



Department  
for Business  
Innovation & Skills

# **Contribution of women-led and MEG-led businesses to the UK non-financial economy**



# The BIS approach

- These slides set out how BIS estimates the contribution of certain types of Small and Medium-sized businesses (SMEs) to the UK non-financial economy, in terms of Gross Value Added (GVA).
- Estimates are provided here for women-led and Minority Ethnic Group led businesses (MEG).



## Women-led businesses

- Around 1 million (20%) of SMEs in the UK were majority women-led in 2014.
- These businesses contributed around £85 billion in GVA to the UK non-financial business economy.

## Minority Ethnic Group led businesses

- Around 300,000 (6%) of SMEs in the UK were led by minority ethnic groups in 2014.
- These businesses contributed around £30 billion in GVA to the UK non-financial business economy.



# Background

- The estimates are approximations based on data from the 2013 Annual Business Survey and the 2014 Small Business Survey.
- BIS applies the percentages of SMEs falling into the different groups (e.g. percentage of women-led businesses) to the GVA totals for all SMEs.
- The overall estimate of the contribution is produced by taking an average of the results from two separate calculations.
  - i) the first value is calculated by applying percentages of business in different size bands (non-employing, micro, small, medium) to corresponding GVA estimates split by size band.
  - ii) the second value is calculated by applying percentages of business in different groups of industrial sectors (A/B, C, D/E, F to N, P to S) to corresponding GVA estimates split by sector.
- This process can be used for other types of business where there are estimates available of the percentage of SMEs falling into that group.
- As these are simple approximations the results are rounded to the nearest £5 billion.



# Definitions

- **Majority women-led businesses** are those where women make up more than 50 per cent of the partners or directors in day-to-day control of the business, or where the sole proprietor is a woman.
- **MEG-led businesses** are those where people from minority ethnic groups make up 50 per cent or more of the partners or directors in day-to-day control of the business, or where the sole proprietor is from a minority ethnic group.
- **Gross value added (GVA)** is a measure of the income generated by businesses less their expenditure – for further details see:

<http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/2012-revised-results/info-agva.html>



# Definitions (continued)

- **UK non-financial business economy –**
  - For a number of reasons, ONS has designed the Annual Business Survey to focus on the non-financial sectors of the UK.
  - It is a subset of the whole economy that excludes large parts of agriculture, all of public administration and defence, publicly provided healthcare and education, and the financial sector (e.g. Banks and Insurance).
  - It includes non-financial services, distribution, production, construction and parts of agriculture and it accounts for around two thirds of the whole economy of the UK in terms of GVA
  - For further details see:  
<http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/2013-revised-results/stb-abs-2013-revised.html#tab-Overview>



## Further information

- Detailed statistics on characteristics of SMEs (e.g. percentage of majority women-led by size bands and sector) are published alongside the Small Business Survey reports at:  
<https://www.gov.uk/government/collections/small-business-survey-reports>
- Business Population Estimates are available at:  
<https://www.gov.uk/government/statistics/business-population-estimates-2014>
- Full results for ONS's Annual Business Survey are available at:  
<http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/index.html>
- For other information please contact: [enterprise.statistics@bis.gsi.gov.uk](mailto:enterprise.statistics@bis.gsi.gov.uk)