# **Birmingham Business Counts Update 2023**

## **Introduction**

This report analyses business activity in the city using the latest official business count figures for 2022 from the Office for National Statistics (ONS). This is an extract compiled from the Inter Departmental Business Register (IDBR) recording the number of businesses that were live in March 2022. There are two business count measures:

* **Enterprises** - the overall business, made up of all the individual sites or workplaces. This is the measure used for the majority of the analysis in the report.
* **Local Units** - All individual sites that belong to an enterprise - in other words each branch of a chain is recorded separately.

This report sets out the change in the number of businesses in the city in 2023 with comparisons with other areas. The report also explores which sub-sectors in the local economy have seen the largest increase and decrease between 2021 and 2022.

## **Key Findings**

* In 2023 the total number of enterprises in the city decreased by 390 to 36,900.
* The number of local units also decreased by 200 to 44,285.
* Business numbers using both measures fell by 1.0% and 0.4% respectively locally last year, mainly driven by a decline in micro business numbers (-415, -1.2%). Nationally there was also a fall in enterprise numbers (-1.5%) and in local units (-1.4%).
* The sub sectors that saw the largest increase in business numbers between 2022 and 2023 were Public Services (+110) and Construction of Buildings (+60).
* The vast majority of business in the city (89%) are micro businesses, those employing fewer than 10 employees. SMEs which employ fewer than 250 employees account for 99.5% of businesses in the local economy.
* Within the West Midlands Met area, Birmingham accounts for 40%of the business base. Birmingham was 3rd best performing area within the Met area in terms of % change in business numbers between 2022 and 2023.
* Birmingham (-1.0%) was the 7th best performing city out of the 10 UK core cities in terms of change in business numbers last year. The city experienced a smaller decline in business numbers last year (-1.0%) than the UK (-1.5%).





## **Business Counts in the West Midlands**

The change in enterprise numbers for the 7 West Midlands Met area is shown in figure 1 below. Overall business numbers in the Met area decreased by 1,080 (-1.2%) in 2023.



There was a mixed picture across the Met area with five areas seeing a decline in business numbers and two areas seeing a small increase in numbers. Birmingham (-390), Walsall

(-335) and Dudley (-180) saw the largest decreases in business numbers last year.

**Table 1: West Midlands Business Counts Ranked by % Annual Change**

| **Area** | **2022** | **2023** | **Annual Change** | **Annual Change %** |
| --- | --- | --- | --- | --- |
| Sandwell | 9,875 | 9,935 | 60 | 0.6% |
| Coventry | 10,295 | 10,335 | 40 | 0.4% |
| Birmingham | 37,380 | 36,990 | -390 | -1.0% |
| Wolverhampton | 8,995 | 8,860 | -135 | -1.5% |
| Solihull | 8,165 | 8,025 | -140 | -1.7% |
| Dudley | 10,215 | 10,035 | -180 | -1.8% |
| Walsall | 8,495 | 8,160 | -335 | -3.9% |
| West Mids Met Area | 93,415 | 92,335 | -1,080 | -1.2% |
| West Midlands | 221,510 | 217,885 | -3,625 | -1.6% |
| UK | 2,767,700 | 2,726,830 | -40,870 | -1.5% |

## **Business Counts in the Core Cities**

The table below shows the change in business numbers for the core cities and nationally. Birmingham (-1.0%) was the 7th best performing core city in terms of % change in business numbers between 2022 and 2023.

Business numbers decreased across the core cities between 2022 and 2023, down by 2,005 (-1.1%) a little lower than the UK decline of 1.5%.

**Table 2: Core City Business Counts Ranked by % Change**

|  | **Area** | **2021** | **2022** | **Annual Change** | **Annual Change %** |
| --- | --- | --- | --- | --- | --- |
| 1 | Newcastle  | 8,645 | 8,740 | 95 | 1.1% |
| 2 | Sheffield | 16,920 | 17,040 | 120 | 0.7% |
| 3 | Nottingham | 9,630 | 9,685 | 55 | 0.6% |
| 4 | Cardiff | 12,400 | 12,445 | 45 | 0.4% |
| 5 | Bristol | 18,485 | 18,395 | -90 | -0.5% |
| 6 | Glasgow  | 19,590 | 19,435 | -155 | -0.8% |
| **7** | Birmingham | 37,380 | 36,990 | -390 | -1.0% |
| 8 | Liverpool | 14,725 | 14,530 | -195 | -1.3% |
| 9 | Manchester | 23,385 | 22,835 | -550 | -2.4% |
| 10 | Leeds | 30,210 | 29,270 | -940 | -3.1% |
|  | Core Cities | 191,370 | 189,365 | -2,005 | -1.1% |
|  | UK | 2,767,700 | 2,726,830 | -40,870 | -1.5% |
|  | London | 536,065 | 525,855 | -10,210 | -1.9% |

## **Business Counts by Sector**

The ONS produce a breakdown of enterprises in the city by sub sector which is shown in Table 3 below. The infographic on the following page shows the major sectors in the local economy, how many businesses there were in each sector in 2023, how this has changed since 2022 and what share of total businesses in the local economy that each sector accounts for.

Retail trade forms the largest sector in terms of business numbers locally, accounting for over one in five (21%) of businesses in the city.

The public services and construction sectors saw the strongest growth amongst the major sectors locally with business numbers increasing by 110 (+3.5%) and 60 (+1.6%) respectively between 2022 and 2023.

The professional & technical services and ICT sectors saw the biggest decline in business numbers between 2022 and 2023, falling by 185 (-3.6%) and 65 (-3.2%) respectively.



## **Business Counts by Sub Sector**

The tables on the following pages set out the picture at a more granular sub sectoral level (2 digit Standard Industrial Classification). As well as the sectors already identified there is a significant cluster of businesses in the city in food and beverage service activities, admin & business support, management consultancy activities and legal and accounting firms.

At a sub sectoral level warehousing and support services for transportation saw the strongest % growth in business numbers (excluding some very small sub sectors) between 2022 and 2023, up by 19.5% highlighting the continued growth of online retailing.

**Table 3 – Top 40 Sub-Sectors by Number of Businesses 2023**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sub Sector** | **2021** | **2022** | **% Share of Total Enterprises** | **Change 2021-2022** | **% Change 2021-2022** |
| Retail trade | 4,480 | 4,395 | 11.9% | -85 | -1.9% |
| Food and beverage service activities | 2,350 | 2,330 | 6.3% | -20 | -0.9% |
| Specialised construction activities | 2,130 | 2,150 | 5.8% | 20 | 0.9% |
| Wholesale trade | 1,880 | 1,870 | 5.1% | -10 | -0.5% |
| Real estate activities | 1,755 | 1,780 | 4.8% | 25 | 1.4% |
| Office administrative, office support and other business support activities | 1,705 | 1,585 | 4.3% | -120 | -7.0% |
| Activities of head offices; management consultancy activities | 1,620 | 1,540 | 4.2% | -80 | -4.9% |
| Human health activities | 1,440 | 1,540 | 4.2% | 100 | 6.9% |
| Legal and accounting activities | 1,505 | 1,500 | 4.1% | -5 | -0.3% |
| Construction of buildings | 1,380 | 1,455 | 3.9% | 75 | 5.4% |
| Computer programming, consultancy and related activities | 1,450 | 1,395 | 3.8% | -55 | -3.8% |
| Wholesale and retail trade and repair of motor vehicles and motorcycles | 1,270 | 1,320 | 3.6% | 50 | 3.9% |
| Land transport and transport via pipelines | 1,265 | 1,155 | 3.1% | -110 | -8.7% |
| Other personal service activities | 1,095 | 1,155 | 3.1% | 60 | 5.5% |
| Postal and courier activities | 885 | 815 | 2.2% | -70 | -7.9% |
| Education | 800 | 805 | 2.2% | 5 | 0.6% |
| Other professional, scientific and technical activities | 815 | 795 | 2.1% | -20 | -2.5% |
| Architectural and engineering activities; technical testing and analysis | 840 | 760 | 2.1% | -80 | -9.5% |
| Employment activities | 855 | 735 | 2.0% | -120 | -14.0% |
| Social work activities without accommodation | 630 | 625 | 1.7% | -5 | -0.8% |
| Services to buildings and landscape activities | 520 | 570 | 1.5% | 50 | 9.6% |
|  Warehousing and support activities for transportation | 385 | 460 | 1.2% | 75 | 19.5% |
| Manufacture of fabricated metal products | 465 | 425 | 1.1% | -40 | -8.6% |
| Activities of membership organisations | 325 | 325 | 0.9% | 0 | 0.0% |
| Activities auxiliary to financial services and insurance activities | 340 | 315 | 0.9% | -25 | -7.4% |
| Residential care activities | 285 | 300 | 0.8% | 15 | 5.3% |
|  Financial service activities, except insurance and pension funding | 270 | 270 | 0.7% | 0 | 0.0% |
| Sports activities and amusement and recreation activities | 270 | 270 | 0.7% | 0 | 0.0% |
| Advertising and market research | 265 | 265 | 0.7% | 0 | 0.0% |
| Rental and leasing activities | 230 | 245 | 0.7% | 15 | 6.5% |
| Civil engineering | 275 | 240 | 0.6% | -35 | -12.7% |
| Other manufacturing | 235 | 235 | 0.6% | 0 | 0.0% |
| Creative, arts and entertainment activities | 210 | 230 | 0.6% | 20 | 9.5% |
| Security and investigation activities | 210 | 225 | 0.6% | 15 | 7.1% |
| Accommodation | 190 | 200 | 0.5% | 10 | 5.3% |
| Motion picture, video and television programme production, sound recording and music publishing activities | 200 | 195 | 0.5% | -5 | -2.5% |
| Repair of computers and personal and household goods | 190 | 180 | 0.5% | -10 | -5.3% |
| Travel agency, tour operator and other reservation service and related activities | 175 | 175 | 0.5% | 0 | 0.0% |
| Printing and reproduction of recorded media | 165 | 165 | 0.4% | 0 | 0.0% |
| Manufacture of food products | 140 | 150 | 0.4% | 10 | 7.1% |
| **Total** | **37,380** | **36,990** | **100.0%** | **-390** | **-1.0%** |



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