

The Labour Market Bulletin provides summary information about the labour market in Aberdeenshire and is published quarterly.

Aberdeenshire is split into six administrative areas and this bulletin looks at unemployment figures for these areas as well as at local authority and Travel to Work Area (TTWA) level.

More information can be found on the National Statistics website at <http://www.nomisweb.co.uk>.

## How is the Economic Recession Affecting the North East?

For the last 10 years the UK economy has been performing well, with moderate GDP growth rates of 2-3%, low inflation and low unemployment. Over 2008 however, the US and UK economies have been hit by a series of problems, including a decrease in house prices, high levels of debt and a lack of available credit in the banking sector. This has hit the UK financial service sector and is now having a negative impact on the UK real economy.

Scotland, as with the rest of the UK, is made up of different economic sub-regions which will be affected by the economic recession differently.

The Aberdeenshire economy is closely linked to the Aberdeen City economy and consequently, the oil and gas industry. Traditionally, Aberdeen and Aberdeenshire have performed well and have benefited in recent years from high oil prices. However, as the price of oil falls, the north east is likely to be negatively affected.

Signs of an economic recession in the sub-region are increasingly evident. The passenger numbers at Aberdeen Airport have continued to fall and employment losses continue to increase, with the unemployment rate trend for the North East now following that for Scotland and the UK.

Against this, however, house prices in the Aberdeen Housing Market Area levelled out somewhat in the fourth quarter of 2008, following a significant drop in the third quarter.

Despite the current economic uncertainties, the most recent local GDP growth estimates are more positive for the North East. Mackay Consultants estimate that the North East experienced GDP growth of 2.0% in 2008 compared with Scotland at 0.8%.

## Local Trends by Administrative Area

Aberdeenshire has been divided into six administrative areas, and the unemployment count and rate for each of these areas has been tabled overleaf. From this we can see that the unemployment rates across the areas are relatively low and are all below the Scottish and UK average rate of 3.0%.

However, there are some areas where the rate is significantly higher than others. Banff and Buchan, and Buchan, have the equal highest rate of all the administrative areas in December 2008 at 1.8%. Of the two, Banff and Buchan had the higher change, at +35.2%, which represents a claimant count of 388.

## Aberdeenshire Unemployment at 1% and Rising

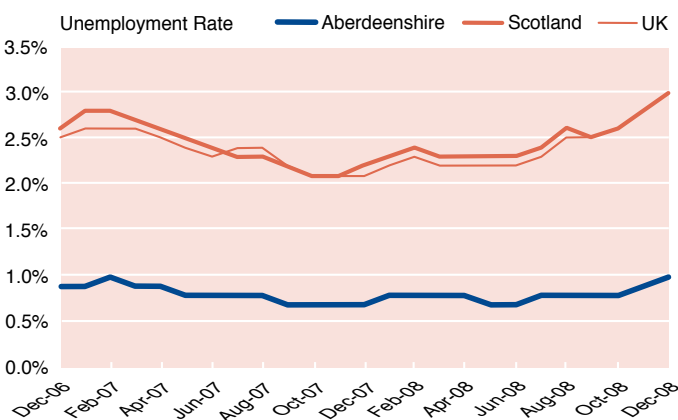
Over the fourth quarter of 2008, Aberdeenshire's unemployment rate (Job Seekers Allowance claimant count) rose by 29.8%. This represents an increase of 345 claimants from 1,156 in September 2008 to 1,501 in December 2008. This is comparable with all other Scottish local authorities (with the exception of Shetland) where claimant counts have also risen. From Figure 2 we see that the unemployment rate rose to 1.0% over the quarter, which is still very low and the lowest rate in Scotland. The rate for Scotland also rose over the period to 3.0%, in line with the UK. Over the 12 months to December 2008, unemployment in Aberdeenshire has risen by 40.0% rising from 1,073 claimants to 1,501. This equates to a change of rate from 0.7% to 1.0%.

Figure 1 - Claimant Count Unemployment

Area	December 2008		Quarterly Change	
	No.	Rate	No.	%
Aberdeenshire	1,501	1.0	345	29.8
Scotland	97,723	3.0	16,480	20.3
UK	1,153,328	3.0	208,612	22.1

Source: National Statistics (NOMIS)

Figure 2 - Unemployment Trend (Unadjusted Rates)



Source: National Statistics (NOMIS)

The lowest count and rate is in Garioch with 148 claimants representing a rate of 0.5%.

Over the quarter, all of the administrative areas experienced a rise in the number of claimants. Marr experienced the largest percentage increase, rising from 108 claimants in September 2008 to 176 in December 2008 (63.0%). This was followed by Kincardine and Mearns (37.6%) and Banff and Buchan (35.2%).

Figure 3 - Unemployment by Administrative Area

Admin Area	Sep 2008		Dec 2008		Quarterly Change	
	No.	Rate	No.	Rate	No.	%
Banff and Buchan	287	1.3	388	1.8	101	35.2
Buchan	335	1.4	421	1.8	86	25.7
Formartine	137	0.6	162	0.7	25	18.2
Garioch	136	0.5	148	0.5	12	8.8
Marr	108	0.6	176	1.0	68	63.0
Kincardine and Mearns	149	0.6	205	0.8	56	37.6

Source: National Statistics (NOMIS)

## Local Trends by Travel to Work Area

Travel to Work Area (TTWA) counts are also available from the ONS. TTWAs are approximations of self-contained labour markets based on commuting to work patterns. There are four TTWAs covering Aberdeenshire, including Aberdeen City Travel to Work Area which also covers Aberdeen. Over the quarter to December 2008, all TTWAs experienced an increase in claimants. Rises were largest in the Fraserburgh TTWA (38.9%) and Peterhead (27.2%). Over the year to December 2008, claimant count rates across all TTWAs rose with the largest increase in the Peterhead area (51.2%).

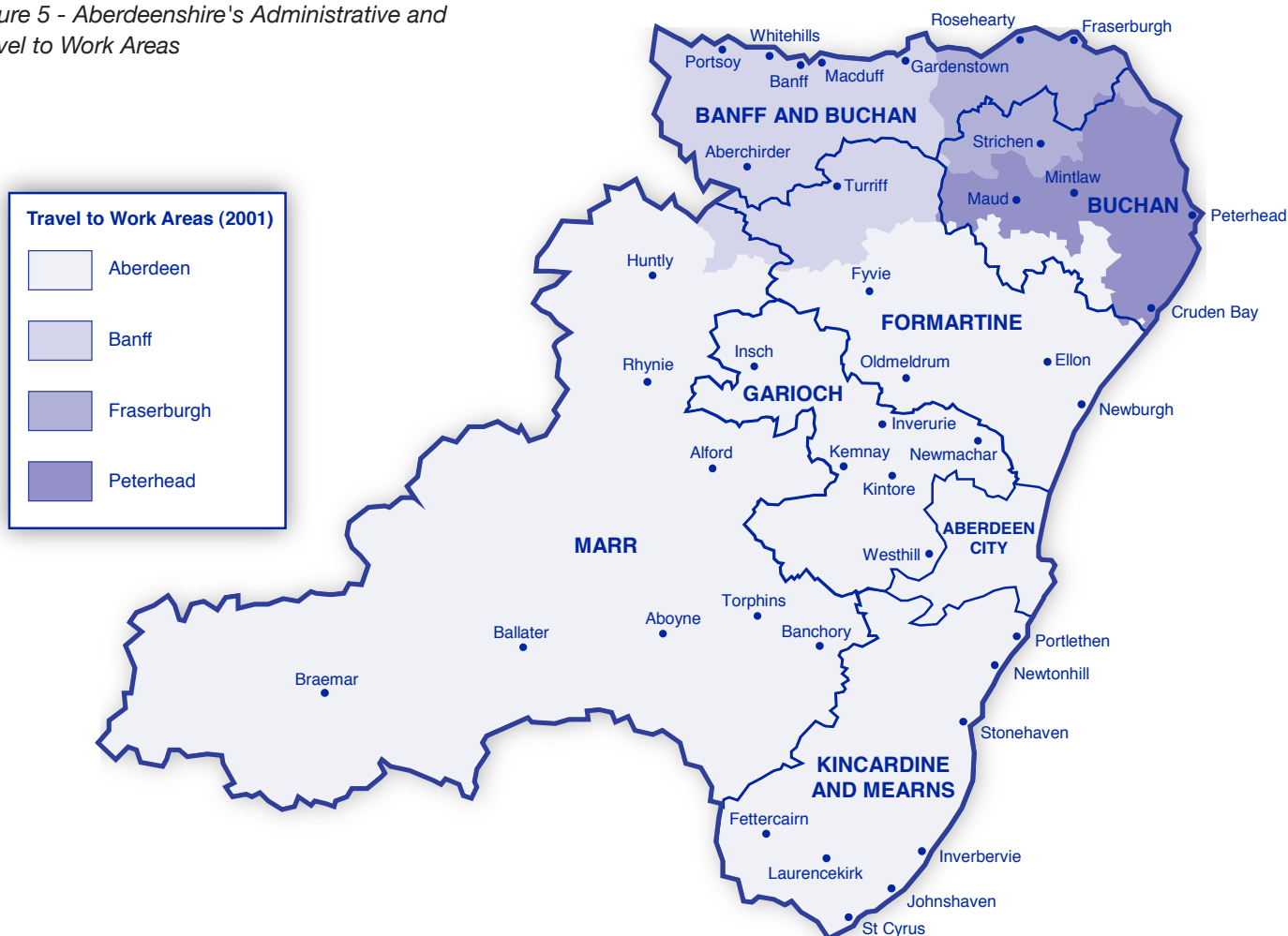
Figure 4 - Unemployment by Travel to Work Area

TTWA	Sep 2008	Dec 2008	Quarterly Change	
	No.	No.	No.	%
Aberdeen	2,289	2,702	413	18.0
Banff	185	227	42	22.7
Fraserburgh	167	232	65	38.9
Peterhead	302	384	82	27.2

Source: National Statistics (NOMIS)

Note: Aberdeen TTWA includes Aberdeen City

Figure 5 - Aberdeenshire's Administrative and Travel to Work Areas



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