



All Assembly Members

26 October 2017

Dear Member,

Further to a commitment I made in on 11 October, I am writing to provide you with data on business failure rates.

The following table shows Wales' performance in relation to other areas of the UK.

	1-yr (Birth year - 2014)	2-yr (Birth year - 2013)	3-yr (Birth year - 2012)	4-yr (Birth year - 2011)	5-yr (Birth year - 2010)
North East	92.3	74.7	60.4	49.6	40.7
North West	92.8	74.4	59.4	49.5	39.9
Yorkshire and the Humber	91.4	74.6	58.8	49.8	40.8
East Midlands	93.3	75.5	60.8	50.8	41.9
West Midlands	92.2	75.3	60.2	51.4	41.3
East	93.1	76.8	61.5	52.8	43.1
London	90.9	73.0	55.4	48.6	39.3
South East	93.2	76.9	61.1	53.0	43.4
South West	92.9	76.8	61.8	53.3	44.2
Wales	92.4	74.8	60.4	50.3	40.7
Scotland	92.4	76.6	62.0	53.2	41.4
N Ireland	86.0	67.0	56.8	51.7	40.4
UK	92.2	75.0	59.4	51.0	41.4

The 5 year survival rate for enterprises born in 2010 and still active in 2015 for Wales was 40.7 per cent, slightly below the UK survival rate of 41.4 per cent. The highest 5 year survival rate was in the South West (44.2 per cent), whilst the lowest was in London (39.3 per cent).

The 1 year survival rate for enterprises born in 2014 and still active in 2015 for Wales was 92.4 per cent, slightly above the UK survival rate of 92.2 per cent. The lowest survival rate was in Northern Ireland (86.0 per cent), whilst the highest was in the East Midlands (93.3 per cent).

We deal with hundreds of businesses each year and the economic reality is that some businesses will succeed and some businesses will fail. It is unrealistic to think that even good businesses do not experience trading difficulties from time to time. However, it is important to remember that all businesses begin as start up businesses and unless we are prepared to take risks we would not support new businesses. There have been losses and have been failures, but our support has acted as an enabler for growth in the economy.

We are committed to supporting entrepreneurs, micro and SMEs, as well as social enterprises, which is why we are investing £86m up to 2020 to ensure entrepreneurs and businesses in Wales have access to information, guidance and business support through the European funded programmes, Business Wales and Social Business Wales.

Our focus continues to be on actions that support business growth, improve our infrastructure, and which help foster better economic conditions for Wales.

Yours sincerely,



Ken Skates AM/AC

Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith
Cabinet Secretary for Economy and Infrastructure