Office for National Statistics

Statistical bulletin

Business insights and impact on the UK economy: 20 October 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.

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1 . Main points

- In September 2022, just over a quarter (26%) of trading businesses reported their turnover was lower compared with August 2022, while 14% reported their turnover was higher (a net 12% of businesses saying turnover decreased); the accommodation and food service activities industry reported the largest percentage of businesses whose turnover was lower, at 52%.
- In early October 2022, more than a third (35%) of trading businesses reported economic uncertainty was having an impact on their turnover; while one in five (21%) trading businesses expect their turnover to decrease in November 2022.
- Of trading businesses, 48% reported an increase in the prices of goods or services bought in September 2022 compared with August 2022, up from 44% reported between July and August 2022.
- Energy prices remain the top reason businesses are considering raising their prices in November 2022 with 39% of trading businesses reporting this; the accommodation and food service activities industry reported the largest proportion, at 75%.
- In early October 2022, 41% of businesses reported they had either no cash reserves (13%) or had three months or less (28%); this is the highest percentage reported since late June 2021.
- A quarter (25%) of businesses reported their performance had decreased in September 2022 compared with September 2021.

2 . Headline figures

The data presented in this bulletin are the final results from Wave 67 of the Business Insights and Conditions Survey (BICS), which was live from 3 October to 16 October 2022.

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 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. Workforce: the data for the equivalent period last year are not available as the question was not asked for this time period.

4. Data are plotted in the middle of each wave.

Download the data

.xlsx

In early October 2022, the percentage of businesses that reported they were trading was 95%, with 85% fully trading and 10% partially trading (for example, trading with reduced hours or staff numbers). Meanwhile, 4% of businesses reported "temporarily paused trading" and 1% "permanently ceased trading" as their business's trading status.

3 . Financial performance

Turnover

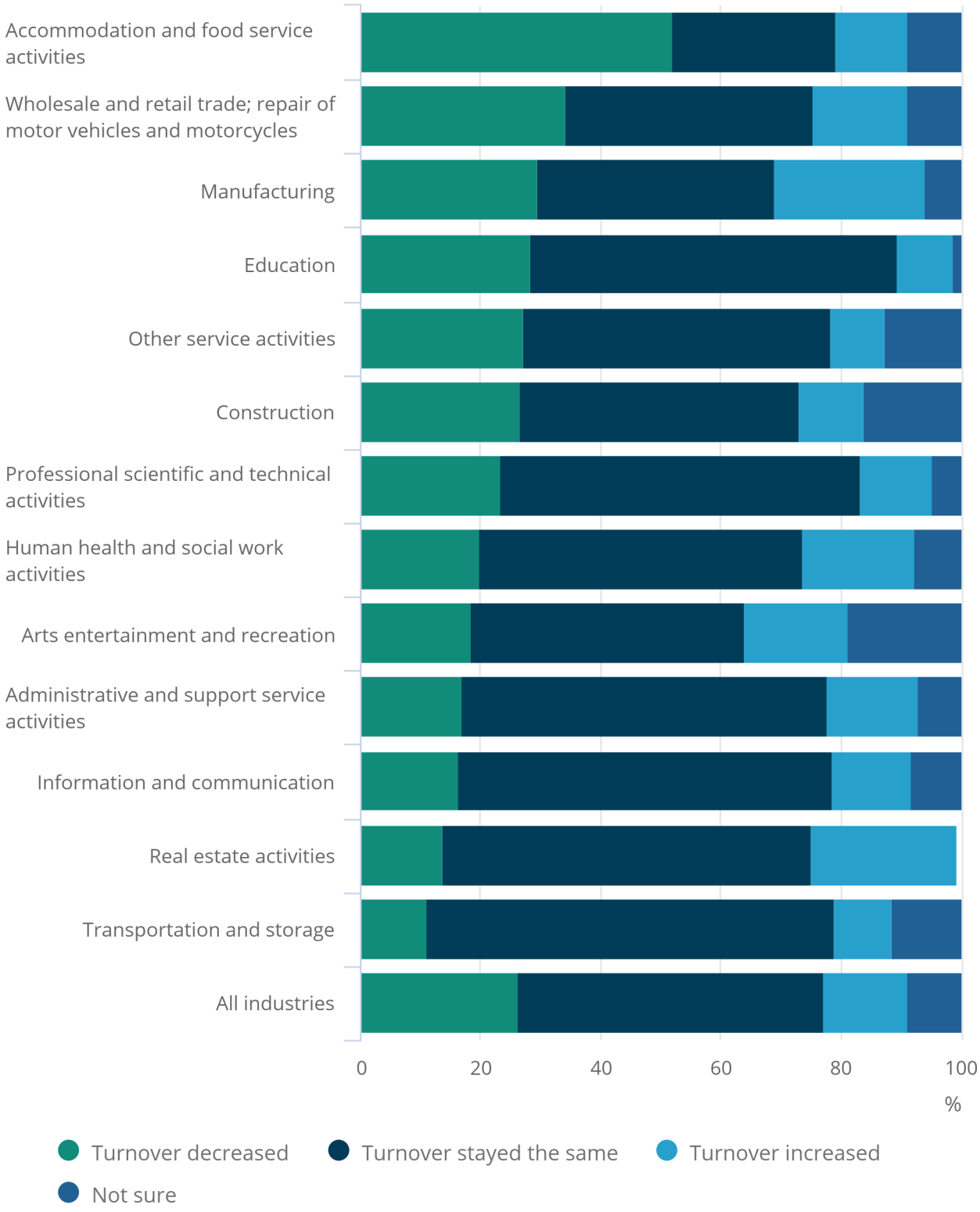
Trading businesses were asked how their turnover in September 2022 compared with August 2022.

Figure 2: A net 12% of trading businesses reported their turnover was lower in September 2022

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 September 2022

Figure 2: A net 12% of trading businesses reported their turnover was lower in September 2022

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 September 2022



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

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”.

More than half (52%) of trading businesses in the accommodation and food service activities industry reported that their turnover was lower in September 2022 compared with August 2022. This was 18 percentage points higher than any other industry and an increase of 9 percentage points from those who reported turnover was lower in August 2022 when compared with July 2022.

When asked in early August 2022 about their expectations for turnover in September 2022, 16% of trading businesses reported they expected their turnover to decrease. Actual data suggest, 26% of businesses reported turnover did decrease.

Turnover challenges

Trading businesses were then asked about the challenges that may have affected their businesses' turnover.

In early October 2022, more than a third (35%) of businesses reported that economic uncertainty was having the biggest impact on their turnover. This is up from the 28% of businesses who reported this challenge in early July 2022.

Other challenges that businesses reported were having an impact were:

- cost of materials, at 29%
- cost of labour, at 17%
- financial costs, at 16%

The accommodation and food service activities industry reported the highest proportion of businesses who are being affected by these challenges. This industry also reported the lowest percentage of businesses not experiencing any challenges, at 7%.

In comparison, 26% of trading businesses reported they were not currently experiencing any challenges, down slightly from 28% reported in early July 2022.

Further details including all response options broken down by industry and size band are available in our accompanying dataset.

Turnover expectations

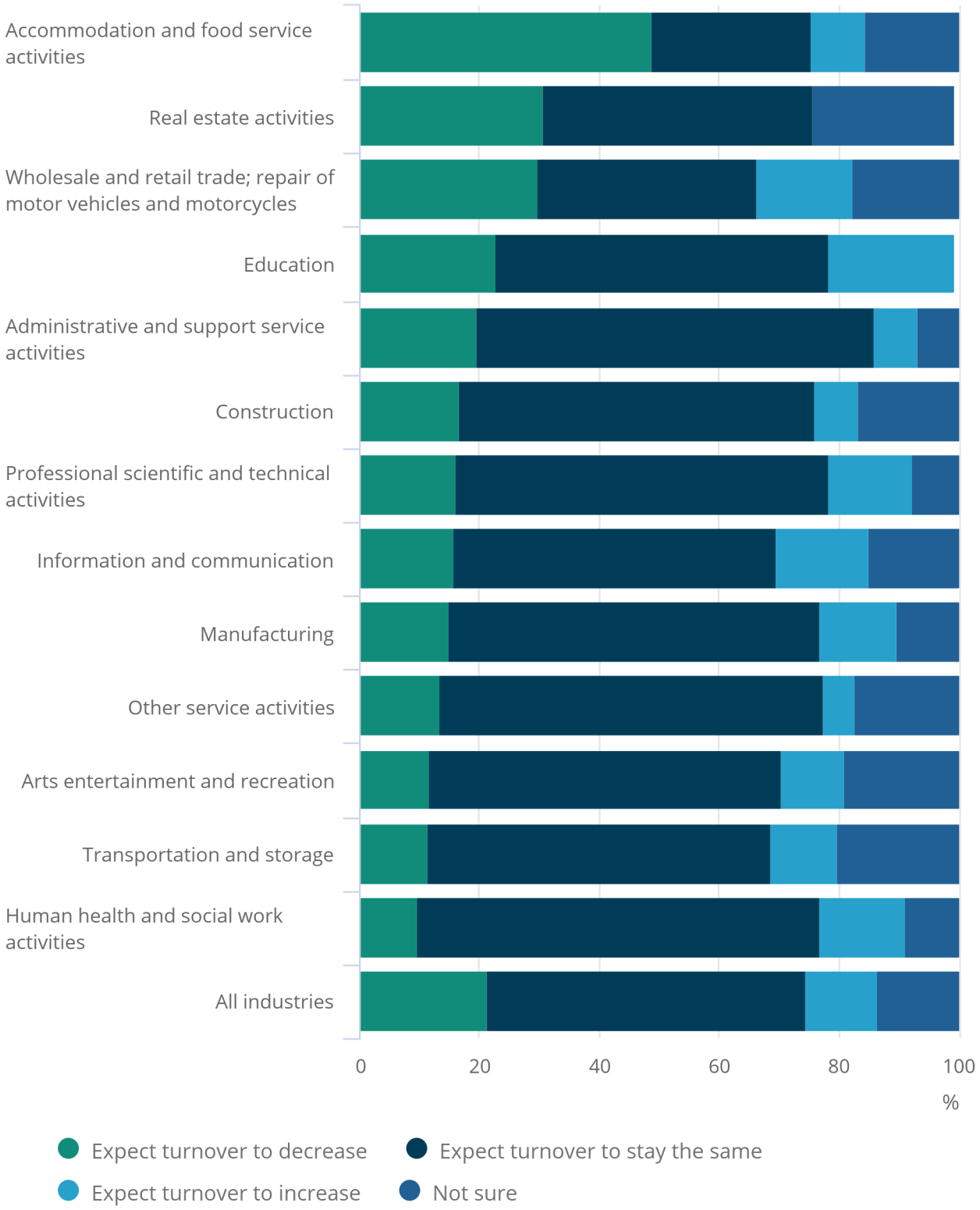
Trading businesses were then asked about their turnover expectations for November 2022.

Figure 3: More than one in five (21%) of trading businesses reported they expect their turnover to decrease in November 2022

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 November 2022

Figure 3: More than one in five (21%) of trading businesses reported they expect their turnover to decrease in November 2022

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 November 2022



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

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”.

One in five (21%) trading businesses expect their turnover to decrease in November 2022, which is up slightly from 19% of businesses in October 2022.

Nearly half (49%) of businesses in the accommodation and food service activities industry expect their turnover to decrease in November 2022. This was driven by the food and beverage service activities sub-industry.

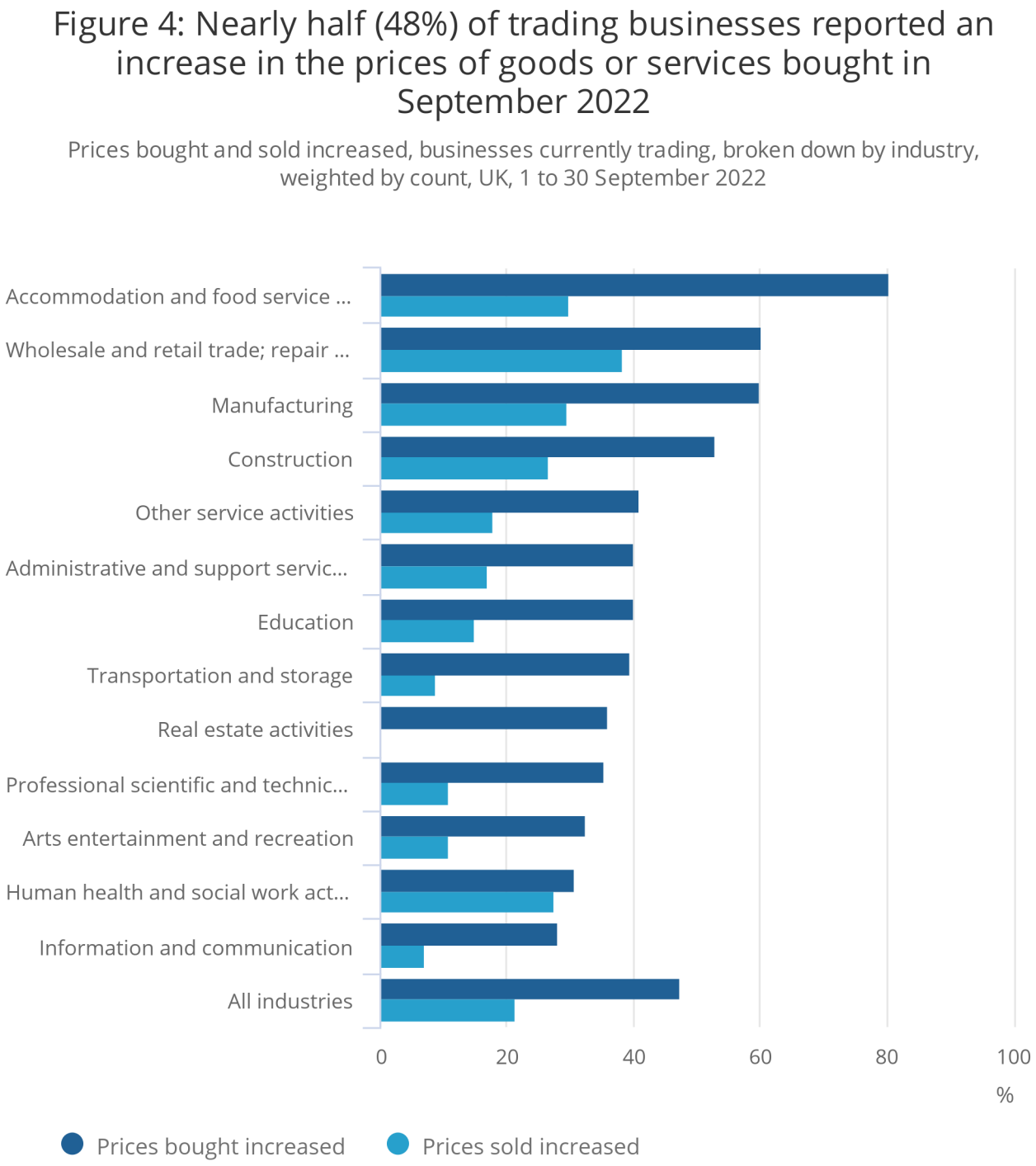
The real estate activities industry followed, with 31% of businesses expecting turnover to decrease in November 2022. Looking at current challenges, 42% of businesses in this industry reported economic uncertainty as their top challenge.

4 . Prices

Prices bought and sold

Figure 4: Nearly half (48%) of trading businesses reported an increase in the prices of goods or services bought in September 2022

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 September 2022



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

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 September 2022, 48% of trading businesses reported the prices of goods or services bought had increased compared with the previous month. This compares with 44% of businesses who reported an increase in the prices of goods or services bought in August 2022. For prices sold, these percentages were 21% and 20%, across the same period.

Businesses were asked what, if anything, was causing them to consider raising their prices. More than half (57%) of businesses reported one or more reasons why they would be considering raising their prices. Energy prices continued to be reported as the top reason businesses are considering raising their prices in November 2022, with 39% of businesses reporting this, while 34% reported they are not considering raising prices.

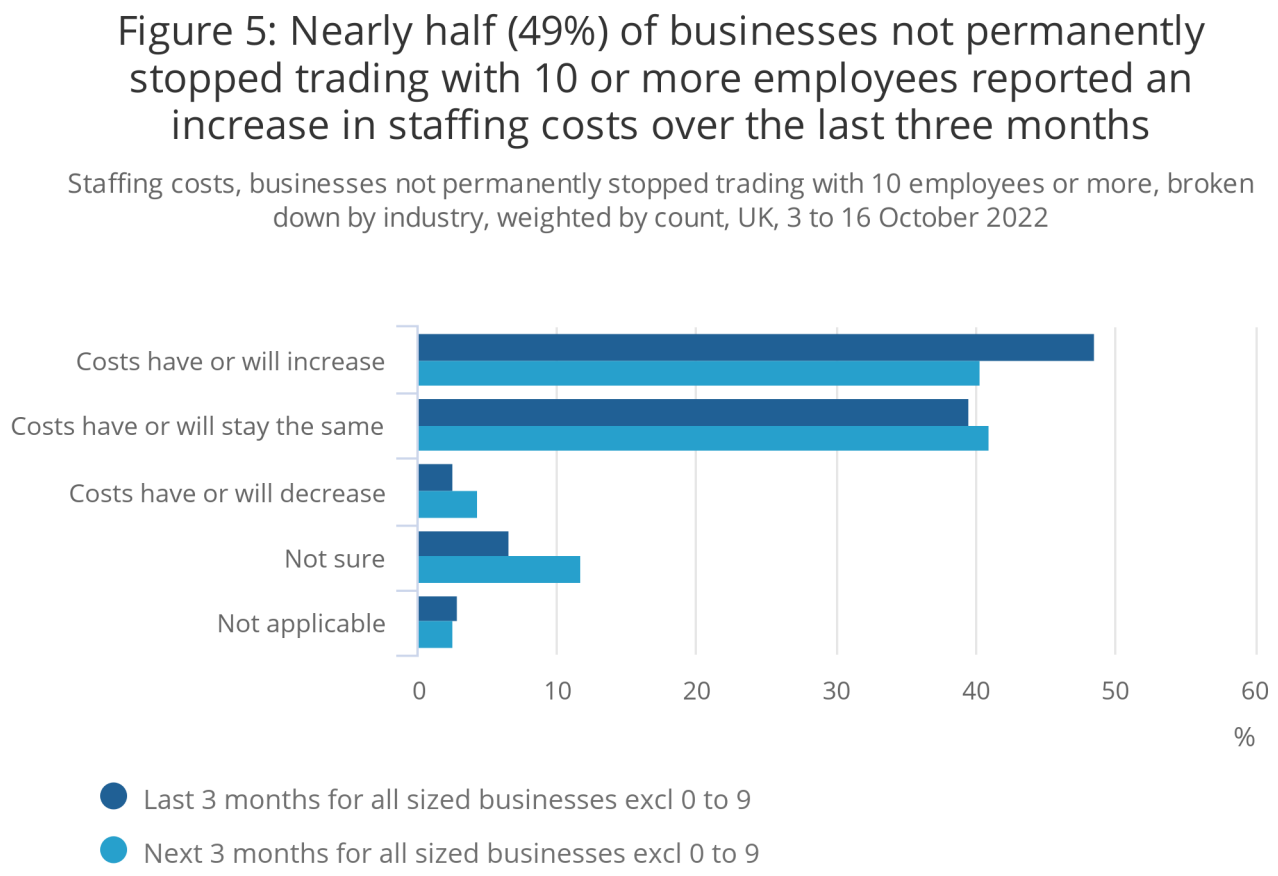
Further details including all response options broken down by trading status, industry and size band are available in our accompanying dataset.

Staffing costs

Businesses not permanently stopped trading were asked how their business's staffing costs have changed over the last three months and how they expect them to change over the next three months.

Figure 5: Nearly half (49%) of businesses not permanently stopped trading with 10 or more employees reported an increase in staffing costs over the last three months

Staffing costs, businesses not permanently stopped trading with 10 employees or more, broken down by industry, weighted by count, UK, 3 to 16 October 2022



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

Notes:

1. For presentational purposes, some response options have been removed.

In early October 2022, 49% of not permanently stopped trading businesses with 10 or more employees reported an increase in staffing costs, with the other service activities industry reporting the highest proportion, at 64%.

For businesses with 10 or more employees, the human health and social work activities industry (private sector businesses only) reported the highest proportion of businesses who expect staffing costs to increase in the next three months, at 59%.

Further details including all response options broken down by trading status, industry and size band are available in our accompanying dataset.

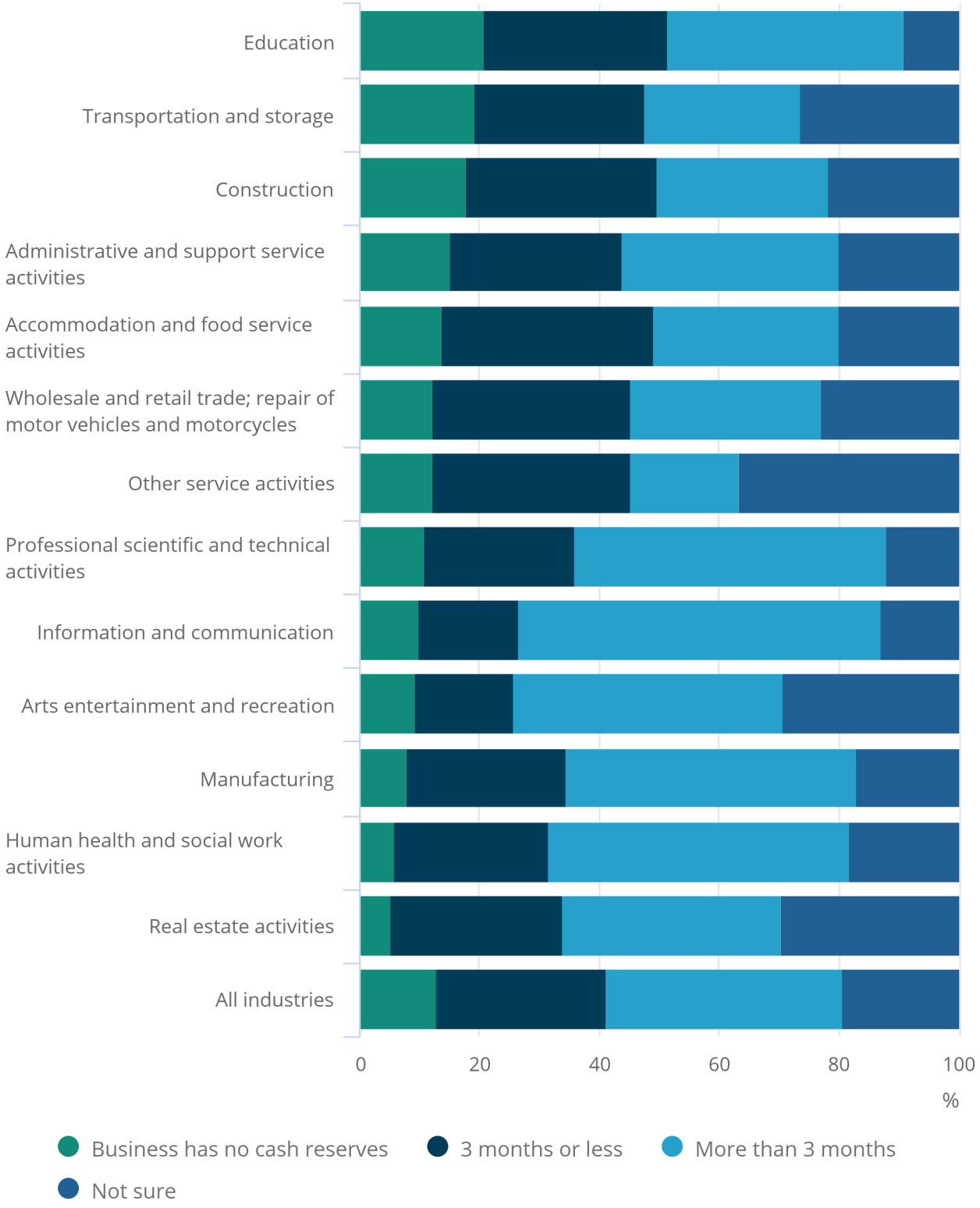
5 . Cash reserves

Figure 6: More than half of businesses (51%) in the education industry (private sector and higher education businesses), have three months or less of cash reserves

Cash reserves, businesses not permanently trading, broken down by industry, weighted by count, UK, 3 to16 October 2022

Figure 6: More than half of businesses (51%) in the education industry (private sector and higher education businesses), have three months or less of cash reserves

Cash reserves, businesses not permanently trading, broken down by industry, weighted by count, UK, 3 to16 October 2022



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

Notes:

1. Bars may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.

2. For presentational purposes response options have been combined.

3. “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”.

4. When referring to the education industry, we sample private sector and higher education businesses only.

In early October 2022, the education industry (private sector and higher education businesses only) had the largest proportion of businesses reporting having three months or less cash reserves, including no cash reserves, at 51%.

The administrative and support service activities industry reported the largest increase in the proportion of businesses reporting having no cash reserves or three months or less, up 9 percentage points from 35% reported in early July 2022.

Further details including all response options broken down by trading status, industry and size band are available in our accompanying dataset.

6 . Business performance

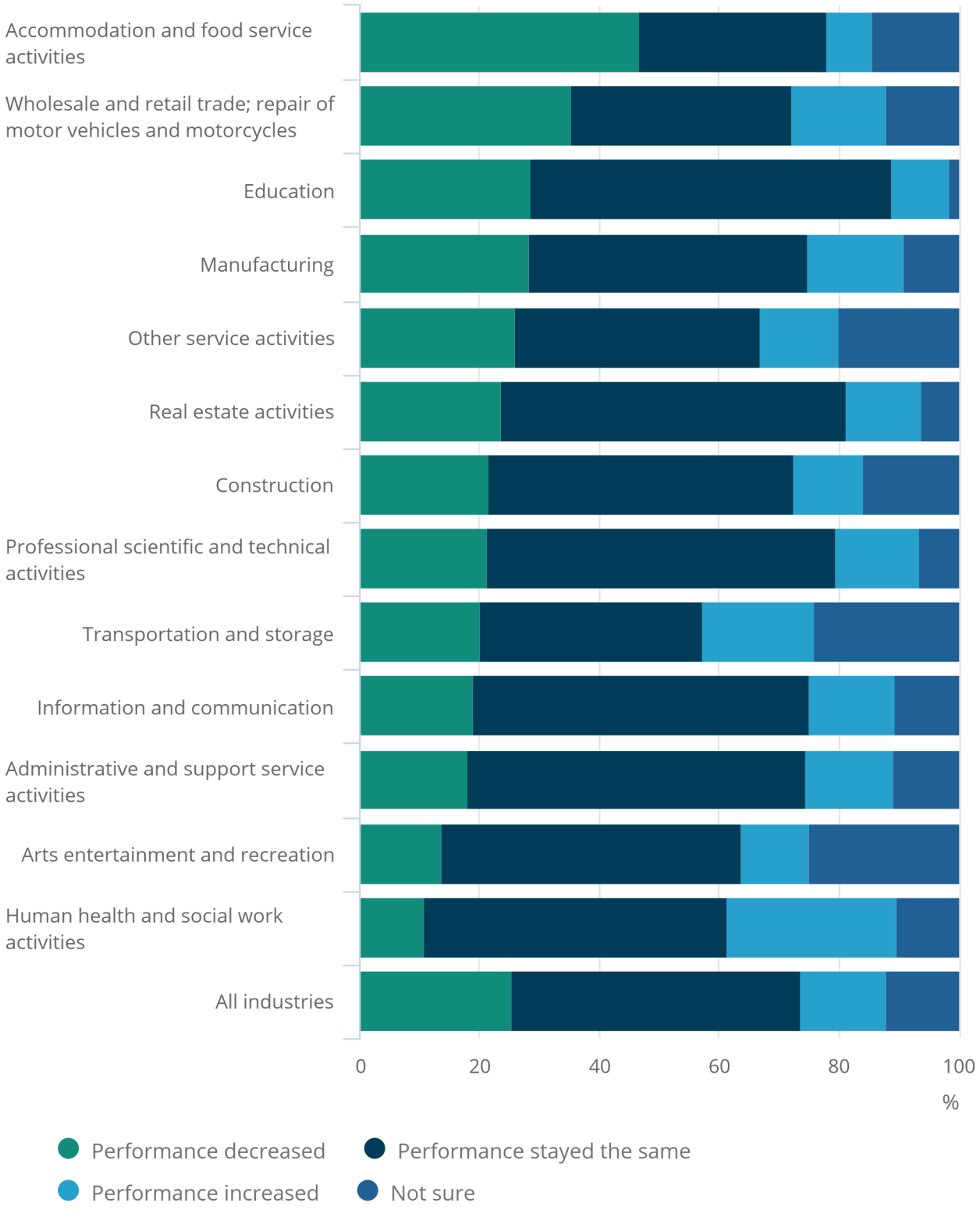
Businesses not permanently stopped trading were asked how they would describe their business’s overall performance in September 2022, compared with September 2021.

Figure 7: A quarter (25%) of businesses reported their performance had decreased in September 2022 compared with September 2021

Business performance, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 30 September 2022

Figure 7: A quarter (25%) of businesses reported their performance had decreased in September 2022 compared with September 2021

Business performance, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 30 September 2022



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

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 businesses not permanently stopped trading, 25% reported their overall performance including pricing, trading and workforce had decreased in September 2022 compared with September 2021. Over the same period, almost half (47%) of businesses in the accommodation and food service activities industry reported their performance had decreased. However, when excluding businesses with fewer than 10 employees, the proportion of businesses reporting a decrease was 40%.

In contrast the proportion of businesses reporting their performance will decrease over the next 12 months was 17%, with 18% expecting their performance to increase. Businesses within the accommodation and food service activities industry reported the largest proportion of businesses expecting their performance to decrease over the next 12 months, at 43%.

7 . Business Insights and Conditions Survey data

Business insights and impact on the UK economy
Dataset | Released 20 October 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 BICS microdata for Waves 1 to 66 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.

8 . 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 who reported a decrease, and the percentage of businesses who reported an increase.

9 . 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 65, 66 and 67 of the Business Insights and Conditions Survey

Wave	22 September 2022 Publication Wave 65	6 October 2022 Publication Wave 66	20 October 2022 Publication Wave 67
Sample	37,898	37,937	37,893
Response	9,401	9,617	9,561
Rate	24.8%	25.4%	25.2%

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 66 survey was live for the period 3 to 16 October 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.

10 . 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.

11 . 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).

12 . Cite this statistical bulletin

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