



Briefing Paper 2015/06

Businesses in Aberdeen City & Shire

RESEARCH AND INFORMATION

Research and Information

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BUSINESSES IN ABERDEEN CITY & SHIRE

This is one of a series of briefing papers that has been produced by the Research and Information Team. It is intended that these papers will be used by Council services and, where appropriate, our Community Planning partners to assist policy development and service delivery.

The information in this paper has been extracted from the Scottish Government publication *Businesses in Scotland 2014*, which was published in November 2014. The *Businesses in Scotland* dataset contains information on Scotland's private sector business stock disaggregated by industry, company size, turnover and location. The information on businesses in Aberdeen City and Shire will assist in monitoring the state of the local economy. As the paper contains historical data, it can also be used to identify local trends and how these compare with the overall Scottish situation.

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- Population Report, Aberdeen City and Shire
- Population of Older People in Aberdeen
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BUSINESSES IN ABERDEEN CITY & SHIRE

Summary

- In March 2014, there were 9,985 registered enterprises in Aberdeen City. An increase of 490 on the March 2013 total
- The number of registered enterprises in Aberdeenshire was 14,235 in March 2014. An increase of 460 on March 2013
- The number of registered enterprises in Aberdeen City & Shire was 24,220 in March 2014. An increase of 950 on March 2013
- No information is available on the number of unregistered enterprises in Aberdeen City & Shire
- Between 2002 and 2014, the number of registered enterprises in Aberdeen City and Aberdeenshire grew by 27.2% and 28.7% respectively
- The 24,220 registered enterprises in Aberdeen City & Shire had a total of 241,570 employees, 62% of whom worked in Aberdeen City
- Small businesses with fewer than 50 employees accounted for 93% of all registered enterprises in Aberdeen City & Shire
- The turnover of registered enterprises in Aberdeen City & Shire was £73.2 billion, i.e. over a quarter of the Scottish total
- Large enterprises employing at least 250 employees comprised less than 5% of all registered enterprises in Aberdeen City & Shire in March 2014, but accounted for 70% of all turnover
- 32% of registered enterprises in Aberdeen City & Shire are in the 'Professional, scientific and technical' sector
- The sector with the largest workforce was 'Primary industries', with 40,370 employees, followed by 'Professional, scientific and technical' with 36,070
- Turnover in 'Primary industries', which includes energy exploration and production, was £40.9 billion in Aberdeen City & Shire, i.e. 59% of the total turnover of registered enterprises in the area
- There were 26,355 individual business sites (or local units) in Aberdeen City & Shire. 74% of the business sites have fewer than five employees.

BUSINESSES IN ABERDEEN CITY & SHIRE

1. Introduction

- 1.1 In November 2014, the Scottish Government published *Businesses in Scotland 2014*¹. This provides information on the number of enterprises operating in Scotland broken down by various groupings, including industry, company size, turnover and location. The dataset includes all private sector enterprises that operate in Scotland regardless of where their head office is based. Central and local government activities are excluded. (Businesses in Scotland was formerly titled Scottish Corporate Sector Statistics.)
- 1.2 The local authority data includes registered enterprises and the latest figures relates to March 2014. Estimates of unregistered enterprises, such as sole traders and partnerships with no employees and an annual turnover below the VAT threshold, are available for Scotland only. *Please note, as the data only goes up to March 2014, the impact of the recent economic downturn will not be reflected.*
- 1.3 This briefing paper summarises the *Businesses in Scotland 2014* data for Aberdeen City & Shire areas. Comparative data for Scotland is also shown.

2. Number of registered enterprises

- 2.1 In March 2014, there were 24,220 registered enterprises in Aberdeen City & Shire, 950 more than at the same time in 2013. Increases were seen in both Aberdeen City and Aberdeenshire, and there was also a rise in the overall Scottish total – see Figure 1.

Figure 1: Number of registered enterprises

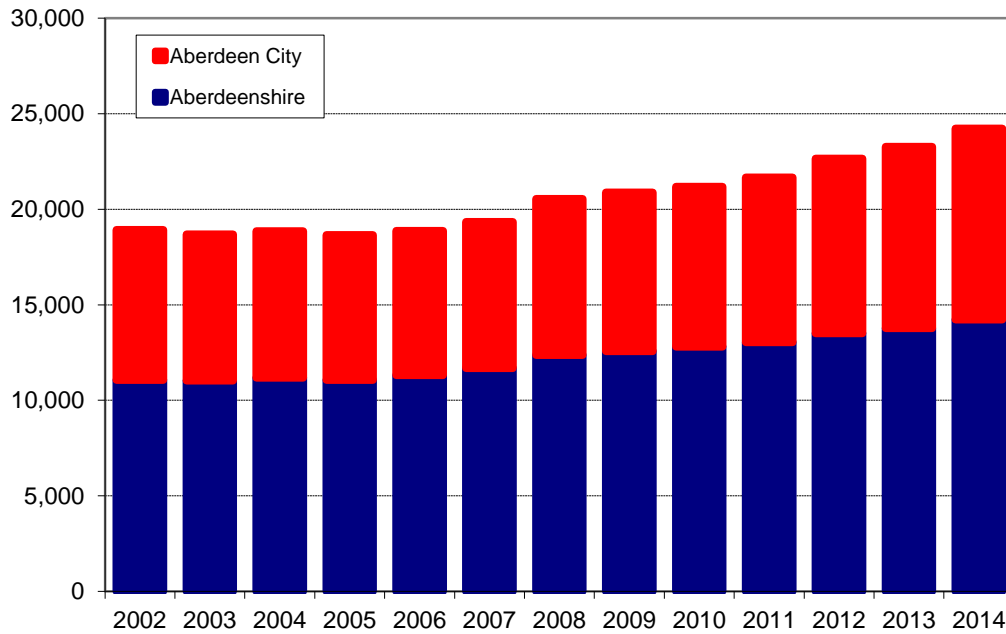
	2013	2014	Change
Aberdeen City	9,495	9,985	+490
Aberdeenshire	13,775	14,235	+460
Aberdeen City & Shire	23,270	24,220	+950
Scotland	160,050	166,525	+6,475

Source: [www.gov.scot](http://www.gov.scot/Businesses%20in%20Scotland), *Businesses in Scotland*

¹ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Corporate>

2.2 Between 2002 and 2014, the number of registered enterprises in Aberdeen City & Shire increased from 18,910 in 2002 to 24,220 in 2014 – see Figure 2. The 2014 total of 24,220 is 28.1% higher than the equivalent figure in 2002. The rate of increase in Aberdeen City and Aberdeenshire was broadly similar at 27.2% and 28.7% respectively.

Figure 2 – Number of registered enterprises 2002-2014



Source: www.gov.scot, *Businesses in Scotland*

3. Size of registered enterprises

3.1 Most of the registered enterprises in Aberdeen City & Shire are small. Of the 24,220 enterprises recorded in *Businesses in Scotland 2014*, 22,480 (93%) enterprises had fewer than 50 employees – see Figure 3a. The prevalence of small-sized enterprises is especially noticeable in Aberdeenshire where 96% of all enterprises had fewer than 50 employees, compared with 88% in Aberdeen City. When comparing with the previous year 23,270 enterprises were recorded in Aberdeen City and Aberdeenshire, of that 21,550 enterprises had fewer than 50 employees.

Figure 3a: Size of enterprises, 2014 (No. of enterprises)

2014	All enterprises	0-49 emps	50-249 emps	250+ emps
Aberdeen City	9,985	8,760	485	740
Aberdeenshire	14,235	13,720	250	265
Aberdeen City & Shire	24,220	22,480	735	1,005
Scotland	166,525	160,450	3,780	2,295
2013	All enterprises	0-49 emps	50-249 emps	250+ emps
Aberdeen City	9,495	8,275	485	735
Aberdeenshire	13,775	13,275	245	255
Aberdeen City & Shire	23,270	21,550	730	990
Scotland	160,050	154,080	3,705	2,270

Source: www.gov.scot, *Businesses in Scotland*

- 3.2 Although small registered enterprises with fewer than 50 employees account for a large proportion of all enterprises in Aberdeen City & Shire, their share of the overall workforce is relatively small. In 2014, small enterprises in Aberdeen City had a total of 36,320 employees, i.e. 24% of all employees in registered enterprises in Aberdeen City – see Figure 3b. In Aberdeenshire, where 96% of registered enterprises had fewer than 50 employees, these small enterprises accounted for 53% of the overall workforce. Large enterprises employing at least 250 employees in Aberdeen City had a total of 87,860 employees in 2014, 59% of all employees in registered enterprises in Aberdeen City.

Figure 3b: Size of enterprises, 2014 (No. of employees)

2014	All employees	0-49 emps	50-249 emps	250+ emps
Aberdeen City	149,040	36,320	24,850	87,860
Aberdeenshire	92,530	48,830	13,430	30,270
Aberdeen City & Shire	241,570	85,150	38,280	118,130
Scotland	1,865,130	680,300	256,260	928,560
2013	All employees	0-49 emps	50-249 emps	250+ emps
Aberdeen City	144,740	35,410	24,190	85,140
Aberdeenshire	90,880	47,510	13,170	30,190
Aberdeen City & Shire	235,620	82,920	37,360	115,330
Scotland	1,830,240	657,110	252,030	921,110

Source: www.gov.scot, *Businesses in Scotland*

4. Turnover of registered enterprises

- 4.1 The turnover of registered enterprises in Aberdeen City & Shire was reported in Business in Scotland 2014 as being over £73.2 billion, 7% rise from the previous year. 79% of that total was attributable to enterprises in Aberdeen City. The 2014 turnover figure for Aberdeen City & Shire enterprises was 7.2% more than the previous year's total, a much higher rate of growth than the Scottish average of 2.0% – see Figure 4a.

Figure 4a: Turnover of registered enterprises

	2012 £millions	2013 £millions	2014 £millions	Change 2013-14
Aberdeen City	43,361	54,076	57,883	+7.0%
Aberdeenshire	12,991	14,154	15,267	+7.9%
Aberdeen City & Shire	56,352	68,230	73,150	+7.2%
Scotland	243,935	262,105	267,415	+2.0%

Source: www.gov.scot, *Businesses in Scotland*

- 4.2 Large enterprises in Aberdeen City & Shire – i.e. those employing at least 250 employees - accounted for £51.1 billion (70%) of the total turnover reported in Businesses in Scotland 2014 – see Figure 4b. This was a higher proportion than the overall situation in Scotland, where large enterprises accounted for 63% of total turnover.

Figure 4b: Turnover of registered enterprises by size, 2014

	Total £million	0-49 emps £million	50-249 emps £million	250+ emps £million
Aberdeen City	57,883	8,119	6,575	43,189
Aberdeenshire	15,267	5,161	2,166	7,939
Aberdeen City & Shire	73,150	13,280	8,741	51,128
Scotland	267,415	61,718	36,494	169,203

Source: www.gov.scot, *Businesses in Scotland*

5. Breakdown by industry

- 5.1 Between 2013 and 2014, the number of enterprises increased in nine industry sectors in Aberdeen City & Shire, at the same time period five industry sectors decreased the number of enterprises in Aberdeen City & Shire. Of the 24,220 registered enterprises in Aberdeen City & Shire recorded in 2014, the biggest increase was in the 'Professional, scientific and technical' sector, an increase of 32%, from 7,180 in 2013 to 7,850 in 2014 –see Figure 5a. In Aberdeenshire, there was a large number of enterprises in 'Primary industries', which accounted for 22% of all enterprises in that area.

Figure 5a: No. of registered enterprises by industry, 2014

Industry (SIC 2007)	Aberdeen City	Aberdeen -shire	Aberdeen City/Shire	Scotland
Primary Industries	240	3,175	3,415	18,670
Manufacturing	485	710	1,195	8,550
Construction	640	1,400	2,040	18,245
Wholesale, retail / repairs	1,195	1,400	2,595	25,035
Transport / storage	290	375	665	5,075
Accommodation / food service activities	550	605	1,155	13,315
Information / communication	430	375	805	8,640
Financial / insurance activities	110	65	175	1,875
Real estate activities	295	235	530	5,140
Professional, scientific / technical	3,945	3,905	7,850	30,255
Admin / support services	810	920	1,730	10,885
Education, human health / social	455	455	910	8,310
Arts, entertainment / recreation	135	180	315	4,040
Other service activities	410	435	845	8,495
Total	9,985	14,235	24,220	166,525

Source: www.gov.scot, *Businesses in Scotland*

- 5.2 Based on the number of employees, 'Primary Industries' comprised the largest group in Aberdeen City & Shire in 2014. These industries employed over 40,000 people, 17% of all employees in registered enterprises in Aberdeen City and Shire. In Aberdeen City most of the primary industry employment is likely to be in the oil and gas sector, while many employees in Aberdeenshire are likely to be in the agriculture and fishing sectors of the 'Primary Industries'. 'Professional, scientific and technical', 'Wholesale, retail and repairs' and 'Manufacturing' are also major employers in Aberdeen City & Shire – see Figure 5b.

Figure 5b: Employees of registered enterprises by industry, 2014

Industry (SIC 2007)	Aberdeen City	Aberdeen -shire	Aberdeen City/Shire	Scotland
Primary Industries	26,780	13,590	40,370	117,990
Manufacturing	12,540	13,330	25,870	181,630
Construction	5,380	8,030	13,410	122,860
Wholesale, retail / repairs	20,010	15,220	35,230	367,310
Transport / storage	7,920	3,680	11,600	86,340
Accommodation / food service activities	11,620	6,560	18,180	174,770
Information / communication	3,420	1,060	4,480	56,450
Financial / insurance activities	1,730	680	2,410	88,640
Real estate activities	1,900	830	2,730	29,200
Professional, scientific / technical	24,430	11,640	36,070	139,490
Admin / support services	14,430	7,400	21,830	170,640
Education, human health / social	13,660	7,050	20,710	229,910
Arts, entertainment / recreation	2,770	1,590	4,360	56,510
Other service activities	2,440	1,870	4,310	43,380
Total	149,040	92,530	241,570	1,865,130

Source: www.gov.scot, *Businesses in Scotland*

- 5.3 Registered enterprises operating in the ‘Primary industries’ sector accounted for 59% of all turnovers in Aberdeen City & Shire in 2014. The next highest sector was ‘Professional, scientific and technical’ where turnover was just above £7.3 billion, 10% of the total – see Figure 5c.

Figure 5c: Turnover of registered enterprises by industry, March 2014

Industry (SIC 2007)	Aberdeen City £millions	Aberdeen -shire £millions	Aberdeen City/Shire £millions	Scotland £millions
Primary Industries	38,929	3,938	42,867	73,214
Manufacturing	3,406	2,772	6,178	41,112
Construction	554	1,021	1,575	15,974
Wholesale, retail / repairs	3,470	2,715	6,185	60,874
Transport / storage	1,800	565	2,365	10,901
Accommodation / food service activities	501	210	711	6,533
Information / communication	509	132	641	7,218
Financial / insurance activities	n/a	n/a	n/a	n/a
Real estate activities	152	78	230	2,967
Professional, scientific / technical	4,803	2,524	7,327	17,915
Admin / support services	2,637	704	3,341	13,372
Education, human health / social	584	233	817	7,604
Arts, entertainment / recreation	399	123	522	7,466
Other service activities	138	252	390	2,266
Total	57,883	15,267	73,150	267,415

Source: www.gov.scot, *Businesses in Scotland*

Note: turnover information for financial and insurance enterprises is not available on a comparable basis

6. Business Sites

- 6.1 In addition to the number of registered enterprises, Businesses in Scotland 2014 records the number of business sites in each local authority. A business site refers to each individual shop, factory, restaurant etc that is part of an enterprise. For example, a large supermarket chain is considered to be one 'enterprise', but each individual store that forms part of that supermarket chain is known as a 'business site'.

- 6.2 In 2014, 26,355 business sites were recorded in Aberdeen City & Shire, compared with 24,220 registered enterprises – see Figure 6a. When comparing with the previous year 25,225 business sites were recorded in Aberdeen City & Shire, compared with 23,270 registered enterprises.

Figure 6a: Registered enterprises and business sites, 2014

2014	Registered enterprises	Business sites	Difference
Aberdeen City	9,985	11,300	+1,315
Aberdeenshire	14,235	15,055	+820
Aberdeen City & Shire	24,220	26,355	+2,135
Scotland	166,525	197,930	+31,405
2013			
Aberdeen City	9,495	10,665	+1,170
Aberdeenshire	13,775	14,560	+785
Aberdeen City & Shire	23,270	25,225	+1,955
Scotland	160,050	190,915	+30,865

Source: www.gov.scot, *Businesses in Scotland*

- 6.3 Figure 6b shows the number of business sites by employee size. 74% of the business sites in Aberdeen City and Shire have fewer than five employees.

Figure 6b: Number of business sites by employee size, 2014

Employee size	Aberdeen City	Aberdeen-shire	Aberdeen City & Shire	Scotland
0-4 employees	7,625	11,925	19,550	136,915
5-9 employees	1,355	1,570	2,925	29,405
10-14 employees	710	575	1,285	11,280
15-49 employees	1,105	745	1,850	14,960
50+ employees	505	235	740	5,370
Total	11,300	15,055	26,355	197,930

Source: www.gov.scot, *Businesses in Scotland*

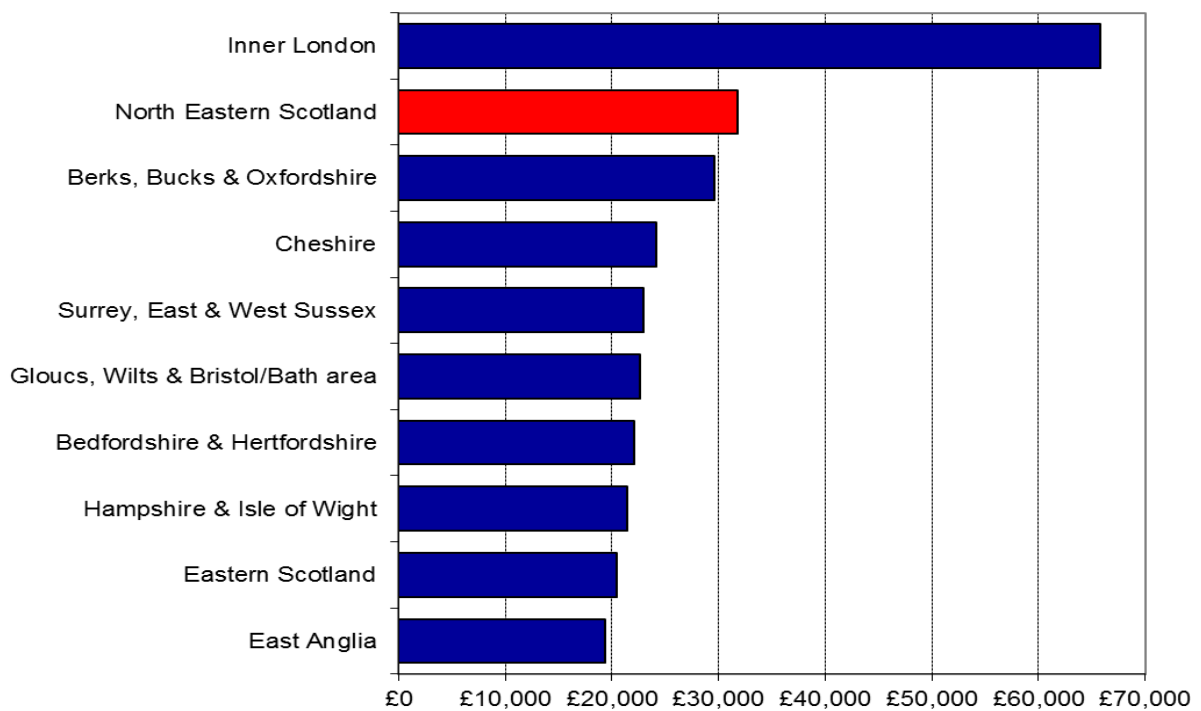
7. Gross Value Added (GVA) per head

- 7.1 GVA is a measure of an area's economic output. The Office for National Statistics publishes annual GVA data for the thirty seven NUTS2 areas in the UK, including the four Scottish NUTS2* areas: Eastern Scotland, South Western Scotland, Highlands & Islands and **North Eastern Scotland** (North Eastern Scotland has the same boundary as the combined Aberdeen City & Aberdeenshire local authority areas). The most recent GVA data, published in December 2014, relates to 2013.

7.2 In 2013, the Aberdeen City and Aberdeenshire (or, North Eastern Scotland) NUTS2 area had a Gross Value Added per head of £36,242. This was the second highest figure in the UK, after Inner London (£71,162). Between 2012 and 2013, GVA per head in the Aberdeen City and Aberdeenshire NUTS2 area increased by 1.4% from £35,741 to £36,242.

**Note: The Nomenclature of Territorial Units for Statistics (NUTS) is the geography that was developed by the European Union for statistical purposes.*

Figure 7: Gross Value Added (GVA) per Head, 2013



Source: www.ons.gov.uk, GVA per head

8. Conclusion

8.1 The information in *Businesses in Scotland 2014* reveals a number of key features regarding the business stock in Aberdeen City:

- 88% of registered enterprises in Aberdeen City had fewer than 50 employees in March 2014. Aberdeenshire had a particularly high proportion with 96% of all enterprises in that sizeband
- Large enterprises employing at least 250 employees in Aberdeen City had a total of 87,860 employees in 2014, 59% of all employees in registered enterprises in Aberdeen City
- The turnover of Aberdeen City enterprises was almost £58 billion; 22% of the total turnover of enterprises in Scotland was achieved in Aberdeen City
- In Aberdeen City, 'Primary industries', which includes energy exploration and production, accounted for 53% of the total turnover of registered enterprises in Scotland
- The stock of registered enterprises in Aberdeen City & Shire has increased steadily since 2002

8.2 Almost a quarter (22%) of Scottish turnover can be attributable to the business sector in Aberdeen City. This illustrates the importance of the area's contribution to the national economy of Scotland. This level of performance is also evident in other economic measures; for example, the Gross Value Added (GVA) per head in the Aberdeen City & Shire area is the second highest in the UK, after Inner London.



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