

# Orkney Economic Review 2015 / 2016



This document aims to bring together and review the latest data available on the Orkney economy and statistics and information which might influence the economy. The majority of the statistics come from published sources, which are credited below each table.

Whilst it is the purpose to present up-to-date information, in a few cases, where current data was not available at the time of publication, more dated figures are shown.

Every care has been taken in the completion of this review. However, the publisher cannot accept responsibility for any errors or omissions. It should be noted that small local sample sizes can lead to some rounding of figures, and that some figures previously published in this review have been revised in light of the availability of updated statistics and research.

If you have any suggestions for subject areas which could be included in future Orkney Economic Reviews, please forward them to:  
[economic.development@orkney.gov.uk](mailto:economic.development@orkney.gov.uk).

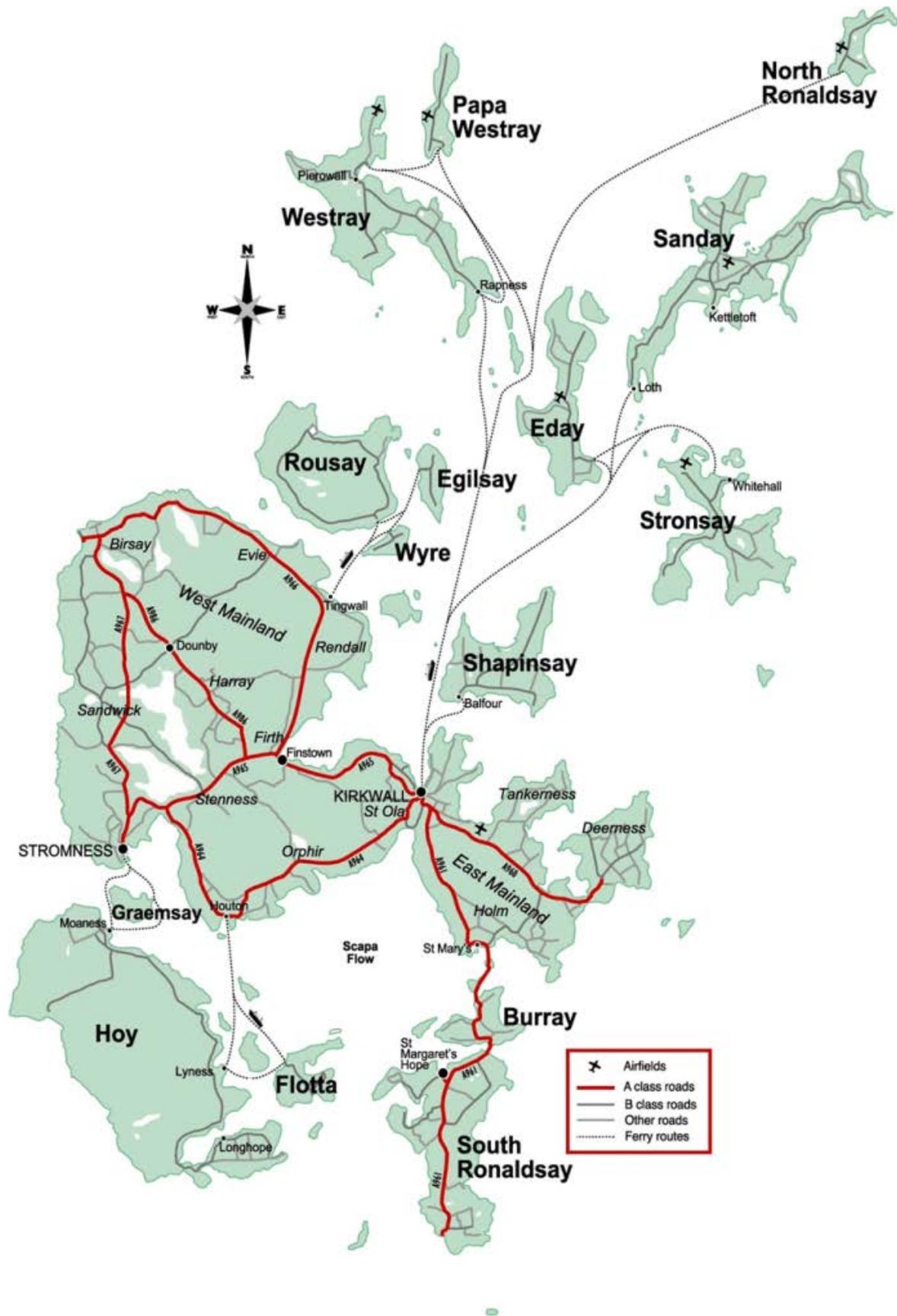
Please note: The Western Isles are referred to throughout as 'Eilean Siar'.

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# Map of Orkney and Internal Transport Routes



## Orkney Internal Transport

An internal ferry service operates to the following islands of Orkney:

- North Ronaldsay.
- Papa Westray.
- Westray.
- Sanday.
- Eday.
- Stronsay.
- Rousay.
- Egilsay.
- Wyre.
- Shapinsay.
- Hoy.
- Flotta.
- Graemsay.

For more information contact: <http://www.orkneyferries.co.uk/>.

The following Orkney Islands can also be reached by plane from Kirkwall Airport:

- North Ronaldsay.
- Papa Westray.
- Westray.
- Sanday.
- Eday.
- Stronsay.

For more information contact: <https://www.loganair.co.uk/>.

## UK Mainland Transport



### Air Travel

Loganair operate a flight service from Orkney to various Scottish airports and onward to other UK and International airports:

- Kirkwall to Edinburgh.
- Kirkwall to Glasgow.
- Kirkwall to Aberdeen.
- Kirkwall to Inverness.
- Kirkwall to Shetland.

For more information contact: <https://www.loganair.co.uk/> and <https://www.flybe.com/>.

### Sea Travel

There are three harbours in Orkney from which the mainland ferry services operate:

- Stromness (Stromness Pier).
- Kirkwall (Hatston Pier).
- St Margaret's Hope.

Northlink Ferries operate the ferry service between Scrabster (Thurso) to Stromness Pier (Stromness) and between Aberdeen, Kirkwall and Shetland. Pentland Ferries

operate the ferry service between Gills Bay and St Margaret's Hope. There is also a ferry service between John O' Groats and Burwick for foot passengers, which operates in summer only.

For more information contact: <http://www.northlinkferries.co.uk>,  
<http://www.pentlandferries.co.uk/> and <http://www.jogferry.co.uk/Home.aspx>.

# 1. Weather

As an archipelago so dependent on economic activity related to agriculture, fishing and tourism, the weather in Orkney can be very influential both in terms of productivity and reputation.

Orkney's climate is heavily influenced by the sea, in particular the Gulf Stream and is a marine west coast climate which is mild and cool with no dry season and warm summers. Mild winters can occur which by nature bring on heavy precipitation.

## Climate Statistics

As data from the Meteorological Office (taken at Kirkwall Airport) is no longer available, 2015 data and the 15-year averages are provided from the Loch of Hundland climate station, privately operated by Mr Keith Johnson.

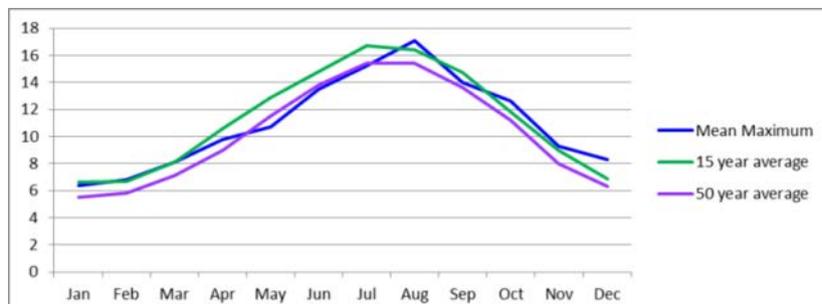
## Temperature

	Mean maximum temperature (degrees Celsius)			Mean minimum temperature (degrees Celsius)		
	2015	15 year average	50 year average	2015	15 year average	50 year average
<b>January</b>	6.4.	6.6.	5.5.	1.8.	1.8.	2.0.
<b>February</b>	6.8.	6.7.	5.8.	3.0.	1.4.	1.7.
<b>March</b>	8.1.	8.1.	7.1.	2.6.	2.3.	2.3.
<b>April</b>	9.8.	10.6.	9.0.	3.4.	3.8.	3.3.
<b>May</b>	10.7.	12.9.	11.5.	4.7.	5.6.	5.5.
<b>June</b>	13.5.	14.8.	13.8.	7.9.	8.1.	7.8.
<b>July</b>	15.2.	16.7.	15.4.	8.4.	10.1.	9.9.
<b>August</b>	17.1.	16.4.	15.4.	10.4.	10.1.	9.9.
<b>September</b>	14.0.	14.7.	13.6.	8.8.	8.8.	8.6.
<b>October</b>	12.6.	11.8.	11.2.	7.7.	6.4.	6.8.
<b>November</b>	9.3.	9.0.	8.0.	4.7.	3.9.	4.1.
<b>December</b>	8.3.	6.9.	6.3.	3.3.	1.6.	2.7.
<b>Average</b>	<b>10.98.</b>	<b>11.26.</b>	<b>10.21</b>	<b>5.55.</b>	<b>5.32.</b>	<b>5.38.</b>

Sources: Loch of Hundland climate station and Kirkwall Airport data.

The summer of 2015 was generally cooler than previous averages, although the warmest month was recorded in August at an average maximum of 17.1% which was higher than previous averages.

### Mean maximum temperature

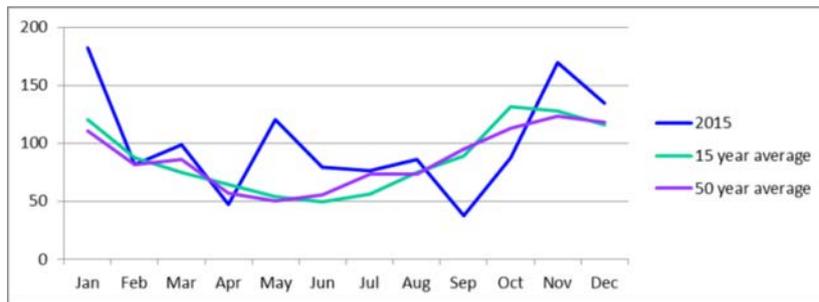


### Rainfall and sunshine hours

	Rain (mm)			Sun (hours)		
	2015	15 year average	50 year average	2015	15 year average	50 year average
<b>January</b>	182.0.	120.0.	110.5.	16.5.	32.4.	29.3.
<b>February</b>	81.5.	87.3.	81.7.	31.6.	64.2.	61.0.
<b>March</b>	98.9.	74.6.	86.1.	119.6.	105.9.	96.0.
<b>April</b>	47.1.	64.1.	57.0.	153.8.	149.9.	141.4.
<b>May</b>	120.1.	54.2.	50.2.	150.3.	203.8.	169.7.
<b>June</b>	79.0.	49.6.	55.8.	122.7.	150.4.	156.6.
<b>July</b>	76.6.	56.3.	73.4.	142.1.	138.0.	131.0.
<b>August</b>	85.7.	74.8.	73.4.	143.5.	132.1.	131.0.
<b>September</b>	37.3.	89.2.	95.2.	84.8.	99.0.	104.4.
<b>October</b>	87.3.	131.6.	112.5.	51.6.	77.2.	74.4.
<b>November</b>	169.4.	127.4.	123.0.	23.8.	38.2.	39.2.
<b>December</b>	134.6.	116.0.	118.4.	28.7.	23.0.	22.6.
<b>Average</b>	<b>99.95.</b>	<b>87.09.</b>	<b>86.43.</b>	<b>89.08.</b>	<b>101.75.</b>	<b>96.38.</b>

Sources: Loch of Hundland climate station and Kirkwall Airport data.

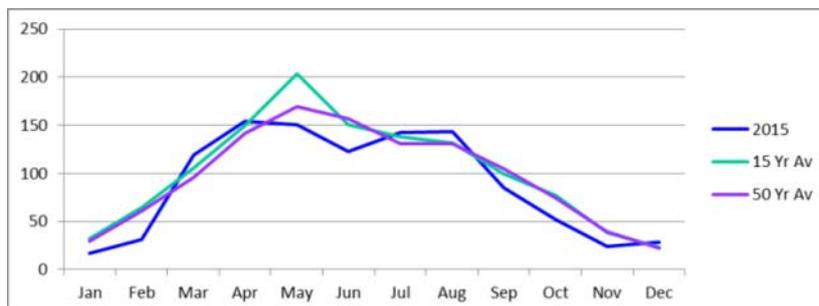
## Rainfall (mm)



Rainfall levels in 2015 were sporadic with exceptionally high and low levels of rainfall recorded during the year. The average rainfall levels in January, May and November stand out as being much higher than the previous average years. Mays rainfall stood at an exceptional level of 120.1mm. This was the wettest on record since 1841 except for 1931 (120.5mm).

September 2015 recorded a significantly drier than normal month with rainfall at 37.3mm. This was over half as much rain as the average recorded levels for September over the past 15 years. Generally Orkney winter months are wet, and the line graph above illustrates this.

## Sunshine (Hours)



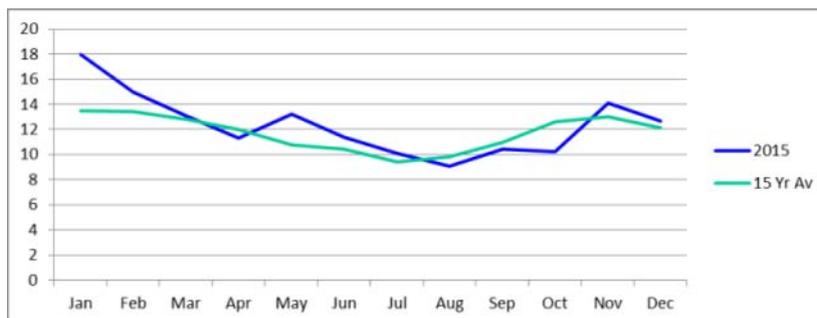
The autumn and winter of 2015 recorded much lower levels of sunshine hours than previous years averages.

However, April 2015 recorded the highest level of sunshine hours at 153.8 hours; this was above average levels.

## Wind speed

	Average wind speed (K)		Dominant wind direction
	2015	15 year average	
<b>January</b>	18.0	13.5	WSW.
<b>February</b>	15.0	13.4	SSW.
<b>March</b>	13.1	12.8	SE.
<b>April</b>	11.3	12.0	SW.
<b>May</b>	13.2	10.8	SW.
<b>June</b>	11.4	10.4	SW.
<b>July</b>	10.1	9.4	ESE.
<b>August</b>	9.1	9.8	SE.
<b>September</b>	10.4	11.0	SE.
<b>October</b>	10.2	12.6	SSE.
<b>November</b>	14.1	13.0	W.
<b>December</b>	12.7	12.1	SSE.

Sources: Loch of Hundland climate station.



Wind is a key feature of the climate. In summer there are almost constant breezes and winter there are frequent strong winds. The general trend in the first half of 2015 was higher than average wind speeds, followed by lower than average during the autumn months.

## 2. Population

### General Population

The National Records of Scotland records Orkney's population in 2015 as 21670. This is an increase of 0.4% from 21580 in 2014. Orkney's population accounts for 0.4% of the total population of Scotland.

#### Estimated population of Orkney, by age group in 2015

Age group	Male population	Female population	Total population	% of total population
0-15.	1796.	1693.	3489.	16.1.
16-29.	1706.	1530.	3236.	14.9.
30-44.	1683.	1874.	3557.	16.4.
45-59.	2563.	2489.	5052.	23.3.
60-74.	2100.	2139.	4239.	19.6.
75 and over.	937.	1160.	2097.	9.7.
All ages.	10785.	10885.	21670.	100.0.

In Orkney, 14.9% of the population are aged 16 to 29 years. This is smaller than Scotland where 18.2% are aged 16 to 29 years. Persons aged 60 and over make up 29.2% of Orkney's population, significantly higher than Scotland where 24.2 % are in that group.

### Births, Deaths and Migration

Between 2014 and 2015, Orkney experienced a 5.5% increase in the number of births, rising from 181 in 2014 to 191 in 2015. The number of births in Scotland fell by 2.9%.

The number of deaths in Orkney increased from 205 in 2014 to 222 in 2015.

In 2015, Orkney's population natural growth rate (births minus deaths) remained negative.

Between 2013 and 2015, on average there was an estimated net inflow of 83 people into Orkney per year, meaning that more people entered Orkney than left. The 16 to 29 year olds age group accounted for the largest group of in-migrants; however this age group also represented the largest out-migration.

## Orkney population change 2000 - 2014

	<b>Births</b>	<b>Deaths</b>	<b>Natural growth</b>	<b>Estimated migration (net)</b>	<b>Estimated population</b>
2000.	152.	195.	-43.	-63.	19290.
2002.	164.	211.	-47.	24.	19210.
2004.	171.	217.	-46.	247.	19500.
2006.	213.	231.	-18.	194.	19770.
2008.	214.	225.	-11.	78.	19890.
2010.	197.	213.	-16.	152.	20110.
2012.	201.	216.	-15.	107.	21530.
2013.	201.	242.	-41.	100.	21570.
2014.	181.	205.	-24.	68.	21580.
2015.	191.	222.	-31.	83.	21670.

Sources: National Records of Scotland/ Vital Events/ Births Time Series Data/ Table BT 4 and National Records of Scotland factsheet.

Note: Population and migration figures post 2001 Census are estimates. Figures for 2000 to 2008 are 'as at' 30 June. Figures for 2010 and 2012 are based on the calendar year. Only biennial figures are shown during that period, so the trends do not tally with the changes in population.

Population information for Scotland's islands from the 2011 Census was released during August 2013 and is detailed in the table below.

	<b>2001</b>	<b>2011</b>	<b>Population change 2001 to 2011</b>	<b>% change 2001 to 2011</b>
Orkney.	19245.	21349.	2104.	10.9.
Shetland.	21988.	23167.	1179.	5.3.
Eilean Siar.	26502.	27684.	1182.	4.5.

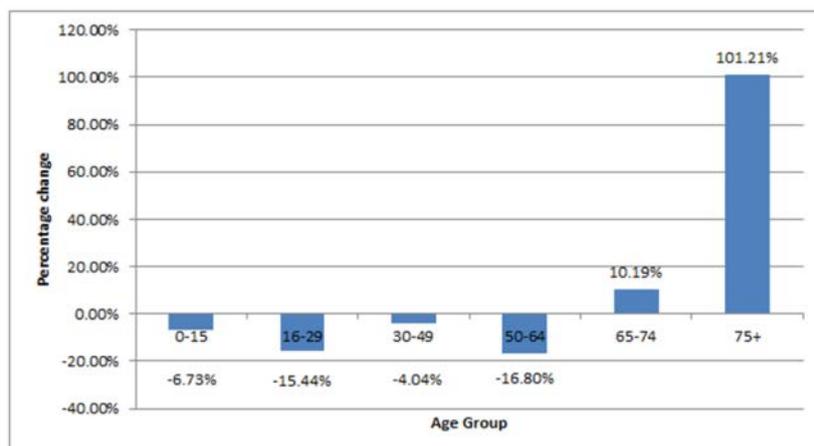
The 2011 Census identified changes to the Orkney demographic, as shown in the table below.

Age	2001 population	% of total 2001 area population	2011 population	% of total 2011 area population	% change 2001 to 2011
5 – 14.	2600.	13.4.	2200.	10.3.	-14.7.
15 – 39.	5700.	29.9.	5800.	27.0.	0.3.
40 – 64.	6700.	34.8.	8000.	37.7.	20.0.
65 and over.	3200.	16.7.	4200.	19.8.	31.1.

These trends can be compared with those for Scotland as a whole.

Age	% change 2001 to 2011 Orkney	% change 2001 to 2011 Scotland
5 – 14.	-14.7.	-10.9.
15 – 39.	0.3.	-1.8.
40 – 64.	20.0.	14.4.
65 and over.	31.1.	10.6.

### Projected percentage change in population 2014 – 2039 (2014 based) by age structure



Sources: National Records of Scotland.

It is predicted the population of Orkney was to increase by 2.4% to 22,098 by 2039.

Over the 25 year period the trend is towards an increasingly ageing population in Orkney, with the age group 75 and over projected to show the greatest increase.

The population of the younger age groups is projected to decline over the same period.

Projections are largely based on past trends and although they will reflect past policy and economic impacts, they do not take into account future changes that may occur as a result of policy initiatives at a local or national level. They also do not take into account of any future effects due to the recent vote for the UK to leave the European Union.

## Households and Dwellings

National Records of Scotland reports that the estimate of the number of households in Orkney in 2015 was 10146. This is a 1% increase in the 2014 figure of 10042, compared to a 0.6% increase in Scotland as a whole. The proportion of these households receiving a single adult Council Tax discount is 32.4%.

With regard to the dwellings in Orkney, 90% are occupied, 7% are vacant and 4% are second homes. The proportions of dwellings in Scotland which are vacant and second homes are 3.1% and 1.1% respectively.

The 2015 estimate of the number of dwellings in Orkney is 10924; this is an increase of 1% from 2014.

## Household Projections

The total number of households in Orkney is projected to change from 9859 in 2012 to 11534 at 2037, an increase of 17%. Within that number, the number of lone adult households is projected to increase by 39%, and the number of larger households in Orkney is projected to fall, with the number of households of 2 or more adults with children decreasing by 15% over the 25 year period.

Households headed by 75 and over age group re projected to more than double in number between years 2012 and 2037.

Household by age of head of household	Base-year (2012)	Projected number of households (2037)	% change in Orkney Islands 2012 – 2037
16 – 29.	987.	1021.	3.
30 – 44.	2042.	2220.	9.
45 – 59.	2867.	2696.	-6.
60 – 74.	2580.	2581.	0.
75 and over.	1383.	3017.	118.

## **Orkney Area Profile and Kirkwall Profile 2014**

Highlands and Islands Enterprise (HIE) has produced a suite of Area and Settlement profiles including for both Orkney and Kirkwall.

HIE have utilised demographic data from the Census, augmented with other secondary sources to help understand the workings of the regional economy of the Highlands and Islands and its constituent local economies.

The Orkney and Kirkwall profiles both use the 2011 Census data to present an up-to-date analysis of its population and labour market. To help contextualise the 2011 findings, the area profile includes corresponding figures were available for the Highlands and Islands area and Scotland as a whole, and the 2001 Census, to show how Orkney has changed over the last 10 years.

The main structure headings are:

- Population.
- Labour Market.
- Education and qualifications.
- Health and wellbeing.
- Ethnicity and migration.

The documents can be found at <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/area-and-settlement-profiles-2014.html>.

### 3. Economic Activity

The percentage of the Orkney population who are economically active, in other words, either in employment or actively seeking employment, tends to be consistently higher than both the Scotland and Great Britain averages.

#### Economically active as % of (estimated) working age population (16 – 64)

Year	Orkney (%)	Scotland (%)	Great Britain (%)
2006.	81.8.	77.8.	76.7.
2007.	86.0.	77.5.	76.5.
2008.	83.7.	77.4.	76.7.
2009.	87.6.	77.4.	76.7.
2010.	81.5.	77.0.	76.2.
2011.	84.2.	77.0.	76.3.
2012.	85.9.	76.9.	76.9.
2013.	82.7.	76.9.	77.2.
2014.	91.7.	77.5.	77.3.
2015.	89.0.	77.7.	77.8.
<b>Average</b>	<b>85.41.</b>	<b>77.31.</b>	<b>76.83.</b>

Source: Office of National Statistics.

Orkney's active percentage is much more variable than the national statistics owing to the lower numbers involved but at its lowest is significantly above average.

The following information from the 2011 Census was published in November 2013.

#### Economically active people aged 16 to 74 by Council area, Scotland, 2011 (%)

2011	Part-time employee	Full-time employee	Self-employed	Un-employed	Full-time student
<b>Orkney.</b>	<b>16.5.</b>	<b>37.5.</b>	<b>15.2.</b>	<b>2.4.</b>	<b>2.0.</b>
Shetland.	17.4.	47.6.	9.0.	2.0.	2.0.
Eilean Siar.	15.2.	39.4.	10.1.	4.2.	1.8.
Highland.	15.2.	39.5.	11.0.	4.0.	1.9.
Argyll and Bute.	14.0.	36.8.	12.1.	4.1.	1.8.
Scotland.	13.3.	39.6.	7.5.	4.8.	3.7.

Source: 2011 Census.

Although the Census data is older than the most recent information published by the Scottish Government (<http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables>), it is likely to be more reliable to the larger scale of survey involved, with the Census covering every household in the United Kingdom.

It should also be noted that the Office for National Statistics' data covers an age range of 16 to 64 years, whereas the 2011 Census covers from 16 to 74 years.

The following information from the 2011 Census was published in November 2013.

### Employee jobs by industry

	Orkney	Shetland	Scotland
All persons aged 16 – 74 in employment.	11319.	12961.	2516895.
<b>Industry</b>	<b>%</b>	<b>%</b>	<b>%</b>
Agriculture, forestry and fishing.	10.0.	6.0.	1.7.
Mining and quarrying.	1.6.	1.6.	1.7.
Manufacturing.	5.1.	6.3.	8.0.
Electricity, gas, steam and air conditioning supply.	0.5.	0.8.	0.8.
Water supply, sewage, waste management and remediation activities.	0.7.	0.8.	0.8.
Construction.	10.9.	11.0.	8.0.
Wholesale and retail trade, repair of motor vehicles and motorcycles.	13.0.	12.1.	15.0.
Transport and storage.	9.1.	10.1.	5.0.
Accommodation and food service activities.	6.4.	5.5.	6.3.
Information and communication.	1.1.	1.1.	2.7.

Financial and insurance activities.	1.0.	0.7.	4.5.
Real estate activities.	0.6.	0.6.	1.2.
Professional scientific and technical activities.	4.5.	3.5.	5.2.
Administrative and support service activities.	2.7.	3.2.	4.3.
Public administration and defence, compulsory social security.	5.4.	6.6.	7.0.
Education.	8.2.	9.6.	8.4.
Human health and social work activities.	14.8.	15.9.	15.0.
Other.	4.2.	4.6.	4.9.

Source: Scotland Census 2011.

The 2011 census figures illustrate that the industries with highest employment percentages in Orkney, Shetland and Scotland were 'Human health and social work activities' followed by 'Wholesale and Retail trade, repair of motor vehicles and motorcycles' and 'Construction'. 'Agriculture, forestry and fishing' was the next highest industry employer in Orkney.

The following information from the 2011 Census was published in November 2013.

#### **All persons 16 to 74 in employment**

	<b>Orkney</b>	<b>Shetland</b>	<b>Scotland</b>
All persons 16 to 74 in employment.	11319.	12961.	2516895.
<b>Occupation</b>	<b>%</b>	<b>%</b>	<b>%</b>
Managers, directors and senior officials.	8.1.	7.1.	8.4.
Professional occupations.	12.7.	13.1.	16.8.

Associate professional and technical occupations.	9.4.	10.4.	12.6.
Administrative and secretarial occupations.	8.7.	9.4.	11.4.
Skilled trades occupations.	22.4.	19.5.	12.5.
Caring, leisure and other service occupations.	10.8.	13.0.	9.7.
Sales and customer service occupations.	6.8.	5.9.	9.3.
Process, plant and machine operatives.	7.9.	9.7.	7.7.
Elementary occupations.	13.2.	11.8.	11.6.

Source: Scotland Census 2011.

The main occupation of 'persons in employment 16 to 74' in Orkney and Shetland were 'Skilled trades occupations'. This is also reflected in the levels of employment in Industries such as 'Construction' and 'Wholesale and retail trade, repair of motor vehicles and motorcycles' in Orkney. Self-employment is also more prevalent in Orkney than in the rest of Great Britain.

### Self-employment – regional comparison

	Orkney		Scotland	Great Britain
	Count	%	%	%
Self-employment 2010.	1800.	16.0.	10.9.	9.1.
Self-employment 2011.	1900.	17.1.	11.5.	9.2.
Self-employment at Dec 2012.	1900.	17.3.	12.2.	9.6.
Self-employment at	2300.	20.0.	11.5.	9.7.

Dec 2013.				
Self-employment at Dec 2014.	2300.	17.8.	11.8.	10.
Self-employment at Dec 2015.	2100.	17.5.	11.8.	10.2.

Source: Orkney and Scotland data – Scottish Government. Great Britain – Office for National Statistics, Annual Population Survey.

## Workforce Qualifications

In terms of accredited skills and education at a higher level National Vocational Qualification (NVQ) 4 and above, figures suggest that the Orkney working-age population lags behind that of Scotland and that of the aggregated Great Britain labour pool.

However the number of qualifications gained within the Orkney working-age population on NVQ3 and above and NVQ2 and above has increased from 5700 and 9600 respectively since 2014.

### Qualifications – people aged 16 to 64, January to December 2015

	Orkney		Scotland	Great Britain
	Number	%	%	%
NVQ4 and above.	4100.	31.3.	42.5.	37.1.
NVQ3 and above.	6700.	51.2.	61.5.	57.4.
NVQ2 and above.	10400.	79.4.	75.9.	73.6.
NVQ1 and above.	11500.	87.6.	85.1.	84.9.
Other qualifications.	900.	6.9.	5.9.	6.5.
No qualifications.	#.	#.	9.0.	8.6.

Source: Office for National Statistics, Annual Population Survey.

Notes: NVQ is known as Scottish Vocational Qualification (SVQ) in Scotland.

In vocational terms NVQ4 indicates management skills; and in academic terms, NVQ4 or above indicates HND or above (Scottish Credit and Qualifications Framework level 8 and above).

# indicates sample size is too small for reliable estimate.

### Highest Level of Qualification of People aged 16 and over by Council area, Scotland, 2011 (%)

2011	No qualifications	Census level 1	Census level 2	Census level 3	Census level 4
<b>Orkney.</b>	<b>28.2.</b>	<b>22.5.</b>	<b>14.7.</b>	<b>8.1.</b>	<b>26.5.</b>
Shetland.	23.7.	26.3.	14.4.	9.0.	26.6.
Eilean Siar.	30.0.	20.6.	13.7.	9.3.	26.4.
Highland.	25.5.	24.5.	14.4.	9.2.	26.4.
Argyll and Bute.	24.7.	22.8.	14.8.	8.8.	28.9.
Scotland.	26.8.	23.1.	14.3.	9.7.	26.1.

Source: 2011 Census, published in November 2013.

Notes:

- Census level 1 qualifications are at a Standard Grade / SVQ 1 or 2 equivalency.
- Census level 2 qualifications are at a Higher Grade / SVQ 3 equivalency.
- Census level 3 qualifications are at a HNC / HND / SVQ 4 equivalency.
- Census level 4 qualifications are at Degree / SVQ 5 and above.

It is unfortunate that the data sets used by the Office for National Statistics and the 2011 Census are not directly comparable, but the Census information indicates that Orkney is slightly above the Scottish average attainment in terms of the highest level qualifications (Degree / SVQ 5 and above). Again, the 2011 Census figures include information about those aged 65 and over, whereas those from the Office for National Statistics do not.

## Working Hours

Hours worked per week by employed people aged 16 to 74 by Council area, Scotland, 2011 (%)

2011	15 hours or less	16 to 30 hours	31 to 37 hours	38 to 48 hours	49 to 59 hours	60 plus hours
<b>Orkney.</b>	<b>8.8.</b>	<b>22.0.</b>	<b>18.7.</b>	<b>33.1.</b>	<b>6.7.</b>	<b>10.8.</b>
Shetland.	8.1.	19.6.	20.9.	36.1.	7.7.	7.6.
Eilean Siar.	6.0.	22.4.	21.4.	35.6.	6.0.	8.7.
Highland.	7.2.	21.4.	17.8.	37.9.	7.7.	8.1.
Argyll and Bute.	7.2.	21.0.	18.5.	37.0.	8.0.	8.3.
Scotland.	7.0.	21.0.	21.2.	39.1.	6.7.	5.0.

Source: 2011 Census, published in November 2013.

The proportion of working people in Orkney who work for 60 hours or more per week is the highest in Scotland, and is indicative of an economy which is so dependent on farming (Moray has the next highest rate at 9.7%, followed by Aberdeenshire at 9.4%).

## Enterprises

Reliable and inclusive data on business churn is not available. However an enterprise birth and death rate is available in respect of what is termed 'Active Registered Enterprises', in other words, those which had either turnover or employment at any time during the reference period and were registered with Her Majesty's Revenue and Customs (HMRC) for VAT and / or PAYE.

### Active registered enterprises - Orkney

Enterprise births / deaths	Business births.	Business deaths.
<b>2005</b>	90.	50.
<b>2006</b>	60.	65.
<b>2007</b>	65.	55.
<b>2008</b>	55.	55.
<b>2009</b>	65.	65.

<b>2010</b>	50.	55.
<b>2011</b>	70.	60.
<b>2012</b>	60.	75.
<b>2013</b>	85.	40.
<b>2014</b>	70.	50.
<b>2015</b>	60.	50.

Source: Office of National Statistics, Business Demography.

The availability of new business start-up grant funding via Orkney Islands Council's Business Gateway service, which commenced in April 2011, has contributed to the higher business birth rates in 2011 and 2012, with 34 new businesses supported with advice and / or funding in the two year period to end March 2013. This was followed by 47 in year ending March 2014 and 49 in year ending March 2015.

The Scottish Government's 'Businesses in Scotland' publication provides information on the characteristics of Scotland's business stock – including Orkney, and how business stock has changed over time. The publication includes all enterprises that operate in Scotland regardless of where the enterprise is based. It shows the estimated total enterprises, registered for VAT and / or PAYE, the table below shows information for Orkney over the last 6 years.

**The estimated (rounded to the nearest 5, excluding central and local government) enterprises operate in the following sectors (Standard Industrial Classification, 2007)**

<b>Active number of Orkney enterprises 2011 – 2016</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Agriculture, forestry and fishing.	710.	700.	690.	695.	690.	680.
Mining and quarrying.	5.	5.	5.	5.	5.	5.
Manufacturing.	55.	55.	50.	50.	45.	50.
Electricity, gas, steam and air conditioning supply.	10.	5.	20.	25.	30.	30.
Water supply, sewerage,	5.	0.	0.	0.	0.	0.

waste management and remediation activities.						
Construction.	135.	140.	130.	145.	135.	135.
Wholesale and retail trade and repair of motor vehicles.	175.	180.	175.	175.	185.	175
Transportation and storage.	45.	50.	50.	55.	55.	50.
Accommodation and food services.	80.	85.	85.	80.	80.	75.
Information and communication.	15.	15.	15.	15.	15.	20.
Financial and insurance services.	10.	10.	10.	10.	10.	10.
Real estate activities.	10.	10.	10.	15.	15.	15.
Professional, scientific and technical activities.	75.	85.	90.	95.	105.	100.
Administration and support services.	70.	70.	70.	70.	70.	70.
Education.	10.	5.	5.	10.	10.	10.
Human health and social work.	35.	35.	30.	40.	40.	40.
Arts, entertainment and recreation.	30.	30.	30.	30.	30.	30.
Other service activities.	40.	40.	40.	40.	40.	40.
<b>Total</b>	<b>1505.</b>	<b>1530.</b>	<b>1505.</b>	<b>1550.</b>	<b>1555.</b>	<b>1530.</b>

Source: The Scottish Government, Business in Scotland Tables.

There are a substantial number of enterprises in Orkney which have no employees and are therefore not included.

The table indicated a growing trend in active enterprises in 'Professional, scientific and technical activities' which has increased from 75 in 2011 to 105 in 2015 – a 40% increase, this however fell in 2016 to 100. So too has the 'Electricity, gas, steam and air conditioning supply' enterprises with a 200% increase on 2011 data.

### Gross Value Added (GVA)

GVA is the measure of value of goods and services produced in an area.

Owing to the irregularity of reporting and the very small number of Orkney businesses sampled, the reporting of productivity (or GVA) by government statistics agencies has traditionally been unreliable. Nevertheless, an indication of trends and comparisons with other areas is provided by the Office for National Statistics, with the most recent data being in respect of 2013.

<b>Regional GVA (£ per head at current basic prices)</b>								
	<b>1999</b>	<b>2001</b>	<b>2003</b>	<b>2005</b>	<b>2007</b>	<b>2009</b>	<b>2011</b>	<b>2013</b>
UK.	14602.	16040.	17880.	19684.	21656.	21604.	22779.	23755.
Scotland.	13027.	14668.	16349.	18173.	19928.	20769.	21045.	21982.
Highland and Island region.	11195.	12100.	13483.	15535.	16034.	16939.	17856.	18123.
Caithness, Sutherland, Ross and Cromarty.	9180.	10135.	11307.	12600.	14025.	13348.	14032.	13882.
Inverness, Nairn and Moray, Badenoch and Strathspey.	11490.	13062.	14885.	17313.	17636.	18954.	20146.	20316.
Lochaber, Sky and Lochalsh, Arran, Cumbrae, Argyll and Bute.	11421.	11879.	12537.	14239.	14559.	16528.	17248.	17600.
Eilean Siar.	11275.	10366.	12611.	14704.	14941.	15000.	15001.	15240.
<b>Orkney.</b>	<b>12379.</b>	<b>11971.</b>	<b>12541.</b>	<b>14825.</b>	<b>14890.</b>	<b>15468.</b>	<b>16534.</b>	<b>17853.</b>
Shetland.	14758.	15584.	17150.	20502.	19949.	20175.	21326.	22578.

Source: Office for National Statistics, Regional GVA NUTS3.

GVA output for Orkney is mainly in public administration, distribution, transport, accommodation and food sectors.

Orkney productivity is typically less than 80% of the Scottish average although the gap appears to be closing slightly.

## Household income

In terms of household income, the following table can provide an indication of changing household wealth between 1999 and 2013. Gross Disposable Household Income (GDHI) is money left after expenditure associated with income, for example, taxes and social contributions, property ownership and provision for future pension income. It is calculated gross of any deductions for capital consumption.

<b>Regional GDHI (£ per head at current basic prices)</b>								
	<b>1999</b>	<b>2001</b>	<b>2003</b>	<b>2005</b>	<b>2007</b>	<b>2009</b>	<b>2011</b>	<b>2013</b>
UK.	10924.	12275.	13141.	14028.	15211.	16058.	16875.	17559.
Scotland.	10066.	11346.	12231.	13228.	14461.	15365.	16269.	17039.
Highland and Island region.	8961.	9981.	10816.	11900.	13279.	14864.	16023.	16724.
Caithness, Sutherland, Ross and Cromarty.	10192.	10901.	11820.	12652.	13589.	15078.	16112.	17153.
Inverness, Nairn and Moray, Badenoch and Strathspey.	8873.	9727.	10348.	11484.	13027.	14317.	15879.	16601.
Lochaber, Sky and Lochalsh, Arran, Cumbrae, Argyll and Bute.	8055.	9635.	10835.	12002.	13416.	15450.	15862.	16177.
Eilean Siar.	8759.	9625.	10723.	11702.	12381.	13670.	14570.	15392.
<b>Orkney.</b>	<b>8793.</b>	<b>9064.</b>	<b>9963.</b>	<b>11105.</b>	<b>13802.</b>	<b>15754.</b>	<b>18062.</b>	<b>18579.</b>
Shetland.	9260.	11102.	11326.	12730.	14109.	16657.	17433.	18266.

Source: Office for National Statistics, Regional GDHI NUTS3.

Orkney is noticeable in having the highest GDHI figures in 2013 of those areas surveyed, broadly in line with Shetland, and slightly higher than the Scottish average.

There are fairly wide variations in the extent of increase in the various areas over the years with Orkney's GDHI displaying increases well above the regional and national averages.

GDHI (£)	% increase		
	1999 – 2013	2005 – 2013	2011 – 2013
UK.	60.7.	25.2.	4.1.
Scotland.	69.3.	28.8.	4.7.
Highland and Island region.	86.6.	40.5.	4.4.
Caithness, Sutherland, Ross and Cromarty.	68.3.	35.6.	6.5.
Inverness, Nairn and Moray, Badenoch and Strathspey.	87.1.	44.6.	4.5.
Lochaber, Sky and Lochalsh, Arran, Cumbrae, Argyll and Bute.	100.8.	34.8.	2.0.
Eilean Siar.	75.7.	31.5.	5.6.
<b>Orkney.</b>	<b>111.3.</b>	<b>67.3.</b>	<b>2.9.</b>
Shetland.	97.3.	43.5.	4.8.

Source: Office for National Statistics.

It is not possible to establish the reasons for this but Orkney and the wider Inverness/Moray area, both having strong agricultural economies, demonstrate the greatest increases over the period 2005-2013.

Additionally Orkney has a small number of residents working off-shore in higher paid jobs which may impact figures.

During the same period, the construction sector in Orkney was, overall, also healthy, partly as a result of significant public sector investment. Nevertheless, the possible explanations are purely speculative and the income statistics also come with the usual health warning with regard to risk of error due to small sample sizes.

## 4. Labour Market

### Claimant level (% Jobseekers) in Orkney 2007 - 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
January.	1.7.	1.1.	1.3.	1.5.	1.7.	2.0.	1.3.	1.1.	0.9.	0.7.
February.	1.5.	1.0.	1.4.	1.5.	1.8.	1.9.	1.4.	1.2.	0.8.	0.8.
March.	1.4.	1.0.	1.4.	1.6.	1.7.	1.8.	1.4.	1.1.	0.7.	0.9.
April.	1.2.	0.9.	1.4.	1.4.	1.4.	1.5.	1.3.	0.9.	0.7.	0.8.
May.	1.0.	0.8.	1.3.	1.2.	1.4.	1.5.	1.3.	0.8.	0.5.	0.7.
June.	0.9.	0.8.	1.1.	1.2.	1.4.	1.5.	1.0.	0.8.	0.4.	0.7.
July.	0.9.	0.7.	1.0.	1.5.	1.4.	1.4.	1.0.	0.8.	0.4.	0.8.
August.	0.9.	0.8.	1.0.	1.4.	1.5.	1.4.	1.0.	0.7.	0.4.	0.8.
September.	0.9.	0.9.	1.0.	1.3.	1.6.	1.2.	1.1.	0.7.	0.4.	0.8.
October.	1.0.	0.9.	1.0.	1.3.	1.7.	1.2.	1.1.	0.8.	0.6.	0.8.
November.	1.1.	1.0.	1.2.	1.5.	1.8.	1.3.	1.1.	0.8.	0.6.	0.9.
December.	1.0.	1.2.	1.4.	1.5.	1.9.	1.3.	1.0.	0.8.	0.6.	0.9.
<b>Average.</b>	<b>1.1.</b>	<b>0.9.</b>	<b>1.2.</b>	<b>1.4.</b>	<b>1.6.</b>	<b>1.5.</b>	<b>1.2.</b>	<b>0.9.</b>	<b>0.6.</b>	<b>0.8.</b>

Source: Office for National Statistics.

Note: These unemployment rates represent the proportion (%) of the resident population who are of working age and who are seeking employment (ages 16 – 64).

Up to September 2015 the headline Claimant Count figures include people claiming Jobseeker's Allowance (JSA). As of October 2015 this figure includes people claiming JSA and Universal Credit.

The above table illustrates the unemployment rate measured by Claimant Count rate (%).

The figures between 2014 and 2015 may be more difficult to compare with the introduction of Universal Credit figures, now added to those claiming JSA in 2015 figures.

Orkney's average unemployment rate rose back in 2011 and continued to fall until 2015, with an average level in 0.6%. This compares to average Scottish and UK unemployment rates from December 2015 of 2.1% and 1.8% respectively.

Unemployment rate for 2016 saw a slight increase again 0.8%, compared to 2.2% for Scotland.

## Job Seeker Allowance (JSA) (old measurement)

At December	2009	2010	2011	2012	2013	2014	2015	Increase 2009 – 2014	
								Number	%
All jobseekers.	169.	205.	260.	176.	134.	111.	52.	-58.	-34.
Aged 18 – 24.	45.	65.	80.	60.	35.	20.	10.	-25.	-55.
Aged 25 – 49.	95.	85.	115.	75.	65.	60.	25.	-35.	-37.
Aged 50 and over.	30.	45.	55.	40.	30.	35.	15.	5.	17.
Up to 6 months.	135.	165.	180.	110.	95.	75.	30.	-60.	-44.
6 to 12 months.	20.	15.	55.	25.	10.	10.	5.	-10.	-50.
Over 12 months.	15.	15.	25.	45.	30.	25.	15.	10.	66.

Source: Office for National Statistics – Claimants change and LA Comparison.

Notes: Totals may not always tally due to round and, owing to rounding, the apparent movements by age group and duration may therefore be distorted.

The above table illustrated the old measurement for Claimant Count which was based on JSA statistics.

Due to the rollout of the Universal Credits the value of using Claimant Count will have diminished and Universal Credits data is now being included along with JSA data under Claimant Count Tables. JSA will no longer be designated as National Statistics, and will be labelled Jobseeker's Allowance rather than Claimant Count.

The Claimant Count until 2012 was towards increasing numbers of job seekers. Whilst the figures for 2012 were, overall, more encouraging than those for 2011, that year saw a notable increase in those out of work for more than 12 months.

Following on in 2012, the reducing numbers of job seekers were evident, with continuing trend of reduction over the period 2012 to 2014. The age group with the largest reduction of job seekers in 2014 was the age bracket 25 – 49.

The age bracket displaying the largest % increase in Orkney unemployment during the years 2009 to 2014 is the 18 – 24 age group.

## Claimant Count

### Job Seeker Allowance and Universal Credit

These are experimental statistics due to Universal Credit estimates still being developed by Department of Work and Pensions (DWP).

At December	2015	2016	Increase 2015 – 2016	
			Number	%
All claimants.	80.	130.	50.	62.5.
Aged 16 – 24.	20.	30.	10.	50.0.
Aged 25 – 49.	40.	65.	25.	62.5.
Aged 50 and over.	20.	40.	20.	100.

Source: Office for National Statistics – Claimants change and LA Comparison.

Notes: Totals may not always tally due to round and, owing to rounding, the apparent movements by age group and duration may therefore be distorted.

These figures are taken from experimental series that counts the number of people claiming Jobseekers's Allowance plus those who claim Universal Credit who are out of work, and replaces the number of people claiming Jobseeker's Allowance as the headline indicator of the number of people claiming benefits principally for the reason of being unemployed.

To allow comparison going forward a new table from 2015 onwards has been developed above.

The data relating to age breakdowns, flows of claims or for duration of claim cannot be extracted from the Universal Credit. Therefore these series will be suspended from June 2015.

## 5. Agriculture

### Herd / Flock

Livestock values returned at Orkney Auction Mart have fallen since reaching a high in 2014.

#### Orkney Auction Mart Prices – Average price, pence per kg

	Cattle: Steers.		Cattle: Heifers.		Lambs
	May.	Middle of September	May.	Middle of September	October
<b>2009.</b>	190.16.	175.55.	176.73.	169.15.	137.00
<b>2010.</b>	193.24.	162.66.	177.46.	153.26.	144.84.
<b>2011.</b>	190.67.	185.89.	181.22.	177.63.	165.95.
<b>2012.</b>	210.11.	185.89.	199.18.	187.32.	136.90.
<b>2013.</b>	221.49.	245.16.	211.13.	229.02.	Not applicable.
<b>2014.</b>	234.61.	224.45.	226.97.	215.06.	Not applicable.
<b>2015.</b>	227.46.	221.75.	213.31.	212.07.	Not applicable.
<b>2016.</b>	221.80.	214.47.	213.53.	208.04.	Not applicable.

Source: Orkney Auction Mart.

Lamb values per kg are unavailable for 2013 onwards, however values per head is available below.

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
October.	£62.83.	£56.34.	£55.75.	£59.90.

Lamb values per head have fallen since 2013 however values did recover slightly in 2016.

## Livestock Numbers

### Herd / Flock size in Orkney (2008 – 2016)

	2009	2011	2012	2013	2014	2015	2016
Dairy cows.	2660.	2557.	2689.	2706.	2702.	2720.	2662.
Other dairy.	1087.	966.	936.	649.	590.	431.	361.
<b>Total Dairy.</b>	<b>3747.</b>	<b>3523.</b>	<b>3625.</b>	<b>3355.</b>	<b>3292.</b>	<b>3151.</b>	<b>3023.</b>
Beef cows.	25827.	26409.	26385.	26311.	26310.	26410.	26125.
Other beef.	28023.	28032.	27289.	27193.	26973.	26570.	24851.
<b>Total beef cattle.</b>	<b>53850.</b>	<b>54441.</b>	<b>53674.</b>	<b>53504.</b>	<b>53283.</b>	<b>52980.</b>	<b>50976.</b>
Other cattle.	26068.	26792.	27986.	26001.	26155.	26169.	25489.
<b>Total cattle.</b>	<b>83665.</b>	<b>84756.</b>	<b>85285.</b>	<b>82860.</b>	<b>82730.</b>	<b>82300.</b>	<b>79488.</b>
Breeding ewes.	46818.	44648.	43638.	43751.	43220.	42389.	42988.
Other sheep for breeding.	8948.	10703.	10813.	10811.	9229.	10577.	9981.
Other sheep.	65574.	66800.	65997.	65805.	63682.	63382.	64545.
<b>Total sheep.</b>	<b>121370.</b>	<b>122151.</b>	<b>120448.</b>	<b>120367.</b>	<b>116131.</b>	<b>116348.</b>	<b>117514.</b>

Source: Scottish Government's Rural and Environmental Research and Analysis Directorate (RERAD), agriculture census annually at June.

### Dairy cattle

In 2016 Orkney farms held 48% of all dairy cattle in the North West of Scotland (Shetland, Orkney, Hebrides and Highland).

## Beef cattle

The reporting breakdown for beef cattle changed slightly in 2013 and therefore comparisons of subsequent data with that of previous years may not always be entirely like for like.

Overall there had been little change in the number of breeding cows over the 2008 - 2015 period, at the 2015 census date, Orkney was home to 36% of all female beef cattle in the North West of Scotland region. However the 2016 census data shows a significant fall in the number of all cattle in Orkney in 2016. This was likely to have been a knock-on effect of the poor weather in 2014 / 2015 which caused local shortages of winter feed and bedding and farmers reducing stock levels as a consequence.

## Sheep

The table above illustrates that, in 2014, Orkney's sheep flock decreased by 3.5% on the previous year, to a level that was maintained in 2015. Over the 2009 to 2015 period, the number of breeding ewes declined by almost 10%. However in 2016 levels recovered slightly.

## Milk production

The level of milk production took a fall back in 2010 - 2011 when two dairy farms withdrew from the market which resulted in the loss of almost 1 million litres of production. Milk production has declined significantly since its peak in 2009 - 2010.

90% of all Orkney milk production goes towards the manufacture of Orkney Cheddar, produced by the Orkney Cheese Company Ltd.

### Orkney Milk Production

Year	Litres (000s)
2001 – 2002.	14888.
2002 – 2003.	14984.
2003 – 2004.	15221.
2004 – 2005.	15160.
2005 – 2006.	15490.
2006 – 2007.	15334.
2007 – 2008.	15576.
2008 – 2009.	15724.
2009 – 2010.	16047.
2010 – 2011.	15166.
2011 – 2012.	15177.

2012 – 2013.	14605.
2013 – 2014.	13072.
2014 – 2015.	13249.
2015 – 2016.	13552.

## Livestock Shipments

The following table shows that livestock shipments through Orkney Islands Council (OIC) ports have increased significantly since 2007, with cattle shipments up by 41% over the period to 2015 and sheep movements up by 263% over the same period.

However, as data for the privately-run St Margaret's Hope to Gills Bay ferry service is not published, total livestock shipments from Orkney cannot be accurately ascertained.

### Livestock Shipments from Orkney (OIC Ports)

	Cattle	Sheep
1987.	26322.	46204.
1997.	18936.	54791.
1999.	20660.	60390.
2000.	20362.	55777.
2001.	16628.	39292.
2002.	15784.	27625.
2003.	17748.	16777.
2004.	17133.	13416.
2005.	17169.	17202.
2006.	17789.	13085.
2007.	17660.	14437.
2008.	19250.	30342.
2009.	18103.	36182.
2010.	17754.	31133.
2011.	20659.	41332.
2012.	25601.	44332.
2013.	24428.	53300.
2014.	23683.	48823.
2015.	24917.	52390.
2016.	24322.	50011.

Source: OIC Marine Services.

The increase in 2015 and 2016 shipments possibly reflects the severe weather-related problems experienced in Orkney during summer-autumn of 2015.

## Land Use

### Agricultural Land Use in Orkney (hectares)

Land Use	2009	2010	2011	2012	2013	2014	2015	2016
Cereals.	4828.	4460.	4570.	4394.	4410.	4522.	4442.	4050.
Barley.			4427.	4286.	4300.	4359.	4251.	3906.
Oats.			143.	108.	110.	163.	191.	144.
Rape for oilseed and linseed.			0.	0.	0.	0.	0.	0.
Potatoes.	34.	32.	33.	38.	44.	30.	24.	19.
Stockfeeding crops.	440.	602.	606.	694.	691.	669.	670.	807.
Other crops.		196.	217.	192.	210.	200.	135.	116.
Set aside.								
Fruit and horticulture.		48.						
Other vegetables.	17.	10.	15.	14.	17.	11.	15.	14.
Bare fallow.	205.	277.	275.	277.	297.	279.	321.	305.
<b>Total crops, set aside and fallow.</b>	<b>5721.</b>	<b>5625.</b>	<b>5741.</b>	<b>5641.</b>	<b>5679.</b>	<b>5713.</b>	<b>5605.</b>	<b>5311.</b>
Grassland.	50114.	49971.	50298.	50857.	50903.	49679.	50582.	51192.
Rough grazing.	27239.	27245.	30548.	32620.	33071.	34194.	32365.	32932.
Woodland.	60.	80.	82.	79.	61.	60.	138.	352.
Other land.	596.	798.	1038.	1006.	858.	914.	845.	1027.
Common grazing.		2198.	2277.	2278.	2278.	2294.	2294.	2294.
<b>Total land</b>	<b>83533.</b>	<b>85917.</b>	<b>89984.</b>	<b>92481.</b>	<b>92849.</b>	<b>92854.</b>	<b>91829.</b>	<b>93108.</b>

Source: Rural and Environmental Research and Analysis Directorate (RERAD) – Section C Times Series.

Notes: Totals may not always tally due to changes in reporting methods.

The comparatively large fluctuations in total land use reported during the 2009 – 2011 period may have been caused by changes to data collection and reporting processes, and the subsequent recovery of the reported land use statistics from 2012 onwards would appear to bear this out.

The total land area utilised by agriculture has remained largely the same since 2012, following a slight decrease in area in 2015 the area of land utilised by agriculture increased significantly in 2016 to its highest levels since 2009 at 93108 hectares.

Grassland is the largest land use in Orkney, which suits Orkney's climate well and would support the production of beef cattle, dairying farming and sheep farming in Orkney.

### Cereals

Barley continues to be the largest cereal crop grown in Orkney at 4,050 hectares in 2016 although production was significantly down in 2016.

### Potatoes

The table shows that land used for growing potato crops in Orkney peaked in 2013 at 44 hectares, and has fallen significantly over the years.

## Employment in Agriculture

### Agricultural Employment in Orkney (2006 – 2016)

	2009	2010	2011	2012	2013	2014	2015	2016
Full-time occupier.	395.	399.	397.	389.	381.	389.	388.	400.
Part-time occupier (more than 50%).	163.	174.	159.	170.	152.	150.	146.	231.
Part-time occupier (less than 50%).	405.	422.	436.	437.	421.	378.	363.	653.
<b>Total occupiers.</b>	<b>963.</b>	<b>995.</b>	<b>992.</b>	<b>996.</b>	<b>954.</b>	<b>917.</b>	<b>897.</b>	<b>1284.</b>
Full-time spouses.	87.	99.	88.	81.	74.	70.	65.	
Part-time spouses (more than 50%).	112.	107.	106.	121.	122.	107.	103.	

Part-time spouses (less than 50%).	358.	336.	331.	338.	306.	319.	328.	
<b>Total spouses.</b>	<b>557.</b>	<b>542.</b>	<b>525.</b>	<b>540.</b>	<b>502.</b>	<b>496.</b>	<b>496.</b>	
Full-time workers.	238.	264.	253.	249.	259.	244.	274.	272.
Part-time workers.	154.	155.	157.	179.	167.	164.	159.	189.
Casual and seasonal workers.	59.	53.	59.	78.	83.	76.	73.	80.
<b>Total employees.</b>	<b>451.</b>	<b>472.</b>	<b>469.</b>	<b>506.</b>	<b>509.</b>	<b>484.</b>	<b>506.</b>	<b>541.</b>
<b>Total employment.</b>	<b>1971.</b>	<b>2009.</b>	<b>1986.</b>	<b>2042.</b>	<b>1965.</b>	<b>1897.</b>	<b>1899.</b>	<b>1825.</b>
<b>Agricultural holdings.</b>	<b>1998.</b>	<b>2002.</b>	<b>2006.</b>	<b>2012.</b>	<b>1993.</b>	<b>1984.</b>	<b>1980.</b>	<b>1953.</b>

Source: Scottish Government, publications, Economic Report on Scottish Agriculture.

Total employment in agriculture in 2013 decreased by 3.77% on 2012 figures, but remained steady over 2014 and 2015; however 2016 again saw a fall in employment levels with a total of 1825 people having a direct economic interest in farming in 2016. Falling levels of employment over the past 10 years is probably symptomatic of the increasing industrialisation within the sector, generally.

## Common Agricultural Policy (CAP) Subsidies

The total of all subsidy payments received by Orkney farmers during recent years under the EU Common Agricultural Policy (CAP) support schemes is set out in the following table. Fluctuations may be due, in part, to currency exchange rate movements and changes in eligibility for dedicated schemes, although the significant reduction in the number of recipients in 2012 is notable.

**CAP subsidy payments** (excludes payments made in respect of Rural Priorities Contracts).

<b>Orkney</b>	<b>Number of recipients</b>	<b>Payments (£000s)</b>
All schemes 2004 – 2005.	798.	16382.
All schemes 2005 – 2006.	795.	16115.
All schemes 2006 – 2007.	841.	19586.

All schemes 2007 – 2008.	1058.	17926.
All schemes 2008 – 2009.	808.	19876.
All schemes 2009.	792.	20172.
All schemes 2010.	782.	20331.
All schemes 2011.	755.	20309.
All schemes 2012.	607.	19484.

Source: Scottish Government Rural Payments and Inspections Directorate.

Note: 2009 – 2012 are figures for calendar year rather than financial year as previously reported.

<b>Orkney</b>	<b>Number of recipients</b>	<b>Payments (£000s)</b>
All schemes 16 October 2013 – 15 October 2014.	622.	17749.
All schemes 16 October 2014 – 15 October 2015.	626.	19169.

Note: These figures relate to payments made in respect of 12-month periods ending on 15 October.

At just over £19100000 in 2014 - 2015, subsidies are critical to the viability of Orkney farming. Significant variations in annual values are largely due to fluctuation in the exchange rates prevailing at the appointed conversion date, with annual subsidies being allocated in euros (€).

Following the outcome of the European referendum in 2016, the long-term future of direct agricultural support is unknown at this time.

## 6. Fishing

The size and make-up of the fleet remained relatively unchanged between 2006 and 2011, but numbers have declined slightly since 2011.

### Orkney Fishing Fleet

Vessels	2006	2007	2008	2009	2010	2011	2012
10 metres and under.	111.	115.	109.	110.	105.	109.	102.
More than 10 and less than 15 metres.	31.	29.	30.	31.	33.	34.	32.
15 to less than 18 metres.	5.	4.	4.	4.	4.	4.	3.
18 to less than 25 metres.	1.	1.	1.	1.	1.	4.	1.
25 to less than 35 metres.	5.	5.	5.	5.	5.	5.	3.
35 to less than 50 metres.	0.	1.	1.	1.	1.	1.	1.
<b>Total vessels.</b>	<b>153.</b>	<b>155.</b>	<b>150.</b>	<b>152.</b>	<b>149.</b>	<b>152.</b>	<b>142.</b>

Source: Marine Scotland Science Scottish Sea Fisheries Statistics 'Vessel and Employment'.

Vessels	2013	2014	2015
10 metres and under.	95.	89.	90.
More than 10 to 12 metres.	25.	25.	26.

More than 12 to 15 metres.	9.	8.	8.
More than 15 to 24 metres.	5.	5.	5.
More than 24 to 40 metres.	4.	3.	3.
More than 40 metres.	Not applicable.	Not applicable.	Not applicable.
<b>Total vessels.</b>	<b>138.</b>	<b>130.</b>	<b>132.</b>

### **Pelagic / demersal landings by Orkney vessels**

<b>Year</b>	<b>Live weight (tonnes)</b>	<b>£(000s)</b>
2005.	6061.	5937.
2006.	6405.	8296.
2007.	6356.	8863.
2008.	7942.	9844.
2009.	7829.	9913.
2010.	7073.	10056.
2011.	6870.	9220.
2012.	5300.	7200.
2013.	4000.	4200.
2014.	6000.	8600.
2015.	6100.	5500.

Source: Scottish Sea Fisheries statistics.

Along with reduction in fleet size, the volume and value of landings of demersal and pelagic fish by Orkney Vessels fell considerably in 2012 and 2013; however this was followed by considerable increase in value of landings in 2014.

Subsequently though in 2015 the value of landings suffered a large decrease again although the weight of landings in 2015 was slightly higher than the previous year.

With so few Orkney vessels in the demersal fleet, variations might be due to a number of factors, for example, a vessel temporarily laid up, quota variations, or changing market prices.

## Employment

With vessel numbers falling in general, lower regularly employed in the sector is to be expected.

### Orkney fishermen employed

Year.	Total.	Regularly.	Partially.
2005.	335.	284.	51.
2006.	342.	288.	54.
2007.	390.	317.	73.
2008.	330.	287.	43.
2009.	421.	275.	146.
2010.	409.	277.	132.
2011.	373.	260.	113.
2012.	354.	235.	119.
2013.	442.	281.	161.
2014.	297.	217.	80.
2015.	303.	205.	98.

Source: Marine Scotland Science.

Note: Figures relate to those employed on vessels which submit landing declarations to Marine Scotland.

## 7. Shellfish

Shellfish species landed in Orkney since 2007, their live weight and values are as follows.

	Quantity (tonnes)								
Species	2007	2008	2009	2010	2011	2012	2013	2014	2015
Edible crabs.	1909.	1688.	1830.	2215.	2561.	2289.	2614.	2810.	2879.
Green crabs.	128.	125.	136.	135.	162.	143.	133.	117.	108.
Lobsters.	110.	120.	146.	138.	143.	121.	98.	146.	95.
Periwinkles.	65.	58.	70.	72.	54.	39.	61.	51.	36.
Scallops.	115.	145.	150.	236.	286.	316.	300.	254.	367.
Velvet crabs.	878.	837.	909.	838.	640.	463.	478.	490.	440.
Whelks.	143.	11.	101.	29.			31.	133.	401.
Other shellfish.	25.	7.	8.	9.	30.	61.	93.	53.	13.
<b>Total.</b>	<b>3374.</b>	<b>2990.</b>	<b>3350.</b>	<b>3673.</b>	<b>3877.</b>	<b>3432.</b>	<b>3808.</b>	<b>4053.</b>	<b>4339.</b>

	Value (£000s)								
Species	2007	2008	2009	2010	2011	2012	2013	2014	2015
Edible crabs.	2189.	1860.	1964.	2773.	3027.	2782.	3237.	3754.	3611.
Green crabs.	70.	68.	77.	82.	104.	92.	87.	78.	70.
Lobsters.	1215.	1289.	1505.	1451.	1513.	1250.	1109.	1468.	999.
Periwinkles.	178.	72.	82.	153.	109.	89.	119.	127.	81.
Scallops.	318.	395.	417.	605.	801.	841.	767.	686.	1036.
Velvet crabs.	1844.	1871.	2135.	2348.	1856.	1155.	1338.	1276.	1231.
Whelks.	80.	6.	53.	15.			23.	106.	301.
Other shellfish.	86.	28.	25.	37.	83.	149.	589.	199.	43.
<b>Total.</b>	<b>5980.</b>	<b>5589.</b>	<b>6259.</b>	<b>7464.</b>	<b>7493.</b>	<b>6359.</b>	<b>7269.</b>	<b>7695.</b>	<b>7371.</b>

Source: Scottish Sea Fisheries statistics.

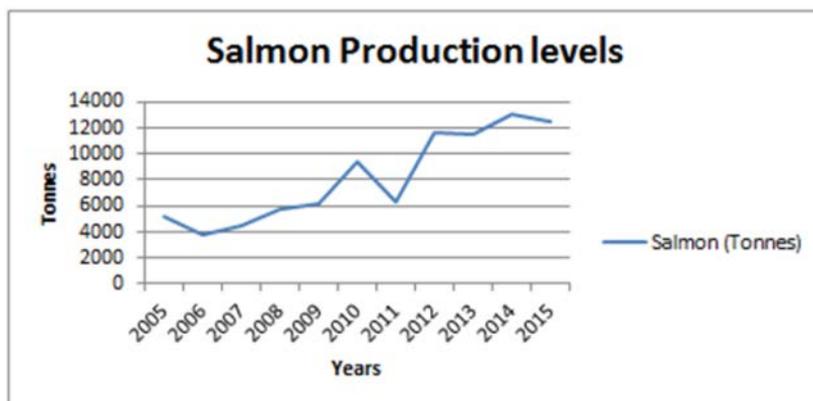
## 8. Fish Farming

### Production

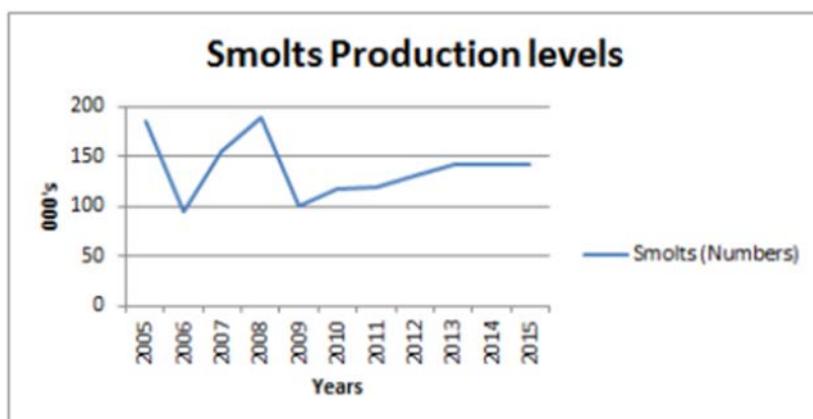
The following table shows salmon and smolt production in Orkney as presented by the Scottish Government.

Salmon and smolt production in Orkney		
	Salmon (tonnes)	Smolt (number in 000s)
2005.	5183.	185.
2006.	3724.	95.
2007.	4432.	156.
2008.	5716.	190.
2009.	6220.	100.
2010.	9388.	118.
2011.	6369.	120.
2012.	11694.	130.
2013.	11479.	142.
2014.	13029.	142.
2015.	12485.	142.

Source: Marine Scotland Science – Scottish Fish Farm Production surveys.



Salmon production soared in 2010, up by 51% on the previous year, but returned to just above 2009 levels in 2011. However, again the 2012 salmon output levels soared with 2014 being the highest over the period reviewed.



Smolt production has been relatively steady over the last 6 years with little variation in numbers produced.

## Employment

Employment levels in the industry fluctuate from year to year and no explanation is offered for this. The following table shows fish farming employment in Orkney as presented by the Scottish Government.

### Fish farming employment in Orkney

	Salmon smolt production		Salmon on-growing	
	Full-time	Part-time	Full-time	Part-time
2005.	2.	6.	47.	4.
2006.	1.	1.	72.	3.
2007.	2.	0.	41.	7.
2008.	2.	0.	60.	5.
2009.	2.	0.	47.	2.
2010.	2.	0.	58.	2.
2011.	2.	0.	69.	0.
2012.	1.	1.	65.	6.
2013.	1.	1.	86.	3.
2014.	2.	1.	90.	6.
2015.	1.	1.	93.	1.

Source: Marine Scotland Science – Scottish Fish Farm Production surveys.

The above statistics are not however supported by figures reported by the trade body, the Scottish Salmon Producers Organisation (SSPO) who reported that direct employment by their members in Orkney increased from 91 in 2011 to 115 in 2012 and 135 in 2016. It is not known why the two figures differ.

## Scottish salmon farming June 2016

	<b>Orkney</b>	<b>Shetland</b>	<b>Western Isles</b>
Number employed.	135.	413.	325.
Capital investment.	£6300000.	£12900000.	£15600000.
Salaries.	£3700000.	£13700000.	£9600000.
Local industry spend.	£2600000.	£32900000.	£9500000.

Source: June report – Economic Report 2016 – Scottish Salmon Producers' Organisation.

The Scottish Salmon Producers Organisation Economic Report 2016 reports that the industry in Orkney (along with Highland, Argyll & Bute and Western Isles) saw significant growth in capital investment to develop new technology and farming systems to meet the needs of modern fish farming.

## 9. Energy

### Oil and Gas

The volume of crude oil leaving the Flotta Oil Terminal back in 2012 was almost half of that shipped in 2010 and there were no shipments of propane gas.

2015 and 2016 has seen significant increase in volume of crude oil leaving Flotta. In 2016 levels were almost 3 times that shipped in 2012. This increase is as a result of the Gold Eagle field which began producing oil in late 2014.

Foinaven oil has not been shipped via the Flotta terminal since 2008.

#### Annual Tonnages of Cargoes Loaded from the Flotta Oil Terminal

Year	Crude oil	Foinaven	Propane gas	Ethane gas
1997.	9747675.	84893.	138258.	60679.
1998.	10210855.	2896555.	104607.	21633.
1999.	9568002.	3574343.	98612.	14322.
2000.	8378325.	3738240.	75736.	0.
2001.	6824998.	3775666.	63471.	0.
2002.	6380383.	5280691.	39650.	0.
2003.	5329571.	4071672.	19740.	0.
2004.	5070327.	3479831.	18026.	0.
2005.	4358243.	3021819.	12001.	0.
2006.	3255055.	2799784.	3026.	0.
2007.	3361090.	2528446.	4198.	0.
2008.	3296136.	50053.	24194.	0.
2009.	2983466.	0.	18863.	0.
2010.	2950405.	0.	17120.	0.
2011.	2053598.	0.	12284.	0.
2012.	1453846.	0.	0.	0.
2013.	791221.	0.	0.	0.
2014.	884720.	0.	0.	0.
2015.	3657292.	0.	0.	0.
2016.	4316791.	0.	0.	0.

Source: OIC Marine Services.

## Ship to Ship Transfers

Following the high of 2009, there was a steady reduction in the number of ship-to-ship (STS) transfers in Scapa Flow, culminating in there being no such activity in 2012.

Following approval of the new OIC ballast water management policy in 2013, 2015 again saw the commencement of ship to ship transfers, and 2016 saw an increase in the number of STS transfers with 22 transfers taking place.

Ship to ship transfer of liquefied natural gas (LNG) took place in 2016 following previous transfers back in 2013, 2010 and 2007.

The world's first liquefied propane gas (LPG) ship to ship transfer was managed in Scapa Flow in 2016 with 15,464 tonnes transferred.

### Ship to ship operations

Year	STS transfers	Oil tonnage	LNG tonnage	LPG transfers	LPG – tonnes / air
2002.	11.	926399.	0.		
2003.	4.	575184.	0.		
2004.	15.	2660841.	0.		
2005.	17.	1746715.	0.		
2006.	8.	993759.	0.		
2007.	7.	930136.	56827.		
2008.	10.	582097.	0.		
2009.	27.	2599461.	0.		
2010.	17.	941629.	8128.		
2011.	5.	282708.	0.		
2012.	0.	0.	0.		
2013.	0.	0.	32853.		
2014.	0.	0.	0.		
2015.	8.	734257.	0.		
2016.	22.	1579679.	133472.	1.	15464.

Source: OIC Marine Services.

## **Accommodation Rigs**

New economic activity has been attracted to Scapa Flow as sheltered storage for accommodation vessels whilst they undergo maintenance. Late 2015 saw the first arrivals of 2 Semi-Submersible accommodation rigs to Scapa Flow for maintenance programmes.

## **Renewable Generation**

In 2015 over 109% of Orkney's electricity demand was met from renewables. Local production of renewable electricity has continued to grow and in 2016 Orkney produced 120.5% of its electricity needs.

Source: Orkney Renewable Energy Forum

## **Wind Energy**

The Department of Business, Energy and Industrial Strategy provides 'Sub-national Feed-in Tariff Statistics' which is maintained by Ofgem and a recent extraction of information highlights that there were 743 feed in tariff (FIT) eligible wind generators in Orkney as of the third quarter of 2016, 639 of these were domestic.

In 2012 a moratorium was imposed on new generator connections to the grid in Orkney, this has resulted in delays to new developments being realized. Grid curtailment continues to be an issue impacting on revenue generation.

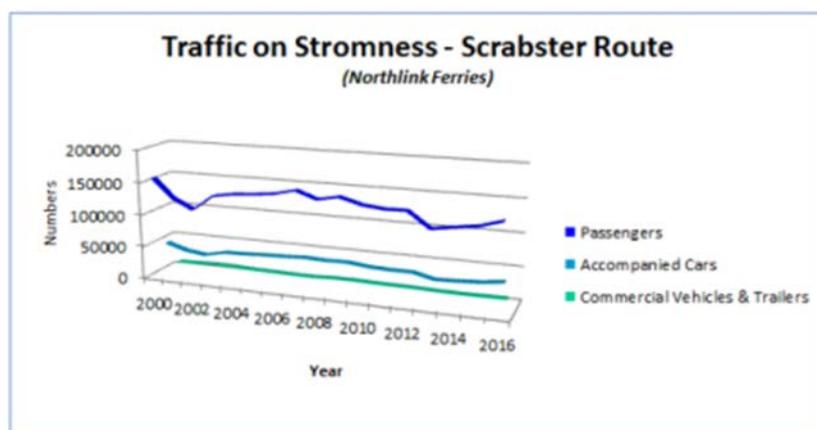
## 10. Transport

### Stromness to Scrabster Route (Northlink Ferries)

#### Traffic on Stromness to Scrabster Route (Northlink Ferries)

Year	Passengers	Accompanied cars	Commercial vehicles and trailers
2000.	157466.	46976.	6916.
2001.	127798.	37522.	7791.
2002.	113021.	33432.	8961.
2003.	136530.	40415.	8648.
2004.	141550.	41248.	7128.
2005.	143730.	42782.	6699.
2006.	147099.	43835.	5956.
2007.	154979.	45542.	5860.
2008.	144000.	44177.	7230.
2009.	150288.	45075.	7485.
2010.	141431.	41502.	6440.
2011.	137955.	40036.	6245.
2012.	138546.	40227.	5892.
2013.	115572.	32642.	4953.
2014.	120692.	33980.	4591.
2015.	125400.	35980.	4891.
2016.	135143.	40108.	5233.

Source: OIC Marine Services.



The upward trend in passenger and accompanied car numbers on the Stromness to Scrabster route since 2002 came to a halt in 2008, with a brief recovery in 2009. However passenger and accompanied car numbers again fell in 2010 and 2011. An upward trend has however been evident again since 2014.

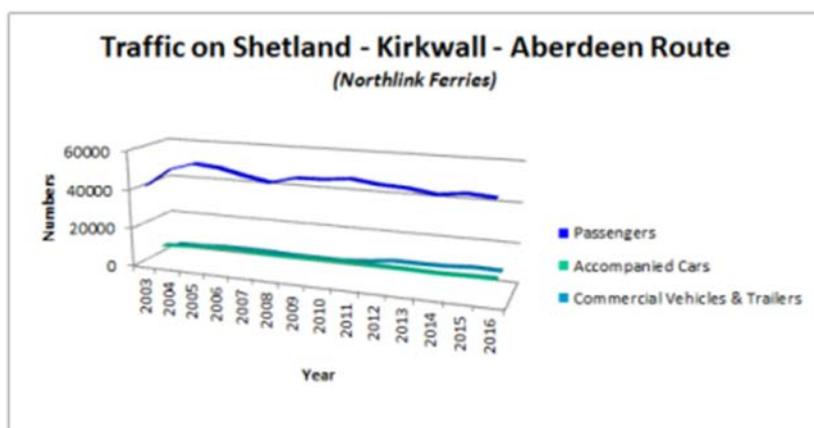
Pentland Ferries does not publish the traffic statistics for its St Margaret's Hope to Gills Bay service.

### **Shetland to Kirkwall to Aberdeen Route (Northlink Ferries)**

#### **Traffic on Shetland to Kirkwall to Aberdeen Route (Northlink Ferries)**

<b>Year</b>	<b>Passengers</b>	<b>Accompanied cars</b>	<b>Commercial vehicles and trailers</b>	<b>Cargo (tonnes)</b>
2003.	41802.	6578.	3660.	15997.
2004.	50892.	7317.	3783.	27991.
2005.	54634.	8082.	4571.	35499.
2006.	53442.	8199.	4691.	40454.
2007.	50506.	7772.	4613.	37560.
2008.	48081.	7458.	4111.	34665.
2009.	51250.	7803.	4084.	42429.
2010.	51507.	7878.	4036.	38497.
2011.	52804.	7938.	5064.	52257.
2012.	51070.	7562.	6674.	76525.
2013.	50439.	7424.	6616.	64106.
2014.	48498.	7156.	6794.	57979.
2015.	50021.	7504.	7660.	62869.
2016.	49071.	7683.	7346.	62830.

Source: OIC Marine Services.



There was a slight increase in passenger and accompanied cars on the Shetland to Kirkwall to Aberdeen route in 2011, however, following this there was a downward trend, with a slight recovery in 2015.

Commercial vehicles and cargo figures significantly increased in 2012 by 31.8% and 46.4% respectively on the 2011 figures. The numbers continued to increase until 2015 and have remained fairly constant since.

### Kirkwall Airport Traffic

Period.	Passengers.			Aircraft movements.
	Total.	Terminal.	Transit.	
2003 – 2004.	113675.	104578.	9097.	13531.
2004 – 2005.	114594.	103897.	10697.	13476.
2005 – 2006.	118019.	105394.	12625.	13427.
2006 – 2007.	137769.	124294.	13475.	15177.
2007 – 2008.	149924.	135289.	14635.	15676.
2008 – 2009.	150476.	137057.	13419.	15963.
2009 – 2010.	153256.	140210.	13046.	15686.
2010 – 2011.	158705.	No longer available.		14338.
2011 – 2012.	158616.	No longer available.		14004.
2012 – 2013.	164228.	No longer available.		14122.
2013 – 2014.	177899.	No longer available.		14651.
2014 – 2015.	177278.	No longer available.		14393.
2015 – 2016.	177755.	No longer available.		14355.

Source: Highlands and Islands Airports Limited (HIAL), Annual Reports.

The total number of passengers in 2013 - 2014 increased by 13,671 and represented an 8.31% increase. The number of passengers moving through Kirkwall airport since 2013 - 2014 has remained fairly constant.

## Orkney's Internal Ferry Routes

	Single journeys – year ended March										
Passengers	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
North Ronaldsay.	485.	767.	448.	599.	561.	627.	537.	742.	529.	653.	525.
Papa Westray.	542.	627.	561.	437.	387.	410.	422.	489.	372.	455.	488.
Westray.	42123.	42658.	40588.	42043.	43382.	45804.	44789.	44051.	39409.	39663.	39896.
Sanday.	27559.	30138.	29291.	29961.	28682.	30010.	29940.	30779.	28640.	26885.	27193.
Stronsay.	17035.	17812.	17354.	18816.	18589.	19688.	18931.	18400.	17407.	16680.	16423.
Eday.	9175.	9617.	9483.	10292.	10434.	10314.	10027.	10273.	9618.	9170.	9130.
Inter-Island / Round trip.								3853.	3290.	3104.	3700.
Shapinsay.	64512.	64038.	65504.	65211.	69904.	64206.	66972.	68750.	64958.	64888.	58664.
Rousay.	51189.	51645.	52067.	48777.	53518.	49696.	50775.	46576.	47126.	44605.	46603.
Egilsay.	3400.	3824.	3763.	3291.	3830.	4757.	4388.	3132.	5105.	3296.	2941.
Wyre.	2542.	3101.	3094.	2987.	3204.	4385.	3229.	2874.	2428.	2577.	1911.
Inter-Island / Round trip.								3768.	4132.	4309.	3558.
Lyness.	64664.	64025.	64597.	65250.	64920.	67717.	70338.	63524.	65615.	62939.	63931.
Flotta.	10068.	10752.	10414.	10906.	11066.	11042.	11314.	10525.	10624.	11540.	10937.
Inter-Island /								3058.	3059.	3017.	2788.

Round trip.											
Graemsay.	5161.	5488.	4790.	5428.	5885.	5920.	6980.	6835.	7540.	7406.	7441.
North Hoy.	13374.	13408.	13587.	15026.	15178.	17204.	19176.	17832.	18250.	19130.	18680.
Inter-Island / Round trip.								215.	203.	169.	225.
<b>Total.</b>	<b>311829.</b>	<b>317900.</b>	<b>315541.</b>	<b>319024.</b>	<b>329540.</b>	<b>331780.</b>	<b>337818.</b>	<b>335676.</b>	<b>328305.</b>	<b>320485.</b>	<b>315034.</b>

	<b>Single journeys – year ended March</b>										
<b>Vehicles</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Westray.	13699.	13195.	12244.	12660.	13384.	14062.	14037.	14168.	12534.	12954.	13259.
Sanday.	9804.	10412.	9817.	10482.	10978.	11189.	11225.	12008.	11046.	11028.	10817.
Stronsay.	5900.	5643.	5288.	5988.	5897.	6272.	6046.	5839.	5807.	5776.	6051.
Eday.	3483.	3580.	3672.	3748.	3568.	3753.	3548.	4098.	3549.	3318.	3467.
Inter-Island / Round trip.								570.	436.	453.	597.
Shapinsay.	11146.	10956.	10962.	11551.	12425.	12265.	12114.	12375.	12107.	11407.	11067.
Rousay, Egilsay and Wyre.	15392.	15417.	15530.	15086.	16574.	15604.	15897.	14235.	14331.	13805.	13706.
Inter-Island / Round trip.								1103.	1182.	1380.	1303.
Lyness and Flotta.	23113.	23312.	23170.	23186.	24590.	24492.	23959.	23036.	23883.	23581.	24124.

Inter-Island / Round trip.								228.	154.	200.	314.
<b>Total.</b>	<b>82537.</b>	<b>82515.</b>	<b>80683.</b>	<b>82701.</b>	<b>87416.</b>	<b>87637.</b>	<b>86826.</b>	<b>87660.</b>	<b>85023.</b>	<b>83902.</b>	<b>84705.</b>

The total levels of passenger numbers on the internal ferry routes have been decreasing since 2013 since reaching their highest level back in 2012, with a significant drop in numbers of 22,784 in 2016 from 2012 levels.

Figures for the internal ferry routes for Shapinsay and Lyness show significantly higher passenger numbers than other ferry routes in Orkney.

Vehicle movements have also seen a downward trend in numbers from 2013 until 2015; however have shown a slight increase in 2016. The Lyness and Flotta route shows the highest number of vehicle numbers using those crossings.

## 11. Housing

### Average Residential Property Prices

	October to December 2014 (£)	October to December 2015 (£)	Annual change (%)	July to September 2015 (£)	Quarterly % change
<b>Orkney.</b>	<b>129752.</b>	<b>132268.</b>	<b>1.9.</b>	<b>131592.</b>	<b>0.5.</b>
Shetland.	159067.	137833.	-13.3.	147068.	-6.3.
Eilean Siar	102967.	106150.	3.1.	108206.	-1.9.
Highland.	166954.	165142.	-1.1.	170413.	-3.1.
<b>Scotland.</b>	<b>165138.</b>	<b>167734.</b>	<b>1.6.</b>	<b>169411.</b>	<b>-1.0.</b>

Source: Registers of Scotland.

During the third quarter of 2015, house prices in Orkney were 1.9% higher than during the corresponding period twelve months earlier. This increase was in line with the Scottish price average; however was in contrast to Shetland who encountered a fall in average property prices of 13.3% on the previous year.

### Number of Residential Sales

	October to December 2014	October to December 2015	Annual change (%)	July to September 2015	Quarterly % change
<b>Orkney.</b>	<b>103.</b>	<b>123.</b>	<b>19.4.</b>	<b>95.</b>	<b>29.5.</b>
Shetland.	82.	78.	-4.9.	99.	-21.2.
Eilean Siar	76.	107.	40.8.	90.	18.9.
Highland.	1108.	1234.	11.4.	1077.	14.6.
Scotland.	25130.	28779.	14.5.	27491.	4.7.

Source: Registers of Scotland.

In terms of the total numbers of sales completed over the same period, as shown below, the property market in Orkney has been more vibrant than it was in 2014: the comparatively small numbers involved in Orkney can however lead to significant percentage changes.

The total number of sales in Eilean Siar encountered a significant increase on the 12 months earlier with a 40.8% increase.

## Detached Residential Property – Average Sale Price

	October to December 2014 (£)	October to December 2015 (£)	Annual change (%)	July to September 2015 (£)	Quarterly % change
<b>Orkney.</b>	<b>144762.</b>	<b>144520.</b>	<b>-0.2.</b>	<b>169620.</b>	<b>-14.8.</b>
Shetland.	184178.	165063.	-10.4.	162215.	1.8.
Eilean Siar	110994.	120751.	8.8.	119554.	1.0.
Highland.	215580.	208376.	-3.3.	221192.	-5.8.
Scotland.	245525.	244830.	-0.3.	246078.	-0.5.

Source: Registers of Scotland.

A more reliable indicator of trends might be had by comparing only sales of detached residential property (the most popular type in Orkney).

The average sale price of a detached property decreased on the 12 months earlier by 0.2%, however there was a significant decrease from the previous quarter prices.

## New Housing

### Housing Starts and Completions in Orkney

Calendar year	Starts			Total started	Completions			Total completed
	Private	OHAL	OIC		Private	OHAL	OIC	
<b>2004.</b>	100.	44.	0.	<b>144.</b>	51.	19.	0.	<b>70.</b>
<b>2005.</b>	90.	19.	0.	<b>109.</b>	64.	53.	0.	<b>117.</b>
<b>2006.</b>	121.	29.	0.	<b>150.</b>	78.	50.	0.	<b>128.</b>
<b>2007.</b>	206.	81.	0.	<b>287.</b>	131.	0.	0.	<b>131.</b>
<b>2008.</b>	151.	50.	1.	<b>201.</b>	150.	58.	1.	<b>209.</b>
<b>2009.</b>	94.	58.	0.	<b>152.</b>	151.	60.	0.	<b>211.</b>
<b>2010.</b>	69.	43.	1.	<b>113.</b>	102.	19.	0.	<b>121.</b>
<b>2011.</b>	97.	52.	48.	<b>197.</b>	160.	84.	14.	<b>258.</b>
<b>2012.</b>	64.	23.	41.	<b>128.</b>	105.	62.	61.	<b>228.</b>
<b>2013.</b>	64.	0.	16.	<b>80.</b>	57.	49.	29.	<b>135.</b>

<b>2014.</b>	50.	18.	12.	<b>80.</b>	64.	1.	22.	<b>87.</b>
<b>2015.</b>	85.	59.	47.	<b>191.</b>	64.	12.	20.	<b>96.</b>
<b>Totals.</b>	<b>1191.</b>	<b>476.</b>	<b>166.</b>	<b>1832.</b>	<b>1177.</b>	<b>467.</b>	<b>147.</b>	<b>1791.</b>



A total of 1,791 new houses have been completed during the past nine years, with the total number of completed private developments approximately double that of the social housing agencies.

## 12. Tourism

### Staying Visitors

All staying visitors (000s)	
2015	173.23.
2014	162.89.
2013	166.25.
2012	153.26.
2011	162.72.

Source: Global Tourism Solutions – Scottish Tourism Economic Activity Monitor Trend report.

The annual Scottish Tourism Economic Activity Monitor (STEAM) reported ‘All staying visitors’ (Visitors who are staying overnight for one or more nights away from home for holidays) was 173230 visitors, an increase of 6.3% from 162890 in 2014.

#### Staying visitor’s type of accommodation

Staying in paid accommodation (000s)						Staying with friends and relatives (SFR) (000s)			All staying visitors (000s)		
Services			Non-serviced								
2015	2014	+ or - %	2015	2014	+ or - %	2015	2014	+ or - %	2015	2014	+ or - %
95.14	89.86	5.9	47.99	43.77	9.6	30.10	29.27	2.8	173.23	162.89	6.3

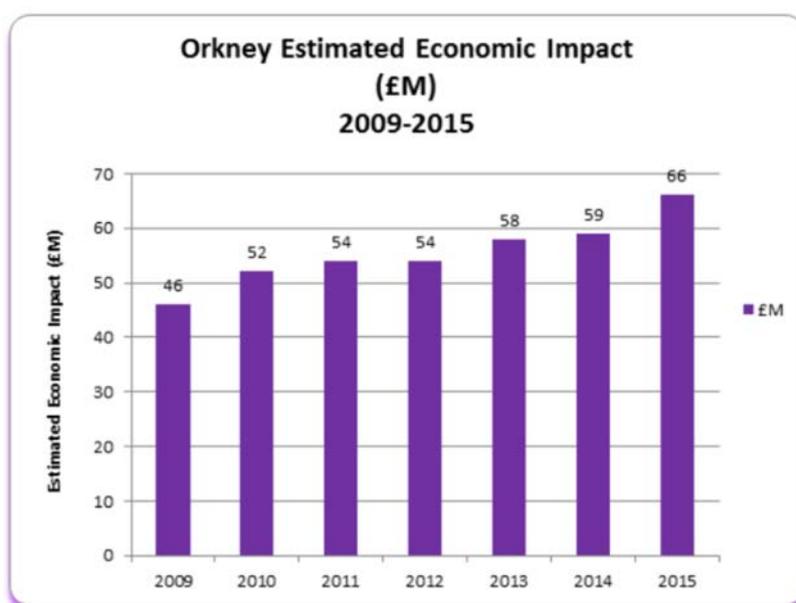
Source: Global Tourism Solutions – STEAM Trend report.

In 2015, the number of visitors staying in paid accommodation was 143130, an increase of 7.1% from 133630 in 2014. The number of visitors staying with friends and relatives in 2015 was 30100, an increase of 2.8% from 29270 in 2014.

## Estimated Economic Impact

Year	Total (£) (in millions)
2009.	46.00.
2010.	51.63.
2011.	53.62.
2012.	53.86.
2013.	57.65.
2014.	59.18.
2015.	65.53.

Source: Global Tourism Solutions – STEAM Trend report.



The Economic Impact of Tourism to Orkney in 2015 was estimated as £65530000, an increase of 10.7% from £59180000 in 2014.

### Orkney distribution of Economic Impact by sectors

Sector	2015		2014	
	£ (in millions)	% of total distribution	£ (in millions)	% of total distribution
Transport.	15.40.	23.5.	13.85.	23.40.
Accommodation.	13.77.	21.0.	12.72.	21.49.
Shopping.	12.51.	19.1.	11.25.	19.00.
Indirect.	11.90.	18.2.	10.75.	18.16.

Food and drink.	7.909.	12.1.	7.118.	12.02.
Recreation.	4.044.	6.2.	3.488.	5.89.
<b>Total.</b>	<b>65.53</b>		<b>59.18.</b>	

Source: Global Tourism Solutions – STEAM Trend report.

### Visitor Attractions

In 2015 the top visitor attraction by numbers was identified as St Magnus Cathedral at 159164 visitors, second in line to this was the Italian Chapel at 134783 visitors.

Visitor attraction	2015	2014
St Magnus Cathedral (free admission).	159164.	139478.
Italian Chapel (free admission).	134783.	113401.
Skara Brae (paid admission).	85894.	81258.
Skaill House (paid admission).	57921.	59684.
Pier Arts Centre (free admission).	41283.	38378.

Source: VisitScotland, Tourism in Scotland's Regions and Moffat Centre Visitor Attraction Monitor, Glasgow Caledonian University.

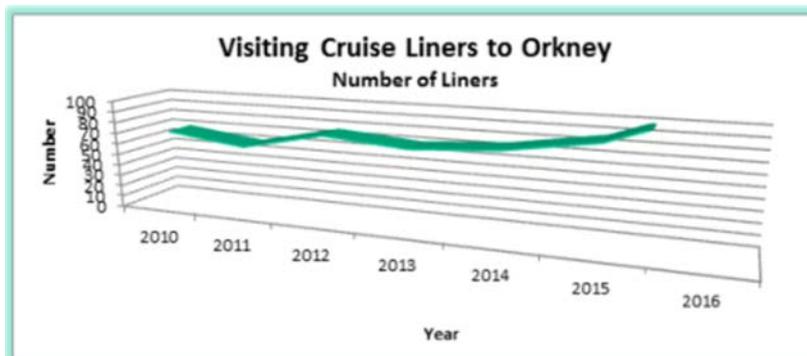
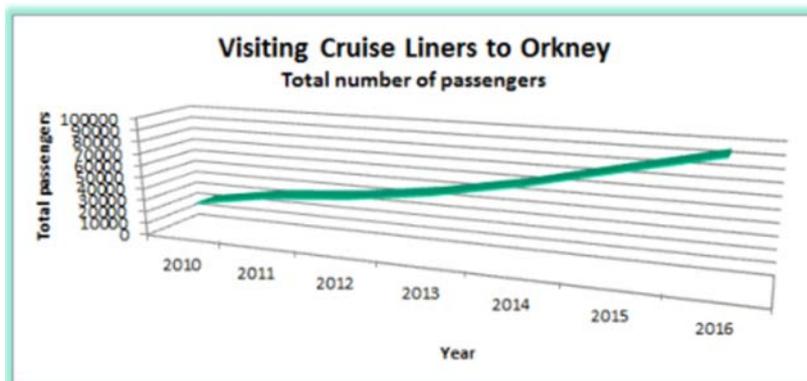
## Cruise Vessels

### Visiting Cruise Vessels

Year	Number of port calls	Increase / decrease in number of port calls	Total passengers	Increase / decrease in passengers	% increase / decrease in passengers
2010.	70.	Not applicable.	25440.	Not applicable.	Not applicable.
2011.	61.	-9.	36000.	10560.	42.
2012.	77.	16.	41600.	5600.	16.
2013.	71.	-6.	50800.	9200.	22.
2014.	76.	5.	63800.	13000.	26.
2015.	88.	12.	80000.	16200.	25.
2016.	116.	28.	95750.	15750.	20.

Source: OIC Marine Services.

There has been an upward trend in the number of passengers and port calls from visiting cruise vessels since 2011. The increase in passenger numbers of 15750 in 2016 has shown a 20% increase on 2015 figures.



## Island Visitor Survey 2012 – 2013

The most recent Islands Visitor Survey 2012 – 2013 was commissioned by Orkney Islands Council, along with other with Outer Hebrides and Shetland Councils, Highland and Islands Enterprise and VisitScotland.

At the time of writing this review a survey for 2017 was currently underway.

The survey from 2012 – 2013 was conducted from October 2012 to September 2013 the results were published and some of the main headlines were:

### The Visitor Experience

The Islands Visitor Survey 2012 – 2013 Orkney published the following:

#### Influence of visit

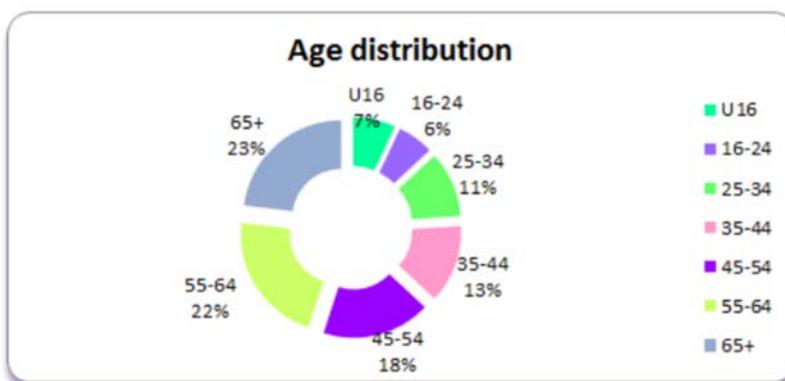
Main reason for visit	Percentage (%)
Archaeology / history.	51.
Scenery / landscape.	46.
Previous visit / know the area.	31.
Recommendation.	24.
Family connections.	18.



The main reasons for visiting Orkney were the islands archaeology / history and the scenery / landscape. The other reasons for visiting Orkney were having visited previously or having family or connections on the islands.

### Age distribution of visitors to Orkney

Age	Percentage (%)
Under 16.	7.
16 – 24.	6.
25 – 34.	11.
35 – 44.	13.
45 – 54.	18.
55 – 64.	22.
65 and over.	23.



Visitors to Orkney were likely to be aged over 45 years old. Holiday makers and those visiting friends and relations were those more likely to be over 45 years old, and business visitors most likely to be aged 25 – 54 years old.

### Gender profile

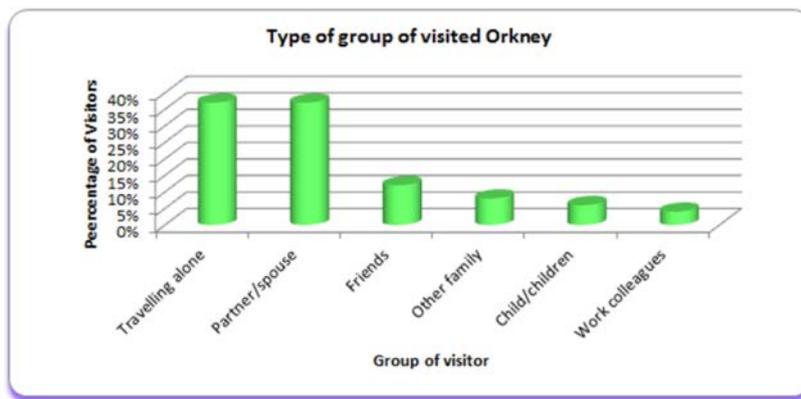
Gender	Percentage (%)
Male.	55.
Female.	45.



Visitors were more likely to be male than female. This higher proportion of males relates to the higher level of visitors whose purpose of visit was business, more of whom are male visitors on business trips.

### Group type

Group	Percentage (%)
Travelling alone.	37.
Partner / spouse.	37.
Friends.	12.
Other family.	8.
Child / children.	6.
Work colleagues.	4.



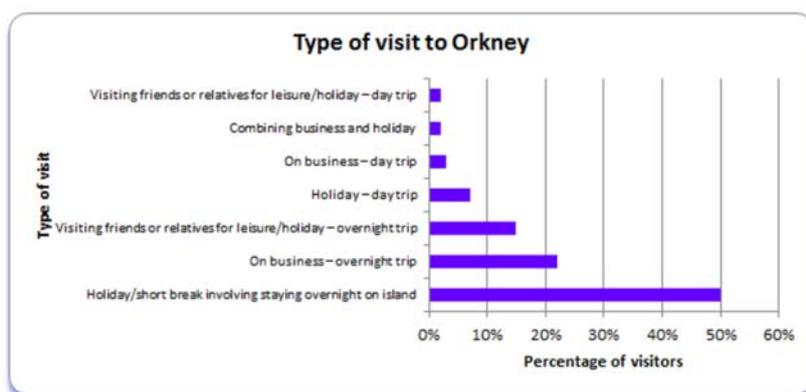
Visitors travelling alone or with their partner / spouse were the most likely group type to travel. Business visitors were more likely to travel on their own.

### Mode of transport

Method of arrival / departure	Percentage (%)
Ferry.	71.
Air.	25.
Ferry and air.	3.

## Type of visit

Type of visit	Percentage (%)
Holiday / short break involving staying overnight on island.	50.
On business – overnight trip.	22.
Visiting friends or relatives for leisure / holiday – overnight trip.	15.
Holiday – day trip.	7.
On business – day trip.	3.
Combining business and holiday.	2.
Visiting friends or relatives for leisure / holiday – day trip.	2.



Half the visitors were on a 'holiday / short break' staying overnight, and 22% of visitors were on an overnight business trip.

Holiday visitors were most likely to travel to Orkney between April and September; however a higher percentage of business visitors came between October and March. Those visiting friends or relatives were evenly spread over the year.

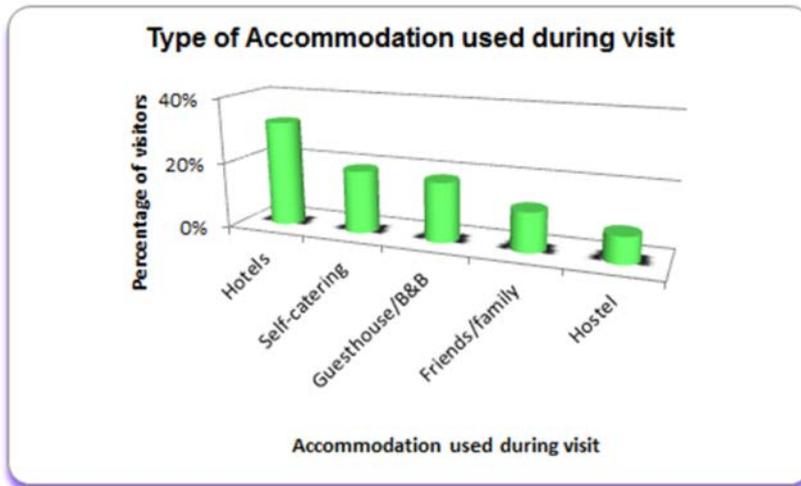
## Length of stay

Average number of nights away from home		Average number of nights on Orkney	
On Orkney	5.7.	Holiday.	4.7.
Elsewhere in Scotland.	4.1.	Visiting family or relatives (VFR).	7.9.
Total trip away from home.	11.0.	Business.	6.2.

The average length of stay on Orkney was 5.7 nights.

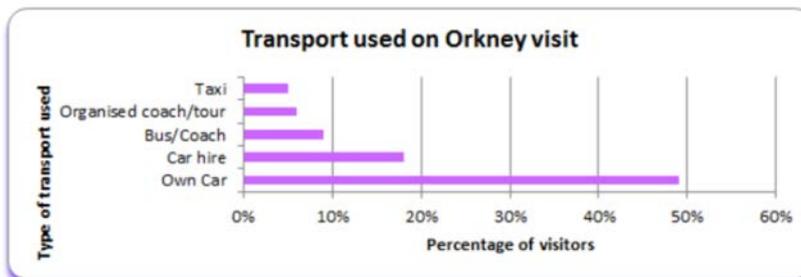
### Accommodation stayed in during visit

Accommodation	Percentage (%)
Hotels.	32.
Self-catering.	19.
Gueshouse / Bed and breakfast.	18.
Friends / family.	12.
Hostel.	8.



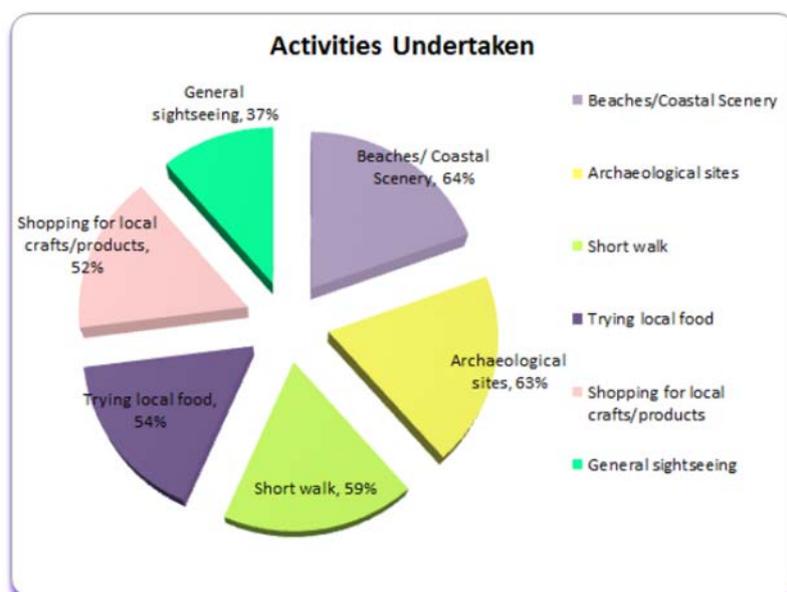
### Transport used on Orkney

Type of transport used on Orkney	Percentage (%)
Own car.	49.
Car hire.	18.
Bus / coach.	9.
Organised coach / tour.	6.
Taxi.	5.



## Activities undertaken

Activity	Percentage (%)
Beaches / coastal scenery.	64.
Archaeological sites.	63.
Short walk.	59.
Trying local food.	54.
Shopping for local crafts / products.	52.
General sightseeing.	37.



## Most visited attractions

Attraction	Percentage (%)
Stenness – Ring of Brodgar.	70.
Skara Brae.	68.
Stenness – Standing Stones.	67.
St Magnus Cathedral.	67.
Lamb Holm – Italian Chapel.	58.

