

MORAY, BADENOCH AND STRATHSPEY ENTERPRISE AREA ECONOMIC UPDATE

HIGHLIGHTS

- Population growth in the MBSE area between 1991 and 1995 was 3%, the third highest increase of the HIE Network.
- The MBSE area experienced a fall in the number of people in the 5-19 and 20-44 age groups, with an increase in the number of older residents.
- Civilian migration is playing the greatest role in population growth for MBSE, representing 74% of population increase.
- Unemployment rates and seasonality vary between the MBSE area's different Travel to Work Areas, although the gap between the rates is narrowing.
- Levels of long term unemployment are lower than for the HIE area. Rates of long term unemployment decline exceed the HIE area average.
- Male employment between 1993 and 1995 increased in the Public Administration, Education & Health and the Transport & Communications sector, while female employment grew 26% in Manufacturing employment over the same period.
- Business growth has been witnessed in the Public Administration & Other Services sector. All other sectors experienced either no change or a contraction in business numbers in 1995.

INTRODUCTION

This update contains information about the economic and demographic structure of the Moray Badenoch and Strathspey Enterprise (MBSE) area. The data used have come from the General Register's Office for Scotland (GRO(S)) and the Office for National Statistics (ONS). The most recent available data have been used, although in some cases this may only be 1995. However, these data still allow us to see the direction of population and employment trends, and builds on the previous MBSE update which had examined changes between the 1981 and 1991 census. The MBSE area is unique in being included in both the HIE and Scottish Enterprise Networks. Unless otherwise indicated in the Update, figures refer to the whole MBSE area, both the HIE and SE area constituents.

POPULATION

The following table shows that the population within the HIE area of MBSE increased by 3.0% between 1991 and 1995, compared with 1.0% for the HIE area and 0.6% for Scotland. This change is calculated using the 1995 mid-year population estimates from the General Register Office for Scotland (GRO(S)), which are based on the 1991 Census count of residents. A true population count for the MBSE area will not be available until the next Census of Population in 2001. Nevertheless, the GRO estimate for 1995 shows continued growth in the area's population, building on the growth of 2.9% witnessed between 1981 and 1991 for the MBSE area as a whole.

TABLE 1: RESIDENT POPULATION

	1995	Change 1991-1995	% Change 1991-1995
MBSE*	98,360	3,190	3.3
MBSE**	34,209	1,011	3.0
HIE	369,232	3,556	1.0
Scotland	5,136,600	29,600	0.6

Source: GRO (S)

* All MBSE area, including HIE and SE parts.

**HIE area of MBSE

Area Distribution

Table 2 indicates the change in population by LEC area between 1991 and 1995. The area of highest growth over this period has been Inverness and Nairn, where the population has increased by 3.4%. This has been closely followed by Ross and Cromarty experiencing a 3.2% increase in population. By contrast, Argyll and the Islands have seen a 2.9% fall in their population.

Over this period, the MBSE area has witnessed the third highest increase in population of the HIE network, with an increase treble the size of that of the HIE area. Collection of the 1996 data which is now available, is by unitary authority. It is therefore not possible to provide a breakdown of population statistics for the MBSE area after 1995.

TABLE 2. POPULATION CHANGE 1991 - 1995 BY LEC AREA AT 30th JUNE EACH YEAR

	Population 1991		Population 1995		% change 1991-1995
Inverness and Nairn	73,080	19.8	75,690	20.3	3.4
Ross & Cromarty	49,100	13.3	50,700	13.6	3.2
Moray, Badenoch & Strathspey*	95,170	n/a	98,360	n/a	3.3
Moray, Badenoch & Strathspey**	33,198	9.0	34,209	9.2	3.0
Shetland	22,540	6.1	23,090	6.2	2.4
Skye & Lochalsh	11,740	3.2	11,940	3.2	1.7
Orkney	19,560	5.3	19,870	5.3	1.6
Lochaber	19,310	5.2	19,520	5.2	1.1
Western Isles	29,400	8.0	29,040	7.8	-1.2
Caithness and Sutherland	39,880	10.8	39,240	10.5	-1.6
Argyll and the Islands	71,500	19.4	69,489	18.6	-2.9
HIE Area total	369,308	100.0	372,788	100.0	1.0

Source: GRO (S)

* All MBSE area, including HIE and SE parts.

**HIE area of MBSE

Age Structure

Table 3 compares the age structure of the MBSE area population in 1991 and 1995. The reductions in the 5-19, 20-44 age grouping and increases in the 45-64 and 85+ age groupings, suggest an ageing population. Within the MBSE area however, it is important to note the greater percentage of the population in the 20-44 age grouping than the HIE area. While this figure may have reduced over the period, it still represents a greater proportion of the population in this grouping than for the HIE area as a whole.

**TABLE 3: RESIDENTS BY AGE, MBSE AND HIE AREA.
1991 AND 1995**

Age Group	MBSE 1991 (% of Total)	MBSE 1995 (% of Total)	HIE 1995 (% of Total)
0-4	6.2	6.2	6.2
5-19	19.5	18.9	19.5
20-44	36.0	35.2	34.0
45-64	22.5	23.7	24.3
65-84	14.3	14.3	14.3
85+	1.4	1.7	1.8

Source: 1991 Census of Population; GRO(S)

*HIE area of MBSE

Migration

The population change estimates given by the GRO are broken down into three component parts: net civilian migration (the balance of in-migration over out-migration), natural change (the balance of births over deaths) and other change. Table 4 shows this disaggregation of population change for the MBSE, HIE and Scottish areas.

TABLE 4: COMPONENTS OF POPULATION CHANGE 1991-1995

	Change in Numbers	Net Civilian Migration	Natural Change	Other Change*
MBSE**	3,190	2,037	663	490
MBSE***	1,011	757	125	129
HIE	3,556	6,739	-157	-3,111
Scotland	29,600	24,145	9,745	-4,290

Source: GRO(S)

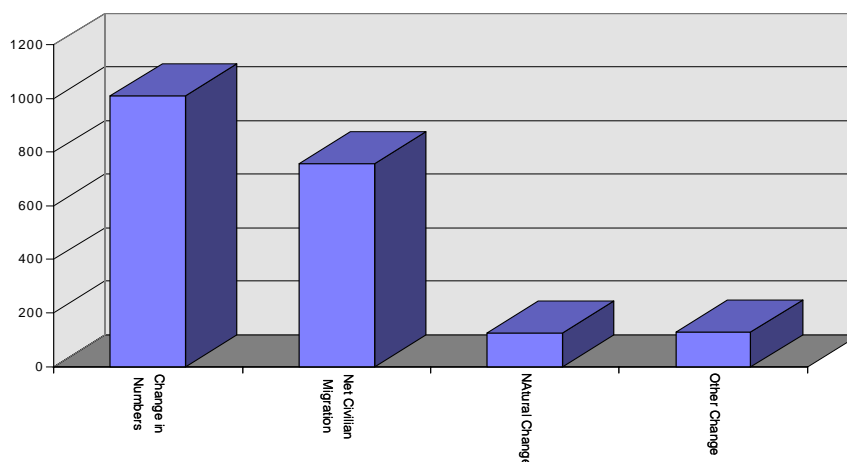
* Includes armed forces

** All MBSE area, including HIE and SE parts.

***HIE area of MBSE

Table 4 shows that civilian in-migration is the largest component of population increase for the MBSE area. In all of the LEC areas, migration has had a greater impact on population growth than natural change. In some cases, for areas such as Argyll and the Islands and the Orkney Enterprise area, in-migration is strongly positive even though natural population growth is negative. In other words, even though deaths are exceeding births, migrants are moving in and assisting in the repopulation of the area. Natural change in population levels within the MBSE area has had a positive impact on the number of residents in the area. Other change (which primarily measures movements of military personnel) experienced a positive increase in numbers, which added to the area's growth in population between 1991 and 1995.

**Moray Badenoch and Strathspey Area,
Components of Population Change: 1991 - 1995**



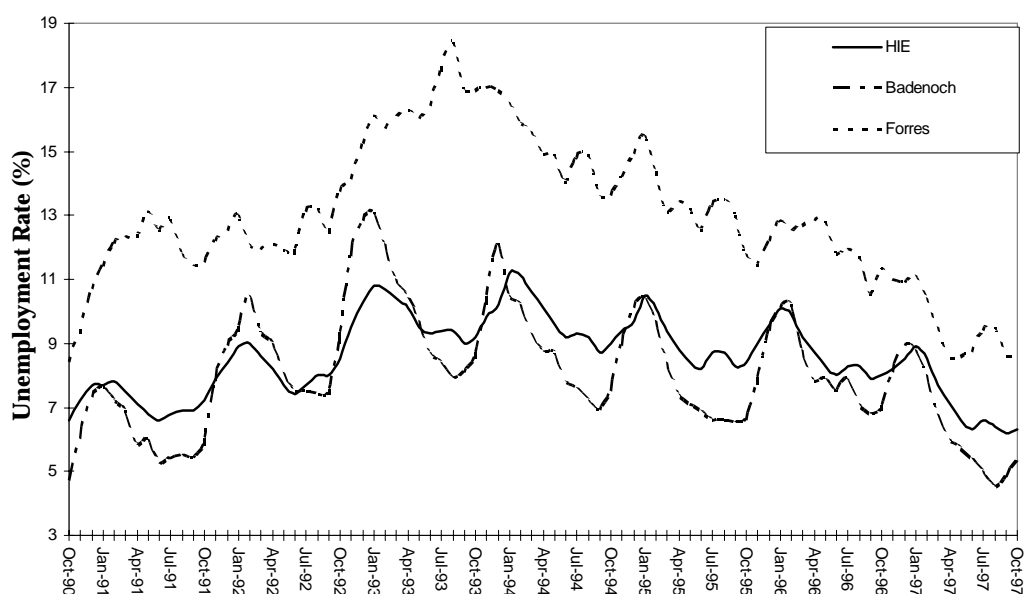
*HIE area of MBSE

LABOUR MARKET

Unemployment

The area covered by MBSE, includes five Travel to Work Areas (Badenoch, Buckie, Elgin, Forres and Keith). As only Badenoch and Forres are within the HIE area, the following analysis of unemployment will refer to these two Travel to Work areas. The following graph indicates unemployment levels for these two TTWA's and the HIE area.

UNEMPLOYMENT RATES FOR THE HIE AREA AND BADENOCH AND FORRES TTWA's 1990 - 1997



Source: ONS (NOMIS)

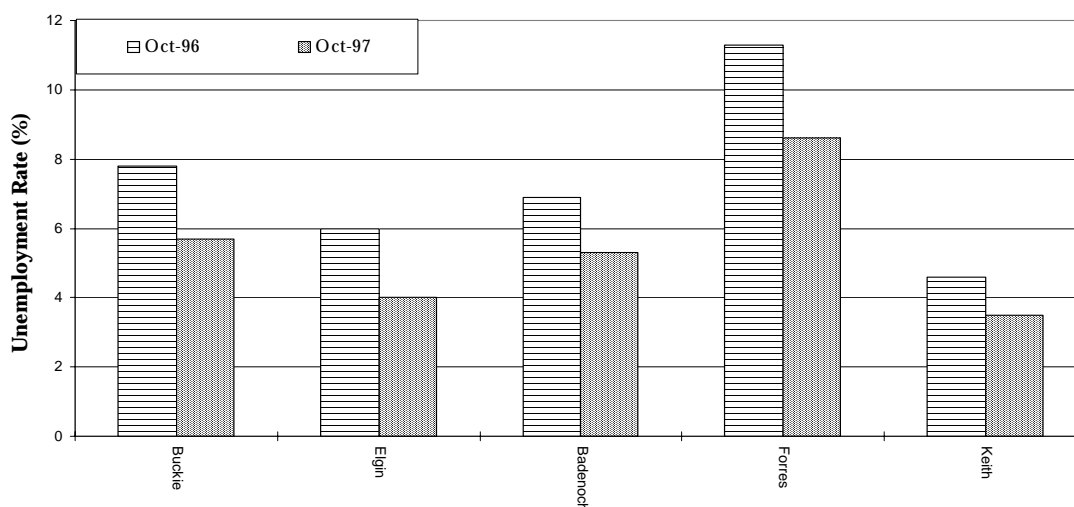
The above graph clearly indicates the statistical differences that can arise within a Local Enterprise Company boundary. The Badenoch TTWA has an unemployment pattern very similar to that of the HIE area as a whole, though reaching higher and lower levels in its seasonal fluctuation. This unemployment pattern is characterised by a very seasonal trend, the consequence of high levels of summer tourism related employment. The Badenoch TTWA includes tourism dominant settlements such as Aviemore, Carrbridge and Kingussie.

The Forres TTWA has experienced a far higher and less seasonally affected level of unemployment. Unemployment increased throughout the HIE area as a whole in the early 1990's. As can be seen from the graph, unemployment in the Forres TTWA reached a peak of 18.4% (702 people) in August of 1994. This high level during the summer is in contrast to the timing of the highest levels in the Badenoch TTWA at 13.1% in Jan 1993 and for the HIE area, 11.2% in Jan 1994. The Badenoch and HIE area employment patterns suggests reliance on the tourism sector and seasonal employment. In contrast, high levels of unemployment within the Forres TTWA can be attributed to the absence of seasonal tourism employment and decline in oil fabrication activity.

Unemployment by Travel to Work Area.

The following graph uses analysis by Travel to Work Area to provide more detailed analysis of the unemployment characteristics of the MBSE area. Figures have been obtained for Oct 1996 and Oct 1997 to show the decline in unemployment rates over the 12 month period. The graph again highlights the range of unemployment levels at different locations within the LEC boundary.

UNEMPLOYMENT by TTWA. Oct 1996 - Oct 1997



Source: ONS (NOMIS)

Long Term Unemployment

Table 5 shows the duration of unemployment for the MBSE area at October 1997 and the change between Oct 1996 and 1997. Levels of long term unemployment are increasingly being recognised as a potential route to social difficulties, and as such are being addressed through specific work and training programmes. The proportion of long term unemployment within the MBSE area, for the duration of between 26 and 52 weeks is below both HIE and Scottish levels. The decline in long term unemployment (26-52 weeks) within the MBSE area, exceeds the rate of decline within the HIE area as a whole. The proportion of MBSE area unemployed for longer than 52 weeks, is again lower than the HIE and Scottish rates. Again the rate of decline of unemployment in this category within the MBSE area, exceeds the rates of decline experienced in both the HIE area as a whole and Scottish levels.

TABLE 5. DURATION OF UNEMPLOYMENT - MBSE OCT 1997

	26-52wks		1996-1997	Greater than 52wks		1996-1997
	Number	% of Total	%change	Number	% of Total	% change
MBSE	255	12.7	-47.5	429	21.4	-42.8
HIE	1,646	13.5	-36.6	3,138	25.7	-33.3
Scotland	23,308	16.4	-34.0	38,094	26.8	-34.8

Source: ONS (NOMIS)

* All MBSE area, including HIE and SE parts.

As with long term unemployment in general, youth long term unemployment is being increasingly addressed through a range of Government initiatives. Table 6 indicates levels of youth long term unemployment within the MBSE area. The proportion of those aged between 16-25 unemployed for between 26-52 weeks in the MBSE area is slightly above the HIE rate, but below the Scottish level. The proportion of MBSE's youth classed as unemployed for more than 52 weeks is less than the HIE level, and nearly half the Scottish level.

TABLE 6. YOUTH LONG TERM UNEMPLOYMENT - MBSE OCT 1997

	Unemployed 26-52 weeks			Unemployed more than 52 weeks		
	Total	Youth	% Total	Total	Youth	% Total
MBSE	255	63	24.7	429	33	7.7
HIE	1,646	346	21.0	3,138	285	9.1
Scotland	23,308	6,315	27.1	38,094	5,326	14.0

Source: ONS (NOMIS)

* All MBSE area, including HIE and SE parts.

EMPLOYMENT STRUCTURE

The employment data for 1995 given in table 7 and the following chart, are from the 1995 Annual Employers' Survey (AES), which has replaced the bi-annual Census of Employment (from which the 1993 figures were taken). As a survey, rather than a census, the AES is based on a sample of firms in the Highlands and Islands area, rather than all firms. Statistical techniques are used to estimate employee numbers based on the sample survey. The results of the 1995 AES have not yet been confirmed. In the meantime, the employee numbers given for 1995 and any conclusions resulting from these, should be treated as provisional and subject to future revision.

Table 7 shows MBSE area employment by sector in 1993 and 1995. The final column shows the distribution of sectoral employment within the HIE area in 1995. The figures do not include the self employed. It is estimated that for the MBSE area, the number of self employed represents 13% of the LEC's economically active population.

TABLE 7. EMPLOYMENT STRUCTURE 1993-1995

	MBSE 1993	MBSE 1995	HIE 1995
	% employment	% employment	% employment
Agriculture and Fishing	1.9	1.7	4.4
Energy and Water	1.0	0.6	1.4
Manufacturing	17.7	19.5	11.6
Construction	7.6	6.5	6.8
Dist, hotels and restaurants	27.3	27.2	26.5
Transport and Comm	3.2	3.8	5.5
Banking, Finance and Insur	9.7	9.2	10.7
Public admin, edu and health	25.6	26.5	28.2
Other Services	5.9	4.9	4.9

Source: 1995 Annual Employment Survey (NOMIS)

*Excludes MAFF/SOAEFD Census of Agriculture Data

* All MBSE area, including HIE and SE parts.

Table 7 shows the Manufacturing, Distribution, Hotels & Restaurants and Public Administration, Education & Health to employ nearly 75% of the MBSE areas workforce. Within the MBSE area, the production of whisky and foodstuffs (Baxters and Walkers) plays a significant employment role. Table 8 shows sectoral levels and changes in male and female employment for the MBSE area between 1993 and 1995.

TABLE 8. MALE AND FEMALE EMPLOYMENT STRUCTURE. MBSE AREA 1993-1995.

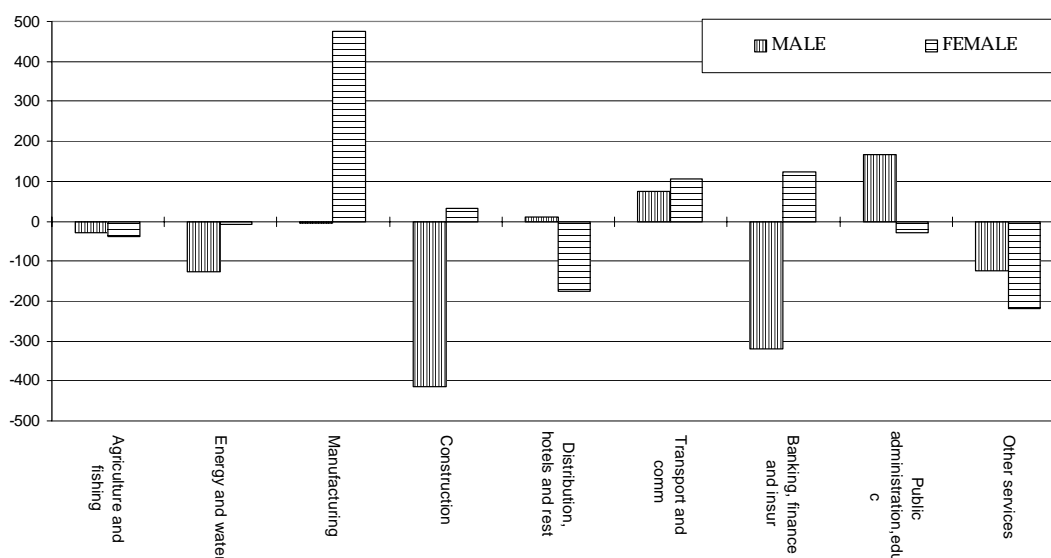
	Male		Female	
	No's in 1995	% Change '93-'95	No's in 1995	% Change '93-'95
Agriculture and Fishing	425	-6.4	116	-24.2
Energy and Water	166	-43.3	33	-17.5
Manufacturing	3,880	-0.1	2,304	26.0
Construction	1,813	-18.6	241	14.8
Dist, hotels and restaurants	3,149	0.4	5,486	-3.1
Transport and Comm	899	9.0	308	53.2
Banking, Finance and Insur	826	-28.0	2,106	6.3
Public admin, edu and health	2,565	7.0	5,836	-0.5
Other Services	748	-14.3	818	-21.1

Source: 1995 Annual Employment Survey (NOMIS)

* All MBSE area, including HIE and SE parts.

Energy and Water witnessed the largest percentage reduction in male employment over the two years. Banking, Finance & Insurance, Construction and Other services all witnessed significant falls in male employment levels. The largest percentage increase in female employment was in the Transport and Communications sector. Female employment in Manufacturing witnessed the greatest numerical growth.

CHANGE IN EMPLOYMENT BY SECTOR. MBSE AREA 1993-1995



Business Growth

Table 9 shows VAT registrations and de-registrations in the MBSE area in 1995 (the latest date available). VAT registrations can be used as a measure of the number of new business start-ups in the area, while the difference between registrations and de-registrations (given in the "Change" column) shows growth in the number of businesses in each sector.

TABLE 9. VAT REGISTRATIONS IN MBSE DURING 1995

	Registrations	De-registrations	Stocks	Net change	%change
Agriculture; fishing	35	45	950	-10	-1.1
Mining; energy/water	0	0	5	0	0.0
Manufacturing	10	15	175	-5	-2.9
Construction	30	30	400	0	0.0
Wholesale & retail	50	70	690	-20	-2.9
Hotels & restaurants	25	30	320	-5	-1.6
Transport & comms	10	10	75	0	0.0
Finance	0	0	5	0	0.0
Real Estate	20	25	230	-5	-2.2
Public admin; other	40	20	215	20	9.3
Education; health	0	0	30	0	0.0
MBSE Total	220	245	3,095	-25	-0.8

Source: ONS (NOMIS)

* All MBSE area, including HIE and SE parts.

Table 9 shows highest business growth to be in the Public Administration & Other Services sector. All other sectors either experienced a decline in the stock of business numbers or no change in the stock of businesses. Overall, the number of VAT-registered businesses in the MBSE area decreased by 25, primarily a result of the large fall in the number of Wholesale/Retail and Agriculture/Fishery related businesses.

If Network staff have any queries about this factsheet, or any other matters, please contact HIE Network Strategy:

Archie Prentice ext. 214
Stuart Black ext. 368

Highlands and Islands Enterprise, Bridge House, 20 Bridge Street, Inverness, IV1 1QR Scotland
Tel: 01463 234171 Fax: 01463 244469 E-mail: hie.general@hient.co.uk Web: <http://www.hie.co.uk>