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<http://www.nowcastingscotland.com>

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With official estimates of economic growth in Scotland due out next month, we have produced updated estimates of economic growth in Scotland using our nowcasting model for Q4 2017 and Q1 2018.

These estimate that:

- GVA growth in 2017 Q4 is 0.36% which, at an annual rate, is 1.47%
- GVA growth in 2018 Q1 is 0.34% which, at an annual rate, is 1.38%

Relative to our estimates from last month, these suggest a slight improvement in our estimate for Q4 (up from 1.25%), and very little change in our estimate for Q1 2018 (which was 1.4%).

We will review the current performance of the Scottish economy in more detail in this month's *Fraser Economic Commentary*, but at the moment there is little sign that the economy is bouncing back from over two years of weak growth.

The recent labour market data showed unemployment increased by 0.5% points to 4.5%. This *may*, and we stress *may*, be a sign that the weakness in economic growth is feeding through to the labour market. Data released next month will tell us far more about the direction of travel. But it is worth emphasising that despite this increase in the unemployment rate, headline unemployment remains low by historical standards, and employment remains robust.

Recent poor weather and associated disruption will also act as a dampener on economic growth in Q1 2018. Our model does not capture one-off events and/or unique changes in particular sectors. On that basis, the figure for Q1 could be lower than our nowcast is currently predicting. But that being said, our economy is much more resilient than one might expect. As we showed [in a recent blog](#), when similar poor weather led to widespread disruption in 2010 the effect on that quarters' economic growth was compensated -to some extent - with higher economic activity in subsequent quarters.