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<http://www.nowcastingscotland.com>

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Slightly later than usual, here are our monthly nowcasts of the Scottish economy, covering the first two quarters of 2018.

Our model suggests that:

- GVA growth in 2018 Q1 was 0.29%, or at an annual rate 1.18%
- GVA growth in 2018 Q2 is 0.29%, or at an annual rate 1.16%

Later on this month the Scottish Government will release official estimates covering the first three months of 2018, against which we can compare our Q1 estimate.

By way of comparison, UK GDP growth in Q1 was only 0.1%. If our nowcasts are correct, Scottish growth could be stronger over the same period.

One word of caution. Our nowcasts are based upon trends across a variety of different data points at the economy wide or sectoral level. Individual factors - e.g. the impact of the snow in March on individual retailers or the collapse of a number of construction firms - will not be immediately apparent in such a series.

If our nowcasts are accurate however, it would mean that the economy has realised nearly half of the growth that the Scottish Fiscal Commission recently forecast for 2018 as a whole (they estimate growth over the year of 0.7%). This is not to say that such forecasts are inaccurate however, but that different data points could be pointing in alternative directions at a particular point in time.

0.3% growth in the first three months of 2018 is nothing to write home about, but in the current climate, it is still likely to be welcome.

Next week the Fraser Economic Commentary, supported by Deloitte, is released. This will contain updated forecasts for the Scottish economy for 2018 and beyond. It will also look in more detail about what the various survey and data releases tell us about the health of the Scottish economy.

