

Statistical bulletin

# Business insights and impact on the UK economy: 25 August 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

- A net 44% of trading businesses reported that the prices of goods or services bought had increased in July 2022 compared with June 2022; in contrast a net 22% of trading businesses reported the prices of goods or services sold had increased across the same period.
- In early August 2022, more than 1 in 10 (11%) businesses reported a moderate or severe risk of insolvency; this percentage is broadly stable with late May 2022, however, is down from the 17% reported in late November 2020 when the question was first asked.
- A net 10% of businesses reported their turnover was lower in July 2022 compared with June 2022; this is broadly stable with a net 11% of businesses who reported lower turnover in June 2022 compared with May 2022.
- Of businesses who had been affected by industrial action in July 2022, more than a quarter (28%) reported their workforce were unable to perform their roles, while 20% reported their workforce had to change their working location as a result.
- Of businesses with 10 or more employees who were experiencing global supply chain disruption in July 2022, 31% reported a shortage of materials as the main reason.
- In early August 2022, 21% of businesses with 10 or more employees reported their workforce was working from home for one or two days per week on average; 59% of businesses with 10 or more employees expect the number of days their workforce work from home to stay the same in the next 12 months.

## 2 . Headline figures

The data presented in this bulletin are the final results from Wave 63 of the Business Insights and Conditions Survey (BICS), which was live from 8 August to 21 August 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 the BICS.

### More about economy, business and jobs

- All ONS analysis, summarised in our [economy, business and jobs roundup](#).
- 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 August 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, 4% of businesses reported “temporarily paused trading” and 2% reported “permanently ceased trading” as their business’s trading status.

Based on the responses of businesses not permanently stopped trading, the proportion of the workforce that were working as part of a hybrid model in July 2022 was 22%. The remaining proportion of the workforce were:

- working from home – 8%
- working from a designated workspace – 64%
- on sick leave, or not working due to coronavirus (COVID-19) symptoms or self-isolation – 1%
- made permanently redundant – less than 1%
- other – 5%

### **3 . Financial performance**

## Turnover

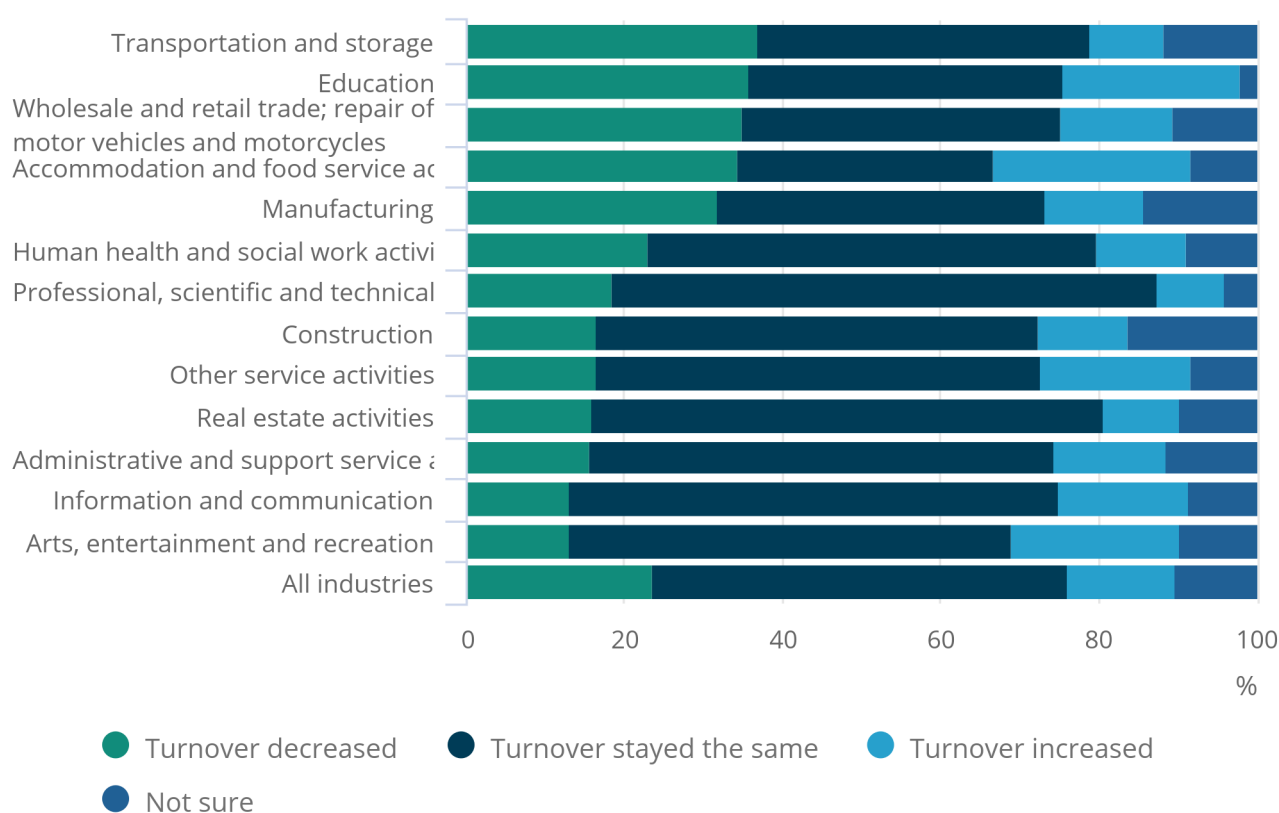
Trading businesses were asked how their turnover in July 2022 compared with June 2022. A net 10% of businesses reported their turnover was lower compared with June 2022, broadly stable with a net 11% of businesses who reported lower turnover in June 2022 compared with May 2022.

**Figure 2: More than a third (37%) of businesses in the transportation and storage industry reported their turnover had decreased in July 2022**

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

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Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 July 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".

The accommodation and food service activities industry, which was previously one of the industries reporting the highest percentage of businesses experiencing a decrease in turnover, is now the industry reporting the highest proportion of businesses experiencing an increase in turnover. The proportion of businesses experiencing an increase in turnover in this industry rose from 14% in June 2022 to 25% in July 2022 and was primarily driven by the restaurant and mobile food service activities sub-industry.

## Expectations

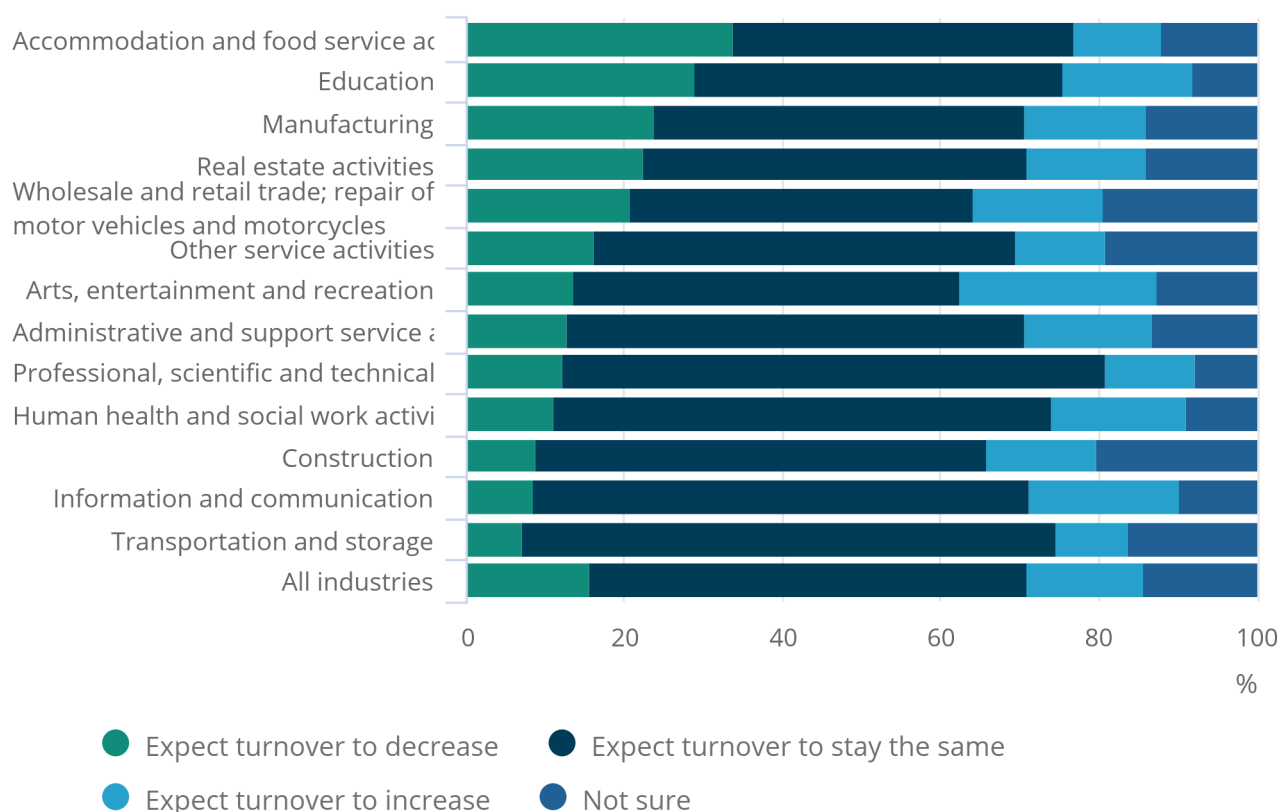
Businesses were also asked about their turnover expectations for September 2022.

**Figure 3: The percentage of businesses that expect their turnover to decrease has remained broadly stable for September 2022, at 16%**

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

Figure 3: The percentage of businesses that expect their turnover to decrease has remained broadly stable for September 2022, at 16%

Turnover expectations, 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".
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 half of businesses (55%) reported that they expect their turnover to stay the same in September 2022. This is stable with expectations for August 2022.

A quarter (25%) of businesses in the arts, entertainment and recreation industry expect their turnover to increase in September 2022. This is being driven by the activities of sports clubs and operation of sports facilities subindustries.

## 4 . Supply chains

### UK trade

Businesses not permanently stopped trading were asked if they had sold goods or services to customers in other UK nations in the last 12 months. More than a quarter (26%) of businesses with 10 or more employees had, with 65% reporting they had not and 9% reporting they were not sure.

Businesses who had sold to other UK nations in the last 12 months were then asked which challenges, if any, they had experienced doing so.

Table 1: Nearly two in five (37%) businesses with 10 or more employees who had sold to other UK nations in the last 12 months reported experiencing challenges

Intra-UK sales challenges, businesses not permanently stopped trading with 10 or more employees who sold goods or services to other UK nations, broken down by response option, weighted by count, UK, 8 August to 21 August 2022

<b>Challenge</b>	<b>All business sizes excluding 0-9</b>
<b>Transport costs</b>	19.3%
<b>Challenges related to the Northern Ireland Protocol</b>	12.0%
<b>Supply chain disruption</b>	10.1%
<b>Lack of demand</b>	6.5%
<b>Transport capacity</b>	4.0%
<b>Differences in rules or regulations</b>	3.9%
<b>Other</b>	2.5%
<b>Not sure</b>	8.1%
<b>Business did not experience any challenges</b>	55.2%

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

#### Notes

1. Response options will not sum to 100% as businesses could select multiple options.

Further details on intra-UK trade broken down by industry and size band are available in our [accompanying dataset](#).

## Global supply chain disruption

Businesses not permanently stopped trading were asked whether their business experienced any global supply chain disruption in July 2022.

For businesses with 10 or more employees, 20% reported that they had experienced global supply chain disruption in July 2022, unchanged from June 2022. The proportion of businesses with 10 or more employees reporting they were not experiencing any global supply chain issues was 42%, with the remainder reporting not sure or not applicable.

Businesses who were experiencing global supply chain disruption were then asked for the main reason for the disruption.

Table 2: Nearly a third (31%) of businesses with 10 or more employees who were experiencing global supply chain disruption reported a shortage of materials as the main reason

Global supply chain challenges, businesses not permanently stopped trading with 10 or more employees who experienced global supply chain disruption, broken down by response option, weighted by count, UK, 1 to 31 July 2022

<b>Industries</b>	<b>All business sizes excluding 0-9</b>
<b>Shortage of materials</b>	30.7%
<b>Increased costs</b>	14.8%
<b>UK exiting the EU</b>	13.9%
<b>Conflict in Ukraine</b>	8.4%
<b>Other transportation issues</b>	7.1%
<b>Shortage of hauliers and carriers</b>	6.5%
<b>Coronavirus (COVID-19) pandemic</b>	6.0%
<b>Other</b>	2.6%
<b>Not sure</b>	10.0%

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 these results based on the specific routing of this question meaning that only a small number of businesses responded.

Further details of global supply chain disruption broken down by industry and size band are available in our [accompanying dataset](#).

## 5 . Prices

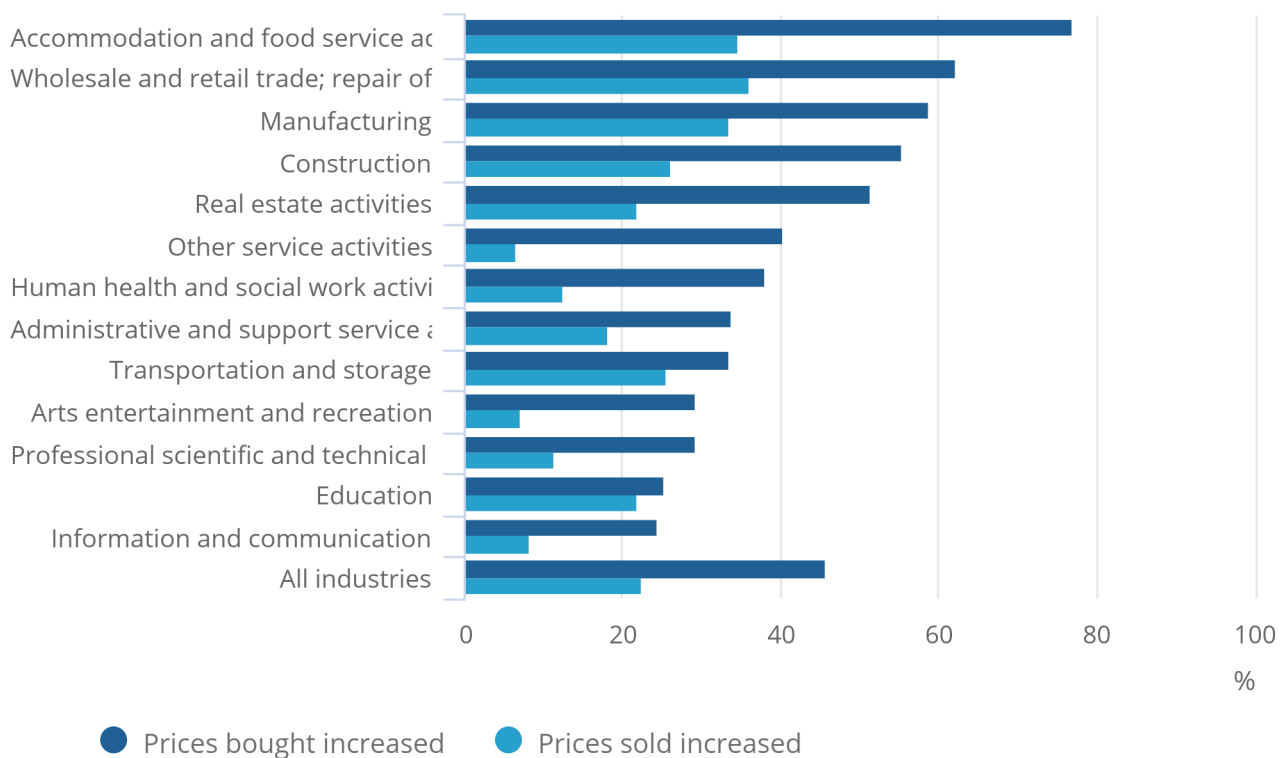
## Prices bought and sold

**Figure 4: A net 44% of trading businesses reported that the prices of goods or services bought had increased in July 2022 compared with June 2022**

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

**Figure 4: A net 44% of trading businesses reported that the prices of goods or services bought had increased in July 2022 compared with June 2022**

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



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

**Notes:**

1. For presentational purposes, some response options have been excluded.
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 July 2022, the percentage of trading businesses who reported the prices of goods or services bought had increased compared with the previous month was 46%. This compares with the 50% of businesses who reported an increase in the prices of goods or services bought in both May 2022 and June 2022.

In contrast, 23% of businesses reported an increase in the prices of goods or services sold in July 2022 compared with the previous month. This percentage is up from the 20% reported for June 2022. A rise in the percentage of businesses reporting prices sold had increased has not been reported since March 2022.



## Price expectations

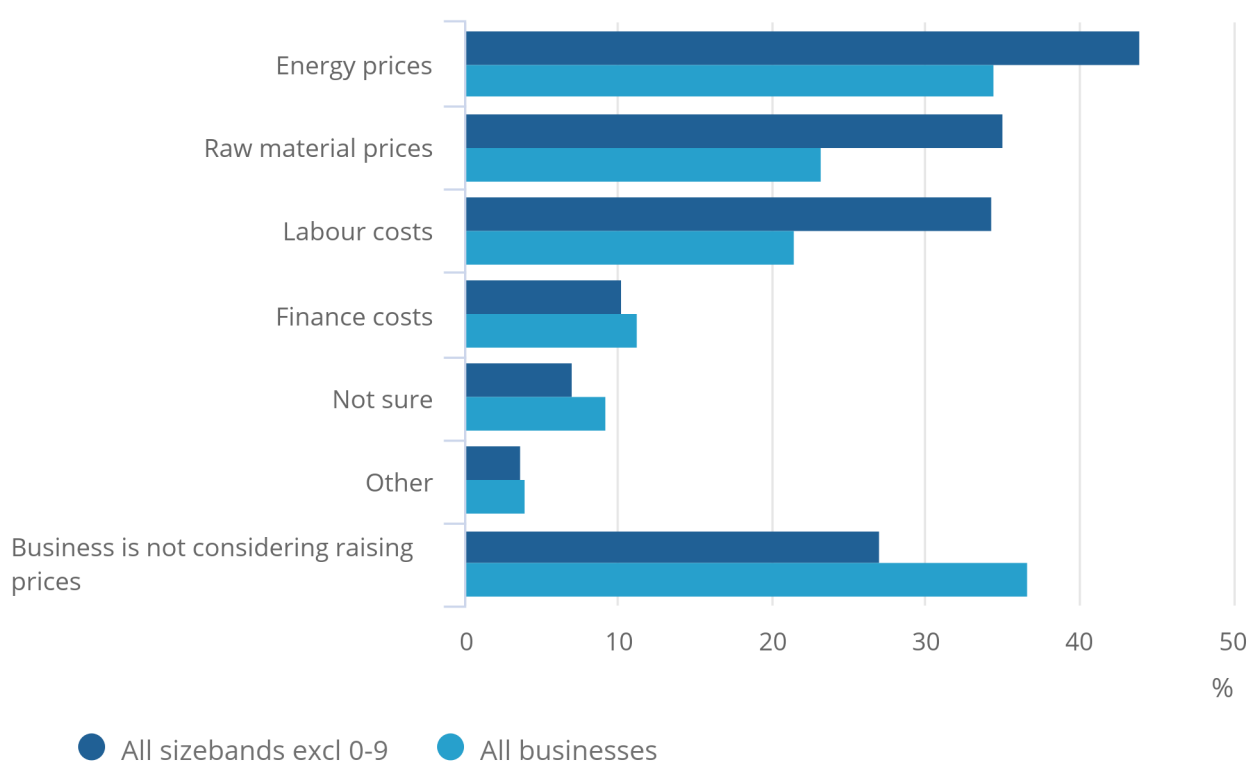
Of trading businesses, 29% expect the prices of the goods or services they sell to increase in September 2022, up from 26% expect price increases reported for August 2022. For businesses with fewer than 10 employees, 28% expect prices to increase, while for all other size band businesses this percentage was higher at 35%.

**Figure 5: More than two-fifths (44%) of businesses with 10 or more employees reported energy prices as the main factor for considering raising prices in September 2022**

Price expectations, businesses currently trading who are considering raising prices, broken down by response option and size band, weighted by count, UK, 1 to 30 September 2022

Figure 5: More than two-fifths (44%) of businesses with 10 or more employees reported energy prices as the main factor for considering raising prices in September 2022

Price expectations, businesses currently trading who are considering raising prices, broken down by response option and size band, 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 excluded.
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.

At 35%, energy prices continued to be the most common reason for trading businesses of all sizes to consider raising their prices, with the accommodation and food service activities industry continuing to report the highest percentage, at 69%.

Of businesses not permanently stopped trading of all sizes, 33% reported their production and/or suppliers had been affected by the recent increase in energy prices, with the accommodation and food service activities industry reporting the highest proportion of businesses affected, at 64%.

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

## **6 . Workforce**

## Homeworking

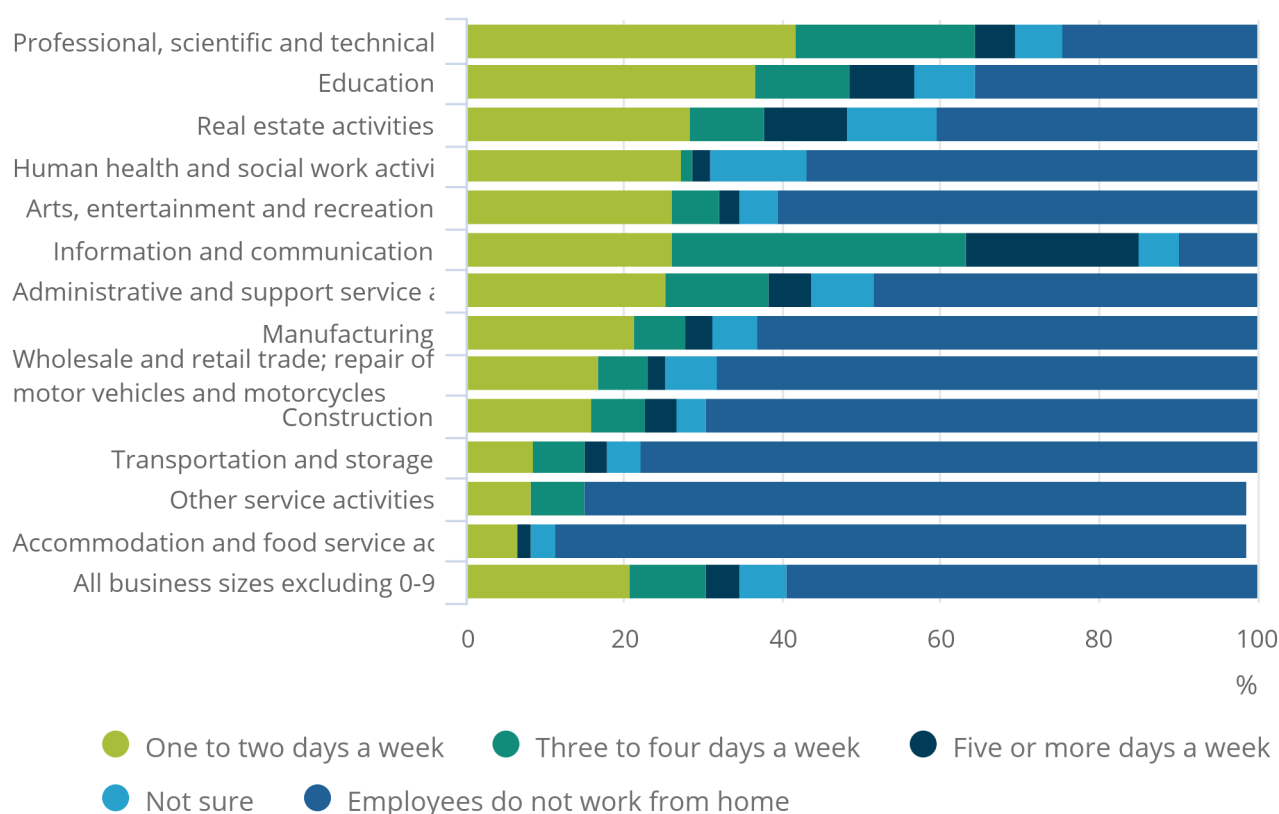
In early August 2022, businesses not permanently stopped trading were asked on average how many days a week their employees work from home.

**Figure 6: One in five (21%) businesses with 10 or more employees reported their workforce work from home one to two days per week**

Working from home, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 8 to 21 August 2022

### Figure 6: One in five (21%) businesses with 10 or more employees reported their workforce work from home one to two days per week

Working from home, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 8 to 21 August 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 business sizes excluding 0-9".

In early August 2022, 59% of businesses with 10 or more employees reported they expect the number of days employees work from home to stay the same in the next 12 months.

In contrast, 2% of businesses reported the number of days was likely to increase and 7% reported the number of days would likely decrease. The remaining reported they were unsure.

Table 3 shows the correlation between the number of days employees currently work from home and the expectation for the number of days employees will work from home in 12 months' time.

Table 3: The majority of businesses with employees currently working from home, expect the number of days spent homeworking to remain the same in the next 12 months

Current working from home (WFH) days versus predicted WFH days, businesses not permanently stopped trading with 10 or more employees, broken down by response option, weighted by count, UK, 8 to 21 August 2022

	<b>Number of days will likely increase</b>	<b>Number of days will likely stay the same</b>	<b>Number of days will likely decrease</b>	<b>Not sure</b>
<b>One to two days a week</b>	3.3%	73.4%	14.6%	8.7%
<b>Three to four days a week</b>	2.7%	77.1%	13.3%	6.9%
<b>Five or more days a week</b>	1.5%	78.4%	8.8%	11.4%
<b>All business sizes excluding 0-9</b>	1.6%	59.0%	6.9%	32.5%

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

#### Notes

1. Percentages may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.
2. For presentational purposes, some response options have been removed.
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 businesses not permanently stopped trading with 10 or more employees, 13% reported their employees were using, or intending to use, increased homeworking as a permanent business model in the future.

## 7 . Industrial action

Of businesses not permanently stopped trading, 6% reported that they had been affected by industrial action in July 2022. This was broadly stable with June 2022.

The human health and social work activities industry reported the highest percentage of businesses affected by industrial action in July 2022, at 10%.

Businesses who reported that they had been affected by industrial action were then asked how they were affected.

Table 4: More than a quarter (28%) of businesses who were affected by industrial action reported their workforce were unable to perform their roles in July 2022 as a result

Effects of industrial action, businesses not permanently stopped trading who were affected by industrial action, broken down by response option, weighted by count, UK, 1 to 31 July 2022

<b>Effects</b>	<b>All businesses</b>
<b>Workforce were unable to perform their roles</b>	27.9%
<b>Other</b>	20.9%
<b>Workforce had to change their working location</b>	20.1%
<b>Business was unable to operate fully</b>	17.6%
<b>Business was unable to obtain necessary services</b>	16.5%
<b>Business was unable to obtain necessary goods</b>	13.7%
<b>Part or all of the workforce * were directly involved in industrial action</b>	
<b>Not sure</b>	3.7%

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

### Notes

1. Response options will not sum to 100% as businesses could select multiple response options and percentages less than 1% being removed for disclosure purposes.
2. Caution should be taken when interpreting these results based on the specific routing of this question meaning that only a small number of businesses responded.

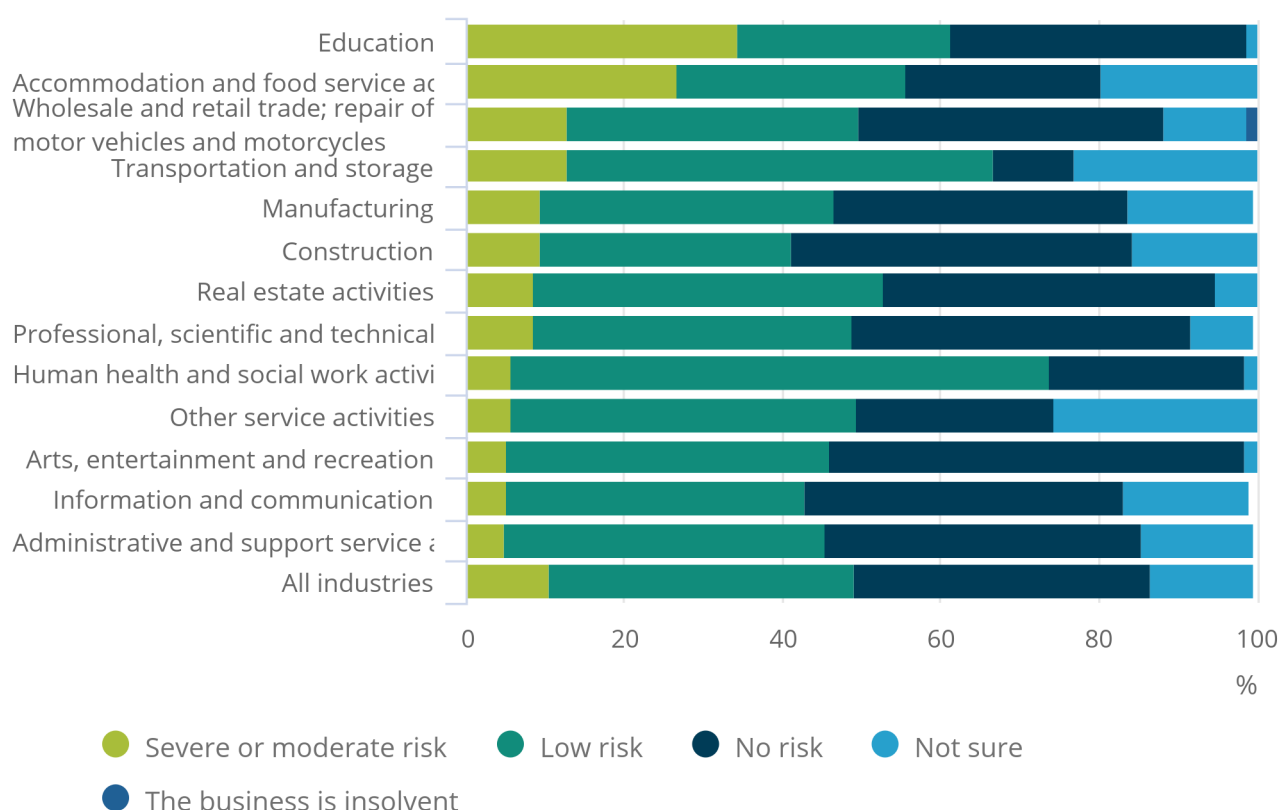
## 8 . Risk of insolvency

**Figure 7: The education industry reported the highest percentage of businesses who have severe or moderate risk of becoming insolvent, at 34%**

Risk of insolvency, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 8 to 21 August 2022

Figure 7: The education industry reported the highest percentage of businesses who have severe or moderate risk of becoming insolvent, at 34%

Risk of insolvency, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 8 to 21 August 2022



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

### 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".

In early August 2022, 49% of not permanently stopped trading businesses reported having some level of risk of insolvency, broadly stable with late May 2022, however, down from 54% reported in August 2021.

The accommodation and food service activities industry reported the largest increase in the proportion of businesses reporting a severe or moderate risk of insolvency, up 8 percentage points from 19% reported in late May 2022 to 27% in early August 2022.

## 9 . Business Insights and Conditions Survey data

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

Dataset | Released 25 August 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 62 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 who reported a decrease, and the percentage of businesses who 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 5: Sample and response rates for Waves 61, 62 and 63 of the Business Insights and Conditions Survey

Wave	28 July 2022 Publication Wave 61	11 August 2022 Publication Wave 62	25 August 2022 Publication Wave 63
Sample	38,103	38,064	38,009
Response	9,286	8,373	9,207
Rate	24.4%	22.0%	24.2%

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 63 survey was live for the period 8 August to 21 August 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 HMRC's 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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