



FOR IMMEDIATE RELEASE

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Software Cornwall members recognise the benefits of Remaining in the EU

Software Cornwall, the industry group for digital technology businesses in Cornwall, today announced the results of its membership survey on business attitudes to the forthcoming EU Referendum, which reveals strong support for remaining in the EU and highlights the benefits of EU membership for the growing Cornish tech sector.

Business leaders were asked to set aside their personal views and consider the impact specifically on their own business. Of the 28 member businesses surveyed, 19 responses were received, from software companies employing a total of 229 people.

On the key Referendum “Leave or Remain” question, 84% (16) said Remain while 16% (3) were Undecided. No businesses chose the Leave option.

The business owners and managers were also asked what they thought the impact of leaving the EU would be on their business, on a scale from “Very adverse” to “Very beneficial”. 42% (8) thought an exit would have a “Very adverse” impact; 37% (7) thought “Somewhat adverse” and 21% (4) thought it would be neutral. No respondents thought leaving the EU would have a beneficial or very beneficial effect.

Paul Clark from Packet Ship, a founding Software Cornwall member, who organised the survey, said, “we were surprised at the clarity, depth and near unanimity of feeling in the industry on this issue compared to other small business surveys, which may reflect the more outward-looking viewpoint of the technology sector.”

Businesses reported a wide variation in percentage of sales to the EU, from zero to 80%, reflecting their variety of market focus. Combining the percentage of sales with the number of employees gave a rough indication that around 25 existing jobs were directly exposed to EU-based sales.

Member businesses were also asked to think 3 years into the future and estimate how many more, or fewer, jobs their business might provide in Cornwall if the UK left the EU. The majority foresaw a negative impact, with a total of over 100 fewer jobs predicted 3 years following an exit.

Finally business leaders were asked to describe the risks or benefits to their business from a UK exit in their own words. Their responses were primarily about risks, varying from general concern about uncertainty through to existential threat or being forced to move operations out of the UK. Companies who reported significant EU sales were most concerned about loss of turnover from their primary market and damage to the UK's image.

As one respondent put it, "If we leave the EU I will have to choose between our UK customer base within a population of 65 million and our European customer base within a population of 770 million. We will move our base of operations to Europe and almost all our UK jobs will go."

Other businesses emphasised the benefits of EU membership on Cornwall's economic development and skills base: "... ERDF/ESF funding for Cornwall as a whole has done and is continuing to do great things in promoting an information economy which we are part of, and I don't believe the UK government would replace it."

Another recurring topic of concern was around recruitment: "Leaving would be devastating on our large need to recruit. The most major concern of any larger company when considering sourcing IT is access to skilled people. Closing the borders will destroy the huge growth potential of the IT industry."

The only potential benefit of an exit envisaged by one respondent was that reducing immigration from within the EU could potentially make it easier to recruit from outside it.

In contrast to other small business surveys there was very little mention of EU regulation, except for one of the larger companies with a tightly-regulated medical product who pointed out that they would still be bound by EU regulation for any international sales in any case, and that an exit would remove the UK's ability to influence that regulation (the 'Norway scenario').

Although the survey was business-focussed, it also revealed some strong personal feelings about wider issues: "Business and revenue issues aside, the whole team strongly feels that remaining in the EU is far preferable to leaving. Benefits of staying include stronger environmental and workers rights protection, and ability to influence future progress of the EU".

Belinda Waldock, Managing Director of Software Cornwall, commented, "this survey has demonstrated both a deep level of awareness in our industry over the forthcoming EU decision and the benefit of specialist industry sector networks like Software Cornwall in representing the views of smaller businesses."

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Notes to Editors

Software Cornwall is a not-for-profit organisation, funded by its members, dedicated to developing and promoting the software industry in Cornwall.

www.softwarecornwall.org

For more information on Software Cornwall and general comment please contact Belinda Waldock belinda@softwarecornwall.org 07776 094925

The survey was carried out online between the 24th and 29th February 2016 as an invitation-only request to business-level members of Software Cornwall. Individual and student members were not included. This was an informal survey with a small sample size and results have not been adjusted for any sampling bias.

For specific details of the survey method and results, please contact Paul Clark paul@packetship.com