

Scotland

Cogent in Scotland

The Cogent Industries are strategically important in Scotland:

- Petroleum, Chemicals and Pharmaceuticals are strategic priorities as Scotland's second biggest export earner, responsible for 8% (£1.3billion) of manufacturing exports (SIC 23&24).
- 73% of the UK Oil and Gas industry workforce is employed in Scotland, 38% of these are in Aberdeen.
- Scotland's exports of polymers to the rest of the UK are estimated to be equivalent to their volume of exports to the rest of the world.

Scotland has a dominant cluster of Cogent industries:

There are clusters of Cogent industries in central Scotland (polymer and chemicals manufacture); in Aberdeenshire (the oil and gas extraction industry); and around the Ineos Refinery at Grangemouth. The Petrochemical and Polymer industries stretch across Forth Valley, Ayrshire, Renfrewshire, Fife and Dumfries and Galloway areas. North Ayrshire and Falkirk chemical and pharmaceutical cluster employers include well known companies such as Glaxo SmithKline, Ciba Geigy, Syngenta, and KemFine. The nuclear industry resides in the far North at Dounreay (decommissioning); and also in Ayrshire, East Lothian and Dumfriesshire, where there are Nuclear Power Stations. There is a MoD base at Faslane. In the Highlands and Islands, key oil and gas employer clusters are in Orkney and Shetland for oil storage and processing and in the Cromarty Firth. More information on Nations, Regions and Industry Research can be found at:

www.cogent-ssc.com/research

Cogent UK Sector Headlines

- £163bn turnover
- £50bn GVA
- 6.4% of UK GVA
- 13% of UK manufacturing workforce
- 7% of UK manufacturing enterprises

Cogent Headline Figures

Key Economic Indicators

	Cogent Scotland	Cogent UK
Turnover	£28bn	£156bn
Cogent GVA	£18bn	£49bn
Cogent GVA per Employee*	£407,159	£98,394
Number of employees	50,400	500,000**
Mean weekly pay***	£577.88	£381.50

Source: Annual Business Inquiry 2005 (Scotland data SIC 11, 23, 24, 25)

*UK GVA average per employee £31,419

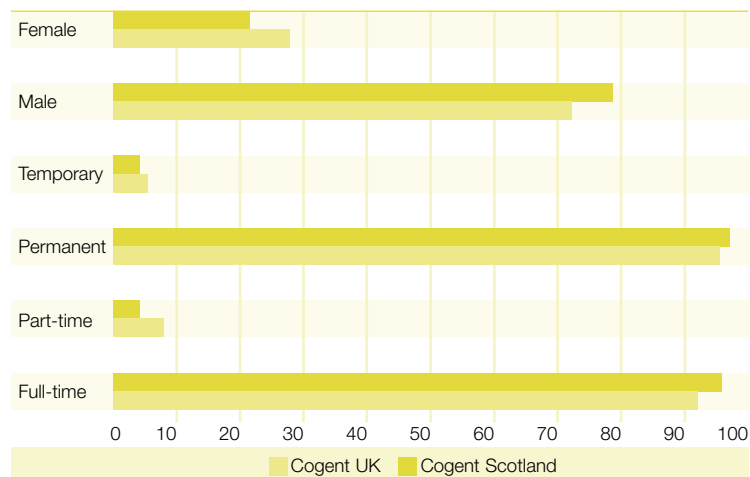
**Industry estimate of total Cogent employment 906,000

***Annual Survey of Hours and Earnings 2006

The Scottish industries account for:

- 18% of Cogent sector total turnover
- 37% of Cogent sector total GVA

Workforce Distribution



Source: Labour Force Survey Q1 2007 – Q4 2007

Cogent Workforce

Employers by Size Band

	1-10 Employees	11-49 Employees	50-199 Employees	200+ Employees	% of Total Employers	Total Employers
Cogent – Scotland	67%	22%	8%	3%	8%	1,500
Cogent – Great Britain	67%	23%	7%	2%	100%	18,100
Scottish Economy – All sectors	85%	11%	3%	1%	100%	237,600

Source: Annual Business Inquiry 2006

Cogent Workforce

National Employment by Industry

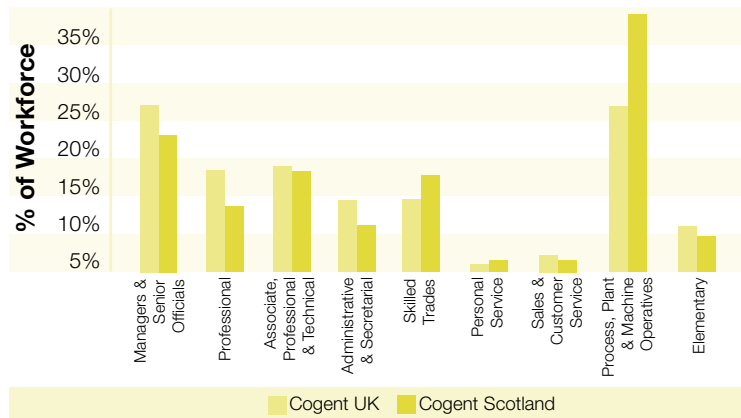
Industry Category	Scottish Employees	GB Total	Scottish % of GB Total
Chemicals Manufacturing and Processing	8,500	107,600	8%
Pharmaceuticals Manufacturing	4,400	59,300	7%
Polymers Manufacturing and Processing	9,500	183,200	5%
Manufacture of Refined Petroleum Products	400	9,200	4%
Oil and Gas (Direct employment)	21,900	30,100	73%
Nuclear (inc direct supply chain)	7,500*	49,500*	15%

73% of the Oil and Gas Extraction workforce is based in Scotland.

Scottish **Nuclear Industry** accounts for **15%** of the total industry workforce.

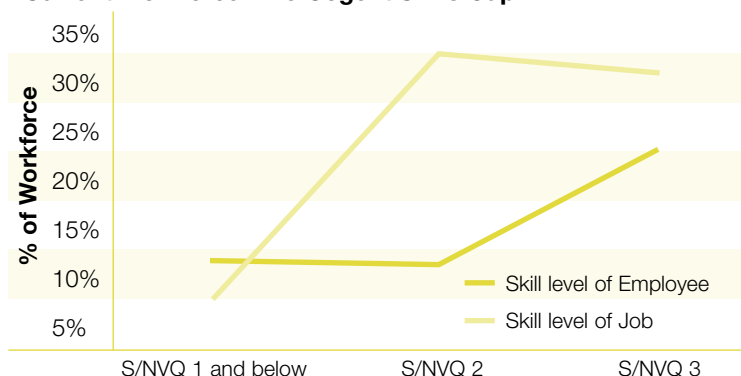
Source: Annual Business Inquiry 2006
*National Skills Academy Nuclear, 2007 estimates

Occupational Distribution of the Cogent Sector in Scotland



Source: Labour Force Survey Q1 2007 – Q4 2007

Current Workforce: The Cogent Skills Gap



Source: Labour Force Survey Q1 2007 – Q4 2007

Business Size of the Cogent Sector in Scotland



Source: Annual Business Inquiry 2006

Key issues for the Cogent industries in Scotland:

- **7% SURPLUS** of the workforce qualified to Level 1 and below
- **26% and 8% DEFICIT** of the workforce qualified to Level 2 and 3 respectively
- **At the levels 4 and 5** there is an indication of a need for employers to better utilise the high level of skills held by the workforce

Cogent Sector Skills Demand¹

The proportion of vacancies reported in the Cogent sector is **lower** than the Scottish average. For Cogent employers in Scotland, hard-to-fill vacancies as a proportion of vacancies are **higher** than the Scottish average, however, a **lower** proportion are as a result of skill shortages.

Cogent sector has **4% more EMPLOYEES WITH SKILLS GAPS** than average across the Scottish economy.

	Cogent Scotland	All Scotland
Vacancies as % of employees	3%	4%
'Hard-to-fill' vacancies as % of all vacancies	53%	43%
Skill shortages as a % of 'hard-to-fill' vacancies	51%	61%
Proportion of companies reporting internal skills gaps	29%	22%
Proportion of employees with skills gap	12%	8%

Cogent Sector Training¹

The proportion of companies training staff in the previous 12 months is **17% higher** than the Scottish average. Nonetheless, there remains an ambition to increase training.

	Cogent Scotland	All Scotland
Proportion of firms providing training in the last 12 months	83%	66%

¹National Employer Skills Survey 2005

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