



British
Private Equity &
Venture Capital
Association

WELCOME TO THE INNOVATION NATION 2020

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INNOVATION
NATION

The UK is home to a world-leading tech sector. Wherever you go in this country, you can find inspiring entrepreneurs and cutting-edge businesses that are changing the way we live, work and communicate. Investment is crucial to fuelling this innovation, and we teamed up with Oxford Economics¹ to explore how angel investment and venture capital is funding the future by transforming bold new ideas and creating the jobs of tomorrow.

FUEL FOR START-UPS

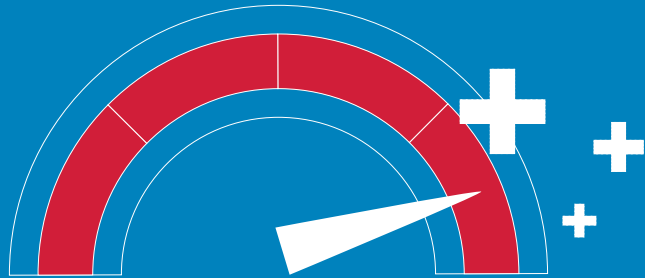
21,200
UK BUSINESSES

supported by angel finance or venture capital.
Ninety-six percent of these are start-ups and
businesses employing less than 50 people.²

¹ [Oxford Economics](#), The Contribution to the UK Economy of Companies Using Venture Capital and Business Angel Finance: An Updated Analysis, December 2019.

² Figures taken from 2016, 2017 and 2018 Small Business Surveys, together with other information on the take-up of new angel and venture capital, by industry, over the five-year period 2014-18.

FUEL FOR JOBS



PEOPLE EMPLOYED

223,700

Companies backed by angel investment and venture capital employ 237,000 people across the country.

EMPLOYEE
PRODUCTIVITY

60% HIGHER

The typical angel and VC-backed business is also 60% more productive per worker than the UK private sector average, contributing £88,100 per annum to UK GDP compared to £54,700.

FUEL FOR GROWTH

TURNOVER

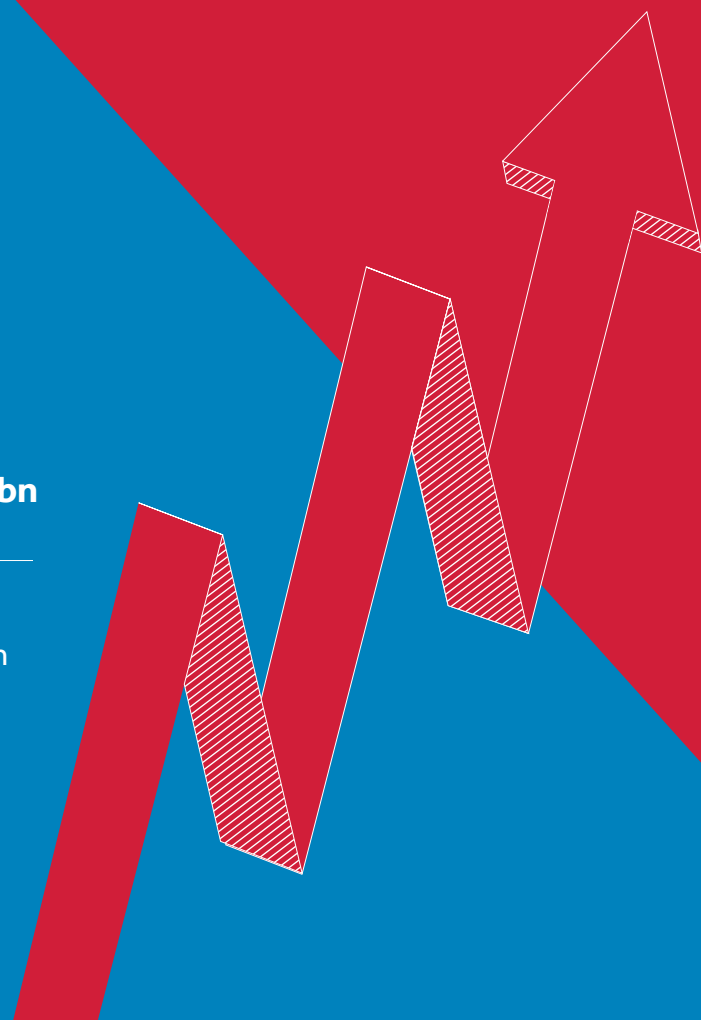
▶ **£36.5**_{bn}

GDP

▶ **£19.7**_{bn}

Business backed by angel investment and venture capital generated a combined turnover of £36.5 billion in 2018. This means they collectively contributed £19.7 billion to UK Gross Domestic Product, which is almost three times the amount invested - £6.8 billion² – by venture capital and angels in 2018.

²Dealroom.co



FUEL FOR THE FUTURE

SECTOR INVESTMENT

DIGITAL

▶ **43%**

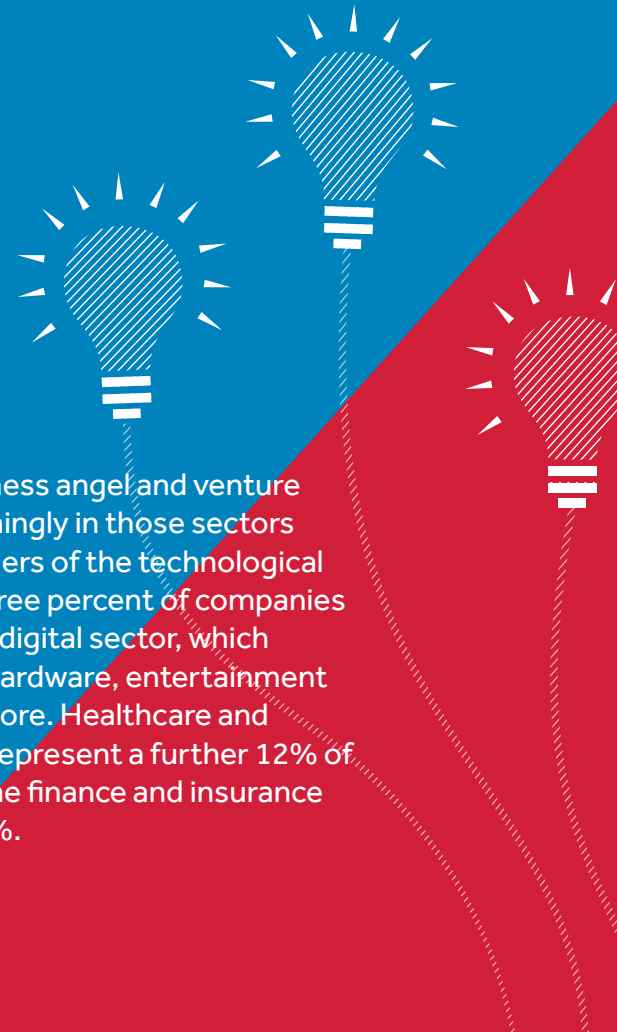
▶ BIOTECH &
HEALTHCARE

▶ **12%**

▶ FINANCIAL

▶ **10%**

Investment by business angel and venture capital is overwhelmingly in those sectors that are at the frontiers of the technological revolution. Forty-three percent of companies are operating in the digital sector, which includes software, hardware, entertainment and telecoms and more. Healthcare and biotech specialists represent a further 12% of enterprises, while the finance and insurance sector make-up 10%.



FUEL FOR

THE ECONOMY



GDP

▶ **£37.7** bn

▶ PEOPLE EMPLOYED

▶ **572,300**

Angel and venture capital investment also has a significant impact on the wider UK economy. Factoring in purchases from UK suppliers and the spending of those working for angel and VC-backed businesses, and the total contribution to GDP almost doubles to £37.7 billion, five times the amount invested by angels and venture capital funds in 2018. In turn, this supports a total of more than 570,000 jobs, which is the same as the number of people working across all UK road and rail transport services, including both passenger and freight.

THE UK IS THE INNOVATION NATION

As the UK explores new horizons and new opportunities, the role of angel and venture capital investment are more vital than ever.

By providing investment to fast-growing, highly innovative businesses, it is nurturing talent and ideas which will ensure the UK's place at the forefront of the global technological revolution.

These businesses are shaping the future of the country and the world. Angel and venture capital investment is funding that future.

TO READ THE STUDY BY OXFORD ECONOMICS AND THE METHODOLOGY USED, PLEASE CLICK HERE.

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