

Statistical bulletin

Business insights and impact on the UK economy: 23 February 2023

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 January 2023, more than a quarter (29%) of trading businesses reported lower turnover compared with December 2022, while 16% reported that their turnover was higher.
- Businesses were more optimistic about their turnover for March 2023 as 21% of trading businesses reported that they expect their turnover to increase, up from 10% reported for January 2023; the accommodation and food service activities industry reported the largest proportion, at 29%.
- Of trading businesses, 39% reported an increase in the prices of goods or services bought in January 2023 compared with December 2022; this percentage has gradually fallen each month from the 48% of businesses who reported higher prices in September 2022 compared with the previous calendar month.
- A quarter (25%) of trading businesses expect to raise the prices of goods or services they sell in March 2023; energy prices remain the top reason these businesses are considering doing so, with 35% reporting this.
- More than a third (34%) of businesses reported they had passed on their input price increases to customers over the last six months; the manufacturing industry reported the largest proportion, at 58%.
- More than a quarter (28%) of businesses with 10 or more employees reported they experienced difficulties recruiting employees in January 2023.

2 . Headline figures

The data presented in this bulletin are the results from Wave 76 of the Business Insights and Conditions Survey (BICS), which was live from 6 to 19 February 2023.

Businesses were asked to exclude seasonal changes when answering questions contained within the BICS. The previous round of the BICS for which Wave 76 questions were included, Wave 74, covered the reference period 1 December to 31 December 2022, and so estimates may be beyond usual seasonal variation.

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 Survey 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 74 are available in our [Business insights and impact on the UK subnational single-site economy: February 2023 article](#).

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 combined and/or 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 this chart

[.xlsx](#)

In early February 2023, 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

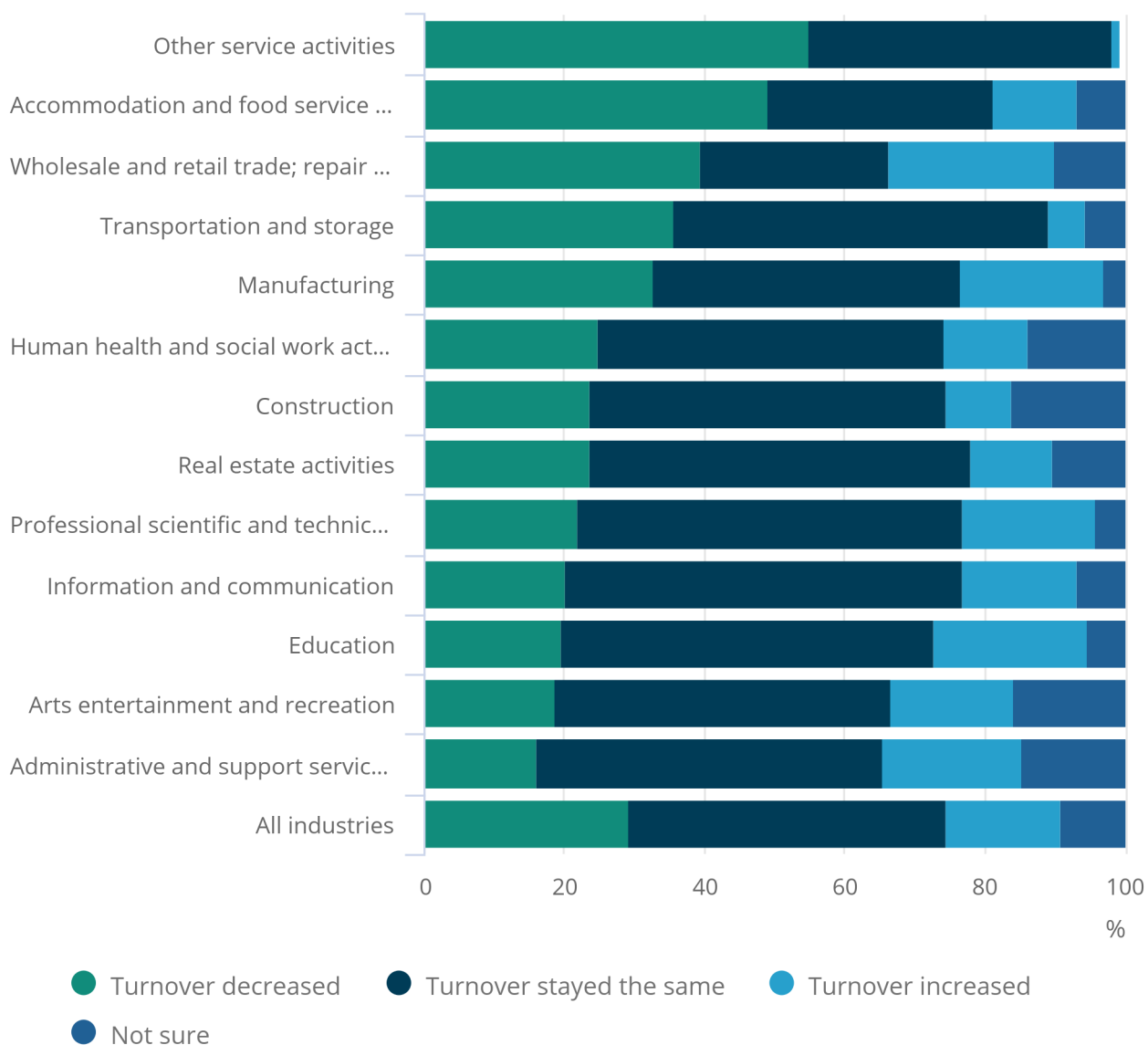
Trading businesses were asked how their turnover in January 2023 compared with December 2022.

Figure 2: A net 13% of businesses reported their turnover was lower in January 2023 compared with December 2022

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 January 2023

Figure 2: A net 13% of businesses reported their turnover was lower in January 2023 compared with December 2022

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 January 2023



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".

Two in seven (29%) trading businesses reported that their turnover was lower in January 2023 compared with December 2022.

In contrast, 16% of businesses reported their turnover was higher across this period, up 3 percentage points from those that experienced higher turnover in December 2022 compared with November 2022.

Turnover expectations

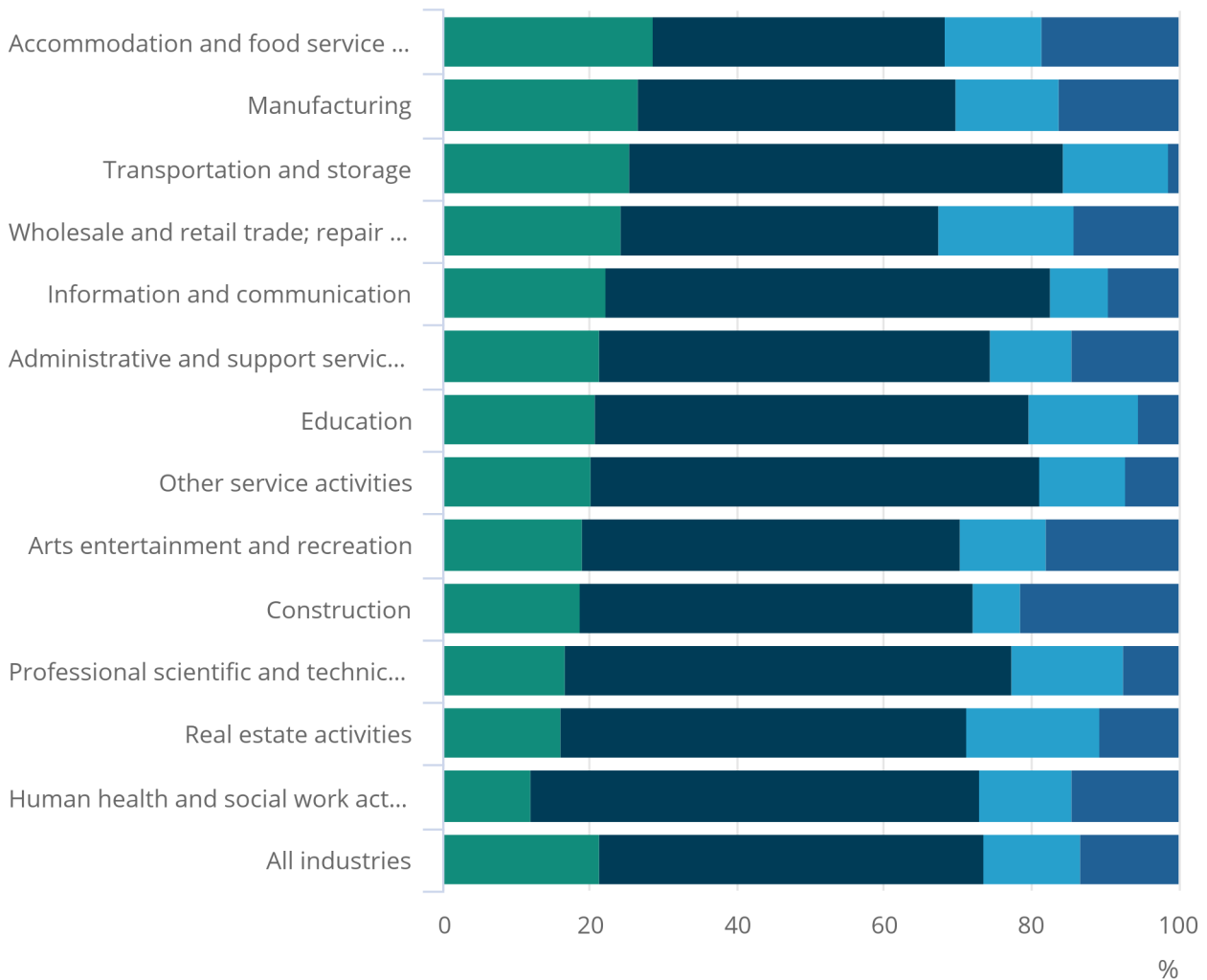
Trading businesses were asked about their turnover expectations for March 2023, excluding any seasonality trading.

Figure 3: Around one in five (21%) trading businesses expect their turnover to increase in March 2023

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 March 2023

Figure 3: Around one in five (21%) trading businesses expect their turnover to increase in March 2023

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 March 2023



- Expect turnover to increase
- Expect turnover to stay the same
- Expect turnover to decrease
- Not sure

Notes:

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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. 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.

In early February 2023, 13% of businesses reported they expect their turnover to decrease in March 2023, down from the 29% of businesses that expected their turnover to decrease in January 2023.

In contrast, 21% of businesses expect their turnover to increase in March 2023, up from the 10% who expected higher turnover in January 2023. Trading businesses within the accommodation and food service activities industry reported the largest proportion (29%) of businesses expecting an increase in turnover in March 2023. This is up 27 percentage points from expectations for January 2023.

More than 1 in 10 (13%) businesses in the same industry reported they expect turnover to decrease, down 53 percentage points for the same period.

4 . Prices

Prices bought and sold

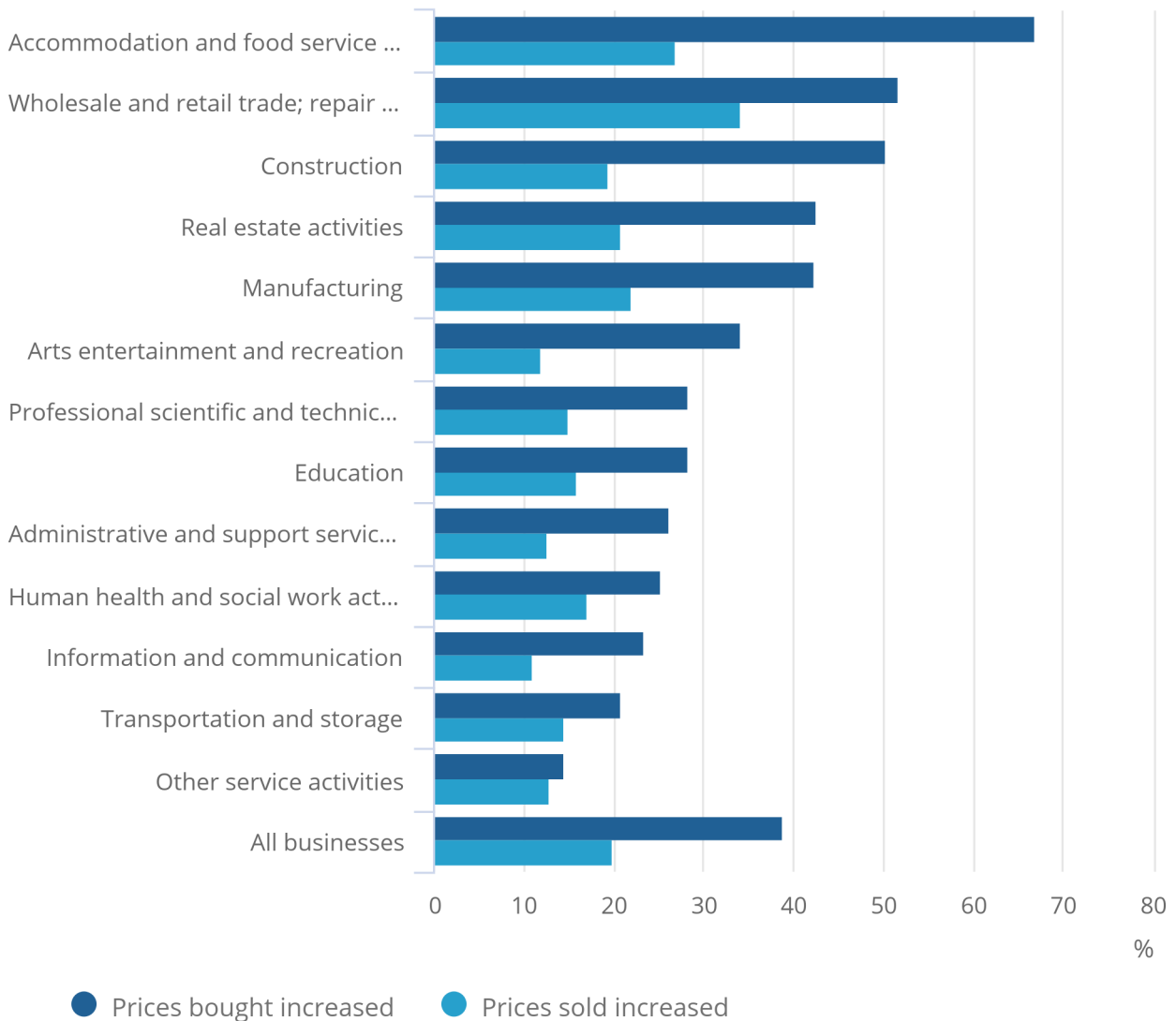
Businesses were asked how the prices of goods or services bought and/or sold by their business in January 2023 compared with the previous calendar month. The data suggest that some businesses continue to experience a continued increase in prices bought and/or sold month on month.

Figure 4: Approximately two in five (39%) trading businesses reported an increase in the prices of goods or services they bought in January 2023 compared with December 2022

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 January 2023

Figure 4: Approximately two in five (39%) trading businesses reported an increase in the prices of goods or services they bought in January 2023 compared with December 2022

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 January 2023



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”.

The percentage of trading businesses reporting higher prices for goods or services bought in January 2023 compared with the previous calendar month (39%) has decreased 2 percentage points from those reporting higher costs in December 2022 compared with November 2022. This percentage has been gradually falling every month since September 2022 (48%).

In contrast, 20% of trading businesses reported the prices of goods or services they sold increased in January 2023. However, this percentage was up 3 percentage points from the 17% of businesses that reported higher prices sold in January 2023 compared with December 2022. This is the first time this percentage has risen since September 2022.

Price expectations

Businesses not permanently stopped trading were asked what their expectations for the prices of goods or services sold are for March 2023.

Figure 5: The accommodation and food service activities industry reported the largest proportion of trading businesses that expect to increase prices in March 2023, at 45%

Price expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 March 2023

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”.
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.

A quarter (25%) of trading businesses expect the prices of the goods or services they sell to increase in March 2023. This percentage was 30% for businesses with 10 or more employees.

Figure 6: In early February 2023, data suggest larger businesses are more likely to raise prices than smaller businesses because of costs

Reason for price rises, businesses currently trading, broken down by response option, weighted by count, UK, 6 to 19 February 2023

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

Notes:

1. Response options may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.
2. 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.

Businesses were asked what, if anything, was causing them to consider raising their prices in March 2023. More than a third (35%) of trading businesses reported energy prices as the top reason for why they are considering doing so. In contrast, 36% reported they are not considering raising prices.

Further details on price expectations broken down by trading status, industry and size band are available in our [accompanying dataset](#).

Impact of prices

In early February 2023, businesses not permanently stopped trading were asked in which ways their business had been affected by any price rises they had experienced.

6 in 10 (60%) businesses reported they were affected by general increases in prices in one or more ways, 26% reported they had not been affected by price rises, and 14% were not sure.

The most commonly reported impacts were:

- had to absorb costs – 40%
- had to pass on price increases to customers – 26%
- had to change suppliers – 12%

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

Passing on costs

In early February 2023, businesses not permanently stopped trading were asked how much of their business's input price increases they had passed on to their customers over the last six months.

One in five (21%) businesses reported that they had passed on less than 50% of their input price increases to customers over the last six months, while 13% reported that they had passed on 50% or more.

Figure 7: More than a third (34%) of businesses reported they had passed on input price increases to customers

Passed on costs, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 6 to 19 February 2023

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".

The manufacturing industry reported the largest percentage of businesses that have passed on their input price increases, at 58%.

5 . Energy prices

Figure 8: Recent increases in energy prices have affected production and/or suppliers for 69% of businesses in the accommodation and food service activities industry

Effect of energy price rises, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 6 to 19 February 2023

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

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.

In early February 2023, 34% of businesses not permanently stopped trading reported their production and/or suppliers had been affected by the recent increases in energy prices, broadly stable with mid-January 2023.

The accommodation and food service activities industry (69%) continues to report the highest proportion of businesses affected by recent increases in energy prices. This was notably among businesses in the beverage serving activities and the restaurants and mobile food service activities sub-industries.

Further details on the effects of energy price rises broken down by trading status, industry and size band are available in our [accompanying dataset](#).

6 . Recruitment

Businesses not permanently stopped trading were asked if they were experiencing any difficulties recruiting employees in January 2023.

1 in 10 (10%) businesses reported they were. This percentage was higher for businesses with 10 or more employees, at 28%.

Figure 9: Nearly half (49%) of businesses in the human health and social work activities industry (private sector businesses only) reported they were experiencing recruitment difficulties in January 2023

Recruitment difficulties, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 1 to 31 January 2023

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”.

The percentage of businesses with 10 or more employees experiencing recruitment difficulties in January 2023 was lower than the percentage for December 2022, down from 32% to 28%.

The human health and social work activities industry (private sector businesses only) reported the largest percentage of businesses experiencing difficulties; this was down from the 53% reported in December 2022.

7 . Business Insights and Conditions Survey data

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

Dataset | Released 23 February 2023

Weighted estimates from the voluntary fortnightly business 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 8 December 2022

Confidence intervals for weighted estimates from the voluntary fortnightly business survey (BICS) about financial performance, workforce, prices, trade and business resilience.

Access to microdata

You can access the microdata for Waves 1 to 75 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, as explained on the UK Statistics Authority website](#), 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 \(RAP\), as explained on the UK Statistics Authority website](#). 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 that reported a decrease and the percentage of businesses that 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 74, 75 and 76 of the Business Insights and Conditions Survey

Wave	26 January 2023 Publication Wave 74	9 February 2023 Publication Wave 75	23 February 2023 Publication Wave 76
Sample	39,303	39,284	39,309
Response	10,292	10,056	10,034
Rate	26.2%	25.6%	25.5%

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 76 survey was live for the period 6 to 19 February 2023. The [BICS survey questions](#) are available.

Coverage

The Monthly Business Survey (MBS) covers the UK for production and Great Britain for services, retail and construction. The BICS is based on the same sampling frame as the MBS and therefore will be UK-focused for production-based industries but Great Britain-focused for the other elements of the economy covered. The sectors 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
- oil and gas extraction
- energy generation and supply
- 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

[Economic activity and social change in the UK, real-time indicators](#)

Bulletin | Updated frequently

Early experimental data and analysis on economic activity and social change in the UK. These real-time indicators are created using rapid response surveys, novel data sources and experimental methods.

[Cost of living latest insights](#)

Web page | Updated frequently

The latest data and trends about the cost of living. Explore changes in the cost of everyday items and how this is affecting people.

[COVID-19 question bank](#)

Web page | Updated frequently

This web page 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.

12 . Cite this statistical bulletin

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