

BUSINESS AND ENERGY

Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 36

20 August 2021

This is the 24th 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 26 July to 8 August 2021, the share of businesses 'currently trading' was estimated at 98.1% - up from 96.2% in the previous period and the highest rate since comparable estimates began in June 2020.
- The Arts, Entertainment & Recreation and Accommodation & Food Services industry sectors had the lowest shares of businesses 'currently trading' - estimated at 94.0% and 94.4% respectively.
- The share of the workforce on furlough leave was estimated at 4.9% in the period 12 July to 8 August 2021 – down from 6.7% in the previous period and the lowest rate since comparable estimates began in June 2020.
- In the latest period, the Arts, Entertainment & Recreation industry sector continued to have the highest share of the workforce on furlough leave - estimated at 32.0%.
- In the period 12 July to 8 August 2021, 30.3% of businesses reported a decrease in turnover compared with what is normally expected - the lowest percentage recorded since comparable estimates began in June 2020. There were two industry sectors where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected – Arts, Entertainment & Recreation (estimated at 57.8%) and Accommodation & Food Services (estimated at 54.2%).
- In the latest period, over a quarter (29.5%) of businesses currently trading that have exported in the last 12 months, reported exporting less than normal and around a fifth (21.7%) reported importing less than normal.

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 8,614 businesses responded to the Wave 36 BICS UK-wide – 1,153 of these responding 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 1,051 responding businesses in Wave 36. 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. Currently 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'.

¹ Note that on the 20th of July 2021 ONS published [Understanding the business impacts of local and national restrictions, UK: July 2021](#) – 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

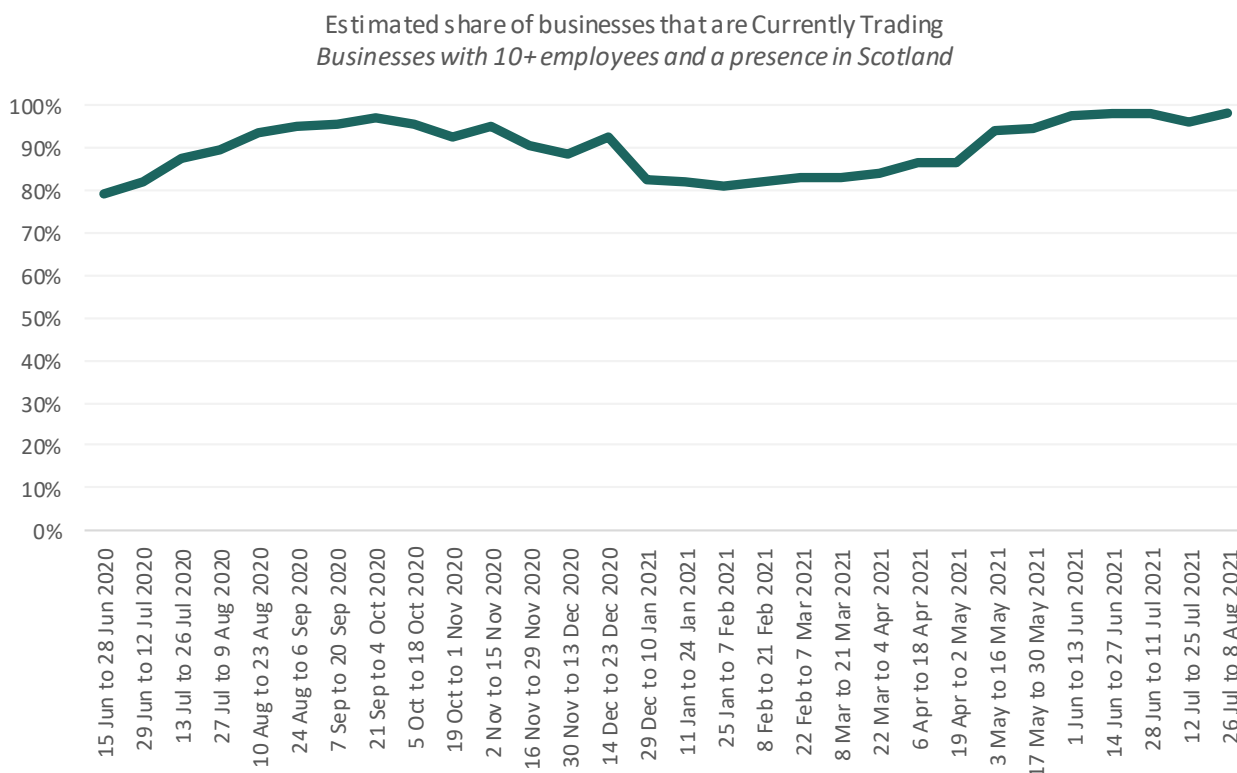
The BICS asks businesses about their trading status: the specific question³ asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (26 July to 8 August 2021 in Wave 36).

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

- Currently trading and has been for more than the last two weeks
- Started Trading within the last two weeks after a pause in 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 trading and has been for more than the last two weeks', and 'Started trading within the last two weeks after a pause in trading' have been combined to 'Currently Trading'.

Figure 1: In the period 26 July to 8 August 2021, the share of businesses 'currently trading' was estimated at 98.1% - up from 96.2% in the previous period and the highest rate since comparable estimates began in June 2020.

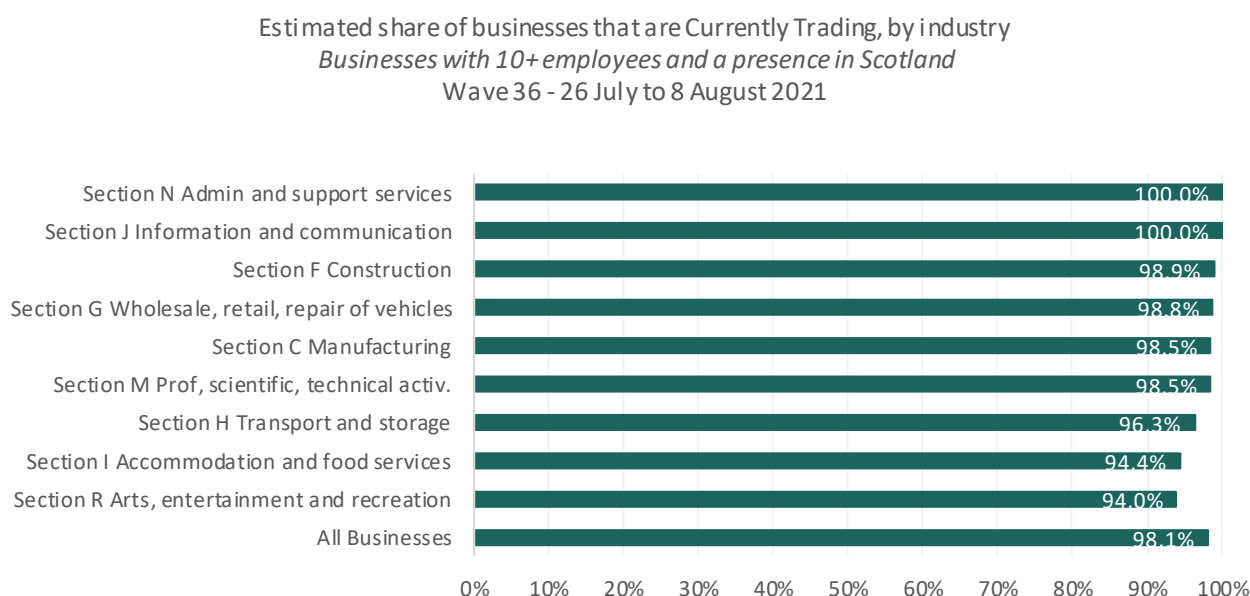


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 36

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

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

Figure 2: The Arts, Entertainment & Recreation and Accommodation & Food Services industry sectors had the lowest shares of businesses ‘currently trading’ - estimated at 94.0% and 94.4% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

It should be noted that those businesses not currently trading may be less likely to respond to requests to complete the survey and, therefore, that these numbers may be an overestimate.

Workforce Status

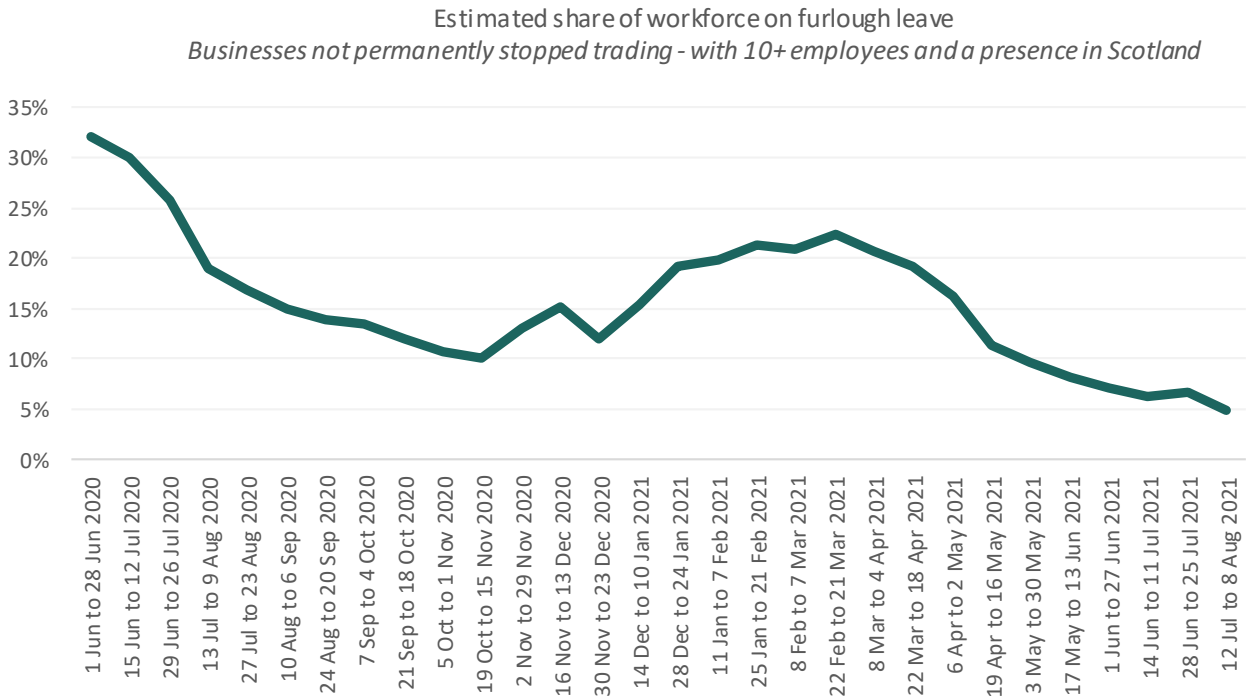
The BICS asks businesses that have not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about the status of their workforce - the specific question asked is shown below. Note that businesses were asked about the status of their workforce in the last two weeks and so responses will be from the time of completion of the survey questionnaire (26 July to 8 August 2021 for Wave 36) with the full question reference period (looking back at the last two weeks) covering 12 July to 8 August 2021 for Wave 36.

Workforce Status Question: In the last two weeks, approximately what percentage of your business’s workforce were:

- On furlough leave
- Mainly working at the same place they were working before the pandemic
- Mainly working from home, instead of where they were working before the pandemic
- Made permanently redundant
- On sick leave or not working due to coronavirus (COVID-19) symptoms, self-isolation or quarantine
- Other

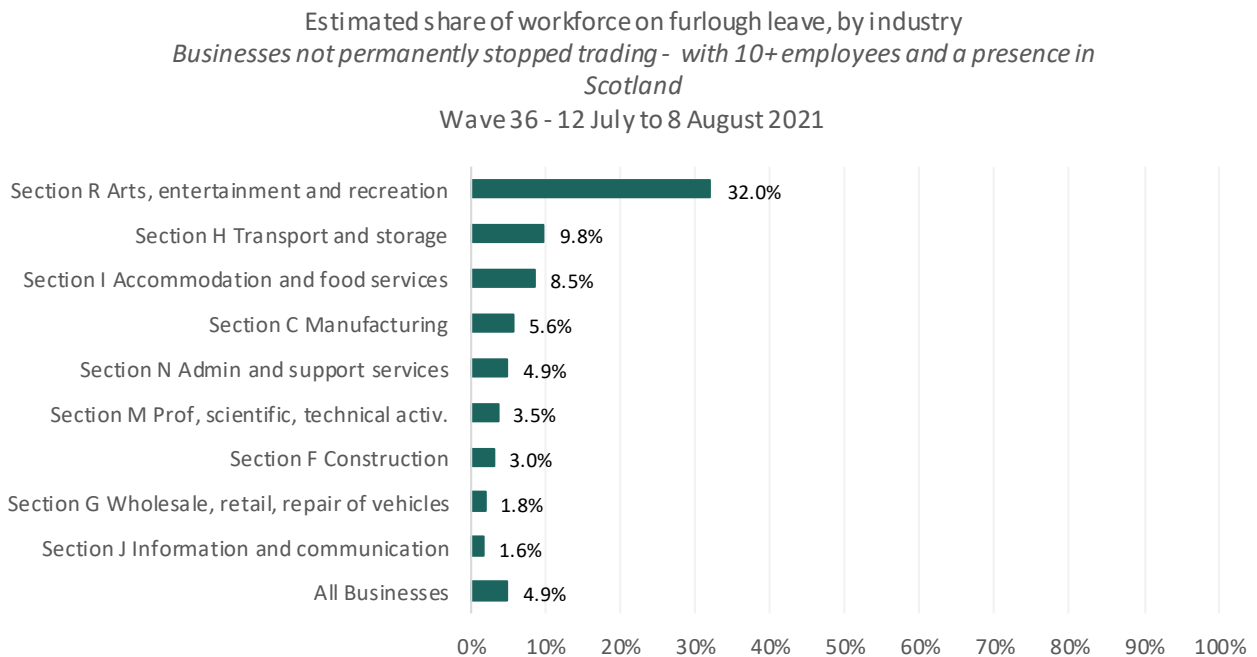
In Wave 36, the option “On sick leave or not working due to coronavirus (COVID-19) symptoms, self-isolation or quarantine” was reintroduced to the survey and businesses reported 1.1% of their workforce were off sick – rising to 2.3% for the Accommodation & Food Services industry sector.

Figure 3: The share of the workforce on furlough leave was estimated at 4.9% in the period 12 July to 8 August 2021 – down from 6.7% in the previous period and the lowest rate since comparable estimates began in June 2020. The proportion of the workforce reported to be on full furlough (2.1%) continues to be lower than that on partial furlough (2.8%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 36

Figure 4: In the latest period, the Arts, Entertainment & Recreation industry sector continued to have the highest share of the workforce on furlough leave - estimated at 32.0%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

Vacancies

In Wave 36, businesses were asked about how difficult it has been to fill vacancies in the last month compared to normal expectations. Of businesses not permanently stopped trading, 34.4% reported that vacancies were more difficult to fill in the last month compared with normal expectations for this time of year – rising to 52.9% and 45.2% for the Accommodation & Food Services and Transport & Storage industry sectors respectively.

Businesses that reported difficulties filling vacancies in the last month compared with normal expectations were asked for the reasons for the difficulty. Across all businesses (that reported difficulties filling vacancies), the most commonly reported difficulties experienced were:

- lack of suitable applicants for the roles on offer (75.9%) with the Construction industry sector reporting the highest proportion (85.3%).
- business cannot offer an attractive pay package to applicants (24.8%) with the Accommodation & Food Services industry sector reporting the highest proportion (30.3%).
- reduced number of EU applicants (20.0%) with the Accommodation & Food Services industry sector reporting the highest proportion (45.8%).

EU workforce

In Wave 36, businesses were asked about how the number of workers from within the European Union (EU) had changed, compared with normal expectations for this time of year. In the period 26 July to 8 August 2021, 9.1% of businesses reported that the number of workers from within the EU had decreased, with this share rising to 26.5% for businesses in the Accommodation & Food Services industry sector.

Of the businesses that reported a change in the number of EU workers, the main reasons were:

- both the coronavirus (COVID-19) pandemic and the end of the EU transition period, at 44.3%.
- end of the EU transition period, at 35.6%.
- coronavirus (COVID-19) pandemic, at 12.9%

Of the businesses that reported a change in the number of EU workers 31.8% reported that this change in EU workers has caused severe disruption, and 26.9% reported it has caused moderate disruption.

Financial Performance

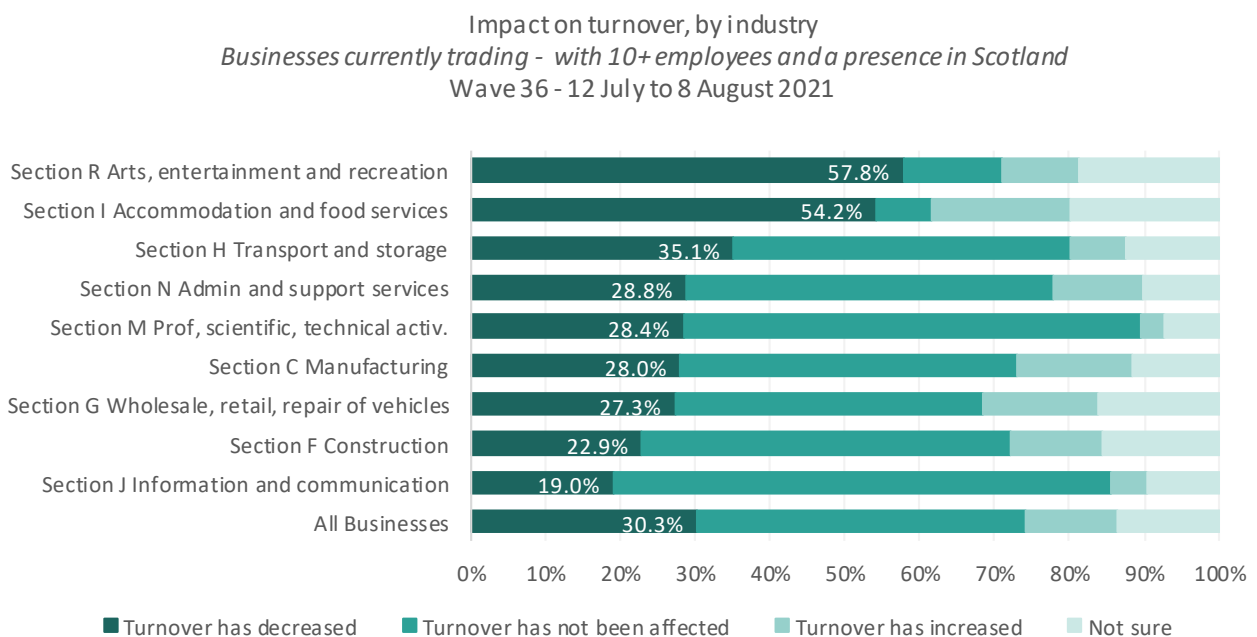
The BICS asks businesses, that are currently trading, about how turnover compares to business as usual - the specific question asked is shown below. Note that businesses were asked about the status of their turnover in the last two weeks and so responses will be from the time of completion of the survey questionnaire (26 July to 8 August 2021 for Wave 36) with the full question reference period (looking back at the last two weeks) covering 12 July to 8 August 2021 for Wave 36.

Financial Performance Question: How does turnover for the last two weeks, compare to normal expectations for this time of year?

- Turnover has increased by more than 50%
- Turnover has increased between 20% and 50%
- Turnover has increased by up to 20%
- Turnover has not been affected
- Turnover has decreased by up to 20%
- Turnover has decreased between 20% and 50%
- Turnover has decreased by more than 50%
- Not sure

For presentational purposes, increased turnover categories and decreased turnover categories have been combined. The breakdowns of these categories are available in the detailed data tables.

Figure 5: In the period 12 July to 8 August 2021, 30.3% of businesses reported a decrease in turnover compared with what is normally expected - the lowest percentage recorded since comparable estimates began in June 2020. There were two industry sectors where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected – Arts, Entertainment & Recreation (estimated at 57.8%) and Accommodation & Food Services (estimated at 54.2%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

Prices

The BICS asks businesses, that are currently trading, about how the prices of materials, goods and services bought and sold compare to normal price fluctuations - the specific questions asked are shown below. Note that businesses were asked about prices in the last two weeks and so responses will be from the time of completion of the survey questionnaire (26 July to 8 August 2021 for Wave 36) with the full question reference period (looking back at the last two weeks) covering 12 July to 8 August 2021 for Wave 36.

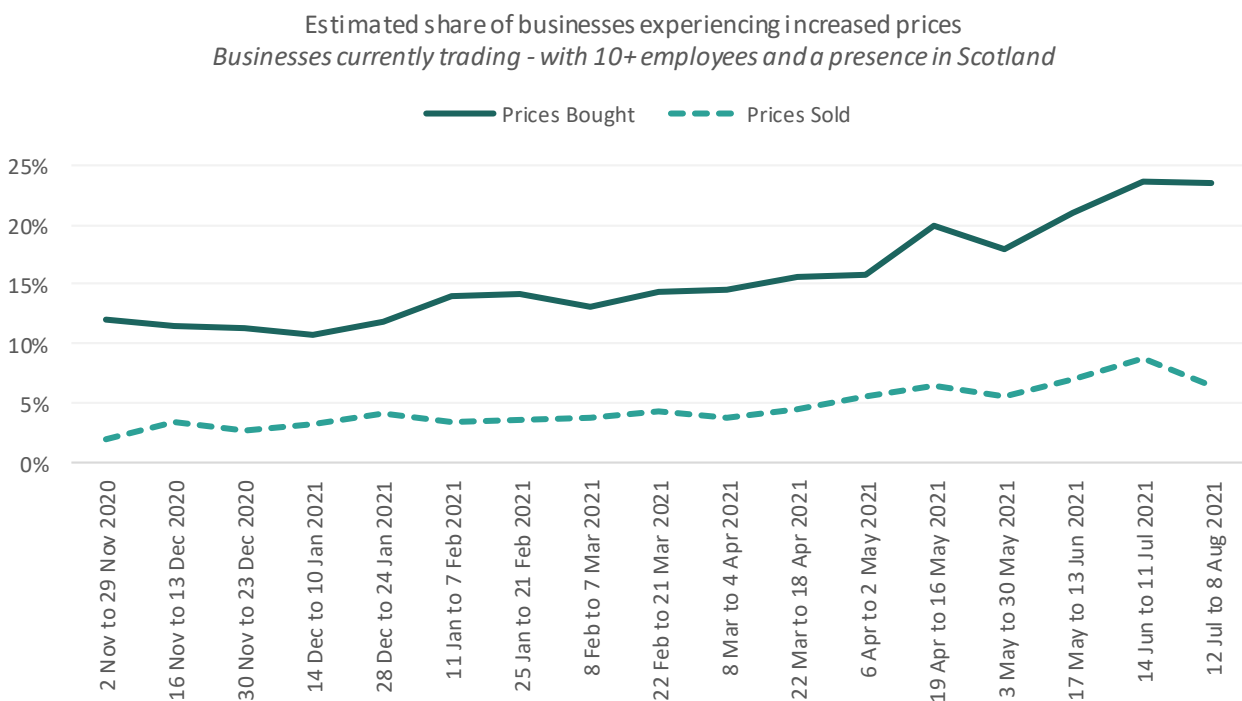
Prices Questions:

How did the prices of materials, goods or services bought by your business change in the last two weeks, compared with normal price fluctuations?

How did the prices of goods or services sold by your business change in the last two weeks, compared with normal fluctuations?

- Prices increased more than normal
- Prices decreased more than normal
- Some prices increased, some prices decreased
- Prices did not change any more than normal
- Not sure

Figure 6: In the latest period, 23.6% of currently trading businesses reported that the prices of materials, goods or services bought had increased by more than normal price fluctuations. By contrast, only 6.5% of businesses currently trading reported that they had increased the price of goods or services sold.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 18 to Wave 36

In the latest period, the industry sectors with the highest proportion of businesses reporting increases in prices of materials, goods and services bought were Construction (65.5%) and Manufacturing (39.6%).

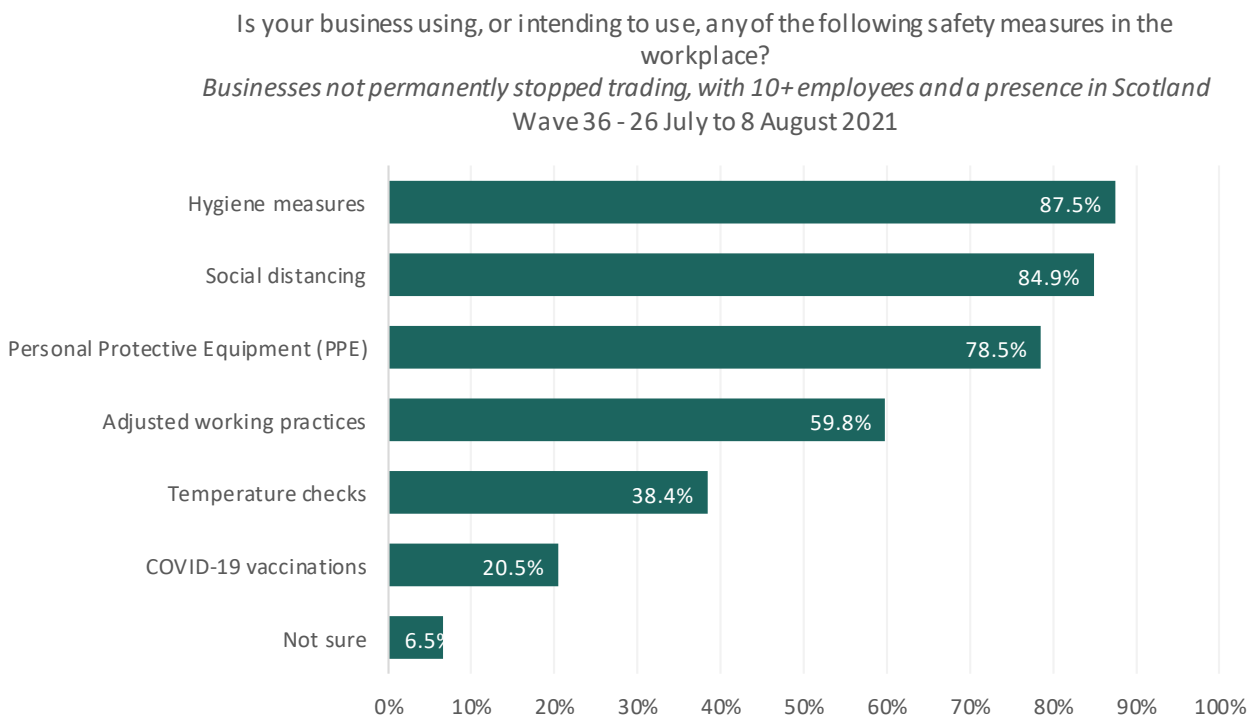
Safety Measures

The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), whether they are using, or intending to use, any safety measures in the workplace– the specific question asked is shown below. Businesses were asked about their safety measures at the time of completion of the survey questionnaire (26 July to 8 August 2021 in Wave 36).

Question: Is your business using, or intending to use, any of the following safety measures in the workplace?

- Adjusted working practices
- COVID-19 vaccinations
- Hygiene measures
- Personal Protective Equipment (PPE)
- Social distancing
- Temperature checks
- None of the above
- Not sure

Figure 7: Hygiene measures (87.5%), social distancing (84.9%) and Personal Protective Equipment (PPE) (78.5%) continue to be the workplace safety measures most frequently reported by businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates –Wave 36

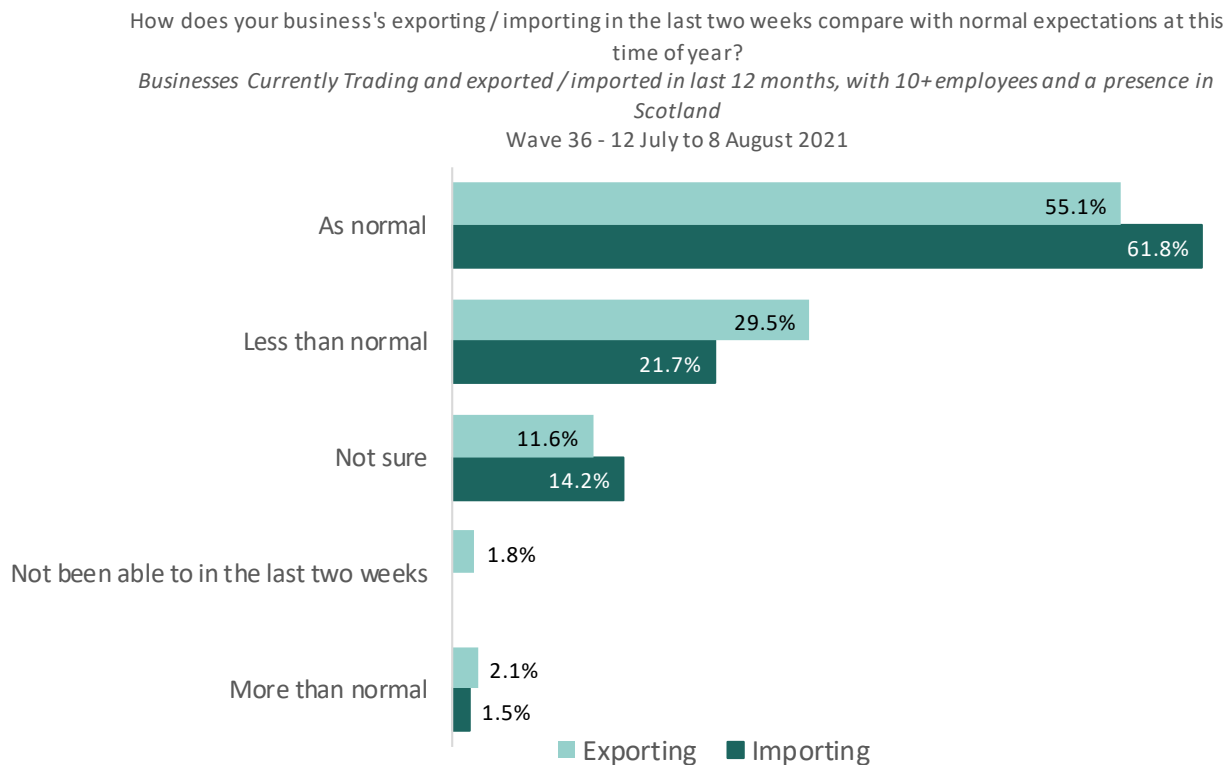
Exporting and importing challenges

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 does your business's exporting / importing in the last two weeks compare with normal expectations for this time of year?

- Exporting / importing more than normal
- Exporting / importing as normal
- Exporting / importing, but less than normal
- Not been able to export / import in the last two weeks
- Not sure

Figure 8: In the latest period, over a quarter (29.5%) of businesses currently trading that have exported in the last 12 months, reported exporting less than normal and around a fifth (21.7%) reported importing less than normal.



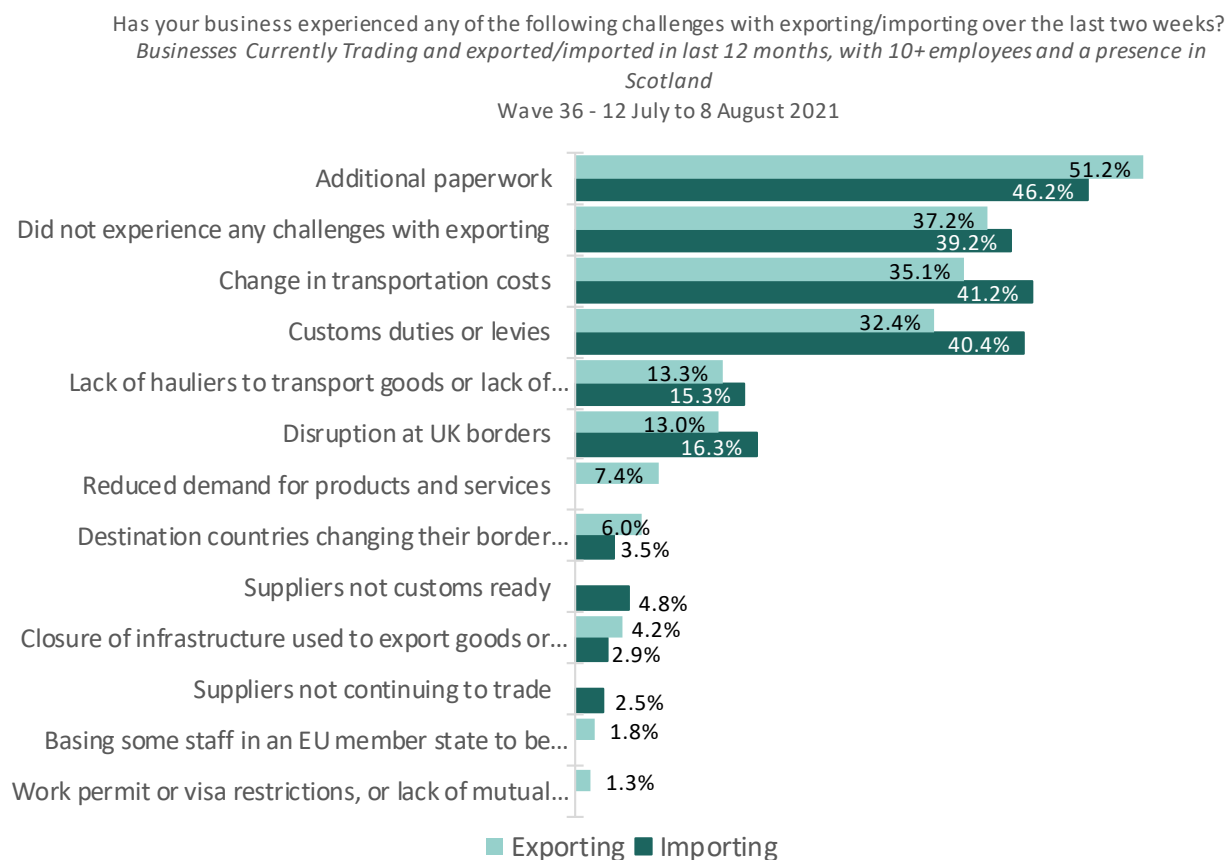
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

Over half of businesses currently trading that have exported in the last 12 months reported exporting as normal (55.1%) and 61.8% reported importing as normal.

The proportion of businesses that reported exporting as normal has remained relatively constant since the start of June (54.7% in Wave 32). The proportion of businesses that reported importing as normal increased between March (52.5% in Wave 27) and the end of June (63.3% in Wave 34) but has decreased slightly since then.

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

Figure 9: Additional paperwork was the most commonly reported challenge with importing (46.2%) or exporting (51.2%) experienced during the latest period. For importing, this was followed quite closely by change in transportation costs and customs duties or levies.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

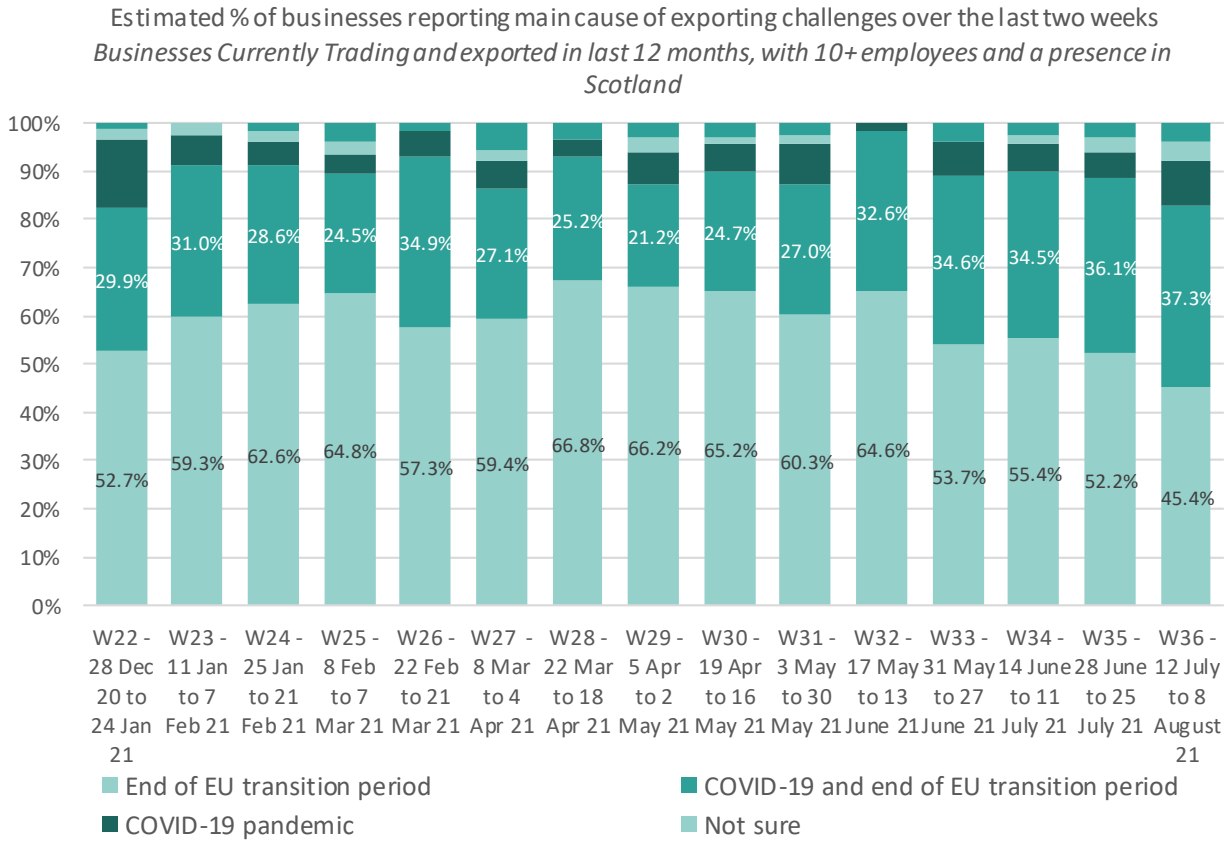
More than a third of companies that had exported / imported in the last 12 months reported that they did not experience any challenges with exporting (37.2%) or importing (39.2%) over the last two weeks and this has remained relatively constant since February.

Companies that reported experiencing challenges with exporting in the last two weeks 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 10: Despite a decline over the latest period, the end of the EU transition period continues to be a challenge for exporting with just under half (45.4%) of relevant companies reporting the end of the EU transition period as the main cause of their exporting challenges in the latest period. A further 37.3% reported that the end of the EU transition period combined with COVID-19 was the main cause of their exporting challenges.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

The results for importing were similar with just over half of companies (52.7%) reporting that the end of the EU transition period was the main cause of their importing challenges and a further 37.3% reporting that it was a combination of EU exit and the COVID-19 pandemic.

Figure 11: The proportion of relevant businesses that experienced moderate or severe disruption to exporting has generally declined since the start of February. In recent weeks, importers are slightly more likely to experience this level of disruption than exporters.

Estimated % of businesses experiencing moderate or severe disruption to exporting and importing over the previous two weeks
Businesses Currently Trading and exported in last 12 months, with 10+ employees and a presence in Scotland



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

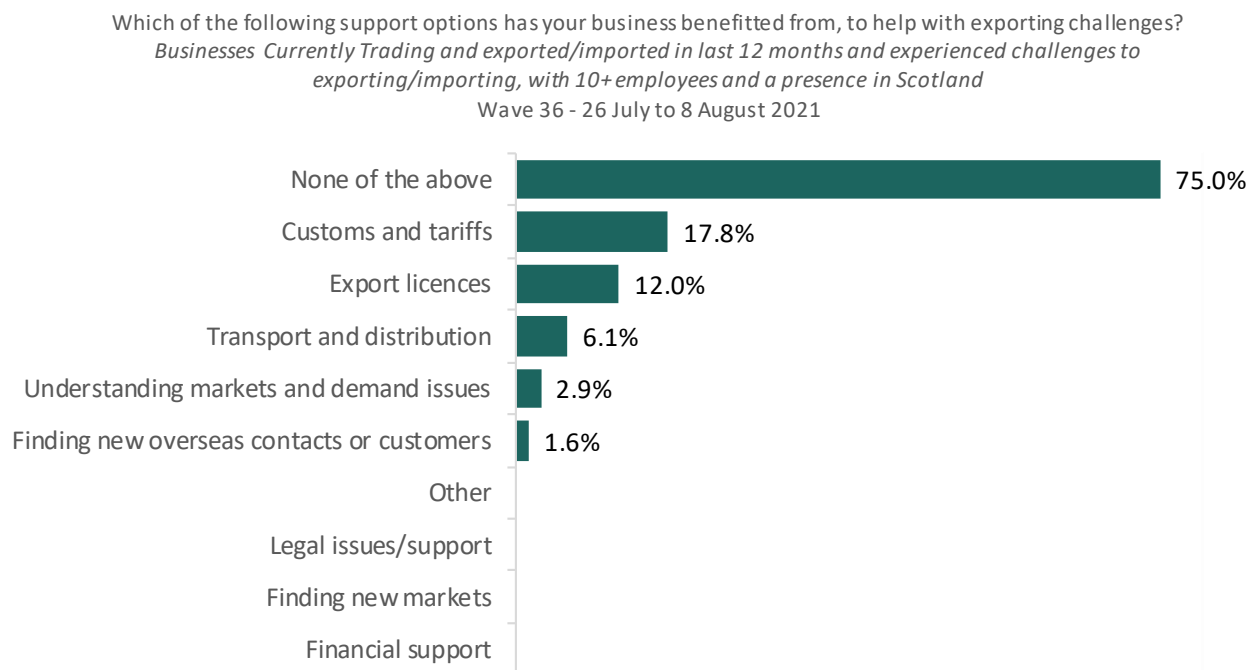
Of the businesses experiencing challenges to exporting, just under half (44.8%) reported experiencing low disruption and 5.6% reported severe disruption in this latest wave. The results were similar for importing, with 6.0% of relevant businesses reporting severe disruption, and 44.4% reporting low disruption.

Relevant businesses who experienced exporting challenges were also 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
- Other
- None of the above

Figure 12: The support options that businesses most commonly reported benefitting from were customs and tariffs (17.8%) and export licences (12.0%), however, the majority (75.0%) of businesses reported that they did not benefit from any of these options to help with exporting challenges.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 36

In terms of accessing tariffs, relevant businesses were asked if they currently use rules of origin to access lower or zero tariffs on exports and over a third (38.3%) reported that they did not, while 10.9% reported using rules of origin for both EU and non-EU countries, 5.4% to EU countries and 44.4% were unsure. The percentage of relevant businesses reporting that they did not use rules of origin to access lower or zero tariffs to EU countries has slightly increased since early May when this question was first introduced (31.5% in Wave 30).

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.

Correspondence and enquiries

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Complaints and suggestions

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