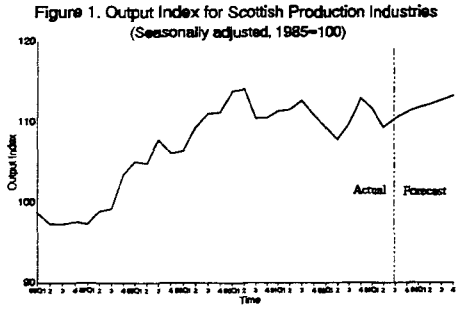
SHORT-TERM FORECASTS*

This section presents short-term forecasts for the quarterly growth of Scottish manufacturing (Division D of the 1992 SIC) output.

The present forecasting period extends to 1995Q1. The forecast takes account of the extraordinarily fast growth rates in Scottish manufacturing output in the third quarters of 1990 and 1993. It also takes account of the forecasts for the UK manufacturing output over the forecasting period made by the National Institute, which, in our opinion, are rather low, and the forecasts made by London Business School, which we feel are a bit too high. Figure 1 shows the actual index series for Scottich manufacturing output from 1986Q1 to 1993Q4 and the forecasts for 1994Q1 to 1995Q1. As is clear from the figure, the output of Scottish manufacturing industries is predicted to grow steadily in 1994 except for the third quarter. For 1994 as a whole, the output of Scottish manufacturing industries is predicted to rise by around 3% over 1993. Further details of growth rates for Scottish manufacturing outputs are presented in Table 1.

Figure 1. Output Index for Scottish Production Industries
(Seasonally adjusted, 1985=100)



* Development of the short-term model of the economy was made possible by the funding of a three-year research fellowship by TSB Bank Scotland.

QUARTERLY GROWTH OF SCOTTISH MANUFACTURING OUTPUT	
1992/91	-1.2
1993/92	2.5
91Q4/90Q4	0.5
92Q4/91Q4	1.7
93Q4/92Q4	1.8
Forecast	
94Q1/93Q4	0.4
94Q2/94Q1	0.8
94Q3/94Q2	-0.8
94Q4/94Q3	1.1
95Q1/94Q4	2.3
94Q4/93Q4	1.5
1994/93	3.0

SCOTTISH CHAMBERS' BUSINESS SURVEY

The principal results of the Scottish Chambers' Business Survey (SCBS) for the first quarter 1994 are outlined below. The SCBS, which is conducted by Strathclyde University's Fraser of Allander Institute together with the Chambers of Commerce of Aberdeen, Central, Dundee, Edinburgh, Fife and Glasgow, is the largest and most comprehensive regular survey of business, employment and other issues affecting the Scottish business community. In the present survey, which was conducted during March, 1046 firms responded to the questionnaire. The main conclusions from the latest SCBS are discussed below.

BUSINESS PERFORMANCE

Business Confidence

In Manufacturing business confidence continued to rise, but at a slower rate than in the previous quarter. A net balance of 10% of respondents

reported that they were more optimistic than three months previously, compared with a net balance of 14% who were more optimistic in the fourth quarter. In the first quarter, Manufacturing respondents were more optimistic than they were in the same period a year ago, with a net balance of 23% of respondents reporting higher optimism. This compares with the situation in the fourth quarter where a balance of 29% of respondents were more optimistic than in the same period a year earlier.

In Construction, optimism continued to rise although at a slower rate than in the fourth quarter of 1993. A net balance of 7% of respondents reported that they were more optimistic than in the previous quarter. This compares with a 17% balance of respondents who were more optimistic in the fourth quarter over the third quarter. A net balance of 29% of respondents reported that they were more optimistic than they were a year ago, an improvement of 9 percentage points on the response in the fourth quarter.

In Distribution, confidence also continued to rise, although compared with the fourth quarter there was a considerable reduction in the rate of increase in Retailing while the rate of increase rose in Wholesaling. In Retailing, a net balance of 1% of respondents were more optimistic about the general business situation than they were in the fourth quarter. In Wholesaling, a net balance of 12% reported that they were more optimistic. This can be compared with positive net balances of 7% and 9%, respectively in the previous quarter. A net balance of 22% of wholesalers reported that they were more confident than they were year ago, while a net balance of 10% of retailers were more confident. However, it should be noted that while the balance reporting increased confidence compared with a year ago rose in wholesaling compared with the fourth quarter, in retailing the positive balance was lower than in the fourth quarter.

Optimism among respondents from the Tourism and Leisure sector continued to rise and at a much faster rate than in the fourth quarter. A net balance of 21% of respondents reported that they were more optimistic about the general business situation than they were three months earlier, compared with a balance of 5% in the fourth quarter. A net balance of 28% of respondents were more optimistic in the first quarter than in the same period of 1993.

Orders and Sales

In Manufacturing, orders and sales continued to rise, but at a slower rate than in the fourth quarter. For orders, a net balance of 16% of respondents reported an increase while, for sales, a balance of 12% of firms experienced a rise. These figures compare with positive balances of 22% and 23%, respectively, in the fourth quarter. Orders from the domestic Scottish market continue to rise while export orders are rising at a slightly faster rate than in the fourth quarter.

In Construction, the increase in orders appears to have been maintained at a slightly lower rate than in the previous quarter. A net balance of 5% reported an increase in orders compared with 8% in the fourth quarter. Orders from the private sector continue to be the source for the growth in demand, while orders from Central Government and Other Public Sector remain considerably depressed.

Retail sales continued to rise but again at a slower rate than in the previous quarter. A net balance of 8% of retailers reported that sales had risen, compared with a balance of 16% reporting a rise in sales in the previous quarter. In Wholesaling, sales rose at a slightly slower rate than in the fourth quarter. A net balance of 18% of respondents reported a rise in sales, compared with a balance of 23% reporting a rise in sales in the last survey.

Tourism demand fell in the first quarter. A net balance of 5% of companies reported a decrease compared with the balance of 13% reporting a *rise* in the three months to December. Demand from both Scotland and rest of UK fell during the quarter, while there appears to have been a slight upturn in tourism from abroad.

Stock Adjustments

Stocks of finished goods in Manufacturing fell in the current quarter, continuing the downward trend; a net balance of 10% reported a decrease. Stocks of raw materials continue to be run down, while there was a small increase in work in progress.

Finance and Investment

In the Financial sector, there was continuing growth in the demand for personal loans. A net balance of 46% of respondents reported a rise, which is greater than the balance of 37% reporting an increase in the fourth quarter. Advances to the corporate sector are still rising, while the demand for working capital also remains on a strong trend. The demand for finance for investment in buildings continues to fall, while the demand for finance for investment in

plant and equipment appears to have risen again after falling in the previous quarter.

Manufacturing investment intentions in plant and machinery were revised upwards again in the present quarter and respondents expect to revise them up further in the second quarter. There was a further deterioration in manufacturers' investment intentions in land and buildings, with a net balance of 9% of respondents reporting a decline. In Retailing and Wholesaling, investment intentions continue to be positive. Net balances of 12% and 17% of retail and wholesale respondents, respectively, reported an upward revision in investment intentions compared to the same period a year ago. The investment intentions of Construction respondents continue to decline.

Expectations

While the growth of demand appears to have slackened in the present quarter, this outturn was equal to or better than expected by respondents in the fourth quarter in 4 of the principal sectors. Only in Retailing and Tourism was the outturn for demand worse than expected in the fourth quarter.

Demand conditions are generally expected to improve further in the second quarter of 1994. Despite the apparent slackening in the pace of growth in the present quarter, most principal sectors are anticipating a faster growth of demand in the second quarter. The Tourism sector exhibits the most favourable expectations despite the apparent current weakness of demand.

PRIMARY

CONSTRUCTION

The Scottish Office index of construction for the fourth quarter 1993 shows a fall of 1.6% to stand at 109.0. The year on year comparison to the fourth quarter shows a 3.0% increase, down from the third quarter yearly increase of 3.8%.

As reported in the last QEC, the UK construction industry has bottomed out, (despite the downward revision of the third quarter figure), and now stands at 85.6 in the fourth quarter of 1993, up 0.8% on the previous quarter. The UK year on year figure is still negative, although now by only 2.0%.

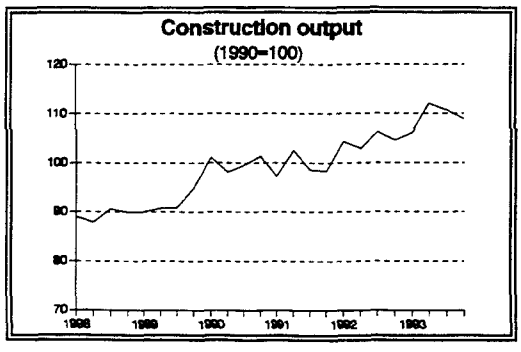
The latest Scottish Chambers Business Survey for the first quarter 1994, shows a drop in the overall level of optimism to, a still buoyant net balance of 7%. In the previous SCBS the net balance of optimism was 17%. Comparisons with the same quarter a year ago, show that confidence remained high, with a net 29% being more optimistic now, than they were a year ago.

The trend in total orders weakened slightly from the previous quarter to show a net balance of 5%. The downward trend in Central Government and other public sector orders continued, albeit at a reduced pace, for a net balance of 28% and 6% of respondents, respectively. Private orders, on the other hand continued to improve with a net 11% of respondents experiencing increases, a balance of 18% expect this trend to continue during the second quarter.

Capacity utilisation stands at 77.2%, which is down from the 83% reported in the fourth quarter. It must be borne in mind that a drop in capacity is a normal seasonal occurrence in the first quarter. More than three quarters of respondents cited lack of sales/orders as the major limiting factor to output at present.

Replacement continued to be the main reason for new investment for the majority of firms. Investment intentions continued to decline for Plant & equipment and land & buildings with negative balances of 10% and 9% respectively.

The trend in total employment was positive for the first time since the second quarter 1990. The level of employment increased for males and females in both full time and subcontracting. Reductions were in self employment and temporary work. The overall employment trend is expected to continue in much the same vein during the second quarter.



The average wage settlement was 2.9% for the 22% of respondents reaching a settlement during the first

quarter. Of the 42% of respondents attempting to recruit during the first quarter, 14% experienced increasing difficulties.

NHBC housing completions fell by 35% to 2,600 in the first quarter 1994, the equivalent figure for GB showed a fall of 7.9% to 36,100. Applications for housing starts, on the other hand, increased by 17.9% in Scotland to 4,600. This compares with a GB increase of 41.2% to 48,700.

The NHBC first time buyers ability to buy index is at its highest level since its inception in 1971; taking into account, average deposits and advances for first time buyers and combining that with average earnings, as the index does, it is an excellent lead indicator of housing starts, with a time lag of two quarters. The higher the index, the greater the ability to buy.

House prices in Scotland edged up in the first quarter 1994. The rise of 0.4% reinforced the general upward trend in prices experienced in 1993. Compared with a year ago, prices are nearly 3% higher than in the first quarter of 1993.

The net level of mortgage lending in the first quarter of 1994 was at the highest level since the comparable period in 1992. On a monthly basis, all the indicators showed a substantial increase between February and March. Net advances were 22% higher than in the fourth quarter 1993. This is taken as indicative of a genuine housing market recovery and only an increase in interest rates or a major change in the provision of income support for mortgage interest will undermine the recovery.

Glasgow based Hewden-Stuart, Britain's largest independent plant-Hire group has ended three years of decline with a 60% surge in annual pre-tax profits, from £12 million the year before to £19.1 million, on turnover which climbed from £165 million to £200 million, in the 12 months to January. The chairman Sir Matthew Goodwin, stated that most of the turnround had come in the second half of 1993, where profits leapt by nearly 90%. He also stated that 1994 has started off strongly, but tempered his optimism by predicting major casualties in the industry, if certain areas did not pick up in the near future, citing crane hire as an area of particular concern.

Throughout the UK construction output is rising and companies are returning to profit after record losses. Building materials producers are forecasting a 2% rise in construction this year, the first annual increase since 1990. A survey by the Chartered Institute of Building claims that the industry hired twice as many permanent staff during the start of 1994 than it did in the first few months of 1993. Pay levels have started to rise in some companies as they seek to hold on to staff to cope with increased work. Montrose Technical Recruitment, one of the largest UK construction recruitment consultants, state that registered job vacancies with construction employers have risen by 44% in the first quarter 1994, compared with the first quarter 1993, while the number of people placed with construction companies is almost double that of the corresponding period last year.

And yet there is still a lot of pessimism about. The reason is less the size of the order books than the low prices at which contracts are being won. These leave little or no margin for profit. Mr Martin Laing, chairman of John Laing states that many contractors have high borrowings which need a regular flow of cash payments to meet interest charges and this has led to contractors bidding for contracts "at the expense of profit". He also criticizes banks and institutional shareholders whom, he says, support "enfeebled contractors" and add to damaging over-capacity in the construction industry. (Although this was certainly not the case when Lilley were allowed to go to the wall early last year.) Mr Laing estimates that over-capacity in the industry is currently running at some 30%.

Even if tender prices were to rise sharply, there could be a lag of two years or more before they affect published earnings figures and lead contractors are also being squeezed on another front. Part of their profit comes from advance payments from customers. There are held on account, earning interest, until they are passed on to sub-contractors and falling interest rates have also reduced this income.

House builders are leading the sector out of recession; sales are rising and margins are beginning to improve as prices increase and builders use up expensive land, bought in the late 1980s. Increasing current land prices are giving cause for concern with rises of up to 50% in the South East of England, during the past 12 months, which could well slow the pace of recovery. Public spending cuts, particularly on roads could also restrict growth. Given these concerns, there can be little surprise that building shares, which have outperformed the FT-SE-A All-Share Index by more than a fifth in the past 12 months, have looked a little more vulnerable in recent weeks.

FISHING

In the first three months of 1994, the total value of landings of fish by British and foreign vessels in Scotland was £64,097,000, 3.1% lower than the figure for the corresponding period of 1993. At the level of the major classifications of fish, the fall was wholly the result of low volumes of landings of shellfish. For demersal and pelagic species in total, the volume of landings was slightly up and the value of landings unchanged. However, for shellfish the volume of landings was lower by over 25% and although there was an increase in the prices of these species, the value of landings was still 17% lower than for the corresponding period in the previous year.

For demersals, amongst the individual species, haddock, monkfish and cod are the most important by value. Whilst the volumes of monkfish and haddock increased by 19% and 4% respectively, the volume of landings of cod fell substantially, by almost 25%. There were only small changes in the price of monkfish and cod, so that the change in the value of landings reflected those changes in volume. However, for haddock, prices rose so that the value of landings increased by 12%. The biggest absolute increases in the value of landings amongst these species was for haddock and monk fish which rose by £1,306,000 and £1,147,000 respectively. However, these were offset by major reductions in the value of landings for cod and whiting of £1,965,000 and £1,421,000.

For the pelagics, there have been major increases in both volume and value amongst those important species for British boats. For mackerel, an £1,095,000 (11%) increase in the value of landings in the first three months of the year accompanied a 10% increase in the volume of landings. The changes for herring, although smaller in absolute terms, are bigger proportionately. Here a 36% increase in volume was accompanied by a 42% increase in value. There was a big fall in the landings of blue whiting, but this species is only landed in Scotland by foreign boats.

In the case of shellfish, Norway lobsters are the most important species by value but this species experienced a very large absolute decrease in the value of landings. This was a fall of £2,117,000 (30%) to £4,866,000 caused primarily by a 33% reduction in the volume of landings. Scallops are the second species by value of landings and these had an opposite experience: landings increased by almost 50% by volume and by 56% by value.

Whilst the value of landings by British vessels suffered a small fall, (0.5%), this was less than the fall for all landings in Scotland. Landings from foreign boats fell by 32% compared to the corresponding period last year, and the share of foreign boats in the total value of landings fell from 8.2% to 5.7%.

ENERGY

OIL AND GAS

The Royal Bank oil index for April was 148.7 (1980 = 100), equivalent to 2.45 mbpd. Overall, oil output in April was 1% than in March, though, as is usually the case, the change in aggregate volume was the result of significant increases and decreases in individual field production levels. Indications of a tightening global oil supply/demand balance led to an increase in oil prices in the late spring, with Brent crude averaging $15.2 pb in April compared with $13.8 pb in March. The Royal Bank estimates that the average daily sterling value of oil production in April was £25.1 million.

The Royal Bank gas index fell by 13% between March and April to 208.2, representing an average daily production of 7076 mcft and an average daily production value of £12.8 million. However, this decline was entirely a reflection of the strong seasonal pattern to gas demand. The Bank estimates that seasonally-adjusted gas output was actually 1% in April than a month earlier.

In the 1994 Brown Book, the DTI estimate 1993 total oil reserves in the UKCS to be 3760 million tonnes, an increase of over 1% compared with the 1992 estimate. "Proven" and "probable" reserve figures increased, while the estimate of "possible" reserves fell slightly. Total gas reserves (dry, condensate and associated) are reported as 2835 billion cubic feet, an increase of over 4% on the equivalent 1992 figure.

The results of a DTI survey of offshore exploration and appraisal drilling intentions are reported in the May 1994 issue of Energy Trends. In summary,the main findings were as follows:

(a) Overall drilling levels could be 16% lower in 1994 than in 1993. An estimated 22% increase in exploration wells is expected to be more than offset by a forecast 57% decline in appraisal wells.

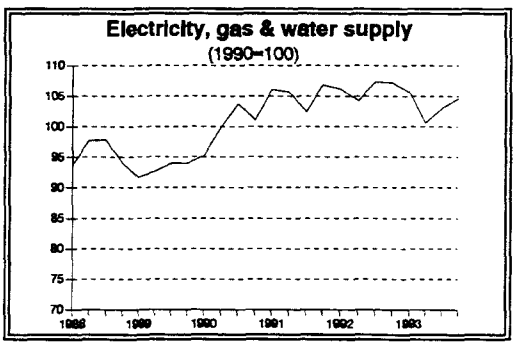
(b) In terms of both number and type of wells drilled, activity in 1995 is expected to be very similar to that in 1994.

(c) In 1994, drilling interest will be primarily in the Southern Basin and Frontier areas, with activity in other offshore areas expected to fall substantially.

COAL, ELECTRICITY AND WATER

In the coal industry plans for the reorganisation of the soon to be privatised industry have firmed up as a number of consortia and joint ventures have announced their intentions to bid for parts of the privatisation package. On April 13 the government put together five regional packages covering around 47 deep and opencast mines, despite British Coal's pleas that the industry be sold as a single package for fear that splitting it up would lead to fragmentation of the industry. Potential bidders for the Scottish package include Mining (Scotland) and a recently announced joint venture (Scotcoal) between Ryan Group, a coal producer and Miller, a construction and mining company. The government's main aim in privatising the sector is not to raise revenue (between £500,000 million and £1 billion is expected) but to shed the burden of the industry to the private sector whom it feels is better able to make the pits profitable. Certainly industry analysts trying to interest overseas buyers have emphasised the potential for an expansion for coal demand amongst generators after 1998. However the number of potential bidders coming forward is something of a trickle rather than a flood. In Scotland the attraction seems to be the possibility of increasing the coal-burn at Longannet power plant and exporting the surplus to the English grid, increasing direct sales to the industrial and domestic market. Overall it is hoped to expand demand for Scottish output from the present 4 million tonnes per year to between 6/7 million tonnes by 1998. Furthermore any successor to British Coal will take on the present supply contracts with Scottish Power and Hydro-Electric. Both bidding groups emphasise greater workforce involvement and share ownership. If successful, it is thought that new manufacturing techniques and a different workplace culture will contribute to the profitability of the pits. British Coal and some industry sceptics suggest that the industry cannot support all existing 47 pits and suggest that output demand is more likely to be around 2.5 million to 3 million tonnes. This may be sour grapes on British Coal's part although it is true competition from abroad still makes investment a risky proposal.

Confidence in the Scottish Coal industry receives mixed support from the latest industry output figures. These show a rise in output for the mining and quarrying sector in the last quarter of 1993 of 3% although the overall picture for the preceding four quarters showed a drop of 2%. These figures compare with those for the UK as a whole which show a rise of 7.6% in output for the last quarter of 1993 and an overall rise in the year-on-year figures of 10%.



The electricity, gas and water supply sector output production figures show a 2.5% rise for the UK as a whole in the last quarter of 1993 and a rise of 3% in the year-on-year figures. Scotland shows a rise of 1.6% in the sector in the last quarter of 1993 but a year-on-year decrease of 2.6%. The buoyant performance of the electricity sector in Scotland may in part contribute to these figures. Scottish Power this quarter announced a massive rise in profits up 18.2% at £351.1 million. The underlying increase when accounting changes are included is a 9.5% increase in pre-tax profits and the underlying increase in earnings per share is up 10.5%. These figures have been achieved partly due to around sixty thousand of Scottish Power's customers pre-paying their bills and because of further cuts in employment costs, down 16% since 1991. A reduction in their fuel bill due to a five year deal with British Coal has further reduced their costs by £50 million. The increase in profits shown are comparable with those predicted for most of the regional electricity companies, estimated by analysts at UBS to be on average £163 million in 1993/4 up from an average of £140 million. Expectations of such high profits have led to complaints of unfairness from both consumer groups and industrial users both of whom feel that the power companies could be passing on more of their profits. The figures have also led to a threat from the industry regulator Professor Stephen Littlechild, leaked to the press, to reduce

distribution prices by up to 20% in the forthcoming regulatory review. This threat led to a temporary dip in share prices but was seen by many as Littlechild's opening shot in the forthcoming negotiations. Such a tactic, whether intended or not, is tricky as it may have the desired result of pressurising power companies into making further efficiency improvements to lower costs and increase profits or alternatively encourage a show of high costs to try and gain a favourable review allowing for higher profits in the years following the review as efficiency gains are miraculously made.Certainly the power companies will be keen to hide their substantial profits in some manner. The result of the review of prices remains to be seen although more recently Littlechild has threatened to liberalise the power market earlier than 1998, a threat which may bring the desired efficiency gains.

In the nuclear power sector this quarter the possibility of privatisation of nuclear power made a surprise return. Heavy lobbying from Nuclear Electric has persuaded the government to at least consider the possibility of privatisation. However they are likely to face strong resistance from opposition parties and environmentalists. The government is aware that the costs and physical difficulties of doing this are substantial. Perhaps surprisingly Nuclear Electric are playing the environmental card suggesting that to meet global environmental commitments (presumably on carbon dioxide emissions) investment in nuclear power is required. The obstacle in the past has always been finding enough long-term capital to make nuclear power cheap in the long-term. This present debate is likely to be complicated further by the parallel debate on the future of nuclear waste disposal, an as yet unresolved issue.

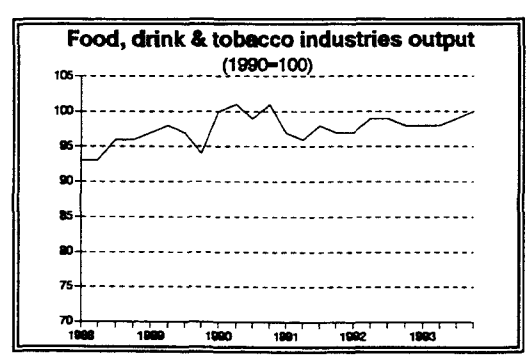
The water industry in Scotland is in turmoil following the Strathclyde water referendum in which the government's proposals to run Scotland's water via three water authorities were strongly rejected. Dissent among the political parties stems from disagreement over the extent to which elected councillors will run or help to run the new public water boards. Present government proposals remove all local council control over Scotland's water industry. Dissenters want a majority of elected councillors on the new boards. The support of some Tory councillors in Scotland for a majority has prompted Scottish secretary Ian Lang to denounce the referendum as irrelevant. However he maintained the reorganisation was not a precursor to privatisation and emphasised that councillors would be on the water boards but could not confirm definitely that they would be in a majority. Meanwhile, in the rest of the UK privatised water companies are facing tough price controls imposed by industry regulator OFWAT. This is to combat criticisms of the high profits most water companies have achieved. Water companies however point to the high levels of investment they are required to undertake to bring their water up to European standards and are supported by institutions who are encouraging companies to resist the curbs to protect their high profits.

Elsewhere a Perthshire company hopes to capitalise on the Gleneagles name to market a new brand of mineral water drawn from a source adjacent to the site of Highland Spring's plant in Blackford. The selling point is the unique quality and purity of the water and already a major deal has been signed with Heinz for supply. Marketed under the Gleneagles name the company hopes to be the largest supplier of mineral water by the year 2000. Sadly the rise of this company sees the demise of another. Caledonia Glenlivet Water, set up two years ago to supply still and sparkling mineral water, has gone into liquidation leaving debts of around £1.7 million.

MANUFACTURING

FOOD, DRINK AND TOBACCO

The Index of Production for the Food, Drink and Tobacco industry in Scotland showed a small increase of 1% over the final quarter of 1993, moving back to the level achieved during 1990. The overall rise was due entirely to an increase of 2% in Food production, with production of Drink and Tobacco unchanged. The increased food production meant that output change in Scotland slightly exceeded that seen across the UK, where output as unchanged over the quarter in both sectors.



Recent company news includes the decision by Robert Wiseman Dairies of East Kilbride to spend £8 million purchasing one of its major local rivals, Kennerty Dairies. The purchase of Kennerty will give Wiseman around 31% of the total Scottish milk market compared to the 34% currently held by Scottish Pride. The money from the purchase was made out of the remains of the £14.5 million of new money raised when Wiseman was floated on the Stock Exchange in March. While most of Wiseman current business is in Scotland, it has plans to expand further throughout the UK and is currently planning to invest further in its Manchester factory. Most of the Wiseman success is due to its ability of penetrate the growing market in deliveries to supermarkets, which have been taking an increased share of the total milk market.

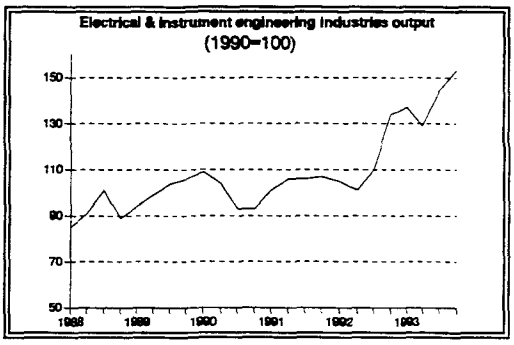
Scottish and Newcastle has sold 450 pubs in the London based Magic Pub Company as part of its undertaking to get below the 2,000 ceiling by the 1989 Monopolies Commission report. The price realised was £108 million, and Scottish and Newcastle will soon gain further cash since the requirement means that they must sell a further 700 pubs sometime this year.

ELECTRONICS

The Index of Production for the Electronics sector in Scotland jumped by a healthy 6% in the final quarter of last year to stand at 153 (1990 = 100), which compares to a figure for all manufacturing of 102. The increase in Scotland far exceeds that experienced across the UK where output increased by a much more modest 1% over the fourth quarter. The strong output growth - the Index shows a 24% increase over the whole of 1994 - appears to have resulted largely from rising productivity and to have been achieved with a reduced workforce. Estimates released by the Scottish Office (Statistical Bulletin (C.1.6, April 1994) show that employment in the electronics industry in Scotland fell by 900 during 1993, about 2% down on the 1992 figure of 42,500. Productivity is estimated to have risen by 12%.

Prospects for future employment growth have however been enhanced by a number of new investments. NEC Semi-Conductors have announced plans to spend £28 million in orders to increase chip capacity at its Livingston plant. The factory, which employs 900, will now produce all chips for the company's European market. Also in Livingston, Mitsubishi have opened a fourth Scottish factory which will eventually employ 200, and the US company Exabyte which manufactures type storage products, is to create 80 new jobs in transferring to larger premises in Falkirk.

Less welcome is the new that 200 jobs will go at MIMTEC, the Scottish-owned company which assembles personal computers, mainly for IBM, following a rationalisation which has resulted in the closure of one of its two Livingston plants.



The results of a worldwide operational review by Digital, expected to be completed at the end of June, are waited with interest. Various rumours have abounded concerning the possible effect on its Scottish operations, ranging from the sell-off of its semi-conductors plant at South Queensferry to the construction of a new factory at Irvine to make personal computers, on all of which Digital has steadfastly refused to comment. What is known however, is that the company has lost money heavily over the last three years, over £3 billion in total, and believes that it has to shed around 20,000 jobs. Many of these will be in its direct sales force, however, so there is less chance that its manufacturing workforce in Scotland will be reduced.

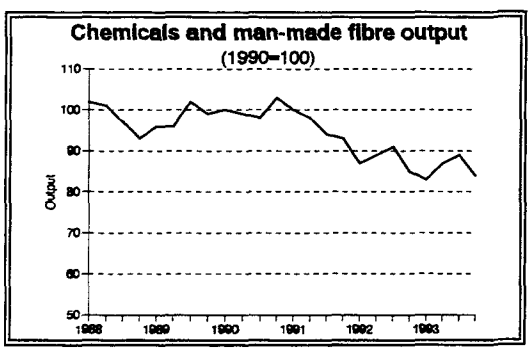
Part of Digital's problem is that it was slow to recognise the growing importance of personal computers. It now faces the task of increasing PC volumes quickly in order to repay fixed investment costs related to its PC business in the face of very severe competition for Compaq, IBM and Apple. It sold 500,000 PCs last year which, although considerably up on the 200,000 sold in 1993, is still some way short of the 1 million units needed to be profitable in this market.

CHEMICALS

The latest Index of Production and Construction shows a 5% fall in the fourth quarter 1993 compared to the third quarter, and a 6% fall

compared to the fourth quarter of 1992. The Index for the latest four quarters compared to the previous four quarters also shows a fall of 2%. This would appear to contradict the findings of the Chambers Business Survey which showed that confidence among chemical respondents continued to rise, though at a slower rate than in the previous quarter. A net +33% of respondents were more optimistic than in the same period on 1993.

The upward trends in orders and sales continued, with net balances of +16% and +20% respectively although the rate of growth did not match the expectations of the previous quarter. Scottish and rest of UK sales were lower than anticipated, but the trend in export sales rose above expectations. Respondents expect the upward trends in total orders and sales to continue and strengthen. However, the rate of growth in Scottish orders/sales is not expected to be as strong as that for rest of UK and export orders/ sales.



Average capacity utilisation was 72% which, for a net of -4% of respondents , was lower than the same period of 1993. There was no change in the level of work in progress although respondents expect a slight increase in the three months to June. 91% of respondents cited the low level of demand as the factor most likely to restrict activity in quarter two.

The upward trend in investment in plant/ equipment continued, and there was no change in the trend in investment in land/ buildings. Investment authorised during the first quarter was for the following purposes: increase efficiency (31%), replacement (25%), introduce new technology (19%), introduce new project (12%), expand capacity (6%) and reduce labour (6%).

The recent decline in employment has ended, although it is not expected to continue with a net of -4% expecting employment to fall during the second quarter. Firms reduced the amount of over time working.

Scotia Pharmaceutical is to inject £4.5 million on new production and research facilities at its subsidiary Callandish Ltd in Stornoway, creating 35 new jobs which will more than double its present workforce. Callandish Ltd was set up in 1986 in a former fish drying factory and products, based on fish and vegetable oils can be used to treat skin disorders and premenstrual tension and can also be used as diet supplements. Callandish was selected for further expansion because of its first class performance in the past seven years. The cash injection from Scotia is supported by a £2 million property and finance package from Highlands and Islands Enterprise through its Western Isles local enterprise company, who estimate that it will create a further 35 spin off jobs in an area where male unemployment is currently 16%.

The future of Barrhead Sanitary Wear Workers Co operative, which escaped receivership at the end of 1993, was secured by a £450,000 loan facility from the Baxi Partnership. Barrhead had earlier rejected a takeover bid from Shires, a ceramic specialist based in Stoke on Trent. Although non voting shareholders had been in favour of the Shires proposal, the voting shareholders favoured the Baxi bid. The deal includes strengthening of the board by the appointment of two directors by Baxi and access to Baxi's marketing expertise and distribution network.

ICI recently announced plans to invest £150 million in Kuan Yin, Taiwan, building a plant capable of producing 350,00 tonnes of pure terephthalic acid (used mostly in bottles). ICI have had little capital for investment over the past three years but their objective has been to expand into Asia and last year spent more on capital projects in the Asia Pacific than in Europe or the US. ICI is just the latest of many European chemical firms moving operations from Europe to Asia, this includes locations such as West India, East Vietnam, Northern China and Southern Jakarta. The reasons given include the recession, the strong yen, high manufacturing costs and migration of electronics and automotive industries, (significant customers of the chemicals industry, to low cost centres elsewhere in Asia. The combination of lower costs in Asia and higher labour costs, expensive social security systems and widespread regulation of environmental affairs by the state in Europe and the US, have contributed to the decision of many companies to move production

to Asia. The consequences for Europe have been estimated by the European Chemical Industry Council as a decrease in capital investment of 14.3% and 160,000 jobs lost since 1990 with a further drop of 60,00 predicted.

TEXTILES, LEATHER, CLOTHING AND FOOTWEAR

The Index of Production in the Textiles, Leather, Clothing and Footwear (TLCF) sector in Scotland increased by a substantial 4% in the final quarter of last year, a considerably better short term performance than the industry across the UK (where output fell by 1%) and better than the average for all Scottish manufacturing which saw an increase of only 0.3%. The increase in the final quarter means that the industry in Scotland has all but recovered the 5% reduction in output value recorded in the first quarter of 1993, although the value of output is still 1% down in 1993 compared with all of 1992.

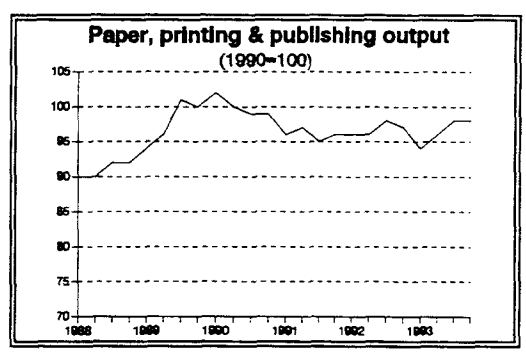
Following the introduction of a new management team, Falmer International are to invest £2.4 million in an advertising campaign and in upgrading its jeans factory in Cumnock, which currently employs 300 people. Company turnover last year was £30 million, and it is hoped that the new investment will lead to increased orders and employment. And elsewhere in Ayrshire, WJ Knox is to invest £1 million at its Kilbirnie yarn plant to increase capacity, following strong growth in demand from Europe. The investment will create around 30 new jobs at Kilbirnie taking the total workforce to 250. The company already has plans to further increase investment due to begin this autumn.

In Tayside, the polypropylene manufacturer Don and Low is to invest £3.3 million to increase capacity and for technological upgrading. The money is the first phase of a planned £14 million investment programme scheduled to continue over the next five years, the aim of which is to improve manufacturing efficiency.

William Baird, which has recently been selling its-non-core interests in order to concentrate its activities in the textile sector, reported virtually unchanged profits of £19.6 million in April. Turnover on its textiles business rose, however, from £439.8 million to £472.2 million following its acquisition of Rocke, the Grangemouth-based producer of women's wear in August last year. Results are thought to have been influenced by the amount of management time devoted to the disposal of its engineering interests an it is hoped to improve both turn over and profits following its return to an almost wholly textile-based strategy. Following the acquisition of Rocke, Bound is now the third largest clothing supplier to Marks and Spencer.

PAPER, PRINTING AND PUBLISHING

The latest Scottish Index of Production and Construction for the fourth quarter of 1993 indicates no change in output growth in the paper, printing and publishing sectors. Annualised growth, comparing growth patterns of the last 4 quarters with the preceding 4 quarters, also stands at 0%.



Figures from the UK Index of Production and Construction show output growth of 1% in the fourth quarter, with annualised growth of 4%.

Figures from the latest Scottish Chambers Business Survey indicate growing confidence in the business situation in the paper, printing and publishing sectors. Of those questioned, a net 14% of firms claimed increased confidence since the third quarter. Further, a net 37% of firms were more optimistic about the current business situation than in the same period in 1992.

Almost 40% of firms have experienced an increase in the volume of new orders. However, a high proportion of these new orders are confined to the Scottish market, with a reported 12% increase in new Scottish orders. A net 12% of firms have experienced a fall in the volume of new UK orders and a net 4% of firms report a downward trend in new export orders. Figures for the total volume of sales follow a similar trend. Although a net 23% of firms report an increase in total sales, while Scottish sales have increased, the volume of UK and export sales show a downward trend, with net falls in sales of 6% and 12% respectively in the fourth quarter.

Investment intentions in plant and equipment have risen for a net 9% of firms, compared to the third quarter. A moderate rise is also expected in the next quarter. Investment in land and equipment has remained unchanged since the third quarter, but a net 9% of firms expect investment in this area to increase in the following three months.

There has been a marginal improvement in employment prospects with a net 1% of firms reporting an increase in total employment. No further improvement is expected in the next quarter.

Shares in Sidlaws, the Scottish based packaging, oil services and textiles company fell by 11p to 338p in May. The drop in share value was due to the unexpected £300,000 loss at Sidlaw's oil services venture Supplylink. However, overall profits and turnover in Sidlaw's operations have been buoyant, with a 49% increase in profits to £6.85m in the first 6 months to March. Turnover has more than doubled to £150m in the same period. Chief executive Digby Morrow is pleased with the general progress of the company. In particular, the packaging sector which Sidlaws acquired form Courtlands in July 1993 has performed well. Sales in the packaging division have risen from £20m to £83m, with profits increased from £2m to £5.5m in the same 6 month period.

Glasgow based packaging operation, the Macfarlane Group achieved pre-tax profits of £12.3m in 1993, which was a 25% increase in annual profits. Chairman Lord Macfarlane announced that a £3m investment package was planned for 1994. The plans include new storage facilities in the Midlands area and a new factory in Kirkintilloch.

Cambus Litho, printer of educational and leisure books, based in East Kilbride has been acquired in a management buy-out backed by the 3i investment capital group. Cambus Litho, whose turnover has increased from £1m to £3.7m since 1987 will use the 3i's investment injection of £250,000 to buy another press and generally improve customer service, according to managing director Jim McCall.

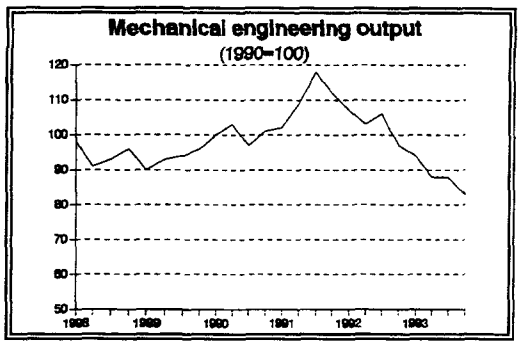
Edinburgh based group Johnston Press has achieved a 28% increase in profits in 1993 which will take the company's pre-tax profits for the year to £12.8m. The company has a wide range of operations including newspaper, bookbinding, stationery and printing divisions. Johnston Press has consolidated its position in the newspaper sector with the £30m purchase of the Halifax Courier. Ownership of Halifax Courier Holdings is estimated to increase Johnston Press' profits by £2m annually. Charman Fred Johnston claims the acquisition was part of company strategy of "extending its geographical coverage by acquiring titles which are local market leaders".

MECHANICAL ENGINEERING

The latest official index of production series presented a grim picture for the Scottish mechanical engineering industry, which recorded another major fall in output (-5.7%) in the final quarter of 1993. For the last year as a whole, the output of this industry dropped by 14.5%. This is compared with a sluggish UK mechanical engineering industry which suffered a modest annual fall of 1.5% in output in the previous year. It is evident that although the Scottish mechanical engineering industry fared remarkably well during the initial stage of the recession, towards the end of 1992 the fortune of the industry turned and it has been experiencing a continuing decline ever since. By now the Scottish mechanical engineering industry has lost completely its superiority in output growth over the UK industry as a whole.

The somewhat unjustified nature of business optimism in the Scottish mechanical engineering industry as recorded in the previous issues of the Scottish Business Survey (SBS) is only beginning to be evident in the latest Survey (the April issue of SBS). Among the corresponding firms, a net 1.4% were less optimistic about the general business situation, in contrast to a net of 3.2% being more optimistic as recorded in the previous survey. This downturn in business confidence is backed by the poor figures for new orders and sales in the first quarter this year. New orders from and sales to the domestic markets remain, and are expected to be depressed. Only export orders are expected to pick up over the next three months. Therefore, to a large

extent, the revival of the industry still hinges on the Scottish industry's competitiveness in the international market.



There was hardly any change to the trend of running down on stock of finished goods, work in progress and raw materials, and such a trend is expected to persist over the second quarter. The firms' capacity utilisation rate also remained almost unchanged at 73.9%.

A glimmer of hope appears, however, in investment intensions in plant and equipment and also in employment prospect in the industry. In fact the latest survey reports for the first time growth in total employment in a net 2.9% of firms after a series of reports of employment cut-backs. Although there were further cuts in female and part-time jobs, male employment has stabilized and, most encouragingly, full-time employment started to rise. Employment prospect is also expected to improve slightly over the coming quarter. A helping factor is the restraint on wages and salaries, which is still evident in this industry in the latest survey.

SERVICES

DISTRIBUTION

Wholesale business confidence continued to rise in the first quarter of 1994, with the latest Scottish Chambers Business Survey showing that a net 12% of respondents were more optimistic than they were in the previous quarter and a net 22% reported being more optimistic than in the first quarter 1993.

Despite a slight weakening, the trend in total sales was still upward for a balance of 18% of respondents. Sales are expected to continue to improve for the second quarter at much the same rate. Two out of three respondents cited stock shortages and credit facilities as the main limiting factors to output.

Investment intentions continued to be revised upwards for a net 17% of respondents. However, the trend in total employment continued to decline with 3% of respondents experiencing falling employment compared with 1% and 4% experiencing increasing employment in the fourth and third quarters of 1993 respectively. Female workers are talking the brunt of those reductions and this is only expected to lessen slightly in the second quarter.

The average wage settlement was 4.0%, up 0.6%, with 34% of respondents increasing wages.

Retailing exhibits similar trends, only less pronounced. During the first quarter business confidence remained positive despite a fall from the fourth quarter 1993. A net 1% of respondents being more optimistic than in the previous quarter however 10% of respondents were more optimistic than they were in the first quarter 1993.

Retail sales continued to improve through the first quarter 1994, with 8% of respondents reporting improvements over the previous quarter. Respondents listed their major limiting factors to sales growth as stock shortage (31%), credit facilities (31%), insufficient floorspace (26%) and skilled labour (12%). Investment intentions continued to be revised upwards over the first quarter, compared with the same period a year ago.

Employment in the retail sector continued to contract with a balance of 7% reducing employment during the first quarter. This trend is expected to continue but with reduced force. Male employment actually increased during the first quarter.

Just over a quarter of respondents increased employee remuneration with settlements of an average 3.8%, exactly the same as in the previous quarter.

Lower sales combined with a margin pressure, saw the Burton Group's retail profits drop by 27%^ to £39.7 million. However, the absence of last year's £11.9 million exceptional charge associated with the move to part-time working under the Best Practice Programme enabled profits before tax to increase by 46% to £36 million. Their radical restructuring is continuing with the disposal of the group's four remaining shopping centres to the Prudential in a deal worth £153 million cash.

Ashby Group the Inchinnan-based distributor of window blind systems, has revealed the full cost of its disastrous venture in Spanish food retailing. Its ongoing blinds business increased sales by 11% to £40.6 million in the year to December and pushed operating profits, before exceptional items ahead by 25% to £3.1 million. But, exceptionals totalling £22.1 million including £21 million of provisions against further losses against last year's sale of the Spanish business, left the group with a pre-tax loss for the year of £20.6 million.

Exceptionals are also to blame for Boots profits before tax rise of only 2.6%, to £415.9 million. They had to set aside £68.5 million to cover various exceptional items, including £35 million for the withdrawal of Manoplax, its heart drug and £36.6 million for restructuring the Do-it-all chain.

Restructuring and exceptionals seem to typify the distribution sector at present, however, the resultant businesses seem poised to forge ahead and given the chance, help to improve the country's economic state.

TOURISM

Tourism statistics for Scotland are drawn substantially from UK national demand monitoring exercises. These are supplemented by the results of the various Scottish accommodation occupancy studies commissioned by the Scottish Tourist Board, by collated figures for attendance at visitor attractions and by the multi-agency commissioned day visitor survey. One consequence of this is that meaningful results are slow to come through. The results of the 1993 United Kingdom Tourism Survey, for example, have been embargoed for publication until the Scottish Tourist Board has released them at a press conference to be held in early July, somewhat removed from the publication date of this Quarterly.

There is now a widely felt need to complement the gathering of such statistics at a national level by a supply-based approach in the accommodation sector. Local authorities, LEC's and other potential tourism players seem increasingly unwilling to rely solely on disaggregations from national studies to provide a picture of the local economic significance of tourism activity or of developing visitor trends. There is seen to be a place for a model which essentially works from the bottom up, trying to achieve more complete coverage of the existing accommodation base, and applying to it more accurate room rates and, although this is always likely to be difficult, locally substantiated rates of occupancy. This approach also draws on specialised local knowledge of such matters as visitor surveys, special events, traffic counts etc. Such a model has been operated in the English seaside resort of Scarborough and throughout North Yorkshire for some time, and has also been introduced recently into several LEC areas in Scotland. While some methodological objections may remain, the fact is that the easily assimilable and conveniently comparable results produced by the Scarborough model help local decision makers in ways which the national statistics at present do not. It is certainly understandable that the LEC's, and Scottish Enterprise, given the tourism development responsibilities they acquired under the recent review exercise, are keen to press on with the development of such a down to earth and robust approach which is calculated to help them track changes at a much more devolved level than has previously been possible.

Meanwhile the spirit of glasnost appears to be sweeping through the Scottish Tourist Board's Edinburgh offices. Scotland on Sunday recently reported the new STB Chief Executive as conceding, "At best, revenues have been static in recent years . . . If you look at it in inflation-adjusted terms, which is the only way you should look at numbers, then there's been decline over the sort of time scale you should consider when you're talking about trends." The national strategic plan for tourism has now been drafted and is likely to be made available for consultation this month. The plan sets out for the first time specific targets in relation to increased total visitor expenditure, increased bednights, increased tourism jobs, a more even spread of expenditure both geographically and seasonally, greater Scottish market share of UK domestic tourism and - even although the basis of quantification is not as yet entirely clear - improved visitor perceptions of Scotland!

This is all likely to be very welcome to the tourist trade, although the panache with which this very latter-day conversion can be carried off will be an important test of the new leadership. As the squabbles about the boundaries of the new ATB's have shown this is a fissiparous industry, full of grudge-bearing local particularism. Apart from providing leadership, it remains the case that the one area where the STB can make a crucial difference is in the marketing of Scotland as a concept. Whether the lessons of brand building, as exemplified by Heinz beans and Rowntree's Kit-Kat, have much relevance to the complexity of the

Scottish tourism product remains to be seen. Meanwhile, few observers are likely to quarrel with the stated need for a more focused marketing effort which concentrates on the key markets of the USA, France and Germany, more short-break visits, and increased emphasis on younger age groups looking for activity holidays.

FINANCIAL SECTOR

Despite the legal question marks that hang over the takeover of the Cheltenham & Gloucester Building Society by Lloyds Bank, the offer for the Cheltenham & Gloucester (C & G) raises some interesting questions over the future development of retail financial institutions and for the Scottish Financial Sector. By acquiring the C & G Lloyds Bank appear to be able to accomplish three main aims, notably increasing its share of the mortgage market, acquiring a distribution mechanism for a range of financial products, and keeping the overall cost of acquisition low since, although in cash terms it is effectively paying C & G members substantial compensation, it is acquiring real estate and other assets of considerable value.

Foremost amongst these questions perhaps is to understand why Lloyds should want to acquire a financial services distribution mechanism that is essentially branch based. In recent years the branch networks of the banks have generally been pruned reflecting the high level of costs associated with maintaining branches and recognising that the success stories in the marketing of financial services have been in other forms of distribution. The rapid rise of telephone banking pioneered by Midland and now copied by the other banks suggests that increases in the size and coverage of a branch network may not necessarily be the most obvious method of expansion, particularly for a bank with an already existing large network. If expansion through development of a branch network is still desirable then the most likely institutions to take advantage of the situation would be those with only limited existing networks, the Bank of Scotland springs readily to mind. Acquisition of a large building society would offer it nationwide coverage with few problems of overlap and hence little need for expensive rationalisation of closely competing branches. Of course, the question remains of whether branch banking is a sensible means of expansion for any bank. Current thinking is negative on this but just as five years ago we were being regaled with incredibly optimistic stories of the banking sectors desperate need for staff, and of their requirements in the future to employ up to a half of all new school leavers, we should not put too much credence on these very pessimistic forecasts. There is no doubt that telephone banking and telephone sales of financial products will continue to grow rapidly but by their very nature such sales are likely to be limited to standardised products that require little in the way of advice. We would expect telephone sales to take an increasing share of the market but this still leaves a role for the branch network, both for those people who distrust or have been slow to embrace telephone financial services, and for the sale of more complex products that are bought/sold relatively infrequently and for which consumers require advice. This is not to say that such products can't be standardised and sold by 'phone, or to believe that the advice consumers are given is necessarily good and useful, but it is to suggest that inertia and habit combined with improvements in the facilities that branches offer, means that a branch network will continue to be an important distribution outlet.

The importance of a branch network can perhaps most easily be seen by considering the end of the relationship between Standard Life and the Halifax. Although Standard Life tends to play down its loss in business from the Halifax there is little doubt that a considerable portion of its sales will be lost with Financial Adviser suggesting that as much as 18% of its 1992 business derived from the Halifax link. This loss raises a further intriguing possibility, the incentive for a life assurer to acquire a building society as a means of securing an additional distribution network.

The Scottish life assurance companies have traditionally sold their products through independent insurance intermediaries. Such intermediaries have been squeezed in the last few years by much tighter regulation and demands for higher standards in conducting business, and by the expansion of sales through other channels, particularly the branch networks of the banks and building societies and the direct sales forces of some of the major firms. This squeeze is unlikely to ease. Commission disclosure should lead to increased competition and a move to more creative ways of paying intermediaries for selling insurance. Even if the present value (to the insurance companies) of commissions paid to intermediaries remains the same (and one sincerely hopes that disclosure will drive them down) some intermediaries will undoubtedly find it difficult to adjust to changed patterns of commission income and will give up the struggle to remain in business. At the same time,

the continuing competition from the building societies to the traditional life offices, suggests that the need to secure other distribution channels will become acute for some institutions. In the circumstances the acquisition of building societies by a life office or other financial institutions may appear to be very attractive.

There remains, of course, the question of why building societies or indeed other mutual organisations, should be available for takeover or purchase by a bank or other financial institution. As long as the mutuals offer better services and performance than non mutuals there is presumably little incentive for the mutual stakeholders to agree to a change in status. Unfortunately, the evidence on whether mutuals outperform joint stock companies is far from clear cut. On the positive side mutuals do not have to pay for their equity capital and so are not required to distribute dividends to their shareholders. This should lead to improved performance. On the negative side, the absence of a hostile takeover threat means that the managers have may little incentive to cut costs and remove managerial slack so that their performance may be poor relative to a joint stock company. Certainly, it is not obvious to the consumer that benefits accrue from using a mutual financial institution. The rates on mortgages offered by mutual building societies are, in general, no better than the rates offered by their joint stock competitors. Similarly, it is not immediately apparent that mutual life assurance companies offer better, more profitable policies than non mutuals. In the circumstances there is little reason for the consumer to prefer a mutual over a joint stock company. And yet, if they don't perform better what is the point of having substantial capital tied up in mutuals and yet unavailable to building society shareholders or life assurance policy holders?

Building society shareholders, in the absence of interest rate benefits, might reasonably question their loyalty to the building society and support any attempt to release the accumulated surplus that benefits them. In some senses this is unfair. The surplus 'belongs' to past and present members and is accumulated for the benefit of current and future members, but if the benefits of their continued existence are hard to see, it can be no surprise if mutual owners try to realise the surplus.

At the same time it is apparent that the absence of a market for shareholdings in the mutual makes it difficult to motivate the senior managers with rewards, particular share options, related to the performance of a company. Senior managers who believe they perform well, may believe that mutual status simply holds down their remuneration. The ethos of mutuals acts to lower the rewards that managers receive and blunts their entrepreneurial instincts. In the circumstances it may not be surprising if the managers of some mutuals actively encourage takeover and acquisition by other financial institutions.

What lessons should we learn from all of this? From the perspective of the Scottish Financial Sector mutuals, particularly smaller ones, appear to look something of an endangered species. A wholesale loss of mutuals particularly through takeover could have serious effects on the nature and type of employment in the financial sector in Scotland. At the same time it is clear that all is not lost. Whilst there may be a need to address some of the problems that mutuals face, particularly in making stakeholders aware of the benefit of membership, it is also apparent that predators, whether from Scotland or elsewhere, may be able to greatly strengthen their distribution mechanisms by the acquisition of a building society. Of course, legal hurdles remain to be overcome but given the possibility of lucrative incentives to the mutual shareholders arising from the possibility of releasing funds, it should be possible to design and stage bids in such a way that enough building society shareholders benefit and are hence prepared to vote in favour of takeover proposals. Even if this isn't the case the possibility of takeover might greatly stimulate some minds in building society management and encourage more active competition than we have seen in the past.

THE LABOUR MARKET

Employment

Recent experience of changes in official estimates of employment data emphasise the need for caution amongst those who seek to interpret recent labour market trends. The quarterly employment estimates, derived from employer-based surveys, are beachmarked on the biennial Census of Employment. Results from the most recent Census for September 1991, have recently become available and have necessitated revisions to official employment estimates for the period after the previous Census of Employment (September 1989).

Recently a second phase of revisions has been made, in May 1994, (as was anticipated) following the selection of a revised panel of employers who form the basis of the sampling procedures that are used to estimate total employment. The figures from September 1992 in Tables 1 and 2 incorporate these revisions. For September 1993 the effect was to increase estimated employment by 19 thousand to 1985 thousands. Of this increase only 5 thousand is attributed to male employment so that the biggest revision is to female employment (15,000 or 1.5%). These revisions suggest that, for the first time, the majority of employees in employment in Scotland were females in September 1993. This reflects the longer term trend decline in male employment and rise in female employment.

The upward revisions in estimated employment are concentrated in part-time female employment, the estimate of which is raised by 10 thousand in September 1993 to 445 thousand (a revision of +2.2%). Note too that, although the numbers of female employees in employment exceeded the numbers of males in September (and December) 1993, nearly 45% of female employment is part-time whereas less than 10% of male employment falls into that category. The upward revisions to employment estimates (in September 1993) are concentrated in Education etc. (+15,000), metal goods (+7,000) and other manufacturing (+6,000). Downward revision occurred in Banking (7,000) and Energy and water (3,000).

The most recent employment data for December 1993 and these are reported in Tables 1 and 2. Overall, total employees in employment fell by around 1,000 (0.1%) in the year to December 1993. Male employees in employment fell by 12,000 (1.2%), and total female employment rose by 11,000 (1.1%). Part-time female employment rose by 6,000 (1.4%) and part-time male employment rose by 4,000 or 4.4%.

Over the year to December 1993, the biggest employment losses occurred in construction (9,000 or 8.2%), energy and water (7,000 or 12.3%) and distribution, hotel and catering (3,000 (0.7%). Employment rose by 11,000 (5.5%) in Banking etc. and by 9,000 (1.3%) in education, health and other services.

Vacancies: stocks and flows

Over the year to April 1994 unfilled vacancies at job centres in Scotland fluctuated between 17.5 (15.9) and 19.2 (20.1) thousands on a seasonally adjusted (unadjusted) basis (Table 3). Vacancies were unchanged over the year to January 1994 on a seasonally adjusted basis. The net increase in the stock of unfilled vacancies conceals much larger gross inflows and outflows (Table 4). These were of a similar order of magnitude to the outstanding stock of vacancies in each month. For example, in April 1994 inflows of 20.4 thousand were slightly less than outflows (20.6 thousand). The short average duration of vacancies is a sign that employers on average do not find it difficult to fill posts because of a continuing slackness in the labour market (although employers may still find it difficult to recruit specific skills in particular locations).

Unemployment: stocks and flows

Recent data on the seasonally adjusted unemployment stock are presented in Table 5. The most recent data, of course, reflect the current rules governing eligibility to claim benefit which have been in place since September 1988. These reflect the extension of a guaranteed offer of a YTS place to all those under 18 who have not found a job, under the Employment Training Scheme. Under

18s are consequently not entitled to claim benefit and so are excluded from the unemployment count.

Over the year to April 1994 total unemployment fell about 11.9 thousand, from 245.5 thousand and from 9.8% to 9.4% of the working population. This represents a reduction in the level of unemployment of 4.8%. The aggregate figures reflect a decrease in female unemployment of 4.5 thousand, and a decrease of 7.4 thousand in male unemployment over the year.

Table 6 presents recent flows into and out of the unemployment stock. In April 1994 inflows were, at 32.1 thousand, about 2.8 thousand less than in the same month of 1993. Outflows were, at 34.3 thousand, 1.3 thousand less than in January 1993. If gross outflows were maintained in their April 1994 level unemployment stocks could turnover in just under 7 months.

BUSINESS SURVEY EVIDENCE

Evidence from the latest Scottish Chambers' Business Survey indicates some improvements in employment trends. A net of respondents reported a rise in total employment in Manufacturing and Construction, but a fall in Wholesale and Retail Distribution, Finance and Tourism and Leisure. The trends reported for the first quarter for 1994 were better than expected in Manufacturing, Construction and Tourism/Leisure. These were the best quarter one figures for the past three years in Manufacturing, Construction, Retail Distribution and Tourism/Leisure. Once again the fall in employment in both Finance and Tourism/Leisure concealed increased employment of temporary and part time staffs.

The downward trends in employment continued in the Oil sector, and these are expected to continue, but to weaken, through the second quarter of 1994.

Against expectations a net of +4% of Manufacturing respondents reported a rise in employment, but this is not expected to continue through the second quarter. Overtime levels fell, and this fall is expected to continue. Construction employment had been expected to fall, however, a net a +9% reported an increase - the best quarter one figures since 1990 - and this increase is now expected to continue through to June.

In the service sector the improvement in employment in Wholesale Distribution was not sustained, and, against expectations, a net of -3% reported a fall in employment. This fall in employment is expected to end in the second quarter, however, and overtime levels are not expected to improve, suggesting only limited increases in the demand for labour are expected. In Retail Distribution the fall in employment steepened, nevertheless this fall was the lowest quarter one fall in employment since 1990. The fall in employment is expected to weaken, but to continue through the second quarter. Again the trends indicate a substitution of part time and temporary staffs for full time employees. In the Financial sector the downward trends in employment continued, and are expected to continue through the second quarter. Once again, the overall decline in employment concealed an increase in the employment of temporary and part time staffs. Finally, in Tourism the fall in employment was less than had been forecast, and was the lowest fall in a first quarter since the survey was introduced. Part time and temporary employment rose whereas full time employment fell. The forecast strengthening in employment in the second quarter is based only on expectations of increase use of temporary and part time employment.

The percentage of firms seeking to recruit staff rose in Manufacturing, Construction, Wholesale and Finance, but fell in both Retail and Tourism/Leisure. More importantly, the percentages seeking to recruit in the first quarter of 1994 in Manufacturing, Construction and Retail were once again higher than in the same quarters in 1993, 1992 and 1991. This provides further support to the view of a gradual improvement in the demand for labour.

The percentages of firms reporting difficulties in recruiting suitable employees fell in all sectors, apart from Construction. Levels of training rose slightly in most sectors, but remain depressed in Construction and Wholesale Distribution.

A quarter of Manufacturing, Construction and Tourist respondents reported difficulties in recruiting skilled manual staffs. Difficulties in recruiting suitable managerial staffs were widespread in Oil, and were noted by 16% of Tourism, 17% of Manufacturing and 10% of Construction respondents. Problems in recruiting suitable technical staffs were apparent in Oil, Manufacturing and Construction.

Average wage/salary increases rose in most sectors. The average increase in Manufacturing rose to

3.5%, in Wholesale distribution the average rose to 4%, and in Finance to 5.1%. The average increase remained unchanged at 3.8% in Retail and continued to fall to 2.4% in Tourism. Once again the increase in Tourism and Leisure was the lowest since the sector was included in the survey in 1990.

TABLE 1 EMPLOYEES IN EMPLOYMENT IN SCOTLAND: INDUSTRY AGGREGATES ('000s)*
(Figures in square brackets reflect the 1989 and 1990 LFS. The latest estimates reflect the impact of the 1991 LFS.)

SIC 1980		MALE		FEMALE		TOTAL	Prod/Const	Production	Manuf.	Services
		All	of which P/T	All	of which P/T		1-5	1-4	2-4	6-9
1979	Jun	(1,205)		(897)	(332)	(2,102)	(831)	(676)	(604)	1,224
1989	Mar	(1,015) [1,016]		(914) [924]	(387) [376]	(1,929) [1,941]	(587) [601]	(440) [476]	(401) [418]	(1,314) [1,311]
	Jun	[1,018]		[941]	[384]	[1,959]	[599]	[474]	[416]	[1,331]
	Sep	[1,034]		[934]	[389]	[1,968]	[594]	[460]	[402]	[1,344]
	Dec	[1,033]		[939]	[401]	[1,972]	[595]	[461]	[402]	[1,349]
1990	Mar	[1,027]		[930]	[395]	[1,957]	[591]	[457]	[397]	[1,337]
	Jun	[1,031]		[942]	[406]	[1,974]	[591]	[458]	[398]	[1,353]
	Sep	[1,040] (1,043)		[943] (943)	[406] (404)	[1,983] (1,986)	[597] (594)	[465] (464)	[405] (405)	[1,356] (1,362)
	Dec	[1,034] (1,043)		[946] (949)	[417] (416)	[1,980] (1,992)	[591] (589)	[462] (462)	[401] (403)	[1,362] (1,376)
1991	Mar	[1,021] (1,035)		[936] (941)	[412] (413)	[1,956] (1,978)	[573] (571)	[449] (450)	[388] (391)	[1,356] (1,377)
	Jun	[1,015] (1,031)	106	[944] (953)	[414] (417)	[1,959] (1,984)	[562] (561)	[443] (444)	[383] (385)	[1,368] (1,394)
	Sep	[1,011] (1,026)	103	[947] (954)	[418] (414)	[1,958] (1,984)	[560] (567)	[443] (444)	[383] (385)	[1,370] (1,394)
	Dec	(1,026) 1,037	(105) 85	(952) 976	(416) 427	(1,978) 2,013	(543) 560	(434) 435	(376) 377	(1,416) 1,425
1992	Mar	(1,020) 1,026	(112) 87	(955) 980	(418) 429	(1,975) 2,005	(535) 551	(430) 431	(373) 372	(1,411) 1,426
	Jun	(1,024) 1,023	(123) 92	(956) 981	(419) 431	(1,979) 2,005	(528) 544	(425) 425	(368) 368	(1,424) 1,434
	Sep	(1,008) 1,012	(119) 81	(948) 980	(416) 432	(1,956) 1,992	(519) 543	(418) 427	(361) 360	(1,410) 1,423
	Dec	(993) 993	(95) 90	(971) 984	(436) 442	(1,963) 1,976	(520) 529	(405) 416	(348) 359	(1,418) 1,421
1993	Mar	980	85	979	437	1959	525	414	358	1,408
	Jun	993	91	991	445	1984	525	417	364	1,432
	Sep	991	91	994	445	1985	519	414	362	1,439
	Dec	981	94	995	448	1975	513	410	360	1,437

Source: Department of Employment Gazette

* Figures within [.] reflect estimates prior to the 1989 Census of Employment
Figures within (.) reflect estimates prior to the 1991 Census of Employment

TABLE 2 EMPLOYMENT: SCOTLAND EMPLOYEES IN EMPLOYMENT (000's)*

SIC 1980		Agric./ forestry/ fishing 0	Energy & Water 1	Metal Man. & chemicals 2	Metal goods, Eng. & vehicles 3	Other Man. 4	Const. 5	Distribution Hotels & Catering: repairs 6	T'sport & Comm. 7	Banking, insurance & finance 8	Education, health & other services 91-92
1979		48	72	82	258	265	155	[391]	135	123	[573]
1989	Jun	[29]	[58]	[47]	[166]	[202]	[125]	[385]	[116]	[174]	[656]
	Sep	[30]	[59]	[48]	[168]	[207]	[124]	[387]	[116]	[176]	[664]
	Dec	[28]	[60]	[49]	[169]	[206]	[122]	[384]	[116]	[177]	[676]
1990	Mar	[28]	[61]	[49]	[168]	[203]	[121]	[374]	[117]	[179]	[678]
	Jun	[30]	[61]	[47]	[170]	[207]	[120]	[387]	[115]	[180]	[683]
	Sep	[30] 29	[63] 59	[47] 43	[172] (167)	[212] (195)	[120] (130)	[392] (416)	[115] (113)	[182] (195)	[685] (639)
	Dec	[27] 27	[61] 59	[44] 41	[169] (164)	[189] (197)	[129] (127)	[412] (417)	[108] (112)	[184] (196)	[657] (652)
1991	Mar	[28] 28	[61] 60	[43] 39	[165] (158)	[181] (193)	[123] (121)	[404] (410)	[106] (110)	[189] (205)	[657] (654)
	Jun	[29] 28	[60] 59	[42] 38	[161] (153)	[180] (194)	[120] (117)	[408] (415)	[107] (111)	[187] (205)	[665] (662)
	Sep	[29] 28	[60] 59	[42] 38	[161] (153)	[180] (194)	[116] (114)	[408] (415)	[108] (112)	[182] (203)	[673] (664)
	Dec	28	58	41	(153) 163	(184) 173	(109) 125	(418) 416	(111) 115	(213) 209	(664) 693
1992	Mar	28	58	40	(153) 160	(183) 172	(105) 121	(411) 409	(110) 115	(217) 209	(673) 694
	Jun	27	58	39	(147) 154	(185) 174	(103) 119	(419) 416	(109) 113	(223) 211	(672) 694
	Sep	27	58	37	(143) 155	(182) 176	(101) 118	(416) 414	(107) 110	(220) 205	(667) 693
	Dec	26	57	36	(147) 153	(165) 171	(115) 113	(417) 418	(111) 110	(208) 198	(682) 695
1993	Mar	26	56	36	150	176	111	403	108	198	699
	Jun	27	53	35	154	175	108	413	113	205	704
	Sep	27	52	36	151	175	106	421	109	207	702
	Dec	25	50	35	152	172	104	415	109	209	704

* See notes to Table 1

Source: Department of Employment Gazette

TABLE 3 UNFILLED VACANCIES AT JOBCENTRES - SCOTLAND ('000s)					
	Seasonally adjusted			Vacancies at Careers Offices	
	Number	Change since previous month	Aver.change over 3 months ending	Unadjusted Total	Unadjusted
1990 Jan	22.8	-0.3	-0.1	19.8	1.1
Feb	22.3	-0.5	-0.7	19.2	1.0
Mar	22.3	0.0	-0.3	20.5	1.2
Apr	23.0	0.7	0.1	22.9	1.5
May	22.7	-0.3	0.1	23.6	1.3
Jun	22.4	-0.3	0.0	23.8	1.4
Jul	22.2	-0.2	-0.3	23.3	1.2
Aug	22.4	0.2	0.1	23.2	1.1
Sep	22.4	0.0	0.0	24.5	1.1
Oct	21.8	-0.2	-0.2	24.0	0.9
Nov	18.7	-3.1	-1.3	19.4	0.9
Dec	16.6	-2.0	-1.8	15.2	0.6
1991 Jan	19.1	2.5	-0.9	15.6	0.7
Feb	22.6	3.6	1.3	19.8	0.6
Mar	23.9	1.3	2.4	21.8	0.6
Apr	19.3	-4.6	0.1	19.4	0.7
May	17.7	-1.6	-1.6	18.5	0.8
Jun	17.2	-0.5	-2.1	18.8	0.9
Jul	16.2	-1.1	-1.1	17.1	0.8
Aug	15.6	-0.6	-0.7	16.3	0.7
Sep	15.9	0.3	-0.5	18.6	0.6
Oct	17.0	0.5	0.2	19.6	0.6
Nov	17.4	0.4	0.5	18.2	0.6
Dec	17.5	0.1	0.3	15.9	0.4
1992 Jan	17.8	0.3	0.3	14.4	0.5
Feb	18.6	0.8	0.4	15.8	0.4
Mar	18.5	-0.1	0.6	16.9	0.6
Apr	19.5	1.0	0.6	20.1	0.5
May	19.7	0.2	0.4	20.7	0.6
Jun	19.2	-0.5	0.2	20.9	0.7
Jul	18.8	-0.7	-0.2	19.1	0.7
Aug	18.7	-0.1	-0.4	18.7	0.5
Sep	18.3	-0.4	-0.4	20.0	0.5
Oct	18.7	0.4	0.0	21.0	0.6
Nov	19.9	1.2	0.4	20.7	0.5
Dec	19.8	-0.1	0.5	18.0	0.4
1993 Jan	19.5	-0.3	0.3	15.9	0.3
Feb	19.5	0.0	-0.1	17.2	0.3
Mar	19.5	0.0	-0.1	18.5	0.5
Apr	18.1	-1.3	-0.4	18.9	0.5
May	17.9	-0.2	-0.5	19.0	0.5
Jun	17.5	-0.4	-0.6	19.0	0.6
Jul	18.1	0.6	0.0	18.2	0.6
Aug	18.5	0.4	0.2	18.4	0.6
Sep	18.3	-0.2	0.3	19.9	0.6
Oct	18.0	-0.3	0.0	20.1	0.5
Nov	18.8	0.8	0.1	19.7	0.4
Dec	18.9	0.1	0.2	17.6	0.4
1994 Jan	19.2	0.3	0.4	15.8	0.5
Feb	18.4	-0.8	-0.1	16.3	0.4
Mar	18.3	-0.1	-0.2	17.5	0.5
Apr	18.2	-0.1	-0.3	19.1	0.6

Source: Department of Employment Press Notice

Note: Figures from October reflect the revised basis of seasonal adjustment from November 1992

TABLE 4: VACANCY FLOWS AT JOBCENTRES, STANDARDISED, SEASONALLY ADJUSTED - SCOTLAND

	In-flow		Out-flow		000s of which: Placings	
Date	Level	Average change 3 months ended	Level	Average change 3 months ended	Level	Average change 3 months ended
1990 Jan	20.1	1.2	21.2	-0.6	17.9	-0.5
'Feb	22.7	-0.4	23.4	0.1	19.4	0.0
Mar	22.3	0.1	22.3	0.0	18.5	-0.1
Apr	22.4	0.8	22.2	0.3	18.4	0.2
May	22.5	0.1	22.3	-0.4	18.4	-0.3
Jun	21.6	-0.2	1.9	-0.1	18.1	-0.1
Jul	23.5	0.4	23.5	0.4	19.7	0.4
Aug	23.2	0.2	22.8	0.2	18.8	0.1
Sep	22.9	0.4	22.9	0.3	18.6	0.2
Oct	22.4	-0.4	22.9	-0.1	18.7	-0.2
Nov	21.9	-0.4	25.8	1.0	20.6	0.6
Dec	21.1	-0.3	21.8	-0.3	17.6	-0.3
1991 Jan	21.9	-0.1	20.5	-0.8	16.6	-0.7
Feb	22.5	0.2	18.7	-2.4	15.2	-1.8
Mar	21.9	0.2	20.8	-0.3	17.4	-0.1
Apr	22.3	0.1	25.8	1.8	21.6	1.7
May	22.4	0.0	26.0	2.4	21.6	2.1
Jun	20.1	-0.6	20.3	-0.2	16.7	-0.2
Jul	20.0	-0.8	20.7	-1.7	16.9	-1.6
Aug	19.5	-1.0	20.0	-2.0	16.4	-1.7
Sep	20.6	0.2	20.4	0.0	16.8	0.0
Oct	23.0	0.9	21.6	0.2	18.0	0.3
Nov	19.9	0.0	19.7	-0.2	15.7	-0.4
Dec	21.2	0.2	20.6	0.2	17.3	0.2
1992 Jan	20.3	-0.9	20.7	-0.3	17.4	-0.2
Feb	20.3	0.1	19.9	-0.1	16.3	0.2
Mar	21.7	0.2	21.9	0.4	18.3	0.3
Apr	21.4	0.4	21.2	0.2	17.7	0.1
May	21.4	0.4	21.3	0.5	17.8	0.5
Jun	22.1	0.1	22.4	0.2	18.3	0.0
Jul	20.1	-0.4	20.6	-0.2	16.7	-0.3
Aug	20.7	-0.3	20.4	-0.4	16.6	-0.4
Sep	21.6	-0.2	21.6	-0.2	17.9	-0.2
Oct	21.5	0.4	20.2	-0.2	16.9	0.1
Nov	21.6	0.3	20.7	0.1	16.9	0.0
Dec	22.4	0.3	22.0	0.1	18.7	0.4
1993 Jan	22.1	0.2	22.8	0.9.	18.8	0.7
Feb	21.9	0.1	21.9	0.4	18.0	0.1
Mar	22.6	0.1	22.7	0.2	18.1	-0.3
Apr	21.5	-0.3	22.4	-0.1	18.5	-0.1
May	21.5	-0.2	22.6	0.2	18.3	0.1
Jun	22.0	-0.2	22.2	-0.1	18.5	0.1
Jul	22.1	0.2	21.4	-0.3	18.0	-0.2
Aug	21.7	0.1	21.2	-0.5	18.0	-0.1
Sep	22.3	0.1	22.3	0.0	19.0	0.2
Oct	22.8	0.2	22.7	0.4	19.2	0.4
Nov	24.6	1.0	23.9	0.9	20.4	0.8
Dec	23.5	0.4	22.8	0.2	19.5	0.2
1994 Jan	23.1	0.1	23.2	0.2	20.0	0.3
Feb	22.6	-0.7	23.5	-0.1	20.5	0.0
Mar	21.9	-0.5	22.1	-0.2	19.4	0.0
Apr	20.4	-0.9	20.6	-0.9	18.2	-0.6

Source: Department of Employment

Note: Figures from October reflect the revised basis of seasonal adjustment from November 1992

TABLE 5: SCOTLAND - UNEMPLOYMENT - SEASONALLY ADJUSTED (excluding school leavers ('000s)
(Figures in parentheses reflect estimates on September 1988 basis - see text for details)

Date	Male	Female	Total	Change since previous month	Ave. change over 6 months ending	Unemp. rate % of working pop.
1990 Jan	151.1	56.8	207.9	-3.3	-3.8	8.3
Feb	150.8	56.2	207.0	-0.9	-3.6	8.2
Mar	149.6	55.4	205.0	-2.0	-3.1	8.2
Apr	148.5	55.3	203.8	-1.2	-2.6	8.1
May	147.1	54.3	201.3	-2.4	-2.2	8.0
Jun	147.0	54.1	201.1	-0.3	-1.7	8.0
Jul	147.9	53.6	201.5	0.4	-1.1	8.0
Aug	147.6	52.8	200.4	-1.1	-1.1	8.0
Sep	147.6	51.6	199.2	-1.2	-1.0	7.9
Oct	146.9	51.0	197.9	-1.3	-1.0	7.9
Nov	147.8	50.8	198.6	0.7	-0.5	7.9
Dec	149.6	51.2	200.8	2.2	-0.1	8.0
1991 Jan	150.3	51.2	201.5	0.7	0.0	8.1
Feb	153.0	51.7	204.7	3.2	0.7	8.2
Mar	157.0	52.3	209.3	4.6	1.7	8.4
Apr	160.4	54.0	214.4	4.8	2.6	8.5
May	163.9	55.2	219.8	4.7	3.3	8.7
Jun	166.5	55.4	221.9	2.8	3.3	8.8
Jul	169.4	56.2	225.6	3.7	3.8	8.9
Aug	170.9	56.1	227.0	1.4	3.5	9.0
Sep	170.4	55.3	225.7	-1.3	2.7	9.0
Oct	171.0	54.7	225.7	0.0	1.9	9.0
Nov	172.6	54.5	227.1	1.2	1.3	9.0
Dec	173.6	54.3	227.9	1.4	0.9	9.0
1992 Jan	176.0	54.9	230.9	3.0	0.9	9.2
Feb	176.2	55.3	231.5	0.6	0.9	9.2
Mar	175.5	55.8	231.3	-0.2	0.9	9.2
Apr	177.7	56.2	233.9	2.6	1.4	9.3
May	179.1	56.1	235.2	1.3	1.4	9.3
Jun	180.1	56.4	236.5	1.3	1.4	9.4
Jul	183.0	57.5	240.5	4.6	1.5	9.5
Aug	186.4	57.0	243.4	2.9	1.9	9.6
Sep	186.2	56.4	242.6	-0.8	1.9	9.6
Oct	187.8	56.5	244.3	1.7	1.8	9.6
Nov	189.4	56.6	246.0	1.7	1.9	9.7
Dec	192.3	57.1	249.4	3.4	2.3	9.8
1993 Jan	192.5	57.0	249.5	0.1	1.5	9.8
Feb	190.7	56.9	247.6	-1.9	0.7	9.8
Mar	188.4	56.1	244.5	-3.1	0.3	9.6
Apr	188.9	56.6	245.5	1.0	0.1	9.8
May	188.9	56.0	244.9	-0.6	-0.2	9.8
Jun	189.1	55.5	244.6	-0.3	-0.8	9.8
Jul	190.0	56.4	246.4	1.8	-0.3	9.9
Aug	189.4	56.5	245.9	-0.5	-0.3	9.8
Sep	187.1	55.6	242.7	-3.2	-0.3	9.7
Oct	184.2	54.5	238.7	-4.0	-1.1	9.6
Nov	182.9	53.8	236.7	-2.0	-1.4	9.5
Dec	181.6	53.1	234.7	-2.0	-1.7	9.4
1994 Jan	184.6	53.8	238.4	3.7	-1.3	9.5
Feb	183.3	53.5	236.8	-1.6	-1.5	9.5
Mar	182.0	52.7	234.7	-2.1	-1.3	9.4
Apr	181.5	52.1	233.6	-1.1	-0.9	9.4

Source: Department of Employment

TABLE 6: UNEMPLOYMENT FLOWS - STANDARDISED, UNADJUSTED: SCOTLAND ('000s)		
Month ending	In-flow	Out-flow
1990 Jan	29.7	22.9
Feb	31.9	35.7
Mar	29.5	35.5
Apr	29.7	33.3
May	25.8	35.9
Jun	29.1	31.5
Jul	38.5	30.2
Aug	29.9	30.5
Sep	32.5	37.6
Oct	33.0	35.3
Nov	34.1	31.1
Dec	31.6	25.3
1991 Jan	31.3	20.8
Feb	34.0	32.9
Mar	32.9	31.6
Apr	33.8	31.8
May	30.9	32.7
Jun	31.0	30.9
Jul	44.4	30.5
Aug	32.8	30.9
Sep	33.9	41.0
Oct	34.6	36.3
Nov	34.8	32.1
Dec	32.5	26.9
1992 Jan	34.2	20.6
Feb	33.7	35.1
Mar	31.8	34.2
Apr	33.5	33.1
May	30.4	34.6
Jun	32.9	34.4
Jul	48.9	33.3
Aug	35.4	32.9
Sep	37.1	46.0
Oct	38.7	39.8
Nov	38.2	35.6
Dec	34.0	26.3
1993 Jan	36.4	26.7
Feb	34.1	38.1
Mar	31.3	38.2
Apr	34.9	35.6
May	30.8	36.4
Jun	31.9	35.1
Jul	49.2	34.6
Aug	34.4	34.6
Sep	35.1	48.9
Oct	35.5	41.7
Nov	35.6	35.4
Dec	32.8	30.3
1994 Jan	35.1	22.6
Feb	32.6	37.5
Mar	29.1	36.0
Apr	32.1	34.3

Source: Department of Employment