Growth Sector Briefing - Food and Drink

Office of the Chief Economic Adviser

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# Growth Sector Definition

Scotland’s food and drink industry was identified in Scotland’s Economic Strategy (2015) as one of the growth sectors in which Scotland can build on existing comparative advantage and increase productivity and growth. The Scottish food and drink industry spans the activities of agriculture, fishing & aquaculture, food manufacturing and drink manufacturing. The food and drink manufacturing sector is important to Scotland’s manufacturing workforce and accounts for a significant proportion of manufacturing exports. The production of Scotch whisky and other spirit drinks is of particular importance to Scotland. The agriculture industry provides input to the Scottish food and drink industry and, together with the fishing sector, is a major supplier of raw materials to the UK industry.

The Food & Drink growth sector is defined by the Standard Industrial Classification (SIC) 2007 codes:

01 – Crop and Animal Production, Hunting and Related Service Activities

03 – Fishing and Aquaculture

10 – Manufacture of Food Products

11 – Manufacture of Beverages

Please note that alternative Fishing and Aquaculture data are available from Marine Scotland [here](https://www.gov.scot/publications/scotlands-marine-economic-statistics). Figures from that source are not directly comparable with those in the Growth Sector Statistics Database due to methodological differences.

# Key Statistics

## Recent trends in GDP (2023 Q4)

*Updated March 2024, next update June 2024*

The latest GDP data[[1]](#footnote-1) show that output in the Food and Drink growth sector decreased by 4.0% in the most recent quarter, with output across the economy as a whole decreasing by 0.6%. Compared with the same quarter in the previous year, output in this sector decreased by 7.1%, with output across the economy as a whole decreasing by 0.3%, comparing Q4 2023 to Q4 2022.

## Employment (2022)

*Updated November 2023, next update November 2024*

Employment in the Food and Drink growth sector stood at 125,000 in 2022, accounting for 4.8% of employment in Scotland and 14.1% of employment in Food and Drink across Great Britain. Employment in this sector decreased by 3.1% over the latest year in Scotland.

## Employment across Scotland (2022)

*Updated November 2023, next update November 2024*

In 2022, employment in the Food and Drink growth sector was highest in Aberdeenshire (16,000) and Highland (14,000), which comprised 12.8% and 11.2% of employment in this sector respectively.

## Exports[[2]](#footnote-2) (2021)

*Updated March 2024, next update tbc*

Total exports from the Food and Drink growth sector stood at £11.2 billion in 2021, accounting for 14.0% of Scotland’s total exports. Exports from this sector increased by 8.5% over the year.

Exports to the rest of the UK stood at £4.3 billion in 2021 and accounted for 38.9% of total Food and Drink exports. International exports to the EU stood at £2.6 billion (23.4%) and international exports to non-EU countries stood at £4.2 billion (37.7%).

## Enterprises (2023)[[3]](#footnote-3)

*Updated December 2023, next update December 2024*

In March 2023, there were 17,450 registered enterprises operating in the Food and Drink growth sector, representing 10.1% of all registered business in Scotland. In 2023, 98.7% of Scottish Food and Drink registered enterprises were small (0-49 employees), accounting for 52.0% of employment in this sector, whilst large enterprises (250+ employees) accounted for 0.4% of registered enterprises but 34.2% of employment.



The majority of enterprises in the Food and Drink sector were UK owned with their registered office address in Scotland (98.8%), accounting for 76.1% of sector employment in 2023. 0.8% of businesses were registered abroad, but they accounted for 16.5% of employment in this sector.

## Earnings (2023)

*Updated December 2023, next update December 2024*

Median weekly full time earnings across the Scottish Food and Drink growth sector stood at £639.0 in 2023, which was lower than the Scottish average at £702.8.

## Business Demography (2022)

*Updated March 2024, next update March 2025*

The number of registered business births (VAT/PAYE registrations) in the Food and Drink growth sector in Scotland decreased by 22.2%, from 180 in 2021 to 140 in 2022. The business birth rate, which is the number of births as a percentage of active businesses, was 10.2%. In comparison, business births in Food and Drink across the UK decreased by 4.7% between 2021 and 2022, with a birth rate of 12.8%.

The number of business deaths (VAT/PAYE de-registrations) in the Food and Drink growth sector in Scotland increased by 22.2%, from 90 in 2021 to 110 in 2022. The business death rate, which is the number of deaths as a percentage of active businesses, was 8.0%. In comparison, business deaths in Food and Drink across the UK increased by 46.7% between 2021 and 2022, with a death rate of 10.1%.

Note that the Food & Drink growth sector births and deaths totals exclude Agriculture (SIC 01) and Fishing (SIC 03), as data for these sectors is not available from the Business Demography source.

### Sources of information

**GDP** – Scottish Government Quarterly GDP Index.

**Employment** – Business Register and Employment Survey.

**Exports** – Export Statistics Scotland.

**Enterprises** – Inter Departmental Business Register.

**Earnings** – Annual Survey of Hours & Earnings.

**Business Demography** - Inter Departmental Business Register and ONS Business Demography.

All data are available from the Growth Sector Statistics Database: <https://www.gov.scot/publications/growth-sector-statistics/>

All percentages and percentage changes over time are calculated based on the rounded figures shown in the Growth Sector Statistics Database.

For more information about the methodology behind the Growth Sector Statistics Database, please see the Methodology Note: <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2019/07/growth-sector-statistics/documents/growth-sector-method-note/growth-sector-method-note/govscot%3Adocument/Growth%2BSectors%2BMethodology%2Bdocument.docx>

1. The index represents the volume of GVA created compared to the ‘base’ year (currently 2019). Figures are deflated to remove the effect of price changes over time to produce an estimate of real terms (or constant price) growth. The figures are seasonally adjusted to remove the effects of regular, calendar based cycles in certain industries. [↑](#footnote-ref-1)
2. The figures for the growth sectors are derived by aggregating estimates based at a low Standard Industrial Classification (SIC) level. Export Statistics Scotland is not designed to collect data at this level of accuracy, therefore these results should be treated as indicative. [↑](#footnote-ref-2)
3. Employment statistics referred to here are not directly comparable with Business Register and Employment Survey (BRES) employment data. [↑](#footnote-ref-3)