BUSINESSES REGISTERED FOR VAT

IN TYNE & WEAR

1999

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KEY POINTS

Overall:

- At the end of 1999, there were **15,915 businesses** registered for VAT in Tyne & Wear (§4.1).
- The number of businesses in Tyne & Wear, **"the business base", fell in 1999 by 0.8%** (§4.1). This follows the only *absolute* rise since 1990 which occurred in 1998 (§5.5).
- *Relative* to the UK, Tyne & Wear **under-performed in 1999 by -1.2%.** Tyne & Wear also under-performed the North East (down only 0.2%). Since 1994 Tyne & Wear has under-performed the UK, on average, by **1.1% per annum** (§4.2; 5.4). This rate of under-performance is practically the same as in the 1980s. However, since 1994, Tyne & Wear has out-performed the North East.
- Business numbers fell sharply in Newcastle, by 195 firms (down 4.3%), and in Sunderland, by 60 firms (-1.6%). The other three Districts all increased: South Tyneside (up 40; 2.2%), Gateshead (up 45; 1.4%) and North Tyneside (up 40, 1.5%) (§4.3; 5.3).
- The changes in overall numbers in Tyne & Wear in the 1980s and 1990s can be seen as **driven by population decline** and fluctuations in **house-price inflation** (§3). Gateshead and North Tyneside had a rise in the size of their business base in 1999. They were also the two Districts with the slowest population decline that year (§5.2). Unlike the other Districts, South Tyneside had the fastest rise in its business base, despite its marked population decline.

Growth industries:

- Growth in the business base in 1999 was **led by Business Services (up 85, 2.4%).** Only two industries grew from 1994-1999: Business Services (up 730, 25.3%) and Public Admin. & Other Services (up 245 or 18.6%). In 1999 Hotels & Catering grew marginally (up 5, 0.3%). This may reflect growth in the tourism industry (§5.2; 5.4).

Declining industries:

- In 1999 there was a decline in seven industries. Numerically the largest net decline was in Retailing & Wholesale (down 70 -1.4% in 1999 and down 825 or -14.5% during 1994-99). **Over** the **last six years**, other **large falls** have occurred in **Construction (down 405, -21%)** and **Manufacturing (down 275, -14%)** (§5.2; 5.4).

Registrations and De-registrations:

- In 1999, the marginal net fall (-0.8%, -135 firms) in the Tyne & Wear business base was due to a **big rise in de-registrations (up 200 or 12%,** to 1,920) more than off-setting a 2% rise in registrations (up 35 to 1,785) (§4.4; 4.5).
- The small rise in registrations in Tyne & Wear was due to four industries: Manufacturing (up 35, 32%), Construction (up 30, 19%), Hotel & Catering (up 35, 14%) and Retail & Wholesale (up 40, 10%). Public Administration & Other Services had the largest numerical decline in registrations (down 65, -34%). There was also a **decline in Business Services registrations (down 6%)** (§4.4).
- In the UK, registrations fell by 4%, due to the large numerical fall in Business Services (down 6,140) and Public Administration & Other Services (down 1,465) (§4.4).
- The **rise in de-registrations of 200 in Tyne & Wear was, disturbingly, concentrated in Business Services (up 36%).** This follows a similar trend to the North East (up 26%) and the UK (up 24%). Conversely, de-registrations in Public Administration & Other Services decreased by 15 (§4.5).

Small and Medium Enterprises (SMEs):

- In 1999, 99% of the estimated 91,000 businesses in the North East are small or medium (employing 50 or fewer).
- Small businesses (up to 50 employees) account for **41% of employment** and almost **one third of turnover** in the North East.

- The Production Industries are dominated by larger sized businesses. 92% of Production Industry businesses in the North East are small but they account for only a quarter of employment and one sixth of turnover.
- In Distribution and Hotels & Restaurants, 99% of businesses are small, accounting for 40% of employment but under one third of turnover.
- The number of small businesses in the UK fell from the start of 1998 to the start of 1999 (except for businesses employing between one and four people). Subsequently employment fell within these smaller businesses (§6).

1 INTRODUCTION

Establishing a new entrepreneurial culture is one of the six key aims of One NorthEast, the new Regional Development Agency (RDA). If successful, this will accelerate the start-up rate and growth of new businesses, thus strengthening the business base.

This report shows that Tyne & Wear's small business base has declined more quickly than the North East's in 1999. However, over the period 1994-99 Tyne & Wear's business base has contracted **less quickly than the North East's.**

A particular weakness of Tyne & Wear is its high dependence on Retail & Wholesale businesses (31%, NE 27%, UK 23%). Conversely it is somewhat under-weight in Business Services (23%), relative to the UK (26%), but higher than the NE (19%), reflecting the conurbation's service role to the region. Similarly, Tyne & Wear has only 1% of its businesses in Agriculture, whereas this is 9% in both the NE and UK.

2 TECHNICAL INTRODUCTION

This paper presents the latest (1999) information for Tyne & Wear on businesses registered for VAT from the Inter-Departmental Business Register (IDBR), held by the Office for National Statistics (ONS). The VAT data are derived from HM Customs & Excise records and supplied by the Small Business Service (SBS). The main focus is on changes during 1999 in the "business base" (businesses registered for VAT).

Since 1994 the estimates have been based on counts of VAT registered *enterprises*; earlier counts were based on VAT *legal units*. Only broad comparisons can be made for 1980-99. This is because of large increases in the VAT threshold in 1991 and 1993 and other changes to the estimates. From April 1999 the threshold for VAT registration was an annual turnover of £51,000. An *enterprise*, as defined by the DTI, is a person or group of people producing goods or services under their own control and with their own legal identity. A branch or office of a larger organisation would not in itself be an enterprise.

Industry-coding is on the Standard Industrial Classification using SIC92 from 1994. Earlier data were published using the VAT Trade Classification (VTC). Due to the lack of comparability between the 1980-1993 and 1994-1999 industry-codes, analysis of change for the full period, 1980-1999 is only for the whole business base.

Comparisons are made geographically and industrially; Tyne & Wear with the North East and the UK averages across industries. It should be noted that registrations and de-registrations do not equate to business start-ups and closures. Enterprises may have been trading for some time before reaching the registration threshold, or may fall below the threshold and continue to trade.

3 DRIVERS OF CHANGE

Keeble and Walker, at Cambridge University, through an extensive statistical analysis of the VAT data-set for 1980-90 on possible causal factors, identified a set of key influences on new enterprise formation, growth in small business numbers and business failures in the UK. The study was published in *Regional Studies* (Volume 28, Number 4 July 1994). For small business growth, key positive influences were found to be:

- previous population growth,
- capital availability and
- professional and managerial expertise.

The two graphs show associations between change in the business base in Tyne & Wear and both population change and house price inflation (from 1980 or 1985 to 1999). This is consistent with the Keeble & Walker findings from the 1980s. Population decline (Fig.1) in Tyne & Wear has been a drag on the business base in every year except 1992 and 1993. It has fluctuated around –0.5%pa or so. This accounts for a significant part of Tyne & Wear's under-performance relative to the UK, particularly in the 1990s.

House prices can be said to be the main reason for the sharp contrast in business base change from one decade to the next, from growth to decline (Fig. 2). After 1990, house price inflation (and thus housing wealth) has been very weak. The business base has shrunk in both the UK and Tyne & Wear. In the 1980s strongly rising house prices were associated with positive growth in the business base (in both areas). In the first half of the 1990s (1991-95) house prices were flat and the business base shrank in both areas. In the later 1990s (1996-99) house prices began to rise again and the business base began to grow in the UK, and improve in Tyne & Wear. Moreover, the huge rise in house prices locally in 1989 helps to explain the elimination of the gap in business base change in the following two years (1990 and 1991). Housing wealth is the main collateral for new small businesses.

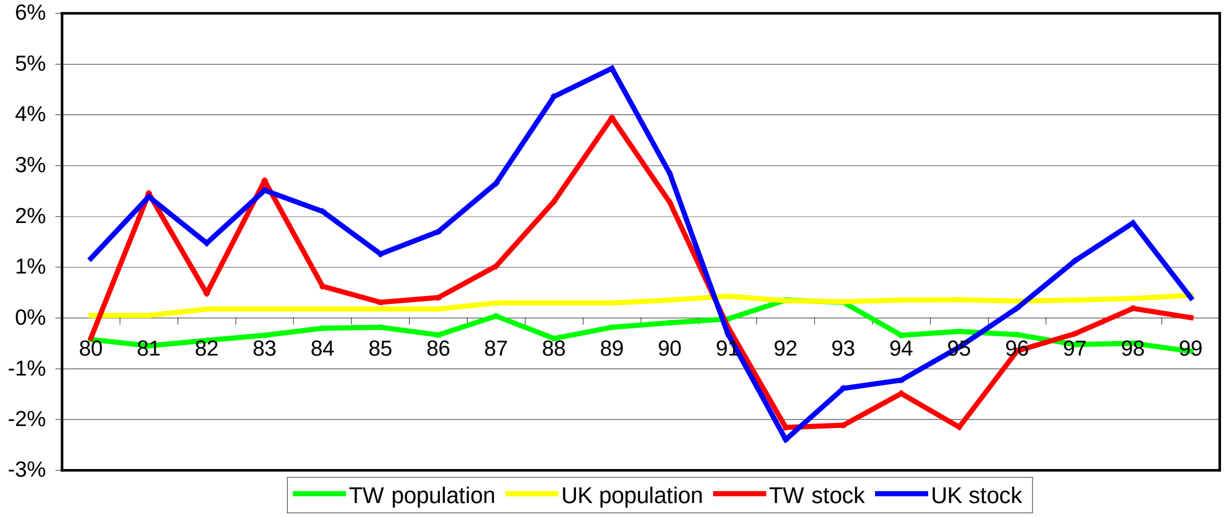
Tyne & Wear's under-performance in the last three years (1997-99) has been associated with accelerated population decline (Fig 1) and weaker house price inflation than in the UK (Fig.2). In 1999, house price inflation accelerated in both areas.

For new firm formation Keeble & Walker found the most important influences are:

- previous local population growth,
- capital availability (as indicated by housing wealth),
- occupational structures (focused on professional, managerial and non-manual expertise),
- firm size structures and
- geographically-concentrated urban demand.

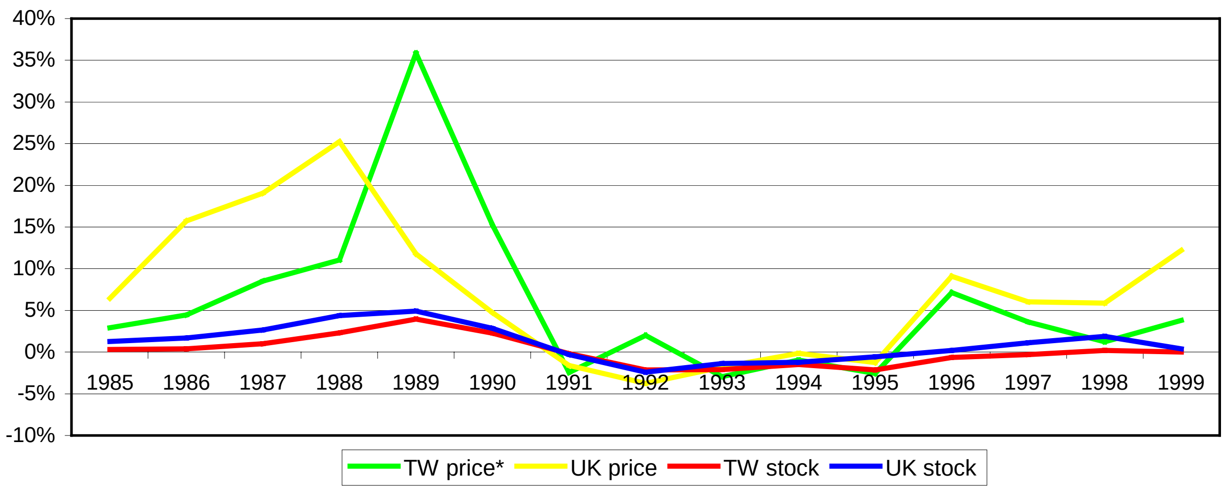
Business death rates reflect earlier creation rates, the negative effect of rising unemployment, urban location and small firm size structures. In contrast, above average local government expenditure and enterprise agency assistance appear to help reduce the death rate of small enterprises.

Figure 1 Change in Population and Business Stock, Tyne & Wear, UK 1980-99



Source: ONS, Small Business Service.

Figure 2 Change in House Prices and Business Stock, Tyne & Wear, UK 1985-99



Source: Halifax plc, Small Business Service.

For 1985 to 1988, the Northern Region is used as a proxy for Tyne & Wear.
The change in house price relates to semi-detached properties only.

4 CHANGES IN THE BUSINESS BASE

4.1 STOCK OF BUSINESSES

At the end of 1999, Tyne & Wear had 15,915 businesses registered for VAT (Table 1). This is a remarkably small business base of 178 businesses for every 10,000 adults. The UK is almost twice this, at 354.

Tyne & Wear is sharply under-represented in relation to employment. It has only 1.0% of all UK businesses registered for VAT, but about 2% of UK employees. Tyne & Wear is also under-represented in the North East Region with 38% of the business base compared with roughly 47% of the region's employees.

Table 1: Business Registrations, De-registrations and Stocks; Tyne & Wear and Local Authority Districts, 1999

Area	Stock at start 1999	Registrations	De-registrations	Stock at end 1999	Ratio of Stock at end 1999 per 10,000 of adult population*	Net Change No	%
Gateshead	3,290	345	300	3,335	207	45	1.4
Newcastle	4,550	520	715	4,355	194	-195	-4.3
North Tyneside	2,700	305	265	2,740	176	40	1.5
South Tyneside	1,860	205	165	1,900	155	40	2.2
Sunderland	3,640	410	465	3,580	155	-60	-1.6
Tyne & Wear	16,050	1,785	1,910	15,915	178	-135	-0.8
North East GOR	41,995	4,230	4,295	41,930	203	-65	-0.2
England	1,402,675	157,490	149,705	1,410,410	360	7,735	0.6
UK	1,651,680	178,460	171,970	1,658,125	354	6,445	0.4

Source: Small Business Service

*Note: * Aged 16 and over*

Figures may not tally exactly due to rounding.

4.2 NET CHANGE DURING 1999

During 1999, Tyne & Wear's business base fell by 0.8%, or 135 firms (Table 1). Tyne & Wear's business base under-performed the UK in 1999 by 1.2%. The sharp fall in the business base in 1999 more than offset the modest growth in 1998 (30 firms or 0.2%). Tyne & Wear's performance was worse than that of the North East Region, where the business base fell by only 0.2%, or 65 firms. Both Tyne & Wear and the North East under-performed in relation to the UK, which *grew* by 0.4%.

4.3 DISTRICT CHANGES

In 1999 Newcastle recorded a decline of 4.3%, or 195 firms. Sunderland also recorded a decline of 1.6% or 60 firms. The business base continued to grow in South Tyneside, by 2.2%. Increases in Gateshead (1.4%) and North Tyneside (1.5%) were more subdued. Excluding Newcastle and Sunderland, growth in Tyne & Wear's districts averaged 1.7%.

Newcastle is the only district in Tyne & Wear to have had a decline in its business base each year since 1994. Its rate of decline has accelerated from -0.7% in 1996 to -3.7% in 1998 and -4.3% in 1999. Excluding Sunderland (fall of 1.6%), the remaining three districts improved their performance in 1999 compared with the previous year.

Over the six years, from the start of 1994 to the end of 1999, the business base fell in three Tyne & Wear districts (Table 2). The fastest decline was in Newcastle (-13.8%), followed by North Tyneside (-4.7%) and Sunderland (-3.9%). The business base increased in Gateshead and South Tyneside by 1.7% and 3.0% respectively. In Gateshead the business base has increased in line with the UK, but South Tyneside has out-performed the UK by 1.2 percentage points over the six years from the start of 1994 to the end of 1999. In each district the largest absolute decline was in the Retail & Wholesale sector, following the national trend. Newcastle, which accounted for 28% of the registered Retail & Wholesale businesses in Tyne & Wear in 1994, was particularly susceptible. It suffered a fall of 290 firms or 18% (UK -13%). Newcastle's Retail & Wholesale sector now accounts for 26% of the Tyne & Wear total.

Table 2: Total and % Change in Number of Businesses registered for VAT; 1994-1999

	Stock Start	Stock End	Change 1994-1999	
	1994	1999	No.	%
Gateshead	3,280	3,335	55	1.7%
Newcastle	5,050	4,355	-695	-13.8%
North Tyneside	2,875	2,740	-135	-4.7%
South Tyneside	1,845	1,900	55	3.0%
Sunderland	3,725	3,580	-145	-3.9%
Tyne & Wear	16,780	15,915	-865	-5.2%
North East	44,120	41,930	-2,190	-5.0%
England	1,377,280	1,410,410	33,130	2.4%
UK	1,629,235	1,658,125	28,890	1.8%

Source: Small Business Service

4.4 REGISTRATIONS ("BUSINESS STARTS")

Registrations in Tyne & Wear rose by 35 (2%) in 1999 to 1,785. Overall, the county out-performed the region by 1.6 percentage points and the UK by 6 (Table 3). This rise was mainly due to a recovery in Manufacturing (up 35 or 32%), which had fallen in 1998 by 25 (19%). In Construction, registrations also rose strongly (up 30, 19%), Hotels & Catering rose 35 (14%), whilst Retailing & Wholesale registrations rose by 40 (10%). Tyne & Wear accounted for over 48% of the Manufacturing registrations in the North East.

Registrations fell sharply in Public Admin & Other Services (down 65, -34%). This compares poorly with a UK fall of 9% and North East fall of 32%. Registrations also fell in Business Services, disturbingly, by 6% in Tyne & Wear. Registrations in Transport & Communications rose in the UK (1.4%) and in the North East (8.5%), but fell by 6% in Tyne & Wear.

Between 1994 and 1999, registrations fell by 100 (-5%). Tyne & Wear was comparable with the region with a 5% fall, but under-performed the UK by 11 percentage points, with a 6% rise in UK registrations. In Tyne & Wear, the largest falls were in Public Admin & Other Services (down 140, -53%) and Retailing & Wholesaling (down 70, -13%). Registrations also fell in Education & Health (down 25, -56%), and from low numbers in Agriculture (down 5, -50%) and Finance (down 5, -33%). There have been no registrations in the Mining & Utilities sector since 1994.

Between 1994 and 1999 registrations increased in four industries, led by Business Services (up 60, 15%) and Construction (50, 36%). There was a modest rise in Hotels and Catering (up 30, 8%) and Manufacturing (up 5, 4%). There was no rise in the Transport & Communication sector. New registrations remained at a much lower rate than in the 1980s. Registrations peaked at 3,100 in 1989, (on a lower VAT threshold).

Table 3: Business Registrations in Tyne & Wear, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	10	10	5	5	10	5	45
C,E	Mining & Utilities	5	0	0	0	0	0	5
D	Manufacturing	140	135	170	135	110	145	835
F	Construction	140	155	180	175	160	190	1,000
G	Retailing & Wholesale	525	445	465	430	415	455	2,735
H	Hotels & catering	255	255	245	265	250	285	1,555
I	Transport & Communication	85	95	85	80	90	85	520
J	Finance	15	5	5	5	10	10	50
K	Business Services	405	400	450	440	495	465	2,655
L,O	Public Admin. & Other Services	265	220	150	270	190	125	1,220
M,N	Education & Health	45	15	25	15	20	20	140
Total		1,885	1,740	1,780	1,825	1,750	1,785	10,765

Source: Small Business Service

Note: Registrations do not tally exactly due to rounding to the nearest 5 (by SBS).

Table 4: Change in Registrations by Industry: Tyne & Wear, North East and UK, 1999 compared with 1998

		Tyne & Wear		NE		UK		Difference	
		Change		Change		Change			
SIC 92	Industry	No.	%	No.	%	No.	%	(TW-NE)	(TW-UK)
A,B	Agriculture	-5	-50%	-5	-6%	-470	-12%	-44%	-38%
C,E	Mining & Utilities	0	NA	0	0%	25	17%	NA	NA
D	Manufacturing	35	32%	-20	-6%	-710	-6%	38%	37%
F	Construction	30	19%	-10	-2%	-605	-3%	21%	22%
G	Retailing & Wholesale	40	10%	130	14%	600	2%	-4%	8%
H	Hotels & Catering	35	14%	110	18%	760	5%	-4%	9%
I	Transport & Communication	-5	-6%	20	9%	135	1%	-14%	-7%
J	Finance	0	NA	0	0%	-10	-1%	NA	NA
K	Business Services	-30	-6%	-60	-5%	-6,140	-9%	-1%	3%
L,O	Public Admin. & Other	-65	-34%	-135	-32%	-1,465	-9%	-2%	-25%
M,N	Education, Health	0	NA	-15	-27%	90	4%	NA	NA
	Total	35	2%	15	0.4%	-7,790	-4%	1.6%	6.2%

Source: Small Business Service

Note: NA - base year zero, percentage change not available.

In 1999 UK registrations fell by 7,790 or 4% (Table 4) overwhelmingly due to the large numerical falls in Business Services (down 6,140, -9%) and Public Admin. & Other Services (down 1,465, -9%). Rates of change across industries ranged from a 12% fall in Agriculture to 17% growth in Mining & Utilities. Hotels & Catering had the largest numerical rise (up 760, 5%). The next largest was Retailing & Wholesale (up 600, 2%).

In the North East registrations in 1999 increased by 15 or just 0.4%. Compared with 1998, the number of registrations was lower in all English Regions except the North East. This reflects the atypical downturn, which hit the North East in 1998. The largest North East 1999 numerical rise was in Retailing & Wholesale (up 130, 14%). The next largest increase was in Hotels & Catering (up 110, 18%). The NE's largest numerical falls in 1999 were in Public Administration & Other Services (down 135, -32%) and Business Services (down 60, -5%), following the UK trend.

4.5 DE-REGISTRATIONS ("BUSINESS FAILURES")

In 1999 overall de-registrations in Tyne & Wear rose significantly by 12%, up 200 to 1,920 (Table 5). This rate of 1,920 almost matched the average rate of the previous five years (1,940 pa). At Tyne & Wear level de-registrations rose sharply in Business Services (up 100, 36%). The regional increase was 26% and nationally the rise was 24%. The second largest numeric increase was in Manufacturing, up 30 (17%). The only numeric fall in Tyne & Wear was in Public Admin. & Other Services (down 15, -10%).

Over the six years, 1994 to 1999, business de-registrations fell by 10% to 1,920. This was marginally faster than the UK fall of 9% and much slower than the North East fall of 17%. In Tyne & Wear numerical falls occurred in Retailing & Wholesale (down 180, -26%), Construction (down 65, -22%), Public Admin. & Other Services (down 60, -32%), Hotels & Catering (down 35, -11%) and Mining & Utilities (down 20, -80%). Both Agriculture and Finance showed no change. De-registrations increased in Business Services (up 100, 36%), Manufacturing (up 20, 11%), Transport (up 15, 16%) and Education & Health (up 10, 67%).

Table 5: Business De-registrations in Tyne & Wear, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	20	15	25	15	10	20	105
C,E	Mining & Utilities	25	5	5	0	5	5	45
D	Manufacturing	190	215	165	155	180	210	1,115
F	Construction	290	250	210	225	200	225	1,400
G	Retailing & Wholesale	705	670	575	575	515	525	3,565
H	Hotels & catering	315	295	270	270	265	280	1,695
I	Transport & Communication	95	75	105	95	85	110	565
J	Finance	10	25	10	15	10	10	80
K	Business Services	280	340	320	325	280	380	1,925
L,O	Public Admin. & Other Services	190	190	165	155	145	130	975
M,N	Education & Health	15	20	35	40	25	25	160
Total		2,135	2,095	1,885	1,875	1,720	1,920	11,630

Source: Small Business Service

Note: De-registrations do not tally exactly due to rounding.

In the UK, in 1999, the number of de-registrations rose by 10% or 16,040 (Table 6). De-registrations rose in Business Services (up 8,265, 24%), Finance (up 220, 13%) and Mining & Utilities (up 30, 13%). Marginal numerical falls occurred in Education & Health (down 70, -4%) and Agriculture (down 60, -1%). De-registrations rose by 11% for Manufacturing and in Construction. De-registrations rose more slowly in Transport (9%), Retailing & Wholesale (6%), Hotels & Catering (5%) and Public Admin. & Other Services (1%).

In the six years 1994 to 1999, UK de-registrations also fell by 9% (-16,160). Business Services de-registrations rose by 9,895 (30%). The largest falls were in Public Admin & Other Services (down 6,125, -31%), Construction (down 7,840, -29%), Agriculture (down 2,125, -27%) and Retailing & Wholesale (down 11,175, -20%).

In the North East, in 1999, de-registrations rose by 6%, up 260, a much slower rate than both Tyne & Wear and nationally. The largest numerical falls in the North East were in Public Admin. & Other Services (down 40, -11%) and Retailing & Wholesale (down 15, -1%). The largest rise in the North East were in Business Services (up 165, 26%), Manufacturing (up 50, 14%) and Hotels & Catering (up 50, 8%).

In the six years to 1999, North East de-registrations were also much weaker than Tyne & Wear and the UK, falling 17% (-855). Tyne & Wear and the UK both fell 10%. The largest falls in the North East were in Retailing & Wholesale (down 465, -29%), Construction (down 220, -31%) and Public Admin. & Other Services (down 140, -31%). Mining & Utilities de-registrations fell by only 25.

Table 6: Change in De-registrations by Industry: Tyne & Wear, North East and UK, 1999 compared with 1998

		Tyne & Wear Change		NE Change		UK Change		Difference*	
SIC 92	Industry	No.	%	No.	%	No.	%	(TW-NE)	(TW-UK)
A,B	Agriculture	10	100%	0	0%	-60	-1%	100%	101%
C,E	Mining & Utilities	0	NA	-5	-50%	30	13%	NA	NA
D	Manufacturing	30	17%	50	14%	1,695	11%	3%	5%
F	Construction	25	13%	15	3%	1,940	11%	9%	1%
G	Retailing & Wholesale	10	2%	-15	-1%	2,340	6%	3%	-4%
H	Hotels & Catering	15	6%	50	8%	805	5%	-3%	1%
I	Transport & Communication	25	29%	40	17%	755	9%	12%	20%
J	Finance	0	NA	5	33%	220	13%	NA	NA
K	Business Services	100	36%	165	26%	8,265	24%	10%	12%
L,O	Public Admin. & Other	-15	-10%	-40	-11%	120	1%	1%	-11%
M,N	Education, Health	0	NA	-5	-9%	-70	-4%	NA	NA
	Total	200	12%	260	6%	16,040	10%	5.2%	1.3%

Source: Small Business Service

Note: NA - base year zero, percentage change not available.

** Positive difference means more de-registrations in Tyne & Wear.*

5 INDUSTRIAL STRUCTURE OF THE BUSINESS BASE

5.1 THE INDUSTRIAL MIX OF BUSINESSES

Tyne & Wear's business base remains strongly focused on Retailing & Wholesale (30% of VAT-registered business; NE 27%; UK 23%), despite a 1.4% fall during 1999. Tyne & Wear also has a higher proportion of businesses in Manufacturing (10.6%; NE 9.6%; UK 9.3%). These two industries accounted for 40% of businesses, far more than in the UK (30%) and the region as a whole (NE 36%). Public Admin. & Other services are also marginally over-represented in Tyne & Wear (TW 10%, NE 9%, UK 9%). Tyne & Wear is strongly represented relative to the North East in Business Services (23% of businesses, 19% in the NE).

5.2 NET CHANGE BY INDUSTRY

In 1999 the principal net rise was in Business Services (up 85, 2%) (Table 7). There was also a marginal net rise in Hotels & Catering (up 5, 0.3%). Business Services has increased each year since 1994, with an aggregate net rise of 25%, or 730 businesses. In Finance the net change in 1999 was zero, as in 1998. The net change in 1999 was downward in seven industries. Numerically, the largest net falls were in Retailing & Wholesale (down 70, -1%), Manufacturing (down 65, -4%), Construction (down 35, -2%) and Transport (down 25, -3%). The remaining industries fell by 15 or fewer.

Table 7: Stock of Business and Annual Change in Tyne & Wear, 1996-99

SIC 92	Industry	1996		%	1997		%	1998		%	1999		%
		Start	End	Change	Start	End	Change	Start	End	Change	Start	End	Change
A,B	Agriculture	230	210	-9%	210	200	-5%	200	200	0%	200	185	-8%
C,E	Mining & Utilities	10	5	-50%	5	5	0%	5	0	-100%	0	0	NA
D	Manufacturing	1,840	1,845	0%	1,845	1,825	-1%	1,825	1,755	-4%	1,755	1,690	-4%
F	Construction	1,685	1,655	-2%	1,655	1,605	-3%	1,605	1,565	-2%	1,565	1,530	-2%
G	Retailing & Wholesale	5,280	5,170	-2%	5,170	5,025	-3%	5,025	4,925	-2%	4,925	4,855	-1%
H	Hotels & Catering	1,505	1,480	-2%	1,480	1,475	0%	1,475	1,460	-1%	1,460	1,465	0%
I	Transport & Communication	760	740	-3%	740	725	-2%	725	730	1%	730	705	-3%
J	Finance	110	105	-5%	105	95	-10%	95	95	0%	95	95	0%
K	Business Services	3,065	3,195	4%	3,195	3,310	4%	3,310	3,525	6%	3,525	3,610	2%
L,O	Public Admin & Other	1,425	1,410	-1%	1,410	1,525	8%	1,525	1,570	3%	1,570	1,565	0%
M,N	Education & Health	265	255	-4%	255	230	-10%	230	225	-2%	225	220	-2%
ALL		16,175	16,070	-0.6%	16,070	16,020	-0.3%	16,020	16,050	0.2%	16,050	15,915	-0.8%

Source: Small Business Service

The business base in Newcastle and Sunderland shrank in 1999. Newcastle fell sharply (-4.3%, down 195) and Sunderland by 60 (-1.6%) (Table 8). The fastest rise was in South Tyneside (up 40, 2.2%). The largest absolute increase was in Gateshead (up 45, 1.4%). There was a similar rise in North Tyneside (up 40, 1.5%). These changes in the business base by District closely match population change, except in South Tyneside.

Retailing & Wholesale fell or remained the same in every district. With minor exceptions, this is typical of the last two decades. Sunderland accounted for half of the Tyne & Wear fall of 70. The largest net change in business base was in Construction. Newcastle accounted for 93% of the fall. Business Services rose in every district, contributing to a net gain in Tyne & Wear. Across the remaining industries, performance at district level was mixed.

Table 8: Net Change in Business Base by Industry for Tyne & Wear Districts, 1999

SIC 92	Industry	Gateshead		Newcastle		North Tyneside		South Tyneside		Sunderland	
		Net	%	Net	%	Net	%	Net	%	Net	%
A,B	Agriculture	0	0%	-10	-40%	0	0%	-5	-17%	0	0%
C,E	Mining & Utilities	0	0%	0	0%	0	0%	0	0%	0	0%
D	Manufacturing	10	2%	-70	-20%	0	0%	10	4%	-25	-6%
F	Construction	10	3%	-45	-13%	5	2%	0	0%	-10	-3%
G	Retailing & Wholesale	0	0%	-25	-2%	-10	-1%	0	0%	-35	-3%
H	Hotels & Catering	5	2%	-30	-8%	15	6%	10	5%	0	0%
I	Transport & Communication	-15	-7%	-25	-18%	5	5%	10	11%	0	0%
J	Finance	-5	-50%	5	13%	-5	-50%	0	0%	0	0%
K	Business Services	20	3%	20	1%	20	4%	10	0%	20	0%
L,O	Public Admin & Other	5	2%	-15	-3%	5	6%	5	3%	-5	0%
M,N	Education & Health	0	0%	-5	-6%	5	14%	0	0%	-5	-10%
ALL		45	1.4%	-195	-4.3%	40	1.5%	40	2.2%	-60	-1.6%

Source: Small Business Service

	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Population Change 1998-99	-840	-3010	-800	-1100	-1650
% Population change 1998-99	-0.4%	-1.1%	-0.4%	-0.7%	-0.6%

Source: ONS' mid-year estimates

Two of the Districts with a rise in the size of their business base in 1999 were Gateshead and North Tyneside - the two Districts with the slowest population decline that year. South Tyneside was the exception, with the fastest gain in business numbers despite the second-fastest population decline.

5.3 INDUSTRIAL NET CHANGES RELATIVE TO THE UK AND NE

In 1999, in terms of net change, nearly all industries in Tyne & Wear under-performed relative to the UK (Table 9). The particularly weak industries were Education & Health (down 2%; UK +2%), Transport (down 3%; UK +1%) and Agriculture (down 7.5%; UK down 1.5%). Growth in Business Services (up 2.4%) was at a slower rate than the North East (up 2.9%) and the UK (up 4.4%). The North East out-performed Tyne & Wear in eight industries, most significantly in Transport (NE down 0.7%, TW down 3.4%).

Table 9: VAT Registered businesses by Industry: Tyne & Wear, North East and UK, Year end 1999

SIC 92	Industry	Number end 1999			% of Total			% Change (during 1999)		
		Tyne & Wear	NE	UK	Tyne & Wear	NE	UK	Tyne & Wear	NE	UK
A,B	Agriculture	185	3,750	151,990	1.2%	8.9%	9.2%	-7.5%	-1.4%	-1.5%
C,E	Mining & Utilities	0	50	1,630	0.00%	0.1%	0.1%	NA	0.0%	-5.2%
D	Manufacturing	1,690	4,020	153,425	10.6%	9.6%	9.3%	-3.7%	-2.4%	-2.9%
F	Construction	1,530	4,220	171,905	9.6%	10.1%	10.4%	-2.2%	-1.5%	-0.9%
G	Retailing & Wholesale	4,855	11,385	385,660	30.5%	27.2%	23.3%	-1.4%	-0.7%	-1.5%
H	Hotels & Catering	1,465	3,770	105,820	9.2%	9.0%	6.4%	0.3%	1.9%	0.5%
I	Transport	705	2,175	74,835	4.4%	5.2%	4.5%	-3.4%	-0.7%	0.6%
J	Finance	95	160	15,565	0.6%	0.4%	0.9%	0.0%	-3.0%	-0.1%
K	Business Services	3,610	8,040	426,950	22.7%	19.2%	25.7%	2.4%	2.9%	4.4%
L,O	Public Admin. & Oth Services	1,565	3,775	149,750	9.8%	9.0%	9.0%	-0.3%	-0.8%	0.9%
M,N	Education, Health	220	590	20,630	1.4%	1.4%	1.2%	-2.2%	-1.7%	2.0%
Total		15,915	41,930	1,658,170	100%	100%	100%	-0.8%	-0.2%	0.4%

Source: Small Business Service

In 1999, Tyne & Wear businesses were out-performed by both the UK and the North East region (down 0.8%; NE down 0.2%; UK up 0.4%).

5.4 CUMULATIVE INDUSTRIAL CHANGE FROM THE START OF 1994 TO THE END OF 1999

Since 1994 Tyne & Wear's business base has shrunk by 6.9% relative to the UK (Table 10), an annual average decline of about 1.1%, which is marginally worse than in the 1980s. Over the six-year period, Tyne & Wear had a net loss of 860 businesses (-5.1%). This is as weak as the North East (-5%). However, the UK saw a growth of nearly 2%.

Tyne & Wear was weaker than the UK in all industries except Public Admin & Other Services. Tyne & Wear was stronger than the North East in four industries, notably Business Services (by 6% over the six years). Numerically, the largest net losses were in Retailing & Wholesale (down 825, -15%) and Construction (down 405, -21%). There were also large losses from Manufacturing (down 275, -14%), Hotels & Catering (down 140, -9%) and Agriculture (down 65, -26%). The remaining net losses were all of 40 businesses or fewer. Changes that have endured over a few years give a better indication of the performance of particular industries than single year changes, which may quickly reverse.

Over the six years 1994 to 1999, business numbers grew in only two industries in Tyne & Wear: Business Services, up 730 (25%), and Public Admin. & Other Services, up 245 (19%).

Table 10: Cumulative change in Business Numbers from start 1994 to end 1999, by Industry (%)

		Tyne & Wear Change		NE Change		UK Change		Difference	
SIC 92	Industry	No.	%	No.	%	No.	%	(TW-NE)	(TW-UK)
A,B	Agriculture	-65	-26.0%	-360	-8.8%	-11,055	-6.8%	-17.2%	-19.2%
C,E	Mining & Utilities	-35	-100.0%	-45	-47.4%	-400	-19.8%	-52.6%	-80.2%
D	Manufacturing	-275	-14.0%	-410	-9.3%	-13,355	-8.0%	-4.7%	-6.0%
F	Construction	-405	-20.9%	-920	-17.9%	-24,250	-12.4%	-3.0%	-8.6%
G	Retailing & Wholesale	-825	-14.5%	-2,025	-15.1%	-55,340	-12.5%	0.6%	-2.0%
H	Hotels & Catering	-140	-8.7%	-120	-3.1%	-4,710	-4.3%	-5.6%	-4.5%
I	Transport & Communication	-40	-5.4%	-30	-1.4%	2,380	3.3%	-4.0%	-8.7%
J	Finance	-25	-20.8%	-45	-22.0%	960	6.6%	1.1%	-27.4%
K	Business Services	730	25.3%	1,315	19.6%	119,350	38.8%	5.8%	-13.5%
L,O	Public Admin. & Other	245	18.6%	520	16.0%	15,495	11.5%	2.6%	7.0%
M,N	Education, Health	-25	-10.2%	-60	-9.2%	-185	-0.9%	-1.0%	-9.3%
	Total	-860	-5.1%	-2,190	-5.0%	28,890	1.8%	-0.2%	-6.9%

Source: Small Business Service

5.5 CHANGES SINCE 1980

As out-lined in section 2, only broad comparisons of totals can be made for the period 1980 to 1999 due to changes in the VAT threshold, industry classification and register (see Table 11). From 1981 to 1990 Tyne & Wear's business base grew at an average of 1.8% per annum, peaking at 3.9%p.a. in 1989. In 1991, the year in which the VAT threshold was raised substantially, the business base declined. This decline has continued at an annual average of -1.1% between 1991 and 1999. 1998 was the only year since 1990 with absolute growth in the Tyne & Wear business base.

Table 11: Business Registrations, De-registrations and Stocks in Tyne & Wear 1980-1999

Year	Stock at start	Registrations	De-registrations	Stock at end	Tyne & Wear Net change	Tyne & Wear % change	UK % change	Difference (TW-UK)
1980*	15,160	2,045	2,105	15,100	-60	-0.4%	1.2%	-1.6%
1981*	15,100	2,095	1,725	15,470	370	2.5%	2.4%	0.1%
1982*	15,475	2,165	2,090	15,550	75	0.5%	1.5%	-1.0%
1983*	15,550	2,400	1,980	15,970	420	2.7%	2.5%	0.2%
1984*	15,965	2,395	2,295	16,065	100	0.6%	2.1%	-1.5%
1985*	16,065	2,315	2,265	16,115	50	0.3%	1.3%	-1.0%
1986*	16,115	2,380	2,315	16,180	65	0.4%	1.7%	-1.3%
1987*	16,180	2,430	2,265	16,345	165	1.0%	2.7%	-1.6%
1988*	16,345	2,825	2,450	16,720	375	2.3%	4.4%	-2.1%
1989*	16,720	3,100	2,440	17,380	660	3.9%	4.9%	-1.0%
1990*	17,385	2,750	2,355	17,780	395	2.3%	2.8%	-0.6%
1991*	17,775	2,310	2,340	17,745	-30	-0.2%	-0.3%	0.1%
1992*	16,950**	2,025	2,390	16,585	-365	-2.2%	-2.4%	0.2%
1993*	16,590	2,050	2,400	16,240	-350	-2.1%	-1.4%	-0.7%
1980-1993	15,160	33,285	31,415	16,240	1,080	7.1%	24.9%	-17.8%
1994*	16,780	1,885	2,135	16,530	-250	-1.5%	-1.2%	-0.3%
1995*	16,530	1,740	2,095	16,175	-355	-2.1%	-0.6%	-1.6%
1996	16,175	1,780	1,885	16,070	-105	-0.6%	0.2%	-0.8%
1997	16,070	1,825	1,875	16,020	-50	-0.3%	1.1%	-1.4%
1998	16,020	1,750	1,720	16,050	30	0.2%	1.9%	-1.7%
1999	16,050	1,785	1,910	15,915	-125	-0.8%	0.4%	-1.2%
1994-1999	16,780	10,765	11,620	15,915	-855	-5.1%	1.4%	-6.5%

Source: Small Business Service, Department of Trade & Industry

*Notes: *Revised by Department of Trade & Industry in 1996.*
***Reflecting the new VAT threshold.*

The number of VAT-registered businesses in Tyne & Wear rose by 15% in the 1980s (compared with 27% in the UK). During the 1990s, the business base declined in both the UK and Tyne & Wear. For the six years from 1994 to 1999, the number of VAT-registered businesses in Tyne & Wear declined at an average rate of 0.9%, compared to average annual growth of 1.4% in the 1980s. This under-performance by the business base in Tyne & Wear mainly reflects population decline in Tyne & Wear. If the population of Tyne & Wear continues to decline, as in recent years at roughly -0.5% p.a., the business base is very likely to continue to under-perform the UK (in terms of change in numbers of VAT-registered firms).

6 SMALL AND MEDIUM ENTERPRISES (SMEs).

Including businesses not registered for VAT, there were an estimated 3.7 million businesses in the UK at the start of 1999. In the North East nearly all these businesses (99%) were classified as small, with only 1,095 businesses employing 50 or more people. Small businesses in the North East were the source of two-fifths of all employment (41%) and almost a third of turnover (31%) (Table 12).

60% of businesses in the North East in 1999 were 'size class zero' businesses, those made up of sole traders or partners without employees. These businesses account for 10% of employment of businesses and almost 4%, or £2,011m (ex VAT), of turnover.

Table 12: North East Business Structure#, by size (#Most of these businesses are not VAT-registered)
All industries - start 1999

Size (number of employees)	Number: Businesses	Employees (000s)	Turnover (£m ex VAT)*	*Percent: Businesses*	*Employees*	*Turnover*
None	54,635	66	2,011	*59.9*	*9.8*	*3.8*
1-4	24,460	67	5,116	*26.8*	*10.0*	*9.7*
5-9	6,005	44	3,068	*6.6*	*6.6*	*5.8*
10-19	3,435	49	3,004	*3.8*	*7.3*	*5.7*
20-49	1,625	51	3,158	*1.8*	*7.6*	*6.0*
50-99	500	34	2,282	*0.5*	*5.1*	*4.3*
100-199	315	43	3,771	*0.3*	*6.4*	*7.1*
200-249	70	16	1,255	*0.1*	*2.4*	*2.4*
250-499	110	39	3,275	*0.1*	*5.8*	*6.2*
500+	100	261	25,808	*0.1*	*38.9*	*48.9*
All	91,250	671	52,748	*100.0*	*100.0*	*100.0*
1+ employees	36,615	605	50,737	*40.1*	*90.2*	*96.2*

Source: Small Business Service

** Turnover excludes Financial Intermediation, SIC section J*
Note: # All businesses, not just VAT-registered.

In Production Industry in the North East, small businesses account for only a quarter of employment and just under one sixth of turnover (Table 13). Larger-sized businesses dominate Production Industry employment and turnover, with 420 businesses accounting for 75% of employment. The forty businesses with more than 500 employees account for 50% of total Production Industry turnover in the North East (£7,309m).

Table 13: North East Business Structure, by size
Production Industry# - start 1999

Most of these businesses are not VAT-registered

Size (number of employees)	Number: Businesses	Employees (000s)	Turnover (£m ex VAT)	*Percent: Businesses*	*Employees*	*Turnover*
None	5,330	6	165	*56.6*	*4.4*	*1.1*
1-4	2,005	5	420	*21.3*	*3.6*	*2.9*
5-9	750	5	453	*8.0*	*3.6*	*3.1*
10-19	535	8	477	*5.7*	*5.8*	*3.3*
20-49	370	12	806	*3.9*	*8.8*	*5.5*
50-99	165	12	834	*1.8*	*8.8*	*5.7*
100-199	120	17	1,436	*1.3*	*12.4*	*9.9*
200-249	40	9	662	*0.4*	*6.6*	*4.5*
250-499	55	21	1,998	*0.6*	*15.3*	*13.7*
500+	40	43	7,309	*0.4*	*31.4*	*50.2*
All	9,415	137	14,560	*100.0*	*100.0*	*100.0*
1+ employees	4,085	131	14,395	*43.4*	*95.6*	*98.9*

Source: Small Business Service

#Production Industries are SIC sections C, D, E Mining and quarrying; manufacturing; energy and water

In Wholesale, Retail & Repairs and Hotels & Restaurants small businesses account for 99% of all businesses in the North East. However, small businesses account for only 40% of employment and under one third of turnover. The two hundred larger businesses employing 50 or more in Wholesale, Retail & Repairs and Hotels & Restaurants in the North East account for 60% of employment and turnover of £14,349m (68%) (Table 14).

Table 14: North East Business Structure, by size
Distribution, Hotels & Catering# - start 1999

Most of these businesses are not VAT-registered

Size (number of employees)	Number: Businesses	Employees (000s)	Turnover (£m ex VAT)	*Percent: Businesses*	*Employees*	*Turnover*
None	4,605	6	424	*27.3*	*2.8*	*2.0*
1-4	7,990	25	2,467	*47.4*	*11.6*	*11.7*
5-9	2,430	18	1,453	*14.4*	*8.3*	*6.9*
10-19	1,195	17	1,386	*7.1*	*7.9*	*6.6*
20-49	420	13	1,077	*2.5*	*6.0*	*5.1*
50-99	95	6	646	*0.6*	*2.8*	*3.1*
100-199	65	*	*	*0.4*	*	*
200-249	10	*	*	-	*	*
250-499	15	*	*	-	*	*
500+	15	*	*	*0.1*	*	*
All	16,840	216	21,156	*100.0*	*100.0*	*100.0*
1+ employees	12,235	209	20,733	*72.7*	*96.8*	*98.0*

Source: Small Business Service

* suppressed to avoid disclosure

- negligible

Distribution, Hotels & Catering are SIC sections G,H Wholesale, retail & repairs; hotels & restaurants

During 1998, the number of small businesses in the UK fell (Table 15). The exception was the number of businesses employing one to four people, which increased by 4%. The number of larger businesses (employing 100 or more) rose during 1998.

Table15: Change in UK Business Structure during 1998, by size (Most of these businesses are not VAT-registered)
All industries

Size (number of employees)	Businesses Start-98	Businesses Start -99	Businesses *Annual % change*	Employees (000's) Start-98	Employees (000's) Start-99	Employees (000's) *Annual % change*
None	2,339,645	2,324,340	*-0.7*	2,749	2,708	*-1.5*
1-4	922,585	963,615	*4.4*	2,356	2,395	*1.7*
5-9	204,290	201,835	*-1.2*	1,483	1,459	*-1.6*
10-19	111,800	109,280	*-2.3*	1,568	1,533	*-2.2*
20-49	48,300	46,955	*-2.8*	1,496	1,462	*-2.3*
50-99	14,945	14,450	*-3.3*	1,043	1,011	*-3.1*
100-199	8,145	8,165	*0.2*	1,127	1,131	*0.4*
200-249	1,520	1,570	*3.3*	338	349	*3.3*
250-499	3,215	3,220	-	1,123	1,121	*-0.2*
500+	3,445	3,515	*2.0*	8,311	8,576	*3.2*
All	3,657,885	3,676,940	*0.5*	21,595	21,746	*0.7*
1+ employees	1,318,240	1,352,600	*2.6*	18,846	19,038	*1.0*

- negligible
Source: Small Business Service

In 1998, employment fell in UK smaller businesses (except for businesses employing one to four persons), by between 1.5% and 2.3%. In larger businesses employment generally rose by between 0.4% and 3.3%. The number of businesses with between 250 and 499 employees rose marginally during 1999, whilst their number of employees actually fell by 0.2%.

Appendix

Table A1: UK Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	4,435	4,305	4,385	4,565	3,930	3,460	25,080
C,E	Mining & Utilities	190	190	210	195	150	175	1,110
D	Manufacturing	13,815	13,875	14,030	13,540	12,625	11,915	79,800
F	Construction	16,365	16,150	15,155	18,645	18,370	17,765	102,450
G	Retailing & Wholesale	39,450	37,305	37,525	37,030	37,670	38,270	227,250
H	Hotels & catering	15,905	15,290	15,710	16,540	16,815	17,575	97,835
I	Transport & Communication	8,115	8,455	8,435	9,190	9,300	9,435	52,930
J	Finance	1,875	1,375	1,575	1,745	1,840	1,830	10,240
K	Business Services	43,190	46,185	51,910	60,980	66,895	60,755	329,915
L,O	Public Admin. & Other Services	22,330	19,280	17,320	18,095	16,545	15,080	108,650
M,N	Education & Health	2,555	1,555	1,940	2,045	2,110	2,200	12,405
Total		168,240	163,960	168,200	182,570	186,250	178,460	1,047,680

Source: Small Business Service

Table A2: UK Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	7,885	5,340	5,580	5,745	5,820	5,760	36,130
C,E	Mining & Utilities	285	195	290	235	235	265	1,505
D	Manufacturing	16,305	15,820	14,875	14,750	14,855	16,550	93,155
F	Construction	27,165	22,480	19,815	20,535	17,385	19,325	126,705
G	Retailing & Wholesale	55,180	51,685	45,895	44,145	41,665	44,005	282,575
H	Hotels & catering	18,125	18,160	16,550	16,335	16,280	17,085	102,535
I	Transport & Communication	8,210	8,380	8,305	8,410	8,240	8,995	50,540
J	Finance	1,030	1,460	1,575	1,730	1,630	1,850	9,275
K	Business Services	32,760	31,670	33,775	35,305	34,390	42,655	210,555
L,O	Public Admin. & Other Services	19,805	16,450	15,440	14,220	13,560	13,680	93,155
M,N	Education & Health	1,375	1,580	2,950	3,025	1,870	1,800	12,600
Total		188,130	173,230	165,065	164,455	155,930	171,970	1,018,780

Source: Small Business Service

Table A3: UK Net Change in Business Base, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999
A,B	Agriculture	-3,450	-1,035	-1,195	-1,180	-1,890	-2,300
C,E	Mining & Utilities	-95	-5	-80	-40	-85	-90
D	Manufacturing	-2,490	-1,945	-845	-1,210	-2,230	-4,635
F	Construction	-10,800	-6,330	-4,660	-1,890	985	-1,560
G	Retailing & Wholesale	-15,730	-14,380	-8,370	-7,115	-3,995	-5,735
H	Hotels & catering	-2,220	-2,870	-840	205	535	490
I	Transport & Communication	-95	75	130	780	1,060	440
J	Finance	845	-85	0	15	210	-20
K	Business Services	10,430	14,515	18,135	25,675	32,505	18,100
L,O	Public Admin. & Other Services	2,525	2,830	1,880	3,875	2,985	1,400
M,N	Education & Health	1,180	-25	-1,010	-980	240	400
% change		-1.2%	-0.6%	0.2%	1.1%	1.9%	0.4%
Total		-19,900	-9,270	3,135	18,115	30,320	6,490

Source: Small Business Service

Table A4: North East Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	110	85	70	75	80	75	495
C,E	Mining & Utilities	10	5	5	5	5	5	35
D	Manufacturing	320	320	350	290	325	305	1,910
F	Construction	390	385	415	415	425	415	2,445
G	Retailing & Wholesale	1,135	1,005	1,025	960	955	1,085	6,165
H	Hotels & catering	635	600	630	615	605	715	3,800
I	Transport & Communication	240	255	240	230	235	255	1,455
J	Finance	35	15	10	10	15	15	100
K	Business Services	810	845	940	940	1,095	1,035	5,665
L,O	Public Admin. & Other Services	655	530	345	585	420	285	2,820
M,N	Education & Health	110	40	55	45	55	40	345
Total		4,455	4,085	4,085	4,170	4,215	4,230	25,240

Source: Small Business Service

Table A5: North East Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	180	130	155	125	130	130	850
C,E	Mining & Utilities	30	15	20	5	10	5	85
D	Manufacturing	430	430	355	345	355	405	2,320
F	Construction	700	635	570	515	465	480	3,365
G	Retailing & Wholesale	1,630	1,565	1,330	1,325	1,180	1,165	8,195
H	Hotels & catering	720	710	620	630	595	645	3,920
I	Transport & Communication	245	255	245	245	230	270	1,490
J	Finance	15	55	25	20	15	20	150
K	Business Services	690	775	705	720	645	810	4,345
L,O	Public Admin. & Other Services	455	430	400	345	355	315	2,300
M,N	Education & Health	50	60	80	115	55	50	410
Total		5,150	5,055	4,505	4,390	4,035	4,295	27,430

Source: Small Business Service

Table A6: Gateshead Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	0	5	0	0	0	0	5
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	35	25	50	30	30	40	210
F	Construction	25	25	35	30	30	40	185
G	Retailing & Wholesale	95	100	100	80	80	90	545
H	Hotels & catering	45	45	35	55	55	50	285
I	Transport & Communication	20	20	20	20	25	15	120
J	Finance	5	0	0	0	0	0	5
K	Business Services	65	75	80	70	75	70	435
L,O	Public Admin. & Other Services	45	55	25	50	35	25	235
M,N	Education & Health	10	5	5	0	5	5	30
Total		355	360	360	335	335	345	2,090

Source: Small Business Service

Table A7: Gateshead Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	5	5	5	0	0	0	15
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	35	45	30	30	40	30	210
F	Construction	55	50	55	30	25	30	245
G	Retailing & Wholesale	140	140	110	120	90	90	690
H	Hotels & catering	50	45	35	40	55	45	270
I	Transport & Communication	25	20	20	20	15	30	130
J	Finance	0	5	5	0	0	5	15
K	Business Services	40	40	45	40	35	50	250
L,O	Public Admin. & Other Services	35	30	35	25	30	20	175
M,N	Education & Health	0	5	5	10	5	5	30
Total		385	390	345	320	295	300	2,035

Source: Small Business Service

Table A8: Newcastle Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	5	0	5	0	0	0	10
C,E	Mining & Utilities	5	0	0	0	0	0	5
D	Manufacturing	35	45	40	45	25	25	215
F	Construction	30	40	45	55	50	40	260
G	Retailing & Wholesale	135	125	130	130	115	120	755
H	Hotels & catering	70	70	75	75	60	85	435
I	Transport & Communication	20	25	20	20	15	15	115
J	Finance	5	5	0	5	5	5	25
K	Business Services	160	135	160	160	185	180	980
L,O	Public Admin. & Other Services	85	70	50	90	60	40	395
M,N	Education & Health	15	5	10	5	5	5	45
Total		560	520	530	590	520	520	3,240

Source: Small Business Service

Table A9: Newcastle Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	5	5	5	5	10	10	40
C,E	Mining & Utilities	25	5	5	0	5	0	40
D	Manufacturing	50	55	50	65	70	95	385
F	Construction	70	70	50	85	105	85	465
G	Retailing & Wholesale	215	180	160	180	165	145	1,045
H	Hotels & catering	100	85	80	110	100	115	590
I	Transport & Communication	25	20	35	30	40	40	190
J	Finance	0	10	5	15	10	0	40
K	Business Services	100	130	120	135	120	160	765
L,O	Public Admin. & Other Services	55	60	45	55	55	55	325
M,N	Education & Health	5	10	5	10	15	10	55
Total		650	625	565	685	695	715	3,935

Source: Small Business Service

Table A10: North Tyneside Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	0	0	0	0	0	0	0
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	10	15	20	20	15	20	100
F	Construction	20	25	35	30	30	35	175
G	Retailing & Wholesale	80	65	80	75	65	75	440
H	Hotels & catering	40	40	45	35	35	50	245
I	Transport & Communication	15	15	15	10	15	15	85
J	Finance	0	0	0	0	0	0	0
K	Business Services	55	75	80	75	90	80	455
L,O	Public Admin. & Other Services	45	25	25	40	35	20	190
M,N	Education & Health	5	5	5	5	5	10	35
Total		280	265	305	290	290	305	1,735

Source: Small Business Service

Table A11: North Tyneside Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	5	5	5	5	0	0	20
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	30	30	25	15	20	20	140
F	Construction	50	40	35	50	25	30	230
G	Retailing & Wholesale	115	115	85	95	90	85	585
H	Hotels & catering	45	55	55	25	40	35	255
I	Transport & Communication	20	10	15	10	5	10	70
J	Finance	0	0	0	0	0	5	5
K	Business Services	50	60	70	55	40	60	335
L,O	Public Admin. & Other Services	40	35	35	20	35	15	180
M,N	Education & Health	0	0	10	10	5	5	30
Total		360	355	335	290	260	265	1,865

Source: Small Business Service

Table A12: South Tyneside Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	0	0	0	0	0	0	0
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	20	15	15	15	10	25	100
F	Construction	15	15	20	15	15	20	100
G	Retailing & Wholesale	80	55	55	55	50	50	345
H	Hotels & catering	35	35	30	25	35	40	200
I	Transport & Communication	10	5	10	5	10	15	55
J	Finance	0	0	0	0	0	0	0
K	Business Services	35	40	35	40	45	40	235
L,O	Public Admin. & Other Services	30	15	10	35	20	15	125
M,N	Education & Health	5	0	5	0	0	0	10
Total		235	190	180	190	185	205	1,185

Source: Small Business Service

Table A13: South Tyneside Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	5	0	0	0	0	5	10
C,E	Mining & Utilities	0	5	0	0	0	0	5
D	Manufacturing	20	25	20	15	5	15	100
F	Construction	30	15	20	20	15	20	120
G	Retailing & Wholesale	80	75	70	60	55	50	390
H	Hotels & catering	35	30	45	30	20	30	190
I	Transport & Communication	15	5	10	10	0	5	45
J	Finance	0	0	0	0	0	0	0
K	Business Services	30	30	30	25	25	30	170
L,O	Public Admin. & Other Services	15	15	15	10	5	10	70
M,N	Education & Health	5	5	5	5	0	0	20
Total		240	210	215	180	125	165	1,135

Source: Small Business Service

Note: South Tyneside's net change has turned from being negative each year 1994-96, to positive; +10 in 1997, +60 in 1998 and +40 in 1999.

Table A14: Sunderland Business Registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	0	0	0	0	0	0	0
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	35	35	45	25	30	30	200
F	Construction	45	45	40	45	35	50	260
G	Retailing & Wholesale	130	100	100	100	100	120	650
H	Hotels & catering	65	65	60	75	65	60	390
I	Transport & Communication	20	30	25	25	30	25	155
J	Finance	0	0	0	0	0	5	5
K	Business Services	85	75	90	95	100	95	540
L,O	Public Admin. & Other Services	65	50	40	55	40	25	275
M,N	Education & Health	10	0	5	5	5	5	30
Total		460	405	405	425	405	410	2,510

Source: Small Business Service

Table A15: Sunderland Business De-registrations, 1994 to 1999

SIC 92	Industry	1994	1995	1996	1997	1998	1999	Total
A,B	Agriculture	5	0	5	0	0	0	10
C,E	Mining & Utilities	0	0	0	0	0	0	0
D	Manufacturing	50	55	30	35	45	55	270
F	Construction	80	75	50	40	30	60	335
G	Retailing & Wholesale	150	160	145	120	110	155	840
H	Hotels & catering	85	75	65	65	55	60	405
I	Transport & Communication	15	15	30	25	20	25	130
J	Finance	5	10	0	0	0	5	20
K	Business Services	60	75	55	70	55	75	390
L,O	Public Admin. & Other Services	40	50	35	40	20	30	215
M,N	Education & Health	5	5	10	10	5	10	45
Total		500	515	425	405	340	465	2,650

Source: Small Business Service