

High Level Summary of Statistics

Business, Enterprise and Energy

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Growing Businesses

Businesses in Scotland

Last updated: November 2018

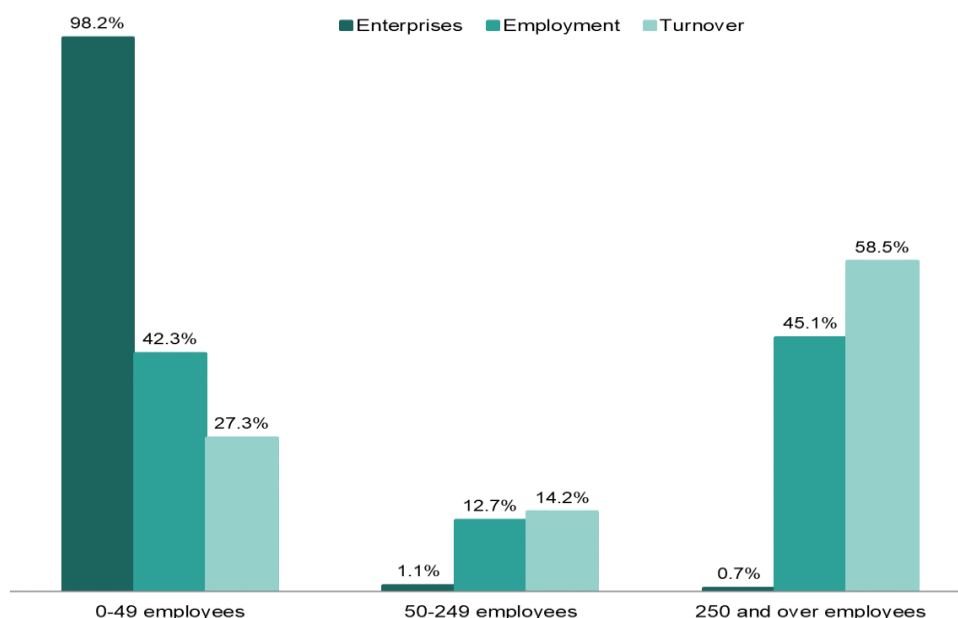
As at March 2018, there were an estimated 345,915 private sector businesses operating in Scotland – representing a decrease of 8,830 businesses (-2.5%) since March 2017.

The decrease over the latest year was driven by a fall in the number of unregistered businesses (those not registered for VAT and/or PAYE). The number of unregistered businesses decreased from 178,340 in 2017 to 169,620 in 2018 – a decrease of 8,720 unregistered businesses (-4.9%).

The number of VAT/PAYE registered businesses has decreased over the latest year also - down by 105 businesses (-0.1%) from 174,600 in 2017 to 176,295 in 2018 – this is the first fall in the registered business stock since 2011.

Overall, the number of employers has increased by 915 (0.9%) from 107,465 employers in 2017 to 108,380 employers in 2018 – there are now more private sector employers operating in Scotland than at any other time in the series (back to 2000).

As at March 2018, there were 343,535 Small and Medium-sized Enterprises (SMEs) operating in Scotland, providing almost 1.2 million jobs. SMEs accounted for 99.3% of all private sector enterprises, accounting for 54.9% of private sector employment and 41.5% of private sector turnover.



Source: Scottish Government, Office for National Statistics (Inter Departmental Business Register)

Note: Includes unregistered enterprises, excludes central and local government. Turnover figures exclude financial intermediation services.

Web link

[Businesses in Scotland](#)

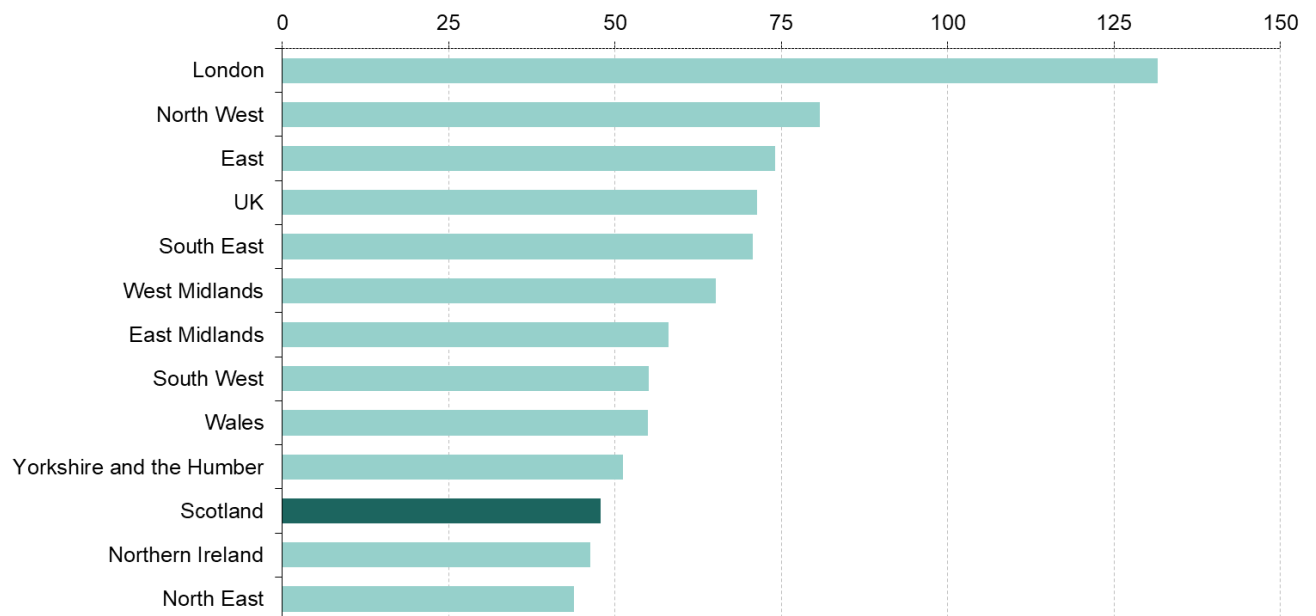
Business Registrations

Last updated: December 2018

New business formation is one of the key drivers of economic growth. A high business birth rate drives up levels of innovation, competitiveness and productivity, as firms are replaced by more competitive enterprises in the important process of business churn. VAT/PAYE registrations are the most reliable official indicator of business start-ups but exclude the very smallest businesses.

In 2017, Scotland had 48 new business registrations per 10,000 of the adult population in comparison to the UK figure of 71. Excluding London, the UK figure would be 62 per 10,000 resident adults.

VAT/PAYE Registrations per 10,000 resident adults by Government Office Regions and Country 2017

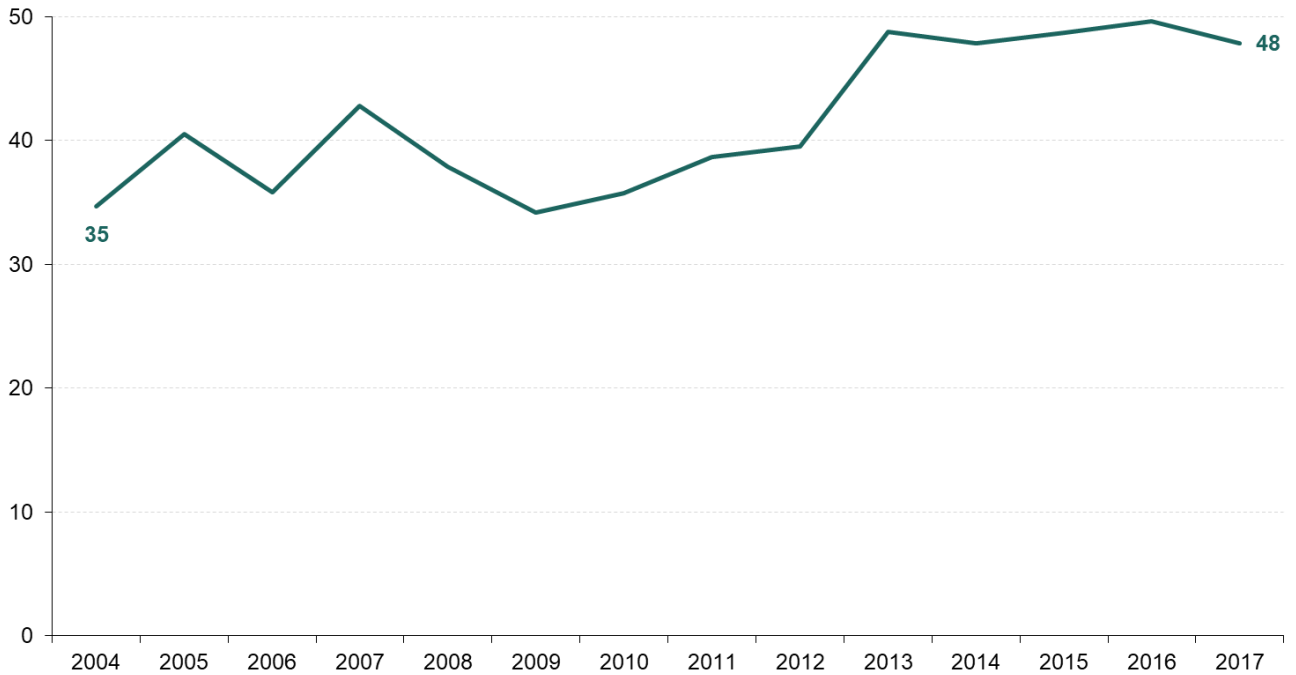


Source: Office for National Statistics

Between 2004 and 2017, the Scottish registration rate per 10,000 adults has varied between 34 and 50 per 10,000 resident adults. The figures showed a substantial increase between 2012 and 2013.

BUSINESS, ENTERPRISE AND ENERGY Growing Businesses

VAT/PAYE registrations per 10,000 resident adults in Scotland,
2004 to 2017



Source: Office for National Statistics

Note: The source for measuring business registrations changed in 2009 from the Department for Business, Enterprise and Regulatory Reform VAT-only series to the Office for National Statistics (ONS) VAT/PAYE series. The information above is based on the new ONS VAT/PAYE series. Note that the increase between 2006 and 2007 was, in part, a reflection of a change in business behaviour in response to a change in tax legislation in 2007 and therefore was not sustained in 2008.

Web link

[ONS Business Demography: Business Births and Deaths](http://www.ons.gov.uk/ons/rel/bus-register/business-demography/index.html)

<http://www.ons.gov.uk/ons/rel/bus-register/business-demography/index.html>

Innovation and Research & Development

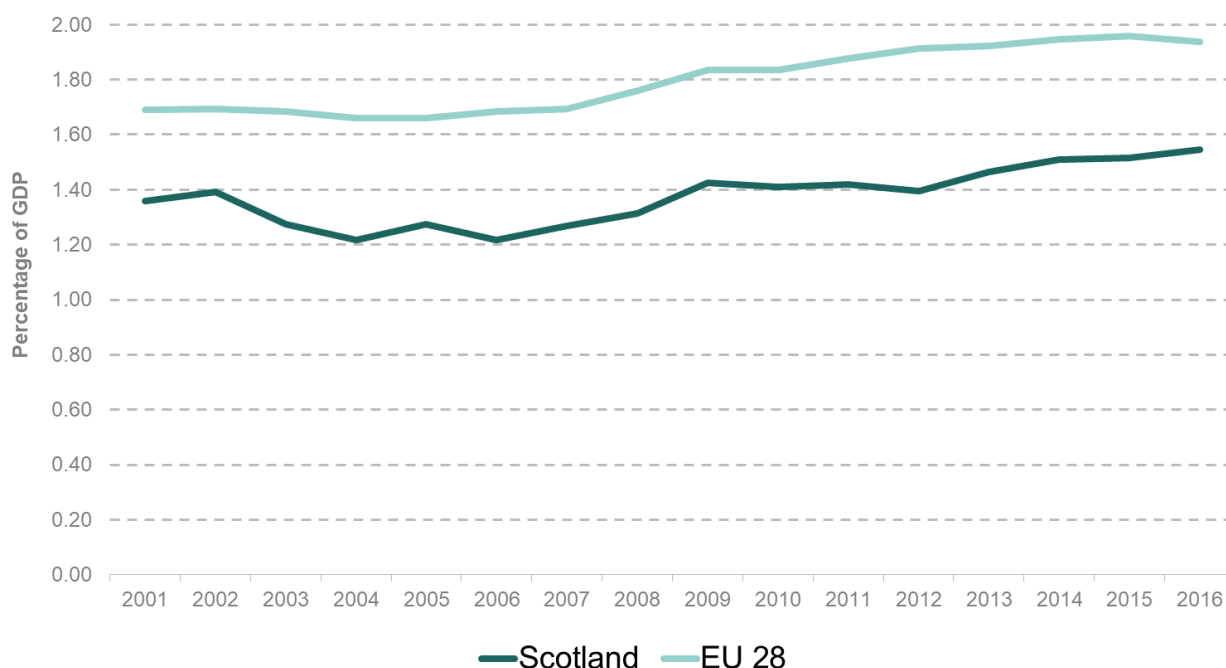
R&D Gross Expenditure

Last updated: December 2018

Innovation and Research & Development (R&D) are important both for individual firms, and for the economy as a whole. R&D is a component part of the innovation process, characterised as work that increases the stock of knowledge or results in the creation of new products. The introduction of new products or processes, or improvements to existing ones, is a prerequisite for firms to survive, evolve and grow in an increasingly competitive environment. The ongoing process of innovation improves and increases the rate of technical progress in the economy and is recognised in empirical studies as an important source of productivity growth, which is ultimately a key determinant of regional economic growth.

In terms of Gross Expenditure on R&D (GERD), which includes businesses, higher education and government expenditure, Scottish expenditure as a proportion of GDP is below the EU average. In 2016, GERD as a percentage of GDP was 1.54 per cent for Scotland and 1.94 per cent for the EU; a gap of 0.40 percentage points. The Scottish Government has set a National Indicator to Increase R&D Spending.

GERD as a percentage of GDP, 2001 to 2016



Source: Scottish Government, Organisation for Economic Cooperation and Development

Publication

[Gross Expenditure on Research and Development Scotland 2016](http://www.gov.scot/Topics/Statistics/Browse/Business/RD/GERDreport)

<http://www.gov.scot/Topics/Statistics/Browse/Business/RD/GERDreport>

R&D Business Expenditure

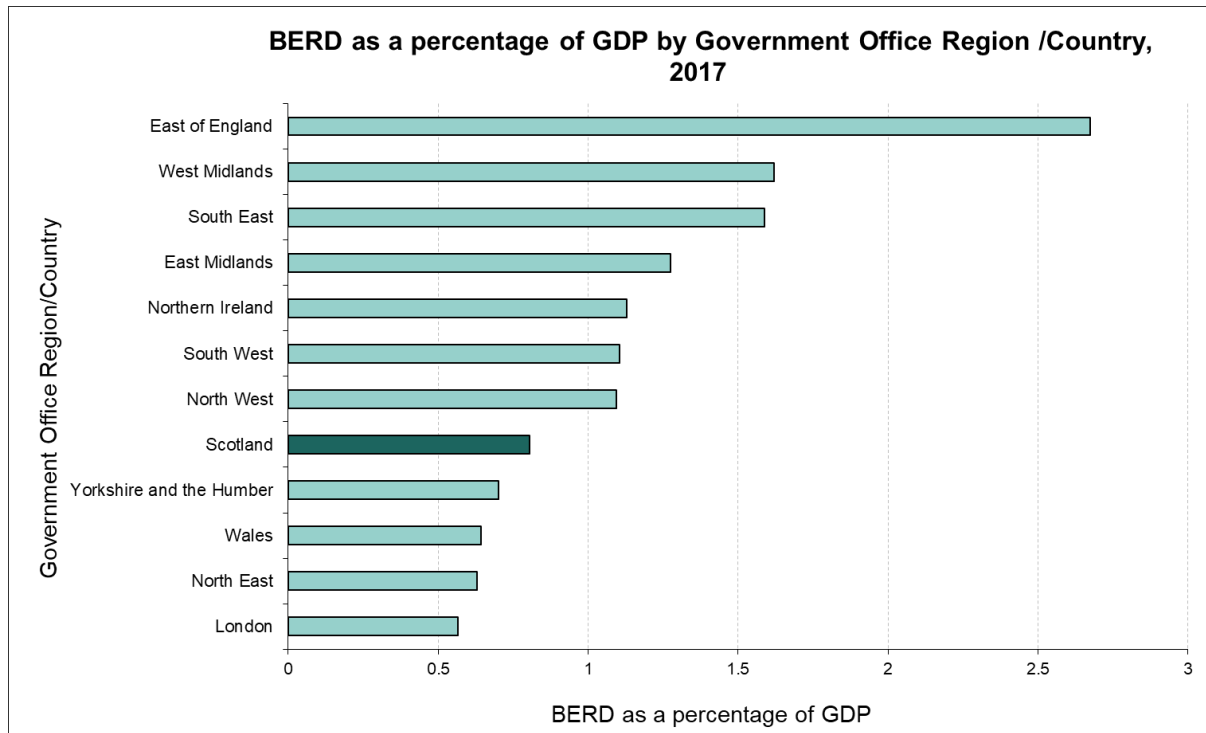
Last updated: December 2018

Scottish Business Enterprise Research & Development (BERD) expenditure was £1.247 billion in 2017, up by 13.9% in real terms compared to 2016 figures. UK expenditure increased by 2.9% in real terms over this period.

BERD expenditure was 0.80% of Scottish GDP in 2017, the comparable figure was 1.15% for the UK.

Within the UK, a high share of BERD expenditure takes place within the South East (20.5%) and the East of England (19.7%) regions, which together are responsible for 40.3% of all R&D expenditure in the UK. Scottish BERD expenditure represents 5.3% of the UK total of £23.7 billion. In terms of expenditure as a percentage of GDP, Scotland ranked eighth out of the 12 UK regions/countries in 2017.

The graph below shows how Scotland compares against other areas of the UK – in terms of BERD expenditure as a share of GDP.



Source: Scottish Government

Publication

[Business Enterprise Research and Development Scotland 2017](http://www.gov.scot/Topics/Statistics/Browse/Business/RD/BERDreport17)

<http://www.gov.scot/Topics/Statistics/Browse/Business/RD/BERDreport17>

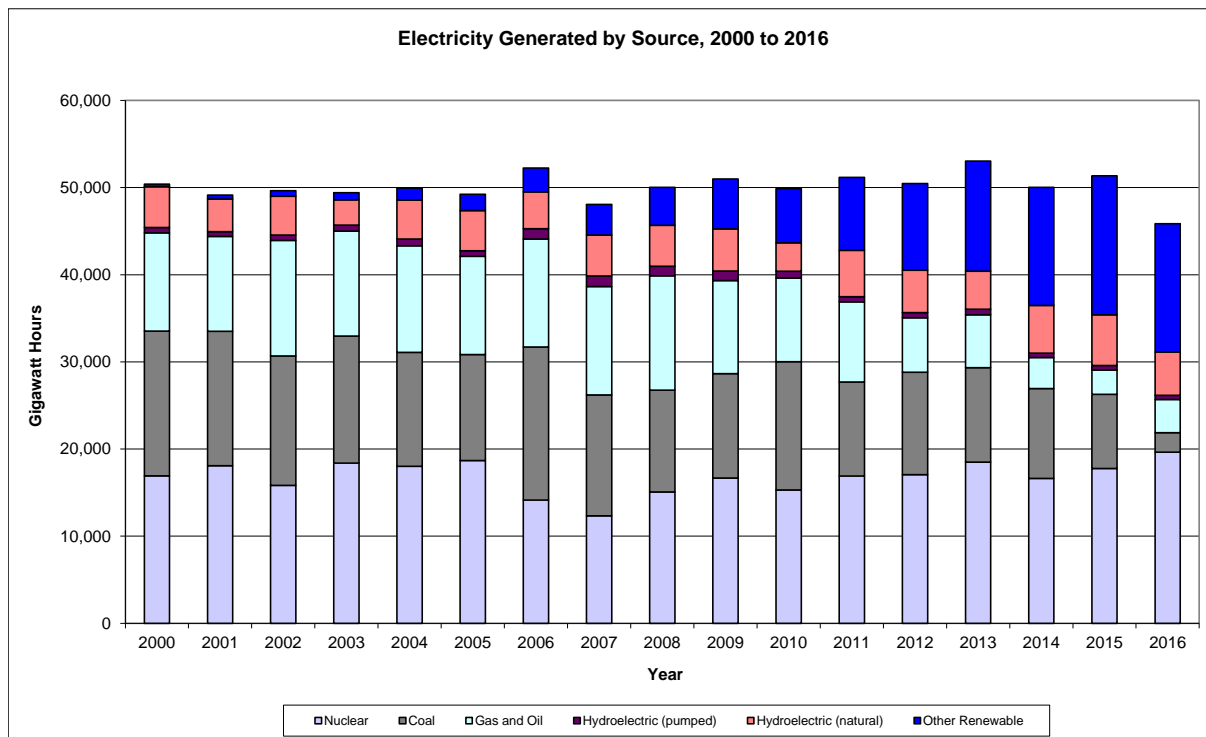
Energy

Electricity Generation

Last updated: December 2017

Renewables were the largest contributor to electricity generation in Scotland at 42.9% — very closely followed by nuclear generation at 42.8%, with fossil fuel generation making up only 13.2%. Scotland continued to be a net exporter of electricity, exporting 20% of total generation in 2016, down from 29% in 2015. Overall electricity generation in Scotland decreased by 5,506 GWh to 45,845 GWh in 2016.

In 2016 renewables generated 42.9% of Scotland’s electricity output—the single highest contributor to electricity generation. Nuclear output increased from 34.6% to 42.8% in 2016. Overall the levels of fossil fuel output decreased from 22.0% of total Scottish generation in 2015 to 13.2% in 2016. The proportion of generation from coal fell from 16.6% to 4.9%.



Source: Department for Business, Energy and Industrial Strategy.

Publication

[Energy Trends](#) (published December 2017)

<https://www.gov.uk/government/collections/energy-trends>

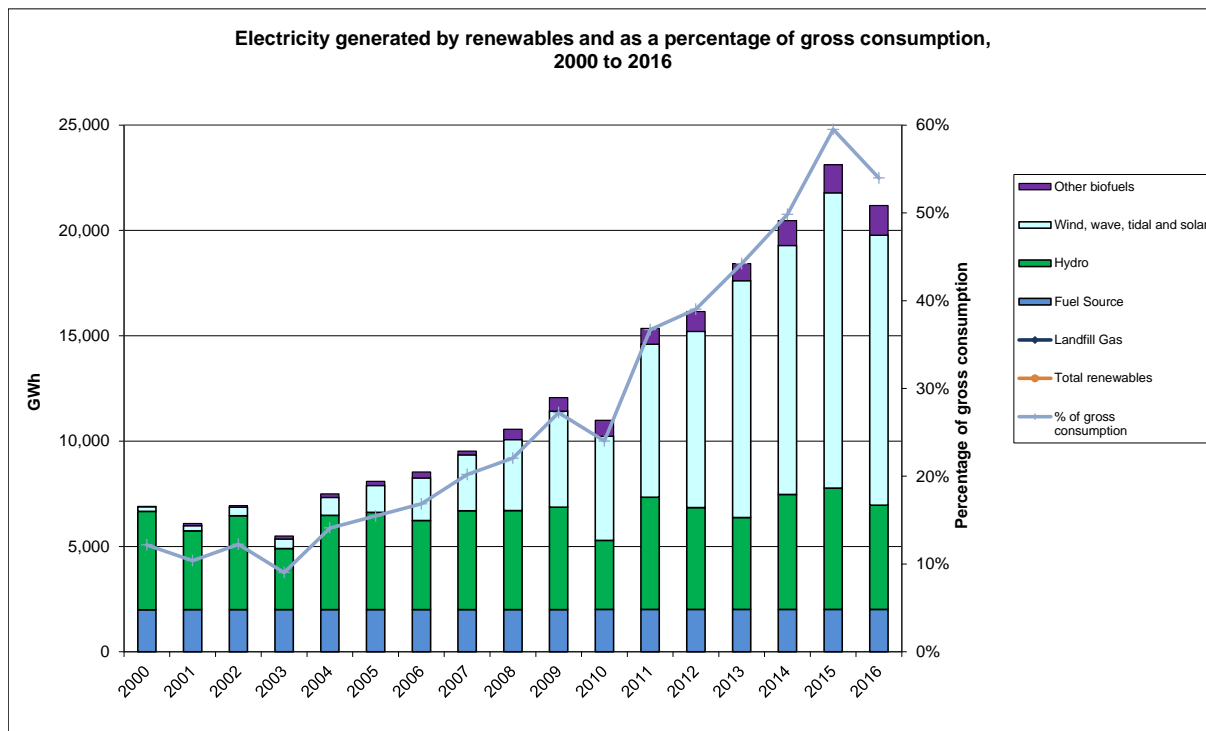
Renewable Energy

Last updated: December 2017

Renewable sources of energy can provide a sustainable means of generating the energy we need. Scotland particularly has huge potential for renewable energy due to its geology and climate. The Scottish Government has set a National Indicator to deliver the equivalent of 100% of gross consumption through renewable sources in 2020 – meeting the interim target of 50% by 2015.

This indicator helps monitor the extent to which Scottish electricity consumption can be met sustainably using renewable sources located both within Scotland and its coastal waters. The indicator equates the amount of electricity from renewables generated in Scotland annually as a percentage of Scottish gross annual consumption (electricity generated minus net exports (but including losses)).

The amount of electricity generated by renewables in Scotland has increased fourfold since 2000. In 2016, the amount of electricity generated in Scotland by renewable sources equated to 54.0% of the gross annual consumption of electricity in Scotland, compared with 12.2% in 2000.



Source: Department for Business, Energy and Industrial Strategy.

Web link

[Energy Trends](https://www.gov.uk/government/collections/energy-trends) (published December 2017)

<https://www.gov.uk/government/collections/energy-trends>

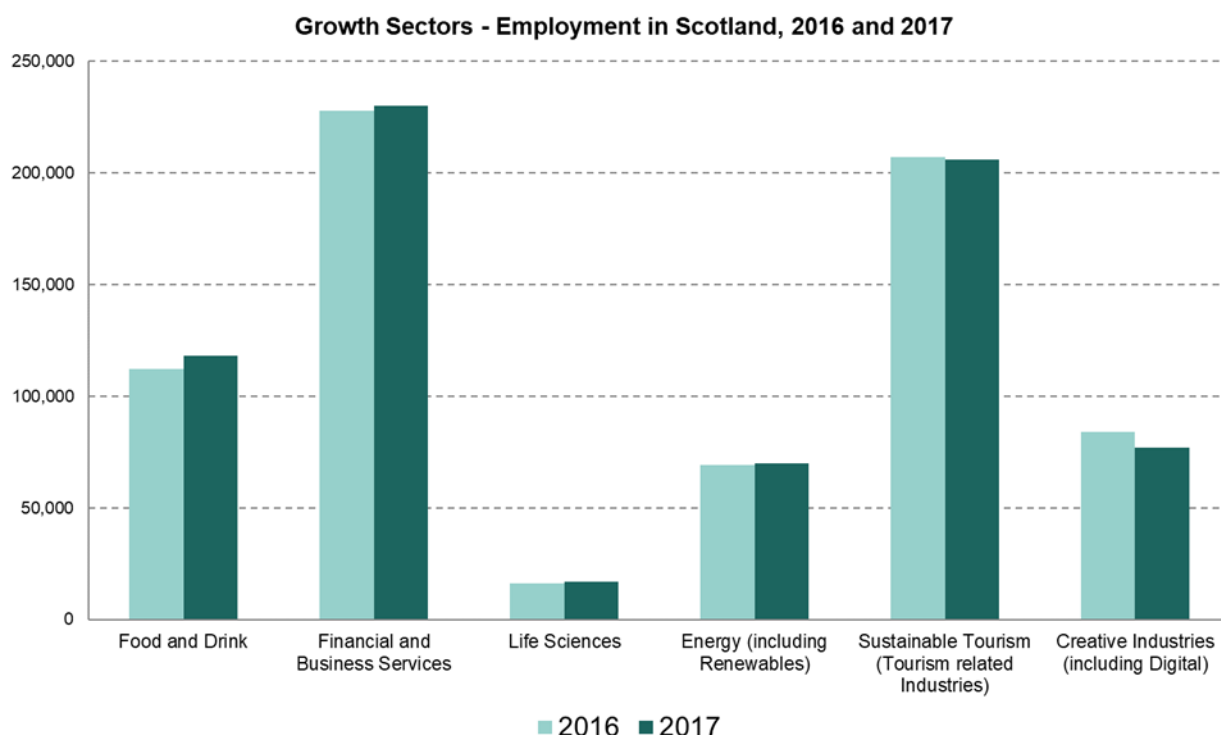
Growth Sector Statistics

Growth Sector Statistics – Employment

Last updated: November 2018

The growth sector statistics provide economic statistics for the six private sector dominated growth sectors as identified in the [Scotland's Economic Strategy \(SES\) 2015](#):

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



Source: Scottish Government, ONS, Business Register and Employment Survey (BRES).
Source for Agriculture is the Agricultural Census.

Notes: 1. Employment includes employees plus the number of working owners who receive drawings or a share of the profits but are not paid via PAYE. However, the employment estimate does not include those that are self-employed operating below the VAT threshold with no employees i.e. the smallest sole proprietors and partnerships.

2. Estimates for 2017 are provisional.

Web link

[Growth Sector Statistics](http://www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors)

<http://www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors>