

Analysis of latest Scottish GDP (2013 Q4) and labour market statistics

GDP

Latest quarter (Q4 on Q3 2013)

- Scottish GDP grew by 0.2% in the fourth quarter of 2013, over the previous quarter. In comparison, the UK grew by 0.7%¹. The difference was in part (-0.2%) due to the dispute at Grangemouth over that period.
- Fastest Scottish sectoral growth over the quarter was seen in 'Transport, Storage and Communications' (+1.7%) and in 'Mining and Quarrying' (+2.9%).

Year on year (2013 on 2012)

- Over the year as a whole, Scotland grew by 1.6%. In comparison, the UK grew by 1.8%. (The contribution of Grangemouth is estimated to have reduced annual Scottish growth by 0.1%.)
- Fastest Scottish sectoral growth over the year was seen in 'Business Services and Finance' (+3.9%) and in 'Mining and Quarrying' (+6.1%).

Trends

- Scottish GDP remains 0.7% lower in 2013 than it was in 2007. In comparison, the UK remains 0.4% lower. (Note: if the North Sea sector was to be included then the UK figure would be 1.5% lower.)
- When looked at in terms of GDP per person (i.e. adjusting for population change to get nearer to the change in the standard of living), then Scottish GDP per person is 4.4% lower in 2013 than it was in 2007. In comparison, the UK is 5% lower.
- For Scotland, the fastest rate of recovery over this period was seen in the Production sector, now up 4.2% on 2007. For the UK, it has been Business services and Government services that have led the recovery. In contrast to Scotland, the Production sector is 13% lower than in 2007 and is continuing on a downward trend.

Post-recession growth rates

- Since the recession, in no year has the Scottish economy grown faster than its long term annual growth rate of (2.3%). The same is true for the UK.

¹ As the Scottish GDP measure excludes any North Sea activity, throughout this Note we show the UK comparator measure excluding extra regio (mainly North Sea) activity, in order for the two measures of GDP growth to be more comparable.

Labour market

Latest period

- Scottish unemployment rose by 3,000 over the latest quarter (from Sep - Nov 2013 to Dec - Feb 2014), equivalent to +0.1 of a percentage point. In comparison, the UK fell by 77,000, equivalent to -0.3 of a percentage point.
- Scottish employment rose by 16,000 over the latest quarter, while the rate (aged 16-64) rose by 0.6 of a percentage point. In comparison, the UK rose by 239,000, and 0.5 of a percentage point

Latest year

- Scottish unemployment fell by 18,000 over the year, equivalent to -0.8 of a percentage point. In comparison, the UK fell by 320,000, equivalent to -1.1 percentage points.
- Scottish employment rose by 68,000 over the year, equivalent to 1.7 percentage points. In comparison, the UK rose by 691,000, equivalent to 1.2 percentage points.

Across the UK

Scotland's employment rate (16-64) remains above that of the UK, by 0.7 of a percentage point. Across the 'regions' of the UK, Scotland has the 4th highest rate (73.3), the highest being the South East of England (76.3%) and the lowest being Northern Ireland (67.9%).

Scotland's unemployment rate remains below that of the UK, by 0.4 of a percentage point. Across the 'regions' of the UK, Scotland has the 4th lowest rate (6.5%), the highest being in North East England (9.3%) and the lowest in South West England (4.9%)

Trends

In comparison to the same period in 2007, Scotland's employment rate is 1 percentage point lower while its unemployment rate is 1.4 percentage points higher. In comparison, the UK's employment rate over the same period has improved by 0.1 of a percentage point, while its unemployment rate has risen by 1.3 percentage points.

As is seen above, Scotland's latest employment and unemployment rates remain slightly better than the UK's.

Quotes:

John McLaren: *“Scotland's economy continues to recover but the recovery continues to be at a historically slow rate. Growth has been on a similar scale to that seen for the UK as a whole over the past year. Since 2007 economic growth has been more concentrated in the Production sector in Scotland, in comparison to the UK, and less so in Services.”*

John McLaren

Jo Armstrong

Ken Gibb

Contact numbers: 07429 508596

Table 1: Economic comparison: Scotland and the UK, changes (%)

	latest period	year on year	trend since 2007	trend since 2007	level	change since 2007
GDP	Q4 on Q3	2013 on 2012	annual growth	annual growth per person		
Scotland	0.2	1.6	-0.1	-0.7		
UK*	0.7	1.8	-0.1	-0.8		
Difference (Sc - UK)	-0.5	-0.2	0	0		
Employment (rate)						
Scotland	0.6	1.7			73.3	-1.0
UK	0.5	1.2			72.6	0.1
Difference (Sc - UK)	0.1	0.5			0.7	-1.1
Unemployment (rate)						
Scotland	0.1	-0.8			6.5	1.4
UK	-0.3	-1.1			6.9	1.3
Difference (Sc - UK)	0.4	0.3			-0.4	0.1

Sources: Scottish Government latest GDP release (April 2014); ONS latest regional labour market release (April 2014); CPPR calculations

* The UK measure excludes extra regio (mainly North Sea) activity, to ensure comparability with the Scottish measure.