

## EET COMMITTEE SESSION – 30 SEPTEMBER RESPONSE TO SUPPLEMENTARY QUESTIONS

Further information in response to the question from Margaret McDougall MSP regarding a transactional website service.

There are a number of e-commerce solutions provided by the private sector, which are becoming increasingly affordable through cloud based services.

A number of large international companies, e.g. Amazon and E-Bay offer this kind of online marketplace service, enabling businesses to acquire an e-commerce presence and many Scottish businesses already choose to sell through these channels.

SE ICT specialists provide advice and support to businesses in exploring and identifying the best option for their business.

Given the extensive private sector offering in this area, it is not clear if there is any market failure in businesses accessing this service. A public sector e-commerce portal would, in effect, be competing with the private sector and the displacement of private business would be considerable.

Although companies report benefits from using digital technologies, it has proved difficult to capture these impacts in economic models, particularly at the macroeconomic level. A recent McKinsey survey of more than 4,800 SMEs in 12 countries showed that on average, companies using Internet with a high intensity grow twice as quickly as low-Web-intensity companies, export twice as much as they do, and create more than twice as many jobs.

This evidence is consistent with the feedback from our Account Management Evaluation and the work of our ICT specialists. A qualitative assessment by SE ICT Specialists indicates that around half of the companies we advise have a clear understanding of the immediate and long term impacts that investing in technology and fully exploiting digital routes to market can bring.

Encouraging and supporting Scotland's 340,000 businesses to fully exploit the benefits of digital technologies requires concerted, joined up action across all sectors of our economy. Our business base is necessarily diverse and our approach needs to acknowledge the diversity which exists.

In line with our remit, the focus of SE support has been on providing ICT support to high growth potential businesses as part of an integrated approach. As part of this we encourage businesses to consider all channels to market and in particular how they can adopt and benefit from e-commerce.

In recognition of the expertise and capability that SE can provide we have been asked, on behalf of Team Scotland, to play the lead role in the development of the Digital Economy Partnership programme approach. As part of this approach SE will host the programme office and co-ordinate the management and delivery of the programme supported by an additional £7m funding package announced by the Deputy First Minister to boost digital activity across the wider company base.

### Breakdown of the 11,000 employees in the renewables sector

Scottish Renewables produced the first comprehensive study of employment in the renewables sector in Scotland, and this showed a total of 11,136 FTE posts in 2011/12 – this is broken down by sub-sectors in the chart below.

Scottish Renewables produced the report on the basis of returns from companies and, on this basis, the figures arrived at are likely to be more robust than if they were based on independent researchers using published sources, given the lack of standard sector codes for this industry. Scottish Renewables were explicit about this methodology and concluded that the figures probably underestimated the total.

<b>Sector</b>	<b>Number of Jobs</b>
Bioenergy	1,410
Grid	3,223
Solar and Heat Pumps	161
Hydro	503
Onshore Wind	2,235
Offshore Wind	943
Wave and Tidal	521
Working across Multiple Sectors	1,231
Higher and Further Education	757
Public Sector	152
<b>TOTAL</b>	<b>11,136</b>

**Source:** Delivering the Ambition: Employment in Renewable Energy in Scotland  
(<http://www.scottishrenewables.com/publications/employment-renewable-energy-scotland/>)