

# Scotland's GDP 2023, Quarter 4

## First Quarterly Estimate

28 February 2024

### Key Points

- Scotland's GDP fell by 0.6% in real terms during the fourth quarter of 2023. Over the same period, GDP in the UK as a whole fell by 0.3%.
- In the fourth quarter of 2023 services output fell by 0.1%, while production output fell by 3.0% with the fall of 3.7% in manufacturing output making the largest contribution to the overall result.
- Compared to the same quarter last year, Scotland's GDP fell by 0.3%. Over the same period, the UK as a whole fell by 0.2%.
- Over 2023 as a whole Scotland's GDP grew by 0.2% compared to 2022. Equivalent UK growth was 0.1%.

### Introduction

Gross Domestic Product (GDP) statistics measure the output of the economy in Scotland. All results are seasonally adjusted and presented in real terms (adjusted to remove inflation), and relate to Scotland's onshore economy (which does not include offshore oil and gas extraction).

### An Accredited Official Statistics Publication for Scotland

These statistics are [accredited official statistics](#). The Office for Statistics Regulation (OSR) has independently reviewed and accredited these statistics as complying with the standards of trustworthiness, quality, and value in the [Code of Practice for Statistics](#).



These statistics were accredited in January 2011 and the [accreditation notice](#) is available on the OSR website.

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.

## **What is in the first quarterly estimate of GDP?**

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

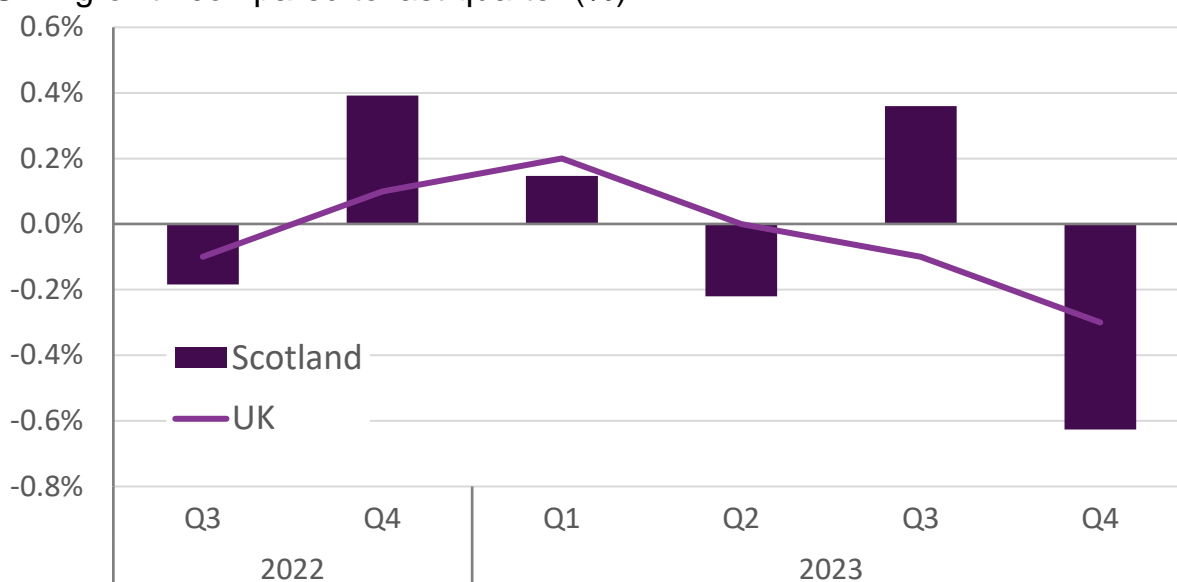
- **Real terms** – results have been seasonally adjusted and had the effect of price changes removed to allow for meaningful comparisons over time
- **Onshore economy** – figures do not include the output of offshore oil and gas extraction (which is included in the headline UK figures)
- **Revisions** – There are no revisions to previous quarters in this release. The GDP Quarterly National Accounts, published on 1 May 2024, will include an updated second estimate of GDP for 2023 Q4 and revisions to previous quarters.

# Output compared to the previous quarter

In 2023 Quarter 4 (October to December), Scotland's GDP fell by 0.6% in real terms compared to Quarter 3, following growth of 0.4% in Quarter 3. Over Quarter 4, GDP for the UK as a whole fell by 0.3%.

**Figure 1: GDP falls by 0.6% in the fourth quarter of 2023, compared to quarter 3**

GDP growth compared to last quarter (%)



At the broad sector level in the latest quarter, output in the Services sector fell by 0.1%, output in the Construction sector fell by 1.3%, and output in the Production sector fell by 3.0%.

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

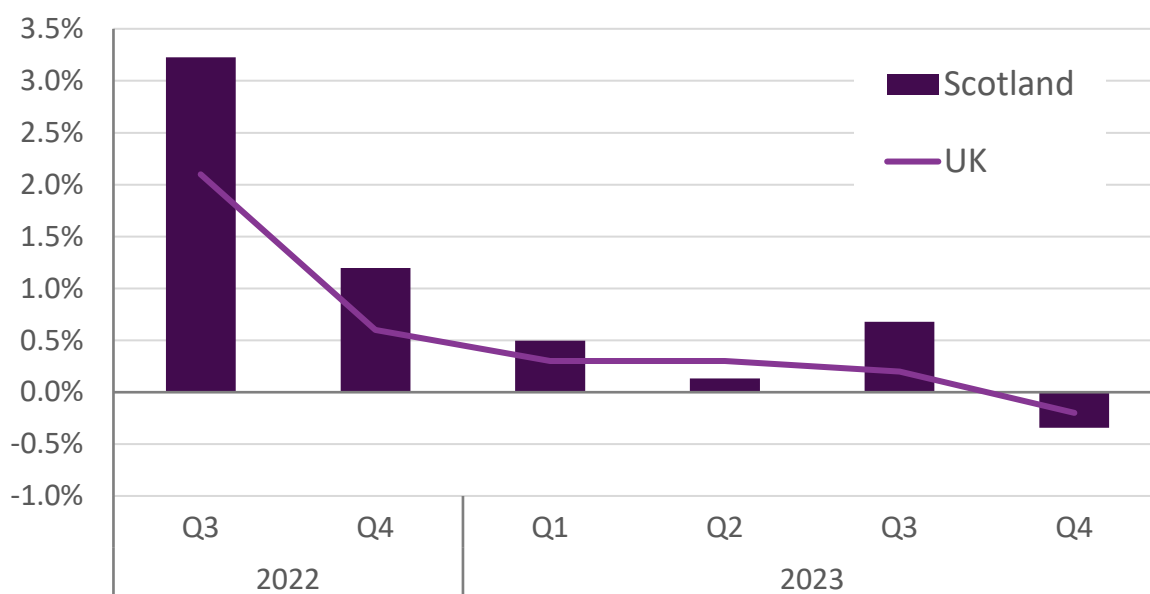
		2022	2023			
		Q4	Q1	Q2	Q3	Q4
Real terms	Agriculture, forestry & fishing	-0.7	0.3	0.3	-0.5	0.5
	Construction	1.9	0.0	0.4	0.4	-1.3
	Production	0.1	-0.8	-1.9	1.3	-3.0
	Services	0.4	0.3	0.0	0.2	-0.1
	Whole economy	0.4	0.1	-0.2	0.4	-0.6

# Output compared to the same quarter the previous year

Compared to the fourth quarter of 2022, Scotland's economy is estimated to have fallen by 0.3% over the year in real terms. Over the same period UK GDP fell by 0.2%.

**Figure 2: GDP falls by 0.3% in the fourth 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 0.5%, Production has fallen by 4.3%, and Agriculture, Forestry & Fishing has grown by 0.5%.

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

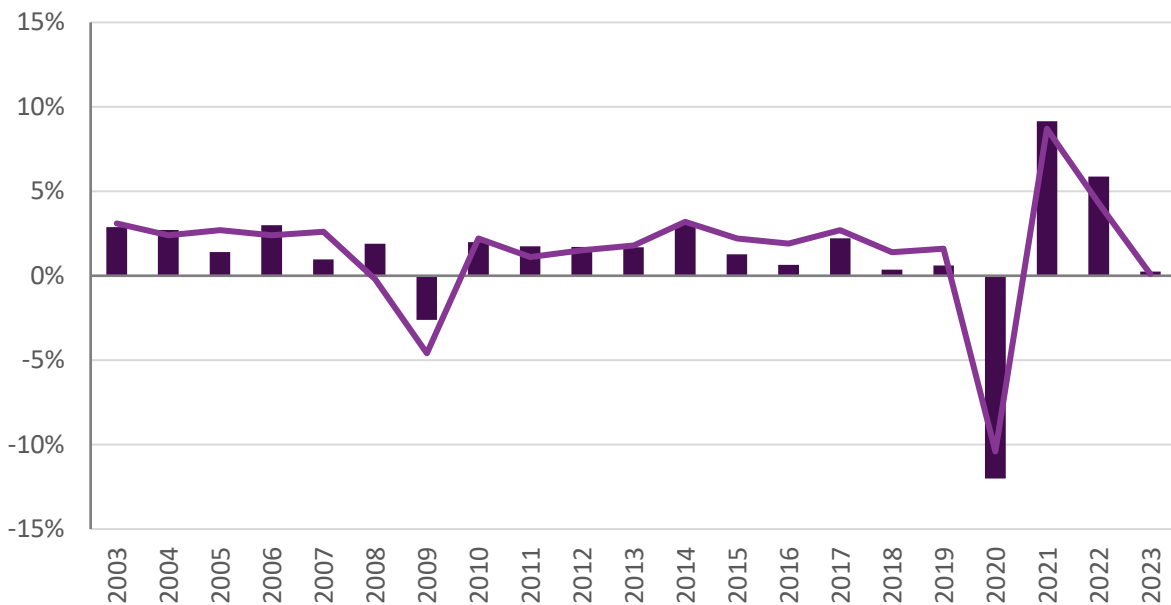
		2022	2023			
		Q4	Q1	Q2	Q3	Q4
Real terms	Agriculture, forestry & fishing	-0.7	0.3	0.8	-0.6	0.5
	Construction	8.2	4.9	3.4	2.7	-0.5
	Production	0.0	-2.6	-3.9	-1.3	-4.3
	Services	1.0	0.8	0.7	0.9	0.4
	Whole economy	1.2	0.5	0.1	0.7	-0.3

# Total output: 2023 compared to 2022

Scotland's economy is estimated to have grown by 0.2% in 2023 compared to 2022. Over the same period UK GDP grew by 0.1%. The calendar year growth rate is based on how much GDP has changed on average across the four quarters of 2023 compared to the average of the four quarters of 2022. This is the measure used by the Scottish Fiscal Commission in its headline forecast.

**Figure 3: Annual GDP growth (%), 2003-2023**

GDP growth compared to the previous year (%)



Compared to 2022, Services have grown by 0.7%, Production has fallen by 3.0%, Construction has grown by 2.6% and Agriculture, Forestry & Fishing has grown by 0.2%.

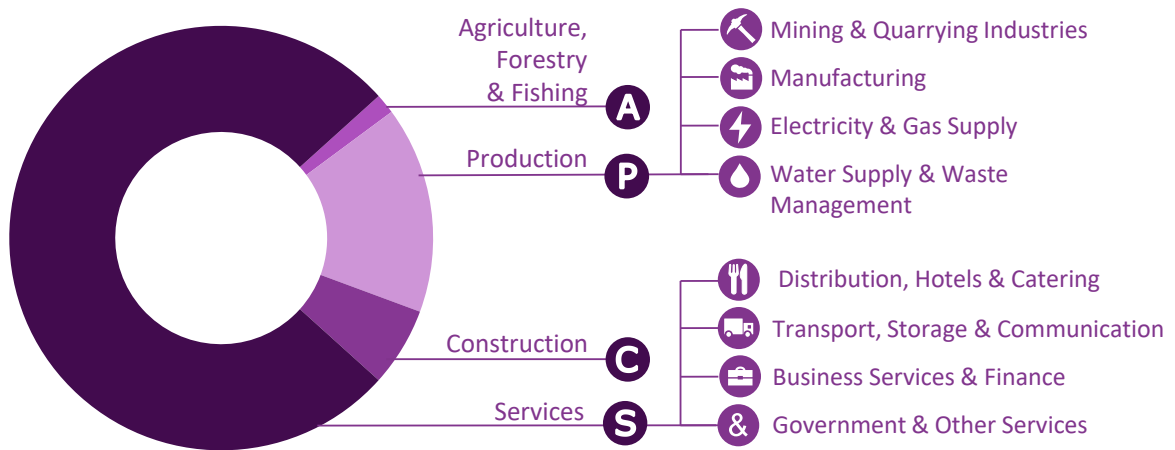
**Annual GDP growth compared to the previous year, by sector (%)**

		2020	2021	2022	2023
Real terms	Agriculture, forestry & fishing	-2.6	1.4	-0.1	0.2
	Construction	-16.5	13.0	6.9	2.6
	Production	-9.0	6.0	1.3	-3.0
	Services	-12.5	9.7	6.8	0.7
	Whole economy	-12.0	9.2	5.9	0.2

# Size of industries

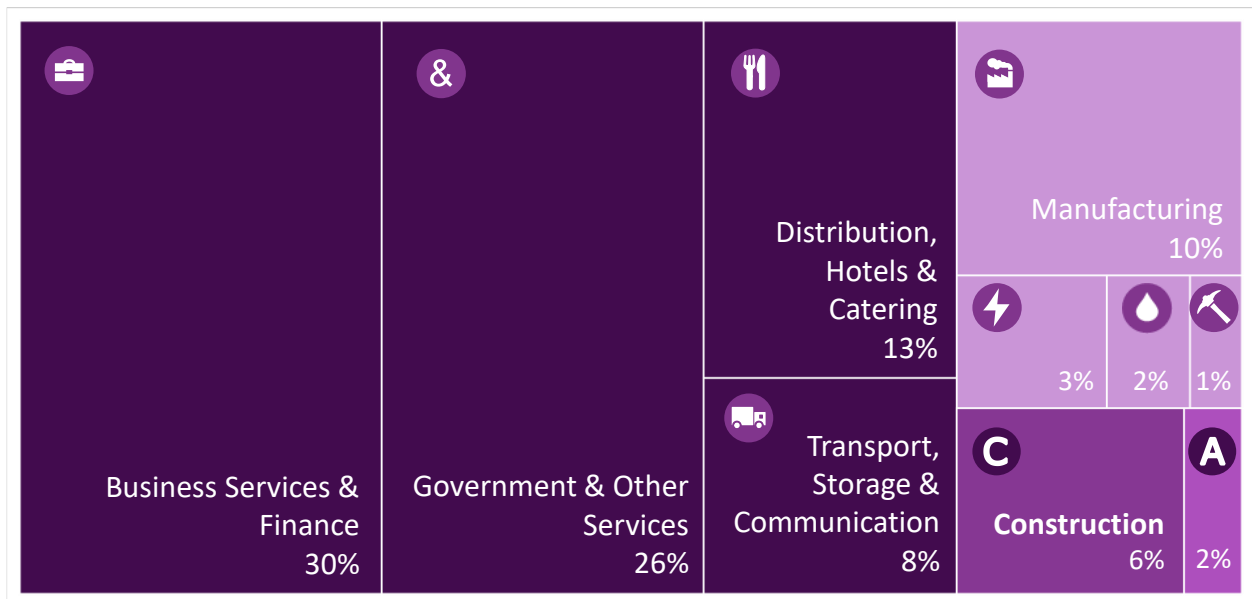
As of 2019, over three quarters (77%) of the Scottish economy was accounted for by Services industries. Production industries accounted for 16%, Construction for 6% and Agriculture, Forestry & Fishing for 2% (does not sum to 100% due to rounding).

**Figure 4: Services account for over three quarters of the Scottish economy**  
High level industry breakdown



**Figure 5: Within Services, Business Services & Finance is the largest industry group**

Size of more detailed industries



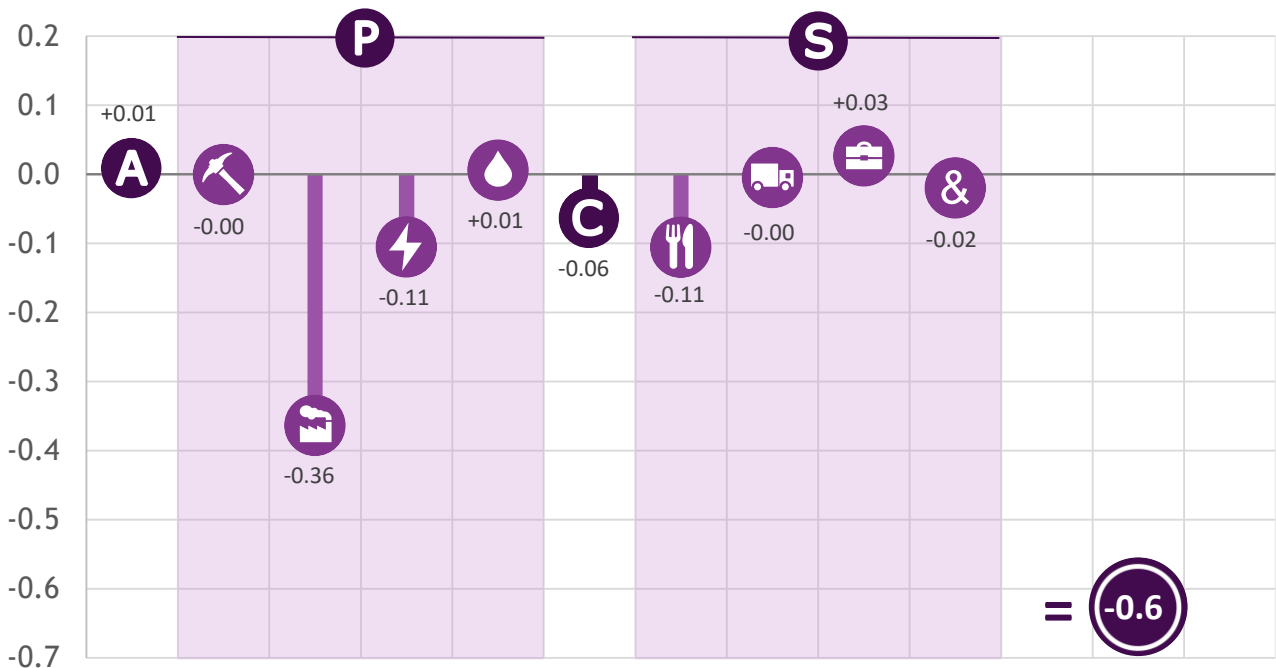
# Industry contribution to change

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 fall of 0.6% (figures below may not sum exactly due to rounding).

An fall in manufacturing output contributed half of the 0.6% contraction in GDP in the fourth quarter of 2023.

**Figure 6: Contribution of industries to overall GDP fall of 0.6%**



**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

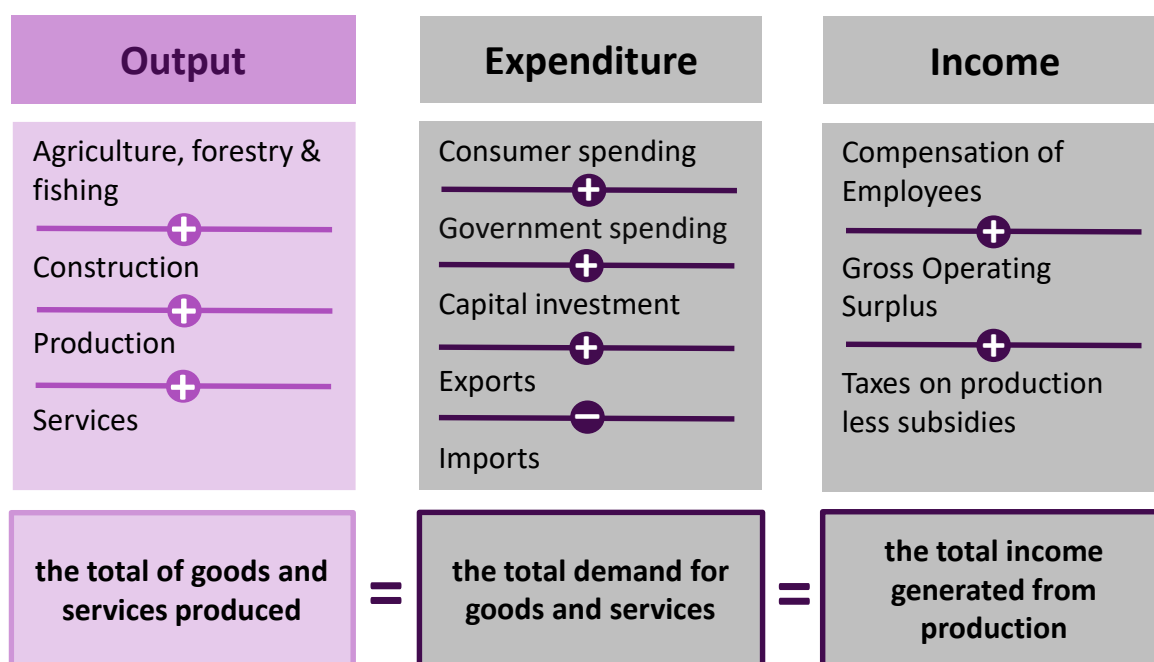
Government & Other Services

**Quarterly GDP growth**

# 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.

**Figure 7: 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 3 (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 29<sup>th</sup> November 2023 and cover the years 1998 to 2020.

This publication uses the Scottish Supply and Use Tables for 2019, published on 26<sup>th</sup> October 2022. The coronavirus pandemic led to a number of challenges in collecting and processing the data to calculate GDP, as well as leading to large impacts on structures and behaviours in the economy. As a result, estimates for



2020 and 2021, in particular, are subject to more uncertainty than usual and may be more prone to revision over time. As the economy in 2023 is more similar to that of 2019 than 2020 we will continue to use the 2019 weights.

## Data and Methodology

Information on the methodology and data sources used to produce GDP are available at [www.gov.scot/gdp](http://www.gov.scot/gdp).

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

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### Enquiries

For enquiries about this publication please contact:

Carrie Graham,  
National Accounts Unit,  
Office of the Chief Economic Adviser  
e-mail: [carrie.graham@gov.scot](mailto:carrie.graham@gov.scot) or [economic.statistics@gov.scot](mailto:economic.statistics@gov.scot)

For general enquiries about Scottish Government statistics please contact:

Office of the Chief Statistician  
e-mail: [statistics.enquiries@gov.scot](mailto:statistics.enquiries@gov.scot)

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