

SOSE Business Panel Survey

Wave 8: November/December 2024



Economic confidence

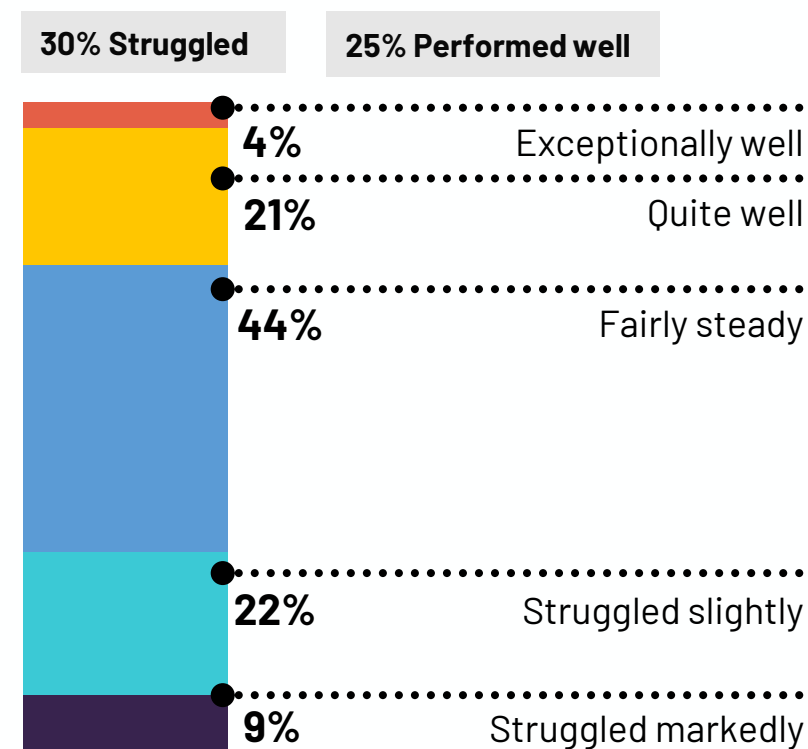
37%

of businesses were confident in the economic outlook for Scotland, 61% were not confident - the lowest reported level since Oct/Nov 2022.



Performance

Business performance over past six months

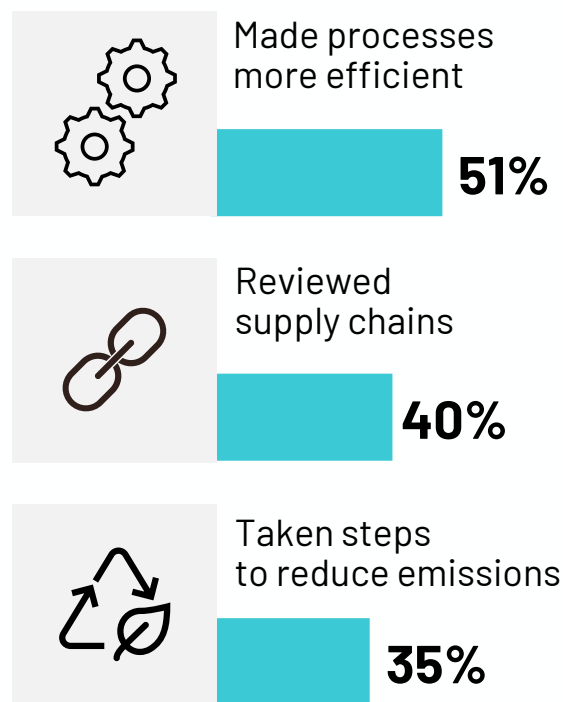


Businesses had performed better on their sales or turnover than on profit, while their levels of employment and exports had remained relatively stable.

Working environment

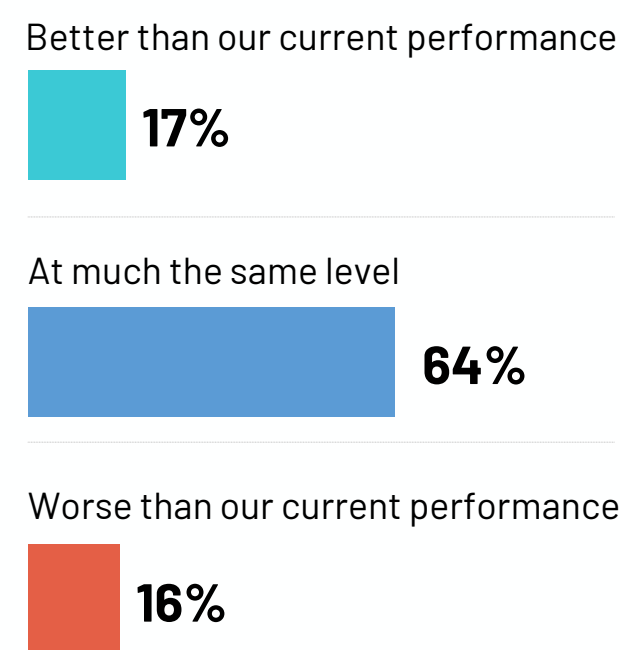
Most businesses (81%) had taken action in relation to their working environment.

Top 3 actions



Performance expectations

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



Aspirations

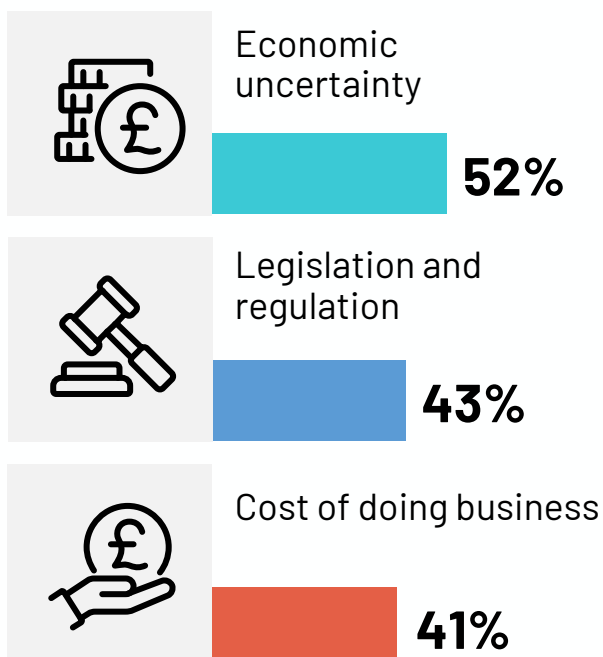


42%

of businesses were striving for growth, while 39% were content with their current level of performance. A smaller proportion (16%) were looking to downsize.

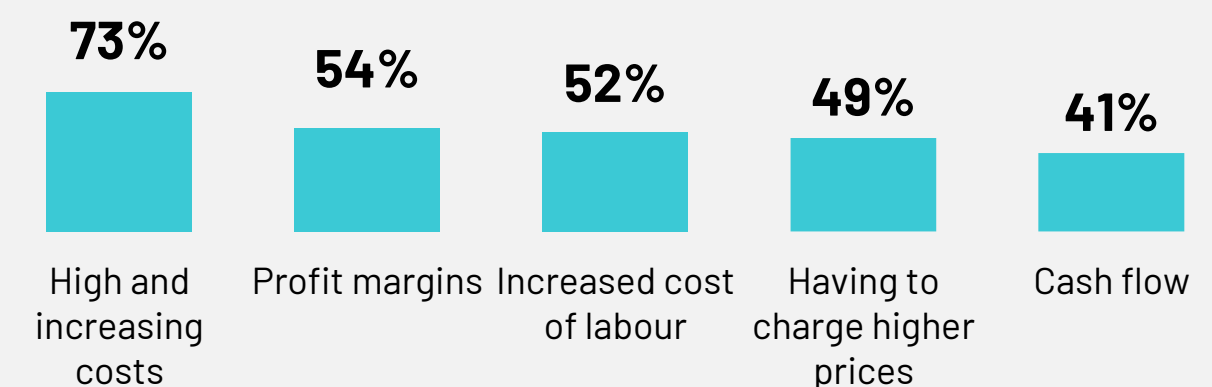
Challenges

Top 3 challenges facing businesses:



Most businesses (94%) said they were facing a significant financial concern.

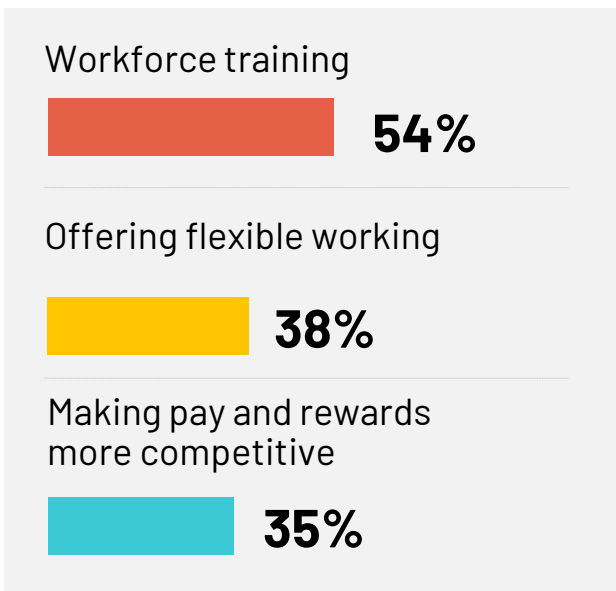
Top 5 financial concerns



Workforce

Most employers (75%) were taking some form of action in relation to their workforce.

Top 3 actions



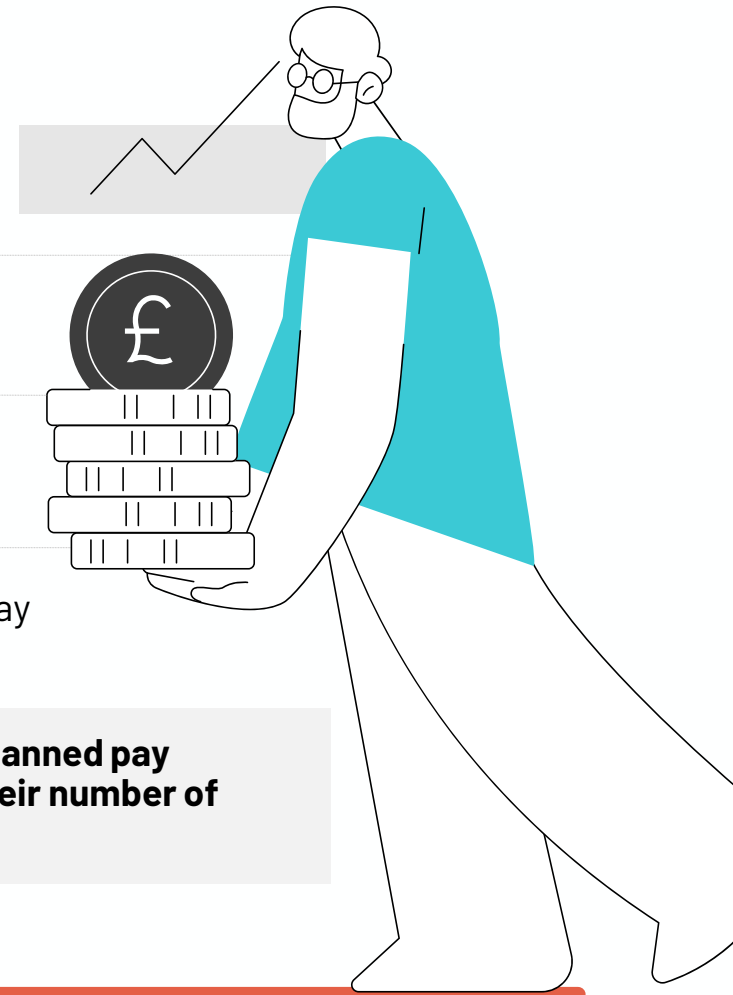
Half of employers (50%) planned to absorb additional cost increases, in response to upcoming increases associated with the cost of staff.

48% planned to increase prices.

29% planned to pause or stop recruitment.

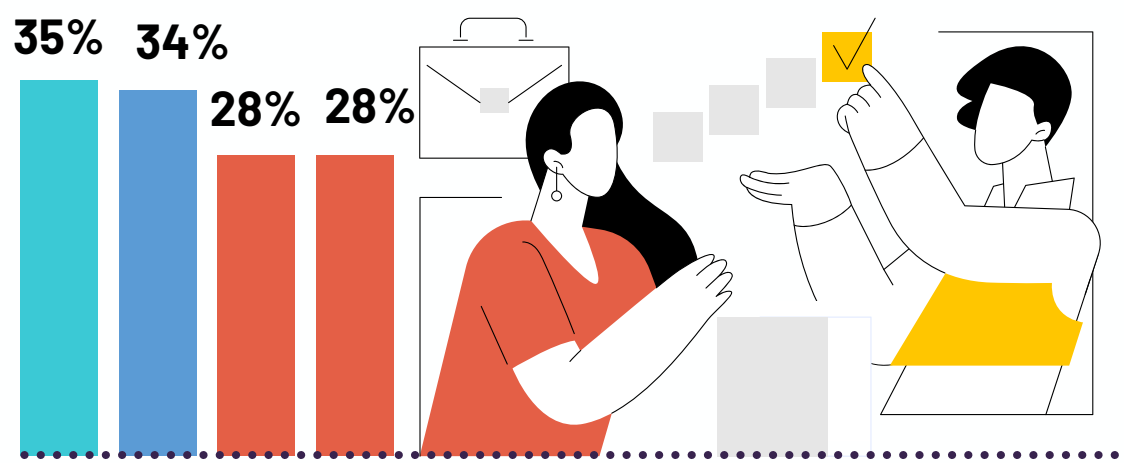
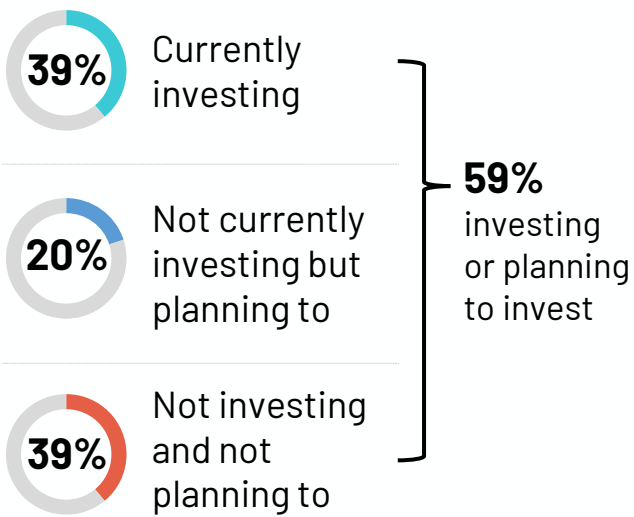
More than a third felt it was too soon to say (37%).

Fewer were planning to **reduce or stop planned pay increases or benefits (20%)** or **reduce their number of staff (16%)**.



Investment

A majority of businesses (59%) were currently investing or planning to invest in future.



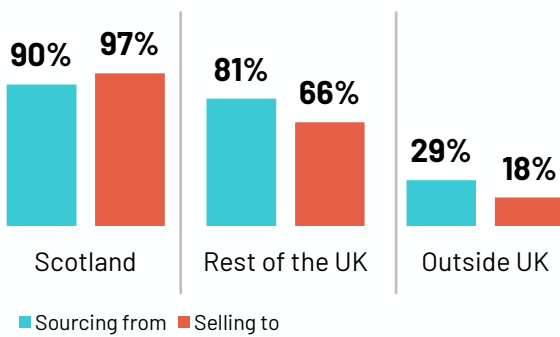
The most common immediate investment priorities were **workforce development and wellbeing (35%)**, **process efficiency (34%)**, and **premises or equipment (28%)** and **advertising or marketing (28%)**.

There was no single reason why businesses were investing or planning to invest. About a quarter of businesses who were investing, or planning to invest, were doing so to **support growth (27%)**, with a similar proportion investing to **maintain current performance (26%)** or to build resilience for **future challenges (24%)**.

The main reasons for not investing were **performing well without investment (39%)**, **being focussed on survival (37%)**, and **saving funds for the time being (36%)**.

Markets

82% were importers* and **67%** were exporters*



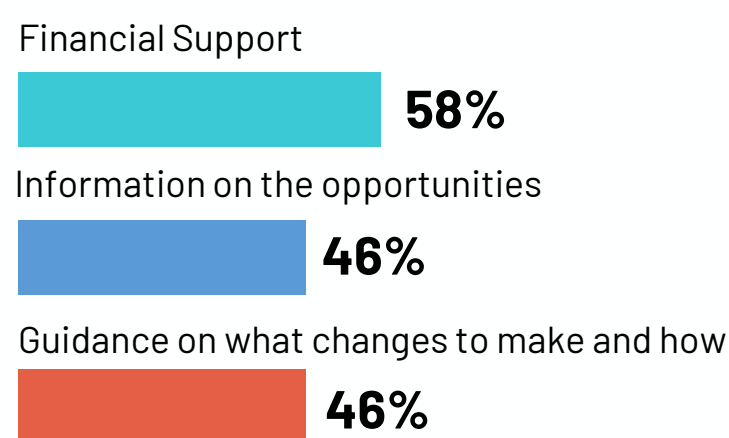
*Selling to/sourcing from any market outside of Scotland

More than a third of businesses wanted to grow their sales in the rest of the UK, or outside the UK.

Net Zero

Just under half of businesses were reducing emissions from their **premises and equipment (45%)**, or **operations (43%)**.

Types of support that would help them move to lower carbon ways of working:



Key Variation



Accommodation and food services were less confident in the economy, were more likely to be risk averse, were less likely to be reducing emissions, and were particularly concerned about their finances (increasing costs, having to charge higher prices, and cash reserves).



Food and drink growth sector businesses were more likely to be family-owned, and were more likely to have a formal plan in place for reducing their emissions. However, they were also facing barriers to getting skilled staff: including with required skills being in short supply and unappealing working hours or patterns.