

Survation.

Scottish Business Poll

A survey of Scottish businesses by Survation on behalf of the Mail on Sunday



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Executive Summary

- Survation interviewed the Chief Executives, Directors, Owners and other Senior Executives / High-level managers of 101 Scottish companies about the potential impact of Scottish independence on their business.
- Among all Scottish companies questioned, **45%** said that Scottish independence would be **'harmful' to their business** and **15%** said it would be **'beneficial' for their business**. **23%** said independence would **make no difference**.
- When asked how important it would be for their business for an independent Scotland to remain in a **currency union** with the rest of the UK, **75%** of the companies said it was **'essential' or 'important.'** **11%** said it was **'not important.'**
- **7 out of 10 companies** said it would be **'essential' or 'important'** for an independent Scotland to **remain part of the EU**. **20%** said it was **'not important.'**
- **15%** of Scottish companies said **'more government investment in Scottish infrastructure and education'** would be the biggest **benefit** of Scottish independence. **52%** said there would be **no benefits** at all.
- **37%** of Scottish companies said the biggest **danger** of Scottish independence was the **'risk of changing currency or having interest rates set abroad.'** **14%** said there would be **no costs** for Scottish business.
- **40%** said they **would not consider relocating** their company outside of Scotland if it became independent. **36%** said they **would consider relocating**.

Methodology

Survation interviewed the Chief Executives, Directors, Owners or other Senior Executives / High-level managers of 101 companies either registered in Scotland, with a head office or major headquarters in Scotland, or a majority of their annual turnover generated in Scotland (“Scottish companies”). They were surveyed about the potential impact of Scottish independence on their business. The interviews were conducted between 4th and 7th March 2014.

The sample was intended to represent a cross-section of major Scottish businesses and includes companies with a broad range of revenues, reflecting the diversity of Scottish business. We targeted large companies in particular so as to identify the views of those businesses that are most crucial to the Scottish economy: a large majority of companies interviewed had an annual turnover of over £5m, a third of the companies had an annual turnover of over £50m, and our sample has strong representation all the way up to the £500m+ category, including many of Scotland’s biggest companies. Table 1 (see below) shows the number of companies by turnover.

Interviews were conducted via a combination of telephone interviews with the executives and responses submitted online via email responses. The questions were the same for both methods.

Survation is a member of the British Polling Council, more information can be found at <http://www.britishpollingcouncil.org>

Overview of the companies Survation interviewed

The following tables describe the profile of the companies in terms of their turnover and the sector they operate in, and the positions within the company of the people interviewed.

Table 1: Turnover ¹	Number of companies	Percent
Under £1 million	18	18%
£1-5 million	11	11%
£5-10 million	9	9%
£10-25 million	17	17%
£25-50 million	13	13%
£50-100 million	11	11%
£100-500 million	12	12%
Over £500 million	10	10%

We further classified companies into two brackets according to the relative size of their turnover – ‘larger companies’ are defined here as those with a turnover *greater than* £25 million; ‘smaller companies’ are defined here as those with a turnover of *less than* £25 million. There are 46 larger companies and 55 smaller companies in our sample.

¹ The question asked was, ‘What was the approximate turnover of your business in the last financial year?’

Table 2: Sector²	Number of companies	Percent
Agriculture, food and beverages	9	9%
Construction	7	7%
Financial & professional services	19	19%
IT / Media & Communications	2	2%
Manufacturing & Engineering	21	21%
Resource Extraction, Energy & Utilities	8	8%
Retail	5	5%
Transport	1	1%
Other	29	29%

Table 3: Position³	Number of people	Percent
Owner	20	20%
Chief Executive	17	17%
Partner	6	6%
Director	35	35%
Senior Executive	8	8%
High Level Manager	15	15%

² We asked participants what sector their business operated in, and subsequently categorised their responses into the sectors shown in the table

³ We asked, 'Which of the following best describes your current position?'

Introduction to the findings

“If this business had a vote then it would be “no”. The risks are enormous and simply not worth taking - there are no obvious business benefits in gaining independence.”

– Chief Executive of a Scottish company

“Independence in September 2014 will be great for Scottish businesses and the people of Scotland. We can properly and efficiently exploit our natural resources, as well as the other products much sought after on the global stage, such as whiskey and general R & D, to the benefit of Scots”

– Chief Executive of a Scottish company

With the referendum on Scottish independence only a few months away, research conducted by Survation on behalf of the Mail on Sunday has explored in detail how business leaders in Scotland perceive the potential consequences of independence for their companies. The economic prosperity – indeed, the economic viability – of an independent Scotland would depend heavily on the key decision makers in these companies and how they would react to independence, making this research a vital and timely contribution to the independence debate. We asked their opinions on a range of the most important issues facing companies based in Scotland, including the importance of a currency union with the UK and membership of the European Union, and whether or not they would consider leaving Scotland in the event of Scottish independence.

As the above quotations from two of the Chief Executives we interviewed demonstrate, there are strong voices on all sides of the debate. Nonetheless, a clear message emerges from our survey: a very large number of Scottish business leaders have judged that Scottish independence is not in the interest of Scottish companies. They believe that independence will harm their business and offers too few benefits and too many risks and dangers. So much so, in fact, that more than a third would consider leaving Scotland if it becomes independent.

You can read the Mail on Sunday article on the poll by Jon Rees [here](#).⁴

Scottish independence: the impact on business

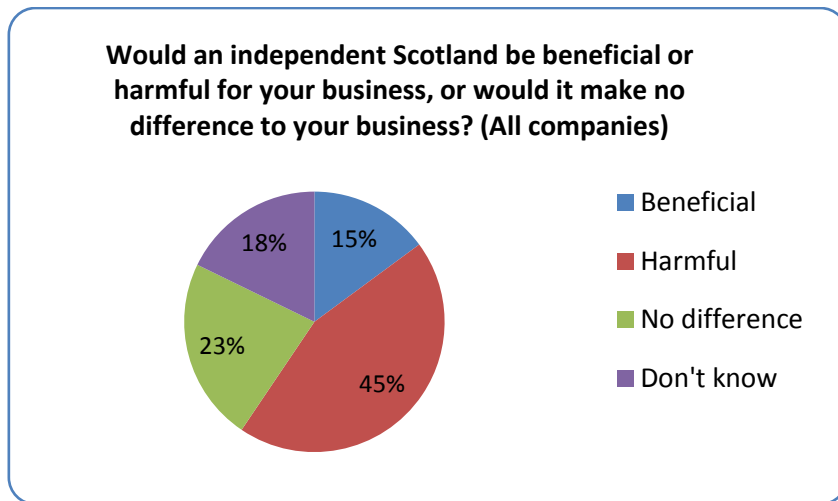
We asked, “Would an independent Scotland be beneficial or harmful for your business, or would it make no difference to your business?” 45% of all companies interviewed said that independence would be harmful, compared to 15% who it would be beneficial for their business. Almost 1 in 4 said that independence would make no difference to their business, and 18% said that they did not know what impact it would have.

Smaller Scottish companies are markedly more concerned about the consequences of an independent Scotland for their business than are the larger companies: nearly 1 in 2 smaller companies believe that independence would be harmful for their business, and only slightly more

⁴ <http://www.dailymail.co.uk/news/article-2576529/Tartan-exodus-Over-big-businesses-warn-leave-Scotland-Salmond-wins-independence-vote.html>

than 1 in 10 think that it will be beneficial. The results are summarised in Table 4 and the chart below.

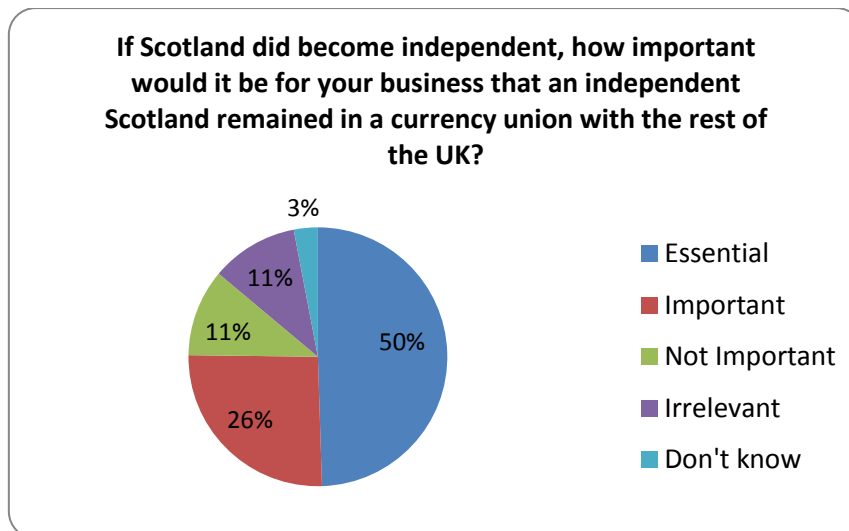
Table 4: Would an independent Scotland be beneficial or harmful for your business, or would it make no difference to your business?	All companies	Smaller companies	Larger companies
Beneficial	15%	11%	20%
Harmful	45%	49%	39%
No difference	23%	24%	22%
Don't know	18%	16%	20%



Currency union

When asked how important it would be for their business for an independent Scotland to remain in a currency union with the rest of the UK, three out of four companies said it was ‘essential’ or ‘important’ (with 50% saying it was essential and 26% saying it was important). 78% of the larger companies said it was essential or important, with this issue being slightly more of a concern for large companies. Slightly over 1 in 5 companies said that remaining in a currency union was not important or irrelevant for their business (see table 5).

Table 5: If Scotland did become independent, how important would it be for your business that an independent Scotland remained in a currency union with the rest of the UK?	All companies	Smaller companies	Larger companies
Essential	50%	49%	50%
Important	26%	24%	28%
Not Important	11%	15%	7%
Irrelevant	11%	13%	9%
Don't know	3%	0%	7%



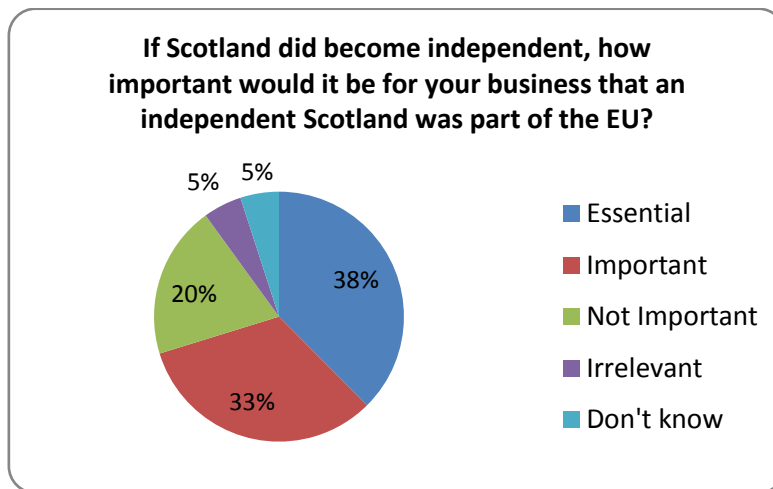
This is consistent with public opinion on the issue of a currency union, as [previous Survation research](#) has shown. We found that both “Yes” and “No” voters have a similarly strong preference for a currency union that would enable them to keep the pound (41% for “Yes” voters and 52% for “No” voters).⁵

⁵ <http://survation.com/2014/02/a-note-on-methodology-for-our-recent-scottish-poll/>

Scottish independence and the EU

38% of the companies we surveyed said that it was essential for their business that an independent Scotland would be part of the European Union. A further 33% said it was important for their business, making it a clear priority for around 70% of Scottish businesses. This is especially so for larger companies with around 3 in 4 saying EU membership would be essential or important for their business if Scotland becomes independent. The issue of EU membership was judged to be not important or irrelevant for 1 in 4 companies, with smaller companies showing less concern on this issue – a third said being part of the EU not important or irrelevant.

Table 6: If Scotland did become independent, how important would it be for your business that an independent Scotland was part of the EU?	All companies	Smaller companies	Larger companies
Essential	38%	36%	39%
Important	33%	31%	35%
Not Important	20%	26%	13%
Irrelevant	5%	7%	2%
Don't know	5%	0%	11%



Once again, the views of Scottish companies and the Scottish public are broadly in alignment on the issue of independence and membership of the European Union. [Research by Survation has shown](#) that almost half of Scottish people would vote to stay in the EU in the event of a referendum on EU membership, with stronger support for staying in the EU (54%) from those who would vote no to Scottish independence.⁶

⁶ <http://survation.com/2014/02/a-tale-of-two-referendums-fear-of-leaving-eu-has-little-effect-on-pro-independence-scots/>

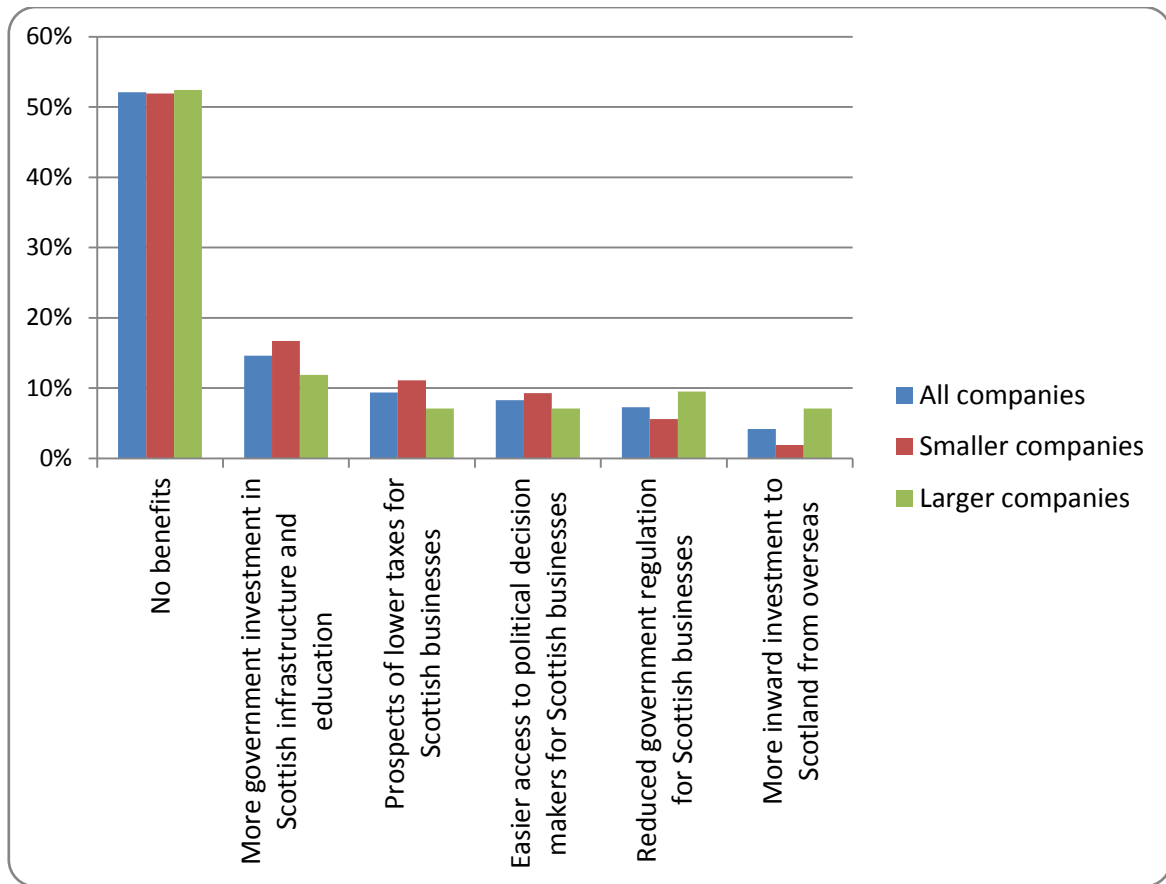
The benefits for business of an independent Scotland

“tax decisions tailored to Scotland rather than [the] UK as a whole is a big advantage”

– Director of an Edinburgh-based company

15% of Scottish companies said ‘more government investment in Scottish infrastructure and education’ would be the biggest benefit of Scottish independence for Scottish businesses. More than half of the companies interviewed said that Scottish independence would bring no benefits at all. Smaller companies seem to be more optimistic about the prospects of lower taxes being of benefit to them, with around 1 in 10 thinking this would be the main benefit, with a similar number of larger companies identifying less government regulation as the main benefit.

Table 7: What do you think the main benefit of an independent Scotland would be for Scottish businesses?	All companies	Smaller companies	Larger companies
Easier access to political decision makers for Scottish businesses	8%	9%	7%
More government investment in Scottish infrastructure and education	15%	17%	12%
More inward investment to Scotland from overseas	4%	2%	7%
Prospects of lower taxes for Scottish businesses	9%	11%	7%
Reduced government regulation for Scottish businesses	7%	6%	10%
Other	4%	4%	5%
No benefits	52%	52%	52%



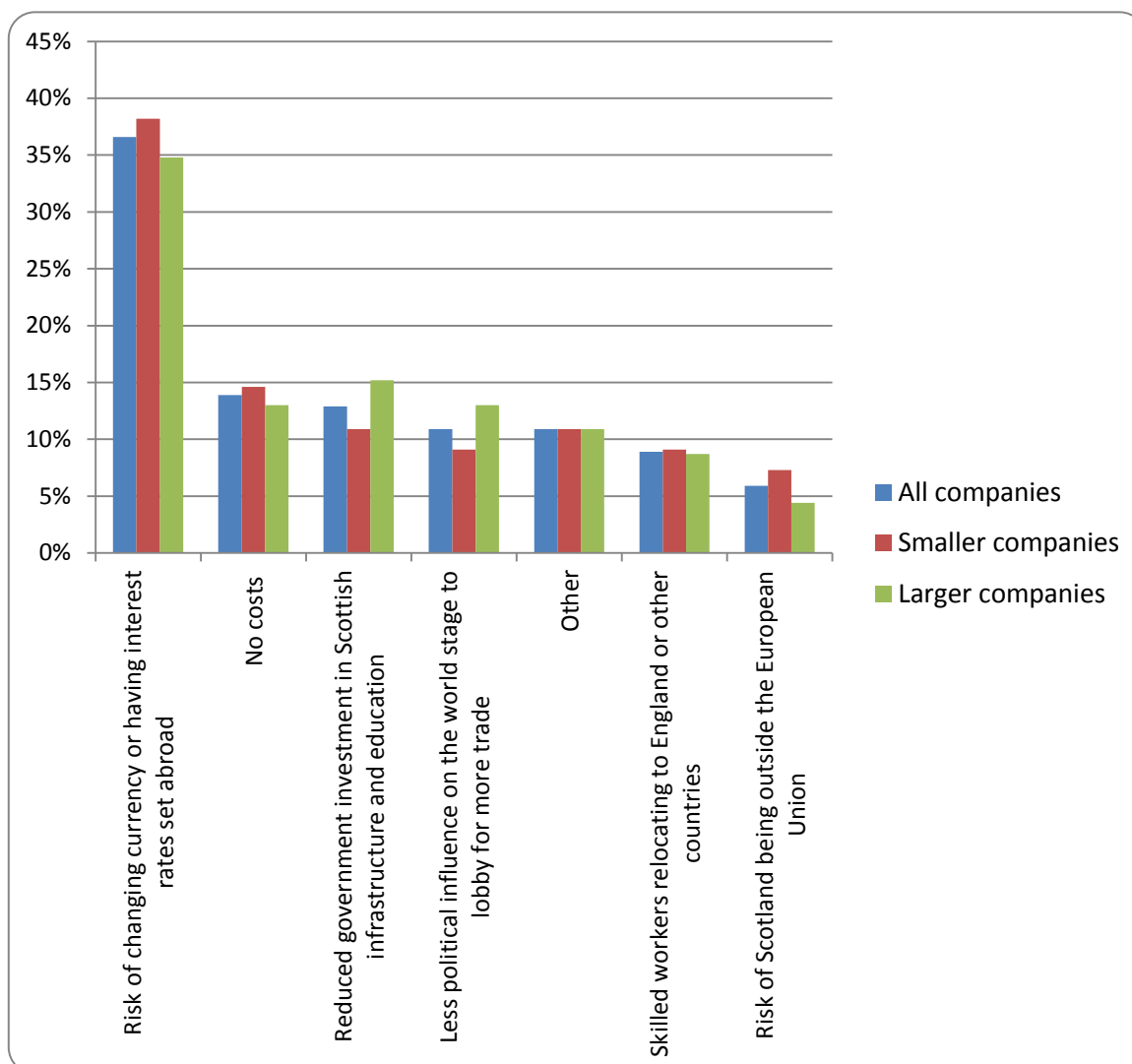
The dangers for business of an independent Scotland

“There are far too many unknown costs and unthought through issues facing an independent Scotland.”

- Owner of a Perth-based company

37% of Scottish companies said the main danger of Scottish independence was the ‘risk of changing currency or having interest rates set abroad’ – the biggest fear by a substantial margin for the companies interviewed. More than 1 in 10 companies were concerned most of all by the possibility of less global political influence in lobbying for international trade and of less government investment in Scottish infrastructure and education. 14% said they did not think there would any costs for Scottish business.

Table 8: What do you think the main danger of an independent Scotland would be for Scottish businesses?	All companies	Smaller companies	Larger companies
Less political influence on the world stage to lobby for more trade	11%	9%	13%
Reduced government investment in Scottish infrastructure and education	13%	11%	15%
Risk of changing currency or having interest rates set abroad	37%	38%	35%
Risk of Scotland being outside the European Union	6%	7%	4%
Skilled workers relocating to England or other countries	9%	9%	9%
Other	11%	11%	11%
No costs	14%	15%	13%



Relocation, relocation, relocation

“Much of our work is done for the UK MOD. We would take thousands of jobs from Scotland back to our offices in England to support the UK MOD.” - Senior Executive of a large Scottish company

47% of Scottish companies are either not considering moving or say the question does not arise for their business, compared to 36% who said they would consider relocating in the event of independence. Larger companies are marginally more likely than smaller companies to consider relocating, at 39% and 35% of respondents respectively.

Table 9: If Scotland did become independent, would your company consider relocating itself outside of Scotland, or is that not something you would be considering?	All companies	Smaller companies	Larger companies
Would consider	36%	35%	39%
Would not consider	40%	42%	39%
Don't know	16%	15%	18%
Not applicable	7%	9%	5%

