

Scotland's GDP 2018, Quarter 4

First Estimate

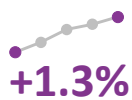
20 March 2019

This is the first estimate of Scotland's Gross Domestic Product (GDP) for 2018 Quarter 4 (October to December).

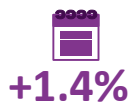
Headline results



Scotland's GDP grew by 0.3% in real terms during the fourth quarter of 2018. The equivalent growth rate for the UK as a whole was 0.2%.



Compared to the same quarter last year, Scotland's GDP has grown by 1.3%, the same as equivalent UK growth over the same period.



In 2018 Scotland's GDP grew by 1.4% compared to 2017, the same as the UK.



The largest single contribution to growth this quarter came from the Business Services & Finance sector.

What's in the first estimate of GDP?

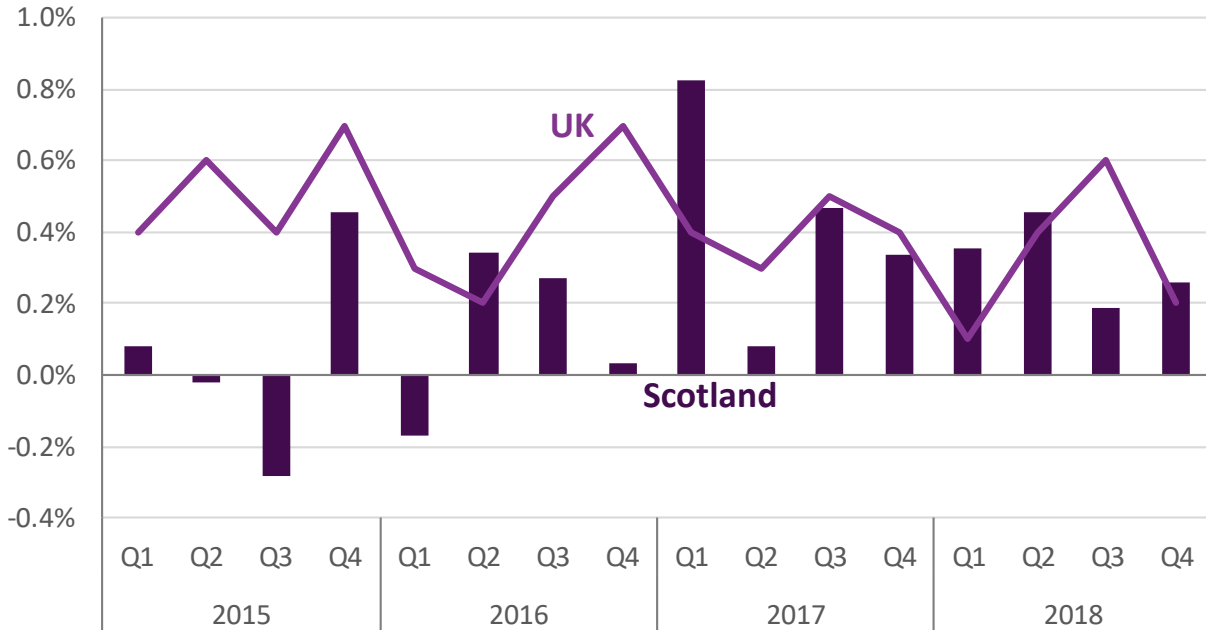
The first estimate of GDP covers the output approach to GDP and its breakdowns and reports on:

- **Real terms** – results have been seasonally adjusted and had the effect of price changes removed to allow for meaningful comparisons over time
- **Onshore economy** – figures do not include the output of offshore oil and gas extraction (which is included in the headline UK figures)
- **Revisions** - Figures for previous quarters are unchanged from those published on 30 January 2019. The GDP Quarterly National Accounts, published on 1 May 2019, will include an updated second estimate of GDP for 2018 Q4 and revisions to previous quarters.

Total output: Compared to the previous quarter

Scotland's GDP grew by 0.3% in real terms during the fourth quarter of 2018 compared to the previous quarter. Over the same period, total UK GDP grew by 0.2%.

GDP growth compared to last quarter (%)



In the latest quarter, output in the Services sector grew by 0.5%, output in the Production sector contracted by -0.9%, and output in the Construction sector grew by 0.8%.

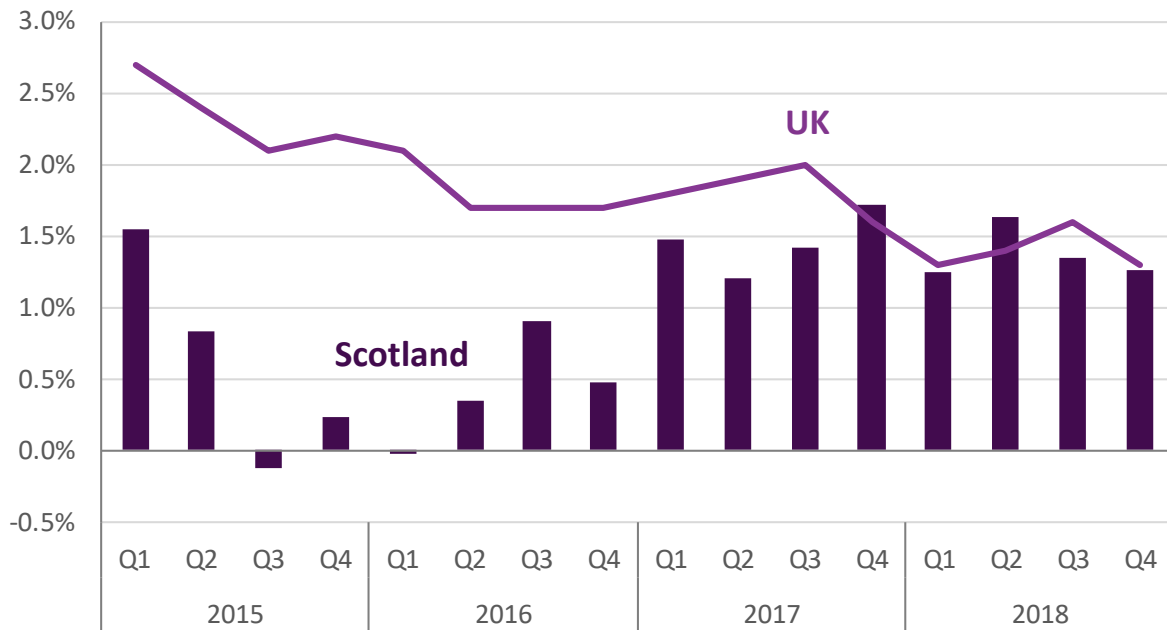
GDP growth compared to last quarter by sector (%)

		2017	2018			
		Q4	Q1	Q2	Q3	Q4
Real terms	Agriculture, forestry & fishing	-1.1	0.2	-1.4	-1.1	-1.1
	Construction	1.1	-2.4	0.5	2.9	0.8
	Production	1.2	0.8	0.3	-0.9	-0.9
	Services	0.1	0.5	0.5	0.2	0.5
	Whole economy	0.3	0.4	0.5	0.2	0.3

Total output: Compared to the same quarter last year

Scotland’s economy is estimated to have grown by 1.3% over the year, compared to the fourth quarter of 2017. Over the same period UK GDP also grew by 1.3%. The growth rate over the year is based on how much GDP has changed in total across each of the latest four quarters.

GDP growth compared to same quarter last year (%)



Compared to the same quarter last year, Services have grown by 1.7%, Production has contracted by 0.6%, Construction has grown by 1.7% and Agriculture, Forestry & Fishing has decreased by 3.4%

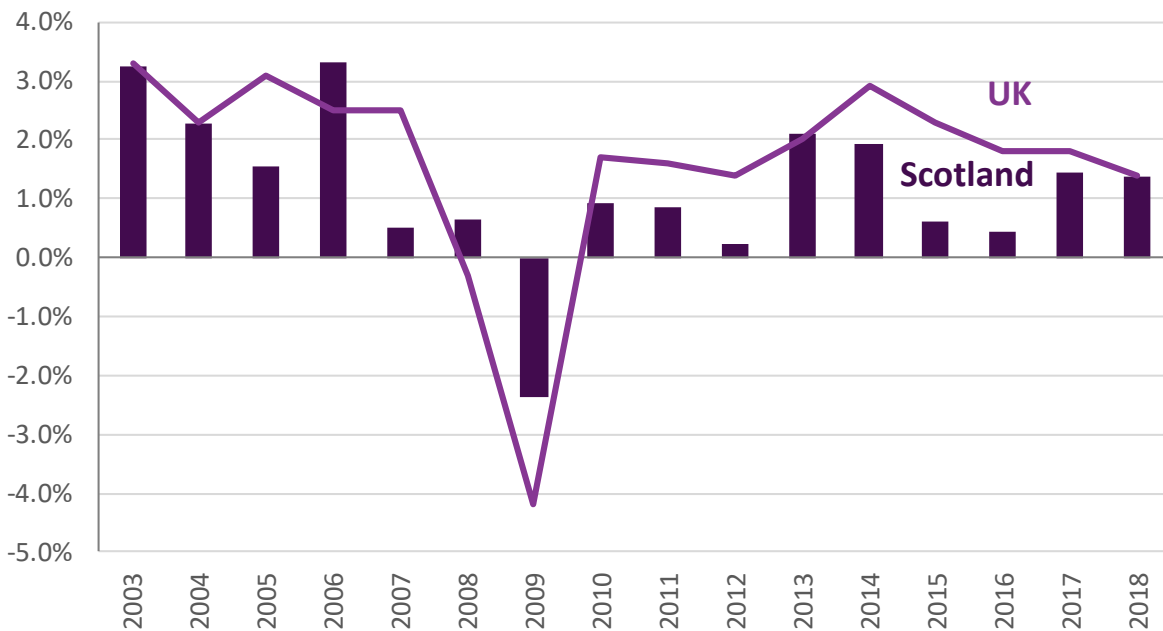
GDP growth compared to the same quarter last year, by sector (%)

		2017	2018			
		Q4	Q1	Q2	Q3	Q4
Real terms	Agriculture, forestry & fishing	2.0	1.0	-1.9	-3.4	-3.4
	Construction	2.8	-2.0	-1.6	2.0	1.7
	Production	4.2	3.2	4.0	1.4	-0.6
	Services	1.1	1.1	1.5	1.3	1.7
	Whole economy	1.7	1.2	1.6	1.3	1.3

Total output: 2018 compared to previous years

Scotland’s economy is estimated to have grown by 1.4% in 2018 compared to 2017. Over the same period UK GDP also grew by 1.4%. The calendar year growth rate is based on how much GDP has changed on average across the four quarters of 2018 compared to the average of the four quarters of 2017. This is the measure used by the Scottish Fiscal Commission in its headline forecast.

Annual GDP growth (%)



Compared to 2017, Services have grown by 1.4%, Production has grown by 2.0%, Construction has remained flat (0.0%) and Agriculture, Forestry & Fishing has decreased by 1.9%

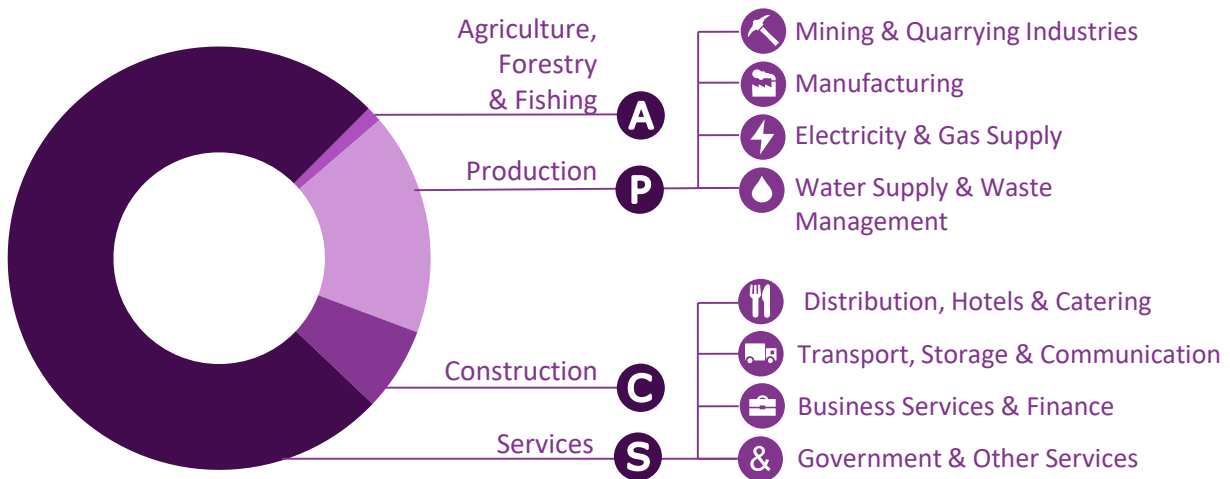
Annual GDP growth compared to the previous year, by sector (%)

		2015	2016	2017	2018
Real terms	Agriculture, forestry & fishing	-1.4	1.5	5.4	-1.9
	Construction	6.2	1.6	4.6	0.0
	Production	-0.8	-5.4	1.8	2.0
	Services	0.5	1.6	1.1	1.4
	Whole economy	0.6	0.4	1.5	1.4

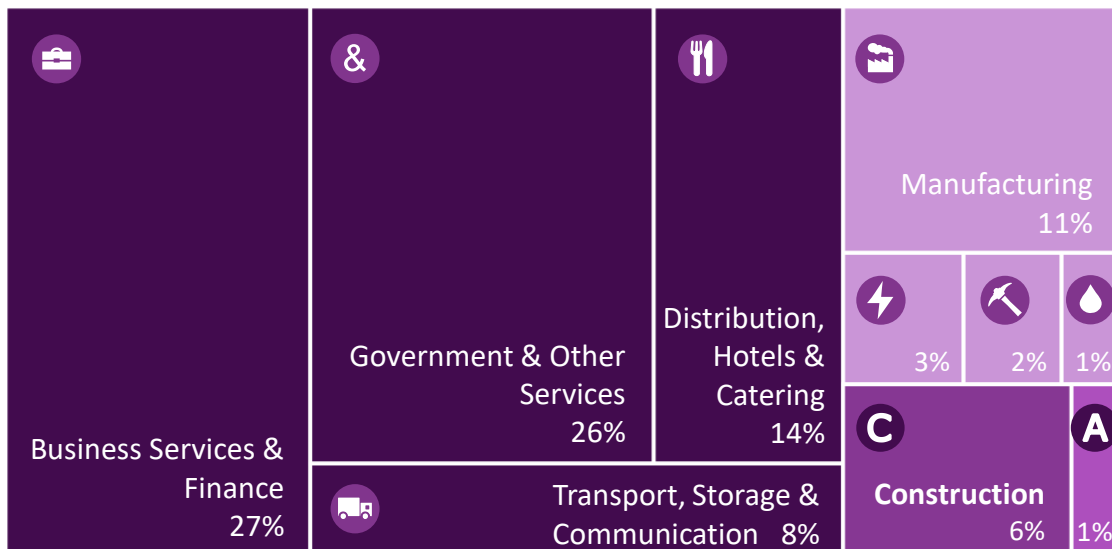
Output: Size of industries

As of 2015, three quarters (76%) of the Scottish economy was accounted for by Services industries. Production industries accounted for 17%, Construction for 6% and Agriculture, Forestry & Fishing for 1%.

Size of high level industries



Size of more detailed industries

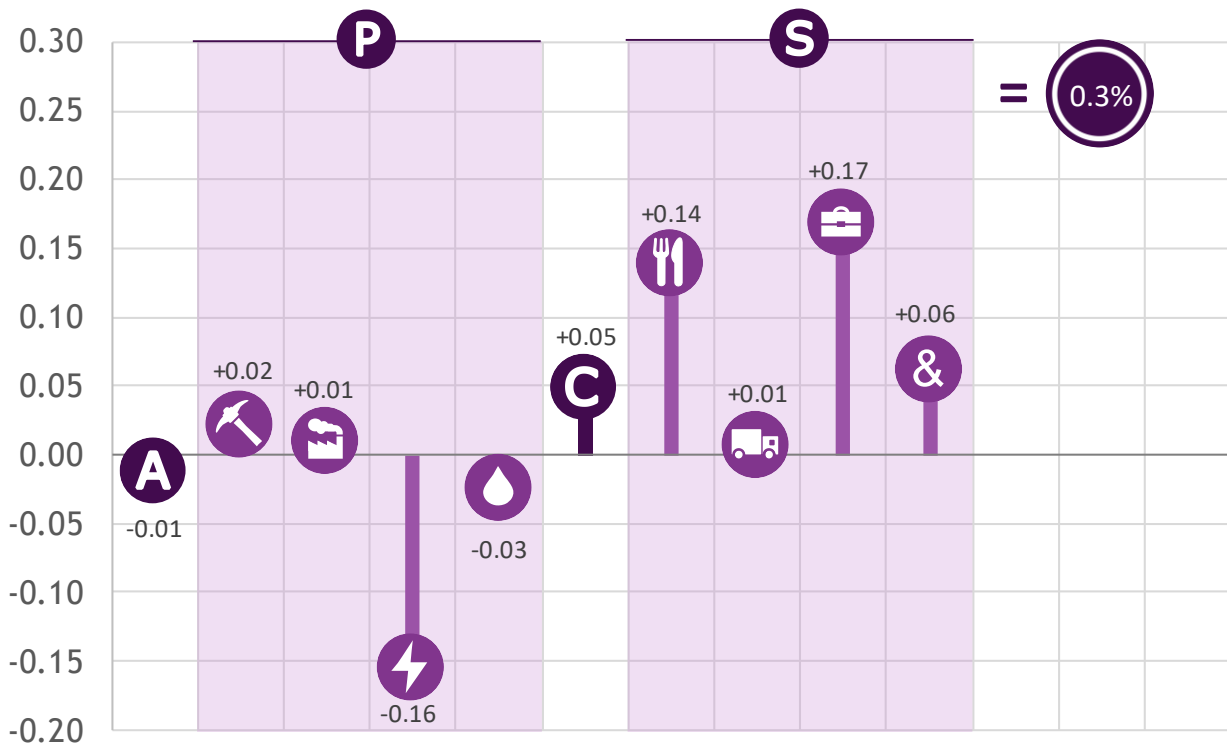


Output: Industry contribution to growth

Industries which make up a larger proportion of the economy, or which experience large quarterly changes in output, make the largest contributions to overall GDP growth.

The chart below shows the contribution to the headline quarterly GDP figure made from each of the ten sectors of the economy (Services and Production have been broken down into their four sub-categories). If you add the unrounded percentage point contribution of each of the sectors the total is the overall quarterly growth rate of 0.3% (figures below may not sum exactly due to rounding).

Contribution of industries to overall GDP growth of 0.3%



A Agriculture, Forestry & Fishing

P Production

- Mining & Quarrying Industries
- Manufacturing
- Electricity & Gas Supply
- Water Supply & Waste Management

C Construction

S Services

- Distribution, Hotels & Catering
- Transport, Storage & Communication
- Business Services & Finance
- Government & Other Services

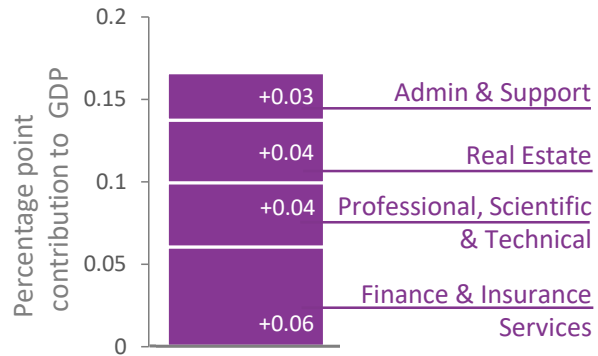
Quarterly GDP growth

Output: Most influential sectors this quarter

1. Business Services & Finance

In 2018 Q4, Business Services & Finance increased total GDP by 0.17 percentage points.

All sub-industries within Business Services & Finance grew this quarter, with the largest growth coming from the Finance & Insurance Services.



2. Electricity & Gas Supply

Electricity & Gas Supply is very seasonal, with much greater demand in colder months. We seasonally adjust these data to take expected changes throughout the year into account. In 2018 Q4, a low level of Electricity generation (even taking into account expected seasonality) led to the Electricity & Gas Supply industries decreasing total GDP by 0.16 percentage points.

The low level of electricity supply is the result of a fall in nuclear generated electricity, offset by a rise in wind generated electricity. In three months from October to December 2018 both of the nuclear reactors at the Hunterston B power plant were offline, reducing the electricity generated by nuclear sources this quarter. At the same time good weather and an increase in wind generation capacity in October to December 2018 saw the largest recorded output of electricity from wind generation.

3. Distribution, Hotels & Catering

In 2018 Q4 Distribution, Hotels & Catering increased total GDP by 0.14 percentage points.

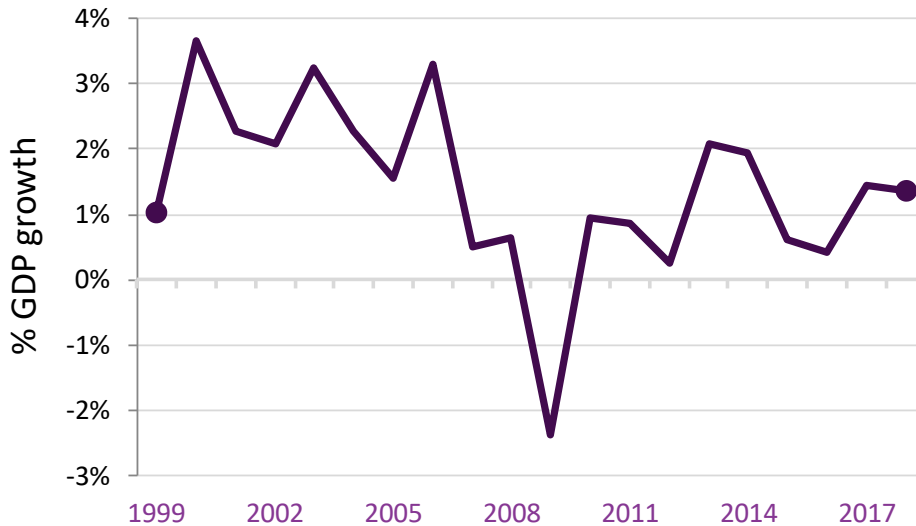
This majority of this growth came from Accommodation & Food Services.



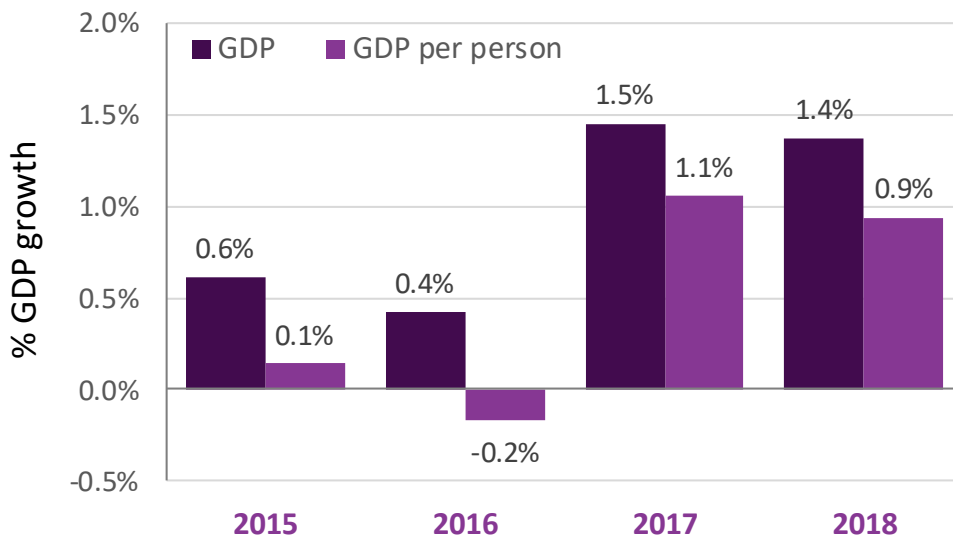
Output: Calendar year summary

Calendar year growth over time

You can also measure the growth of GDP in terms of the average growth over one calendar year compared to the previous year. In 2018 the Scottish economy grew by 1.4% compared to 2017.



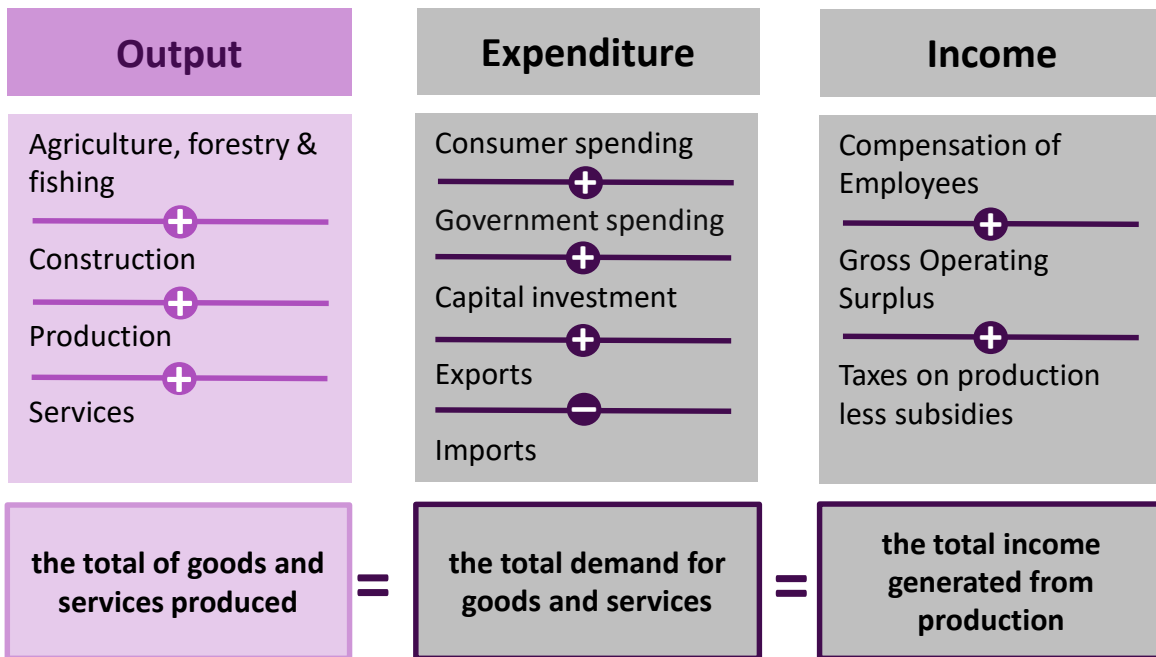
GDP per person and total GDP



GDP per person shows economic growth after taking population growth into account. It is useful when looking at longer term GDP growth because it removes changes to GDP that are just the result of rising or falling population. Growth in GDP per person slowed from 1.1% in 2017 to 0.9% in 2018. Over the same period GDP growth slowed from 1.5% in 2017 to 1.4% in 2018.

About the first estimate of GDP

Change in gross domestic product (GDP) is the main indicator of economic growth in Scotland. There are three ways in which GDP can be measured which should all produce the same result. Each of these approaches allows GDP to be broken down into different categories.



The first estimate of GDP contained in this publication covers the output approach to GDP and its breakdowns. The second estimate of GDP published in Quarterly National Accounts covers all three approaches and their different breakdowns.

If you are looking for cash value GDP data or output estimates which include the offshore economy these are available in the second estimate of GDP. The most recently published second estimate is available up to 2018 Quarter 3 (which is fully comparable to these data) at gov.scot/gdp.

Next publications

Second estimate 2018 Q4
1 May 2019

First estimate 2019 Q1
19 June 2019

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A National Statistics publication for Scotland

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