

**TOKYO**  
**WEDNESDAY 15 FEBRUARY 2017**

<b>Dementia Seminar</b> British Embassy	SDI/Dementia
<b>Media Interview – The Japan News &amp; Yomiuri Shimbun</b> British Embassy	SDI
<b>Company meeting – Isetan</b> Isetan department store	SDI
<b>SDI &amp; JETRO Investment Seminar</b> JETRO Offices, Ark Mori Building, Tokyo	SDI
<b>Company meeting – OKI</b> JETRO Offices, Ark Mori Building, Tokyo	SDI

SPACER PAGE

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE, TOURISM AND EXTERNAL AFFAIRS**

**DEMENTIA SEMINAR AT BRITISH EMBASSY**

**WEDNESDAY 15<sup>th</sup> FEBRUARY 2017**

<p><b>What does this stem from</b></p>	<p>The Tokyo Metropolitan Institute of Gerontology (TMIG) highly regards the Scottish ‘patient centric’ approach to dementia care and is looking to build up a formal partnership that will lead to the introduction of that system in Japan. To initiate this process, SDI has arranged a seminar with TMIG inviting key stakeholders from Stirling University and NHS Scotland that will explore the human rights based approach facilitated by the development of a “Dementia Friendly Community”.</p>
<p><b>Key Message</b></p>	<ul style="list-style-type: none"> <li>• Showcase Scottish expertise and innovation in healthcare with participation from Scottish and Japanese Universities and health institutes.</li> <li>• The care of people with dementia was made a national priority for the Scottish Government in 2007.</li> <li>• Scotland has advanced dementia care services with a thriving life sciences community internationally recognised for the distinctive capabilities of our business base and research institutions.</li> <li>• The Scottish Government has made a commitment– the only one of its kind in the UK – that everyone newly diagnosed with dementia, is offered dedicated post-diagnostic support by an appropriately qualified Link Worker. Good progress has been made, though there is clearly more to be done</li> <li>• Currently estimated up to 90,000 people with Dementia in Scotland (45,000 with formal diagnosis). We are integrating health and social care in Scotland to ensure people get the right care, at the right time and in the right place, and are supported to live well and as independently as possible.</li> <li>• Stirling University- The Dementia Centre (DSDC) is an international centre of knowledge and expertise dedicated to improving the lives of people with dementia.</li> </ul>
<p><b>Who</b></p>	<ul style="list-style-type: none"> <li>• <b>Mr. Hideki Ito</b> (CEO), Mr. Shuichi Awata (Team Leader), Mr. Shuichi Obuchi (Team Leader), The Tokyo Metropolitan Institute of Gerontology</li> <li>• <b>Mr. Youhei Takahashi</b>, Deputy Director, Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare</li> <li>• <b>Ms. Keiko Sasai</b>, Deputy Director General, Bureau of Social Welfare and Public Health, Tokyo Metropolitan Government</li> <li>• <b>Dr Louise McCabe</b>, Senior Lecturer, Faculty of Social Sciences, University of Stirling</li> <li>• <b>Stephen Lithgow</b>, Associate Improvement Advisor, Healthcare Improvement Scotland</li> </ul>
<p><b>What</b></p>	<ul style="list-style-type: none"> <li>• MoU signing between University of Stirling and TMIG to co-operate in discussions to identify areas of potential collaborative activity where</li> </ul>

	<p>staff and students of both parties can work together.</p> <ul style="list-style-type: none"> <li>Introducing current dementia care policy and practices both in Scotland and Japan and exchange opinions.</li> </ul>
<b>Additional information if speech being given</b>	<ul style="list-style-type: none"> <li>Length of speech – 10 mins</li> <li>There is a lectern</li> <li>Approximately 100 guests are expected. Most guests will be invited by Dr. Awata, including TMIG doctors and researchers, people with dementia, and other dementia-related experts. SDI will invite researchers, potential investors and media.</li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>The Seminar will be preceded by the signing of an MOU ceremony between TMIG and Sterling University – witnessed by the Cabinet Secretary.</li> <li>Strategic signing of MoU between TMIG and Stirling University increases collaboration between Scotland and Japan</li> </ul>
<b>Where</b>	British Embassy, Tokyo No 1 Ichiban-cho, Chiyoda-ku, Tokyo, Japan
<b>When</b>	<p>09:00-13:00</p> <p><b>Running Order</b></p> <p>09:00-09:30 MoU signing</p> <p>09:30-10:00 Informal introduction to speakers</p> <p>09:40 David Ellis, UK Deputy-Head of Mission, arrives</p> <p>10:00-10:03 Opening remarks David Ellis</p> <p>10:03-10:13 <b>Keynote speech Cabinet Secretary</b></p> <p>10:13-10:16 Remarks Mr. Hideki Ito, CEO, Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology</p> <p>10:16-10:19 Remarks by Ms Keiko Sasai, Deputy Director General, Tokyo Metropolitan Government</p> <p>10:19-10:22 Remarks Mr. Yohei Takahashi, Deputy Director, Labour and Welfare</p> <p>10:22-10:42 Presentation Mr Tomofumi Tanno, Orange Door</p> <p>10:42-11:02 Keynote by Shuichi Awata, Team leader, Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology</p> <p>11:02-11:05 Seminar breaks and <b>Cabinet Secretary leaves</b></p> <p>11:15-11:45 Business media interview, Green Room, Embassy</p> <p>11:45-12:45 Private lunch, Garden Room, Embassy</p>
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>[REDACTED] PS</li> <li>Stephen Baker, SDI Regional Director: [REDACTED]</li> <li>[REDACTED] International Division:</li> <li>Julian Taylor, SDI Executive Director Asia Pacific</li> <li>[REDACTED] Media Manager</li> <li>Akira Matsueda, SDI Senior Executive, mobile: [REDACTED]</li> <li>Yuki Nakamura, SDI Press and Marketing, mobile: [REDACTED]</li> </ul>

<b>Media Handling</b>	Media will be invited by SDI. Some media have been broadcasting and reporting regarding dementia care in Scotland continuously.
<b>Annexes</b>	<p>Annex A: Summary page  Annex B: Biographies of speakers  Annex C: Full guest list  Annex D: Dementia policy in Scotland</p> <p><i>NB: Please refer to separate document Speaking Note 2A for speech and Speaking note 2B for aid memoire.</i></p>

**SUMMARY PAGE**

**Purpose of meeting:**

**[REDACTED]**

**Key facts:**

**[REDACTED]**

**Lines to Take:**

**[REDACTED]**

## BIOGRAPHIES

**Dr. David Ellis**  
**Minister and Deputy Head of UK Mission to Japan**



A career diplomat, Dr Ellis took on the role of Minister and Deputy Head of Mission on 1 August 2016. He is responsible for advancing UK-Japan relations on political and security issues. He also oversees the consular and visa operations as well the Embassy's corporate operations. Dr Ellis joined FCO 1996. Previous roles include Minister-Counsellor (Political), British Embassy Beijing (2011 – 2015), Director of Corporate Services and Consul-General, British Embassy Tokyo (2007 – 2011), Deputy Head of Afghanistan Group, FCO London( 2004 – 2007).

David holds a MA (Hons) in Chinese and a PhD in 17th century Chinese literature, both from the University of Edinburgh.

**Mr. Hideki Ito**  
**CEO, Tokyo Metropolitan Geriatric Hospital and Institute Of Gerontology**



**Mr. Shuichi Awata**  
**Team leader, Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology**



The aim of his research team is to promote the independence of older people. His team's studies focus on development of programs for prevention from and intervention of physical, mental, and social disability in late life. Main researches include "Promotion of Prevention of Musculoskeletal Aging", "Prevention of Dependence on Long-Term Care", and "Prevention and Intervention of Dementia and Depression"

**Mr. Shuichi Obuchi**  
**Team leader, Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology**



His research theme is aiming to explore measures to provide quality home care that implement the core perspectives of "support for older persons," "support for caregivers," and "support for the community".

**Ms. Mio Ito**  
**Researcher, Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology**



**Ms. Keiko Sasai (no picture available)**  
**Deputy Director General for Technical Affairs, Bureau of Social Welfare and Public Health, Tokyo Metropolitan Government**

Ms Sasai has started her doctor's career as a pediatric doctor and is Head of public health doctors at Tokyo Metropolitan Government. Responsibilities include providing technological advice and training healthcare professionals.

**Mr. Yohei Takahashi**  
**Deputy Director, General Affairs Division & Office for Dementia Policy Health and Welfare Bureau for the Elderly Ministry of Health**



Mr Takahashi engages in the comprehensive policy planning and coordination of elderly care and welfare measures including the nursing insurance system.

Mainly responsibilities include of an international objectives for the Health and Welfare Bureau regarding the dementia measure.

**Mr. Tomofumi Tanno**  
**Representative, Orange Door**



Tomofumi is 41-year-old with a two year old diagnosis of Alzheimer's disease and has established the Japan Dementia Working Group "Orange Door" as a meeting place for people with dementia.

The aim of Orange Door is to provide 'a listening ear, information and guidance – and above all, a sense of hope'.

**Dr. Louise McCabe**  
**University of Stirling**



Dr McCabe has worked in the field of dementia studies and gerontology in both practice and academia for over fifteen years. Dr McCabe started her career as a care worker in residential homes for older people. Louise has been a senior lecturer in Dementia Studies within the Faculty of Social Science at Stirling University since 2005 and was part of the team that developed the first online MSc in Dementia Studies programme in 2003. Louise has an active research career and has been involved with many research and evaluation projects focused on improving the lives of people with dementia and their carers.

**Mr. Stephen Lithgow**  
**Associate Improvement Advisor, Healthcare Improvement Scotland**



Stephen graduated as an Occupational Therapist in 2000 and has worked in Specialist Dementia Units and Older Adults Community Mental Health Teams.

A dementia researcher with published work on dementia in care homes, Stephen holds a Masters Degree in Dementia Studies from Stirling University (2013).

Recently Stephen led on the consultation and writing of the Glasgow City Dementia Strategy in 2016 and is a member of the Scottish Government's Dementia Strategy Implementation Group. Healthcare Improvement Scotland is a specialist Health Board which helps health and social care

providers design better services across Scotland.

## FULL GUEST LIST

[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo metropolitan Government
[REDACTED]	Tokyo metropolitan Government
[REDACTED]	Tokyo metropolitan Government
[REDACTED]	Ministry of Health, Labour and Welfare
[REDACTED]	Ministry of Health, Labour and Welfare
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Japan Broadcasting Corporation
[REDACTED]	Izuminomori clinic
[REDACTED]	orange door
[REDACTED]	orange door
[REDACTED]	Alzheimer Association Japan
[REDACTED]	Foundation of Senior Citizens' Housing
[REDACTED]	Japan Working Group for Dementia
[REDACTED]	Nozomi clinic
[REDACTED]	Japan Working Group for Dementia
[REDACTED]	Dementia Friendship Initiative
[REDACTED]	DAYS BLG!
[REDACTED]	Chiba University
[REDACTED]	Journalist
[REDACTED]	Machida City
[REDACTED]	Machida City
[REDACTED]	Fujinomiya City
[REDACTED]	Society of the study of Dementia Life Spport in Omuta
[REDACTED]	Omuta City
[REDACTED]	Tokyo Metropolitan university
[REDACTED]	Tokyo metropolitan Institute of Medical Science
[REDACTED]	The University of Edinburgh
[REDACTED]	Kyoto Bunkyo University
[REDACTED]	Itabashi-ku
[REDACTED]	Itabashi-ku
[REDACTED]	Urban Renaissance Agency
[REDACTED]	Itabashi Adult Gurdianship Center

[REDACTED]	Itabashi Adult Guardianship Center
[REDACTED]	Japanese Council of Senior Citizens Welfare Service
[REDACTED]	Japanese Council of Senior Citizens Welfare Service
[REDACTED]	Tokyo Association of Occupational Therapists
[REDACTED]	Tokyo Association of Occupational Therapists
[REDACTED]	Tokyo Association of Occupational Therapists
[REDACTED]	University of Tokyo Health Sciences
[REDACTED]	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology
[REDACTED]	Japan Society of Next Generation Sensor Technology
[REDACTED]	British Embassy Tokyo
[REDACTED]	Shimazu
[REDACTED]	British Embassy Tokyo
[REDACTED]	Hitachi, Ltd.
[REDACTED]	Kanagawa Prefectural Government
[REDACTED]	CMIT Inc.
[REDACTED]	SECOM Medical System Co.,Ltd.
[REDACTED]	Hitachi, Ltd. Healthcare Business Unit
[REDACTED]	Tokyo Hoki Publishing Co. CLTD
[REDACTED]	GUNZE LIMITED
[REDACTED]	Japan Scotland Association
[REDACTED]	cell work
[REDACTED]	Seizankai Group Miharunomori Clinic
[REDACTED]	Kyoto Koka Women's University
[REDACTED]	SEtech Co.,Ltd.
[REDACTED]	Dancebase
[REDACTED]	Luminate
[REDACTED]	Independent Artist
[REDACTED]	Feral
[REDACTED]	Tricky Hat Productions
[REDACTED]	British Council Scotland
[REDACTED]	Phoenix Company
[REDACTED]	Yomiuri Shimbun
[REDACTED]	NTTP Communications

## DEMENTIA CARE IN SCOTLAND - BACKGROUND

- The care of people with dementia was made a national priority for the Scottish Government in 2007 with a commitment made in 2013 to provide a year of post-diagnostic support for everyone newly diagnosed with the disease.
- The Scottish Government has so far published 2 consecutive national strategies for dementia in 2010 and 2013, with the 3<sup>rd</sup> strategy due for publication in early 2017.
- Previously, dementia policy in Scotland has drawn on commonly-held assumptions around dementia prevalence, which in Scotland is estimated at up to 90,000, with around 45,000 having a formal diagnosis.
- Prevalence refers to a snapshot of the estimated number of cases of dementia in a population at a given point in time.
- Incidence refers to the estimated number of new cases of dementia developed over a given time period.

### Key facts

- On 13 December 2016 the Scottish Government published a report on 'Estimated and Projected Diagnosis Rates for Dementia in Scotland: 2014-20' (endorsed by The Chief Medical Officer) and provides the most accurate assessment to date on estimated dementia diagnosed incidence rates in Scotland which estimates 20,000 people will be diagnosed with dementia per year by 2020, 3 times bigger than previously estimated.
- The first round of national post-diagnostic data (published on 24 January 2017) shows that, in 2014-15, 38% of those people entitled to the post-diagnostic service were offered the service; and, of that 38%, 72% completed the service
- The Dementia Centre (DSDC) at Stirling University is an international centre of knowledge and expertise dedicated to improving the lives of people with dementia.
- The University of Edinburgh based Alzheimer Scotland Dementia Research Centre is funded by a five-year grant from Alzheimer Scotland.

### Line to take

- The Scottish Government has made a commitment– the only one of its kind in the UK – that everyone newly diagnosed with dementia, is offered dedicated post-diagnostic support by an appropriately qualified Link Worker. Good progress has been made, though there is clearly more to be done
- Integration of health and social care is essential to meet future demand for dementia services.
- Health and Social Care Partnerships must plan and deliver well-coordinated care that is timely and appropriate to people's needs. We are integrating health and social care in Scotland to ensure people get the right care, at the right time and in the right place, and are supported to live well and as independently as possible.
- We recognise that Palliative and End of Life care services for people in the advanced stages of dementia require more development. During the next

Dementia Strategy, we will test and evaluate Alzheimer Scotland's Advanced Care model; and we will invest in educating, training and developing the workforce

### **Key policy priorities for next dementia strategy**

- Further improvements in diagnosis rates and post-diagnostic support
- Integrated home care – now that Health and Social Care are integrated in Scotland, we will continue to support the Integrated Joint Boards (which oversee this) to strengthen home-based services and supports (including £250 million for social care)
- A new national focus on palliative and end of life care
- The Scottish Government is currently coordinating a European Joint Action on Dementia. The aim of this programme (which is jointly funded by the European Union's Health Programme) aims to promote the implementation in Member States of coordinated actions to improve the situation of people living with dementia and their carers. Key partners are from Spain, France, The Netherlands, Italy, Norway, the UK Government, Greece, Romania, Bulgaria and the European Commission, with Alzheimer Europe, a collaborating stakeholder, representing the views of people with dementia and their carers.

### **Case studies/innovations**

#### **SFA dementia work**

- The Football Memories project, operated by the Scottish Football Museum, began in 2009 with three groups. It now has memory groups operating in 20 professional clubs and over 150 groups throughout Scotland.
- The project is formally supported by the Scottish FA and has received financial support from UEFA. It has attracted interest throughout the world including America, Brazil and a number of countries in Europe.
- This year the project will be extended to other sports - golf, rugby, shinty and cricket.

#### **The Scottish Dementia Awards programme**

- A 6 year old partnership between Alzheimer Scotland, NHS Education for Scotland, NHS Health Scotland and the Scottish Social Services Council (SSSC) which recognises and celebrates creative approaches, innovation and best practice in dementia care. The awards ceremony last took place in September 2016 and was attended by Mrs Watt, Minister for Mental Health. Winners included:
  - **Best Community Support Initiative** – Badenoch and Strathspey Community Transport Company – Here 2 Help - This project provides a befriending service whereby people are matched with local volunteers who visit them weekly to increase or re-establish their social networks and interaction. Befriending provides a stimulating visit each week to people who may not see anyone other than paid professionals.
  - **Best Dementia Friendly Community Initiative** – An Lanntair – Arora - This project is born of a community shaped and defined by its history, language and unique culture. It proactively promotes the Gaelic language and explores the role bilingualism has in relation to dementia.

- **Best Educational Initiative** – The University of the West of Scotland – Dementia Class in a Bag - Dementia Class in a bag is a portable, intergenerational educational resource which raises awareness of dementia and includes the physical resources and tailored lesson guide for experiential and interactive workshops.
- **Most Innovative Partnership** – Inch View Care Home - The home has an innovative partnership with Soil Association Scotland, improving care for residents through food. This first-of-its-kind initiative brought the home a wheel chair accessible poly-tunnel for therapeutic growing, added to the home's flock of chickens and raised beds for growing food; creating rich activities that evoke memories and engage senses.

### **Japan key facts**

- 5 million Japanese today living with from some form of dementia – expected to rise to 7 million by 2025.
- Work is being undertaken in Japan on dementia-friendly communities. One example is the Fujinomiya project, Bridging Communities; Sharing Our Memories, run by high school students, which supports intergenerational interaction based on the history of the local area using photographs. Students are also involved in internships in which they record photographs and memories of a person with dementia by speaking to them and compiling a life history of the person.'

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE, TOURISM AND EXTERNAL AFFAIRS**

**BUSINESS MEDIA ENGAGEMENT: THE JAPAN NEWS and YOMIURI SHIMBUN**

**WEDNESDAY 15th FEBRUARY 2017**

<b>What this stems from</b>	The opportunity stems from SDI's ongoing relationship with London based Japanese media. One of the two editors attending this interview, Mr. Yanagisawa was previously based in London and has an interest in the impact of the UK decision to leave the EU and Scotland's response.
<b>Key Message</b>	<ul style="list-style-type: none"> <li>• Scotland is a modern and confident country with a diverse culture. We have a lot to offer the world and I'm in Japan to strengthen business, trade, tourism, education and cultural links between our two countries.</li> <li>• In light of the UK vote to leave the EU, the Scottish Government is clearly committed to a continued positive contribution to the EU and the Single Market and happy to discuss government's position and strategy in this area.</li> <li>• Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil &amp; gas, healthcare, food &amp; drink.</li> <li>• Japan is an important part of our international trade landscape. Today, Japan ranks 19th as an export destination from Scotland.</li> </ul>
<b>Who</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> Assistant Editor of The Japan News</li> <li>• <b>[REDACTED]</b> of International Section for Yomiuri Newspaper <i>The Japan News is the English language subsidiary of the Yomiuri national newspaper.</i></li> </ul>
<b>What</b>	Business media engagement – interview with 2 newspapers.
<b>Why</b>	Opportunity to reach key target audiences through engagement with Japan's largest daily newspaper and English subsidiary.
<b>Where</b>	Garden Room, Embassy
<b>When</b>	<b>11:15 – 11:45</b>
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> PS</li> <li>• Stephen Baker, SDI Regional Director: <b>[REDACTED]</b></li> <li>• <b>[REDACTED]</b> International Division:</li> <li>• <b>[REDACTED]</b> Media Manager:</li> <li>• <b>[REDACTED]</b> SDI Press and Marketing</li> </ul>

<b>Media Handling</b>	Interview will be conducted in English (no interpreter) by 2 editors. Editors may wish to take photos.
<b>Annexes</b>	Annex A: Summary Annex B: Media profile Annex C: Submitted questions

**SUMMARY PAGE****Purpose of interview**

- Interview with Japan's largest daily newspaper (Yomiuri Shimbun) and its English language subsidiary (Japan News).
- Opportunity to promote Scotland's strategy for Europe following UK decision to leave EU and to highlight Scotland's strong relationship with Japan across culture and business for the mutual benefit of both countries.
- The editors will seek Ms Hyslop's view on Scotland's strategy and the potential for an Independence Referendum.
- The interview provides an opportunity to reassure key Japanese audiences of Scotland's commitment to ongoing mutually beneficial culture and trade and investment relationships with Japan and other global markets.

**Key messages**

- Scotland is a modern and confident country with a diverse culture. We have a lot to offer the world and I'm in Japan to strengthen business, trade, tourism, education and cultural links between our two countries.
- In light of the UK vote to leave the EU, the Scottish Government is clearly committed to a continued positive contribution to the EU and the Single Market and happy to discuss government's position and strategy in this area.
- The Scottish Government believes the best way to build a more prosperous and equal Scotland is to be a full independent member of the EU.
- If Scotland's interests cannot be protected in a UK context, independence is an option people in Scotland must have the right to consider.
- Japan is an important part of our international trade landscape. Today, Japan ranks 19th as an export destination from Scotland. As well as success in food & drink, we're also seeing success in areas such as life sciences and renewable energy. All areas where we know there are particular synergies with Japan, that we are keen to exploit still further.
- Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil & gas, healthcare, food & drink.
- According to annual attractiveness survey from professional services firm EY the survey, Japan was the seventh biggest source of foreign direct investment into Scotland in 2015, and accounted for 4 per cent of all inward investment the country during that year.
- Japanese companies operating in Scotland currently employ 6,250 people – an increase of just over 13% since 2014.
- Recently we've seen investments from Japanese operations including Nikon who acquired Optos for £295M and Reprocell who acquired Biopta. (This was for £5.5M). Previous strategic investments include Chiyoda's investment in Xodus and Mitsui & Co's investment in Global Energy. As well as Kyowa Hakko Kirin's acquisition of ProStrakan.

**MEDIA PROFILE**

**[REDACTED] Assistant editor, The Japan News**

The Japan News is published by The Yomiuri Shimbun, Japan's largest daily newspaper with circulation of over 9 million. It is currently the only English daily published by a national newspaper in Japan. It covers all areas of news – politics, diplomacy, economics and cultural affairs. Its circulation stands at about 23,000.

**[REDACTED]**

**[REDACTED] International Section, Yomiuri Shimbun**

The Yomiuri Shimbun is Japan's largest daily newspaper and covers every corner of Japan with 301 regional reporters' offices and bureaus. It also has 27 news-gathering overseas bureaus, and continuously transmits a wide range of information on politics, economy, culture, and business.

**[REDACTED]**

**SUBMITTED QUESTIONS**

**[REDACTED]**

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE,  
TOURISM AND EXTERNAL AFFAIRS**

**COMPANY MEETING WITH ISETAN**

**WEDNESDAY 15<sup>th</sup> FEBRUARY 2017**

<b>What this stems from</b>	<ul style="list-style-type: none"> <li>• Good, positive relationship with Isetan Mitsukoshi Department Stores.</li> <li>• Direct result of Isetan's seafood buyers attending exclusive Seafood Dinner at British Ambassador's Residence with key Scottish seafood businesses during Seafood Expo 2016.</li> </ul>
<b>Key Message</b>	<ul style="list-style-type: none"> <li>• Reinforce relationships with Isetan at the most senior level</li> <li>• Acknowledge contribution that Isetan is playing in relation to their promotion of Scottish seafood</li> <li>• Emphasise that Scottish Government looks forward to forming stronger ties with Isetan Mitsukoshi Department stores and reiterate commitment to supporting their existing and future relationships with Scotland</li> </ul>
<b>Who</b>	<p><b>Mr Hiroshi Ohnishi</b>, President and CEO, Isetan Mitsukoshi Holdings Ltd ★  <b>Mr Hidoyuiki Ogata</b>, Marketeer, Whisk-e</p> <p><i>Mr Hiroshi was introduced to Ms Hyslop at the Embassy on Monday</i></p>
<b>What</b>	<ul style="list-style-type: none"> <li>• Opportunity to visit the most prestigious department store in Japan, see the Scottish seafood promotion and meet with the company CEO Mr Ohnishi</li> <li>• Isetan will be running a Scottish Food &amp; Drink Fair with focus on seafood from Wed 15<sup>th</sup> Feb to Mon 20<sup>th</sup> Feb</li> <li>• Although the promotion is small in scale, this is the first time they have had a dedicated promotion on Scottish seafood in their store</li> <li>• It is hoped that the visit during the fair will encourage more Scottish food &amp; drink suppliers to export to Japan</li> <li>• The promotion will show case: salmon (fresh &amp; smoked), langoustine, haddock, mussels</li> <li>• Shortbread, jam, whisky and beer will also be featured</li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>• Opportunity to strengthen existing positive relationship between Scotland and this key retailer and encouraging them to stock more food &amp; drink products from Scotland</li> <li>• Company is a key influencer – helping to establish Scotland's premium image in Japan</li> </ul>
<b>Where</b>	Food Floor 1BF, Shinjuku Main Store, 3-14-1 Shinjuku Shinjuku-ku, Tokyo 160-0022
<b>When</b>	<b>13:20-13:50</b>
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> PS</li> <li>• Stephen Baker, SDI Regional Director: +81-80-3125-8824</li> <li>• <b>[REDACTED]</b> International Division</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> <li>• <b>[REDACTED]</b> Media Manager</li> </ul>

<b>Media Handling</b>	<ul style="list-style-type: none"><li>• F&amp;D journalist present</li><li>• Social media activity around the visit and the fair</li><li>• Photographer present</li></ul>
<b>Annexes</b>	Annex A: Summary page Annex B: Company Profile/Background Annex C: Biographies

## SUMMARY PAGE

### Purpose of meeting:

- Opportunity to visit the most prestigious department store in Japan, see the Scottish seafood promotion and meet with the company CEO Mr Ohnishi
- Isetan will be running a Scottish Food & Drink Fair with focus on seafood from Wed 15<sup>th</sup> Feb to Mon 20<sup>th</sup> Feb
- Although the promotion is small in scale, this is the first time they have had a dedicated promotion on Scottish seafood in their store
- It is hoped that the visit during the fair will encourage more Scottish food & drink suppliers to export to Japan
- The promotion will showcase: salmon (fresh & smoked), langoustine, haddock, and mussels. Shortbread, jam, whisky and beer will also be featured

### Key facts:

- The Scottish food and drink industry is booming and we are on track to reach our target of **£16.5bn** by 2017
- **£600m** worth of Salmon and Seafood exported annually. Exports to Japan in 2015 were £3.833m
- Scottish seafood is increasing in popularity: after whisky, **seafood is Scotland's 2<sup>nd</sup> largest export**, sold to over 100 countries around the globe
- From farmed seafood, shellfish to whitefish, over **60** species are landed in Scotland including shellfish, white fish and oil rich fish
- Scotland is one of the largest seafood producers in Europe, with more than **2,000 boats and 5,000 fishermen** catching fish around Scotland's coastline
- Scotland is the **largest producer of farmed Atlantic salmon in the EU**, (93% of total EU production), and the **third largest in the world**
- The clear, fresh waters of the Scottish sea lochs enable the salmon to grow evenly and consistently. The strong currents ensure that the fish are constantly swimming, which produces firm, textured flesh and exceptional flavor
- In 1992, Scottish salmon was the first foreign product to gain the prestigious "Label Rouge" quality mark granted by the French Ministry for Agriculture
- In 2004, Scottish salmon received Protected Geographical Indication status (PGI) granted by the European authorities, in recognition of the unique marine environment.

### Lines to Take:

- Reinforce Scottish Government's commitment to supporting company's existing and future relationships with Scotland at the most senior level
- Convey message that Scottish food & drink sector want to work more closely with Isetan Mitsukoshi retail group
- Scotland is blessed with a fantastic larder of some of the best natural produce in the world, as well as a longstanding reputation for producing quality products and an envied flair for innovation

**COMPANY PROFILE**

The Isetan Mitsukoshi Group is Japan's largest department store group, operating a total of 26 stores nationwide. The Group has four separate department store brands (Mitsukoshi, Isetan, Iwataya and Marui-Imai). The brands represent stores long patronised and loved by the Japanese people not only in Tokyo but also in Sapporo, Kyoto, Nagoya, Fukuoka and other major cities nationwide.

Three key stores are particularly popular among those in the Isetan Mitsukoshi portfolio. These are the Isetan Shinjuku store (which boasts the highest sales of any department store in Japan), the Nihombashi Mitsukoshi Main Store (Japan's very first department store), and the Ginza Mitsukoshi store (a landmark in the chic Ginza quarter of Tokyo). Each of these stores is offer high end goods from Japan and around the world, from clothing to food and everything in between.

Remodelled and updated in 2013, the Isetan Shinjuku store is acclaimed as a retailer indispensable for those who wish to stay abreast of the cutting edge in both Tokyo and globally. It holds the distinction of leading Japan in fashion sales, and stocks a vast selection of the world's most celebrated high end brands.

The Nihombashi Mitsukoshi store first opened in its current location in 1673, and has remained in business ever since. It is renowned for its customer service, cultivated and perfected over centuries.

Tokyo's Ginza district is one of the world's premier shopping destinations, and the Ginza Mitsukoshi department store is one of its defining landmarks. The store has an information centre equipped to meet the needs of visitors from outside Japan, helping to qualify Ginza Mitsukoshi as Japan's friendliest, most accessible store for international travellers.

The stores of the whole group attract more than 200 million customers per year which exceeds Japan's total population of 127 million.

Annual sales is over JPY1.2 trillion highlighting Isetan Mitsukoshi Group's position as the No.1 department store group in Japan. Number of full-time employees in Japan is approx 26,000.

In recent years, sluggish economic conditions and recent consumption tax hikes have made the company diversify with tourism from China being an increasingly important revenue stream for the company. In 2013, the department store revamped its women's fashion floor and plans to renovate its home and children's floors to maintain shoppers' interest.

## Recent SG/SDI engagement

- Previously met Richard Lochhead MSP during his visit to Japan in Nov 2012
- SDI Japan supported the renewal of the store's iconic tartan in 2013 (Macmillan Isetan) and in 2015 (Isetan Men's). The "MacMillan/Isetan" has been registered with the Scottish Register of Tartans.



- SDI Japan held an exclusive Seafood Dinner at the British Ambassador's Residence inviting key Scottish seafood businesses when we participated in Seafood Expo in Aug 2016
- Isetan's seafood buyers attended the dinner and had a very positive impression of the high quality Scottish seafood and Scotland's sustainable fisheries. The fish buyers were particularly keen to introduce Scottish seafood which is sourced from sustainable fishing

## Biography



**Mr. Hiroshi Ohnishi**  
**President and CEO, Isetan Mitsukoshi Ltd**

Mr Ohnishi joined Isetan Company Limited in 1979 after graduating from Keio University with a BA from the Faculty of Business and Commerce.

Since then, he has gained extensive experience in menswear fashion. As senior manager, he spearheaded the 2003 Grand Opening of Isetan Men's building at their Shinjuku main store, which is now widely regarded as one of the leading menswear outlets in Japan. In order to meet the changing needs of male consumers, he worked tirelessly with buyers and sales managers to change the store design into a harmonious one through tough negotiations with business partners.

After serving as Store Manager of Isetan Tachikawa Store and Mitsukoshi's General Merchandising Manager of Department Stores' Business, he was appointed President and CEO of Isetan Company Ltd in 2009 and President and CEO of Isetan Mitsukoshi Holdings Ltd in 2012 after the death of former chief executive and Chairman Nobukazu Muto in 2010.

Isetan was formerly a publicly-traded department store chain based in the fashionable Shinjuku district of Tokyo but was delisted in 2008 when it merged with Mitsukoshi, a rival chain, to form a joint company called Isetan Mitsukoshi Holdings.

With a people first approach Mr Ohnishi launched the personnel management system reform for evaluating each employee impartially.

He has also tried to restructure the supply chain because his belief is Isetan Mitsukoshi Group should sell merchandise that has a good balance between value and price.

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE, TOURISM AND EXTERNAL AFFAIRS**

**SDI & JETRO INVESTMENT SEMINAR AT BRITISH EMBASSY**

**WEDNESDAY 15<sup>th</sup> FEBRUARY 2017**

<b>What does this stem from</b>	SDI has arranged a Seminar with Japan External Trade Organisation (JETRO) following strong desire from key stakeholders in market to understand the investment opportunities in Scotland in light of Brexit, with specific reference to the manufacturing space.
<b>Key Message</b>	<ul style="list-style-type: none"> <li>• Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil &amp; gas, healthcare, food &amp; drink.</li> <li>• Scotland is a land of innovation and offers investors a strategic gateway to Europe and beyond providing access to markets, customers and research and development expertise.</li> <li>• Importantly – we don't just support international companies to do business <i>in</i> Scotland. We help them to grow their business internationally, <i>from</i> Scotland.</li> <li>• Investors enjoy access to a highly educated and skilled workforce with a strong work ethic. They share connections to clusters, supply chains and partners to help grow their business. And they share a connected culture of research, innovation and creativity across the private sector, government and academia.</li> </ul>
<b>Who</b>	<ul style="list-style-type: none"> <li>• <b>Mr Koji Yonetani</b>, Executive Vice President, Japan External Trade Organisation (JETRO)</li> <li>• The audience will be invited guests with over 50 key stakeholders including prominent investors, SMEs and Tier 2 companies.</li> </ul>
<b>What</b>	<ul style="list-style-type: none"> <li>• An investment seminar during which the Cabinet Secretary will deliver a keynote speech. Opportunity for Cabinet Secretary to provide the latest information on attracting foreign direct investment in Scotland by SDI field colleagues and invite speakers from existing Japanese investors in Scotland to talk about their experiences.</li> <li>• Raise awareness of Scotland as a forward-thinking innovative and entrepreneurial location, with a cluster of companies developing technologies in niche sectors of interest to Japan, such as subsea and digital health.</li> <li>• Opportunity to demonstrate these investment prospects which make Scotland an attractive place to invest in high growth companies and generate returns.</li> <li>• A key event to hit new areas in Trade and Investment which SDI has strategically been targeting – SMEs and Tier 2 companies.</li> </ul>
<b>Additional information if speech being given</b>	<ul style="list-style-type: none"> <li>• A 10 min keynote during main seminar, 5 minute welcome remarks to open evening reception.</li> <li>• A lectern is provided on both occasions.</li> <li>• A translator will provide consecutive translation using headsets.</li> <li>• Audience includes SME Directors in manufacturing, Financial Services and other international business executives.</li> </ul>

<b>Why</b>	<ul style="list-style-type: none"> <li>• Key opportunity for Japanese SMEs to learn from both SDI and the Cabinet Secretary how to expand their international business through Scotland and the opportunities that exist.</li> <li>• The seminar will be preceded by a high-level meet and greet with VIPs and speakers influential in the investment landscape of Japan.</li> <li>• The Seminar will; (1) Raise awareness of Scotland for attracting foreign direct investment from Japan, and (2) Deliver message on Scotland's position in Europe to Japanese potential investors, as well as (3) providing the Cabinet Secretary with an understanding of the factors facing investors in market.</li> </ul>
<b>Where</b>	Japan External Trade Organisation (JETRO) Seminar Hall, 5 <sup>th</sup> Floor, Ark-Mori building, 1 Chome 12-32, Akasaka, Minato-ku, Tokyo
<b>When</b>	<p>14:20-18:30</p> <p><b>Running Order</b></p> <p>14:20 Cabinet Secretary arrives</p> <p>14:20-15:00 Preparation time, Private room 5G</p> <p>15:00-15:30 Seminar pre-meet with VIPs/speakers and JETRO.</p> <p>15:30-15:32 Opening remarks from Mr Yonetani, JETRO</p> <p>15:32-15:34 Opening remarks from Julian Taylor</p> <p>15:35-15:40 Cabinet Secretary speaking remarks</p> <p>15:40 Cabinet Secretary leaves room</p> <p>16:00-16:45 Company meeting OKI Electric, Intercontinental hotel</p> <p>17:00-17:30 Downtime, Private room 5G</p> <p>17:30-17:35 Cabinet Secretary reception welcome remarks</p> <p>17:35-18:30 Networking reception</p> <p>18:20-18:25 Stephen Baker delivers closing remarks</p> <p>18:30 Cabinet Secretary departs venue</p>
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> PS</li> <li>• Stephen Baker, SDI Regional Director: <b>[REDACTED]</b></li> <li>• <b>[REDACTED]</b> International Division:</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> <li>• <b>[REDACTED]</b> Media Manager:</li> <li>• <b>[REDACTED]</b> SDI, mobile:</li> <li>• <b>[REDACTED]</b> SDI Press and Marketing</li> </ul>
<b>Media Handling</b>	<ul style="list-style-type: none"> <li>• Japanese media will join main seminar as guests – No direct engagement</li> </ul>
<b>Annexes</b>	<p>Annex A: Summary Page</p> <p>Annex B: Biographies and Guest List</p> <p>Annex C: T&amp;I Key Messages</p> <p><i>NB: For speaking requirements during main Seminar please refer to Note 3A and Note 3B for Aid Memoire.</i></p>

## SUMMARY PAGE

### Purpose of meeting:

- SDI has arranged a Seminar with Japan External Trade Organisation (JETRO) following strong desire from key stakeholders in market to understand the investment opportunities in Scotland in light of Brexit, with specific reference to the manufacturing space.
- Key opportunity for Japanese SMEs to learn from both SDI and the Cabinet Secretary how to expand their international business through Scotland and the opportunities that exist.
- The seminar will be preceded by a high-level meet and greet with strategic VIPs and speakers influential in the investment landscape of Japan.
- The Seminar will; (1) Raise awareness of Scotland for attracting foreign direct investment from Japan, and (2) Deliver message on Scotland's position in Europe to Japanese potential investors, as well as (3) providing the Cabinet Secretary with an understanding of the factors facing investors in market.

### Key facts:

- According to the annual attractiveness survey from professional services firm EY, Scotland cemented its position as the UK's leading location for inward investment outside of London and the South East, for the fourth year in a row in 2015.
- According to the survey, Japan was the seventh biggest source of foreign direct investment into Scotland in 2015, and accounted for 4% of all international investment. Japanese companies operating in Scotland currently employ 6,250 people – an increase of just over 13% since 2014. Recently we've seen investments from Japanese operations including Nikon who acquired Optos for £295M and Reprocell who acquired Biopta for £5.5M. Previous strategic investments include Chiyoda's investment in Xodous and Mitsui & Co's investment in Global Energy. As well as Kyowa Hakko Kirin's acquisition of ProStrakan.

### Lines to Take:

- Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil & gas, healthcare, food & drink.
- Scotland is a land of innovation and offers investors a strategic gateway to Europe and beyond providing access to markets, customers and research and development expertise.
- Importantly – we don't just support international companies to do business *in* Scotland. We help them to grow their business internationally, *from* Scotland.
- Investors enjoy access to a highly educated and skilled workforce with a strong work ethic. They share connections to clusters, supply chains and partners to help grow their business. And they share a connected culture of research, innovation and creativity across the private sector, government and academia.

- Scotland has a long and proud manufacturing heritage and manufacturing must also be a key driver of our future prosperity. The products we make, from pharmaceuticals to textiles, represent over 52 per cent of our international exports and 54 per cent of our expenditure on research and development.
- Our Programme for Government committed £70 million of new circular economy funding to support the Manufacturing Action Plan. A key action in the strategy is the establishment of a Centre of Excellence for Manufacturing.
- With the revitalisation of Scotland's steel industry and the enormous potential of our low carbon industry, this is the right time to invest in opportunities in our manufacturing sector.

**BIOGRAPHIES AND GUEST LIST**

**Koji Yonetani, Executive Vice President, Japan External Trade Relations Organisation (JETRO)**

Date of Birth: August 26th, 1965

Education: Bachelor of Law, The University of Tokyo March 1989

**Professional Career:**

- April 1989 - Joined the Ministry of Foreign Affairs
- February 2002 - Deputy Director, Developing Economies Division, the Ministry of Foreign Affairs
- July 2004 - First Secretary and Economic Counselor, Embassy of Japan in Indonesia
- January 2006 - Economic Counselor, Embassy of Japan in France
- July 2009 - Director, Intellectual Property Affairs Division, Ministry of Foreign Affairs
- September 2011 - Director, Cultural Affairs Division, Ministry of Foreign Affairs
- August 2012 Director – Public Diplomacy Strategy Division, Ministry of Foreign Affairs
- August 2013 Director - Office of Development Finance, Ministry of Finance
- October 2015 Executive Vice President - Japan External Trade Organization (JETRO)

**Guest List at 3 February 2017**

**[REDACTED]**

**KEY MESSAGES ON INVESTMENT**

- International trade and investment is vital to grow the Scottish economy.
- Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil & gas, healthcare, food & drink.
- According to the annual attractiveness survey from professional services firm EY, Scotland cemented its position as the UK's leading location for inward investment outside of London and the South East, for the fourth year in a row in 2015.
- According to the survey, Japan was the seventh biggest source of foreign direct investment into Scotland in 2015, and accounted for 4% of all international investment. Japanese companies operating in Scotland currently employ 6,250 people – an increase of just over 13% since 2014. Recently we've seen investments from Japanese operations including Nikon who acquired Optos for £295M and Reprocell who acquired Biopta for £5.5M. Previous strategic investments include Chiyoda's investment in Xodous and Mitsui & Co's investment in Global Energy. As well as Kyowa Hakko Kirin's acquisition of ProStrakan.
- What these companies share is access to a highly educated and skilled workforce with a strong work ethic. They share connections to clusters, supply chains and partners to help grow their business. And they share a connected culture of research, innovation and creativity across the private sector, government and academia.
- Thanks to our well-developed transport infrastructure and excellent international links, businesses can take advantage of easy connections to global markets including the UK, Europe and North America.
- *NB: Please refer to separate document 'Japan Core T&I brief' for full T&I background note.*

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE,  
TOURISM AND EXTERNAL AFFAIRS**

**COMPANY MEETING WITH OKI DATA**

**WEDNESDAY 15<sup>th</sup> FEBRUARY 2017**

<b>What does this stem from</b>	<ul style="list-style-type: none"> <li>• This meeting is part of the on-going executive relationship with OKI (<i>oh-key</i>) Data which has a factory in Cumbernauld.</li> <li>• Mr. Toru Hatano became President of OKI Data in April 2016. This will be his first meeting with a member of the Scottish Government.</li> </ul>
<b>Key Message</b>	<ul style="list-style-type: none"> <li>• The Scottish Government appreciates OKI Data's long-term investment in Scotland and continued contribution to the Scottish Economy through employment (145 local FTEs) and exports.</li> <li>• Enquire about Cumbernauld factory's performance and future plans.</li> <li>• The Scottish Government is wholly supportive of investors that are looking to carry out activities in Scotland to serve global markets and we welcome OKI Data's business-innovation engagement with SDI.</li> <li>• We encourage you to continue to look at Scotland as a key partner for business expansion, and to make full use of our SE account management and SDI field staff to explore ways we can help support your growth.</li> <li>• <b>[REDACTED]</b></li> </ul>
<b>Who</b>	<ul style="list-style-type: none"> <li>• Mr Toru Hatano, President OKI Data Corporation</li> <li>• Takashi Inoue, Director and Divisional General Manager of Business Platform Division</li> </ul>
<b>What</b>	<ul style="list-style-type: none"> <li>• Executive relationship building meeting with existing inward investor OKI Data.</li> <li>• <b>[REDACTED]</b></li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b></li> </ul>
<b>Where</b>	JETRO, Room 5G Ark Mori Build. 5 Floor, Akasaka, 1 Chome 12-32, Minato-ku Tokyo, 107-0052 Japan
<b>When</b>	16:00 -16:45
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> PS:</li> <li>• Stephen Baker, SDI Regional Director</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> </ul>
<b>Annexes</b>	Annex A: Summary page Annex B: Background information Annex C: Biographies

**SUMMARY PAGE**

**Purpose of meeting:**

- Relationship building meeting with this strategic investor to gain insight and understanding into the global growth strategy for the company, including their plans for Scotland.
- Discuss the challenges and next steps for the growth of the company in Europe/Scotland.
- Influence decision makers in Tokyo to visit Scotland and see first-hand how we would support any potential projects.
- Discussion around industry collaboration and how innovation can secure the success of investment.
- Understand the potential impact of Brexit on their business activities in Scotland.
- Ensure the company understands Scotland's specific strengths and the support on offer to help grow their UK/European business from Scotland.

**Lines to Take:**

- Recognise importance of strategic investment into Scottish economy.
- Scotland has a proven track record of delivering value to inward investors.
- 2015 was a record-breaking year for FDI in Scotland – second location in UK outside London and 1st in UK for R&D FDI projects.
- Company can service the wider European market and continue its growth strategy from Scotland.

**[REDACTED]**

**COMPANY PROFILE/BACKGROUND**

OKI (UK) Ltd (OKI) is part of OKI Electric Industry and has been based in Cumbernauld since 1987 to supply the European market, together with parts of the Middle East and Africa. OKI Electric has an Executive Officer Committee made up of the President and Executive Officers. Mr. Toru Hatano was appointed President in April 2016.

OKI Electric offers solutions and services with regards to business systems for financial, public sector, transportation, retail, manufacturing, and other industries.

The company launched a restructure in March 2013. Despite fierce competition from another EU state, the presence in Scotland was retained. **[REDACTED]**

**LOCATIONS**

OKI Electric has a number of subsidiaries located across the world. It has 25 subsidiaries in Japan, 4 in the Americas, 17 in Europe and 15 in Asia/Oceania. Three companies are based in the UK: OKI Europe, OKI UK and OKI Systems UK Limited (OKI Systems UK).

The UK business also has a facility in Hounslow, London; dealing with sales, marketing and call centre duties.

**GROUP FINANCIALS**

Reported out-turn forecast to March 2017 for the OKI consolidated business project overall sales levels down on prior year by 5% at ¥465Bn (£3.2Bn) with operating profits estimated at ¥15Bn, down on prior year by 20%, ¥3.6Bn, (£250m)

The printer segment Net sales to external customers for the year to March 2017 are estimated ¥115Bn, year-on-year decrease of 9% or ¥10Bn, £70m.

**SCOTTISH SITE – CUMBERNAULD**

**[REDACTED]**

**SE/SDI Account Management: Identify and Develop Key Relationships**

**[REDACTED]**

**OPPORTUNITIES FOR FUTURE DEVELOPMENT**

**[REDACTED]**

**RISKS**

**[REDACTED]**

## **SCOTLANDS MANUFACTURING ECONOMY**

The manufacturing economy represents over half of Scotland's international exports and our investment in research and development, employing nearly 190,000 people. To fully realise Scotland's manufacturing potential, we must work towards achieving our ambitious goals of increasing investment and innovation to encourage greater internationalisation and develop the talents of our workforce.

Scotland's manufacturing action plan, "A Manufacturing Future for Scotland", sets out how we will achieve this.

### **Key challenges/International**

Supply chains are increasingly internationalised and we need to increase our visibility to key influencers globally and re-shore parts of supply chains which can be competitive in Scotland.

### **Innovation/opportunity**

In manufacturing, there is an opportunity to adopt innovative digital technologies in all areas to enhance productivity, enable customisation, reduce cycle times and improve the product offer.

### **Investment/opportunity**

Use the Manufacturing Action Plan to encourage financial commitment to the significant levels of investment required to re-tool Scotland's manufacturing capabilities via Asset reviews

## BIOGRAPHIES

*NB: SDI will provide any further biographies of company officials attending in Japan.*

### **Mr. Toru Hatano, President Oki Data Corporation**



Almost 30 years in management consulting in the field of strategic planning, product strategy, change management, and alliance strategy mainly for B2B industries.

April 2016 appointed President of Oki Data Corporation.

Mr. Hatano joined Kyushu University April 2011 as a guest professor and still where he launched interdisciplinary research; targeting energy and environment fields, analytics application development, and created an innovation platform.

Previous roles include as Executive Partner at Accenture, leading on Automotive and Industrial Equipment (1999 – Feb 2011), and as Unit Manager of the Management Consulting Unit with Nomura Research Institute (1982 – 1999).

### **Mr. Takashi Inoue**

#### **Director and Divisional General Manager of Business Platform Division**



Born 1960 in Fukushima Prefecture, Mr. Inoue graduated from Keio University's faculty of Law in 1982.

Previous roles include with The Fuji Bank LTD (1982-2007), Managing Executive Officer with Mizuho in their various financial subsidiaries.

Joined Oki Electric May 2015 as Senior Vice President where he held a number of roles including GM Overseas Sales, Corporate Planning and Risk Management – the latter two divisions he is presently General Manager and Chief Officer.

**NAGASAKI**  
**THURSDAY 16 FEBRUARY 2017**

<b>Lunch with Nagasaki Rugby stakeholders</b> Hotel New, Nagasaki	[REDACTED]
<b>Company meeting – JETRO and Nagasaki Marine Industry Cluster Promotion Association</b> Nagasaki Dejima Incubator	SDI
<b>Japanese Media Briefing</b> Nagasaki Dejima Incubator	SDI
<b>Meeting with Nagasaki City Mayor</b> Nagasaki City Office	International
<b>Executive Roundtable Dinner</b> Akatsuki Garden Terrace	SDI

SPACER PAGE

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE,  
TOURISM AND EXTERNAL AFFAIRS**

**LUNCH WITH NAGASAKI RUGBY STAKEHOLDERS**

**THURSDAY 16 FEBRUARY 2017**

<b>What this stems from</b>	During a recent visit to Scotland, Ms Hyslop met representatives of Nagasaki Rugby at a reception at the Japanese Consulate in Edinburgh. The Scottish Rugby Union has a strong relationship with Nagasaki: the Scottish national team will be based there during the World Cup in 2019.
<b>Key Message</b>	The Scottish Government is a strong supporter of Scottish Rugby and welcomes the relationship with Nagasaki as a way of strengthening the connections between our communities and businesses.
<b>Who</b>	<ul style="list-style-type: none"> <li>• <b>Taue Tomihisa</b>, Mayor of Nagasaki ★</li> <li>• <b>Tatsuya Noguchi</b>, Nagasaki city council chairperson★</li> <li>• <b>Masanao Maikuma</b>, Nagasaki city council member★</li> <li>• <b>Masao Eto</b>, President of Nagasaki Prefecture Rugby Football Association★</li> <li>• <b>Shinji Nishino</b>, President of Nagasaki-shi Rugby Football Association★</li> <li>• <b>Shinji Ota</b>, Nagasaki Prefecture Rugby Football Association ★ Director</li> <li>• <b>Noriyasu Takahira</b>, Head of Sports Division, Nagasaki City ★</li> </ul> <p><i>You met this group in Edinburgh during their visit to Scotland in August 2016.</i></p>
<b>What</b>	Opportunity to acknowledge their hosting of the Scottish Rugby Union's holding camp in 2019 and their interactive activities between Scotland Japan associated with Rugby over the next three years.
<b>Why</b>	<p>The Scottish Rugby Union and Nagasaki have established a relationship which has meant that Scotland will base their holding camp there ahead of the 2019 Rugby World Cup in Japan.</p> <p>The Cabinet Secretary attended a reception on 23 August 2016 hosted by the Japanese Consulate in Edinburgh for a visiting delegation from Nagasaki, Japan, led by the Mayor of Nagasaki. The delegation were in Scotland as they finalised an agreement to host the Scotland rugby team's training camp ahead of the 2019 Rugby World Cup in Japan. A signing ceremony took place between the Scottish Rugby Union and the delegation at Murrayfield Stadium on 24 August – Aileen Campbell attended to witness the signing and represent the Scottish Government.</p>
<b>Where</b>	Tohrin 13F Hotel New Nagasaki, 14-5 Daikoku-cho, Nagasaki-shi, Nagasaki
<b>When</b>	<b>1200-1330</b>
<b>Dress code</b>	Business attire

<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> PS:</li> <li>• Stephen Baker, SDI Regional Director:</li> <li>• <b>[REDACTED]</b> International Division:</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> <li>• <b>[REDACTED]</b> Media Manager:</li> </ul>
<b>Media Handling</b>	n/a
<b>Annexes</b>	<p><b>Annex A:</b> Summary page  <b>Annex B:</b> Biography  <b>Annex C:</b> Event Itinerary  <b>Annex D:</b> Background information on Scottish Rugby</p>

**SUMMARY PAGE****Key message:**

- Delighted that the relationship between our two countries is being strengthened by the game of rugby.
- Aware that the Scottish Rugby Union and Nagasaki Rugby signed an agreement for Scotland to be based in Nagasaki ahead of the 2019 Rugby World Cup.

**Key Points**

- Delighted to have attended a reception hosted by the Japanese Consulate in Edinburgh for a visiting delegation from Nagasaki, Japan, led by the Mayor of Nagasaki, on 23 August 2016. The delegation were in Scotland to finalise an agreement to host the Scotland rugby team's training camp ahead of the 2019 Rugby World Cup in Japan. A signing ceremony took place between the Scottish Rugby Union and the delegation at Murrayfield Stadium on 24 August – Aileen Campbell, Minister for Public Health and Sport attended to witness the signing and represent the Scottish Government.
- The SRU are looking at further developing coaching, playing and referee support between both countries.
- The SRU have provided rugby balls to every single school in the Nagasaki Prefecture to drum up interest and support for the Scottish National Team when they are in their training camp. These balls are handed over in a ceremony by the Prefecture to each school.
- To mark the signing of the agreement, the SRU designed and registered a "Nagasaki tartan". Through their kit supplier Macron, a tartan strip was subsequently designed and presented to Nagasaki Rugby.

**Latest rugby links between Scotland and Japan**

- In June 2016, the Scotland rugby team toured Japan, their first tour of the country since 1989. Scotland won both matches against the Japanese national team, 26-13 and 21-16.
- Scotland and Japan were drawn in the same group for the 2015 Rugby World Cup, which was held in England. Scotland defeated Japan 45-10 in this group stage on Wednesday 23 September in Gloucester.
- Scottish Rugby will be back out in Japan around the time of the draw for the 2019 Rugby World Cup – which will take place in Kyoto on 10 May this year.
- **[REDACTED]**

## BIOGRAPHY

**Mayor of Nagasaki, Mr Taue Tomihisa**

Mr Taue Tomihisa was born in Nagasaki in December 1956.

He graduated from Kyushu University, and majored in jurisprudence.

He is a career employee of the municipal government, which he first joined in 1980, eventually serving as head of its statistics department.

He was elected Mayor of Nagasaki in a special election in 2007 following the assassination of Iccho Itoh in the midst of the 2007 unified local elections. He was re-elected in the April 2011 elections and ran unopposed in the April 2015 elections, the first uncontested mayoral election in Nagasaki history.

**Tatsuya Noguchi, Nagasaki city council chairperson**

Birth date January 9, 1951. 62 years old

(Final Education)

Showa 55 Graduated from Osaka Commercial University Faculty of Business and Commerce Department of Trade

**Masanao Maikuma, Nagasaki city council member**

Date of birth February 8, 1954 63 years old

(Final Education)

Graduated from Omura Industrial High School in Nagasaki Prefecture in 1972

**Masao Eto**

Birth date December 6, 1951 63 years old

(Final Education)

Graduated from Nagasaki University School of Medicine Department of Medicine, Showa 56

(Current)

President of Nagasaki Prefecture Rugby Football Association  
Hisakai Nagasaki Hospital Director



**Shinji Nishino, President of Nagasaki-shi Rugby Football Association**

Birth date August 4, 1952 62 years old

(Final Education)

Graduated from Keio University School of Economics, Showa 53

(Current)

President of Nagasaki-shi Rugby Football Association

Vice Chairman of Nagasaki Prefecture Rugby Football Association

Representative Director of Westfield Co., Ltd.



**Shinji Ota, Nagasaki Prefecture Rugby Football Association  
Director Shinji Ota**

Birth date April 11, Showa 38, 53 years old

(Final Education)

1985 Graduated from Seinan Gakuin University Faculty of Law

(Current)

Nagasaki Prefecture Rugby Football Association Director Shinji Ota

Representative director of Faircatch Co., Ltd.

**Mr Noriyasu Takahira, Head of Sport division, Nagasaki city**

[no biography available]

**EVENT ITINERARY**

- 12:00 Opening by Stephen Baker
- 12:03 Welcome remarks by Mr Tomihisa Taue
- 12:06 Short speech by Cabinet Secretary
- 13:20 Closing by Stephen Baker

**SCOTTISH RUGBY UNION**

- Scottish Rugby is well-governed, with strong leadership and clearly defined business and development priorities.
- Scottish Rugby development priorities remain focused on their 6 Policy Initiatives which were launched in 2013-14, covering the areas of Clubs, Academies, Women's & Girls Rugby, Schools, Coaching Pathways & Refereeing. Significant progress has been made in many of those initiatives during 2015-16.

**sportscotland Investment**

- At its board meeting in February 2016, **sportscotland's** investment into the SRU was finalised, with investment of £774,500 for the period 2016-17 agreed. The board also committed to the same level of investment in principle for a 4-year cycle (2016-2020).

**sportscotland investment into the SRU since 2012:**

2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total
£930,500	£1,030,500	£1,030,500	£1,074,500	£774,500	£4,840,500

**Investment – Sensitivities**

- [REDACTED]

**Development**

- The Club Sustainability Fund provides funding to improve facilities, with some projects being in partnership with **sportscotland**.
- A new strategy for the development of all aspects of the Women's game was agreed by the Scottish Rugby board during 2015, with changes being made to national team coaching and plans to focus on growing the number of women's clubs and members.
- Academy centres are now operational in Aberdeen, Edinburgh, Galashiels and Cumbernauld, providing support to male and female players.
- The 2015 Scottish Rugby AGM approved significant changes to schools Rugby, resulting in a significant increase in the number of school teams and competitive matches across Scotland.
- Scottish Rugby continues to be a key provider in Scotland around the UK Coaching Certificate (UKCC).

**Performance**

- The National Men's team are ranked 8th in the World Rankings following a successful World Cup, finishing in the quarter finals.
- The 2015 Rugby World Cup saw the national team perform above their qualification group seeding to reach the quarter finals, losing narrowly to eventual finalists, Australia.
- Glasgow Warriors won the Guinness Pro 12 Championship in May 2015, the first silverware won by a Scottish team in the professional era. Edinburgh also reached the final of the European Challenge Cup.

- Despite the financial challenges of competing with bigger, better financed teams from other countries for players, Scottish Rugby is performing well in the professional game.
- With 95 players now in the new BT SRU Regional Academy structure (4 Regional centres now in operation), there is a growing optimism of a more sustained structure to produce players who will be better prepared for the demands of professional and international rugby.

### **Membership**

- Scottish Rugby has 274 member clubs and that number is not expected to grow in the 2016-20 cycle. The priority will be to support existing clubs in the development of clear & sustainable business plans, with continuing support to ensure the delivery of development priorities arising from those plans.
- The principal focus for growth in Scottish Rugby membership in 2016-17 will be in the Women's & Girl's game, with a 20% increase in numbers being targeted. If met, that target will comprise the majority of the overall membership growth target of 2.7%.

### **Olympic Rugby**

- Rugby 7s made its Olympic Games debut in Rio de Janeiro.
- Two Scots, Mark Bennett and Mark Robertson, were selected as part of the Team GB Rugby 7s squad, both helping the team to secure a silver medal in the inaugural event.
- Stevie Gemmell, the Scotland 7s coach for both the Delhi 2010 and Glasgow 2014 Commonwealth Games, was the Team Leader for Team GB Rugby 7s at Rio 2016.

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE, TOURISM AND EXTERNAL AFFAIRS**

**MEETING WITH JETRO (Japan Trade Development Organisation) & NAGASAKI MARINE INDUSTRY CLUSTER PROMOTION ASSOCIATION**

**THURSDAY 14<sup>th</sup> FEBRUARY 2017**

<b>What does this stem from</b>	<ul style="list-style-type: none"> <li>Follow-up from subsea activity in Nagasaki during Cabinet Secretary's visit to Japan in 2015.</li> </ul>
<b>Key Message</b>	<ul style="list-style-type: none"> <li>Scotland leads the world in the development and deployment of wave and tidal stream technologies and the Scottish Government has done more than any other nation to support the development of the marine energy industry.</li> </ul>
<b>Who</b>	<ul style="list-style-type: none"> <li><b>Mr Toshiyuki Sakai</b>, President of NPO Nagasaki Marine Industry Cluster Promotion Association ★</li> <li><b>Mr Tetsuya Kotani</b>, Chief Director of JETRO Nagasaki</li> </ul> <p><i>You met Mr Sakai when you opened Scotland House in Nagasaki in July 2015.</i></p>
<b>What</b>	<ul style="list-style-type: none"> <li>To hear first-hand updates on work between Scottish device developers and Japanese marine energy development projects following official opening of 'Scotland House' incubator in 2015.</li> <li>To demonstrate Government level support for the companies currently engaged in the subsea programme in Japan such as <b>Tritech</b> (a worldwide designer, manufacturer and integrator of precision control components and systems with a facility in Aberdeen) and <b>Coda Octopus</b> (a global leader and specialist in underwater technologies with a base in Edinburgh).</li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>To further promote Scotland's credentials and commitment to partnership with Japan on future energy sources.</li> </ul>
<b>Where</b>	Nagasaki Dejima incubator (D-FLAG) 1-43 Dejima-cho, Nagasaki-shi, Nagasaki, 850-0862 Japan
<b>When</b>	14:00-14:30 (Meeting) 14:30-15:15 (Press briefing)
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li><b>[REDACTED]</b> PS:</li> <li>Stephen Baker, SDI Regional Director:</li> <li><b>[REDACTED]</b> International Division:</li> <li>Julian Taylor, SDI Executive Director Asia Pacific</li> <li><b>[REDACTED]</b> Media Manager:</li> </ul>
<b>Media Handling</b>	Several Japanese press (Nagasaki local media) will be invited by SDI. Attendance will be confirmed closer to the time. Photo opportunities and Q&A will be available during the press briefing.

<b>Annexes</b>	Annex A: Summary Page Annex B: Agenda (Running Order to be provided in advance of meeting) Annex C: Company Profile/Background Information Annex D: Biographies Annex E: Ocean Energy in Scotland Core Brief
----------------	--

**SUMMARY PAGE**

**Purpose of meeting:**

- To meet with the key influencers driving marine activities in Nagasaki.
- Further promote Scotland's commitment to partnership with Japan on future energy sources.
- Hear at first hand updates on work between Scottish device developers and Japanese marine energy development projects following official opening of "Scotland House" incubator in 2015.

**Key Issues:**

- **Scotland boasts flagship projects in this sector** and is home to the world's leading wave and tidal test centre (European Marine Energy Centre, **EMEC**); the world's largest planned tidal stream array (**MeyGen**) and the world's largest tidal turbine (**Scotrenewables**).

**Lines to Take:**

- Scotland leads the world in the development and deployment of wave and tidal stream technologies and the Scottish Government has done more than any other nation to support the development of the marine energy industry.
- We are committed to providing the best possible support for the development of marine renewable technologies and building partnerships with organisations from around the world. The programmes and initiatives that we support encourage collaboration between companies and scientists in order to tackle the challenges facing the development of marine technologies and to encourage the return of private sector investment.
- Further promote Scotland's commitment to partnership with Japan on future energy sources.

**AGENDA**

- Introductions
- Update on business
- Encouraging remarks
- General discussion

## COMPANY PROFILE/BACKGROUND INFORMATION

**Overview of Japanese Energy Situation** (Source: Simon Robertson, Project Co-ord, Nagasaki Marine Industry Cluster Promotion Association Jan 2017)

Japan has a serious energy problem with little indigenous resources and most nuclear plants not operating following the 2011 Fukushima disaster.

Offshore renewables are an obvious opportunity given the large sea-space around the islands of Japan.

A target of 22-24% renewables by 2030 has been set but without specific targets for offshore renewables.

There is a Feed In Tariff for offshore wind but none for marine energy.  
Nagasaki Situation - key local drivers for developing offshore renewables.

Addressing rural depopulation in island communities like the Goto islands where there is good resource potential.

Securing an indigenous low-carbon energy source.

Creating local economic opportunities building upon the rich industrial heritage in shipbuilding

### **Nagasaki Offshore Renewables activities to date:**

In 2013 the first grid-connected floating offshore wind turbine (2MW) in Japan was installed off the Goto Islands in Nagasaki Prefecture.

In 2014 the Nagasaki Marine Industry Cluster Promotion Association was founded.

The objective of the Cluster is to help develop new opportunities in offshore renewables by facilitating collaboration and development by industry, academia, local stakeholders and Government.

Members number over 70 companies and are mainly local companies from a range of industrial, commercial, engineering or services backgrounds. There are a few overseas members including EMEC, Aquatera, Trittech and Gaia-wind from Scotland.

The office was renamed Scotland House in mid 2015 to reflect the close historic and present day ties between Nagasaki and Scotland and opened by Minister Hyslop during a visit in mid-2015.

Several visits by Cluster members from Nagasaki to Scotland's key marine renewables facilities have happened over the last 3-4 years, including a delegation of around 30 people in October 2015.

**[REDACTED]**

In 2015-16 a feasibility study was completed to establish a marine energy test centre for floating wind and tidal energy in Nagasaki, the so called, Nagasaki – Asia Marine Energy Centre. This was supported by EMEC, Aquatera and the Carbon Trust team in Edinburgh.

In July 2016 funding for Japan's first commercial scale tidal turbine was awarded by the Ministry of Environment to a consortium, including the Cluster and Open Hydro, for a single turbine demonstration project in the Goto Islands. This is being supported by Aquatera.

In summer 2016 Nagasaki sent a number of marine energy ambassadors, a group of high school students and university students, to spend a week in Scotland, visiting FloWave TT and EMEC mainly. They have since been promoting marine energy and their Scottish experience since their return. I believe this was sponsored by the Nippon Foundation and other local sponsors but I have not been able to confirm this.

Also in summer 2016 the Nippon Foundation set-up a university level exchange programme for students to spend a few weeks in Scotland. The host organisation in Scotland was RGU but given the marine energy theme much of the exchange was spent in Orkney at Heriot Watt ICIT, EMEC and Aquatera.

### **JETRO – Regional Industry Tie-Up (RIT) Programme**

In FY2016 JETRO launched a Regional Industry Tie-Up (RIT) programme for marine energy between Scotland and Nagasaki. This nicely builds upon and compliments the mission led previously by SDI in 2014 and 2015.

Scotland was identified as holding a wealth of advanced technologies and know-how relating to marine energy so was an ideal fit for Nagasaki's aims. The principal activity is to facilitate collaboration to allow businesses in Nagasaki to gain access to new technologies, services and capabilities to address current floating offshore wind and tidal energy project needs.

JETRO worked closely with the Cluster and SDI to systematically identify companies in Scotland with products or services which can address a gap or need in the Nagasaki offshore renewables supply chain. This process identified candidate companies and during a visit to Scotland in August 2016 companies were interviewed and assessed for their fit with the programme. A total of 10 companies were invited to Nagasaki as listed below.

Seven of the companies had visited Nagasaki by the end of 2016, either in October or December. Several of these have found strong potential partners and are now in commercial discussions relating to the provision of goods and or services with Trittech and Coda Octopus having the strongest potential.

**[REDACTED]**

**BIOGRAPHIES**

**Tetsuya Kotani, Chief Director, JETRO Nagasaki**



Joined JETRO in 1996 working in Germany for over 5 years.

He moved to Nagasaki office in 2014 and is now working for supporting for overseas expansion in regional units within Nagasaki Prefecture, supporting for export of agriculture, forestry and fishery products, and supporting for municipality policy planning.

**Mr. Toshiyuki Sakai, President, Nagasaki Marine Industry Cluster Promotion Association**



Graduated from Nihon University, Department of Mechanical Engineering, College of Science and Technology.

Other responsibilities include as Chairman of Kyowakiden Industry Co., Ltd.; Chairman of Nagasaki Prefecture Environment and Energy Industries Network, Chairman of Kyuden Nagasaki Shoyu-Kai. Mr. Sakai is a member of the Executive Councilors at Nagasaki Chamber of Commerce & Industry.

## OCEAN ENERGY IN SCOTLAND CORE BRIEF

Scotland has tremendous wave and tidal stream energy resources. We have a third of the UK's tidal stream resources and two thirds of the UK's wave resources, and the potential exists to generate more electricity than we need from the waters around the Scottish coast. (UK Wave and Tidal Key Resource Areas Project, The Crown Estate, 2012).

### Tidal stream energy

- Tidal power is clean, predictable and sustainable and, while the tidal stream sector is still young, we expect it to play an important role in our future energy mix.
- In recent years, tidal stream energy has progressed more rapidly than the wave energy sector. We have seen broad convergence in design, and survivability and reliability demonstrations show a pathway to future cost reductions.
- Tidal stream energy is expected to make a modest contribution to electricity generation by 2032 (with perhaps 150MW deployed in next 15 years, given grid and environmental constraints), but this should increase more rapidly up to 2050.

### Wave energy

- The wave sector is still in the process of developing, demonstrating and upscaling devices. There are a large number of device concepts but the majority of these are in the earlier stages of research and development.
- Wave energy is expected to make a smaller contribution to our energy mix within next 15 years (perhaps 10 – 15MW), and a modest contribution by 2050. However, global wave resource is many times the tidal resource. The worldwide theoretical potential of wave power has been calculated as 29,500 TWh/year and the worldwide theoretical potential of tidal power (including tidal currents) has been estimated at around 1,200 TWh/year.
- Worldwide, there is the potential to develop 337GW of ocean energy by 2050. By 2050, ocean energy could create 1.2 million direct jobs

### Benefits of wave and tidal energy

- Wave and tidal projects have the potential to regenerate our most remote communities. They are already having a positive impact on the Scottish economy, bringing innovation, inward investment and skilled jobs to areas affected by downturns in sectors such as fishing, shipbuilding and more recently, oil and gas.
- Because of their low visual impact, marine renewables enjoy very high levels of public support.
- In BEIS's Energy and Climate Change Public Attitudes Tracker, support for wave and tidal developments is consistently high.

### Scotland's leading position and flagship projects

- Scotland leads the world in the development and deployment of wave and tidal stream technologies and the Scottish Government has done more than any other nation to support the development of the marine energy industry.

- Scotland is home to the world's leading wave and tidal test centre (European Marine Energy Centre); the world's largest planned tidal stream array (MeyGen) and the world's largest tidal turbine (Scotrenewables). In summer 2016, Scottish firm Nova Innovation successfully deployed a second tidal turbine in the Bluemull Sound and began exporting power to the Shetland grid.

## Scottish Government policy instruments

### *Capital grants and financial incentives*

- We and our enterprise agencies have operated a number of schemes in the last decade to encourage research and development, deployment of prototypes and commercialisation of technologies. These include WATES (Wave and Tidal Energy Support), WATERS (Wave and Tidal Energy RD&D Support), the [Marine Renewables Commercialisation Fund](#) (MRCF) and the Marine Energy: Supporting Array Technologies (MESAT) programme.
- Our £10m Saltire Prize for marine renewable energy is the world's largest marine innovation prize (NB the prize guidelines are currently under review).
- Our Renewable Energy Investment Fund (REIF) was set up in 2012 to ensure counterpart finance is in place to help marine and other green energy projects become commercially viable. It has made investments in a range of wave and tidal projects in Scotland, most notably in the first phase of MeyGen.

### *Wave Energy Scotland*

- The Scottish Government recognise that wave and tidal technologies are at different stages of maturity and require tailored approaches.
- We created Wave Energy Scotland (WES) to ensure that the learning gained from wave device development and deployment in Scotland to date is used to benefit the wave energy industry.
- The organisation is fully funded by the Scottish Government and is the biggest technology programme of its kind in the wave sector. It encourages collaboration between companies and scientists in order to tackle the challenges facing the development of wave energy technologies and to encourage the return of private sector investment.

### *Testing facilities and infrastructure*

- The European Marine Energy Centre (EMEC) is the world's only accredited testing facility for wave and tidal energy prototypes. It was built with over £30 million of public sector funding (most from . To date, more marine energy devices have been tested at EMEC than at any other single site in the world. EMEC has 14 full-scale test berths (six wave and eight tidal) and two scale sites for testing smaller scale prototypes in less challenging real-sea conditions.
- The [FloWave](#) ocean energy research facility at the University of Edinburgh is the world's most sophisticated ocean simulator. The circular test tank combines multidirectional wave simulation with fast tidal flows and enables the testing of device designs at model scale.

## Risks for wave and tidal development

[REDACTED]

SPACER PAGE

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE,  
TOURISM AND EXTERNAL AFFAIRS**

**MEDIA BRIEFING AT JETRO & NAGASAKI MARINE INDUSTRY CLUSTER  
PROMOTION ASSOCIATION**

**THURSDAY 16<sup>th</sup> FEBRUARY 2017**

<p><b>What does this stem from</b></p>	<ul style="list-style-type: none"> <li>• Follow-up from subsea activity in Nagasaki during Cabinet Secretary's visit to Japan in 2015. This press briefing will focus on providing updates to Japanese media on the progress of D-Flag (Scotland House) since opening during your previous visit and illustrate opportunities for government level support for the internationalisation of Scottish companies in the marine and sensors market.</li> </ul>
<p><b>Key Message</b></p>	<ul style="list-style-type: none"> <li>• Scotland leads the world in the development and deployment of wave and tidal stream technologies and the Scottish Government has done more than any other nation to support the development of the marine energy industry.</li> <li>• Demonstrate Scottish Government support for the companies who are currently engaged in the subsea programme such as <b>Tritec</b> and <b>Coda Octopus</b>.</li> <li>• Further promote Scotland's commitment to partnership with Japan on future energy sources</li> <li>• In light of the UK vote to leave the EU, the Scottish Government is clearly committed to a continued positive contribution to the EU and the Single Market and happy to discuss government's position and strategy in this area.</li> <li>• Japan is an important part of our international trade landscape. Today, Japan ranks <b>19th as an export destination from Scotland</b>.</li> <li>• Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil &amp; gas, healthcare and food &amp; drink.</li> </ul>
<p><b>Who</b></p>	<ul style="list-style-type: none"> <li>• Mr. Toshiyuki Sakai, President of NPO, Nagasaki Marine Industry Cluster Promotion Association</li> <li>• Mr. Tetsuya Kotani, Chief Director of JETRO Nagasaki</li> <li>• Mr. Masanobu Shibuya, CEO of Shibuya Diving Industry</li> <li>• <b>[REDACTED]</b> Nagasaki Marine Ambassador (student at Nagasaki University)</li> <li>• <b>[REDACTED]</b> Nagasaki Marine Ambassador (student at Nagasaki Institute of Applied Science)</li> <li>• Engineers or agents from Atlantis Resources, and Aquaterra (TBC)</li> </ul> <p><i>NB: See Annex B for target media. SDI will provide an updated guest list with backgrounds in Japan.</i></p>

<b>What</b>	<ul style="list-style-type: none"> <li>• Opportunity to provide update to media on work which has taken place between Scottish device developers and Japanese marine energy development projects following official opening of 'Scotland House' incubator in 2015.</li> <li>• Opportunity to demonstrate Government level support for the companies currently engaged in the subsea programme in Japan such as <b>Tritech</b> (a worldwide designer, manufacturer and integrator of precision control components and systems with a facility in Aberdeen) and <b>Coda Octopus</b> (a global leader and specialist in underwater technologies with a base in Edinburgh).</li> </ul>
<b>Additional information if speech being given</b>	<ul style="list-style-type: none"> <li>• The Cabinet Secretary will be introduced by Mr. Sakai</li> <li>• A short 5 minute speech</li> <li>• There will be consecutive translation</li> <li>• A lectern will not be provided. The Cab Sec will be seated at a table with the other speakers.</li> <li>• The audience will comprise key stakeholders in the Marine Incubator notably Scottish companies, JETRO and NPO.</li> <li>• Media attending as guests before facilitated Q&amp;A session.</li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>• To further promote Scotland's credentials and commitment to partnership with Japan on future energy sources.</li> <li>• Opportunity to reach key target audiences through engagement with leading news organisations in Japan.</li> </ul>
<b>Where</b>	Nagasaki Dejima incubator (D-FLAG) , 1-43 Dejima-cho, Nagasaki-shi, Nagasaki, 850-0862 Japan
<b>When</b>	<p><b>14:30-15:15</b></p> <p><u>Running Order</u></p> <p>14:30-14:32 Mr Sakai - Overview of cluster</p> <p>14:32-14:42 <b>Cab Sec</b>- remarks on Scotland's renewables sector</p> <p>14:42-14:45 Mr Sakai and Mr Kotani, JETRO RIT programme</p> <p>14:45-14:48 Mr Sakai - remarks Aquatera progress</p> <p>14:48-14:51 Mr Sakai - remarks on cultivating young talent</p> <p>14:51-14:55 Mr Shibuya - Marine Cluster member comments</p> <p>15:00-15:04 Nagasaki Marine Student Ambassadors - remarks</p> <p>15:04-15:15 Q&amp;A and photo session</p> <p>15:15 <b>Cab Sec</b> departs</p>
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	Private Secretary, <b>[REDACTED]</b> mobile: Stephen Baker, SDI, mobile: <b>[REDACTED]</b> <b>[REDACTED]</b> International Division <b>[REDACTED]</b> SDI Senior Executive <b>[REDACTED]</b> SDI Press and Marketing
<b>Media Handling</b>	Several Japanese press (Nagasaki local media) will be invited by SDI. Attendance will be confirmed closer to the time. Photo opportunities and Q&A will be available during the press briefing.
<b>Annexes</b>	Annex A: Summary Annex B: Media profile Annex C: Ocean Energy in Scotland Core Brief

	<p>Annex D: Scotland's Oil and Gas Education capabilities</p>
--	---

*NB: Please see separate note 5A for Speaking Requirements and note 5B for Aide Memoire.*

## SUMMARY PAGE

### Purpose of interview

- Opportunity to provide update to leading Japanese media outlets on progress of marine activities in Nagasaki since its official launch in 2015 with key stakeholders involved in 'Scotland House' incubator (D-Flag) and further promote Scotland's commitment to partnership with Japan on future energy sources.
- The interview provides an opportunity to reassure key Japanese audiences of Scotland's commitment to ongoing mutually beneficial culture and trade and investment relationships with Japan and other global markets.
- Opportunity to promote Scotland's strategy for Europe following UK decision to leave EU and to highlight Scotland's strong relationship with Japan.

### Key messages

- Scotland has tremendous wave and tidal stream energy resources. We have a **third of the UK's tidal stream** resources and **two thirds of the UK's wave resources**, and the potential exists to generate more electricity than we need from the waters around the Scottish coast.
- Scotland is home to the **world's leading wave and tidal test centre** (European Marine Energy Centre); the **world's largest planned tidal stream array** (MeyGen) and the **world's largest tidal turbine** (Scotrenewables). In summer 2016, Scottish firm Nova Innovation successfully deployed a second tidal turbine in the Bluemull Sound and began exporting power to the Shetland grid.
- Demonstrate **Government level support for the companies who are currently engaged in the subsea programme** such as Tritec and Coda Octopus.
- In light of the UK vote to leave the EU, the Scottish Government is clearly committed to a continued positive contribution to the EU and the Single Market and happy to discuss government's position and strategy in this area.
- Japan is an important part of our international trade landscape. Today, Japan ranks **19th as an export destination from Scotland**. As well as success in food & drink, we're also seeing success in areas such as life sciences and renewable energy - areas where we know there are particular synergies with Japan, that we are keen to exploit still further.
- Global investment opportunities exist in Scotland in asset management, technology, tourism, renewable energy, oil & gas, healthcare, food & drink.
- According to annual attractiveness survey from professional services firm EY, Japan was the **7th biggest source of FDI into Scotland in 2015**, and accounted for **4%** of all inward investment the country during that year.

**MEDIA PROFILES**

*NB: SDI will provide further information on the day.*

**Targeted outlets include:**

Newspapers

- Asahi Shimbun
- Mainichi Shimbun
- Yomiuri shimbun
- Nikkei Shimbun
- Nishi Nihon Shimbun
- Nagasaki Shimbun

News Agency

- Kyodo News
- Jiji Press

TV

- NHK
- NBC
- KTN
- NCC
- NIB
- Nagasaki Cable Media

## OCEAN ENERGY IN SCOTLAND CORE BRIEF

### Ocean energy resources

Scotland has tremendous wave and tidal stream energy resources. We have a third of the UK's tidal stream resources and two thirds of the UK's wave resources, and the potential exists to generate more electricity than we need from the waters around the Scottish coast. (UK Wave and Tidal Key Resource Areas Project, The Crown Estate, 2012).

### Tidal stream energy

- Tidal power is clean, predictable and sustainable and, while the tidal stream sector is still young, we expect it to play an important role in our future energy mix.
- In recent years, tidal stream energy has progressed more rapidly than the wave energy sector. We have seen broad convergence in design, and survivability and reliability demonstrations show a pathway to future cost reductions.
- Tidal stream energy is expected to make a modest contribution to electricity generation by 2032 (with perhaps 150MW deployed in next 15 years, given grid and environmental constraints), but this should increase more rapidly up to 2050.

### Wave energy

- The wave sector is still in the process of developing, demonstrating and up-scaling devices. There are a large number of device concepts but the majority of these are in the earlier stages of research and development.
- Wave energy is expected to make a smaller contribution to our energy mix within next 15 years (perhaps 10 – 15MW), and a modest contribution by 2050. However, global wave resource is many times the tidal resource. The worldwide theoretical potential of wave power has been calculated as 29,500 TWh/year and the worldwide theoretical potential of tidal power (including tidal currents) has been estimated at around 1,200 TWh/year.
- Worldwide, there is the potential to develop 337GW of ocean energy by 2050. By 2050, ocean energy could create 1.2 million direct jobs  
(An International Vision for Ocean Energy, Ocean Energy Systems, version II, 2012).

### Benefits of wave and tidal energy

- Wave and tidal projects have the potential to regenerate our most remote communities. They are already having a positive impact on the Scottish economy, bringing innovation, inward investment and skilled jobs to areas affected by downturns in sectors such as fishing, shipbuilding and more recently, oil and gas.
- Because of their low visual impact, marine renewables enjoy very high levels of public support.
- In BEIS's Energy and Climate Change Public Attitudes Tracker, support for wave and tidal developments is consistently high.

### Scotland's leading position and flagship projects

- Scotland leads the world in the development and deployment of wave and tidal stream technologies and the Scottish Government has done more than any other nation to support the development of the marine energy industry.

- Scotland is home to the world's leading wave and tidal test centre (European Marine Energy Centre); the world's largest planned tidal stream array (MeyGen) and the world's largest tidal turbine (Scotrenewables). In summer 2016, Scottish firm Nova Innovation successfully deployed a second tidal turbine in the Bluemull Sound and began exporting power to the Shetland grid.

## **Scottish Government policy instruments**

### *Capital grants and financial incentives*

- We and our enterprise agencies have operated a number of schemes in the last decade to encourage research and development, deployment of prototypes and commercialisation of technologies. These include WATES (Wave and Tidal Energy Support), WATERS (Wave and Tidal Energy R&D Support), the Marine Renewables Commercialisation Fund (MRCF) and the Marine Energy: Supporting Array Technologies (MESAT) programme.
- Our £10m Saltire Prize for marine renewable energy is the world's largest marine innovation prize (*NB the prize guidelines are currently under review*).
- Our Renewable Energy Investment Fund (REIF) was set up in 2012 to ensure counterpart finance is in place to help marine and other green energy projects become commercially viable. It has made investments in a range of wave and tidal projects in Scotland, most notably in the first phase of MeyGen.

### *Wave Energy Scotland*

- The Scottish Government recognise that wave and tidal technologies are at different stages of maturity and require tailored approaches.
- We created Wave Energy Scotland (WES) to ensure that the learning gained from wave device development and deployment in Scotland to date is used to benefit the wave energy industry.
- The organisation is fully funded by the Scottish Government and is the biggest technology programme of its kind in the wave sector. It encourages collaboration between companies and scientists in order to tackle the challenges facing the development of wave energy technologies and to encourage the return of private sector investment.

### *Testing facilities and infrastructure*

- The European Marine Energy Centre (EMEC) is the world's only accredited testing facility for wave and tidal energy prototypes. It was built with over £30 million of public sector funding. To date, more marine energy devices have been tested at EMEC than at any other single site in the world. EMEC has 14 full-scale test berths (six wave and eight tidal) and two scale sites for testing smaller scale prototypes in less challenging real-sea conditions.
- The FloWave ocean energy research facility at the University of Edinburgh is the world's most sophisticated ocean simulator. The circular test tank combines multidirectional wave simulation with fast tidal flows and enables the testing of device designs at model scale.

## **Risks for wave and tidal development**

**[REDACTED]**

## SCOTLAND'S OIL AND GAS EDUCATION CAPABILITY

### Capability – Key Messages

- Scotland is the oil and gas capital of Europe, with operations focused for more than 30 years on reserves within the hostile and challenging offshore environment of the UK Continental Shelf in the North Sea.
- Scotland's universities are adept in overcoming technical challenges in oil and gas by delivering research focused solutions and cutting edge technologies. The list of industry clients our universities are engaging with is impressive.
- In **geosciences**, we have some of the world's leading experts in areas such as seismic imaging, reservoir characterisation and petroleum geology.
- Aberdeen University has a state of the art industry standard seismic imaging facility 'Explo-hub' working on live technical challenges from leading operators around the world, including Dana Petroleum, Aramco and Schlumberger.
- Heriot Watt University has a 'Carbonate Reservoirs Group' sponsored by BG Group, Petrobras and others with world leading expertise in improving hydrocarbon recovery from carbonate reservoirs, working on technical challenges in Brazil.
- In **engineering**, we have some of the world's top experts in drilling and well control, reservoir evaluation and production, carbon capture and storage and subsea technologies. Our expertise extends to even the most complex challenges facing operators, in producing oil and gas from marginal reserves.
- The DART facility at RGU is an industry standard training facility using state of the art 3D simulation technology and experienced industry staff to train staff working for major operators in the latest complex drilling techniques.
- The institute of Petroleum Engineering at Heriot Watt University is also conducting research for the leading oil and gas majors on themes such as hydrates, enhanced oil recovery, production chemistry, reservoir engineering.
- On the **legal** side Aberdeen University houses the Centre for Energy and Petroleum Law. Dundee University is home to the Centre for Energy, Mining and Petroleum Law. Their legal expertise is specific to the oil and gas sector and covers issues including production sharing agreements, licensing, environmental protection and conflict resolution.
- Both universities are working with governments and major operators around the world. In addition to delivering full Masters programmes, the universities can deliver intensive short programmes for non-lawyers (policy makers, regulators and others) customised to client requirements. Aberdeen for example is working with Sinopec to deliver a 5 day course to up-skill management staff with an awareness of legal issues and requirements.
- In the **business** area our universities run a range of specialised programmes at Masters and MBA level specific to managing oil and gas operations, safety, risk and project management. These programmes harness expertise across faculties

to deliver an appreciation of the technical aspects of oil and gas operations in addition to teaching business and project management skills.

- In the **economics** field Aberdeen University is home to one of the leading world authorities on petroleum economics Professor Alex Kemp. Prof Kemp has been a consultant on petroleum contracts and legislation to a large number of Governments, the World Bank, the United Nations, oil companies, the European Commission, the UK and the Commonwealth Secretariat. His specific areas of research interest are related to O&G licensing and taxation.
- Scotland's universities are skilled in **working as consortia** as well as individually. Collaboration is one of our key strengths. Our universities already work together seamlessly on joint research projects under our research pooling initiative. Our universities are also working with the best universities internationally (including universities in Norway) developing solutions to the technical challenges faced by the oil and gas industry.
- Another strength of our system is that our **colleges work closely with our universities** to provide integrated pathways that take students from Diploma through to Masters level. All the time building in the practical experience based on current challenges, to ensure that our graduates are ready for work.
- **OGAS** (the Oil and Gas Academy of Scotland) is an umbrella organization established to market the expertise of Scotland's universities and colleges. OGAS partners include RGU, Aberdeen, Heriot Watt and ASET. OGAS have been working in Tanzania (and other African markets) to position Scottish universities and colleges to bid for projects in the oil and gas area.
- In February 2014, the Scottish Government announced it would establish a new **Oil and Gas Innovation Centre** in Aberdeen supported by £10.6m investment from public funds and leveraging a further £26m from industry. The new Aberdeen-based centre brings together more than 2,300 oil and gas operators and service companies and 12 Scottish universities with more than 450 academic staff and researchers working primarily on developing oil and gas specific technologies for enhanced oil recovery, subsea, reservoir characterisation, shale gas, asset integrity, production optimisation, well construction, drilling, health & safety, environment and project management.
- **Heriot Watt** has a highly successful campus in Dubai (since 2006), and is partnering with SOCAR in delivering oil and gas degrees in Azerbaijan through the Baku Higher Oil School. More recently, HW was selected by the Malaysian government to open a campus there in 2013. They also have a highly successful model for delivering Petroleum Engineering degrees remotely and through local partners via a blended learning approach.

SPACER PAGE

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE, TOURISM AND EXTERNAL AFFAIRS**

**MEETING WITH NAGASAKI CITY MAYOR**

**THURSDAY 16<sup>TH</sup> FEBRUARY 2017**

<b>What this stems from</b>	You met Mr Taue on your 2015 visit to Japan and during his visit to Edinburgh in August 2016. Follow-up regarding activities about rugby, energy, and education.
<b>Key Message</b>	Scotland enjoys a long and positive relationship with Japan. Welcome the positive and enduring link between Nagasaki and Scotland, and in particular between Nagasaki City and Aberdeen.
<b>Who</b>	<b>Mr Tomihisa Taue, Nagasaki City Mayor</b> , whom you will have met earlier in the day at the lunch with Nagasaki Rugby stakeholders. ★  <i>You met the Mayor at a reception in August 2016 at the Japanese Consulate in Edinburgh. The Mayor led a delegation from Nagasaki in Scotland to finalise an agreement to host the Scotland rugby team's holding camp ahead of the 2019 Rugby World Cup in Japan.</i>
<b>What</b>	Key relationship development and opportunity to further welcome ongoing cooperation between Nagasaki City and Aberdeen. The Mayor is likely to present you with commemoration coins linked to the Scottish Ten Project.
<b>Why</b>	Mr. Taue is very supportive of widening cooperation to Nagasaki Prefecture and Scotland. Current relationships are predominantly with Nagasaki City. Widening engagement to include the surrounding prefecture will draw in potential collaboration with a larger group of businesses, industrial and R&D centres.
<b>Where</b>	Nagasaki City Office
<b>When</b>	16:00-16:45
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• <b>[REDACTED]</b> PS:</li> <li>• Stephen Baker, SDI Regional Director:</li> <li>• <b>[REDACTED]</b> International Division:</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> <li>• <b>[REDACTED]</b> Media Manager:</li> <li>• <b>[REDACTED]</b> SDI Press and Marketing</li> </ul>
<b>Media Handling</b>	Media will be invited to take photos during the meeting. Last 15 mins press huddle.
<b>Annexes</b>	Annex A: Summary page Annex B: Biography Annex C: Background information

## SUMMARY PAGE

### Key Messages:

- Scotland enjoys a long and positive relationship with Japan. Welcome the positive and enduring link between Nagasaki and Scotland, and in particular between Nagasaki City and Aberdeen.
- Delighted to see the rugby relationship go from strength to strength. I hope that it can help to encourage the growth of more opportunities for our young people in particular to visit one another's countries.
- The partnership between Scottish Ten and Nagasaki has been a great success. I was delighted that the Sites of Japan's Meiji Industrial Revolution, including those here in Nagasaki, were successfully inscribed by UNESCO in July 2015.

### Background:

- The Mayor chairs the Nagasaki Summit – a group drawing together business interests from across the region, including local government, the chamber of commerce and other organisations. At their most recent meeting earlier this year, they endorsed the strengthening of connections with Scotland as a central part of their internationalisation activity.
- The Mayor is personally committed to developing the relationship with Scotland. He has identified three main areas for collaboration:
  - **Rugby** – In addition to the agreement to host the holding camp for the Scottish national team at the World Cup, the Scottish Rugby Union hosted a rugby clinic in Nagasaki in June 2016. In August 2016 an under-15 team from Nagasaki travelled to Scotland. The Mayor sees these kinds of activities as a route to more substantial cultural and student exchange programmes.
  - **Renewable energy** – The Scotland house incubator is seen as a success in connecting Nagasaki with Scottish offshore and marine expertise. There is a willingness to continue developing both business and academic collaboration.
  - **Culture** – The granting of World Heritage status to several sites around Nagasaki from the Meiji-era industrial revolution has reinforced Nagasaki's capacity to promote itself as a centre of heritage and culture. The partnership with Scottish Ten has demonstrated the value of collaborating with Scottish expertise.

**BIOGRAPHY**

**Mayor of Nagasaki, Mr Taue Tomihisa**



- Mr Taue Tomihisa was born in Nagasaki in December 1956.
- He graduated from Kyushu University, and majored in jurisprudence.
- He is a career employee of the municipal government, which he first joined in 1980, eventually serving as head of its statistics department.
- He was elected Mayor of Nagasaki in a special election in 2007 following the assassination of Iccho Itoh in the midst of the 2007 unified local elections. He was re-elected in the April 2011 elections and ran unopposed in the April 2015 elections, the first uncontested mayoral election in Nagasaki history.

## BACKGROUND INFORMATION

### Rugby Links

In June 2016, the Scotland rugby team toured Japan, their first tour of the country since 1989. Scotland won both matches against the Japanese national team, 26-13 and 21-16.

Scotland and Japan were drawn in the same group for the 2015 Rugby World Cup, which was held in England. Scotland defeated Japan 45-10 in this group stage on Wednesday 23 September in Gloucester.

Scottish Rugby will be back out in Japan around the time of the draw for the 2019 Rugby World Cup – which will take place in Kyoto on 10 May this year.

[REDACTED]

### Scottish Ten Project

This visit will be the first time you have been to Japan since both *The Sites of Japan's Meiji Industrial Revolution* and *The Forth Bridge* were designated as World Heritage Sites by UNESCO in July 2015.

Your visit in 2015 took place just prior to the 39<sup>th</sup> meeting of UNESCO's World Heritage Committee - a time when Japan was enduring a hostile reaction to its nomination, led by the Permanent Delegation from the Republic of Korea. The completion of, and gift of the data from the Scottish Ten project when you were in Nagasaki was therefore greatly appreciated at the highest level in Japan.

Two core elements of the Japanese nominated site, the Giant Crane and Kosuge Dock, are prominent pieces of Scottish engineering that were recorded by the Scottish Ten. *The Forth Bridge* also has a strong link with Japan through the pioneering engineer, Glasgow University graduate, Kaichi Watanabe. HES and the Glasgow School of Art have since digitally documented *The Forth Bridge* using the expertise developed whilst working in Nagasaki. The first public release of animations from this work occurred on 3<sup>rd</sup> January, and could be made available during your visit.

### Scottish Ten Legacy

We are still actively working with our Scottish Ten partners, the Meiji Industrial Sites World Heritage team, who are preparing apps and animations with our assistance, to be included on their website. This is under development, so the Scottish Ten content will, unfortunately, not be up and running by the time of your visit.

A considerable amount of the work behind the Japanese Meiji World Heritage nomination was funded by the Mitsubishi Research Institute (MRI), whose many activities extend into the cultural sphere. [REDACTED]

The positive impact of the Scottish Ten work has been reflected in the use of its laser scanning imagery in a first day cover of stamps by the Japanese Post Office, and the production of a commemorative set of silver coins by the Japanese Mint.

[REDACTED]

### **Wider World Heritage Issues**

Following inscription of the *The Sites of Japan's Meiji Industrial Revolution*, the Scottish Ten was invited to demonstrate its 3D documentation work to delegates at a special reception at the end of the World Heritage Committee in Bonn, and then again to all national permanent delegations at UNESCO HQ in Paris. As a member of the World Heritage Committee at the time, Japan was attempting to demonstrate the growing importance of digital recording technologies to the protection and repair of world heritage sites.

Since then, the UK Government has responded to UNESCO's appeal for help to counter the continuing destruction at World Heritage Sites with the foundation of the Culture Protection Fund. Dr Lyn Wilson, who leads HES's Digital Documentation Team, is using her experience from the Scottish Ten project to advise and support this initiative, much in the way that was envisaged by our Japanese partners.

You should also be aware of another Kyushu-based World Heritage nomination, *Churches and Christian Sites in Nagasaki*, which was put forward by Nagasaki Prefecture. This was, unfortunately, withdrawn in 2016 on the advice of UNESCO assessors. It is possible there may be sensitivities relating to this, especially in relation to the successful Meiji nomination, which was supported by Nagasaki City.

### **Other shared Industrial Heritage**

There is an even bigger and better Scottish Giant crane in Sasebo, also in Nagasaki Prefecture. It was built in 2013 by William Arrol, builders of the Forth Bridge, and is also still working. You kindly signed a 100th birthday framed picture which was presented to Sasebo shipyard (SSK) in 2013.

SPACER PAGE

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE,  
TOURISM AND EXTERNAL AFFAIRS**

**EXECUTIVE ROUNDTABLE DINNER**

**THURSDAY 16<sup>TH</sup> FEBRUARY 2017**

<p><b>What does this stem from</b></p>	<p>Visit to Nagasaki provides an opportunity for the Cabinet Secretary to have informal discussions with key decision makers in the city at a local authority, government and business level.</p>
<p><b>Key Message</b></p>	<ul style="list-style-type: none"> <li>• Scotland enjoys a long and positive relationship with Japan. Welcome the enduring and growing links between Nagasaki and Scotland.</li> <li>• Recognise Japan as an important partner for mutual economic growth through international trade and investment.</li> <li>• Japan is an important part of our international trade landscape. Today, Japan ranks 19th as an export destination from Scotland. As well as success in food &amp; drink, we're also seeing success in areas such as life sciences and renewable energy. All areas where know there are particular synergies with Japan, that we are keen to exploit still further. SDI has had a presence in market for 25 years.</li> <li>• The key sectors at the heart of the T&amp;I strategy in Japan are F&amp;D, Renewables, Subsea (across O&amp;G, renewables, defence and aquaculture) and Life Sciences. Niche opportunities exist in Tech.</li> <li>• 85 businesses in Scotland (with parent registered in Japan at November 2016) with 210 local sites, employing 6,250 and a turnover of £1.489bn.</li> <li>• The links between Scotland and Japan go back many years and our long history of friendship has led to many significant diplomatic, cultural and business collaborations. Notable examples include the Japan-Scotland foundation being co-founded by GlobalScot Takiyo Seki in 1986.</li> <li>• There are 18 GlobalScots in market who are a very engaged network working actively with SDI around thematic visits to market.</li> </ul>
<p><b>Who</b></p>	<ul style="list-style-type: none"> <li>• <b>Mr Tomihisa Taue</b>, Nagasaki City Mayor ★</li> <li>• <b>Mr Houdo Nakamara</b>, Nagasaki Governor</li> <li>• <b>Mr Toshiyuki Sakai</b>, President of NPO Nagasaki Marine Industry Cluster Promotion Association / Chief Executive secretary of Association of Corporate Executives</li> <li>• <b>Mr Tetsuya Kotani</b>, Chief Director of JETRO Nagasaki</li> <li>• <b>Dr Shigeru Katamine</b>, President of Nagasaki University</li> <li>• <b>Mr Miyazaki</b>, Chairman of Nagasaki Employer's Association (Mitsubishi Heavy Industries)</li> <li>• <b>Mr. Shigemi Yoshida</b>, Deputy Director of Nagasaki Chamber of Commerce ★</li> </ul> <p><i>You met Mr Taue and Mr Yoshida at the reception at the Japanese Consulate General in Edinburgh in August 2016. You will also have met Mr Sakai and Mr Kotani at the JETRO event at earlier in the day.</i></p>

<b>What</b>	<ul style="list-style-type: none"> <li>• Light touch roundtable style dinner hosted by SDI at The Garden Terrace restaurant Nagasaki Hotel, with an invited audience of key Japanese decision makers and influencers.</li> <li>• Opportunity to secure commitment to collaboration between Nagasaki Prefecture and Scotland.</li> <li>• Follow up the discussion at the Nagasaki Summit on 1<sup>st</sup> of February.</li> <li>• There will be specially prepared menu with premium Scottish fare to highlight Scotland’s special and lasting relationship with Japan.</li> <li>• A welcome speech given by the Cabinet Secretary will give the opportunity to highlight key areas of co-operation between Nagasaki prefecture and Scotland.</li> <li>• Reference will be made to enduring links between Scotland and Japan, investment and Scotland’s place in Europe.</li> </ul>
<b>Additional information if speech being given</b>	<ul style="list-style-type: none"> <li>• The Cabinet Secretary will be introduced by Nagasaki Governor and give a short 5 minute speech.</li> <li>• A lectern will not be provided</li> <li>• There will be consecutive translation. Two interpreters will be present</li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>• Building warm relationship with executive stakeholders in Nagasaki and light touch discussion on further collocation between Scotland and Nagasaki.</li> <li>• To promote informal conversation about direction of relationship to further strengthen and build up partnership between cities and beyond.</li> <li>• There is very strong interest from Nagasaki in creating stronger links at a city and wider level.</li> <li>• Opportunity to meet and thank key stakeholders for their work in strengthening Japanese-Scottish relations.</li> <li>• The Cabinet Secretary’s speech will raise Scotland’s profile further still through promotion of Premium Scottish Food &amp; Drink and highlight areas for closer collaborations between the prefecture and Scotland.</li> </ul>
<b>Where</b>	Akitsuki, Garden Terrace Nagasaki,2-3 Akitsukicho, Nagasaki-shi, Nagasaki
<b>When</b>	<p><b>18:30-20:30</b></p> <p><b>Running order</b></p> <p>18:30 Opening by Dr. Stephen Baker, SDI</p> <p>18:33 Welcome from Cabinet Secretary</p> <p>18:36 Welcome remarks from Mr Houdou Nakamura, Nagasaki Prefecture Governor</p> <p>18:39 Mr Tomihisa Taue, Nagasaki City Mayor makes toast</p> <p>18:42 Dinner served</p> <p>20:20 Closing by Dr Stephen Baker, SDI</p> <p>20:30 Dinner closes</p>

<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• [REDACTED] PS:</li> <li>• Stephen Baker, SDI Regional Direct</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> <li>• [REDACTED] Media Manager:</li> <li>• [REDACTED] Senior Account Executive, SDI</li> </ul>
<b>Media Handling</b>	No media involvement
<b>Annexes</b>	<p>Annex A: Summary page  Annex B: Biographies  <i>Please see separate speaking document in Note 4A and aide memoire note 4B.</i></p>

**SUMMARY PAGE****Purpose of meeting:**

- Building warm relationship with executive stakeholders in Nagasaki and light touch discussion on further collocation between Scotland and Nagasaki.
- To promote informal conversation about direction of relationship to further strengthen and build up partnership between cities and beyond.
- There is very strong interest from Nagasaki in creating stronger links at a city and wider level.
- Opportunity to meet and thank key stakeholders for their work in strengthening Japanese-Scottish relations.
- The Cabinet Secretary's speech will raise Scotland's profile further still through promotion of Premium Scottish Food & Drink and highlight areas for closer collaborations between the prefecture and Scotland.

**Key facts:**

- Japan is an important part of our international trade landscape. Today, Japan ranks 19th as an export destination from Scotland. As well as success in food & drink, we're also seeing success in areas such as life sciences and renewable energy. All areas where know there are particular synergies with Japan, that we are keen to exploit still further.
- SDI has had a presence in market for 25 years.
- The key sectors at the heart of the T&I strategy in Japan are F&D, Renewables, Subsea (across O&G, renewables, defence and aquaculture) and Life Sciences. Niche opportunities exist in Tech.
- 85 businesses in Scotland (with parent registered in Japan at November 2016) with 210 local sites, employing 6,250 and a turnover of £1.489bn
- There are 18 GlobalScots in market who are a very engaged network working actively with SDI around thematic visits to market.

**Lines to Take:**

- Scotland enjoys a long and positive relationship with Japan. Welcome the positive and enduring link between Nagasaki and Scotland.
- Recognising Japan as an important partner for mutual economic growth through international trade and investment.
- The links between Scotland and Japan go back many years and our long history of friendship has lead to many significant diplomatic, cultural and business collaborations. Notable examples include the Japan-Scotland foundation being co-founded by GlobalScot Takiyo Seki in 1986.
- By working together we aim to deliver an economic legacy for the Scotland and Japan by increasing government and commercial opportunities. And we have the opportunity to promote Scotland and Japan as destinations for business, tourism, education and culture.

## Issues to note:

- **[REDACTED]** Aberdeen City Council and Glover House funding:
  - **[REDACTED]**
  - Mitsubishi gifted Glover House to Grampian Regional Council in 1996. The property is now under the control of Aberdeen City Council. In June 2016 the Council's P&R committee discussed transforming the house into a research and development facility for future industries and technologies to help cement partnerships with Japanese companies. The key aim is to use the home of the Scottish Samurai as a springboard to widen our skills base and to encourage innovation as we look to the years beyond North Sea oil and gas.
  - Following the City Council's consideration Martin Gilbert, Chief Executive of Aberdeen Asset Management was reported in the Press and Journal (4<sup>th</sup> July 2016) pledging support to the re-opening of the house. Mitsubishi UFJ Financial Group, with no legal relation to Mitsubishi Electric, owns a stake of Aberdeen Asset Management.
  - **[REDACTED]**

## BIOGRAPHIES

**Mr. Houdou Nakamura**  
**Governor of Nagasaki Prefecture**



Mr. Nakamura was appointed Governor in March 2010. Previous to this he was Governor of the prefecture. He graduated from Nagasaki University, Faculty of Economics in 1973 and has since held a variety of roles within the government.

**Mr. Tomihisa Taue**  
**Mayor of Nagasaki**



Born 1956, Mr. Taue is a Japanese politician and has been mayor of Nagasaki city since 2007, the capital city of Nagasaki Prefecture.

Mr. Taue graduated from Kyushu University and majored in Jurisprudence.

He is a career employee of the municipal government, which he first joined in 1980, eventually serving as head of its statistics department.

He was elected mayor of Nagasaki in a special election in 2007 following the assassination of Iccho Itoh in the midst of the 2007 unified local elections. He was re-elected in the April 2011 elections and ran unopposed in the April 2015 elections, the first uncontested mayoral election in Nagasaki history.

**Mr. Toshiyuki Sakai, President, Nagasaki Marine Industry Cluster Promotion Association**



Graduated from Nihon University, Department of Mechanical Engineering, College of Science and Technology.

Other responsibilities include as Chairman of Kyowakiden Industry Co., Ltd.; Chairman of Nagasaki Prefecture Environment and Energy Industries Network, Chairman of Kyuden Nagasaki Shoyu-Kai. Mr. Sakai is a member of the Executive Councilors at Nagasaki Chamber of Commerce & Industry.

**Dr. Shigeru Katamine**  
**President of Nagasaki University**



Prof. Shigeru Katamine is the President of Nagasaki University. He was elected in 2008, having joined the administrative office of Nagasaki University as Vice-President in 2002.

Since 1984, when he first began his tenure at Nagasaki University, he has actively participated in education and research within the field of Virology. During his research career, he spent 3 years (1985-1988) at the National Institute of Health, Bethesda, Maryland in the USA to study modern life sciences. His scientific contributions have been published in several highly influential Journals including The Lancet, Nature, Science, and others.

**Mr. Tetsuya Kotani**  
**Chief Director, JETRO Nagasaki**



Mr. Kotani joined JETRO in 1996 working in Germany for over 5 years.

Mr Kotani moved to JETRO's Nagasaki office in 2014 and is now working to support overseas expansion in regional units within Nagasaki Prefecture; supporting the export of agriculture, forestry and fishery products, and supporting municipality policy planning.

**Mr Masao Miyazaki**  
**Chairman of Nagasaki Employer's Association (Mitsubishi Heavy Industries)**

*No photo available*

Mr. Miyazaki, born 1975 in Nagasaki, joined Mitsubishi Heavy Industries 1985. Previously held a number of shipping and maritime operational roles, including Executive Officer Fellow. An electrical engineer by trade, graduated from Kyushu Institute of Technology.

**Mr Shigemi Yoshida, Deputy Director, Nagasaki Chamber of Commerce**  
[No biography available]

**NAGASAKI**  
**FRIDAY 17 FEBRUARY 2017**

<b>Meeting with Vice President of Nagasaki University</b> Nagasaki University	SDI/ International
<b>Meeting with Nagasaki Governor/Vice Governor</b> Nagasaki Prefectural Government Office	SDI/ International

SPACER PAGE

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE, TOURISM AND EXTERNAL AFFAIRS**

**MEETING WITH VICE PRESIDENT OF NAGASAKI UNIVERSITY AND SEMINAR/DISCUSSION WITH STUDENTS**

**FRIDAY 17<sup>th</sup> FEBRUARY 2017**

<p><b>What does this stem from</b></p>	<p>Nagasaki University as part of its internationalization programme has progressively developing relationships with Scottish Universities. So far 5 MOU's have been signed, they are looking to put in place a further collaboration and programme of exchange around humanities.</p>
<p><b>Key Message</b></p>	<ul style="list-style-type: none"> <li>• Scotland enjoys a long and positive relationship with Japan. Welcome the positive and enduring link between Nagasaki and Scotland which has developed significantly since my visit in July of 2015.</li> <li>• A very strong interaction has been building up around renewables and marine resources. Yesterday we held a press conference in Scotland House which is co-located with the Nagasaki Marine Industry Cluster Promotion Association.</li> <li>• The main topic was around the exchange of Scottish companies but I was delighted to meet <b>[REDACTED]</b> a student from the Nagasaki Institute of Applied Science in his role as Nagasaki Marine Ambassador and hear of his recent trip to Scotland.</li> <li>• Rugby also has been a catalyst for the build-up of relations and I was pleased to meet some of the Under 15 rugby students that travelled to Scotland last August.</li> <li>• The expansion of the Nagasaki University's internationalisation programme with Scotland is impressive - 5 comprehensive MOU's in place.             <ul style="list-style-type: none"> <li>○ Herriot Watt – Marine Energy</li> <li>○ University of Edinburgh – Marine Energy &amp; Aquaculture</li> <li>○ University of Aberdeen – Student Exchange Programme</li> <li>○ The University of Highlands and Islands - Humanities &amp; English Programme</li> <li>○ University of Sterling – Marine Biology and English Programme</li> </ul> </li> <li>• I would like to acknowledge the role of Prof Ikuo Yamamoto in this. I know he has worked very sincerely to connect Scotland and Japan and even last week gave a lecture in Stirling University on "New Advanced Robotics and Robotic Fish in Marine Biology". I heard it was so popular they had to move it to a larger theatre.</li> <li>• The proposal to expand this programme with a further collaboration and programme of exchange around humanities is one I support and our agencies will help facilitate introduction to relevant Scottish University faculties.</li> <li>• Cultural exchange and language learning are essential in giving young people the skills and confidence to thrive in today's global</li> </ul>

	economy I sincerely hope the relationship between Scotland and Nagasaki University will continue to flourish.
<b>Who</b>	<ul style="list-style-type: none"> <li>• <b>Mr Shunichi Yamashita, Vice President of Nagasaki University</b></li> <li>• Professor Ikuo Yamamoto, Nagasaki University</li> </ul>
<b>What</b>	<p>Meet and greet with the Vice President to encourage the development of stronger education links between Scottish Universities and Nagasaki Universities.</p> <p>Followed by a seminar and discussion with students.</p>
<b>Additional information if speech being given</b>	Please see separate aid Memoire
<b>Why</b>	This is an opportunity to showcase the growing number of interactions between Japan & Scotland across education.
<b>Where</b>	Nagasaki University Conference room 2 <sup>nd</sup> Floor
<b>When</b>	<p>09:35 Arrive at Nagasaki University</p> <p>09:40 -10:00 Meeting with Prof Yamashita with Media</p> <p>10:00 -10:15 Q&amp;A with Media</p> <p>10:30 – 11:30 Seminar/Discussion with Students and some Professors</p> <p>11:40 depart the University</p>
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<p><b>[REDACTED]</b>, PS</p> <p>Julian Taylor, Executive Director SDI Asia Pacific</p> <p>Stephen Baker, SDI, mobile: <b>[REDACTED]</b></p> <p><b>[REDACTED]</b> International</p> <p><b>[REDACTED]</b> COMMS</p>
<b>Media Handling</b>	Media will be present during the meeting with Prof Yamashita and at least the start of the seminar with the Students.
<b>Annexes</b>	<p>Annex A: Nagasaki University</p> <p>Annex B: Biographies</p> <p>Annex C: MOU Activity</p>

## **NAGASAKI UNIVERSITY**

Nagasaki University is a national university of Japan. Its nickname is Chōdai.

On November 12, 1857, Dutch army surgeon Pompe van Meerdervoort initiated medical lectures in the Dutch language to government doctor Ryojyun Matsumoto and 11 other persons. This medical school called Igaku Denshusho is the origin of today's School of Medicine as well as Nagasaki University.

The university has around 9,000 students of whom 4% are international. The university's main areas of expertise are:

- Business & economics
- Arts & humanities
- Social sciences
- Geology and environmental services
- Clinical and pre-clinical health

### **Internationalisation Strategy**

- Development of Nagasaki University students into globally-minded competent individuals who can compete in and contribute to international society
- Promotion of international collaborative research
- Realization of an international campus
- Creation of supportive infrastructure to promote internationalization of the university

## BIOGRAPHIES

**Shunichi Yamashita**

Regent and Vice President Nagasaki University,  
 Professor / Chairman, Department of Radiation Medical Sciences  
 Atomic Bomb Disease Institute

**Personal History**

- Nagasaki University School of Medicine Graduated in 1978
- 1978-1980 Resident in Internal Medicine at Nagasaki University Hospital
- 1980-1984 Postgraduate Clinical Fellow at the First Department of Internal Medicine, Nagasaki University School of Medicine
- 1984-1987 Endocrine Research Fellow at the Cedars-Sinai Medical Center, UCLA School of Medicine
- 1987-1990 Assistant Professor, the First Department of Internal Medicine, Nagasaki University School of Medicine
- 1990-2011 Professor and Chairman, Department of Molecular Medicine and Department of International Health and Radiation Research, Atomic Bomb Disease Institute, Nagasaki University School of Medicine
- 2004-2006 Scientist, Team Leader, Radiation and Environment Health, SDE/PHE, WHO/HQ
- 2009-2011 Dean, Nagasaki University Graduate School of Biomedical
- 3/2011- Advisory committee of radiation health risk control in Fukushima
- 7/2011- Vice-president, Specially appointed Professor Fukushima Medical University
- 4/2013- Trustee/ Vice President Nagasaki University

**Prof Ikuo Yamamoto**

Professor Graduate School of Engineering  
 Robotics, systems engineering, mechanics, control  
 engineering

Research is focused on the increasing need for robotics and mechatronics in the medical field. Robotic and mechatronic based technology makes medical equipment easier for staff to use as well as being gentler on the patients.

## LIST OF MOU ACTIVITIES WITH SCOTTISH UNIVERSITIES

### **Herriot-Watt University**

In Charge: School of Engineering

MOU Made: Oct 2014

School of Engineering

- Jan 2014 SDI visited Nagasaki Uni and hold a marine energy business forum
- July 2014 Prof Yamamoto visited HWU
- Jan 2015 Prof Yamamoto hold a seminar with 50 audience at HWU
- Mar 2015 Hold a marine energy forum at Nagasaki Uni and 4 professors including Sandy Kerr from ICIT have joined
- Apr 2017 Start double degree programme with ICIT (TBC)

Marine Innovation Institute

- Sep 2016 Prof Nakata met Prof Jonathon Side and exchanged info
- Dec 2016 Prof Kerr from Internal Centre for Island Technology visited Nagasaki through JETRO RIT programme and met some professors from school of aquaculture

### **University of Edinburgh**

In Charge: School of Engineering

MOU Made: Oct 2014

School of Engineering

- Jan 2014 SDI visited Nagasaki Uni and hold a marine energy business forum
- Feb 2014 Prof Yamamoto visited UOE and met Prof David Ingram
- March 2014 Prof Henry Jeffrey visited Nagasaki Uni
- July 2014 Discussed research collaboration with David Ingram at SDI office
- March 2015 hold a marine energy workshop at Nagasaki Uni and 10 professors from UOE joined
- May 2015 hold a joint symposium with UOE and David Ingram gave lecture
- Sep 2016 Prof Nakara from school of Aquaculture visited UOE to gather info for further collaboration

### **University of Aberdeen**

In Charge: School of Humanity and Social Science

MOU Made: Jul 2015

In Charge: School of Humanity and Social Science

- May 2014 Prof Pino from Nagasaki Uni met VP for international from University of Aberdeen at NAFSA to discuss student exchange
- Jul 2014 Professor from UOA visited Nagasaki Uni to gave lecture on Christianity
- Sep 2014 Director of International visited UOA
- Sep 2016 Started student exchange programme – 1 student

## **University of Highlands and Islands - Perth College**

In Charge: School of Humanity and Social Science

MOU Made: Oct 2015

School of Humanity and Social Science

- Apr 2014 Director of International asked Education Scotland to introduce Scottish Universities who are interested in student exchange programme then UHI responded
- Sep 2014 and Sep 2015 Director of International visited UHI
- Feb 2016 15 students joined English programme for 4 weeks

## **University of Stirling**

In Charge: Marine Innovation Institute

MOU Made: Dec 2016

Marine Innovation Institute

- Feb 2016 Prof Yamamoto visited UOS and gave lecture on New advanced robotics & robotic fish in marine biology
- May 2016 Kerry Bryson from UOS visited Nagasaki Uni to discuss MOU
- Sep 2016 Prof Nakata visited UOS to discuss research collaboration and gave lecture

School of Humanity and Social Science

- Nov 2016 Maria Castilla from UOS visited Nagasaki Uni to discuss English Programme

Mar 2017 Prof Pino from Nagasaki Uni will visit UOS to discuss English programme

**BRIEFING NOTE FOR FIONA HYSLOP, CABINET SECRETARY FOR CULTURE,  
TOURISM AND EXTERNAL AFFAIRS**

**MEETING WITH NAGASAKI VICE-GOVERNOR**

**FRIDAY 17<sup>th</sup> FEBRUARY 2017**

<p><b>What does this stem from</b></p>	<p>This is a continuation of the high level relationship with Nagasaki Prefecture as we look to expand the deep relationship that has development between Nagasaki City and Aberdeen to other areas of Nagasaki Prefecture.</p>
<p><b>Key Message</b></p>	<ul style="list-style-type: none"> <li>• Welcome the positive and enduring link between Nagasaki and Scotland.</li> <li>• Deputy Governor is a pleasure to see you again, since we last met so much positive progress has been achieved.</li> <li>• The Nagasaki World Heritage designation for the Mitsubishi crane and dry dock that the Scottish 10 Project had supported was approved.</li> <li>• I'm pleased to say that Scotland own proposal for the Forth Bridge was also approved.</li> <li>• A very strong interaction has been building up around Renewables and marine resources. Yesterday we held a press conference in Scotland House which is co-located with the Nagasaki Marine Industry Cluster Promotion Association. The JETRO RIT programme which we have supported where Scottish Companies were selected and invited to come to Nagasaki to interact with the cluster members has been very productive and concrete business discussions are taking place..</li> <li>• Rugby also has been a catalyst for the build-up of relations Following my visit the Scottish Rugby Union decided to partner with Nagasaki for their holding camp and I was pleased to meet some of the Under 15 rugby students that travelled to Scotland last August.</li> <li>• As the Minister responsible for Culture I strongly believe that cultural exchange through sports is essential in giving young people the skills and confidence to thrive in today's global economy</li> <li>• The expansion of the Nagasaki University's internationalisation programme with Scottish Universities is impressive with 5 comprehensive MOU's in place and a collaboration and exchange programme being looked at in the area of Humanities</li> <li>• The relationship between Nagasaki City and Aberdeen continues to deepen through these exchanges <b>[REDACTED]</b></li> <li>• Working together with friends we know well with common aims is a very practical way to achieve great things. I look forward to further development of the relationship between Scotland and the Nagasaki Prefecture</li> </ul>

<b>Who</b>	<b>Mr. Susumu SATOMI, Deputy Governor of Nagasaki Prefecture★</b>  <i>You met with the Vice Governor Mr. Susumu Satomi during your visit to Japan in July 2015: both at the prefectural office then later at a Food &amp; Drink themed Dinner.</i>
<b>What</b>	High-level meet and greet with Governor/Vice-Governor to encourage the development of stronger links between Scotland and Nagasaki Prefecture.
<b>Why</b>	This is a chance for Ms Hyslop to discuss developments in the relationship with Nagasaki including business matching activity with JETRO and Scottish Rugby Holding Campus since her previous visit in Nagasaki. The Nagasaki business community has expressed an interest in broadening connections with Scotland beyond current arrangements. Encouraging the growth of connections across the Prefecture will open up opportunities to develop collaborations with industrial centres outside Nagasaki City itself.
<b>Where</b>	Nagasaki Prefectural Government Office 2-13 Edomachi, Nagasaki-shi
<b>When</b>	14:00-14:30
<b>Dress code</b>	Business attire
<b>Official(s) attending</b>	<ul style="list-style-type: none"> <li>• [REDACTED] PS</li> <li>• Stephen Baker, SDI Regional Director</li> <li>• [REDACTED] International Division</li> <li>• Julian Taylor, SDI Executive Director Asia Pacific</li> <li>• [REDACTED] Media Manager:</li> </ul>
<b>Media Handling</b>	The possibility of media involvement is under discussion with the office of the governor.
<b>Annexes</b>	Annex A: Summary Annex B: Background on Nagasaki Prefecture Annex C: Biography

**SUMMARY PAGE**

**Purpose of meeting:**

- To maintain a personal relationship with the Governor and Vice Governor of Nagasaki Prefecture, underpinning high level support for collaboration between the prefecture and Scotland.
- To encourage the development of connections between Scotland and Nagasaki that expand the relationship from Nagasaki city to the wider prefecture.

## **BACKGROUND ON NAGASAKI PREFECTURE**

Nagasaki Prefecture is located in the north-western part of Kyushu. It borders Saga Prefecture in the east and is otherwise surrounded by water.

The prefecture also includes a very large number of small islands (588). The sea area under the control of the prefectural government is about 25 times the land area itself.

Due to its position, the prefecture has historical links with nearby Korea and China. It was also the only place in Japan allowed to maintain contact with foreigners (mostly Dutch people) during the nearly 250 years of the Edo period in which Japan was completely isolated from the outside. Therefore Nagasaki acted as a door to western culture and technology.

Nagasaki is also known for being the most Christianized area in Japan. It hosted the first Roman Catholic missions as early as the 16th century.

### **Political**

The administration is headed by a Governor directly elected by the people every four years in first-past-the-post elections.

Legislation, the budget and the approval of personnel appointments, including the Vice Governor, are handled by the Prefectural Assembly that is directly elected by the people every four years by single-non transferable vote.

With a population of less than 1.5 million in four counties and a total of 21 municipalities, Nagasaki is one of the smaller prefectures in Japan.

The current Governor of Nagasaki is Hodo Nakamura, he is a former Vice-Governor. He was first elected in 2010 and was re-elected for a second term in 2014.

The Prefectural Assembly has a regular membership of 46, elected in 16 electoral districts in unified regional elections (last round: 2011). As of April 2014, the Liberal Democratic Party (Japan) led caucus has 23 members, the Democratic Party/ Social Democratic party led caucus has 17 members.

In the National Diet, Nagasaki is represented by four directly elected members of the House of Representatives and two (one per ordinary election) of the House of Councillors.

After the most recent national elections of 2010, 2012 and 2013, Nagasaki sends an all Liberal Democratic Party (Japan) delegation to the Diet (excluding members who lost election in Nagasaki districts, but were elected to the proportional representation segment of the House of Representatives in the Kyushu block).

**BIOGRAPHY**

**SUSUMU SATOMI, DEPUTY GOVERNOR OF NAGASAKI PREFECTURE**



Susumu Satomi assumed the role of Deputy Governor of Nagasaki Prefecture in 2014.

He graduated from school of law at University of Tokyo in 1987 and entered the Ministry of Construction the same year.

He has held a number of roles including within the Planning Department of the Okayama Prefecture, Planning Officer of the Ministry of Land and Chairman of the Kyoto City Urban Planning Department.

In 2009, he became Team Leader of the Corporate Planning Department of the Urban Renaissance Agency and manager of Residence Maintenance Division of the Ministry of Land in 2012.

**CABINET SECRETARY FOR CULTURE, TOURISM & EXTERNAL AFFAIRS –  
VISIT TO JAPAN – 11-18 February 2017  
CORE BRIEFING PACK**

**Annex A – Scotland/Japan Key Facts**

**Annex B – Japan Background Brief**

**Annex C – Core Japan Trade & Investment Briefing**

**Annex D – Trade and Investment Strategy**

**Annex E – Visit to Japan 2015 (IPQ)**

**Annex F – Cultural Links**

**Annex G – Edinburgh Festivals**

**Annex H – Renewable Energy**

**Annex I – Food and Drink**

**Annex J – Higher Education**

**Annex K – Physical Activity**

**Annex L – Commonwealth Games – Legacy**

**Annex M – Tourism**

**Annex N – Themed Year 2017 – History, Heritage and Archaeology**

**Annex O – Scotland/Japan World Heritage Links**

**Annex P – Scotland's Economy**

**Annex Q – Human Rights**

## SCOTLAND/JAPAN KEY FACTS

### Previous Ministerial visits:

27 June 2015 – 03 July 2015

Cabinet Secretary for Culture, Europe and External Affairs – Fiona Hyslop

5 May 2013 - 11 May 2013

Cabinet Secretary for Finance, Employment and Sustainable Growth – John Swinney

10 November 2012 - 17 November 2012

Cabinet Secretary for Rural Affairs and the Environment – Richard Lochhead

14 Apr 2012 - 21 Apr 2012

Cabinet Secretary for Finance, Employment and Sustainable Growth – John Swinney

19 Jul 2009 – 24 Jul 2009

Cabinet Secretary for Finance and Sustainable Growth – John Swinney

### Market Access:

- Scotland's total food and drink exports to Japan were valued at approx. £98.7 million in 2015, up 9% from 2014 and up 91% from 2007.
- Scotland's food exports to Japan were valued at approx. £22.9 million in 2015, down 13% from 2014 but up 145% from 2007.
- Scotch whisky exports accounted for the majority (77%) of Scotland's food and drink exports to Japan in 2015, valued at £75.8 million. The value of Scotch exports to Japan in 2015 was up 18% from 2014 and up 79% from 2007.

### Language:

- A "Japanese Language Group" has been established, with membership being made up of various interested people, members of the Cross Party Group on Japan, MSPs, academics and teachers. One of their aims is to see Japanese language being taught in more schools in Scotland (currently just 1 or 2 schools), through the 1+2 language policy in the first instance moving towards the establishment of National Qualifications.
- A questionnaire will be sent to Local Authorities by the Scottish Government in early 2017 on behalf of the Languages Strategic Implementation Group, to gather information on local authority progress across Scotland. A question specifically around which languages local authorities are currently, or planning to offer pupils will be included. This update is intended to offer local authorities the opportunity to share with us their plans for both the first additional language (L2) and the second additional language (L3).
- The Japan Foundation – Japan's only institution dedicated to carrying out comprehensive international cultural exchange programs throughout the world – is offering 20 Scottish leaders in education the opportunity to take part in a study

tour of Japan from 10-18 February 2017, to learn about the Japanese education system and compare with Scotland's.

### Higher Education:

- In 2015-16 there was a total of 210 students from Japan studying at Scottish Higher Education Institutions, a 8% decrease on the previous year's figure of 230.
- In the main, these 2015-16 students were studying at: University of Edinburgh (90), Glasgow (30), St Andrews (30), Stirling (15), and Aberdeen (10).

### SG Funded exchange initiative (£90K for 60 placements out/ 60 in)

Japan is one of over 90 member countries of the British Council's International Association for the Exchange of Students for Technical Experiences (IAESTE) exchange programme, providing opportunities for students to work or study abroad for 2-3 months in (mainly) STEM subject areas. For 2016-17 Scottish Government will fund up to 60 Scottish student placements abroad (and 60 international students will take up placements in Scottish universities or businesses).

### Research:

- The **International Student Research Forum (ISRF)** is a co-operation between **seven international Universities including Aberdeen University**, Tokyo University and Okinawa Institute of Science and Technology Graduate University. It allows PhD students to share their experiences and to form professional relationships across international boundaries. The Forum was hosted by Aberdeen University on 15 July 2015.
- **Edinburgh University** and **Glasgow University** are members of 'Universitas 21', a grouping of 27 of the world's leading research intensive institutions. Waseda University, Tokyo is also a member.

### Culture:

- The *Theatres of the East* painted **handscroll by Furuyama Moromasa** was rediscovered within the Edinburgh Central Library, restored and will be put on display in the **National Museum of Scotland** in 2018. The scroll was gifted to Edinburgh Libraries in 1945 by Marie Dyer, daughter of Henry Dyer who was the first Principal of Japan's Imperial College of Engineering.
- The **Ricca Ricca Festival 2018** will have a focus on Scotland as part of its partnership with Imagineate.
- The **Edinburgh International Book Festival** hopes to showcase several Japanese authors in 2017.
- As a result of the Cabinet Secretary for Culture, Europe and External Affairs' meeting with the Artistic Director of the **Ricca Ricca** Festival (formerly the Okinawa Festival for Young Audiences) on 29 June 2015 as part of her visit to Japan, the Festival have commissioned Noel Jordan, Artistic Director

of Imagine, to work with Japanese actors on new productions which will tour southeast Asia in 2017. The project is Expo funded. Two pieces will be debuted at Ricca Ricca 2017 then at Imagine 2018.

**Tourism:**

**Total number of Japanese visitors to Scotland (2013-2015) three year average:**

- Total visits: 13,000
- Total nights: 83,000
- Total spend: £7million
- Average Spend Per Night (£) £82
- Average Spend Per Trip (£) £512
- Average Nights Per Trip 6.3

**JAPAN BACKGROUND BRIEF  
(source: Foreign and Commonwealth Office)****Internal / Domestic Politics**

Japan is a constitutional monarchy. Its current head of state is His Majesty Emperor Akihito. The Japanese Diet (parliament) is made up of two directly elected chambers, the lower House of Representatives and the upper House of Councillors, with members elected by a combination of single- and multi-member constituencies.

Japan is divided into forty-seven administrative prefectures: one metropolitan district (Tokyo), two urban prefectures (Kyoto and Osaka), forty-three rural prefectures, and one "district", Hokkaidō. Large cities are subdivided into wards, and further split into towns, or precincts, or sub-prefectures and counties. Cities are self-governing units administered independently of the larger jurisdictions within which they are located. Each has its own elected mayor and assembly.

Since the end of WWII, the Diet has been dominated by the centre-right Liberal Democratic Party (LDP). In December 2012, the LDP won a decisive majority in the lower house elections, leading to the return of Shinzo Abe as Prime Minister, after a previous period in office in 2006. The LDP's power was consolidated in July 2013, when they took 71 of 121 seats contested in the upper house elections, and again in a further lower house election in late December 2014. These victories have helped end the revolving door of prime ministers since early 2000 and paved the way for the first stable government in years.

In September 2015, Prime Minister Abe was re-elected as President of the Liberal Democratic Party (LDP). This will see him in office until at least 2018, making him one of the longest serving leaders in Japan's post-war history.

Prime Minister Abe has promised to "restore Japan" both domestically and on the international stage following two decades of limited economic growth and deflation and a somewhat insular global posture. His policy platform is based on two main strands: one, a major package of economic stimulus and structural reform known as "Abenomics"; and two, a series of security reforms and increased diplomatic activity.

Prime Minister Abe's LDP won a majority in Japan's Upper House election on 10 July, giving a mandate for accelerated economic reform. The Upper House elections also gave pro-constitutional reform parties a two-thirds majority in both houses of the Diet. However, constitutional revision is controversial and will not be easy. No formal proposals have yet been made and revision of the "pacifist clause", Article 9 (which only allows Japan to act in self-defence), is unlikely to be tabled in the short to medium-term. Recent polling suggests that 60% of Japanese people are opposed to revision of Article 9 with less than 30% in support.

Japan is considering changing the law to allow 83-year-old Emperor Akihito to abdicate at the end of 2018, with Crown Prince Naruhito taking the throne on 1 Jan 2019. This would be the first abdication in the modern era. The proposal follows a

public statement in August 2016 in which the Emperor hinted that his failing health was limiting his ability to carry out his duties.

## **Economy**

Japan is the world's 3<sup>rd</sup> largest economy, after the US and China: its GDP is twice that of the UK. Japan is also the fourth largest trading nation in 2015 (total of both exports and imports), accounting for 4.4% of the global total. By comparison, the UK was in sixth place with a 3.3% share of the global total. Japan's top export destinations are China, the United States and South Korea.

GDP grew at an annualised rate of 1.3% quarter-on-quarter in Q3 2016. Growth was primarily based on a rise in net exports, though the data were also influenced by statistical changes which boosted nominal GDP by over 6%. This resulted in annual growth for 2015 increasing from 0.9% to 1.3%, and for 2014 from -0.9% to -0.4%. The IMF projects growth of 0.8% in 2017 and 0.5% in 2018.

2017 budget expenditure will reach a record ¥97.45 trillion (£677 billion). Key items include ¥32.47 trillion (£266 billion) for social security expenses and a record high ¥5.13 trillion (£36 billion) for defence. Tax revenue is expected to total ¥57.7 trillion (£401 billion), the highest in 26 years.

Japan's public sector debt, whether considered on a gross or net basis, is the largest among G7 economies. The IMF projected Japan's net debt-to-GDP ratio at 130% in 2016, more than double the global average of 63%. It estimated Japan's 2016 gross debt-to-GDP ratio at 249%, almost three times the global average. But mitigating factors help alleviate concerns over this size: 90% of debt is held by domestic residents in yen, and Japan retains its standing as the largest net creditor country.

## **Abenomics**

First launched in 2013, "Abenomics" refers to Prime Minister Abe's policy package intended to: reverse deflationary expectations and; revive the economy's underlying growth potential, enabling the government to achieve a primary surplus balance goal by 2020. It consists of three policy "arrows": expansive monetary policy; flexible fiscal policy and; structural reforms.

In October 2015 Abe declared the first phase of Abenomics a success in moving the economy out of deflation and encouraging a focus on Japan's ageing demographics. A second phase was announced, introducing various new targets and policy measures to encourage, inter alia, labour force participation among women and older workers.

**[REDACTED]**. Despite strenuous efforts by the Bank of Japan, including open-ended quantitative easing running at ¥80tn annually (£556bn) and the introduction early in 2016 of negative interest rates, Japan's core inflation rate hovers around zero, showing no sign of reaching the government's original 2% target. November's core CPI was unchanged at -0.4%, marking nine successive months of decline, the longest negative streak since 2011. **[REDACTED]**

## **Trade and Investment**

Trade and Investment is the cornerstone of the UK-Japan relationship. The UK is the top destination in the EU for Japanese investment: more than 1000 Japanese companies in the UK employ over 140,000 people and Japan is the second biggest source of FDI into the UK (£41 billion at end 2013). Japanese investor priorities were outlined in the “Brexit paper” released by the Japanese government in 2016. These are: free trade; harmonised regulation and taxation; economic stability and access to skilled labour.

In 2014, total exports of UK goods and services to Japan were worth £10 billion, with just over half in services. Japan was the fourth largest export market outside the EU for the UK, following the US, China and Switzerland.

Driven by an increase in an export of services, the UK captured 2.2% of Japan’s imports in 2014, maintaining the upward trend from 1.8% in 2012 and 1.9% in 2013. In contrast, Germany (2.9%), France (1.6%), Italy (1%) and the Netherlands (0.7%) remained either static or showed a mild drop.

Major UK exports to Japan include power generation equipment, chemicals, pharmaceutical products, precision instruments, vehicles and foodstuffs. Service exports are dominated by financial services, transportation, travel and insurance, legal and business services, as well as technology and other Intellectual Property licensing payments.

### **UK-Japan Defence and Security Cooperation**

The UK welcomed Japan’s new security legislation in the autumn of 2015 which enables Japan to play a global role in defence and security commensurate with their economic and geopolitical clout. The new legislation allows Japan to: defend, in limited circumstances, allies when they come under attack (the right to collective self-defence); expand its role in UN peace-keeping operations; and provide rear-area support to coalition operations.

The UK’s Strategic Defence and Security Review 2015 described Japan as ‘our closest security partner in Asia’. The second 2+2 (Foreign and Defence Ministerial talks) in January 2016 agreed concrete cooperation in a number of areas. These include: joint exercises; cooperation on capacity building projects in third countries and; co-development of defence equipment. On 26 January 2017, the UK and Japan signed a Defence Logistics Treaty making it easier for our forces to work together. The agreement includes practical arrangements that will allow our forces to share equipment, facilities and services in a simpler and more efficient way. It covers the exchange of supplies and services, removing the need for individual agreements on a case by case basis.

In January 2016 the UK and Japan co-hosted a seminar in Manila on Humanitarian Assistance and Disaster Relief and since then joint projects have extended to Africa, including training peacekeepers in Senegal and a border security project in Tunisia. RAF Typhoons visited Japan in the autumn of 2016 for the first military exercise in Japan with a military partner other than the US.

## **International relations**

In 2016 Japan took up a non-permanent seat on the UN Security Council until the end of 2017 (elected as a non-permanent member for a record 11<sup>th</sup> time) and hosted the G7. Japan also has a seat on the Human Rights Council.

Prime Minister Abe has undertaken significant travel as part of his vision of Japan as a “proactive contributor to global peace and security”. As well as seeking to reinforce close ties with the US, he has sought out new partners in countries such as Australia, India, the UK, France and ASEAN states.

## **Japan and the region**

Japan is concerned by recent Chinese Coast Guard activity around Japanese-controlled islands claimed by both Japan and China in the East China Sea (the Senkaku/Diaoyu islands), and by Chinese land reclamation and other assertive activities in the South China Sea; a vital economic artery for Japan.

The UK does not take a position on competing sovereignty claims in the South and East China Seas. On 12 July, the UNCLOS Tribunal issued its ruling in the Philippines’ arbitration against China on the South China Sea. It unanimously found in favour of the Philippines. China rejected the ruling. Japanese Foreign Minister Kishida issued a statement within an hour of the UNCLOS Tribunal ruling. The statement noted the binding nature of the ruling and called on the Philippines and China to abide by it and peacefully settle their dispute. The EU issued a statement on behalf of all EU Member States on 15 July, calling for the parties to clarify and pursue their claims in accordance with international law.

North Korea (DPRK) officially announced the successful conclusion of its 5<sup>th</sup> nuclear test on 9 September. It claims it tested a warhead intended for ballistic missile deployment. The initial assessments of the seismic event suggest it was approximately 1.5 times the size of the most recent test in January 2016. The Foreign Secretary issued a public statement on 9 September in which he expressed ‘grave concern’ and condemned DPRK’s actions as ‘a flagrant violation of UN Security Council Resolutions and a threat to regional peace and stability’. Japan, with the US and South Korea, pushed for an emergency UN Security Council meeting. On 30 November the UNSC unanimously adopted a new resolution on DPRK, that contained a significant strengthening of sanctions measures.

Relations between the Republic of Korea (ROK) and Japan have been broadly improving since the signing of the 2015 agreement on ‘comfort women’. 2016 also saw positive high-level cooperation (including a new intelligence sharing arrangement). DPRK provocations have pushed both sides towards closer operational cooperation. However, in January 2017 Japan recalled its Ambassador to ROK in response to the installation, by a private pressure group, of a new ‘comfort women’ statue outside the Japanese consulate in ROK, marking a dip in relations.

## **Death Penalty**

The most recent execution in Japan took place on 11 November 2016. 17 people have been executed since Prime Minister Abe came to power in December 2012.

The latest execution comes nearly one month after a declaration by the Japan Federation of Bar Association (JFBA), which represents every lawyer in the country, calling for the abolition of the death penalty in Japan by 2020. In May, the FCO supported a visit for a study group from the JFBA, which included meetings with the Ministry of Justice, HMP Belmarsh and the UK Supreme Court. [REDACTED]. The Japanese government argues there is public support for the death penalty, though this is contested by independent researchers (particularly on how the question is framed when consulting the public). Executions in Japan are by hanging, carried out in secret and with no warning.

## **Prospects for 2017**

[REDACTED]

### **Foreign Policy**

Abe named good relations with the US as top priority. During his speech and his recent Asia tour, he made the case that continued robust US engagement in Asia Pacific is essential for regional security and prosperity. [REDACTED]. Abe was the first foreign leader to meet President-elect Trump, and they know General Flynn well. Recent statements by Mattis and Tillerson reiterated the US' commitment to the bilateral security alliance. [REDACTED]

Abe also wants to continue to counter-balance China's rise through a new "Free and Open Indo Pacific" strategy. Japan aims to deepen cooperation with ASEAN, Europe and India. [REDACTED] At the same time he wants to advance bilateral and multilateral engagement with China (and South Korea) on trade issues, and seek tougher actions against the DPRK. [REDACTED]

### **Economy and Trade**

Abe's speech reiterated his commitment to free trade, a cornerstone of Abenomics. Despite President Trump's pledge to withdraw from the Trans-Pacific Partnership (TPP), the Japanese haven't given up all hope that it may be revived, and the Diet ratified TPP on 20 January. While he referenced TPP as the standard for future trade deals, Abe also set out his ambition to lead negotiations on the ASEAN-led, Beijing-supported Regional Comprehensive Economic Partnership (RCEP), [REDACTED] His immediate priority, however, is early agreement on the EU-Japan Economic Partnership Agreement (EPA), where negotiations are at the end-game, and from which the UK stands to benefit substantially.

On the economy, Abe's priority remains delivering Abenomics. His speech defended his record so far and advertised further reforms to benefit SMEs, promote wage increases and support the regions. [REDACTED]

### **Domestic issues**

[REDACTED] Domestic politics will be dominated by the Tokyo Metropolitan elections in the summer and a likely snap lower house election in the autumn. [REDACTED]

A busy legislative agenda will take up the first half of the year, focusing on two controversial issues: a special law to permit the Emperor to abdicate by 1 January 2019. **[REDACTED]**

## JAPAN CORE TRADE &amp; INVESTMENT BRIEF

	Key Fact	Supporting Information
<b>Population</b>	<ul style="list-style-type: none"> <li>• <b>126.7m</b> (July 2016 est.).</li> <li>• Growth rate <b>-0.19%</b> (2016 est.).<sup>1</sup></li> <li>• Unemployment rate low at <b>3.1%</b> (December 2016)<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• <b>11<sup>th</sup></b> most populous country in world.</li> <li>• Large ageing population with complex health needs, <b>27.28%</b> are aged 65 yrs+.</li> <li>• Low % of population aged 15-24yrs (<b>9.7%</b>) may result in <b>lack of talent for businesses</b> in Japan.</li> <li>• The Greater Tokyo Area is the most populous metropolitan area in the world with <b>35.7m</b> residents, projected as <b>36.4m</b> by 2025.<sup>3</sup></li> </ul>
<b>Governance &amp; geography</b>	<ul style="list-style-type: none"> <li>• Ceremonial head of state: Emperor <b>Akihito</b> (since 1989).</li> <li>• Prime Minister: <b>Shinzō Abe</b> (since December 2012).</li> <li>• Deputy Prime Minister: <b>Taro Aso</b> (since Dec 15).</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic location in northeast Asia.</li> <li>• Local government by <b>47</b> Prefectures.</li> <li>• The Prime Minister has the right to dissolve the House of Representatives at any time with the concurrence of the cabinet.</li> <li>• Next election to be held by <b>13<sup>th</sup> December 2018</b>.</li> <li>• <b>62<sup>nd</sup></b> largest country in world by land area at <b>377,915</b> sq km. Strategic location in northeast Asia composed of <b>4</b> main islands and <b>6,848</b> islands and islets (<b>8.6 times</b> more than Scotland's <b>790</b>).</li> </ul>
<b>Air routes / Tourism</b>	<ul style="list-style-type: none"> <li>• No direct routes.</li> </ul>	<ul style="list-style-type: none"> <li>• Most flights require 1+ stop. London is the closest direct route, only serving Tokyo.</li> <li>• British Airways, KLM, Emirates and Air France fly indirectly.</li> <li>• Japanese tourists made <b>9,517</b> unique visits to Scotland in 2015 contributing <b>£5.61m</b> to local economy. Average length of stay was <b>5.19</b> nights with an average spend at <b>£589</b>.<sup>4</sup></li> </ul>
<b>Economy<sup>5</sup></b>	<ul style="list-style-type: none"> <li>• <b>GDP Purchasing Power Parity</b> <b>£4.01/\$4.932 tn</b> 2016 est., <b>£3.99/\$4.907 tn</b> (2015 est.)</li> <li>• <b>Growth rate</b> <b>0.6%</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>5<sup>th</sup> largest</b> economy in the world by purchasing power parity (after China, EU, US and India).<sup>6</sup></li> <li>• Tokyo's economy bigger than medium-sized economies such as Sweden and Switzerland (<b>£1.54/\$1.9 tn</b><sup>7</sup>). PWC 2008 survey estimated GDP <b>£1.19/\$1.47 tn</b>,</li> </ul>

<sup>1</sup> CIA World Fact Book, <https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html>

<sup>2</sup> <http://www.tradingeconomics.com/japan/unemployment-rate>

<sup>3</sup> <http://pwc.blogs.com/files/global-city-gdp-rankings-2008-2025.pdf>

<sup>4</sup> <https://www.visitbritain.org/nation-region-county-data>

<sup>5</sup> CIA World Fact Book / MarketLine Report at Aug 2016.

<sup>6</sup> CIA World Fact Book <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/ja.html>

<sup>7</sup> Cabinet Office Japan

	<p>(2016 and 2015 est.)</p> <ul style="list-style-type: none"> <li>• Currency <b>£1 = 141.55</b> Japanese Yen (Jan 17')</li> </ul>	<p>similar in scale to UK &amp; Russia.</p> <ul style="list-style-type: none"> <li>• Japan has the <b>2nd highest</b> R&amp;D spend in the world at <b>3.3%</b> of GDP. With China and India fast developing into R&amp;D outsourcing centres, Japan faces strong competition in the future.</li> <li>• Highly educated labour force and home to large firms which are innovation-driven and highly renowned in the international market for high technology products.</li> <li>• Making progress on ending deflation due to weaker yen and lower energy costs but reliance on exports to drive growth and an ageing population pose long-term challenges for economy.</li> <li>• Japan is negotiating a large-scale free trade agreement, known as Trans Pacific Partnership (<b>TPP</b>), with eleven other nations—Australia, New Zealand, the US, Peru, Chile, Mexico, Canada, Singapore, Brunei, Malaysia, and Vietnam.</li> <li>• Main exports are: motor vehicles (<b>14%</b> of total exports); semi-conductors (<b>6%</b>), iron &amp; steel products (<b>6%</b>), auto-parts (<b>5%</b>), plastic materials <b>4%</b>, power generating machinery (<b>4%</b>).</li> </ul>
<b>SDI in market</b>	<ul style="list-style-type: none"> <li>• In market <b>25</b> years – <b>1</b> office in Tokyo.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>9</b> staff – field team bring lots of experience working with major Japanese industries.</li> </ul>
<b>Scottish links</b>	<ul style="list-style-type: none"> <li>• <b>18</b> GlobalScots.</li> <li>• Since 2007 there have been <b>5</b> ministerial visits to Japan where SDI has facilitated engagements.</li> <li>• <b>230</b> Japanese students studied in Scotland 15/16.</li> <li>• <b>1,273</b> Japanese nationals resided in Scotland at 2011 Census.<sup>8</sup></li> <li>• Japan Scotland</li> </ul>	<ul style="list-style-type: none"> <li>• Very engaged network of <b>GlobalScots</b> from wide range of sectors actively work with SDI around thematic visits to market.</li> <li>• The “Scottish Ten” team that captures heritage sites in 3D using laser scanning recently completed work in Nagasaki capturing the giant crane which was built and shipped from Scotland. The data was presented to MHI by <b>Ms Hyslop</b> during her visit to Japan in June 2015.</li> <li>• Japanese TV drama <b>MASSAN</b> (September 2014) about Masatake Taketsuru, who studied whisky making in Glasgow and returned to Japan with his Scottish wife Rita Cowan in 1934 establishing Japan’s second largest whisky company Nikka, was very popular.</li> <li>• Many Scot’s made significant contributions to the industrialization of Japan - <b>Thomas Glover</b>, is widely recognized as a key</li> </ul>

<sup>8</sup> ONS - [www.scotlandscensus.gov.uk/variables](http://www.scotlandscensus.gov.uk/variables)

	<p>Association co-founded by GlobalScot <b>Takiyo Seki</b> in 1986.</p>	<p>figure and instrumental setting up Mitsubishi. His Aberdeen home is now being developed into an <b>R&amp;D Centre</b>, Mitsubishi announced June 2016.</p> <ul style="list-style-type: none"> <li>Japanese architect <b>Kengo Kuma</b> designed the <b>£80m</b> V&amp;A under construction in <b>Dundee</b>.</li> </ul>
<p><b>Scottish (direct) exports to Japan<sup>9</sup></b></p>	<ul style="list-style-type: none"> <li>• <b>£430m in 2015</b></li> <li>• <b>£370m in 2014.</b></li> <li>• <b>£355m in 2013.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Scotland's 19<sup>th</sup></b> largest export destination in 2015 accounting for <b>1.5%</b> of all international exports.</li> <li>• Significant potential for Scottish F&amp;D companies and very good fit for Scotland's strategic focus on premium products, health and provenance.</li> </ul>
<p><b>Scottish companies based/doing business in Japan</b></p>	<ul style="list-style-type: none"> <li>• <b>RBS, Aberdeen Asset Management, Standard Life</b> and <b>Lloyds TSB</b> all active in market.</li> <li>• <b>Peak Scientific</b> – specialist gas generation.</li> <li>• Leading tartan manufacturer <b>Lochcarron</b> designed the 140 year anniversary tartan for Japanese school uniform manufacturer Tombow.</li> <li>• <b>Devro</b> - one of world's leading suppliers of collagen casings for food based in Moodiesburn has established sales operation in Japan.</li> <li>• <b>Wood MacKenzie</b> has successful operations in market in the Energy and Life Sciences sectors.</li> <li>• <b>JD Wilkie</b> - Technical Textiles.</li> <li>• <b>Johnstons of Elgin, Hawick Cashmere,</b> and <b>Mackintosh</b> run profitable operations through retailers</li> <li>• <b>Hunters</b> has recently opened a flagship store in the fashionable Ginza area of Tokyo</li> <li>• <b>Linn Audio Products</b> has a prestigious shop in the Ginza, Tokyo's most famous upmarket shopping, dining and entertainment district, with a range of partners supplying their high end products.</li> </ul>	
<p><b>Recent trade activity from Scotland to Japan</b></p>	<ul style="list-style-type: none"> <li>• The key sectors at the heart of the T&amp;I strategy in Japan are <b>F&amp;D, Renewables, Subsea</b> (across O&amp;G, renewables, defence and aquaculture) and <b>Life Sciences</b>. Niche opportunities exist in <b>Tech</b>.</li> <li>• SDI has partnering arrangement with Kanagawa's newly established <b>Life Innovation Centre (LIC)</b> on regenerative medicine and cell therapy. Established a "Scotland House" to provide a base to interact with the 20 key Japanese companies and institutions (1<sup>st</sup> <b>Sept 16'</b>)</li> <li>• SDI support Scottish companies in a number of key missions including Food-ex and Seafood Expo held in <b>August 2016</b>.</li> </ul> <p><b>[REDACTED]</b></p>	

<sup>9</sup> Scottish Global Connections 2014

<p><b>FDI from Japan to UK/Scotland</b></p>	<ul style="list-style-type: none"> <li>• <b>85</b> businesses in Scotland (with parent registered in Japan at November 2016) with <b>210</b> local sites, employing <b>6,250</b> and a turnover of <b>£1.489bn</b>.<sup>10</sup> This represents an <b>increase of 520</b> local employees on 2015 figures and an <b>additional £187 m</b> Scottish turnover.</li> <li>• <b>4th</b> biggest source of foreign direct investment into Scotland in 2014, accounted for almost <b>6%</b> of all inward investment over the past decade.<sup>11</sup></li> </ul>
<p><b>Japanese companies doing business in Scotland</b></p>	<ul style="list-style-type: none"> <li>• The focus of Japanese Investment into Scotland is in <b>3</b> key strands - <b>acquisition, expansion, and set-up</b>. Important to note that with significant investment much of this is indirect and unsupported. SDI involved in expansion bids, also extends to supporting broad engagement between Japanese companies and Scotland.</li> <li>• Opportunities for Scottish companies have opened up in <b>renewable technology</b> following the designation of Japanese <b>EMEC test sites</b>. SDI have arranged missions and supporting company visits for Scottish companies with relevant product, technologies and consultancy services. <b>[REDACTED]</b></li> <li>• <b>Toshiba Medical Visualization Systems (LS)</b> have expanded their operations in Scotland.</li> <li>• <b>Mackintosh Ltd</b> owned by Yagi Tsusho relocated their Cumbernauld factory to an adjacent facility near Glasgow and added a new product delivery control centre.</li> <li>• <b>Terasaki Electric</b> - Scotland's first and longest standing inward investor, established 1972. The company continue to invest in the operation which now acts as European HQ controlling an agency network also spanning Africa, Middle East and recently South America.</li> <li>• <b>Mitsubishi Electric</b> - manufactures world leading heat-pumps in Livingstone facility. Also established globally unique R&amp;D activity alongside manufacturing.</li> <li>• <b>Vascutek Ltd</b> uses innovative technologies to develop products to treat cardiovascular disease. It uses textiles, plastics and biomaterials technology to produce grafts for the treatment of disease and damaged arteries.<sup>12</sup></li> <li>• <b>OKI Data</b> produce consumables for the OKI range of printers in Europe.</li> <li>• <b>Fujifilm Imaging Colorants Ltd</b> - world leader in the development and supply of high performance colorants for the global digital printing market.</li> </ul>
<p><b>Recent investment activity<sup>13</sup></b></p>	<ul style="list-style-type: none"> <li>• <b>15/16 – 2 projects, 3 new jobs, 59 jobs safeguarded, 9 HVAs.</b></li> <li>• <b>14/15 - 1 project, 6 new jobs, 11 safeguarded jobs.</b></li> <li>• <b>Nikon</b> – existing investor through Nikon Precision Europe with</li> </ul>

<sup>10</sup> Scottish Government, ONS (IDBR), November 2016 - <http://www.gov.scot/Topics/Statistics/Browse/Business/Corporate/Tables/table14>

<sup>14</sup> SE Media Centre <https://www.facebook.com/scottishenterprise/posts/581404585216275>

<sup>11</sup> Ernst & Young UK Attractiveness Survey, May 2015

<sup>15</sup> SDI Case Study, <http://www.sdi.co.uk/resources/case-studies/life-sciences/vascutek.aspx>

<sup>16</sup> SE Confirmed Successes Report 2012/13, [http://home.scottishenterprise.net/publications/dad3107f-065c-4040-9eb4-e41e56d87ce6\\_%7Bconfirmed%20successes%2012-13%20\(bysector-geog-proj type\).xls](http://home.scottishenterprise.net/publications/dad3107f-065c-4040-9eb4-e41e56d87ce6_%7Bconfirmed%20successes%2012-13%20(bysector-geog-proj%20type).xls)

	<p>small service office at Livingston. Acquired Fife-based eye specialist <b>Optos</b> in February 2015 in a deal valued at <b>£259m</b>. Deal signals a move for Nikon into medical sector which is important for its long-term growth.</p> <ul style="list-style-type: none"> <li>• Scotland has a good track record of partnership growth with Japanese companies (e.g. Terumo Vascutek, Toshiba Medical).</li> <li>• Other notable recent Investment's include: <ul style="list-style-type: none"> <li>• Kyowa Kirin (formerly <b>Prostraken</b>) – Acquired by Kyowa Hakko Kirin.</li> <li>• <b>Biopta</b> – acquired by Reprocell.</li> <li>• <b>Xodous</b> – strategic investment by Chiyoda.</li> <li>• <b>Global Energy</b> – strategic investment by Mitsui Co.</li> </ul> </li> </ul>
--	--

## Economic

## news

**BBC News:** Kyowa Kirin International, formerly ProStrakan, has announced plans to increase staff numbers in Galashiels from 150 to 200 over the next five years. The move comes after the firm announced record turnover of £251m last year, up from £222m in 2015. It has taken a 10-year lease on a building next to its headquarters to allow for the expansion and will increase the size of its HQ by 40% creating a complex capable of housing 200 staff. (2<sup>nd</sup> February 2017)<sup>14</sup>

**The Straits Times:** The Bank of Japan kept monetary policy steady and maintained its optimistic price forecasts on Tuesday (Jan 31), signaling its confidence that a steady economic recovery will accelerate inflation to its **2 per cent** target without additional stimulus. Markets are focusing on what BOJ Governor Haruhiko Kuroda has to say on US President Donald Trump's protectionist trade stance, particularly with Trump taking direct aim at Japan's powerful auto industry - a mainstay of its economy. As widely expected, the BOJ maintained a pledge to guide short-term interest rates at **minus 0.1 per cent** and the 10-year government bond yield to around **zero percent**. (31<sup>st</sup> January 2017)<sup>15</sup>

**Nikkei Asian Review:** Japan's economy is likely to grow at a moderate pace of around **1%** through fiscal 2017, led by brisk exports of cars and electronic parts, as the global economy continues to recover. Eleven private research institutes offered projections based on economic indicators for December 2016 issued by Tuesday. Japan's real gross domestic product for the October-December period, to be released by the Cabinet Office Feb. 13, likely will show an annualized **1%** increase for a fourth consecutive quarter of growth. Thanks to recovering global IT demand, exports of electronic parts such as those for Smartphone's are expected to increase. (1<sup>st</sup> February 2017)<sup>16</sup>

<sup>14</sup> <http://www.bbc.co.uk/news/uk-scotland-south-scotland-38839530>

<sup>15</sup> <http://www.straitstimes.com/business/economy/bank-of-japan-keeps-policy-steady-maintains-upbeat-price-forecasts>

<sup>16</sup> <http://asia.nikkei.com/Politics-Economy/Economy/Exports-drive-moderate-economic-recovery-in-Japan>

## **TRADE & INVESTMENT STRATEGY**

Our Trade & Investment Strategy, published in March 2016, set out an ambitious internationalisation agenda to boost export and investment performance.

On the 15<sup>th</sup> October The First Minister set out a further four point plan to respond to the EU Referendum result and make clear that Scotland remains open for business

### **Innovation and Investment Hubs**

We announced in our Trade & Investment Strategy that we will support international collaboration by piloting Innovation and Investment Hubs in Dublin, London and Brussels, with Funding of £3.5 million available in 2016-17. The Dublin Hub opened in January 2016.

The Hubs will support new bi-partite commercial and academic collaborations, create opportunities to progress our international trade, investment and innovation agendas with governments, companies, investors, academic, research and policy institutions and provide a platform for the delivery of projects in key EU innovation and investment work-streams.

We announced in October that will also establish a hub in Berlin. Germany was chosen because it is consistently in Scotland's top five export destinations (£1.8bn in 2014), is the 3<sup>rd</sup> largest inward investor to Scotland and accounts for the 2<sup>nd</sup> largest number of visitors to Scotland.

### **Board of Trade**

We are appointing a ministerial led Board of Trade to bring together business interests and provide advice to Scottish ministers on practical ways to improve Scotland's exporting performance, including by:

- Advising on global market and sector opportunities, post EU Referendum.
- Promoting collaboration across the public, private and academic sectors.
- Raise Scotland's ambition and global profile through international networks.

### **Trade Envoys**

We will appoint new Trade Envoys to champion export market opportunities. The role of the Trade Envoys will be two-fold:

- In Scotland, to champion export market opportunities and to rally businesses and relevant support organisations around those.
- Outside Scotland, to be the public face of Scottish exports for particular markets or sectors and to help 'open doors' to global opportunities.

The Envoys will complement and provide a focus for existing activity and provide additional leadership and profile for that and to provide a challenge element to current activity.

## **Global Scots Network**

The GlobalScot network has over 600 GlobalScot members in 51 countries across the globe, committed to giving their time, expertise, knowledge and access to their contacts to support Scottish companies. In 2015/16 over 40 GlobalScot events were delivered in Scotland and overseas with 545 attendees and 239 GlobalScot 1-2-1 meetings held with Scottish companies.

## **Local /Regional Trade Partnerships**

We will establish local or regional Export Partnerships in 4-6 areas on a pilot basis. The Partnerships will demonstrate how a collaborative, 'One Scotland' approach can bring together individuals, businesses and agencies to promote an international business awareness and mindset; collaboration around shared trade objectives; and mutual learning and support.

## **SDI Expansion**

SDI has a network of 29 global field offices, with over 200 sales professionals promoting Scotland across the world, and has opened new offices in; Saudi Arabia; Ghana; Canada; Brazil; China and India since 2012.

SDI's support to Scottish companies increased from 1,380 companies in 2011-12 to 2,607 companies in 2015/16, with 220 companies across Scotland supported to become new exporters in 2015-16. Over 500 Scottish companies were connected with opportunities in fast growing economies in the Middle East, India and China through information, advice, market research and visits from the High Growth Unit.

We propose to double the number of people working for SDI in Europe from 20 to 40. Any expansion to SDI must take place within the context of the on-going enterprise and skills review. The recent first phase of the review decided to:

- Create a Scotland-wide statutory board to co-ordinate activities of HIE, SE, SDS and SFC.
- Review data and evaluation functions to ensure robust evaluation of activity and impact.
- Recognising its different social, economic and community development challenges, retain HIE.
- Create a new vehicle to meet the needs of South of Scotland, accountable to the new statutory board.
- Consider possible establishment of SDI as a distinct and separate organisation under the new board.
- Ensure much stronger co-ordination of international activity across the public and academic sectors

Phase 2 of the review began on 1 November 2016 and is intended to take 6 months. It will focus on the implementation of the key decisions from phase 1 of the review.

**VISIT TO JAPAN – 2015 (IPQ)**

The Cabinet Secretary for Culture, Europe and External Affairs travelled to Tokyo and Nagasaki from 29 June to 2 July, where she undertook a wide programme of meetings and engagements which were built around a number of key themes; trade and investment, golf, food and drink, culture and renewable energy.

The visit was very successful and it demonstrated the importance of the historical and cultural links between Scotland and Japan. It also helped to further strengthen the government, business and cultural links between both countries.

The Cabinet Secretary hosted a Scottish reception in the British Embassy which showcased Scottish food and drink. The guests included representatives of business, culture, retail etc. At this event she also met a number of our GlobalScots in Japan to thank them for their support of Scotland. In particular she recognised the specific contribution of two highly active and influential Japanese GlobalScots Professor Taeko Seki, who has sent more than 1,000 Japanese students to Scotland to study and Professor Takeshi Kinoshita whose efforts resulted in Scotland being recognised as a global leader in renewables in Japan.

The Cabinet Secretary also gave a speech to the British Chamber of Commerce Japan in which she emphasised the success of events in Scotland during 2014, our modern approach to international engagement and our internationalisation agenda.

The Cabinet Secretary also attended an event which appointed Mr Yuta Ikeda, a Japanese golfer playing the 2015 Open golf championship in St Andrews as a Scottish Goodwill Ambassador. Mr Ikeda will make a great ambassador for Scottish golf and his appeal with the media was apparent with the event being covered in over 50 news outlets and was used TV Asahi, a major broadcaster, during their coverage of the The Open Championship.

There was also high level engagement with the Japanese Government during a meeting with Mr Masaaki, Vice Minister for Culture, Education, Culture, Sport, Science and Technology. Points discussed included Scotland's approach during the Glasgow Commonwealth Games on addressing human rights issues in some of the competitor countries through initiatives such as Pride House. During the meeting the Cabinet Secretary also set out that Scotland stands with Japan in their opposition to nuclear weapons.

There was also a full programme of meetings and visits in Nagasaki which included meetings with the Vice Governor of Nagasaki and the Mayor of Nagasaki city. This included a visit to the Nagasaki Peace Park where the Cabinet Secretary paid her respects to the victims of the Nagasaki atomic bombing of 1945; laid a wreath on behalf of the people of Scotland; and visited the Nagasaki Atomic Bomb Museum.

While in Nagasaki, the Cabinet Secretary was also able to visit Kosuge Dock and the Giant Cantilever Crane at Mitsubishi Heavy Industries' shipyard, both of which are highly valued pieces of historic Scottish engineering that have recently been recorded by the Scottish Ten project. This provided the opportunity for the Cabinet

Secretary to formally present the Scottish Ten data to representatives from Mitsubishi and the Japanese Government at a special ceremony in the shipyard. The 3D digital documentation and visualisation data will be used in the active conservation and interpretation of these historic sites, which UNESCO inscribed onto the World Heritage List on 5 July.

The Cabinet Secretary hosted a business dinner which was attended by a range of Japanese business people. To celebrate Scotland's Year of Food and Drink Japanese chefs devised a menu using Scottish food and drink available in Japan. This business dinner allowed the SDI Japan team to expand the regional relationship that has been built up with Nagasaki Prefecture around renewable energy in to food and drink by developing new contacts with key chefs, hotels and outlets in Nagasaki.

The Cabinet Secretary launched a Scottish Renewables Incubation space "Scotland House" which will allow Scottish companies to more easily base themselves in Nagasaki while bidding for work on marine energy. She also travelled to Goto Island, a designated test sites for renewable energy, to see a range of renewable energy devices. Following the visit Nagasaki Prefecture has announced that EMEC has been awarded work within the new test site project definition phase and the Nagasaki Marine Industry Cluster Promotion Association announced their intention to send a delegation to Scotland to further understand our work here and expand their relations with Scottish companies.

The Cabinet Secretary visited the Thomas Glover House, not only to see the house and garden but to promote the Glover trail announced by Aberdeen City Council a month before on Thomas Glover's birthday.

Throughout the visit the Cabinet Secretary undertook a number of media interviews with Japanese and Scottish media including the Japanese broadcasters NHK and Fuji News. She also gave interviews to journalists from local, regional and national Japanese media. Our media activity in Japan resulted in over 150 pieces of coverage promoting Scotland.

## CULTURAL LINKS

British Council Japan, supported by British Council Scotland and Creative Scotland, are taking out a delegation of 8 performing arts professionals in Scotland as part of a scoping exercise to build and develop links and partnerships during the week of 13<sup>th</sup> February. The delegation includes:

- Jenny Langlands (Dancebase);
- Anne Gallacher (Luminate Festival);
- Robbie Synge (independent dancer/choreographer)
- Belinda McElhinney (Barrowland Ballet);
- Feral Arts (either Jill Smith or Kathryn Boyle)
- Paul Fitzpatrick (Imagine: Edinburgh Children's Theatre Festival)
- Cathie Boyd (Cryptic)
- Fiona Miller (Tricky Hat) Julie Amour, Director Festivals Edinburgh
- Lorna Duguid, Creative Scotland

The delegation will be attending the reception on Monday 13<sup>th</sup> February.

### Imagine Festival and Ricca Rice

- Cabinet Secretary for Culture, Europe and External Affairs' met with the Artistic Director of the **Ricca Ricca** Festival (formerly the Okinawa Festival for Young Audiences) during her visit to Japan in June 2015. A partnership was subsequently formalised.
- The partnership structure is in two parts, with a possible third:
  - 2017 – Scottish director, Gill Robertson (Catherine Wheels) will spend three weeks in Okinawa leading a development workshop on a new production with a pan-Asian cast. Mr Shimoyama selected Gill because of his admiration for Catherine Wheels, particularly White.
  - 2018 – Gill Robertson will return to take the development workshop to a full production, which will be premiered at the RiccaRicca Festival. In addition, the festival will have a "Scottish Focus" in the performance programme. Imagine have suggested four productions (White, Catherine Wheels, Little Red, Barrowland Ballet, Hup, Starcatchers/RSCO and Cinderella, Shona Reppe) which will be programmed in the 2018 RiccaRicca Festival.
  - 2019 (potential) The show created by Gill Robertson and the pan-Asian company will have its European premiere at the Edinburgh International Children's Festival and subsequently tour in Asia.

[REDACTED]

### Additional Cultural Links

[REDACTED]

- The *Theatres of the East* painted handscroll by Furuyama Moromasa was rediscovered within the Edinburgh Central Library, restored and will be put on display in the National Museum of Scotland in 2018. The scroll was gifted to

Edinburgh Libraries in 1945 by Marie Dyer, daughter of Henry Dyer who was the first Principal of Japan's Imperial College of Engineering.

- The Edinburgh International Book Festival plans to showcase several Japanese authors in 2017.
- National Galleries Scotland will tour *Turner and the Poetics of Landscape* exhibition through four venues in Japan in 2017-2018: Kitakyushu Municipal Museum of Art November 2017 – February 2018; The Museum of Kyoto February–April 2018; Sompō Japan Nippon Kōa Tōgō Seiji Museum of Art April – July 2018; Koriyama City Museum of Art July to September 2018. The tour is a collaboration with Mainichi, a major Japanese publishing group and exhibition organiser.
- Japanese artist Nelo Akamatsu will be the Sonica Festival, Glasgow artist in residence for 4 weeks in October 2017 with his award winning 'Chijikinkutsu'. He will participate in talks and workshops as well as developing unique work for the Lighthouse.
- Karla Black and Kishio Suga (from northern Japan) had a joint exhibition at the Scottish national Gallery of Modern Art 'A New Order' from October 2016 - February 2017. Although Karla Black and Kishio Suga work on opposite sides of the world and were unaware of each other's art until their new exhibition at Modern One was conceived, they are united by their use of everyday materials to create sculptural works of sublime beauty, complexity and originality, which they make in response to specific spaces. Karla Black and Kishio Suga: A New Order is Suga's first major showing in the UK.
- Hannah Tuulikki, visual artist who received SG EXPO funding in 2015, has been invited to work with an artist in Japan.

## 2016

- Scotland Loves Anime festival returned 14 – 16 October in Glasgow, 17 – 23 October in Edinburgh in 2016. The Festival held 4 EU premieres, 5 UK Premieres and 1 Scottish premiere this year. Glasgow hosted Yoshimi Itazu, animation director of last year's Golden Partridge winner, *Miss Hokusai*, and director of his first work, *Pigtails*, which headlines a programme of Production I.G shorts. They held education day at Edinburgh College of Art, designed to foster links between students and the animation industry which now takes place in Glasgow, Edinburgh, Dundee. Creative Scotland awarded £15K for the 2015 festival and £15K for 2016.
- Scottish jazz vocalist Seonaid Aitken held a concert with the Tokyo Django Collective at the Tokyo Jazz Festival on 4 September 2016.
- Building on a three-week research residency in 2014 supported by Creative Scotland, Glasgow-based artist Ilana Halperin has developed an international contemporary art project between Scotland and Kyushu, Japan together with Kyushu-born Aberdeen-based curator Naoko Mabon. Aberdeen and Kyushu share a unique connection of cultural exchange. Halperin will form new geothermal sculptures in the hot-springs of Beppu over one year. Solo exhibitions and public events are held at Fujiya Gallery, Beppu September 2016 – May 2017, and Peacock Visual Arts, Aberdeen, Spring 2017 will result, featuring the sculptures alongside newly commissioned work.
- The Edinburgh Festival Fringe 2016 featured shows from Japan: Four musicians from the Tokyo University of Arts performed original composed music as *Japan's*

*Elegant Breeze* 7 – 14 August 2016; Katsura Sunshine performed Rakugo, the traditional Japanese 'sit-down' comedy with 400-year history; taiko drummer Kensako Satou performed *ONE – The Man Chosen By The Spirit Of The Japanese Drum*; contemporary solo theatre show *Tent*.

- The Scottish Storytelling Centre held an event to celebrate the Star Festival on 25 July 2016. Also known as *tanabata*, meaning 'evening of the seventh' in Japanese, the Star Festival is an ancient Asian celebration of star lore and legends. Held in Japan, Korea and China on the seventh night of the seventh lunar month, the festival stems from one of China's best-known folktales, which tells of star-crossed lovers allowed to meet only on the seventh night of the seventh month. Three storytellers, Mio Shapley, David Campbell and Linda Williamson, explored different versions of star lore. In Japan, many people celebrate the Star Festival by writing a wish on a small piece of coloured paper called *tanzaku* and tying it to bamboo. A bamboo tree was placed in the Centre's Storytelling Court, allowing visitors to attach their own wishes on origami birds to be carried off to the stars. The event followed a workshop on Japanese storytelling (*kamishibai*) held by the Centre earlier in the month.
- The Edinburgh Jazz & Blues Festival featured the Tokyo Django Collective 23 – 24 July 2016.
- As part of the Year of Innovation, Architecture and Design the Edinburgh International Science Festival held an exhibition of kaleidoscopes from Japan 3 – 10 April 2016 with information about their Scottish inventor, Sir David Brewster. He was Principal of both St Andrews and Edinburgh universities and made many other helpful contributions that have affected modern science. About 100 Kaleidoscopes were on show. There was also a talk about Brewster, his work and his legacy and workshops for children to build their own kaleidoscope. The exhibition was supported by the Japan Kaleidoscope Museum, the Edinburgh International Science Festival and the Universities of Edinburgh and St Andrews.
- The Japanese Consulate and the University of Edinburgh jointly hosted "Japan and Scotland - The Whisky Bond" on 14 March 2016 with presentations from Professor Mikine Yamazaki, Honorary Professor of Politics, University of Stirling, and Mr Alex Bruce, Managing Director of Adelphi Distillery Ltd. Professor Yamazaki introduced how Scottish whisky inspired Japan, and how whisky has been enjoying a surge in popularity amongst Japan's younger generations - the so-called "Whisky Boom". Adelphi Distillery Ltd launched what is believed to be the world's first fusion of Japanese and Scottish whiskies ("The Glover"), and the Managing Director Mr Bruce gave a talk. "The Glover" whisky was launched in October 2015 and was a great success, selling out quickly. The project directors are considering making another batch for summer 2016.
- On Thursday 18 February 2016 visiting Japanese musicians Tatsuya Yamauchi (violin), Shunsuke Mizobuchi (vocals), and Kaori Kosakai (piano) performed a mixture of Japanese and Scottish folk songs at the Craiglockhart Parish Church in Edinburgh. Supported by the Consulate General of Japan.
- The Japanese Consulate held a Japanese Film Festival from 29 January – 19 February 2016 in co-operation with the University of Edinburgh.

## EDINBURGH FESTIVALS

### TOP LINES:

- The Edinburgh Festivals play a key role in fostering Scotland as a nation where people are confident to express their creativity, and a nation that is confident in participating on the world stage.
- The Edinburgh Festivals act as **economic powerhouses** generating over a quarter of a billion pounds worth of additional tourism revenue for the Scottish economy (**£313m**) each year, according to the Edinburgh Festivals 2015 Impact Study.
- The Edinburgh Festivals attract **audiences of more than 4.5 million** annually putting them on a par with the FIFA World Cup, both being second to the Olympic Games.

### KEY POINTS:

#### **Edinburgh's Festivals are Scotland's world-leading cultural brands**

- The Edinburgh Festivals, whilst distinctly Scottish, support our international outlook by offering highly prized platforms and showcases for performing companies and artists, thinkers and scientists from around the world. They also provide cultural platforms and forums for national and international debate.

#### **The economic impact for the city of Edinburgh**

- As reported in the Edinburgh Festivals 2015 Impact Study, the total annual economic impact to the city of Edinburgh is **£280m**. To put this into context the most recent independent economic impact figure for Golf tourism to Scotland is estimated to be worth £220m annually.
- The Edinburgh Festivals lead to new employment opportunities. The Festivals sustain 5,660 full-time equivalent jobs in Edinburgh and 6,021 in Scotland (Scotland figure does not include Edinburgh).

#### **The Edinburgh Festivals benefit many different sectors**

- The Festivals enjoy over 4.5m attendances each year. The lion's share of additional non-ticket visitor expenditure is attributable to beneficiary businesses such as hotels and retailers. 29% goes to accommodation providers, 30% to food and drink establishments, 20% to retailers and 8% is spent on transport.

#### **The Edinburgh Festivals raise the profile of Edinburgh and Scotland**

- The Festivals play a starring role in the profile of the city and its tourism economy, with 94% of visitors stating that the Festivals are part of what makes Edinburgh special as a city. 85% rated the quality of the Festivals as better than comparable events/festivals.
- 89% of Edinburgh respondents say that the Festivals increase local pride in their home city, 92% of respondents agreed that the Festivals were 'must-see' events.

#### **The Scottish Government supports the Edinburgh Festivals through the Expo Fund**

- Since 2008, the Scottish Government Expo Fund has provided the members of Festivals Edinburgh with **over £17m** in funding and has allowed the creation of a legacy of important new work, and the international promotion of Scottish artists of the highest quality.
- **For 2017, the Edinburgh's Festivals are to benefit from an enhancement of £300,000 in extra funding from the Scottish Government's Expo Fund to celebrate the 70th anniversary of their founding. A total of £2.3 million will be invested in Edinburgh's Festivals in 2017-18 through an Expo Fund of £2.1 million for festivals including the Made in Scotland programme, plus £200k direct to Festivals Edinburgh.**

## **BACKGROUND:**

### **Impact Study**

- The most recent Edinburgh Festivals Impact Study was published on Tuesday 26 July 2016. The Edinburgh Festivals 2015 Impact Study was written by leading economic and social researchers BOP Consulting, building on the Impact Study in 2010.
- The study was commissioned by the Festivals Forum and funded by the Scottish Government, City of Edinburgh Council, Scottish Enterprise, Creative Scotland and EventScotland
- The study analysed audiences, journalists, delegates, participants, volunteers, temporary staff and teachers at the 11 Edinburgh Festivals which make up Festivals Edinburgh, the strategic umbrella body which takes the lead on the festivals joint direction.
- The 11 participating Festivals, in alphabetical order, were:
  - Edinburgh **Art** Festival; Edinburgh Festival **Fringe**; Edinburgh International **Book** Festival; Edinburgh **International** Festival; Edinburgh International **Film** Festival; Edinburgh International **Science** Festival; Edinburgh **Jazz** and Blues Festival; Edinburgh's **Hogmanay**; **Imagine** Festival; Royal Edinburgh Military **Tattoo**; Scottish international **Storytelling** Festival.

### **Expo Fund**

- Promotion of Scottish work and creativity is at the heart of the Scottish Government Edinburgh Festivals Expo Fund. The fund supports the costs of new productions, events or exhibitions which involve Scottish-based participants and are premiered at any of the eleven Edinburgh Festivals. A total of £2 million was invested in Edinburgh's Festivals in 2016-17 through an Expo Fund of £1.8 million for festivals including the Made in Scotland programme, plus £200k direct to Festivals Edinburgh.
- The Expo assessment and funding processes are administered by Creative Scotland. The main role for coordinating and delivering the portfolio of Expo projects falls to Festivals Edinburgh.
- Amongst the notable successes is *The James Plays*, supported as part of the Expo programme in 2014. The plays were one of the highlights of the EIF that year and went on to tour throughout the UK in 2016 and internationally to Australia and New Zealand, supported by the Scottish Government's International Touring Fund.

### **Made in Scotland Awards**

- Made in Scotland is a partnership between the Edinburgh Festival Fringe Society, the Federation of Scottish Theatre and Creative Scotland, made possible through the Scottish Government's Edinburgh Festivals Expo Fund.
- `Made in Scotland` funding supports the costs of a showcase of Scottish theatre, dance and music across the Fringe and provides a year round programme of training, support and advice enabling Scottish Artists to present and promote their very best work at the Fringe, raising their profiles and creating touring opportunities.

### **Festivals Edinburgh**

- Festivals Edinburgh is a strategic umbrella organisation which sole focus is to maintain the Festivals' and the Festival City's global competitive edge, via major collaborative projects and strategic initiatives.
- The Festivals Edinburgh Board is made up of the 11 Festival CEOs or Directors; and each Festivals Edinburgh workstrand is directed and supported by collaborative working groups comprising of staff members from the Festivals themselves.
- Festivals Edinburgh is currently funded by subscriptions from its members and significant public sector support. (**£200k contribution from the 2017/18 Expo fund.**)

### **Festivals Forum**

- The Festival Forum was established by the City of Edinburgh Council, Scottish Government, Scottish Arts Council/ Scottish Screen, Event Scotland, Visit Scotland, Scottish Enterprise and Festivals Edinburgh in March 2007. It is a high-level, strategic commission bringing together representatives of those with a stake in maintaining the global competitive advantage of all Edinburgh's Festivals. The group is chaired by Lady Susan Rice of Lloyds TSB.

### **Thundering Hooves**

- The Thundering Hooves 2.0 report – *A Ten Year Strategy to Sustain the Success of Edinburgh's Festivals* was published in May 2015. The report presents an ambitious new strategy with a series of recommendations to sustain and strengthen Edinburgh's status as the world's leading festival city.
- The study considers and assesses the significant achievements since the ground-breaking 2006 Thundering Hooves report as well as the local and global opportunities and threats relevant to the future development and sustainability of the festivals, and proposes a reinvigorated strategy and action plan.
- The study was commissioned by the Festivals Forum and was undertaken by BOP Consulting.

## RENEWABLE ENERGY

- Scottish Power has called for the UK Government to provide clarification on a route to market for onshore wind. **Paul Wheelhouse wrote to Greg Clarke in October on the same issue.**
- September's stats show an increase in renewable electricity generation, but **does not show 2016** to be on track for a record year, mainly due to lower onshore wind and hydro (likely due to lower wind speeds and rainfall).

### **We agree with Scottish Power that UK Government must provide clarity on the route to market for onshore wind projects**

- The Energy Minister Paul Wheelhouse has written to Greg Clarke asking for a signal on future support for onshore wind in the Autumn statement,
- Onshore wind provides cost-effective, low carbon electricity, which is essential for meeting our Climate Change commitments,
- Our Planning policy has made it clear that wind farms can only be built in the right places, and that proposed developments are subject to strict planning laws,
- Scotland has had significant success in deploying renewable energy in recent years, but since 2015 the UK Government has derailed the onshore wind sector with sudden policy changes,
- We will work with RenewableUK and the devolved administrations as well as the UK Government to find a suitable solution to ensure suitable competitively priced projects can be deployed.

### **Within our planning policy there is a right of appeal for decisions made at a local authority on all developments**

- Reporters from the Department of Planning and Environmental Appeals work objectively to assess the merits of each application that comes before them in relation to planning law on behalf of Ministers,
- **[REDACTED]**

### **Statistics published in September show Scottish renewable energy continues to be a success story**

- Provisional statistics show that Scotland achieved the equivalent of **56.7%** electricity demand from renewables in **2015**, as we continue to race towards our target for the equivalent of 100% of gross electricity consumption from renewables by 2020.
- Scotland's renewable electricity generation in 2015 was **up 14%** from 2014, and is estimated to have displaced more than 13 million tonnes of carbon dioxide emissions. We reached our 2020 target for community and locally owned renewables five years early so we have set new targets for 1 gigawatt (GW) of community and locally owned renewables capacity by 2020, and half of newly consented renewable projects to have an element of shared ownership by 2020.
- **[REDACTED]**

### **UKG has established clear support for nuclear at the expense of renewables**

- UKG would be much better placed funding cost-effective renewable generation of the future such as onshore wind rather '*last century's answer to this century's energy system*' -Prof Michael Grubb, UCL.

- The price for energy from **Hinkley C has been negotiated via a bespoke deal** with support set at £92.50/MWh – almost double the current wholesale price of electricity. In contrast, **onshore wind costs have continued to fall**, with the last round of support at around £80/MWh and industry claim much lower prices are currently achievable.
- Hinkley C could receive almost £35bn in public subsidy over 35 years. The subsidy for renewable generators lasts just 15 years.
- UKG has confirmed three CfD auctions will be held before 2020 for “less established” technologies but **no support for the cheapest technologies, including onshore wind** and solar.
- UKG must provide same support for developing **marine** technologies. Atlantis’ MeyGen is the world’s largest planned tidal stream array project, with enough capacity to power equivalent of 175,000 homes. However, it cannot develop further without a CfD or similar guaranteed revenue stream.

**As set out in the Programme for Government, a new Energy Strategy will reaffirm the Scottish Government’s commitment to reducing energy demand and supplying clean energy from renewable sources**

- This will be fully integrated with the new Climate Change Plan and will ensure we have the best policies to deliver secure, low-carbon energy at the lowest cost to the consumer and promote sustainable, inclusive growth. We will consult external stakeholders in the new year.

**We continue to share the renewables sector’s concerns about the damaging and premature cuts to support for renewable energy being driven through by the UK Government**

- UK’s position in the EY Renewable Energy Country Attractiveness Index fell from 8th place in June 2015 to 14th place in October 2015.
- A new survey by the Confederation of British Industry (CBI) found that 59% of infrastructure providers in the energy sector are dissatisfied with government’s current energy policy framework to boost investment.
- **Brexit:** The result of the EU Referendum on 23 June has now introduced another layer of complexity and uncertainty to investment in renewables.

## FOOD AND DRINK

### Exports to Japan

- Scotland's total food and drink exports to Japan were valued at approx. £98.7 million in 2015, up 9% from 2014 and up 91% from 2007.
- Scotland's food exports to Japan were valued at approx. £22.9 million in 2015, down 13% from 2014 but up 145% from 2007.
- Scotch whisky exports accounted for the majority (77%) of Scotland's food and drink exports to Japan in 2015, valued at £75.8 million. The value of Scotch exports to Japan in 2015 was up 18% from 2014 and up 79% from 2007.

### SG Support for Sector

- **£4.5m Scotland Food and Drink Export plan** – SG funding of £3.68m (£375k each from SDI & Industry) to help achieve export growth and target market opportunities across the globe until March 2019. The support provided by SDI and the wider export partnership will see an estimated £50m growth in exports over the next three years for Scottish companies. – **Japan is featured as a Top Prospect for engagement as part of the plan and SDI have an in-market specialist located in Tokyo.**
- **Food Processing Marketing and Cooperation grant scheme** - Since 2007 the FPMC scheme has supported F&D companies by providing £66m grant support to 217 projects which has secured 10500 jobs and levered in £340m of private sector investment.
- **Scotland Food & Drink** – Industry leadership group is currently 70% funded by the industry, with a core grant from Scottish Government, Scottish Enterprise and Highlands & Islands Enterprise providing the remaining core funding. The partnership is now developing the next industry food and drink growth strategy, which will cover priority areas between 2017-2030. ( expected launch March 2017)
- **£3m Connect Local Advisory Service** - Launched on 1 July 2016, funded by the Scottish Government and European Maritime and Fisheries Fund, Connect Local is the advisory service for local food and drink marketing aimed at entrepreneurs, micro-businesses and SMEs in Scotland, with a specific programme focussing on seafood.

### Importance of the Food and drink sector to the Scottish Economy

- Directly employees 116,000 people – equivalent to 1 in every 21 people employed in Scotland, and accounts for 11% of all businesses, generating annual turnover of £14.4 billion
- The wider food & drink supply chain, which includes retailers and caterers, supports 1 in every 7 jobs and accounts for 21% of all businesses
- Fastest growing sector in Scotland since the recession (2008) with turnover up 25% (to £14.4 billion)
- Largest manufacturing sector in Scotland, accounting for 19% of total turnover

- Largest sector in the Highlands and Islands portfolio of 'account managed' businesses, and the second largest within the Scottish Enterprise portfolio
- Largest exporting sector (across all sectors) to the EU with over £2 billion worth of exports, and second largest to the rest of the world (behind Oil and Gas)
- Food and drink accounts for around 30% of total Scottish exports – this compares to around 7% of UK exports. As such, food and drink exports are around 4 times more important to our economy than it is for the UK as a whole
- Around 25% of total UK food and drink exports comes from Whisky and Salmon alone

## HIGHER EDUCATION

### Student numbers

- In 2015-16 there were 210 students from Japan studying at Scottish Higher Education Institutions, a 8% decrease on the previous year's figure of 230.
- In the main, these 2015-16 students were studying at: University of Edinburgh (90), Glasgow (30), St Andrews (30), Stirling (15), and Aberdeen (10).

*Source: HESA, January 2017 (rounded to nearest 5)*

### SG Funded exchange initiative (£90K for 60 placements out/ 60 in)

- Japan is one of over 90 member countries of the British Council's International Association for the Exchange of Students for Technical Experiences (IAESTE) exchange programme, providing opportunities for students to work or study abroad for 2-3 months in (mainly) STEM subject areas. For 2016-17 Scottish Government will fund up to 60 Scottish student placements abroad (and 60 international students will take up placements in Scottish universities or businesses).

### Japan-Scotland Society Scholarship

- Two Scholarships worth ¥300,000 (JPY) are available each year to assist Japanese students of any speciality undertaking Masters postgraduate study at a Scottish university. The award was established in 2009 by the **Japan Scotland Society** to commemorate the founder, Mr Takahashi Yoshiteru, and the long-time donor and supporter of the society, Mr James T Howat.

*Source: <http://www.japansocietyofscotland.org.uk/scholarship.html>*

### Notable Alumni

- **University Edinburgh** notable Japanese alumni include His Excellency Mr Yukio Satoh, President of the Japan Institute of International Affairs and former Japanese Ambassador to the United Nations and also Princess Tsuguko of Takamado, daughter of Prince and Princess Takamado.

*Source: Universities Scotland 2014 briefing note*

*Source: <https://www2.jiia.or.jp/en/cv/index.php?People%2FSatoh>*

- **University of Glasgow** notable alumni include Aikitu Tanakadate (1856-1952) who later founded the Institute of Seismology at Tokyo University and Masataka Taketsuru who studied Organic Chemistry at the University of Glasgow in the summer of 1919. He went on to become the founder of Japanese Whisky and the Nikka Whisky Distilling Company and also married a Scottish woman he met living here.

*Source: <http://www.gla.ac.uk/about/avenue/previousavenues/previousfeature/>*

- The first Japanese students matriculated at the **University of Glasgow** in the 1870s and since then strong links have been forged between Glasgow and Japan.

*Source: <http://www.gla.ac.uk/international/country/japan/>*

## Research

- The **International Student Research Forum (ISRF)** is a co-operation between **seven international Universities including Aberdeen University**, Tokyo University and Okinawa Institute of Science and Technology Graduate University. It allows PhD students to share their experiences and to form professional relationships across international boundaries.  
*Source: <http://internationalstudentresearch.com/>*
- **Edinburgh University** and **Glasgow University** are members of 'Universitas 21', a grouping of 27 of the world's leading research intensive institutions. Waseda University, Tokyo is also a member.  
*Source: <http://www.universitas21.com/member>*

## Institutional Links (not exhaustive)

- Researchers from **Robert Gordon University (RGU)** hosted a multi-disciplinary delegation from Japan to mark the latest stage of a collaborative international project. The team from Nagoya University visited the university at the start of September 2015.
- The Aberdeen Business School at **Robert Gordon University** has a Memorandum of Collaboration with the Institute of Business and Accounting (IBA) at the Kwansei Gakuin University near Kobe.
- The **University of Edinburgh** has collaborative links with:
  - Tsukuba University and Waseda University, and the School of Biological Sciences has a link with RIKEN and the Systems Biology Institute, Tokyo.
  - The university also has exchange links with twelve high-profile Japanese Universities, including Doshisha, Waseda, Ritsumeikan and Gakushuin Universities and Tsuda College. These links are exclusively for students of Japanese studies.
  - The National Museum of Ethnology, Osaka – agreement to promote academic exchange and collaboration in joint research enterprises signed in 2010
  - Nagoya University – agreement signed in 2014 around integrating transferable skills training into doctoral education.
- The **University of Stirling** signed an MoU in 2013 with Atomi University, a private women's college near Tokyo. This adds to the University of Stirling's ongoing international exchange links with Waseda University (Tokyo), Kwansei Gakuin University (Osaka), Rikkyo University (Tokyo), Akita International University (Akita)
- The **University of Stirling** also held its fifth annual 'Japan Week' in February 2017, to celebrate Japanese culture.
- The **University of Glasgow** has a long history of connections with Japan and has agreements with the University of Tokyo, Waseda University and Hitotsubashi University
- The **University of Strathclyde** has strong links with the Tokyo Institute of Technology which go back to the 1980s. The two institutions run an exchange programme where a number of students visit each other's institutions

## PHYSICAL ACTIVITY

This Government remains committed to helping Scotland be more physically active, providing the right facilities in the right places and ensuring our world-class sporting facilities cater to performance athletes and local communities alike.

A range of actions are in place to support participation in physical activity:

- Scottish Government recognises the important role walking has in staying active; the Scottish Government launched its **National Walking Strategy** in June 2014. The National Walking Strategy Action Plan was launched by our partner, Paths for All, on 3 March 2016.
- The Scottish Government has committed over £137 million in **active travel** since 2011 and will commit a further £38.3 million in 2016/17.
- We have seen a massive investment in school sport which has seen an increase in children doing two hours or periods of P.E. a week from less than 10% in 2004/5 to 98% in 2016. This is backed up by **£50 million** invested in Active Schools between 2015-19, and a significant investment of £168 million from **sportscotland** since 2007 to support councils, sports governing bodies and other organisations deliver a wide range of new and upgraded sports facilities.
- The Scottish Government will be supporting Scotland to become the first 'Daily Mile Nation', building on the success seen in primary schools to encourage physical activity in other educational institutions and workplaces.
- To provide more and better places to be active, we have now exceeded our target of delivering 150 Community Sport Hubs across all local authorities by 2016, with 50% based in schools. To date, a total of **157 Community Sport Hubs** are in place, with 45 more to come by 2020.
- 188 projects across all 32 local authorities received awards from the £10 million Legacy 2014 Active Places Fund. **£1.6m** of legacy funding will continue to be invested this year to maintain momentum and continue to capitalise on the inspiration that the Commonwealth Games have provided.
- We are supporting those at greatest risk of being inactive, such as older people, people with disabilities, women and girls. To do more to tackle inequalities, we will establish a Sporting Equality Fund aimed at increasing the participation, engagement, and promotion of women in sport. We will also continue to work with the sports sector to support efforts to end LGBTI discrimination in sport.

**COMMONWEALTH GAMES – LEGACY****Top Line**

The Glasgow 2014 Commonwealth Games brought social, cultural and economic benefits to the whole of Scotland. The Scottish Government remains committed to working with legacy partners to ensure benefits continue to be realised for years to come.

**Lines to Take**

- Since 2008, SG and partners have been planning a legacy fit for Scotland. The Games themselves marked the half-way point in a formal evaluation lasting until 2019.
- Legacy is made possible by the excellent partnership working of a whole host of organisations – local and national, public, private and third sector – with all of Scotland’s local authorities helping to spread the benefit.
- The Commonwealth Games Federation’s Coordination Commission formally congratulated those involved in planning and delivering legacy, calling it a blueprint for future Games.
- The Post Games report published on 23 July 2015 to coincide with “One Year” On found that over the eight years from winning the bid to host the event, the Games contributed more than £740 million gross to Scotland’s economy including £390 million for Glasgow’s economy, and supported on average 2,100 jobs each year from 2007 and 2014, including on average 1,299 in Glasgow.
- To date 49 national and international events have been secured (with an estimated impact of £18.5 million), including the European Athletics Indoor Championships 2019 at the Emirates Arena, Glasgow
- The Scottish Government has supported over 60 Legacy 2014 Programmes and over 80 supporting Legacy 2014 Projects benefiting people, communities and organisations across Scotland.

**Key Facts:**

- We set out to achieve 150 operational community sport hubs by 2016 and we have not only achieved this target but surpassed it, with 157 hubs now up and running. Sportscotland are investing a further £6 million over the next four years (National Lottery money) to maintain and enhance existing Hubs and extend the number to 200 by 2020
- Over 180 (183) projects have been awarded funding through the £10m Legacy 2014 Active Places Fund, which aims to help communities be more physically active. The Active Places range from play parks to gym facilities, BMX tracks to walking trails, all driven by local plans and community groups. Of that 183 projects, 137 projects are now complete.
- Scotland’s Physical Activity Implementation Plan, launched before the Games, is based on the Toronto Charter, the gold standard global advocacy tool. It sets 5 and 10-year goals to help get the nation more active through action in schools, workplaces, transport, the health system and sport and active recreation.

- Through the £800,000 Legacy 2014 Physical Activity Fund (launched on 19 July 2015) managed by Spirit 2012 we aim to reach those people who are classed as physically inactive by encouraging and promoting small projects in communities right around the country, and ensuring that the benefits of the Games will be felt for many years to come.
- Five Legacy 2014 partners were awarded Commonwealth Games Legacy funding (launched 23 July 2016) to encourage Scots to stay active.
- The 2016-17 funding, worth £748,000, has been awarded to five Active Legacy partners to deliver a wide range of benefits across Scotland. These are:
  - Street Soccer Scotland
  - Young Scot Active Legacy Rewards
  - Clyde Gateway
  - Spirit of 2012
  - Creative Scotland
- The 2016/17 Round 2 funding package worth £210,000 was announced by Aileen Campbell MSP, Minister for Public Health and Sport on 17 January 2017. These are:
  - Street Fit Scotland
  - Common Purpose UK
  - Scottish Sports Futures - Active East
  - Trust Rugby International
  - Shetland Islands Council
  - Winning Scotland Foundation
- The money will be used to build on Legacy programmes and help deliver a programme of activity which will continue to remove barriers and encourage Scots to become more physically active.

## **Government Activity**

- Legacy ambitions were central to the bid to host the Games and were shared by all Games Partners – the Scottish Government, Glasgow City Council, the Glasgow 2014 Organising Committee and Commonwealth Games Scotland.
- Sustaining a legacy offer after the Games brings its own challenges and principle of embedding legacy within strategies, policies and plans is increasingly important.
- With the next Commonwealth Games taking place in 2018 on Australia's Gold Coast, the commitment to sustaining – evidencing - the legacy in the years ahead is crucial.
- Priorities for building on the Legacy to date are:
  - Long - term regeneration of the East End of Glasgow and South Lanarkshire
  - Developing the major events sector in Scotland
  - Helping Scots become more physically active
  - Using sport and culture to drive social change and empower communities
  - Building on the legacy for children and Young People
  - Continuing to develop the volunteering Legacy
- The Scottish Government and partners are committed to learning lessons from the planning and delivery of the Games and its legacy. This has taken place through formal transfer of knowledge with the hosts of the Gold Coast Games

## **Mainstreaming**

- Legacy continues to be the responsibility of other parts of the Scottish Government, therefore, post-games structures have been established to deliver on our long-term commitments and we will continue to embed legacy aspirations into existing policy structures.
- As a result, the Legacy themes of Flourishing, Connected and Sustainable have been mainstreamed across Scottish Government which requires others to take leadership responsibility, by identifying priorities, new opportunities, allocating staff resources, budget to deliver where necessary and communication with the Legacy Team the Legacy story and benefits.
- The main focus of the Legacy Team which now sits within Active Scotland Division is the Active Legacy theme which aims to:
  - Increase physical activity and participation in sport
  - Improve the active infrastructure (people and places)
  - Improve Scottish sporting success
- As the mainstreaming process continues the Legacy team will focus on coordination functions such as programme management, evaluation, reporting, supporting, governance structures and overseeing communication activity.
- The Legacy team will continue to work with Active partners to build on existing Legacy investment and consider future funding options.

## **Post-Games Evaluation Reporting:**

- The Games themselves marked the half-way point in a formal evaluation lasting until 2019. As part of the 'One Year On' anniversary of the Games, The Glasgow 2014 Commonwealth Games Legacy Evaluation: Post Games Report was published.
- The Future Evaluation Report timeline is:
  - Report 1 – Questions, Methods and Baseline (2012)
  - Report 2 – Pre Games Report (2014)
  - Report 3 - Post-Games Report – July 2015
  - Report 4 - Legacy Evaluation Interim Report – 2017 tbc
  - Report 5 - Legacy Evaluation Final Report – 2019 tbc

## **Communications**

- The focus on Legacy has been strengthened by the dedicated communications channels and products including the Legacy website [www.legacy2014.scot](http://www.legacy2014.scot), newsletter, Twitter account @legacy2014scot, Ministerial events and awards ceremonies, highlighting Legacy to coincide with "One Year On", Commonwealth Day and Legacy merchandise all using the Legacy brand which gives a strong visual identity to Legacy to help people make the connection between legacy activity happening across Scotland.

## TOURISM (VISITSCOTLAND BRIEF)

### Japan Market Overview

Total number of Japanese visitors to Scotland (2013-2015) three year average:

- Total visits: 13,000
- Total nights: 83,000
- Total spend: £7million
- Average Spend Per Night (£) £82
- Average Spend Per Trip (£) £512
- Average Nights Per Trip 6.3

(source; International Passenger Survey 2013-2015)

We use a three year average as the sample size for the Japanese market is small and one year is not reliable enough.

### VisitScotland Chairman Visit – March 2015

- VisitScotland saw a tactical opportunity to engage with the popularity of the TV drama **Massan**, which reached an audience of 20 million people. In March 2015, VisitScotland co-hosted an evening reception at the Ambassador's residence to highlight links between the drama Massan and Scotland. The reception was attended by around 200 high-quality guests – airlines, travel trade, university representatives, media, banks, and also a group of delegates over from Scotland for an architecture/building conference. This was a valuable networking opportunity and chance to introduce the Year of Food and Drink to the audience, linking it with Massan.
- **[REDACTED]**
- VisitScotland expo is Scotland's premier business to business travel trade event. It offers companies with a Scottish tourism product the opportunity to showcase their products and services to prospects and regular buyers. 7 London-based buyers representing the Japanese market attended Expo in 2015 and 2016 – they are based in London.

### Key Themes for Japan

#### Thomas Blake Glover

- The 'Scottish Samurai' was the visionary industrialist who founded the giant Mitsubishi company and a man so revered he became the first foreigner to be awarded one of Japan's highest honours.
- The Aberdeen family home of Thomas Blake Glover is owned by Aberdeen City Council. Glover House is currently closed to the public. The various stakeholders involved with Glover House are looking into options for the property.
- The Glover Garden area in Nagasaki is a collection of former Western merchant's residents surrounding the house of Scottish entrepreneur Thomas Blake Glover. The area has been designated as an Important Cultural Asset.

#### Gardens

- Gardens are one of many "things to see & do" on a break to Scotland - VisitScotland is communicating gardens to a broad audience, not just to garden enthusiasts and is working to attract additional visitors to gardens.
- VisitScotland's Growth Fund recently awarded money to Discover Scottish Gardens Network. The fund will help building on their previous successful Growth Fund campaign. This follow on campaign will target visitors from London and the South East. Activity will include a programme of content development and promotions, as well as attendance at the Chelsea Flower Show in 2017.

### Massan

- The TV show Massan and its links to Scotland – Massan is a Japanese television drama series which was aired daily from September 2014-March 2015. The protagonist, Masataka Takemura, had spent 2 years in Scotland to learn how to make whisky, and then returned to Japan with a Scottish wife.

### Whisky

- As Scotland's national drink, it has been produced here for centuries. There's so many ways to discover more about it, whether it be going behind the scenes on a distillery visit, trying single malts at special whisky festivals, sampling a fine dram at an expert-led whisky tasting session or enjoy one by the fire at renowned whisky bars.
- Whisky has been distilled here in Scotland since at least the 15th century, with the first record of it dating back to 1494 when Friar John Cor of Lindores Abbey in Fife was granted the king's commission to make aqua vitae, Latin for 'water of life'.

### Connectivity

- It is now easier than ever before to get to Scotland, with new direct routes opening up all the time, including routes by Finnair, Qatar Airways, Etihad Airways, Emirates and Turkish Airlines.
- Qatar Airways are now running daily flights to Scotland, which opens up easy access to the whole of the East
- Finnair launched flight between Edinburgh and Helsinki in 2016. The journey – which takes less than three hours – allows passengers from Scotland to take the shortcut to Asia with just one smooth and fast transfer via the Finnish capital.
- VisitScotland are working to support all of these routes via VS Expo, bringing key buyers to Scotland from the Japanese travel trade.

### Golf

- Scotland is acknowledged worldwide as 'The Home of Golf' and has over 550 golf courses which attract around 220,000 golfing visitors annually
- Results of a report released by KPMG in 2013 looking at the golf industry in Scotland, estimated the total value of this industry to Scotland at £1.2bn
- It is estimated that golf tourism is worth £220m to Scotland annually, supporting around 4,000 jobs
- Golfers are high-spenders on average they spend twice that of other visitors to Scotland and for every £1 spent of a green fee a further £5 is spent elsewhere in the Scottish economy

- Scotland continues to get investment in its golf resorts – Trump Turnberry (£100m investment); Gleneagles (£1.1m investment on bedroom refurbishment); continued investment in Trump International; Arnold Palmer Group’s work to design and build a 2<sup>nd</sup> course at Castle Stuart Golf Links in the Highlands; Ury Estate, near Aberdeen, with investment from Jack Nicklaus.
- Upcoming major golf events include the 2018 Open Championship in Carnoustie and the 2019 Solheim Cup at Gleneagles.

#### Year of History, Heritage and Archaeology

- 2017 is the year to delve into the past and discover Scotland’s fascinating stories through a wide-ranging programme of new and existing activity to drive the nation’s tourism and events sector and boost tourism in every corner of Scotland.
- Scotland’s heritage is among the top reasons for visiting Scotland – 2017 offers huge opportunities for the tourism industry and for collaboration across sectors.
- From World Heritage Sites to ancient monuments, cultural traditions to our myths, stories and legends, this year-long programme will spotlight some of our greatest assets and icons as well as our hidden gems.
- Scotland’s history and heritage are what defines the country for many visitors – they are an integral and iconic part of our national ‘brand’ as well as major contributors to our economy.
- Through continued investment, our history and heritage continue to add value, contributing to growth and partnership opportunities.

#### Screen Tourism

- Screen and cultural tourism is a growing trend and as such, VisitScotland’s work in growing the visitor economy extends to cultural tourism and the opportunities it provides for tourism and non- tourism businesses within Scotland, as well as encouraging additional visitor spend and numbers from our key markets.
- We develop partnerships with screen and creative industries, leading to enhanced collaborative working with partners and resulting in new, inspiring and relevant content for use across all VS channels to reach corporate and consumer audiences.
- Marrying these various sectors - across tourism, culture and screen is key to success and VisitScotland aims to create a platform for them to work more effectively together; developing close relationships and strategies to maximise opportunities for all, with the main objectives being to help the growth of Scottish tourism and realise the opportunity for film and cultural bodies to play an integral role.
- Examples include:
  - Outlander - Diana Gabaldon’s *Outlander* novels have sold more than 20 million copies around the world, and were turned into an internationally popular TV series, attracting a vast fan base during the last two decades. As a national tourist board, our primary objective is to encourage visitors to Scotland on the back of *Outlander* - to experience for themselves, the land behind the story.
  - Macbeth - Working in partnership with Studio Canal, VisitScotland took the opportunity to promote Scotland’s strong links with Macbeth on the

back of the recent film, which was partly shot in Scotland – and released in 2015, starring Michael Fassbender and Marion Cotillard. *Throne of Blood* is a popular 1957 Japanese film which transposes the plot of William Shakespeare's play *Macbeth* from Medieval Scotland to feudal Japan.

**THEMED YEAR 2017 – HISTORY, HERITAGE AND ARCHAEOLOGY**

**TOP LINE:** In 2017 the Year of History, Heritage and Archaeology (YHHA) will celebrate Scotland's historic environment and past. The year also focuses on archaeological aspects, sites and visitor attractions which are an important part of the tourism product and provide good opportunities to tie visitor interest into Scotland's landscapes, building on the success of the Year of Natural Scotland, and broadening interest out into built and other heritage.

**KEY MESSAGES**

- 2017 has been designated as a year in which Scotland's history, heritage and archaeology will be showcased and celebrated with a programme of activity aimed at supporting and driving the nation's tourism and events sector. Themed years give Scottish tourism an edge, galvanise partners and create a strong collaborative platform to promote Scotland and its valuable attributes.
- The Year of History, Heritage and Archaeology will start on 1 January 2017 and end on 31 December 2017. The Year will include an exciting programme of events and activities for the people of Scotland and our visitors to enjoy.
- YHHA is a Scottish Government (SG) initiative being led by VisitScotland and supported by a Steering Group with representation from Built Environment Forum Scotland (BEFS), Creative Scotland, Heritage Lottery Fund, Heritage Tourism Group, Highlands and Islands Enterprise, Historic Environment Scotland, Museums Galleries Scotland, National Trust for Scotland, Scottish Enterprise, Scottish Government (SG) Scottish Tourism Alliance, Traditional Arts and Culture Scotland and VisitScotland.
- The Year will also comprise a programme of activity aimed specifically at engaging with young people in the run up to 2018's Year of Young People, introducing them to the themes of history, heritage and archaeology, and identifying opportunities to promote their interests within the relevant sectors.
- The overall aim of the Year is to sustain and build upon the momentum generated by Homecoming Scotland 2014 and preceding themed years to spotlight, celebrate and promote Scotland's rich and vibrant attributes in relation to its historic environment and past to the people of Scotland and our visitors.
- The YHHA will not be exclusive and will embrace a wide range of activity and content aligned to the themes of history, heritage and archaeology. The year will celebrate both tangible and intangible Scottish heritage – our buildings, visitor attractions, archaeological sites as well as our diverse stories, traditions and culture – with a focus on engagement and participation.
- This is supported by five objectives of promotion, celebration, participation, collaboration and business engagement.

- It is recognised that Scotland already successfully utilises our history and heritage to promote its unique identity globally and has a strong existing visitor offering. Iconic landmarks, sites, attractions and events will continue to be key in capturing the attention of visitors and locals and the YHHA will seek to engage Scots and visitors alike in taking in new and less well known experiences - our 'hidden gems' – right across the country and throughout the year.

## Events

- Supporting the objectives of the Year, the **£300k open signature events fund** will create opportunities for participation, celebration and promotion of the themes. To date Cabinet Secretary announced 9 successful Signature Events and provided a supporting quote in a recent Press Release for one more with a further event in the Borders to be announced soon – **with a total of 11 for the Year**. This is in recognition of the strong portfolio of existing history, heritage and archaeology themed events already taking place annually across Scotland that will form the backbone of the Year's programme. The funded signature events will provide key moments to punctuate the year-long programme and provide opportunities that capture the interest of media and engage the public in celebration of Scotland's history and heritage.
- Applications for the funded events programme were considered at a panel meeting in September. The events already announced total at £280,000. One further event is still being considered and will be announced later in 2017.
- As with previous Themed Years, the funded events programme will sit alongside a wider programme of partner events taking place across Scotland which will have a link to the themes of the Year. Events that were unsuccessful in their applications for funding have been encouraged to join the **partner programme** for the Year. The partner programme will ensure that events and activities aligned with the themes can benefit from promotional activity developed by VS. Opportunities to join the partner programme will continue throughout the Year ensuring that it constantly evolves and grows. **To date there have already been 66 events sign up to the partner programme.**
- Further to this, Strategic Partners have agreed that they will, where appropriate, highlight the opportunities to align with YHHA through existing (or newly created) funded routes. For example, our Major Festivals in Edinburgh will be celebrating the city's 70<sup>th</sup> year as a World Festival City in 2017 and support for this will be additional to the dedicated YHHA events fund outlined above.
- VisitScotland will also align all their key funding stream (International, National Winter Festivals, Clan, Growth, Expo and Beacon funds) to the Year

## General Background on Themed Years

### Top Line

The Scottish Government's Themed Years celebrate the very best of Scotland and its people. Launched as a legacy after the Year of Homecoming 2009, which spanned food and drink, active, creative, natural and innovative themes, the Themed Years aim to support and drive Scotland's tourism and events industries to both domestic and international markets.

### Background

The Scottish Government's programme of themed years provide a focus for co-ordinated national activity that helps to spotlight some of Scotland's greatest assets. The core proposition for each year is centred on the promotion of domestic and international tourism and the development of the events industry in Scotland. Themed years are designed to give Scottish tourism an edge, galvanise partners and create a strong collaborative platform to promote Scotland and its valuable attributes. However, central to the SG strategy for the themed years programme is that the theme selected in any given year should also be viewed as an opportunity to add profile to non-tourism related policies and/or activities that align to the focus of the year. Such an approach allows policy teams and their stakeholder networks to contribute to a programme of activity that helps to:-

- **promote** and raise the profile of Scotland nationally and internationally, showcasing our distinctive contributions to the key themes of the year;
- encourage and develop opportunities for the people of Scotland and our visitors to **celebrate** the key themes of the year;
- inspire the people of Scotland and our visitors to **participate** in activity developed for the year;
- encourage national agencies to strategically **collaborate** to ensure a fully integrated approach to maximising opportunities associated with the Year; and
- **engage** with a wide range of businesses in tourism, events and other relevant sectors in order to help them recognise the opportunities presented by the Year and capitalise on those opportunities by developing new products and services and growing existing business.

## SCOTLAND/JAPAN WORLD HERITAGE LINKS

- This visit will be the first time you have been to Japan since both *The Sites of Japan's Meiji Industrial Revolution* and *The Forth Bridge* were designated as World Heritage Sites by UNESCO in July 2015.
- Your visit in 2015 took place just prior to the 39<sup>th</sup> meeting of UNESCO's World Heritage Committee - a time when Japan was enduring a hostile reaction to its nomination, led by the Permanent Delegation from the Republic of Korea. The completion of, and gift of the data from the Scottish Ten project when you were in Nagasaki was therefore greatly appreciated at the highest level in Japan.
- Two core elements of the Japanese nominated site, the Giant Crane and Kosuge Dock, are prominent pieces of Scottish engineering that were recorded by the Scottish Ten. *The Forth Bridge* also has a strong link with Japan through the pioneering engineer, Glasgow University graduate, Kaichi Watanabe. HES and the Glasgow School of Art have since digitally documented *The Forth Bridge* using the expertise developed whilst working in Nagasaki. The first public release of animations from this work occurred on 3<sup>rd</sup> January, and could be made available during your visit.

### Scottish Ten Legacy

- We are still actively working with our Scottish Ten partners, the Meiji Industrial Sites World Heritage team, who are preparing apps and animations with our assistance, to be included on their website. This is under development, so the Scottish Ten content will, unfortunately, not be up and running by the time of your visit. The website can be found at <http://www.japansmeijiindustrialrevolution.com/en/>, and we can explore the possibility of you meeting their team, if the need arises.
- A considerable amount of the work behind the Japanese Meiji World Heritage nomination was funded by the Mitsubishi Research Institute (MRI), whose many activities extend into the cultural sphere. [REDACTED]
- As you are aware, the positive impact of the Scottish Ten work has been reflected in the use of its laser scanning imagery in a first day cover of stamps by the Japanese Post Office, and the production of a commemorative set of silver coins by the Japanese Mint. [REDACTED]

### Wider World Heritage Issues

- Following inscription of the *The Sites of Japan's Meiji Industrial Revolution*, the Scottish Ten was invited to demonstrate its 3D documentation work to delegates at a special reception at the end of the World Heritage Committee in Bonn, and then again to all national permanent delegations at UNESCO HQ in Paris. As a member of the World Heritage Committee at the time, Japan was attempting to

demonstrate the growing importance of digital recording technologies to the protection and repair of world heritage sites.

- Since then, the UK Government has responded to UNESCO's appeal for help to counter the continuing destruction at World Heritage Sites with the foundation of the Culture Protection Fund. Dr Lyn Wilson, who leads HES's Digital Documentation Team, is using her experience from the Scottish Ten project to advise and support this initiative, much in the way that was envisaged by our Japanese partners.
- You should also be aware of another Kyushu-based World Heritage nomination, *Churches and Christian Sites in Nagasaki*, which was put forward by Nagasaki Prefecture. This was, unfortunately, withdrawn in 2016 on the advice of UNESCO assessors. **[REDACTED]**

### **Other shared Industrial Heritage**

- There is an even bigger and better Scottish Giant crane in Sasebo, also in Nagasaki Prefecture. It was built in 2013 by William Arrol, builders of the Forth Bridge, and is also still working. You kindly signed a 100th birthday framed picture which was presented to Sasebo shipyard (SSK) in 2013.

**[REDACTED]**

## SCOTLAND'S ECONOMY

### Scottish Economic Performance

- **Exports Statistics Scotland (published 25<sup>th</sup> Jan 2017):** showed a £1bn (3.6%) increase in the total nominal value of international exports (excluding oil and gas) from Scotland – from £27.7bn in 2014 to £28.7bn in 2015.
- **CBI Quarterly Scottish Industrial Trends Survey (Published 25th Jan 2017):** signalled stronger growth in domestic and export orders for manufacturing firms in the 3-months to January 2017. Business optimism also improved at the strongest pace since July 2014.

### **Scotland's economy continued to grow in the 3 months following the EU Referendum.**

- Scotland's economy grew by 0.2% in the third quarter of 2016 (UK 0.6%) and 0.7% over the year (UK 2.2%).
- Scotland's GDP per head is now 2.2% above its pre-recession level, compared to the UK which is only 1.5% above its pre-recession level.
- Even without oil, GDP per head in Scotland is higher than the UK average excluding London.

### **Scotland's labour Market resilient: unemployment rate fell over year**

- There are now 40,000 more people in employment than before the recession (Mar-May 2008).
- Unemployment rate fell by 0.4 percentage points over the year to 5.1%.
- Most recent internationally comparable data (Q3 2016) shows Scotland's unemployment rate (4.7%) was lower than G7 average (5.5%), OECD average (8.5%) and the EU average (6.3%).
- Scotland youth unemployment rate is now at 9.4% the lowest since the series began and is the 2<sup>nd</sup> lowest youth unemployment rate in the EU.
- Scotland outperforms the UK on female employment (70.0% vs. 69.9%) and inactivity rates (26.3% vs. 26.7%).

### **Recent data provides encouraging signs for the Scottish economy.**

- Scottish Retail Consortium and KPMG Retail Sales Monitor (18 January) showed that sales rose 0.7% year-on-year in December - the strongest rise since January 2014.
- The latest Bank of Scotland PMI (16 January) signals that Scotland's private sector output and employment returned to growth in December.
- Bank of Scotland's Business Start-up report (11 January) shows the number of business start-ups in the UK fell by 19% in the UK between 2011 and 2016. In Scotland the fall was just 3%.

- The number of people employed in the tourism sector in Scotland grew by 11% between 2014 and 2015 and now stands at a record 217,000. (ONS Tourism Release 10 January)
- Lloyds Bank report 'Business in Britain' (3 January) showed that business confidence increased markedly in Scotland in recent months as did capital investment intentions and employment intentions.

### **Scotland's Economic Fundamentals Remain Strong**

- **Employment** - The employment level in Scotland is 40,000 above its pre-recession peak (Mar-May 2008), and 167,000 above the recession trough (Feb-Apr 2010).
- **Registered Businesses** – The number of registered businesses in Scotland has grown by 15% since 2007 to an all-time record level of 173, 995 in 2016.
- **Research & Development** – Scotland's business R&D rose by 41% in real terms between 2007 and 2015 to £871 million.
- **Productivity** has grown 4.4% since 2007 compared to no growth in the UK.
- **Exports** – the value of Scotland's international exports has increased by around 41% between 2007 and 2015 (from £20.4 billion to £28.7 billion).

### **Real risk to Scotland's economy comes from a hard Brexit**

- Fraser of Allander have warned that under a WTO scenario (hard Brexit), GDP in Scotland could be over £8 billion lower than would otherwise be the case, employment 80,000 lower, real wages £2,000 lower, and exports over 11% lower.
- London Stock Exchange Chief Executive Xavier Rolet told the Commons' Treasury Committee (10 January) that if euro-denominated clearing work leaves the UK, it could hit up to 232,000 jobs in the UK – two thirds of which would be outside Greater London.
- The Lloyds 'Business in Britain' report (3 January) finds that companies see economic uncertainty as the greatest threat facing their businesses. A hard Brexit will magnify this risk.

### **Scottish Government is taking actions to support businesses and grow the economy**

- We'll be providing support to businesses with high growth potential through our £500 million **Scottish Growth Scheme**
- Committed to expanding the **Small Business Bonus Scheme** in 2017 to remove the rates burden entirely from 100,000 premises.
- We're increasing the supply of **affordable housing** in Scotland. Having exceeded our target to deliver over 30,000 affordable homes in the last Parliament, we are now committed to delivering at least 50,000 affordable homes by the end of this Parliament.

- We're improving **Scotland's transport connectivity**, through strategic investments in our transport infrastructure, including investments in the Queensferry Crossing, the M8 M73 M74 Motorway Improvements Project, the Aberdeen Western Peripheral Route, and continuation of the Edinburgh-Glasgow Rail Improvement Programme.
- We're investing to improve **Scotland's Digital Connectivity** and in 2016/17 will invest £90 million in Scotland's digital infrastructure to help towards our 2017 target to ensure 95% of premises in Scotland have access to next generation broadband.

### **Key actions to grow the economy**

We are taking a number of actions under the 4 strategic priorities (the 4Is) identified in Scotland's Economic Strategy to grow Scotland's economy, and ensure it remains resilient. On 23 January, the UK launched a Green Paper on industrial strategy, including investment in infrastructure and innovation; and supporting businesses to start and grow.

### **TOP LINES - Significant Actions to Support the Economy**

- **We are taking action to support economic growth over the long term**, including:
  - A £500 million **Scottish Growth Scheme** to provide investment guarantees, and some loans, of up to £5 million for eligible businesses over three years;
  - Substantial **investments in transport and digital connectivity**;
  - Committed to reducing **Air Passenger Duty** to improve Scotland's connectivity;
  - **We plan to invest more than £1 billion in our universities in 2017-18**, and are supporting collaborations between universities, businesses and others through our **Innovation Centres**;
  - **Established a Board of Trade**, and creating permanent trade representation in Berlin to add to our **Innovation and Investment Hubs** in Dublin, London and Brussels.
  - Increasing the number of **Modern Apprenticeship** opportunities to 30,000 per year by 2020.

### **Internationalisation**

#### **1. We're boosting Scotland's trade, exports and international connections.**

- We have established a Board of Trade [announced 25<sup>th</sup> January] drawing on a wide range of business expertise.
  - The Board will provide advice to support delivery of the actions in our Trade & Investment Strategy to boost the number of exporters and increase the number of exports to new markets. We will also set up a Trade Envoy scheme.
- We will create permanent trade representation in Berlin, adding to our **Innovation and Investment Hubs** in Dublin, London and Brussels.

- Committed to a **50% reduction in the overall burden of Air Departure Tax** by the end of this Parliament, to help boost international connectivity.

## **Investment**

- 2. We'll be providing support to businesses with high growth potential.**
  - The First Minister has announced a **£500 million Scottish Growth Scheme** to provide investment guarantees, and some loans, of up to £5 million for eligible businesses over three years.
  - The scheme will focus on new and early-stage businesses with high-growth potential and clear export growth plans, particularly technology-intensive firms and businesses in emerging markets.
- 3. We're increasing the supply of affordable housing in Scotland.**
  - Having exceeded our target to deliver over 30,000 affordable homes over the course of the last Parliament, we are now committed to **delivering at least 50,000 affordable homes**, backed by more than £3 billion investment by the end of this Parliament.
- 4. We're improving Scotland's connectivity, through strategic transport investments.**
  - We will complete the **Queensferry Crossing**, investing an estimated £1.325-£1.35 billion.
  - We're taking forward over £1.9 billion of investment in other roads and transport projects, including the M8 M73 M74 Motorway Improvements Project, the Aberdeen Western Peripheral Route, and continuation of the Edinburgh-Glasgow Rail Improvement Programme.
- 5. We're investing to improve Scotland's Digital Connectivity.**
  - During 2016/17, we will invest £90 million in Scotland's digital infrastructure to help towards our 2017 target to ensure 95% of premises in Scotland have access to next generation broadband.
  - During 2017/18, we plan to invest over £100 million in digital and mobile infrastructure to improve digital connectivity, including support for our commitment to deliver 100% superfast broadband access by 2021.
- 6. We're supporting investment in Scotland's cities and regions.**
  - We are a full partner in all the **City Region Deals** agreed in Scotland so far, matching and in some cases exceeding the financial contributions made by the UK Government.
  - We have committed to investing up to £760 million over the next 10 to 20 years for City Region Deals in Glasgow (up to £500m), Aberdeen (up to £125m) and Inverness (up to £135m) with communities in these areas benefitting from housing, digital and infrastructure projects.
  - We will continue work to support Edinburgh and South East Scotland, Tay Cities and Stirling and Clackmannanshire the City Regions developing proposals.

- In 2015-16, Scottish Enterprise offered £17.1 million of **Regional Selective Assistance** investment to 65 businesses, which is expected to create or safeguard almost 1,900 jobs and total capital investment of around £100 million.

**7. We're taking action to support small businesses across the country.**

- The **Business Rates Poundage** will drop 3.7%, from 48.4p for 2016-17 to 46.6p for 2017-18
- **Small Business Bonus Scheme** offers zero or substantially reduced rates. We have committed to expand the scheme in 2017 to remove the rates burden entirely from 100,000 premises.
- Supporting local authority partners in managing and delivering of **Business Gateway (BG)**, a first point of contact for all publicly funded advice to all businesses in Scotland.
- Supporting **access to finance for SMEs**, by improving access to information and advice; increasing resources under the SME Holding Fund, utilising European money; and delivering an enhanced Scottish Investment Bank to reach more businesses.

**Innovation**

**8. We are building a culture of innovation and entrepreneurship in Scotland.**

- Developing an **innovation prize** to reward, and invest in, innovation in Scottish companies
- Supporting digital innovation through **CivTech**, the world's first cross public sector technology accelerator
- **Increased investment in Interface**, Scotland's hub to connect business and academia;
- Encouraging public sector and large and small firms to collaborate through Scottish Enterprise's £2.9 million **Open Innovation programme**;
- Developing a plan for establishing a **National Manufacturing Institute for Scotland** that will act as a hub for innovation so Scotland remains a sustainable and competitive place to do business.
- Implementing the **innovation action plan** published on 11 January 2017.

**9. We're building on the excellence of our Universities, and supporting commercialisation of world-class research in Scotland.**

- We have invested over £5 billion in the higher education sector over the last five years, and have announced in the budget our plans to invest more than £1 billion in 2017-18.
- Continuing to support the network of **eight Innovation Centres**, to use academic expertise to address real world business issues. The SFC has committed up to £120m over 6 years, 2013-19.

**Inclusive Growth**

## **11. We're equipping our young people for the future by:**

- Increasing the **Scottish Attainment Challenge** funding to £750 million during the course of this parliament to tackle the poverty related attainment gap. In 2017-18 this will total £170 million including £120 million of Pupil Equity Funding for head teachers to use for additional staffing or resources that they consider will help raise attainment and; £50 million of targeted support to specific Scottish Attainment Challenge authorities and schools in areas of greatest need.
- Increasing the number of **Modern Apprenticeship** opportunities to 30,000 per year by 2020.
- Supporting young people aged 16-24 who have been out of work for six months or more by **introducing a Job Grant**.
- Implementing our youth employment strategy, '**Developing the Young Workforce**', to bridge the gap between education and industry and to produce more work-ready young people.

## **12. We're expanding funded childcare to improve young children's outcomes and reduce barriers to parents participating in the economy**

- Delivering 600 hours of free high-quality early learning and childcare for all 3 and 4 year olds and eligible 2 year olds, and working towards 1140 hours by the end of this Parliament.

**HUMAN RIGHTS**

**Summary:** The Scottish Government is committed to creating a modern, inclusive Scotland which protects, respects and realises internationally recognised human rights. Human rights span the full spectrum of everyday lived experience - civil, political, economic, social and cultural. We are committed to defending existing human rights safeguards provided by the Human Rights Act, Scotland Act and EU law. And we intend to progressively implement rights in areas where international obligations have not yet been given full effect. We are committed to working with the whole of Scottish society to deliver a shared vision for a Scotland where everyone can live a life of human dignity.

**Top lines**

- The SG is committed to creating a modern, inclusive Scotland which protects, respects and realises internationally recognised human rights standards – civil, political, economic, social, cultural.
- The government of a progressive nation has a duty to embed human rights at the heart of everything it does.
- Giving full effect to internationally recognised economic, social and cultural rights is central to the SG's Purpose.
- As a good global citizen, Scotland has a strong and enduring commitment to securing democracy, the rule of law and fundamental human rights across the world.

**Scotland has an enduring commitment to fundamental human rights across the world**

- The SG actively participates in UK reporting on its international human rights treaty obligations, ensuring that Scotland's distinctive approach is visible in the United Nations and Council of Europe.
- In 2016, Scotland (as part of UK) was examined under the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Convention on the Rights of the Child (CRC) and the Convention on the Elimination of All Forms of Racial Discrimination (CERD). In 2017 Scotland will participate (as part of UK) in the Universal Periodic Review process coordinated by the UN Human Rights Council.
- The SG expects all states to comply with fundamental and human rights law, to condemn human rights abuses wherever they occur, and to take positive action both to confront abuses and to give practical, day-to-day effect to human rights and fundamental freedoms.

**Scottish Government international engagement**

- Through dialogue with states at Ministerial and official level, the SG seeks to raise human rights where appropriate, in a way that has practical impact, and to share its experiences, values and expertise with a view to the rights of people across the world being realised.
- We make an impact both by demonstrating leadership and by sharing positive, practical experience of the contribution made by a human rights approach to good policy-making and delivery.

- The SG's approach is articulated through Scotland's International Framework and four strategic objectives.
- The strategic objective "Relationships and Partnerships" includes:
  - **Good global citizen:** we will continue to make distinctive contributions in addressing global challenges such as climate change, tackling inequality and promoting human rights, sharing our knowledge, skills and technical expertise for global good.
  - **International development:** we will continue to work in partnership to alleviate poverty and achieve the Sustainable Development Goals.

## Human rights in Japan

- Japan is a strong democracy with rule of law and an active civil society. Basic freedoms of expression, association and assembly are well respected.
- Amnesty International's 2015/2016 Japan Report and Human Rights Watch's Japan, Events of 2016 highlighted the following issues:
  - **Discrimination of ethnic minorities** – the ruling coalition opposed legislation prohibiting racial discrimination. An increase in the amount of demonstrations targeting ethnic Koreans, leading to some municipal governments proposing ordinances to curb hate speech against foreigners and minorities.
  - **Refugees and Asylum seekers** – Only 27 asylum seekers were recognized as refugees in 2015 and 4 in the first half of 2016. The Immigration Control and Refugee Recognition Act allows for asylum seekers facing deportation orders to be detained for an unlimited period, deterring asylum applications.
  - **Migrant workers' rights** – Technical Intern Training Programme was subject to abuse by employers, resulting in forced labour, lack of effective oversight or protection of workers, and other human rights abuses. As of June, some 180,000 foreigners worked under the Programme.
  - **Rights of lesbian, gay, bisexual, transgender and intersex people** – Japanese law treats those requesting legal recognition as transgender as having a "Gender Identity Disorder" and requires obtaining such medical diagnosis. It also requires forced sterilization, compulsory single status, not having any underage children, and being 20 years or older. While same-sex marriage is not legally recognized in Japan, Tokyo's Shibuya ward in April 2015 became the first municipality to pass a regulation recognizing same-sex partnerships, with more municipalities recognizing such partnerships in 2016. Bullying is a problem in Japanese schools generally, and particularly so against lesbian, gay, bisexual, and transgender (LGBT) students
  - **Violence against women and girls** – The government reached an agreement with South Korea and acknowledged Japan's deep responsibility for the military sexual slavery system before and during the Second World War, which resulted in women and girls being forced into sexual slavery by the Japanese Imperial Army. The outcome was criticized as the agreement did not take into account the views and needs of survivors and they were not involved in the negotiations.
  - **Women's Rights** – a March legal reform required that employers take measures to prevent their unfair treatment due to pregnancy, childbirth, maternity leave, family care leave. Japan has the second lowest proportion of female managers among OECD countries. In December 2015, Japan's Cabinet adopted a new five-year "Fourth Basic Plan for Gender Equality," lowering the target set in 2003 to ensure that at least 30 percent of leadership positions are held by women in all areas by 2020. Under the new target, the female leadership ratio goal was reduced to 7

percent for middle managerial positions in the central government and 15 percent for the same in the private sector.

- **Children's Rights** – In May, the Diet passed an amendment of the Child Welfare Act that for the first time explicitly refers to children as rights holders, in accordance with the Convention on the Rights of the Child.
- **Death Penalty** – Japan continued to use the death penalty in 2016, executing convicted criminals by hanging.

## **Business and human rights**

- The UN Guiding Principles on Business and Human Rights were endorsed by the UN Human Rights Council in 2011. They are based on a framework of state responsibility to *protect* human rights; business responsibility to *respect* human rights; and the requirement for *remedy* for human rights abuses.
- The UK launched an action plan on implementing the UN Guiding Principles in September 2013 (first in the world). The SG has been liaising closely with the FCO in that process. Implementation plans to give effect to the UNGPs have now been launched by Denmark, Netherlands, Finland, Sweden and Lithuania.
- SNAP contains a commitment to develop a coordinated plan of action in Scotland to give effect to the UNGPs, building on the UK's Action Plan.
- In Autumn 2015, the Better World SNAP Action Group, involving SG, SHRC, Amnesty International and business representatives, commissioned academics at the University of St Andrews to undertake a national baseline assessment (NBA) on the implementation of business and human rights standards in Scotland.
- A national baseline assessment was published in October 2016. Further engagement activity will take place around this evidence base in 2017, from which a process to develop a national action plan will be initiated.
- *Global Scotland - Scotland's Trade and Investment Strategy 2016-2021* seeks to help business play its part in promoting and respecting human rights, and contains a commitment to consider the NBA and engage with businesses and stakeholders to develop further proposals aimed at, among other things, developing advice, training and support for Scottish businesses, and at raising awareness among businesses, and those who advise them, of their legal obligations in relation to human rights. The SG would welcome Amnesty's contribution to this work.
- In November 2016, the Japanese Government announced that it planned to formulate a National Action Plan on Business and Human Rights.

## **Human rights and trade**

- On 1st January 2016, the UN's Sustainable Development Goals (SDGs or 'Global Goals') came into force, replacing the Millennium Development Goals. The Global Goals represent 17 key targets that member states will use to frame their development agendas over the next 15 years on issues ranging from achieving gender equality to ending hunger, and from reducing inequality to revitalising the global partnership for development.
- In July 2015, the First Minister announced that the Scottish Government would adopt the Global Goals, making Scotland one of the first nations on Earth to commit to the Goals. The First Minister also outlined the Scottish Government's plans for implementing the SDGs in Scotland through the National

Performance Framework and the Scottish National Action Plan for Human Rights (SNAP Plan) - a commitment that was praised by the UN, showing Scotland's international leadership on reducing inequality within Scotland as well as beyond our borders.

- Like the UN, the Scottish Government believes that trade and investment can play a vital and positive role across all 17 SDGs. Indeed, the UN's declaration on the SDGs states that: *'International trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development'*.
- Furthermore, action to ensure an international, rules based system for trade and to help developing and least developed countries benefit from that system forms a key element of SDG 17.
- Our aim therefore is not just to improve Scotland's trade and investment performance but also to contribute to inclusive and sustainable development elsewhere, especially in developing countries. In particular, and in line with Scotland's International Framework, Scotland can be a *'Good global citizen'* - using trade to help address global challenges such as poverty and climate change, promote human rights and share knowledge, skills and technical expertise for global good. We will also take action to internationalise Scotland's world leading approach to social enterprise – helping Scottish social enterprises expand internationally and helping others realise the benefits of the social enterprise model.

**MS HYSLOP VISIT TO JAPAN**  
**12-17 FEBRUARY 2017**

**ACTIONS LIST**

Compiled 28 February 2017

This document will be updated on a regular basis with any appropriate actions

WHO	TASK	WHEN	STATUS	NOTES
<b>Japan Foundation</b>				
[REDACTED]	Contact Japan Foundation to ask about outcomes of school teachers' visit.	31/3/17	GREEN	
<b>Nippon Foundation</b>				
Stephen Baker	[REDACTED]	31/3/17	GREEN	
[REDACTED]/ Stephen Baker	[REDACTED]	17/3/17	GREEN	[REDACTED] to get in touch with Marine Scotland to find appropriate contact and inform CSA for Rural Affairs & Environment.
[REDACTED]	[REDACTED]	10/3/17	GREEN	
Stephen Baker	[REDACTED]	31/3/17	GREEN	
<b>Kyowa Hakko Kirin</b>				
Stephen Baker	Follow up on company's future plans.	Ongoing	GREEN	
<b>Toshiba Medical Systems</b>				
Stephen Baker	Follow up on company's future plans.	Ongoing	GREEN	
<b>Toshima Ward/ JSA</b>				
[REDACTED]	Contact JSA to check on progress in planning for Scotland Day	17/3/17	GREEN	
[REDACTED]	Ensure JSA and Toshima Ward are in contact with Scottish cultural bodies, through BC Japan where necessary	24/3/17	GREEN	[REDACTED] to liaise with [REDACTED] at BC Scotland and Manami at BC Japan.
<b>Business Reception</b>				
Stephen Baker	Follow up on company leads generated from the reception	Ongoing	GREEN	
<b>Mitsubishi Electric</b>				
Stephen Baker	Follow up on company's future plans.	Ongoing	GREEN	
<b>Yokokawa</b>				
Stephen Baker	[REDACTED]	31/3/17	GREEN	[REDACTED]
<b>ReproCELL</b>				
[REDACTED]	[REDACTED]	17/3/17	GREEN	[REDACTED]
<b>Minister for Education, Culture, Sports, Science and Technology</b>				
[REDACTED]	[REDACTED]	31/3/17	GREEN	

Tokyo 2020 roundtable				
[REDACTED]	Follow-up with British Council on potential inward delegation to Edinburgh during festivals.	17/3/17	GREEN	[REDACTED] to contact British Council Scotland team [REDACTED]
Dementia Seminar				
Stephen Baker	Follow up with NHS Improvement and University of Stirling on any outcomes	24/3/17	GREEN	[REDACTED] to provide Stephen with contact details for Andrew Morris, Chief Scientist to the NHS.
SDI/ JETRO seminar				
Stephen Baker	SDI to follow up on leads generated from the event	Ongoing	GREEN	Over 80 companies attended. 10 enquiries generated so far.
OKI Data				
Stephen Baker	Follow up on company's future plans.	Ongoing	GREEN	
Rugby stakeholder lunch				
[REDACTED]	Update SRU on meeting	17/3/17	GREEN	[REDACTED] to offer meeting with SRU after 6 Nations.
[REDACTED]	[REDACTED]	17/3/17	GREEN	[REDACTED]
JETRO and Nagasaki Marine Industry Cluster Promotion Association				
[REDACTED]	[REDACTED]	31/3/17	GREEN	
[REDACTED] Stephen Baker	[REDACTED]	31/3/17	GREEN	[REDACTED]
Mayor of Nagasaki City				
Stephen Baker	Brief the Mayor on Scotland's festivals approach and connect the City government with BC Japan	28/4/17	GREEN	
Executive roundtable dinner				
Nagasaki University				
Stephen Baker	[REDACTED]	17/3/17	GREEN	[REDACTED]
[REDACTED]	Contact [REDACTED] regarding forthcoming visit to Scotland	10/3/17	GREEN	[REDACTED] is in touch with [REDACTED] regarding his plans for the visit.
[REDACTED]	Follow up with [REDACTED] on lessons from student placements at UHI and Aberdeen	10/3/17	GREEN	
Stephen Baker	Contact BE Tokyo to suggest visa tests in Nagasaki	31/3/17	GREEN	
Vice Governor of Nagasaki Prefecture				
Stephen Baker	[REDACTED]	17/3/17	GREEN	
[REDACTED]	[REDACTED]	17/3/17	GREEN	
[REDACTED]	[REDACTED]	24/3/17	GREEN	[REDACTED] to source information from relevant policy leads.
[REDACTED]	[REDACTED]	24/3/17	GREEN	

[REDACTED]	[REDACTED]	24/3/17	GREEN	
[REDACTED]	Compile list of letters to be sent by FH	10/3/17	GREEN	[REDACTED] to compile initial list. AI to check for any omissions/inaccuracies
[REDACTED]	Provide any lessons learned from comms activity	17/3/17	GREEN	
[REDACTED]	Produce marketing plan for medium to long term	31/3/17	GREEN	[REDACTED] to arrange a meeting with [REDACTED] to discuss
[REDACTED]	Send [REDACTED] evaluation of media coverage in Japan	17/3/17	GREEN	
All	Keep [REDACTED] informed of any announcements or developments arising from the visit as they happen	Ongoing	GREEN	

## EU Referendum Core Background Briefing Pack

### OVERVIEW AND TOP LINES

#### Background

- The PM will invoke Article 50 'no later than the end of March 2017'; she has said the UK will leave the EU by summer 2019. Michel Barnier, the EU's chief negotiator has suggested negotiations will need to be completed by October 2018 to allow all sides to ratify the deal.
- The Prime Minister has set out her [objectives for Brexit](#). The UK is heading for a hard Brexit – outside the EU single market.
- The Queen's Speech will include a Great Repeal Bill to repeal the 1972 European Communities Act when the UK leaves the EU.
- The Supreme Court's consideration of MP's role in triggering Article 50 was published on Tuesday 24 January. The Supreme Court ruled that the UK government cannot trigger article 50 without act of parliament
- EU leaders including Guy Verhofstadt (the European Parliament's chief Brexit negotiator) Michel Barnier (the European Commission's chief Brexit negotiator), Angela Merkel and Francois Hollande have repeatedly said that the four freedoms (including movement of people and goods) are inseparable.
- The SG published "[Scotland's Place in Europe](#)" on 20 December. This first attempt by any administration in the UK to set out a coherent response to the Referendum vote,
  - argues that, in the absence of the ideal scenario of continued EU membership, Scotland should remain in the European single market.
  - calls on the UK to deliver full single market membership in the forthcoming negotiations, preferably for the UK as a whole and certainly for Scotland.
  - sets out how this could be achieved by negotiating either continued European Economic Area (EEA) membership for the UK or a differentiated approach allowing Scotland to remain an EEA member.
  - makes clear that, whatever form Brexit takes, more powers will need to be devolved to the Scottish Parliament to allow Scotland to protect its interests.
- This delivers on the commitment the First Minister made on 13 October. We now expect the UK Government to consider these proposals as part of the Article 50 process.
- Contained within Scotland's Place in Europe are the **five key interests** set out by the FM **Scotland voted overwhelmingly in favour of remaining in the EU:**
  - a) Economic interests** – in particular, retaining membership of the European Single Market and its market of 500 million people in addition to free trade across the UK; protecting the thousands of jobs that are directly linked to our place in that market; ensuring our firms have access to the EU workforce they need; and pursuing the collaboration and funding that is so essential to our future prosperity.
  - b) Solidarity** – supporting the ability of nations to come together for the common good of all of our citizens to tackle crime and terrorism and deal with important global challenges like climate change; protecting the rights of EU citizens to settle in Scotland and continue to contribute to the development of our economic prosperity and diverse communities with reciprocal arrangements for our citizens living, working and studying in other EU countries.
  - c) Social protection** – ensuring the continued protection of workers' rights and maintaining social, environmental and human rights advances.
  - d) Democratic interests** – respecting Scotland's overwhelming vote to remain in the EU and ensuring that Scotland's distinctive voice is heard, particularly in our future relationship with the EU and European Single Market, and that our wishes are respected.
  - e) Influence** – safeguarding our ability to shape the laws and policies that define our future economic and social development.
- The Welsh Government's [proposals](#) were published on 23 January. Key interests set out include: The Single Market and International Trade, Migration, Finance and Investment, Constitutional and Devolution issues, Social and Environmental Protections and Values and Transitional Arrangements.

## **Top lines**

- The Prime Minister has said the UK is heading for a hard Brexit – outside the EU Single Market. Scotland did not vote for the direction set out in the Prime Minister’s speech and the Scottish Government is determined to protect Scotland’s national interests.
- On 17 January the Scottish Parliament voted by a clear majority for Scotland’s place in the Single Market to be protected, and agreed that “alternative approaches within the UK should be sought that would enable Scotland to retain our place within the single market”.
- The Scottish Government’s paper, “Scotland’s Place in Europe” sets out proposals that would protect Scotland’s interests and makes clear the importance of single market membership to our economy. The paper sets out a route through which Scotland could remain in the European Single Market, even if the remainder of the UK chooses to leave. The paper also calls for a substantial transfer of power from Westminster to Scotland in order to protect Scotland’s interests, and the rights currently enjoyed as EU citizens, as much as possible while we are inside the UK but outside the EU.
- There was agreement at the JMC (P) on 30 January from the Prime Minister to intensify joint work on the Scottish Government’s proposals. Time is running out for the UK Government to step up to this commitment. We have not yet seen evidence that Scotland’s voice is being listened to or our interests taken into account.
- The UK Government must give serious consideration to our proposals, in line with the Prime Minister’s commitment on 15 July for full engagement with Scotland, and for Article 50 not to be triggered until there are objectives for negotiations “that deliver a Brexit that works for the whole of the UK.”
- The Scottish Government welcomes the Welsh Government’s paper as a serious contribution to the debate on future relations with Europe, particularly the importance of the Single Market. Together with the Scottish Government’s paper, the Welsh Government paper shows why the UK Government must listen to the concerns of the devolved governments over the harmful impact on jobs and livings standards that might result from leaving the EU in the manner outlined by the Prime Minister last week (17 January), and emphasises the need for the Article 50 letter to include provision for differentiated approaches.
- The Supreme Court judgement has made clear that the UK Government cannot take us out of the European Union without at least a vote of the Westminster Parliament, and Scottish Government welcomes this.
- The Supreme Court has recognised that leaving the EU would alter the powers of the Scottish Parliament and the Scottish Government. It also recognised that the Sewel Convention, by which the Westminster Parliament does not normally legislate in devolved areas without the consent of Holyrood, is a permanent political feature of the devolution settlement.
- The UK Government, in its submission to the court, went out of its way to emphasise that the Sewel Convention could not be enforced by the courts. But it has never sought to change the powers of the Parliament or the Scottish Government without the consent of the Scottish Parliament. There is nothing in the Supreme Court judgement that affects this, and the UK Government must not renege on that long standing constitutional requirement.

- The Scottish Government will bring forward a Legislative Consent Motion and ensure that the Scottish Parliament has the opportunity to vote on whether or not it consents to the triggering of Article 50.
- The Prime Minister has made numerous statements and commitments that there would be a UK approach to Brexit. We published our proposals to protect Scotland's interests in Europe at the end of last year and we have yet to have any detailed response, or any indication of whether or how the UK Government intends to take them forward as part of its forthcoming negotiations.

**The Scottish Government embraces the four freedoms and believes that, short of EU membership, full membership of the Single Market and Customs Union is the best outcome not just for Scotland but for the whole of the UK**

- Scotland should continue to be a member of the European Economic Area (EEA), even if the UK leaves. This would safeguard social and environmental protections and would pave the way for additional close collaboration with the EU in other areas.
- Should the remainder of the UK choose not to be a member of the European Single Market we need a differentiated approach for Scotland .
- The UK's Article 50 letter needs to include an intention to pursue a differentiated approach for Scotland; as the UK Government is considering arrangements to take account of the particular circumstances of Northern Ireland and Gibraltar – they should also do so for Scotland.
- A differentiated approach would allow Scotland to enjoy the benefits of the European Single Market in addition to – not instead of – free trade across the UK. There would be no need to make that choice.

**The decision for the UK to leave the EU means the Scottish Parliament will need more powers**

- The Scottish Government is clear that triggering Article 50 will directly affect devolved interests and rights in Scotland.
- The UK's current constitutional arrangements are underpinned by membership of the EU. Leaving the EU therefore requires reconsideration of the devolution settlement as part of the process of leaving the EU.
- There is also a need to devolve more powers to safeguard current EU rights and social protections in areas such as employment, and to allow the Scottish Parliament to protect Scotland's wider interests, including any differentiated relationship with Europe. 'Scotland's Place in Europe' sets out detailed proposals on this.
- The FM has made clear that any proposal to remove Scotland from the EU would need legislation at Westminster, and that legislation would require the consent of the Scottish Parliament.

**The Scottish Government will continue to engage with EU partners to ensure that our voice is heard, our position understood, and that all options are on the table**

- We have engaged with other EU member states and institutional partners over the past six months following the EU referendum to raise awareness of the way Scotland voted and our determination to retain our relationship with Europe.

- We are not seeking a separate, parallel negotiation with the EU institutions or member states. We absolutely accept that the negotiation that will start on the triggering of Article 50 will be between the UK and the EU.
- The Scottish Government's proposals are aimed first and foremost at the UK Government and we look forward to these being discussed through the Joint Ministerial Committee framework.

**If Scotland's interests cannot be protected in a UK context, independence is an option people in Scotland must have the right to consider**

- We have published a draft independence referendum bill for consultation so that it is ready should the Scottish Government conclude that independence is the best or only way to protect Scotland's interests.
- Any decision on a further referendum including the timing of it will be for the Scottish Parliament to take having considered all the options for Scotland's future relationship with the EU.

**The legal status of EU citizens living in Scotland and Scottish citizens living in other EU countries will not change for the time being**

- The 181,000 citizens of other EU countries living in Scotland who have chosen to make their home in Scotland enrich our culture, strengthen our society and boost our economy<sup>1</sup>.
- As the First Minister said on 24 June – “citizens of other EU countries living here in Scotland remain welcome here, Scotland is your home and your contribution is valued.”
- The Scottish Government is exploring all possible avenues for Scotland to retain the benefits of EU membership, for which Scotland voted – and this includes freedom of movement.

---

<sup>1</sup> Note: no precise figure is available for Scots living in the EU . 2015 data estimates 1.2 million UK Citizens live in other EU countries.

## BENEFITS OF EU MEMBERSHIP

EU membership enables us to play a meaningful role in collective action to address major challenges affecting the continent. From tackling youth unemployment and dealing with the serious impacts of climate change, to addressing the current global refugee crisis. Through solidarity, support, and collaboration we can achieve far more than individual states acting alone ever could.

- The freedom to move capital, people, goods and services has removed barriers to trade, opening Scotland to the Single Market of more than 500 million people.
- EU membership supports over 300,000 jobs directly and indirectly and provides access to €76.4 billion (around £58 billion) of research and innovation funding.
- The EU is the main destination for Scottish exports, receiving 42% of Scotland's International exports, worth around £11.6 billion in 2014.
- In 2015 there were over 2,310 foreign-owned companies in Scotland, employing around 314,000 people with a combined turnover of £90 billion - around 42% of these companies were ultimately owned by firms based in the EU.
- The common framework for EU law prevents the exploitation and discrimination of workers and **protects rights** to maternity and parental leave, rights to paid leave, health and safety and labour law.
- The EU Charter of Fundamental Rights ensures a common minimum standard across the EU.
- Free movement of labour is particularly important to Scotland, to grow our population to help address skills gaps and deal with an ageing population.
- EU membership makes us safer and supports the international cooperation necessary to combat cross-border crime and terrorism.
- The **European Arrest Warrant** (EAW) has allowed the UK to extradite more than 5,000 people to elsewhere in Europe in the last 5 years, and bring 675 suspected or convicted wanted individuals back here to face justice.
- EU legislation enables states to work together to prevent the spread of illness and disease and promote healthy lifestyles.
- EU membership gives us access to the European Health Insurance Card (EHIC), so we can access **healthcare** when on holiday in the EU.
- In the past decade, **41%** of UK public funding for cancer research was provided by the EU.
- The EU programme Horizon 2020 is vital to funding **innovation and research** since 2014; almost €250m of funding has been secured by Scottish organisations.
- EU membership has supported a reduction in the cost of phone calls and the removal of roaming charges across the EU.
- EU funds contribute to efforts in Scotland to address inequalities.
  - The European Structural and Investment Fund (ESIF) 2014–2020 programme is investing around €941 million (£716 million) in Scotland.
  - The European Regional Development Fund invested €497.8m (£387 million) and the European Social Fund, €322m (£250 million) between 2007-2013.

- Under the 2014-20 programmes so far, £43 million is being invested in helping people into work, £31 million on supporting Scottish businesses and £10 million on promoting more efficient, greener services across Scotland's cities.
- HMT estimates that EU membership and membership of the single market increases trade by between 65-85% relative to WTO membership.

## THE EUROPEAN SINGLE MARKET

The EU single market is underpinned by the following four freedoms:

- **Goods** – free movement of goods with high safety standards and protection of the environment.
- **Services** – freedom to establish a company and/or provide or receive services in another EU country.
- **Workers** – enabling people to travel, live, work and study wherever they wish.
- **Capital** – unrestricted movement between Member States and third countries.

### Benefits of the Single Market to Scotland

- The single market has removed barriers to trade and opened Scotland to a market of over 500 million people and 21 million small and medium-sized enterprises<sup>2</sup>. Businesses selling in the EU have unrestricted access to these consumers, helping them to stay competitive.
- As a result, Scotland's exports to the EU are now worth more than £11.6 billion a year, or 42% of the country's total international exports.
- Scotland is the most attractive region for Foreign Direct Investment (FDI) in the UK outside of London, according to Ernst & Young; 79% of investors into the UK cite access to the Single Market as important when deciding where to invest, as it allows EU and non-EU companies easy access to European markets.
- There are nearly 1,000 EU-owned companies in Scotland employing over 115,000 people and Scotland secured more FDI projects than any part of the UK outside of London in 2015.
- There are currently around 181,000 non-UK EU nationals living in Scotland, bringing new skills and expertise and in turn helping to underpin future productivity growth.
- The European Commission is currently working to remove barriers for companies looking to offer cross-border services and to make it easier for them to do business. Services are crucial to the Scottish economy and account for over 70% of our GDP.

### Impact of Leaving the Single Market

- Leaving the single market could potentially increase the cost of exporting to EU markets (due to the introduction of tariffs, leaving the customs union and other non-tariff trade barriers), reduce the country's attractiveness to overseas investors and impose restrictions on labour thus increasing skills shortages and reducing productivity.
- Analysis published by the Scottish Government on 23 August 2016 suggests that by 2030, Scottish GDP is projected to be between £1.7 billion and £11.2 billion per year lower than it would have been if Brexit does not occur. Tax revenue is projected to be between £1.7 billion and £3.7 billion lower.
- Eight of Scotland's top 12 export destinations are within the European Union, and over 300,000 Scottish jobs were estimated to be associated with exports to the EU in 2011 by the *Centre for Economics and Business Research*.

---

<sup>2</sup> [European Commission](#)

- The Fraser of Allander Institute [report](#) on Long Term Economic Implications of Brexit, concluded that under a WTO scenario without access to the single market, around 10 years after Brexit Scottish GDP would be 5% (£8bn in 2015-16 terms) lower , exports 11% lower, real wages 7% lower (equivalent to a reduction of around £2,000 per year) and the number of people employed is 3% lower (around 80,000 jobs) than would otherwise be the case.

## **EUROPEAN ECONOMIC AREA (EEA) vs THE SINGLE MARKET**

The contracting parties to the Agreement on the European Economic Area (EEA) are the 28 EU member states and the three EFTA members: Norway, Iceland and Lichtenstein (sometimes referred to as the **EEA EFTA countries**).

EEA EFTA countries must comply with all EU regulation concerning the production and marketing of goods and services, and are assumed to do so at the border.

### **Four Freedoms**

At the core of the EEA Agreement is the requirement that the EEA EFTA countries adhere to the four freedoms of the EU single market and give effect in domestic law to all EU law obligations that impact on the rules of the EU single market.

EEA membership would require the UK to re-join EFTA then sign up to the EEA. All EU and EFTA members would have to agree.

### **Differences between the EEA and the Single Market**

Although the EEA Agreement is a Free Trade Agreement (FTA) which provides access to the EU single market, the Agreement does not extend to the EU customs union, which is a component of the single market.

The EU Customs Union has abolished customs borders and procedures between EU member states, but these are still in place in trade between the EEA EFTA States and the EU, as well as in trade between the three EEA EFTA States. Furthermore, the common customs tariff on imports to the EU from third countries is not harmonised with the customs tariffs of the EEA EFTA States. This means that there is duty free trade in third country imports crossing EU internal borders but not for such goods crossing the EU/EEA border.

The EEA Agreement prohibits tariffs on trade between the Contracting Parties; all products, except certain fish and agricultural products, may be traded free of tariffs within the EEA providing they originated in the EEA.

Due to differences in agricultural and fisheries policies, the EEA EFTA States and the EU conduct their trade in basic agricultural and fisheries products through bilateral agreements.

The EEA agreement is limited compared to EU membership; in the period 2000–2013 only 9.05% of all EU legislation was incorporated into the EEA agreement (a total of 4,724 EU laws were incorporated into the EEA agreement whilst the EU adopted 52,183 pieces of legislation). However EEA EFTA countries have limited influence over the EU legislation that they do adopt.

### **Among other things, the EEA agreement does not include:**

- the customs union;
- the common trade policy; in WTO negotiations, the European Commission represents all EU member states. Individual EEA members have their own voices.
- the common foreign and security policy;
- the common agricultural policy and the common fisheries policy (although the agreement contains provisions on trade in agricultural and fishery products);

- the field of justice and home affairs (although all the EFTA countries are part of the Schengen area); or
- the economic and monetary union (EMU).

## THE CUSTOMS UNION

Unlike in a Free Trade Area (FTA), members of a Customs Union impose a common external tariff on all goods entering the union, whilst eliminating tariffs and quotas on intra-area trade in goods. Thus, the EU Customs Union helps achieve free trade in goods between member states by removing trade barriers within the EU Customs Union, whilst and having a free trade area with a common external tariff.

All products imported from outside the EU Customs Union (including from the EEA, which is not part of the EU Customs Union) are subject to '**Rules of Origin**' procedures. This requires companies to prove the origin of all the components in their products, so as to determine whether it can benefit from a tariff concession or preference. In practice, trade agreements between the EU and third countries, regional trade blocs and free trade areas determine the rate of duty and customs conditions, and some goods qualify for preferential rates i.e. lower or nil customs duty. The EU negotiates as a single entity in all international trade negotiations. To date the EU has 36 agreements covering 53 markets.

The EU Customs Union is the biggest customs union in the world (based on the economic output of all its members), enabling more than €3 trillion worth of goods to flow in and out of the EU each year. It represents all EU member states, Monaco and some non-EU territories of the UK. The EU also has customs union agreements - which vary in scope, such as type of goods covered - with Turkey, Andorra and San Marino. The EU Customs Union does not include the EEA EFTA States (Iceland, Liechtenstein, and Norway) which have their own free trade agreements).

As Customs Unions represent an exception to the most-favoured nation principle that governs international trade, they (as well as other Preferential Trade Agreements) must be agreed upon with the World Trade Organisation.

Goods from outwith the EU Customs Union, once cleared by customs in one member state, can move freely within the EU on the basis that all Member States apply the same rules at external borders (tariffs, quotas and product regulations and standards). As a result, intra-area administrative and fiscal trade barriers such the time and charges for customs checks are largely absent and goods only undergo a single customs inspection - there are no customs duties levied on goods travelling within the EU Customs Union.

The effect of leaving the customs union will depend on any agreement reached. If the UK agrees a free trade deal, business will incur costs (administration and customs charges) to meet the rules of origin and prove that the goods and products are from the UK. At the same time, leaving the EU Customs Union will allow the UK to negotiate its own trading arrangements with third countries. If no trade agreement is reached, under the WTO, goods would face the EU's full common external tariffs<sup>3</sup> as well as customs checks and other non-tariff/regulatory barriers.

The extent to which tariff barriers and non-tariff/regulatory burdens affect trade differs across sectors and markets. For example, food and beverages may be

---

<sup>3</sup> [World Tariff Profiles](#)

particularly affected by tariff barriers and certain regulatory requirements; and custom costs and adhering to common standards may impose cost on sectors such as chemicals and advance manufacturing.

## **CONSTITUTION AND DEVOLVED POWERS**

### **Key Facts and Issues**

- The UK leaving the European Union will mean the repatriation of EU competencies in areas for which the Scottish Parliament is wholly or partly responsible, such as agriculture, fisheries and some areas of environmental policy and justice.
- Brexit alters the legal basis for the current devolution settlement: EU law is a major source of devolved functions, rights and powers. Our devolution settlement will therefore need to change to reflect these changed circumstances.
- Beyond this, Scotland will also need the necessary powers to protect its five key interests (democracy, economy, solidarity, social protections and influence), and our relationship with Europe. These should include significant new powers in areas like immigration and the ability to strike international deals.

### **TOP LINES**

- The UK leaving the European Union will mean the repatriation of EU competencies. For Scotland, competence will automatically transfer in areas for which the Scottish Parliament is wholly or partly responsible, such as agriculture, fisheries and some areas of environmental policy and justice.
- There can be absolutely no question of the UK Government attempting to reserve powers currently devolved and the Scottish Parliament would not consent to such proposals. If there is a need to develop a common UK framework, this can be achieved through agreement and negotiation.
- Whatever the eventual relationships between the Scotland, the rest of the UK and the EU, 'Brexit' also alters the fundamental basis for the current devolution settlement.
- EU law is a major source of devolved functions, rights and powers for the people of Scotland. Our devolution settlement will therefore need to change to reflect these changed circumstances. On the UK leaving the EU, Scotland must have the necessary powers to protect its five key interests (democracy, economy, solidarity, social protections and influence), and our relationship with Europe. These should include significant new powers in areas like immigration and the ability to strike international deals.
- Leaving the EU will change the nature of the UK as a state. The balances and safeguards provided by minimum standards agreed across 28 states will be removed. There is a risk of power concentrating at Westminster. There is therefore an urgent need to realign the powers and responsibilities of the devolved administrations, and the relationships of transparency and respect between the nations of the UK, to ensure that the interests and priorities of all in these islands are properly represented and protected on the UK leaving the EU.

## **OPTION OF FURTHER INDEPENDENCE REFERENDUM**

### **Top lines**

- FM regrets the decision of the UK to leave the EU and has a duty to respond to the democratic wishes of the people of Scotland. The UK vote means that Scotland risks being taken out of Europe against its will and that is democratically unacceptable.
- In ensuring we consider all options for protecting Scotland's relationship with the EU, FM has said that independence has to be considered. However, the starting point is to protect our place in Europe.
- Our priority is to protect Scotland's interests. We are considering all possible options to ensure Scotland's continuing relationship with, and place in, the European Union.
- If we find our interests can't be protected in a UK context, independence is one of those options and people in Scotland must have the right to consider it.
- As announced in the Programme for Government, we have [published](#) a consultation on a draft of a referendum bill for consultation so that it is ready for introduction should the Scottish Government conclude that independence is the best or only way to protect Scotland's interests in the wake of the EU referendum.
- A decision on a further referendum (including the timing of it) will be for the Scottish Parliament to take having considered all the options for Scotland's future relationship with the EU.
- The Scottish Government is clear that decisions about a referendum are a matter for the people of Scotland.

### **[If asked about UK Government or Westminster agreement to a referendum]**

- The Scottish Government is clear that decisions about a referendum are a matter for the people of Scotland.

## UK Government Brexit Strategy

On 17 January the Prime Minister outlined her [objectives for Brexit](#). These centred on four principles and twelve negotiating priorities. She said these amount to one big goal: a new, positive and constructive partnership between Britain and the European Union.

The four principles are:

- Certainty and clarity;
- A stronger Britain;
- A fairer Britain;
- A truly Global Britain.

The 12 negotiating priorities are:

1. Provide certainty about the process of leaving the EU;
2. Control of our own laws;
3. Strengthen the union between the four nations of the United Kingdom;
4. Maintain a common travel area with Ireland;
5. Control of immigration from the EU;
6. Rights for EU Nationals in Britain and British Nationals in the EU;
7. Protect workers' rights;
8. Free Trade with European markets through a free trade agreement;
9. New trade agreements with other countries;
10. The best place for science and innovation;
11. Co-operation in the fight against terrorism;
12. A smooth, orderly Brexit.

The Prime Minister ruled out remaining in the single market favouring the greatest possible access to it through a new, comprehensive, bold and ambitious free trade agreement. The Prime Minister stated that Brexit must mean control of number of people coming to the UK from Europe.

Under this plan Britain would not be part of the customs union as full customs union membership would stop the UK from being able to strike trade deals. Britain would aim to have tariff-free access to EU markets and a customs agreement with the EU.

The Prime Minister's plan would include agreement within two years and a phased process of implementation thereafter. The Prime Minister said that the Scottish Government's paper would be considered as part of the process.

## OVERVIEW OF ARTICLE 50 AND SUPREME COURT JUDGEMENT

- A decision to withdraw from the EU is made by the Member State wishing to leave the EU and does not need to be agreed by other Member States.
- No Member State has triggered Article 50 or tried to leave the European Union previously.
- The date of the UK's withdrawal from the EU would be the day that the withdrawal treaty (WT) enters into force. In the intervening period, the UK remains a full Member State of the EU.
- The decision to conclude a withdrawal treaty is taken by a qualified majority in the Council with the approval of the European Parliament. The European Parliament thus has a right of veto over the treaty. Article 50 does not, however, require a withdrawal treaty to be ratified by other Member States.
- On withdrawal it would be necessary to modify the EU Treaties to update their provisions. Such a modification would be effected by a revision treaty, which would be adopted according to the ordinary revision procedure.
- If a WT were not concluded, the UK's withdrawal from the EU would happen automatically two years after the notification of the UK's decision to leave was notified to the European Council (via Article 50).
- In the absence of a withdrawal treaty, it is technically possible to negotiate and conclude another agreement with the EU in order to establish what kind of relationship the UK would have with it going forward. This provision allows for the extension of the two year period for withdrawal, subject to the unanimous consent of the other EU Member States.
- Any Member State which requests to leave the EU and then subsequently wishes to re-join must undergo a full accession process – fulfilling the Copenhagen Criteria and demonstrating its ability to adhere to the *acquis communautaire*.
- Legally, a withdrawal treaty is a standalone agreement, quite separate from any future agreement setting out the terms of a new relationship between the UK and EU, and is likely to be separate from any transitional deal (though this is not certain).
- While it is clear that ratifying a proposed withdrawal treaty under Article 50 requires a qualified majority in the Council of EU Ministers and the consent of the European Parliament, it is less clear how agreement would be reached on a post-Brexit relationship.

### Article 50 Supreme Court Judgement

#### ISSUE:

- On 24 January 2017, the Supreme Court ruled that the UK Parliament must be given a vote on whether the UK Government can trigger Article 50 and begin the Brexit process. The Court unanimously rejected the Scottish Government's argument that the legislative consent of the Scottish Parliament must also be sought prior to triggering Article 50.
- However, the judgement recognised that the Sewel Convention (whereby the UK Parliament will not normally legislate with regards to devolved competence without the consent of the Scottish Parliament) has an 'important role in facilitating harmonious relationships between the UK Parliament and the devolved legislatures'. The judgement acknowledged the "fundamental

role” that constitutional conventions play in the operation of the UK constitution. The Court therefore ruled that while Sewel was not justiciable (i.e. it was not legally enforceable), it was a permanent political feature of the devolution settlement.

- The judgement also recognised that giving UK Government the power to trigger Article 50 would give UK Ministers the power to alter devolved competence:

‘The EU constraints are a means by which the UK Parliament and government make sure that the devolved democratic institutions do not place the United Kingdom in breach of its EU law obligations. The removal of the EU constraints on withdrawal from the EU Treaties will alter the competence of the devolved institutions unless new legislative constraints are introduced. In the absence of such new restraints, withdrawal from the EU will enhance the devolved competence.’

- On the afternoon of 24 January, the Secretary of State for Exiting the European Union made a statement in the House of Commons which said that a “straightforward Bill” would be introduced at Westminster within days which would give the Government the legal power to trigger Article 50. David Davis also indicated that “while [the Supreme Court judgement] provides welcome clarity, it in no way diminishes our commitment to work closely with the people and administrations of Wales, Scotland and Northern Ireland as we move forward with our withdrawal from the European Union”.

## Top lines

- The Supreme Court judgement has made clear that the UK Government cannot take us out of the European Union without at least a vote of the Westminster Parliament, and Scottish Government welcomes this.
- The Supreme Court has recognised that leaving the EU would alter the powers of the Scottish Parliament and the Scottish Government. It also recognised that the Sewel Convention, by which the Westminster Parliament does not normally legislate in devolved areas without the consent of Holyrood, is a permanent political feature of the devolution settlement.
- The UK Government, in its submission to the court, went out of its way to emphasise that the Sewel Convention could not be enforced by the courts. But it has never sought to change the powers of the Parliament or the Scottish Government without the consent of the Scottish Parliament. There is nothing in the Supreme Court judgement that affects this, and the UK Government must not renege on that long standing constitutional requirement.
- The Prime Minister has made numerous statements and commitments that there would be a UK approach to Brexit. We published our proposals to protect Scotland’s interests in Europe at the end of last year and we have yet to have any detailed response, or any indication of whether or how the UK Government intends to take them forward as part of its forthcoming negotiations.

## **IMPACT ON BUSINESS AND THE ECONOMY**

The EU referendum outcome has generated volatility in financial markets and heightened economic uncertainty across the UK - raising fears of lower economic growth. At this point the impact is uncertain but it is clear that the decision to leave the European Union will be followed by a period of uncertainty with the potential to create a significant economic shock. Since the vote, Ministers and officials have had extensive engagement with business. Companies have welcomed the leadership shown by the First Minister and the stability offered by the Scottish Government, but there is concern for the future outlook.

The Scottish Government must not lose sight of the trade, investment and other opportunities that are presented by the gap in both the referendum outcome and response between Scotland and the rest of the UK. Our determination to ensure that Scotland's place in the single market is safeguarded provides an excellent opportunity to put forward a positive case for building our export base, investment in Scotland and attracting skills and talent, and to highlight the difference in our approach compared to rUK.

Secondly, working closely with the enterprise agencies and local authorities to ensure a coordinated response by the Scottish public sector, drawing on external expertise from the private sector, business organisations, trade unions and other key stakeholders. The aims of that engagement are to:

- Broadcast and reinforce Scottish Government messages and priorities, raising awareness and understanding;
- Listen to individual businesses and raising our collective awareness and understanding of what we might do (differently) to better support growth; and
- Foster related policy and operational capacity/actions with greater impact, including and through partnership working.

### **Lines to take**

- Leaving the EU is likely to weaken the economy; according to the UK Government's own analysis leaving the single market could lower Scotland's GDP by more than £10 billion, and the National Institute of Economic and Social Research suggests Scotland's exports could be cut by more than £5 billion if we fail to retain access to the single market.
- We are acting decisively to help counter economic uncertainty. As part of the Programme for Government FM announced a £500 million Scottish Growth Scheme, and on 10 August, FM announced a £100 million Capital Acceleration Programme to stimulate the economy.
- We have also set up a dedicated Post-Referendum Business Network service to provide information and support to businesses affected by referendum result.
- We will implement a four-point plan to boost trade and exports, ensuring that our European friends know that Scotland is open for business.
- The Scottish Government has guaranteed to finance all EU funded projects agreed prior to Brexit. This includes funding for the Scottish Rural Development Programme, EU Structural Funds, projects under the European Maritime Fisheries fund, Horizon 2020 and European Territorial Co-operation programmes. In addition to this the Treasury has stated they will underwrite the payment of

such awards, even when specific projects continue beyond the UK's departure from the EU.

- We welcome the statement issued jointly by Scotland's main business organisations on 8 July, which confirmed that:
  - Scotland's businesses need continued access to the single market and free movement of labour;
  - Scotland's businesses need information and support which is clear, relevant and up to date;
  - Scotland remains part of the EU and an attractive and stable place to do business, with a fundamentally strong economy.
- We established a dedicated Information Service to answer companies' questions about the Business implications of the Referendum result (launched on 22 August).
- On 10 August, FM announced a new Capital Acceleration Programme with measures to support and stimulate the economy in the wake of the EU referendum. An additional £100 million of Capital funding will be made for projects that support and create employment and speed up delivery of health and infrastructure projects.
- FM has called upon UK Government for urgent action and a UK wide stimulus package to enable the SG to do more to accelerate capital spending.
- Analysis published by the Scottish Government on 23 August 2016 suggests that by 2030, Scottish GDP is projected to be between £1.7 billion and £11.2 billion per year lower than it would have been if Brexit does not occur. Tax revenue is projected to be between £1.7 billion and £3.7 billion lower.

## **IMPACT ON UNIVERSITIES**

Eligible non-UK **EU students** continuing a degree or starting a course in the new academic year (2016-2017) at a Scottish university will pay no tuition fees for the duration of their course. Further to this commitment, at the 2016 SNP Party Conference, the Deputy First Minister announced that eligible EU students commencing studies in 2017-18 would continue to be eligible for free tuition at Scottish universities for the duration of their course.

### **Universities: Outcome of EU Referendum**

- We have reassured current non-UK EU students and those starting their course this year that it is 'business as usual' with regard to their tuition fee status.
- We have also provided a clear commitment regarding the continued free tuition fees for those non-UK EU students applying to study in Scotland in 2017-18.
- We have continually urged the UK Government to immediately clarify the immigration status of non-UK EU nationals living in Britain.
- There has been no change of the right of EU nationals to reside in the UK. Scotland as part of the UK remains part of the European Union, and EU nationals working and studying in Scotland continue to be able to exercise their rights under EU Freedom of Movement
- Scotland as part of the UK remains part of the European Union and so continues to be eligible to participate in EU funding programmes. This has been confirmed by the EU Research Commissioner Carlos Moedas himself.

### **Colleges: Outcome of the referendum**

- The UK vote to leave the EU presents a period of uncertainty for our education sector, including colleges.
- We will look to the Scottish Funding Council and other partner bodies such as Skills Development Scotland to work together to determine the likely impact on the sector in terms of EU funding, non-UK EU students and EU staff.
- We will continue to discuss any issues raised by colleges and students on the impact of the referendum result and how we can all ensure Scotland's colleges remain attractive and enhance their competitiveness in a global education market.

### **Immigration and Freedom of movement**

- We will continue to discuss with universities and students the impact of the referendum result and how we can all ensure Scotland's universities remain attractive, competitive and diverse.

### **Erasmus+**

- There has been no change of the right of EU nationals to reside in the UK. Scotland as part of the UK remains part of the European Union, and EU nationals working and studying in Scotland continue to be able to exercise their rights under EU Freedom of Movement
- British Council estimates published in November 2016 show that to date, **€41,848,903** has been awarded for successful projects based in Scotland since Erasmus+ began in 2014.
- British Council estimates published in November 2016 show that in 2016, to September (calls 1 and 2), 168 projects with the lead partners based in Scotland

were awarded funds in schools (102), higher education (34), vocational education and training (16), youth (13), and adult education (3) to a total value of €14,233,084 from a UK total of €120,148,944

- In 2015, 155 projects with the lead partners based in Scotland were awarded funds in schools (77), higher education (38), vocational education and training (22), youth (16), and adult education (2) to a total value of **€14,719,965** from a UK total of €121,912,288
- In 2014, 155 projects with the lead partners based in Scotland were awarded funds in schools (99), higher education (25), vocational education and training (16), youth (13) and adult education (2) to a total value of **€12,895,854** from a UK total of €112,366,896.

### **Horizon 2020**

- Scotland is an active and valued partner in a large number of EU research collaborations and has secured significant funding from EU research programmes as a result.
- Scotland as part of the UK remains part of the European Union and so continues to be eligible to participate in EU funding programmes. This has been confirmed by the EU Research Commissioner Carlos Moedas himself.
- Scotland has secured almost €296 million in total of Horizon 2020 funding (to September 2016). This represents 1.7% of the total Horizon 2020 budget allocated to date. Of this figure Higher Education Institutions (HEIs) have secured €217.5 million and Research Institutes over €18 million.
- We will look for opportunities to reinforce the key messages agreed with Universities Scotland that universities in Scotland remain committed to collaborating with our European partners and to attracting the best international talent. (From joint statement with Universities Scotland, published 21 July.)
- While the UK Government's guarantee on Horizon 2020 funding is welcome as far as it goes, it fails to recognise what we would otherwise have received as continuing members of the EU. We are intent on pursuing all options to maintain our relationship with the EU so that these benefits can be preserved.

## IMPACT ON FOOD AND DRINK

### Key Facts and Issues

**The EU is Scotland's biggest overseas regional food and drink<sup>1</sup> export market, so retaining access to the single market of over 500 million people is vital**

- Total food and drink exports to the EU in 2015 were worth around £2 billion - accounting for 39% of Scotland's total overseas food and drink exports
- The majority (69%) of Scotland's overseas food exports go to the EU, worth £724 million in 2015;
- Food and Beverages may be particularly affected by tariff barriers and certain regulatory requirements
- 79% of Scottish seafood exports (by value) go to EU countries, with 7 of the top 10 countries Scotland exports fish and seafood to being in the EU;
- Almost a third (31%) of total overseas Scotch Whisky exports (worth approx. £1.3 billion in 2015), go to the EU;
- Trade underpins food security and so tariff-free access to raw material imports from the EU is essential.  
Non-UK EU nationals are an important part of the food production workforce: it is estimated that approx. 30% of the workforce in the UK food and drink sector are EU nationals.

### TOP LINES

**Leaving the EU will increase costs to food businesses and reduce access to global markets; maintaining continuity in the regulatory regime is crucial to keep doors to markets open**

- The 60 EU Free Trade Agreements (FTAs) give preferential tariffs and reduce costs to exporting businesses through harmonised regulations e.g. sanitary and labelling standards, bottle sizes etc.
- Import tariffs would likely raise input costs for food producers, raise consumer prices and harm competitiveness. This is in addition to the impact of a depreciating pound.
- Export Health Certificates, costing around £300 per consignment, would be needed for all trade with the EU in meat, fish, dairy products, live animals and regulated plants and plant products. With seafood accounting for 62% of the value of Scotland's food exports to the EU, this would have a significant impact on Scotland.
- Regulations on animal and plant health and food safety remain essential for our reputation and to access EU markets. Businesses need reassurance that these rules will be maintained to reduce uncertainty and increased costs.
- The Scottish Government is looking at all options for ensuring the continued protection of geographical indications.

## **BACKGROUND**

The EU provides legal protection for named regional food products within the EU and with the rest of the world through existing EU FTAs which has benefited iconic Scottish products such as Scotch whisky and Scotch beef.

## **Q & A**

### **What is the Importance of Food and Drink Exports to Scotland vs. UK?**

- Food and drink exports are more significant to the Scottish economy than the UK, accounting for 30% of Scotland's total overseas exports compared to only 7% of UK exports.
- Significant differences exist between the top products exported to the EU, Scotland's top food export is fish and seafood, which in 2015 accounted for 62% of the total value of its food exports to the EU.
- Scotland is a net-exporter of food and drink to the EU, while the UK is a net-importer. This could influence the extent to which the UK Government is willing to enter a free-trade agreement with different countries.
- The EU is a larger export market for the UK than Scotland, accounting for around 60% of overseas food and drink exports compared to 39% for Scotland. This difference is driven by the relative importance of whisky to non-EU overseas markets. While whisky is clearly important to UK food and drink exports (accounts for around a fifth of total UK food & drink exports), whisky is more important to Scotland - accounting for about 80% of the value of Scotland's overseas F & D exports.

## IMPACT ON ENERGY AND CLIMATE CHANGE

### Key Facts and Issues

- Energy & Climate Change Directorate's initial high level analysis of macroeconomic impacts, legal implications and discussions with stakeholders set out five emerging priorities for energy and climate change in the Brexit negotiations:
  - **internal market** – maintaining full access for Scottish businesses and ensuring continued integration and interconnection of gas, electricity and hydrocarbon markets and infrastructures; ensuring continued free movement of labour that is vital for energy engineering, offshore oil and gas and research collaboration.
  - **security of supply** – remaining part of EU-wide solidarity mechanisms in the event of acute supply crises; continuing to benefit from greater security alternatives offered by interconnection; and retaining power of EU collective bargaining with third parties.
  - **funding** – maintaining access to EU funds to support R&D and energy infrastructure investment.
  - **climate targets** – remaining part of EU-wide collective efforts on international and EU climate diplomacy, target-setting and effort-sharing; allowing Scottish business and industry to continue to access EU ETS carbon markets to ensure level playing field.
  - **influence** – retaining influence over the content of EU energy and environmental policies and programmes; benefiting from the power exerted by the EU bloc of countries on energy suppliers such as Russia or on global product manufacturers.

### TOP LINES

#### Assessment of impacts of changed relationship on FM's five EU interests:

Based on **initial discussions with stakeholders**, it is possible to prioritise the First Minister's five EU interests in terms of their **relative importance for energy and climate**:

- **Economic interests** – 'safeguarding free movement of labour, access to a single market of 500 million people and the funding that our farmers and universities depend on'
- **Solidarity** – 'the ability of independent nations to come together for the common good of all our citizens, to tackle crime and terrorism and deal with global challenges like climate change'
- **Having influence** – 'making sure that we don't just have to abide by the rules of the single market, but also have a say in shaping them'
- **Social protection** – 'ensuring the continuing protection of workers' and wider human rights'
- **Democratic interests** – 'the need to ensure that Scotland's voice is heard and respected'

### BACKGROUND

In a wide-ranging discussion, stakeholders recorded their views on the major challenges and opportunities posed by EU Exit. High level themes included the

(unsurprising) fact that the referendum outcome throws up more challenges than opportunities:

The main areas of concern raised on 21 September were the loss of EU research and innovation funding; the lack of influence and involvement in EU programmes and decisions; the impact on investor confidence; the threat to freedom of movement and the impact on the skills base; worries over Scotland's role in Brexit negotiations; the challenge of unravelling 40 years of EU legislation; and the reduced scope for collaboration and knowledge sharing.

However, stakeholders also felt there were opportunities, including the chance for Scotland to adopt even more ambitious climate change targets, to lead from the front and differentiate itself from the rest of the UK and to promote Scottish businesses by removing state aid rules. Scotland's lead in renewables and low carbon was also seen as a potentially valuable tool in negotiations.