

# SCOTTISH KEYFACTS

## Scotland – The Basics

Population	5,168,500	(2008 est)
Area	78,807	km <sup>2</sup>
GVA	£103,800m	(2008 est)
GVA growth on year	4.75%	(2008 est)
GVA per head	£20,086	(2008 est)
Labour force	2,685,000	Nov-Jan
Employment	2,480,000	Nov-Jan
Employment rate	73.1%	Nov-Jan
Unemployment rate	7.6%	Nov-Jan
Av. gross weekly wage (f/t)	£472.20	(2009)

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 2009)

## 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, Dec 2009	2,336,400

Source: [Quarterly Employee Jobs Series](#), ONS/Scottish Government, updated March 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	2006	2007
Aerospace	400	410
Chemicals	2,560	2,140
Construction	6,000	6,400
Creative Industries	2,190	2,438
Electronics	1,130	878
Food & Drink Manufacture	3,154	3,152
(including Whisky/Spirits)	1,580	1,710
Retail	5,400	5,300

Shipbuilding	210	440
Tourism-related Industries	4,000	4,100

Source: [Scottish Annual Business Statistics 2007](#), Scottish Government, September 2009 (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 291,380 at March 2009, an increase of 3.3%. Associated employment was 2 million (a 2.3% increase). Large Enterprises (250+ employees) accounted for over 50% of the total increase in employment. SMEs accounted for 99.2% of enterprises and 52.8% of employment. Registered enterprises with ultimate ownership outside Scotland accounted for 3.1% of firms and 35.3% of employment. The sectors which experienced the largest relative annual increases in the number of enterprises were: Education up by 34.4% and Financial Intermediation up by 28.9%. The sectors which experienced the largest relative decreases were: Transport, Storage and Communication (-17.3%) and Manufacturing (-5.4%).  
[Scottish Corporate Sector Statistics 2009](#), Scottish Government, March 2009

## Exports

The value of Scotland's international exports (excluding oil and gas) stood at an estimated £20.7 billion, in 2008. This represents an increase of £1.7 billion since 2007.

Scottish Export Performance 2008	£m
Production/construction	14,765
(incl. Manufacturing)	14,010
Services	5,730
Agriculture/Forestry/Fishing	160

Top 5 Export Industries	£m
Food & Beverages	4,580
(incl. Distilled Potable Beverages)	4,030
Chemicals (incl. Petroleum Products)	2,185
Wholesale, Retail & Accommodation	1,950
Business Services	1,915

Manuf. Machinery & Equipment n.e.c.	1,175
-------------------------------------	-------

Top 5 Export Destinations	£m
USA	3,100
France	1,535
Netherlands	1,635
Germany	1,300
Eire	960

Total Exports by Destination Region	£m
EU27	9,525
North America	3,330
Asia	1,775
Rest of Europe	1,635
Central & South America	665
Africa	790
Middle East	970
Australasia	280
Other (unallocable)	1,690

Source: [Global Connections Survey 2008](#) Scottish Government, Jan 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 2008-09 there were 279,615 students in Higher Education (HE) in Scotland. This represents an increase by 2.6% from 2007/08. In 2008-09 there were 39,085 overseas students enrolled in HE courses at Scottish HEIs and Colleges. The number of higher education qualifiers from Scottish institutions has continued to rise, in the most recent year by 0.5 per cent (415 qualifiers), to a record high of 83,335 in 2007-08. In 2008-09 there were 374,986 students undertaking courses in the 43 SFC-funded colleges. 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

classified as undertaking world-leading research. Total spin-offs established in 2007-08 (both with and without HEI ownership) has increased from 30 to 32 since the previous year.

Sources: *Students in Higher Education* = [Scottish Government](#), *Higher Education Qualifiers* = [Government](#); *College students* = [Scottish Funding Council](#) (March 2010 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 £125,418. This is 22% less than the UK average of £161,280. Annually house prices in Scotland fell by 6.3%, slightly below the UK average fall of 7.4%. Greater London prices are 2 times higher than those in Scotland, compared with 2.3 times in Q3 2004.

Source: [Source: Bank of Scotland House Price Index Q3 2009](#)

## 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 400 ADM companies, employing over 22,000 staff. Scotland has a strong background in advanced engineering, including R&D, design and manufacturing. ADM is a key high technology sector, with an experienced skills base. Aerospace, defence and defence-related marine sales in 2006 were £2.28 billion, of which 4% was re-invested in R&D. Aerospace accounted for 43% of total sales – some £984.7 million, while naval generated £614 million of sales. Avionics and defence activity accounted for £684 million sales in 2006 and includes global companies like SELEX Galileo, Thales, Raytheon & BAE Systems. Aerospace MRO (maintenance, repair and overhaul) accounted for £945.5 million in sales in 2006 - 3.8% of the world market - and includes global companies like GE Aviation, Goodrich, Rolls-Royce, Woodward, Teledyne, Vector Aerospace and Spirit AeroSystems. Aerospace manufacturing had sales of £614 million in 2006. Major manufacturing companies include Spirit AeroSystems, Honeywell, BAE Systems, Rolls-Royce, and MB Aerospace. Aerospace has a 7% UK industry total and growth by 15% from 2000 - 2007. Scotland's Shipbuilding sector grew by 144% during the same period (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. Supply chain companies include Rolls-Royce Marine, Converteam and MacTaggart Scott. Overall there are some 100 companies engaged in shipbuilding, with around 250 companies in the wider supply chain. The Glasgow area remains also a leading world centre for commercial ship management.

**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 £3.5bn and turnover of almost £9.3bn. Over 14,000 people are employed directly in the industry base supported by a steady flow of scientific and technical employees from Scotland's universities, higher education institutions and further education colleges. It is estimated that a total of 70,000 jobs in Scotland are dependent on it. World-scale companies such as INEOS, MacFarlan Smith, FUJIFilm, Kemfine, Ciba (BASF), GlaxoSmithKline and Syngenta have Scottish operations making products based on raw materials derived from North Sea oil and gas as well as fine chemical, speciality and pharmaceutical operations. Chemical research and development, focused on the development of new products and processes, accounts for one third of Scottish business R&D. This is supported by Scotland's international-standard academic base and in particular **ScotCHEM**, a major new 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 (9% of Scottish employment), has more than 15,000 business units and contributes £5.9bn in GVA to the economy (9% of Scotland's total). Glasgow City & Edinburgh City together account for around a quarter of the sector in terms of turnover and gross value added. In the construction sector, only 1% of business sites are abroad-owned and account for 7% of turnover and 5% of gross value added. Furthermore the economic value of construction stretches far beyond that of the monetary investment within the sector itself. The sector makes a significant contribution to the priorities of the Scottish Government Economic Strategy as an enabler of the key sectors, in the development of Scotland's infrastructure & in creating a greener & healthier Scotland. Construction has major role to play in addressing the ambition of the Climate Change (Scotland) Bill. The Carbon Trust identifies that the built environment accounts for approximately 40% of carbon emissions & the opportunity exists for Scotland to align environmental & economic development policies to drive long term sustainable economic growth

**Creative Industries** The Creative Industries makes an important contribution to the Scottish economy employing 58,000 people across more than 8,000 businesses contributing £2.2B GVA & £5.1B GVA with a turnover of £5.1B. The sector covers a wide range of subsectors including digital media which has seen significant growth in both employment & turnover increasing by 7.9% & 39.5% respectively between 2000 & 2006. Scotland has a worldwide reputation for creating innovative content for global distribution in areas such as film & TV, video games & publishing. The redeveloped Pacific Quay area of Glasgow is

home to the Digital Media Quarter, developed to attract & cultivate the Digital Media industry. Seabraes Yards provides a further boost to Tayside's already successful digital media industry. The Digital IP Fund is a £3m project-based investment fund, delivered in partnership with Scottish Screen, which works with private investment partners, initially Channel 4's 4iP fund. Scottish Enterprise is working with two Industry Advisory Groups (IAGs) in this area: the Digital Media IAG who published its industry strategy, Digital Inspiration, in December 2009 and the ICT Markets IAG who will publish its industry strategy in first quarter 2010.

**Enabling Technologies** Scottish Enabling Technologies underpin the growth & development of Scotland's key sectors. There are 900 core enabling technology companies in Scotland that can, and do provide support to around 10,000 companies employing around 220,000 people & average contribution is £60,700 GVA per employee. Programs such as Prospekt, at the world class School of Informatics at the University of Edinburgh, support commercialisation & knowledge transfer. In terms of the engineering sector, new benefits will stem from the Advanced Forming Research Centre, an initiative which is developing advanced manufacturing techniques. Even in emerging areas such as Nanotechnology, Scotland carries a reputation for commercial acumen forward with facilities such as the James Watt Nanofabrication Centre leading the way with industry and academic engagement programmes. New developments will emerge resulting from the insights from the Scottish Technology Advisory Group which has highlighted where Scotland's globally competitive technology strength lies – Sensor systems, Modelling & Simulation and Informatics

**Energy & Low Carbon Technologies** The sector 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. The UK Continental Shelf (UKCS) satisfied two-thirds of the UK's primary energy needs in 2008 – 97% of oil demand & 73% of gas demand. Most Scottish oil & gas employment & production activity is located offshore on the UKCS. Estimates in 2006 put the GVA for the Scottish oil & gas industry (including UKCS) at £15.3bn, while renewable energy was estimated at £84m. Scottish employment figures for each sub-sector are based on conservative estimates of 100,000 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. On average Scotland exports 17% (2000-07) of its electricity production. The 2007 breakdown of electricity produced was attributed to 29% coal; 26% oil & gas; 26% nuclear; 17% renewables, & 2% pumped storage. 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 50% of Scottish electricity consumption from renewables by 2020. With 3GW of renewables capacity currently installed, & over 5.5GW more capacity planned & consented, the 2011 target of 31% renewable electricity consumed looks very achievable. Offshore wind, with 6GW planned for Scottish Territorial Waters & a further announcement for Round 3 due in Dec., offers an exciting opportunity for Scottish business. Boosting renewable energy, the application of low carbon technologies & maintaining Scotland's oil & gas industry will make a significant & important contribution to a sustainable economy.

**Financial Services** This industry is one of the most important in Scotland's economy, with the sector performing strongly against UK & international benchmarks. It makes a major contribution to the life & economy of Scotland, now making a contribution of around £7 billion to Scottish GDP. Financial services are also a significant source of employment in the Scottish economy. The latest ABI shows that in 2007, employment in the industry in Scotland stood at 91,600. 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%). In 2007, the industry's exports to foreign countries were estimated to be £1.105 billion, an increase of 1% in nominal terms on the previous year. The industry now accounts for over 5% of total

international Scottish exports, & around 18% of total Scottish international services exports. Initial calculations suggest that financial service exports to the rest of the UK stood at £7.3 billion in 2005, nearly 18% of total Scottish exports to the rest of the UK.

**Food & Drink** Scotland's food & drink manufacturing industry has annual sales of £7.5bn & around 46,000 direct jobs - over 20% of Scotland's manufacturing employees. GVA from the food & drink sector is £3.1bn (2007) which makes it the largest contributor to manufacturing GVA in Scotland. 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 Industries** This industry has a good track record in investment & a reputation for excellence. It contributes over £760 million in terms of sales to the Scottish economy & supports (directly & indirectly) the employment of some 40,000 people. Half of the UK's forests are in Scotland. The objective of the Scottish Government is to increase Scotland's woodlands towards one quarter of our land area by 2050. The UK's largest sawmillers, BSW Timber plc, James Jones & Sons Ltd, & Howie Forest Products are all located in Scotland. Major international companies such as UPM-Kymmene, International Paper, Egger, and Norbord have production facilities here. The UPM investment at their Caledonian paper mill in Irvine was Scotland's second largest ever inward investment at £215m. There are new opportunities within the sector, including the E.On biomass plant at Lockerbie with a generation capacity of 44 MW (enough electricity to power the equivalent of 70,000 homes every year).

**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., MSD, Millipore, & ClinTec. There are over 630 organisations in Scotland employing over 32,500 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 40 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 647 companies in total in the textiles sector, employing 10,100 people. Turnover for the industry totals £876m\*, & accounts for 5% of Scottish manufacturing jobs. The Scottish clothing industry is characterised by niche design-led 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 2007 were £331m. The three main categories are Fashion, Interiors & Technical textiles; & 2.6% of all Scottish manufactured exports are textiles. \* excludes leather

**Tourism** Tourism-related industries account for 11% of turnover & 10% of GVA in Scottish service industries (excluding financial sector & some of the public sector). By comparison, tourism-related industries account for 8-9% of output in UK service industries as a whole. In 2008 over 218,000 people worked in Scottish tourism-related industries & nearly 15 million tourists took trips to Scotland, spending nearly £4billion. 2.48 million international trips were made to Scotland & a total of over 42 million visits were made to Scottish visitor attractions. Kelvingrove Art Gallery & Museum, Glasgow, was the most visited free attraction with over 1.5 million visitors, & Edinburgh Castle was the most visited paid attraction with over 1.1 million visitors. In the field of business tourism, Glasgow & Edinburgh both feature in the world's top 30 most popular cities for conferences.