

# Trends in UK industry concentration: 2007 to 2025

Turnover concentration in UK industries, showing how concentration changed from 2007 to 2025. These are official statistics in development.

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# 1 . Main points

- Industry concentration can be measured using concentration ratios (CR) and the Herfindahl-Hirschman Index (HHI); CR5, CR10 and CR20 measure the turnover share of the 5, 10 and 20 largest firms in an industry, while the HHI uses the turnover shares of all firms.
- Average industry concentration in the non-financial business economy was lower in 2025 than in the early 2010s; the turnover-weighted average concentration ratio of the five largest firms in each industry (CR5) decreased from 0.45 in 2010 to 0.38 in 2025; by comparison the turnover-weighted average HHI decreased from 1,075 index points in 2010 to 700 points in 2025.
- The largest decrease in average concentration occurred between 2014 and 2017, after which average CR5, CR10, CR20 and HHI values fluctuated around the 2017 level for the rest of the period.
- Mining, energy and utilities had the highest average concentration across the period, while construction had the lowest average concentration.
- A larger share of non-financial business economy turnover was generated in industries with CR5 values below 0.60 in 2025 than in 2010.

## 2 . Measures of industry concentration

Industry concentration measures how turnover is distributed among firms. Higher concentration indicates that a larger share of industry turnover is generated by a smaller number of firms. Concentration measures do not necessarily imply market power, but are commonly used alongside other indicators, such as cost markups and business dynamism, to assess the degree of competition within markets.

This bulletin presents both concentration ratios (CRs) and the Herfindahl-Hirschman Index (HHI), which provide complementary measures of concentration. CRs focus on the share of turnover accounted for by the largest firms, while the HHI captures how turnover is distributed across all firms within an industry.

CRs measure the proportion of an industry's turnover accounted for by its largest firms. CR5 measures the turnover share of the five largest firms, while CR10 and CR20 measure the equivalent shares of the 10 and 20 largest firms. Higher values indicate that a greater share of industry turnover is concentrated among these largest firms.

The Herfindahl-Hirschman Index (HHI) is calculated using the turnover shares of all firms within an industry and gives greater weight to firms with larger market shares. The HHI ranges from close to zero, where turnover is distributed across many firms of a similar size, to 10,000 for an industry containing one firm. The Competition and Markets Authority's [State of UK Competition Report 2024](#) outlines that HHI values below 1,500 are generally considered indicative of relatively unconcentrated markets, while values above 2,500 are typically indicative of highly concentrated markets.

We calculate concentration within four-digit [UK Standard Industrial Classification \(SIC\) 2007](#) industries. We use four-digit industries as the primary unit of analysis because they provide a detailed industry classification and reflect markets where firms compete better than broader industry groupings.

We aggregate the four-digit industries to higher-level industry groupings and the whole non-financial business economy using the turnover of each four-digit industry as weights. The resulting statistics give greater influence to larger industries, reflecting where economic activity takes place in the economy. These aggregated statistics summarise concentration across groups of industries rather than measuring concentration within a single broader market.

Although data are available from 2007 onwards, this bulletin focuses on changes between 2010 and 2025. This is because the data series begins around the period of the global financial crisis, which may have introduced short-term volatility into concentration measures. External evidence, including the Competition and Markets Authority's [State of UK Competition Report 2024](#), suggests that concentration generally increased between the early 2000s and 2010, before subsequently declining. This makes 2010 a useful baseline for assessing more recent changes.

More information on the methodology used to calculate these measures of industry concentration can be found in [Section 10: Data sources and quality](#).

### 3 . Industry concentration in the non-financial business economy

Figure 1 shows average concentration ratios (CRs) across four-digit industries within the non-financial business economy between 2007 and 2025, showing how CR5, CR10 and CR20 evolved over time.

Industry concentration in the non-financial business economy declined between 2010 and 2025. In 2025, the average CR5 across four-digit industries was 0.38, compared with 0.45 in 2010. The equivalent CR10 values decreased from 0.54 to 0.47 and CR20 from 0.61 to 0.55 between 2010 and 2025.

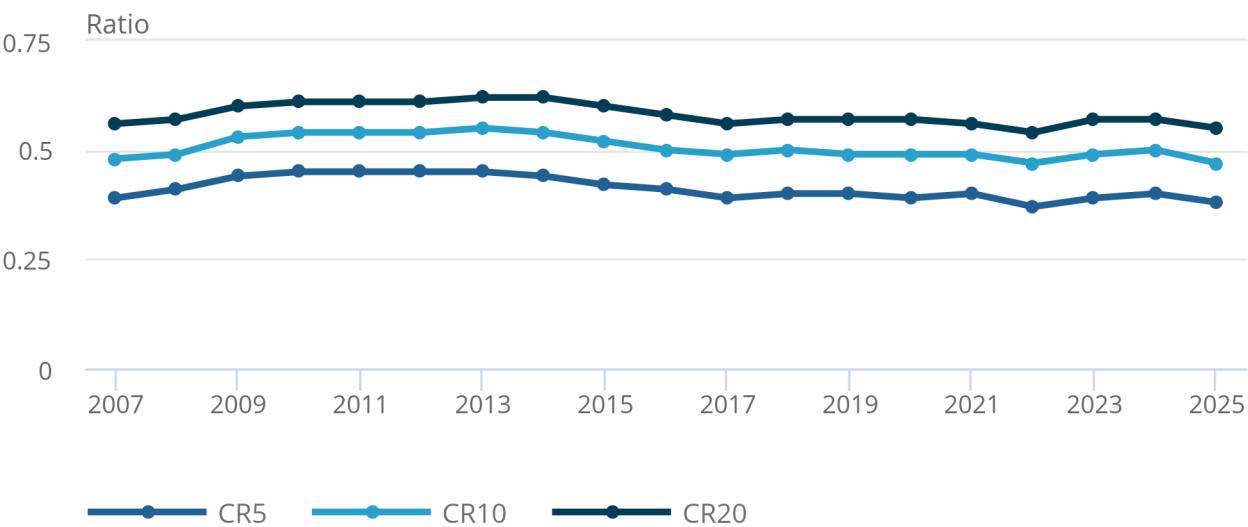
The largest reduction in concentration occurred between 2014 and 2017 across all three measures. This movement in concentration was broadly consistent across the CR5, CR10 and CR20 measures. The fall in these CRs is one indication of a more competitive economy, where the share of an industry's turnover accounted for by its largest firms decreased over the period.

**Figure 1: Average concentration within the UK non-financial business economy declined between 2014 and 2017 and remained below levels seen in the early 2010s**

Turnover-weighted averages of Standard Industrial Classification (SIC) four-digit industry concentration ratio (CR) values, non-financial business economy, UK, 2007 to 2025

Figure 1: Average concentration within the UK non-financial business economy declined between 2014 and 2017 and remained below levels seen in the early 2010s

Turnover-weighted averages of Standard Industrial Classification (SIC) four-digit industry concentration ratio (CR) values, non-financial business economy, UK, 2007 to 2025



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

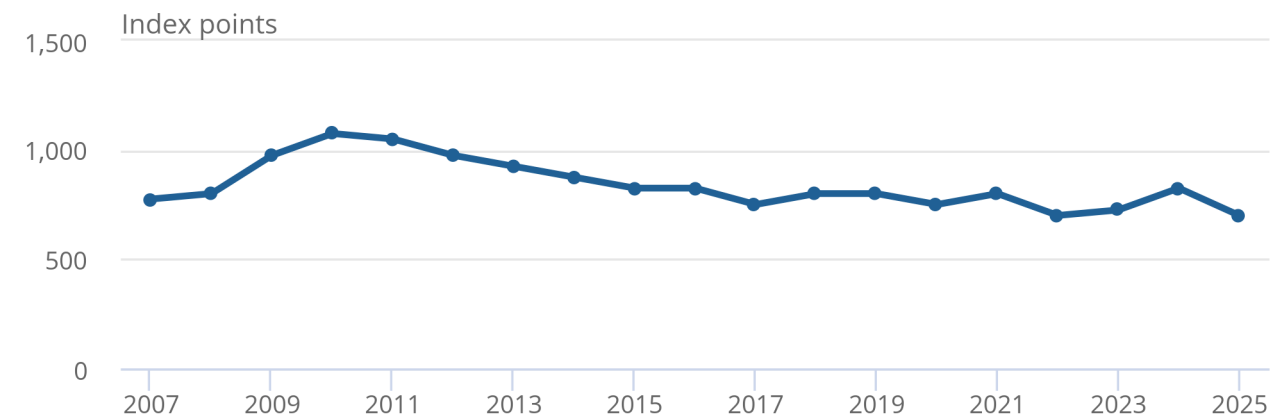
Figure 2 shows the average Herfindahl-Hirschman Index (HHI) across four-digit industries in the non-financial business economy. The HHI followed a similar pattern to the CRs, peaking at 1,075 index points in 2010 before declining to 700 points in 2025. This suggests that turnover was distributed more evenly across firms in 2025 than in 2010.

**Figure 2: Average concentration measured by the Herfindahl-Hirschman Index (HHI) decreased between 2010 and 2025, following a peak in 2010**

Turnover-weighted average of Standard Industrial Classification (SIC) four-digit industry HHI values, non-financial business economy, UK, 2007 to 2025

Figure 2: Average concentration measured by the Herfindahl-Hirschman Index (HHI) decreased between 2010 and 2025, following a peak in 2010

Turnover-weighted average of Standard Industrial Classification (SIC) four-digit industry HHI values, non-financial business economy, UK, 2007 to 2025



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

## 4 . Concentration by broad industry group

Figure 3 shows how turnover-weighted average concentration ratio CR5 values varied across five broad industry groups between 2007 and 2025. Broad industry groups are based on sections of the UK Standard Industrial Classification (SIC). More information on the sections that comprise each broad industry group can be found in Section 9: Glossary.

Mining, energy and utilities had the highest average concentration throughout the period, although its average CR5 fell from 0.77 in 2010 to 0.66 in 2025.

Manufacturing concentration remained relatively stable at 0.56 in 2025, with average concentration fluctuating between 0.55 and 0.57 over much of the period.

Average concentration in business and consumer services was 0.36 in 2025. Concentration was highest between 2010 and 2012 at 0.44 before decreasing to 0.37 in 2017 where it has broadly remained since. Business and consumer services include industries such as wholesale and retail trade, professional services, and information and communication services.

Education, health, arts and other services recorded the largest decrease in average concentration from 0.36 in 2010 to 0.25 in 2025. Although average concentration increased temporarily between 2022 and 2024, the 2025 value remained below levels seen during the early 2010s.

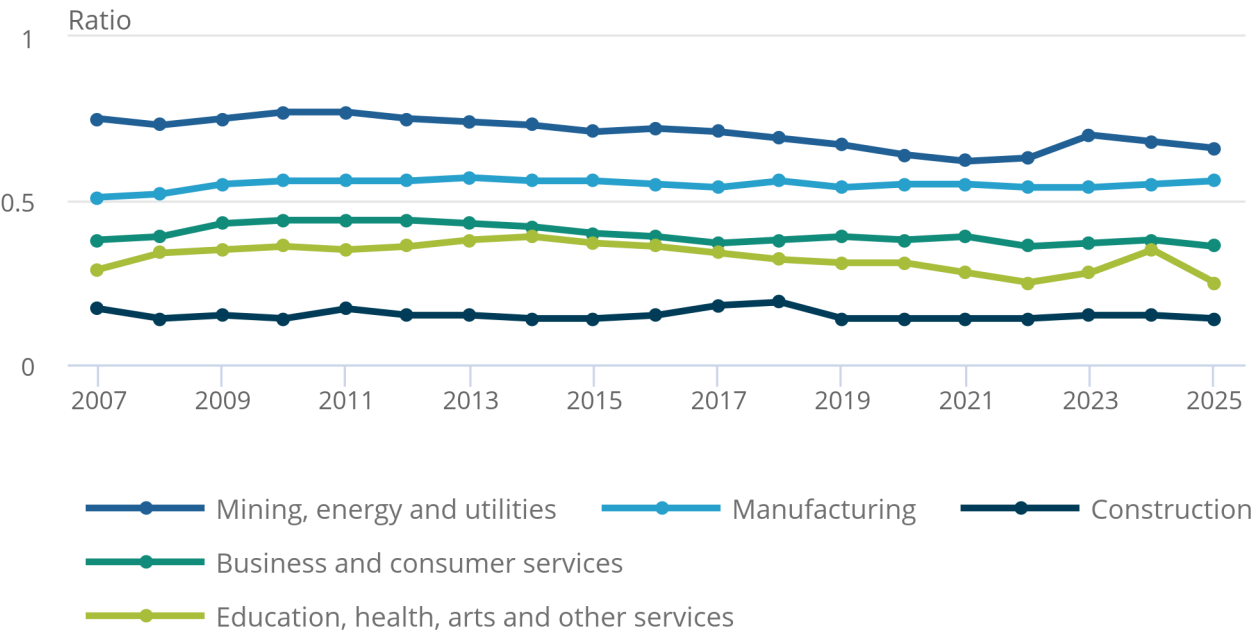
Construction consistently recorded the lowest concentration values. Average concentration was 0.14 in 2025, having peaked at 0.19 in 2018. This indicates that economic activity in construction was associated with lower levels of four-digit industry concentration than other broad industry groups.

**Figure 3: Average concentration (CR5) decreased most in mining, energy and utilities, and education, health, arts and other services between 2010 and 2025**

Turnover-weighted averages of Standard Industrial Classification (SIC) four-digit concentration ratio CR5, broad industry groups, UK, 2007 to 2025

Figure 3: Average concentration (CR5) decreased most in mining, energy and utilities, and education, health, arts and other services between 2010 and 2025

Turnover-weighted averages of Standard Industrial Classification (SIC) four-digit concentration ratio CR5, broad industry groups, UK, 2007 to 2025



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

## 5 . Concentration by section

Concentration levels can also vary between industry sections. Figure 4 shows how turnover-weighted average concentration ratio CR5 values varied for each section between 2007 and 2025.

Electricity, gas, steam and air conditioning supply had the highest average concentration of 0.74 in 2025. Real estate activities had the lowest average concentration of 0.10.

Arts, entertainment and recreation recorded the largest decrease in concentration between 2010 and 2025, with average concentration falling from 0.68 to 0.43. In contrast, other service activities recorded the largest increase, with average concentration rising from 0.21 to 0.28 over the same period.

**Figure 4: Across most sections, average concentration in 2025 is at or below 2010 levels**

Turnover-weighted averages of Standard Industrial Classification (SIC) four-digit concentration ratio CR5, SIC sections, UK, 2007 to 2025

Notes:

1. Values greater than or equal to 0.90 are top-coded at 0.90. Reported values of 0.90 therefore represent underlying values in the interval 0.90 to 1.00 inclusive.

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## 6 . Distribution of four-digit industry concentration

Table 1 presents unweighted summary statistics for four-digit industry concentration ratio CR5 values within each broad industry group. Each four-digit industry contributes equally to these estimates, irrespective of turnover. As a result, the statistics describe the distribution of concentration across industries rather than across economic activity and complement the turnover-weighted statistics presented earlier.

Across the non-financial business economy, concentration changed little for the typical four-digit industry between 2010 and 2025. The mean CR5 remained unchanged at 0.47, while the median increased slightly from 0.42 to 0.44.

Concentration at the lower end of the distribution also changed little, with the 10th percentile remaining at 0.13 and the 25th percentile increasing marginally from 0.23 to 0.24. In contrast, concentration decreased modestly towards the upper end of the distribution, with the 75th percentile decreasing from 0.69 to 0.67 and the 90th percentile decreasing from over 0.90 to 0.88. These results suggest that concentration levels across four-digit industries were broadly stable between 2010 and 2025, with some easing among more concentrated industries.

Mining, energy and utilities remained the most concentrated broad industry group in both years. However, concentration within the group declined significantly over the period. The mean CR5 fell from 0.80 to 0.68, while the median CR5 decreased from over 0.90 to 0.72.

The 10th and 25th percentiles also decreased from 0.43 to 0.36 and 0.65 to 0.51, respectively. This indicates that reductions occurred across much of the distribution. While concentration remained very high among the most concentrated industries, the top-coded upper percentiles limit comparisons of the change in concentration at the top of the distribution.

Manufacturing concentration remained broadly stable. The mean CR5 increased slightly from 0.57 to 0.58 and the median CR5 increased from 0.56 to 0.58. However, concentration decreased among relatively concentrated industries, with the 75th percentile decreasing from 0.83 to 0.78. This suggests somewhat decreased dispersion among manufacturing industries.

Construction remained among the least concentrated broad industry groups and experienced a decline in concentration across much of the distribution. The mean CR5 fell from 0.27 to 0.25 and the median CR5 from 0.15 to 0.12, while the 90th percentile declined from 0.79 to 0.62. This suggests that the reduction in concentration was more pronounced among the more concentrated construction industries.

Business and consumer services showed little overall change. The mean CR5 remained unchanged at 0.39, while the median increased slightly from 0.34 to 0.37. The percentiles changed only marginally, indicating a broadly stable pattern of concentration over the period.

Education, health, arts and other services also remained relatively unconcentrated and showed little overall change. Most of the summary statistics increased marginally between 2010 and 2025, with the exception of the median CR5, which decreased marginally from 0.23 to 0.22.

Table 1: Unweighted SIC four-digit summary statistics show that the industry concentration decreased at the upper end of the distribution between 2010 and 2025

Unweighted mean, median and percentiles of Standard Industrial Classification (SIC) four-digit industry CR5 values for the non-financial business economy and broad industry groups, UK, 2010 and 2025

| Year                                              | 2010 |      |      |           |           |           | 2025 |      |      |        |           |           |
|---------------------------------------------------|------|------|------|-----------|-----------|-----------|------|------|------|--------|-----------|-----------|
| Broad industry groups                             | P10  | P25  | Mean | Median    | P75       | P90       | P10  | P25  | Mean | Median | P75       | P90       |
| <b>Non-financial business economy</b>             | 0.13 | 0.23 | 0.47 | 0.42      | 0.69      | 0.90 [tc] | 0.13 | 0.24 | 0.47 | 0.44   | 0.67      | 0.88      |
| <b>Mining, energy and utilities</b>               | 0.43 | 0.65 | 0.80 | 0.90 [tc] | 0.90 [tc] | 0.90 [tc] | 0.36 | 0.51 | 0.68 | 0.72   | 0.90 [tc] | 0.90 [tc] |
| <b>Manufacturing</b>                              | 0.21 | 0.36 | 0.57 | 0.56      | 0.83      | 0.90 [tc] | 0.24 | 0.37 | 0.58 | 0.58   | 0.78      | 0.90 [tc] |
| <b>Construction</b>                               | 0.06 | 0.08 | 0.27 | 0.15      | 0.37      | 0.79      | 0.05 | 0.07 | 0.25 | 0.12   | 0.40      | 0.62      |
| <b>Business and consumer services</b>             | 0.12 | 0.21 | 0.39 | 0.34      | 0.54      | 0.74      | 0.13 | 0.22 | 0.39 | 0.37   | 0.53      | 0.75      |
| <b>Education, health, arts and other services</b> | 0.06 | 0.13 | 0.27 | 0.23      | 0.37      | 0.51      | 0.07 | 0.15 | 0.28 | 0.22   | 0.38      | 0.55      |

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

#### Notes

1. Table 1 describes the distribution of concentration ratio CR5 across SIC four-digit industries giving each industry equal weight. Table 1 is not directly comparable with the turnover-weighted averages presented elsewhere or with Figure 5 which shows shares of non-financial business economy turnover by concentration band.
2. [tc] indicates a top-coded value. Observed values greater than or equal to 0.90 are marked as [tc] and may take any value between 0.90 and 1.00.

## 7 . Distribution of turnover by four-digit industry concentration

Figure 5 provides a different perspective of industry concentration within the non-financial business economy. Unlike the previous figures, which show turnover-weighted average concentration values, Figure 5 shows how economic activity was distributed across industries with different levels of concentration.

Four-digit industries are grouped according to their concentration ratio CR5 values and the turnover generated by industries within each concentration band is expressed as a share of total non-financial business economy turnover. Figure 5 therefore shows how turnover is distributed across concentration bands. Industries that account for larger shares of economic activity have a greater influence on the distribution.

In both 2010 and 2025, most non-financial business economy turnover was generated in industries with relatively low to moderate levels of concentration (0 to 0.59). The share of turnover generated in industries with CR5 values below 0.60 was higher in 2025 than in 2010, while the share generated in highly concentrated industries decreased. This is consistent with the declines in turnover-weighted concentration measures reported earlier in the bulletin.

Some of the largest shifts between concentration bands were driven by a small number of high-turnover industries. For example, industries with CR5 values between 0.70 and 0.79 accounted for 19.2% of total non-financial business economy turnover in 2010. The majority of this turnover share was attributable to wholesale of solid, liquid and gaseous fuels and related products. By 2025, the CR5 for this industry had fallen to 0.57, placing it within the 0.50 to 0.59 concentration band, having a significant impact on the overall share of turnover generated in each concentration band.

These results show that changes in turnover-weighted concentration measures can be influenced by movements within a relatively small number of high-turnover industries. The distribution should therefore be interpreted as showing where economic activity is located across the concentration distribution, rather than how concentration is distributed across industries.

### **Figure 5: A larger share of non-financial business economy turnover was generated in lower concentration industries in 2025 than in 2010**

Share of total turnover in the UK non-financial business economy generated by Standard Industrial Classification (SIC) four-digit industries falling within each CR5 concentration band, 2007 to 2025

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## 8 . Data on trends in UK industry concentration

[Measures of UK industry concentration from the Inter-Departmental Business Register and the Annual Business Survey](#)

Dataset | Released 13 October 2026

Measures of UK industry concentration calculated using data from the Inter-Departmental Business Register and the Annual Business Survey. Covering the non-financial business economy for the UK, 2007 to 2025. These are official statistics in development.

## 9 . Glossary

## Broad industry groups

Groups of Standard Industrial Classification (SIC) 2007 sections used for analysis, defined as follows:

- Mining, energy and utilities comprises Sections B, D and E
- Manufacturing comprises Section C
- Construction comprises Section F
- Business and consumer services comprises Sections G, H, I, J, L, M and N
- Education, health, arts and other services comprises Sections P, Q, R and S

## Concentration

We use industries as a proxy for the markets in which firms compete. Concentration measures the extent to which a small number of firms account for a large share of industry turnover. Higher concentration can indicate less competition, while lower concentration can indicate more competition, although factors such as production technology also affect concentration. We measure concentration using concentration ratios and the Herfindahl-Hirschman Index (HHI).

### Concentration ratio (CR5, CR10, CR20)

Concentration ratios measure the share of an industry's total turnover accounted for by its largest firms. CR5 measures the share accounted for by the five largest firms, while CR10 and CR20 measure the shares accounted for by the 10 and 20 largest firms. Higher values indicate that more turnover is concentrated among the largest firms.

## Firm

In the Inter-Departmental Business Register (IDBR), a firm can be defined as a reporting unit or an enterprise. A reporting unit is the part of a business that provides survey returns to the Office for National Statistics (ONS). An enterprise is the smallest combination of legal units under common ownership with some independence in decision-making. Reporting units and enterprises are usually the same, but larger or more complex enterprises may have several reporting units covering different activities.

For the headline statistics, we combine the turnover of reporting units belonging to the same enterprise, year and four-digit Standard Industrial Classification (SIC) industry. The combined unit represents an enterprise's activity within one industry. Using whole enterprises could overstate concentration by assigning turnover from all activities to the main industry. Using separate reporting units could understate concentration by counting units under common ownership as competitors.

## Herfindahl-Hirschman Index

The Herfindahl-Hirschman Index (HHI) measures concentration using the turnover shares of all firms in an industry. It is calculated by adding together the squared turnover shares of each firm, which gives greater weight to firms with larger shares. The HHI ranges from close to zero to 10,000. The Competition and Markets Authority's [State of UK Competition Report 2024](#) outlines that HHI values below 1,500 are generally considered indicative of relatively unconcentrated markets, while values above 2,500 are typically indicative of highly concentrated markets.

## Market

For these statistics, we use four-digit UK Standard Industrial Classification (SIC) 2007 industries as an approximate definition of the markets in which firms compete. The four-digit level provides a balance between grouping firms that carry out similar activities and retaining enough firms in each industry to calculate concentration measures. Broader groupings, such as three-digit or two-digit industries or the whole economy, can include firms operating in different markets that may not compete with each other.

We therefore calculate concentration at the four-digit level and use turnover-weighted averages of these estimates to describe concentration across higher levels of aggregation, including:

- three-digit and two-digit SIC industries
- SIC sections
- broad industry groups
- the non-financial business economy

## 10 . Data sources and quality

We estimate concentration using the share of turnover accounted for by the 5, 10 and 20 largest firms in each Standard Industrial Classification (SIC) four-digit industry (CR5, CR10 and CR20) and the Herfindahl-Hirschman Index (HHI). Estimates are based on the Inter-Departmental Business Register (IDBR) and the Annual Business Survey (ABS).

This bulletin presents results from the IDBR reporting units aggregated by common enterprise, year and four-digit SIC industry. Results from the ABS and other IDBR unit types are available in the accompanying dataset.

The IDBR was created in 1994 as the register used to draw representative samples for Office for National Statistics (ONS) business surveys. It includes businesses registered for Value Added Tax (VAT) or Pay As You Earn (PAYE), but excludes very small businesses and many self-employed workers. There were 2.73 million VAT and/or PAYE businesses in the UK in 2025, as reported in our [UK business: activity, size and location bulletin](#), which was about a half of all UK businesses, including microbusinesses, as reported in the Department for Business and Trade's [Business population estimates for the UK and regions 2025: statistical release](#).

We use IDBR snapshots from the fourth quarter of each calendar year because the calculation of concentration measures does not require longitudinal data. The exclusion of the smallest businesses is not a significant limitation because the measures assess how much turnover is concentrated among the largest firms.

The ABS combines data from the Annual Business Inquiry (1997 to 2008), the Annual Business Survey (2008 to 2024) and the Northern Ireland Annual Business Inquiry (1997 to 2024). This represents the largest ONS business survey in terms of the number of respondents and variables it covers. The ABS covers the non-financial business sector only and excludes businesses from the following industries:

- farms in section A (agriculture)
- all of section K (finance and insurance)
- section O (public administration and defence)
- the government components of section P (education) and Q (health)

The analysis applies the same exclusions to the IDBR and ABS data. We exclude agriculture, forestry and fishing (Section A); financial and insurance activities (Section K); public administration and defence (Section O); activities of households as employers (Section T); and activities of extraterritorial organisations and bodies (Section U). Turnover is less suitable for measuring concentration in sectors such as agriculture and finance, while the other excluded industries fall outside the market business economy.

We also exclude units with a legal status of central and local government, because their operations and reported turnover are not comparable with those of market businesses. Private market activities in education (Section P) and human health and social work (Section Q) remain within scope.

## **Aggregation and weighting**

We calculate concentration for each four-digit SIC industry and use industry turnover weights to produce estimates for three-digit and two-digit industries, SIC sections, broad industry groups and the whole non-financial business economy. The dataset also includes estimates for industrial strategy sectors calculated using the same method.

Turnover weighting gives larger industries more influence, so a small number of large industries can strongly affect the estimates. An unweighted average would give each industry equal influence, allowing small industries to have a large effect despite accounting for little economic activity. The weighted estimates measure average concentration across economic activity within each group, rather than concentration in the average industry or a single broader market.

For estimates based on the ABS, we also apply survey weights. The survey uses a stratified random sample based on employment size, industry and region, so businesses have different probabilities of being selected. The weights account for the survey design and the unequal probabilities of selection, allowing the businesses in the sample to represent the wider UK business population.

## **Strengths and limitations**

SIC industries provide a practical proxy for markets, but may not fully reflect the products or services firms supply or the geographic areas in which they compete. Our estimates may therefore understate concentration within individual markets.

The ABS estimates assume that firms selected with certainty on the basis of employment also account for the largest turnover shares within an industry. Where firms' employment and turnover rankings differ, concentration may be under- or over-estimated.

IDBR estimates cover 2007 to 2025 and are available for enterprises, reporting units, and reporting units aggregated to enterprises within the same SIC four-digit industry. ABS estimates cover 2007 to 2024 and are available only for reporting units. The 2025 IDBR turnover values do not yet incorporate the corresponding ABS returns, creating a break in the series between 2024 and 2025. The 2025 IDBR estimates should therefore be interpreted with caution and may be revised when newer ABS data become available.

## Official statistics in development

These statistics are labelled as "official statistics in development". Until September 2023, these were called "experimental statistics". Read more about the change in the [Guide to official statistics in development](#).

We are developing how we collect and produce the data to improve the quality of these statistics. Once the developments are complete, we will review the statistics with the Statistics Head of Profession. We will decide whether the statistics are of sufficient quality and value to be published as official statistics, or whether further development is needed. Production may be stopped if they are not of sufficient quality or value. Users will be informed of the outcome and any changes.

We value your feedback on these statistics. Contact us at [productivity@ons.gov.uk](mailto:productivity@ons.gov.uk).

## 11 . Related links

### [Trends in UK business dynamism and productivity: 2025](#)

Bulletin | Released 8 December 2025

Official statistics in development on firm-level productivity, business dynamism and business markup estimates, showing how the economy has changed from 1997 to 2024.

### [UK business: activity, size and location: 2026](#)

Bulletin | Released 24 September 2026

UK businesses broken down by legal status, industry, region, employment and turnover size bands.

### [UK SIC 2007](#)

Methodology | last updated 24 January 2022

The current Standard Industrial Classification (SIC) used in classifying business establishments and other statistical units by the type of economic activity in which they are engaged.

## 12 . Cite this statistical bulletin

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