

Statistical bulletin

# Business insights and impact on the UK economy: 13 January 2022

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

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# 1 . Main points

- In late December 2021, approximately 3% of the workforce were estimated to be on sick leave or not working because of coronavirus (COVID-19) symptoms, self-isolation or quarantine, this is the highest the figure has been since comparable estimates began in June 2020; the other service activities industry, which includes hairdressing and other beauty treatments, reported the highest absence levels (7%).
- Just over one-fifth (21%) of businesses reported increased cancellations from customers in the last month, with 64% of businesses in the other service activities industry and nearly half (44%) of businesses in the accommodation and food service activities industry reporting an increase.
- More than half (55%) of businesses reported that implementing safety measures resulted in an increase in their operating costs, with 8% reporting costs increased substantially and 47% reporting costs had increased a little.
- Businesses within the accommodation and food service activities industry reported the highest percentage of businesses having less than three months of cash reserves (including no cash reserves), at 54% in early January 2022, up from 44% in early December 2021.
- Of not permanently stopped trading businesses, 16% reported experiencing global supply chain disruption in the last month, with the percentage highest in the manufacturing industry (35%).
- Around four-fifths (79%) of currently trading importing businesses reported they had experienced a challenge importing in the last month, while for exporting this figure was 66%; both figures have increased, from 75% and 65% respectively, from the month before.

## 2 . Headline figures and industry insights

The data presented in this bulletin are the final results from Wave 47 of the Business Insights and Conditions Survey (BICS), which was live for the period 29 December 2021 to 9 January 2022.

The final response rate for Wave 47 was 19.7% (7,669 responses). The average response rate in previous waves was approximately 23%. The Wave 47 response rate was lower than usual because of the Christmas period and the survey being live for a shorter period of time. This means that the estimates in this release are subject to more [uncertainty](#) than usual.

For questions regarding the last month, businesses were asked for their experience for the reference period 13 December 2021 to 9 January 2022, for questions regarding the last two weeks, businesses were asked for their experience for the reference period 13 December to 26 December 2021, although some businesses may have responded in relation to the point of completion of the questionnaire (29 December 2021 to 9 January 2022). This is consistent with previous waves of the survey.

These dates 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 34 (28 June to 11 July 2021), please see [Understanding the business impacts of local and national restrictions, UK: July 2021](#).

### Figure 1: Headline figures from the Business Insights and Conditions Survey

#### Notes:

1. Trading status, financial performance, business resilience: for presentational purposes, response options have been combined and the option "not sure" has been removed.
2. Financial performance: businesses were asked for their experience for the reference period, however, businesses may respond from the point of completion of the questionnaire.
3. Data are plotted in the middle of the period of each wave.

**Download the data**

[.xlsx](#)

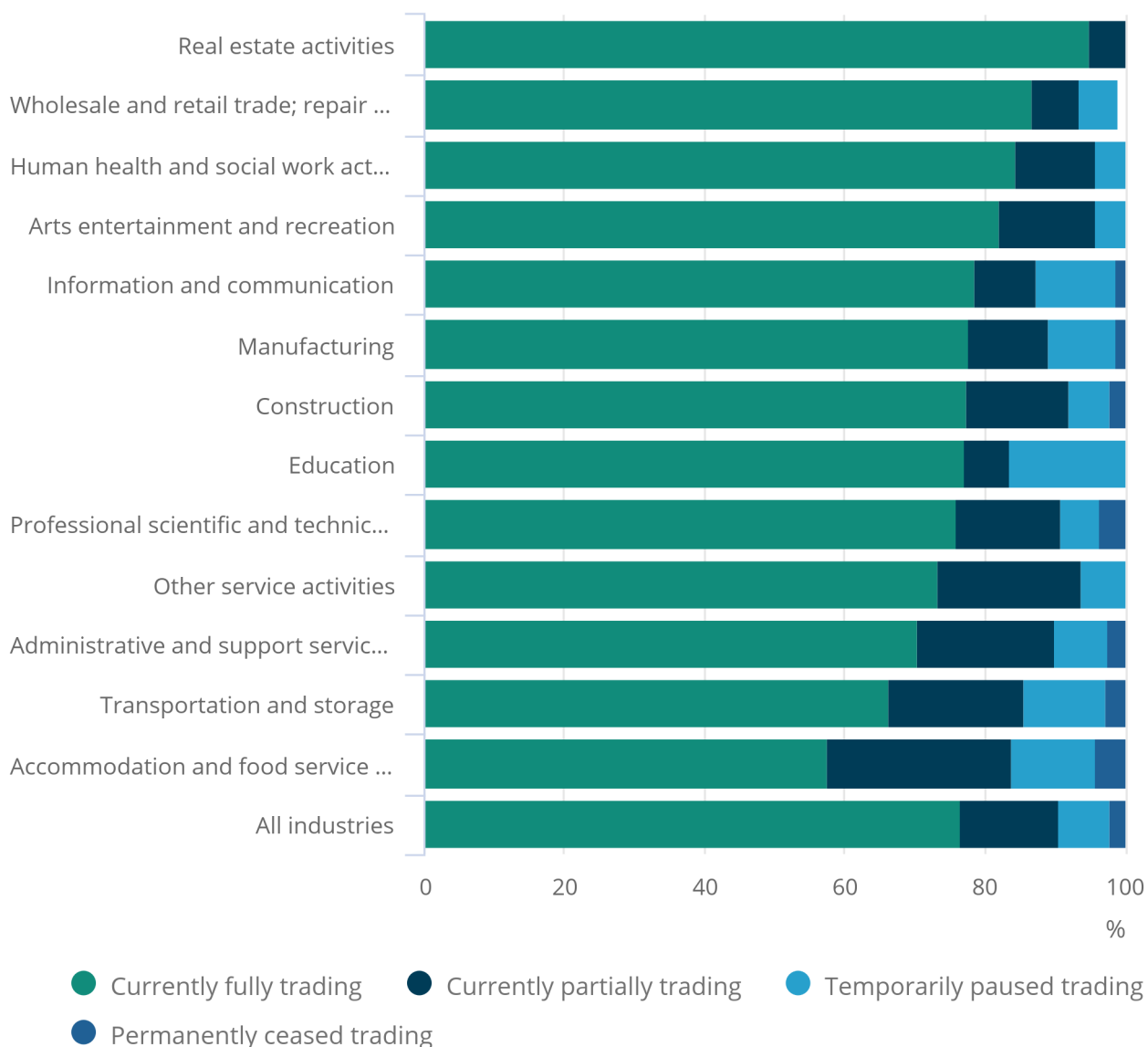
## Trading status

**Figure 2: The accommodation and food service activities industry had the lowest percentage of businesses fully trading, at 58%**

Current trading status, all businesses, broken down by industry, weighted by count, UK, 29 December 2021 to 9 January 2022

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Current trading status, all businesses, broken down by industry, weighted by count, UK, 29 December 2021 to 9 January 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. The weighted percentage for "permanently ceased trading" can be affected by multiple businesses reporting this option over multiple waves.

In early January 2022, just over 9 in 10 businesses (91%) were trading, with 77% fully trading and 14% partially trading. This compares with 81% fully trading and 11% partially trading in late December 2021.

The education (private sector and higher education businesses only) industry and the accommodation and food service activities industry both reported the lowest percentage of businesses trading, both fully and partially, at 84% in early January 2022.

In the accommodation and food service activities industry, the percentage of businesses currently trading decreased by 12 percentage points from late December 2021, driven by the food and beverage service activities sub-industry.

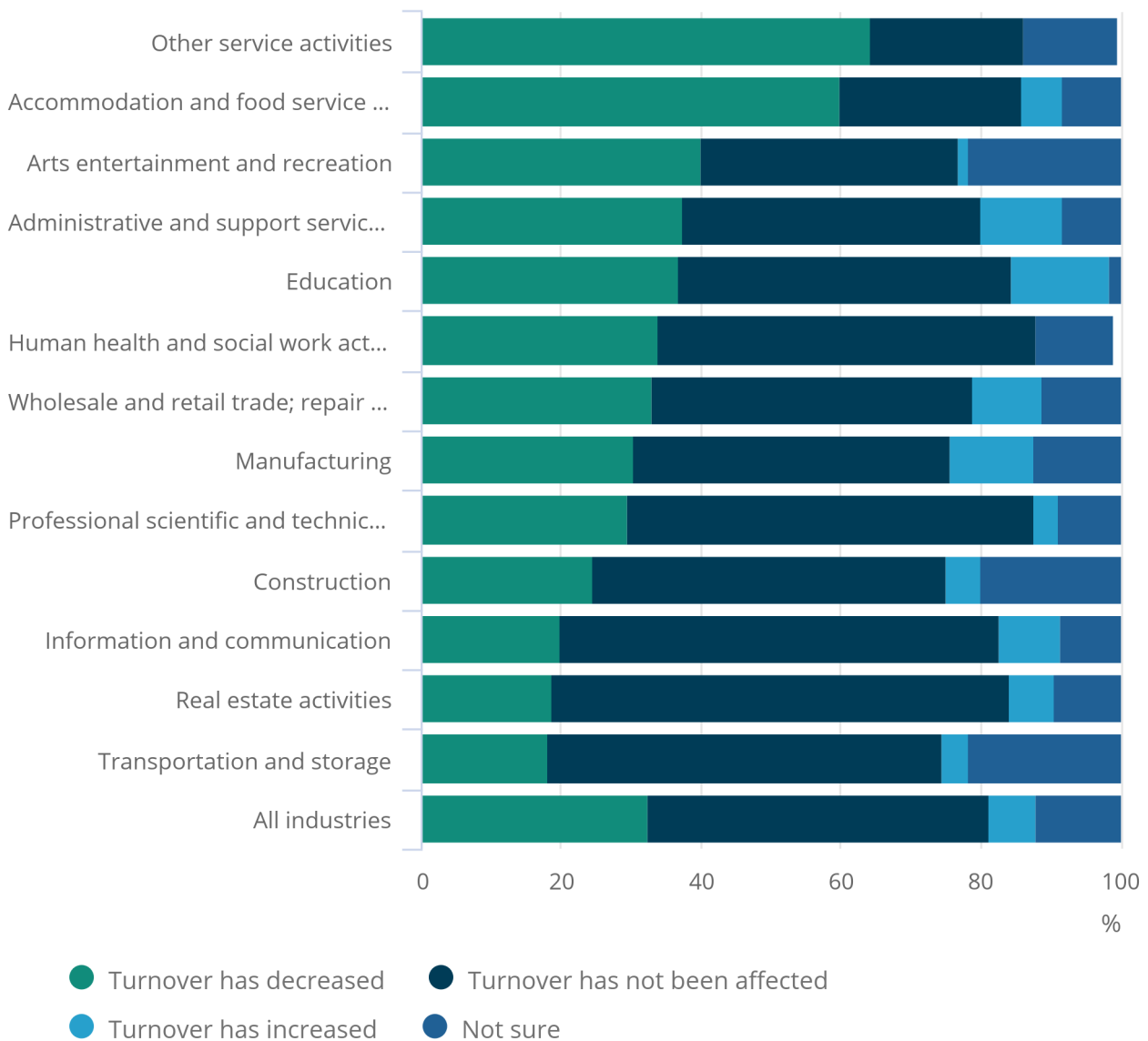
# Turnover

**Figure 3: The other service activities industry reported 64% of businesses experiencing lower turnover in the last month compared with normal expectations for this time of year**

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 13 December 2021 to 9 January 2022

Figure 3: The other service activities industry reported 64% of businesses experiencing lower turnover in the last month compared with normal expectations for this time of year

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 13 December 2021 to 9 January 2022



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

Notes:

1. For presentational purposes, response options have been combined.
2. Industries may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.
3. "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".
4. Businesses were asked for their experience for the reference period, however, businesses may respond from the point of completion of the questionnaire.

In the last month, nearly a third (32%) of all currently trading businesses reported to have experienced a decrease in turnover compared with normal expectations for this time of year. This compares with 30% reported the last time the question was asked, however, some of the industry-level effects are more pronounced, with the accommodation and food service activities industry reporting a 26-percentage point increase in reduced turnover during this period.

Of businesses that reported a change in turnover in the last month, 53% reported the coronavirus (COVID-19) pandemic as the main reason for change, while 12% reported a combination of the coronavirus pandemic and the end of the EU transition period as the main reason.

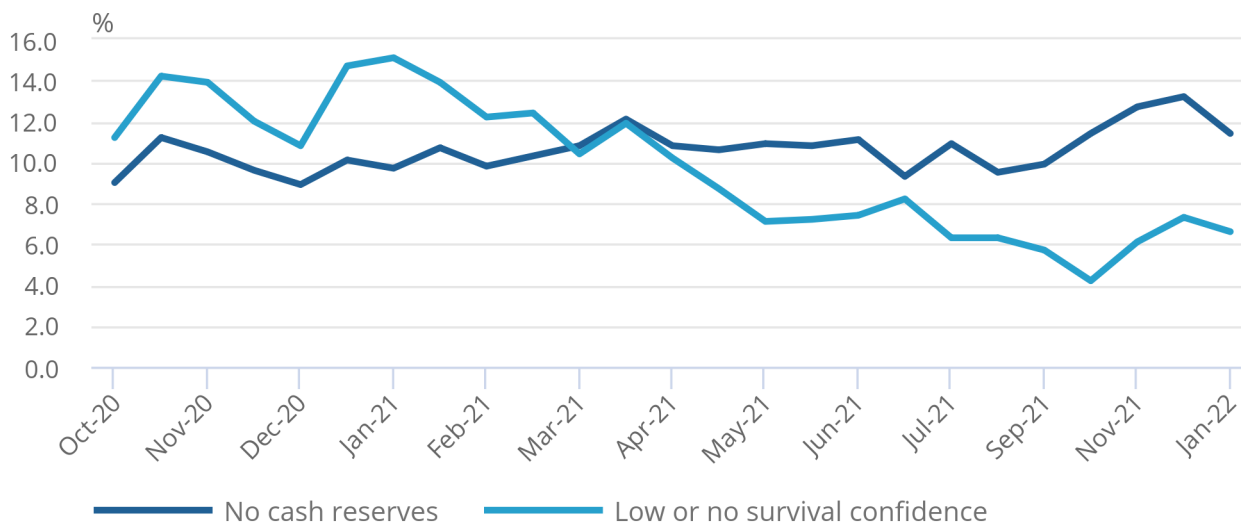
## Cash reserves and survival confidence

**Figure 4: Just over 1 in 10 businesses (11%) reported having no cash reserves, while 7% reported low or no confidence they would survive the next three months**

**No cash reserves and no or low survival confidence, businesses not permanently stopped trading, weighted by count, UK, 25 October 2020 to 9 January 2022**

Figure 4: Just over 1 in 10 businesses (11%) reported having no cash reserves, while 7% reported low or no confidence they would survive the next three months

No cash reserves and no or low survival confidence, businesses not permanently stopped trading, weighted by count, UK, 25 October 2020 to 9 January 2022



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

**Notes:**

1. For presentational purposes, response options have been combined.
2. Data are plotted in the middle of the period.

In early January 2022, the construction industry reported the highest proportion of businesses with no cash reserves, at 15%.

Two-fifths (40%) of all businesses reported having less than three months or no cash reserves, with the accommodation and food service activities industry reporting the highest percentage, at 54%. This industry also reported the highest percentage of low or no confidence to survive the next three months, at 17%.

Of all businesses not permanently stopped trading, 7% reported they had low or no confidence they would survive the next three months, however, when excluding businesses with fewer than 10 employees this percentage reduced to 4%. In contrast, 84% reported having high or moderate confidence they would survive the next three months. This increased to 92% for businesses with 10 or more employees.



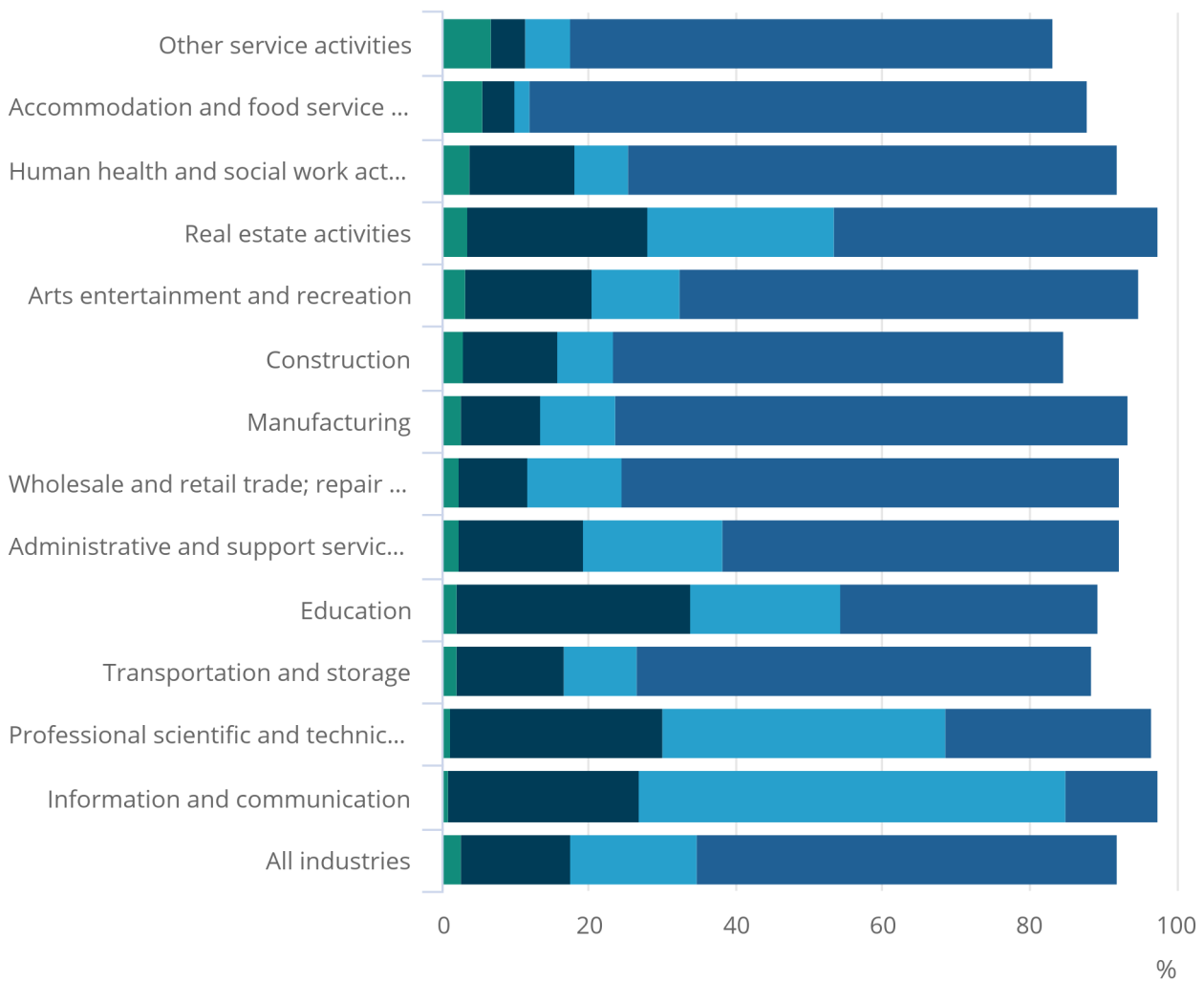
## Workforce status

**Figure 5: The other service activities industry reported the highest proportion of the workforce on sick leave or not working because of coronavirus (COVID-19), at 7% in late December 2021**

Working arrangements, businesses not permanently stopped trading, broken down by industry, weighted by employment, UK, 13 December to 26 December 2021

Figure 5: The other service activities industry reported the highest proportion of the workforce on sick leave or not working because of coronavirus (COVID-19), at 7% in late December 2021

Working arrangements, businesses not permanently stopped trading, broken down by industry, weighted by employment, UK, 13 December to 26 December 2021



- On sick leave or not working due to coronavirus (COVID-19) symptoms, self-isolation or quarantine
- Using a hybrid model of working
- Working from home
- Working from a designated workspace

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 the options “Made permanently redundant” or “Other” 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”.
3. Businesses were asked for their experiences for the reference period. However, businesses may respond from the point of completion of the questionnaire.

In late December 2021, approximately 3% of the workforce were estimated to be on sick leave or not working because of coronavirus symptoms, self-isolation or quarantine. This is the highest the figure has been since comparable estimates began in June 2020.

The other service activities industry, which includes hairdressing and other beauty treatments, reported the highest absence levels (7%) in late December 2021. The accommodation and food service activities industry also reported high absence levels (6%), driven by the accommodation sub-industry. These industries also saw the largest movement in percentages from early December 2021 to late December 2021, increasing by 5 and 4 percentage points respectively.

Approximately 57% of the workforce were estimated to be working from a designated workspace (that is, not from home) in late December 2021. This estimate is down from 60% reported in early December 2021 and is also the lowest proportion reported since the response option was introduced in early October 2021.

### 3 . Exporting and importing challenges

Of currently trading businesses, 9% had exported and 11% imported in the last 12 months and reported how their exporting or importing differed compared with normal expectations for this time of year. These businesses were asked about the challenges they had experienced with exporting or importing in the last month.

#### Figure 6: Exporting and importing figures from the Business Insights and Conditions Survey

##### Notes:

1. Exporting or importing compared with normal expectations: percentage of businesses currently trading and had reported they had exported/imported in the last year. For presentational purposes, response options have been combined.
2. Exporting or importing challenges: percentage of businesses currently trading, reported they had exported /imported in the last year, and reported how their exports/imports were affected. Businesses may report that exporting/importing has not been affected but are still able to report challenges.
3. Caution should be taken when interpreting these results based on the specific routing of this question meaning that only a small number of businesses responded.
4. Businesses were asked for their experience for the reference period however, businesses may respond from the point of completion of the questionnaire.
5. Data are plotted in the middle of the period of each wave.

## Download the data

[.xlsx](#)

Of currently trading businesses, 66% experienced a challenge with exporting and 79% with importing, in the last month. Changes in transportation costs and additional paperwork remain the top challenges for both exporting and importing. The manufacturing industry reported the highest percentage of businesses experiencing a challenge with additional paperwork (77%) and changes in transportation costs (70%) while exporting.

Of all currently trading businesses that have imported, the accommodation and food service activities industry reported the highest percentage of businesses experiencing a challenge with changes in transportation costs, at 77%.

Of the challenges documented, and for all currently trading businesses, the changes in transportation costs, finding information on how to import, and time taken for checks at the border reported the highest increases between late November and late December 2021, of 4 percentage points.

Further industry, size band and breakdowns of trade questions by type of export or import (goods, services or both) are available in the [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. A [detailed description of the methodology](#) can be found.

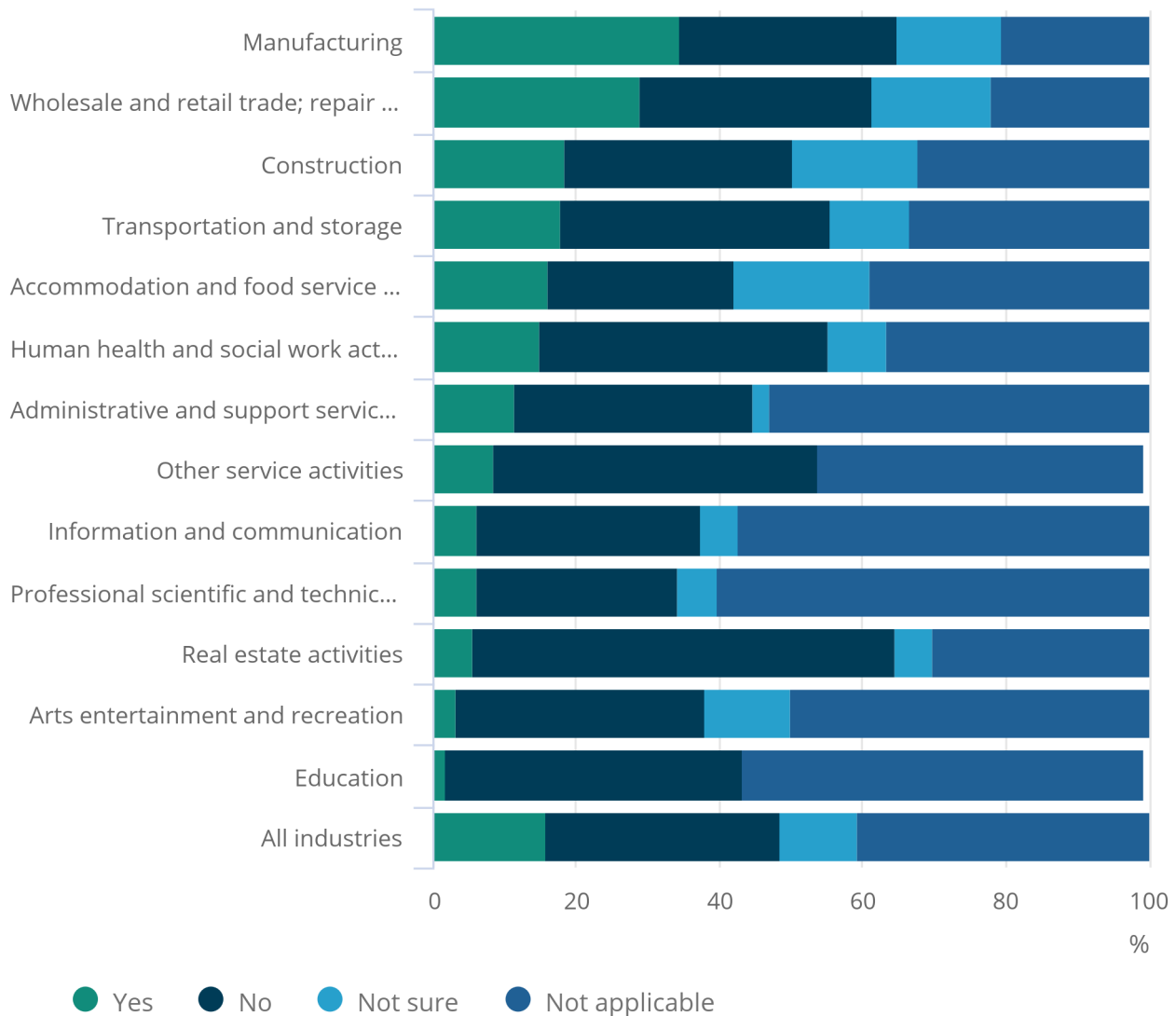
# 4 . Global supply chains

**Figure 7: The manufacturing industry reported the highest percentage of businesses experiencing global supply chain disruption, at 35%**

Impact on global supply chains, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 13 December 2021 to 9 January 2022

Figure 7: The manufacturing industry reported the highest percentage of businesses experiencing global supply chain disruption, at 35%

Impact on global supply chains, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 13 December 2021 to 9 January 2022



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

Notes:

1. Businesses were asked for their experience for the reference period, however, businesses may respond from the point of completion of the questionnaire.
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 not permanently stopped trading businesses, 16% reported experiencing global supply chain disruption in the last month, while a third (33%) of all businesses reported no disruption. For businesses with 10 or more employees, these figures increased to 26% and 34% respectively.

## **5 . Unexpected changes to financial or operational activities**

Businesses not permanently stopped trading were asked if they had experienced changes to financial or operational activities in the last two weeks.

Nearly 1 in 10 (9%) reported that there were unexpected changes to financial or operational activities in late December 2021. The highest percentage was seen in the accommodation and food service activities industry, at 26%, followed by the transportation and storage industry, at 25%. For businesses with 10 or more employees, 12% reported experiencing unexpected changes to financial or operational activities.

Businesses not permanently stopped trading were also asked if they were expecting any financial or operational activities to be affected by the coronavirus (COVID-19) pandemic in the next two weeks. Approximately one-quarter (25%) do expect activities to be affected whereas the remaining three-quarters do not expect financial or operational activities to be affected.

All industry breakdowns can be found in the [accompanying dataset](#).

## 6 . Cancellations

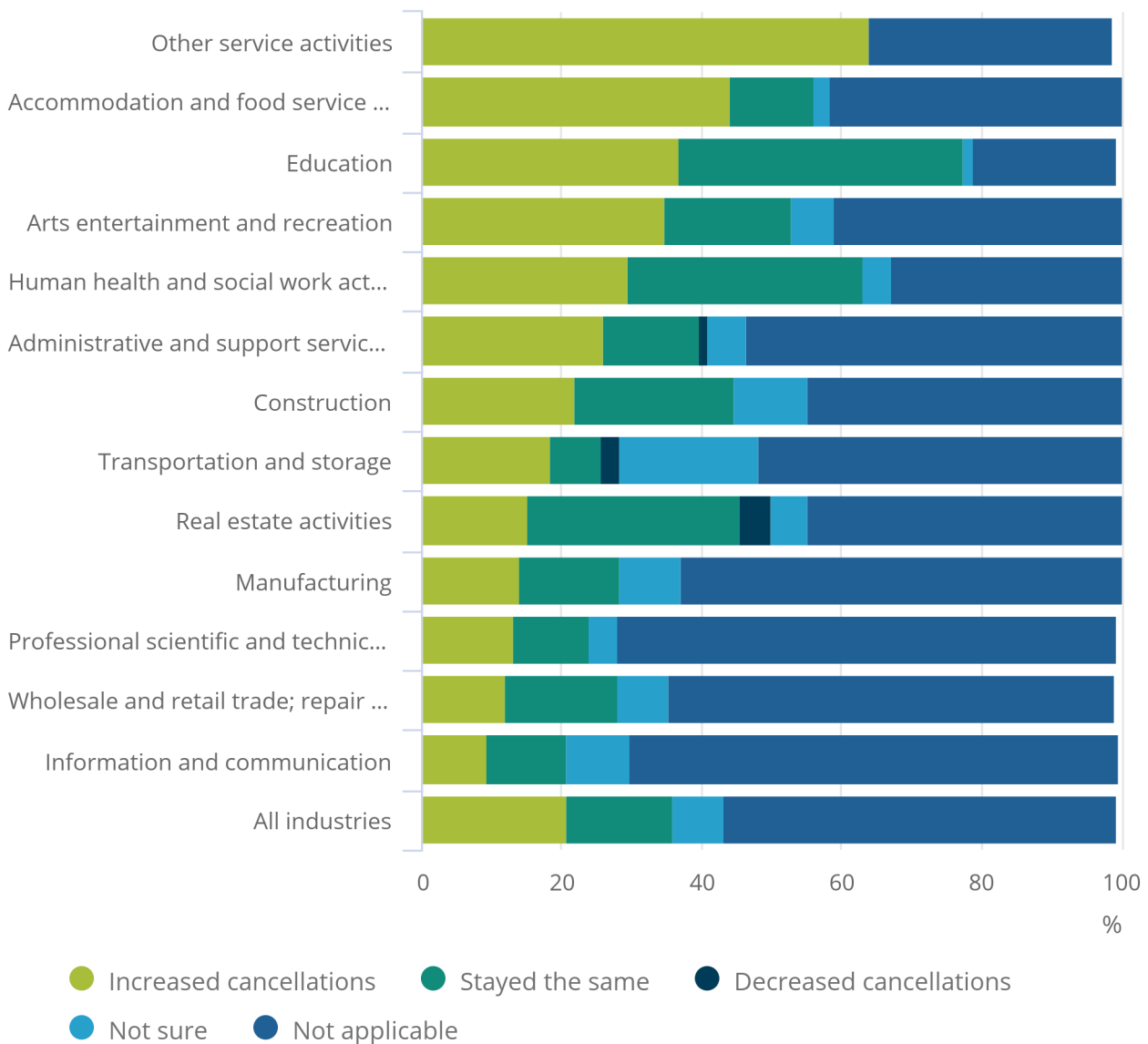
Businesses not permanently stopped trading were asked if they experienced a change in the number of cancellations from customers in the last month.

**Figure 8: Just over one-fifth (21%) of businesses not permanently stopped trading reported they had experienced an increase in cancellations from customers in the last month**

Customer cancellations, businesses not permanently stopped trading, weighted by count, UK, 13 December 2021 to 9 January 2022

Figure 8: Just over one-fifth (21%) of businesses not permanently stopped trading reported they had experienced an increase in cancellations from customers in the last month

Customer cancellations, businesses not permanently stopped trading, weighted by count, UK, 13 December 2021 to 9 January 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”.



The other service activities industry, which includes hairdressing and other beauty treatments, had the highest proportion of businesses reporting increased cancellations in the last month, at 64%, a 14-percentage point increase from the month before.

Nearly half (44%) of businesses in the accommodation and food service activities industry reported an increase in cancellations. At sub-industry level, the accommodation sub-industry had 67% reporting they had experienced an increase in cancellations in the last month, compared with 41% in the food and beverage service activities sub-industry.

## **7 . Safety measures and operational costs**

Businesses not permanently stopped trading were asked if they were using or intending to use safety measures in the workplace in early January 2022. The top three safety measures reported were:

- hygiene measures (47%)
- social distancing (46%)
- Personal Protective Equipment (PPE) (41%)

In late December 2021, the UK reintroduced firmer restrictions on the use of PPE and social distancing in public settings. In early January 2022, the use of PPE was up 4 percentage points from late October 2021. The other service activities industry reported the highest percentage of businesses using PPE in early January 2022, at 80%.

In October 2021, some nations introduced customer coronavirus (COVID-19) checks. In Scotland, coronavirus (COVID-19) vaccination certificates were introduced and in Wales, NHS COVID Passes were introduced. Of businesses not permanently stopped trading, 11% reported to be using or intending to use customer coronavirus (COVID-19) checks in early January 2022, up from 7% in late October 2021.

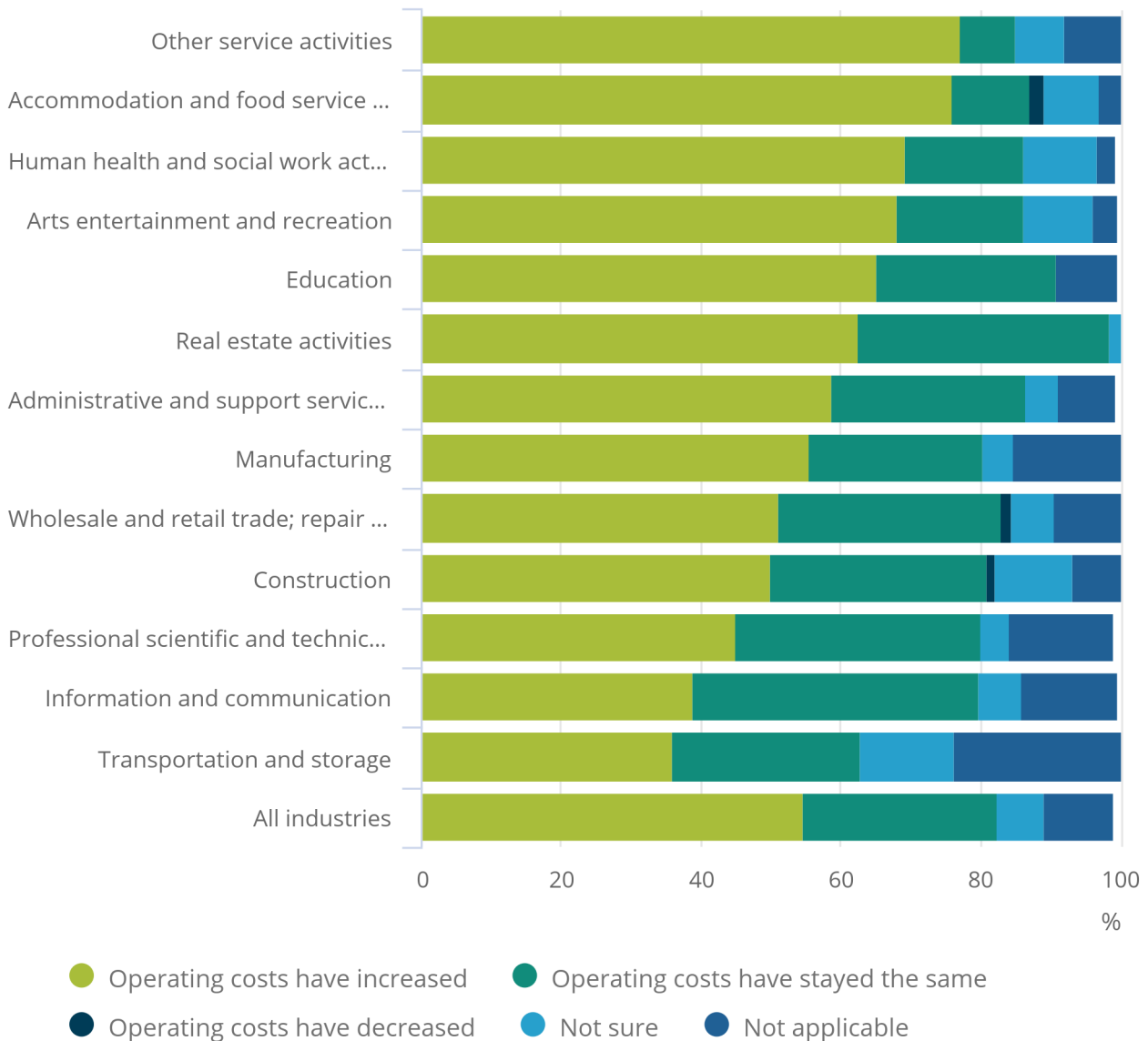
Businesses not permanently stopped trading and were using or intending to use one of the safety measures listed in the survey were also asked if the implementation for those measures affected their operating costs.

**Figure 9: More than half (55%) of businesses reported their operating costs had increased because of the implementation of safety measures**

Safety measure costs, business not permanently stopped trading and are using or intending to use safety measures, weighted by count, UK, 29 December 2021 to 9 January 2022

Figure 9: More than half (55%) of businesses reported their operating costs had increased because of the implementation of safety measures

Safety measure costs, business not permanently stopped trading and are using or intending to use safety measures, weighted by count, UK, 29 December 2021 to 9 January 2022



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

Notes:

1. Industries may not sum to 100% because percentages less than 1% have been 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. For presentational purposes, response options have been combined.

More than half (55%) of businesses reported that implementing safety measures had resulted in an increase in their operating costs, with 8% reporting costs increased substantially and 47% reporting costs had increased a little.

The top three industries where costs had increased substantially were the arts, entertainment and recreation industry (17%), the accommodation and food service activities industry (17%) and the construction industry (12%).

## 8 . Business Insights and Conditions Survey data

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

Dataset | Released 13 January 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.

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 in a timely way.

### **Access to microdata**

The BICS microdata for Waves 1 to 46 can now be accessed 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

### **Coronavirus**

Coronaviruses are a family of viruses that cause disease in people and animals. They can cause the common cold or more severe diseases, such as COVID-19.

## COVID-19

COVID-19 is the name used to refer to the disease caused by the SARS-CoV-2 virus, which is a type of coronavirus. The Office for National Statistics (ONS) takes COVID-19 to mean presence of SARS-CoV-2 with or without symptoms.

### 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 the [Business Insights and Conditions Survey \(BICS\) QMI](#), published on 20 May 2021.

The BICS is voluntary, and the results are [experimental](#).

Table 1: Sample and response rates for Waves 45, 46 and 47 of the Business Insights and Conditions Survey

Wave	16 December 2021 Publication Wave 45	6 January 2022 Publication Wave 46	13 January 2022 Publication Wave 47
Sample	38,160	39,058	38,865
Response	8,535	8,851	7,669
Rate	22.4%	22.7%	19.7%

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 47 survey was live for the period 29 December 2021 to 9 January 2022. For questions regarding the last two weeks, businesses were asked for their experience for the reference period 13 December to 26 December 2021. For questions regarding the last month, businesses were asked for their experience for the reference period 13 December 2021 to 9 January 2022. However, businesses may respond from the point of completion of the questionnaire (29 December 2021 to 9 January 2022). The [survey questions](#) are available.

### Coverage

The Monthly Business Survey (MBS) covers the UK for production and only Great Britain 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 Business Insights and Conditions Survey (such as [weighting](#)), please see the [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 the [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.

### [The Coronavirus \(COVID-19\) harmonisation guidance](#)

Web page | Updated frequently

This page provides harmonisation guidance on how best to collect data about the impact of the coronavirus (COVID-19) pandemic. Users can also find a bank of questions from multiple Office for National Statistics (ONS) surveys related to coronavirus (COVID-19) to be used in other surveys to further support harmonisation and questionnaire development. This bank also provides users with an understanding of what data the ONS has in relation to the coronavirus pandemic.

### [Understanding the business impacts of local and national restrictions, UK: July 2021](#)

Article | Released 20 July 2021

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).