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<http://www.nowcastingscotland.com>

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With the new [Fraser Economic Commentary](#) out next Tuesday, which will provide an in-depth assessment of the performance of the Scottish economy, in this blog we provide our latest nowcasts of GDP growth in Scotland.

- Our nowcast for GVA growth in 2018 Q3 is 0.35% which, at an annual rate, is 1.42%
- Our nowcast for GVA growth in 2018 Q4 is 0.39 which, at an annual rate, is 1.57%

These represent slight downward revisions to our estimates for 2018 Q3 and Q4 released last month.

We will learn the first official estimate of growth in Q3 of 2018 on the 19th of December 2018. Our current nowcast (0.35%) suggests we will see a reduction in the growth rate relative to Q2's official measure of growth (0.5%).

Since our November nowcast we have had new data on a number of key indicators.

While the Scottish labour market continues to record impressive headline statistics on employment (at 75% not far off its record high) and unemployment (at 3.8% at its joint-record low), wage growth is weak and barely above inflation.

Consumer confidence in November took a sharp dip from -17 in October, to -29, suggesting that consumers are increasingly pessimistic about the economic outlook. Relatedly perhaps, recent data on retail sales growth in Scotland showed growth was weak, and weaker than in the UK as a whole.

Balancing this out, and despite heightened economic policy uncertainty, Royal Bank of Scotland PMI recorded 53.4 in November, indicating solid expansion in activity, above the figure for the UK as a whole. This suggests that firms are continuing in 'business as usual' mode. Thus activity appears to be being maintained, but this does not appear to be being translated into improvements in wages and consumption.

With the highly uncertain political climate, our monthly nowcasts will continue to incorporate the latest indicators to produce timely estimates of growth. We intend that

these can provide clear signals about the economic situation in Scotland, well in advance of official statistics.