

Business Creation in the UK: May 2021*

We analyse the UK company register, provided by Companies House, up to April 30th, 2021. Company registrations are an indicator of firm creation and economic activity. We note a similar strength of new company registration. Lockdown-III period has not altered the business setup observed the last 2 months.

We find that

- Firm creation decreased by 14.64% between March 2021 and April 2021.
- Firm creation was 66.45% higher in April 2021 than in April 2020.
- The largest number of company registrations occurs in 'Wholesale and retail trade; repair of motor vehicles and motorcycles' sector.

Aggregate Effect

- 22,919 additional companies were registered in April 2021 relative to April 2019.
- The median daily registrations were 52.57% higher in April 2021 than April 2019.
- The median daily registrations during lockdown-III is 32.6% higher than in lockdown-I, and 1.53% higher than in lockdown-II.

Regional Analysis

- In April 2021, firm creation remains higher in most of the regions than it was in 2019. London, followed by Wales, dominate business registrations. The spike in week 16 coincides with the re-opening of pubs, gyms, restaurants and non-essential shops.

Sectoral Analysis

- 'Wholesale, and Retail Trade', 'Manufacturing', 'Activities of households as employers; undifferentiated goods-and services-producing activities', and 'Financial and insurance activities' sectors show the greatest increase in firm creation in April 2021.
- Compared to April 2019, in April 2021 there is more than a 200% increase in business creation for 'Retail trade not in stores, stalls or markets', 'Retail sale of food, beverages and tobacco in specialised stores', 'Agents involved in the sale of furniture, household goods, hardware and ironmongery', and 'Retail sale of sporting equipment in specialised stores'.
- There are lower registrations relative to March 2019 in Service activities incidental to land transportation', 'Manufacture of metal structures and parts of structures', 'Combined facilities support activities' and 'Washing and (dry-)cleaning of textile and fur products'.

*<https://www.ukfirmcreation.com/contact/>