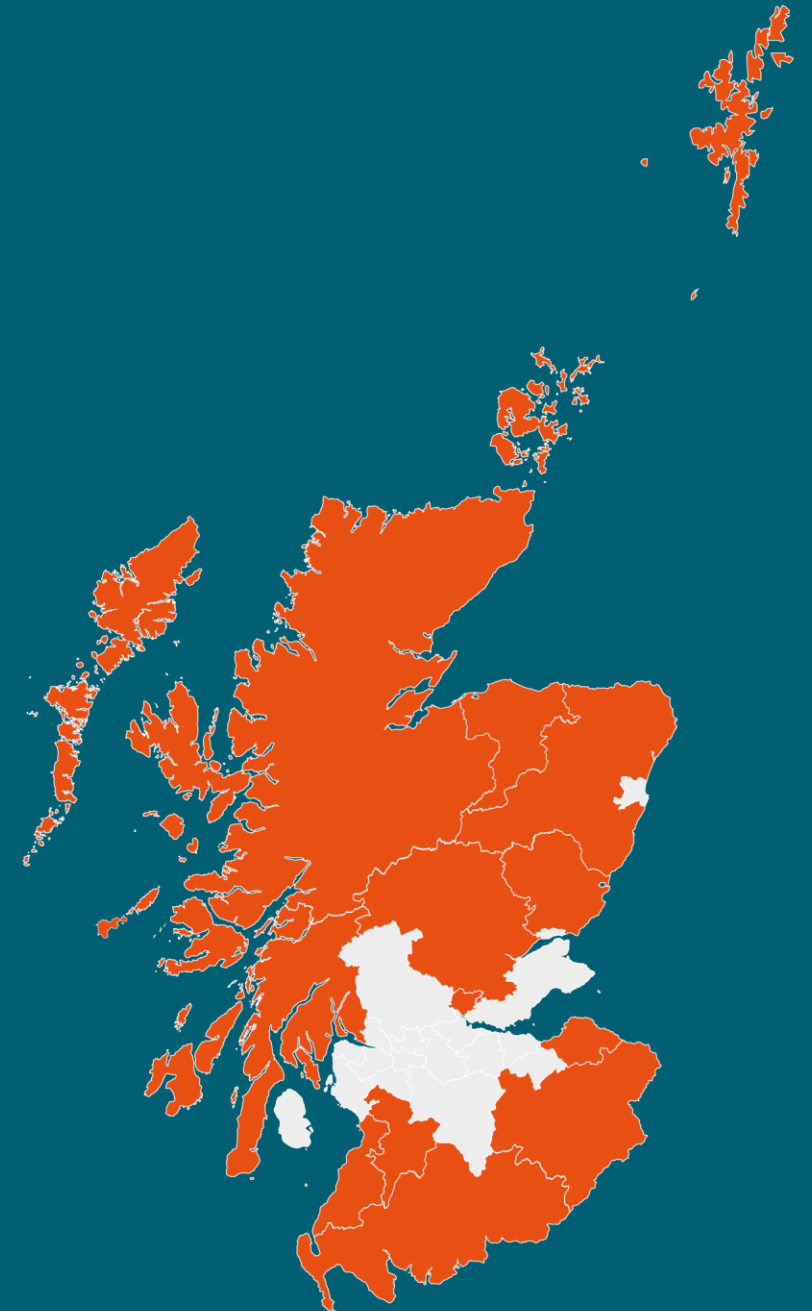


Regional Skills Assessment

Rural Scotland

October 2023



Regional Skills Assessments

First launched in 2014, the purpose of the Regional Skills Assessments (RSAs) is to provide a robust evidence base to support partners in strategic skills investment planning. Skills Development Scotland (SDS) has worked with key partners and stakeholders in the production of RSAs to ensure an inclusive approach to their development, dissemination and utilisation.

RSAs include the use of published data sets. Inevitably, when using published data there is a time lag, but the data contained is the most up-to-date available at the time of writing. We have also included a link to the Data Matrix, which is frequently updated.

RSAs also include forecast data that has been commissioned through Oxford Economics. The Technical Note¹ provides full detail on the caveats that must be applied when using forecast data, but broadly, it should be noted that:

- Forecasts are based on what we know now and include past and present trends projected into the future.
- The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be.
- Their value is in identifying likely directions of travel rather than predicting exact figures.
- The forecasts do not account for national or regional activities, initiatives or investments that are planned.

Industries and occupations used in the RSAs are defined by standard industrial classifications (SIC) and standard occupational classifications (SOC). The Office for National Statistics have useful SIC² and SOC³ hierarchy tools that can be used to understand the classifications in more detail.

This RSA report for **Rural Scotland** is based on the Scottish Government's Rural and Environment Science and Analytical Services (RESAS) classification of rural areas. It covers the Aberdeenshire, Angus, Argyll and Bute, Clackmannanshire, Dumfries and Galloway, East Ayrshire, East Lothian, Na h-Eileanan Siar, Highland, Moray, Orkney Islands, Perth and Kinross, Scottish Borders, Shetland Islands, and South Ayrshire local authorities. **The 15 local authorities above are those RESAS classified as either 'mainly rural' or 'islands and remote rural'.**

The RSAs are part of a suite of Labour Market Insight publications by SDS. Other products in the suite include:



Economy, People and Skills provides succinct and up-to-date evidence on Scotland's economy, business and people. It is updated monthly.



Sectoral Skills Assessments provide updated Labour Market Insight for the key sectors across Scotland. It is updated annually.




The **Data Matrix** is an interactive tool, offering data from a variety of sources in a visually engaging format. It is updated frequently.

Links to the Data Matrix are included throughout the report to indicate where Local Authority data is available. Also, '**RSA Summary Infographics**' for local authorities are available through the Data Matrix. The Data Matrix also contains additional data for the region, including data on employment, unemployment, and economic inactivity rates from the Annual Population Survey. These are available on pages 13,14 and 19 of the Data Matrix.

Alongside the suite of Labour Market Insight publications, SDS also produces a wide range of reports such as statistics on the Apprenticeship Family and the Annual Participation measure for 16-19 year olds. Further information can be found on the [Publications and Statistics](#) section of the SDS corporate website.

For any further information or queries on the RSAs or any of our other products, please contact: RSA@sds.co.uk

We value user feedback on the Regional Skills Assessments. 
If you would like to provide feedback on the RSAs please do so [here](#).

The Context for Scotland's Labour Market

Within the last 10 years, the economy has faced disruption due to events such as the pandemic, Brexit, the war in Ukraine, and the cost of living crisis. In addition to these events, megatrends around demography, technology, and the environment have continued to shape Scotland's economy and labour market.

This section provides an overview of five key drivers of the Scottish labour market, highlighting that an agile and responsive skills system is vital to respond to the challenges and opportunities that exist in the economy, to support and attract inward investment, to increase productivity and to tackle inequality and deprivation.



The Economy

Scotland and the UK have been hard hit by rising inflation, tight monetary policy, and subdued economic performance. The impact of the war on Ukraine, increased energy prices, and a tight labour market have resulted in inflation reaching a 40-year high in 2022. At the time of writing, inflation has started to fall, but at a slower pace than previously anticipated. By the end of 2023, the Bank of England expect inflation to be 4.9%, falling to within the 2% target by Q2 of 2025.¹

Interest rates have increased to combat rising inflation, and rates are likely to remain higher for longer than expected as inflation proves challenging to address. This has weighed on economic growth and the outlook for Scotland and the UK remains uncertain, with downside risks.

Forecasts predict Scotland² and the UK³ will see weak economic growth between 2023 and 2026.³ International growth is also expected to be weak by historical standards, with global growth of 3% forecast for both 2023 and 2024.⁴ However, the success of Scotland's economy is not solely based on GDP. There has been growing commentary on the need to evaluate the economy on measures other than GDP growth, such as how the economy serves society and sustains the environment. The Scottish Government's National Strategy for Economic Transformation (NSET) noted a commitment to a 'Wellbeing Economy' – 'a society that is thriving across economic, social and environmental dimensions'.⁵

Skills Shortages and Skills Gaps



The **Employer Skills Survey 2022 (ESS)** provides insight on skills supply, skills gaps and training across Scotland and the UK. The published findings are timely; however, they do not capture the very recent cooling of the labour market that has taken place during 2023. The ESS shows:

- **Supply challenges have worsened** across Scotland and the UK, and vacancies have become harder to fill.
- **There has been a sizeable rise in skills shortages**, 10% of establishments in Scotland reported a Skills Shortage Vacancy (up from 6% in 2017).
- **Skills gaps have decreased slightly in Scotland**, 15% of establishments reported a skills gap (-1 pp) while 4.8% of employees in Scotland were not fully proficient, which was the lowest level recorded.
- **Training activity has decreased across Scotland**, access to training offered by employers was at the lowest recorded level since the survey began in 2011.



Technology and Automation

Technology and automation have been major disruptors and drivers of the Scottish labour market and economy over the past few decades. Ongoing advances and technological change are expected to continue to have a great impact on the global economy, particularly with the prominence of Artificial Intelligence.⁶ This will shape consumer behaviour, modify commercial models, and drive innovations in ways of living, working and learning.

While Artificial Intelligence is expected to result in changes to the world of work, many jobs are expected to evolve rather than disappear.⁷ However, around a third of jobs may see a large share of their tasks being automated and changed. The technological revolution has highlighted the importance of uniquely human meta-skills around self-management, social intelligence and innovation.⁸

As well as risks to certain jobs, technology may also create new jobs and enhance existing roles to support smarter and more agile ways of working. However, employers are already reporting digital skills gaps in the workforce.⁹ The **Digital Economy Skills Action Plan** aims to address the digital economy skills challenge through upskilling and reskilling, to help realise the potential of Scotland's digital economy.¹⁰

SDS is exploring the potential labour market impact of Automation and Artificial Intelligence through new research. The findings from the research will be published at the beginning of 2024 and will include breakdowns of the risk of automation by gender, income and occupation.



Climate Change

The Climate Emergency has been recognised by governments across the world, with the Scottish Government being one of the first to do so in 2019. Recognising the gravity of the situation, the Scottish Government has set a target to achieve a net zero carbon economy by 2045.¹

Growing recognition of the importance of protecting the environment will have a significant impact on the labour market. Changes in legislation and consumer behaviour will mean growing demand in some areas and a fall in others. Demand for green jobs (and green skills) is expected to increase rapidly as a result of policy and legislative drivers, and consumer choice.²

Scotland's skills requirements for the Climate Emergency are set out in the [Climate Emergency Skills Action Plan](#). It outlined the need for action to ensure that current and future skills investment in support of net zero is strongly evidence based.³

The CESAP Pathfinder is a direct response to this, led by Skills Development Scotland (SDS) in collaboration with the Scottish Funding Council (SFC) and forms part of the [Shared Outcomes Framework](#). The CESAP Pathfinder advances the evidence base used to identify current and future skills demand, establishes a baseline of green skills provision and identifies nine opportunities for action needed across the skills system. A suite of reports to share insights, intelligence and lessons learned is due to be published in Autumn 2023.



Demographic Change

Scotland's population is ageing. By 2045, the number of people of pensionable age in Scotland is expected to increase, while the working-age population is projected to decline, and migration is expected to be the only source of population gain in Scotland.⁴ Demographic change could contribute to a tighter labour market in the future, and increase pressure on the demand for public services and the funds available from tax and National Insurance to provide them.

Whilst it was initially thought that Brexit would lead to falling levels of migration, the Office for National Statistics estimated that net migration to the UK hit a record high in 2022.⁵ Migration has been driven by non-EU citizens, while more EU citizens left than arrived in the UK. Migration from outside of the EU has been driven by a number of factors, including humanitarian schemes such as those available to Ukrainians; higher levels of migration for study; and people coming to the UK for work. Changes to migration policy and the UK's points-based migration system could further impact migration flows.

With populations ageing, the global economy is likely to see more people working for longer due to increases in the state pension age.⁶ Advances in medicine and technological innovations are expected to enhance the health of the older population, which in turn will likely change working habits and preferences. As a result, some targeted upskilling and reskilling may be required to enhance older workers' experience and knowledge to enable the transition into new and growing careers.⁷



Scotland's Census 2022 ⁸

Scotland's population was estimated to be 5,436,600 in March 2022, which marks the highest population ever recorded by Scotland's Census. The Scottish population **increased by 2.7% since the previous census**. This growth rate was slower than the period between 2001 – 2011, when the population grew by 4.6%.

Although Scotland's population increased over the past ten years, this growth was largely driven by migration, as the number of deaths exceeded the number of births. **Without migration, Scotland's population would have declined by around 49,800.**

There are now more older people in Scotland than ever before. The number of people aged 65 and over increased by 22.5% between 2011 and 2021, while the population aged 0-14 and 15-64 decreased by 2.5% and 1.1% respectively.

Local authority data shows a mixed picture of population change across Rural Scotland. Six local authorities out of 15 saw an increase in population between 2011 and 2022, with East Lothian having the largest growth of 12.7%. The population remained the same in Clackmannanshire and Moray, while the population declined in the remaining seven local authorities. Na h-Eileannan Siar experienced the largest decline of 5.5%.

The Context for Scotland's Labour Market and Regional Insight



Inclusive Growth and Equality

Across Scotland, significant economic inequalities exist, especially for disadvantaged groups. For example, more women than men earned less than the Real Living Wage in 2022¹, the disability employment gap² remained high (29.6 percentage points) in 2023, meaning people with a disability are less likely to be employed, and in the same year, the employment rate gap for the ethnic minority population compared with the white population was 9.2 percentage points.³

The Scottish Government's commitment to fairness and greater equality is reiterated in the National Strategy for Economic Transformation (NSET). One of the strategy's key ambitions is creating a fairer society – '*Ensuring that work pays for everyone through better wages and fair work, reducing poverty and improving life chances*'.⁴

A 'Fairer and More Equal Society' is also one of the five programmes of action outlined in the NSET. This programme of action looks to '*reorient our economy towards wellbeing and fair work*' with key aims including higher rates of employment and wage growth, and reducing poverty.⁵

The Scottish Government's targets are set against the challenging backdrop of the cost of living crisis and the pandemic, affecting groups already impacted by inequality the most: low-income households, young people, disabled people, and people from ethnic minority backgrounds.⁶ Research from the Joseph Rowntree Foundation found that eight in ten single parents, large families and low-income households in Scotland had to go without one or more essentials (such as food or heating) in spring 2023.⁷



Regional Insight⁸

Rural Scotland's economy, its people, land and coasts make a significant contribution to Scotland's economy and wellbeing and play a key role in achieving national economic policy objectives.

The Scottish Government highlights through the Programme for Government⁹ (September 2023) a commitment to supporting Scotland's rural, coastal and island communities through initiatives such as the Rural Delivery Plan and Regional Economic Partnerships. This includes a particular focus on areas such as transportation, housing, social equity, population growth, digital connectivity, and economic development.

The Scottish Government plan to publish a Remote, Rural and Islands Housing Action Plan in Autumn 2023, providing up to £25 million between 2023 and 2028 for affordable housing for key workers, to help attract and retain individuals in rural and island communities. The Programme for Government also notes a commitment to consider the recommendations of the Land-Based Learning Review in the context of wider reforms to the Scottish education and skills system.

The Land-based Learning Review¹⁰ focused on Scotland's land-based and aquaculture sectors and the final report to Ministers provides recommendations to ensure that people are equipped with the skills and knowledge required to work in the Nature-based sector and that the future workforce is sufficient.

Rural Scotland is a place of **high entrepreneurialism** and **innovation**. Self-employment is more common in Rural Scotland than in the rest of the country, with 23 per cent of all employed people being self-employed in remote and rural areas and 17 per cent in accessible rural areas.¹¹ In addition over two-thirds are employed in micro businesses (0-9).¹¹

Amidst rising costs, businesses in rural areas are disproportionately impacted for example due to higher fuel costs for transport as they often cover larger sparsely populated areas, off-grid heating costs and increased supplier costs. The Rural Business Panel Survey¹² (October 2022) also highlights challenges with recruitment and workforce-related issues.

The forecasts used in this RSA are policy and investment neutral. This means they present a baseline outlook that takes into account historical trends and external economic conditions, but do not reflect investment or policy that is unconfirmed or at planning/development stage. For example, the forecasts do not reflect significant levels of investment expected in the region, such as the Inverness and Cromarty Green Freeport.

The forecasts should be used in conjunction with other sources, and readers are encouraged to overlay the forecasts with their own knowledge.

Economic Performance¹



Rural Scotland forecast GVA in 2023: **£39,030m**

Rural Scotland generates 26.4% of Scotland's output.

The highest value industries in 2023 were forecast to be:

| | | |
|---|--|----------------|
|  | Manufacturing | £5,743m |
|  | Real Estate Activities* | £5,033m |
|  | Human Health and Social Work Activities | £3,551m |
|  | Wholesale and Retail Trade | £3,069m |



Mid-term forecast average annual growth (2023-2026)

Rural Scotland: 1.5%

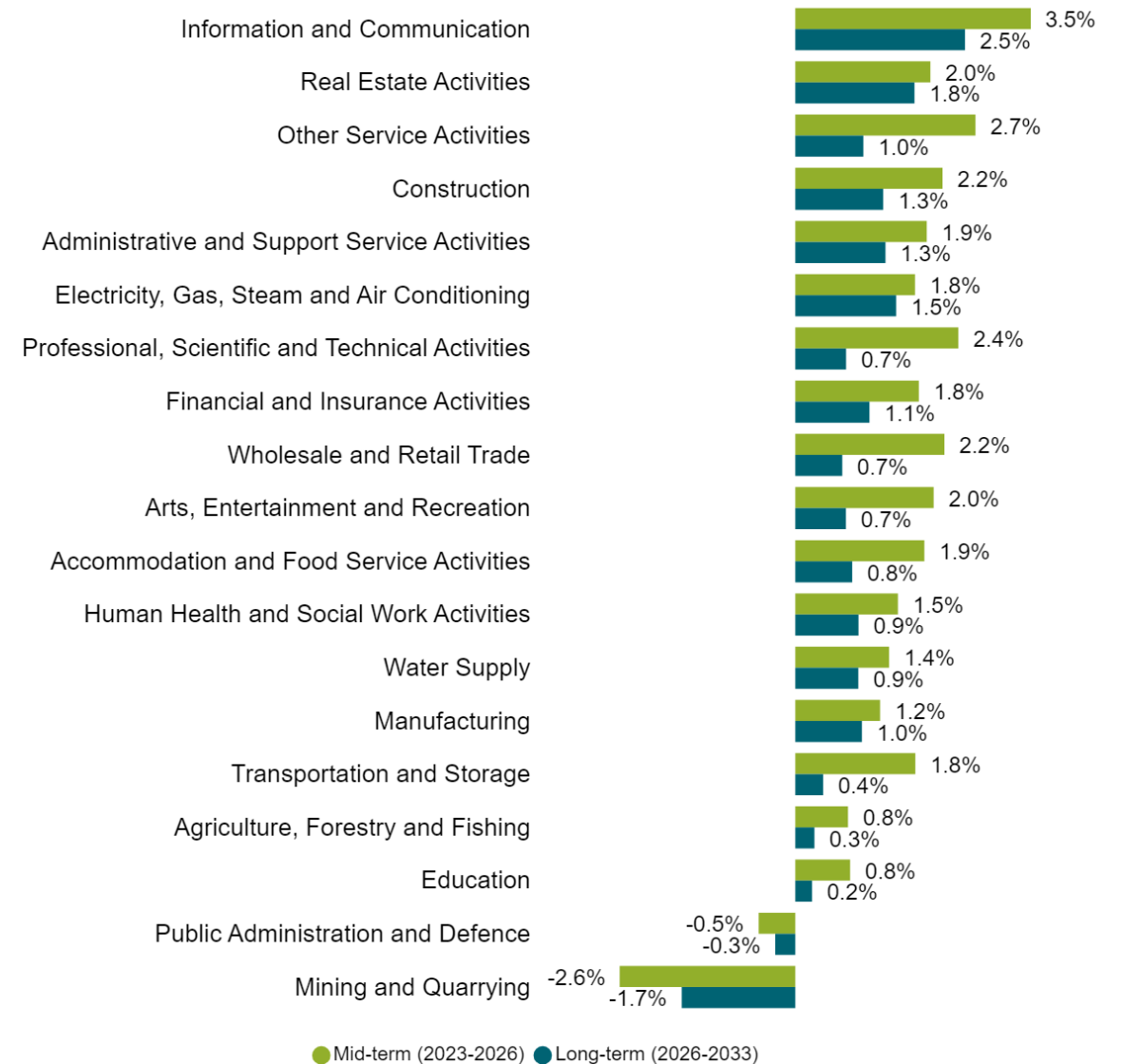
Scotland: 1.7%

Long-term forecast average annual growth (2026-2033)

Rural Scotland: 0.9%

Scotland: 1.1%

Forecast Average Annual GVA Change by Industry (%), Rural Scotland



For data on GVA at local authority level please see page 29 of the Data Matrix.

*GVA in the Real Estate industry is inflated by owner-occupier imputed rent. This reflects the value of services provided by homeowners who own and live in their homes.

Productivity¹

In this report, we have used Oxford Economics' measure of productivity, which is calculated by dividing total regional GVA by total regional employment (measured by jobs). Please note, there are different ways of calculating productivity, and the pandemic has created new challenges in how productivity is accurately measured. Caution is needed when interpreting productivity data presented in this report, and it must be considered in the context of other data and insight.

Productivity in **Rural Scotland** was forecast to be **£50,900** in 2023. In comparison, the Scottish average was forecast to be £52,600.



Mid-term Productivity

From 2023 and 2026, productivity in Rural Scotland is forecast to grow by 1.0% on average each year. Over the same period, the Scottish growth rate is forecast to be 1.0%.

Rural Scotland forecast productivity in 2026: **£52,400**

Scotland forecast productivity in 2026: **£54,100**



Long-term Productivity

From 2026 and 2033, productivity in Rural Scotland is forecast to grow by 1.1% on average each year. Over the same period, the Scottish growth rate is forecast to be 1.0%.

Rural Scotland forecast productivity in 2033: **£56,600**

Scotland forecast productivity in 2033: **£58,200**

Productivity (2023)

| | |
|--------------------------------|---------|
| Edinburgh, East and Midlothian | £60,900 |
| West Lothian | £60,400 |
| Aberdeen City and Shire | £57,600 |
| Dumfries and Galloway | £54,100 |
| Forth Valley | £53,900 |
| Scotland | £52,600 |
| Tayside | £51,400 |
| Rural Scotland | £50,900 |
| South of Scotland | £50,400 |
| Lanarkshire | £50,200 |
| Glasgow College Region | £50,100 |
| Fife | £49,200 |
| Highlands and Islands | £47,000 |
| West Region | £46,000 |
| Ayrshire | £45,800 |
| Borders | £45,500 |

Regional Employment¹



Workforce Size 2023:
691,600 people

This accounts for **26.6%** of Scottish employment.

Over the last 10 years (2013-2023) employment in the region **declined** by **-0.6%** (**-4,300** people). In comparison, employment in Scotland increased by 4.0%.



Workforce Size 2026:
703,100 people

The workforce is forecast to **grow** by **1.7%** or **11,500** people between 2023 and 2026.

Compared to a Scotland-wide increase of **2.2%** or **57,000** people.

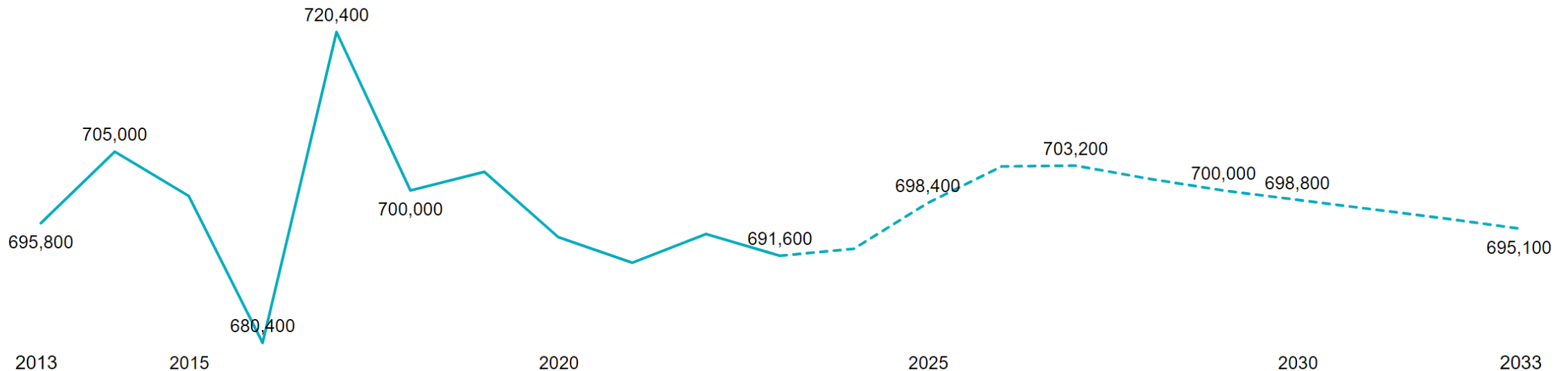


Workforce Size 2033:
695,100 people

The workforce is forecast to **decline** by **-1.1%** or **-7,900** people between 2026 and 2033.

Compared to a Scotland-wide increase of **0.9%** or **22,700** people.

Employment and forecast employment (2013-2033) (people), Rural Scotland



For data on employment and forecast employment at local authority level please see [page 32 of the Data Matrix](#).

Employment by Industry¹

Largest employing industries in 2023 (people):



Human Health and Social Work Activities
112,900



Wholesale and Retail Trade
85,700



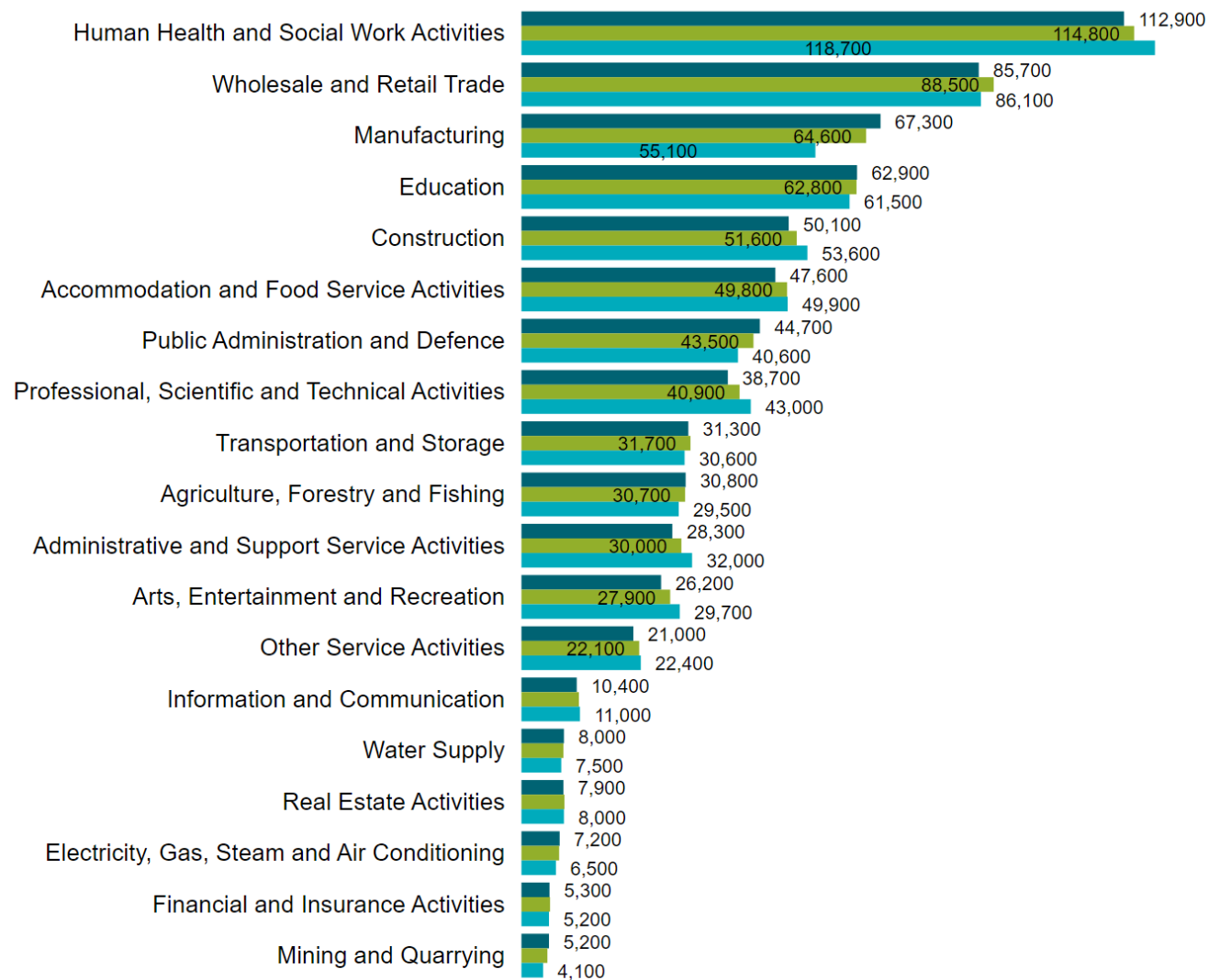
Manufacturing
67,300

Between 2023 and 2026, employment in the region is forecast to grow, however industries will have varying performance. The greatest employment growth is forecast in Wholesale and Retail Trade, with 2,700 more people by 2026. While Manufacturing is forecast to have the greatest employment contraction (-2,700 people) in the mid-term.

Between 2026 and 2033, employment in the region is forecast to decline. The greatest employment growth is forecast in Human Health and Social Work Activities, with 3,900 more people by 2033. While Manufacturing is forecast to have the greatest employment contraction (-9,400 people) in the long-term.

Figures may not sum due to rounding.

Employment by Industry, Rural Scotland



● 2023 ● 2026 ● 2033



For data on employment by industry/key sector and share of total employment at local authority level please see page 33 of the Data Matrix.

Employment by Occupation¹

Largest employing occupation groups in 2023 (people):



Caring Personal Service Occupations

64,400



Administrative Occupations

56,800



Elementary Occupations: Clerical and Services

54,300

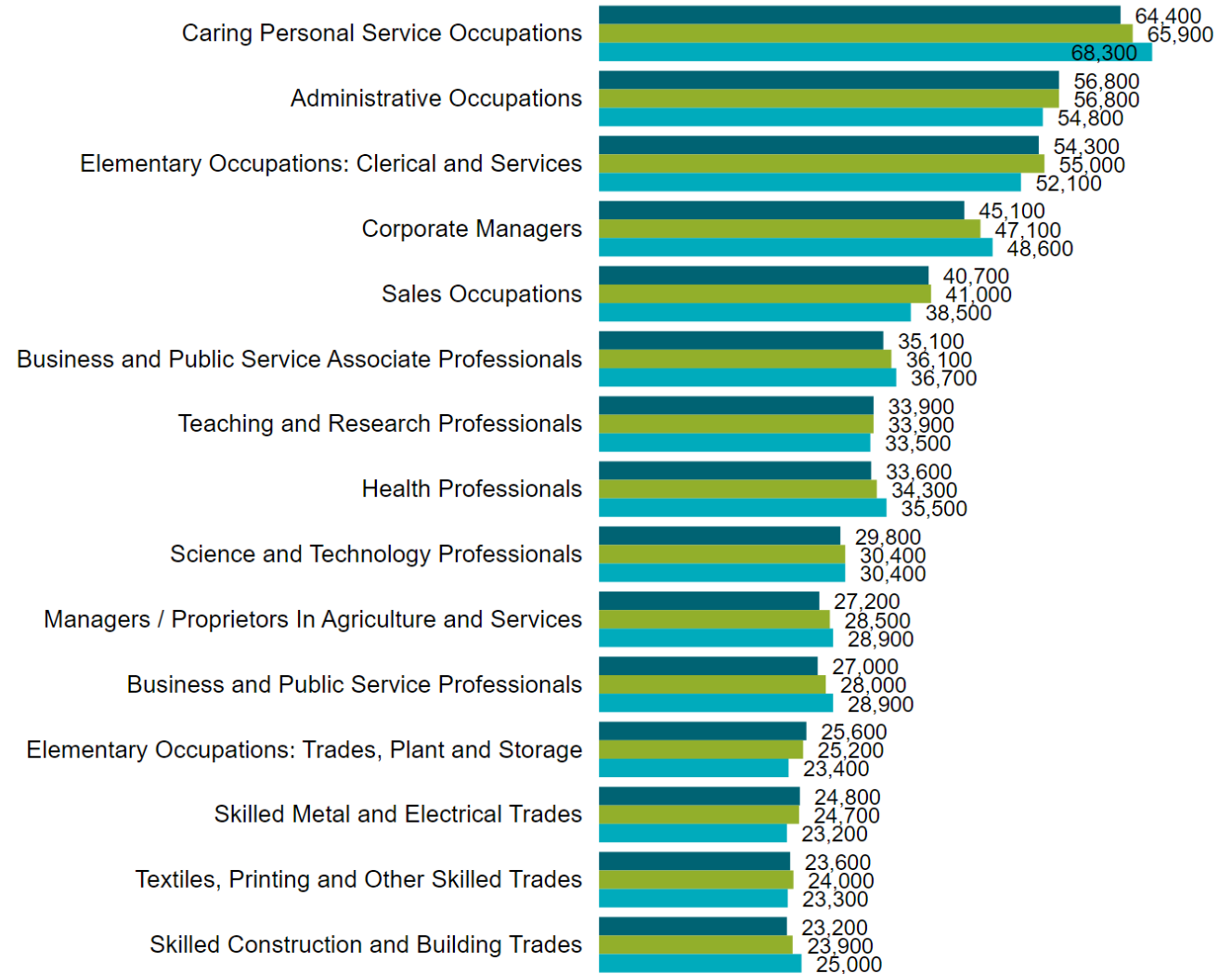
Between 2023 and 2026, the greatest growth is forecast to be in Corporate Managers (2,000 people). While Process, Plant and Machine Operatives is likely to experience the greatest contraction (-500 people).

Between 2026 and 2033, the greatest growth is forecast to be in Caring Personal Service Occupations (2,400 people). While Elementary Occupations: Clerical and Services is likely to experience the greatest contraction (-2,900 people).

In 2023, 40.5% of employed people in the region were in 'higher-level' occupations, which was a lower percentage of the workforce than Scotland (47.9%). 'Mid-level' occupations accounted for 34.1% of the workforce, which was a higher percentage of the workforce than Scotland (28.8%). Around 25.4% of people were employed in 'lower-level' occupations, which was a higher percentage of the workforce than Scotland (23.3%).

Figures may not sum due to rounding.

Employment by Top 15 Occupations, Rural Scotland



● 2023 ● 2026 ● 2033



For data on employment by occupation at local authority level please see page 34 of the Data Matrix.

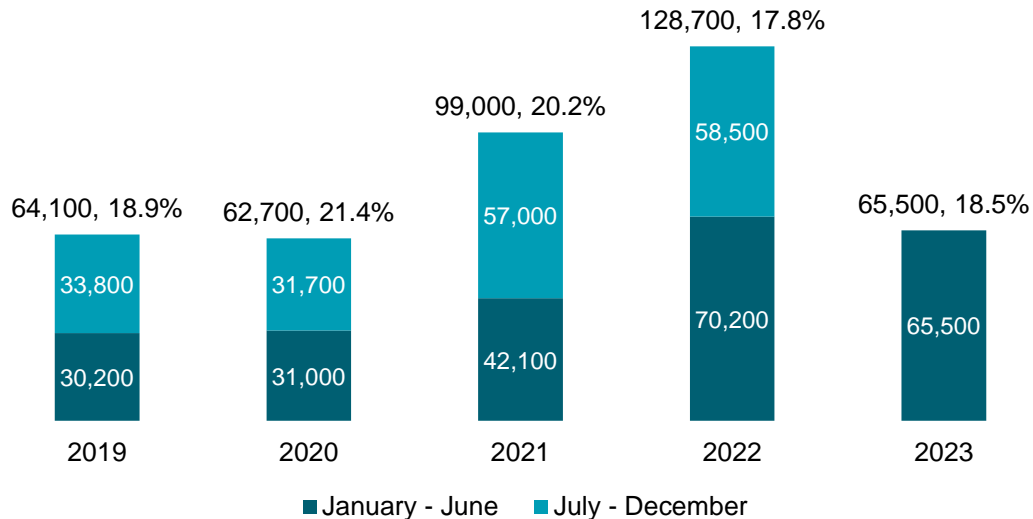
Job Postings in Rural Scotland¹

Online job postings data provides a useful barometer for the health of the jobs market. It is important to note that the data does not capture all activity, so it should be considered as an estimate only.

In 2021, the number of job postings recovered from the pandemic and surpassed pre-pandemic levels. Postings peaked in 2022 at 128,700 and numbers for the first six months of 2023 indicate a sustained demand for workers in the region.

Job postings in Rural Scotland accounted for 18.5% of Scotland's total job postings between January and June 2023.

Job postings 2019 – 2023 and share of Scotland's total, Rural Scotland

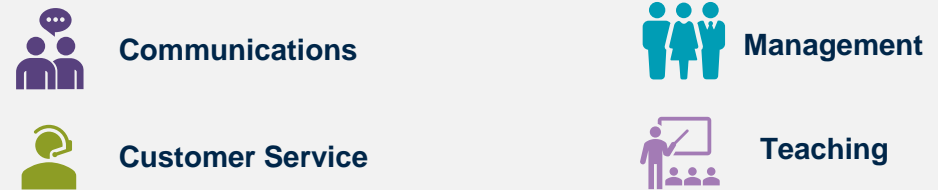


Between January and June 2023, there were **65,500 job postings in Rural Scotland**, of which:

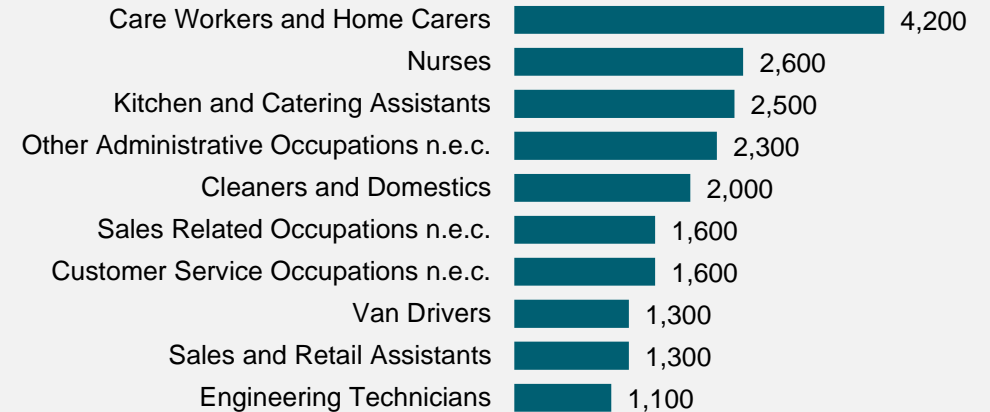
The locations with the most jobs advertised were:



The commonly requested skills and knowledge were:



The top job postings were:



Figures may not sum due to rounding

Future Demand in the Mid-Term (2023-2026)¹

Oxford Economics' forecasts should be used as guidance only on the overall trends based on current evidence - rather than definitive numbers. There are still a wide range of factors which may impact on the labour market. It is important to note that the forecasts do not account for national or regional activities, initiatives or investments such as those mentioned on page five, which are likely to influence the outlook presented. Users of the RSAs are encouraged to overlay the forecasts with their local knowledge.

In Rural Scotland, the labour market forecast for the mid-term (2023-2026) suggests employment is expected to grow, and there could be opportunities created as a result of the need to replace workers leaving the labour market due to retirement and other reasons.

The mid-term forecast suggests there could be a total requirement for **76,600** people in **Rural Scotland**. Between 2023 and 2026, replacement demand could create the need for **65,100** people, while **positive** expansion demand is forecast to result in **11,500 additional** workers.

In **Scotland**, there could be a total requirement for **335,600** people in the mid-term. Between 2023 and 2026, replacement demand could create the need for **278,600** people, while **positive** expansion demand is forecast to result in **57,000 additional** workers.

Figures may not sum due to rounding.



Expansion Demand

the number of people required as a result of economic growth or contraction.

Rural Scotland: 11,500
people

Scotland: 57,000 people



Replacement Demand

the number of people required to replace workers leaving the labour market (i.e. retirement, move away, or change jobs).

Rural Scotland: 65,100
people

Scotland: 278,600 people



Total Requirement

made up of expansion demand and replacement demand to show the total number of people required.

Rural Scotland: 76,600
people

Scotland: 335,600 people

The total requirement by qualifications for **Rural Scotland**:

| SCQF 11-12 | SCQF 7-10 | SCQF 6 | SCQF 5 | SCQF 1-4 | No qualifications |
|------------|-----------|--------|--------|----------|-------------------|
| 4,700 | 36,100 | 11,400 | 16,600 | 2,700 | 5,100 |
| 6% | 47% | 15% | 22% | 4% | 7% |

The total requirement by qualifications for **Scotland**:

| SCQF 11-12 | SCQF 7-10 | SCQF 6 | SCQF 5 | SCQF 1-4 | No qualifications |
|------------|-----------|--------|--------|----------|-------------------|
| 26,600 | 165,200 | 43,100 | 66,700 | 11,800 | 22,200 |
| 8% | 49% | 13% | 20% | 4% | 7% |



For data on future demand for skills at local authority level please see page 35 of the Data Matrix.

Future Demand in the Mid-Term (2023-2026) by Industry¹

By industry, the greatest number of people are forecast to be required in:



Wholesale and Retail Trade

14,900



Accommodation and Food Service Activities

8,600

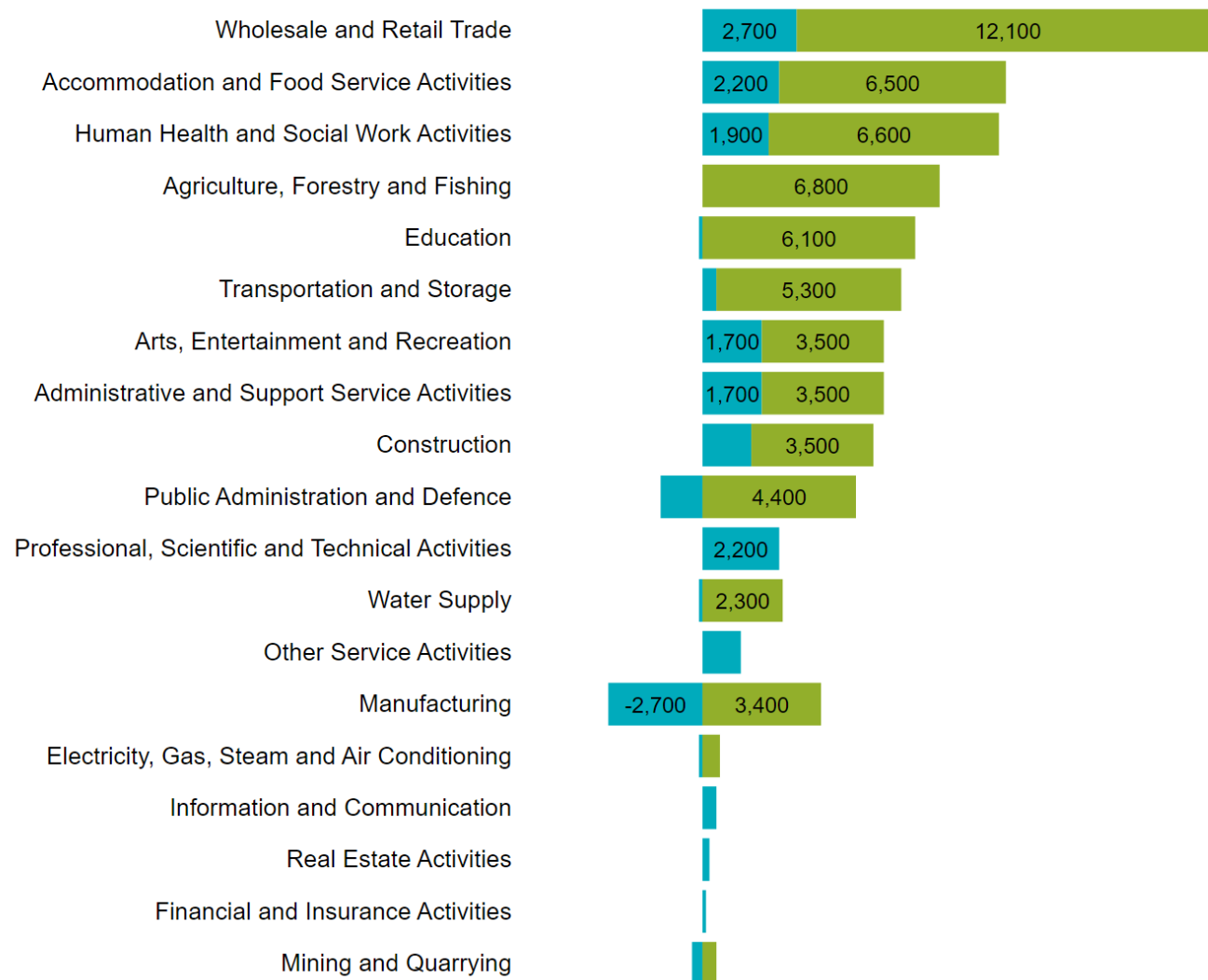


Human Health and Social Work Activities

8,500

Headline figures for each industry do not show how the composition of the industry is changing. Within industries there are changes to operating practices and consumer behaviours driven by automation, digitalisation and the transition to net zero. These shifts are not captured in the aggregated groups. We would encourage readers to bear this in mind when interpreting the data. For further sectoral evidence, please see our Sectoral Skills Assessments.

Forecast Total Requirement by Industry (2023-2026), Rural Scotland



Figures may not sum due to rounding.

● Expansion demand ● Replacement demand




For data on future demand by industry at local authority level please see page 36 of the Data Matrix.

Future Demand in the Mid-Term (2023-2026) by Occupation¹

By occupation, the greatest number of people are forecast to be required in:

 **Elementary Occupations: Clerical and Services**
8,700

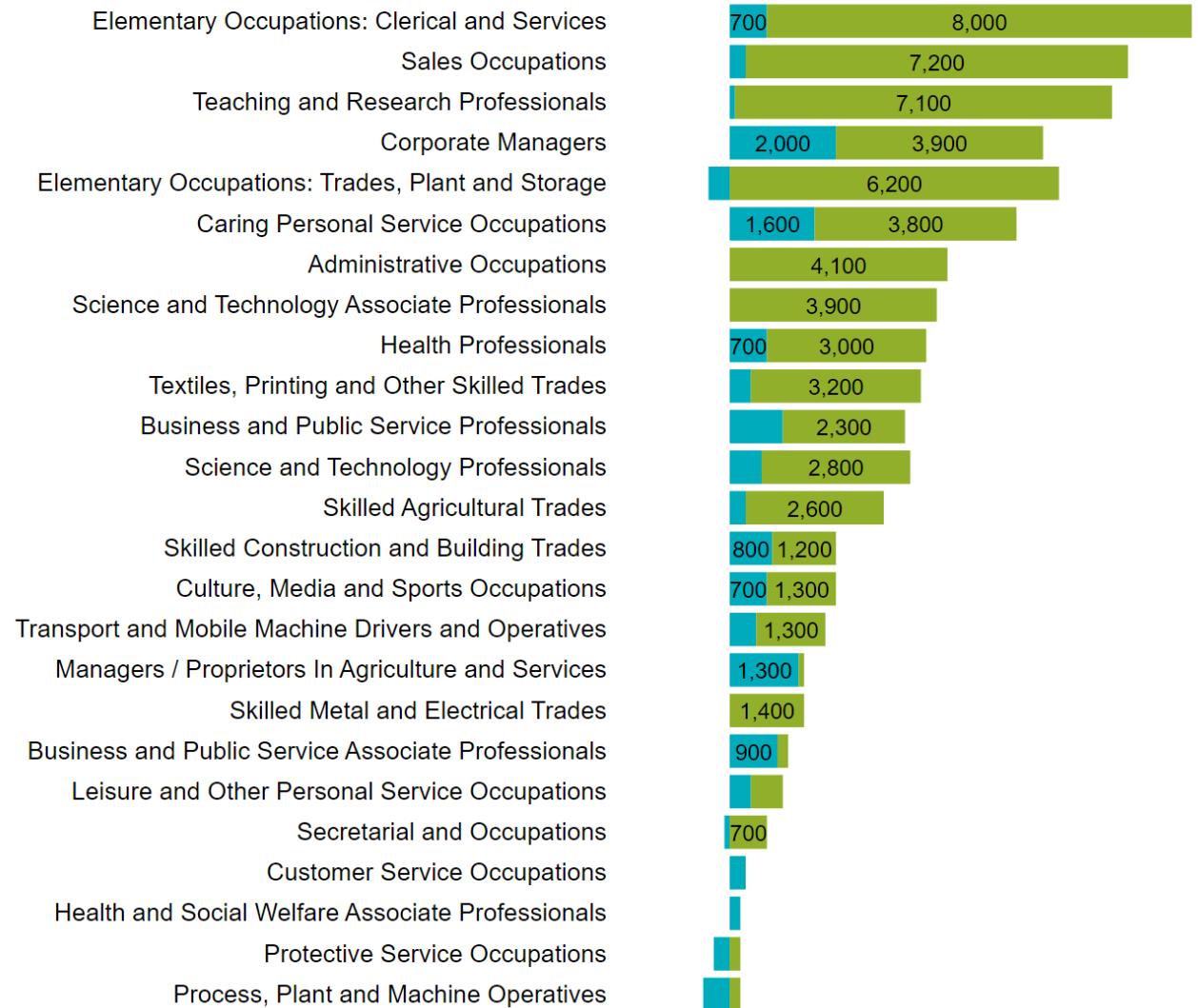
 **Sales Occupations**
7,500

 **Teaching and Research Professionals**
7,100

As mentioned, there is forecast to be a total requirement for 76,600 people in the region over the mid-term. 'Higher-level' occupations are forecast to account for 41.5% of this total requirement, followed by 27.5% in 'mid-level' occupations and 31.1% in 'lower-level' occupations. Across Scotland, 50.1% of total requirement will be in 'higher-level' occupations, 23.2% in 'mid-level' occupations and 26.7% in 'lower-level' occupations.

Figures may not sum due to rounding.

Forecast Total Requirement by Occupation (2023-2026), Rural Scotland



● Expansion demand ● Replacement demand



For data on future demand by occupation at local authority level please see page 37 of the Data Matrix.

Future Demand in the Long-Term (2026-2033)¹

The long-term forecast is more changeable than the mid-term forecasts and could be influenced by a range of factors. It is important to note that the forecasts do not account for national or regional activities, initiatives or investments such as those mentioned on page five, which are likely to influence the long-term outlook presented. Oxford Economics' forecasts should be used as guidance on overall trends based on current evidence - rather than definitive numbers.

In Rural Scotland, the labour market forecast for the long-term (2026-2033) suggests there could be a demand for people a result of the need to replace workers leaving the labour market due to retirement and other reasons, while overall employment is expected to decline.

Forecasts for the long-term suggest there could be a total requirement for **153,300** people in **Rural Scotland**. Between 2026 and 2033, replacement demand could create the need for **161,300** people, while expansion demand is forecast to result in **-7,900** workers.

In **Scotland**, there could be a total requirement for **729,900** people in the long-term. Between 2026 and 2033, replacement demand could create the need for **707,200** people, while **positive** expansion demand is forecast to result in **22,700 additional** workers.

Figures may not sum due to rounding.



Expansion Demand

the number of people required as a result of economic growth or contraction.

Rural Scotland: -7,900 people

Scotland: 22,700 people



Replacement Demand

the number of people required to replace workers leaving the labour market (i.e. retirement, move away, or change jobs).

Rural Scotland: 161,300 people

Scotland: 707,200 people



Total Requirement

made up of expansion demand and replacement demand to show the total number of people required.

Rural Scotland: 153,300 people

Scotland: 729,900 people

The total requirement by qualifications for **Rural Scotland**:

| SCQF 11-12 | SCQF 7-10 | SCQF 6 | SCQF 5 | SCQF 1-4 | No qualifications |
|------------|-----------|--------|--------|----------|-------------------|
| 8,200 | 75,100 | 22,500 | 35,400 | 1,500 | 10,600 |
| 5% | 49% | 15% | 23% | 1% | 7% |

The total requirement by qualifications for **Scotland**:

| SCQF 11-12 | SCQF 7-10 | SCQF 6 | SCQF 5 | SCQF 1-4 | No qualifications |
|------------|-----------|--------|---------|----------|-------------------|
| 52,700 | 365,600 | 91,700 | 157,700 | 14,300 | 47,900 |
| 7% | 50% | 13% | 22% | 2% | 7% |




For data on future demand for skills at local authority level please see page 35 of the Data Matrix.

Future Demand in the Long-Term (2026-2033) by Industry¹

By industry, the greatest number of people are forecast to be required in:

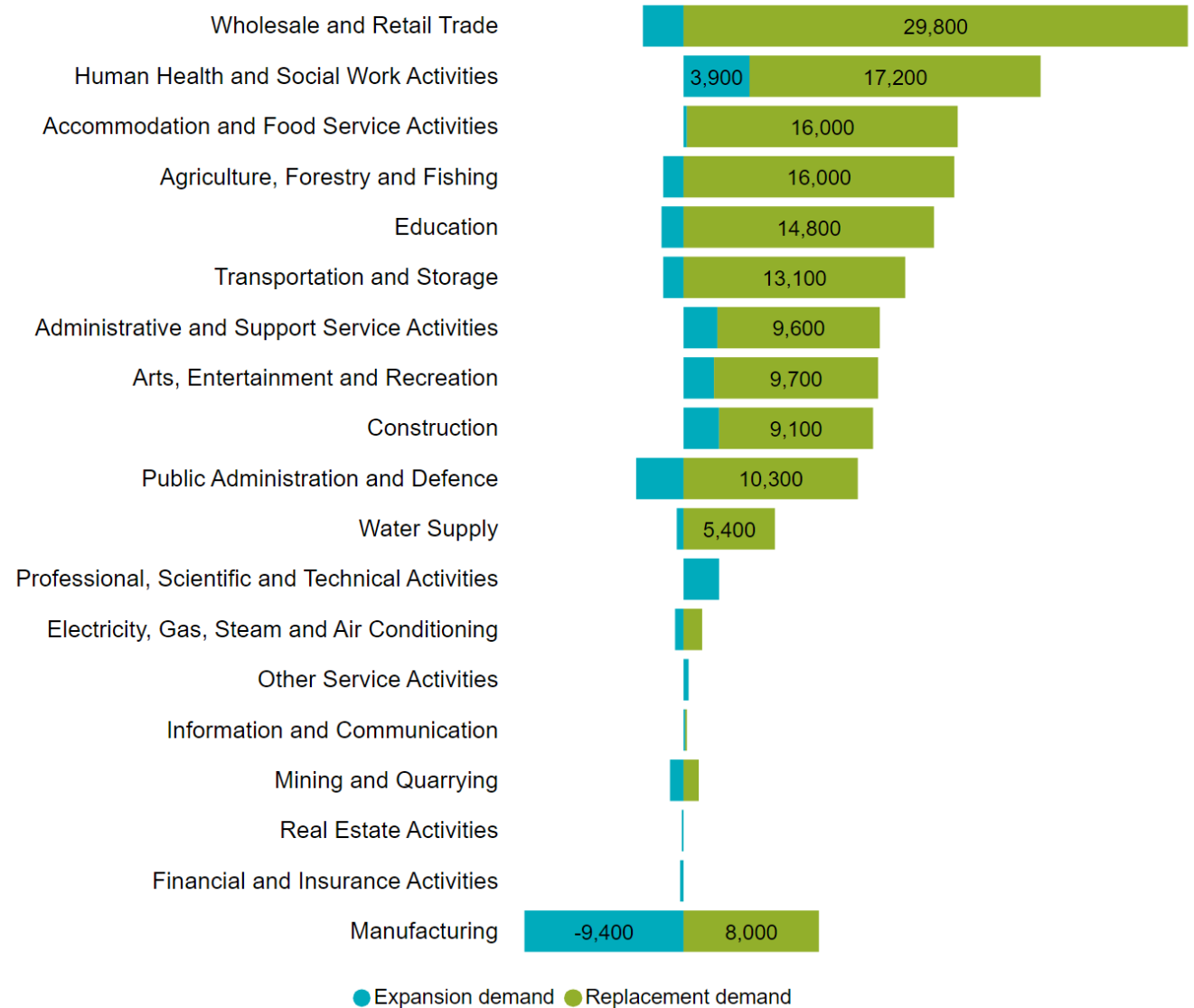
 **Wholesale and Retail Trade**
27,400

 **Human Health and Social Work Activities**
21,100

 **Accommodation and Food Service Activities**
16,200

The mid-term forecast analysis indicated that some industries are experiencing a shift in their operational practices, and this trend is expected to continue in the long term.

Forecast Total Requirement by Industry (2026-2033), Rural Scotland



Figures may not sum due to rounding.



For data on future demand by industry at local authority level please see page 36 of the Data Matrix.

Future Demand in the Long-Term (2026-2033) by Occupation¹

By occupation, the greatest number of people are forecast to be required in:



Teaching and Research Professionals

16,800



Elementary Occupations: Clerical and Services

15,800

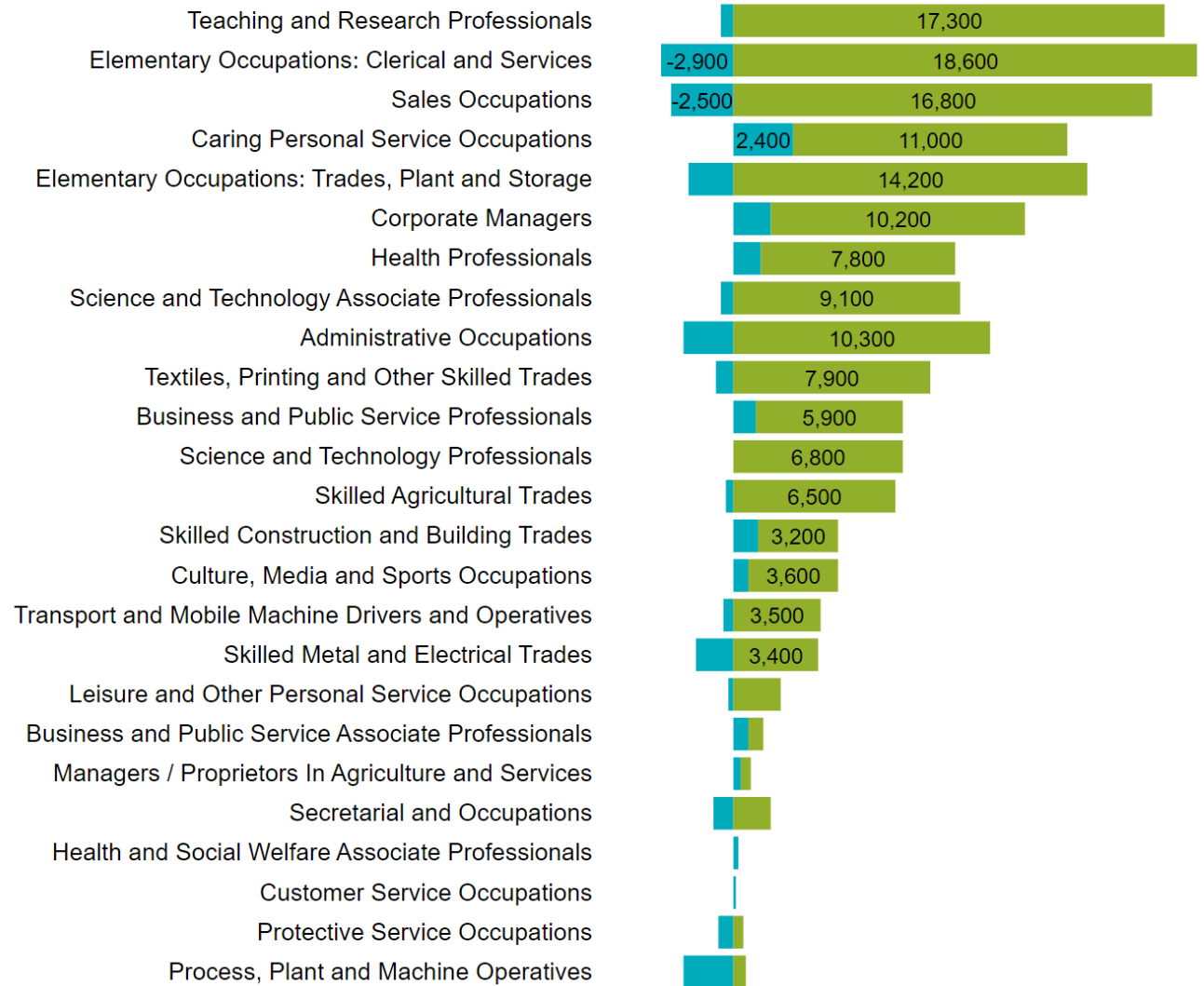


Sales Occupations

14,300

There is forecast to be a total requirement for 153,300 people in the region over the long-term. 'Higher-level' occupations are forecast to account for 43.0% of this total requirement, followed by 28.3% in 'mid-level' occupations and 28.8% in 'lower-level' occupations. Across Scotland, 51.9% of total requirement will be in 'higher-level' occupations, 23.9% in 'mid-level' occupations and 24.2% in 'lower-level' occupations.

Forecast Total Requirement by Occupation (2026-2033), Rural Scotland



Figures may not sum due to rounding.

● Expansion demand ● Replacement demand



For data on future demand by occupation at local authority level please see page 37 of the Data Matrix.

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