

EXPORTS FROM SCOTLAND IN 2003: A SUMMARY OF RESULTS FROM SCOTLAND'S GLOBAL CONNECTIONS SURVEY

Introduction

This note presents the main findings of Scotland's Global Connections Survey¹ for 2003, and compares them with revised estimates of the value of Scottish exports in 2002, by industry sector and destination.

Exports by Broad Industry Sector & Trade Area

In 2003, total Scottish exports were provisionally estimated to be £18.8 billion, of which 69 per cent (£13 billion) were attributable to manufacturing. It was estimated that the service sector accounted for £5.2 billion exports (28 per cent) with an additional £0.4 billion (2 per cent) being generated by primary sector industries. The value of exports to the European Union was estimated at £10.1 billion (54 per cent) with a further £8.6 billion (46 per cent) going to the rest of the world.

Table 1: Scottish Exports by sector and trade area (£million), 2003^{P,1}

	EU	Non-EU	Total exports
Primary²	135	285	420
Production & Construction³	7,420	5,705	13,125
Services⁴	2,590	2,625	5,215
TOTAL	10,145	8,615	18,760

Notes:

P= Provisional.

1. Figures have been rounded and may not sum to total. Absolute and percentage changes are based on unrounded figures.

2. In accordance with National Accounting principles primary sector exports do not include the value of oil & gas extracted from the UK Continental Shelf and so companies in SIC 11.1 have not been included. Exports of services provided to the oil and gas industry by companies classified under SIC 11.2 are included.

3. Production sector includes manufacturing, mining & quarrying and electricity/gas/water supply.

4. The value of exports for 2003 was adjusted on 22 February 2005 to correct for a minor error in the service sector.

Change from 2002

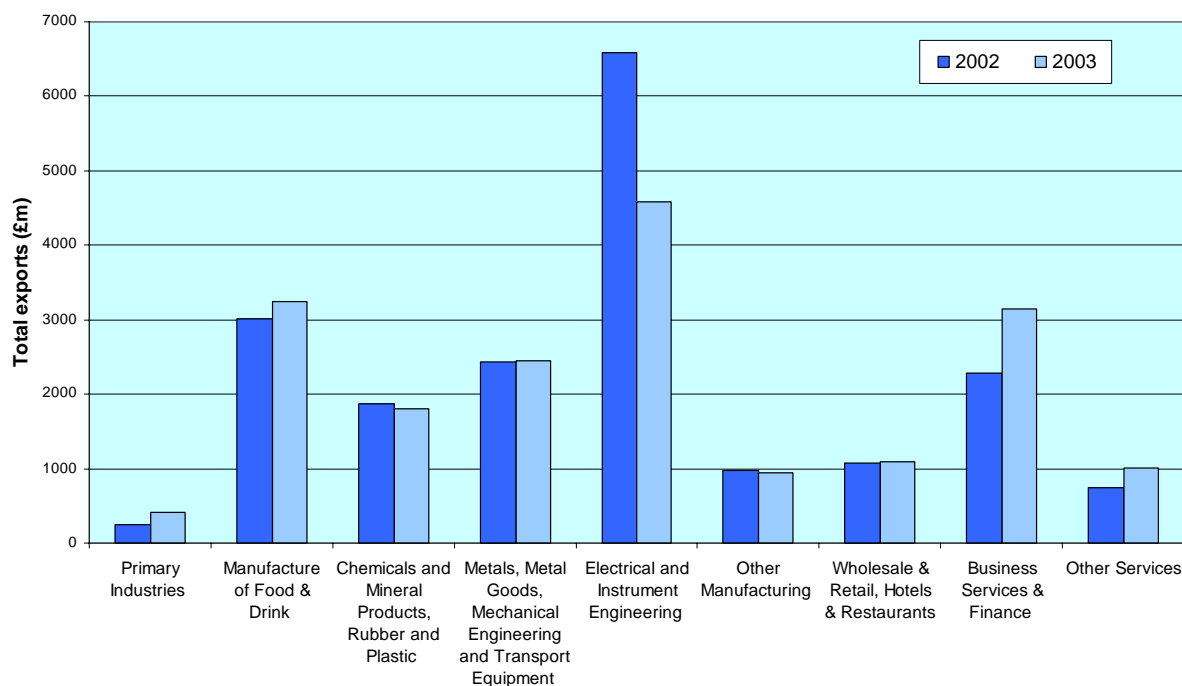
There was an overall reduction in total exports of £0.5 billion from 2002 to 2003. This is in line with the results from the Scottish quarterly manufactured exports index also showed a decline between 2002.

Exports to the EU reduced by £1 billion and to outside the EU increased by £500 million. This coincides with a period of weak demand in the Euro-zone economy, with GDP growth at 0.5 per cent. Information for particular countries can be found towards the end of this document.

Exports of electronics fell by £2 billion while growth was observed in food & drink and many service industries.

¹ The Global Connections Survey was carried out by the Scottish Executive with support from Scottish Development International. Results are based on data received from around 3,300 companies, supplemented with partial information on a further 1,500 companies obtained from other sources.

Chart 1: Scottish exports 2002 and 2003, by industry



Exports by detailed industry sector

In 2003, the top five exporting sectors were food & beverages (£3.3 billion – of which spirits accounted for 80 per cent), business services (£2.4 billion), radio/television and communication equipment (£1.8 billion), office machinery (£1.6 billion), and chemicals (including petroleum products) (£1.5 billion). Overall these sectors accounted for 55 per cent of total exports.

In 2003, **manufactured exports** were estimated at £13 billion (69 per cent of total exports). Of this £3.3 billion (25 per cent) was food and drink. The electronics industry as whole (defined as SIC divisions 30 - 33) had estimated exports of £4.6 billion, accounting for 35 per cent of manufactured exports and 24 per cent of total exports. The 2002 figure for electronics was £6.6 billion, with total manufactured exports at £14.8 billion.

Table 2 below shows the estimates by detailed industry. Due to sampling error and also because companies can move between industry sectors, estimated changes over time in smaller sectors should be treated with caution.

Table 2: Total Exports by Grouped Industry Sector, 2002^r = 2003^p, (£million)

Industry Groupings (2 Digit SIC Division Groups) ²	Total Export		Absolute Change	% Change	
	2002 ^r	2003 ^p			
01, 02, 05	Agriculture, Forestry & Fishing ³	125	110	-15	-12
10, 11, 13, 14	Mining, Quarrying & Extraction of Petroleum ⁴	125	310	185	148
15	Manufacture of Food Products and Beverages	3,020	3,250	230	8
15.91	<i>Of Which Manufacture of Distilled Potable Alcoholic Beverages</i>	2,310	2,590	280	12
17	Manufacture of Textiles & Textile Products	295	295	0	0
18	Manufacture of Wearing Apparel; Dressing and Dyeing of Fur	55	40	-15	-27
19	Tanning and Dressing of Leather; Manufacture of Luggage; Handbags, Saddlery, Harness & Footwear	60	50	-10	-17
20	Manufacture of Wood & of Products of Wood & Cork, Except Furniture; Manufacture of Articles of Straw & Plaiting Materials	40	35	-5	-13
21	Manufacture of Pulp, Paper & Paper Products	295	285	-10	-3
22	Publishing, Printing and Reproduction of Recorded Media	100	115	15	15
23, 24	Manufacture of Coke, Refined Petroleum Products & Nuclear Fuel, Manufacture of Chemicals & Chemical Products	1,565	1,530	-35	-2
25	Manufacture of Rubber & Plastic Products	305	275	-30	-10
26	Manufacture of Other Non-Metallic Mineral Products	115	110	-5	-4
27	Manufacture of Basic Metals	200	200	0	0
28	Manufacture of Fabricated Metal Products, Except Machinery & Equipment	370	350	-20	-5
29	Manufacture of Machinery & Equipment Not Elsewhere Specified	895	965	70	8
30	Manufacture of Office Machinery & Computers	3,530	1,555	-1975	-56
31	Manufacture of Electrical Machinery & Apparatus Not Elsewhere Specified	520	445	-75	-14
32	Manufacture of Radio, Television & Communication Equipment & Apparatus	1,870	1,800	-70	-4
33	Manufacture of Medical, Precision & Optical Instruments, Watches & Clocks	660	780	120	18
34	Manufacture of Motor Vehicles, Trailers & Semi-Trailers	105	60	-45	-43
35	Manufacture of Other Transport Equipment	750	765	15	2
36	Manufacture of Furniture; Manufacturing Not Elsewhere Specified	100	70	-30	-30
37	Recycling	30	45	15	50
40, 41, 45	Electricity, Gas & Water Supply, Construction	65	105	40	62
50, 51, 52, 55	Wholesale ⁵ , Retail & Repairs, Hotels & Restaurants	1,080	1,095	15	1
60, 61, 62, 63	Land, Water & Air Transport & Auxiliary Transport Activities	315	480	165	52
64	Post & Telecommunication	90	115	25	28
65, 66, 67	Financial Intermediation	590	750	160	27
70, 71	Real Estate & Renting	70	45	-25	-36
72, 73, 74	Business Services ⁶	1,630	2,350	720	44
80	Education	200	205	5	3
85, 90, 91, 92, 93	Other Services ^{7,8}	75	180	105	140
	Total Exports	19,250	18,760	-490	-3

Notes:

pProvisional.

rRevised.

- Figures have been rounded and may not sum to total. Absolute and percentage changes are based on unrounded figures.
- Figures for 2002 are based the 1992 UK Standard Industrial Classification (SIC). Figures for 2003 are based on the 2003 UK SIC
- The value of export of fishing (SIC 5.01) relating to direct lands of fish abroad has been provided by the Scottish Executive Rural Affairs Department (SERAD) and is not derived from Scotland's Global Connections Survey (GCS).
- In accordance with National Accounting principles figures for the 'Extraction of Petroleum' do not include the value of oil and gas extracted from the UK Continental Shelf and so companies in SIC 11.1 have not been included. Exports of services provided to the oil and gas industry by companies classified under SIC 11.2 are included.
- Wholesale figures include the wholesale of agricultural products, fish and crustaceans & molluscs.
- Business Services include the following activities: computer and related activities; research & development; legal-, accounting-, booking-keeping- and auditing activities; tax consultancy; market research; public opinion polling; business and management consultancy.
- 'Other Services' includes the following activities: Health and Other community activities, social and personal service activities.
- The value of exports for 2003 has been adjusted on 22 February 2005 to correct for a minor error in the service sector.

Export Markets

Table 3 shows estimates of exports to international destinations. Along with exports to North America, Exports to Asia and non-EU Europe increased slightly while other regions experienced drops in the estimated value of exports.

Table 3: Exports¹ by region, 2003 and 2002

Region	Exports value 2002 ^r (£bn)	Exports value 2003 ^p (£bn)
EU	10.8	9.9
Rest of Europe	1.9	2.0
North America	2.4	2.7
Central and South America	0.5	0.5
Middle East	0.8	0.7
Asia	1.6	1.7
Africa	0.6	0.4
Australasia	0.3	0.2
TOTAL²	18.8	18.2

Table 4 shows the top 20 destinations for Scottish exports in 2003. The top destination was the USA, which accounted for an estimated £2.5 billion exports (13 per cent of total exports). This was followed by Germany which was the destination for an estimated £1.9 billion exports (10 per cent of total exports). The top 20 export destinations accounted for 81 per cent of total exports.

Table 4: Top 20 export markets^{1,2}, 2003

Rank	Destination	Exports (£bn)	Exports in 2002	Rank in 2002
1	USA	2.5	2.2	2
2	Germany	1.9	2.3	1
3	France	1.2	1.8	3
4	Eire	1.2	0.8	7
5	Netherlands	1.2	1.4	4
6	Spain	1.1	1.0	6
7	Italy	0.8	1.0	5
8	Norway	0.7	0.6	10
9	Belgium	0.7	0.6	8
10	Switzerland	0.6	0.5	12
11	Sweden	0.5	0.6	9
12	Denmark	0.3	0.5	13
13	Finland	0.3	0.2	23
14	Japan	0.3	0.5	11
15	Canada	0.3	0.3	16
16	Malaysia	0.2	0.4	14
17	Korea	0.2	0.1	32
18	United Arab Emirates	0.2	0.2	21
19	Greece	0.2	0.2	22
20	Australia	0.2	0.2	19

Countries that were in the top 20 and 2002 but not in 2003 were South Africa, Russia, Venezuela and Israel.

1 Figures have been rounded.

2 Excludes the value of Financial Intermediation (SIC 61) and Water Transport (SIC 65). Currently, it is not possible to allocate exports for these sectors to detailed trade areas.

p = provisional, r= revised

The ranks in 2002 are shown here for information. It can be seen that ranks can change considerably for countries with similar export values. Additionally, the country results are subject to sampling error, so rankings should be considered broadly rather than exactly.

It should be borne in mind therefore that differences in the reported export markets of the companies responding to the survey could affect the year on year changes in the estimates.

Acknowledgments

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