

Grant Allan & Stuart McIntyre

<http://www.nowcastingscotland.com>

Fraser of Allander Institute, University of Strathclyde

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Recent economic news on the Scottish economy has struck a slightly more upbeat note about the current pace of economic growth.

This comes on the back of growth over the year to June 2018 - whilst still below average - at its fastest since late 2014/early 2015 and the Scottish economy outpacing the UK for the last two quarters.

While, as set out in our latest Fraser Economic Commentary we remain cautiously optimistic, growth is likely to remain below trend for the duration of our forecast horizon. And overall, the immediate outlook for Scotland's economy remains highly uncertain.

Against this backdrop, the latest nowcasts of economic growth in Scotland from our nowcasting model have been generated.

Our nowcasting model combines the latest data on a range of indicators, including official data such as unemployment, alongside a range of 'soft' indicators of activity like consumer confidence indicators and our own business surveys.

This month the model estimates growth in 2018 Q3 of 0.40%, which, at an annual rate, is 1.61%.

While still below trend, this estimate suggests that growth in Q3 is continuing to tick back up after a couple of years of weak growth.

Survey evidence showing that the outcome of the ongoing Brexit negotiations weighs heavily on businesses. While the recent rise in economic growth is to be welcomed, this incremental improvement could be easily undermined by a failure to agree a Brexit deal.