HIE BUSINESS PANEL SURVEY

WAVE 26: NOVEMBER/DECEMBER 2023

ECONOMIC CONFIDENCE AND OUTLOOK

Confidence in economic outlook for Scotland over next 12 months

50% Very/fairly confident (55% in May/June 2023)

48% Not very/not at all confident (43% in May/June 2023)

Following an increase in the previous wave, confidence returned to the level reported by businesses in February/March 2023.

Confidence in economic outlook for the Highlands and Islands over next 12 months

53% Very/fairly confident

45% Not very/not at all confident

PERFORMANCE OVER LAST SIX MONTHS

Struggled	Remained steady	Performed well
21%	44%	34%

Struggled:

- Looking to downsize (31%).

Performed well:

- Financial and business services (49%).
- Tourism (43%).
- Striving for growth (39%).

ASPECTS OF PERFORMANCE

Over the last six months

	Increased	Stayed the same	Decreased	Don't know
Sales or turnover	37%	39%	22%	1%
Profit margins	21%	40%	36%	3%
Employment	16%	70%	14%	1%
Exports	11%	66%	17%	6%

Base: All businesses to whom each applied

GROWTH ASPIRATIONS

	Nov/Dec-23	June/July-22
Striving for growth	49%	45%
Content with current level of performance	37%	42%
Looking to downsize	12%	12%

More likely to be striving for growth

- 25+ staff (71%).
- Manufacturing (71%).
- Arts and entertainment (66%).
- Social enterprises (65%).
- Urban businesses (59%).

More likely to be looking to downsize

- 0-4 staff (17%).
- Construction (20%).
- Primary industries (18%).
- Struggled in the past six months (18%).

MARKETS

79% were importers and 50% were exporters†.

	Sourcing from	Selling to
Scotland	95%	97%
Rest of the UK	77%	49%
Outside UK	33%	28%

†Selling to/sourcing from any market outside of Scotland

SALES ASPIRATIONS FOR NEXT 12 MONTHS

	Increase	Remain the same	Decrease	Don't know
In Scotland	42%	50%	8%	1%
Rest of UK	36%	55%	6%	2%
Outside the UK	34%	55%	8%	3%

Base: All businesses to whom each applied

More likely to be looking to increase sales

- Manufacturing – in Scotland (62%), rest of UK (59%) and outside the UK (58%).
- Arts & entertainment – in Scotland (55%).
- Wholesale & retail – in Scotland (53%).
- Accommodation & food services – outside the UK (45%).

More likely to be looking to decrease sales

- Construction – in Scotland (16%) and rest of UK (19%).

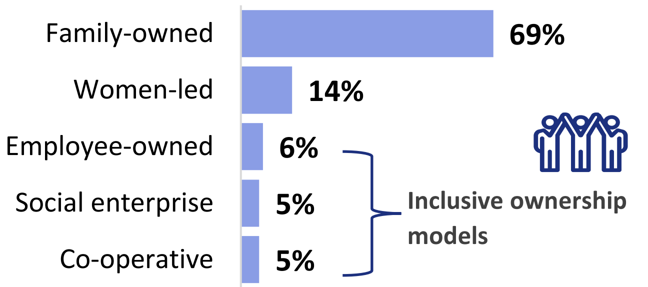
UK/EU IMPORT ARRANGEMENTS

Views on impacts of changes to UK/EU import arrangements due to be phased in over 2024.

Mainly positive	3%
Mainly negative	20%
No impact	24%
Not sure	31%
Not applicable	18%

BUSINESS STRUCTURE

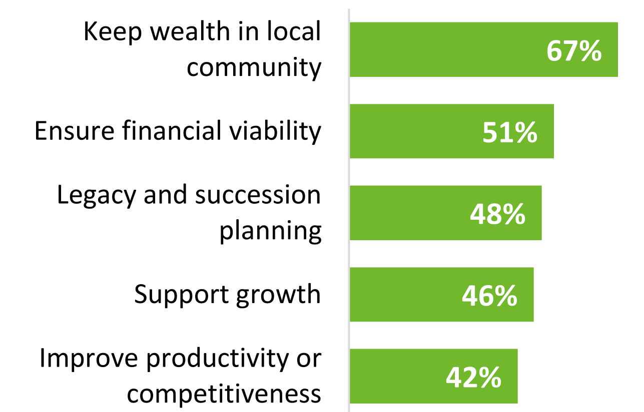
13% had an inclusive ownership model.



Base: Family/employee-owned – all employers (774); for all others– all businesses (1,002). Businesses could choose more than one.

INCLUSIVE OWNERSHIP MODELS

Reasons for adopting inclusive business models (top 5)



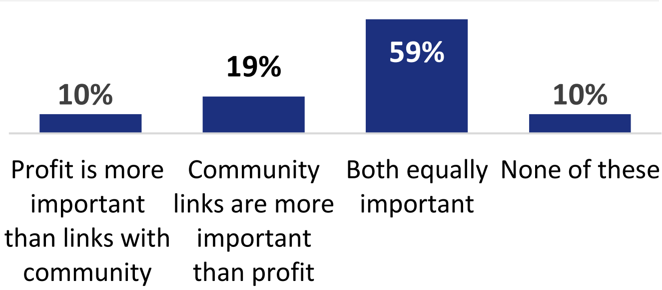
Base: Those who were, or who planned to be, an employee-owned, social enterprise, or co-operative business (167)

BUSINESS VALUES

Most important values (top 5)

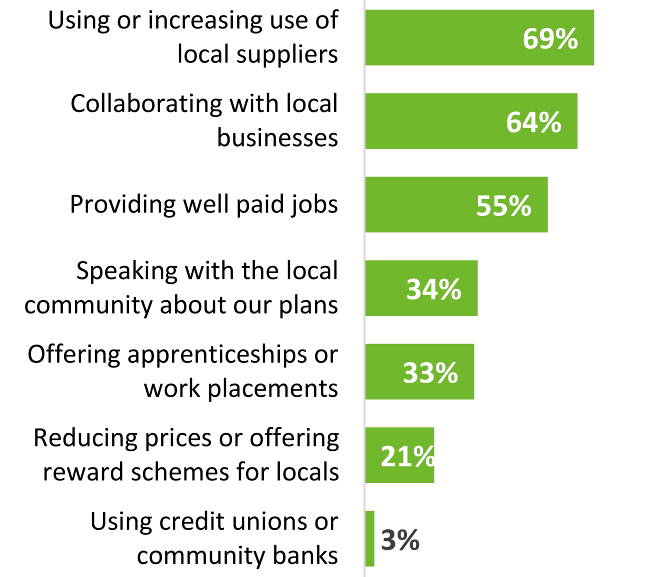
BUSINESS PRIORITIES

Thinking about the next 2-3 years, which of these statements most closely reflects your overall priorities?



COMMUNITY WEALTH BUILDING

92% were taking actions that reflect the tenets of community wealth building.

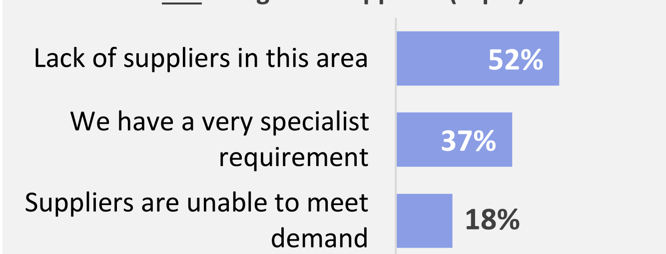


More likely to be taking some action: 25+ staff (99%), HIE-client engaged (98%), striving for growth (95%).

LOCAL SUPPLY CHAINS

Reasons for using local suppliers (top 3)

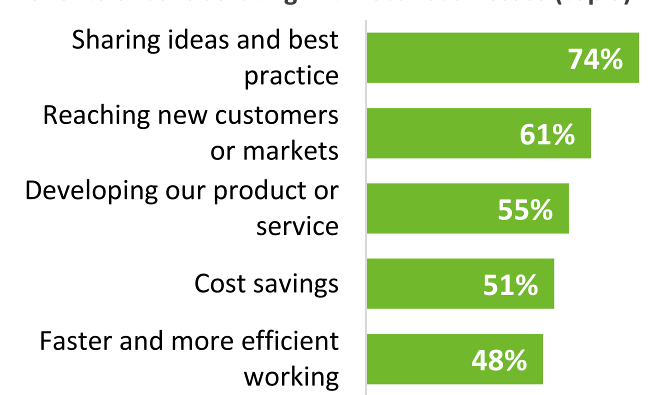
Reasons for not using local suppliers (top 3)



Base: Those using (681), and not using local suppliers (321)

COLLABORATION

Benefits of collaborating with local businesses (top 5)

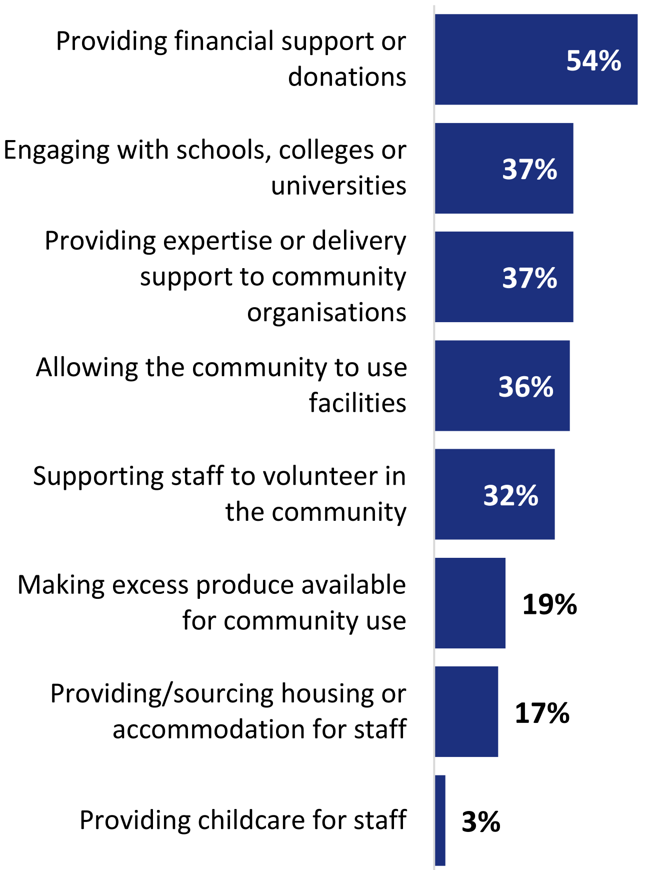


Base: All businesses that are collaborating (638)

COMMUNITY BENEFITS

79% **were taking some action to benefit the local community.**

Actions to support community:



More likely to be taking action: 25+ staff, co-operatives, social enterprises, arts and entertainment, financial and business services, wholesale and retail, those striving for growth, and those that had performed well.

FINANCIAL SUPPORT FOR THE COMMUNITY

54% **were providing financial support or donations for the community.**

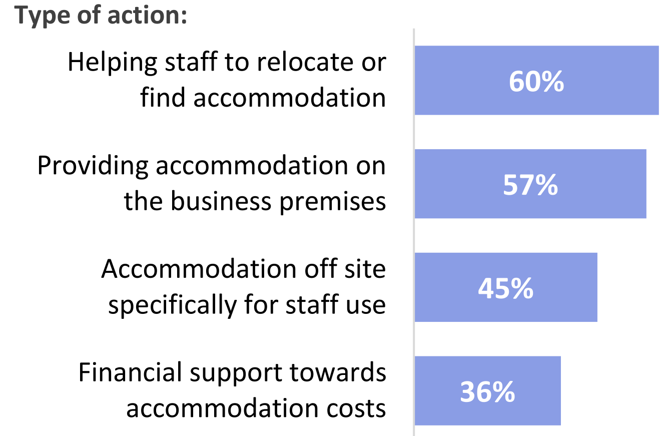
Types of support (top 3)

Base: All providing financial support for the community (545)

ACCOMMODATION

17% **were providing or helping source housing or accommodation for staff.**

Type of action:

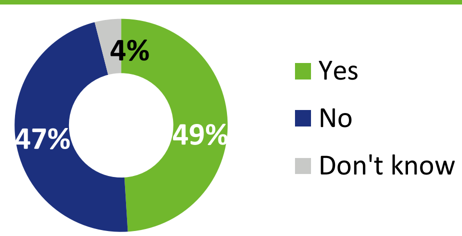


Base: All providing housing or accommodation (154)

More likely to be providing accommodation support: 25+ staff, tourism growth sector, food and drink, remote rural businesses, and those striving for growth.

DOING MORE FOR THE COMMUNITY

In the next 12 months, would you like to do more for your local community than you already do?

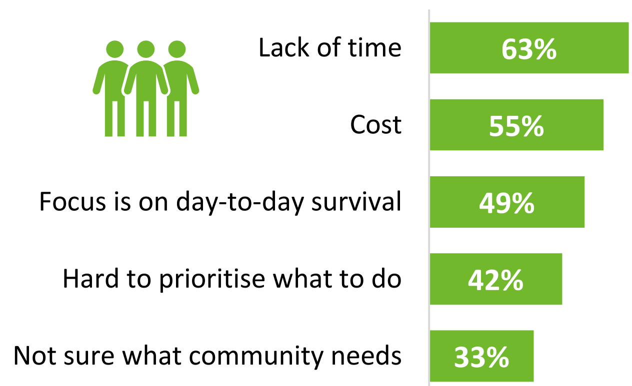


More likely to say yes:
- Arts & entertainment (62%).
- Social enterprises (79%).
- HIE-client-engaged (67%).
- Striving for growth (59%).

More likely to say no:
- 0-4 staff (51%).
- Financial and business services (59%).
- Looking to downsize (61%).

BARRIERS TO DOING MORE FOR THE COMMUNITY

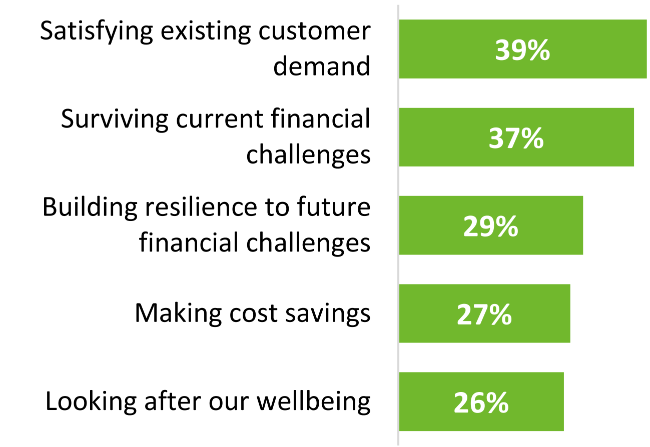
(Top 5)



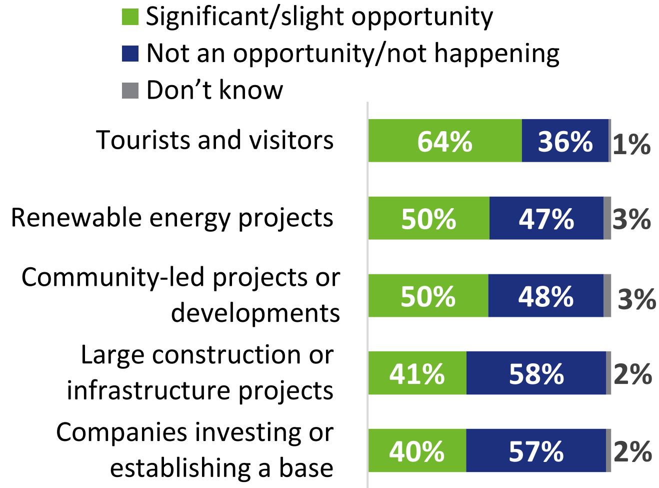
Base: All that would like to do more (497)

IMMEDIATE BUSINESS PRIORITIES

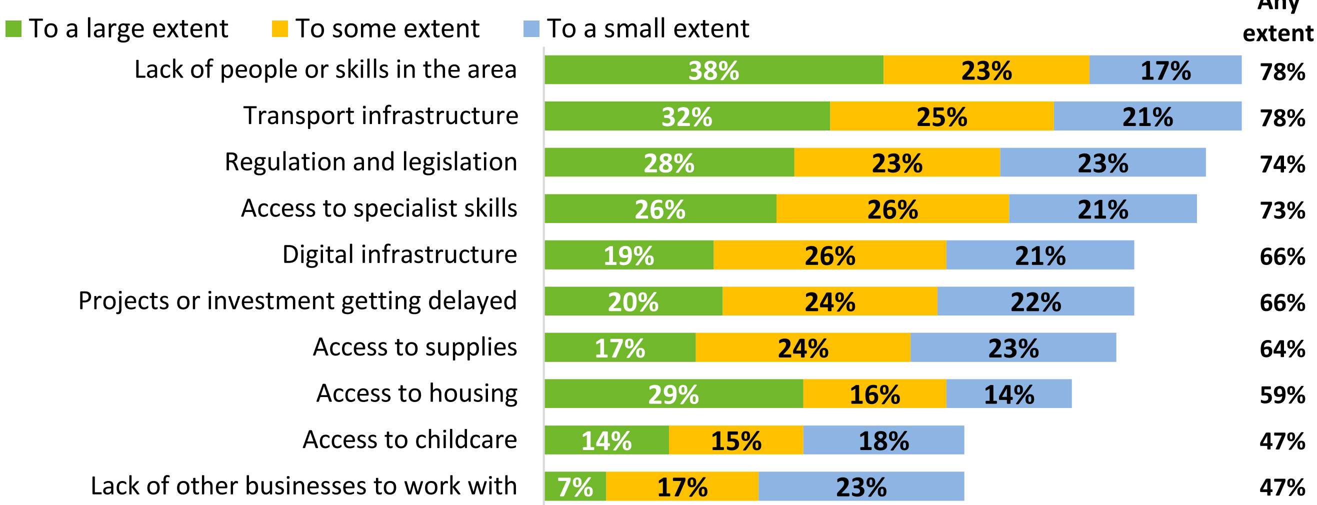
Top 5 priorities



LOCAL OPPORTUNITIES



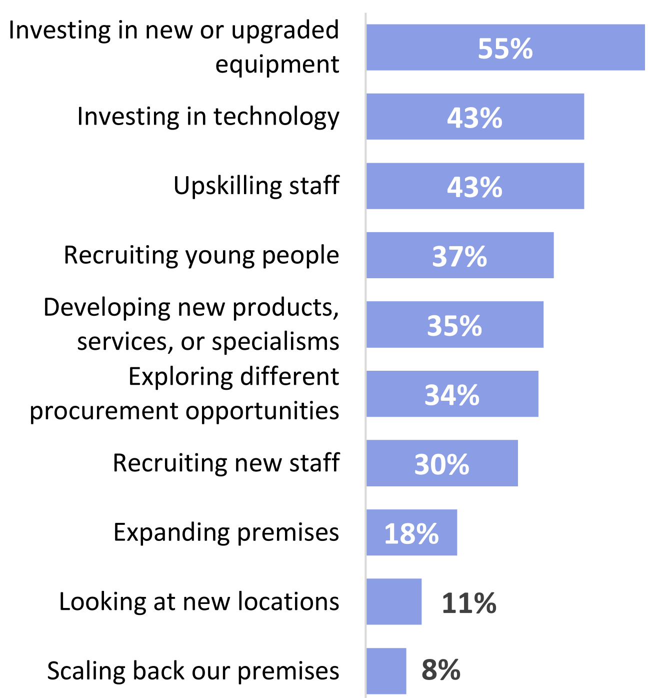
BARRIERS TO LOCAL OPPORTUNITIES



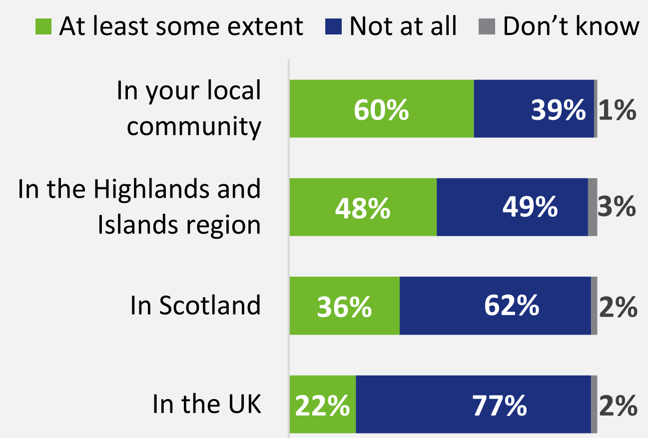
Base: All applicable for each business

MAKING THE MOST OF OPPORTUNITIES

85% **were taking action to make the most of growth opportunities in their locality.**



ABILITY TO INFLUENCE DECISION-MAKING



NOTES: Survey fieldwork was conducted between 1 November and 8 December 2023, using online survey and telephone interviewing. In total 1,002 businesses and social enterprises participated. For more detail visit [www.hie.co.uk/businesspanel.](http://www.hie.co.uk/businesspanel)

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.