

(Press Release - 8th November 2017)

A Brief Analysis of latest Quarterly National Accounts for Scotland (QNAS) statistics for Quarter 2 of 2017.

GDP Q2 2017

The following analysis looks at data relating to the Scottish economy's performance in **cash terms** and **including North Sea activity** (in contrast to the Scottish Government's quarterly GDP publication, which is in real terms and looks only at onshore activity).

Key points

- Latest data reveals **growth of 0.8% in Scottish GDP in the second quarter (Q2) of 2017 and by 3.1% vs a year ago**. This is in part due to the North Sea contributing to growth over the past year rather than undermining it, as happened in much of the previous four years.
- The onshore **Trade deficit** improved a little in Q2 but continues to remain at a level notably higher than it was pre 2015, due to a weaker trade position with respect to the rest of the UK.
- **Business Investment** figures (described as 'experimental statistics') continue to disappoint, down 7% on Q1, down 15% on a year ago and down 23% on two years ago.
- The **Savings Ratio** for Scotland has been significantly revised upwards in the latest two releases. When data was first released the Scottish Savings Ratio for 2016 was recorded as 3.5% and for Q4 of 2016 as low as 2.6%. Due to data revisions and ONS methodological changes those figures now stand at 7.8% and 6.7%. While much improved they are still at near record (post 1998) lows and around half the level seen in 2010 and 2011.

Quote:

"In overall terms, any Brexit impact on the Scottish economy remains difficult to discern. Scotland's trade position has not improved, as might have been hoped given the depreciation in sterling, while business investment continues to fall.

However, offshore North Sea activity is now contributing to economic growth rather than detracting from it and this bounce-back may yet further improve given the recent rise in the oil price."

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