

Business Creation in the UK: March 2021*

We analyse the UK company register, provided by Companies House, up to February 28th, 2021. Company registrations are an indicator of firm creation and economic activity. New company registration remains strong throughout the third lockdown. However, there is a change in the type of companies registered. There are particularly strong increases in online retail businesses, food and drink, sports equipment production and pet care.

We find that

- Firm creation increased 8% from January 2021 to February 2021.
- Firm creation increased 22.3% from February 2020 to February 2021.
- The largest number of registrations occur in the 'Retail sale via mail order houses or via Internet' sector.

Aggregate Effect

- 26,600 additional companies were registered in February 2021 relative to February 2019.
- The median daily registrations were 56% higher in February 2021 than February 2019.
- The median daily registrations during lockdown-III is 31% higher than in lockdown-I, but almost the same as lockdown-II.

Regional Analysis

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

Sectoral Analysis

- 'Wholesale, and Retail Trade', 'Manufacturing' and 'Real Estate' sectors show the greatest increase in firm creation in February 2021.
- 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 of sporting equipment in specialised stores.
- There are significant increases in food-related retail and wholesale businesses, but lower activity in the taxi and tour operator activities.

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

Companies with Mortgage Charges

- During 2021, the number of company registrations that also include a mortgage charge was significantly lower than the same period in 2019.
- Most of the companies which setup and then hold mortgage charges belong to 'Real estate activities' and 'Financial and Insurance activities'.