

# Recession for Scotland 'in the balance', say experts

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The prospect of Scotland officially entering recession, in direct contrast to the fast-growing UK economy, hangs in the balance, experts have warned.

In a report assessing the state of the economy, the Fraser of Allander Institute produced analysis which shows Scotland's economy continues to perform poorly.

The economy shrank in the final three months of 2016, it said, and another quarter's fall would mean the country had entered a technical recession for the first time since the global downturn.

Experts said the economy north of the border "remains in a precarious position".

Their forecast was for growth to be at 1.2 per cent for 2017, 1.4 per cent 2018, and 1.6 per cent in 2019. All of these are behind UK indicators.

**Scottish Conservative shadow economy secretary Dean Lockhart said:**

"Scotland's economy continues to badly under-perform thanks to this SNP government.

"As this report states, whether or not Scotland officially enters recession hangs in the balance.

"And that's while the rest of the UK powers ahead, so the SNP can't possibly blame Brexit.

"This is on the Scottish Government's shoulders, and it has to explain what it is going to do to kick-start the economy it is in charge of.

"Make no mistake, Scotland has great potential.

"But that potential has been utterly neglected by an SNP government which has its priorities focused elsewhere."

**Scottish Conservative shadow finance secretary Murdo Fraser said:**

"The continuing under-performance of Scotland's economy will adversely impact

the levels of spending the Scottish Government will have going forward.

“Holyrood’s new powers means that Scotland’s economic performance matters more than ever before.

“Even small variations in relative performance will translate into hundreds of millions of pounds in tax revenues within a short period of time.”

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The full Fraser of Allander report will be published tomorrow morning.

Earlier this year, it was confirmed that Scotland was half-way to recession after three months of economic decline:

<http://www.scottishconservatives.com/2017/04/scotland-halfway-towards-recession-under-the-snp/>