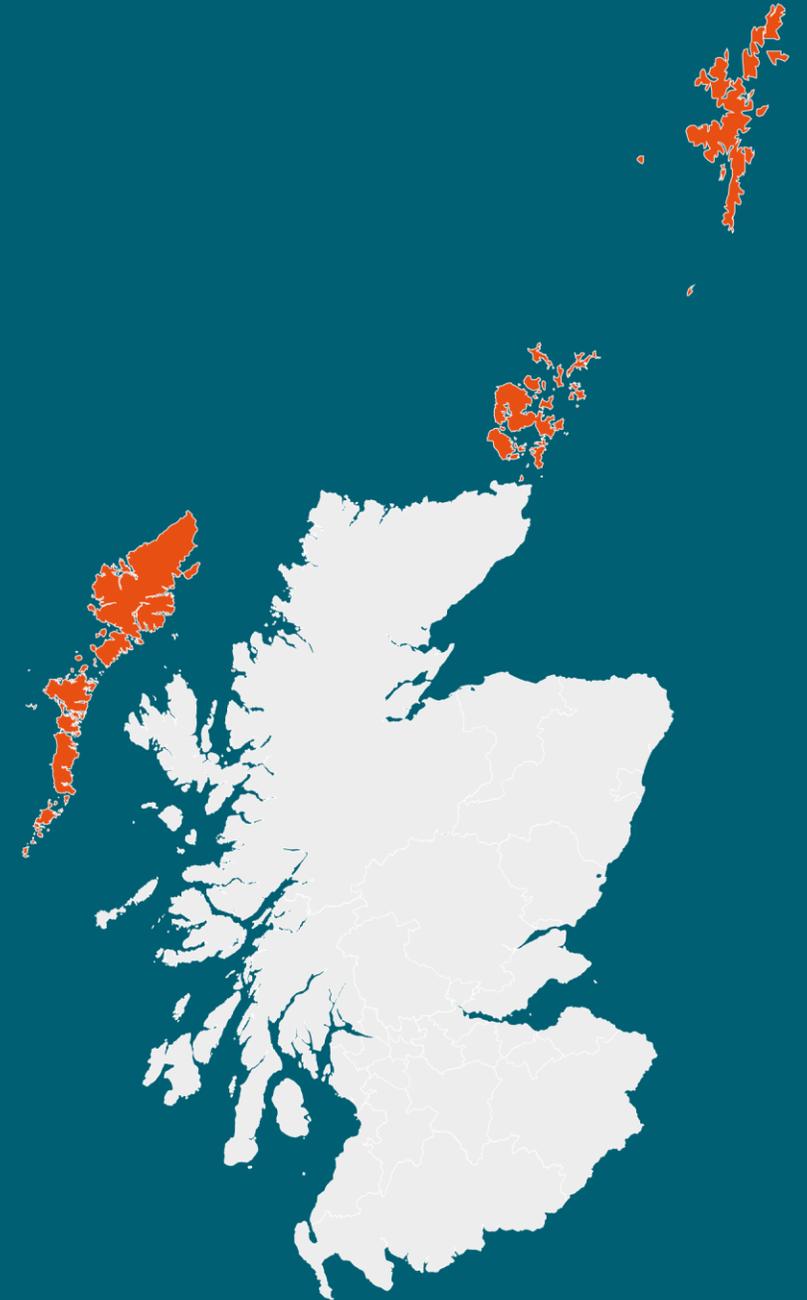


# Regional Skills Assessment Islands Growth Deal

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 Note<sup>1</sup> 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)<sup>2</sup> and Standard Occupational Classifications (SOC).<sup>3</sup>

**This RSA report is for the Islands Growth Deal**, which covers the Na h-Eileanan Siar, 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](mailto: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

Regional Economic Development for the Islands sits within the Highlands and Islands Regional Economic Partnership (HIREP) with representation from across the Island Local Authorities at the HIREP Board and Labour and Skills subgroup. Strategic and operational local economic development activity and governance is through the Community Planning Partnerships and Local Employability Partnerships. The production of local Community Wealth Building action plans are also supporting driving forward opportunities to create local wellbeing economies.

### Growth Deals

The £100 million Islands Growth Deal funding marks a landmark investment in the future of Orkney, Shetland and Eilean Siar. Jointly funded by the UK and Scottish Governments, the Deal aims to create up to 1,300 sustainable jobs and position the Islands as global leaders in low carbon innovation, wellbeing, and inclusive growth.

### Spanning three strategic themes - **Low Carbon Technologies, Supporting Growth and Future Industries, and Thriving Sustainable Communities**

- the Deal supports 18 ambitious projects. These include the Islands Centre for Net Zero, Spaceport1, Scapa Flow Future Fuels Hub, and the Dales Voe Ultra-Deep Water Quay.

Each project is designed to harness the islands'

unique assets and address local challenges, from energy transition to talent retention. Governance is led by a Joint Committee and Programme Management Board, with each island group receiving £33.3 million. Additional partner contributions are expected to exceed £290 million, amplifying the Deal's impact. Projects must pass Full Business Case approval before funding is released, ensuring robust planning and accountability.

The Deal also fosters collaboration across local authorities, academia, enterprise agencies, and communities. Notably, initiatives like the TalEntEd Islands Programme and campus redevelopments aim to strengthen skills pipelines and attract young talent, aligning closely with regional workforce priorities.

### TalEntEd

Led by University of the Highlands and Island (UHI), in partnership with Robert Gordon University and Heriot-Watt University, the TalEntEd Islands Programme will focus on building the skills and talent pipeline needed to fast-track the decarbonisation of the islands by creating opportunities for education, skills, entre and intrapreneurship and commercialisation, supporting the increase in sustainable 'green' jobs across all three island groups. TalEntEd will respond to demographic changes, attracting people to stay and come to the islands, limiting the outmigration of young people, and therefore contributing to their longer-term sustainability.

### Workforce North

In response to the Regional Transformational Opportunities research (HIE, 2025) Workforce North aims to set out an ambitious plan of action to address the significant workforce challenges faced right across the Highlands and Islands. Under the direction of the Convention of the Highlands and Islands (CoHI), Workforce North activity within the Islands will take a place-based approach and will ensure close alignment to TalEntEd and skills activity underway across local CPP and LEP partnerships.

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 HIE 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.

1. Insight from the region gathered via Skills Development Scotland (2025).

# Economic Performance<sup>1</sup>



Estimated GVA in **Islands Growth Deal** in 2025: **£1,957m**

Islands Growth Deal was estimated to generate 1.2% of Scotland's output in 2025.

In 2025, the highest value industries in Islands Growth Deal were estimated to be:

	<b>Human Health and Social Work Activities</b>	<b>£283m</b>
	<b>Public Administration and Defence</b>	<b>£247m</b>
	<b>Real Estate Activities*</b>	<b>£246m</b>
	<b>Agriculture, Forestry and Fishing</b>	<b>£240m</b>



## GVA forecast average annual growth mid-term (2025-2028)

**Islands Growth Deal: 1.3%**

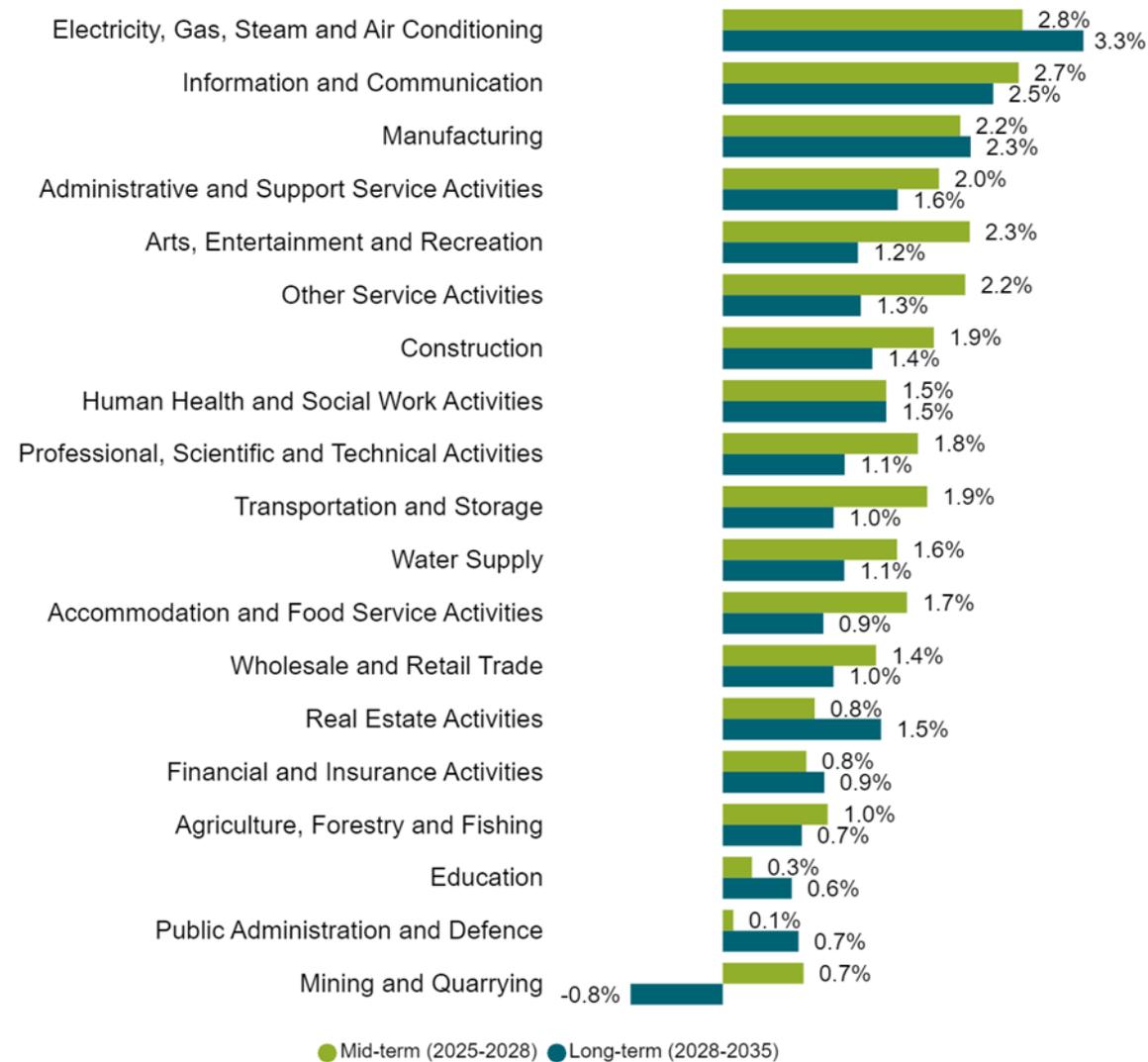
**Scotland: 1.7%**

## GVA forecast average annual growth long-term (2028-2035)

**Islands Growth Deal: 1.2%**

**Scotland: 1.6%**

## Forecast Average Annual GVA Change by Industry (%), Islands Growth Deal



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.

# Productivity<sup>1</sup>

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 Islands Growth Deal** was estimated to be **£44,600** in 2025. In comparison, the Scottish average was estimated to be £57,700.



## Mid-term Productivity

From 2025 to 2028, productivity in the Islands Growth Deal is forecast to grow by 0.7% on average each year. Over the same period, the Scottish growth rate is forecast to be 0.8%.

**Islands Growth Deal** forecast productivity in 2028: **£45,600**

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



## Long-term Productivity

From 2028 to 2035, productivity in the Islands Growth Deal 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%.

**Islands Growth Deal** forecast productivity in 2035: **£49,000**

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

## Productivity (2025)



For data on productivity at local authority level please see the Data Matrix.

(Theme: Skills Demand; Topic: Economic Output (GVA) per Job)

1. SDS (2025). Oxford Economics Forecasts.

# Regional Employment<sup>1</sup>



**Workforce Size 2025:**  
**37,200 people**

The region's workforce was estimated to account for **1.4%** of Scottish employment.

Over the last 10 years (2015-2025), regional employment was estimated to have **declined** by **2.6%** (**-1,000** people). In comparison, employment in Scotland increased by 5.5%.



**Workforce Size 2028:**  
**37,900 people**

The region's workforce is forecast to **grow** by **1.7%** (**600** people) between 2025 and 2028.

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



**Workforce Size 2035:**  
**38,500 people**

The region's workforce is forecast to **grow** by **1.7%** (**600** 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), Islands Growth Deal



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

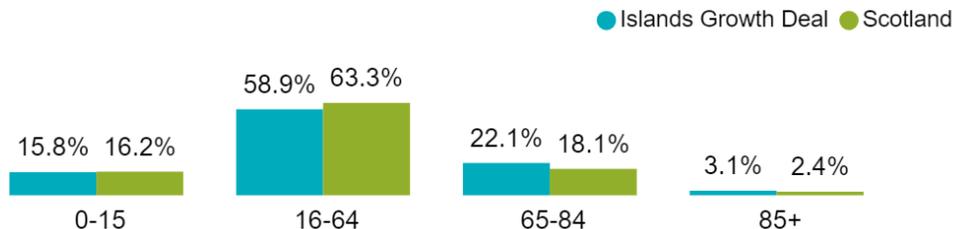
1. SDS (2025). Oxford Economics Forecasts.

# Spotlight: Region's People

## Population<sup>1</sup>



In 2024, the population in **the Islands Growth Deal** was estimated to be **71,230**, accounting for **1.3%** of Scotland's total population. By age, the population distribution of the region and Scotland was:



## Disability<sup>2</sup>



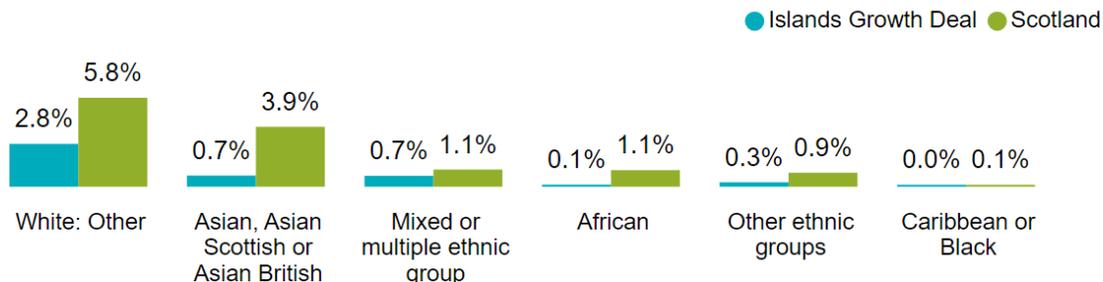
In 2022, the percentage of the population that reported having a health condition or disability that affected their daily activities was:

**Islands Growth Deal: 23.4%**

**Scotland: 24.1%**

## Ethnic Groups<sup>2</sup>

The majority (**95.3%**) of people in **the Islands Growth Deal** identified as 'White Scottish' or 'Other White British' in 2022. The breakdown of Minority Ethnic groups included:



## Population Projections<sup>3</sup>



The population is forecast to **decline** by **6.0%** in **the Islands Growth Deal** between 2022 and 2047. Over the same period, the Scottish population is forecast to grow by 6.2%.

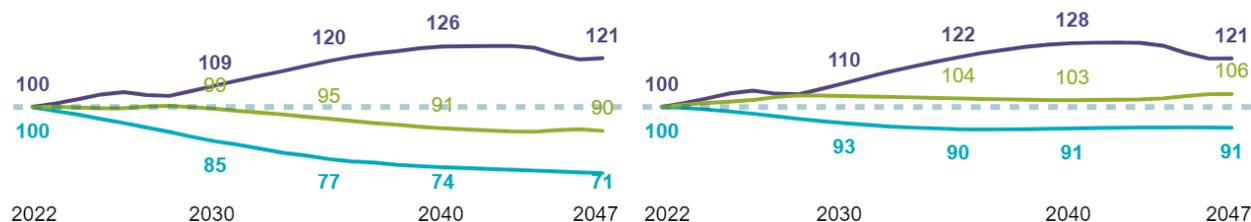
The number of people of working age is projected to **decline** by **10.3%** by 2043. While, across Scotland it is forecast to increase by 5.6%.

## Index of Regional and National Projections (2022=100)<sup>3</sup>

— Children — Pension age — Working age

### Islands Growth Deal

### Scotland



## Dependency Ratio<sup>4</sup>

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 Islands Growth Deal**:

Dependency Ratio for **Scotland**:

2022: **65%**

2047: **73%**

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 Industry<sup>1</sup>

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

 **Human Health and Social Work Activities**  
7,400

 **Public Administration and Defence**  
3,800

 **Education**  
3,600

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 100 more people by 2028. While Public Administration and Defence is forecast to have the greatest employment contraction (-100 people) in the mid-term.

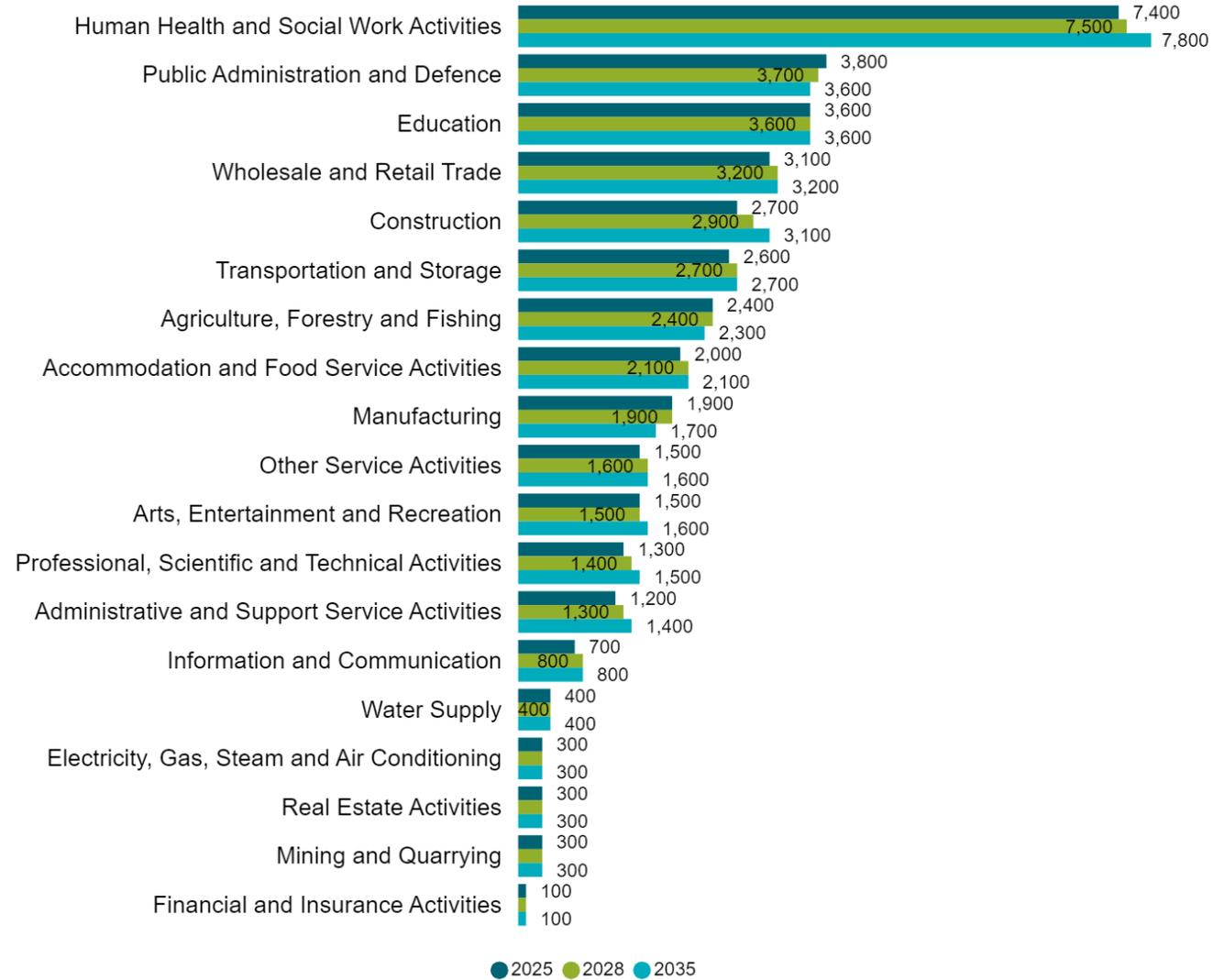
Over the long-term, between 2028 and 2035, the greatest employment growth is forecast in Human Health and Social Work Activities, with 300 more people by 2035. While Manufacturing is forecast to have the greatest employment contraction (-200 people) in the long-term.

In 2025, Fishing and Aquaculture was estimated to be the region's greatest specialism, with the percentage of employment in this industry 16.6 times greater than the Scottish average. The second largest specialism was estimated to be Water Transport (13.0 times greater in the region than the Scottish average).



Figures may not sum due to rounding.

## Employment by Industry, Islands Growth Deal



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 Occupation<sup>1</sup>

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



## Caring Personal Service Occupations

4,300



## Administrative Occupations

3,800



## Teaching and Research Professionals

3,100

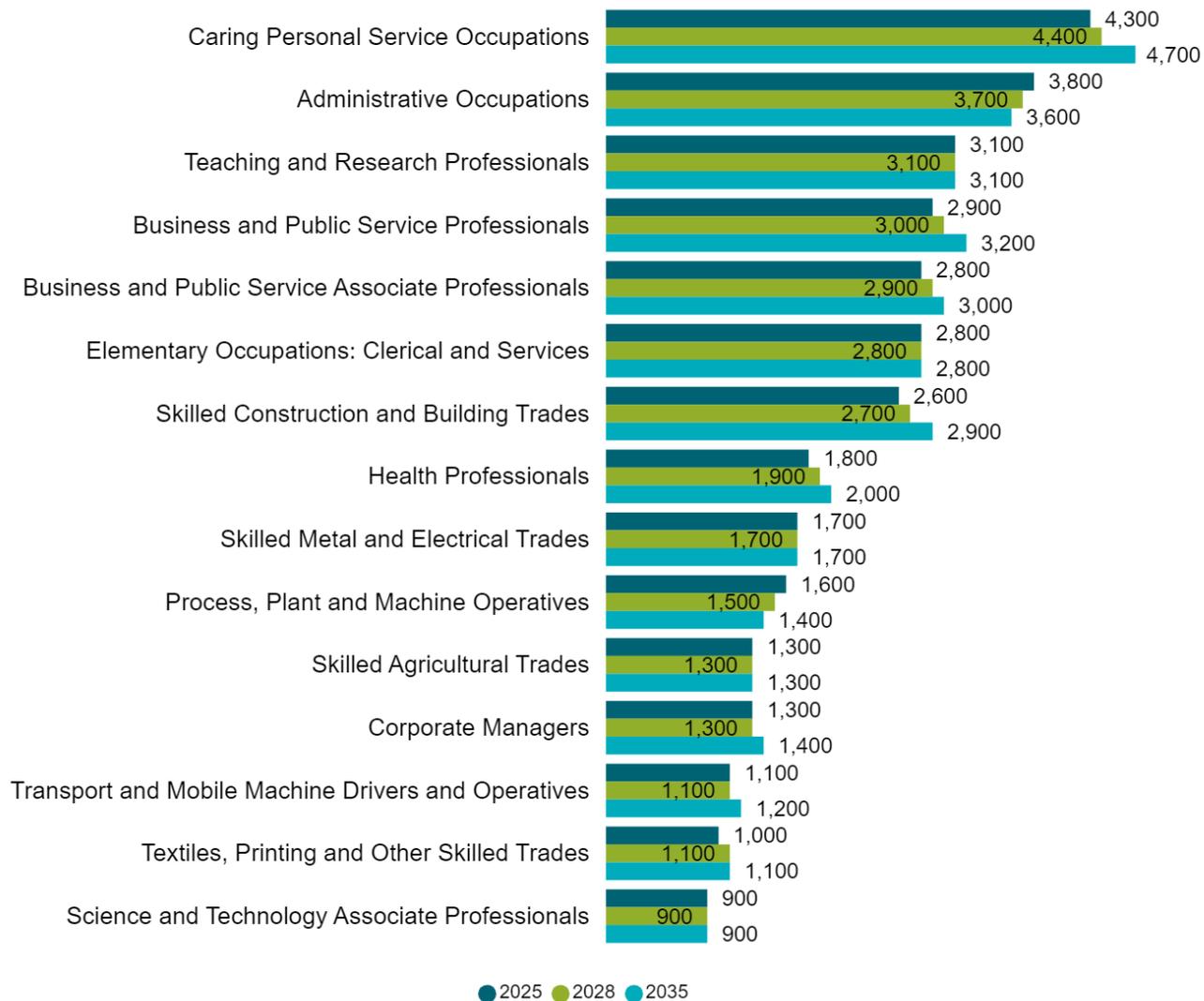
In 2025, 41.5% of employed people in the region were in 'higher-level' occupations\*, which was a lower percentage of the workforce than Scotland (50.8%). 'Mid-level' occupations accounted for 41.3% of the workforce, which was a higher percentage of the workforce than Scotland (27.8%). Around 17.3% of 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 Caring Personal Service Occupations (100 people). While Process, Plant and Machine Operatives is likely to experience the greatest contraction (less than 50 people).

Over the long-term, between 2028 and 2035, the greatest growth is forecast to be in Caring Personal Service Occupations (300 people). While Administrative Occupations is likely to experience the greatest contraction (-100 people).

*Figures may not sum due to rounding.*

## Employment in the 15 Largest Occupational Groups, Islands Growth Deal



For data on employment by occupation at local authority level please see the [Data Matrix](#).

(Theme: Skills Demand; Topic: Employment Forecast 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.

# Transition to Net Zero<sup>1</sup>

Identified as part of the Climate Emergency Skills Action Plan (CESAP), the sectors<sup>2</sup> 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. This section focuses on overall employment in these sectors that make a significant contribution to the transition to net zero, which is the best available data for the **Islands Growth Deal**. We have been able to additionally 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.<sup>3</sup> For more information, on green and non-green jobs, please see the relevant College region reports. Presented below are the **number of people estimated to be employed in these sectors within the Islands Growth Deal in 2025**.



## Agriculture

2,500 people

6% of the sector's employment in Scotland



## Construction

3,300 people

2% of the sector's employment in Scotland



## Manufacturing (with Engineering)

2,000 people

1% of the sector's employment in Scotland



## Energy and Waste Treatment

2,200 people

1% of the sector's employment in Scotland



## Transport

2,200 people

2% of the sector's employment in Scotland

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 Islands Growth Deal was estimated to account for **2% of Scotland's total** (or 12,300 people). Of the sectors of most importance to the transition, Construction was the largest employing sector (27%) 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 slide 13 for more information.

# Job Postings<sup>1</sup>

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 Islands Growth Deal, 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 Islands Growth Deal accounted for 0.9% of Scotland's total job postings between January and June 2025.

## Job Postings 2019 – 2025\*



Between January and June 2025, there were 2,600 job postings in the Islands Growth Deal, of which:

The locations with the most jobs advertised were:

-  **Na h-Eileanan Siar**  
1,000 job postings
-  **Orkney**  
900 job postings
-  **Shetland**  
800 job postings

Specialised skills and knowledge were:

- **Social Work**
- **Accounts Payable**
- **Personal Care**
- **Cooking**
- **Search Engine Optimization**
- **Project Management**

The top job postings were for:



Figures may not sum due to rounding.

# Green Job Postings<sup>1</sup>



Out of the 2,600 job postings in the Islands Growth Deal between January and June 2025, **30% (800) 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 1% of all green job postings in Scotland.



Between January and June 2025, **over half of green job postings** in the Islands Growth Deal 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:



Quantity Surveyors

## Increased Demand:



Large Goods Vehicle Drivers

## New and Emerging:



Civil Engineers



The median advertised salary for **green jobs** in the Islands Growth Deal was **£33,000\*** in the first six months of 2025.

This was higher than the median advertised salary for all jobs in the region which was £31,700\*\*.

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.*



More information on the CESAP Pathfinder can be found [here](#).

1. Lightcast, 2025.

\*Median salary based on 36% of job postings.

\*\*Median salary based on 48% of job postings.

## Future Demand in the Mid-Term (2025-2028)<sup>1</sup>

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 Islands Growth Deal. 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 **4,300** people in **the Islands Growth Deal**. Between 2025 and 2028, replacement demand could create the need for **3,600** people, while **positive** expansion demand is forecast to result in **600 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.*



### Total Requirement

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

**Islands Growth Deal: 4,300**  
people

**Scotland: 398,300** people

=



### Replacement Demand

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

**Islands Growth Deal: 3,600**  
people

**Scotland: 330,300** people

+



### Expansion Demand

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

**Islands Growth Deal: 600**  
people

**Scotland: 68,000** people

The total requirement by qualification for **Islands Growth Deal**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
300	2,100	600	800	100	400
7%	50%	14%	19%	2%	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 Industry<sup>1</sup>

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

 **Transportation and Storage**  
500

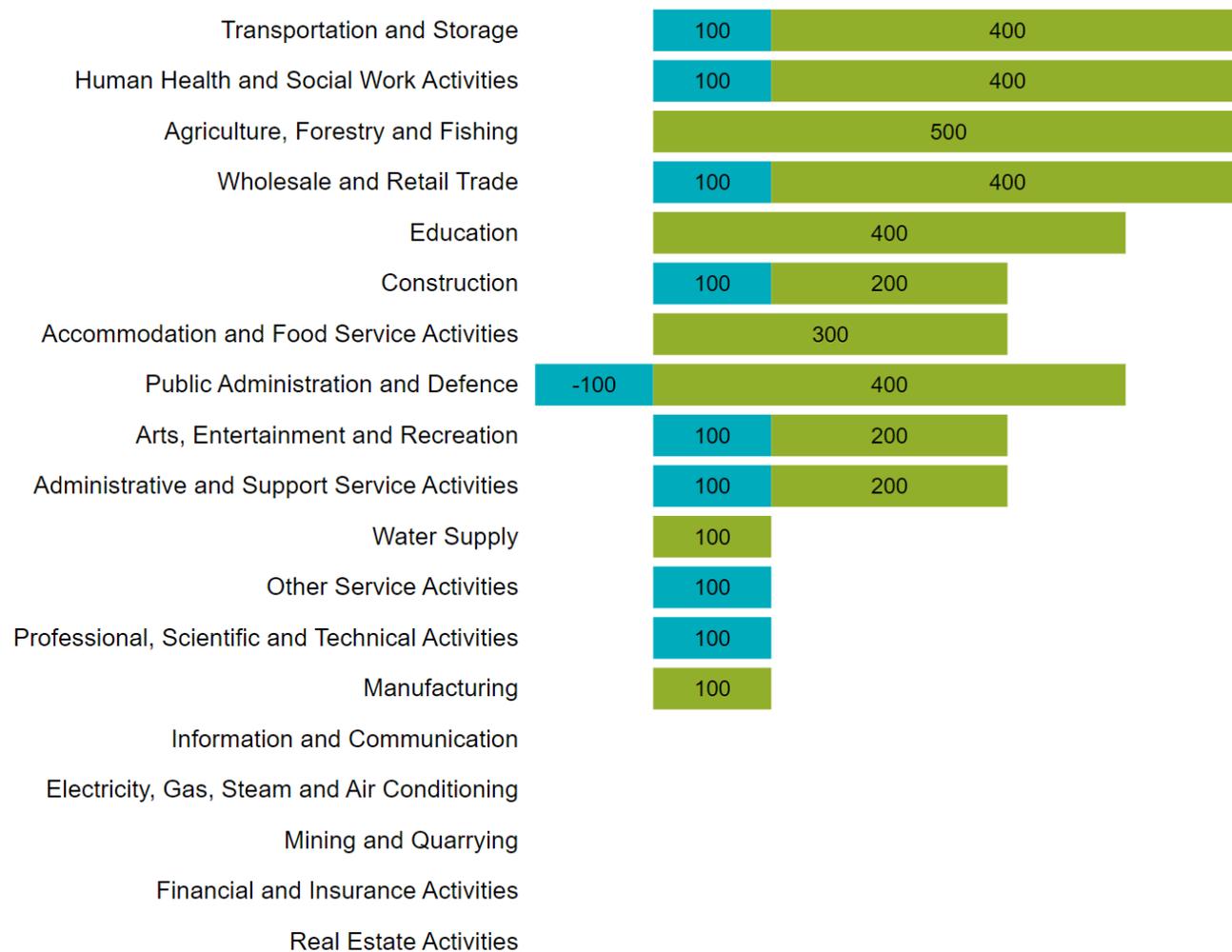
 **Human Health and Social Work Activities**  
500

 **Agriculture, Forestry and Fishing**  
500

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), Islands Growth Deal



● Expansion demand ● Replacement demand



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

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

1. SDS (2025). Oxford Economics Forecasts.

# Future Demand in the Mid-Term (2025-2028) by Occupation<sup>1</sup>

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



## Teaching and Research Professionals

700



## Elementary Occupations: Clerical and Services

500



## Skilled Construction and Building Trades

500

As mentioned, there is forecast to be a total requirement for 4,300 people in the region over the mid-term. 'Higher-level' occupations\* are forecast to account for 41.4% of this total requirement, followed by 38.2% in 'mid-level' occupations and 20.4% 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.

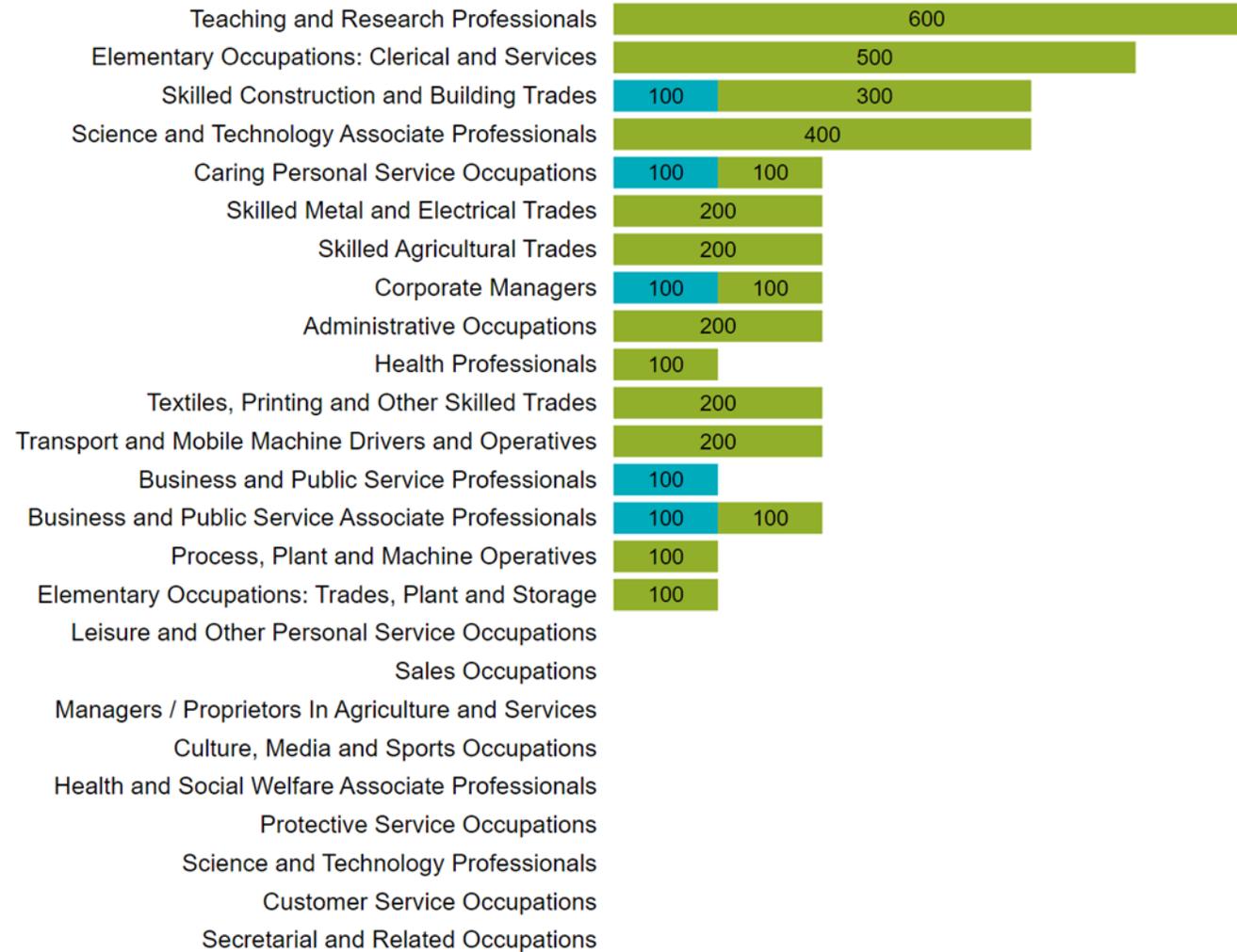


**New this year**, the RSA report includes more detailed forecasts on the total requirement for the region.

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), Islands Growth Deal



● 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 Occupation<sup>1</sup>

## Forecast Total Requirement by Industry and Occupation (2025-2028) (people), Islands Growth Deal

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	0	0	0	0	300	0	0	0	100
Mining and Quarrying	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0	0
Electricity, Gas, Steam and Air Conditioning	0	0	0	0	0	0	0	0	0
Water Supply	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	300	0	0	0	0
Wholesale and Retail Trade	100	0	100	0	100	0	0	100	100
Transportation and Storage	0	0	100	0	100	0	0	100	200
Accommodation and Food Service Activities	0	0	0	0	100	0	0	0	200
Information and Communication	0	0	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	0	0	0	0	0	0	0	0	0
Administrative and Support Service Activities	0	0	0	0	100	0	0	0	100
Public Administration and Defence	0	100	100	0	0	0	0	0	0
Education	0	300	0	0	0	0	0	0	0
Human Health and Social Work Activities	0	200	0	0	0	200	0	0	0
Arts, Entertainment and Recreation	0	0	100	0	0	0	0	0	0
Other Service Activities	0	0	0	0	0	0	0	0	0



For data on future demand by industry and occupation at local authority level please see the [Data Matrix](#).

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

1. SDS (2025). Oxford Economics Forecasts.

# Future Demand in the Long-Term (2028-2035)<sup>1</sup>

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 Islands Growth Deal, 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 **9,200** people in **the Islands Growth Deal**. Between 2028 and 2035, replacement demand could create the need for **8,500** people, while **positive** expansion demand is forecast to result in **600 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.*



## Total Requirement

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

**Islands Growth Deal: 9,200**  
people

**Scotland: 885,200** people

=



## Replacement Demand

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

**Islands Growth Deal: 8,500**  
people

**Scotland: 772,800** people

+



## Expansion Demand

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

**Islands Growth Deal: 600**  
people

**Scotland: 112,500** people

The total requirement by qualification for **Islands Growth Deal**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
500	4,700	1,200	1,800	100	800
6%	51%	13%	20%	1%	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%

1. SDS (2025). Oxford Economics Forecasts.



# Future Demand in the Long-Term (2028-2035) by Industry<sup>1</sup>

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



**Human Health and Social Work Activities**

**1,300**



**Transportation and Storage**

**1,100**

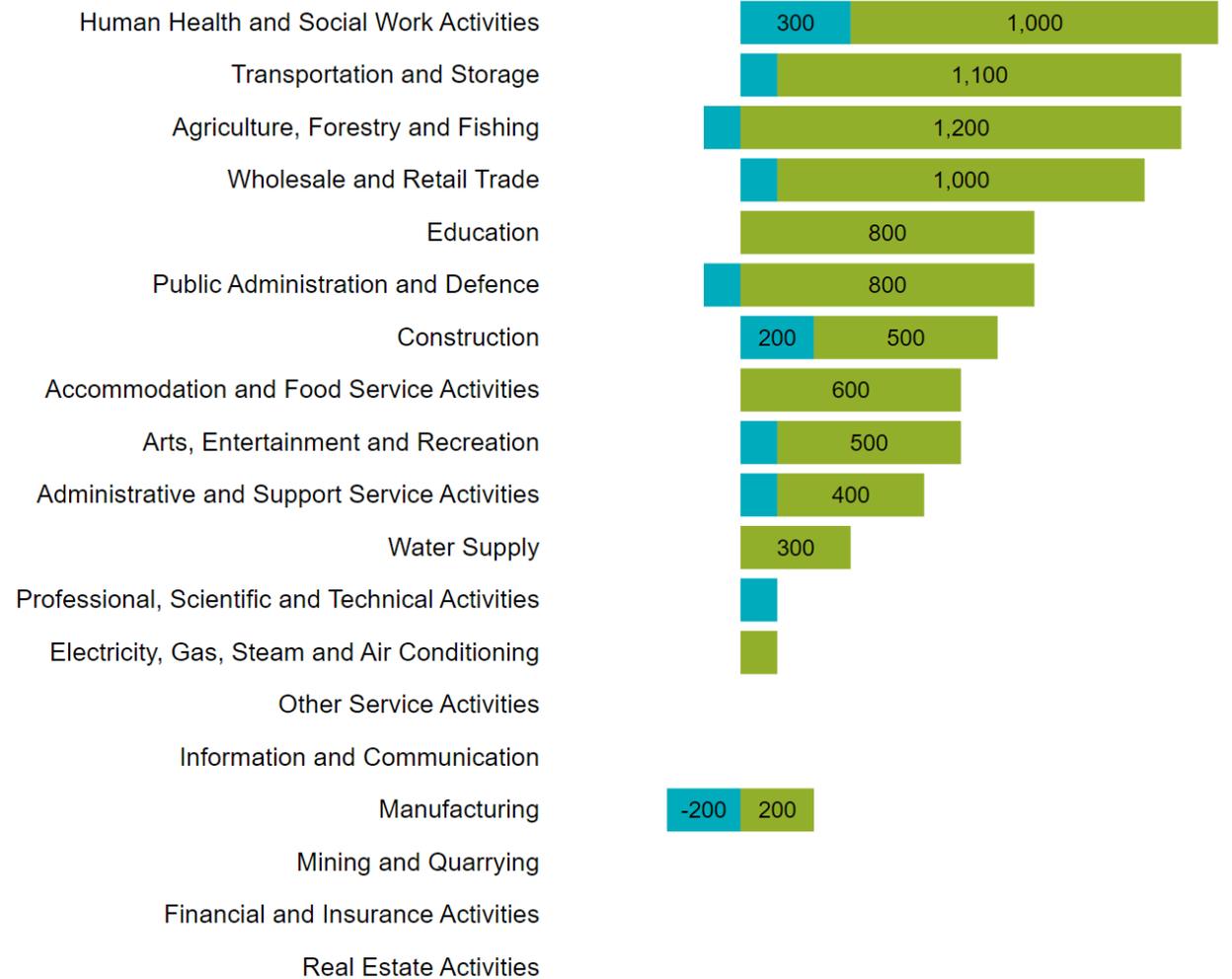


**Agriculture, Forestry and Fishing**

**1,100**

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), Islands Growth Deal



● Expansion demand ● Replacement demand

*Figures may not sum due to rounding.*



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

*(Theme: Skills Demand; Topic: Total Requirement by Industry)*

1. SDS (2025). Oxford Economics Forecasts.

# Future Demand in the Long-Term (2028-2035) by Occupation<sup>1</sup>

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



## Teaching and Research Professionals

1,500



## Elementary Occupations: Clerical and Services

1,000



## Skilled Construction and Building Trades

1,000

There is forecast to be a total requirement for 9,200 people in the region over the long-term. 'Higher-level' occupations\* are forecast to account for 43.1% of this total requirement, followed by 37.6% in 'mid-level' occupations and 19.3% 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.

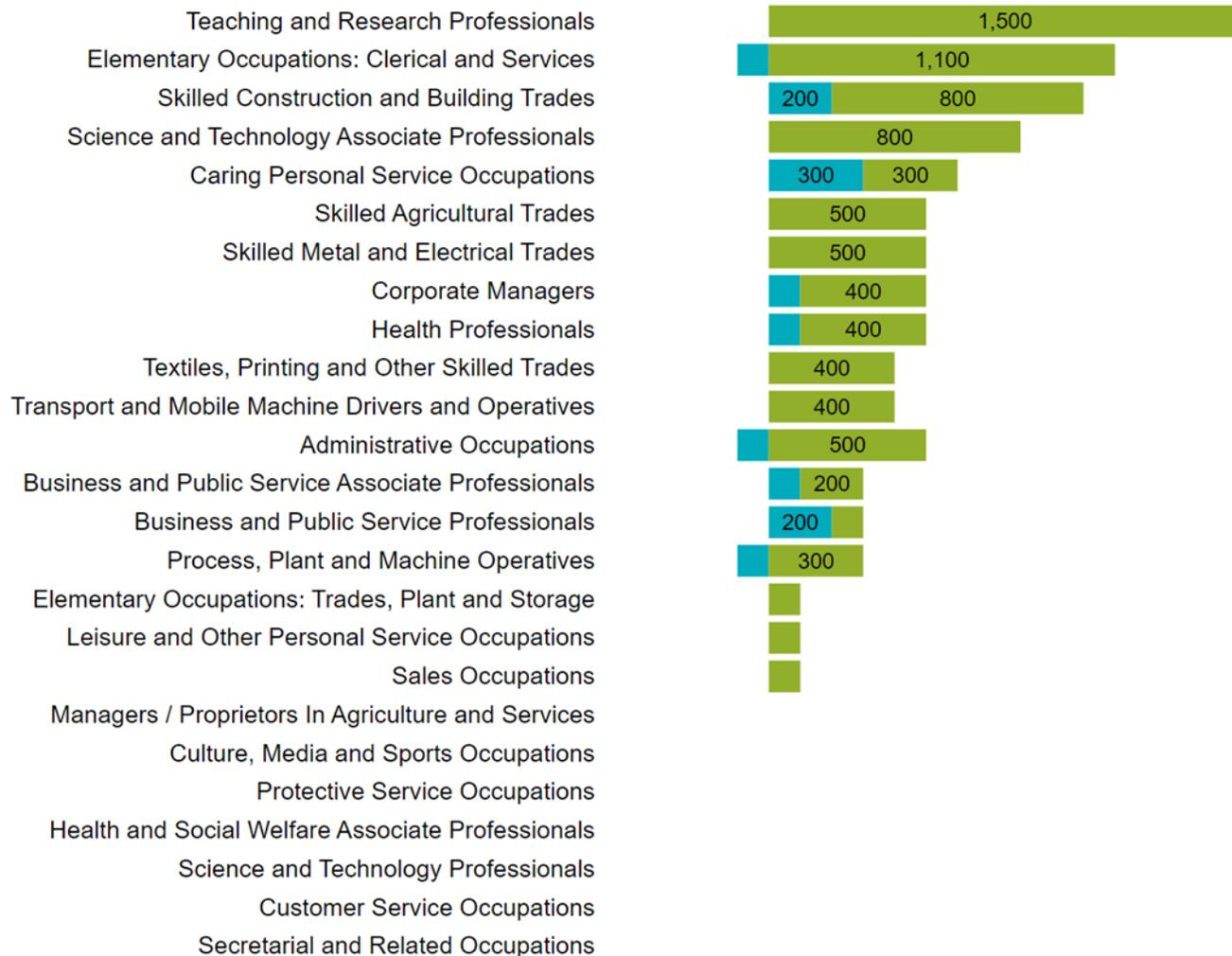


**New this year**, the RSA report includes more detailed forecasts on the total requirement for the region.

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), Islands Growth Deal



● 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 Long-Term (2028-2035) by Industry and Occupation<sup>1</sup>

## Forecast Total Requirement by Industry and Occupation (2028-2035) (people), Islands Growth Deal

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	100	0	0	100	700	0	0	0	200
Mining and Quarrying	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	100	0	0	0	0	-100	0
Electricity, Gas, Steam and Air Conditioning	0	0	0	0	0	0	0	0	0
Water Supply	0	0	100	0	100	0	0	0	100
Construction	0	0	0	0	500	0	0	0	0
Wholesale and Retail Trade	200	0	100	100	300	0	100	100	100
Transportation and Storage	100	0	100	100	200	0	0	300	300
Accommodation and Food Service Activities	0	0	0	0	200	0	0	0	300
Information and Communication	0	0	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	0	0	0	0	0	0	0	0	0
Administrative and Support Service Activities	0	0	0	0	200	0	0	0	200
Public Administration and Defence	0	200	200	0	0	100	0	0	100
Education	0	600	100	0	0	100	0	0	0
Human Health and Social Work Activities	0	400	100	100	0	600	0	0	0
Arts, Entertainment and Recreation	100	100	100	0	100	100	0	0	100
Other Service Activities	0	0	0	0	0	0	0	0	0



For data on future demand by industry and occupation at local authority level please see the [Data Matrix](#).

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

1. SDS (2025). Oxford Economics Forecasts.

Skills  
Development  
Scotland

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