

The value of capital markets to the UK economy

Capital markets have a vital role to play in supporting the economy through this crisis and driving a recovery: in helping UK companies raise money to finance their business and invest in growth and jobs, and helping them manage their risks. Here are 10 key datapoints from this report. You can request a full copy [here](#).

>>> RELEVANCE OF CAPITAL MARKETS

90%+

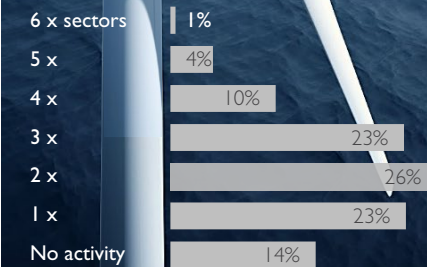
of UK companies with revenues of more than £200m use the capital markets

Large UK companies rely on the capital markets to help raise capital to invest in their business and to manage risk. We estimate that nearly 90% of UK companies with revenues of more than £200m use the capital markets.

% of large UK companies that use capital markets (by revenues £m)



What % of large UK companies use different sectors of the capital markets?



>>> LARGE COMPANIES

1,000

large UK companies with revenues of more than £200m use the capital markets

Just under 1,000 large UK companies used the capital markets at least once in the five years from 2014 to 2018. Nearly 500 large companies used at least three different sectors of the capital markets.

>>> SMALLER COMPANIES

14,000

smaller UK companies with revenues of less than £200m use the capital markets

Capital markets are not just for large companies. We estimate that around 14,000 smaller UK companies used the capital markets in the same five year period, including nearly 900 smaller UK companies that are listed on the stock market.

>>> SUPPORTING JOBS



5.5 million people employed in the UK by large companies that use capital markets

Capital markets help support millions of jobs in the UK: large UK companies that use the capital markets employ 5.5 million people in the UK - a fifth of the private sector workforce - and nearly 13 million people worldwide.

>>> FUELLING THE ECONOMY

£3.1 trillion

combined revenues of UK companies that use the capital markets

Capital markets help fuel the UK economy: large UK companies that use the capital markets have combined revenues of £3.1 trillion - around 50% bigger than UK GDP.

>>> RAISING CAPITAL

£750 bn

of capital raised by companies in the UK capital markets between 2014 and 2018

Capital markets provide a vital source of funding for UK companies. In the five years between 2014 and 2018, companies raised nearly £750bn in the UK capital markets to invest in their business. That's equivalent to roughly half the total amount of money that banks lent to all UK companies over the same period.

>>> MERGERS & ACQUISITIONS

5,500

UK companies used the M&A market to buy another business between 2014 and 2018

The most common way in which UK companies use the capital markets is buying other companies to grow their business, expand overseas or move into new markets. Around 5,500 UK companies used M&A in the five year period we analysed, including 70% of large UK companies.

>>> MANAGING RISK

80%+

of large UK companies use derivatives to help manage risk in their day-to-day business

Trading floors at big banks in London may seem a million miles from factories in Birmingham, Manchester or Newcastle. But our analysis shows that at least 80% of large UK companies use derivatives to help manage their day-to-day risk. The most commonly used derivatives are foreign exchange, closely followed by interest rates.

>>> PRIVATE EQUITY

41%

of large privately-held UK companies are owned or backed by private equity

Private equity has grown rapidly as a source of funding and investment for UK companies: 41% of large privately-held UK companies are owned or part-backed by private equity, and nearly a third of all large UK companies have been involved with private equity in the past five years.

>>> SAVING FOR RETIREMENT

£2,400

average contribution per employee each year to staff pensions by large UK companies

The most direct connection between individuals in the UK and the capital markets is pensions. On average, large UK companies contribute about £2,400 per employee a year to their staff pensions. That's about 8% of staff wages and adds up to around £25bn in pension contributions a year.