

Scotland's GDP 2019, Quarter 1

First Estimate

19 June 2019

This is the first estimate of Scotland's Gross Domestic Product (GDP) for 2019 Quarter 1 (January to March).

Headline results



Scotland's GDP grew by 0.5% in real terms during the first quarter of 2019, the same as for the UK as a whole.



Compared to the same quarter last year, Scotland's GDP has grown by 1.4%. Over the same period the UK as a whole grew by 1.8%.



The largest single contribution to growth this quarter came from the Manufacturing sector, particularly Pharmaceuticals and Spirits & Wines.

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 1 May 2019. The GDP Quarterly National Accounts, published on 7 August 2019, will include an updated second estimate of GDP for 2019 Q1 and revisions to previous quarters.

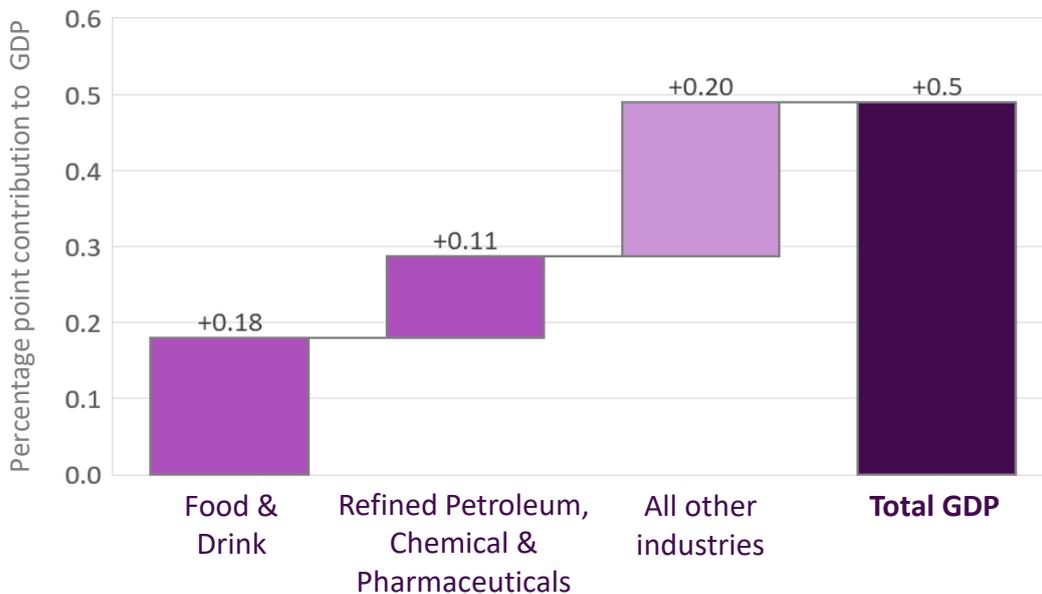
Commentary on this quarter's figures

This publication covers January to March 2019, a period in which the UK was preparing for the planned deadline to leave the European Union.

More than half of the growth in 2019 Q1 comes from two specific sub-sectors of Manufacturing:

- **Spirits & Wines** driving growth in the Food & Drink sector, (which added 0.18 percentage points to total GDP)
- **Pharmaceuticals** driving growth in the Refined Petroleum, Chemical & Pharmaceuticals sector (which added 0.11 percentage points to total GDP)

Growth in the Scottish economy this quarter excluding these two sub-sectors was 0.2%.



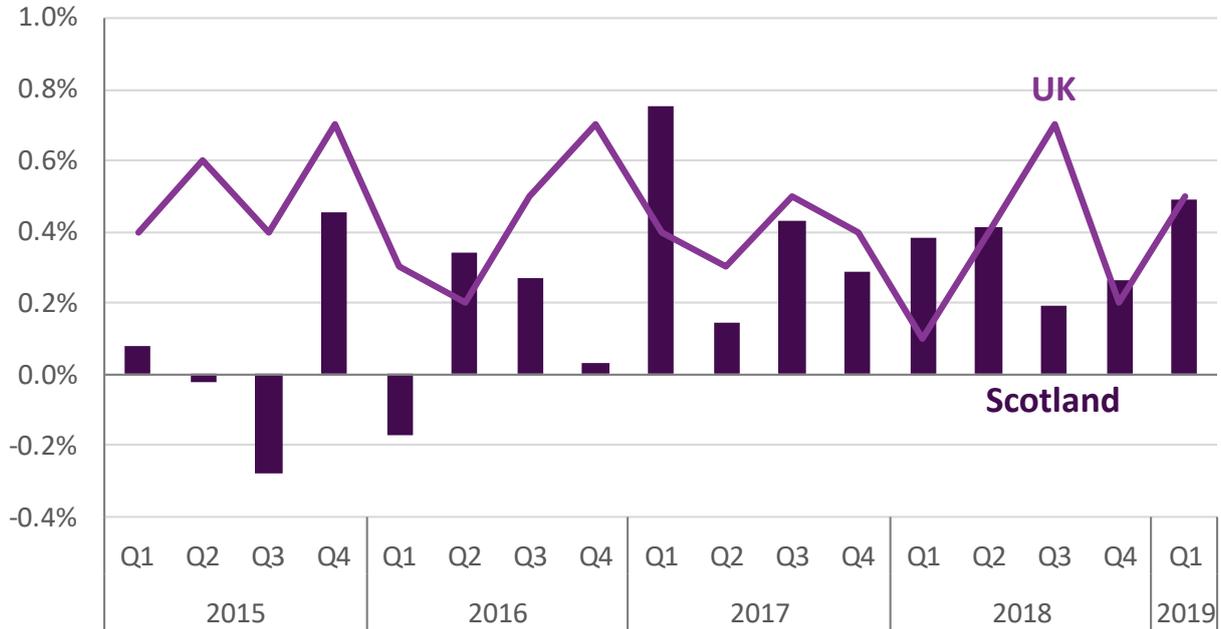
Some surveys have linked this increase in Manufacturing to stockpiling for Brexit. The ONS cite the [Markit UK Manufacturing PMI](#) for March 2019, which recorded a 13-month high in manufacturing activity due to “companies stepping up production to build-up inventories in advance of Brexit and to also meet rising inflows of new work”.

If some of the growth observed this quarter was a result of stockpiling this would be expected to result in a corresponding slowdown in growth in future quarters as companies run down the inventories accumulated

Total output: Compared to the previous quarter

Scotland's GDP grew by 0.5% in real terms during the first quarter of 2019 compared to the previous quarter. Over the same period, total UK GDP grew by 0.5%.

GDP growth compared to last quarter (%)



In the latest quarter, output in the Services sector grew by 0.1%, output in the Production sector grew by 1.8%, and output in the Construction sector grew by 2.0%.

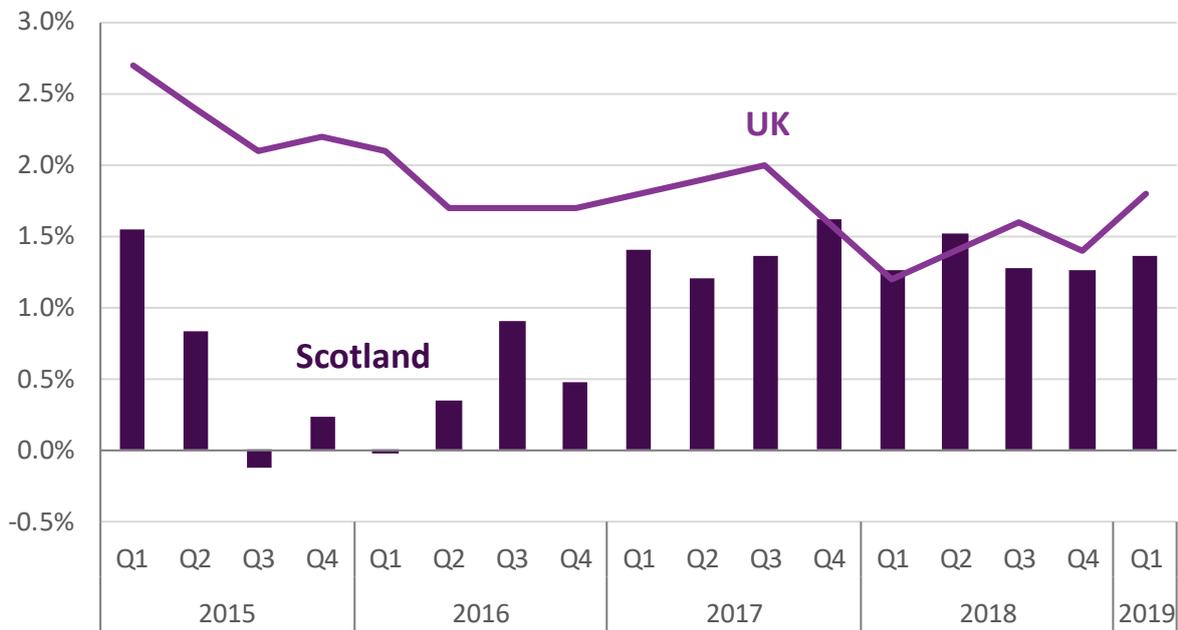
GDP growth compared to last quarter by sector (%)

		2018				2019
		Q1	Q2	Q3	Q4	Q1
Real terms	Agriculture, forestry & fishing	-0.1	-1.5	-1.2	-1.1	0.9
	Construction	-2.4	0.1	1.5	0.4	2.0
	Production	1.2	0.9	-0.2	-0.8	1.8
	Services	0.4	0.4	0.2	0.5	0.1
	Whole economy	0.4	0.4	0.2	0.3	0.5

Total output: Compared to the same quarter last year

Scotland's economy is estimated to have grown by 1.4% over the year, compared to the first quarter of 2018. Over the same period UK GDP grew by 1.8%. 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 1.2%, Production has grown by 1.7%, Construction has grown by 4.0% and Agriculture, Forestry & Fishing has decreased by 3.0%

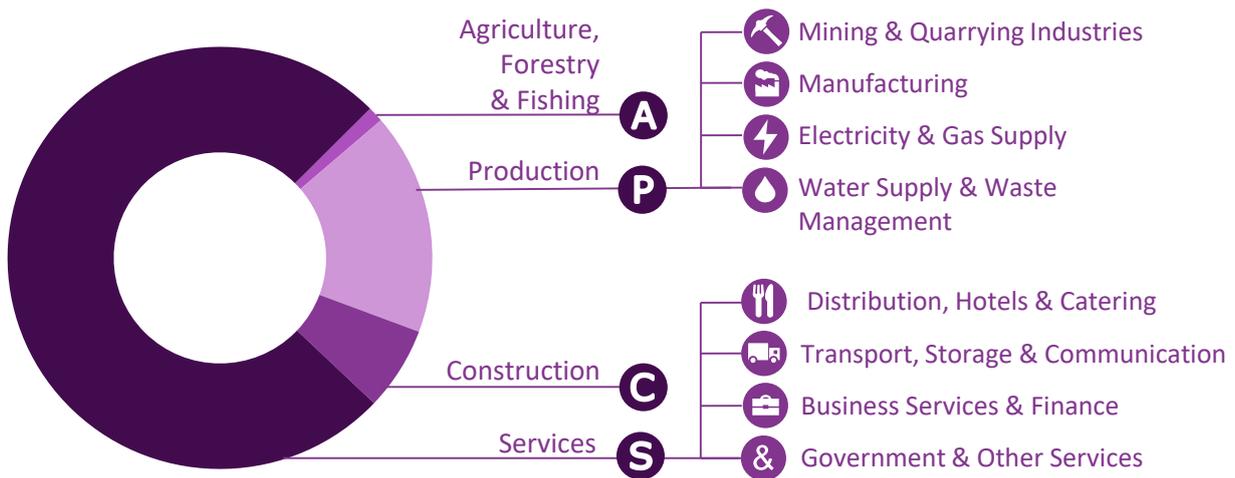
GDP growth compared to the same quarter last year, by sector (%)

		2018				2019
		Q1	Q2	Q3	Q4	Q1
Real terms	Agriculture, forestry & fishing	0.9	-2.0	-3.4	-3.9	-3.0
	Construction	-1.6	-1.5	1.0	-0.4	4.0
	Production	3.4	4.2	2.6	1.1	1.7
	Services	1.0	1.3	1.1	1.5	1.2
	Whole economy	1.3	1.5	1.3	1.3	1.4

Output: Size of industries

As of 2015 (the most recent year that we have detailed annual National Accounts for) , 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

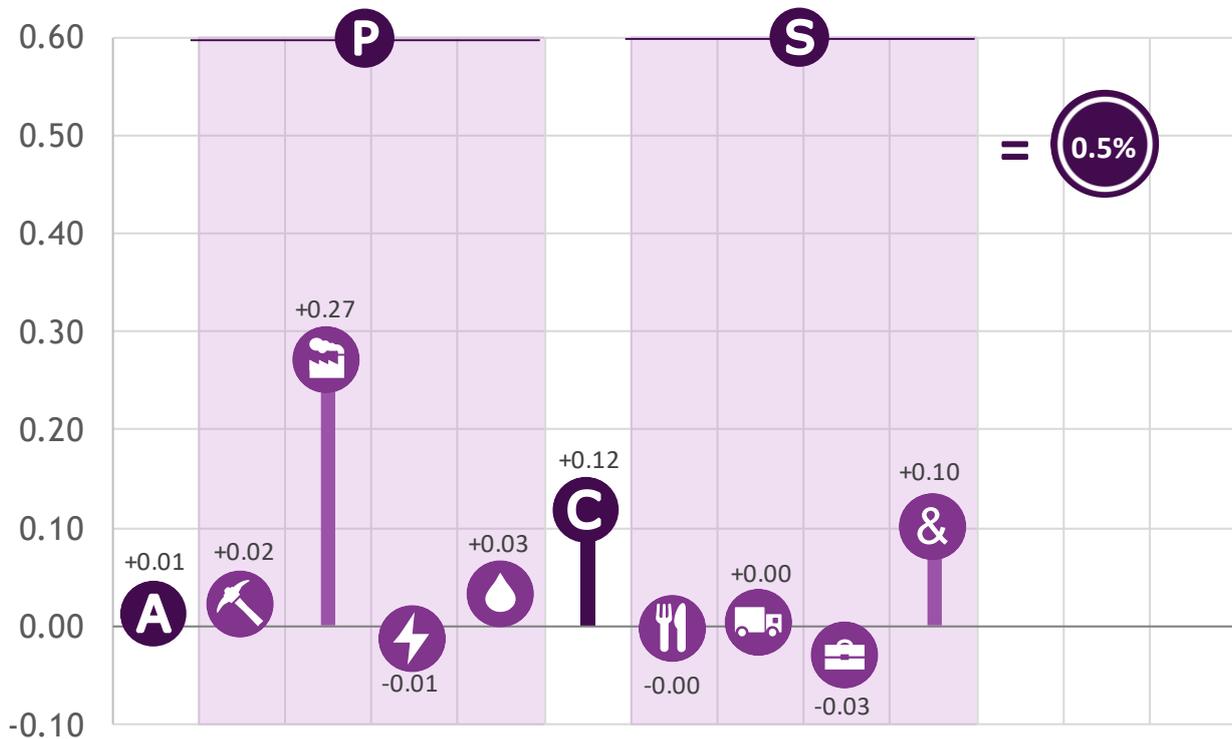


Output: Industry contribution to growth

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 0.5% (figures below may not sum exactly due to rounding).

Contribution of industries to overall GDP growth of 0.5%



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

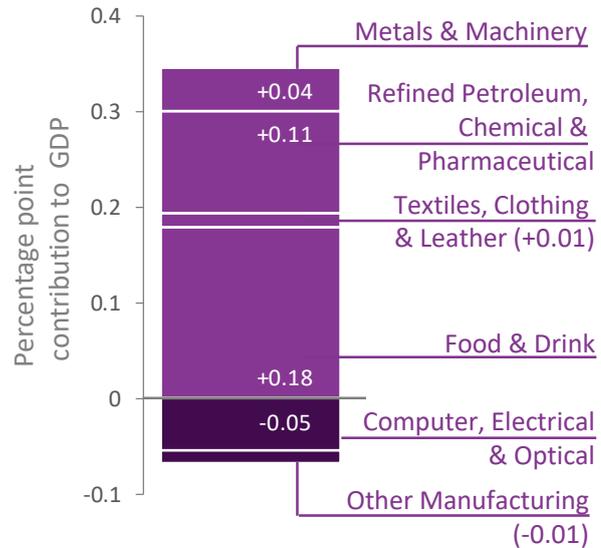
Quarterly GDP growth

Output: Most influential sectors this quarter

1. Manufacturing

In 2019 Q1, Manufacturing increased total GDP by 0.27 percentage points.

Within Manufacturing the majority of the growth came from the pharmaceutical sector (which accounts for around a half of the Refined Petroleum, Chemical and Pharmaceutical industries) and from Spirits & Wines (particularly whisky), which account for around half of Food & Drink.



The Pharmaceutical and Spirits & Wines sectors, which have both seen increases in exports this quarter and been linked to potential stockpiling, accounted for more than half of the total growth seen in Scottish GDP this quarter.

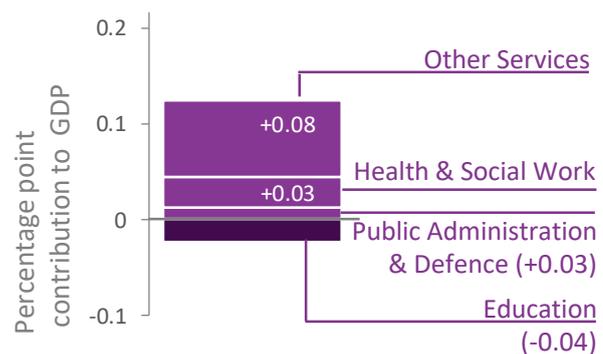
2. Construction

Construction increased total GDP by 0.12 percentage points. Growth in the Scottish construction sector this quarter reflects growth in the UK as whole and seasonal effects after weaker growth last quarter

3. Government & Other Services

In 2019 Q1, Government & Other Services increased total GDP by 0.10 percentage points.

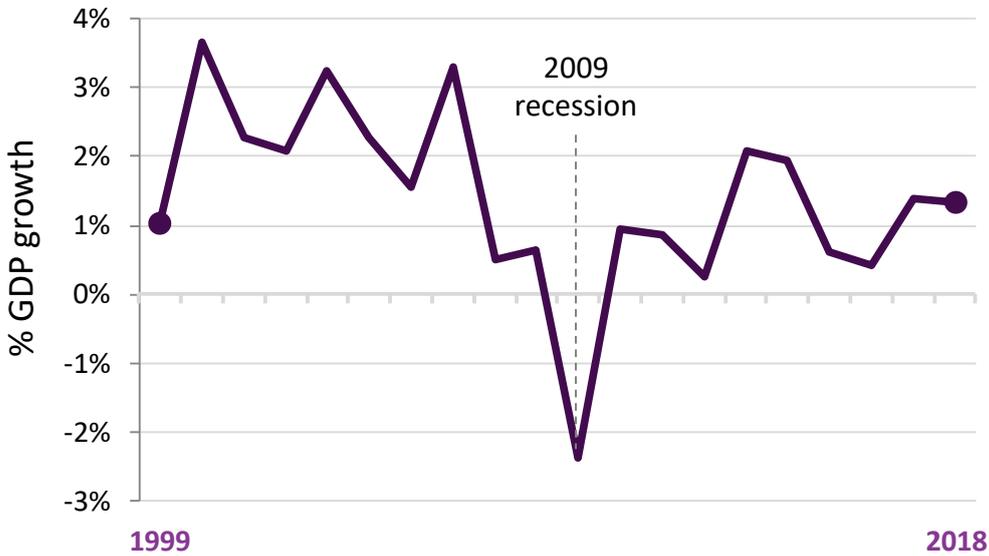
The majority of this growth (0.08 percentage points) came from sectors classed as 'Other Services', which includes arts, entertainment and recreation activities and personal/household repairs. Other growth came from the Health & Social work sector.



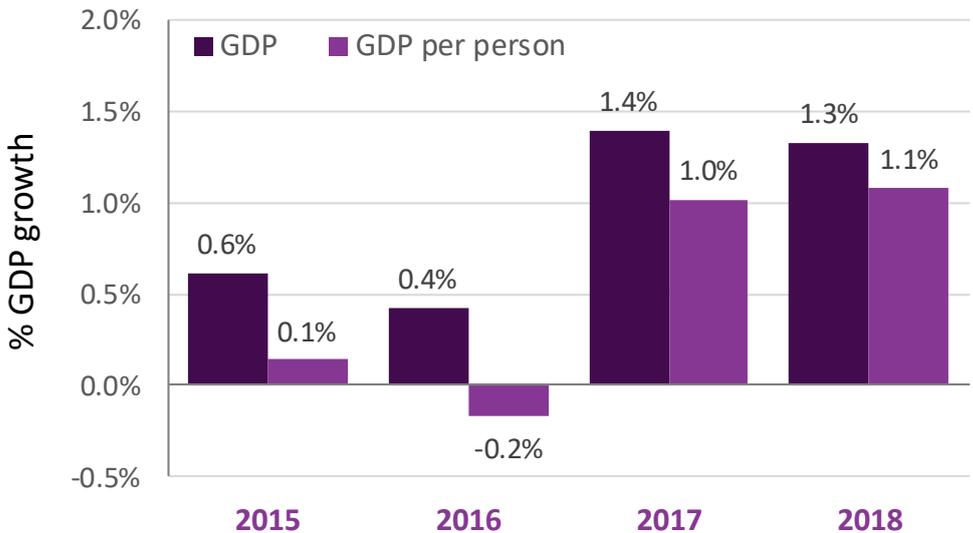
Output: Calendar year summary

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 1.3% compared to 2017.



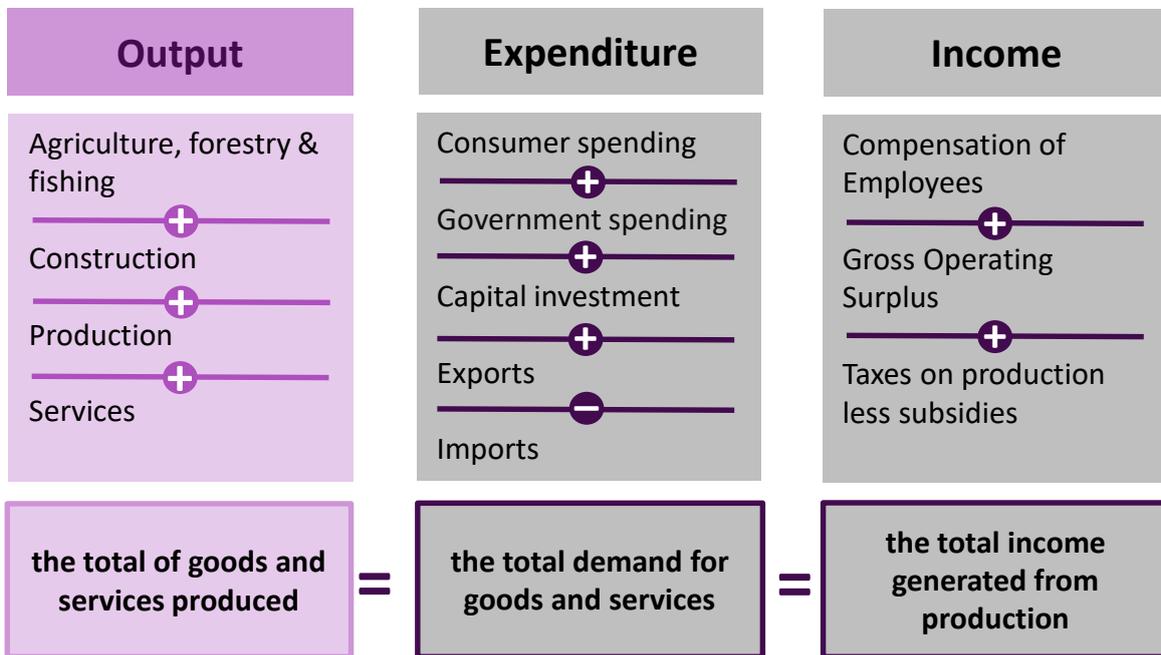
GDP per person and total GDP



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 grew from 1.0% in 2017 to 1.1% in 2018. Over the same period GDP growth slowed from 1.4% in 2017 to 1.3% 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 4 (which is fully comparable to these data) at gov.scot/gdp.

If you are looking for information on the **relative size of industries** within the economy please refer to the Scottish Supply and Use Tables at <http://www2.gov.scot/input-output>. The most recent figures were published in July 2018 and cover the years 1998 to 2015.

Further information

What are you looking for?

The most recent figures

Latest GDP publication

Open data

Historic GDP data

Background information

How the figures are calculated

What data sources are used

Frequently Asked Questions

Further access to data

Future Scottish Government Statistics

Where is it?

[GDP web page](#)

[Open data platform](#)

[Publication archive](#)

[Methodology Guide](#)

[Sources catalogue](#)

[Frequently Asked Questions](#)

[May be available on request](#)

[Forthcoming statistics](#)

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Next publications

Second estimate 2019 Q1

7 August 2019

First estimate 2019 Q2

18 September 2019

National Statistics Status



National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

The designation of these statistics as National Statistics was confirmed in January 2011 following a compliance check by the [Office for Statistics Regulation](#). At the same time these statistics were also fully assessed against the Code of Practice.

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Added more value by providing clearer publications and more detailed breakdowns
- Assured quality by continually reviewing and improving our data sources and methods
- Improved the transparency of our methodology and source data

More information on the ongoing improvements to Scotland's GDP Statistics is available at www.gov.scot/gdp.

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