

KEY MESSAGES – SCOTLAND'S SECTOR CAPABILITIES

LIFE SCIENCES TOP LINES:

- **Life Sciences** is a key sector of the Scottish economy and we have a thriving life sciences community. I understand that you will visit the Edinburgh BioQuarter and I hope that might stimulate some areas for collaboration.
- Life sciences is a very important sector for Scotland. In 2014, the wider sector turnover was **£4.3 billion**, with GVA at £2 billion. It **employs 37,200** people across 719 organisations in Scotland.
- Between 2010 - 2014 the sector saw **29% growth in turnover**.
- **We are fully committed to providing a supportive environment for businesses.**
- Our industry-led life sciences strategy, the introduction of Enterprise Areas for Life Sciences, initiatives, and the **Innovation Centre Programme**, have enhanced our support for the sector and sought to link it more effectively to the National Health Service in Scotland.
- The Life Sciences Scotland (LSS) Industry Leadership Group brings together the private and public sectors to drive industry wide collaboration and alignment.
- We want to make Scotland the **location of choice** for the life sciences community and **increase the sector's contribution to our economy to £8bn by 2025**, and have a strategy to achieve that.

RENEWABLES SECTOR TOP LINES:

- Scotland's renewable electricity output has almost **trebled since 2006** and is now equivalent to over half of the electricity consumed in Scotland. There has been very significant Chinese investment in Scotland's energy sector and we hope that this collaboration can grow.
- In 2015, **58,500 Scottish jobs** were supported by the low carbon and renewable energy sector, generating a **turnover of £10.5bn**.
- Scottish renewable electricity output has **almost trebled** since 2006 and is now equivalent to **over half of the electricity** consumed in Scotland.
- Scotland's renewable energy generation made up **approximately 24% of total UK renewable generation** in 2016.
- Since 2007 Scottish Ministers have granted consent for 93 Renewable Generation Projects amounting to approx. 10.1GW.
- We have already **exceeded our 2020 target for 500 MW of community and locally-owned energy** which has been independently estimated to be worth up to **£2.2 billion** over the operational lifetime of those projects.
- Scotland is home to the **world's leading wave and tidal test centre** (The European Marine Energy Centre); the **world's largest planned tidal stream array** (MeyGen) and the **world's largest tidal turbine** (Scotrenewables).

- With up to 3000MW of grant planning permission, Scotland is at the **forefront of offshore wind innovation** with world leading projects in offshore wind, including the European Offshore Wind Deployment Centre, Aberdeen Bay.
- **Renewable heat** output is **nearly 5 times** the level it was in 2008/09.

FINANCIAL AND BUSINESS SERVICES TOP LINES:

- Scotland is an attractive and competitive location for a wide range of **financial services** activity and has a global reputation for Asset Management expertise, as well as more modern areas such as FinTech.
- Outside of London and the South East, Scotland has the **most complete Financial & Business Services industry cluster in the UK.**
- The sector directly employs more than **86,000 staff** with a further **95,000 employed in related professional services.**
- We have expertise in **banking, fund management, insurance, pensions and asset servicing.**
- Globally successful asset management companies (e.g. Aberdeen Asset, Baillie Gifford, Kames Capital and Standard Life Investments) have HQs in Scotland.
- Total assets managed from Scotland amount to more than **\$1trillion**, approx. **14%** of all UK managed assets.
- Globally successful asset management companies with HQ's in Scotland such as **Standard Life, Bailie Gifford** and **Aberdeen Asset Management** operate in China.
- The **ability to recruit top quality financial sector talent** is a factor that attracts global investors.
- We are also highly competitive on cost- International financial institutions estimate operational **cost savings of up to 30-40% compared to London** from their operations in Scotland.
- Scotland is rapidly establishing itself as a significant **FinTech Hub** based on our twin strengths in financial services and technology, as well as internationally respected academic expertise.
- Scottish digital technology sector is made up of over 1,500 companies from **innovative home-grown companies** such as **Skyscanner**, and Fan Duel to large multinationals such as Oracle.

China Asset Management Opportunity for Scotland

- The principle opportunity is for Scottish firms to manage assets for Chinese investors (primarily institutions) who have the ability and permission to invest in overseas markets.
- Scottish firms may also invest directly (where permitted) in Chinese markets on behalf of their own client base.
- Over the last few years SDI has worked to support Scottish Asset Management firms to raise their profile in China and build relationships with major Chinese Investors and Regulators.

- This has taken the form of both events in China and facilitating relevant visiting delegations to Scotland.

HIGHER EDUCATION TOP LINES:

- Our world class research plays a key role in economic growth delivering highly skilled people to the labour market and creating new businesses
- **Chinese & Hong Kong students represent 29%** of all international students studying in Scotland, the highest percentage of any country (2nd highest is USA at 14%)
- In 2016-17, the Scottish Government agreed to fund approximately **17 x eight-week work placements**, for undergraduates at Scottish universities, across different industries in six Chinese cities, **including Shenzhen, Guangdong Province**, through the British Council's 'Generation UK China' Scheme.
- **18 out of 19** Scottish higher educational institutes have links with Chinese counterparts.
- **The University of Edinburgh** is uniquely placed to support the development of healthcare big data as China builds the world's largest unified and interconnected health data pool.

**Rt Hon Nicola Sturgeon MSP
First Minister**

Dinner with Guangdong Delegation

Sunday 11 June 2017

Consecutive translation

(Up to 3 minutes, up to 6 with translation)

You are speaking at a welcome dinner for a delegation from Guangdong Province. There will be around 100 attendees: 60 from the delegation (roughly half political leaders from Guangdong and half business investors) and 40 representatives (again, half from the Scottish/UK Government and half the business community, identified by SDI).

Your remarks will be consecutively translated. I have indicated the points to pause for translation.

Thank you, [Senior Castle Guide]

Party Secretary of Guangdong Mr. Hu [*Hoo*], honoured guests.

I'm delighted to welcome such a very distinguished delegation from Guangdong Province to Scotland. I also want to pass on the best wishes of the First Minister of Scotland, Nicola Sturgeon. She is sorry she can't be here, but I'm sure you will all understand that the General Election results make this a particularly busy time for all political leaders.

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When Premier Li Keqiang [*Lee Cur-chyang*] visited Edinburgh in 2011, he began his remarks in this hall by describing Scotland as “the land of invention”.

He was referring to the fact that – just as China gave the world paper-making, the compass and printing – Scottish inventions include the steam engine, the telephone, and the television.

In both countries, that tradition of invention and innovation continues to this day.

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Scotland's strengths

I know that as part of the a busy programme, some of the delegation will attend an investor forum at Edinburgh's Bioquarter. It will be a chance to see first-hand some of the remarkable work that Scotland's life sciences sector is pioneering – in fields like genetics and stem cell research.

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Of course, Scotland is also at the forefront of renewable energy innovation. In fact, over half of Scotland's electricity needs are now met by renewable energy sources. The world's largest floating offshore windfarm and the world's largest tidal array are both being developed in Scotland. And a Scottish firm has developed – and tested to full power – the most powerful tidal turbine in the world. Tomorrow, at the FloWave facility, many of you will have an opportunity to see some of the cutting-edge research Scotland is leading on marine renewables.

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Life sciences and renewable energy are just two areas where Scotland has particular strengths - but there are many others.

Scotland is one of Europe's most important financial centres. With a cost-effective business environment, good infrastructure and a great quality of life, we attract more inward investment than any part of the UK, outside London. And with more universities per head of population than any other country in Europe, Scotland also boasts one of the most highly skilled workforces in Europe.

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It's a key priority for the Scottish Government to build on these strengths. One way we aim to do that is by building even stronger links with China. And our relationship with Guangdong Province is a hugely important part of that.

Scotland and Guangdong

Already, over the last few years, Scotland and Guangdong have seized important new opportunities for trade, investment and collaboration – across, business, government and academia.

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The Edinburgh-Shenzhen Creative Incubator is just one example. The initiative – run by Edinburgh City Council and Shenzhen Municipal Government – helps Scottish creative businesses explore the market in Guangdong, with a view to internationalising. And it allows businesses in Shenzhen to do the same in the Scottish market. In a relatively short period of time, we've already seen signs of success. Sensewhere – a Scottish company – has secured investment from the Chinese internet firm Tencent, and has now opened offices in Shenzhen and Beijing.

That's exactly the kind of trade and investment – bringing benefits to both Scotland and Guangdong – that we want to encourage.

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Conclusion

So we welcome the opportunity to showcase what Scotland has to offer. But we are also keen to learn – from the success of Guangdong Province and from your business and academic expertise.

I hope you have a hugely informative and enjoyable visit. And I look forward to many more years of cooperation and friendship between Scotland and China.