

Business confidence rises in December

According to recent results business confidence in Scotland has risen by 14 points to 44%, accompanied by a jump in optimism about the economy.

The Bank of Scotland has a Business Barometer reports an overall increase in confidence and although individual businesses are reporting lower confidence month on month, their optimism about the economy rose 31 points to 49%.

Around 44% of businesses expect to recruit staff next year, and more than half are intending to introduce new technology.

Martyn Kendrick, Scotland director at Bank of Scotland Commercial Banking, said: "It's encouraging to see Scottish business confidence end the year on the rise, and above the UK average. And it's particularly good to see such widespread hiring intentions – a move that benefits local communities and Scotland's economy, as well as businesses themselves.

"Businesses will be focused on putting their plans for fresh growth into action. We'll continue to be by their side to support their ambitions."

Hann-Ju Ho, Senior Economist, Lloyds Commercial Banking, said: "In the last few months overall confidence has fallen incrementally, and in December the trend continued as it fell by 2 points to 39%. While there hasn't been any significant one-month change, confidence has gradually drifted from the

summer's highs".

"The key difference in this month's results is that the fall in confidence is driven by firms' own trading prospects which have proven to be resilient over the last quarter. There was, however, more positivity regarding the wider economy and, going into 2025, this offers some hope if companies continue to feel confident about the economy.

"Elsewhere, although confidence fell in the services sector, this was partly offset by improvements in manufacturing and retail – which could be a significant for this time of year."

Paul Kempster, Managing Director for Relationship Management, Lloyds Bank Business & Commercial, said: "The mixed results in trading prospects and economic optimism suggest that while businesses feel they are facing some challenges, there is still some opportunity in regard to the wider economy. Although overall confidence dipped this month, we're still optimistic that firms' trading prospects will return to the levels seen earlier this year.

"The regional picture is also mixed with significant increases in confidence in Scotland and Northern Ireland, but more acute falls in confidence in the North-East. As we enter the New Year, and businesses across the country consider their plans for 2025, we are committed to helping them to navigate their journey and prosper."

The study surveys 1,200 businesses each month providing early signals about UK economic trends regionally and nationally.