

Statistical bulletin

# Business insights and impact on the UK economy: 5 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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## Correction

**26 May 2022 09:00**

A correction has been made to the estimates referring to workforce status in Figure 1 and quoted under Figure 1. No other estimates were affected. We apologise for any inconvenience caused.

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# 1 . Main points

- Of currently trading businesses, 20% reported that their turnover decreased in March 2022 compared with February 2022, in contrast 14% reported turnover had increased.
- Half (50%) of businesses currently trading reported an increase in the prices of materials, goods or services bought in March 2022, up from 39% in February 2022; in comparison, the percentage of businesses who reported an increase in the prices of materials, goods or services sold increased from 17% to 24% over the same period.
- Almost a third of currently trading businesses (31%) reported they expected the price of goods or services sold in April 2022 to increase (excluding seasonal changes), with energy prices (41%) reported as the main factor for businesses considering raising their prices.
- In late April 2022, having to absorb costs (38%) and having to pass on price increases to customers (27%) were reported as the biggest impacts on businesses because of general price rises; these percentages have increased slightly since early March 2022 from 35% and 24%, respectively.
- In late April 2022, 31% of businesses reported their production and/or suppliers had been affected by recent increases in energy prices, with the accommodation and food service activities industry reporting the highest percentage, at 64%.
- Among businesses not permanently stopped trading, 7% of businesses reported their stock levels of raw materials in March 2022 were lower than in February 2022, whereas 4% reported stock levels were higher; across the same period, 6% of businesses reported their stock levels of finished goods were also lower.

## 2 . Headline figures

The data presented in this bulletin are the final results from Wave 55 of the Business Insights and Conditions Survey (BICS), which was live for the period 19 April to 1 May 2022.

Please note, from Wave 54 (April 2022), we have rationalised the number of questions asked each wave and references to "normal expectations" have been replaced with a defined reference period for businesses to compare against. We have also introduced specified time periods in some of our questions, giving us a more targeted snapshot of what businesses are experiencing, and when. Please find further details of these changes within the blog: [Times they are a-changing: and with them, two key ONS surveys](#).

Periods referred to in each question should be kept in mind in relation to coronavirus (COVID-19) guidance as the estimates could be affected by both the location of the business and the date on which the business responded.

For experimental single-site weighted regional estimates up to Wave 49 (24 January to 6 February 2022), please see [Understanding the business impacts of local and national restrictions, UK: February 2022](#).

Please note, 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, business resilience, workforce status: for presentational purposes, response options have been combined and/or removed.
2. Workforce status: from Wave 55, the question changed to ask about a specific calendar month rather than “the last two weeks” in relation to the time of completion.
3. Prices: for presentational purposes, the data shows an increase to prices bought and sold compared with the previous calendar month.
4. Prices: from Wave 55, the question changed to ask about a specific calendar month rather than “over the last month, compared with normal price fluctuations” in relation to the time of completion.
5. Data are plotted in the middle of the period of each wave.

#### **Download the data**

[.xlsx](#)

In late April 2022, 94% of businesses reported they were trading, with 85% fully trading and 9% partially trading. Meanwhile, 4% of businesses were temporarily paused trading and 2% were permanently ceased trading.

Businesses not permanently stopped trading were asked, during March 2022 approximately what percentage of their workforce were:

- using a hybrid model of working – 21%
- working from home – 9%
- working from a designated workspace – 63%
- on sick leave, or not working due to coronavirus (COVID-19) symptoms, self-isolation or quarantine – 2%
- made permanently redundant – less than 1%
- other – 6%

## **3 . Prices**

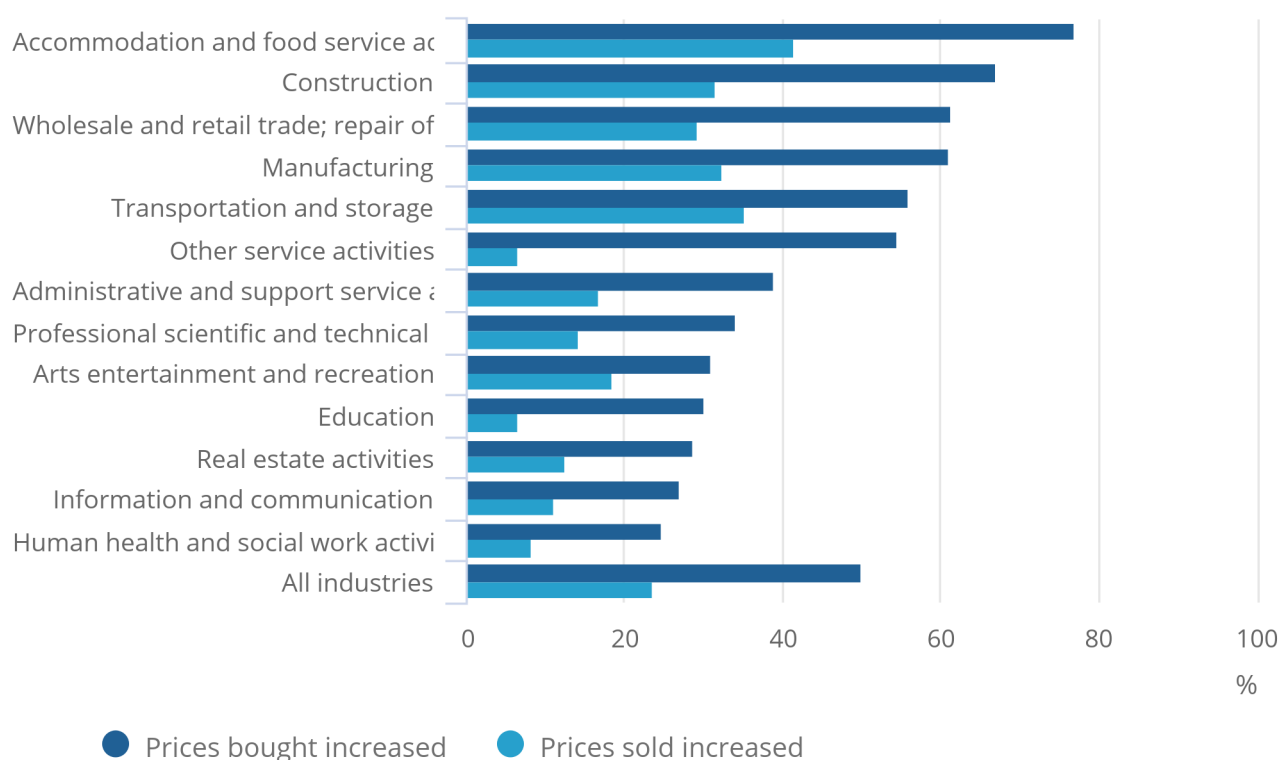
## Prices bought and sold

**Figure 2: More than three quarters (77%) of businesses in the accommodation and food service activities industry reported an increase in the price of materials, goods or services bought in March 2022**

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

Figure 2: More than three quarters (77%) of businesses in the accommodation and food service activities industry reported an increase in the price of materials, goods or services bought in March 2022

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



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

### Notes:

1. For presentational purposes, response options have been removed.
2. “Mining and quarrying” and “water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.
3. From Wave 55, the question changed to ask about a specific calendar month rather than “over the last month, compared with normal price fluctuations” in relation to the time of completion.

Between February and March 2022, there was a rise in the percentage of businesses currently trading who reported that the prices of materials, goods or services bought had increased, from 39% to 50%. In comparison, the percentage of businesses that reported the prices of materials, goods or services sold had increased rose from 17% to 24% over the same period.

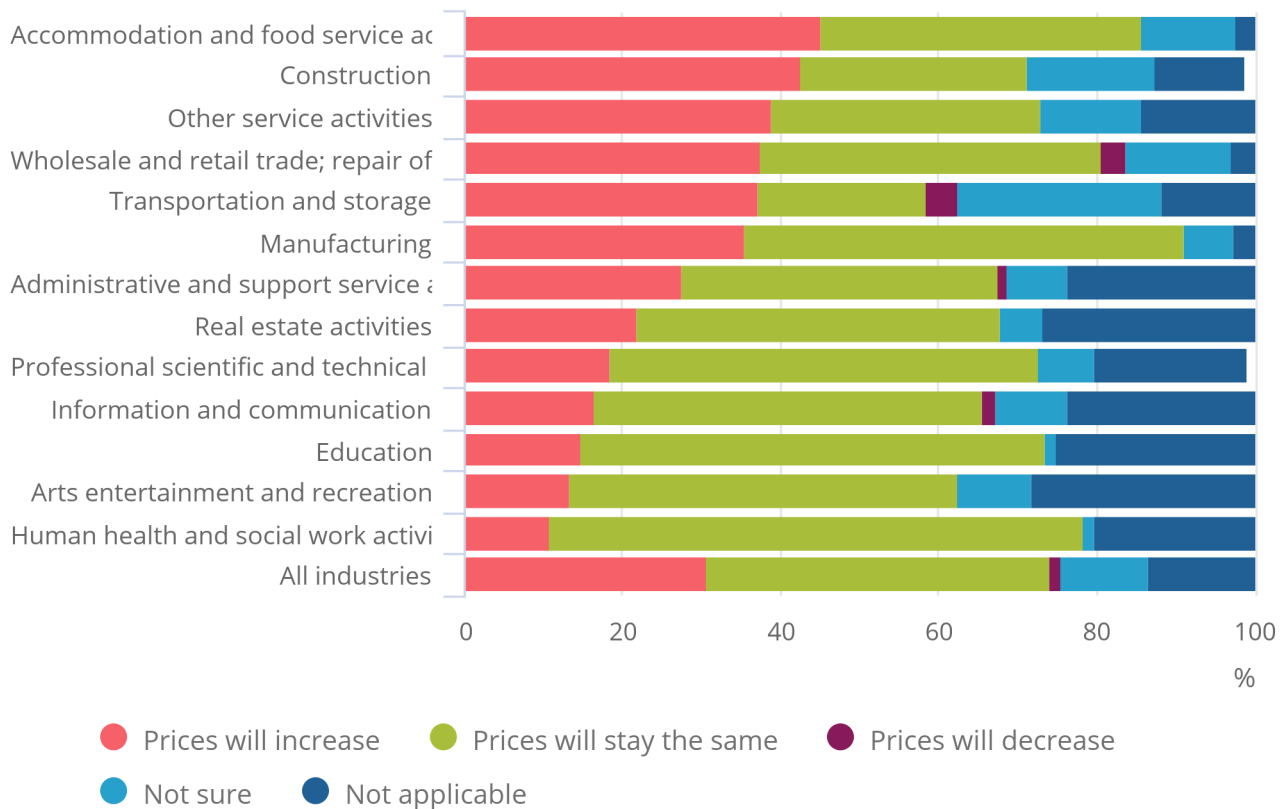
## Price expectations

**Figure 3: 31% of trading businesses expected to increase the prices of the goods or services they sold in April 2022, in comparison 1% expected prices to decrease**

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

Figure 3: 31% of trading businesses expected to increase the prices of the goods or services they sold in April 2022, in comparison 1% expected prices to decrease

Price expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 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”.
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.

Of businesses currently trading, 31% expected to increase the prices of the goods or services they sold in April 2022. Businesses currently trading reported energy prices as a factor when considering raising prices, at 41%. The accommodation and food service activities industry reported the highest proportion of businesses selecting energy prices as a factor, at 78%.

Across all industries, other factors reported included:

- raw material prices, at 33%, with the manufacturing industry reporting the highest percentage at 58%
- labour costs, at 26%, with the accommodation and food service activities industry reporting the highest percentage at 53%

## **Energy prices**

Nearly a third (31%) of businesses reported that their production and/or suppliers were affected by recent increases in energy prices in late April 2022, while 24% reported their business had not been affected. These percentages are up from 29% and down from 26%, respectively, in early April 2022.

## Impact of price rises

In late April 2022, businesses not permanently stopped trading were asked in which ways their business had been affected by any price rises they had experienced.

**Figure 4: In late April 2022, 38% of businesses reported they had to absorb costs because of the effect of price rises on their business, compared with 35% in early March 2022**

Impact of price rises, businesses not permanently stopped trading, weighted by count, UK, 7 March to 1 May 2022

Figure 4: In late April 2022, 38% of businesses reported they had to absorb costs because of the effect of price rises on their business, compared with 35% in early March 2022

Impact of price rises, businesses not permanently stopped trading, weighted by count, UK, 7 March to 1 May 2022



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

**Notes:**

1. Businesses were asked in which way, if any, has their business been affected by price rises.
2. Response options will not sum to 100% as businesses were able to select multiple options.
3. Data are plotted in the middle of the period of each wave.

More than half (58%) of businesses reported they were affected by general increases in prices in one or more ways.

The following industries reported the greatest percentage for the top two reported impacts:



- had to absorb costs – with the accommodation and food service activities industry reporting the highest at 58%
- had to pass on price increases to customers – with the manufacturing and accommodation and food service activities industries reporting the highest at 43%

## **Domestic demand**

Of businesses not permanently stopped trading, 13% reported domestic demand for goods and services had decreased in March 2022 compared with February 2022, while 8% reported an increase, and 47% reported demand stayed the same.

The wholesale and retail trade; repair of motor vehicles and motorcycles and accommodation and food service activities industries reported the highest percentage of businesses stating a decrease, at 24%. The wholesale and retail trade; repair of motor vehicles and motorcycles industry percentage was partially being driven by the retail trade not in stores sub-industry. This is in line with the recently published [retail sales](#), reporting a fall in sales volume.

The manufacturing industry reported the largest proportion of businesses with an increase in demand, at 17%. The human health and social work activities industry reported, at 71%, the largest proportion where demand stayed the same.

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

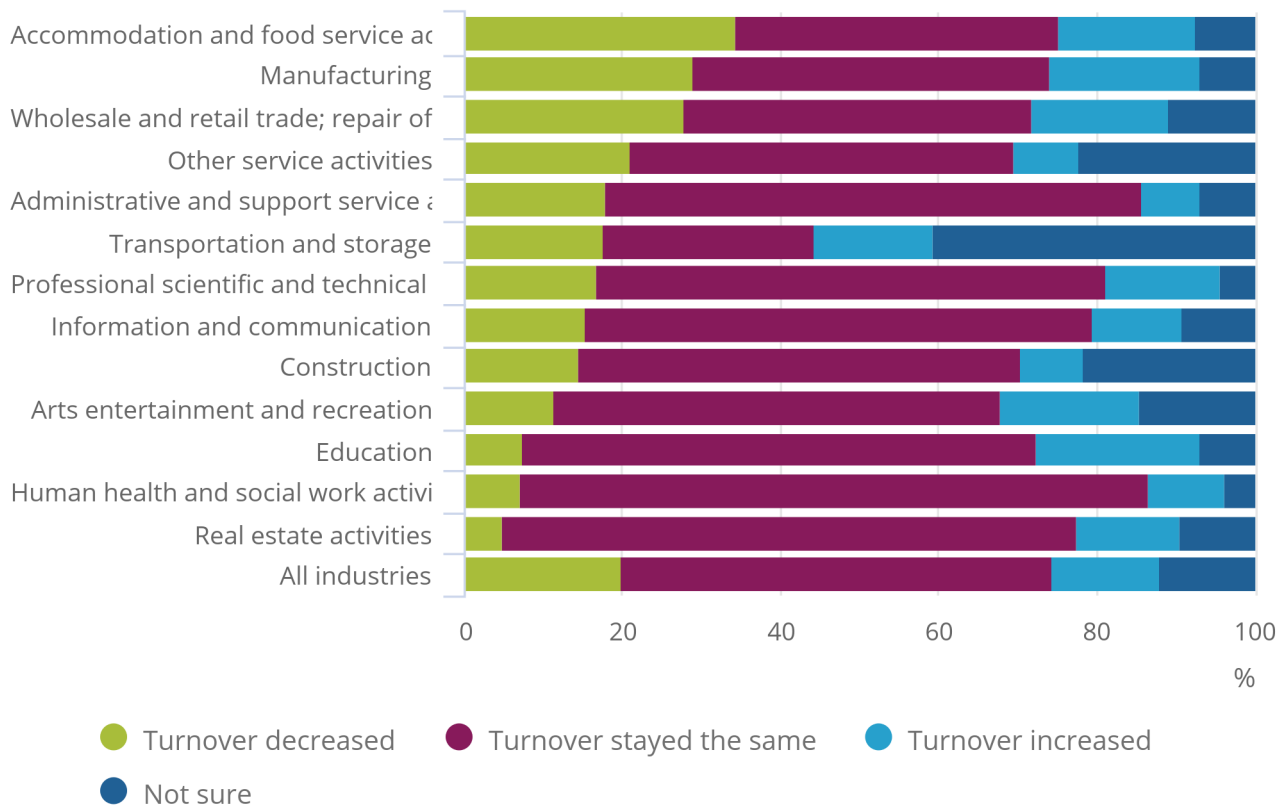
## 4 . Financial performance

**Figure 5: A net 6% of trading businesses reported a decrease in turnover in March 2022**

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

### Figure 5: A net 6% of trading businesses reported a decrease in turnover in March 2022

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 March 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".
3. From Wave 55, the question changed to ask about a specific calendar month rather than "over the last month, compared with the normal expectations for this time of year" in relation to the time of completion.

The accommodation and food service activities industry reported the highest proportion of businesses experiencing a decrease in turnover, at 34%. This was being partially driven by the food and beverage service activities sub-industry.

Currently trading businesses reported the cost of materials as having the biggest impact on their turnover in the last month, at 30%. The accommodation and food service activities industry reported the largest proportion of business reporting this challenge, at 61%.

Other challenges businesses reported as having an impact were:

- economic uncertainty, at 25%
- cost of labour, at 15%
- competition, at 13%

In comparison, 33% of currently trading businesses reported they were not currently experiencing any challenges.

Businesses not permanently stopped trading were asked how their staffing costs had changed over the past three months. A third (33%) of businesses reported that their staffing costs had increased, with the accommodation and food service activities industry reporting the highest percentage, at 67%.

When looking forward, 29% of all businesses reported they expect staffing costs to increase in the next three months.

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

## **5 . Stock levels**

## Stock levels of raw materials and finished goods

Businesses not permanently stopped trading were asked how their stock levels of raw materials and finished goods in March 2022 compared with February 2022.

**Figure 6: For both raw materials and finished goods, approximately 1 in 15 businesses reported lower stock levels in March 2022 than in February 2022**

Lower stock levels, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 31 March 2022

Figure 6: For both raw materials and finished goods, approximately 1 in 15 businesses reported lower stock levels in March 2022 than in February 2022

Lower stock levels, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 31 March 2022



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

Notes:

1. For presentational purposes, response options have been removed.
2. “Mining and quarrying”, “water supply, sewerage, waste management and remediation activities”, “human health and social work activities” and “arts, entertainment and recreation” industries have been removed for disclosure purposes, but their totals are included in “All industries”.

In relation to stocks of raw materials, 7% of businesses not permanently stopped trading reported that their stock levels were lower in March 2022 than in February 2022, a further 4% reported that their stock levels were higher in March 2022. Approximately a quarter (23%) of businesses reported that their stock levels had stayed the same. The remainder either reported “not sure” or “not applicable”.

For businesses reporting on their stock levels of finished goods, 6% reported lower levels and 3% reported higher levels, across the same period. Around one in five (21%) of businesses reported their stock levels had stayed the same.

Response options broken down by industry, trading status and size band, for raw material and finished goods stock questions can be found in the [accompanying dataset](#).

## Stockpiling

Businesses not permanently stopped trading were asked whether they were stockpiling any goods or materials, to which 6% of all businesses reported they were, up from 4% in early January 2022.

The wholesale and retail trade; repair of motor vehicles and motorcycles industry and the manufacturing industry reported the largest percentage of businesses stockpiling goods or materials, both at 13%. These percentages are up from 11% and 10%, respectively, since the start of the year.

## 6 . Business Insights and Conditions Survey data

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

Dataset | Released 5 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 54 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.

## 7 . 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.

## 8 . 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 the [Guide to experimental statistics](#).

Table 1: Sample and response rates for Waves 53, 54 and 55 of the Business Insights and Conditions Survey

Wave	7 April 2022 Publication Wave 53	21 April 2022 Publication Wave 54	5 May 2022 Publication Wave 55
Sample	38,153	38,166	38,100
Response	9,328	9,111	8,813
Rate	24.4%	23.9%	23.1%

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 55 survey was live for the period 19 April to 1 May 2022. The [survey questions](#) are available.

### Coverage

The Monthly Business Survey (MBS) covers the UK for production and Great Britain only for services. The Retail Sales Index (RSI) and construction are Great Britain focused. Therefore, the BICS will be UK-focused for production-based industries but Great Britain-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 the [BICS QMI](#).

## 9 . Strengths and limitations

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

## 10 . 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).