



Skye & Lochalsh

Global connections survey 2002

Introduction

This economic factsheet provides manufacturing and exports results for Skye & Lochalsh 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 Skye & Lochalsh was £19 million, some 2% of total export value from the HIE area (£1,034 million).
- The food & drink manufacturing and fishing sectors accounted for 58% of total export value (£11 million).
- Service sector exports accounted for 42% of total export value (£8 million), compared to 24% in the HIE area.
- Exports from small companies accounted for a larger proportion of total export value (63%) than in the HIE area (21%).
- The top 5 exporting destinations by value were; Spain, France, Germany, the USA and Italy.
- The majority of export value was destined for the EU (£8 million from the primary, production & construction sector and £5 million from the service sector).

Export value by sector

Table 1 shows the top exporting sectors in Skye & Lochalsh by export value.

Table 1 – Export value by sector, 2002

	Top exporting sectors	Export value (£ million)
1	Manufacture of food & drink	11*
3	Fishing, fish farming & incidental services	
2	Hotels & restaurants	4
4	Other service activities	2*
5	Research & development	

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

Table 1 highlights the importance of the food & drink manufacturing and fishing industries to Skye & Lochalsh, which accounted for £11 million of export value. Key drink manufacturers include Talisker Distillery, The Isle of Skye Brewery and The Gaelic Whiskies. The export value attributed to the fishing sector is dominated by shellfish exports, particularly prawns. The contribution of tourism related industries to the area was also reflected in the high export value attributed to hotels & restaurants (£4 million), with the majority of hotels and restaurants in the area being small independent businesses. Other service activities and research & development accounted for £2 million of export value. This may include export value from companies such as Columba 1400 (delivering leadership development) and Sabhal Mòr Ostaig Gaelic College (delivering international research).

Export value by broad industrial sector

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

Figure 1 – Export value by broad industry sector, 2002

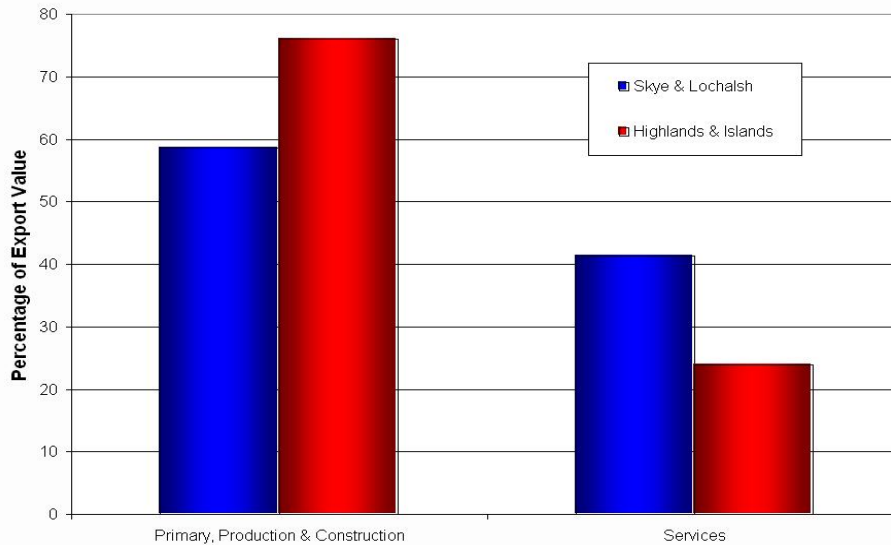


Figure 1 illustrates that the primary, production & construction sector was responsible for 58% of export value from Skye & Lochalsh (£11 million), yet this remains a smaller percentage than export value from this sector in the overall HIE area (76%). The value of exports from this sector is predominantly influenced by whisky and shellfish exports. There was a larger percentage of export value from the service sector (42%), compared to the overall HIE area (24%).

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

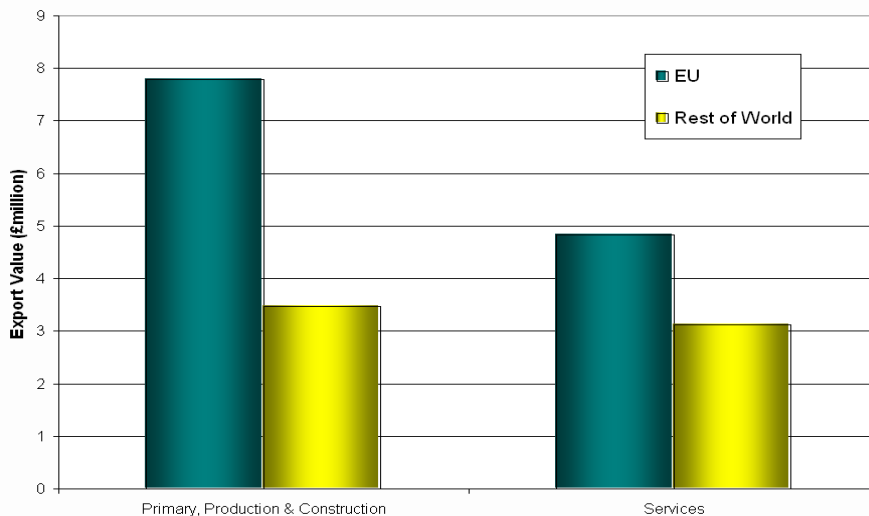


Figure 2 shows that the majority of the value of exports from Skye & Lochalsh was destined for the EU market. Looking at the broad sectors, £8 million worth of primary, production & construction sector exports was destined for the EU. This reflects the strong demand for food and drink produce in the EU. In the service sector, £5 million worth of exports were destined for the EU. With hotels and restaurants a key service export, this highlights the large proportion of tourists from the EU.

Export value by company size

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

Figure 3 – Export value by company size, 2002

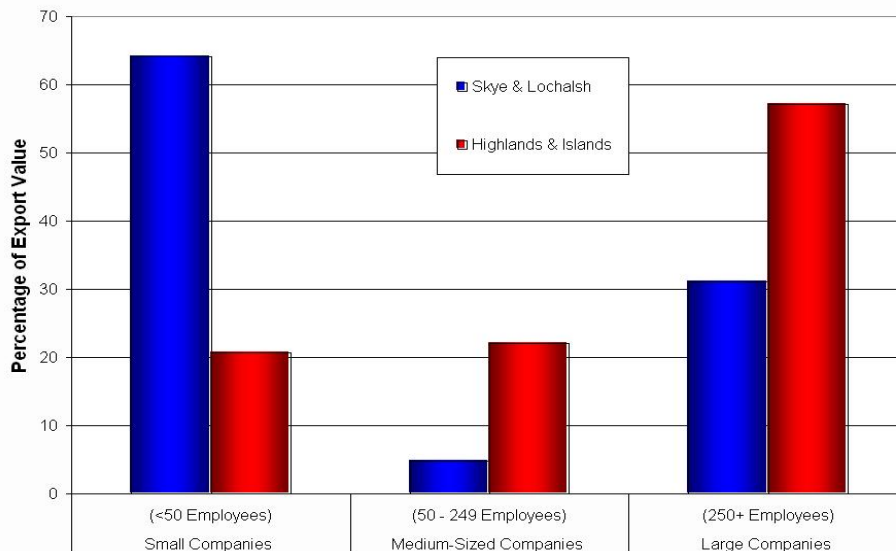


Figure 3 illustrates that small companies were responsible for 63% of export value from Skye & Lochalsh (£12 million), larger than the percentage of export value from small companies in the HIE area (21%). This highlights the dominance of small firms in exporting activities in Skye & Lochalsh. In particular, the food & drink, fishing and hotels & restaurants sectors in Skye & Lochalsh, strong exporting sectors, are dominated by small firms. The percentage of export value from large companies (32%) was smaller than the HIE area (57%).

Export value by market destination

Table 2 highlights the value of exports from Skye & Lochalsh to the top 5 market destinations.

Table 2 – Export value by market destination, 2002

Top 5 Destinations	Export value (£ million)
Spain	4
France	3
Germany	2
USA	2
Italy	1

Table 2 shows that the majority of export value from Skye & Lochalsh was destined for the EU market, with exports to Spain (£4 million), France (£3 million) and Germany (£2 million) together accounting for 47% of total exports from the area. These are countries which tend to have substantial demand for Scottish food & drink products, in particular whisky and fish, and also have strong tourism links.

Summary

The value of exports from Skye & Lochalsh in 2002 was heavily influenced by a narrow range of sectors including food & drink and fishing. In line with the dominance of small firms in these sectors, small companies dominated exporting value from the area. Export value across all sectors in the area was most likely destined for the EU. Overall Spain, France and Germany 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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