



SOUTH of
SCOTLAND
ENTERPRISE

SOSE Business Panel Survey

June / July 2025



Executive summary (1)

Overview

This report presents the findings from the tenth business panel survey for South of Scotland Enterprise. It involved a survey of 599 businesses across the region, conducted in June/July 2025.

Confidence in the economy increased this wave. Over the past six months, most businesses had either performed well or had been fairly steady, but more than a quarter had struggled. Overall business performance was slightly up on the previous wave.

Looking ahead, a similar proportion of business were striving for growth as they were content with their current level of performance. Fewer businesses wanted to downsize.

Businesses identified their understanding of their market, adaptability to changing circumstances and their workforce as their biggest strengths.

Most businesses said that there were areas that they would like to develop for their business, and that they were able to progress with their goals. The most commonly selected areas for development were around workforce, premises or equipment, and new domestic market opportunities.

Among those who were not able to progress with their goals, the main barriers were economic uncertainty and the cost of doing business. Increased costs and reduced revenue were the main impacts of this.

This wave asked about international trading conditions. Among businesses who are trading internationally, just under half said they were not currently planning to make changes to their approach as a result of recent changes to international trading conditions, or it was too soon to say. Among those who had already made changes or were planning to, most were adopting a cautious approach due to uncertainty.

This wave also asked about automation/artificial intelligence. A higher proportion of businesses considered it be an opportunity rather than a risk to their business. Perceived opportunities included making processes faster or more efficient, and innovating and keeping pace with change. Concerns were around cyber security risks and the risk of roles becoming obsolete.

More than half of businesses felt that tourists and visitors coming to the area was an opportunity for them. Fewer felt that renewable energy projects, community-led projects or developments and large construction or infrastructure projects were an opportunity for their business.

Most businesses felt able to capitalise on these opportunities.

Executive summary (2)

Business structure

- **Among employers (businesses with at least one employee), 73% described themselves as family-owned and 5% were employee-owned** (with employees owning a majority of the shares). 13% of businesses (including sole traders) were women-led, 5% were a co-operative (owned or controlled by its members) and 3% described themselves as a social enterprise.
- **11% of employers fell within one of the “inclusive ownership models”** of employee-ownership, social enterprise or co-operatives.
- **A majority of businesses (59%) had been operating in the South of Scotland for more than 25 years.**

Optimism and performance

- **Confidence in the economic outlook for Scotland increased this wave:** 48% of businesses were confident (compared to 47% in November/December 2024), while 49% were not (compared with 61%).
- **Reflecting on the past six months, 44% of businesses said their confidence had decreased, 6% said it had increased, and 50% said it had stayed the same.** Net confidence was -38, a notable increase since November/December (-54) which marked the lowest level of confidence since October/November 2022.
- **Views on business performance were mixed,** with 31% saying their business had performed well, 40% saying performance had been fairly steady and 28% saying they had struggled. Performance was slightly higher than the previous wave in November/December 2024.

- **Over the past six months, sales or turnover performance was mixed (31% said it had increased, 26% decreased, and 41% remained the same).** Businesses had performed better on sales or turnover than on profit (20% said profit margins had increased, 37% decreased, and 40% remained the same).
- **Employment and exports had remained relatively stable** 74% and 71% respectively said these had stayed the same.
- **Businesses largely expected stability in the months ahead.** A majority (67%) of businesses were expecting to perform at much the same level over the next six months, with a smaller proportion expecting to perform better (18%) or worse (14%) than their current level of performance.

Aspirations

- **A similar proportion of business were striving for growth (42%) as were content with their current level of performance (38%).** Fewer businesses (17%) were wanting to downsize in the future.
- The main motivation for striving for growth was to make or increase profit (64%), while the main reason for wanting to maintain current level of performance, rather than to grow, was being content with financial performance (37%). Among those wanting to downsize, the main reason was because the respondent was reaching retirement age (53%).

Executive summary (4)

Markets of operation

- **Eighty-four percent (84%) of businesses were importers** (sourcing goods from outside Scotland), with 84% importing from the rest of the UK and 32% from outside the UK. The majority of businesses (89%) sourced goods and materials from Scotland, with 12% sourcing *only* from Scotland.
- The main international import market was the European Union (61%), followed by the United States (15%) and China (12%).
- **Two thirds (66%) of businesses were exporters** (selling to markets outside Scotland), with 65% selling to the rest of the UK and 19% internationally. The majority (97%) of businesses sold goods or services within Scotland, with 32% selling *only* in Scotland.
- The main international export market was the European Union (58%), followed by the United States (30%). Fewer were exporting to Australia (15%) and Canada (9%).

Planning and prioritisation

- **The areas identified by businesses as their biggest strengths were understanding their market and opportunities** (34%), adaptability to changing circumstances (33%), **and their workforce** (32%).
- **Most businesses (87%) said that there were areas that they would like to develop for their business.** The most commonly cited areas for development included their workforce and workforce wellbeing (41%), premises or equipment (40%), and new domestic market opportunities (37%).
- **Most businesses with specified areas for development said that they were able to progress towards their goals to at least some extent** (82%). A much smaller proportion had hardly made any progress (15%) or not made any progress (3%).
- **Three quarters (77%) of businesses who were not able to progress towards achieving their development goals cited increased costs as an impact of this, with half (50%) citing reduced revenue.**
- **A high proportion of businesses who had specified development goals said that economic uncertainty and the cost of doing business had affected their progress towards these goals to at least some extent** (81% and 78% respectively), with three in ten saying that these areas had affected progress to a large extent (32% and 31% respectively).

Executive summary (3)

Risks and opportunities

- **Most businesses considered current economic conditions and the cost of labour to be risks to their business** (66% and 60% respectively), with few considering them to be opportunities (10% and 4%).
- **Views on automation and artificial intelligence were more mixed**, with around four in ten (43%) saying that it was neither a risk nor an opportunity. A higher proportion considered it to be an opportunity (27%) than a risk (14%).
- **Among businesses who considered automation or artificial intelligence to be an opportunity** for their business, around three quarters thought there were opportunities in **making their processes faster or more efficient** (73%), and two thirds thought that they could help with **innovating and keeping pace with change** (66%).
- **Among businesses who perceived automation or artificial intelligence to be a risk** to their business, around two thirds (66%) cited **cyber security risks** and half (48%) cited **risks of roles becoming obsolete**.
- **Among businesses who perceived changes to international trade conditions to be a risk (36%), the most widespread concern related to price rises on imported goods**, with 65% citing this as a risk.

International trade

- **Among all businesses who are trading internationally, around half (47%) said that they are not currently planning to make changes to their approach to international trade as a result of recent changes to international trade conditions.** A smaller proportion (13%) had already made, or were planning to make changes, and a quarter (25%) indicated that it was too soon to say.
- **Among businesses who have made changes, or are planning to make changes, to their approach to international trade, around half (46%*) said they were adopting a cautious approach due to uncertainty.**
- Few businesses were targeting new markets outside the UK (2% of all businesses).

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%), community-led projects or developments (40%), large construction or infrastructure projects (33%) or companies investing in or establishing a base in the area (33%).
- **Among businesses who saw one or more of these activities as an opportunity, 66% felt at least somewhat ready to capitalise on them**, while 32% felt that they were hardly able to capitalise or not at all able to capitalise.

01

Introduction

Introduction and context

Introduction

The South of Scotland Enterprise (SOSE) Business Panel was created to measure and monitor the economic health of the South of Scotland region through the experiences and opinions of businesses and social enterprises in the area, and to explore topical issues at a regional, sub-regional or sectoral level.

In June 2021, SOSE commissioned Ipsos to establish and manage the panel and run a survey with businesses and social enterprises, representative of the South of Scotland business base in terms of geographic area, organisation size and sector.

This report presents findings from the panel survey carried out in June/July 2025. As well as tracking questions exploring economic optimism, business performance, markets of operation and growth aspiration, the survey also explored risks and opportunities, international trade, and local opportunities.

Each wave, the survey is carried out in parallel with one for Highlands and Islands Enterprise (HIE), among members of the HIE Business Panel and other businesses in the Highlands and Islands region. Both surveys covered the same questions.

Context for this wave

This wave took place in a period of uncertainty for business. April saw the announcement of new tariff measures on goods imported into the US, leading to a period of global uncertainty. During fieldwork, a deal was announced between the UK and US to remove some trade barriers. This is not currently expected to have a significant negative impact on Scotland, although this is likely to vary by sector.

April also saw increases to employer National Insurance Contributions take effect, with reports that this may have impacted on business activity nationally. In July, it was reported that inflation had risen in June to its highest level since January 2024.



Methodology (1)

Survey fieldwork

The survey fieldwork was conducted between 30th May and 4th July 2025, using a combination of an online survey and telephone interviewing. In total, 599 surveys with businesses and social enterprises across the South of Scotland were achieved (524 by telephone, 75 online).

Within each participating organisation, the survey respondent was the owner or a senior manager able to comment on the performance and future prospects of the organisation.

Updates to methodology

Two changes to the methodology were introduced in May/June 23.

- First, an online element was used, allowing businesses the chance to complete the survey either online or by telephone interview.
- Second, a slight change was made to the sector categories used in the design of the survey sample (see overleaf).

In both cases, precautions were taken and quality checks carried out to ensure that findings remained as comparable as possible with previous survey waves.



Methodology (2)

Sampling

The survey sample was partly sourced from businesses that took part in previous waves of the survey and had indicated that they were willing to be re-contacted as part of their membership of the SOSE business panel. The remaining survey sample was sourced from the Market Location business databases and was stratified by sector and size to reflect the population of businesses in the South of Scotland.

Quotas were set so that the achieved sample reflect the population of eligible organisations as defined by the Inter-Departmental Business Register (IDBR).

The sectors referenced in the report are derived from a Standard Industry Classification (SIC) 2007 code applied to each business*. The following SIC 2007 Sections were excluded from the sampling:

- Public administration and defence; compulsory social security;
- Education and health and social work;
- Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use; and
- Activities of extraterritorial organisations and bodies.

The survey was designed to be reflective of the population based on the SIC 2007 codes. Previous survey waves (prior to May/June 2023) had been designed to be reflective of the population based on areas of economic activity considered to be “growth sectors” (as set out in the Government Economic Strategy)**. The sector profile of the achieved survey sample still remained similar to that seen in previous waves (based on SIC 2007 codes).

To reflect the new sample design, while allowing comparability with previous waves, in this report businesses are referred to in two ways:

- by the standard sector groupings defined by SIC 2007 code.
- by the growth sector categories used in previous waves.

The types of business covered by each category are shown in the appendix (slide 61).

Presentation and interpretation of the data

Interpretation of the data

The survey findings represent the views of a sample of businesses, and not the entire business population of the South of Scotland, therefore they are subject to sampling tolerances, meaning that not all differences will be statistically significant.

Throughout the report, differences between sub-groups are commented upon only where we are sure these are statistically significant, i.e. where we can be 95% certain that they have not occurred by chance. The typical sub groups reported on are:

- Size of business (grouped by 0-4, 5-10, 11-24 and 25+ staff)
- Sector (using SIC categories)
- Location (Dumfries and Galloway and the Scottish Borders)
- Rurality* (Remote rural, Accessible rural and urban)
- Other characteristics based on responses to the survey (e.g. the markets they trade with, their growth aspiration etc.)

Where percentages do not sum to 100%, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers. Aggregate percentages (e.g. "optimistic/not optimistic" or "important/not important") are calculated from the absolute values. Therefore, aggregate percentages may differ from the sum of the individual scores due to rounding of percentage totals.

Throughout the report, an asterisk (*) denotes any value of less than half a percent and a dash (-) denotes zero. For questions where the number of businesses is less than 30, the number of times a response has been selected (N), rather than the percentage, is given.

Weighting

The achieved sample was broadly representative of the population. Nonetheless, weighting was applied to correct for any differences between the achieved sample and the business population. A breakdown of the achieved profile of businesses is provided in the Appendix.

02

Business Structure / Ownership Models

Key findings

- Among employers (businesses with at least one employee), 73% described themselves as family-owned, 5% were employee-owned (with employees owning a majority of the shares) and 5% were a co-operative (owned or controlled by its members). 13% of businesses (including sole traders) were women-led, and 3% described themselves as a social enterprise.
- Overall, around one in ten (11%) businesses fell within one of the “inclusive ownership models”* of employee-ownership, social enterprise or co-operatives.
- A majority of businesses (59%) had been operating in the South of Scotland for more than 25 years, with more than a quarter (27%) operating in the region for between 11 and 24 years, and 10% for between 5 and 10 years. Very few had been operating in the region for less than 5 years.

11% had an inclusive ownership model.

73% described themselves as family-owned.

59% had been operating in the region for 25+ years.

Profile of business ownership

Among employers (businesses with at least one employee), 73% described themselves as family-owned, 5% were a co-operative (owned or controlled by its members), and 5% were employee-owned (with employees owning a majority of shares). 13% of all businesses (including sole traders) were women-led and 3% described themselves as a social enterprise.

Findings were similar to the previous wave (November/December 2024), when 77% of employers were family-owned businesses, 5% co-operatives and 5% employee-owned. There were slightly more women-led businesses this wave (13% vs. 10%).

73% of employers (businesses with at least one employee) are family-owned.

Types of employer more likely to be family-owned:

- Primary industries (93%).
- Looking to downsize (88%).
- 1-4 staff (80%).
- Remote rural (89%), Accessible rural (79%).
- Operating for 25+ years (80%).

13% of businesses (all businesses including sole traders) are women-led.

Types of business more likely to be women-led:

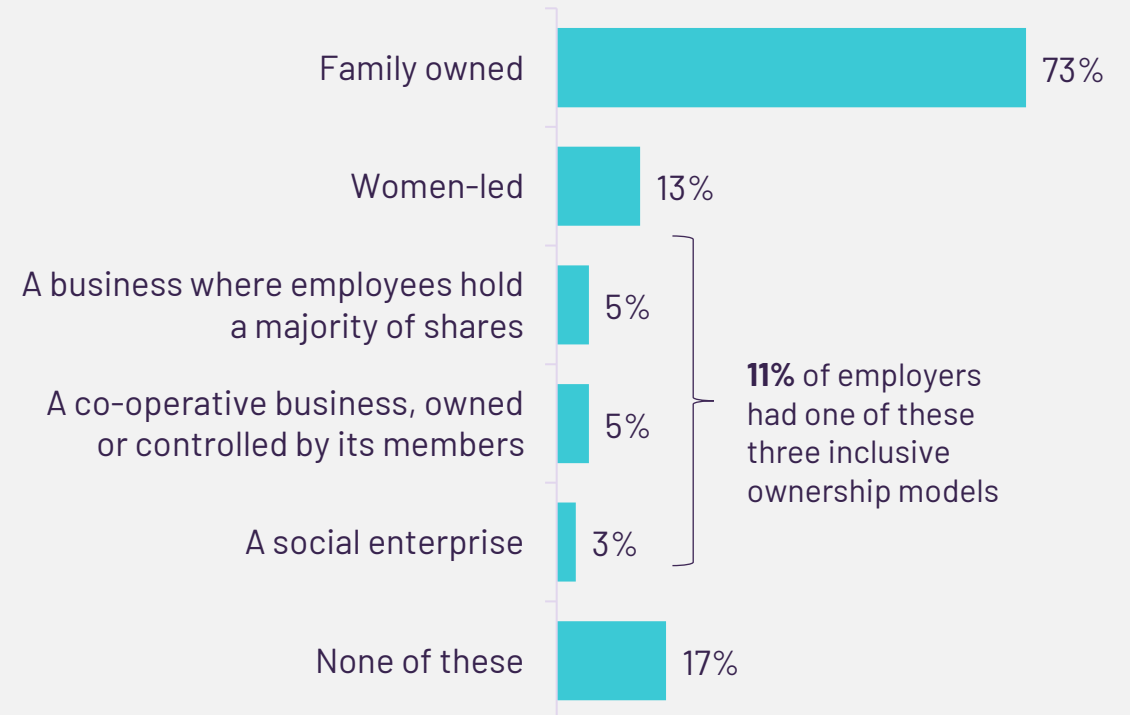
- Financial and business services growth sector (28%*).
- Wholesale, retail and repairs (25%).
- Selling to outside the UK (24%).
- Tourism growth sector (21%).
- Urban (20%).

3% of businesses are social enterprises.

Types of business more likely to be social enterprises:

- Arts and entertainment (21%*).

Q. Would you describe your business as any of the following?



Note: Businesses could select more than one of these options

Base: Family-owned, co-operative, employee-owned: all employers (468); all others: all businesses (599)

Business longevity

A majority of businesses (59%) had been operating in the South of Scotland for more than 25 years, with more than a quarter operating in the region for between 11 and 24 years, and 10% for between 5 and 10 years. Very few had been operating in the region for less than 5 years.

More likely to be operating in the region for 25+ years

- Food and drink growth sector (86%), Primary industries (84%), Remote rural (67%), Family-owned (66%), Accessible rural (65%).

More likely to be operating in the region for 11-24 years

- Accommodation and food services (40%), Tourism growth sector (37%), Urban (35%), Scottish Borders (31%).

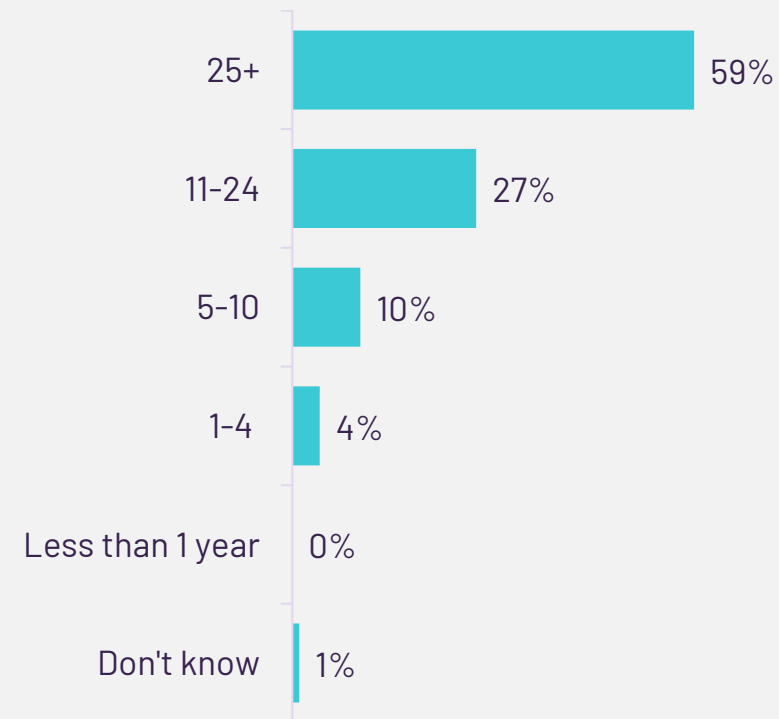
More likely to be operating in the region for 5-10 years

- Financial and business services growth sector (33%)*, Accommodation and food services (18%), Women-led (17%), Tourism growth sector (17%).

More likely to be operating in the region for 1-4 years

- Women-led (9%), Accommodation and food services (8%), Tourism growth sector (8%).

Q. For how many years has your business been operating in the South of Scotland region?



Base: All businesses (599)

03

Optimism and performance

Key findings

- Confidence in the economic outlook for Scotland increased this wave: 48% of businesses were confident (compared to 37% in November/December 2024), while 49% were not (compared with 61%).
- Reflecting on the past six months, 44% of businesses said their confidence had decreased, 6% said it had increased, and 50% said it had stayed the same. The net confidence level (i.e. the difference between those saying increased and decreased) was -38, higher than the previous wave, in November/December 2024, which was particularly low (-52).
- Views on business performance over the last six months were mixed, with 31% saying their business had performed well, 40% saying business had been fairly steady, and 28% saying they had struggled. Performance showed a slight increase on the previous wave in November/December 2024 (when 25% said they had performed well, 44% reported steady performance and 30% had struggled).
- Over the past six months, sales or turnover performance was mixed (31% said it had increased, 26% decreased, and 41% remained the same). Businesses had performed better on sales or turnover than on profit (20% said profit margins had increased, 37% decreased, and 40% remained the same). Employment and exports had remained relatively stable (74% and 71% respectively said these had stayed the same).
- Overall, businesses expected stability in the months ahead. A majority (67%) were expecting to perform at much the same level over the next six months, with a smaller proportion expecting to perform better (18%) or worse (14%) than their current level of performance.

Confidence in Scotland's economy was up:

48% were confident.

49% were not.

Over the past six months:

31% had performed well.

28% had struggled.

Over the next six months:

67% expecting steady performance.

18% expecting better performance.

14% expecting worse performance.

Economic outlook for Scotland

Confidence in the economic outlook for Scotland increased this wave: 48% of businesses were confident (compared to 37% in November/December 2024), while 49% were not (compared with 61%).

There was no significant difference in confidence levels in the South of Scotland compared to the Highlands and Islands.

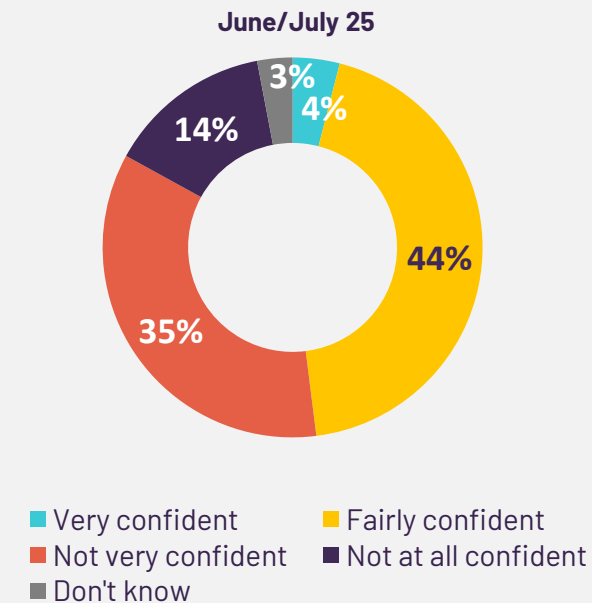
More confident than average:

- Performed well in past six months (65%).

Less confident than average:

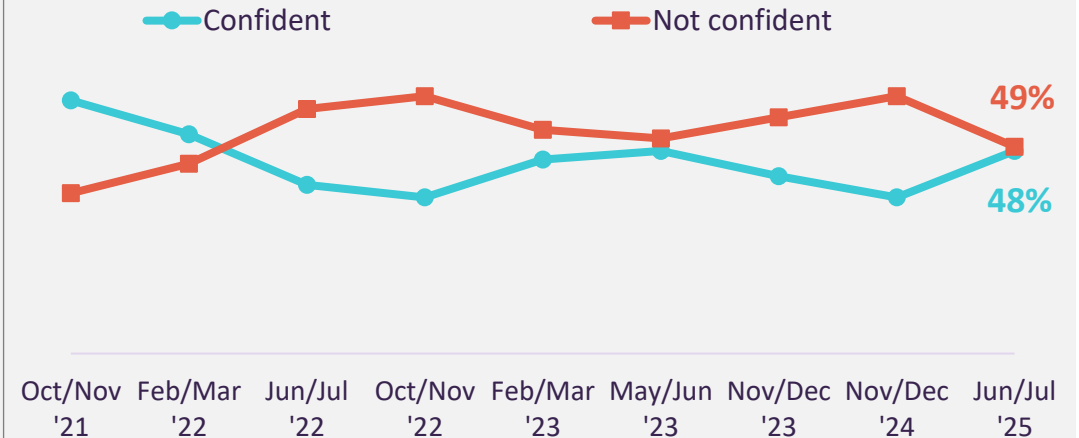
- Wanting to downsize (76%).
- Struggled in the past six months (70%).
- Accommodation and food services (63%)
- Primary industries (57%).
- Food and drink growth sector (57%).

Q. How confident are you in the economic outlook for Scotland over the next 12 months?



Base: All businesses (599)

2021-2025 Trend



Economic optimism over past six months

Reflecting on the past six months, 44% of businesses said their confidence had decreased, 6% said it had increased, and 50% said it had stayed the same.

Net confidence* was -38, a significant increase since November/December 2024 (-54) which represented the lowest point since October/November 2022 (-58). There was no significant difference in net confidence in the South of Scotland compared to the Highlands and Islands.

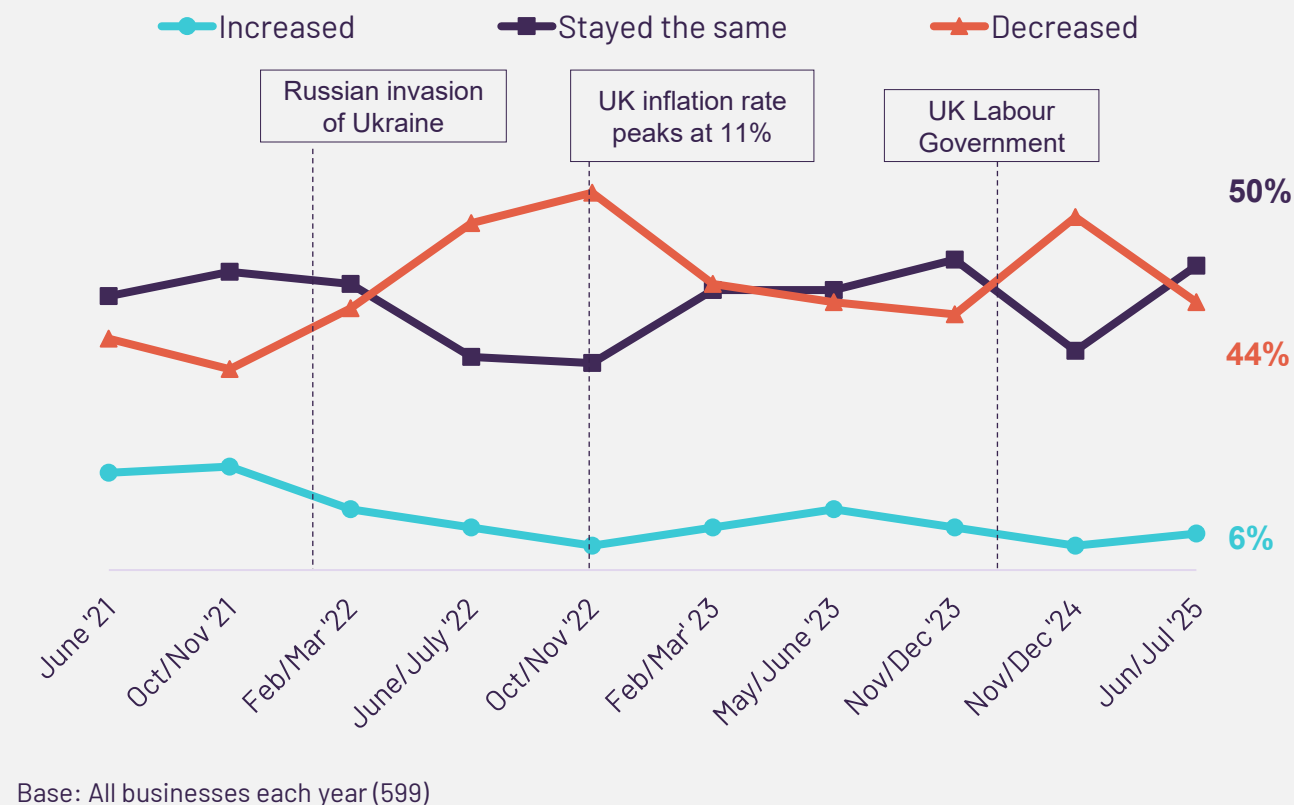
More likely to report increased confidence:

- Performed well in past six months (14%).

More likely to report decreased confidence:

- Struggled in the past six months (62%).
- Wanting to downsize (57%).

Q. In the past six months has your level of confidence in the economic outlook in Scotland increased, decreased or has it stayed the same?



Performance

Views on business performance over the last six months were mixed, with 31% saying their business had performed well, 40% saying business had been fairly steady, and 28% saying they had struggled.

Views on performance showed a slight increase on the previous wave in November/December 2024 (when 25% had performed well, 44% reported steady performance and 30% had struggled). There was no significant difference in performance in the South of Scotland compared to the Highlands and Islands.

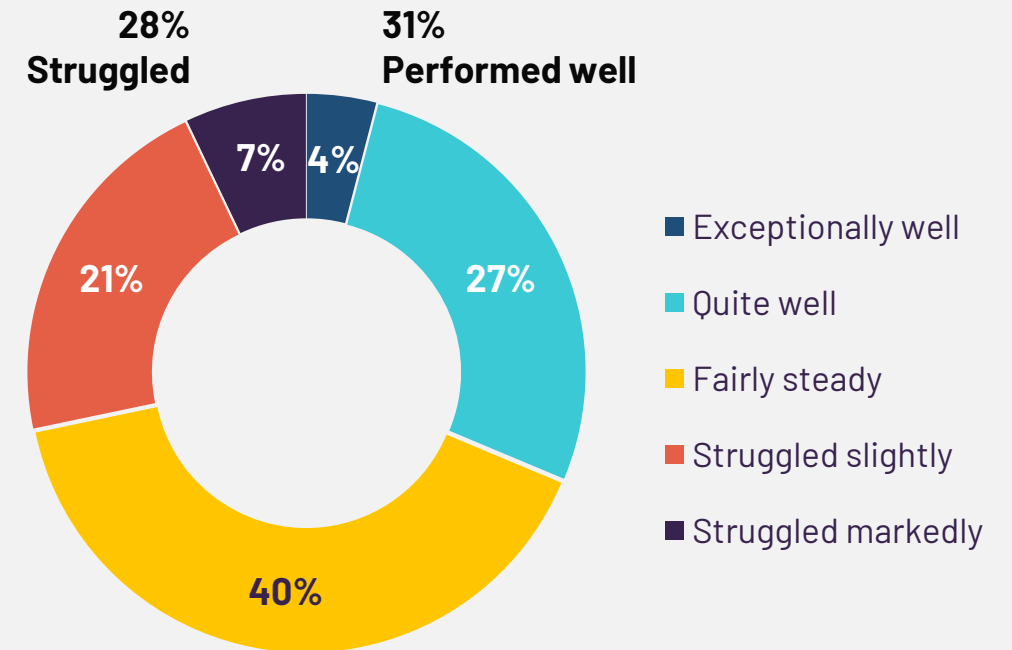
More likely to have performed well:

- Confident in the economic outlook for Scotland (42%).
- Content with current level of performance (40%).

More likely to have struggled:

- Creative industries growth sector (45%)*.
- Accommodation and food services (41%).
- Not confident in the economic outlook for Scotland (40%).
- Wanting to downsize (40%).

Q. Overall, how has your business performed in the last six months?



Base: All businesses (599)

Aspects of business performance

Over the past six months, sales or turnover performance was mixed (31% said it had increased, 26% decreased, and 41% remained the same). Businesses had performed better on sales or turnover than on profit (20% said profit margins had increased, 37% decreased, and 40% remained the same). Employment and exports had remained relatively stable (74% and 71% respectively said these had stayed the same).

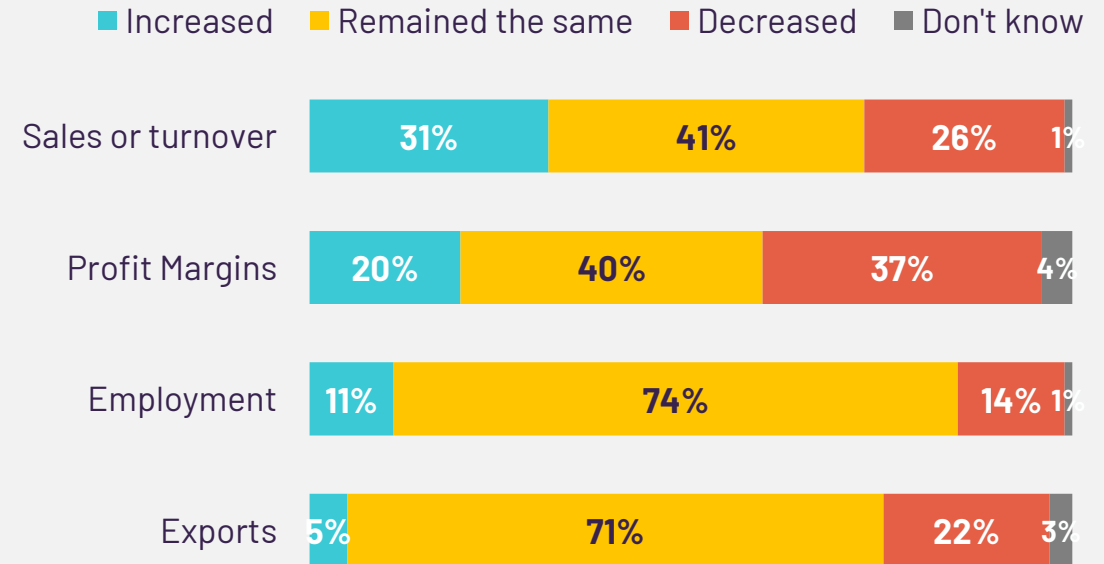
Increases were more common among:

- **25+ staff:** employment (30%)*
- **Confident in the economy:** employment (17%), sales or turnover (38%), profit margins (25%)
- **Performed well in past six months:** employment (21%), exports (10%), sales or turnover (65%), profit margins (47%).
- **Striving for growth:** employment (16%), sales or turnover (37%), profit margins (24%)
- **Primary industries:** sales or turnover (40%)
- **Food and drink growth sector:** sales or turnover (40%), profit margins (28%).

Decreases were more common among:

- **25+ staff:** employment (26%)*
- **Accommodation and food services:** employment (30%), sales or turnover (39%), profit margins (58%).
- **Administrative and support services:** sales or turnover (40%)*
- **Urban:** employment (20%), sales or turnover (31%).
- **Not confident in the economy:** employment (20%), exports (29%), sales or turnover (37%), profit margins (48%).
- **Wanting to downsize:** employment (28%), sales or turnover (39%), profit margins (55%)
- **Struggled in the past six months:** employment (26%), exports (46%), sales or turnover (66%), profit margins (76%).
- **Tourism growth sector:** employment (24%), sales or turnover (36%), profit margins (52%)
- **Selling outside the UK:** exports (34%).

Q. Has the following increased, stayed the same or decreased in the last six months?



Base: All businesses for whom each applied: Sales (589), Profit margins (587), Exports (235), Employment (551).

Performance expectations

Overall, businesses expected stability in the months ahead. A majority (67%) were expecting to perform at much the same level over the next six months, with a smaller proportion expecting to perform better (18%) or worse (14%) than their current level of performance.

More likely to expect better performance

- 25+ staff (42%)*.
- Arts and entertainment (35%)*.
- Striving for growth (29%).
- Urban (23%).
- Struggled in the past six months (23%).

More likely to expect worse performance

- Wanting to downsize (29%).
- Not confident in the economic outlook for Scotland (23%).
- Struggled in the past six months (21%).

Q. How do you expect your business to perform over the next six months?

Better than our current performance

18%

At much the same level

67%

Worse than our current performance

14%

Base: All businesses (599)

04

Aspirations

Key findings

- A similar proportion of business were striving for growth (42%) as were content with their current level of performance (38%). Fewer businesses (17%) wanted to downsize. Growth aspirations were very similar to the previous wave in November/December 2024 (when 42% were striving for growth, 39% were content, 16% were wanting to downsize).
- The main reason for striving for growth was to make or increase profit (64%), followed by wanting to continually evolve (41%). Around a third wanted to do so to attract and retain staff (34%), enhance resilience against economic uncertainty (32%), attract and retain staff (31%) or for personal or corporate ambition (29%). Just under a quarter said they wanted to support community sustainability (24%) or respond to changes in demand (23%). Fewer mentioned wanting to enhance skills and expertise (16%).
- The main reasons for wanting to maintain current level of performance, rather than to grow, was being content with financial performance (37%), and that the business is operating as planned (36%). More than a quarter mentioned wanting to reduce or avoid stress (29%), or economic uncertainty (27%). Around a fifth said they wanted to reduce or avoid debt or financial risk (22%), not having enough staff to support growth (20%) and legacy and succession planning (19%).

42% were striving for growth. The main reason was to make or increase profit (64%).

38% were content with current performance. The main reason was because they were content with financial performance (37%).

17% wanted to downsize. The main reason was because they were reaching retirement age (53%).

Aspirations

A similar proportion of business were striving for growth (42%) as were content with their current level of performance (38%). Fewer businesses (17%) wanted to downsize.

Growth aspirations were very similar to the previous wave in November/December 2024 (when 42% were striving for growth, 39% were content, 16% were wanting to downsize).

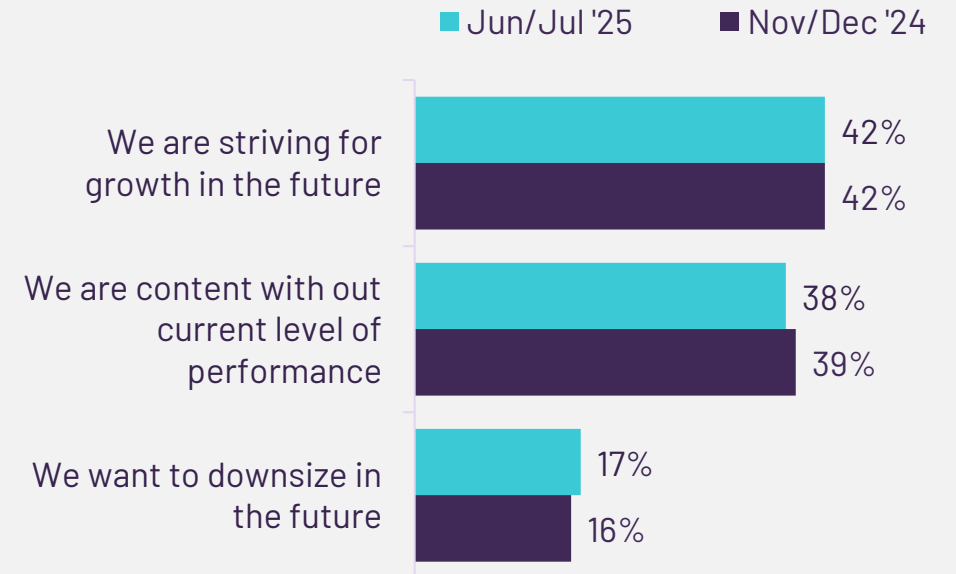
More likely to be striving for growth:

- 25+ staff (76%)*.
- Arts and entertainment (67%)*.
- Professional, scientific and technical services (59%).
- Creative industries growth sector (61%)*.
- Importing from (51%) and selling to (55%) international markets.
- Scottish Borders (48%).

More likely to want to downsize:

- Not confident in the economic outlook for Scotland (27%).
- Struggled in the past six months (25%).
- Primary industries (23%).
- 0-4 staff (20%).

Q. Which of the following best describes your current aspirations for your business?



Base: All businesses Nov/Dec 2024 (601) | All businesses June/July 25 (599)

Reasons for striving for growth

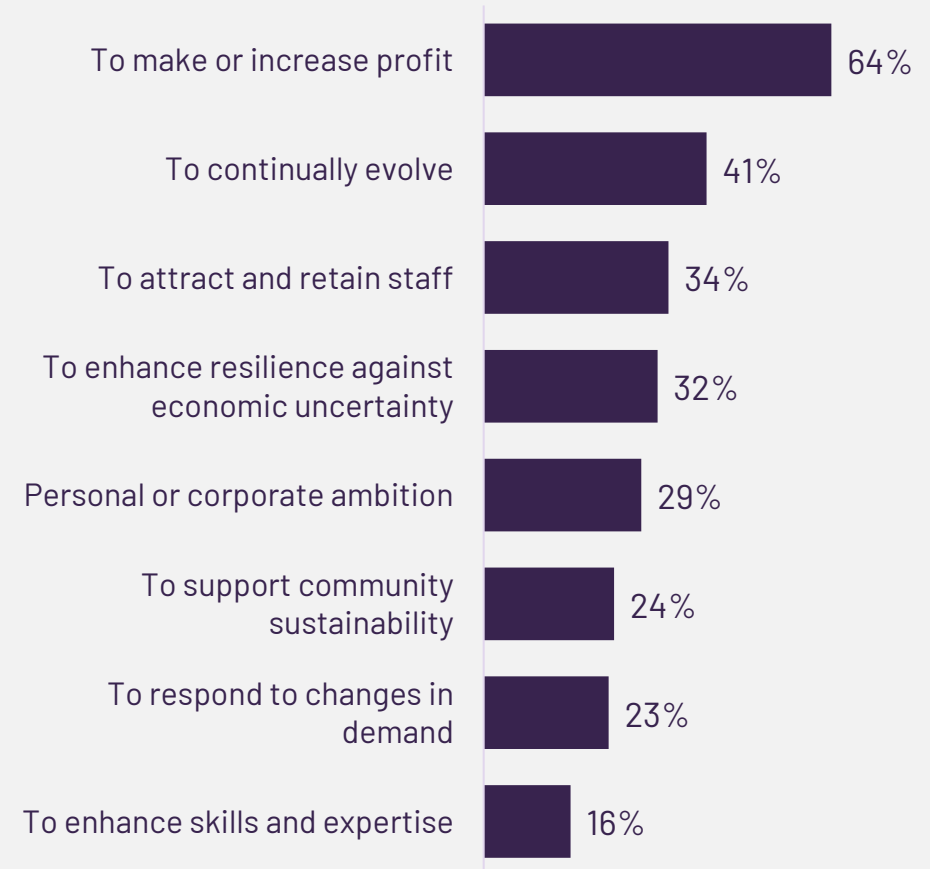
The main reason for striving for growth was to make or increase profit (64%), followed by wanting to continually evolve (41%).

Around a third wanted to do so to attract and retain staff (34%), enhance resilience against economic uncertainty (32%), attract and retain staff (31%) or for personal or corporate ambition (29%). Just under a quarter said they wanted to support community sustainability (24%) or respond to changes in demand (23%). Fewer mentioned wanting to enhance skills and expertise (16%).

Certain reasons were more commonly mentioned by:

- **Wholesale, retail and repairs** – to support community sustainability (35%)*.
- **Urban** – attract and retain staff (42%).
- **Confident in the economic outlook for Scotland** – to attract and retain staff (41%).
- **Not confident in the economic outlook for Scotland** – make or increase profit (71%).
- **Women-led** – enhance resilience against economic uncertainty (47%)*.
- **Struggled in past six months** – enhance resilience against economic uncertainty (44%).

Q. What are your main reasons for striving for growth?



Base: All businesses striving for growth (267)

Reasons for wanting to maintain performance

The main reasons for wanting to maintain current level of performance, rather than to grow, was being content with financial performance (37%), and that the business is operating as planned (36%).

More than a quarter mentioned wanting to reduce or avoid stress (29%), or economic uncertainty (27%). Around a fifth said they wanted to reduce or avoid debt or financial risk (22%), not having enough staff to support growth (20%) and legacy and succession planning (19%).

Certain reasons were more commonly mentioned by:

- **Primary industries** – legacy and succession planning (33%) and to reduce or avoid debt or financial risk (32%)
- **Remote rural** – reduce or avoid debt or financial risk (33%)
- **Accessible rural** – legacy and succession planning (27%).
- **Urban** – business operating as planned (47%), risk of losing existing customers (12%).
- **Confident in the economic outlook for Scotland** – content with financial performance (47%).
- **Not confident in the economic outlook for Scotland** – economic uncertainty (39%).
- **Family-owned** – not enough staff to support growth (30%).
- **Performed well in the past six months** – content with financial performance (49%)
- **Struggled in the past six months** – economic uncertainty (46%), reduce or avoid debt or financial risk (44%), lack of market opportunity to grow (28%).
- **Food and drink growth sector** – reduce or avoid debt or financial risk (33%), legacy and succession planning (32%).

Q. What are your main reasons for wanting to retain your current level of performance, rather than to grow?



Base: All businesses wanting to maintain current level of performance (214)

Reasons for wanting to downsize

The main reason for wanting to downsize was reaching retirement age (53%).

More than a third mentioned wanting to reduce or avoid stress (39%) or wanting to work less (37%). Around a quarter cited increased costs (26%) or economic uncertainty (25%).

Certain reasons were more commonly mentioned by:

- **Primary industries** – to reduce or avoid stress (59%)*.
- **Accessible rural** – legacy and succession planning (20%)*.
- **Urban** – increased costs (39%)*, reduction in customer demand (22%)*.
- **Not confident in the economic outlook for Scotland** – economic uncertainty (32%)*.
- **Struggled in past six months** – increased costs (40%)*, no longer able to sustain financial performance (32%)*.
- **Food and drink growth sector** – to reduce or avoid stress (58%)*.

Q. What are the main reasons for wanting to downsize?



Base: All businesses wanting to downsize (99)

05

Markets

Key findings

- Eighty-four percent (84%) of businesses were importers (sourcing goods or materials from outside Scotland), with 84% importing from the rest of the UK and 32% from outside the UK. The majority of businesses (89%) sourced goods and materials from Scotland, with 12% sourcing only from Scotland.
- The main international import market was the European Union (61%), followed by the United States (15%) and China (12%).
- Two thirds (66%) of businesses were exporters (selling to markets outside Scotland), with 65% selling to the rest of UK and 19% outside the UK. The majority (97%) of businesses sold goods or services within Scotland, with 32% selling only in Scotland.
- The main international export market was the European Union (58%), followed by the United States (30%). Fewer were exporting to Australia (15%) and Canada (9%).

84% were importers

66% were exporters

Main international import markets:

61% European Union.

15% United States.

Main international export markets:

58% European Union.

30% United States.

Import markets

Eighty-four percent (84%) of businesses were importers¹, with 84% importing from the rest of the UK and 32% from outside the UK. The majority of businesses (89%) sourced goods and materials from Scotland, with 12% sourcing only from Scotland.

The proportion importing from outside the UK was similar to the previous wave (32% compared to 29% in Nov/Dec 24). This was lower than the levels seen in 2021 (of between 37% and 38%).

More likely than average to be importing

- 25+ staff (100%)*.
- Striving for growth (90%).

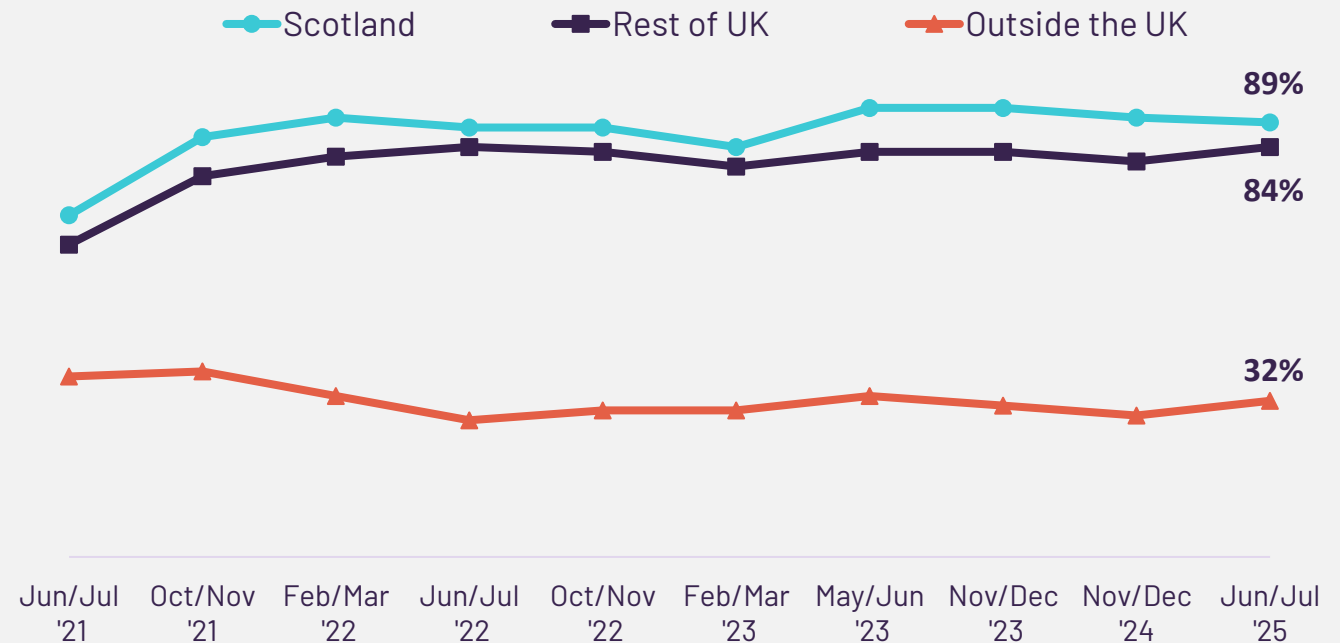
More likely than average to be sourcing goods and materials only in Scotland

- 0-4 staff (15%).

Key international import markets

The main international import market was the European Union (61%), followed by the United States (15%) and China (12%).

Q. From which of these markets do you currently source goods and materials?



Base: All businesses (599)

Export markets

Two thirds (66%) of businesses were exporters², with 65% selling to the rest of UK and 19% outside the UK. The majority (97%) of businesses sold goods or services within Scotland, with 32% selling only in Scotland.

The proportion selling outside of the UK was similar to the previous wave (18% in Nov/Dec 24) but remained considerably lower than the level seen in Jun/Jul 21 (33%).

More likely than average to be exporting

- Manufacturing (84%)*.
- 25+ staff (81%)*.
- Accessible rural (76%).
- Striving for growth (71%).

More likely than average to be selling only in Scotland

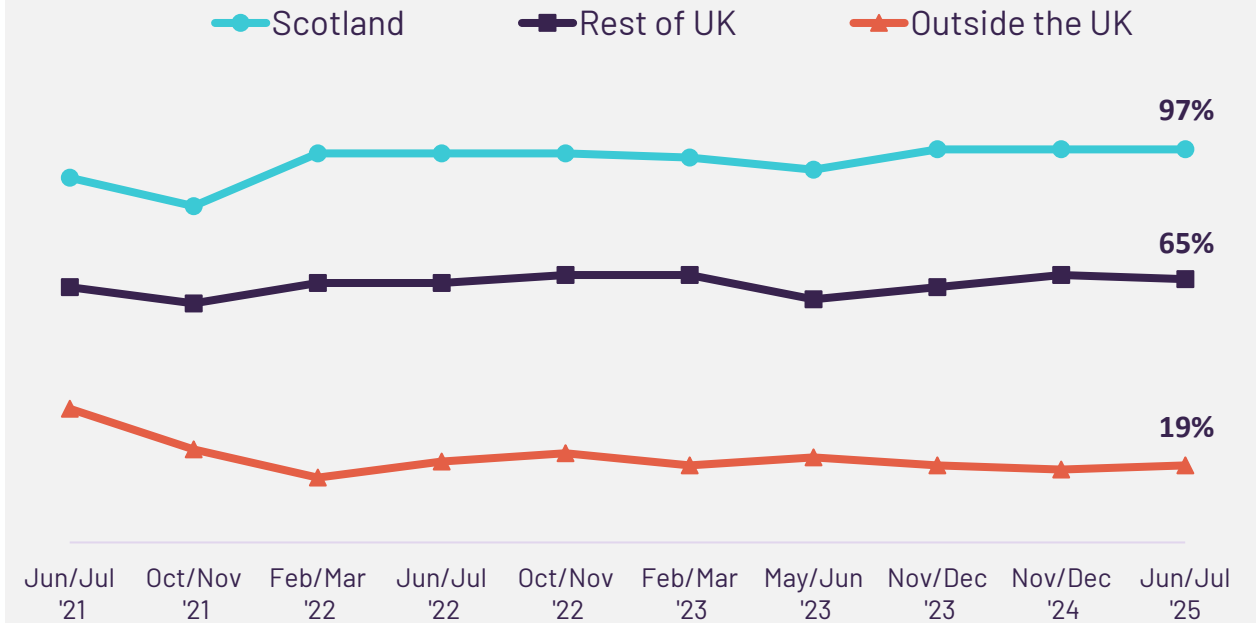
- Accommodation and food services (43%).
- Tourism growth sector (42%).
- Wholesale, retail and repairs (41%).
- Urban (39%).

Further variation by sector can be found in the appendix.

Key international export markets

The main international export market was the European Union (58%), followed by the United States (30%). Fewer were exporting to Australia (15%) and Canada (9%).

Q. In which of these markets do you currently sell goods or provide services?



Base: All businesses (599)

06

Planning and Prioritisation

Key findings

- The areas identified as the biggest strengths of businesses were understanding their market and opportunities (34%), adaptability to changing circumstances (33%) and their workforce (32%).
- Most businesses (87%) said that there were areas that they would like to develop for their business. The most commonly selected areas for development included their workforce and workforce wellbeing (41%), premises or equipment (40%), and new domestic market opportunities (37%).
- Most businesses with specified areas for development (82%) said that they were able to progress towards their goals to at least some extent. Two thirds (63%) had progressed to some extent and around a fifth (19%) had been able to progress to a large extent. A smaller proportion had hardly made any progress (15%) or not made any progress (3%).
- Three quarters (77%) of businesses who were not able to progress towards achieving their development goals cited increased costs as an impact, with half (50%) experiencing reduced revenue.
- A high proportion of businesses with specified development goals said that economic uncertainty and the cost of doing business had affected their progress towards these goals to at least some extent (81% and 78% respectively), with three in ten saying that these areas had affected progress to a large extent (32% and 31% respectively).

Top 3 biggest strengths:

- 1** Understanding our market and opportunities
- 2** Adaptability to changing circumstances
- 3** Our workforce

Top 3 areas for development:

- 1** Workforce and workforce wellbeing
- 2** Premises or equipment
- 3** New domestic market opportunities workforce

Strengths

Around a third of businesses identified their biggest strengths as understanding their market and opportunities (34%), adaptability to changing circumstances (33%) and their workforce (32%).

A marginally lower proportion cited strong relationships with suppliers (31%) and strong community connections (30%).

Fewer businesses cited continually innovating products and services as one of their biggest strengths (13%), with only one in ten (9%) citing their ability to secure investment.

Q. What are the two or three biggest strengths of your business that you think will help you over the next year?



Base: All businesses (599)

Strengths Variation

Certain types of business were more likely to cite specific options as their two or three biggest strengths.

More likely than average to cite certain strengths:

Adaptability to changing circumstances (33% overall) – Manufacturing (53%*), Food and drink growth sector (44%), Primary industries (40%), Not confident in the economic outlook for Scotland (38%).

Our workforce (32%) – 25+ staff (74%*), Striving for growth (37%).

Strong relationships with suppliers (31%) – Construction (45%), Dumfries and Galloway (39%).

Strong community connections (30%) – Women-led (52%), Arts and entertainment (51%*), IT, finance and real estate (46%*), Construction (45%), Wholesale, retail and repairs (45%), Accommodation and food services (44%), Tourism growth sector (42%), Urban (40%), Content with current level of performance (36%), Confident in the economic outlook for Scotland (34%).

Collaboration with other businesses (18%) – Financial and business services growth sector (38%*), Professional, scientific and technical (31%), Women-led (29%).

Effective use of technology (13%) – Creative industries growth sector (42%*), IT, finance and real estate (36%*), Selling outside of the UK (31%), Financial and business services growth sector (31%*), Striving for growth (21%).

Keeping abreast of new developments (15%) – Professional, scientific and technical (25%).

Continually innovating products and services (13%) – Creative industries growth sector (28%*), Selling outside the UK (26%), Wholesale, retail and repairs (21%), Importing from outside the UK (17%).

Development Goals

Most businesses (87%) said that there were areas that they would like to develop for their business. The most commonly selected areas for development included their workforce and workforce wellbeing (41%), premises or equipment (40%), and new domestic market opportunities (37%). Fewer businesses thought that artificial intelligence and/or automation (19%) and new international market opportunities (12%) were areas that they would most like to develop

More likely to say that there are areas they would like to develop:

Size:

- 25+ staff (100%*).

Growth aspiration

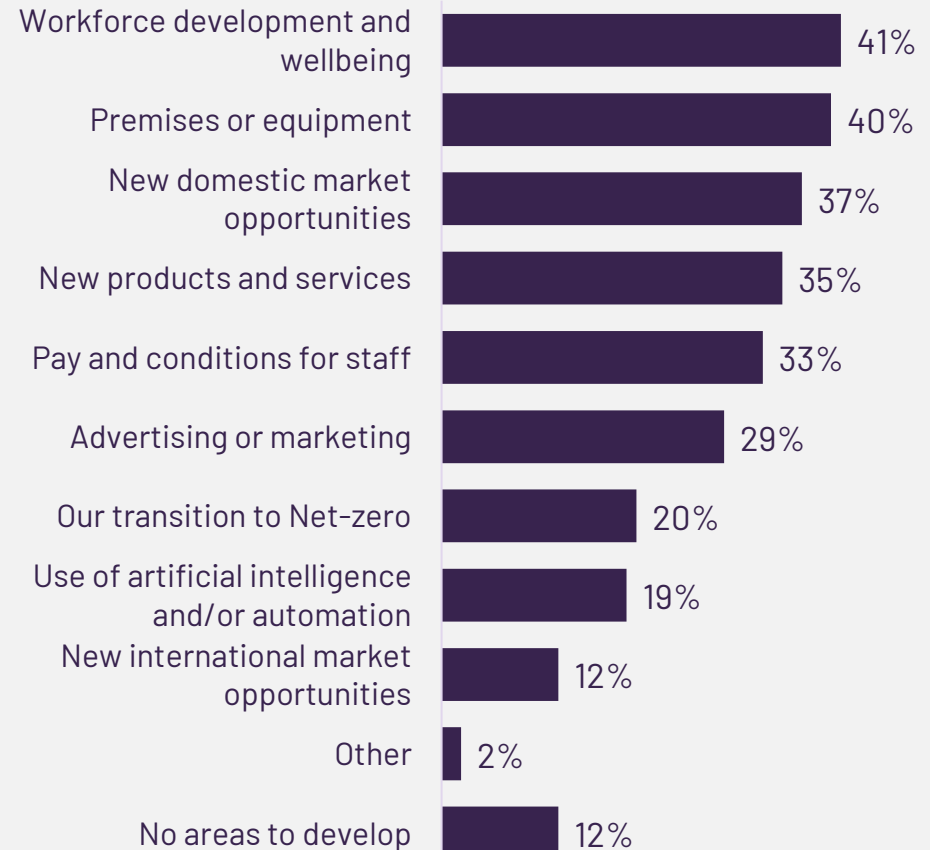
- Striving for growth (97%).

More likely to say that there are no areas they would like to develop:

Growth aspiration

- Wanting to downsize (26%).

Q. Which of the following areas, if any, would you most like to develop for your business?



Base: All businesses (599)

Development Goals Variation (1)

Among those with specified areas for development, certain businesses were more likely to cite certain areas as development goals. .

More likely than average to cite specific areas for development:

Workforce development and wellbeing (48% overall) – 25+ staff (76%*), Urban (57%), Striving for growth (55%), Confident in the economic outlook for Scotland (53%).

Premises or equipment (47%) – Food and drink growth sector (59%), Primary industries (58%), Confident in the economic outlook for Scotland (54%).

New domestic market opportunities (43%) – 25+ staff (67%*), Accommodation and food services (63%), Tourism growth sector (61%), Selling to outside the UK (59%), Striving for growth (55%), Struggled in the past six months (53%), Urban (50%).

New products and services (42%) – Arts and entertainment (58%*), Wholesale, retail and repairs (57%), Women-led (53%), Striving for growth (52%), Selling to outside the UK (51%), Struggled in the past six months (49%).

Pay and conditions for staff (39%) – 25+ staff (70%*), Arts and entertainment (55%), Construction (52%), Striving for growth (47%), Family-owned (44%).

Advertising or marketing (35%) – Arts and entertainment (70%*), Tourism growth sector (60%), Creative industries growth sector (55%*), Accommodation and food services (54%), Wholesale, retail and repairs (49%), Urban (45%), Striving for growth (43%), Struggled in the past six months (43%).

Development Goals Variation (2)

More likely than average to cite specific areas for development (continued):

Our transition to net-zero (23% overall) – Arts and entertainment (40%*), 25+ staff (39%*), Tourism growth sector (36%),

Use of artificial intelligence and/or automation (22%) – 25+ staff (39%*), Creative industries growth sector (39%) Striving for growth (33%), Scottish Borders (28%), Exporters (26%).

New international market opportunities (15%) – Selling outside the UK (41%), Tourism growth sector (26%), Striving for growth (21%), Women-led (22%).

Ability to Progress Towards Development Goals

Most businesses with specified areas for development (82%) said that they were able to progress towards their goals to at least some extent. Two thirds (63%) had progressed to some extent and around a fifth (19%) had been able to progress to a large extent. A smaller proportion had hardly made any progress (15%) or not made any progress (3%)

More likely to say that there were able to progress towards their goals to at least some extent:

Size

- 25+ staff (98%).

Sector

- Professional, scientific and technical (93%).

Economic confidence

- Confident in the economic outlook for Scotland (93%).

Growth aspiration

- Striving for growth (90%).

Business performance

- Performed well in the past six months (89%).

More likely to say that they had not, or hardly, been able to progress towards their goals:

Size

- 0-4 staff (22%).

Sector

- Primary industries (25%).

Economic confidence

- Not confident in the economic outlook for Scotland (29%).

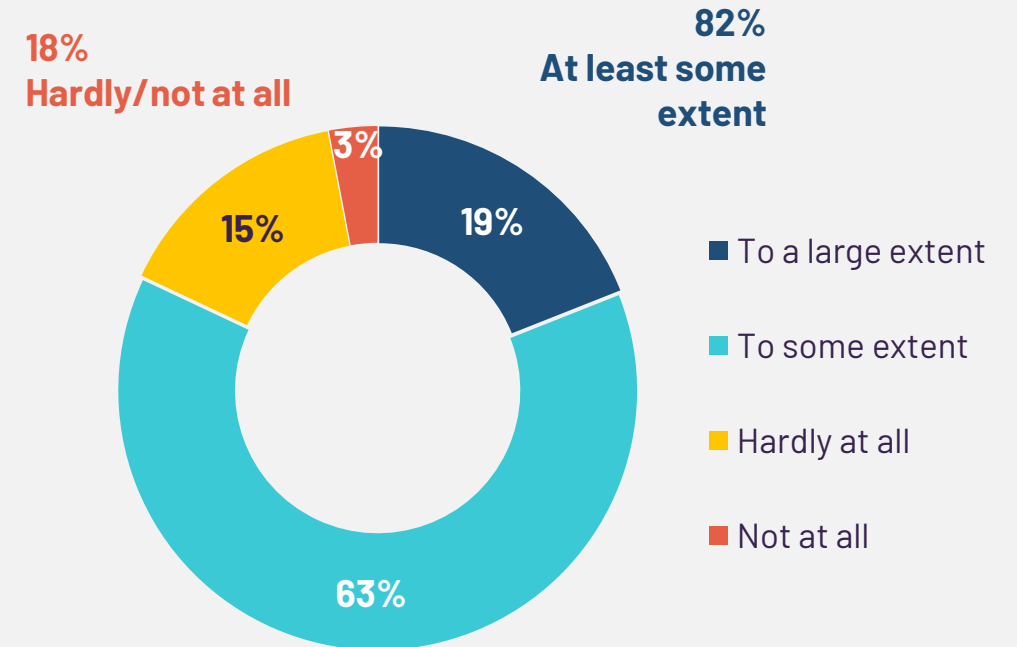
Growth aspiration

- Wanting to downsize (39%).

Business performance

- Struggled in the past six months (33%).

Q. To what extent do you feel you are able to progress towards achieving your goals?

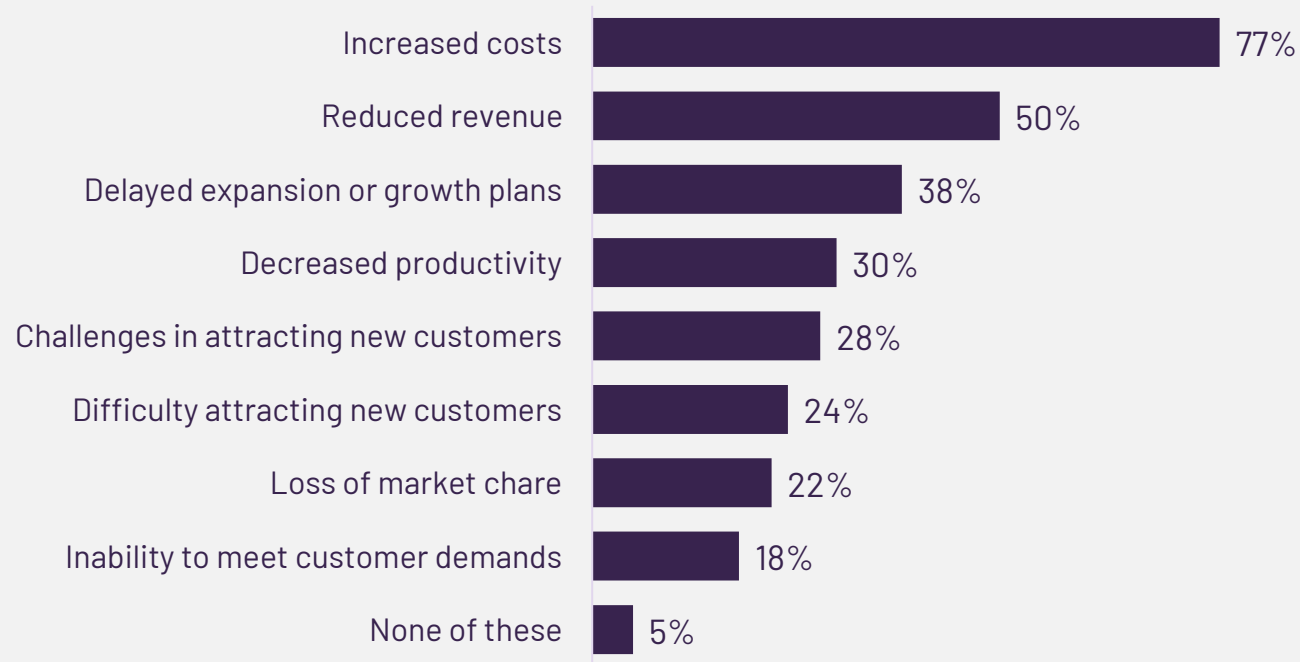


Base: All businesses with specified areas for development (516)

Impacts of Limited Progress Towards Goals

Three quarters (77%) of businesses who were not able to progress towards achieving their development goals cited increased costs as an impact, with half (50%) experiencing reduced revenue. Around four in ten had delayed expansion or growth plans, with three in ten experiencing decreased productivity. Fewer businesses had lost market shared (22%), or been unable to meet customer demands (18%)

Q. And which of the following impacts, if any, has your business experienced as a result of not being able to make progress in some areas?

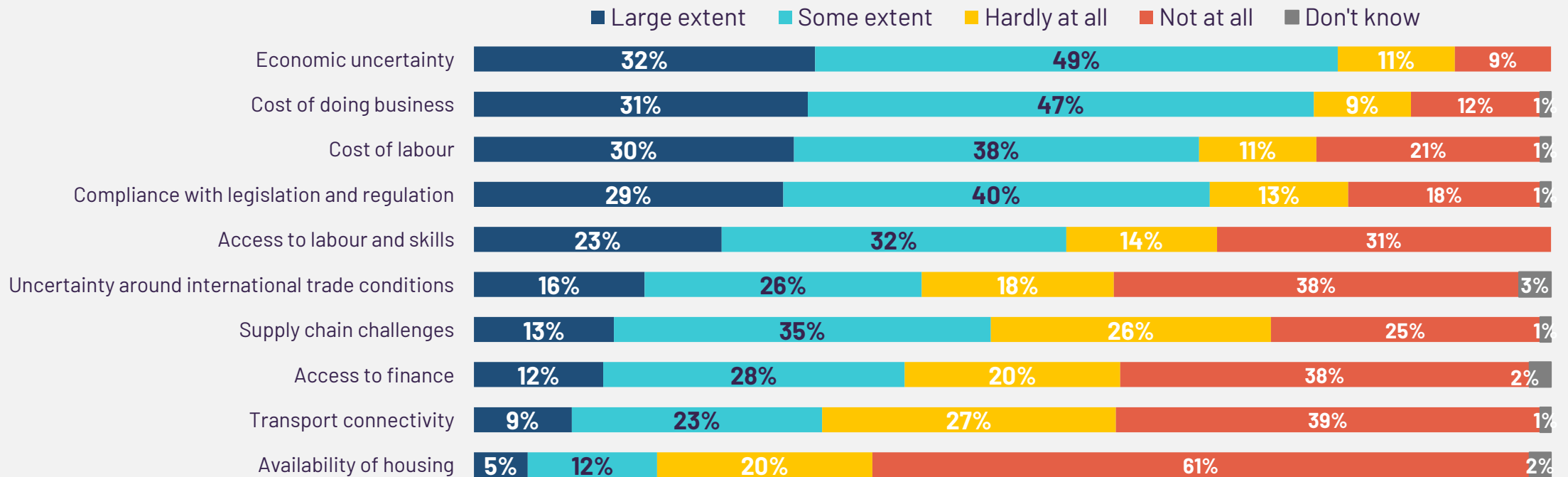


Base: All businesses not able to progress towards achieving their development goals (92)

Barriers to Business Development

A high proportion of businesses with specified development goals said that economic uncertainty and the cost of doing business had affected their progress towards these goals to at least some extent (81% and 78% respectively), with three in ten saying that these areas had affected progress to a large extent (32% and 31% respectively). More than two thirds of businesses said that progress towards their goals had also been affected by the cost of labour and compliance with legislation and regulation (68% each)

Q. To what extent, if at all, are the following affecting progress toward your goals?



Base: All businesses with specified areas for development (516)

Barriers to Business Development Variation

Certain businesses were more likely than others to consider some areas as barriers to making progress towards their development goals.

More likely than average to say that the following areas have affected progress towards their goals:

Economic uncertainty (81% overall) – Struggled in the past six months (93%), Wanting to downsize (91%), Accommodation and food services (90%), Not confident in the economic outlook for Scotland (90%).

Cost of doing business (78%) – Struggled in the past six months (90%), Wholesale, retail and repairs (88%), Not confident in the economic outlook for Scotland (84%), Striving for growth (82%).

Compliance with legislation and regulation (68%) – Primary industries (83%), Accommodation and food services (80%), Remote rural (80%), Operating for 25+ years (73%).

Cost of labour (68%) – 25+ staff (85%*), Striving for growth (73%).

Access to labour and skills (55%) – 25+ staff (73%*), Construction (72%), Striving for growth (62%), Family-owned (60%), Importers (57%).

Supply chain challenges (48%) – Wholesale, retail and repairs (66%).

Access to finance (40%) – Arts and entertainment (65%), Struggled in the past six months (50%), Striving for growth (49%).

Transport connectivity (32%) – Tourism growth sector (48%), Remote rural (47%), Striving for growth (37%).

Uncertainty around international trade conditions (41%) – Primary industries (57%), Food and drink growth sector (57%), Remote rural (55%), Struggled in the past six months (49%), Not confident in the economic outlook for Scotland (47%), Importers (44%) and Exporters (45%).

Availability of housing (16%) – Remote rural (23%).

07

Risks and Opportunities

Key findings

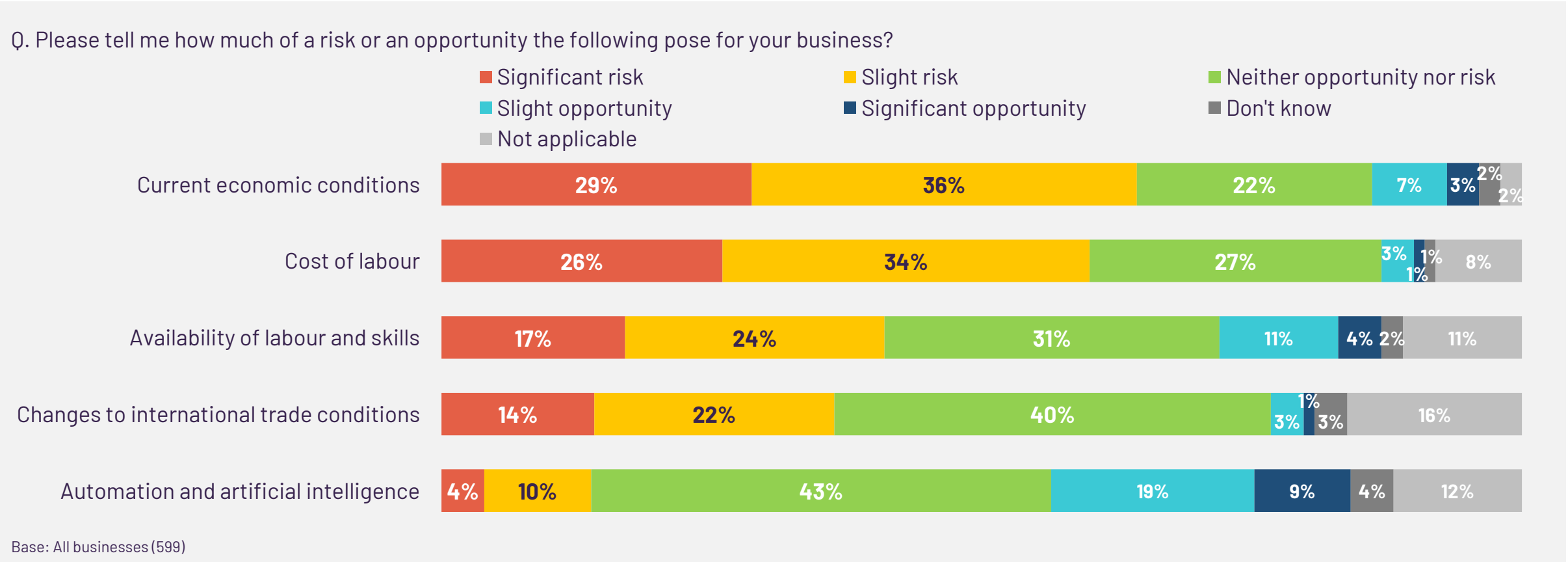
- Most businesses considered current economic conditions and the cost of labour to be risks to their business (66% and 60% respectively), with few considering them to be opportunities (10% and 4%). Views on automation and artificial intelligence were more mixed, with around four in ten (43%) saying that it was neither a risk nor an opportunity, but with a higher proportion considering it to be an opportunity (27%) than a risk (14%).
- Among businesses who perceived automation or artificial intelligence to be a risk to their business, around two thirds (66%) cited cyber security risks and around a half (48%) cited risks of roles becoming obsolete. Ethical concerns was the third most cited concern (39%).
- Among businesses who considered automation or artificial intelligence to be an opportunity for their business, around three quarters thought that were opportunities in making their processes faster or more efficient (73%), and two thirds thought that they could help with innovating and keeping pace with change (66%).
- Among businesses who perceived changes to international trade conditions to be a risk (36% of businesses) the most widespread concern related to price rises on imported goods, with 65% citing this as a risk.

66% of businesses consider current economic conditions to be a risk to their business

27% of businesses consider current automation / artificial intelligence to be an opportunity for their business
14% consider it to be a risk.
43% consider it to be neither an opportunity nor a risk.

Risks and Opportunities

Most businesses considered current economic conditions and the cost of labour to be risks to their business (66% and 60% respectively), with few considering them to be opportunities (10% and 4%). Views on automation and artificial intelligence were more mixed, with around four in ten (43%) saying that it was neither a risk nor an opportunity, but with a higher proportion considering it to be an opportunity (27%) than a risk (14%).



Risks and Opportunities Variation

Certain businesses were more likely to consider some areas as risks, while other types of business were more likely to say that these areas were opportunities.

More likely than average to say that the following areas are an opportunity:

Automation and artificial intelligence (27%) – 25+ staff (49%*), Striving for growth (40%), Importing from outside the UK (36%), Family-owned (31%).

Availability of labour and skills (15%) – Creative industries growth sector (29%*), Performed well in the past six months (21%), Striving for growth (19%).

Current economic conditions (10%) – Performed well in the past six months (14%), Confident in the economic outlook for Scotland (13%).

More likely than average to say that the following areas are a risk:

Current economic conditions (66%) – Women-led (76%), Not confident in the economic outlook for Scotland (75%), Struggled in the past six months (75%), Selling to outside the UK (74%).

Cost of labour (60%) – 25+ staff (80%*), Striving for growth (68%).

Availability of labour and skills (42%) – 25+ staff (59%), Construction (53%), Operating for 25+ years (46%).

Changes to international trade conditions (36%) – Primary industries (52%), Food and drink growth sector (52%), Remote rural (46%), Not confident in the economic outlook for Scotland (42%), Exporters (42%), Striving for growth (41%), Operating for 25+ years (41%).

Automation and artificial intelligence (14%) – Financial and business services growth sector (28%*), Professional, scientific and technical (23%), Remote rural (19%), Selling to outside the UK (19%).

Automation and Artificial Intelligence Risks

Among businesses who perceived automation or artificial intelligence to be a risk to their business (14% of all businesses), around two thirds (66%) cited cyber security risks and around a half (48%) cited risks of roles becoming obsolete. Ethical concerns was the third most cited concern (39%).

An equal proportion (38%) were concerned with the costs of implementation, the risk of falling behind competitors.

Three in ten (30%) saw environmental concerns as a risk to their business.

Q. And what is it about automation and artificial intelligence specifically, that you think is a risk to your business?



Base: All businesses who perceive Automation/AI as a risk (78)

Automation and Artificial Intelligence Opportunities

Among businesses who considered automation or artificial intelligence to be an opportunity for their business (27% of all businesses), around three quarters thought that were opportunities in making their processes faster or more efficient (73%), and two thirds thought that they could help with innovating and keeping pace with change (66%).

Six in ten thought that it could free up staff time for staff to better use their skills (62%) or lead to cost savings (60%).

Fewer businesses thought that it could help them create new revenue streams or lower their carbon emissions (33% or 27% respectively).

More likely than average to cite specific opportunities:

Innovating and keeping pace with change (66%) – Urban (80%).

Enhancing competitiveness (52%) – Urban (65%), Striving for growth (61%).

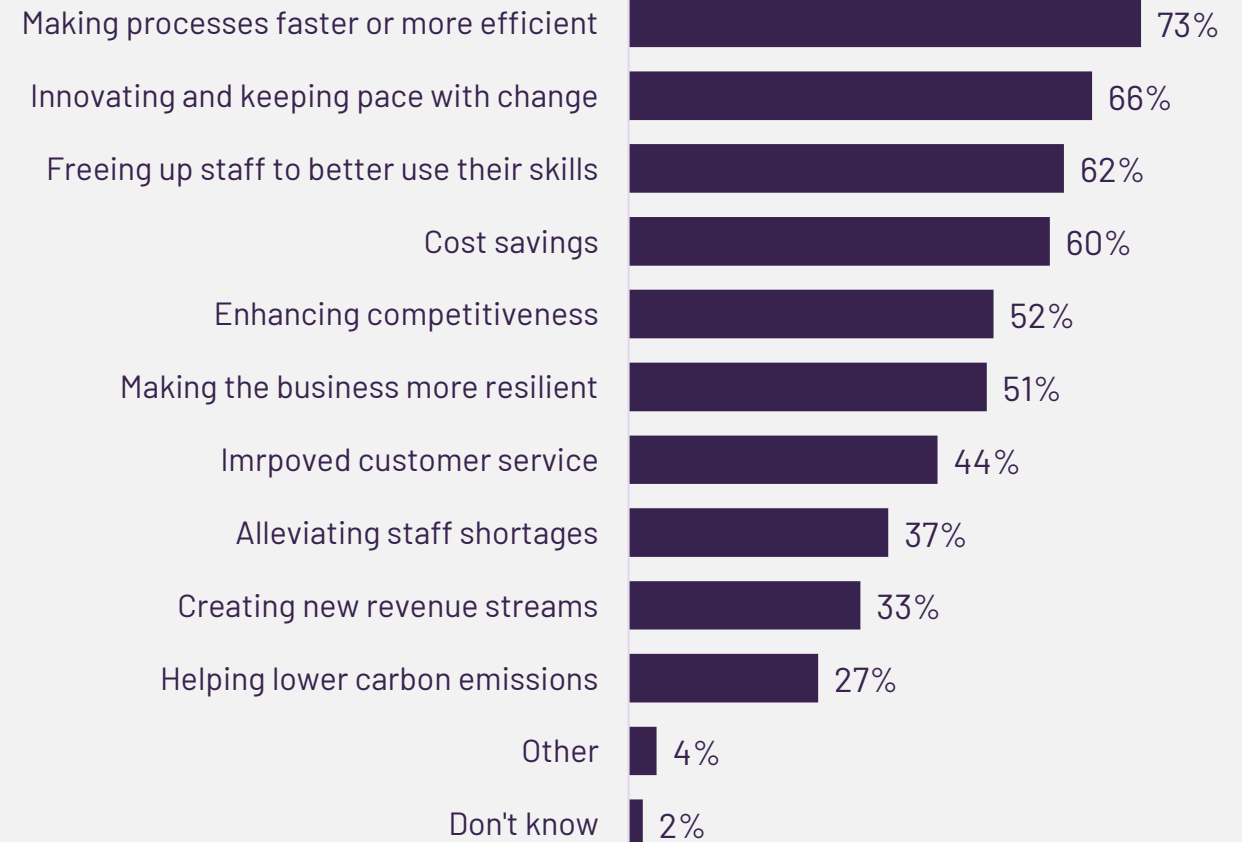
Making the business more resilient (51%) – Urban (65%).

Improved customer service (44%) – Urban (67%), Striving for growth (50%).

Alleviating staff shortages (37%) – Remote rural (53%*).

Creating new revenue streams (33%) – Striving for growth (42%).

Q. And what is it about automation and artificial intelligence specifically, that you think is an opportunity for your business?



Base: All businesses who perceive Automation/AI as an opportunity (161)

International Trade Conditions Risks

Among businesses who perceived changes to international trade conditions to be a risk (36% of businesses) the most widespread concern related to price rises on imported goods, with 65% citing this as a risk.

Around six in ten of these businesses (57%) considered increased regulation and documentation and supply chain impacts to be a risk, while half were concerned with supply chain impacts (49%).

One in five (19%) thought that there was a risk of existing orders being cancelled.

More likely than average to cite specific risks:

Price rises on goods imported (65%) – Urban (76%).

Increased regulation and documentation (57%) – Exporters (63%).

Inability to effectively plan ahead (45%) – Striving for growth (54%).

Reduced competitiveness (38%) – Not confident in the economic outlook for Scotland (45%).

Lower export sales (31%) – Selling to outside the UK (50%), Selling to the rest of the UK (35%).

Q. What is it about recent changes to international trade conditions that you think is a risk to your business?



Base: All business who perceive changes to international trade conditions as a risk (215)

International Trade Conditions Opportunities

Few businesses considered changes to international trade conditions to be an opportunity (4% of businesses).

While there is a small sample size, these businesses most commonly cited increased investment in Scotland and their local area as potential opportunities, as well as increased competitiveness in existing international markets and new or increased domestic or international market opportunities.



08

International Trade

Key findings

- Among businesses who were trading internationally (41% of all businesses), around half (47%) were not currently planning to make changes to their approach to international trade as a result of recent changes to international trade conditions. A quarter (25%) said that it was too soon to say, whilst a smaller proportion (13%) had already, or were planning to make changes, to their approach.
- Among businesses who are trading internationally and had made changes, or are planning to make changes, to their approach to international trade (6% of all businesses), around half (46%*) were adopting a cautious approach due to uncertainty. Around a third (36%*) were targeting, or planning to target, new export markets outside the UK or reducing export activity in existing markets. Fewer businesses (13%*) had paused, or were planning to pause, broader investment.
- Few businesses were targeting new markets outside the UK (2% of all businesses).

47% not currently planning to make changes to their approach to international trade

13% have already made changes, or are planning to make changes, to their approach

46% of businesses trading internationally were adopting a cautious approach due to uncertainty

Approach to International Trade

Among businesses who were trading internationally (41% of all businesses), around half (47%) were not currently planning to make changes to their approach to international trade as a result of recent changes to international trade conditions.

A quarter (25%) indicated that it was too soon to say, whilst a smaller proportion (13%) had already, or were planning to make changes, to their approach.

More likely to have made/be planning to make changes:

Sector

- Wholesale, retail and repairs (22%).

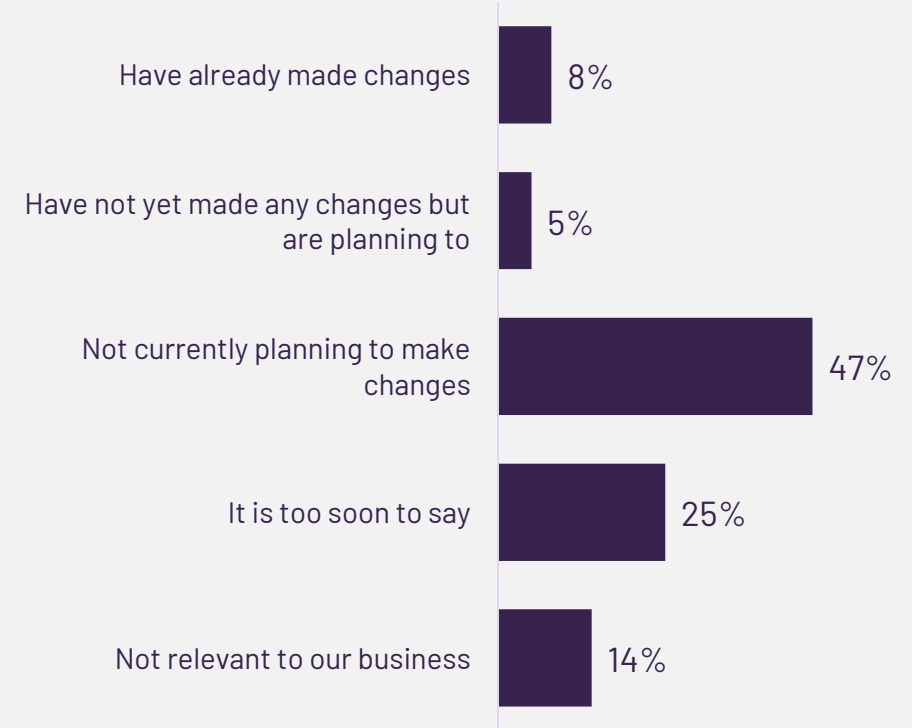
Aspiration

- Striving for growth (19%).

Business structure

- Women-led (29%*).

Q. As a result of recent changes to international trade conditions, some businesses have made changes to their approach to international trade, while others have not. Which of these statements best describes your approach to international trade?



Base: All businesses who are trading internationally (258)

Changes to Approach to International Trade

Among businesses who are trading internationally and had made changes, or are planning to make changes, to their approach to international trade (6% of all businesses), around half (46%*) were adopting a cautious approach due to uncertainty.

Around a third (36%*) were targeting, or planning to target, new export markets outside the UK or reducing export activity in existing markets.

Fewer businesses (13%*) had paused, or were planning to pause, broader investment.

Q. Which, if any, of the following changes have you made/are you planning to make to your approach to international trade?



Base: All businesses who are trading internationally and have made changes, or are planning to make changes, to their approach to international trade (36)

Target Markets

Very few businesses were targeting new export markets outside the UK (2% of all businesses).

While there is a small sample size, these businesses most commonly said that they were targeting the European Union, the United States, and Australia.



09

Local Opportunities

Key findings

- 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%), community-led projects or developments (40%), large construction or infrastructure projects (33%) or companies investing in or establishing a base in the area (33%).
- Among businesses who saw at least one of these activities as an opportunity, 66% felt at least somewhat ready to capitalise on them, while 32% felt that they were hardly able to capitalise or not at all able to capitalise.

56% see tourists and visitors coming to the area as an opportunity.

42% see renewable energy projects in the area as an opportunity.

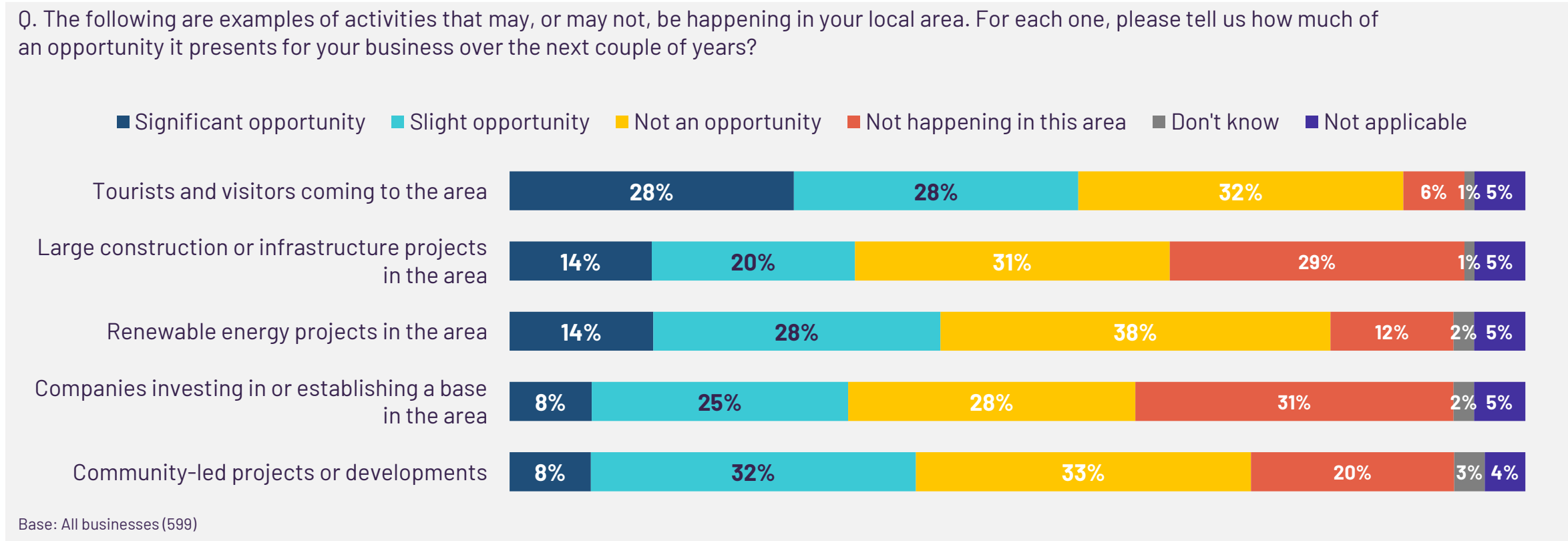
40% see community-led projects as an opportunity.

33% see large construction or infrastructure projects in the area as an opportunity.

33% see companies investing in or establishing a base in the area as an opportunity.

Local Opportunities (1)

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%), community-led projects or developments (40%), large construction or infrastructure projects (33%) or companies investing in or establishing a base in the area (33%).



Local Opportunities (2)

Certain types of business were more likely to be say these activities were an opportunity for them. Businesses striving for growth were more likely to say each of these was an opportunity.

More likely than average to say these were an opportunity

Tourists and visitors coming to the area

- Accommodation and food services (91%), Tourism growth sector (91%), Arts and entertainment (76%)*, Women-led (75%), Wholesale retail and repairs (69%), Struggled in the past six months (63%), striving for growth (62%).

Large construction or infrastructure projects in the area

- Construction (56%), 25+ staff (50%)*, Striving for growth (40%), Performed well in the past six months (41%), urban (39%).

Companies investing or establishing a base in the area

- IT, finance and real estate (52%)*, Arts and entertainment (50%)*, Urban (46%), Tourism growth sector (46%), Striving for growth (38%),

Renewable energy projects in the area

- 25+ staff (59%), Performed well in past six months (53%), Striving for growth (49%).

Community-led projects or developments

- Arts and entertainment (67%)*, Tourism growth sector (61%), Creative industries growth sector (58%)*, Accommodation and food services (57%), Construction (52%), Women-led (51%), Urban (50%), Confident in the economic outlook for Scotland (45%).

More likely than average to say these were not an opportunity

Tourists and visitors coming to the area

- 25+ staff (51%)*, Primary industries (39%), Construction (50%), Food and drink growth sector (38%).

Large construction or infrastructure projects in the area

- Primary industries (38%), Food and drink growth sector (38%).

Companies investing or establishing a base in the area

- Accessible rural (36%).

Renewable energy projects in the area

- Women-led (49%), Content with current performance (44%), Struggled in past six months (45%).

Community-led projects or developments

- Food and drink growth sector (45%), Primary industries (45%), Operating for 25+ years (37%).

Capitalising on Local Opportunities

Among businesses who saw at least one of these activities as an opportunity, 66% felt at least somewhat ready to capitalise on them, while 32% felt that they were hardly able to capitalise or not at all able to capitalise.

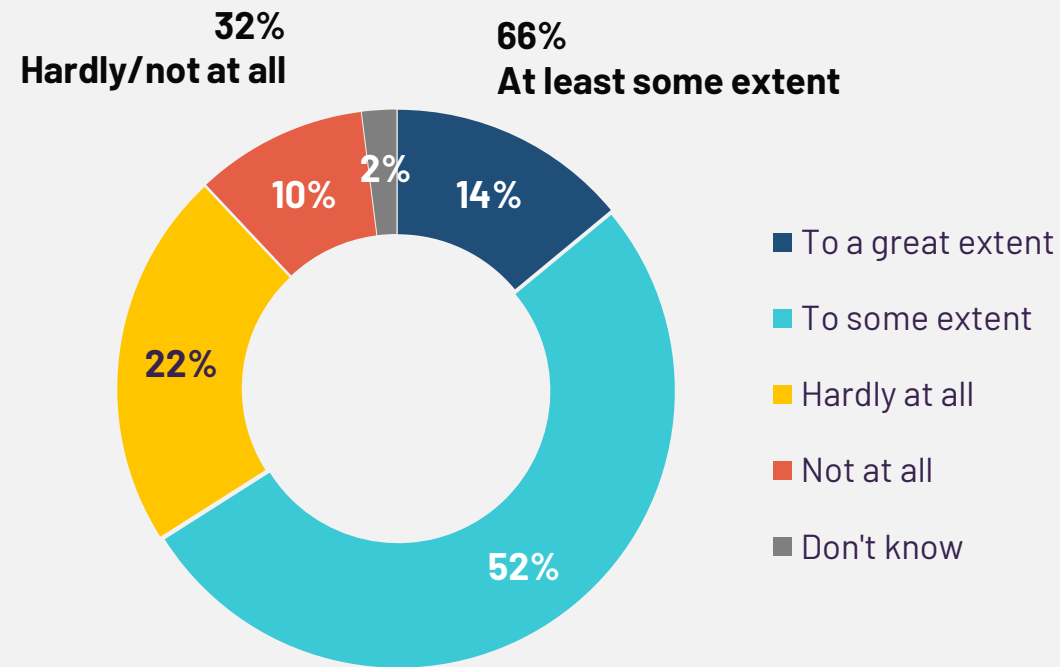
More likely than average to feel at least somewhat ready to capitalise on opportunities

- 25+ staff (85%)*, Construction (79%), Tourism growth sector (76%), Urban (75%), Striving for growth (75%), Performed well in past six months (73%), Confident in the economic outlook for Scotland (71%).

More likely than average to feel not at all able to capitalise on opportunities

- Primary industries (16%), Remote rural (16%), 0-4 staff (13%).

Q. To what extent, if at all, is your business ready to capitalise on these opportunities?



Base: All businesses who see activities in their local area as an opportunity (477)

10

Appendix

Export markets – by sector 1

		Sector			
	Average (%)	Primary industries	Manufacturing	Construction	Wholesale, retail and repairs
Scotland	97	97	100	99	97
Rest of UK	65	72	84*	57	57
Outside the UK	19	7	38*	9	23
Net: exporter	66	72	84*	57	57
Net: domestic only	32	27	16	42	41
Base	599	149	31	66	96

Export markets – by sector 2

		Sector				
	Average (%)	Accommodation and food services	IT, finance and real estate	Professional, scientific and technical activities	Administrative and support services	Arts and service activities
Scotland	97	97	97	98	97	89
Rest of UK	65	54	67	72	60	58
Outside the UK	19	38	34*	31	24	29
Net: exporter	66	54	69	75	63	58
Net: domestic only	32	43	28	25	35	31
Base	599	71	38	53	41	44

Export markets – by growth sector

		Sector			
	Average (%)	Food and drink	Financial and business services	Tourism	Creative industries
Scotland	97	97	97	98	100
Rest of UK	65	72	72	55	80
Outside the UK	19	8	33*	43	34*
Net: exporter	66	73	75	56	80
Net: domestic only	32	27	25	42	20
Base	599	150	40	84	36

Sector categories included in the survey sample

SIC 2007 categories

The sector categories referred to in the report, and examples of the types of sectors covered by these categories, are summarised below.

Sector title uses in report	Types of sectors covered
Primary industries	Agriculture, forestry, fishing; Mining and quarrying; Electricity, gas and air supply; Water and sewerage
Manufacturing	Manufacturing
Construction	Construction
Wholesale and retail	Wholesale and retail sales and repairs
Transport and storage	Transport activity and storage of goods used for transport activities
Accommodation and food services	Accommodation and food services service activities
IT, finance and real estate	IT, telecommunications, financial services, insurance, and real estate
Professional, scientific and technical	Legal, accounting, advertising, architectural and scientific research.
Administrative and support services	Office administration, human resources, services to buildings and landscapes, travel, and security services.
Arts and entertainment	Creative and arts activities; Libraries, museums and cultural activities; Sports and recreation

Growth sector categories

The growth sector categories referred to in the report, and the types of SIC 2007 sectors they partially cover are summarised below.

Growth sector category	SIC 2007 categories partially covered
Creative industries	Manufacturing; Wholesale and retail; Professional, scientific and technical; Administrative and support services; Arts and entertainment.
Energy	Primary industries; Manufacturing; Professional, scientific and technical.
Financial and business services	IT, finance and real estate; Professional, scientific and technical; Administrative and support services;
Food and drink	Primary industries; Manufacturing.
Life sciences	Manufacturing. Professional, scientific and technical;
Tourism	Accommodation and food services; Administrative and support services; Arts and entertainment.

Profile of businesses interviewed

Size (no of employees)	Weighted %
Sole trader	25
1-4	48
5-10	13
11-24	8
25+	5

Location	Weighted %
Dumfries and Galloway	58
Scottish Borders	42

Urban/Rural	Weighted %
Remote rural	25
Accessible rural	38
Urban	36

Sector	Weighted %
Primary industries	31
Manufacturing	5
Construction	12
Wholesale and retail	13
Transport and storage	3
Accommodation and food services	8
IT, finance and real estate	5
Professional, scientific and technical	10
Administrative and support services	6
Arts and entertainment	6

Ipsos Standards & Accreditations

Ipsos' standards & accreditations provide our clients with the peace of mind that they can always depend on us to deliver reliable, sustainable findings. Moreover, our focus on quality and continuous improvement means we have embedded a 'right first time' approach throughout our organisation.



ISO 20252 – is the international market research specific standard that supersedes BS 7911 / MRQSA & incorporates IQCS (Interviewer Quality Control Scheme); it covers the 5 stages of a Market Research project. Ipsos was the first company in the world to gain this accreditation.



MRS Company Partnership – By being an MRS Company Partner, Ipsos endorse and support the core MRS brand values of professionalism, research excellence and business effectiveness, and commit to comply with the MRS Code of Conduct throughout the organisation & we were the first company to sign our organisation up to the requirements & self regulation of the MRS Code; more than 350 companies have followed our lead.



ISO 9001 – International general company standard with a focus on continual improvement through quality management systems. In 1994 we became one of the early adopters of the ISO 9001 business standard.



ISO 27001 – International standard for information security designed to ensure the selection of adequate and proportionate security controls. Ipsos was the first research company in the UK to be awarded this in August 2008.



The UK General Data Protection Regulation (UK GDPR) & the UK Data Protection Act 2018 (DPA) – Ipsos is required to comply with the UK General Data Protection Regulation and the UK Data Protection Act; it covers the processing of personal data and the protection of privacy.



HMG Cyber Essentials – A government backed and key deliverable of the UK's National Cyber Security Programme. Ipsos was assessment validated for certification in 2016. Cyber Essentials defines a set of controls which, when properly implemented, provide organisations with basic protection from the most prevalent forms of threat coming from the internet.



Fair Data – Ipsos is signed up as a 'Fair Data' Company by agreeing to adhere to ten core principles. The principles support and complement other standards such as ISOs, and the requirements of Data Protection legislation.

This work was carried out in accordance with the requirements of the international quality standard for market research, ISO 20252 and with the Ipsos Terms and Conditions

Thank you

