

BUSINESS AND ENERGY

Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 58

24 June 2022

This is the 44th 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 30 May to 12 June 2022 (Wave 58), the share of businesses 'currently trading' was estimated at 99.3%, the same as the previous period (16 May to 29 May 2022).
- In the period 30 May to 12 June 2022, the share of businesses reporting that they were fully trading was estimated at 97.1%. The Accommodation & Food Services continued to be the industry sector with the lowest share of "fully trading" businesses, estimated at 90.5%.
- In Wave 58, an estimated 37.5% of businesses reported experiencing a shortage of workers. 67.4% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 31.0% of businesses reported that they have been unable to meet demands due to a shortage of workers.
- The main concerns for businesses for July 2022 were inflation of goods and services prices (30.8%) and energy prices (26.5%).
- For businesses currently trading that have exported in the last 12 months, over a fifth (21.5%) reported exporting less in May 2022 compared to May 2021, and 16% reported importing less.

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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, 8,671 businesses responded to the Wave 58 BICS UK-wide. In Wave 58, 1,144 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 1,017 responding businesses in Wave 58. 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

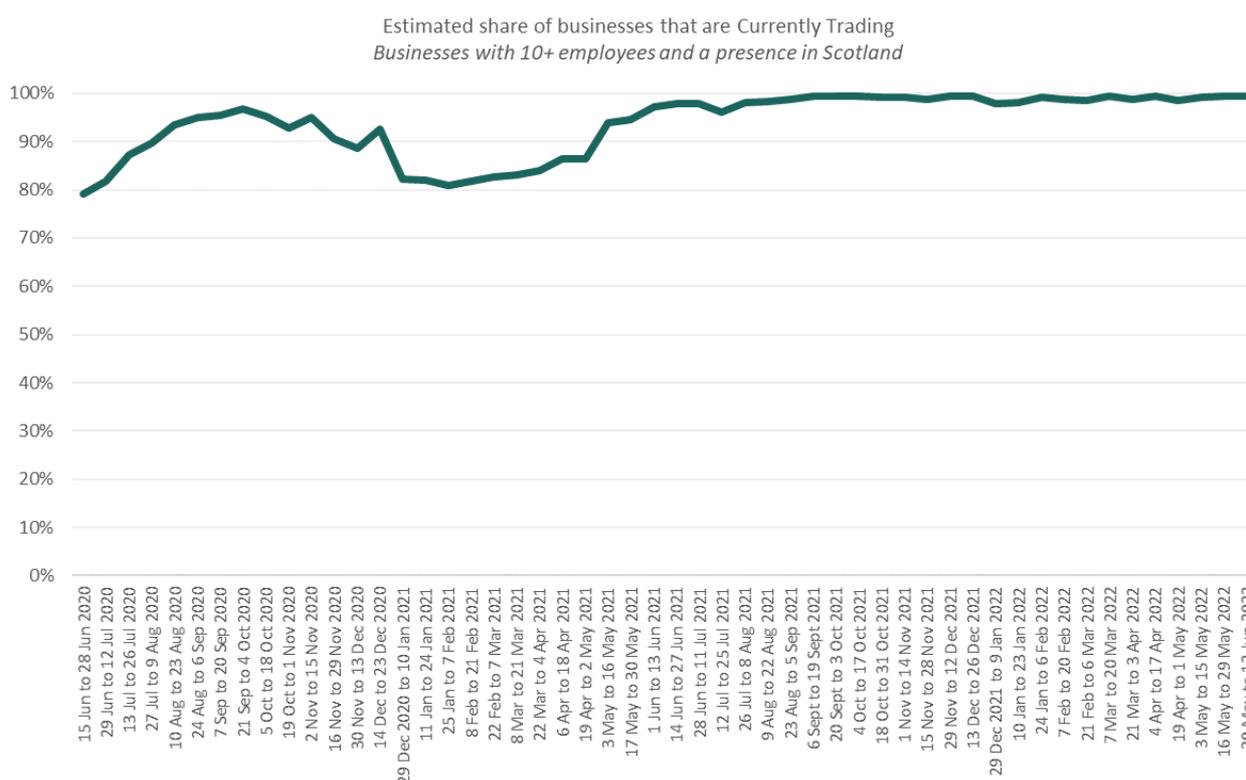
The BICS asks businesses about their trading status: the specific question³ asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (30 May to 12 June 2022 in Wave 58).

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 30 May to 12 June 2022 (Wave 58), the share of businesses 'currently trading' was estimated at 99.3%, the same as the previous period (16 May to 29 May 2022).

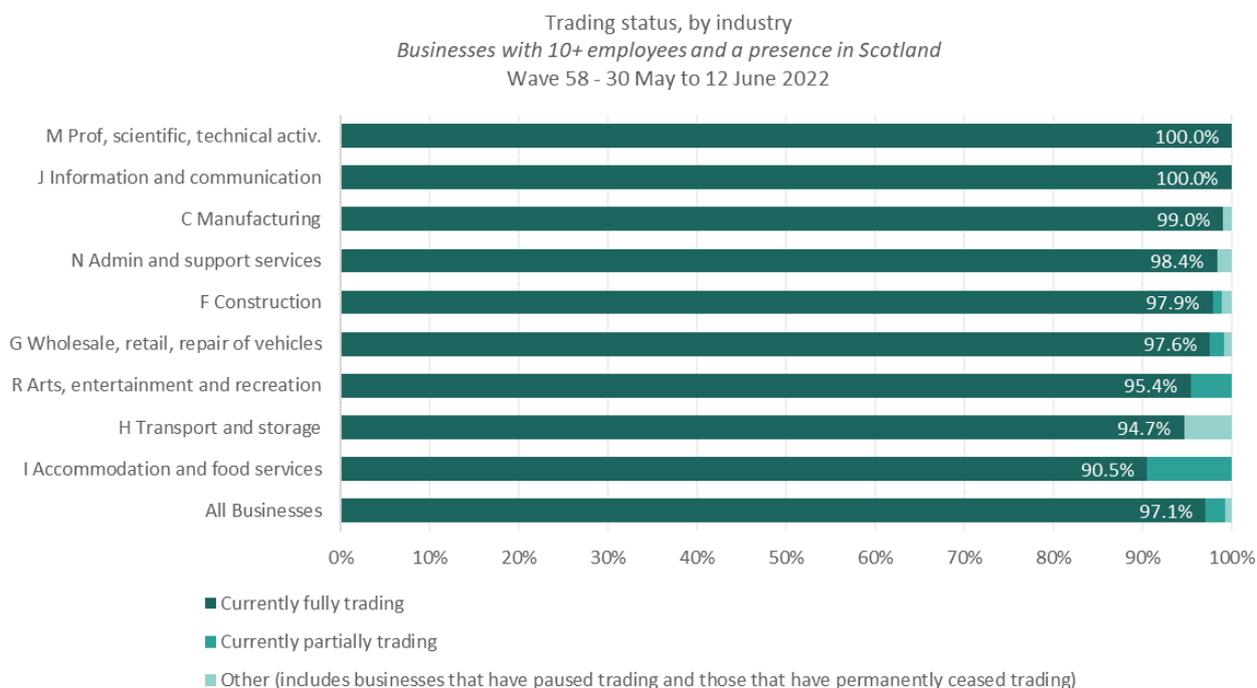


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 58

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 30 May to 12 June 2022, the share of businesses reporting that they were fully trading was estimated at 97.1%. The Accommodation & Food Services continued to be the industry sector with the lowest share of “fully trading” businesses, estimated at 90.5%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

Worker Shortages

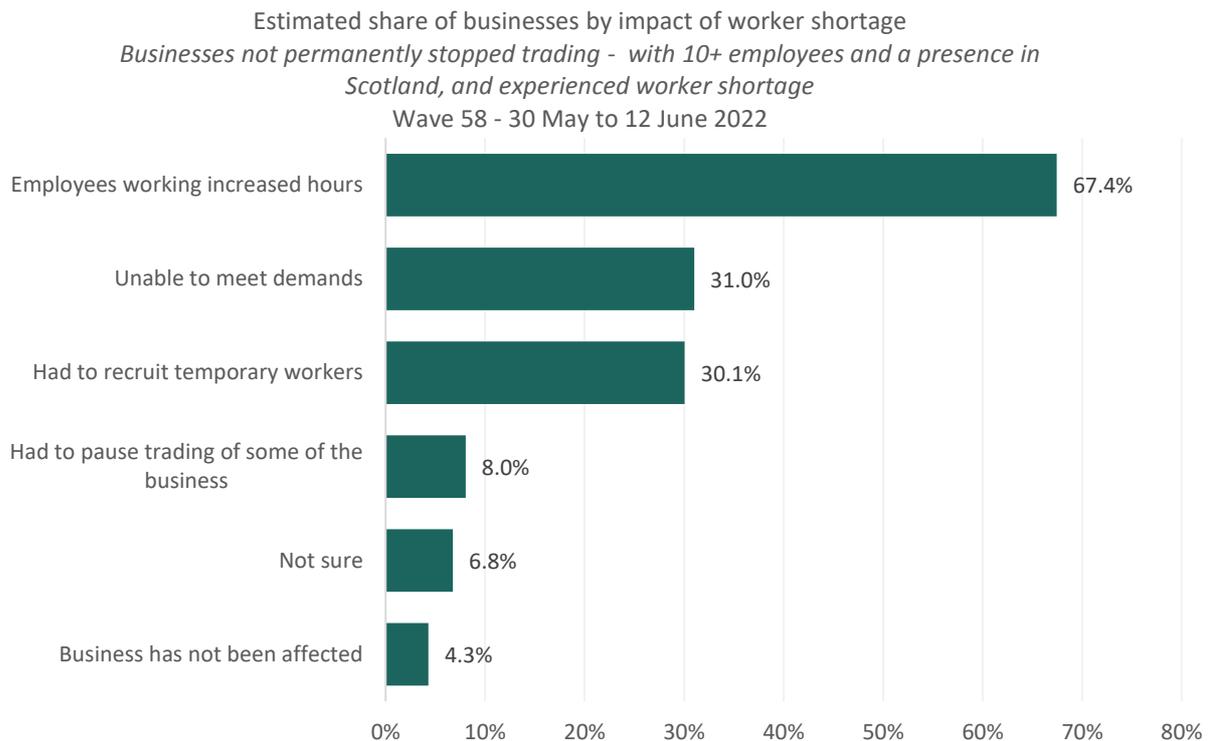
In Wave 58 businesses were asked whether they are currently experiencing a shortage of workers. An estimated 37.5% of businesses reported experiencing a shortage of workers - rising to 43.4% in the Construction sector, and 43.8% in the Accommodation and Food Services sector.

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
- Other
- Not sure
- My business has not been affected

Figure 3: In Wave 58, 67.4% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 31.0% 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 58

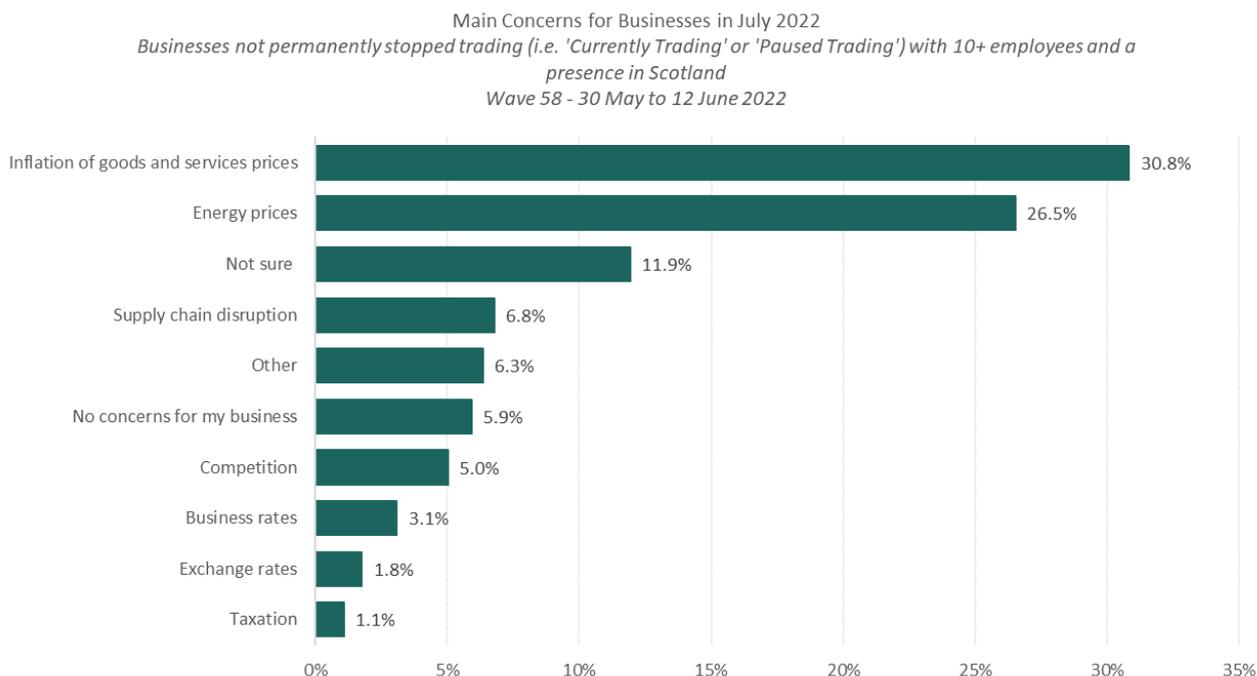
Business Concerns

In Wave 58 the BICS asked businesses about their main concerns in July 2022.

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

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

Figure 4: The main concerns for businesses for July 2022 were inflation of goods and services prices (30.8%) and energy prices (26.5%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

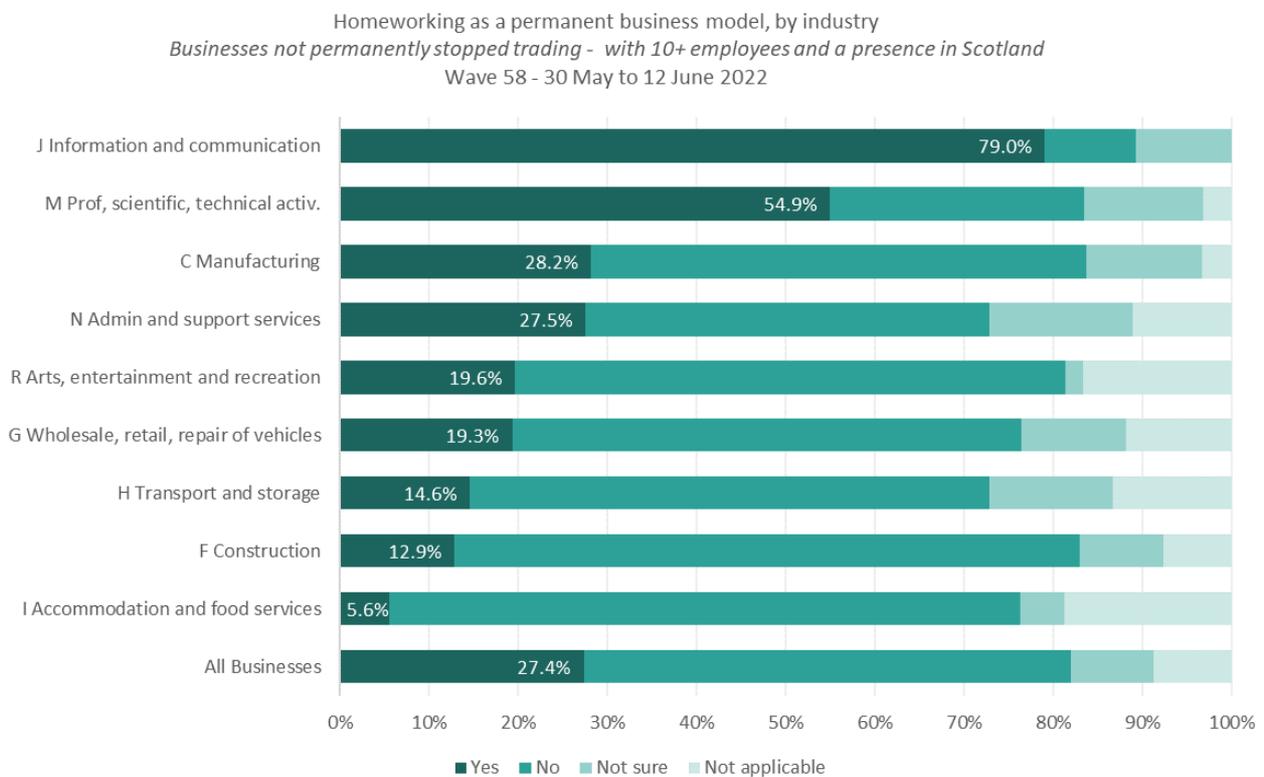
The proportion of businesses reporting that inflation of goods and services prices is the main concern for their business has decreased slightly from 31.9% for May 2022 (Wave 56) to 30.8% for July 2022 (Wave 58). Inflation of goods and services prices, and energy prices have been the top reported concerns since this series began in March 2022 (Wave 51). Inflation of goods and services prices emerged as the main concern in May 2022 (Wave 56).

Homeworking

In Wave 58 the BICS asked businesses about whether they intend to use increased homeworking as a permanent business model going forward - the specific question asked is shown below.

Homeworking Question: Is your business using, or intending to use increased homeworking as a permanent business model going forward?

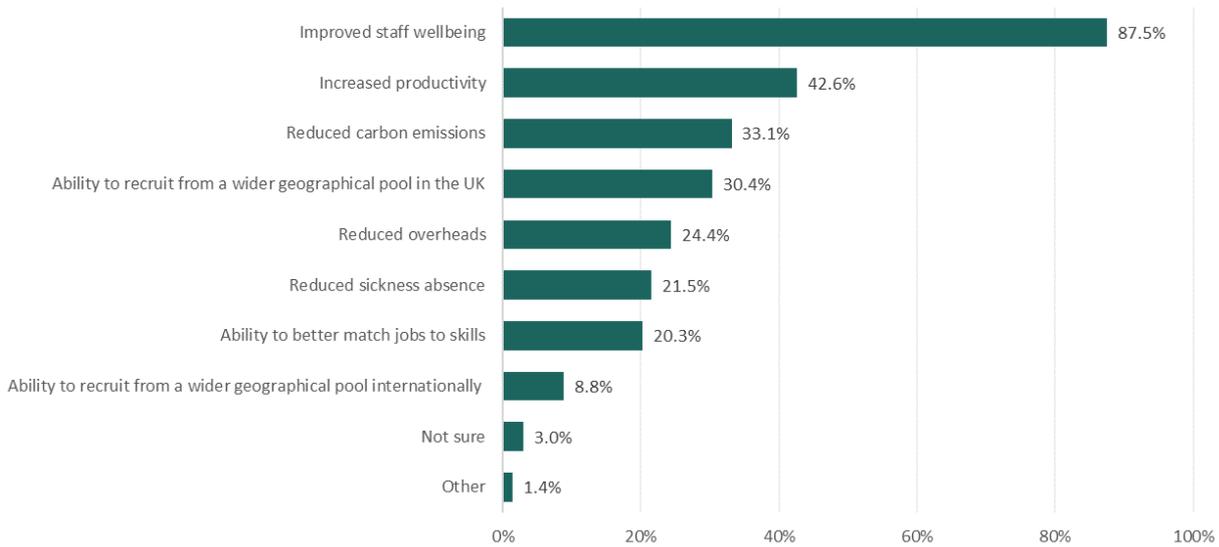
Figure 5: In the period 30 May to 12 June 2022 (Wave 58), the share of businesses that were using or intended to use increased homeworking as a permanent business model was highest in the Information & Communication (79.0%) and Professional, Scientific & Technical Activities (54.9%) sectors. The rates were much lower in some other sectors, with only 5.6% of businesses in the Accommodation & Food Services sector and 12.9% of Construction businesses using or intending to use increased homeworking as a permanent business model.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

Figure 6: Improved staff wellbeing was the most commonly reported reason for using increased homeworking as a permanent businesses model going forward - this was reported by 87.5% of relevant businesses.

Why do you intend to use increased homeworking as a permanent business model going forward?
Businesses not permanently stopped trading, with 10+ employees and a presence in Scotland, and who plan to use homeworking as a permanent business model
 Wave 58 - 30 May to 12 June 2022

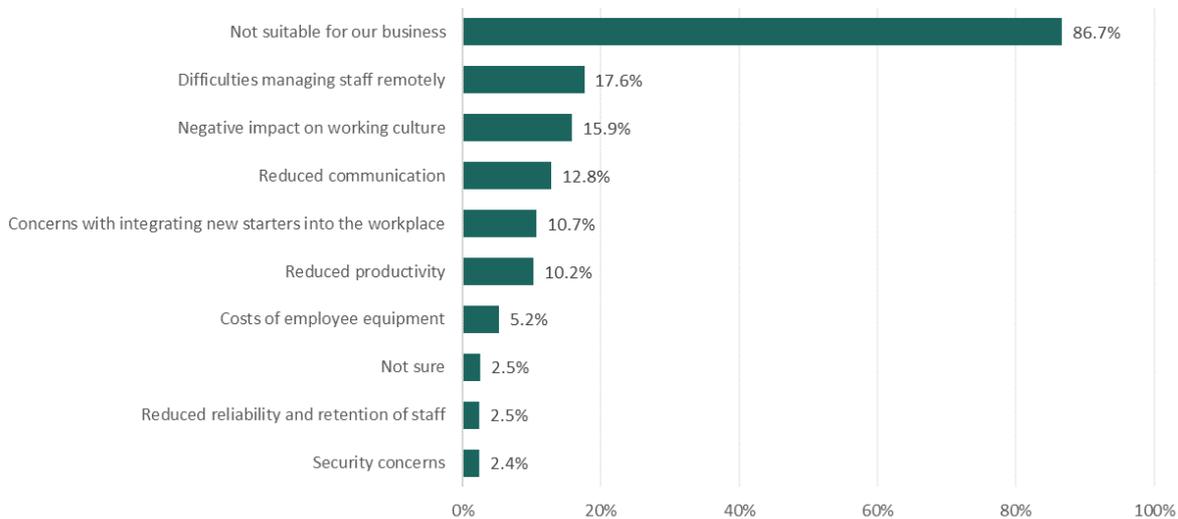


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

In Wave 58, businesses who do not plan to use increased homeworking as a permanent business model going forward, were asked about their reasons for this.

Figure 7: Homeworking not being suitable for the business was the most commonly reported reason for not using increased homeworking as a permanent businesses model going forward - this was reported by 86.7% of relevant businesses.

Why do you NOT intend to use increased homeworking as a permanent business model going forward?
Businesses not permanently stopped trading, with 10+ employees and a presence in Scotland, and who do not plan to use homeworking as a permanent business model
 Wave 58 - 30 May to 12 June 2022



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

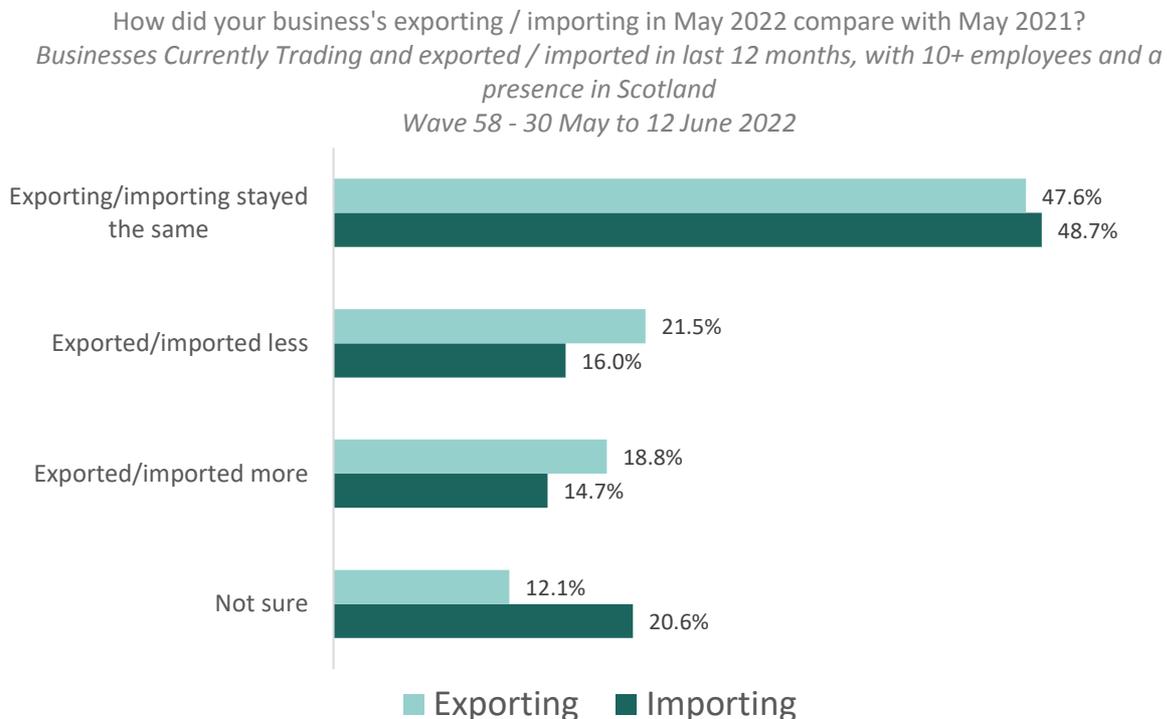
Exporting and Importing Challenges

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 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 8: In the latest period, of businesses currently trading that have exported in the last 12 months, over a fifth (21.5%) reported exporting less in May 2022 compared to May 2021, and 16% reported importing less.



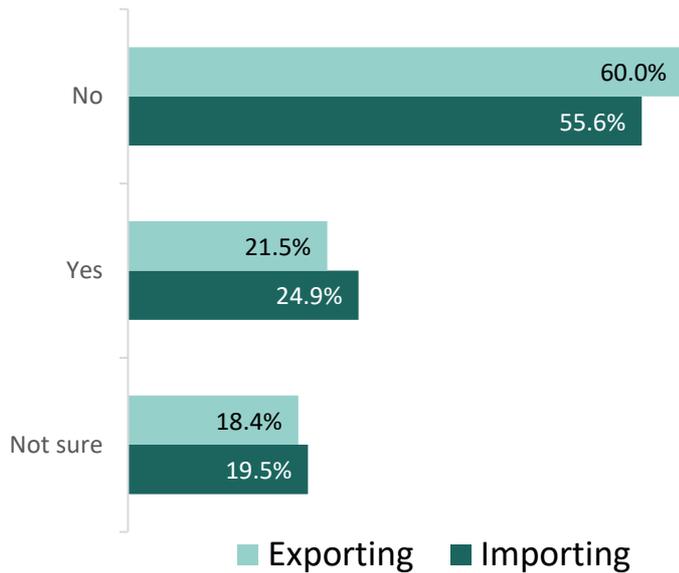
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

The proportion of businesses reporting that they exported less compared to last year has increased since April 2022 (11.0% in Wave 54 compared to 21.5% in Wave 58). Businesses reporting that they imported less has also increased during this period (8.5% in Wave 54 compared to 16.0% in Wave 58).

In the latest period, almost half of exporters (47.6%) and importers (48.7%) reported their exporting/importing had stayed the same. The proportion of businesses reporting that exports/imports have stayed the same has generally decreased since April 2022 (Wave 54). Currently trading businesses that have exported or imported in the last 12 months, and who reported on their exporting or importing in the past month, were asked if they had experienced any challenges with exporting/importing goods or services.

Figure 9: Over half of exporters (60.0%) and importers (55.6%) reported that they had not experienced challenges with exporting/importing goods or services in May 2022.

Did your business experience any challenges with exporting goods or services?
Businesses Currently Trading and exported/imported in last 12 months and reported on how exporting compared with the previous year, with 10+ employees and a presence in Scotland
Wave 58 - 30 May to 12 June 2022

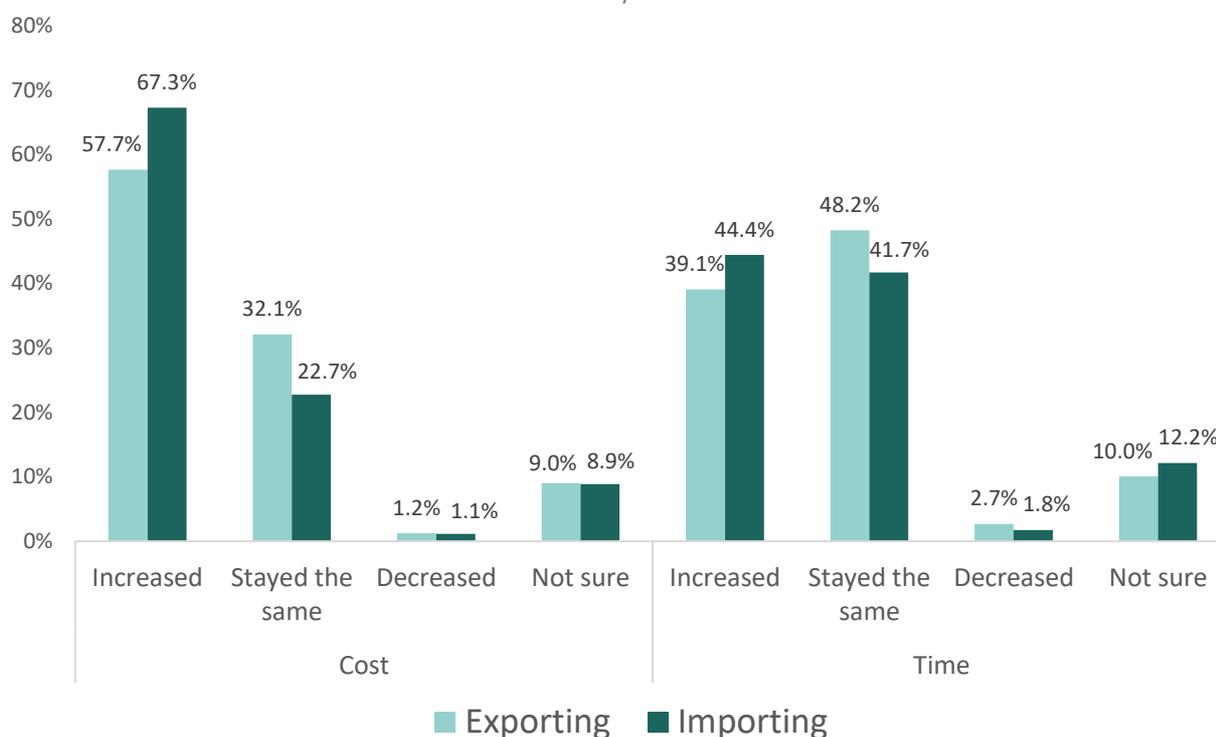


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

Businesses were also asked about the cost of exporting/importing and time spent on exporting/importing in May 2022 compared with May 2021.

Figure 10: Over two thirds (67.3%) of businesses reported that the cost of importing has increased in May 2022 compared with May 2021, and this is a higher proportion than for exporting (57.7%).

*How does the cost of/time spent on exporting/importing in May 2022 compare with May 2021?
Businesses Currently Trading and exported/imported in last 12 months and reported their
exporting/importing in last month, with 10+ employees and a presence in Scotland
Wave 58 - 30 May to 12 June 2022*



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 58

This data also suggests that the proportion of businesses reporting the cost of exporting to have increased, continues to rise.

Supply Chains

Around three quarters (76.0%) 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 May 2022. A further fifth of companies (19.7%) reported that they had to change suppliers or find alternative solutions in order to get the materials, goods or services they needed from the UK and only 4.3% reported that they were unable to get them.

Businesses were asked if they had experienced any global supply chain disruption in May 2022, and around a fifth (21.5%) of applicable businesses answered that they had experienced disruption, which is a decrease from April 2022 (31.9% in Wave 56).

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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