

PE1703/C

Scottish Enterprise submission of 31 October 2018

Thank you for your letter seeking the views of Scottish Enterprise on the above petition.

As Scotland's national economic development agency, we believe the availability of superfast broadband across all the geographies of Scotland presents a wide range of opportunities for businesses and communities. The Report '**Unlocking the Digital Potential of Rural Areas across the UK**' published earlier this year by SRUC and Rural England, supported by Amazon, identified that unlocking the digital potential of rural areas in Scotland could add between £1.2bn and £2.5bn annually in Gross Value Added (GVA) to the economy and at least £1.44bn to rural business turnover.

The Report identified that micro businesses were least likely to have a superfast connection and that the proportion of businesses with a superfast connection was lowest in Northern Ireland and Scotland.

The extent to which businesses can access fast digital connections, particularly fixed broadband and mobile networks, is an important factor however, the Report also identified a range of other issues facing businesses who wish to unlock their digital potential including access to digital support, difficulties recruiting staff with digital skills and accessing digital training.

Scottish Enterprise plays a key role in providing support to businesses wishing to exploit digital opportunities, primarily through our team of Digital Transformation Specialists. They provide free, impartial advisory support on any aspect of digital technologies including: Manufacturing & Operations Software; Industry 4.0; Data & Cyber Security; Digital Marketing; E-Commerce Strategy & Planning; and Software Development.

In the past two years (2016/17 and 2017/18), the team has worked with more than 600 companies (64 of which were rural), supporting projects with the potential to increase international turnover of £97m and deliver an estimated £10m of efficiency savings, allowing for further investment in capital equipment and new job creation.

There has also been a substantial programme of work focusing on e-Commerce, the most significant element of which was delivery of the Amazon Academy (in partnership with Amazon) in April this year. It was attended by over 800 delegates from more than 300 Scottish companies (double the amount from 2017). Subsequently, Amazon agreed to deliver 4 rural focused events, one of which has taken place (Dumfries) with another three planned for Borders, Aberdeenshire and Inverness (which will be video linked for those in remote parts of the Highlands who cannot attend in person).

In addition, Digital Boost was developed as part of the National Digital Engagement Programme by Scottish Enterprise, Highlands & Islands Enterprise, the Business Gateway National Unit, and individual Business Gateways on behalf of Digital Scotland. This £2.75m programme is designed to get businesses to use digital technology to enter new markets, trade internationally, increase efficiencies and, to

employ more staff. To date the programme has delivered 1,122 workshops for 6,885 businesses and delivered one-to-one support to a further 686 businesses.

Through our work with rural businesses, we are aware of frustrations regarding the broadband infrastructure. A recent survey of 184 of rural business leaders found that 74% of businesses were impacted by poor broadband and that it was a barrier to growth. Key comments were that they found it slow, frustrating and limiting with alternative options considered to be very expensive and unreliable.

The recently published Economic Action Plan 2018-2020 confirms that the Scottish Government will be investing in the final phase of 'Reaching 100%' (to ensure every home and business in Scotland has access to superfast broadband by the end of 2021); investing in new 4G masts in remote rural areas and developing a new 5G strategy.

We look forward to working with all our partners including the Scottish Government to ensure that rural businesses can fully exploit the opportunities that these investments will provide.

I hope this response is helpful to the Committee, and please do let me know if you require any further information.