



Orkney Economic Review 2019



Photos supplied by Andrew Learmonth and Colin Keldie.

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.

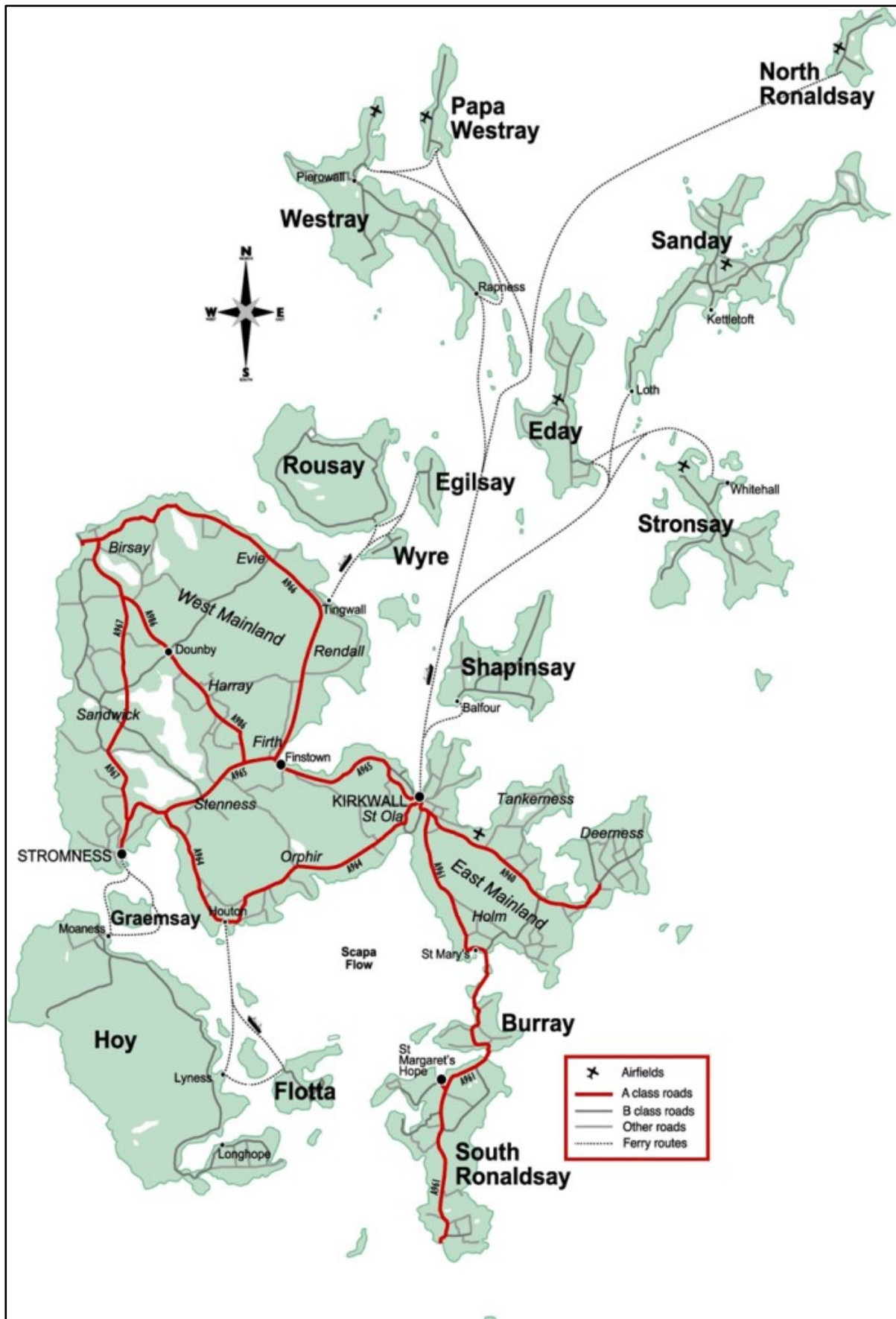
Please note: The Western Isles are referred to throughout as 'Eilean Siar'.

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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/>

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

Active number of Orkney enterprises 2014 – 2019	2014	2015	2016	2017	2018	2019
Mining and quarrying.	5.	5.	5.	5.	5.	5.
Manufacturing.	50.	45.	50.	60.	50.	55.
Electricity, gas, steam and air conditioning supply.	25.	30.	30.	10.	30.	35.
Water supply, sewerage, waste management and remediation activities.	0.	0.	0.	0.	5.	5.
Construction.	145.	135.	135.	140.	140.	135.
Wholesale and retail trade and repair of motor vehicles.	175.	185.	175.	190.	165.	165.
Transportation and storage.	55.	55.	50.	50.	55.	60.
Accommodation and food services.	80.	80.	75.	80.	80.	80.
Information and communication.	15.	15.	20.	15.	25.	25.
Financial and insurance services.	10.	10.	10.	10.	10.	10.
Real estate activities.	15.	15.	15.	10.	20.	20.
Professional, scientific and technical activities.	95.	105.	100.	65.	105.	105.
Administration and support services.	70.	70.	70.	65.	85.	85.
Education.	10.	10.	10.	5.	10.	10.

Lochaber, Sky and Lochalsh, Arran, Cumbrae, Argyll and Bute.	100.8.	34.8.	2.0.
Eilean Siar.	75.7.	31.5.	5.6.
Orkney.	111.3.	67.3.	2.9.
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.

Land Use	2012	2013	2014	2015	2016	2017	2018	2019
Other crops.	192.	210.	200.	135.	116.	139.	143.	160.
Set aside.	-	-	-	-	-	-	-	-
Fruit and horticulture.	-	-	-	-	-	-	-	-
Other vegetables.	15.	14.	17.	11.	15.	14.	10.	10.
Bare fallow.	275.	277.	297.	279.	321.	305.	389.	243.
Total crops, set aside and fallow.	5741.	5641.	5679.	5713.	5605.	5311.	5408.	5380.
Grassland.	50298.	50857.	50903.	49679.	50582.	51192.	50482.	49914.
Rough grazing.	30548.	32620.	33071.	34194.	32365.	32932.	29793.	30683.
Woodland.	82.	79.	61.	60.	138.	352.	206.	321.
Other land.	1038.	1006.	858.	914.	845.	1027.	687.	732.
Common grazing.	2277.	2278.	2278.	2294.	2294.	2294.	2294.	2294.
Total land	89984.	92481.	92849.	92854.	91829.	93108.	88870.	89324.

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 remained largely the same between 2012 – 2016 with the area of land utilised increasing in 2016. 2017 witnessed a 4.5% decrease from the previous year. However, this trend was reversed during 2018, with a 0.5% increase on 2017 figures.

Grassland remains 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 3744 hectares in 2019, a slight increase on 2018.

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 in 2016. There was however a significant increase in cargo in 2017, with an additional 35639 tonnes shipped. This trend has continued into 2018, with a further 37327 tonnes shipped.

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.
2016 – 2017.	179590.	No longer available.		14429.
2017 – 2018.	195982.	No longer available.		14976.
2018 – 2019.	184011.	No longer available.		14212.

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, with 2016 - 2017 witnessing an increase of 1835 passenger and 74 aircraft movements. 2017 – 2018 saw a larger increase of 16392 passenger and 547 aircraft movements. During 2018 – 2019, figures for both passengers and movements fell slightly.

Orkney's Internal Ferry Routes

Passengers	Single journeys – year ended March										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
North Ronaldsay.	599.	561.	627.	537.	742.	529.	653.	525.	752.	571.	942.
Papa Westray.	437.	387.	410.	422.	489.	372.	455.	488.	602.	544.	558.
Westray.	42043.	43382.	45804.	44789.	44051.	39409.	39663.	39896.	42470.	42520.	46016.
Sanday.	29961.	28682.	30010.	29940.	30779.	28640.	26885.	27193.	28979.	28678.	28825.
Stronsay.	18816.	18589.	19688.	18931.	18400.	17407.	16680.	16423.	17104.	16453.	16587.
Eday.	10292.	10434.	10314.	10027.	10273.	9618.	9170.	9130.	9675.	9108.	8571.
Inter-Island / Round trip.	-	-	-	-	3853.	3290.	3104.	3700.	3903.	3865.	3560.
Shapinsay.	65211.	69904.	64206.	66972.	68750.	64958.	64888.	58664.	62674.	61206.	67300.
Rousay.	48777.	53518.	49696.	50775.	46576.	47126.	44605.	46603.	44724.	48564.	50098.
Egilsay.	3291.	3830.	4757.	4388.	3132.	5105.	3296.	2941.	4217.	4246.	4592.
Wyre.	2987.	3204.	4385.	3229.	2874.	2428.	2577.	1911.	1252.	1191.	1065.
Inter-Island / Round trip.	-	-	-	-	3768.	4132.	4309.	3558.	3452.	3541.	3588.
Lyness.	65250.	64920.	67717.	70338.	63524.	65615.	62939.	63931.	67743.	70534.	65344.
Flotta.	10906.	11066.	11042.	11314.	10525.	10624.	11540.	10937.	11415.	11442.	10908.

Passengers	Single journeys – year ended March										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Inter-Island / Round trip.	-	-	-	-	3058.	3059.	3017.	2788.	2484.	2081.	2217.
Graemsay.	5428.	5885.	5920.	6980.	6835.	7540.	7406.	7441.	8269.	6869.	6647.
North Hoy.	15026.	15178.	17204.	19176.	17832.	18250.	19130.	18680.	19386.	19690.	22383.
Inter-Island / Round trip.	-	-	-	-	215.	203.	169.	225.	183.	311.	315.
Total.	319024.	329540.	331780.	337818.	335676.	328305.	320485.	315034.	329284.	331414.	339516.

	Single journeys – year ended March										
Vehicles	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Westray.	12660.	13384.	14062.	14037.	14168.	12534.	12954.	13259.	14491.	14179.	14777.
Sanday.	10482.	10978.	11189.	11225.	12008.	11046.	11028.	10817.	11836.	11872.	11847.
Stronsay.	5988.	5897.	6272.	6046.	5839.	5807.	5776.	6051.	6022.	5876.	6697.
Eday.	3748.	3568.	3753.	3548.	4098.	3549.	3318.	3467.	4099.	3833.	3516.
Inter-Island / Round trip.	-	-	-	-	570.	436.	453.	597.	603.	473.	510.
Shapinsay.	11551.	12425.	12265.	12114.	12375.	12107.	11407.	11067.	11165.	11557.	12725.
Rousay, Egilsay and Wyre.	15086.	16574.	15604.	15897.	14235.	14331.	13805.	13706.	12481.	13694.	14271.

	Single journeys – year ended March										
Vehicles	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Inter-Island / Round trip.	-	-	-	-	1103.	1182.	1380.	1303.	1061.	1025.	1221.
Lyness and Flotta.	23186.	24590.	24492.	23959.	23036.	23883.	23581.	24124.	25362.	27364.	28232.
Inter-Island / Round trip.					228.	154.	200.	314.	218	162.	200.
Total.	82701.	87416.	87637.	86826.	87660.	85023.	83902.	84705.	87338.	90035.	93996.

The total levels of passenger numbers on the internal ferry routes had been decreasing since 2013. However, the 2017 figures have shown an increase of 4.5% on the previous year. This trend has continued, with a 0.7% increase witnessed in 2018. 2019 saw further increases, with the highest figures recorded over the past 10 years.

Figures for the internal ferry routes for Shapinsay and Lyness continue to show significantly higher passenger numbers than other ferry routes in Orkney. The Lyness and Flotta route continues to show the highest number of vehicle numbers using those crossings.

11. Housing

Average Purchase Price of Residential Property (£)

Region	2016	2017	2018	2019	% change 2018-2019
Orkney.	137713.	147614.	154595.	161859.	4.7.
Shetland.	152241.	158484.	165961.	158957.	-4.2.
Eilean Siar.	106519.	105602.	112044.	123556.	10.3.
Highland.	169183.	174512.	181485.	185741.	2.4.
Scotland.	166062.	172779.	179121.	182357.	1.8.

Source: Registers of Scotland.

Orkney witnessed a steady increase in house prices between 2016-2019, with the average increasing by £24146. Whilst other regions shown above, and the Scottish average, have also experienced increases, Shetland has seen a drop in the past year.

Number of Residential Property Sales

Region	2016	2017	2018	2019	% change 2018-2019
Orkney.	416.	418.	397.	391.	-1.4.
Shetland.	307.	318.	284.	294.	3.5.
Eilean Siar.	345.	399.	323.	322.	-0.3.
Highland.	4457.	4620.	4530.	4514.	-0.3.
Scotland.	99403.	103350.	100990.	101664.	0.7.

Source: Registers of Scotland.

In terms of the total numbers of residential property sales, the property market in Orkney witnessed a slight decrease 2018-2019. Nationally, the figures remained fairly static, with only a modest increase.

Value of Residential Property Market – Number (£ Million)

Location	2016	2017	2018	2019	% change 2017-2018
Orkney.	57.3.	61.7.	61.4.	63.	2.7.

Shetland.	46.7.	50.5.	47.1.	47.	-0.2.
Eilean Siar.	36.7.	41.9.	36.2.	40.	10.2.
Highland.	754.0.	805.6.	822.1.	838.	2.
Scotland.	16507.0.	17902.8.	18090.9.	18539.	2.5.

Source: Registers of Scotland.

With the exception of Shetland, all local authority areas highlighted above have witnessed increases in the value of their residential property markets between 2018-2019.

New Housing

Housing Starts and Completions in Orkney

Calendar year	Starts			Total started	Completions			Total completed
	Private	OHAL	OIC		Private	OHAL	OIC	
2004.	100.	44.	0.	144.	51.	19.	0.	70.
2005.	90.	19.	0.	109.	64.	53.	0.	117.
2006.	121.	29.	0.	150.	78.	50.	0.	128.
2007.	206.	81.	0.	287.	131.	0.	0.	131.
2008.	151.	50.	0.	201.	150.	58.	0.	208.
2009.	94.	58.	0.	152.	151.	60.	0.	211.
2010.	69.	43.	30.	142.	102.	19.	0.	121.
2011.	97.	52.	88.	237.	160.	84.	36.	280.
2012.	64.	23.	27.	114.	105.	62.	82.	249.
2013.	64.	0.	18.	82.	57.	49.	27.	133.
2014.	50.	18.	67.	135.	64.	1.	22.	87.
2015.	85.	59.	0.	144.	64.	12.	26.	102.
2016.	129.	36.	0.	165.	85.	14.	37.	161.
2017.	73.	40.	0.	113.	98.	57.	0.	155.
2018.	79.	0.	0.	79.	122.	8.	0.	130.
2019.	91.	0.	25.	116.	76.	0.	0.	76.
Totals.	1563.	552.	255.	2370.	1558.	546.	230.	2359.

Orkney Housing Association Limited (OHAL).

Most visited attractions

Attraction	Percentage (%)
Ring of Brodgar.	82.
Skaill House / Skara Brae.	75.
St Magnus Cathedral.	70.
Italian Chapel.	62.
Public museums / heritage centres	46.
Bishops Palace and/or Earls Palace	40.