.5	397.6	401.9	407.8	404.3	414.7	427.7	437.5	14.6	2.3
<b>All</b>	<b>918.5</b>	<b>1,018.6</b>	<b>1,002.6</b>	<b>1,021.0</b>	<b>1,040.0</b>	<b>1,060.9</b>	<b>1,100.5</b>	<b>1,126.5</b>	<b>1,143.3</b>	<b>24.5</b>	<b>1.5</b>
<b>Turnover (£bn) (c)</b>											
Micro (0 - 9)	12.7	17.0	16.0	16.1	16.4	16.6	17.6	19.3	20.1	.	4.3
Small (10 - 49)	8.0	11.6	10.6	10.6	11.9	11.7	12.4	12.7	13.2	.	3.9
Medium (50 - 249)	9.2	13.1	11.9	12.9	13.6	13.6	14.1	14.5	14.2	.	-1.8
Large (250+)	40.2	61.9	56.1	63.2	73.7	74.9	74.8	70.6	69.6	.	-1.4
<b>All</b>	<b>70.1</b>	<b>103.6</b>	<b>94.7</b>	<b>102.9</b>	<b>115.7</b>	<b>116.7</b>	<b>118.9</b>	<b>117.0</b>	<b>117.1</b>	.	<b>0.1</b>

(a) The full series are available on StatsWales.

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

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

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

Over the year, employment increased by 1.5 per cent and the medium size band was the only size band which decreased. Small size band enterprises had the largest increase when compared to 2016 (up 2.4 per cent). Between 2003 and 2017, total private sector employment increased by 24.5 per cent, with micro sized enterprises having the largest increase in employment (up 37.6 per cent) and large sized enterprises having the smallest increase (up 14.6 per cent).

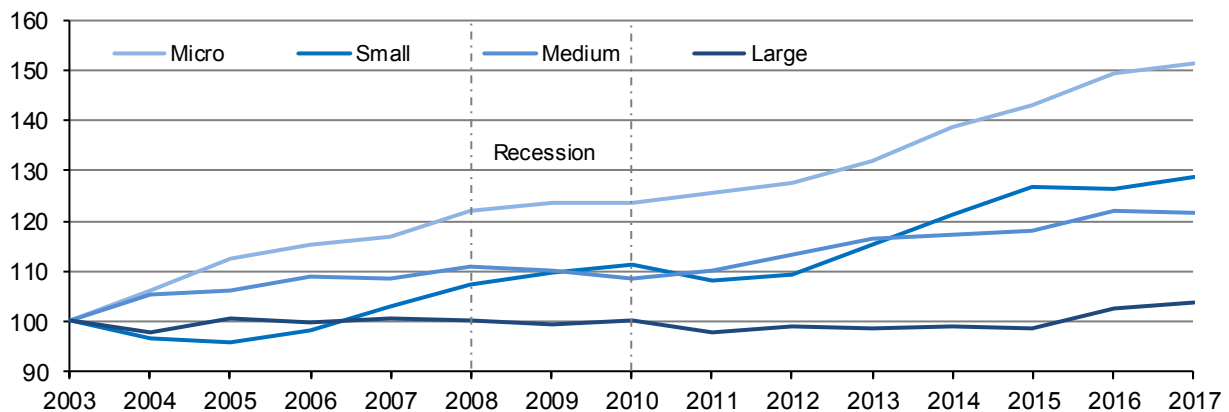
Over the year, turnover increased by 0.1 per cent with two of the four size-bands seeing an increase (micro and small). Micro size-band enterprises had the largest increase in turnover when compared to 2016 (up 4.3 per cent), whilst turnover in medium size-band enterprises fell by 1.8 per cent.

Between 2003 and 2017 the number of enterprises active in Wales grew by 49.6 per cent.

Between 2003 and 2009 the number of enterprises active in Wales grew by 22.6 per cent; post 2009 growth slowed, with the largest growth in the number of enterprises active in Wales between 2013 and 2014 (up 5.1 per cent).

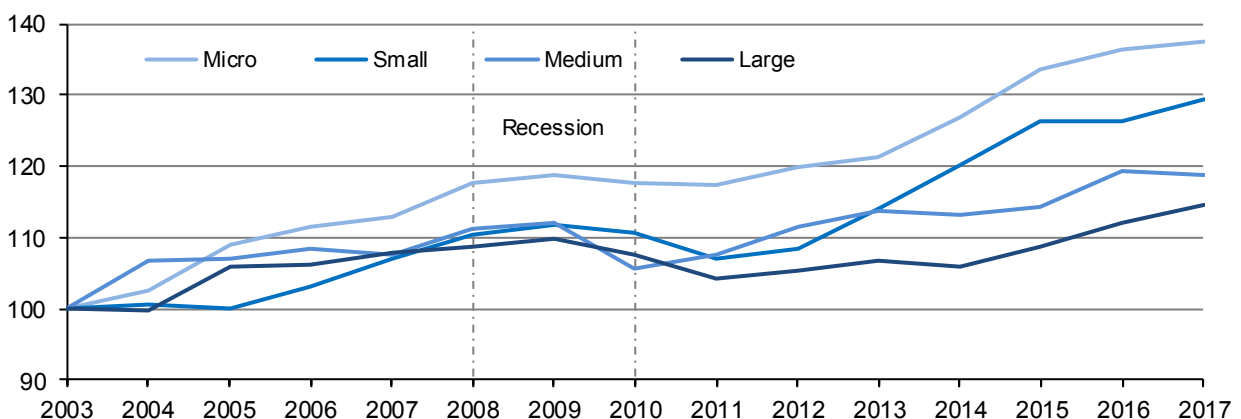
Between 2003 and 2017 the overall increase in enterprises active in Wales was largely due to growth in the micro size-band enterprises (up 51.3 per cent). Recent increases in micro size enterprises could be as a result of the recent labour market conditions, which may have encouraged people to set up businesses as they are made redundant, for example. The increase in the last two years 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, 2003-2017 (Index 2003=100)**



Between 2003 and 2017 employment in enterprises active in Wales grew by 24.5 per cent. Generally there was year on year growth in employment in enterprises active in Wales since 2003. There was, however, a fall in employment during the recession (2009-2011).

**Chart 1.2: Employment in enterprises active in Wales by employee size-band, 2003-2017 (Index 2003=100)**



Between 2003 and 2017 enterprises in the micro size-band had the largest percentage growth in employment in Wales (up 37.6 per cent), whilst employment in enterprises in the large size-band had the smallest percentage increase (up 14.6 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 2017, employment increased in all size-bands and reached its highest levels in 2017 in all except the medium size-band.

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 59.4 per cent of total turnover in Wales, compared to 51.2 per cent in the UK in 2017. (*Table 1.2*)

In 2017, 99.3 per cent of total enterprises active in Wales were small and medium sized enterprises (SMEs), with micro enterprises (0-9 employees) accounting for 94.9 per cent of the total enterprises active in Wales. SMEs accounted for 61.7 per cent of employment and 40.6 per cent of turnover in 2017 with large enterprises accounting for the remainder.

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

										% change latest year over:	
	2003	2010	2011	2012	2013	2014	2015	2016	2017	2003	2016
Wales											
Enterprises (b)											
Micro (0 - 9)	93.8	94.5	94.7	94.7	94.6	94.7	94.7	94.9	94.9	1.1	0.0
Small (10 - 49)	4.2	3.9	3.7	3.7	3.7	3.8	3.8	3.6	3.7	-0.6	0.0
Medium (50 - 249)	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	-0.2	0.0
Large (250+)	1.0	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	-0.3	0.0
Employment											
Micro (0 - 9)	31.1	33.0	33.4	33.6	33.3	34.2	34.7	34.6	34.4	3.5	-0.2
Small (10 - 49)	14.9	14.8	14.6	14.5	15.0	15.5	15.7	15.3	15.5	0.4	0.1
Medium (50 - 249)	12.5	11.9	12.3	12.5	12.5	12.3	11.9	12.2	11.9	-0.3	-0.2
Large (250+)	41.6	40.3	39.7	39.4	39.2	38.1	37.7	38.0	38.3	-3.3	0.3
Turnover (c)											
Micro (0 - 9)	18.1	16.4	16.9	15.6	14.2	14.2	14.8	16.5	17.2	.	0.7
Small (10 - 49)	11.4	11.2	11.2	10.3	10.3	10.0	10.4	10.8	11.2	.	0.4
Medium (50 - 249)	13.1	12.6	12.6	12.6	11.8	11.7	11.8	12.4	12.2	.	-0.2
Large (250+)	57.4	59.7	59.3	61.5	63.7	64.1	62.9	60.3	59.4	.	-0.9
UK											
Enterprises											
Micro (0 - 9)	94.5	95.5	95.7	95.7	95.7	95.7	95.8	95.9	96.0	1.4	0.1
Small (10 - 49)	4.5	3.7	3.5	3.5	3.6	3.6	3.5	3.4	3.3	-1.1	-0.1
Medium (50 - 249)	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	-0.2	0.0
Large (250+)	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0
Employment											
Micro (0 - 9)	28.2	30.7	31.5	31.9	31.4	31.7	32.6	32.7	33.3	4.5	0.6
Small (10 - 49)	15.1	14.4	14.2	14.4	14.7	14.8	14.9	14.6	14.6	-0.5	0.0
Medium (50 - 249)	13.3	12.5	12.5	12.5	12.5	12.5	12.3	12.4	12.3	-0.9	-0.1
Large (250+)	43.4	42.3	41.8	41.3	41.5	41.0	40.2	40.3	39.8	-3.6	-0.5
Turnover (c)											
Micro (0 - 9)	19.2	18.3	18.4	18.1	16.2	16.4	16.1	16.5	20.4		3.9
Small (10 - 49)	15.1	14.7	14.6	14.2	14.6	14.3	14.3	14.2	14.1	.	-0.1
Medium (50 - 249)	15.6	13.3	13.5	14.2	15.0	13.4	14.3	14.1	14.4	.	0.3
Large (250+)	50.1	53.6	53.5	53.5	54.2	55.8	55.3	55.2	51.2	.	-4.1

(a) The full series are available on StatsWales.

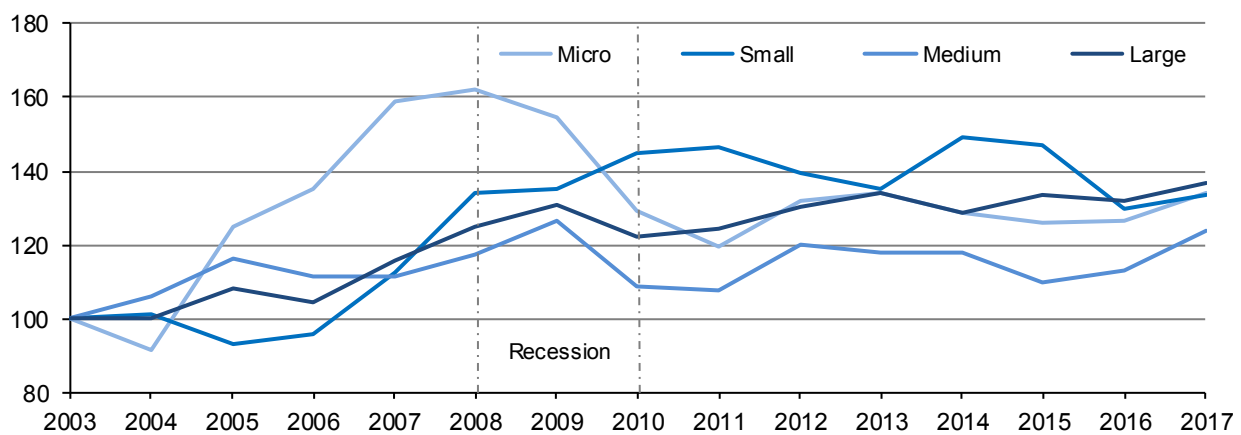
(b) This is a count of enterprises that are active in Wales, including multi-region enterprises registered outside Wales.

(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.

## 2. Foreign ownership in Wales

The number of UK owned enterprises increased by 49.7 per cent between 2003 and 2017 compared to a 31.8 per cent increase in non-UK owned enterprises. The overall growth in employment in enterprises active in Wales between 2003 and 2017 was largely accounted for by employment in UK owned enterprises, which increased by 184,400 compared to a 40,400 increase in non-UK owned enterprises. However, employment in non-UK owned enterprises grew more over this period in percentage terms, up 35.1 per cent, compared to 23.0 per cent for UK owned enterprises. ([Table 2.1](#))

**Chart 2.1: Employment in foreign owned enterprises active in Wales by employee size-band, 2003-2017 (Index 2003=100)**



In 2017, around 0.4 per cent of enterprises active in Wales were non-UK owned, accounting for 13.6 per cent of employment, up from 12.5 per cent in 2003. Over the latest year the number of non-UK owned enterprises increased (up 2.9 per cent) with employment in these enterprises increasing by 4.5 per cent.

Between 2003 and 2009 there was an increase in employment in non-UK owned enterprises of 30.5 per cent. There was a fall in employment in non-UK owned enterprises between 2009 and 2010, with large percentage falls seen in micro and medium sized enterprises whilst employment in small sized enterprises increased. Between 2011 and 2017 there has been an overall percentage increase within large, medium and micro enterprises whilst employment in small enterprises decreased.

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 last six years.

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

Ownership / size-band	2003	2010	2011	2012	2013	2014	2015	2016	2017	% change latest year over:	
										2003	2016
Enterprises (000s)											
UK											
Micro (0 - 9)	158.8	196.6	199.6	202.4	209.5	220.5	227.2	237.8	240.4	51.4	1.1
Small (10 - 49)	7.1	7.9	7.6	7.7	8.2	8.6	9.0	9.0	9.1	28.4	1.8
Medium (50 - 249)	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	19.9	-1.2
Large (250+)	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.1	-7.2	1.4
All	168.7	207.2	210.0	212.9	220.5	231.9	239.0	249.7	252.5	49.7	1.1
Non-UK											
Micro (0 - 9)	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	16.7	5.2
Small (10 - 49)	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	40.8	4.3
Medium (50 - 249)	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	34.9	6.4
Large (250+)	0.4	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	33.1	0.5
All	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	31.8	2.9
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	1.7	1.7	1.7	1.8	1.7	1.5	1.6	0.1	0.0
Medium (50 - 249)	10.7	11.9	11.5	12.6	12.4	12.5	11.7	11.2	11.9	1.2	0.7
Large (250+)	26.9	31.3	32.6	34.4	33.9	34.8	35.7	34.8	34.6	7.6	-0.2
All	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	-0.1	0.0
Employment (000s)											
UK											
Micro (0 - 9)	285.0	335.3	334.7	342.1	345.5	361.8	381.2	388.7	392.2	37.6	0.9
Small (10 - 49)	134.4	147.9	143.0	145.2	152.7	160.9	169.4	169.8	173.8	29.3	2.4
Medium (50 - 249)	100.8	106.0	108.6	111.4	114.0	113.6	116.0	121.2	119.1	18.1	-1.7
Large (250+)	283.3	290.5	275.4	273.6	276.1	277.8	283.4	298.2	302.9	6.9	1.6
All	803.6	879.7	861.6	872.2	888.3	914.0	950.1	977.8	988.0	23.0	1.0
Non-UK											
Micro (0 - 9)	0.4	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.6	34.0	5.8
Small (10 - 49)	2.2	3.2	3.3	3.1	3.0	3.3	3.3	2.9	3.0	33.6	2.8
Medium (50 - 249)	14.0	15.2	15.0	16.7	16.5	16.4	15.3	15.8	17.3	23.7	9.5
Large (250+)	98.3	120.0	122.2	128.4	131.7	126.6	131.3	129.5	134.5	36.8	3.9
All	114.9	139.0	141.0	148.8	151.7	146.9	150.4	148.7	155.3	35.1	4.5
Percentage Non-UK											
Owned											
Micro (0 - 9)	0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.0	0.0
Small (10 - 49)	1.6	2.1	2.2	2.1	1.9	2.0	1.9	1.7	1.7	0.1	0.0
Medium (50 - 249)	12.2	12.5	12.2	13.1	12.6	12.6	11.7	11.5	12.7	0.5	1.1
Large (250+)	25.8	29.2	30.7	31.9	32.3	31.3	31.7	30.3	30.8	5.0	0.5
All	12.5	13.6	14.1	14.6	14.6	13.8	13.7	13.2	13.6	1.1	0.4

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

(r) Data for 2015-2016 has been revised since previously published.

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

In 2017, *wholesale, retail, transport, hotels, food and communication* was the largest sector in Wales with 61,100 enterprises. The employment in this sector was also the largest amongst the sectors at 395,800. The sector with the second largest number of enterprises was the *financial and business services* sector (54,800) followed by the *construction* sector (45,800). Collectively these three sectors accounted for 63.7 per cent of all enterprises active in Wales in 2017 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 (17,300), it had the fourth largest employment (163,900) and the highest turnover (£52.2 billion) amongst the industry sectors (please note turnover from *financial and business services* is not included in this release, see page 18 of the key quality section for more information).

The *agriculture, forestry and fishing* sector had the largest share of employment in micro enterprises in both Wales and the UK (90.6 per cent and 70.4 per cent respectively), followed by *construction* (66.6 per cent in Wales and 66.0 per cent in the UK). *Production* and *private sector health and education* were the sectors with the smallest share of employment in the micro size-band for both Wales and the UK.

In Wales the *production* sector had the smallest share of employment in small size-band enterprises (12.0 per cent) whereas in the UK the *financial and business services* sector had the smallest share (11.8 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 (19.0 per cent and 16.7 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 (8.1 per cent), whereas in the UK the *construction* sector had the smallest share (7.8 per cent). The largest share of employment in this size-band was in the *production* sector for both Wales and the UK (22.6 per cent and 21.0 per cent respectively).

*Production* had the largest share of employment in large size-band enterprises in Wales (49.8 per cent) whilst the *wholesale, retail, transport, hotels, food and communication* sector was the largest in the UK (47.1 per cent). The *construction* sector had the smallest share of employment in this size-band for both Wales and the UK (9.3 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 24.0 per cent of active SMEs in Wales. The *production* sector had the smallest proportion of the SMEs active in Wales accounting for 6.8 per cent of the total.

Similarly the *wholesale, retail, transport, hotels, food and communication* sector had the largest proportion of employment at 30.9 per cent in SMEs active in Wales. The *agriculture, forestry and fishing* sector had the smallest proportion of total employment in SMEs in Wales at 5.1 per cent.

**Table 3.1: Size-band and industry analysis of enterprises active in Wales, 2017**

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
<b>Agriculture, forestry &amp; fishing</b>									
Micro (0 - 9)	18.5	99.2	97.5	33.2	90.6	70.4	1.7	82.2	64.6
Small, Medium and Large (10+) (c)	0.1	0.8	2.5	3.5	9.4	29.6	0.4	17.8	35.4
<b>All</b>	<b>18.6</b>			<b>36.7</b>			<b>2.1</b>		
<b>Production</b>									
Micro (0 - 9)	15.7	90.7	91.5	25.6	15.6	18.4	3.7	7.1	6.4
Small (10 - 49)	1.0	5.5	6.4	19.7	12.0	16.2	2.4	4.6	8.5
Medium (50 - 249)	0.4	2.5	1.7	37.1	22.6	21.0	6.7	12.8	14.9
Large (250+)	0.2	1.3	0.4	81.6	49.8	44.3	39.5	75.6	70.2
<b>All</b>	<b>17.3</b>			<b>163.9</b>			<b>52.2</b>		
<b>Construction</b>									
Micro (0 - 9)	44.9	97.9	98.4	61.6	66.6	66.0	4.1	43.9	45.9
Small (10 - 49)	0.7	1.6	1.4	14.1	15.3	13.5	1.8	18.8	17.4
Medium (50 - 249)	0.1	0.3	0.2	8.1	8.8	7.9	1.2	12.4	11.9
Large (250+)	0.1	0.2	-	8.6	9.3	12.7	2.3	24.9	24.7
<b>All</b>	<b>45.8</b>			<b>92.5</b>			<b>9.3</b>		
<b>Wholesale, retail, transport, hotels, food &amp; communication</b>									
Micro (0 - 9)	55.9	91.6	94.0	116.0	29.3	27.2	8.2	19.3	20.1
Small (10 - 49)	3.8	6.2	5.1	69.6	17.6	15.5	6.7	15.9	15.5
Medium (50 - 249)	0.6	1.0	0.7	32.2	8.1	10.2	4.7	11.1	14.9
Large (250+)	0.7	1.2	0.1	177.9	45.0	47.1	22.8	53.7	49.4
<b>All</b>	<b>61.1</b>			<b>395.8</b>			<b>42.4</b>		
<b>Financial &amp; business services</b>									
Micro (0 - 9)	52.4	95.8	96.7	79.8	37.2	34.6	.	.	.
Small (10 - 49)	1.5	2.8	2.6	28.2	13.2	11.8	.	.	.
Medium (50 - 249)	0.4	0.8	0.5	24.4	11.4	11.8	.	.	.
Large (250+)	0.4	0.7	0.1	81.9	38.2	41.7	.	.	.
<b>All</b>	<b>54.8</b>			<b>214.4</b>			.	.	.
<b>Private sector health &amp; education</b>									
Micro (0 - 9)	26.9	92.9	95.4	36.6	21.6	26.8	1.2	19.5	23.6
Small (10 - 49)	1.5	5.2	3.6	32.2	19.0	16.7	1.7	26.7	21.8
Medium (50 - 249)	0.4	1.3	0.8	27.5	16.2	16.0	1.3	20.7	18.5
Large (250+)	0.2	0.7	0.2	73.4	43.3	40.5	2.1	33.1	36.1
<b>All</b>	<b>28.9</b>			<b>169.6</b>			<b>6.3</b>		
<b>Other services</b>									
Micro (0 - 9)	26.4	97.0	97.6	40.0	56.7	52.1	1.2	24.9	25.4
Small (10 - 49)	0.6	2.2	2.1	10.8	15.3	14.6	0.4	8.7	9.2
Medium (50 - 249)	0.1	0.5	0.3	6.5	9.3	10.1	0.4	7.4	8.5
Large (250+)	0.1	0.3	0.1	13.2	18.7	23.1	2.8	59.1	56.9
<b>All</b>	<b>27.2</b>			<b>70.5</b>			<b>4.8</b>		
<b>All industries</b>									
Micro (0 - 9)	240.6	94.9	96.0	392.7	34.4	33.3	20.1	17.2	20.4
Small (10 - 49)	9.3	3.7	3.3	176.7	15.5	14.6	13.2	11.2	14.1
Medium (50 - 249)	2.1	0.8	0.6	136.4	11.9	12.3	14.2	12.2	14.4
Large (250+)	1.7	0.7	0.1	437.5	38.3	39.8	69.6	59.4	51.2
<b>All</b>	<b>253.6</b>			<b>1,143.3</b>			<b>117.1</b>		

(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 2017<sup>1</sup>

In 2017, the largest share of enterprises was the micro size-band for all 22 local authorities in Wales, ranging from 87.1 per cent in Merthyr Tydfil to 95.4 per cent in Powys. The small size-band enterprises had the next largest share in all local authorities (except Merthyr Tydfil) followed by large size-band enterprises. 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 (32,150); followed by Powys (19,100) and Swansea (18,795). Merthyr Tydfil and Blaenau Gwent had the smallest number of active enterprises (2,855 and 4,000 respectively). (*Table 4.1*)

**Table 4.1: Size-band analysis enterprises active in Wales by sub-region, 2017**

Area	Enterprise Count (a)					Percentage of total			
	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250+)	Total	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250+)
Isle of Anglesey	6,120	225	50	130	<b>6,520</b>	93.8	3.5	0.7	2.0
Gwynedd	14,910	505	120	250	<b>15,780</b>	94.5	3.2	0.7	1.6
Conwy	10,660	445	110	275	<b>11,495</b>	92.8	3.9	1.0	2.4
Denbighshire	8,590	395	80	210	<b>9,270</b>	92.7	4.2	0.9	2.2
Flintshire	10,900	530	170	300	<b>11,900</b>	91.6	4.5	1.4	2.5
Wrexham	8,060	415	125	315	<b>8,910</b>	90.4	4.6	1.4	3.5
Powys	18,225	520	130	220	<b>19,100</b>	95.4	2.7	0.7	1.1
Ceredigion	9,975	310	50	170	<b>10,510</b>	94.9	3.0	0.5	1.6
Pembrokeshire	13,515	505	120	210	<b>14,350</b>	94.2	3.5	0.8	1.5
Carmarthenshire	16,550	600	140	310	<b>17,595</b>	94.1	3.4	0.8	1.8
Swansea	17,375	755	225	445	<b>18,795</b>	92.4	4.0	1.2	2.4
Neath Port Talbot	7,690	360	115	220	<b>8,385</b>	91.7	4.3	1.4	2.6
Bridgend	7,400	410	160	305	<b>8,275</b>	89.4	5.0	1.9	3.7
The Vale of Glamorgan	9,520	365	100	220	<b>10,205</b>	93.3	3.6	1.0	2.1
Rhondda Cynon Taf	10,705	560	170	270	<b>11,700</b>	91.5	4.8	1.5	2.3
Merthyr Tydfil	2,485	150	45	175	<b>2,855</b>	87.1	5.3	1.6	6.1
Caerphilly	10,405	420	140	210	<b>11,175</b>	93.1	3.7	1.3	1.9
Blaenau Gwent	3,680	145	45	130	<b>4,000</b>	92.0	3.6	1.2	3.3
Torfaen	5,030	285	95	215	<b>5,625</b>	89.4	5.0	1.7	3.9
Monmouthshire	10,440	330	90	185	<b>11,040</b>	94.5	3.0	0.8	1.7
Newport	9,105	435	160	375	<b>10,075</b>	90.4	4.3	1.6	3.7
Cardiff	29,445	1,285	525	895	<b>32,150</b>	91.6	4.0	1.6	2.8
North Wales	59,190	2,395	510	685	<b>62,775</b>	94.3	3.8	0.8	1.1
Mid Wales	28,195	825	170	290	<b>29,480</b>	95.6	2.8	0.6	1.0
South West Wales	55,100	2,125	500	630	<b>58,360</b>	94.4	3.6	0.9	1.1
South East Wales	98,150	4,115	1,210	1,300	<b>104,770</b>	93.7	3.9	1.2	1.2
West Wales and the Valleys	144,980	5,725	1,235	1,035	<b>152,970</b>	94.8	3.7	0.8	0.7
East Wales	95,675	3,760	1,120	1,310	<b>101,865</b>	93.9	3.7	1.1	1.3
<b>Wales</b>	<b>240,590</b>	<b>9,265</b>	<b>2,105</b>	<b>1,675</b>	<b>253,635</b>	<b>94.9</b>	<b>3.7</b>	<b>0.8</b>	<b>0.7</b>

(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.

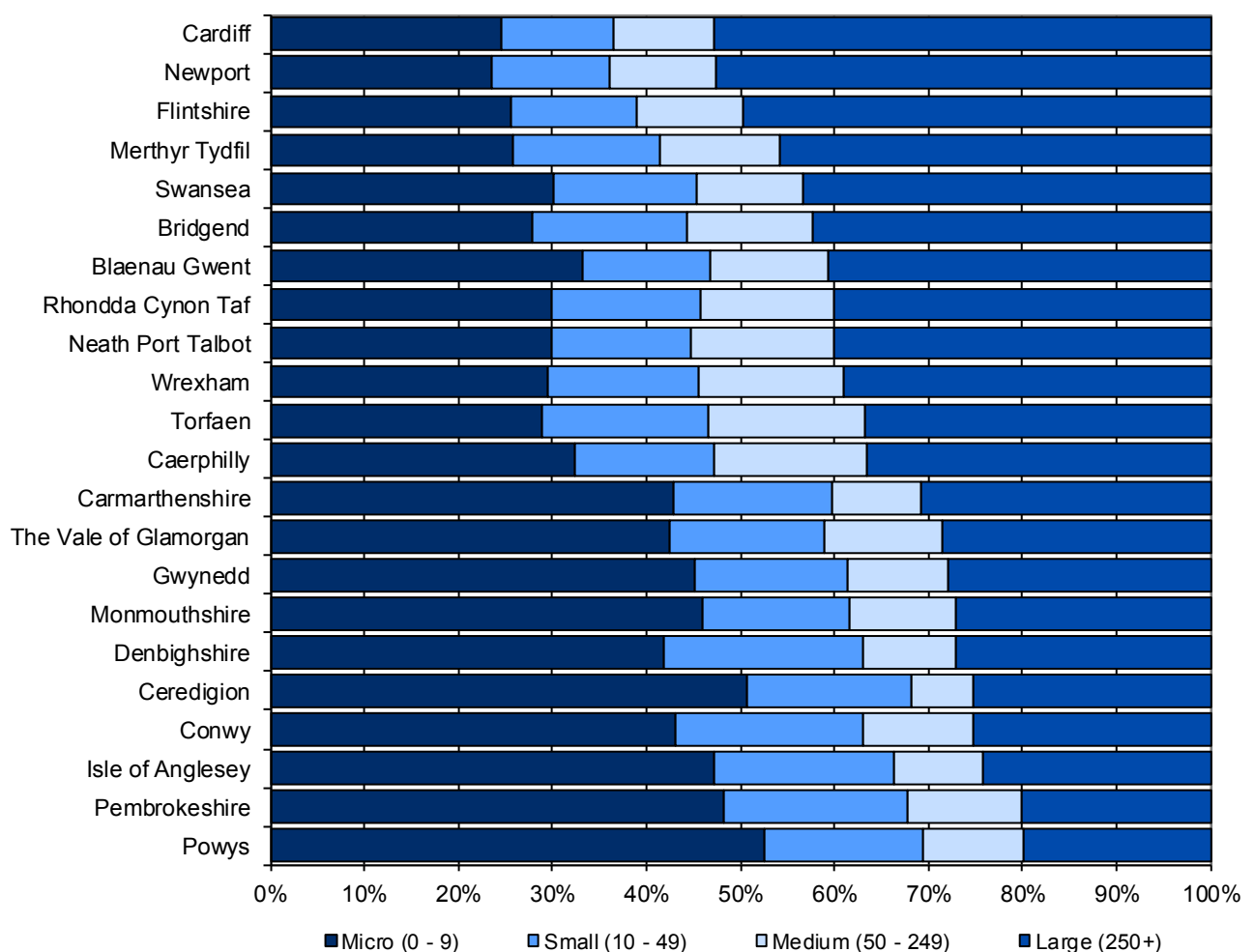
<sup>1</sup> Geographical breakdowns of the data are workplace based. Each enterprise and its related employment and turnover is allocated to a sub-area of Wales based solely on the physical location of the enterprise or its sites. The employment aggregates take no account of the area in which those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

West Wales and the Valleys had a larger share of micro size-band enterprises than East Wales (94.8 per cent compared with 93.9 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 29.3 per cent in South East Wales to 52.0 per cent in Mid Wales and shares of employment in the large size-band varied from 21.7 per cent in Mid Wales to 44.1 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 band. 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 Ceredigion and Isle of Anglesey had the smallest shares. Cardiff and Newport had the largest shares of employment in large size-band enterprises whilst Powys and Pembrokeshire had the smallest.

**Chart 4.1: Proportion of employment by size-band and local authority, 2017**



**Table 4.2: Size-band analysis of employment by Welsh authorities, 2017**

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+)	
Isle of Anglesey	10.0	4.1	2.0	5.1	<b>21.2</b>	47.2	19.1	9.5	24.2	
Gwynedd	23.6	8.5	5.6	14.5	<b>52.2</b>	45.2	16.2	10.7	27.8	
Conwy	17.5	8.1	4.8	10.2	<b>40.6</b>	43.1	20.0	11.8	25.1	
Denbighshire	14.2	7.2	3.3	9.2	<b>34.0</b>	41.9	21.1	9.8	27.1	
Flintshire	18.5	9.7	8.2	35.9	<b>72.2</b>	25.6	13.4	11.4	49.7	
Wrexham	13.8	7.5	7.2	18.2	<b>46.7</b>	29.5	16.2	15.4	39.0	
Powys	29.8	9.5	6.1	11.2	<b>56.6</b>	52.6	16.8	10.8	19.8	
Ceredigion	15.9	5.4	2.1	7.9	<b>31.3</b>	50.8	17.3	6.6	25.2	
Pembrokeshire	22.5	9.1	5.7	9.3	<b>46.6</b>	48.2	19.5	12.3	20.0	
Carmarthenshire	27.3	10.7	6.1	19.6	<b>63.7</b>	42.8	16.9	9.6	30.7	
Swansea	27.5	13.9	10.4	39.5	<b>91.3</b>	30.2	15.2	11.4	43.2	
Neath Port Talbot	12.8	6.4	6.5	17.1	<b>42.8</b>	30.0	14.9	15.2	40.0	
Bridgend	12.9	7.6	6.2	19.5	<b>46.2</b>	27.9	16.5	13.4	42.2	
The Vale of Glamorgan	15.7	6.1	4.6	10.5	<b>36.9</b>	42.4	16.6	12.4	28.5	
Rhondda Cynon Taf	18.6	9.8	8.7	24.9	<b>62.1</b>	30.0	15.9	14.1	40.1	
Merthyr Tydfil	4.4	2.7	2.2	7.8	<b>17.0</b>	25.7	15.7	12.9	45.8	
Caerphilly	16.5	7.5	8.3	18.6	<b>50.9</b>	32.4	14.7	16.3	36.5	
Blaenau Gwent	5.8	2.4	2.2	7.1	<b>17.4</b>	33.3	13.5	12.5	40.7	
Torfaen	8.4	5.2	4.8	10.7	<b>29.2</b>	28.8	17.7	16.6	36.8	
Monmouthshire	16.7	5.6	4.1	9.8	<b>36.2</b>	46.1	15.4	11.3	27.1	
Newport	14.6	7.8	7.1	32.7	<b>62.2</b>	23.5	12.5	11.4	52.6	
Cardiff	45.8	22.1	20.1	98.1	<b>186.1</b>	24.6	11.9	10.8	52.7	
North Wales	97.6	45.0	31.2	93.1	<b>266.9</b>	36.6	16.9	11.7	34.9	
Mid Wales	45.7	14.9	8.2	19.1	<b>87.9</b>	52.0	17.0	9.3	21.7	
South West Wales	90.1	40.1	28.7	85.4	<b>244.3</b>	36.9	16.4	11.8	35.0	
South East Wales	159.4	76.8	68.3	239.8	<b>544.3</b>	29.3	14.1	12.5	44.1	
West Wales and the Valleys	237.9	108.4	79.0	221.0	<b>646.4</b>	36.8	16.8	12.2	34.2	
East Wales	154.8	68.3	57.4	216.5	<b>496.9</b>	31.2	13.7	11.5	43.6	
<b>Wales</b>	<b>392.7</b>	<b>176.7</b>	<b>136.4</b>	<b>437.5</b>	<b>1,143.3</b>	<b>34.4</b>	<b>15.5</b>	<b>11.9</b>	<b>38.3</b>	

Cardiff had the largest employment in all active enterprises (186,100) followed by Swansea (91,300), Flintshire (72,200) and Carmarthenshire (63,700). Merthyr Tydfil had the smallest number in employment (17,000) followed by Blaenau Gwent (17,400) and the Isle of Anglesey (21,200). West Wales and the Valleys (646,400) had more employment in active enterprises than East Wales (496,900) and a larger proportion of employment in all size-bands except large enterprises.

Amongst the 22 local authorities Merthyr Tydfil and Torfaen had the largest percentage of non-UK owned enterprises (both 1.8 per cent) whilst Powys had the smallest percentage (0.3 per cent) followed by Pembrokeshire, Gwynedd and Ceredigion (all 0.5 per cent). ([Table 4.3](#))

Flintshire had the largest percentage of employment in non-UK owned enterprises (25.0 per cent) followed by Bridgend (22.2 per cent) and Neath Port Talbot (21.6 per cent). Ceredigion had the lowest percentage of employment in non-UK owned enterprises (3.7 per cent) followed by Pembrokeshire (4.8 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 with 15.6 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 (0.8 per cent) and Mid Wales had the smallest (0.3 per cent). South East Wales also had the highest percentage of employment in non-UK owned enterprises (15.8 per cent) and Mid Wales had the smallest (5.0 per cent).

**Table 4.3: Enterprises active in Wales by ownership and sub region, 2017 (a) (b)**

Area	Non-UK owned		UK owned		% Non-UK owned	
	Enterprises	Employment (000s)	Enterprises	Employment (000s)	Enterprises	Employment
Isle of Anglesey	55	2.0	6,465	19.2	0.8	9.5
Gwynedd	80	3.1	15,700	49.1	0.5	6.0
Conwy	95	3.3	11,395	37.3	0.8	8.1
Denbighshire	70	3.1	9,200	30.9	0.7	9.0
Flintshire	160	18.0	11,740	54.2	1.3	25.0
Wrexham	155	9.6	8,760	37.1	1.7	20.5
Powys	65	3.3	19,035	53.3	0.3	5.7
Ceredigion	55	1.2	10,455	30.1	0.5	3.7
Pembrokeshire	70	2.2	14,280	44.3	0.5	4.8
Carmarthenshire	105	6.7	17,490	57.0	0.6	10.5
Swansea	170	8.4	18,625	82.8	0.9	9.2
Neath Port Talbot	85	9.2	8,300	33.5	1.0	21.6
Bridgend	135	10.2	8,140	35.9	1.6	22.2
The Vale of Glamorgan	85	4.6	10,120	32.3	0.8	12.5
Rhondda Cynon Taf	125	9.1	11,575	53.0	1.1	14.6
Merthyr Tydfil	50	2.7	2,800	14.3	1.8	15.8
Caerphilly	105	8.9	11,070	42.1	0.9	17.4
Blaenau Gwent	55	3.6	3,945	13.8	1.4	20.9
Torfaen	100	4.5	5,525	24.7	1.8	15.4
Monmouthshire	75	4.8	10,970	31.5	0.7	13.1
Newport	165	11.6	9,910	50.5	1.6	18.7
Cardiff	415	25.7	31,735	160.4	1.3	13.8
North Wales	370	39.1	62,405	227.8	0.6	14.6
Mid Wales	95	4.4	29,385	83.5	0.3	5.0
South West Wales	275	26.6	58,085	217.7	0.5	10.9
South East Wales	805	85.8	103,970	458.5	0.8	15.8
West Wales and the Valleys	620	78.2	152,350	568.1	0.4	12.1
East Wales	745	77.6	101,120	419.3	0.7	15.6
<b>Wales</b>	<b>1,135</b>	<b>155.3</b>	<b>252,495</b>	<b>988.0</b>	<b>0.4</b>	<b>13.6</b>

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

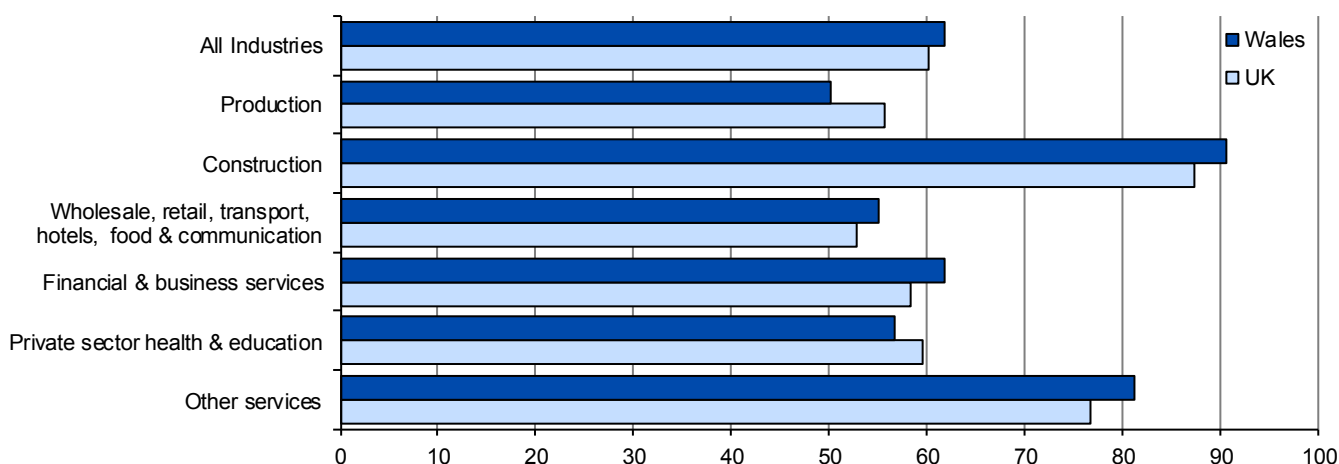
(b) This is a count of enterprises that are active in the given area within Wales. Enterprises active in more than one area will be counted more than once so the sum across all the areas will not equal the figure for Wales.

## 5. Industry and business structure in sub-Wales regions, 2017

The *construction* sector had the largest proportion of employment in SMEs in Wales in 2017 (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 had the smallest proportion of employment in the UK.

Wales has larger proportions of employment in SMEs than the UK in four of the six industry sectors. Of these the largest difference in employment is in the *other services* sector, 81.3 per cent in Wales compared to 76.9 per in the UK. In *production*, the proportion of employment in SMEs was 5.4 percentage points lower than the UK (50.2 per cent compared to 55.7 per cent). (Chart 5.1)

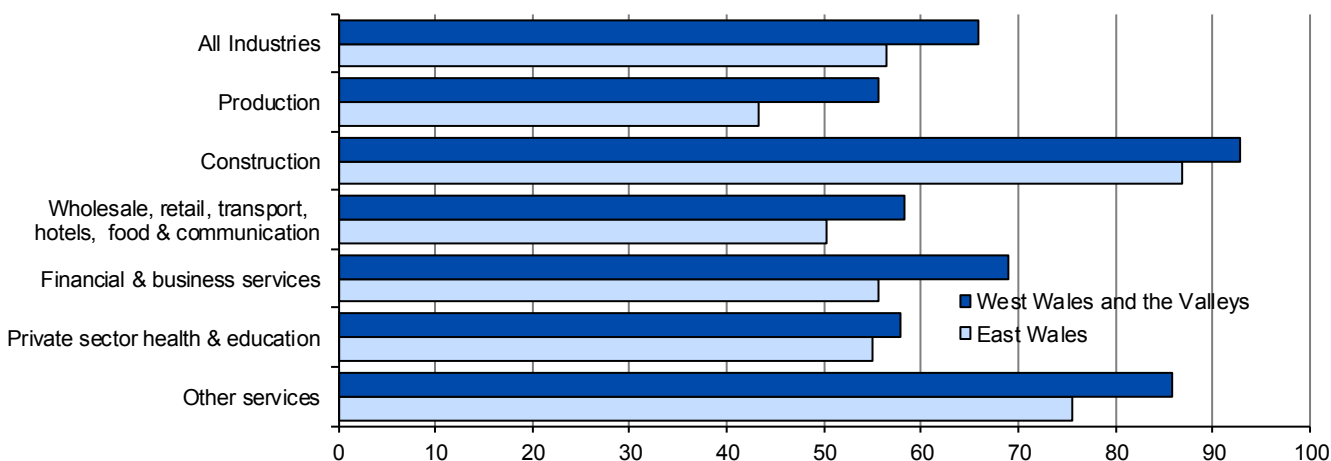
**Chart 5.1: Proportion of employment in small/medium enterprises (SMEs) by industry in Wales and the UK, 2017 (a)**



(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*, 69.0 per cent in West Wales and the Valleys compared to 55.5 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, 2017 (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* sector (38,700) followed by the *construction* (29,900). These two sectors accounted for 44.8 per cent of the total enterprises active. The smallest sector was *production* (11,100) which accounted for 7.3 per cent of the total enterprises active in West Wales and the Valleys. (Table 5.1)

**Table 5.1: Industry analysis of active enterprises in West Wales and the Valleys, 2017**

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
<b>Agriculture, forestry &amp; fishing</b>									
Micro (0 - 9)	12.4	99.3	99.2	21.7	92.8	90.6	1.1	86.1	82.2
Small, Medium and Large (10+) (c)	0.1	0.7	0.8	1.7	7.2	9.4	0.2	13.9	17.8
<b>All</b>	<b>12.4</b>			<b>23.4</b>			<b>1.2</b>		
<b>Production</b>									
Micro (0 - 9)	10.1	91.0	90.7	16.3	17.7	15.6	1.1	3.8	7.1
Small (10 - 49)	0.6	5.5	5.5	12.7	13.8	12.0	1.4	4.9	4.6
Medium (50 - 249)	0.3	2.3	2.5	22.2	24.1	22.6	3.6	12.4	12.8
Large (250+)	0.1	1.2	1.3	40.8	44.3	49.8	23.1	79.0	75.6
<b>All</b>	<b>11.1</b>			<b>92.0</b>			<b>29.3</b>		
<b>Construction</b>									
Micro (0 - 9)	29.3	98.0	97.9	40.1	68.0	66.6	2.5	46.4	43.9
Small (10 - 49)	0.5	1.6	1.6	9.0	15.3	15.3	1.1	19.9	18.8
Medium (50 - 249)	0.1	0.3	0.3	5.6	9.6	8.8	0.8	14.2	12.4
Large (250+)	0.0	0.1	0.2	4.2	7.2	9.3	1.1	19.5	24.9
<b>All</b>	<b>29.9</b>			<b>58.9</b>			<b>5.5</b>		
<b>Wholesale, retail, transport, hotels, food &amp; communication</b>									
Micro (0 - 9)	35.4	91.5	91.6	73.4	31.5	29.3	4.9	20.5	19.3
Small (10 - 49)	2.4	6.3	6.2	44.1	18.9	17.6	3.8	15.7	15.9
Medium (50 - 249)	0.4	1.0	1.0	18.6	8.0	8.1	2.8	11.6	11.1
Large (250+)	0.5	1.2	1.2	97.2	41.7	45.0	12.5	52.1	53.7
<b>All</b>	<b>38.7</b>			<b>233.3</b>			<b>23.9</b>		
<b>Financial &amp; business services</b>									
Micro (0 - 9)	26.2	95.5	95.8	40.8	41.2	37.2	.	.	.
Small (10 - 49)	0.8	2.9	2.8	14.9	15.0	13.2	.	.	.
Medium (50 - 249)	0.2	0.8	0.8	12.7	12.8	11.4	.	.	.
Large (250+)	0.2	0.7	0.7	30.7	31.0	38.2	.	.	.
<b>All</b>	<b>27.5</b>			<b>99.1</b>			.	.	.
<b>Private sector health &amp; education</b>									
Micro (0 - 9)	15.8	92.3	92.9	21.4	21.4	21.6	0.7	19.9	19.5
Small (10 - 49)	1.0	5.6	5.2	20.3	20.3	19.0	1.1	30.3	26.7
Medium (50 - 249)	0.2	1.3	1.3	16.1	16.1	16.2	0.7	21.0	20.7
Large (250+)	0.1	0.8	0.7	42.0	42.1	43.3	1.0	28.8	33.1
<b>All</b>	<b>17.1</b>			<b>99.9</b>			<b>3.5</b>		
<b>Other services</b>									
Micro (0 - 9)	15.9	97.1	97.0	24.1	60.8	56.7	0.7	25.2	24.9
Small (10 - 49)	0.4	2.2	2.2	6.3	15.8	15.3	0.2	8.4	8.7
Medium (50 - 249)	0.1	0.4	0.5	3.6	9.1	9.3	0.1	5.2	7.4
Large (250+)	0.1	0.3	0.3	5.7	14.2	18.7	1.7	61.3	59.1
<b>All</b>	<b>16.3</b>			<b>39.7</b>			<b>2.8</b>		
<b>All industries</b>									
Micro (0 - 9)	145.0	94.8	94.9	237.9	36.8	34.4	11.0	16.6	17.2
Small (10 - 49)	5.7	3.7	3.7	108.4	16.8	15.5	7.7	11.6	11.2
Medium (50 - 249)	1.2	0.8	0.8	79.0	12.2	11.9	8.1	12.2	12.2
Large (250+)	1.0	0.7	0.7	221.0	34.2	38.3	39.4	59.6	59.4
<b>All</b>	<b>153.0</b>			<b>646.4</b>			<b>66.2</b>		

(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 (233,300) followed by the *private sector health & education* (99,900). These two sectors accounted for over half of total employment in enterprises active in West Wales and the Valleys (51.6 per cent). The smallest sector was *agriculture, forestry and fishing* (23,400) which accounted for 3.6 per cent of total employment. ([Table 5.1](#))

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 (1.2 per cent). The *production* sector and the *private sector health & education* sector had the highest shares of employment in the large size-band (44.3 per cent and 42.1 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 (27,500), followed by the *wholesale, retail, transport, hotels, food and communication* sector (23,000). These two sectors accounted for 49.6 per cent of the total enterprises active. The smallest sector was *agriculture, forestry and fishing* (6,200) which accounted for 6.1 per cent of the total enterprises active in East Wales. ([Table 5.2](#))

The same two sectors were also the largest sectors in terms of total employment in East Wales with employment in the *wholesale, retail, transport, hotels, food and communication* sector at 162,400 and employment in the *financial and business services* sector at 115,300. These two sectors accounted for 55.9 per cent of the total employment in enterprises active in East Wales. The sector with the smallest employment was *agriculture, forestry and fishing* (13,300) which accounted for 2.7 per cent of total employment in East Wales.

The highest share of large size-band enterprises in East Wales was in the *wholesale, retail, transport, hotels, food and communication* sector and the *production* sector (2.6 per cent and 2.3 per cent, respectively). These two sectors also had the highest shares of employment in this size-band (49.7 per cent in *wholesale, retail, transport, hotels, food and communication* and 56.7 in *production* per cent). The *construction* sector had the smallest shares of large size-band enterprises and employment.

In 5 of the 6 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 exception being *private sector health & education*. The share of employment in micro size-band enterprises within the *other services* sector showed the largest differences, with the share of employment in West Wales and the Valleys being 4.1 percentage points higher than that for Wales and 9.3 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*. Which was the same. West Wales and Valleys had a higher share of employment than Wales in all sectors except *construction*, which was the same.

For medium size-band enterprises, East Wales had lower shares of employment than Wales in the *Production, Construction and Financial & business activities* sectors. West Wales and the Valleys had higher shares of employment than Wales in the *Production, Construction and Financial & business activities* sectors.

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, 2017**

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
<b>Agriculture, forestry &amp; fishing</b>									
Micro (0 - 9)	6.1	99.0	99.2	11.5	86.5	90.6	0.7	76.8	82.2
Small, Medium and Large (10+) (c)	0.1	1.0	0.8	1.8	13.5	9.4	0.2	23.2	17.8
<b>All</b>	<b>6.2</b>			<b>13.3</b>			<b>0.9</b>		
<b>Production</b>									
Micro (0 - 9)	5.6	89.1	90.7	9.2	12.8	15.6	2.6	11.3	7.1
Small (10 - 49)	0.4	5.6	5.5	7.0	9.8	12.0	1.0	4.2	4.6
Medium (50 - 249)	0.2	3.0	2.5	14.9	20.7	22.6	3.0	13.2	12.8
Large (250+)	0.1	2.3	1.3	40.8	56.7	49.8	16.4	71.3	75.6
<b>All</b>	<b>6.3</b>			<b>71.9</b>			<b>23.0</b>		
<b>Construction</b>									
Micro (0 - 9)	15.6	97.6	97.9	21.5	64.2	66.6	1.6	40.4	43.9
Small (10 - 49)	0.3	1.7	1.6	5.1	15.3	15.3	0.7	17.3	18.8
Medium (50 - 249)	0.1	0.3	0.3	2.5	7.4	8.8	0.4	9.8	12.4
Large (250+)	0.1	0.4	0.2	4.4	13.1	9.3	1.3	32.5	24.9
<b>All</b>	<b>16.0</b>			<b>33.5</b>			<b>3.9</b>		
<b>Wholesale, retail, transport, hotels, food &amp; communication</b>									
Micro (0 - 9)	20.6	89.5	91.6	42.6	26.2	29.3	3.3	17.7	19.3
Small (10 - 49)	1.5	6.4	6.2	25.6	15.7	17.6	3.0	16.0	15.9
Medium (50 - 249)	0.4	1.5	1.0	13.6	8.4	8.1	1.9	10.5	11.1
Large (250+)	0.6	2.6	1.2	80.7	49.7	45.0	10.3	55.8	53.7
<b>All</b>	<b>23.0</b>			<b>162.4</b>			<b>18.5</b>		
<b>Financial &amp; business services</b>									
Micro (0 - 9)	26.2	95.2	95.8	39.0	33.8	37.2	.	.	.
Small (10 - 49)	0.8	2.8	2.8	13.4	11.6	13.2	.	.	.
Medium (50 - 249)	0.2	0.9	0.8	11.7	10.1	11.4	.	.	.
Large (250+)	0.3	1.1	0.7	51.3	44.5	38.2	.	.	.
<b>All</b>	<b>27.5</b>			<b>115.3</b>			.	.	.
<b>Private sector health &amp; education</b>									
Micro (0 - 9)	11.1	92.4	92.9	15.2	21.8	21.6	0.5	19.0	19.5
Small (10 - 49)	0.6	4.8	5.2	11.9	17.0	19.0	0.6	22.1	26.7
Medium (50 - 249)	0.2	1.6	1.3	11.4	16.3	16.2	0.6	20.2	20.7
Large (250+)	0.1	1.2	0.7	31.4	45.0	43.3	1.1	38.7	33.1
<b>All</b>	<b>12.0</b>			<b>69.8</b>			<b>2.7</b>		
<b>Other services</b>									
Micro (0 - 9)	10.5	96.3	97.0	15.8	51.4	56.7	0.5	24.5	24.9
Small (10 - 49)	0.3	2.4	2.2	4.5	14.6	15.3	0.2	9.1	8.7
Medium (50 - 249)	0.1	0.7	0.5	2.9	9.4	9.3	0.2	10.3	7.4
Large (250+)	0.1	0.6	0.3	7.5	24.5	18.7	1.1	56.1	59.1
<b>All</b>	<b>10.9</b>			<b>30.7</b>			<b>2.0</b>		
<b>All industries</b>									
Micro (0 - 9)	95.7	93.9	94.9	154.8	31.2	34.4	9.1	17.9	17.2
Small (10 - 49)	3.8	3.7	3.7	68.3	13.7	15.5	5.5	10.8	11.2
Medium (50 - 249)	1.1	1.1	0.8	57.4	11.5	11.9	6.1	12.1	12.2
Large (250+)	1.3	1.3	0.7	216.5	43.6	38.3	30.2	59.3	59.4
<b>All</b>	<b>101.9</b>			<b>496.9</b>			<b>50.9</b>		

(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 found on [StatsWales](#)

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

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

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

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

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

### **Timeliness and punctuality**

The IDBR is updated using administrative and survey-based data sources with a variety of reference dates. For example data referred to here as 2017 could have been updated at any point up to March 2017.

### **Accessibility and clarity**

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

### **Comparability and coherence**

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

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

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

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

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

Table 6.1 compares Welsh Government and BEIS enterprise and employment estimates for 2017. Around 25 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 3,700 VAT/PAYE registered enterprises and 85,000 employees in Wales in 2017 (for the UK these figures are 76,000 enterprises and 2.1 million employees).

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

**Table 6.1: Comparisons in enterprise counts and employment, 2017**

Size-band	Welsh	Business, Energy & Industrial	Difference	
	Government (WG)	Strategy (BIS)	(WG - BEIS)	Percentage difference
<b>Enterprise count (000s):</b>				
<b>Estimates:</b>				
Micro (0 - 9)	240.6	199.3	-41.3	-17.2%
Small (10 - 49)	9.3	8.2	-1.0	-11.3%
Medium (50 - 249)	2.1	1.2	-0.9	-40.9%
Large (250+)	1.7	0.2	-1.5	-86.9%
<b>All</b>	<b>253.6</b>	<b>209.0</b>	<b>-44.7</b>	<b>-17.6%</b>
<b>Percentage shares by size band:</b>				
Micro (0 - 9)	94.9%	95.4%		
Small (10 - 49)	3.7%	3.9%		
Medium (50 - 249)	0.8%	0.6%		
Large (250+)	0.7%	0.1%		
<b>All</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>Employment (000s):</b>				
<b>Estimates:</b>				
Micro (0 - 9)	392.7	347.0	-45.7	-11.6%
Small (10 - 49)	176.7	162.0	-14.7	-8.3%
Medium (50 - 249)	136.4	119.0	-17.4	-12.7%
Large (250+)	437.5	211.0	-226.5	-51.8%
<b>All</b>	<b>1,143.3</b>	<b>839.0</b>	<b>-304.3</b>	<b>-26.6%</b>
	<b>38%</b>	<b>25%</b>		
<b>Percentage shares by size band:</b>				
Micro (0 - 9)	34.4%	41.4%		
Small (10 - 49)	15.5%	19.3%		
Medium (50 - 249)	11.9%	14.2%		
Large (250+)	38.3%	25.1%		
<b>All</b>	<b>100.0%</b>	<b>100.0%</b>		

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

## National Statistics status

The [United Kingdom Statistics Authority](#) has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the [Code of Practice for 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 the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

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

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

## Further details

The document is available at:

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

## Next update

November 2018

## We want your feedback

We welcome any feedback on any aspect of these statistics which can be provided by email to [economic.stats@gov.wales](mailto:economic.stats@gov.wales).

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