Monthly Economic Brief

August 2020

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Office of the Chief Economic Adviser

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Overview

This month's Economic Brief provides updated analysis for Scotland with the latest official statistics continuing to show the scale of the economic shock in Scotland from the Coronavirus pandemic while business survey data is starting to show stabilisation in economic activity as parts of the economy have reopened.

The latest GDP data for Scotland shows the scale of the impact on output from lockdown restrictions with GDP falling 18.9% in April alone. However, this was followed by 1.5% growth in May suggesting that April may be the low point for GDP during the pandemic. Growth in May was driven by a broad based pickup in construction and production sectors, however growth was more marginal in the services sector likely reflecting that large parts of the sector remained closed during the month. In particular, activity in the accommodation and food services sector continued to fall in May, highlighting the continuing challenges faced by this sector.

Despite growth in May, output remains around 22.1% below its level in February, emphasising the scale of recovery that is required. More recent data for the UK and other countries show the scale of the challenge globally. UK GDP fell by 20.4% in the second quarter as a whole, with the level of GDP now 17.2% below its level in February, while Eurozone GDP fell by 12.1% and US GDP fell by 9.5%.

The fall in output not only highlights the domestic economic challenges ahead, but also the global challenges for international trade and investment. The value of Scotland's goods exports remain notably lower than last year, and while this partially reflects the impacts of restrictions on supply chains and demand, the scale of the health and economic challenge across countries highlights the ongoing headwinds that trade is likely to face this year.

The impact of the pandemic on Scotland's labour market is also continuing to emerge. Data for April to June show that employment fell by 15,000 over the quarter while the unemployment rate rose to 4.5%. However, the furlough scheme has continued to be a key support to the labour market over that period, supporting around 30% of employees in Scotland and these headline indicators are expected to worsen as the scheme is unwound. The increase in the Claimant Count rate to 7.9% in July provides a signal that unemployment has risen and incomes have fallen over the month.

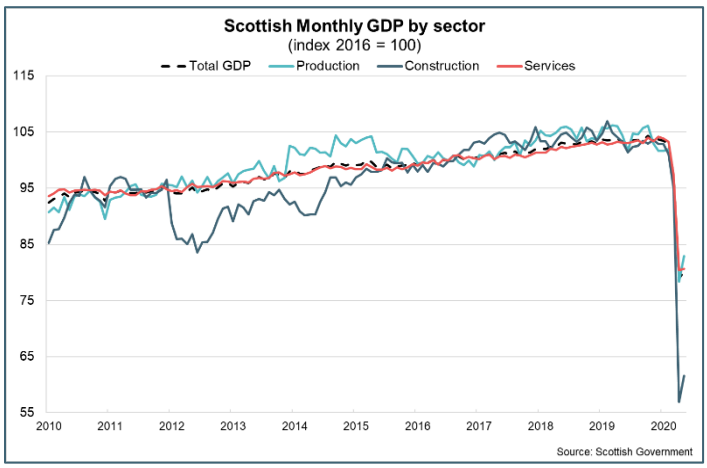
While the scale of the economic shock is continuing to materialise as more data become available, business survey data are starting to capture the effects of easing of lockdown restrictions in June and July on business activity as further parts of the economy reopen.

The PMI's are showing that business activity in July is gradually stabilising, with the manufacturing sector slightly ahead of the services sector, reflecting in part the slower pace at which lockdown restrictions have needed to ease in consumer facing parts of the service sector. Retail sales remain significantly lower than last year, however the annual falls are softening as larger parts of retail have reopened. At a global level, business indicators are also starting to show similar stabilisation in activity as is being seen domestically, which should help to support further recovery in trade.

Looking ahead, however, there are clear challenges for businesses as to how they adapt to the changing trading environment as we move through the remainder of quarter three and into the final quarter of the year. Business optimism has improved as restrictions have eased, however many businesses expect to continue operating at reduced levels of capacity and with reduced staffing levels as the support schemes are unwound. This, alongside a possible resurgence of cases of coronavirus, represent the main downside risks to the recovery.

Output[1]

Scotland's GDP data for May showed that output recovered slightly from April, however remained significantly below pre-COVID levels with lockdown restrictions still largely in place.



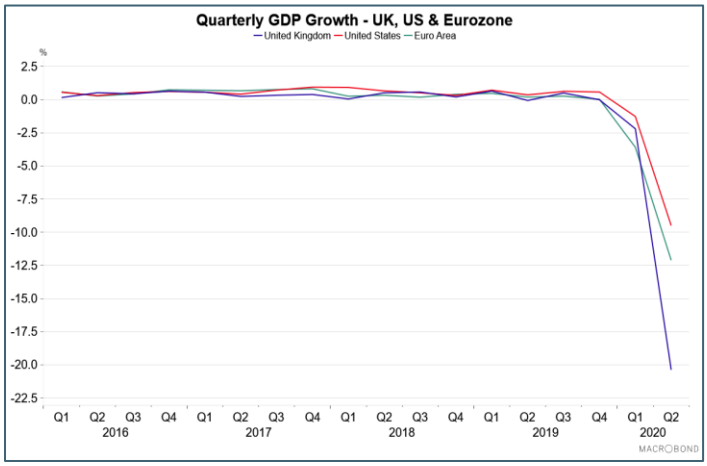
- Scotland's GDP grew 1.5% in May after falling by 18.9% in April and by 5.5% in March.
- The increase in output in May reflected a slight recovery in business activity over the month from April's low point, as firms and consumers adapted to lockdown restrictions and some business activity resumed.
- Despite the increase in output in May, Scotland's GDP was 22.1% below its level in February, prior to the lockdown restrictions which were introduced in March.

Change in Scottish Monthly GDP in May compared to February 2020 by sector

Total GDP	-22.1%
Production Sector	-18.7%
Manufacturing	-19.0%
Construction sector	-39.0%
Services sector	-21.9%
Accommodation & Food Services	-89.8%
Arts, Culture & Recreation	-54.3%
Wholesale & Retail	-25.3%

Source: Scottish Government

- At a sector level, growth in May was strongest in Construction (8.2%) and Production (5.7%). Services growth was more marginal (0.3%) and was supported by a pick-up in retail sales. However, lockdown restrictions continued to impact across other parts of the services sector.
- Overall, the industries with the largest falls in output during the lockdown have been those more consumer facing sectors or where working from home is not possible. This includes Accommodation & Food Services (-89.8% since February) and Arts, Culture & Recreation Services (-54.3% since February).



- More recent UK data show that UK GDP fell 20.4% over quarter 2 as a whole, following a 2.2% fall in quarter 1. The fall over the quarter was mainly driven by the 20% fall in output in April following the introduction of lockdown restrictions, with positive growth in May (2.4%) and June

[1] Scotland: https://www.gov.scot/collections/economy-statistics/; UK: https://www.ons.gov.uk/economy/grossdomesticproductgdp; Eurozone: https://ec.europa.eu/eurostat/documents/2995521/11156775/2-31072020-BP-EN.pdf/cbe7522c-ebfa-ef08-be60-b1c9d1bd385b US: https://www.bea.gov/data/gdp/gross-domestic-product

(8.7%) as lockdown measures eased. However, UK GDP remains 17.2% below its level in February.

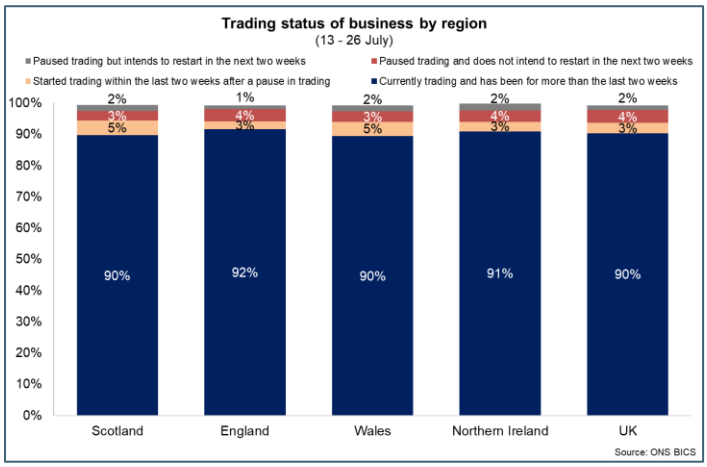
- The scale and duration of lockdown restrictions has varied across countries and regions during the first half of the year and has had different impacts on output. Initial estimates show that US GDP fell 9.5% in Q2 (following a 1.3% fall in Q1) and Eurozone GDP fell 12.1% in Q2 (following a 3.6% fall in Q1).

Business Activity

Business activity has started to stabilise in July as lockdown restrictions have continued to gradually ease and businesses have resumed operations.

Proportion of business trading

- Lockdown restrictions required many businesses to close or scale down activity in March, however the gradual easing of lockdown restrictions since the end of May, has enabled many businesses to plan for and restart business activity across manufacturing, construction and large parts of the services sector.



- In the second half of July, 5% of businesses in Scotland reported that they were temporarily closed (UK: 6%) and 94% reported that they were currently trading (UK: 94%).[2]

- The proportion of businesses reporting being temporarily closed has fallen from 12% in the second half of June and 18% in the second half of May as lockdown restrictions have gradually eased. Latest data show that of the 94% of businesses in Scotland that were trading, 5% had restarted within the previous two weeks.

- Further restarting of business activity was signalled with 2% of businesses in Scotland reporting that they were paused trading but intending to restart in the first half of August. However 3% reported that they did not intent to restart over the period.

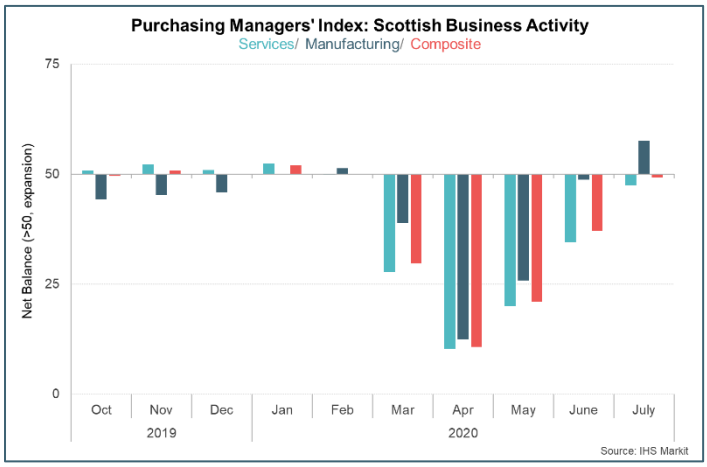
Business activity

- The RBS Purchasing Managers Index (PMI)[3] showed that business activity in Scotland fell for the fifth consecutive month in July (49.3).[4] However, the fall was marginal and activity has

[2] ONS Business Impacts of COVID-19 Survey, Wave 10, 13 – 26 July.
https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/latest
[3] IHS Markit, RBS Purchasing Managers Index, July 2020.
https://www.markiteconomics.com/Public/Home/PressRelease/82cb776e2fd44e2aaa134ae7eda23cc2
[4] The IHS Markit Purchasing Managers Index is between 0 and 100. Readings above 50 indicate an increase compared to the previous month, and below 50 a decrease.

strengthened every month since the low point in April (10.7) signalling that business activity in Scotland is stabilising.

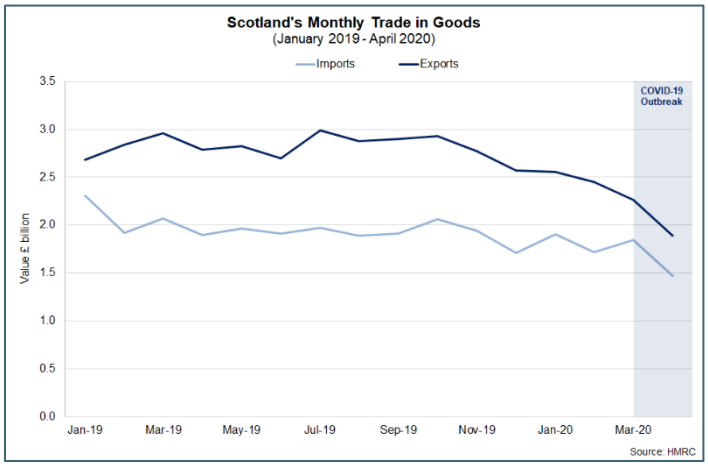
- At a sector level, manufacturing activity grew over the month (57.6) while services sector activity continued to fall (47.5) though to a notably lesser extent than in June. The improvement in activity over the month was supported by further stabilisation in new business (49.6), with new manufacturing orders rising over the month.

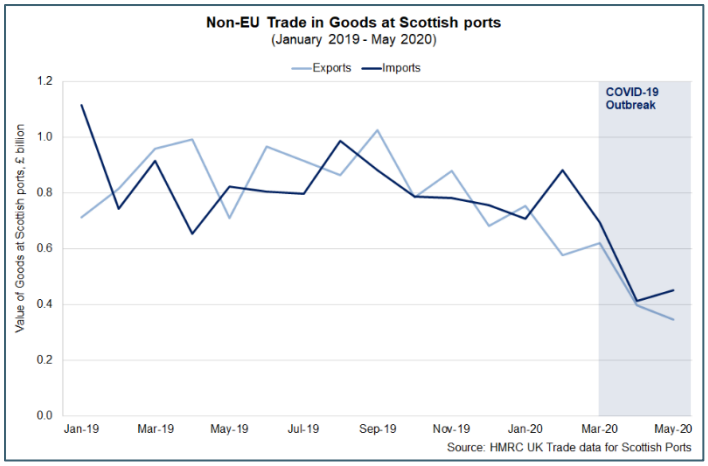


- This suggests the easing of lockdown restrictions has started to lead to an improvement in demand conditions with the more rapid rebound in manufacturing activity likely reflecting in part the more gradual pace at which restrictions have needed to ease across consumer facing services industries.

Trade

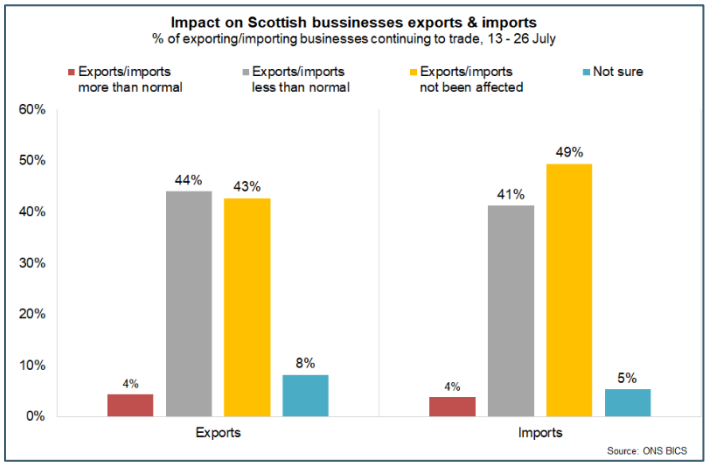
- On the back of significant global trade headwinds in 2019 and Brexit uncertainty, many businesses have faced further trade disruption in 2020 due to the pandemic and lockdown measures across countries.
- The value of Scotland's goods exports in April 2020 (compared to April 2019) declined by 32% (UK: -31%), while the value of imports fell by 22% over the same period (UK: -32%).[5]
- More recent data on Scottish ports activity (non-EU trade only) up to May 2020 shows further falls in trade activity, with activity falling since the start of the pandemic.





[5] https://www.gov.uk/government/statistics/regional-trade-in-goods-statistics-by-month-april-2020

- In May, the value of non-EU exports leaving Scottish ports (£345 million) was down 51% compared with May 2019, while non-EU imports entering Scottish ports (£451 million) was down 45% over the year.[6]



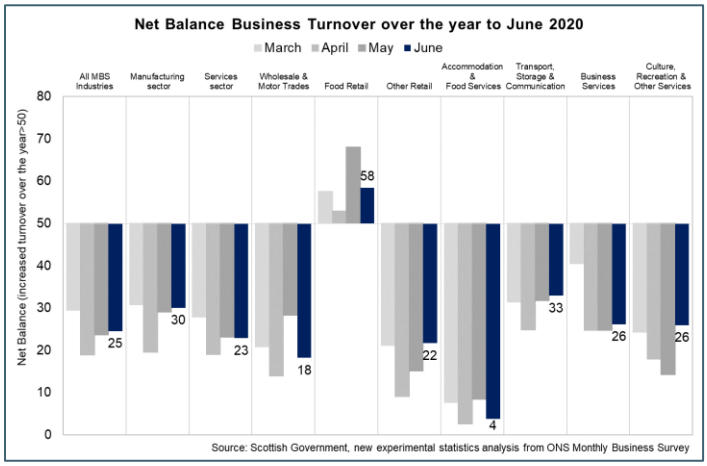
- ONS data[7] suggests that subdued trade activity continued into the second half of July with 44% of Scottish trading exporters reporting that they were exporting less than normal and 41% of Scottish importers. This was broadly in line with the UK as a whole (43% of exporters and 36% of importers).

Business Turnover

The closure and scaling down of businesses during lockdown has resulted in significant cashflow challenges for businesses, which remains a key risk as business reopen and adjust to new operating and demand conditions.

Monthly Business Turnover Index[8]

- The Monthly Business Turnover Index for June showed that most companies in Scotland continue to report that turnover has fallen compared to last year (24.6), though to a lesser extent than in April and May.



- The fall in turnover over the year reflects the impact of the restrictions on activity throughout the month and was evident in both the manufacturing (30) and service (23) sectors.

- Within the services sector, turnover declined across all industries (except for Food Retail) and most prominently in the Accommodation and Food Services industry and the Wholesale & Motor Trades, which were also the only two service sector industries to see turnover weaken at a faster rate compared to May.

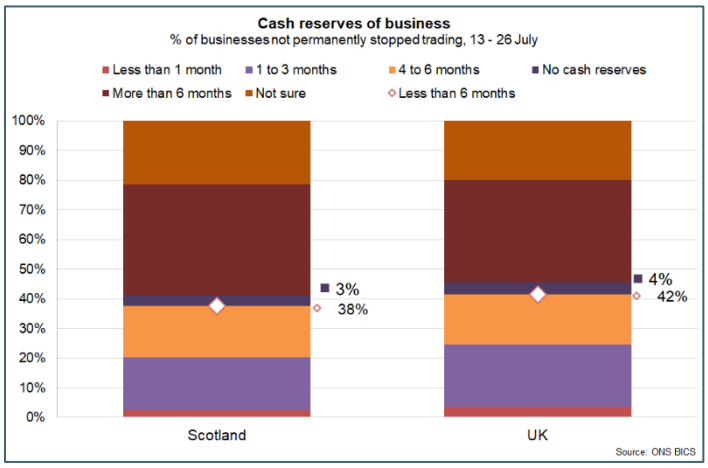
- The overall improvement in the business turnover index from May is in keeping with other business indicators signalling an increase in business activity as businesses planned for and

[6] HMRC UK Trade data for Scottish Ports
[7] ONS Business Impacts of COVID-19 Survey, Wave 10, 13 – 26 July.
https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/latest
[8] https://www.gov.scot/publications/monthly-business-turnover-index-june-2020/ The Index is between 0 and 100. Readings above 50 indicate an increase compared to the previous year, and below 50 a decrease.

restarted operations. However, the widespread falls in business turnover compared to last year continue to emphasise the challenging cashflow position that many businesses are facing.

Cash reserves of business

- The fall in demand and turnover has resulted in businesses using a combination of cash reserves, cost cutting, Government support and loans to accommodate ongoing costs for the business and maintain cashflow.
- Of Scottish businesses that had not permanently stopped trading in the second half of July, 38% of businesses reported having cash reserves to last between zero to six months (UK: 42%), while 38% of Scottish businesses had cash reserves to last more than 6 months (UK: 35%).[9] 3% of Scottish businesses reported they had no cash reserves (UK: 4%).



- The level of cash reserves remains a critical aspect of business viability as they transition from lockdown or reduced operations and start to rebuild capacity in an environment in which there remains levels of restrictions on activity and demand is returning gradually.
- ONS data for Scottish firms in the second half of July, reported that 57% of businesses currently trading reported a decrease in turnover compared to what is expected for this time of year (UK: 54%), while 13% reported their operating costs exceeded their turnover (UK: 16%).[10] Furthermore, the Scottish Business Monitor reported that 74% of business in Scotland expect to be operating at below normal levels of capacity over the next six months.[11]

Labour Market

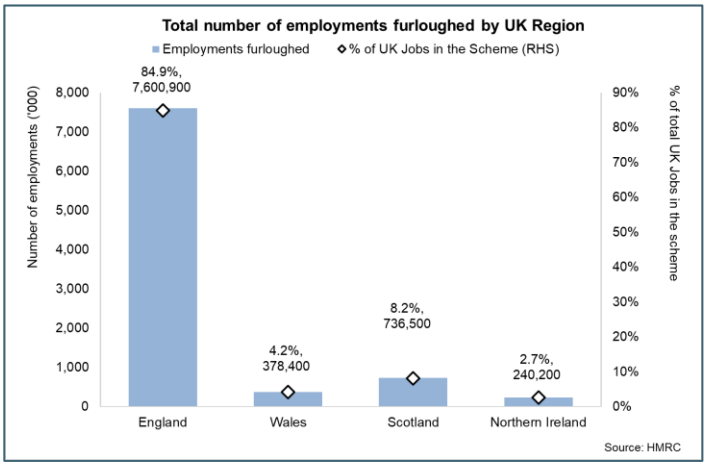
The impacts of the coronavirus pandemic on Scotland's labour market are only starting to emerge with the Coronavirus Job Retention Scheme supporting jobs and incomes during lockdown.

Coronavirus Jobs Retention Scheme (CJRS) and Self Employment Income Support Scheme[12]

- The CJRS has been supporting job retention and incomes during the lockdown phase as businesses have been required to close or significantly scale down business operations.

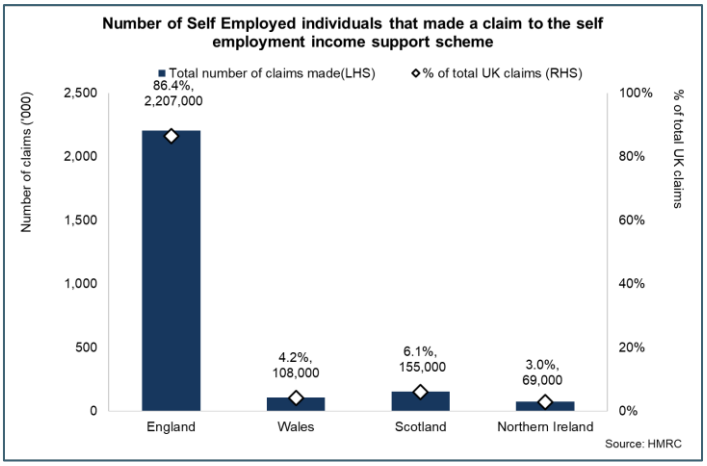
[9] ONS Business Impacts of COVID-19 Survey, Wave 10, 13 – 26 July. https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/latest
[10] ONS Business Impacts of COVID-19 Survey, Wave 10, 13 – 26 July. https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/latest
[11] https://www.addleshawgoddard.com/globalassets/insights/general/scottish-business-monitor-summer-2020/scottish-business-monitor-q2-2020.pdf
[12] https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-july-2020

- Up to the end of June 2020, 736,500 jobs had been furloughed in Scotland (9.4 million across the UK as a whole).This means that around 30% of employees in Scotland have been furloughed, in line with other parts of the UK (England: 30%; Wales: 29%; NI: 30%).



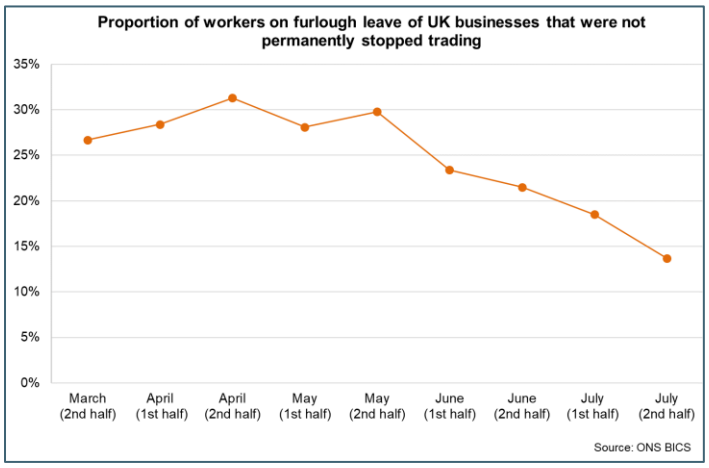
- Glasgow City (88,300) and Edinburgh City (69,500) were the local authorities in Scotland with the most claims, followed by North Lanarkshire (49,500).

- In terms of self-employed in Scotland, 155,000 (75% of eligible) self- employed individuals made a claim to the Self Employed Income Support Scheme (SEISS) up to the end of June.



- By local authority the highest take-up rate of the SEISS was in West Dunbartonshire (80%) and the lowest in Orkney Islands (60%).

- ONS data[13] show that the CJRS remained an important element of support for businesses in the second half of July. At a UK level, of businesses that had not permanently stopped trading, 14% of their workforce was estimated to be on furlough leave. This is down from 23% in the first half of June, and reflects the return of workers from furlough as business have reopened and resumed activity.



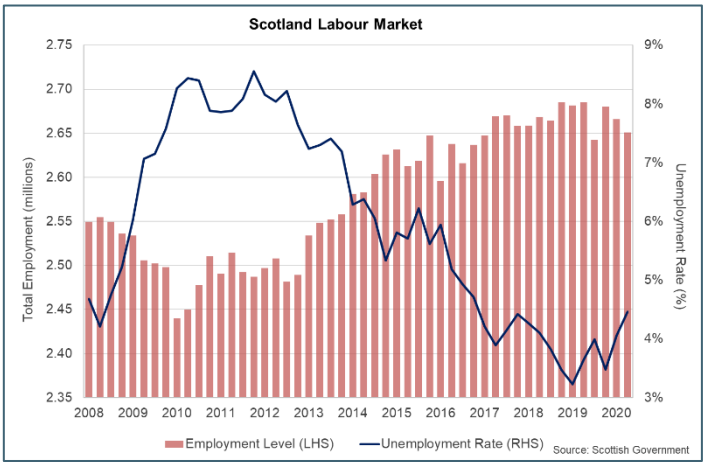
Official labour market statistics

- The latest labour market statistics cover the period April to June when the economy was in full lockdown and in which businesses were receiving support through the Coronavirus Job

[13] ONS Business Impacts of COVID-19 Survey, Wave 10, 13 – 26 July.
https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/latest

Retention Scheme (CJRS) and the Self Employment Income Support Scheme (SEISS) to help retain and support employment levels.[14]

- Over the quarter to April to June 2020,[15] the employment level decreased by 15,000 in Scotland and the employment rate fell by 0.4 percentage points to 74.3% (UK: 76.4%).
- The fall in employment over the quarter is mainly reflected in a rise in the unemployment level by 11,000. The unemployment rate increased by 0.4 percentage points to 4.5% (UK: 3.9%).



- Economic inactivity (those neither in employment or ILO unemployed) also increased over the quarter, with the level rising by 3,000 and the inactivity rate increased by 0.1 percentage points to 22.2% (UK: 20.4%).

The unwinding of COVID-19 labour market schemes and unemployment

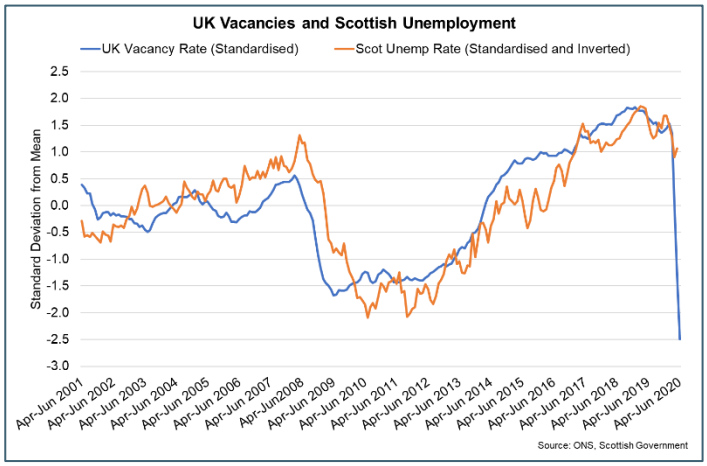
The latest labour market statistics show that the rate of unemployment across April to June 2020 in Scotland was 4.5%. Although this has risen since the start of the year it suggests that the impact of Coronavirus on the labour market has yet to come through – some of the reasons for this are discussed by the Office for National Statistics (ONS).[16]

A key factor behind the relatively robust labour market data is the furlough and self-employment support schemes implemented by the UK government, which have supported around 900,000 jobs in Scotland since their introduction (736,500 employments on the CJRS and 155,000 claims on the SEISS). Furloughed workers are still considered to be employed in the labour market statistics, although they are temporarily unable to work. In our June Monthly Economic Brief, we set out analysis suggesting that unemployment could have risen to around 14% without these schemes.

The UK Government has announced the unwinding of these schemes and the eventual closure of the CJRS at the end of October. Consequently, it is likely that a number of jobs currently sustained by these schemes may be lost. The analysis below considers three different approaches to estimating the risk facing the labour market.

[14] The labour Force Survey account for furloughed workers as employed, but temporarily aw ay from w ork.
[15] https://www.gov.scot/collections/labour-market-statistics/
[16] https://www.ons.gov.uk/employmentandlabourmarket/peopleinw ork/employmentandemployeetypes/articles/coronavirusandtheeffectsonuklabourmarketstatistics/2020-05-06

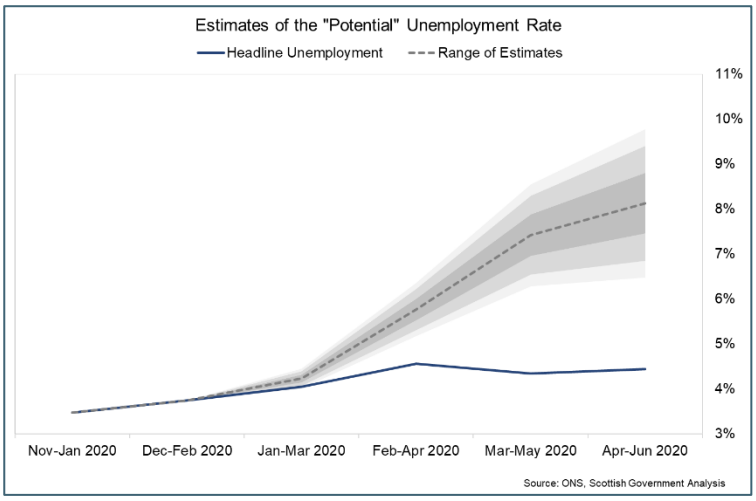
The first approach considers the historic relationship between the unemployment rate and monthly vacancy data; unemployment tends to be low when vacancies are high and vice versa. Vacancies have fallen to their lowest level since the series began and are lower than during the peak of the financial crisis. Subsequently, we estimate the unemployment rate that would historically be associated with these current levels of vacancies.



The second approach uses HMRC data on the number of jobs which have been supported in Scotland. In their latest central scenario, the Office for Budget Responsibility assumed 15% of furloughed jobs could be lost, whilst Resolution Foundation research suggested that between 10% and 24% of furloughed workers thought it likely that their jobs could be lost. Recently others such as the Bank of England and the National Institute of Economic and Social Research (NIESR) have also published further evidence or views on the likely share of furloughed workers whom may lose their jobs. Using this range of evidence, we use Monte Carlo analysis to translate these proportions into a range of estimates of the percentage of jobs that could be lost and what impact this would then have on the current unemployment rate. We take a high level approach and apply this to both the CJRS scheme and the SEISS claim numbers.

The third approach relies on previous modelling published by the Scottish Government in the June edition of the Monthly Economic Brief. This analysis uses the Scottish Government Global Econometric Model (SGGEM) – a large scale, global general equilibrium model to produce various scenarios on the medium term outlook of the Scottish economy, including that of the labour market.

The fan chart represents the range of results from the various approaches. This effectively represents an estimate of how many people in Scotland we think could potentially become unemployed, and how this compares to the current unemployment rate. From the approaches described above, we currently estimate that unemployment could increase to 6% to 10% as support is withdrawn, with more



weight being placed on the central estimate in the region of 7% to 9%. A table of the methodologies and their results is shown below.

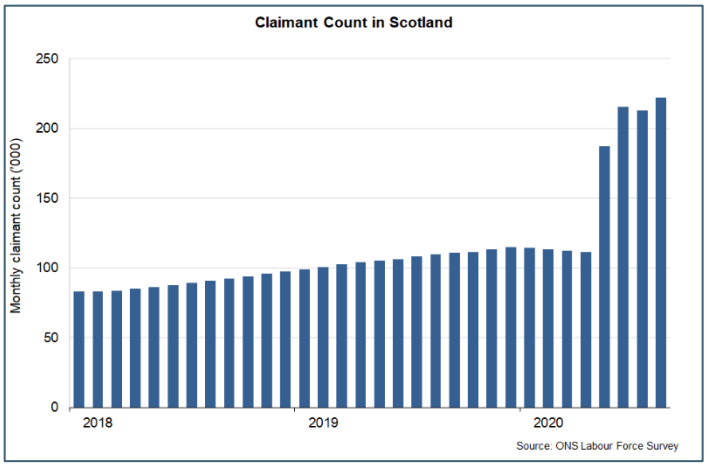
Latest Results	Model Used	Description
Central Estimate: 8.0%; {95% Conditional probability of lying between 6.1 % and 10.0%}	Monte Carlo Simulations (Methodology 1)	Uses HMRC CJRS & SEISS data and evidence from a variety of internal and external sources
Central Estimate: 8.7%; {95% Confidence Interval lying between 8.5% & 8.9%}	Statistical Regression (Methodology 2)	Examines the historic relationship between monthly vacancy data and the unemployment rate
Range: 7.5% to 10%	General Equilibrium Model (Methodology 3)	Scenario analysis on a range of possible COVID medium term outlooks

Although there is still a high degree of uncertainty, it is noted that the estimates from three very different methodologies have created a range that are relatively aligned with one another. We know that the labour market interventions have been successful in preventing an immediate increase in unemployment, but there is a risk that they have simply deferred the increase in unemployment until later in the year when they are withdrawn.

These approaches estimate what may happen to unemployment solely as a result of the existing support schemes ending. There will be wider economic impacts, such as structural changes in the labour market due to a potential mismatch in skills between employers and employees, or people finding work through the new job creation schemes, which are not fully captured. However, based on the latest available data, we currently might expect the unemployment rate to rise to around 8% as the support schemes unwind, the same level as at the peak of the financial crisis.

Claimant Count

- Scotland's Claimant Count[17] (the number of claimants of Job Seekers Allowance and claimants of Universal Credit who were claiming principally for the reason of being unemployed) continued to rise in July



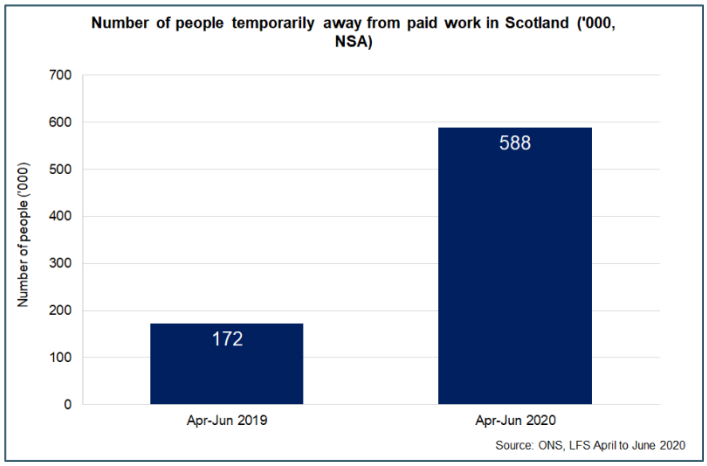
[17] https://www.gov.scot/collections/labour-market-statistics/

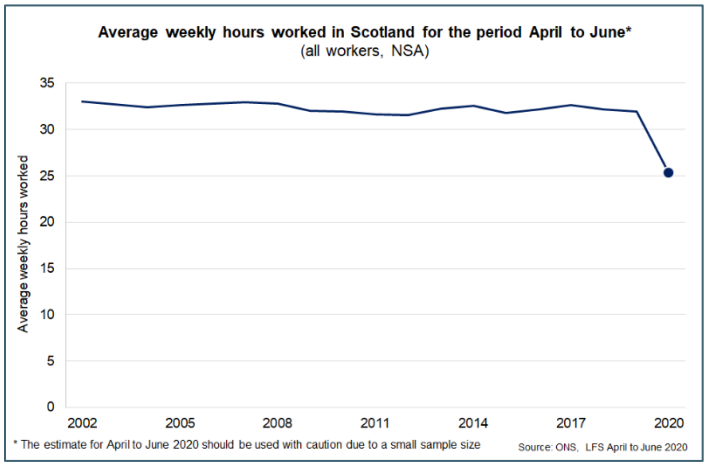
reflecting that the number of people that are unemployed or employed with low income and/or low hours is increasing.

- In July, the number of claimants increased by 9,100 (4.3%) over the month to 222,300, taking the Claimant Count rate to 7.9% (UK: 7.5%).
- Compared to last year, the Claimant Count has more than doubled (up 102.4%), however most of that increase has come in recent months with the number of claimants rising by around 111,000 since March (+100%).

Hours worked

- Official labour market statistics for April to June 2020 record furloughed workers as employed, and as such, considering the number of people temporarily away from work and number of hours worked, provides further insights into labour market activity.
- Compared to the same time last year, the number of people in employment in Scotland who were temporarily away from paid work has more than tripled in April to June 2020 to 588,000 (up from 172,000). This accounts for 22.1% of people that are employed (6.4% in Apr-Jun 2019).
- The average weekly hours worked in Scotland for the period April to June 2020 have decreased significantly by 6.7 hours to 25.3 hours compared to same period in 2019, a decline of 21%.



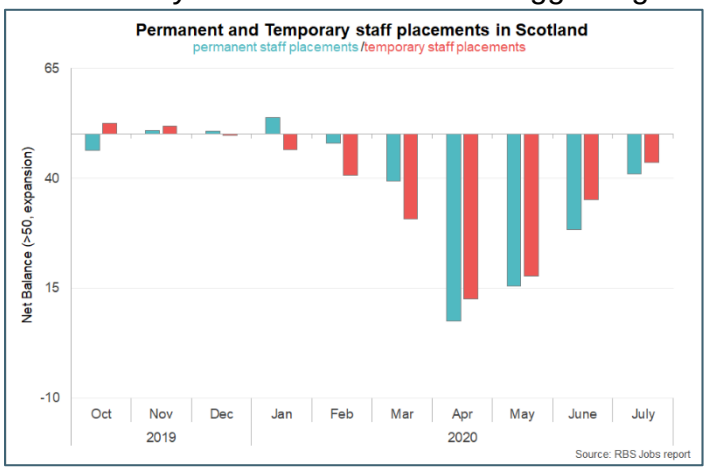


Demand for staff in Scotland

- The RBS Report on Jobs survey for July[18] reported further falls in demand for permanent and temporary staff in Scotland, albeit to a lesser extent than in recent months.
- Staff placements and vacancies continued to fall over the month reflecting that businesses continued to freeze or delay hiring activity.

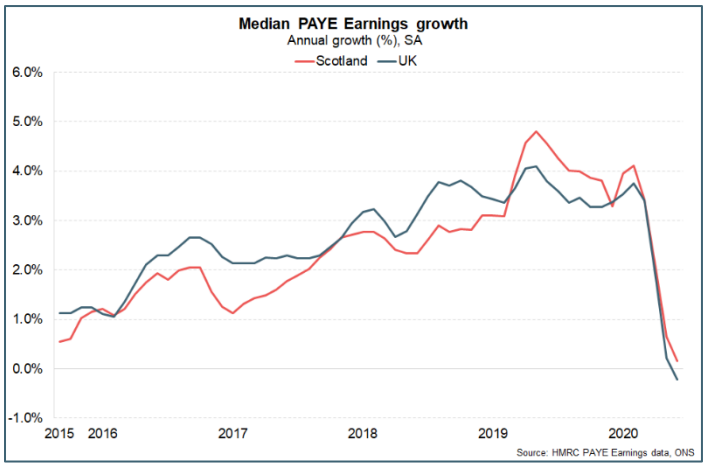
[18] https://www.markiteconomics.com/Public/Home/PressRelease/2e506f90094e4c63ae4f37c082925c83

- Alongside this, candidate availability continued to rise in July for its second month suggesting a rise in redundancies, while pay pressures were evident with salaries appointed to new staff continuing to fall, though at their slowest rate since March.
- This is consistent with the PMI for July which reported that despite stabilisation in output, business continued to report falling staffing levels due to reduced production requirements.



Earnings

- The impact of the pandemic on business activity and Scotland's labour market has seen a sharp slowdown in earnings growth since March.
- PAYE[19] median monthly pay in Scotland in the three months to June was £1,838. This was an 0.2% increase from the same period last year having slowed from around 4% annual growth at the start of the year.

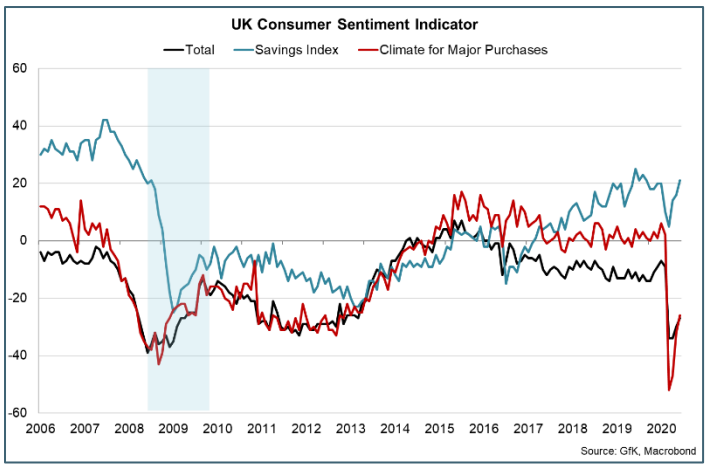


Consumption

Lockdown restrictions have had a significant impact on consumer sentiment and consumption activity which have shown some early signals of stabilising as restrictions have eased.

Consumer sentiment

- UK consumer sentiment fell sharply during lockdown, reflecting weaker expectations about the performance of the economy and personal household finances.
- UK consumer sentiment improved slightly in July as the economy continued to reopen, however remained low at -27.[20]



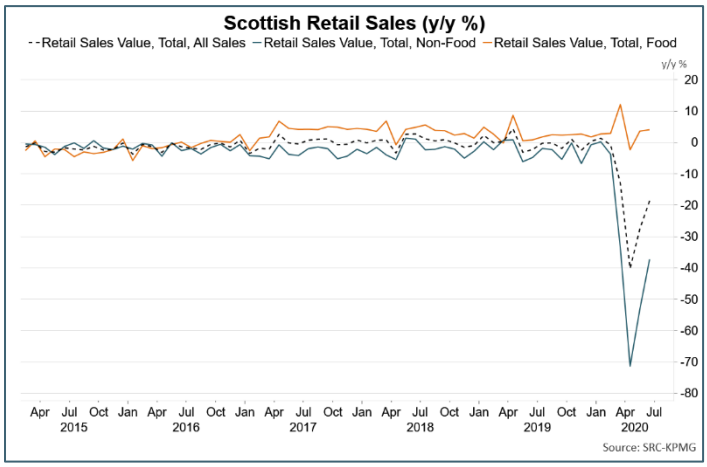
19 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/earningsandemploymentfrompayasyouearnrealtimeinformationuk/august2020

20 https://www.gfk.com/en-gb/press/UK-Consumer-Confidence-holds-steady-for-July?hsLang=en-gb

- Compared to June, households in July reported small improvements in economic and household financial expectations for the next 12 months and a pick-up in attitudes towards savings and major purchases.

Retail sales

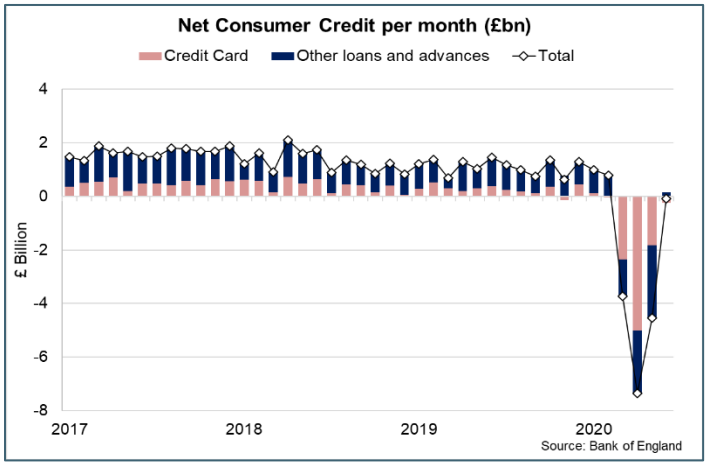
- Scottish Retail Consortium data[21] on retail sales for June reported an annual decrease of -19% in total retail sales in Scotland, easing from the fall in May (-28%) and the record fall in April (-40.3%).



- The decline in retail sales in June was mainly driven by a fall in non-food retail sales. Over the year to June, non-food retail sales fell by 37%, while food retail sales increased by 4%.
- The combination of lockdown measures, increased pressure on incomes and weaker sentiment are factors that likely drove the continued fall in retail sales in June compared to last year. However the softer decline compared to April and May is consistent with the easing of consumer sentiment and business activity indicators as lockdown restrictions started to ease.

Consumer lending and repayment[22]

- While consumer spending has fallen sharply during lockdown, likely reflecting a combination of essential retail closure and weaker sentiment regarding the outlook, the CJRS has been supporting incomes of those on furlough whilst those employed in sectors that are more able to work from home have continued to receive their usual income. This has in part been reflected in people repaying more consumer credit than they have been taking on in new borrowing.

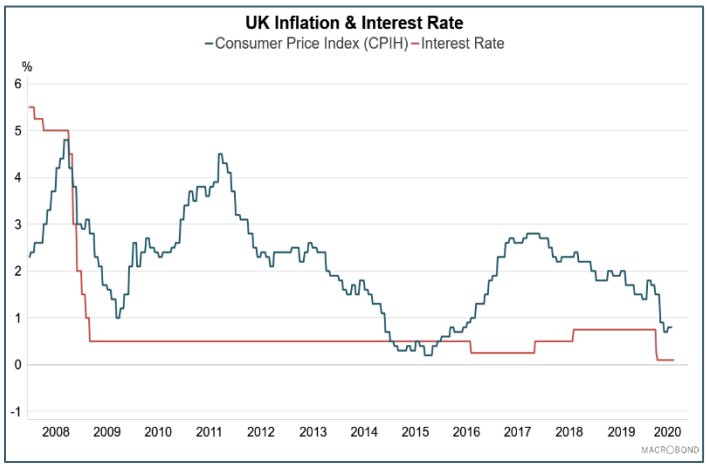


- Households' consumer credit borrowing recovered a little in June, following three particularly weak months. On net, households repaid £15.6 billion of consumer credit in the three months to May.
- Households made a small net repayment in June (£86 million), suggesting that consumer spending remained weak.

[21] Source: Scottish Retail Consortium.
[22] https://www.bankofengland.co.uk/statistics/money-and-credit/2020/june-2020

Inflation and interest rate

- The collapse in demand, alongside the fall in oil price to record lows has placed downward pressure on inflation in the first half of 2020.



- The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.8% in June 2020, up from 0.7% in May 2020 but down from 1.8% at the start of the year.[23]
- Key contributions to the latest increase in the inflation rate came from rising prices for games and clothing which was partially offset by falling prices for food.
- The Bank of England maintained the Bank Rate at 0.1% in August 2020[24] and in their current central scenario analysis project inflation to fall to 0.25% in 2020 before rising to 1.75% in 2021 and 2% in 2022.

GDP Growth Outlook

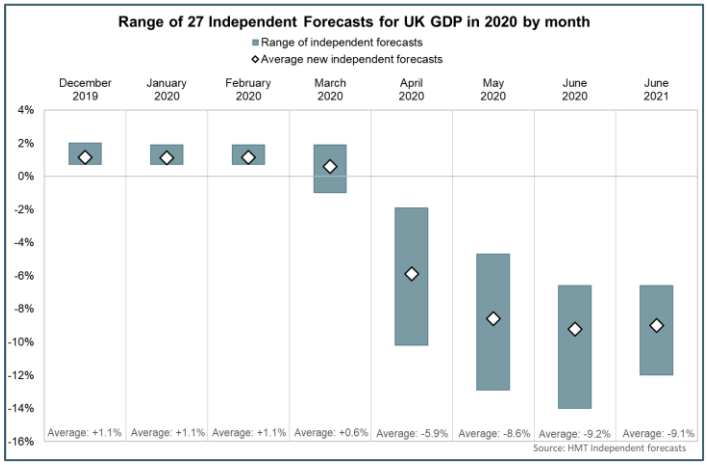
The economic outlook for 2020 has stabilised in recent months, albeit at a low level, but with high levels of uncertainty for the medium term as a result of the pandemic and the necessary restrictions on economic activity to minimise the spread of the virus.

- The scale and duration of the economic impacts from the pandemic remain highly uncertain with substantial ongoing risks associated with further increases in COVID-19 infection rates and the potential reintroduction of restrictions, the pace at which economic activity and output will recover to pre-pandemic levels, and the feed through to the labour market as support schemes are unwound.
- At a global level, the IMF World Economic Outlook Update[25] projects global GDP to fall by 4.9% in 2020 with output from Advanced Economies falling 8% and Emerging Markets and Developing Economies falling 3%.
- At a domestic level, as the UK and Scottish economy have continued to reopen, business activity has stabilised and started to recover growth as firms have reopened and restarted operations. However, underlying demand remains subdued with new orders/business, domestic and

[23] https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/june2020
[24] https://www.bankofengland.co.uk/news?NewsTypes=09f8960ebc384e3589da5349744916ae&Taxonomies=36308a372d1e44ee94e6b5915796c531&InfiniteScrolling=False&Direction=Latest
[25] https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020

international starting to recover from low levels and businesses continuing to reduce staffing levels to contain costs and adapt to lower levels of demand.

- In Scotland, scenario analysis published in June, suggests GDP could fall by 14% in 2020 and unemployment could rise above 10% and not return to pre-crisis levels until 2023-24.[26]



- More recent projections from the Bank of England estimates UK GDP could fall by 9.5% this year[27] while the latest average of new independent forecasts published by HM Treasury's[28] suggests UK GDP could contract by -9.1% in 2020.

[26] https://www.gov.scot/publications/monthly-economic-brief-2/
[27] https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2020/august/monetary-policy-report-august-2020.pdf?la=en&hash=75D62D3B4C23A8D30D94F9B79FC47249000422FE
[28] https://www.gov.uk/government/collections/data-forecasts#2020

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