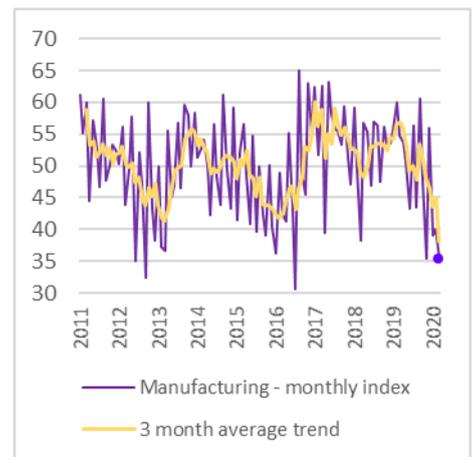
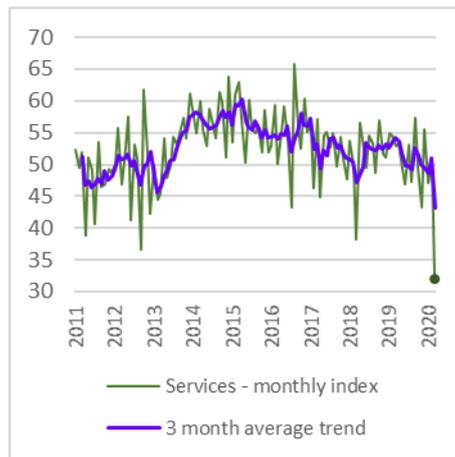
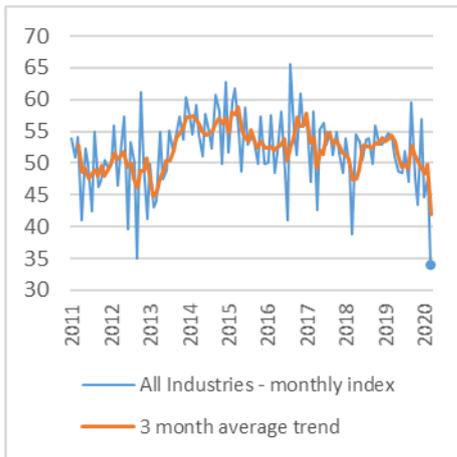


The Monthly Business Turnover Index is a newly developed set of experimental statistics which gives an early indicator of business activity using the survey data held by the Scottish Government.

The index is similar to the IHS Markit PMI indicators. It reports the net balance of firms reporting increasing or decreasing turnover, in real terms, compared to 12 months ago. Values above 50 indicate that more companies are showing increased turnover than decreased turnover.

## Latest Results

- In March 2020, the provisional business turnover index for all included sectors is 33.8. This indicates that a considerable proportion of companies in Scotland have reported lower turnover in real terms than 12 months ago.
- This is the lowest index value since the series begins in 2011. The data for March includes results for the whole month, including after the 23<sup>rd</sup> when physical distancing guidance was extended and many businesses required to close.



## Business Turnover Index by Industry

- Most industries report a net balance below 50 in March, with the exception of Food Retail.
- The industry with the lowest result is Accommodation and Food Services, with an index of 7.8. This indicates that the vast majority of businesses in the sample reported lower turnover than last year.
- Other sectors showing a lower net balance than the average are Culture, Recreation & Other Services (24.0), Non-Food Retail (26.6), and Wholesale and Motor Trades (28.0). These sectors include many businesses which were required to close after 23 March. Results for some lower level industries are available in the tables.

### Monthly Business Turnover Index, March 2020

Net balance of companies reporting increased turnover compared to 12m ago



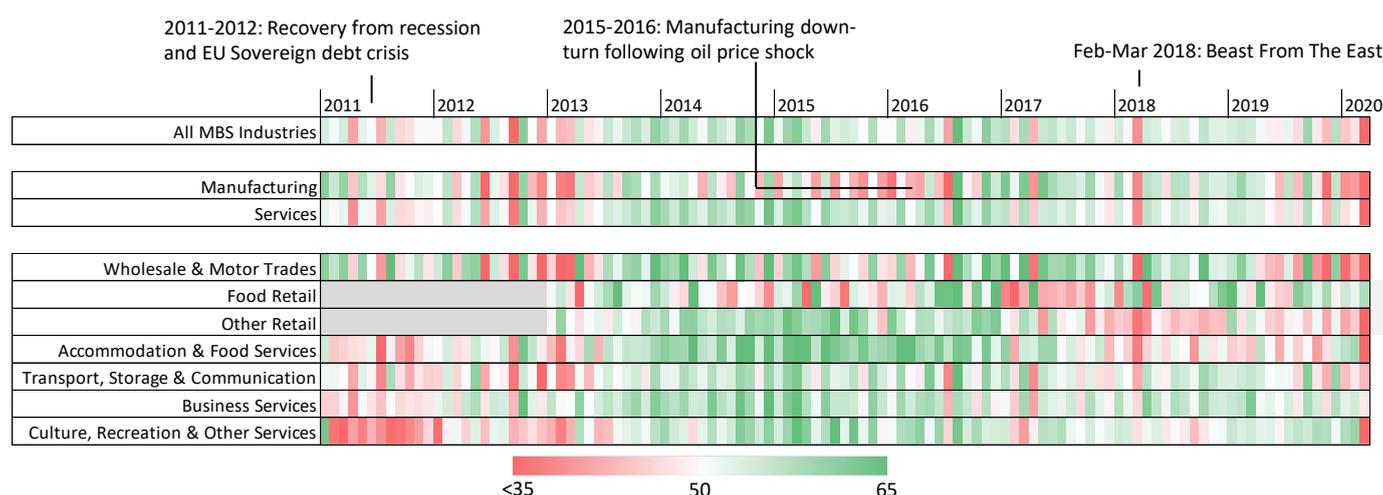
# Monthly Business Index, January 2020

## Longer Term View

The heat map below summarises the Monthly Business Index for all industries and the main sector breakdowns within Services. This illustrates how the index corresponds with the timing of broad economic trends over the last decade, as well as some sector-specific events.

For example, the impact of the oil price crash in late 2014 can be seen as mostly impacting in the manufacturing and wholesale & motor trades sectors, whereas specific events such as the 'beast from the east' weather event can be seen to cut across many parts of the economy.

The results for 2019 show a general weakening of results throughout the year, with negative balances seen in June, August and November across manufacturing and services as a whole. The results for August and November correspond with particularly weak months in the UK monthly GDP statistics.



## About This Release

The Monthly Business Turnover Index is based on results from the ONS Monthly Business Survey and Retail Sales Inquiry, which are the largest data sources used for quarterly GDP statistics. For the included industries\*, the survey includes all large businesses operating in Scotland and a representative sample of small and medium enterprises. There are a total of around 2,500 companies included in the final results for each month, including more than 400 manufacturing firms. Due to late responses, the provisional sample sizes are reduced to around 1800 in the first estimate for each month.

Results have been adjusted for inflation using the Consumer Price Index as a broad indicator of price change, and seasonally adjusted. Turnover is taken to be increasing/decreasing in real terms when it is higher than the results for 12 months previously by at least 0.5 percentage points above/below the CPI inflation rate.

Every company in the index is given equal weight, meaning that a large firm which reports a large increase in turnover could be offset by a small firm reporting a small fall in turnover. For this reason, the index does not give a direct indication of the likely growth rate for GDP in each month or quarter. Instead, it is designed to give a broad indication of the general trading conditions being experienced by businesses in Scotland.

\*The Monthly Business Survey does not include data for Agriculture, Energy, Construction, Financial Services or Government. Sample sizes for some industries such as real estate and mining are too small to be used.

**Next release:** Results for April 2020 are planned for release by 29 May

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