

MEDIA RELEASE

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THE ENGINE OF THE SCOTTISH ECONOMY MUST BE THE PRIORITY IN THE WAKE OF BREXIT

Scottish Chambers of Commerce's Quarterly Economic Indicator engages with five of Scotland's key business sectors: Construction, Financial and Business Services, Manufacturing, Retail & Wholesale and Tourism.

These findings, released in collaboration with the University of Strathclyde's Fraser of Allander Institute show the position of businesses for the second quarter of 2016. Fieldwork was undertaken prior to the EU Referendum on 23 June 2016.

Neil Amner, Chair of the Scottish Chambers of Commerce Economic Advisory Group, said:

"Our survey shows that Scottish business performance was generally muted during the lead up to the EU referendum but of course the burning questions are how the vote for the UK to leave the European Union will affect businesses and what steps our Governments in the UK and in Scotland should take to ensure that Scotland's businesses continue to be the dynamo of economic growth.

"There were some signs of weaknesses in investment and difficulties in recruiting skilled workers over the past three months and these are illustrative of concerns which may persist after the Brexit vote. Additionally, businesses in some sectors such as retail and tourism have been flagging up increases in costs, coinciding with the introduction of the National Living Wage in April this year. Meanwhile for larger businesses, the prospect of tax rises through the introduction of the new Apprenticeship Levy is on the horizon.

"The Brexit vote does not come without its opportunities but business must be in the driving seat if we are to take advantage of these and, indeed, secure the stability that is needed to foster investment and deliver future growth. Central to future planning is the need for clarity on the future of talented individuals currently working in Scotland. Everyone must have the confidence that they will be able to fulfil their long term ambitions in Scotland, whether they currently live here or not. Scotland must become an even more attractive place to do business and must actively reach out to the world to create new trading and investment opportunities.

"Business is the engine of the Scottish economy and this is now the time to make sure that the engine is running smoothly and efficiently if we are to rise to the challenges of Scotland's new circumstances. The Scottish and UK Governments must utilise all available powers to make businesses more competitive. In particular, they need to reconsider policies which have sought to impose greater burdens on business and instead use the 'levers of power' politicians so often talk about to actually support business and the wider economy, providing a strong and confident platform for future growth. For example, by cutting business rates, accelerating reductions in Air Passenger Duty and putting the Apprenticeship Levy on hold."

Ends.