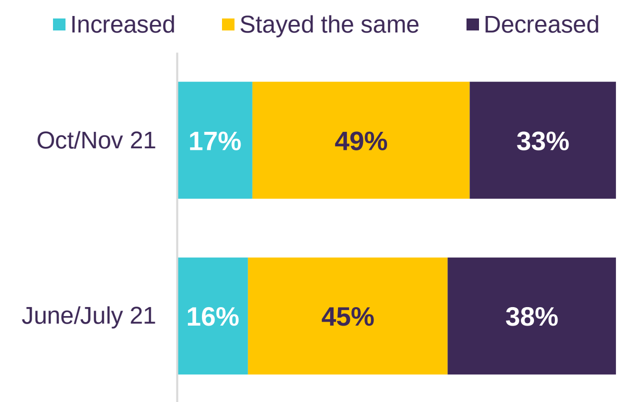
SOSE BUSINESS PANEL SURVEY

WAVE 2: October/November 2021

ECONOMIC CONFIDENCE AND OUTLOOK

Businesses were fairly confident in the economic outlook for Scotland over the next 12 months and most said their confidence had either stayed the same or increased in the last 6 months.

Economic confidence over the last 6 months



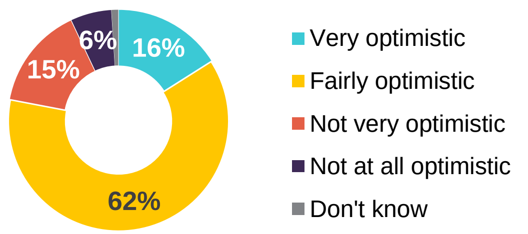
Overall confidence had shown slight improvement since the previous wave - net confidence* was -16, compared with -22 in June/July 2021.

Confidence in economic outlook for Scotland over next 12 months

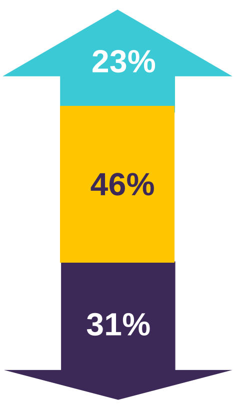
60% Very/fairly confident

38% Not very/not at all confident

77% of businesses were optimistic about their prospects in next 12 months, 21% were not.



CURRENT OPERATING LEVEL



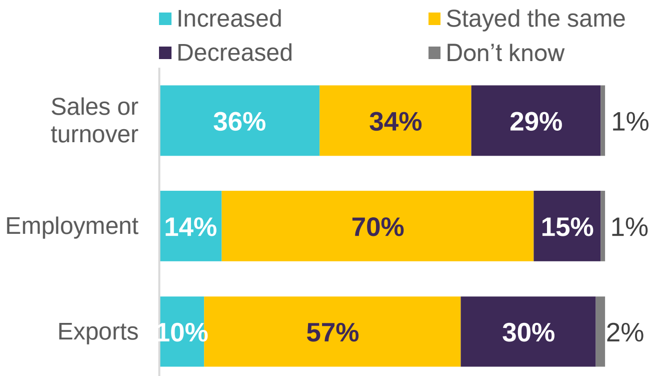
Over and above the level we were before coronavirus

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

Below the level we were before coronavirus

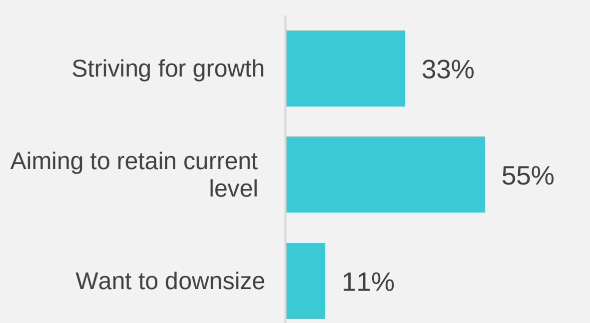
PERFORMANCE

Aspects of business performance over last 6 months

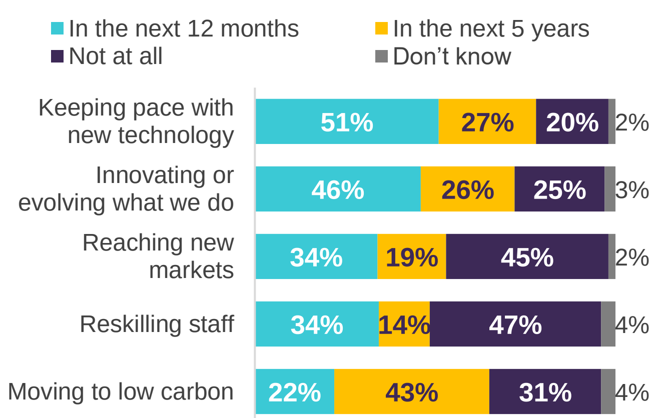


GROWTH ASPIRATIONS

Current aspirations for the business



PRIORITIES FOR BUSINESSES

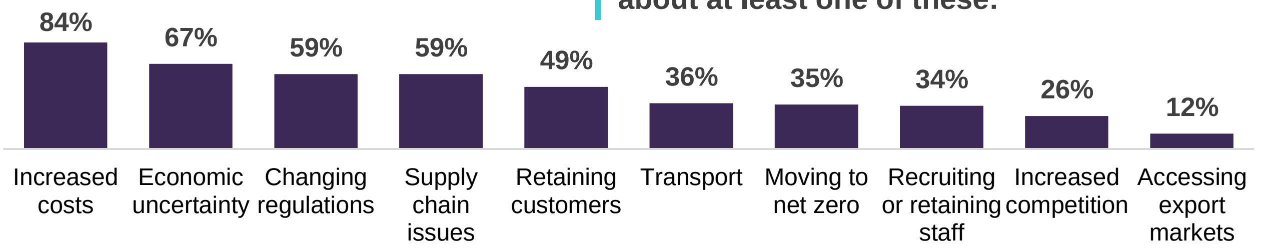


Ipsos MORI

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

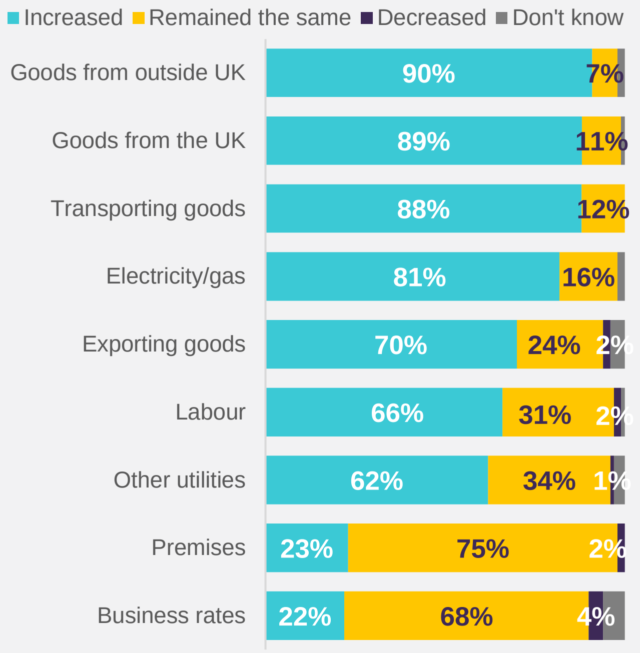
TOP CONCERNS FOR BUSINESS

97% of businesses were currently concerned about at least one of these:



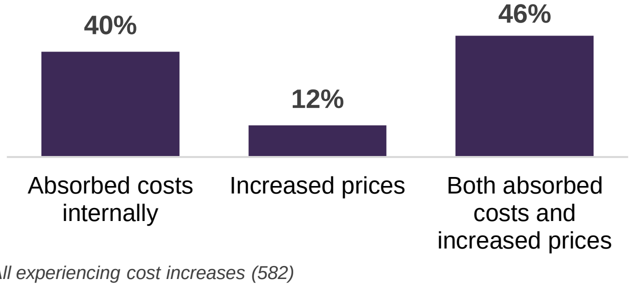
INCREASED COSTS

Experience of cost changes in the past 12 months



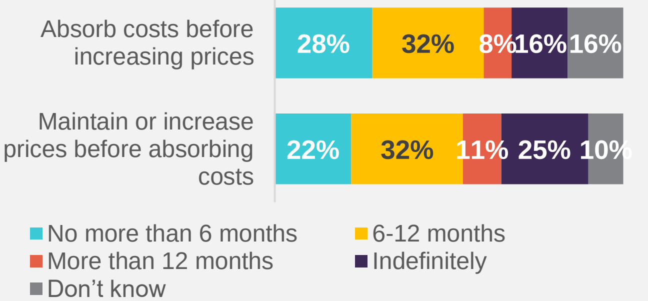
RESPONSE TO COST INCREASES

Response to costs increase in last 12 months:



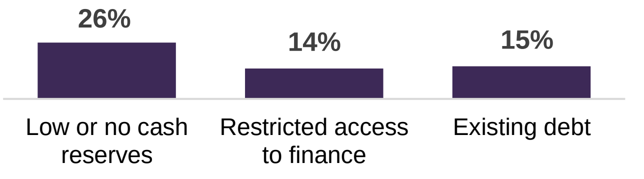
All experiencing cost increases (582)

Assuming costs remain the same, how long do you expect you will be able to…



FINANCIAL CONCERNS

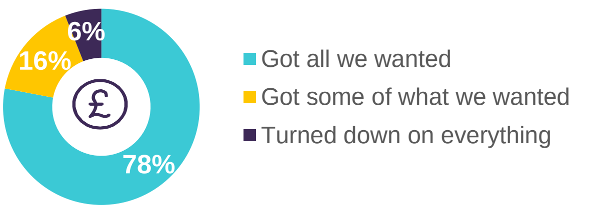
36% of businesses were concerned about at least one of these aspects of their finance:



FINANCIAL SUPPORT

48% of businesses had applied for finance in the past 12 months. Of those, 94% had been successful.

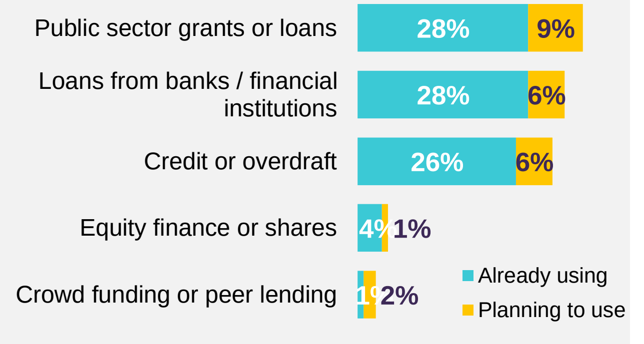
Outcome of funding applications



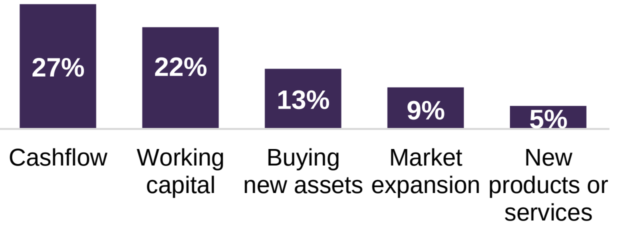
All that applied for finance (562)

63% of businesses were currently using or planning to use some from of finance.

Forms of finance used/planned



Main reasons for using/planning to use finance (top 5)



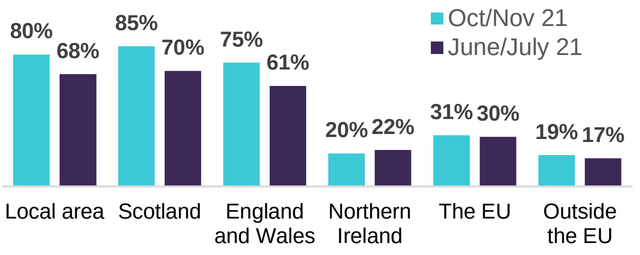
All those using/planning to use finance (358)

Main reason for not using finance was having no need to (75%), while 16% wished to remain debt free.

MARKETS OF OPERATION

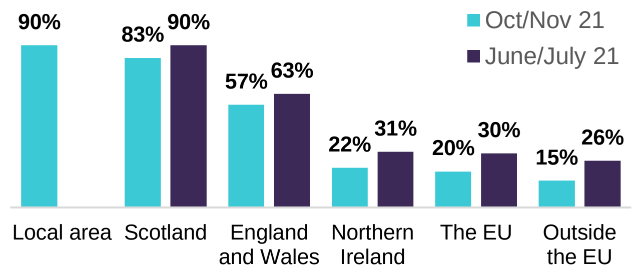
80% were importing from markets outside Scotland.

Markets from which goods were sourced



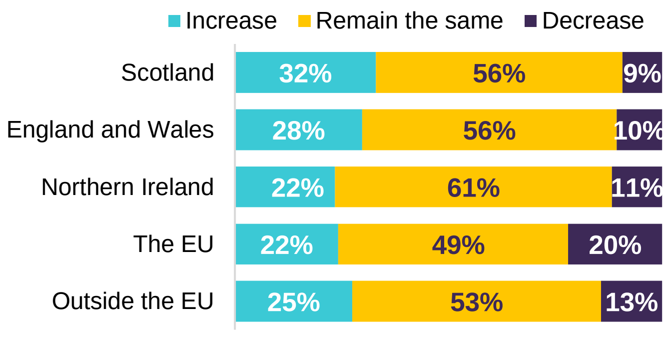
60% were exporting goods or services outside Scotland.

Markets to which goods were sold*



Businesses expected either stability or an increase in sales to their markets of operation.

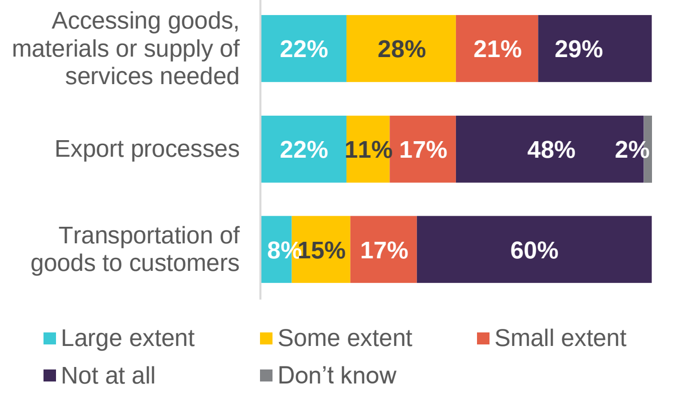
Outlook for export markets in next 12 months



All to whom each applied

SUPPLY CHAIN ISSUES

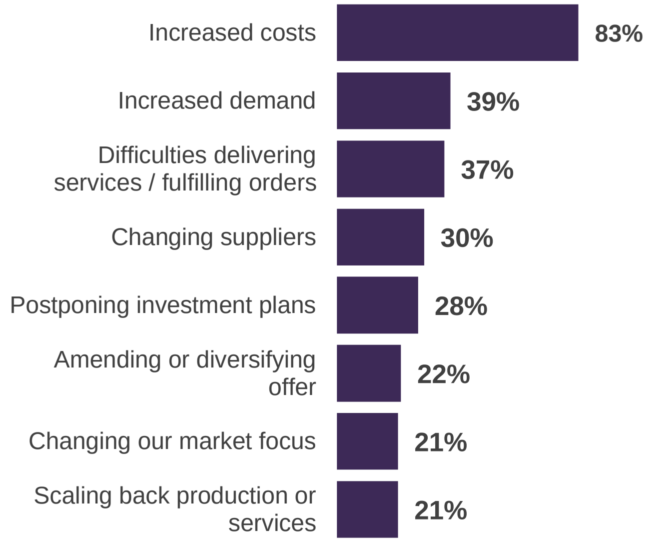
Among those for whom it was relevant, 74% were experiencing some form of supply chain issue.



All for whom it applied

Supply chain issues were being experienced by businessess trading in each market outside of Scotland

Impact of supply chain issues

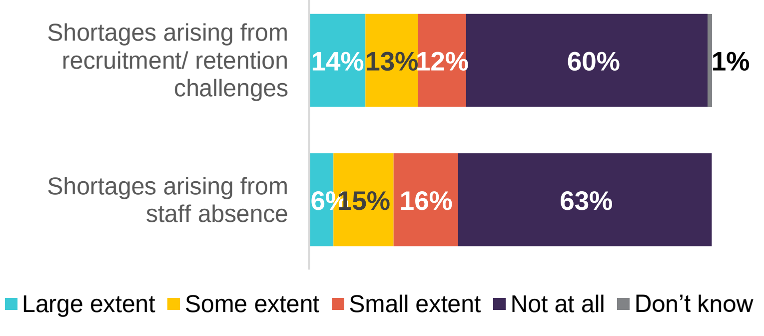


All those experiencing supply chain issues (420)

LABOUR SHORTAGES

Among those for whom it was relevant, 49% had experienced some form of labour shortage.

Experience of each type of labour shortage



Impact of labour shortages (Top 3 unprompted responses)

- **48%** Increased workload for other staff
- **16%** Difficulties delivering services/ fulfilling orders
- **12%** Scaling back production or services

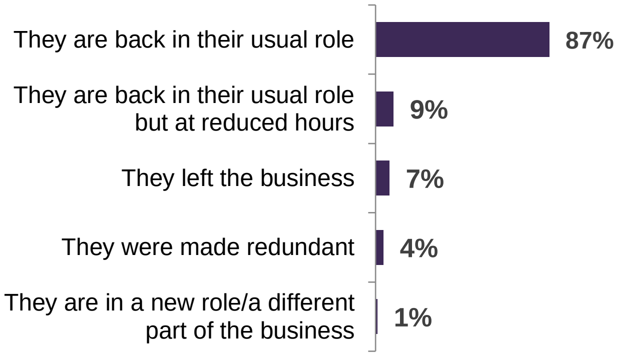
All those experiencing labour shortages (215)

*In the June/July 2021 wave, businesses were not asked about sales to their local area

FURLOUGH

26% of businesses had staff on furlough in the few months leading up to end of the scheme (up to 30th September 2021).

What happened with furloughed staff

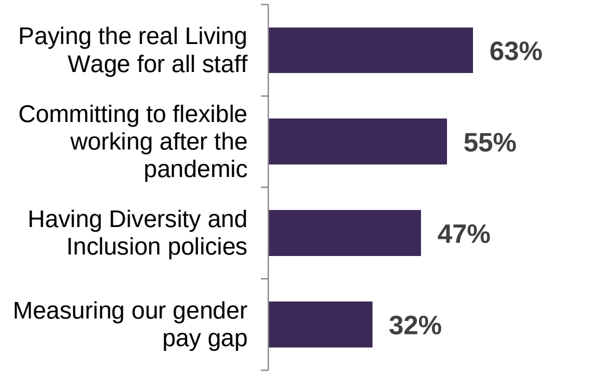


Base: All those that had staff on furlough in recent months (159)

FAIR WORK

The majority of businesses (75%) were taking measures to support Fair Work for their staff.

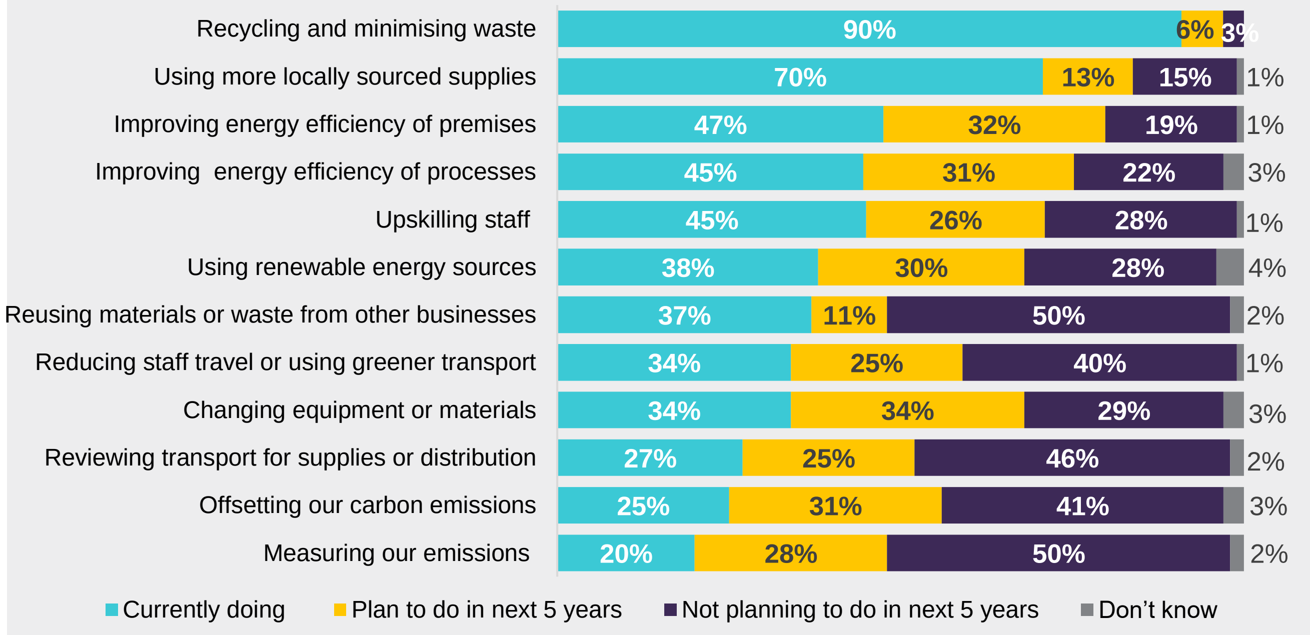
Fair Work practices in place



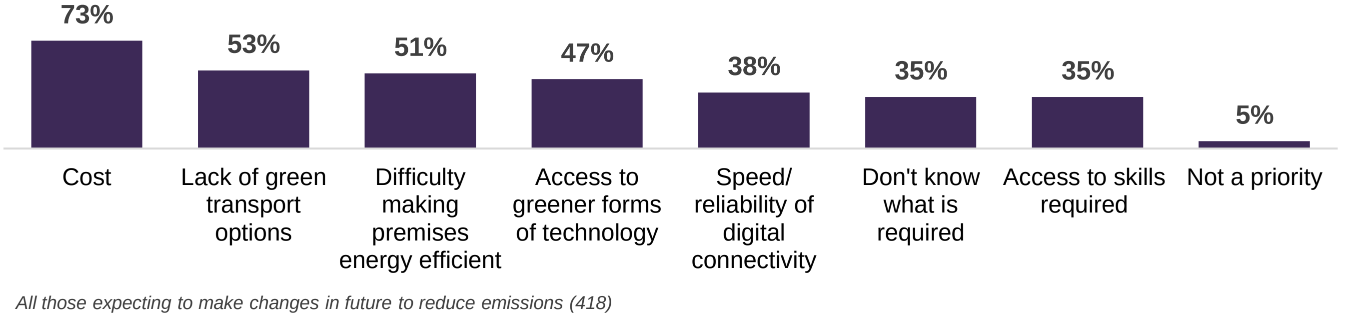
NET ZERO

96% of businesses were currently taking some actions to reduce their greenhouse gas emissions.

Actions being taken/planned to reduce emissions



Barriers to making changes needed to reduce emissions



All those expecting to make changes in future to reduce emissions (418)

NOTES: Survey fieldwork was conducted between 19th October and 30th November 2021, using telephone interviewing. In total 602 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.