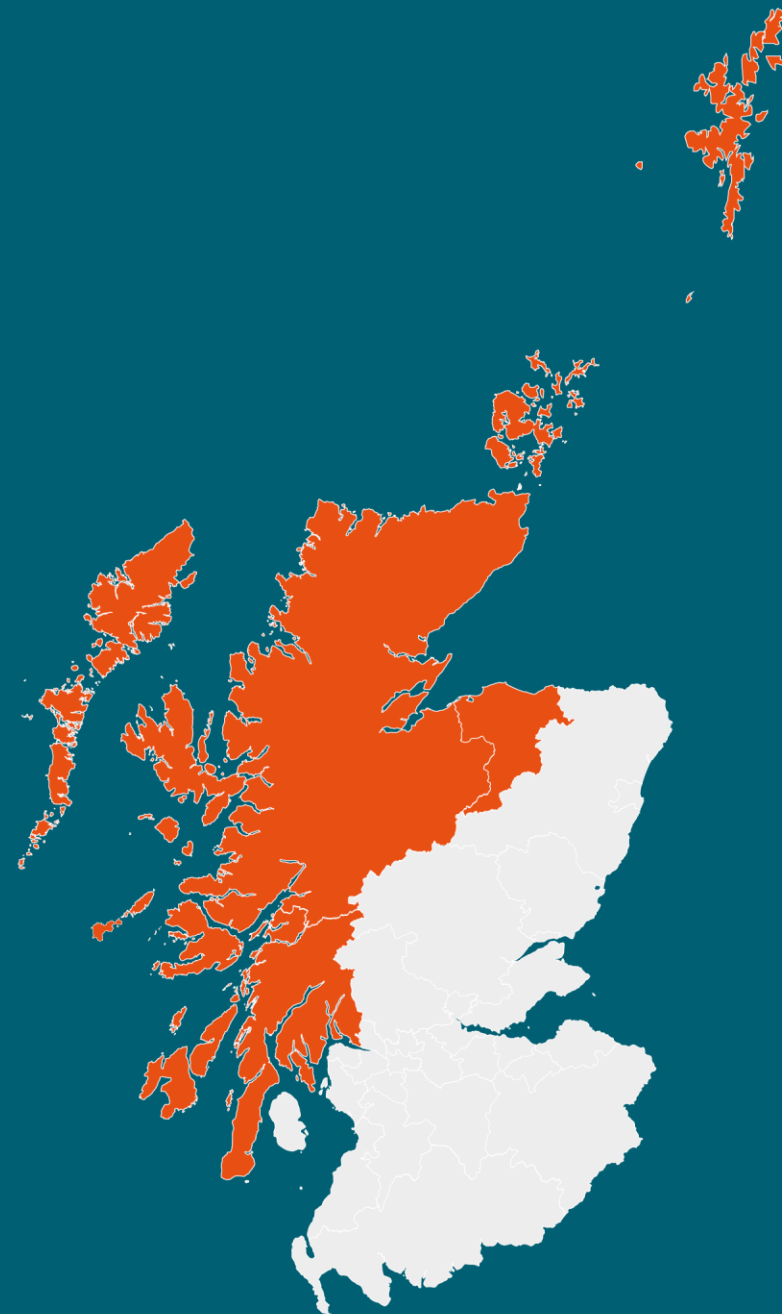


Regional Skills Assessment

Highlands and Islands

October 2025



Regional Skills Assessments

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

RSAs include forecast data that has been commissioned through Oxford Economics. The Technical Note¹ provides full details 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)² and Standard Occupational Classifications (SOC).³

This RSA report is for the Highlands and Islands, which covers the Argyll and Bute, Na h-Eileanan Siar, Highland, Moray, Orkney Islands, and Shetland Islands local authorities.

A summary of forecast data is also available down to local authority level in the [RSA Summary Infographics](#).

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



[Economy, People and Skills](#) report which provides succinct and up-to-date evidence on Scotland's economy, businesses and people. It is published monthly.



[Sectoral Skills Assessments](#) provide Labour Market Insight for key sectors across Scotland. These are published annually.



The [Data Matrix](#) is an interactive tool, offering more detailed data from a variety of sources in a visually engaging format. It is updated frequently.

Throughout the report, we indicate where **local authority information is available through the Data Matrix**.

The Data Matrix also contains additional data for the region, including data on employment, unemployment, and economic inactivity from the Annual Population Survey. These are available under the theme Skills Supply.

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



We value user feedback on the Regional Skills Assessments.

If you would like to provide feedback, please do so [here](#).

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

1. RSA Technical Note (2025).

2. Office for National Statistics UK Standard Industrial Classification (SIC) 2007.

3. Office for National Statistics UK Standard Occupational Classification (SOC) 2010.

The Context for Scotland's Labour Market

Over the past decade, the Scottish economy has experienced disruption driven by changes in the global political landscape, the cost-of-living crisis and conflicts in the Middle East and Ukraine. In addition, megatrends in demography, technology, and the environment have continued to shape Scotland's economy and labour market, many of which are interdependent. Below is an overview of the drivers that are expected to have the greatest influence on Scotland's labour market outlook in the near term, based on a comprehensive analysis of both structural and cyclical factors.

The Economy

Scotland and the UK experienced weak economic growth of 1.1% in 2024, with inflation also staying above the 2.0% target. Forecasters expect economic growth to remain at around 1.0% in 2025, with inflation also expected to remain elevated. The effects of rising prices and high interest rates continue to impact Scottish households and businesses. This contributes to the Scottish labour market being cooler in 2025, following a period of sustained tightness in recent years.



Demographic Change

Scotland's population is projected to grow until mid-2047, largely driven by positive net migration, which will offset the anticipated natural decline due to a falling fertility rate. However, whilst the population is growing, it is also ageing. Around one-fifth of Scotland's residents were aged 65 or over in 2024. By 2047, the number of people of pensionable age is expected to increase by 21%. This demographic change has implications for the economy and labour market, by affecting caring responsibilities, tax revenue, and productivity.



Inclusion and Equality

There is a lingering effect from the cost-of-living crisis, which began in 2021, with rising energy prices and financial pressures continuing to have a disproportionate impact on low-to-middle income households. Poverty, including in-work poverty, persists; however, the Fair Work policy agenda aims to reduce labour market inequalities. Barriers to accessing the labour market remain for disabled people and minority ethnic groups, and gender equality still requires progress.



Technology and Automation

Artificial Intelligence (AI) continues to be the core driver in technology transformation. Scotland has a strong technology sector, underpinned by extensive academic and business presence in AI and related fields. The adoption of AI is rapidly increasing among Scottish businesses, particularly in optimising workflows. However, the implications of AI for the labour market remain uncertain. Scotland's strong base in digital and data skills could provide an advantage, but maintaining a skilled workforce will be essential.



Climate Change and Net Zero

The transition to net zero will directly impact the labour market as actions are taken to meet net zero targets. This shift offers significant opportunities for job creation in Scotland, particularly in the clean energy sector. Scotland has strong natural assets, and existing sectoral strengths provide a strong foundation for a green economy. However, upskilling will be crucial for transition to net zero. Especially in the construction, manufacturing, agriculture, energy and transport sectors.



A fuller report on Scotland's Labour Market Drivers can be found [here](#).

Regional Economic Development and Skills Governance

Skills governance in the region is coordinated through the Highlands and Islands Regional Economic Partnership (HIREP). Established in 2022 to bring together public, private, academic, and third sector stakeholders.

HIREP's vision is for the Highlands and Islands to be *'a dynamic, connected, resilient and prosperous region with a balanced and growing population and a vibrant economy, embedding community wealth building, leading Scotland's transition to net zero, and enhancing our natural environment'*.

The HIREP Regional Economic Strategy 2025-2035 guides the collaborative work of HIREP and sitting alongside this strategy a detailed delivery plan, refreshed every two years, sets out the key steps and the milestones to progress the goals and associated actions. Dedicated subgroups drive delivery, of which the Labour and Skills subgroup plays a pivotal role in delivering a coordinated response to skills and labour needs of the Highlands and Islands.

The HIREP links to the Convention of the Highlands and Islands (COHI), chaired by the Deputy First Minister, which brings together regional organisations and the Scottish Government.

Regional Transformational Opportunities

The Highlands and Islands Regional Transformational Opportunities (RTO) research, commissioned by Highlands and Islands Enterprise and HIREP, identifies over 250 strategic projects with a potential investment of over £100 billion in the Highlands and Islands by 2040. Focused on sectors like renewable energy, space, life sciences, and infrastructure, the study highlights the region's unprecedented economic potential. It aims to guide planning and policy to maximise benefits, including up to 18,000 operational jobs.

Workforce North

Workforce North is a multi-agency mission responding to the once-in-a-generation opportunity identified in the Regional Transformational Opportunities research. The core aim of Workforce North is to grow and expand the regional workforce to meet the demands of this transformation. The initiative was established following a CoHI decision in Autumn 2024 and led by SDS in partnership with organisations across the Highlands and Islands.

Workforce North will also focus on other key sectors currently facing acute workforce challenges in the Highlands and Islands, for example, health and social care, including childcare, impacted by an ageing population demographic.

Workforce North seeks to address these challenges through five workstreams:

- An extensive campaign
- School and Wider Community Focus
- Apprenticeship Expansion
- Increased upskilling and reskilling initiatives
- A major talent attraction and retention programme.

Governance of Workforce North will be via the HIREP Labour and Skills Group.

It is important to note that the forecasts used in this Regional Skills Assessment are policy and investment neutral.



This means the figures present a baseline outlook that takes into account historical trends and external economic conditions, but the figures do not reflect investment or policy that is unconfirmed or at planning/development stage.

This would include, for example the level of investment identified in the Regional Transformational Opportunities research.

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

Economic Performance¹



Estimated GVA in **the Highlands and Islands** in 2025: **£13,975m**

The Highlands and Islands was estimated to generate 8.3% of Scotland's output in 2025. This share of GVA ranked the region in the second highest quartile of regions for GVA contribution to the Scottish economy.

In 2025, the highest value industries in the Highlands and Islands were estimated to be:



Real Estate Activities*

£1,943m



Human Health and Social Work Activities

£1,668m



Public Administration and Defence

£1,652m



Manufacturing

£1,339m



GVA forecast average annual growth (2025-2028)

Highlands and Islands: 1.5%

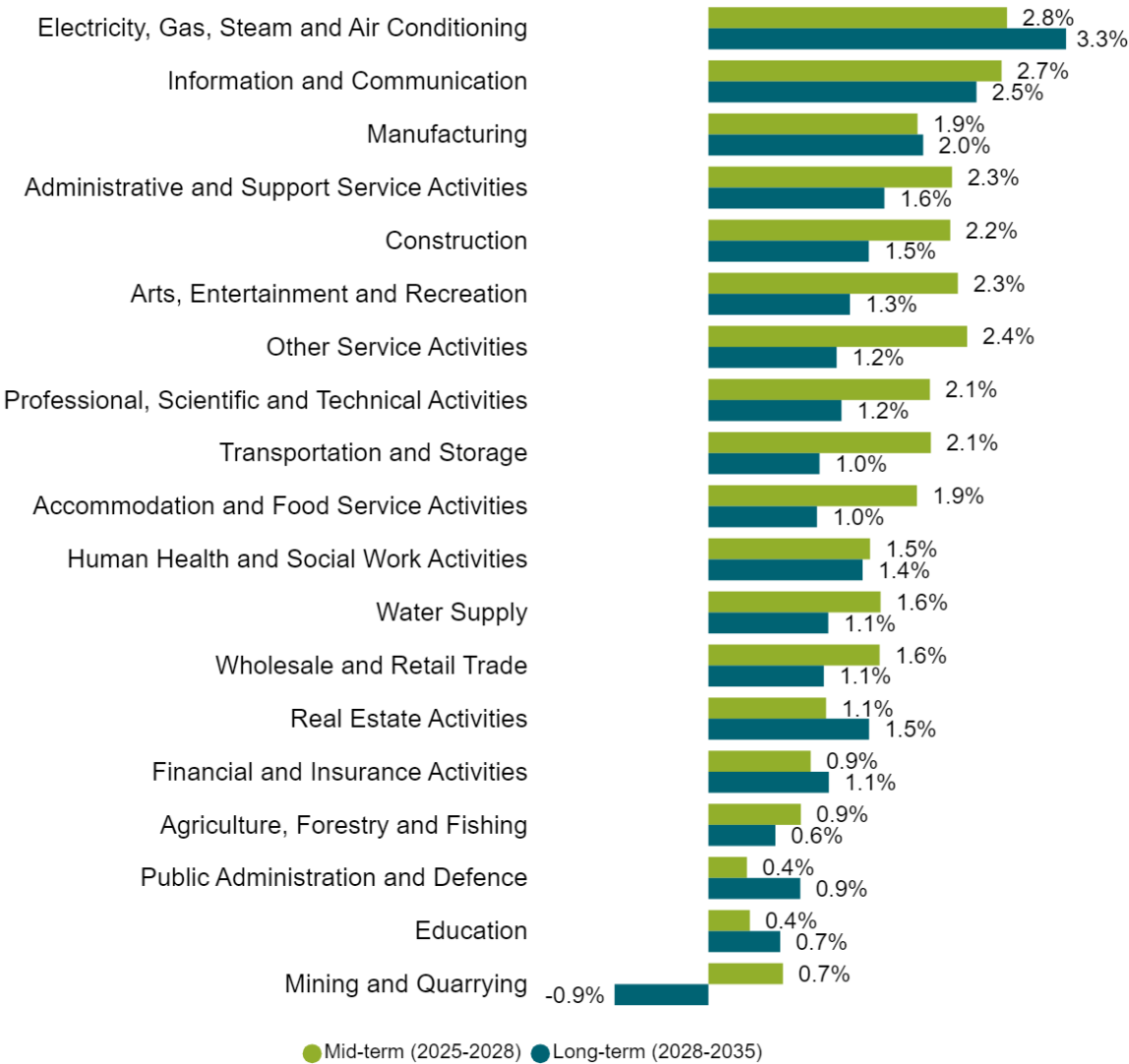
Scotland: 1.7%

GVA forecast average annual growth (2028-2035)

Highlands and Islands: 1.4%

Scotland: 1.6%

Forecast Average Annual GVA Change by Industry (%), Highlands and Islands



For data on GVA at local authority level please see the Data Matrix.
(Theme: Skills Demand; Topic: Economic Output (GVA))

1. SDS (2025). Oxford Economics Forecasts.

*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 caution is needed when interpreting productivity data presented in this report. It must be considered in the context of other data and insight.

Productivity in **the Highlands and Islands** was estimated to be **£50,600** in 2025. In comparison, the Scottish average was estimated to be £57,700.



Mid-term Productivity

From 2025 to 2028, productivity in the Highlands and Islands is forecast to grow by 0.8% on average each year. Over the same period, the Scottish growth rate is forecast to be 0.8%.

Highlands and Islands forecast productivity in 2028: **£51,900**

Scotland forecast productivity in 2028: **£59,100**



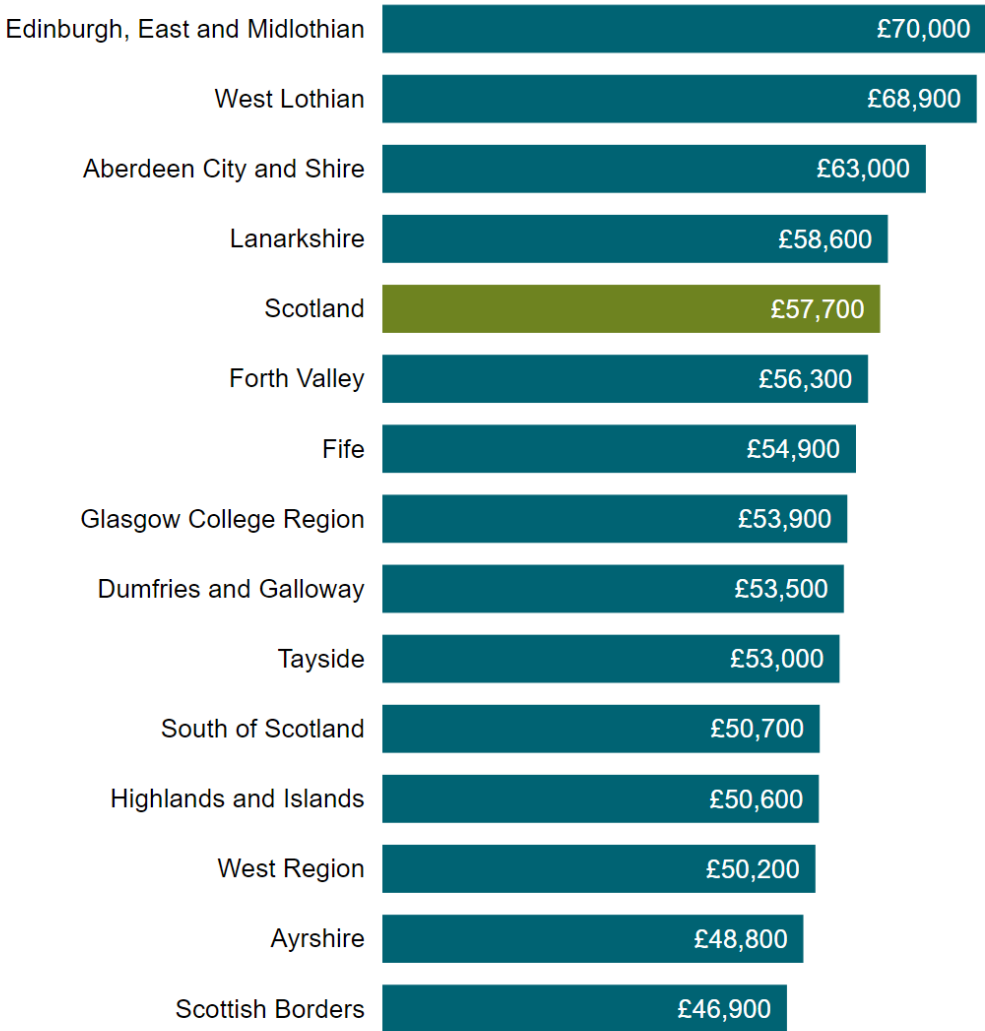
Long-term Productivity

From 2028 to 2035, productivity in the Highlands and Islands 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%.

Highlands and Islands forecast productivity in 2035: **£56,100**

Scotland forecast productivity in 2035: **£63,600**

Productivity (2025)



Regional Employment¹



Workforce Size 2025:
240,000 people

The region's workforce was estimated to account for **8.9%** of Scottish employment.

Over the last 10 years (2015-2025), regional employment was estimated to have **grown** by **4.9%** (**11,100** people). In comparison, employment in Scotland increased by 5.5%.



Workforce Size 2028:
244,800 people

The region's workforce is forecast to **grow** by **2.0%** (**4,800** people) between 2025 and 2028.

Compared to a Scotland-wide increase of **2.5%** or **68,000** people.

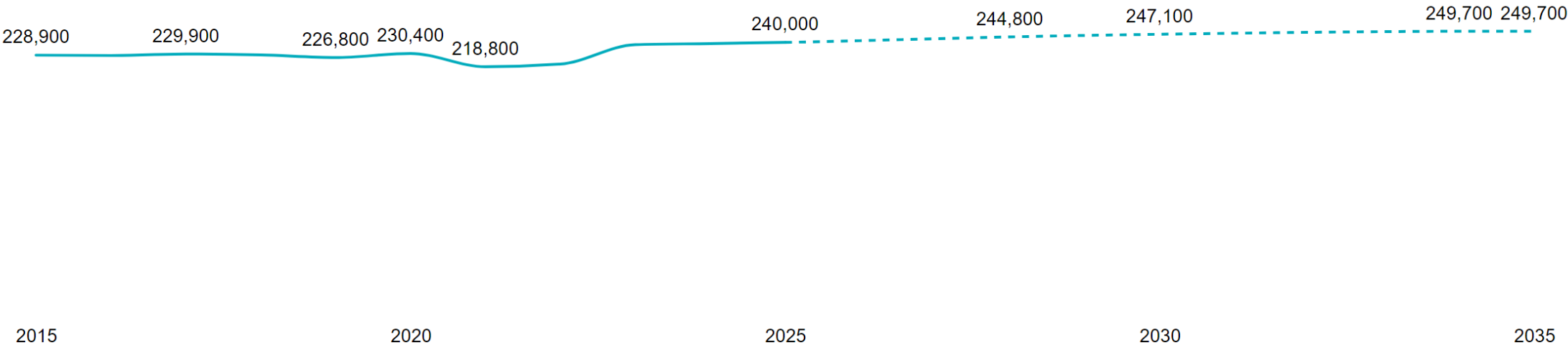


Workforce Size 2035:
249,700 people

The region's workforce is forecast to **grow** by **2.0%** (**4,900** people) between 2028 and 2035.

Compared to a Scotland-wide increase of **4.0%** or **112,500** people.

Employment and forecast employment (2015-2035) (people), Highlands and Islands



For data on employment and forecast employment at local authority level please see the Data Matrix.
(Theme: Skills Demand; Topic: Employment Forecast)

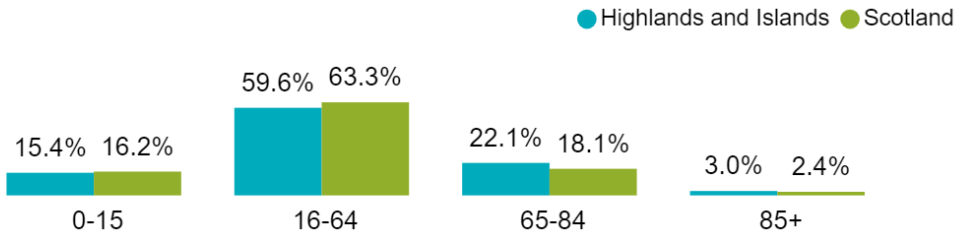
1. SDS (2025). Oxford Economics Forecasts.

Spotlight: Region's People

Population¹



In 2024, the population in **the Highlands and Islands** was estimated to be **491,220**, accounting for **8.9%** of Scotland's total population. By age, the population distribution of the region and Scotland was:



Disability²

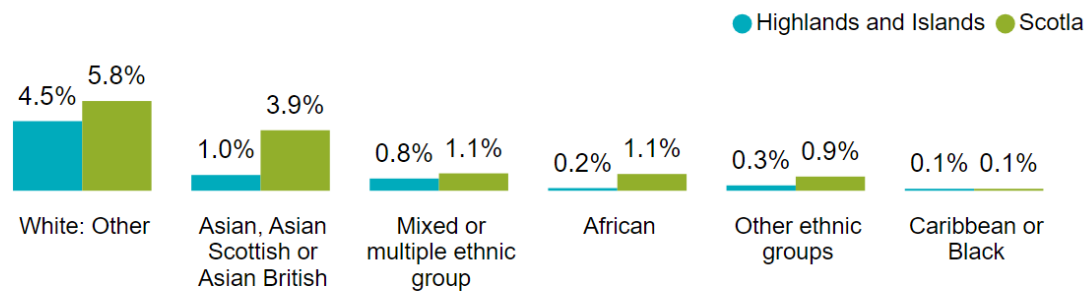


In 2022, the percentage of the population that reported having a health condition or disability that affected their daily activities was:

Highlands and Islands: 23.8% **Scotland: 24.1%**

Ethnic Groups²

The majority (**93.1%**) of people in **the Highlands and Islands** identified as 'White Scottish' or 'Other White British' in 2022. The breakdown of Minority Ethnic groups included:



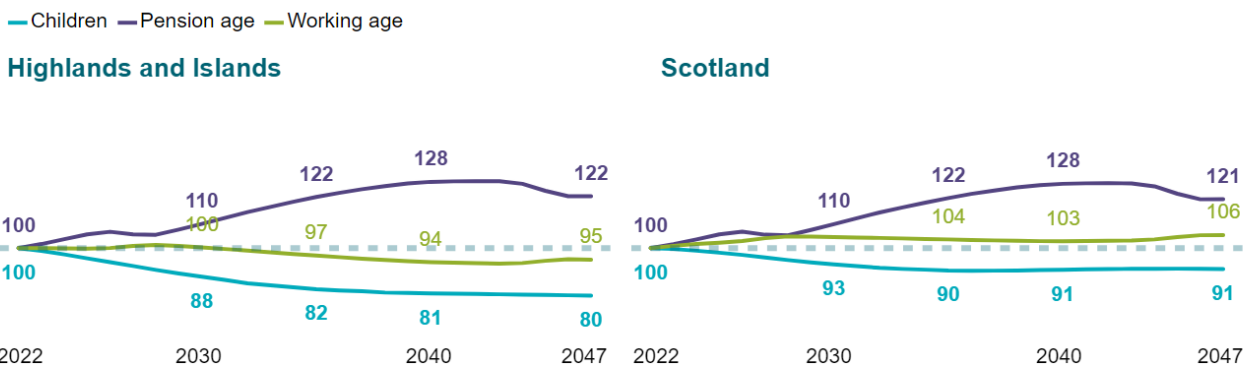
Population Projections³



The population is forecast to **decline** by **1.2%** in **the Highlands and Islands** between 2022 and 2047. Over the same period, the Scottish population is forecast to grow by 6.2%.

The number of people of working age is projected to **decline** by **4.9%** by 2043. While, across Scotland it is forecast to increase by 5.6%.

Index of Regional and National Projections (2022=100)³



Dependency Ratio⁴

The dependency ratio considers the **non-working age population** (consisting of children and those of pensionable age) **compared to those of working age**. As an example, a dependency ratio of 54% would mean that for every 100 people of working age there are 54 people of non-working age.

Dependency Ratio for the Highlands and Islands :		Dependency Ratio for Scotland :	
2022: 63%	2047: 69%	2022: 54%	2047: 55%

1. National Records of Scotland (2025) [Mid-2024 Population Estimates](#)
2. Scottish Government (2024) [Scotland's Census 2022](#)
3. National Records of Scotland (2025) [Projected Population of Scotland: 2022-based](#)
4. SDS analysis of: National Records of Scotland (2025) [Projected Population of Scotland: 2022-based](#)

Employment by Industry¹

The largest employing industries in the region in 2025 (based on people) were estimated to be:

 **Human Health and Social Work Activities**
43,400

 **Public Administration and Defence**
26,400

 **Wholesale and Retail Trade**
22,600

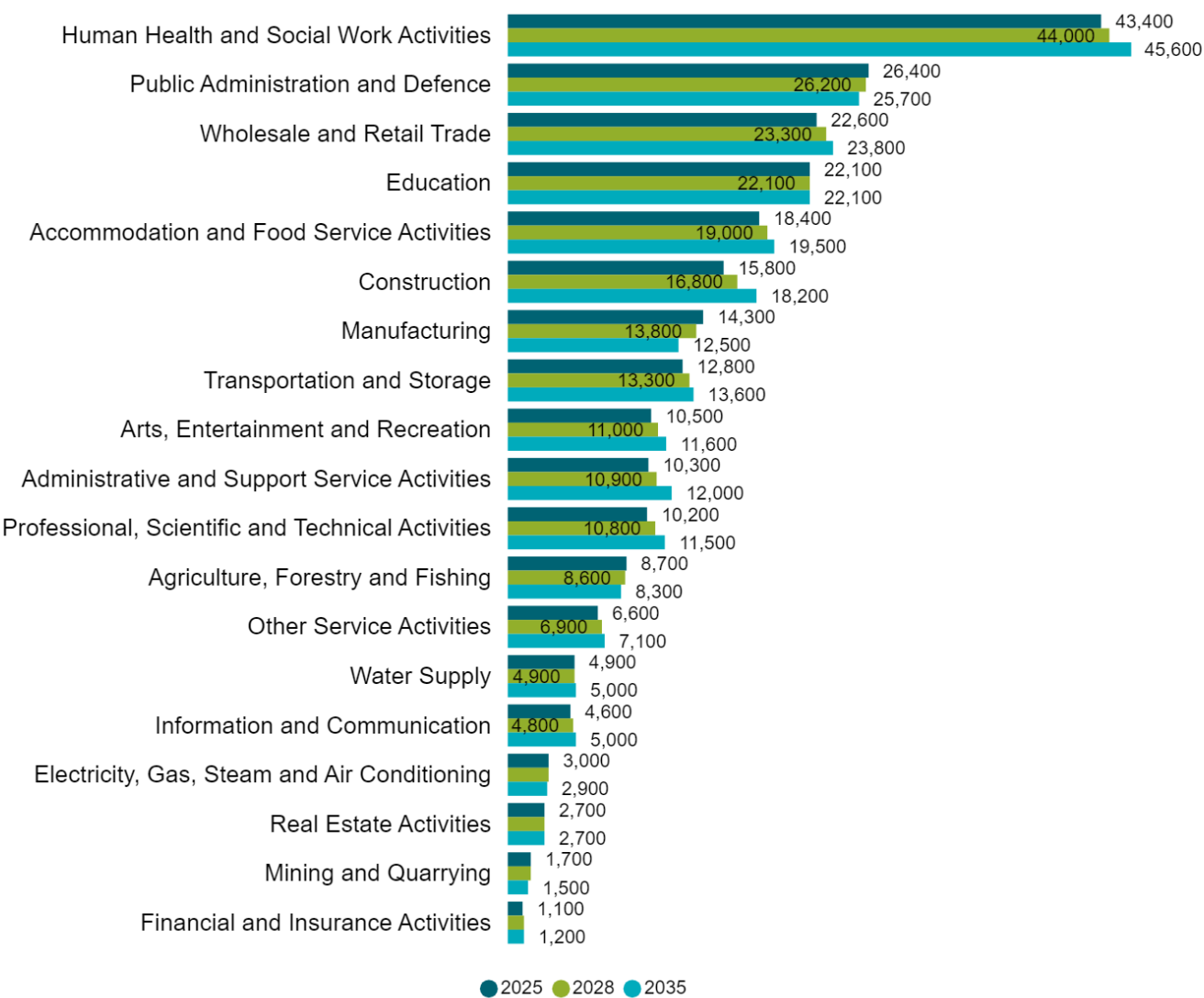
Between 2025 and 2028, employment in the region is forecast to grow, however industries will have varying performance. The greatest employment growth is forecast in Construction, with 900 more people by 2028. While Manufacturing is forecast to have the greatest employment contraction (-500 people) in the mid-term.

Over the long-term, between 2028 and 2035, the greatest employment growth is forecast in Human Health and Social Work Activities, with 1,600 more people by 2035. While Manufacturing is forecast to have the greatest employment contraction (-1,200 people) in the long-term.

In 2025, Fishing and Aquaculture was estimated to be the region's greatest specialism, with the percentage of employment in this industry 6.1 times greater than the Scottish average. The second largest specialism was estimated to be Water Transport (4.6 times greater in the region than the Scottish average).

Figures may not sum due to rounding.

Employment by Industry, Highlands and Islands



For data on employment by industry/key sector at local authority level please see the Data Matrix.
(Theme: Skills Demand; Topic: Employment Forecast by Industry)

1. SDS (2025). Oxford Economics Forecasts.

Employment by Occupation¹

The largest employing occupational groups in the region in 2025 (based on people) were estimated to be:

- 

Caring Personal Service Occupations
21,000
- 

Elementary Occupations: Clerical and Services
18,500
- 

Administrative Occupations
18,000

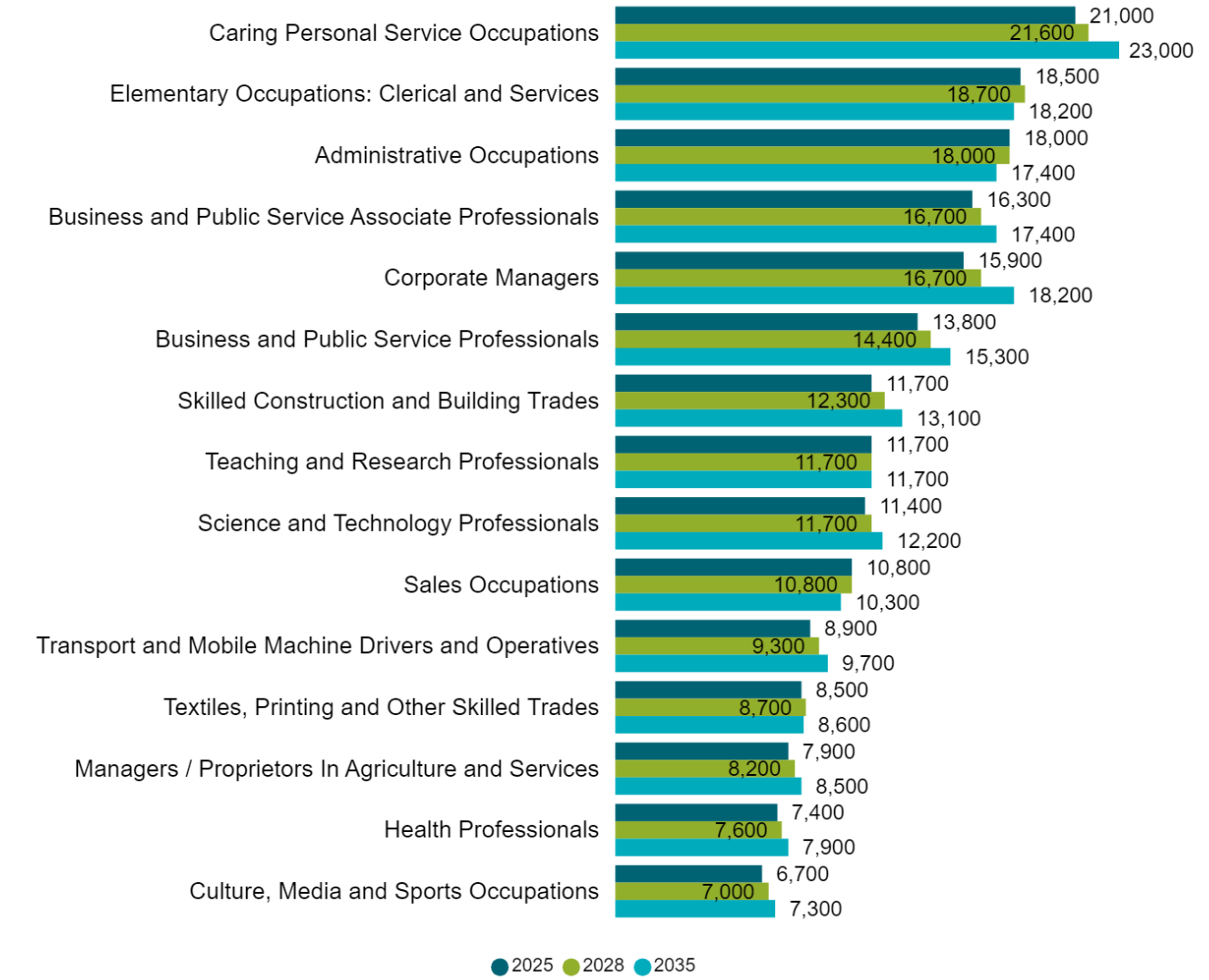
In 2025, 45.4% of employed people in the region were in ‘higher-level’ occupations*, which was a lower percentage of the workforce than Scotland (50.8%). ‘Mid-level’ occupations accounted for 33.3% of the workforce, which was a higher percentage of the workforce than Scotland (27.8%). Around 21.3% of people were employed in ‘lower-level’ occupations, which was a lower percentage of the workforce than Scotland (21.3%).

Between 2025 and 2028, the greatest growth is forecast to be in Corporate Managers (800 people). While Protective Service Occupations is likely to experience the greatest contraction (-100 people).

Over the long-term, between 2028 and 2035, the greatest growth is forecast to be in Corporate Managers (1,500 people). While Administrative Occupations is likely to experience the greatest contraction (-500 people).

Figures may not sum due to rounding.

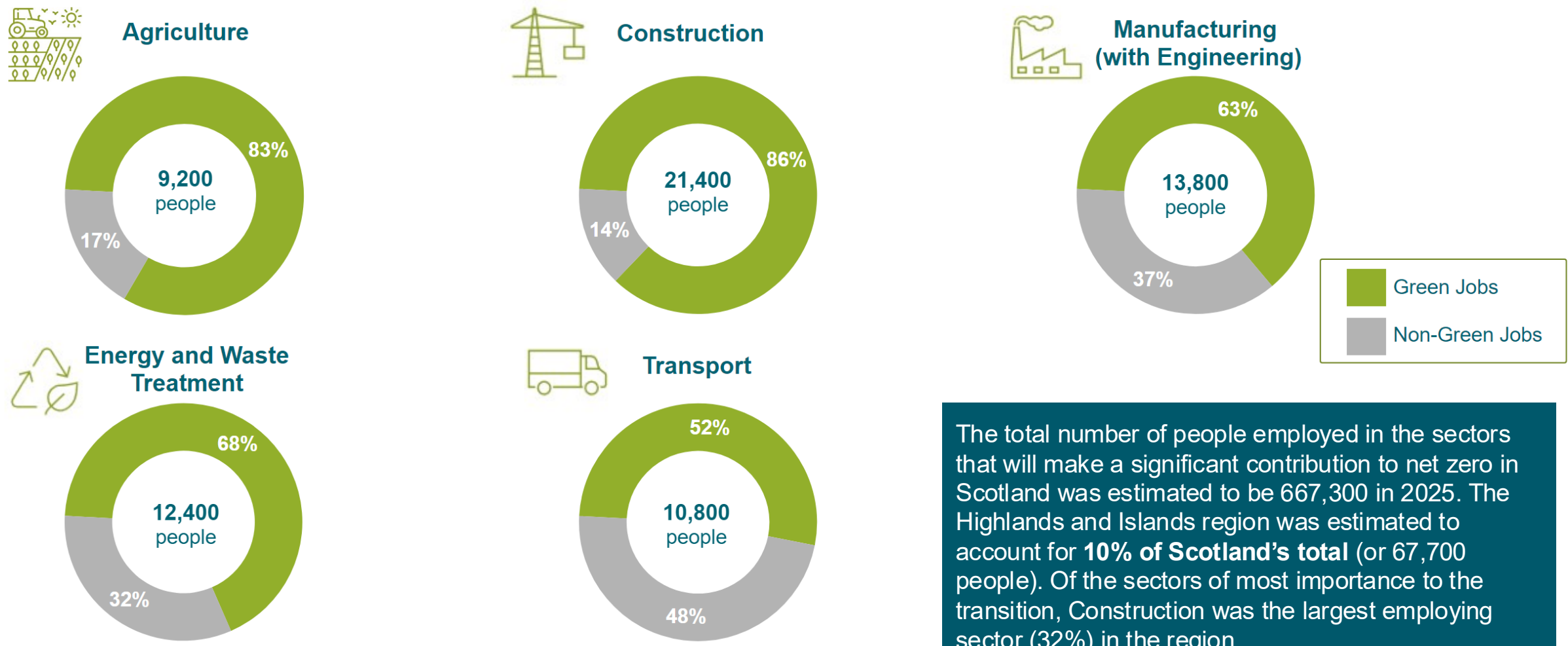
Employment in the 15 Largest Occupational Groups, Highlands and Islands



1. SDS (2025). Oxford Economics Forecasts.
* See RSA Technical Note (2025) for an explanation of what is defined as ‘higher-level’, ‘mid-level’ and ‘lower-level’ occupations.

Transition to Net Zero¹

Identified as part of the Climate Emergency Skills Action Plan (CESAP), the sectors² listed below **make a significant contribution to the transition to net zero** and have the greatest potential for skills implications and jobs growth arising from it. We have been able to establish the split between green jobs and non-green jobs for the College regions. Green jobs in Scotland are defined by three different categories: enhanced skills and knowledge, increased demand and new and emerging.³ Presented below is the **number of people estimated to be employed in these sectors within the Highlands and Islands in 2025.**



The total number of people employed in the sectors that will make a significant contribution to net zero in Scotland was estimated to be 667,300 in 2025. The Highlands and Islands region was estimated to account for **10% of Scotland's total** (or 67,700 people). Of the sectors of most importance to the transition, Construction was the largest employing sector (32%) in the region.

Figures may not sum due to rounding.

1. SDS (2025). Oxford Economics Forecasts.
2. The sectors that make a significant contribution to the net zero transition were identified in [the Green Jobs in Scotland report](#).

Due to the methodology adopted, the footprint of sectors presented on this page differs from the industry footprint presented elsewhere in this report, and in our Sectoral Skills Assessments (SSAs). Please find a full list of the

Standard Industrial Classification (SIC) codes used to define these sectors in the Green Jobs in Scotland report (and on this page) [here](#).
3. Please see page 13 for more information.

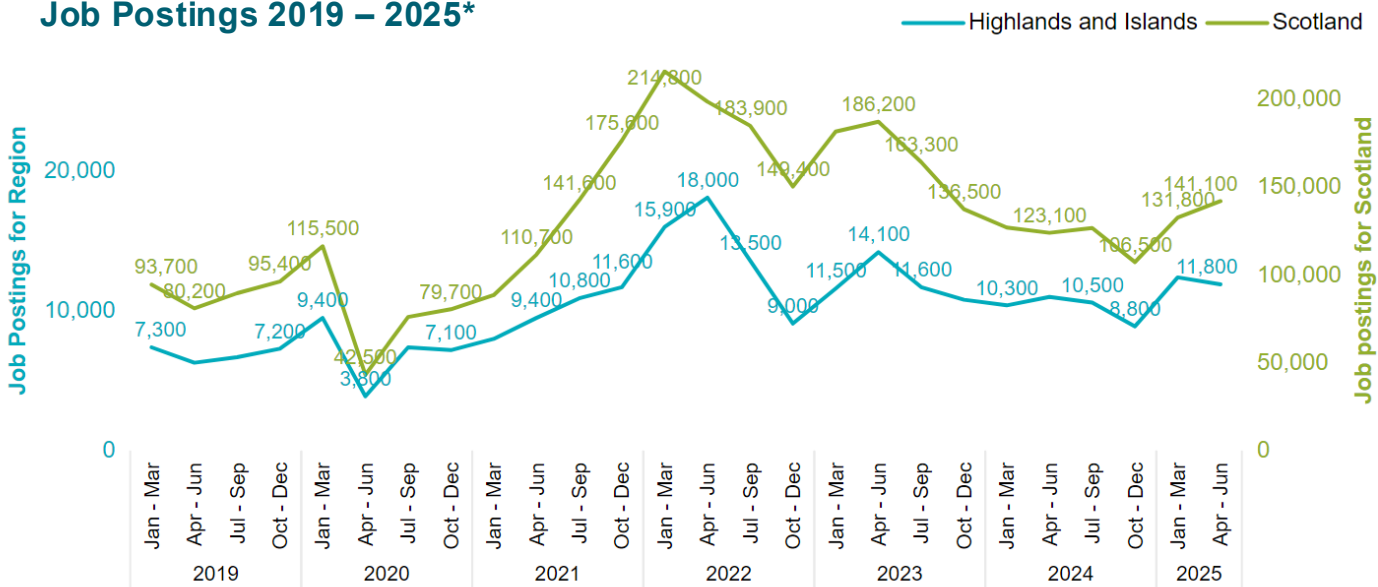
Job Postings¹

Online job postings data provides a useful barometer for the health of the jobs market, real-time employer demand and can indicate changing skills demands. It is important to note that the data does not capture all activity, so it should be considered as an estimate only.

The labour market has cooled across Scotland, and job postings have declined from a peak in 2022. In the Highlands and Islands, the peak in job postings largely coincided with Scotland's, occurring slightly later in Quarter 2.

Whilst the labour market has softened, there has been sustained demand for workers in the region in the first six months of 2025. Job postings in the Highlands and Islands accounted for 8.8% of Scotland's total job postings between January and June 2025.

Job Postings 2019 – 2025*



Between January and June 2025, there were 24,100 job postings in the Highlands and Islands, of which:

The locations with the most jobs advertised were:

Inverness
7,900 job postings

Elgin
1,200 job postings

Fort William
800 job postings

Helensburgh
1,300 job postings

Aviemore
1,000 job postings

Kirkwall
700 job postings

Specialised skills and knowledge were:

- Working with Children
- Food Safety and Sanitation
- Housekeeping
- Social Work
- Project Management
- Personal Care

The top job postings were for:



Figures may not sum due to rounding.

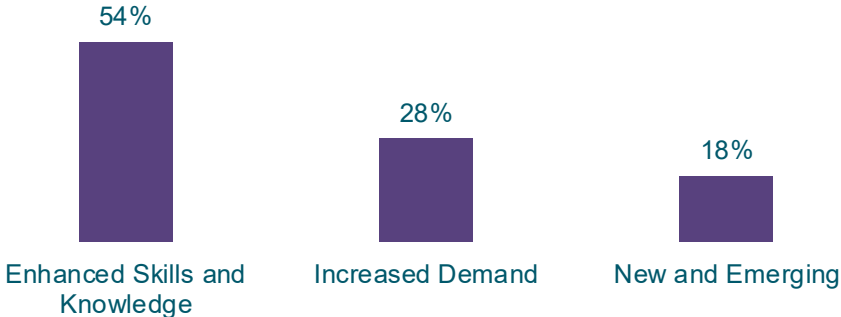
Green Job Postings¹



Out of the 24,100 job postings in the Highlands and Islands between January and June 2025, **34% (8,300) were for green jobs**. This was a lower proportion of green job postings than the Scottish average (41%). The number of green job postings in the region accounted for 7% of all green job postings in Scotland.



Between January and June 2025, **over half of green job postings** in the Highlands and Islands were for Enhanced Skills and Knowledge roles.



The green jobs in demand in each category between January and June 2025 included:

Enhanced Skills and Knowledge:



Vehicle Technicians, Mechanics and Electricians

Increased Demand:

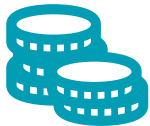


Large Goods Vehicle Drivers

New and Emerging:



Engineering Technicians



The median advertised salary for **green jobs** in the Highlands and Islands was **£35,300*** in the first six months of 2025.

This was higher than the median advertised salary for all jobs in the region which was £29,000**.

The **Green Jobs in Scotland** research uses an **inclusive definition** to define green jobs.

This definition recognises that there will be an ongoing process of 'greening' across the economy due to the transition to net zero, and a broad range of jobs will be impacted in different ways as a result.

Green jobs can be classified into one of the following three categories:

- 1. Enhanced Skills and Knowledge:** Existing occupations which will require significant change to the work and worker requirements due to green economy activities.
- 2. Increased Demand:** Existing occupations which will be needed in higher numbers due to green economy activities.
- 3. New and Emerging:** New occupations which are created because of the need for unique work and worker requirements due to green economy activities.

The full list of occupations (defined using Standard Occupation Classification (SOC) 2020) can be found [here](#).

Figures may not sum due to rounding.

Future Demand in the Mid-Term (2025-2028)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 in our section on Regional Insight, which are likely to influence the outlook presented. Users of the RSAs are encouraged to overlay the forecasts with their local knowledge.

Earlier in the report, we examined the future total employment in the Highlands and Islands. This part of the report focuses on the total requirement, which introduces not only employment growth or contraction but also 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 **34,800** people in **the Highlands and Islands**. Between 2025 and 2028, replacement demand could create the need for **30,100** people, while **positive** expansion demand is forecast to result in **4,800 additional** workers.

In **Scotland**, there could be a total requirement for **398,300** people in the mid-term. Between 2025 and 2028, replacement demand could create the need for **330,300** people, while **positive** expansion demand is forecast to result in **68,000 additional** workers.

Figures may not sum due to rounding.



The total requirement by qualification for **Highlands and Islands**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
2,600	15,900	5,400	7,200	1,000	2,700
7%	46%	16%	21%	3%	8%

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

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
37,800	191,300	49,500	78,400	10,400	30,900
9%	48%	12%	20%	3%	8%

1. SDS (2025). Oxford Economics Forecasts.

Future Demand in the Mid-Term (2025-2028) by Industry¹

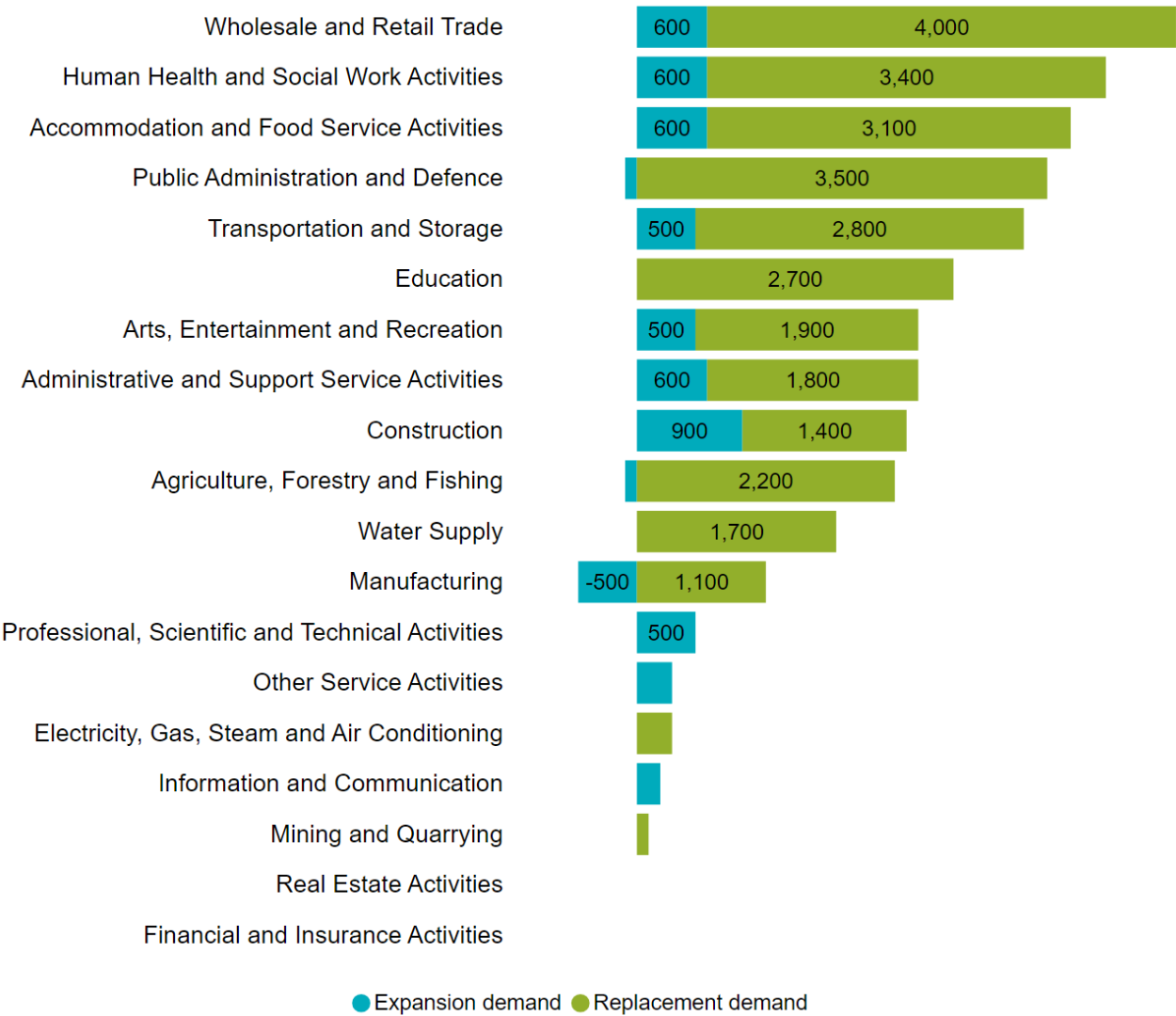
By industry, the greatest number of people are forecast to be required in:

-  **Wholesale and Retail Trade**
4,700
-  **Human Health and Social Work Activities**
4,000
-  **Accommodation and Food Service Activities**
3,700

Headline figures for each industry do not show how the composition of the industry is changing. Within the industries, there are changes to operating practices and consumer behaviours driven by automation, digitalisation and the transition to net zero. Additionally, industries are defined using SIC codes, which might not reflect the full complexity and diversity within each sector. For example, High Value Manufacturing activities would not be fully captured within the traditional definition of Manufacturing, and it would span across different industries, such as Professional, Scientific and Technical Activities. We encourage readers to keep these two points in mind when interpreting the data. For further sectoral evidence, please see our Sectoral Skills Assessments.

Figures may not sum due to rounding.

Forecast Total Requirement by Industry (2025-2028), Highlands and Islands



1. SDS (2025). Oxford Economics Forecasts.

Future Demand in the Mid-Term (2025-2028) by Occupation¹

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

 **Elementary Occupations: Clerical and Services**
3,600

 **Teaching and Research Professionals**
3,400

 **Corporate Managers**
3,000

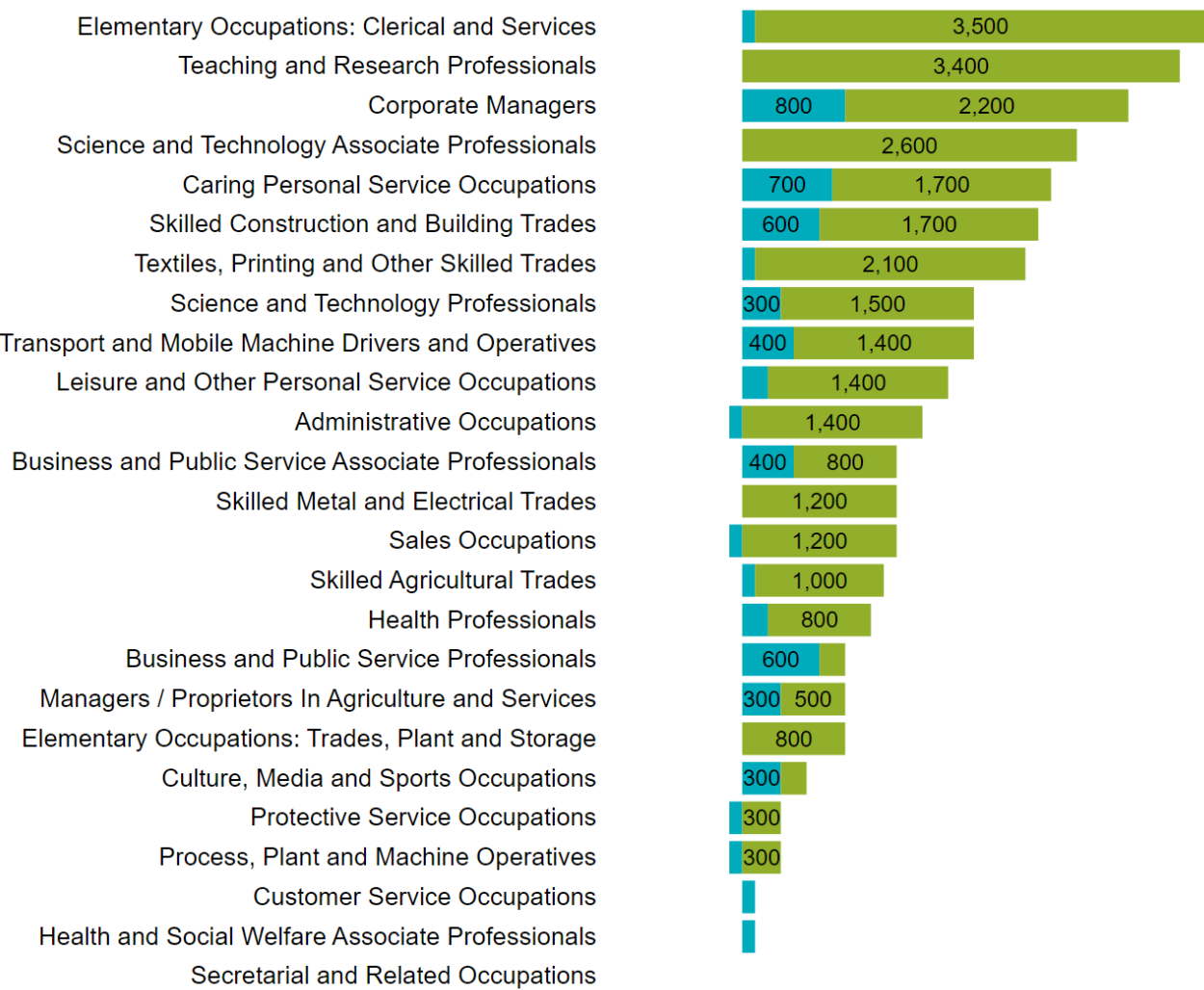
As mentioned, there is forecast to be a total requirement for 34,800 people in the region over the mid-term. 'Higher-level' occupations* are forecast to account for 43.8% of this total requirement, followed by 34.4% in 'mid-level' occupations and 21.9% in 'lower-level' occupations. Across Scotland, 52.2% of total requirement will be in 'higher-level' occupations, 26.5% in 'mid-level' occupations and 21.4% in 'lower-level' occupations.

 **New this year**, the RSA report includes more detailed forecasts on the total requirement for the region.

On the next page, the mid-term total requirement is presented with an intersection by both Industry (SIC 1) and Occupation (SOC 1).

Figures may not sum due to rounding.

Forecast Total Requirement by Occupation (2025-2028), Highlands and Islands



● Expansion demand ● Replacement demand



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

(Theme: Skills Demand; Topic: Total Requirement by Occupation)

¹ SDS (2025). Oxford Economics Forecasts.

* See RSA Technical Note (2025) for an explanation of what is defined as 'higher-level', 'mid-level' and 'lower-level' occupations.

Future Demand in the Mid-Term (2025-2028) by Industry and Occupation¹

Forecast Total Requirement by Industry and Occupation (2025-2028) (people), Highlands and Islands

Figures may not sum due to rounding.

	Managers, Directors and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	Administrative and Secretarial Occupations	Skilled Trades Occupations	Caring, Leisure and Other Service Occupations	Sales and Customer Service Occupations	Process, Plant and Machine Operatives	Elementary Occupations
▲									
Agriculture, Forestry and Fishing	200	0	100	100	1,200	0	0	0	500
Mining and Quarrying	0	0	100	0	0	0	0	0	0
Manufacturing	100	100	300	0	200	0	0	-100	0
Electricity, Gas, Steam and Air Conditioning	0	100	100	0	100	0	0	0	0
Water Supply	0	300	400	100	200	0	0	200	300
Construction	200	200	200	100	1,500	0	0	100	100
Wholesale and Retail Trade	900	200	300	200	800	100	1,400	400	500
Transportation and Storage	300	100	300	100	300	200	100	1,300	700
Accommodation and Food Service Activities	400	0	100	100	1,200	200	100	100	1,500
Information and Communication	0	100	0	0	0	0	0	0	0
Financial and Insurance Activities	0	0	0	0	0	0	0	0	0
Real Estate Activities	0	0	0	0	0	0	0	0	0
Professional, Scientific and Technical Activities	100	100	100	100	0	0	0	0	0
Administrative and Support Service Activities	300	100	200	100	400	200	0	100	900
Public Administration and Defence	400	900	1,000	400	200	200	0	0	300
Education	0	2,000	400	100	0	200	0	0	0
Human Health and Social Work Activities	300	1,000	400	200	200	1,700	0	0	200
Arts, Entertainment and Recreation	400	200	500	100	300	700	0	0	200
Other Service Activities	0	100	100	0	0	100	0	0	0

Future Demand in the Long-Term (2028-2035)¹

The long-term forecast is more changeable than the mid-term forecasts and could be influenced by a range of factors that are less known. It is important to note that the forecasts do not account for national or regional activities, initiatives or investments like those mentioned in our section on Regional Insight, 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 the Highlands and Islands, the labour market forecast for the long-term (2028-2035) 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.

Forecasts for the long-term suggest there could be a total requirement for **72,300** people in **the Highlands and Islands**. Between 2028 and 2035, replacement demand could create the need for **67,500** people, while **positive** expansion demand is forecast to result in **4,900 additional** workers.

In **Scotland**, there could be a total requirement for **885,200** people in the long-term. Between 2028 and 2035, replacement demand could create the need for **772,800** people, while **positive** expansion demand is forecast to result in **112,500 additional** workers.

Figures may not sum due to rounding.



The total requirement by qualification for **Highlands and Islands**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
5,100	33,800	10,600	15,900	1,500	5,500
7%	47%	15%	22%	2%	8%

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

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
81,500	427,000	104,500	190,000	15,800	66,400
9%	48%	12%	21%	2%	8%

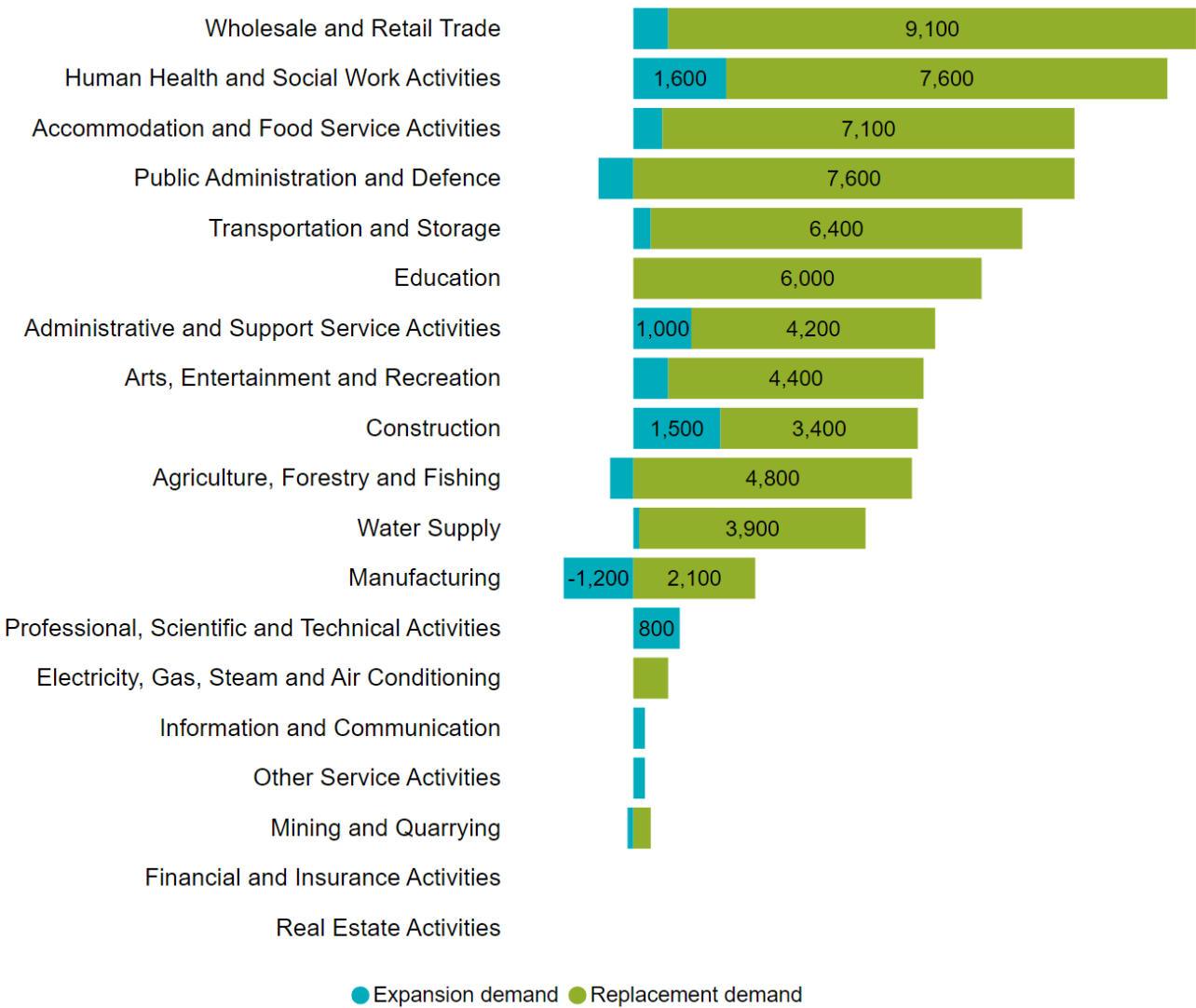
Future Demand in the Long-Term (2028-2035) by Industry¹

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

- **Wholesale and Retail Trade**
9,700
- **Human Health and Social Work Activities**
9,200
- **Accommodation and Food Service Activities**
7,600

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

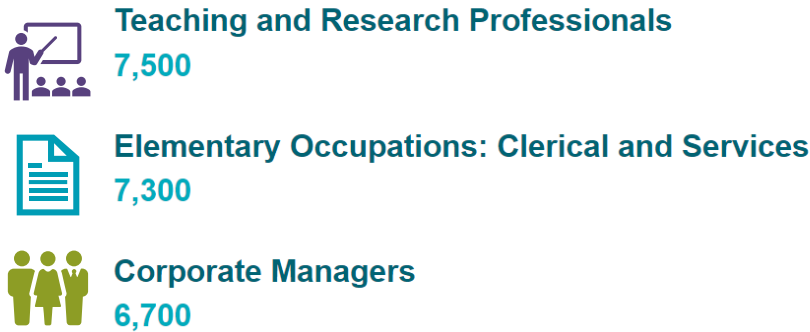
Forecast Total Requirement by Industry (2028-2035), Highlands and Islands



Figures may not sum due to rounding.

Future Demand in the Long-Term (2028-2035) by Occupation¹

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



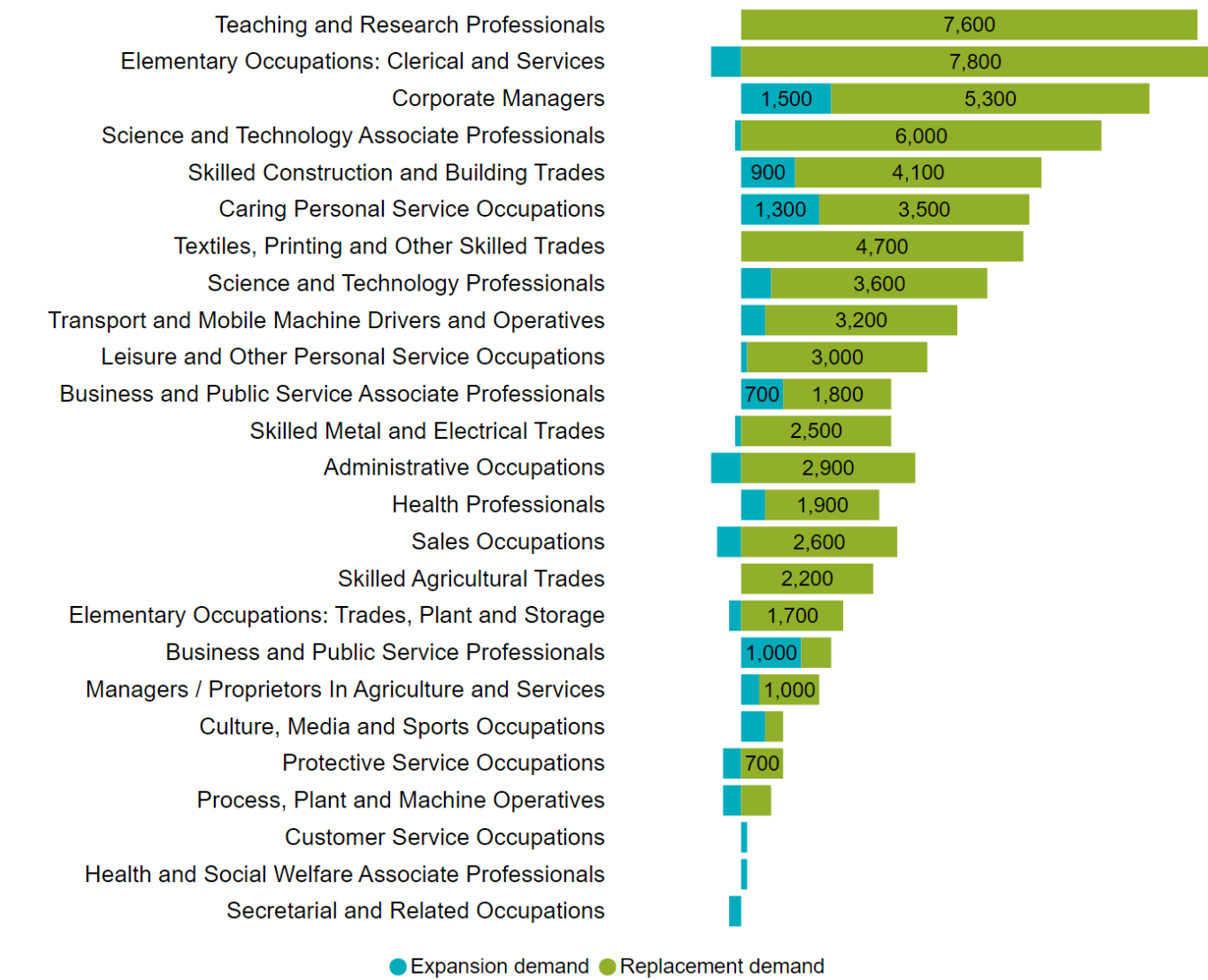
There is forecast to be a total requirement for 72,300 people in the region over the long-term. 'Higher-level' occupations* are forecast to account for 45.5% of this total requirement, followed by 33.8% in 'mid-level' occupations and 20.6% in 'lower-level' occupations. Across Scotland, 54.0% of total requirement will be in 'higher-level' occupations, 25.9% in 'mid-level' occupations and 20.1% in 'lower-level' occupations.

New this year, the RSA report includes more detailed forecasts on the total requirement for the region.

On the next page, the long-term total requirement is presented with an intersection by both Industry (SIC 1) and Occupation (SOC 1).

Figures may not sum due to rounding.

Forecast Total Requirement by Occupation (2028-2035), Highlands and Islands



Future Demand in the Long-Term (2028-2035) by Industry and Occupation¹

Forecast Total Requirement by Industry and Occupation (2028-2035) (people), Highlands and Islands

Figures may not sum due to rounding.

	Managers, Directors and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	Administrative and Secretarial Occupations	Skilled Trades Occupations	Caring, Leisure and Other Service Occupations	Sales and Customer Service Occupations	Process, Plant and Machine Operatives	Elementary Occupations
▲									
Agriculture, Forestry and Fishing	500	100	100	200	2,500	0	0	100	1,000
Mining and Quarrying	100	0	100	0	0	0	0	0	0
Manufacturing	200	100	600	0	300	0	0	-300	100
Electricity, Gas, Steam and Air Conditioning	0	100	200	0	200	0	0	0	0
Water Supply	100	800	1,000	200	500	0	0	500	800
Construction	500	400	300	100	3,000	0	0	200	200
Wholesale and Retail Trade	2,000	300	600	400	1,800	100	2,700	800	1,000
Transportation and Storage	700	200	600	200	600	400	100	2,500	1,500
Accommodation and Food Service Activities	700	0	100	200	2,500	500	200	300	3,100
Information and Communication	100	100	0	0	0	0	0	0	0
Financial and Insurance Activities	0	0	0	0	0	0	0	0	0
Real Estate Activities	0	0	0	0	0	0	0	0	0
Professional, Scientific and Technical Activities	200	100	100	200	0	0	0	100	0
Administrative and Support Service Activities	600	400	400	200	1,000	400	0	200	2,100
Public Administration and Defence	900	2,100	2,100	500	300	400	0	100	600
Education	100	4,500	800	200	100	400	0	0	0
Human Health and Social Work Activities	700	2,400	1,100	400	300	3,700	100	100	300
Arts, Entertainment and Recreation	1,000	400	900	100	600	1,400	100	100	400
Other Service Activities	0	100	0	0	0	0	0	0	-100

For further information or queries on the RSAs or any of our other products, please contact: [**RSA@sds.co.uk**](mailto:RSA@sds.co.uk)