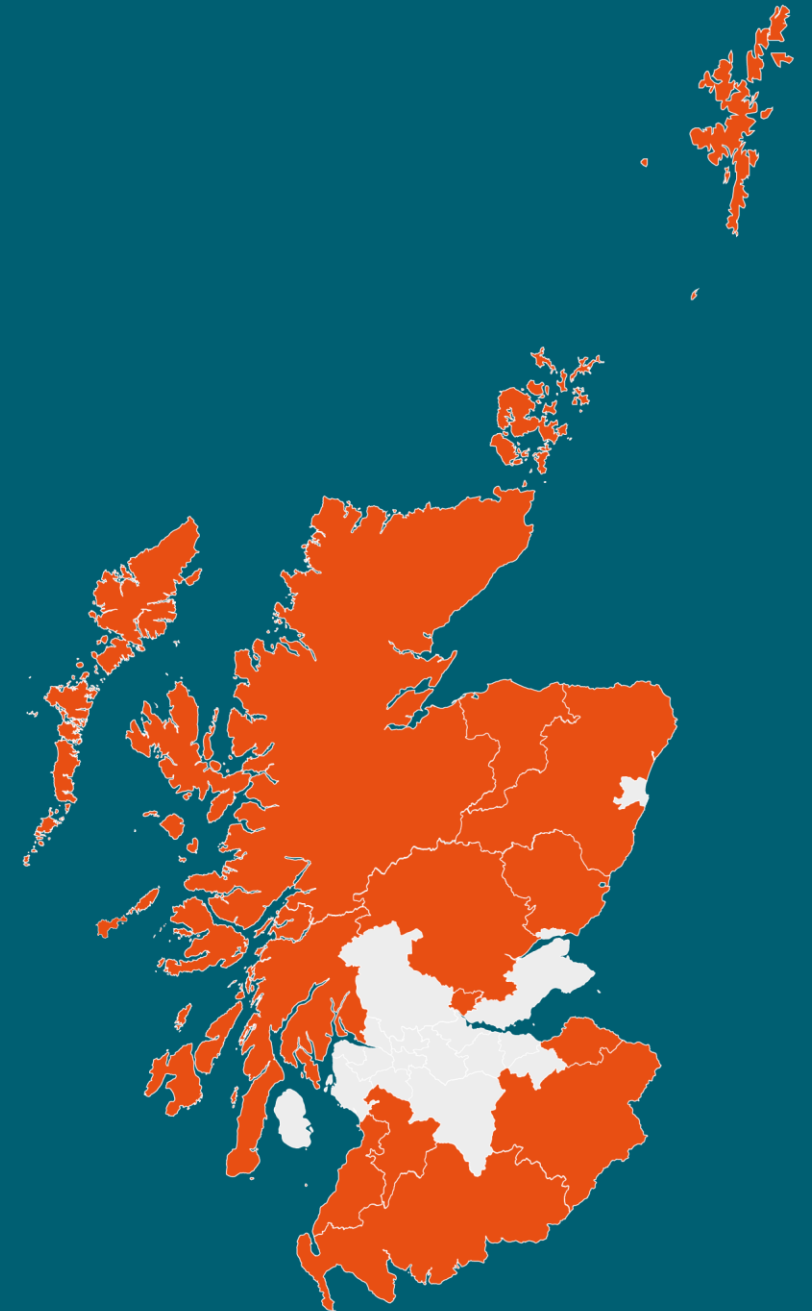


# Regional Skills Assessment

## Rural Scotland

October 2024



First launched in 2014, the Regional Skills Assessments (RSAs) provide a robust and consistent 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 forecast data that has been commissioned through Oxford Economics. The Technical Note<sup>1</sup> 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)<sup>2</sup> and standard occupational classifications (SOC).<sup>3</sup>

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** report which provides succinct and up-to-date evidence on Scotland's economy, businesses and people. It is updated monthly.



**Sectoral Skills Assessments** provide Labour Market Insight for key sectors across Scotland. These are updated 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.

**RSA Summary Infographics** are also available, which provide a summary of the forecast data down to local authority level.

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 (2024).

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

Within the last 10 years, the economy has faced significant disruption due to events such as the pandemic, Brexit, the war in Ukraine, and the cost-of-living crisis. In addition, megatrends around demography, technology, and the environment have continued shaping Scotland's economy and labour market, many of which are interdependent. Below is an overview of the drivers expected to have the greatest influence on Scotland's labour market outlook in the near term, based on a comprehensive analysis of structural and cyclical factors.



### The Economy

The economic outlook for Scotland has improved, but growth is still expected to be modest in 2024, after annual GDP figures estimated the Scottish economy (like that of the UK) remained broadly flat throughout 2023. While inflation rates have eased from their peak in October 2022, the effects of rising prices and high interest rates continue to impact Scottish households and businesses. Scotland has experienced a tight labour market in recent years, but there have been signs of this loosening in 2024.



### Demographic Change

Scotland has an ageing population. In 2022, around 20 per cent of Scotland's population was aged 65 years or over, and around 15 per cent were aged under 15 years old. Population growth is also expected to slow in the next decade, and it is anticipated that the country is likely to rely on in-migration for population growth. These demographic changes in Scotland have important implications for the labour market and economy.



### Inclusive Growth and Equality

Scotland continues to experience inequality, which can impact individuals' access to labour market opportunities. Cost-of-living pressures have affected different groups disproportionately, particularly in lower-income households. Geographical inequalities also exist across Scottish regions that can affect individuals' access to opportunities. There have been some advances in improving diversity within the workforce and reducing inequality, but challenges remain.



### Technology and Automation

Scotland has a strong technology sector, with specific strengths in digital technology, life sciences and financial technology (fintech). The current makeup of the technology sector suggests AI will likely be the most important technological advance for the foreseeable future. It is estimated that 60 per cent of jobs in developed countries will be affected by AI. This could be disruptive within the labour market, creating challenges and opportunities for job roles and businesses.



### Climate Change

The Scottish and UK governments have committed to meeting targets for Net Zero carbon emissions. The transition to Net Zero will directly impact jobs, with potential for job growth in Scotland. Upskilling and reskilling will be vital to equip Scotland's workforce with the skills needed to meet the transition. Scotland is well placed to take a lead in the development of new green technologies building on its significant natural resources and strengths in key sectors.



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

### Investment

Our rural communities, spread across Scotland, are seeing significant investment through UK and Scottish Government funded City and Region Growth Deals. Those with a footprint in rural Scotland include:

- **Argyll and Bute Rural Growth Deal** – £70 million to develop Argyll & Bute’s economic potential by increasing productivity, growing the working-age population, addressing key infrastructure and skills gaps and delivering a more inclusive economy.
- **Ayrshire Growth Deal** – Funding of £215.5 million to help realise Ayrshire’s potential as a world-class region for Aerospace and Space, Energy, Tourism, Manufacturing and Engineering industries.
- **Borderlands Inclusive Growth Deal** – Spanning the North of England, Dumfries & Galloway and the Scottish Borders, the deal represents up to £452 million of investment.
- **Inverness and Highland Region City Deal** – Represents commitment of £315 million to transform the Highland economy.
- **Islands Growth Deal** – A ten-year package of investment (£50mn) to drive economic growth and creation of sustainable jobs across Shetland, Orkney and the Western Isles.
- **Moray Growth Deal** – Investment of over £100mn in eight strategic projects that will maximise Moray’s future economic competitiveness.

Skills are recognised as a key lever in these deals and drive investment in skills infrastructure in rural Scotland. This helps to ensure that residents will be well-placed to seize the opportunities created through investment.

Some examples of specific skills projects included in the deals are the Rural Skills Accelerator in Argyll and Bute, the TalEntEd Islands programme, the Ayrshire Skills Investment Fund and the Science Skills Academy in Highland. These projects respond to skills needs in each region, maximising opportunities to build the skills and talent pipeline for jobs now and in the future.

Opportunities will not only come through City and Growth Deal funding – other notable investments include Inverness and Cromarty Firth Green Freeport and ScotWind and Investment Zone status in the North East.

### A partnership approach to skills development

The structures to drive skills development in rural regions vary although are generally aligned to the ambitions and priorities set out in Regional Economic Strategies (RES), developing the skills required for the region to capitalise on economic opportunities and respond to big challenges like the transition to Net Zero.

An example is the Regional Skills Plan in Ayrshire which sets out the shared skills response to support delivery of the priorities in the Ayrshire Regional Economic Strategy.

Various Regional Economic Partnerships (REPs) bring together key players to support the implementation of the RES. Skills actions from the RES or regional skills plans are often taken forward by a specific group of skills partners. In the South of Scotland, for example, this vehicle is the Education and Skills Strategic Coordination Group (EESGC) while in the North-East it is the Regional Learning and Skills Partnership.

Beyond the REPs, there are also two bi-annual conferences - The Convention of South of Scotland (CoSS) and the Convention of Highlands and Islands (CoHI) – which bring together partners responsible for driving growth in the regions. The events include discussions around skills.

Ultimately, regions are driven to maximise opportunities for inclusive growth and in doing so, ensure they have the people and skills to support this. The skills actions being taken forward by different rural partnerships demonstrate how the regions intend to achieve this.

### Realising strengths

Rural regions have a focus on several sectors including Aerospace and Space, Food and Drink, Visitor Economy, Life Sciences, Creative Industries and Digital – all can provide high quality employment opportunities and create thriving places. The priority for regional skills partnerships will be in ensuring the skills system provides the right pathways at the right time for people to move into jobs in these sectors.

The importance of this cannot be understated. For example, in the North-East there is highly skilled workforce, renowned for their experience and expertise in Oil and Gas. Retaining this talent, identifying transferable skills and reskilling where required will be key in making the transition to alternative clean fuel sources.

Beyond the North-East, Scotland's wider rural communities will be important in achieving national decarbonisation goals as they are home to much of our country's rich natural capital, and the land-based workforce will provide the stewardship required to restore and manage this in line with Net Zero ambitions and other priorities such as the need to improve food security.

### Addressing challenges

There are challenges facing employers in rural Scotland such as the well documented issues in the land-based sector which point to an ageing

population and challenges in attracting the next generation of workers into the sector.<sup>2</sup> This creates labour shortages which can in turn negatively impact on productivity, driving up prices. However, work is underway to address this through initiatives such as the [land-based pre-apprenticeship](#) programme which is aimed at increasing the pipeline of new talent into the sector. Lantra Scotland also offers the [Next Generation Practical Training Fund](#) and the [Women in Agriculture Practical Training Fund](#) which aims to provide targeted upskilling opportunities in the sector.

Other sectors such as Seafood are experiencing occupational shortages which have been affected by the United Kingdom's exit from the European Union.<sup>3</sup>

Lack of good quality, affordable housing is also an issue reflected in the [Programme for Government 2024-25](#) which sets out the Scottish Government's aims to "*work with local authorities and Registered Social Landlords to acquire suitable homes for key workers, where they are required in rural and island communities by making available up to £25 million from the Affordable Housing Supply Programme to support the five-year Rural Affordable Homes for Key Workers Fund.*"

There are also significant challenges with depopulation and the [Programme for Government 2024-25](#) sets out intentions to "*make the case for tailored migration routes including a Rural Visa pilot*

*which could support rural employers across the public and private sectors to recruit the people they need.*"

There is also a role for skills in tackling poverty (particularly in-work poverty) in rural Scotland. Evidence suggests that people working in rural areas are more likely to be in seasonal and precarious employment, and that as many as 15% of people in rural Scotland are living in poverty.<sup>4</sup>

**To find out more, you can visit [here](#) to read the Regional Skills Assessments for Scotland's rural regions.**

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.

For example, the figures presented in this report do not reflect significant levels of investment expected in rural Scotland through the various City and Region Growth Deals, Inverness and Cromarty Firth Green Freeport, ScotWind and Investment Zone status.

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



1. Insight from the region gathered via Skills Development Scotland (2024).  
2. Scottish Government (2022). [New entrants and young farmers start up grant schemes: evaluation.](#)

3. Harper McLeod (2023). [Navigating challenges: Addressing skills shortages in Scotland's marine economy.](#)

4. Poverty Alliance (2024). [An Inquiry into Poverty in Rural Scotland.](#)



# Economic Performance<sup>1</sup>



Rural Scotland estimated GVA in 2024: **£37,721m**

Rural Scotland was estimated to generate 25.9% of Scotland's output in 2024.

In 2024, the highest value industries in Rural Scotland were estimated to be:

	<b>Real Estate Activities*</b>	<b>£5,514m</b>
	<b>Manufacturing</b>	<b>£4,955m</b>
	<b>Human Health and Social Work Activities</b>	<b>£3,987m</b>
	<b>Wholesale and Retail Trade</b>	<b>£3,512m</b>



## GVA forecast average annual growth mid-term (2024-2027)

**Rural Scotland: 1.3%**

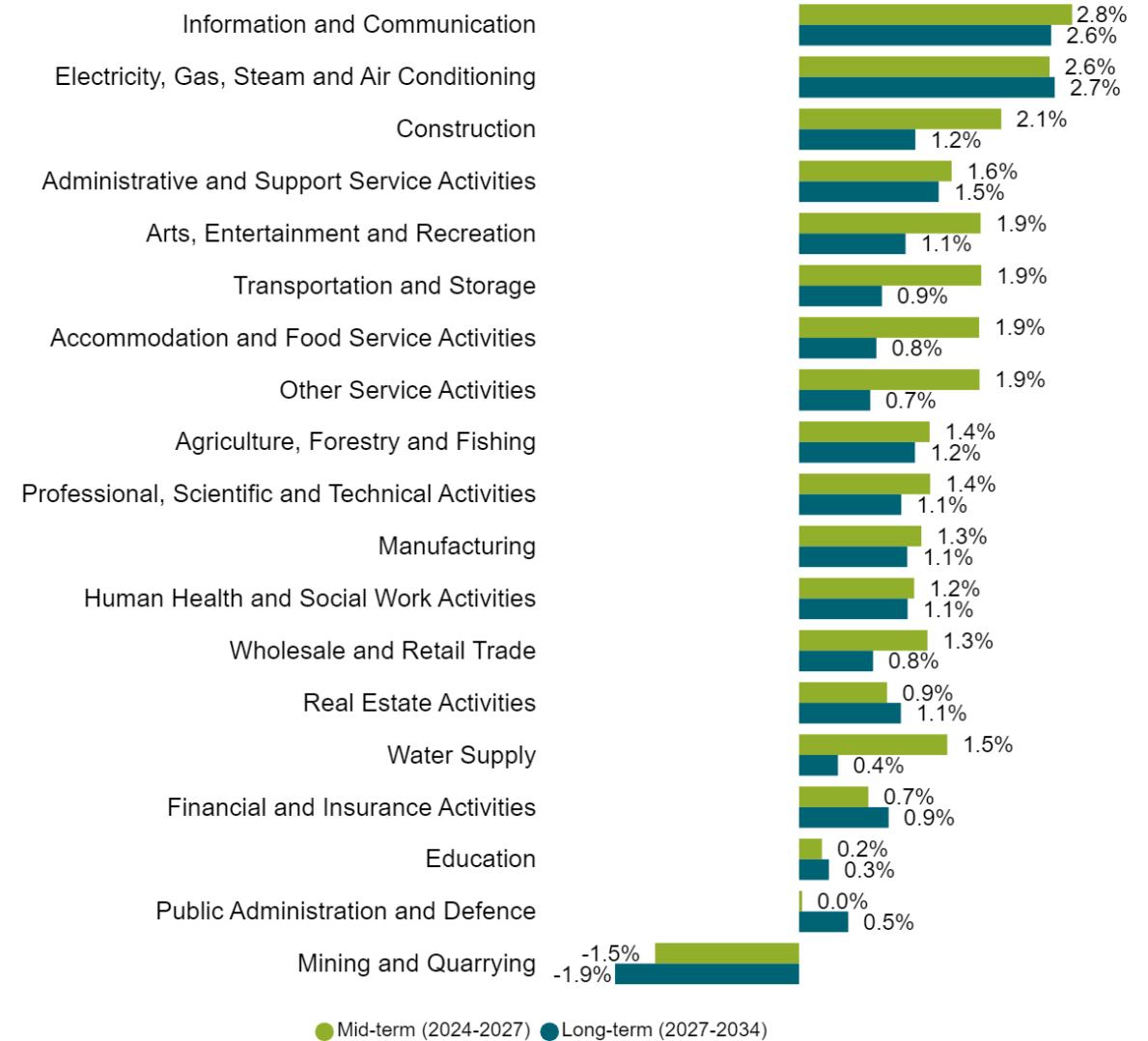
**Scotland: 1.4%**

## GVA forecast average annual growth long-term (2027-2034)

**Rural Scotland: 1.0%**

**Scotland: 1.3%**

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



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

1. SDS (2024). 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 **Rural Scotland** was estimated to be **£48,800** in 2024. In comparison, the Scottish average was estimated to be £52,000.



## Mid-term Productivity

From 2024 to 2027, productivity in Rural Scotland is forecast to grow by 0.7% on average each year. Over the same period, the Scottish growth rate is forecast to be 0.6%.

**Rural Scotland** forecast productivity in 2027: **£49,800**

**Scotland** forecast productivity in 2027: **£53,000**



## Long-term Productivity

From 2027 to 2034, 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 1.1%.

**Rural Scotland** forecast productivity in 2034: **£53,800**

**Scotland** forecast productivity in 2034: **£57,100**

## Forecast Productivity (2024)



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

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

1. SDS (2024). Oxford Economics Forecasts.

# Regional Employment<sup>1</sup>



**Workforce Size 2024:**  
**696,400 people**

The region's workforce was estimated to account for **26.4%** of Scottish employment.

Over the last 10 years (2014-2024), regional employment was estimated to have **declined** by **1.2%** (**-8,600** people). In comparison, employment in Scotland increased by 3.8%.



**Workforce Size 2027:**  
**707,000 people**

The region's workforce is forecast to **grow** by **1.5%** or **10,600** people between 2024 and 2027.

Compared to a Scotland-wide increase of **1.9%** or **49,800** people.

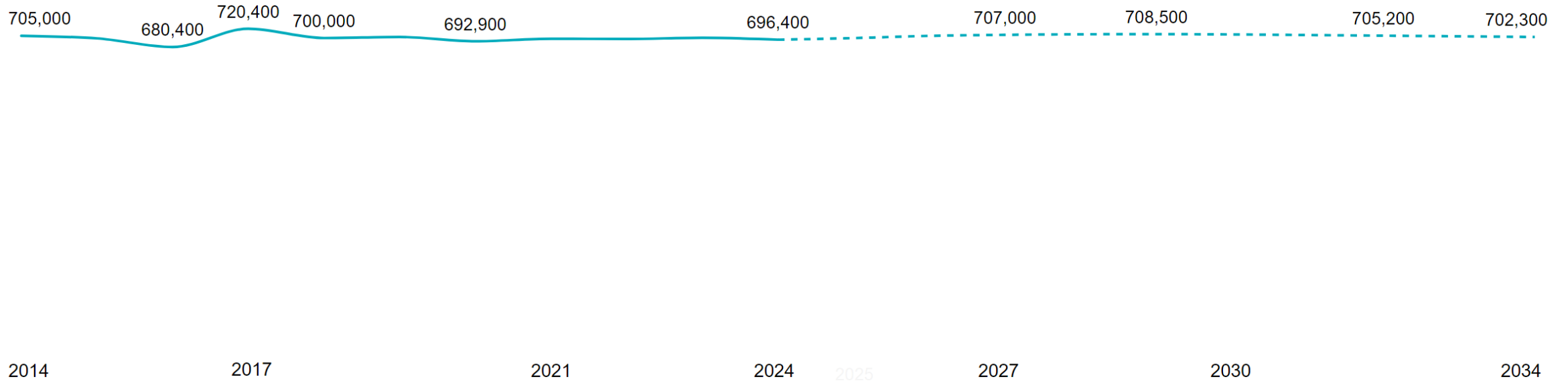


**Workforce Size 2034:**  
**702,300 people**

The region's workforce is forecast to **decline** by **0.7%** or **4,700** people between 2027 and 2034.

Compared to a Scotland-wide increase of **1.2%** or **32,000** people.

## Employment and forecast employment (2014-2034) (people), Rural Scotland



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

1. SDS (2024). Oxford Economics Forecasts.




# Employment by Industry<sup>1</sup>

The largest employing industries in the region in 2024 (based on people) were estimated to be:

 **Human Health and Social Work Activities**  
121,600

 **Wholesale and Retail Trade**  
76,400

 **Education**  
64,900

Between 2024 and 2027, 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 2,000 more people by 2027. While Manufacturing is forecast to have the greatest employment contraction (-2,200 people) in the mid-term.

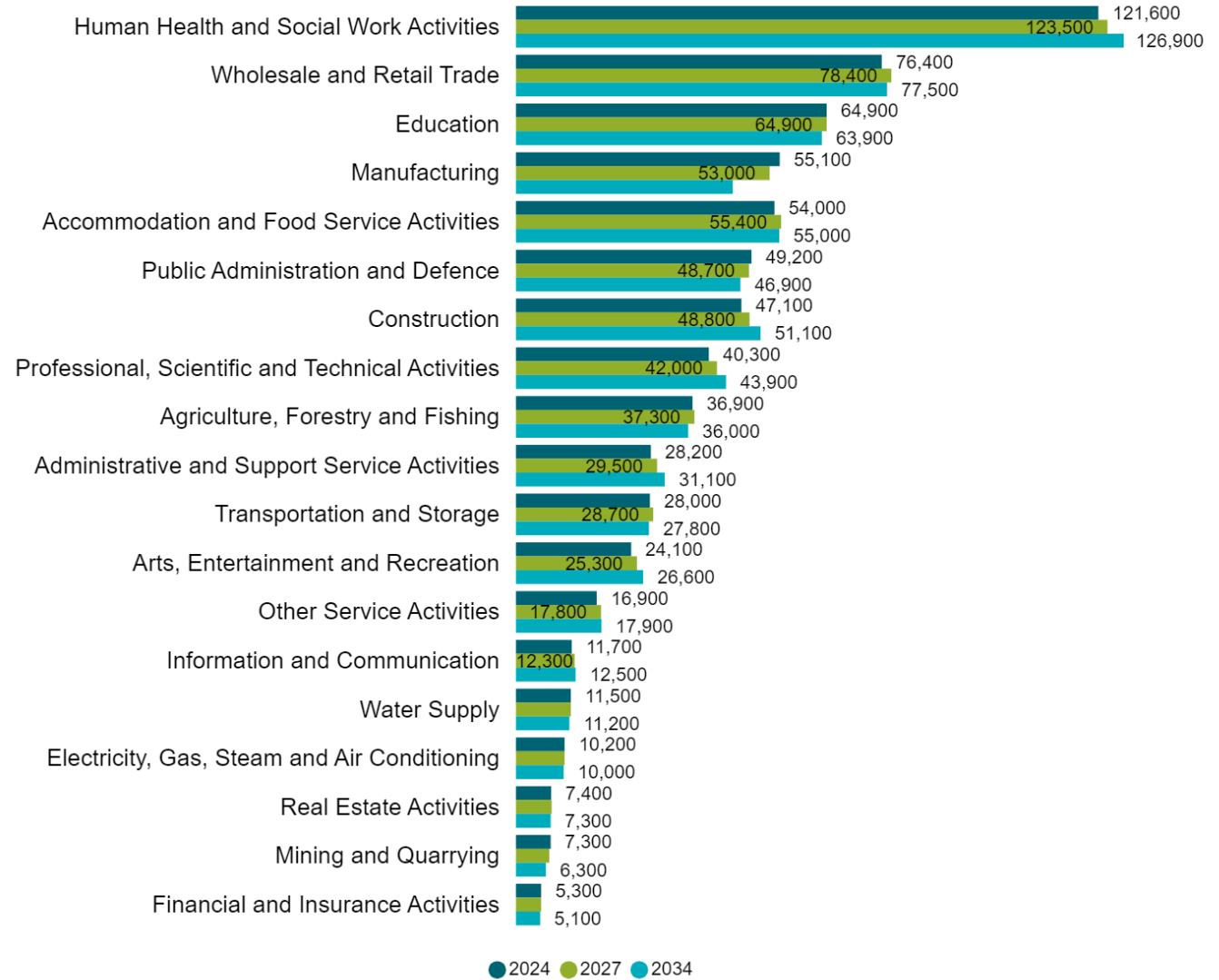
Over the long-term, between 2027 and 2034, the greatest employment growth is forecast in Human Health and Social Work Activities, with 3,400 more people by 2034. While Manufacturing is forecast to have the greatest employment contraction (-7,700 people) in the long-term.

In 2024, Fishing and Aquaculture was estimated to be the region's greatest specialism, with the percentage of employment in this industry 3.4 times greater than the Scottish average. The second largest specialism was estimated to be the Mining of Coal and Lignite (3.3 times greater in the region than the Scottish average).



Figures may not sum due to rounding.

## Employment by Industry, Rural Scotland



1. SDS (2024). Oxford Economics Forecasts.



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)

# Employment by Occupation<sup>1</sup>

The largest employing occupation groups in the region in 2024 (based on people) were estimated to be:



**Elementary Occupations: Clerical and Services**  
70,000



**Caring Personal Service Occupations**  
58,900



**Administrative Occupations**  
41,300

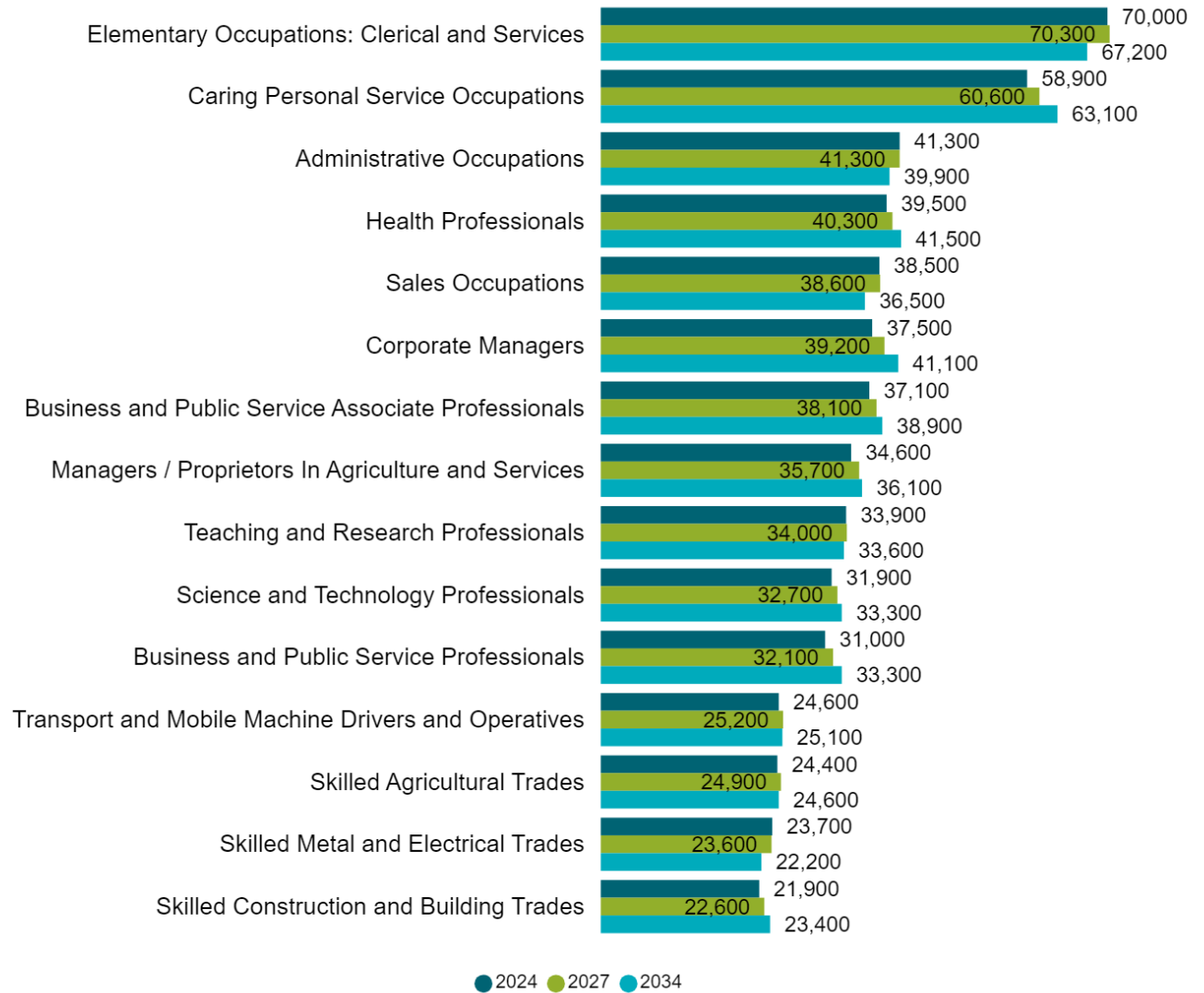
In 2024, 42.6% of employed people in the region were in 'higher-level' occupations\*, which was a lower percentage of the workforce than Scotland (49.2%). 'Mid-level' occupations accounted for 31.0% of the workforce, which was a higher percentage of the workforce than Scotland (27.0%). Around 26.4% of people were employed in 'lower-level' occupations, which was a higher percentage of the workforce than Scotland (23.8%).

Between 2024 and 2027, the greatest growth is forecast to be in Corporate Managers (1,700 people). While Process, Plant and Machine Operatives is likely to experience the greatest contraction (-500 people).

Over the long-term between 2027 and 2034, the greatest growth is forecast to be in Caring Personal Service Occupations (2,600 people). While Elementary Occupations: Clerical and Services is likely to experience the greatest contraction (-3,100 people).

*Figures may not sum due to rounding.*

## Employment by Top 15 Occupations, Rural Scotland



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

*(Theme: Skills Demand; Topic: Employment Forecast by Occupation)*

<sup>1</sup> SDS (2024). Oxford Economics Forecasts.

\* See RSA Technical Note (2024) for an explanation of what is defined as 'high-level', 'mid-level' and 'low-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. We have been able to establish the split between green jobs and non-green jobs for the Regional Outcome Agreement (ROA) areas. Green jobs in Scotland are defined by three different categories: enhanced skills and knowledge, increased demand and new and emerging.<sup>3</sup> 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 Rural Scotland. For more information, on green and non-green jobs, please see the relevant ROA reports.

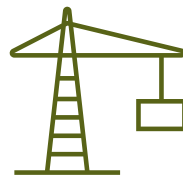
Presented below are the **number of people estimated to be employed in these sectors within Rural Scotland in 2024.**



### Agriculture

**38,700** people

**74%** of the sector's employment in Scotland



### Construction

**67,300** people

**31%** of the sector's employment in Scotland



### Manufacturing (with Engineering)

**54,000** people

**33%** of the sector's employment in Scotland



### Energy and Waste Treatment

**40,700** people

**28%** of the sector's employment in Scotland



### Transport

**23,600** people

**24%** 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 679,200 in 2024. Rural Scotland was estimated to account for **33% of Scotland's total or 224,200 people**. Of the sectors of most importance to the transition, Construction was the largest employing sector (30%) in the region.

*Figures may not sum due to rounding.*

1. SDS (2024). 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.

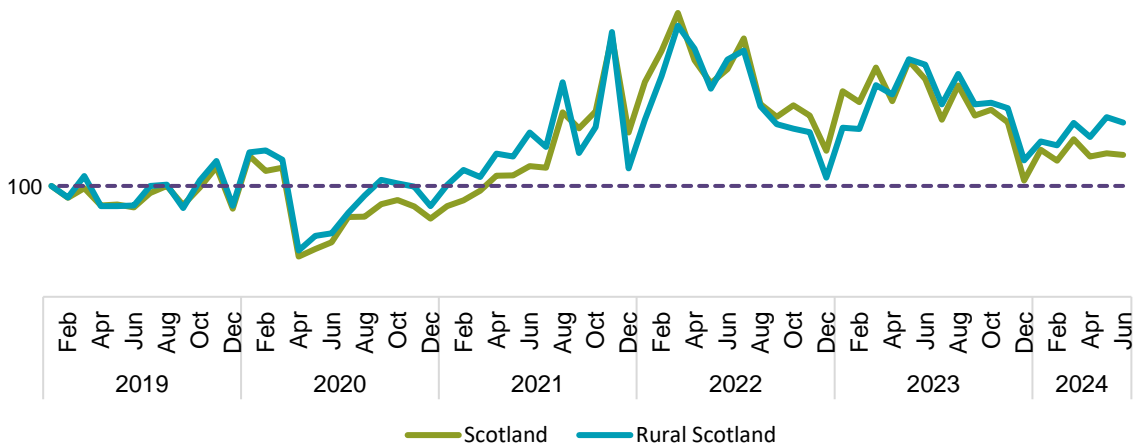
# Job Postings in Rural Scotland<sup>1</sup>

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 been cooling across Scotland, and job postings have declined from a peak in 2022. In Rural Scotland, the peak in job postings coincided with the peak for Scotland in March 2022. Whilst it has cooled, the heat of the labour market in 2021 and 2022 was exceptional, and the levels of job postings across Scotland and Rural Scotland remain above pre-pandemic levels (January 2019).

In the first six months of 2024, there has been sustained demand for workers in the region. Job postings in Rural Scotland accounted for 14.5% of Scotland's total job postings between January and June 2024.

## Index\* of Job Postings, (January 2019 = 100)

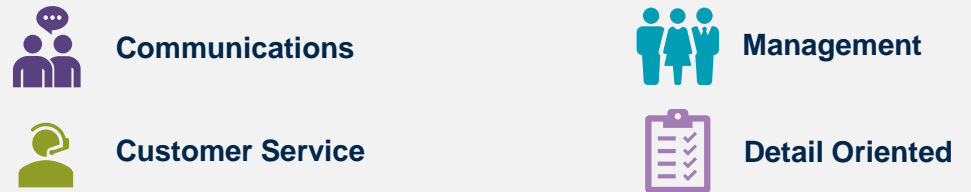


Between January and June 2024, there were **36,100 job postings** in Rural Scotland, of which:

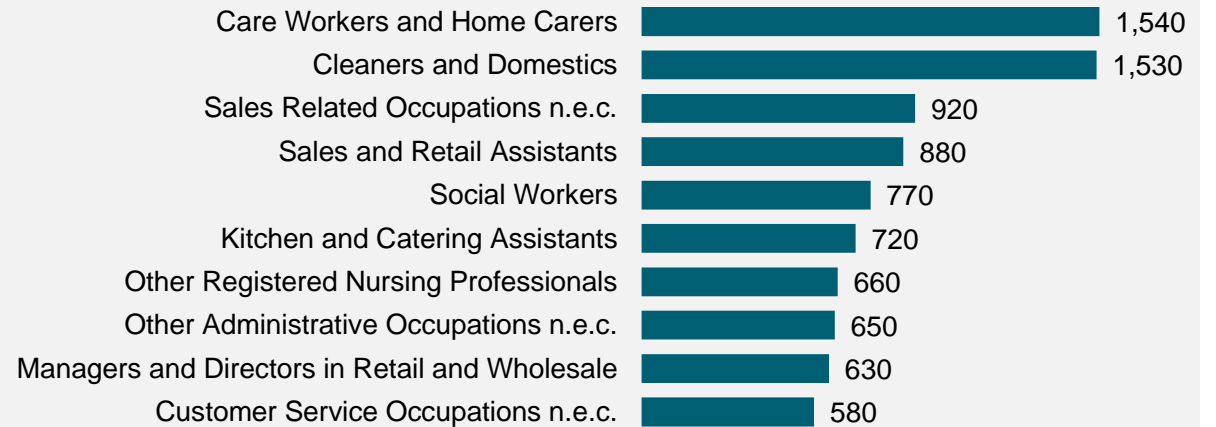
### The locations with the most jobs advertised were:



### The most requested skills and knowledge were:



### The top job postings were:



Figures may not sum due to rounding.

\*An Index shows the change over time. This graph displays the data for job postings converted to a reference value. This shows the relative change for Scotland and the region over time. Over 100 indicates where there has been an increase compared to the base or reference year (in this case January 2019), whereas below 100 shows a decrease.

# Green Job Postings in Rural Scotland<sup>1</sup>

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.

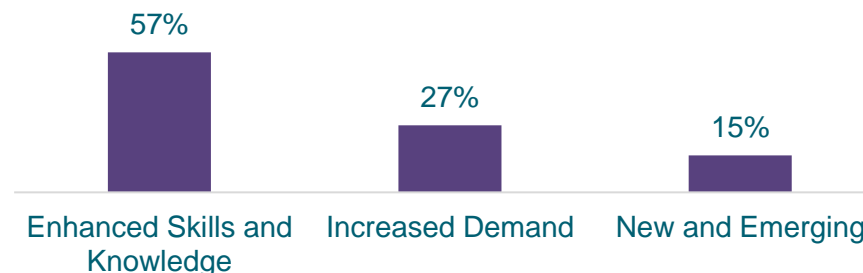
The full list of occupations (defined using Standard Occupation Classification (SOC) 2020) can be found [here](#).



Out of the 36,100 job postings in Rural Scotland between January and June 2024, **over half of them, 20,000, were for green jobs (55.2%)**. This was a higher proportion of green job postings than the Scottish average (42.3%). The number of green job postings in the region accounted for 19.0% of all green job postings in Scotland. The demand for green jobs in the region and Scotland peaked in 2022 before cooling. However, demand for green jobs in the region remains above the pre-pandemic level.



Between January and June 2024, **over half of green job postings** in Rural Scotland were for Enhanced Skills and Knowledge roles.



**The green jobs in demand in each category between January and June 2024 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 Rural Scotland was **£35,500\*** in the first six months of 2024.

This was higher than the median advertised salary for all jobs in the region which was £28,200\*\*.

**Green job postings were prominent in Rural Scotland, particularly due to high employment in the Construction sector.**





## Future Demand in the Mid-Term (2024-2027)<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 Rural Scotland. 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 **94,300** people in **Rural Scotland**. Between 2024 and 2027, replacement demand could create the need for **83,700** people, while **positive** expansion demand is forecast to result in **10,600 additional** workers.

In **Scotland**, there could be a total requirement for **370,800** people in the mid-term. Between 2024 and 2027, replacement demand could create the need for **321,000** people, while **positive** expansion demand is forecast to result in **49,800 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.

**Rural Scotland: 94,300**  
people

**Scotland: 370,800** 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: 83,700**  
people

**Scotland: 321,000** people



### Expansion Demand

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

**Rural Scotland: 10,600**  
people

**Scotland: 49,800** people

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

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
6,900	41,800	13,700	21,100	2,900	8,000
7%	44%	14%	22%	3%	8%

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

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
34,000	175,600	46,600	76,800	10,300	27,400
9%	47%	13%	21%	3%	7%

1. SDS (2024). Oxford Economics Forecasts.



# Future Demand in the Mid-Term (2024-2027) by Industry<sup>1</sup>

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

 **Wholesale and Retail Trade**  
15,300

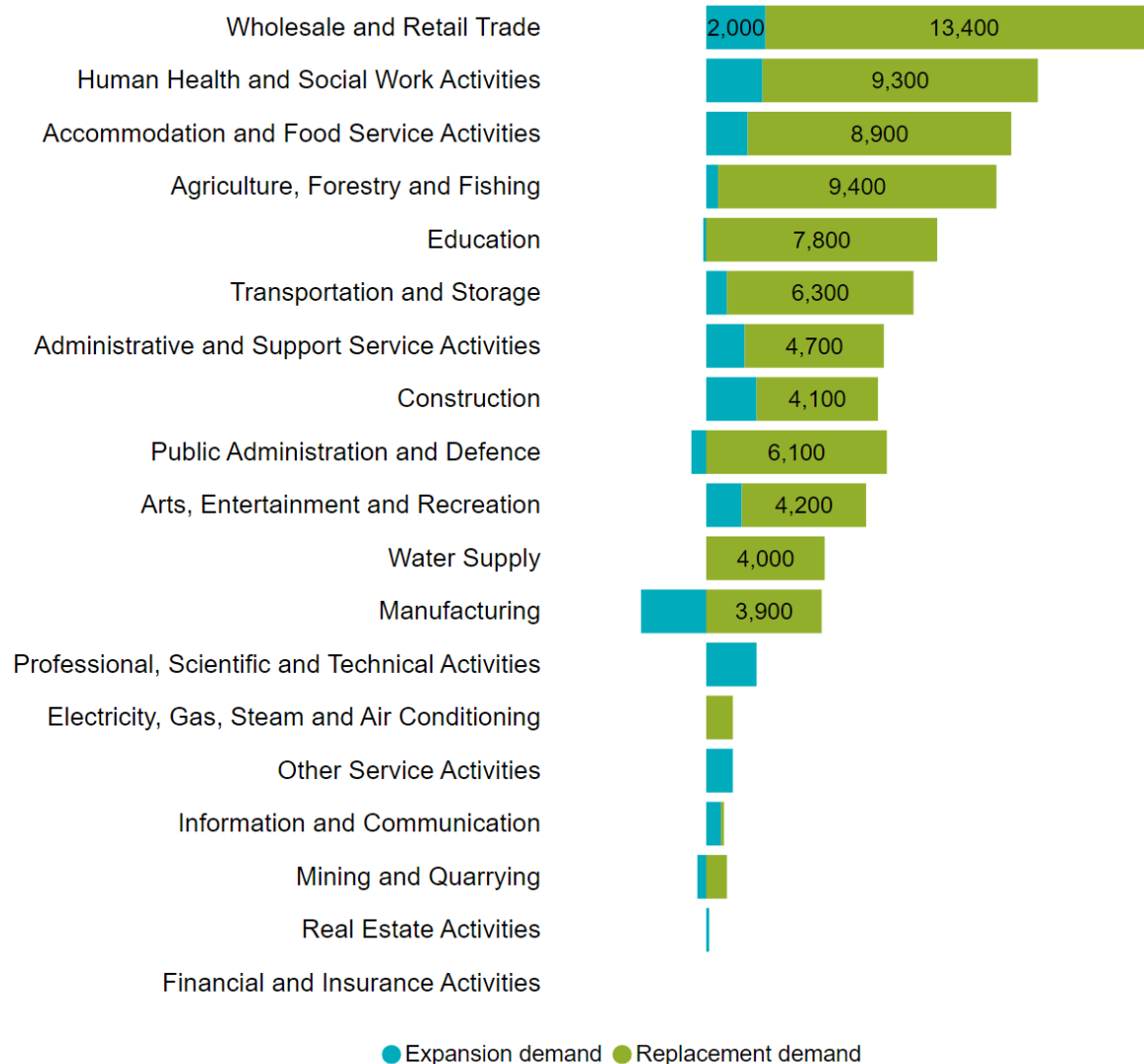
 **Human Health and Social Work Activities**  
11,200

 **Accommodation and Food Service Activities**  
10,300

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.

*Figures may not sum due to rounding.*

## Forecast Total Requirement by Industry (2024-2027), Rural Scotland




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 (2024). Oxford Economics Forecasts.

# Future Demand in the Mid-Term (2024-2027) by Occupation<sup>1</sup>

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

 **Elementary Occupations: Clerical and Services**  
14,300

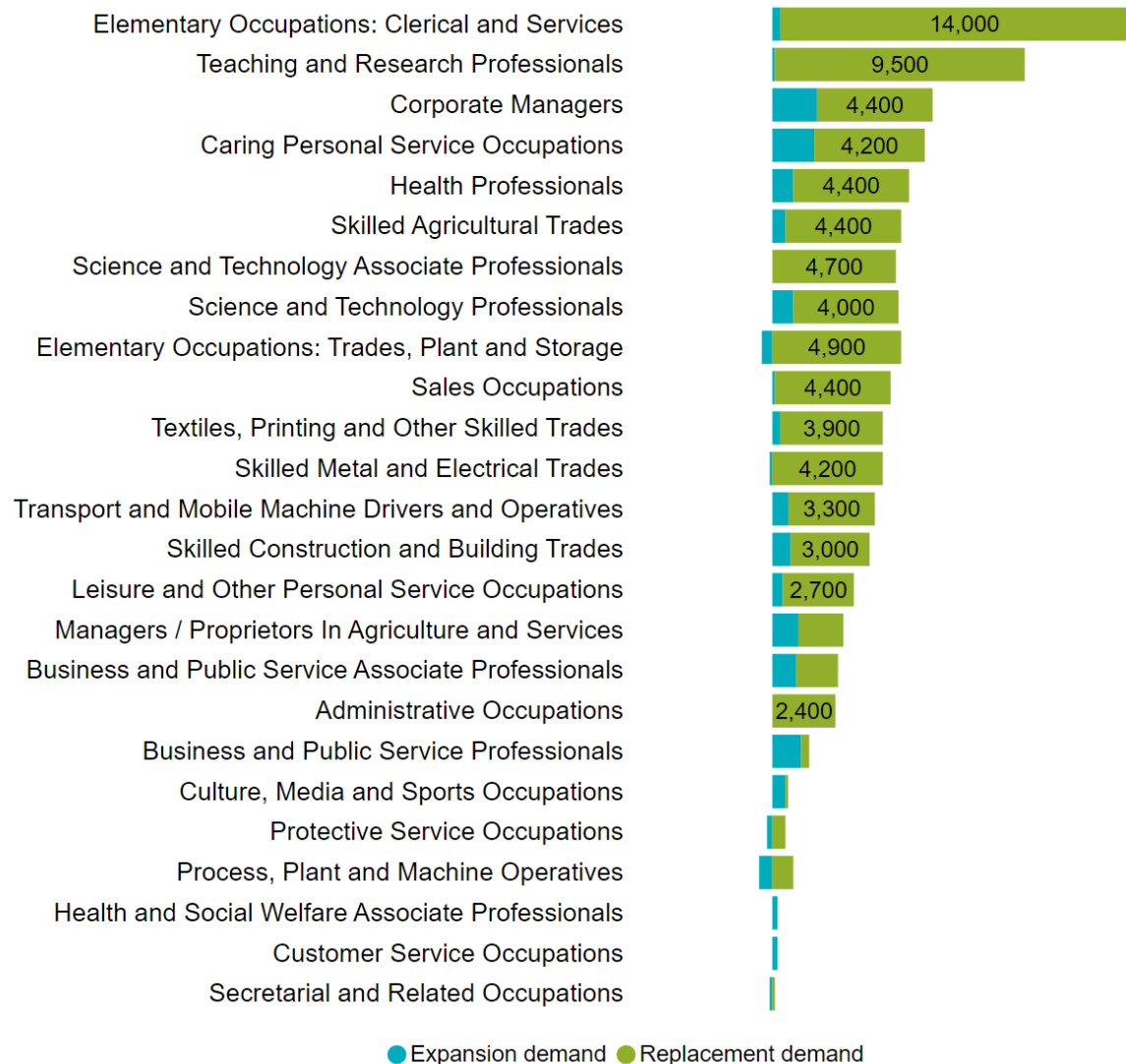
 **Teaching and Research Professionals**  
9,600

 **Corporate Managers**  
6,100

As mentioned, there is forecast to be a total requirement for 94,300 people in the region over the mid-term. 'Higher-level' occupations\* are forecast to account for 40.5% of this total requirement, followed by 30.1% in 'mid-level' occupations and 29.4% in 'lower-level' occupations. Across Scotland, 50.4% of total requirement will be in 'higher-level' occupations, 25.0% in 'mid-level' occupations and 24.6% in 'lower-level' occupations.

*Figures may not sum due to rounding.*

## Forecast Total Requirement by Occupation (2024-2027), Rural Scotland



For data on future demand by occupation at local authority level please see the [Data Matrix](#).  
(Theme: Skills Demand; Topic: Total Requirement by Occupation)

<sup>1</sup> SDS (2024). Oxford Economics Forecasts.

\* See RSA Technical Note (2024) for an explanation of what is defined as 'high-level', 'mid-level' and 'low-level' occupations.

## Future Demand in the Long-Term (2027-2034)<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 Rural Scotland, the labour market forecast for the long-term (2027-2034) suggests employment is expected to decline, but 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 **184,700** people in **Rural Scotland**. Between 2027 and 2034, replacement demand could create the need for **189,400** people, while expansion demand is forecast to result in **-4,700** workers.

In **Scotland**, there could be a total requirement for **788,900** people in the long-term. Between 2027 and 2034, replacement demand could create the need for **756,900** people, while **positive** expansion demand is forecast to result in **32,000 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.

**Rural Scotland: 184,700**  
people

**Scotland: 788,900** 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: 189,400**  
people

**Scotland: 756,900** people



### Expansion Demand

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

**Rural Scotland: -4,700**  
people

**Scotland: 32,000** people

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

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
12,400	83,900	25,400	44,800	2,400	15,700
7%	45%	14%	24%	1%	9%

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

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
67,300	378,500	93,400	180,300	12,100	57,200
9%	48%	12%	23%	2%	7%

1. SDS (2024). Oxford Economics Forecasts.



# Future Demand in the Long-Term (2027-2034) by Industry<sup>1</sup>

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

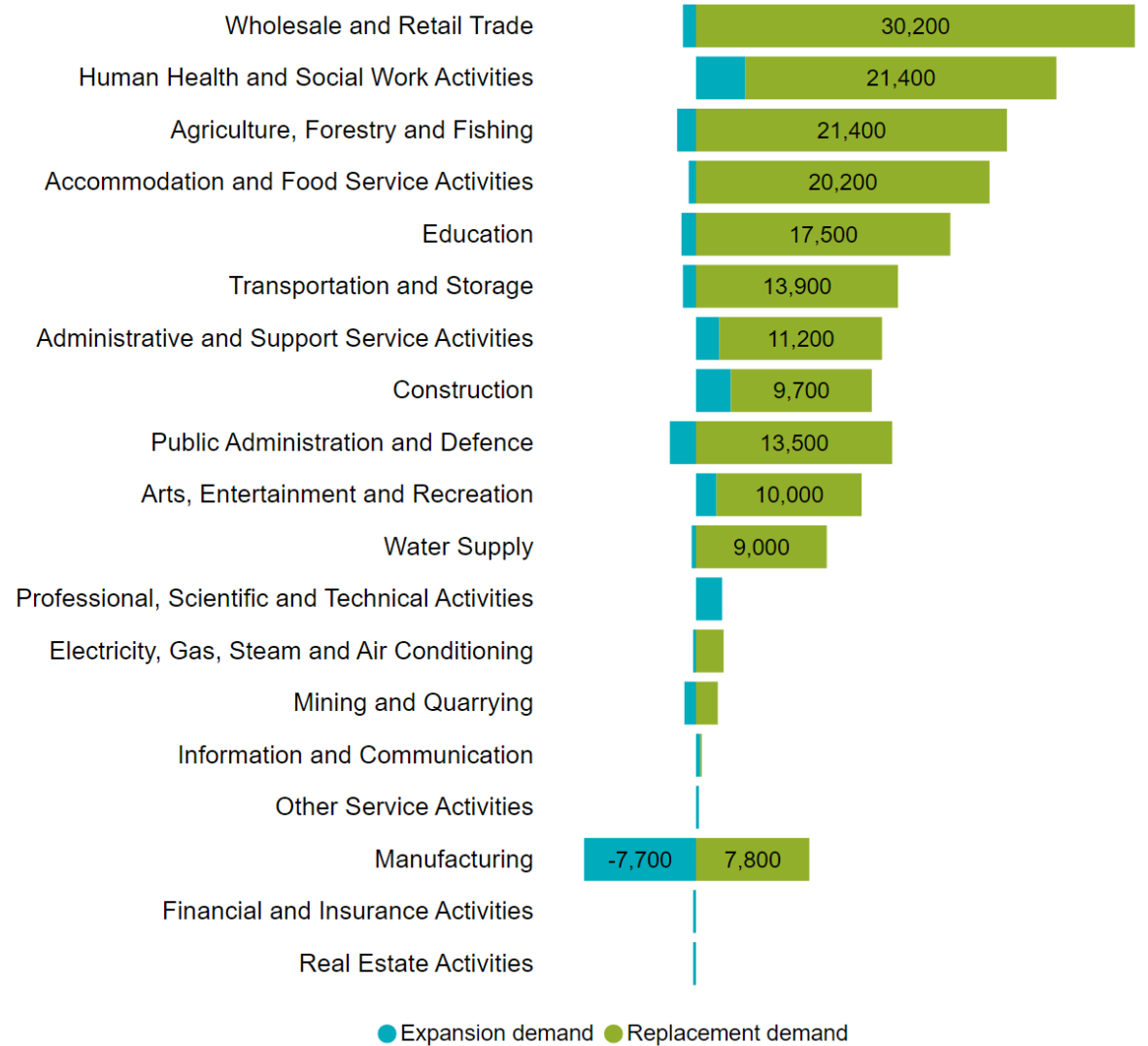
 **Wholesale and Retail Trade**  
29,300

 **Human Health and Social Work Activities**  
24,800

 **Agriculture, Forestry and Fishing**  
20,100

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 (2027-2034), Rural Scotland



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 (2024). Oxford Economics Forecasts.



# Future Demand in the Long-Term (2027-2034) by Occupation<sup>1</sup>

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



**Elementary Occupations: Clerical and Services**

**28,400**



**Teaching and Research Professionals**

**21,300**



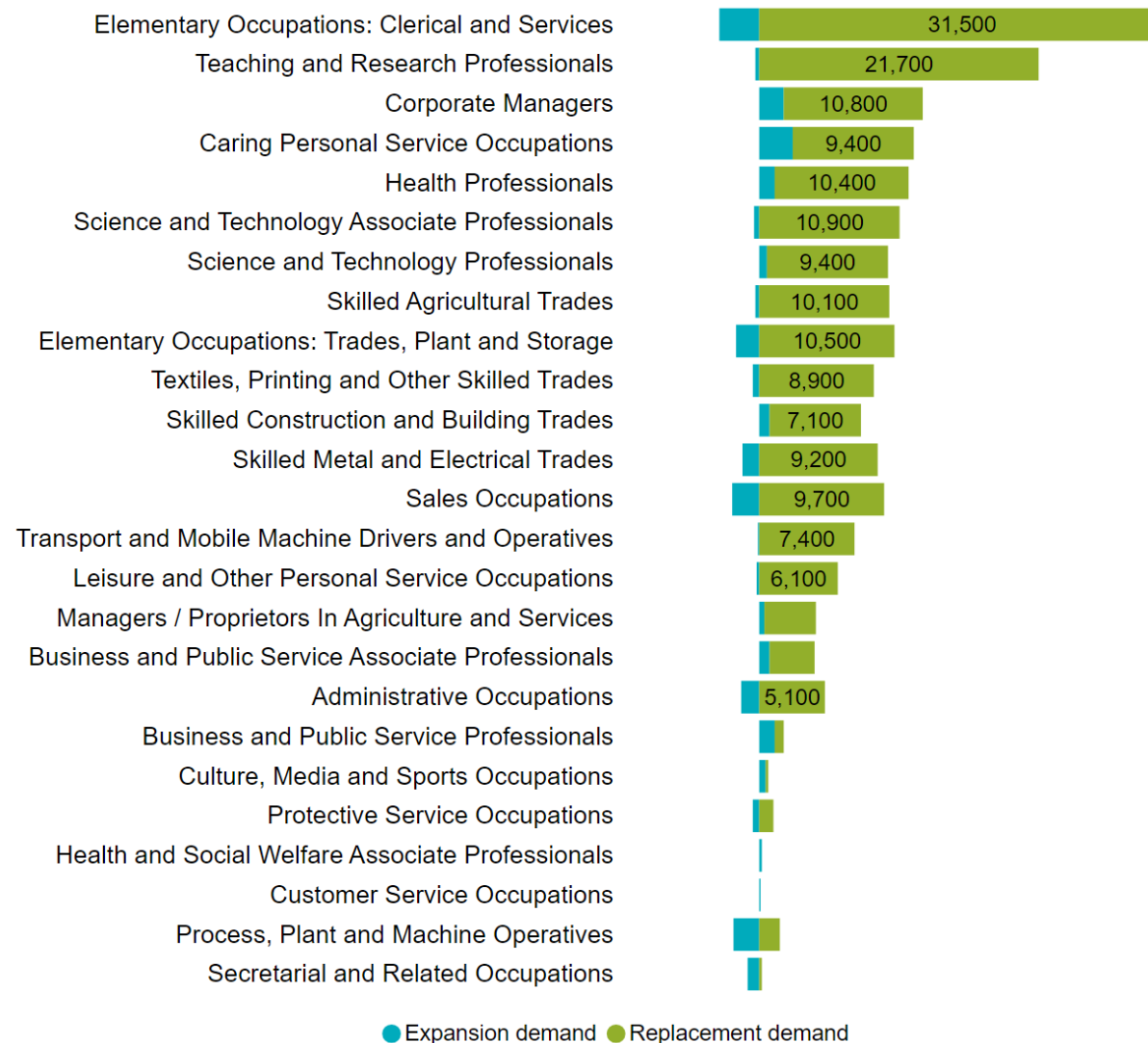
**Corporate Managers**

**12,700**

There is forecast to be a total requirement for 184,700 people in the region over the long-term. 'Higher-level' occupations\* are forecast to account for 42.3% of this total requirement, followed by 29.7% in 'mid-level' occupations and 28.0% in 'lower-level' occupations. Across Scotland, 52.4% of total requirement will be in 'higher-level' occupations, 24.7% in 'mid-level' occupations and 22.9% in 'lower-level' occupations.

*Figures may not sum due to rounding.*

## Forecast Total Requirement by Occupation (2027-2034), Rural Scotland



**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 (2024). Oxford Economics Forecasts.

\* See RSA Technical Note (2024) for an explanation of what is defined as 'high-level', 'mid-level' and 'low-level' occupations.

Skills  
Development  
Scotland

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)