SOSE BUSINESS PANEL SURVEY

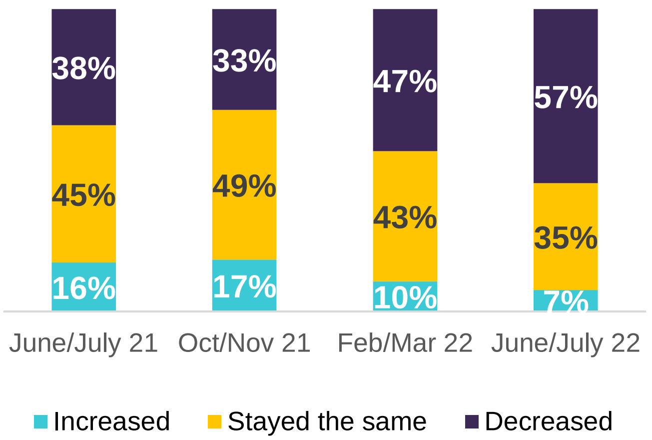
WAVE 4: June/July 2022

SOUTH of SCOTLAND ENTERPRISE

ECONOMIC CONFIDENCE AND OUTLOOK

Economic optimism was down on the previous wave. Net confidence* was -50, lower than the past three waves (-33 in Feb/March 22, -16 in Oct/Nov 21 and -22 in June/July 2021).

Confidence in economic outlook for Scotland over last 6 months

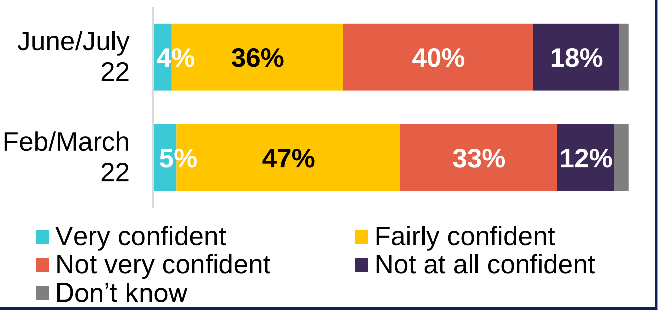


Thinking about the next 12 months, confidence was lower than the previous wave: 40% were confident (compared with 52% in February 2022), while 58% were not (compared with 45%).

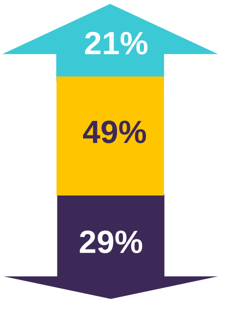
Confidence in economic outlook for Scotland over next 12 months

40% Very/fairly confident

58% Not very/not at all confident



CURRENT OPERATING LEVEL



Over and above the level we were before coronavirus

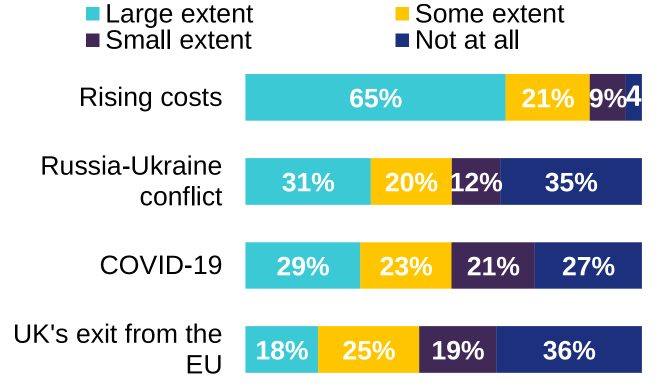
At **much the same** level as we were before coronavirus

Below the level we were before coronavirus

The proportion operating below pre-pandemic levels was lower than the previous wave (from 38% to 29%)

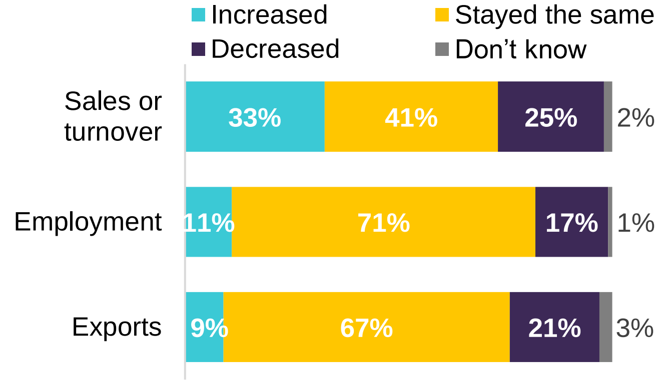
EXTERNAL FACTORS

Extent of current impact of external factors



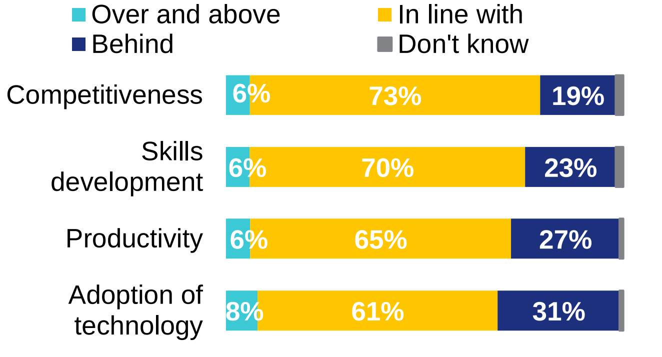
PERFORMANCE

Aspects of business performance over last 6 months



PERFORMANCE AGAINST KEY MEASURES

Performance vs where they want to be

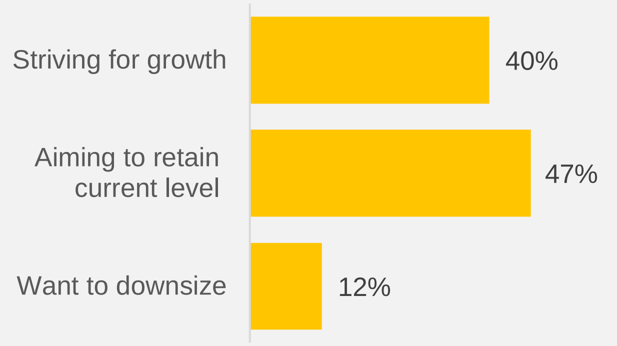


Ipsos

*The net figure is the difference between 'increased' and 'decreased' levels of confidence

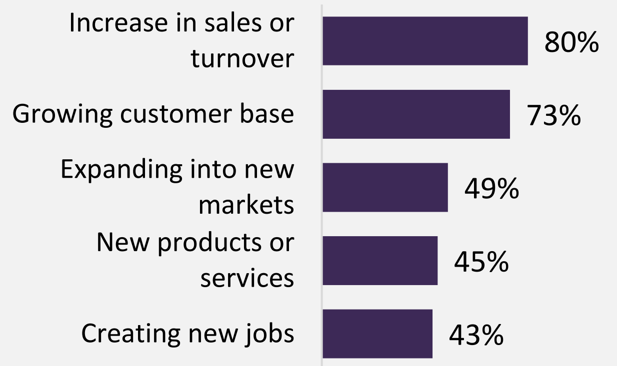
GROWTH ASPIRATIONS

Current aspirations for the business



FACTORS ASSOCIATED WITH GROWTH

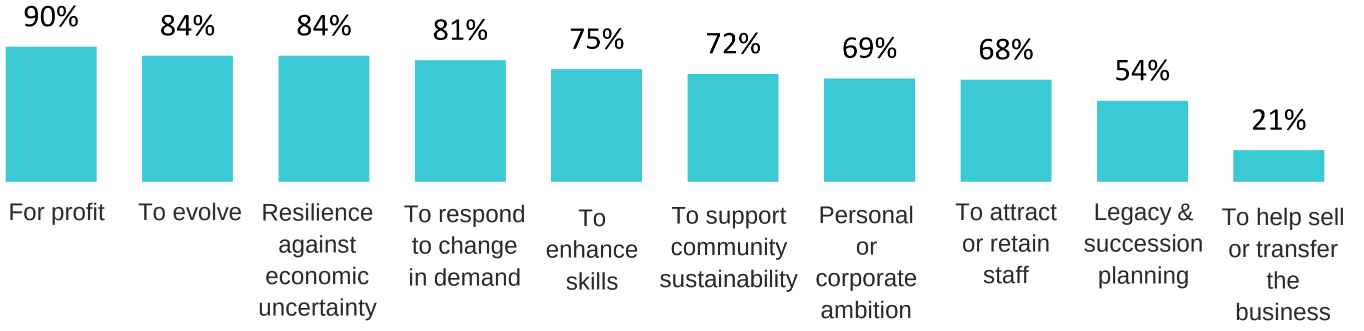
Top 5



MOTIVATIONS BEHIND ASPIRATIONS

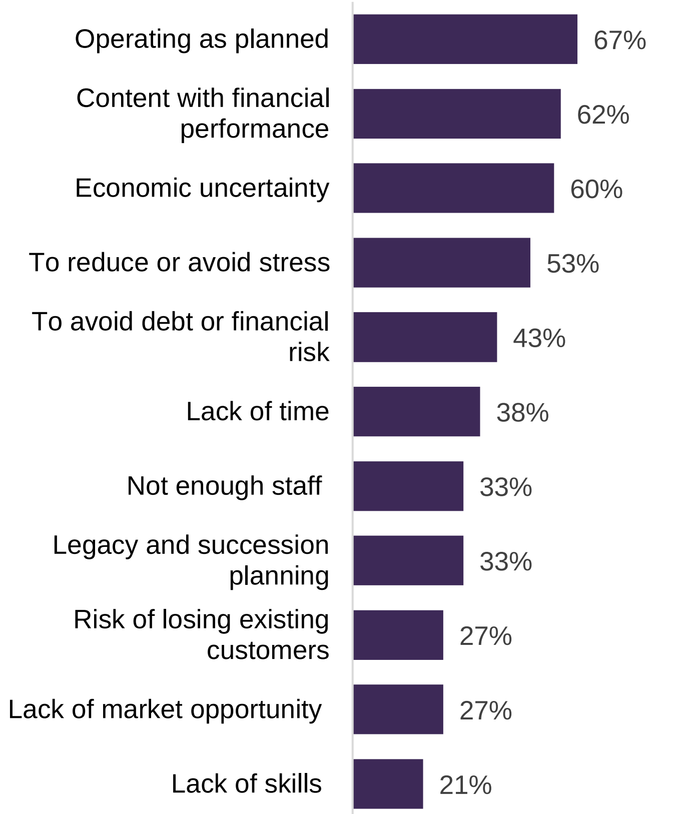
Reasons for striving for growth related to profit, resilience, people and legacy.

Motivation for striving for growth



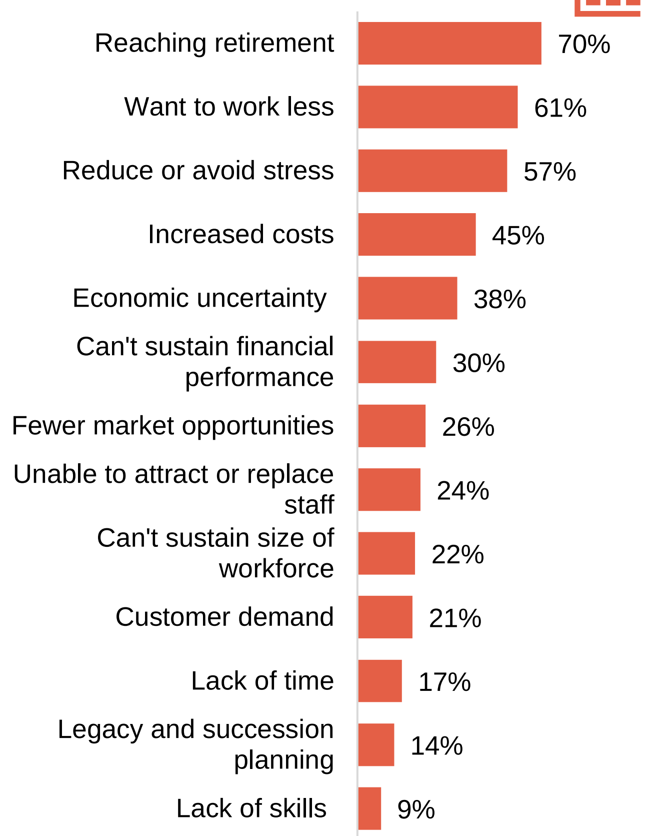
Base: Those striving for growth (246)

Motivations for wanting to <u>retain current level</u> of performance



Base: Those hoping to retain current level of performance (273)

Motivations for wanting to <u>downsize</u>

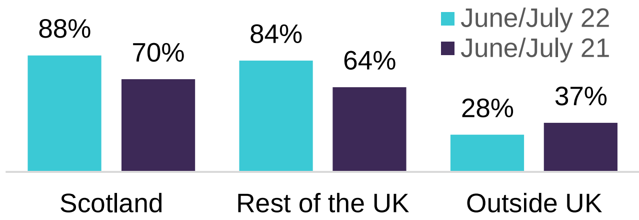


Base: Those hoping to downsize (67)

MARKETS OF OPERATION

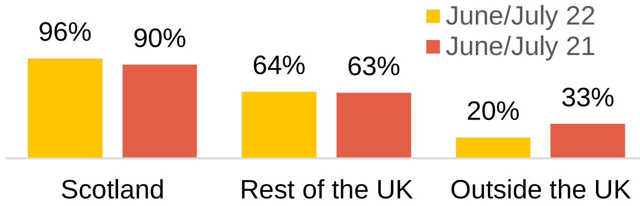
84% were importing from outside Scotland, with 28% importing from outside the UK

Markets from which goods were sourced



64% were exporting goods or services outside Scotland, with 20% exporting outside of the UK

Markets to which goods were sold

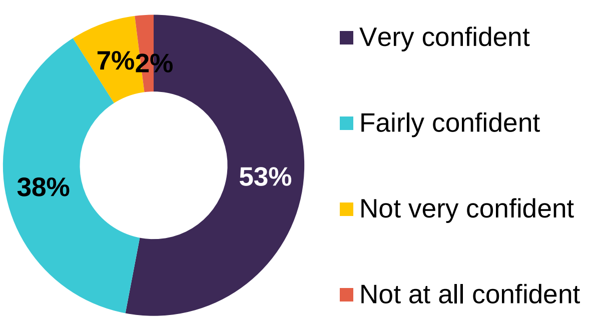


FUTURE VIABIILITY

Confidence in viability over the next 6 months

91%
Confident

9%
Not confident



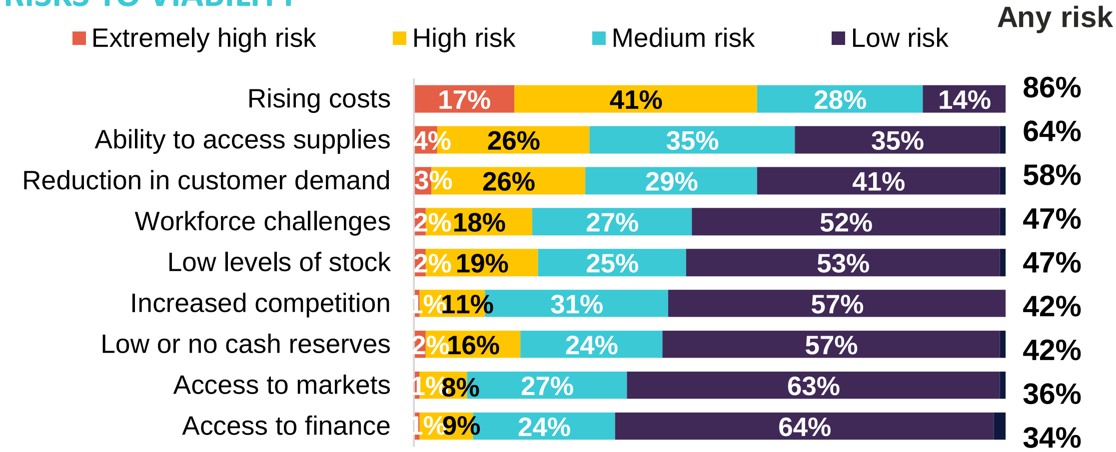
More confident than average:

- Financial and business services

Less confident than average:

- Food and drink businesses
- Operating below pre-pandemic levels
- Behind on their productivity and competitiveness

RISKS TO VIABILITY

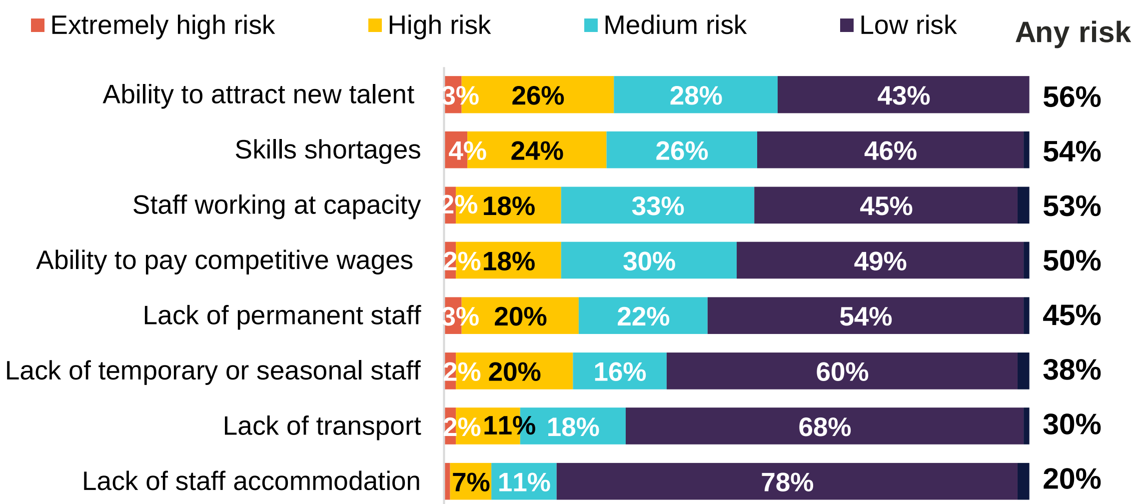


88% **felt equipped to respond to these risks**

11% **did not feel equipped**

Base: All businesses for whom each applied

WORKFORCE-RELATED RISKS

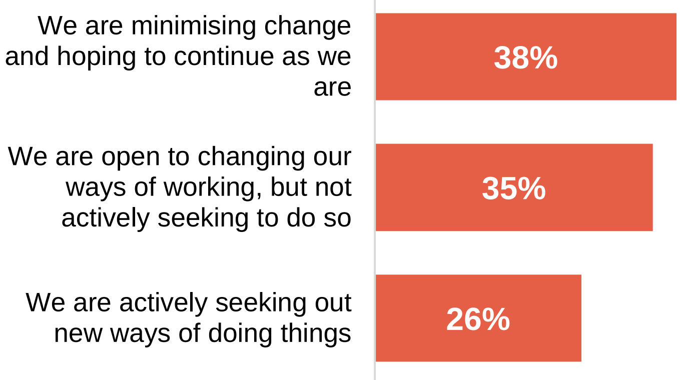


84% **felt equipped to respond to these risks**

15% **did not feel equipped**

OUTLOOK FOR NEXT 12 MONTHS

Outlook for next 12 months



More likely to be minimising change:

- Those with 0-4 staff
- In accessible rural areas

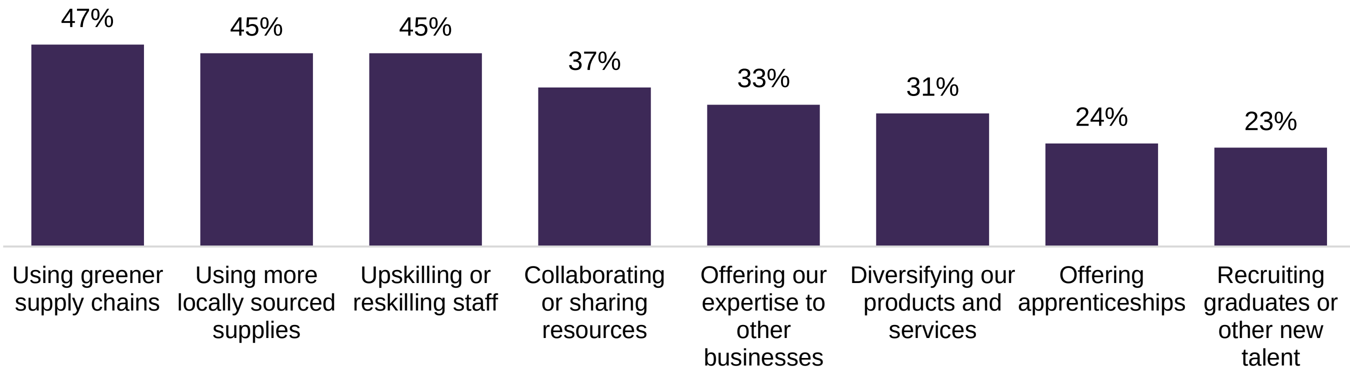
More likely to be actively seeking change:

- Operating above pre-COVID-19 levels
- Behind on their competitiveness and productivity

ACTIONS IN RESPONSE TO CHANGE

Actions being taken

83% were taking at least one action in response to changes in their working environment.

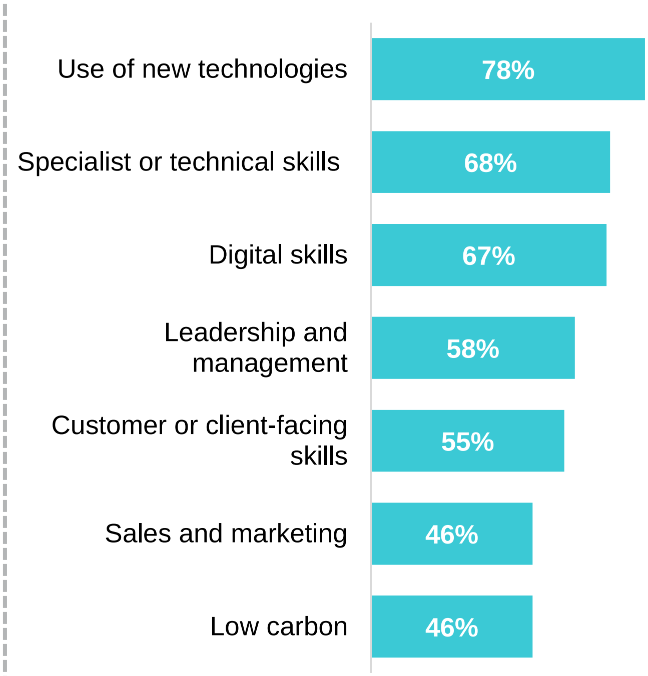


UPSKILLING OR RESKILLING STAFF

Actions being taken to upskill or reskill staff

Base: Those upskilling or reskilling staff (281)

Skills they were looking to develop



Base: Those upskilling or reskilling staff (281)

NOTES: Survey fieldwork was conducted between 6 June and 29 July using telephone interviewing. In total 595 businesses and social enterprises participated. Findings are weighted to ensure a representative sample of the regional business base. Where percentages do not sum to 100%, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers