

# HIE BUSINESS PANEL SURVEY

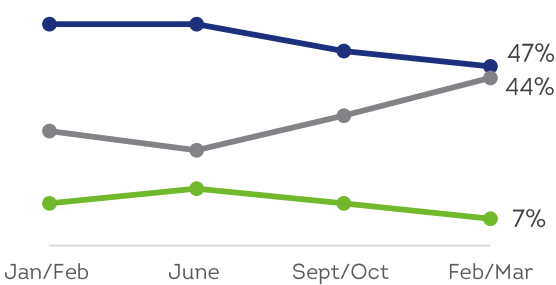
## WAVE 12: PLANNING FOR BREXIT

### OPTIMISM, PROSPECTS AND PERFORMANCE

Confidence in the Scottish economy fell to its lowest level since the business panel surveys began, with 44% of businesses saying their confidence had decreased, and a net confidence\* of -37. There was also a drop in optimism about future prospects (by 10 percentage points) and growth expectations (by 8 percentage points).

#### Economic confidence in last 6 months

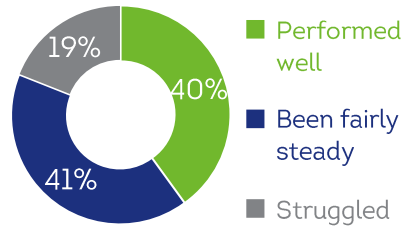
■ Increased ■ Stayed the same ■ Decreased



#### Lower than average confidence

- Food & drink sector
- Those who had struggled
- Those who were not optimistic about their prospects

#### Performance in last 12 months



#### More positive


- Large businesses (25+ staff)
- Tourism sector
- HIE account managed

#### Less positive

- Food & drink sector

**70%** 

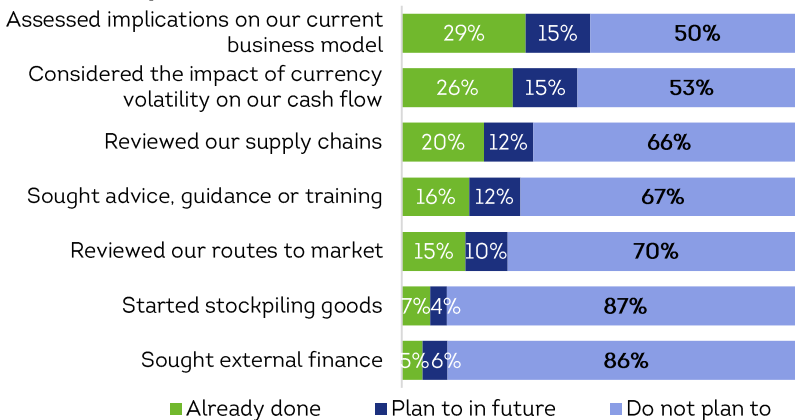
very/fairly optimistic about their future prospects

**37%** 

expect growth in the next year or two

### PLANNING FOR BREXIT

#### Actions to plan for Brexit



48% had already taken at least one of these actions, while a further 17% planned to.

30% did not plan to take any of these actions.

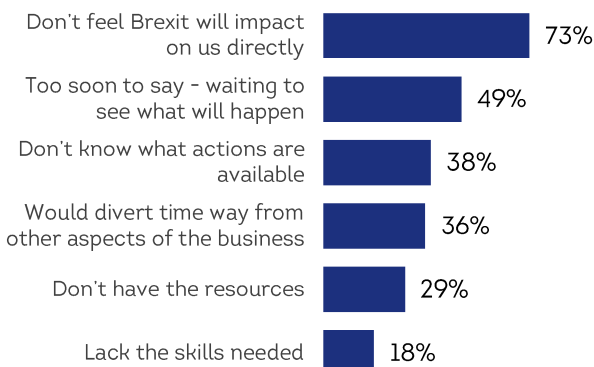
#### Most likely to take action

- Large businesses (25+ staff)
- Food & drink sector
- HIE account managed
- Employers of EU staff

#### Least likely to take action

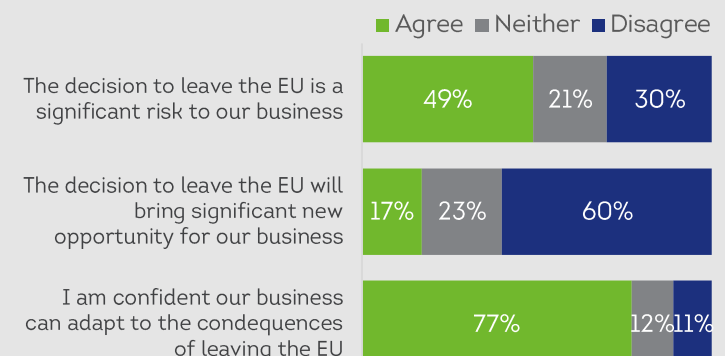
- Small businesses (0-4 staff)
- Non-HIE account managed

### REASONS FOR NOT TAKING ANY ACTIONS



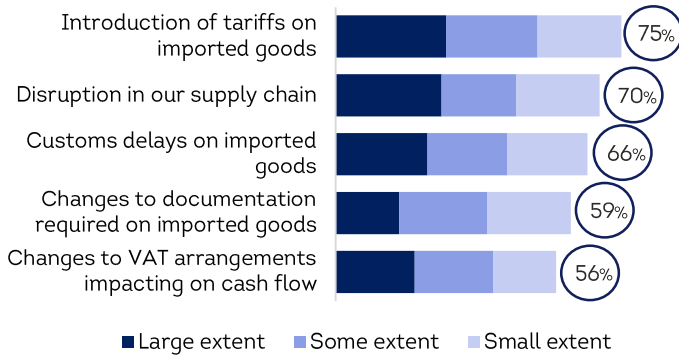
### OVERALL IMPACT OF BREXIT

Brexit was seen as more of a risk than an opportunity, but businesses were confident they could adapt.

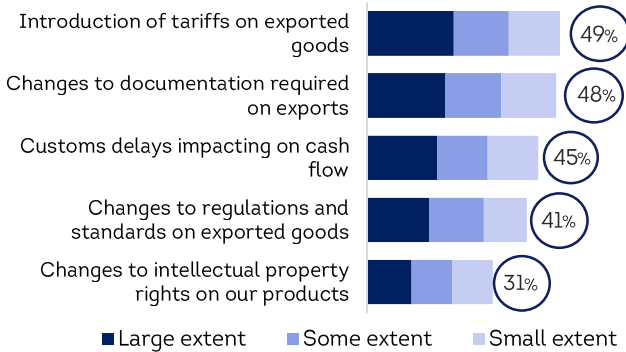


## IMPACT ON IMPORTS AND EXPORTS

### Extent of impacts on importers (Top 5)



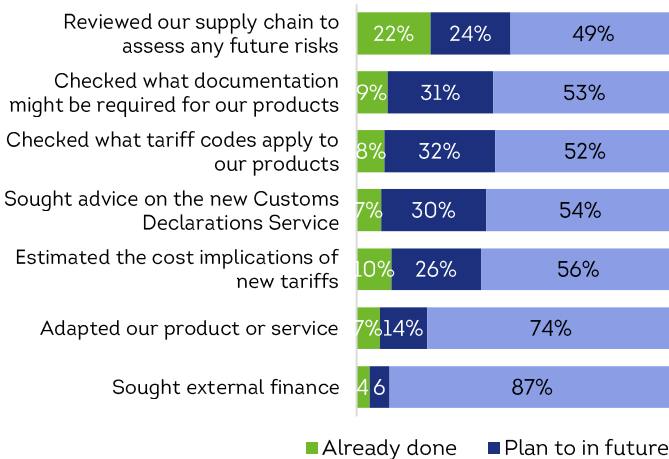
### Extent of impacts on exporters (Top 5)



## PLANNING FOR CHANGES TO CUSTOMS ARRANGEMENTS

35% of importers/exporters had taken at least one of these actions to plan for potential changes to customs arrangements, while a further 30% planned to in future.

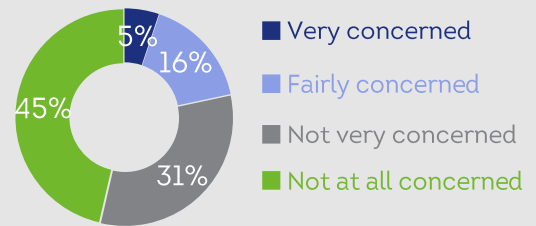
### Actions to plan for changes to customs



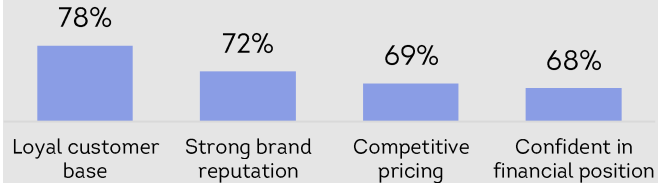
“ A further 7% had trained existing staff to plan for new import and export procedures, and 23% planned to in future

## INCREASED COMPETITION

22% were concerned about competition from businesses currently trading in EU markets starting to trade more in domestic markets



### Reasons for not being concerned (top 4)



## IMPACT OF CHANGES TO FREE MOVEMENT AND IMMIGRATION

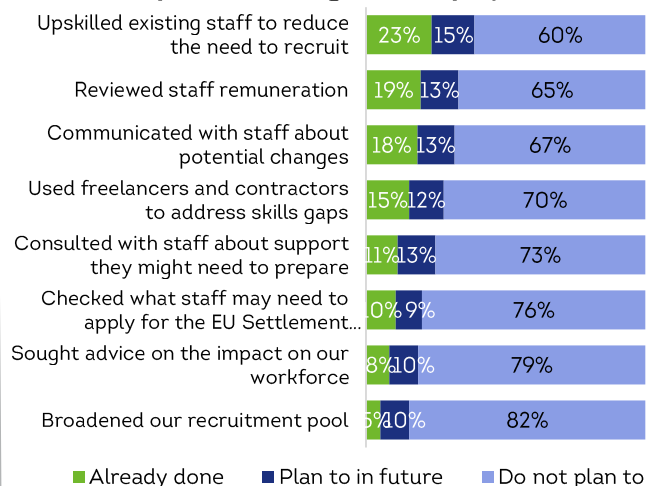
### Extent of impacts on employers



## PLANNING FOR EMPLOYMENT CHANGES

45% of employers had taken at least one of these actions to plan for potential changes to free movement and immigration. 34% did not plan to take any actions.

### Actions to plan for changes to employment



NOTES: Survey fieldwork was conducted between 4<sup>th</sup> February and 4<sup>th</sup> March 2019, using telephone interviewing. In total 1,001 businesses and social enterprises participated. For more detail visit [www.hie.co.uk/business-panel](http://www.hie.co.uk/business-panel). Findings are weighted to ensure a representative sample of the regional business base.