

Scotland's GDP 2019, Quarter 2

First Estimate

18 September 2019

This is the first estimate of Scotland's Gross Domestic Product (GDP) for 2019 Quarter 2 (April to June).

Headline results



Scotland's GDP contracted by 0.3% in real terms during the second quarter of 2019. Over the same period, GDP in the UK as a whole contracted by 0.2%.



Compared to the same quarter last year, Scotland's GDP has grown by 0.7%. Over the same period the UK as a whole grew by 1.2%.



The largest single contribution to change 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 7 August 2019. The GDP Quarterly National Accounts, published on 30 October 2019, will include an updated second estimate of GDP for 2019 Q2 and revisions to previous quarters.

Commentary on this quarter's figures

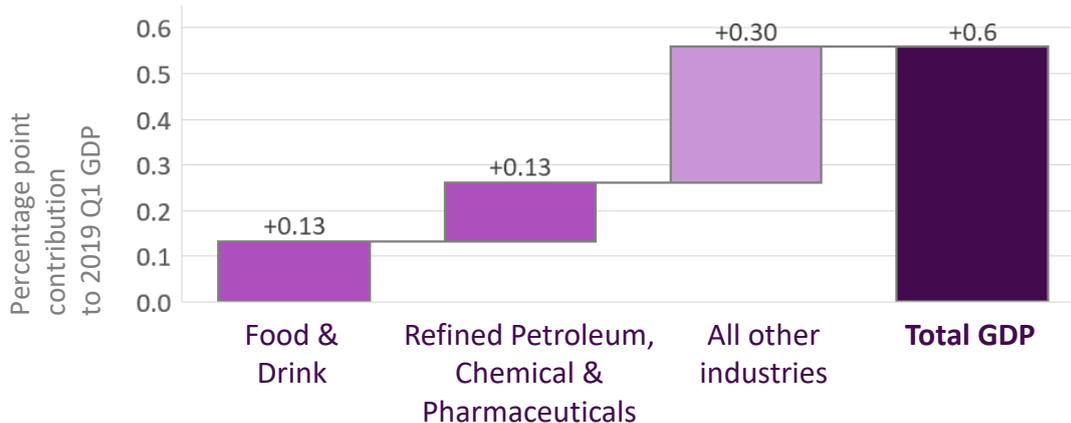
Last quarter the fact that more than half of GDP growth came from the Manufacturing of Spirits & Wines and Pharmaceuticals was linked to stockpiling ahead the UK's planned deadline to leave the European Union. This quarter sees a downturn in growth in these same industries, which may be the result of companies running down the stockpiled inventories.

The contraction in 2019 Q2 can be attributed to:

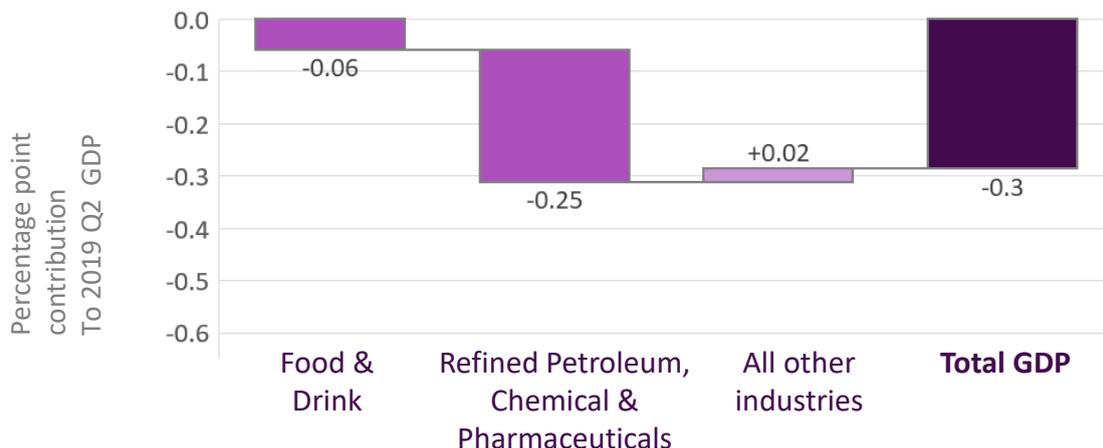
- **Spirits & Wines** driving contraction in the Food & Drink sector, (which reduced total GDP by 0.06 percentage points)
- **Pharmaceuticals** driving contraction in the Refined Petroleum, Chemical & Pharmaceuticals sector (which reduced total GDP by 0.25 percentage points)

Growth in the Scottish economy this quarter excluding these two sub-sectors was 0.02%.

Contribution to Q1 growth



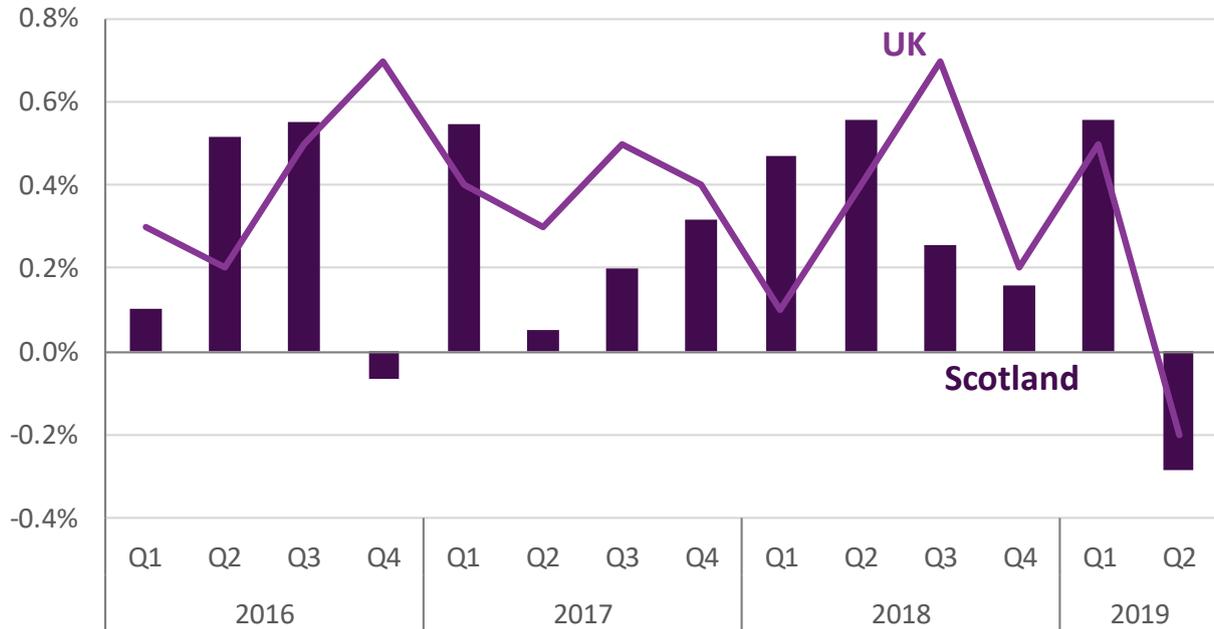
Contribution to Q2 contraction



Total output: Compared to the previous quarter

Scotland's GDP in real terms during the second quarter of 2019 contracted by 0.3% compared to the previous quarter. Over the same period, total UK GDP contracted by 0.2%.

GDP growth compared to last quarter (%)



In the latest quarter, output in the Services sector grew by 0.1%, output in the Production sector contracted by 1.1%, and output in the Construction sector contracted by 2.2%.

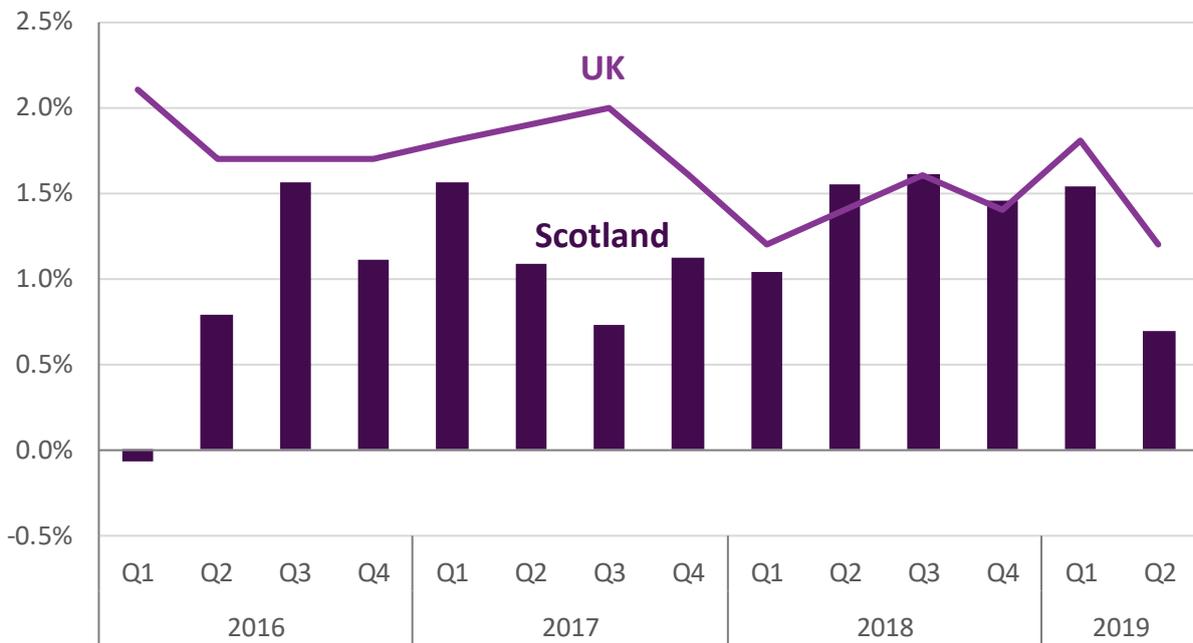
GDP growth compared to last quarter by sector (%)

		2018			2019	
		Q2	Q3	Q4	Q1	Q2
Real terms	Agriculture, forestry & fishing	-1.5	-1.1	-0.8	0.8	0.3
	Construction	0.7	1.6	0.0	0.4	-2.2
	Production	1.1	-0.1	-1.4	2.0	-1.1
	Services	0.5	0.3	0.5	0.2	0.1
	Whole economy	0.6	0.3	0.2	0.6	-0.3

Total output: Compared to the same quarter last year

Scotland's economy is estimated to have grown by 0.7% over the year, compared to the second quarter of 2018. Over the same period UK GDP grew by 1.2%. 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 1.1%, Production has contracted by 0.7%, Construction has contracted by 0.3% and Agriculture, Forestry & Fishing has decreased by 0.8%.

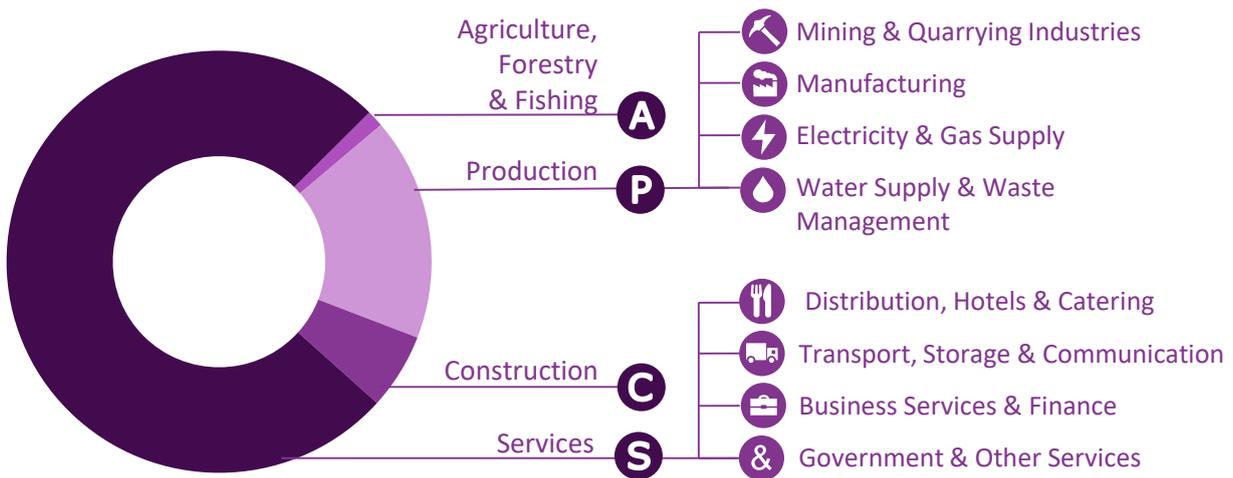
GDP growth compared to the same quarter last year, by sector (%)

		2018			2019	
		Q2	Q3	Q4	Q1	Q2
Real terms	Agriculture, forestry & fishing	-2.4	-3.7	-3.8	-2.6	-0.8
	Construction	-1.7	1.2	0.8	2.7	-0.3
	Production	4.1	3.2	0.8	1.6	-0.7
	Services	1.3	1.4	1.8	1.5	1.1
	Whole economy	1.6	1.6	1.5	1.5	0.7

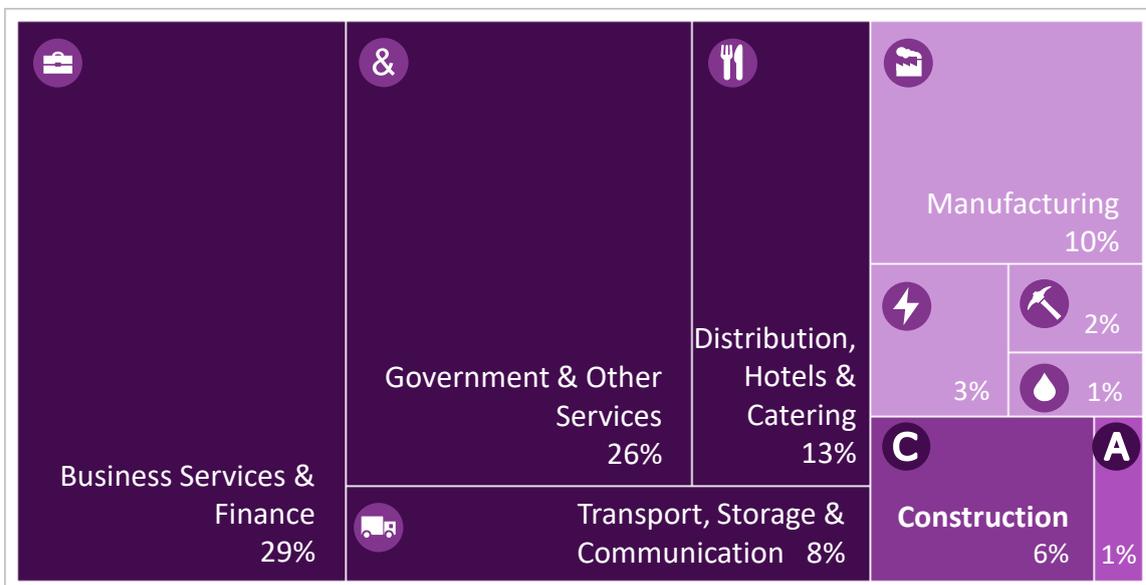
Output: Size of industries

As of 2016 (the most recent year that we have low level industry information 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

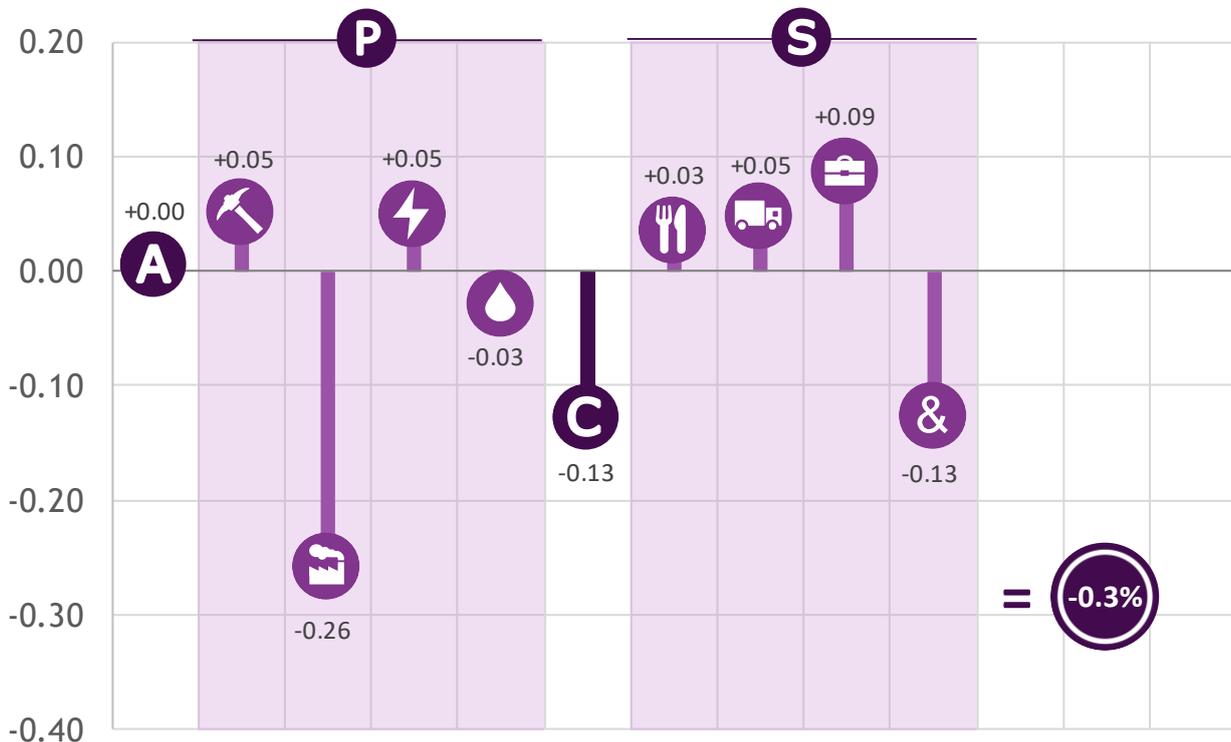


Output: Industry contribution to growth

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 contraction rate of -0.3% (figures below may not sum exactly due to rounding).

Contribution of industries to overall GDP contraction 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

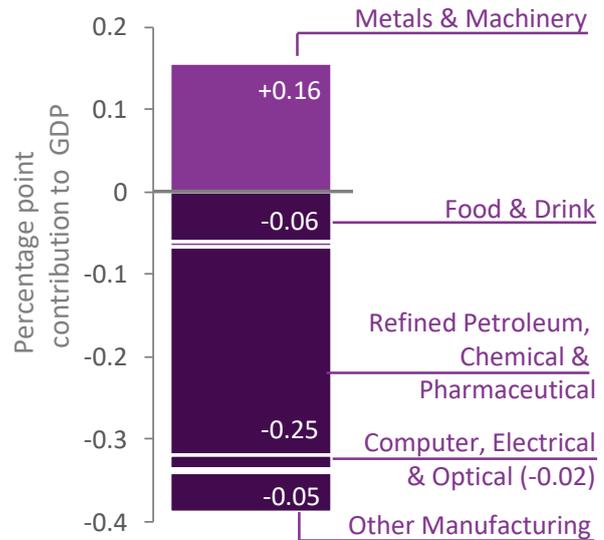
Output: Most influential sectors this quarter

1. Manufacturing

In 2019 Q2, Manufacturing reduced total GDP by 0.26 percentage points.

Within Manufacturing, the majority of the contraction came from the pharmaceutical sector (which accounts for around a half of the Refined Petroleum, Chemical and Pharmaceutical industries).

The Pharmaceutical sector was linked to potential stockpiling in Quarter 1. The subsequent decline may be due to this stockpiling unwinding after the planned Brexit date in March. The pharmaceutical sector accounted for more than half of the total contraction seen in Scottish GDP this quarter.



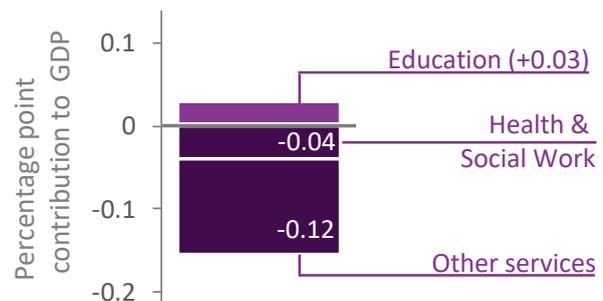
2. Construction

Construction reduced total GDP by 0.13 percentage points. Contraction in the Scottish construction sector this quarter reflects a similar contraction in the UK as whole and seasonal effects after stronger growth last quarter.

3. Government & Other Services

In 2019 Q2, Government & Other Services reduced total GDP by 0.13 percentage points.

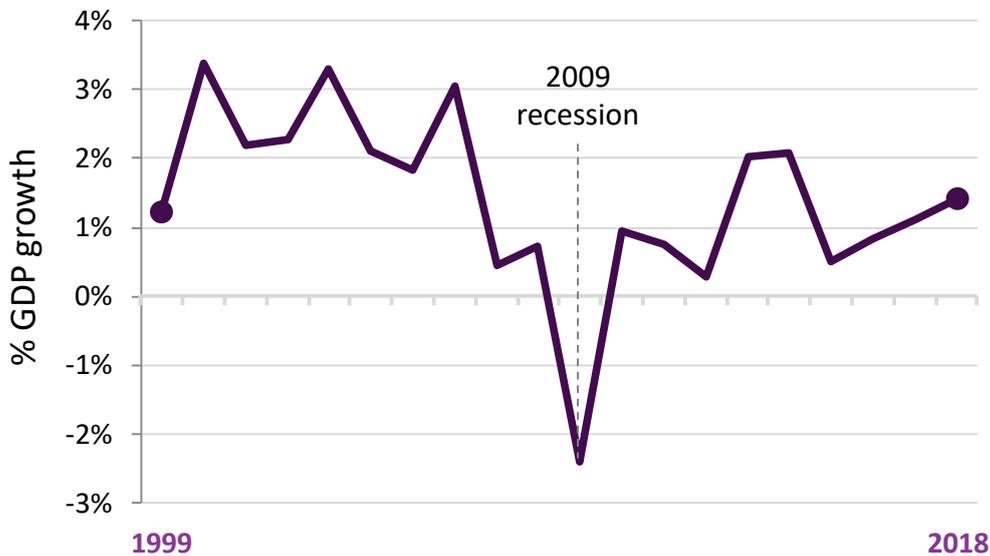
The majority of this contraction (0.12 percentage points) came from sectors classed as 'Other Services', which includes arts, entertainment and recreation activities and personal/household repairs.



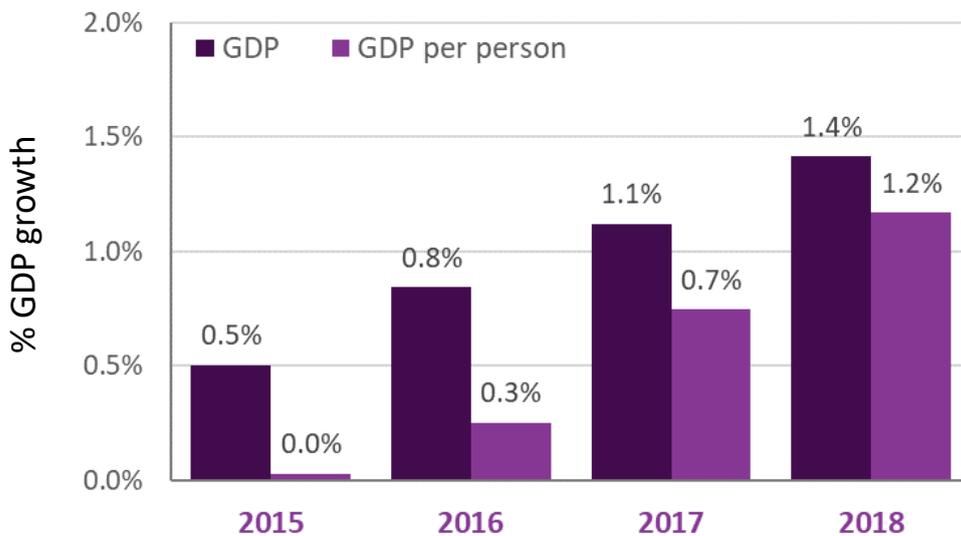
Output: Calendar year summary

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.



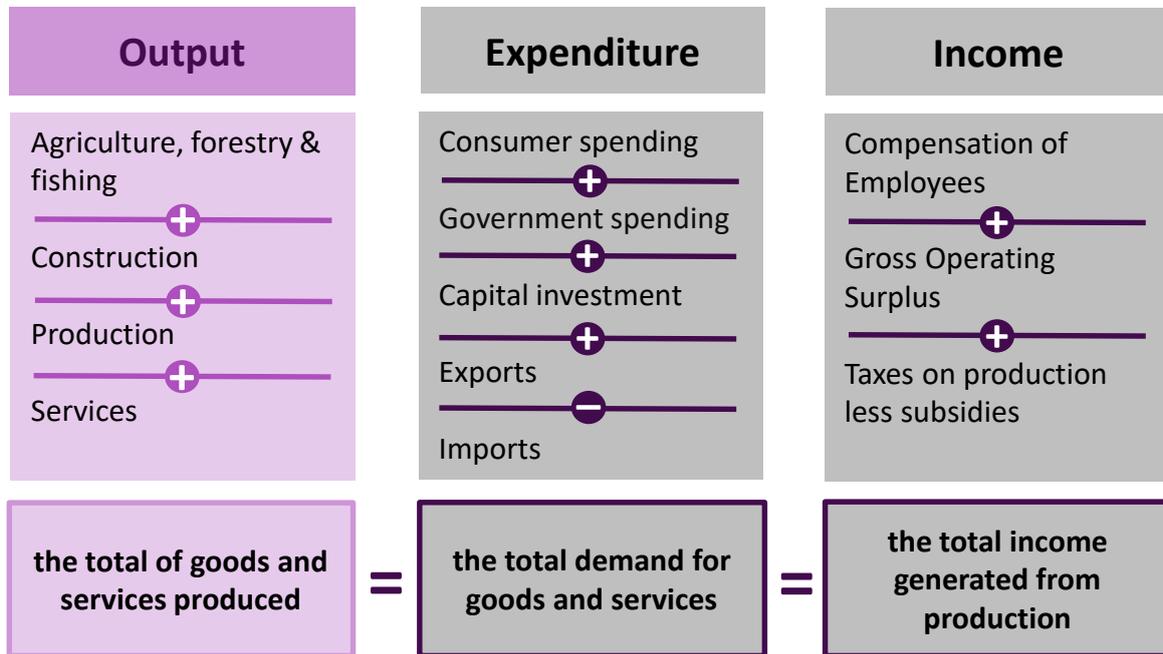
GDP per person and total GDP



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 grew from 0.7% in 2017 to 1.2% in 2018. Over the same period GDP growth increased from 1.1% 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 2019 Quarter 1 (which is fully comparable to these data) at <http://www2.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 2019 and cover the years 1998 to 2016.

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 Q2

30 October 2019

First estimate 2019 Q3

18 December 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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