

Consulate General of India  
Edinburgh

**Monthly Economic & Commercial Report for Scotland for October 2015**

- (i) **Scottish economy achieves only marginal growth**: Gross domestic product (GDP) in Scotland grew by only 0.1% quarter-on-quarter in the three months to June, according to the latest seasonally-adjusted figures from the Scottish Government. The UK economy as a whole expanded by 0.7% in the second quarter.
- (ii) **The number of Scottish firms in 'critical' financial distress dropped 50% in the three months to September**: Quarterly Red Flag figures compiled by business restructuring specialist Begbies Traynor show just 64 Scottish firms were in critical financial distress in the third quarter of the year, down from 129 for the same period a year ago. However the number of Scottish firms in critical distress rose 8% quarter-on-quarter. The fall in critical distress in Scotland was well ahead of the UK average of 23% though Northern Ireland recorded a faster reduction in 'critical' distress, down 60% for the same period.
- (iii) **200 Scots thrown out of work every day**: Latest data from the Office for National Statistics showed Scotland's unemployment has increased by 18,000 in three months. There were 170,000 people out of work, including those not eligible for benefits, in the period from June to August - with 6.1% of the workforce not having a job. The rise in the jobless total in Scotland is in stark contrast with the UK as a whole, where unemployment fell to a seven-year low with jobless rate of 5.4%.
- (iv) **Steel taskforce hopes to attract operators**: Government agencies will attempt to attract international steel operators to take on Scotland's troubled steel mills with offers of tax breaks and publicly-funded contracts, business minister Fergus Ewing has said. Mr Ewing chaired the first Scottish steel taskforce meeting to discuss proposals to find an alternative operator for Tata Steel's plants closure at Dalzell and Clydebridge.
- (v) **Low wage employers in Scotland named**: Twelve Scottish businesses have been named for failing to pay workers the minimum wage. They were on a list of more than 100 employers identified by the UK government after investigations by HM Revenue & Customs. The current national minimum wage is set at £6.70 per hour for adults.
- (vi) **The Scottish government has imposed a moratorium on underground coal gasification (UCG)**: The Scottish government said it was treating UCG as a separate technology to onshore unconventional oil and gas, which includes hydraulic fracking. It said it was adopting a "cautious, evidence-based approach" to both techniques, with a separate moratorium on UCG allowing the necessary time for "full and careful consideration of the potential impacts of this new technology".

(vii) **Edinburgh University puts £2bn into Scottish economy every year:** Biggar Economics, an independent financial study, found the institution supports more than 30,000 jobs across the country and its students contribute £177m to the Scottish economy. The study states that for every £1 the university receives from the Scottish Funding Council - in the form of awards and grants - it generates £9.53 for the Scottish economy. The university benefits the community through a range of activities such as medical research and the creation of start-up companies.

(viii) **Scotland is set for the best harvest in 20 years in terms of yields:** The first estimates for this year's cereal and oilseed rape harvest suggest Scots farms are set to produce 3.25million tonnes of cereals this year - up 24,000 tonnes on 2014. According to Scotland's chief statistician, although the total area of land sown is down 4% at 1.094million acres, overall cereal yields are expected to be up 5% on last year. Yields are expected to average 2.95 tonnes per acre, ranging from 2.5 tonnes for spring barley to 3.92 tonnes for wheat. Oilseed rape yields are expected to average around 1.69 tonnes per acre.

(ix) **Brewing veteran Dunsmore launches Edinburgh micro:** John Dunsmore, the drinks industry heavyweight who used to run Scottish & Newcastle (S&N) and C&C Group, has invested more than £1 million to launch a craft brewery. Mr Dunsmore has invested alongside his family in setting up Edinburgh Beer Factory - the first private venture of his own. Edinburgh Beer Factory arrives after Mr Dunsmore investing in a series of food and drink start-ups, including gluten-free bakery Genius Foods and Chapel Down, the leading English wine brand.

(x) **Scotland's four richest families 'worth £1 billion more than poorest 20% of population':** The combined wealth of the Grant-Gordon whisky family, Highland Spring water owner Mahdi al-Tajir, oil tycoon Sir Ian Wood and former Harrods owner Mohammed Fayed dwarfs that of the one million people who make up Scotland's poorest 20%, according to a report by Oxfam Scotland. The four families - all of whom are either based in Scotland or have substantial business interests there - are worth an estimated £6.1bn, according to the most recent Sunday Times Rich List. Scottish Government figures show the combined wealth of the poorest 20% of Scots stands at around £5.1bn. Researchers at the charity also calculated that Scotland's 14 wealthiest families are better off than the most deprived 30 per cent of the population. Oxfam's report outlines a series of measures that MSPs could take to reduce inequality in Scotland.

\*\*\*\*\*