

BUSINESS AND ENERGY

Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 56

27 May 2022

This is the 42nd publication of weighted Scotland estimates from the ONS' BICS. These are experimental statistics, which means that they are still in development but have been released to enable their use at an early stage. All results are provisional and subject to revision.

Latest main findings for businesses with 10+ employees and a presence in Scotland

- In the period 3 May to 15 May 2022 (Wave 56), the share of businesses 'currently trading' was estimated at 99.2%, broadly in line with the previous period (19 April to 1 May 2022).
- In the period 3 May to 15 May 2022, the share of businesses reporting that they were fully trading was estimated at 95.6%. The Accommodation & Food Services sector continued to be the industry sector with the lowest share of "fully trading" businesses, estimated at 85.5%.
- In Wave 56, an estimated 36.6% of businesses reported experiencing a shortage of workers. 67.2% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 34.9% of businesses reported that they have been unable to meet demands due to a shortage of workers.
- The main concerns for businesses in May 2022 were inflation of goods and services prices (31.9%) and energy prices (21.7%).

Contents

Latest main findings for businesses with 10+ employees and a presence in Scotland.....	1
Introduction.....	3
Trading Status.....	4
Worker Shortages.....	5
Business Concerns	6
Innovation.....	7
Exporting and Importing Challenges.....	7
Supply Chains.....	11
Tell us what you think	12

Introduction

The ONS' BICS is a voluntary fortnightly business survey, which captures businesses' responses on how their turnover, workforce, prices, trade and business resilience have been affected by current conditions, including the coronavirus (COVID-19) pandemic and the end of the EU transition period.

BICS stands for the Business Insights and Conditions Survey (BICS) – previous to Wave 24, the survey was called "Business Impact of Coronavirus (COVID-19) Survey". The BICS was renamed to reflect the current question set, which goes wider than the impact of the coronavirus (COVID-19).

Currently, the main [Scottish BICS results published by the Office for National Statistics](#) are unweighted which means that we can only make inferences about the businesses that have responded.¹ Weighting the BICS responses enables us to produce estimates for Scottish businesses more generally, not just those that have responded. The ONS has provided the Scottish Government with the BICS microdata², which we have used to develop the weighted Scotland estimates. More information on the weighting method we have used for these early estimates and our plans for future developments is provided here: [BICS weighted Scotland estimates: data to wave 12](#).

The weighted Scotland estimates, in this publication, are for businesses with 10 or more employees. The weighted Scotland estimates are for businesses that have a presence in Scotland, as opposed to only those businesses headquartered in Scotland. Having a presence in Scotland means that the business has a local unit or site (e.g. shop, office, factory) in Scotland. In terms of the base of the estimates, 8,971 businesses responded to the Wave 56 BICS UK-wide. In Wave 56, 1,202 of these businesses had a presence in Scotland. Excluding the micro businesses (those with less than 10 employees) takes the base for the weighted Scotland estimates down to 1,074 responding businesses in Wave 56. The weighted Scotland estimates are derived from results collected from UK businesses for the UK as a whole, but weighted by business counts or employment in Scotland - no account is being made for regional differences between business sites.

The coverage of the ONS BICS includes most sectors of the Scottish economy; however, the public sector is excluded, as is 'Section A – Agriculture, forestry & fishing', 'Section D – Electricity, gas, steam & air conditioning supply' and 'Section K – Financial & insurance activities'.

Please note, from Wave 54, ONS have rationalised the number of questions asked each wave and references to "normal expectations" have been replaced with a defined reference period for businesses to compare against. Please find further details of these changes within the blog: [Times they are a-changing: and with them, two key ONS surveys](#).

¹ Note that on the 17th of February 2022 ONS published [Understanding the business impacts of local and national restrictions, UK: February 2022](#) – this provides an analysis of weighted data for areas within the UK (including Scotland). This latest ONS sub-national analysis breaks down the business base into single-site and multi-site businesses. This differs to the approach taken for the Scottish Government estimates presented here which include single-site and multi-site businesses together, and the Scottish Government estimates are constrained to businesses with 10 or more employees.

² The BICS microdata can be accessed, by accredited researchers, via the [Secure Research Service \(SRS\)](#).

Trading Status

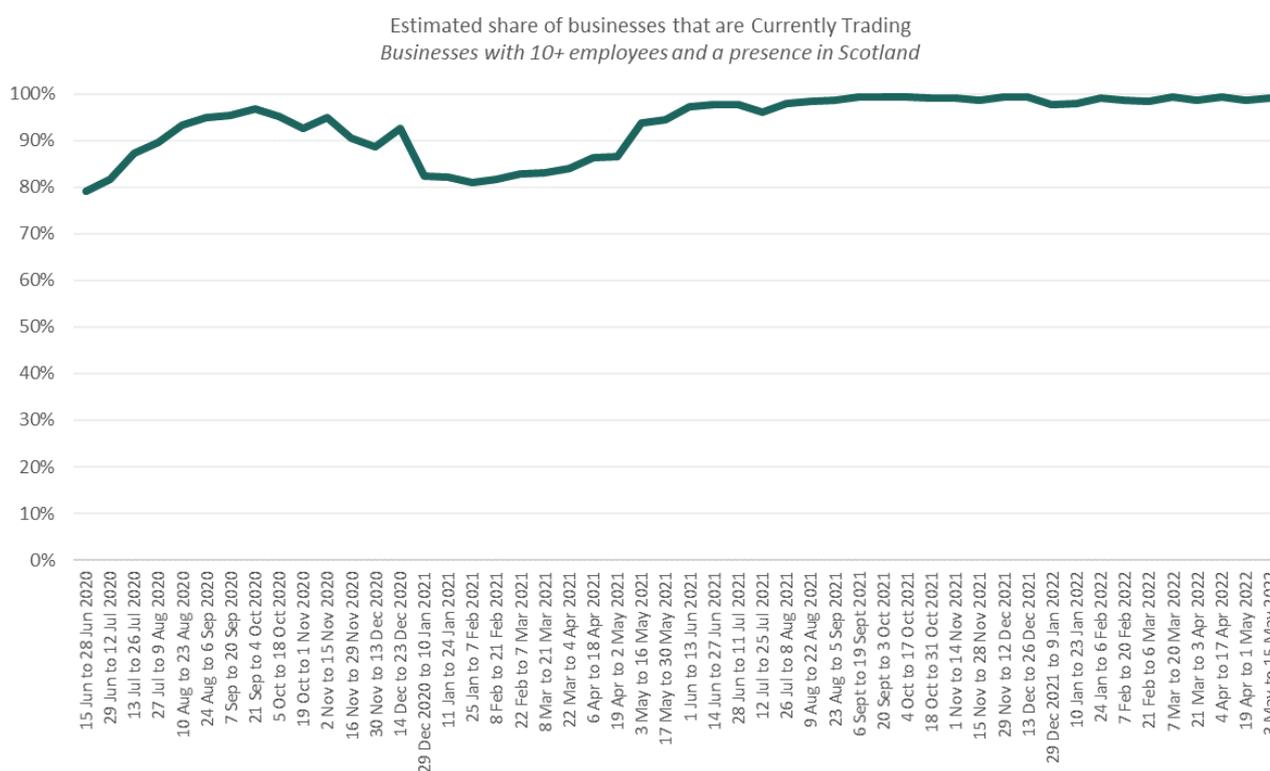
The BICS asks businesses about their trading status: the specific question³ asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (3 May to 15 May 2022 in Wave 56).

Trading Status Question: Which of the following statements best describes your business's trading status?

- Currently fully trading
- Currently partially trading
- Paused trading but intends to restart in the next two weeks
- Paused trading and does not intend to restart in the next two weeks
- Has permanently ceased trading

'Currently fully trading' and 'Currently partially trading' have been combined to 'Currently Trading'.

Figure 1: In the period 3 May to 15 May 2022 (Wave 56), the share of businesses 'currently trading' was estimated at 99.2%, broadly in line with the previous period (19 April to 1 May 2022).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 56

³ The ONS publishes all the questions for each wave at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/businessimpactofcovid19surveyquestions/previousReleases>

Figure 2: In the period 3 May to 15 May 2022, the share of businesses reporting that they were fully trading was estimated at 95.6%. The Accommodation & Food Services continued to be the industry sector with the lowest share of “fully trading” businesses, estimated at 85.5%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 56

Worker Shortages

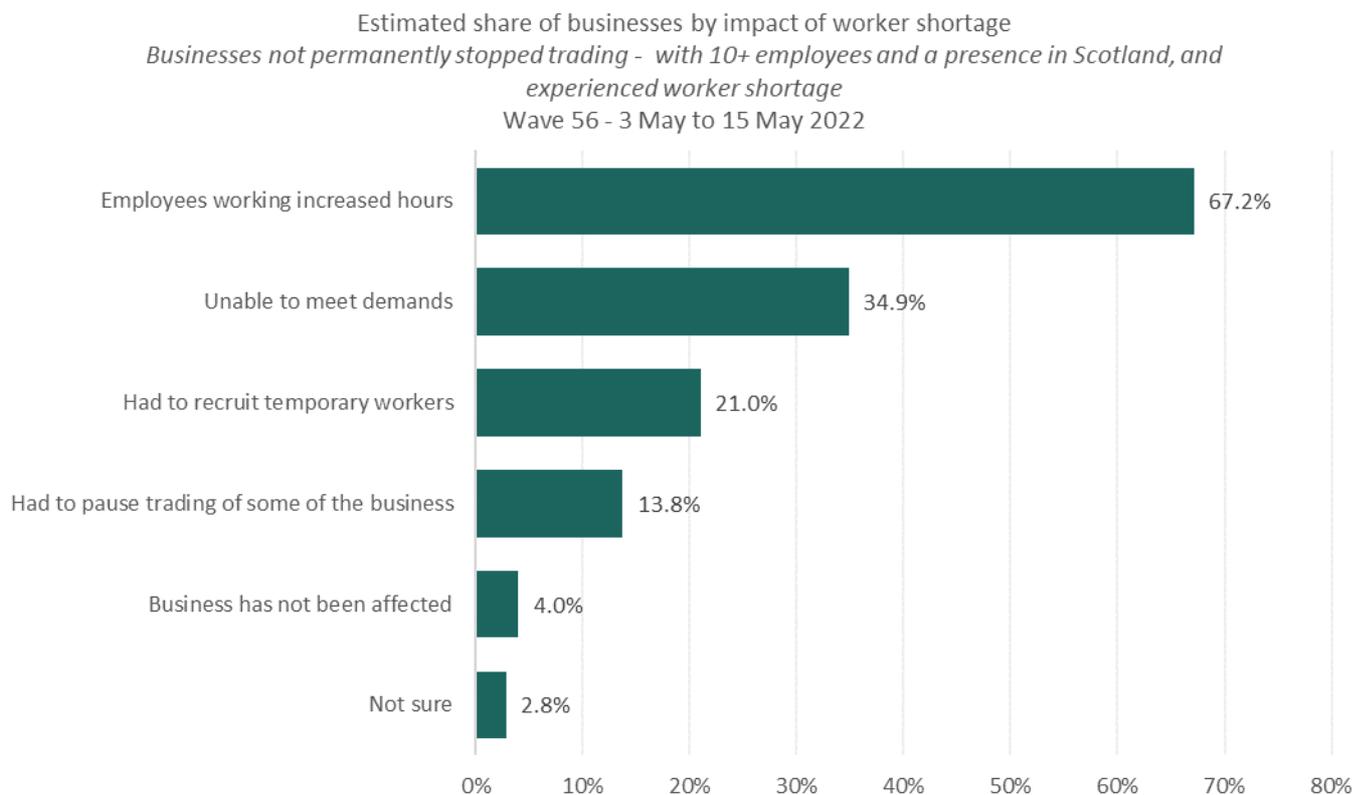
In Wave 56 businesses were asked whether they are currently experiencing a shortage of workers. An estimated 36.6% of businesses reported experiencing a shortage of workers - rising to 42.1% in the Arts, Entertainment & Recreation sector, and 55.8% in the Accommodation and Food Services sector.

The BICS also asks businesses that are experiencing a shortage of workers, about how their businesses has been affected by this– the specific question asked is shown below.

Worker Shortage question: How has the shortage of workers affected your business?

- Employees working increased hours
- Had to pause trading entirely
- Had to pause trading of some of the business
- Had to recruit temporary workers
- Unable to meet demands
- Not sure
- My business has not been affected

Figure 3: In Wave 56, 67.2% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 34.9% of businesses reported that they have been unable to meet demands due to a shortage of workers.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 56

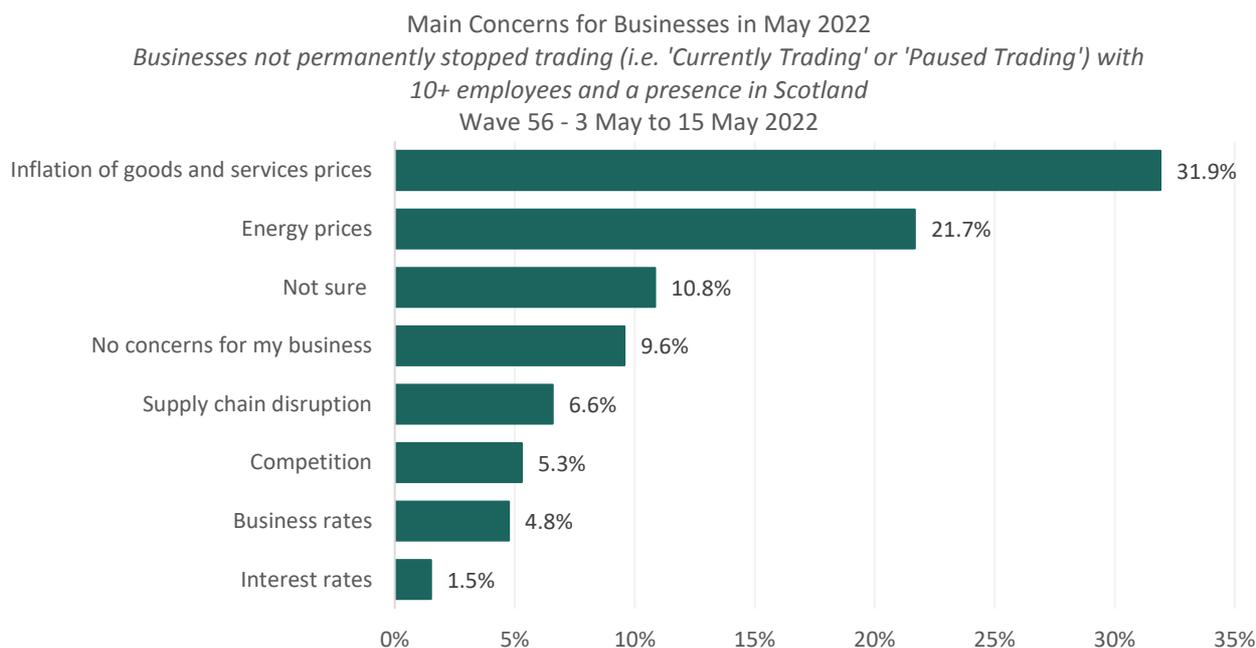
Business Concerns

In Wave 56 the BICS asked businesses about their main concerns in May 2022.

Business concern question: Which of the following, if any, will be the main concern for your business in May 2022?

- Business rates
- Competition
- Energy prices
- Exchange rates
- Inflation of goods and services prices
- Interest rates
- Supply chain disruption
- Taxation
- Not sure
- No concerns for my business

Figure 4: The main concerns for businesses in May 2022 were inflation of goods and services prices (31.9%) and energy prices (21.7%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 56

The proportion of businesses reporting that inflation of goods and services prices is the main concern for their business has increased from 25.3% in April 2022 (Wave 54) to 31.9% in May 2022 (Wave 56).

Innovation

In Wave 56, businesses were asked about the areas where they have increased innovation since March 2020. The most frequently reported areas were adoption of home or hybrid working (32.6%), and improvement of existing products and services (24.1%). An estimated 28.7% of business reported that they did not increase innovation over this period.

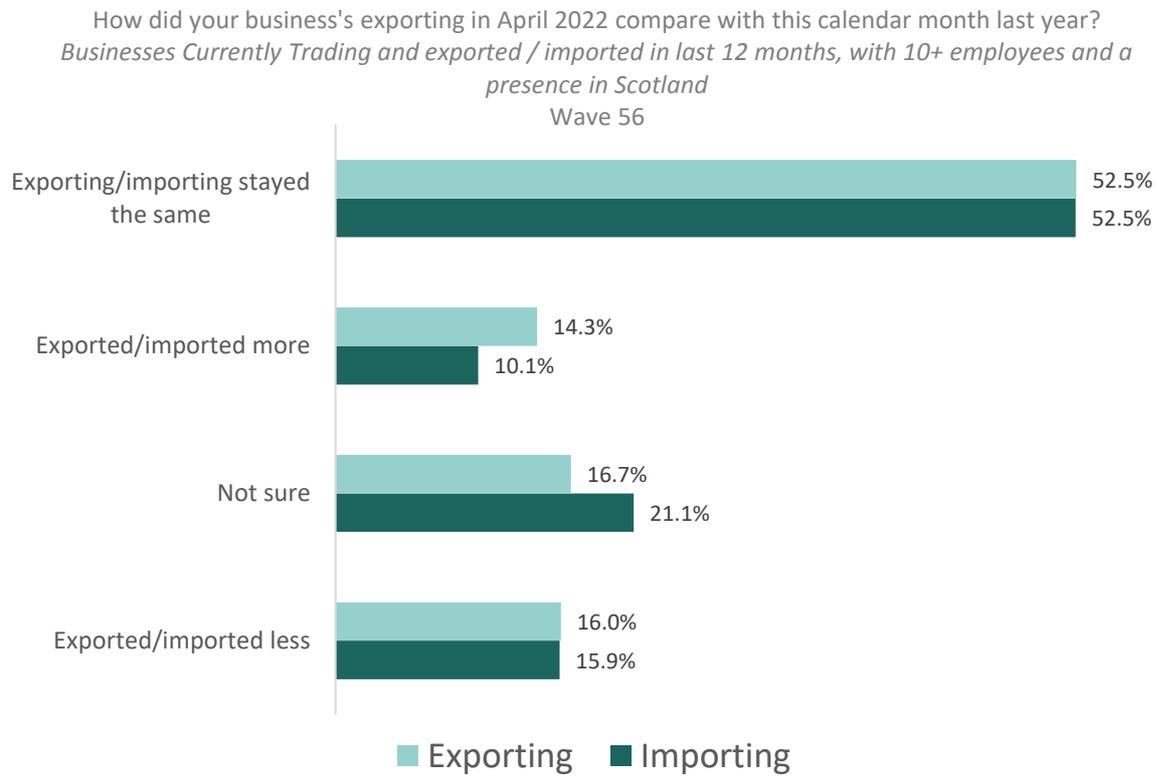
Exporting and Importing Challenges

The BICS asks businesses that are currently trading about how current conditions, including the end of the EU transition period, have impacted on their exporting and importing – the specific questions asked are shown below.

Question: How did your business's exporting in April 2022 compare with this calendar month last year?

- Exported/imported more
- Exporting/importing stayed the same
- Exported/imported less
- Business was unable to export / import
- Not sure

Figure 5: In the latest period, of businesses currently trading that have exported/imported in the last 12 months, 16.0% reported exporting less in April 2022 compared to April 2021, and a similar proportion (15.9%) reported importing less during this period.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 56

In the latest period, around half (52.5%) of exporters and importers reported their exporting/importing had stayed the same. The proportion of exporters reporting that exports have stayed the same is lower than in March 2022 (61.0% in Wave 54).

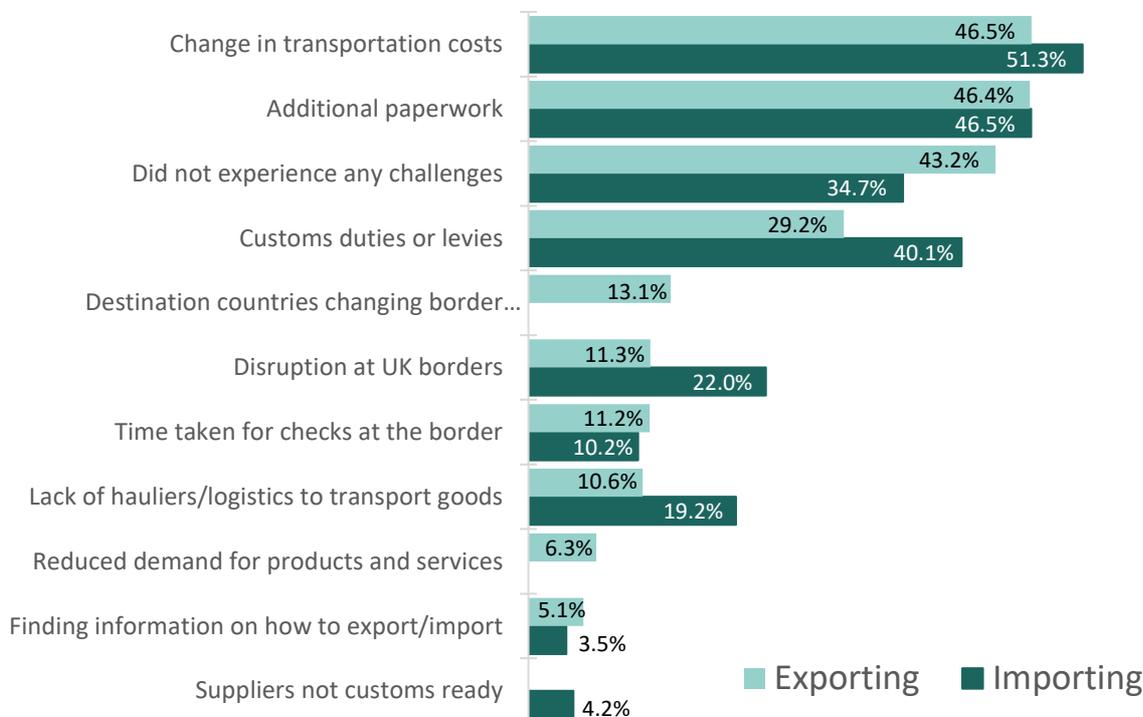
An estimated 14.3% of exporters reported that they had exported more in April 2022 compared to April 2021, which is a larger proportion than those reporting this for importing (10.1%).

Business were asked if they had changed where they exported goods or services to in the last three months, and most businesses (83.8%) reported that they had made no changes in the latest period.

Currently trading businesses that have exported or imported in the last 12 months, and who reported on their exporting or importing in April 2022, were asked about the challenges they had experienced in doing so.

Figure 6: Changes in transportation costs was the most commonly reported challenge for both exporting and importing.

Did your business experience any of the following challenges with exporting goods or services in April 2022?
 Businesses Currently Trading and exported/imported in last 12 months, with 10+ employees and a presence in Scotland
 Wave 56



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 56

The other main challenges for exporting and importing were additional paperwork, and customs duties or levies (although this was more common for importers). However, 43.2% of exporters and 34.7% of importers did not experience any challenges. The percentage of exporters reporting no challenges has generally increased since January 2022 (31.5% in Wave 47), but remains lower than in January 2021 (53.6% in Wave 22). Businesses reporting no challenges with importing has slightly increased in recent waves but remains lower than in February 2022 (40.6% in Wave 49 compared to 34.7% in Wave 56).

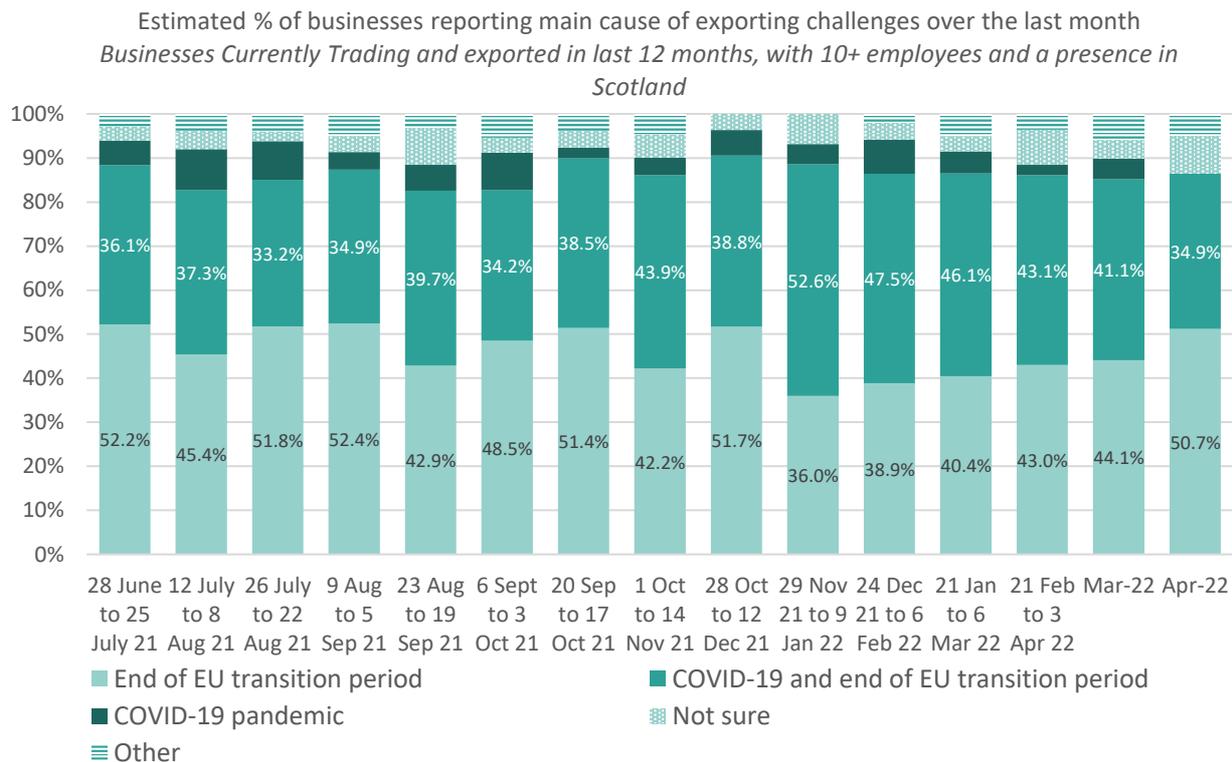
Almost half (46.6%) of businesses that experienced challenges to exporting reported that these challenges caused moderate disruption, while a further 38.6% reported low disruption. Only 7.3% of relevant businesses reported severe disruption, and 4.6% reported no disruption due to these exporting challenges.

Businesses that reported experiencing challenges with exporting in April 2022 were asked about the main cause of these challenges.

Question: What was the main cause of these exporting challenges?

- Coronavirus (COVID-19) pandemic
- End of the EU transition period
- Coronavirus (COVID-19) pandemic and the end of the EU transition period
- Other
- Not sure

Figure 7: The proportion of businesses reporting EU exit as the main cause of exporting challenges has steadily increased in recent months, from 36.0% in January 2022 (Wave 47) to 50.7% in the latest period (Wave 56).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 35 to 41, 43, 45, 47, 49, 51, 53, 54, 56.

The proportion of businesses reporting that EU exit and COVID-19 combined as the main cause of exporting challenges has decreased since January 2022, from 52.6% in Wave 47 to 34.9% in the latest period.

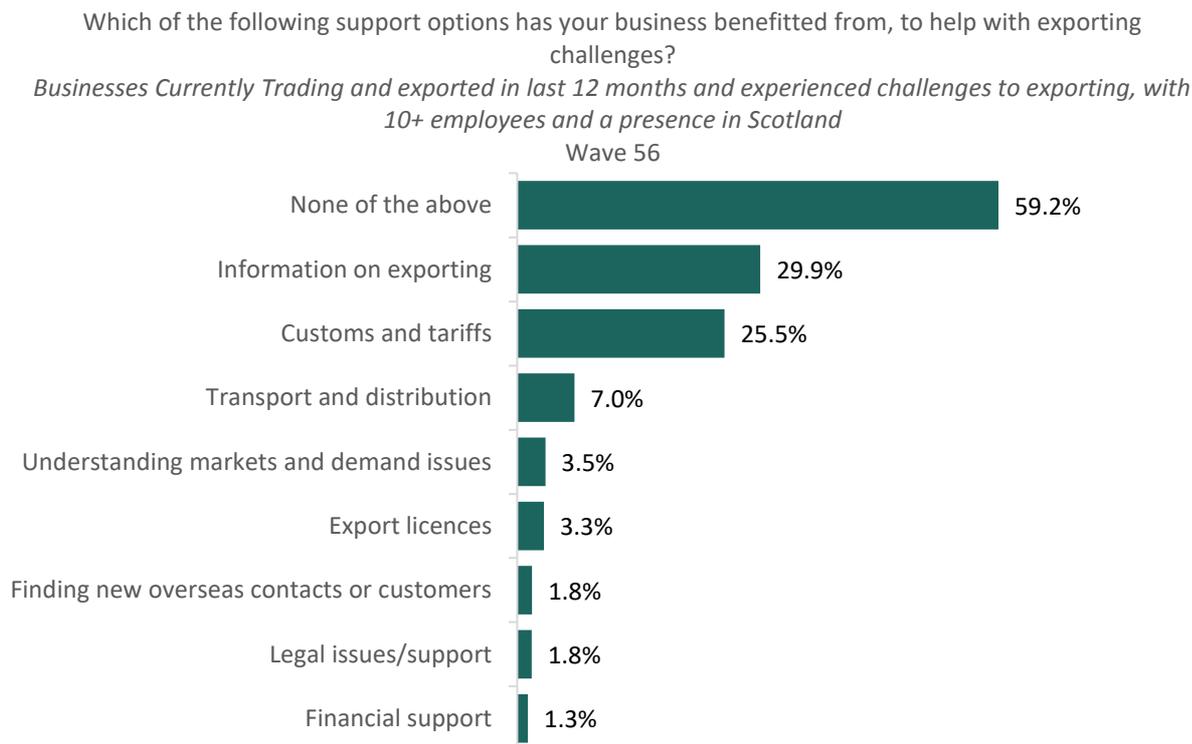
The most commonly reported cause of importing challenges remains EU exit, with 44.3% of relevant businesses reporting this in April 2022, up from 36.3% in January 2022 (Wave 47).

Relevant businesses who experienced exporting challenges were asked about support options their business has benefitted from to help with these challenges.

Question: Which of the following support options has your business benefitted from, to help with exporting challenges?

- Customs and tariffs
- Export licences
- Financial support
- Finding new markets
- Finding new overseas contacts or customers
- Legal support
- Transport and distribution
- Understanding markets and demand issues
- Information on exporting
- Other
- None of the above

Figure 8: In the latest period, the support options businesses most commonly benefitting from were information on exporting (29.9%), and customs and tariffs (25.5%). However, over half (59.2%) of businesses did not benefit from any of these options to help with exporting challenges.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 56

The proportion of relevant businesses reporting information on exporting and customs and tariffs as the support options they have benefited from has increased since March 2022 (Wave 51).

When asked which support options they would benefit from to help with importing challenges, 33.1% of relevant businesses selected customs and tariffs, 21.8% selected transport and distribution and 20.4% selected information on importing. Customs and tariffs has been the top reported support option for importing since the series began. Of the relevant businesses, around a third (34.5%) reported that none of the available options for importing challenges would benefit them.

Supply Chains

Around three quarters (75.7%) of applicable businesses who had not permanently stopped trading reported being able to access the materials, goods or services they needed from within the UK in April 2022. An estimated 67.7% of applicable businesses reported that they were able to get these from the EU in April 2022. A further quarter of companies (25.8%) reported that they had to change suppliers or find alternative solutions in order to get the materials, goods or services they needed from the EU and only 6.5% reported that they were unable to get them.

Businesses were asked if they had experienced any global supply chain disruption in April 2022, and around a third (31.9%) of applicable businesses answered that they had experienced disruption, which is an increase from March 2022 (20.1% in Wave 54).

Tell us what you think

We are always interested to hear from our users about how our statistics are used, and how they can be improved.

Please consider answering our short [feedback survey](#) on how you found this publication.

An Experimental Statistics Publication for Scotland

Experimental statistics are a subset of newly developed or innovative statistics undergoing evaluation. They are published to involve users and stakeholders in the assessment of their suitability and quality at an early stage.

The Office for Statistics Regulation publishes guidance on experimental statistics [here](#). The Scottish Government is developing these estimates on an ongoing basis, and is grateful to the ONS which has shared the BICS data.

We welcome any feedback on the development of these statistics, using the contact details below.

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