



Broadening our Horizons







Anne MacColl

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Anne MacColl,
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As international trade barriers continue to fall, a notable change is also taking place in the global marketplace with emerging economies such as China, India, Brazil and the Middle East forecast to enjoy major growth in the years ahead.

The global economic crisis has accelerated this trend, with growth in these economies expected to be more than double that of developed countries. Within this global context, Scotland is a small market with relatively slow domestic growth forecast for the medium term.

For that reason, increased exploitation of international markets is ever more critical to the acceleration of our sustainable economic growth.

The figures speak for themselves. In 2009, Scotland exported £21.1bn of goods to overseas markets, while the ratio of overseas exports to total turnover in Scotland is around eight percent. Exports to the rest of the UK are estimated at £44.5bn. Whilst this sounds impressive, we believe we have the capability in Scotland to grow exports significantly more than this over the coming years.

Scotland is also home to a large number of foreign investors, companies employing more than 600,000 people with a turnover in excess of £145m. These numbers are growing year-on-year and bring added benefits to our country, such as innovative approaches to business, investment in research and development, improving our skills base and enhancing our supply chain. The recent decisions by global names such as Bank of New York Mellon, State Street, Mitsubishi and Doosan to either open new sites or expand existing operations in Scotland reinforces Scotland's appeal to foreign investors.

Significantly, increased trade also means imports are likely to increase which, in turn, requires our companies to increase their competitiveness and identify markets which offer the best returns.

Further emphasising the need for an international outlook, it's important to remember that as businesses expand overseas they naturally become more focused on innovation as they come into contact with and adapt to new ideas and working methods.

Scotland is blessed with a number of strengths which boost its competitive advantage, from its academic and research excellence and the quality of its workforce to its business infrastructure and its natural assets.

Alongside these qualities, Scotland has long enjoyed a reputation as a country committed to innovation and entrepreneurship and that reputation has endured as we have moved on from our heritage in traditional industries to a strategy aimed at creating a knowledge-based economy.

Our profile as an attractive location to live, work, invest and do business is reinforced by global strengths in growth sectors such as energy, life sciences, creative industries, tourism, financial services and food and drink.

Many of our firms in these and other sectors are already enjoying huge global success - our primary objective is to ensure that more Scottish businesses learn from their example and, with our assistance, expand into markets outside Scotland and increase their rate of growth.

As the trade and investment arm of the Scottish Government, Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE), Scottish Development International (SDI) is committed to delivering our country's international trade and investment ambitions. We recently set these ambitions out when we launched Scotland's International Trade and Investment strategy in March of this year.

With the support of our partners in the public and private sectors, we are focused on assisting Scottish companies in developing and meeting their international ambitions.

By encouraging our businesses to broaden their international horizons and laying the groundwork for their entry into new markets, SDI will ensure that Scotland takes advantage of the enormous opportunities which the global marketplace offers our economy.



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A Global Outlook – Scotland's International Trade and Investment Strategy

With the global economy undergoing a major structural repositioning in the wake of the financial downturn, the emergence of new trading partners and the much-changed economic landscape has reinforced the importance of exploiting international demand.



In this re-shaped environment, an inward looking approach is no longer an option for Scottish business. As a result, Scotland's key agencies and business organisations are working together to deliver an effective international trade and investment strategy, key areas which impact on every industry and business in Scotland and are an integral part of the drive to grow the economy.

Scotland's international trade and investment strategy sets out the opportunities and priorities necessary to achieve a significant increase in international trade and inward investment.

It is estimated that over the course of its five-year period, the implementation of this strategy will achieve between £1.5bn and £2bn growth for the Scottish economy.

A Worldwide Marketplace

With international trade growing at a faster rate than global GDP and the IMF forecasting that most growth in 2011 and 2012 will come from emerging economies including China, India and the Middle East, there is clear recognition in Scotland that there are significant opportunities in this increasingly competitive global economy.

Scottish Development International (SDI), the trade and investment arm of the Scottish Government, Scottish Enterprise and Highlands & Islands Enterprise, works to attract direct foreign investment, to enhance companies' capabilities through the development of international strategy and to create partnerships between Scottish and foreign companies and organisations to open new channels to markets, investments, technologies and products.

As part of Team Scotland, which brings together the country's key public and private sector partners, SDI's focus is on promoting Scotland in the worldwide marketplace as an attractive place to do business and to invest, learn, live and work.

Independent evidence shows that companies assisted by SDI benefit from higher productivity, but it is also true that companies can only successfully enter international markets if they are competitive among their peers.

In partnership with Scottish Enterprise and Highlands and Islands Enterprise, SDI provides support for Scottish companies to compete globally especially by improving their awareness of market opportunities in their sector and by easing their access to these international markets.

In working to help Scottish companies increase international trade, SDI has identified a number of key priorities. Chief amongst these is the creation of an environment whereby businesses in Scotland actively consider the potential to expand their markets and are given the right support at the right time to convert this potential into overseas sales.

By helping businesses to develop their capacity and routes to markets, our objective is to deliver a 30-50 per cent increase in the number of active exporters over the next 10 years with 8-10,000 more businesses with the skills to go international.

Also high on our priority list is the provision of greater support for growth companies. The development of an effective international strategy can provide valuable assistance in areas such as innovation support for the re-design of products for an overseas market or in gaining access to finance to fund plans for expansion.

Additional support 'on the ground' from SDI's worldwide network of trade and investment offices can then help Scottish companies establish useful relationships in their target markets, as well as deal with any specific business and cultural challenges.



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An essential element in this approach is the Smart Exporter project, a partnership initiative between SDI, Scottish Chambers International and the European Social Fund which is designed to increase exporting skills and knowledge amongst Scottish businesses.

Support is provided via a variety of services which identify opportunities for firms in the global marketplace, assist them in developing their international strategy, ensure they have a strong understanding of their target market and help develop the key contacts which will improve their chances of success.

Further support is also available via the GlobalScot network, an international business network comprised of more than 600 senior business people based around the world. Harnessing the power and experience of the Scottish business diaspora, GlobalScot can provide market advice and contacts as well as guidance from experienced, successful exporters.

A key advantage underpinning Scotland's profile as a location of choice is the high quality of its education sector, in particular the global reputation of its research and the close collaborative links it enjoys with industry.

Attracting Inward Investment

Currently, Scotland is home to 1,980 foreign-owned companies which employ more than 270,000 people and have a combined turnover of £80bn.

The country's reputation as a highly attractive destination for inward investment continues to grow, with 19 per cent of all new R&D projects in the UK coming north of the border in the last 10 years, a statistic which reflects its strength in growth sectors and the quality of its research base.

In tandem with our work on international trade, key priorities for the attraction of inward investment have been identified, with the aim being to position Scotland in the top 10 as an attractive business location in key markets.

As part of a strongly proactive approach to generating inward investment, SDI is focused on attracting global operators whose presence in Scotland will enhance and sustain these key growth sectors.

In particular, activity is aimed at sub-sectors where Scotland is already globally competitive and where foreign finance can be directed towards the funding of new investment and infrastructure.

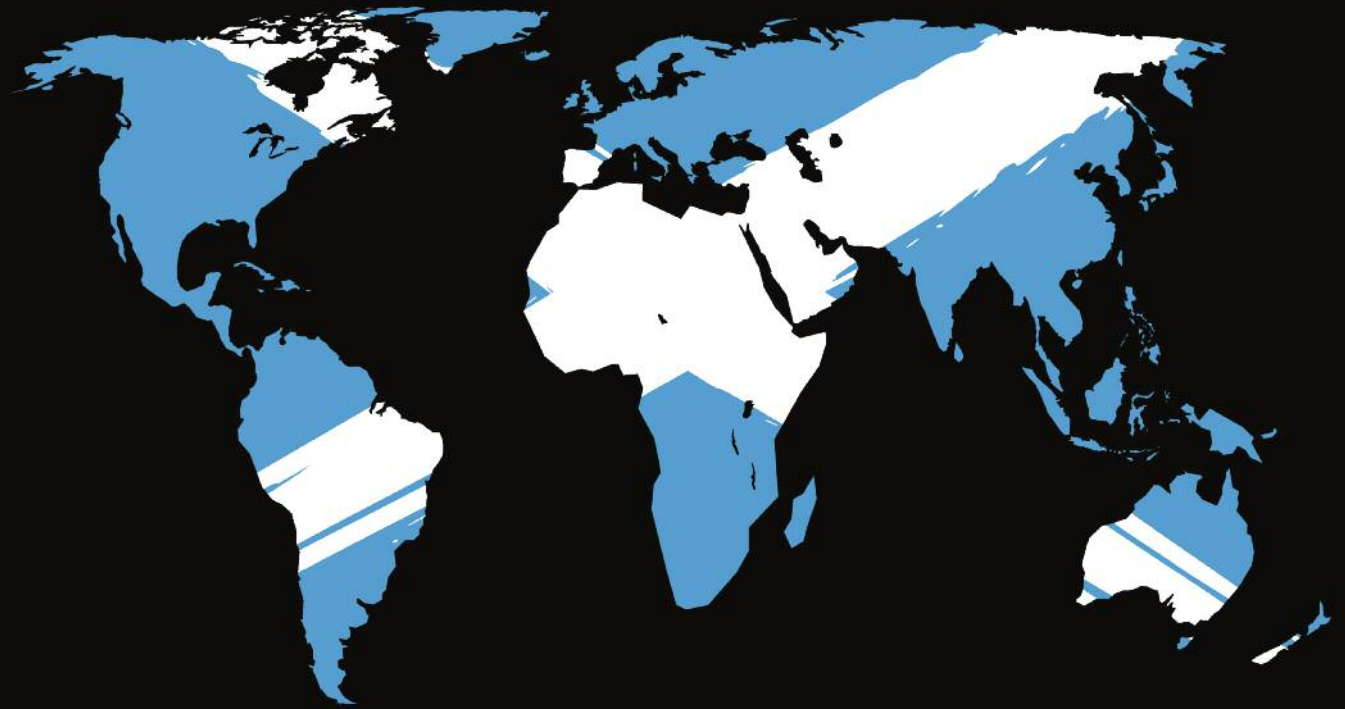
Building on our track record of success in attracting inward investment, there is a major focus on attracting talented, globally-mobile individuals to pursue a career in Scotland, particularly in filling skills gaps in key sectors such as energy, life sciences, enabling technologies and financial services.

By further embedding companies which are already investing here and encouraging them to expand their operations and enhance their links with local suppliers, we are able to further reinforce Scotland's profile as a location of choice.

Further enhancing that appeal is Scotland's growing prominence as a global player in the low carbon economy and the massive potential it offers to operators across all aspects of renewable energy including offshore wind, tidal and emissions storage.

For further information on how SDI is supporting the Scottish economy and can assist your business, visit www.sdi.co.uk

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