

Economic Research alert

April 2022

This alert provides an overview of research in the public domain over the last month with a focus on the priorities from our [business plan](#) which are **Jobs** (new, good, green), **Net zero** (transition to net zero economy), **Place** (regional growth, national place making). It also contains a section on general business surveys/research.

- **Scotland** has seen a boost in **space jobs** and now accounts for a fifth of the UK space workforce. 8,440 were employed in the sector in 2020 with spaceports expected to generate more jobs in future years.
- Research shows that the pandemic has **widened the gender pay divide** across Scottish cities, with Aberdeen having the worst gender pay divide in the UK at 46%.

- The Scottish Land Commission has suggested **land values** in Scotland are thriving due to investors funding **forestry** and **tree-planting** to offset **carbon emissions**.
- “Our Scottish Future” calls for **bus travel** to be radically overhauled, with maximum fares of £2 per urban journey, to support both the cost-of-living crisis and progress towards net zero.

- A new blueprint to help **town centres** recover from the pandemic recommends investing in **low carbon transport**, the creation of more **green space** and assistance to help traditional businesses compete with internet-only rivals.
- Commercial property take-up in Edinburgh and Glasgow is on the rise again with an increasing number of companies looking for **refurbished** and **smaller offices** spaces to facilitate **hybrid working**.

- **Rising costs, increased prices** and consumers reduced **disposable income** are highlighted by a number of business surveys.
- The number of **financial services** firms to have moved or that plan to move operations, staff and assets from the UK to Europe as a result of Brexit has stabilised over the last 12 months.

SUMMARY

JOBS

NET ZERO

PLACE

OTHER BUSINESS

- Scotland has seen a boost in space jobs and now accounts for a fifth of the UK space workforce, according to a [report](#). A survey of firms by the [UK Space Agency](#) showed employment in the sector north of the border grew by nearly 9.6% in 2020, to 8,440. The UK sector as a whole saw its jobs total rise by 6.7%, to 46,995.
- The “Understanding older workers in Scotland” [report](#) from CIPD offers recommendations based on the key issues that employers should understand when considering how to recruit and retain older workers, from enhanced flexible working to improving skills and training.
- Greater workplace flexibility could open-up new employment opportunities for 1.3 million people in the UK with disabilities, caring responsibilities, and those based in rural locations, according to a new [study](#). It also has the potential to add £40 billion to GDP.
- Flexibility Works, a social organisation which encourages employers to promote more flexible working practices, has urged business leaders to give low paid and frontline workers greater flexibility to help reduce inequalities in society. Their new [research](#) shows 60% of workers now have some degree of flexibility, compared to 46% prior to the pandemic.
- The FSB has produced a [report](#) alongside a ten-point plan for disability and entrepreneurship in small businesses. It finds 51% of small employers have employed someone they know to have a disability or health condition in the past three years.
- Women in the UK were paid just 90p for every £1 earned by a man, according to the [latest figures](#) released through the UK’s government’s gender pay gap reporting mechanism.
- [Analysis](#) from Adzuna shows that the pandemic has widened the gender pay divide across Scottish cities, with Aberdeen having the worst gender pay divide in the UK at 46%.
- [Research](#) has revealed that a new sustainable aviation system in the Highland and Islands could create up to 2,500 jobs and improve mobility around the region.
- The Environment, Food and Rural Affairs Committee has published its [report](#) on labour shortages in the food and farming sector. It warns the sector could face permanent damage if labour [shortages](#) caused by Brexit and COVID are not addressed, with a shortage of workers already taking a toll on animal welfare, food security and the mental health of workers in the sector.
- The [Work Trend Index](#) finds 53% are more likely to prioritise health & wellbeing over work than before the pandemic, 53% are likely to consider transitioning to hybrid in the year ahead, 52% of Gen Z and Millennials are likely to consider changing employers this year.
- The latest “How we Live” [report](#) shows that 57% of Scottish workers would consider taking a pay cut if a new role offered other benefits. 18% would take a wage cut if they were going to work for a charity or not-for-profit organisation and 14% would do so if the company had strong environmental credentials.

- A [report](#) from the Scottish Land Commission has suggested land values in [Scotland](#) are thriving due to investors funding forestry and tree-planting to offset carbon emissions.
 - According to new [research](#) by Savills it could cost UK landlords upwards of £40 per sq ft (£430 per sq m) to make high-cost improvements in order to hit proposed legislative energy targets set to come into effect from 2027 onwards.
 - A new [paper](#) by Our Scottish Future calls for bus travel to be radically overhauled, with maximum fares of £2 per urban journey, to support both the cost-of-living crisis and progress towards net zero.
 - A [survey](#) commissioned by Vysus Group has revealed 81% of business owners and decision makers in the UK energy sector believe that wind power is the way forward. 93% believe COP26 has 'galvanised' the UK into committing to sustainable targets. However, 92.4% of respondents agree that in our race to Net Zero, we are moving too quickly.
 - A [study](#) by Autonomy has looked at the possible impacts of a carbon tax and dividend scheme upon incomes across society. The scheme would tax individuals according to their carbon consumption and pay out the revenue to all individuals within a defined geography, comparable to a form of Universal Basic Income, funded by carbon taxes.
- A [report](#) from the Green Alliance suggests that the action needed to meet the UK's net zero carbon target will also help to reduce the cost of living, whether through greater efficiencies, cutting demand for fossil fuels or cheaper energy alternatives.
 - The Adam Smith Institute's latest [discussion paper](#) outlines the challenges of ensuring energy security as the UK moves towards Net Zero carbon by 2050. In addition, it addresses concerns about capture and storage of electricity, as well as the increasingly precarious international trade of energy.
 - The IPCC's summary for policymakers of the [report](#) Climate Change 2022: Mitigation of climate change has been approved and unveils guidance on what countries can do to limit the root causes of climate change.

- The latest ASVA Visitor Attractions Barometer [report](#), for February 2022 show overall visitor numbers were more than 47% down on pre-pandemic levels. The slump in international visitors is expected to last until 2025 and the domestic market is vital for the survival of the Scotland's leading attractions.
- The Scottish Government has published a [joint report](#) alongside COSLA in response to last year's review of the Town Centre Action Plan. It calls for support and encourage organisations to collaborate working with and for businesses and communities such as enterprise agencies
- The latest [Regional Review](#) from the Insider focuses on Aberdeen and the North-East covering the south harbour expansion and Aberdeen's seafront proposals amongst others.
- Demand for new office space has continued to rise during the first quarter of 2022 across Edinburgh and Glasgow. New [research](#) has revealed that the number of 5,000 sq ft deals in Edinburgh rose during the first few months of this year, compared to the same period pre-pandemic.
- A new [study](#) "The Economic Impact of White-Tailed Eagles on the Isle of Mull" shows that tourism inspired by birds of prey accounts for between £4.9 million and £8 million of spend every year. It supports between 98 and 160 full time jobs on the island, and between £2.1 million and £3.5 million of local income annually.
- The significant importance of agritourism for Scotland's rural economy is highlighted in a new study undertaken by VisitScotland. Findings from the [agritourism tracker](#) suggest that if the agritourism strategy targets are achieved the combined value of agritourism and farm retail in 2030 would be around a quarter of a billion pounds (£250m) and support almost 10,000 full time jobs.
- A [report](#) from the Sustainable Inshore Fisheries Trust (Sift) has found government subsidies and support will be necessary to establish seaweed farming as a new industry for Scotland's coastal communities. It found Scotland's seas are "ideal for cultivation of seaweeds such as kelp", with interest in kelp farming rapidly expanding as a way of creating a sustainable and alternative livelihood.
- The Scottish Affairs Committee has published its [report](#) on airports in Scotland. It finds varying travel restrictions across the UK and a slow recovery plan for airports during the [pandemic](#) will likely have created greater impacts on progress and modernisation in the sector. The [Airport Operators Association](#) recently stated that UK airports lost £10bn in revenue since the first lockdown in March 2020 and have taken on more than £4bn in debt
- And finally, the Isle of Bute in Argyll has been named as one of the best places to live in Scotland by the [Sunday Times](#).

- The Institute of Directors (IoD) has published [survey findings](#) which show 53% of business leaders say the cost of energy is exerting a negative impact on their organisation. This figure is three times higher than last year, with confidence among business leaders also experiencing a sharp decline to +23% from +39% in February this year.

- Another [survey](#) from the IoD shows that 9 in 10 UK business leaders expect to be negatively affected by the Ukraine crisis.

- The BRC published [survey findings](#) from its quarterly economic survey for Q1 2022. It found 62% of firms expect to raise prices in the coming quarter (a new historic high) and 77% cite inflation as a growing concern for their business, also an historical high.

- The latest Scottish Chambers of Commerce's [business survey](#) shows businesses are starting to feel the impact of reduced spending, as consumers tighten their belts and disposable income drops which is hitting cashflows and profits. 7 in 10 businesses have said they are set to put up their prices as record levels of concern over inflation are reported.

- The EY Financial Services [Brexit tracker](#) shows that the number of financial services firms to have moved or that plan to move operations, staff and assets from the UK to Europe as a result of Brexit has stabilised over the last 12 months.

- CGA and Fourth's Business Leaders' [Survey](#) shows that 65% of hospitality leaders are confident for about the next 12 months and 84% are making a profit. However, recovery from the pandemic is being threatened by mounting costs for both businesses and consumers with 93% of business leaders concerned about inflation in food and drink prices.

- [Scottish Transport Statistics](#) shows that the number of journeys being made by public transport in Scotland fell markedly from 502 million in 2019 to 153 million in 2020.

- Wellbeing and mental health are beginning to slip down the business agenda, a new [report](#) from the CIPD and Simplyhealth finds, despite the fact that organisations are still dealing with the fallout from COVID-19 and it remains an on-going concern for workers.