

Statistical bulletin

Business insights and impact on the UK economy: 6 October 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 September 2022, of businesses who reported on the frequency that they pay their energy bills, 34% reported they have fixed or hedged electricity contracts, this percentage was 29% for gas; of these, 18% are expecting their electricity bills to increase by more than 300% at the end of their contract, and 17% expect the same for their gas bills.
- In late September 2022, 42% of businesses not permanently stopped trading reported they had not passed on their higher costs to customers, with businesses in the professional, scientific and technical activities industry reporting the highest proportion, at 66%.
- For October 2022, input price inflation and energy prices continue to remain the top two concerns reported by businesses, at 24% and 23%, respectively.
- In late September 2022, of not permanently stopped trading businesses, nearly half (46%) reported they were not concerned about the impact climate change may have on their business.
- In August 2022, 18% of businesses with 10 or more employees reported experiencing global supply chain disruption, with 34% of those businesses reporting a shortage of materials as the main reason for the disruption.

2 . Headline figures

The data presented in this bulletin are the final results from Wave 66 of the Business Insights and Conditions Survey (BICS), which was live from 20 September to 2 October 2022. Approximately two-thirds of the responses to the survey were provided prior to the chancellor of the exchequer's fiscal statement on 23 September 2022, whereas the remaining third were provided after the announcement had been made.

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](#).

In Wave 66, for specific questions, businesses were asked to reflect on their experiences in August 2022. This is the same reference period asked for in Wave 64. Any differences seen between the two waves are because of sampling variation, changes in opinions, and responses from businesses being asked the same questions during a later two-week period.

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. For presentational purposes, some response options have been excluded.
2. Data are plotted in the middle of each wave.
3. Intra UK procurement: because of an overlap in reference periods, Wave 64 has been removed.

Download the data

[.xlsx](#)

In late September 2022, the percentage of businesses that reported they were trading was 94%, with 86% fully trading and 8% partially trading (for example, trading with reduced hours or staff numbers). Meanwhile, 5% of businesses reported "temporarily paused trading" and 1% "permanently ceased trading" as their business's trading status.

3 . Business concerns

The data presented in this section are the final results from Wave 66 of the Business Insights and Conditions Survey (BICS), which was live from 20 September to 2 October 2022. The majority of responses to the survey were provided prior to the chancellor of the exchequer’s fiscal statement on 23 September 2022.

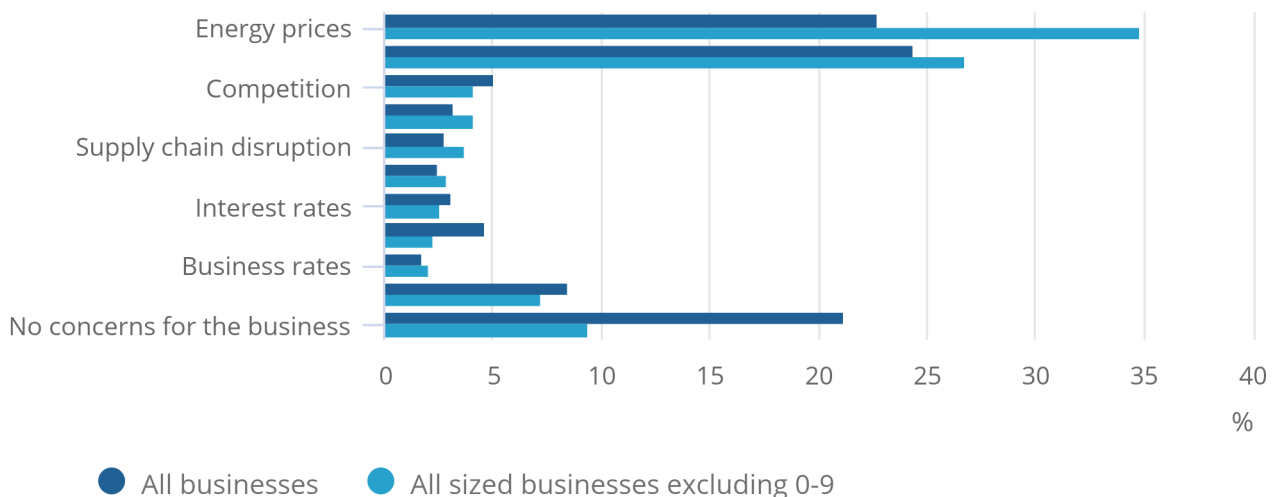
Businesses not permanently stopped trading were asked what their main concern for their business is looking ahead to October 2022.

Figure 2: Input price inflation and energy prices remain the top two concerns for businesses for October 2022

Business concerns, businesses not permanently stopped trading, broken down by response option, weighted by count, UK, 1 to 31 October 2022

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Business concerns, businesses not permanently stopped trading, broken down by response option, weighted by count, UK, 1 to 31 October 2022



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

Notes:

1. Response options may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.

More than two-thirds (70%) of businesses reported they had some form of concern for their business for October 2022, with this percentage rising to 83% for businesses with 10 or more employees. The accommodation and food service activities industry had the highest proportion of all size businesses reporting some form of concern, at 90%.

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

4 . Electricity and gas

Businesses not permanently stopped trading reported on the frequency that their bills are paid. This represented 61% of businesses for electricity and 42% for gas.

Of businesses who pay their bills on a regular basis, 34% reported they have fixed or hedged electricity contracts. This percentage was 29% for gas contracts.

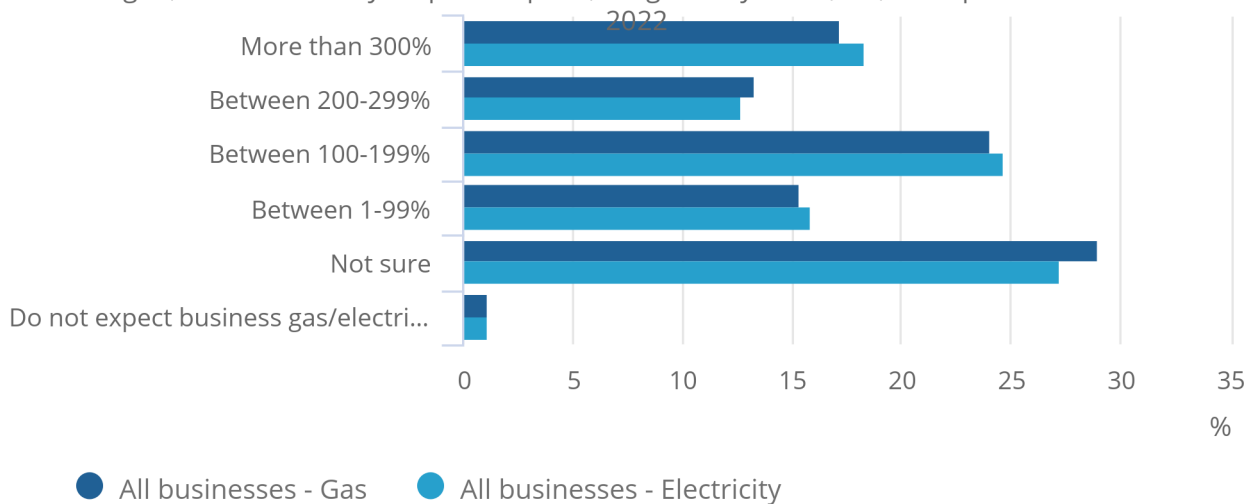
Approximately 7 in 10 of these businesses expect to see some form of increase following the expiration of their contracts (72% for electricity and 70% for gas). In contrast, 29% of businesses reported their energy usage is currently on a variable plan for both energy forms

Figure 3: Of the 34% of businesses who pay electricity bills on a fixed or hedged term, nearly one-fifth (18%) expect their electricity costs to increase by more than 300% when their contracts expire

Electricity and gas expectations, businesses not permanently stopped trading and reported on the frequency they pay their electricity and/or gas bills and electricity and/or gas prices are fixed or hedged, broken down by response option, weighted by count, UK, 20 September to 2 October 2022

Figure 3: Of the 34% of businesses who pay electricity bills on a fixed or hedged term, nearly one-fifth (18%) expect their electricity costs to increase by more than 300% when their contracts expire

Electricity and gas expectations, businesses not permanently stopped trading and reported on the frequency they pay their electricity and/or gas bills and electricity and/or gas prices are fixed or hedged, broken down by response option, weighted by count, UK, 20 September to 2 October 2022



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

Notes:

1. Response options may not sum to 100% because of rounding and percentages less than 1% being removed for disclosure purposes.
2. The majority of the responses to the survey were provided prior to the chancellor of the exchequer's fiscal statement on 23 September 2022.

Further details broken down by industry and size band are available in [our accompanying dataset](#).

5 . Prices

In late September 2022, businesses not permanently stopped trading were asked to what extent they had already passed through higher costs to prices. This refers to changes in the prices of goods or services following an increase in the costs it incurred producing them.

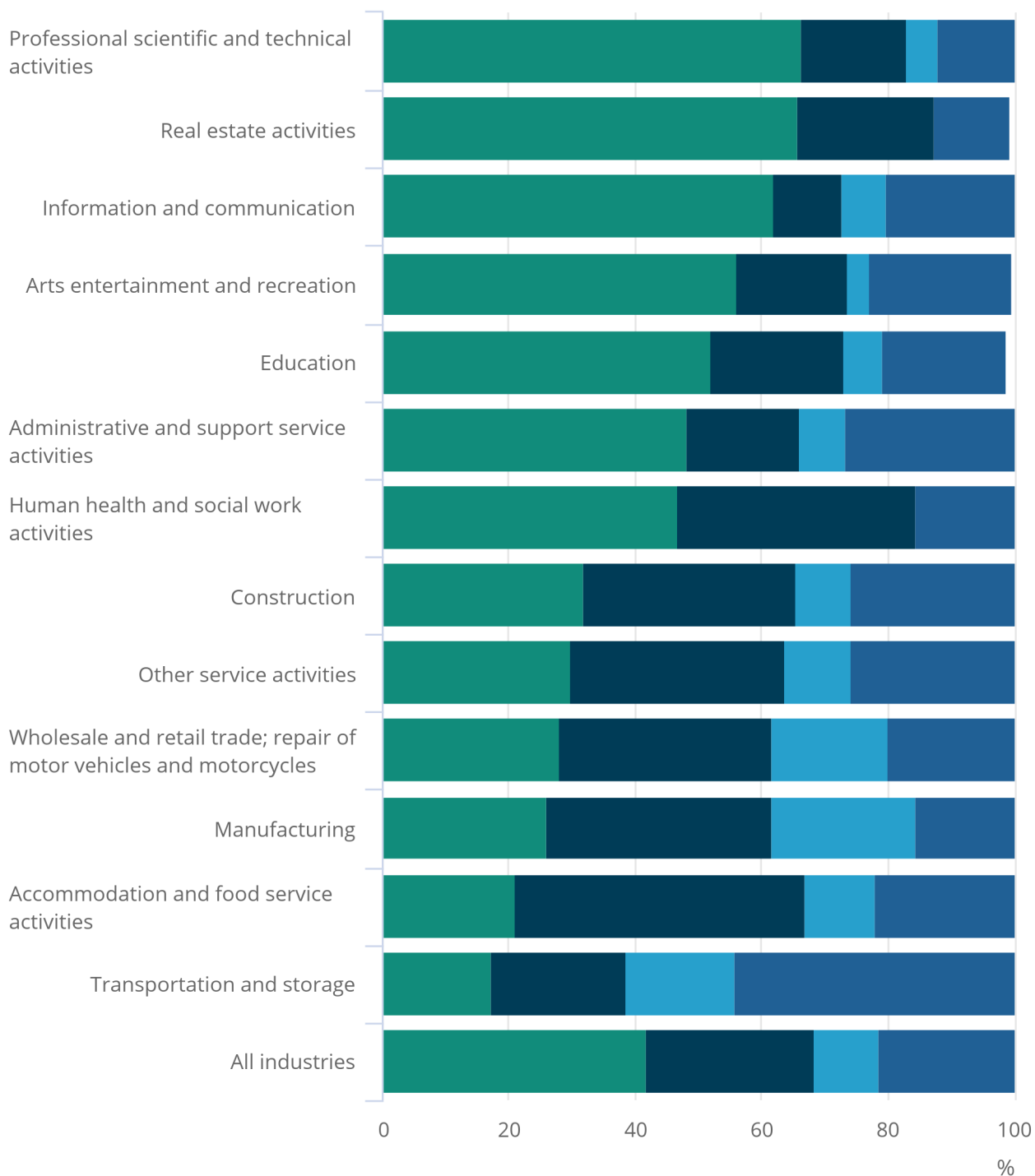
More than a quarter (27%) of businesses reported that they had passed on less than 50% of their higher costs to customers, while 11% reported that they had passed on 50% or more.

Figure 4: More than two in five (42%) not permanently stopped trading businesses reported they had not passed on any of their higher costs to customers

Passed on costs, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 20 September to 2 October 2022

Figure 4: More than two in five (42%) not permanently stopped trading businesses reported they had not passed on any of their higher costs to customers

Passed on costs, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 20 September to 2 October 2022



- Business has not passed through any higher costs
- Passed through 50% or more of higher costs
- Passed through less than 50% of higher costs
- Not sure

Notes:

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

In late September 2022, the proportion of businesses who reported that they had already passed on higher costs to customers were:

- more than 75% of cost increases – 5% of businesses passing on costs
- between 50% and 74% – 5%
- between 25% and 49% – 10%
- less than 24% – 17%

The wholesale and retail trade; repair of motor vehicles and motorcycles industry reported the highest proportion of businesses who have passed on more than 75% of their higher costs, at 11%.

In contrast, the human health and social work activities industry (private sector businesses only) reported the highest proportion of businesses who had passed on less than 24%, at 31%.

Businesses commented that they were reluctant to pass higher costs onto customers because of concerns about customers having less disposable income, and fears that competitors will undercut them.

6 . Environmental impacts

Climate change

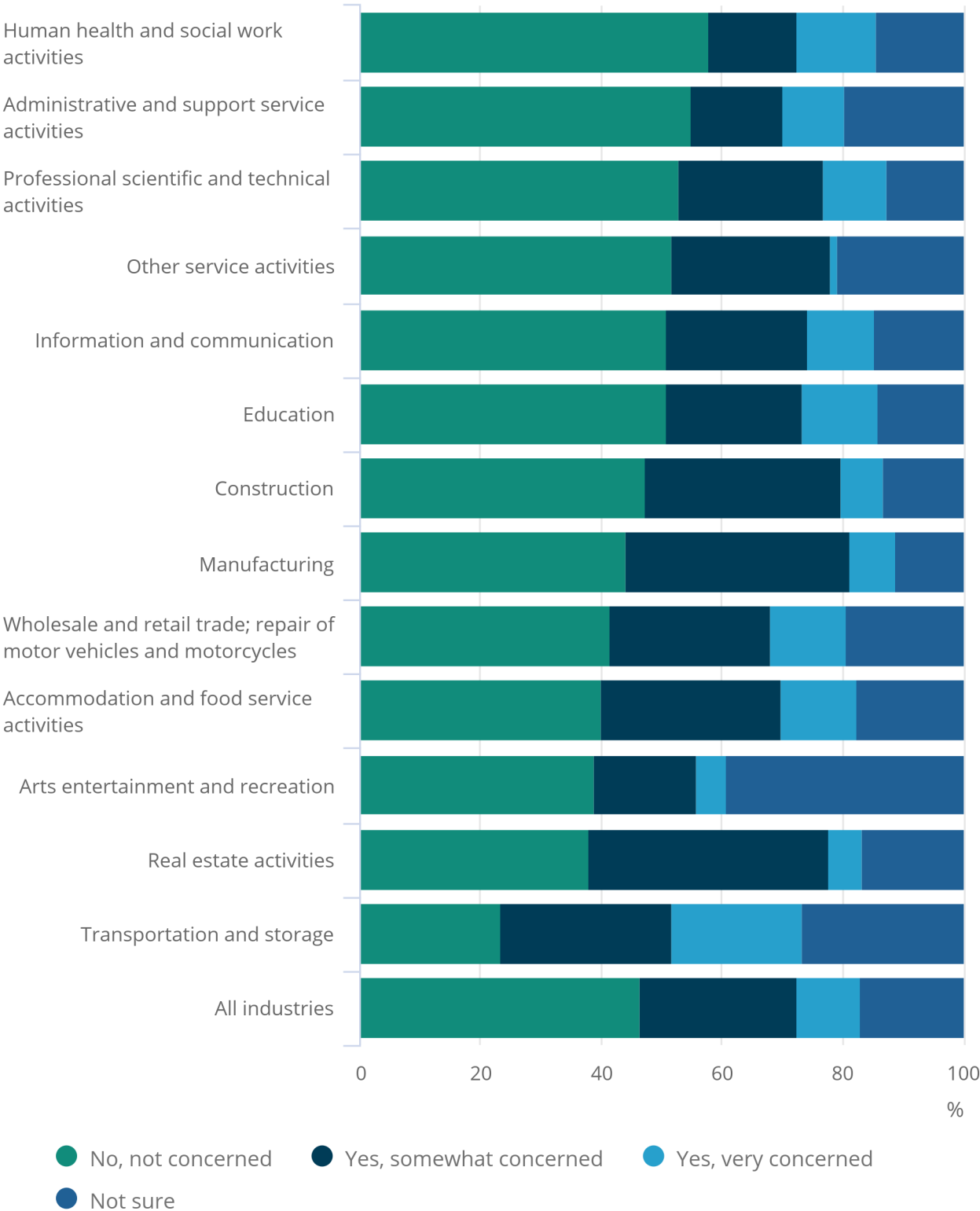
In late September 2022, businesses were asked if they were concerned about the impact climate change may have on their business.

Figure 5: Almost half (46%) of businesses were not concerned about the impact climate change may have on them

Impact of climate change, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 20 September to 2 October 2022

Figure 5: Almost half (46%) of businesses were not concerned about the impact climate change may have on them

Impact of climate change, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 20 September to 2 October 2022



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”.

The human health and social work activities industry (private sector businesses only) saw the highest proportion of businesses reporting that they were not concerned about the impact climate change may have on their business, at 58%.

In contrast, half (50%) of businesses in the transportation and storage industry reported they had some level of concern about climate change on their business.

Carbon emissions

Businesses not permanently stopped trading were also asked what actions, if any, they had taken to reduce their business’s carbon emissions.

Table 1: Switching to LED bulbs was the top reported action businesses took to reduce their carbon emissions
Reducing carbon emissions, businesses not permanently stopped trading, broken down by size band, UK, 20 September to 2 October 2022

	Switching to LED bulbs	Going paperless	Adjusting heating and cooling systems	No actions have been taken
All businesses	32.2%	28.5%	24.9%	30.7%
All sized business excluding 0-9	46.8%	34.9%	38.2%	14.2%

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

Notes

1. For presentation purposes, some response options have been removed.
2. Percentages will not sum to 100% because businesses were able to select multiple response options and options have been removed.

In late September 2022, more than half (56%) of businesses reported they had taken one or more actions to reduce their carbon emissions. For businesses with 10 or more employees, this percentage was higher, at 72%. Both of these percentages are up from late June 2022, by 7 percentage points and 6 percentage points, respectively.

The other service activities industry, which includes hairdressing and other beauty treatments, reported the largest proportion of businesses of all sizes who had taken some form of action, at 70%.

The proportion of businesses who reported they were going paperless to reduce their carbon emissions saw the largest increase in percentage. This proportion of businesses selecting this response option in late September 2022 was 29%, up 6 percentage points from late June 2022.

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

7 . Global supply chain disruption

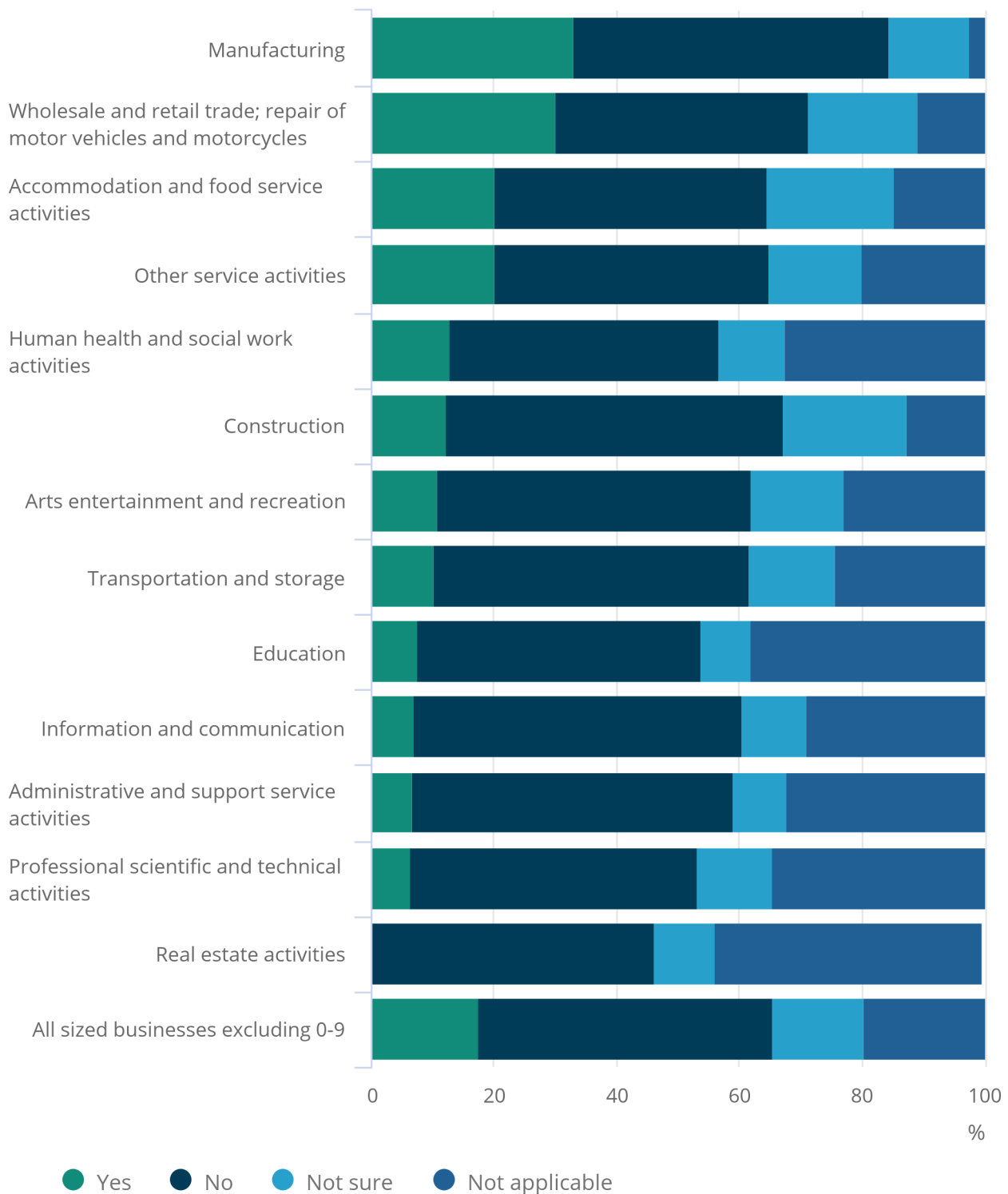
Businesses not permanently stopped trading were asked whether their business experienced any global supply chain disruption in August 2022.

Figure 6: A third (33%) of businesses in the manufacturing industry with 10 or more employees reported they had experienced global supply chain disruption in August 2022

Global supply chain disruption, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 1 to 31 August 2022

Figure 6: A third (33%) of businesses in the manufacturing industry with 10 or more employees reported they had experienced global supply chain disruption in August 2022

Global supply chain disruption, businesses not permanently stopped trading with 10 or more employees, broken down by industry, weighted by count, UK, 1 to 31 August 2022



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”.

In late September 2022, nearly one in five (18%) businesses not permanently stopped trading with 10 or more employees reported they were experiencing global supply chain disruption. This is the lowest percentage reported since the question was introduced in December 2021.

The industry reporting the largest decrease in businesses reporting that they had experienced disruption was the construction industry. Approximately 1 in 10 (12%) businesses reported this, down 8 percentage points from July 2022.

Of businesses with 10 or more employees who reported they were experiencing global supply chain disruption, shortage of materials was reported as having the biggest effect on businesses, at 34%.

8 . Exporting and importing

Of currently trading businesses with 10 or more employees, 18% had exported and 24% imported in the last 12 months.

Those businesses who had exported and/or imported were asked how their exporting and importing in August 2022 compared with August 2021, and what challenges they had faced compared with the previous calendar month.

Figure 7: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 and 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 and imports were affected. Businesses may report that exporting and 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. Data are plotted in the middle of the period of each wave.
5. Because of an overlap in reference periods, Wave 64 data has been removed.

Download the data

[.xlsx](#)

Further industry and size band breakdowns for all exporting and importing questions are available in our [accompanying dataset](#).

9 . Business Insights and Conditions Survey data

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

Dataset | Released 6 October 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 22 August 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 65 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.

10 . 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 who reported a decrease, and the percentage of businesses who reported an increase.

11 . 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 2: Sample and response rates for Wave 64, 65 and 66 of the Business Insights and Conditions Survey

Wave	8 September 2022 Publication Wave 64	22 September 2022 Publication Wave 65	6 October 2022 Publication Wave 66
Sample	37,955	37,898	37,937
Response	9,154	9,401	9,617
Rate	24.1%	24.8%	25.4%

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 66 survey was live for the period 20 September to 2 October 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 quality and methodology information](#).

12 . 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](#).

13 . 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 has 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).

14 . Cite this statistical bulletin

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