

Statistical bulletin

# Business insights and impact on the UK economy: 17 November 2022

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS) to deliver real-time information to help assess issues affecting UK businesses and economy, including financial performance, workforce, trade, and business resilience.

Contact:  
Gemma Rabaiotti  
bics@ons.gov.uk  
+44 1633 456417

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## Table of contents

1. [Main points](#)
2. [Headline figures](#)
3. [Financial performance](#)
4. [Prices](#)
5. [Energy prices](#)
6. [Domestic demand](#)
7. [Workforce](#)
8. [Business performance](#)
9. [Business Insights and Conditions Survey data](#)
10. [Glossary](#)
11. [Measuring the data](#)
12. [Strengths and limitations](#)
13. [Related links](#)
14. [Cite this statistical bulletin](#)

# 1 . Main points

- In October 2022, a quarter (25%) of trading businesses reported turnover was lower compared with September 2022, while 15% reported their turnover was higher (a net 11% of businesses reporting turnover decreased).
- In early November 2022, nearly a quarter (24%) of trading businesses reported that they expect their turnover to decrease in December 2022, while 13% expect their turnover to increase (a net 11% of businesses expect their turnover to decrease).
- Nearly half (46%) of trading businesses reported an increase in the price of goods or services bought in October 2022 compared with September 2022.
- In early November 2022, the proportion of trading businesses reporting their performance will decrease over the next 12 months was 16%, broadly stable with early October 2022.
- Nearly three-quarters (72%) of businesses in the accommodation and food service activities industry reported that their production and/or suppliers have been affected by the recent increases in energy prices, in early November 2022.
- In early November 2022, 11% of businesses with 10 or more employees reported that they were using, or intending to use, increased homeworking as a permanent business model; improved staff well-being was reported as the main reason for doing so, at 76%.
- Nearly one in five (19%) businesses reported that domestic demand for goods and services in October 2022 decreased compared with the previous calendar month, broadly stable with September 2022; in contrast nearly half (45%) reported domestic demand stayed the same.

## 2 . Headline figures

The data presented in this bulletin are the final results from Wave 69 of the Business Insights and Conditions Survey (BICS), which was live from 31 October to 13 November 2022. The data reported within BICS bulletins and datasets are estimates that are subject to [uncertainty](#), for example, sampling variability and [non-sampling error](#). Further information on quality is available in our [Business insights and conditions Quality and Methodology Information \(QMI\)](#) and we regularly update [confidence intervals](#) associated with the survey questions.

Experimental single-site weighted regional estimates up to Wave 60 (27 June to 10 July 2022) are available in our [Business insights and impact on the UK subnational single-site economy: July 2022 article](#).

Please note that businesses were asked to exclude seasonal changes when answering questions contained within the BICS.

### More about economy, business and jobs

- Explore the latest trends in employment, prices and trade in our [economic dashboard](#).
- View [all economic data](#).

## Figure 1: Headline figures from the Business Insights and Conditions Survey

Notes:

1. For presentational purposes, some response options have been excluded.
2. Prices: for presentational purposes, the data show an increase to prices bought and sold compared with the previous calendar month.
3. Data are plotted in the middle of each wave.

**Download the data**

[.xlsx](#)

In early November 2022, the percentage of businesses that reported they were trading was 94%, with 85% fully trading and 9% partially trading (for example, trading with reduced hours or staff numbers). Meanwhile, 5% of businesses reported “temporarily paused trading” and 2% “permanently ceased trading” as their business’s trading status.

## **3 . Financial performance**

## Turnover

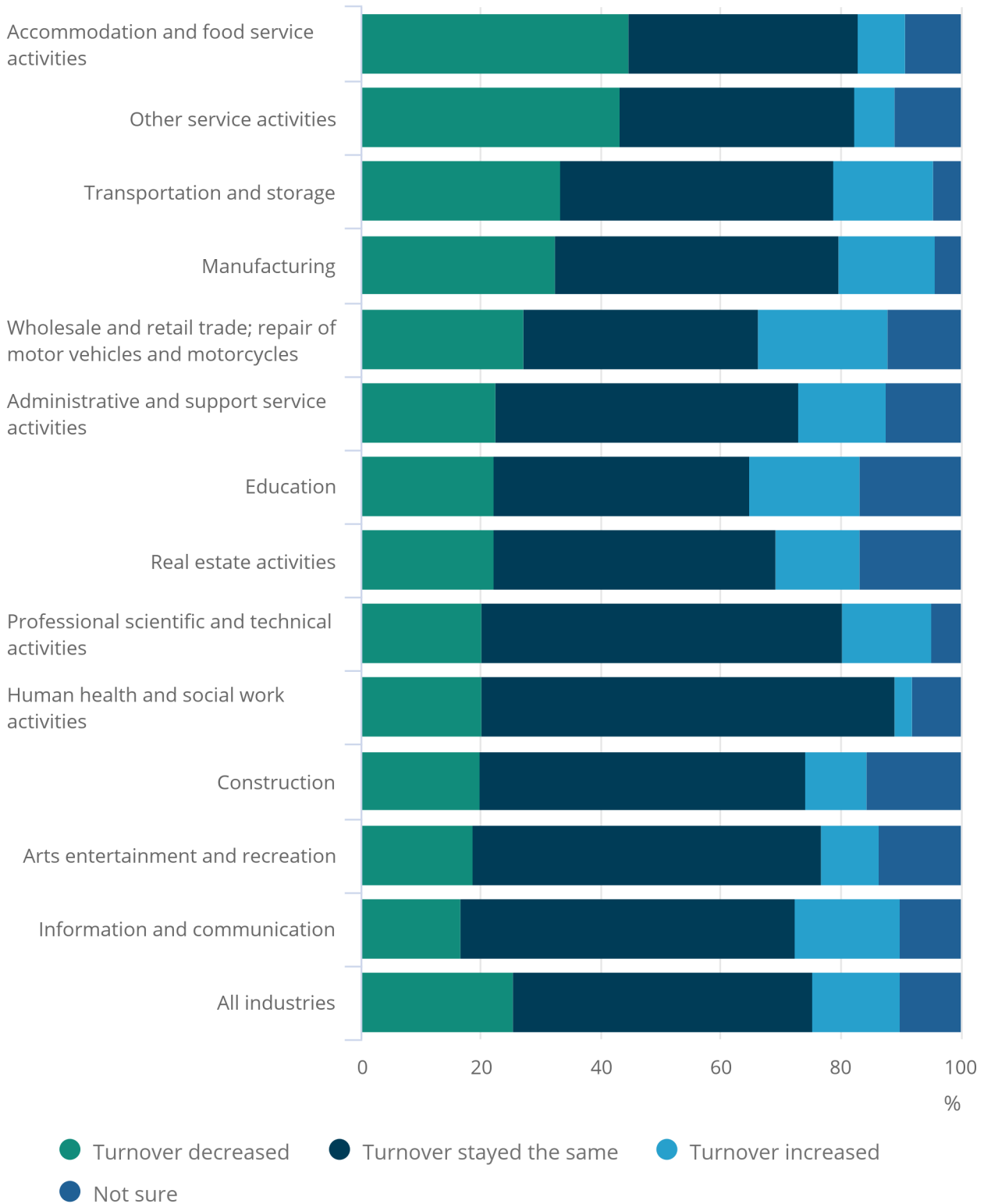
Trading businesses were asked how their turnover in October 2022 compared with September 2022.

**Figure 2: A net 11% of businesses reported their turnover was lower in October 2022**

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022

## Figure 2: A net 11% of businesses reported their turnover was lower in October 2022

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022



Notes:

1. Bars may not sum to 100% because of rounding, businesses being able to select multiple options and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.

The transportation and storage industry reported a 22 percentage-point increase in the proportion of businesses reporting their turnover was lower in October 2022 compared with the previous calendar month with the figure now at 33%. This change was partially driven by the freight transport by road sub-industry.

The next-largest movement came in the other service activities industry, up 16 percentage points to 43% for the same period. This was being partially driven by the hairdressing and other beauty treatment sub-industry.

Businesses within the hairdressing and other beauty treatment sub-industry commented that they were experiencing lower demand for their services and that their clients were rebooking over longer periods because of the cost of living crisis and financial hardship.

# Turnover expectations

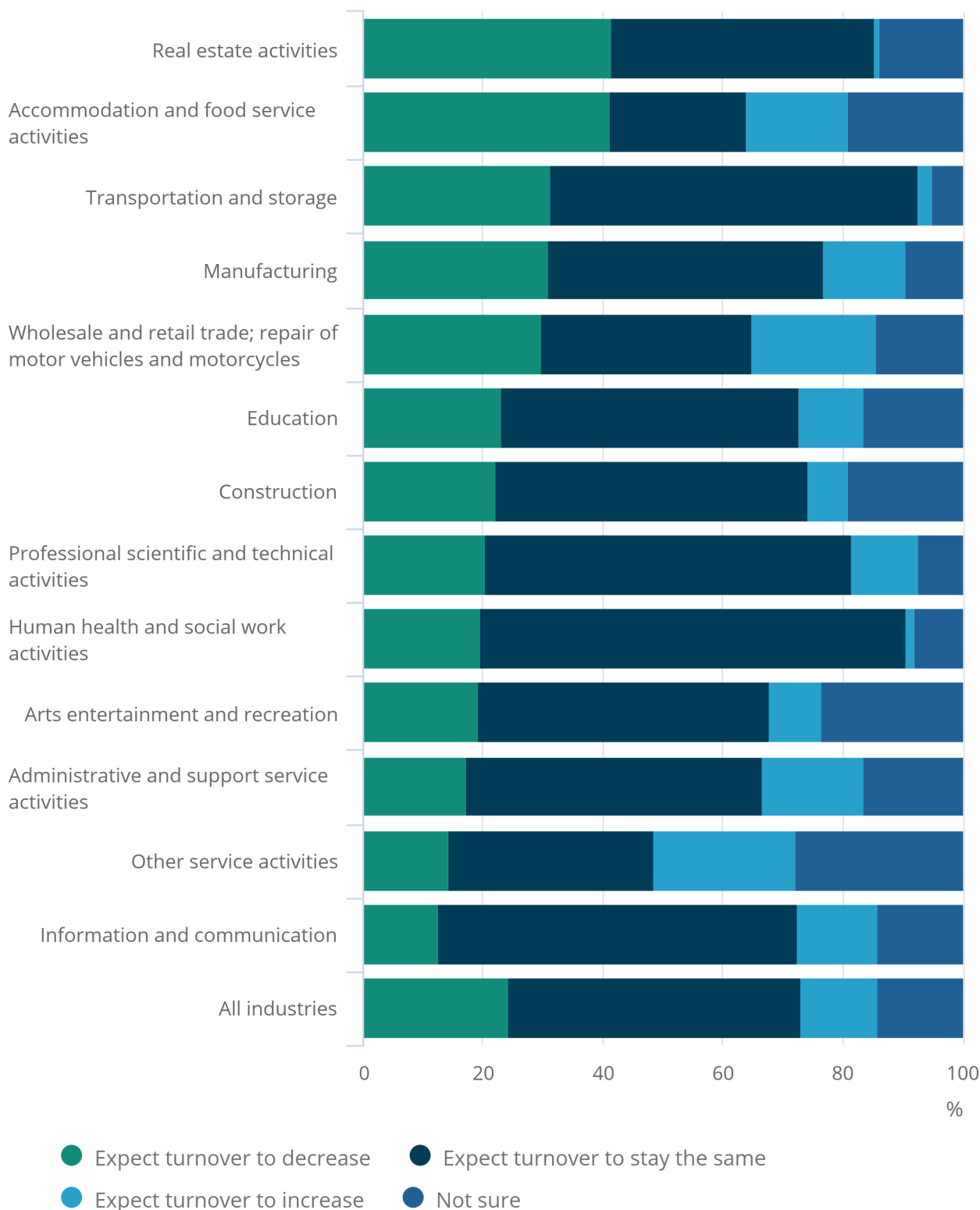
Trading businesses were asked about their turnover expectations for December 2022, excluding any seasonality trading.

**Figure 3: Almost a quarter (24%) of trading businesses expect their turnover to decrease in December 2022**

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 December 2022

### Figure 3: Almost a quarter (24%) of trading businesses expect their turnover to decrease in December 2022

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 December 2022



Notes:

1. Bars may not sum to 100% because of rounding, businesses being able to select multiple options and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.

In early November 2022, 24% of trading businesses within the other service activities industry reported that they expect their turnover to increase in December 2022. This was also being partially driven by the hairdressing and other beauty treatment sub-industry.

In comparison, nearly a quarter (24%) of all trading businesses expect their turnover to decrease in December 2022. The real estate activities industry reported the largest proportion, at 42%, up from the 31% that reported an expected turnover decrease for November 2022 when asked in early October 2022.

Businesses within the real estate industry commented that they have found the increase in interest rates was starting to have an effect on some agreed deals, particularly sales.

## 4 . Prices

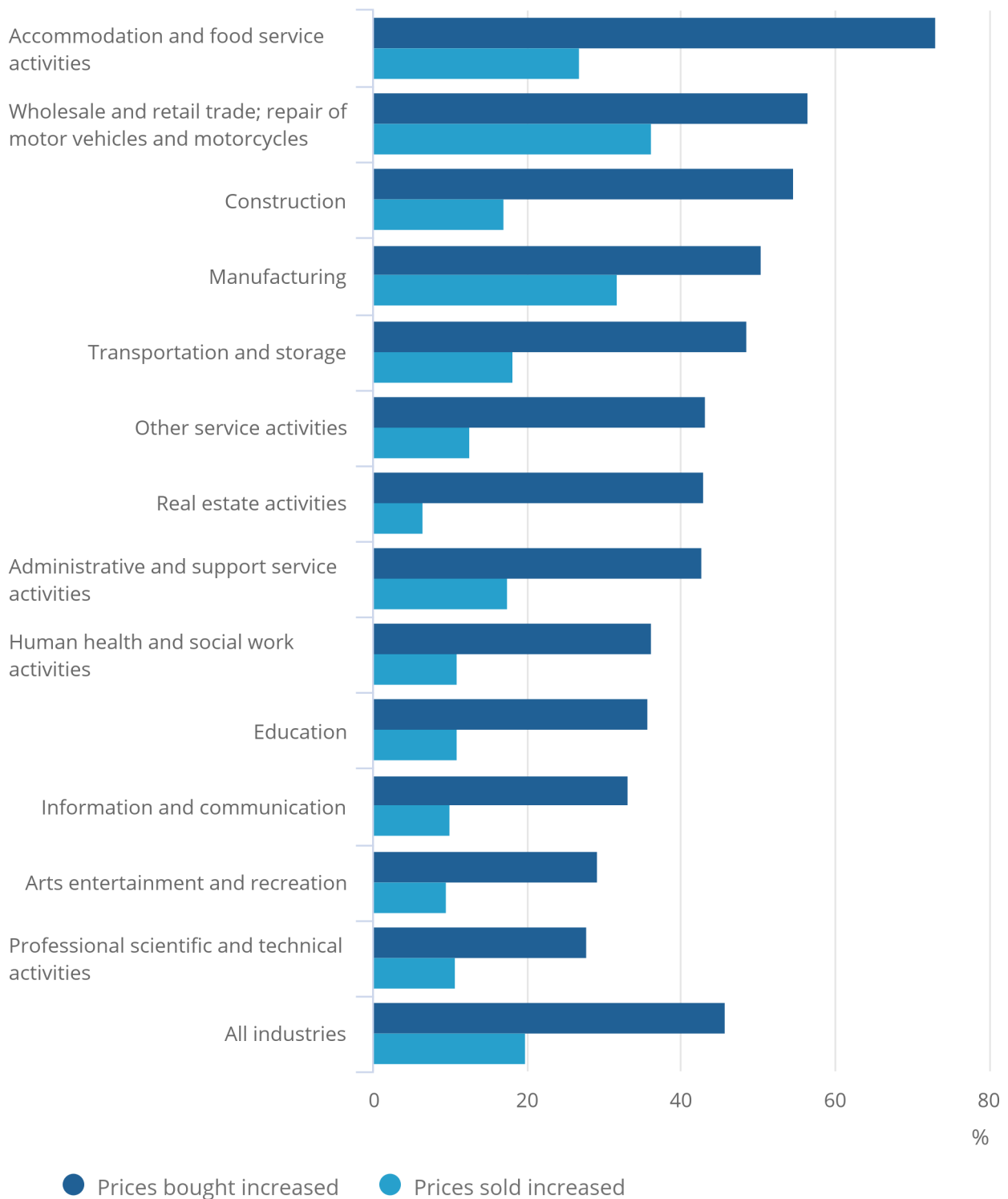
## Prices bought and sold

**Figure 4: Nearly half (46%) of trading businesses reported an increase in the prices of goods or services bought in October 2022**

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022

## Figure 4: Nearly half (46%) of trading businesses reported an increase in the prices of goods or services bought in October 2022

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022



**Notes:**

1. For presentational purposes response options have been removed.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.

In October 2022, 46% of trading businesses reported the prices of goods or services bought had increased compared with the previous month. This compares with 48% of businesses who reported an increase in the prices of goods or services bought in September 2022. For prices sold, these percentages were 20% and 21%, across the same periods.

The data suggest that some businesses are experiencing a continued increase in prices bought and sold month on month.

## Price expectations

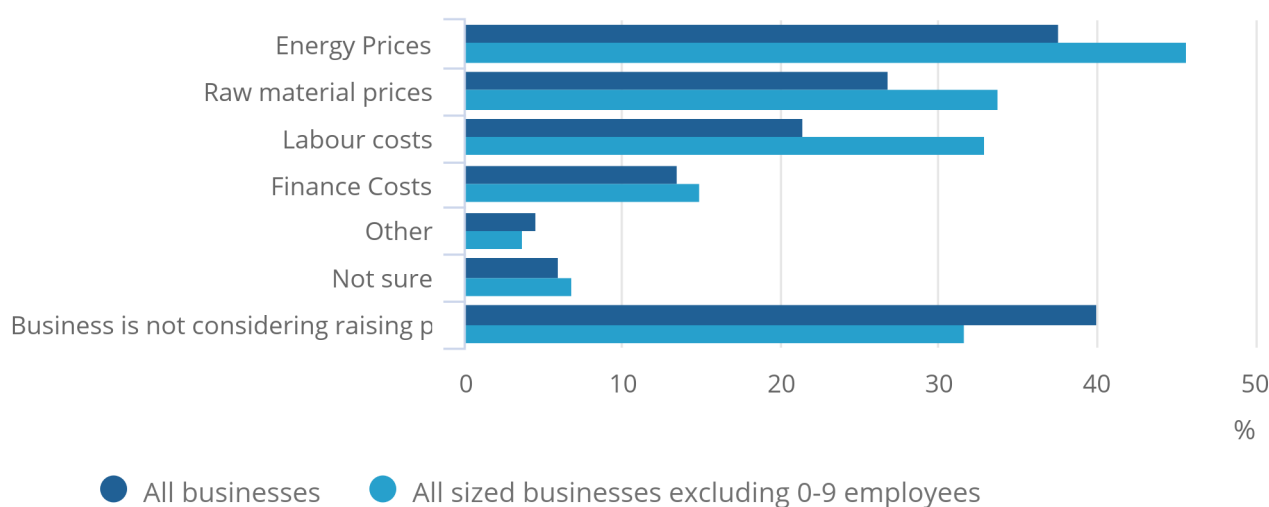
Of trading businesses, less than a quarter (22%) expect the prices of the goods or services they sell to increase in December 2022. For businesses with 10 or more employees, this percentage was 25%.

### Figure 5: Nearly half (46%) of trading businesses with 10 or more employees reported energy prices as the main reason for considering raising prices in December 2022

Price expectations, businesses currently trading and are considering raising prices, broken down by response option, weighted by count, UK, 1 to 31 December 2022

### Figure 5: Nearly half (46%) of trading businesses with 10 or more employees reported energy prices as the main reason for considering raising prices in December 2022

Price expectations, businesses currently trading and are considering raising prices, broken down by response option, weighted by count, UK, 1 to 31 December 2022



Source: Office for National Statistics – Business Insights and Conditions Survey

#### Notes:

1. For presentational purposes response options have been removed.
2. Bars may not sum to 100% because of rounding.
3. Caution should be taken when interpreting expectations questions as the employees responding on behalf of businesses may not have full oversight of all of their business's future expectations.

Of those businesses who are considering raising prices, energy prices continued to be reported as the most common reason for doing so, at 38% for businesses of all sizes and 46% for businesses with 10 or more employees. In contrast, more than a third of businesses of all sizes (40%) were not considering raising their prices.

Further response options on prices questions broken down by industry and size band can be found in our [accompanying dataset](#).

## Price rises

In early November 2022, businesses not permanently stopped trading were asked in which ways, if any, had they been affected by price rises.

Just over three in five (61%) businesses reported they had been affected in some way. The most commonly reported effects were:

- having to absorb costs (39%); the accommodation and food service activities industry reported the highest proportion (59%)
- having to pass on price increases to customers (28%); the manufacturing industry reported the highest proportion (49%)
- having to change suppliers (12%); the accommodation and food service activities industry reported the highest proportion (26%)

More than a quarter (27%) of businesses selected, "The business has not been affected by price rises". The information and communication industry reported the highest proportion (49%) while the accommodation and food service activities industry reported the lowest proportion (4%).

Further details including the full list of effects broken down by industry and size band are available in our [accompanying dataset](#).

## 5 . Energy prices

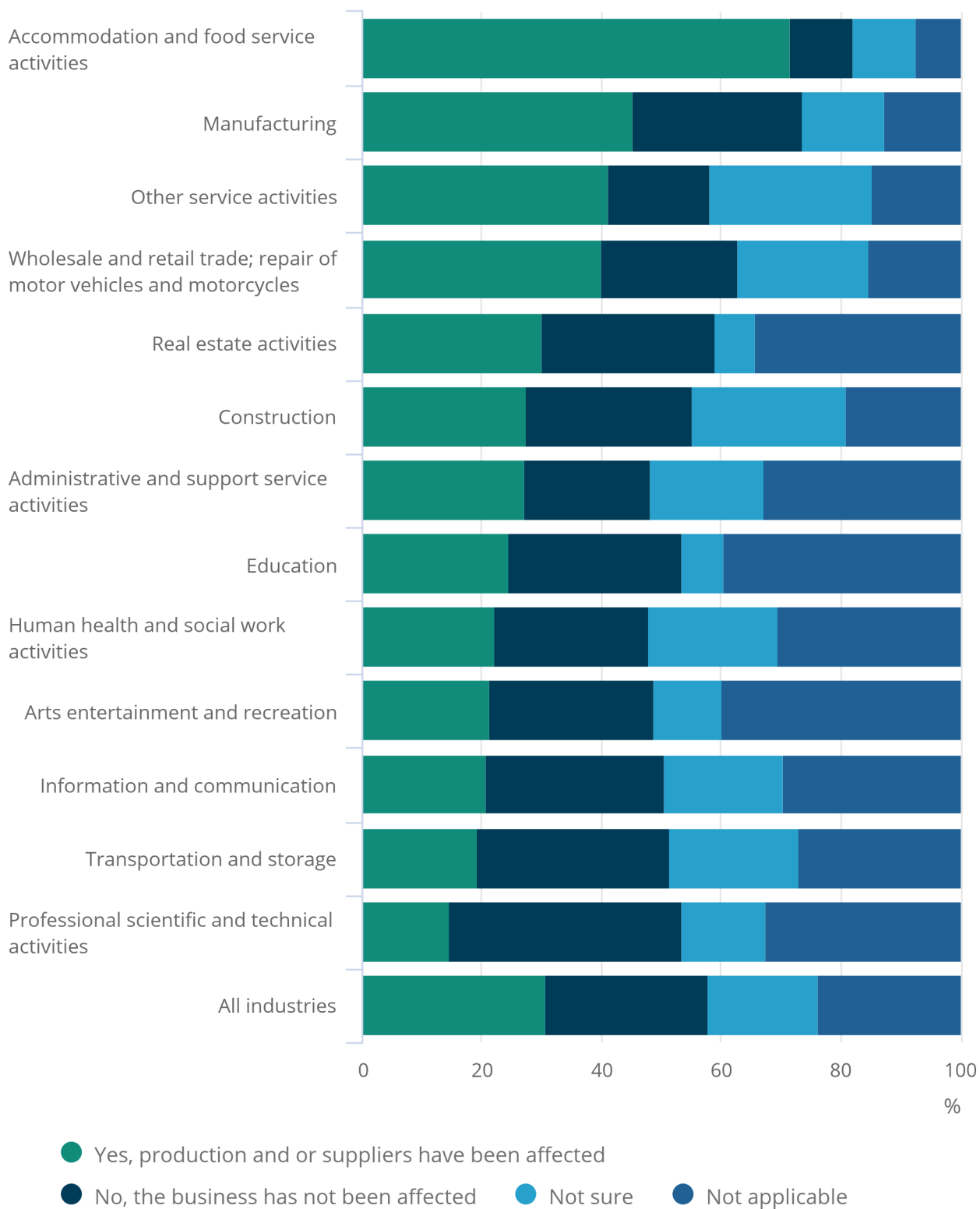
In early November 2022, 31% of not permanently stopped trading businesses reported their production and/or suppliers had been affected by the recent increase in energy prices, broadly stable with early October 2022. For businesses with 10 or more employees, this percentage was 43%.

**Figure 6: The increase in energy prices have affected production and/or suppliers in nearly three-quarters (72%) of businesses in the accommodation and food service activities industry**

Effects of energy price rises, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 31 October to 13 November 2022

Figure 6: The increase in energy prices have affected production and/or suppliers in nearly three-quarters (72%) of businesses in the accommodation and food service activities industry

Effects of energy price rises, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 31 October to 13 November 2022



**Notes:**

1. For presentational purposes response options have been combined.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.
3. Bars may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.

Further details including the full list of concerns broken down by industry and size band are available in our [accompanying dataset](#).

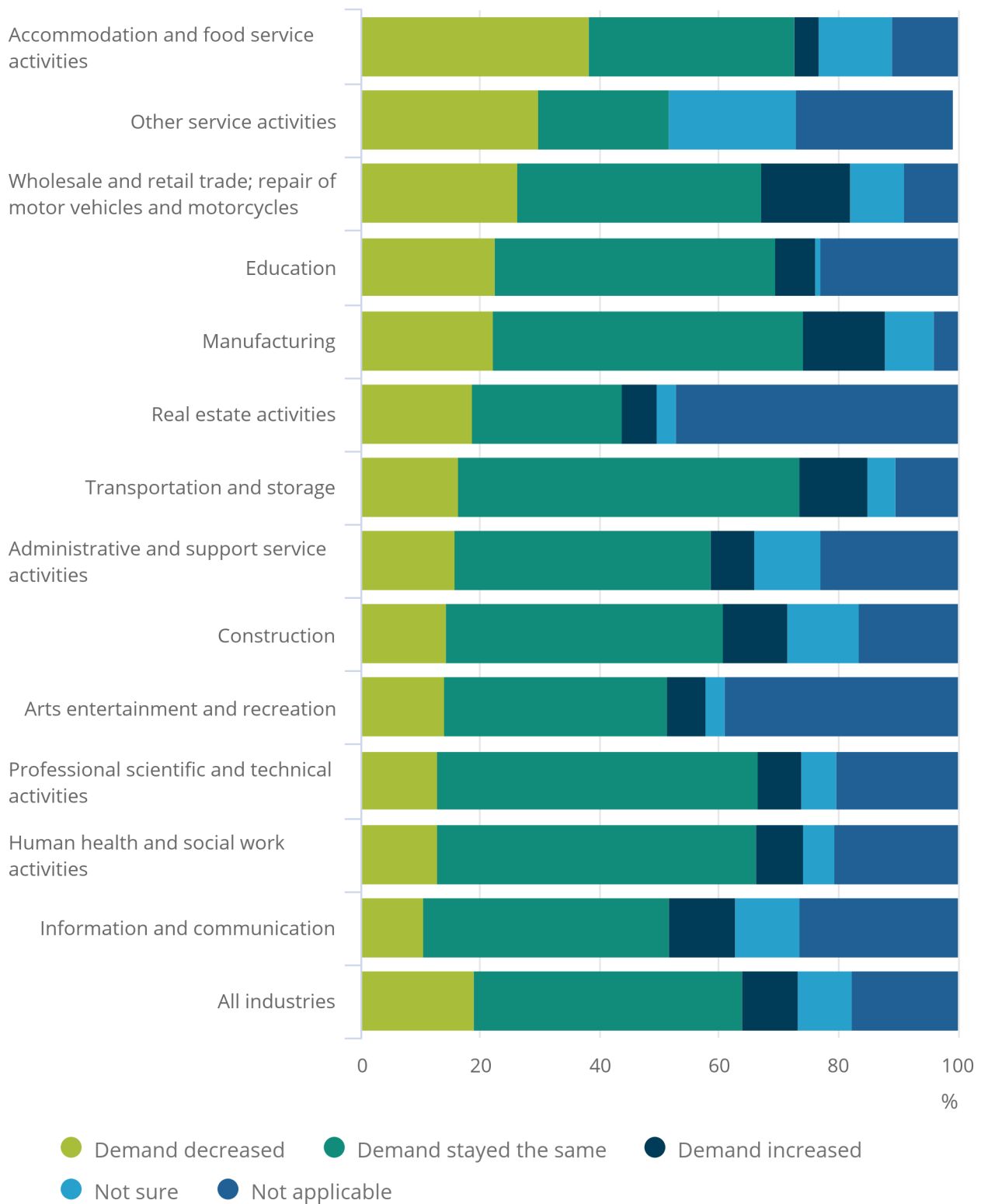
## 6 . Domestic demand

**Figure 7: In October 2022, nearly one in five (19%) of businesses reported a decrease in domestic demand compared with the previous calendar month**

Domestic demand, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022

Figure 7: In October 2022, nearly one in five (19%) of businesses reported a decrease in domestic demand compared with the previous calendar month

Domestic demand, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022



Notes:

1. Industries may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.

Of businesses not permanently stopped trading, 19% reported that domestic demand for goods and services had decreased in October 2022 compared with the previous calendar month, down from 20% reported for September 2022.

The transportation and storage industry recorded the largest rise in the proportion of businesses reporting that domestic demand for goods and services had decreased in October 2022 compared with the previous month, up from 3% to 17%.

Further response options broken down by industry and size band can be found in the [accompanying dataset](#).

# 7 . Workforce

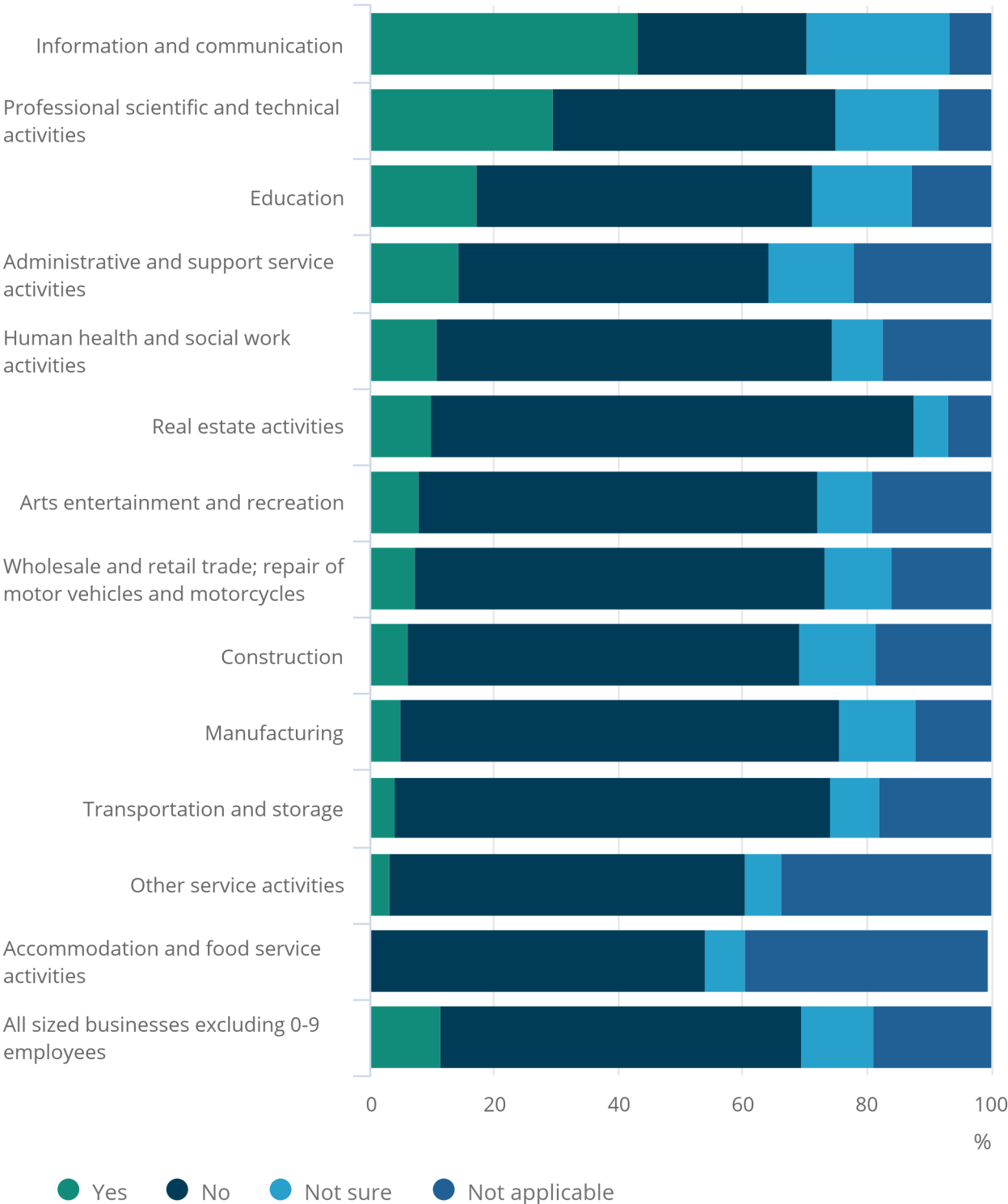
In early November 2022, businesses not permanently stopped trading were asked whether their business was using, or intending to use, increased homeworking as a permanent business model in the future.

**Figure 8: In early November 2022, 11% of businesses with 10 or more employees were using, or intending to use, increased homeworking as a permanent business model**

Increased homeworking arrangements, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 31 October to 13 November 2022

# Figure 8: In early November 2022, 11% of businesses with 10 or more employees were using, or intending to use, increased homeworking as a permanent business model

Increased homeworking arrangements, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 31 October to 13 November 2022



Notes:

1. Bars may not sum to 100% because of rounding, and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All-sized businesses excluding 0 to 9”.

In early November 2022, the percentage of businesses with 10 or more employees who reported that they were using, or intending to use, increased homeworking as a permanent business model was 11%. This remained broadly stable compared with early August 2022, but was down from 19% in early June 2022.

Of businesses that reported using, or intending to use, increased homeworking as a permanent business model, 76% reported improved staff well-being as the reason for doing so, broadly stable from early June 2022. However, this was down from 85% for the same reference period this time last year.

Other reasons reported by businesses were:

- ability to recruit from a wider geographical pool in the UK, at 45%; up from 40% in early June 2022
- increased productivity, at 37%; down from 40% in early June 2022

In contrast, 58% of businesses with 10 or more employees reported they were not using, or intending to use, increased homeworking as a permanent business model. Over four in five (81%) of these businesses reported that the main reason for not doing so is that homeworking is not suitable for their business, down from 85% in early June 2022.

Further details, including the full list of concerns broken down by industry and size band, are available in [our accompanying dataset](#).

# 8 . Business performance

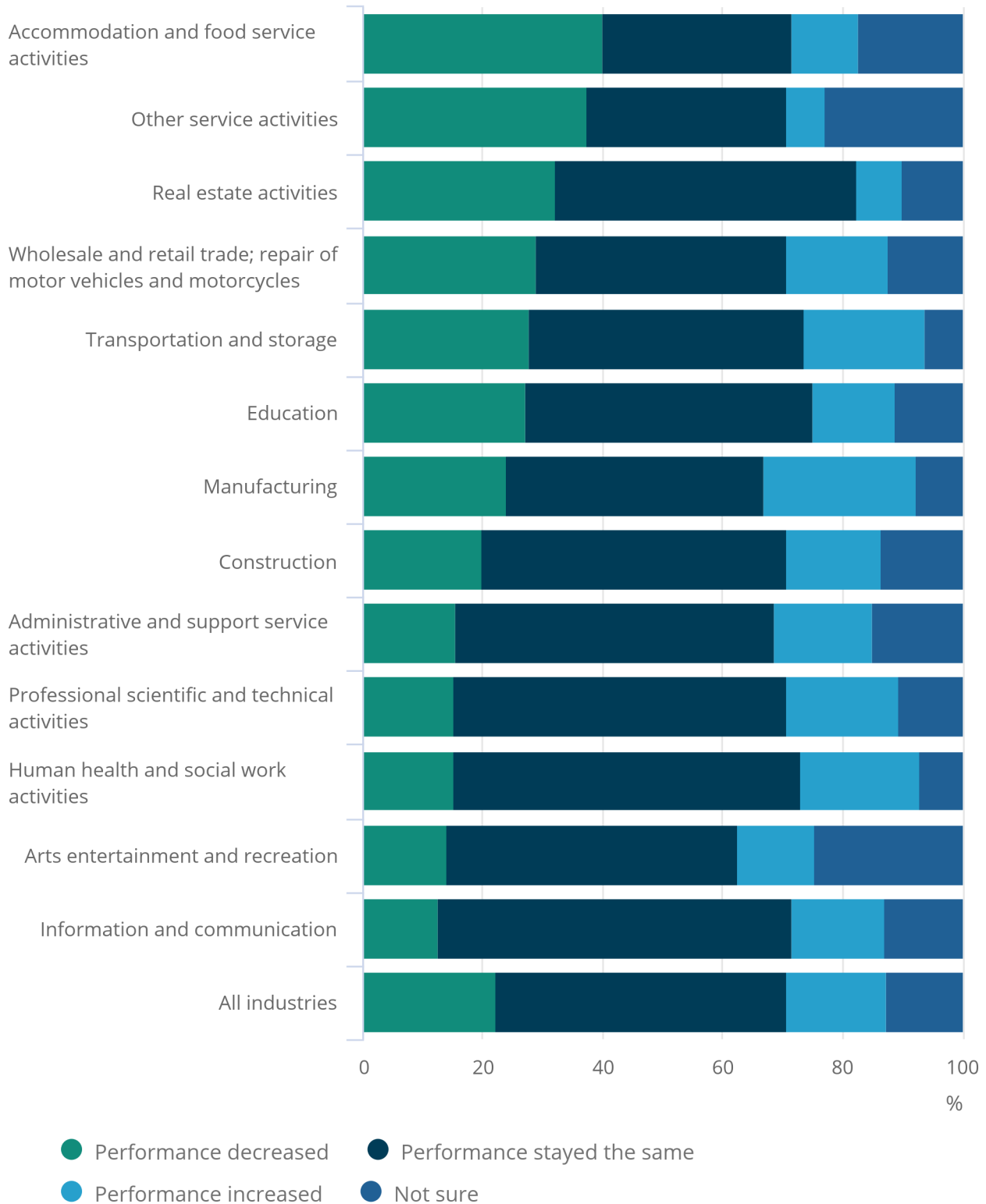
Trading businesses were asked how they would describe their business's overall performance in October 2022, compared with October 2021.

**Figure 9: Almost a quarter (22%) of businesses reported their performance had decreased in October 2022 compared with October 2021**

Business performance, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022

# Figure 9: Almost a quarter (22%) of businesses reported their performance had decreased in October 2022 compared with October 2021

Business performance, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 October 2022



Notes:

1. Bars may not sum to 100% because of rounding, and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.

Of trading businesses, 22% reported their overall performance, which includes pricing, trading and workforce, had decreased in October 2022 compared with October 2021.

The other service activities industry saw the largest movement in the proportion of businesses reporting a drop in performance, up to 37% from the 23% reported by businesses comparing September 2022 and September 2021. This was being partially driven by the hairdressing and other beauty treatment sub-industry.

Businesses were also asked how they thought their business would perform in the next 12 months. The proportion of businesses expecting their performance to decrease over the next 12 months was 16%, with 19% expecting their performance to increase. Businesses within the real estate industry reported the largest proportion of businesses expecting their performance to decrease over the next 12 months, at 35%, up 10 percentage points from early October 2022. In contrast, 32% of businesses within the manufacturing industry reported they expect their performance to increase over the same period, up 11 percentage points.

## 9 . Business Insights and Conditions Survey data

### [Business insights and impact on the UK economy](#)

Dataset | Released 17 November 2022

Weighted estimates from the voluntary fortnightly Business Insights and Conditions Survey (BICS) about financial performance, workforce, prices, trade and business resilience. This dataset includes additional information collected as part of the survey not presented in this publication.

### [Business insights and impact on the UK economy confidence intervals](#)

Dataset | Released 22 August 2022

Confidence intervals for weighted estimates from the voluntary fortnightly business survey (BICS) about financial performance, workforce, prices, trade and business resilience. These data are not official statistics but have been developed to deliver timely indicators to help understand the impact of the coronavirus (COVID-19) pandemic and other events.

## Access to microdata

You can access the microdata for Waves 1 to 68 of the Business Insights and Conditions Survey (BICS) through the Secure Research Service (SRS). The BICS microdata for each wave are released on a rolling basis in the week following the publication of each wave. The microdata are made confidential and do not disclose information on any specific business.

Only researchers accredited under the [Digital Economy Act](#) are able to access data in the SRS. You can apply for accreditation through the [Research Accreditation Service \(RAS\)](#). You need to have relevant academic or work experience and must successfully attend and complete the assessed Safe Researcher Training.

To conduct analysis with microdata from the SRS, a project application must be submitted to the [Research Accreditation Panel \(RAP\)](#). To access the SRS, you must also work for an organisation with an Assured Organisational Connectivity agreement in place.

## 10 . Glossary

### Reporting unit

The business unit to which questionnaires are sent is called the reporting unit. The response from the reporting unit can cover the enterprise as a whole or parts of the enterprise identified by lists of local units.

### Net balance

Net balance is the difference between the percentage of businesses that reported a decrease, and the percentage of businesses that reported an increase.

## 11 . Measuring the data

More quality and methodology information (QMI) on strengths, limitations, appropriate uses, and how the data were created is available in our [Business Insights and Conditions Survey \(BICS\) QMI](#), updated on 24 January 2022.

The BICS is voluntary, and the results are experimental. More information is available in our [Guide to experimental statistics](#).

Table 1: Sample and response rates for Wave 67, 68 and 69 of the Business Insights and Conditions Survey

Wave	20 October 2022 Publication Wave 67	3 November 2022 Publication Wave 68	17 November 2022 Publication Wave 69
Sample	37,893	39,094	39,045
Response	9,561	9,740	9,583
Rate	25.2%	24.9%	24.5%

Source: Office for National Statistics - Business Insights and Conditions Survey

#### Notes

1. Response rates for all waves can be found in the accompanying dataset.

The results are based on responses from the voluntary fortnightly BICS, which captures businesses' views on financial performance, workforce, prices, trade and business resilience. The Wave 69 survey was live for the period 31 October to 13 November 2022. The [BICS survey questions](#) are available.

### Coverage

The Monthly Business Survey (MBS) covers the UK for production and Great Britain (GB) only for services. The Retail Sales Index (RSI) and construction are GB-focused. Therefore, the BICS will be UK-focused for production-based industries but GB-focused for the other elements of the economy covered. The industries covered are:

- non-financial services (includes professional, scientific, communication, administrative, transport, accommodation and food, private health and education, and entertainment services)
- distribution (includes retail, wholesale, and motor trades)
- production (includes manufacturing, oil and gas extraction, energy generation and supply, and water and waste management)
- construction (includes civil engineering, housebuilding, property development and specialised construction trades such as plumbers, electricians, and plasterers)

The following industries are excluded from the survey:

- agriculture
- public administration and defence
- public provision of education and health
- finance and insurance

For more information on the methodology of producing the BICS, such as [weighting](#), please see our [BICS quality and methodology information](#).

## 12 . Strengths and limitations

More quality and methodology information (QMI) on strengths, limitations, appropriate uses, and how the data were created is available in our [Business Insights and Conditions Survey \(BICS\) QMI](#).

## 13 . Related links

[Comparison of furloughed jobs data, UK: March 2020 to June 2021](#) Article | Released 2 September 2021 An overview of the similarities and differences between the fortnightly Business Insights and Conditions Survey (BICS) furlough estimates and HM Revenue and Customs' Coronavirus Job Retention Scheme statistics, over the period 23 March 2020 to 30 June 2021.

[COVID-19 question bank](#) Webpage | Updated frequently This webpage provides a bank of questions from multiple Office for National Statistics (ONS) surveys related to coronavirus (COVID-19) to be used in other surveys to further support harmonisation and questionnaire development. This bank also provides users with an understanding of what data the ONS has in relation to the coronavirus pandemic.

[Business insights and impact on the UK subnational single-site economy: July 2022](#) Article | Released 26 July 2022 Experimental estimates from the voluntary fortnightly business survey (BICS) on topics such as prices, worker shortages and workforce status. Geographical breakdowns include country, regional and local authority levels.

[Business and individual attitudes towards the future of homeworking, UK: April to May 2021](#) Article | Released 14 June 2021 Analysis of the effects of the coronavirus (COVID-19) pandemic on office working and of business and individual attitudes to future working practices.

[Business Impact of Coronavirus \(COVID-19\) Survey: preliminary weighted results](#) Article | Released 14 September 2020 Early estimates of weighted responses from the voluntary fortnightly business survey, focusing on businesses' responses on how turnover, workforce and trading status have been affected in two-week reference periods, from Wave 7 (1 to 14 June 2020) to Wave 12 (10 to 23 August 2020).

## 14 . Cite this statistical bulletin

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