

# OIL AND GAS CAPABILITIES

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Highlands and Islands



Highlands and Islands Enterprise  
Iomairt na Gàidhealtachd 's nan Eilean



Oil and Gas fabrication

# HIGHLANDS AND ISLANDS OIL AND GAS CAPABILITIES

## THE HIGHLANDS AND ISLANDS AT A GLANCE

2011 POPULATION  
**457,301**

AREA  
**4,050,000 hectares**

POPULATION EMPLOYED  
IN ENERGY SECTOR (2013)  
**15,347**

### KEY REGIONS

**Argyll and the Islands, Caithness and Sutherland, Lochaber, Skye and Wester Ross, Inner Moray Firth, Moray, Orkney, Outer Hebrides and Shetland**

### KEY PORTS

**Buckie, Ardersier, Invergordon, Nigg, Kishorn, Arnish, Lerwick, Campbeltown, Scalloway, Sullom Voe, Wick, Scrabster, Stornoway, Hatston Pier, Lyness and Stromness**

Over the past 40 years Scotland has developed a strong and internationally renowned oil and gas industry, with an established and world-leading supply chain that encompasses a wealth of skills. The UK's Continental Shelf (UKCS) has produced more than 40 billion barrels of oil equivalent (Bboe) during its four decades of operation and future recoverable reserves stand between 14 and 24 Bboe. The oil and gas sector remains the largest industrial investor across the UK (investment in new projects rose to over £11bn in 2012 and 30 new offshore developments were approved, with a further 30 development projects in the pipeline for approval in 2013) and it is responsible for the employment of around 200,000 people within Scotland.

The Highlands and Islands have played a key role in the development of the Scottish oil and gas sector, from the initial boom 40 years ago (with sites such as Ardersier, Arnish, Nigg and Kishorn manufacturing major offshore components), to today with an internationally renowned supply chain and the continuing revival of quayside facilities.

Scotland's oil and gas industry is currently undergoing a wave of new investments arising from a small number of very large projects. Investor confidence is returning, due to a more positive and attractive fiscal environment than in previous years and capital investment is growing. The future of the oil and gas industry in the UKCS is bright.

## The Highland Ambition

The oil and gas industry in the UKCS looks set for a strong and competitive future, with 167 new production licenses being awarded last year. As an economic development agency, Highlands and Islands Enterprise (HIE) is aiming to help capture as much of this activity as possible for the Highlands and Islands, through developing and strengthening local supply chains, encouraging inward investment and promoting international trade.

Due to the maturity of the North Sea and the age of structures and utilities, there are associated drawbacks. To maximise the economic potential it is important that the industry makes use of Scotland's broad supply chain, supporting infrastructure and asset integrity. Ensuring this will enable investors to reduce operating costs and maximise recovery rates, especially as the industry strives to uncover reserves from increasingly challenging areas. Key to this will be awareness and utilisation of opportunities which are currently on offer to the wider oil and gas industry from the Highlands and Islands of Scotland.

The Highlands and Islands area holds great potential for oil and gas developments based around ports, development land, and the supply chain. Sites at Nigg, Arnish, Invergordon, Evanton, Scrabster and Lerwick are all playing an active role in the oil and gas industry, and there are many more ports in the region with the potential to support the sector, including Ardersier and Kishorn where some of the largest North Sea structures have been fabricated. With these unique and exciting prospects HIE is working towards promoting this opportunity to the wider oil and gas industry.

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### Highlands and Islands Enterprise

The Highlands and Islands area offers excellent sites for manufacturing, maintenance and a supply chain that can support a whole wealth of industry related services. HIE has invested in developments at Nigg, Arnish, Scrabster and Kishorn among others to enable the region to remain active, competitive and continue to grow its oil and gas industry offerings.

HIE is focused on building growth within key sectors and with energy being one of these we are working with key groups and partners such as Energy North, Scottish Enterprise and Scottish Development International to provide support and market intelligence to current and future investors. The range of support that is available to businesses can be seen at [www.hie.co.uk](http://www.hie.co.uk). This includes; funding towards transformational projects, support towards exporting, innovation programmes, graduate placements and other support programmes. HIE also has a dedicated and experienced property team which can provide advice on the wide range of commercial and industrial property available for sale or lease throughout the Highlands and Islands, [www.hie.co.uk](http://www.hie.co.uk)

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### University of the Highlands and Islands

The University of the Highlands and Islands (UHI) is a distinctive partnership of colleges, learning and research centres working together to provide university level education to people throughout the Highlands and Islands of Scotland and beyond. UHI has over 8,000 higher education students studying undergraduate and post graduate education across its various locations, with degree courses covering engineering, health and wellbeing and creative industries.

UHI offers the choice of studying at one of its 13 colleges and research centres, over 70 local learning centres or online. UHI provides full time or part time study for a degree or postgraduate course or to enhance careers. Students are part of a diverse study community spread across the Highlands and Islands of Scotland and beyond - connected by innovative learning technologies.

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### Digital Connectivity

Currently around 95% of premises in the Highlands and Islands can access broadband services through their phone line, with others using technologies including wireless and satellite. HIE is committed to improving this service and want to make the Highlands and Islands one of the most digitally connected rural regions in Europe, by ensuring next generation fibre optic broadband for all. HIE is leading on one of the most ambitious infrastructure projects in Scotland's recent history. The £146 million project is being funded in partnership with the Scottish Government, HIE, Broadband Delivery UK (BDUK) and BT.

The initial rollout, which aims to be completed before 2014, will provide Inverness, Oban, Dunoon, Fort William, Dingwall, Forres and Elgin with high speed fibre optic broadband. By the end of the first phase rollout in 2016, 86% of homes and businesses across the region are set to have access to this high speed service. BT also plan on the rollout of ADSL +2 broadband, by 2014, that will provide speeds up to 20Mbps to Alness, Aviemore, Buckie, Fochabers, Granton-on-Spey, Hopeman, Invergordon, Kirkwall, Lerwick, Lossiemouth, Tain, Thurso and Wick.

BT will provide notice to customers when there is progress in each area. There is a postcode checker on the Openreach site [www.superfast-openreach.co.uk/where-and-when/](http://www.superfast-openreach.co.uk/where-and-when/) and the opportunity to register your interest in Next Generation Broadband.

For more information please contact:

**The Energy Team**

**Highlands and Islands Enterprise**

**T** +44 (0) 1463 234 171

**E** [energy@hient.co.uk](mailto:energy@hient.co.uk)

Highlands and Islands Enterprise, Cowan House,  
Inverness Retail and Business Park, Inverness,  
IV2 7GF, Scotland

Printed October 2013



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