EU Referendum Survey – AGCC data
Summer 2015

AGCC is coordinating its activities ahead of the EU Referendum with BCC and SCC, who recently surveyed the entire Chamber network on their views of the upcoming poll.

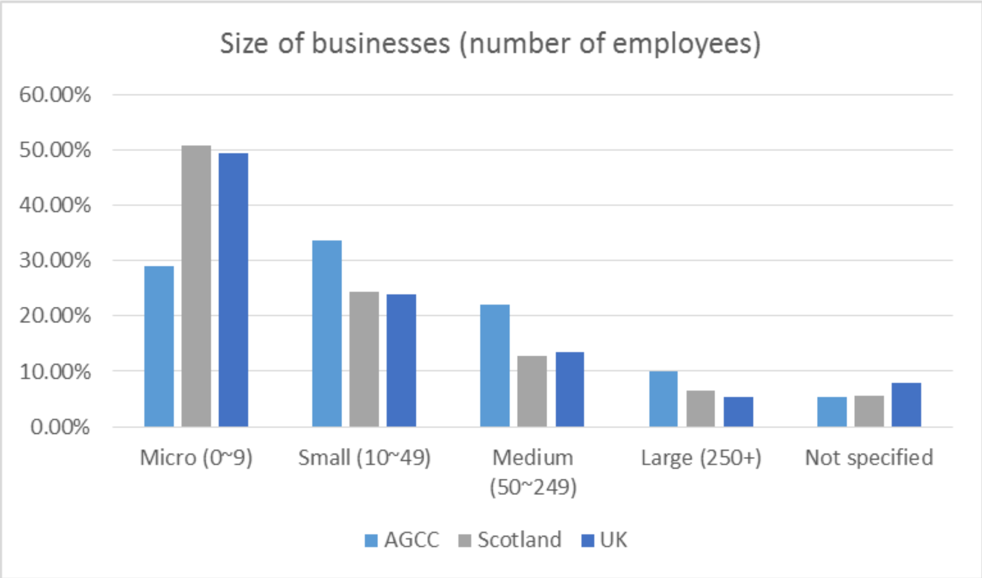
The survey aimed to:
- Evaluate current levels of business engagement with the EU debate
- Examine referendum voting sentiment.
- Analyse the potential impact the referendum could have on businesses in Scotland.
- Reveal what businesses would want the priorities of the renegotiation package to be.

AGCC had the highest number of respondents among the Scottish Chambers, at approximately 130 organisations (10% of AGCC's membership).

Overview of AGCC respondents

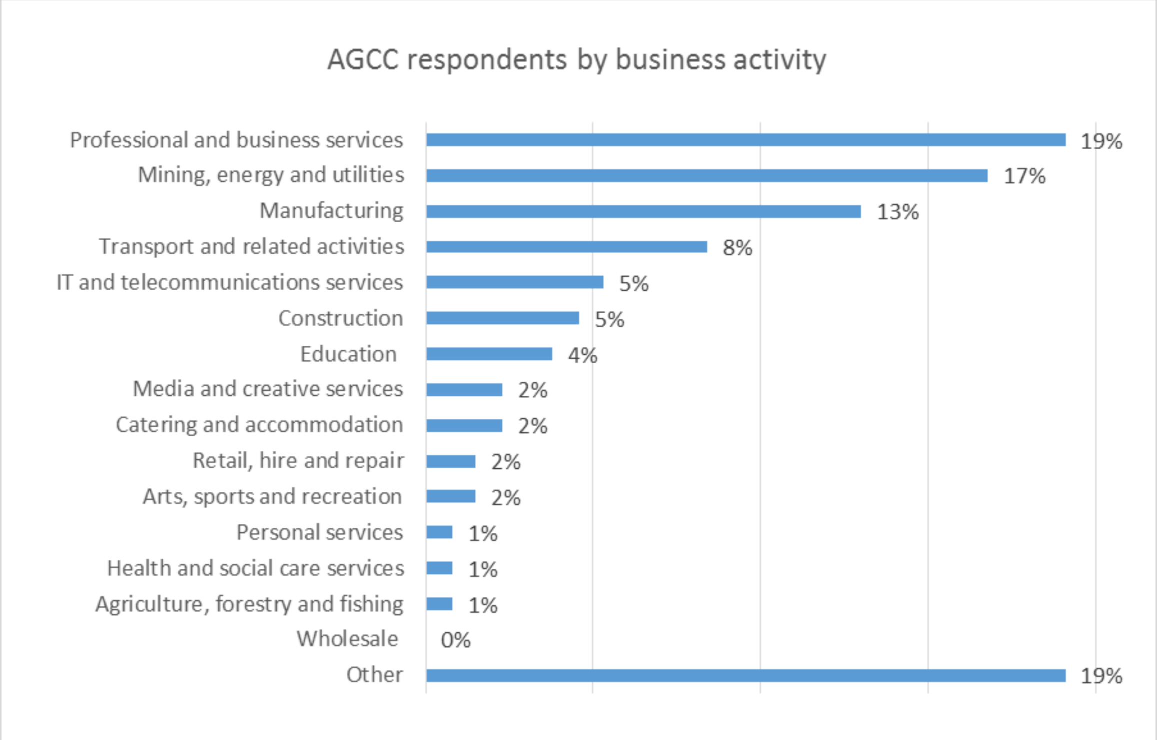
<u>Size of businesses</u>

By number of employees, there were few large companies (10%) among AGCC respondents. However, the North-east of Scotland had a more balanced representation of micro (29%), small (34%) and medium (22%) businesses than Scotland and the UK, which featured a disproportionately high number of micro businesses (approximately 50%).



Sector representation

The following chart shows AGCC respondents by business activity:



While the sectors are not identically categorised, the survey responses can be compared with data on AGCC's membership by sectors, shown in the following chart:

Sector Group	% of Members
Energy	35%
Business Services	21%
Transport	6%
Skills	6%
Property	6%
Creative & Culture	5%
Finance	5%
Tourism	5%
Third Sector	5%
Food & Drink	4%
Retail	2%

AGCC Membership Brochure 2015

Business services and retail were accurately represented.

Energy was strongly underrepresented (17% as opposed to 35%), transport is overrepresented (8% instead of 6%), and skills/education and the third sector are slightly underrepresented.

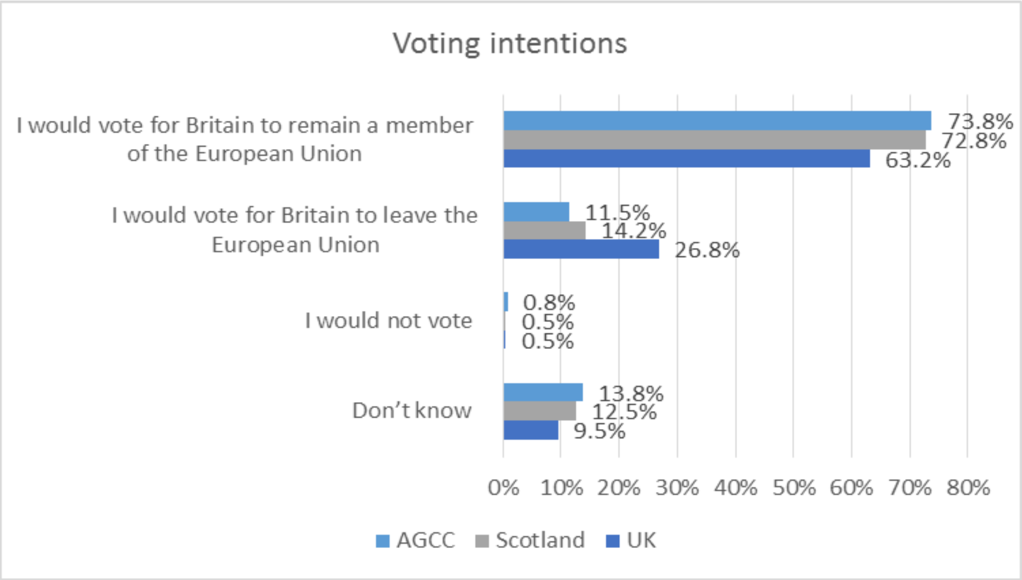
It is difficult to gauge the representation of the Chamber's food and drink and tourism categories, and further uncertainty is added by the high proportion of respondents (19%) who selected the "Other" category.

Voting intentions

- If asked now (August 2015), 74% said they would vote to remain in the EU
- 11.5% said they would vote to leave
- 14% did not know

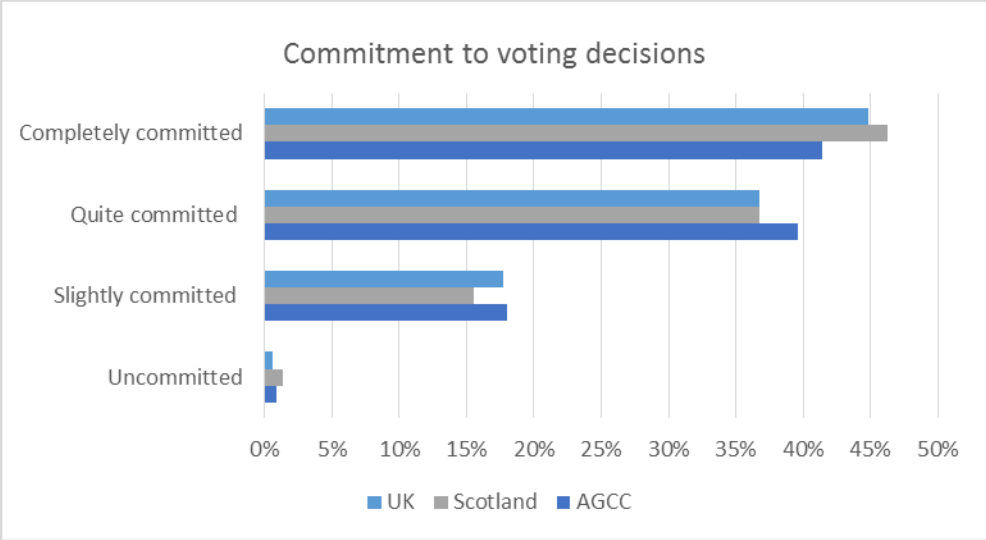
There is a higher proportion of "Yes" supporters among AGCC respondents than shown in the UK-wide survey results - only 63% of UK respondents would currently vote to remain in the EU.

Likewise, there is significantly lower support for the "No" vote in the North-east of Scotland (11.5%) than in the UK - almost 27% of UK respondents would vote to leave the EU.



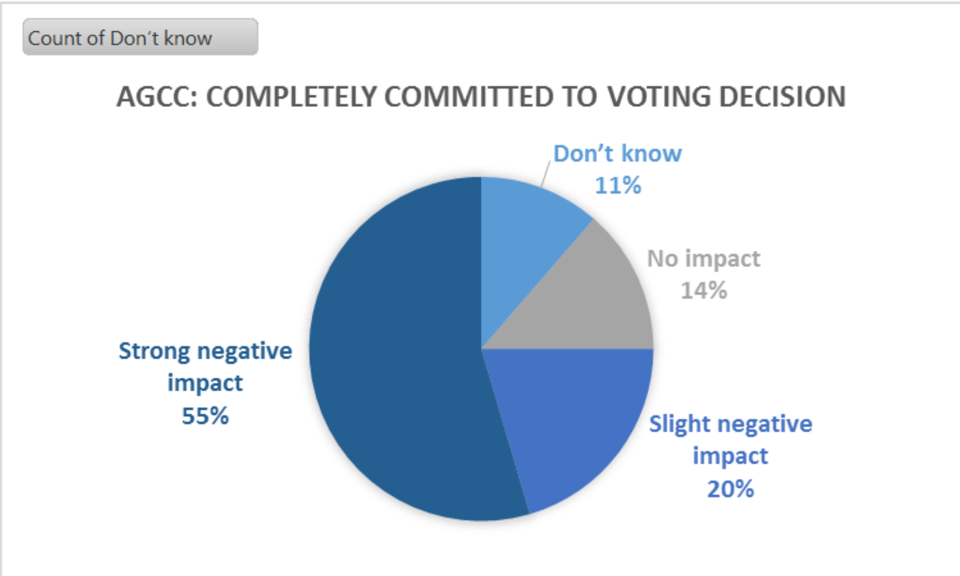
Of the AGCC respondents who would vote to remain in the EU, 41% stated they were completely committed in their decision and 40% were quite committed (and unlikely to change their minds).

Commitment to voting decisions was also similarly distributed across Scotland and the UK.



AGCC respondents who were "completely committed" mostly foresaw strong negative impacts for their business from a change in the UK's membership with the EU, and none of these respondents felt there would be a positive impact.

It is interesting to note that 11% of them did not know what the impacts of their decision would be for their business.



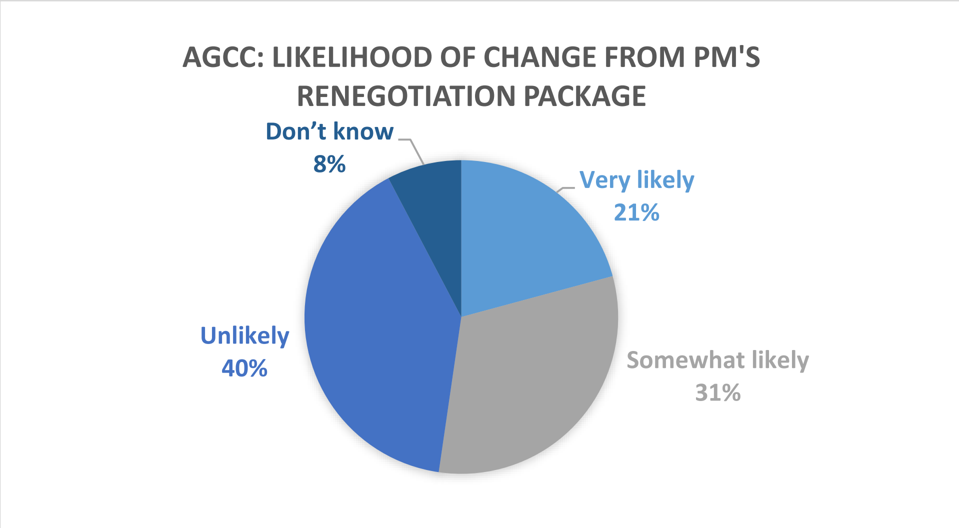
AGCC notes

- The higher proportion of Yes votes compared to the UK is not surprising, given the international nature of business in the North-east of Scotland.
- However, there is a comparatively high level of voting uncertainty.
- This indicates that AGCC members (even those who have a strong opinion about their choice) need more support to make an informed choice from a business perspective.

The PM's renegotiation package

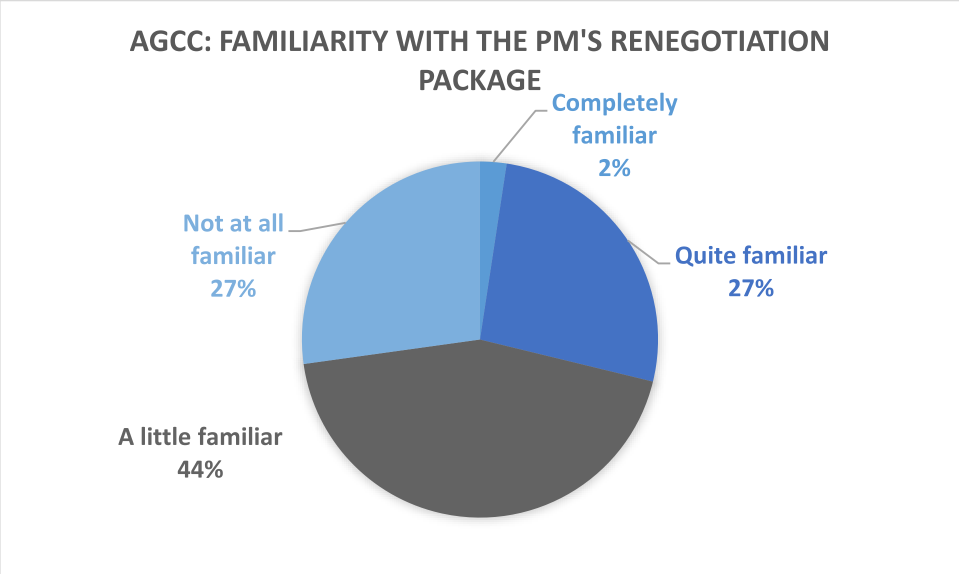
The contents of the PM's renegotiation package may still introduce important factors for voters to consider in their decision.

- 40% of AGCC respondents were unlikely to change their minds due to this
- 31% were "somewhat likely"
- 21% were "very likely"



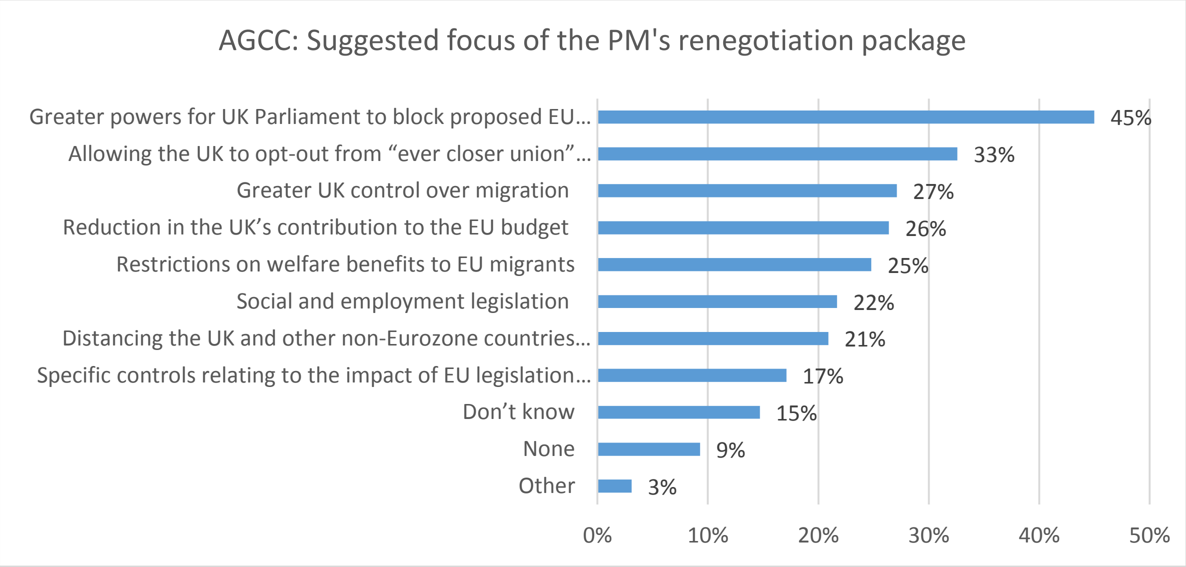
As of August 2015, most North-east businesspeople were not familiar with the contents of the PM's renegotiation package (74%).

They were less familiar than the average UK respondent, as 29% claiming to be completely or quite familiar, compared to a 31% nationally.



The North-east's top priorities for renegotiation were the same as the rest of Scotland and the UK:

1. Greater powers for UK Parliament to block proposed EU legislation
2. Allowing the UK to opt-out from "ever closer union" between EU member states
3. Greater UK control over migration



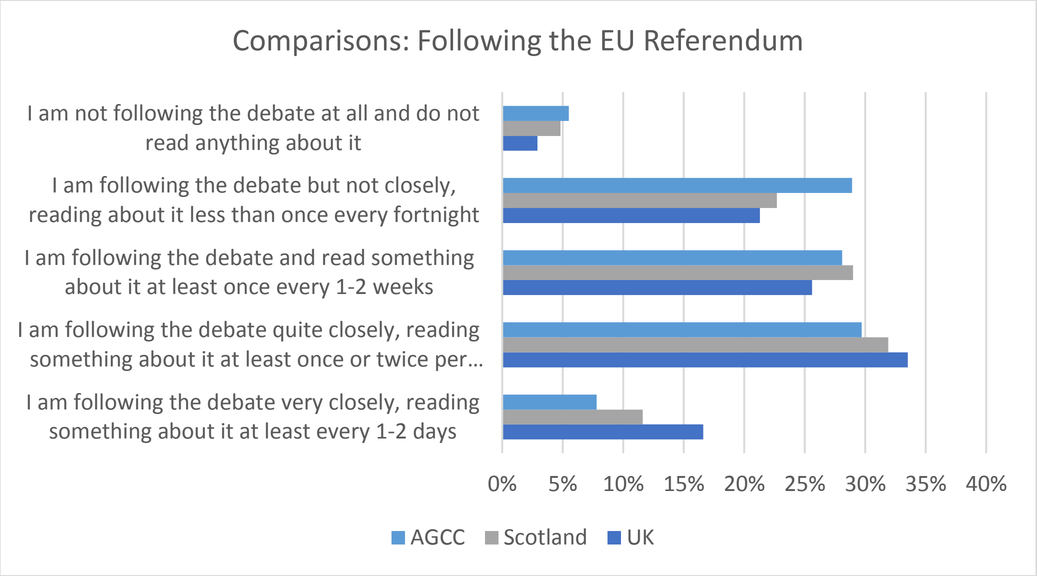
AGCC notes

- Information on the contents the PM's renegotiation package will play an important part in influencing 52% of AGCC respondents' decision.

Awareness and familiarity

Following the EU Referendum

AGCC respondents seem to be following the EU Referendum less closely than the average respondents in Scotland and, to a greater degree, the UK.



Businesspeople in the North-east are following the EU debate with less frequency than those in the UK. 51% of businesspeople read about it at least weekly nationally, compared to 37% in the North-east.

AGCC Notes

- There is a disparity between the North-east of Scotland and the rest of the UK in relation to how frequently business leaders are following the EU debate.
- This could be due to the more pressing and immediate challenges created by the current oil and gas downturn.

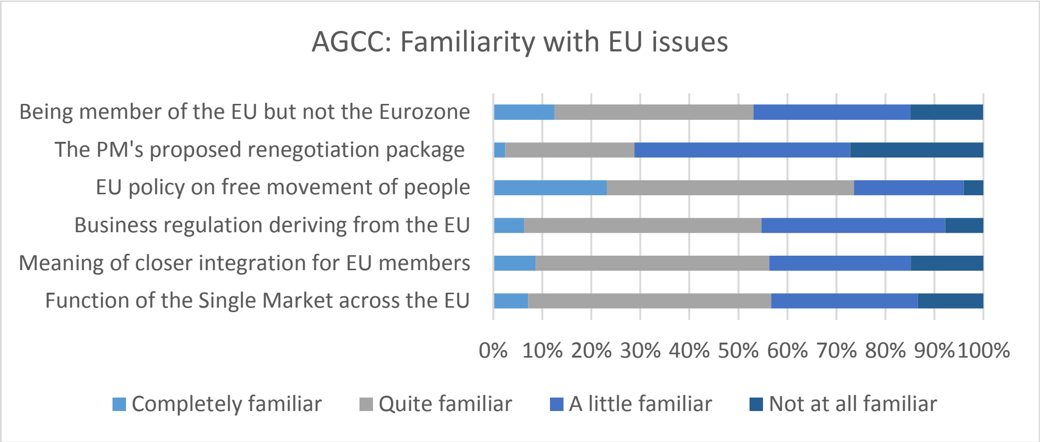
EU Issues

AGCC respondents showed highest levels of familiarity with the EU's policy on free movement of people:

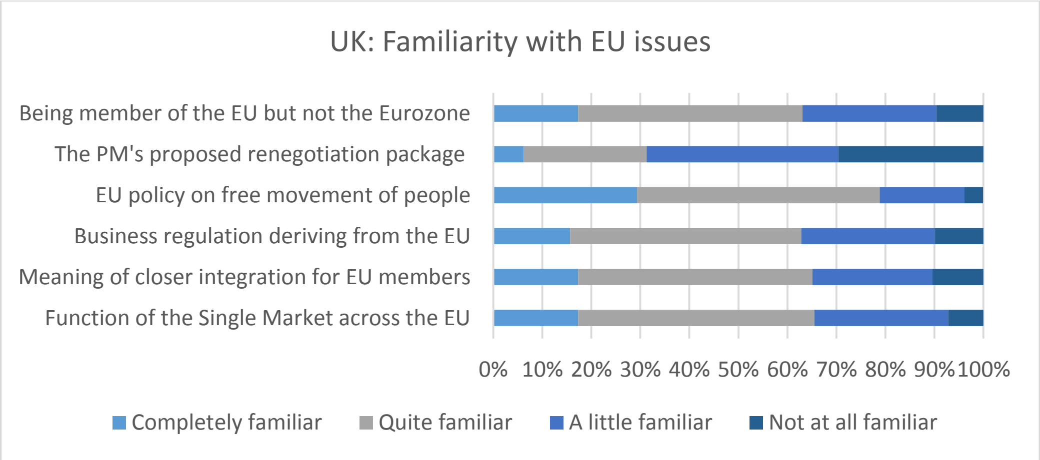
- 50% said they were quite familiar
- 23% were completely familiar

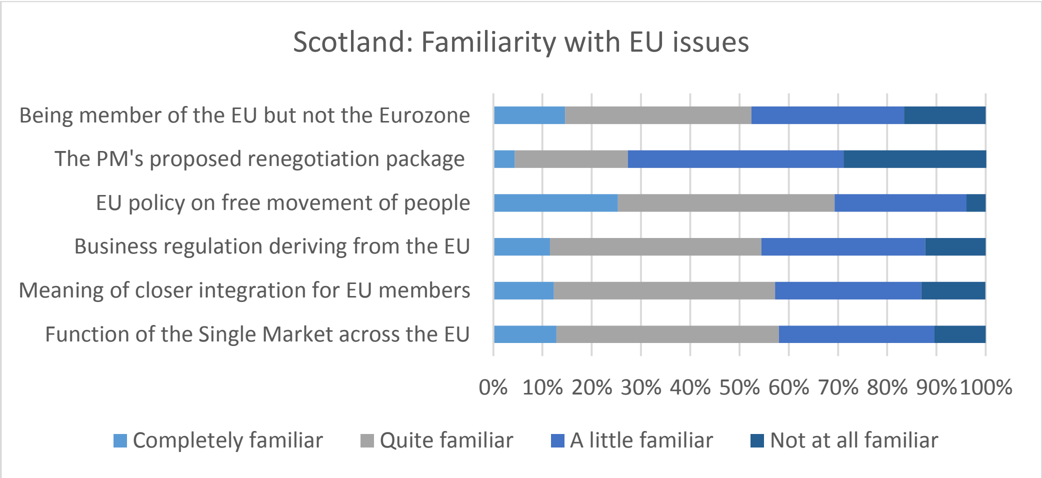
Conversely, the least familiarity was related to the issue of the Prime Minister's renegotiation package:

- 44% were only "a little familiar"
- 27% of respondents were not familiar with it at all



The low levels of familiarity with the PM's proposed renegotiation package were repeated in the responses for Scotland and the UK, as were the relatively high levels of familiarity with the EU's policy on free movement of people across member states.



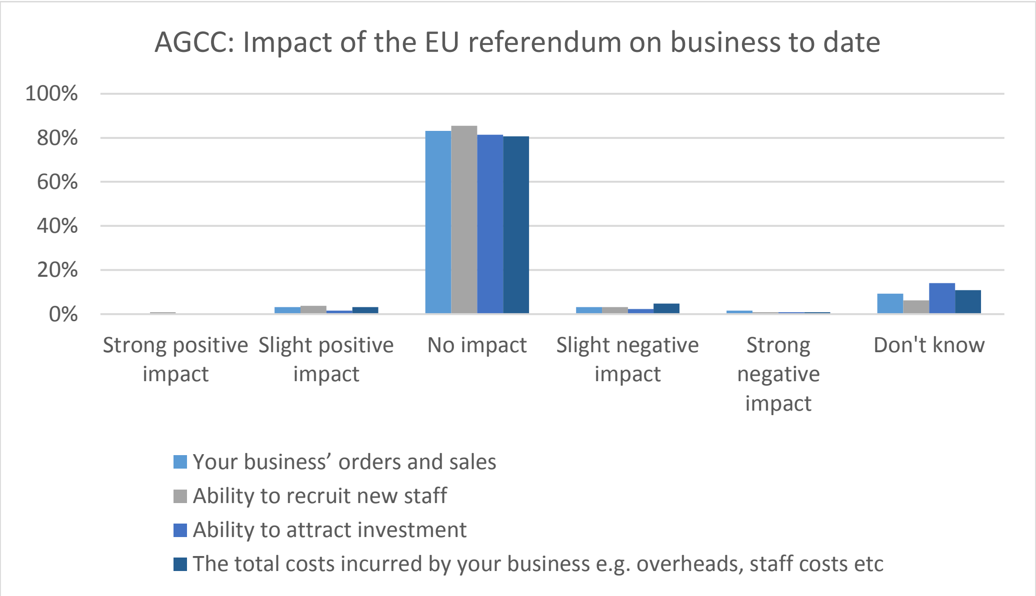


Perceived impacts of the EU Referendum to business

Impact of the planned EU Referendum to date

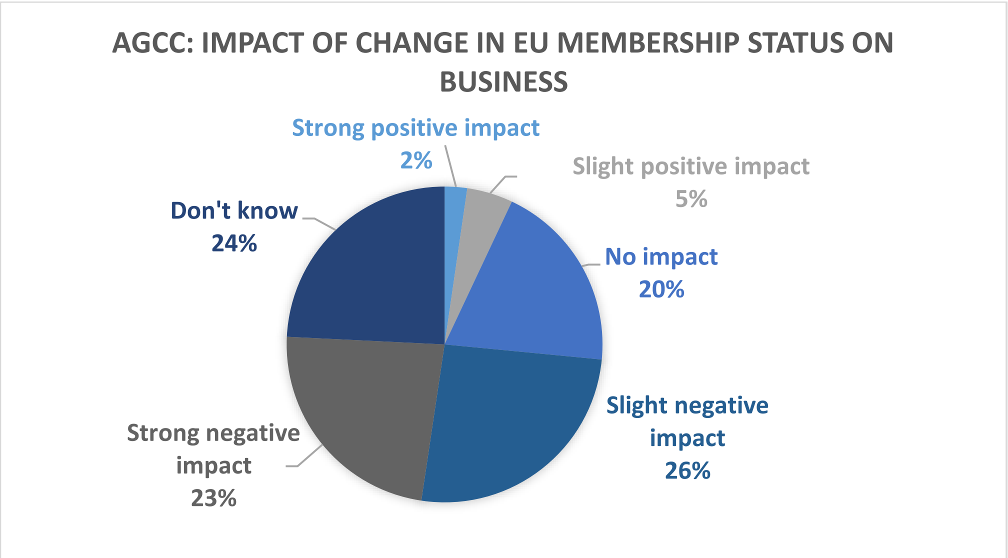
The great majority of respondents from AGCC's membership (more than 80%) stated that the planned EU Referendum had "no impact" on their business so far, in each of the four areas surveyed.

Some stated they did not know whether impacts had taken place on their ability to attract investment (14%) and the total costs incurred by their business (almost 11%)



Change in the UK's status

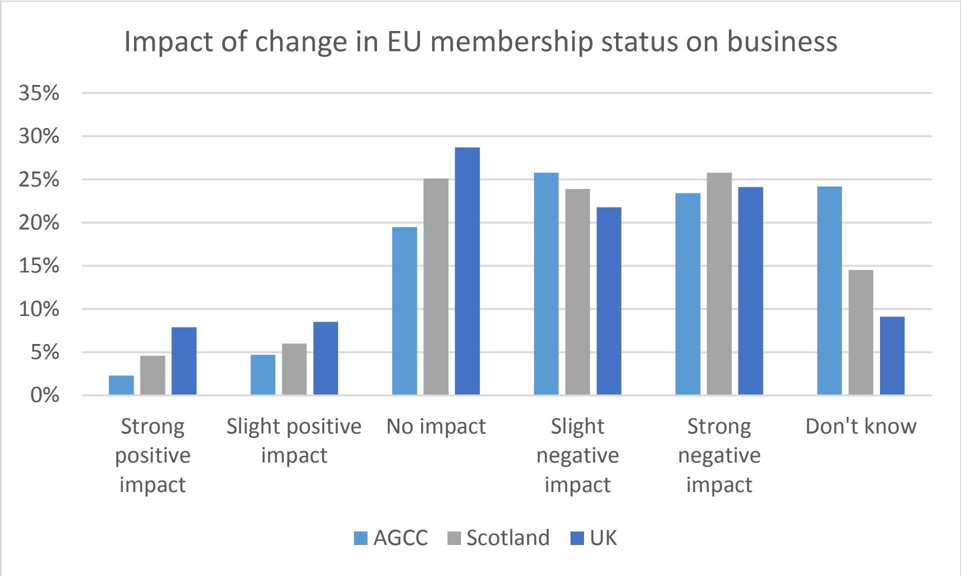
- 49% of AGCC respondents predicted that any change in the UK's status in the EU would result in either a slight or strong negative impact for their business
- 7% said it would have either a slight or strong positive impact



The proportion of AGCC members' overall negative perceptions were similar to the Scottish Chambers' (50%) and the UK-wide Chambers' (46%).

However, AGCC members were less optimistic than their counterparts in the UK and Scotland - 16% of UK respondents and 11% of Scottish respondents saw an overall positive impact for their business.

There was also a much higher indication among North-east respondents of a lack of knowledge of these impacts (24%) in comparison to 14.5% in Scotland and 9% in the UK.



AGCC Notes

- AGCC members are generally less optimistic than respondents in Scotland and the UK, more of which foresee positive impacts for their business.
- Many AGCC members are uncertain about the consequences of the EU Referendum for their business. AGCC has an important role to fulfil in providing information to the North-east business community.