

SOSE Business Panel Survey

Wave 10: June/July 2025



Economic confidence

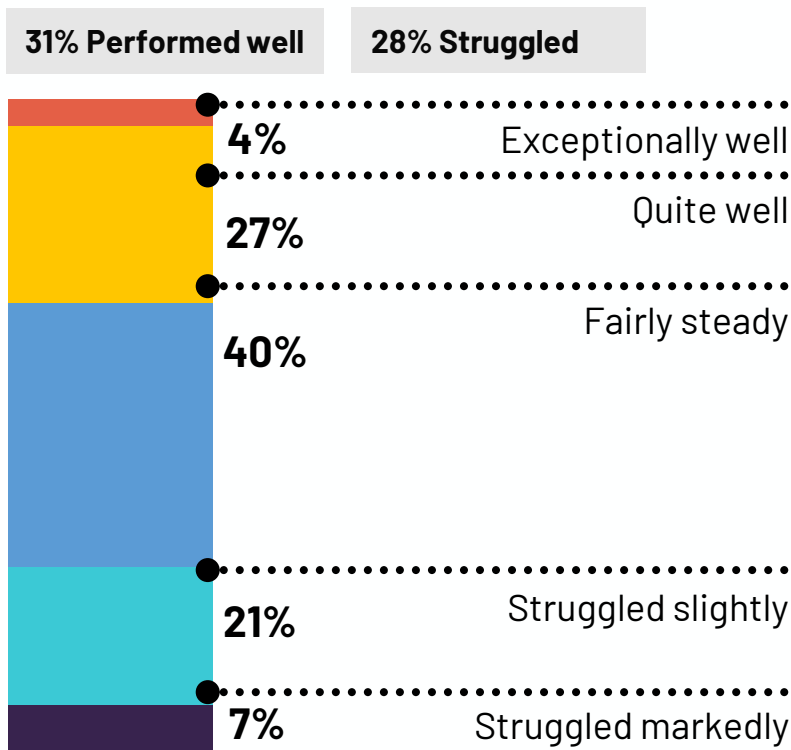
48%

of businesses **were confident** in the economic outlook for Scotland, **49%** were **not confident**. Confidence was higher than the previous wave in Nov/Dec 24, when it was particularly low.



Performance

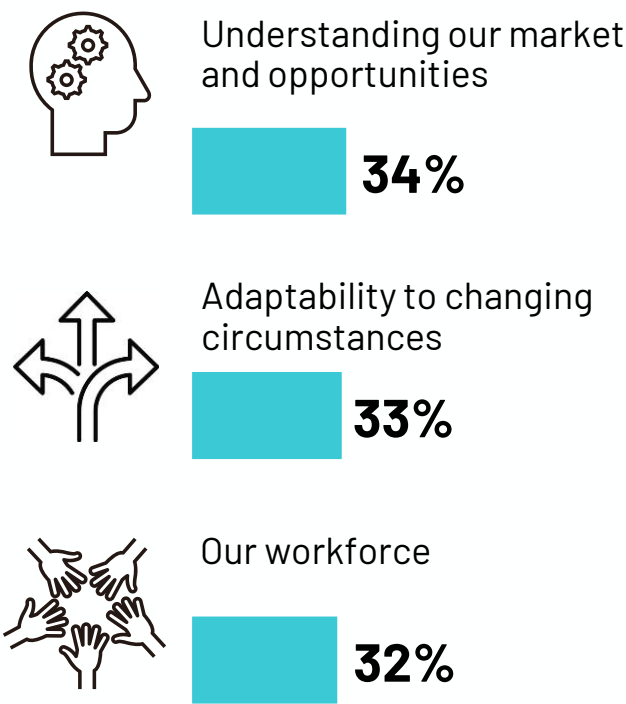
Businesses' perceptions of their own performance over past six months



Businesses had performed better on their sales or turnover than on profit, while their levels of employment and exports had remained relatively stable.

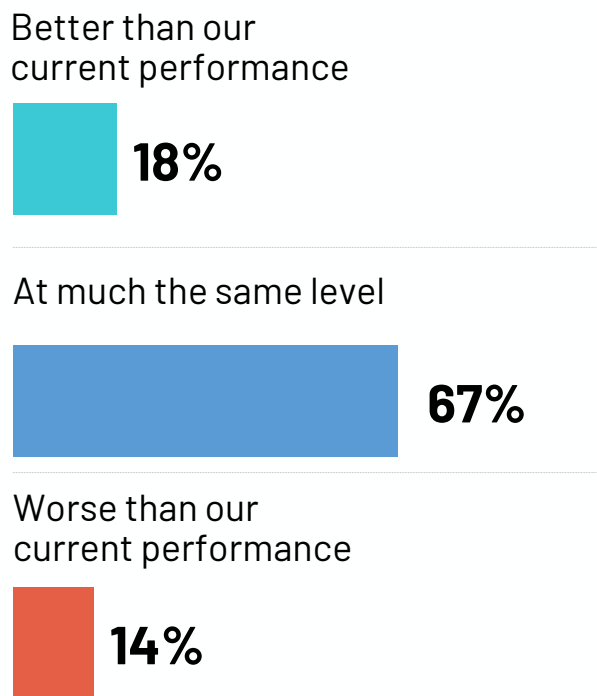
Strengths

The top 3 strengths that businesses felt would help them in the next year:



Performance expectations

Most businesses expected to perform at the same level over the next six months.



Aspirations

42%

of businesses were **striving for growth**, while **38%** were **content with their current level of performance**. A smaller proportion (**17%**) were **looking to downsize**.

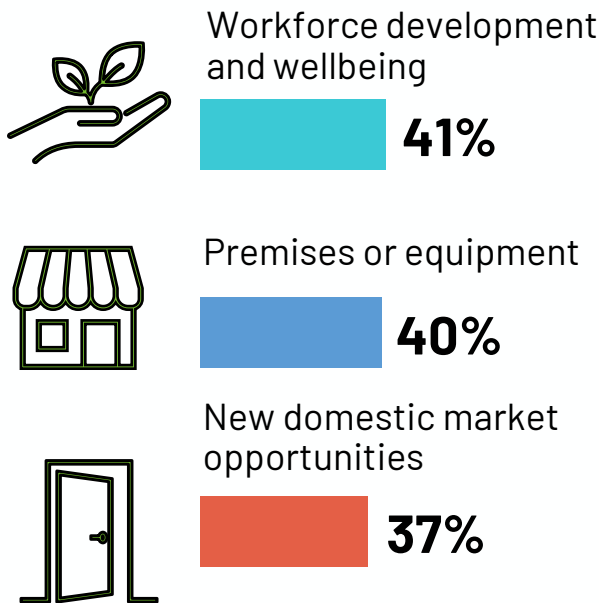
Main reasons for –

- Striving for growth - to make or increase profit (**64%**)
- Being content with current performance - content with financial performance (**37%**)
- Looking to downsize - reaching retirement age (**53%**)

Areas for development

87% said that there were areas that they would like to develop for their business

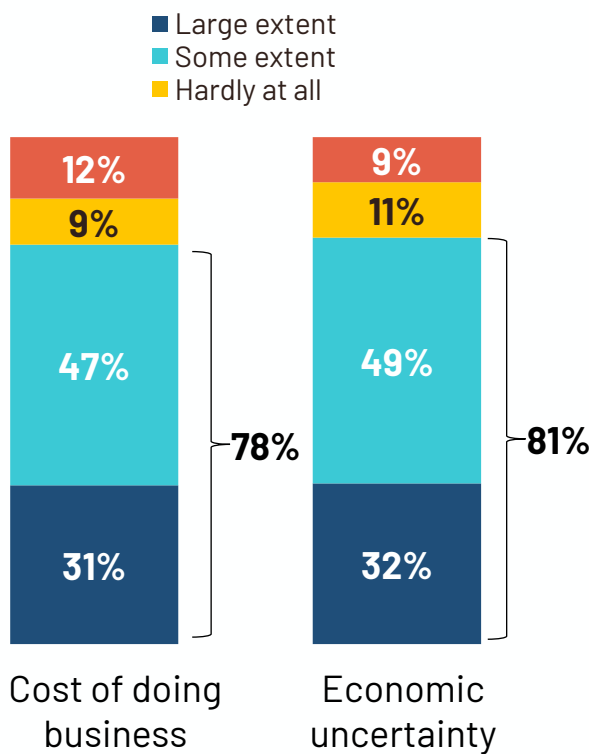
Top 3 areas



82% felt at least somewhat **able to progress with their specified areas for development**.

Barriers

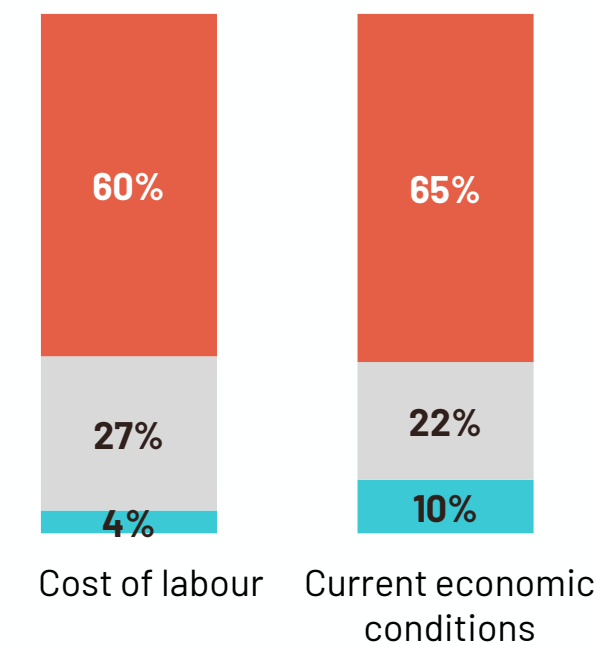
However, a high proportion of businesses with specified development goals said that **economic uncertainty** (**81%** said this) and the **cost of doing business** (**78%** said this) had affected their progress towards these goals to at least some extent.



Risks and Opportunities

More than half of businesses considered the **cost of labour** and **current economic conditions** and to be **risks to their business**, with few considering them to be opportunities.

■ Opportunity ■ Not an opportunity ■ Risk



Artificial intelligence and automation

28%

Saw AI and automation as an opportunity for their business.

14%

Saw it as a risk

43%

Thought it was neither a risk nor an opportunity.



Among businesses who considered automation and artificial intelligence to be an opportunity, most thought that there were opportunities in **making processes faster or more efficient (73%)** or in **innovating and keeping pace with change (66%)**. Those who considered it to be a risk were most likely to cite **cyber security risks (66%)**.

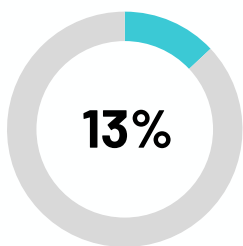
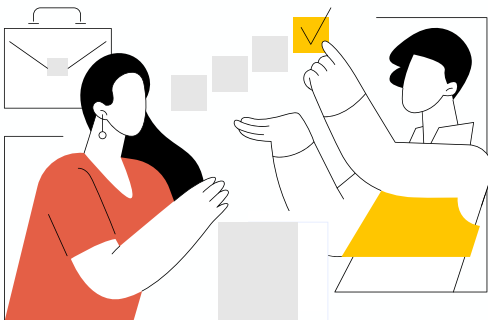
International trading conditions

36% of all businesses thought that **changes to international trade conditions were a risk** to their business. Very few thought this was an opportunity.

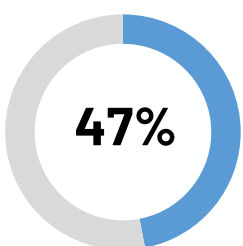
Top 3 reasons for considering changes to international trade conditions to be a risk:



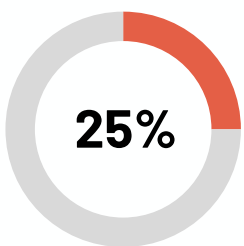
Among those trading internationally, just under half were not planning to make any changes to their approach to international trade as a result of recent changes.



Already making / planning to make changes



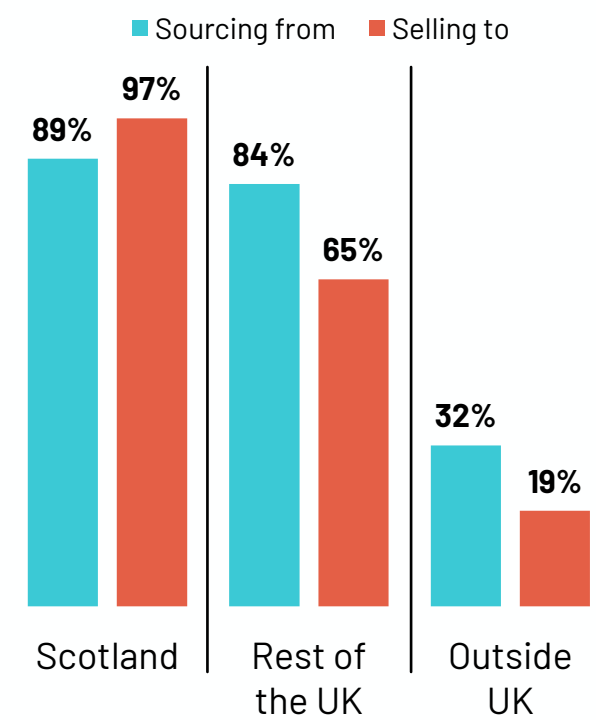
Not planning to make changes



Too soon to say

Markets

84% were importers* and 66% were exporters*

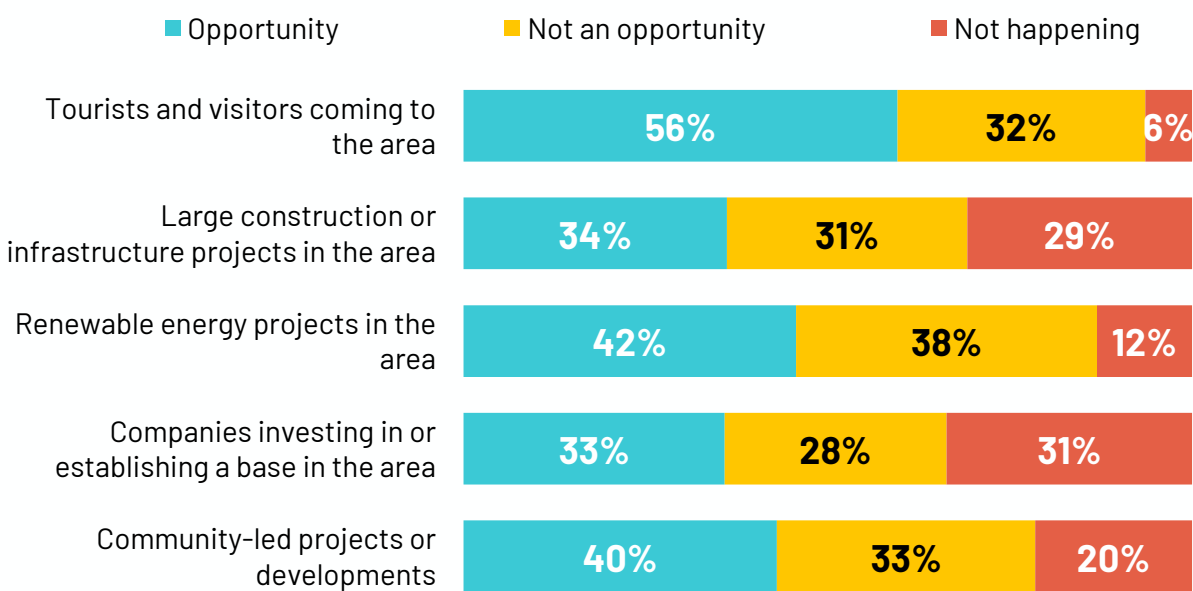


*Sourcing from/selling to any market outside of Scotland

Local Opportunities

More than half of businesses felt that **tourists and visitors coming to the area (56%)** was an **opportunity** for them. This was followed by **renewable energy projects (42%)** and **community-led projects or developments (40%)**.

Two thirds of businesses felt at least somewhat able to capitalise on opportunities available to them.



Key Variation by Sector



Tourism growth sector businesses were more likely to have experienced decreased employment, sales/turnover and profit margins. However, they were more likely to cite strong community connections as a strength, and see tourists and visitors coming to the area and community-led projects as an opportunity for their business.



Food and drink growth sector businesses were more likely to report increased sales/turnover and profit margins. They were more likely to cite adaptability to changing circumstances as a strength, but also to cite uncertainty around international trade conditions as a barrier to business development.