

Small firms grow at fastest rate since 2008

BY LAUREN FEDOR

SMALL and medium-sized enterprises (SMEs) are growing at their fastest rate since the economic crisis in 2008, according to a report out today.

New research from the Enterprise Research Centre (ERC) shows that the private sector added over 600,000 net new jobs last year, allowing SMEs to “regain the ground lost” in 2008.

The ERC said that in the last seven years, 13m jobs in the UK were lost overall, while 13.4m were created over the same period. Net private sector job creation only became positive last year, according to the researchers.

The government welcomed the report, with small business minister Anna Soubry saying: “Small and medium businesses in every corner of the UK have shrugged off adversity to create jobs and grow at the fastest rate since the financial crisis.”

“We will continue to back them and the 15m people they employ by cutting red tape, setting up a Small Business Conciliation Service and looking at improving the business rates system,” she added.

The government will introduce an enterprise bill later this year. Business secretary Sajid Javid has said that the bill will establish a new conciliation service to help settle disputes among small and large businesses. According to the business department, small UK firms are owed over £32bn in late payments from larger entities.

An existing government initiative, the Prompt Payment Code, requires company signatories to pay their suppliers on time, but many business leaders agree more must be done. When the enterprise bill was first announced, John Longworth, director general of the British Chambers of Commerce said: “Businesses have been let down by successive governments promising to make inroads, so we will be watching carefully to make sure these proposals are delivered.”