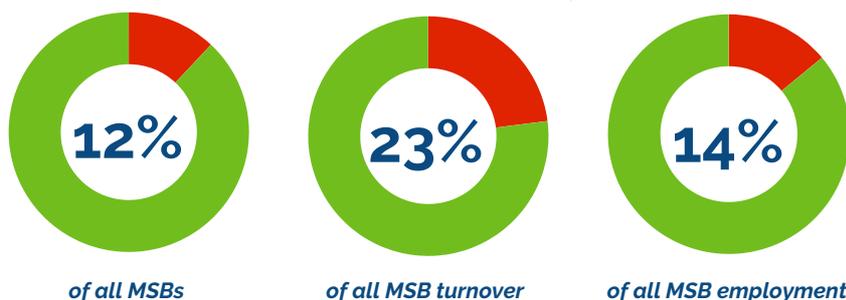


Mid-Sized Businesses (MSBs) are defined as those companies with turnover between £25m and £499m. They are recognised as companies who disproportionately contribute to economic growth; and are more likely to innovate, internationalise and have greater levels of employee engagement.

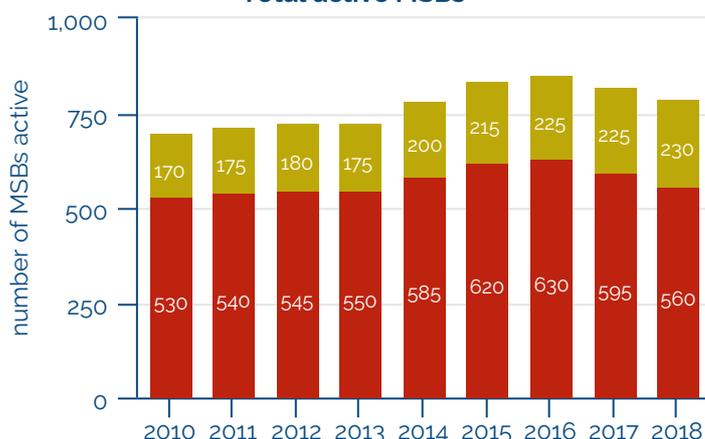
MSBs in summary



The Aberdeen City and Shire region is home to 12% of Scotland's MSBs, generating 23% of total MSB turnover in Scotland and employing 14% of Scotland's total MSB workforce.

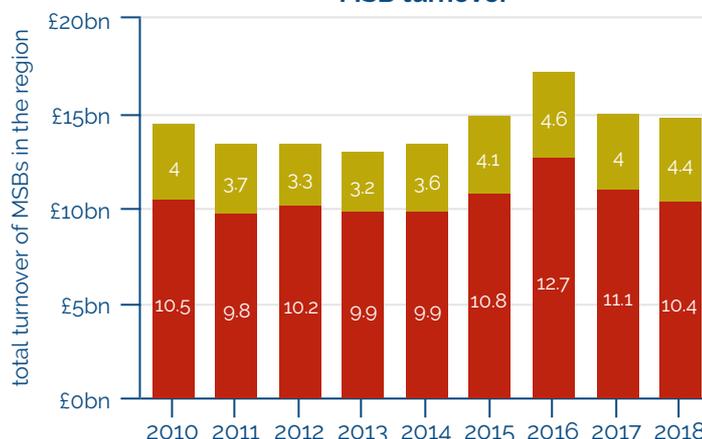
Change over time (2010-18)

Total active MSBs



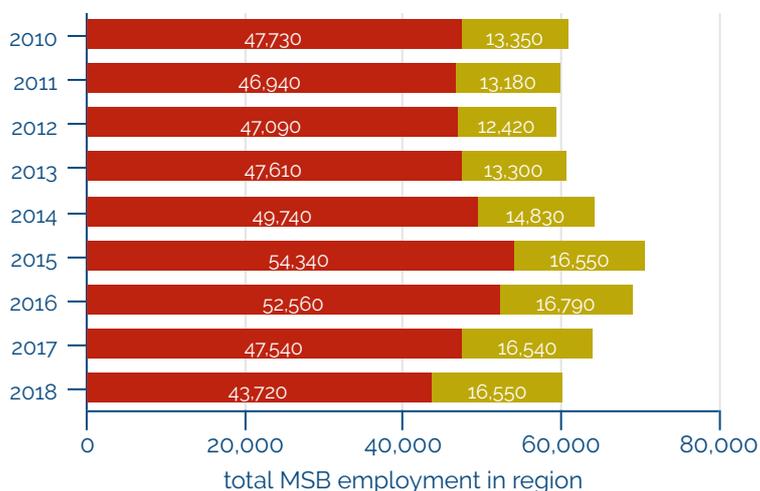
● Aberdeen City ● Aberdeenshire

MSB turnover



● Aberdeen City ● Aberdeenshire

MSB employment



● Aberdeen City ● Aberdeenshire

Overall Aberdeen City and Shire made a strong contribution to the growth in MSBs within Scotland since 2018.

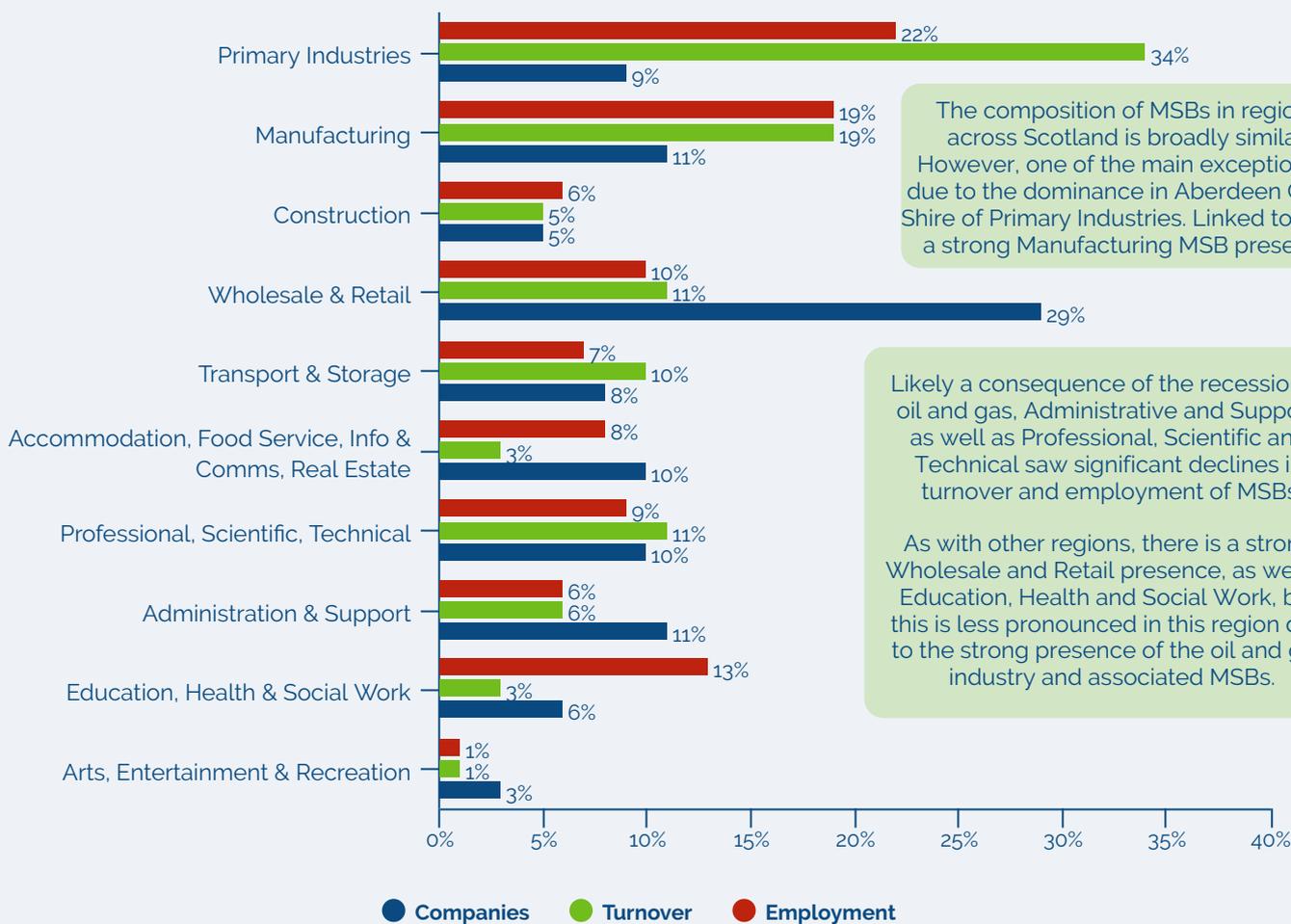
Within that, since 2015-16, activity, turnover and employment peaked and went into decline, which continues in 2018.

This is particularly the case for Aberdeen City which has seen significant declines in turnover and employment, which are both lower in 2018 than they were in 2010. The total number of MSBs active in Aberdeen City in 2018 was its lowest since 2013.

In contrast, MSBs in Aberdeenshire appear to have been less exposed to the worst of the recession and began to recover in the last 12 months. This is due to the different make-up of MSB activity, and what appears to be significantly less exposure amongst MSBs to the impact of the recession which began in the oil industry.

Industry breakdown

Performance of MSBs in Aberdeen City & Shire (2018) By industry

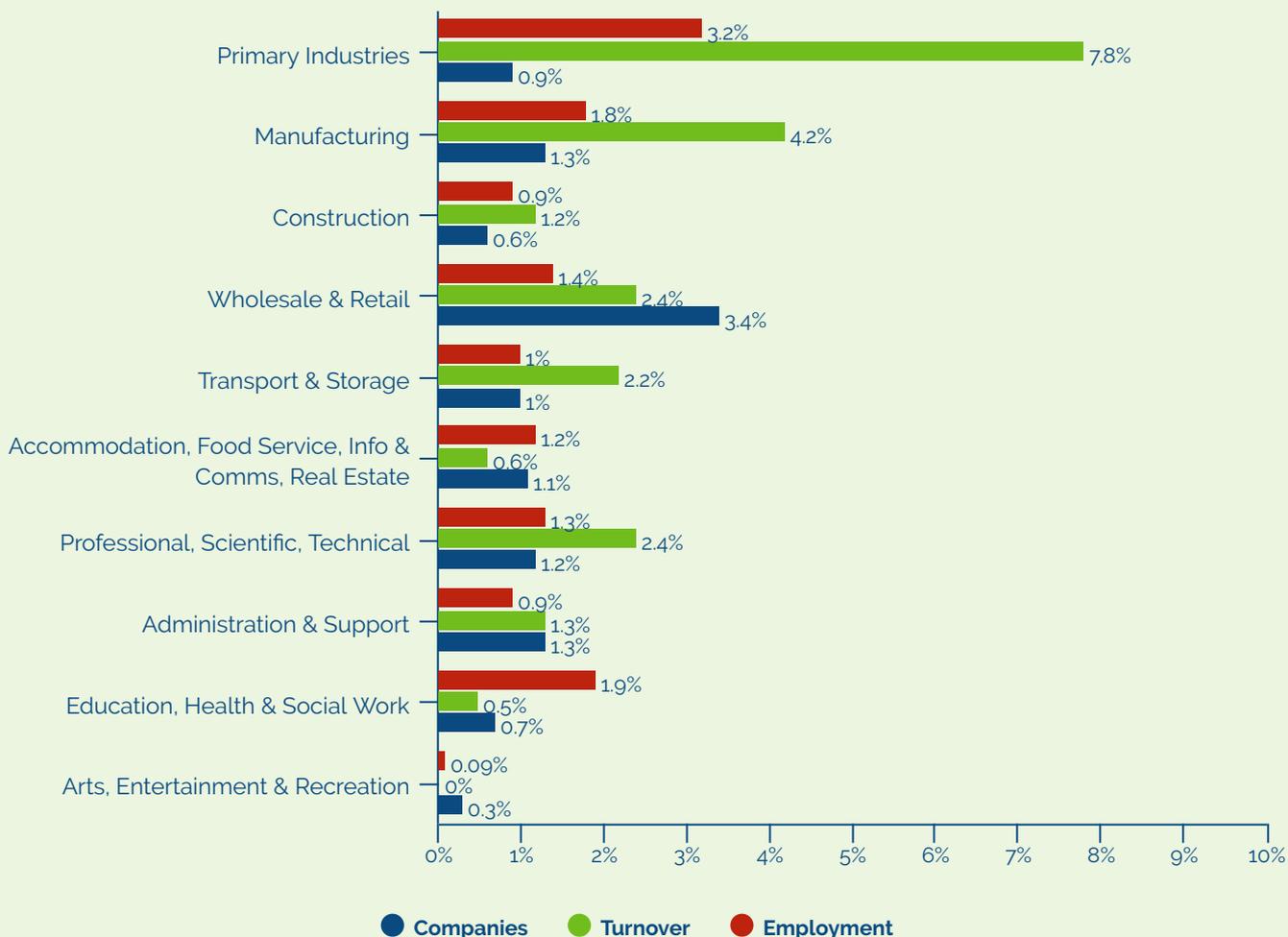


The composition of MSBs in regions across Scotland is broadly similar. However, one of the main exceptions is due to the dominance in Aberdeen City & Shire of Primary Industries. Linked to this is a strong Manufacturing MSB presence.

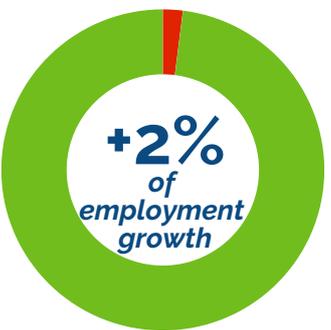
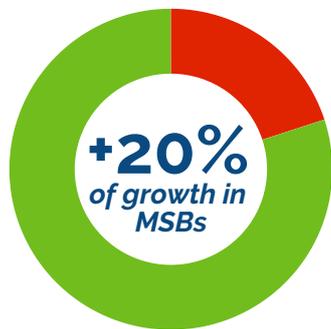
Likely a consequence of the recession in oil and gas, Administrative and Support, as well as Professional, Scientific and Technical saw significant declines in turnover and employment of MSBs.

As with other regions, there is a strong Wholesale and Retail presence, as well as Education, Health and Social Work, but this is less pronounced in this region due to the strong presence of the oil and gas industry and associated MSBs.

Aberdeen City & Shire contribution to Scotland's MSBs (2018) By industry



Contribution to Scotland's overall MSB performance from 2010-18



Despite the overall challenges felt in the region, including in MSBs, Aberdeen City and Shire contributed 20% of the growth in total number of active MSBs across Scotland since 2010.

This appears to be a combination of shifts, with emergence of smaller MSBs in more productive industries that are especially linked to the oil and gas industry, such as Professional, Scientific and Technical and Primary Industries; combined with growing activity amongst locally traded sectors such as Transport and Storage, and Accommodation, Food, Information and Communication and Real Estate.

MSBs in Manufacturing made strong contributions to the performance in the region despite the downturn, driven by activity in Aberdeenshire rather than Aberdeen City.

Overall, these figures reflect that the region saw significant growth from 2010-15, which would have led to even greater contributions to the overall growth in Scotland had the recession in oil and gas not occurred.

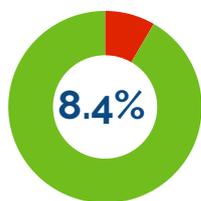
Whilst the total number of companies has held up, their performance in both turnover and employment stalled at this point and went into decline, shedding jobs and seeing declines in turnover, minimising the contribution to Scotland's overall MSB growth.

Change in performance of MSBs in Aberdeen City & Shire (2010-2018) By industry

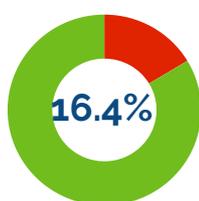
	Total MSBs	MSB turnover (£m)	MSB employment
Primary Industries	+20	-£167m	-1,060
Manufacturing	+15	+£371m	+1,760
Construction	+10	+£421m	+1,250
Wholesale & Retail	-5	-£328m	+150
Transport & Storage	+5	+£404m	+350
Accomm, Food, Info & Comms, Real Estate	+15	+£158m	+1,350
Professional, Scientific, Technical	+25	-£108m	-1,820
Administration & Support	-20	-£139m	-1,980
Education, Health & Social Work	+10	+£9m	+690
Arts, Entertainment & Recreation	0	+£7m	+40

Whilst the total numbers of MSBs grew in major industries, perhaps surprisingly given the recession, performance in employment and turnover weakened significantly since 2015 - and in Aberdeen City, continues into 2018 (whilst MSBs in Aberdeenshire has weathered its less severe decline and began to increase in size and employment again).

This means the region has seen a shift in its MSBs over the decade, with the emergence of more and smaller MSBs in many industries including in the oil and gas industry.



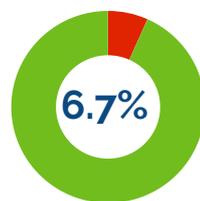
of all MSBs



of all MSB turnover



of all MSB employment



contribution to total growth in MSBs from 2010-18



contribution to the total MSB turnover growth in Scotland 2010-18

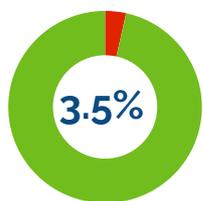


contribution to total MSB employment in Scotland 2010-18

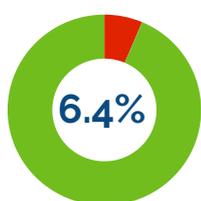
<u>Breakdown of MSBs in Aberdeen City (2018)</u>	Total MSBs	MSB turnover	MSB employment
Primary Industries	6%	38%	24%
Manufacturing	12%	12%	12%
Construction	4%	4%	5%
Wholesale & Retail	31%	8%	9%
Transport & Storage	9%	14%	9%
Accomm, Food, Info & Comms, Real Estate	10%	3%	8%
Professional, Scientific, Technical	12%	12%	11%
Administration & Support	11%	6%	6%
Education, Health & Social Work	5%	3%	15%
Arts, Entertainment & Recreation	3%	0.2%	1%

<u>Contribution to Scotland's MSBs (2018)</u>	Total MSBs	MSB turnover	MSB employment
Primary Industries	0.5%	6.3%	2.6%
Manufacturing	0.7%	2%	1.3%
Construction	0.4%	0.6%	0.5%
Wholesale & Retail	2.6%	1.3%	0.9%
Transport & Storage	0.8%	2.2%	1%
Accomm, Food, Info & Comms, Real Estate	0.8%	0.4%	0.9%
Professional, Scientific, Technical	1%	2%	1.2%
Administration & Support	0.9%	1%	0.7%
Education, Health & Social Work	0.5%	0.5%	1.7%
Arts, Entertainment & Recreation	0.2%	0.01%	0.1%

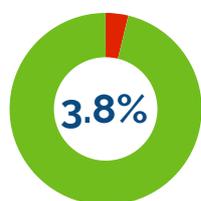
<u>Change between 2010-18</u>	Total MSBs	MSB turnover	MSB employment
Primary Industries	+5	+329m	-1,380
Manufacturing	+5	-£47m	+360
Construction	+5	+£24m	-50
Wholesale & Retail	+5	-£111m	+100
Transport & Storage	0	+£404m	+350
Accomm, Food, Info & Comms, Real Estate	+10	+£77m	+810
Professional, Scientific, Technical	+15	-£372m	-2,480
Administration & Support	-20	-£167m	-2,500
Education, Health & Social Work	+5	+£10m	+750
Arts, Entertainment & Recreation	0	+£7m	+40



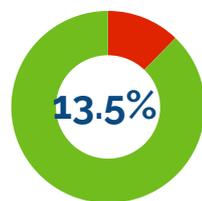
of all MSBs



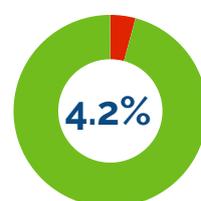
of all MSB turnover



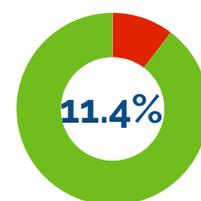
of all MSB employment



contribution to total growth in MSBs from 2010-18



contribution to the total MSB turnover growth in Scotland 2010-18



contribution to total MSB employment in Scotland 2010-18

<u>Breakdown of MSBs in Aberdeenshire (2018)</u>	Total MSBs	MSB turnover	MSB employment
Primary Industries	11%	23%	14%
Manufacturing	17%	35%	38%
Construction	7%	10%	8%
Wholesale & Retail	22%	18%	12%
Transport & Storage	7%	0%	0%
Accomm, Food, Info & Comms, Real Estate	9%	3%	8%
Professional, Scientific, Technical	7%	7%	4%
Administration & Support	11%	4%	7%
Education, Health & Social Work	7%	1%	7%
Arts, Entertainment & Recreation	2%	0%	0%

<u>Contribution to Scotland's MSBs (2018)</u>	Total MSBs	MSB turnover	MSB employment
Primary Industries	0.4%	1.5%	0.56%
Manufacturing	0.6%	2.2%	1.49%
Construction	0.2%	0.6%	0.32%
Wholesale & Retail	0.8%	1.1%	0.46%
Transport & Storage	0.2%	0.0%	0%
Accomm, Food, Info & Comms, Real Estate	0.3%	0.2%	0.32%
Professional, Scientific, Technical	0.2%	0.4%	0.16%
Administration & Support	0.4%	0.3%	0.26%
Education, Health & Social Work	0.2%	0%	0.28%
Arts, Entertainment & Recreation	0.1%	0%	0%

<u>Change between 2010-18</u>	Total MSBs	MSB turnover	MSB employment
Primary Industries	+15	-£196m	+320
Manufacturing	+10	+£418m	+1,400
Construction	+5	+£397m	+1,300
Wholesale & Retail	-10	-£217m	+50
Transport & Storage	+5	£0m	0
Accomm, Food, Info & Comms, Real Estate	+5	+£81m	+540
Professional, Scientific, Technical	+10	+£264m	+650
Administration & Support	0	+£28m	+520
Education, Health & Social Work	+5	-£1m	-60
Arts, Entertainment & Recreation	0	£0m	0