



SMALL BUSINESSES IN 2019

In this factsheet, small businesses are defined as businesses with fewer than 20 employees.



→ SMALL BUSINESSES * DOMINATE OUR INDUSTRIES

97%

OF BUSINESSES HAVE FEWER THAN 20 EMPLOYEES (530,301 BUSINESSES)
(See Chart 1)

388,323

BUSINESSES HAVE NO EMPLOYEES
(See Chart 1)

71%

OF BUSINESSES HAVE NO EMPLOYEES
(See Chart 1)

28%

OF EMPLOYEES ARE EMPLOYED BY SMALL BUSINESSES
(See Chart 2)

SMALL BUSINESSES EMPLOY **650,000**

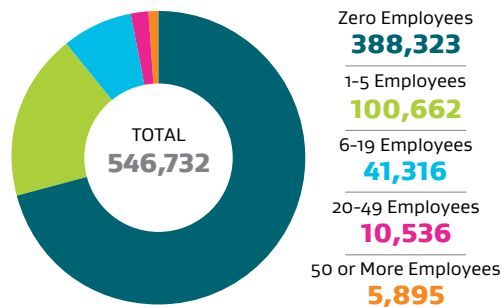
PEOPLE
(See Chart 2)

THE 'RENTAL, HIRING & REAL ESTATE SERVICES' INDUSTRY HAS THE HIGHEST NUMBER OF SMALL BUSINESSES.
(See Chart 4)

\$52,560

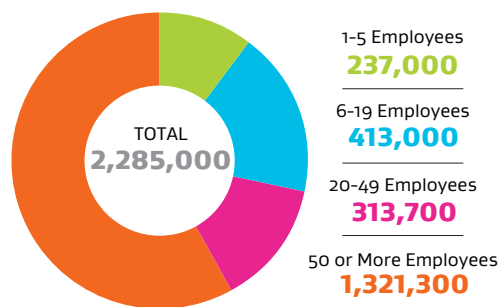
WAS THE AVERAGE SALARY OF EMPLOYEES IN SMALL BUSINESSES
(See Chart 3)

Chart 1: Number of Businesses by Employee Size Group



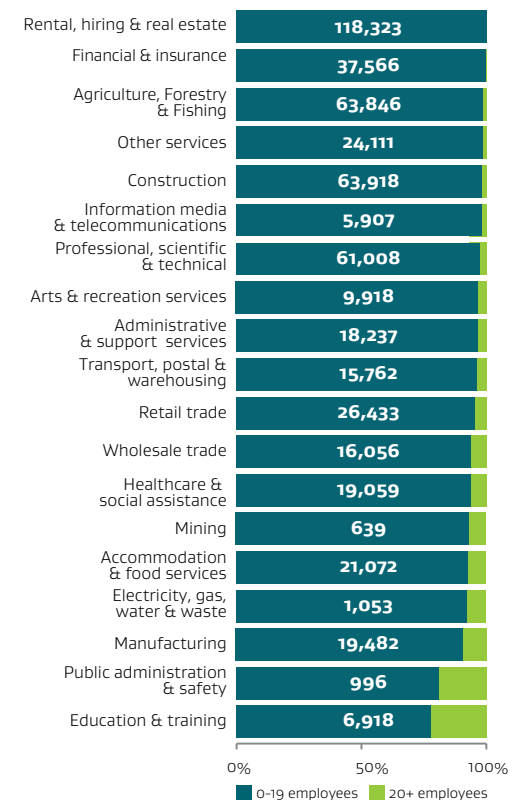
Source: Business Demography Statistics, February 2019

Chart 2: Number of Employees by Employee Size Group



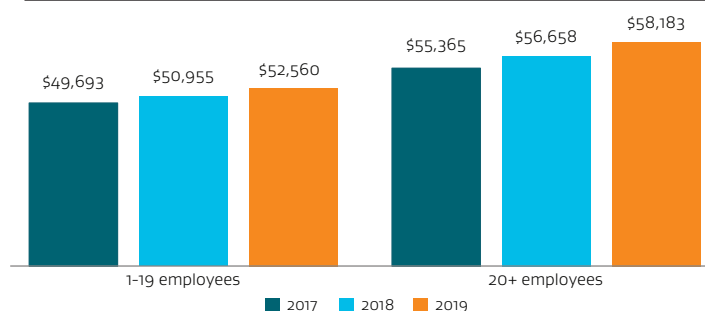
Source: Business Demography Statistics, February 2019

Chart 4: Number and Percentage of Small Businesses by Industry



Source: Business Demography Statistics February 2019

Chart 3: Average Salaries & Wages per Employee



Source: Statistics New Zealand Annual Enterprise Survey 2019

*Small businesses are defined here as those with fewer than 20 employees. There is no official definition of a small business in New Zealand, however 'businesses with fewer than 20 employees' has traditionally been used and referred to in some legislation. Australia also uses the same definition which enables comparisons to be made. Internationally there is no universally used definition for a small business: many economies use a limit higher than 20 employees.

18%

OF SELF-EMPLOYED PEOPLE WORK IN THE CONSTRUCTION INDUSTRY
(See Chart 5)

42%

OF ECONOMIC VALUE ADD IS ESTIMATED TO BE PRODUCED BY SMALL BUSINESSES
(See Chart 6)

40%

OF ALL JOBS CREATED IN THE YEAR ENDING DECEMBER 2018 WERE IN SMALL BUSINESS WITH 1-19 EMPLOYEES
(See Chart 7)

THE SMALLER THE BUSINESS, THE LOWER THE SURVIVAL RATE
(See Chart 8)

DEATHS OF SMALL BUSINESSES HAVE BEEN RELATIVELY STABLE IN THE LAST DECADE. BIRTHS HAVE BEEN MORE VOLATILE, WITH MORE START-UPS SINCE 2013
(See Chart 9)

LARGE BUSINESSES ARE TWICE AS LIKELY TO UNDERTAKE RESEARCH & DEVELOPMENT
(See Chart 10)

THE NUMBER OF ZERO-EMPLOYEE BUSINESSES HAS INCREASED IN THE LAST YEARS WHILE THE NUMBER OF EMPLOYING BUSINESSES HAS BEEN STABLE
(See Chart 11)

Chart 5: Self-Employed by Industry



Source: Linked Employee-Employer Data, 2018

Construction

75,717

Professional, scientific & technical services

59,943

Agriculture, forestry & fishing

45,969

Rental, hiring & real estate

28,896

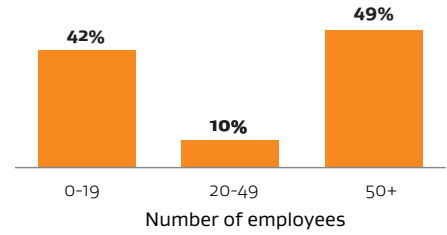
Retail trade

24,378

All others

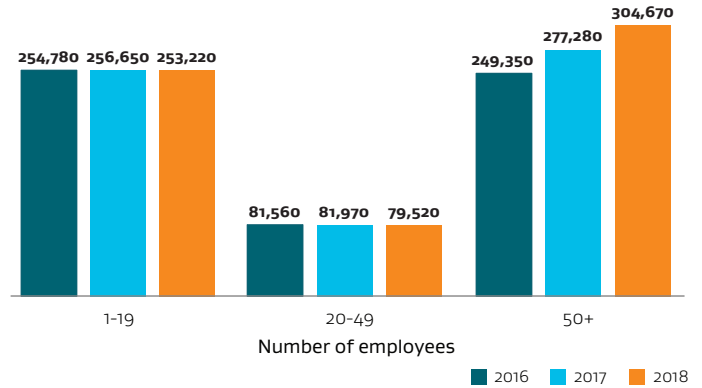
191,088

Chart 6: Economic Value Add by Business Size



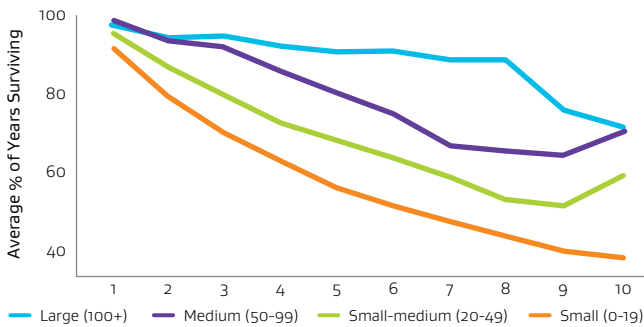
Data source: Annual Enterprise Survey, 2019

Chart 7: Annual Job Creation by Employing Businesses



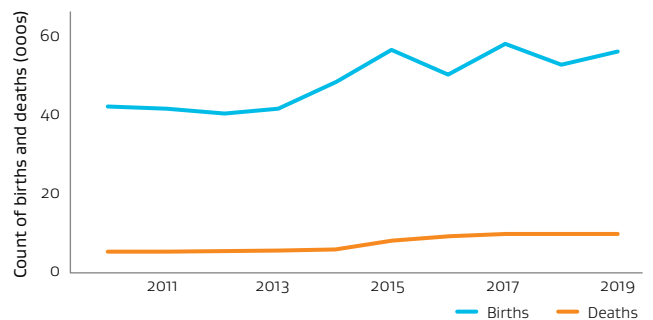
Data source: Linked Employer-Employee Data, December 2016-2018

Chart 8: Average Business Survival Rates by Size



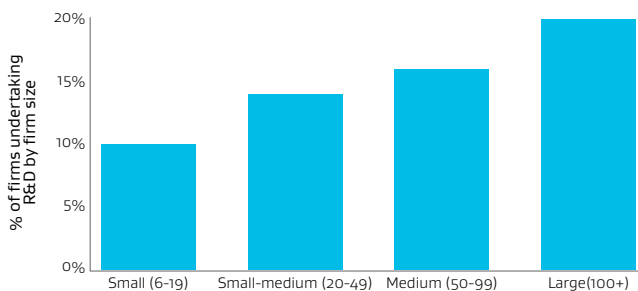
Source: Business Demography Statistics, February 2019

Chart 9: Births and Deaths of Employing Small Business



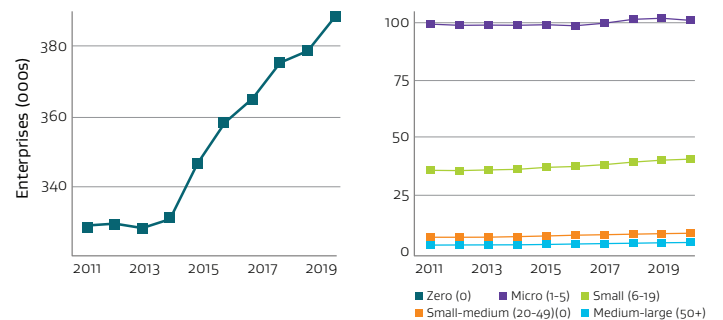
Source: Business Demography Statistics, February 2019

Chart 10: Percentage of Businesses Undertaking Research & Development by Size



Source: Business Operations Survey, 2019.
Note: R&D data isn't available for businesses with 0-5 employees.

Chart 11: Number of Businesses by Size 2010-2019



Source: Business Demography Statistics, February 2019