

Business VAT Registrations 2004

Ealing in Figures

The rate at which the number of businesses grows or declines in an area can be measured by the number of annual VAT registrations and deregistrations. VAT registration data shows the total number of businesses which have an annual turnover of £52,000 and over. This covers the majority of businesses in the economy. Companies which deal entirely with products which have no VAT, which is rare, are excluded.

NOMIS Guidelines for use of VAT Registrations

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.
2. These figures do not, however, give the complete picture of start-ups and closures 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. At the start of 2004, the VAT threshold was an annual turnover of £56,000, and 1.8 million of the estimated 4.3 million enterprises in the UK were VAT-registered.
3. However, some businesses do voluntarily register for VAT even though their turnover is below the threshold. Data for 2004 shows that around a quarter of all registrations have turnover below the VAT threshold.
4. To make the figures as comparable as possible over time, a number of adjustments are made. The figures for recent years are increased slightly to allow for the small number of registrations and de-registrations that take more than a few months to be reported.
5. 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.
6. The source of these figures is the Inter-Departmental Business Register (IDBR). It contains records of all businesses registered for VAT. The IDBR is administered by the Office for National Statistics (ONS), which publishes information on the stock of VAT registered businesses in UK Business: Activity, Size and Location. The Small Business Service and ONS publications complement each other, although adjustments and minor differences in coverage mean that they contain slightly different estimates of the registered business population.

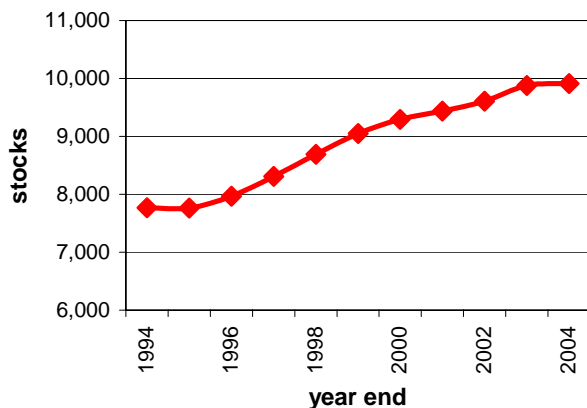
VAT registrations

Ealing, 1994 to 2004

Year	Registrations	Deregistrations	Stocks at end of year	Net-change over the year	Percent change over the year
2004	1,295	1,270	9,910	25	0.25
2003	1,315	1,040	9,880	275	2.78
2002	1,185	1,015	9,605	170	1.77
2001	1,150	1,010	9,435	140	1.48
2000	1,195	945	9,295	250	2.69
1999	1,190	835	9,050	355	3.92
1998	1,230	845	8,690	385	4.43
1997	1,245	905	8,310	340	4.09
1996	1,065	855	7,965	210	2.64
1995	990	1,005	7,760	-15	-0.19
1994	1,075	1,120	7,770	-45	-0.58

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Ealing stocks at end of year



Registrations of new businesses in Ealing have outnumbered deregistrations since 1995. The years over which there was the greatest net growth were 1998, when the number of businesses grew by 615, and 1997, when the business stock grew by 465.

Over the course of 2004, Ealing stocks went up by 0.25% through a net growth of 25 businesses, giving a last reported total of 9,910 VAT registered businesses in the area.

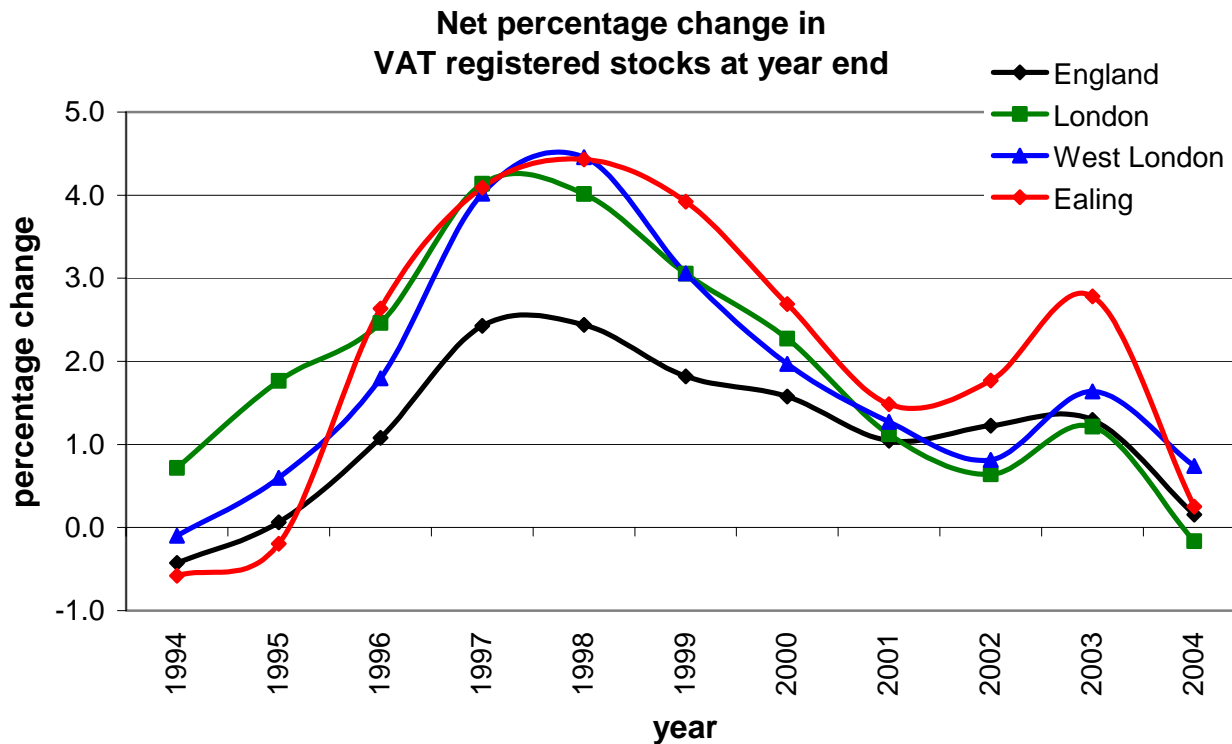
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Percentage Annual Change in VAT registered stocks at year end

Ealing, West London, and England, 2000 to 2004

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Ealing	0.3	2.8	1.8	1.5	2.7	3.9	4.4	4.1	2.6	-0.2	-0.6
West London	0.7	1.6	0.8	1.3	2.0	3.1	4.5	4.0	1.8	0.6	-0.1
London	-0.2	1.2	0.6	1.1	2.3	3.1	4.0	4.1	2.5	1.8	0.7
England	0.2	1.3	1.2	1.0	1.6	1.8	2.4	2.4	1.1	0.1	-0.4

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Net percentage change in VAT registered stocks at year end shows Ealing to have experienced a higher rate of business growth than the benchmarks of West London, London and England since 1999 in all but one year. In 2004, Ealing's rate of growth was marginally lower than that for West London.

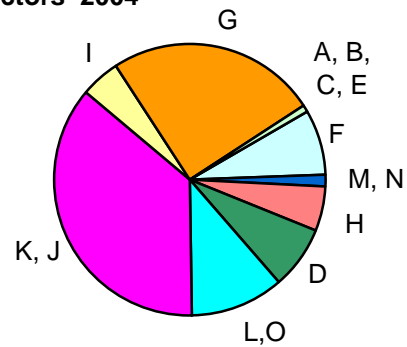
Ealing's comparatively good rate of business growth has slowed (along with benchmark areas) over 2004.

Source: NOMIS, ONS © Crown copyright, 2006

Industrial sectors Ealing, 2004

The information on VAT registrations also shows the number of businesses in an area within broad industrial sectors according to the Standard Industrial Classification (SIC).

Ealing Industry
Sectors 2004



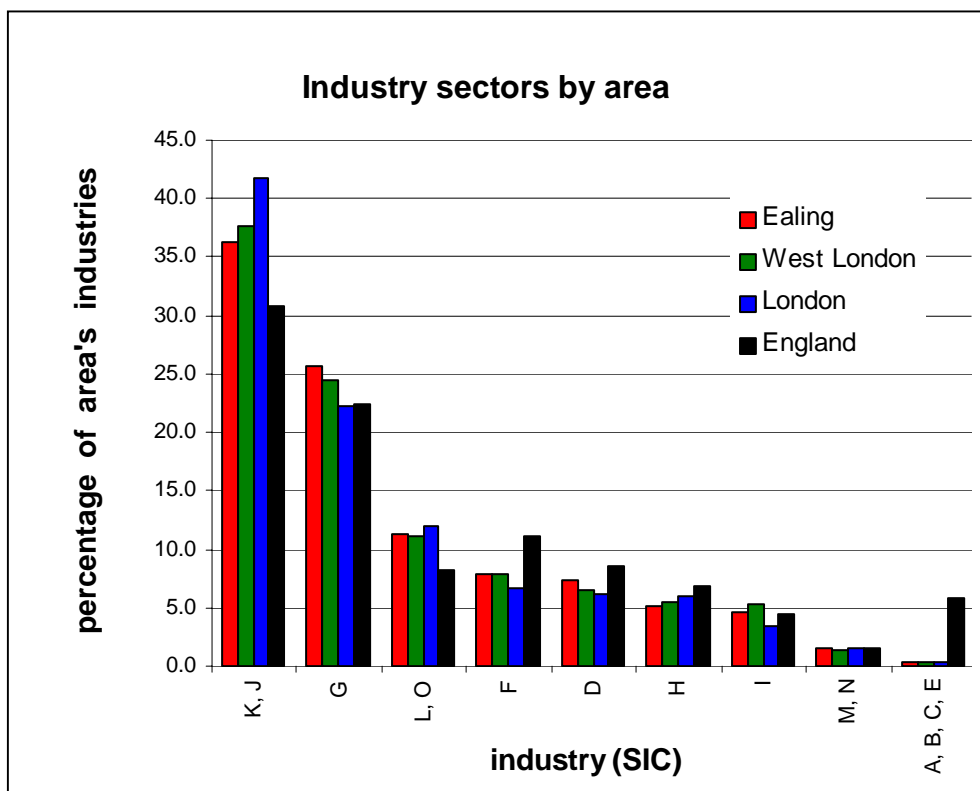
SIC code	Industry	VAT registered businesses	Percentage of all VAT registered businesses
A, B, C, E	Agriculture; Forestry and fishing; Mining and quarrying; Electricity, gas and water supply	23	0.3
D	Manufacturing	730	7.4
F	Construction	770	7.8
G	Wholesale, retail & repairs	2,490	25.1
H	Hotels and restaurants	515	5.2
I	Transport, storage & communication	465	4.7
J, K	Financial intermediation; Real Estate, renting and business activities	3,655	36.9
L, O	Public administration; Other community, social and personal services	1,120	11.3
M, N	Education; Health and social work	145	1.5
	Total	9,913	100.0

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**Percentage of All VAT Registered Business Stocks by Standard Industrial Classification (SIC)
Ealing, West London, London and England Comparison, 2004**

SIC	Ealing	West London	London	England
A,B, C, E	0.3	0.3	0.4	5.3
D	7.4	6.5	6.2	8.6
F	7.8	7.8	6.7	11.2
G	25.1	23.7	20.0	21.4
H	5.2	5.5	6.0	6.9
I	4.7	5.2	3.5	4.4
J	0.6	0.8	2.2	1.1
K	36.3	37.6	41.7	30.8
L,O	11.3	11.2	11.9	8.2
M,N	1.5	1.4	1.5	1.5
Total	100.2	100.0	100.1	100.0

Source: NOMIS, ONS © Crown copyright, 2006



The graph shows the proportions of particular industry sectors in Ealing and benchmark areas. We can see that Ealing has a greater proportion of businesses in the Manufacturing sector, and also in Wholesale, retail & repairs, than London comparators.

Real estate, renting & and business activities make up the largest sector in Ealing. However, these areas make up a smaller proportion of industry in Ealing than in other parts of London.

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