UNIVERSITY of STRATHCLYDE
CENTRE FOR ENERGY POLICY

https://doi.org/10.17868/strath.00093750
August 2025

Insight Brief

Low carbon fuel production at the Sullom Voe Terminal in Shetland could ultimately support up to 155 jobs across the island economy

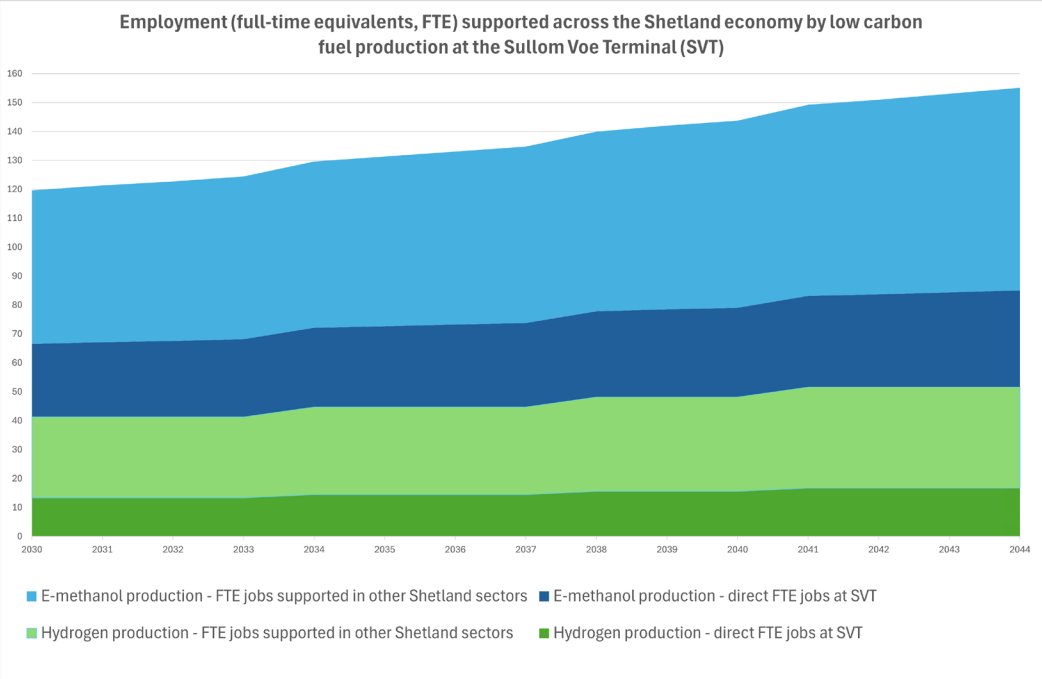
By Karen Turner, Antonios Katris, Abdoul Karim Zanhouo and Paulina Gonzalez Martinez

Research by the University of Strathclyde's Centre for Energy Policy, as part of the EPSRC Ocean REFuel project, is **investigating the economy-wide impacts of different aspects of Shetland's net zero transition**.

One question we are investigating is **how new low carbon fuel production planned at the Sullom Voe Terminal will help retain and sustain jobs and gross value added (GVA) both at this important industrial site and across the wider Shetland economy,** through local supply chain activity and how workers spend their wages locally.

Over the next few months, we will be researching this question using the new Shetland Economy Model (SEM) that we are developing at CEP. However, in the first instance, we can get initial estimates of how much employment is likely to be supported by new low carbon fuel production by using 'employment multipliers' calculated using Shetland's most recent input-output (IO) tables, which describe in detail linkages between different local sectors and activities.

As reported in an earlier CEP policy brief on our research for Shetland, using the Shetland IO tables we can work out that for every direct (full-time equivalent, FTE) job at SVT, a total of 3.1 FTE jobs are supported across the wider economy – that is, for every one direct job, an average of just over two more jobs are supported in other sectors of the Shetland economy.



Data supplied by Veri Energy (the subsidiary of EnQuest, the company that owns and operates the SVT facility) shows that planned **green hydrogen production at SVT will directly require 13 FTE workers at the site from 2030, rising over time to 17 from the early 2040s** (see the dark green shaded area in the chart above). Moreover, some of the green hydrogen produced will be used to make a green variant of methanol (made without any the fossil fuels that are causing climate change). This **e-methanol production will directly require another 25 workers at SVT from 2030, rising over time to 33 from the early 2040s** (the dark blue shaded area in the chart above).

If we **assume that low carbon fuel production at SVT will retain the same supply chain linkages across Shetland as the current oil and gas industry activity at the site**. In that case, we can apply that 'employment multiplier' of 3.1 to the direct jobs data provided by Veri Energy to report our estimate of the breakdown of total jobs likely to be supported by low carbon fuel production, as shown in the chart above.

This gives us the initial jobs estimate set out in the title of this brief. Our initial estimates suggest that **green hydrogen production at SVT will initially support a total of 41 jobs from 2030, rising over time to 52** (summing across the direct jobs at SVT in the dark green area and the indirect and induced jobs in the lighter green area). However, the **e-methanol production contributes the most jobs to the Shetland economy, supporting a total of 78 from 2030, rising over time to 103** (now including the lighter blue area in the chart for other employment across Shetland).

Summing across all the jobs supported in the chart, this is how we arrive at our initial estimate that **low carbon fuel production at the Sullom Voe Terminal will support a total of 120 jobs across Shetland from 2030, rising to 155 in just over 14 years (by 2044)**.

Further information

Keep an eye out for future briefings on our website as our research on this topic and on our wider Shetland project progresses. Please contact us at cep@strath.ac.uk if you have any questions or would like to be kept updated on our research.

Acknowledgements

This work was funded by the UK Engineering and Physical Sciences Research Council (EPSRC) as part of the Ocean-REFuel (Ocean Renewable Energy Fuels) Programme Grant EP/W005212/1 awarded to the University of Strathclyde, Newcastle University, University of Nottingham, Cardiff University and Imperial College London. We are grateful to colleagues at Veri Energy for providing estimates of direct employment requirements for low carbon fuel production at the Sullom Voe Terminal in Shetland over the timeline studied in this Insight Brief.

Sullom Voe Terminal in Shetland. Credit: John Bateson, Geograph Britain and Ireland