



INSIGHTS 2022

The headwinds facing UK Businesses in 2022

8%

THE UK INFLATION RATE BY SPRING 2022 ACCORDING TO THE BANK OF ENGLAND'S LATEST FORECAST. ⁽¹⁾

39%

THE INCREASE IN THE PRICE OF DIESEL IN THE LAST 12 MONTHS. ⁽²⁾

£79 BN

THE AMOUNT OF NEW BORROWING TAKEN ON BY UK COMPANIES UNDER THE GOVERNMENT'S COVID LOAN SCHEMES. ⁽³⁾

£20 BN

THE INCREASE IN UNPAID VAT TO HMRC DURING THE 2021 TAX YEAR (A 42% INCREASE) PLACING FURTHER STRAIN ON THE BALANCE SHEETS OF UK BUSINESSES. ⁽⁴⁾

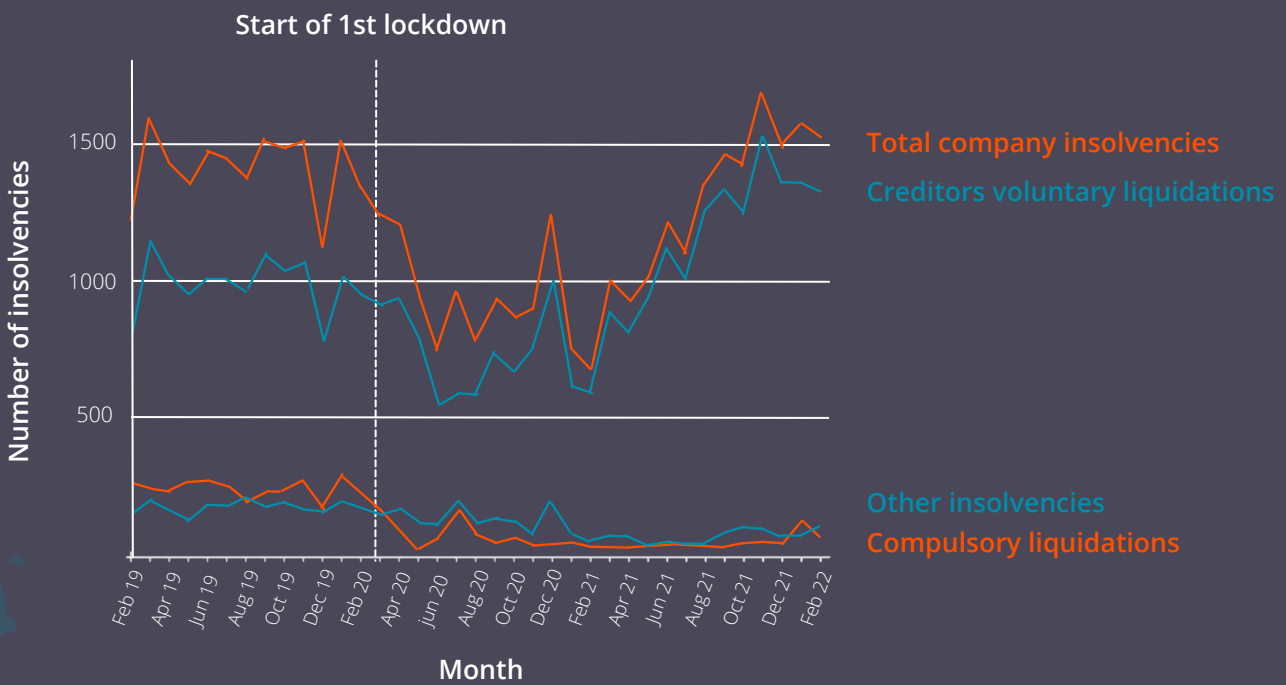
38%

OF UK BUSINESSES WERE BEING FORCED TO TURN DOWN WORK DUE TO STAFF SHORTAGES. EQUATING TO AROUND 2 MILLION ORGANISATIONS THAT WERE UNABLE TO PURSUE GROWTH DUE TO A LACK OF TALENT. ⁽⁵⁾

-31

GFK'S CONSUMER CONFIDENCE INDEX - ITS LOWEST LEVEL SINCE THE FIRST COVID LOCKDOWN. THIS COMPARES TO A SCORE OF -7 ONLY EIGHT MONTHS AGO. ⁽⁶⁾

INSOLVENCY STATISTICS FEB 2019 - FEB 2022 ⁽⁸⁾



Insolvency figures released for February 2022* by the Government's Insolvency Service showed corporate insolvencies more than doubled compared to the same month last year (1515 in February 2022 and 685 in February 2021). ⁽⁸⁾

The number of registered company insolvencies in February 2022 was similar to pre-pandemic levels, driven by a higher number of CVLs. ⁽⁸⁾

INFLATION

The largest upward contributions to the January 2022 CPIH 12-month inflation rate ⁽⁷⁾

1.37

percentage points



Housing and household services (due to gas and electricity price rises)

1.24

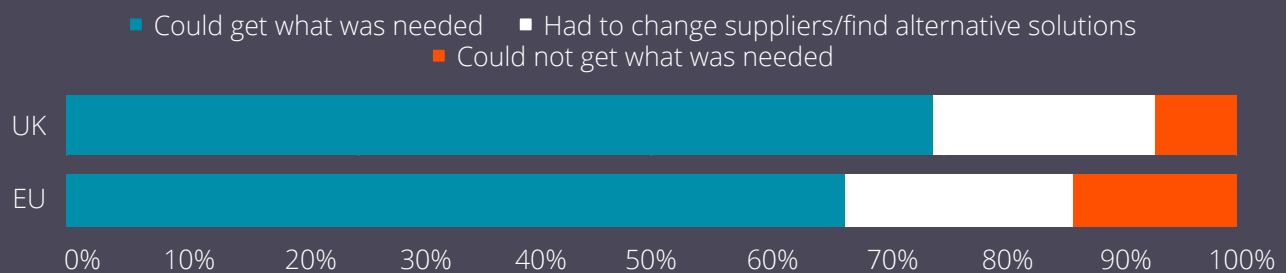
percentage points



Transport

SUPPLY CHAIN ISSUES

UK vs EU - Percentage of businesses able to get the materials, goods and services they needed over the last month Jan 2022 ⁽⁹⁾



If one or more of these issues are causing challenges for your business, please get in touch with one of our experts.

Sources

- 1. Bank of England (2022) Will inflation in the UK keep rising?
- 2. RAC (2022) Petrol and diesel prices in the UK | Latest fuel price data from the RAC
- 3. GOV.UK (2021) HM Treasury coronavirus (COVID-19) business loan scheme statistics
- 4. HM Revenue and Customs (2021) Annual Report and Accounts 2020 to 2021
- 5. Lattice's (2022) Rethinking Work: Attracting and Retaining Talent in an Employee-Led Market Study
- 6. Growth from Knowledge (2022) UK consumer confidence continues to nosedive as cost-of-living crisis deepens
- 7. ONS (2022) Consumer price inflation, UK: January 2022
- 8. Gov.uk (2022) Commentary - Monthly Insolvency Statistics February 2022 - Insolvency Service (compulsory liquidations only), Companies House (all other insolvency types)
- 9. ONS (2022) Institute for Government analysis of ONS Business impact of Covid-19 survey (BICS), 27 December 2021 to 23 Jan 2022