

# Birmingham Business Counts Update 2022

## 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 2022 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 2022 the total number of enterprises in the city increased by 455 to 37,380.
- The number of local units also increased by 295 to 44,485.
- Business numbers using both measures rose by 1.2% and 0.7% respectively locally last year. Nationally there was a marginal rise in enterprise numbers (+0.1%) and marginal fall in local units (-0.1%).
- 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 saw the 2<sup>nd</sup> largest increase in business numbers in the area in absolute terms and the 4<sup>th</sup> highest in percentage growth terms.
- Birmingham (+1.2%) saw the 5<sup>th</sup> largest increase in business numbers between 2021 and 2022 amongst the 10 UK core cities, but the growth rate in the city was higher than the average across the core cities (+0.8%).
- The sub sectors that saw the largest increase in business numbers between 2021 and 2022 were food & drink services (+240) and construction of buildings (+210).

## Business Count 2022

**Enterprises**

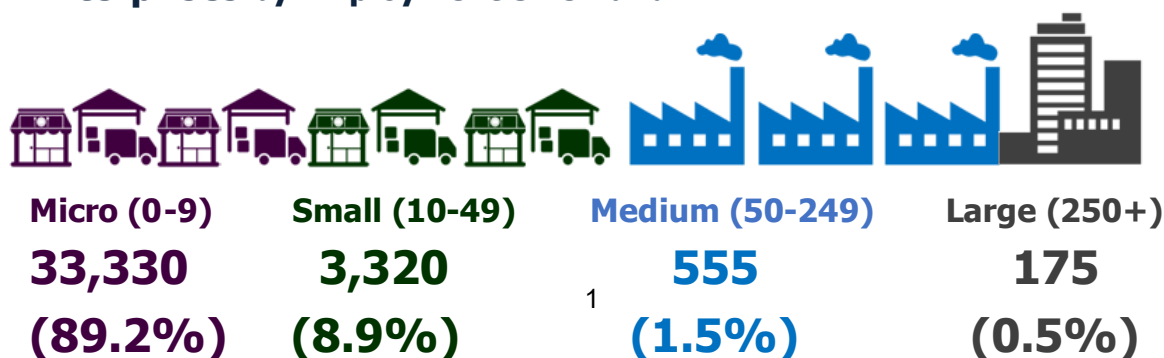
**37,380**

**Local Units**

**44,485**

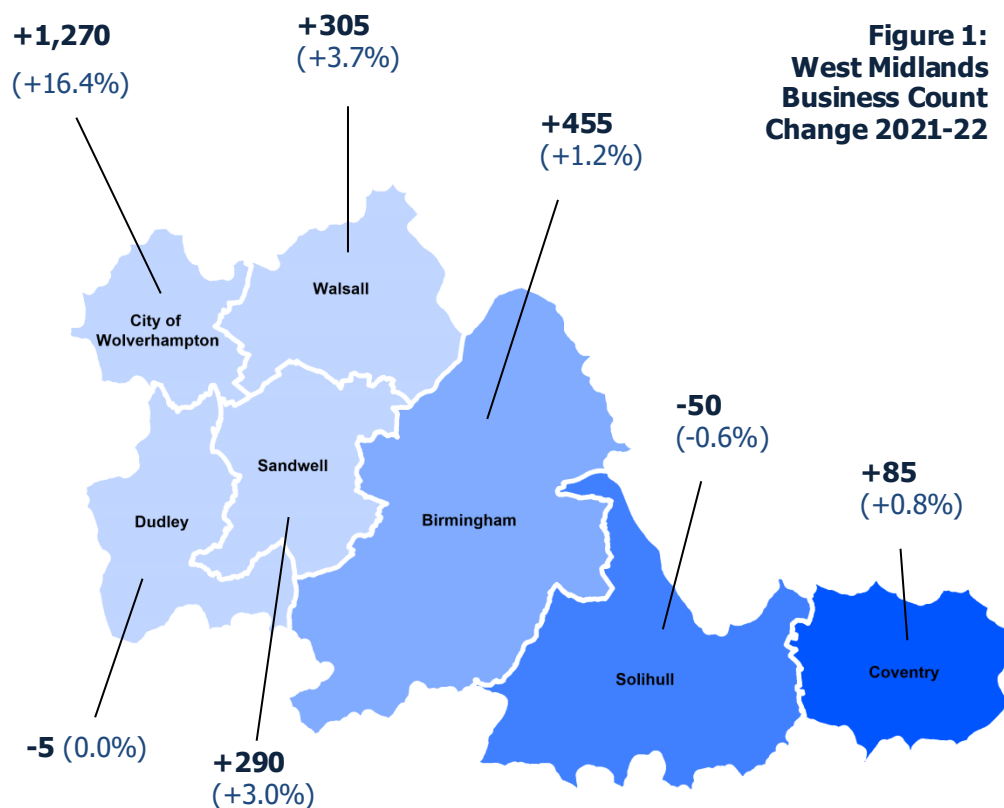


**Enterprises by Employment Size Band**



## Business Counts in the West Midlands

The change in enterprise numbers for the 7 West Midlands Met areas is shown in Figure 1 below. Overall business numbers in the Met area increased marginally by 2,350 (+2.6%) in 2022.



There was a mixed picture across the Met area with five areas seeing a growth in business numbers and two areas seeing a small decline in numbers. Wolverhampton (+1,270), Birmingham (+455) and Walsall (+305) saw the largest increases in business numbers last year.

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

Area	2021	2022	Annual Change	Annual Change %
Wolverhampton	7,725	8,995	1,270	16.4%
Walsall	8,190	8,495	305	3.7%
Sandwell	9,585	9,875	290	3.0%
Birmingham	36,925	37,380	455	1.2%
Coventry	10,210	10,295	85	0.8%
Dudley	10,220	10,215	-5	0.0%
Solihull	8,215	8,165	-50	-0.6%
West Midlands Met Area	91,070	93,420	2,350	2.6%
West Midlands	219,395	221,510	2,115	1.0%
UK	2,765,150	2,767,700	2,550	0.1%

## Business Counts in the Core Cities

The table below shows the change in business numbers for the core cities and nationally. Birmingham (+1.2%) saw the 5<sup>th</sup> largest increase in business numbers between 2021 and 2022 amongst the 10 UK core cities.

Business numbers increased marginally across the core cities between 2021 and 2022, up by 1,470 (+0.8%) a little higher than the UK growth rate of 0.1%.

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

	Area	2021	2022	Annual Change	Annual Change %
1	Cardiff	11,975	12,400	425	3.5%
2	Sheffield	16,345	16,920	575	3.5%
3	Newcastle	8,420	8,645	225	2.7%
4	Nottingham	9,420	9,630	210	2.2%
5	Birmingham	36,925	37,380	455	1.2%
6	Glasgow	19,440	19,590	150	0.8%
7	Liverpool	14,695	14,725	30	0.2%
8	Leeds	30,390	30,210	-180	-0.6%
9	Manchester	23,565	23,385	-180	-0.8%
10	Bristol	18,725	18,485	-240	-1.3%
	Core Cities	189,900	191,370	1,470	0.8%
	UK	2,765,150	2,767,700	2,550	0.1%
	London	534,590	536,065	1,475	0.3%

## 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 2022, how this has changed since 2021 and what share of total businesses in the local economy that each sector accounts for.

Retail and wholesale trade forms the largest sector in terms of business numbers locally, accounting for over one in five (20%) of businesses in the city.

The real estate and construction sectors saw the strongest growth amongst the major sectors locally with business numbers increasing by 170 (+10.1%) and 285 (+8.1%) respectively between 2021 and 2022.

The ICT and professional & technical services sectors saw the biggest decline in business numbers between 2021 and 2022, falling by 215 (-9.6%) and 165 (-3.1%) respectively.

## Major Sectors - Business Counts



### Manufacturing

**2,105** enterprises

**-30 (-1.4%)**

**6%** of city total



### Construction

**3,785** enterprises

**+285 (+8.1%)**

**10%** of city total



### Retail Trade

**7,635** enterprises

**+250 (+3.4%)**

**20%** of city total



### Financial Services

**660** enterprises

**-20 (-2.9%)**

**2%** of city total



### Real Estate

**1,755** enterprises

**+170 (+10.7%)**

**5%** of city total



### Professional & Technical

**5,105** enterprises

**-165 (-3.1%)**

**14%** of city total



### ICT

**2,035** enterprises

**-215 (-9.6%)**

**5%** of city total



### Public Services

**3,170** enterprises

**+105 (+3.4%)**

**9%** of city total

## Business Counts by Sub Sector

The table on the following pages sets 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 postal and courier activities saw the strongest % growth in business numbers between 2021 and 2022, up by 22.1% highlighting the continued growth of online retailing.

**Table 3 – Top 40 Sub-Sectors by Number of Businesses 2022**

<b>Sub Sector</b>	<b>2021</b>	<b>2022</b>	<b>% Share of Total Enterprises</b>	<b>Change 2021-2022</b>	<b>% Change 2021-2022</b>
Retail trade	4,345	4,480	12.0%	135	3.1%
Food and beverage service activities	2,110	2,350	6.3%	240	11.4%
Specialised construction activities	2,035	2,130	5.7%	95	4.7%
Wholesale trade	1,840	1,880	5.0%	40	2.2%
Real estate activities	1,585	1,755	4.7%	170	10.7%
Office administrative and other business support activities	2,405	1,705	4.6%	-700	-29.1%
Activities of head offices; management consultancy activities	1,705	1,620	4.3%	-85	-5.0%
Legal and accounting activities	1,500	1,505	4.0%	5	0.3%
Computer programming, consultancy and related activities	1,665	1,450	3.9%	-215	-12.9%
Human health activities	1,390	1,440	3.9%	50	3.6%
Construction of buildings	1,160	1,380	3.7%	220	19.0%
Wholesale and retail trade and repair of motor vehicles and motorcycles	1,200	1,270	3.4%	70	5.8%
Land transport and transport via pipelines	1,195	1,265	3.4%	70	5.9%
Other personal service activities	1,035	1,095	2.9%	60	5.8%
Postal and courier activities	725	885	2.4%	160	22.1%
Employment activities	805	855	2.3%	50	6.2%
Architectural and engineering activities; technical testing and analysis	940	840	2.2%	-100	-10.6%
Other professional, scientific and technical activities	815	815	2.2%	0	0.0%
Education	760	800	2.1%	40	5.3%
Social work activities without accommodation	625	630	1.7%	5	0.8%
Services to buildings and landscape activities	450	520	1.4%	70	15.6%
Manufacture of fabricated metal products, except machinery and equipment	510	465	1.2%	-45	-8.8%
Warehousing and support activities for transportation	340	385	1.0%	45	13.2%
Activities auxiliary to financial services and insurance activities	360	340	0.9%	-20	-5.6%
Activities of membership organisations	320	325	0.9%	5	1.6%
Residential care activities	270	285	0.8%	15	5.6%
Civil engineering	305	275	0.7%	-30	-9.8%
Financial service activities, except insurance and pension funding	265	270	0.7%	5	1.9%
Sports activities and amusement and recreation activities	245	270	0.7%	25	10.2%
Advertising and market research	245	265	0.7%	20	8.2%
Other manufacturing	240	235	0.6%	-5	-2.1%
Rental and leasing activities	240	230	0.6%	-10	-4.2%

Security and investigation activities	195	210	0.6%	15	7.7%
Creative, arts and entertainment activities	205	210	0.6%	5	2.4%
Motion picture, video and television programme production, sound recording and music publishing activities	195	200	0.5%	5	2.6%
Accommodation	180	190	0.5%	10	5.6%
Repair of computers and personal and household goods	185	190	0.5%	5	2.7%
Travel agency and related activities	170	175	0.5%	5	2.9%
Printing and reproduction of recorded media	170	165	0.4%	-5	-2.9%
Manufacture of food products	135	140	0.4%	5	3.7%
<b>Total</b>	<b>36,925</b>	<b>37,380</b>	<b>100%</b>	<b>455</b>	<b>1.2%</b>