



# DUNDEE ECONOMIC PROFILE

Business News & High Level Statistics

2018|Q2

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## 1. Business News (April – June)

**INDUSTRY** - Dundee turbine repair company ATL Turbine Services has won an exclusive single-source contract with Rolls-Royce. The long-term contract, which may be extended to 2030, is set to bring additional skilled jobs to the city

**TECHNOLOGY** – Dundee continues to dominate the Scottish gaming industry. Abertay University has signed a China games design deal – developing a partnership to allow for collaboration between the university and a major Chinese entertainment company, benefitting academics, students and businesses over a 10 year period.

**TOURISM** – Lonely Planet praises ‘thriving, creative Dundee’ in pick of most exciting European destinations to visit this year.

**LEISURE** – Dundee-based adventure company, Foxlake Adventures has been ranked a five star visitor attraction and has opened the first ever Aqua Park in Scotland.

**TOURISM** – Dundee’s railway station opened in time for The Open, attracting thousands of visitors to the city.

**ENERGY** – Construction has started on Dundee’s waste to energy plant, a facility brought to the city by German energy company MVV. The project aims to find a long-term, sustainable solution for waste. MVV will operate the plant for 25 years upon completion.

**BUSINESS** – HRC Recruitment has opened a new office in Dundee, viewing Dundee as a ‘magnet for investment’ and looking to capture the market across Dundee’s growth sectors.

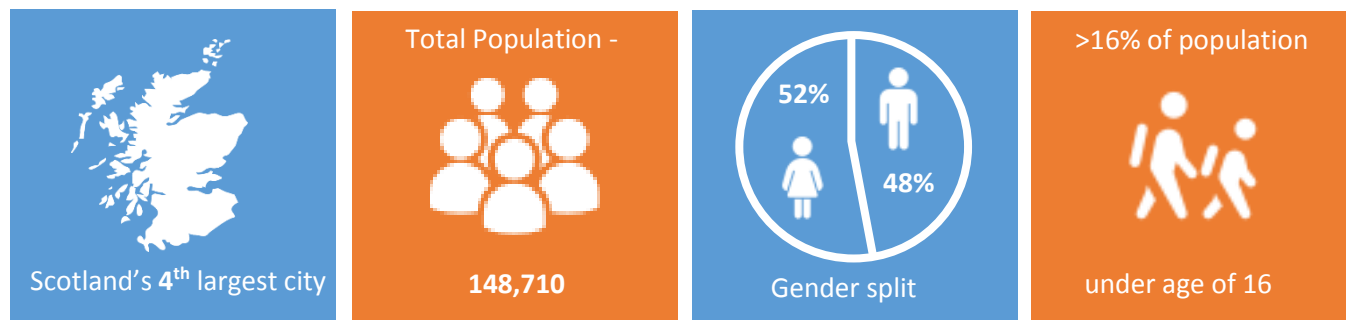
**LIFESCIENCES & HEALTHCARE** - Dundee-based research and development company Vascular Flow Technologies (VFT) have entered a contract with AorTech International to develop heart valve. This demonstrates Dundee’s leading expertise in the life sciences & healthcare sectors.

**HOSPITALITY** – Dundee’s food and drink industry grew by £43 million in one year – a welcome trend that has given consumers choice and attracting businesses from large chains to independents.

**LEISURE** – Dundee-based adventure company, Foxlake Adventures has been ranked a five star visitor attraction and has opened the first ever Aqua Park in Scotland.

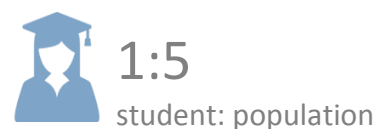
## 2. Dundee Demographics

Dundee is the fourth largest city in Scotland, with a population of 148,710 and access to a wider region of 490,000 people. The city accounts for 2.7% of the total population of Scotland – with a population of 5,404,700.



Source (ALL): ONS Mid-Year Population Estimates (2017)

An analysis of Dundee's population revealed the following trends are relevant when contemplating Dundee – the geographically smallest local authority area in Scotland. Dundee's share of working age population is slightly higher than the national average of 64.6% and a pension age population accounting for almost 1/5<sup>th</sup> of the total population. The city has one of the highest student: population ratios in Scotland at 1:5.

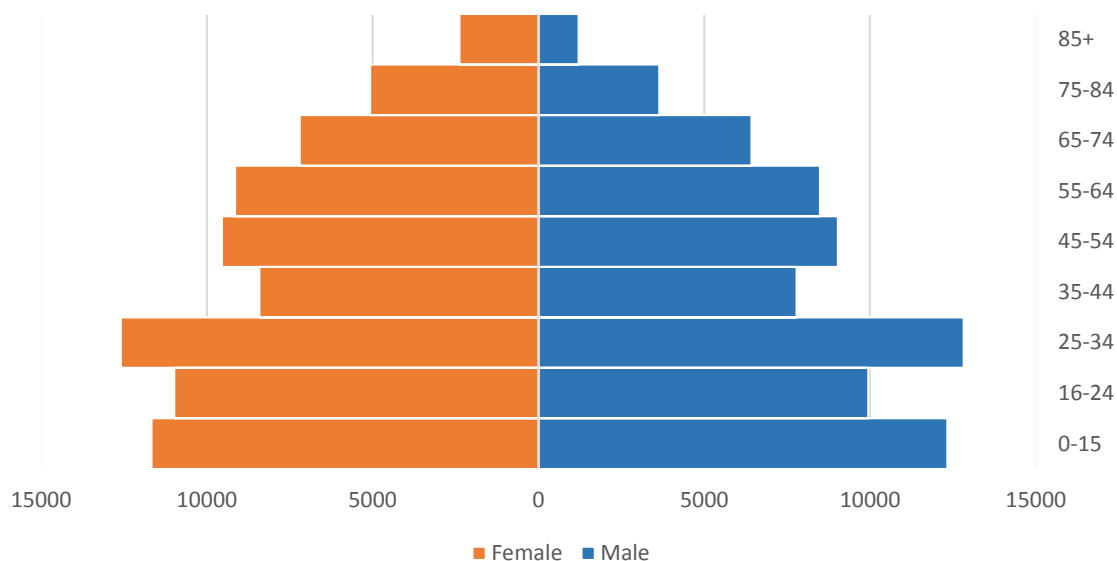


Source (ALL): ONS Mid-Year Population Estimates (2017)

### Age Structure

The age structure for the city indicates that most of the population fall within the 25-34 age category, accounting for 17% of Dundee's total population. The national figure for this age category is 13.6%. It is important to note however, that this age category in particular is subject to seasonal variances as the city is home to a large student population. The combined total for people over the age of 65 in Dundee City is 25,942 which equates to 17.4% of the total population and the Scottish average is 19%.

### Age Structure - Dundee City (2017)



Source: ONS Mid-Year Population Estimates (2017)

## Population Projections

The population projections for Dundee City estimate that total population will increase from 148,709 (2017) to 156,237 (2037). The resulting increase can be expressed as 5% over the next two decades, with the ten year projections anticipating a 2.2% population increase.

Dundee’s projected population shows both 16-29 and 50-64 age categories decreasing over the twenty year period, with all other age categories set to increase. Dundee’s working-age population is projected to decrease from 66.2% to 62.3% in 2037. The current age structure pyramid shows that 17.5% of Dundee’s population is currently over the age of 65 and this category is expected to rise by over 7,000 by 2037.

Age	2017	2022	2027	2032	2037
0-15	24,217	25,346	25,822	25,876	25,756
16-29	35,174	31,873	31,099	32,033	32,918
30-49	35,964	38,284	40,545	40,873	40,157
50-64	27,338	27,467	25,108	23,734	24,268
65-74	13,607	13,980	15,259	16,333	15,570
75+	12,409	13,109	14,219	15,510	17,568
<b>TOTAL:</b>	<b>148,709</b>	<b>150,059</b>	<b>152,052</b>	<b>154,359</b>	<b>156,237</b>

Source: NRS Population Projections (2017)

### 3. Employment & Unemployment



Source: Annual Population Survey, Annual Survey of Hours & Earnings (2017)

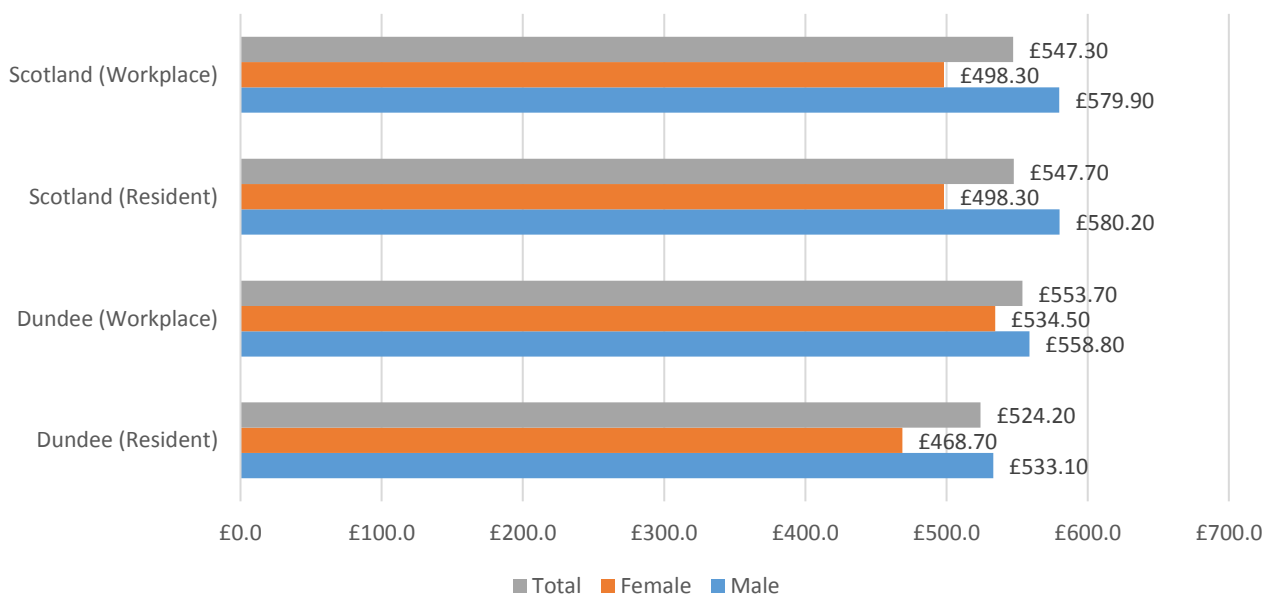
An analysis of Dundee City employees (residence-based) revealed that employee numbers have increased from 59,000 in 2013 to 62,000 in 2017. Additionally, figures from the same five year time period indicate that fulltime employees (FTE) increased from 42,000 to 44,000, with part-time employees (PTE) increasing from 17,000 to 18,000. This data illustrates a shift in Dundee’s labour market structure and is indicative of more residents securing employment, consequently lowering unemployment figures across the city.

Dundee has access to a wider labour market, strengthened by the cities transport provision and easily commutable location to outlying areas and other Scottish cities. As a result, Dundee City (work-place) delivered 80,000 employee jobs in 2017.

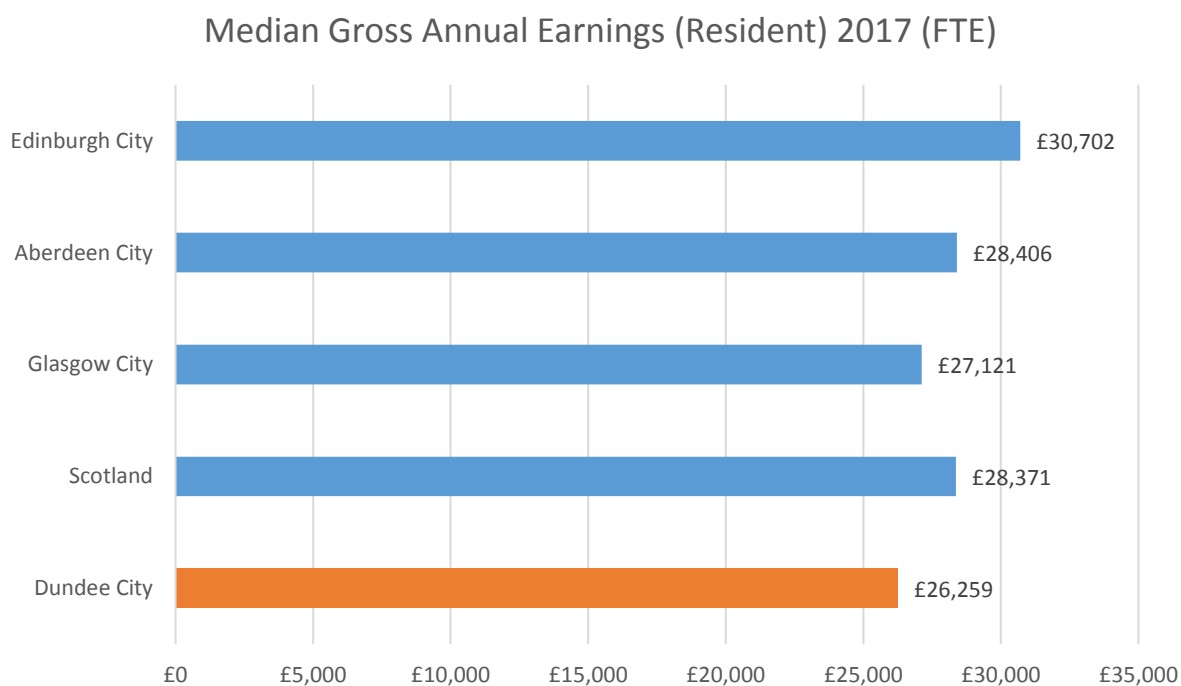
#### Employee Earnings

In terms of earnings, employees in Dundee (workplace) have higher weekly earnings than the Scottish average, with resident workers earning less. Male FTE employees, both resident and workplace earn more on average than female FTE—both in Dundee City and Scotland.

Median Gross Weekly Pay (FTE)  
Dundee City & Scotland 2017



A comparison of full-time employees for the four main Scottish cities and Scotland revealed that in 2017, Dundee City (residents) had the lowest annual earnings at £26,259. The other three Scottish cities—Edinburgh, Glasgow and Aberdeen were all earning above the Scottish average of £28,371.



Source: Annual Survey of Hours & Earnings (2017)

## Labour Supply

The proportion of people who are economically active in Dundee City is almost 10% lower than the proportion in Scotland. Similarly, the percentage in employment is 8.9% lower in Dundee City compared with the Scottish figure of 74.3%. Dundee has a lower proportion of employees than the Scottish average but has similar levels of self-employed and unemployed people.

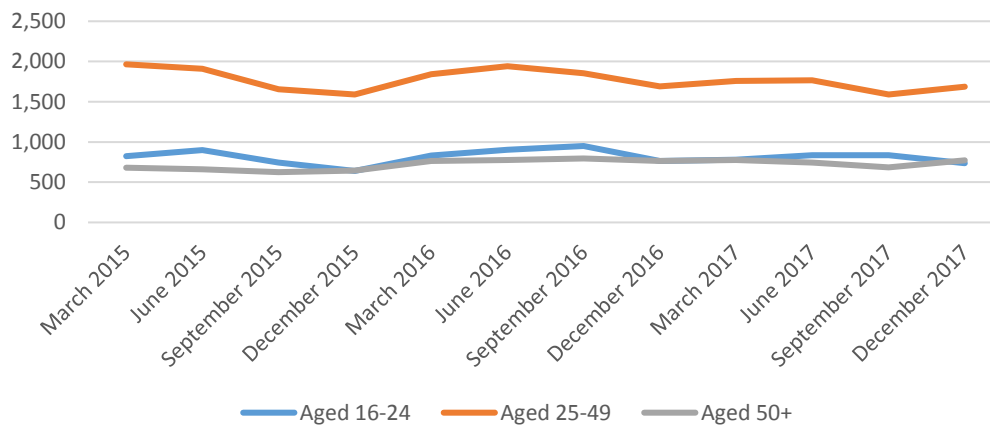
The internationally accepted measure of unemployment is an indicator commissioned by the International Labour Organisation (ILO), assessing the number of jobless people who want to work, are available to work and are actively seeking employment. The data is captured in the Office for National Statistics (ONS) Annual Population Survey dataset, sampling those without a job who have been actively seeking work in the last four weeks and are available to start work in the next two weeks.

Employment Status (2017)			
	Dundee City (numbers)	Dundee City (%)	Scotland (%)
Economically Active	67,500	67.7	77.5
In Employment	65,200	65.4	74.3
Employees	56,900	57.6	65.4
Self-employed	8,000	7.6	8.5
Unemployed	3,300	4.9	4.1

Source: Annual Population Survey (2017)

The claimant count is categorised as an ‘experimental statistic’ by the ONS and represents the number of people claiming Job Seekers Allowance (JSA) plus those who claim Universal Credit (UC) who are out of work. The claimant count replaces the number of people claiming JSA as the headline indicator of the number of people claiming benefits principally for the reason of being unemployed - this measure however, is not classified as a national statistic.

Claimant Count by Age (2015-2017)



The age profile of unemployed claimants has varied over the three year period – the claimants aged 16-24 and aged 50+ show similar trends on a quarterly basis.

	Dundee (Count)	Dundee (Rate)	Scotland (Rate)
2013	5,195	5.3%	3.7%
2014	4,065	4.1%	2.8%
2015	3,310	3.4%	2.3%
2016	3,455	3.5%	2.2%
2017	3,245	3.3%	2.3%

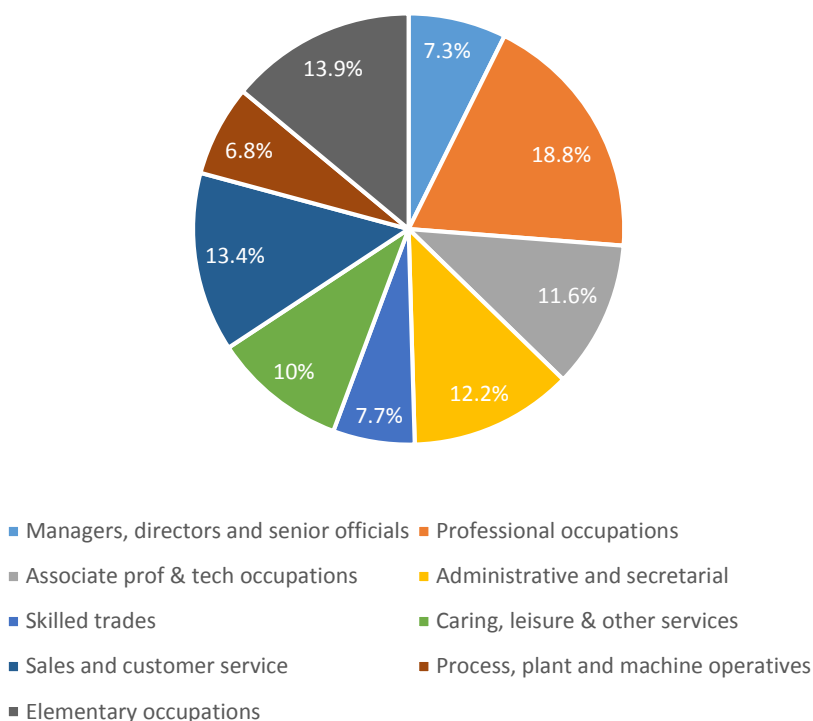
Source: Claimant Count (2018)

The data shows that both Dundee and Scotland’s claimant rates have fallen between 2013 and 2017 and Dundee has a consistently higher claimant rate than the Scottish average.

## Occupations

Dundee's employees are employed across a number of occupation groups. The most prominent occupations in the city are professional (18.8%), elementary occupations (13.9%) and sales & customer service (13.4%). Dundee's proportion of administrative and secretarial and sales and customer service occupations are higher than the Scottish figure. In contrast, Dundee has a relatively lower proportion of managers, directors and senior officials and skilled trades when compared with Scotland.

% in employment by occupation (Apr 2017 - Mar 2018)



Source: Annual Population Survey (2017)

Variable: % all in employment who are -	Dundee (%)	Scotland (%)
1. Managers, directors & senior officials	7.3	8.4
2. Professional occupations	18.8	20.5
3. Associate prof & tech occupations	11.0	13.7
4. Administrative and secretarial occupations	12.2	10.2
5. Skilled trades occupations	6.1	11.0
6. Caring, leisure and other service occupations	10.0	9.8
7. Sales and customer service occupations	13.4	8.3
8. Process, plant and machine operatives	6.8	6.8
9. Elementary occupations	13.9	10.9



The table demonstrates the employment trends in Dundee City versus Scotland – the key differences are that Dundee has proportionately more people employed in administrative and secretarial and sales and customer service occupations. Dundee City has proportionately less skilled trade and professional occupations than the Scottish equivalent.

## Employee Jobs

The most recent data from 2016 indicates that Dundee has a similar job density at 0.84 to Scotland 0.80 and UK at 0.84. This figure represents the ratio of total jobs to population and includes employees, self-employed, government-supported trainees and HM Forces. Dundee has 76,000 employee jobs; 49,000 full time and 27,000 part time.

	Dundee (No)	Dundee (%)	Scotland (%)
<b>B. Mining &amp; Quarrying</b>	0	0.0	0.2
<b>C. Manufacturing</b>	5000	6.6	8.1
<b>D. Electricity, gas, steam &amp; air conditioning supply</b>	225	0.3	0.4
<b>E. Water supply, sewerage, waste management &amp; remediation activities</b>	400	0.5	0.7
<b>F. Construction</b>	3000	3.9	5.5
<b>G. Wholesale and retail trade, repair of motor vehicles and motorcycles</b>	13000	17.1	14.5
<b>H. Transportation and storage</b>	1750	2.3	4.3
<b>I. Accommodation and food service activities</b>	7000	9.2	7.4
<b>J. Information and communication</b>	3000	3.9	3.0
<b>K. Financial and insurance activities</b>	1250	1.6	3.5
<b>L. Real estate activities</b>	1250	1.6	1.4
<b>M. Professional, scientific and technical activities</b>	3500	4.6	6.9
<b>N. Administrative and support service activities</b>	3000	3.9	7.5
<b>O. Public administration</b>	6000	7.9	6.3
<b>P. Education</b>	8000	10.5	7.7
<b>Q. Human health and social work activities</b>	17000	22.4	16.5
<b>R. Arts, entertainment and recreation</b>	2250	3.0	3.1
<b>S. Other service activities</b>	1750	2.3	2.1

Source: Business Register & Employment Survey (2017)

Dundee's employee jobs are dominated by three particular industries: human health & social work activities (22.4%); wholesale and retail trade (17.1%) and education (10.5%). The proportion of employee jobs per industry are detailed in the table below, showing actual figures and a comparison with Scotland.

## 4. Business

A five-year analysis of registered enterprises in Dundee City revealed that between 2012 and 2017 the business stock increased by 12%. The most significant increase was in small business (0-49 employees) with a 13.8% growth over the five-year period.

	2012	2017
0-49	2855	3250
50-249	170	180
250+	400	405
<b>Total</b>	<b>3425</b>	<b>3835</b>

Source: Businesses in Scotland (2017)

The most recent figure for total employment in Dundee City is 51,440 (Businesses in Scotland, 2017), a 4.2% increase from the figure from 2012 at 49,380. There is a further upward trend in terms of the turnover generated from enterprise in Dundee between 2012 and 2017 showing an increase of 11.4% as the value increased from £4610M to £5134M.

The three most prominent sectors for business in the city in 2017 were: wholesale, retail and repairs (21%); professional, scientific and technical activities (13%) and construction (11%). These sectors accounted for £1840M, £199M and £285M of turnover respectively.

As at March 2017, there were an estimated 365,600 private sector enterprises operating in Scotland, an increase of 3.1% on 2016 figures. In addition, the number of VAT/PAYE registered businesses also increased between 2016 and 2017 by 1.4% (2,405 businesses) (Businesses in Scotland, 2017).

The table below demonstrates that Dundee has consistently attracted over 400 new enterprises per year since 2012, but these numbers must be balanced with the number of businesses that ceased trading in the same year.

Births/Deaths of new enterprises in Dundee (2012-2016)					
	2012	2013	2014	2015	2016
Births	400	515	500	480	500
Deaths	370	345	385	450	485

Source: Business Demography (2016)

Business survival rates in Dundee City follow the same trend as Scotland – with the survival rate for businesses in Dundee City following below the rate for Scotland in year 3. Given that only 37.3% of businesses survive to their 5<sup>th</sup> year of trading in Dundee City, it is important that we continue to make a commitment to generating more business start-ups per year to counteract the proportion that cease trading.

	1 year	2 year	3 year	4 year	5 year
Dundee City	95.5%	76.1%	58.2%	47.8%	37.3%
Scotland	93.1%	75.6%	60.5%	51.0%	44.1%

Source: Business Demography (2016)

If you have any specific enquiries, please contact the Business Development Team by email at [business.update@dundeecity.gov.uk](mailto:business.update@dundeecity.gov.uk)