

Article

Annual Business Survey: UK non-financial business economy foreign-owned businesses, 2008 to 2015

Details of the number and proportion of foreign-owned enterprises in the UK, 2008 to 2015.

Contact:
Melanie Richard
abs@ons.gsi.gov.uk
+44 (0)1633 455747

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1 . Main points

- In 2015, there were just over 2 million registered non-financial businesses in the UK, of which 1.1% (24,141) were owned by businesses outside of the UK (foreign-owned); despite this small proportion, these businesses contributed £326.5 billion in approximate gross value added (aGVA) in 2015, a contribution of 28.5% to total aGVA in the UK.
- This release provides for the first time estimates of the number of Foreign-owned businesses and aGVA for the years 2008 to 2013. It also provides new analysis of foreign ownership by region.
- Since 2008, aGVA for foreign-owned businesses increased by 32.1% from £247.1 billion to £326.5 billion, compared with an increase from UK-owned businesses of 23.9%; the largest contribution came from the non-financial services sector where the level of aGVA for foreign-owned businesses increased by 67.4% over the period, from £94.6 billion to £158.4 billion.
- The region with the largest proportion of foreign-owned businesses in 2015 was London (19.6%); London also contributed the highest proportion of foreign-owned aGVA, with 25.6% of the total.
- The greatest contributor to foreign-owned businesses' aGVA was Europe with 49.5% of the total and since 2008, aGVA from European-owned businesses increased by 42.0% compared with a rise of 12.8% from the next highest contributor, the Americas; businesses owned in Asia experienced growth of 93.6% over the same period.

2 . Things you need to know about this release

This release provides for the first time estimates of the number of foreign-owned businesses and approximate gross value added (aGVA) for the years 2008 to 2013. It also provides new analysis of foreign ownership by region.

The estimates contained in this release are taken from the [Annual Business Survey \(ABS\)](#), which provides the size and growth of the UK non-financial business economy. These data show how many businesses are UK or foreign-owned by industry and employment size. Information is provided for business counts, turnover and aGVA.

The ABS covers only the UK non-financial business economy, which accounts for approximately two-thirds of the UK economy in terms of gross value added. The industries covered are:

- non-financial services (includes professional, scientific, communication, administrative, transport, accommodation and food, private health and education, and entertainment services)
- distribution (includes retail, wholesale and motor trades)
- production (includes manufacturing, oil and gas extraction, energy generation and supply, and water and waste management)
- construction (includes civil engineering, house building, property development and specialised construction trades such as plumbers, electricians and plasterers)
- parts of agriculture (includes agricultural support services and hunting), forestry and fishing

Please note that the non-financial services excludes financial and insurance, public administration and defence, public provision of education and health, and all medical and dental practice activities. Part of agriculture excludes crop and animal production.

Data for the insurance and reinsurance industries are currently collected by the ABS and this experimental series covers a small part of the financial and insurance sector. However, since November 2013, it has been removed from the ABS release at both the national and regional level due to ongoing volatility while a more detailed quality assurance assessment is undertaken. As such, results in this release cover the UK non-financial business economy rather than the UK business economy. This does not affect other industries.

Regional ABS estimates are produced by apportioning the survey return from each reporting unit to its individual sites and then summing them to the regional level. Industry breakdowns at the UK level in the [national release](#) will therefore not necessarily match those in the corresponding regional release. More information can be found under regional apportionment in [section 5.8.2 of the ABS Technical Report](#).

Estimates published in this release include turnover, purchases, approximate gross value added at basic prices (aGVA) and employment costs. All data are reported at current prices (effect of price changes not removed).

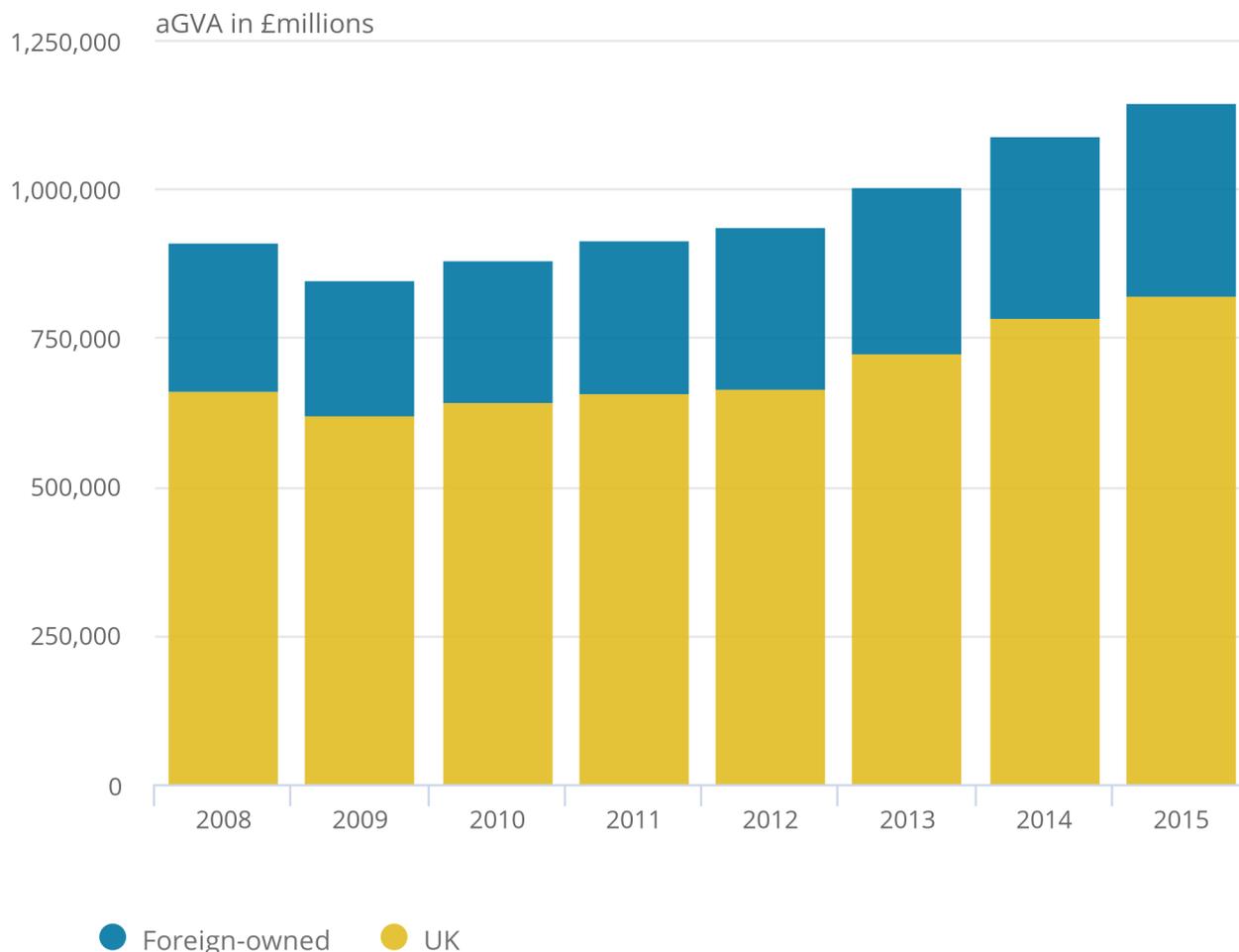
ABS estimates are subject to revisions. Estimates in this release show very small revisions for 2015 when compared with the previous estimate published on [24 March 2017](#), which contained data for 2014 and 2015 only. Compared with the previous estimate, aGVA for foreign-owned businesses in 2015 has decreased by a value of £7.2 billion.

3 . Foreign-owned businesses' aGVA has grown by 32.1% since 2008

Figure 1 shows that the levels of approximate gross value added (aGVA) produced by both UK and foreign-owned businesses decreased immediately following the period of the economic downturn in 2008. In 2010, however, aGVA started to increase and levels for both foreign and domestic aGVA are now at their highest since the start of the period.

Figure 1: Levels of approximate gross value added for UK and foreign-owned businesses, 2008 to 2015

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Source: Office for National Statistics

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Since 2008, the level of aGVA produced by foreign-owned businesses increased from £247.1 billion to £326.5 billion. This was an increase of 32.1%. Over the same period, the levels of aGVA for UK-owned businesses increased from £662.6 billion to £820.7 billion, which was an increase of 23.9%.

Looking at the period following the economic downturn (from 2010), aGVA for foreign-owned businesses experienced growth of 36.9%, whereas growth in aGVA for UK-owned businesses was 27.7%.

Foreign-owned businesses contributed £326.5 billion to total UK aGVA in 2015; this was 28.5% of the non-financial business economy in the UK. This was only slightly higher than 2008 where the contribution of £247.1 billion to total UK aGVA was 27.2% of the percentage total.

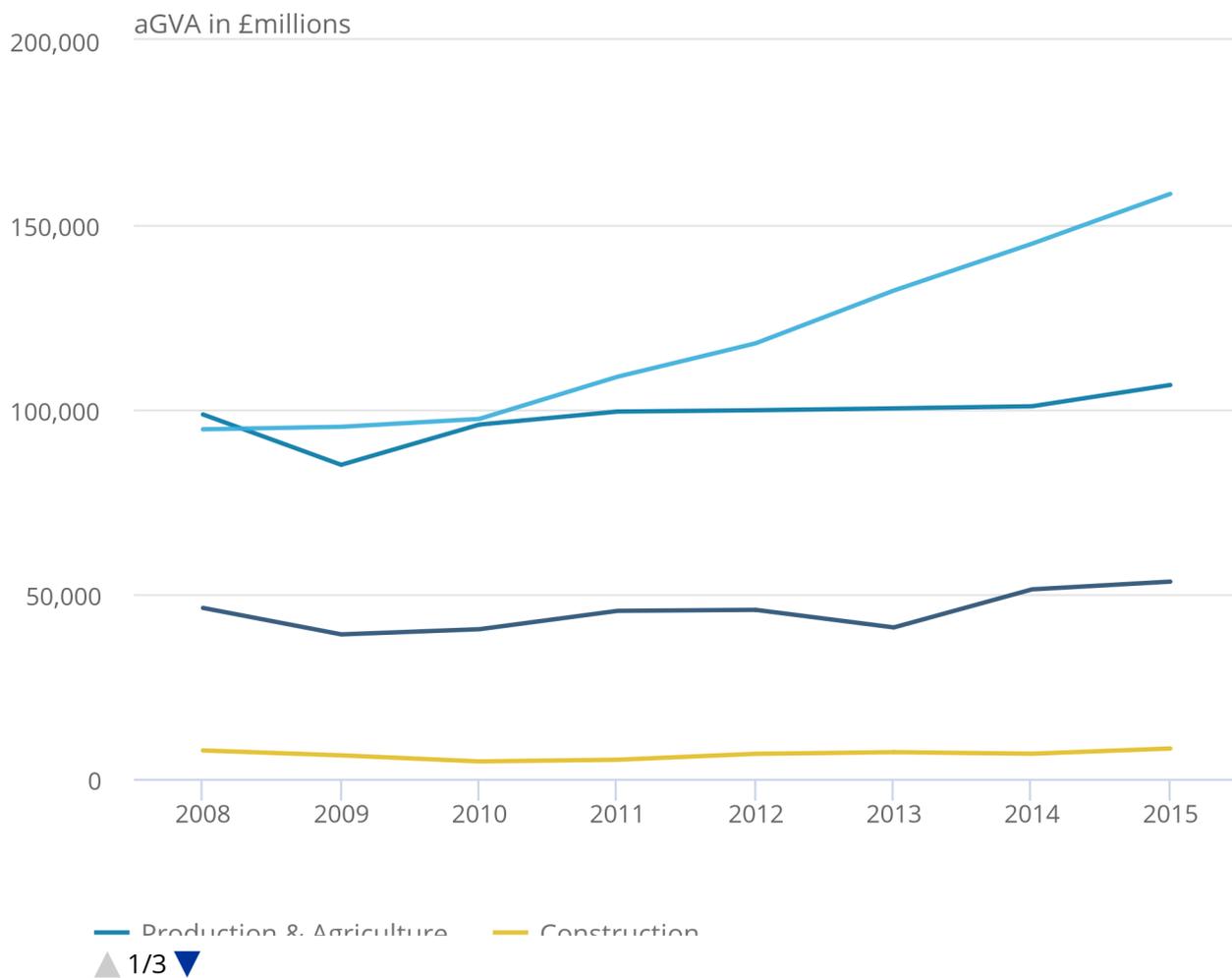
4 . Growth in aGVA of foreign-owned non-financial services since 2008

Since 2008, the largest increase in foreign-owned approximate gross value added (aGVA) came from the non-financial services sector. The level of aGVA in this sector has grown by 67.4% over the period from £94.6 billion to £158.4 billion.

Figure 2 shows that both the production and agriculture, and the distribution sectors have also shown an increase in growth in the latest years, albeit at a much smaller level, whereas construction has remained relatively flat.

Figure 2: Levels of approximate gross value added by industry for foreign-owned businesses, UK, 2008 to 2015

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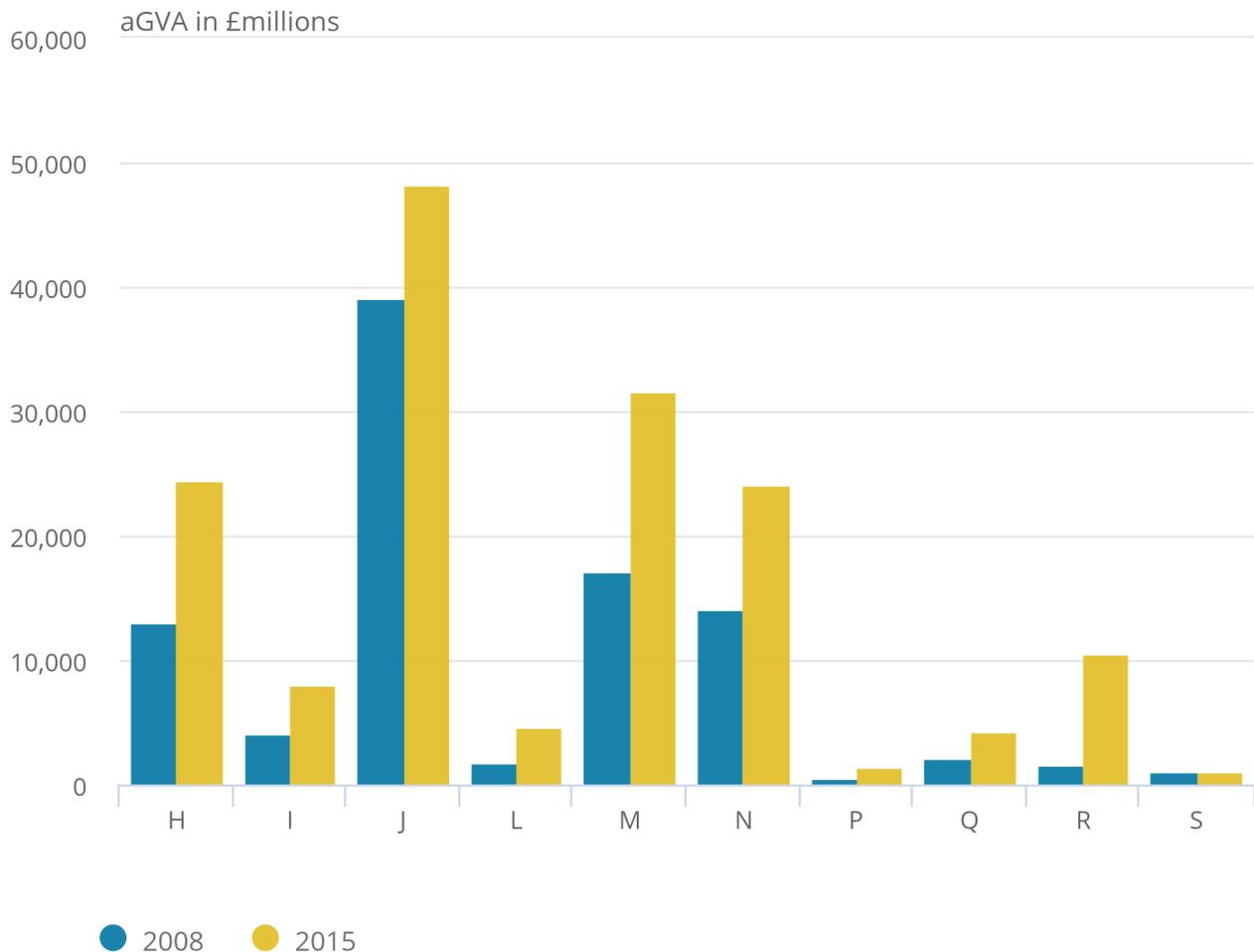


Source: Office for National Statistics

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Figure 3: Levels of approximate gross value added by non-financial services for foreign-owned businesses in 2008 and 2015, UK

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Source: Office for National Statistics

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Notes:

1. With non-financial services the industries covered are: H – Transportation and storage; I – Accommodation and food service activities; J – Information and communication; L – Real estate activities; M – Professional, scientific and technical activities; N – Administrative and support service activities; Q – Human health and social work activities (part); R – Arts, entertainment and recreation; and S – Other service activities.

Figure 3 shows that in both 2008 and 2015, section J, (Information and Communication) had the largest contribution to the level of Foreign-owned aGVA, followed by section M, (Professional, scientific and technical activities), section H (Transportation and storage) and section N (Administrative and support service activities).

Within section N (Administrative and support service activities), levels of aGVA for Foreign-owned businesses increased by 69.5% (from £14.2 billion to £24.0 billion).

Levels of aGVA for foreign-owned businesses within the information and communication sector increased by 23% (from £39.1 billion to £48.1 billion) over the period; in 2015 they produced nearly one-third (30.6%) of total foreign-owned aGVA within non-financial services.

The levels of aGVA for section M (professional, scientific and technical activities) increased by 85.3% from £17.1 billion to £31.6 billion, and within section H (transportation and storage) aGVA increased by 88.2% from £13 billion to £24.5 billion.

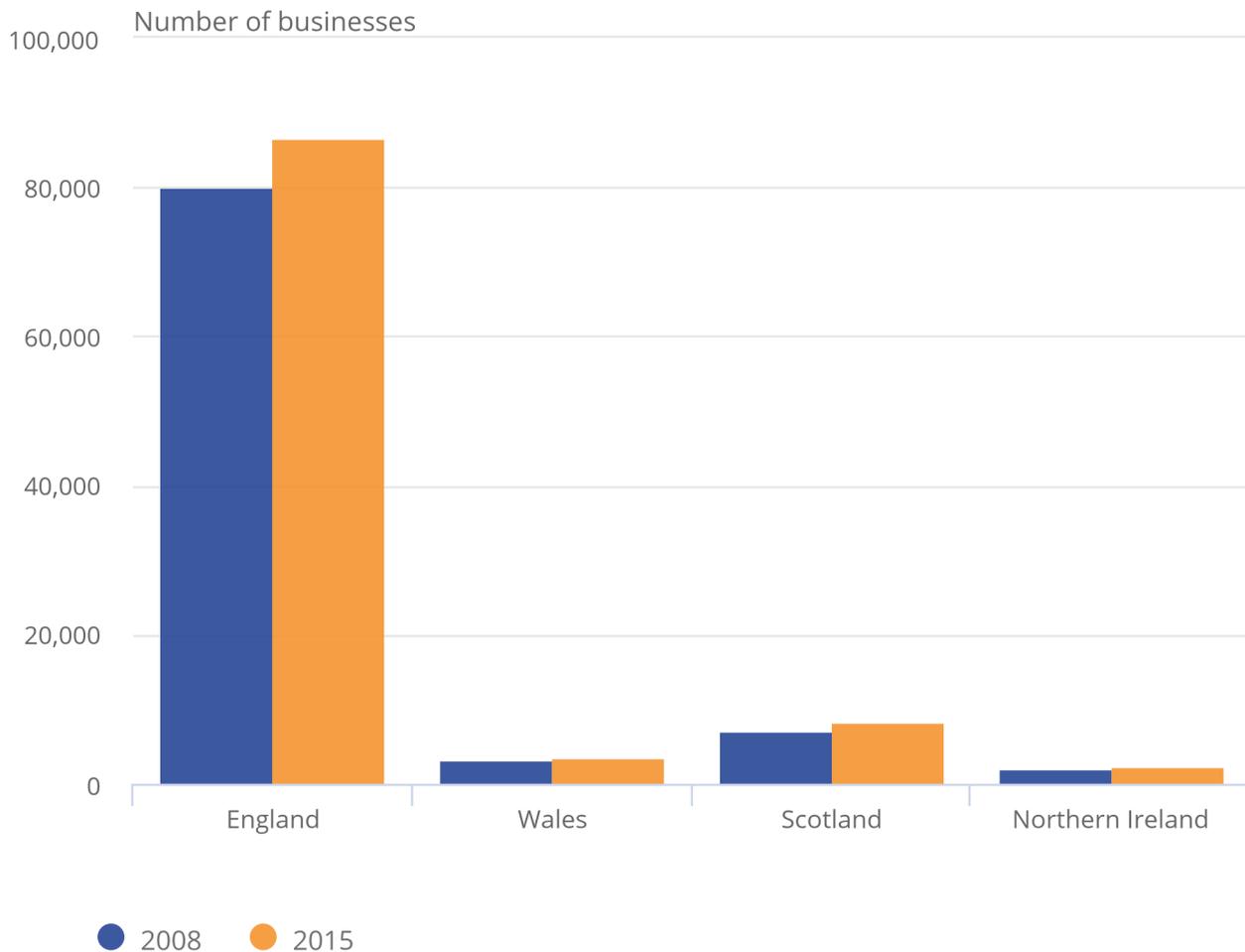
Within section N (Administrative and support service activities), levels of aGVA for Foreign-owned businesses increased by 69.5% (from £14.2 billion to £24.0 billion).

5 . Largest proportion of foreign-owned businesses located in London

In 2015, of all foreign-owned businesses, 85.7% were located in England. The region in the UK with the largest proportion of foreign-owned businesses was London, with 19.6% of foreign-owned businesses located there.

Figure 4: Number of UK and foreign-owned businesses by UK countries in 2008 and 2015

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Source: Office for National Statistics

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Figure 4 shows the number of foreign-owned businesses by each country within the UK. After England, Scotland has the next highest number of foreign-owned businesses, albeit with a much smaller number at 8.3% of the total.

Within England, the largest increase in the number of foreign-owned businesses has been experienced in London and the North West. London contributed 25.6% of total foreign-owned approximate gross value added (aGVA) in 2015; this was slightly less than in 2008 where London contributed 26.3% of the aGVA produced by foreign-owned businesses.

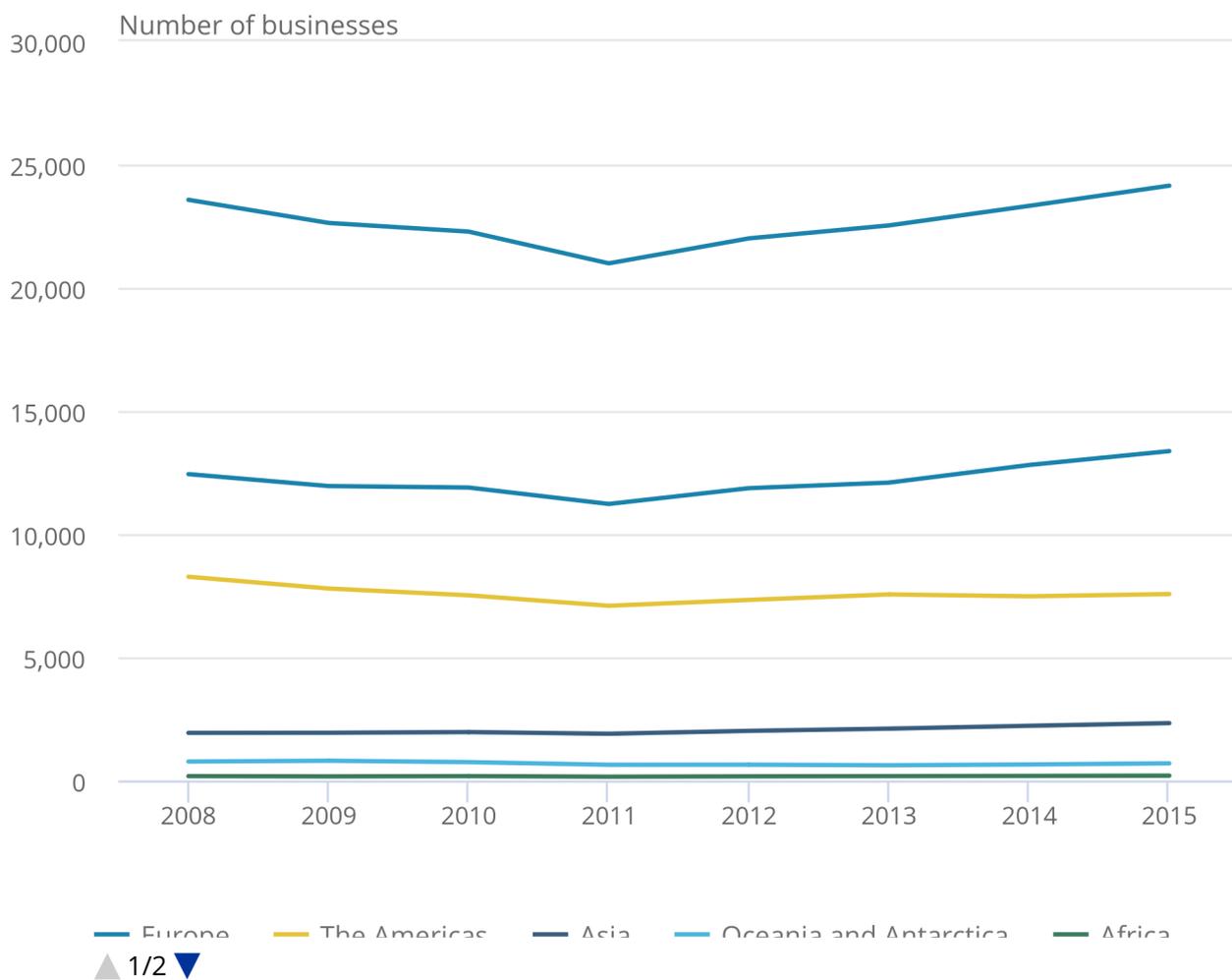
6 . Greatest continental contributor to foreign-owned aGVA was Europe

In 2015, of foreign-owned businesses, 55.4% were from Europe, while the next highest number (31.3%) was from the Americas.

Figure 5 shows that since 2008, the greatest number of foreign-owned businesses came from Europe, although over the period the number of businesses has remained fairly consistent. Following a fall in 2011, the number of businesses from Europe increased again whereas the number of businesses owned in the Americas remained broadly flat.

Figure 5: Number of foreign-owned businesses by continent, 2008 to 2009

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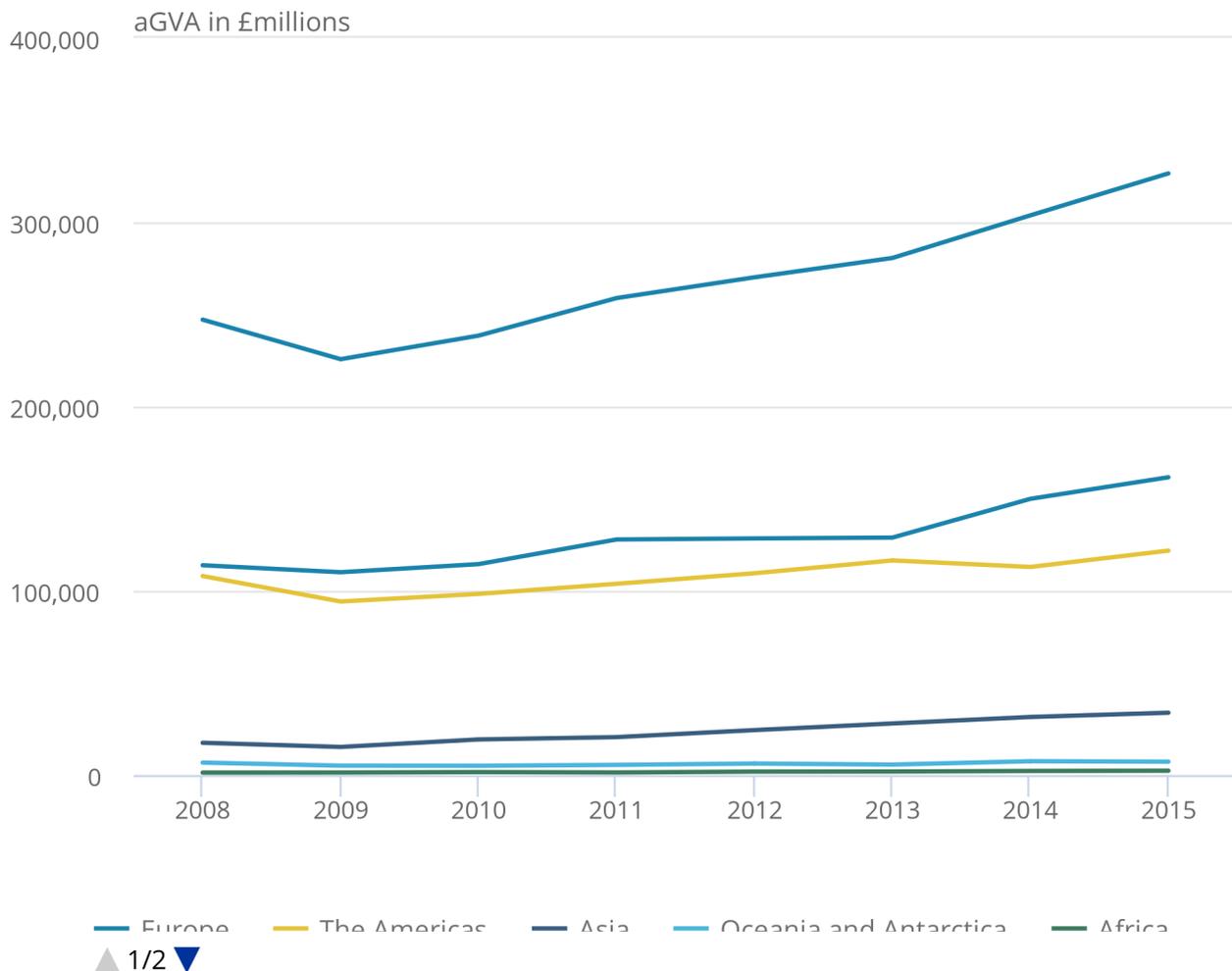


Source: Office for National Statistics

The greatest continental contributor to foreign-owned businesses' approximate gross value added (aGVA) in 2015 was Europe, with 49.5% of total foreign-owned businesses' aGVA; this was followed closely by the Americas with 37.3%.

Figure 6: Levels of foreign-owned businesses' approximate gross value added by continent, 2008 to 2009

Figure 6: Levels of foreign-owned businesses' approximate gross value added by continent, 2008 to 2009



Source: Office for National Statistics

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Even though the numbers of foreign-owned businesses from Europe remained consistent, in terms of aGVA, Figure 6 shows that since 2008, aGVA from European-owned businesses had the largest increase in levels. These businesses experienced growth of 42.0% (from £113.8 billion to £161.5 billion), compared with a 12.8% increase from businesses owned by the next highest contributor, the Americas. Businesses owned in Asia also experienced a large increase from £17.4 billion to £33.7 billion; a growth of 93.6%.

7 . Links to related statistics

This publication was produced from an extract of the Annual Business Survey (ABS) dataset, with the main publication being the [Annual Business Survey: UK non-financial business economy, 2015 revised results](#). This release provides estimates of the size and growth of the UK non-financial business economy for 2015.

ABS data were also published in our [Annual Business Survey: Great Britain non-financial business economy exporters and importers, 2015 provisional results](#) release.

8 . Quality and methodology

The [Annual Business Survey \(ABS\) Quality and Methodology Information report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

You will also find detailed information on the methods used in the calculation of the ABS in the [ABS Technical Report](#) published on the [ABS methodology page](#).