



A National Statistics Publication for Scotland

## ECONOMY AND LABOUR MARKET

# Scotland's GDP 2023, Quarter 2 First Quarterly Estimate

30 August 2023

Gross Domestic Product (GDP) statistics measure the output of the economy in Scotland. This is the first quarterly estimate of Scotland's GDP for 2023 Quarter 2 (April to June).

### Headline Results

- Scotland's GDP fell by 0.3% in real terms during the second quarter of 2023. Over the same period, GDP in the UK as a whole grew by 0.2%.
- Compared to the same quarter last year, Scotland's GDP fell by 0.2%. Over the same period, the UK as a whole grew by 0.4%.
- In the second quarter of 2023 services output was flat overall, while production output fell by 2.1% with the fall of 2.3% in manufacturing making the largest contribution to the overall result.

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

The first quarterly estimate of GDP covers the output approach to GDP 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** – There are no revisions to previous quarters in this release. The GDP Quarterly National Accounts, published on 1 November 2023, will include an updated second estimate of GDP for 2023 Q2 and revisions to previous quarters.

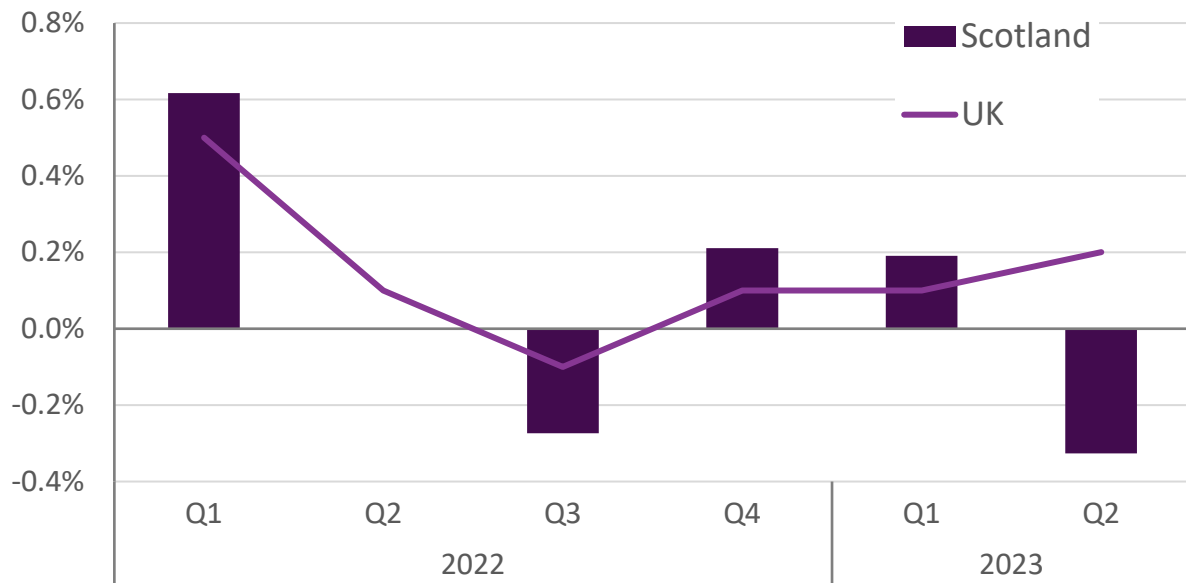


## Total output: Compared to the previous quarter

In 2023 Quarter 2 (April to June), Scotland’s GDP fell by 0.3% in real terms compared to the previous quarter. Over the same period, GDP for the UK as a whole grew by 0.2%. This growth follows growth of 0.2% in 2023 quarter 1.

## GDP falls by 0.3% in the second quarter of 2023 compared to the previous quarter

GDP growth compared to last quarter (%)



At the broad sector level in the latest quarter, output in the Services sector remained flat (0.0% change), output in the Construction sector grew by 0.3%, and output in the Production sector fell by 2.1%.

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

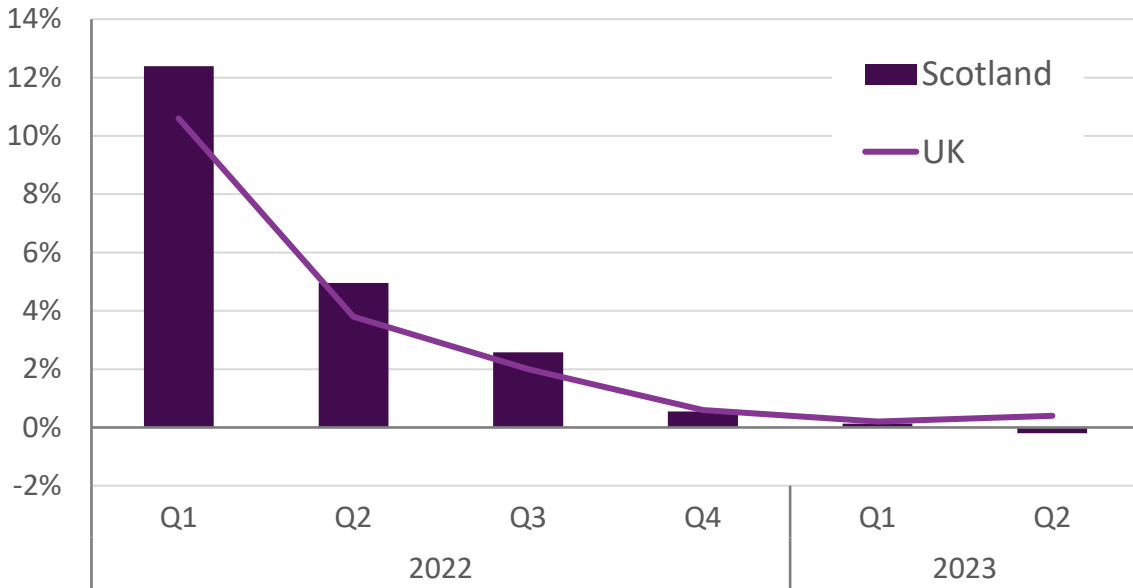
		2022			2023	
		Q2	Q3	Q4	Q1	Q2
Real terms	Agriculture, forestry & fishing	0.4	1.0	-0.3	0.4	0.3
	Construction	2.5	-1.8	1.0	0.4	0.3
	Production	-2.3	-1.3	0.1	-0.3	-2.1
	Services	0.3	0.0	0.2	0.3	0.0
	Whole economy	0.0	-0.3	0.2	0.2	-0.3

## Total output: Compared to the same quarter the previous year

Compared to the second quarter of 2022, Scotland’s economy is estimated to have fallen by 0.2% over the year in real terms. Over the same period UK GDP grew by 0.4%.

## GDP falls by 0.2% in the second quarter of 2023 compared to the same quarter of 2022

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



Compared to the same quarter last year, Services have grown by 0.4%, Construction has fallen by 0.1%, Production has fallen by 3.5%, and Agriculture, Forestry & Fishing has grown by 1.4%.

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

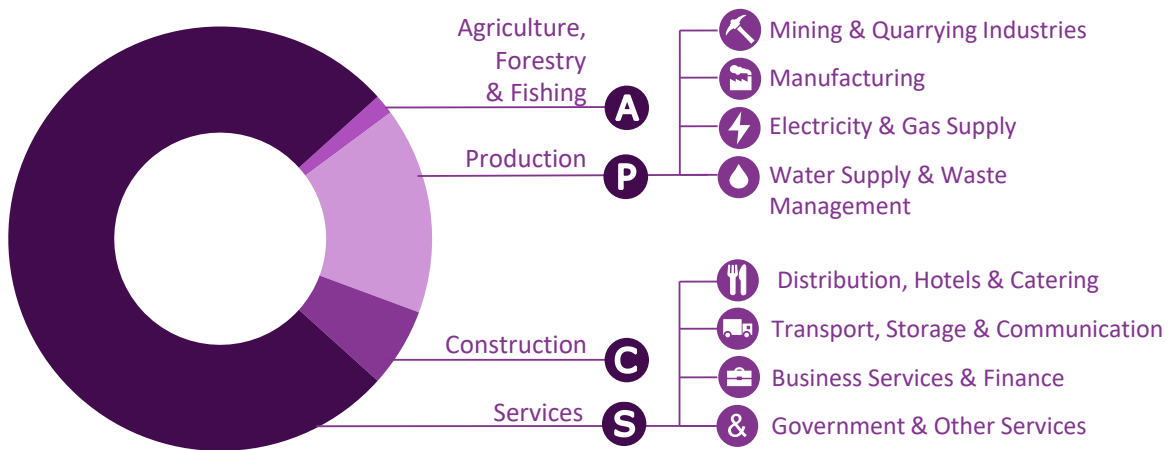
		2022			2023	
		Q2	Q3	Q4	Q1	Q2
Real terms	Agriculture, forestry & fishing	1.2	2.2	1.0	1.5	1.4
	Construction	4.9	4.1	1.8	2.0	-0.1
	Production	-1.5	-0.7	-1.1	-3.8	-3.5
	Services	6.4	3.1	0.8	0.8	0.4
	Whole economy	5.0	2.6	0.6	0.1	-0.2

## Size of industries

As of 2019, over three quarters (77%) of the Scottish economy was accounted for by Services industries. Production industries accounted for 16%, Construction for 6% and Agriculture, Forestry & Fishing for 2% (does not sum to 100% due to rounding).

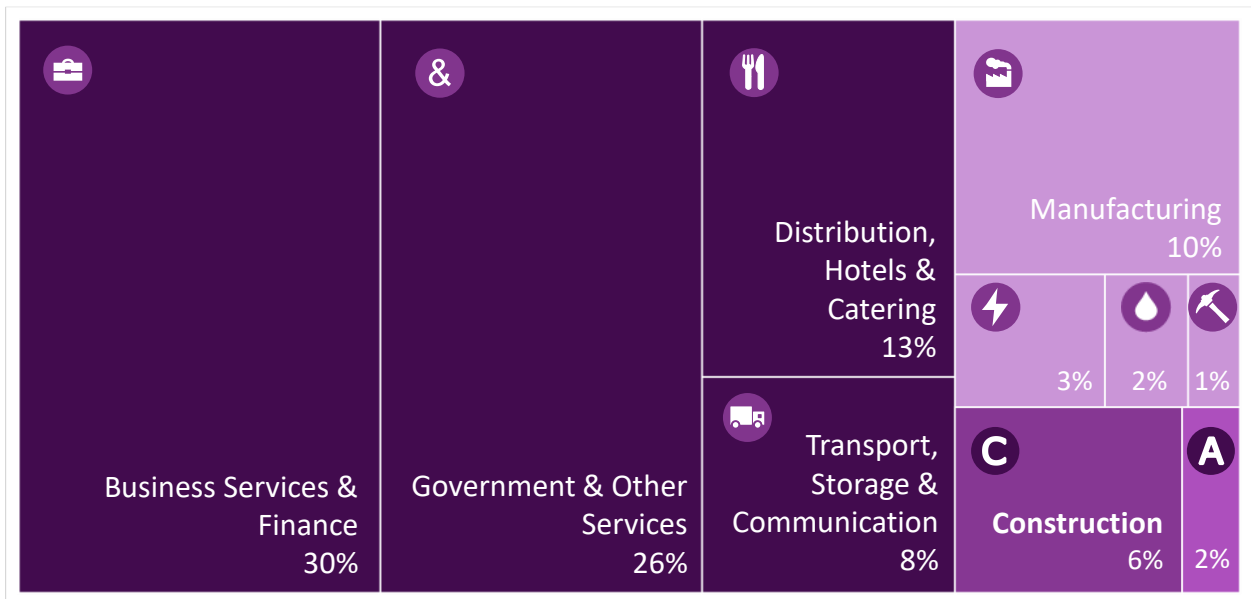
### Services account for over three quarters of the Scottish economy

Size of high level industries



### Within Services, Business Services & Finance is the largest industry group

Size of more detailed industries



## Industry contribution to change

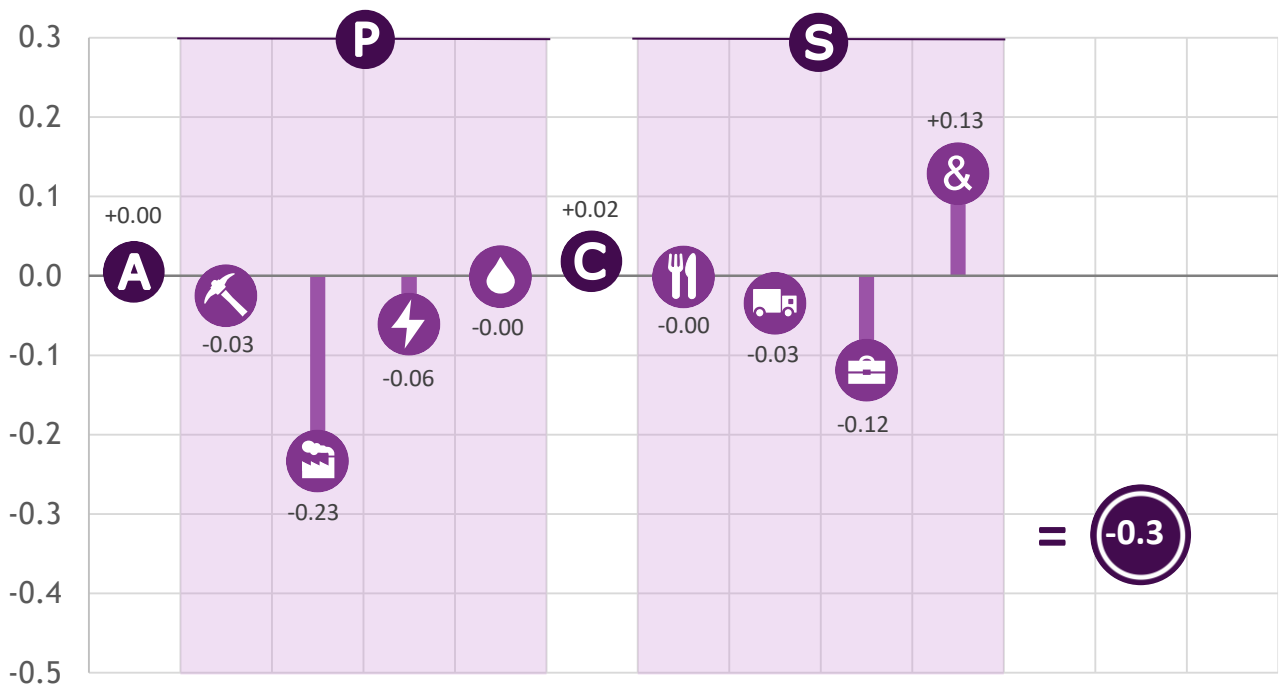
Industries which make up a larger proportion of the economy, or which experience large quarterly changes in output, make the largest contributions to overall GDP change.

The chart below shows the contribution to the headline quarterly GDP figure made from each of the ten broad sectors of the economy (Services and Production have been broken down into their largest four sub-categories). If you add the unrounded percentage point contribution of each of the sectors the total is the overall quarterly contraction of 0.3% (figures below may not sum exactly due to rounding).

A fall in manufacturing contributed two thirds of the 0.3% fall in GDP in the second quarter of 2023. In services, falls in business services and finance were offset by growth in government and others services

### Two thirds of the 0.3% fall in GDP in 2023 Q2 was due to a fall in Manufacturing

Contribution of industries to overall GDP contraction of 0.3%



**A** Agriculture, Forestry & Fishing

**C** Construction

**P** Production

**S** Services

Mining & Quarrying Industries

Distribution, Hotels & Catering

Manufacturing

Transport, Storage & Communication

Electricity & Gas Supply

Business Services & Finance

Water Supply & Waste Management

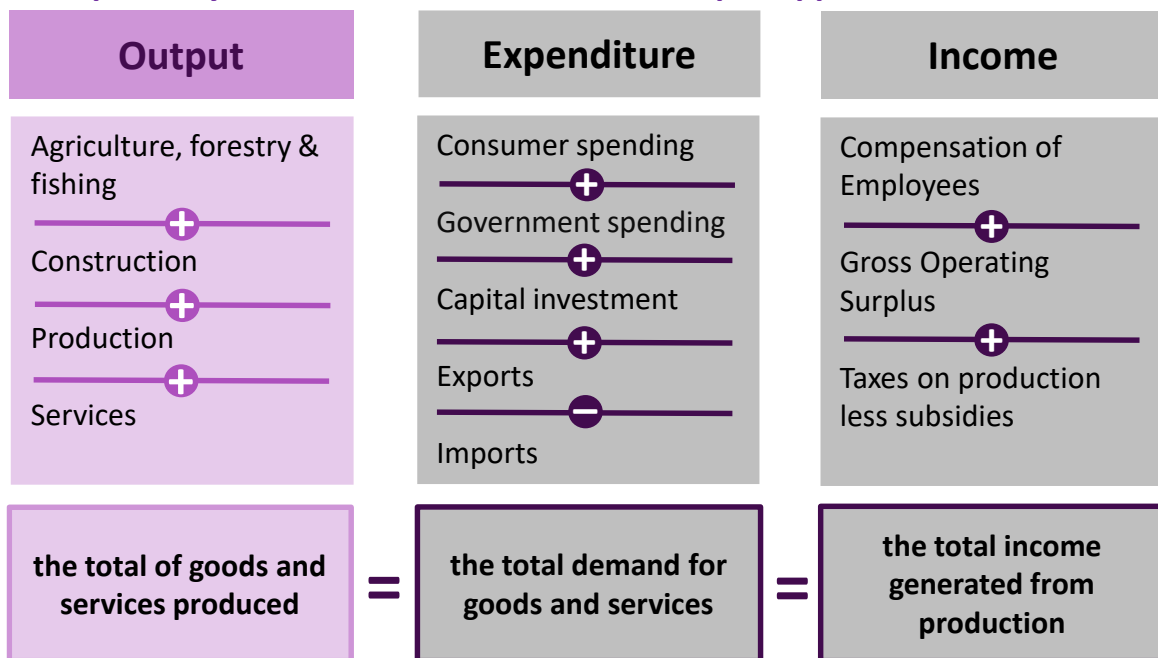
Government & Other Services

**Quarterly GDP growth**

## About the first quarterly 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 quarterly estimate of GDP covers the output approach to GDP



The first quarterly 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 GDP Quarterly National Accounts. The most recently published Quarterly National Accounts estimate is available up to 2023 Quarter 1 (which is fully comparable to these data) at <http://www.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://www.gov.scot/input-output>. The most recent figures were published on 26<sup>th</sup> October 2022 and cover the years 1998 to 2019.

## National Statistics Status

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.

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, more detailed breakdowns and adding a second quarterly estimate of GDP
- Assured quality by continually reviewing and improving our data sources and methods
- Improved the transparency of our methodology and source data
- Published GDP earlier by making our processes more efficient

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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