

Centre for  
Entrepreneurs

**CFE**

The Entrepreneurs'  
Think Tank



# **MIGRANT ENTREPRENEURS: BUILDING OUR BUSINESSES CREATING OUR JOBS**

A report by  
Centre for Entrepreneurs  
and DueDil



[www.centreforentrepreneurs.org](http://www.centreforentrepreneurs.org)

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## THE CENTRE FOR ENTREPRENEURS

The Centre for Entrepreneurs think tank promotes the role of entrepreneurs in creating economic growth and social well-being. It is a non-profit joint venture between *FT* columnist and serial entrepreneur Luke Johnson and the Legatum Institute – a non-partisan think tank best known for its annual *Prosperity Index*.

It is supported by a prominent advisory board including lastminute.com co-founder Brent Hoberman, angel investor Dale Murray, Betfair founder Ed Wray, Legatum Institute director of economics and prosperity studies Graeme Leach and former Number 10 policy advisor Rohan Silva.

## DUEDIL

DueDil is the largest source of private company information in the UK and Ireland. Launched in 2011, DueDil was founded on a firm belief that it shouldn't just be a legal requirement for businesses to share certain types of data; it should be seen as an essential part of creating dialogue, building trust, and looking and sounding like a successful 21st century business.

DueDil was named among *Wired* magazine's ten hottest startups in London in October 2013, as well as the FinTech 50 2014 and Forbes' "Britain's Six Best Financial Technology Businesses". DueDil investors include Oak Investment Partners, Notion Capital, Passion Capital, Spotify investor Shakil Khan, Wonga co-founder Jonty Hurwitz and angel investor-entrepreneur Sherry Coutu.

## FOREWORD

Immigration is one of Britain's most fevered debates. Sadly, it is rarely informed by evidence.

In this report, the Centre for Entrepreneurs and DueDil, supported by the Centre for Research in Ethnic Minority Entrepreneurship, explore a neglected aspect of the immigration debate: the contribution of migrant entrepreneurs to the UK economy.

In the US, according to recent research, 60% of the top technology businesses were started by "migrants". In Britain, however, there's barely a murmur about this topic. The contribution of migrant entrepreneurs has not only been neglected by government, academia and the public discourse, but has also been under-reported in the media.

While popular perceptions of immigration involve migrants arriving in the UK to take jobs and depress wages, migrants actually tend to be highly entrepreneurial. Many want to launch businesses and create jobs. Many come here with specific plans that they can realise in Britain's business-friendly environment. As we map our economic future, we can no longer afford to ignore such an important source of economic dynamism.

The current tone of hostility towards immigration – even within mainstream political debate – could prove damaging for future job creation in the UK, especially in high-growth entrepreneurial sectors. Instead, we should appreciate that migrant entrepreneurs have overcome significant challenges to develop enterprises in the UK. In many respects, the odds have been stacked against them. Yet they still thrive and triumph.

Migrant businesses generate jobs and opportunities for local people, they form valuable social hubs, and they provide important services and goods for communities around the country. They give Britain a competitive edge in the global marketplace.

It's time to celebrate their contribution.



**Luke Johnson**  
Chairman, Centre for Entrepreneurs  
and Risk Capital Partners



**Damian Kimmelman**  
Founder & CEO, DueDil

## EXECUTIVE SUMMARY

This report presents a comprehensive, nationwide analysis of the scale of migrant entrepreneurs in the UK: the first of its kind ever undertaken.

We find that Britain is a melting-pot for young, productive, entrepreneurial migrants from across the world. Nearly half a million people from 155 countries have settled in Britain and launched businesses.

Their impact is extensive. We find that they are behind one in seven of all UK companies. Their entrepreneurial activity is near double that of UK-born individuals. They are on average, eight years younger than the typical UK-born entrepreneur and, among a number of nationalities, a greater proportion of migrant women start companies than among the UK population.

The evidence, as well as the context for the future debate about immigration, is clear. Britain relies heavily on entrepreneurial migrants to launch businesses, create jobs and grow the economy. The top sectors in which migrant entrepreneurs work are construction and real estate, so these individuals are, literally, rebuilding Britain. In vital sectors such as consumer goods, IT and manufacturing, we also rely on the skills and productivity of entrepreneurial migrants.

We looked in detail at the contribution of immigrant entrepreneurs in the heartland SME segment of the economy (companies with a turnover between £1m and £200m and that file employee numbers).

In this segment, migrant-founded companies employ 1.16 million people out of a total of 8.3 million people. This, as with company formation, shows migrants are responsible for an impressive 14% of SME job-creation.

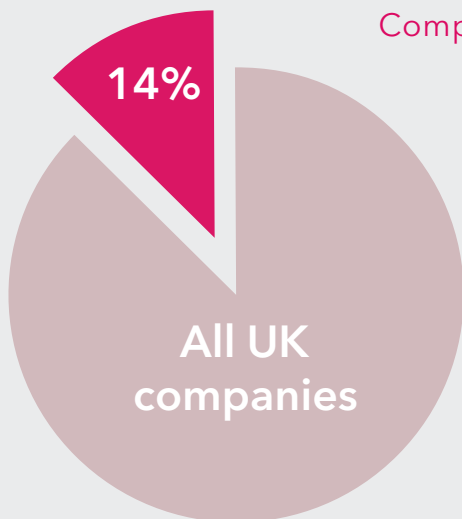
For the UK to achieve long-term economic prosperity and reshape itself around an entrepreneurial model, we must continue to attract migrant entrepreneurs, not deter them from contributing to our economy.

The British public agree. Through our polling, we find that greater numbers of the public recognise the positive contribution of migrant entrepreneurs versus immigrants at large, and a majority of the public support the government's efforts to attract new migrant entrepreneurs to the UK.

From our findings, we make the following recommendations:

1. All parties should acknowledge and celebrate the contribution that migrant entrepreneurs make to the UK.
2. All parties should reaffirm their commitment to the entrepreneur and graduate entrepreneur visas and make the intellectual case to the public as to why there should be no cap on entrepreneur visas.
3. The government should remain responsive to the entrepreneur community to allow improvements to entrepreneur visas and graduate entrepreneur visas, particularly ensuring that the latter are being used to their full potential.
4. The government should conduct a review of business support and access to finance to ensure migrant entrepreneurs are not disadvantaged through lack of awareness or cultural barriers.
5. The government should continue to “fly the flag for Britain”, encouraging entrepreneurs from all corners of the world to settle and launch businesses in the UK.

## HEADLINE FIGURES



Company formation by non-UK nationals

**456,073**  
migrant entrepreneurs  
in the UK

**464,527**  
UK companies started by  
migrant entrepreneurs =  
**14%**  
of all UK companies

## Age of Entrepreneurs



Average age:  
**44.3** years old  
non-UK nationals



Average age:  
**52.1** years old  
UK nationals

**17.2%**  
non-UK nationals  
start own companies

**10.4%**  
UK nationals  
start own companies

### Top 10 Nationalities

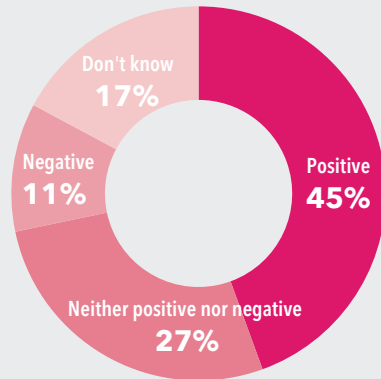
1. Irish
2. Indian
3. German
4. American
5. Chinese
6. Polish
7. French
8. Italian
9. Pakistani
10. Nigerian

### Top 10 Locations

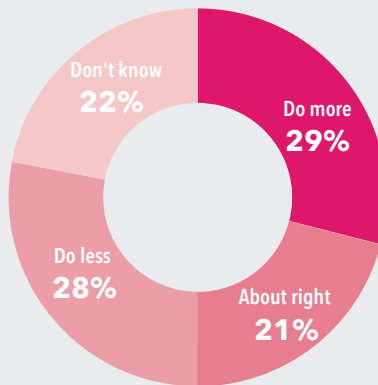
1. London
2. Birmingham
3. Belfast
4. Harrow
5. Twickenham
6. Manchester
7. Reading
8. Ilford
9. Cardiff
10. Kingston upon Thames

## Public Opinion

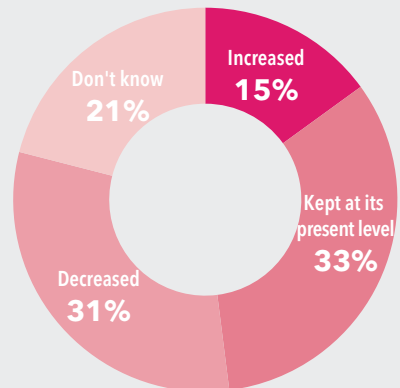
*Do you think immigrant entrepreneurs make a positive or negative contribution to the UK?*



*Do you think the government should do more or less to attract immigrant entrepreneurs to the UK or is it currently doing about the right amount?*



*In your view, should the number of immigrant entrepreneurs allowed to enter the UK be...?*



YouGov Survey Results. Sample Size: 2280 GB Adults. Fieldwork: 6th-9th December 2013.

## FOCUS: PERWEEN WARSI, S&A FOODS

Perween Warsi, CBE, is the founder and chief executive of S&A Foods. Her company is one of the UK's most successful independent food businesses, making up to 1.5 million chilled ready meals a week.

Perween began her business after emigrating here from India in the 1970s. S&A was a kitchen table start-up, with Perween making samosas on an initial investment of £2.50. She now has a reported net worth of £70 million and is one of Britain's highest-profile Asian female entrepreneurs.

***What was it about the UK that allowed your hard work to pay off? Do those conditions remain?***

The UK was – and still is – a land of opportunity, a place where determined entrepreneurs can explore, experiment and create opportunities for others.

Particularly, when I moved here in 1975, I found a widespread appreciation for ideas, honesty and commitment. When I first began to win orders from my customers I was still cooking from home, but I never hid that from them. And when I committed to hiring our first business premises, the British people around me saw I was taking a risk and they



valued it. Customers, local authorities, staff, suppliers – they all helped me along and I'm so grateful. If you work hard, remain open and approachable, people will accept you and help you.

***How would you describe your contribution to the UK?***

An immigrant entrepreneur's contribution can be about more than numbers. I always say that I enjoy "making the inaccessible



accessible". I don't just mean Indian cuisine – I mean encouraging women from ethnic minorities into the workplace. The very first two people I hired were women who didn't speak English at all. They went on to inspire others in the community to find work too, some of them women who had never worked in their lives, because they'd never been given the opportunity.

I'm also proud that we haven't altered the DNA of our foods. Our food is authentic – that's my biggest contribution. British food was so different in the 1970s. Back then I remember going to a dinner party and being quite shocked that the host served boiled vegetables. We couldn't imagine doing that in India! But now, people are so much more adventurous in their cuisine.

We hire anyone who is committed, hardworking and loyal – we hire Derby natives and immigrants alike. We hire for attitude and train for skills: it doesn't matter to us where people are from. There are 27 languages spoken under our factory roof. I hear Thai accents, Jamaican accents, everyone. S&A Foods employs up to 500 people and contributes to 1000s of other jobs in the supply chain.

We have several full-time trainers who work on the factory floor helping our staff to learn business English – we train the majority to NVQ2 level, and we find our staff are very willing to learn.

***You've given a lot back to the people of Derby in terms of jobs, but what about traditional philanthropy?***

I support children's charities. Giving a child an education is like lighting a candle to see the world and the best way to eliminate poverty.

***"Our food is authentic  
– that's my biggest  
contribution"***

I also support charities providing free healthcare for disadvantaged people, and I'm about to start working with Women's Aid (Womensaid.org.uk), a national UK charity that works to end domestic violence against women and children.

***Imagine it's 2014, you're 21, Indian and you can't find work. Would you want to emigrate to the UK – or elsewhere?***

Yes. The UK remains a liberal place, one in which migrants should be proud to live and play an active part. For people who are willing to work hard and want to succeed, it is a great country.



## INTRODUCTION

Immigration is one of the most sensitive public debates in the UK. For too long it has been conducted without hard data about the economic contribution of migrants.

Indeed, one of the most commonly held views is that immigrants are a drain on the UK economy. The Centre for Entrepreneurs (CFE) and DueDil have therefore decided to examine the contribution made by immigrants with respect to entrepreneurial activity. From here, we may be able to shed light (and perhaps reduce the heat) within this debate.

Specifically, in an age when big companies and large public-sector employers are downsizing, and small businesses and entrepreneurs are being encouraged to take centre-stage, the CFE and DueDil wanted to establish whether migrants are adding to Britain's entrepreneurial culture. Or whether they are, as the zeitgeist seems to suggest, detrimental to our economic well-being?

Our findings break new ground.

### Our approach

To examine the economic and social contribution of migrant entrepreneurs to the UK, the Centre for Entrepreneurs has:

- conducted polling through YouGov to identify differences in public opinion towards new migrant entrepreneurs and immigrants more broadly,
- partnered with financial technology startup, Duedil, to uncover never-before-seen data on the numbers of migrant entrepreneurs active in the UK,
- commissioned and published research from the Centre for Research in Ethnic Minority Entrepreneurship at the University of Birmingham – 'The Contribution of New Migrant Entrepreneurs in the UK'.

### What do we mean by migrant entrepreneur?

We define migrant entrepreneurs as the founders or co-founders (first directors) of active UK companies, who list themselves with Companies House as non-British nationals.

## **MIGRANT ENTREPRENEURS: PUBLIC OPINION**

### **Background**

Public opinion polls consistently show that immigrants are generally viewed in a negative light and that immigration is one of the most important electoral issues for the British public. Opposition to immigration is stronger than in the United States or the rest of Europe, with polling from as far back as the 1960's showing majorities in favour of reducing immigration.

Public attitudes are known to depend on the type or category of immigrant in question. However, most polling has not differentiated between categories of migrant and has tended to look at all migrants together. Where polling has differentiated, the categories considered – students, workers, family members, and asylum seekers – have not included migrant entrepreneurs. Members of the public therefore have had no opportunity to express their attitudes towards this category of migrant.

By conducting public opinion polling on the topic of migrant entrepreneurs, we are able to show, for the first time, that the British public recognises their positive contribution, and supports government efforts to attract new migrant entrepreneurs to the UK.

### **Findings**

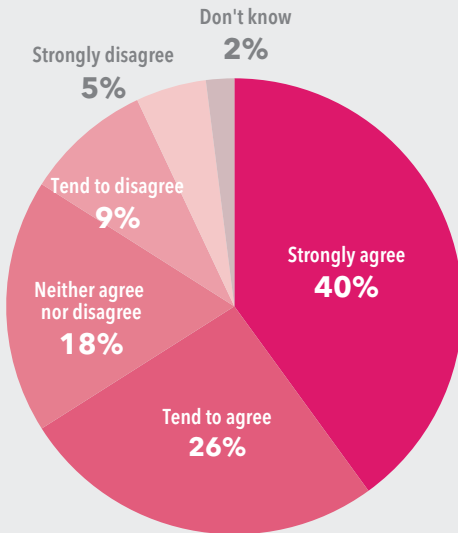
#### **Baseline**

In line with regular IPSOS MORI polling, the CFE's YouGov polling found that immigration remains unpopular with the public. Some 66% of those surveyed believe 'there are too many immigrants in Britain' and 68% believe immigration should be reduced.

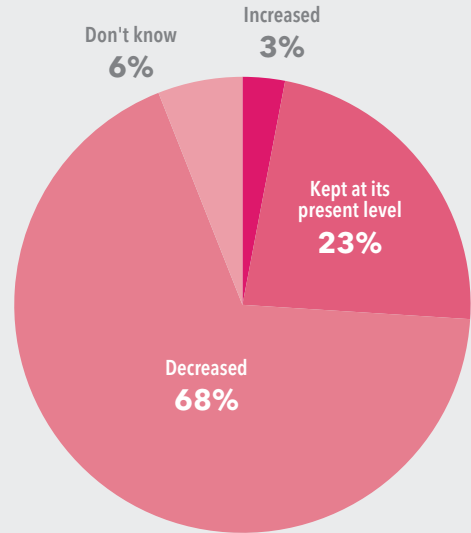
#### **Contribution of migrant entrepreneurs**

The positive contribution of migrant entrepreneurs was well recognised by the British public. A significant proportion (44%) of respondents believe migrant entrepreneurs make a positive contribution to the UK, versus 11% that believe they make a negative contribution. This compares favourably with views on the contribution of immigrants more generally, with 26% of respondents believing that immigrants make a positive contribution (versus 36% believing immigrants make a negative contribution).

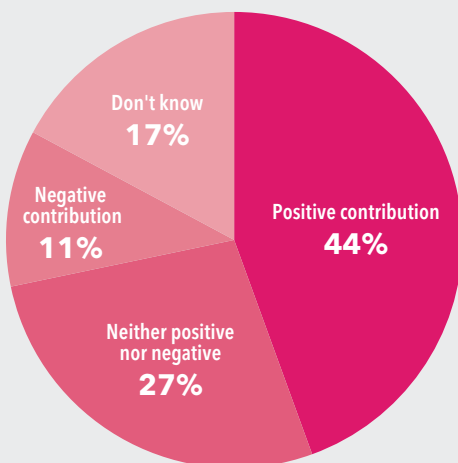
**There are too many immigrants  
in Britain**



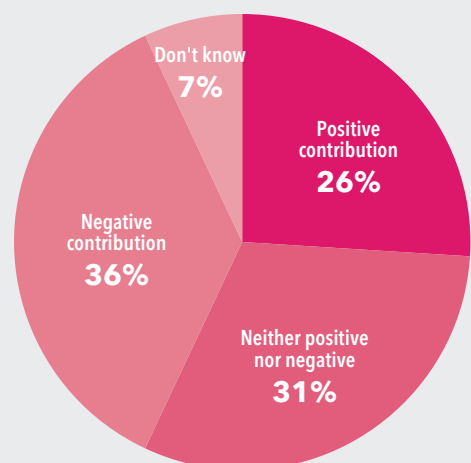
**In your view, should  
immigration be...?**



**Do you think immigrant entrepreneurs  
make a positive or negative  
contribution to the UK?**



**Do you think immigrants make a positive  
or negative contribution to the UK?**



## **Government initiatives to attract migrant entrepreneurs**

Support for the government's efforts to attract new migrant entrepreneurs is widespread, with 50% of those surveyed believing the government is doing the right amount or should do more to attract new migrant entrepreneurs to the UK, versus 28% who believe that the government should do less.

Government efforts to encourage international students to launch a business in the UK after graduation also receive broad support from the public. Some 47% of those surveyed believe the government is doing the right amount or should do more to encourage international students to stay and start, versus 27% that believe the government should do less.

## **Controls on numbers of migrant entrepreneurs**

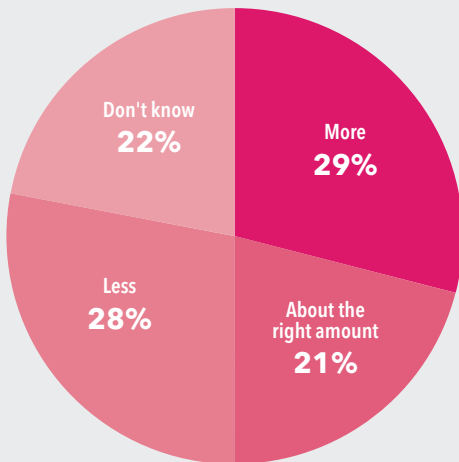
Some 48% of those surveyed believe the number of migrant entrepreneurs allowed to enter the UK should be kept at its present level or increased (versus 31% believing numbers should be decreased). This compares favourably with views on immigration more generally, with only 26% of respondents believing that overall immigration should be kept at its present level or increased.

Despite this, support for migrant entrepreneurs, the majority (56%) still think there should be a cap on the number of migrant entrepreneurs allowed to enter the UK.

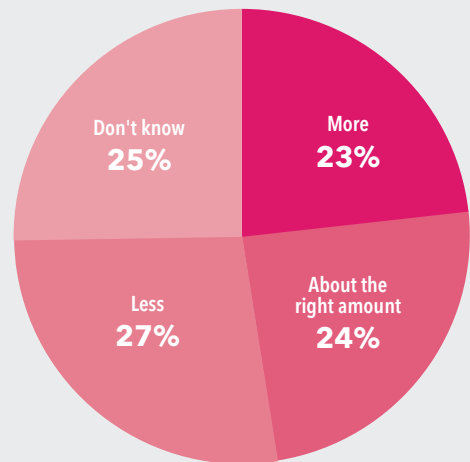
## **Prominence of migrant entrepreneurs**

There is still little public awareness of Britain's individual migrant entrepreneurs. The vast majority of those surveyed (90%) could not give an example of a migrant entrepreneur, indicating an under-representation in the media. Of the names that were provided by respondents, the most prominent were Mohamed Al Fayed, James Caan, Lakshmi Mittal and Roman Abramovich.

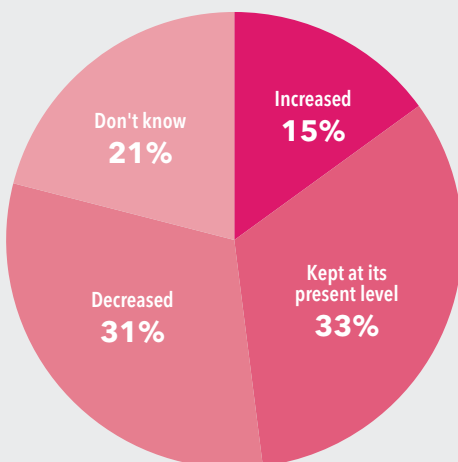
Do you think the government should do more or less to attract immigrant entrepreneurs to the UK or is it currently doing about the right amount?



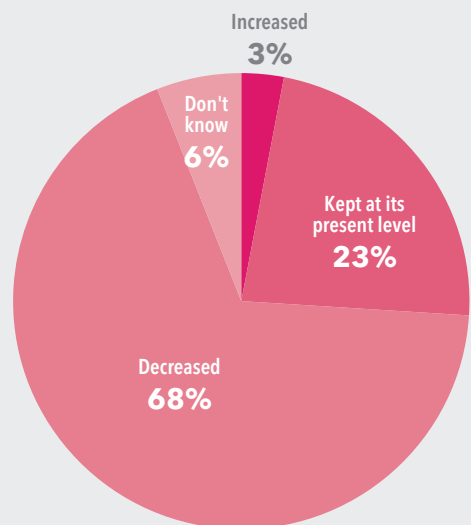
Do you think the government should do more or less to encourage international students to stay and start a business in the UK or is it currently doing about the right amount?



In your view, should the number of immigrant entrepreneurs allowed to enter the UK be...?



In your view, should immigration be...?



## FOCUS: GERRY FORD, CAFFÉ NERO

Dr Gerry Ford is chairman and group chief executive of the Caffé Nero premium coffee chain. Born in California, he emigrated to the UK to study for a PhD at Oxford. In 1991 he founded Paladin Associates to invest in a range of food businesses, which included Caffé Nero, which at the time was operating from five locations. It now employs more than 4,000 people and operates 600 stores globally, opening one new store a week.

***What was it about the UK that allowed your hard work to pay off? Do those conditions remain?***

The United Kingdom is a place that has orderly rules and regulations. Generally, you can understand how the system works and there is not excessive red tape to hold an entrepreneur back. There is much more to do to improve the environment to encourage individuals to start and to grow businesses, but the UK is still one of the easiest places in Europe from which to operate.

***What would you say is your single greatest contribution to the UK?***

Our single greatest contribution is the creation of more than 4,000 jobs in the



UK and this is growing by approximately 350 new jobs a year. These individuals, in turn, are reaching out in their communities throughout the UK (we have a presence in more than 230 towns and cities) seeking to make a positive difference in their immediate surroundings. And we serve more than 55 million people a year too. I believe we make a positive contribution to those we serve and in the places where we operate.



***Would you be willing to share some hard-to-come-by numbers relating to your economic contribution e.g. annual turnover, units sold?***

We own and operate more than 560 stores in the UK. Our revenue is approximately £230 million per annum. We sell more than 58 million coffees per annum.

***Philanthropy: there are many ways to “give back” to the community, such as personal foundations or financial contributions. Please tell us about your acts of philanthropy – big or small, personal or corporate.***

We are a privately held company and we have created a Foundation to give back to the communities where we operate. We take on special projects which benefit these communities and have a link or a personal connection to our employees. Specifically, employees are encouraged each year to fundraise in their local communities for charities that matter to them. We give them the licence to choose the projects, and they use their caf  s to host events. In turn the Nero Foundation matches the funds raised by these initiatives. We also support Project Waterfall, which provides clean water for coffee growing communities in Africa.

***What values and customs from your home country can be seen in Caff   Nero?***

I’d say meritocracy, flat hierarchy, an organisational structure that is more family values than corporate and an acceptance of a wide range of individuals whereby people are valued. A casual environment alongside a commitment to work hard and being passionate about what we do. We have also spread ownership among employees (who own 10% of the company). I am from Silicon Valley and this is an approach used there.

***“The UK is still one of the easiest places in Europe from which to operate”***

## MIGRANT ENTREPRENEURS: THE FIGURES

In groundbreaking new analysis, the Centre for Entrepreneurs and DueDil have examined Companies House data to understand the true scale of migrant entrepreneurs across the UK.

### Headline numbers

There are 456,073 migrant entrepreneurs in the UK. Together, they are founder directors of 464,527 businesses. They represent 155 countries from across the world.

With 3,194,981 active UK-registered companies (note that this analysis does not include sole traders), those founded or co-founded by migrant entrepreneurs total 14.5% or one in seven of all UK companies.

Office for National Statistics (ONS) figures showing 2.64 million non-UK nationals in employment as of September 2013, indicating that 17.2% of non-UK nationals have started their own business. For comparison, 27.42 million UK nationals were in employment as of September 2013 (with 2,862,278 business founders), meaning just 10.4% of UK nationals have started their own business.

These figures support the findings of the Global Entrepreneurship Monitor UK 2012 report (GEM UK), which indicate a Total Entrepreneurial Activity (TEA) rate of 16% among first generation migrants to the UK, compared to 9% among UK born individuals. GEM UK 2012 also found that:

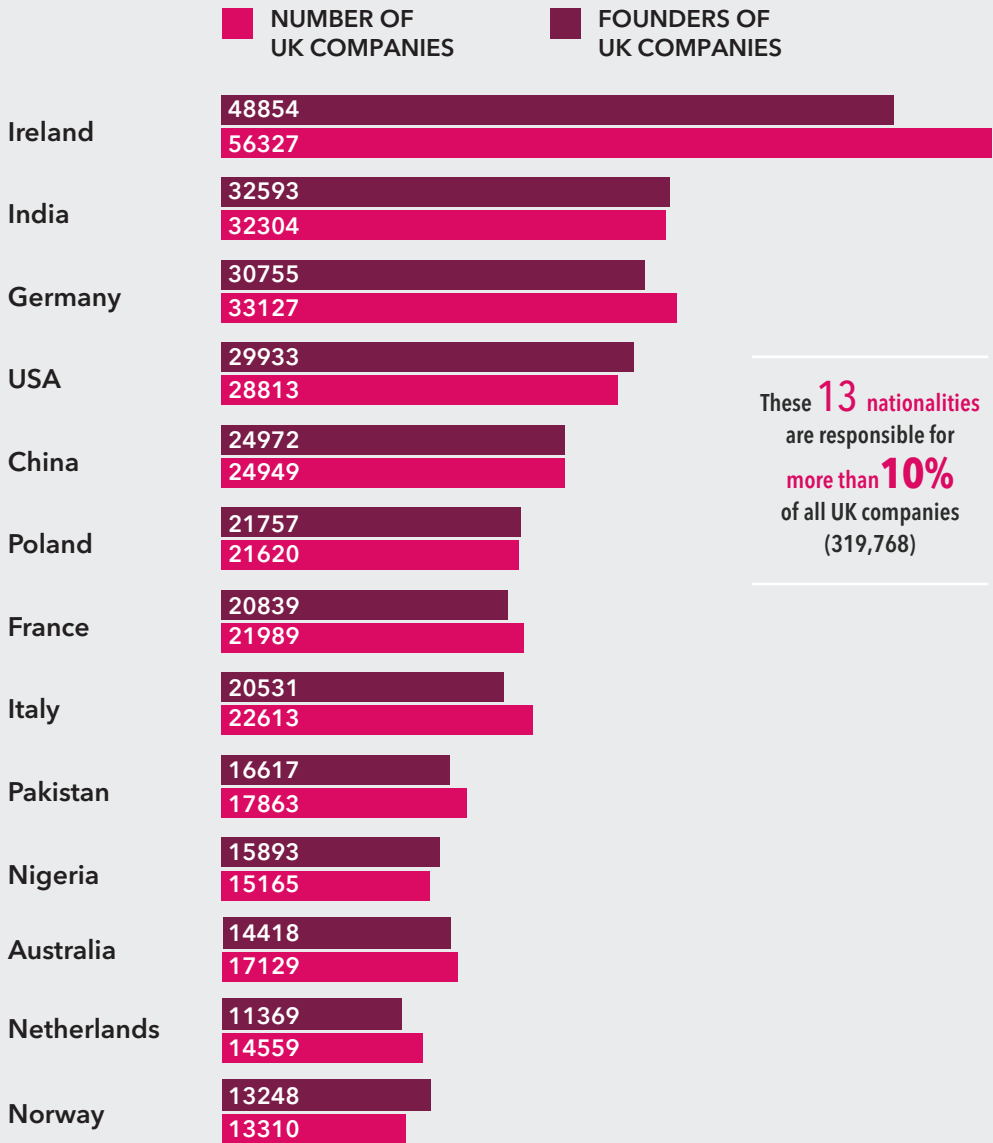
*“Of all the innovation-driven economies surveyed by GEM in 2012 the UK had the greatest positive difference between TEA rates of immigrants and TEA rates of those born in their country of residence”.*

This effect is not confined to the UK however, with the Global Entrepreneurship Monitor Global 2012 report (GEM) finding that:

*“In most regions [of the world] first-generation migrants are more active in business start-ups than non-migrants ... start-ups founded by both first and second-generation migrants are on average more growth-oriented than those of non-migrants across all economic development levels.”*


**1 in 7**  
of all UK companies are  
founded by migrant  
entrepreneurs

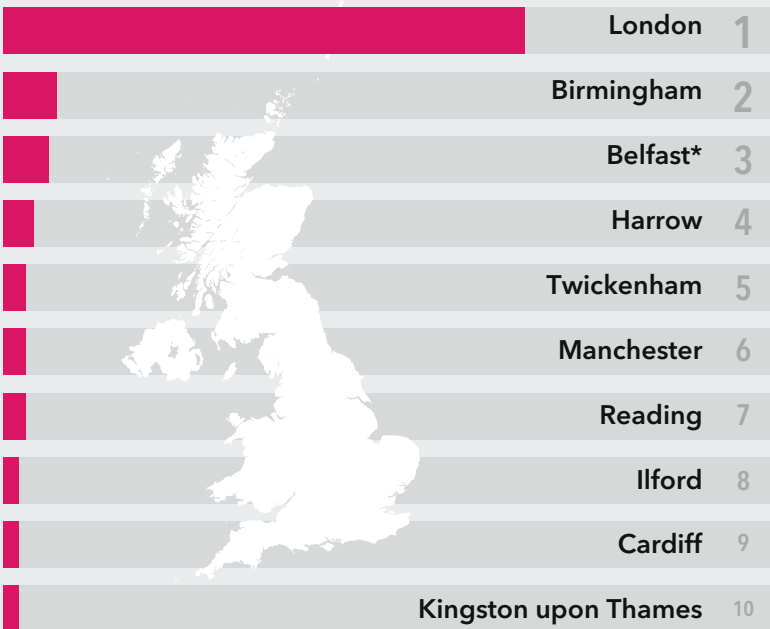
## Nationalities



## Geographic spread

Top 10 UK  
locations  
where migrant  
entrepreneurs  
start businesses:

 = number of  
businesses started



### Location

### Total number of businesses

1.	London	187,899
2.	Birmingham	19,285
3.	Belfast	16,889 *
4.	Harrow	11,795
5.	Twickenham	8,250
6.	Manchester	7,956
7.	Reading	7,022
8.	Ilford	6,707
9.	Cardiff	6,537
10.	Kingston upon Thames	5,986

*\* 15,814 of which were  
founded by Republic of  
Ireland nationals.*

If Twickenham, Harrow, Ilford and Kingston upon Thames are included within London, they total 220,637 businesses – almost half of all immigrant founded businesses across the UK.

With the notable exception of the Irish, the absolute majority of nationalities have greatest representation in London. Outside central London, there are several clusters of migrant entrepreneurs from specific countries:

Location	Cluster
1. Birmingham	8,639 German entrepreneurs
2. Stockport	2,886 Norwegian entrepreneurs
3. Harrow	2,847 Indian entrepreneurs
4. Cardiff	2,768 Chinese entrepreneurs
5. Canterbury	1,814 Dutch entrepreneurs

## Job creation

To determine migrant entrepreneurs' contribution to job-creation, we decided to focus on SMEs (small and medium-sized companies) with £1m to £200m turnover.

This provides us with a window into the engine room of the economy and, importantly, avoids the potential distorting effects of quoted company employee numbers (many of whom work overseas) and micro-businesses that are not required to file jobs data.

And again, in the SME segment of the economy, we find that migrant entrepreneurs are making a significant and impressive contribution. Among those SMEs that file employee numbers in the £1m–£200m bracket, migrant entrepreneur-founded companies employ 1.16 million people. As with the migrant proportion of UK companies overall, this represents 14% of all employment in this segment of the economy.

## Gender split

A lower proportion of female migrants start businesses than UK females. While women account for 29.1% of British business founders, only 25.9% of migrant entrepreneurs are female.

Notably, among three nationalities, female entrepreneurs outnumber their male counterparts. It is interesting that all three are Asian nationalities.

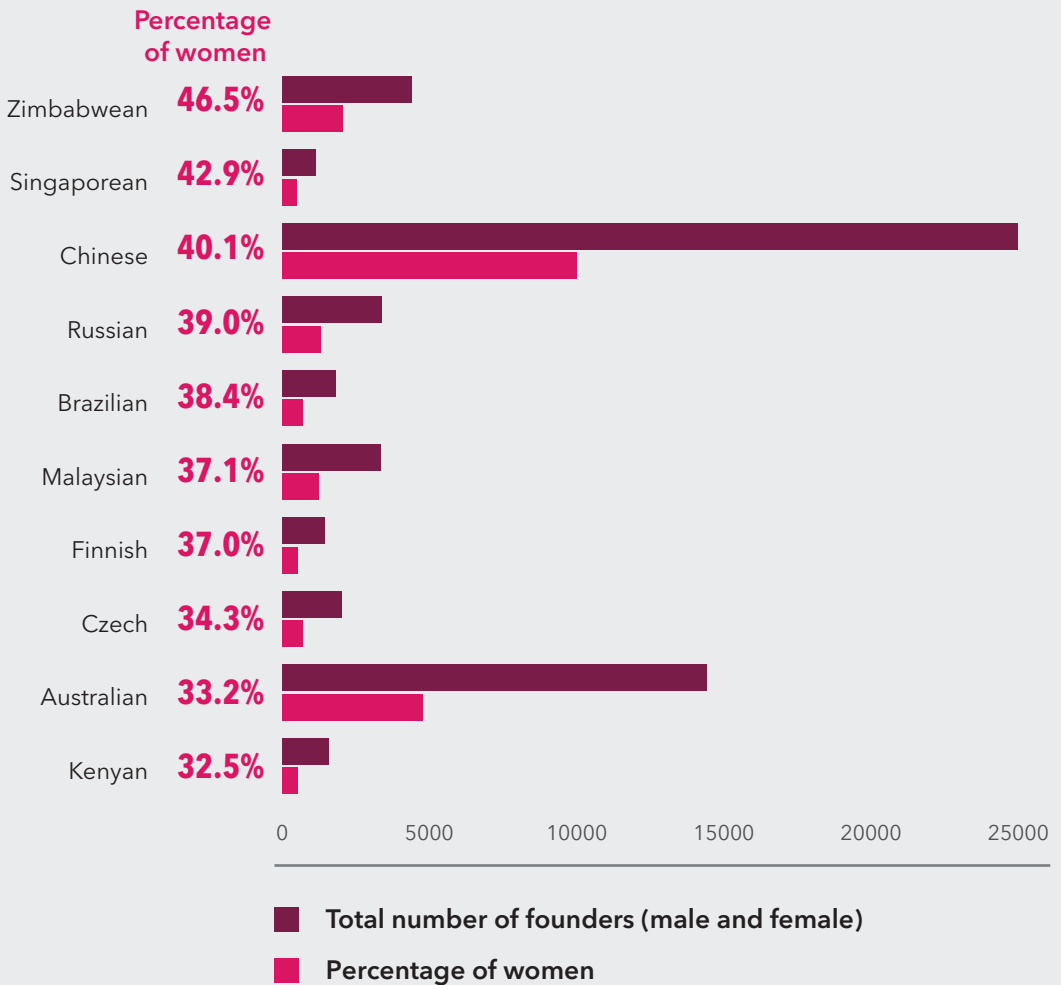
Nationality	Women	Total number of founders (male and female)
1. Thai	66.3%	923
2. Filipino	53.8%	670
3. Vietnamese	53.4%	236

It is also notable that the nationalities\* with the highest proportion of male founders are mostly Middle Eastern and North African.

Nationality	Men	Total number of founders (male and female)
1. Libyan	92.5%	270
2. Syrian	92.3%	484
3. Afghan	91.6%	527
4. Iraqi	91.3%	777
5. Albanian	91%	569
6. Saudi Arabian	90.2%	564
7. Jordanian	89.8%	460
8. Algerian	89.7%	379
9. Kuwaiti	88.7%	272
10. Egyptian	87.2%	1,249

\* This only includes nationalities where there are more than 200 migrant entrepreneurs in the UK.

When examining gender in greater detail, we find that, among 64 nationalities, a greater proportion of women start and run companies than their UK-born counterparts. Notable nationalities (each with at least 1,000 founders) include:



## FOCUS: ATUL PATHAK, APPT CORPORATION

After leaving India for the UK in 1983, Atul Pathak has become one of this country's most successful restaurant-franchise entrepreneurs. He runs a chain of McDonalds franchises across north-west London, through his company Appt Corporation. He opened his first restaurant in 2003 – and now employs over 1,600 staff. Appt Corporation trains its employees to gain nationally-recognised qualifications equivalent to GCSEs and A-levels, as well as certificates in adult literacy and numeracy. Atul is personally involved with community and charity groups, including children's charities that provide free family accommodation at hospitals across the UK.

***Apart from your own hard work, what was it about the UK that allowed you to thrive here? Do those conditions remain?***

It was clear from the start that the UK was a fairer society than other places where I had previously worked. There was greater equality of opportunity, something that has improved still further. Someone can succeed here if they work hard with honesty and integrity. London in particular has always



been a place that has attracted people who want to better themselves and I am grateful for the chances that opened up for me and that I was able to grab.

***What would you say is your single greatest contribution to the UK so far?***

I could just think of my tax payments as a significant contribution! But really I am most proud of developing the people that I have worked with. They started at the



bottom, as I did. Many have made great strides in their careers whilst working with me. They bought their own home, sent their children to excellent schools and have become good citizens. My employees quickly understand the importance and value of honesty, integrity and hard work.

***What will be your legacy to the UK?***

I am immensely proud of being an Indian but the UK is my home and the place where I have raised my children. I am committed to making as much of a contribution as possible to those communities that my restaurants serve. Creating links between the UK and India will help others that wish to follow the same path as me as well as UK companies who are aiming to invest in the rapidly expanding Indian economy. I hope that I can also play a part as a role model for young entrepreneurs and people considering starting their own business. Anything is possible with the right mind and dedication.

***Would you be willing to share some hard numbers relating to your economic contribution e.g. number of employees, annual turnover, units sold – perhaps even a tax bill!***

Ten years ago I opened my first McDonald's restaurant in Hanwell. Today I operate twenty McDonald's restaurants in West and Northwest London, with a turnover of over £35m. My 1,600 employees served over 10.8 million customers last year.

***Philanthropy: there are many ways to "give back" to the community, such as personal foundations or financial contributions. Please tell us about your acts of philanthropy, big and small.***

We have supported Ronald McDonald House Charities (RMHC) since 2006.

The organisation works with more than forty hospital trusts and hospices across the UK to provide free 'home from home' accommodation so that sick children can have their families nearby.

We also sponsor up-and-coming local talent in grassroots football. It encourages younger people off the street and into something they enjoy. It's physical activity and it develops skills that are attractive to employers, such as teamwork.

This year, I have launched the Appt Corporation Community Awards to support smaller charities and community groups in and around London, especially those working at grass roots. The Awards aim to highlight and celebrate the work that community groups do in their local areas, and of course to help them financially.

***"many [employees] made great strides in their careers whilst working with me."***

## Age profile

**44.3 years**

is the average age of  
migrant entrepreneurs  
in the UK

The average age of migrant entrepreneurs in the UK is 44.3 years old. This compares with an average age of 52.1 years old for British entrepreneurs. Examining the average age per nationality, there is a marked split between the older migrant entrepreneurs from mature economies, and the younger migrant entrepreneurs from emerging nations.

### Youngest average migrant entrepreneurs, by nationality\*

	Nationality	Average age
1.	Romanian	33.3
2.	Afghan	33.7
3.	Albanian	34
4.	Estonian	34.7
5.	Vietnamese	35.2
6.	Bangladeshi	35.3
7.	Pakistani	35.3
8.	Bulgarian	36.1
9.	Polish	36.7
10.	Indian	37.1

### Oldest average migrant entrepreneurs, by nationality\*

	Nationality	Average age
1.	Japanese	60.4
2.	American	55.8
3.	Swiss	54.9
4.	British	52.1
5.	Canadian	51.7
6.	Danish	50.6

\* This only includes nationalities where there are more than 200 migrant entrepreneurs in the UK.



## Sector spread

Migrant companies are spread over a wide range of sectors. As noted in the CFE/CREME paper, migrant entrepreneurs are expanding well beyond the traditional sectors of retailing and catering.

The top sectors in which migrant entrepreneurs work are construction and real estate, so these individuals are, literally, rebuilding Britain. In vital sectors such as consumer goods, IT and manufacturing, we also rely on the skills and productivity of migrants.

## Focus: Bulgarians in the UK

**8,798** Bulgarian entrepreneurs in the UK. Responsible for **8,398** companies.

### Top locations for companies:



London  
**4,537**



Ilford  
**315**



Harrow  
**239**

### Demographics:



**30.9%**



**69.1%**

Average age: **36.1** years old

### Top sectors:



**1,820**  
construction  
and real estate



**364**  
manufacturing  
and heavy industry



**347**  
consumer goods  
and services



**232**  
information technology



**154**  
healthcare

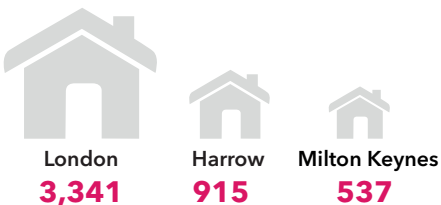
Industry	Number of migrant-founded companies
1. Construction and real estate	47,813
2. Consumer goods and services	35,491
3. Information technology	28,320
4. Manufacturing and heavy industry	23,359
5. Management consultancy	15,023
6. Media and entertainment	14,563

*Please note that companies that do not file a primary SIC code, file under "Other business activities" or are dormant, have not been included in the sector analysis.*

## Focus: Romanians in the UK

**10,931** Romanian entrepreneurs in the UK. Responsible for **10,693** companies.

Top locations for companies:



Demographics:



Top sectors:



## **MIGRANT ENTREPRENEURS: CHALLENGES & OPPORTUNITIES**

As shown so vividly above, entrepreneurship is an area in which immigrants are making significant impact. Yet there has so far been little research on the profile and experience of new migrants in business.

To complement the opinion polling and data uncovered in this report, the Centre for Entrepreneurs commissioned the Centre for Research on Ethnic Minority Entrepreneurship (CREME) at the University of Birmingham to write a paper on 'The Contribution of New Migrant Entrepreneurs in the UK'.

The CFE/CREME paper highlights the need to manage expectations of what we can expect from migrant businesses, given the specific set of difficulties they face. Nonetheless, it identifies important economic and social contributions made by new migrant entrepreneurs.

### **Contributions of migrant businesses**

The following extracts from the CFE/CREME paper highlight the varied economic and non-economic contributions of migrant businesses.

#### **// Entrepreneurial and resilient communities**

*Official sources and local studies suggest that there is considerable interest in entrepreneurship as a career option among new migrants. Our review highlights a genuine desire among new arrivals to establish their own businesses. Often this is achieved with meagre resources and little if any formal institutional backing. Family and fellow migrants usually provide the support that serves as the vital launchpad for entrepreneurial ambitions.*

#### **Buffers against unemployment and economic exclusion**

*New migrant businesses provide much-needed employment for the wider co-ethnic community as well as the entrepreneurs themselves. Many migrants feel they are locked out or under-utilised by the formal job market. Becoming self-employed in such circumstances is an important means of pursuing ambitions for social mobility.*

*Businesses established by new migrants frequently serve as a refuge, offering shelter against an often hostile labour market.*

### **Vehicles for social inclusion and integration**

*Owners and workers involved in new migrant businesses value the opportunity that the enterprise provides to interact and integrate with the wider community. New migrants often experience social exclusion and isolation. Working in new migrant businesses allows migrants to develop friendships and relationships not possible in more formal settings and networks. The businesses are also an important means of sharing information – for example on employment, education, social and health issues.*

### **Apprenticeships for would-be entrepreneurs**

*Many workers in new migrant businesses use their employment to acquire the experience and skills necessary to set up businesses for themselves. Local studies reviewed highlighted unacknowledged human capital within many businesses. Workers were often augmenting their formal qualifications with the concrete experience of helping to run a small enterprise. The goal for many was to strike out on their own once they had secured the necessary skills, experience and resources.*

### **Serious about growth**

*Many new migrant businesses were keen to grow their businesses and were interested in utilising external support. Few businesses could be classified as ‘high-growth’ firms. Nonetheless, new migrant entrepreneurs are intent on developing their businesses and are receptive to appropriate business support. However, formal engagement with business support intermediaries is very rare.*



## Transfer of overseas firms

The CFE/CREME paper picks up on a West Midlands Survey (Ram, 2010), which identifies a small number of “startlingly prosperous” asylum-seekers, having previously enjoyed successful business careers. In such cases, “the UK economy benefits from the almost literal transfer of an overseas firm”.

Not uncommonly, Ram notes, “a variation on this practice of cross-border asset transfer takes place indirectly via another country”. The CREME paper highlights several Somalis, “whose initial refugee status had been gained in Sweden or the Netherlands and were subsequently attracted to Britain by comparatively favourable business regulations”.

While Ram notes that the “startlingly prosperous” asylum-seekers are a small minority of those that arrive, fleeing persecution with very little, the importance of attracting entrepreneurs with existing businesses that can be transferred to the UK should not be overlooked.

## Challenges faced by immigrant entrepreneurs

Given the numbers of migrants coming to the UK and launching businesses, it is easy to gloss over the challenges. Indeed, migrant entrepreneurs have the odds stacked against them, and are often launching a business in a new country that is not always welcoming: a great feat.



The CFE/CREME paper explores some of these challenges in detail.

## **// Access to finance**

*New migrants often struggle to secure finance from banks and other 'mainstream' financial intermediaries. This leads to reliance on informal sources and the running of severely under-capitalised businesses.*

### **Cultural constraints**

*Language is a barrier for some groups, as is a lack of familiarity with rules and regulations surrounding the business activities. Equally, business support intermediaries rarely have an appreciation of the different cultural traditions of new migrant communities.*

### **Trading patterns**

*The tendency for new migrants to trade primarily with their own communities means that their potential customer base can be quite narrow. There is, therefore, a lack of attention given to the need to diversify their businesses.*

### **Lack of information**

*New migrants often struggle to secure information on the process of business start-up, and functions like marketing and business planning.*



## FOCUS: SURINDER ARORA

Born in Punjab, Surinder Arora arrived in this country in 1972 aged 13 and unable to speak any English. At 18, he was a junior clerk at British Airways. Now 55, he is one of the UK's most successful hoteliers. He operates 16 hotels under various brands, including Arora, Hilton, Radisson and Sofitel. His first break came in property, financed with savings earned as a waiter – in a hotel that he now owns.

***What was it about the UK that enabled your hard work to pay off? Do those conditions remain?***

In some parts of the world things are done the old way, where it's all about who you know, not what you know. It's a shame. Those countries and economies get left behind. In the UK things are so much more positive. There is a level playing field – I was lucky my parents came here.

***Young people in the UK are increasingly aware of entrepreneurship, but at the same time many other young people no longer wish to do the ordinary jobs you did on the way up.***

I am very proud of my work history. I tell all my staff, or any youngsters I meet: "Look,



I used to work as a waiter. I used to clean the floors. It's something I'm proud of, not ashamed of." My dear mum would do a day job in a factory, come home and cook for the family, then leave again to clean offices in Southall. I was lucky to have her as a role model, and it's something I told my kids. They worked in the local supermarket whilst attending university.

***What would you say is your single greatest contribution to the UK?***

I employ over 2,000 people, of all nationalities. And I let my managers know they should employ disabled staff, and not because they are disabled; if one of my managers thinks a disabled person is right for the job then it doesn't matter if it takes us three times as long to train them. My staff are like family, and the loyalty I get from them is very satisfying. Money can't buy that feeling.

***Do you believe in philanthropy?***

Yes, in various ways. Just recently I helped out people made homeless in the floods of February 2014, in Windsor, Maidenhead and Runnymede. I made a 141 bedroom hotel available to them for a few days at no charge, food too. I also made one of my hotels available for a charity ball last year in aid of Cancer Research UK, The Caron Keating Foundation and Marie Curie. The revenue was raised from selling tables and auction prizes and every penny went to charity. We raised just under half a million pounds and split the funds between the three charities. We're doing more of those – my dear wife was touched by a charity in India working in aid of victims of child trafficking, and I also support the Evelina Children's Hospital in London.

***"In the UK ...there is a level playing field - I was lucky my parents came here. "***

## CONCLUSIONS

In undertaking this research, we sought to understand the economic and non-economic contribution of migrant entrepreneurs to the UK. The results are striking.

Britain not only relies heavily on entrepreneurial migrants to launch businesses, create jobs and grow the economy; British nationals can also learn much from the entrepreneurial energy and productivity of migrant entrepreneurs.

- Britain is a melting pot for young, productive, entrepreneurial migrants from across the world. Nearly half a million people from 155 countries have settled in Britain and launched businesses.
- Their impact is so extensive, we have found that they are behind 1 in 7 of all UK companies. Their entrepreneurial activity is near double that of UK-born individuals. They are, on average, 8 years younger than the typical UK-born entrepreneur; among many migrant nationalities, there are high levels of female entrepreneurial activity.
- If governments are serious about growth, they must continue to attract migrant entrepreneurs to achieve long-term economic growth. They must also counter the negative public attitudes towards immigrants by celebrating their entrepreneurial value.

- Britain's migrant entrepreneurs show that feelings of displacement, change and uncertainty can be personal motivations in life and career success. These migrant entrepreneurs display qualities of self-reliance and determination in building their own businesses, often from nothing.

As Britain strives to improve its national economic performance in a highly competitive global market, our politicians, education system, businesses and the media cannot afford to ignore these lessons.

## RECOMMENDATIONS

1. All parties should acknowledge and celebrate the contribution that migrant entrepreneurs make to the UK,
2. All parties should reaffirm their commitment to the entrepreneur and graduate entrepreneur visas, and make the intellectual case to the public as to why, quite rightly, there is no cap on entrepreneur visas,
3. The government should remain responsive to the entrepreneur community to allow improvements to entrepreneur visas and graduate entrepreneur visas – particularly ensuring that the latter are being used to their full potential.
4. The government should conduct a review of business support and access to finance to ensure migrant entrepreneurs are not disadvantaged through lack of awareness or cultural barriers.
5. The government should continue to 'fly the flag for Britain', encouraging entrepreneurs from all corners of the world to settle and launch businesses in the UK.

## NOTES

### Data

All data, unless otherwise stated, is from DueDil Limited. This is sourced from Companies House. All figures are based on businesses where founder directors classify themselves as non-British. Secretaries and Company Secretaries were removed from the search. This misses out any immigrants who have taken British citizenship since moving to the UK. This means that actual numbers of entrepreneurs and businesses may well be significantly higher than stated.

Foreign companies that are registered with Companies House but not considered a company registered in England and Wales, Scotland or Northern Ireland have been removed from the figures. Subsidiaries of overseas firms however, have been left in.

On the jobs data, it should be noted that not all companies are required to file employee numbers. Therefore, within our £1m–£200m turnover band, the employee numbers refer only to the 8,230 migrant-founded companies (of the 10,697 migrant-founded SMEs) that have filed employee numbers.

Note that companies co-founded by migrants and British nationals are counted twice in our SME jobs analysis.

Company locations are based on registered company addresses.

The partners in this project would like to pay particular tribute to Ahmed Medhat, chief data scientist at DueDil, for his work on researching and compiling this groundbreaking data.

### Polling

The definition of migrant entrepreneurs provided to respondents was:

“people who come from other countries to live in the United Kingdom but who must invest £50,000 in a business and create two full time jobs ‘for persons settled in the UK’ in order to remain in the UK.”

This definition is based upon the UK’s entrepreneur visa requirements.

All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,280 adults. Fieldwork was undertaken between 6th – 9th December 2013. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

## REFERENCES

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The Centre for Entrepreneurs is an independent and non-partisan initiative of the London-based Legatum Institute.

Centre for  
Entrepreneurs

**CFE**

The Entrepreneurs'  
Think Tank

**Centre for Entrepreneurs**  
11 Charles Street, London W1

Phone **020 7148 5460**  
Twitter **@CFEntrepreneurs**  
Email **info@centreforentrepreneurs.org**

**[www.centreforentrepreneurs.org](http://www.centreforentrepreneurs.org)**



**DueDil**  
8 Warner Yard, London, EC1R 5EY

Phone **020 3031 6244**  
Email **press@duedil.com**

**[www.duedil.com](http://www.duedil.com)**