## Islands Growth Deal

**Current and Future Skills Demand**

Regional Skills Assessments (RSAs) are a single, agreed evidence base created to inform future investment in skills. This infographic is for the Islands, and supplements the region’s Growth Deal Summary report. It uses Oxford Economics forecasts\(^*\) for the 2019-2029 period to show current and future economic contribution, as well as current and future demand for skills.

### The Economy

**Gross Value Added (GVA)**\(^1\) in 2019

<table>
<thead>
<tr>
<th>Total Growth Deal GVA is:</th>
<th>£1,784m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% of total Scottish output</td>
<td></td>
</tr>
</tbody>
</table>

**Forecast annual growth (2019-2029):**

- **Islands:** 1.2%
- **Scotland:** 1.7%
- **United Kingdom:** 2.0%

**Productivity (GVA per job)** in 2019

<table>
<thead>
<tr>
<th>Growth Deal productivity is:</th>
<th>£43,300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish productivity is:</td>
<td>£50,400</td>
</tr>
</tbody>
</table>

**Forecast annual growth (2019-2029):**

- **Islands:** 1.2%
- **Scotland:** 1.4%
- **United Kingdom:** 1.5%

### Current Demand for Skills

**Total Employment in 2019**\(^3\)

- **41,200 jobs**

From 2009-2019, Total Employment:

- **down by 4% or 1,600**
- Compared to a **Scottish increase of 1%**

### Sectoral Employment

**Top 3 employing sectors in 2019:**

- **Human health & social work** (6,400 jobs)
- **Wholesale & retail** (4,600 jobs)
- **Construction** (4,000 jobs)

### Employment by Occupation (people)

**Occupational structure 2019:**

- **36%** Higher level occupations
- **37%** Mid-level occupations
- **27%** Lower level occupations

### Skills Shortages and Gaps

The percentage of skills shortage vacancies and skills gaps in the Highlands and Islands region are:\(^5\)

- **Skills Shortage Vacancies**\(^6\)
  - Highlands and Islands: 25%
  - -1 ppt decrease from 2015
  - Compared to Scotland: 24%

- **Skills Gaps**\(^7\)
  - Highlands and Islands: 6.1%
  - 1.0 ppt increase from 2015
  - Compared to Scotland: 5%

\(^1\) GVA is the measure of the value of goods and services produced within the economy.
\(^2\) Forecasts by Oxford Economics (unless otherwise stated).
\(^3\) Measured by total number of jobs.
\(^4\) ‘Higher level occupations’ are defined as Managers, directors & senior officials, Professional occupations, and Associate professional & technical occupations; ‘Mid level occupations’ defined as Administrative & secretarial occupations, Skilled trade occupations, Caring, leisure and other service occupations; and ‘Lower level occupations’ defined as Sales & customer service occupations, Process, plant & machine operatives, Elementary occupations. Data shown is workplace based.
\(^5\) Source: Employer Skills Survey 2017
\(^6\) Base: All establishments with vacancies (only 2017 shown). Skill-shortage vacancies as a proportion of all vacancies. This may be due to a lack of skills, qualifications or experience among applicants.
\(^7\) Base: All establishments (only 2017 shown). Skills gaps: the proportion of the workforce lacking full proficiency.
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Future Supply

Population 2016-2041

<table>
<thead>
<tr>
<th></th>
<th>Islands</th>
<th>Scotland</th>
<th>United Kingdom</th>
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</thead>
<tbody>
<tr>
<td>Total population:</td>
<td></td>
<td></td>
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<tr>
<td>down by 7% or 4,800 people</td>
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</tr>
<tr>
<td>Working age population (16-64):</td>
<td></td>
<td></td>
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<tr>
<td>down by 18% or 8,000 people</td>
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Forecast change:

- Islands: -7%
- Scotland: 5%
- United Kingdom: 11%

Future Job Openings

From 2019 to 2029 there will be a requirement for:

- 9,100 people
  - Expansion Demand
  - Replacement Demand

9,100 people to fill Job Openings

Occupational structure 2029:

- 33% Higher level occupations
- 26% Mid-level occupations
- 41% Lower level occupations

Future Demand for Skills

From 2019-2029, Total Employment:

No employment change

Forecast average annual change:

- Islands: 0.0%
- Scotland: 0.3%
- United Kingdom: 0.5%

Top 3 employing sectors in 2029 are forecast to be:

- Human health & social work (6,500 jobs)
- Wholesale & retail (4,600 jobs)
- Construction (4,300 jobs)

From 2019 to 2029

The largest employment growth is forecast in:

- Admin & support services (11%)
- Arts, entertainment & recreation (9%)
- Professional, scientific & technical (8%)

The largest employment decreases are forecast in:

- Mining & quarrying (-28%)
- Manufacturing (-15%)
- Public admin. & defence (-11%)

8 Source: National Records of Scotland
9 Expansion demand is the measure of an increase/decrease in jobs as a result of economic growth or contraction; replacement demand is the number of job openings generated through labour market churn (i.e. those who retire, move away, or change jobs). N.B. Figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.