SOSE BUSINESS PANEL SURVEY

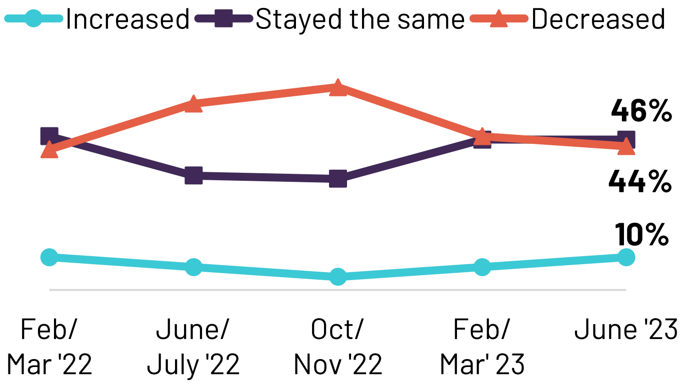
WAVE 7: June 2023

SOUTH of SCOTLAND ENTERPRISE

ECONOMIC CONFIDENCE AND OUTLOOK

Economic optimism increased this wave. Net confidence* was -34, higher than the past three waves and close to the level seen in Feb/Mar '22.

Confidence in economic outlook for Scotland over last 6 months



Confidence in economic outlook for Scotland over next 12 months

48% Very/fairly confident

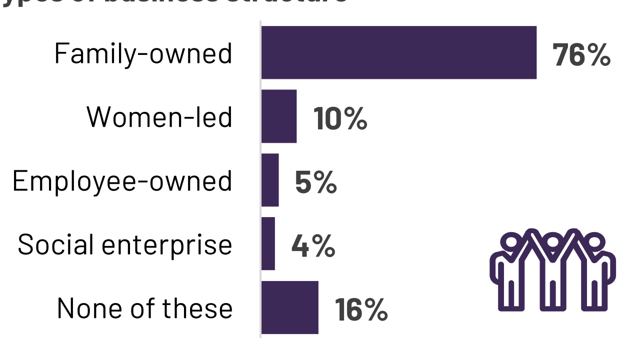
51% Not very/not at all confident

More confident:
- Construction businesses (65%)
- Performed well in past 6 months (63%)
- In urban areas (55%)

Less confident:
- Accommodation and food services (63%)
- Primary industries (53%)
- Struggled in past 6 months (70%)

BUSINESS STRUCTURE

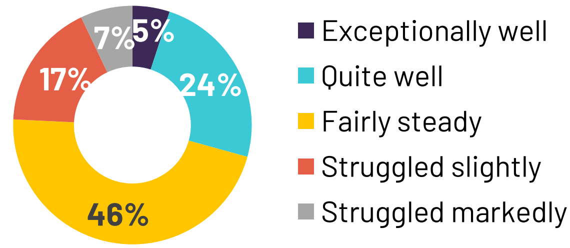
Types of business structure



Base: Women-led/social enterprise – all businesses (610); family/employee-owned – all employers (438)

PERFORMANCE OVER LAST 6 MONTHS

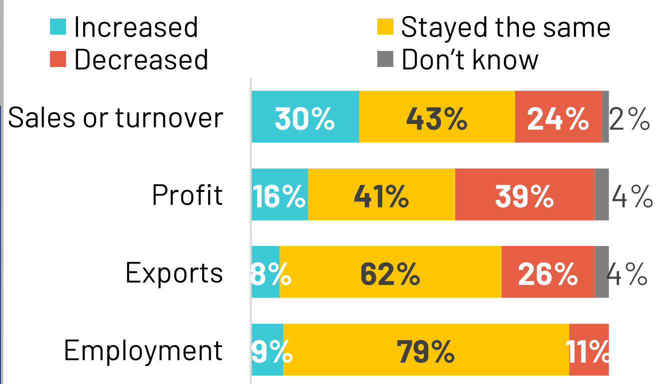
29% of businesses had performed well in the last six months, while 24% had struggled.



Accommodation & food and wholesale & retail businesses were more likely to have struggled.

ASPECTS OF PERFORMANCE

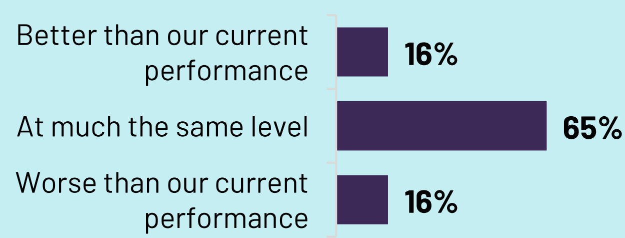
Over the last six months



Base: All to whom each applied

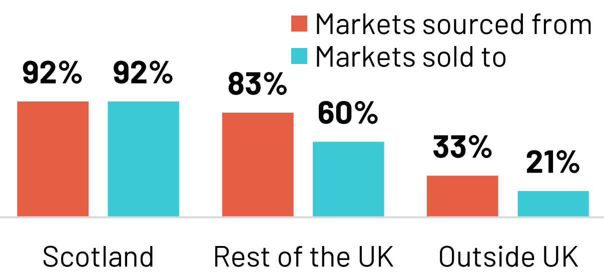
EXPECTED PERFORMANCE

Over the next 6 months



MARKETS

85% were importers, 61% were exporters.



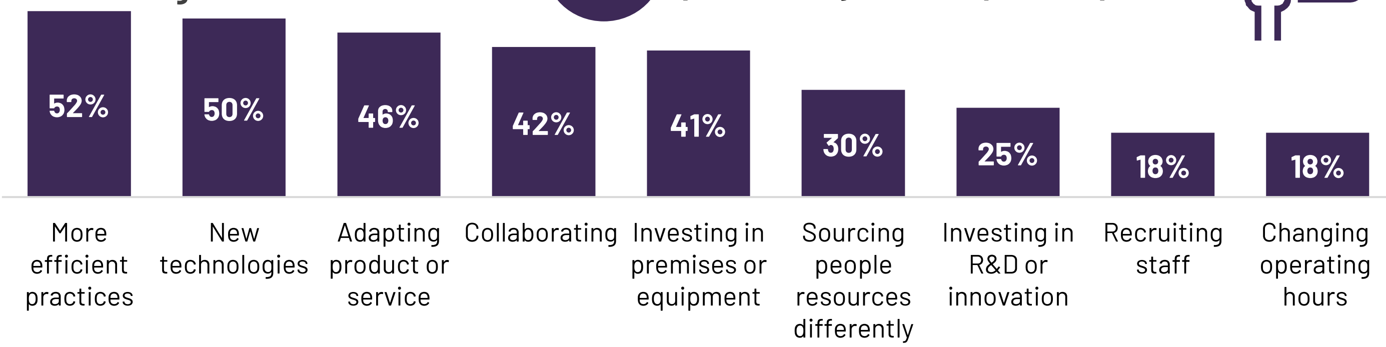
Ipsos

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

ADAPTING TO CHANGE

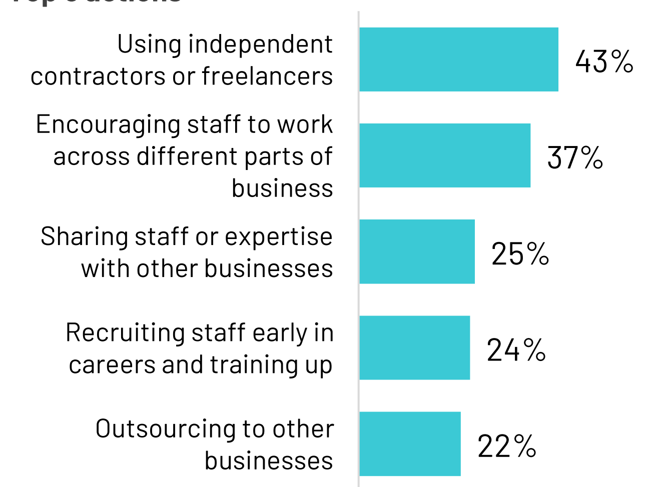
86% were taking actions to improve their productivity and competitive position.

Actions being taken



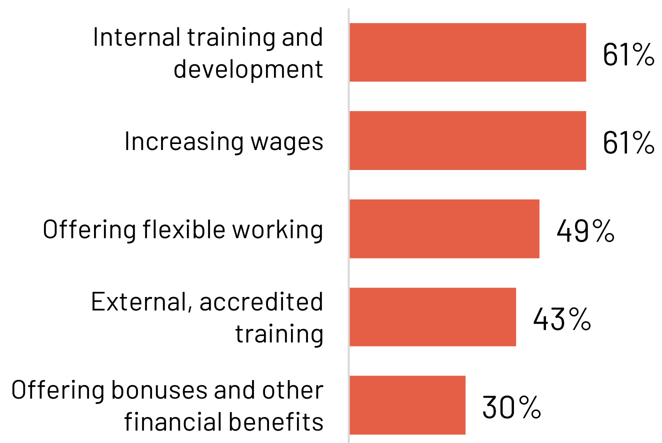
77% were taking action to access required skills and resources.

Top 5 actions



86% of employers were taking actions to support their workforce.

Top 5 actions

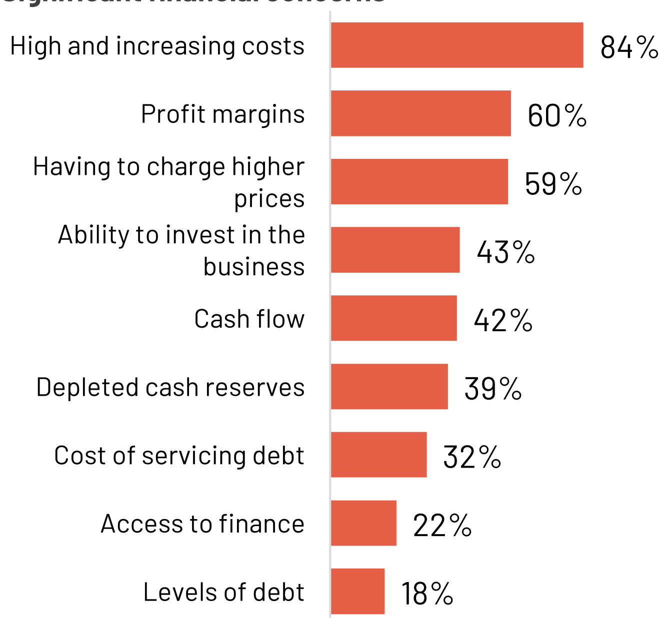


Base: All employers (440)

FINANCIAL CONCERNS

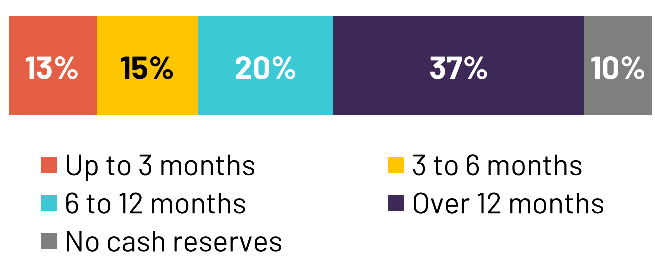
92% were concerned about their finances

Significant financial concerns



FINANCIAL VIABILITY

"Assuming you had no additional funding, how long could your business keep operating on your current cash reserves?



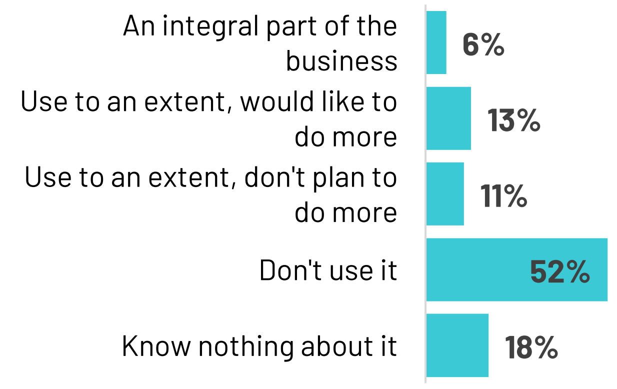
More likely to say:

- **No more than 3 months:** arts and entertainments businesses.
- **Over 12 months:** IT, finance and real estate businesses; those with 25+ staff.
- **No cash reserves:** those that struggled in past 6 months.

USE OF AUTOMATION

30% used automation, 70% did not.

Current approach to automation



Sectors more likely to use automation:
- Professional, scientific and technical
- IT, finance and real estate
- Primary industries.

Sectors less likely to use automation:
- Construction.

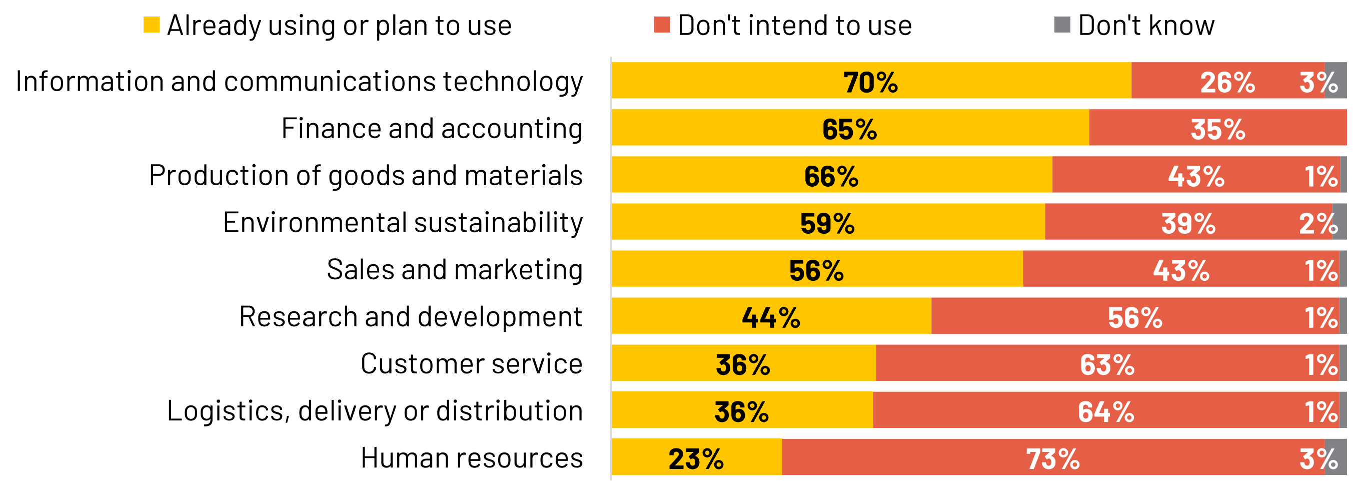
Among businesses not using automation

92% Unlikely to use in future

6% Likely to use in future

Base: All businesses that had some knowledge of automation but were not using it (311)

AREAS AUTOMATION WAS USED IN THE BUSINESS



Base: All businesses using automation to whom it applied

APPLICATION OF AUTOMATION

Base: All businesses using or likely to use automation (210)

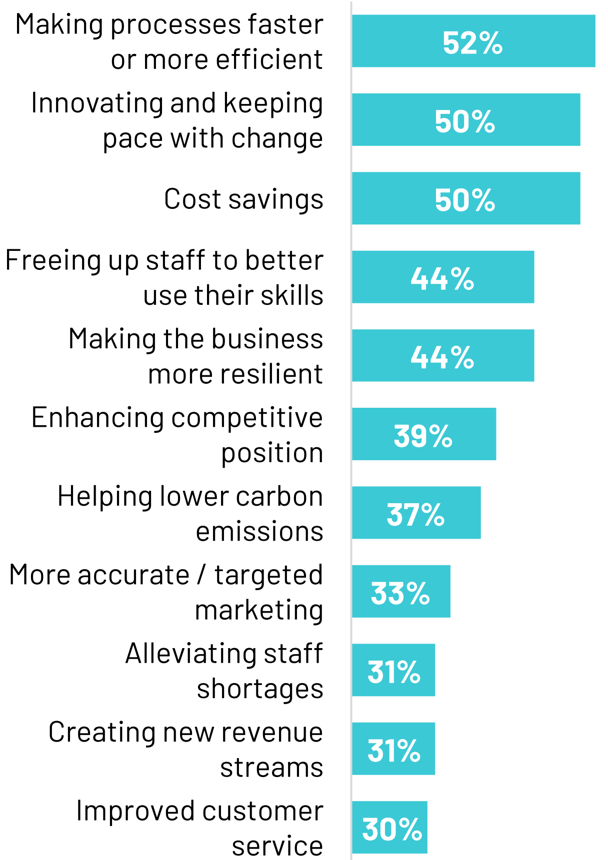
ACTIONS TO SUPPORT AUTOMATION

Among current users, 89% were taking steps to support use of automation.

Base: All businesses using automation (188)

BENEFITS OF AUTOMATION

Among businesses with some knowledge of automation, 70% felt it offered benefits.



Base: All businesses with some knowledge of automation (501)

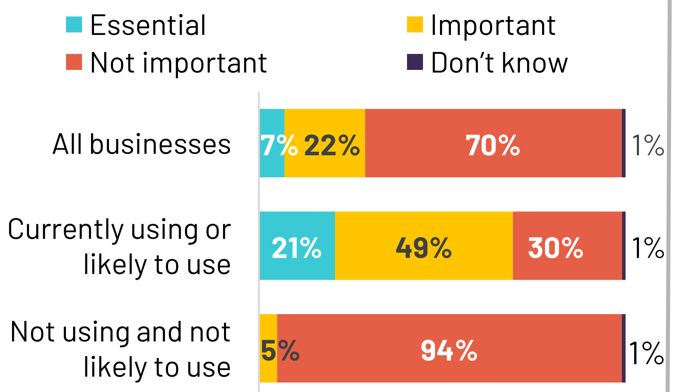
CONCERNS ABOUT AUTOMATION

Among businesses with some knowledge of automation, 74% had concerns about it.

Base: All businesses with some knowledge of automation (501)

IMPORTANCE OF AUTOMATION

To the future of the business

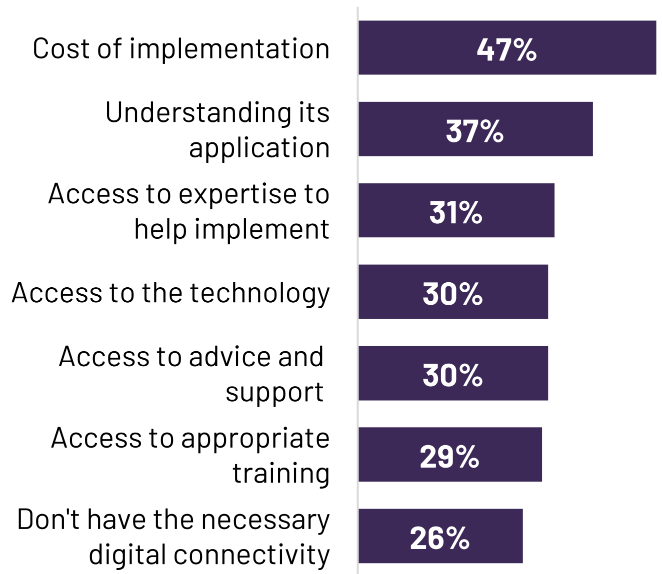


More likely to say:

- **Essential or important**: 25+ staff; manufacturing; primary industries; remote rural businesses.
- **Not important**: construction, wholesale and retail; urban businesses.

BARRIERS TO USING AUTOMATION

Among businesses with at some knowledge of automation, 67% cited barriers to its use.



Base: All businesses with some knowledge of automation (840)

Concerns about and barriers to automation were both higher among those already using it, and lower among those that were not using it and unlikely to.

NOTES: Survey fieldwork was conducted between 30 May and 30 June using telephone interviewing. In total 610 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