

Scottish Annual Business Statistics 2019

Key Facts



A National Statistics publication for Scotland

BUSINESS AND ENERGY

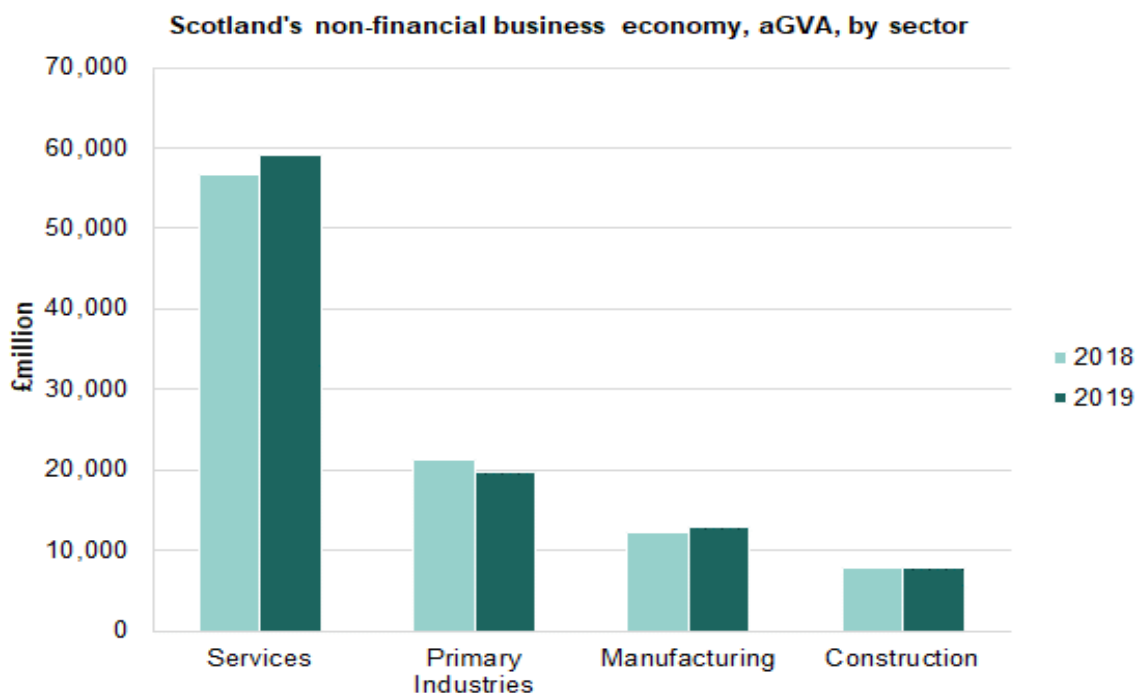
BUSINESS AND ENERGY

Scottish Annual Business Statistics 2019

Release Date: 30 November 2021

Headline Results

- Between 2018 and 2019, approximate Gross Value Added (aGVA) increased for three out of the four main sectors of the non-financial business economy – Services (+4.2%), Manufacturing (+4.0%) and Construction (+1.2%). However, aGVA fell in Primary Industries.
- For the largest industries within the Services sector, aGVA increased for Wholesale Trade and Architectural & Engineering Activities in 2019 - but aGVA decreased for the Retail Trade sector.
- Primary Industries aGVA fell by £1.5 billion (-7.2%) in 2019, this was driven by the oil and gas sector.
- For the largest industries within the Manufacturing sector, aGVA increased for Repair and Installation of Machinery/Equipment and very slightly increased for Manufacture of Food Products in 2019 - but aGVA decreased for the Manufacture of Beverages sector.



About this publication

Scottish Annual Business Statistics (SABS) presents estimates of businesses' employment, turnover, purchases, approximate Gross Value Added at basic prices (aGVA) and labour costs. Data are classified according to industry sector, local authority area and business ownership.

The estimate of aGVA represents the income (Turnover) of businesses, less the cost of goods and services consumed in the production process (Purchases). Data are in current prices (i.e. values have not been adjusted for inflation).

The latest SABS data are for the calendar year 2019, with data provided back to 2008.

The SABS data are largely sourced from the Annual Business Survey (ABS) conducted by the Office for National Statistics (ONS). SABS covers the non-financial business economy, which includes:

Services – includes motor trades, wholesale, retail, transport, accommodation, food services, information, communication, real estate, professional, scientific, technical, administrative, private sector health, private sector education, entertainment.

Primary Industries – includes agriculture support services, hunting, forestry, fishing, oil & gas extraction¹, energy generation & supply, water & waste management.

Manufacturing – includes manufacture of food, beverages, textiles, wood products, refined petroleum, chemicals, pharmaceuticals, plastic products, metals, metal products, machinery, computers, electrical/optical products, transport equipment, furniture, repair & installation of machinery/equipment.

Construction – includes civil engineering, construction of buildings and specialised construction trades such as plumbers, electricians and plasterers.

The industry sectors not covered in SABS are the financial sector and parts of the agriculture and public sector. The SABS statistics are best suited to the analysis of industry sectors rather than the economy as a whole. Industry sectors are defined according to the [UK Standard Industrial Classification 2007 \(SIC07\)](#).

¹ Note that data for oil and gas extraction includes off-shore oil and gas activity; off-shore activity, under UK regional accounts procedures, is normally allocated to a separate 'Extra Regio' category rather than allocated to a region within the UK.

Reduced ABS response due to Coronavirus (COVID-19) pandemic

In 2019, 53% of sampled businesses were included in the final Annual Business Survey (ABS) results UK-wide. The average response rate in previous years was approximately 75%. The 2019 rate was lower than usual because the coronavirus (COVID-19) pandemic made it more difficult to contact respondents in order to process survey returns.

For Scotland, this means that the SABS results are based on a lower number of ABS responses than usual. The SABS results for 2019 are based on approximately 6,000 ABS responses from businesses with a presence in Scotland, this is down on the 2018 survey response of around 8,000 responses. This means that the 2019 estimates in this release are subject to more uncertainty than usual. However, we have taken steps to strengthen the estimates for 2019 by incorporating VAT turnover data. More information on this new estimation process is available in the methodology notes.

The full set of tables and methodology notes are available under Scottish Annual Business Statistics 2019 heading at: <https://www.gov.scot/collections/business-and-innovation-statistics/#scottishannualbusinessstatistics>

Contents

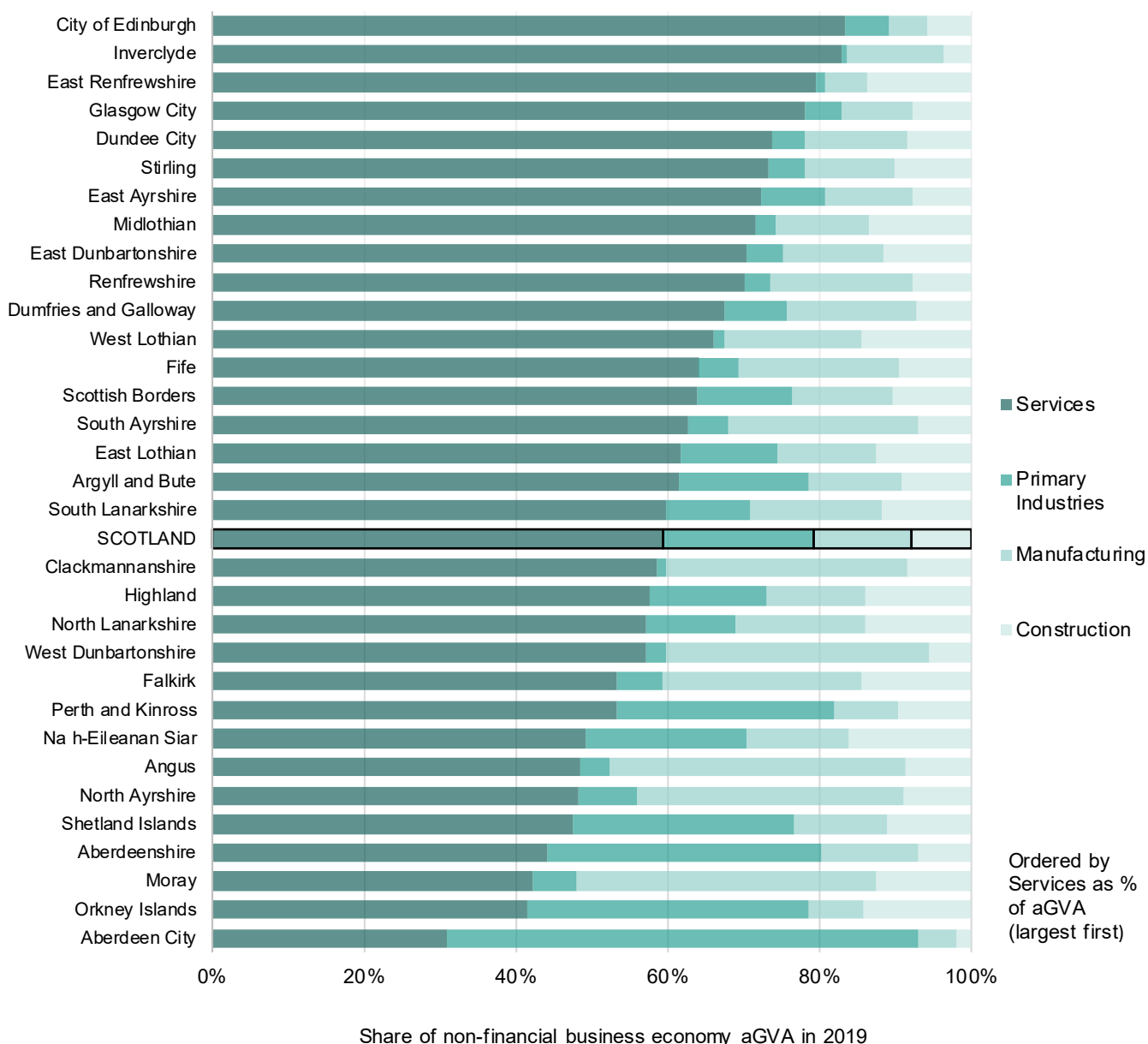
Headline Results.....	1
About this publication.....	2
Reduced ABS response due to Coronavirus (COVID-19) pandemic.....	3
Contents	4
Services was the largest contributing sector to Scotland's non-financial business economy aGVA	5
Retail Trade was the largest contributing industry to Services aGVA	6
Fall in Primary Industries aGVA driven by the oil and gas sector	7
Manufacture of Beverages was the largest contributing industry to Manufacturing aGVA.....	7
Increased aGVA for Specialised construction activities and Construction of Buildings, against slight fall in aGVA for Civil engineering	9
Increased aGVA for three of the six Growth Sectors	9
About the SABS data	12
Revisions	12
ABS Sample Design.....	12
User Engagement.....	13
Contact	13
National Statistics Status	14
How to access background or source data	14
Complaints and suggestions	14
Crown Copyright.....	14

Services was the largest contributing sector to Scotland's non-financial business economy aGVA

Between 2018 and 2019, approximate Gross Value Added (aGVA) increased for three out of the four main sectors of the non-financial business economy – Services (+4.2%), Manufacturing (+4.0%) and Construction (+1.2%). However, aGVA fell in Primary Industries (-7.2%).

In 2019, the Services sector accounted for an estimated £59.1 billion of the total non-financial business economy aGVA (59.4%). Figure 1 shows that the Services sector was the largest contributing sector in every local authority area within Scotland – with the exception of Aberdeen City (where Primary Industries was the largest contributing sector).

Figure 1. Services was the largest contributing sector in all but one of Scotland's local authority areas

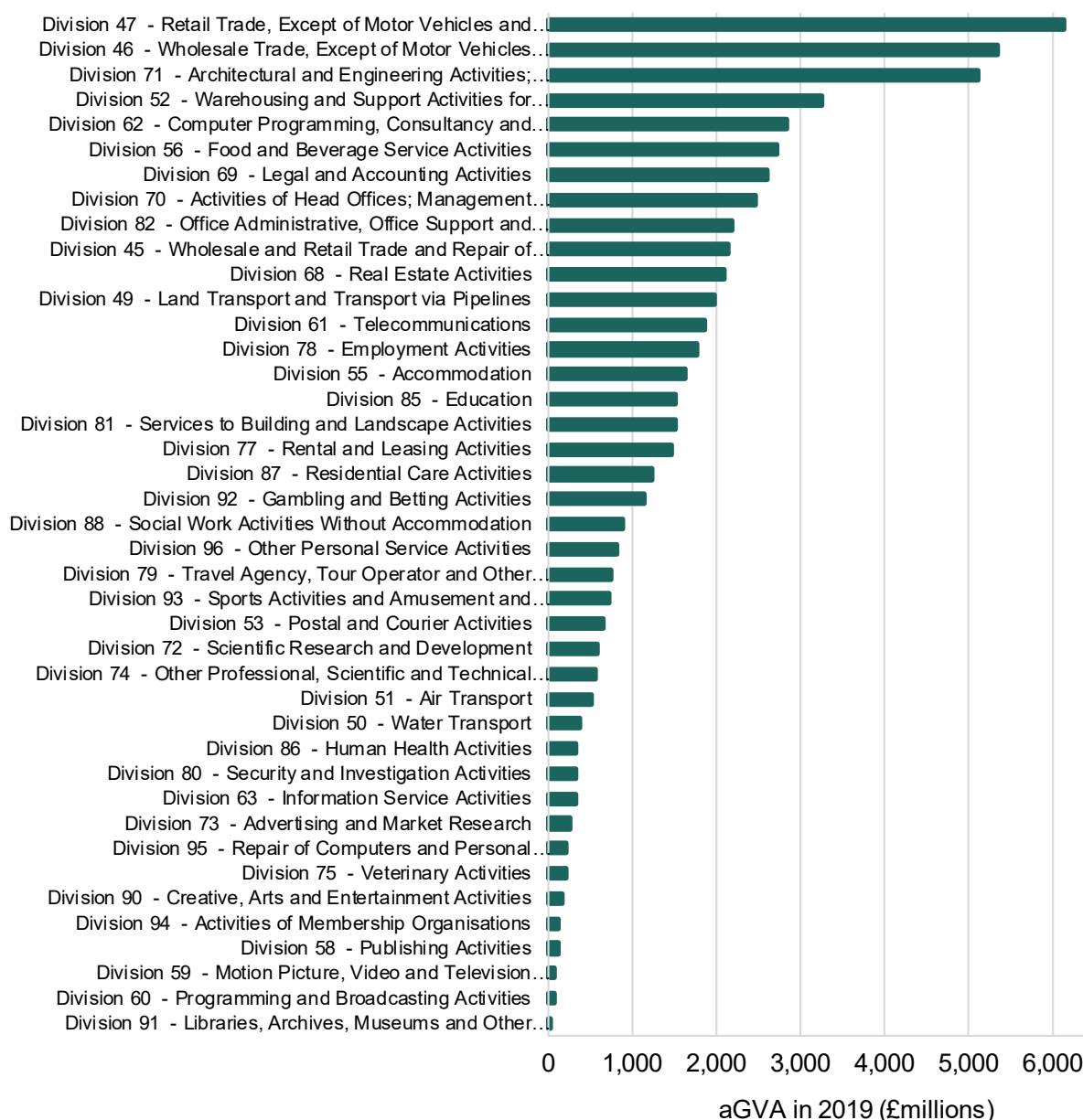


Retail Trade was the largest contributing industry to Services aGVA

In 2019, the Services sector accounted for an estimated £59.1 billion of the total non-financial business economy aGVA (59.4%). Between 2018 and 2019, aGVA in the Services sector increased by £2.4 billion (+4.2%).

Figure 2 shows the aGVA contribution of all industry divisions within the Services sector in 2019. The largest contribution to aGVA within the Services sector came from Retail Trade (10.4%), followed by Wholesale Trade (9.0%), then Architectural and Engineering Activities (8.6%). Between 2018 and 2019, aGVA increased for Wholesale Trade (+£178 million) and Architectural and Engineering Activities (+£353 million) - but aGVA decreased for the Retail Trade sector (-£128 million).

Figure 2. Retail Trade was the largest contributing division to Services aGVA



Fall in Primary Industries aGVA driven by the oil and gas sector

In 2019, the Primary Industries sector accounted for an estimated £19.7 billion of total non-financial business economy aGVA (19.8%).

Between 2018 and 2019, aGVA in the Primary Industries sector decreased by £1.5 billion (-7.2%). The industry division contributing most to the overall decrease was Extraction of Crude Petroleum and Natural Gas (division 6) (-£1.4 billion).

Manufacture of Beverages was the largest contributing industry to Manufacturing aGVA

In 2019, the Manufacturing sector accounted for an estimated £12.8 billion of total non-financial business economy aGVA (12.9%).

Figure 3 shows the aGVA contribution of all industry divisions within the Manufacturing sector in 2019. The largest contribution to aGVA within the Manufacturing sector came from Manufacture of Beverages (16.6%), followed by Manufacture of Food Products (11.5%), then Repair and Installation of Machinery and Equipment (9.9%). Between 2018 and 2019, aGVA increased for Repair and Installation of Machinery and Equipment (+£112 million) and very slightly increased for Manufacture of Food Products (+£1 million) - but aGVA decreased for Manufacture of Beverages (-£370 million).

Figure 3. Beverages largest contributing division to Manufacturing aGVA²

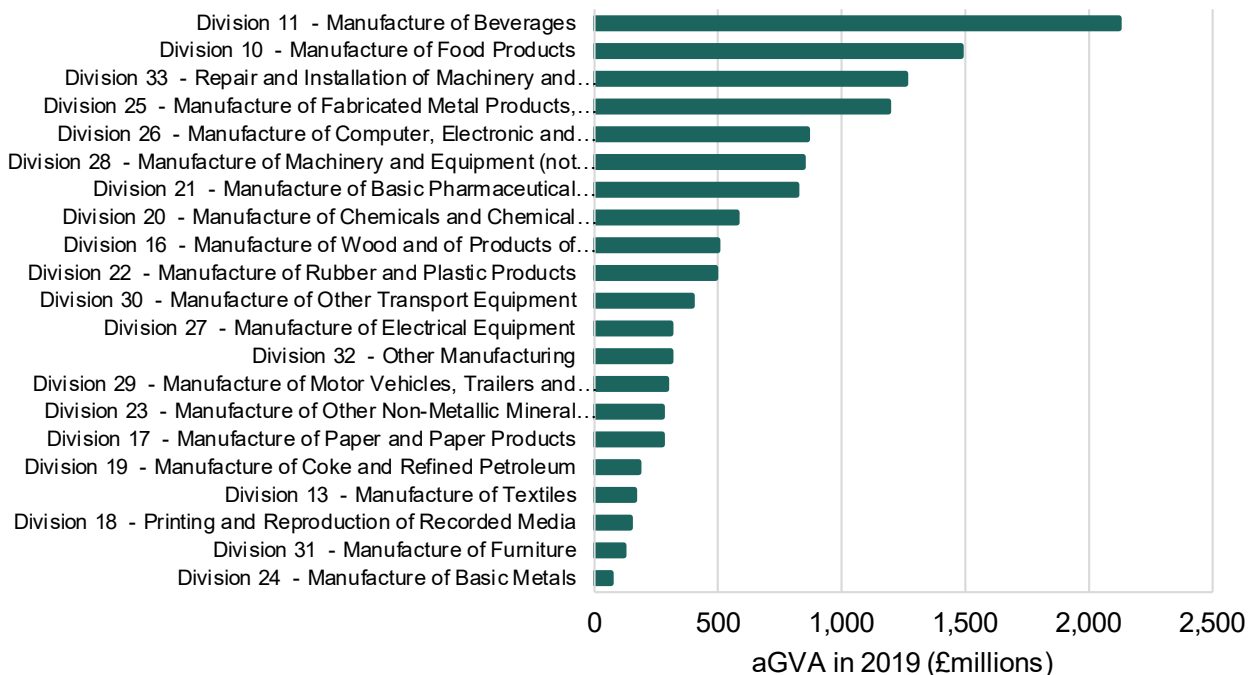


Figure 4 shows that the contribution that the Manufacturing sector makes to local economies varies markedly across Scotland. In 2019, the Manufacturing sector

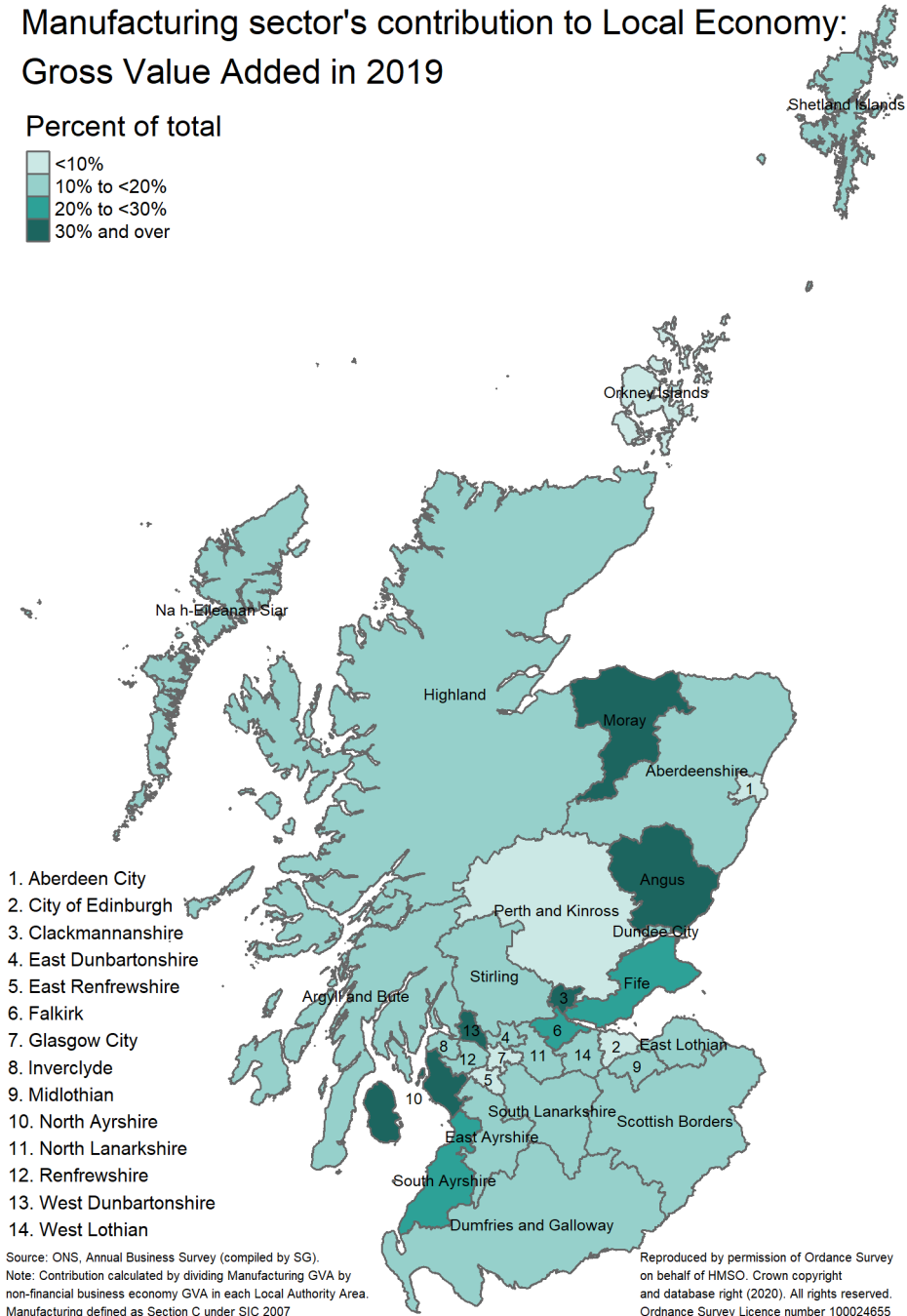
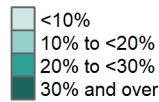
² Division 14 'Manufacture of Wearing Apparel' and Division 15 'Manufacture of Leather and Related Products' are not included in Figure 3 as aGVA for these divisions has been suppressed following disclosure control.

accounted for 39.6% of Moray's non-financial business economy aGVA; this compares to 12.9% for Scotland as a whole.

Figure 4. The Manufacturing sector made a particularly high contribution to the local economies in Moray, Angus, North Ayrshire, West Dunbartonshire and Clackmannanshire

Manufacturing sector's contribution to Local Economy:
Gross Value Added in 2019

Percent of total

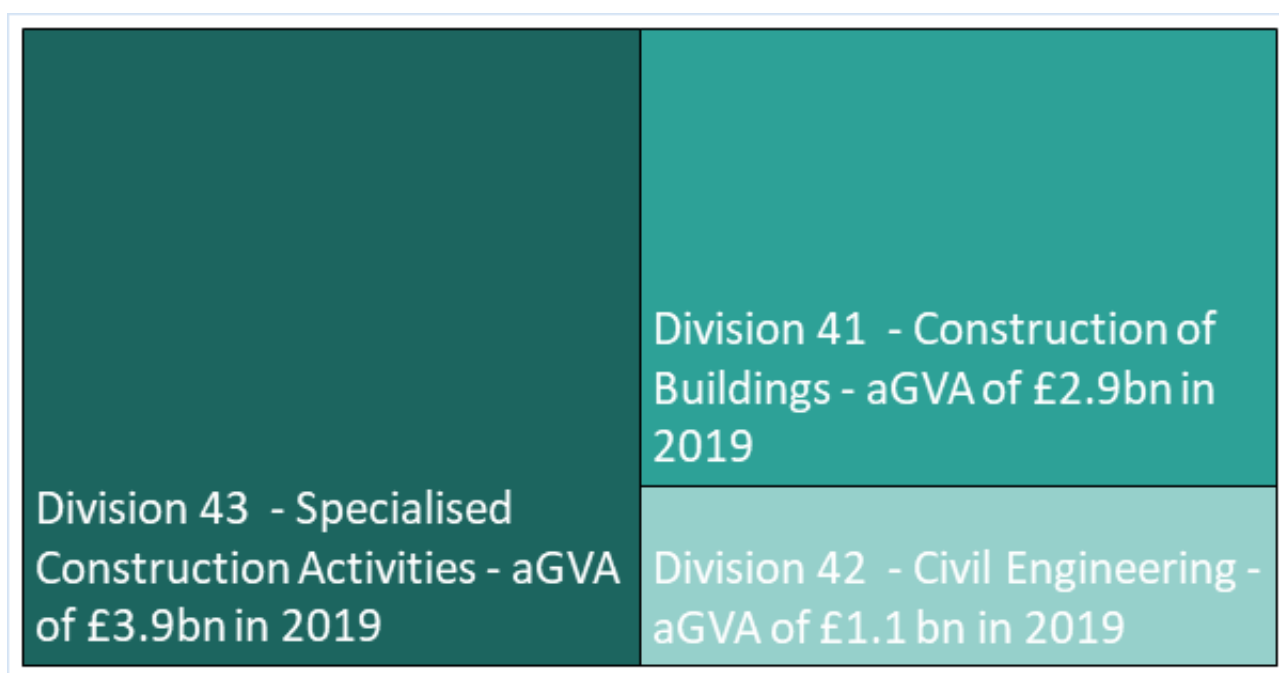


Increased aGVA for Specialised construction activities and Construction of Buildings, against slight fall in aGVA for Civil engineering

In 2019, the Construction sector accounted for an estimated £7.8 billion of total non-financial business economy aGVA (7.9%). Between 2018 and 2019, aGVA in the Construction sector increased by £97 million (+1.2%).

Figure 5 shows the aGVA contribution of all industry divisions within the Construction sector in 2019. The largest contribution to aGVA within the Construction sector came from Specialised Construction Activities (49.2%), followed by Construction of Buildings (36.4%), then Civil Engineering (14.4%). Between 2018 and 2019, aGVA increased for Specialised Construction Activities (+£65 million) and Construction of Buildings (+38 million) - but aGVA decreased for Civil Engineering (-£6 million).

Figure 5. Specialised Construction Activities was the largest contributing industry division to Construction aGVA



Increased aGVA for three of the six Growth Sectors

Scotland's Economic Strategy identified the following industry groups as key growth sectors:

- Food & Drink (including agriculture & fisheries)
- Creative Industries (including digital)
- Sustainable Tourism
- Energy (including renewables)
- Financial & Business Services
- Life Sciences

As shown in Table 1, aGVA increased over the latest year for three of the six growth sectors. With Business Services³, Sustainable Tourism and Life Sciences⁴ all growing between 2018 and 2019. The Creative Industries growth sector experienced a very slight fall in aGVA. While the Energy⁵ sector experienced a 7.4% decrease in aGVA between 2018 and 2019 (driven by Extraction of crude petroleum and natural gas sub-sector) and Food & Drink⁶ aGVA fell by 4.0% (driven by Manufacture of Beverages sub-sector).

Table 1. Three out of six Growth Sectors experienced an increase in aGVA between 2018 and 2019

	Business Services	Life Sciences	Energy	Sustainable Tourism	Food and Drink	Creative Industries
aGVA 2018 (£millions)	7,987.3	1,520.7	21,430.9	4,214.2	5,734.6	4,576.7
aGVA 2019 (£millions)	8,713.6	1,577.2	19,845.6	4,497.3	5,508.0	4,547.5
2018 to 2019 aGVA Change (£millions)	726.3	56.5	-1,585.3	283.1	-226.6	-29.2
2018 to 2019 aGVA Change %	9.1%	3.7%	-7.4%	6.7%	-4.0%	-0.6%
Largest contributing sub-sector	<i>Other engineering activities</i>	<i>Manufacture of pharmaceuticals</i>	<i>Extraction of crude petroleum and natural gas</i>	<i>Restaurants and mobile food service activities</i>	<i>Manufacture of Beverages</i>	<i>Software/Electronic Publishing</i>
Largest contributing sub-sector - 2018 to 2019 aGVA Change (£millions)	139.8	230.9	-1,421.6	148.6	-369.7	89.1

³ The Growth Sector is 'Financial and Business Services' - but the coverage of the ABS does not include the financial sector.

⁴ An alternative aGVA measure for the Life Sciences Cluster is available, which uses a sourcebook of companies approach rather than using related SIC codes. Note that the Life Sciences Cluster data are currently available up to 2018:

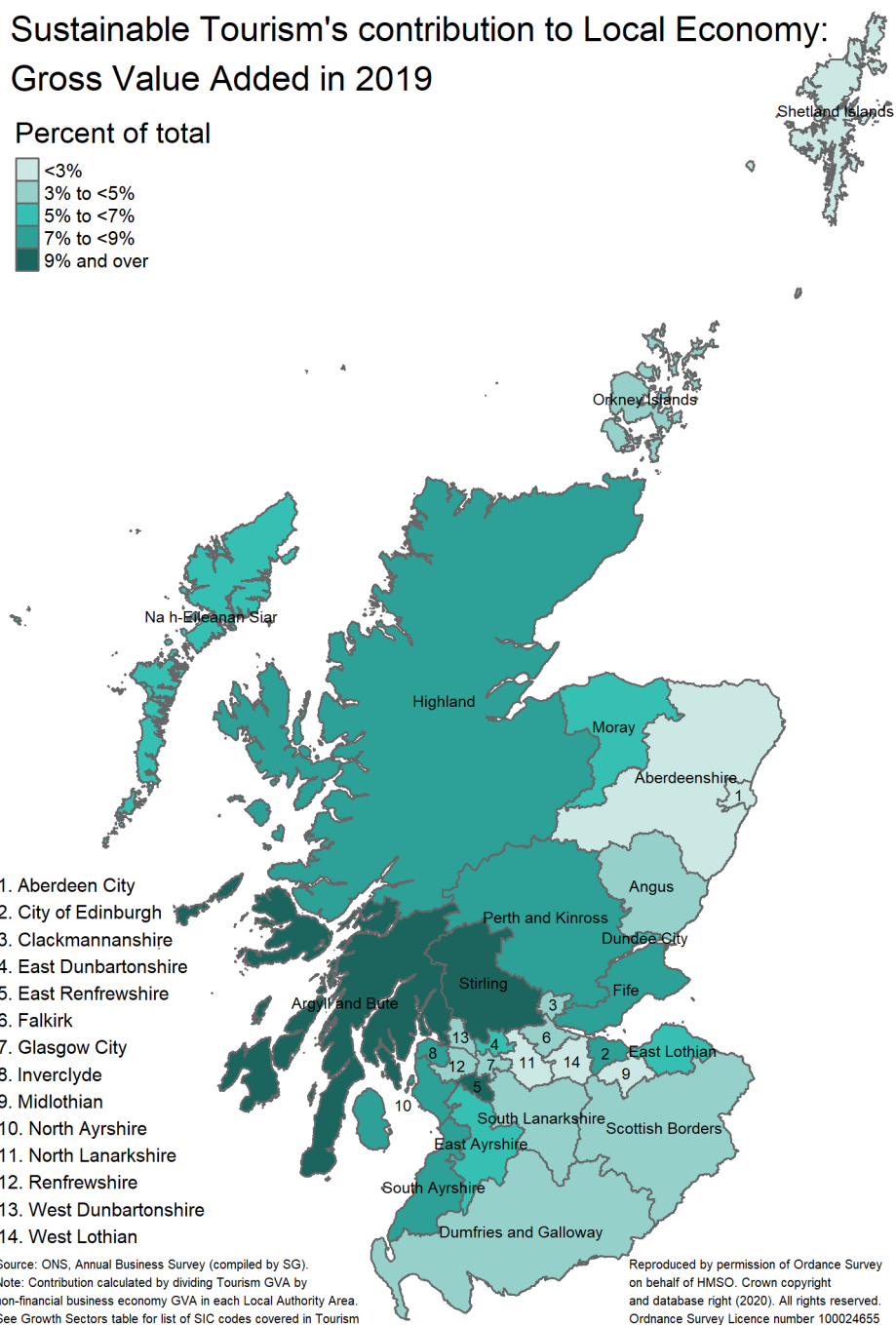
<https://www.gov.scot/publications/growth-sector-statistics/>

⁵ Includes off-shore oil and gas activity.

⁶ The Food & Drink Growth Sector comprises of the following divisions: Agriculture, Fishing & Aquaculture, Manufacture of Food and Manufacture of Beverages. aGVA for Agriculture is sourced from the Economic Report on Scottish Agriculture, aGVA for the other divisions is sourced from SABS.

The contribution that the growth sectors make to local economies varies across Scotland. For example, the Sustainable Tourism growth sector plays a particularly important part in the economies of some of Scotland's more rural areas (Figure 6). In 2019, the Sustainable Tourism sector accounted for 10.4% of the non-financial business economy in Argyll and Bute; this compares to 4.5% for Scotland as a whole.

Figure 6. The Sustainable Tourism sector made a particularly high contribution to the local economies in Argyll & Bute, East Renfrewshire and Stirling



About the SABS data

The SABS data are sourced from the Annual Business Survey (ABS) conducted by the Office for National Statistics (ONS).

The ABS is a valuable source dataset which is used alongside a number of other datasets in the production of macro-economic statistics for Scotland and the UK as a whole (for example GDP statistics). It is important to note that overall growth rates associated with the ABS are not comparable to the official growth rates for the whole economy given that significant sectors of the economy are not included in the ABS and the results have not been balanced with other datasets. The SABS statistics are therefore best suited to analyses of individual industries rather than the economy as a whole.

The SABS data allows analysis of business structure, ownership and location within detailed sectors of the Scottish non-financial business economy. The full set of data tables, with time series from 2008 to 2019, are available under Scottish Annual Business Statistics 2019 heading at:

<https://www.gov.scot/collections/business-and-innovation-statistics/#scottishannualbusinessstatistics>

Revisions

In general, SABS follows the Revisions Policy for the ONS ABS results i.e. the latest results are provisional until the following year when they may be revised as a result of late returns or information received in the course of the following year's inquiry. So, for example, within SABS 2019 the latest results for 2019 are provisional and will be made final when they are re-published within SABS 2020 - at which point they may be revised due to late returns. The results for 2018, within SABS 2019, have been revised and are now final.

ABS Sample Design

The ABS sample is designed as a stratified random sample of UK businesses from the Inter-Departmental Business Register (IDBR). The survey population or universe is stratified by Standard Industrial Classification (SIC), employment, and country using the information from the IDBR. The sampling scheme is designed to give the best estimates of the population totals for a given sample size and involves selecting all the largest businesses with a progressively reducing fraction of smaller businesses. This method ensures the sample size is kept to a minimum. The ABS returns are grossed up to the register population, so that they relate to all active businesses on the IDBR for the sectors covered.

Usually, the data for Scotland is based on ABS returns from around 8,000 businesses. However, the return for 2019 was lower at approximately 6,000 returns. This means that the 2019 estimates in this release are subject to more uncertainty than usual. However, we have taken steps to strengthen the estimates for 2019 by incorporating VAT turnover data. More information on this new estimation process is available in the methodology notes, available under Scottish

Annual Business Statistics 2019 heading at:
<https://www.gov.scot/collections/business-and-innovation-statistics/#scottishannualbusinessstatistics>

User Engagement

If you would like to be kept informed about ongoing developments with regards to the SABS publication and future releases of SABS data, please register to receive updates via [Scotstat](#) (under Economy topic pick Business and Industry).

Contact

If you have any enquiries about this publication or requests for further information, please use the following contact details:

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National Statistics Status

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

These statistics last underwent a full assessment against the Code of Practice for Statistics in 2012. Since the last assessment by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics and have made improvements to the statistical release - for example by providing more detailed breakdowns and improving accessibility.

How to access background or source data

The data collected for this statistical bulletin:

are available through Scottish Statistics website at <http://statistics.gov.scot/>

may be made available on request, subject to consideration of legal and ethical factors. Please contact industrystatistics@gov.scot for further information.

Complaints and suggestions

If you are not satisfied with our service or have any comments or suggestions, please write to the Chief Statistician, 3WR, St Andrews House, Edinburgh, EH1 3DG, Telephone: (0131) 244 0302, e-mail statistics.enquiries@gov.scot.

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