

STEPHEN WOMACK

Small firms create twice as many jobs as major companies

NEARLY two-thirds of new jobs are created by smaller businesses, a major study has found.

Research for Nottingham University has discovered that 65 per cent of all new jobs between 1997 and 2008 were with firms employing fewer than 100 workers.

Peter Wright, an associate economics professor at Nottingham, said: 'There has always been a discussion about whether small entrepreneurial firms or large firms are more important in terms of job creation.'

It is clear from this research that small companies employ a significant proportion of the workforce and account for most new jobs. Although their failure rates are higher, they certainly have more of a role to play than many economists have previously recognised.

Manufacturing overall suffered the most rapid shrinkage in the North-East, the West Midlands and London. The fastest expansion in all service sector companies was seen in the North-West, Scotland, eastern England, Yorkshire and Northern Ireland.

DAN ATKINSON

Fears for BP shares after Obama attacks dividend

SHARES in BP are likely to face renewed pressure this week after President Barack Obama criticised plans to pay a £7 billion dividend to investors.

Obama said he objected to the company giving the massive payout to shareholders while fishermen and small businesses around the Gulf of Mexico were facing terrible hardship as a result of the oil disaster.

BP's dividend is one of the few positive factors supporting the group's share price, which has been savaged by fears about the cost of the clean-up operation. Its payout has not been cut since 1992.

On Friday, BP chairman Carl-Henric Svanberg refused to rule out a dividend cut, but chief executive Tony Hayward later said the board would take into account US political pressure.

ANDREW LEACH

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Virgin for £1

By MARK FOXWELL

SIR Richard Branson is believed to be reviving plans to float his Virgin Active gym chain later this year with a likely price tag of more than £1 billion.

Sources say Branson is talking to potential advisers about a stock market listing for the business in which he is expected to retain a significant stake.

Virgin Active - which was founded in 1999 and operates in Britain, Italy, Spain and South Africa - is 75 per cent owned by Branson.

The remainder belongs to private equity investors Permira and Bridgepoint Capital, which acquired their stakes after selling the Holmes Place fitness business to Virgin in 2006.

A source at Permira said: 'Branson is weighing up a float after posting record results.'

Last month, Virgin Active, which has 187 clubs, announced that its



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2009 profits tax payments record £101 increased 15 lion, with r 919,000.

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Copy Britair

CHANCELLOR George Osborne scored an early success on the international stage yesterday by bringing world finance ministers round to Britain's line on the need to cut government deficits.

Tough language on slashing public borrowing, along with a welcome for the coalition's early package of spending cuts, put the Chancellor's imprint firmly on the communiqué of the Group of 20 leading economies.

For Osborne, who had flown to the summit in Busan, South Korea, determined to get a com-

By DAN ATKI

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