



In this bulletin Dorset refers to the Dorset Council area coming into effect 1st April 2019 unless stated otherwise

Competitive Dorset

This bulletin is part of a series which makes up the 2018 local economic assessment of Dorset.

Competitiveness is closely related to productivity. Growth in productivity should lead to higher incomes and better quality of life. The UK has a productivity gap with output per hour below the average for the rest of the G7 major industrialised countries.

Similarly, there is a productivity gap between Dorset and the UK. In Dorset, for every hour worked we produce almost 16% less than the UK average. On top of this, National gross value added (GVA) has grown by 2.2% per annum over the last 5 years whereas locally it has only grown by 0.4%pa, increasing the divergence between the two.

Big Numbers

1/5 of Dorset's economy derives from Public admin, education, health

£7bn The value of Dorset's economy

Dorset's Professional & admin services sector's annual growth rate **6%**

£808m The value of manufacturing to Dorset's economy

£1.3bn Output gap

Box 1: Productivity

- Dorset is less competitive than the national average. In recent years competitiveness has worsened, with all parts of Dorset becoming less competitive. Only East Dorset and West Dorset rank at or above the median for the country. Weymouth & Portland ranks 372 out of 379 localities and Purbeck is among the ten areas reporting the greatest fall in competitiveness ranking⁴.
- Sectors that contribute the most to Dorset's GVA³ are:
 - Public administration, education, health 21%
 - Real estate activities 20%
 - Wholesale and retail 11%



GVA per hour worked¹



- Finance & insurance contributes two per cent to Dorset's GVA - below the UK figure of 7%. This equated to £136m in 2017.
- We have low representation of businesses in high productivity sectors².
- We also have below average representation in high R&D spending sectors such as pharmaceuticals, motor vehicles and ICT services⁵.

Sources:

1 GVA per hour worked (provisional) 2016, ONS
 2 UK Businesses 2018, Local Economic Forecasting Model, 2017 definition
 3 GVA current and chained values 2017, ONS

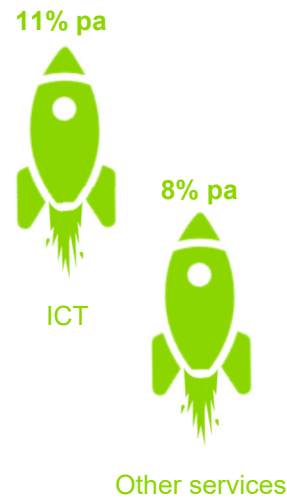
4 UK Competitiveness Index 2019, Centre for International Competitiveness
 5 5 UK Gross domestic expenditure on research and development: 2015, ONS; & UK Businesses 2018



Box 2: Growth³

- Dorset's economy is valued at £7bn, that's 42% of the Dorset LEP area total.
- In the last 5 years:
 - Dorset's economy grew by two per cent overall, or 0.4% growth per annum. This is lower than national growth (2.2% pa).
 - The Professional, scientific & technical sector grew by six per cent pa over the last five years, just above the national average. In addition, many jobs in this sector tend to pay above average.
 - The Information & communication sector⁶ also grew significantly, adding 11% per annum.
 - The 'Other' (personal) services sector⁷ grew by 8% per annum, also above average.
 - Shrinkage was seen in the Primary sector (-7% pa); Transportation & storage (-7%pa); Public admin & defence (-4%pa); Real estate (-1%pa); and Arts, entertainment, recreation (-1%pa).
- Accommodation & food services grew by three per cent per annum.

The fastest growing sectors over the last five years were:



Our plans include

There are many drivers of productivity such as innovation, competition, infrastructure, enterprise and skills. Economic strategy in Dorset includes a range of plans and ambitions that will enable the productivity of Dorset businesses and improve the quality of life for workers. These include:

- Place the environment at the heart of growth
- Ensure economic growth benefits everyone
- Attract inward investment
- Grow relationships between schools and business, including key sector approach
- Sector development and support
- Improve operational efficiency and sustainability of local highway structure
- Develop digital connectivity
- Enhance FE provision through investment in local colleges
- Deliver an apprenticeship strategy
- Public realm improvements
- Community led local development
- Enhance innovation, collaboration and supply chain development through the development of Dorset Innovation Park (Enterprise Zone)
- Support for local businesses to innovate and export

Sources/Notes:

- 6 ICT includes publishing, film/sound production, TV/radio, telecoms, computer programming/consultancy, data processing etc.
7 Other services includes repair of computers/household goods, cleaning, hairdressing, funeral services, membership organisations etc.