

AYRSHIRE CHAMBER OF
COMMERCE REPORT

QUARTERLY ECONOMIC SURVEY

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Q1
2026



Outlook

Cautious confidence amid continued pressure

This edition of the Ayrshire Quarterly Economic Survey reflects a noticeable shift from the final quarter of 2025. While businesses across the region remain under significant cost pressure, the latest findings point to improving resilience and a more stable outlook as firms adapt to a challenging operating environment.

The Quarterly Economic Survey is the UK's largest and longest running independent business sentiment survey, and this Q1 2026 report represents the first full Ayrshire baseline using the British Chambers of Commerce QES framework. In this wave, 113 Ayrshire businesses, employing more than 17,000 people, shared insights on trading conditions, investment intentions, confidence, and their day to day experience of government economic policy.

Compared with Q4 2025, businesses in Ayrshire are reporting stronger domestic sales and orders, greater overall stability, and a clear easing in expected price rises. Cost pressures remain the dominant concern — particularly taxation, labour costs and utilities — but there are early signs that inflationary pressures are beginning to moderate, giving firms some breathing space after a prolonged period of volatility.

Recruitment challenges persist, especially in skilled manual, technical and semi skilled roles. However, overall workforce levels have stabilised, and short term employment intentions have improved since the previous quarter. International demand has also strengthened, with growth in overseas sales and orders indicating increased resilience and diversification among exporting firms.

Alongside these operational trends, the survey highlights persistent concerns about the alignment between government policy and business reality. Many respondents question the extent to which national economic decision making reflects the practical challenges faced by firms in Ayrshire, particularly around taxation, regulation, infrastructure and planning. These policy pressures are not abstract: for a significant number of businesses, government decisions have influenced investment timing, scope, or location.

As the last Quarterly Economic Survey ahead of the Scottish Parliamentary elections in May, the results underline a recurring message from Ayrshire's business community: while firms are adapting and showing resilience, confidence would be significantly strengthened by clearer evidence that national policy recognises regional economic conditions and priorities. Businesses also continue to report that Ayrshire does not receive sufficient attention in national economic debates, reinforcing perceptions of regional imbalance.

Overall, Q1 2026 presents a picture of an economy that remains under pressure but is adjusting and beginning to find pockets of momentum. The challenge now is to turn this fragile improvement into sustainable growth — by easing cost burdens, unlocking stalled investment, and ensuring that government policy and delivery are more closely aligned with the realities facing Ayrshire's businesses.

Key findings at a glance

- **Cost pressures dominate:** 59% of Ayrshire firms cite taxation as a growing concern and 53% inflation, with labour and utilities driving price rises.
- **Recruitment challenges persist:** 53% of businesses attempted to hire, with difficulties most common in skilled manual, technical and semi-skilled roles.
- **Investment mixed:** 25% increased spend on plant, machinery and equipment, while 19% reduced spend.
- **Domestic demand resilient:** 39% saw sales increases (vs. 32% UK), 48% stable (vs. 42% UK).
- **International demand steady:** 26% overseas sales growth (vs. 25% UK), 58% stable.
- **Workforce outlook positive:** 31% expect staffing growth ahead (vs. 27% UK), with 69% recently stable.
- **66%** of Ayrshire businesses say **the Scottish Government doesn't understand their needs**, primarily due to high costs, taxation, and lack of pro-business support.
- **59% view current Scottish/UK policies as holding back growth**, with 70% having delayed, reduced, or cancelled investments due to government decisions.

Methodology

The QES Q1 was managed by Ayrshire Chamber and analysis conducted by Research Chamber, the research agency within Aberdeen & Grampian Chamber of Commerce.

The field period for this survey ran between 9th February – 9th of March 2026, QES Q1.

In Ayrshire 113 responses were received, with the total number across the UK being 4,560. Regionally, businesses that completed the survey employ over 17,000 individuals.

The Quarterly Economic Survey (QES) asks businesses to report whether they have experienced an increase, decrease or no change across a range of key business indicators compared to the previous quarter. These indicators include domestic sales, export activity, cashflow, investment intentions, workforce changes, and confidence in turnover and profitability.

To ensure results are statistically robust and reflective of local economic conditions, we secure a representative sample of businesses across the region—covering a wide range of sectors, sizes and geographies. This robust regional base enables meaningful comparison with national trends, as our data is fed into the UK-wide QES coordinated by the British Chambers of Commerce. The national survey is recognised by the UK Government, Bank of England and Treasury as a leading indicator of business sentiment.

All responses are collected via an online survey over a four-week fieldwork window and are analysed to produce both headline and detailed results. These findings provide timely insights into the business landscape and inform economic planning and policymaking at regional and national levels.

Important note on tracking data

Where this report shows trend data from 2024 Q1-Q4 and 2025 Q1-Q3, these figures are drawn from the previous Ayrshire Chamber Quarterly Economic Indicator (QEI) survey rather than the British Chambers of Commerce Quarterly Economic Survey (QES) methodology now in use. The two surveys are closely aligned in theme but not identical in design or sampling. As a result, any historical comparisons should be regarded as **indicative only** and not as a direct like-for-like tracking series. This edition establishes the first full baseline using the BCC QES framework.

Following this, narrative points and insights are limited to data from Q4 2025, focusing on the current data set Q1 2026.

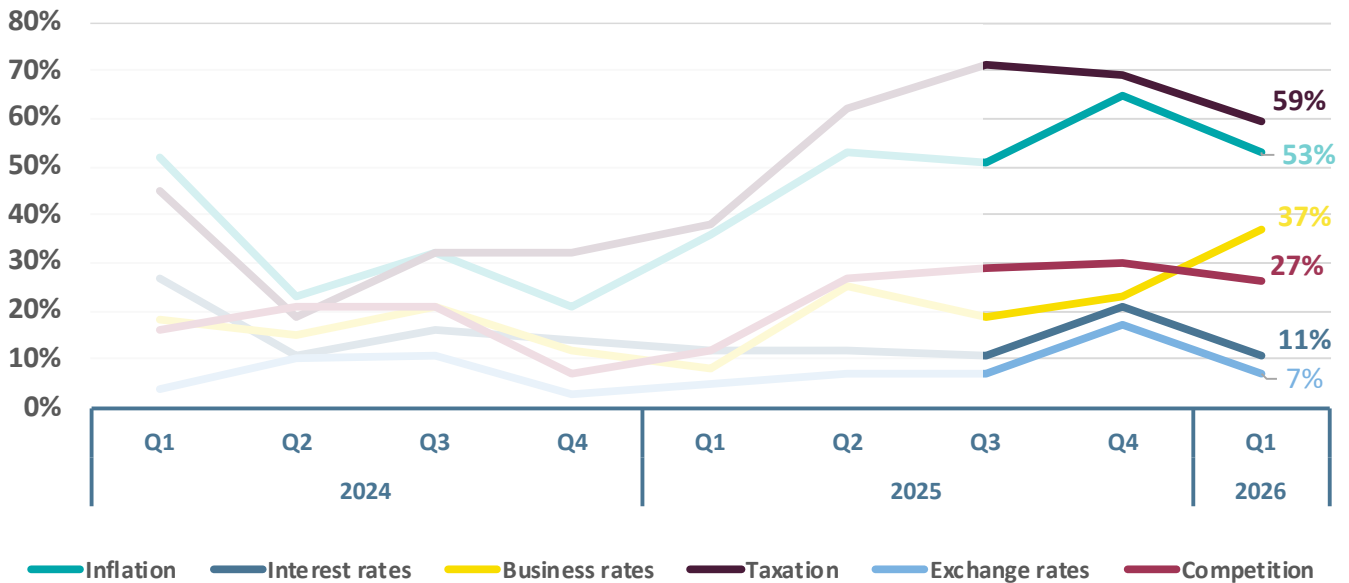


The headlines

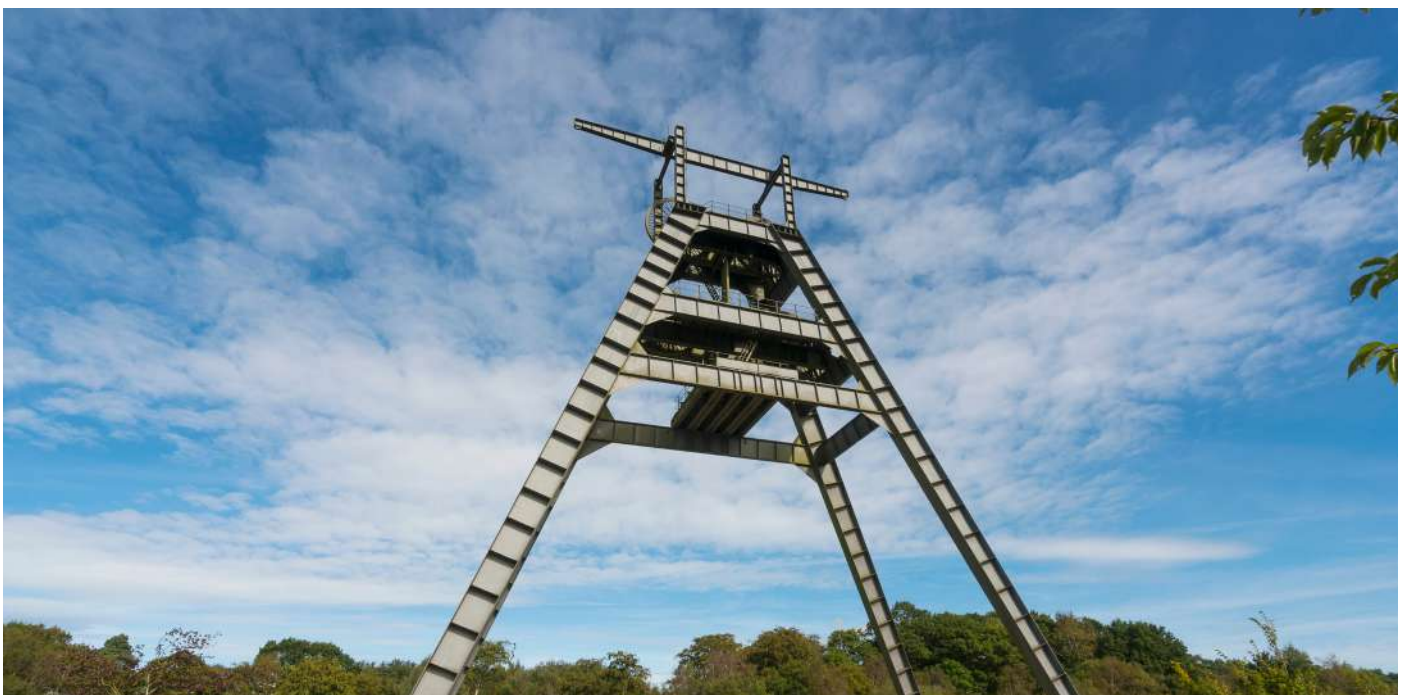
Ayrshire businesses continue to feel significant cost pressures, particularly from taxation (59%) and inflation (53%), though concern over inflation has eased slightly. Worries about rising business rates have increased sharply.

Compared with the UK overall, Ayrshire firms are more affected by these cost-related challenges, while other issues remain less prominent. Overall, the region's concerns reflect national trends but with a stronger focus on costs.

Q: Please indicate which of these following factors are more of a concern to your business than 3 months ago?

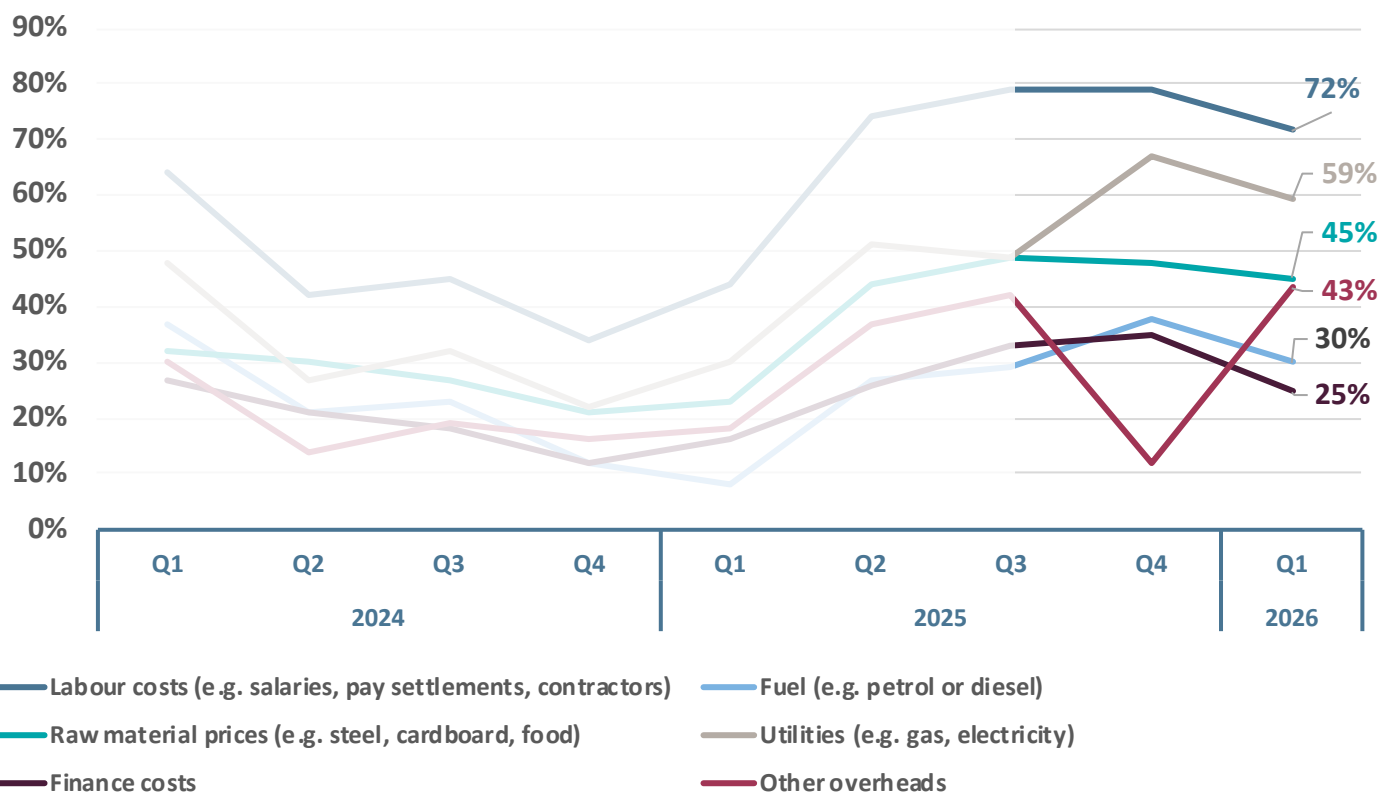


	Taxation	Inflation	Business rates	Competition	Interest rates	Exchange rates
Ayrshire	59%	53%	37%	27%	11%	7%
UK	54%	41%	38%	50%	15%	24%



Ayrshire businesses are experiencing strong cost pressures, particularly from labour, utilities, and raw materials.

Q: Is your business currently suffering pressures to raise its prices from any of the following?



	Ayrshire	UK	% point difference, region v UK
Labour costs	72%	73%	-1
Utilities	59%	52%	+7
Raw materials	45%	38%	+7
Fuel	30%	28%	+2
Finance	25%	37%	-12
Other	43%	26%	+17

Across the UK, labour cost, utilities and raw materials remain the most significant driver for price pressure. However, businesses nationally also report stronger pressures from finance.

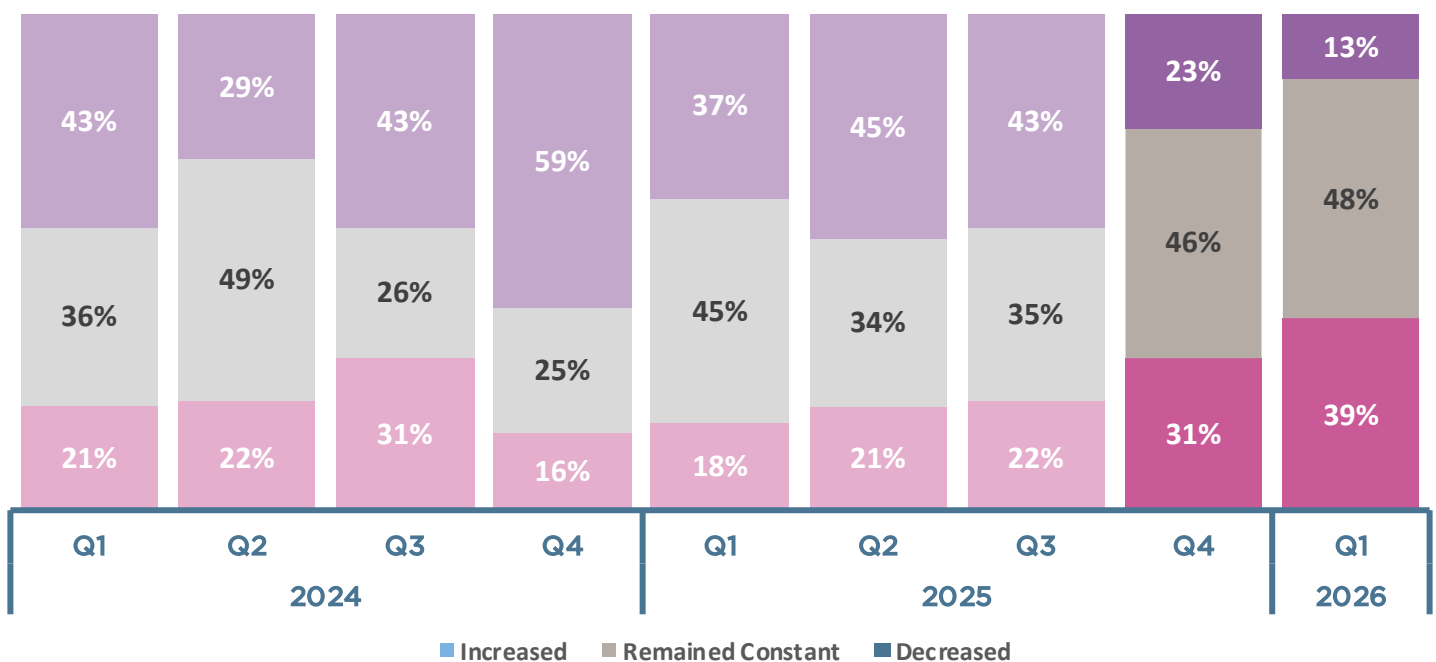
Overall, the region’s concerns reflect national trends.



Domestic outlook – cautious but resilient

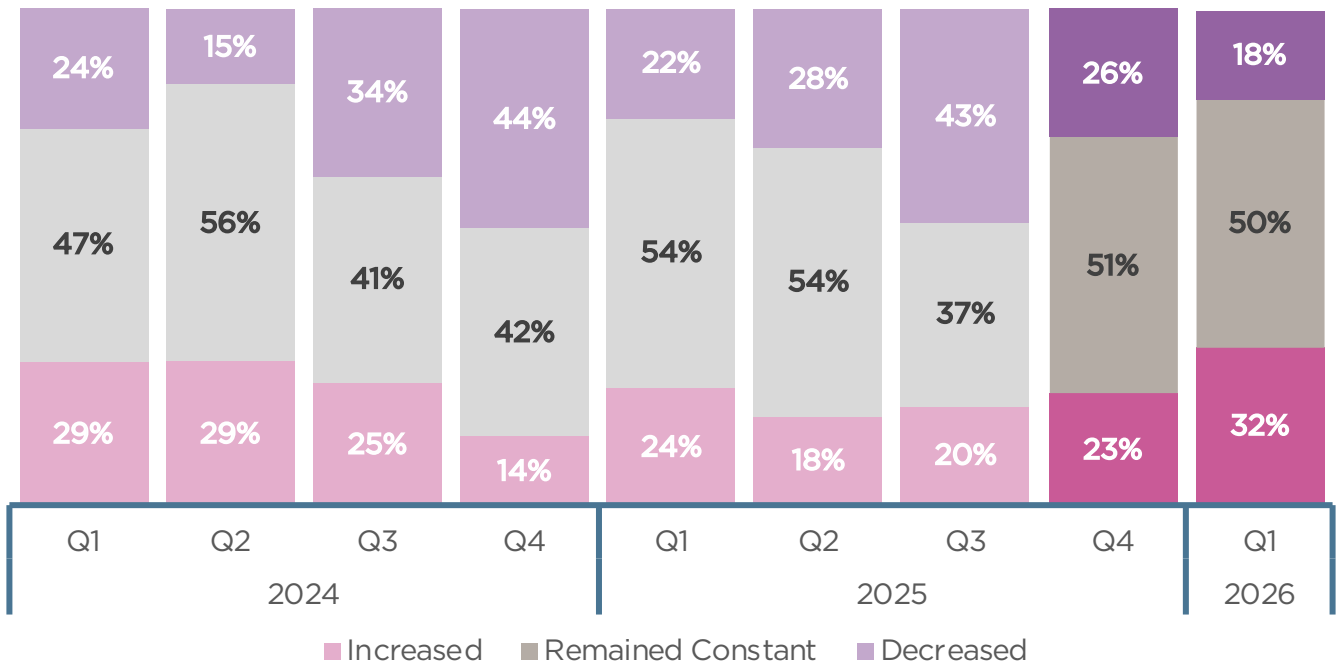
Ayrshire businesses have seen strong growth in sales and bookings, with 39% reporting increases in Q1 2026, up from 31% in Q4 2025. Almost half (48%) remained stable, while only 13% experienced a decline, highlighting greater resilience compared with the UK average. They also reported a positive trend in orders, with 32% increasing in Q1 2026 and 50% remaining constant. Declines affected only 18% of businesses, indicating a steady demand outlook for the region.

Q: Excluding seasonal variations, over the past 3 months 'UK sales/custom/bookings' have...



	Ayrshire	UK	% point difference, region v UK
Increased	39%	32%	+7
Remained Constant	48%	42%	+6
Decreased	13%	26%	-13

Q: Excluding seasonal variations, over the past 3 months 'UK orders/advance custom/bookings' have...



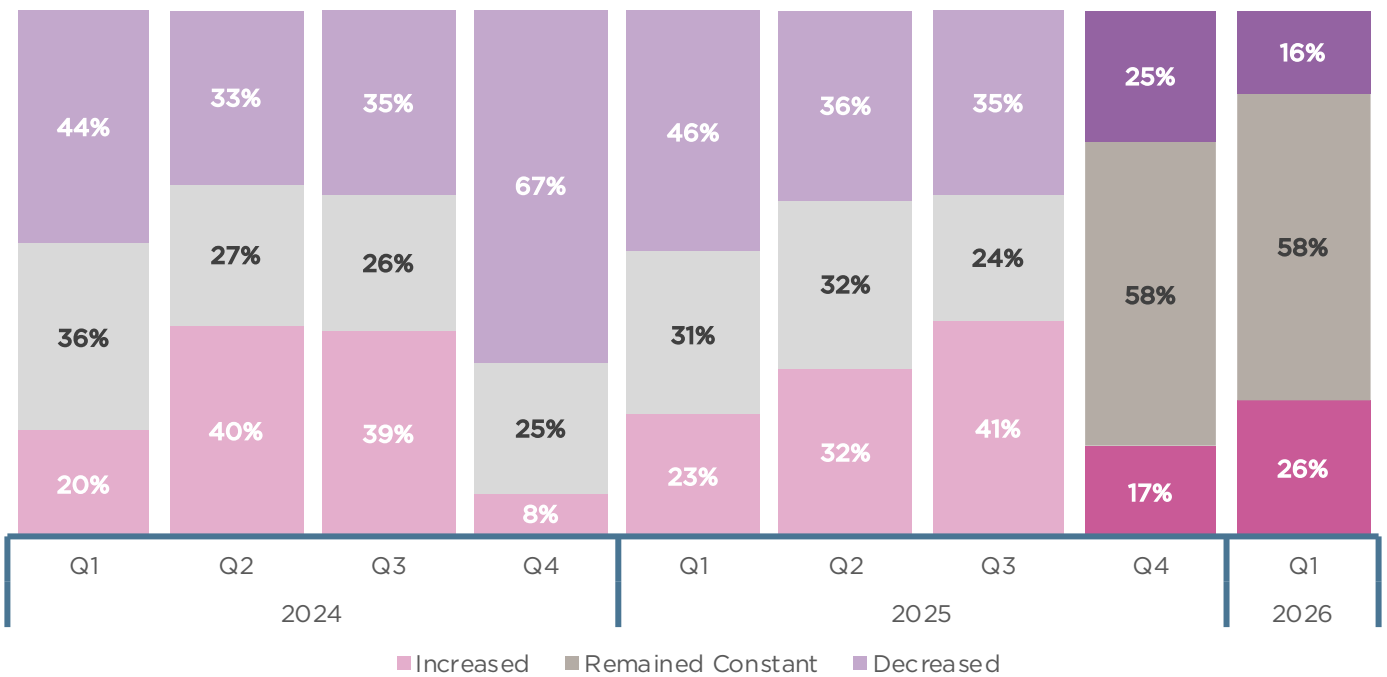
	Ayrshire	UK	% point difference, region v UK
Increased	32%	28%	+4
Remained Constant	50%	46%	+4
Decreased	18%	26%	-8



International demand stable, with signs of improvement

Ayrshire businesses reported 26% growth in overseas sales/bookings in Q1 2026, up from 17% in Q4 2025. A majority (58%) remained steady, while only 16% saw a decline, showing improving international performance and greater stability compared with the UK.

Q: Excluding seasonal variations, over the past 3 months 'Overseas sales/custom/bookings' have...

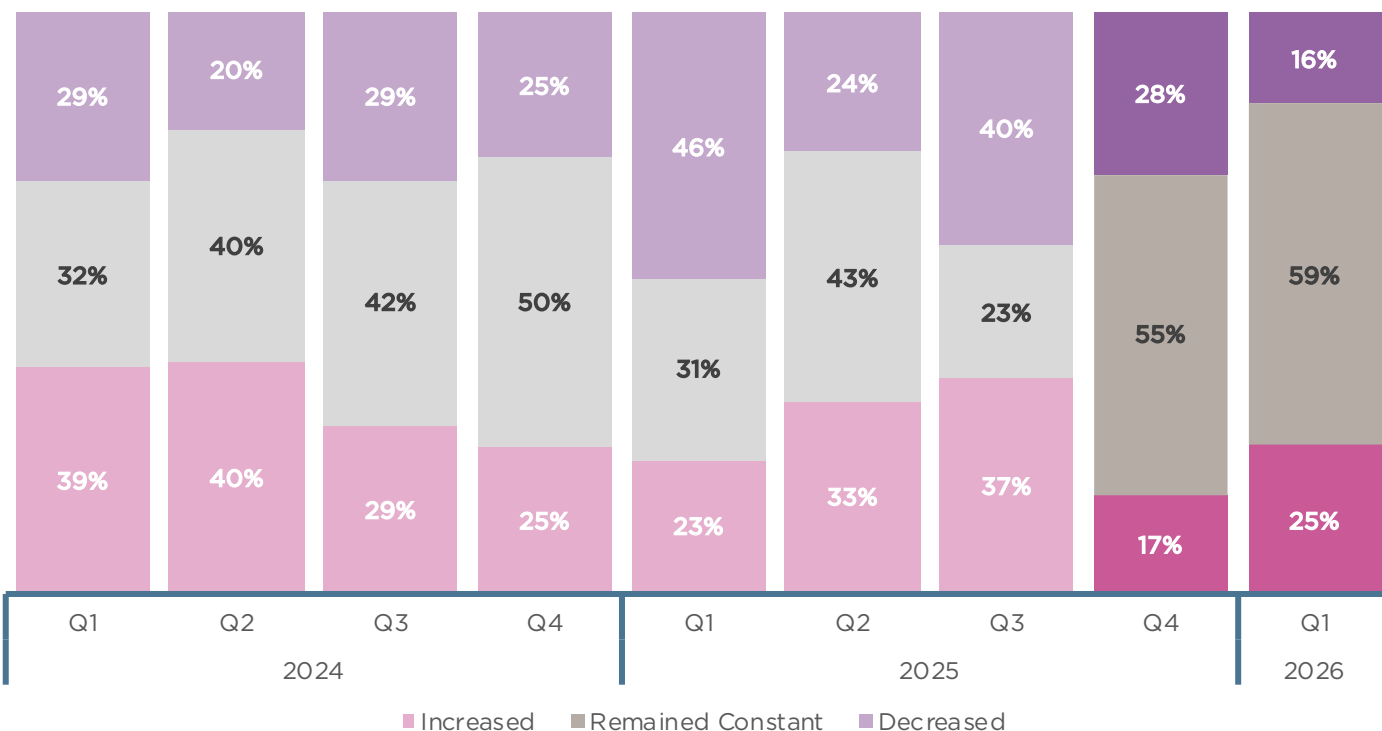


	Ayrshire	UK	% point difference, region v UK
Increased	26%	25%	+1
Remained the same	58%	53%	+5
Decreased	16%	22%	-6



Similarly, 25% of Ayrshire firms reported increased overseas orders, with 59% remaining constant and 16% declining, showing steady international demand and resilience in forward bookings.

Q: Excluding seasonal variations, over the past 3 months 'Overseas orders/advance custom/bookings' have:



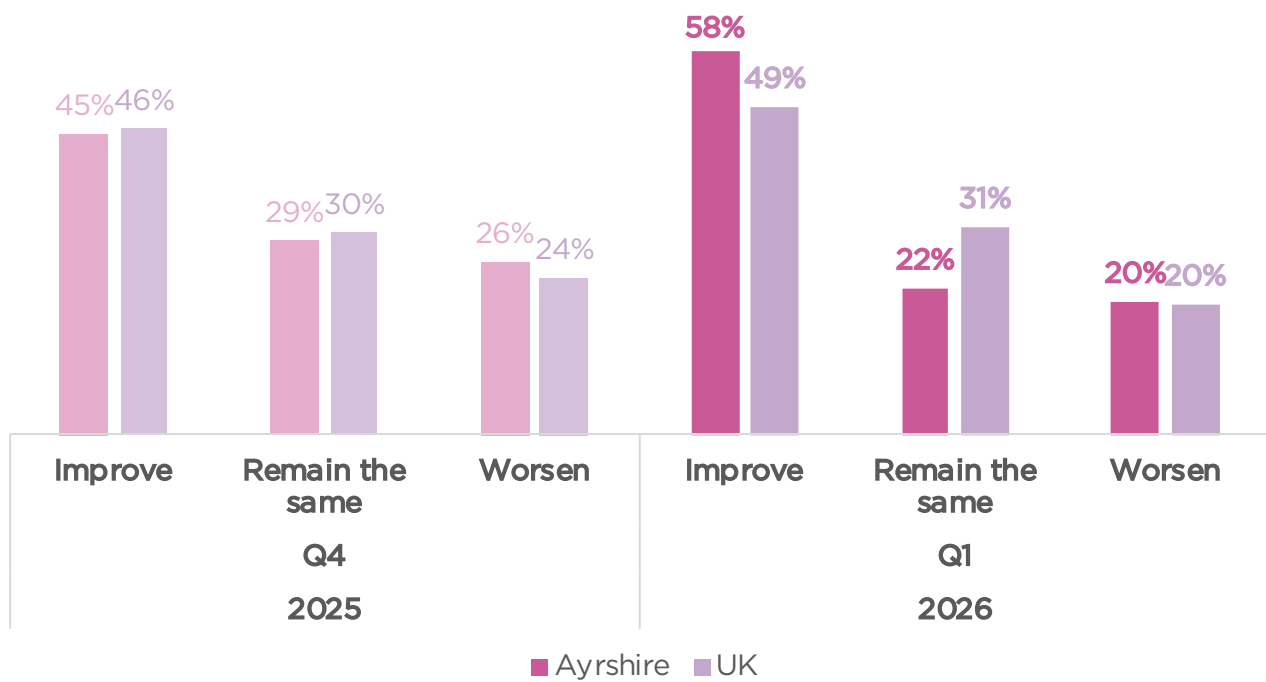
	Ayrshire	UK	% point difference, region v UK
Increased	25%	25%	-
Remained Constant	59%	52%	+7
Decreased	16%	23%	-7



Turnover confidence; in line with the UK

Turnover expectations in Ayrshire mirror the UK. While optimism about growth is now stronger in Ayrshire.

Q: Over the next 12 months, do you believe your business's turnover will...

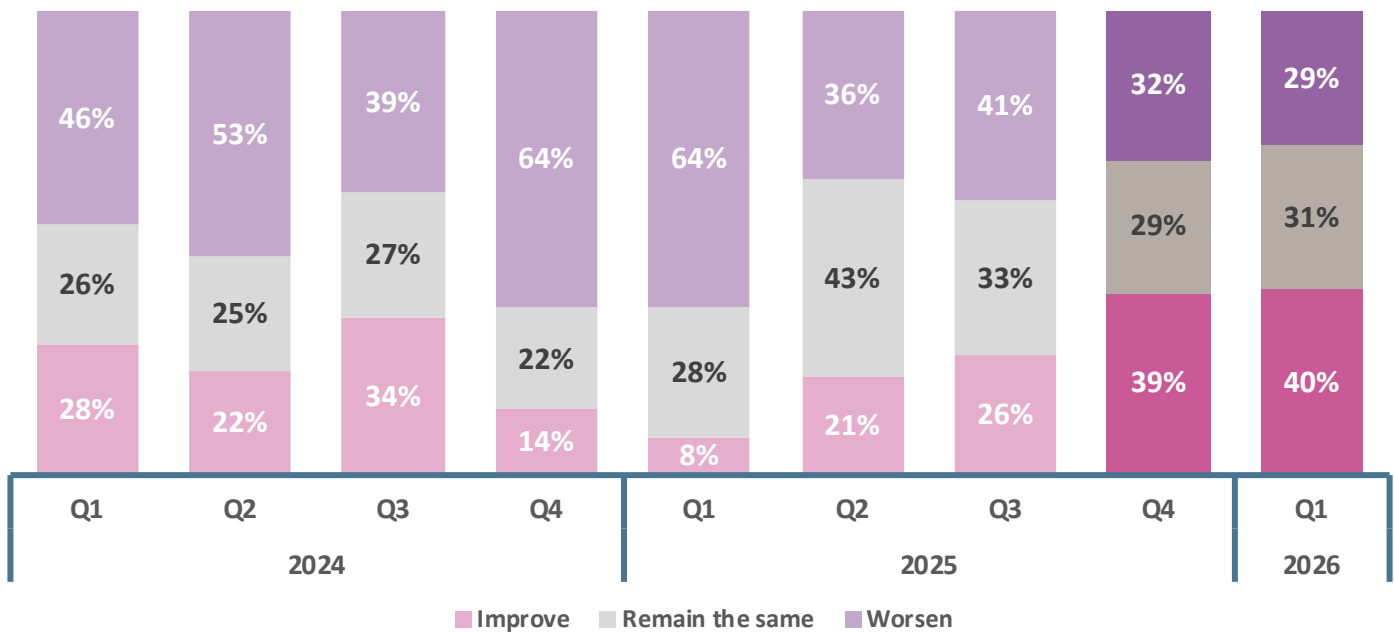


	Ayrshire	UK	% point difference, region v UK
Increased	58%	49%	+9
Remained the same	22%	31%	-9
Worsen	20%	20%	-

Profitability outlook

Over the next 12 months, 40% of Ayrshire businesses expect profitability to increase in Q1 2026, with 31% anticipating no change and 29% expect a decline. This reflects a slight improvement in sentiment, with fewer firms predicting reduced profitability. Compared with the UK, Ayrshire shows a similar outlook, though with marginally lower expectations of growth and slightly higher levels of pessimism.

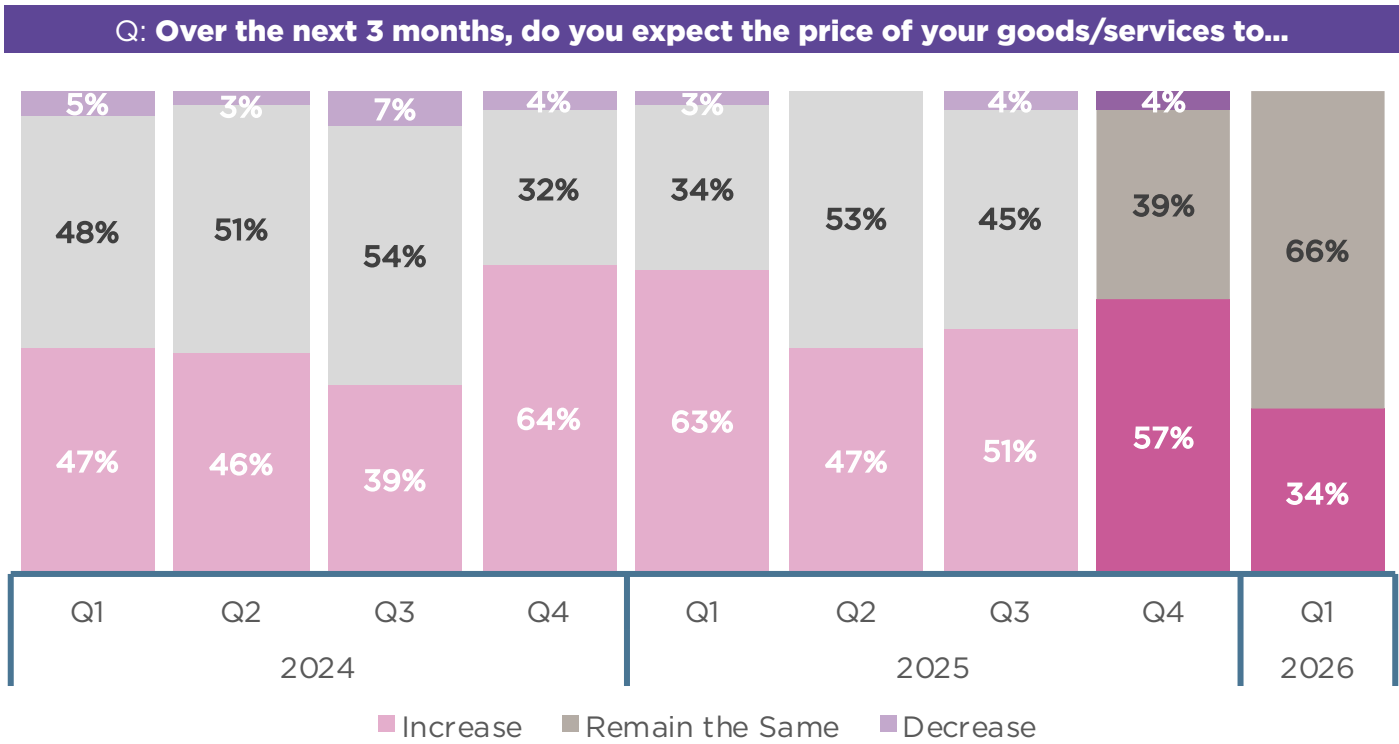
Q: Over the next 12 months, do you believe your business's profitability will...



	Ayrshire	UK	% point difference, region v UK
Increased	40%	41%	-1
Remained the same	31%	32%	-1
Worsen	29%	27%	+2



Around a third of Ayrshire businesses (34%) expect to increase prices over the next three months, a notable decline from 57% in Q4 2025. Most firms (66%) now anticipate prices will remain unchanged, indicating easing price pressures. Compared with the UK, Ayrshire shows a much sharper slowdown in expected price increases.

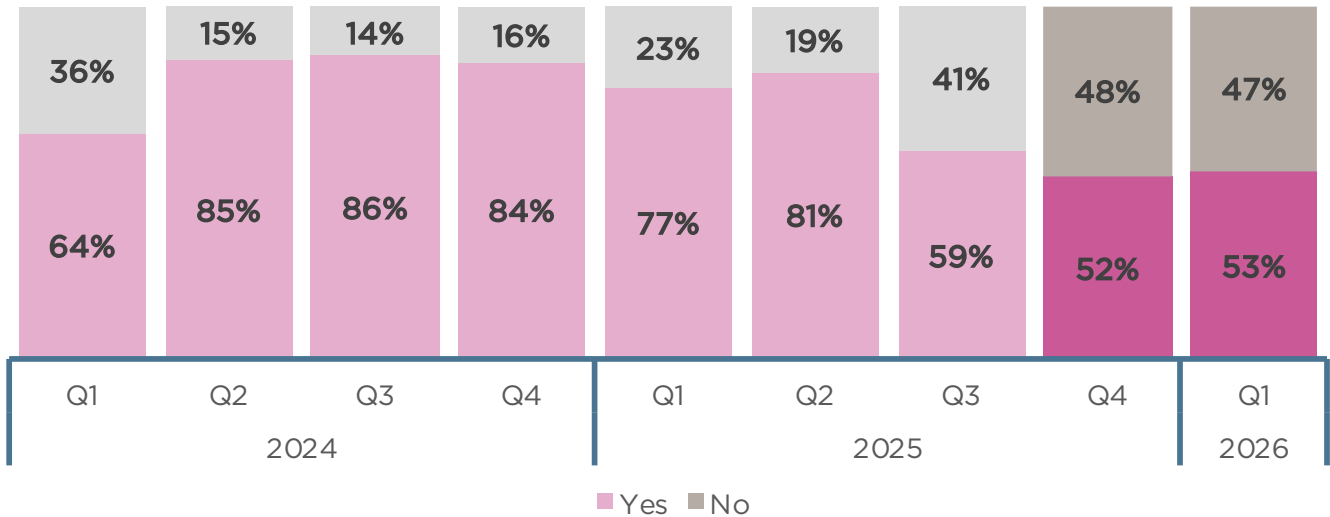


	Ayrshire	UK	% point difference, region v UK
Increased	34%	49%	-15
Remained the same	66%	47%	+19
Decreased	-	4%	-4



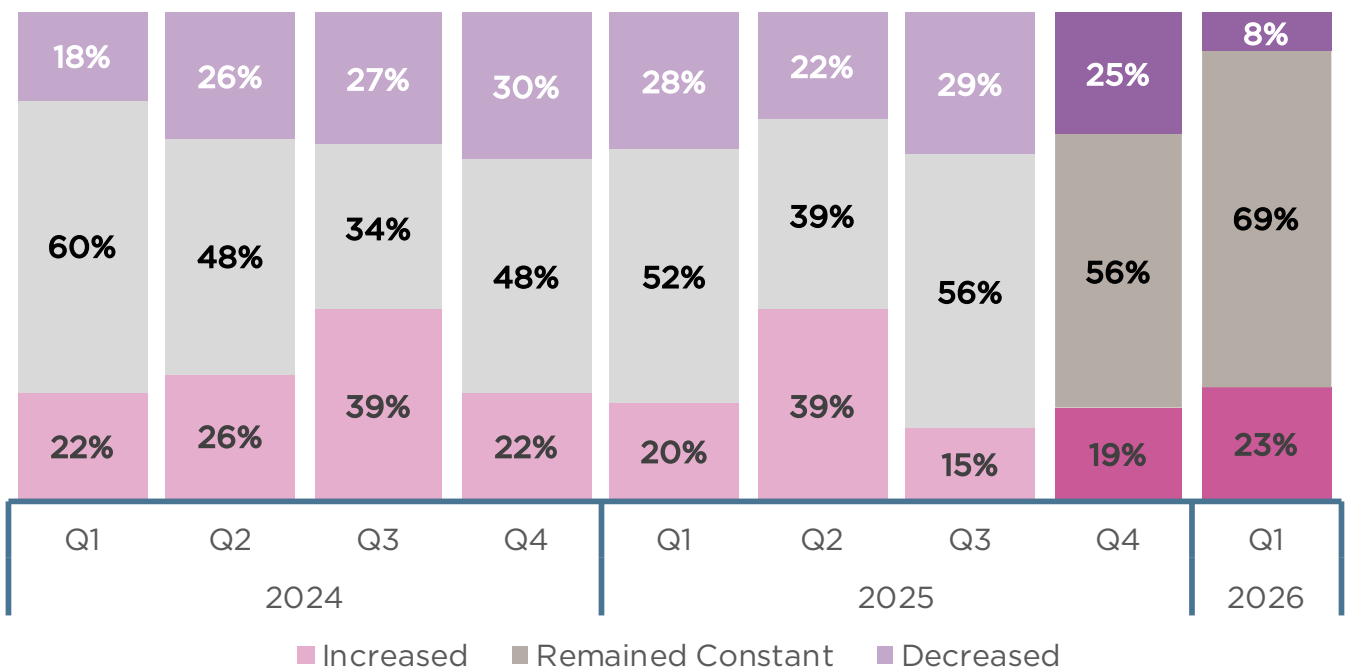
What does this mean for the labour market?

Q: Have you attempted to recruit staff over the past 3 months?



In Q1 2026, just over half of Ayrshire businesses (53%) attempted to recruit staff. The region's workforce has remained largely stable, with 69% of firms reporting no change over the past three months. Only 8% experienced a reduction in staff, while 23% saw an increase, indicating overall stability and modest growth in employment.

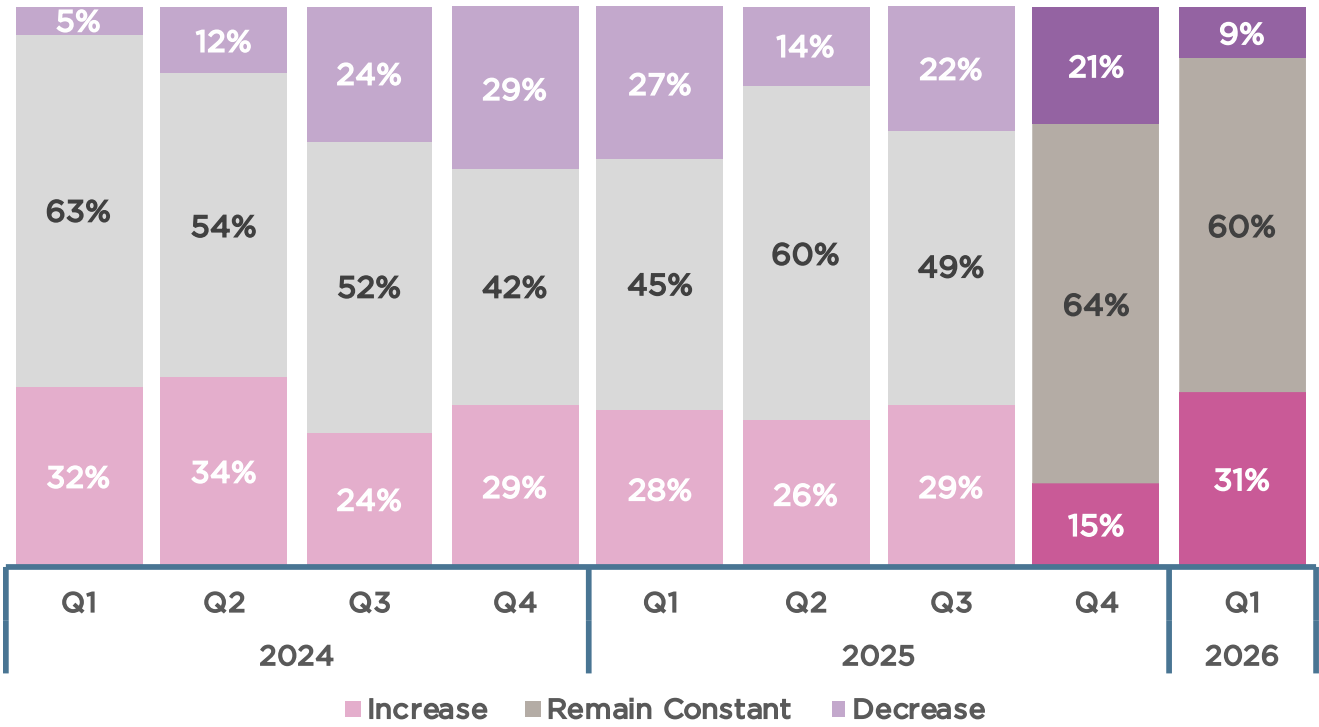
Q: Over the past 3 months, has your workforce...



Looking ahead to the next three months, 31% of Ayrshire businesses expect to increase their workforce in Q1 2026, up from 15% in Q4 2025. The majority (60%) anticipate no change, while only 9% expect a reduction, suggesting a positive outlook and growing confidence in staffing levels.

Across the UK, 27% of businesses expect to increase staffing in Q1 2026, with 63% remaining constant and 10% anticipating a decrease. Overall, national trends show moderate workforce growth, broadly similar to Ayrshire.

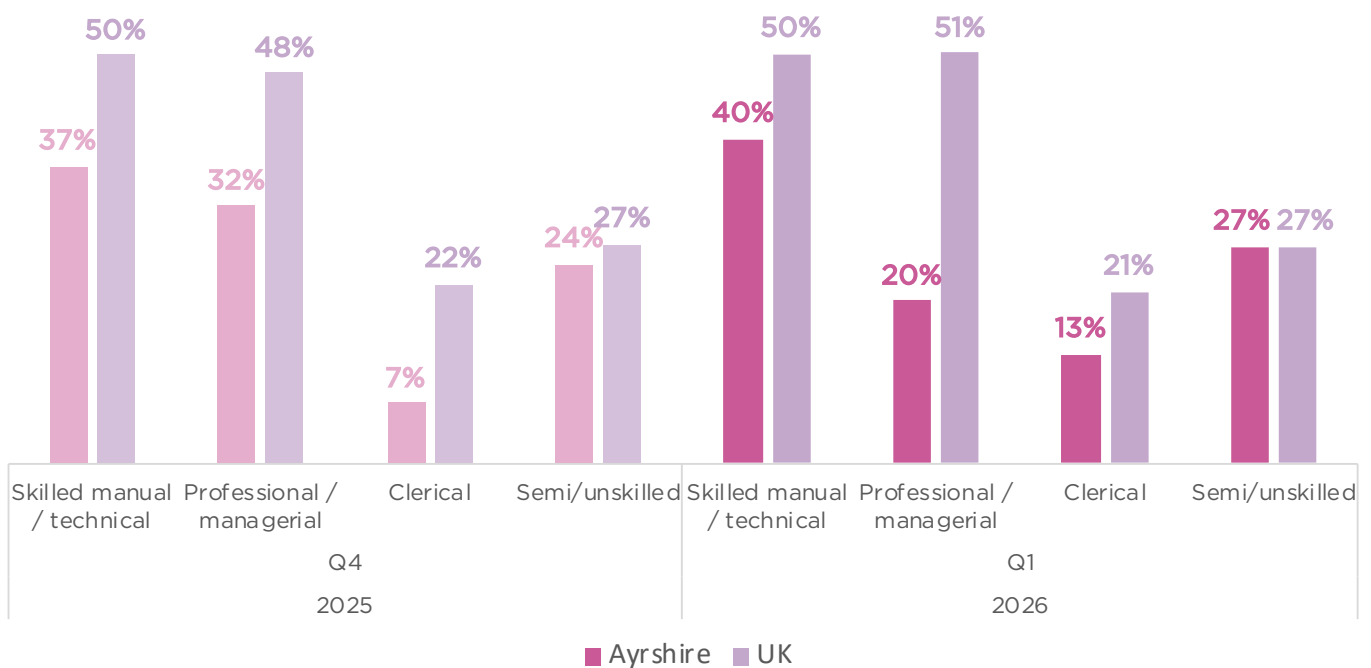
Q: Over the next 3 months, do you expect your workforce to...



Recruitment challenges

Among Ayrshire businesses that attempted to recruit in Q1 2026, difficulties were most commonly reported for skilled manual/technical roles (40%) and semi/unskilled roles (27%). Fewer firms experienced challenges in filling professional/managerial (20%) and clerical positions (13%), while national patterns show higher difficulty for professional and clerical roles.

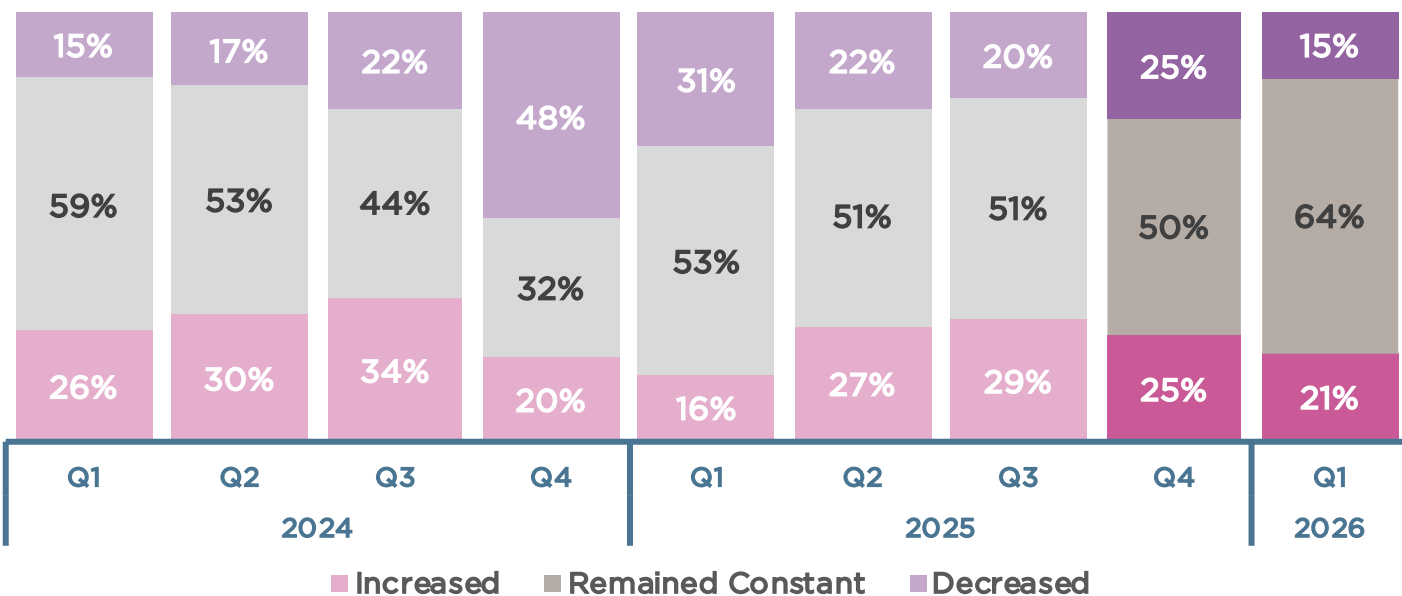
Q: If you attempted to recruit, did you experience any difficulties finding suitable staff? If yes, for which of the following categories of employee?



Over the past three months, 21% of Ayrshire businesses increased investment in training in Q1 2026, while the majority (64%) kept training levels constant and 15% reduced investment, indicating a stable approach to workforce development.

Across the UK, 23% of businesses increased training investment, 58% remained constant, and 19% reduced investment, reflecting broadly similar trends to Ayrshire.

Q: Over the past 3 months, investment plans for training have...



	Ayrshire	UK	% point difference, region v UK
Increased	21%	23%	-2
Remained the same	64%	58%	+6
Decreased	15%	19%	-4

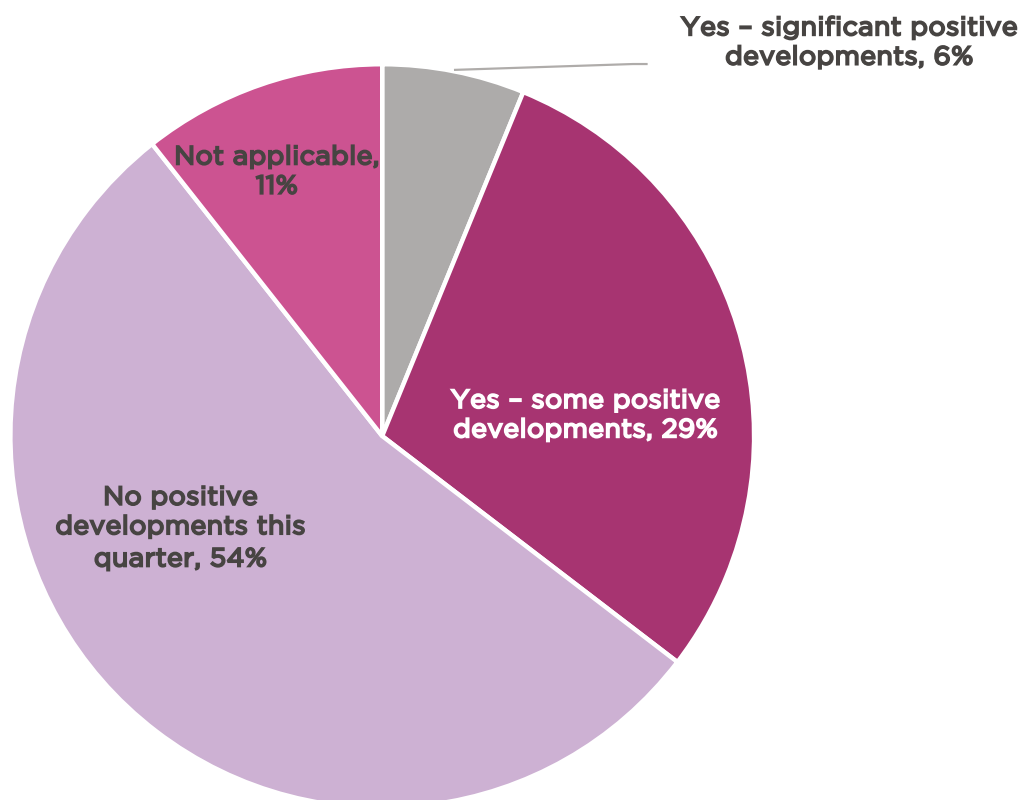


Regional Focus

Just over a third of businesses (35%) reported some level of positive development with only a small proportion (6%) said these were significant. At the same time, more than half of firms, 54%, reported no positive developments at all in the past quarter.

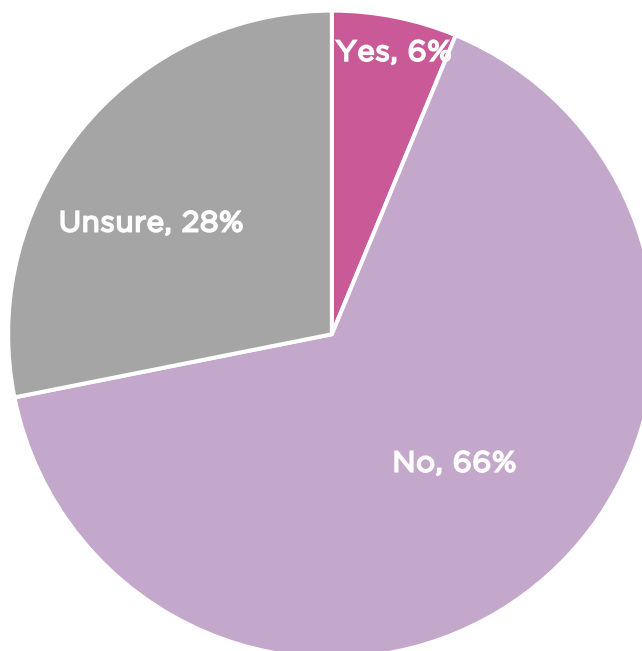
Therefore, while opportunities do exist, they're not yet being widely experienced across the business community.

Q: In the past quarter, have you experienced any positive developments or opportunities arising from operating in Ayrshire (e.g., new partnerships, access to skills, infrastructure improvements, sector-specific momentum)?



The majority of Ayrshire businesses do not believe the Scottish Government understands their needs, with concerns centred on rising costs, taxation, and a lack of pro-business support. Even among those unsure, there is a clear sense of disconnect between policy and real-world business conditions, particularly around cost pressures and regulatory complexity.

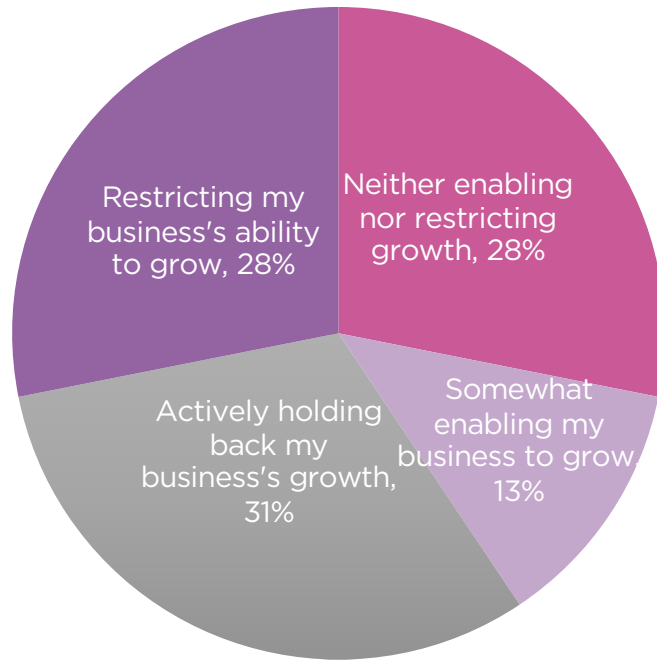
Q: Do you believe the Scottish Government understands the needs of businesses in Ayrshire?



Q: What is the single biggest area where you feel government policy does not reflect business reality?

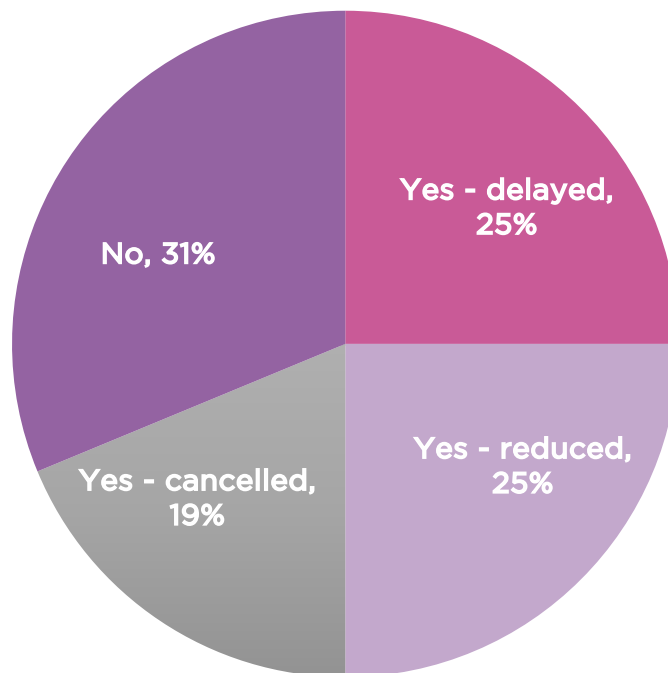
Response	Key Themes	Representative Insight
No	<ol style="list-style-type: none"> 1. High costs & taxation burden (tax, NI, business rates, wages) 2. Lack of pro-business environment (limited support, weak incentives to invest/grow) 3. Disconnect from business realities (lack of experience, understanding of challenges) 	Businesses consistently highlight that rising costs and taxation are making it difficult to reinvest, alongside a perception that policymakers do not fully understand day-to-day business pressures.
Unsure	<ol style="list-style-type: none"> 1. Cost pressures & wage challenges 2. Policy-reality gap (slow policy vs fast-moving business environment) 3. Sector-specific gaps (tourism, environment, regional issues) 	Responses reflect mixed views, with uncertainty driven by cost pressures and a perceived mismatch between policy design and real-world business conditions.
Yes	Regulatory burden on SMEs - Specific policy concerns (e.g. NI increases)	Even among positive responses, there are concerns around complex regulations and administrative burdens, particularly for small businesses.

Q: Overall, current Scottish and UK Government policies are:



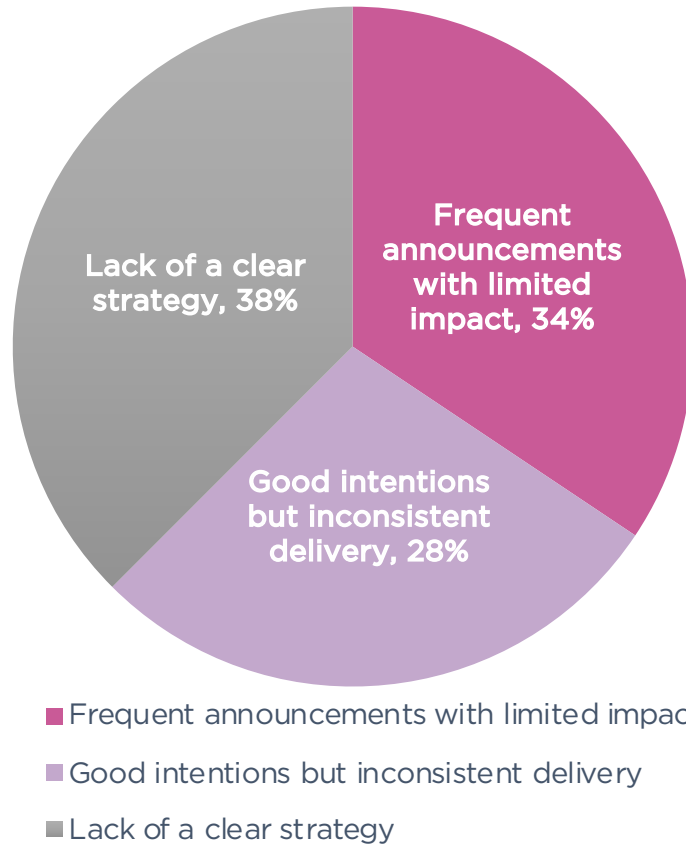
- Neither enabling nor restricting growth
- Somewhat enabling my business to grow
- Actively holding back my business's growth
- Restricting my business's ability to grow

Q: Have government policy decisions caused you to delay, reduce or cancel investment in the Ayrshire?

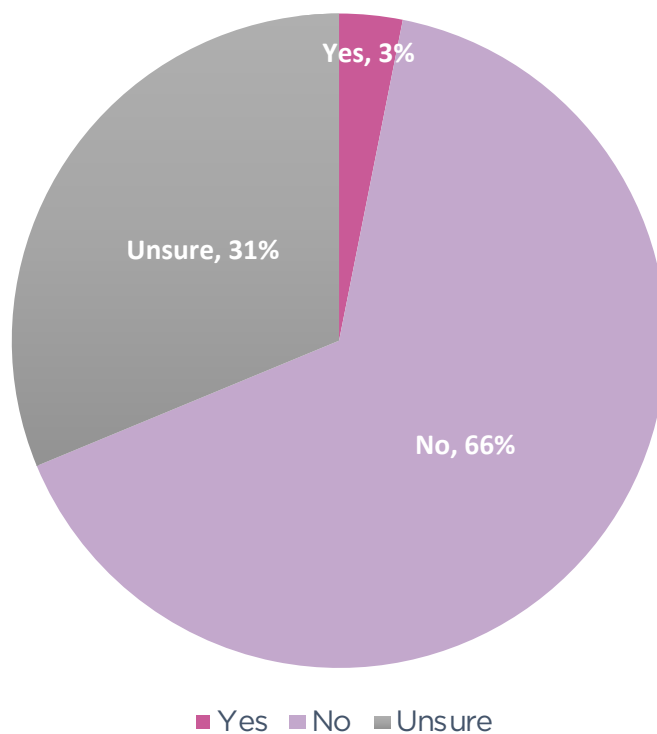


- Yes - delayed
- Yes - reduced
- Yes - cancelled
- No

Q: Which best reflects your experience of government economic policy in practice?



Q: Do you feel Ayrshire receives an appropriate level of attention in national economic decision-making?



Resilience today, growth tomorrow...

This report presents an Ayrshire economy that remains under significant pressure but is demonstrating clear resilience. Businesses continue to adapt to challenging conditions — managing costs, investing selectively and making greater use of innovation and digital technology — even as high operating costs, cashflow constraints and persistent recruitment difficulties continue to weigh on confidence.

The findings point clearly to the areas where focused action would have the greatest impact. Day to day cost pressures, particularly taxation, labour and utilities, remain the single biggest drag on confidence and investment. Access to skilled labour — especially in technical and semi skilled roles — continues to constrain capacity and growth, while infrastructure and planning challenges limit competitiveness and delay investment decisions.

The survey also reinforces that confidence and growth are shaped not just by long term strategies, but by practical, consistent delivery. Businesses are looking for a policy environment — at both national and local level — that better reflects commercial reality, supports investment and removes barriers to growth. Where delivery is effective and partners are aligned, it can help businesses navigate short term pressures, but this cannot compensate for wider policy constraints.

Ayrshire's businesses have shown their ability to endure and adapt. Turning this resilience into stronger, more sustainable growth will depend on easing cost burdens, unlocking investment and ensuring that economic policy and delivery are better aligned with the realities facing firms on the ground.



National Viewpoint

David Bharier, Head of Research at the British Chambers of Commerce, said:

“Even before the latest escalation in the Middle East, business sentiment remained fragile and stuck in a low growth phase. Most SMEs continue to report no improvement in key indicators such as investment and cash flow. Sentiment remains largely unchanged since the 2024 Budget, which saw a permanent increase in the labour cost base for firms.

“Businesses face a fresh wave of employer costs and burdens from this month, causing further pressure and uncertainty.

“But the Iran conflict is now the major factor that could derail fragile progress. De-escalation is the only way to prevent a deeper economic crisis. As energy costs rise the government should keep all options on the table to help businesses.”



David Bharier

Ayrshire Chamber Viewpoint

Claire Baird, Chief Executive Officer at the Ayrshire Chamber of Commerce, said:

“After a difficult end to 2025, this quarter’s survey shows signs of stabilisation for many businesses across Ayrshire. While cost pressures remain acute — particularly around taxation, labour costs and utilities — firms are reporting stronger sales, steadier demand and a slower pace of expected price increases than in the previous quarter.

That reflects the resilience of Ayrshire’s business community. Many firms are adapting by managing costs, investing selectively and using innovation and digital tools to improve productivity and reach new markets. The strengthening of both domestic and international demand is particularly encouraging and underlines the underlying strength within the local economy.

However, stability is not the same as recovery. Cashflow remains fragile for many businesses, recruitment challenges persist — especially in skilled technical and semi skilled roles — and confidence continues to be restrained by the cumulative impact of costs and uncertainty.

While this quarter shows improving stability, businesses are acutely aware that global uncertainty — including escalating tensions in the Middle East — could yet feed through into energy costs, inflation and confidence as we move into Q2.

The qualitative findings in this survey send a clear message about the role of government policy. Businesses consistently question whether national economic decisions fully reflect the commercial realities they face day to day, and for a significant proportion of firms, policy decisions have directly affected the timing, scale or viability of investment in Ayrshire.

As the final Quarterly Economic Survey ahead of the Scottish Parliamentary elections, these results underline that confidence and growth depend not just on long term strategies, but on practical, consistent delivery. Businesses are looking for a policy environment that eases cost pressures, supports investment and ensures regions like Ayrshire are properly reflected in national economic decision making.

Ayrshire’s businesses have shown their ability to adapt and endure. With the right conditions, clarity and consistency, this period of cautious confidence can be turned into sustained growth.”



Claire Baird



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