

## GDP Quarterly National Accounts, Scotland: 2024 Quarter 2 (April to June)

Release date: 30 October 2024

### Key Points

- In 2024 quarter 2, Scotland's onshore GDP is estimated to have grown by 0.4%, revised down from the first estimate of 0.6% growth published on 28 August. This follows upwardly revised growth of 0.7% in 2024 quarter 1.
- In the latest quarter, output grew by 0.3% in the services sector, grew by 1.1% in the production sector, and fell by 0.2% in the construction sector.
- The household saving ratio is estimated at 8.9% in the latest quarter, up from 6.1% at the same point last year.

### Introduction

This publication includes updated estimates of gross domestic product (GDP) for Scotland, along with a range of additional statistics which are used for economic forecasting and modelling.

The coronavirus pandemic led to a number of challenges in collecting and processing the data to calculate GDP, as well as having large impacts on the economy itself. As a result, estimates for the years 2020 to 2022 in particular are subject to more uncertainty than usual and may be more prone to revision over time.

International comparisons, and comparisons within the UK, should be made with appropriate caution for the levels of uncertainty and variations in methods in use by different statistical institutes around the world. The estimates of GDP from 2020 onwards are continuing to evolve as more data becomes available, and it is likely that these results, including comparative positions relative to pre-pandemic levels, will continue to change over the next several years.

## **An Accredited Official Statistics Publication for Scotland**

These statistics are [accredited official statistics](#). The Office for Statistics Regulation has independently reviewed and accredited these statistics as complying with the standards of trustworthiness, quality, and value in the [Code of Practice for Statistics](#). Quarterly National Accounts Scotland was [accredited in January 2014, as detailed in Assessment Report 272](#).

Accredited official statistics are called National Statistics in the [Statistics and Registration Service Act 2007](#).

Scottish Government statistics are regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) that all producers of official statistics should adhere to.

## **GDP growth in volume terms**

### **Headline quarterly GDP figures**

Scotland's onshore GDP (i.e. excluding offshore oil and gas) is estimated to have grown by 0.4% during 2024 quarter 2 (April to June), revised down from the [first estimate of 0.6% growth published on 28 August](#). The growth in the latest quarter follows upwardly revised growth of 0.7% in quarter 1 (January to March), and a downwardly revised fall of 0.6% during 2023 Quarter 4 (October to December).

Taken over the last 12 months, compared to the same quarter in 2023, Scotland's GDP has grown by 0.8%.

### **Annual GDP growth and comparisons to pre-pandemic levels**

In 2023, annual GDP is now estimated to have grown by 0.2% compared to 2022, revised up from the previous estimate of 0.1%. This follows downwardly revised growth of 5.6% in 2022 and unrevised growth of 9.2% in 2021, after the fall of 12.0% in 2020 during the coronavirus pandemic.

The latest estimates show that, in 2024 quarter 2, GDP in Scotland is now 1.9% above the pre-pandemic level in 2019 Quarter 4.

Users should continue to be cautious about drawing firm conclusions based on comparisons between Scotland and the UK as a whole, or other countries, which include the periods of time when the economy was most severely impacted by the coronavirus pandemic. This includes the estimate of the latest level of GDP compared to the pre-pandemic level, and the size of changes in GDP during 2020 to 2022 in particular. The estimates of GDP from 2020 onwards are continuing to evolve as more data becomes available, and it is likely that these results will change again in future releases. A [blog by the National Statistician](#) gave useful information on the challenges of measuring GDP for this period of time.

## Latest results by industry of output

In 2024 quarter 2, output in the services sector grew by 0.3% compared to the previous quarter, with output growing in seven of the fourteen subsectors. The largest positive contributions to overall growth in the latest quarter were from the professional, scientific and technical services industry (+1.8%) and the other services subsector (+5.0%). The largest negative contribution to growth in the services sector was from the wholesale, retail and motor trades subsector (-1.2%).

Output in the production sector grew by 1.1% overall, with growth in three of the four main subsectors, including an increase of 1.5% in manufacturing and fall of 1.8% in electricity and gas supply.

Output in the construction sector is estimated to have fallen by 0.2% during quarter 2.

The downloadable GDP in volume terms tables include more detailed breakdowns of the services and manufacturing sectors, as well as estimates of GDP per head and annual GDP growth back to 1963.

Estimates of GDP growth in volume terms based on the expenditure approach to GDP (consumption, government expenditure, investment and trade) are also available in the downloadable other national accounts summary tables. These figures are currently designated as official statistics in development and are principally published for use by analysts, for example as inputs to economic forecasts.

The [Monthly GDP](#) estimates give a more detailed indication of the trends for each industry sector, and include results up to August 2024 at the time of release.

## GDP in nominal terms

In 2023 as a whole, annual onshore GDP is estimated to have been £198.6 billion in total, or £36,181 per person. This increased by £10.0 billion, or 5.3%, compared to 2022 due to the combination of real terms growth of 0.2% and an increase in the GDP deflator by 5.1% which reflects the relatively high levels of price inflation which persisted throughout the year.

Including oil and gas extraction in Scottish waters, Scotland's GDP in 2023 is estimated to be £217.0 billion in total, or £39,520 per person. While the value of GDP in the onshore economy has increased during the 2023, the gross value added from oil and gas extraction in Scottish adjacent waters has decreased over the year due to the fall in energy prices from the peak levels seen in 2022.

Although GDP statistics in real terms are available for the onshore economy only, estimates of GDP in nominal terms are produced for both the onshore and wider economy including oil and gas extraction. These are widely used for international comparisons and fiscal analysis.

## **Additional measures of economic activity**

GDP (or GDP per person) is the most widely known indicator of economic activity and is frequently used to make comparisons between places or over time. There are also a range of other measures which can be used to indicate different aspects of economic activity and wellbeing.

Within this publication, Gross Disposable Household Income is the most comprehensive direct measure of the money earned by people in Scotland, including income from wages and other sources, and accounting for transfers such as pensions, taxes and benefits.

Gross National Income (GNI) is a measure which accounts for income flows between countries or territories for all sectors of the economy, such as outflows of profits generated by foreign owned companies. [Experimental estimates of GNI and primary income flows for Scotland up to 2021](#) are available.

[Labour productivity statistics](#), which report GDP per job or per hour worked are available up to 2023.

Looking beyond GDP and the economy, Scotland's National Performance Framework (NPF) includes a range of economic, social and environmental indicators which give a wider indication of national wellbeing. Further information can be found at [nationalperformance.gov.scot](https://nationalperformance.gov.scot).

## **Gross disposable household income (GDHI)**

Gross Disposable Household Income (GDHI) is a measure of how much money the population has for spending or saving after earnings and transfers such as pensions, taxes and benefits are accounted for. GDHI includes income earned in other areas of the UK or from abroad (for example, offshore workers' income or income from overseas investments) which are not part of onshore GDP.

In 2024 quarter 2, GDHI is estimated to have increased by 6.3% in nominal terms (without adjusting for inflation) over the year compared to 2023 quarter 2. The largest part of GDHI is income from employment, which is up by 2.9% over the year.

### **Household Saving Ratio**

The household saving ratio is estimated at 8.9% in the latest quarter, up from 6.1% at the same point last year. This reflects disposable income increasing by more than household spending over the last 12 months.

The household saving ratio represents funds which are available for adding to savings, including into pension funds, or paying off debt. It is not a measure of actual deposits made to savings accounts, or of savings accounts balances, but is a useful indicator of trends in overall household finances.

# Revisions

In this release, Scotland's GDP has been open for revision back to 2022 quarter 1. All estimates from 2021 onwards remain provisional, while annual estimates for earlier years are constrained to the [Supply and Use Tables for 1998-2020](#), published on 29 November 2023. Details of revisions to GDP growth of each broad industry can be found in the downloadable GDP by volume tables, while revisions to the nominal value of other key statistics are detailed in the downloadable other national accounts summary tables.

Revisions to GDP growth and the nominal value of other components have been made in line with our revisions policy for economic statistics, and are due to updated source data and re-estimation of outputs. The main sources of revisions in this release are [updates to the equivalent UK national accounts](#) which provide key inputs for the output of many industries and other components of income and expenditure. Revisions in other industries are due to routine updates of source data, and late or revised returns to the monthly business survey.

For GDP in volume terms, the overall trend since the beginning of 2022 is broadly unchanged in the latest estimates, but with upward and downward revisions from quarter to quarter.

For other components of GDP, estimates of household, NPISH and government final consumption expenditure have been revised up, reflecting the latest UK statistics, while estimates of exports remain broadly unrevised. Estimates of imports have also been revised up, partly due to residual balancing adjustments for supply to meet the upwardly revised components of demand.

Further revisions to GDP growth can be expected in the next quarterly national accounts when estimated will be reweighted and constrained to the annual Supply and Use Tables for 1998-2021.

## **Measurement of GDP and consistency with results for the UK as a whole**

There are some differences between the estimates for Scotland and the UK after 2019 due to the faster timescales for updates at UK level and differences between methodologies used. While the level of output in some industries and in total GDP are still broadly comparable to the UK as a whole, for many industries those comparisons should be made with caution. Specifically, whilst the UK statistics for real terms GDP growth are based on double deflated gross value added (GVA) for 2020, 2021 and 2022 (that is, the prices of both outputs and inputs are separately accounted for), the estimates for Scotland are only double deflated up to 2019 and the estimates for 2020 onwards are based on output only.

Learning from the experience at UK level, where the introduction of double deflated estimates for 2020 in September 2022 led to large downward revisions to GDP, which were then largely reversed by large upward revisions when double deflated estimates were introduced in September 2023, we are waiting until we can produce

double deflated estimates for both years before introducing them into our time series at the same time. This development is intended to maintain stability in the estimates for Scotland, but at the expense of some comparability with the figures for the UK as a whole. On current timescales, we are likely to introduce double deflated GDP for 2020 and 2021 in the release for 2024 Quarter 3, following the production of Supply and Use tables for 1998-2021 (autumn 2024) based on the ONS Regional GDP statistics for the same period (summer 2024) which are derived from the ONS Blue Book 2023 statistics released on 31 October 2023.

Users should continue to be cautious about drawing conclusions based on comparisons between Scotland and the UK or other countries for the periods when the economy was most severely impacted by the coronavirus pandemic, or comparisons of relative levels of GDP compared to the pre-pandemic level. The estimates of GDP from 2020 onwards are continuing to evolve as more data becomes available, and it is likely that these results will change again in future releases.

## About the GDP Quarterly National Accounts

This publication includes the second estimate of onshore GDP growth for the latest quarter, which uses additional data which has become available since the Quarterly GDP First Estimate was published two months ago. The results in this release are broadly comparable to, and make extensive use of data derived from, the latest UK Quarterly National Accounts which were published one month ago.

In addition to the second estimate of onshore growth in real terms, the GDP Quarterly National Accounts also includes:

- Total GDP in nominal (cash) terms for the onshore economy and also the wider economy including offshore activities
- Onshore GDP in nominal terms broken down using all three of the output, expenditure and income approaches
- Experimental statistics estimates of the expenditure approach to GDP in real terms
- Household Sector income and expenditure accounts for Scotland, including Gross Disposable Household Income (GDHI) and the Household Savings Ratio
- Public sector revenues

### Next publications

GDP Monthly Estimate, September 2024	27 November 2024
GDP Quarterly First Estimate, 2024 Quarter 3	27 November 2024
GDP Monthly Estimate, October 2024	18 December 2024
GDP Quarterly National Accounts, 2024 Quarter 3	29 January 2025

# Tell us what you think

We are always interested to hear from our users about how our statistics are used, and how they can be improved.

## Enquiries

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