

Scotland's GDP 2018, Quarter 2

First Estimate

19 September 2018

This is the first estimate of Scotland's Gross Domestic Product (GDP) for 2018 Quarter 2 (April to June).

Headline results



Scotland's GDP grew by 0.5% in real terms during the second quarter of 2018. The equivalent growth rate for the UK as a whole was 0.4%.



Compared to the same quarter last year, Scotland's GDP has grown by 1.7%. Equivalent UK growth over the year was 1.3%.



The largest single contribution to growth this quarter came from Retail & Wholesale sectors.

What's in the first estimate of GDP?

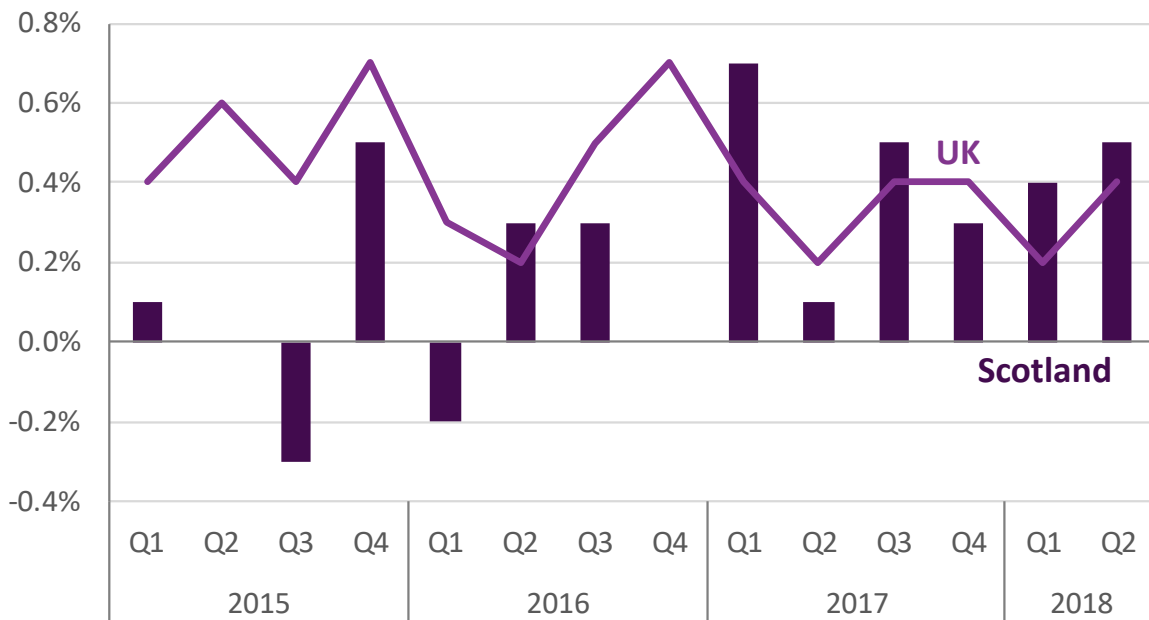
The first estimate of GDP covers the output approach to GDP and its breakdowns and reports on:

- **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 15 August 2018. The Quarterly National Accounts, published on 31 October 2018, will include an updated second estimate of GDP for 2018 Q2 and revisions to previous quarters.

Total output – Compared to the previous quarter

Scotland's GDP grew by 0.5% in real terms during the second quarter of 2018 compared to the previous quarter. Over the same period, total UK GDP grew by 0.4%.

GDP growth compared to last quarter (%)



In the latest quarter, output in the Services sector grew by 0.4%, output in the Production sector grew by 0.6%, and output in the Construction sector grew by 1.8%.

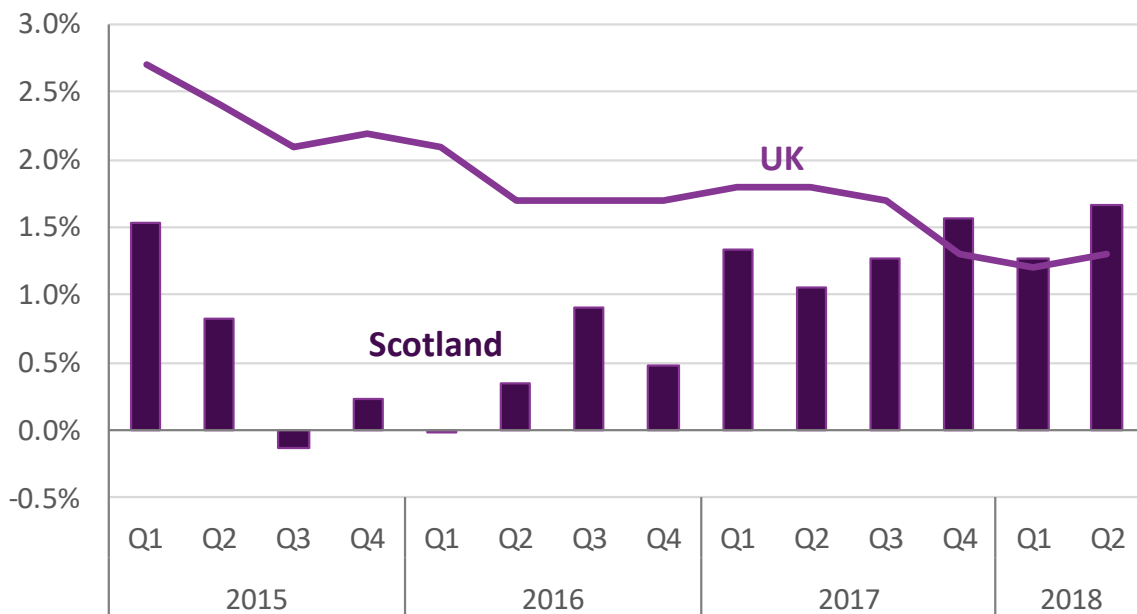
GDP growth compared to last quarter by sector (%)

		2017			2018	
		Q2	Q3	Q4	Q1	Q2
Real terms	Agriculture, forestry & fishing	0.7	0.2	-1.0	0.4	-1.2
	Construction	-0.1	-1.0	0.6	-1.4	1.8
	Production	-0.5	1.7	1.2	1.0	0.6
	Services	0.2	0.3	0.1	0.4	0.4
	Whole economy	0.1	0.5	0.3	0.4	0.5

Total output – Compared to the same quarter last year

In the first quarter of 2018, Scotland's economy is estimated to have grown by 1.7% over the year, compared to the first quarter of 2017. Over the same period UK GDP 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 1.2%, Production has grown by 4.6%, Construction has remained flat (0.0% change) and Agriculture, Forestry & Fishing has decreased by 1.7%

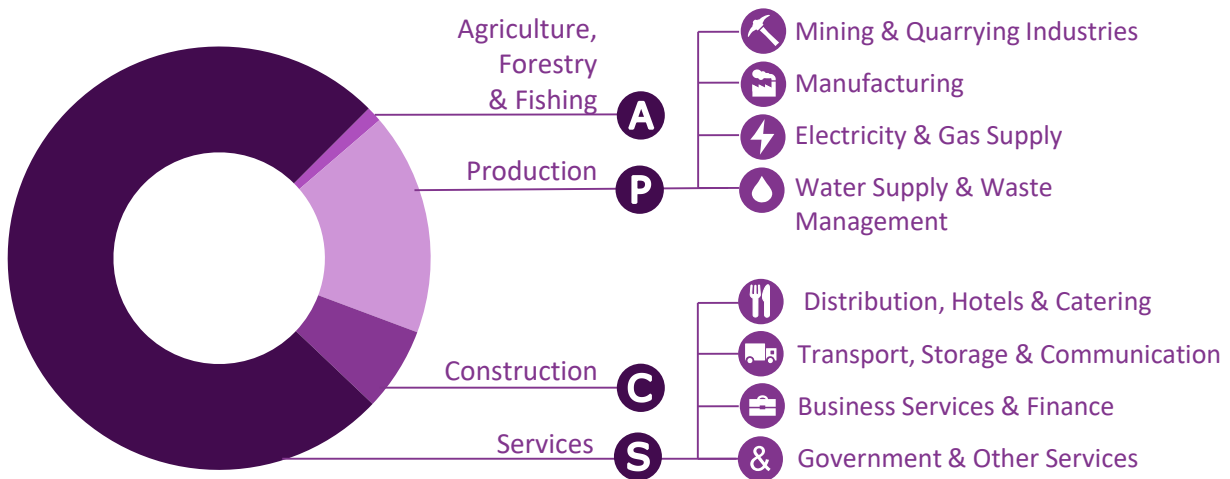
GDP growth compared to the same quarter last year, by sector (%)

		2017			2018	
		Q2	Q3	Q4	Q1	Q2
Real terms	Agriculture, forestry & fishing	6.2	4.7	0.9	0.2	-1.7
	Construction	5.6	2.8	1.9	-1.9	0.0
	Production	0.3	3.2	4.4	3.4	4.6
	Services	0.8	0.7	1.0	1.1	1.2
	Whole economy	1.1	1.3	1.6	1.3	1.7

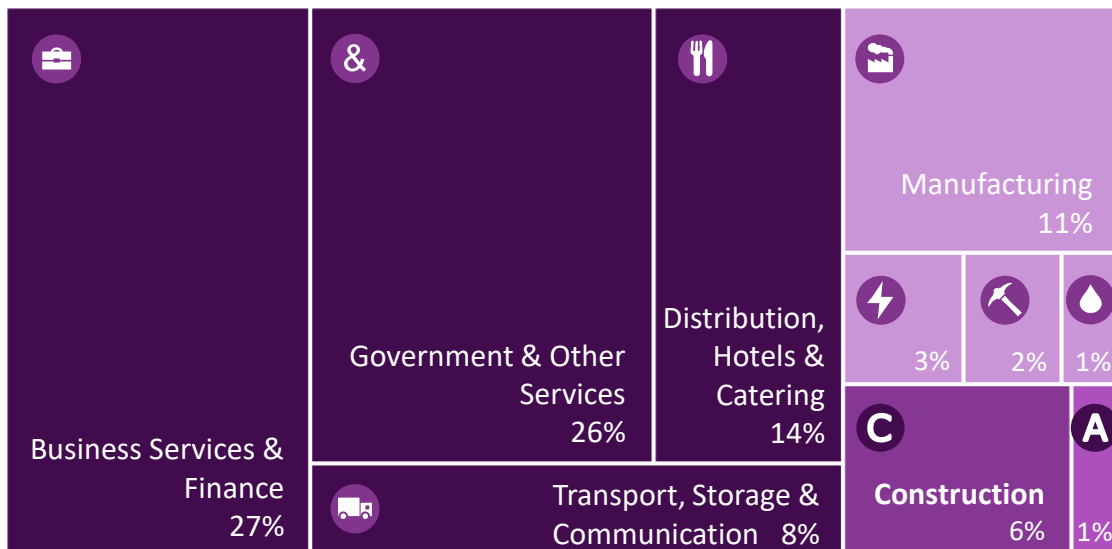
Output - Size of industries

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

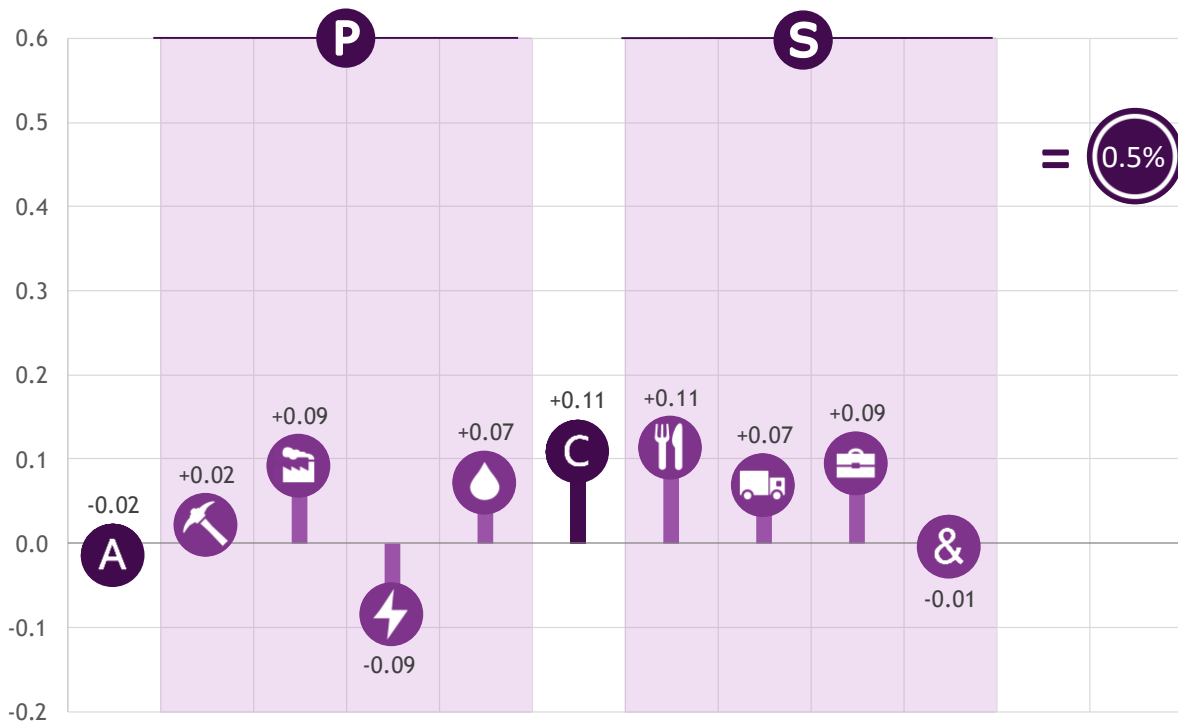


Output: Industry contribution to growth

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 percentage point contribution of each of the sectors the total is the overall quarterly growth rate of 0.5%.

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

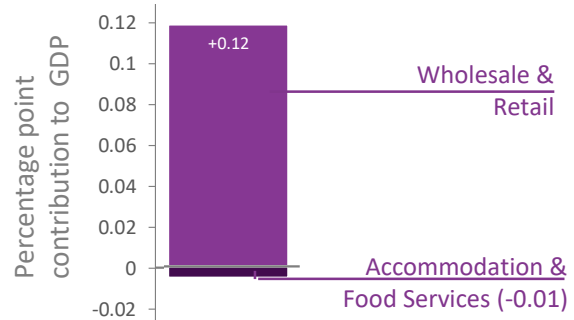
Quarterly GDP growth

Output: Most influential sectors this quarter

1. Distribution, Hotels & Catering

In 2018 Q2 Distribution, Hotels & Catering increased total GDP by 0.11 percentage points.

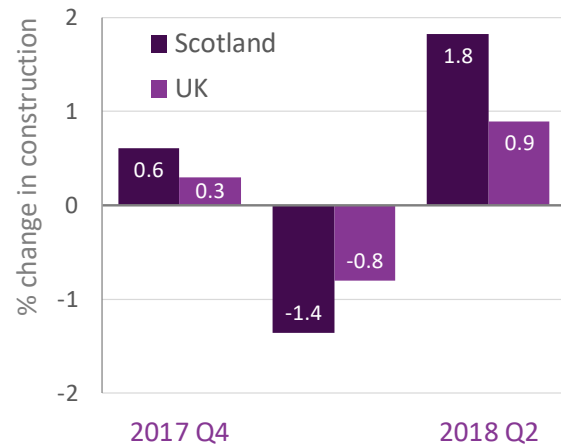
All of this growth came from the Retail and Wholesale sectors, in particular from the sales and repair of motor vehicles.



2. Construction

In 2018 Q2 Construction grew by 1.8%, which contributed 1.1 percentage points to total GDP.

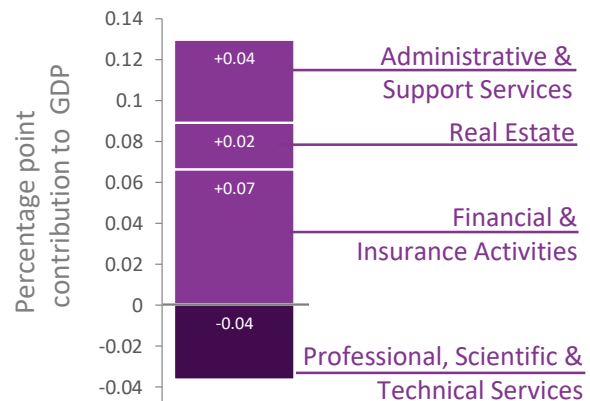
Growth in Scottish construction in Q2 follows contraction in Q1 (a period which saw adverse weather across the UK). The contraction in Scottish construction in Q1 and growth in Q2 is greater than across the UK as a whole.



3. Business Services & Finance

In 2018 Q2 Business Services and Finance increased total GDP by 0.09 percentage points.

The majority of growth was driven by a strong quarter in Financial Services and in Rental and Leasing Services within Administrative and Support Services.



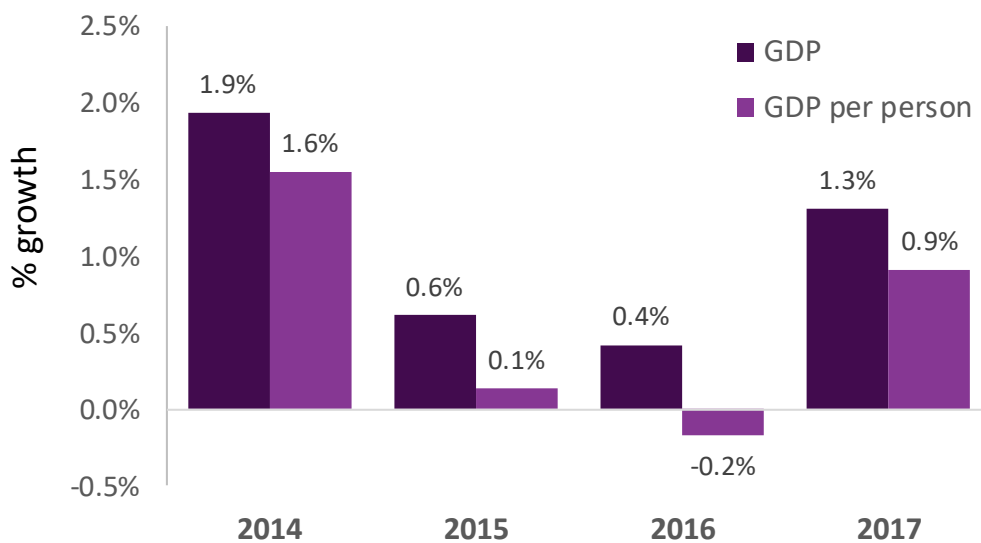
Output – Calendar year summary

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 2017 (the most recent calendar year for which we have four quarters of data) the Scottish economy grew by 1.3% compared to 2016.



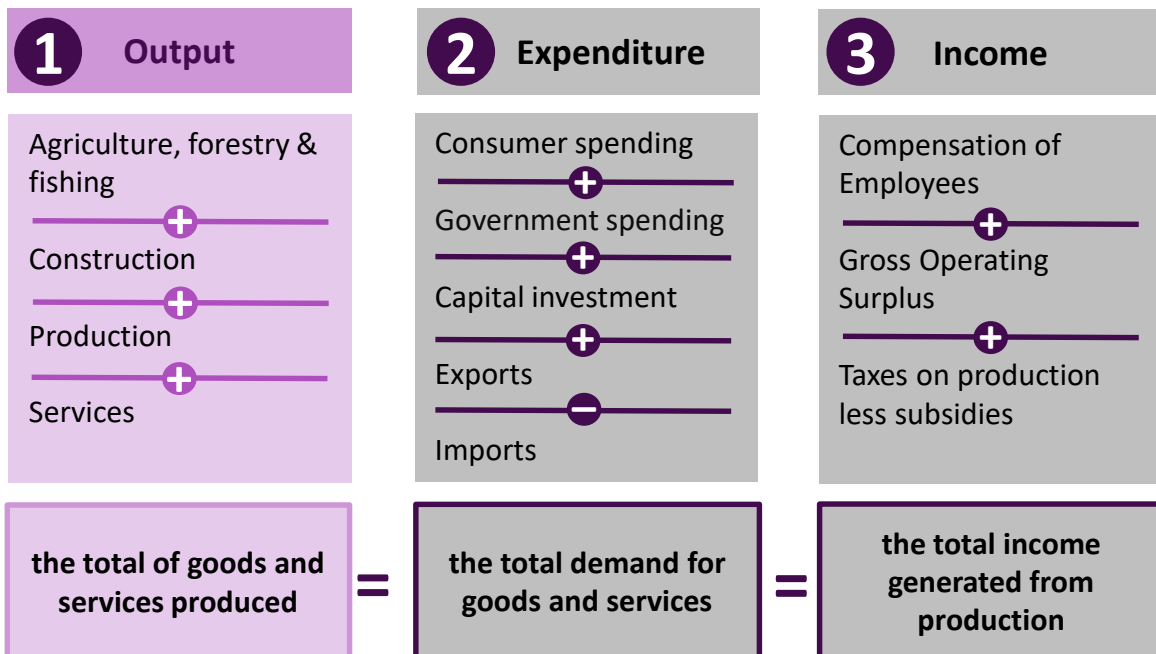
GDP per person and total GDP



GDP per person shows economic growth after taking population growth into account. Growth in GDP per person increased from -0.2% in 2016 to +0.9% in 2017. Over the same period GDP growth increased from 0.4% in 2016 to 1.3% in 2017

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 1 (which is fully comparable to these data) at gov.scot/gdp.

Next publications

Second estimate 2018 Q2
31 October 2018

First estimate 2018 Q3
19 December 2018

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A National Statistics publication for Scotland

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