



Small businesses in Scotland out-perform England and Wales, says business survey.

Small businesses in Scotland have out-performed firms in Wales and England when it comes to creating employment, sales and investment, according to the biggest quarterly survey of UK small to medium sized enterprises (SMEs)

The survey by the Small Business Research Trust (SBRT) found that in the second quarter of 2005, three out of ten businesses in Scotland reported an increase in employment – a higher figure than in any of the English regions, London or Wales. Only about one in ten (11%) said that they had cut jobs. In London, Yorkshire and Humberside, the Eastern region, the South West and Wales, more businesses reported decreases than increases in employment.

Also a higher proportion of Scottish businesses (36%) reported increased investment compared with the other regions surveyed. Sales, too, were buoyant in Scotland, with 52% of businesses reporting sales up compared with 22% saying they were down. The figure for Scottish firms that had increased sales was higher than in London, Wales or any of the English regions.

The report was sponsored by HSBC. Irene Grant, HSBC director said: “We have been seeing increasing confidence in starting new businesses, stemming both from the relatively benign economic conditions and from various initiatives which have raised awareness of the support available to those starting a new business. And in Scotland there is an extensive network of partnership links and alliances, spanning both the private and public sectors, in place to support small businesses and help them grow.”

Mrs Grant added: “Also we have some excellent high profile role models in Scotland to inspire others to build their own successful businesses. At HSBC, through our dedicated commercial managers based in Aberdeen, Edinburgh and Glasgow, we have the skills and experience to provide the right advice, products and services to help SMEs achieve their business goals, no matter how ambitious.”

Dr Alan Southern of Liverpool University Management School, who carried out the survey, suggested that one reason Scottish small businesses were out-performing the rest of the country was because the housing down-turn, with its affects on sales and consumer confidence, had hit the South rather than the North.

In general, smaller businesses in England, Scotland and Wales reported a stable economic environment in the second quarter of 2005. The figures show a slight rise in employment and investment over the first quarter, while sales have improved. However, longer-term trends suggest a gentle slowing down in overall business performance.

Note to Editors: The Small Business Research Trust (SBRT) survey was carried out during May and June from a random sample of 7,000 firms across the UK. Nine out of 10 of those surveyed employed fewer than 50 people and had a sales turnover of less than £5m per annum.

SBRT is an independent research organisation that aims to educate and inform in order to increase understanding of issues affecting small businesses.

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