

Statistical bulletin

Business insights and impact on the UK economy: 23 March 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

- Latest results suggest business conditions remain challenging, but estimates show small signs of positive improvement for some measures; examples include, a smaller proportion of businesses reporting lower turnover and reporting higher prices for goods or services bought, however, it is too early to know if this is the start of a longer-term change in conditions.
- In February 2023, a quarter (25%) of trading businesses reported their turnover was lower compared with January 2023, while 16% reported their turnover was higher; therefore, a net 9% of businesses reported their turnover decreased, this is up from a negative net position of 13% in January 2023.
- More than one in five (22%) trading businesses expect turnover to increase in April 2023, while 12% of businesses expect turnover to decrease; the net 9% of businesses expecting turnover to increase is the highest net position since the question was first asked in April 2022.
- More than a third (37%) of trading businesses reported an increase in the prices of goods or services bought in February 2023 compared with January 2023; this proportion has been falling since the first time the question was asked in March 2022 (50%).
- Just over half (54%) of trading businesses expect the prices of goods or services they sell to stay the same in April 2023, while nearly a quarter (24%) of trading businesses expect to raise their prices.
- Over two-thirds (68%) of trading businesses reported their overall performance had stayed the same or improved in February 2023 compared with February 2022; 18% of those reported their performance had increased.

2 . Headline figures

The data presented in this bulletin are the results from Wave 78 of the Business Insights and Conditions Survey (BICS), which was live from 6 to 19 March 2023.

The data reported within BICS bulletins and datasets are estimates that are subject to [uncertainty](#), such as sampling variability and [non-sampling error](#). Further information on quality is available in our [Business Insights and Conditions Survey Quality and Methodology Information \(QMI\) report](#), and we regularly update the [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 the data

[.xlsx](#)

In early March 2023, the percentage of businesses that reported that they were trading was 95%, with 86% fully trading and 9% partially trading (for example, trading with reduced hours or staff numbers). Meanwhile, 3% of businesses reported "temporarily paused trading" and 2% "permanently ceased trading" as their business's trading status.

3 . Financial performance

Turnover

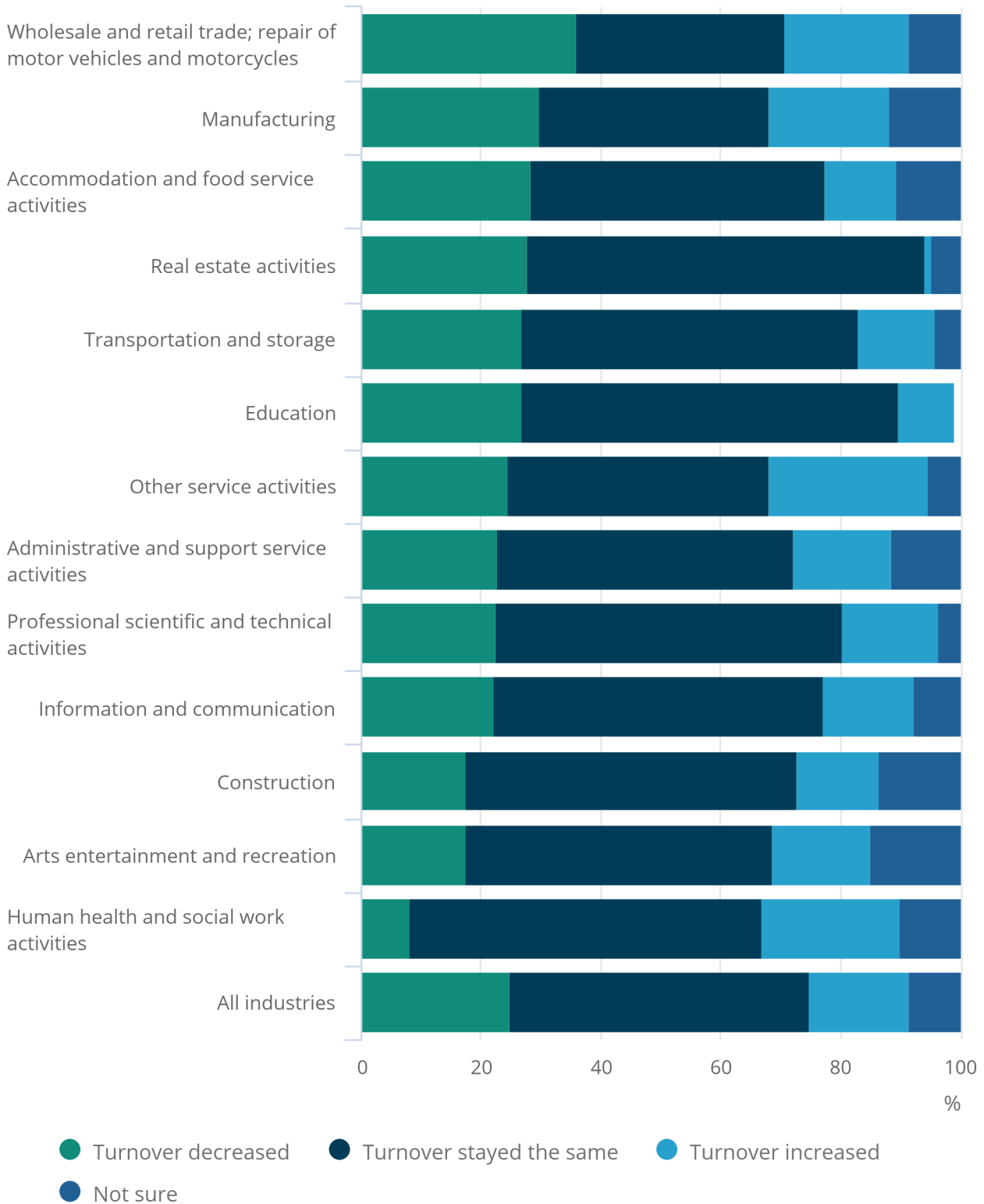
Trading businesses were asked how their turnover in February 2023 compared with January 2023.

Figure 2: A quarter (25%) of trading businesses reported lower turnover for February 2023 compared with January 2023

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 28 February 2023

Figure 2: A quarter (25%) of trading businesses reported lower turnover for February 2023 compared with January 2023

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 28 February 2023



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".

When asked in mid-January 2023 about their expectations for turnover in February 2023, 17% of trading businesses reported they expected their turnover to decrease. When asked in early-March 2023, a higher proportion of businesses said they experienced a decrease in turnover for February 2023, with 25% of trading businesses reporting a fall, down 4 percentage points when comparing against January 2023 to December 2022.

In the same period, 14% of trading businesses reported they expected their turnover to increase in February 2023, with the actual data collected in early March 2023, suggesting 16% of businesses reported their turnover increased.

Turnover expectations

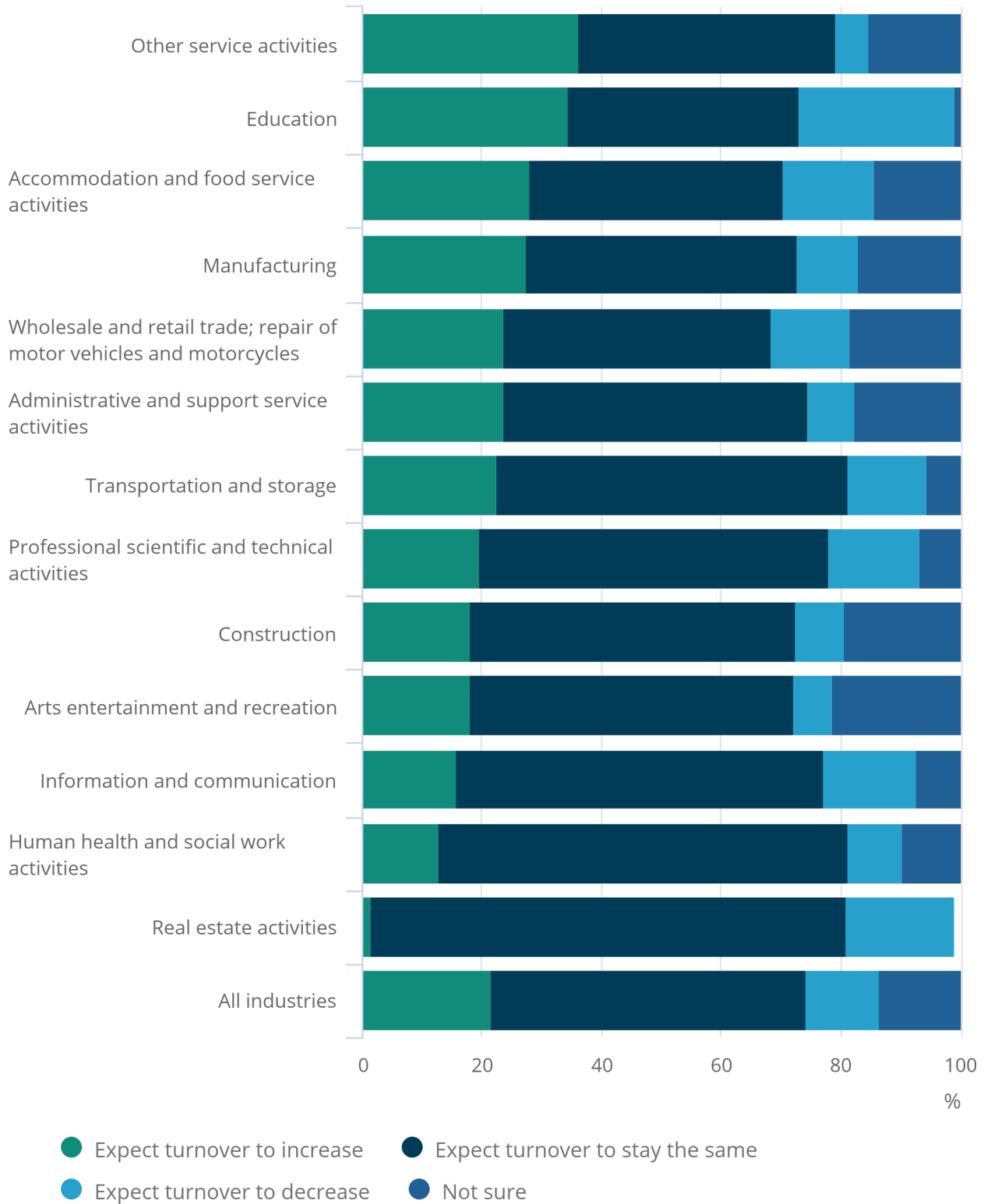
Trading businesses were asked about their turnover expectations for April 2023, excluding any seasonality trading.

Figure 3: More than a third (36%) of businesses in the other service activities industry expect their turnover to increase in April 2023, while 6% expect their turnover to decrease

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 April 2023

Figure 3: More than a third (36%) of businesses in the other service activities industry expect their turnover to increase in April 2023, while 6% expect their turnover to decrease

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 April 2023



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.

More than one in five (22%) trading businesses expect turnover to increase in April 2023, the highest percentage reported since the question was introduced in April 2022. The data also suggest that a smaller number of trading businesses are expecting a fall in turnover for April 2023, with 12% reporting they expect turnover to decrease. This is the lowest percentage reported since the question was introduced in April 2022.

4 . Prices

Prices bought and sold

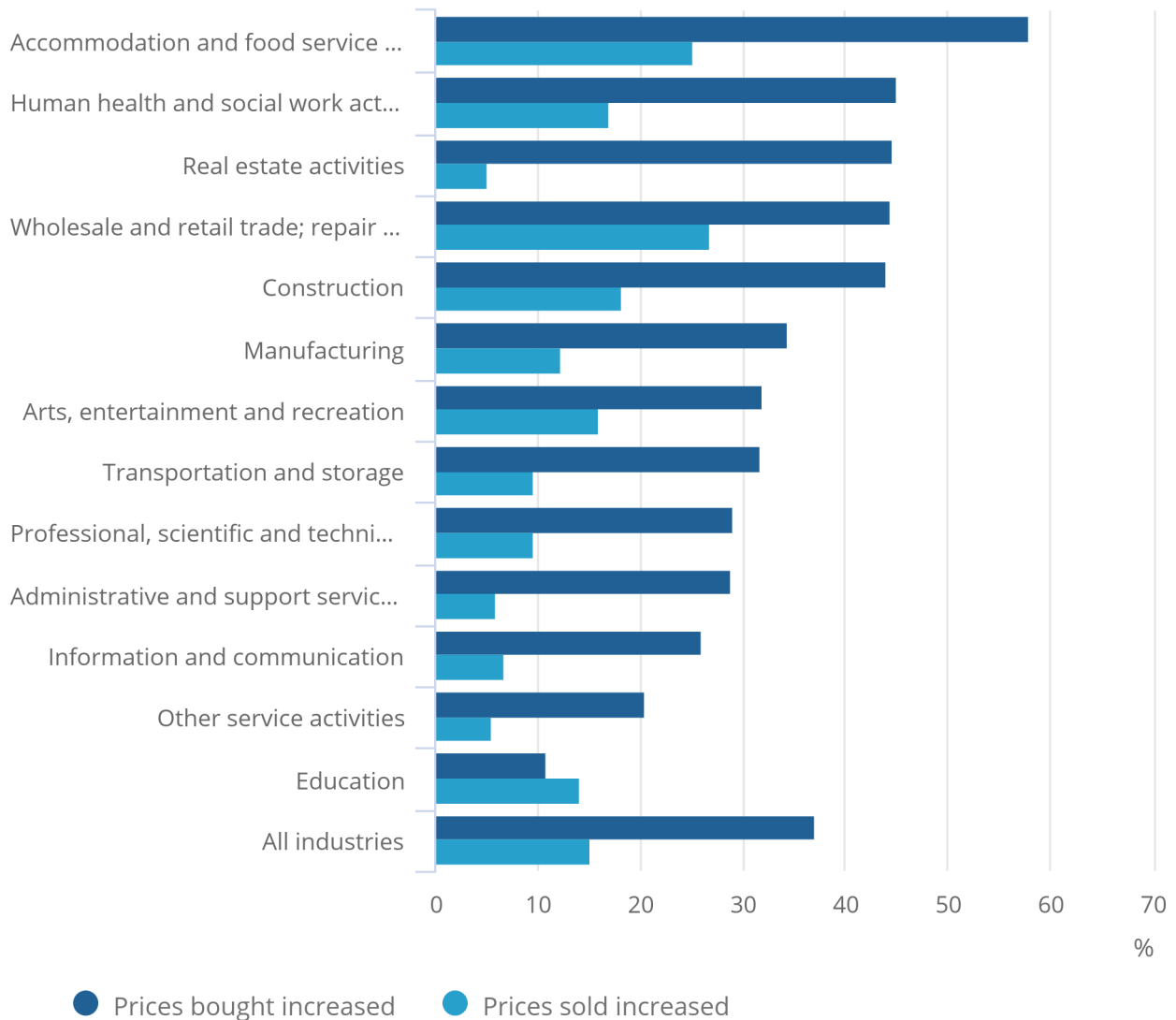
Businesses not permanently stopped trading were asked how the prices of goods or services bought and/or sold by their business in February 2023 compared with the previous calendar month.

Figure 4: More than a third (37%) of trading businesses reported an increase in prices bought in February 2023 compared with January 2023

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 28 February 2023

Figure 4: More than a third (37%) of trading businesses reported an increase in prices bought in February 2023 compared with January 2023

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 28 February 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

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 February 2023, 37% of trading businesses reported the prices of goods or services bought had increased compared with the previous month. This compares with 39% of businesses who reported an increase in the prices of goods or services bought in January 2023, and 41% in December 2022.

This suggests businesses are continuing to experience increases in prices bought month on month, however the proportion has been falling steadily since September 2022 (48%).

The proportion of businesses that reported their prices of goods or services bought stayed the same increased by 11 percentage points from 31% in September 2022, to 42% in February 2023.

Price expectations

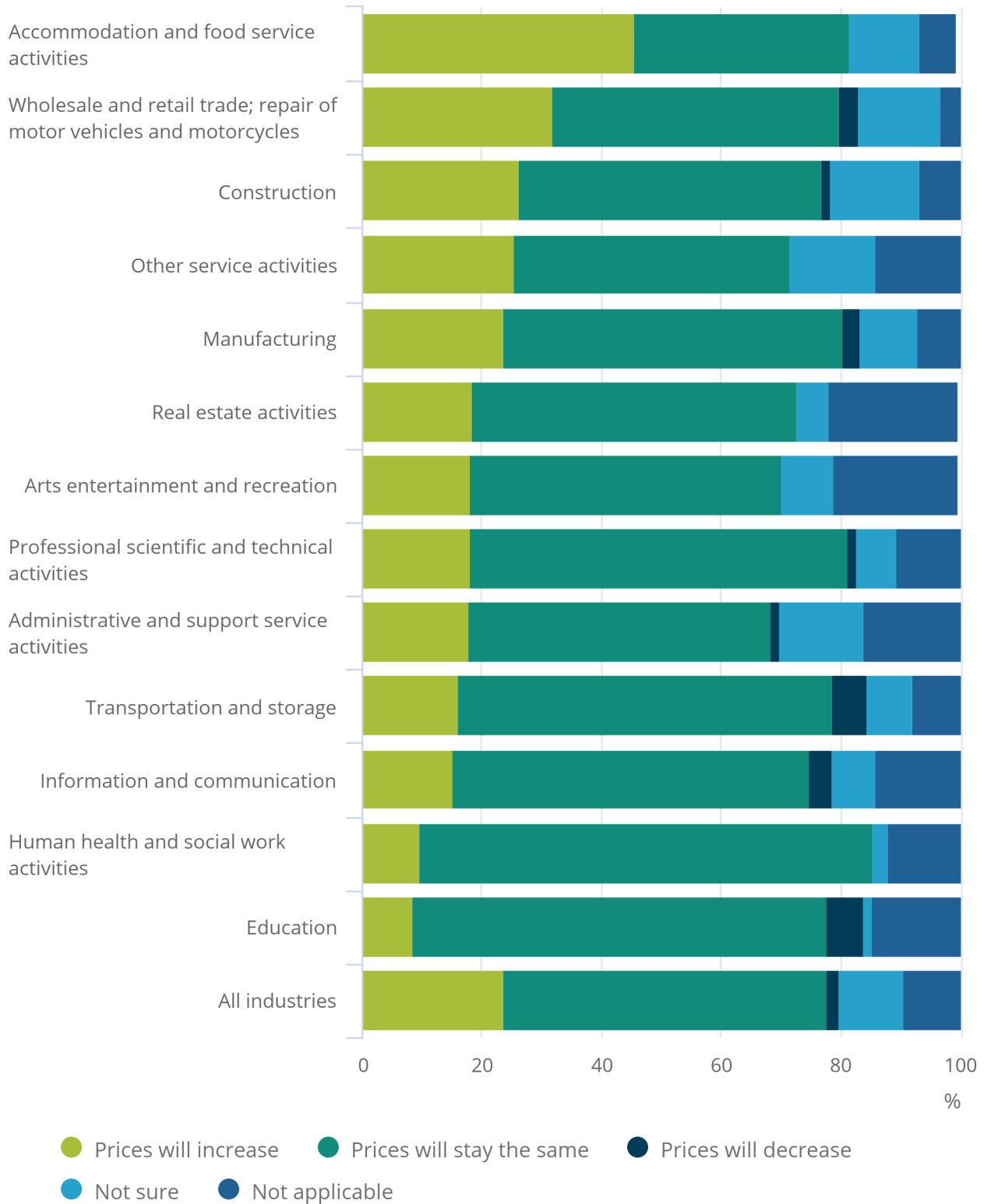
Trading businesses were asked what their expectations are for the prices of goods or services they sell in April 2023.

Figure 5: The accommodation and food service activities industry continued to report the largest proportion of trading businesses that expect to increase prices in April 2023, at 46%

Price expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 April 2023

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Price expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 April 2023



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.

Of those businesses who are considering raising prices, energy prices continued to be reported as the most common reason for doing so, at 36% for businesses of all sizes and 46% for businesses with 10 or more employees. In contrast, more than a third (37%) of businesses of all sizes were not considering raising their prices.

Trading businesses in the accommodation and food service activities industry reported the largest proportion of businesses who expect their prices of goods or services they sell to increase in April 2023, at 46%, up from 45% in March 2023.

Businesses in the other service activities industry reported the largest rise in the proportion of businesses expecting their prices to increase in April 2023, up 6 percentage points to 25%.

Price rises

In early March 2023, businesses not permanently stopped trading were asked in which ways, if any, had they been affected by price rises.

Nearly two-thirds (62%) of businesses reported they had been affected in some way. The most commonly reported effects were:

- having to absorb costs (41%)
- having to pass on price increases to customers (27%)
- having to change suppliers (12%)

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

5 . Business confidence

Performance

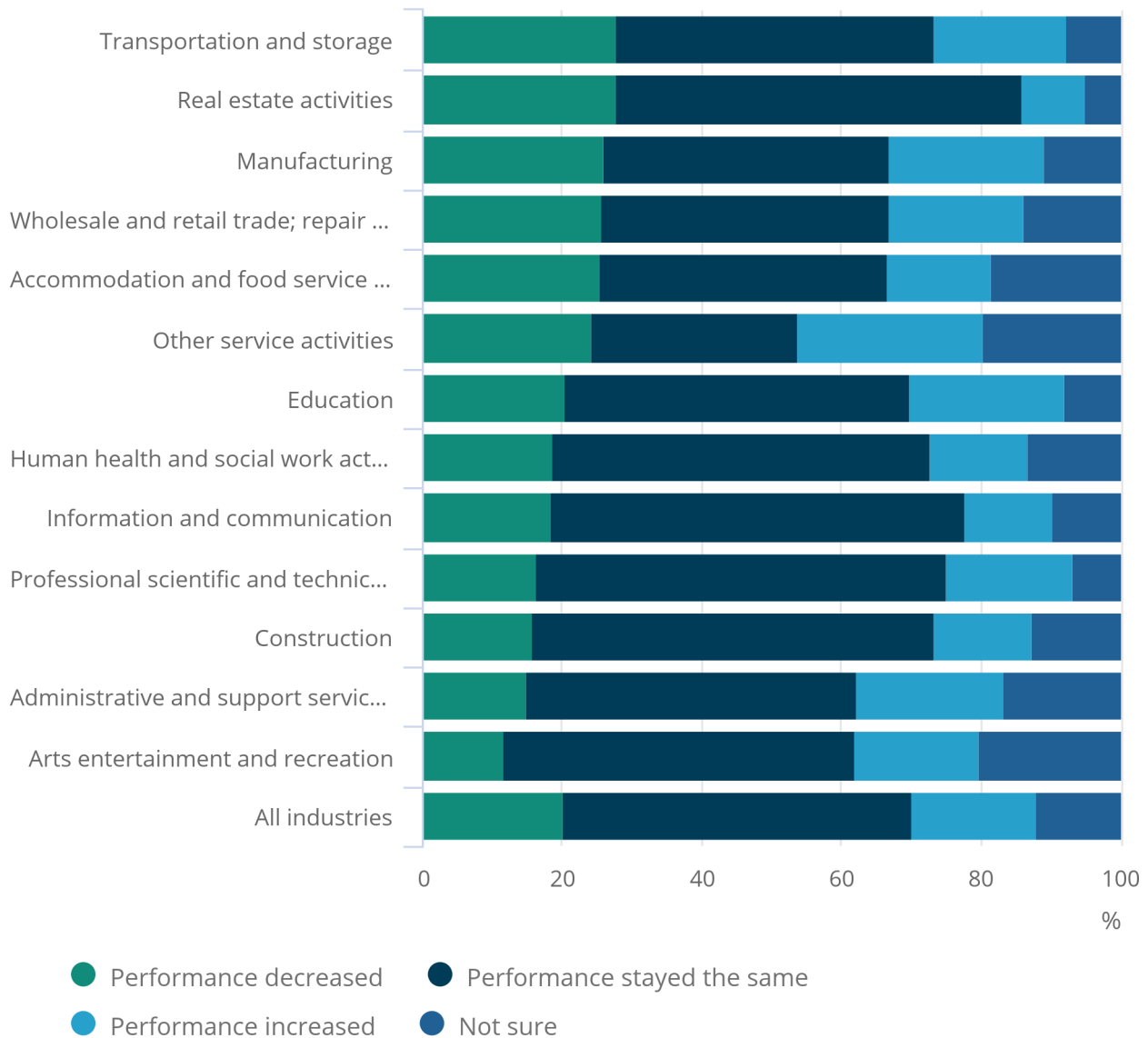
Businesses not permanently stopped trading were asked how they would describe their business's overall performance such as pricing, trading and workforce in February 2023, compared with February 2022.

Figure 6: Over two-thirds (68%) of businesses reported their overall performance had stayed the same or improved in February 2023 compared with February 2022

Business performance, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 28 February 2023

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Business performance, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 28 February 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

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".

One in five (20%) businesses reported their overall performance including pricing, trading and workforce had decreased in February 2023 compared with February 2022, broadly stable with January 2023 compared with January 2022.

More businesses were optimistic about their performance expectations over the next 12 months; 11 of the Business Insights and Conditions Survey (BICS) sampled industries reported a higher percentage for performance will increase, than the percentage that reported performance will decrease.

Businesses at all industry level reported:

- 24% expect performance to increase
- 45% expect performance to stay the same
- 12% expect performance to decrease
- 19% are not sure

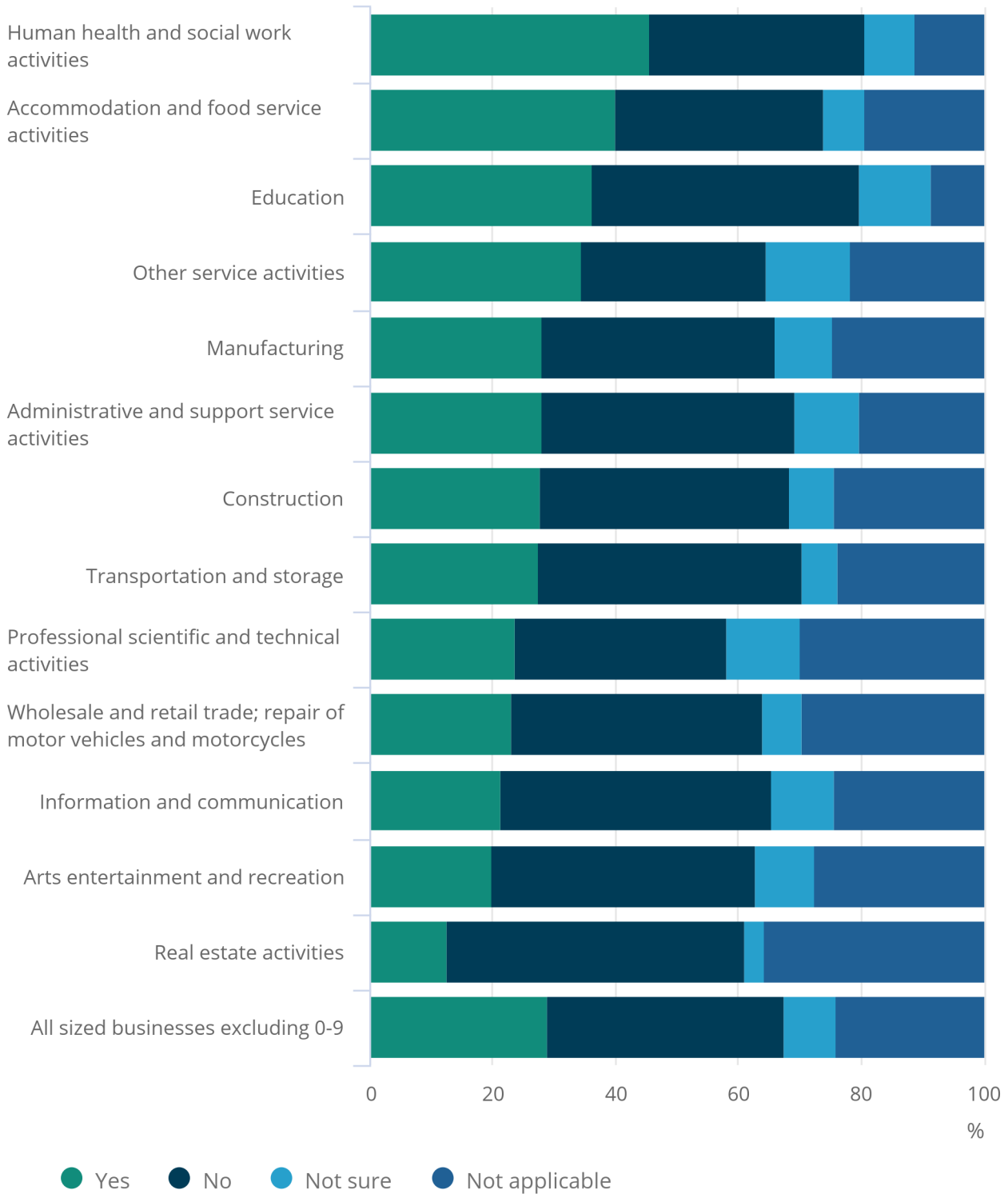
6 . Recruitment

Figure 7: Approximately 3 in 10 (29%) businesses with 10 or more employees reported they experienced difficulties recruiting employees in February 2023

Business recruitment, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 1 to 28 February 2023

Figure 7: Approximately 3 in 10 (29%) businesses with 10 or more employees reported they experienced difficulties recruiting employees in February 2023

Business recruitment, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 1 to 28 February 2023



Notes:

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In February 2023, 13% of businesses not permanently stopped trading with 10 or more employees reported that the number of employees at their business had increased.

In the same period, approximately 3 in 10 (29%) businesses of this size were also experiencing difficulties while recruiting. Both these percentages were broadly stable with January 2023.

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

7 . Business Insights and Conditions Survey (BICS) data

[Business insights and impact on the UK economy](#) Dataset | Released 23 March 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 77 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 76, 77 and 78 of the Business Insights and Conditions Survey

Wave	23 February 2023 Publication Wave 76	9 March 2023 Publication Wave 77	23 March 2023 Publication Wave 78
Sample	39,309	39,290	39,261
Response	10,034	10,193	10,558
Rate	25.5%	25.9%	26.9%

Source: Business Insights and Conditions Survey from the Office for National Statistics

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 78 survey was live for the period 6 to 19 March 2023. 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 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 QMI report](#).

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: February 2023](#) Article | Released 16 February 2023 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.

[Characteristics of homeworkers, Great Britain: September 2022 to January 2023](#) Article | Released 13 February 2023 Analysis of homeworkers, including prevalence of hybrid working, and breakdowns by personal characteristics. Data from the Opinions and Lifestyle Survey (OPN).

12 . Cite this statistical bulletin

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