

Statistical bulletin

# Business insights and impact on the UK economy: 13 July 2023

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS).

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# 1 . Main points

- Fewer than a quarter (24%) of trading businesses reported lower turnover in June 2023 compared with May 2023; in comparison, 15% reported their turnover was higher in June, with both figures broadly stable with the proportions reported for May 2023.
- When looking ahead to August 2023, more than half (54%) of trading businesses expect their turnover to stay the same while 15% reported that they expect their turnover to increase, down four percentage points from the 19% reported for July 2023.
- Fewer than one in six (15%) trading businesses expect to raise the prices of goods or services they sell in August 2023; of these, a quarter (25%) reported energy prices as a reason for considering doing so, 21% reported labour costs and 19% reported raw material prices.
- More than one in six (17%) trading businesses reported they expect staffing costs to increase over the next three months, with the accommodation and food service activities industry reporting the largest proportion (25%); these percentages are down from 30% and 61%, respectively, from April 2023.
- Nearly one in five (18%) businesses reported a decrease in domestic demand for goods and services in June 2023 compared with May 2023; this is up from the 16% reported for both May and April 2023.

## 2 . Headline figures

The data presented in this bulletin are the final results from Wave 86 of the Business Insights and Conditions Survey (BICS), which was live from 26 June to 9 July 2023.

The data reported within BICS bulletins and datasets are estimates that are subject to uncertainty, for example, sampling variability and non-sampling error (see our [Uncertainty and how we measure it for our surveys methodology](#)). Further information on quality is available in our [Business Insights and Conditions Survey 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 74 are available in our [Business insights and impact on the UK subnational single-site economy: February 2023 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, some response options have been combined and/or excluded.
2. Prices: for presentational purposes, the data shows an increase to prices bought and sold compared with the previous calendar month.
3. Data are plotted in the middle of each wave.

**Download this chart**

[.xlsx](#)

The percentage of businesses that reported they were trading in early July 2023 was 95%, with 86% 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

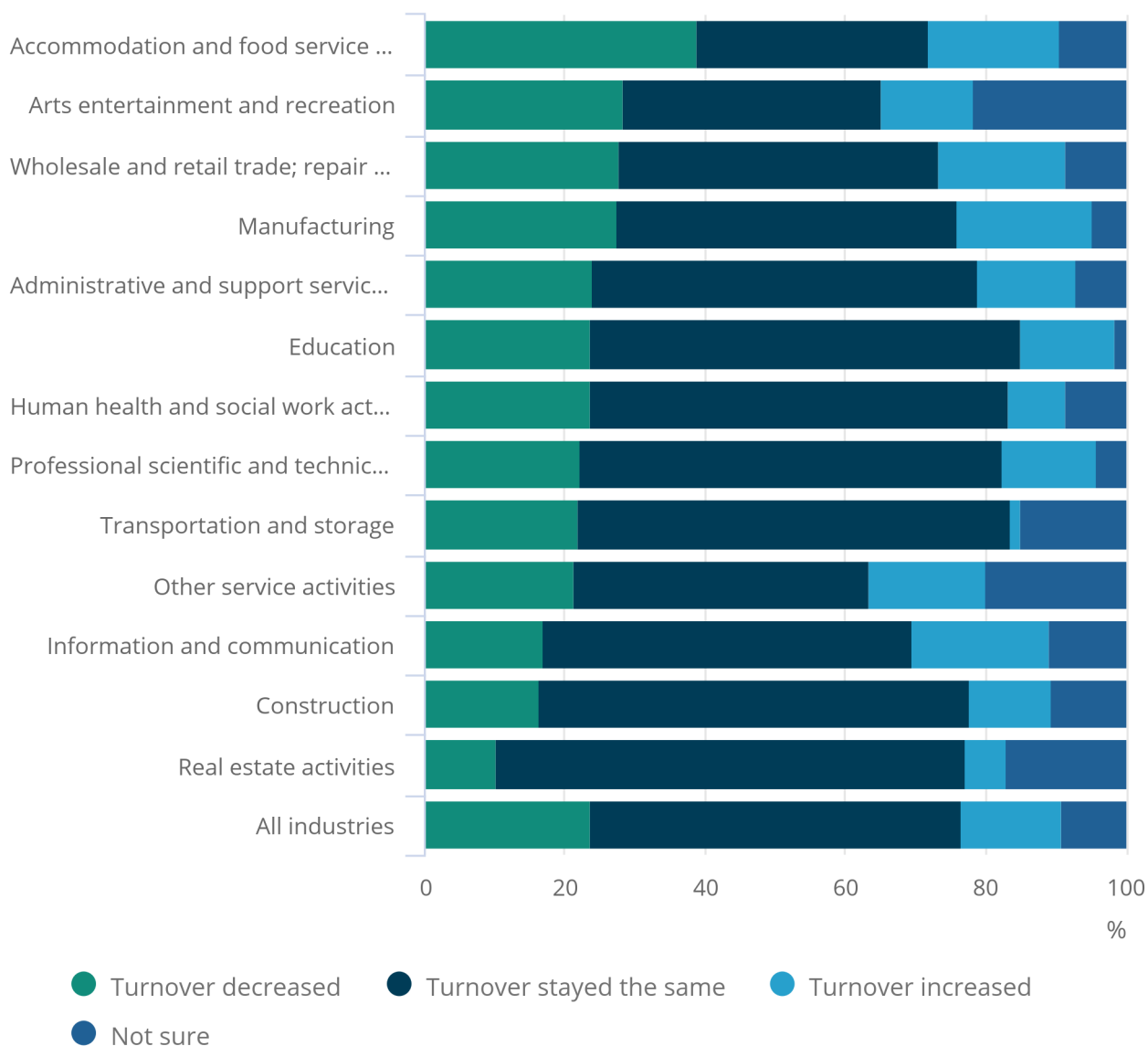
Trading businesses were asked how their turnover in June 2023 compared with May 2023, excluding any seasonality trading.

**Figure 2: Fewer than a quarter (24%) of trading businesses reported lower turnover in June 2023 compared with May 2023**

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 June 2023

Figure 2: Fewer than a quarter (24%) of trading businesses reported lower turnover in June 2023 compared with May 2023

Impact on turnover, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 30 June 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

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 proportion of trading businesses that reported that their turnover had decreased compared with the previous month was 24%, broadly stable with May 2023. The accommodation and food service activities industry had the largest proportion of businesses reporting a decrease in turnover, at 39%. Trading businesses within this industry commented they were being affected by the high inflation of food and drink prices and the higher level of Value Added Tax (VAT).

The proportion of trading businesses that reported their turnover had increased in June 2023, compared with May 2023, was 15%. Most trading businesses in all sectors reported turnover had remained the same, broadly stable with May 2023.

## Turnover expectations

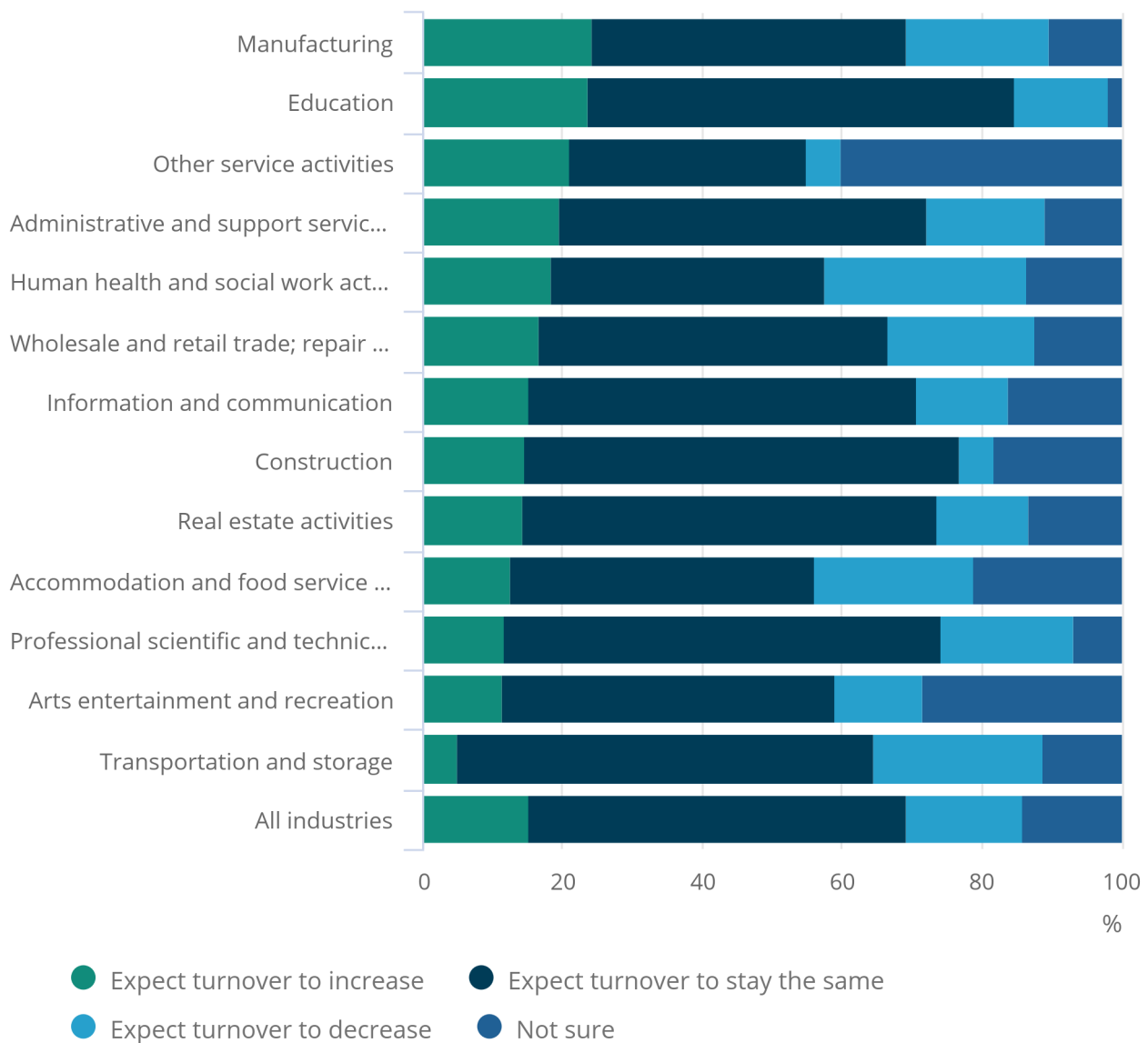
Trading businesses were asked about their turnover expectations for August 2023, excluding any seasonality trading.

### Figure 3: More than one in six (15%) trading businesses expect turnover to increase in August 2023

Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 August 2023

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Turnover expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 August 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

Notes:

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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.

More than one in six (15%) trading businesses expect turnover to increase in August 2023 down from 19% of businesses that had these expectations for July 2023.

In comparison, one in six (17%) trading businesses expect their turnover to decrease in August 2023, up from the 13% reported for July 2023. Most trading businesses, however, expect turnover to remain the same (54%), broadly stable with expectations for July 2023.

## **4 . Prices**



## Prices bought and sold

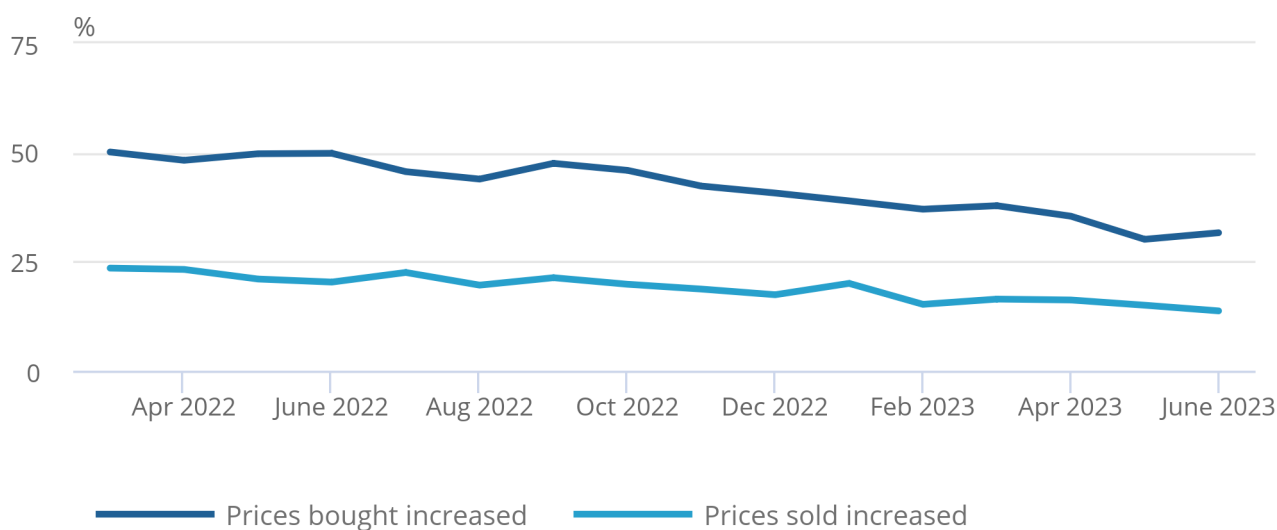
Businesses permanently stopped trading were asked how the prices of goods or services bought and/or sold by their business in June 2023 compared with the previous calendar month.

### Figure 4: Nearly a third (32%) trading businesses reported an increase in the prices of goods or services bought in June 2023 compared with May 2023

Prices bought and sold increased, businesses currently trading, broken down by response option, weighted by count, UK, 1 to 30 June 2023

#### Figure 4: Nearly a third (32%) trading businesses reported an increase in the prices of goods or services bought in June 2023 compared with May 2023

Prices bought and sold increased, businesses currently trading, broken down by response option, weighted by count, UK, 1 to 30 June 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

#### Notes:

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

The percentage of trading businesses that reported higher prices for goods or services bought in June 2023 compared with May 2023 was 32%, broadly stable with those that reported higher prices in May 2023 compared with April 2023.

## Price expectations

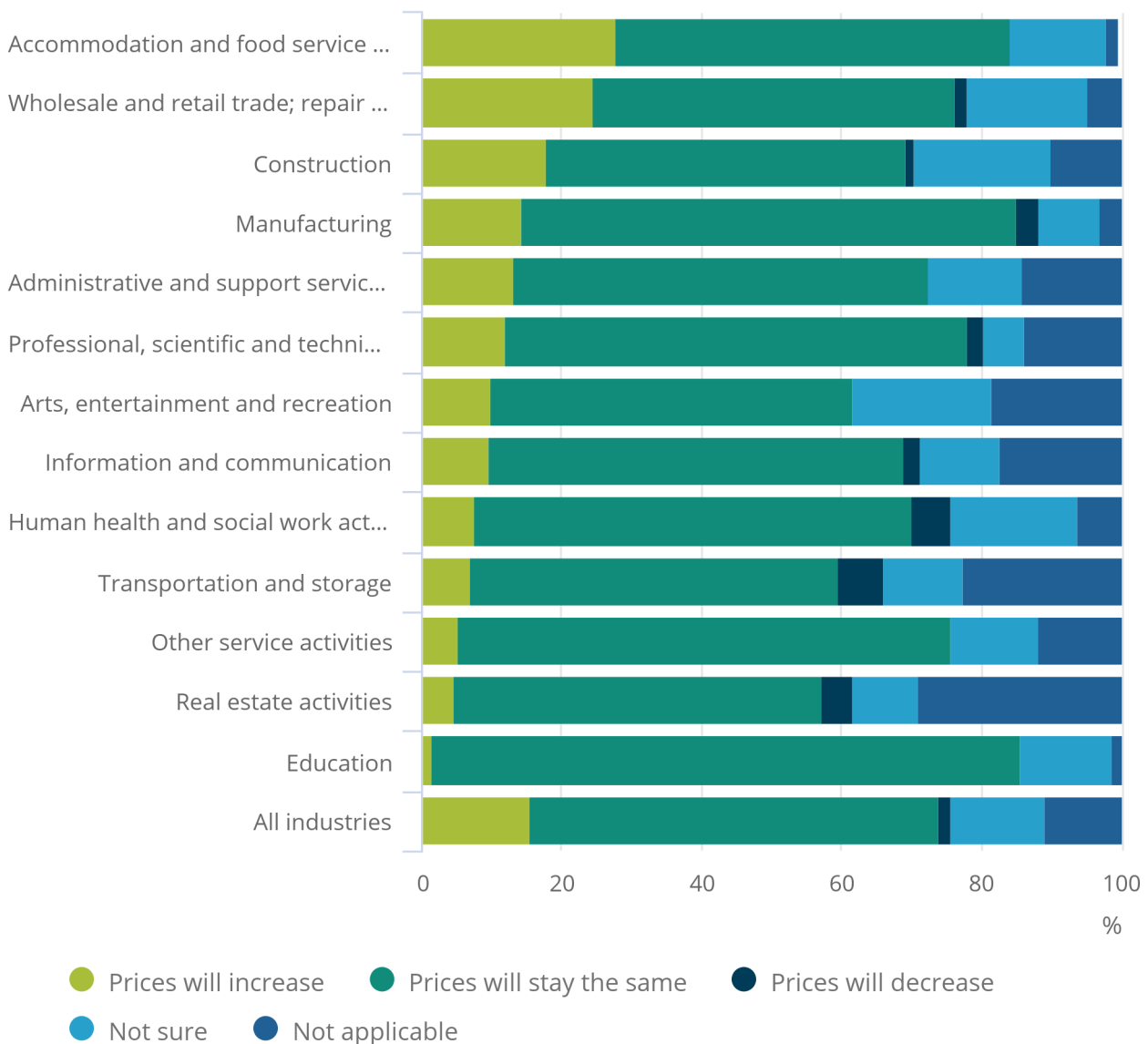
Businesses that had not permanently stopped trading were asked what their expectations were for the prices of goods or services they sell in August 2023.

**Figure 5: Fewer than one in six (15%) trading businesses expect to raise the prices of goods or services they sell in August 2023**

Price expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 August 2023

Figure 5: Fewer than one in six (15%) trading businesses expect to raise the prices of goods or services they sell in August 2023

Price expectations, businesses currently trading, broken down by industry, weighted by count, UK, 1 to 31 August 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

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.

When asked in early July 2023, fewer than one in six (15%) trading businesses expected to raise the prices of goods or services they sell in August 2023, down from the 17% reported for July 2023. In comparison, 59% of businesses expect prices to stay the same in August 2023, this is broadly stable when comparing with expectations of July.

## Price rise reasons

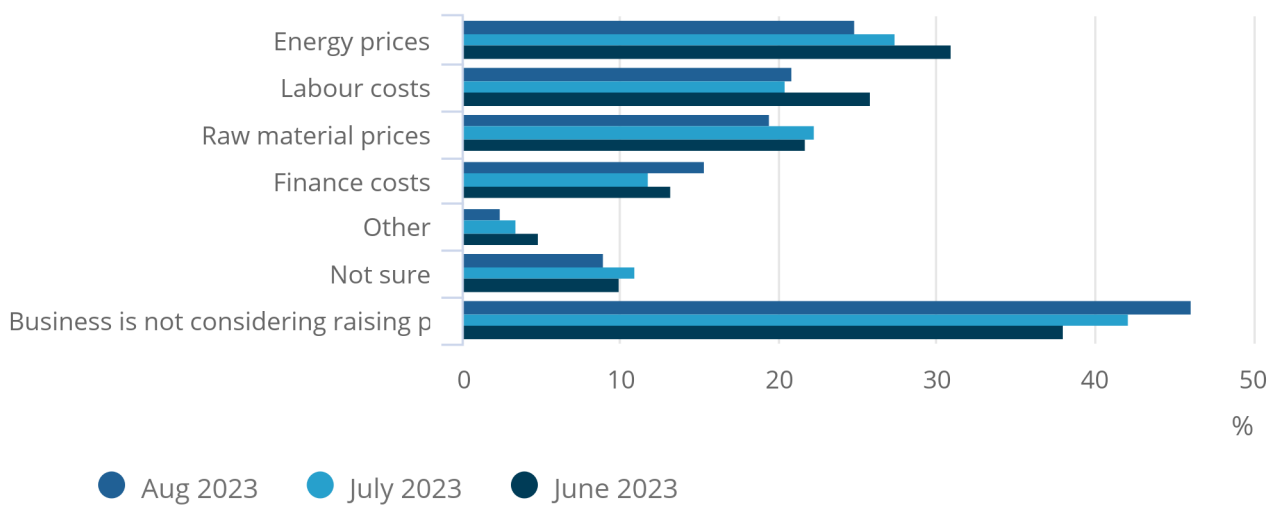
Businesses that had not permanently stopped trading were asked what, if anything, was causing them to consider raising their prices in August 2023.

**Figure 6: In early July 2023, data suggests fewer businesses are considering raising prices because of energy prices each month**

Impact on prices, businesses currently trading, broken down by response option, weighted by count, UK, 26 June to 9 July 2023

Figure 6: In early July 2023, data suggests fewer businesses are considering raising prices because of energy prices each month

Impact on prices, businesses currently trading, broken down by response option, weighted by count, UK, 26 June to 9 July 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

### Notes:

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

The most reported reasons for why trading businesses are considering raising their prices in August 2023 were:

- Energy prices (25%), down 2 percentage points from July 2023
- Labour costs (21%), up 1 percentage point from July 2023
- Raw material prices (19%), down 3 percentage points from July 2023

In contrast, 46% reported they are not considering raising prices, the highest percentage reported since the question was introduced. This percentage dropped from 40% in December 2022, to 33% in January 2023, but has seen a steady increase since January 2023.

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

## Domestic demand

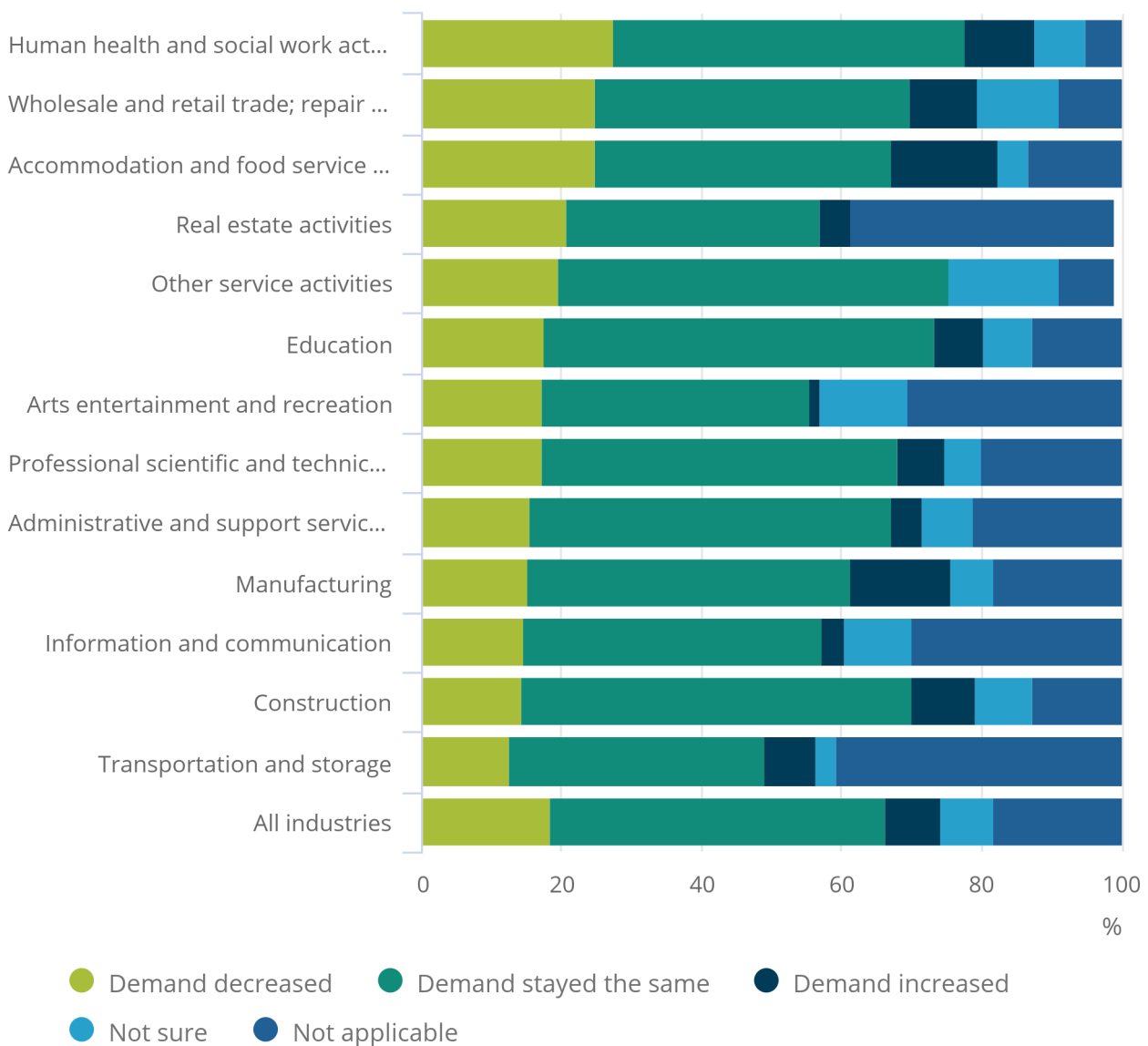
Businesses that had not permanently stopped trading were asked how domestic demand for goods and services in June 2023 compared with the previous calendar month.

**Figure 7: In early July 2023, 18% of businesses reported a decrease in domestic demand compared with the previous month**

Domestic demand, businesses that had not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 30 June 2023

Figure 7: In early July 2023, 18% of businesses reported a decrease in domestic demand compared with the previous month

Domestic demand, businesses that had not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 30 June 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

Notes:

1. For presentational purposes, response options have been combined.
2. Bars 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".

In early July 2023, 18% of businesses reported a decrease in domestic demand for goods and services in June 2023 compared with the previous calendar month, up from the 16% reported for both May and April 2023. There was a small fall in the proportion of businesses who reported increased domestic demand (down three percentage points from May 2023 to 8%).

## **5 . Workforce**

## Staffing costs

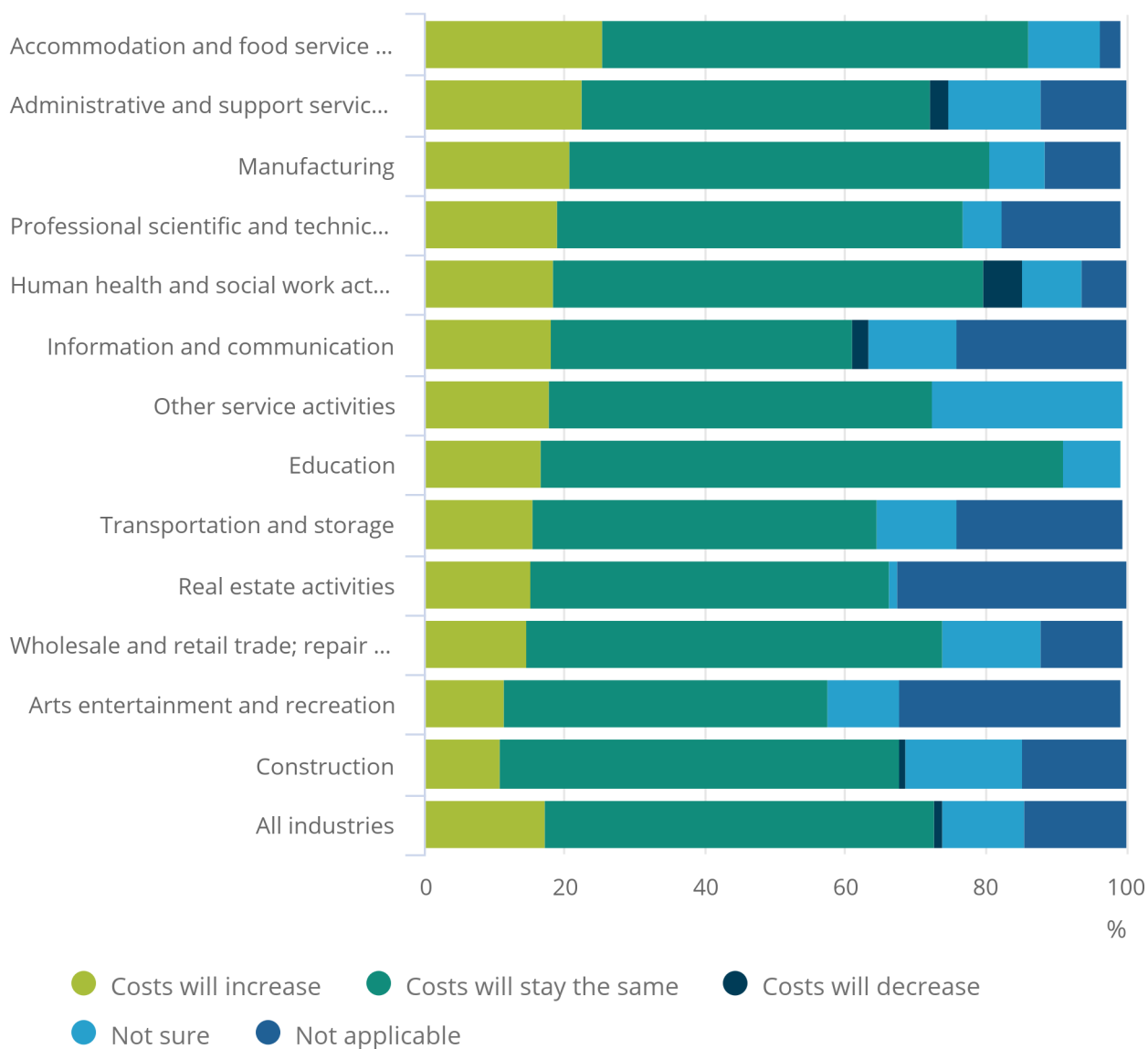


**Figure 8: More than one in six (17%) businesses reported they expect staffing costs to increase over the next three months**

Staff costs, businesses that had not permanently stopped trading, broken down by industry, weighted by count, UK, 26 June to 9 July 2023

Figure 8: More than one in six (17%) businesses reported they expect staffing costs to increase over the next three months

Staff costs, businesses that had not permanently stopped trading, broken down by industry, weighted by count, UK, 26 June to 9 July 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

Notes:

1. Bars may not sum to 100% because of rounding, and percentages less than 1% being removed for disclosure purposes.
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More than a quarter (29%) of businesses reported their staffing costs have increased over the last three months, broadly stable with early April 2023.

More than one in six (17%) businesses reported they expect staffing costs to increase over the next three months, down 13 percentage points from 30% of those who had these expectations in early April 2023.

The accommodation and food service activities industry reported the highest proportion of businesses that expect staffing costs to increase over the next three months, however this was down 36 percentage points from early April 2023.

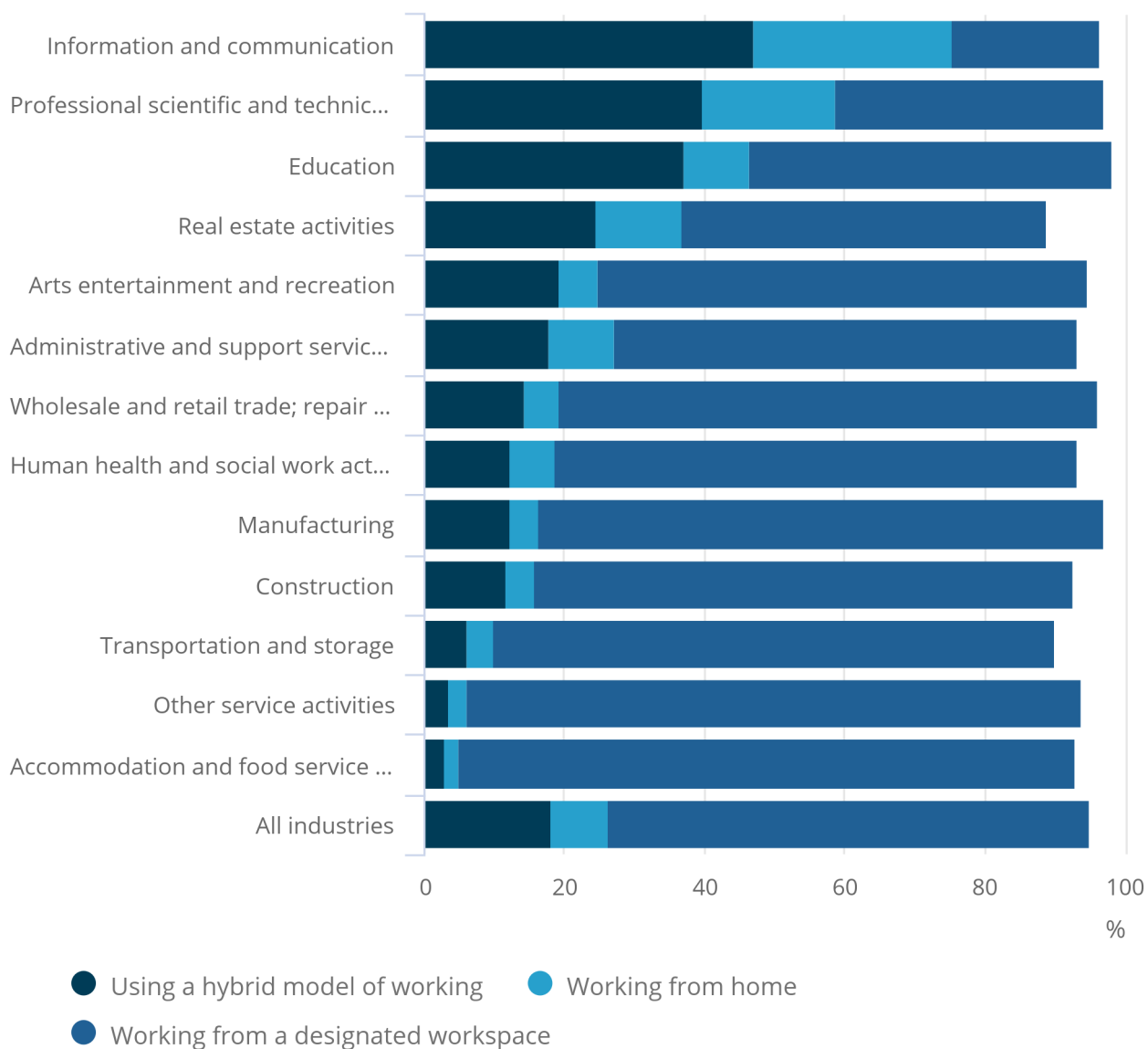
## Workforce status

**Figure 9: More than a quarter (26%) of business were either using a hybrid model of working or working from home in June 2023**

Workforce status, businesses that had not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 30 June 2023

Figure 9: More than a quarter (26%) of business were either using a hybrid model of working or working from home in June 2023

Workforce status, businesses that had not permanently stopped trading, broken down by industry, weighted by count, UK, 1 to 30 June 2023



Source: Business Insights and Conditions Survey from the Office for National Statistics

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".

When asked in early July 2023, more than a quarter (26%) of businesses were either using a hybrid model of working or working from home in June 2023, broadly stable with May 2023. In contrast, 69% of businesses reported that their workforce was working from a designated workspace in June 2023.

## 6 . Business Insights and Conditions Survey data

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

Dataset | Released 13 July 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 27 April 2023

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 85 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.

## 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 84, 85 and 86 of the Business Insights and Conditions Survey

Wave	15 June 2023 Publication Wave 84	29 June 2023 Publication Wave 85	13 July 2023 Publication Wave 86
Sample	38,930	38,920	38,894
Response	9,950	11,068	9,846
Rate	25.6%	28.4%	25.3%

Source: Business Insights and Conditions Survey from the Office for National Statistics

### 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 86 survey was live for the period 26 June 2023 to 9 July 2023. Our [BICS survey questions](#) are available.

### Coverage

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

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

The following industries are excluded from the survey:

- agriculture
- public administration and defence
- public provision of education and health
- finance and insurance

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

## 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

### [Economic activity and social change in the UK, real-time indicators](#)

Bulletin | Updated frequently

Early experimental data and analysis on economic activity and social change in the UK. These real-time indicators are created using rapid response surveys, novel data sources and experimental methods.

### [Cost of living latest insights](#)

Web page | Updated frequently

The latest data and trends about the cost of living. Explore changes in the cost of everyday items and how this is affecting people.

### [COVID-19 question bank](#)

Web page | Updated frequently

This web page 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: February 2023](#)

Article | Released 16 February 2023

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.

### [Characteristics of homeworkers, Great Britain: September 2022 to January 2023](#)

Article | Released 13 February 2023

Analysis of homeworkers, including prevalence of hybrid working, and breakdowns by personal characteristics. Data from the Opinions and Lifestyle Survey (OPN).

## 11 . Cite this statistical bulletin

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