

9 December 2025

Royal Bank of Scotland Growth Tracker

Scottish business confidence picks up in
November despite private sector output fall



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PMI[®]

by **S&P Global**

Key findings

November 2025

Business confidence picks up notably but output declines and employment falls slightly

Royal Bank of Scotland Board Chair, Judith Cruickshank, says report suggests “cautious optimism” in a “challenging demand climate”

The Royal Bank of Scotland Growth Tracker provides a timely snapshot of regional economic performance.

The report tracks monthly changes in business activity, demand, employment, backlogs, prices and the year-ahead outlook. The data are compiled from local companies that participate in S&P Global's Scotland manufacturing and services PMI surveys.

For more reports on 12 UK nations and regions, visit www.natwest.com/business/insights/economics





Scottish business confidence picks up in November despite private sector output fall

Although conditions remained challenging across Scotland's private sector in November, the latest Royal Bank of Scotland Regional Growth Tracker signalled a notable uplift in confidence regarding future output.

The headline tracker– a seasonally adjusted index that measures the month-on-month change in the combined output of the region's manufacturing and service sectors – posted 48.0 in November, down from 49.0 in October.

Anecdotal evidence indicated that lower

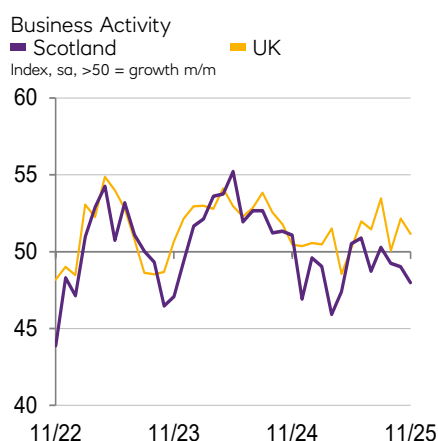
amounts of new orders and economic uncertainty had driven the latest reduction in output.

Royal Bank of Scotland
Business Activity Index
November 2025

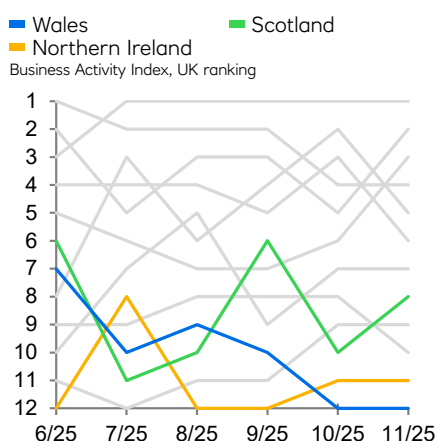
48.0

The Business Activity Index is a diffusion index calculated from companies' responses to a question on monthly changes in the volume of business activity. The index varies between 0 and 100 and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The index is seasonally adjusted.

Data compiled 12-26 November



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Comment

Judith Cruickshank, Chair, Scotland Board, Royal Bank of Scotland, commented:

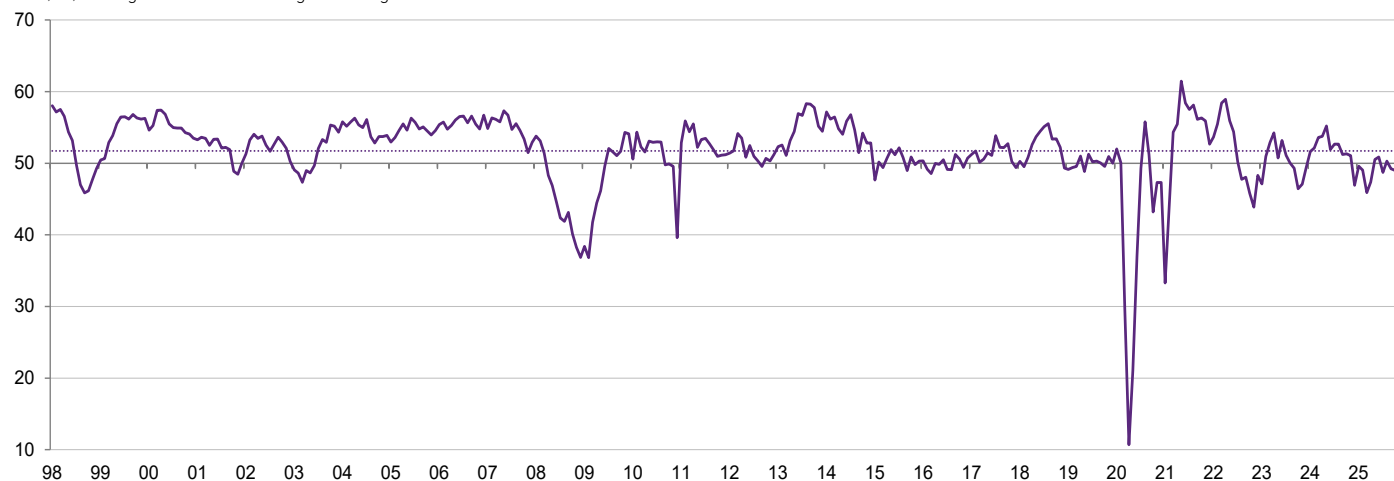
"Our Growth Tracker data shows Scottish businesses continue to face challenges, as output and new orders both continued to contract in November and selling prices rise slower than input prices as businesses try to remain competitive in a challenging demand climate.

"Firms also reduced staffing, although to a lower extent than the UK-wide trend suggesting that the Scottish labour market remains relatively resilient.

"Business confidence, however, improved notably offering a reason to approach the coming year with cautious optimism."

Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average.



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.



Demand and outlook

Outlook improves despite decline in new business

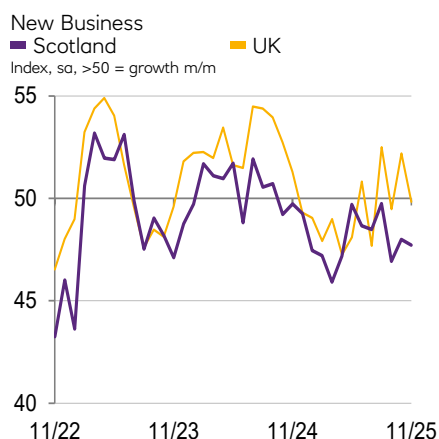
When asked about their expectations for activity over the year ahead, Scottish private sector companies were strongly optimistic in November. The level of positive sentiment was up notably from October's nine-month low, albeit below the long-run average. Upbeat forecasts were often underpinned by plans of introducing new products and services, and hopes of improved overall demand conditions.

Despite registering the largest upswing in confidence of the 12 monitored regions and nations in

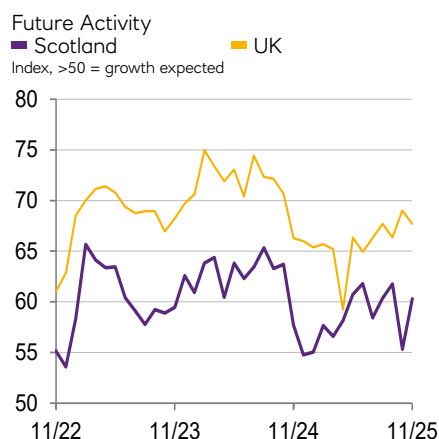
November, Scottish firms remained less optimistic when compared to the UK-wide trend. The latest survey results highlighted a fourteenth consecutive monthly reduction in new orders placed with companies based in Scotland. The rate of contraction was more pronounced than that seen in October, as well as stronger than the UK-wide average.

According to panel members, reduced client spending and uncertain economic conditions resulted in fewer sales.

"Business confidence, however, improved notably offering a reason to approach the coming year with cautious optimism"



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.



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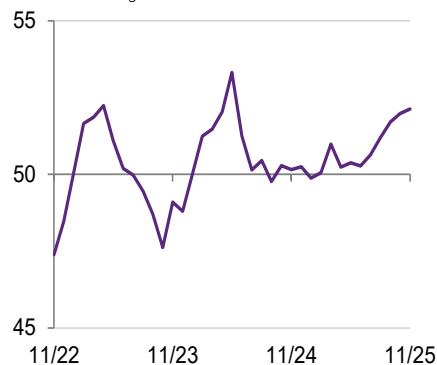
Export markets

Export conditions improve solidly

November saw the ECI rise for a fifth straight month to its highest level since May 2024. At 52.1, slightly up from 52.0 in October, the index signalled a sustained and solid improvement in export conditions for Scotland.

All top five trade partners indicated growth in private sector activity. Ireland led the upturn, followed by the US, Germany and the Netherlands. Although France saw a slight increase in output, this marked the first month of growth in 15 months.

Export Conditions
Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

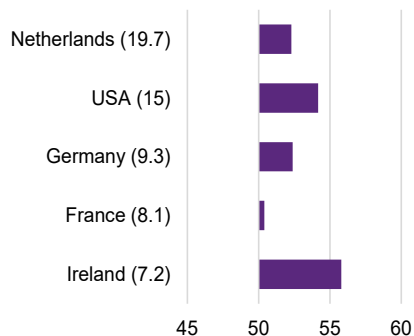
The Scotland Export Climate Index (ECI) is an indicator for the economic health of the region's export markets. It is calculated by combining national PMI output data, weighted according to each nation's share of manufacturing exports of Scotland. A reading above 50 signals an improvement in export conditions, and below 50 a deterioration.

Top export markets, Scotland

% share of exports shown in brackets

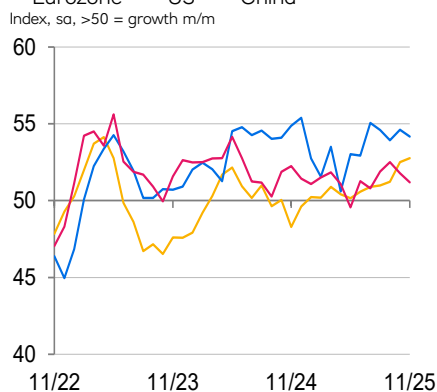
Output Index, sa, >50 = growth m/m

Nov '25



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

Output
Index, sa, >50 = growth m/m



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Jobs and capacity

Staffing levels fall only marginally in November

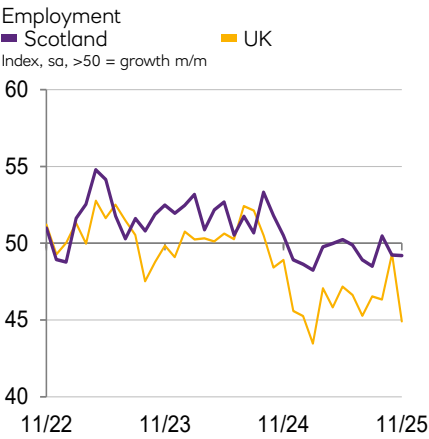
Workforce numbers fell for the second month in a row across Scotland in November. Input from panel members linked the latest decline in employment to a drop in new orders and initiatives aimed at reducing costs.

However, the rate of job shedding was identical to that seen in October and only marginal. Furthermore, the decline was the smallest seen of all 12 monitored UK regions and nations, and contrasted with a sharp reduction in headcounts across the

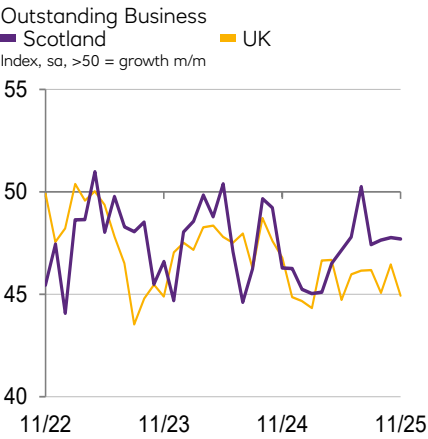
UK as a whole.

Scottish private sector firms noted a fall in backlogs of work for a fourth straight month in November. The rate of depletion was solid and broadly in line with the average recorded over the aforementioned sequence. Survey respondents often mentioned that they were able to complete orders at a quicker rate than they received them. However, backlogs across Scotland were reduced at a slower pace than that seen across the UK as a whole.

"Firms also reduced staffing, although to a lower extent than the UK-wide trend suggesting that the Scottish labour market remains relatively resilient"



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Sources: NatWest, S&P Global PMI. ©2025 S&P Global.



Inflation

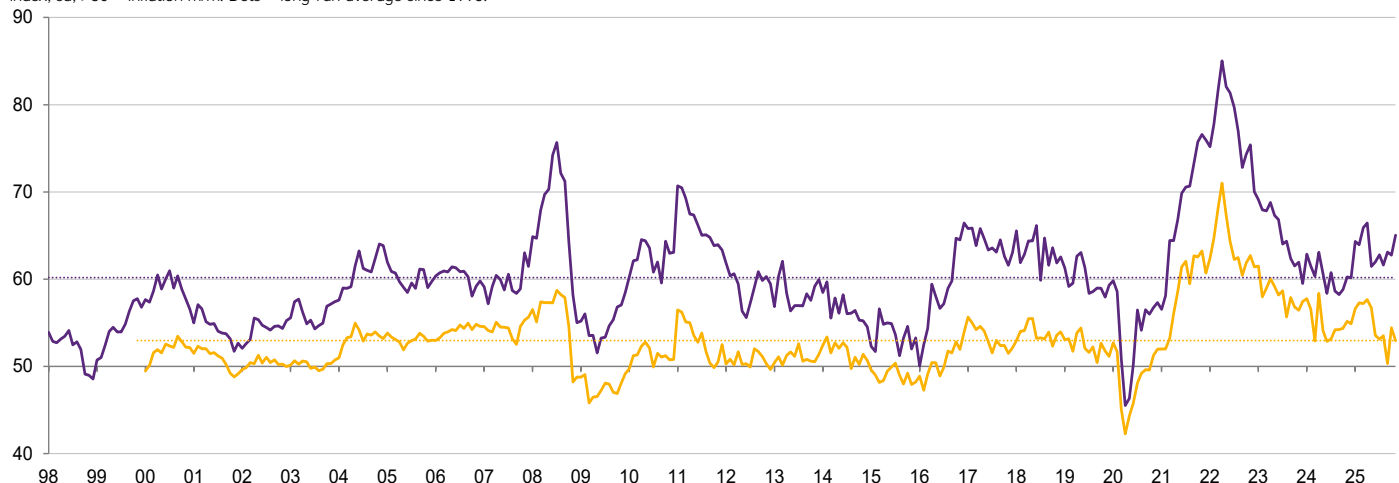
Cost burdens rise at the fastest rate in seven months

Average input prices continued to rise rapidly across Scotland's private sector in November. The rate of inflation accelerated to a seven-month high and was the second-sharpest seen across the 12 monitored UK regions and nations, behind Northern Ireland. Firms stated that higher costs largely stemmed from greater salary expenses, but also supplier price hikes.

As has been the case since November 2020, charges levied for Scottish goods and services rose further in the penultimate month of 2025. The rate of inflation eased since October, and in line with the long-run average. While many firms chose to pass on higher costs to clients, others noted that competitive market conditions and subdued customer demand had dampened overall pricing power. Nevertheless, output prices across Scotland rose at a faster pace than that seen at the UK level.

"... selling prices rise slower than input prices as businesses try to remain competitive in a challenging demand climate"

■ Input Prices ■ Output Prices
Index, sa, >50 = inflation m/m. Dots = long-run average since 1998.



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.



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Scotland Manufacturing PMI

Manufacturing conditions deteriorate at slowest rate in 16 months

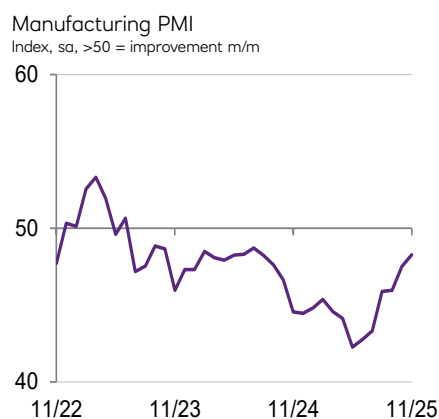
Despite operating conditions across Scotland's manufacturing sector deteriorating for nearly two-and-a-half years in November, the latest reduction was only mild overall. Furthermore, the headline seasonally adjusted PMI, a composite indicator of manufacturing performance, ticked up from 47.5 in October to a 16-month high of 48.3 in November.

While output fell at a faster pace in November, new orders contracted at the softest rate since March 2024.

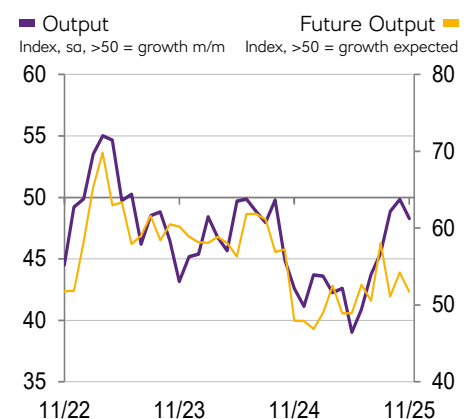
Employment also declined at a softer pace, albeit one that was solid overall.

Input costs rose rapidly across the manufacturing industry in November, with the rate of inflation the fastest recorded in seven months. Subsequently, charges for Scottish manufactured goods also increased at a quicker pace, and one which was the most pronounced since May.

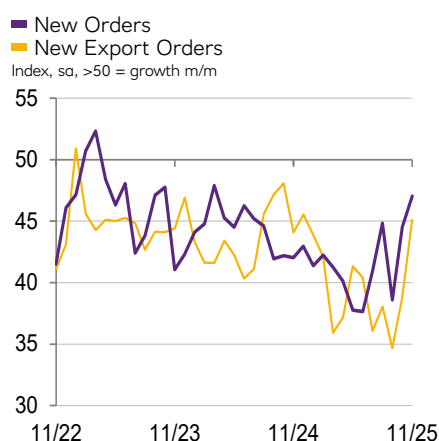
Looking ahead, expectations for output weakened since October and were well below the historical trend level.



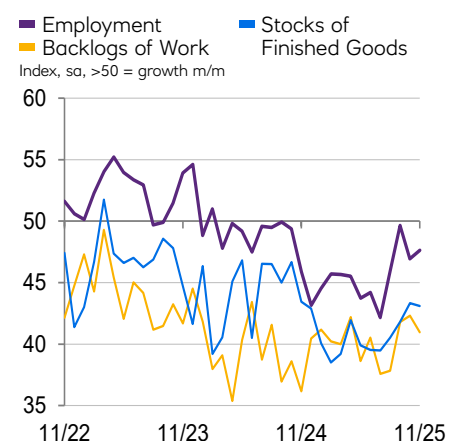
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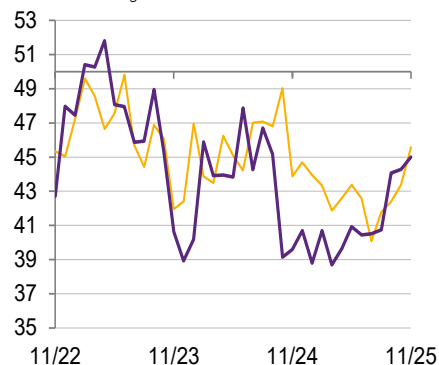
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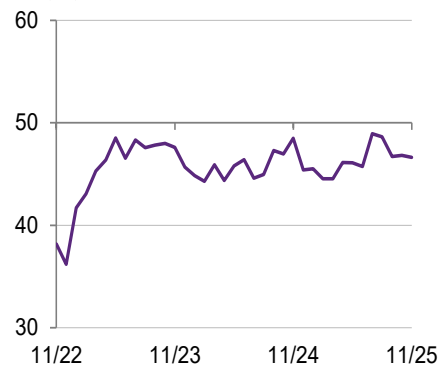


■ Quantity of Purchases ■ Stocks of Purchases
Index, sa, >50 = growth m/m



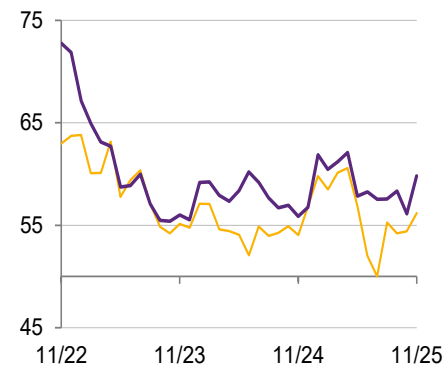
Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

Suppliers' Delivery Times
Index, sa, >50 = faster times m/m



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

■ Input Prices ■ Output Prices
Index, sa, >50 = inflation m/m



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

Scotland manufacturing

Index, sa, 50 = no change over previous month. *50 = no change over next 12 months.

	PMI	Output	New Orders	New Export Orders	Future Output*	Employment	Backlogs Of Work	Stocks Of Finished Goods	Quantity Of Purchases	Stocks Of Purchases	Suppliers' Delivery Times	Input Prices	Output Prices
6/25	42.8	40.9	37.7	40.4	52.6	44.2	40.5	39.5	40.4	42.6	45.7	58.3	52.0
7/25	43.3	43.7	40.9	36.1	50.5	42.2	37.6	39.5	40.5	40.1	48.9	57.5	50.0
8/25	45.9	45.4	44.8	38.1	58.1	46.0	37.8	40.5	40.7	41.8	48.6	57.6	55.3
9/25	46.0	48.9	38.6	34.7	51.1	49.7	41.8	41.8	44.1	42.4	46.7	58.3	54.2
10/25	47.5	49.8	44.5	38.8	54.2	46.9	42.3	43.3	44.3	43.4	46.8	56.1	54.4
11/25	48.3	48.3	47.0	45.1	51.7	47.6	41.0	43.1	45.0	45.6	46.6	59.8	56.2





Scotland Services PMI

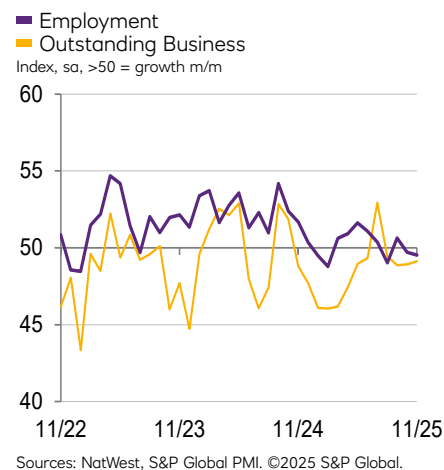
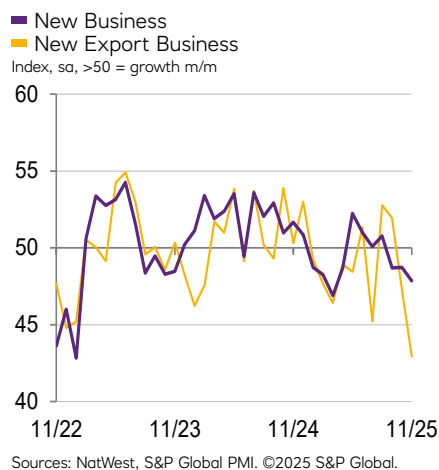
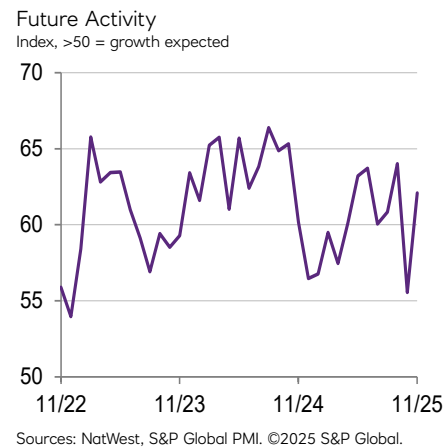
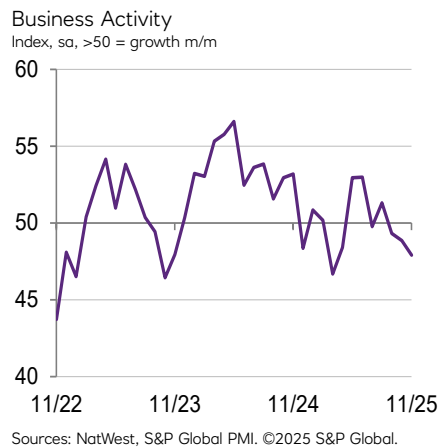
Business activity falls at strongest pace since March

The seasonally adjusted Scotland Services Business Activity Index posted below the 50.0 no-change threshold in November, down to 47.9 from 48.9 in October, to signal a decline in Scottish service sector output for a third month running. The rate of contraction was the fastest since March and solid overall.

New business placed with Scottish service sector firms fell further in November. The pace of reduction quickened to one that was also the fastest since March. Employment meanwhile fell for the second month running. The rate of job shedding was slightly stronger than that seen in October, but remained marginal overall.

On the price front, input costs rose rapidly in November. The rate of increase was the quickest for seven months. Average prices charged by Scottish service providers also rose further, but the rate of inflation was softer than seen in October and only mild.

Lastly, overall sentiment regarding the 12-month outlook for activity improved notably from October, but remained subdued in the context of historical data.



UK Regional Growth Tracker

Business Activity

The number of regions recording growth in business activity ticked down from six out of 12 in October to five in November. London recorded the strongest rate of expansion for the fifth month running, albeit with growth easing slightly in the capital. The South West, West Midlands, East of England and South East also recorded increases in output in the year's penultimate month.

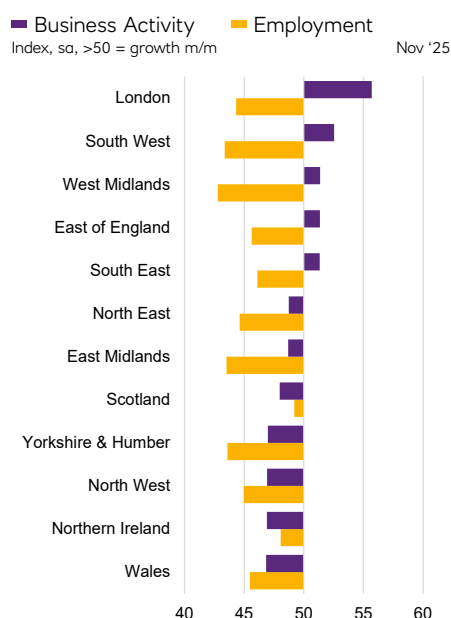
Employment

Employment fell across the board in November, the first time this has been the case for eight months. The quickest rate of decline in workforce numbers was seen in the West Midlands, followed by the South West. Labour markets in Scotland and Northern Ireland* showed the most resilience, with both recording only slight decreases in staffing levels.

Future Activity

It was a mixed picture for business expectations in November. Half of the 12 monitored nations and regions posted an increase in confidence towards activity in the year ahead, while the other six recorded a decline. Sentiment was strongest among firms in the South East, and lowest in Northern Ireland.

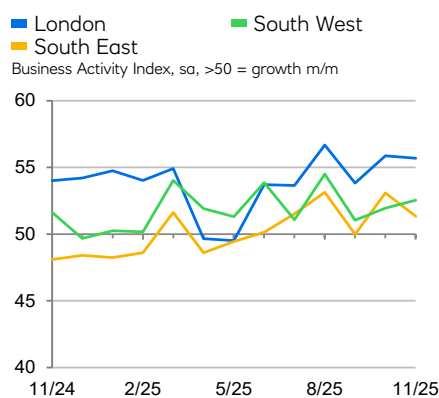
*As well as manufacturing and services, coverage in Northern Ireland also includes construction and wholesale & retail.



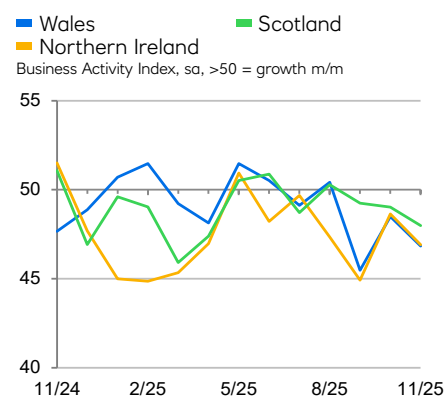
Sources: NatWest, S&P Global PMI. ©2025 S&P Global.



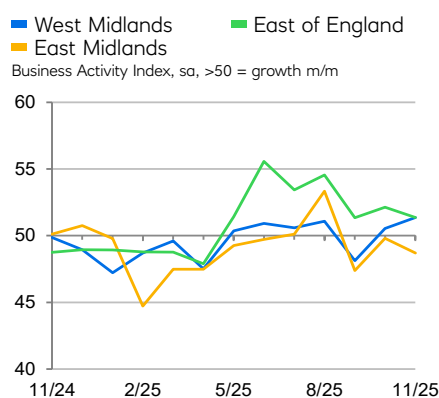
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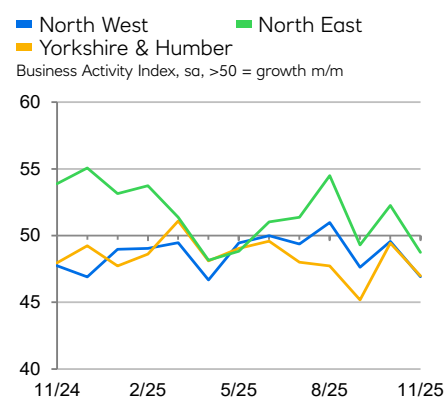
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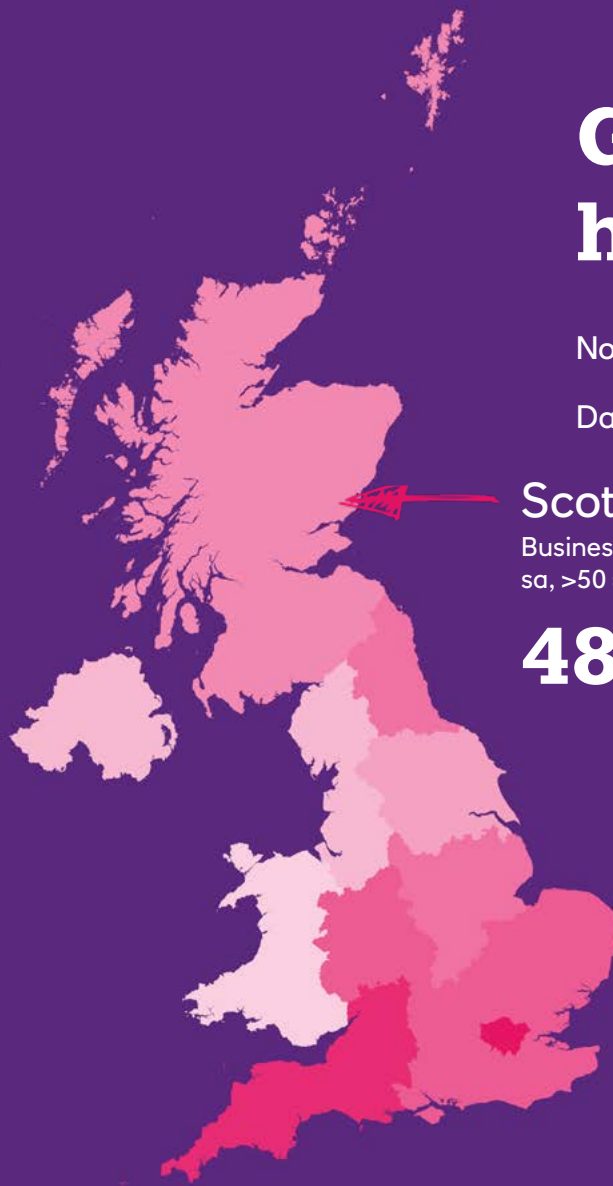


Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

Growth Tracker heat map

November 2025

Darker colour = higher business growth



Scotland

Business Activity Index
sa, >50 = growth m/m

48.0



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

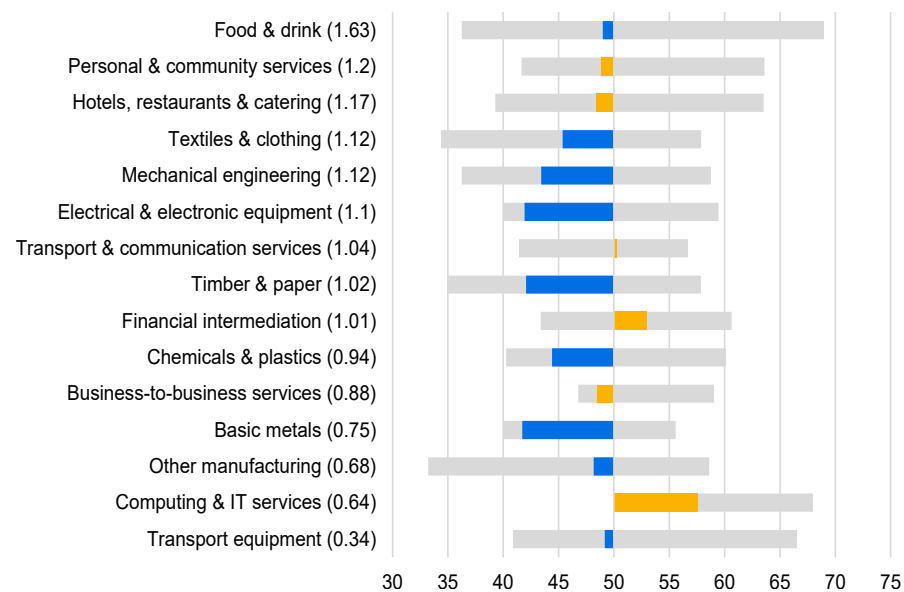
UK sectors

Sector specialisation: Scotland

The chart shows UK output indices by sector, ranked by location quotients for Scotland. Location quotients (LQs) are ratios derived by comparing the share of sector output (or gross value added) in regions with the national share of output in the same sector.

Focusing on the manufacturing and service sectors in isolation, a location quotient is calculated by taking a sector's proportion of regional output and comparing it with the UK-wide share of output in the sector. An LQ of 1.0 in a sector means that the region and the UK as a whole are equally specialised in that sector. An LQ greater than 1.0 indicates that the sector has a greater economic footprint in the region than it does for the UK as a whole.

UK sectors ranked by importance to the Scottish economy
■ Manufacturing ■ Services ■ 3-year range
UK Output Index, sa, >50 = growth m/m Nov '25

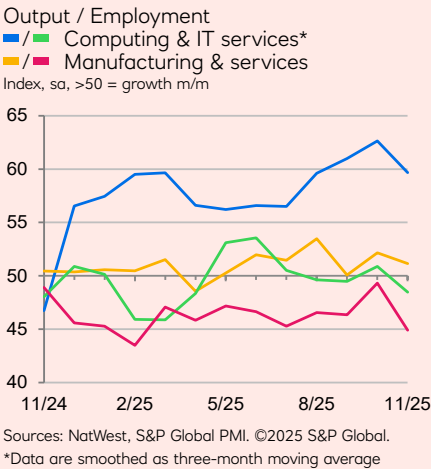


Sources: NatWest, S&P Global PMI. ©2025 S&P Global.
Location quotients for Scotland are shown in brackets. Latest data are smoothed as three-month moving averages (3mma).

Sector in focus: Computing & IT services

Computing & IT services remained one of the UK's stand-out performers in terms of output growth, the latest PMI data showed (see chart above). Its rate of expansion of activity in the three months to November was historically strong and the quickest among the sectors monitored, just ahead of Textiles & Clothing. The upturn in Computing & IT services was driven by rapid growth in underlying demand, as highlighted by surging inflows of new work in the sector. However, despite rising backlogs

of work and bullish expectations, employment in Computing & IT services ticked down slightly in the three months to November. Price pressures in the sector were elevated by historical standards. Average charges set by Computing & IT services firms rose at a sharp rate that was among the fastest seen over the past two-and-a-half years and quicker than at any time in the series history prior to the pandemic. This reflected a combination of robust demand and sharply rising costs.



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.
*Data are smoothed as three-month moving average

Methodology

The Royal Bank of Scotland Growth Tracker is compiled by S&P Global from responses to questionnaires sent to Scottish companies that participate in S&P Global's Scotland manufacturing and services PMI surveys.

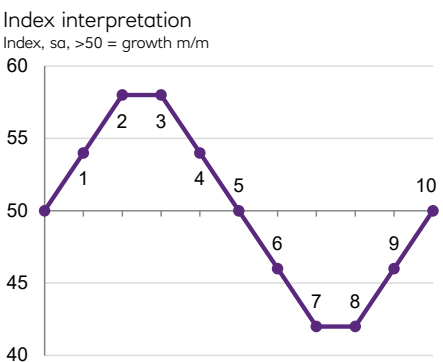
Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an

overall decrease. The indices are then seasonally adjusted.

The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously. The Scotland Business Activity Index is comparable to the UK Composite Output Index.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact economics@spglobal.com.



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

- Key
- 1 Growth, from no change
 - 2 Growth, faster rate
 - 3 Growth, same rate
 - 4 Growth, slower rate
 - 5 No change, from growth
 - 6 Decline, from no change
 - 7 Decline, faster rate
 - 8 Decline, same rate
 - 9 Decline, slower rate
 - 10 No change, from decline

Data

Scotland manufacturing and services
Index, sa, 50 = no change over previous month. *50 = no change over next 12 months.

	Business Activity	New Business	Export Climate Index	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
6/25	50.9	48.7	50.3	49.9	47.8	61.8	62.0	53.6
7/25	48.7	48.5	50.6	48.9	50.3	58.4	62.8	53.1
8/25	50.3	49.7	51.2	48.5	47.4	60.4	61.6	53.5
9/25	49.2	46.9	51.7	50.5	47.6	61.8	63.1	50.3
10/25	49.0	48.0	52.0	49.2	47.8	55.3	62.8	54.4
11/25	48.0	47.7	52.1	49.2	47.7	60.3	65.0	53.0

Further information

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