

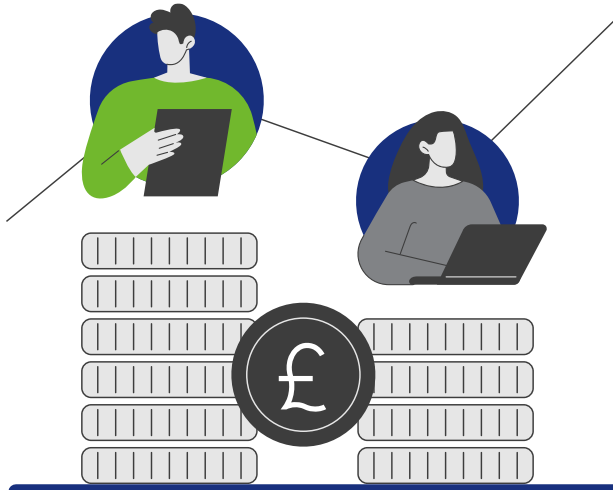
# HIE Business Panel Survey

Wave 27: November/December 2024

## Economic confidence

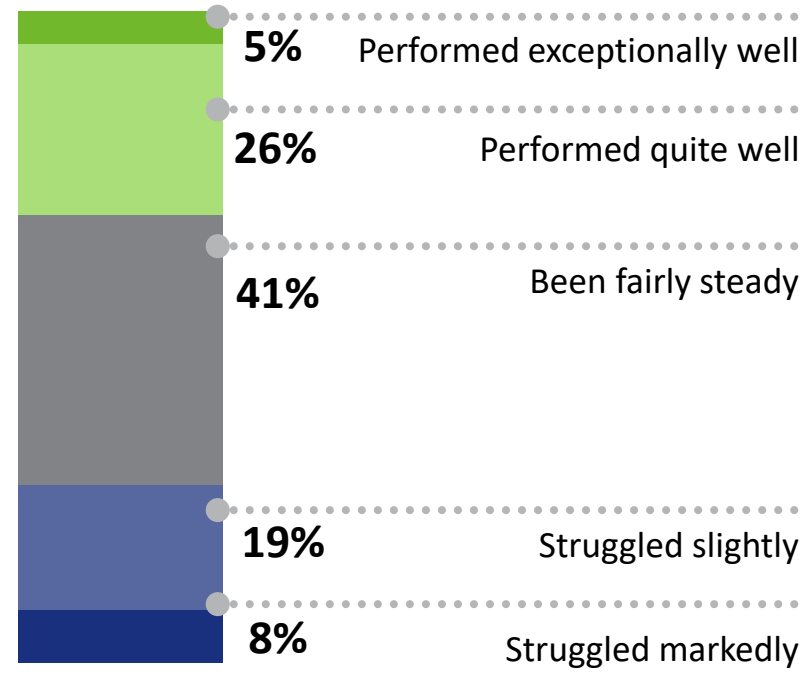
# 44%

of businesses were confident in the economic outlook for Scotland, 55% were not confident - the lowest reported level since Oct/Nov 2022.



## Performance

### Business performance over past six months

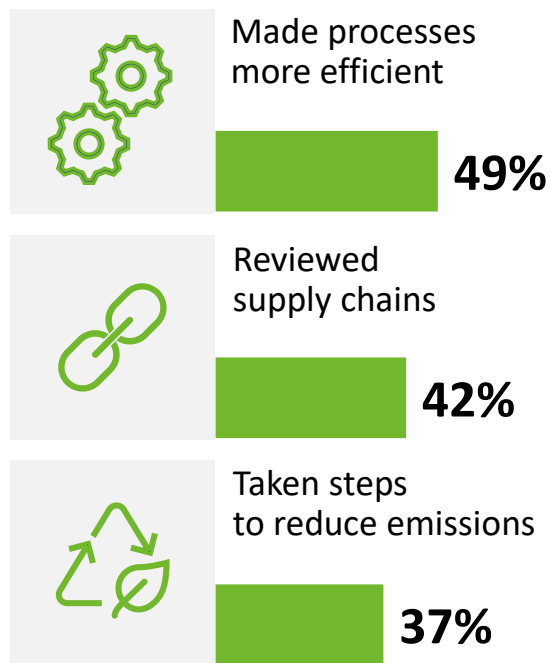


Businesses had performed better on their sales or turnover than on profit, while their levels of employment and exports had remained relatively stable.

## Working environment

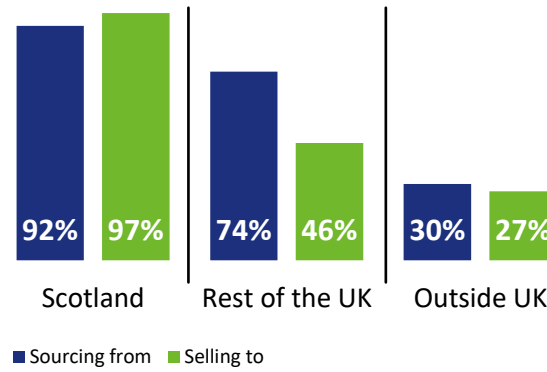
Most businesses (81%) had taken action in relation to their working environment.

Top 3 actions:



## Markets

75% were importers\* and 48% were exporters\*



\*Selling to/sourcing from any market outside of Scotland

Among businesses already selling outside the UK, just over half (54%) wanted to grow their level of sales.

Among those selling to the rest of the UK, 47% wanted to grow.

When it comes to domestic sales, 43% were aiming for growth.

## Aspirations

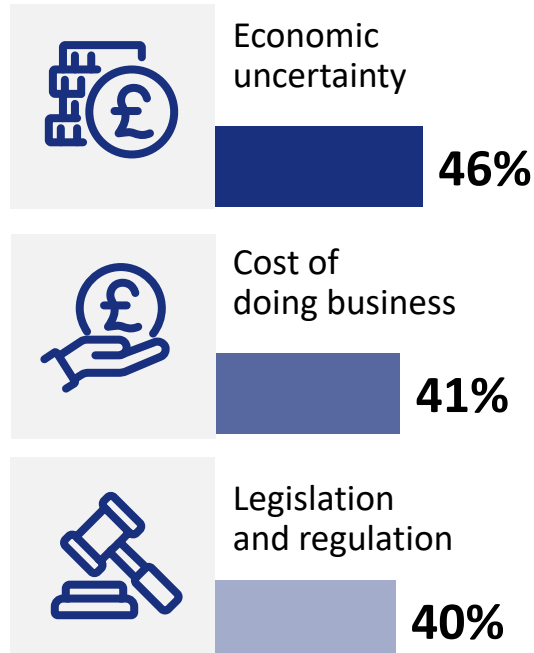


# 47%

of businesses were striving for growth, while 36% were content with their current level of performance. A smaller proportion (14%) were looking to downsize.

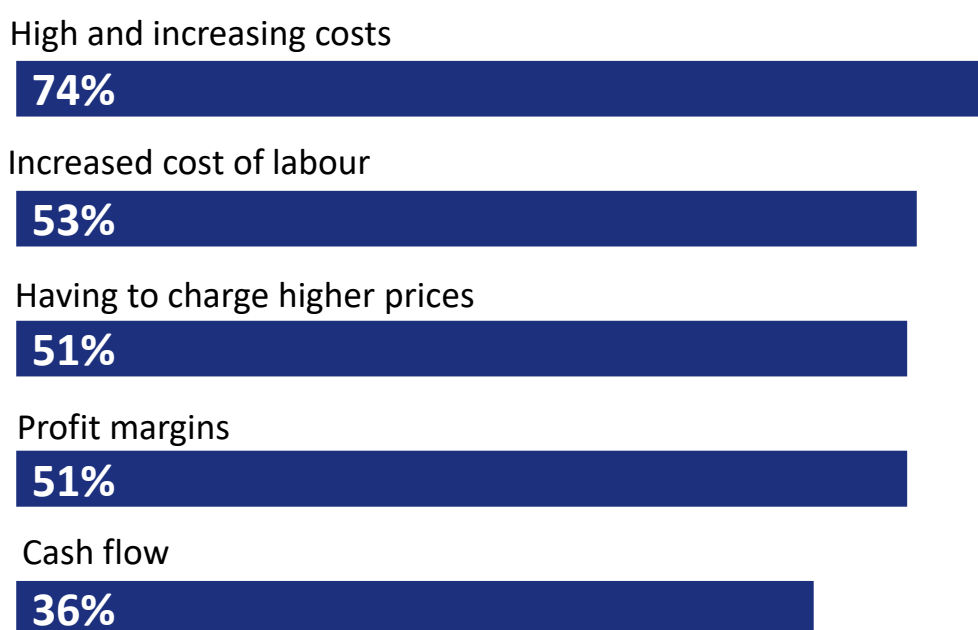
## Challenges

Top 3 challenges facing businesses:



Most businesses (92%) said they were facing a significant financial concern.

Top 5 financial concerns:



## Workforce

### 47% of employers had a skills gap.

In terms of securing staff, temporary or seasonal roles were more of a challenge than permanent roles: 34% of employers did not have enough staff to fill temporary or seasonal roles, while 25% did not have enough staff to fill permanent roles.

On skills, 29% of employers did not have the right level of skills for temporary or seasonal roles, compared with 24% for permanent roles.

### Top 3 barriers to getting skilled staff:

Required skills in short supply

65%

Location of the business

49%

Lack of accommodation

42%

### Most employers (80%) were taking some form of action in relation to their workforce.

Top 3 actions:

Workforce training

61%

Offering flexible working

44%

Making pay and rewards more competitive

42%

### More than half of employers (55%)

planned to increase prices in response to upcoming increases associated with the cost of staff.

46%

planned to absorb the additional cost.

31%

felt it was too soon to say.

A further two in ten planned to **pause or stop recruitment** (25%) or **reduce or stop planned pay increases or benefits** (21%). Fewer were planning to **reduce their number of staff** (16%).



## Investment

### A majority of businesses (62%) were currently investing or planning to invest in future.

43%

Currently investing

19%

Not currently investing but planning to

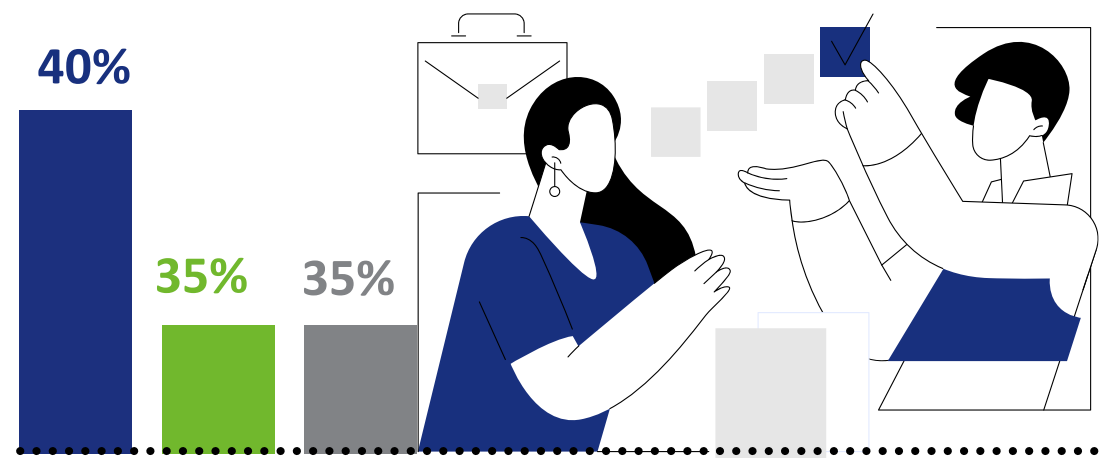
36%

Not investing and not planning to

40%

35%

35%



The most common immediate investment priorities were **workforce development and wellbeing (40%)**, **process efficiency (35%)**, and **premises or equipment (35%)**.

There was no single reason driving businesses investment. Over a quarter of businesses who were investing, or planning to invest, were doing so to **build resilience for future challenge (28%)** or **maintain performance (28%)** with a **quarter (25%) investing to support growth**. A further 17% were investing to survive current challenges.

The main reasons for not investing were **being focussed on survival (38%)**, **performing well without investment (37%)**, and **saving funds for the time being (35%)**.

## Net Zero

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

Top three types of support that would help them move to lower carbon ways of working:

Financial Support

60%

Information on the opportunities

44%

Access to equipment and technologies

43%

