



Scottish Council for
Development and Industry

SURVEY OF SCOTTISH MANUFACTURED EXPORTS 2004/05

In Partnership with:



Introduction

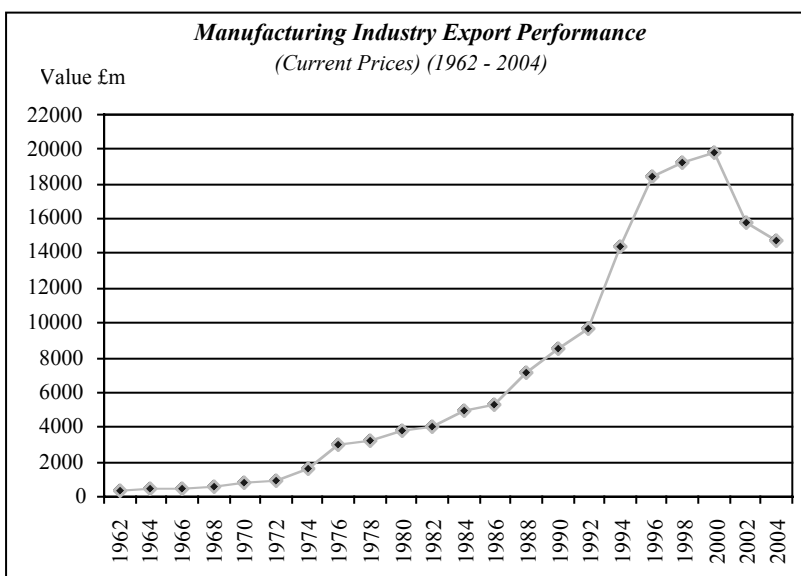
The Scottish Council for Development and Industry has been estimating the value of Scottish exports since the 1960s in its Survey of Scottish Sales and Exports. As an independent organisation, the findings of its annual research in this field have been available to assist in understanding long-term trends 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, which we hope will assist policy-makers within government and the public sector, academia, media, and exporters themselves.

If you have any questions please call Yvonne MacArthur on 0141 352 8543.

October 2005

Manufactured Exports Performance



- SCDI's survey of manufactured exports now spans more than four decades
- Further fall in exports recorded in 2004 - down by half a billion pounds to £14.8bn, the lowest figure for a decade
- For 2005/06, 53% of respondents predicted exports would remain unchanged, 8% expected a decline and 38% foresee an increase

Manufacturing Industry Export Performance

Scottish Manufactured Exports
(£m Current Prices)
(2002 - 2004)

INDUSTRY (1992 SIC DIVISION)	2002	2003	2004
(15) Whisky *	2,285.3	2,375.4	2,263.0
Gin/Vodka **	140.0	154.0	168.0
Other Food Products and Beverages	478.4	455.5	438.6
(16) Tobacco Products	-	-	-
(17) Textiles	206.6	217.3	223.8
(18) Wearing Apparel; Dressing and Dyeing of Fur	71.1	60.6	80.4
(19) Tanning and Dressing of Leather; Luggage, Handbags, Saddlery, Harness and Footwear	65.0	63.5	71.2
(20) Wood and Wood Products	25.6	33.8	35.0
(21) Pulp, Paper and Paper Product	370.1	354.4	337.0
(22) Publishing, Printing and Reproduction of Recorded Media	58.2	57.6	42.3
(23) Coke, Refined Petroleum Products and Nuclear Fuel	399.4	480.1	560.3
(24) Chemicals and Chemical Products	1,424.5	1,219.9	1,092.7
(25) Rubber and Plastic Products	311.2	332.4	346.4
(26) Other Non-Metallic Mineral Products	108.4	101.4	126.3
(27) Basic Metals	134.1	117.9	128.5
(28) Fabricated Metal Products, except Machinery and Equipment	296.1	320.2	307.0
(29) Machinery and Equipment nec***	814.5	792.7	884.7
(30) Office Machinery	4,939.2	4,737.6	4,419.8
(31) Electrical Machinery and Apparatus nec***	312.9	286.8	341.7
(32) Radio, Television, and Communication Equipment and Apparatus	2,179.6	2,138.4	1,777.5
(33) Medical, Precision and Optical Instruments, Watches and Clocks	289.9	275.9	315.1
(34) Motor Vehicles, Trailers and Semi-Trailers	58.2	49.1	41.8
(35) Other Transport Equipment	666.6	610.9	686.0
(36) Furniture; Manufacturing nec***	82.9	61.0	52.4
(37) Recycling	23.0	28.2	35.3
ALL MANUFACTURING	15,740.8	15,324.6	14,774.8

* Figures provided by the Scotch Whisky Association

** Provided by the Gin and Vodka Association of Great Britain

*** nec = not elsewhere classified

- Thirteen sectors show increased exports during 2004, including Textiles, Rubber and Plastic Products, and the Biotech industry, with ten falling below previous levels

- Top four exporting sectors in Scotland - Office Machinery (30), Radio/TV/Communications Equipment (32), Whisky (15) and Chemicals (24) - account for 65% of total manufactured exports

- Overseas sales of Electronics (30/32) fell again, this time by almost 10%, although individual companies showed mixed results

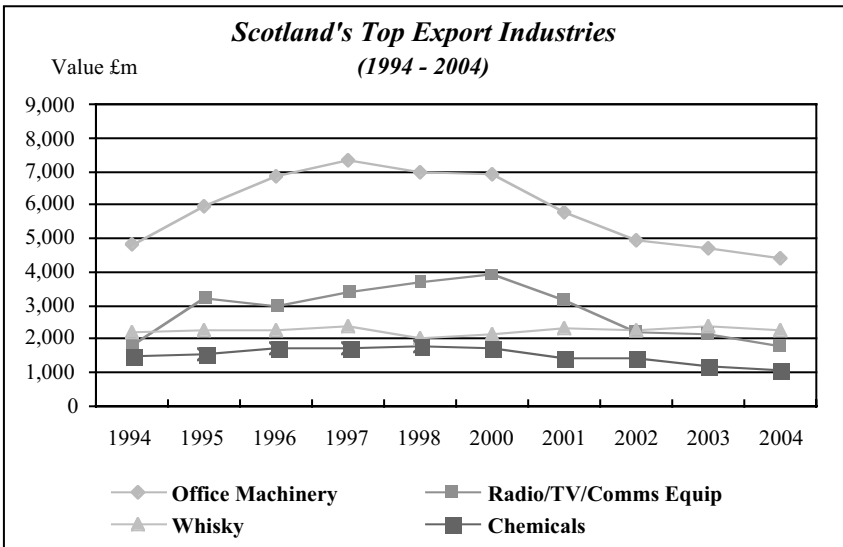
- Office Machinery (30) consists of computers and peripherals. Radio/TV/Communications Equipment (32) is mainly mobile telephones, printed circuit boards, and televisions

- High performing sectors include Electrical Machinery (31) (+19%), Coke, Refined Petroleum Products (23) (+17%), Machinery and Equipment (29) (+12%) and Other Transport Equipment (35) (+12%)

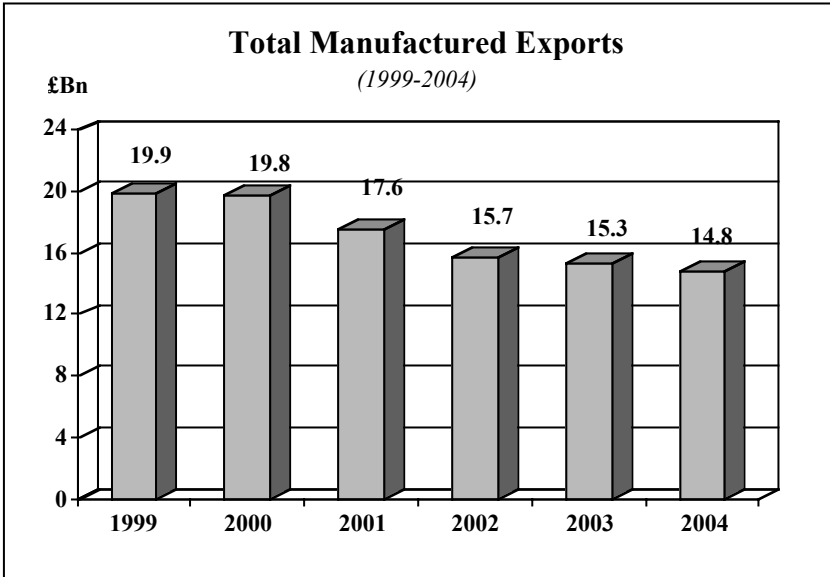
- Exports from Chemicals industry (24) fell again, by 10% in 2004 - sector includes industrial gases, pharmaceuticals, paints and coatings. Exports stand at just over £1bn, down from £1.2bn in 2003

- The Leather industry (19), which consists of everything from handbags and luggage to vehicle upholstery, recorded increased exports in 2004 following a period of decline

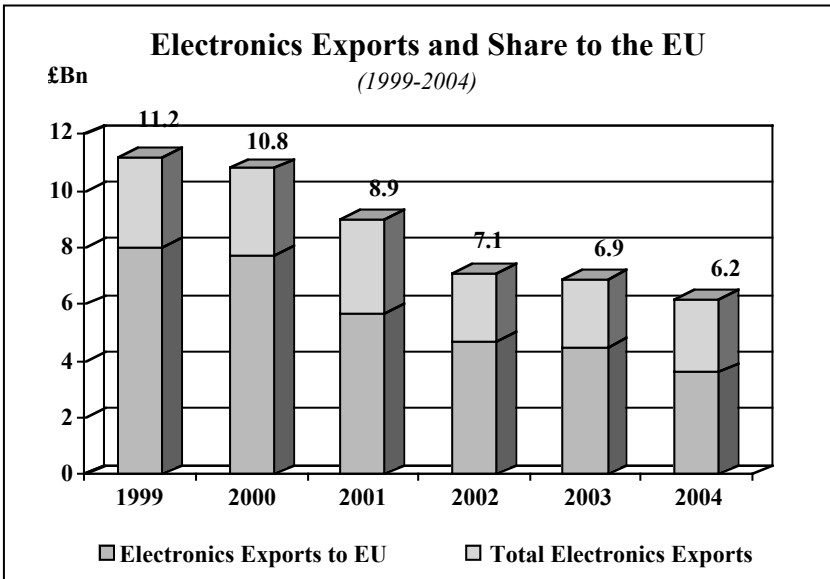
Manufacturing Industry Export Performance



- Overall drop recorded in Scotland's electronics industries - Office Machinery (30) fell by £318m and Radio/TV/Communications Equipment (32) by around £360m
- Whisky (15) sales fell by 5% but early indications are good for 2005
- Exports from the Chemicals sector (24) continue to fall

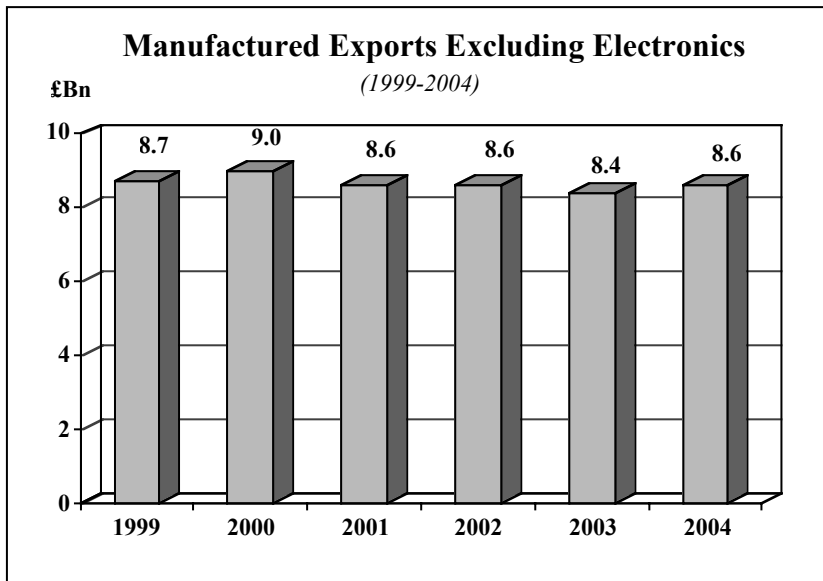


- Chart shows continued fall in exports over a six year period. Exports peaked at almost £20bn in 1999



- Chart shows combined exports from Office Machinery (30) and Radio/TV/Comms Equipment (32) over six years and highlights share going to EU
- Continued fall in share of Electronics exports destined for the EU, now standing at under 60%

Manufacturing Industry Export Performance



- When Electronics is excluded, the chart shows that exports from other sectors have increased by £200m
- These figures reinforce the decent performance of many sectors when the large Electronics sectors are extracted, although only maintaining the levels of six years ago

Destination of Manufactured Exports

**Destination of Scottish Manufactured Exports
by Geographic Region
(£m Current Prices) (2002 - 2004)**

	2002	2003	2004	% Share of 2004 Total
European Union	8,633	8,635	7,738	52%
North America	2,389	2,430	2,636	18%
Asia Pacific (excl. Japan)	1,436	1,428	1,642	11%
Japan	527	664	795	5%
Western Europe (excl. EU)	832	477	486	3%
Middle East	482	404	423	3%
Latin America	382	368	334	2%
Africa	383	320	316	2%
Eastern Europe	529	480	283	2%
Australasia	147	118	122	1%

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

- Despite an enlarged EU in 2004, exports to the area fell by over 10%, although the EU still takes over half of all Scotland's manufactured exports
- North America and Asia Pacific both show healthy growth. Together they increased by over 16% during the year - Japan alone rose by 20%
- Drop in exports to Eastern Europe reflects the re-allocation of eight New Member States to the EU figures

Destination of Manufactured Exports

*Top 40 Markets for Scottish Manufactured Exports
(£m Current Prices)
(2002 - 2004)*

COUNTRY	2002		2003		2004	
USA	2,191	(2)	2,278	(1)	2,501	(1)
GERMANY	1,842	(3)	2,093	(2)	1,415	(2)
FRANCE	2,274	(1)	1,898	(3)	1,406	(3)
NETHERLANDS	964	(4)	1,122	(4)	1,228	(4)
ITALY	831	(5)	922	(5)	872	(5)
SPAIN	667	(6)	724	(6)	818	(6)
JAPAN	527	(8)	664	(7)	795	(7)
BELGIUM	521	(9)	600	(8)	542	(8)
SWEDEN	496	(10)	422	(9)	382	(9)
SINGAPORE	185	(17)	235	(13)	341	(10)
SWITZERLAND	530	(7)	327	(10)	317	(11)
MALAYSIA	168	(19)	205	(14)	297	(12)
SOUTH KOREA	290	(11)	313	(11)	247	(13)
CHINA	156	(21)	200	(15)	230	(14)
RUSSIA	206	(15)	154	(18)	228	(15)
DENMARK	271	(13)	261	(12)	220	(16)
IRELAND	231	(14)	163	(17)	187	(17)
TAIWAN	171	(18)	165	(16)	158	(18)
UNITED ARAB EMIRATES	154	(23)	90	(29)	136	(19)
CANADA	198	(16)	152	(19)	135	(20)
GREECE	132	(27)	139	(20)	130	(21)
NORWAY	283	(12)	133	(21)	127	(22)
PORTUGAL	137	(25)	94	(28)	124	(23)
HONGKONG	156	(22)	98 (=25)		112	(24)
AUSTRALIA	134	(26)	105	(23)	104	(25)
POLAND	72	(33)	103	(24)	100	(26)
SOUTH AFRICA	101	(28)	113	(22)	94	(27)
AUSTRIA	98	(29)	95	(27)	84	(28)
FINLAND	161	(20)	98 (=25)		82	(29)
BRUNEI	143	(24)	68	(32)	69	(30)
IRAN	*		44	(39)	68	(31)
ISRAEL	96	(30)	73	(31)	65	(32)
BRAZIL	57	(38)	*		62	(33)
CZECH REPUBLIC	91	(31)	74	(30)	60	(34)
VENEZUELA	77	(32)	56	(36)	60	(35)
TURKEY	60	(36)	58 (=34)		56	(36)
THAILAND	53	(38)	58 (=34)		52	(37)
INDIA	*		*		47	(38)
MEXICO	64	(35)	59	(33)	39	(39)
LIBYA	*		*		39	(40)

* Not a Top 40 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.

- Half of total manufactured exports go to the Top five markets
- USA retains its top position as Scotland's largest export market, showing a 10% increase
- Key sectors exporting to USA are Transport Equipment (35), Office Machinery (30), Whisky (15) and Radio/TV Equipment (32)
- Germany and France hold on to second and third position despite a substantial decline in exports to both markets. Large drop in exports from Electronics (30/32)
- Several Asian markets have shown good growth, particularly Japan, Singapore, Malaysia, China, Hong Kong and India. Sectors performing well in some of these countries include Electronics (30/32), Chemicals (24), Whisky (15) and Transport Equipment (35)
- Russia has recovered its position of two years ago after recording good growth in exports from the Food/Drink (15) and Office Machinery (30) sectors
- UAE recorded 51% increase in exports during 2004, led by a substantial increase from the Electrical Machinery (31) sector
- Respondents identified the key markets of interest for future activity as China, Russia and the USA