

UDC: 33

REGIONAL ASPECTS IN THE DEVELOPMENT OF THE UK ECONOMY ON THE EXAMPLE OF SCOTLAND

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Economic growth in Scotland appears to have slowed towards the end of the year, partly driven by the knock-on impacts of reduced activity in the North Sea driven low by low oil price. Investment and domestic expenditure held up growth through the year as a whole, pointing to a domestically-supported growth model for the short term. Looking forward, the external environment for Scottish exports appears to have weakened since our last Commentary, in particular in developing countries, but also with downgrades to growth for the USA and the UK as a whole (with the rest of the UK being Scotland's largest export market). Additionally, with uncertain future investment spending, slowing growth to nominal incomes and the likelihood of a continued and prolonged period of low oil prices we have revised down our forecasts for economic and job growth over the next two years.

Keywords: *Scotland, economic, GVA, forecast, employment, unemployment, ILO, nominal incomes, export market, Scotland's Economic Strategy, job growth*

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