

Statistical bulletin

Business insights and impact on the UK economy: 3 October 2024

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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Release date:
3 October 2024

Next release:
24 October 2024

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1 . Main points

- Nearly 3 in 5 (56%) businesses reported in late September 2024 that they were not concerned about the impact climate change may have on their business; this is up 4 percentage points from June 2024 and the highest proportion reported since the question was first introduced in the Business Insights and Conditions Survey (BICS) in September 2022.
- Approximately 1 in 7 (15%) businesses reported in late September 2024 that they are currently using some form of artificial intelligence (AI) technology, 5 percentage points higher than in late September 2023; for businesses with 250 or more employees, this percentage was higher at 30%, a rise of 12 percentage points over the same period.
- Approximately 1 in 5 (21%) businesses had concerns about their supply chains over the next 12 months, with this percentage higher at 34% for the wholesale and retail trade industry and 33% for the manufacturing industry; the most reported concerns were increased barriers to trade, shipping disruption and international conflict, all 8%.
- Nearly a quarter of businesses (24%) reported that they would increase their prices if they were to experience higher employment costs in the future, with 18% indicating that they would absorb the extra costs within their profit margins; for businesses with 10 or more employees, these percentages increased to 40% and 31%, respectively.
- Fewer than 1 in 10 (8%) trading businesses reported that they are currently stockpiling goods and materials, a slight fall from the 9% reported in June 2024; the wholesale and retail trade industry had the highest proportion of businesses who were stockpiling, at 19%, a rise of 3 percentage points from June 2024 and the highest proportion for this industry since the question was introduced in the survey in February 2021.

These are [official statistics in development](#), and we advise caution when using the data. The BICS questions and topics are regularly reviewed, and questions are often added, removed, or amended to reflect changing circumstances and analytical priorities.

2 . Headline figures

The data presented in this bulletin are the final results from Wave 117 of the Business Insights and Conditions Survey (BICS), which was live from 16 to 29 September 2024.

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.

Single-site weighted regional estimates up to Wave 106 are available in our [Business insights and impact on the UK subnational single-site economy: May 2024 article](#).

More about economy, business and jobs

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

The percentage of businesses that reported they were trading in late September 2024 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% reported “permanently ceased trading” as their business’s trading status.

3 . Environment

Climate change concern

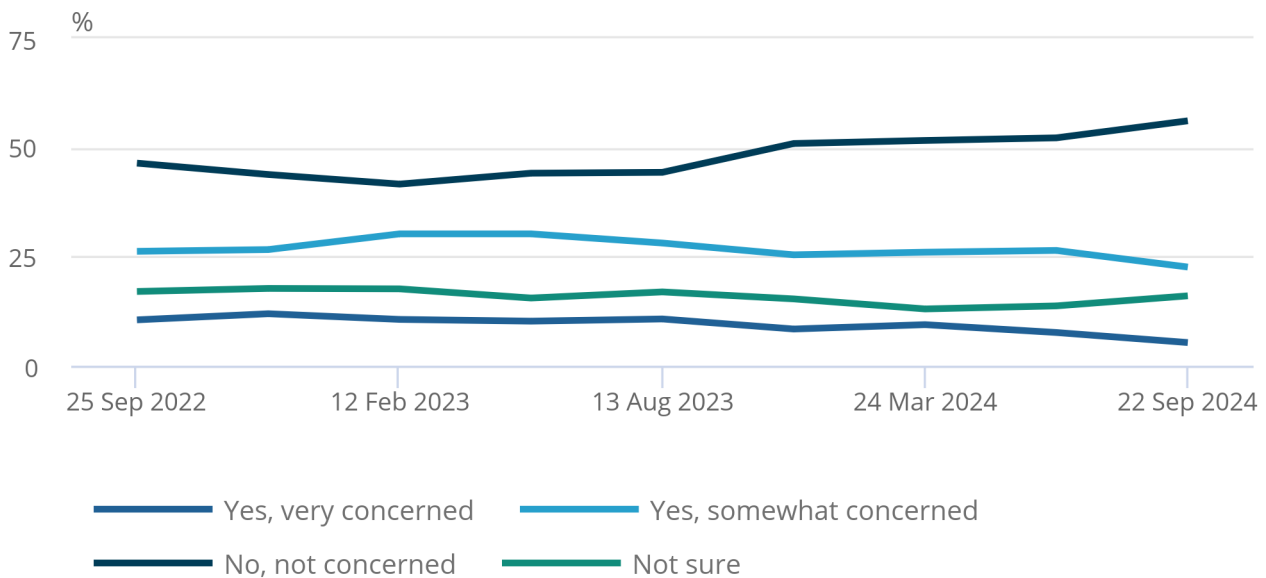
Businesses were asked whether they are concerned about the impact climate change may have on their business.

Figure 1: Nearly 3 in 5 (56%) businesses reported that they are not concerned about the impact climate change may have on their business

Climate change concern, businesses not permanently stopped trading, broken down by response option, weighted by count, UK, 20 September 2022 to 29 September 2024

Figure 1: Nearly 3 in 5 (56%) businesses reported that they are not concerned about the impact climate change may have on their business

Climate change concern, businesses not permanently stopped trading, broken down by response option, weighted by count, UK, 20 September 2022 to 29 September 2024



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

Notes:

- 1. Data are plotted in the middle of the period of each wave.

Since August 2023, an increasing proportion of businesses are reporting that they are not concerned about the impact of climate change on their business. In late September 2024, 56% of businesses reported that they were not concerned, a 4 percentage point rise from June 2024 and a 12 percentage point rise from early August 2023.

Similarly, the proportion of businesses that have at least some level of concern has fallen from 34% in June 2024 to 28% in late September 2024. The proportion had been as high as 41% in early February 2023.

Businesses were also asked which effects of climate change, if any, they had taken action to adapt to. Approximately 1 in 6 (15%) businesses reported they had taken action to adapt to supply chain disruption and distribution issues, 9% had adapted to temperature increases and 6% to increased flooding.

However, over a quarter (26%) of businesses reported that they had not taken any actions to adapt to any of the listed climate change effects, with 17% of businesses indicating this is because they do not expect to be impacted by them.

Carbon emissions

In late September 2024, businesses were asked which actions, if any, they had taken to reduce their carbon emissions.

The most reported actions taken were:

- switching to LED bulbs (30%), down 3 percentage points from June 2024
- adjusting heating and cooling systems (20%), down 6 percentage points from June 2024
- installing a smart meter (17%), broadly stable with June 2024

Despite these actions being taken, there was a 4 percentage point rise from June 2024 (35%) in the proportion of businesses reporting that they had not taken any action to reduce emissions (39%).

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

4 . Artificial intelligence

Current usage

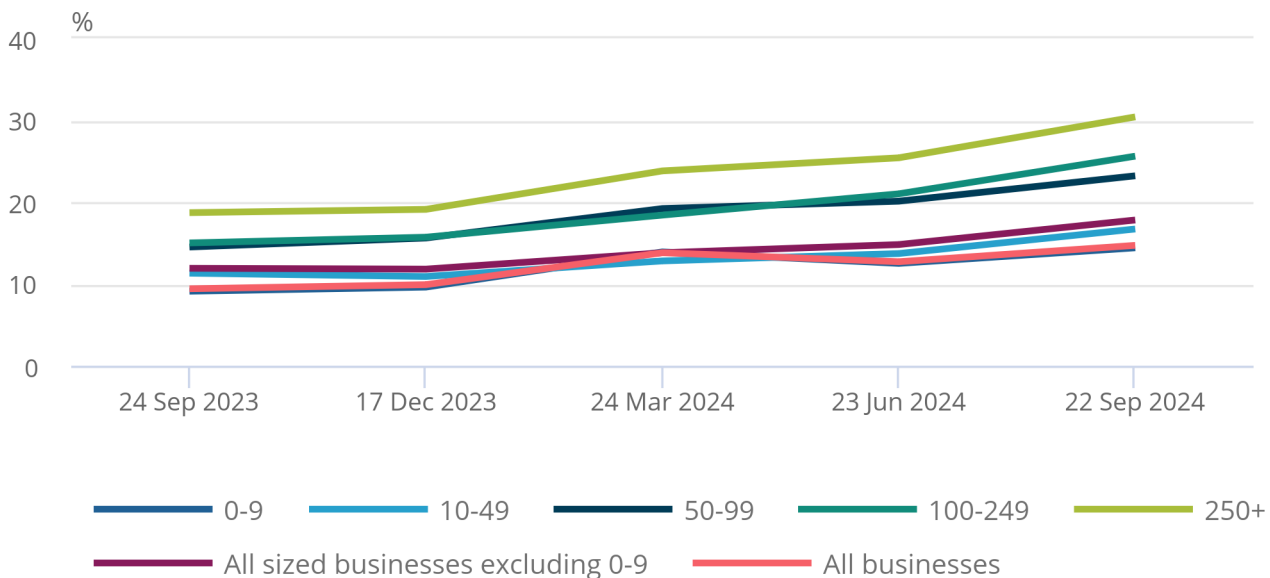
Businesses not permanently stopped trading were asked which artificial intelligence (AI) technologies they are currently using.

Figure 2: Approximately 1 in 7 businesses (15%) reported that they are currently using some form of artificial intelligence technology

Artificial intelligence, businesses not permanently stopped trading, broken down by size band, weighted by count, UK, 18 September 2023 to 29 September 2024

Figure 2: Approximately 1 in 7 businesses (15%) reported that they are currently using some form of artificial intelligence technology

Artificial intelligence, businesses not permanently stopped trading, broken down by size band, weighted by count, UK, 18 September 2023 to 29 September 2024



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

Notes:

1. Data are plotted in the middle of the period of each wave.

Since the question was first introduced into the survey in late September 2023, there has been a steady rise in the proportion of businesses who are currently using AI technologies.

In September 2024, 15% of businesses reported that they are currently using AI, up 2 percentage points from June 2024 and up 5 percentage points from September 2023. For larger businesses with 250 or more employees, 30% reported that they are currently using AI, up 5 and 12 percentage points, respectively, over the same periods.

The most reported form of AI technology being used is text generation using large language models (7%), broadly stable with June 2024. For businesses with 250 or more employees, however, the AI technology being used the most is data processing using machine learning (17%), up 4 percentage points over the same period.

Businesses were also asked what they use AI technologies for. The most reported reasons were:

- to improve business operations (40%)
- to provide, or personalise, products or services to customers (24%)
- to develop a new product or service (15%)

Future usage

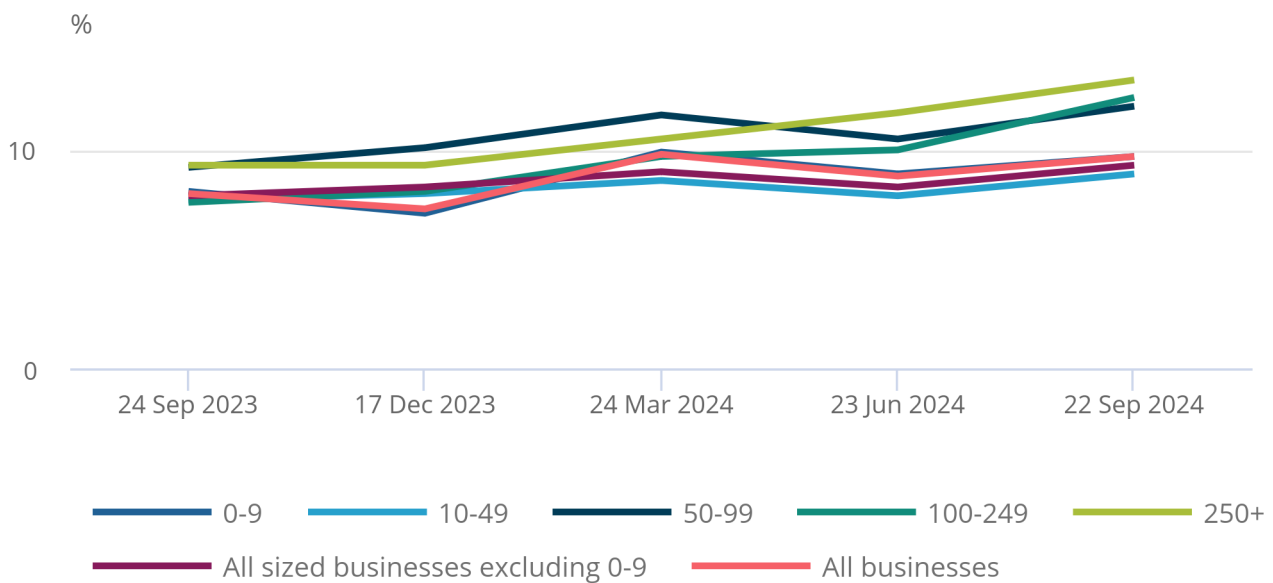
Businesses were asked which AI technologies, if any, they plan to adopt within the next three months.

Figure 3: Approximately 1 in 10 businesses (10%) reported that they plan to adopt some form of artificial intelligence technology within the next three months

Artificial intelligence, businesses not permanently stopped trading, broken down by size band, weighted by count, UK, 18 September 2023 to 29 September 2024

Figure 3: Approximately 1 in 10 businesses (10%) reported that they plan to adopt some form of artificial intelligence technology within the next three months

Artificial intelligence, businesses not permanently stopped trading, broken down by size band, weighted by count, UK, 18 September 2023 to 29 September 2024



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

Notes:

1. Data are plotted in the middle of the period of each wave.

The proportion of businesses in September 2024 who plan to adopt AI technologies in the next three months was 10%. This figure is broadly stable with June 2024, but has risen 2 percentage points compared with late September 2023 (8%). For businesses with 250 or more employees, the percentage of businesses planning on adopting AI was higher at 13%, a small rise from June 2024 (12%) and up 4 percentage points from September 2023 (9%).

It should be noted, however, that 80% of businesses reported that they were not planning on adopting AI within the next three months.

Businesses were also asked whether any factors had prevented or delayed them from adopting AI technologies in the last three months. The most reported factors were:

- difficulty identifying business use cases (6%)
- level of expertise in artificial intelligence (6%)
- cost (6%)

However, 81% of businesses reported that they either had not attempted to use AI technologies or that they had not been prevented from doing so.

Further AI data broken down by industry and size bands can be found in our [accompanying dataset](#).

5 . Supply chains

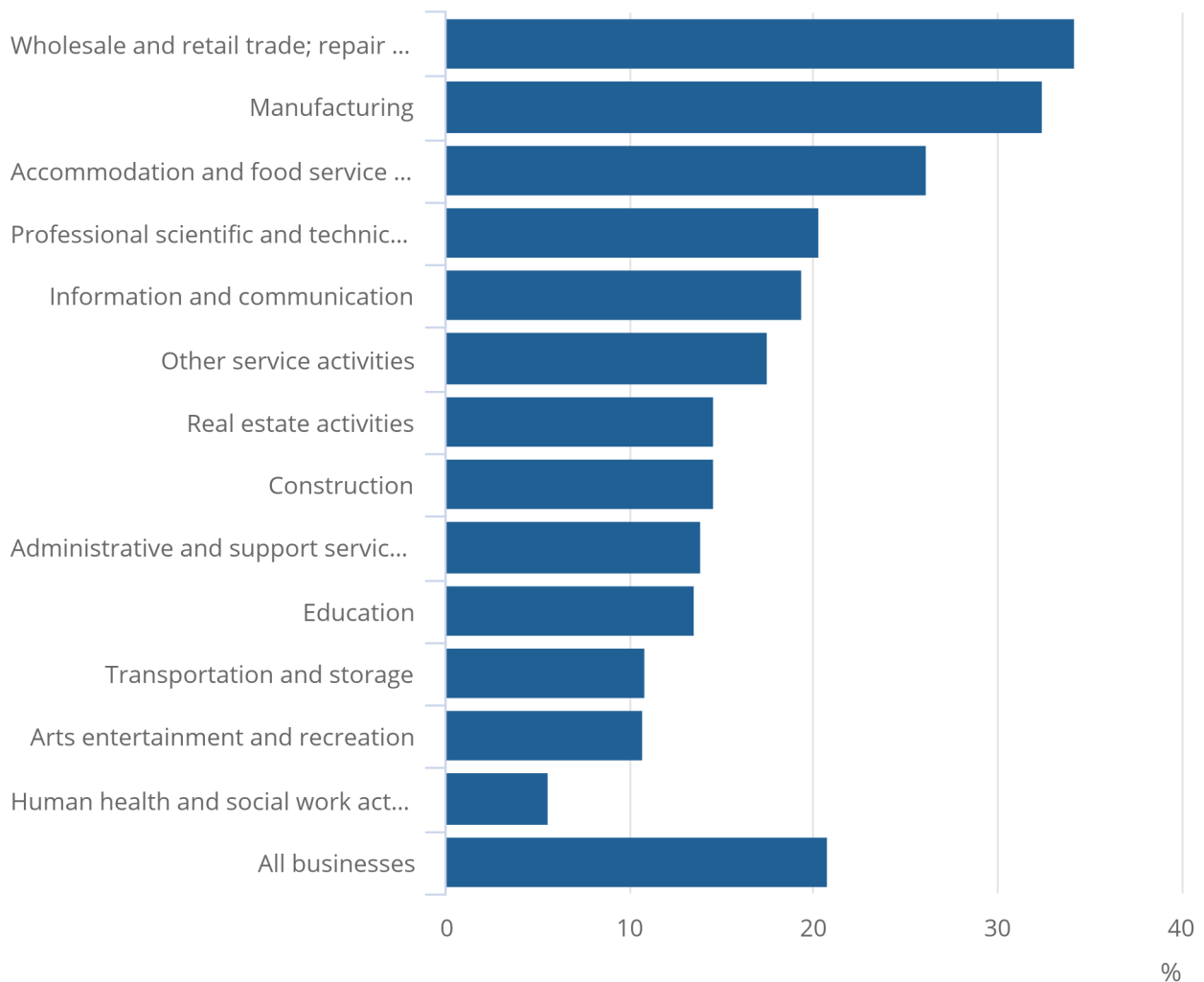
Businesses were asked which factors, if any, they were concerned about impacting their supply chains over the next 12 months.

Figure 4: Over 1 in 3 (34%) businesses in the wholesale and retail trade industry reported that at least one factor was causing them concern about their supply chains

Supply chain concerns, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 16 September 2024 to 29 September 2024

Figure 4: Over 1 in 3 (34%) businesses in the wholesale and retail trade industry reported that at least one factor was causing them concern about their supply chains

Supply chain concerns, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 16 September 2024 to 29 September 2024



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

Notes:

1. For disclosive reasons, some industries have been removed.

Approximately 1 in 5 (21%) businesses reported that at least one factor was causing them concern about their supply chains for the next 12 months, with this figure rising to 27% for businesses with 10 or more employees. Supply chain concerns were particularly prevalent in the wholesale and retail trade (34%) and manufacturing (33%) industries.

The most reported factors causing businesses concern for their supply chains were:

- increased barriers to trade (8%), with the wholesale and retail trade and manufacturing industries both at 17%
- shipping disruption (8%), with the wholesale and retail trade industry at 23%
- international conflict (8%), with the manufacturing industry at 15%

Businesses were also asked how they expect these factors to impact their supply chains. The most reported impacts were:

- increased costs of sourcing materials (36%)
- increased transportation costs (28%)
- increased labour costs (16%)

Further supply chain data broken down by industry and size bands can be found in our [accompanying dataset](#).

6 . Data from the Business Insights and Conditions Survey

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

Dataset | Released 3 October 2024

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. These are official statistics in development.

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

Dataset | Released 3 October 2024

Confidence intervals for weighted estimates from the voluntary fortnightly Business Insights and Conditions Survey (BICS) about financial performance, workforce, prices, trade and business resilience. These are official statistics in development.

Access to microdata

You can access the microdata for Waves 1 to 116 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.

7 . Glossary

Reporting unit

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

8 . Data sources and quality

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](#), which was updated on 24 January 2022.

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

Table 1: Sample and response rates for Wave 115, 116 and 117 of the Business Insights and Conditions Survey

| Wave | 5 September 2024 Publication Wave 115 | 19 September 2024 Publication Wave 116 | 3 October 2024 Publication Wave 117 |
|----------|--|---|--|
| Sample | 38,899 | 38,861 | 38,942 |
| Response | 10,301 | 10,165 | 10,444 |
| Rate | 26.5% | 26.2% | 26.8% |

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 117 survey was live for the period 16 September to 29 September 2024. For full details of the survey questions used, see our [Business Insights and Conditions Survey questions: 16 September to 29 September 2024 article](#).

Coverage

The BICS sampling frame is based on the same industries as our Monthly Business Survey (MBS). The MBS covers the UK for production industries only, and Great Britain for construction, retail and services industries. The MBS is an important input to the output measure of gross domestic product (GDP), which includes monthly GDP.

For detailed information on the industries covered by the MBS and BICS, see our [GDP\(o\) data sources catalogue](#). The following are some industries that are excluded from MBS and BICS:

- 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 QML report](#).

9 . Related links

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

Bulletin | Updated frequently

Early 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 innovative methods. These are official statistics in development.

[Business insights and impact on the UK subnational single-site economy: May 2024](#)

Article | Released 16 May 2024

Estimates from the voluntary fortnightly business survey (BICS) on trading status, financial performance, workforce and business resilience.

10 . Cite this statistical bulletin

Office for National Statistics (ONS), released 3 October 2024, ONS website, statistical bulletin, [Business insights and impact on the UK economy: 3 October 2024](#)