

Working for Growth

The Edinburgh economy is not only at the heart of the Scottish economy, but it's expanding faster than either the Scottish or UK averages.



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Edinburgh's Financial District

Scotland has a population of just over five million, equivalent in size to other small European countries such as Denmark and Finland. The output of the Scottish economy in 2006 was £91bn, excluding North Sea oil, which is approximately 8% of the size of the UK economy. The service sector is the largest sector in the Scottish economy, accounting for 74% of total output and 82% of all employees. This is followed by the production sector (18% of total output) and the construction sector (7% of output). The largest sub-sector within services is public sector, education and health. Scotland also has strong real estate and business services, and financial services sectors, accounting for 19.3% and 8.3% respectively of the economy's output. The largest sub-sector within manufacturing is electronics and electrical engineering, followed by food and drink.

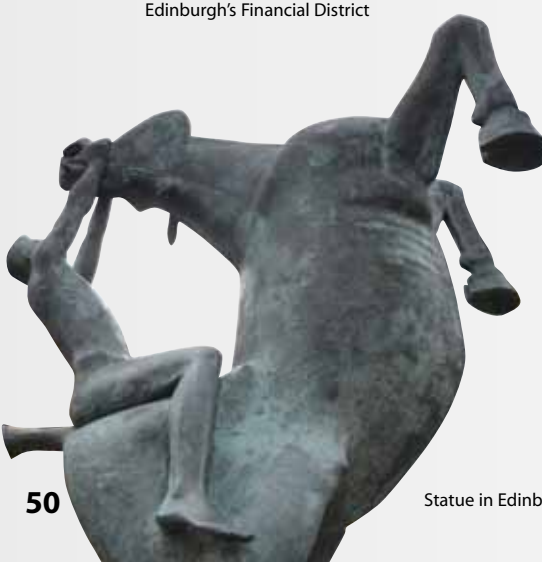
Edinburgh at Scotland's financial heart

The Edinburgh economy is at the centre of the Scottish economy. It accounted for 15% of the Scottish

economy in 2005¹ and 10% of the population in Scotland in 2006. The Edinburgh economy is expanding rapidly, with output increasing faster than either the Scottish or UK averages in recent years and Edinburgh is expected to continue to grow faster than the average annual rate for Scotland in the coming years.²

Edinburgh, like other capital cities, has a unique mix of characteristics relating to the city, such as its culture, geography and history, that make it a dynamic and attractive location to reside for both businesses and individuals; businesses are attracted by the strong pool of highly skilled labour within Edinburgh and the surrounding areas. Over a third of workers in Edinburgh are graduates compared to a fifth for Scotland. The higher skills mix leads to higher earnings and productivity within the city.

Edinburgh is home to a large number of highly innovative companies, investing in research and new technologies such as biotechnology and life sciences. Business expenditure on research and development (R&D) stood at £106m in Edinburgh during 2006, 18% of the Scottish total. New



Statue in Edinburgh's Financial District