

The Economic Power of the Oxford - Cambridge Growth Corridor



Summary

- The Supercluster region has consistently grown faster than the national economy. It has added 125,000 jobs since 2015, more than any UK city except London and Manchester.
- The out-performance of the Supercluster region is due primarily to its highly skilled workforce and high exposure to faster growing knowledge intensive (K.I.) sectors. K.I. sectors account for 14% of total employment in the Supercluster region compared with a national average of 9%. By extension, the Supercluster also has an above average exposure (27%) to the eight priority sectors in the government's industrial strategy.
- The concentration of K.I. sectors in the Supercluster reflects the region's long history of scientific breakthroughs and innovation. If innovation is measured on a per capita basis, then Cambridge ranks as the second most innovative city in the world according to the World Intellectual Property Organisation (WIPO), out of 237 cities. Oxford ranks fifth.
- Oxford ranks first in The Times 2026 Higher Education World University Rankings and Cambridge third. Collectively the two universities have launched more than 400 spin-outs and the pool of highly skilled scientists and researchers in Oxford and Cambridge has attracted major research institutes (e.g. Diamond Light Source, Wellcome Sanger Institute) and multi-national companies (e.g. AstraZeneca, Microsoft).
- Spin-outs from Oxford and Cambridge university have attracted more venture capital over the last ten years than any other UK city except London. That in turn has created a virtuous circle inside the SuperCluster, as local entrepreneurs who have been successful have then become mentors to later spin-outs and re-invested their profits.
- Life science companies are heavily concentrated in Oxford, Cambridge and Stevenage, whereas IT and advanced manufacturing businesses are more evenly distributed across the region.
- The Supercluster has a strong pipeline of smaller businesses in emerging sectors such as AI, battery & e.v. technology, nuclear fusion and quantum computing which could become major companies in the future.



The Supercluster Region

1.1 The Composition of the Supercluster

The Supercluster Region is one of the most dynamic parts of the UK. It not only includes Oxford and Cambridge, but also Bedford, Luton, Milton Keynes, Silverstone and Stevenage (see Appendix).

A survey by the Centre for Business Research, University of Cambridge (CBR) to provide a baseline assessment of the corporate economy in the Oxford-Cambridge

Supercluster region, found there are 19,000 private companies and partnerships employing 5, or more people in the Supercluster Region (see Figure 1). In total they employ more than 550,000 people and had a turnover of £135 billion in 2023/24. The majority are small businesses employing between 5-49 people, but there are also 300 large businesses which collectively account for 32% of the workforce and 42% of turnover.

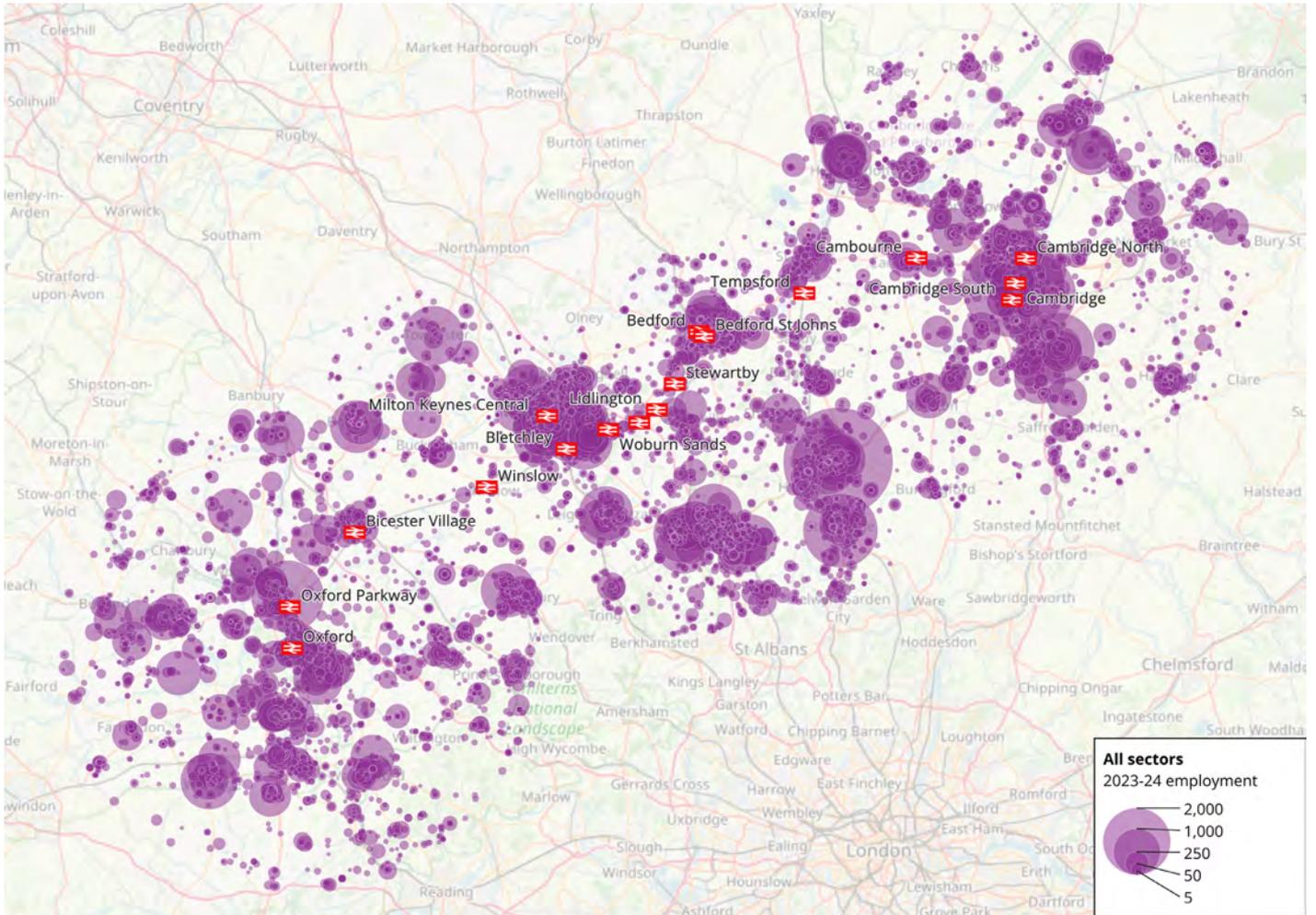
Table 1: Supercluster Private Companies and Partnerships by Size in 2023/24

	Number	%	Employees	%	Turnover	%
5-49 employees	17,095	90	221,372	39	41,837,526	31
50-249 employees	1,593	8	160,011	28	36,270,190	27
>250 employees	319	2	182,956	32	56,449,064	42
Total	19,007	100	564,339	100	134,556,780	100

Source: Centre for Business Research, University of Cambridge. 2025.



Figure 1: Businesses in the Supercluster Region



Source: Centre for Business Research, University of Cambridge. 2025. Note the size of each dot is proportionate to the number of employees.

The Supercluster Region has a relatively high concentration of companies in knowledge intensive (K.I.) sectors and by extension, the eight sectors which are priorities in the government’s industrial strategy (see Appendix for definitions). According to the survey by CBR there are over 150,000 people working in K.I. sectors including IT & Telecoms, life science, advanced manufacturing, media and K.I. services (e.g. laboratory

testing, scientific / engineering consultancy). These 3000 KI companies have a combined turnover of £45bn and contribute almost one third of corporate employment in the Supercluster. If finance, professional services and the arts are also included, then the number of people in the region employed in the government’s eight priority sectors increases to 200,000.

Table 2: Supercluster Private Company and Partnership Employment by Sector in 2023/24

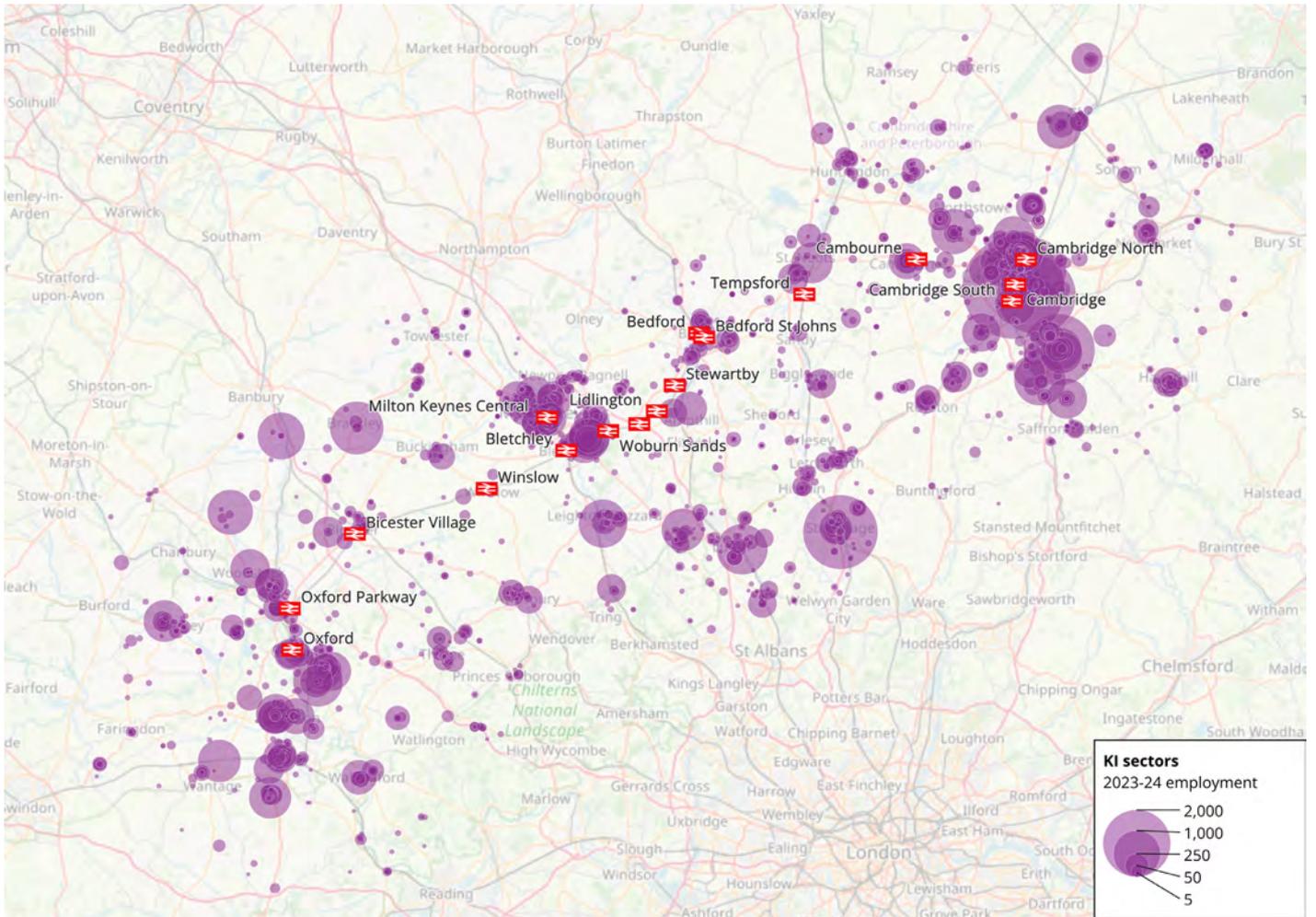
	Oxford area	Central area	Cambridge area	Supercluster
IT & Telecoms	12,132	14,750	19,366	46,248
Life Science & Healthcare	10,533	4,976	23, 831	39,340
Advanced Manufacturing	11,328	16,777	16,732	44,837
K.I. Services	7,956	3,698	8,651	20,305
Media	463	768	710	1,941
K.I. Services	42,412	40,969	69,290	152,671
Finance	3,242	10,304	1,963	15,509
Prof & Business Services	9,526	13,132	8,588	31,246
Culture	1,523	786	861	3,170
Industrial Strategy 8	56,703	65,191	80,702	202,596
Agriculture	4,364	2,011	5,055	11,430
Other Manufacturing	12,271	18,248	15,324	45,843
Construction & Utilities	9,941	14,759	11,938	36,638
Transport & Travel	4,594	6,712	4,880	16,186
Retail & Wholesale	15,979	29,677	16,531	62,187
Other Services	30,469	43,866	27,201	101,536
Education & Social Care	26,477	37,994	23,452	87,923
Total	160,798	218,458	185,083	564,339

Source: Centre for Business Research, University of Cambridge. 2025.

The two main agglomerations of K.I. businesses are around Oxford and Cambridge, but there is another concentration around Milton Keynes and along the A5 / A505 between Leighton Buzzard and Stevenage. Life science companies are heavily concentrated in Oxford, Cambridge and Stevenage, whereas IT

and advanced manufacturing businesses are more evenly distributed across the region. Overall, the CBR analysis shows that Cambridge accounts for 46% of K.I. employment across the Supercluster, followed by Oxford (28%) and the Central Region (26%).

Figure 2: K.I. Businesses in the Supercluster Region



Source: Centre for Business Research, University of Cambridge. 2025. Note the size of each dot is proportionate to the number of employees.

The distribution of large K.I. across the Supercluster region

Analysing large K.I. businesses (250+ employees) across the Supercluster region, the CBR analysis (See figure 3) shows that Oxford's economy is dominated by high-tech manufacturing (60% in F1-related engineering and 40% in scientific equipment and logistics). Life sciences account for 27% of large K.I. employment, while IT & telecoms contribute 22%. Knowledge-intensive services make up a further 17%, spanning everything from electron microscopy to nuclear fusion.

Around half of large K.I. employment in the Central Region is in high-tech manufacturing (39% F1-related,

23% aerospace, 30% industrial equipment). IT & telecoms add 26%, mainly online business services. A further 21% comes from three major firms in drug discovery and medical instruments.

In the Cambridge region, life sciences dominate 42% of K.I. employment (37% Big Pharma, 29% drug discovery, 14% genome research, 13% medical instruments). IT & telecoms account for 23%, and high-tech manufacturing another 23%. Knowledge-intensive services make up the remaining 12%, mainly technology consulting.

Figure 1: Businesses in the Supercluster Region

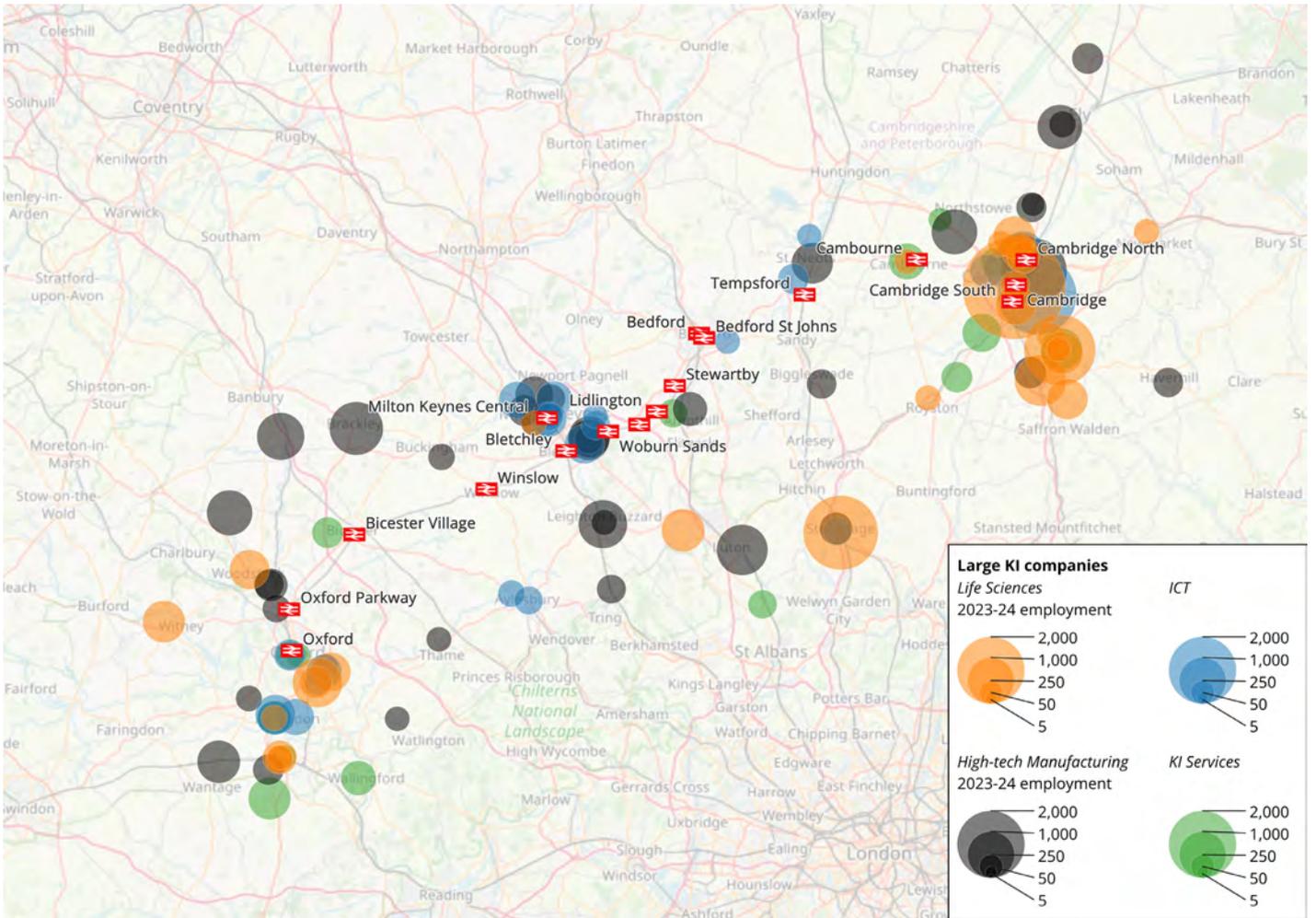


Table 2: Supercluster Private Company and Partnership Employment by Sector in 2023/24

Company	Activity	Location in region
Arjo UK	Medical Instruments	Dunstable
Arm	Semiconductor & Software Design	Cambridge
AstraZeneca	BioPharmaceuticals	Cambridge
Darktrace	Cyber Security	Cambridge
Dematic	Warehouse Automation Equipment	Banbury
GSK	BioPharmaceuticals	Stevenage
Mercedes-Benz Grand Prix	Racing Cars	Brackley

Table 3: Supercluster Private Company and Partnership Employment by Sector in 2023/24 (continued)

Company	Activity	Location in region
Oxford Nanopore Technologies	DNA/RNA Sequencing Technology	Oxford
Rockwell Collins	Aerospace Manufacturer	Leighton Buzzard
Thermo Fisher Scientific	Laboratory Equipment & Services	Cambridge

Source: Centre for Business Research, University of Cambridge. 2025. The companies in the table have at least 750 staff working in the region.

In addition, the Supercluster has a strong pipeline of smaller businesses in emerging sectors which could become major companies in the future. These include companies in AI (e.g. Aimi in Milton Keynes, Featurespace in Cambridge), battery and e.v. technology

(Nyobolt in Cambridge, YASA in Bicester), nuclear fusion (e.g. First Light Fusion in Oxford, Tokamak Energy in Didcot) and quantum computing (Oxford Ionics, Quantinuum in Cambridge).

1.2 The Supercluster Region vs the UK

The Supercluster region has consistently grown faster than the national economy.

Figure 2: Total Employment in the Supercluster Region and UK

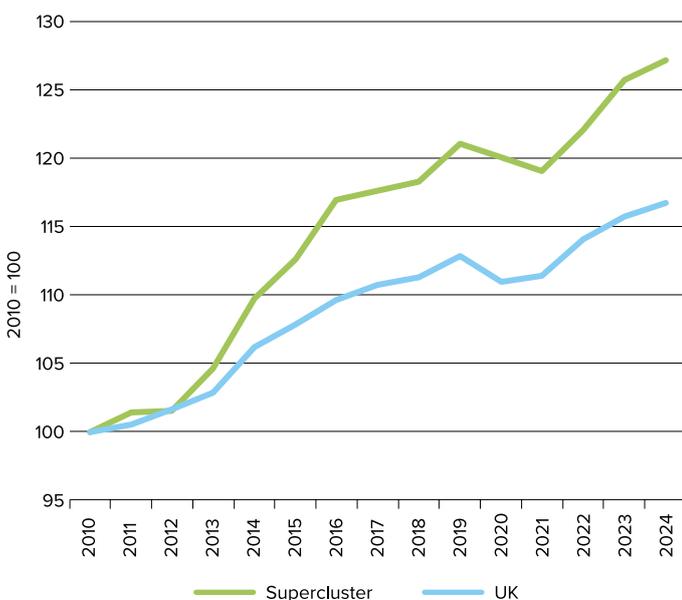


Table 4: Employment Growth, % p.a.

	Supercluster	UK
2021-2024	2.2	1.6
2019-2024	1.0	0.7
2014-2024	1.5	1.0
2010-2024	1.7	1.1

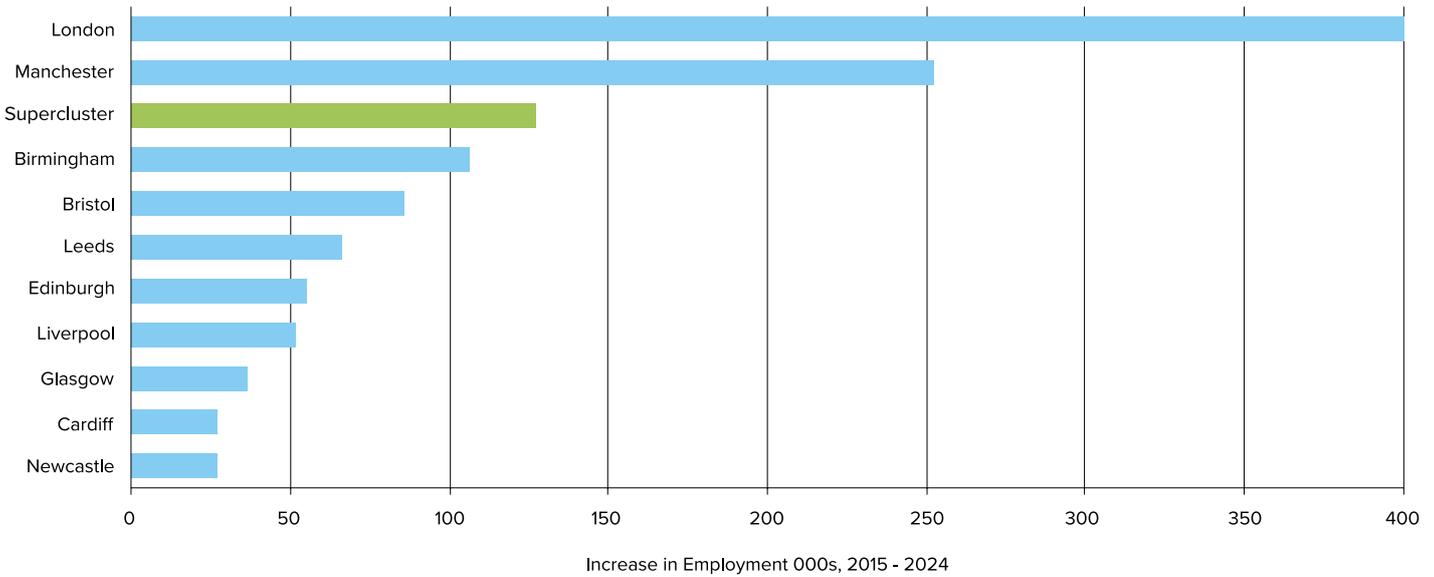
Table 5: Output (GVA) Growth, % p.a.

	Supercluster	UK
2021-2024	2.9	2.3
2019-2024	1.5	1.1
2014-2024	1.7	1.5
2010-2024	2.2	1.8

Source: Oxford Economics. 2025.

The Supercluster Region has added 125,000 jobs since 2015. That is more than any UK city except Manchester (250,000) and London (815,000).

Figure 4: Major Cities Increase in Employment since 2015

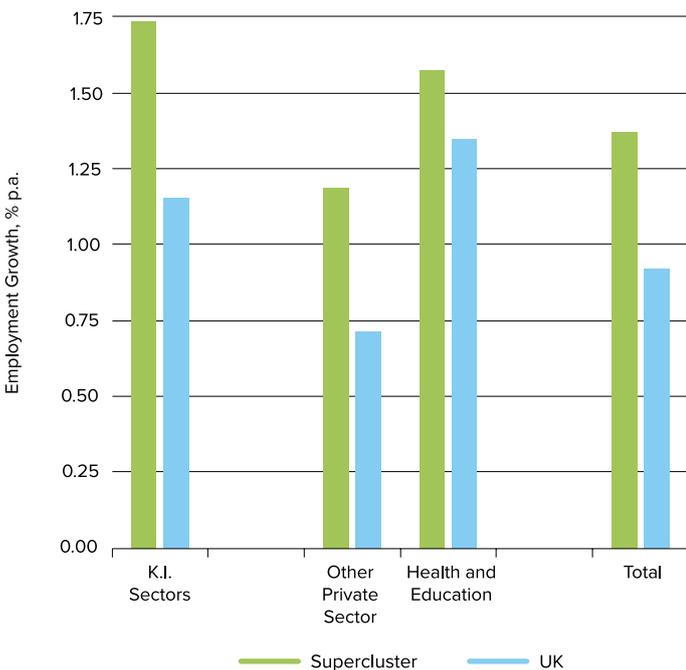


Source: Centre for Business Research, University of Cambridge. 2025. The companies in the table have at least 750 staff working in the region.

The out-performance of the Supercluster region is due primarily to its highly skilled workforce and high exposure to faster growing knowledge intensive (K.I.) sectors. 53% of the workforce has a degree (UK average 47%) and K.I. sectors account for 14% of total employment in the Supercluster region compared with a national average of 9%.

The overlap between K.I. sectors and the government’s industrial strategy (I.S.) means that the Supercluster region also has an above average exposure to the eight priority sectors. Together they account for 27% of employment in the region against a national average of 25%¹. (See Appendix for a list of the priority sectors).

Figure 5: Annual % Growth in Employment by Broad Sector, 2015-2024



While K.I. sectors only account for 14% of total jobs in the Supercluster, their rapid growth has had a strong multiplier effect on the rest of the region’s economy, by boosting spending in local shops, cafes, gyms, etc and by generating additional revenue for businesses in professional services, financial services and construction. As a result, the rest of the private sector in the Supercluster region has also seen relatively strong employment growth, adding 60,000 jobs since 2015. Employment in health and education has also grown faster than the national average, as the strength of the local jobs market has attracted people from other parts of the country, adding to the population. The Supercluster’s population has increased by 12% since 2015, double the national average (6%).

At root, the concentration of K.I. sectors in the Supercluster reflects the region’s long history of scientific breakthroughs and innovation. If innovation is measured on a per capita basis, then Cambridge ranks as the second most innovative city in the world according to the World Intellectual Property Organisation (WIPO), out of 237 cities. Oxford ranks fifth.

The Supercluster has a relatively high exposure to life science, IT and advanced manufacturing, but a lower than average exposure to financial services and creative industries.

Table 6: Innovation Intensity and University Rankings

Innovation intensity		Academic excellence	
1	San Francisco – San Jose	1	University of Oxford
2	Cambridge	2	Massachusetts Institute of Technology
3	Boston	3	Princeton University
4	Ningde	4	University of Cambridge
5	Oxford	5	Harvard University
6	Seattle	6	Stanford University
7	San Diego	7	California Institute of Technology
8	Ann Arbor	8	Imperial College London
9	Helsinki	9	University of California, Berkeley
10	Eindhoven	10	Yale University
11	Stockholm	11	ETH Zurich
12	Copenhagen	12	Tsinghua University

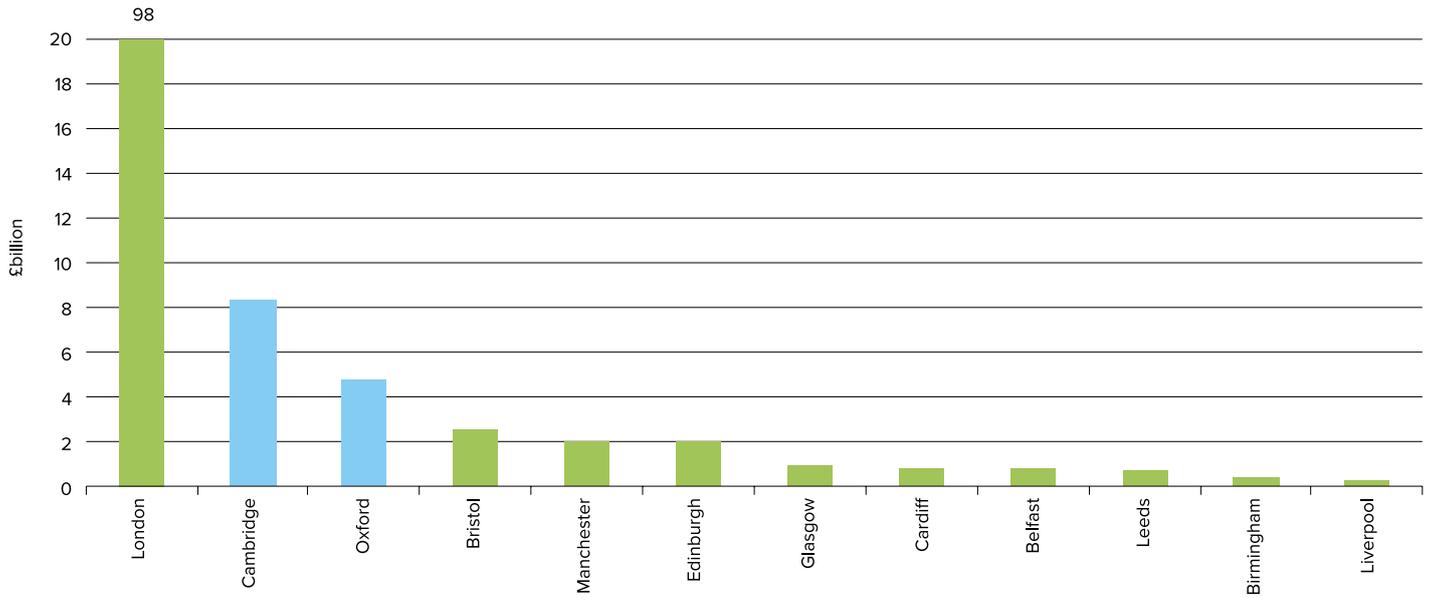
Source: WIPO Global Innovation Index 2025, Times Higher Education World University Ranking 2026.

Clearly, it helps that the region has two world leading universities. Oxford ranks first in The Times 2026 Higher Education World University Rankings and Cambridge third. Collectively the two universities have launched more than 400 spin-outs and the pool of highly skilled scientists and researchers in Oxford and Cambridge has attracted major research institutes (e.g. Diamond Light Source, Wellcome Sanger Institute) and multi-national companies (e.g. AstraZeneca, Microsoft).

However, that is not the whole story. Both Princeton and Yale in the USA are top universities, but neither feature in the WIPO rankings. In order to thrive, there also needs to be a culture of starting businesses and risk taking and good access to early stage venture capital for start-ups. In general Oxford and Cambridge start-ups and scale-ups have a good track record and over the last ten years they have attracted more venture capital than any other UK city except London. That in turn has created a virtuous circle inside the Supercluster, as local entrepreneurs who have been successful have then become mentors to later spin-outs and re-invested their profits.



Figure 6: Venture Capital Raised by City, 2015-2025



Source: PitchBook. 2025. Note vertical axis is truncated.

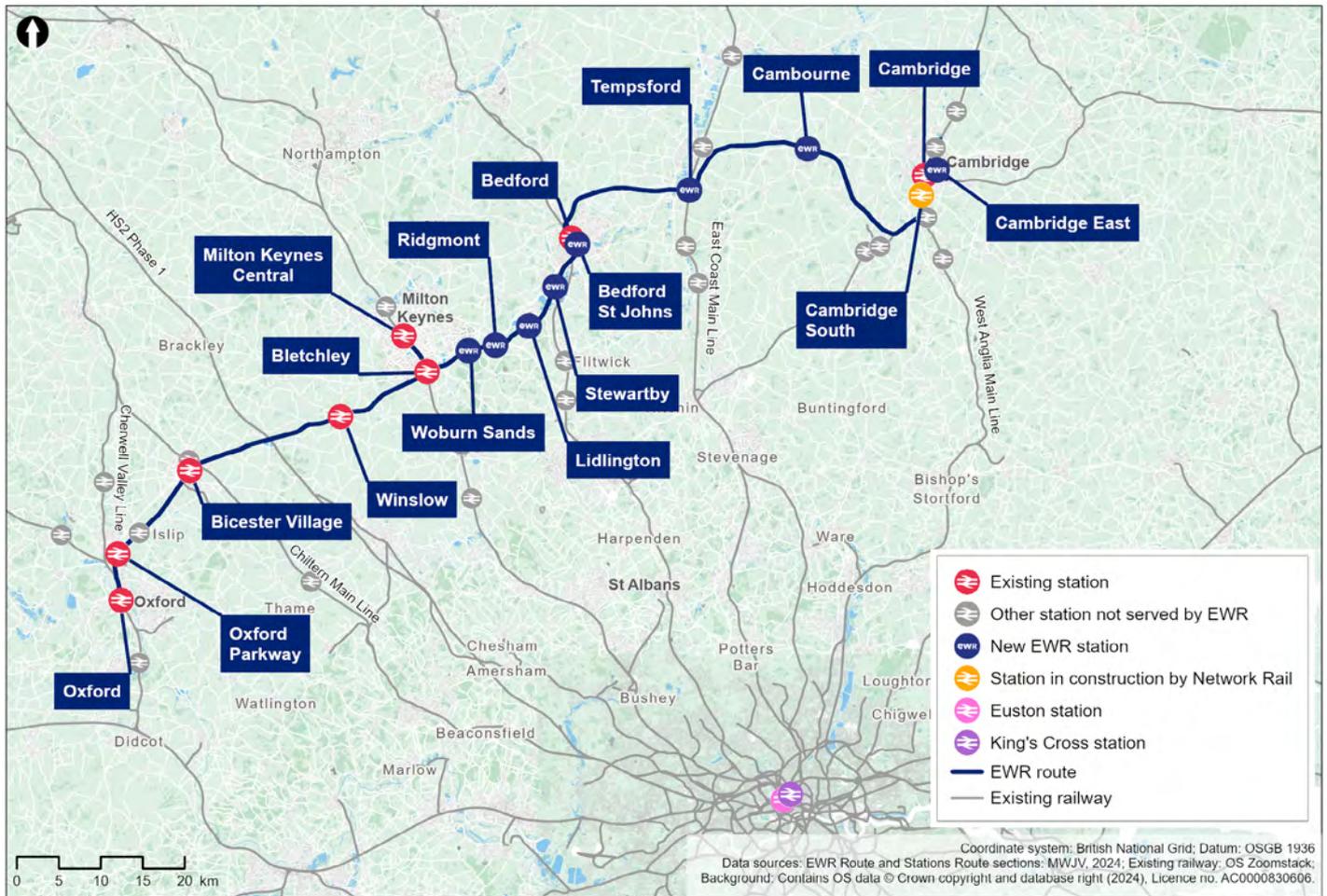
Appendix

The Supercluster Region includes 11 local authorities: Bedford, Cambridge, Central Bedfordshire, Cherwell, Luton, Milton Keynes, North Hertfordshire, Oxford, South Cambridgeshire, Stevenage, Vale of White Horse.

The Centre for Business Research, University of Cambridge (CBR) survey of private companies and partnerships was conducted in two stages between

February and October 2025. The Oxford and Cambridge areas cover a 20 mile radius around the centre of each city. The Central Region is defined as a 7.5-mile radius from each station along the proposed EWR route (see Figure 7), plus the areas around Luton (10-mile radius of Houghton Regis), Silverstone (7.5-mile radius of Silverstone Circuit) and Stevenage (10-mile radius of Hitchin).

Figure 7: Map of the East West Rail Route



We cover companies and limited partnerships that were based in any of the three areas described above with 5+ employees and alive in 2023-24. It is thus important to bear in mind that we look at a static set of companies. Whilst we account for companies that were born or moved into any of the three areas, we do not cover companies that died or moved out at any point in time (any companies that died after 2023-24 would still be included in our database).

Companies based in these areas can be either independent businesses or subsidiaries of UK or foreign businesses that have an identifiable company

within the Oxford-Cambridge Supercluster region. The CBR data does not cover national businesses based outside the region such as supermarkets, banks or insurance companies although they do have employees in the region; nor does it cover non-corporate private sector activities or public sector activities. For instance, not included in this study is the work that has been done as part of the Cambridge annual draw on non-corporate K.I. research organisations such as Addenbrooke's Hospital, the MRC Laboratory of Molecular Biology and the Sanger Institute.

Knowledge Intensive Sectors

SIC code	Industry
20	Manufacture of Chemicals
21	Manufacture of Pharmaceuticals
25.4	Manufacture of Weapons
26	Manufacture of Electronics & Computers
27-30	Mechanical & Electrical Equipment including Cars
30.3	Manufacture of Aircraft & Spacecraft
32.5	Manufacture of Medical Supplies
58	Publishing
59-61	T.V., Film & Music
62-63	Computer Software, Websites & Data Processing
71	Architects, Planners & Consulting Engineers
72	Science & Engineering R&D
74.1	Specialised Design
74.9	Environmental Consultants

Source: Advanced Oxford, Eurostat. 2023.

The definition was originally developed by Eurostat. The main constituents are life science, IT & communications, advanced manufacturing and other R&D companies. Note the definition excludes professional services, financial services and high education, even though the latter provides the foundation for many K.I. sectors.

Industrial Strategy

The government's eight priority sectors are:

- Advanced Manufacturing
- Clean Energy Industries
- Creative Industries
- Defence
- Digital and Technology
- Financial Services
- Life Sciences
- Professional & Business Services

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Acknowledgements

This report has been developed through close collaboration between the Supercluster Board's Innovation Places Expert Panel and the Centre for Business Research (CBR) at the University of Cambridge. We would like to thank the following contributors whose research and analysis has brought this work to fruition.

Dr Andy Cosh and Dr Giorgio Caselli for their detailed analysis and approach to compiling the data that underpins this report. Their contribution has been central to building a robust evidence base for business growth across the Oxford - Cambridge Growth Corridor for the first time.

We would also like to thank Mark Callender at Bidwells for his work in shaping the final report and combining complementary data sources with the CBR work to demonstrate a powerful growth story across the Growth Corridor.