

SCDI RESPONSE TO GDP FIGURES

23 July 2008

Responding to the publication of the GDP figures for first quarter 2008, Niall Stuart, spokesperson for the Scottish Council for Development and Industry said:

“The figures for the year show a steady performance of a 2.1 per cent increase in GDP, but it may be that we are seeing the first signs of the credit crunch filtering through to the wider economy, with 0.3 per cent growth for the quarter.

“The problems in the housing market are apparent with a 2.9 per cent fall in construction over the year – compared to growth of 2.4 per cent for the UK - and a decline in the sector over each of the last five quarters. This makes it more important than ever that the Scottish Government pushes on with its investment in projects like the M74 and Aberdeen bypass.

“Given that these figures are for the start of this year, we will probably not have a clear view of the extent of the slowdown in the economy until the publication of the next findings in October. However it appears that as in previous downturns, Scotland will weather the storm more strongly than the wider UK economy.”

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