

## Business VAT Registrations

<b>General details</b>	Data on all registrations and de-registrations of businesses for VAT
<b>Area output</b>	Local authority districts
<b>Time period</b>	Updated annually
<b>Source</b>	Office for National Statistics Inter-Departmental Business Register (IDBR).
<b>Provider</b>	NOMIS (Graham Lindsay Kirklees MC EDS)
<b>Comments</b>	The Inter-departmental Business Register contains records of all UK businesses registered for VAT or PAYE purposes and covers nearly 99 per cent of UK economic activity. It is continuously updated from administrative sources.

### 1 Introduction

1.1 VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures. They are an indicator of the level of entrepreneurship and of the health of the business population. As such they are used widely in regional and local economic planning.

1.2 These figures do not, however, give the complete picture of start-up and closure activity in the economy. Coverage of the statistics is complete in all parts of the economy except a few VAT exempt sectors and the very smallest one person businesses operating below the threshold for VAT registration. Analysis by industry is only available at a general level (e.g. manufacturing). At the end of 2003, the VAT threshold was an annual turnover of £56,000, and 1.8 million of the estimated 4.0 million enterprises in the UK were VAT-registered.

1.3 Many factors influence the pattern of business start-ups. Among the most important are economic growth (encouraging new ventures and creating demand for business and personal services), the level of industrial restructuring and contracting out, and the stock of people with management or small business experience. In previous decades, high levels of unemployment acted as a “push factor” into self employment.

### 2 National and Regional Figures

Table 1: VAT registration and de-registrations 1994 to 2003; Great Britain

Date	Registrations	De-registrations	Stock at end of year	Net change
2003	186115	170405	1752780	15710
2002	172240	161050	1737065	11190
2001	165005	149900	1725875	15105
2000	176225	153275	1710770	22950
1999	174835	150215	1687825	24620
1998	181070	146200	1663205	34870
1997	182000	145275	1628335	36725
1996	165845	148465	1591610	17380
1995	161230	157380	1574225	3850
1994	165755	171665	1570375	-5910

2.1 Since 1995, there has been a net growth in the number of business VAT registrations (registrations minus de-registrations), with particularly strong growth in 1997 and 1998 due to low numbers of de-registrations.

2.2 A decline in the stock of VAT registered businesses has occurred in agriculture, manufacturing, wholesale and retail and mining and utilities over the ten years from 1994 to 2003. The number of VAT registered Real Estate businesses has increased by over 50% and there has been a 15% growth in the number of Hotels and Restaurants.

Table 2: VAT registered business stock change 1994 – 2003; Great Britain

<b>Industry</b>	<b>1994</b>	<b>2003</b>	<b>Change number</b>	<b>Change %</b>
Agriculture; fishing	142455	125120	-17335	-12.2
Mining; energy/water	1665	1620	-45	-2.7
Manufacturing	160320	151040	-9280	-5.8
Construction	179750	191625	11875	6.6
Wholesale & retail	411785	378640	-33145	-8
Hotels & restaurants	107420	124130	16710	15.6
Transport & comms	69835	78205	8370	12
Finance	15290	16155	865	5.7
Real Estate	325725	511585	185860	57.1
Public admin; other	131680	148765	17085	13
Education; health	24450	25895	1445	5.9
<b>Total</b>	<b>1570375</b>	<b>1752780</b>	<b>182405</b>	<b>11.6</b>

Table 3: VAT registration and de-registrations 1994 to 2003; Yorkshire and the Humber

<b>Date</b>	<b>Registrations</b>	<b>De- registrations</b>	<b>Stock at end of year</b>	<b>Net change</b>
<b>2003</b>	13695	11650	129645	2045
<b>2002</b>	12265	11790	127600	475
<b>2001</b>	11590	11000	127125	590
<b>2000</b>	12085	11040	126535	1045
<b>1999</b>	11890	10980	125490	910
<b>1998</b>	12040	10680	124580	1360
<b>1997</b>	12125	10880	123220	1245
<b>1996</b>	11640	11005	121975	635
<b>1995</b>	11285	12305	121340	-1020
<b>1994</b>	11905	12785	122365	-880

2.3 In Yorkshire and the Humber there were more VAT registrations in 2003 than for any other of the previous 10 years and a surplus of registrations over de-registrations for the last 8 years. The pattern of rises and falls by industry in Yorkshire and the Humber was similar to the national picture.

Table 4: VAT registered business stock change 1994 – 2003; Yorkshire and Humber

Industry	1994	2003	number	%
Agriculture; fishing	11965	10455	-1510	-12.6
Mining; energy/water	145	130	-15	-10.3
Manufacturing	13930	13375	-555	-4
Construction	14170	14825	655	4.6
Wholesale & retail	36655	32665	-3990	-10.9
Hotels & restaurants	9235	10160	925	10
Transport & comms	6490	6950	460	7.1
Finance	760	795	35	4.6
Real Estate	18745	29555	10810	57.7
Public admin; other	8320	8825	505	6.1
Education; health	1950	1915	-35	-1.8
Total	122365	129650	7285	6

### 3 Kirklees Figures

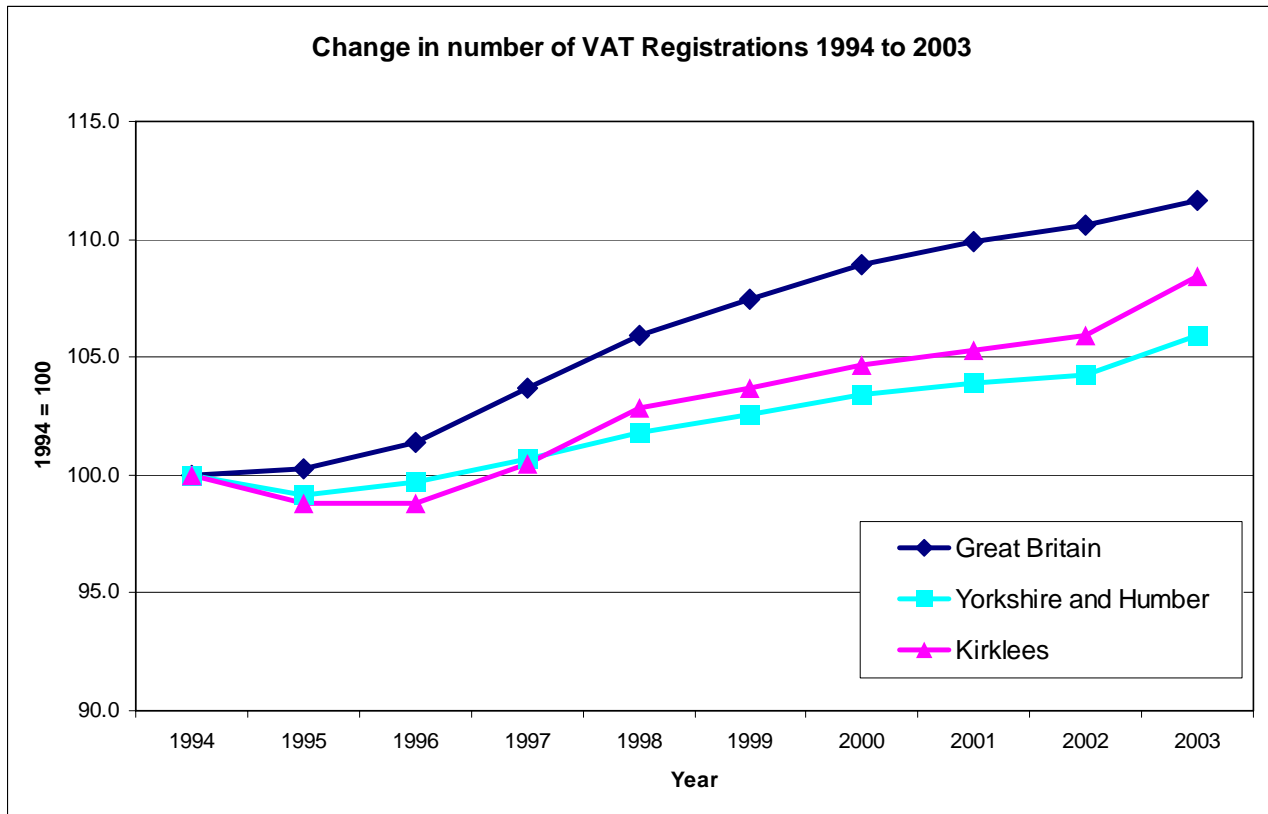
Table 5: VAT registration and de-registrations 1994 to 2003; Kirklees

Date	Registrations	De-registrations	Stock at end of year	Net change
<b>2003</b>	1225	980	10400	245
<b>2002</b>	1020	965	10155	55
<b>2001</b>	995	930	10100	65
<b>2000</b>	975	885	10035	90
<b>1999</b>	930	845	9945	85
<b>1998</b>	1045	825	9860	220
<b>1997</b>	985	825	9635	160
<b>1996</b>	935	935	9475	0
<b>1995</b>	900	1015	9475	-115
<b>1994</b>	960	1065	9590	-105

3.1 Kirklees experienced a significant growth in the number of VAT registered businesses in 2003 and, as has been the trend regionally and nationally, has seen a consistent growth in the net stock of VAT registered businesses over the last 8 years.

3.2 The growth in VAT registered businesses in Kirklees has outstripped growth in the region but has lagged behind the national figure.

Figure 1: Change in the number of VAT registered businesses 1994 to 2003



3.3 Kirklees is disproportionately dependent on manufacturing for employment. However, the number of VAT registered manufacturing firms fell over the last ten years. Other industries which saw falls in the number of VAT registered business were agriculture, wholesale and retail, and finance. As with the national and regional figures, there was a huge increase in the number of Real Estate businesses.

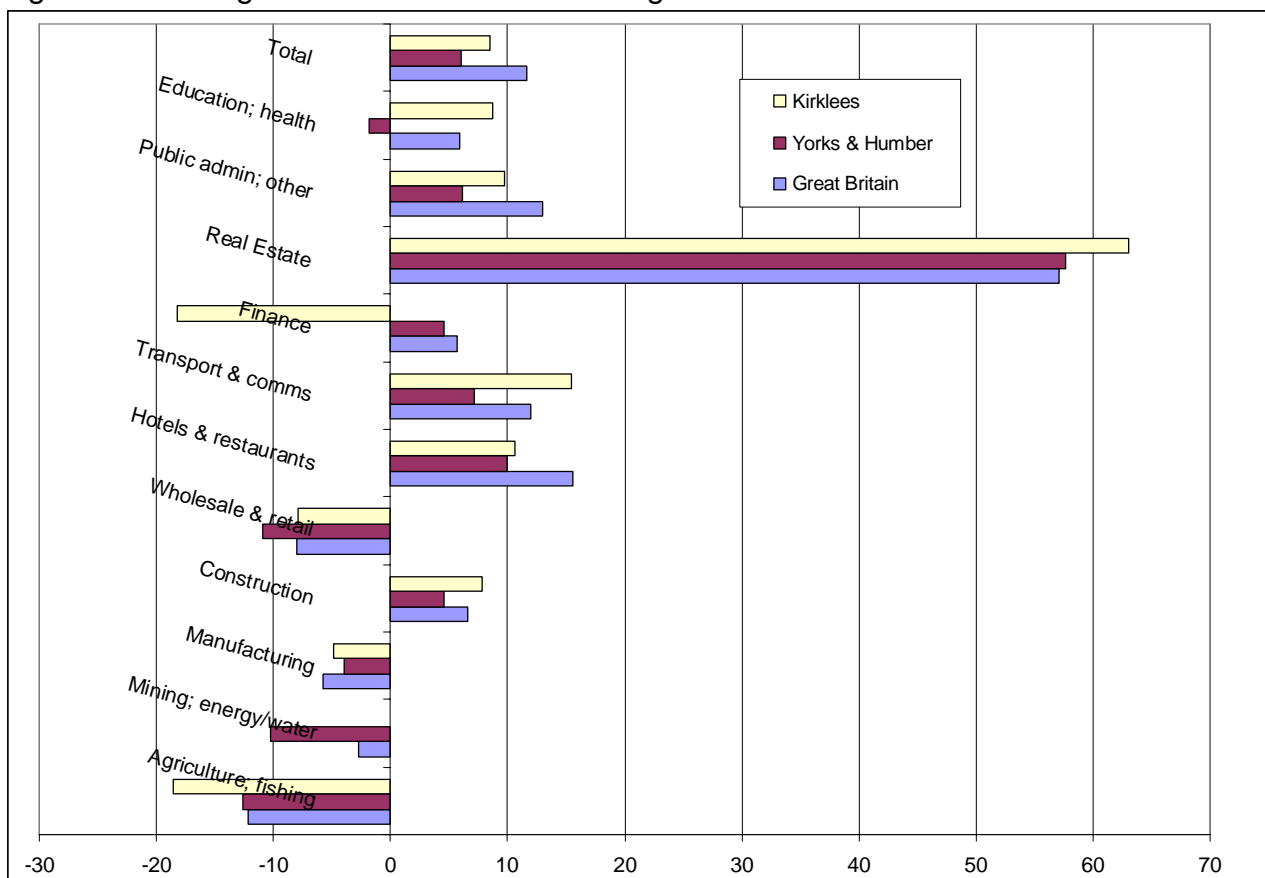
3.4 Comparison with the official Annual Business Inquiry is particularly interesting with regard to Real Estate. The ABI shows 423 companies in Kirklees working in Real estate in 2003, a difference of nearly 1,900. This suggests that most of these businesses operate at a turnover level below the VAT threshold.

Table 6: VAT registered business stock change 1994 – 2003; Kirklees

Industry	1994	2003	Difference	%
Agriculture; fishing	350	285	-65	-18.6
Mining; energy/water	5	5	0	0
Manufacturing	1535	1460	-75	-4.9
Construction	1150	1240	90	7.8
Wholesale & retail	3120	2875	-245	-7.9
Hotels & restaurants	710	785	75	10.6
Transport & comms	455	525	70	15.4
Finance	55	45	-10	-18.2
Real Estate	1420	2315	895	63
Public admin; other	670	735	65	9.7
Education; health	115	125	10	8.7
Total	9585	10395	810	8.5

3.5 There was a small reduction in the number (but a large reduction in the percentage) of Finance companies registered for VAT in Kirklees between 1994 and 2003. This was the only area where Kirklees was not in line with regional and national trends.

Figure 2: VAT registered business stock change 1994 – 2003



#### 4 Links and further information

Office for National Statistics  
<http://www.statistics.gov.uk/default.asp>

#### 5 Indicator archive

Date of the original document	February 2005
Author	Steve Jones: KMC CDU
Details of consultation	Graham Lindsay, February 2005
Document update date	
Update author	
Details of update consultation	