



## DEBATE PACK

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# The Future of the Scottish Economy

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## Summary

There will be a general 90 minute debate on the future of the Scottish economy held in Westminster Hall on Wednesday 27 June at 2.30pm, sponsored by Ged Killen MP.

This briefing provides details on the current economic situation in Scotland and the UK, and forecasts on future developments in both.

Library specialists are Daniel Harari and Matt Keep.

The following briefing papers are relevant:

[Scotland: Public spending and revenue](#), SN06625

[Country and regional public sector finances](#), CBP-8027

[Regional and National Economic Indicators](#), SN06924

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

# 1. Background

This section is split into two parts. The first summaries recent developments in – and forecasts for – Scotland’s economy, while the second focuses on Scotland’s public finances.

## 1.1 Scotland’s economic situation

### Latest developments

Economic growth in Scotland has been below its historical average in recent years. Following GDP growth of 1.7% in 2015, growth slowed to 0.2% in 2016 and 0.4% in 2017.<sup>1</sup>

In the UK, economic growth also slowed somewhat but was higher than in Scotland. GDP growth in the UK was 2.3% in 2015, followed by 1.9% in 2016 and 1.8% in 2017.<sup>2</sup>

In recent quarters the Scottish economy has recorded a modest acceleration in growth, with GDP rising by 0.3% in Q4 2017 compared with the previous quarter. This compares with 0.2% in Q3 2017 and 0.1% in Q2 2017. However, these are still relatively low growth rates compared with historical averages.

At the time of publication, GDP data for Scotland is available up to the final quarter of 2017; new figures for Q1 2018 will be published on the morning of Wednesday 27 June.<sup>3</sup>



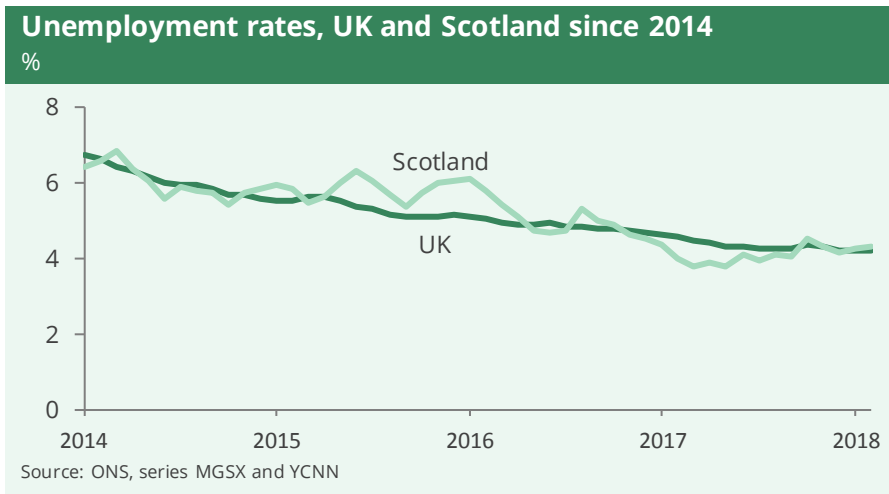
Despite subdued economic growth, the labour market has continued to perform well, with unemployment falling and employment rising. The

<sup>1</sup> The Scotland GDP figures in this section are based on the headline measure as published by the Scottish Government which is a measure of Scotland’s onshore economy, so excluding offshore oil and gas extraction.

<sup>2</sup> GDP growth figures from Scottish Government, [Scotland’s Gross Domestic Product Quarter 4 2017](#), 4 April 2018

<sup>3</sup> These new GDP figures will be available on the [Scottish Government website](#)

unemployment rate in Scotland was 4.3% in the three months to April 2018, very similar to the rate in the UK as a whole (4.2%).<sup>4</sup>



The employment rate - the proportion of those aged 16-64 that are in work – was 75.2% in Scotland over the same period, a high rate and similar to the UK figure of 75.6%.<sup>5</sup>

As with the rest of the UK, the picture for wages has not been as positive over the past decade. Average real (inflation-adjusted) wages levels are still lower than they were prior to the 2008/09 recession.<sup>6</sup> Up-to-date data for wages in Scotland are limited, but it appears that average real wages have fallen again in the past year.<sup>7</sup>

## Forecasts

Prominent forecasters expect annual GDP growth to remain subdued in forthcoming years at around 1%, although estimates vary somewhat.

In its most recent forecasts published in May 2018, the Scottish Fiscal Commission, Scotland's independent forecaster, expects the economy to expand by slightly under 1% in each year from 2018-2023 (the last year it provides forecasts for).<sup>8</sup> Its 2018 forecast is for growth of 0.7%.

In June 2018, the University of Strathclyde's Fraser of Allander Institute (FAI) forecast growth to be a little higher. In 2018 it forecasts the economy to expand by 1.2%, followed by 1.3% in 2019 and 2020.<sup>9</sup>

FAI stated that while it expects growth to remain "below trend for the foreseeable future", it "should pick-up on last year".<sup>10</sup> By way of comparison, the Office for Budget Responsibility (OBR) forecasts UK GDP growth of 1.5% in 2018 and 1.3% in 2019 and 2020.<sup>11</sup>

<sup>4</sup> ONS, [UK labour market: June 2018](#), 12 June 2018, table 24 (1) of PDF

<sup>5</sup> Ibid.

<sup>6</sup> Based on full-time average weekly earnings 2008-2017, (source: ONS, Annual Survey of Hours and Earnings (ASHE)), deflated by UK CPI inflation

<sup>7</sup> Scottish Fiscal Commission, [Scotland's Economic and Fiscal Forecasts May 2018](#), paras 2.32 and 2.37, table 2.5

<sup>8</sup> Scottish Fiscal Commission, [Scotland's Economic and Fiscal Forecasts May 2018](#)

<sup>9</sup> Fraser of Allander Institute, [Economic Commentary, June 2018](#)

<sup>10</sup> Fraser of Allander Institute blog post, ["Today's Fraser of Allander Economic Commentary in 10 bullet points"](#), 20 June 2018

<sup>11</sup> OBR, [Economic and fiscal outlook](#), March 2018

Comparison of GDP growth forecasts for Scotland and UK						
% , annual change in GDP						
	2018	2019	2020	2021	2022	2023
Scottish Fiscal Commission (May 2018)	0.7	0.8	0.9	0.9	0.9	0.9
Fraser of Allander Institute (Jun 2018)	1.2	1.3	1.3	n/a	n/a	n/a
UK forecasts - OBR (Mar 2018)	1.5	1.3	1.3	1.4	1.5	n/a

Sources: SFC, Economic and fiscal forecasts May 2018; FAI, Economic Commentary Jun 2018; OBR, Economic and fiscal outlook March 2018

It is worth noting, as the Scottish Fiscal Commission does in its May 2018 report, that population growth in Scotland is slower than in the rest of the UK.<sup>12</sup> If one uses GDP per capita instead of overall GDP, thereby stripping out the effects of population change, the same rate of overall GDP growth results in higher GDP per capita growth in Scotland than in the UK.

## Longer-term outlook

Key issues that affect the longer-term prospects of the Scottish economy include population and demographic factors, weak productivity growth, and Brexit.

The Scottish Fiscal Commission notes that while the overall population in Scotland is expected to rise, the working-age population (those aged 16-64) is projected to start declining from this year onwards.<sup>13</sup> The decline is very small, but this contrasts with a rising working-age population in the rest of the UK. This group of the population is of course very important to the economy and therefore these projections suggest this will hinder future Scottish GDP growth.

As is the case for the UK as a whole, the productivity performance in Scotland has been weaker since the global financial crisis. Although Scotland's productivity growth rates have been higher than the UK's, they have still been weak by historical standards. Productivity growth is the most important factor in generating sustainable increases in economic growth and living standards.

As well as having short-term impacts, Brexit will also affect the Scottish economy over the long-term. In the short- to medium-term, the Fraser of Allander Institute states that "Brexit remains the greatest risk to Scotland's economic recovery".<sup>14</sup> The longer-term impact will be shaped by the final Brexit settlement and the future relationship between the UK and EU. Some forecasts and analysis, though, has been published as to the potential impact on Scotland.

<sup>12</sup> Scottish Fiscal Commission, [Scotland's Economic and Fiscal Forecasts May 2018](#), p.9

<sup>13</sup> Scottish Fiscal Commission, [Scotland's Economic and Fiscal Forecasts May 2018](#), p.9

<sup>14</sup> Fraser of Allander Institute, ["Cautious optimism for growth in 2018/19 but lack of clarity on Brexit risks 'holding back Scotland's recovery'"](#), 20 June 2018

One of these is a UK Government analysis of the economic effects of leaving the EU, published in March 2018 by the Committee on Exiting the EU – the analysis is dated as being from January.<sup>15</sup>

The analysis came with heavy caveats. For example, it was marked as “Draft Analytical Thinking with Preliminary Results” (with the regional and national analysis in particular said to be “still developing”) and the Government were keen to point out that it includes off-the-shelf scenarios that do not reflect the deal that it is seeking to agree with the EU.<sup>16</sup>

The analysis gives the forecast long-term impact on the level of GDP compared with staying in the EU. The results show that Scotland:<sup>17</sup>

- could see its GDP around 2.5% lower in 15 years under a EEA-type scenario (staying in the Single Market) compared with what GDP would have been if the UK remained in the EU;
- could see its GDP around 6.0% lower in 15 years under a Free Trade Agreement-type scenario compared with what GDP would have been if the UK remained in the EU;
- could see its GDP around 9.0% lower in 15 years under a ‘WTO mitigated’-type scenario compared with what GDP would have been if the UK remained in the EU.

For further information on the analysis and assumptions that underpin this model (and for other material on impacts), see the full publication.

Further information on Brexit

- Fraser of Allander Institute, [\*Brexit and the sectors of the Scottish economy: A report for GMB Scotland\*](#), November 2017
- Scottish Parliament Economy, Jobs and Fair Work Committee, [\*Report on the Economic Impact of Leaving the European Union\*](#), February 2017
- Commons Library briefing paper, [Brexit: a reading list of post-EU Referendum publications by Parliament and the Devolved Assemblies](#)

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<sup>15</sup> DEXEU Commons Select Committee, [Government Brexit analysis material published](#), 8 March 2018

<sup>16</sup> See for example [letter from David Davis to Hilary Benn, 26 Feb 2018](#)

<sup>17</sup> The exact numbers given here come from [a tweet from Laura Kuenssberg](#) – the document published by the Committee gives a chart, which appears to match up to these, but does not give the exact figures.

## Scotland – key economic statistics

		Scotland	UK
<b>Population</b>			
2016 mid-year estimates	Millions	5.4	65.6
<b>Economy</b>			
Total output (GVA), 2016	£ billions	134	1,748
Total output (GVA) per head, 2016	£	24,800	26,621
Economic Growth (GVA), 2010-16	Annual ave real terms % ch.	1.7%	1.9%
<b>Forecast economic growth (GVA, real terms)*</b>			
2018	% change on year	1.6%	1.7%
2018-28	Average annual % change	1.6%	1.9%
<b>Labour market, February - April 2018</b>			
Employment level	Thousands	2,642	32,394
Employment rate	% of population aged 16-64	75.2%	75.6%
Unemployment level	Thousands	118	1,416
Unemployment rate	% of economically active	4.3%	4.2%
Median weekly earnings, 2016	£, full time employees	537	539
<b>Industries - employment, January-March 2018</b>			
Manufacturing	% of total jobs	6.9%	7.7%
Public sector	% of total employment	21.5%	16.6%
<b>House prices, April 2018</b>			
Average	£	149,000	227,000
Annual change	% change on year	5.6%	3.9%
<b>Fiscal indicators, 2015/16</b>			
Public sector revenue per head	£	10,230	10,471
Public sector expenditure per head	£	13,054	11,579
Net fiscal balance per head	£	-2,824	-1,108
<b>Businesses</b>			
Number of businesses, 2017	Thousands	346	5,695
Annual % change in businesses, 2017	% change on year	6.6%	3.6%
* Forecasts from Oxford Economics (Apr. 2018)			

This table is taken from the Library's [Regional and National Economic Indicators](#), where you can find sources and further information.

## 1.2 Scotland's public finances

### Net fiscal deficit

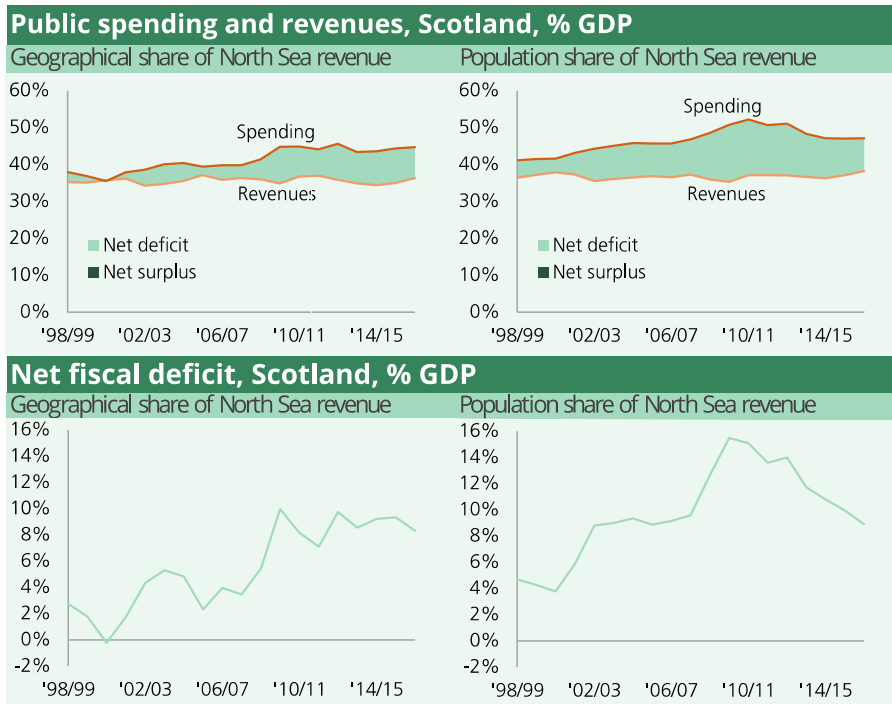
According to Scottish Government estimates,<sup>18</sup> Scotland's net fiscal deficit in 2016/17 – the difference between estimated revenues and public spending – ranges from 9.0% of GDP if North Sea oil and gas are excluded, to 8.3% of GDP if the North Sea is shared on a geographical basis, according to where the oil and gas fields are located. This compares with a UK fiscal deficit of 2.4% of GDP.

These estimates include all public spending in Scotland: they include spending by the Scottish Government and Scottish local authorities, but also spending by UK Government departments in Scotland. Public spending in Scotland was £71.2 billion in 2016/17. Similarly, an estimate of all taxes and other revenues raised in Scotland are included, not just those collected by the Scottish Government and Scottish local authorities. The Scottish Government estimates that around £58 billion of revenues were raised in Scotland in 2016/17.

#### Box 1: Allocating North Sea Revenues

Two approaches are taken to attributing North Sea oil and gas revenues to Scotland. One approach shares the revenues between Scotland and the rest of the UK on a population basis: this is often described as a per capita share. The other approach shares the revenues on a geographical basis according to where the oil and gas fields are located.

In previous years the allocation of North Sea oil and gas revenues between Scotland and the rest of the UK made a difference to estimates of government revenue raised in Scotland. However, in 2016/17, as the revenues are low, their allocation makes little difference.

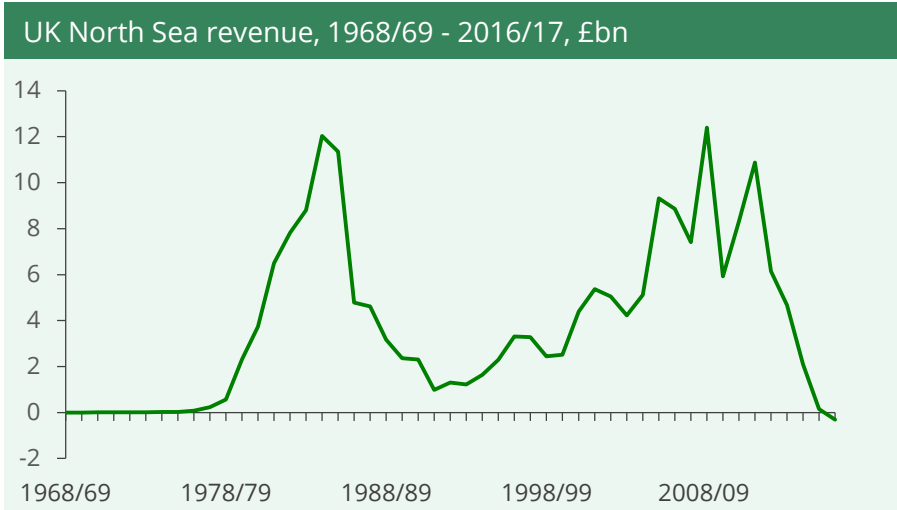


<sup>18</sup> Unless otherwise stated, data in this section are from Scottish Government, [Government Expenditure & Revenue Scotland 2016-17](#)

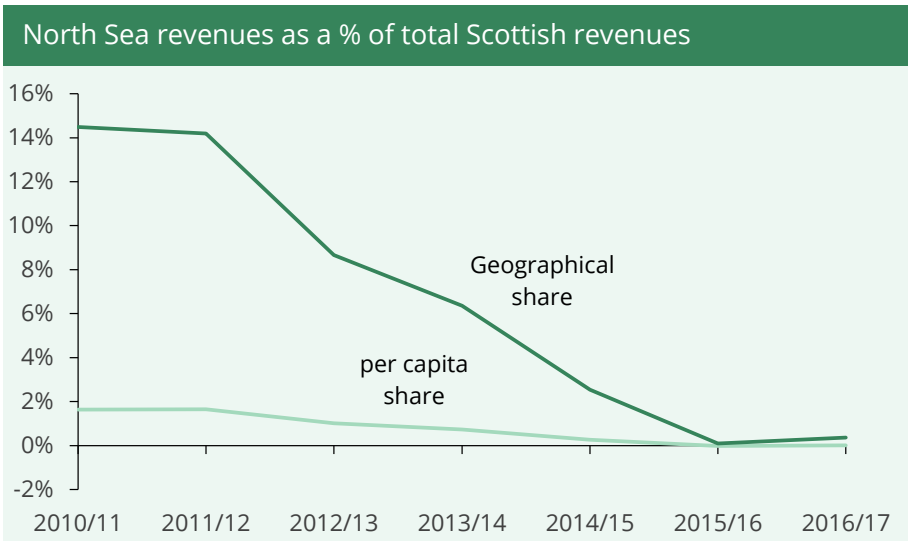
The Library briefing [Scotland: Public spending and revenue](#) discusses the public finances of Scotland in greater depth.

### North Sea Revenues

Falls in the oil price combined with high levels of investment and rising decommissioning costs have seen North Sea revenues fall to the lowest levels since records began in 1968/69.<sup>19</sup>



North Sea revenues are volatile. If allocated on a geographical basis, Scotland’s North Sea revenues have fluctuated between £7.9 billion and £56 million over the last 6 years; between 14% and 0.1% of total Scottish revenue over this period.



### Forecasts

The Sustainable Growth Commission (the Commission), established by the SNP leader, Nicola Sturgeon, recently assessed Scotland’s economy and public finances and made policy recommendations.

The [Commission estimates](#) that Scotland’s net fiscal deficit will fall to 7.1% of GDP in 2021/22.<sup>20</sup> This is similar to forecasts published in

<sup>19</sup> HMRC. [Table 11.11](#)

<sup>20</sup> Sustainable Growth Commission, [Part B The Framework & Strategy for the Sustainable Public Finances of an Independent Scotland](#), May 2018



[Scottish Trends](#), by the former Civil Service Economist and then Coalition Government special adviser John McLaren and by the [Institute for Fiscal Studies](#) (IFS). In March 2017, John McLaren forecast a Scottish net fiscal deficit of 6.3% of GDP in 2021/22,<sup>21</sup> while in May 2017 the IFS forecast a deficit of 6.7% of GDP in 2021/22.<sup>22</sup>

The Scottish Fiscal Commission – Scotland’s independent forecaster – focuses on the tax and borrowing powers of the Scottish Government. Therefore, it doesn’t produce forecasts of Scotland’s wider public finances.

### 1.3 The Scottish Government’s budget

The preceding section considered all public spending in Scotland and revenues raised in Scotland. Only some of this spending and revenue is the responsibility of the Scottish Government. Here we consider the Scottish Government’s spending and revenues.

The [Scottish Government’s 2018/19 draft budget](#) was passed by the Scottish Parliament on 21 February 2018. The budget set by the Scottish Government sees them make discretionary spending of around £32 billion in 2018/19. The biggest area of spending is health, where the Scottish Government will spend around £13 billion.

Around £18 billion of the funding for the Scottish Government’s spending in 2018/19 comes from the block grant – the grant the UK Government provides, changes in which are largely determined by the [Barnett formula](#). The vast majority of the rest of the Scottish Government funding comes from devolved tax revenues.

The Scottish Government’s [Five Year Financial Strategy](#) sets out a broad medium-term view of the Scottish Government’s budget to 2022/23. Its central estimate is that the Scottish budget will have around £38 billion of discretionary spending in 2022/23.<sup>23</sup>

Further information

- The Scottish Parliament Information Centre publish more information about the [Scottish Government Budget](#).
- The Fraser Allander Institute’s June 2018 economic commentary discusses [the medium-term fiscal outlook for the Scottish Government](#).
- The Library’s Insight [The Barnett formula: a quick guide](#) gives a brief overview of how the formula affects Scotland’s block grant.

### Devolved tax powers

The past few years have seen more tax powers devolved to the Scottish Parliament. Devolution for some taxes has been agreed, but the transfer of the powers hasn’t yet happened. The table below summarises the situation and includes an estimate of the revenue associated with each

<sup>21</sup> Scottish Trends, [Analysis of key economic and fiscal issues impacting on a 2nd Scottish independence referendum](#), March 2017

<sup>22</sup> IFS, [The SNP’s fiscal plans and Scotland’s fiscal position](#), May 2017

<sup>23</sup> Scottish Government, Scotland’s Fiscal Outlook, May 2018, [Table 6.4](#)

tax in 2018/19. Once all powers are devolved, it is expected that approximately 50% of the Scottish Government's budget will come from devolved or assigned taxes.

For VAT, powers over the tax are not being devolved but the Scottish Government will be assigned revenues from the tax. From April 2019, the first 10p of the standard rate of VAT and the first 2.5p of the reduced rate of VAT will be assigned to the Scottish Government.

Devolution of air passenger duty (which will be replaced by an air departure tax) and aggregates levy are delayed until legal issues around EU state aid are resolved.<sup>24</sup>

<b>Taxes devolved or set to be devolved to Scotland</b>	
	2018/19, £ billion
<i>Currently devolved</i>	
Business rates	2.8
Council tax <sup>2</sup>	2.1
Income tax (non-savings, non-dividends)	12.0
Landfill tax	0.1
Land & Buildings Transaction Tax <sup>1</sup>	0.6
<i>To be devolved</i>	
Aggregates levy (delayed)	0.1
Air passenger duty (delayed)	0.3
<i>Revenues to be assigned, but no devolution of tax powers</i>	
VAT (starting with a transitional year from April 2019) <sup>2</sup>	5.1
notes:	
<sup>1</sup> This is Scotland's replacement for stamp duty land tax	
<sup>2</sup> Figures are for 2016/17	
sources:	
Scottish Fiscal Commission, Scotland's Economic and Fiscal Forecasts May 2018	
Scottish Government, Government Expenditure and Revenue Scotland, 2016/17	
Office for Budget Responsibility, March 2018 devolved tax and spending forecasts	

Forecasts for devolved taxes have been published by the Scottish Fiscal Commission in [Scotland's Economic and Fiscal Forecasts May 2018](#).

Technical details about devolved taxes are set out in the [Scottish Government's Fiscal Framework](#). Further information about tax devolution are available from the following sources:

- Commons Library Insight, [Devolution \(part 1\): progress on new powers](#), January 2018
- Fraser of Allander Institute, [A primer on the Scottish Parliament's new fiscal powers: what are they, how will they work, and what are the challenges?](#), June 2017
- Scottish Parliament Information Centre, [Draft Budget 2018/19: Taxes](#), December 2017
- Scottish Parliament Information Centre, [The Fiscal Framework](#), November 2016

<sup>24</sup> Scottish Government, Scotland's Fiscal Outlook, May 2018, [para 2.7](#)

## 2. Background reading

### 2.1 Library briefing papers

[Scotland: Public spending and revenue](#), Matt Keep, SN06625, 22 September 2017

[Country and regional public sector finances](#), CBP-8027, Matt Keep, 30 June 2017

[Regional and National Economic Indicators](#), SN06924, Daniel Harari and Matt Ward, 15 June 2018

### 2.2 Government papers

[Tourism in Scotland: the economic contribution of the sector](#), Scottish Government, 24 April 2018

[Gross Domestic Product for Scotland](#), Scottish Government, April 2018

[Understanding the Scottish rural economy: research paper](#), Scottish Government, 23 February 2018

[Scottish expert advisory panel on the collaborative economy: evidence paper](#), Scottish Government, 29 January 2018

[Scotland's place in Europe: people, jobs and investment](#), Scottish Government, 15 January 2018

[Look back on Scotland's economy 2017](#), blog post, Keith Brown, Cabinet Secretary for the Economy, Jobs and Fair Work, Scottish Government Economic Development Directorate, 28 December 2017

[Industrial Strategy: the Grand Challenges](#), BEIS, 27 November 2017

[Modern Industrial Strategy to boost business support for Scotland](#), BEIS press release, 27 November 2017

[UK Government Budget delivers for Scotland: Chancellor sets out how the UK government is delivering for Scotland and building an economy fit for the future](#), Treasury press release, 22 November 2017

### 2.3 Reports

[Economic Commentary: The medium-term fiscal outlook for the Scottish Government](#), Blog post, University of Strathclyde Fraser of Allander Institute, 20 June 2018

[Scottish economy blog posts](#), University of Strathclyde Fraser of Allander Institute, 18 June 2018

[Labour Market Update: June 2018](#), Andrew Aiton, Scottish Parliament Information Centre [SPICe], 13 June 2018

[EY Scottish ITEM Club Summer update 2018](#), EY Scottish ITEM Club, 13 June 2018

[The Scottish Government's Five Year Financial Strategy](#), Ross Burnside, Scottish Parliament Information Centre [SPICe], 12 June 2018

[Fraser Economic Commentary](#), Vol 42 No 2, University of Strathclyde Fraser of Allander Institute, June 2018

[Golden Opportunity: EY Scotland Attractiveness Survey 2018](#), EY, June 2018

[Scotland's Economic and Fiscal Forecasts May 2018](#), Scottish Fiscal Commission, 31 May 2018

[Scotland – the new case for optimism: a strategy for inter-generational economic renaissance](#), The Sustainable Growth Commission, May 2018

[Gross Domestic Product \(GDP\): 4<sup>th</sup> quarter 2017](#), Andrew Aiton, Scottish Parliament Information Centre [SPICe], 4 April 2018

[The impact of Brexit on Scotland's growth sectors](#), Tena Prelec, Scottish Parliament Information Centre [SPICe], 20 March 2018

[UK trade policy and Brexit](#), Iain McIver, Anouk Berthier and Professor Ian Wooton, Scottish Parliament Information Centre [SPICe], 7 March 2018

[Scotland's exports – 2016](#), Andrew Aiton, Scottish Parliament Information Centre [SPICe], 7 February 2018

[EY Scottish ITEM Club 2018 Forecast: picking up but can Scotland accelerate faster?](#) December 2017

## 3. Parliamentary material

### 3.1 Parliamentary reports and inquiries

Scottish Affairs Committee:

Current [Scottish Affairs Committee](#) inquiries include:

- [The future of the oil and gas industry](#)
- [Scotland and Brexit: Trade and Foreign Investment](#)
- [Immigration in Scotland](#)

[2nd Report - The future of working practices in Scotland](#), HC 449, 4 March 2018

[1st Report - European Union \(Withdrawal\) Bill: Implications for devolution](#), HC 375, 19 November 2017

[2nd Special Report - The future of working practices in Scotland: Government Response to the Committee's Second Report](#), HC 1067, 24 May 2018

International Trade Committee:

[2nd Special Report - Continuing application of EU trade agreements after Brexit: Government Response to the Committee's First Report](#), HC 1042, 14 May 2018

[3rd Report - UK Trade Remedies Authority](#), HC 743, 10 May 2018

[2nd Report - UK-US Trade Relations](#), HC 481, 1 May 2018

[1st Report - Continuing application of EU trade agreements after Brexit](#), HC 520, 7 March 2018

[1st Special Report - UK trade options beyond 2019: Government Response to the Committee's First Report of Session 2016–17](#), HC 585, 17 November 2017

### 3.2 Parliamentary questions

[Leaving the EU: Economic Growth](#), oral questions answered by Secretary of State for Scotland David Mundell, 6 June 2018 Vol 642 c288 - 9

[Leaving the EU: Scottish Economy](#), oral questions answered by Parliamentary Under-Secretary of State for Wales Stuart Andrew, 25 April 2018 Vol 639 c 867-8

[Scottish Economy](#), oral questions answered by Parliamentary Under-Secretary of State for Wales Stuart Andrew, 7 March 2018 Vol 637 c296

[The Scottish Economy](#), oral questions answered by the Financial Secretary to the Treasury Mel Stride, 27 February 2018 Vol 636

[Women in the Scottish Economy](#), oral questions answered by Parliamentary Under-Secretary of State for the Home Department Victoria Atkins, 11 January 2018 Vol 634 c464

[Immigration: Effect on the Economy](#), oral questions answered by the Secretary of State for the Home Department Amber Rudd, 8 January 2018 Vol 634 c9-11

### 3.3 Debates

[UK Oil and Gas Industry](#), Westminster Hall, 19 April 2018 Vol 639 c193-230WH

[Leaving the EU: Tourism and the Creative Industries](#), Westminster Hall, 17 April 2018 Vol 639 c65-89WH

[The Economy](#), Main chamber, 22 March 2018 Vol 638 c424-480

## 4. Press articles

[MSPs demand urgent overhaul of economic strategy](#), Tom Gordon, The Herald, 21 June 2018

As well as multiple long-term challenges facing the country's businesses, Holyrood's economy committee said ministers had to update their plans in anticipation of Brexit.

[Cautious optimism for growth in 2018/19 say economists](#), University of Strathclyde press release, 20 June 2018

Scottish economic growth is set to recover this year but remain below trend, according to analysis by the University of Strathclyde's Fraser of Allander Institute. In its latest Economic Commentary, the Institute forecasts a 1.2% increase in Scottish GDP in 2018 and 1.3% growth in 2019, making its outlook more optimistic than the government's own official forecaster the Scottish Fiscal Commission.

[Job search: a robust labour market masks some sobering forecasts for the economy](#), Tom Freeman, Holyrood, 20 June 2018

Economic forecasting has consistently shown that Scotland's employment challenges set it apart from other countries in the UK

[Brexit 'biggest short-term threat' to Scottish GDP](#), Greig Cameron, The Times, 20 June 2018

The Fraser of Allander Institute expects a 1.3 per cent rise in GDP this year, compared with the 1.2 per cent it had pencilled in at its March update. The University of Strathclyde unit predicts 1.3 per cent growth in 2019 and 2020, down from the 1.4 per cent it had estimated previously for those years

[Scots growth forecast to quicken but expected to trail UK slightly](#), Ian McConnell, The Herald, 13 June 2018

Scotland's economy will grow by 1.3 per cent this year as household finances remain under pressure, trailing the UK as a whole, with expansion accelerating to 1.6% in 2019, the EY Scottish ITEM Club is forecasting.

[Scottish growth 'outpacing UK as a whole'](#), BBC News, 11 June 2018

Research by Royal Bank of Scotland indicates the Scottish economy is growing faster than the UK as a whole.

[Get used to low growth in Scotland, warns commission](#), Scott MacNab, The Scotsman, 1 June 2018

The Scottish Fiscal Commission warned in a report this week that GDP growth will remain below one per cent for the next five years as Scotland continues to lag behind the UK.

[Scotland faces five years of anaemic economic growth](#), Mure Dickie, Financial Times, 31 May 2018

UK spending cuts, Brexit and immigration curbs blamed on GDP forecast of less than 1%

[Scottish economy faces 'subdued' growth for years to come](#), BBC News, 31 May 2018

Scotland's economy is set for five more years of "subdued" growth, lagging behind the UK as a whole, the Scottish Fiscal Commission has warned. The forecaster cut its estimates for the coming years, saying growth will fail to exceed 1% in the years to 2023.

[SNP says Scotland should delay launching own currency](#), Severin Carrell, The Guardian, 25 May 2018

Sustainable growth report warns an independent Scotland would need 'robust' spending controls

[SNP changes tack on economic case for independence](#), Mure Dickie, Financial Times, 25 May 2018

Wilson report acknowledges greater fiscal challenges in splitting from UK

[Sturgeon to visit China in bid to strengthen economic ties](#), Mure Dickie, Financial Times, 8 April 2018

Official trip comes after data show chronically low growth for Scotland

[Scotland plans £2bn national investment bank](#), Mure Dickie, Financial Times, 28 February 2018

Sturgeon welcomes proposal that would help fund SMEs and strategic projects

[Brexit could cost Scottish economy £16bn a year – report](#), Severin Carrell, The Guardian, 15 January 2018

Nicola Sturgeon says updated analysis strengthens case for UK staying in EU single market



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