

From: [REDACTED]
 OCEA - Economic Strategy
 23 January 2017

Cabinet Secretary for the Economy, Jobs and Fair Work

UPDATE TO SCOTLAND PERFORMS INDICATOR 2: INCREASE EXPORTS

Purpose

1. To advise the Cabinet Secretary of the update to Scotland Performs National Indicator 2: Increase exports, which will be updated using the data from the forthcoming Export Statistics Scotland 2016 publication. Please ensure this information is treated as **official sensitive** until the 2016 export statistics are published at 09:30 on Wednesday 24 January 2018.

Priority

2. Routine.

Background

3. Export Statistics Scotland publishes official Scottish Government estimates of Scottish international exports for 2016. It includes both services and manufacturing sectors of the Scottish economy, although excludes exports of oil and gas.

4. The latest figures will show that international exports (excluding oil and gas) increased by £460 million (1.6%) from £29.3 billion in 2015 to £29.8 billion in 2016.

Update to National Indicator 2: Increase Exports

5. The table below shows Scottish international exports in nominal pricing (current prices) over the period 2002 to 2016. These are the latest figures produced for the 2016 publication.

Year	International Exports (£ million)	
2002	20,485	
2003	19,540	
2004	19,035	
2005	18,545	
2006	19,465	Scotland Performs Baseline
2007	20,580	
2008	22,405	
2009	22,630	
2010	24,055	SES Target Baseline
2011	27,085	
2012	27,630	
2013	28,800	
2014	28,225	
2015	29,335	
2016	29,795	

Source: Export Statistics Scotland 2016

Note: The methodology incorporates new information into the export analysis. Therefore, previously published estimates have been revised.

6. For international exports (not including rest of the UK or oil and gas exports):
- The value of Scottish international exports stood at £29.8 billion in 2016, an increase of 1.6% on the previous year.
 - The total value of Scottish international exports increased in almost every year between 2006 and 2016 (2014 was the exception) and in 2016, international exports were 53.1% higher than in 2006. This was an average increase of 5.3% per year.
7. The Scotland Performs Technical Assessment Group (SPTAG) has decided that the arrow on the Scotland Performs website should be changed to **'Performance Maintaining'**. This is a change from last year when this target was assessed as 'performance improving'.
8. This decision is based on the criteria that any difference within 3 per cent of the previous year's figure suggests that the position is more than likely to be maintaining than showing any change. This criteria was set at the outset of the target.

SG Economic Strategy Target

9. The national indicator to increase exports (with baseline 2006) is supported by the Government Economic Strategy target for Scottish businesses to deliver a 50% increase in the value of international exports by 2017 (with baseline 2010). Export Statistics Scotland is also used to monitor this target. The data for the endpoint of 2017 will be published next year (2019).
10. In 2016, the value of Scottish exports to the rest of the world (not including exports to the rest of the UK) stood at £29.8 billion. This is an increase of 1.6% (£460 million) from £29.3 billion in 2015.
11. Between 2010 (the target baseline) and 2016, exports have increased by 23.9%, from £24.1 billion to £29.8 billion. This is an average annual increase of 4.0%. However in order to achieve this target by 2017, international exports would have to increase by 21% between 2016 and 2017. Based on previous trends, this is highly unlikely (the highest annual growth was in 2011 when international exports increased by 12.6%). This means we are likely to miss this target.
12. Chart 1 in Annex A shows the trend in international Exports and the trajectory required to meet the target. Chart 2 shows the annual percentage change in the nominal value of international exports.

Handling

13. Comms have drafted a News Release to follow.

Conclusion

14. The Cabinet Secretary is asked to note the update of the Scotland Performs Indicator 2 on the 24th January 2018.

[REDACTED], OCEA, Ext [REDACTED]

Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
First Minister					X
Cabinet Secretary for Rural Economy and Connectivity			X		
Minister for Business, Innovation and Energy			X		
Minister for UK Negotiations on Scotland's Place in Europe					X

Permanent Secretary
 DG Enterprise, Environment and Innovation

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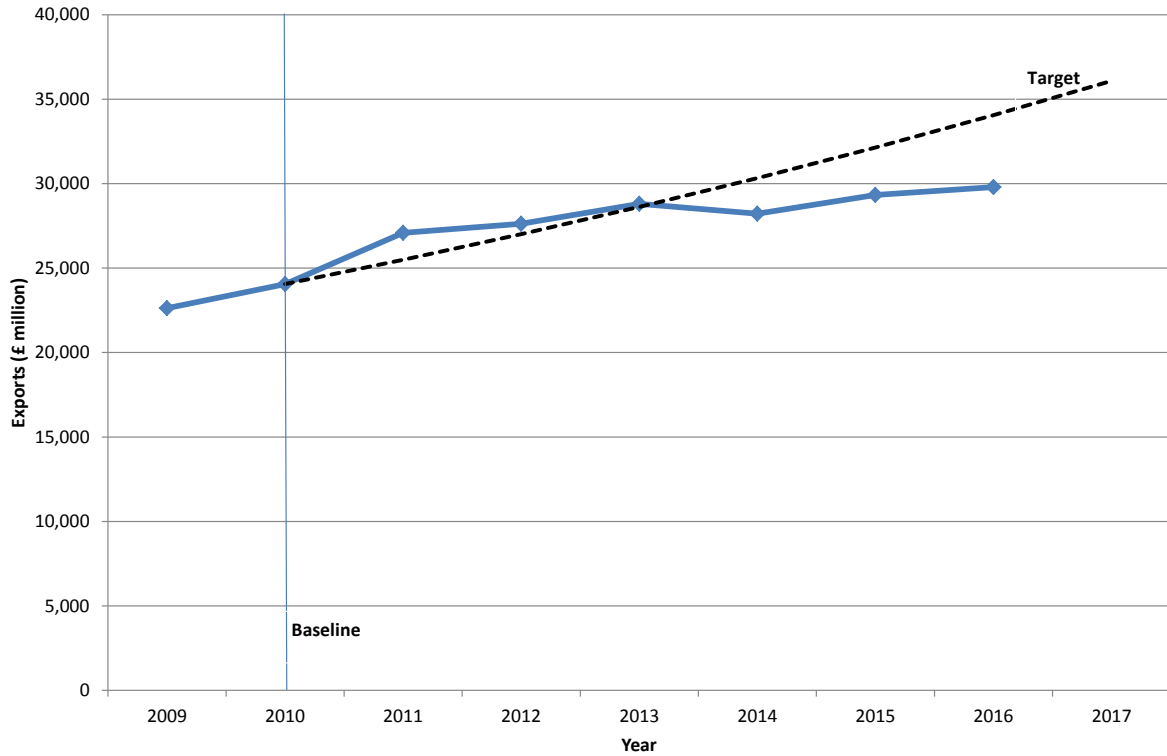
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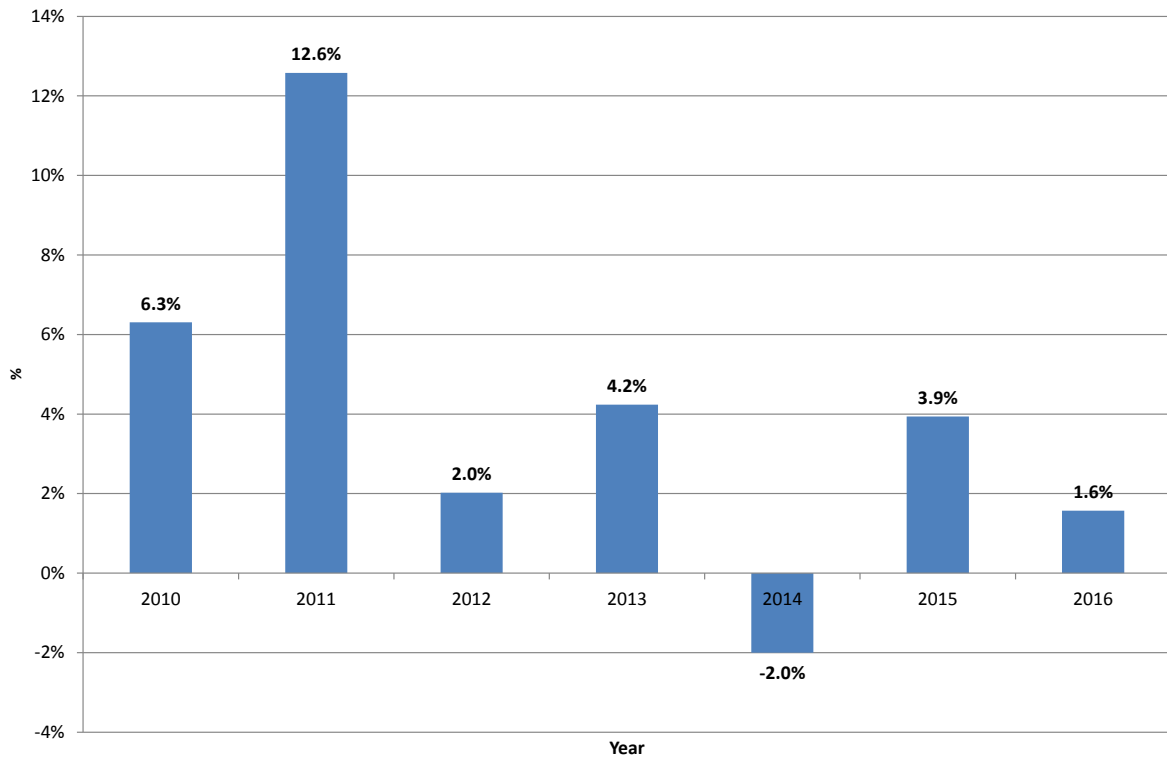
Annex A

Chart 1: Total International Exports and Scottish Economy Strategy Target (£ millions)



Target to Increase International Exports by 50% from baseline 2010 by 2017
 Source: Export Statistics Scotland 2016

Chart 2: Annual Percentage Change in Total International Exports, 2010-2016



Source: Export Statistics Scotland 2016