



Scottish Council for
Development and Industry

SURVEY OF SCOTTISH MANUFACTURED EXPORTS 2007/08

Supported by:



Introduction

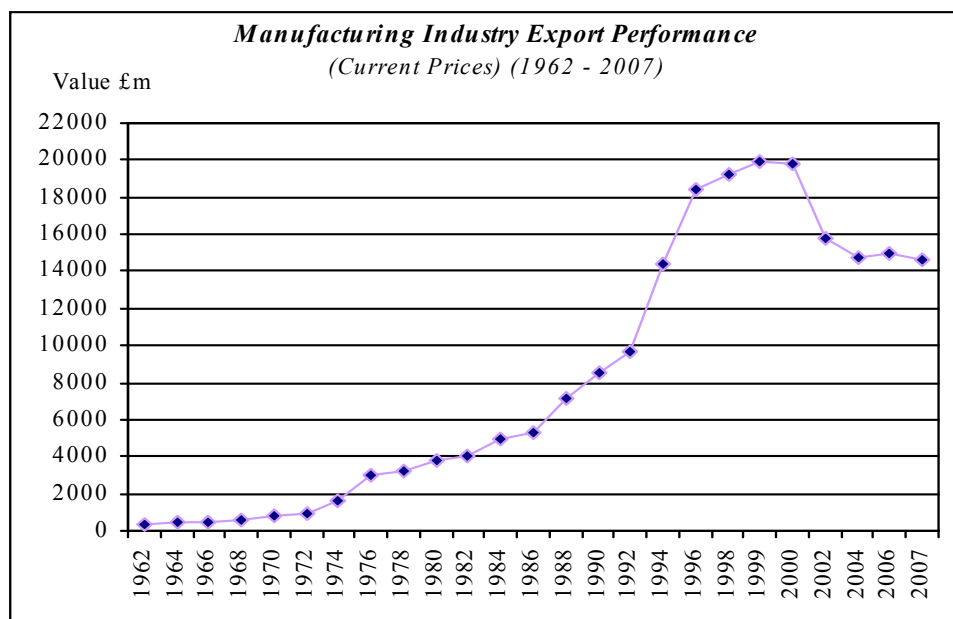
The Scottish Council for Development and Industry has been estimating the value of Scottish exports since the 1960s in its Survey of Scottish Sales and Exports. As an independent organisation, the findings of its annual research in this field have been available to assist in understanding long-term trends in Scotland's international trading performance. It is the only independent organisation producing such comprehensive statistics on this aspect of Scottish economic activity.

The study provides a definitive guide to Scotland's export performance, designed to assist policy-makers within government and the public sector, academia, media, and exporters themselves.

Please call Yvonne MacArthur on 0141 352 8543 for further information.

February 2009

Manufactured Exports Performance



- 2.4% decline in manufactured exports recorded in 2007, to £14.6bn

- Exports peaked in 1999 at just under £20bn

Manufacturing Industry Export Performance

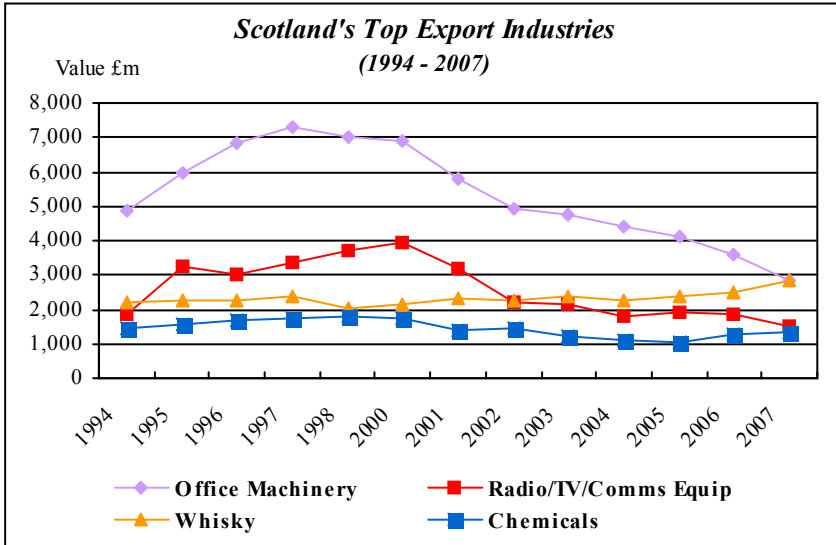
*Scottish Manufactured Exports
(£m Current Prices)
(2004 - 2007)*

INDUSTRY (1992 SIC DIVISION)	2005	2006	2007
(15) Whisky *	2,370.3	2,478.6	2,824.6
Gin/Vodka **	168.0	168.0	189.0
Other Food Products and Beverages	464.5	498.2	506.7
(16) Tobacco Products	-	-	-
(17) Textiles	231.3	229.2	213.2
(18) Wearing Apparel; Dressing and Dyeing of Fur	47.2	50.0	38.7
(19) Tanning and Dressing of Leather; Luggage, Handbags, Saddlery, Harness and Footwear	68.3	77.5	78.9
(20) Wood and Wood Products	38.1	39.0	41.6
(21) Pulp, Paper and Paper Product	329.2	339.8	330.4
(22) Publishing, Printing and Reproduction of Recorded Media	27.9	26.9	27.1
(23) Coke, Refined Petroleum Products and Nuclear Fuel	473.2	687.5	732.2
(24) Chemicals and Chemical Products	1,058.9	1,300.9	1,354.9
(25) Rubber and Plastic Products	340.5	342.9	364.2
(26) Other Non-Metallic Mineral Products	148.8	174.0	179.2
(27) Basic Metals	138.0	136.5	161.3
(28) Fabricated Metal Products, except Machinery and Equipment	355.7	401.0	393.4
(29) Machinery and Equipment nec***	983.1	948.0	1,069.4
(30) Office Machinery	4,130.8	3,610.6	2,854.5
(31) Electrical Machinery and Apparatus nec***	400.3	365.3	368.9
(32) Radio, Television, and Communication Equipment and Apparatus	1,896.0	1,850.3	1,532.4
(33) Medical, Precision and Optical Instruments, Watches and Clocks	347.2	365.2	387.1
(34) Motor Vehicles, Trailers and Semi-Trailers	50.5	58.4	43.8
(35) Other Transport Equipment	681.4	767.2	845.5
(36) Furniture; Manufacturing nec***	59.6	54.8	53.2
(37) Recycling	42.6	53.9	69.3
ALL MANUFACTURING	14,851.4	15,023.7	14,659.5

* Figures provided by the Scotch Whisky Association
 ** Provided by the Gin and Vodka Association of Great Britain
 *** nec = not elsewhere classified

- Despite overall decline in total manufactured exports, sixteen sectors recorded increased export activity, only eight fell below previous levels
- Impressive growth recorded in Food and Drink sectors. In particular, the spirits industry saw exports rise by 13.9% (Whisky), and 12.5% (Gin/Vodka). Other Food and Drink exports rose by 1.7%
- Top four export sectors in Scotland account for 58% of total manufactured exports, down from 62% last year. They are Office Machinery (30), Whisky (15), Radio/TV/Communications Equipment (32), and Chemicals (24)
- Good export performance recorded in Recycling (37), Basic Metals (27), Machinery & Equipment (29) and Transport Equipment (35) - all show double digit percentage growth
- Overseas sales of Electronics (30/32) continue to fall, although still account for a substantial 30% of total exports. Electronics includes computers and peripherals, mobile phones, printed circuit boards, and televisions
- Other sectors showing a decline in exports are Textiles (17), Clothing (18), Motor Vehicles (34), and Paper (21). Modest reduction in exports shown in a few other sectors

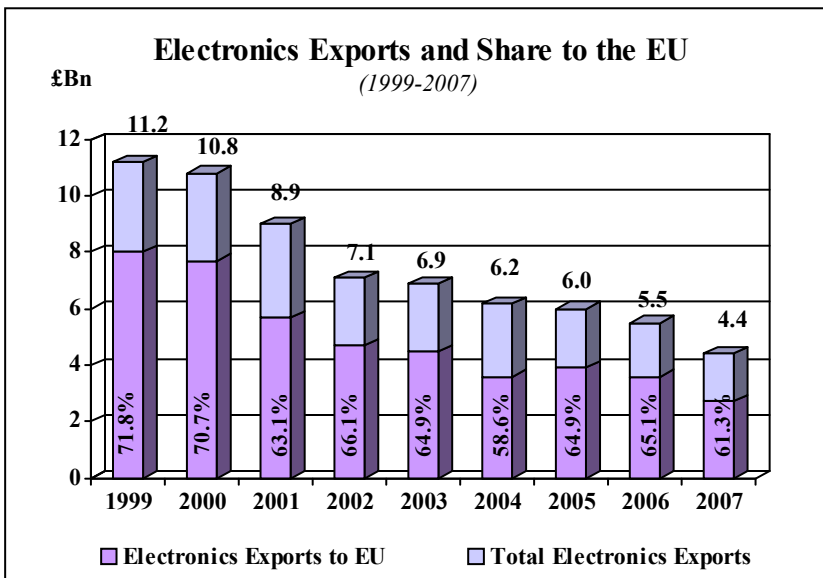
Manufacturing Industry Export Performance



- Both Office Machinery (30) and Radio/TV/Communications Equipment (32) continue to decline since their peak in the late 1990s
- Whisky (15) and Chemicals (24) both show further growth



- Following a period of gradual recovery, Scotland's manufactured exports declined by 2.4% in 2007
- Exports in 2007 were £14.6bn, slightly less than the level of £14.8bn recorded in 2004



- Chart shows combined exports from Office Machinery (30) and Radio/TV/Communications Equipment (32) over eight years and highlights share going to European Union
- The continual fall in electronics exports is clear from the chart, now valued at £4.4bn compared to £11.2bn in 1999
- 61% of electronics exports are destined for EU

Manufacturing Industry Export Performance



- Chart clearly shows when Electronics (30/32) exports are excluded from the total, overseas activity from other sectors have fared extremely well in recent years
- A rise of over 8% was recorded in non-electronics exports in 2007, compared to a decline in total exports of 2.4%

Destination of Manufactured Exports

**Destination of Scottish Manufactured Exports
by Geographic Region
(£m Current Prices) (2005 – 2007)**

	2005	2006	2007	% Share of 2007 Total
European Union	7,958	7,992	7,582	52%
North America	2,486	2,392	2,370	16%
Asia Pacific	2,315	2,218	2,013	14%
Western Europe (excl. EU)	460	486	757	5%
Africa	324	505	558	4%
Latin America	420	515	550	4%
Middle East	485	571	520	3%
Eastern Europe	235	201	174	1%
Australasia	168	143	135	1%

NB Western Europe (excl. EU) consists of Iceland, Liechtenstein, Norway and Switzerland.

- Dip in exports recorded to the EU but still taking over half of total manufactured exports
- Substantial increase in exports to Western European countries (outwith EU). Result of a shift in destination of some electronics exports
- Further rise in exports to Africa, largely a result of increased activity in the Machinery & Equipment (29) sector

Destination of Manufactured Exports

**Top 20 Markets for Scottish Manufactured Exports
(£m Current Prices)
(2005 - 2007)**

COUNTRY	2005		2006		2007	
USA	2,313	(1)	2,250	(1)	2,247	(1)
FRANCE	1,446	(3)	1,433	(3)	1,467	(2)
GERMANY	1,492	(2)	1,457	(2)	1,233	(3)
NETHERLANDS	1,220	(4)	1,322	(4)	895	(4)
SPAIN	851	(5)	771	(5)	876	(5)
BELGIUM	482	(8)	598	(8)	712	(6)
ITALY	770	(6)	748	(6)	615	(7)
SWITZERLAND	283	(12)	251	(13)	496	(8)
JAPAN	702	(7)	697	(7)	443	(9)
SINGAPORE	350	(10)	366	(10)	377	(10)
SWEDEN	392	(9)	393	(9)	376	(11)
IRELAND	227	(14)	212	(15)	282	(12)
UNITED ARAB EMIRATES	193	(17)	229	(16)	253	(13)
NORWAY	165	(19)	222	(17)	253	(14)
SOUTH KOREA	251	(13)	255	(12)	240	(15)
CHINA	218	(15)	235	(14)	215	(16)
SOUTH AFRICA	151	(20)	181	(20)	207	(17)
HUNGARY	*		*		201	(18)
BRUNEI	*		*		154	(19)
DENMARK	*		189	(19)	154	(20)

* Not a Top 20 market for the specified year

Note: The above table is produced primarily to show trends. Respondents are not always able to provide a full breakdown of final destination of product where they make use of intermediate distribution centres, e.g. Netherlands and Belgium.

- USA retains its position as top export market for manufactured goods, and still represents 15% of the total
- Key sectors selling to the USA are Whisky (15), Transport Equipment (35) and Electronics (30/32)
- EU markets show mixed results. Although Germany, Netherlands and Italy have all seen a decline; Spain, Belgium and Hungary all recorded increased exports from Scotland
- A mix of sectors contributing to changes in some of these EU countries are Whisky (15), Electronics (30/32) and Chemicals (24)
- Reduced exports of Electronics (30), Whisky (15) and Transport Equipment (35) contributed to the large reduction in Japan exports this year
- Volatility in Transport Equipment (35) has resulted in Brunei's appearance in top 20 markets this year

New Markets of Interest

Key Markets of Interest for Future Exporting

	% Responses
Asia (mainly China and India)	29%
European Union (broad spread)	22%
Eastern Europe (mainly Russia)	13%
South America (mainly Brazil)	11%
Middle East (broad spread)	11%

- 29% of countries identified by respondents as potential new markets of interest were within Asia, particularly China and India
- A further 22% were within the EU
- Russia and Brazil also of interest, as were some Middle Eastern markets

www.scdi.org.uk
www.yescotland.co.uk
yvonne.macarthur@scdi.org.uk

East of Scotland

23 Chester Street
Edinburgh
EH3 7ET
Tel: 0131 225 7911
Fax: 0131 220 2116

Highlands & Islands

Ballantyne House
84 Academy Street
Inverness
IV1 1LU
Tel: 01463 231 878
Fax: 01463 243 568

North-East Scotland

c/o ConocoPhillips (U.K.) Limited
Rubislaw House
Anderson Drive
Aberdeen
AB15 6FZ
Tel: 01224 205 868
Fax: 01224 205 889

West of Scotland

Campsie House
17 Park Circus Place
Glasgow
G3 6AH
Tel: 0141 332 9119
Fax: 0141 333 0039



INVESTOR IN PEOPLE
