

The sector encompasses: Manufacture of food products and Manufacture of beverages.

### The Economy<sup>1</sup>



#### Gross Value Added (GVA)<sup>2</sup>

Total Food and Drink - Manufacturing  
GVA in 2020:  
**£3,917m**  
up 35% from 2010

Forecast GVA in 2030:  
**£4,651m**  
up 19% from 2020



#### Productivity (GVA per job)

Food and Drink - Manufacturing  
productivity in 2020:  
**£79,400**  
up 25% from 2010

Food and Drink - Manufacturing  
forecast productivity in 2030:  
**£109,300**  
up 38% from 2020

Productivity across all sectors  
in 2020:  
**£45,500**

Productivity across all sectors  
in 2030:  
**£54,800**

### Gender Pay Gap<sup>4</sup>



Gender Pay Gap for all employee jobs in 2020:<sup>5</sup>

Manufacturing: **18.1%**

Scotland: **10.9%**

### Employment<sup>3</sup>

#### Top Employing Regions 2020

Lanarkshire  
**8,200 people**

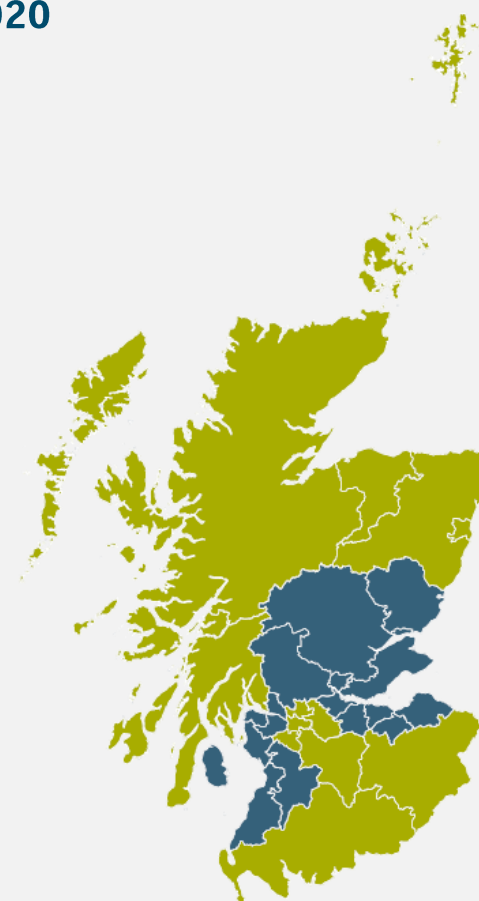
Highlands and Islands  
**8,100 people**

Aberdeen City and Shire  
**6,600 people**

Glasgow Region  
**6,300 people**

South of Scotland  
**4,100 people**

Scotland total employment in  
**Food and Drink –  
Manufacturing:  
53,600**



<sup>1</sup> Forecasts by Oxford Economics (unless otherwise stated).  
<sup>2</sup> GVA is the measure of the value of goods and services produced within the economy. GVA in constant 2018 prices.  
<sup>3</sup> Measured in total number of people.

<sup>4</sup> Due to data availability, we have used a 'best fit SIC code approach' so the sectoral definitions and totals in this section may vary from those we have used elsewhere.  
<sup>5</sup> Source: ONS (7<sup>th</sup> December 2020), Annual Survey of Hours

and Earnings based on all employee jobs (full and part time) median pay gap. A 4% GPG denotes that women earn 4% less, on average, than men. Conversely, a -4% GPG denotes that women earn 4% more, on average, than men.

# Current Demand<sup>6</sup>

## Food and Drink - Manufacturing Employment



Workforce size 2020:  
**53,600 people**

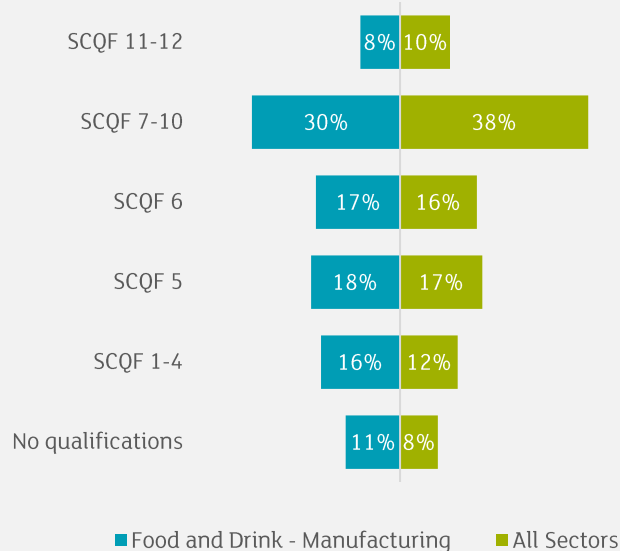


The workforce was expected to grow between 2019 and 2020:  
**up by 1.6% or 900 people**

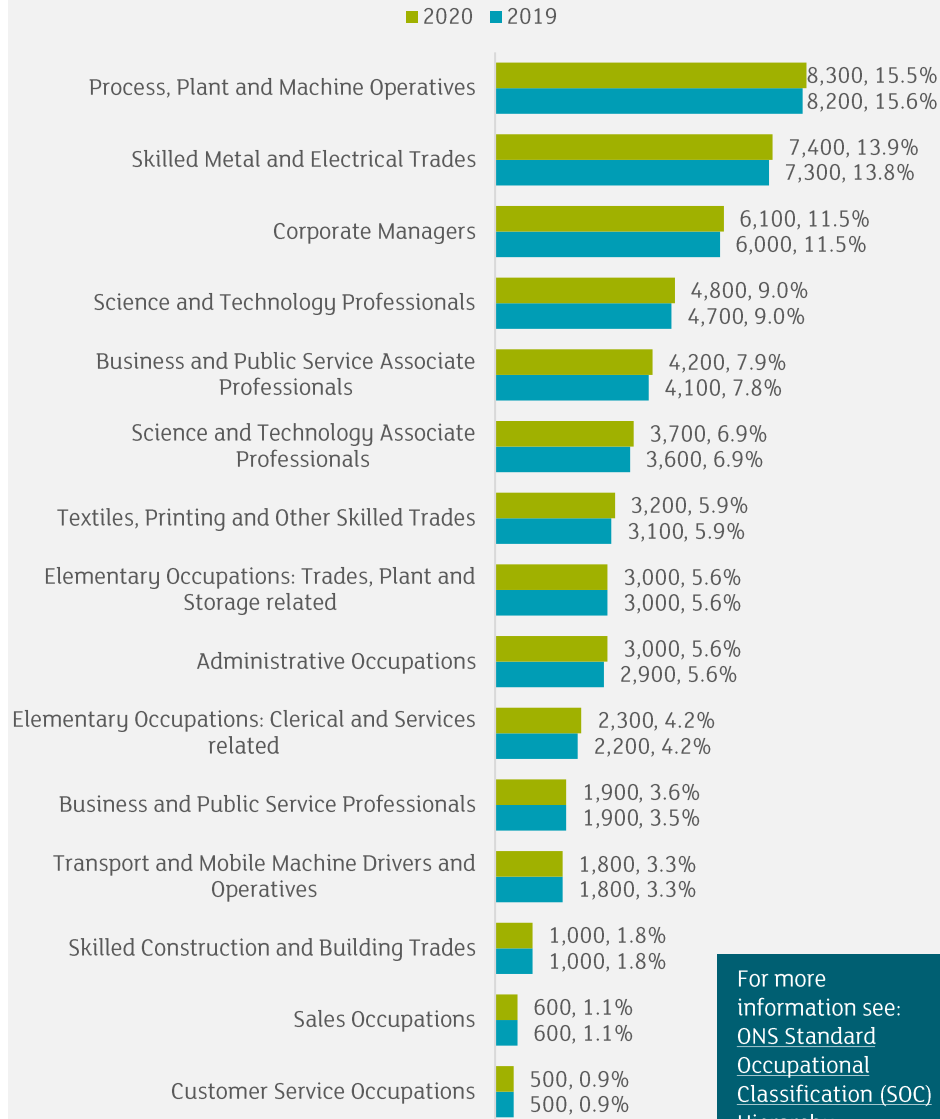
Compared to a Scotland wide decrease of **0.8% or 22,200 people**

## Qualification Profile, 2020

### Workforce qualifications in Food and Drink - Manufacturing:



## Top employing occupations (people), 2020



For more information see: [ONS Standard Occupational Classification \(SOC\) Hierarchy](#)

## Impact of COVID-19

### Furlough



As at 31<sup>st</sup> December 2020, **282,800 jobs in Scotland** were still supported by the furlough scheme.<sup>7</sup>



According to BICS, 8.7% of employees in **Manufacturing** were furloughed between 28<sup>th</sup> December 2020 and 24<sup>th</sup> January 2021.

### Redundancy<sup>9</sup>

PACE engagement with individuals in **Scotland** April-December 2020



**Manufacturing:**  
**3,960**

### Modern Apprenticeships (up to end of Q2 2020/21)<sup>10</sup>



**MA starts:**  
**Food & Drink Manufacturing<sup>^</sup>: 148**  
**Scotland: 3,633**

<sup>^</sup>Includes the following frameworks: Food and Drink Operations and Food and Drink Technical



**MA redundancies:**  
**Food & Drink\*: 10**  
**Scotland: 540**

\* Based on [SDS Occupational Groupings](#).

<sup>6</sup> Forecasts by Oxford Economics (unless otherwise stated).  
<sup>7</sup> HMRC (2021). Coronavirus Job Retention Scheme statistics: January 2021. Please note figures are provisional and will be revised in the future.

<sup>8</sup> Scottish Government (2021) Business Impact of Coronavirus Survey – weighted estimates: data to Wave 22.

<sup>9</sup> Partnership Action for Continuing Employment (PACE) aims to help minimise the impact for people and businesses facing redundancy. SDS

(internal source). PACE data relating to unique individuals. Disclosure control has been applied where figures are less than five or where such small numbers can be identified through differencing. (Data rounded to nearest 5).

<sup>10</sup> SDS (2020) Modern Apprenticeship Statistics. Disclosure control has been applied where figures are less than five or where such small numbers can be identified through differencing. COVID-19 has fundamentally changed the context in which MAs are delivered.

## Job Postings in Food and Drink - Manufacturing



Number of job postings in the sector up to 31<sup>st</sup> December 2020:

**1,500**



Production Managers & Directors in Manufacturing

**100 job postings**

accounting for 7%



Engineering Technicians

**Fewer than 100 job postings**

accounting for 6%



Science, Engineering and Production Technicians

**Fewer than 100 job postings**

accounting for 5%

### Salary 2020

Median real-time advertised salary in **Food and Drink – Manufacturing**:

**£25,000\***



Within **Food and Drink - Manufacturing**, the locations with the most jobs advertised were:

City of Edinburgh

**200 job postings**

accounting for 13%

Glasgow City

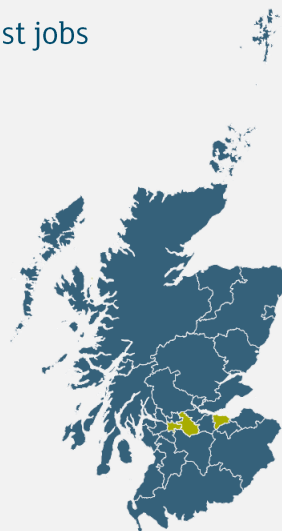
**200 job postings**

accounting for 13%

North Lanarkshire

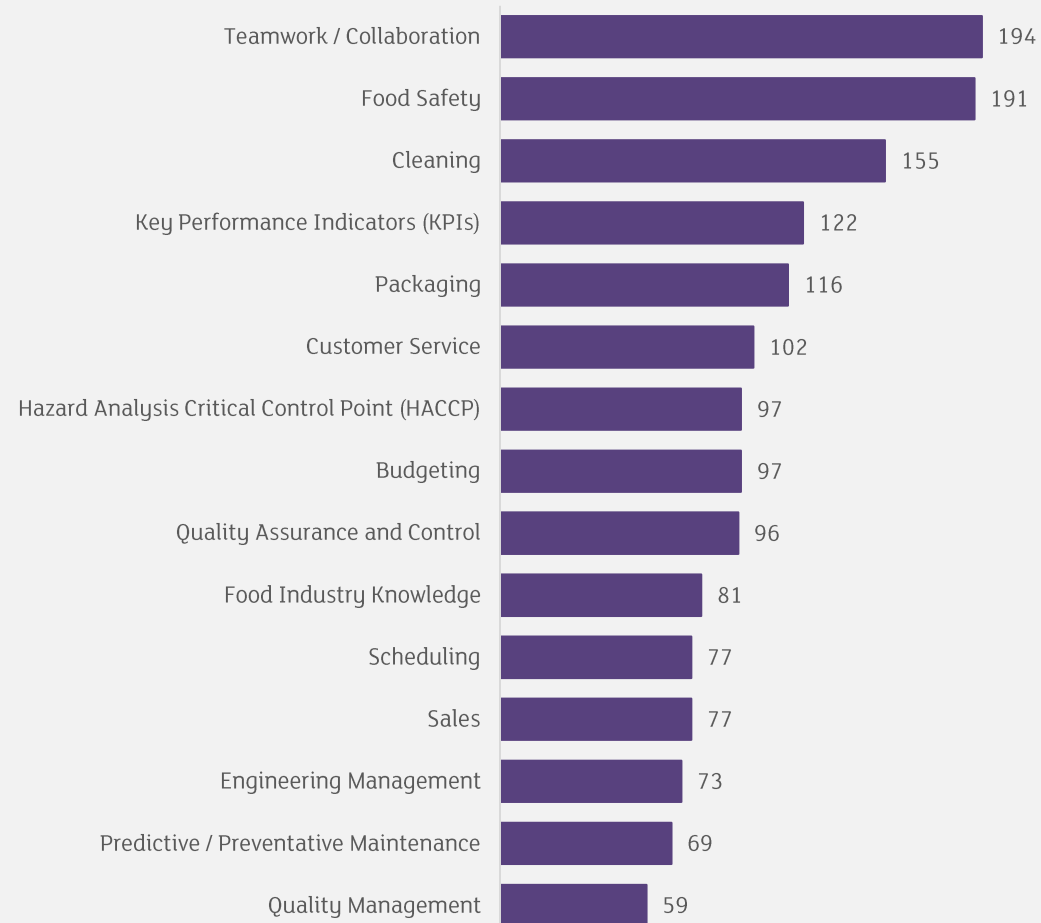
**100 job postings**

accounting for 9%



## Skills

Not all job postings specify the skills required for the role, likewise the detail varies between adverts. Based on information from approximately **67%** of job postings in **Food and Drink - Manufacturing** the most requested specialised skills were:



<sup>11</sup> All data on this page sourced from Burning Glass Technologies, 2020. Job postings data is rounded to the nearest 100.

\* 41% (625) of records have been excluded because they do not contain salary information.

## Future Demand in the mid-term (2020-2023)<sup>12</sup>

In **Food and Drink - Manufacturing**, the labour market is forecast to face some challenges. The forecasts for the mid-term (2020-2023) however suggest there could be some jobs growth and opportunities created as a result of the need to replace workers leaving the labour market due to retirement and other reasons.

Whilst positive, caution is needed as there are still a wide range of unknowns concerning Scotland's post COVID-19 recovery. The jobs market could also be competitive, with the number of people seeking jobs outnumbering the opportunities available. Skills mismatches and job quality will also be important factors to consider.

### Food and Drink - Manufacturing Job Openings, 2020-2023



**Food and Drink - Manufacturing** is forecast to account for **0.9%** of Scotland's total number of job openings in the mid-term (2020-2023)



### Food and Drink - Manufacturing Total Employment, 2020-2023



Workforce size 2023:  
**53,300 people**



The workforce is expected to shrink between 2020 and 2023, as a result of COVID-19:  
**down by 0.6% or 300 people**



Compared to a Scotland wide increase of  
**1.5% or 40,400 people**

### Top Employing Occupations (people), 2023



**Process, Plant and Machine Operatives**  
Total Employment:  
**8,400**



**Skilled Metal and Electrical Trades**  
Total Employment:  
**7,400**



**Corporate Managers**  
Total Employment:  
**6,100**



**Science and Technology Professionals**  
Total Employment:  
**4,900**



**Business and Public Service Associate Professionals**  
Total Employment:  
**4,200**

<sup>12</sup> All data on this page sourced from Oxford Economics, 2020. Total requirement for people is made up of expansion and replacement demand. Expansion demand is the measure of an increase/decrease in jobs as a result of

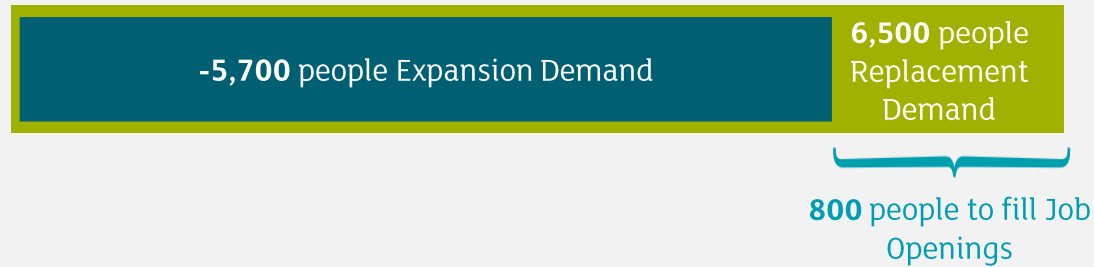
economic growth or contraction; replacement demand is the number of job openings generated through labour market churn (i.e. those who retire, move away or change jobs). N.B. figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

## Future Demand in the long-term (2023-2030)<sup>13</sup>

The forecasts for the long-term (2023-2030) highlight that strong jobs growth is not forecast to continue in **Food and Drink - Manufacturing**. However, it is expected that there could be an ongoing requirement for skilled people to fill opportunities created by people leaving the labour market. This feature of the labour market is known as the replacement requirement.

The long-term forecast is changeable and could be influenced by a range of factors both related and not to Scotland's post COVID-19 recovery. National and local policy, investment and initiatives could all influence the long-term outlook presented.

### Food and Drink - Manufacturing Job Openings, 2023-2030



Food and Drink - Manufacturing is forecast to account for 0.1% of Scotland's total number of job openings in the long-term (2023-2030)



### Food and Drink - Manufacturing Total Employment, 2023-2030



Workforce size 2030:  
**47,600 people**



The workforce is expected to shrink between 2023 and 2030, as a result of COVID-19:  
**down by 10.7% or 5,700 people**



Compared to a Scotland wide increase of  
**1.1% or 30,300 people**

### Top Employing Occupations (people), 2030



**Process, Plant and Machine Operatives**  
Total Employment:  
**7,700**



**Skilled Metal and Electrical Trades**  
Total Employment:  
**6,700**



**Corporate Managers**  
Total Employment:  
**5,400**



**Science and Technology Professionals**  
Total Employment:  
**4,400**



**Business and Public Service Associate Professionals**  
Total Employment:  
**3,900**

<sup>13</sup> All data on this page sourced from Oxford Economics, 2020. Total requirement for people is made up of expansion and replacement demand. Expansion demand is the measure of an increase/decrease in jobs as a result of

economic growth or contraction; replacement demand is the number of job openings generated through labour market churn (i.e. those who retire, move away or change jobs). N.B. figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.



COVID-19 has had a significant impact on the sector, with a disruption on markets and supply chains. Businesses have proven to be adaptable and flexible, implementing physical distancing and legislative requirements to ensure a safe workplace, and maintaining food supply.



Employees in the sector in many cases have broadened their job roles with multi-skilling in the new work environment.



The challenges of working in the 'new normal' of manufacturing, has seen emerging new leaders, with meta skills being a key driver to support production.



The impact of Brexit has highlighted there will be emerging job opportunities within roles that have traditionally been filled with EU workers.



The annual Modern Apprenticeship Demand process indicates there is optimism that businesses will re-engage with work-based learning, to support workforce development and recruitment.



There is an increasing focus within the sector on the need to support and encourage more businesses to implement the principles of fair and safe work. This will be a key driver to in talent attraction and staff retention.

### Digital Skills

- Rapid transformational change across all sizes of businesses has resulted in an increased demand for digital skills.
- Requirement of E-business solutions, to develop online sales capability.
- Increased investment in automation and robotics has seen increased demand for higher level digital skills.

