

Economic Research alert

May 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)

- The World Travel & Tourism Council suggests the Travel & Tourism sector in the UK is expected to create nearly 700,000 new jobs over the next decade.
- New research suggests if the North East of Scotland region attracts £17 billion of renewables investment and activities over the next eight years it will be established as a global energy hub, securing thousands of new jobs.

- Climate change has caused a rapid warming of Scottish lochs and reservoirs, according to research - 97% had seen an increase in temperature between 2015 and 2019.
- A new report finds that too many new coal fired plants are planned around the world.

- Figures from the Glasgow Convention Bureau showed the city secured £53 million in new conference business.
- Dunfermline has been named as one of the towns to be made a city for the Queen's Platinum Jubilee.

- A growing number of UK businesses are at risk of going under due to increased energy, transport and raw material costs.
- 24% of Scottish small or medium-sized enterprises (SMEs) have seen the number of late payments they receive increase since the cost of living has gone up.

- The World Travel & Tourism Council's latest [Economic Impact Report](#) (EIR) reveals the Travel & Tourism sector in the UK is expected to create nearly 700,000 new jobs over the next decade.

- New [research](#) by Robert Gordon University has estimated if the north-east of Scotland attracts £17bn in renewables investment, 54,000 direct and indirect jobs could be secured by 2030, an increase from 45,000 currently estimated. Forecast scenarios also suggest reduced investment could risk 17,000 jobs.

- A [survey](#) by Tiga found employment in the Scottish video games development industry grew 26% cent between April 2020 and December 2021. Scotland is the fourth largest games cluster in the UK.

- The latest ScotlandIS [survey](#) shows that 79% of respondents are very optimistic about the next 12 months. However, the demand for talent continues to be increasingly challenging.

- A growing number of employers report increased productivity as they embrace home and hybrid working, new CIPD [research](#) finds.
- Nearly half of employees are asking to work from home more often to mitigate rising fuel costs [research](#) has revealed.

- A [briefing](#) from the Social Market Foundation looking at Financial services and net zero suggests: A high share of “green jobs” are and will be in the professional services sector, Net zero finance can become one of the UK's most successful green exports and Financial services will be key in unlocking the capital needed to support green investments.

- A [report](#) from Edge explores the current state of the UK labour market, with a particular focus on skills shortages and provides a summary of skills shortages by sector.

- Widespread burnout and lack of flexible work continue to hinder working women's career progress, according to a new Deloitte Global [report](#).

- A [survey](#) from workingwise looks at the various factors affecting the gender pension gap and shows 50% of women (45+) fear they will have to work beyond the state pension age in order to make ends meet.

- A [report](#) from the IPPR suggests the UK economy will suffer an £8bn hit this year from a reduction in the size of the workforce caused by a combination of long Covid, NHS disruption and an increase in mental illness. 400,000 workers have gone ‘missing’ since the pandemic began.

- Meanwhile, The Institute for Fiscal Studies has published a [briefing note](#) suggesting COVID has not fundamentally reshaped the labour market, with change in the occupational mix of vacancies no greater than would have been expected over a “normal two-year period”.

- The Institute for Government has published a [report](#) which highlights decisions made by the UK Government which undermine the government's own net zero objectives including on the Cumbria coal mine, roadbuilding, cutting air passenger duty on domestic flights, and boosting UK oil and gas production..
- Throughout its lifetime the Peterhead Carbon Capture Power Station could add £1.2 billion to the UK-wide economy, according to analysis from BiGGAR Economics. The [report](#) showcases the scale of the socio-economic benefits arising from the power station, which is being developed by SSE Thermal and Equinor.
- Climate change has caused a rapid warming of [Scottish](#) lochs and reservoirs, according to [research](#) - 97% had seen an increase in temperature between 2015 and 2019. The researchers have warned that the changes create a greater risk of harmful algal blooms developing.
- The 2022 [Footprint Sustainability Index](#) finds 1 in 4 consumers choose a place to eat because of its ethics/environmental practices, 1 in 5 had checked a venue's commitment to reducing greenhouse gas emissions, 42% would choose a venue because its signage displayed a commitment to reducing CO2e.
- A [report](#) from environmental charity Possible assesses every public climate target which the international aviation industry set itself since 2000. It found that all but one of over 50 separate climate targets has either been missed, abandoned or simply forgotten about.
- Companies are eager to highlight the environmental credentials of their products and practices. This [short paper](#) from Ibisworld looks at which industries are likely to exaggerate these claims. Sectors covered include fashion, food and drink, energy.
- A new [report](#) finds that too many new coal fired plants are planned around the world. The number of new plants planned fell last year, but coal-generated electricity rose by 9% to record high.
- A new [study](#) on the future of offshore wind in the UK has highlighted the complex factors needed to be managed in order to deploy the up to 140GW by 2050 needed to help deliver the country's net zero goal. The [Future Offshore Wind Scenarios](#) (FOWS) project intends to support the future development of offshore wind by explaining the factors that must be balanced within the marine environment, including consideration of the cost of energy.
- Homebuyers are paying more for properties with heat pumps or other low-carbon technology installed, and are looking closely at energy ratings, according to [analysis](#) by the estate agents Savills.

- A major [academic study](#) of the AGE cities – Aberdeen, Glasgow and Edinburgh – has found that the Covid-19 pandemic, the climate crisis and Brexit have combined to create a potentially “toxic” cocktail of change for urban Scotland. It recommends that Scotland’s biggest cities need tax raising and immigration powers, an overhaul of business rates and major investment in connectivity to succeed in the future.
- Sustrans has published its annual [Walking and Cycling Index](#), which found 79% of surveyed city residents supported the creation of more 20-minute neighbourhoods.
- New [analysis](#) has revealed that Aberdeen is the third most affordable city in the UK for students, while Wolverhampton is the cheapest place to be a student in the UK.
- A [survey](#) by Zoom finds several Scottish cities in the UK’s top hiring hotspots for remote and hybrid workers - Dundee (5th), Edinburgh (7th), Aberdeen (19th), Glasgow (24th).
- [Figures](#) from the Glasgow Convention Bureau showed the city secured £53 million in new conference business.
- The relaunched [Scottish Tourism Index](#) shows that 72% of Scots expect to take a holiday this year, 41% in Scotland.
- The rural economy is being held back by a lack of affordable housing, supermarket price-wars, poor public transport and broadband connections, according to a new [report](#).
- The [high street recovery index](#) from Centre for Cities looks at how cities and large towns are recovering from restrictions – the main Scottish cities are included. All cities experienced a sharp drop in activity as a result of restrictions, some are seeing it return faster than others. Dundee, the only Scottish city, features in the top 10 for footfall (as of 11th May)
- Aberdeen is the third most wildlife-friendly urban area in the UK, with the great potential for rewilding projects of natural and green spaces suggests a new [report](#)
- [Figures](#) from CBRE show signs of office market recovery in Edinburgh, Glasgow and Aberdeen. Take-up in Edinburgh totalled 118,926 sq ft in the first quarter of 2022. While in Glasgow it was 95,496 sq ft in the first quarter of the year. Aberdeen saw an exceptionally strong first quarter of 2022 with take-up reaching 195,905 sq ft, a 115% increase from the previous quarter and the highest since Q1 2012.
- And finally...[Dunfermline](#) has been named as one of the towns to be made a city for the Queen’s Platinum Jubilee.

- Findings from the FSB Voice of Small Business [Index](#) show that operating costs are at an all-time high, 77% of companies are not making international sales and 61% report late payment of invoices.
- A [survey](#) from Barclays shows 24% of Scottish small or medium-sized enterprises (SMEs) have seen the number of late payments they receive increase since the cost of living has gone up.
- A [report](#) 'Operating without Borders – Building Global Resilient Supply Chains', shows the stark impact on UK manufacturers from the economic shocks of the last two years and the knock-on effects to supply chains from increased energy, transport and raw material costs, as well as transport availability.
- The Institute of Directors has published the findings of a recent [survey](#) which shows 42% of businesses who trade internationally expect their exports to increase in the coming 12-month months (22% expect to decrease), while 27% expect to see an increase in imports (17% decrease).
- UK Food & Drink Exports regional [report](#), from the Food & Drink Federation, shows that the North East of England, Wales and Scotland have seen the strongest recovery in response to the challenges of COVID and the new UK-EU trading relationship.
- The Fraser of Allander Institute has published its quarterly [Scottish Business Monitor](#). Of the 500 companies sampled in April, it shows more than one in three companies expected to reduce their operations due to higher energy prices, though this is thought to be small or moderate.
- A [report](#) from UK in a Changing Europe suggests the increase in UK-EU trade barriers has led to a 6% increase in food prices in the UK over the period between the end of 2019 and September 2021 in comparison to the years before December 2019.
- The Economy and Fair Work Committee has published a [report](#) on Scotland's supply chain. It describes how COVID, Brexit and now the war in Ukraine have all impacted availability of certain materials and foodstuffs in Scotland.
- A growing number of UK businesses are at risk of going under, as costs spiral and Covid loan repayments come due, a [report](#) has found. Construction and hospitality are the sectors struggling most, according to insolvency firm Begbies Traynor.
- [Brexit fast facts](#) is a collection of fast facts on how Brexit has affected each sector of the UK economy e.g. Agriculture, Finance and Entertainment.