

Statistical bulletin

Business insights and impact on the UK economy: 19 May 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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Table of contents

1. [Main points](#)
2. [Headline figures](#)
3. [Exporting and importing challenges](#)
4. [Supply Chains](#)
5. [Business concerns](#)
6. [Worker Shortages](#)
7. [Business Innovation](#)
8. [Business Insights and Conditions Survey data](#)
9. [Glossary](#)
10. [Measuring the data](#)
11. [Strengths and limitations](#)
12. [Related links](#)

1 . Main points

- Businesses continued to report input price inflation as the main concern for their business for May 2022 at 26%, up from 24% in April 2022, and energy prices at 20%, compared with 21% in April 2022.
- In April 2022, 22% of businesses not permanently stopped trading with 10 or more employees experienced global supply chain disruption; this was up from 20% in March 2022.
- In early May 2022, 13% of businesses reported a shortage of workers, a slight decrease from the 14% reported in early April 2022; the accommodation and food service activities industry continued to report the highest proportion of businesses experiencing worker shortages, at 34%.
- In April 2022, 64% of businesses currently trading with 10 or more employees reported experiencing a challenge while importing and 59% reported a challenge while exporting, with both figures representing a fall from March 2022; the biggest fall was seen in businesses reporting additional paperwork as an exporting challenge.
- In early May 2022, approximately 1 in 10 (11%) businesses reported there had been more innovation within their business since March 2020; the improvement of existing products and services was the area where innovation increased the most.

2 . Headline figures

The data presented in this bulletin are the final results from Wave 56 of the Business Insights and Conditions Survey (BICS), which was live from 3 May to 15 May 2022.

Experimental single-site weighted regional estimates up to Wave 49 (24 January to 6 February 2022), are available in our [Understanding the business impacts of local and national restrictions, UK: February 2022 article](#).

Please note that businesses were asked to exclude seasonal changes when answering questions contained within 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. Trading status, intra UK procurement: for presentational purposes, response options have been combined and/or removed.
2. Data are plotted in the middle of the period of each wave.

Download the data

[.xlsx](#)

In early May 2022, 94% of businesses reported they were trading, with 85% fully trading and 8% partially trading. Meanwhile, 4% of businesses reported “temporarily paused trading” and 2% reported “permanently ceased trading”, as their businesses trading status.

3 . Exporting and importing challenges

Currently trading businesses, who exported or imported in the last 12 months were asked how their exporting or importing in April 2022 compared with April 2021. Among businesses with 10 or more employees, those that reported how their exporting or importing had been affected represented 16% of exporting businesses and 20% of importing businesses.

These businesses were then asked about the challenges they had experienced while exporting or importing in April 2022.

Figure 2: Exporting and importing figures from the Business Insights and Conditions Survey

Notes:

1. Exporting or importing compared with the same month last year: Percentage of businesses currently trading with 10 or more employees that had reported they had exported or imported in the last year. For presentational purposes, response options have been combined.
2. Exporting or importing challenges: percentage of businesses currently trading with 10 or more employees reported they had exported or imported in the last year, and reported how their exports or imports were affected. Businesses may report that exporting or importing have not been affected, but they are still able to report challenges.
3. Caution should be taken when interpreting these results, because the specific routing of this question means that only a small number of businesses responded.
4. Data are plotted in the middle of the period of each wave.
5. From Wave 54, the question changed to ask about a specific calendar month rather than "the last month" in relation to the time of completion. Therefore, caution is urged when comparing data with previous waves.
6. Because of an overlap in reference periods, Wave 53 has been removed.

Download the data

[.xlsx](#)

In Wave 54 (April 2022), the export and import questions changed from asking “in the last month” and was replaced with a defined reference period. Therefore, caution should be taken when comparing across periods, as this small change in question wording may have affected responses.

There has been a decrease in the percentage of businesses who reported experiencing a challenge exporting and importing, since late October 2022. In April 2022, 59% of businesses reported that they had experienced a challenge while exporting, and 64% while importing. This compares with 69% and 77% in late October 2022, respectively.

Looking at the top three challenges experienced by businesses while exporting in April 2022 compared with February 2022:

- additional paperwork was 44% and has seen the largest percentage point fall, down from 59%
- change in transportation costs was 43%, down from 50%
- customs duties or levies was 30%, down from 35%
- those reporting they did not experience a challenge was 41%, up from 32%

For importing challenges in April 2022 compared with February 2022:

- change in transportation costs was at 49%, down from 54%
- additional paperwork at 45% had seen the largest percentage point fall, down from 54%
- customs duties or levies was at 36%, down from 41%
- businesses not experiencing any challenges was at 36%, up from 30%

Further industry, size band and breakdowns of trade questions by type of export or import (goods, services or both) are available in our [accompanying dataset](#). This includes an unweighted data time series produced by linking samples from the Annual Business Survey (2018) and the Annual Survey of International Trade in Services (2019) to the Business Insights and Conditions Survey (BICS) microdata.

4 . Supply Chains

Global Supply Chain Disruption

Of businesses not permanently stopped trading with 10 or more employees, 22% reported that they had experienced global supply chain disruption in April 2022, up from the 20% reported in March 2022.

Figure 3: The manufacturing industry continued to report the highest percentage of businesses experiencing global supply chain disruption, at 42%

Impact on global supply chains, businesses not permanently stopped trading, weighted by count, excluding businesses with less than 10 employees, UK, 1 April to 30 April 2022

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

Notes:

1. "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".

Among businesses with 10 or more employees, the industries with the largest percentage point movements experiencing global supply chain issues between March and April 2022 were:

- human health and social work activities at 18%, up from 9% in March 2022
- manufacturing at 42%, up from 36% in March 2022
- education (private sector and higher education businesses only) at 3%, down from 8% in March 2022

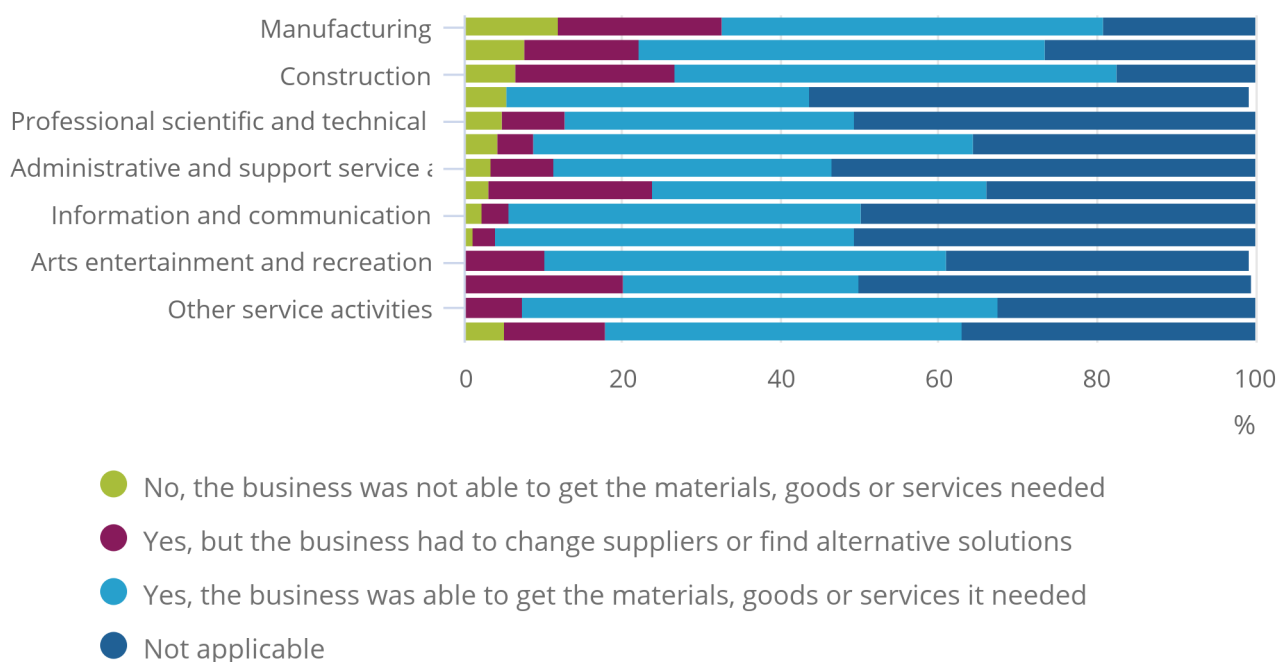
UK and EU supply chains

Figure 4: The manufacturing industry reported the highest percentage of businesses who faced challenges procuring the materials, goods or services they needed from within the UK in April 2022

Intra UK procurement, businesses currently trading, broken down by industry, weighted by count, UK, 1 April to 30 April 2022

Figure 4: The manufacturing industry reported the highest percentage of businesses who faced challenges procuring the materials, goods or services they needed from within the UK in April 2022

Intra UK procurement, businesses currently trading, broken down by industry, weighted by count, UK, 1 April to 30 April 2022



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

Notes:

1. Industries 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”.

Across all industries, 13% of currently trading businesses reported that they had to change suppliers or find alternative solutions to procure materials, goods or services from within the UK; this was a slight decrease from 15% reported in March 2022.

Businesses within the manufacturing industry reported the highest percentage of businesses facing challenges while procuring, at 33%. Of this, the proportion of businesses in the manufacturing industry who were unable to get the materials, goods or services they needed has doubled, from 6% in March 2022 to 12% in April 2022.

Almost half (48%) of businesses currently trading in the manufacturing industry reported that they were able to get the materials, goods or services they needed from within the UK in April 2022. However, this figure has fallen from the 59% reported in March 2022.

The accommodation and food service activities industry was previously the industry reporting the highest percentage of businesses facing challenges procuring materials, goods or services in March 2022, at 38%. However, in April 2022 this percentage fell to 24%.

Businesses were also asked about their experiences in procuring from the EU. Of businesses currently trading, 19% reported they were able to get the materials, goods or services they needed from the EU in April 2022.

In comparison, 13% reported they were either not able to procure the materials, goods or services they needed from the EU, or had to change suppliers or find alternative solutions to do so. Businesses in the manufacturing industry reported the largest proportion, at 24%.

5 . Business concerns

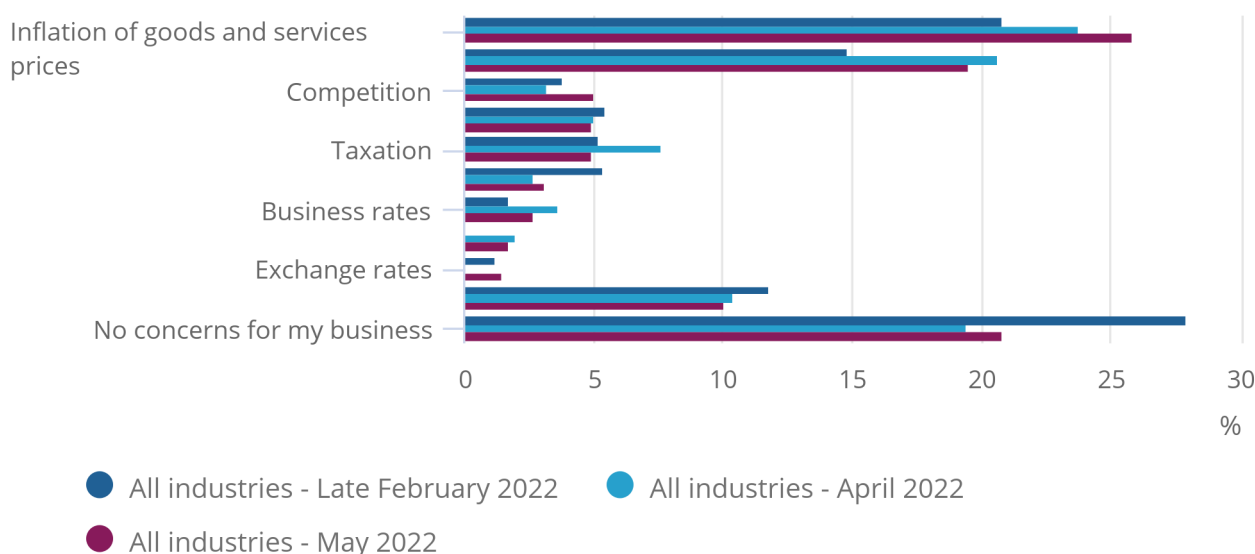
Businesses not permanently stopped trading were asked what main concern they had for their business in May 2022.

Figure 5: More than a quarter of businesses (26%) reported input price inflation as their main concern in May 2022

Business concerns, businesses not permanently stopped trading, weighted by count, UK, 1 May to 31 May 2022

Figure 5: More than a quarter of businesses (26%) reported input price inflation as their main concern in May 2022

Business concerns, businesses not permanently stopped trading, weighted by count, UK, 1 May to 31 May 2022



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

Notes:

1. Bars may not sum to 100% because of rounding.
2. From Wave 54, the question changed to ask about a specific calendar month rather than "the next month" in relation to the time of completion.

Input price inflation (inflation of goods and services prices) remained the main concern reported by businesses for May 2022, at 26%. This compares with 24% reported in April 2022, and the percentage has shown a steady increase from the 21% reported when the question was introduced in late February 2022.

Energy prices were the second highest concern reported by businesses at 20%, which was broadly in line with April 2022.

The industries reporting the highest percentages for the top three main concerns were:

- the accommodation and food service activities industry, who reported the largest percentage for input price inflation, at 41%; this was up from the 24% reported in April 2022
- the other service activities industry, which includes hairdressing and other beauty treatments, who reported the largest percentage for energy prices, at 46%; this was broadly in line with April 2022
- the real estate industry, which reported the largest percentage for competition, at 13%; this was up from the 8% reported in April 2022

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

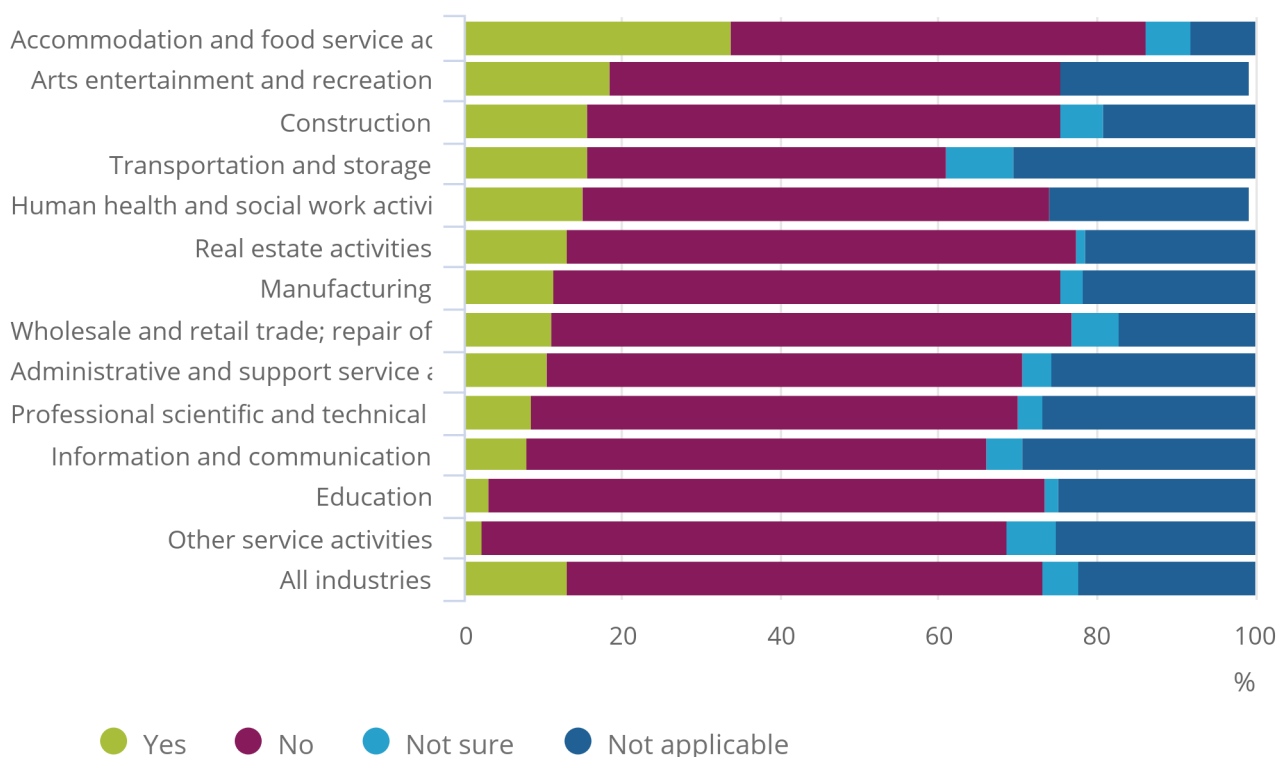
6 . Worker Shortages

Figure 6: The accommodation and food service activities industry reported the largest proportion of businesses experiencing worker shortages, at 34%

Worker shortages, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 3 May to 15 May 2022

Figure 6: The accommodation and food service activities industry reported the largest proportion of businesses experiencing worker shortages, at 34%

Worker shortages, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 3 May to 15 May 2022



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

Notes:

1. Industries may not sum to 100% because of rounding, percentages less than 1% being removed for disclosure purposes, and response options being 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 early May 2022, 13% of businesses not permanently stopped trading reported a shortage of workers, compared with 14% in April 2022. The accommodation and food service activities industry continued to report the highest proportion of businesses experiencing worker shortages. However, at 34% this is down from the 37% seen in April 2022. Some businesses from across this industry commented they were experiencing a lack of kitchen staff, such as chefs.

Among all businesses, the biggest reported effects of these worker shortages were that:

- 50% of businesses were unable to meet demands, unchanged from early April 2022
- 40% of employees worked increased hours, down from 43% in early April 2022
- 16% of businesses paused trading, down from 20% in early April 2022
- 16% of workers recruited were temporary, up from 13% in early April 2022

When excluding businesses with fewer than 10 employees, the percentage of affected businesses that reported they were unable to meet demands or had to pause some of the businesses trading was lower, at 45% and 13% respectively. In comparison, percentages for employees working increased hours and businesses having to recruit temporary workers were higher at 56% and 23%, respectively.

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

7. Business Innovation

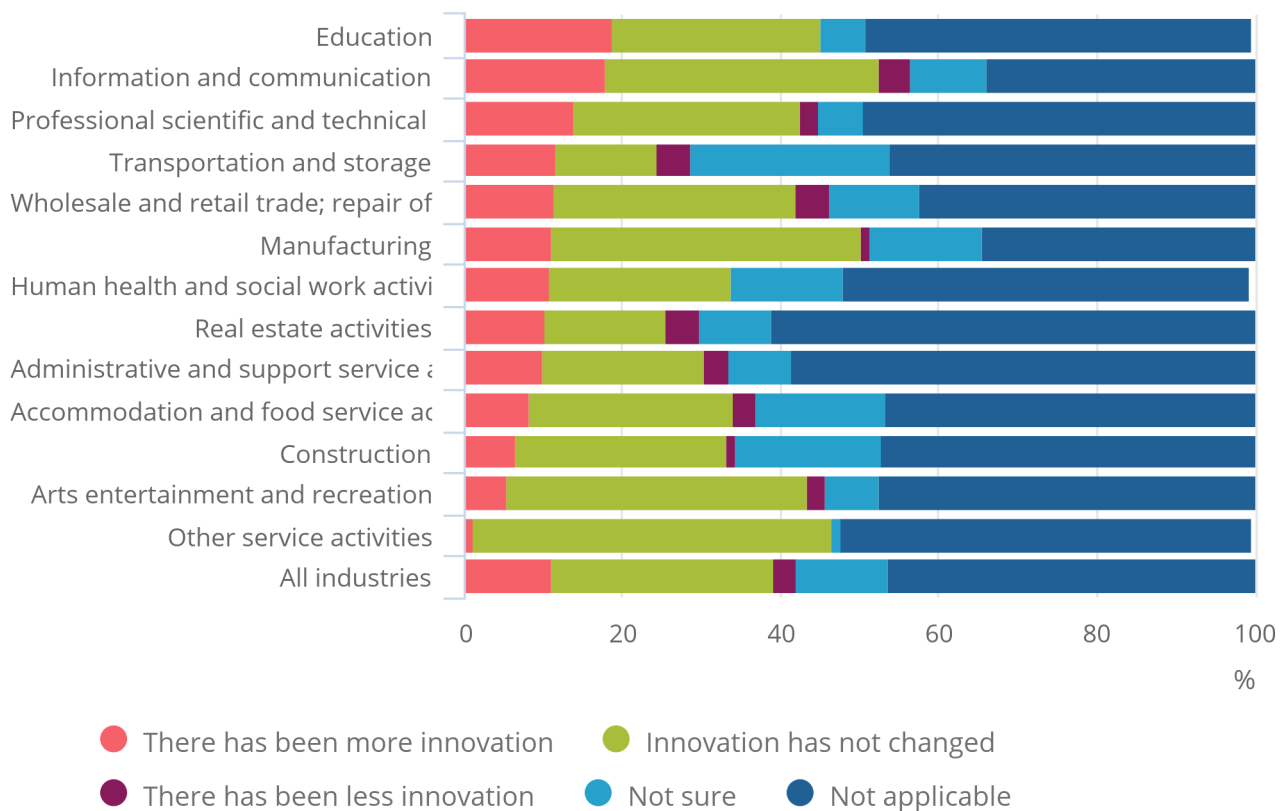
Businesses not permanently stopped trading were asked how their business' innovation has changed since March 2020.

Figure 7: Approximately 1 in 10 (11%) businesses reported that there had been more innovation within their business since March 2022

Business innovation, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 3 May to 15 May 2022

Figure 7: Approximately 1 in 10 (11%) businesses reported that there had been more innovation within their business since March 2022

Business innovation, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 3 May to 15 May 2022



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

Notes:

1. Industries 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".

In early May 2022, 11% of businesses reported there had been more innovation within their business since March 2020. The improvement of existing products and services was the main increase in innovation, at 19%. However, when excluding businesses with fewer than ten employees, the adoption of home or hybrid working was the main increase in innovation, at 28%.

The accommodation and food service activities industry had the highest proportion of businesses who reported the improvement of existing products and services as their main area of innovation, at 25%. The information and communication industry reporting the highest for adoption of home or hybrid working, at 34%.

Other ways businesses reported being more innovative are:

- the introduction of new products and services, at 12%; this increased to 18% when excluding businesses with fewer than 10 employees
- the adoption of online sales models, at 6%; this increased to 8% when excluding businesses with fewer than 10 employees
- improvements in methods of logistics, delivery or distribution at 6%; this increased to 9% when excluding businesses with fewer than 10 employees
- investment in innovation activities, at 5%; this increased to 10% when excluding businesses with fewer than 10 employees
- improvements in methods of manufacturing products and services, at 4%; this increased to 7% when excluding businesses with fewer than 10 employees

Businesses reported communication within the business as the main adjustment made to support their innovation since March 2020 at 13%.

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

8 . Business Insights and Conditions Survey data

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

Dataset | Released 19 May 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 27 January 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 55 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.

9 . 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.

10 . Measuring the data

More quality and methodology information 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 Waves 54, 55 and 56 of the Business Insights and Conditions Survey

Wave	21 April 2022 Publication Wave 54	5 May 2022 Publication Wave 55	19 May 2022 Publication Wave 56
Sample	38,166	38,100	38,047
Response	9,111	8,813	8,971
Rate	23.9%	23.1%	23.6%

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 56 survey was live for the period 3 May to 15 May 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 QMI](#).

11 . Strengths and limitations

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [Business Insights and Conditions Survey \(BICS\) QMI](#).

12 . 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 have in relation to the coronavirus pandemic.

[Understanding the business impacts of local and national restrictions, UK: February 2022](#)

Article | Released 17 February 2022

Experimental estimates from the voluntary fortnightly Business Insights and Conditions Survey (BICS), for single-site businesses only, on topics such as trading status, financial performance, workforce, and business resilience. 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).