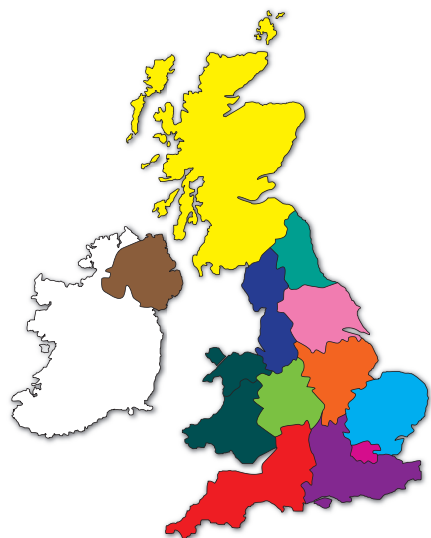


The Sector Skills Council for
Chemicals, Pharmaceuticals, Nuclear,
Oil and Gas, Petroleum and Polymers

www.cogent-ssc.com



England – North East



Cogent in the Region

The Cogent Industries are strategically important to the North East Region:

- Cogent industries account for **9%** of the North East total turnover and **7%** of the region's **GVA**.
- The **Regional Economic Strategy** highlights **Energy** and **Process** industries as 2 of the 3 areas for industrial opportunity in the region.
- **4%** of Cogent employers are based in the North East.
- **Innovation, Industry and Science** are critical to the regions performance.
- **National Skills Academy Process Industries Hub** is based in the region and launched in January 2008.

The region has a dominant cluster of Cogent industries:

Northumberland, County Durham and Tyne and Wear have a concentration of pharmaceuticals and specialty chemicals companies and there is a focus on petrochemical and oil and gas industries around the Tees Valley area. The petrochemical cluster at Wilton, Billingham and Seal Sands is the largest integrated chemicals complex in the UK in terms of manufacturing capacity. The region has a strong company base in sub-sectors such as power generation, oil and gas, nuclear and more recently renewables and low carbon technologies. The development of bio-fuels and bio-refining is becoming increasingly focused in the area. The North East Process Industry Cluster (NEPIC) has a strong presence in the region with its remit encompassing industries beyond the scope of Cogent, details can be found at: www.nepic.co.uk

More information on Regional and Industry Research can be found at: www.cogent-ssc.com/research

Cogent UK Sector Headlines

- **£156bn turnover**
- **£49bn GVA**
- **6.5% of UK GVA**
- **12% of UK manufacturing workforce**
- **7% of UK manufacturing enterprises**

Cogent Headline Figures

Key Economic Indicators

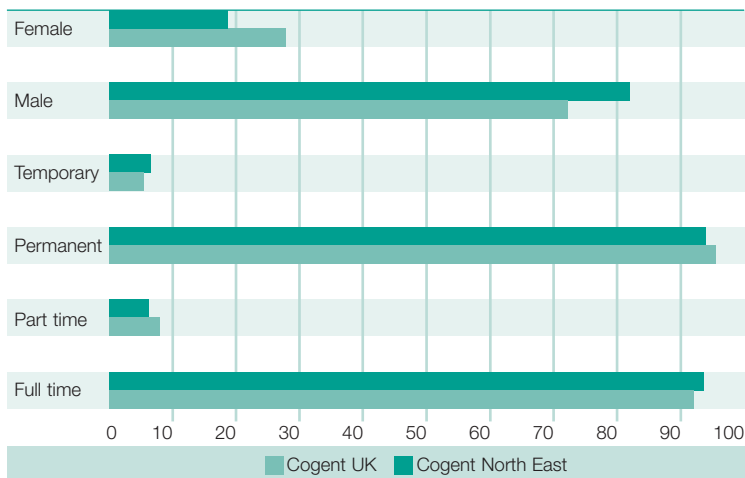
2006	Cogent NE	Cogent UK
Turnover	£6.4bn	£156bn
Cogent GVA	£1.7bn	£49bn
Cogent GVA per Employee*	£68,857	£98,394
Number of employees	24,700	500,000**
Mean weekly pay***	£614.70	£381.50

Source: Annual Business Inquiry 2005
*UK GVA average per employee £31,419
**Industry estimate of total Cogent employment 906,000
***Annual Survey of Hours and Earnings 2006

The North East industries account for:

- **4% of Cogent sector total turnover**
- **3% of Cogent sector total GVA**

Workforce Distribution



Source: Labour Force Survey Q3 2006 – Q2 2007

Cogent Workforce

Employers by Size Band

	1-10 Employees	11-49 Employees	50-199 Employees	200+ Employees	% of Total Employers	Total Employers
Cogent – North East	61%	25%	11%	3%	4%	800
Cogent – Great Britain	68%	23%	7%	2%	100%	18,500
Regional Economy – All Sectors	78%	17%	4%	1%	100%	70,100

Source: Annual Business Inquiry 2005

For further information please email research@cogent-ssc.com or visit www.cogent-ssc.com

Cogent Workforce

Regional Employment by Industry

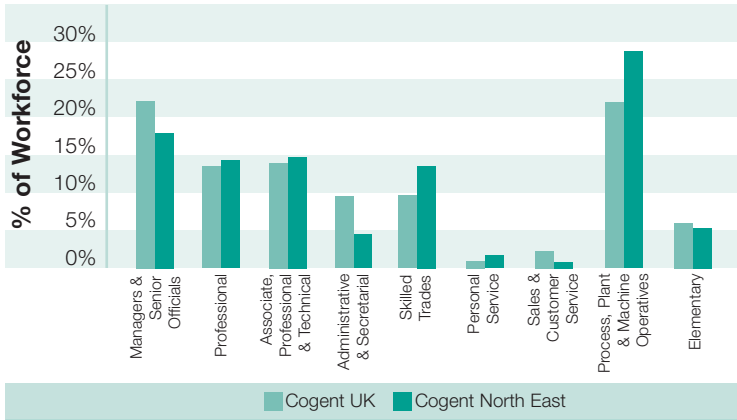
Industry Category	NE Employees	GB Total	NE Regional% of GB Total
Chemicals Manufacturing and Processing	8,900	108,300	8%
Pharmaceuticals Manufacturing	3,300	57,600	6%
Polymers Manufacturing and Processing	10,500	179,200	6%
Manufacture of Refined Petroleum Products	*	10,100	*
Oil and Gas	*	28,000	*
Nuclear (inc direct supply chain)	1,500**	49,500	3%

8% of the **Chemicals** workforce is based in the North East.

North East **Polymers and Pharmaceuticals** each account for **6%** of the total industry GB workforce.

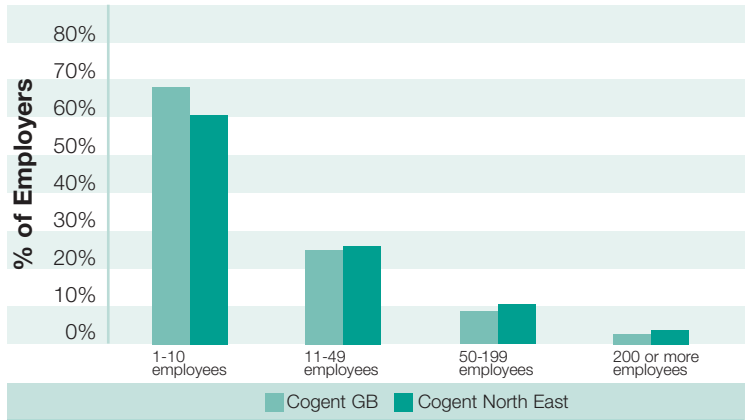
Source: Annual Business Inquiry 2005 (regional data rounded and is only Great Britain)
* Data suppressed
**National Skills Academy Nuclear, 2007 estimates

Occupational Distribution of the Cogent Sector in the North East



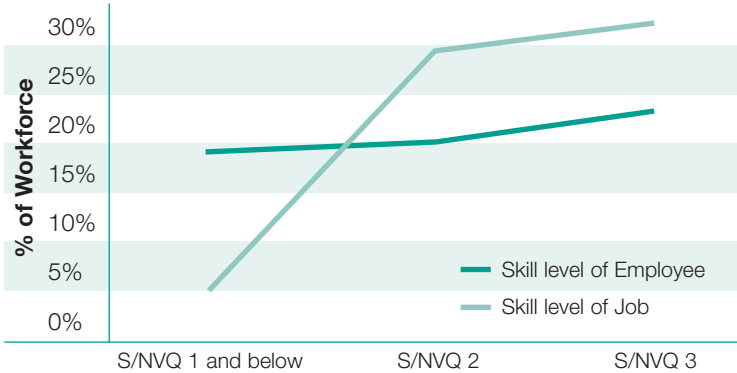
Source: Labour Force Survey Q3 2006 – Q2 2007

Business Size of the Cogent Sector in the North East



Source: Annual Business Inquiry 2005

Current Workforce: The Cogent Skills Gap



Source: Labour Force Survey Q3 2006 - Q2 2007

Key issues for the Cogent industries in the North East:

- **13% SURPLUS** of the workforce qualified to Level 1 and below
- **9% DEFICIT** of the workforce qualified to Level 2
- **10% DEFICIT** of the workforce qualified to Level 3

Cogent Sector Skills Demand¹

The **proportion of vacancies** reported in the Cogent sector is **higher** than the UK average by **5%**. Hard-to-fill and skills shortage vacancies are also higher than the UK average.

INTERNAL SKILLS GAPS are **7% higher** than the UK average.

	Cogent NE	UK
Proportion of companies reporting vacancies	23%	18%
Proportion of companies reporting 'hard-to-fill' vacancies	10%	8%
Proportion of companies reporting a skills shortage vacancy	7%	6%
Proportion of companies reporting internal skills gaps	23%	16%

Cogent Sector Training¹

The proportion of companies who have trained their staff in the previous 12 months is **13% higher** than the UK incidence of training.

¹National Employer Skills Survey 2005

Proportion of firms that have provided funding for staff training within the previous 12 months	77%	64%
Of those firms which provided training, the proportion of staff trained	76%	68%

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