Scotland’s GDP 2018, Quarter 3
First Estimate

19 December 2018

This is the first estimate of Scotland’s Gross Domestic Product (GDP) for 2018 Quarter 3 (July to September).

Headline results

Scotland’s GDP grew by 0.3% in real terms during the third quarter of 2018. The equivalent growth rate for the UK as a whole was 0.6%.

Compared to the same quarter last year, Scotland’s GDP has grown by 1.5%, the same as equivalent UK growth over the same period.

The largest single contribution to growth this quarter came from the Construction sector.

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 31 October 2018. The GDP Quarterly National Accounts, published on 30 January 2019, will include an updated second estimate of GDP for 2018 Q3 and revisions to previous quarters.
Scotland’s GDP grew by 0.3% in real terms during the third quarter of 2018 compared to the previous quarter. Over the same period, total UK GDP grew by 0.6%.

GDP growth compared to last quarter (%)

In the latest quarter, output in the Services sector grew by 0.3%, output in the Production sector contracted by 0.7%, and output in the Construction sector grew by 2.7%.

GDP growth compared to last quarter by sector (%)

<table>
<thead>
<tr>
<th>Real terms</th>
<th>2017 Q3</th>
<th>2017 Q4</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>0.0</td>
<td>-1.1</td>
<td>0.1</td>
<td>-1.4</td>
<td>-1.1</td>
</tr>
<tr>
<td>Construction</td>
<td>-0.8</td>
<td>0.8</td>
<td>-2.6</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Production</td>
<td>1.6</td>
<td>1.3</td>
<td>1.0</td>
<td>0.3</td>
<td>-0.7</td>
</tr>
<tr>
<td>Services</td>
<td>0.4</td>
<td>0.1</td>
<td>0.5</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Whole economy</td>
<td>0.5</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.3</td>
</tr>
</tbody>
</table>
In the third quarter of 2018, Scotland’s economy is estimated to have grown by 1.5% over the year, compared to the third quarter of 2017. Over the same period UK GDP also grew by 1.5%. The growth rate over the year is based on how much GDP has changed in total across each of the latest four quarters.

Compared to the same quarter last year, Services have grown by 1.4%, Production has grown by 1.9%, Construction has grown by 2.7% and Agriculture, Forestry & Fishing has decreased by 3.5%.
As of 2015, 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 more detailed industries

- Business Services & Finance: 27%
- Government & Other Services: 26%
- Distribution, Hotels & Catering: 14%
- Transport, Storage & Communication: 8%
- Agriculture, Forestry & Fishing: 3%
- Construction: 6%
- Manufacturing: 11%
- Energy & Plumbing: 3%
- Waste Management: 2%
- Government & Other Services: 1%
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).

**Output: Industry contribution to growth**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contribution to GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>-0.01</td>
</tr>
<tr>
<td>Mining &amp; Quarrying Industries</td>
<td>-0.02</td>
</tr>
<tr>
<td>Distribution, Hotels &amp; Catering</td>
<td>+0.16</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>+0.07</td>
</tr>
<tr>
<td>Electricity &amp; Gas Supply</td>
<td>+0.13</td>
</tr>
<tr>
<td>Water Supply &amp; Waste Management</td>
<td>+0.03</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Distribution, Hotels &amp; Catering</td>
<td>+0.16</td>
</tr>
<tr>
<td>Transport, Storage &amp; Communication</td>
<td>+0.07</td>
</tr>
<tr>
<td>Business Services &amp; Finance</td>
<td>+0.13</td>
</tr>
<tr>
<td>Government &amp; Other Services</td>
<td>+0.03</td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
<tr>
<td>Quarterly GDP growth</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
Output: Most influential sectors this quarter

1. Construction
In 2018 Q3 Construction grew by 2.7%, which contributed 0.16 percentage points to total GDP.

Growth in Scottish construction in Q3 and Q2 follows contraction in Q1 (a period which saw adverse weather across the UK).

2. Business Services & Finance
In 2018 Q3 Business Services & Finance increased total GDP by 0.13 percentage points.

Almost all of this growth came from the Finance & Insurance Services.

3. Manufacturing
In 2018 Q3 Manufacturing decreased total GDP by 0.08 percentage points. There was some growth in the Pharmaceutical industry this quarter, offset by falls in Food & Drink.

Almost all of the contraction in Manufacturing this quarter was driven by falls in Food & Drink and in Other Manufacturing.

The falls in Food & Drink may be related to the impact of adverse weather on Agriculture in the first half of 2018.
Calendar year summary

GDP per person shows economic growth after taking population growth into account. Growth in GDP per person increased from -0.2% in 2016 to +1.0% in 2017. Over the same period GDP growth increased from 0.4% in 2016 to 1.4% in 2017.

Calendar year growth over time

You can also measure the growth of GDP in terms of the average growth over one calendar year compared to the previous year. In 2017 (the most recent calendar year for which we have four quarters of data) the Scottish economy grew by 1.4% compared to 2016.
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 2018 Quarter 2 (which is fully comparable to these data) at [gov.scot/gdp](http://gov.scot/gdp).

Next publications

Second estimate 2018 Q3  
30 January 2019

First estimate 2018 Q4  
20 March 2019

Contact

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www.gov.scot/gdp
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