

Fife Business Base Report 2024



Deanestor Scotland Ltd, Dunfermline



Jannetta's Gelateria, St Andrews



Webster Designs Fife Ltd, Levenmouth Business Park

January 2025

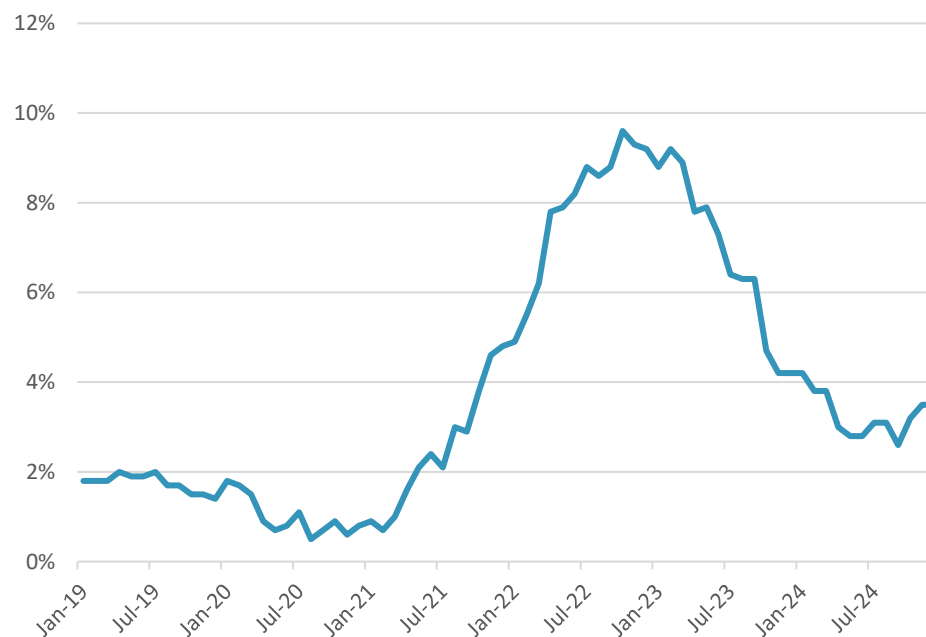
Preface

Although economic conditions in Scotland showed sustained improvements in 2024 compared to 2023, doing business remained challenging for companies in Fife. While GDP growth strengthened modestly and inflation eased back towards its target rate (Figure 1), business concerns around demand, cost pressures and borrowing costs led to weak levels of new capital investment, and growth was largely driven by the services sector with weak production and construction output.

Some businesses continued to report challenges in recruiting key staff, which alongside ongoing wage cost pressures and the risk of weakening demand mean that although business conditions have improved, they remain challenging.

Source: [Scottish Economic Insights: October 2024](#), Chief Economist Directorate, Scottish Government

Figure 1: CPIH Annual Inflation Rates 2019-2024



Source: Consumer price inflation tables, Office for National Statistics.
Note: CPIH = Consumer Prices Index including owner occupiers' housing costs

About this Report

This report provides information on the number and characteristics of private sector companies operating in Fife, their sectors, size and performance.

Most of the data is from:

- The Scottish Government's [*Businesses in Scotland: 2024 publication*](#). This gives data on the position of private sector businesses as at 12 March 2024.
- The Office for National Statistics (ONS) [*Business demography, UK:2023*](#), which provides annual data on the survival rates of new businesses.

This year's report analyses changes in the number and performance of Fife's business population between March 2023 and March 2024, and on changes in business survival rates between 2022 and 2023.

All datasets use data from the Inter-Departmental Business Register (IDBR), a database of all businesses in the UK registered for VAT and/or the PAYE income tax system with HMRC and Companies House. The database does not include information on unregistered enterprises (sole traders and partnerships who are not VAT and/or PAYE registered). In March 2024 the VAT registration threshold was a turnover of £85,000, the level it has been since 2017/18. The term 'business', 'enterprise' and 'company' are used interchangeably in this report.

Headline Results

Between March 2023 and March 2024 in Fife:

- The number of registered private-sector enterprises fell by 60 (-0.6%) to 9,485 businesses.
- Whilst employment in these businesses fell by 2,460 jobs (-2.4%), total annual business turnover increased by 23.6% to £17,130 million.
- The fall in business numbers was largely confined to small businesses employing fewer than 50 people; there was a slight increase in the number of medium-sized businesses.
- The number of 'high growth' businesses increased to the highest number recorded.
- *Education, Human Health & Social Work Activities, Real Estate Activities and Transport & Storage* had the largest proportionate increases in business numbers while the *Financial & Insurance Activities* and *Manufacturing* sectors saw the greatest proportionate falls.
- *Education, Human Health & Social Work Activities* and *Accommodation & Food Service Activities* saw the greatest increase in employment; *Wholesale, Retail & Repairs, Information & Communication, Administrative Activities* and *Construction* saw the greatest decreases.

In 2023:

- Fife's 3-year business survival rate increased from 44.8% to 54.2%, the first increase since 2019.
- There were more business births than closures for the first time since 2019.

Annual Change in Business Numbers & Employment

The number of businesses in Fife fell in 2021, 2022, 2023 and 2024.

As a result, between 2020 and 2024, the number of businesses decreased by -975 (-9.3%).

In 2024, there were 3,100 fewer jobs (-3.0%) than prior to the Covid-19 pandemic in 2020.

In Scotland as a whole, the number of registered businesses fell by -3.0% and the number of jobs by -1.3% between 2020 and 2024.

These falls followed 6 consecutive years of growth in enterprise numbers in Fife, so that in 2024 there were still 195 more businesses and 4,070 more jobs in Fife than there were ten years previously in 2014.

Figure 2: Total enterprise stock & annual change in Fife (March 2014-March 2024)

Year	Total Number of Enterprises in Fife	Annual Change in the Number of Enterprises	Total Employment	Annual Change in Employment
2014	9,290		96,770	
2015	9,540	+250	100,360	+3,590
2016	9,760	+220	102,420	+2,060
2017	10,105	+345	102,770	+350
2018	10,295	+190	106,000	+3,230
2019	10,355	+60	103,790	-2,210
2020	10,460	+105	103,940	+150
2021	10,085	-375	100,480	-3,460
2022	9,645	-440	100,150	-330
2023	9,545	-100	103,300	+3,150
2024	9,485	-60	100,840	-2,460
Change 2020-2024		-975 enterprises		-3,100 jobs
Change 2014 - 2024		+195 enterprises		+4,070 jobs

Source: Businesses in Scotland, Scottish Government (2024)

Annual Change by Sector

Some sectors saw business and job numbers grow between 2023 and 2024, whilst others saw numbers fall.

Education, Human Health & Social Work saw the largest proportionate growth in business numbers (+5.0%) followed by Real Estate Activities (+3.3%) and Transport & Storage (+2.7%).

Financial & Insurance Activities and Manufacturing had the greatest proportionate falls in business numbers over the period.

Education, Human Health & Social Work and Accommodation & Food Service Activities saw the greatest increases in employment while Wholesale, Retail & Repairs, Information & Communication, Administrative Activities and Construction saw the greatest decreases.

Figure 3: Change in the number of businesses in Fife and their employment by sector (March 2023 - March 2024)

Sector	Change in the Number of Enterprises in Fife 2023-2024		Change in Employment in Fife 2023-2024	
	Numbers	%	Numbers	%
Education, human health & social work	+25	+5.0%	+580	+4.1%
Real estate activities	+10	+3.3%	+10	+0.7%
Transport & storage	+10	+2.7%	-170	-4.2%
Primary Industries	+10	+1.4%	-120	-2.5%
Accommodation & food service activities	+10	+1.2%	+450	+4.5%
Construction	+0	+0.0%	-580	-8.0%
Professional, scientific & technical activities	-5	-0.4%	-60	-1.1%
Information & communication	-5	-1.5%	-760	-19.4%
Arts, entertainment & recreation	-5	-1.8%	+90	+2.6%
Financial & insurance activities	-10	-9.5%	+70	+2.5%
Other service activities	-15	-3.0%	-70	-2.2%
Administrative & support service activities	-20	-2.7%	-630	-11.4%
Wholesale, retail & repairs	-25	-1.5%	-1,030	-4.2%
Manufacturing	-35	-5.7%	-250	-1.9%
Total Change 2023-24	-60	-0.6%	-2,460	-2.4%

Source: Businesses in Scotland, Scottish Government (2024)

Notes: Figures are rounded to the nearest zero or five to avoid disclosure. Zeros may not be true zeros and data may not add up to totals shown.

Annual Change by Size of Business

The number of small companies (those employing between 0 and 49 employees) fell by 60 businesses (-0.6%) between 2023 and 2024.

There was a slight increase in the number of medium-sized businesses in Fife.

Employment fell overall, and in small and large businesses, but increased in medium-sized companies.

Figure 4: Change in the number of registered businesses in Fife and their employment by size of business (March 2023 - March 2024)

Size of Business by Employment	Change in the Number of Enterprises 2023-2024		Change in Employment 2022-2023	
	Numbers	%	Numbers	%
Small (0-49 Employees)	-60	-0.7%	-860	-2.2%
Medium (50-249 Employees)	+5	+1.8%	+220	+1.6%
Large (250+ Employees)	-5	-1.2%	-1,820	-3.6%
Total Change 2023-24	-60	-0.6%	-2,460	-2.4%

Source: Businesses in Scotland, Scottish Government (2024)

Notes: Figures are rounded to the nearest zero or five to avoid disclosure. Zeros may not be true zeros and data may not add up to totals shown.

Annual Change in Business Turnover

Turnover from Fife’s enterprises increased by +23.6% between 2023 and 2024.

Despite falls in 2017, 2019 and 2022 the turnover generated by Fife businesses increased by +47.1% over the 10-year period from 2014 to 2024.

Around 5% of the turnover generated in Scotland as a whole is produced by Fife-based businesses. In 2024, Fife had the sixth highest turnover of Scotland’s 32 local authorities after Glasgow, Edinburgh, Aberdeen, Aberdeenshire and North Lanarkshire.

These figures do not take inflation into account; in March 2023, the CPIH annual inflation rate was 8.9% and in March 2024 3.8% .

Figure 5: Total turnover (£ millions) of Fife enterprises (March 2014-March 2024) (unadjusted)



Source: Businesses in Scotland, Scottish Government (2024)

Note: These figures have not been adjusted to take inflation into account.

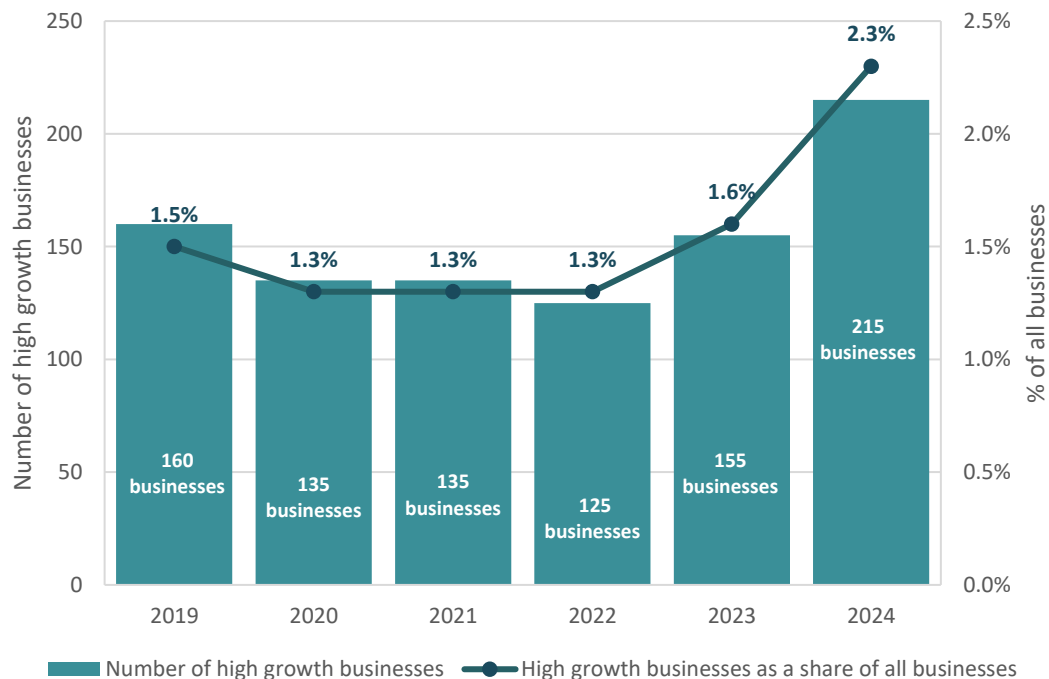
Annual Change in the Number of High Growth¹ Businesses

The number of ‘high growth¹’ businesses in Fife increased between 2023 and 2024 for the second year running to 215, the highest number recorded since this dataset began (2013).

The proportion of Fife’s businesses which are ‘high growth’ also grew, increasing to the highest level recorded since the dataset began.

This proportion (2.3%) is higher than that for Scotland overall (1.5%).

Figure 6: Number and Proportion of high growth businesses in Fife



Source: Businesses in Scotland, Scottish Government (2024)

Notes: ¹ A high growth business is defined as a business with ten or more employees in the base year which exhibits an average 20% growth in turnover over three years. This definition excludes financial & insurance businesses. There are time lags associated with the turnover data used to measure high growth; the turnover data used in 2024 will be for either the 12 months ending Dec 2022 or Jan/Feb 2023, depending on the reporting pattern of the trader so that the increase in high growth businesses between 2023 and 2024 is really reflecting the rise in business turnover between 2021 and 2022..

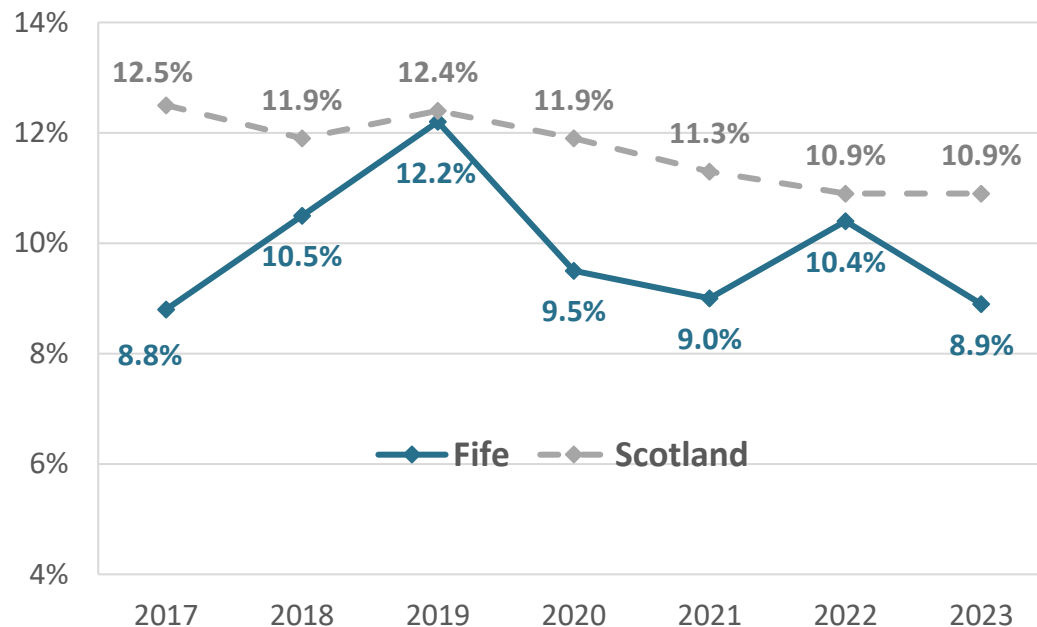
Annual Change in Self-Employment

Micro-enterprises (firms employing fewer than 10 workers) and self-employment are an important part of the business base. Many micro and self-employed businesses operate below the VAT registration threshold however, so that activity of this sector is not fully captured by a lot of data sources at the local authority level.

In 2023, Fife's self-employment rate fell from 10.4% to 8.9%, as the estimated number of people who were self-employed in the region fell from 17,000 to 14,400.

As shown in Figure 7, Fife's self-employment rate appears much more volatile than that of Scotland as a whole, possibly as a result of the smaller sample size at the local authority level. As a result of this volatility, the figures should be treated with care.

Figure 7: Self-Employment in Fife as a percentage of the total working age population (16-64 years) who are employed (2017 - 2023)



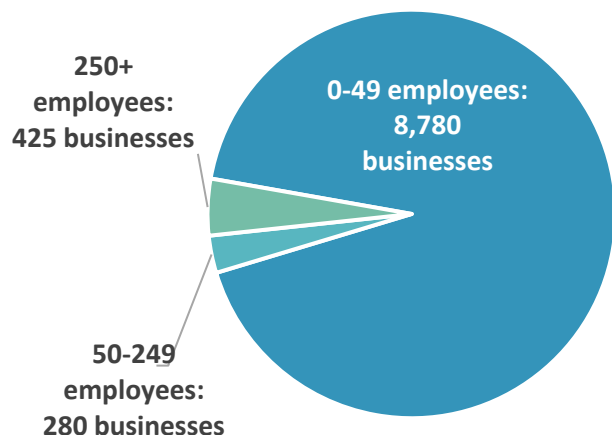
Source: ONS Annual Population Survey

Notes: Figures are for the 12 months to September each year. These statistics do not represent Business Gateway Fife's performance in relation to people supported into self-employment.

Composition of Fife’s Business Base by Size of Business

Fife’s business base is dominated by small-to-medium enterprises (SMEs), with 96% (9,060) of Fife’s businesses employing fewer than 250 employees and 93% (8,780) employing fewer than 50 employees (Figure 8). These are slightly lower proportions than in Scotland as a whole, where 98.6% of registered enterprises are SMEs and 96.3% employ fewer than 50 employees.

Figure 8: Number of Enterprises in Fife by Employee Size Band (March 2024)

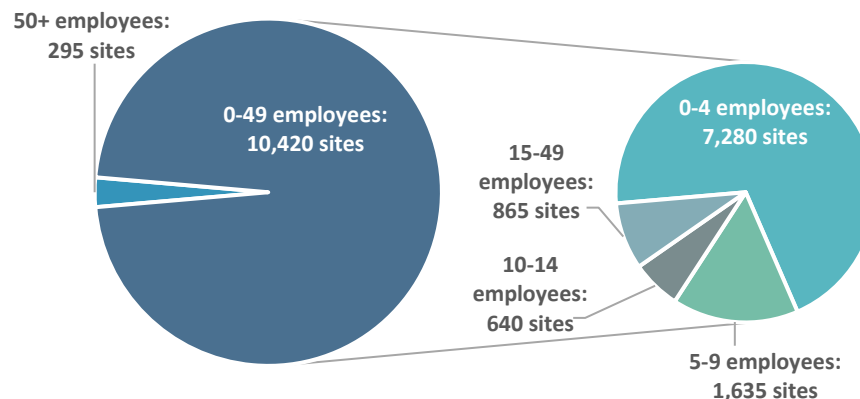


Source: Businesses in Scotland, Scottish Government (2024)

The region’s 10,720 *business sites* are dominated by micro enterprises employing fewer than 10 employees (Figure 9):

- 7,280 (68%) employ between 0-4 people
- 1,635 (15%) employ between 5-9 people
- 640 (6%) employ between 10-14 people
- 865 (8%) employ between 15-49 people
- Only 295 (3%) employ 50 or more people

Figure 9: Number of Business Sites in Fife by Employee Size Band (March 2024)



Source: Businesses in Scotland, Scottish Government (2024)

Notes: A business site is a local unit (eg a factory, shop or workplace).
A business may have more than one unit / site.

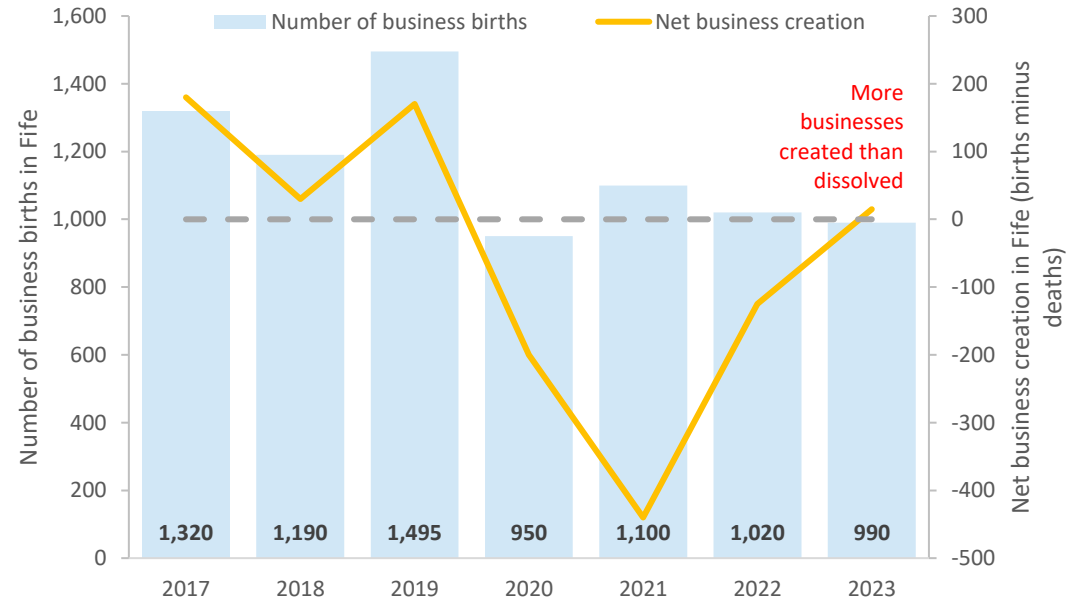
Performance of Fife’s Business Base – business births and closures

A total of 990 new businesses started up in Fife in 2023. This was 30 fewer than in 2022, and 505 fewer than in 2019 when 1,495 new start-ups were recorded (the highest number recorded for Fife in the time-series of this dataset going back to 2009).

As seen in Figure 10, in 2020, 2021 and 2022, Fife had negative net rates of business creation ie the number of business closures exceeded the number of business births. In 2023, there were more business births than closures (+15) for the first time since 2019.

Business closures should only be viewed as an indicative measure of the health of the business base, however, as not all enterprises are set up to remain open indefinitely, eg some of the temporary online enterprises that were set up during the Covid pandemic.

Figure 10: The number of business births and net business creation in Fife 2019 - 2023



Source: Business demography, UK 2023, ONS

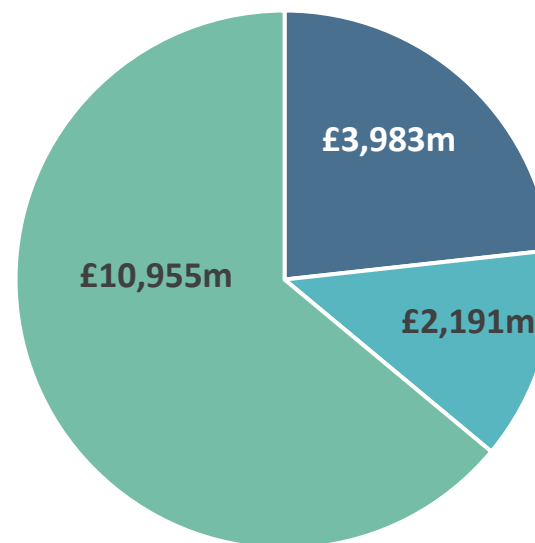
Notes: This dataset measures the number of business births (new business registrations at HM Revenue and Customs for VAT and/or PAYE and at Companies House) and the number of business closures (businesses whose turnover and employment are zero for several periods or who the ONS is told has ceased trading). These statistics do not represent Business Gateway Fife’s performance in relation to the number of business start-ups supported.

Performance of Fife's Business Base by Size of Business

64% of the total turnover generated by Fife's businesses came from its largest employers (those employing more than 250 people). This a higher proportion than for Scotland as a whole (60%).

Whilst 93% of Fife's businesses employ between 0-49 employees, they are responsible for only 23% of Fife's total enterprise turnover.

Figure 11: Turnover Generated by Fife Businesses, by Size of Business (March 2024)



■ 0-49 employees ■ 50-249 employees ■ 250+ employees

Source: Businesses in Scotland, Scottish Government (2024)

Note: A breakdown of turnover by size of enterprise is not available below these employee size bands.

Composition & Performance of Fife's Business Base by Sector

Figure 12: Number of registered private sector businesses in Fife and their Employment and Turnover by Sector (March 2024)

'Wholesale & Retail Trade; Repair of Motor Vehicles and Motorcycles' was the largest industry sector in Fife in terms of both employment and number of enterprises. This sector had the second largest turnover.

The Manufacturing sector, the third largest employing sector in Fife, had the largest turnover and was the most productive, with a turnover of £478,980 per employee in 2024.

Business Sector	Number of Fife Businesses	Total Employment	Turnover (millions)	Productivity (Turnover per Employee)
Wholesale, retail and repairs	1,665	23,290	£4,398	£188,836
Education, human health and social work activities	530	14,870	£625	£42,031
Manufacturing	580	12,750	£6,107	£478,980
Accommodation and food service activities	835	10,520	£503	£47,814
Construction	1,410	6,690	£1,144	£171,001
Professional, scientific and technical activities	1,170	5,290	£710	£134,216
Administrative and support service activities	715	4,890	£534	£109,202
Primary Industries	700	4,660	£1,746	£374,678
Transport and storage	380	3,850	£340	£88,312
Arts, entertainment and recreation	275	3,510	£318	£90,598
Information and communication	330	3,160	£441	£139,557
Other service activities	490	3,100	£120	£38,710
Financial and insurance activities	95	2,870	N/A	N/A
Real estate activities	310	1,370	£145	£105,839
Total	9,485	100,840	£17,130	£169,873

Source: Businesses in Scotland, Scottish Government (2024)

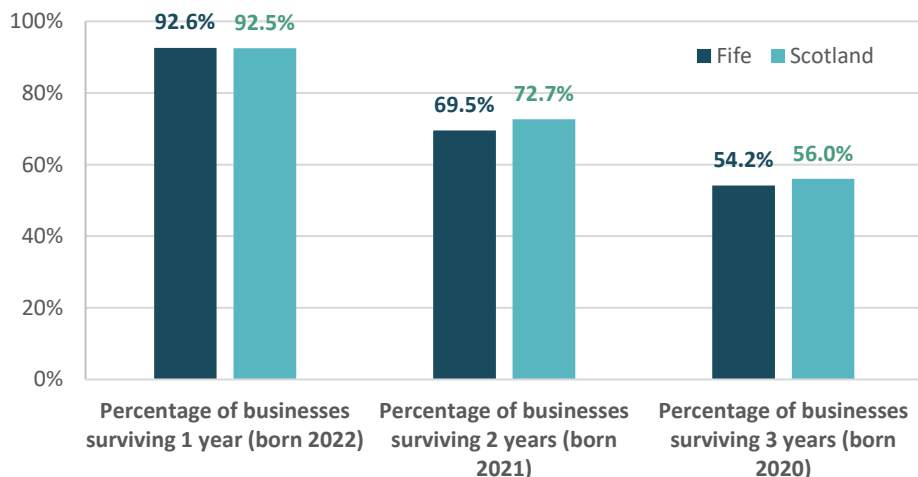
Note: Turnover figures for the Financial and Insurance Activities sector are not available.

Performance of Fife’s Business Base: Survival of New Enterprises

Fife and Scottish Business Survival Rates

Figure 13 shows that in 2023 for the first year after starting up, Fife’s business survival rate was slightly above the national survival rate. For second and third year after starting up, Fife’s business survival rates were lower than the Scottish rates.

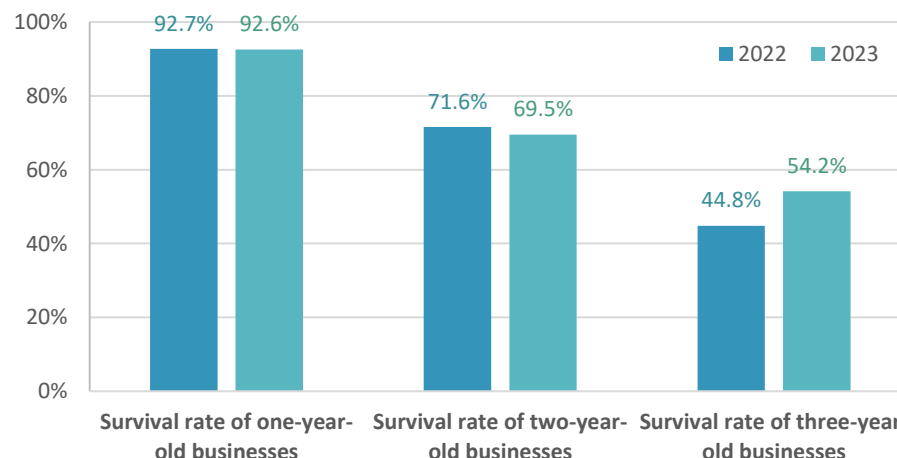
Figure 13: Survival Rates for Fife and Scottish Newly-Born Businesses (2023)



2022 & 2023 Fife Business Survival Rates

In 2023, the proportion of new businesses surviving for their 1st and 2nd years after start-up fell slightly compared with in 2022 (Figure 14). The proportion surviving for three years increased from 44.8% to 54.2%.

Figure 14: Survival Rates for new Fife Businesses (2022 and 2023)



Source: Business Demography, UK 2023, ONS. Notes: These statistics do not represent Business Gateway Fife’s performance in relation to the aftercare service it provides to new-start businesses. Survival rates should only be viewed as an indicative measure of the local business environment, as not all enterprises are set up to remain open indefinitely for example a number of temporary online enterprises were set up during the Covid pandemic.

Job Density

In 2022, Fife had a job density of 0.69, ie there were 0.69 jobs in the region for every resident of working age (aged 16-64).

Fife's job density is lower than that for Scotland as a whole (0.81).

The Dunfermline Scottish Parliamentary Constituency Area (SPCA) has the highest number of jobs per working age residents and is the only part of Fife where the job density is higher than the Scottish job density. Cowdenbeath SPCA has the lowest job density in Fife.

All parts of Fife saw job densities increase between 2018 and 2022 apart from Mid-Fife & Glenrothes and Cowdenbeath.

Figure 15: Job Densities, Scottish Parliamentary Constituency Areas (SPCA), Fife and Scotland (2018-2022)

Area	2018	2019	2020	2021	2022
Cowdenbeath	0.56	0.54	0.52	0.51	0.55
Dunfermline	0.75	0.75	0.72	0.78	0.83
Kirkcaldy	0.62	0.61	0.63	0.64	0.70
Mid Fife & Glenrothes	0.81	0.82	0.80	0.79	0.77
North East Fife	0.57	0.57	0.54	0.56	0.60
Fife	0.66	0.66	0.64	0.65	0.69
Scotland	0.82	0.82	0.80	0.81	0.81

Source: ONS Job Density 2018-2022.

Notes: The job density figure represents the ratio of total jobs to population aged 16-64. Total jobs include employee jobs, self-employed, government-supported trainees and HM Forces. The number of residents aged 16-64 figures used are based on the relevant mid-year population estimates.

Fife’s Labour Market: Employment Rate

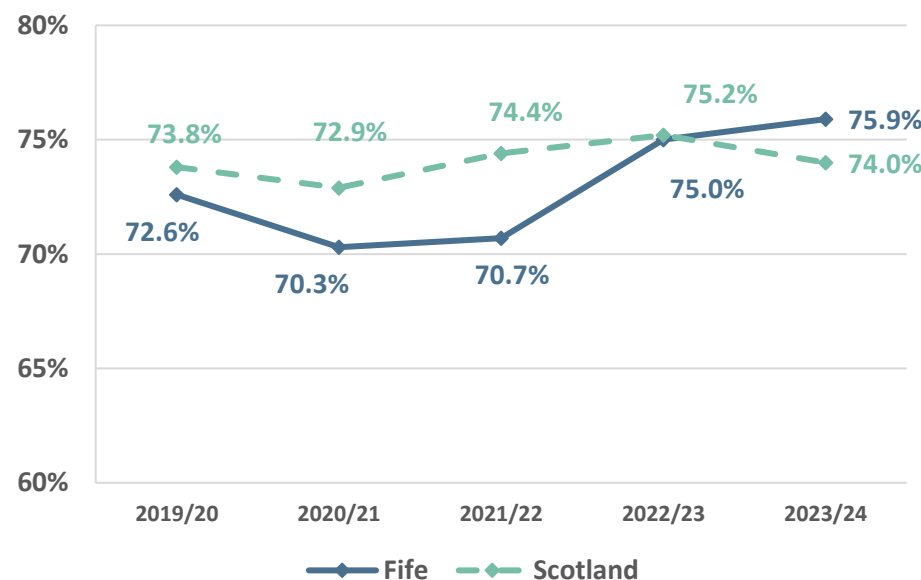
Fife has an estimated population of 373,210¹. Its working age population (aged 16-64 years) is around 230,000 people, representing 61.7% of the total population.

Fife’s employment rate has steadily increased after falling in 2020/21. The latest Fife rate (for the 12 months to September 2024) is higher than that for Scotland as a whole (75.9% compared with 74.0%).

Fife’s unemployment rate for the same period (3.1%) was at a record low and lower than the Scottish unemployment rate (3.3%).

The proportion of Fife’s working age population who were economically inactive (21.2%) was also lower than the overall Scottish inactivity rate (23.4%) – see slides 20 and 21.

Figure 16: Employment Rate (Aged 16-64 years), Fife and Scotland (2019/20-2023/24)



Source: ONS Annual Population Survey. Figures are for the 12 months to September annually.

Note: ¹ Mid-2023 Population estimates, National Records of Scotland.

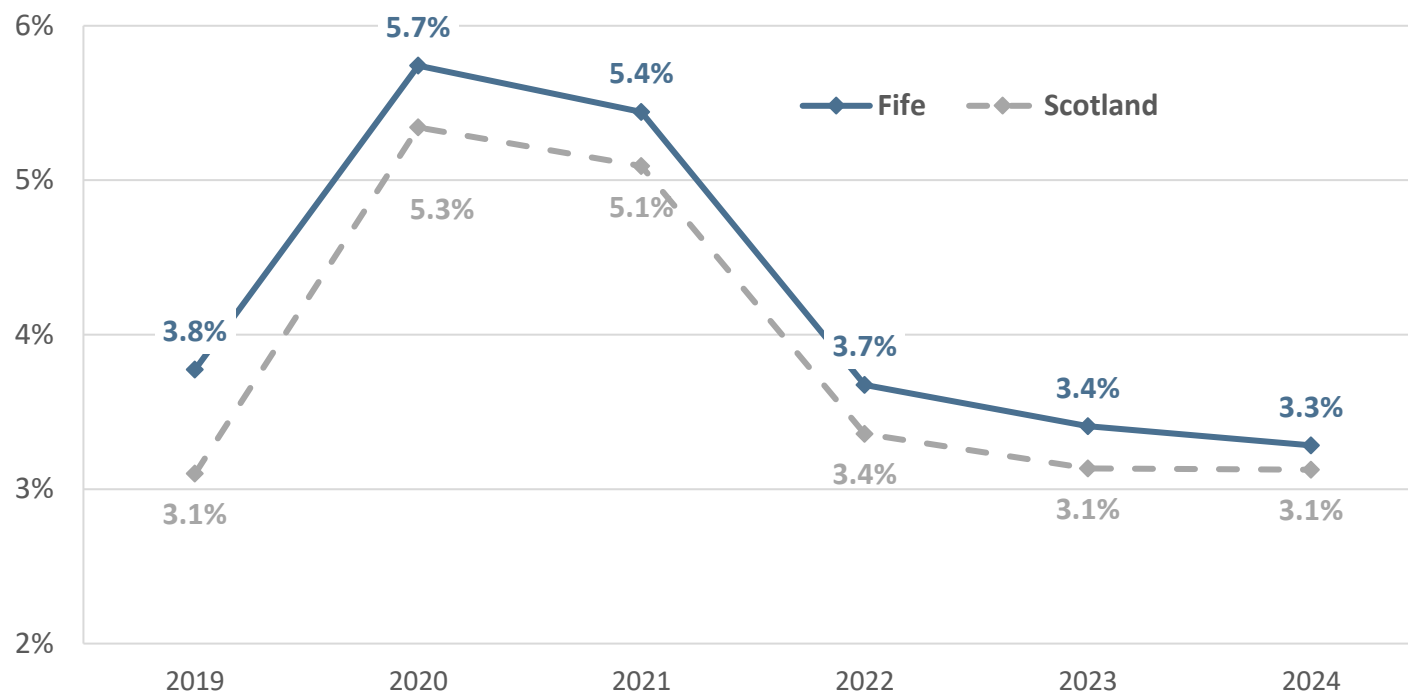
Fife's Labour Market: Out-of-Work Benefit Claimants

After falling significantly in 2021 and 2022, Fife's claimant rates¹ remained fairly steady in 2023 and 2024.

Fife's claimant rate has been below the 2019 pre-pandemic rate of 3.8% since September 2022 (Figure 17).

In 2024, Fife's average claimant rate was -0.5 percentage points lower than the pre-pandemic rate, with around 7,600 people in the region claiming out-of-work benefits.

Figure 17: Average Annual Claimant Rates, Fife and Scotland (2019-2024)



Source: ONS Claimant Count

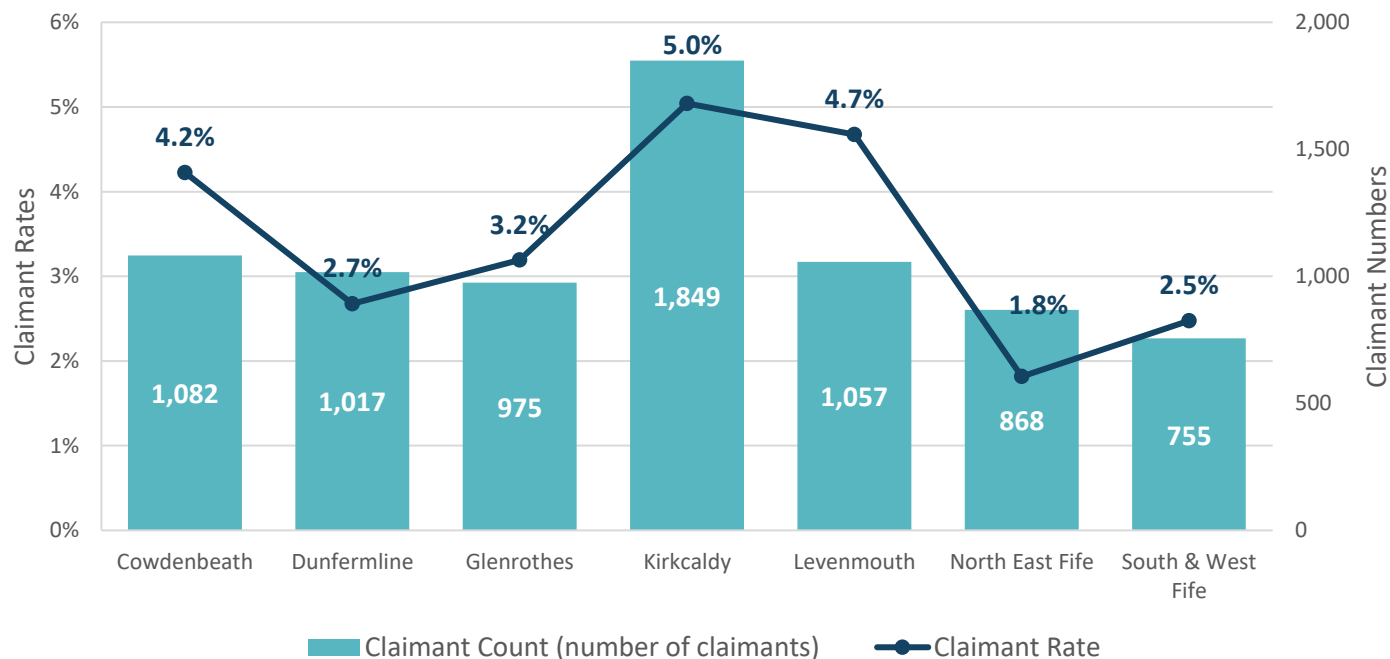
Note: ¹ Claimant rate = the % of working age (16-64) residents claiming out-of-work benefits (ie Job Seekers Allowance or Universal Credit) and who are seeking work.

Fife’s Labour Market: Out-of-Work Benefit Claimants (continued)

Fife’s claimant rate is higher than the Scottish rate though the gap narrowed in 2024. (Figure 17).

There are also significant sub-regional variations (Figure 18), with the highest rate and number of claimants in the Kirkcaldy Area and lowest rates and numbers in the North East Fife and South & West Fife Areas.

Figure 18: Average Claimant Counts and Rates, Fife Council’s Area Committees (Jan-Dec 2024)



Source: ONS Claimant Count

Note: Claimant rate = the % of working age (16-64) residents claiming out-of-work benefits (ie Job Seekers Allowance or Universal Credit) and who are seeking work.

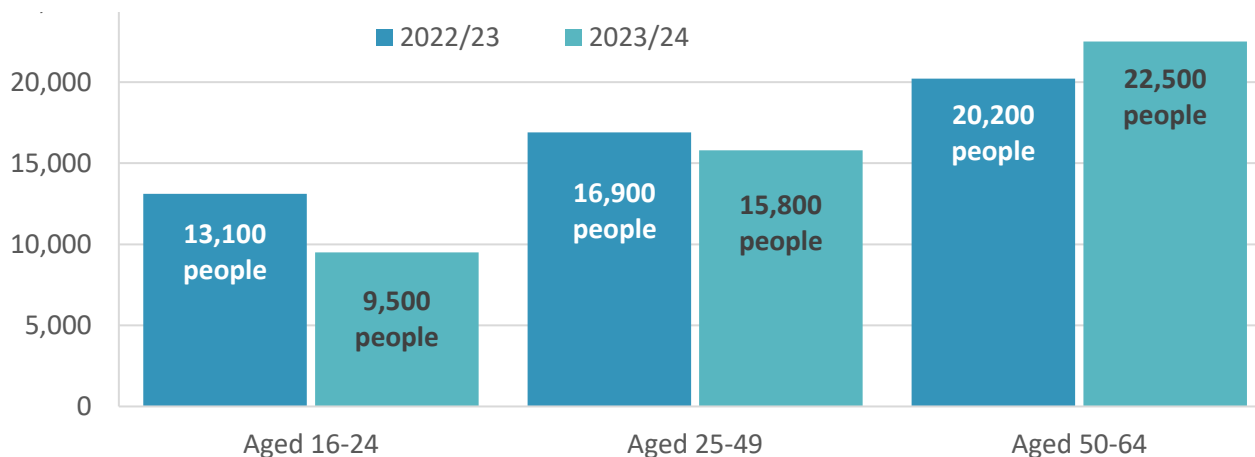
Fife's Labour Market: Economic Inactivity by Age

An estimated 47,800 people in Fife (21.2% of the area's labour market) were economically inactive in the 12 months to September 2024. This was a lower rate than prior to the pandemic in 2019/20 (23.0%), and lower than the Scottish 2023/24 rate (23.4%).

Nearly half of those who were economically inactive (an estimated 22,500 people) were aged 50-64; a third (15,800) were aged 24-49 years; and 20% (9,500) were aged 16-24 years (Figure 19).

Between 2022/23 and 2023/24, the number of economically inactive people aged over 50 years increased while the numbers in both other age groups, in particular the 16-24 age group, fell.

Figure 19: Estimated numbers of economically-inactive people in Fife by age group, 2022/23 and 2023/24



Source: ONS Annual Population Survey, October 2022-September 2023 and October 2023 – September 2024.

Note: Those who are economically inactive are people aged 16 and over without a job who have not sought work in the last four weeks and/or who are not available to start work in the next two weeks, ie they are neither employed nor unemployed.

Fife's Labour Market: Economic Inactivity by Reason

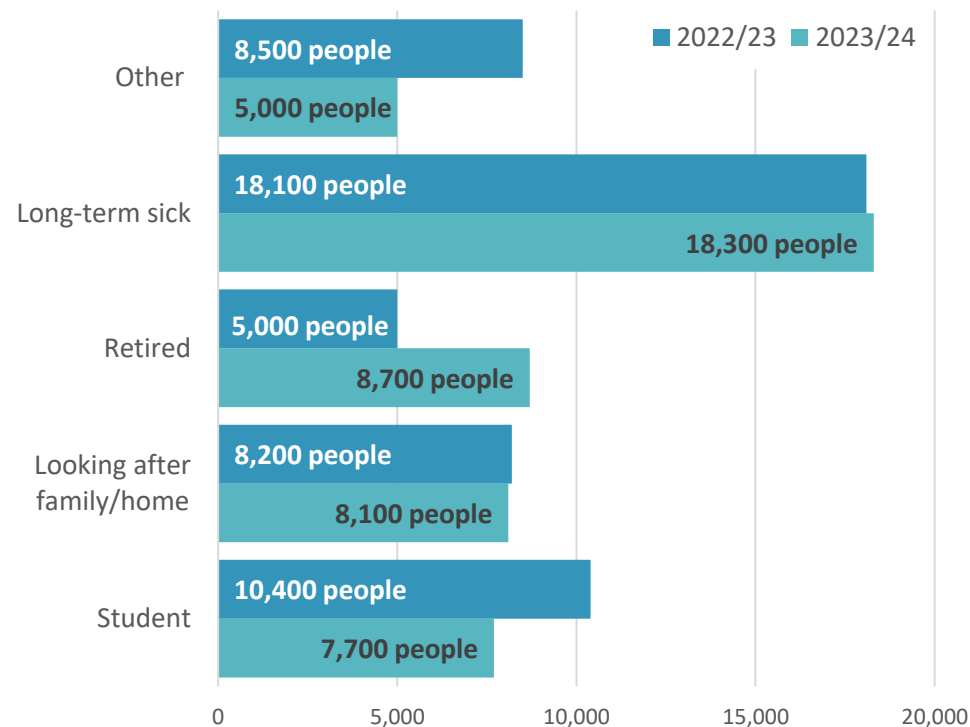
As estimated 18,300 people were inactive in Fife due to long-term ill-health and 8,700 were inactive due to retirement. (Figure 20).

Between 2022/23 and 2023/24, the number of inactive students fell, while the number of people inactive due to retirement increased significantly from 5,000 to 8,700.

The number of people inactive due to long term ill-health increased slightly from 18,100 to 18,300.

21% of those who were economically inactive (an estimated 10,100 people) wanted a job in the 12 months to September 2024.

Figure 20: Reasons for economic inactivity



Source: ONS Annual Population Survey, October 2022-September 2023 and October 2023 – September 2024.

Note: Those who are economically inactive are people aged 16 and over without a job who have not sought work in the last four weeks and/or who are not available to start work in the next two weeks, ie they are neither employed nor unemployed.

Fife's Labour Market: Qualifications

Over half (52.5%) of Fife's working age population (age 16-64 years) is qualified to RQF4 (HNC or Advanced Higher) or above, the same rate as that for Scotland as a whole.

6.0% of Fife's working age population (age 16-64 years) has no qualifications. This is lower than both the Scottish rate (8.2%) and the UK rate (6.6%).

Figure 21: Qualifications in Fife, Scotland & the UK (2023)

Qualifications	Fife (Estimated number of people)	Fife (%)	Scotland (%)	UK (%)
RQF4 and above	115,300	52.5%	55.1%	47.1%
RQF3 and above	166,800	76.0%	73.7%	67.7%
RQF2 and above	197,200	89.8%	87.1%	86.4%
RQF1 and above	200,200	91.2%	87.9%	88.8%
Other Qualifications	6,100	2.8%	3.9%	4.5%
No Qualifications	13,200	6.0%	8.2%	6.6%

Source: ONS Annual Population Survey Jan-Dec 2023

Note: RQF=Regulated Qualifications Framework; RQF4=HNC or Advanced Higher; RQF3=Higher, RQF2=National 5.

Data Sources and Further Information

[Scottish Economic Insights: October 2024](#), Chief Economist Directorate, Scottish Government

[Businesses in Scotland: 2024](#), Scottish Government

[Business Demography, UK: 2023](#), Office for National Statistics

Annual Population Survey, Office for National Statistics, accessed via [NOMIS](#)

Job Density , Office for National Statistics, accessed via [NOMIS](#)

Claimant Count, Office for National Statistics, accessed via [NOMIS](#)

[Regional Skills Assessment Fife, October 2024](#), Skills Development Scotland

For further information about the statistics used in this report, please contact: fifemeansbusiness@fife.gov.uk

Disclaimer: Fife Council believes that the information contained within this publication was accurate as of January 2025.

The Council is acting as a distributor (not publisher) of content supplied by third parties and does not guarantee the reliability of the data and is not liable for any party's reliance on the information contained.