

# EXPORTS FROM SCOTLAND IN 2002: A SUMMARY OF RESULTS FROM SCOTLAND'S GLOBAL CONNECTIONS SURVEY

## Introduction

This note presents the main findings of Scotland's Global Connections Survey for 2002. These include revised estimates of the value of Scottish exports in 2002, by industry sector and destination. Summary details of the wider commercial relationships of Scottish business with overseas companies are also shown.

## Exports by Broad Industry Sector & Trade Area

In 2002, total Scottish exports were estimated to be £18.8 billion, of which 76 per cent (£14.3 billion) were attributable to the production and construction sector, including manufacturing. It was estimated that the service sector accounted for £4.3 billion exports (23 per cent) with an additional £0.2 billion (1 per cent) being generated by primary sector industries. The value of exports to the European Union was estimated at £10.8 billion (58 per cent) with a further £8.0 billion (42 per cent) going to the rest of the world.

**Table 1: Total Exports by Broad Industry Sector & Destination, 2002<sup>1</sup>, (£million)**

Sector	EU	RoW	Total Exports
Primary <sup>2</sup>	65	95	160
Production & Construction <sup>3</sup>	8,425	5,920	14,345
Services	2,325	1,935	4,260
<b>Total Exports</b>	<b>10,815</b>	<b>7,955</b>	<b>18,770</b>

Notes:

<sup>1</sup>Revised.

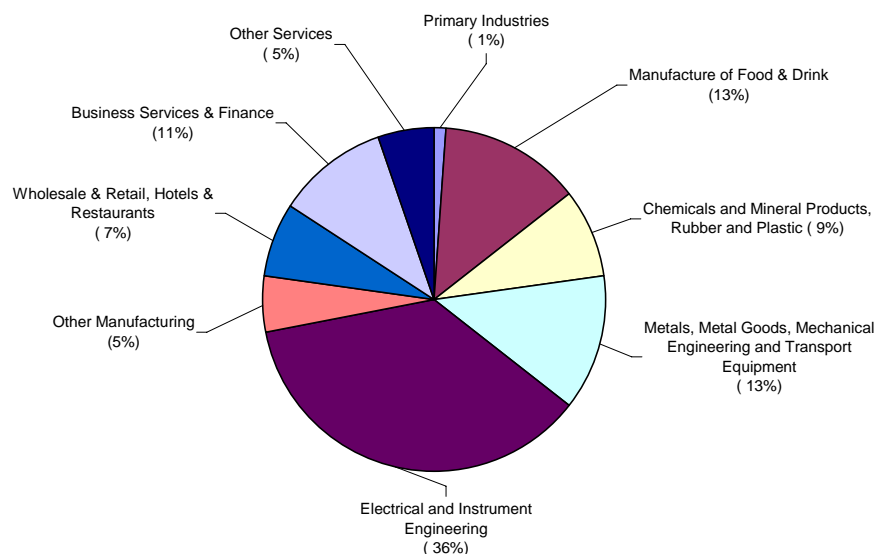
<sup>2</sup>Figures have been rounded and may not sum to total.

<sup>3</sup>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.

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

## Exports by Detailed Industry Sector

Chart 1: Scottish Exports by Industry, 2002<sup>1</sup>



Notes:  
<sup>1</sup>Revised

In 2002, the top five exporting sectors were office machinery (£3.4 billion), food & beverages (£2.5 billion – of which alcoholic beverages accounted for 85 per cent), radio/television and communication equipment (£2.3 billion), business services (£1.4 billion) and chemicals (£1.3 billion). Overall these sectors accounted for 58 per cent of total exports.

In 2002, manufactured exports were estimated at £14.3 billion (76 per cent of total exports) and account for almost all exports in the production and construction sector. Within the manufacturing sector, the electronics industry as whole (defined as SIC divisions 30 - 33) had estimated exports of £6.8 billion, accounting for 48 per cent of manufactured exports and 36 per cent of total exports.

In 2002, the top five exporting service sectors were business services (£1.4 billion – 32 per cent of total service exports), wholesale/retail & repairs (£0.8 billion – 20 per cent of total services exports), transport (£0.6 billion – 14 per cent of total service exports), financial intermediation (£0.5 billion – 13 per cent of total service exports) and hotels & restaurants (£0.5 billion – 11 per cent of total service exports).

Exports of spirits have been estimated as £2.1 bn. This figure has been provided by Customs & Excise and is exports by companies in Scotland classified under *Manufacture of distilled potable alcoholic beverages*. This is different from, but compatible with, the usual figure quoted for whisky exports by the Scotch Whisky Association, which counts all exports of the product from the UK. Some exports of spirits are also included under wholesale, where the blenders or bottlers have been classified in that way by ONS.

**Table 2: Total Exports by Grouped Industry Sector, 2002<sup>1</sup>, (£million)<sup>1</sup>**

Industry Groupings (1992 2 Digit SIC Division Groups)		Total Exports
01, 02	Agriculture & Forestry	10
05	Fishing, Operation of Fish Hatcheries & Fish Farms; Service Activities Incidental to Fishing	50
10, 11, 13,14	Mining, Quarrying & Extraction of Petroleum <sup>2</sup>	100
15	Manufacture of Food Products and Beverages	2,500
15.91	<i>Of Which Manufacture of Distilled Potable Alcoholic Beverages<sup>3</sup></i>	2,115
17	Manufacture of Textiles & Textile Products	295
18	Manufacture of Wearing Apparel; Dressing and Dyeing of Fur	60
19	Tanning and Dressing of Leather; Manufacture of Luggage; Handbags, Saddlery, Harness & Footwear	60
20	Manufacture of Wood & of Products of Wood & Cork, Except Furniture; Manufacture of Articles of Straw & Plaiting Materials	40
21	Manufacture of Pulp, Paper & Paper Products	305
22	Publishing, Printing and Reproduction of Recorded Media	100
23	Manufacture of Coke, Refined Petroleum Products & Nuclear Fuel	0
24	Manufacture of Chemicals & Chemical Products	1,315
25	Manufacture of Rubber & Plastic Products	295
26	Manufacture of Other Non-Metallic Mineral Products	100
27	Manufacture of Basic Metals	135
28	Manufacture of Fabricated Metal Products, Except Machinery & Equipment	355
29	Manufacture of Machinery & Equipment Not Elsewhere Specified	980
30	Manufacture of Office Machinery & Computers	3,380
31	Manufacture of Electrical Machinery & Apparatus Not Elsewhere Specified	545
32	Manufacture of Radio, Television & Communication Equipment & Apparatus	2,255
33	Manufacture of Medical, Precision & Optical Instruments, Watches & Clocks	655
34	Manufacture of Motor Vehicles, Trailers & Semi-Trailers	60
35	Manufacture of Other Transport Equipment	755
36	Manufacture of Furniture; Manufacturing Not Elsewhere Specified	100
37	Recycling	35
40,41	Electricity, Gas & Water Supply	0
45	Construction	25
50, 51, 52	Wholesale, Retail & Repairs <sup>4</sup>	840
55	Hotels & Restaurants	460
60, 61, 62, 63	Land, Water & Air Transport & Auxiliary Transport Activities	595
64	Post & Telecommunication	15
65, 66, 67	Financial Intermediation	530
70, 71	Real Estate & Renting	75
72, 73, 74	Business Services <sup>5</sup>	1,380
80	Education	235
85, 90, 91, 92, 93	Other Services	125
<b>Total Exports</b>		<b>18,770</b>

Notes:

<sup>1</sup>Revised.

<sup>1</sup>Figures have been rounded and may not sum to total.

<sup>2</sup>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.

<sup>3</sup>The value of exports for manufactured distilled alcoholic beverages has been provided by Customs and Excise (HMCE) and is not derived from Scotland's Global Connections Survey 2002.

<sup>4</sup>Wholesale figures include the wholesale of agricultural products, fish, crustaceans & molluscs and whisky.

<sup>5</sup>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.

## Exports Markets

In 2002 the top destination for Scottish exports was Germany, which accounted for an estimated £2.4 billion exports (13 per cent of total exports). This was followed by the USA which accounted for an estimated £2.0 billion exports (11 per cent of total exports) and France which accounted for an estimated £1.8 billion exports (10 per cent of total exports). The top 20 export destinations accounted for 80 per cent of total exports. Nine of the top 20 export destinations were European Union countries and they alone accounted for 52 per cent of total exports (£9.7 billion).

**Table 4: Top 20 Markets for Exports, 2002<sup>1</sup>, (£billion)<sup>1</sup>**

Rank	Destination	Total Exports <sup>2</sup>
1	Germany	2.4
2	USA	2.0
3	France	1.8
4	Netherlands	1.5
5	Italy	1.0
6	Spain	0.8
7	Eire	0.8
8	Belgium	0.6
9	Norway	0.5
10	Sweden	0.5
11	Switzerland	0.5
12	Denmark	0.4
13	Russia	0.4
14	Japan	0.4
15	Malaysia	0.3
16	Canada	0.3
17	Korea	0.3
18	Israel	0.2
19	Australia	0.2
20	South Africa	0.2

Notes:

rRevised.

<sup>1</sup>Figures have been rounded.

<sup>2</sup>Total exports 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.

## Ownership and Headquarters of Scottish-Based Companies

In 2002, the majority of Scottish-based companies (84 per cent) who responded to the survey, reported that they were Scottish owned and 12 per cent reported that their owners were located in the rest of the UK. The remaining 5 per cent of were owned outwith the UK.

Eighty-five per cent of Scottish-based companies reported that they were headquartered in Scotland, with 11 per cent reporting that their headquarters were based in the rest of the UK. The remaining 3 per cent of companies were headquartered outwith the UK.

**Table 4: Broad Location of Company Owner for Scottish-Based Companies, 2002<sup>p</sup>**

Location of Company Owner	Percentage
Scotland	83.7
Rest of UK	11.7
European Union	1.7
Rest of Europe	0.6
North America	1.8
Asia	0.4
Other <sup>1</sup>	0.1
<b>Total</b>	<b>100</b>

Notes:

p Provisional and may be subject to revision.

1 Other location includes Africa, Central/ South America and the Middle East.

**Table 5: Broad Location of Company Headquarters for Scottish-Based Companies, 2002<sup>p</sup>**

Location of Company HQ	Percentage
Scotland	85.4
Rest of UK	11.4
European Union	1.0
Rest of Europe	0.4
North America	1.4
Other <sup>1</sup>	0.3
<b>Total</b>	<b>100</b>

Notes:

p Provisional and may be subject to revision.

1 Other location includes Africa, Central/ South America and the Middle East.

## **Acknowledgments**

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