

Business Creation in the UK: April 2021*

We analyse the UK company register, provided by Companies House, up to March 31st, 2021. Company registrations are an indicator of firm creation and economic activity. New company registrations remain strong throughout the third lockdown. There are particularly strong increases in online retail businesses, food and drink, household-related activities and renting recreational and sports goods businesses.

We find that

- Firm creation increased 13.22% between February 2021 and March 2021.
- Firm creation increased 48.12% between March 2020 and March 2021.
- The largest number of registrations occur in the 'Retail sale via mail order houses or via Internet' sector.

Aggregate Effect

- 26,662 additional companies were registered in March 2021 relative to March 2019.
- The median daily registrations were 48.1% higher in March 2021 than March 2019.
- The median daily registrations during lockdown-III is 31.73% higher than in lockdown-I, but almost the same as lockdown-II.

Regional Analysis

- In each week of March 2021 firm creation was higher compared to the same week in March 2019 for all UK countries (England, Northern Ireland, Scotland, Wales). However, Scotland continues to experience the fewest new daily registrations.

Sectoral Analysis

- 'Activities of households as employers; undifferentiated goods- and services-producing activities', 'Wholesale, and Retail Trade' and 'Manufacturing' sectors show the greatest increase in firm creation in March 2021 relative to March 2019.
- Compared to February 2019, in February 2021 there is more than a 300% increase in business creation in online or home-delivery business without physical stores and private household-related activities businesses (e.g. Etsy shops).
- There are significant increases in food-related retail and wholesale businesses, but lower activity in the packaging and storage activities.

*<https://uk-covid19-firm-creation.netlify.app/contact/>