

Yesterday, the latest Scottish Business Monitor (SBM) was published. The survey is supported by Royal Bank of Scotland.

2019 marks the 22<sup>nd</sup> year the SBM has been run by the Fraser of Allander. The survey provides a snapshot of activity in the Scottish economy well in advance of official data. It also acts as a gauge of future activity levels by monitoring the optimism level of firms.

### The latest results

This latest Scottish Business Monitor covers activity up to the end of Q4 2018 and provides expectations to May 2020.

# Scottish Business Monitor

Quarter 4 2018



Supported by 

	Q4 2018	3-year average value	Change over the quarter	Change over the year
<b>FAI/RBS Business Activity Index (net balance*)</b>	+10%	+5%	▼ -6	0
<b>Business activity (net balance)</b>				
New business	+10%	+8%	▼ -6	▼ -3
Repeat business	+7%	0%	▼ -3	0
<b>Business concerns (%)</b>				
Weakening demand - important	80%	81%	▲ +4	▼ -1
Exchange rates - important	52%	52%	▼ -1	▼ -1
<b>Investment (net balance)</b>				
Capital investment	-4%	-3%	▲ +7	▲ +2
Leasing	-18%	-18%	▲ +6	▼ -3

\* Net balance of responses above zero indicates growing activity / improving optimism. The Fraser of Allander Institute Business Activity Index relates to total volume of business.

This latest data shows that the Scottish economy continued to grow in the final few months of 2018.

Our headline FAI Business Activity Index slipped a little from a net balance of 16% in Q3 to 10% in Q4. Whilst this is above the long-term series average, it is lower than businesses were expecting just three months ago. Small businesses appear to be the most gloomy.

Also of concern is the fact that businesses in Scotland are reporting not just a decline in

investment - as has been the case now since early 2017 - but also a modest fall back in export activity.

See the full details of the publication [here](#).