



## Shetland

# Global connections survey 2002

### Introduction

This economic factsheet provides manufacturing and exports results for Shetland 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 Shetland was £84 million, some 8% of total export value from the HIE area (£1,034 million).
- The food & drink manufacturing and fishing sectors accounted for 67% of total export value (£56 million).
- Service sector exports accounted for a larger proportion of total export value (26%), compared to the HIE area (24%).
- Exports from small and medium companies accounted for a larger proportion of total export value (92%), than in the HIE area (43%).
- The top 5 exporting destinations by value were; Nigeria, Russia, Korea, Japan and Spain.
- The majority of the value of service sector exports was destined for the EU (£14 million), whereas the majority of the value of production & construction exports was destined for outside the EU (£49 million).

### Export value by sector

Table 1 shows the top 4 exporting sectors in Shetland by export value.

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

|   | Top 4 exporting sectors                                        | Export value (£ million) |
|---|----------------------------------------------------------------|--------------------------|
| 1 | Manufacture of food & drink                                    | 56*                      |
| 2 | Fishing, fish farming & incidental services                    |                          |
| 3 | Wholesale & commission trade                                   | 6                        |
| 4 | Hotels & restaurants                                           | 4                        |
| 5 | Supporting transport activities; activities of travel agencies | 4                        |

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

Table 1 highlights the importance of the food & drink manufacturing industry and fishing activities which accounted for 67% (£56 million) of export value in Shetland. Key exporting companies include Shetland Catch, Lerwick Fish Trader, Scottish Seafarms and Saga Seafoods. The value of wholesale & commission trade exports was £6 million. Tourism related industries in the area were also associated with high export value with £4 million attributed to hotels & restaurants, a sector dominated by small independent businesses. The transport & travel sector accounted for £4 million export value. This is influenced by the handling of oil related cargo at Sullum Voe.

## Export value by broad industrial sector

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

**Figure 1 – Export value by broad industry sector, 2002**

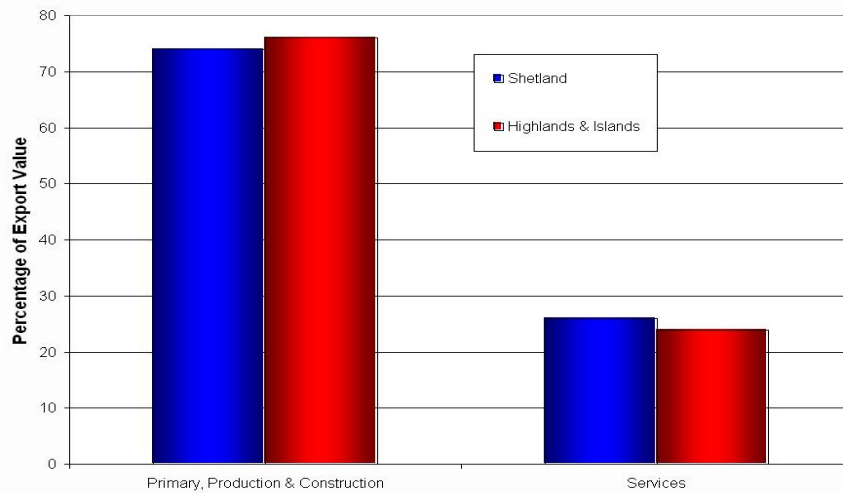


Figure 1 illustrates that the primary, production and construction sector was responsible for 74% of export value from Shetland (£62 million), yet this remains a slightly smaller percentage than from the overall HIE area (76%). The value of exports from this sector is heavily influenced by food & drink and fishing export activity. There was a slightly larger percentage of export value from the service sector (26%) compared to the overall HIE area (24%).

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

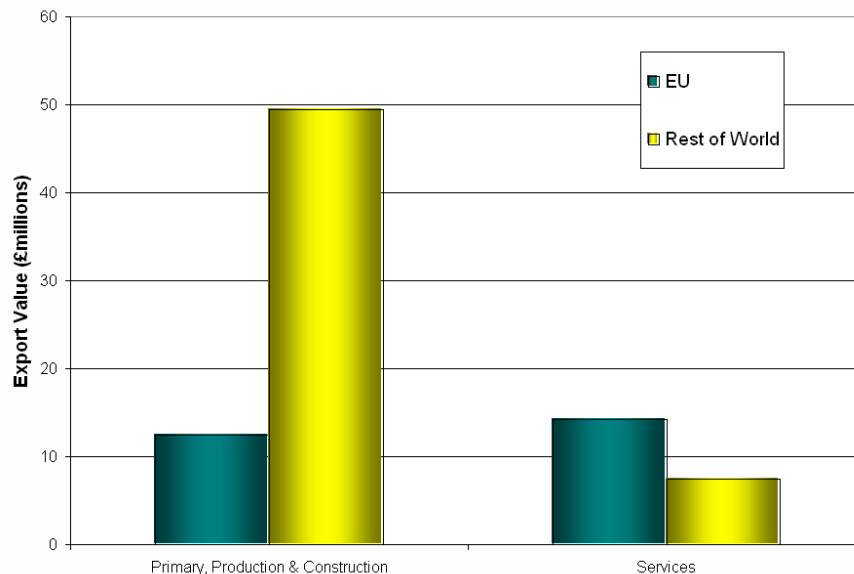


Figure 2 shows that the majority of export value from the primary, production & construction sectors was destined for markets outside the EU (£49 million). This reflects the global demand for manufactured food & drink and fishing products from the area. The majority export value from the service sector (£14 million) was destined for the EU market.

## Export value by company size

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

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

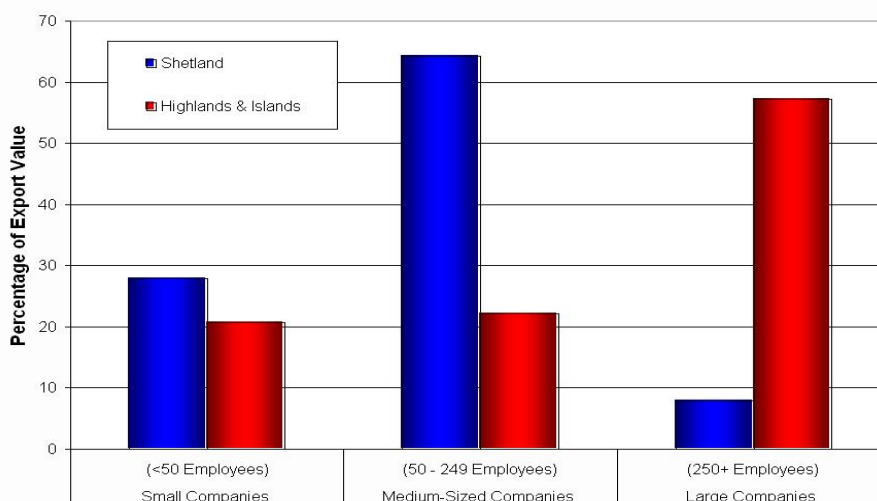


Figure 3 illustrates that medium companies were responsible for 64% of export value from Shetland (£54 million), significantly more than the percentage of export value from medium companies in the HIE area (22%). Medium sized exporting companies in Shetland include Shetland Catch, Lerwick Fish Trader, Scottish Seafarms and Saga Seafoods. The percentage of export value from small companies (27%) was also larger than that in the HIE area (21%). The percentage of export value from large companies (8%) was lower than the HIE area (57%). This highlights the dominance of small and medium firms from Shetland engaged in exporting activity relative to the HIE area.

### Export value by market destination

Table 2 highlights the value of exports from Shetland to the top 5 market destinations.

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

| Top 5 Destinations | Export value (£ million) |
|--------------------|--------------------------|
| Nigeria            | *                        |
| Russia             | *                        |
| Korea              | *                        |
| Japan              | *                        |
| Spain              | 6                        |

\* Value has been suppressed to prevent disclosure of company level information.

Table 2 shows that the most valuable export markets were outside the EU, including Nigeria, Russia, Korea and Japan. The demand for exports in these destinations is largely influenced by the market for fish and processed fish from Shetland, as are exports to Spain (£6 million), which accounted for 7% of total exports from the area.

### Summary

The value of exports from Shetland in 2002 was heavily influenced by a narrow range of sectors including food & drink and fishing. In line with the dominance of small and medium firms in these sectors, the value of exports from these firms was of a greater proportion than in the HIE area. While the value of service sector exports from the area was most likely destined for the EU, the value of primary, production & construction exports had a more global market. Overall, countries outside the EU provided the most valuable export markets for companies in the area.

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

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