

Business Creation in the UK: February 2021

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FEBRUARY, 2021

We analyse Companies House “basic company data” up to the January 31st, 2021. We find that business creation increases by 8.93% since December 2020. Business creation was 13.46% higher in January 2021 compared to January 2020. There is more firm creation in nearly every sector of the economy in January 2021 compared to January 2020 or 2019. The one exception is Accommodation and Food.

Total Effect

19,512 additional companies registered in January 2021 relative to January 2019. The median daily registrations during lockdown-III is 7.7% lower than during lockdown-I and 21% lower than during lockdown-II. Extensive business activity is observed during the first 2 weeks of January 2021.

Regional Analysis

In January 2021, firm creation remains higher in all regions than it was in 2019. All countries have extremely high firm creation in the first week of the year; the gap narrows from the second week onwards.

Sectoral Analysis

In January 2021, all sectors observe higher firm creation than January 2019. For the majority of the industry, we observe a similar performance between January 2021 and January 2020. Manufacturing, financial and insurance activities, wholesale, and retail trade sectors present the greatest increase in firm creation. Accommodation and food services maintain the significant drop observed in December 2020.

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