

MEDIA RELEASE: QUARTERLY ECONOMIC INDICATOR

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REPORT SIGNALS AMBER WARNING LIGHT FOR SCOTTISH ECONOMY

Scottish Chambers of Commerce's Quarterly Economic Indicator engages with five of Scotland's key business sectors: Construction, Financial and Business Services, Manufacturing, Retail & Wholesale and Tourism.

These findings, released in collaboration with the University of Strathclyde's Fraser of Allander Institute show the position of businesses for the third quarter of 2015.

Liz Cameron OBE, Director and Chief Executive of Scottish Chambers of Commerce, said:

"The results of this survey should trigger an amber warning light for our Governments north and south of the border. Despite another extremely positive summer for our tourism sector, there is a trend of slower growth among other parts of our economy. In addition, the apparent slowing down of investment growth in many businesses signals a direction of travel which could lead to declining levels of economic growth.

"There is further evidence of the continuing effects of low oil prices on the Scottish economy, with the performance of oil and gas service businesses again dampening results in the service sector. The picture in manufacturing is also mixed, with sales up only marginally and profitability declining.

"The construction sector remains broadly positive, though once again businesses have reported a decline in public sector contracts. This should prompt our Governments to consider renewing their focus on developing Scotland's infrastructure and supporting investment in Scottish businesses through the public sector procurement process.

"Tourism businesses reported very strong performance again in 2015, building even further on the solid platform of 2014. Events such as the Commonwealth Games and Ryder Cup seem to have succeeded as a 'shop window' for Scotland and with new developments such as Glasgow's SSE Hydro – now the second busiest entertainment venue in the world – Scotland's tourism offering is better than ever.

"Although Scotland's economy is now performing above the level we were at before the recession, we cannot and must not take future growth for granted. It is not inevitable. Growth will require a strong focus from the Scottish and UK Governments on making Scotland a better and more attractive place to do business, reducing fixed costs such as Business Rates and intensifying investment in digital and transport infrastructure."

Ends.