

CORPORATE CAMBRIDGE (5)

THE SECTORAL GROWTH OF CAMBRIDGE COMPANIES

Cambridge shows exceptional employment growth over the last four years

Cambridge companies have grown significantly over the past four years.

The growth has been strongest in the KI sectors, especially when measured by turnover.

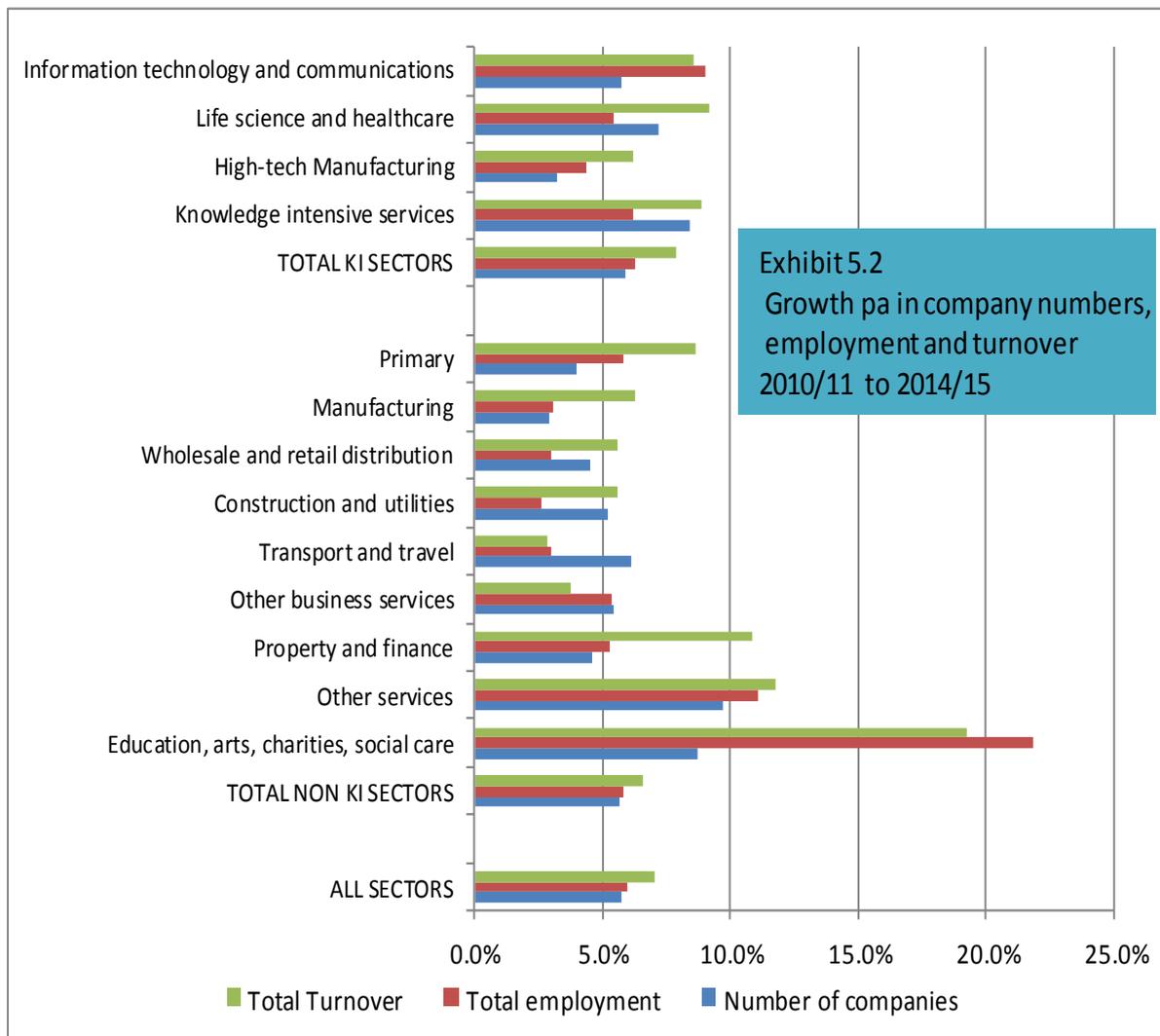
Exhibits 5.1 and 5.2 show the growth of company numbers, employment and turnover of Cambridge based companies over the past four years. Cambridge as a whole has shown robust growth in both employment and turnover during this time; and this is particularly the case for the knowledge intensive sectors.

Exhibit 5.1 Growth pa in company numbers, employment and turnover 10/11 to 14/15	Number of companies	Total employment	Total Turnover
KNOWLEDGE INTENSIVE SECTORS			
Information technology and communications	5.7%	9.0%	8.6%
Life science and healthcare	7.2%	5.5%	9.2%
High-tech Manufacturing	3.3%	4.4%	6.2%
Knowledge intensive services	8.4%	6.2%	8.9%
TOTAL KI SECTORS	5.9%	6.3%	7.9%
OTHER SECTORS			
Primary	4.0%	5.8%	8.7%
Manufacturing	2.9%	3.1%	6.3%
Wholesale and retail distribution	4.5%	3.0%	5.6%
Construction and utilities	5.2%	2.6%	5.6%
Transport and travel	6.1%	3.0%	2.9%
Property and finance	4.6%	5.3%	10.8%
Other business services	5.5%	5.4%	3.8%
Other services	9.7%	11.1%	11.8%
Education, arts, charities, social care	8.7%	21.9%	19.3%
TOTAL NON KI SECTORS	5.7%	5.8%	6.6%
ALL SECTORS	5.7%	6.0%	7.0%

Amongst the KI sectors, businesses in the life sciences and high-tech manufacturing not only are larger on average than those in other KI sectors, but also have shown faster growth in turnover relative to employment. This results in Life Sciences representing 21% of KI employment and 24% of

KI turnover ; and yet only 8% of KI companies. Similarly. High -tech manufacturing represents only 12% of KI companies, but 35% of employment and 34% of turnover. In contrast, the ICT sector has 65% of KI companies, but only 35% of its employment and 33% of its turnover.

The key subsectors for growth have been software (10.7% pa for employment and 11,9% pa for turnover), IT and computer services (11.4% pa for employment and 14,1% pa for turnover) and, a small subsector exhibiting fast growth, TV and video production (17.4% pa for employment and 18.7% pa for turnover). The life sciences R&D subsector has had high growth (6.9% pa for employment and 11,5% pa for turnover) as has engineering and science consultants in KIS (11.1% pa for employment and 12,3% pa for turnover).



Amongst non-KI sectors, growth was strongest in property and finance and other services. The growth in Education, arts, charities and social care is largely due to the education sector and the decision taken by many educational establishments to incorporate in this period. The growth in the corporate sector employment due to this is offset by the reduction in non-corporate employment. If this effect were removed then overall non-KI employment would have grown by 4.2% (instead of the 0.8% reported above) in contrast to the 6.3% growth of KI companies.

Methodology

This analysis covers companies with their primary trading address (or registered office if they do not provide a primary trading address) within 20 miles of the centre of Cambridge. We examine the global employment and turnover of these companies. Estimates are made for those companies that do not provide their employment and/or their turnover. Full details of the methodology used can be found in CBR Database Methodology <http://www.cambridgeahead.co.uk/wp-content/uploads/2016/02/CBR-Database-Methodology-Feb-2016.pdf>



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