



The State of Growth in Perth and Kinross

Autumn 2025

Prepared for Invest in Perth



growth flag



THE STATE OF GROWTH IN PERTH AND KINROSS CONTENTS

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INTRODUCING PERTH AND KINROSS Introduction

Perth and Kinross is a vibrant region in Scotland's central belt with over 5,600 businesses.

Perth and Kinross offers a rich heritage, entrepreneurial spirit and exceptional connectivity to support business success. The area is consistently ranked as one of the top places to live and work in the UK, and this year was named as the top UK local authority with the strongest business growth potential for 2025. The region is a proven world-class leaders in a number of sectors including food and drink, tourism and the financial industries, while it also home to a thriving creative community and is a leader in the journey to net zero.

This report, The State of Growth in Perth and Kinross, provides an outlook on business growth potential in the region. It sets out insights on the current health and performance of the business base, including in a variety of sectors, and also highlights future risk and growth areas.

The report is based on data from Growth Flag, an innovative, first-of-its-kind, online tool that provides a forward-looking outlook on growth in individual businesses and local economies throughout the UK. Our objective and evidence-based systems take comprehensive firm-level datasets that are constantly updated to create a powerful Growth Propensity Model (or 'Growth Score'). The higher the score, the more likely a business is to achieve 20% growth in the next financial year. Businesses that are likely or very likely to achieve this growth are said to have 'high growth potential'. This growth is based on multi-variate analysis calculations, so the actual financial measure showing growth will differ depending on the best predictor by size of each enterprise.

In a time where growing the economy is top of the national agenda, being able to find growth potential is more important than ever. Information in this report will be used to help inform local activities in Perth and Kinross, including to support investment and business growth.



INTRODUCING PERTH AND KINROSS Headline Statistics



5,639
businesses

There are nearly 6k businesses that have a registered and/or trading address in Perth and Kinross (not including sole traders)



6,900+
businesses

In addition to registered businesses, there are over 6,900 non-limited businesses located in Perth and Kinross (such as sole-traders and freelancers)



1,198
businesses

Nearly 1,200 registered businesses in Perth and Kinross are newly incorporated and yet to file accounts (21.2% compared to 28% in the UK)



11.4%
businesses

Over 600 businesses in Perth and Kinross are likely or very likely to grow by 20% over the next year (above the UK average of 9% of businesses)



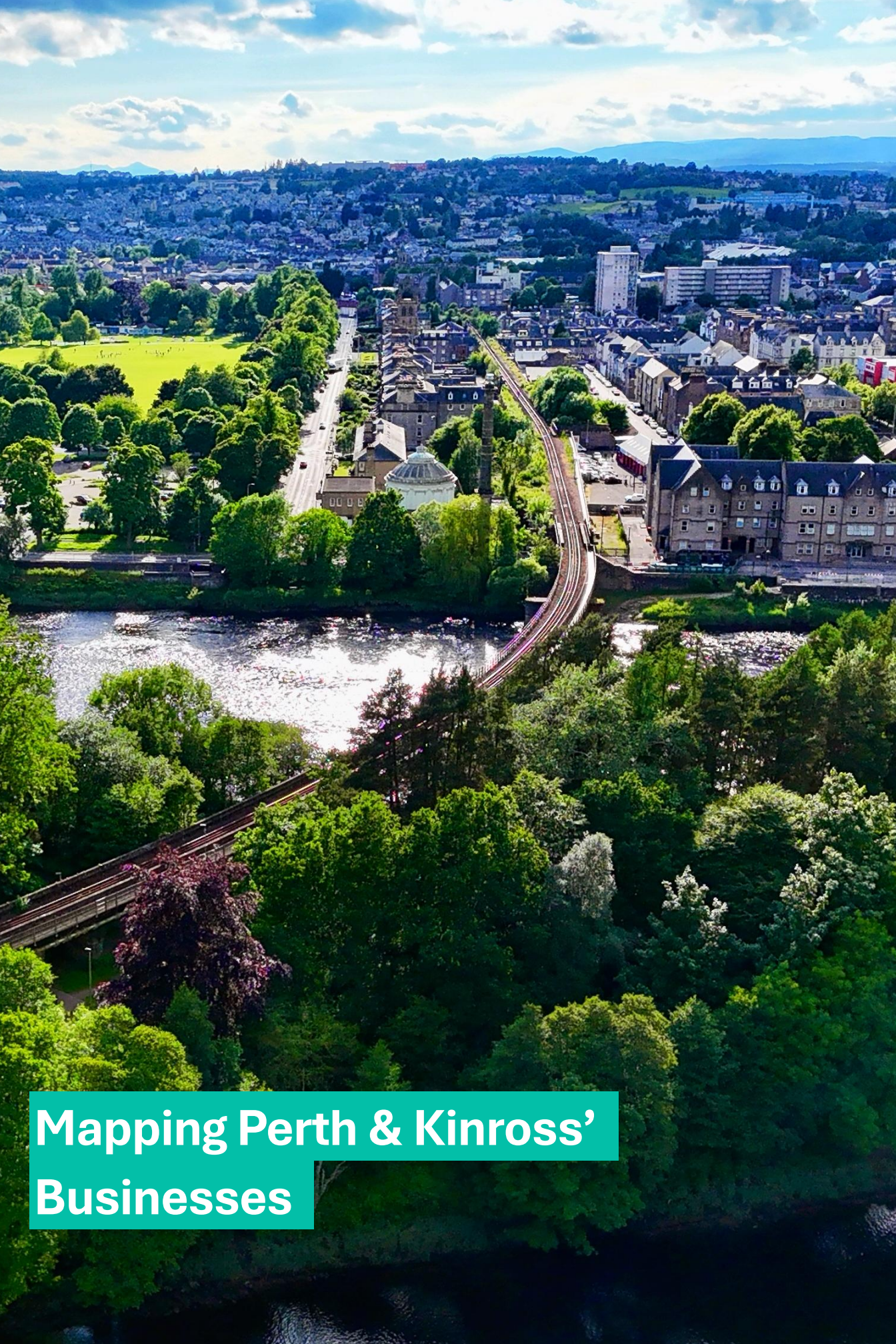
99.7%
businesses

The overwhelming majority of businesses in Perth and Kinross are SMEs with less than 250 employees – in total, there are around 89 large businesses in the region



62
businesses

There are 62 businesses in Perth and Kinross which simultaneously have high growth potential but also show signs of financial distress



Mapping Perth & Kinross' Businesses

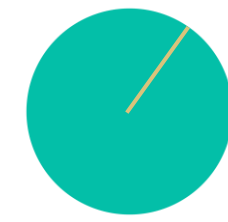
MAPPING PERTH AND KINROSS' BUSINESSES Business and Director Demographics

Business Demographics

The average age of businesses in the Perth and Kinross region is 11.35 years old, with businesses here typically more mature than the national average of 8 years old. 99.7% of businesses in the region are SMEs, in line with average. 57.5% of the region's businesses are in rural areas, with the remaining 42.5% located in urban areas.



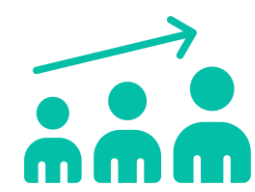
Average Business Age
11.35 years old in Perth and Kinross (8 Years in the UK)



99.7% SMEs
Compared to 99.6% in the UK

Director Demographics

On average, directors of businesses in Perth and Kinross are older than those in the UK by 2.5 years. The vast majority of directors of businesses in Perth and Kinross are British – other prominent nationalities are Irish, Polish American and German.



Average Director Age
51.45 Years Old (48.8 in the UK)



Top Nationalities of Directors
Include British, Irish, Polish, American and German

MAPPING PERTH AND KINROSS' BUSINESSES

Mapping Businesses in Perth and Kinross

Overall, there are around 5,600 businesses with a registered and/or trading address in Perth and Kinross. These businesses are located across the area, though with particular clusters as demonstrated by the map below. 21% of Perth and Kinross' businesses are located in Perth City Centre – together, Perth City Centre, Perth City North and Perth City South account for 35% of all businesses in the area. Beyond these majority urban areas, 58% of business in Perth and Kinross are located in rural areas – highlighting the importance of considering how local interventions can support the region's diverse geography.



58%

of Businesses in Perth and Kinross are located in Rural Areas

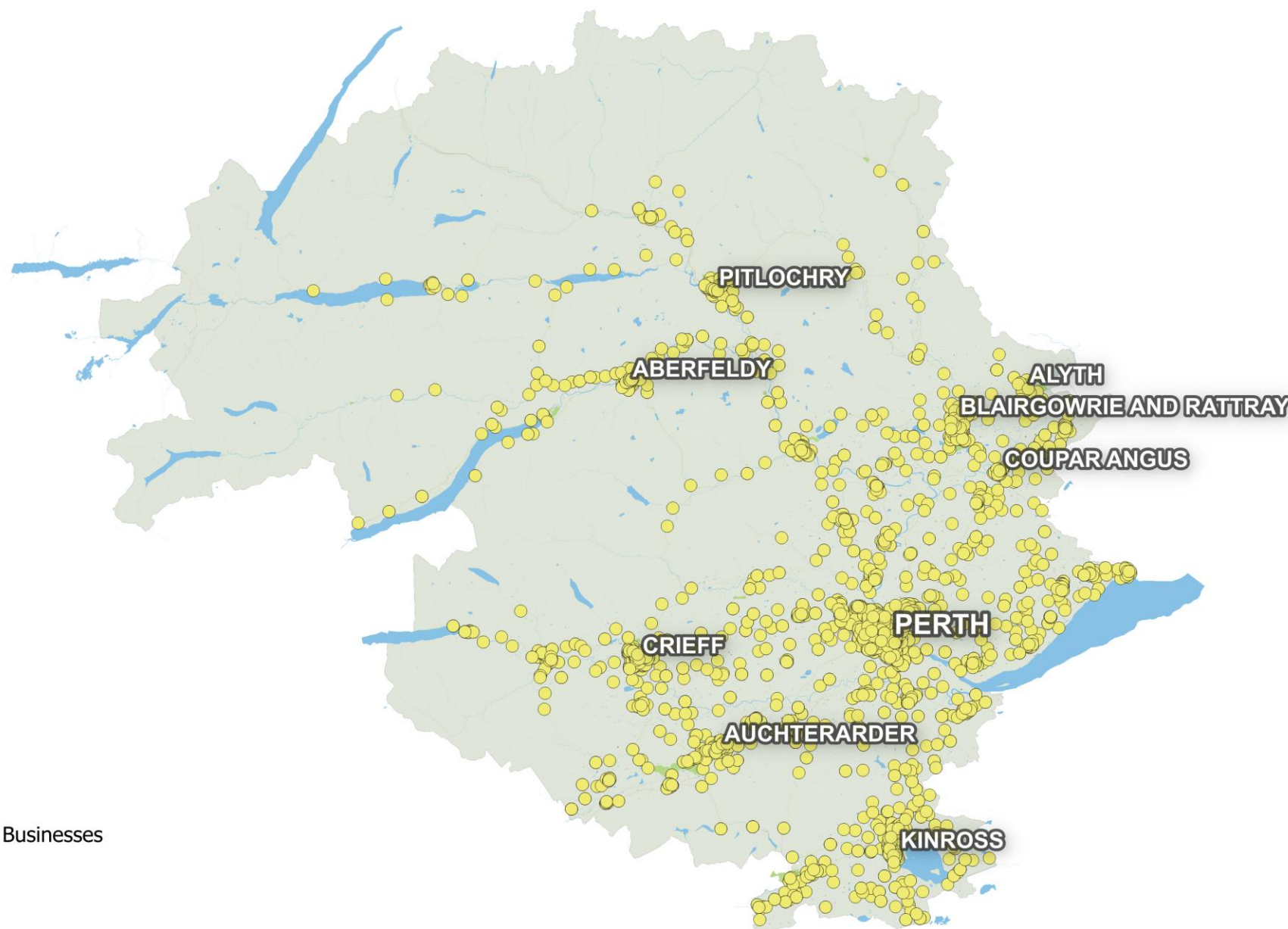
This is in line within the geographic context of 57% of Perth Kinross' postcodes being in rural areas.



21%

of Businesses are located in Perth City Centre

Perth City Centre has the highest concentration of businesses of ward areas in Perth and Kinross, with nearly 1,200 businesses located here.



Key

● Active Businesses

MAPPING PERTH AND KINROSS' BUSINESSES

Zoomed Map: Perth City

- Businesses with High Growth Potential and Early Financial Distress Signals
- Businesses with High Growth Potential
- All other Businesses





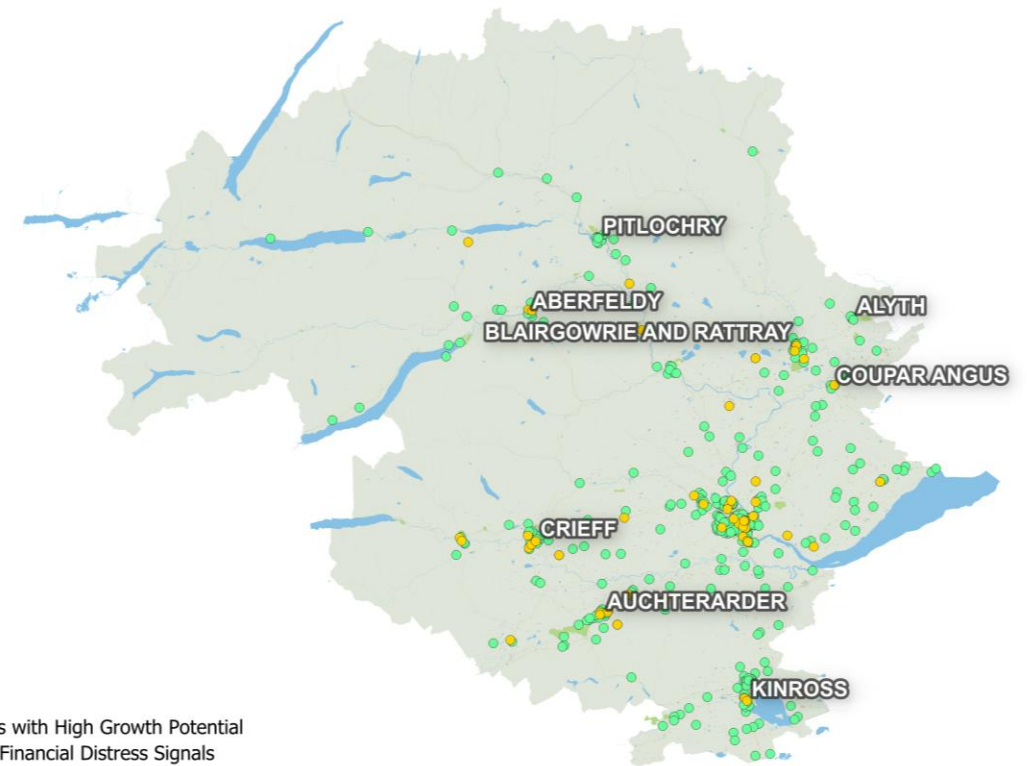
Evidence of Growth Potential

EVIDENCE OF GROWTH POTENTIAL

Distribution of High Growth Potential

Over 11% of businesses in Perth and Kinross have a High Growth Score and are expected to achieve high growth of 20% or more over the next year. This is significantly above the UK average of around 9% and shows particularly strong business growth potential in the area. In 2025, Perth and Kinross was named by Growth Flag as the top local authority in the UK for business growth potential in the year ahead – an award which considered metrics including the distribution of business growth potential, the value of growth potential and the risk associated with these businesses. The area has also been identified among the top areas for 2026 in initial analysis, highlighting continued strong performance locally.

The map below shows the location of businesses with high growth potential in Perth and Kinross. These businesses can be found throughout the area, including in rural areas. The map also highlights 62 businesses which simultaneously show signs of high growth potential and signs of financial distress. These businesses – known as being part of the Growth Flag Risk Cohort – are flagged for early intervention in order to support further growth in the area. These businesses have strong potential to achieve high growth, although they are signalling risks that may disrupt this growth.



- Businesses with High Growth Potential and Early Financial Distress Signals
- Businesses with High Growth Potential

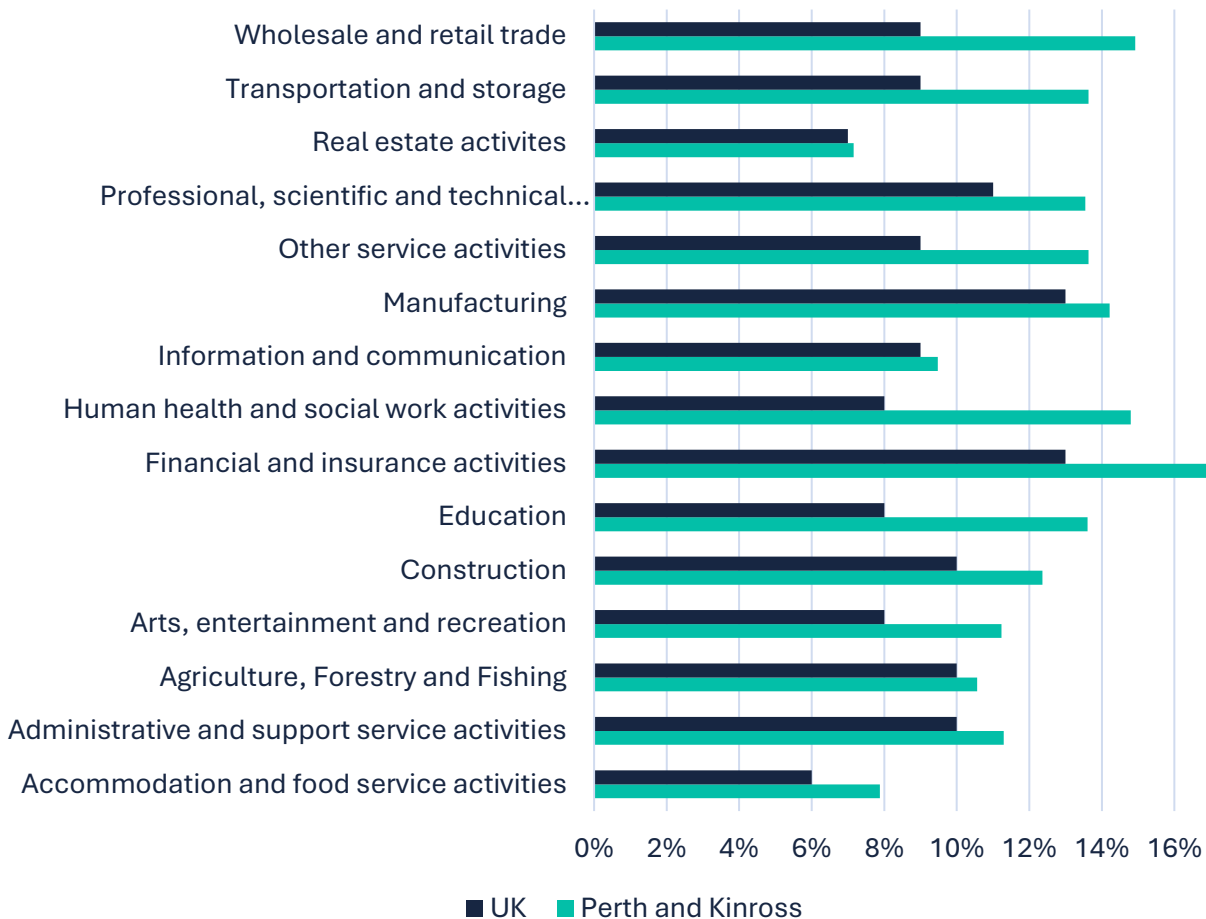
EVIDENCE OF GROWTH POTENTIAL

High Growth Potential by Sectors

The chart below highlights above average shares of high growth potential in all major business sectors in Perth and Kinross compared to the UK average. This indicates strengths across a broad range of sectors, and good levels of resilience in sectors which on average have lower levels of growth potential than other sectors.

In particular, financial and insurance activities is highlighted as a sector where a high level of businesses have strong growth potential in Perth and Kinross. 27 financial and insurance businesses in Perth and Kinross show signals of high growth potential – with these businesses being a mix of both small firms and large enterprises. The area also has over 130 high growth potential businesses in the wholesale and retail sector, supported by a thriving independent business community. Other significant sectors with the highest shares of high growth potential businesses locally include health, manufacturing and professional services.

Businesses with High Growth Potential by Sector

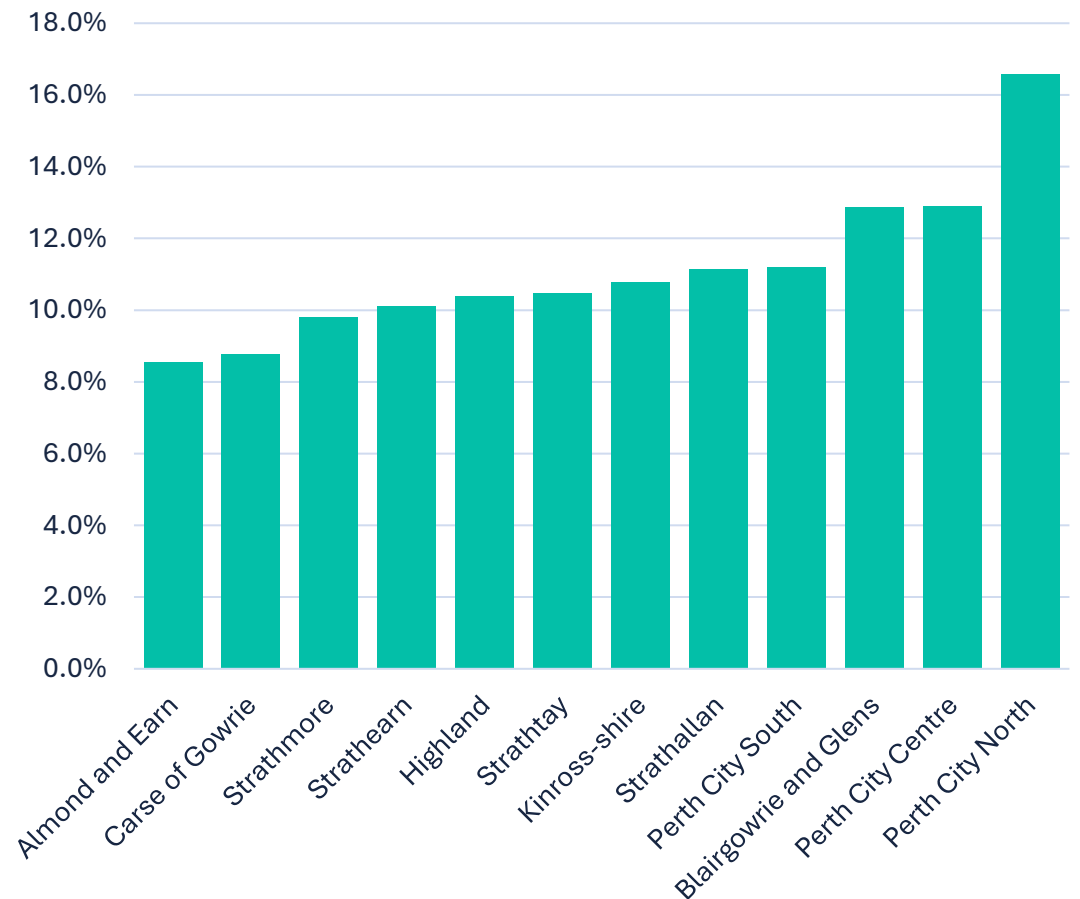


EVIDENCE OF GROWTH POTENTIAL

High Growth Potential by Wards

High growth potential can be found in businesses located throughout Perth and Kinross, although some areas have higher levels of high growth potential than others. Perth City North, Perth City Centre, and Blairgowrie and Glens all show particularly high shares of high growth potential, with over 12% of local businesses expected to achieve high growth over the next year. However, some areas including Almond and Earn and Carse of Gowrie show levels of high growth potential below the UK average. These areas have the lowest numbers of businesses for any wards in Perth and Kinross, although they both have higher than average shares of newly incorporated businesses (24%) compared to the area overall (21%).

Businesses with High Growth Potential by Ward



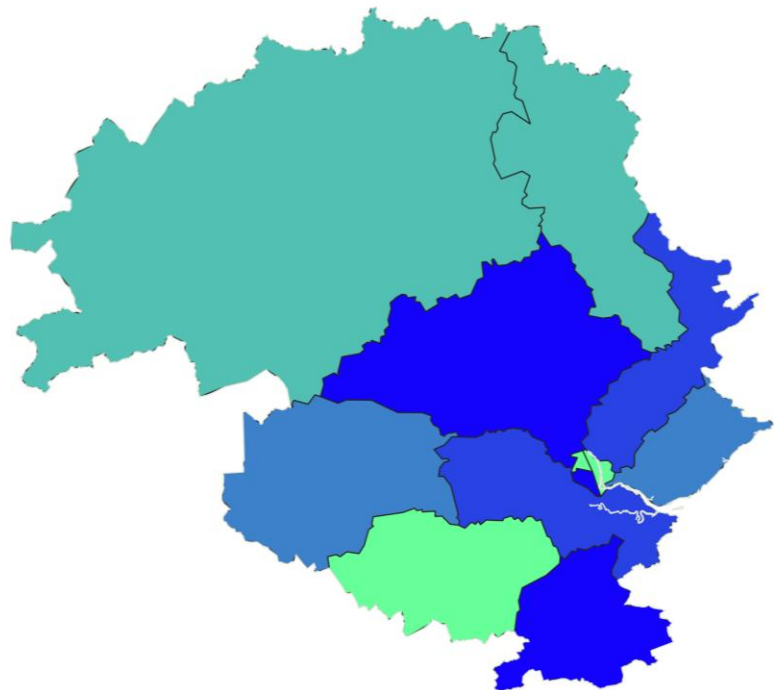
EVIDENCE OF GROWTH POTENTIAL

Assets of High Growth Potential Businesses

Exploring the Total Assets of businesses with high growth potential can provide insights into the potential value of growth in local businesses. Within Perth and Kinross, the distribution of assets is heavily concentrated in Perth City North, Perth City Centre and Blairgowrie and Glens, while Kinross-shire and Strathtay have the lowest levels of total assets among their local high growth potential businesses.

SSE plc is located in Perth City North and has a significant impact on the total assets figures in this ward and overall - this and other large companies are considered within Growth Flag's analysis where possible to estimate the local contribution to the economy. SSE is one of the largest employers in the region and has a major strategic and operational presence in Perth.

The map below shows the distribution of the total assets of businesses across the wards they are registered/trading in within Perth and Kinross.



Total Assets of Businesses with High Growth Potential

- Minimum
- Maximum

EVIDENCE OF GROWTH POTENTIAL

Business Growth Performance 2024-25

The below analysis considers changes in business finances (up to September 2025 for businesses previously analysed by Growth Flag in 2024). 3,138 companies were considered as part of the analysis where it could be confirmed that they had filed new accounts within this 10-month period and remained active. Not all businesses are required to file turnover data and not all businesses file headcount data, so the sample size varies for each statistic. As such, data is also provided to show changes in estimated headcount/turnover figures over the period.

A high number of businesses have reported growth over this period, as shown below:

Total Assets



15%

Average Growth in Total Assets (all actuals, excluding outliers)

584

Businesses Achieved 20%+ Growth (18% of the sample)

Employees



Average Headcount Growth

5% (based on actual and estimated figures – 3,138 sample size)

4% (based on actual figures only – 2,378 sample size)

Businesses Achieving 20%+ Headcount Growth

284 (9.1%, based on actual and estimated figures – 3,138 sample size)

216 (9.1%, based on actual figures only – 2,378 sample size)

Turnover



Average Turnover Growth

7% (based on actual and estimated figures – 3,138 sample size)

13% (based on actual figures only - 221 sample size)

Businesses Achieving 20%+ Turnover Growth

585 (18.6%, based on actual and estimated figures – 3,138 sample size)

41 (18.5%, based on actual figures only – 221 sample size)

EVIDENCE OF GROWTH POTENTIAL

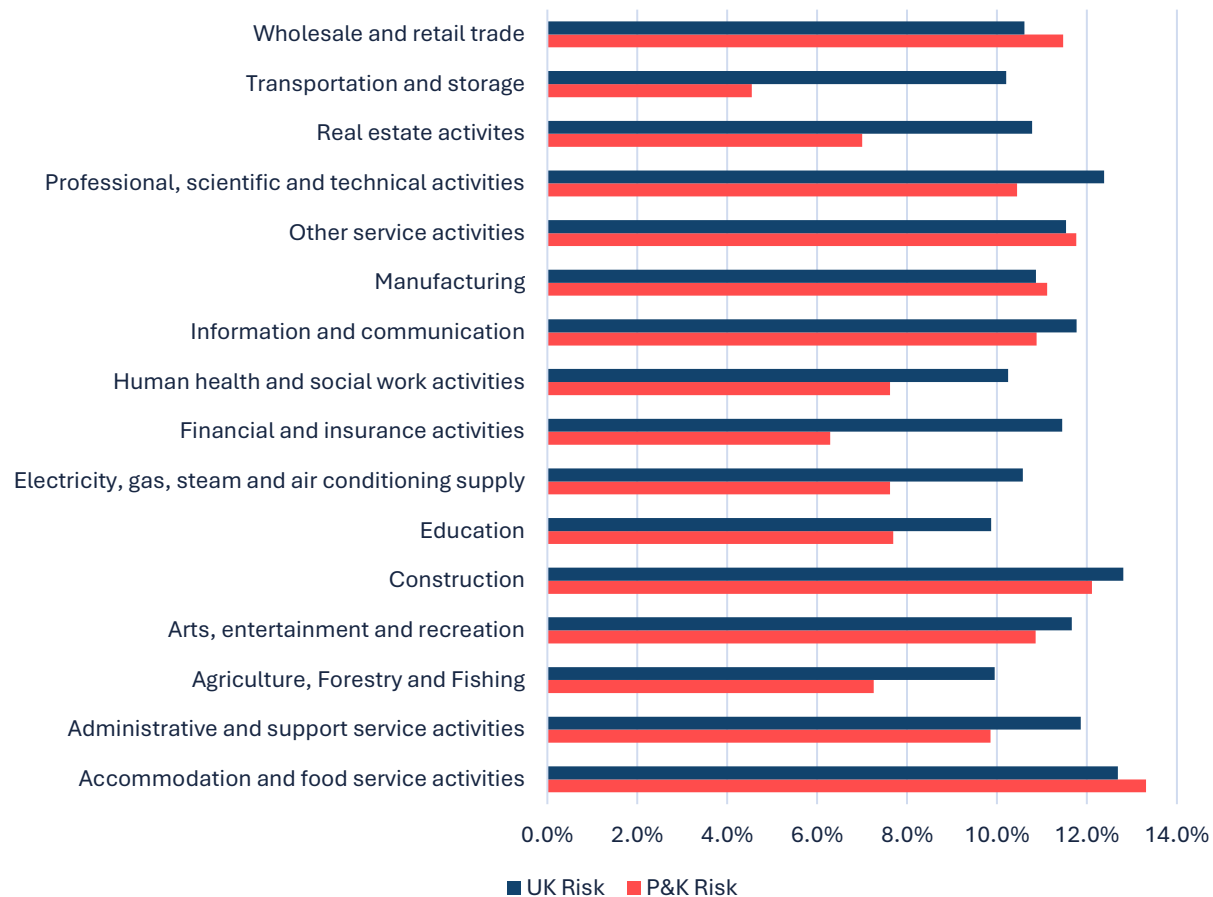
Business Risk

There are currently 590 businesses in Perth & Kinross which show signals of experiencing some form of financial distress. Whilst business risk within Perth & Kinross (10.6%), is significantly lower than the UK average (12.8%), it is important to understand which companies and sectors require attention to maintain lower levels of business risk.

Unsurprisingly, wards with a higher proportion of high growth businesses also have a higher proportions of businesses with risk signals. However, some wards disprove this; with Blairgowrie and Glens having the lowest proportion of risk but the third largest proportion of high growth potential businesses.

Almond and Earn, along with Strathearn rank within the bottom four of high growth businesses by ward, whilst they both fall within the highest fourth of wards with the greatest proportion of companies at risk.

Businesses with Financial Distress Signals by Sector



590
Businesses
Show Signals Of Distress



547 businesses
With One Red Flag

These businesses are showing early signs of financial distress. This could be for a variety of reasons ranging from financial challenges to director churn and not filing accounts on time.

33% of these businesses typically fail within 2 years.



16 businesses
With Two Red Flags

These businesses are showing more serious signals of financial distress. These businesses typically fail multiple checks against our risk algorithms and support is now much more urgent.

50% of these businesses typically fail within 1 year.

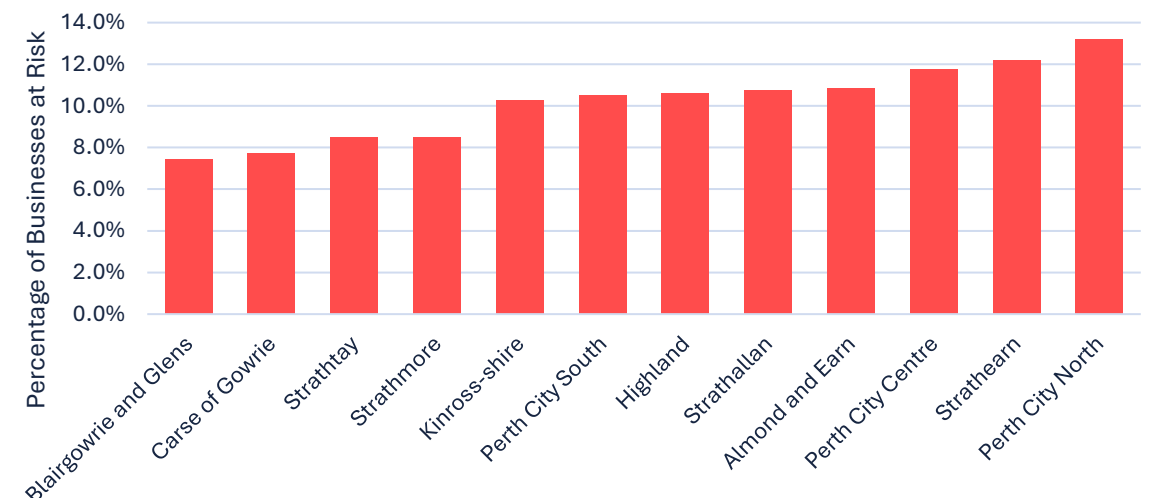


27 businesses
With Three Red Flags

These businesses are in critical distress and most of these businesses are unlikely to survive. Three Red Flags provides a final warning before businesses fail, or in some cases make a recovery.

78% of these businesses typically fail within 1-3 months.

Business Risk by Ward



*One and Two Red Flag figures also include provisional businesses



Spotlighting Business Sectors

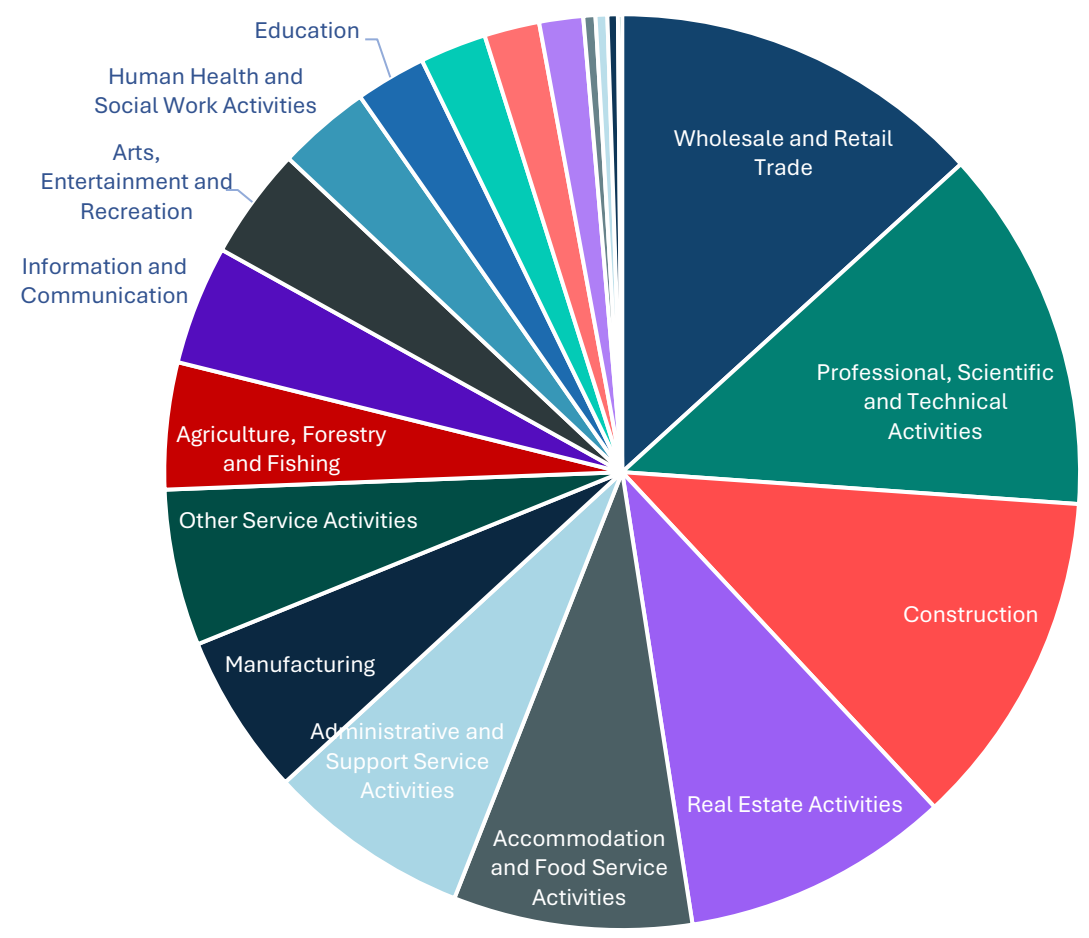
SPOTLIGHTING BUSINESS SECTORS

Key Sectors

By Broad Sector, the largest sector in Perth and Kinross for the number of active businesses is Wholesale and Retail Trade, with a total of 898 businesses. This is followed by Professional, Scientific and Technical Activities, and Construction.

Perth and Kinross is home to a variety of micro, small, medium and large-sized businesses across a range of sectors. This includes the presence of large employers in some sectors including the energy transition, and financial and professional services. When exploring the largest sectors by the collective total assets within those sectors, the electricity gas, steam and air conditioning supply is the largest sector (largely due to large employers and investments in the area such as SSE). This is followed by professional, scientific and technical activities, financial and insurance activities, and construction.

Share of Businesses by Sector



SPOTLIGHTING BUSINESS SECTORS

Focus Sectors

Perth and Kinross has six priority focus sectors representing the area's business strengths, strategic priorities and investment opportunities. These sectors, as identified locally, are highlighted below.

This report has highlighted strong growth potential across a wide range of sectors and the data shows strong alignment between these sectors with performance above the UK average. In particular, the data highlights that the share of businesses with high growth potential is around 4% higher in the financial and insurance activities sector, while it is around 2% higher in the accommodation and food services sector than the UK average.



Food and Drink



Energy Transition



Visitor Economy



Financial Services



Creative and Digital



Circular Economy

SPOTLIGHTING BUSINESS SECTORS

Specialist Sectors

In addition to Perth and Kinross' focus sectors, this report analyses a number of additional specialist sectors present in the local economy including fruit growers potato growers, distilleries and hotel accommodation. This analysis provides an initial view of these sectors, including their scale and growth potential, in order to support further analysis. These sectors (except fruit growers) show higher growth potential than the UK average, while some sectors such as accommodation and potato growers show significant numbers of non-limited businesses. These businesses – often freelancers or sole-traders – do not file accounts and may not be covered in traditional analysis, but may still contribute significantly to the local economy.



Fruit Growers

6 registered businesses identified, in addition to 14 non-limited businesses.



Potato Growers

25 registered businesses identified, in addition to 17 non-limited businesses.
8% of registered businesses show high growth potential (12% in UK)



Distilleries

20 registered businesses identified, in addition to 4 non-limited businesses.
35% of registered businesses show high growth potential (11% in UK)



Hotel Accommodation

227 registered businesses identified, in addition to 304 non-limited businesses (including bed and breakfasts.)
9% of registered businesses show high growth potential (8% in UK)

SPOTLIGHTING BUSINESS SECTORS

Visitor Economy

The visitor economy is a significant contributor to the local economy in Perth and Kinross and is one of the areas focus sectors. According to STEAM data, the visitor economy contributed £964m to the local economy in Perth and Kinross in 2024 – a 37% increase from 2023. Meanwhile, 2.9 million visitors to the area were recorded in 2024, exceeding pre-pandemic levels from 2019 of 2.4 million.

The below stats (using STEAM data) are provided to provide greater context to the visitor economy as a key sector in Perth and Kinross:



£964m Economic Impact

Historic Prices

92% of Economic Impact from Staying Visitors in 2024



12,167 Total Employment Supported

Increased from 8,200 in 2023 and 9,644 in 2019

92% of Economic Impact from Staying Visitors in 2024



6 Million Visitor Days

Increased from 4.96 Million in 2023

(5.44 Million in 2019)



Employment Sectors

Top Sectors include Accommodation, Food and Drink and Recreation

SPOTLIGHTING BUSINESS SECTORS

Strategic Alignment

The findings in this report align with the strategic priorities of the North East of Scotland and the Tay Cities, in particular in relation to sectors such as food and drink and the visitor economy. More broadly, the area shows good alignment to the IS-8 sectors identified in the UK Government's Modern Industrial Strategy.

In June 2025, the UK Government released its new Modern Industrial Strategy, providing the blueprint for how growth will be driven in the economy through to 2035. The strategy takes a place-based focus to growing the economy, with local areas to play important roles in driving growth in specific sectors highlighted through the strategy, known as the IS-8. These sectors include Advanced Manufacturing, Clean Energy Industries, Creative Industries, Defence, Digital and Technologies, Financial Services, Life Sciences, and Professional and Business Services.

Analysis shows that Perth and Kinross has higher levels of high growth potential businesses than the UK average in a number of IS-8 sectors including Clean Energy Industries, Creative Industries, Digital and Technologies, Financial Services, and Professional and Business Services.



1,700

Approximate number of businesses in Perth in Kinross operating in Industrial Strategy IS-8 Sectors

243

Approximate number of businesses in Perth in Kinross operating in Industrial Strategy IS-8 Sectors identified as having high growth potential



Takeaways and Implications

TAKEAWAYS AND IMPLICATIONS

Key Takeaways

This report has provided an overview of the local business base in Perth and Kinross, including the number of businesses, the sector profile, and the growth and risk characteristics of businesses in the area. Some of the key takeaways from this report include:

- **Overall, the business base in Perth and Kinross shows especially high levels of growth potential when compared to the UK average** – Over 11% of businesses in Perth and Kinross are expected to grow by 20% or more over the next year, compared to around 9% in the UK. The area's business base has stronger growth potential than average in all major sectors, while the risk identified among local businesses is below average. In addition, analysis highlights high levels of growth among businesses from 2024 to 2025. This highlights the significant strengths and resilience of the local business base and underlines the attractiveness of the area as a business growth and investment destination.
- **Perth and Kinross has strengths across a broad range of sectors, including in food and drink, the energy transition, the visitor economy, financial services, creative and digital, and the circular economy** – All of these sectors show strong growth potential in the region and are supported by leading assets and infrastructure to support their future growth. In addition, this report has highlighted strengths in particular specialist sector areas such as distilleries, while analysis indicates that the accommodation sector outperforms the national average, in support of a thriving visitor economy. Approximately 1,700 businesses in the area have been identified as aligning to the IS-8 sectors set out the UK Government's Modern Industrial Strategy, while around 240 of these businesses have high growth potential – demonstrating the positive contribution the region can have in contributing to the national growth ambitions.
- **Perth and Kinross has a diverse physical and economic geography, with around 58% of businesses located in rural areas** – This diversity is key to recognise to ensure that business support is effectively tailored throughout the region. Analysis in this report highlights that the vast majority of local areas within Perth and Kinross outperform the national average for levels of high growth potential businesses, although this is particularly the case in the majority urban areas of Perth City North, Perth City Centre, and Blairgowrie and Glens.



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