

Today the latest Scottish Business Monitor (SBM) was published.

2019 marks the 22nd 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 Q2 2019.

Scottish Business Monitor UNIVERSITY of STRATHCLYDE FRASER OF ALLANDER INSTITUTE

Quarter 2 2019

	Q2 2019	5-year average value	Change over the quarter	Change over the year
FAI Business Activity Index (net % balance*)	+14%	▼ -1	▲ +8	▲ +7
Business activity (net % balance)				
New business	+11%	▼ -2	▲ +4	▲ +2
Repeat business	+5%	▲ +3	▲ +1	▲ +5
Business concerns (%)				
Weakening demand - important	78%	▲ -2	▲ -3	▼ -1
Exchange rates - important	52%	▲ -3	▲ -2	0
Investment (net % balance)				
Capital investment	-7%	▼ -5	0	0
Leasing	-21%	▼ -3	▼ -4	▲ +2

* 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 second quarter of this year.

The net balance for new business was, once again positive (+14) jumping by eight points compared to the previous quarter. Many of the key net balances have recovered in recent quarters however, investment and export activity remain low.

The trends in investment continued to decline in the second quarter of this year as businesses remain hesitant in committing to new investment due to the lack of clarity on the economy's direction.

Net balances in exports slumped to its lowest level in 3 years with only 1 in 5 firms indicating a rise in export activity in the three months to May.