

Business Creation in the UK: February 2021*

We analyse the UK company register, provided by Companies House, up to January 31st, 2021. Company registrations are an indicator of firm creation and economic activity.

We find that

- Firm creation increased 8.93% from December 2020 to January 2021.
- Firm creation increased 13.46% in January 2021 compared to January 2020.
- Business creation increased in nearly every sector of the economy in January 2021 compared to January 2020 or January 2019. The one exception is 'Accommodation and Food Services'.

Total Effect

- 19,512 additional companies were registered in January 2021 relative to January 2019.
- The median daily registrations during lockdown-III is 23% higher than during lockdown-I and 4% lower than during lockdown-II.
- Extensive business creation is observed during the first 2 weeks of January 2021.

Regional Analysis

- In each week of January 2021 firm creation was higher compared to the same week in January 2019 for all UK countries (England, Northern Ireland, Scotland, Wales).

Sectoral Analysis

- January 2021 has higher firm creation in all sectors than January 2019.
- 'Manufacturing', 'Financial and Insurance Activities', 'Wholesale, and Retail Trade' sectors show the greatest increase in firm creation.
- 'Accommodation and Food Services' is the only sector with fewer registrations in January 2021 than January 2020. It maintains the significant decline observed in December 2020.

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