BUSINESS DEMOGRAPHICS
IN TYNE AND WEAR AND THE CITY REGION

2007

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PREFACE

This report covers the new National Statistics series on business births, deaths and survival rates. The new series, called Business Demography: Enterprise Births and Deaths, was published for the first time on 28th November 2008 and covers the period 2002-2007. On the same day the Department of Business Enterprise and Regulatory Reform (BERR) released the final update to its VAT series, Business startups and closures: VAT registrations and de-registrations in 2007. The new series on business births, deaths and survival rates is more comprehensive than the VAT series. The Office for National Statistics has produced an article explaining the key methodological differences between the new series and the existing BERR National Statistic[1]. More details on the new series appear in the technical introduction to this report. However, the key difference between the two series is that the Business Demographics series includes PAYE-registered units.

Prior to this Business Demographics report, Tyne and Wear Research and Information (TWRI) produced reports on the VAT series. The previous report in this series, Businesses Registered for VAT in 2006 in Tyne and Wear (TW) and the City Region (TWCR), was published in April 2008 and concentrated on VAT statistics. As with that report, the current report also covers the Rest of the City Region (RoCR), plus three wider comparators; the North East (NE), Leeds City Region (Leeds CR) and the UK. District-level data are also given for 2007 only.

The report is one of a number of reports published by TWRI expanded to cover TWCR, including:
‘Manufacturing Performance in Tyne & Wear and the City Region 2001-2005’,
‘Market Services Performance in Tyne & Wear and the City Region 2001-2005’ and
‘Businesses Registered for VAT in Tyne & Wear and the City Region 2006’.

It is an important advance to have such data for TWCR, given that the need for information and analysis about dynamics in the economy at this level was identified by the OECD[2]. This is in order to support public policies to increase City Region competitiveness.

Data for Leeds CR are incorporated to meet the suggestion by the OECD that City Region research should provide a view which places changes in the local economy in the context of activities in other areas.

The dataset for this report is taken from the Inter-Departmental Business Register (IDBR), held by the Office for National Statistics (ONS). A note on the context of research into business growth (from the OECD etc.) and technical notes on the data are included in the report. [See Appendix 4 for further information on data sources relating to the informal economy and entrepreneurship.]

Caution:

In order to produce more timely statistics, the Business Demography dataset contains a preliminary indication of business deaths. This indicator is adjusted for estimated reactivations and is subject to revision.

TWRI

May 2009

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[1] *Introducing the new business demography statistics, Economic and Labour Market Review (Vol. 2, No. 12) December 2008, (pp 53-55).*

[2] *‘Building a Competitive City Region: The Case of Newcastle in The North East’, Organisation for Economic Co-Operation and Development, 29-30 June 2006 (GOV/TDPC(2006)10)*

KEY POINTS

This report shows firstly, and above all, that growth of the business base[3] since 2002 has been significantly faster than in the UK. This has been helped by population stability (§1.1) and, particularly, by strong economic growth (§1.2).

Secondly, growth births of new enterprises in TWCR has been led (in terms of percentage growth rates) by 'Finance' (up 100.0%) – whereas in Leeds CR, 'Health' (up 73.2%) has been more clearly the leading industry for growth of the business base. However, in numerical terms, 'Property and Business Services' showed the largest increase in both TWCR (up 890, 68.5%), and Leeds CR (up 1,485, 52.3%).

Thirdly, the Rest of the City Region (RoCR) is slightly more important in terms of the business base (adding 36% to the Tyne & Wear City Region business base) than in population (adds 35%).

Fourthly, since 2002, growth of the business base in both TW and RoCR has been at a similar rate – which suggests similar drivers. This is a great improvement for TW since the 1990s, and especially 1980s, when population decline depressed the rate of growth of business numbers.

TYNE & WEAR CITY REGION PERFORMANCE

- Growth of TWCR's business base accelerated to 5.6% in 2007 (4.3% in the UK). (Table 6.1)
- Since 2002 (with the exception of 2004), growth in TWCR's business base has consistently out-performed the UK (§6.2.1). TWCR's growth rate (14.1%), has outperformed the UK (9.5%) [by a ratio of 1.48] (§3.3).
- Since 2002, TWCR has also out-performed Leeds CR in each year (except in 2004). Leeds CR had slower aggregate growth than TWCR (9.9%) (§6.2.1).
- This faster growth in TWCR has been led by 'Property and Business Services'[4] (§ 6.2.1).
- In each year, 2002−2007, TWCR's overall business stock grew by at least 0.7% (§6.2.1).
- Over the six years to 2007, TWCR has out-performed the UK by 4.6pp and out-performed Leeds CR by 4.1pp (§6.4).
- 'Top performers' (2002-2007) were Derwentside (20.2%), Gateshead (18.5%), Easington (17.8%) and Wansbeck (17.1%) (§3.3).

RISE IN ENTERPRISE BIRTHS DRIVES GROWTH

- The main process driving growth in the stock of businesses since 2002 for all the comparator areas is the rise in enterprise births[5]. In TWCR, the NE and Leeds CR, the ratio of rise in numbers of births to the rise in deaths was around 2.1-2.6, but was, however, around 3.9 in the UK (§5.1).
- In TWCR, despite an overall rise in enterprise births of 28.8% (up 1,270), enterprise deaths rose (worsened) by 19.0% (up 620). The rise in enterprise deaths was twice as fast as in Leeds CR (9.7%) and the UK (7.1%) but the same as in the NE (§5.1).
- Between the latest two years, (2006-07) in TWCR, enterprise deaths rose 7.5% (up 270 enterprises). This was somewhat faster than in the NE (up 7.0%) and Leeds CR (up 6.0%) but slower than the UK (up 9.2%).

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[3] *'Business base' is used throughout this report, for short, to mean the 'stock (number) of active enterprises'.*

[4] *ONS has used this term with this dataset. Previously, TWRI has called it Business Services. It is SIC section K.*

[5] *It has more effect in the UK (+59,050 births, +15,215 deaths) than in Leeds CR (+2,105 births, +825 deaths), the North East (2,280 births, + 955 deaths) and TWCR (+1,270 births, +620 deaths).*

DRIVERS OF CHANGE

- Weak Population: TWCR's population growth (just 0.8% from 2002 to 2007) has been much slower than in the UK (growth of 2.8%) and Leeds CR (growth of 4.2%). Thus, slower growth in business stock would be expected in TWCR than in the UK. But, TWCR's business stock grew *more quickly* than the UK (14.1% from 2002 to 2007, UK, 9.5%) (Table 6.1).
- But very rapid growth in Property and Business Services is also an important driver. 'Property and Business Services' was the industry with the largest numerical annual growth in TWCR in each year between 2002-2007 (§6.2.1).

CONTRIBUTION OF THE REST OF THE CITY REGION

- RoCR adds a slightly larger proportion to the stock of businesses in TWCR (36%) than its 35% contribution to TWCR's population (§3.1).
- RoCR had 298 active enterprises for every 10,000 adults, 0.64 of the UK ratio, out-performing TW (285 businesses, 0.62 of UK) (§3.1).
- RoCR's (2002-2007) growth rate of 14.7% was only very marginally faster than TW (13.8%). This suggests that when TW's population was stable, growth of the business base was similar in both areas. In 2007, RoCR's business base grew at the same pace as TW (5.6%). In 2003, 2004 and 2005 growth was slower in TW than RoCR. This pattern reversed in 2006 (§6.1)
- TWCR's growth (2002-2007) was lead by four districts; Derwentside (growth of 20.2%), Gateshead (18.5%), Easington (17.8%) and Wansbeck (17.1%) (§3.3). Gateshead has been particularly successful in expanding its base of Property and Business Service enterprises. Growth in Derwentside seems to be linked to new house building and population growth.
- The rise in enterprise deaths in 2002-2007 was faster in TW (20.8%) than in RoCR (15.3%) (§5.1)

DYNAMICS: TYNE & WEAR AND THE REST OF THE CITY REGION

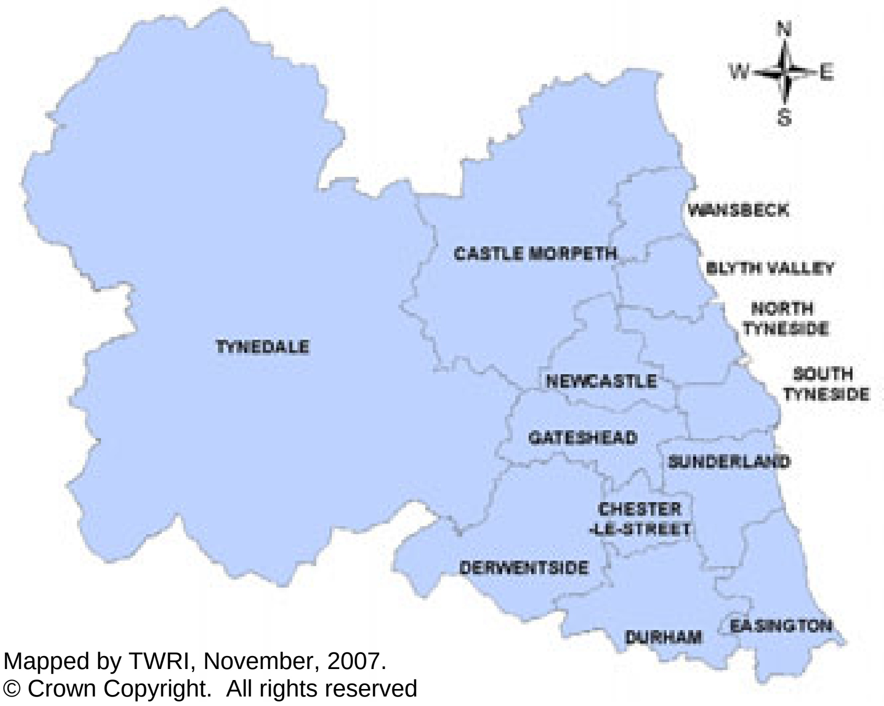
- Enterprise births are a bigger driver of change in TW than in RoCR; in 2002-2007 annual enterprise births rose 30.5% in TW but 25.6% in RoCR (§4.1).
- Between 2002 and 2007, TW under-performed the RoCR by 0.9pp in terms of net change in the number of active enterprises (§3.3).

1. INTRODUCTION

This report provides an analysis of businesses in Tyne and Wear (TW) and the City Region (TWCR), also with the Rest of the City Region (RoCR). Leeds City Region (Leeds CR), North East and UK data are provided for comparison, and analysis extends to district-level data.

This report covers mainly stock of businesses, births and deaths in 2007 and changes in these over various timescales. The main focus of this paper is on levels in 2007, with levels in previous years being used as time-series comparators.

The TWCR is shown below. TWCR includes the five TW Local Authority Districts (LADs) of Gateshead, Newcastle, North Tyneside, South Tyneside and Sunderland, with the addition of eight shire LADs; Blyth Valley, Castle Morpeth, Chester-le-Street, Derwentside, Durham, Easington, Tynedale and Wansbeck (which form RoCR).



Mapped by TWRI, November, 2007.

This report shows that TWCR's business base grew 5.6% in 2007, faster than growth in Leeds CR (3.7%) and, the UK (4.3%). Growth in TWCR was the same in RoCR and TW (5.6%), and all thirteen districts in RoCR and TW saw growth in their business base. TWCR's (2002-2007) growth rate (14.1%) out-performed both Leeds CR (9.9%) and the UK (9.5%). Growth in both RoCR (14.7%) and TW (13.8%) also out-performed the UK.

Leeds CR data have been introduced to provide a benchmark for the TWCR data. Leeds CR includes the Local Authority Districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield (effectively West Yorkshire) plus five additional districts of Craven, Harrogate, Selby and York in North Yorkshire and Barnsley in South Yorkshire.

This report uses data from the Inter-Departmental Business Register (IDBR), held by the Office for National Statistics (ONS) and supplied by Business Registers Strategy and Outputs at ONS. [See Appendix 3 for data on counts, employment, turnover etc. from the IDBR as at March 2008.]

THE CITY REGION

1.1 POPULATION COVERED

TWCR has a population of approximately 1.7 million, of whom around 1 million are of working age[6]. The population in TWCR is equivalent to 58% of Leeds CR, which has a total population of 2.9 million. Around 1.8 million of these are of working age, meaning that the population of working age in TWCR is equivalent to around 57% of that in Leeds City Region.

Within TWCR, nearly two-thirds (65%) of the population is located in TW, a fifth are in the four Durham districts and the remaining 15% are in the four Northumberland districts (Table 1.1).

Table 1.1 Distribution of Population within Tyne and Wear City Region, 2007

Tyne and Wear	**65.2%**	**Durham (4)**	**19.7%**	**Northumberland (4)**	**15.1%**
Gateshead	11.4%	Chester-le-Street	3.2%	Blyth Valley	4.9%
Newcastle	16.3%	Derwentside	5.2%	Castle Morpeth	3.0%
North Tyneside	11.7%	Durham City	5.6%	Tynedale	3.6%
South Tyneside	9.0%	Easington	5.7%	Wansbeck	3.7%
Sunderland	16.8%				

Source: ONS 2007 Mid-Year Population Estimate

TWCR's population during the period covered by this report has been fairly stable, showing a slight decline to 2004 but rising by a very marginal 0.2-0.3%p.a. from 2005 to give an overall increase of 0.8% over the six-year period. Population growth in Leeds CR was around ten times larger than TWCR, with LCR showing an increase of 4.2% over the period.

1.2 ECONOMIC GROWTH

The period 2001-05 was one of strong economic growth in Tyne & Wear, which TWRI believes continued into 2006[7]. In the four years to 2005, the output (GVA) of Manufacturing in Tyne & Wear grew by an average of over 1% pa, that of Market Services by 3½% pa, and Construction by nearly 8% pa (These estimates use the GVA deflators to derive real growth rates from data in nominal terms)[8].

1.3 CONCEPTUAL CONTEXT IN WHICH BUSINESSES COMPETE

Research by OECD has identified that larger City Regions have higher GVA per head. Furthermore, research for the Northern Way by Professor Alan Harding (Manchester University), which reviewed three areas across the north of England, also identified agglomeration as a key feature. The bigger centres, including Manchester and Leeds particularly, but also Tyneside, had higher GVA per head than surrounding areas and, importantly, had higher rates of growth than other areas.

A paper published by Manchester Independent Economic Review, '*The Case for Agglomeration Economies*'[9], shows estimates of the elasticity of productivity with respect to city size varying from around 0.02 to 0.20. Most of the values were under 0.10, which means that, at most, a doubling of city size is associated with an increase in productivity of 10%.

[6] *Population figures are taken from ONS Mid-Year Population Estimates for 2007. Working-Age Population figures are taken from ONS Annual Population Survey for the year to end-Dec 2007.*

[7] *Overall, GVA in Tyne & Wear continued to rise steadily, by 5.7%, from £17,932m in 2005 to £18,952m in 2006. If inflation was around 2½ % then real economic growth would have been about 3%.*

[8] *Details in TWRI's reports 'Manufacturing Performance in Tyne & Wear City Region 2001-2005' and Market Services Performance in Tyne & Wear City Region 2001-2005'. Use of GVA deflators may cause slight under-statement of manufacturing growth and slight over-statement of market services growth. The GVA deflators were for the UK.*

[9] *Published 6th April 2009,* http://www.manchester-review.org.uk/projects/view/?id=718

The potential processes which could cause this include;

1. The availability of a deeper pool of skilled people that enterprises can draw on. This gives a higher probability of getting the appropriate skills. The presence of skilled workers helps to boost productivity.
2. Economies of scale. Enterprises in a larger area could be larger than a typical enterprise in an industry. This can bring advantages of economies of scale.
3. Krugman's 'new economic geography' developed a theoretical framework which introduced increasing returns to scale into a framework of international trade, which has the importance that enterprises tend to cluster spatially, as this gives them greater economies of scale.
4. Michael Porter, on international trade (1980s-early 1990s), had earlier stressed that countries tend to specialise in particular related products, a process known as 'clustering'. Moreover, those clusters tend to be focused on particular regions within countries.

   In the case of the UK, research trying to identify clusters within the UK (DTI 1990s) found it difficult to find these in the UK. Porter found around 3; international banking, auction houses, and defence equipment.

   TWRI's Performance reports (Manufacturing and Market Services) identified those industries in Tyne & Wear and the City Region which showed signs of competitiveness. Four of the top ten manufacturing industries showed that reasonably clearly. It was more difficult to say in market services.
5. Porter also raised the issue of the importance of demanding customers in encouraging firms to innovate and improve, thereby driving the process of innovation and raising productivity.
6. Work by Pooran Wynarczyk (2005)[10] suggests that firms with inter-firm partnership arrangements with members of their supply chain experience significantly higher growth rates.

The situation within Tyne & Wear contrasts with, for example, the situation in some of the German City Regions as Tyne & Wear lacks very large, internationally competitive, global companies. Two of Tyne & Wear's very large engineering firms, British Shipbuilders and NEI, have both now collapsed. This contrasts with the situation in Stuttgart with, for example, Mercedes and Porsche.

One of the key findings in the Performance report was that Tyne & Wear's competitive manufacturing industries are mainly in engineering and metals (also plastics), whereas Leeds CR's manufacturing competitiveness is in other manufacturing; food, printing etc.

There is also a contrast between Tyne & Wear and the Rest of the City Region (RoCR) in that the manufacturing industries which are competitive in the RoCR are quite often different to those in Tyne & Wear. RoCR's competitive manufacturing industries include food & drink, paper and chemicals. As these industries differ from, and are not related to, those which are competitive in Tyne & Wear, they are therefore very probably not contributing to a deepening of agglomeration in those TW industries.

1.4 NATIONAL INDICATORS

National Indicator NI171 'VAT registration rates' is the ratio of business registrations per 10,000 resident population aged 16 and above. Tyne & Wear's ratio of births of new enterprises per 10,000 adult population in 2007 was 41.5. This is marginally higher than in TWCR (41.3) but substantially lower than in Leeds CR (51.6) and the UK (61.0).
Between 2006 and 2007, the ratio of births of new enterprises per 10,000 adult population increased by 8.0 points in Tyne & Wear. This is faster than in TWCR (up 7.9 points), Leeds CR (up 5.7 points) but slower than the UK (up 8.9 points).

[10] '*Firm Growth and Supply Chain Partnerships: An Empirical Analysis of U.K. SME Subcontractors', in Small Business Economics 24: 39-51. Prof. Wynarczyk is Director of the Small Business Research Unit at Newcastle University.*

2. TECHNICAL INTRODUCTION

This report presents the latest (2007) information for Tyne & Wear City Region (TWCR) on Business Demographics: Enterprise Births and Deaths. Although the key difference between the old VAT series and the new Business Demographics series is the inclusion of PAYE-registered units, there are other, more subtle differences.

The following concepts and definitions underlie the new series. More details can be found in the previously cited article in Economic and Labour Market Review.

ACTIVE BUSINESS

An active business is defined as a business that had either turnover or employment at any time during the reference period[11]. Note that the population of active businesses in year t will, by definition, include businesses that start trading in year t.

DORMANT

A unit is said to be dormant if it is legally alive, but does not carry on any activity and has neither employment nor turnover.

REACTIVATION

If a unit re-commences activity after a period of temporary cessation of less than two years it is classed as a reactivation. Reactivations can occur due to lags in the administrative sources (VAT/PAYE), which mean it is possible that a business which is continuing to trade can appear to die on the Inter-departmental Business Register (IDBR).

BUSINESS BIRTH

A birth is defined as a business that was present in year t, but did not exist in year t-1 or t-2. Births do not include entry into the population as a result of mergers, break-ups, split-offs or other restructuring.

BUSINESS DEATH

A death is defined as a business that was on the active file in year t but was no longer present on the active file in year t+1 or t+2. As part of the European regulations[12] a check should be made against the two years following a death to identify and remove any reactivations. In order to produce more timely statistics the UK business demography publication contains a preliminary death indicator, which includes an adjustment for estimated reactivations. This estimate is subject to revision. Deaths data exclude losses to the population as a result of mergers, break-ups, split-offs or other restructuring.

SURVIVAL

A business is deemed to have survived if, having been a birth in year t or having survived to year t, it is active in terms of employment and/or turnover in any part of year t+1. A business is considered to have survived if it is active in any part of the survival year under consideration.

INDUSTRY COVERAGE

Oddly, the ONS dataset for 'Broad Industry Groups' gives no data for Agriculture (SIC A)[13] or Forestry & Fishing (SIC B). Caution: Thus the 'Totals' in this report exclude these two industries.

Caution: ONS rounds data to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used. Percentage changes of low numbers should be interpreted with care e.g. a reported rise from 5 to 10 ('100%') could actually be from 7 to 8 (up 14%).

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[11] Data is based on the IDBR as of November each year, which captures activity which has taken place during the previous 12 months. This is used as a proxy for the calendar year.

[12] Eurostat-OECD Manual on Business Demography Statistics 2007 at:

www.oecd.org/document/34/0,3343,en_2649_34233_39913698_1_1_1_1,00.html (accessed 4th February 2009).

[13] The Business Demography dataset is designed to measure entrepreneurship. It excludes agriculture as this is not thought to be entrepreneurial.

3. CHANGES IN THE BUSINESS BASE

3.1 STOCK OF BUSINESSES[14]

In 2007 there were 39,925 active businesses in TWCR (Table 3.1). This is a relatively small business base of 290 businesses for every 10,000 adults, only 62% of the UK average of 465. Within the City Region, Tynedale (509) was the only District to exceed the UK average. Tyne and Wear (285) was outperformed by Tynedale, Castle Morpeth (406; 87% of UK) and Derwentside (308; 66% of UK). Overall the Northumberland 4 averaged 338 (73% of UK) while the Durham 4 averaged 268 (58% of UK). Within Tyne and Wear, Gateshead had the strongest business base (332; 71% of UK).

The RoCR, with 298 active enterprises for every 10,000 adults (0.64 of the UK ratio) out-performed TW, with 285 businesses (0.62 of UK).

Table 3.1 Business Births, Deaths and Active Enterprises Tyne & Wear City Region, 2007

Area	2006 Active Enterprises	Births	Deaths	2007 Active Enterprises	Net Change (No.)	% Change	Adult Population*	Ratio of 2007 active enterprises per 10,000 of adult population
United Kingdom	2,207,290	301,590	228,180	2,301,225	93,935	4.3	49,466,000	465
North East	58,835	9,005	5,985	62,310	3,475	5.9	2,100,000	297
TWCR[1]	37,810	5,685	3,885	39,925	2,115	5.6	1,377,000	290
Leeds CR[2]	91,000	12,060	9,320	94,350	3,350	3.7	2,339,600	403
Tyne and Wear	24,245	3,720	2,645	25,605	1,360	5.6	897,200	285
Gateshead	4,845	775	500	5,190	345	7.1	156,400	332
Newcastle-upon-Tyne	7,035	930	750	7,280	245	3.5	226,000	322
North Tyneside	4,130	685	435	4,370	240	5.8	161,200	271
South Tyneside	2,680	475	310	2,900	220	8.2	124,000	234
Sunderland	5,555	855	650	5,865	310	5.6	229,600	255
Durham 4	6,840	1,085	645	7,310	470	6.9	272,400	268
Chester-le-Street	1,135	165	110	1,200	65	5.7	43,600	275
Derwentside	2,020	350	190	2,205	185	9.2	71,500	308
Durham	2,130	335	205	2,250	120	5.6	80,600	279
Easington	1,555	235	140	1,655	100	6.4	76,700	216
Northumberland 4	6,725	880	595	7,010	285	4.2	207,400	338
Blyth Valley	1,645	230	155	1,730	85	5.2	66,100	262
Castle Morpeth	1,600	215	140	1,680	80	5.0	41,400	406
Tynedale	2,420	300	205	2,505	85	3.5	49,200	509
Wansbeck	1,060	135	95	1,095	35	3.3	50,700	216

Source: ONS Business Demography: Active Enterprises, Births and Deaths

Notes:
**Aged 16 and over. Population figures are taken from the 2007 Mid-Year Estimates.*
[1] *Tyne and Wear City Region, an aggregate of Tyne and Wear, plus the Durham 4 and Northumberland 4 districts.*
[2] *Leeds City Region, an aggregate of West Yorkshire plus Craven, Harrogate, Selby, York and Barnsley.*
Figures may not tally exactly due to rounding.
A business is considered part of the stock if it was active during any point in the year.
Therefore, the net and percentage changes (as calculated by TWRI) are not calculated based on the stock at two points in time.
Consequently they are indicative estimates.

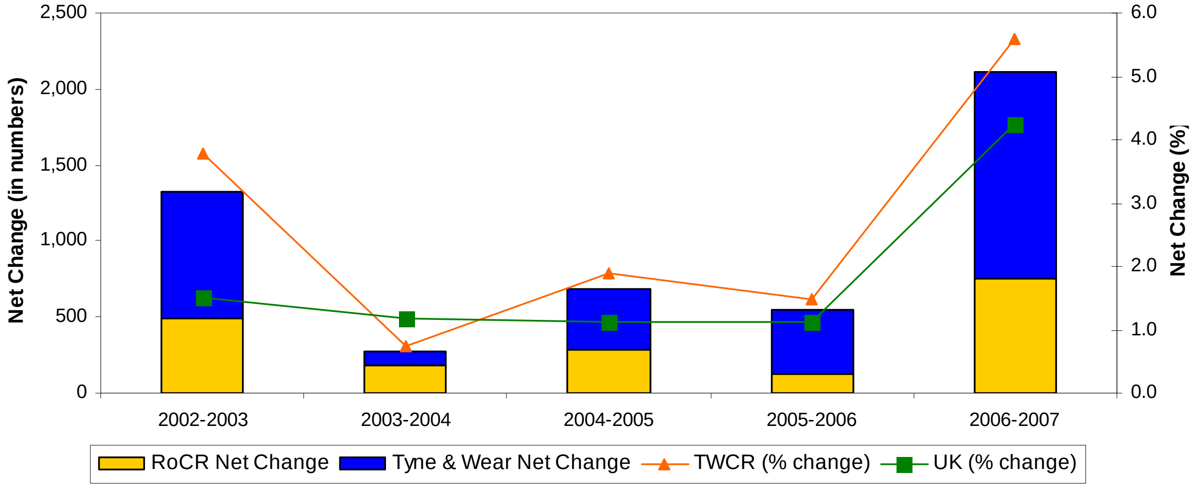
In relation to population, Leeds CR has almost 40% more businesses than TWCR. Leeds CR had 94,350 active businesses during 2007, 403 businesses for every 10,000 adults (87% of the UK average). TWCR's business base is under-represented in relation to population. In 2007, TWCR had an estimated 2.7% of the UK population but only 1.7% of active UK businesses. In TWCR, Tyne & Wear contributes marginally less to business stock (64%) than to population (65%).

[14] A business is considered part of the stock if it was active at any point during the year. In the VAT series, stock was taken at a point in time.

3.2 NET CHANGE DURING 2007

During 2007, growth of TWCR's business base accelerated to (a record) 5.6% or 2,115 enterprises, from 1.5% (550 enterprises) in the previous year (2006) (Fig 3.1). This was faster than the growth in Leeds CR (3.7%, 3,350 enterprises). RoCR's business base grew at the same rate as Tyne & Wear in 2007 (5.6%) but Tyne & Wear's growth was still strong in historical terms. UK growth was slower than NE and TWCR with growth of 4.3% in 2007 (93,935 enterprises), and 1.1% in 2006 (24,535 enterprises).

Fig 3.1: Change in Active Enterprises, TWCR (and % change TWCR and UK), 2002-2007



Source: ONS Business Demography: Active Enterprises

3.3 NET CHANGE 2002-2007

Growth in the business base in TWCR 2002-2007 was 14.1% (4,945 enterprises) (Table 3.2). As a ratio to UK growth, this is 1.48 times the UK's 9.5%). This growth considerably outperformed Leeds CR (up 9.9% or 8,505 enterprises) (a ratio of 1.04 times the UK). TWCR's growth was marginally faster than the North East (14.0%). Growth was slightly faster in RoCR than Tyne & Wear (14.7% and 13.8% respectively).

Growth was led principally by the fast rates of growth in Derwentside (20.2%), Gateshead (18.5%), Easington (17.8%) and Wansbeck (17.1%). [Gateshead's fast growth reflects its success in attracting particularly Property and Business Services enterprises (§3.4). Business growth in Derwentside correlates with new house-building and population growth – Ed.]

Table 3.2: Total and % Net Change in Number of Active Enterprises; 2002-2007

Area	Active Enterprises 2002	Active Enterprises 2007	Change	% Change
UK	2,101,510	2,301,225	199,715	9.5
North East	54,675	62,310	7,635	14.0
TWCR	34,980	39,925	4,945	14.1
RoCR	12,485	14,320	1,835	14.7
Leeds CR	85,845	94,350	8,505	9.9
Tyne and Wear	22,495	25,605	3,110	13.8
Gateshead	4,380	5,190	810	18.5
Newcastle	6,695	7,280	585	8.7
North Tyneside	3,775	4,370	595	15.8
South Tyneside	2,500	2,900	400	16.0
Sunderland	5,145	5,865	720	14.0
Durham 4	6,275	7,310	1,035	16.5
Chester-le-Street	1,105	1,200	95	8.6
Derwentside	1,835	2,205	370	20.2
Durham	1,930	2,250	320	16.6
Easington	1,405	1,655	250	17.8
Northumberland 4	6,210	7,010	800	12.9
Blyth Valley	1,510	1,730	220	14.6
Castle Morpeth	1,545	1,680	135	8.7
Tynedale	2,220	2,505	285	12.8
Wansbeck	935	1,095	160	17.1

Source: ONS Business Demography: Active Enterprises

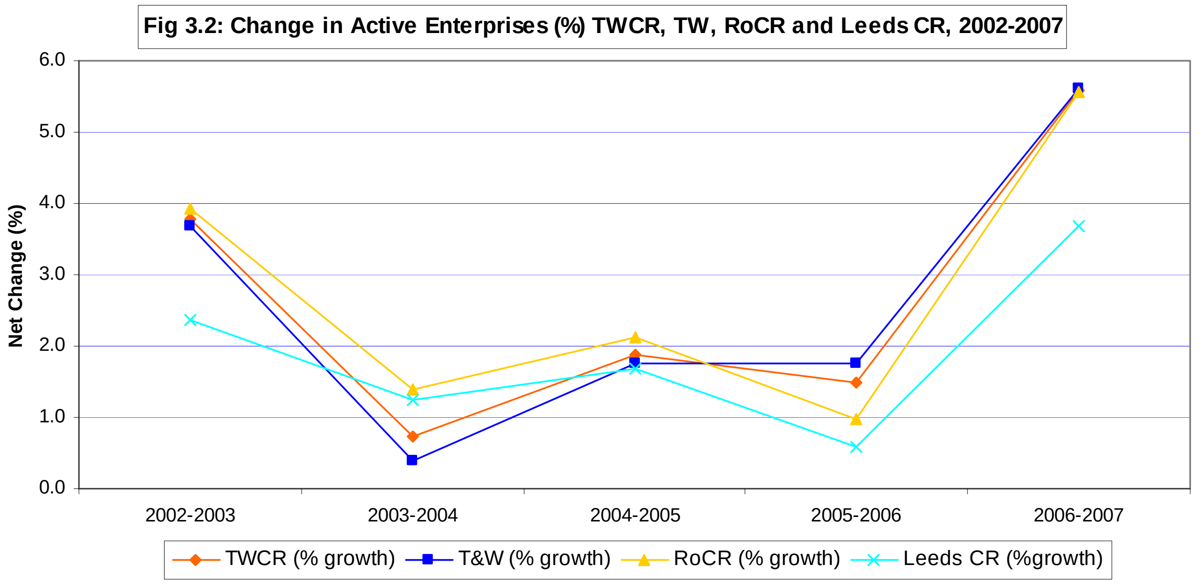
3.4 DISTRICT CHANGES

In 2007, all thirteen districts saw growth in their business base (Table 3.1). The North Durham4 districts experienced the fastest growth in stock at 6.9% (up 470 enterprises), with Derwentside accounting for almost two-fifths of this and leading the growth at 9.2% (185 enterprises) [possibly reflecting its population growth][15]. Numerically, Gateshead had the largest growth with 345 net active enterprises (up 7.1%).

Between 2002 and 2007 in TWCR, the top performers were Derwentside, Gateshead, Easington and Wansbeck, each with growth of over 17% (Table 3.2). Chester-le-Street experienced the slowest rate of growth (up 8.6% or 95 enterprises) followed by Castle Morpeth (up 8.7% or 135 enterprises), and within Tyne & Wear, Newcastle had the slowest rate of growth (up 8.7% or 585 enterprises).

'Property and Business Services' was the industry with the largest growth in its business base in all large areas (TWCR, the North East, Leeds CR and nationally). Of all the districts, Gateshead had both the largest numerical rise in businesses in this sector (up 660 enterprises) and the fastest rise (up 66.7%).

15 ONS estimates 2002 and 2007 imply 2.1% population growth.



Source: ONS Business Demography: Active Enterprises

By industry, between 2002 and 2007, 'Retailing' had the largest numerical falls in 8 of the 13 districts of TWCR, in the North East, Leeds CR and nationally (§6). Castle Morpeth had the fastest fall in Retailing (-30, -15.8%) [contributing a large part to its overall weakness]. South Tyneside (-65, -13.7%), Gateshead (-70, -10.6%), Derwentside (-30, -10.2%) and Sunderland (-90, -10.1%) also experienced a fast fall in 'Retail'.

Six districts lost 'Manufacturing' enterprises and only four districts gained. Newcastle suffered the biggest numerical loss of 55 enterprises (-11.8%). Chester-le-Street suffered the fastest loss at -21.1% (-20 enterprises). All districts gained in 'Construction', with the largest gain in Sunderland of 250 enterprises (up 46.7%).

4. BIRTHS ('BUSINESS STARTS')

4.1 CHANGE IN BIRTH OF NEW ENTERPRISES, 2002-2007

Between 2002 and 2007, annual total births in TWCR rose by 28.8% (Table 4.1 and Figure 4.1) which was 4½pp faster than the UK (up 24.3%) (Appendix Table A1.1). This was led principally by TW (rise of 30.5%). Enterprise births in RoCR rose 25.6%, while Leeds CR saw a rise of 21.1% in this period (Appendix Table A2.4.1). The rise in the North East was 33.9% (Appendix Table A1.3).

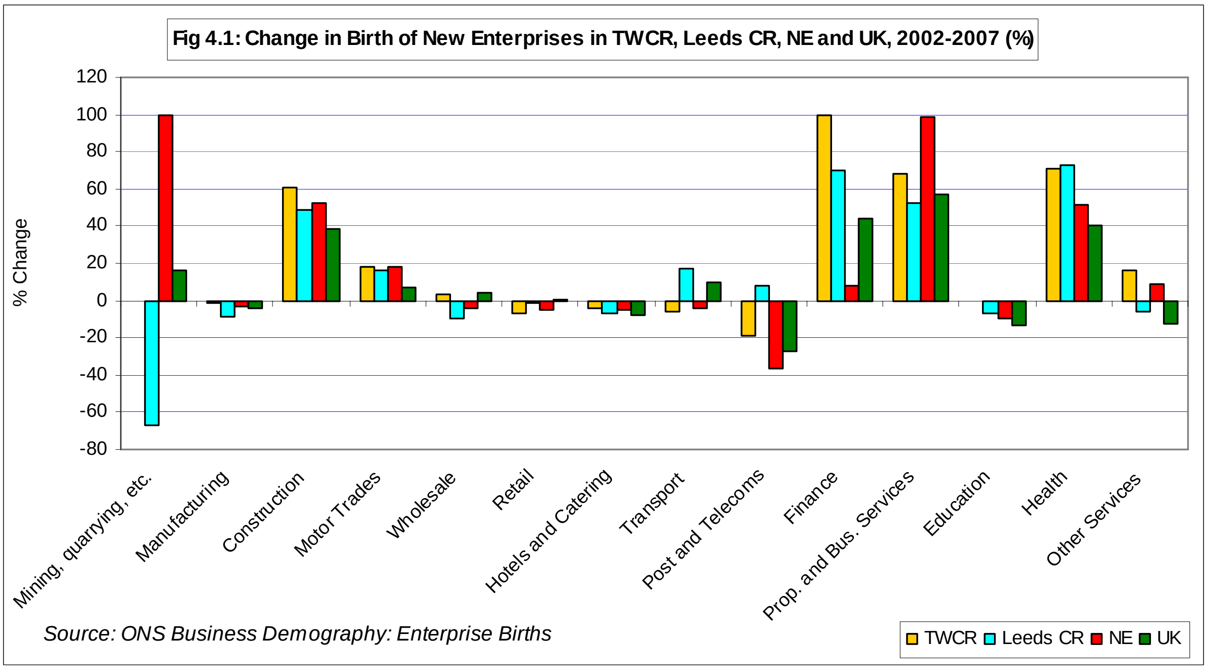
Table 4.1: Birth of New Enterprises in TWCR, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	5	5	10
D	Manufacturing	305	275	285	245	245	300	1,655
F	Construction	480	565	660	690	680	770	3,845
G	Motor Trades	140	150	135	170	140	165	900
G	Wholesale	150	180	175	155	160	155	975
G	Retail	560	545	535	555	505	520	3,220
H	Hotels and Catering	685	660	680	630	605	660	3,920
I	Transport	170	160	150	170	155	160	965
I	Post and Telecoms	80	70	50	65	85	65	415
J	Finance	30	30	45	30	60	60	255
K	Property and Business Services	1,300	1,620	1,675	1,660	1,360	2,190	9,805
M	Education	70	55	70	50	50	70	365
N	Health	85	120	120	120	135	145	725
O	Other Services	360	365	380	420	390	420	2,335
	Total	4,415	4,795	4,960	4,960	4,575	5,685	29,390

Source: ONS Business Demography: Enterprise Births

Enterprise births in TWCR *rose* between 2002 and 2007 (Table 4.1) in seven industries:

- These were led by 'Property and Business Services' (up 890, 68.5%)
- 'Construction' (up 290, 60.4%)
- 'Health' (up 60, 70.6%)
- 'Other Services' (up 60, 16.7%)
- 'Finance' (up 30, 100.0%)
- 'Motor Trades (up 25, 17.9%)
- Wholesale (up 5, 3.3%)



In TWCR the *falls* in enterprise births were:

- Largest numerically in 'Retail' (down 40, -7.1%)
- Smaller in 'Hotels and Catering' (down 25, -3.6%), 'Post and Telecoms' (down 15, -18.8%) and 'Transport (down 10, -5.9%)

'Post and Telecoms' had the highest *rate of enterprise births* (136%) [2002-2007 measured as a % of the active enterprises in 2002], followed by 'Property and Business Services' (119.5%) (Table 4.2).

Table 4.2: Birth Rate in TWCR, by industry (% of base in each year)

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total (2002-2007)
C and E	Mining, quarrying, electricity, gas and water supply	0.0	0.0	0.0	0.0	20.0	20.0	33.3
D	Manufacturing	9.7	8.7	9.3	7.9	8.0	9.6	52.5
F	Construction	13.1	14.8	16.3	15.7	14.8	15.8	105.1
G	Motor Trades	9.4	9.9	9.1	11.1	9.2	10.6	60.2
G	Wholesale	9.0	10.4	10.3	8.9	9.2	8.9	58.2
G	Retail	10.5	10.2	10.4	10.9	10.1	10.5	60.3
H	Hotels and Catering	18.3	16.9	17.2	16.1	15.3	16.3	105.0
I	Transport	11.5	10.9	10.3	11.7	10.8	10.9	65.4
I	Post and Telecoms	26.2	20.9	18.2	22.0	25.4	19.4	136.1
J	Finance	9.4	9.8	14.8	9.7	19.4	19.4	79.7
K	Property and Business Services	15.8	18.0	17.7	16.4	13.0	18.4	119.5
M	Education	19.4	13.8	16.1	11.2	10.6	14.6	101.4
N	Health	5.6	7.9	7.7	7.5	8.3	8.6	47.9
O	Other Services	9.7	9.7	10.4	13.0	11.9	12.4	62.9
	Total	12.6	13.2	13.6	13.3	12.1	14.2	84.0

Source: ONS Business Demography: Active Enterprises and Births

Note: Agriculture was omitted from the ONS tables.

By industry, TWCR's birth of new enterprises has been stronger than all comparator areas (Leeds CR, NE and the UK) in six industries:

- ‘Construction’ had a large rise in births in TWCR (up 290, 60.4%). This was faster than Leeds CR (up 550, 48.7%) (See Table A.2.4.1) and the North East (up 405, 52.3%). The UK saw a much slower rise of 38.6% (10,070). ‘Construction’ also rose significantly in Tyne & Wear (up 190, 67.9%) (Table 4.3).
- ‘Finance’ saw an increase in births of 100% in TWCR (up 30). This was faster than Leeds CR (up 80, 69.6%), the North East (up 5, 8.3%) and the UK (up 1,245, 43.8%).
- Similarly in ‘Other Services’ TWCR, (up 60, 16.7%), out-performed the comparator areas Leeds CR (down 45, -5.5%), North East (up 50, 8.9%) and the UK (down 2,785, -12.0%).
- ‘Manufacturing’ fell in all areas but less so in TWCR (down 5, -1.6%). Leeds CR saw the fastest fall (down 65, or -8.3%), the North East (down 15, -3.3%) and the UK (down 600, -4.2%) (See Table A1.1).
- Similarly in ‘Hotels and Catering’ the fall in TWCR was slower than in the other regions (down 25, -3.6%). Leeds CR (down 85, -6.5%), North East (down 50, -4.7%) and the UK (down 2,020, -7.4%).
- ‘Education’ in TWCR remained at zero change while the comparator areas showed slight falls; Leeds CR (down 10, -7.1%), North East (down 10, -10.0%) and the UK (down 450, -13.4%).

Table 4.3: Birth of New Enterprises in TW, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	5	5
D	Manufacturing	185	185	195	175	170	205
F	Construction	280	350	415	435	435	470
G	Motor Trades	85	95	80	105	85	105
G	Wholesale	90	110	120	105	105	95
G	Retail	385	365	350	360	335	350
H	Hotels and Catering	440	445	455	410	395	435
I	Transport	105	75	80	90	80	75
I	Post and Telecoms	60	55	25	30	50	40
J	Finance	25	20	30	20	45	45
K	Property and Business Services	875	1,125	1,160	1,145	930	1,480
M	Education	40	35	40	25	35	50
N	Health	55	90	70	75	85	105
O	Other Services	225	225	255	275	230	260
	Total	2,850	3,175	3,275	3,250	2,985	3,720

Source: ONS Business Demography: Enterprise Births

TWCR performed better than the UK (and the North East) but not as fast as Leeds CR in ‘Health’ and ‘Post and Telecoms’:

- ‘Health’ had the fastest rise in enterprise births (70.6%) for all of the comparator areas, except the North East. Births rose in Leeds CR’s [very strong] ‘Health’ (up 150, 73.2%) [This is 2.6pp faster rise than in TWCR and 2.5 times the numerical growth]. The UK saw a rise of 40.1%, or 2,020. The North East was faster than the UK (up 75, 51.7%).

The largest *falls* in enterprise births for TWCR, the North East and the UK were in ‘Post and Telecoms’:

- TWCR suffered the (proportionally) largest fall in births in ‘Post and Telecoms’ of -18.8% (down [‘just’] 15 enterprises). [The North East saw the largest fall of -36.4% (down 40 enterprises)]. The UK saw a slower fall of -27.6% (-1,080). Leeds CR saw a *rise* of 8.1% (+15).

4.2 CHANGE IN BIRTHS OF NEW ENTERPRISES DURING 2007

Overall, TWCR enterprise births rose by 24.3% in 2007 [compared with 2006] (up 1,110 enterprises) (Table 4.4).

Table 4.4: Change in Births by Industry: TWCR, Leeds CR, North East and UK, 2007 compared with 2006

SIC 2003	Industry	TWCR No.	Change %	Leeds CR No.	Change %	NE No.	Change %	UK No.	Change %
C and E	Mining, quarrying, electricity, gas and water supply	0	0.0	0	0.0	10	100.0	240	111.6
D	Manufacturing	55	22.4	135	23.3	80	21.9	1,495	12.1
F	Construction	90	13.2	190	12.8	100	9.3	4,135	12.9
G	Motor Trades	25	17.9	50	16.1	35	15.9	310	4.7
G	Wholesale	-5	-3.1	-25	-5.2	-15	-6.4	785	8.4
G	Retail	15	3.0	90	7.9	5	0.6	380	1.6
H	Hotels and Catering	55	9.1	60	5.2	120	13.3	440	1.8
I	Transport	5	3.2	90	28.6	30	13.6	810	11.2
I	Post and Telecoms	-20	-23.5	-15	-7.0	-35	-33.3	-270	-8.7
J	Finance	0	0.0	40	25.8	5	8.3	1,400	52.1
K	Property and Business Services	830	61.0	725	20.1	1,500	65.8	33,295	31.4
M	Education	20	40.0	10	8.3	0	0.0	-170	-5.5
N	Health	10	7.4	65	22.4	40	22.2	1,175	20.0
O	Other Services	30	7.7	65	9.2	40	7.0	2,035	11.1
	Total	1,110	24.3	1,480	14.0	1,915	27.0	46,060	18.0

Source: ONS Business Demography: Enterprise Births

Enterprise births rose in ten industries:

- The largest numerical rise was in ‘Property and Business Services’ (up 830, 61.0%)
- ‘Construction’ (up 90, 13.2%)
- ‘Manufacturing’ (up 55, 22.4%)
- ‘Hotels & Catering’ (up 55, 9.1%)
- ‘Motor Trades’ (up 25, 17.9%)
- ‘Other Services’ (up 30, 7.7%)
- ‘Education’ (up 20, 40.0%)
- ‘Retail’ (up 15, 3.0%)
- ‘Health’ (up 10, 7.4%)
- ‘Transport’ (up 5, 3.2%)

Births fell in two industries:

- The largest numerical fall was in ‘Post and Telecoms’ (down 20, -23.5%)
- ‘Wholesale’ (down 5, -3.1%)

Births remained the same in ‘Mining & Utilities’, and ‘Finance’.

In Leeds CR, total enterprise births rose by just 14.0% [UK up 18.0%] (up 1,480 enterprises). Births rose in eleven industries with the largest numerical rise in ‘Property and Business Services’ (up 725 enterprises, or 20.1%). There was no change in ‘Mining & Utilities’[16]. Births fell in two industries in Leeds CR. The largest fall was in ‘Wholesale’ (down 25, -5.2%).

In the UK, overall, births of new enterprises in 2007 were much weaker than in TWCR at 18.0%. Births rose in twelve industries in the UK. As in TWCR and Leeds CR, the largest rise numerically was in

[16] *‘Mining & Utilities’ is short for C&E ‘Mining, quarrying, electricity, gas and water supply’.*

‘Property and Business Services’ (up 33,295 enterprises, 31.4%). Other large UK rises occurred in ‘Construction’ (up 4,135, 12.9%) and ‘Other Services’ (up 2,035, 11.1%).

UK births fell in two industries. The largest fall was in ‘Post and Telecoms’ (down 270, -8.7%). Other falls were in ‘Education (down 170, -5.5%).

In the North East, births rose, by 1,915 (27.0%) in 2007. As in TWCR, the largest rise in births was in ‘Property and Business Services’ (1,500, 65.8%). Other large rises occurred in ‘Hotels and Catering (120, 13.3%), and ‘Construction’ (100, 9.3%). The NE’s largest fall in births was in ‘Post and Telecoms’ (down 35, 33.3%).

5. ENTERPRISE DEATHS

A death is defined as a business that was on the active file in year t but was no longer present on the active file in year t+1 or t+2. ONS has had to model the number of deaths for 2001.

The deaths data exclude losses to the population as a result of mergers, breakups, split-offs or other restructuring.
Note: Decline below the VAT threshold is not a reason for an ‘enterprise death’.

5.1 CHANGE IN ENTERPRISE DEATHS, 2002-2007

Between 2002 and 2007, annual *numbers* of deaths have worsened (risen) in TWCR, the North East, the UK and Leeds CR. Enterprise deaths in TWCR rose (worsened) by 19.0%, up 620, to 3,885 in 2007 (Table 5.1 and Fig 5.1). Enterprise deaths rose faster in Tyne & Wear than in RoCR over the period (20.8%, 455 and 15.3%, 165 respectively).

Table 5.1: Enterprise Deaths in TWCR, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	5	5	5	5	0	20
D	Manufacturing	240	330	300	270	245	270	1,655
F	Construction	370	395	395	445	455	475	2,535
G	Motor Trades	130	150	145	140	115	115	795
G	Wholesale	130	185	155	150	135	130	885
G	Retail	500	635	610	580	495	480	3,300
H	Hotels and Catering	475	675	665	590	535	545	3,485
I	Transport	145	170	185	165	130	140	935
I	Post and Telecoms	40	75	50	30	45	60	300
J	Finance	35	40	30	35	35	25	200
K	Property and Business Services	820	1,065	1,100	1,165	1,050	1,220	6,420
M	Education	20	30	35	35	255	290	665
N	Health	75	95	100	105	35	45	455
O	Other Services	285	315	350	320	80	90	1,440
	Total	3,265	4,165	4,125	4,035	3,615	3,885	23,090

Source: ONS Business Demography: Enterprise Deaths

Note: Agriculture was omitted from the ONS tables.

Overall UK deaths rose by 7.1% (15,215) between 2002 and 2007. The UK fared better than all the comparator areas. In the North East, deaths rose by about 11.9pp more than the UK, 19.0% (955) (see Tables A1.2 and A1.4 in Appendices). Leeds CR did about 2.6pp worse than the UK with a rise of 9.7% (825) (Table A2.5.1).

Numbers of enterprise deaths in around half of TWCR’s *industries* improved (fell) between 2002 and 2007. The largest numerical falls were in ‘Other Services’ (down 195, -68.4%). Smaller falls were also recorded in ‘Health’ (down 30, -40.0%), ‘Retail’ (down 20, -4.0%) and in ‘Motor Trades’ (down 15, -11.5%)

The largest numerical rise in enterprise deaths in TWCR was in ‘Property and Business Services’ (up 400, 48.8%). Substantial rises were also seen in ‘Education’ (up 270, 1,350.0%), and ‘Construction’ (up 105, 28.4%). The number of enterprise deaths remained the same in ‘Mining & Utilities’.

The *rate* of enterprise deaths is probably more meaningful than the numbers, as generally the business stock grew. Between 2002 and 2007, the TWCR enterprise death rate rose marginally, from 9.3% to 9.7% (Table 5.2), but had dropped from over 11% in 2003 and 2004.

Table 5.2: Death Rate in TWCR, by industry (% of base in each year)

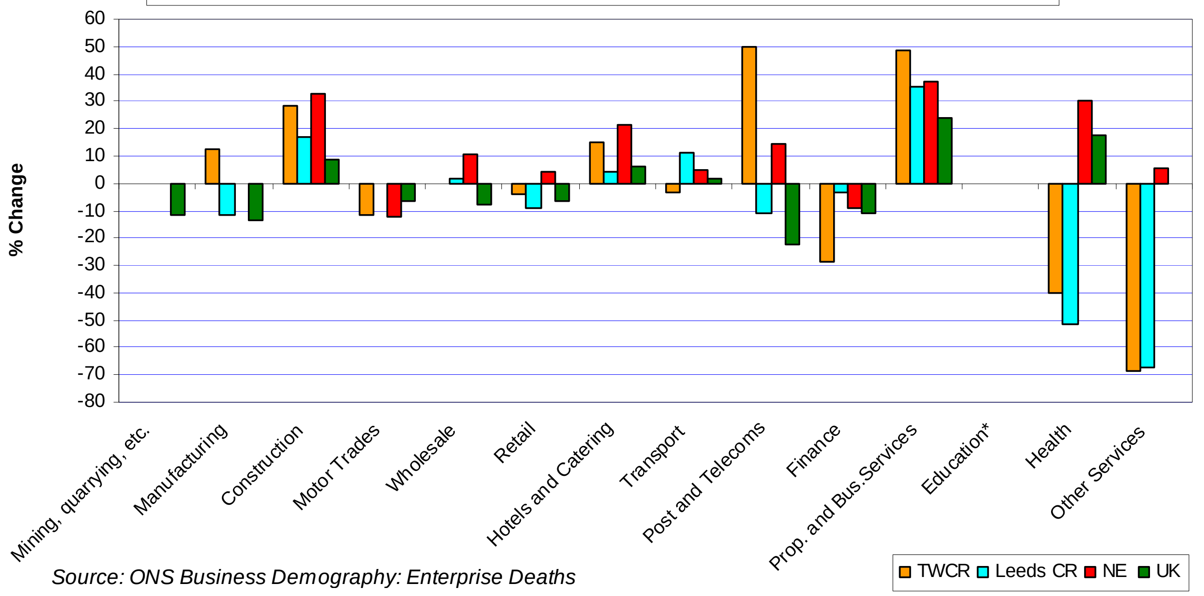
SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total (2002-2007)
C and E	Mining, quarrying, electricity, gas and water supply	0.0	14.3	20.0	20.0	20.0	0.0	66.7
D	Manufacturing	7.6	10.4	9.8	8.7	8.0	8.7	52.5
F	Construction	10.1	10.3	9.8	10.1	9.9	9.7	69.3
G	Motor Trades	8.7	9.9	9.8	9.2	7.6	7.4	53.2
G	Wholesale	7.8	10.7	9.1	8.6	7.8	7.4	52.8
G	Retail	9.4	11.8	11.8	11.4	9.9	9.7	61.8
H	Hotels and Catering	12.7	17.3	16.8	15.0	13.6	13.4	93.3
I	Transport	9.8	11.6	12.8	11.4	9.1	9.6	63.4
I	Post and Telecoms	13.1	22.4	18.2	10.2	13.4	17.9	98.4
J	Finance	10.9	13.1	9.8	11.3	11.3	8.1	62.5
K	Property and Business Services	10.0	11.9	11.6	11.5	10.0	10.2	78.2
M	Education	5.6	7.5	8.0	7.9	54.3	60.4	184.7
N	Health	5.0	6.2	6.5	6.6	2.1	2.7	30.0
O	Other Services	7.7	8.4	9.6	9.9	2.4	2.7	38.8
	Total	9.3	11.5	11.3	10.8	9.6	9.7	66.0

Source: ONS Business Demography: Active Enterprises and Deaths

In Leeds CR, numbers of enterprise deaths fell in six industries between 2002 and 2007 (Table A2.5.1). As in TWCR, the largest numerical fall was in 'Other Services' (down 460, -67.2%). Large falls also occurred in 'Retail (down 110, -9.1%), 'Health' (down 100, -51.3%) and 'Manufacturing' (down 95, -11.4%).

Rises in Leeds CR enterprise deaths were led by 'Property and Business Services' (up 780, 35.4%), 'Education' (up 585, 900.0%), and 'Construction' (up 155, 17.2%). There was no change in 'Mining & Utilities'.

Fig 5.1: Change in Enterprise Deaths in TWCR, Leeds CR, NE and UK, 2002-2007 (%)



Source: ONS Business Demography: Enterprise Deaths

*Note: 'Education' has been omitted from graph due to issues of scale. The values for changes in enterprise deaths were; TWCR 1350.0%, Leeds CR 900.0%, NE 116.7% and the UK 41.1%.

North East enterprise deaths fell in only two industries; 'Motor Trades' (down 25, -11.9%) and 'Finance' (down 5, -9.1%).

Rises in North East enterprise death were biggest in ‘Property and Business Services’ (up 485, 37.5%). There were also substantial rises in ‘Construction (up 185, 32.7%) and ‘Hotels and Catering’ (up 150, 21.6%). The number of births remained the same in ‘Mining & Utilities’ and ‘Manufacturing’.

UK enterprise deaths fell across half of the industries between 2002 and 2007. The largest numerical falls were in ‘Manufacturing’ (down 2,315 or -13.7%) and ‘Retail’ (down 1,585, -6.3%). Other relatively large falls were in ‘Wholesale’ (down 930, -7.9%), ‘Post and Telecoms’ (down 670, -22.1%) and ‘Finance’ (down 450, -11.2%).

Rises in UK enterprise deaths 2002-2007 were dominated by ‘Property and Business Services’ (up 16,935, 23.8%). Substantial numerical rises also occurred in ‘Construction (up 1,855, 8.5%), and ‘Hotels & Catering’ (up 1,250, 5.9%).

TYNE & WEAR

In Tyne & Wear, numbers of enterprise deaths fell across half of the industries between 2002 and 2007 (Table 5.3). As in TWCR, the largest numerical falls were in ‘Other Services’ (down 115, -65.7%), ‘Retail (down 25, -7.2%), and ‘Health’ (down 20, -36.4%).

Table 5.3: Enterprise Deaths in Tyne & Wear, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	5	0	0	0	0	5
D	Manufacturing	180	210	195	175	165	195	1,120
F	Construction	235	245	255	280	285	330	1,630
G	Motor Trades	85	95	95	85	80	80	520
G	Wholesale	90	130	100	95	90	85	590
G	Retail	345	445	400	380	335	320	2,225
H	Hotels and Catering	315	455	435	395	350	385	2,335
I	Transport	85	100	105	95	65	80	530
I	Post and Telecoms	30	55	40	15	30	40	210
J	Finance	30	30	25	20	35	20	160
K	Property and Business Services	555	765	770	750	720	830	4,390
M	Education	10	20	25	20	165	185	425
N	Health	55	55	75	70	15	35	305
O	Other Services	175	200	215	205	50	60	905
	Total	2,190	2,810	2,735	2,585	2,385	2,645	15,350

Source: ONS Business Demography: Enterprise Deaths

‘Property and Business Services’ saw the largest rise in enterprise deaths in Tyne & Wear (up 275, 49.5%), as in TWCR. The *rate* of Property and Business Services enterprise deaths in TW rose from 10.0% to 10.4% over the period (TWCR rose from 10.0% to 10.2%) (Table 5.2).

5.2 CHANGE IN ENTERPRISE DEATHS DURING 2007

Between 2006 and 2007, enterprise deaths rose in TWCR by 270 enterprises (up 7.5%) (Table 5.4). Deaths in Leeds CR rose less quickly (up 6.0%). In the UK, the rise was faster at 9.2%. In the NE the rise was 7.0%.

In TWCR, between 2006 and 2007, enterprise deaths fell in only four industries. The largest numerical *fall* in enterprise deaths was in ‘Retail’ down 15 enterprises (-3.0%). ‘Finance’ also fell, down 10 enterprises (-28.6%), ‘Wholesale’ fell by 5 enterprises (-3.7%) and ‘Mining & Utilities’ fell by 5 enterprises (-100.0%).

TWCR's enterprise deaths rose in nine industries. The largest numerical *rises* were in 'Property and Business Services' (up 170, 16.2%), followed by 'Education' (up 35, 13.7%), 'Manufacturing' (up 25, 10.2%), and 'Construction' (up 20, 4.4%).

In Leeds CR, enterprise deaths fell in four industries in 2006-07. The largest numerical fall was in 'Retail' (down 100, -8.3%). Large falls also occurred in 'Hotels & Catering' (down 60, -5.5%), 'Post and Telecoms' (down 30, -20.0%) and 'Manufacturing' (down 10, -1.3%). The largest numerical rise in enterprise deaths was in 'Property and Business Services' (up 530, 21.6%), followed by 'Construction' (up 65, 6.6%), 'Other Services' (up 55, 32.4%) and 'Finance' (up 20, 17.4%).

In the North East, enterprise deaths rose by 7.0% (390 enterprises). Enterprise deaths in the North East fell in six industries between 2006-7. The largest numerical fall was in 'Education' (down 335, -83.8%). Enterprise deaths remained the same in 'Transport'. Rises in enterprise deaths were largest in 'Other Services' (up 315, 217.2%), 'Property and Business Services' (up 275, 18.3%) and 'Health' (up 90, 150.0%).

Table 5.4: Change in Deaths by Industry: TWCR, Leeds CR, North East and UK, 2007 compared with 2006

SIC 2003	Industry	TWCR No.	Change %	Leeds CR No.	Change %	NE No.	Change %	UK No.	Change %
C and E	Mining, quarrying, electricity, gas and water supply	-5	-100.0	10	-	-5	-50.0	110	66.7
D	Manufacturing	25	10.2	-10	-1.3	40	10.7	340	2.4
F	Construction	20	4.4	65	6.6	30	4.2	805	3.5
G	Motor Trades	0	0.0	15	4.9	-5	-2.6	75	1.2
G	Wholesale	-5	-3.7	10	2.0	-5	-2.3	720	7.1
G	Retail	-15	-3.0	-100	-8.3	-40	-5.0	-810	-3.3
H	Hotels and Catering	10	1.9	-60	-5.5	30	3.7	65	0.3
I	Transport	10	7.7	5	1.5	0	0.0	330	4.7
I	Post and Telecoms	15	33.3	-30	-20.0	10	14.3	-105	-4.3
J	Finance	-10	-28.6	20	17.4	-10	-16.7	940	35.8
K	Property and Business Services	170	16.2	530	21.6	275	18.3	14,295	19.4
M	Education	35	13.7	10	1.6	-335	-83.8	-14,070	-85.7
N	Health	10	28.6	5	5.6	90	150.0	2,965	138.2
O	Other Services	10	12.5	55	32.4	315	217.2	13,475	298.4
	Total	270	7.5	525	6.0	390	7.0	19,135	9.2

Source: ONS Business Demography: Enterprise Deaths

Enterprise deaths in the UK rose by 9.2% (19,135) between 2006 and 2007. Like the NE, the largest numerical fall in enterprise deaths was in 'Education' (down 14,070, -85.7%). A large fall also occurred in 'Retail' (as in Leeds CR) of 810 (-3.3%) and 'Post and Telecoms' of 105 (-4.3%). There were large rises in enterprise deaths in 'Property and Business Services' (up 14,295, 19.4%), 'Other Services' (up 13,475, 298.4%) and 'Health' (up 2,965, 138.2%).

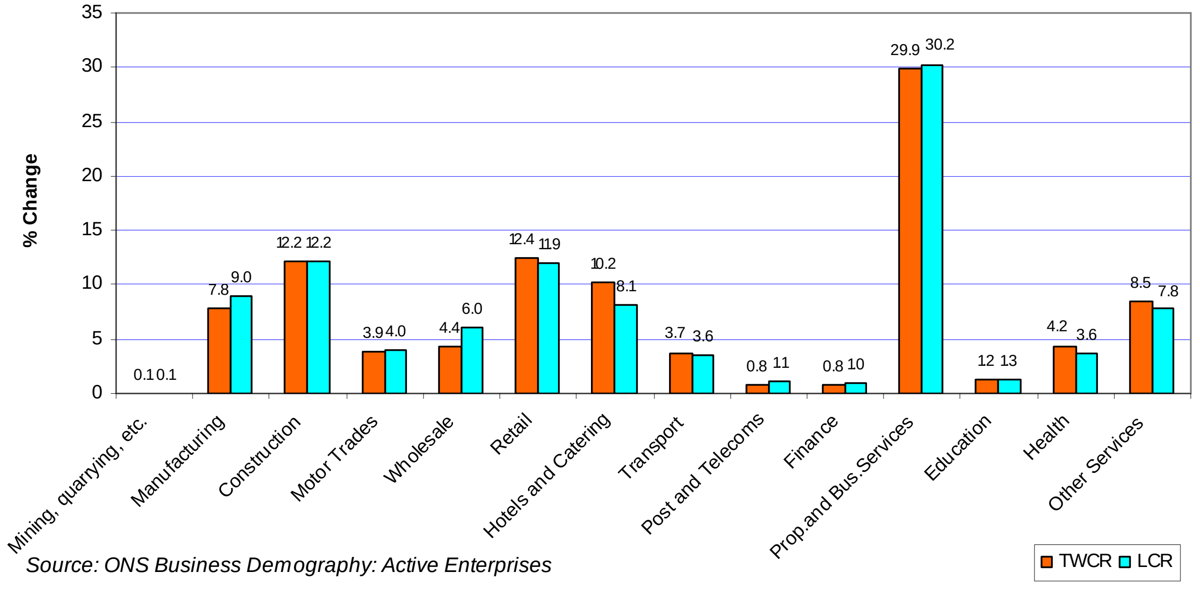
For an account of Business Deprived Areas (BDAs) see the 2005 report. This summarised some evidence from an IPPR report, 'City Markets'.

6. INDUSTRIAL STRUCTURE OF THE BUSINESS BASE

6.1 THE INDUSTRIAL MIX OF BUSINESSES

Just over two-fifths of TWCR's business base was in its two major industries in 2007; 'Property and Business Services' (29.9%) and 'Retail' (12.4%) (Fig 6.1). In Leeds CR, 'Property and Business Services' also dominates, alongside 'Construction' (Fig A2.6.1). TWCR's 'Property and Business Services' are a slightly higher share of all businesses than in the North East (29.1%) [by 0.8pp] but 0.3pp less than Leeds CR (30.2%) and 5.5pp less than the UK (35.4%). Since 2002, TWCR's 'Property and Business Services' sector has grown in size relative to the business base as a whole (Table 6.1).

Fig 6.1: The Industrial Mix of the Business Base, TWCR and Leeds CR, 2007



Source: ONS Business Demography: Active Enterprises

'Retail' as a proportion of TWCR's industrial mix has been declining since 2002, accounting for 12.4% in 2007 (down from 15.3% in 2002). In Leeds CR, 'Retail' has also been declining, accounting for 11.9% of the business base in 2007 (down from 14.2% in 2002). TWCR only has a slightly higher proportion than the North East (12.3%) but is 2.3pp higher than the UK (10.1%).

Overall, proportions for the 14 industries making up the business base are similar in TWCR and Leeds CR. The main differences are that 'Wholesale' is 1.7pp and 'Manufacturing' is 1.2pp higher in Leeds CR. Conversely, 'Hotels & Catering' is 2.1pp higher (at 10.2%) in TWCR and only 8.1% in Leeds CR. [Perhaps reflecting relatively more pubs and clubs in TWCR.]

Within TWCR, proportions for the 14 industries making up the business base vary between Tyne & Wear and RoCR (Fig 6.2). Proportions are similar for 'Mining & Utilities', 'Retail', 'Post and Telecoms', 'Finance', 'Education' and 'Health'.

In RoCR, 'Property and Business Services' represents the largest proportion of the industrial mix at 27.3%, but this is 4.0pp lower than in Tyne & Wear. 'Retail' is also 1.0pp lower in RoCR than in TW. Conversely, RoCR has larger proportions in 'Transport' (1.9pp higher) and 'Construction' (1.6pp higher).

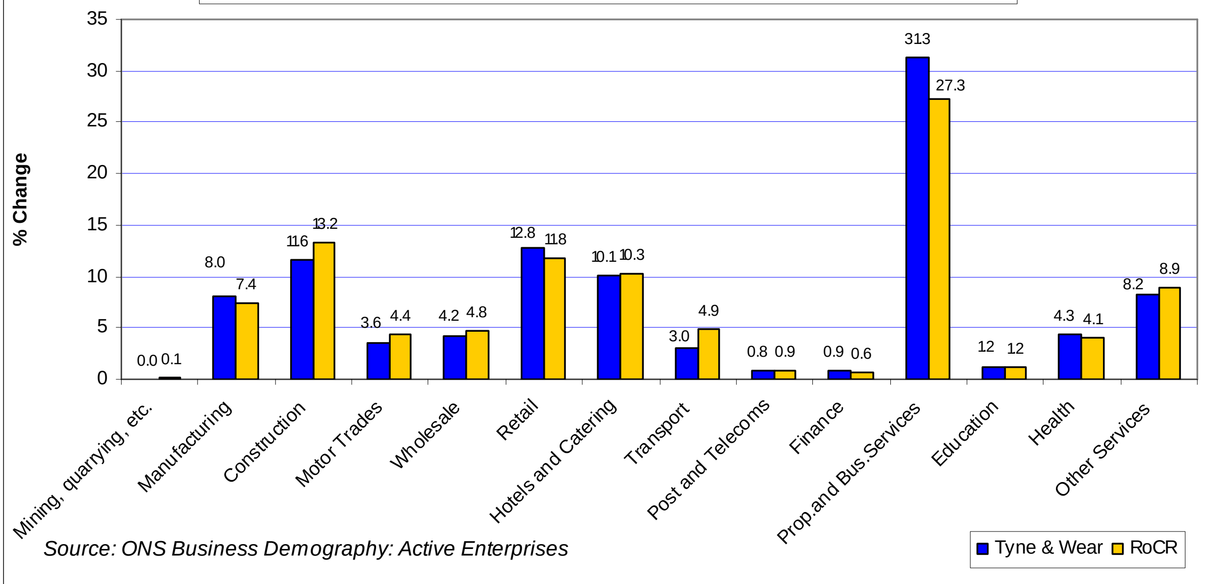


Fig 6.2: The Industrial Mix of the Business Base, Tyne & Wear, RoCR, 2007

Source: ONS Business Demography: Active Enterprises

6.2 NET CHANGE BY INDUSTRY

6.2.1 Changes 2002-2007

Over the six-year period, 2002−2007, every year the overall business stock grew by at least 0.7% in TWCR (Table 6.1). Aggregate growth over the six years was 4,945 (up 14.1% or an average growth of 2.4% p.a.), outperforming the UK (up 9.5%) by 4.6pp over the last six years. Leeds CR also outperformed the UK, but had slower aggregate growth in 2002-7 than TWCR (up 8,505, 9.9%).

Table 6.1: Active Enterprises and Annual Change in TWCR, 2002-2007

SIC 2003	Industry	2002	2003	% change	2004	% change	2005	% change	2006	% change	2007	% change
C and E	Mining, quarrying, electricity, gas and water	30	35	16.7	25	-28.6	25	0.0	25	0.0	25	0.0
D	Manufacturing	3,155	3,170	0.5	3,075	-3.0	3,090	0.5	3,070	-0.6	3,110	1.3
F	Construction	3,660	3,830	4.6	4,045	5.6	4,385	8.4	4,605	5.0	4,875	5.9
G	Motor Trades	1,495	1,510	1.0	1,485	-1.7	1,530	3.0	1,515	-1.0	1,550	2.3
G	Wholesale	1,675	1,735	3.6	1,700	-2.0	1,740	2.4	1,735	-0.3	1,750	0.9
G	Retail	5,340	5,360	0.4	5,155	-3.8	5,085	-1.4	4,980	-2.1	4,970	-0.2
H	Hotels and Catering	3,735	3,895	4.3	3,955	1.5	3,925	-0.8	3,945	0.5	4,060	2.9
I	Transport	1,475	1,470	-0.3	1,450	-1.4	1,450	0.0	1,430	-1.4	1,465	2.4
I	Post and Telecoms	305	335	9.8	275	-17.9	295	7.3	335	13.6	335	0.0
J	Finance	320	305	-4.7	305	0.0	310	1.6	310	0.0	310	0.0
K	Property and Business Services	8,205	8,980	9.4	9,475	5.5	10,145	7.1	10,490	3.4	11,920	13.6
M	Education	360	400	11.1	435	8.8	445	2.3	470	5.6	480	2.1
N	Health	1,515	1,525	0.7	1,550	1.6	1,595	2.9	1,630	2.2	1,695	4.0
O	Other Services	3,710	3,750	1.1	3,640	-2.9	3,240	-11.0	3,270	0.9	3,380	3.4
	Total	34,980	36,300	3.8	36,570	0.7	37,260	1.9	37,810	1.5	39,925	5.6

Source: ONS Business Demography: Active Enterprises

Note: the ONS tables of broad industry groups omitted Agriculture.

TWCR's four consistent growth industries (i.e. with a rise in their active enterprises each year) were; 'Construction', 'Property and Business Services', 'Education' and 'Health'. The other nine industries experienced at least one year of either no growth, or a fall in their stock, over the period.

In Leeds CR, two industries had consistent growth over the six years; 'Construction' and 'Property and Business Services'.

Between 2002 and 2007 in TWCR, the fastest growth was seen in 'Property and Business Services', 'Education' and 'Construction'. Growth was led by 'Mining and Utilities' in 2003, 'Education' in 2004, 'Construction' in 2005, 'Post and Telecoms' in 2006 and by 'Property and Business Services' in 2007. Similarly, Leeds CR growth was dominated by 'Property and Business Services', 'Education' and 'Construction'. Growth was led by 'Education' in 2003 and 2004, 'Post and Telecoms' in 2005, 'Property and Business Services' in 2006, and 'Mining and Utilities' in 2007 (Table A2.6.1).

In TW, between 2002 and 2006, growth was dominated by the same three industries as in TWCR; 'Property and Business Services'; 'Construction'; and 'Education' (Table 6.2). Growth was led by 'Post and Telecoms' in 2003 and 2006, 'Construction' in 2004 and 2005, and 'Property and Business Services' in 2007.

Table 6.2: Active Enterprises and Annual Change in TW, 2002-2007

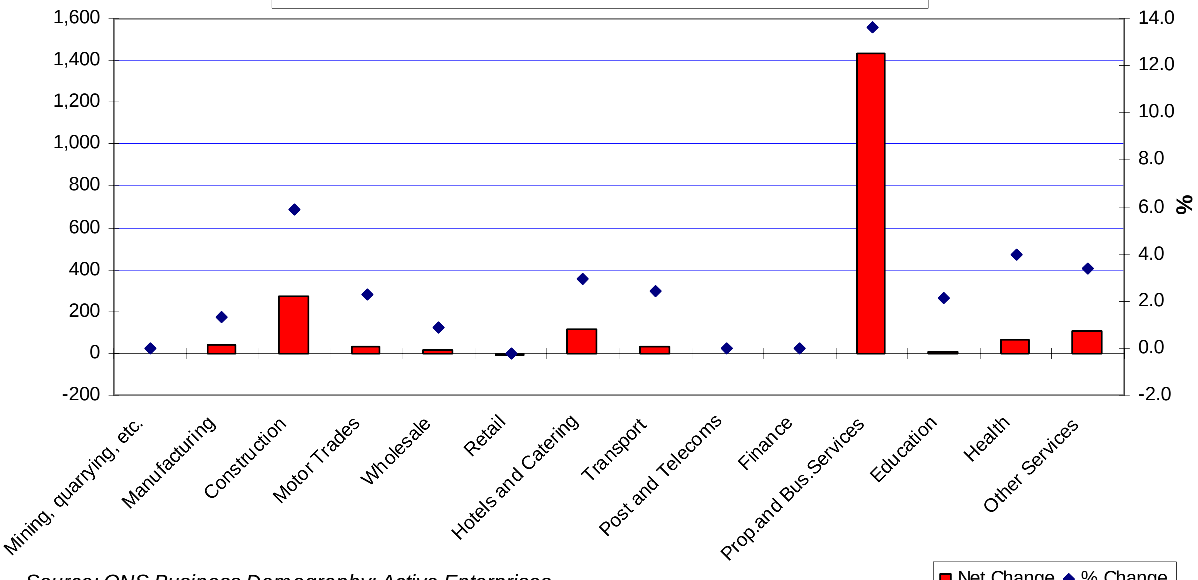
SIC 2003	Industry	2002	2003	% change	2004	% change	2005	% change	2006	% change	2007	% change
C and E	Mining, quarrying, electricity, gas and water supply	15	15	0.0	10	-33.3	5	-50.0	5	0.0	5	0.0
D	Manufacturing	2,070	2,045	-1.2	2,015	-1.5	2,040	1.2	2,035	-0.2	2,050	0.7
F	Construction	2,185	2,305	5.5	2,455	6.5	2,650	7.9	2,815	6.2	2,980	5.9
G	Motor Trades	905	905	0.0	885	-2.2	895	1.1	890	-0.6	915	2.8
G	Wholesale	1,030	1,080	4.9	1,055	-2.3	1,080	2.4	1,070	-0.9	1,065	-0.5
G	Retail	3,600	3,595	-0.1	3,405	-5.3	3,345	-1.8	3,290	-1.6	3,285	-0.2
H	Hotels and Catering	2,360	2,455	4.0	2,535	3.3	2,505	-1.2	2,505	0.0	2,585	3.2
I	Transport	785	775	-1.3	765	-1.3	770	0.7	750	-2.6	765	2.0
I	Post and Telecoms	220	245	11.4	185	-24.5	180	-2.7	215	19.4	205	-4.7
J	Finance	230	215	-6.5	210	-2.3	215	2.4	220	2.3	220	0.0
K	Property and Business Services	5,550	6,100	9.9	6,345	4.0	6,785	6.9	7,050	3.9	8,005	13.5
M	Education	235	260	10.6	275	5.8	270	-1.8	300	11.1	310	3.3
N	Health	1,005	1,015	1.0	1,010	-0.5	1,030	2.0	1,045	1.5	1,105	5.7
O	Other Services	2,305	2,315	0.4	2,265	-2.2	2,055	-9.3	2,055	0.0	2,110	2.7
	Total	22,495	23,325	3.7	23,415	0.4	23,825	1.8	24,245	1.8	25,605	5.6

Source: ONS Business Demography: Active Enterprises

6.2.2 Changes in 2007

The stock of businesses rose strongly overall in TWCR during 2007; up 5.6% [the fastest annual growth recorded since 2002] or 2,115 enterprises (Fig 6.3). The greatest numerical growth in active enterprises was in 'Property and Business Services' (up 1,430, 13.6%) then 'Construction' (up 270, 5.9%). The fastest rise in active enterprises was in 'Property and Business Services', which rose 13.6% (1,430). Only one industry experienced a fall in stock - 'Retail' (-10, -0.2%). 'Mining & Utilities', 'Post and Telecoms' and 'Finance' had no change.

Figure 6.3: Net Change in Active Enterprises in TWCR, 2007

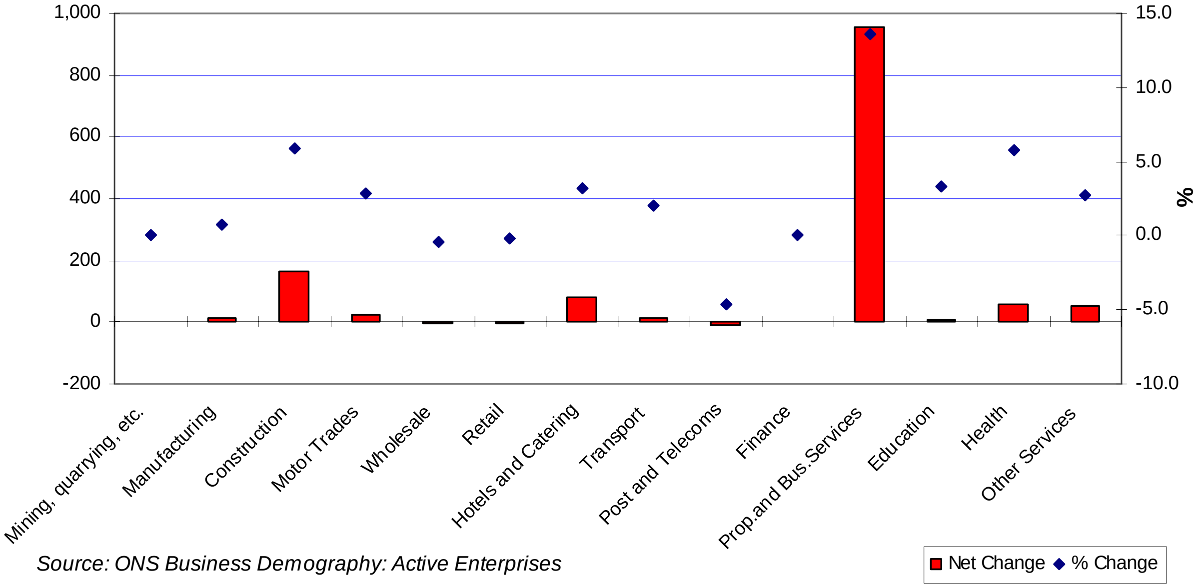


Source: ONS Business Demography: Active Enterprises

Leeds CR's stock of business grew by 3.7% (3,350) in 2007 (Table A.2.6.1). The greatest numerical growth was in 'Property and Business Services' (2,345, 9.0%). The fastest rise in stock in 2007 was in 'Mining and Utilities', which rose 16.7% (up 10). Only three industries experienced a fall in stock – 'Manufacturing', 'Wholesale' and 'Retail'.

Tyne & Wear's stock of businesses grew during 2007 by a rapid 5.6% (1,360) (Table 6.2). In RoCR, stock also rose 5.6% (755). The largest numerical growth in stock in Tyne & Wear and in RoCR was in 'Property and Business Services' (up 955, 13.5% and 475, 13.8% respectively) (Fig 6.4). These industries also had the fastest growth in stock in 2007. Tyne & Wear had marginal losses in 'Wholesale', 'Retail' and 'Post and Telecoms'. RoCR saw a loss in 'Retail'.

Fig 6.4: Net Change in Active Enterprises in Tyne & Wear, 2007



Source: ONS Business Demography: Active Enterprises

6.2.3 Changes by Industry and District, 2007

District rises in 2007 were faster than in the previous year (Tables 6.3-6.5). The business base grew in all districts. The fastest acceleration in growth in 2007, compared with 2006, was in Derwentside (up 7.4 percentage points to 9.2% growth).

The fastest growth in the business base in 2007 was Derwentside, up 9.2%, or 185. The largest numerical rise was in Gateshead, up 345 (7.1%).

Generally, over half the growth was in 'Property and Business Services', with over a tenth in 'Construction'. Only Wansbeck saw a fall in 'Construction'. 'Business Services' grew in all districts. The largest numerical industrial rise was for 'Property and Business Services' in Gateshead (up 240, 17.0%). The fastest growth in Tyne & Wear was in 'Education' in South Tyneside (20.0%, up 5).

Table 6.3: Net Change in Active Enterprises by Industry for Tyne & Wear Districts, 2007

SIC 2003	Industry	Gateshead		Newcastle		North Tyneside		South Tyneside		Sunderland	
		Net Change	% Change	Net Change	% Change	Net Change	% Change	Net Change	% Change	Net Change	% Change
C and E	Mining, quarrying, electricity, gas and water supply	-	-	0	0.0	-	-	-	-	-	-
D	Manufacturing	5	1.1	0	0.0	5	1.3	15	6.0	-10	-1.8
F	Construction	45	8.0	20	3.2	30	5.3	35	11.5	35	4.7
G	Motor Trades	10	5.0	-5	-2.4	15	8.3	0	0.0	5	2.4
G	Wholesale	10	3.6	-10	-3.8	-5	-2.6	5	4.8	-5	-2.1
G	Retail	0	0.0	0	0.0	-10	-1.7	0	0.0	5	0.6
H	Hotels and Catering	15	3.2	0	0.0	25	5.9	15	4.8	25	4.3
I	Transport	0	0.0	5	2.6	-5	-4.3	5	5.9	10	5.4
I	Post and Telecoms	0	0.0	0	0.0	0	0.0	0	0.0	-10	-18.2
J	Finance	5	11.1	-5	-6.3	5	16.7	0	0.0	-5	-10.0
K	Property and Business Services	240	17.0	210	8.7	175	16.1	105	14.7	225	16.0
M	Education	5	7.7	0	0.0	-5	-10.0	5	20.0	5	8.3
N	Health	15	8.1	10	2.8	15	9.4	10	8.3	10	4.4
O	Other Services	-5	-1.4	20	2.9	-5	-1.5	25	11.1	20	4.5
	Total	345	7.1	245	3.5	240	5.8	220	8.2	310	5.6

Source: ONS Business Demography: Active Enterprises

Table 6.4: Net Change in Active Enterprises by Industry for Durham 4 Districts, 2007

SIC 2003	Industry	Chester-le-Street		Derwentside		Durham		Easington	
		Net Change	% Change	Net Change	% Change	Net Change	% Change	Net Change	% Change
C and E	Mining, quarrying, electricity, gas and water supply	-	-	-	-	0	0.0	-	-
D	Manufacturing	5	7.1	10	5.6	0	0.0	5	3.6
F	Construction	15	10.3	15	5.0	15	5.7	15	9.4
G	Motor Trades	-5	-7.1	10	10.5	5	5.6	0	0.0
G	Wholesale	0	0.0	20	20.0	-5	-5.3	5	6.3
G	Retail	5	3.2	-10	-3.6	15	7.3	-15	-5.9
H	Hotels and Catering	5	4.5	5	2.5	-5	-2.0	5	2.6
I	Transport	-5	-10.0	15	10.7	-5	-5.6	15	13.0
I	Post and Telecoms	0	0.0	5	25.0	0	0.0	0	0.0
J	Finance	0	0.0	0	0.0	5	25.0	0	0.0
K	Property and Business Services	45	15.0	105	24.1	75	11.5	65	22.4
M	Education	0	0.0	0	0.0	5	14.3	-5	-25.0
N	Health	0	0.0	0	0.0	0	0.0	5	7.7
O	Other Services	0	0.0	10	6.1	15	7.5	5	3.8
	Total	65	5.7	185	9.2	120	5.6	100	6.4

Source: ONS Business Demography: Active Enterprises

Table 6.5: Net Change in Active Enterprises by Industry for Northumberland 4 Districts, 2007

SIC 2003	Industry	Blyth Valley		Castle Morpeth		Tynedale		Wansbeck	
		Net Change	% Change	Net Change	% Change	Net Change	% Change	Net Change	% Change
C and E	Mining, quarrying, electricity, gas and water supply	-	-	0	0.0	0	0.0	-	-
D	Manufacturing	-5	-2.5	5	5.6	0	0.0	5	6.7
F	Construction	15	5.2	15	7.0	20	8.0	-5	-3.0
G	Motor Trades	0	0.0	-5	-7.7	0	0.0	5	8.3
G	Wholesale	5	5.9	0	0.0	0	0.0	-5	-12.5
G	Retail	-15	-7.0	5	3.2	15	5.8	-5	-2.9
H	Hotels and Catering	10	6.3	5	3.8	5	1.9	5	3.8
I	Transport	5	8.3	0	0.0	-5	-3.6	0	0.0
I	Post and Telecoms	0	0.0	0	0.0	5	25.0	0	0.0
J	Finance	-5	-50.0	0	0.0	0	0.0	0	0.0
K	Property and Business Services	65	18.8	45	9.0	45	6.3	30	14.6
M	Education	5	50.0	-5	-25.0	0	0.0	0	0.0
N	Health	0	0.0	5	6.7	0	0.0	-5	-9.1
O	Other Services	5	4.2	10	5.9	0	0.0	10	10.0
	Total	85	5.2	80	5.0	85	3.5	35	3.3

Source: ONS Business Demography: Active Enterprises

6.3 INDUSTRIAL NET CHANGES RELATIVE TO THE NORTH EAST, LEEDS CITY REGION AND THE UK

In 2007, TWCR’s business base grew by 5.6%. This was faster than Leeds CR (3.7%) and the UK (4.3%), but not quite as fast as the North East (5.9%) (Table 6.6).

In 2007, ‘Property and Business Services’, ‘Retail’ and ‘Construction’ formed the biggest proportions of the business base in TWCR, with 29.9%, 12.4% and 12.2% respectively.

‘Property and Business Services’ held the largest proportion of the business base in Leeds CR (30.2%), the North East (29.1%) and in the UK (35.4%). Growth in ‘Property and Business Services’ therefore has a major impact on the overall business base. In TWCR, this industry’s base grew by 13.6% in 2007, faster than the UK (9.2%) and Leeds CR (9.0%). The North East’s ‘Property and Business Services’ grew somewhat faster at 14.8%.

‘Retail’s’ base fell in all four geographic areas; Leeds CR fastest (0.7%), followed by the North East (0.5%), the UK (0.4%) and TWCR saw the slowest rate of 0.2%. Retail held the third-largest proportion of the business base in the Leeds CR (11.9%), the North East (12.3%) and the UK (10.1%) in 2007.

Table 6.6: Active Enterprises by Industry: TWCR, LCR, North East and UK, 2007

SIC 2003	Industry	Active Enterprises 2007				% of Total				% Change 2006-2007			
		TWCR	LCR	NE	UK	TWCR	LCR	NE	UK	TWCR	LCR	NE	UK
C and E	Mining, quarrying, electricity, gas and water supply	25	70	75	2,220	0.1	0.1	0.1	0.1	0.0	16.7	7.1	13.8
D	Manufacturing	3,110	8,460	4,830	167,695	7.8	9.0	7.8	7.3	1.3	-0.4	1.4	-0.3
F	Construction	4,875	11,475	7,920	275,555	12.2	12.2	12.7	12.0	5.9	5.8	6.2	5.0
G	Motor Trades	1,550	3,790	2,520	79,555	3.9	4.0	4.0	3.5	2.3	0.7	2.2	0.6
G	Wholesale	1,750	5,705	2,655	120,780	4.4	6.0	4.3	5.2	0.9	-0.3	0.4	0.4
G	Retail	4,970	11,265	7,680	231,280	12.4	11.9	12.3	10.1	-0.2	-0.7	-0.5	-0.4
H	Hotels and Catering	4,060	7,660	6,330	169,125	10.2	8.1	10.2	7.3	2.9	1.4	3.5	1.8
I	Transport	1,465	3,385	2,390	76,155	3.7	3.6	3.8	3.3	2.4	2.4	1.5	1.5
I	Post and Telecoms	335	1,005	470	18,955	0.8	1.1	0.8	0.8	0.0	0.5	-2.1	0.7
J	Finance	310	965	540	28,095	0.8	1.0	0.9	1.2	0.0	2.7	1.9	5.6
K	Property and Business Services	11,920	28,535	18,150	813,835	29.9	30.2	29.1	35.4	13.6	9.0	14.8	9.2
M	Education	480	1,250	770	30,200	1.2	1.3	1.2	1.3	2.1	2.5	2.0	0.3
N	Health	1,695	3,435	2,655	83,920	4.2	3.6	4.3	3.6	4.0	4.9	4.3	4.5
O	Other Services	3,380	7,350	5,325	203,855	8.5	7.8	8.5	8.9	3.4	1.0	4.0	1.6
	Total	39,925	94,350	62,310	2,301,225	100.0	100.0	100.0	100.0	5.6	3.7	5.9	4.3

Source: ONS Business Demography: Active Enterprises

Seven additional industries (other than ‘Property and Business Services’) grew their business base during 2007 in all four areas:

- ‘Construction’ (up 5.9%, Leeds CR 5.8%, NE 6.2%, UK 5.0%)
- ‘Motor Trades’ (up 2.3%, 0.7%, 2.2% and 0.6%)
- ‘Hotels and Catering’ (up 2.9%, 1.4%, 3.5% and 1.8%)
- ‘Transport’ (up 2.4%, 2.4%, 1.5% and 1.5%)
- ‘Education’ (up 2.1%, 2.5%, 2.0% and 0.3%)
- ‘Health’ (up 4.0%, 4.9%, 4.3% and 4.5%)
- ‘Other Services’ (up 3.4%, 1.0%, 4.0% and 1.6%)

‘Retail’ was the only industry in which business stocks fell during 2007 in all four areas: (down 0.2%, 0.7%, 0.5% and 0.4%).

Leeds CR additionally experienced a fall in business stocks in ‘Manufacturing’ (-0.4%) and ‘Wholesale’(-0.3%). The North East saw a fall in ‘Post and Telecoms’ (-2.1%).

6.4 CUMULATIVE INDUSTRIAL CHANGE, 2002 - 2007

Over the 6-year period to 2007, TWCR’s business base grew 14.1% (4,945 businesses), an annual average of about 2.4% (Table 6.7). TWCR’s growth rate was faster than all the comparator regions (Leeds CR 9.9%, NE 14.0%, UK 9.5%). Within TWCR, RoCR’s business base grew just 0.9pp faster than Tyne & Wear’s (14.7% and 13.8% respectively).

Note: Changes over this period give a better indication of the performance of particular industries than single year changes.

Table 6.7: Cumulative Change in Active Enterprises, 2002-2007, by Industry (%)

SIC 2003	Industry	Tyne & Wear		RoCR		TWCR		Leeds CR		North East		UK		Difference (TWCR-UK) (percentage points)
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
C and E	Mining, quarrying, electricity, gas and water supply	-10	-66.7	5	33.3	-5	-16.7	-25	-26.3	5	7.1	-435	-16.4	-0.3
D	Manufacturing	-20	-1.0	-25	-2.3	-45	-1.4	-700	-7.6	-140	-2.8	-16,000	-8.7	7.3
F	Construction	795	36.4	420	28.5	1,215	33.2	2,245	24.3	1,955	32.8	43,120	18.6	14.6
G	Motor Trades	10	1.1	45	7.6	55	3.7	10	0.3	110	4.6	30	0.0	3.6
G	Wholesale	35	3.4	40	6.2	75	4.5	60	1.1	120	4.7	-4,820	-3.8	8.3
G	Retail	-315	-8.8	-55	-3.2	-370	-6.9	-910	-7.5	-565	-6.9	-12,270	-5.0	-1.9
H	Hotels and Catering	225	9.5	100	7.3	325	8.7	460	6.4	535	9.2	10,715	6.8	1.9
I	Transport	-20	-2.5	10	1.4	-10	-0.7	30	0.9	-10	-0.4	1,015	1.4	-2.0
I	Post and Telecoms	-15	-6.8	45	52.9	30	9.8	160	18.9	25	5.6	-1,355	-6.7	16.5
J	Finance	-10	-4.3	0	0.0	-10	-3.1	0	0.0	25	4.9	-515	-1.8	-1.3
K	Property and Business Services	2,455	44.2	1,260	47.5	3,715	45.3	7,165	33.5	5,500	43.5	169,020	26.2	19.1
M	Education	75	31.9	45	36.0	120	33.3	270	27.6	195	33.9	5,900	24.3	9.1
N	Health	100	10.0	80	15.7	180	11.9	380	12.4	335	14.4	10,865	14.9	-3.0
O	Other Services	-195	-8.5	-135	-9.6	-330	-8.9	-640	-8.0	-455	-7.9	-5,555	-2.7	-6.2
	Total	3,110	13.8	1,835	14.7	4,945	14.1	8,505	9.9	7,635	14.0	199,715	9.5	4.6

Source: ONS Business Demography: Active Enterprises

Growth of the business stock in the 6 years to 2007 was led by ‘Property and Business Services’ in all areas (except RoCR); in TWCR (up 45.3%, 3,715 businesses) 19pp faster than the UK (26.2%, up 169,020) and 11.8pp faster than in Leeds CR (33.5%, up 7,165) [Note Leeds CR’s numerical growth in Property and Business Services was almost double TWCR’s]. Growth in the North East (43.5%, up 5,500) was 1.8pp slower than in TWCR. Within TWCR, ‘Property and Business Services’ grew 3.3pp faster in RoCR (at 47.5%) than in Tyne & Wear (44.2%).

‘Construction’ also experienced a large numerical rise in the business base in TWCR and fast growth (up 1,215, 33.2%). TWCR’s ‘Construction’ growth was 14.6 pp faster than the UK (18.6%). Growth was 1.28 times as fast in TW (36.4%) as in RoCR (28.5%). ‘Construction’ growth was slightly slower in the North East (32.8%). TWCR was 8.9 percentage points faster than Leeds CR (24.3%).

‘Hotels & Catering’ also rose substantially in TWCR (up 325, 8.7%); 1.9 percentage points faster than the UK (6.8%). The North East’s growth rate was 0.5 percentage points faster than TWCR. TWCR’s growth rate was 2.3 percentage points faster than Leeds CR (6.4%). In TWCR, ‘Hotels & Catering’ growth was faster in TW (9.5%) than RoCR (7.3%).

Business numbers fell in all four areas over the 6 years to 2007 in three industries; ‘Manufacturing’, ‘Retail’ and ‘Other Services’.

The largest numerical fall in business stock in the 6 years to 2007 in TWCR was in ‘Retail’ (down 370, -6.9%), the same rate as in the North East (down 565, -6.9%). These rates of decline in Retail were faster than in the UK (down 12,270, -5.0%) but slower than Leeds CR (down 910, -7.5%).

‘Manufacturing’ fell more slowly in TWCR (down 45, -1.4%) compared to Leeds CR (down 700, -7.6%), the North East (down 140, -2.8%) and the UK (down 16,000, -8.7%). Within TWCR, the fall in ‘Manufacturing’ was faster in RoCR (down 25, -2.3%) than in TW (down 20, -1.0%).

COMPARISONS WITH THE UK

Over the 6 years to 2007, on cumulative growth, TWCR out-performed the UK by 4.6 percentage points overall. Leeds CR out-performed the UK by just 0.4 percentage points.

TWCR out-performed the UK in eight industries; ‘Property and Business Services’ (by 19.1pp), ‘Post and Telecoms’ (by 16.5pp), ‘Construction’ (by 14.6pp), ‘Education’ (by 9.1pp), ‘Wholesale’ (by 8.3pp), ‘Manufacturing’ (by 7.3pp), ‘Motor Trades’ (by 3.6pp) and ‘Hotels and Catering’ (by 1.9pp).

‘Other Services’ under-performed in TWCR compared to the UK (by -6.2 percentage points), alongside ‘Health’ (by -3.0pp), ‘Transport’ (by -2.0pp), Retail (by -1.9pp), ‘Finance’ (by -1.3pp) and ‘Mining and Utilities’ (by -0.3pp).

Comparing Tyne & Wear to the UK, Tyne & Wear out-performed the UK by 4.3pp. The same industries as in TWCR under-performed compared to the UK, with the addition of ‘Post and Telecoms’ (by -0.1pp).

Over the 6 years to 2007, TWCR’s overall performance was 4.1 percentage points stronger than Leeds CR. However, TWCR was under-performing in comparison to LCR in five industries; ‘Transport’, ‘Post and Telecoms’, ‘Finance’, ‘Health’ and ‘Other Services’. The largest percentage point difference between TWCR and Leeds CR was in ‘Post and Telecoms’ (-9.1pp).

Between 2002-2007, Leeds CR out-performed the UK by just 0.4 percentage points overall. Eight Leeds CR industries out-performed compared to the UK (‘Manufacturing’ (by 1.1pp), ‘Construction’ (by 5.8pp), ‘Motor Trades’ (by 0.2pp), ‘Wholesale’ (by 4.9pp), ‘Post and Telecoms’ (by 25.6pp), ‘Finance’ (by 1.8pp), ‘Property and Business Services’ (by 7.3pp) and ‘Education’ (by 3.3pp). The largest percentage point difference between Leeds CR and the UK was in ‘Post and Telecoms’ (25.6pp).

‘Mining and Utilities’ in Leeds CR under-performed the UK by -9.9pp and ‘Other Services’ by -5.4pp. Four other industries under-performed compared to the UK; ‘Retail’ and ‘Health’ (both by -2.5pp), ‘Transport’ (by -0.5pp) and ‘Hotels and Catering’ (by -0.4pp).

APPENDIX 1: ENTERPRISE BIRTHS AND DEATHS IN TYNE & WEAR CITY REGION, 2002-2007

Table A1.1: UK Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	390	435	265	280	215	455	2,040
D	Manufacturing	14,400	15,315	15,040	13,590	12,305	13,800	84,450
F	Construction	26,060	31,225	33,440	33,540	31,995	36,130	192,390
G	Motor Trades	6,405	7,360	7,530	7,305	6,540	6,850	41,990
G	Wholesale	9,785	11,000	11,165	10,415	9,395	10,180	61,940
G	Retail	23,955	26,405	27,075	26,740	23,735	24,115	152,025
H	Hotels and Catering	27,260	27,990	27,790	27,375	24,800	25,240	160,455
I	Transport	7,315	7,840	8,450	7,910	7,210	8,020	46,745
I	Post and Telecoms	3,920	3,950	3,800	3,660	3,110	2,840	21,280
J	Finance	2,840	2,820	3,080	2,845	2,685	4,085	18,355
K	Property and Business Services	88,595	98,785	109,840	111,760	106,180	139,475	654,635
M	Education	3,365	4,135	4,175	3,670	3,085	2,915	21,345
N	Health	5,040	6,250	6,560	5,855	5,885	7,060	36,650
O	Other Services	23,210	23,490	21,870	19,910	18,390	20,425	127,295
	Total	242,540	267,000	280,080	274,855	255,530	301,590	1,621,595

Source: ONS Business Demography: Enterprise Births

Table A1.2: UK Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	310	350	290	180	165	275	1,570
D	Manufacturing	16,905	17,880	18,395	16,260	14,250	14,590	98,280
F	Construction	21,825	23,390	25,200	23,540	22,875	23,680	140,510
G	Motor Trades	6,665	7,065	7,480	6,825	6,165	6,240	40,440
G	Wholesale	11,770	12,060	12,700	11,650	10,120	10,840	69,140
G	Retail	24,975	28,260	28,460	26,555	24,200	23,390	155,840
H	Hotels and Catering	21,235	24,880	26,390	24,980	22,420	22,485	142,390
I	Transport	7,225	7,850	8,005	7,680	7,020	7,350	45,130
I	Post and Telecoms	3,035	3,190	3,350	2,560	2,470	2,365	16,970
J	Finance	4,015	2,880	3,065	3,310	2,625	3,565	19,460
K	Property and Business Services	71,025	78,325	82,000	79,160	73,665	87,960	472,135
M	Education	1,655	2,000	2,160	2,335	16,410	2,340	26,900
N	Health	4,340	4,505	4,760	4,825	2,145	5,110	25,685
O	Other Services	17,985	19,695	21,360	18,295	4,515	17,990	99,840
	Total	212,965	232,330	243,615	228,155	209,045	228,180	1,354,290

Source: ONS Business Demography: Enterprise Deaths

Table A1.3: North East Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	10	10	5	5	10	20	60
D	Manufacturing	460	435	445	385	365	445	2,535
F	Construction	775	930	1,065	1,140	1,080	1,180	6,170
G	Motor Trades	215	270	240	275	220	255	1,475
G	Wholesale	230	250	270	235	235	220	1,440
G	Retail	825	860	835	830	775	780	4,905
H	Hotels and Catering	1,070	1,030	1,045	995	900	1,020	6,060
I	Transport	260	275	255	275	220	250	1,535
I	Post and Telecoms	110	105	80	95	105	70	565
J	Finance	60	60	80	60	60	65	385
K	Property and Business Services	1,905	2,280	2,430	2,455	2,280	3,780	15,130
M	Education	100	100	100	90	90	90	570
N	Health	145	195	185	180	180	220	1,105
O	Other Services	560	595	610	635	570	610	3,580
	Total	6,725	7,395	7,645	7,655	7,090	9,005	45,515

Source: ONS Business Demography: Enterprise Births

Table A1.4: North East Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	5	10	5	5	10	5	40
D	Manufacturing	415	520	475	415	375	415	2,615
F	Construction	565	650	660	695	720	750	4,040
G	Motor Trades	210	235	245	220	190	185	1,285
G	Wholesale	190	275	230	220	215	210	1,340
G	Retail	735	975	955	890	805	765	5,125
H	Hotels and Catering	695	1,020	1,010	935	815	845	5,320
I	Transport	215	300	295	250	225	225	1,510
I	Post and Telecoms	70	100	80	55	70	80	455
J	Finance	55	60	60	65	60	50	350
K	Property and Business Services	1,295	1,625	1,635	1,685	1,505	1,780	9,525
M	Education	30	45	55	60	400	65	655
N	Health	115	145	150	150	60	150	770
O	Other Services	435	535	565	485	145	460	2,625
	Total	5,030	6,495	6,420	6,130	5,595	5,985	35,655

Source: ONS Business Demography: Enterprise Deaths

Note: Agriculture was omitted from all these ONS tables.

DISTRICT BIRTHS AND DEATHS

2002-2007

Between 2002 and 2007, numbers of enterprise births fell in only one of the thirteen districts of TWCR; Blyth Valley (down 10, -4.2%). The largest rise in births was in South Tyneside (up 170, 55.7%). The fastest rise among the Durham4 districts was in Derwentside (up 120, 52.2%). Among the Northumberland4 districts, Wansbeck had the fastest rise (up 40, 42.1%).

Enterprise deaths fell (improved) in only one TWCR district; Castle Morpeth (down 20, -12.5%). Enterprise deaths rose in all other districts. In TW the fastest rise was in South Tyneside (up 65, 26.5%). Easington had the fastest rise among the Durham4 districts (up 35, 33.3%), and Blyth Valley among the Northumberland4 (up 30, 24.0%).

2006-2007

Between 2006 and 2007, numbers of enterprise births rose in all thirteen TWCR districts. The fastest rise in TW was in Gateshead (up 220, 39.6%). Among the Durham4 districts, the fastest rise was in Derwentside (up 95, 37.3%), and among the Northumberland4 Blyth Valley (up 45, 24.3%).

Enterprise deaths fell (improved) in five of the TWCR districts. The largest numerical fall was seen in Durham (down 15, -6.8%). In TW, North Tyneside was the only district in which enterprise deaths fell (down 5, -1.1%). Disturbingly, enterprise deaths rose in eight districts [including four in Tyne & Wear]; Sunderland (up [a big] 85, 15.0%), Gateshead (up 70, 16.3%), South Tyneside (up 55, 21.6%), Newcastle (up 55, 7.9%), Derwentside (up 25, 15.2%), Chester-le-Street (up10, 10.0%), Easington (up 5, 3.7%) and Blyth Valley (up 5, 3.3%).

Note: Agriculture was omitted from all these ONS tables.

Table A1.5: Gateshead Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	5	0	5
D	Manufacturing	40	35	40	40	30	55	240
F	Construction	55	60	90	90	75	95	465
G	Motor Trades	20	30	20	20	15	25	130
G	Wholesale	20	25	30	30	20	25	150
G	Retail	75	65	65	70	60	70	405
H	Hotels and Catering	90	90	85	80	75	80	500
I	Transport	25	10	15	15	15	10	90
I	Post and Telecoms	15	10	5	10	10	10	60
J	Finance	5	5	10	5	10	15	50
K	Property and Business Services	180	235	270	250	185	320	1,440
M	Education	10	10	5	5	5	10	45
N	Health	15	15	20	10	15	20	95
O	Other Services	45	35	35	40	35	40	230
	Total	595	625	690	665	555	775	3,905

Source: ONS Business Demography: Enterprise Births

Table A1.6: Gateshead Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	25	45	35	35	30	30	200
F	Construction	45	55	55	50	50	45	300
G	Motor Trades	25	20	20	20	15	20	120
G	Wholesale	25	25	25	20	20	15	130
G	Retail	65	85	60	65	45	50	370
H	Hotels and Catering	50	90	80	70	60	80	430
I	Transport	15	15	25	20	15	20	110
I	Post and Telecoms	10	10	10	5	10	10	55
J	Finance	5	5	10	5	10	5	40
K	Property and Business Services	95	145	160	145	135	175	855
M	Education	5	5	0	10	30	35	85
N	Health	10	10	10	10	5	5	50
O	Other Services	30	30	30	30	5	10	135
	Total	405	540	520	485	430	500	2,880

Source: ONS Business Demography: Enterprise Deaths

Table A1.7: Newcastle Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	5	5
D	Manufacturing	45	45	35	35	35	30	225
F	Construction	55	75	75	90	105	90	490
G	Motor Trades	15	15	20	20	20	15	105
G	Wholesale	25	35	30	30	30	20	170
G	Retail	105	105	95	105	95	95	600
H	Hotels and Catering	100	120	125	115	120	115	695
I	Transport	25	20	20	25	20	15	125
I	Post and Telecoms	15	20	5	5	10	5	60
J	Finance	10	10	10	5	15	10	60
K	Property and Business Services	300	345	295	360	295	405	2,000
M	Education	10	10	15	10	10	15	70
N	Health	15	25	25	30	30	25	150
O	Other Services	70	70	90	100	70	85	485
	Total	790	895	840	930	855	930	5,240

Source: ONS Business Demography: Enterprise Births

Table A1.8: Newcastle Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	5	0	0	0	0	5
D	Manufacturing	60	50	55	40	30	40	275
F	Construction	65	50	65	55	65	90	390
G	Motor Trades	25	30	25	20	20	15	135
G	Wholesale	25	45	30	30	30	25	185
G	Retail	100	100	120	105	100	90	615
H	Hotels and Catering	100	115	130	105	115	100	665
I	Transport	25	25	25	20	10	20	125
I	Post and Telecoms	10	10	5	5	5	10	45
J	Finance	10	15	10	5	15	5	60
K	Property and Business Services	165	255	240	190	220	265	1,335
M	Education	5	5	10	5	60	60	145
N	Health	25	20	25	25	5	10	110
O	Other Services	55	60	70	65	20	20	290
	Total	670	785	810	670	695	750	4,380

Source: ONS Business Demography: Enterprise Deaths

Table A1.9: North Tyneside Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	35	40	40	30	35	40	220
F	Construction	65	80	90	90	95	95	515
G	Motor Trades	20	20	15	30	20	30	135
G	Wholesale	10	15	10	15	25	15	90
G	Retail	65	75	65	65	55	60	385
H	Hotels and Catering	95	85	85	75	60	80	480
I	Transport	10	15	15	10	10	10	70
I	Post and Telecoms	5	10	5	5	10	5	40
J	Finance	5	0	0	5	5	10	25
K	Property and Business Services	125	180	175	185	145	270	1,080
M	Education	5	5	10	5	5	5	35
N	Health	10	20	5	15	10	25	85
O	Other Services	35	45	55	45	30	40	250
	Total	485	590	570	575	505	685	3,410

Source: ONS Business Demography: Enterprise Births

Table A1.10: North Tyneside Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	30	35	40	30	40	40	215
F	Construction	40	55	55	65	65	70	350
G	Motor Trades	15	15	20	15	15	20	100
G	Wholesale	15	20	15	10	20	10	90
G	Retail	50	80	70	55	65	65	385
H	Hotels and Catering	60	95	80	80	50	65	430
I	Transport	5	20	25	10	10	10	80
I	Post and Telecoms	5	5	10	0	5	5	30
J	Finance	5	5	0	5	0	5	20
K	Property and Business Services	95	135	125	135	120	115	725
M	Education	0	5	5	5	35	20	70
N	Health	10	10	15	5	5	5	50
O	Other Services	25	40	55	30	10	5	165
	Total	355	520	515	445	440	435	2,710

Source: ONS Business Demography: Enterprise Deaths

Table A1.11: South Tyneside Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	20	15	25	25	25	35	145
F	Construction	45	40	50	55	50	75	315
G	Motor Trades	10	10	10	15	5	5	55
G	Wholesale	10	5	15	5	10	10	55
G	Retail	45	35	45	35	45	45	250
H	Hotels and Catering	50	50	65	40	50	55	310
I	Transport	15	5	10	10	10	10	60
I	Post and Telecoms	5	5	0	5	5	10	30
J	Finance	0	0	5	0	5	0	10
K	Property and Business Services	75	130	130	110	125	165	735
M	Education	5	5	5	0	5	10	30
N	Health	5	10	5	10	15	15	60
O	Other Services	20	30	25	25	30	40	170
	Total	305	340	390	335	380	475	2,225

Source: ONS Business Demography: Enterprise Births

Table A1.12: South Tyneside Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	20	35	20	20	15	25	135
F	Construction	30	35	25	35	30	40	195
G	Motor Trades	5	10	15	10	10	5	55
G	Wholesale	5	10	5	10	0	10	40
G	Retail	40	70	55	50	45	35	295
H	Hotels and Catering	35	60	50	45	40	50	280
I	Transport	20	10	5	15	5	10	65
I	Post and Telecoms	0	10	5	0	0	5	20
J	Finance	5	0	0	0	0	0	5
K	Property and Business Services	55	90	75	80	90	85	475
M	Education	0	0	5	0	15	25	45
N	Health	5	5	10	10	0	5	35
O	Other Services	25	20	20	25	5	15	110
	Total	245	355	290	300	255	310	1,755

Source: ONS Business Demography: Enterprise Deaths

Table A1.13: Sunderland Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	45	50	55	45	45	45	285
F	Construction	60	95	110	110	110	115	600
G	Motor Trades	20	20	15	20	25	30	130
G	Wholesale	25	30	35	25	20	25	160
G	Retail	95	85	80	85	80	80	505
H	Hotels and Catering	105	100	95	100	90	105	595
I	Transport	30	25	20	30	25	30	160
I	Post and Telecoms	20	10	10	5	15	10	70
J	Finance	5	5	5	5	10	10	40
K	Property and Business Services	195	235	290	240	180	320	1,460
M	Education	10	5	5	5	10	10	45
N	Health	10	20	15	10	15	20	90
O	Other Services	55	45	50	65	65	55	335
	Total	675	725	785	745	690	855	4,475

Source: ONS Business Demography: Enterprise Births

Table A1.14: Sunderland Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	45	45	45	50	50	60	295
F	Construction	55	50	55	75	75	85	395
G	Motor Trades	15	20	15	20	20	20	110
G	Wholesale	20	30	25	25	20	25	145
G	Retail	90	110	95	105	80	80	560
H	Hotels and Catering	70	95	95	95	85	90	530
I	Transport	20	30	25	30	25	20	150
I	Post and Telecoms	5	20	10	5	10	10	60
J	Finance	5	5	5	5	10	5	35
K	Property and Business Services	145	140	170	200	155	190	1,000
M	Education	0	5	5	0	25	45	80
N	Health	5	10	15	20	0	10	60
O	Other Services	40	50	40	55	10	10	205
	Total	515	610	600	685	565	650	3,625

Source: ONS Business Demography: Enterprise Deaths

Table A1.15: Durham 4 Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	55	45	40	35	40	55	270
F	Construction	100	105	110	145	145	155	760
G	Motor Trades	30	35	30	35	30	35	195
G	Wholesale	30	40	25	35	25	45	200
G	Retail	90	95	110	100	90	90	575
H	Hotels and Catering	125	100	125	115	110	115	690
I	Transport	40	50	45	50	45	60	290
I	Post and Telecoms	15	10	20	20	20	10	95
J	Finance	0	5	5	5	0	15	30
K	Property and Business Services	215	275	295	285	220	375	1,665
M	Education	10	10	15	5	10	15	65
N	Health	15	10	20	20	30	25	120
O	Other Services	65	65	60	65	85	90	430
	Total	790	845	900	915	850	1,085	5,385

Source: ONS Business Demography: Enterprise Births

Table A1.16: Durham 4 Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	30	70	50	50	40	40	280
F	Construction	60	80	80	95	80	70	465
G	Motor Trades	25	30	25	30	15	15	140
G	Wholesale	25	30	35	25	15	25	155
G	Retail	80	105	100	115	80	80	560
H	Hotels and Catering	85	105	125	110	105	85	615
I	Transport	35	40	40	45	35	40	235
I	Post and Telecoms	10	15	5	15	10	10	65
J	Finance	5	5	0	5	0	0	15
K	Property and Business Services	120	150	150	250	165	215	1,050
M	Education	5	10	5	5	45	45	115
N	Health	5	15	5	20	15	0	60
O	Other Services	50	55	60	55	15	20	255
	Total	535	710	680	820	620	645	4,010

Source: ONS Business Demography: Enterprise Deaths

Table A1.17: Chester-le-Street Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	5	5	5	5	5	10	35
F	Construction	20	20	25	30	20	25	140
G	Motor Trades	10	5	10	10	5	5	45
G	Wholesale	5	5	5	5	5	5	30
G	Retail	15	10	20	25	20	25	115
H	Hotels and Catering	25	15	15	20	15	25	115
I	Transport	10	10	5	5	5	5	40
I	Post and Telecoms	5	5	5	0	5	0	20
J	Finance	0	0	0	5	0	5	10
K	Property and Business Services	45	40	55	55	35	50	280
M	Education	0	0	5	0	0	0	5
N	Health	0	0	0	0	5	0	5
O	Other Services	15	15	10	10	15	10	75
	Total	155	130	160	170	135	165	915

Source: ONS Business Demography: Enterprise Births

Table A1.18: Chester-le-Street Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	10	10	5	15	5	5	50
F	Construction	10	15	25	20	10	10	90
G	Motor Trades	5	5	5	10	5	5	35
G	Wholesale	5	5	5	5	0	5	25
G	Retail	10	15	10	25	20	10	90
H	Hotels and Catering	25	15	20	25	20	10	115
I	Transport	0	10	10	10	5	10	45
I	Post and Telecoms	0	5	0	0	0	0	5
J	Finance	0	5	0	0	0	0	5
K	Property and Business Services	25	25	30	50	25	45	200
M	Education	0	0	0	0	5	10	15
N	Health	5	5	0	0	5	0	15
O	Other Services	10	20	15	10	0	0	55
	Total	105	135	125	170	100	110	745

Source: ONS Business Demography: Enterprise Deaths

Table A1.19: Derwentside Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	20	15	15	15	15	20	100
F	Construction	25	35	30	50	50	50	240
G	Motor Trades	10	10	5	5	5	15	50
G	Wholesale	10	5	5	10	5	20	55
G	Retail	35	30	35	30	25	20	175
H	Hotels and Catering	30	30	40	30	35	35	200
I	Transport	10	10	15	15	15	20	85
I	Post and Telecoms	5	0	5	10	5	5	30
J	Finance	0	0	5	0	0	5	10
K	Property and Business Services	60	75	75	95	65	120	490
M	Education	5	5	5	0	5	5	25
N	Health	10	0	5	5	10	5	35
O	Other Services	10	15	15	20	20	30	110
	Total	230	230	255	285	255	350	1,605

Source: ONS Business Demography: Enterprise Births

Table A1.20: Derwentside Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	5	25	15	5	15	15	80
F	Construction	20	30	20	30	35	20	155
G	Motor Trades	5	10	5	10	0	5	35
G	Wholesale	5	5	10	5	0	5	30
G	Retail	30	40	30	35	20	30	185
H	Hotels and Catering	25	40	40	35	35	20	195
I	Transport	10	5	15	10	10	10	60
I	Post and Telecoms	5	5	0	5	0	0	15
J	Finance	0	0	0	5	0	0	5
K	Property and Business Services	30	45	45	65	35	60	280
M	Education	5	0	0	0	10	15	30
N	Health	0	0	5	5	0	0	10
O	Other Services	10	10	15	10	5	10	60
	Total	150	215	200	220	165	190	1,140

Source: ONS Business Demography: Enterprise Deaths

Table A1.21: Durham Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	15	10	10	10	10	15	70
F	Construction	35	25	35	35	45	45	220
G	Motor Trades	5	10	5	10	5	10	45
G	Wholesale	5	20	10	15	5	10	65
G	Retail	20	25	25	20	20	30	140
H	Hotels and Catering	40	35	40	40	30	30	215
I	Transport	10	15	10	15	10	15	75
I	Post and Telecoms	5	0	5	0	0	0	10
J	Finance	0	5	0	0	0	5	10
K	Property and Business Services	85	115	105	90	85	125	605
M	Education	0	5	5	5	5	5	25
N	Health	0	5	10	10	10	10	45
O	Other Services	25	20	20	15	25	35	140
	Total	245	290	280	265	250	335	1,665

Source: ONS Business Demography: Enterprise Births

Table A1.22: Durham Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	10	15	10	20	15	10	80
F	Construction	15	20	15	25	25	25	125
G	Motor Trades	5	10	5	5	5	0	30
G	Wholesale	10	15	10	10	10	10	65
G	Retail	25	20	35	25	15	20	140
H	Hotels and Catering	25	25	35	25	30	35	175
I	Transport	15	15	10	15	10	10	75
I	Post and Telecoms	5	0	5	0	5	0	15
J	Finance	5	0	0	0	0	0	5
K	Property and Business Services	40	60	50	90	70	80	390
M	Education	0	5	5	5	25	10	50
N	Health	0	5	0	5	5	0	15
O	Other Services	20	15	10	20	5	5	75
	Total	175	205	190	245	220	205	1,240

Source: ONS Business Demography: Enterprise Deaths

Table A1.23: Easington Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	15	15	10	5	10	10	65
F	Construction	20	25	20	30	30	35	160
G	Motor Trades	5	10	10	10	15	5	55
G	Wholesale	10	10	5	5	10	10	50
G	Retail	20	30	30	25	25	15	145
H	Hotels and Catering	30	20	30	25	30	25	160
I	Transport	10	15	15	15	15	20	90
I	Post and Telecoms	0	5	5	10	10	5	35
J	Finance	0	0	0	0	0	0	0
K	Property and Business Services	25	45	60	45	35	80	290
M	Education	5	0	0	0	0	5	10
N	Health	5	5	5	5	5	10	35
O	Other Services	15	15	15	20	25	15	105
	Total	160	195	205	195	210	235	1,200

Source: ONS Business Demography: Enterprise Births

Table A1.24: Easington Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	5	20	20	10	5	10	70
F	Construction	15	15	20	20	10	15	95
G	Motor Trades	10	5	10	5	5	5	40
G	Wholesale	5	5	10	5	5	5	35
G	Retail	15	30	25	30	25	20	145
H	Hotels and Catering	10	25	30	25	20	20	130
I	Transport	10	10	5	10	10	10	55
I	Post and Telecoms	0	5	0	10	5	10	30
J	Finance	0	0	0	0	0	0	0
K	Property and Business Services	25	20	25	45	35	30	180
M	Education	0	5	0	0	5	10	20
N	Health	0	5	0	10	5	0	20
O	Other Services	10	10	20	15	5	5	65
	Total	105	155	165	185	135	140	885

Source: ONS Business Demography: Enterprise Deaths

Table A1.25: Northumberland 4 Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	65	45	50	35	35	40	270
F	Construction	100	110	135	110	100	145	700
G	Motor Trades	25	20	25	30	25	25	150
G	Wholesale	30	30	30	15	30	15	150
G	Retail	85	85	75	95	80	80	500
H	Hotels and Catering	120	115	100	105	100	110	650
I	Transport	25	35	25	30	30	25	170
I	Post and Telecoms	5	5	5	15	15	15	60
J	Finance	5	5	10	5	15	0	40
K	Property and Business Services	210	220	220	230	210	335	1,425
M	Education	20	10	15	20	5	5	75
N	Health	15	20	30	25	20	15	125
O	Other Services	70	75	65	80	75	70	435
	Total	775	775	785	795	740	880	4,750

Source: ONS Business Demography: Enterprise Births

Table A1.26: Northumberland 4 Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	5	5	5	0	15
D	Manufacturing	30	50	55	45	40	35	255
F	Construction	75	70	60	70	90	75	440
G	Motor Trades	20	25	25	25	20	20	135
G	Wholesale	15	25	20	30	30	20	140
G	Retail	75	85	110	85	80	80	515
H	Hotels and Catering	75	115	105	85	80	75	535
I	Transport	25	30	40	25	30	20	170
I	Post and Telecoms	0	5	5	0	5	10	25
J	Finance	0	5	5	10	0	5	25
K	Property and Business Services	145	150	180	165	165	175	980
M	Education	5	0	5	10	45	60	125
N	Health	15	25	20	15	5	10	90
O	Other Services	60	60	75	60	15	10	280
	Total	540	645	710	630	610	595	3,730

Source: ONS Business Demography: Enterprise Deaths

Table A1.27: Blyth Valley Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	20	15	15	20	15	15	100
F	Construction	35	45	50	30	35	45	240
G	Motor Trades	10	5	10	10	10	5	50
G	Wholesale	10	5	10	5	5	5	40
G	Retail	35	25	20	25	20	15	140
H	Hotels and Catering	40	15	20	30	20	25	150
I	Transport	10	10	5	10	5	5	45
I	Post and Telecoms	5	0	5	0	10	5	25
J	Finance	0	0	0	0	0	0	0
K	Property and Business Services	55	45	30	50	45	90	315
M	Education	5	0	0	5	0	0	10
N	Health	5	5	5	5	5	5	30
O	Other Services	10	15	15	15	15	15	85
	Total	240	185	185	205	185	230	1,230

Source: ONS Business Demography: Enterprise Births

Table A1.28: Blyth Valley Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	10	10	10	15	15	10	70
F	Construction	20	30	20	20	30	25	145
G	Motor Trades	5	5	10	5	5	10	40
G	Wholesale	0	5	5	5	10	5	30
G	Retail	20	15	30	25	25	25	140
H	Hotels and Catering	20	25	25	15	20	15	120
I	Transport	10	10	10	5	0	5	40
I	Post and Telecoms	0	0	5	0	5	5	15
J	Finance	0	5	0	5	0	0	10
K	Property and Business Services	25	35	30	25	30	40	185
M	Education	0	0	0	0	10	10	20
N	Health	5	5	5	5	0	5	25
O	Other Services	10	20	10	15	0	0	55
	Total	125	165	160	140	150	155	895

Source: ONS Business Demography: Enterprise Deaths

Table A1.29: Castle Morpeth Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	10	10	5	5	10	5	45
F	Construction	30	15	15	25	20	35	140
G	Motor Trades	5	5	0	5	5	5	25
G	Wholesale	5	10	10	5	10	0	40
G	Retail	15	10	10	20	15	15	85
H	Hotels and Catering	30	20	25	25	15	25	140
I	Transport	5	5	0	5	10	5	30
I	Post and Telecoms	0	5	0	5	0	0	10
J	Finance	5	5	5	0	5	0	20
K	Property and Business Services	60	55	75	60	70	95	415
M	Education	0	0	5	5	0	0	10
N	Health	5	5	10	5	5	5	35
O	Other Services	20	20	15	25	20	25	125
	Total	190	165	175	190	185	215	1,120

Source: ONS Business Demography: Enterprise Births

Table A1.30: Castle Morpeth Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	5	0	0	0	5
D	Manufacturing	5	15	15	5	10	5	55
F	Construction	20	15	10	15	20	15	95
G	Motor Trades	5	10	5	5	5	5	35
G	Wholesale	5	5	5	10	5	5	35
G	Retail	25	20	35	20	15	20	135
H	Hotels and Catering	20	25	20	20	15	15	115
I	Transport	5	5	5	5	5	5	30
I	Post and Telecoms	0	5	0	0	0	0	5
J	Finance	0	0	0	5	0	5	10
K	Property and Business Services	50	40	65	55	55	45	310
M	Education	5	0	0	0	10	20	35
N	Health	0	5	5	5	0	0	15
O	Other Services	20	15	20	15	5	0	75
	Total	160	160	190	160	145	140	955

Source: ONS Business Demography: Enterprise Deaths

Table A1.31: Tynedale Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	25	15	20	5	10	15	90
F	Construction	20	20	35	25	20	45	165
G	Motor Trades	10	5	0	10	5	5	35
G	Wholesale	10	10	10	5	10	10	55
G	Retail	20	30	20	30	30	35	165
H	Hotels and Catering	35	45	40	35	45	40	240
I	Transport	10	15	15	10	10	10	70
I	Post and Telecoms	0	0	0	5	5	5	15
J	Finance	0	0	5	5	5	0	15
K	Property and Business Services	75	90	85	80	75	105	510
M	Education	10	10	5	10	5	5	45
N	Health	5	10	10	10	5	5	45
O	Other Services	30	25	25	20	30	20	150
	Total	250	275	270	250	255	300	1,600

Source: ONS Business Demography: Enterprise Births

Table A1.32: Tynedale Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	5	5	0	10
D	Manufacturing	10	15	20	15	10	10	80
F	Construction	25	15	15	20	20	20	115
G	Motor Trades	5	5	5	10	5	0	30
G	Wholesale	5	10	10	10	10	5	50
G	Retail	20	30	25	20	20	25	140
H	Hotels and Catering	25	40	35	30	30	30	190
I	Transport	10	10	20	10	20	10	80
I	Post and Telecoms	0	0	0	0	0	5	5
J	Finance	0	0	5	0	0	0	5
K	Property and Business Services	45	60	65	65	60	65	360
M	Education	0	0	5	5	20	20	50
N	Health	5	10	5	5	5	5	35
O	Other Services	25	20	30	20	5	10	110
	Total	175	215	240	215	210	205	1,260

Source: ONS Business Demography: Enterprise Deaths

Table A1.33: Wansbeck Births of New Enterprises by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	10	5	10	5	0	5	35
F	Construction	15	30	35	30	25	20	155
G	Motor Trades	0	5	15	5	5	10	40
G	Wholesale	5	5	0	0	5	0	15
G	Retail	15	20	25	20	15	15	110
H	Hotels and Catering	15	35	15	15	20	20	120
I	Transport	0	5	5	5	5	5	25
I	Post and Telecoms	0	0	0	5	0	5	10
J	Finance	0	0	0	0	5	0	5
K	Property and Business Services	20	30	30	40	20	45	185
M	Education	5	0	5	0	0	0	10
N	Health	0	0	5	5	5	0	15
O	Other Services	10	15	10	20	10	10	75
	Total	95	150	155	150	115	135	800

Source: ONS Business Demography: Enterprise Births

Table A1.34: Wansbeck Enterprise Deaths by Industry, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	0	0	0	0	0	0	0
D	Manufacturing	5	10	10	10	5	10	50
F	Construction	10	10	15	15	20	15	85
G	Motor Trades	5	5	5	5	5	5	30
G	Wholesale	5	5	0	5	5	5	25
G	Retail	10	20	20	20	20	10	100
H	Hotels and Catering	10	25	25	20	15	15	110
I	Transport	0	5	5	5	5	0	20
I	Post and Telecoms	0	0	0	0	0	0	0
J	Finance	0	0	0	0	0	0	0
K	Property and Business Services	25	15	20	20	20	25	125
M	Education	0	0	0	5	5	10	20
N	Health	5	5	5	0	0	0	15
O	Other Services	5	5	15	10	5	0	40
	Total	80	105	120	115	105	95	620

Source: ONS Business Demography: Enterprise Deaths

APPENDIX 2: ENTERPRISE BIRTHS AND DEATHS IN LEEDS CITY REGION, 2002-2007

Table A2.4.1: Births of New Enterprises in Leeds CR, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	15	10	5	5	5	5	45
D	Manufacturing	780	755	760	695	580	715	4,285
F	Construction	1,130	1,345	1,540	1,530	1,490	1,680	8,715
G	Motor Trades	310	360	375	380	310	360	2,095
G	Wholesale	505	525	520	470	480	455	2,955
G	Retail	1,255	1,325	1,380	1,340	1,145	1,235	7,680
H	Hotels and Catering	1,310	1,385	1,320	1,315	1,165	1,225	7,720
I	Transport	345	335	335	375	315	405	2,110
I	Post and Telecoms	185	210	210	220	215	200	1,240
J	Finance	115	85	115	125	155	195	790
K	Property and Business Services	2,840	3,385	3,575	3,745	3,600	4,325	21,470
M	Education	140	185	180	160	120	130	915
N	Health	205	255	280	215	290	355	1,600
O	Other Services	820	850	790	695	710	775	4,640
	Total	9,955	11,010	11,385	11,270	10,580	12,060	66,260

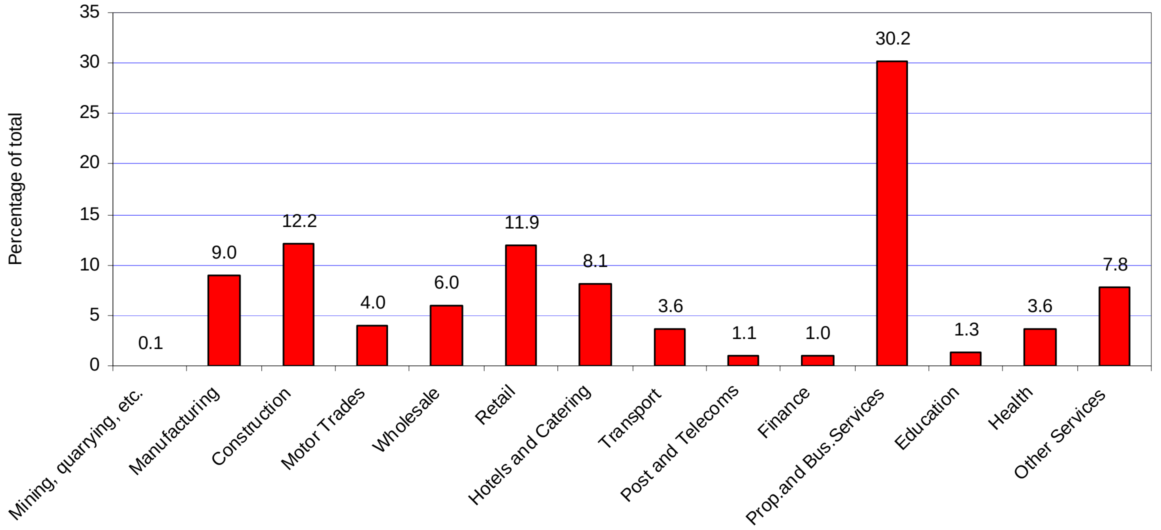
Source: ONS Business Demography: Enterprise Births

Table A2.5.1: Enterprise Deaths in Leeds CR, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Total
C and E	Mining, quarrying, electricity, gas and water supply	10	0	10	10	0	10	40
D	Manufacturing	835	895	925	885	750	740	5,030
F	Construction	900	960	1,015	1,110	990	1,055	6,030
G	Motor Trades	320	340	345	370	305	320	2,000
G	Wholesale	495	530	540	465	495	505	3,030
G	Retail	1,210	1,540	1,425	1,400	1,200	1,100	7,875
H	Hotels and Catering	995	1,330	1,305	1,225	1,100	1,040	6,995
I	Transport	305	385	315	350	335	340	2,030
I	Post and Telecoms	135	160	145	145	150	120	855
J	Finance	140	90	100	135	115	135	715
K	Property and Business Services	2,205	2,420	2,465	2,735	2,455	2,985	15,265
M	Education	65	75	90	115	640	650	1,635
N	Health	195	190	180	215	90	95	965
O	Other Services	685	775	760	750	170	225	3,365
	Total	8,495	9,690	9,620	9,910	8,795	9,320	55,830

Source: ONS Business Demography: Enterprise Deaths

Figure A2.6.1: The Industrial Mix of the Business Base, Leeds CR, 2007



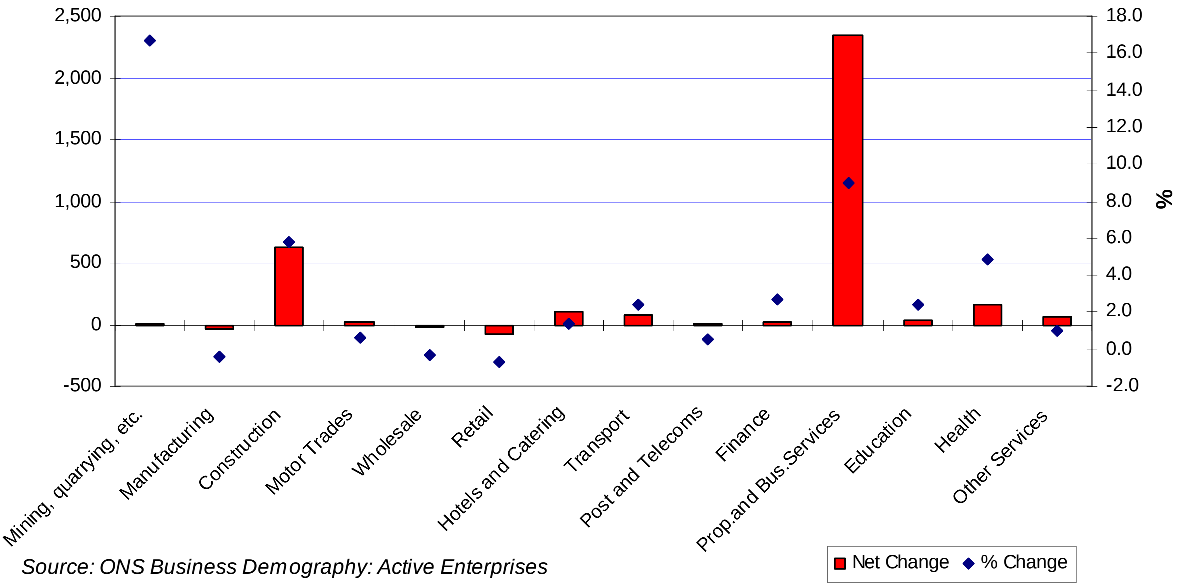
Source: ONS Business Demography: Active Enterprises

Table A2.6.1: Active Enterprises in Leeds CR, 2002-2007

SIC 2003	Industry	2002	2003	2004	2005	2006	2007	Change 2002-2007
C and E	Mining, quarrying, electricity, gas and water supply	95	75	65	65	60	70	-25
D	Manufacturing	9,160	9,055	8,915	8,735	8,495	8,460	-700
F	Construction	9,230	9,610	10,105	10,585	10,850	11,475	2,245
G	Motor Trades	3,780	3,805	3,820	3,840	3,765	3,790	10
G	Wholesale	5,645	5,675	5,715	5,710	5,725	5,705	60
G	Retail	12,175	12,245	11,860	11,680	11,340	11,265	-910
H	Hotels and Catering	7,200	7,580	7,620	7,645	7,555	7,660	460
I	Transport	3,355	3,390	3,310	3,375	3,305	3,385	30
I	Post and Telecoms	845	910	885	960	1,000	1,005	160
J	Finance	965	905	945	990	940	965	0
K	Property and Business Services	21,370	22,470	23,690	25,010	26,190	28,535	7,165
M	Education	980	1,090	1,185	1,235	1,220	1,250	270
N	Health	3,055	3,030	3,145	3,210	3,275	3,435	380
O	Other Services	7,990	8,030	7,700	7,420	7,280	7,350	-640
	Total	85,845	87,870	88,960	90,460	91,000	94,350	8,505

Source: ONS Business Demography: Active Enterprises

Figure A2.6.4: Net Change in Active Enterprises in Leeds CR, 2007



Source: ONS Business Demography: Active Enterprises

APPENDIX 3: INTER-DEPARTMENTAL BUSINESS REGISTER DATA, 2008

Count, Employment and Turnover of Enterprises, and Count and Employment of Local Units by Employment Size Band at March 2008 (VAT and /or PAYE based)

		Tees Valley CR	Tyne & Wear CR	Leeds CR	UK
Enterprise Count	0-49	15,060	34,930	83,905	2,119,850
(Number)	50-249	330	745	1,575	32,995
	250+	85	210	400	8,710
	Total	15,475	35,885	85,880	2,161,555
UK-wide	0-49	70	165	363	8,463
Employment	50-249	33	74	158	3,306
(Thousands)	250+	176	459	921	16,103
	Total	280	697	1,441	27,872
UK-wide Turnover	0-49	..C	14,283	38,220	1,066,600
(£ million)	50-249	..C	6,821	20,632	677,031
	250+	14,174	29,683	79,514	2,494,161
	Total	59,718	50,787	138,367	4,237,792
Local Unit Count	0-49	20,290	47,090	103,640	2,555,915
(Number)	50-249	925	1,930	3,710	75,385
	250+	140	335	590	11,915
	Total	21,355	49,355	107,940	2,643,215
Actual	0-49	128	297	584	13,129
Employment in	50-249	89	191	365	7,348
Local Units	250+	83	217	367	7,404
(Thousands)	Total	300	704	1,315	27,881

Source: ONS Inter-Departmental Business Register

Counts are rounded to avoid disclosure. Where employment or turnover are deemed to be disclosive, they are replaced with "..C". Other figures may also have been removed to avoid disclosure by deduction.

APPENDIX 4: OTHER DATA SOURCES FOR THE INFORMAL ECONOMY AND ENTREPRENEURSHIP

The Office for National Statistics' report 'Identifying Sources on Entrepreneurship and the Informal Economy'[17] provides further information on data sources:

The best data sources for the informal economy comprise;

- UK locality studies conducted by academics and collated in the English Localities Survey the Small Business Survey
- the Family Expenditure Survey
- Inland Revenue data on under-reporting of tax returns
- DWP data on 'working whilst claiming'
- HM Customs and Excise data on VAT compliance.

The best data sources for measuring entrepreneurship comprise:

- the GEM survey of UK entrepreneurial activity
- the Small Business Service, including the Household Panel Survey
- SME statistics and VAT registrations/de-registrations
- the Beta Model which measures relative change over time of business formation, employment and enterprise
- the IDBR register on enterprise development for policy assessment
- the Yellow Pages which contains regional databases of and for businesses across the UK
- an EU/SBS 2005 survey containing questions on tracking entrepreneurship.

[Not all of these data sources are in the public domain.]

[17] *Published 15th July 2005 at www.statistics.gov.uk/articles/nojournal/HedraReport.pdf*