DELIVERING POSITIVE ENERGY

The changes, challenges and opportunities for the North East of Scotland's energy economy and offshore energy workforce

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RGU ENERGY TRANSITION INSTITUTE

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Executive Summary

For more than half a century, the North East of Scotland has been one of the UK's economic success stories, evolving into a globally recognised centre of energy excellence. Its leadership in offshore oil and gas has underpinned sustained growth, innovation and the development of a highly capable supply chain, workforce and ecosystem.



As the region now embarks on one of the most significant economic transitions for generations, this strong foundation provides a powerful platform for the next phase of its evolution.

Indeed, the challenges presented by the transition are now balanced by a new and clear opportunity to widen the region's economic horizons, making the most of its many competitive advantages to become a key international hub for offshore wind development.

Against this backdrop, this report has been prepared to support decision and policy makers in shaping a coherent and pragmatic pathway for the North East of Scotland's energy future. Drawing on the analytical framework and scenarios established in Robert Gordon University's Striking the Balance report (2025), this regional assessment reflects the specific industrial strengths, workforce capabilities and economic dependencies of the North East. It has been developed in collaboration with, and part-funded by, Scottish Enterprise, ensuring both analytical rigour and alignment with regional economic priorities.

The report presents a series of energy scenarios for the North East of Scotland, examining differing trajectories for oil and gas activity alongside the scale and pace of offshore renewable deployment. These scenarios are not forecasts, but lenses through which to understand the consequences of policy choices, investment signals and market dynamics. In doing so, the report highlights the broader implications for regional productivity, employment and supply chain resilience, as well as the interdependencies with the wider economy.

The North East of Scotland's world-class supply chain, deep technical expertise and highly skilled offshore workforce represent assets of national significance. The question is not whether transition will occur, but whether it will be managed in a way that sustains economic vitality while enabling delivery of the UK's net zero ambitions.

The report underscores the importance of balance between decarbonisation and economic resilience, between ambition and delivery, and between national targets and regional realities. The pathway to net zero must recognise not only the need to reduce emissions, but to sustain the industrial ecosystems that will ultimately deliver that transition.

The analysis also highlights the consequences of less favourable outcomes: one in which an accelerated decline in oil and gas activity is not matched by sufficient growth in offshore renewables or other activities. In this scenario, the consequences are stark – loss of a skilled workforce, erosion of supply chain capacity and a weakening of the region's economy. Importantly, once lost, these capabilities are not easily rebuilt, representing a permanent reduction in the UK's ability to deliver complex offshore energy [1] projects and the UK's energy transition.

Bridging the gap between oil and gas activity decline and the growth of renewables over the next five years will be critical to the well-being of the local economy. Indeed, successfully shaping a 'Goldilocks zone' when workforce reductions in oil and gas are at least matched by increased activity levels in renewables could realise a workforce dividend of several thousand jobs.

A picture is now clearly emerging of how the one-time oil capital of Europe has a one-off opportunity to redefine itself and reaffirm its status as a global centre of energy excellence. If it can sustain its supply chain and skills base through the transition, then it can capitalise on transformative industry dynamics that extend beyond the region and the UK, and into the wider North West Europe market.

Over 70% of all successful ScotWind leasing bids are located within 100 nautical miles of Aberdeen [2], giving the area a geographical advantage as developers assess their onshore support options. The awarded capacity in the UK's latest offshore wind allocation round (AR7) will strengthen the projects pipeline through to 2040.

Meanwhile, five countries, the UK included, are expected to deliver most of the 300 GW European 2050 offshore wind target. With around 40 GW of capacity already installed, the scale of construction and installation activity required to deliver on this target presents a material opportunity for countries bordering the North Sea, and in particular for the North East of Scotland, which is already well positioned to exploit it.



A picture is now clearly emerging of how the one-time oil capital of Europe has a one-off opportunity to redefine itself and reaffirm its status as a global centre of energy excellence.

[1] For the purposes of this review, the offshore energy industry comprises oil and gas, offshore wind, carbon transportation, processing & storage (TPS), offshore hydrogen (including blue hydrogen) and associated onshore support activities

[2] ETZ, Opportunity North East (ONE) 2022

Key findings

01 Jobs at risk

- The North East of Scotland hosts around **1 in 3 of the UK's 115,000 offshore oil and gas jobs** and **roughly 1 in 4 of the UK's 154,000 offshore energy jobs** (2024)
- Around **90%** of the regional offshore energy workforce is **employed in oil and gas**; the remaining 10% in renewables (2024)
- The offshore energy sector workforce in the region **reduced by c. 14,000 from around 56,000 in 2016 to close to 42,200 in 2024**. The figure of 42,200 represents close to 1 in 6 of the region's working population
- Depending on future regional energy investment and activities, the **regional offshore energy workforce could reduce by a further 18,000 to approximately 24,400 by 2035**, equivalent to around 1,600 jobs per year (on average)

02 Transition mismatch

- **Renewable job creation is not currently keeping pace with oil and gas decline**
- **'Goldilocks zone' window in the next five years** – oil and gas workforce decline must be matched by renewables growth to avoid a permanent skills loss
- Regional **offshore energy salaries are typically up to 2 times higher** than average income levels in the North East of Scotland, amplifying the wider economic consequences of job losses (including the multiplier effect on induced jobs in the wider economy)
- **Replacing the economic value** of each lost offshore energy role **would require multiple job creation elsewhere** in the economy
- From a regional economic and jobs perspective, **preventing high-value job losses should be prioritised over providing mitigation options** and policy must be aligned accordingly

03 Skills transferability

- **The regional offshore energy workforce composition could shift** from approximately 90% oil and gas and 10% renewables today to between 30% and 45% oil and gas and 55% to 70% renewables by 2035
- Over **90% of oil and gas skills are readily transferable to adjacent offshore energy sectors**
- The regional offshore energy **workforce is highly skilled and mobile**, with many likely to relocate (or work remotely) for alternative opportunities, **risking further contraction of the local economy**

04 Insufficient Government support

- **Government support is in place, but is insufficient** to sustain the region's world-class energy ecosystem
- Current policy environment and decisions **would not deliver sufficient near-term investment and activities to sustain the North East of Scotland's offshore energy workforce or supply chain capacity** over the remainder of this decade
- The **North Sea Jobs Service** and **Oil and Gas Transition Training Fund** will help to address some of the challenges, but will need to be scaled up to mitigate the upcoming job dislocations
- With the right policy framework, decisions and sustained investor confidence, there are **viable pathways to manage a transition that sustains regional jobs and economic activity**

05 Cautious grounds for optimism

- **The North East of Scotland has competitive advantages to sustain itself as world-class multi-energy hub**, including a highly skilled workforce, established supply chain, relatively low commercial rents and house prices, strong transport links and a proven energy ecosystem
- **The geographic renewables opportunity presents a significant prize**
  - Over 70% of ScotWind leasing bids are located within 100 nautical miles of the region
  - The majority of the European 300 GW offshore wind target by 2050 are forecast to be delivered by five countries (the UK, Germany, the Netherlands, Denmark and Belgium)
- Delivering the combined European **offshore wind ambition requires the installation of 700 new wind turbines a year, or two every day, for the next 25 years**
- With appropriate **intervention, investment and focus, the North East of Scotland could be ideally positioned to capitalise on emerging renewable opportunities** and deliver a world-class energy transition in Scotland, UK and across North West Europe

The debate should not just be about protecting and sustaining the region's world-class capabilities, supply chain and workforce through the transition. It is also about realising the region's full potential in a much wider market, in the longer term, to establish the UK as a multi-energy powerhouse.

The area's wider landscape of distinctive social, economic, entrepreneurial and cost competitive infrastructure advantages should also encourage the region to look to the future with cautious optimism. They provide the foundations for fully taking advantage of new economic growth possibilities and helping to reposition the North Sea as a new, world-class multi-energy basin.



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Regional Economy in Context

A TIME OF TRANSFORMATION, CHALLENGE – AND OPPORTUNITY

The North East of Scotland, anchored by Aberdeen and the surrounding communities of Aberdeenshire, has developed into a strategically significant energy cluster, widely recognised as Europe's leading oil and gas hub.

The discovery and exploitation of North Sea hydrocarbons in the 1960s triggered a profound structural shift in the regional economy. Traditional sectors such as fishing, shipbuilding and agriculture were rapidly supplanted by a high-value energy industry, initiating a sustained period of economic expansion that has endured for over five decades. This transition positioned the region as a globally competitive centre of excellence in offshore energy.

In the early phases of development, multinational energy companies and major service providers established regional headquarters and operational bases, catalysing large-scale investment in infrastructure, skills and supply chains. This, in turn, stimulated the growth of a diverse ecosystem of specialist engineering firms, supply chain operators, professional services and hospitality businesses, all aligned to support offshore exploration and production activities.



The scale of this transformation is reflected in demographic trends. Since the onset of the hydrocarbon era, the population of North East Scotland has increased by approximately 50%, significantly outpacing the roughly 7% growth recorded across Scotland over the same period [3].

By the early 2000s, coinciding with peak oil and gas production, Aberdeen had evolved into a globally connected energy hub and one of the most prosperous cities in the UK. Oil and gas activities accounted for an estimated 30% of employment within its export-oriented economy [4], underpinning high levels of productivity, income and wage growth relative to national averages.

However, this concentration introduced structural vulnerabilities. While the sector has delivered substantial economic benefits, its dominance has heightened exposure to external shocks, including commodity price fluctuations and long-term energy transition pressures, contributing to increased economic volatility in the region.

While Stavanger in Norway has taken Aberdeen's place as the oil and gas capital of Europe, the region retains multiple strengths and resources to shape the North Sea as a multi-energy powerhouse for the UK, sustaining its world-class capabilities, supply chain and workforce.

[3] ONS, UK Parliament Hansard

[4] Centre for cities 2024

The decline in UK oil and gas production is not a new trend; it has been on a downward trajectory for more than 25 years. What is different is the need to preserve and nurture the region's world-class supply chain and workforce, because of their critical contribution to shaping the UK's new, lower-carbon offshore energy future.

In response, consensus has grown around the concept of a 'managed transition' achieved by leveraging existing energy skills and capabilities, and by diversifying the economy. Multiple organisations and initiatives are working towards balancing the decline in oil and gas against the growth in offshore renewables development and wider regional diversification. Investments through the **Aberdeen City Regional Deal**, the **Energy Transition Zone**, the **Port of Aberdeen** and South Harbour expansion, **Opportunity North East** (ONE), the **North East Scotland Investment Zone**, **Great British Energy** (GBE), the **National Wealth Fund**, **the Scottish National Investment Bank** and many others are all of material importance, alongside support from bodies such as **Scottish Enterprise** and the **Aberdeen & Grampian Chamber of Commerce**.

Although the transition presents challenges, a collective effort and a determination to harness the resolve and resources of government, industry and economic organisations can support long-term economic resilience. The UK is already a pioneer and world leader in offshore energy. It is the second-largest offshore wind market in the world and accounts for more than 40% of Europe's installed offshore wind capacity. Over 70% of all successful ScotWind leasing bids are located within 100 nautical miles of North East of Scotland, positioning the region as a major hub for the offshore wind sector [5].

The UK's latest offshore wind allocation round (AR7) awarded 8.2 GW of bottom-fixed and almost 200 MW of floating offshore wind projects, making it the biggest offshore wind auction in Europe to date. The awarded capacity will power the equivalent of almost 10 million homes and, if successfully progressed, will provide the UK with a robust pipeline of projects extending through 2040 [6].

From a broader North Sea perspective, five countries (the UK, Germany, the Netherlands, Denmark and Belgium) are expected to deliver most of the 300 GW offshore wind target set by Europe for 2050. Collectively, their national ambitions could meet or even exceed 260 GW of installed offshore wind capacity by 2050, representing over 85% of the total offshore wind capacity. All of this will be within the catchment area of the existing UK ecosystem.

Around 40 GW of the European offshore wind capacity is currently already operational, requiring a further 260 GW to be installed over the coming 25 years. Delivering this ambition will require the construction and installation of over 17,000 turbines and associated infrastructure. This is equivalent to around 700 new (15 MW) turbines per year, or two every day, for the next 25 years. In turn, this presents significant supply chain and workforce opportunities for the countries bordering the North Sea, and the North East of Scotland specifically.

[5] ETZ , Opportunity North East (ONE) 2022

[6] WindEurope 2026

Countries such as Denmark have demonstrated how wind energy expansion can underpin a strong domestic manufacturing base, and the UK has a clear opportunity to draw from this experience and shape its own distinctive pathway. The scale of offshore wind development, particularly through ScotWind, creates a significant platform to strengthen domestic manufacturing and capture greater economic value.

Developers have already made important commitments to invest in the Scottish supply chain, signalling strong confidence in the region's capabilities. Expanding manufacturing capacity will be key to fully realising these opportunities. With a more coordinated industrial approach, targeted public investment and clear market signals, Scotland is well positioned to enhance its domestic capabilities and secure a larger share of the long-term benefits associated with offshore wind deployment.

As such, strengthening connections between multiple targeted initiatives, including the **Forth Green Freeport**, the **Peterhead Energy Transition Forum**, the **Aberdeen Energy Transition Zone**, the new **North East of Scotland Investment Zone** and the **Inverness & Cromarty Firth Green Freeport**, will ensure that the UK continues to play a pivotal role in accelerating the energy transition. This kind of collaboration could, from a regional perspective, significantly increase supply chain confidence and support sustainable job creation along the North East of Scotland energy corridor.

Get the transition right, and the region will help ensure the UK retains its energy powerhouse status. Get it wrong, however, and the resulting loss of key skills and capabilities will undermine the pursuit of a greener and cleaner future. What is playing out in the North East of Scotland today is at the very heart of this economic transformation.

Get the transition right, and the region will help ensure the UK retains its energy powerhouse status.

The Picture Today

Decades of energy investment in the North East of Scotland have yielded a highly skilled labour market characterised by high employment, strong wages and specialist technical expertise.

These features are reflected in the fact that while around 497,000 people or approximately 9% of Scotland's population lives in the region (2024), it contributes around £18.4 billion or 10% of Scotland's Gross Value Added (GVA – 2023)[7] (figure 1).

This productivity advantage is further demonstrated by a highly skilled workforce, with the region's employment rate of 77%[8] and median annual pay of £39,370[9] both exceeding the Scottish average by 3%.

According to official statistics[10], around 258,000 jobs were recorded in the region in 2024. Aberdeen City hosts around 60% of total employees in the region, with the remainder located in Aberdeenshire.

North East of Scotland 2024

POPULATION

9% of Scotland
(10% of GVA)

EMPLOYMENT RATE

77%
(vs 74% Scotland)



Figure 1

[7] ONS regional Gross Value Added (balanced) by industry and by local authorities

[8] NOMIS local authority profile Aberdeen and Aberdeenshire

[9] ONS Annual pay gross full-time employee jobs

[10] UK Business Register and Employment Survey (BRES)

The largest employment sector in the region is human health and social work activities, employing 14% of the workforce.

The regional offshore energy workforce is drawn from the wider workforce of several industries and constitutes approximately 16% of total employment (figure 2).

The high levels of skills and expertise built in the oil and gas industry provide a key competitive advantage: a local workforce capable of driving the diversification into renewables.

North East of Scotland jobs by industry (Employees, BRES 2024 data)

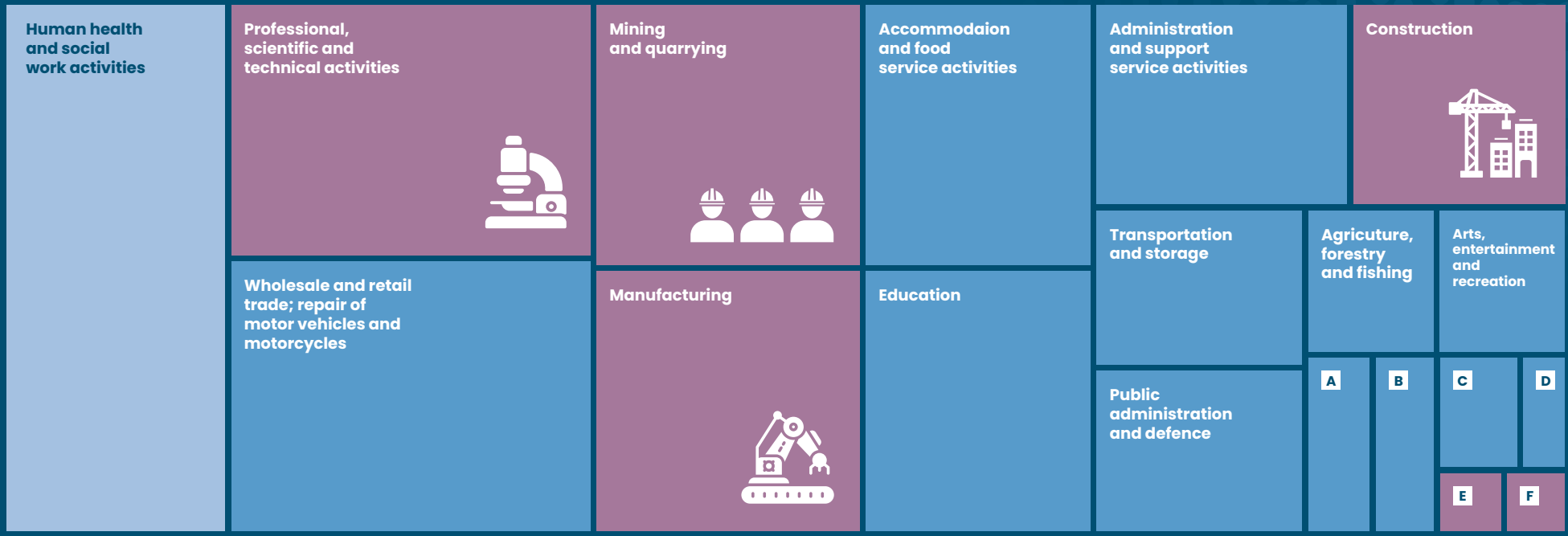


Figure 2

* Source: NOMIS BRES 2024 data – job numbers by workplace-based

A Look Back: 2015 to 2024

REGION IN NUMBERS

The region's heavy dependence on the oil and gas sector means it is experiencing the impact of radical industry restructuring far more intensely than most other areas.

A combination of global market forces, the maturing nature of the North Sea basin, policy changes and long-term transition pressures has taken the local economy to a different place today.

That is evident in the population and workforce changes that have materialised over the past 10 years. After its dramatic rise during the early and peak years of North Sea activity, population growth in the region between 2015 and 2024 stood at a modest 1% compared to a Scotland-wide increase of 4% [11] (figure 3).

During the same period, the working-age population (between ages of 16 and 64) declined by around 4% – representing around 12,400 people [12] – while total job numbers in the region fell by around 10% [13].

This trend reflects wider changes in the energy sector. The UK-wide oil and gas workforce shrank by around 75,000 people between 2016 and 2024 [14], with the North East of Scotland accounting for around 24% – or approximately 18,000 jobs – of this decline. This was offset by the creation of c. 4,200 new roles in the regional offshore renewables sector.

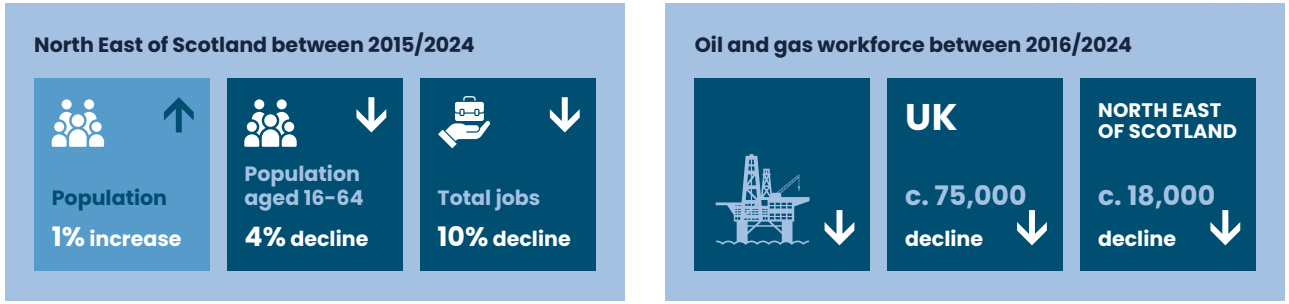


Figure 3

** Population growth in North East of Scotland over the past five years has been predominantly driven by positive international net migration, while both natural change and net internal migration have contributed negatively. This pattern is consistent with wider UK migration trends, which experienced unusually high levels in 2022/2023 (net migration reached a historic peak) influenced by policy changes and increased overseas recruitment by universities*

[11] National Record of Scotland (NRS) mid-year population estimates for Scotland

[12] National Record of Scotland (NRS) mid-year population estimates for Scotland

[13] NOMIS BRES historic data – job numbers by workplace-based

[14] OGUK/OEUK direct and indirect oil and gas workforce 2016/ 2024

OFFSHORE ENERGY WORKFORCE IN THE NORTH EAST OF SCOTLAND TODAY

With a population of just under half a million people, the North East of Scotland has a highly productive workforce: over half of its residents aged 16 or over are employed (figure 4).

Approximately 42,200 people[15] (± 5%) work in the offshore energy sector, representing around 1 in 6 of the population in employment. By comparison, close to 1 in 30 workers across Scotland, and 1 in 220 in the wider UK, are employed in or support the UK's offshore energy sector.

In the UK, there are approximately 154,000 direct and indirect jobs (full time equivalents) in offshore energy and around half of those are based in Scotland, according to 2024 figures. Including induced jobs[16], the number is close to 200,000.

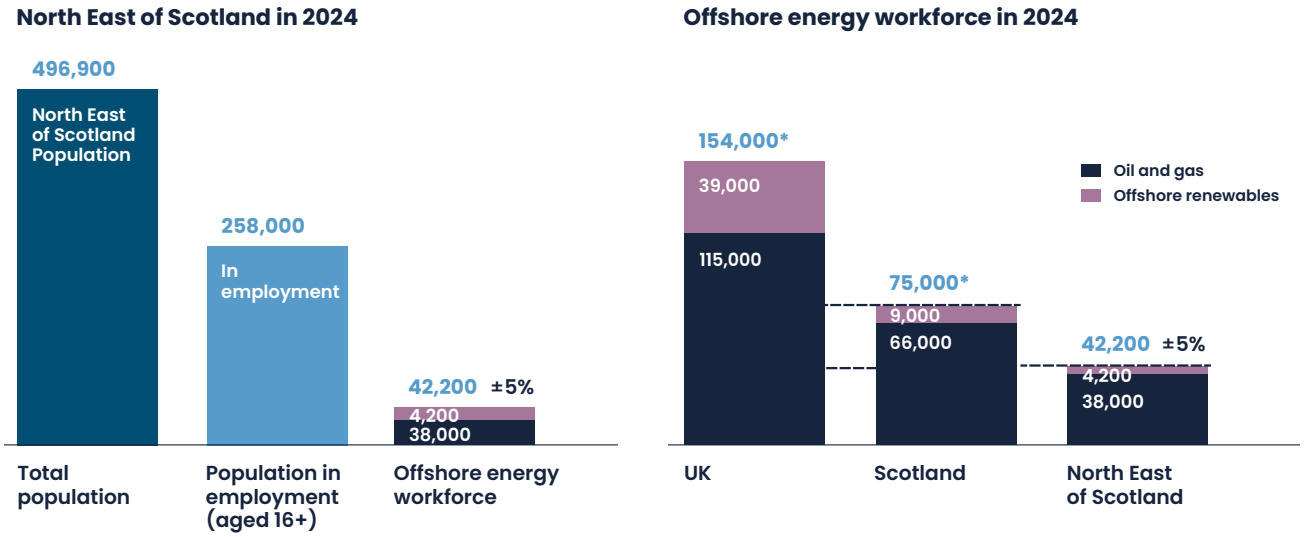


Figure 4

* *RGU – Striking the Balance report (2025)*
Numbers are rounded

[15] Direct and indirect full time equivalent (FTE) workforce number

[16] Jobs in the wider economy, benefitting from direct and indirect jobs in the offshore energy sector

The North East of Scotland hosts about one quarter of the UK's offshore energy workforce, with 90% active in oil and gas and the remainder in renewables.

The local industry workforce concentration is even higher for oil and gas specifically, with 1 in 3 of the UK's 115,000 oil and gas jobs located in the region (figure 5).

North East of Scotland 2024

1 in 3
of UK oil and gas jobs

1 in 4
of UK offshore energy jobs

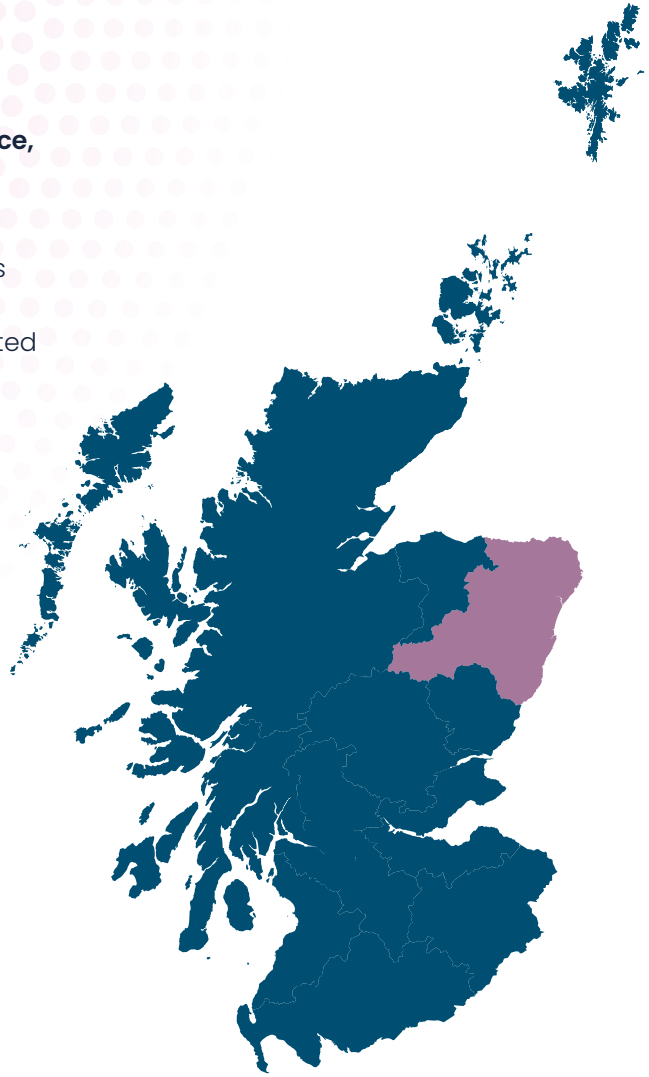


Figure 5



A Future to be Shaped

WHAT LIES AHEAD FOR THE REGIONAL OFFSHORE ENERGY WORKFORCE

The UK offshore energy scenarios developed for the Robert Gordon University Striking the Balance report (2025) provided the basis for future workforce planning in the North East of Scotland.

Aligned to the RGU Striking the Balance report, oil and gas workforce projections are based on North Sea oil and gas production of between 0.3 and 0.5 million barrels of oil equivalent per day (boe/d) by 2035, against a 2025 baseline level of 1.09 million boe/d (figure 6).

These projections reflect the current business environment, taking account of low investor confidence and negative market sentiment.

For this report, scenario 3 has been applied to the oil and gas sector.

The renewables sector is assessed under '**scenario 1**', '**scenario 2**' and '**scenario 3**' cases to capture various potential growth trajectories over the next decade.

Each scenario sets out a possible energy future for the country, based on the extent to which investment ambitions are realised across various energy sectors.

UK offshore energy sector scenario*

ENERGY SECTOR	**UK offshore energy baseline** (Jan 2025)		**2035** SCENARIO 1	SCENARIO 2	SCENARIO 3	
Offshore wind - fixed	15	GW	65	60	48	GW
Offshore wind - floating	<1	GW	25	10	2	GW
Carbon transport, processing and storage	<1	$MtCO_2$	70	50	30	$MtCO_2$
Hydrogen	<1	GW	30	20	10	GW
Oil and gas	1.09	Million boe/day	0.5	0.4	0.3	Million boe/day

Figure 6

** RGU – Striking the Balance report (2025)*

SCENARIO 1

Reflects the Clean Power 2030 ambition set out by the UK Government (2024). The scenario assumes 50 GW of offshore wind installed by 2030. In the longer term, the scenario assumes 90 GW of installed wind capacity, 30 GW of installed hydrogen capacity and 70 million tonnes per annum of CO_2 ($MtCO_2$) injectivity by 2035. The 90 GW installed wind capacity target comprises 65 GW fixed wind and 25 GW floating wind capacity.

SCENARIO 2

Represents a mid-point scenario and assumes offshore wind, hydrogen and CO_2 injectivity reach 70 GW, 20 GW and 50 $MtCO_2$ by 2035 respectively.

SCENARIO 3

Reflects significantly slower progress toward delivering a successful energy transition, with offshore wind, hydrogen and CO_2 injectivity reaching 50 GW, 10 GW and 30 $MtCO_2$ by 2035 respectively.

THE NORTH EAST OF SCOTLAND OFFSHORE ENERGY WORKFORCE: 2024 TO 2035

The analysis shows that approximately 42,200 people (± 5%) are employed directly or indirectly in the offshore energy sector in North East Scotland in 2024.

Net attrition and retirement (i.e. people leaving the sector) are expected to reduce the region's offshore energy workforce **supply** from approximately 42,200 in 2024 to approximately 30,000 by 2035 (figure 7).

At the same time, 2035 regional offshore energy workforce **demand** is projected to range between 24,400 and 36,900, depending on which scenario unfolds.

The scenarios assume that individuals will be able to transfer between adjacent energy sectors when their current job ceases to exist, subject to the appropriate training and accreditation. People can transfer at any time, or may prefer to pursue other opportunities across the economy.

Although the regional offshore energy workforce supply may outstrip demand by 2035 in the low demand case, a growing share of activities is forecast to be delivered through remote, hybrid and flexible working arrangements, rather than site-based employment. This creates an opportunity for the region to attract and retain workers who may be commuting or supporting opportunities elsewhere in the UK and beyond.

North East of Scotland offshore energy workforce demand projection

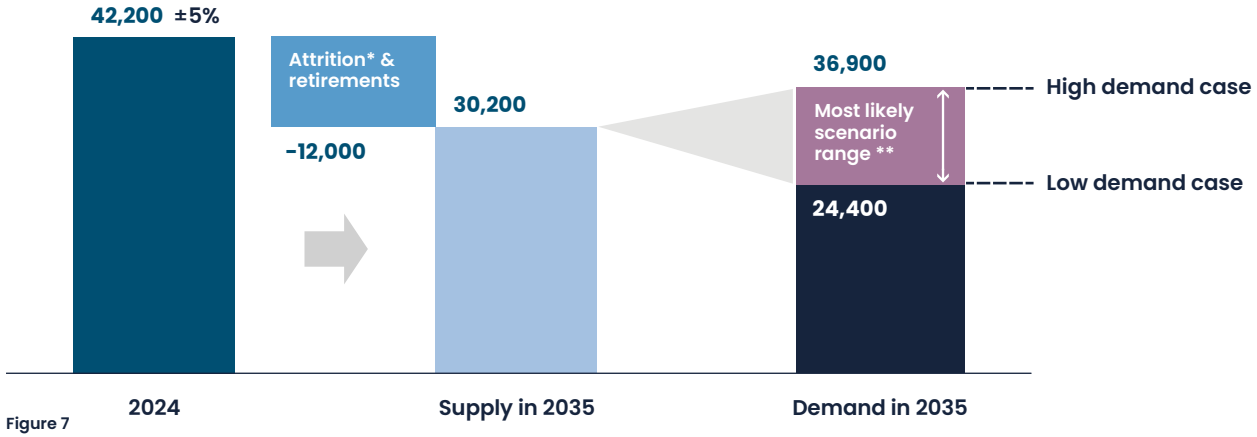


Figure 7



* *Attrition refers to individuals who leave the industry due to medical, family, or other personal circumstances. Estimate are derived at the UK-wide level based on ONS data*

** *Offshore renewables scenarios 1, 2, and 3 are each combined with oil and gas scenario 3. Norway style approach to UK oil and gas and associated investments from 2026 onwards could sustain overall regional offshore energy workforce at 40,000+*

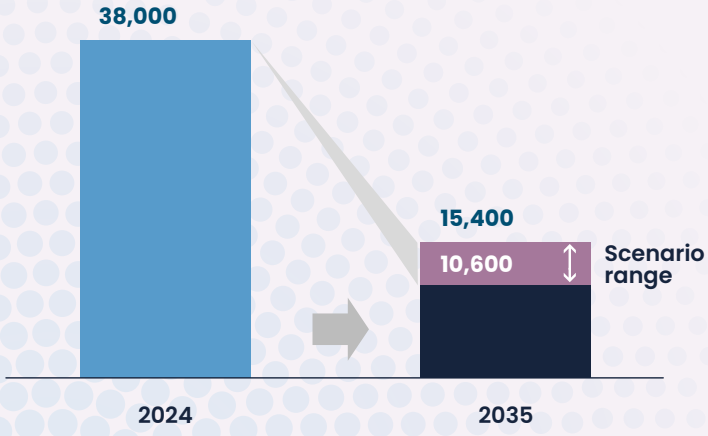
If we look at the oil and gas and renewables energy sectors separately (figure 8), regional oil and gas workforce demand is expected to decline from around 38,000 to between 10,600 and 15,400 by 2035. In contrast, regional offshore renewables workforce demand is projected to increase from around 4,200 to between 13,800 and 26,300 by 2035, depending on which scenario prevails.

Depending on the scenario, the composition of the regional offshore energy workforce could shift from approximately 90% oil and gas in 2024 to between around 30% and 45% by 2035, with renewables making up the remainder.

Based on currently announced plans and investment profiles, the region is heading towards the low demand case, and increased regional investment and diversification will be essential to offset declining oil and gas employment and sustain the North East of Scotland as a global hub of energy expertise and innovation.

The fact that offshore energy salaries in the North East are typically up to 2 times higher than the regional average income level amplifies the economic consequences of job losses, including the multiplier effect on induced jobs in the wider economy. Replacing the economic value of each offshore energy role could therefore require creating up to two additional jobs in the wider economy.

North East of Scotland oil and gas workforce demand



North East of Scotland offshore renewables workforce demand

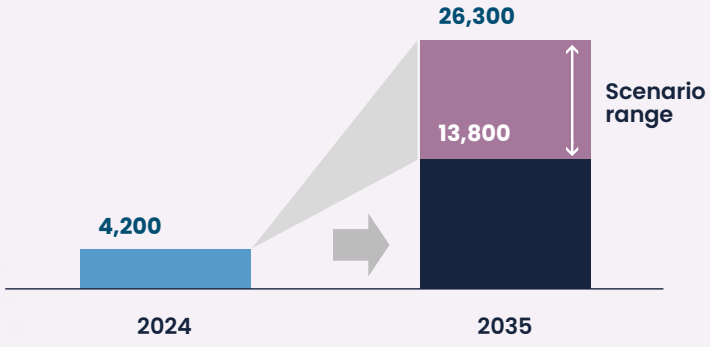


Figure 8

** Numbers are rounded*

REGIONAL GOLDILOCKS ZONE

Over the remainder of this decade, the decline in the region's oil and gas workforce numbers is likely to outpace the renewables sector's capacity to create new jobs (figure 9).

To address this gap, it will be necessary either to sustain existing activities for longer, accelerate renewable developments and/or diversify the economy.

The risk lies in experienced workers leaving the region or moving into other industries before the renewables industry matures sufficiently to offer comparable career opportunities. That could leave the North East of Scotland facing a potential labour shortage and skills deficit at a critical time when they are required to support renewables developments and in the process sustain the region's economic health.

The development of manufacturing capacity and maintaining a continuous pipeline of projects will be critical to sustaining regional workforce demand, particularly given the highly mobile nature of construction-related skills and the competition for labour in the wider labour market.

North East of Scotland offshore energy workforce projection by energy sector

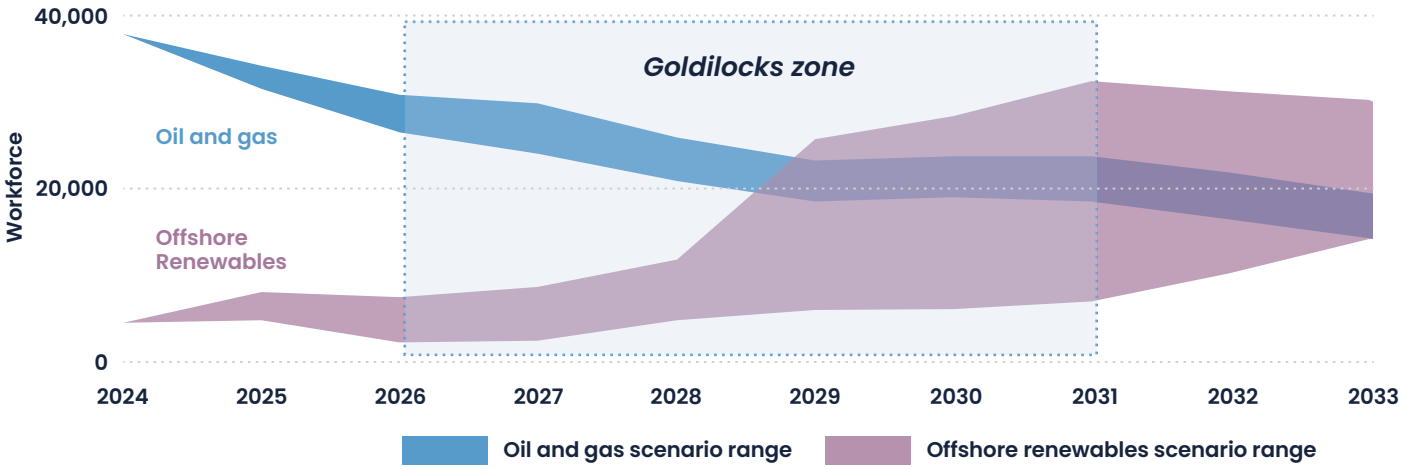


Figure 9

It will therefore be essential to manage the existing regional mismatch between projected oil and gas workforce decline and renewables workforce growth, as well as the discrepancy between short-term construction driven demand and long-term employment needs.

The transition also highlights the need for a more flexible, place-based and activity-based workforce to adapt to shifting energy demands.

In addition to the scenarios outlined, the regional review also examined the latest industry case developed by Offshore Energies UK, which highlights the potential to deliver an additional 3.2 billion barrels of oil and gas equivalent[17]. If such a case can be delivered successfully, it could sustain the regional offshore oil and gas workforce into the early 2030s, which will help to minimise workforce disruption and reduce employment gaps over the transition period.

[17] OEUK – Business Outlook report 2026

IMPLICATIONS FOR SPECIFIC JOB FAMILIES AND TRANSFERABILITY

The top five job families [18] remain unchanged between 2024 and 2035, across both high and low demand cases: Operations, Technicians, Engineering, Projects and Procurement & Supply Chain Management (PSCM).

Over that time, demand is expected to grow in the Projects, PCSM and Technicians job families, while demand for Operations, Facilities Management and Engineering workforce personnel is likely to decline in the high demand case (figure 10).

Conversely, in the low demand case, demand is expected to decline across all areas, particularly in Operations, Engineering and Technician roles.

In a low demand case, offshore energy workforce demand in the region is projected to decline by 18,000 over the next decade. Regional renewables growth alone would not fully cover oil and gas leavers, with around 1,600 workers per year (on average) needing to transition to other sectors or locations, or find other opportunities.

Under any eventuality, the workforce by 2035 will look different from today, reflecting the shift from oil and gas dominance towards a more diversified energy system based primarily on renewables. Skills accumulated over decades of offshore oil and gas engineering remain highly transferable across this transition.

More than 90% of the UK oil and gas workforce has skills that could be readily transferable to adjacent sectors such as renewables. Business roles (e.g. Finance, HR and Legal) – representing approximately 25% of the offshore energy workforce in the region – are highly transferable across industries, while most technical roles – around 75% of the roles in the region – have medium to high transferability and in some cases may require short-term upskilling and reskilling.

These trends underscore the need to realign the region's skills development system to ensure it meets the changing profile of the offshore energy workforce. The UK and Scottish Governments have identified the need and introduced additional support. The North Sea Jobs Service (NSJS), launching in 2026, is a UK Government-backed initiative providing tailored employment support, training and career transition for oil and gas workers entering clean energy, defence and advanced manufacturing sectors. It offers end-to-end support, including skills mapping, job-matching and funding.

The UK and Scottish Governments will also invest around £18 million over the next three years in the Oil and Gas Transition Training Fund, to help oil and gas workers access careers advice and funding for training to enable them to move into roles in sustainable energy industries. Although welcome initiatives, far more will need to be done to successfully manage the workforce and skills transitions.

[18] A job family is a grouping of related job positions that share similar core capabilities, skill sets, and career paths

North East of Scotland offshore energy workforce change 2024/2035 (RGU analysis)

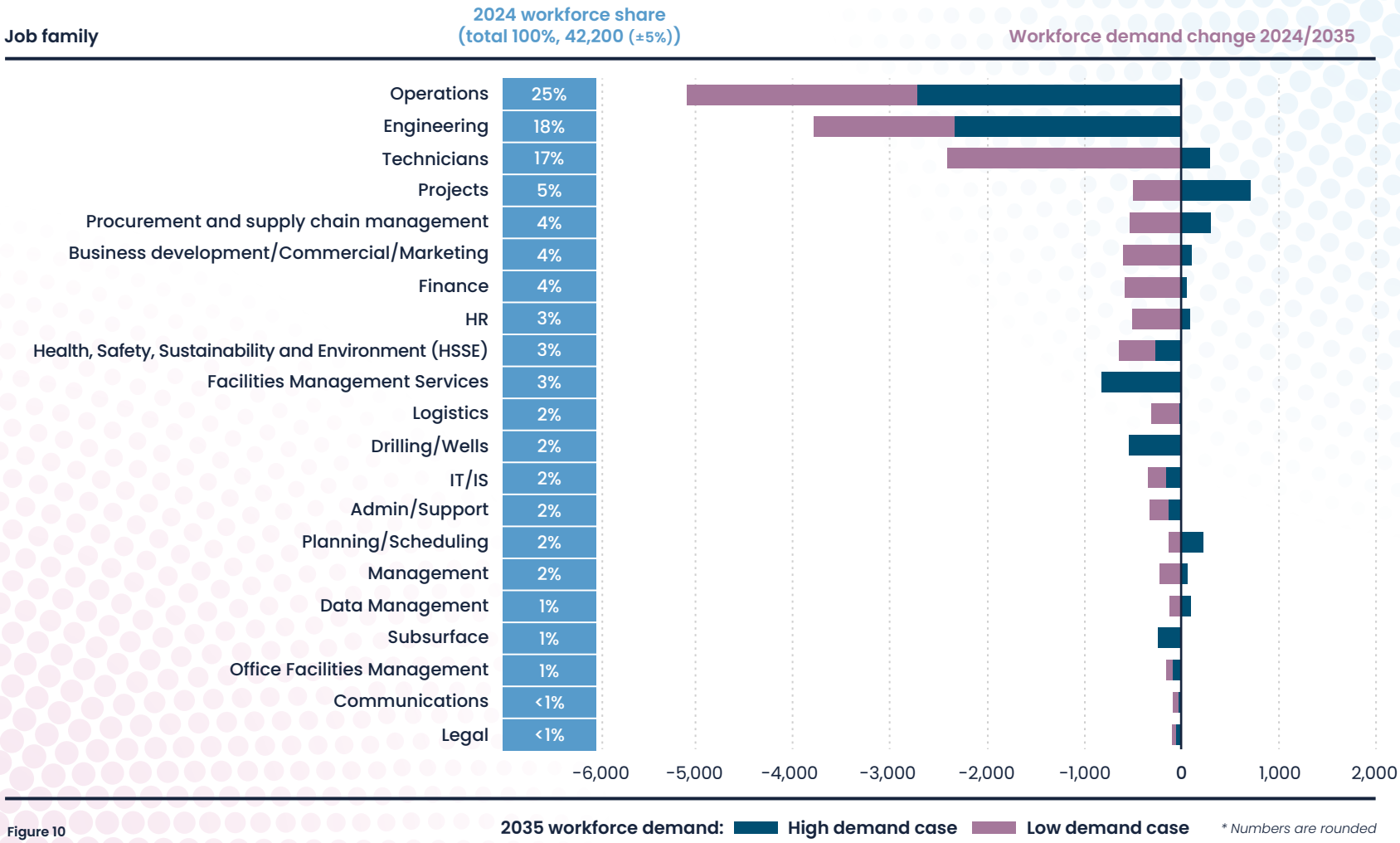


Figure 10

Potential to be Unlocked

STAKEHOLDER COLLABORATION KEY TO SUCCESSFULLY NAVIGATING THE COMING YEARS

Depending on the choices made by governments, industry and economy-focused organisations, up to 18,000 jobs will need to be created by 2035 to sustain regional workforce levels at their current level, and to offset decline in the offshore energy sector (figure 11).

The renewables sector typically supports fewer workers per million pounds spent than the oil and gas sector, and the average salaries in renewables tend to be lower than in oil and gas. Consequently, stable employment levels do not necessarily translate into equivalent regional economic output.

Greater capital investment and employment will be required in renewables to maintain the same levels of economic contribution compared to the oil and gas sector.

A coordinated investment approach is required to realise the full potential of the North East of Scotland region. This involves both capitalising and catalysing investment streams.

Capitalising investment should be focused on building capability and scaling opportunities, led primarily by private investors, energy companies and infrastructure funds. In parallel, catalysing investment plays a critical role in reducing uncertainty, increasing investor confidence and creating the conditions necessary for sustained growth; this is driven by public-sector actors including the UK/Scottish Government, Scottish Enterprise, Great British Energy (GBE), local authorities, ETZ, Opportunity North East and others.

The overall success of this model will depend on how effectively these two forms of investment interact, requiring strong cooperation, collaboration, coordination and partnership across stakeholders. Delivering meaningful outcomes will also necessitate a multi-year commitment and consistent, robust execution.

North East of Scotland offshore energy workforce demand projection

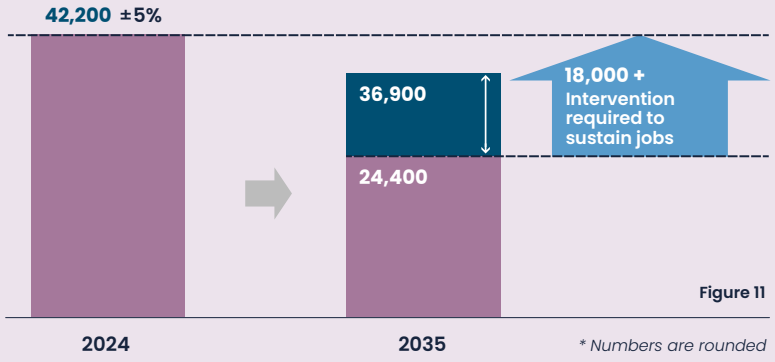


Figure 11

POSITIVE ENERGY FROM THE BIGGER PICTURE

The region's strengths extend beyond its oil and gas legacy, and the skills base, supply chain and global reach it has built over the past half century and more.

They also lie in an established infrastructure and competitive economic environment that supports efficient business operation and sustainable growth. Against this backdrop, the trend could be the region's friend in the medium to long term if the transition is managed well.

At **European** level, significant opportunities lie ahead for those willing to invest in supply chain capabilities. At the 2026 North Sea Summit, for example, European governments (including the UK) committed to expanding offshore wind capacity to 300 GW by 2050[19], with most new developments located within 300 nautical miles of the North East of Scotland.

In the **UK**, meanwhile, the North East of Scotland is well positioned to capitalise on future opportunities. Over 70% of successful ScotWind licensing bids, for example, sit within 100 nautical miles of the region (figure 12).

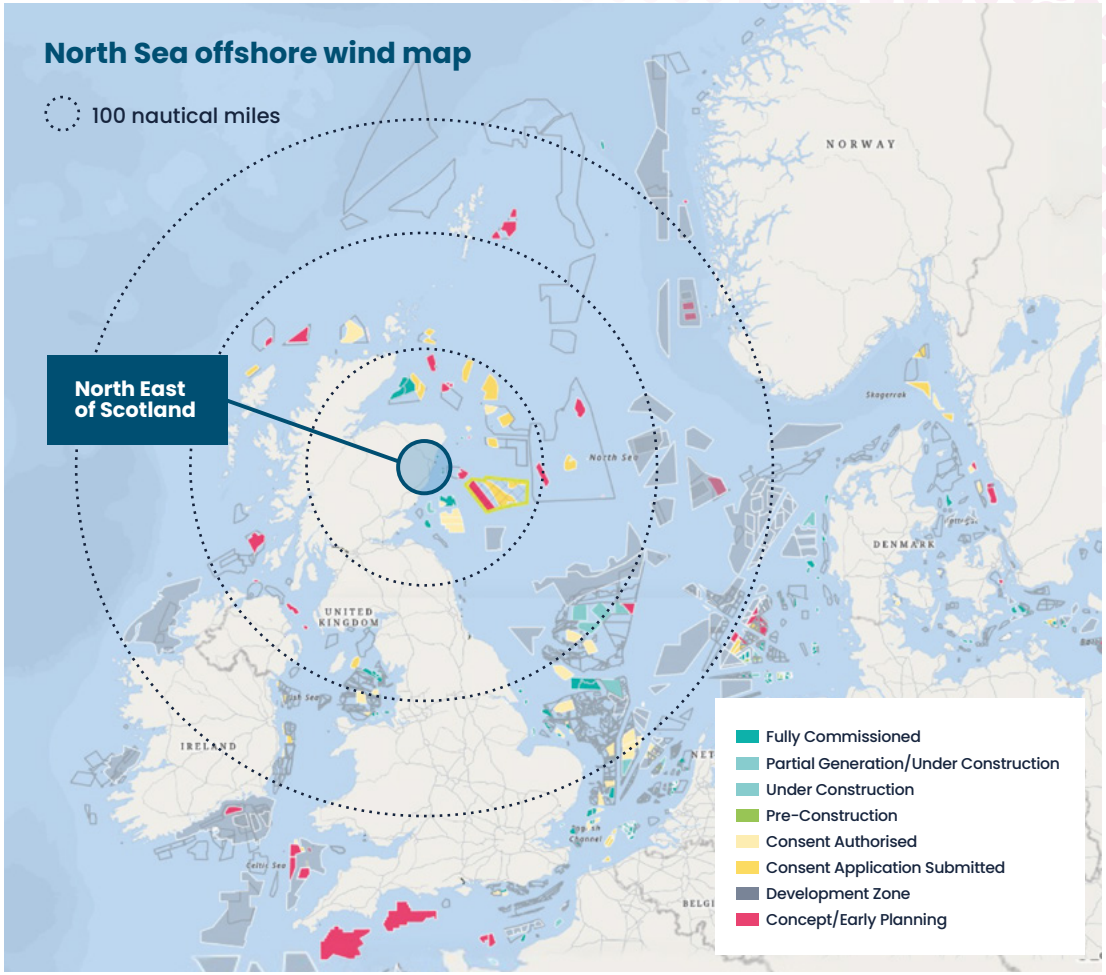


Figure 12 *source: TGS 4C map 2026*

[19] North Sea Summit 2026 – The Joint Offshore Wind Investment Pact for the North Seas

Underpinned by the principles of the Regional Economic Strategy, and building on its track record of energy integration, the North East of Scotland can host energy innovation and attract new inward investment as it grows its credentials as a multi-energy basin. The £350 million investment in a new facility at the Port of Nigg to provide cables for the offshore wind sector by Sumitomo demonstrates the possibilities.

The emergence of key government departments and organisations in Aberdeen – including the North Sea Transition Authority (NSTA), the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED), the Department for Energy Security and Net Zero (DESNZ) and Great British Energy (GBE) – establishes the region as a key player across regulation, energy policy and supply chain development.

Hydrogen and CCUS activities in Aberdeen and Aberdeenshire have shown strong strategic ambition, although progress has been slower than originally expected. Hydrogen activity showed early leadership, with Aberdeen recognised as a pioneer in hydrogen transport and infrastructure. However, local initiatives have since lost momentum, with setbacks such as the discontinuation of the hydrogen bus project in Aberdeen attributed to cost and scalability challenges. The flagship Acorn CCS project has faced delays and lacks a confirmed timeline. Current activity levels in the region remain relatively subdued. Nevertheless, both hydrogen and CCUS continue to form part of the long-term energy transition strategy and – taken together with all other factors – reinforce the North East's transition potential.

Compared to other UK city regions, Aberdeen and Aberdeenshire offer a highly skilled workforce, a world-class offshore energy ecosystem, competitive commercial rents and housing costs, strong transport links, and a safe and high-quality environment (figure 13). Combined, these make the region a highly competitive area for future (inward) investment and for sustaining the region as a global hub for offshore energy.

The next five years, and the extent to which the transition challenges articulated in this report are addressed during that period, represent a pivotal period in terms of determining the region's long-term economic fortunes and should be a key focus area for the North Sea Future Board. The board, launched in early 2026 and comprising experts from across the offshore sectors, will have a key role to play in shaping the sustainable future all regional stakeholders are striving to achieve.

The North East of Scotland corridor presents a highly compelling investment proposition. Its geographic location represents a major competitive advantage when it comes to attracting both UK and wider European offshore energy activities.

Combined with a proven track record, an established ecosystem of businesses, world-class universities, a robust policy framework and a sector-leading workforce, the region is well-positioned to host future offshore energy investments.

“Compared to other UK city regions, Aberdeen and Aberdeenshire offer a highly skilled workforce, a world-class offshore energy ecosystem, competitive commercial rents and housing costs, strong transport links, and a safe and high-quality environment.”

Competitive business operating costs

- Commercial rents in Aberdeen office prime: £32.5 per square feet per year (Edinburgh: £48, Glasgow: £41.5)

(H1 2025 Savills)

Investment support

- Scottish Enterprise and local council support
- Energy transition funding initiatives
- ETZ, GBE and other initiatives

Highly skilled workforce

- RQF4 and above Qualifications in 2024
- Aberdeen city: 62% and Aberdeenshire: 59% (Scotland: 54%, UK 47%)

Great connectivity

- >90% fibre coverage in Aberdeen City (c. 70% in Scotland)
- Daily commuting time in Aberdeen is c. 48 mins, lower than Edinburgh (66 mins) and Glasgow (56 mins)
- Leading Port infrastructure

(Scottish transport statistics 2023)

Business start-up hub

- Leading UK region for start-ups
- Sector-leading support from Opportunity North East, TechX and others

(Aberdeen business news 2025)

High employment/ wage

- 77% in employment rate (Scotland 74%)
- £39,730 salary – 4% & 6% higher than Scotland and UK respectively

Affordable rent/ housing

- High-quality accommodation and communities
- Average house price in Aberdeen c. 30% lower than Scotland average (Feb 2026)
- Average rent in the North East of Scotland 15% lower than Scotland average (Feb 2026)

High quality of life

- High-quality schools and communities
- Access to coastline, castles, countryside, national parks
- Supermarkets per 10,000 population: 3.9 (UK average 2.7) in 2023
- High-quality drinking water

Figure 13

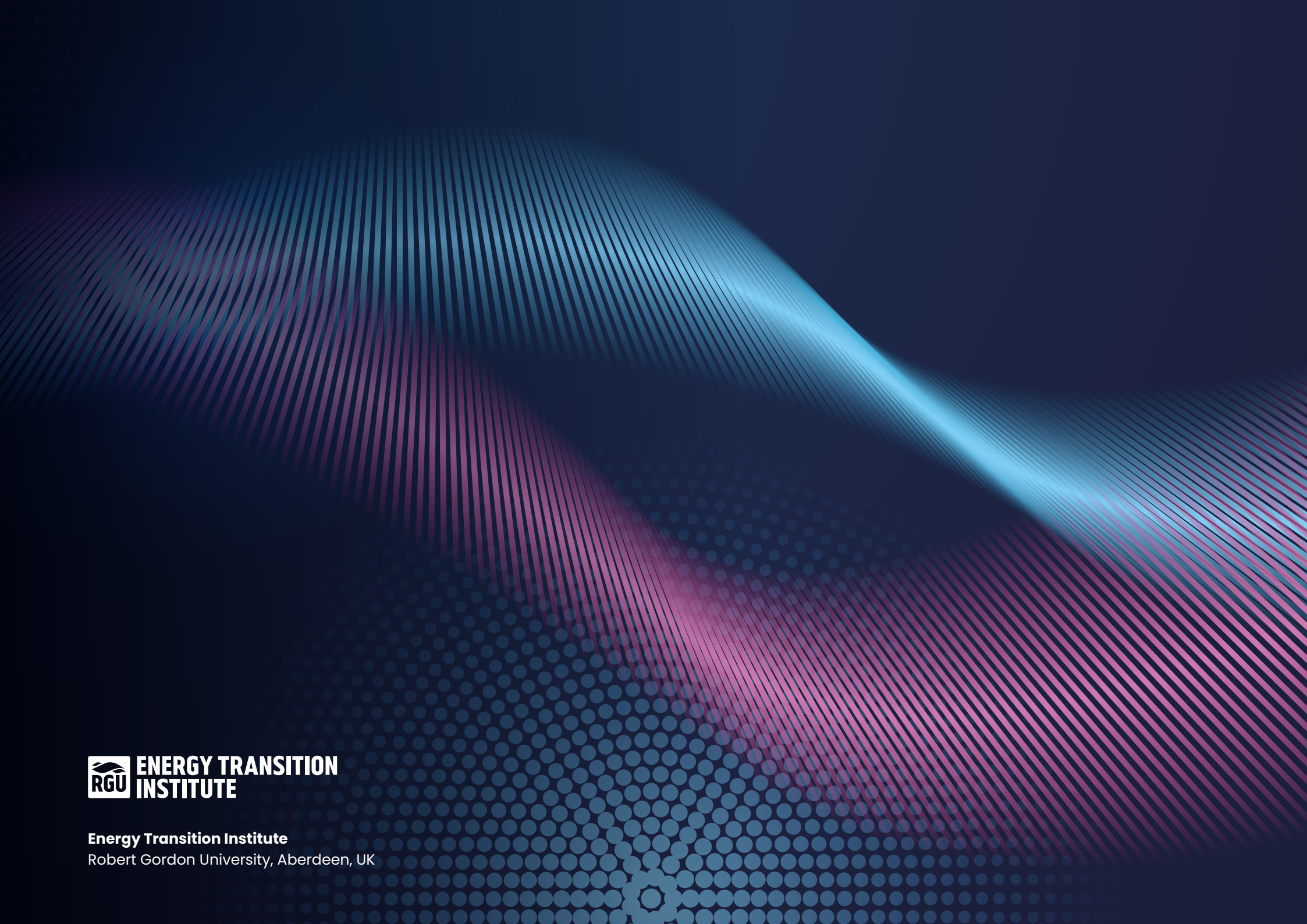
Acknowledgement

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RGU would like to take the opportunity to thank Scottish Enterprise and all organisations/individuals who have contributed to this report. The input is appreciated, and – where possible – the comments and information received are reflected in this report.

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