



## Inverness & Nairn

# Global connections survey 2002

### Introduction

This economic factsheet provides manufacturing and exports results for Inverness & Nairn from the Scottish Global Connections Survey (2002). The survey is the first in a new series being conducted by the Scottish Executive. It provides detailed information for the first time on the value and destination of exports at LEC level and by sector. It was carried out in summer 2003 in order to provide information on the value and destination of exports in 2002. Highlights from the survey are given below, followed by a more in-depth analysis of the results. References to specific companies have been derived from local experts and are not taken from the survey data, which is treated as commercial and in confidence.

### Key export facts

- Total export value from Inverness & Nairn was £191 million, some 18% of total export value from the HIE area (£1,034 million).
- The 3 sectors with the largest export value were manufacture of chemicals & chemical products, manufacture of food & drink and hotels & restaurants. These accounted for 71% of total export value (£136 million).
- Service sector exports accounted for 28% of total export value (£54 million), compared to 24% in the HIE area.
- Exports from large companies accounted for a larger proportion of total export value (72%), than the HIE area as a whole (57%).
- The top 5 exporting destinations by value included; Belgium, Germany, the USA & France.
- The EU represented the majority market for total export value (£119 million).

### Export value by sector

Table 1 shows the top 5 exporting sectors in Inverness & Nairn by export value.

**Table 1 – Export value by sector, 2002**

	Top 5 exporting sectors	Export value (£ million)
1	Manufacture of chemicals & chemical products	136*
2	Manufacture of food & drink	
3	Hotels & restaurants	
4	Manufacture of fabricated metal products	14*
5	Computer & related activities	

\* Values grouped to avoid disclosure of information commercial in confidence.

Table 1 highlights the importance of the manufacturing sector to Inverness & Nairn. The high export value attributed to the manufacture of chemicals & chemical products is likely to be substantially influenced by export value from Lifescan Scotland (formerly Inverness Medical), who manufacture pharmaceutical products. Export value from the manufacture of food & drink is dominated by whisky exports from Tomatin distillery, although other food and drink manufacturing companies like Fionnar Springs (bottling mineral water) and Strathaird (producing fish products) will also contribute. The high export value from the hotels & restaurants sector illustrates the large contribution tourism makes to the local economy. There are companies in the area who own more than one hotel or restaurant, however the majority of hotels and restaurants are small independent businesses. The area also shows it's diversification into the knowledge economy, with the computer & related activities sector one of the top 5 exporting sectors.

## Export value by broad industrial sector

Figure 1 shows the percentage of export value from Inverness & Nairn by broad industrial sector, compared to the Highlands & Islands.

Figure 1 – Export value by broad industry sector, 2002

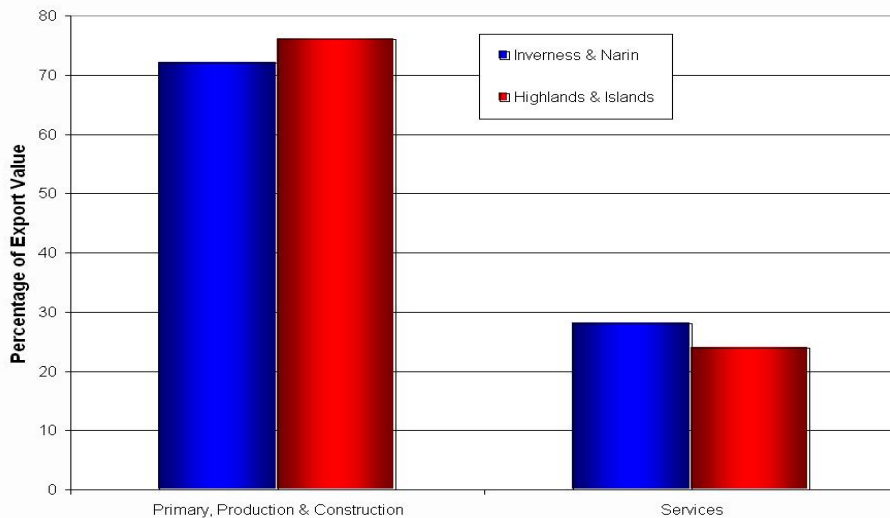


Figure 1 illustrates that the primary, production & construction sectors were responsible for 72% of export value from Inverness & Nairn (£137 million), yet this remains a smaller percentage than export value in this sector from the overall HIE area (76%). These results, showing a smaller proportion of export value from the traditionally strong primary and construction sector, reflect the relatively more advanced nature of the local economy. Thus, there is a larger percentage of export value from the service sector (28%) in Inverness & Nairn, compared to the overall HIE area (24%).

Figure 2 – Broad industry sector export value by destination, 2002

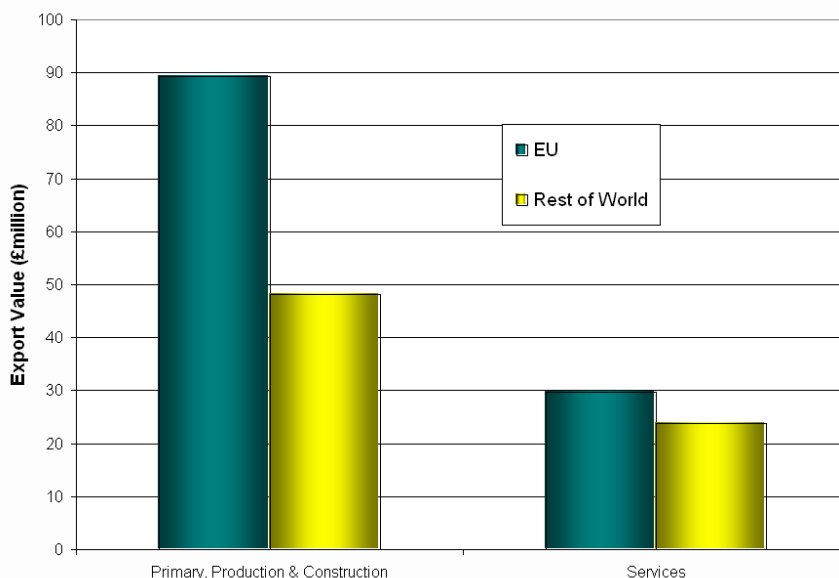


Figure 2 shows that the majority of the value of primary, production & construction sector exports (£89 million) and service exports (£30 million) were destined for the EU. The EU provides a popular destination for food & drink exports from the area.

## Export value by company size

Figure 3 highlights the percentage of total export value from Inverness & Nairn by company size, compared to the Highlands & Islands.

**Figure 3 – Export value by company size, 2002**

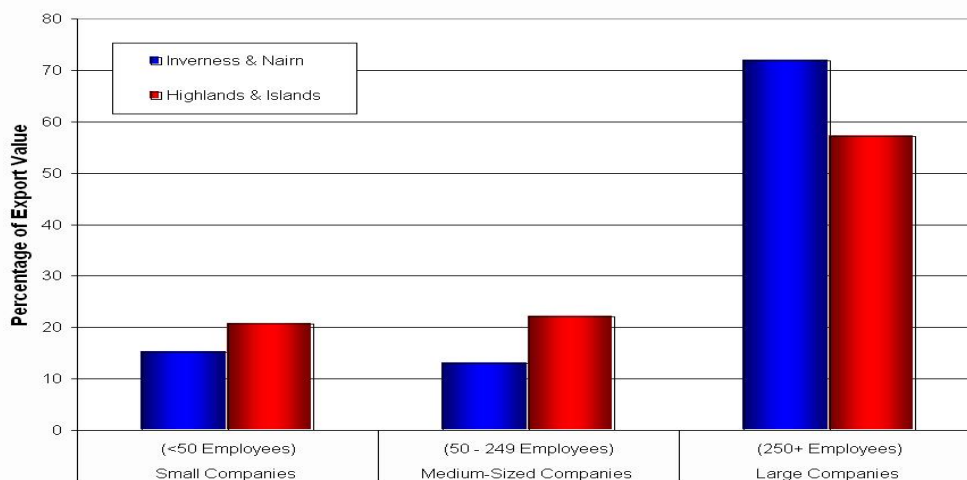


Figure 3 illustrates that large companies were responsible for 72% of export value from Inverness & Nairn (£137 million), significantly more than the total for the HIE area (57%). This includes companies such as Lifescan Scotland (formerly Inverness Medical) and Strathaird. The percentage of export value from small and medium sized companies was lesser in Inverness & Nairn (28%) than the HIE area (43%). These findings highlight the large nature of exporting firms in the Inverness & Nairn economy relative to the HIE area.

## Export value by market destination

Table 2 highlights the value of exports from Inverness & Nairn to the top 5 market destinations.

**Table 2 – Export value by market destination, 2002**

Top 5 destinations	Export value (£ million)
Belgium	28
Germany	22
USA	19
*	*
France	13

\* Value and destination has been suppressed to avoid disclosure of company level information.

Table 2 shows that the majority of export value from Inverness & Nairn was destined for the EU market, with export value to Belgium (£28 million) and Germany (£22 million) together accounting for over a quarter of total exports from the area. This is consistent with Europe providing a strong market for food & drink exports from the area, particularly whisky and fish. The USA also provides a strong market for whisky and pharmaceutical products from Lifescan Scotland (formerly Inverness Medical).

## Summary

The value of exports from Inverness & Nairn was heavily dominated by the primary, construction & production sectors in 2002. This is most likely influenced by manufacturing firms located in the area including Lifescan Scotland (formerly Inverness Medical), Strathaird and Tomatin distillery. The value of exports from large firms was of a greater proportion than in the HIE area. This, together with the higher proportion of export value attributed to the service sector, highlights the developed nature of the local economy. Exports across all sectors were most likely destined for the EU. Overall, Belgium & Germany provided the most valuable export markets for companies.

For further information on anything contained in this factsheet, or general economic enquiries, contact the Strategic Planning & Research Team:

Heather Taylor      Research Assistant  
 Scherie Nicol        Economist  
 Claire McDonald     Senior Economist

[h.taylor@hient.co.uk](mailto:h.taylor@hient.co.uk)  
[scherie.nicol@hient.co.uk](mailto:scherie.nicol@hient.co.uk)  
[claire.mcdonald@hient.co.uk](mailto:claire.mcdonald@hient.co.uk)

01463 244320  
 01463 244258  
 01463 244228