

# SCOTTISH KEYFACTS

## Scotland – The Basics

Population	5,222,100	(2010 est)
Area	78,807	km <sup>2</sup>
GVA	£102,552m	(2009 est)
Total GVA growth on year	-0.9%	(2009 est)
GVA per head	£19,744	(2009 est)
Labour force	2,703,000	Mar-May
Employment	2,498,000	Mar-May
Employment rate	71.7 %	Mar-May
Unemployment rate	7.6%	Mar-May
Av. gross weekly wage (f/t)	£486.90	(2010)

Sources: latest data from General Register Office for Scotland & Office for National Statistics. GVA is sourced from ONS Statistical Bulletin: [Regional, sub-regional and local gross value added 2009](#) (Dec 2010)

## Employee Jobs by Industry

Agriculture, Forestry & Fishing	29,100
Mining/Quarrying Industries	23,700
Electricity, Gas & Water Supply(Utilities)	16,300
Manufacturing	201,600
Construction	123,300
Retail & Wholesale	350,500
Hotels & Catering	165,700
Transport, Storage and Communication	123,500
Financial Services	84,600
Real Estate & Business Services	349,700
Public Administration	157,100
Education	188,400
Health & Social Work	399,700
Other Services	122,900
Total Employee Jobs	2,336,100

Source: [Quarterly Employee Jobs Series](#), ONS/Scottish Government, updated June 2010. Industries are defined as per ONS IDBR based on UKSIC2007 which may differ from Scottish Enterprise Industry definitions.

## Sectoral Profiles

GDP at basic prices (GVA) £m	2008	2009
Aerospace	366.1	451.8
Chemicals & Pharma.	1530.4	1526
Construction	7909	5824.5
Retail	6165.9	6425.7
Shipbuilding	201.8	375.7
Spirits (inc whisky)	1850.8	2145.1

Please note that [Key sector](#) data will not be produced on a SIC 2007 code basis from SABS until agreement has been reached regarding which codes should be included under each heading.

Source: [Scottish Annual Business Statistics 2009](#), Scottish Government, August 2011 (this survey does not cover certain sectors, in particular financial services, which is worth an estimated £7bn. **The sectors here are defined as per Scottish Government sector definitions, which may differ from Scottish Enterprise Industry definitions**)

## Businesses in Scotland

The total number of private sector enterprises in Scotland was 307,770 at March 2011, an increase of 3.3%. Large enterprises (250+ employees) accounted for 63.9% of employment and 77.5% of turnover. SMEs increased by 3.3% to 305,540 in March 2011, accounting for 99.3% of enterprises and 53.6% of employment. Registered enterprises with ultimate ownership outside Scotland accounted for 3.1% of firms and 35.5% of employment. The sectors which experienced the largest relative increases in the number of enterprises were; Education (+ 43.5%); Arts, Entertainment & Recreation (+ 11.4%); Other Service Activities (+ 7.4%) and Information & Communication (+ 9.3%). The sectors which experienced the largest relative decreases were; Transportation (-4.3%) and Retail trade (- 2.7%).

[Scottish Corporate Sector Statistics 2011](#)  
Scottish Government, October 2011

## Exports

The value of Scotland's international exports (excluding oil and gas) stood at an estimated £21.1billion, in 2009. This represents an increase of £535 million since 2008.

Scottish Export Performance 2008	£m
Production/construction	14,115
(of which Manufacturing	13,225)
Services	6,725
Agriculture/Forestry/Fishing	300

Top 5 Export Industries	£m
Food & Beverages	3,615

(of which Distilled Potable Beverages	3,130)
Chemicals (incl. Petroleum Products)	2,675
Business Services	2,675
Electrical & Instrument Engineering	2,040
Mechanical Engineering	1,485

Top 5 Export Destinations	£m
USA	3,285
Netherlands	2,030
France	1,580
Germany	1,285
Belgium	840

Total Exports by Destination Region	£m
EU27	9,590
North America	3,505
Asia	2,070
Rest of Europe	1,795
Middle East	1,020
Africa	1,050
Central & South America	790
Australasia	325
Other (unallocable)	995

Source: [Global Connections Survey 2009](#)  
Scottish Government, Dec 2010 (this is the only export survey covering all sectors of the Scottish economy)

## Academic Achievement

Scotland has a tradition of excellence in education. It has 14 universities (plus the Open University), 5 specialist higher education institutions (HEIs) and 43 further education colleges. In 2009-10, there were 287,565 students in higher education (HE) in Scotland. This represents an increase of 7,950 students (or 2.8 percent) since 2008-09. In 2009-10, there were 42,140 overseas students enrolled in HE courses at Scottish HEIs and Colleges. The number of Higher Education (HE) qualifiers from Scottish institutions has continued to rise, in the most recent year by 0.8 percent (695 qualifiers), to a record high of 84,030 in 2008-09. In 2009-10 there were 347,336 students undertaking courses in the 43 SFC-funded colleges in Scotland; SFC distributes more than £1.7billion to Scotland's colleges and universities for teaching and learning, research and other activities. SFC's total funding for colleges in academic year 2010/11 will be £581 million. This is an increase of £9.8 million from 2009/10.

Universities in Scotland have excelled in the latest Research Assessment Exercise, with every institution classed as undertaking world-leading research. The Scottish Government no longer produces a Scottish Summary of the Higher Education - Business and Community Interaction survey. The UK report for the 2008-09 survey can be found on the [Higher Education Funding Council for England's website](#).

Sources: *Students in Higher Education* = [Scottish Government](#), *Higher Education Qualifiers* = [Government](#); *College students* = [Scottish Funding Council – February 2011 Baseline Report](#), RAE, *Higher Education Statistics Agency, HEFCE*, *Annual Population Survey, HEBCI Survey*

## Scotland's Housing Market

The average price of a house in Scotland is currently £120,951. The average price of a house in the UK is £162,109.

House prices in 2011 quarter 3 (July to September) were 0.1% higher than in the previous quarter. This was the first quarter raise since 2010 quarter 1 (0.6%). On a monthly basis, house prices fell by 0.5% in September. There has been a very mixed pattern of monthly price movements so far this year with four monthly rises, four falls and one month when prices were unchanged.

Source: Lloyds [Regional house price map, Halifax House Price Index](#), October 2011.

## Scotland's Cities - Population

Glasgow	1,184,350
Edinburgh	467,660
Aberdeen	195,530
Dundee	152,320
Inverness	56,660
Stirling	45,750

Source: [Mid 2008 Population Estimates – Settlement](#), General Register Office for Scotland

Scotland's Industries  
Sources: *Scottish Government statistics*, *Scottish Enterprise Industry Teams, industry surveys*.

**AEROSPACE, DEFENCE & MARINE (ADM)** Scotland is home to over 800 companies with involvement in AD&M, employing nearly 40,000 staff. Scotland has a strong background in advanced engineering, including R&D, design and manufacturing. AD&M is a key high technology sector, with an experienced skills base. AD&M sales in 2009 were over £5 billion. The industry creates GVA to the Scottish economy of around £2 billion. The Scottish AD&M sector includes a number of global industry companies, including defence companies such as SELEX Galileo, Thales, Raytheon & BAE Systems and aerospace manufacturing and MRO (maintenance, repair & overhaul) companies such as Rolls-Royce, GE Aviation, Spirit AeroSystems, Goodrich, Woodward, Teledyne and Vector Aerospace. In addition there is a growing range of Scottish-owned companies in the aerospace & defence sectors. Scotland's Shipbuilding & Ship repair sector grew by 144% between 2001-2007 (compared to UK growth of only 69%). With a focus primarily on the manufacture and support of naval ships and specialist, more complex vessels for niche markets, Scotland's shipbuilding sector is now 33% of the UK industry. The main companies are BAE Systems Surface Ships and Babcock Marine, together employing over 7000 staff in Scotland. There is a wide range of marine supply chain companies including Rolls-Royce Marine, Convertarm and MacTaggart Scott. The Glasgow area also remains also a leading world centre for commercial ship management, a strong legacy from Scotland's sea-faring tradition.

**CHEMICAL SCIENCES** As one of Scotland's top exporters the Scottish chemical sciences sector makes a valuable contribution to Scotland's economy with exports of £2.7bn and turnover of almost £9.3bn. Over 14,000 people are employed directly in the industry base supported by a steady flow of scientific & technical employees from Scotland's universities, higher education institutions & further education colleges. It is estimated that a total of 70,000 jobs in Scotland are dependant on it. World-scale companies such as INEOS, MacFarlan Smith, DOW, FUJIFilm, CalaChem, BASF, GlaxoSmithKline and Syngenta have Scottish operations. Chemical research & development, focused on the development of new products & processes, accounts for 40 per cent of Scottish business R&D. This is supported by Scotland's world class academic base & in particular **ScotCHEM**, the collaborative venture for the pooling and enhancement of resources for chemistry research in Scotland, bringing together the major players in research in chemical sciences.

**CONSTRUCTION** As one of the countries largest sectors, the health of the construction industry in Scotland is of major economic importance. This diverse sector employs around 130,000, has more than 16,000 business units & contributes £6.4bn in GVA (9% of total GVA) to the Scottish economy with a turnover of £15.6bn. 25% of the sector's turnover & GVA is generated in Edinburgh & Glasgow. However analysis of employment intensity across all 5 of SE's operating regions indicates that Construction is truly of national importance accounting for around 6% of total employment in each region. The economic value of construction stretches far beyond that of the monetary investment within the sector itself and as an enabler of other sectors; Construction also influences the outcomes of other policy concerns such as the low-carbon agenda, energy policy, rural agenda and housing.

**CREATIVE INDUSTRIES** This sector makes an important contribution to the Scottish economy employing 63,600 people across more than 8,000 businesses contributing £3.09B GVA with a turnover of £5.69B. Scotland has world class companies in all areas of creative industries, from international leaders in games development and interactive platforms to national broadcasters and successful production companies. Scotland has global centres of research excellence which develop next generation technologies to support ongoing growth in the digital media environment including a well developed infrastructure to support company growth & enable the production & distribution of digital media content & services. SE's key focus is on the high growth Digital Media sector within the industry. SE works in partnership with key partners & stakeholders from industry, government & the wider public sector including the Digital Media Industry Advisory Group, to realise the ambitions within the industry strategy "**Digital Inspiration**". SE has also worked with broadcasters, productions companies & Creative Scotland to identify key opportunities in television, & has published "**Growing the Television Broadcast & Production Sector in Scotland**". Other bodies which SE maintains close relationships with are the **Technology Strategy Board** & the appropriate **Knowledge Transfer Networks** of which the **Creative Industries Knowledge Transfer Network** is the most significant. **NESTA** is also an organisation with which we work that has a broad innovation agenda but has a particular strength in games. Major projects include the ambitious **Creative Clyde** project which presents a unique opportunity to build on the achievements of the Pacific Quay, Clyde Waterfront & Digital Media Quarter projects to create a significant location, destination & hub for one of the fastest growing sectors in the economy. **Interactive Scotland** has been developed by Scottish Enterprise to drive growth in the sector & support the industry strategy. **Creative**

**Edge** is a partnership between broadcaster Channel 4, Creative Scotland, Scottish Enterprise & TRC media, & will deliver a package of support worth more than £1.4 million over three years to Scottish talent and creative businesses.

**ENABLING TECHNOLOGIES** including electronics, sensors & photonics, advanced engineering, ICT, materials & bioscience underpin the growth & development of all Scotland's sectors. There are over 900 core enabling technology companies in Scotland employing 60,000 people; with the wider sector accounting for 16,000 companies & 196,000 employees. Leading technology companies contribute significantly to the performance of the Scottish economy, on average £86,000 GVA per employee. Annually the sector generates turnover of £26bn and GVA of £11.3bn. SE investments in world class research & development include support for knowledge transfer in information science & supercomputing, at the Uni. of Edinburgh & industrial forging and forming at the Uni. of Strathclyde as part of the High Value Manufacturing Technology & Innovation Centre. There is a strong focus on where Scotland's competitive technology strength lies – Sensors, Modelling & Simulation & Informatics, as well the growing strengths in materials - & global opportunities for these capabilities are highlighted through the work of **Scotland's Technology Advisory Group**. A new Scottish Sensor Systems Centre (**SSC**) is working to realise opportunities that world class research brings to industrial needs, & further initiatives are in development.

**ENERGY & LOW CARBON TECHNOLOGIES** incorporates oil & gas, thermal generation, renewables, environmental activity & the emerging low carbon industries. Encompassing over 2,000 businesses ranging from multinationals, large Scottish global companies & a highly regarded SME base, the sector remains a vital contributor to the Scottish economy. 2007 estimates for Energy in Scotland put the GVA for total Energy at £18bn - 18% of Scottish GVA - of which £15.3bn is attributed to oil & gas (including UKCS), and renewable energy estimated at £84m. The 2008 UK oil & gas industry GVA (not including supply chain) was £37bn or 21% of the economy. Currently, oil & gas provide 75% of the UK's total primary energy, with the UKCS supplying 87% of oil demand & 61% of gas demand. Scottish oil & gas supply chain sales in 2009 were valued at £15.9bn, of which 45.4% was attributed to international activity. Scottish employment figures for each sub-sector are based on conservative estimates of 198,000 for oil & gas; 10,000 in thermal generation; 6,000 for renewables & 34,000 for environmental & low carbon activity. The no. of companies active in each sub-sector is estimated at 1,000 in oil & gas; over 200 in thermal generation, over 400 in renewables, & 600 in environmental & low carbon activity. The Climate Change (Scotland) Act 2009 sets a target of an 80% reduction in greenhouse gas emissions by 2050. The Scottish Governments' Renewables Action Plan sets an ambitious goal to provide 80% of Scottish electricity consumption from renewables by 2020. With almost 4GW of renewables capacity currently installed, & over 5.5GW more capacity planned & consented, the 2011 target of 31% renewable electricity consumed looks very achievable. On average Scotland exports 17% (2000-08) of its electricity production. The 2008 breakdown of electricity produced was attributed to 24% coal; 26% oil & gas; 30% nuclear; 18% renewables, & 2% pumped storage. Offshore wind, with over 6GW planned for Scottish Territorial Waters & a further 32GW - 5GW in Scottish sites - following Round 3 announcements in January 2010, offers an exciting opportunity for Scottish business. SE & Scottish Renewables recently published **Scottish Offshore Wind: Creating an Industry which analyses the potential scale & economic benefits from developing an offshore wind industry of scale**. Under the most ambitious scenario over 28,000 direct jobs & a further 20,000 indirect and induced jobs could be created. Maintaining Scotland's oil & gas industry, boosting renewable energy and the application of low carbon technologies will make a significant & important contribution to a sustainable economy.

**FINANCIAL & BUSINESS SERVICES** The sector makes a total contribution of £17bn GVA to Scotland's economy, with financial services contributing £7bn & Business Services £10bn. The sector is also a significant source of employment with a total of 360,000 people employed across the sectors. The FS sector employs 96,000 of this total directly & it is estimated that it supports a further 70,000 jobs. Despite the recent global financial crisis it is estimated that the sector in Scotland will grow. By 2020 the share of employment is expected to grow to 20.3% from its current 18.6% and GVA is forecast to reach 25.5% from 22.9%. It is also anticipated that productivity in the sector will be 25% higher than the Scottish average. At 40% of employees, Scotland's Financial Services industry continues to employ a greater proportion of people holding a higher education qualification than across industry in Scotland as a whole (32%) & across industry in the UK as a whole (29%). The average salary across Financial Services also tends to be above that of the nation as a whole, with the mean gross annual salary in insurance being £41,800.

**FOOD & DRINK** Taking the whole supply chain into account, from agriculture, fishing, aquaculture through to the manufacturing base, Scotland's food & drink sector

makes a significant contribution to the economy in terms of employment (113,000 jobs), turnover (£11.9bn) & GVA (£4.8bn). Scotland's food & drink manufacturing sector alone has annual sales of £9bn and around 44,000 direct jobs - over 20% of Scotland's manufacturing employees. GVA from the food & drink manufacturing sector is £4bn (2009) which makes it the largest contributor to manufacturing GVA in Scotland. Exports totalled £4.51bn in 2010. The Scottish spirits sector accounts for 80% of UK spirits turnover & 90% of UK spirits GVA. Top Scottish companies include AG Barr, Robert Wiseman Dairies & Walkers shortbread. The industry is also linked to Scotland's growing tourism sector.

**FOREST & TIMBER TECHNOLOGIES** incorporates the growing of tree seedlings within nurseries to the planting, managing & harvesting of forests plus value-added downstream activities such as sawmilling, pulp & paper production, & panel & board manufacturing. It also includes the development & production of higher value goods such as engineered wood products used in structural construction & subsequently covers a diverse range of businesses of all scales in a number of supply chains including Construction, Energy and Tourism. Half of the UK's forests are in Scotland, covering 17% of Scotland's land area (objective to grow to 25% by 2050) & as a result many rural communities rely on forestry-related employment as a vital element in their local economy. Whilst the growing sector of the industry is primarily located in rural areas, the processing sectors (paper, panel & sawmilling) are distributed across Scotland featuring businesses such as BSW Timber plc, James Jones & Sons Ltd, UPM Kymmene, Egger and Norboard. The sector consists of 1,700 businesses contributing £1bn in GVA to the Scottish economy. Estimated direct employment is around 40,000.

**LIFE SCIENCES** Scotland is home to the second largest life science cluster in the UK & one of the most sizable clusters in Europe, with a significant international presence including Charles River Laboratories, Life Technologies, GSK, Johnson & Johnson, Pfizer Inc., Millipore, & ClinTec. There are over 630 organisations in Scotland employing over 32,000 people. Scotland's main focus is on human healthcare with over 70% of the core life science organisations involved in this area. Scotland also has an established network of over 50 pharmaceutical clinical trials support & contract research organisations. **Edinburgh BioQuarter** is a keystone investment at the heart of Scotland's national life science strategy, bringing together public healthcare, academic research & extensive commercial laboratory space in one location to accelerate translational medicine & facilitate large scale life science collaborations.

**TEXTILES** There are 642 companies in total in the textiles sector, employing 9,500 people. Turnover for the industry totals £756m\*, & accounts for 3% of Scottish manufacturing jobs. The Scottish clothing industry is characterised by niche designed labels & supply chain expertise. 90% of companies are Scottish-owned, while the majority of those that are foreign-owned continue to have their decision makers based in Scotland. Textile skills have fuelled the growth of the advanced technical sector, with world leaders in medical & performance textiles based in Scotland; for example, W.L. Gore & Associates (UK) Limited, manufacturer of the world famous GORE-TEX® fabric. Manufactured textile & wearing apparel exports for 2008 were £390m. The three main categories are Fashion, Interiors & Technical textiles; & 2.8% of all Scottish manufactured exports are textiles. \* excludes leather.

**TOURISM** Tourism-related industries account for 11% of turnover and 10% of GVA in Scottish service industries (excluding financial sector and some of the public sector). By comparison, tourism-related industries account for 8-9% of output in UK service industries as a whole. In 2010, almost 15 million overnight tourism trips were taken in Scotland, for which visitor expenditure totalled over £4 billion, supporting over 200,000 jobs. People from within the UK account for the majority of tourism volume and value in Scotland. However, whilst overseas residents account for only around 16% of the total number of tourism trips taken in Scotland, they account for 32% of total visitor spend, underlining the value of attracting these visitors. USA, Germany, France and Ireland are long-time major markets for Scotland while good growth has been seen in recent years from markets such as Spain and Italy. The months of July to September are the most popular for holidays in Scotland amongst both UK and overseas visitors. However, business tourism is also a significant component of the Scottish tourism market account for around 20% of the total visitor spend.