# BUSINESSES REGISTERED FOR VAT IN TYNE & WEAR 2004

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# CONTENTS


**KEY POINTS** ………………………………………………………………………… 1

**CONTEXT & INTERPRETATIONS** ……………………………………………………….. 2

**1. INTRODUCTION** ………………………………………………………………… 3

**2. TECHNICAL INTRODUCTION** ……………………………………………………… 3

**3. CHANGES IN THE BUSINESS BASE** ……………………………………………… 4

3.1 Stock of businesses ……………………………………………………………… 4
3.2 Net change during 2004 ………………………………………………………… 4
3.3 District changes ………………………………………………………………… 4
3.4 Registrations ("business starts") ………………………………………………… 5
3.5 De-Registrations ("business failures") ………………………………………….. 7

**4. INDUSTRIAL STRUCTURE OF THE BUSINESS BASE** ……………………………… 10

4.1 The industrial mix of businesses ………………………………………………… 10
4.2 Net change by industry ………………………………………………………... 11
4.3 Industrial net changes relative to the UK ……………………………………… 12
4.4 Cumulative industrial change from the start of 1994 to the end of 2004 ……………… 13
4.5 Changes since 1980 ……………………………………………………………… 14

**5. APPENDICES**

Table A1 UK Business Registrations, 1994 – 2004 ……………………………………… 16
Table A2 UK Business De-Registrations, 1994 – 2004 ………………………………... 16
Table A3 North East Business Registrations, 1994 – 2004 …………………………… 16
Table A4 North East Business De-Registrations, 1994 – 2004 ………………………… 17

**DISTRICT REGISTRATIONS AND DE-REGISTRATIONS** ………………………………… 18
Table A5 Gateshead Business Registrations, 1994 – 2004 …………………………….. 19
Table A6 Gateshead Business De-Registrations, 1994 – 2004 …………………………. 19
Table A7 Newcastle Business Registrations, 1994 – 2004 ……………………………… 19
Table A8 Newcastle Business De-Registrations, 1994 – 2004………………………….. 20
Table A9 North Tyneside Business Registrations, 1994 – 2004………………………… 20
Table A10 North Tyneside Business De-Registrations, 1994 – 2004 ……………………… 20
Table A11 South Tyneside Business Registrations, 1994 – 2004 ……………………….. 21
Table A12 South Tyneside Business De-Registrations, 1994 – 2004 ……………………… 21
Table A13 Sunderland Business Registrations, 1994 – 2004 ……………………………. 21
Table A14 Sunderland Business De-Registrations, 1994 – 2004 ………………………… 22
Table A15 VAT Registration Thresholds ………………………………………………… 22

**FIGURES**

Figure 4.1 The Industrial Mix of the Business Base, Tyne & Wear, Start 2005 ……………… 10

**TABLES**

Table 3.1 Business Registrations, De-Registrations and Stocks: Tyne & Wear and Local Authority Districts, 2004 ……………………………………………………………… 4
Table 3.2 Total and % Change in Number of Businesses Registered for VAT; 1994 – 2004 …… 5
Table 3.3 Business Registrations in Tyne & Wear, 1994 – 2004 ………………………….. 6
Table 3.4 Change in Registration by Industry: Tyne & Wear, North East and UK, 2004 compared to 2003 ………………………………………………………………………... 7

| | | |
|---|---|---|
| Table 3.5 | Business De-Registrations in Tyne & Wear, 1994 – 2004 ……………..………………. | 8 |
| Table 3.6 | Change in De-Registrations by Industry: Tyne & Wear, North East and UK, 2004 compared to 2003 ……………………………………………………………………….. | 9 |
| Table 4.1 | Stock of Business and Annual Change in Tyne & Wear, 2000-2004 ………………….. | 11 |
| Table 4.2 | Net Change in Business Base by Industry for Tyne & Wear Districts, 2004 ………….. | 12 |
| Table 4.3 | VAT Registered Businesses by Industry: Tyne & Wear, North East and UK, Year end 2004 ………………………………………………………………………………………. | 13 |
| Table 4.4 | Cumulative Change in Business Numbers From Start 1994 - End 2004, by Industry (%) … ………………………………………………………………………………………… | 14 |
| Table 4.5 | Business Registrations, De-Registrations and Stocks in Tyne & Wear, 1980 – 2004 … | 15 |

## KEYPOINTS

### Overall

- At the beginning of 2004, there were **17,605 businesses** registered for VAT in Tyne & Wear (§3.1). This is referred to as the stock of registered businesses.
- The number of businesses in Tyne & Wear, 'the business base,' **grew by 0.5% in 2004 (up 100 firms)** (§3.1) [**and by 7.8% in the decade to 2004** (Table 3.2)]. This was a marked slowdown from nearly 1.5% (260 firms) in the previous year (2003).
- As nationally, **registrations fell and de-registrations rose** (both significantly) in **Tyne & Wear in 2004**. These changes in the business base culminated in the lowest *national* growth rate since 1995, at 0.1%.
- Tyne & Wear's **long-run growth rate** of VAT registered businesses is **two-thirds of the UK** rate. In the decade to 2004, it was about 8% (UK 12%) (Table 3.2). Between 1981 and 1990 the rates of growth were about 18%[1] (UK 29%).
- Below county level, **between 1994 and 2004, the stock of businesses grew in every district (**§3.3**). Gateshead saw the fastest growth in its business base** between 1994 and 2004, up 15.3%.

### Growth Industries

- In Tyne & Wear **in 2004**, **growth** was **again numerically greatest in Business Services (up 105 firms, 2.3%)**. Unusually, construction also grew substantially (up 70 firms, 3.7%) twice as fast as in any of the previous four years. (§4.2.1)
- **Seven industries** altogether **grew in the decade to 2004**; Business Services (up 61.8%); Hotels & Catering (up 15.1%); Public Admin. & Other (up 12.5%); Finance (up 8.7%); Education & Health (up 7.4%); Transport & Communications (up 6.9%) and Construction (up 2.8%). (§4.4)

### Declining Industries

- **In 2004**, six industries declined, the largest **declines** were in; **Manufacturing** (down 50 firms, -2.8%); **Public Admin. & Other** (down 15 firms, -1.1%); **Agriculture** (down 10 firms,-5.0%) and **Transport & Communications** (down 10, -1.3%) (§4.2.1)
- In the **decade to 2004**, there were falls in three industries; the **largest numerical fall** was in **Retailing** & Wholesale (down 765, -13.9%). [Consolidation is a long-standing process in retailing]. Manufacturing and Agriculture both suffered large losses numerically (down 160 (-8.4%) and 70 (-26.9%) respectively). (§4.4)

### Registrations & De-Registrations (Flows)

- In 2004, registrations (§3.4.2) fell 195 and de-registrations (§3.5.2) rose by 45 firms.
- The **fall in registrations** in Tyne & Wear was **mainly due to large falls in Business Services and Manufacturing** (down 50 and 45 firms respectively). **Almost all industries** experienced **falls in registrations in 2004**, with the exception of Finance and Agriculture. (§3.4.2) Tyne & Wear **entrepreneurs showed foresight** in cutting back business starts in industries which were likely to slow in 2005.
- Tyne & Wear's fall in registrations (-9.7%) was more than double that of the UK in 2004 (-4.1%). The largest numerical falls were in Public Admin. & Other (down 2,565 firms, -19.7%); and Business Services (down 1,725, -2.6%) (§3.4.2).

[1] *Caution: 1980s data were for legal units, whereas since 1994 data are for enterprises.*

- **Rises in de-registrations in Tyne & Wear** were in **Hotels & Catering** (up 25, 9.3%); **Business Services (**up 25, 6.0%); **Public Admin. & Other** (up 15, 16.7%); **Agriculture** (up 15, 150.0%); and **Construction** (up 10, 6.5%). (§3.5.2)
- In the UK, de-registrations rose overall by 7.0%. Rises were seen in every industry except Education & Health (fall of 6.7%). The largest numerical rise was in Business Services (up 4,415, 8.2%). (§ 3.5.2).

## CONTEXT & INTERPRETATIONS

Growth of the business base is known to be positively correlated with growth of housing wealth (measured by house prices). This mechanism could work through at least two routes;

housing wealth being used as collateral for small business (both starts, growth and survival)

consumer demand being stronger, due to consumers' higher 'equity-withdrawal'

In short, in 2004 Tyne & Wear **entrepreneurs showed foresight** in cutting back business starts in those industries which were likely to slow in 2005. They showed an abrupt aversion to business starts in manufacturing (down 32%).

Growth in stocks of businesses registered for VAT slowed by two-thirds in 2004. This was mainly due to a 10% fall in registrations, which suggests fewer people wanted/could start a business. The largest falls in registrations were in Construction, consumer services and Manufacturing. This is consistent with entrepreneurs judging that these industries would face weaker demand (and hence poorer prospects) in 2005.

Construction start-ups (down 20 firms, -7.8%) may have slowed because of the housing market slowdown, although stocks of firms did rise 5% during 2004. Consumer services also slowed in 2004, possibly due to slower growth in housing wealth in 2004 (needed to finance small business start-ups).

The biggest fall in 2004 was in Manufacturing start-ups (down 45 firms, -32%). Manufacturing registrations also fell in the UK (-8.4%), but Tyne & Wear's fall was four times as bad. Over three-quarters of Tyne & Wear's falls were in North Tyneside and Newcastle (down 20 firms and 15 firms respectively). Manufacturing start-ups may have been more sensitive to:

- Higher interest rates
- Slowing UK demand
- International competition (say from the EU25 or A8)

De-registrations rose 3% in Tyne & Wear in 2004. The North East also showed a rise of 3%, and the UK was higher still at 7%. The slowdown in Tyne & Wear and the North East was probably slower as a symptom of the (later) house price "wave."

# 1. INTRODUCTION

This report provides an analysis of VAT-registered businesses within Tyne & Wear. North East and UK data are provided for comparison, and analysis extends to district-level data. The report covers mainly stock of businesses, registrations and de-registrations in 2004 and changes in these over various timescales.

Note: Previous TWRI 'Businesses Registered for VAT' reports have included a section on Small and Medium Enterprises (SMEs) and their employment and turnover. This was not possible for 2004. The Small Business Service (SBS) has *no plans* to produce regional SME statistics for 2004, only UK statistics.

The report shows that Tyne & Wear's business base rose by 0.5% in 2004 (Table 3.1). This was slightly faster than in the North East (up 0.4%) and the UK (0.1%).

Tyne & Wear was outperformed by the UK over the decade to 2004 (Tyne & Wear up 7.8% compared with a 12.3% rise in the UK). Tyne & Wear's long-run growth rate is two-thirds of the UK rate.

Note: This 'long run' growth rate refers to the decade to 1990 and the decade to 2004. Table 4.5 (§4.5.1) presents growth rates between 1980 and 1993. However, large rises in the VAT threshold between 1991 and 1993 mean that growth for the decade to 1990 is a more useful indicator of long-term growth.

# 2. TECHNICAL INTRODUCTION

This paper presents the latest (2004) 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 and Excise records and supplied by the Small Business Service (SBS). The main focus is on changes during 2004 in the 'business base' (businesses registered for VAT).

It is important to note that many 'micro-businesses' (normally single-person businesses) fall below the VAT turnover threshold. There will be thousands of these in Tyne & Wear.

Only broad comparisons can be made for 1980-2004. This is because of large increases in the VAT threshold in 1991 and 1993 (see Appendix 15), as well as other changes to the estimates. Since 1994 the estimates have been based on counts of VAT registered *enterprises*; earlier counts were based on VAT *legal units*. An enterprise, as defined by the DTI, is a person, or group of people producing goods and services under their control and with their own legal identity. A branch of a larger organisation would not itself be an enterprise.

From 1994, industry coding is on the Standard Industrial Classification using SIC92. Earlier data were published using VAT Trade Classification (VTC). Due to lack of comparability between the old (1980 – 1993) and new (1994 – 2000) industry-codes; analysis of change for the full period, 1980 – 2000, is for the whole business base only.

Comparisons are made geographically and industrially; Tyne & Wear with the North East and the UK, between 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 [see §3.5 for reasons for de-registration and Table A15 for VAT registration thresholds].

*Caution: the numbers are rounded to the nearest 5, by SBS. This means percentage changes of low numbers are rough, e.g. a reported rise from 5 to 10 ('100%') could actually be from 7 to 8 (up 14%).*

# 3. CHANGES IN THE BUSINESS BASE

## 3.1. STOCK OF BUSINESSES

At the end of 2004, Tyne & Wear had 17,700 businesses registered for VAT (Table 3.1). This is a relatively small business base of 200 businesses for every 10,000 adults. The UK average is almost twice this, at 378.

Tyne & Wear's business base is under-represented in relation to adult population (16+). It has only 1.0% of all UK businesses registered for VAT, but about 1.9% of the UK adult population. It is also under-represented in the North East region with 39% of the business base, compared with 43% of the adult population. Caution: Tyne & Wear firms are larger than North East firms.

**Table 3.1: Business Registrations, De-Registrations and Stocks: Tyne & Wear and Local Authority Districts, 2004**

| Area | Stock at start 2004 | Registrations | De-Registrations | Stock at end 2004 | Adult Population | Ratio of stock at end 2004 per 10,000 of adult population | Net Change (No.) | % Change |
|---|---|---|---|---|---|---|---|---|
| **Gateshead** | 3,520 | 365 | 340 | 3,545 | 155,700 | 228 | 25 | 0.7% |
| **Newcastle** | 5,210 | 540 | 505 | 5,240 | 222,100 | 236 | 35 | 0.6% |
| **North Tyneside** | 2,995 | 320 | 295 | 3,020 | 155,300 | 194 | 25 | 0.8% |
| **South Tyneside** | 1,885 | 190 | 165 | 1,910 | 122,800 | 156 | 25 | 1.3% |
| **Sunderland** | 3,995 | 405 | 420 | 3,980 | 229,300 | 174 | -15 | -0.4% |
| **Tyne & Wear** | 17,605 | 1,825 | 1,725 | 17,700 | 885,200 | 200 | 100 | 0.5% |
| **North East GOR** | 45,610 | 4,290 | 4,090 | 45,810 | 2,065,200 | 222 | 200 | 0.4% |
| **England** | 1,551,410 | 158,535 | 156,140 | 1,553,800 | 40,339,000 | 385 | 2,390 | 0.2% |
| **UK** | 1,817,820 | 181,415 | 179,370 | 1,819,870 | 48,188,800 | 378 | 2,045 | 0.1% |

*Note: * Aged 16 and over. Population figures are taken from the 2003 Mid-Year Estimates.*

*Figures may not tally exactly due to rounding. Stocks, Registrations, De-Registrations and Net Change are taken from SBS dataset, not calculated by TWRI*

*Source: Small Business Service*

## 3.2. NET CHANGE DURING 2004

During 2004, Tyne & Wear's business base grew by only 0.5%, or 100 firms (Table 3.1), compared with growth of nearly 1.5% (260 firms) in the previous year (2003). Growth was slower for the North East, its business base grew by 0.4% (or 200 firms). These slow growth rates reflect the national picture. UK growth was very slow at 0.1% (or 2,045 firms) compared with growth of 0.9% in the previous year, or more significantly, 15,535 firms. The SBS explains that nationally "there have been increases in the stock of VAT registered businesses every year from 1995 onwards, although the 2004 increase is the smallest since 1995"[2].

## 3.3. DISTRICT CHANGES

In 2004, all five districts saw a rise in their business base, with the exception of Sunderland (which saw a fall of 0.4%). South Tyneside experienced 1.3% growth in its stock (up 25 firms), the fastest of all districts. Numerically Newcastle's growth was largest with 35 registrations (0.6% growth).

There was an overall growth in the business base in Tyne & Wear over the decade to 2004; up 7.8% (1,285 firms) (Table 3.2). Gateshead saw the largest rise in businesses registered for VAT over the period

[2] *Small Business Service, October 2005 News Release: URN 05/111. See SBS website [www.sbs.gov.uk/SBS_Gov_files/researchandstats/vatpn2004.pdf](www.sbs.gov.uk/SBS_Gov_files/researchandstats/vatpn2004.pdf)*

(up 15.3%, 470 firms). This was followed by South Tyneside (up 8.5%, 150 firms), North Tyneside (up 7.3%, 205 firms) and Sunderland (6.3%, 235 firms). Newcastle experienced the smallest rate of growth (up 4.3%, 215 firms).[3]

**Table 3.2: Total and % Change in Number of Businesses Registered for VAT; 1994 – 2004**

| Area | Stock Start 1994 | Stock End 2004 | Change 1994 - 2004 No. | % |
|---|---|---|---|---|
| **Gateshead** | 3,075 | 3,545 | 470 | 15.3% |
| **Newcastle** | 5,025 | 5,240 | 215 | 4.3% |
| **North Tyneside** | 2,815 | 3,020 | 205 | 7.3% |
| **South Tyneside** | 1,760 | 1,910 | 150 | 8.5% |
| **Sunderland** | 3,745 | 3,980 | 235 | 6.3% |
| **Tyne & Wear** | 16,415 | 17,700 | 1,285 | 7.8% |
| **North East GOR** | 43,495 | 45,810 | 2,315 | 5.3% |
| **England** | 1,366,895 | 1,553,800 | 186,905 | 13.7% |
| **UK** | 1,620,790 | 1,819,870 | 199,080 | 12.3% |

*Source: Small Business Service*

Looking at the industry sectors separately, over the decade to 2004, the largest numerical falls in each of the districts, the North East and nationally, were in the Wholesale, Retail & Repairs sector (§5, Appendices). North Tyneside, Newcastle and Sunderland experienced particularly big falls (about -16%) in this sector (-160 firms, 16.2% fall in North Tyneside); (-245 firms, 16.2% fall in Newcastle); and (-205 firms, 15.4% fall in Sunderland).

There were also falls in each district, the North East and nationally in Agriculture, Forestry & Fishing; with the largest numerical fall in Newcastle (down 25 firms, -41.7%). Although other districts gained Construction firms, Newcastle suffered a large loss of 85 (-16.5%). Newcastle also suffered by far the largest loss of all districts and industries in the Manufacturing industry (-165 firms a 32.0% fall).

Business services saw the largest growth in its business base in the decade to 2004 in all areas (the Tyne & Wear districts, the North East and nationally). Of all the districts, Newcastle experienced the largest numerical rise in businesses in this sector (670 firms) and Newcastle and Sunderland saw the largest proportional rise (both up 57.2%).

## 3.4. REGISTRATION ("BUSINESS STARTS")

Registrations are not the same as business starts because businesses can exist below the VAT threshold before registering.

### 3.4.1 Registration Change 1994 – 2004

Over the decade to 2004, annual total registrations in Tyne & Wear actually fell 3.7% (Table 3.3). Similarly, the North East saw a slightly lower fall of 2.8%, however nationally there was an 8.9% rise over the period.

In Tyne & Wear, the largest numerical fall was in Public Admin. & Other Services[4] (down 145, -61.7%). Large falls were also experienced in Retailing & Wholesale (down 60, -11.9%) and Manufacturing (down 55, -36.7%). There were also only 10 registrations in the Mining & Utilities sector between 1994 and 2004. Note: there have been large fluctuations in the numbers of registrations in Public Admin. & Other

[3] *Important information - TWRI understands previous SBS data [before TWRI's report of 2003 data] to have (wrongly) located firm closures handled by the Official Receiver. These closures were located in the district of office rather than the district of business. The revised series is much more positive for Newcastle in particular.*

[4] *This industry is technically Public Administration & Other Services, shortened here to Public Admin. & Other*

Services and Retailing & Wholesale since 1994, however Manufacturing has been relatively stable and so this fall is more notable.

Registrations in Tyne & Wear rose in three industries. These rises were led by Business Services (up 135, 32.3%); other rises were in Construction (up 90, 62.1%) and Hotels & Catering (up 15, 5.5%).

**Table 3.3: Business Registrations* in Tyne & Wear, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 10 | 10 | 10 | 5 | 10 | 5 | 5 | 5 | 10 | 10 | 10 | 90 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 10 |
| D | Manufacturing | 150 | 150 | 175 | 145 | 130 | 155 | 135 | 125 | 135 | 140 | 95 | 1,535 |
| F | Construction | 145 | 150 | 175 | 180 | 160 | 185 | 175 | 165 | 190 | 255 | 235 | 2,015 |
| G | Retailing & Wholesale | 505 | 420 | 460 | 440 | 400 | 445 | 385 | 395 | 465 | 480 | 445 | 4,840 |
| H | Hotels & Catering | 275 | 265 | 230 | 265 | 245 | 280 | 305 | 325 | 305 | 325 | 290 | 3,110 |
| I | Transport & Comms. | 85 | 95 | 80 | 80 | 100 | 85 | 95 | 90 | 125 | 85 | 80 | 1,000 |
| J | Finance | 20 | 5 | 5 | 15 | 5 | 15 | 10 | 10 | 20 | 5 | 10 | 120 |
| K | Business Services | 410 | 410 | 445 | 450 | 485 | 495 | 520 | 505 | 560 | 595 | 545 | 5,420 |
| L,O | Public Admin & Other. | 235 | 205 | 135 | 185 | 160 | 115 | 125 | 85 | 100 | 95 | 90 | 1,530 |
| M,N | Education & Health | 55 | 25 | 20 | 20 | 25 | 20 | 20 | 25 | 25 | 30 | 25 | 290 |
| | Total | 1,895 | 1,745 | 1,740 | 1,790 | 1,725 | 1,805 | 1,785 | 1,720 | 1,935 | 2,020 | 1,825 | 19,985 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

In the UK, over the decade to 2004, five industries experienced a rise in new registrations (see Table A1 in Appendices). By far the largest numerical rise occurred in Business Services (up 21,400, 48.4%). This is 1½ times the rate of rise in Tyne & Wear. Similarly to Tyne & Wear, other significant rises occurred in Construction (5,985, up 37.7%) and Hotels & Catering (4,240, up 27.0%). Unlike Tyne & Wear, the UK also saw rises in Transport & Communications (up 1,370 17.4%) and Mining & Utilities (up 10, 5.4%).

A slightly different range of industries experienced falls in registrations in the UK. Public Admin. & Other, which suffered a large fall in Tyne & Wear (down -61.4%), experienced the largest numerical fall in the UK, (down 9,220, -46.8%). Other large UK falls occurred in Manufacturing (down -30.2%) as in Tyne & Wear, but unlike Tyne & Wear, also in Education & Health (down -30.2%), and Finance (down -30.0%).

In the North East, as in Tyne & Wear and the UK, Business Services experienced a large rise in registrations (up 330, 39.8%) (See Table A3 in Appendices). North East construction registrations also rose significantly (up 225, 57.0%).

Large falls in registrations in the North East also occurred in a similar range of industries to Tyne & Wear and the UK. Public Admin. & Other registrations fell 395 (a fall of 66.4%). Other falls were in Retail (down 125, 11.1%); Manufacturing and Education & Health (both down 85, 26.2% and 65.4% respectively).

### 3.4.2. Registrations – changes during 2004

Overall, Tyne & Wear registrations fell by -9.7% in 2004 (down 195 firms)[5]. Registrations rose in only one industry (Table 3.4). The rise occurred in Finance (up 5, and up 100% on 2003). Registrations remained the same in Agriculture and Mining & Utilities, but fell in all other industries. The largest

[5] *Entrepreneurs clearly became more cautious about starting a business*

numerical falls occurred in Business Services (down 50, -8.4%) and Manufacturing (down 45, -32.1%). This was followed by falls in Retailing & Wholesale and Hotels & Catering (both down 35, -7.3% and -10.8% respectively). Falls were less marked in Public Admin. & Other, Transport & Communications, Education & Health (all down 5) and Construction (down 20).

Overall, falls were slightly greater in the North East (down 10.4% on 2003), but were lower nationally at less than half Tyne & Wear (-4.1%). Generally, registrations fell across all industries for all three areas, any rises were minimal[6] with the exception of Transport & Communications (with a 2.5% rise nationally).

UK registrations fell by 7,700 (-4.1%). This was overwhelmingly due to the large numerical falls in Public Admin. & Other (down 2,565) and Business Services (down 1,725). The UK saw two rises 2003-2004, in Finance (up 15, 0.9%) and a more significant rise in Transport & Communications (up 230, 2.5%).

In the North East, registrations in 2004 fell by 500 (down 10.4%). Registrations in the North East fell in all industries except Agriculture which remained the same 2003-2004. The largest numerical falls were in Business Services (down 160, -12.1%) and Retail (down 110, -9.9%). Numerical falls were lower in Construction (down 5), Finance (down 10), Education & Health (down 25) and Public Admin. & Other (down 30).

**Table 3.4: Change in Registration* by Industry: Tyne & Wear, North East and UK, 2004 compared with 2003**

| SIC 92 | Industry | Tyne & Wear Change | | NE Change | | UK Change | |
|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % |
| A,B | Agriculture | 0 | 0.0% | 0 | 0.0% | -270 | -6.8% |
| C,E | Mining & Utilities | 0 | na | -5 | -100.0% | -15 | -7.1% |
| D | Manufacturing | -45 | -32.1% | -55 | -18.6% | -905 | -8.4% |
| F | Construction | -20 | -7.8% | -5 | -0.8% | -355 | -1.6% |
| G | Retailing & Wholesale | -35 | -7.3% | -110 | -9.9% | -830 | -2.2% |
| H | Hotels & Catering | -35 | -10.8% | -40 | -5.4% | -905 | -4.3% |
| I | Transport & Communication | -5 | -5.9% | -65 | -23.2% | 230 | 2.5% |
| J | Finance | 5 | 100.0% | -10 | -40.0% | 15 | 0.9% |
| K | Business Services | -50 | -8.4% | -160 | -12.1% | -1,725 | -2.6% |
| L,O | Public Admin. & other Services | -5 | -5.3% | -30 | -13.0% | -2,565 | -19.7% |
| M,N | Education & Health | -5 | -16.7% | -25 | -35.7% | -370 | -14.5% |
| | Total | -195 | -9.7% | -500 | -10.4% | -7,700 | -4.1% |

*Note: NA –base year zero, percentage change not applicable.*

**Registrations do not equate to 'business starts' because they include changes for other reasons, e.g. change of name, change of proprietor, re-opening of existing business.*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

## 3.5. DE-REGISTRATIONS ("BUSINESS FAILURES")

Note: De-Registrations can occur for reasons other than business failure. The reasons include:

- Takeover
- Retirement
- Change of proprietor
- Change of business name
- Decline below the VAT threshold

6 *Rises in Finance both in Tyne & Wear and the UK were numerically poor at 5 and 15 firms respectively*

### 3.5.1 De-Registration Change 1994 – 2004

Over the decade to 2004, annual de-registrations have improved (fallen) in Tyne & Wear and the North East, although they deteriorated (rose) in 2003-2004. Overall (1994-2004) UK de-registrations rose. Business de-registrations 1994-2004, in Tyne & Wear, fell (improved) by 12.9%, down to 1,725 (Table 3.5) but rose in de-registrations 2003-2004, up 2.7%. [See 3.5.2 below]

Over the decade, the North East fared better with a 15.1% fall, but rose 2.5% in 2003-2004. The UK's de-registrations grew significantly 2003-2004, by 7.0%. This contributed to significant overall growth of 3.1% (see Tables A4 and A2 in Appendices).

Generally de-registrations amongst Tyne & Wear industries either fell, or rose only slightly. The largest numerical falls were in Retailing & Wholesale (down 215, -32.3%) and Construction (down 105, -38.9%). A relatively large fall was also in Public Admin. & Other (down 65, -38.2%).

Business Services experienced a large rise in de-registrations (up 170, 63%). Much smaller rises (all up 5 firms) occurred in Finance (100%), Agriculture (up 25%) and Transport & Communications (6.5%).

UK de-registrations grew 3.1% in the decade to 2004, although there were large falls in Retailing & Wholesale (down 15,260, -29.0%) and Construction (down 7,095, 27.8%). A lower fall occurred in Public Admin. & Other (down 4,010, -22.4%).

Rises in UK de-registrations were dominated by Business Services (as in Tyne & Wear) [due to growth of the sector – Ed.]; up 28,860 (98.6%). Agriculture also suffered a rise in de-registrations but this was significantly lower than in Business Services (up 2,365, 38.0%). A smaller numerical rise occurred in Finance (up 1,055, 149.6%). The proportional rise in Transport & Communications was slight in comparison, up 6.9% (up 515 firms).

North East de-registrations fell, as in Tyne & Wear and the UK, in Retailing & Wholesale (down 510, -32.8%) (Table A4). Other large falls were in Construction (down 265, -40.2%) and Public Admin. & Other (down 160, -38.1%).

North East de-registration rises occurred mainly in Business Services (up 320 firms, 48.1%). A much smaller rise was in Agriculture (up 40, 28.6%). Numbers of de-registrations remained the same in Transport & Communications and Finance.

**Table 3.5: Business De-Registrations in Tyne & Wear, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 20 | 15 | 25 | 15 | 10 | 15 | 10 | 10 | 10 | 10 | 25 | 165 |
| C,E | Mining & Utilities | 0 | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 5 | 0 | 20 |
| D | Manufacturing | 170 | 190 | 145 | 140 | 150 | 170 | 140 | 135 | 170 | 140 | 145 | 1,695 |
| F | Construction | 270 | 205 | 180 | 185 | 170 | 165 | 150 | 155 | 155 | 155 | 165 | 1,955 |
| G | Retailing & Wholesale | 665 | 640 | 545 | 495 | 480 | 470 | 490 | 495 | 430 | 455 | 450 | 5,615 |
| H | Hotels & Catering | 315 | 270 | 250 | 225 | 225 | 240 | 235 | 285 | 260 | 270 | 295 | 2,870 |
| I | Transport & Communication | 80 | 65 | 85 | 85 | 70 | 90 | 90 | 95 | 90 | 110 | 85 | 945 |
| J | Finance | 5 | 25 | 10 | 15 | 5 | 10 | 15 | 5 | 10 | 10 | 10 | 120 |
| K | Business Services | 270 | 285 | 280 | 285 | 275 | 320 | 320 | 375 | 400 | 415 | 440 | 3,665 |
| L,O | Public Admin. & other Services | 170 | 190 | 160 | 140 | 115 | 105 | 115 | 100 | 100 | 90 | 105 | 1,390 |
| M,N | Education & Health | 15 | 50 | 35 | 40 | 25 | 20 | 15 | 25 | 15 | 25 | 10 | 275 |
| | Total | 1,980 | 1,940 | 1,720 | 1,625 | 1,530 | 1,605 | 1,585 | 1,675 | 1,640 | 1,680 | 1,725 | 18,705 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

### 3.5.2. De-Registration Changes During 2004

Between 2003 and 2004 there was a rise in de-registrations in Tyne & Wear of 45 firms (up 3%) (Table 3.6). The North East also showed a rise of 3%, and the UK was higher still at 7 percentage points. This may be a symptom of the house price "wave"[7] (slowdown) heading towards the North East and Tyne & Wear.

Across the industries, Tyne & Wear saw falls in de-registrations in Education & Health (down 15, -60.0%) and Transport & Communications (down 25, -22.7%). The fall in Retailing & Wholesale was very low (down 1.1%), pre-dating the sharp retail slowdown in 2005[8]. The number of industry rises outnumbered falls.

The largest rises occurred in Agriculture (up 15, 150%); Public Admin. & Other (up 15, 16.7%); Hotels & Catering (up 25, 9.3%); and Business Services (up 25, 6.0%).

Across the industries, the North East experienced falls in de-registrations within Education & Health (down 25, -45%); Finance (down 5, -25%); Transport & Communications (the largest numerical fall, down 50, -18%); and Manufacturing (down 15, -5%). Like Tyne & Wear, there was a significant rise in Agriculture in the North East (up 60, 50%). The rise in de-registrations in Public Admin. & Other was relatively high at 25 firms (11%).

In the UK, de-registrations rose 2003-2004 in all industries except Education & Health (down 120, -6.7%). This explains the large overall rise (7%) in de-registrations. In 1994-2003 de-registrations fell 0.2%, but the 7% increase 2003-2004 saw the decade rise to 3.1%. Percentage rises were highest in Agriculture (up 2,380, 38.3%); Finance (up 230, 15%); and Public Admin. & Other (up 1,060, 8.3%). The highest numerical rise was in Business Services, up 4,415 (or 8.2%).

**Table 3.6: Change in De-Registration* by Industry: Tyne & Wear, North East and UK, 2004 compared with 2003**

| | | Tyne & Wear Change | | NE Change | | UK Change | |
|---|---|---|---|---|---|---|---|
| **SIC 92** | | **No.** | **%** | **No.** | **%** | **No.** | **%** |
| **A,B** | **Agriculture** | 15 | 150.0% | 60 | 50.0% | 2,380 | 38.3% |
| **C,E** | **Mining & Utilities** | -5 | -100.0% | 0 | 0.0% | 20 | 9.1% |
| **D** | **Manufacturing** | 5 | 3.6% | -15 | -4.7% | 420 | 3.1% |
| **F** | **Construction** | 10 | 6.5% | 20 | 5.3% | 2,000 | 12.2% |
| **G** | **Retailing & Wholesale** | -5 | -1.1% | 25 | 2.5% | 1165 | 3.2% |
| **H** | **Hotels & Catering** | 25 | 9.3% | 30 | 4.9% | 165 | 1.0% |
| **I** | **Transport & Communication** | -25 | -22.7% | -50 | -18.2% | 5 | 0.1% |
| **J** | **Finance** | 0 | 0.0% | -5 | -25.0% | 230 | 15.0% |
| **K** | **Business Services** | 25 | 6.0% | 30 | 3.1% | 4,415 | 8.2% |
| **L,O** | **Public Admin. & other Services** | 15 | 16.7% | 25 | 10.6% | 1,060 | 8.3% |
| **M,N** | **Education & Health** | -15 | -60.0% | -25 | -45.5% | -120 | -6.7% |
| | **Total** | 45 | 2.7% | 100 | 2.5% | 11,740 | 7.0% |

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

[7] *The "wave" of house prices spreading out from London is discussed in most detail in TWRI's analysis of Tyne & Wear House Prices and Earnings*
[8] *UK retail sales volume growth slowed from about 6% pa in early 2004 to about 2% in mid-2005 (ONS)*

# 4. INDUSTRIAL STRUCTURE OF THE BUSINESS BASE

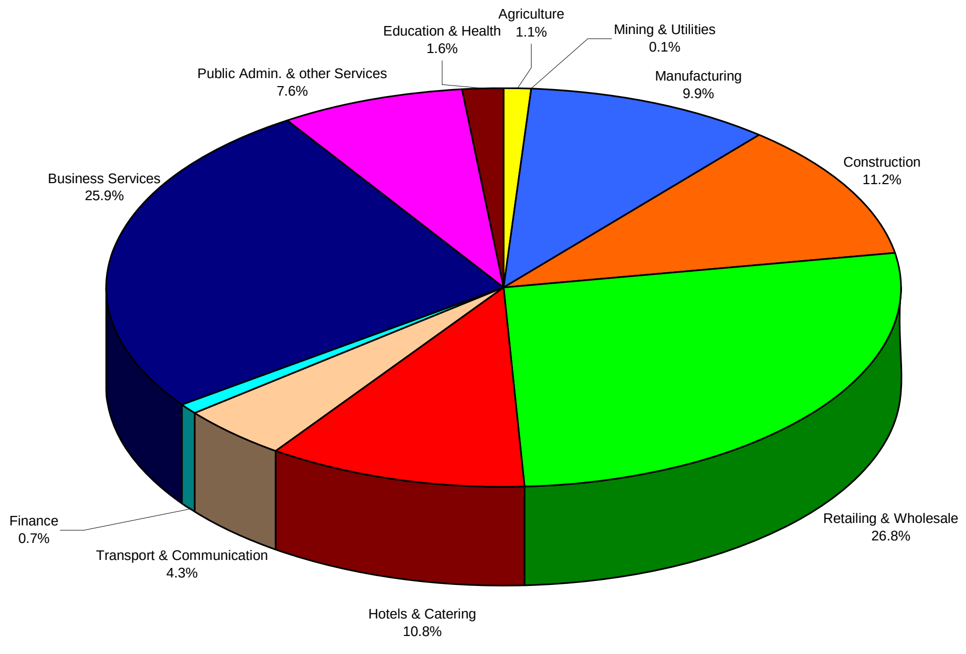
## 4.1. THE INDUSTRIAL MIX OF BUSINESSES

Tyne & Wear's business base was strongly focused on Retailing & Wholesale at the end of 2004/start of 2005 (26.8% of VAT-registered businesses) (Fig. 4.1). This is a higher proportion than in the North East (24.7%) and even more so than in the UK (21.3%). Retailing & Wholesale as a proportion of Tyne & Wear's full industrial mix has been declining since 2000. At the start of 2004 it declined to 26% but it did not fall throughout 2004.

Business Services in Tyne & Wear held 25% of the business base at the end of 2003/start of 2004 (25% of VAT-registered businesses), throughout 2004 this rose to 25.9%. The Business Services sector is increasing in size relative to the base as a whole, by 2000 it accounted for 22.7% of the business base. Tyne & Wear's proportion is slightly high compared to the North East (22.4%), but over 3 percentage points lower than the UK (29.2%).

Generally proportions for the 11 industries making up Tyne & Wear's business base are similar to those for the North East and the UK. The main exceptions are Manufacturing and Agriculture. Manufacturing makes up 9.9 % of Tyne & Wear's business base, the proportion for the North East is lower at 8.9%, and the UK lower still at 8.4%. Business stocks within this industry in Tyne & Wear have declined steadily since 1994 (from 11.6%) but have always been higher than nationally. Agriculture accounts for just 1.1% of Tyne & Wear's business base; this is very low in comparison with proportions over six percentage points higher in the North East (7.6%) and UK (7.7%). This is obviously due to the vast majority of Tyne & Wear consisting of built-up areas.

**Fig 4.1: The Industrial Mix of the Business Base, Tyne & Wear, Start 2005**



## 4.2 NET CHANGE BY INDUSTRY

### 4.2.1. Changes 2000-2004

Over the five-year period, 2000 to 2004, there was a rise every year in the overall business stock (Table 4.1). Business Services and Construction were the only two industries to experience a rise in their business stock each year. All other industries at least experienced one year of either no growth, or a fall in their stock of business, over the period. Hotels & Catering, which had previously seen growth each year, experienced a fall during 2004 of 1.3%. It is not clear whether this fall was mainly in hotels, restaurants, pubs or fast-food.

**Table 4.1: Stock of Business and Annual Change in Tyne & Wear, 2000 - 2004**

| SIC 92 | Industry | 2000 | | | 2001 | | | 2002 | | | 2003 | | | 2004 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Start | End | % Change | Start | End | % Change | Start | End | % Change | Start | End | % Change | Start | End | % Change |
| A, B | Agriculture | 225 | 210 | -6.7% | 210 | 210 | 0.0% | 210 | 205 | -2.4% | 205 | 200 | -2.4% | 200 | 190 | -5.0% |
| C, E | Mining & Utilities | 15 | 15 | 0.0% | 15 | 15 | 0.0% | 15 | 15 | 0.0% | 15 | 10 | -33.3% | 10 | 10 | 0.0% |
| D | Manufacturing | 1,860 | 1,850 | -0.5% | 1,850 | 1,840 | -0.5% | 1,840 | 1,830 | -0.5% | 1,830 | 1,800 | -1.6% | 1,800 | 1,750 | -2.8% |
| F | Construction | 1,725 | 1,745 | 1.2% | 1,745 | 1,775 | 1.7% | 1,775 | 1,785 | 0.6% | 1,785 | 1,915 | 7.3% | 1,915 | 1,985 | 3.7% |
| G | Retailing & Wholesale | 4,915 | 4,890 | -0.5% | 4,890 | 4,790 | -2.0% | 4,790 | 4,690 | -2.1% | 4,690 | 4,755 | 1.4% | 4,755 | 4,750 | -0.1% |
| H | Hotels & Catering | 1,655 | 1,695 | 2.4% | 1,695 | 1,765 | 4.1% | 1,765 | 1,805 | 2.3% | 1,805 | 1,910 | 5.8% | 1,910 | 1,905 | -0.3% |
| I | Transport & Comms. | 775 | 770 | -0.6% | 770 | 775 | 0.6% | 775 | 770 | -0.6% | 770 | 780 | 1.3% | 780 | 770 | -1.3% |
| J | Finance | 110 | 115 | 4.5% | 115 | 110 | -4.3% | 110 | 115 | 4.5% | 115 | 120 | 4.3% | 120 | 125 | 4.2% |
| K | Business Services | 3,630 | 3,810 | 5.0% | 3,810 | 4,005 | 5.1% | 4,005 | 4,135 | 3.2% | 4,135 | 4,475 | 8.2% | 4,475 | 4,580 | 2.3% |
| L, O | Public Admin. & Other | 1,355 | 1,365 | 0.7% | 1,365 | 1,375 | 0.7% | 1,375 | 1,360 | -1.1% | 1,360 | 1,365 | 0.4% | 1,365 | 1,350 | -1.1% |
| M, N | Education & Health | 260 | 260 | 0.0% | 260 | 265 | 1.9% | 265 | 260 | -1.9% | 260 | 275 | 5.8% | 275 | 290 | 5.5% |
| | Total | 16,525 | 16,720 | 1.2% | 16,720 | 16,920 | 1.2% | 16,920 | 16,965 | 0.3% | 16,965 | 17,605 | 3.8% | 17,605 | 17,700 | 0.5% |

*% Change may not tally with the changes in business stock due to rounding of stock*

*Source: Small Business Service*

### 4.2.2. Changes in 2004

The stock of business rose overall in Tyne & Wear during 2004; up 0.5% or 100 firms. The fastest falls were in Agriculture (down 5.0%) followed by Manufacturing (down 2.8%). The fall in Manufacturing was similar to that seen in the UK (-2.7%), the fall in the North East was better at 1.7% (Table 4.3 in §4.3).

### 4.2.3 Changes By Industry and District, 2004

District rises in 2004 have been very small. The fastest in 2004 was in South Tyneside, up 1.3% or 25 firms. The largest numerical rise was in Newcastle (up 35, but only 0.6%)[9]. The business base grew in all districts except Sunderland, which fell -0.4%. Comparison with 2003 shows significant falls in overall (total) stock rises. The most extreme example is Gateshead, in 2003 rising by 120 businesses, and had the fastest rise at 3.5%; in 2004 the rise was as small as 25 businesses, or 0.7%.

The biggest rises were in Construction. Construction's business base rose in all districts except Newcastle, down 10 firms, -2.3%. This sector saw some of the largest rises especially in South Tyneside (up 7.7%, 15 firms) and North Tyneside (5.6%, 20 firms).

The highest overall numerical rise was for Business Services in Newcastle, up 80 firms, 4.5%.

[9] *Indeed, Newcastle was the only District to show an acceleration in growth of the business base (in this case from 20 in 2003).*

No industries had a rise in all five districts:

**Table 4.2: Net Change in Business Base by Industry for Tyne & Wear Districts, 2004**

| SIC 92 | Industry | Gateshead | | Newcastle | | North Tyneside | | South Tyneside | | Sunderland | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Net Change | % | Net Change | % | Net Change | % | Net Change | % | Net Change | % |
| A,B | Agriculture | -5 | -11.1% | -5 | -14.3% | -5 | -11.1% | 0 | 0.0% | 0 | 0.0% |
| C,E | Mining & Utilities | 0 | 0.0% | 0 | 0.0% | 0 | n/a | 0 | n/a | 0 | n/a |
| D | Manufacturing | -5 | -1.1% | -35 | -9.2% | -5 | -1.6% | 0 | 0.0% | -10 | -2.2% |
| F | Construction | 25 | 6.3% | -10 | -2.3% | 20 | 5.6% | 15 | 7.7% | 20 | 3.8% |
| G | Retailing & Wholesale | 15 | 1.5% | -5 | -0.4% | 0 | 0.0% | 0 | 0.0% | -10 | -0.9% |
| H | Hotels & Catering | -5 | -1.5% | -5 | -1.0% | 5 | 1.4% | 0 | 0.0% | 0 | 0.0% |
| I | Transport & Communication | 0 | 0.0% | 0 | 0.0% | 5 | 4.5% | 0 | 0.0% | -10 | -5.1% |
| J | Finance | 0 | 0.0% | 5 | 10.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| K | Business Services | 15 | 1.9% | 80 | 4.5% | 10 | 1.4% | 5 | 1.3% | -5 | -0.6% |
| L,O | Public Admin. & other Services | -5 | -2.0% | 5 | 1.1% | -5 | -2.1% | 0 | 0.0% | -5 | -1.8% |
| M,N | Education & Health | 0 | 0.0% | 5 | 5.9% | 5 | 11.1% | 0 | 0.0% | 5 | 7.7% |
| | Total | 25 | 0.7% | 35 | 0.7% | 25 | 0.8% | 25 | 1.3% | -15 | -0.4% |

*Source: Small Business Service*

## 4.3. INDUSTRIAL NET CHANGES RELATIVE TO THE UK AND NORTH EAST

In 2004, Tyne & Wear's business base grew by 0.5%. This was faster than both the North East (0.4%) and especially the UK (0.1%).

Retailing & Wholesale held the largest proportion of the business base in Tyne & Wear (26.8%), and the North East (24.7%) and the second largest in the UK (21.3%) in 2004. Proportional changes in this industry's base would, therefore, have had quite a significant impact on the overall business base. In Tyne & Wear, this industry's base fell 0.1%, less weak than both the UK (down 0.2%) and the North East (down 0.4%).

Business Services held the largest proportion of business in the UK (29.2%) in 2004. It held the second-largest proportions in Tyne & Wear (25.9%) and the North East (24.7%). This industry's base rose in all three geographic areas, fastest in Tyne & Wear (2.3%), followed by the North East (1.7%) and the UK, one percentage point below Tyne & Wear (1.3%).

Falls in the business base occurred in six industries in Tyne & Wear; Agriculture (-5.0%); Manufacturing (-2.8%) and Transport & Communications (-1.3%). Falls were lower in Public Admin. & Other (-1.1%); Hotels & Catering (-0.3%) and Retail & Wholesaling (-0.1%). Falls in Agriculture, Manufacturing and Retail & Wholesaling followed a similar trend to the falls observed in the North East and UK. Public Admin. & Other stocks also fell in all three areas, however falls were slower than in the North East (-1.7%) and the UK (-2.4%). Tyne & Wear's fall in Hotels & Catering contrasts [oddly] with growth both in the North East and in the UK (up 1.4% and 2.1% respectively) during 2004. Perhaps this was a reaction to previous over-expansion in Tyne & Wear? Or it could be consolidation.

Industries (other than Business Services) that experienced a rise in their business stocks during 2004 in all three areas (Tyne & Wear, the North East and the UK) were; Education & Health (up 5.5%, 2.0%, and 1.9% respectively) and Construction (up 3.7%, 4.3%, and 1.7% respectively).

**Table 4.3: VAT Registered Businesses by Industry: Tyne & Wear, North East and UK, Year end 2004**

| | | Number at end 2004 | | | % of Total | | | % Change (during 2004) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **SIC 92** | **Industry** | **Tyne & Wear** | **NE** | **UK** | **Tyne & Wear** | **NE** | **UK** | **Tyne & Wear** | **NE** | **UK** |
| **A,B** | **Agriculture** | 190 | 3,495 | 140,905 | 1.1% | 7.6% | 7.7% | -5.0% | -2.7% | -3.5% |
| **C,E** | **Mining & Utilities** | 10 | 45 | 1,775 | 0.1% | 0.1% | 0.1% | 0.0% | -22.2% | -2.8% |
| **D** | **Manufacturing** | 1,750 | 4,090 | 151,970 | 9.9% | 8.9% | 8.4% | -2.8% | -1.7% | -2.7% |
| **F** | **Construction** | 1,985 | 5,275 | 205,930 | 11.2% | 11.5% | 11.3% | 3.7% | 4.3% | 1.7% |
| **G** | **Retailing & Wholesale** | 4,750 | 11,295 | 387,725 | 26.8% | 24.7% | 21.3% | -0.1% | -0.4% | -0.2% |
| **H** | **Hotels & Catering** | 1,905 | 4,730 | 129,895 | 10.8% | 10.3% | 7.1% | -0.3% | 1.4% | 2.1% |
| **I** | **Transport & Communication** | 770 | 2,275 | 79,765 | 4.4% | 5.0% | 4.4% | -1.3% | -0.4% | 1.3% |
| **J** | **Finance** | 125 | 240 | 18,780 | 0.7% | 0.5% | 1.0% | 4.2% | 0.0% | -0.6% |
| **K** | **Business Services** | 4,580 | 10,280 | 531,945 | 25.9% | 22.4% | 29.2% | 2.3% | 1.7% | 1.4% |
| **L,O** | **Public Admin. & other Services** | 1,350 | 3,325 | 143,880 | 7.6% | 7.3% | 7.9% | -1.1% | -1.7% | -2.4% |
| **M,N** | **Education & Health** | 290 | 760 | 27,290 | 1.6% | 1.7% | 1.5% | 5.5% | 2.0% | 1.9% |
| | **Total** | 17,700 | 45,810 | 1,819,870 | 100% | 100% | 100% | 0.5% | 0.4% | 0.1% |

*Source: Small Business Service*

## 4.4. CUMULATIVE INDUSTRIAL CHANGE FROM 1994 – 2004

Over the decade to 2004 Tyne & Wear's business base grew 7.8% (1,285 businesses), an annual average of 0.7% (Table 4.4). Over the same period, the UK's business base grew 12.3%, whilst the North East's base grew 5.3%. Changes over the longer period give a better indication of the performance of particular industries than single year changes.

There was a fall in business numbers over the decade to 2004 in four industries in Tyne & Wear (as in the North East and UK); Agriculture, Mining & Utilities, Manufacturing and Retailing & Wholesale.

The largest numerical fall in business stock in the decade in Tyne & Wear was in Retailing & Wholesale (down 765 businesses, -13.9%). Similar falls occurred in the North East (down -13.8%) and in the UK (down -10.9%). The Manufacturing industry also saw a fall in its business base in Tyne & Wear (down 160 businesses, -8.4%). The UK's manufacturing industry also experienced a similar but smaller fall, (down -6.9%), and the North East smaller still, down -3.7%.

Rises in business stock in the decade to 2004 were led by Business Services in Tyne & Wear (up 61.8%, 1,750 businesses). Business Services also grew most rapidly in the North East (up 49.4%, 3,400 businesses) and in the UK (up 69.4%, 217,935 businesses). Hotels & Catering experienced a fairly large numerical rise in the business base in Tyne & Wear (up 250, 15.1%); just 0.6 percentage points slower than the growth in the UK (15.7%). The North East's growth rate was higher than Tyne & Wear's (up 17.2%).

The number of businesses registered for VAT in Public Admin. & Other also rose quite substantially in Tyne & Wear between 1994 and 2004 (up 150 businesses, 12.5%). This was slightly faster than the growth in the UK and the North East (up 11.6% and 11.0% respectively).

**Table 4.4: Cumulative Change in Business Numbers From Start 1994 – End 2004, by Industry (%)**

| | | Tyne & Wear | | NE | | UK | | Difference (TW-UK) |
|---|---|---|---|---|---|---|---|---|
| SIC 92 | Industry | No. | % | No. | % | No. | % | (percentage points*) |
| A,B | Agriculture | -70 | -26.9% | -555 | -13.7% | -22,440 | -13.7% | -13.2% |
| C,E | Mining & Utilities | -10 | -50.0% | -20 | -30.8% | 0 | 0.0% | -50.0% |
| D | Manufacturing | -160 | -8.4% | -155 | -3.7% | -11,285 | -6.9% | -1.5% |
| F | Construction | 55 | 2.8% | 230 | 4.6% | 11,985 | 6.2% | -3.3% |
| G | Retailing & Wholesale | -765 | -13.9% | -1,815 | -13.8% | -47,595 | -10.9% | -2.9% |
| H | Hotels & Catering | 250 | 15.1% | 695 | 17.2% | 17,605 | 15.7% | -0.6% |
| I | Transport & Communication | 50 | 6.9% | 155 | 7.3% | 9,365 | 13.3% | -6.4% |
| J | Finance | 10 | 8.7% | 10 | 4.3% | 4,290 | 29.6% | -20.9% |
| K | Business Services | 1,750 | 61.8% | 3,400 | 49.4% | 217,935 | 69.4% | -7.6% |
| L,O | Public Admin. & other Services | 150 | 12.5% | 330 | 11.0% | 14,995 | 11.6% | 0.9% |
| M,N | Education & Health | 20 | 7.4% | 40 | 5.6% | 4,215 | 18.3% | -10.9% |
| | Total | 1,285 | 7.8% | 2,315 | 5.3% | 199,080 | 12.3% | -4.5% |

*Source: Small Business Service*

Over the decade to 2004, Tyne & Wear's under-performance compared to the UK was -4.5 percentage points overall. Each industry in Tyne & Wear, except Public Admin. & Other under-performed compared to the UK. The largest percentage point difference between Tyne & Wear and the UK was in Mining & Utilities (-50.0 percentage points), although Tyne & Wear's absolute loss in this industry was numerically tiny (-10 firms).

Finance also under-performed in Tyne & Wear compared to the UK (-20.9 percentage points), with the numerical gain in Tyne & Wear being low again (10 firms). Business Services, despite experiencing the largest growth in all Tyne & Wear industries, was weak relative to the growth in the UK (-7.6 percentage point difference). This difference is likely to be responsible for the overall -4.5 percentage point difference between Tyne & Wear and the UK.

## 4.5. CHANGES SINCE 1980

As outlined in Section 2, only broad comparisons of totals can be made for the period 1980 to 2004, due to the changes in the VAT threshold, industry classification and register. (Table 4.5).

### 4.5.1. 1980s

In the 1980s Tyne & Wear's business base grew at about two-thirds the rate of the UK. In 1980, a year of recession, Tyne & Wear's business base fell 0.4%. During the remainder of the 1980s, there was a rise in the business base every year. Overall, between 1981 and 1990, the stock of businesses in Tyne & Wear rose 17.7%, compared to a rise of 29% in the UK.

**Table 4.5: Business Registrations, De-Registrations and Stocks in Tyne & Wear, 1980 – 2004**

| | | | | | Tyne & Wear | | UK | |
|---|---|---|---|---|---|---|---|---|
| Year | Stock at Start | Registrations | De-Registrations | Stock at End* | Net Change | % Change | % 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 | 15,475 | 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 | 15,965 | 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 | 17,385 | 660 | 3.9 | 4.9 | -1.0 |
| **1990** | 17,385 | 2,750 | 2,355 | 17,775 | 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 | 16,590 | -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 | 20.1 | -13 |
| **1994** | 16,415 | 1,895 | 1,980 | 16,335 | -85 | -0.5 | -0.5 | -0.1 |
| **1995** | 16,335 | 1,745 | 1,940 | 16,140 | -195 | -1.2 | 0 | -1.2 |
| **1996** | 16,140 | 1,740 | 1,720 | 16,165 | 25 | 0.2 | 1 | -0.8 |
| **1997** | 16,165 | 1,790 | 1,625 | 16,325 | 160 | 1.0 | 2.3 | -1.3 |
| **1998** | 16,325 | 1,725 | 1,530 | 16,525 | 200 | 1.2 | 2.2 | -1 |
| **1999** | 16,525 | 1,805 | 1,605 | 16,720 | 195 | 1.2 | 1.6 | -0.4 |
| **2000** | 16,720 | 1,785 | 1,585 | 16,920 | 200 | 1.2 | 1.4 | -0.2 |
| **2001** | 16,920 | 1,720 | 1,675 | 16,965 | 50 | 0.3 | 1.0 | -0.7 |
| **2002** | 16,965 | 1,935 | 1,640 | 17,265 | 295 | 1.7 | 1.1 | 0.6 |
| **2003** | 17,265 | 2,020 | 1,680 | 17,605 | 340 | 2.0 | 1.2 | 0.8 |
| **2004** | 17,605 | 1,825 | 1,725 | 17,700 | 100 | 0.5 | 0.1 | 0.5 |
| **1994-2004** | 16,415 | 19,985 | 18,705 | 17,700 | 1,285 | 7.8 | 12.3 | -4.5 |

**The stock at the end of the year, is simply the stock at the start of the following year, except in 1991 and 1993 (when there were significant changes in the VAT threshold). For these two years, the stock at the end of the year has been calculated by taking the stock at the beginning of the year, adding on the registrations and then subtracting the de-registrations.*

*^Net change has been taken directly from SBS datasets*

*Source: Small Business Service*

### 4.5.2. 1990s and Early 2000s

During 1991 (another year of severe recession and falling output), the stock of businesses fell 0.2% in Tyne & Wear and 0.3% in the UK. In this year, a sharp rise in the VAT threshold reduced the stock by a further 795 (4.5%) to 16,950. Recovery of the business stock started in 1995 for the UK and 1996 for Tyne & Wear. Between 1997 and 2003, there has been a slow but steady rise in the business stock every year in Tyne & Wear, except 2001 in which the change was only 0.3%. In 2004 the business stock did increase, but this year saw a very small increase of 0.5%, similar to 2001. This reflects the national picture, as explained by SBS: the business stock has “increased every year since 1995”, but the national increase for 2004 “was the lowest since 1995” (§4.2).

Tyne & Wear’s business base under-performed the UK most years between 1980 and 2004, but the under-performance more than halved in percentage terms between the first and second parts of the period. Overall, between 1980 and 1993, Tyne & Wear saw 13% less growth than the UK, between 1994 and 2004, this had fallen to 4.5 percentage points less growth than the UK.

Tyne & Wear’s long run growth rate is two thirds of the UK average. Note: this long-term growth excludes the period 1991-1993 when there were large increases in the VAT threshold.

# 5. APPENDICES

**Table A1: UK Business Registrations, 1994-2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 4,400 | 4,250 | 4,460 | 4,565 | 3,950 | 3,620 | 3,430 | 3,175 | 3,915 | 3,995 | 3,725 | 43,485 |
| C,E | Mining & Utilities | 185 | 165 | 190 | 240 | 155 | 220 | 200 | 180 | 215 | 210 | 195 | 2,155 |
| D | Manufacturing | 14,140 | 14,075 | 14,220 | 14,090 | 13,200 | 12,540 | 12,235 | 10,970 | 10,630 | 10,775 | 9,870 | 136,745 |
| F | Construction | 15,880 | 15,210 | 14,860 | 19,295 | 18,065 | 17,850 | 17,605 | 18,180 | 19,435 | 22,220 | 21,865 | 200,465 |
| G | Retailing & Wholesale | 39,225 | 37,065 | 36,760 | 36,490 | 35,960 | 36,115 | 35,175 | 30,905 | 32,790 | 37,450 | 36,620 | 394,555 |
| H | Hotels & Catering | 15,695 | 15,040 | 15,480 | 16,380 | 16,290 | 17,320 | 17,790 | 18,765 | 19,390 | 20,840 | 19,935 | 192,925 |
| I | Transport & Communication | 7,885 | 8,080 | 7,915 | 8,630 | 8,665 | 8,890 | 8,775 | 8,575 | 8,580 | 9,025 | 9,255 | 94,275 |
| J | Finance | 2,180 | 1,575 | 1,710 | 1,970 | 1,890 | 2,005 | 2,095 | 1,815 | 1,545 | 1,630 | 1,645 | 20,060 |
| K | Business Services | 44,250 | 47,685 | 53,365 | 63,300 | 67,410 | 61,975 | 64,680 | 60,535 | 62,955 | 67,375 | 65,650 | 659,180 |
| L,O | Public Admin. & other Services | 19,695 | 16,600 | 14,885 | 15,300 | 14,275 | 13,810 | 14,395 | 13,965 | 14,250 | 13,040 | 10,475 | 160,690 |
| M,N | Education & Health | 3,130 | 1,800 | 2,010 | 2,155 | 2,120 | 2,260 | 2,215 | 2,180 | 2,445 | 2,560 | 2,190 | 25,065 |
| | Total | 166,660 | 161,545 | 165,855 | 182,410 | 181,985 | 176,615 | 178,590 | 169,250 | 176,150 | 189,115 | 181,415 | 1,929,590 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A2: UK Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 6,230 | 5,905 | 5,945 | 5,720 | 5,840 | 5,875 | 5,940 | 4,865 | 4,790 | 6,215 | 8,595 | 65,920 |
| C,E | Mining & Utilities | 205 | 145 | 190 | 170 | 180 | 195 | 185 | 215 | 215 | 220 | 240 | 2,160 |
| D | Manufacturing | 14,855 | 13,770 | 13,165 | 12,780 | 13,600 | 13,550 | 12,875 | 12,785 | 13,205 | 13,515 | 13,935 | 148,035 |
| F | Construction | 25,540 | 19,920 | 17,490 | 16,625 | 15,090 | 15,500 | 14,395 | 14,205 | 14,810 | 16,445 | 18,445 | 188,465 |
| G | Retailing & Wholesale | 52,570 | 48,060 | 42,650 | 39,945 | 39,160 | 38,765 | 37,600 | 35,440 | 34,495 | 36,145 | 37,310 | 442,140 |
| H | Hotels & Catering | 17,800 | 16,815 | 15,350 | 15,005 | 14,940 | 15,150 | 14,765 | 15,360 | 15,915 | 17,025 | 17,190 | 175,315 |
| I | Transport & Communication | 7,675 | 7,680 | 7,500 | 7,385 | 7,395 | 7,725 | 7,840 | 7,715 | 7,610 | 8,185 | 8,190 | 84,900 |
| J | Finance | 705 | 1,445 | 1,650 | 1,220 | 1,350 | 1,450 | 1,520 | 1,540 | 1,610 | 1,530 | 1,760 | 15,780 |
| K | Business Services | 29,280 | 28,460 | 29,395 | 30,795 | 32,725 | 37,025 | 44,625 | 47,050 | 50,020 | 53,725 | 58,140 | 441,240 |
| L,O | Public Admin. & other Services | 17,895 | 16,170 | 13,945 | 12,485 | 12,255 | 11,690 | 12,015 | 11,180 | 11,360 | 12,825 | 13,885 | 145,705 |
| M,N | Education & Health | 1,215 | 2,855 | 2,670 | 2,665 | 1,715 | 1,575 | 1,540 | 1,510 | 1,620 | 1,800 | 1,680 | 20,845 |
| | Total | 173,970 | 161,235 | 149,950 | 144,800 | 144,250 | 148,500 | 153,300 | 151,870 | 155,650 | 167,630 | 179,370 | 1,730,525 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

**Table A3: North East Business Registrations 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 100 | 80 | 75 | 65 | 80 | 75 | 70 | 65 | 110 | 85 | 85 | 890 |
| C,E | Mining & Utilities | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 0 | 50 |
| D | Manufacturing | 325 | 330 | 360 | 305 | 335 | 330 | 300 | 300 | 300 | 295 | 240 | 3,420 |
| F | Construction | 395 | 355 | 395 | 420 | 425 | 430 | 410 | 445 | 445 | 625 | 620 | 4,965 |
| G | Retailing & Wholesale | 1,130 | 980 | 1,000 | 940 | 895 | 1,010 | 915 | 880 | 1,015 | 1,115 | 1,005 | 10,885 |
| H | Hotels & Catering | 620 | 605 | 590 | 595 | 560 | 670 | 720 | 750 | 700 | 740 | 700 | 7,250 |
| I | Transport & Communication | 230 | 245 | 225 | 210 | 230 | 245 | 235 | 230 | 275 | 280 | 215 | 2,620 |
| J | Finance | 40 | 20 | 10 | 25 | 15 | 25 | 25 | 20 | 30 | 25 | 15 | 250 |
| K | Business Services | 830 | 885 | 980 | 1,005 | 1,145 | 1,085 | 1,195 | 1,115 | 1,170 | 1,320 | 1,160 | 11,890 |
| L,O | Public Admin. & other Services | 595 | 465 | 315 | 440 | 360 | 275 | 315 | 245 | 230 | 230 | 200 | 3,670 |
| M,N | Education & Health | 130 | 55 | 55 | 50 | 50 | 40 | 60 | 70 | 70 | 70 | 45 | 695 |
| | Total | 4,410 | 4,020 | 4,010 | 4,050 | 4,110 | 4,185 | 4,255 | 4,125 | 4,355 | 4,790 | 4,290 | 46,600 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A4: North East Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 140 | 130 | 160 | 115 | 125 | 130 | 105 | 125 | 115 | 120 | 180 | 1,445 |
| C,E | Mining & Utilities | 5 | 10 | 15 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 70 |
| D | Manufacturing | 380 | 375 | 305 | 305 | 310 | 325 | 290 | 310 | 355 | 320 | 305 | 3,580 |
| F | Construction | 660 | 535 | 475 | 420 | 415 | 365 | 350 | 385 | 365 | 375 | 395 | 4,740 |
| G | Retailing & Wholesale | 1,555 | 1,475 | 1,245 | 1,150 | 1,080 | 1,055 | 1,030 | 1,080 | 970 | 1,020 | 1,045 | 12,705 |
| H | Hotels & Catering | 715 | 660 | 565 | 540 | 525 | 560 | 550 | 630 | 570 | 610 | 640 | 6,565 |
| I | Transport & Communication | 225 | 220 | 215 | 215 | 185 | 215 | 230 | 235 | 220 | 275 | 225 | 2,460 |
| J | Finance | 15 | 60 | 30 | 20 | 10 | 15 | 25 | 10 | 25 | 20 | 15 | 245 |
| K | Business Services | 665 | 655 | 625 | 620 | 660 | 715 | 760 | 935 | 915 | 955 | 985 | 8,490 |
| L,O | Public Admin. & other Services | 420 | 430 | 375 | 305 | 295 | 265 | 280 | 235 | 240 | 235 | 260 | 3,340 |
| M,N | Education & Health | 45 | 130 | 75 | 105 | 55 | 40 | 30 | 55 | 30 | 55 | 30 | 650 |
| | Total | 4,820 | 4,685 | 4,075 | 3,795 | 3,660 | 3,695 | 3,655 | 4,000 | 3,815 | 3,990 | 4,090 | 44,280 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

## DISTRICT REGISTRATIONS AND DE-REGISTRATIONS

### 1994-2004

As for Tyne & Wear and its comparators, large falls in registrations generally occur in consumer services, (see Context and Interpretations). This is certainly the case for Tyne & Wear districts (tables A5-A14):

Over the decade to 2004 large falls in registrations were experienced in South Tyneside (down 35 firms, -15.6%), Sunderland (down 45 firms, -10.0%) and Newcastle (down 55 firms, -9.2%). The fall in registrations in Public Admin and Other Services (down 35 firms) contributed to Newcastle's large numerical fall. Gateshead experienced a small rise of 20 firms (5.8%), and North Tyneside a large rise of 40 firms (14.3%).

De-registrations fell in all Tyne & Wear districts. The greatest fall was experienced in South Tyneside, a huge fall of 65 firms (over double the falls experienced in Newcastle and Sunderland, at -28.3%). South Tyneside industries experienced small falls in de-registrations of around five firms, except Retailing & Wholesale which experienced a fall of 20 firms. De-registrations fell by around -7% in Gateshead and North Tyneside. Falls were slightly greater in Newcastle and Sunderland at around -12%.

### 2003-2004

Between 2003 and 2004, numbers of businesses newly registered for VAT fell in every Tyne & Wear district. Proportional falls were less pronounced in the cities of Sunderland (down 25 firms, -5.8%) and Newcastle (down 50 firms, -8.5%) but North Tyneside (down 40 firms, -11.0%), South Tyneside (down 30 firms, -13.6%) and Gateshead (down 60 firms, -14.5%), suffered large falls.

De-registrations rose in Gateshead (9.7%) and Sunderland (23.5%) during this period. Sunderland's numerical rise was massive, up 80 firms in the year to 2004[10]; Gateshead's rise was less pronounced at 30 firms. The three other districts experienced small *falls* in de-registrations: North Tyneside (down 15 firms, -4.8%) and Newcastle (down 30 firms, -5.6%), with a relatively large fall of -10.8% in South Tyneside (down 20 firms).

[10] *Sunderland's huge rise in de-registrations was mainly due to returns to more usual levels from the exceptionally (good) low de-registrations in 2003 in Retailing & Business Services.*

**Table A5: Gateshead Business Registrations 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 0 | 0 | 10 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| D | Manufacturing | 40 | 30 | 40 | 35 | 25 | 30 | 25 | 25 | 30 | 30 | 20 | 330 |
| F | Construction | 25 | 25 | 35 | 35 | 20 | 35 | 35 | 30 | 30 | 45 | 55 | 370 |
| G | Retailing & Wholesale | 95 | 90 | 90 | 70 | 75 | 80 | 85 | 85 | 105 | 105 | 95 | 975 |
| H | Hotels & Catering | 45 | 40 | 45 | 50 | 40 | 40 | 50 | 65 | 70 | 60 | 50 | 555 |
| I | Transport & Communication | 15 | 20 | 15 | 15 | 25 | 10 | 15 | 25 | 30 | 20 | 15 | 205 |
| J | Finance | 5 | 5 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 20 |
| K | Business Services | 70 | 65 | 65 | 70 | 75 | 80 | 105 | 95 | 110 | 135 | 110 | 980 |
| L,O | Public Admin. & other Services | 40 | 35 | 25 | 30 | 30 | 25 | 20 | 20 | 20 | 15 | 10 | 270 |
| M,N | Education & Health | 10 | 5 | 5 | 0 | 5 | 5 | 5 | 5 | 5 | 10 | 5 | 60 |
| | Total | 345 | 320 | 320 | 315 | 300 | 305 | 345 | 355 | 405 | 425 | 365 | 3,800 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A6: Gateshead Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 5 | 5 | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 5 | 30 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D | Manufacturing | 30 | 40 | 25 | 30 | 35 | 25 | 20 | 15 | 30 | 25 | 25 | 300 |
| F | Construction | 55 | 40 | 45 | 25 | 20 | 30 | 25 | 20 | 30 | 25 | 30 | 345 |
| G | Retailing & Wholesale | 135 | 125 | 105 | 105 | 85 | 85 | 80 | 85 | 85 | 75 | 80 | 1,045 |
| H | Hotels & Catering | 50 | 40 | 30 | 40 | 45 | 45 | 40 | 50 | 50 | 55 | 60 | 505 |
| I | Transport & Communication | 20 | 20 | 15 | 15 | 15 | 25 | 10 | 15 | 15 | 25 | 20 | 195 |
| J | Finance | 0 | 5 | 5 | 0 | 0 | 0 | 5 | 0 | 5 | 0 | 5 | 25 |
| K | Business Services | 35 | 35 | 35 | 35 | 40 | 40 | 40 | 55 | 75 | 85 | 95 | 570 |
| L,O | Public Admin. & other Services | 35 | 35 | 35 | 25 | 25 | 15 | 20 | 10 | 20 | 10 | 20 | 250 |
| M,N | Education & Health | 0 | 10 | 5 | 10 | 5 | 0 | 0 | 5 | 0 | 5 | 0 | 40 |
| | Total | 365 | 355 | 305 | 285 | 275 | 280 | 245 | 265 | 310 | 310 | 340 | 3,335 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

**Table A7: Newcastle Business Registrations 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 25 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| D | Manufacturing | 45 | 60 | 55 | 40 | 35 | 35 | 40 | 30 | 25 | 30 | 15 | 410 |
| F | Construction | 40 | 45 | 45 | 50 | 40 | 50 | 50 | 45 | 40 | 55 | 35 | 495 |
| G | Retailing & Wholesale | 135 | 120 | 135 | 140 | 115 | 120 | 110 | 105 | 110 | 140 | 125 | 1,355 |
| H | Hotels & Catering | 80 | 85 | 60 | 85 | 65 | 90 | 90 | 85 | 70 | 85 | 75 | 870 |
| I | Transport & Communication | 25 | 30 | 20 | 25 | 25 | 20 | 25 | 15 | 30 | 20 | 20 | 255 |
| J | Finance | 5 | 5 | 0 | 0 | 0 | 5 | 5 | 5 | 10 | 5 | 5 | 45 |
| K | Business Services | 170 | 155 | 170 | 160 | 170 | 175 | 180 | 175 | 195 | 215 | 215 | 1,980 |
| L,O | Public Admin. & other Services | 75 | 85 | 45 | 65 | 50 | 35 | 45 | 35 | 40 | 35 | 40 | 550 |
| M,N | Education & Health | 15 | 15 | 10 | 10 | 5 | 5 | 5 | 5 | 5 | 5 | 10 | 90 |
| | Total | 595 | 595 | 545 | 575 | 510 | 540 | 550 | 505 | 530 | 590 | 540 | 6,075 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A8:Newcastle Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 5 | 5 | 5 | 5 | 5 | 10 | 5 | 5 | 0 | 5 | 10 | 60 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D | Manufacturing | 45 | 50 | 55 | 50 | 50 | 65 | 55 | 55 | 55 | 45 | 45 | 570 |
| F | Construction | 60 | 55 | 40 | 60 | 75 | 50 | 45 | 50 | 45 | 40 | 40 | 560 |
| G | Retailing & Wholesale | 200 | 180 | 145 | 145 | 140 | 110 | 145 | 155 | 120 | 140 | 130 | 1,610 |
| H | Hotels & Catering | 100 | 75 | 70 | 75 | 60 | 80 | 60 | 85 | 65 | 90 | 85 | 845 |
| I | Transport & Communication | 20 | 20 | 25 | 30 | 25 | 25 | 30 | 25 | 25 | 30 | 25 | 280 |
| J | Finance | 0 | 10 | 5 | 10 | 0 | 0 | 5 | 5 | 5 | 5 | 0 | 45 |
| K | Business Services | 85 | 120 | 100 | 110 | 110 | 130 | 125 | 130 | 120 | 130 | 135 | 1,295 |
| L,O | Public Admin. & other Services | 50 | 55 | 50 | 50 | 30 | 40 | 45 | 40 | 40 | 35 | 35 | 470 |
| M,N | Education & Health | 5 | 20 | 5 | 15 | 10 | 5 | 5 | 10 | 5 | 5 | 0 | 85 |
| | Total | 575 | 590 | 505 | 555 | 510 | 520 | 515 | 555 | 485 | 535 | 505 | 5,850 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

**Table A9: North Tyneside Business Registrations 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 5 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 5 | 0 | 20 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| D | Manufacturing | 15 | 20 | 20 | 25 | 15 | 30 | 20 | 25 | 25 | 35 | 15 | 245 |
| F | Construction | 20 | 25 | 30 | 35 | 30 | 25 | 30 | 25 | 45 | 55 | 45 | 365 |
| G | Retailing & Wholesale | 70 | 60 | 75 | 70 | 65 | 80 | 65 | 60 | 80 | 80 | 65 | 770 |
| H | Hotels & Catering | 45 | 40 | 40 | 35 | 30 | 55 | 65 | 55 | 65 | 60 | 65 | 555 |
| I | Transport & Communication | 15 | 15 | 15 | 10 | 15 | 15 | 20 | 15 | 15 | 15 | 15 | 165 |
| J | Finance | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| K | Business Services | 60 | 75 | 75 | 70 | 90 | 90 | 90 | 80 | 75 | 90 | 85 | 880 |
| L,O | Public Admin. & other Services | 40 | 25 | 25 | 30 | 30 | 20 | 25 | 10 | 15 | 15 | 15 | 250 |
| M,N | Education & Health | 5 | 5 | 0 | 5 | 10 | 5 | 5 | 5 | 5 | 5 | 5 | 55 |
| | Total | 280 | 260 | 280 | 285 | 285 | 325 | 320 | 275 | 335 | 360 | 320 | 3,325 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A10: North Tyneside Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 5 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 5 | 0 | 5 | 30 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D | Manufacturing | 25 | 30 | 25 | 15 | 20 | 20 | 25 | 20 | 15 | 20 | 25 | 240 |
| F | Construction | 50 | 35 | 30 | 40 | 25 | 20 | 25 | 20 | 25 | 35 | 25 | 330 |
| G | Retailing & Wholesale | 110 | 115 | 90 | 85 | 75 | 85 | 95 | 75 | 50 | 85 | 65 | 930 |
| H | Hotels & Catering | 40 | 55 | 45 | 25 | 40 | 30 | 35 | 45 | 55 | 40 | 60 | 470 |
| I | Transport & Communication | 15 | 10 | 15 | 10 | 5 | 10 | 15 | 15 | 10 | 25 | 10 | 140 |
| J | Finance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| K | Business Services | 50 | 55 | 55 | 55 | 40 | 55 | 40 | 65 | 70 | 75 | 80 | 640 |
| L,O | Public Admin. & other Services | 30 | 35 | 25 | 20 | 30 | 15 | 15 | 15 | 10 | 20 | 25 | 240 |
| M,N | Education & Health | 0 | 5 | 10 | 5 | 5 | 5 | 10 | 5 | 5 | 5 | 0 | 55 |
| | Total | 335 | 345 | 305 | 265 | 245 | 245 | 260 | 260 | 250 | 310 | 295 | 3,115 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

**Table A11: South Tyneside Business Registrations 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| D | Manufacturing | 20 | 15 | 20 | 15 | 15 | 20 | 15 | 10 | 15 | 10 | 15 | 170 |
| F | Construction | 15 | 10 | 15 | 15 | 20 | 15 | 20 | 25 | 25 | 20 | 30 | 210 |
| G | Retailing & Wholesale | 80 | 50 | 50 | 55 | 45 | 50 | 35 | 35 | 65 | 55 | 55 | 575 |
| H | Hotels & Catering | 35 | 30 | 30 | 30 | 40 | 35 | 30 | 45 | 25 | 45 | 30 | 375 |
| I | Transport & Communication | 10 | 5 | 5 | 5 | 5 | 10 | 10 | 10 | 10 | 10 | 10 | 90 |
| J | Finance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| K | Business Services | 30 | 40 | 35 | 45 | 45 | 45 | 40 | 45 | 60 | 55 | 40 | 480 |
| L,O | Public Admin. & other Services | 25 | 15 | 10 | 20 | 20 | 10 | 15 | 5 | 5 | 15 | 10 | 150 |
| M,N | Education & Health | 5 | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 5 | 5 | 0 | 25 |
| | Total | 225 | 165 | 165 | 190 | 185 | 195 | 175 | 180 | 215 | 220 | 190 | 2,105 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A12: South Tyneside Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 5 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 10 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D | Manufacturing | 20 | 25 | 20 | 15 | 10 | 15 | 10 | 15 | 20 | 15 | 10 | 175 |
| F | Construction | 30 | 15 | 20 | 20 | 15 | 15 | 15 | 15 | 20 | 20 | 15 | 200 |
| G | Retailing & Wholesale | 75 | 70 | 60 | 55 | 60 | 45 | 55 | 50 | 55 | 60 | 55 | 640 |
| H | Hotels & Catering | 35 | 30 | 40 | 30 | 20 | 30 | 40 | 25 | 30 | 30 | 30 | 340 |
| I | Transport & Communication | 15 | 5 | 10 | 10 | 0 | 5 | 10 | 10 | 15 | 5 | 10 | 95 |
| J | Finance | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| K | Business Services | 30 | 20 | 40 | 20 | 25 | 25 | 30 | 35 | 40 | 45 | 30 | 340 |
| L,O | Public Admin. & other Services | 15 | 15 | 15 | 10 | 5 | 5 | 15 | 10 | 10 | 5 | 10 | 115 |
| M,N | Education & Health | 5 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 25 |
| | Total | 230 | 185 | 210 | 165 | 135 | 150 | 180 | 165 | 195 | 185 | 165 | 1,965 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

**Table A13: Sunderland Business Registrations 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 0 | 5 | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 5 | 5 | 25 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| D | Manufacturing | 30 | 30 | 45 | 30 | 40 | 40 | 30 | 35 | 45 | 35 | 30 | 390 |
| F | Construction | 45 | 45 | 50 | 40 | 45 | 55 | 45 | 40 | 50 | 75 | 75 | 565 |
| G | Retailing & Wholesale | 120 | 100 | 110 | 105 | 100 | 115 | 90 | 110 | 105 | 100 | 105 | 1,160 |
| H | Hotels & Catering | 70 | 70 | 60 | 65 | 70 | 60 | 70 | 70 | 75 | 75 | 65 | 750 |
| I | Transport & Communication | 20 | 25 | 25 | 25 | 30 | 25 | 20 | 20 | 40 | 25 | 15 | 270 |
| J | Finance | 5 | 0 | 5 | 5 | 0 | 5 | 0 | 0 | 5 | 0 | 0 | 25 |
| K | Business Services | 80 | 75 | 105 | 105 | 110 | 105 | 105 | 105 | 110 | 100 | 95 | 1,095 |
| L,O | Public Admin. & other Services | 60 | 45 | 35 | 40 | 35 | 30 | 25 | 15 | 20 | 15 | 15 | 335 |
| M,N | Education & Health | 15 | 5 | 5 | 5 | 5 | 5 | 5 | 10 | 5 | 5 | 10 | 75 |
| | Total | 450 | 400 | 430 | 425 | 440 | 440 | 390 | 405 | 450 | 430 | 405 | 4,665 |

*Note: Figures may not tally exactly due to rounding*

*Registration of 2 or less are recorded as 0*

*Source: Small Business Service*

**Table A14: Sunderland Business De-Registrations, 1994 – 2004**

| SIC 92 | Industry | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A,B | Agriculture | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 5 | 0 | 5 | 20 |
| C,E | Mining & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D | Manufacturing | 50 | 45 | 25 | 35 | 35 | 45 | 30 | 35 | 40 | 35 | 40 | 415 |
| F | Construction | 80 | 65 | 45 | 40 | 30 | 45 | 40 | 50 | 35 | 30 | 55 | 515 |
| G | Retailing & Wholesale | 140 | 155 | 140 | 100 | 120 | 135 | 115 | 130 | 115 | 95 | 115 | 1,360 |
| H | Hotels & Catering | 85 | 70 | 60 | 55 | 55 | 55 | 55 | 70 | 55 | 55 | 65 | 680 |
| I | Transport & Communication | 15 | 15 | 20 | 20 | 20 | 20 | 30 | 30 | 25 | 25 | 25 | 245 |
| J | Finance | 5 | 5 | 0 | 0 | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 20 |
| K | Business Services | 65 | 55 | 45 | 65 | 60 | 70 | 85 | 85 | 95 | 75 | 100 | 800 |
| L,O | Public Admin. & other Services | 35 | 50 | 35 | 35 | 20 | 25 | 25 | 20 | 20 | 20 | 15 | 300 |
| M,N | Education & Health | 5 | 10 | 10 | 5 | 5 | 10 | 5 | 5 | 0 | 5 | 5 | 65 |
| | Total | 475 | 465 | 390 | 355 | 360 | 410 | 385 | 430 | 400 | 340 | 420 | 4,430 |

*Note: Figures may not tally exactly due to rounding*

*All figures are rounded to the nearest 5 (by SBS). 0 Change means a change of 0-2.*

*Source: Small Business Service*

**Table A15: VAT Registration Thresholds**

| Operative Dates | | | Threshold (£) |
|---|---|---|---|
| 1st April 1973 | - | 30th Sept 1977 | 5,000 |
| 1st October 1977 | - | 11th April 1978 | 7,500 |
| 12th April 1978 | - | 26th March 1980 | 10,000 |
| 27th March 1980 | - | 10th March 1981 | 13,500 |
| 11th March 1981 | - | 9th March 1982 | 15,000 |
| 10th March 1982 | - | 15th March 1983 | 17,000 |
| 16th March1983 | - | 13th March 1984 | 18,000 |
| 14th March 1984 | - | 19th March 1985 | 18,700 |
| 20th March 1985 | - | 18th March 1986 | 19,500 |
| 19th March 1986 | - | 17th March 1987 | 20,500 |
| 18th March 1987 | - | 15th March 1988 | 21,300 |
| 16th March 1988 | - | 14th March 1989 | 22,100 |
| 15th March 1989 | - | 20th March 1990 | 23,600 |
| 21st March 1990 | - | 19th March 1991 | 25,400 |
| 20th March 1991 | - | 10th March 1992 | 35,000 |
| 11th March 1992 | - | 16th March 1993 | 36,600 |
| 17th March 1993 | - | 30th November 1993 | 37,600 |
| 1st December 1993 | - | 29th November 1994 | 45,000 |
| 30th November 1994 | - | 28th November 1995 | 46,000 |
| 29th November 1995 | - | 26th November 1996 | 47,000 |
| 27th November 1996 | - | 30th November 1997 | 48,000 |
| 1st December 1997 | - | 31st March 1998 | 49,000 |
| 1st April 1998 | - | 31st March 1999 | 50,000 |
| 1st April 1999 | - | 31st March 2000 | 51,000 |
| 1st April 2000 | - | 31st March 2001 | 52,000 |
| 1st April 2001 | - | 24th April 2002 | 54,000 |
| 25th April 2002 | - | 9th April 2003 | 55,000 |
| 10th April 2003 | - | 31st March 2004 | 56,000 |
| 1st April 2004 | - | 31st March 2005 | 58,000 |
| 1st April 2005 | - | 31st March 2006 | 60,000 |