

# Scotland's GDP 2019, Quarter 3

## First Estimate

18 December 2019

This is the first estimate of Scotland's Gross Domestic Product (GDP) for 2019 Quarter 3 (July to September).

### Headline results



**0.3%**

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



**+0.7%**

Compared to the same quarter last year, Scotland's GDP grew by 0.7%. Over the same period the UK as a whole grew by 1.0%.



The largest single contribution to change this quarter came from Business Services & Finance.

### What's in the first estimate of GDP?

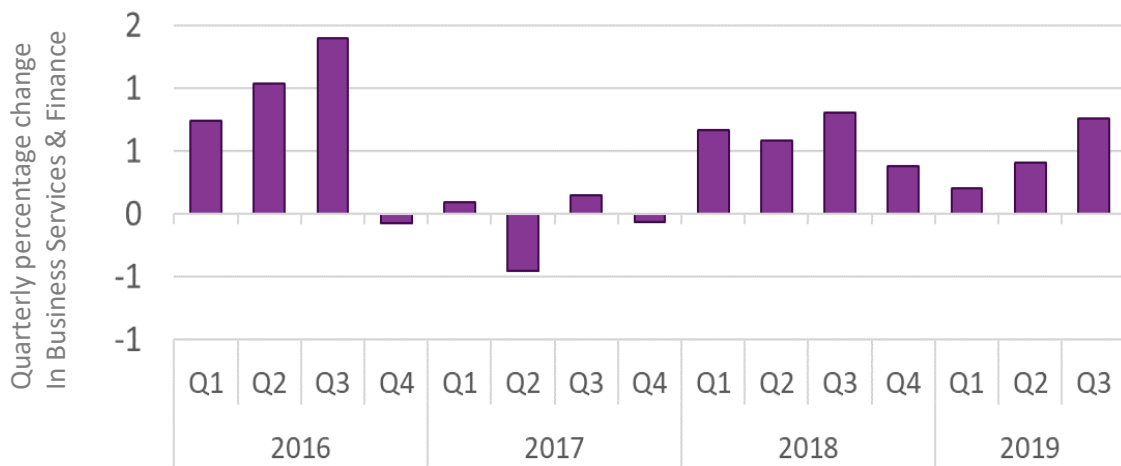
The first estimate of GDP covers the output approach to GDP and its breakdowns and reports on:

- **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 30 October 2019. The GDP Quarterly National Accounts, published on 29 January 2020, will include an updated second estimate of GDP for 2019 Q3 and revisions to previous quarters.

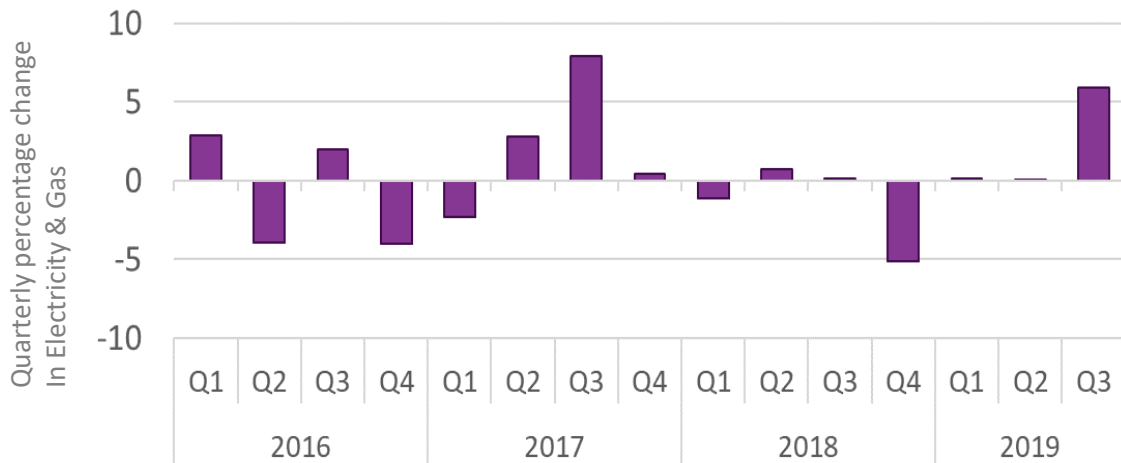
## Commentary on this quarter's figures

In the last two quarters a large amount of the change in GDP was linked to stockpiling and running down stockpiles around the UK's original planned Brexit deadline in March 2019 as it was moved to the subsequent October 2019 deadline.

The two industries making the largest contribution this quarter (compared to last quarter) frequently contribute significantly to GDP. Business Services & Finance (the largest contribution this quarter) accounts for almost 30% of the economy.



Electricity & Gas is the second largest contribution this quarter. It is a smaller but volatile industry (as seen in the chart below), meaning that it often contributes a large amount to either growth or contraction.

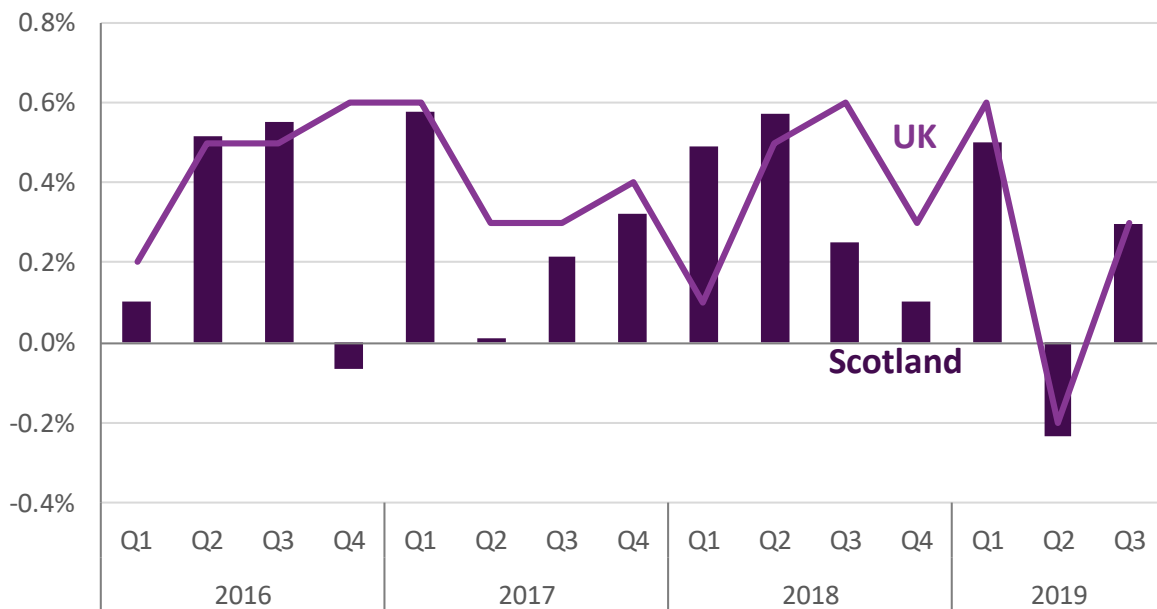


There is more information on the most influential industries this quarter on page 7.

## Total output: Compared to the previous quarter

Scotland’s GDP in real terms during the third quarter of 2019 grew by 0.3% compared to the previous quarter. Over the same period, total UK GDP also grew by 0.3%.

### GDP growth compared to last quarter (%)



In the latest quarter, output in the Services sector grew by 0.2%, output in the Production sector grew by 0.9%, and output in the Construction sector remained flat (0.0% growth).

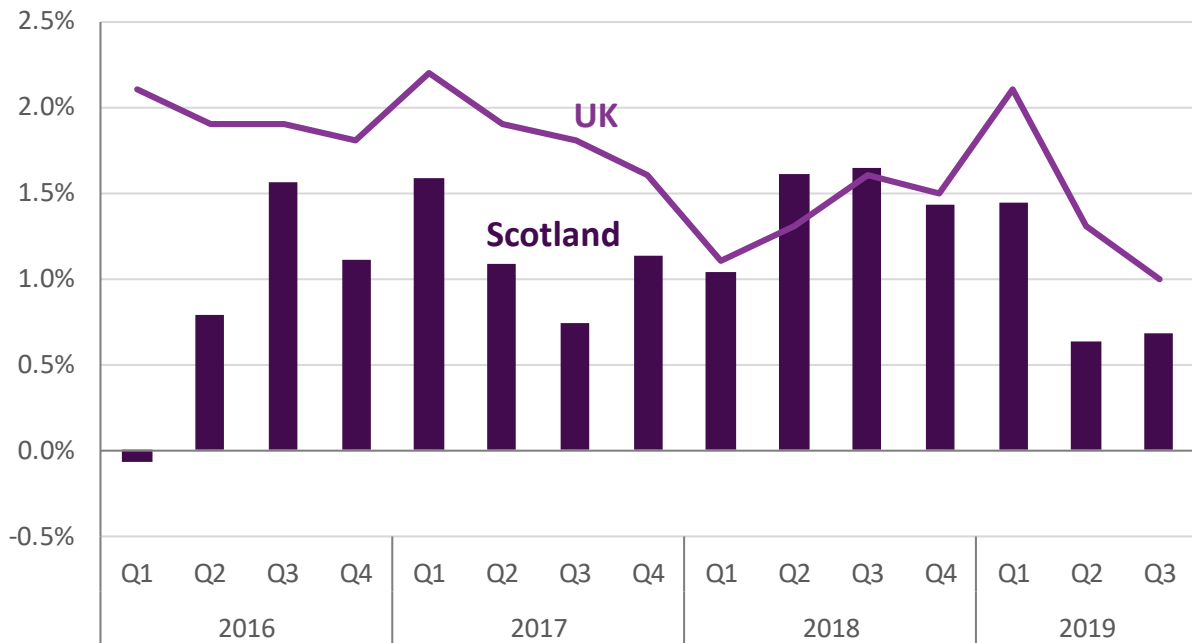
### GDP growth compared to last quarter by sector (%)

		2018		2019		
		Q3	Q4	Q1	Q2	Q3
Real terms	Agriculture, forestry & fishing	-0.7	-1.2	0.9	0.3	1.3
	Construction	0.6	0.6	0.1	-2.4	0.0
	Production	-0.3	-1.5	2.0	-1.5	0.9
	Services	0.4	0.5	0.2	0.2	0.2
	Whole economy	0.3	0.1	0.5	-0.2	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 third quarter of 2018. Over the same period UK GDP grew by 1.0%. 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 0.2%, Construction has contracted by 1.7% and Agriculture, Forestry & Fishing has grown by 1.3%.

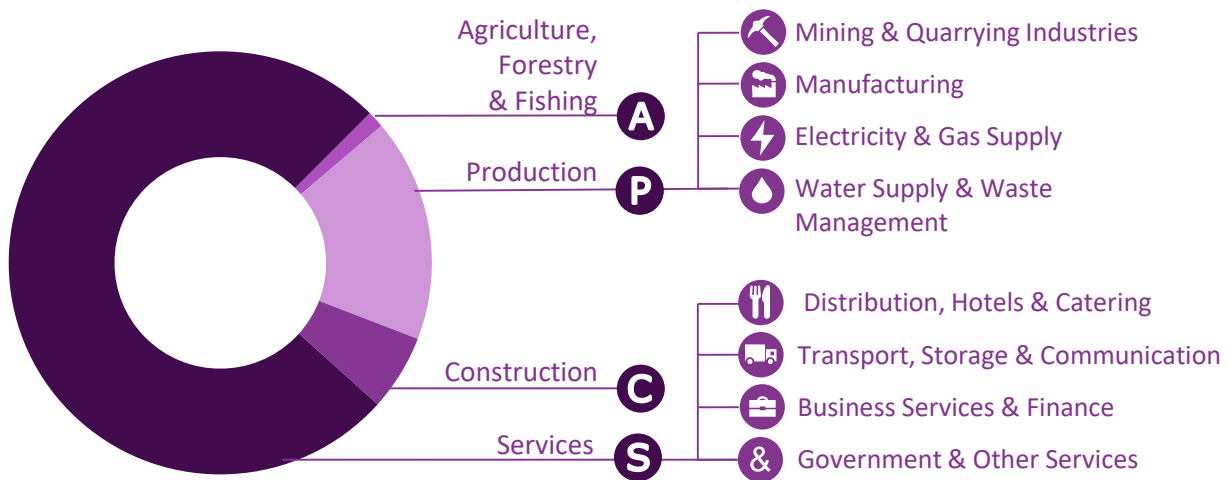
### GDP growth compared to the same quarter last year, by sector (%)

		2018		2019		
		Q3	Q4	Q1	Q2	Q3
Real terms	Agriculture, forestry & fishing	-7.3	-6.0	-2.8	-0.6	1.3
	Construction	1.1	1.0	2.3	-1.1	-1.7
	Production	3.1	0.5	1.4	-1.4	-0.2
	Services	1.5	1.8	1.4	1.2	1.1
	Whole economy	1.6	1.4	1.4	0.6	0.7

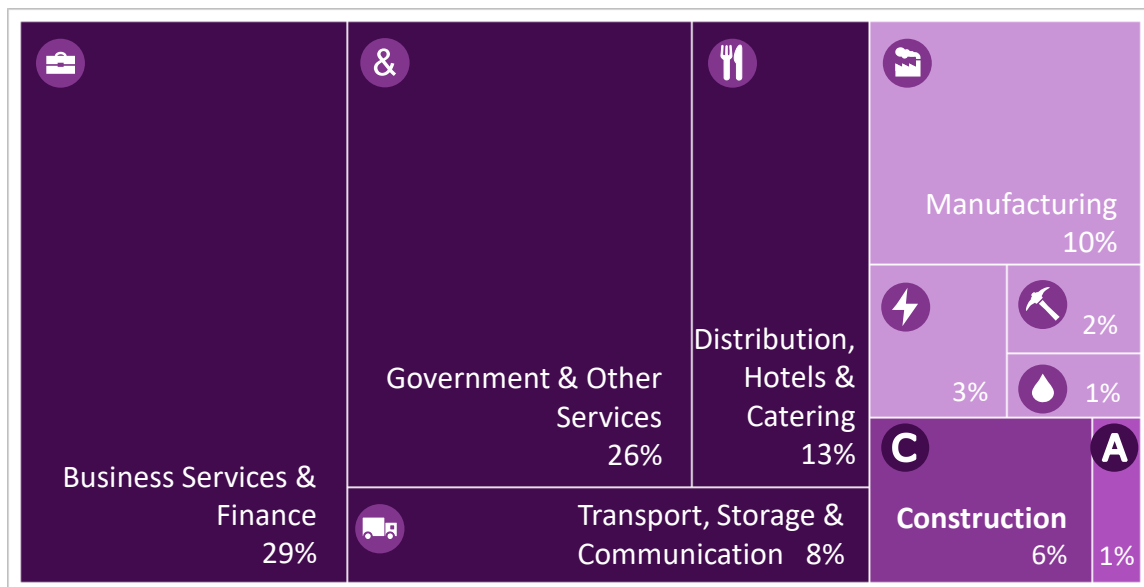
## Output: Size of industries

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

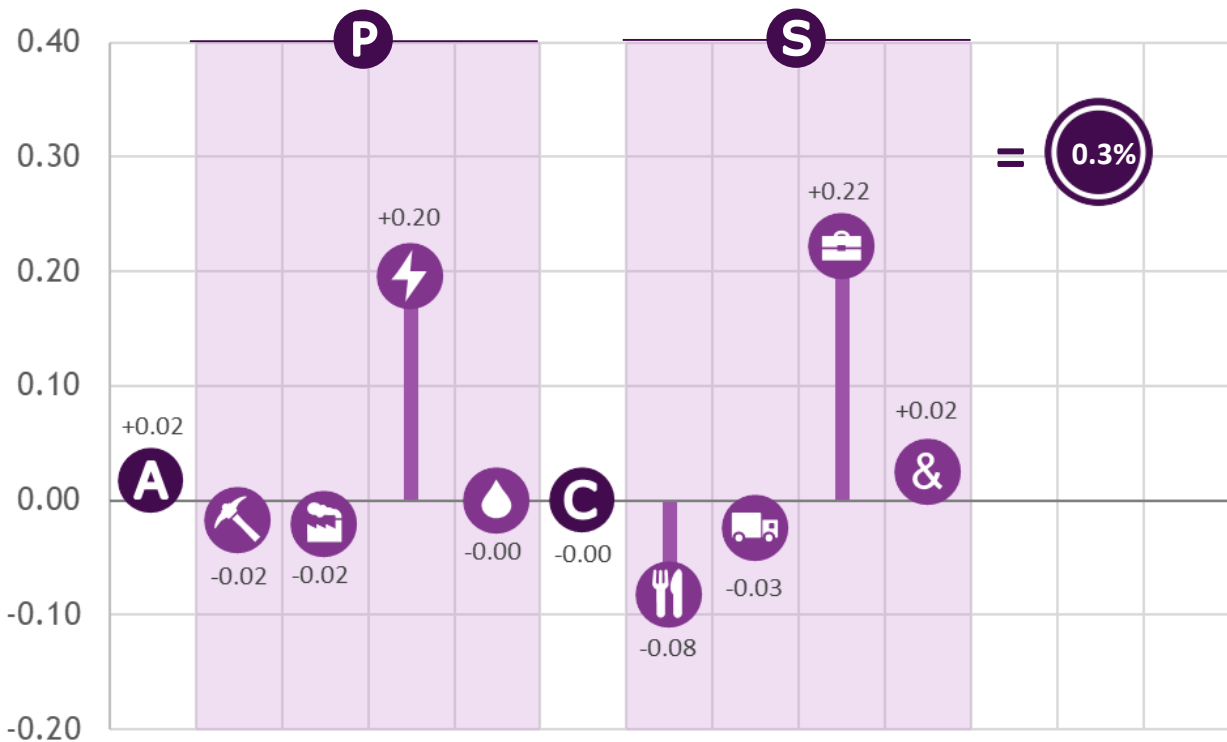


## Output: Industry contribution to growth

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

Contribution of industries to overall GDP growth 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

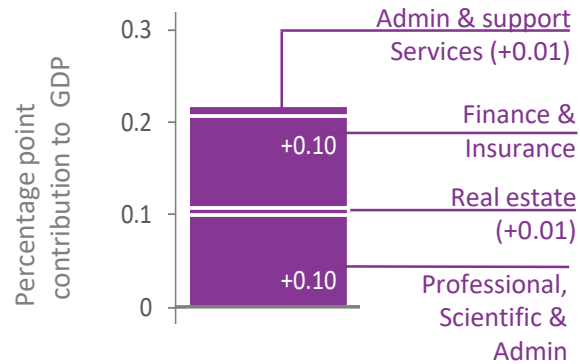
Quarterly GDP growth

## Output: Most influential sectors this quarter

### 1. Business services & finance

Business services & finance increased total GDP by 0.22 percentage points.

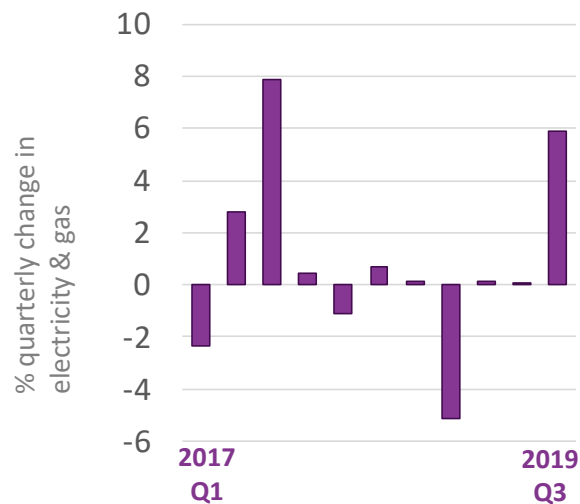
The largest contributors to headline GDP were the Finance & Insurance industry and the Professional, Scientific & Admin industry, which each added 0.1 percentage points to headline GDP.



### 2. Electricity & gas supply

In 2019 Q3, Electricity & gas increased total GDP by 0.20 percentage points. The majority of the growth came from electricity generation as gas, wind and hydro electricity generation all had a strong quarter.

Growth in electricity & gas tends to be volatile. Since 2017, it has contributed this level of change to total GDP twice.



### 3. Distribution, Hotels & Catering

In 2019 Q3, Distribution, Hotels & Catering reduced total GDP by 0.08 percentage points.

This contraction was fairly evenly split between Retail & wholesale and Accommodation & food services.

Figures in the chart do not sum to 0.08 due to rounding.



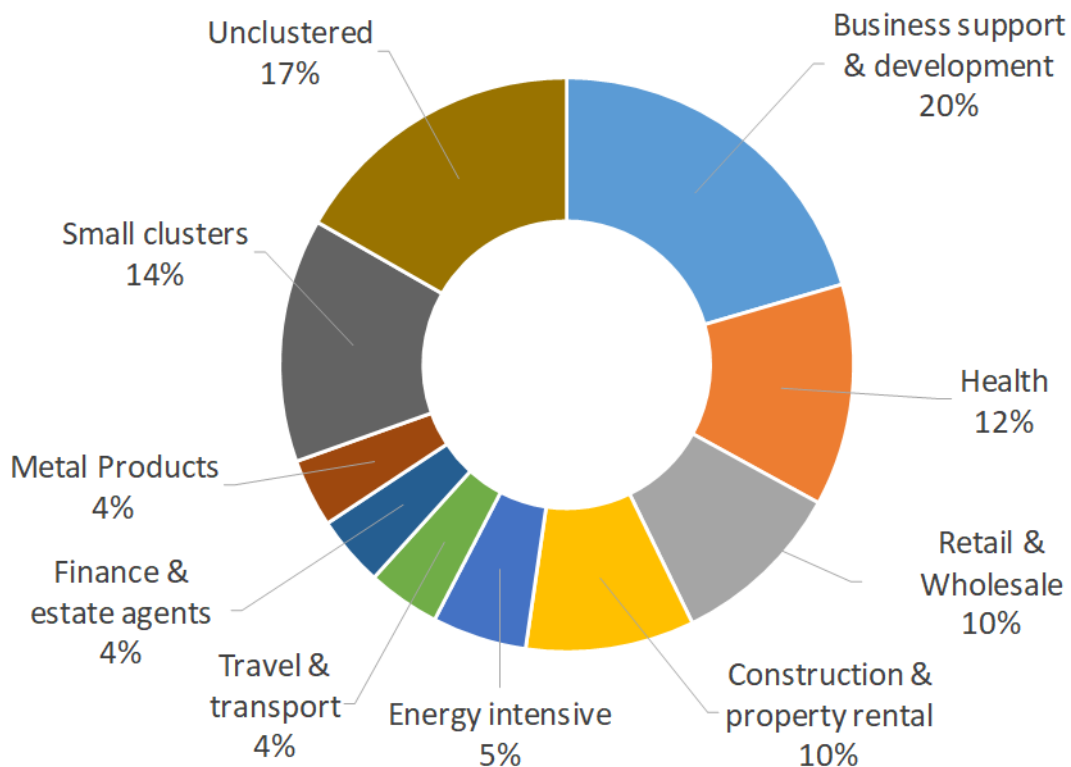
## Identifying clusters of industries

This report on Scotland’s GDP uses the international standard hierarchy of industries which groups together parts of the economy that make the same general types of goods or services. However, these groups of industries aren’t necessarily affected by the same factors, meaning that the standard hierarchy may not pick up underlying trends which affect GDP.

As part of our ongoing work to improve how we report on GDP, we undertook secondary analysis of the Input-Output tables to identify clusters (or groups) of strongly related industries to see if these better explained cross-cutting changes in Scottish GDP.

The chart below shows the 18 clusters of industries generated by this analysis. A summary of the clusters is available at [www.gov.scot/gdp](http://www.gov.scot/gdp), along with a technical paper and summary of the GDP outputs from these clusters.

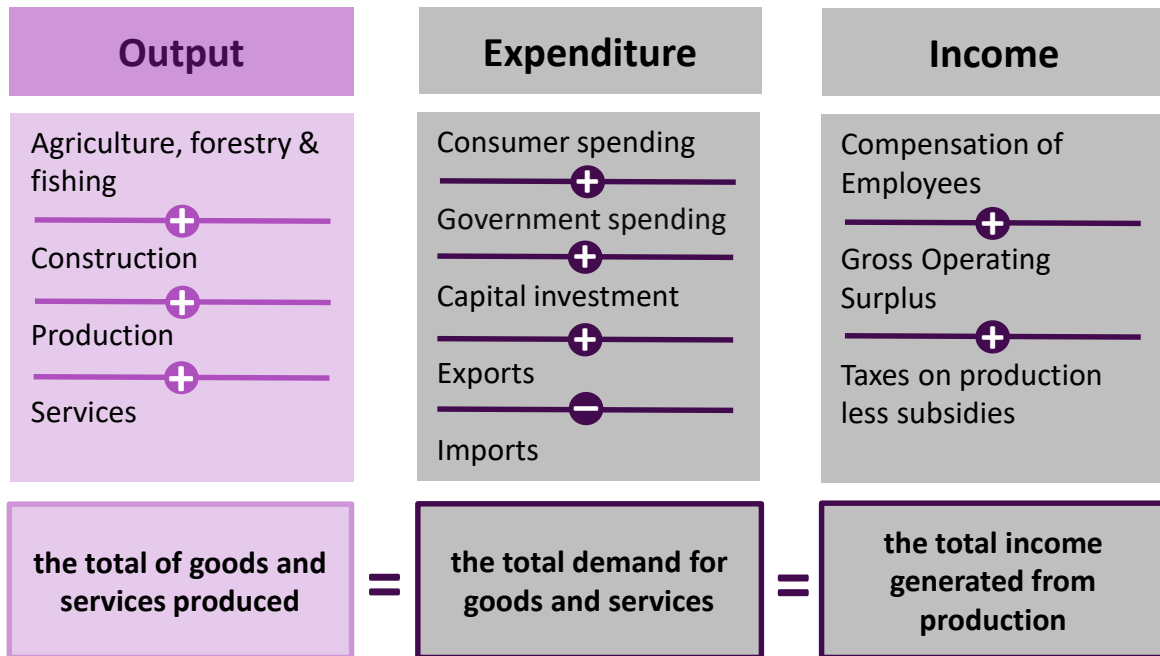
### Clusters of industries by weight in the economy





## 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 2 (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 Q3

29 January 2020

### First estimate 2019 Q4

18 March 2020

## 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](http://www.gov.scot/gdp).

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