

(Press Release - 10 February 2015)

Brief Analysis of latest Quarterly National Accounts Scotland (2015 Q3) statistics

The bad news over the Scottish economy continues with the latest publication of Scottish National Accounts figures.

Key points

- **Excluding offshore (North Sea) activity, cash terms Scottish GDP grew in Quarter 3 (+0.6%) after a couple of quarters of falls. However, including (a geographical share of) the offshore sector resulted in a fall (-0.8%) in overall Scottish GDP in Q3.**
- **This latest fall means that Scottish GDP per head of population (including the North Sea) is now 1% lower than that of the UK as a whole. Only two years ago this figure was 6% in Scotland's favour and in 2008 it was over 15% in Scotland's favour.** (Note: Using GDP per capita gives an exaggerated picture of Scotland's relative decline, due to ownership issues, and the use of Gross National Income would be a better measure, but is currently not available for Scotland.)
- **Scotland's (onshore) Net Trade position in Quarter 3 was -£4.25 billion, the highest deficit on record. Scotland looks to be on course for a deficit of over £15 billion in 2015, well above the previous record annual deficit level seen in 2008, of just under £12 billion, and around £6 billion worse than was seen in 2013.**
- **This rising deficit is due in large part to a deteriorating trade position with regards to the Rest of the UK, which has worsened by £1.5 billion in the last 3 quarters alone, with exports down and imports up, both by around £750 million.**
- **As well as a trade deficit Scotland also continues to have a Net Tourism deficit, of around £300 million in the third quarter. Although this is well down on the (record) deficit seen in Q3 of 2014, it remains at a relatively high level in historical terms.**
- **Compared to the third quarter of 2014, overall Scottish Public Service Revenues have fallen in Q3 of 2015 (-£95 million), due to declining North Sea receipts.**
- **Scotland's geographical share of North Sea revenues amounted to only £21 million in Q3, as against £2,700 million in the same quarter of 2011 and £4,300 million in 2008.**
- **Onshore tax receipts were up 3% over the year to Q3 (£390 million), with most tax sources contributing to this rise.**

Quotes:

John McLaren:

“Scotland’s economy continues to show worrying signs of distress.

The fall in GDP per capita to below the level of the UK is clearly connected to the on-going decline in North Sea activity and output.

The worsening trade position, largely with respect to the UK, is a bigger worry as it has real implications for Scottish prosperity and jobs.”

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