

Statistical bulletin

Business insights and impact on the UK economy: 26 January 2023

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS) to deliver real-time information to help assess issues affecting UK businesses and economy, including financial performance, workforce, trade, and business resilience.

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Next release:
9 February 2023

Notice

26 January 2023

From 9 February 2023, this release will have a headline only format. It will be accompanied by our full stand-alone dataset. We will return to a full release on 23 February 2023.

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1 . Main points

- In December 2022, almost a third (30%) of trading businesses reported turnover was lower compared with November 2022, while 13% reported their turnover was higher; the wholesale and retail trade industry reported the largest percentage of businesses whose turnover was lower, at 46%.
- Around one in six (17%) trading businesses reported that they expect their turnover to decrease in February 2023, while 14% expect their turnover to increase.
- Of trading businesses, 41% reported an increase in the prices of goods or services bought in December 2022 compared with November 2022, down from 42% reported between October and November 2022.
- Energy prices remain the top reason businesses are considering raising their prices in February 2023 with 35% of trading businesses reporting this; the accommodation and food service activities industry reported the largest proportion, at 78%.
- Almost a quarter (23%) of businesses reported their overall performance such as pricing, trading and workforce had decreased in December 2022 compared with December 2021.
- In mid-January 2023, a quarter (25%) of businesses reported an increase in their staffing costs over the last three months, with the accommodation and food service activities industry reporting the largest proportion of businesses whose staffing costs had increased, at 44%.

2 . Headline figures

The data presented in this bulletin are the results from Wave 74 of the Business Insights and Conditions Survey (BICS), which was live from 9 to 22 January 2023.

Businesses were asked to exclude seasonal changes when answering questions contained within BICS. As the survey reference period for BICS covered 1 to 31 December 2022, estimates may be beyond usual seasonal variation.

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 Quality and Methodology Information \(QMI\)](#) and we regularly update [confidence intervals](#) associated with the survey questions.

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](#).

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, response options have been combined and/or excluded.
2. Prices: for presentational purposes, the data show an increase to prices bought and sold compared with the previous calendar month.
3. Data are plotted in the middle of the period of each wave.

Download the data

[.xlsx](#)

In mid-January 2023, the percentage of businesses that reported they were trading was 95%, 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% “permanently ceased trading” as their business’s trading status.

3 . Financial performance

Turnover

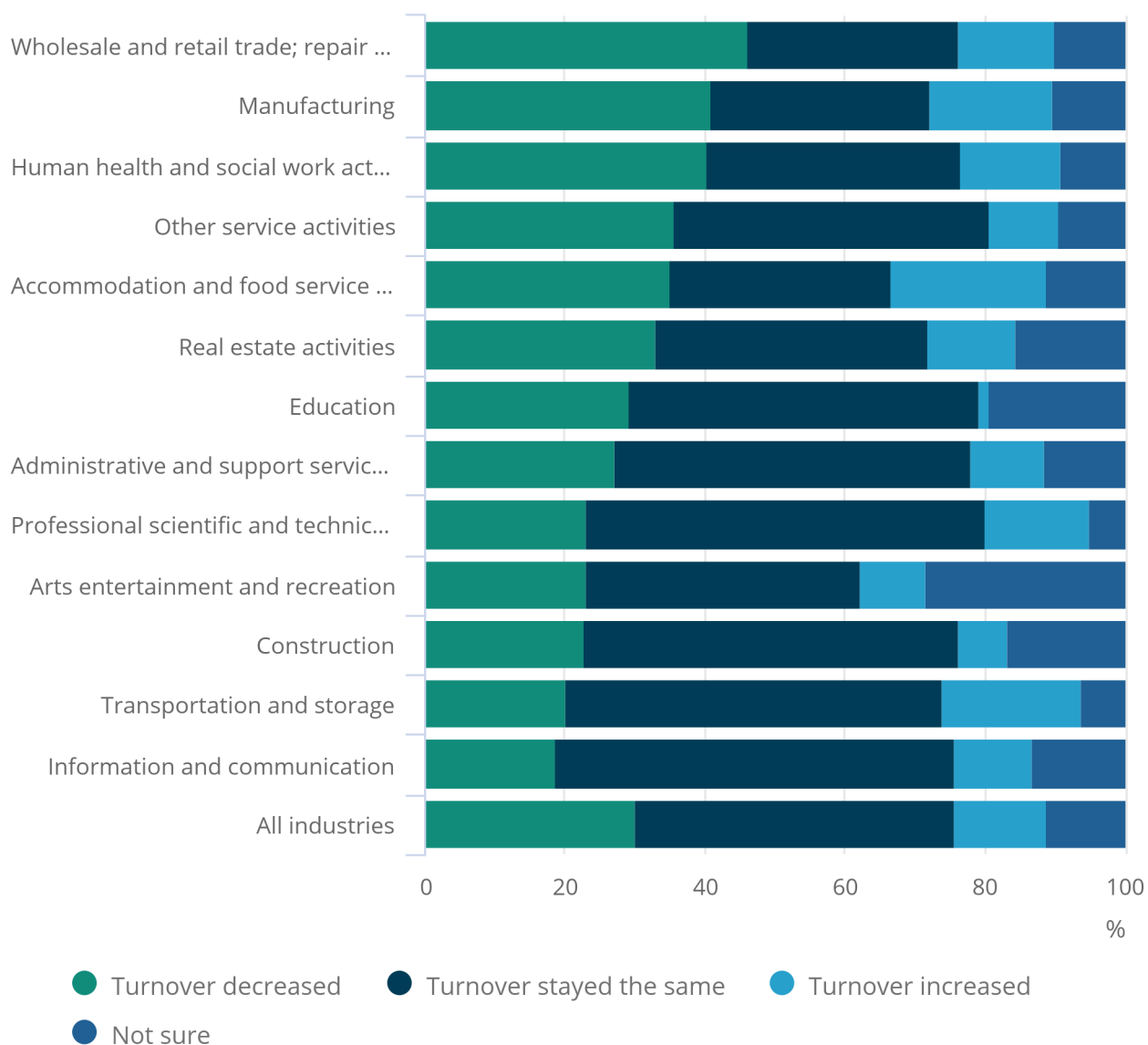
Trading businesses were asked how their turnover in December 2022 compared with November 2022.

Figure 2: A net 17% of businesses reported their turnover was lower in December 2022

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

Figure 2: A net 17% of businesses reported their turnover was lower in December 2022

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

In December 2022, almost a third (30%) of trading businesses reported their turnover was lower compared with November 2022, while 13% reported their turnover was higher, a net decrease of 17%. The largest movement for the proportion of businesses that reported a decrease in turnover came in the accommodation and food service activities industry, down 13 percentage points to 35% in December 2022 compared with the previous calendar month.

The accommodation and food service activities industry reported a 17 percentage-point increase in the proportion of businesses whose turnover had increased over the same period, with the figure now reported at 22%. Much of this came from the beverage serving activities sub-industries. Over the same period, the accommodation and food service activities industry also saw an increase of 17 percentage points in the proportion of businesses reporting an increase in domestic demand for goods and services (22%), which may in part be because of seasonal fluctuations.

Of trading businesses, 32% reported that economic uncertainty is currently having an impact on their turnover. Although this was still the most reported challenge currently affecting turnover, the largest movement in having an impact was for weather conditions, up 6 percentage points to 8%.

Turnover expectations

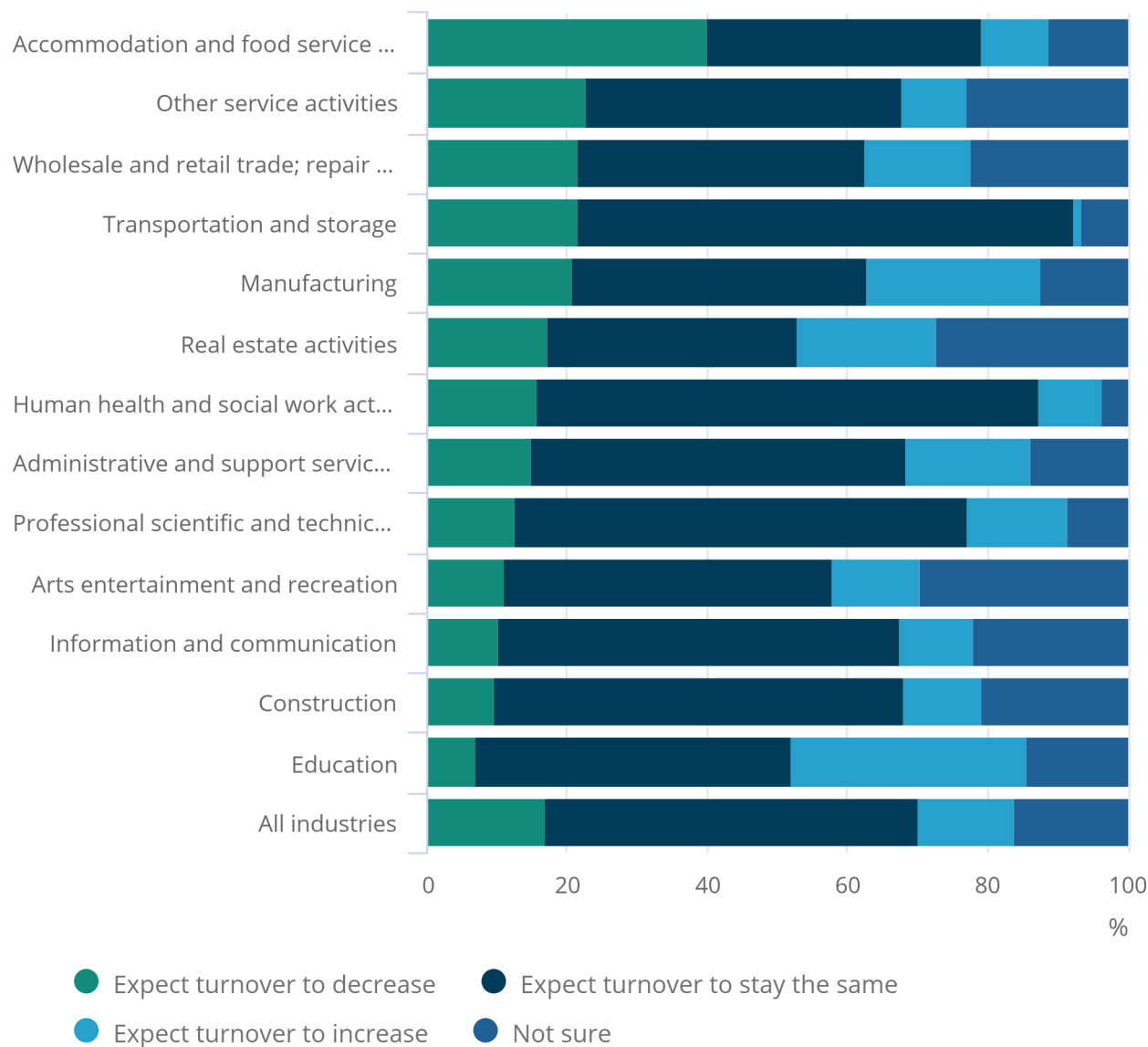
Trading businesses were asked about their turnover expectations for February 2023, excluding any seasonality trading.

Figure 3: Around one in six (17%) trading businesses expect their turnover to decrease in February 2023

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

Figure 3: Around one in six (17%) trading businesses expect their turnover to decrease in February 2023

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



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.

In mid-January 2023, the proportion of businesses that reported they expect turnover to decrease in February 2023 was down 12 percentage points to 17% compared with business expectations in the previous month for January 2023. This was the smallest proportion that expected a decrease in turnover since September 2022.

Trading businesses within the accommodation and food service activities industry reported the largest proportion (40%) of businesses expecting a decrease in turnover in February 2023, however, this is down 26 percentage points from expectations for January 2023 (66%). Businesses in the same industry reported they expect turnover to stay the same (39%) or to increase (10%), up 13 percentage points and 8 percentage points respectively.

4 . Prices

Prices bought and sold

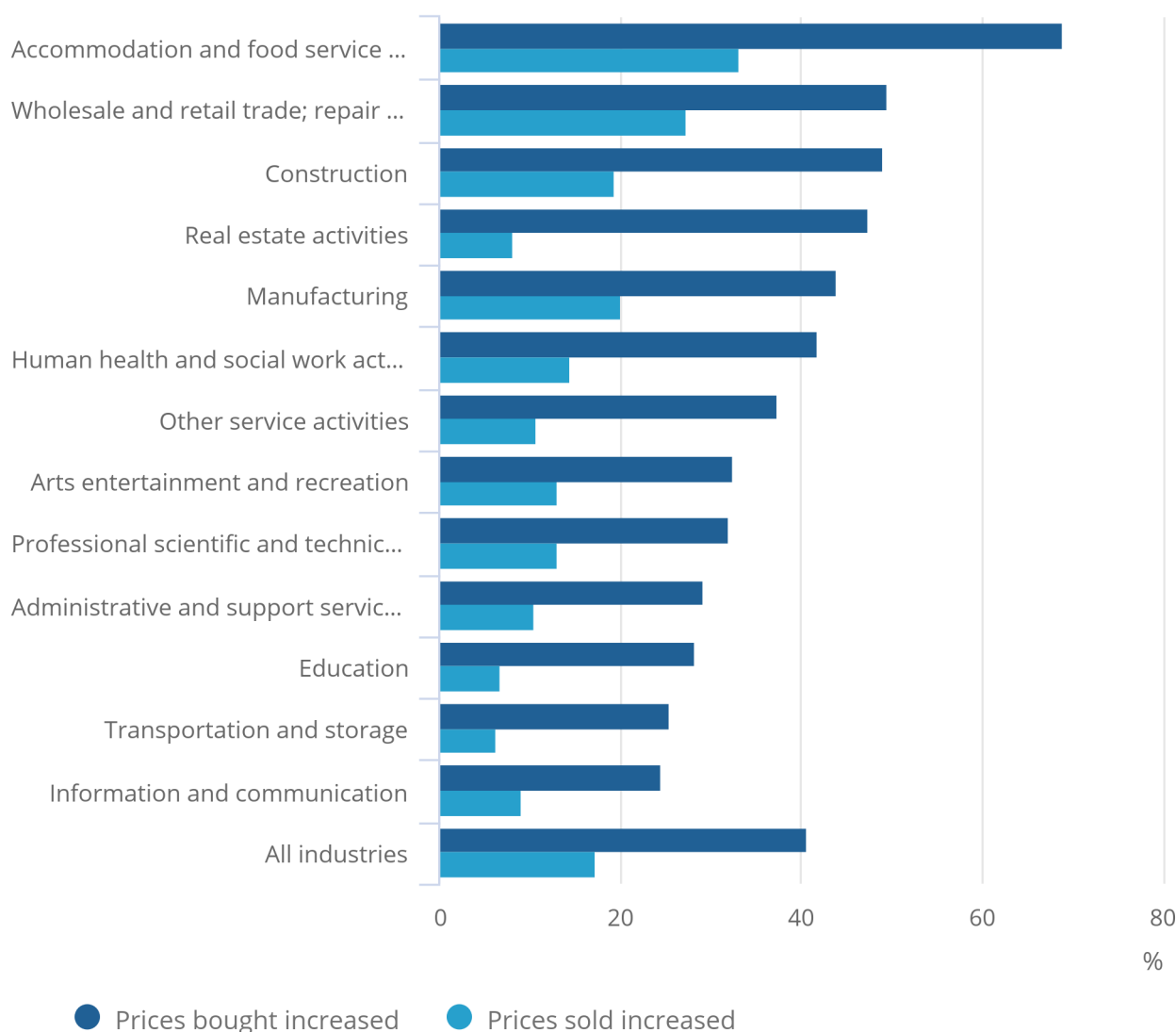
Businesses were asked how the price of goods or services bought and/or sold by their business in December 2022 compared with the previous calendar month. The data suggest that some businesses continue to experience a continued increase in prices bought and/or sold month on month.

Figure 4: Of trading businesses, 41% reported an increase in the prices of goods or services they bought in December 2022

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

Figure 4: Of trading businesses, 41% reported an increase in the prices of goods or services they bought in December 2022

Prices bought and sold increased, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 December 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".

In mid-January 2023, 41% of trading businesses reported the prices of goods or services bought had increased in December 2022 compared with the previous calendar month, broadly stable with November 2022 (when compared with October 2022). For prices sold, this percentage was 17% across the same period.

Price expectations

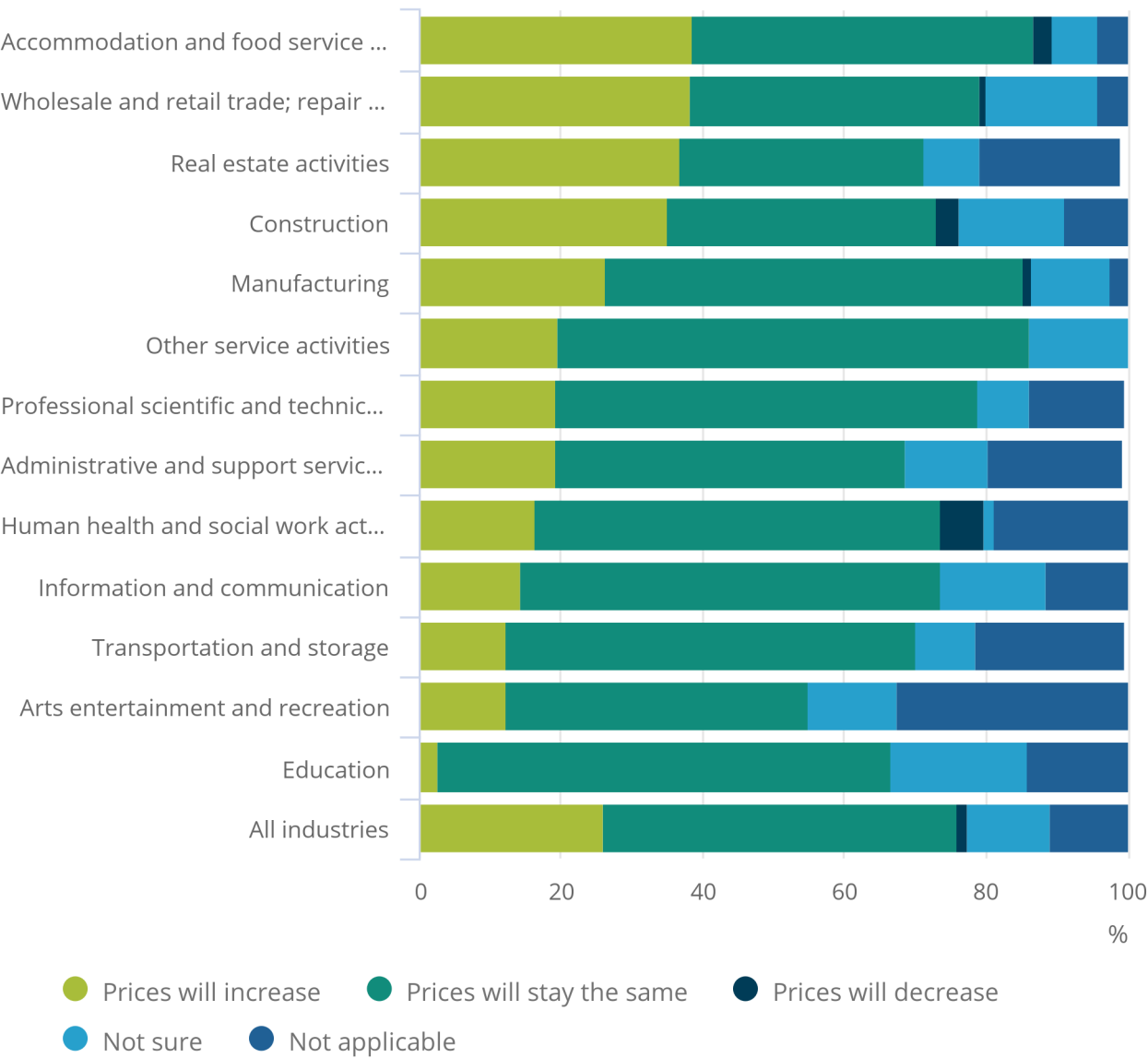
Businesses not permanently stopped trading were asked what their expectations for the prices of goods or services sold are for February 2023.

Figure 5: Of trading businesses, more than a quarter (26%) expect the prices of the goods or services they sell to increase in February 2023

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

Figure 5: Of trading businesses, more than a quarter (26%) expect the prices of the goods or services they sell to increase in February 2023

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



Notes:

1. Bars may not sum to 100% because of rounding, and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All industries”.
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.

The accommodation and food service activities industry reported the largest proportion of trading businesses expecting the prices of goods or services sold in February 2023 to increase, at 39%, a decrease of 7 percentage points compared with expectations for January 2023.

These businesses were asked what, if anything, was causing them to consider raising their prices. Approximately two-thirds (55%) of businesses reported one or more reasons why they would be considering raising their prices. Energy prices continued to be reported as the top reason businesses are considering raising their prices in February 2023 with 35% of businesses reporting this, while 34% reported they are not considering raising prices.

Further details on price expectation broken down by trading status, industry and size band are available in our [accompanying dataset](#).

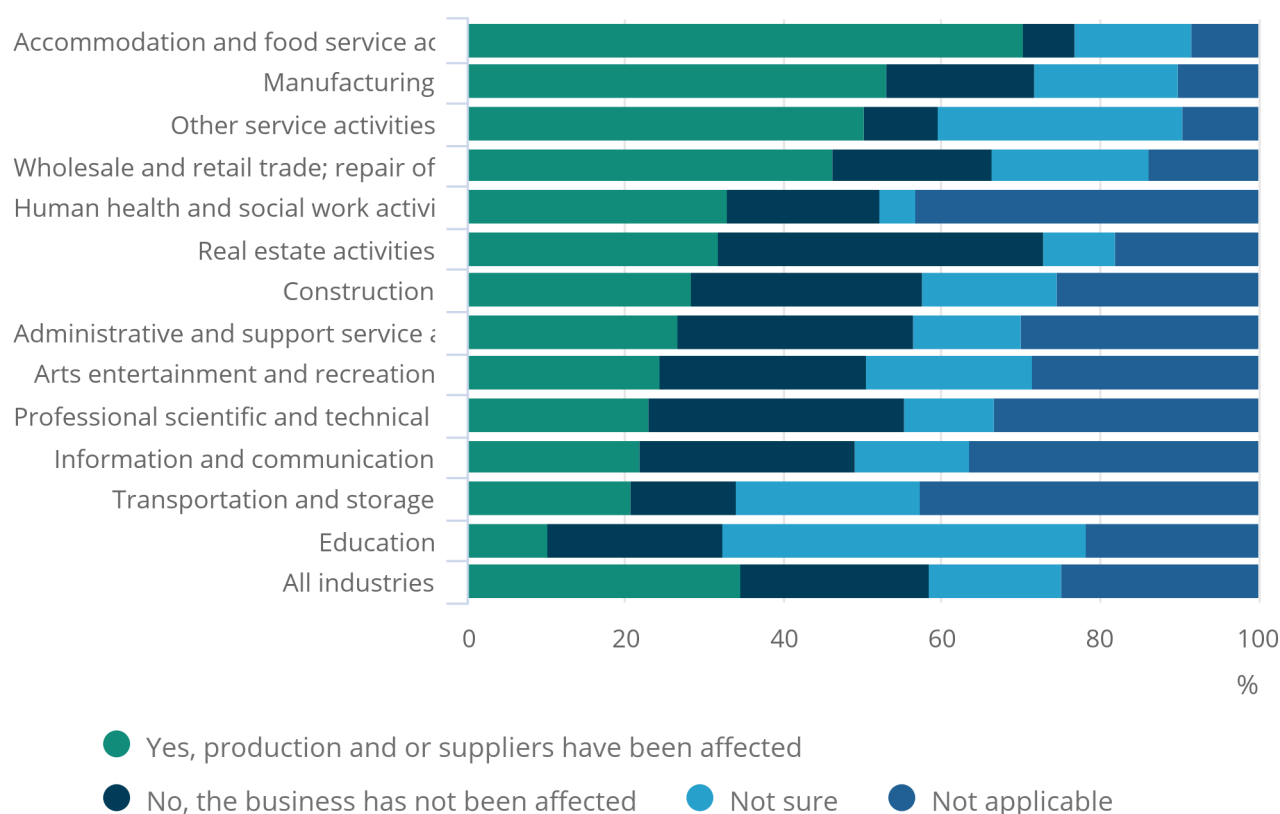
Energy prices

Figure 6: Recent increases in energy prices have affected production and/or suppliers for 71% of businesses in the accommodation and food service activities industry

Effects of energy price rises, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 9 to 22 January 2023

Figure 6: Recent increases in energy prices have affected production and/or suppliers for 71% of businesses in the accommodation and food service activities industry

Effects of energy price rises, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 9 to 22 January 2023



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

Notes:

1. For presentational purposes response options have been combined.
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. Bars may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.

In mid-January 2023, 35% of businesses not permanently stopped trading reported their production and/or suppliers had been affected by the recent increase in energy prices, broadly stable with early December 2022.

The accommodation and food service activities industry continues to report the highest proportion of businesses affected by recent increases in energy prices, at 71%. However, the greatest increase in the proportion of businesses that have been affected was for the manufacturing industry, up 13 percentage points to 53%. This was notably among businesses in the manufacture of fabricated metal products, except machinery and equipment sub-industries.

Further details on the effects of energy price rises broken down by trading status, industry and size band are available in our [accompanying dataset](#).

Staffing costs

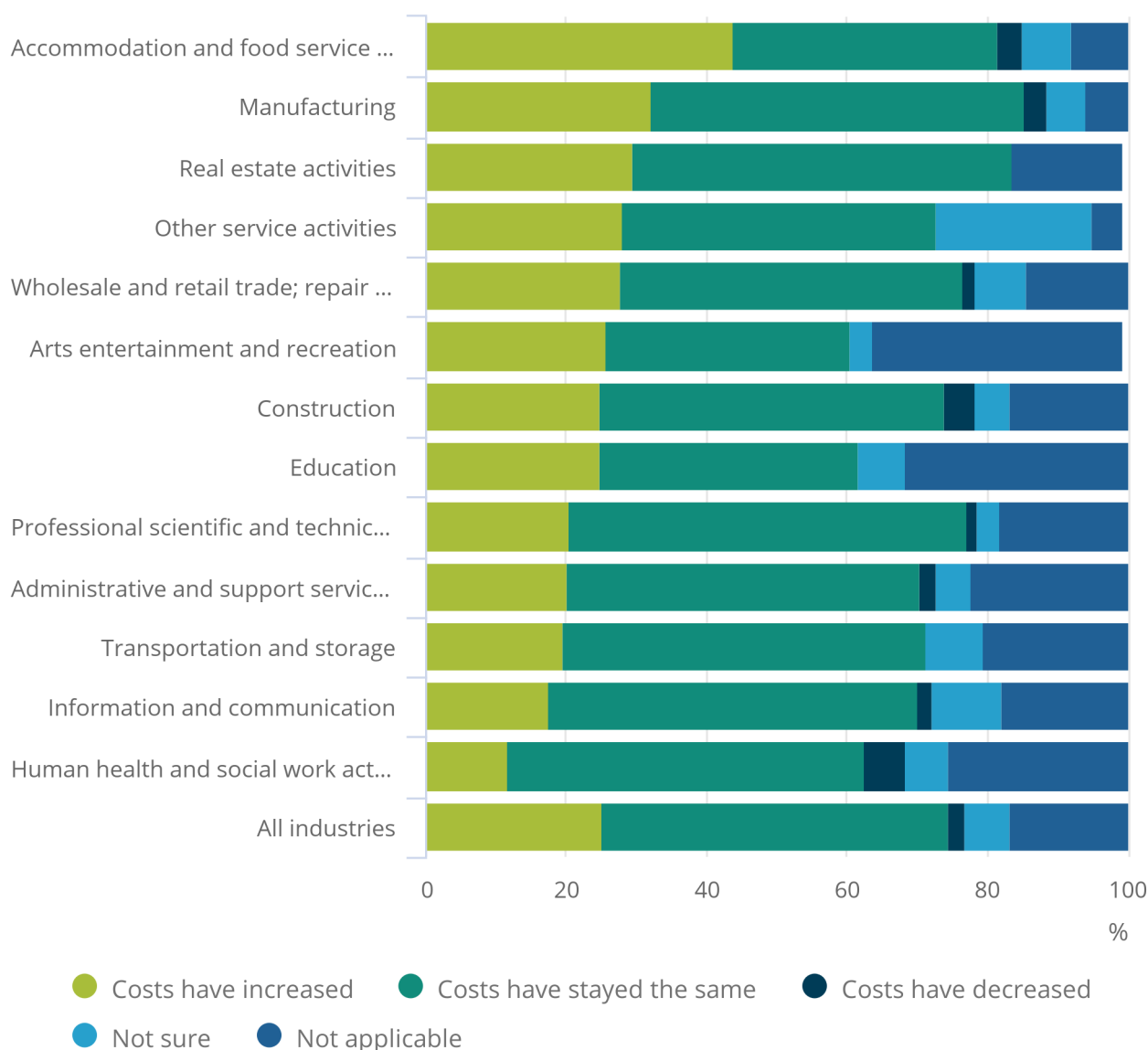
Businesses not permanently stopped trading (the Business Insights and Conditions Survey does not cover all sectors of the economy and only includes private businesses) were asked how their business's staffing costs have changed over the last three months and how they expect them to change over the next three months.

Figure 7: In mid-January 2023, 44% of businesses in the accommodation and food service activities industry reported their staffing costs had increased over the last three months

Staffing costs, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 9 to 22 January 2023

Figure 7: In mid-January 2023, 44% of businesses in the accommodation and food service activities industry reported their staffing costs had increased over the last three months

Staffing costs, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 9 to 22 January 2023



Notes:

1. Bars may not sum to 100% because of rounding, and percentages less than 1% being removed for disclosure purposes.
2. “Mining and quarrying” and “Water supply, sewerage, waste management and remediation activities” have been removed for disclosure purposes, but their totals are included in “All-sized businesses excluding 0-9”.
3. Businesses are asked to include allowances and bonuses, employer pension contributions, national insurance contributions as well as wages and salaries. They are asked to exclude recruitment, redundancy and training costs along with seasonal changes.

In mid-January 2023, a quarter (25%) of businesses reported an increase in staffing costs with this increasing to 50% for businesses with 10 or more employees.

The accommodation and food service activities industry reported the largest proportion of businesses reporting an expected increase in their staffing costs over the next three months, at 44%. This is an increase of 21 percentage points since early October 2021 and the largest movement reported by any industry.

Further details including all response options broken down by trading status, industry and size band are available in our [accompanying dataset](#).

5 . Business confidence

Performance

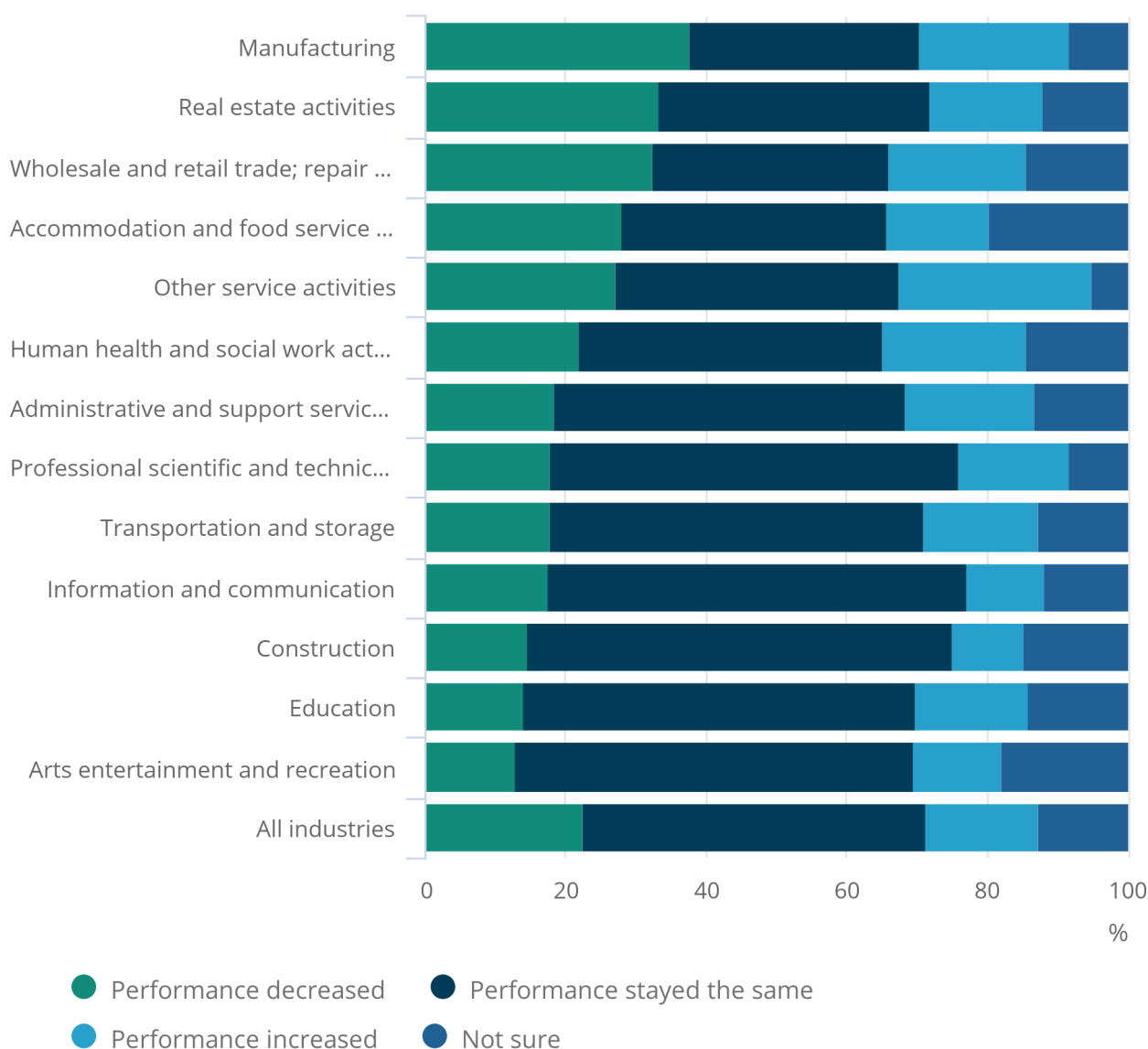
Businesses not permanently stopped trading were asked how they would describe their business's overall performance such as pricing, trading and workforce in December 2022, compared with December 2021.

Figure 8: More than a third (38%) of trading businesses in the manufacturing industry reported their performance decreased in December 2022 compared with December 2021

Business performance, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 December 2022

Figure 8: More than a third (38%) of trading businesses in the manufacturing industry reported their performance decreased in December 2022 compared with December 2021

Business performance, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 December 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".

Of trading businesses, 22% reported their overall performance, which includes pricing, trading and workforce, had decreased in December 2022 compared with December 2021.

Businesses were also asked how they thought their business would perform in the next 12 months.

The proportion of trading businesses expecting their performance to increase over the next 12 months was 22%, while 11% expect their performance to decrease. The industries with the highest percentage of businesses expecting a reduction in performance were:

- the accommodation and food service activities industry (22%)
- the other service activities industry (22%)
- the real estate industry (21%)

6 . Business Insights and Conditions Survey data

[Business insights and impact on the UK economy](#) Dataset | Released 26 January 2023 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 8 December 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 microdata for Waves 1 to 73 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 business unit to which questionnaires are sent is called the reporting unit. The response from the reporting unit can cover the enterprise as a whole or parts of the enterprise identified by lists of local units.

Net balance

Net balance is the difference between the percentage of businesses that reported a decrease, and the percentage of businesses that reported an increase.

8 . Measuring the data

More quality and methodology information (QMI) on strengths, limitations, appropriate uses, and how the data were created is available in our [Business Insights and Conditions Survey \(BICS\) QMI](#), updated on 24 January 2022.

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

Table 1: Sample and response rates for Wave 72, 73 and 74 of the Business Insights and Conditions Survey

Wave	5 January 2023 Publication Wave 72	12 January 2023 Publication Wave 73	26 January 2023 Publication Wave 74
Sample	40,576	39,308	39,303
Response	9,950	7,808	10,292
Rate	24.5%	19.9%	26.2%

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 74 survey was live for the period 9 to 22 January 2023. The [BICS survey questions](#) are available.

Coverage

The Monthly Business Survey (MBS) covers the UK for production and Great Britain (GB) only for services. The Retail Sales Index (RSI) and construction are GB-focused. Therefore, the BICS will be UK-focused for production-based industries but GB-focused for the other elements of the economy covered. The sectors covered are:

- non-financial services (includes professional, scientific, communication, administrative, transport, accommodation and food, private health and education, and entertainment services)
- distribution (includes retail, wholesale, and motor trades)
- production (includes manufacturing, oil and gas extraction, energy generation and supply, and water and waste management)
- construction (includes civil engineering, housebuilding, property development and specialised construction trades such as plumbers, electricians, and plasterers)

The following industries are excluded from the survey:

- agriculture
- oil and gas extraction
- energy generation and supply
- public administration and defence
- public provision of education and health
- finance and insurance

For more information on the methodology of producing the BICS, such as [weighting](#), please see our [BICS quality and methodology information](#).

9 . 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](#).

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 HM Revenue and Customs' 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.

[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).

11 . Cite this statistical bulletin

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