

MEETING WITH MINISTER OF EDUCATION

MONDAY 9TH APRIL 2018

Key message	<ul style="list-style-type: none">• Research is one of Scotland's key strengths. That strength is built on collaboration within Scotland and across the globe.
What	A meeting with Minister of Education, Mr Chen Baosheng, to discuss to discuss educational co-operation.
Why	This meeting will provide a formal opportunity for you to explore further collaboration opportunities through university/college research partnerships and exchange, Confucius Institutes and SQA's work in China; recognise Hanban's contribution to Chinese language teaching in Scotland; Scotland's appreciation of Chinese students in Scotland; offer to jointly tackle global issues through educational cooperation.
Who	Minister of Education, Mr Chen Baosheng
Where	Ministry of Education
When	Monday 9 April, 09:00 – 09:45
Likely themes	Education
Media	See communications plan
Supporting Official	[REDACTED]
Attached Documents	Annex A: Summary Page Annex B: Biography Annex C: Scotland/China - Schools Annex D: Scotland/China - Higher Education Annex E: Edinburgh Napier University in China

SUMMARY PAGE – key points to make**Research Collaboration**

There is a growing opportunity to build existing – and forge new – research collaboration between Scottish education institutes and their Chinese academic counterparts, both in fundamental and applied research.

There is also a need to build research partnerships between Scottish universities and industry in China, and to bridge the gap between academia and industry for bigger economic impact.

Scotland

- Research is one of Scotland's key strengths. That strength is built on collaboration within Scotland and across the globe.
- The latest assessment of the UK's Research Excellence Framework found that every one of Scotland's 19 HEIs undertakes research judged to be of "world-leading" quality that makes a difference.
- Scotland's universities are taking forward the kind of research that breaks ground, transforms lives and will make a difference. 86% of Scottish research was judged to have an "outstanding" or "very considerable" impact.
- Scotland produces one per cent of the world's research with less than 0.1% of the world's population.
- Scotland performs more highly than the UK average when assessed on the impact of its research. 85.8 per cent of Scottish research was judged to be at 4* and 3* in REF 2014 - meaning the research had "outstanding" or "very considerable" impact (compared to the UK average of 83.9 per cent).

China

- There is a surge in demand for international research collaboration – the mechanism by which China is aiming to rise in global research rankings.

Attraction Of Chinese Students To Scotland

Scottish Universities are welcoming and supportive – this will be a theme of the Scotland is Now events.

- Scotland comes top in the UK for student satisfaction with the quality of HE courses. More than 94% of international students believe Scotland is a 'good place to be'.
- Every year more than 50,000 international students and over 7,500 staff from more than 180 countries discover the warm welcome of Scotland's universities.

- The Chinese student population in Scotland is growing, with 8,475 Chinese students studying in Scotland in 2016/17.

Trans-National Education

- Reflecting the growth in demand for higher and further education in China, and the high global esteem of having a Scottish learning qualification, there are significant opportunities for Scottish universities and colleges to deliver their courses to students in China (trans-national education).
- Five of Scotland's 19 higher education institutions are amongst the top 200 in the world, according to the 2018 Times Higher World University Rankings, which makes Scotland home to one of the best higher education sectors in the world.
- Scotland's universities are engaged in cutting-edge learning, and are addressing the issues of today and asking the questions of tomorrow. This includes new ideas about how education is provided, such as new teaching methods or innovative links with business.
- We have UK-leading rates of student satisfaction and post-study employment.
- We are relentlessly focused on the enhancement of our learning and teaching, including ensuring that our graduates have the attributes to succeed in a fast-changing world.
- Demand for technical and vocational education and training is growing rapidly in China, with the 5 year plan including objectives to boost workforce development and to grow the number of modern apprenticeships. Scotland's colleges could meet some of this growing demand (e.g. Forth Valley College agreement to deliver training for CNPC)

Edinburgh Napier University in China *(see Annex E)*

- Scotland values the close collaboration between Scottish and Chinese institutions; and institutions in both Scotland and China are keen to expand the number of partnerships, joint courses and opportunities for students in both countries.
- Understand that a number of applications may be rejected due to institutions having a number of programme registered but being inactive.
- To help this continue we welcome the MoE's advice to our institutions in making sure their programmes are properly registered. Perhaps our officials could follow up on this if there are any specific issues.

Confucius Institute for Scotland's Schools (CISS) Awards and Classroom Hubs

- Scotland appreciates the commitment of Hanban to the teaching about China, its culture and language through our Confucius Classroom Hub network which now reach **over 34,500 pupils in 400 schools across Scotland**.
- Since it was established in 2012, CISS and the Confucius Classrooms in Scotland have received several accolades from Hanban:
 - In 2017, CISS were awarded **Model Institute** status by Hanban.

- In January 2016 Hanban renewed their agreement with CISS for a further 5 years.
- In 2014, CISS won the accolade of **Global Confucius Institute for the Year**.
- Their success can be measured through the increase in the Confucius Classroom network to **a total of 47**.
 - **22 in secondary schools and 21 primary schools**
 - **four specialist hubs** – Scottish Schools Football Association (SSFA), Royal Conservatoire of Scotland (RCS), Scottish Opera and RZSS Edinburgh Zoo.
- With the Edinburgh Zoo hub being the first specialist Science hub in the world.

BIOGRAPHY**Mr CHEN Baosheng - Party Secretary, Ministry of Education**

Mr Chen Baosheng was appointed Party Secretary of the Ministry of Education and Minister of Education on 2 July 2016. Mr Chen is a Chinese politician and academic administrator. He is a member of the 18th Central Committee of the Communist Party of China.

Mr Chen studied towards a bachelor's degree in political science and economics at Peking University from 1978 to 1982. He studied part-time towards a master's degree in political science at the Party School of the Central Committee of the Communist Party of China from 2002 to 2005.

Mr Chen started his career in 1974 and has been a member of the Communist Party of China since 1984. He served as the Deputy Secretary-General of Gansu Provincial Government and was a Member of the Party Leadership Group at Gansu Provincial General Office from 1996 to 1999. He was appointed Party Secretary of Jiuquan prior to the area's conversion to a prefecture-level city in 1999.

In 2002 he became a Member of the Standing Committee of the Communist Party of China in Gansu Province, before taking on the role of Head of the Provincial Propaganda Department. In 2004 he was appointed Party Secretary of Lanzhou Municipal Party Committee.

In 2008 he was transferred to Beijing to serve as Vice-President of the Party School of the Central Committee of the Communist Party of China. He was appointed Party Secretary and Vice-President of the Chinese Academy of Governance in 2013.

SCOTLAND/CHINA - HIGHER EDUCATION

In line with the higher education objectives of the China Plan, the Scottish Government is committed to:

- developing bilateral university collaboration and developing shared lifelong learning opportunities; and
- increasing Scottish-Chinese research and development projects and programmes.

Top Line

- Scotland welcomes international students and recognises the important and valuable contribution they make to the Scottish economy and society.

KEY ISSUES:

- In 2016/17 there were **8475** Chinese students studying at Scottish HEI's (source: HESA January 2018)
In 2016/17 there were **940** students from Hong Kong studying at Scottish HEI's
- (source: HESA January 2018)

Now **five Confucius Institutes** in Scotland (at Strathclyde, Glasgow, Edinburgh, Aberdeen and Heriot Watt University) that promote Chinese language and culture, support local Chinese teaching internationally, and facilitate cultural exchanges.

Generation UK is a British Council campaign that supports and encourages outward mobility of British students. Generation UK China was launched in 2013 and aims to grow the number of UK students who have participated in study or internships to China by 80,000 by 2020. Generation UK China supports the Scottish Government in delivering its international framework and engagement strategy between Scotland and China. A total of 30 Scottish students were awarded funding between April 2016-March 2017.

Connected Scotland is a partnership between Universities Scotland, British Council Scotland, Scottish Enterprise, Highlands and Islands Enterprise, the Royal Society of Edinburgh (RSE), Scottish Development International, the Scottish Funding Council, and the Scottish Government to support the development of international opportunities around transnational education, collaborative research and knowledge exchange, and international student recruitment and mobility. **China** is an early priority in the first three year plan.

The **University of Glasgow**-Nankai University Joint Graduate School. Founded in 2014 with the approval of the Chinese Ministry of Education, its mission is to provide the students with a research-led education of the highest international quality across a range of subjects. In 2014, the Adam Smith Business School at the University of Glasgow joined with Nankai University to form a Collaborative Innovation Centre for Chinese Economy. The same year the Joint Graduate School was established to provide opportunities for students to study jointly-delivered programmes in China.

The University of Edinburgh hosts the Scottish Centre for Chinese Studies which serves as a platform to link China-related research at The University of Edinburgh to other higher education institutions in Scotland. The Centre organises interdisciplinary research seminar series, and hosts the interdisciplinary Master of Chinese studies programme.

University of St Andrews signed a memorandum of agreement with Beijing's largest teaching hospital. The Biomedical Sciences Research Complex and the School of Medicine with a view to offering student exchanges and scientific collaborations. The PLAGH, also known as Beijing 301 Hospital, is the largest teaching hospital in Beijing and was ranked as the best hospital in China in 2016.

The University of Dundee has set up strong partnership with leading Chinese institutions to work together to promote international excellence in higher education and provision of cultural and intellectual enrichment opportunities for staff and students of both parties.

Partner institutions in China include:

University of Science and Technology Beijing, China University of Petroleum Beijing
Beijing Institute of Technology, NEU Qinhuangdao Campus Tianjin University
Hohai University, Hebei University of Technology, Tianjin Medical University
East China University of Science and Technology

Strathclyde University enjoys excellent links with China and works closely with a number of Chinese institutions, engaging in joint research, knowledge partnerships and in running joint courses and articulation programmes.

Education links include: China Academy of Launch Vehicle Technology (CALT) – Strathclyde University hosts the joint international space mechatronic systems technology research lab with the China Academy of Launch Vehicle Technology. This is the first time CALT has established a partnership with a university outside of China, Zhejiang University, Nanjing University, Fudan University, Wuhan University, Sichuan University, China Pharmaceutical University

Glasgow Caledonian University forged a partnership with the **University of Jinan** in 2008 to allow students in Jinan to enrol on jointly designed programmes in engineering and finance to prepare them to complete their third and fourth year of studies in Glasgow.

A Co-operation and Exchange Agreement between **East China University of Science and Technology (ECUST)** in Shanghai allows students from the third year of ECUST degrees in engineering and computing programmes to complete the final year of their studies at GCU

GCU's partnership with **Communication University of China** allows students to join Master's programmes in Glasgow School for Business and Society. In addition, the agreement allows the institutions to cooperate in joint research programmes in the business field. CUC's founding institution was established in Beijing more than 50 years ago and it is one of the 211 Project key universities directly administered by the Ministry of Education.

SCOTLAND/CHINA – SCHOOLS

China Plan 2012 to 2017 – school education targets – top lines

Target 2.2: Double the number of teachers of Mandarin working in local authority schools in Scotland, based on 2011/12 levels.

- In 2011/12 there were 12 GTCS registered teachers of Chinese so the target is 24 teachers
- In January 2017, 24 GTCS registered teachers of Chinese were working in Scottish LA schools.
- In January 2017, 10 GTCS registered teachers of Chinese were working in Scottish independent schools.
- There are now three Scottish universities offering PGDE a course in Chinese language. This should boost the number of registered teachers working in Scotland (some may choose to teach elsewhere).
- From 2014/15, Hanban will pay Scottish local authorities up to 50% of the cost of one GTCS registered teacher of Chinese per hub LA. This agreement is unique to Scotland and will help kick-start the learning of Chinese language and culture in our schools.

Target 2.3: Double the number of school students attaining recognised qualifications in Chinese language, based on 2011/12 levels.

- The target is about passes to be achieved by 2017. In 2012 there were 292 passes in Chinese language qualifications. The target is 584.
- In 2017 there were 310 passes in Chinese language qualifications (SCQF levels 3 to 7, post review)
- In 2013 the number of entries for all centres was 334; in 2017 it was 371, a 13.8% increase.
- There has been a significant increase in the number of young people receiving the Modern Languages for Life and Work Award, Mandarin is one of the ten languages the modules can be taken in.

Confucius Institute for Scotland's Schools (CISS) Awards and Classroom Hubs

- In 2013 the Confucius Classroom Hub in East Renfrewshire won Global Confucius Classroom of the Year Award
- In December 2014, the Confucius Institute for Scotland's Schools, based at the University of Strathclyde, was named the global Confucius Institute of the Year.
- In 2015, Leith Academy in Edinburgh won the Global Confucius Classroom of the Year Award.

- In October 2017 CISS were awarded Model Institute status by Hanban.
- There are currently 47 Confucius Classroom Hubs in Scotland – 22 secondary school, 21 primary school and 4 specialist hubs.

Hanban

- Confucius Institute Headquarters, Hanban, is a public institute affiliated with the Chinese Ministry of Education committed to the worldwide provision of Chinese language and cultural teaching through a network of Confucius Institutes and Confucius Classroom Hubs worldwide.
- Hanban make funding available for schools and institutions to establish Confucius Classrooms.
- The Confucius Classroom Hub network in Scotland is unique in that it is centrally managed and coordinated by CISS.
- FM met former Director General of Hanban Madam Xu Lin during her visit to Beijing in July 2015.

CISS - funding

Scottish Government provides annual grant funding of £754,000 to CISS. This has remained the same for the last four years and will remain at this level for 2018-19.

Each Hub receive \$10,000 US dollars annually from Hanban (£8,200). Hanban solely fund the primary hubs.

In 2017-18, due to the new primary hubs coming on board, all hubs will receive £8,200 per annum for the running costs of the Confucius Classrooms (except for Shetland which will receive a Scottish Government top-up to £12,000 to allow for additional costs due to geographical location). Scottish Government funding contributed more to hub projects in this year.

EDINBURGH NAPIER UNIVERSITY IN CHINA

- Edinburgh Napier University (ENU) established a Joint Education Programme (JEP) with Guangxi University of Science and Technology (GXUST) in 2014 to deliver a BEng Mechanical Engineering programme. The first cohort of students joined the programme in 2015 and there are currently have over 140 students on the programme. The students are taught in China (4+0 model) and graduate with both an Edinburgh Napier and GXUST degree. The collaboration has provided opportunities for ENU students to spend time in China as part of their degree and has facilitated research opportunities for ENU staff.
- [REDACTED]

BRIEFING FOR THE FIRST MINISTER

HIGH-LEVEL MEETING WITH CHINESE GOVERNMENT – VICE PREMIER HU CHUNHUA

9 April 2018

Key message	To build on existing high-level relationship between the SG and Chinese Government (following your meeting with Chinese Vice Premier Liu Yandong in Dec 2017)
What	Opportunity to reinforce FM's personal commitment (following your visit to China in 2015 and the P2P meeting in Edinburgh in December 2017) to the Scotland/China bilateral relationship.
Why	China is a priority country for Scotland's international engagement and developing strong relations with the Chinese Government is important.
Who	Vice Premier Hu Chunhua
Where	Tbc
When	9 April, 10:30-11:30
Likely themes	Education, culture, gender and social equity, health
Media	See communications plan
Supporting official	[REDACTED]
Attached documents	Annex A: Summary page Annex B: Areas of cooperation Annex C: Biography Annex D: Human Rights in China Annex E: [REDACTED] Annex F: Scottish Government human rights policy Annex G: [REDACTED]

SUMMARY PAGE

Purpose of engagement:

- To demonstrate Scotland's commitment to working with China at the highest level
- To build on recent engagement, principally your visit to China in 2015 and your hosting Vice Premier Liu Yandong in December 2017 in Edinburgh

Lines to take:

- **Successful UK/China People to People Dialogue (P2P)** in Scotland (Dec 2017) and meeting with Vice Premier Liu.
- **Seek commitment to on-going co-operation with China** in trade and investment; education, skills, research and innovation; energy, environment and science and culture.
- **Offer to share** Scotland's approaches to **achieving sustainable economic growth** – through gender equality, climate justice, health and children's rights.
- **Women and Social equity** – were important themes of the People to People Dialogue and areas where Scotland and China can collaborate. In Scotland, the **Gender Representation on Public Boards (Scotland) Bill** will set in statute a gender representation objective (50% women). We've also recently set up an **Advisory Council on Women and Girls**.
- We are committed to creating a more **inclusive form of growth that tackles inequalities whilst driving competitiveness**. We're currently working on initiatives to improve the quality of workplaces in Scotland, eg the **Business Pledge** and the **Fair Work Convention**. **We'd be very happy to share information with the Chinese Government on all of these initiatives.**
[REDACTED]
- **Education** – Strong collaboration between Scotland and China at all ages and stages of learning and we're committed to **Widening Access to Higher Education**.
- Confucius Classrooms are a key part of how we are preparing our young people for a fast changing world. The Confucius Institute for Scotland's Schools (*based at Strathclyde University*) was awarded '**Model Institute' status by Hanban (Chinese Ministry of Education)**. Now **47 Confucius Classrooms serving 21 Local Authorities**.
- **Culture and creativity** – During my visit to China in 2015, I renewed the Scotland-China Cultural MoU, alongside your Culture Minister, Luo Shugang. Since then, cultural collaboration has continued to flourish eg **Festivals Edinburgh and the Shanghai Art Festival signed a co-operation MoU at the P2P Plenary** in London in December
- [REDACTED]

- **Health, Science and Innovation** - Both our countries face ageing populations and increasing healthcare needs – opportunity for mutual learning. **A cutting-edge diabetes research and treatment centre** will be established at Shenzhen People’s Hospital in southern China, based on Scotland’s renowned healthcare model for managing patients with chronic conditions (Project support by Edinburgh University).
- **Pandas** at Edinburgh zoo are a strong symbol of friendship between China and Scotland

AREAS OF COOPERATION

Social Enterprise

- **Offer to share learning on social enterprise.** Social enterprises make a valuable economic and social impact. Scotland is widely regarded globally as having the best policies to support the growth of social enterprise. Pleased to be launching the Social Enterprise Academy in China as part of this visit. Note that **Social Enterprise World Forum** was held in Hong Kong in 2016. This year it will be in Edinburgh.

Regional partnerships

- 2017 marks 30 years of twinning between **Glasgow and Dalian** (co-operation includes joint badminton coaching project). And the **Edinburgh-Shenzhen** Creative Exchange continues to support creative/tech SMEs in both cities.

Tourism

- Delighted to continue to welcome Chinese tourists to Scotland. Hopefully many more will visit next year, during **Scotland's Year of Young People**. (In 2016, visitors from China spent a total of **£36 million** in Scotland – Chinese visitors to Scotland is expected to rise, driven by the young adult traveller).

Direct Air Link

- Welcome the fact that **Hainan Airways** will start a direct service (4 days a week) between Edinburgh and Beijing (via Dublin) in June. This will help to develop business links as well as more tourists to Scotland.

Trade and investment

- **Scottish exports to China** were worth **£2.2 billion in 2016**, a rise of 41.2% from 2015 – the fastest rate of growth amongst our main trading partners, making China Scotland's **17th largest export market**
- **China is now a top 5 source** of inward **investment** to Scotland
- Significant investment from **China's national oil companies** (CNOOC, Sinopec and Petro China) in the North Sea and our oil and gas infrastructure has led to an increasing number of Scottish engineering companies doing business in China

Higher Education

- In 2015-16 there were **8,650** students from China studying in Scotland
- **18 Higher Education Institutions** now have academic and **research links** with Chinese HE Institutions
- **12** of Scotland's **Universities** now have a presence **in China**

- **5 Confucius Institutes** at Strathclyde, Glasgow, Edinburgh, Aberdeen and Heriot Watt - Scotland now has most Confucius Institutes per head of the population in the world

BIOGRAPHY**Vice Premier of the People's Republic of China, His Excellency Hu Chunhua**

Born April 1963, Hu Chunhua was appointed as a Vice Premier of the People's Republic of China on 19 March 2018. There are four Vice Premiers, of which Hu is the 3rd ranked.

Prior to his appointment as Vice Premier, Hu was a regional official, and a member of the Communist Party's Politburo. From 2012 to 2017, he was Communist Party Secretary of Guangdong province, the top political office. Hu worked in Tibet for much of his political career and ascended the party ranks partly through the Communist Youth League. Popularly known as "little Hu" due to the similarities of his career with that of former Party General Secretary Hu Jintao (no relation). He became China's youngest governor when he took the position in Hebei province in 2008. He was promoted to Party Secretary of Inner Mongolia in 2009. As one of the youngest provincial leaders, Hu is seen as a promising candidate in the 'sixth generation' of Chinese leadership.

HUMAN RIGHTS IN CHINA

[REDACTED]

First Minister's visit to China in July 2015

- In a speech at the Chinese People's Association for Friendship with Foreign Countries in Beijing, the FM stated that equal rights for women is the key to sustainable economic growth for Scotland and China.
- The FM said:
"I know that much of the work we do in Scotland will strike a chord here in China. Gender equality is incorporated in your constitution. Women account for 45 per cent of your workforce. And you recognise the importance of women being fully involved in decision-making...But like all societies - certainly including Scotland - there is also more that China can do. To give just one example, women are still significantly under-represented among key decision-makers in business and in government. The truth is, that virtually all countries are on a journey towards true gender equality, but none have completely achieved it. We all need to learn from each other how best to make progress."
- The FM's speech was welcomed by Amnesty International as a "significant statement of support for equality and human rights in Beijing"
- In 2013, the former FM gave a speech in China, where he spoke about China's participation in the Universal Periodic Review and the forthcoming launch of Scotland's National Action Plan for Human Rights.

[REDACTED]

SCOTTISH GOVERNMENT – HUMAN RIGHTS POLICY

- The SG is committed to creating a modern, inclusive Scotland which protects, respects and realises internationally recognised human rights standards, and to **embedding equality, dignity and respect** in everything it does.
- The 2017-18 Programme for Government contains a commitment to establish an **expert advisory group** to lead a participatory process to make recommendations on how Scotland can continue to lead by example in human rights, including economic, social, cultural and environmental rights.
- The SG's understanding of its wider human rights obligations is reflected in its **commitment to equality, social justice, and sustainable, inclusive growth**. This is demonstrated through PFG commitments around social security, child poverty, raising attainment, gender equality, disabled people's rights, fair work, tackling prejudice and preventing ill health.
- On gender equality:
 - proposals in the **Gender Representation on Public Boards** (Scotland) Bill will set in statute a gender representation objective (50% women).
 - an **Advisory Council on Women and Girls** will: play a key leadership role in raising awareness of gender inequality and related issues; act as champion for positive progress and policies; act as a catalyst for change by providing that women's voices are heard and allowing gaps in the work to address gender inequality to be highlighted. Membership was announced on 19 November and its first meeting will take place on 6 December.
- On inclusive growth:
 - Inclusive Growth is a core priority of Scotland's Economic Strategy, which sets out mutually supportive pillars of increasing competitiveness and tackling inequality.
 - evidence increasingly shows that higher levels of inequality can have a negative effect on economic performance, and on economic and social resilience.
 - SG is working with partners to drive this agenda across a range of areas:
 - investments in early years and expanding the free **childcare provision**
 - improving **educational attainment**, through initiatives such as the Scottish Attainment Challenge
 - implementing the recommendations of the Commission on **Widening Access to Higher Education**
 - initiatives to improve the quality of workplaces in Scotland, such as the **Business Pledge** and the **Fair Work Convention**

- implementing a **Labour Market Strategy**, which sets out a framework for achieving our vision of a strong and fair labour market
- building the approach into **planning and regeneration**, through the National Planning Framework and in city deals and local authorities activities
- improving **population health**, including preventative measures as well as improving access to mental health services, and support for people with health conditions and their carers to stay in work

Scotland globally

- Scotland has a strong and enduring commitment to securing democracy, the rule of law and fundamental human rights across the world.
- We expect 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.
- Through on-going dialogue with states at Ministerial and official level, the SG seeks to raise human rights where appropriate, in a manner that has practical impact, and to share its experiences, values and expertise with a view to the human rights of people across the world being fully realised.

Business and human rights

- Business can help promote human rights by providing decent jobs, delivering services, generating economic growth and developing infrastructure. However, businesses also have the potential to impact people's human rights negatively if insufficient attention is paid to the impact of their operations and relationships, including through supply chains.
- Most businesses would acknowledge that they play a significant role in promoting and protecting human rights, and would agree that respecting human rights has business benefits. It helps enhance reputation and brand value, increases customer base, is key to attracting and retaining a diverse skilled workforce which in turn increases innovation and productivity, and reduces the risk of litigation.
- The UN Guiding Principles on Business and Human Rights (UNGPs), endorsed by the UN Human Rights Council in 2011, are based on a framework of **state** duty to protect human rights; **business** responsibility to respect human rights; and the requirement for **remedy** for negative human rights impacts.
- Both the European Union (2011) and the UN Human Rights Council (2014) have called for the development of National Action Plans to implement the UNGPs.

- Recommendations for the UK on oversight of, and accountability for, business operations overseas have been made in the last two years by the UN Human Rights Council, the UN Committee on Economic, Social and Cultural Rights, and the UN Committee on the Rights of the Child.
- The SG is working with the Scottish Human Rights Commission, Scottish Enterprise and other partners to develop a National Action Plan (NAP) to implement the UNGPs, building on the UK's Plan. A national baseline assessment was published in October 2016 and further engagement with businesses, civil society, public bodies and trade unions will inform the drafting of a NAP in 2018.

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BRIEFING NOTE FOR FIRST MINISTER MEETING WITH VICE PREMIER HU

Additional Summary:

- **VP Hu was previously the PS Guangdong and visited Edinburgh in 2017. There he was hosted by Keith Brown at Edinburgh Castle.**
- **In recognition of the wider role the VP now has can we perhaps bring in a point about how Scotland is looking to bring its innovation to all of China, for example through the events this week and the strong involvement of the University sector in the visit programme. [A page on the RSE work on innovation hubs is copied at the bottom. Though is not Guangdong specific it might be useful background on innovation and other partners involved.]**

Scotland Guangdong Partnership

This is an opportunity to highlight the strong links between Scotland and Guangdong, particularly through Edinburgh University links and through the Shenzhen/Edinburgh Creative Exchange.

This points to the visit having successfully led to detailed and ongoing discussions between Edinburgh Centre for Robotics and Shenzhen. This will be picked up with the University of Edinburgh as part of this week's events focused on AI in Shanghai, Hangzhou, Hong Kong and Shenzhen that will run in parallel with the FM programme.

Includes:

- 1) University of Edinburgh links in Guangdong**
- 3) Update on Shenzhen/Edinburgh Creative Exchange**

[REDACTED]

SCOTLAND'S INTERNATIONAL ENERGY SUPPLY CHAIN

MONDAY 9TH APRIL 2018

Key Messages	<ul style="list-style-type: none"> • China has for many years been a strong part of Scotland's oil and gas success story. The Chinese National Oil Companies have invested very significantly in our industry and recently we have seen investment from China in the Scottish renewable energy sector. • Scotland's energy supply chain can support Chinese energy companies to deliver value in China as well as in other countries (China owns 20% of world's oil & gas assets and has a huge clean energy investment programme underway). • Scotland is a key oil & gas innovation hub providing solutions for subsea asset integrity, enhanced oil recovery and decommissioning, all designed to make the global industry more productive and cost effective. • Scotland is also a global centre of excellence in renewable and clean energy. Scottish companies are keen to play a strong role in China's energy future and the policy direction set by the Chinese Government. By collaborating we can see growth in other markets across the world.
What	<ul style="list-style-type: none"> • A roundtable event with senior executives from the Energy supply chain industry. • An opening address (simultaneous translation) underlining support for collaborative working with leading Chinese and Scottish energy companies.
Why	<ul style="list-style-type: none"> • FM's attendance will provide significant support for SDI's work to establish connections and progress potential project opportunities with key target companies. • This event provides the opportunity to introduce leading Chinese energy companies to Scotland's strengths and expertise in oil and gas/renewables, innovation and technology development. • To respond to a need in China for international expertise in subsea engineering & equipment fabrication, and asset management/design/inspection. • Scotland's university base and R&D excellence along with ground-breaking technology development is likely to hold a strong appeal for supply chain opportunities.
Who	<ul style="list-style-type: none"> • Mr Jim Collins – President Strategy & Development Europe, Africa, Asia and Australia, Wood Scotland • Dr LU Jianzhong – President of Weir China

	<ul style="list-style-type: none"> • Madam YANG Xiaoping – President, BP China • Mr WANG Guoxiang – Acting China country head, SPX Flow • Mr XU Jerry – Acting China country head, Wood • Mr Soren Hesselberg Jensen – Managing Director of Howden Hua Engineering Co., Ltd • Mr YU Bing – Chairman of China Power International Holding Ltd • Mr XU Aihang – Senior Vice President, Sinopec International Petroleum Service Corporation • Dr LI Yulong – Director of Europe & Africa Division, China Huanqiu Contracting & Engineering Co., Ltd (CNPC subsidiary) • Mr JIN Qingyong – General Manager of Marketing Division, COSL • Mr SHEN Wenfeng - Marketing Director, Europe & America, COSL • Mr ZHOU Simon – Assistant General Manager of China Merchant Heavy Industry (Shenzhen) Co., Ltd. • Mr YANG Yang - Marketing Manager, COOEC International • <i>NB: Full guest list at Annex C</i>
Where	Ambassador’s Residence, No 15 Guanghua Rd, Beijing
When	<p>12:40-13:20 12:15 - Guests arrive/registration 12:40 - FM arrives, a quick chat with Chairperson (Mr Ling LAI) before making way to Drawing Room 12:45 - Chairperson (Mr Ling Lai), opening introductions 12:48 - Opening remarks, FM (7 mins) seated at roundtable 12:55 – Opening remarks by senior Chinese participants (Chairman YU of China Power International and Mr JIN of COSL) to set out opportunity and demands for Scottish expertise (8mins) 13:03 - Brief introduction by 4 Scottish companies (10 mins) – Jim Collins, Wood, Dr Jianzhong LU, Weir, Mr Guoxiang Wang, SPX Flow and Mr Soren Hesselberg Jensen, Howden 13:13 - Remarks, Madam YANG Xiaoping, BP China President (4 mins) 13:17 - Group photo 13:20 - FM departs <i>NB: Event continues post-FM departure with roundtable business development discussion and networking until 15:30..</i></p>
Likely themes	Subsea engineering, equipment fabrication, asset solutions (including decommissioning, renewable energy/power)
Media	<i>n/a</i>

Supporting Officials	[REDACTED] Deputy Director Energy, SG [REDACTED] Head of Energy, DIT China
Attached documents	Annex A: Summary Page Annex B: VIP Biographies Annex C: [REDACTED] Annex D: Company profiles Annex E: Scotland's Energy Strategy Annex F: Oil & Gas Brief Annex G: Renewable Energy Brief

SUMMARY PAGE**Purpose of meeting:**

- FM's attendance will provide significant support for SDI's work to establish connections and progress potential project opportunities with key target companies.
- This event provides the opportunity to introduce leading Chinese energy companies to Scotland's strengths and expertise in oil and gas/renewables, innovation and technology development.
- It will respond to a need in China for international expertise in subsea engineering, renewable power, equipment fabrication, and asset solutions, and consulting & inspection.
- Scotland's university base and R&D excellence along with ground-breaking technology development is likely to hold a strong appeal for supply chain opportunities.

Key Facts:

- Scotland accounts for **1%** of total global oil production, has world class sub-sea engineering and a strong oil & gas sector.
- **20bn boe** still to be recovered from the North Sea making innovation crucial to success.
- World renowned skills and expertise in Reservoirs; Drilling & Wells; Platforms & Topsides; Marine, Subsea & Pipelines.
- Scotland is leading the world in the development of deep water offshore wind farm deployment and construction. Scotland is also a world leader in the commercialisation of wave and tidal energy.

KEY GUESTS

NB: additional VIP biographies will be provided in market

Jim Collins

President, Strategy and Development, Europe, Africa, Asia & Australia Region for Asset Solutions Business Group, Wood.



Responsible for business development, marketing, M&A, technology and innovations for the region. Previously SVP at Amec Foster Wheeler for Americas Region; VP, Business Development at Aker Solutions USA and Executive Director within Fluor Corporation. A graduate of Eastern Illinois University, as well as Executive Education Program at Harvard

Business School.

YANG Xiaoping (Yang Shao-ping)

President, BP (China) Holdings Limited



1990, Xiaoping joined BP in the US; has held roles in R&D, HSSE, M&A, commercial and finance; 2004, returned to China; has since held various leading roles within the petrochemical business. Input to Government Industry Standardisation on Work Safety. MBA, University of Chicago; PhD Chemical Engineering, Purdue University.

[REDACTED]

[REDACTED]

Mr Bing YU (Beeng Yoo)



Chairman of China Power International Holding Ltd

Mr Bing YU is currently the Chairman and Party Secretary of China Power International Holding Ltd (subsidiary under SPIC). He used to serve as the Vice President of Changshu Power Generation Company and CPI Northeast Power Generation Company, and also the Party Secretary of Shangdong Nuclear Power Corporation.

[REDACTED]

Mr Soren Hesselberg Jensen

Managing Director, Howden Hua Engineering Co. Ltd / Howden China Division

Experienced and driven Senior Executive with 23 years experience in leading small and large organization to success in china and Asia Pacific. Soren joined Howden in 1994, and he became the managing director for Howden China division since 2009.

[REDACTED]

Dr Yulong LI (Yu-long Li)

General Manager Europe & Africa, China Huanqiu Contracting & Engineering Co (CNPC subsidiary)

20+ years in international Oil & Gas engineering industry. Previously Director of HQC's technology department. Before joining HQC, senior executive of National LNG Technology R&D centre.

[REDACTED]

Mr. Changwen WANG

Deputy General Manager, COOEC Technology Services Company



Has over 20 years Offshore Oil & Gas experience in COOEC. In charge of domestic and international market development and making marketing strategy at COOEC technology Services Company. Rich experience in offshore installation technology and management.

[REDACTED]

[REDACTED]

COMPANY PROFILES**Wood**

Wood is a global leader in the delivery of project, engineering and technical services to energy and industrial markets. They operate in more than 60 countries, employing around 55,000 people, with revenues of over \$11 billion. Wood provide performance-driven solutions throughout the asset life cycle, from concept to decommissioning across a broad range of industrial markets including upstream, midstream and downstream oil & gas, chemicals, environment and infrastructure, power & process, clean energy, mining, nuclear and general industrial sectors. Oil & Gas accounts for 50% of the company's total revenue.

In Oct 2017, Wood Group completed the acquisition of Amec Foster Wheeler (AFW) for £2.2bn. Following the taken-over deal, Wood Group and AFW agree to join together and create a new global leader in engineering and technical services to energy and industrial markets. Wood employ approximately 1000 people in China, and cover market sectors incl Oil & Gas, Chemicals, Clean Energy, and others.

Weir Group

Weir Group is one of the world's leading engineering businesses. It was founded in 1871 in Scotland and now has over 14,000 employees worldwide. Committed to creating innovative engineering solutions, Weir's widely-respected products and services help its customers around the world deliver vital processes. The company has over 200 service facilities operating in 70 countries.

Weir employs around 600 staff in Scotland and 1,500 staff throughout the rest of the UK. It has two Oil & Gas facilities in Aberdeen, a Power & Industrial Service Centre in Alloa, a Power & Industrial Divisional HQ in Beslshill, an advanced research centre and also their Group HQ in Glasgow. Weir's divisions include Minerals, Oil & Gas, and Power & Industrial.

Weir have around 800 staff in China with business split 60% Minerals, 30% Power Systems, 10% oil & gas. Weir has manufacturing operations in China and recently installed Dr Lu Jianzhong as Weir Group President China. SDI Head of Greater China is actively developing a relationship with Lu and Weir's Business Development Manager who have ambitious growth targets. Initial discussions are around connecting Lu into oil majors.

SPX FLOW

SPX FLOW, Inc is a global supplier of highly engineered flow components, process equipment and turn-key systems, along with the related aftermarket parts and services, into the power/energy, food/drink and industrial end markets. SPX Flow has 3 locations in Scotland, all part of the Clyde Union Pumps division of the Group

- ✓ Cathcart – Clyde Union Pumps (circa 300 employees): a manufacturing and service centre in the power and energy sector, providing pumping solutions to the Oil & Gas, Nuclear, Conventional Power, Desalination, Water and Waste Water and General Industrial sectors;
- ✓ Hillington – Plenty Mirrlees Pumps (circa 50 employees): the Plenty Mirrlees product portfolio includes pumps, mixers, filters and process solutions servicing the Oil and Gas, Power, Water/Wastewater, Pulp/ Paper, Chemical sectors;
- ✓ Aberdeen- a small service centre opened in 2014 and servicing mainly the oil and gas sector.

The Clyde Union Pumps business (formerly Weir Pumps) was acquired in December 2011 by SPX. The SPX Flow - Clyde Union Pumps site in Cathcart has over 140 years of experience in pumping technologies and a rich heritage of pump product brands. Pumps have been manufactured at the Cathcart site and the site is valued as it has a key pump test centre, IP of key products and strong engineering expertise.

Historically, China has been a strong market for Clyde Union Pumps, particularly in the nuclear sector as they are on the approved supplier list for both nuclear power companies in China (ie CNNC and CGN). However, there is now increasing localisation in China which has impacted their business there, although they still have highly regarded pump solutions (and hold the IP for these). The company are also keen to expand their business in the Oil & Gas industry in China market, including supplying sea water lift pump to FPSO project in South China Sea (operated by CNOOC Shenzhen). All their Oil & Gas related pumps are manufactured in facilities in Scotland.

Howden

Howden is a global engineering business who focus on providing clients with industrial products that help multiple sectors improve their everyday processes; from mine ventilation and waste water treatment to heating and cooling. Their core focus is on providing quality solutions for air and gas handling, and with over a century of experience in doing so across multiple sectors.

Howden Hua Engineering Co., Ltd is the joint venture established in Shangdong province, China. The company designs, manufactures and sells the full range of Howden fans, heat exchangers and compressor packages to customers in China, primarily for the power generation, iron and steel, mining, cement, petrochemical and the tunnel & metro industries.

China Oilfield Services Ltd (COSL)

A leading integrated oilfield services provider in international offshore and onshore market with 50+ years' experience with activities in 30+ countries globally. COSL is a majority owned subsidiary of CNOOC Group. COSL has largest and most diverse offshore oilfield services facilities in China. COSL Drilling Europe subsidiary has EU HQ in Stavanger, Norway. In 2017, Nexen Petroleum UK hired COSL Drilling Europe to carry out plugging and abandonment work at Etrick and Blackbird fields in the North Sea. The work includes 13 wells with a fixed duration of around 12 months.

Offshore Oil Engineering Co., Ltd (COOEC)

A listed company controlled by China National Offshore Oil Corporation (CNOOC). Renowned as a large-scale general contracting company nationwide across the energy sector. 17 overseas locations in North America, Middle East, West Africa, and other regions. Scotland based Triton Marine have signed an International Partnership Agreement with COOEC, to support their expansion into the UK and West Africa.

China Huanqiu Contracting & Engineering Company Limited (HQC)

Wholly owned subsidiary of CNPC, an engineering driven international EPC contractor in upstream & downstream areas with 64 years' experience. 4 global procurement centres in Beijing, Singapore, Rome, and Houston. Company also acts as a technical consultancy centre for CNPC oversea Oil & Gas investment in downstream.

China Merchant Heavy Industry (Shenzhen) Co., Ltd

One of the major offshore engineering companies in China with a good track record of offshore equipment manufacturing.

China Power International Holding Ltd

Incorporated in Hong Kong 1994 under approval of the State Council, served as an overseas financing window for the Ministry of Power. By Oct 2017, Company's installed capacity reached 28.74 GW, of which 10GW is clean energy. The assets are distributed across 23 provinces, cities and autonomous regions in mainland China, Hong Kong, Macao SARs as well as Vietnam and Pakistan. CPHI is the subsidiary of State Power Investment Corporation (SPIC). CPIH have been actively looking for investment opportunities (including gas power and renewable portfolio) in Europe, especially in the UK and Scotland.

Sinopec International Petroleum Service Corporation

Sinopec International Petroleum Service Corporation (SINOPEC PETROLEUM SERVICE), a fully-owned subsidiary of SINOPEC Group, is engaged in contracting international petroleum projects or other related technical services and is responsible for uniform management, coordination and organization of contracted international projects and technical services, performed by the SINOPEC's overseas upstream subsidiaries.

ENERGY STRATEGY

The Scottish Energy Strategy (published 20 December 2017) sets out a vision for the future of energy in Scotland: *"A flourishing, competitive local and national energy sector, delivering secure, affordable, clean energy for Scotland's households, communities and businesses."*

It will guide the decisions that the Scottish Government, working with partner organisations, needs to make over the coming decades, supporting work already planned or underway to achieve our long-term climate change targets, and to address the impact of poor energy provision.

On Monday [22nd], the Cabinet Secretary for the Environment announced that we are now accepting applications from innovative local energy projects to the £60m worth of funding under the Low Carbon Infrastructure Transition Programme.

We are determined to attract, retain and develop the low carbon innovators who will shape our future

- As announced in the PfG, £60 million is now being made available for accelerating innovative low carbon project delivery, supported by EU funding.
- This builds on the Low Carbon Infrastructure Transition Programme (LCITP) which has allocated around £40 million to 16 low carbon capital projects since 2015.
- This funding represents one of the most significant direct low carbon investments in the last 10 years.
- The fund focuses on three priority areas: integrated energy systems, low carbon heat and ultra- low emission vehicle.
- Support of £100,000 per project to develop investment grade business cases is available. For capital ready projects, maximum of 50% of eligible capital up to £10 million per project is available.

We have published Scotland's first Energy Strategy which sets Scotland on course for an inclusive, innovative and low carbon energy future.

- Our Strategy sets two new and ambitious targets for 2030:
 - The equivalent of 50% of Scotland's heat, transport and electricity consumption to be met from renewable sources, and
 - An increase of 30% in the productivity of our energy use across the Scottish economy.
- The Strategy takes a "whole system" view – across heat, transport and electricity.
- It also focuses on the need for an inclusive transition to our low carbon future, as well as the increasingly important role and potential of local energy systems.
- We have committed up to £80 million to give dedicated support for renewable and low carbon energy infrastructure and innovation in 2018-19.

QUOTE: Oil and Gas UK, statement, Dec 20

"We welcome the announcement by Paul Wheelhouse that the UK oil and gas industry will remain the bedrock of Scotland's future energy system and that building on our industry's strengths is among the six priorities for the Scottish Energy Strategy's 2050 vision.

QUOTE: Claire Mack, Chief Executive of Scottish Renewables, Dec 20

"Scotland's first Energy Strategy heralds a new era for the energy system used by us all, and provides a roadmap for others to follow. The huge ambition of the new target is to be commended."

We have also published our Onshore Wind Policy Statement confirming the vital role that onshore wind will continue to play in our energy future.

- We have a long record of support and success for onshore wind in Scotland.
- Wind will continue to make a valuable contribution to our ambitious targets.
- Onshore wind delivers valuable economic and industrial benefits and we are determined that these should continue - and grow.
- We will maintain the vital balance between consent for new development and protection of Scotland's landscapes.
- We also remain committed to securing benefits from these developments for Scotland's communities, and more opportunities for shared ownership.

Our new 2030 target of 50% of Scotland's energy needs to come from renewables demonstrates our commitment to a clean energy future

- Statistics published by the UK Government in December show in the first three quarters of 2017, renewable electricity in Scotland was 19% greater than the same period in 2016.
- The figures also showed renewable energy was 10% greater than the same period in 2015.
- This means Scotland is on track for a record year of renewable generation in 2017.
- Scottish renewable electricity makes up 24% of the UK renewable electricity output – leading the way in the generation of clean green power.
- We continue to move towards our 100% target for gross electricity consumption from renewable sources.
- Statistics show our progress at 54% in 2016, more than three times higher than in 2006.

Scotland is the home of energy innovation – a living laboratory of ideas.

- Norwegian energy firm Statoil has built the world's largest floating offshore wind farm Hywind off the East Coast of Scotland.
- We are home to the world's leading wave and tidal test centre, the world's largest planned tidal stream array and the world's largest tidal turbine.

- During July 2017, the tidal turbines in the Pentland Firth set a new world record for the production of power from tidal stream generation.

The cost of renewables continues to come down and offshore wind is now substantially cheaper than new nuclear.

- The results of the second Contracts for Difference auction proves offshore wind in Scotland is very competitive, and cheaper than new build nuclear at Hinkley C.
- Over 3 GigaWatts of offshore wind awarded to three developments, provides a huge opportunity for the Scottish supply chain.

Over the past 2 years, the UKG has cut support for renewable electricity – jeopardising its future deployment and economic benefit in Scotland

- We continue to call on the UK Government to provide a stable, supportive regulatory regime, sustaining investment and economic/community benefits.
- We want to see support for investment in renewable energy, and a route to market for onshore and remote island wind.
- We are monitoring the UKG Cost of Energy Review – we will push to ensure reform contributes to our Climate Change targets and minimise costs to all.

A strong and vibrant domestic oil and gas industry can play a positive role in supporting the transition to a low carbon economy.

- We continue to work with the industry to maximise economic recovery.
- We also want to ensure that the expertise gained through 40 years of operating in the North Sea makes a valuable contribution to the low carbon transition.
- Oil & gas production from the North Sea is a highly-regulated industry, with some of the comparatively least polluting production methods in the world.
- Scotland is not alone in its support for domestic production of hydrocarbons.
- No other oil or gas producing country in the world has publicly stated any formal intention to leave substantial oil reserves ‘in the ground’.

We support Carbon Capture Storage (CCS) as an important decarbonisation infrastructure and essential climate change technology.

- It is vital that the UK Government engages collaboratively with industry and with the Scottish Government to expand their outline plans for CCS.
- Scotland’s waters provide the largest carbon storage resource in Europe.
- Couple this with our existing oil & gas capabilities, ready supply chain, and existing pipeline and platform infrastructure.
- Scotland is the best-placed country in Europe to realise CCS on a commercial scale.
- We are supporting the Acorn CCS Project with £100,000 to support the feasibility of the CCS project at St Fergus, which has secured €1.9 million EU funding.
- We are participating in the UK Government Carbon Capture Utilisation Storage (CCUS) Ministerial-led CCUS Council and the CCUS Cost Reduction Taskforce.

Scotland's Energy Efficiency Programme (SEEP) is the cornerstone of our approach with £500 million funding over next 4 years.

- Improving energy efficiency in all our buildings, decarbonising Scotland's heat supply; making energy more affordable and reducing carbon emissions is key.
- In 2018, we will accelerate our work on SEEP, publishing a Route Map and continuing our £0.5 billion investment over the next four years.

OIL & GAS

Issues:

On 12 March, the OBR have significantly revised up their forecast for North Sea revenues for all years from 2017-18 to 2022-23, with revenues forecast to be on average £0.4 billion higher annually across this period.

- This returns forecasted revenue to around the level in the Spring Budget 2017.
- **Over the period 2017-18 to 2022-23, the OBR estimates that the North Sea will have positive revenue of £5.5 billion.** The latest forecast is £2.2 billion (or 68 per cent) higher for the same period when compared to Autumn Budget 2017 estimates.

SEPA are investigating a complaint made to them regarding potential illegal movements of waste regarding three rigs cold stacked in the Cromarty Firth.

- These rigs were due to leave the Cromarty Firth for decommissioning in India.
- This is a regulatory matter for SEPA.

On 31 January BP announced two new North Sea oil and gas discoveries. BP North Sea regional president Mark Thomas said: "These are exciting times for BP...we expect to double production to 200,000 barrels a day by 2020 and keep producing beyond 2050".

- This has faced criticism from environmentalists, WWF Scotland said, "Just weeks after it was reported 2017 was one of the hottest years on record, it seems perverse to be aiming to double production of North Sea oil."
- We have always maintained there are significant opportunities remaining in the North Sea, even in the context of a low carbon transition, and that a strong and vibrant domestic offshore oil and gas industry will play an essential role in the future energy system set out in our recently published Energy Strategy.

On 15th January Shell announced the redevelopment of the Penguins Field, enabling approx. 100m barrels of oil equivalent to be recovered

- This significant investment is further evidence of rising confidence in the future of the region and it will offer a significant boost to communities across the North East of Scotland, along with boosting the wider Scottish economy.
- The Scottish Government has led the call for all UKCS fiscal reforms in recent years, which have often lagged and delayed. While this is a positive step, we have been calling for this since the Autumn Statement 2015.

Top Lines

- The North Sea holds significant potential with up to 20 billion boe remaining, which could sustain production for at least the next 20 years.
- The North Sea industry is a highly-regulated, with some of the most advanced and comparatively least polluting production methods in the world.
- The PfG reinforces our commitment to the sector, clearly stating that harnessing the resources of the North Sea will be vital to the Scottish economy for decades to come.

December 2017, France announced it has become the first country in the world to ban any new oil exploration licences with immediate effect and all oil extraction by 2040 – tweeted by President Macron (19th December).

- This announcement is largely symbolic as only a fraction of what the French consume is domestically produced – with most being imported.
- In 2015 France produced 6 million barrels of oil (1% of demand). The corresponding figure for Scotland is 325 million barrels of crude oil (over 800%).
- Scotland’s Energy Strategy recognises that a strong domestic oil and gas industry can play a positive role in supporting the transition to a low carbon economy.
- Scotland is not alone in its support for domestic production of hydrocarbons.
- No other oil or gas producing country in the world has publicly stated any formal intention to leave substantial oil reserves ‘in the ground’.
- Production from the North Sea is a highly-regulated industry, with some of the most advanced and comparatively least polluting production methods in the world.
- New energy sources and technologies such as Hydrogen and CCS can also help to substantially reduce the cost of decarbonisation.

Key economic levers remain with the UK Government, and further support is urgently required

- While it is encouraging UK Government committed to introducing Transferable Tax Histories at 2017 Budget, it is disappointing it has been deferred by 1 year (until Nov 2018) at crucial time for industry.
- As set out in the PfG, we will continue to push the UK Government to:
 - bring forward measures to improve exploration and attract fresh investment;
 - ensure that issues relating to the tax treatment of late life assets are addressed as quickly as possible to allow assets to be in the right hands; and
 - provide support to industry in its ambitions to increase total economic value of the North Sea.

The Scottish Government has delivered an exceptional range of support for the oil & gas sector and its workforce

- Scottish draft budget delivers an increase of £270m in the Economy, Jobs and Fair Work Portfolio.
- That additional funding contributes to investment of almost £2.4 billion in enterprise and skills through our Enterprise Agencies and our skills bodies.
- The increased investment includes a 70% uplift in our funding for business research and investment.
- As part of the Aberdeen City Region Deal, we have committed £90 million over the next decade to support the Oil & Gas Technology Centre (OGTC).
- In 2016, we launched a 3-year, £12 million Transition Training Fund (TTF) to support individuals and help the sector retain talent.
- The latest TTF figures show more than 3,050 people have had applications approved from the fund – surpassing TTF’s initial aim of supporting over 1,000 participants each year.

- The PACE programme has focused significant efforts in the North East – 5 PACE job events aimed at the oil & gas industry were attended by over 4,200 people.

We are working to ensure that the Scottish supply chain captures the economic opportunities from decommissioning

- The Scottish Government is committed to ensuring that decommissioning in Scotland is executed in a safe, environmentally sound and cost-effective manner.
- Decommissioning Challenge Fund (DCF) delivers a key Programme for Government commitment and supports the ambitions outlined in our Energy Strategy and Decommissioning Action Plan.
- The DCF has offered grants to projects working towards Scottish solutions for decommissioning mobile oil & gas assets – funding capital and resource grants of over £1 million to seven different projects from the first round.
- Six further projects have been offered capital funding of £1.5 million in the second round.
- On 5 January, SE and HIE published the Floating Market Study, funded through the DCF.
- The study indicates significant market potential in decommissioning floating and mobile oil & gas infrastructure, including oil rigs, floating production vessels, and support vessels.
- The PfG commits a further £7.5 million to invest in a deep-water port capable of handling the largest structures for decommissioning.

OFFSHORE WIND

- On 19 March 2014 consent was granted for adjacent projects by Moray Offshore Renewables Limited (MORL) (1116MW) and the Beatrice Offshore Windfarm Limited (BOWL) (750MW).
- On 10 October 2014 consent was granted to Neart na Gaoithe (450MW), Inch Cape (784MW) and Alpha and Bravo Seagreen developments Firth of Forth (525MW each). All three projects have submitted new scoping reports to Marine Scotland seeking to either apply for new consent or a variation of their existing consent.

Subsidy Regime

Project	Developer	MW	CfD	Favoured Turbine
Beatrice (Moray Firth)	SSE (40%) / Copenhagen Infrastructure Partners (35%) / SDIC (25%)	750	FID Enabling Contract for 664MW – secured March 2014 Building out 588MW	Siemens;
Moray East (Moray Firth)	EDPR (76.7%)/ ENGIE (23.3%)	1116	CfD contract for 950MW secured – 11 Sept 2017	MVOW
Neart na Gaoithe (Forth/Tay)	Mainstream	450	CfD contract for 448MW Secured – 26 th Feb 2015	Siemens or MVOW
InchCape (Forth/Tay)	SDIC	784	Targeting CfD Spring 2019	MVOW or Siemens
Seagreen (Forth/Tay)	SSE/Fluor	1050	Targeting CfD Spring 2019	No decision

Binding offers were received for the sale of Neart na Gaoithe in February 2018 however it may be several weeks before the buyer is announced. Subject to the sale the aim is to be fully commissioned between March 2022 and March 2023.

The MORL project will be built over three phases, the first of which will be in 2022/23 at a strike price of £57.50.

Implications of RSPB Judicial Review

On 20 July Lord Stewart ruled in favour of the RSPBs legal challenge against the Scottish Government granted consent for the Neart na Gaoithe, Inch Cape, SeaGreen Alpha and SeaGreen Bravo wind farms, which together would have comprised 335

turbines generating up to 2.3 GW. **This decision was overturned by the Inner House of the Court of Session on 16 May 2017 and refused RSPB's request to appeal to the Supreme Court on 19 July 2017.** The RSPB then appealed directly to the Supreme Court, who refused permission to appeal in November 2017.

Band for innovative offshore wind generation

On 1 April 2014, the Scottish Government introduced **two** new bands for offshore wind:

- A band set at **2.5 ROCs** aimed at supporting generation from offshore test and demonstration sites deploying innovative, new to market turbines; and
- A band set at **3.5 ROCs** for pilot projects consisting of non-fixed turbines – e.g. floating turbines or those deploying “tension line” deployment systems.

A total installed capacity ceiling of **75 MW** will apply to each of the proposed new bands, as a means of limiting the maximum additional cost.

We have also introduced **grace periods** for these bands which, subject to preliminary accreditation by the end of March 2017, will allow additional phases of capacity to be registered until the **end of September 2018** and which will thus qualify for the higher band.

European Offshore Wind Deployment Centre (EOWDC)

Vattenfall are keen to take advantage of the 2.5 enhanced ROC available to test & demonstration projects. The development consists of 11 wind turbines and their connecting cables, sited between 2 and 4.5 km off the Aberdeenshire coast. First foundation installation is due to take place March 2018 with first power expected August 2018.

Floating

Statoil's 30MW **Hywind Scotland** was fully commissioned in Q4 2017 and officially opened by the First Minister on 18 October 2017 off Peterhead.

Kincardine Offshore Wind Ltd is South of Aberdeen was granted planning permission on 17 March 2017 for the 48MW test site. KOWL are targeting a phased deployment, with the first turbine deployed summer 2018, a further three approx. 12months thereafter and the final three a further 6 -12 months.

Dounreay Tri received approval on 17 March 2017. A single semi-submersible platform with two 5 MW wind turbines approximately 6 km off Dounreay. The project was planned to be operational by the summer of 2018, however, on 30th June 2017 the project filed for Administration. As BEIS have confirmed they will not extend the ROC deadline, the project is now unlikely to go ahead.

ONSHORE WIND CORE BRIEF

Renewable Electricity Target: The Scottish Government has a target to reach the equivalent of 100% of Scotland's electricity demand to be met from renewable sources by 2020. The latest official BEIS statistics published in December 2017, show that Renewable sources delivered 54.0% of gross electricity consumption in 2016 – down 5.5 percentage points from 59.5% in 2015. However, this remains above the 2015 interim target of 50%.

The Office for National Statistics released the UK environmental accounts for Low Carbon and Renewable Energy Economy survey (LCRE), the final estimates for 2016 show that in 2016, almost half (45.8%) of the UK's turnover from onshore wind activities was generated in Scotland. This aligns with the fact that the majority of large capacity wind farms are in Scotland.

Onshore wind can provide an important contribution to the renewables mix. BEIS stats show that onshore wind in Scotland had, by the second quarter of 2017, an installed capacity of 7.3GW and had generated 3.23GWh for that quarter.

KEY ISSUES/HOT TOPICS:

1. Onshore wind Policy Statement.
2. SG Energy Strategy.
3. Route to Market.

LINES TO TAKE

The Onshore Wind Policy Statement (OWPS) discusses the future of onshore wind in Scotland. It remains our lowest cost renewable energy at scale and so it remains vitally important to our decarbonisation of the energy system.

The OWPS shows continued support to the Onshore Wind sector which makes a valuable contribution to the Renewable targets set out by the Scottish Government, which underlines the continued importance of this established, low cost resource.

We will continue to push for UK-wide policy support for onshore wind and take action of our own to prioritise and deliver a route to market.

With the removal of Pot 1 'Established technologies' from the Contracts for Difference (CfD) auction, onshore wind has no route to market. Developers require a steady price for investment and we are supportive of their ask to UKG for a CfD without subsidy.

The UK Government has made it clear that onshore wind will not be included in the next allocation round. The industry is calling for a 'market stabilisation' mechanism or in other words a subsidy-free CfD, which has a strike price equal or below unabated gas when accounting for the capacity market etc.

With the price of offshore wind falling to £57.50 for the delivery year 2022/23 the gap is closing on onshore wind which a Baringa report commissioned by Scottish Renewables predicted a clearing price of £49.50 for 1GW of consented projects.

Subsidy Schemes overview

Renewables Obligation: On June 18th 2015 it was announced that in order to fulfil a manifesto commitment to end *new* subsidies for onshore wind, the RO for this technology would close one year early in March 2016. There was a grace period for those who could demonstrate that they had a grid connection and agreement, land rights and consent, by the date of the announcement. It was later agreed that those developments, which were on appeal on 18th June, but which were subsequently granted consent, would also fall into the grace period criteria. The Scottish Government did not agree that an existing subsidy scheme like the RO counted as a new subsidy.

Contracts for Difference: The UK Government has made it clear that onshore wind will not be included in the next allocation round. Remote Islands may be included, but we are waiting to hear about state-aid clearance. The industry is calling for a 'market stabilisation' mechanism or in other words a subsidy-free CfD, which has a strike price equal or below unabated gas when accounting for the capacity market etc.

Feed-in Tariff Scheme: The response to the 2015 review. A new system of deployment caps means a low number of installations expected in each quarter. In practice, the caps have been allocated for the year ahead.

Number of wind generating sites, turbines and capacity (MW) in Scotland, by technology and planning status as at 5 February 2018

Application Submitted			Awaiting Construction			Under Construction			Operational		
No. of sites	No. of turbines	Capacity (MW)	No. of sites	No. of turbines	Capacity (MW)	No. of sites	No. of turbines	Capacity (MW)	No. of sites	No. of turbines	Capacity (MW)
53	638	2,050	87	975	2,872	24	418	1,110	292	3,473	7,119

Decision Making

For any project below 50MW, the decision will be made by the relevant planning authority under the Town & Country Planning Act. For those above 50MW decisions will be made by Scottish Ministers under the Electricity Act (1989).

A Scottish Minister cannot discuss any project with a live application.

Onshore Wind Policy Statement

On 20 December 2017, we published the Onshore Wind Policy Statement alongside our overarching Energy Strategy. The OWPS shows continued support to the Onshore Wind sector which makes a valuable contribution to the Renewable targets set out by the Scottish Government, which underlines the continued importance of this established, low cost resource. **Key points at annex A for ease of reference.**

Studies

House Impacts: The Scottish Government commissioned ClimateXChange to conduct a study on the impact of wind farms on house prices, which was published in 2016.

The project set out to test whether there is a significant difference in the average house price growth of properties near a wind farm compared with properties that are not near a wind farm. The analysis considers the dates when individual turbines become operational, considering the before and after effects of wind turbine construction.

The study found that there are no consistent negative effects on house prices and in some instances the price effect was positive. This differs from the results of the study in England where negative results were found. Our study has built on Gibbons' methods, but we believe the methods used in our study greatly increased the resolution and precision of the data in several ways. These improvements are listed below:

Wind Impacts: The Scottish Government commissioned ClimateXChange to look at the impacts of a wind farm and how it compares to what was predicted and what has occurred in practice. This study has now concluded and the Scottish Government are working on the actions from the report.

Other issues

Wild land: SPP details wild land areas as Group 2: areas of significant protection.

The SPP does not impose a blanket ban on development in wild land areas. It states that development on wild land may be appropriate in some circumstances, where it can be demonstrated that significant effects can be substantially overcome by siting, design or other mitigation.

Regarding section 36 determinations, there have been no applications refused wholly based on Wild Land policy, but it has contributed, along with other factors to refusals.

Therefore, although we envisage that wind developments on wild land may be appropriate in some circumstances, we may also conclude, on balance, that the impacts of some proposed developments cannot be outweighed by the wider policy benefits.

Remote Islands Wind – CfD

On 11 October, under the Clean Growth Strategy, the UK Government confirmed that wind projects on the remote islands of Scotland will, subject to state aid approval, be eligible to compete in the next Contract for Difference (CfD) auction.

- **Remote Island Wind (RIW)** will be defined as a “**less established technology**”, competing in a Pot 2 auction **against offshore wind, marine and biomass technologies**.
- The **next auction is anticipated in Spring 2019** but this will depend on an application for State Aid approval. This has been submitted to the European Commission and could take 6-12 months.
- **UKG launched a public consultation in December** which will consider the CfD mechanism as a whole and **seek views on how support for projects on the islands will deliver “direct benefits to the local communities”**, as identified in the Conservative Party manifesto.
- **All key delivery partners are engaged in discussions on the timescale for delivery of projects**. Anticipated connection dates for the Western Isles and Shetland are 2023 and 2024 respectively. Ofgem is considering the regulatory regime for delivery of transmission links to the islands.
- **We will continue to work with UKG and all RIW stakeholders** to ensure that this announcement and intent is translated into delivery on the islands.

SUMMARY OF KEY POINTS OF THE OFFSHORE WIND POLICY STATEMENT

Ministerial Foreword

- Long record of support and success for onshore wind in Scotland – will continue to make valuable contribution to our ambitious targets.
- Valuable economic and industrial benefits of onshore wind – determined that these should continue, and grow.
- Will maintain vital balance between consent for new development and protection of Scotland’s landscapes.
- Consulting soon on Consent Unit resourcing, and intend to pursue significant changes and improvements to relevant legislation.

Route to Market

- Reaffirms view that new capacity should be developed at no additional cost to consumers – but that UK Government must enable this through competitive auctions which protect against wholesale price fluctuations.

- Underlines that SG will also use every power at our disposal to create route to market (e.g. possible PPA provision through national electricity contract).
- Will also continue to support development across public estate, where possible.
- Confirms that efficiency will NOT be included as material consideration through section 36 process
- Explicitly acknowledges market shift towards larger turbines, and support for these being accommodated in landscapes where no significant adverse impacts.
- Underlines continuing importance of (and our support for) innovation, particularly potential of storage to improve prospects and performance of onshore wind.

Repowering

- Sets out Scottish Government's clear support in principle for repowering at existing sites.
- Proposes that we should continue to assess such applications on a case by case basis, to ensure correct and proportionate approach to environmental assessment.
- Clarifies that duration of wind farm operating period is not fixed at 25 years, and is a matter for developers to consider and discuss at application stage.
- Stresses need for shared ownership and community benefit to form part of any repowering discussions and proposals.

Strategic Approach to Development

- Confirms that current approach remains the right one (opportunities for collaboration identified and pursued on a case by case basis).
- Notes scope for current planning reform proposals to enhance opportunities for collaboration through stronger co-ordination at regional level.

Barriers to Deployment

- Underlines SG determination to ensure that network charging and regulation takes Scottish interests and issues fully into account.
- Looks to civil aviation sector to play greater part in managing and resolving radar issues.
- Makes clear SG intention to unlock current impasse presented to developers and projects by MoD's approach to financial risk re air defence radar solutions.
- Confirms decision to retain current approach and limits to development zone around Eskdalemuir seismology array.

Protection for Residents and the Environment

- States intention to continue monitoring design and effectiveness of Peatland Policy Statement and Carbon Calculator, while reiterating SG protection for wild land areas.

Community Benefits / Shared Ownership

- Reaffirms importance to SG and ministers of meaningful community benefits and shared ownership opportunities and target.
- Acknowledges developer feedback on issues raised by changes in support mechanisms and financial climate.
- Confirms intention to pursue these issues in more detail as part of reviews of Good Practice principles for community benefit / shared ownership in 2018.

MEETING WITH MR ZHANG JIANHUA, PRESIDENT, CNPC

Monday, 9 April 2018

Key Message	<p>Grangemouth has significant economic and strategic importance to Scotland, and the Scottish Government wants a sustainable future for the refinery business.</p> <p>Both the Scottish Government and the UK Government value PetroChina's presence in Scotland, and are keen to ensure this is continued.</p> <p>[REDACTED]</p>
Who	<ul style="list-style-type: none"> • Mr Zhang Jianhua, President, CNPC • Tian Jinghui - Vice President, PetroChina; Chairman, PCI • Wang Zhongcai - Vice President, PetroChina; Chairman, CNODC • Cao Wei - Deputy Director-General, International Dept. • Zhang Tong - Vice President, PetroChina International • Duan Yarui - Deputy Director, International Dept
What	<ul style="list-style-type: none"> • CNPC is the parent company of PetroChina, a JV partner at the refinery. • This will be your first meeting with Mr Zhang • Grangemouth refinery directly employs around 1,500 and supports 5,000 when indirect & induced employment are added.
Why	<ul style="list-style-type: none"> • [REDACTED] • CNPC is also the largest oil producer in China. CNPC may wish to discuss the global and North Sea oil and gas outlook. • UK PM visited China this year from 31 January to 2 February.
Where	<p>CNPC office Petrochina Head Office, 9 Dongzhimen North Street Beijing</p>
When	<p>Monday, 9 April 2018, 14:20-15:20</p>
Supporting Officials	<p>[REDACTED] Executive Director Asia Pacific, SDI [REDACTED] Deputy Director Energy Industries, Scottish Government [REDACTED] [REDACTED] Director of Greater China, Energy Sector Lead for Asia Pacific, Scottish Development International [REDACTED] Deputy Head of Mission, British Embassy Beijing</p>
Attached documents	<p>Annex A: Summary & Key issues for discussion Annex B: Biography</p>

Purpose of the Meeting

- Demonstrate importance of CNPC/PetroChina business to Scotland, joint working on the issue with UK Government, and build relationships with senior executives in CNPC.
- CNPC is the parent company of Petrochina and Mr Zhang is President of CNPC and a Board Director.
- You hosted Chairman Wang and a delegation from CNPC in May 2017 at Bute House (Mr Zhang was not in attendance). The PM visited China this year from 31 January to 2 February.

[REDACTED] **to hear CNPC/PetroChina's outlook for global/North Sea oil and gas markets.**

1. Grangemouth Refinery Investment

- Grangemouth refinery is owned by PetroIneos: a 50/50 JV between PetroChina UK (CNPC subsidiary) and Ineos. [REDACTED]
 - The JV covers 2 refineries – Grangemouth in Scotland and Lavera in France. [REDACTED]
- [REDACTED]
- Programme for Government (PfG) states:
*"We will take the lead in promoting the use of ultralow emission vehicles (ULEVs) and phase out **the need** for **new** petrol and diesel cars and vans by 2032, well ahead of the 2040 target recently announced by the UK Government."*
[REDACTED]

Discussion point: *What is CNPC's view about the outlook for investment at Grangemouth?*

2. China National Petroleum Corporation (CNPC)

- CNPC is the third largest company in the world in terms of revenue (3rd on FTSE 500 in 2016), and employs over 1.6 million people in China. They are also the largest of China's three major National Oil Companies (NOCs)
- CNPC is the largest oil producer in China and has strong cooperation with both BP & Shell.

China's national oil and gas companies:

- China has consolidated its oil and gas industry around three companies: 1) PetroChina (parent company is China National Petroleum Corp); 2) Sinopec (China Petroleum & Chemical Group); and 3) China National Offshore Oil Corporation (CNOOC).
- All three are integrated oil and gas companies – however, PetroChina and Sinopec control the refineries that produce 90% of China's gasoline and diesel. They also control a large portion of China's petrol stations.
- CNPC, along with Sinopec and CNOOC have significant influence over energy policy in China. The heads of the National Oil Companies have Ministerial-level status in the Chinese system.

Outlook for the North Sea

- Neither CNPC nor PetroChina have any direct equity or investment in offshore oil and gas fields in the North Sea.
- However, the Chairman of CNPC, Mr Wang, is the former Chairman of CNOOC:
 - CNOOC are the parent company of Nexen. The takeover of Nexen by CNOOC was delivered when Mr Wang was Chairman.
 - Nexen operate the Buzzard field - the largest North Sea oil discovery in the past two decades and currently largest producing field. Oil from Buzzard is exported via the Forties pipeline to the Kinneil Terminal (owned by INEOS). Nexen recently announced £500m investment to extend the field life by 10 years. The Nexen-operated Golden Eagle field also produced first oil in late-2014.
- In-part due to domestic production declines Chinese oil companies are now looking abroad for opportunities.
 - **Confidence is returning to the North Sea** – the recent Oil and Gas UK Business Outlook 2018 report highlights that more **new investment is expected in 2018 that in the previous last three years combined. 2018 production is set to increase 5% making it 20% higher than 5 years ago. Unit Operating Costs halved since 2014 and post-tax cash flow is the highest in 7 years.**
 - Following significant reforms, which the Scottish Government called for in recent years, the **UK fiscal regime now ranks in the top quartile** for post-tax return
 - The UK Government provides **tax relief that can offset over 40% of the total cost of decommissioning**, the OGA have a target to reduce future decommissioning costs by 35%.

- The OGA will launch the **31st licencing round in mid-2018** for investment to develop less explored areas of the basin, and **we welcome Chinese participation.**

UK continental shelf oil & gas regulation

- In April 2015, the Oil & Gas Authority (OGA) was established as an Executive Agency of the HMG Department for Business, Energy and Industrial Strategy (BEIS). The OGA's role is to regulate, influence and promote the UK oil and gas industry in order to **maximise the economic recovery of the UK's oil and gas resource.** Feedback to date from CNOOC and Sinopec in China on the OGA's work has been positive – they are seen to be taking an investor friendly approach.
- The Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) within BEIS is the **Environmental Regulator** for all offshore oil and gas operations and also regulates **decommissioning** in the basin.

Discussion points:

- *What is CNPC's view about the outlook for the North Sea and the improving competitiveness of the basin?*
- *Does he consider it likely that there will be further Chinese investment or partnerships in North Sea assets?*

ANNEX B: BIOGRAPHY & DELEGATION



Mr Zhang Jianhua
Board Director, President.

Mr. Zhang has over 30 years of working experience in China's petroleum and petrochemical industry.

In April 1999, Mr. Zhang was appointed Vice President of Shanghai Gaoqiao Petrochemical Company, a subsidiary of China Petrochemical Corporation. In February 2000, he became Vice President of Sinopec Shanghai Gaoqiao Company and in September he was promoted to President of the company.

Mr. Zhang became Vice President of Sinopec Corp. in April 2003, and held a concurrent post as Director-General of Production & Operation Management Dept. of Sinopec Corp. in November. In March 2005, he served as Senior Vice President of Sinopec Corp. and was appointed Board Director in May 2006. He held the concurrent posts as Chairman of Sinopec (Hong Kong) Limited in June 2007, and as Chairman of Sinopec Engineering (Group) Co. Ltd in October 2014.

Mr. Zhang was appointed Board Director and President of CNPC in July 2016.

BRIEFING FOR THE FIRST MINISTER

CHINA NATIONAL OFFSHORE OIL CORPORATION (CNOOC), BEIJING

MONDAY 9TH APRIL 2018

Key message	<ul style="list-style-type: none">• Scotland is a leading location for innovation in marginal oil and gas extraction and management of late life assets, including decommissioning.• The Scottish Government is committed to oil & gas operations in Scotland and the strategic importance of the industry to the Scottish economy.• The Scottish Government supports cooperation between CNOOC and Scottish supply chain companies.• Scotland's innovation story is characterised not only by the North Sea experience but the connections with universities and the talent they produce.• Scotland and Scottish companies want to respond to the Chinese Government policy direction, as well as Chinese companies. By collaborating we can exploit other markets across the world.
What	<ul style="list-style-type: none">• Meeting with one of China's largest investors in Scotland acknowledging CNOOC's commitment to Scotland and to demonstrate Scotland's continuous support to its growth in the North Sea.• Witness agreement signing between CNOOC's subsidiary China Offshore Oil Engineering Company (COOEC) and Triton Marine & Engineering Consultants Ltd and congratulate them for partnership in decommissioning market in UKCS and potential inward investment.
Why	<ul style="list-style-type: none">• Welcome CNOOC's investment in the North Sea and gain insights into their growth strategy in Scotland.• Promote Scotland's oil & gas supply chain capability in the North Sea and global partnership with China.• Discuss opportunities in decommissioning market in UKCS and further investment from CNOOC's subsidiary companies.• Opportunity to discuss the new exploration licensing rounds and how this could assist additional investment.• Discuss opportunities for cooperation between CNOOC and OGTC and OGIC.
Who	<ul style="list-style-type: none">• Mr. Hua YANG (WHUA YANG), Chairman of China National Offshore Oil Corporation

	<ul style="list-style-type: none"> • Mr. Zhi FANG (Jhoo FANG), Chairman of CNOOC International • Mr. Xiaojian JING (Sheowjeean JING), President of CNOOC Offshore Oil Engineering Co., Ltd. (COOEC) • Mr. Shujie CAO (Shoojee-eh TSAO), CEO & President of China Oilfield Services Ltd. (COSL) • Mr. Hua XIANG (Whua SIANG), Deputy General Manager of International Cooperation Department, CNOOC • Mr. Changsheng YU (Changshung YOO), VP of COOEC • Martyn Roper, Minister & Deputy Head of Mission British Embassy Beijing • Vishan Carpen, Second Secretary (Energy), British Embassy Beijing <p><u>Participants to the signing ceremony only:</u></p> <ul style="list-style-type: none"> • Mr. Ruhua YUAN (Roowha YUAN), General Manager of COOEC Maintenance Company • Mr. Shiwei YIN (Shooway YEEN), MD Manager of COOEC Maintenance Company • Sean Holland, Business Director, Triton Marine & Engineering Consultants Ltd • Joanna Tracinska, Commercial Director, Triton Marine & Engineering Consultants Ltd <p>MC for meeting is TBC by CNOOC.</p>
Where	18F, CNOOC Head Office, 25 Chaoyangmen Bei Dajie, Beijing
When	<p>15:40 – 16:40 hrs</p> <p>15:40 – 16:20 Meeting with Chairman Yang 16:20 – 16: 23 FM walks into the signing room 16:23 – 16:25 MC introduces COOEC and Triton representatives to FM 16:25-16:27 MC introduces FM to attendees 16:27-16:30 MC introduces the agreement and future prospect of the cooperation 16:30-16:35 Agreement signing 16:35-16:40 Photo opportunities</p> <p>CNOOC suggested no need for translation.</p>

Likely themes	<i>Oil & Gas, Decommissioning, Innovation & Technology</i>
Media	n/a
Supporting officials	[REDACTED] executive Director Asia Pacific, SDI [REDACTED]
Attached documents	Annex A: Summary Page Annex B: Company Background Annex C: Partnership between COOEC and Triton Marine & Engineering Consultants Ltd. Annex D: Biography Annex E: Scottish Government Oil & Gas Brief

SUMMARY PAGE

Purpose of meeting:

The primary purpose of this meeting is to maintain relationships at a leadership level with a key inward investor in Scotland. A demonstration of ongoing support from Scottish Government enables SDI and Scottish companies to develop specific trade and investment opportunities in the coming months.

During the meeting, CNOOC's subsidiary COOEC will sign an agreement with Triton Marine & Engineering Consultants Ltd which could result in future investment from CNOOC and its subsidiaries into the North Sea. Triton will effectively operate as COOEC (agreement content attached in Annex C).

- Congratulate CNOOC/Nexen on achieving the lowest lift cost in the North Sea and forecasting a return to growth and profit despite challenging market conditions in the last few years.
- Understand CNOOC's long term investment plans for the North Sea, extending the life of assets, developing marginal fields and committing to new ones – in the North Sea and in international fields being managed from Aberdeen.
- Highlight the opportunities for broader cooperation between CNOOC and the Scottish oil & gas industry in China, Scotland and across the world in innovation and decommissioning.
- Raise the profile of Scotland as the European Centre of Excellence for oil & gas and encourage CNOOC to consider further investment, possibly in the areas of technology and innovation (i.e. enhanced oil recovery, subsea technology and overall industry efficiencies whilst still maintaining high safety benchmarks).

Key facts:

- Scotland accounts for **1%** of total global oil production, has world class sub-sea engineering and a strong oil & gas sector.
- Scotland continues to translate its **50** years of achievement and expertise in oil & gas into innovation and technology development to service the world's future oil & gas needs.
- **20bn boe** still to be recovered from the North Sea making innovation crucial to success.
- World renowned skills and expertise in Reservoirs; Drilling & Wells; Platforms & Topsides; Marine, Subsea & Pipelines.
- Scottish Enterprise supported innovation in oil & gas in 2016/17 totalling **£15.9m** awarded to **111** innovation projects with a total project value of **£42m**.

- Scotland has **25%** of Europe's offshore wind and tidal potential as well as **10%** of Europe's' wave resources.
- Scotland is leading the world in the development of deep water offshore wind farm deployment and construction. Scotland is also a world leader in the commercialisation of wave and tidal energy.
- UK continental shelf production has increased 30% from 2014 and unit operating costs have nearly halved – in other words there remains a healthy investment opportunity for exploration and production
- UK Government provides tax relief that can offset over 40% of the total cost of decommissioning. OGA have a target to reduce future decommissioning costs by 35%

[REDACTED]

COMPANY PROFILE

GLOBAL STRATEGY

- CNOOC is one of the largest oil companies in China. It is responsible for exploiting hydrocarbon resources in cooperation with foreign partners in offshore China. The company is engaged in five major business sectors including oil & gas exploration and development, refining and petrochemicals, gas and power, technical services, and financial services. CNOOC Group has assets and operations in **over 40 countries and regions**. The company is headquartered in Beijing and has **over 19,436 employees**.
- At the close of 2016, the Group owned reserves of approximately **3.88 billion BOE** and produced an average of nearly **1.3 million bpd** of oil equivalent and has hydrocarbon assets and operations in over 20 countries worldwide. The Group has total assets of approximately **RMB637.7 billion**.

NEXEN UK (now a wholly-owned subsidiary of CNOOC)

- In July 2012 CNOOC acquired the Canada-headquartered Nexen at a cost of **\$15 billion**.
- Nexen has more than doubled its proven reserves in the North Sea since 2004 and continues to actively explore in the region. The company employs **730** staff and approximately **300** contract personnel.
- Nexen continues to drive innovation in the North Sea working closely with the Scottish supply chain to create efficiencies for all including Wood, AMEC Foster Wheeler, Prosafe and RDS, to develop UK projects.
- Ray Riddoch was appointed Managing Director in 2015, under his leadership Nexen has achieved **a low lift cost, an increase in oil pricing and the full support of CNOOC in China**. The outlook for 2018 is very positive.
- The principal activity of the company is the exploration for and production of crude oil, natural gas and natural gas liquids on the UK Continental Shelf (UKCS). Nexen operates the Buzzard, Golden Eagle and Scott fields. Ettrick and Blackbird fields are in the process of being decommissioned.
- In November 2017 Nexen announced a **£500 million** investment in extending the Buzzard field. Buzzard II will extend the field life by at least ten years and possibly until 2030.
- In 2017, Nexen's production was ahead of target – mainly because of technology advances in water injection and **forecasting a return to growth and profit** after a challenging two years.
- Nexen is continuing to explore for, and produce, hydrocarbons on the UKCS and continuing to explore the UK North Sea basin.
- CNOOC and Nexen Inc have given full support to a strategy that involves acquisition of additional exploration and production acreage in the UKCS through acquisition and possible participation in future UK Licensing Rounds.

- Nexen is currently exploring **two exploration wells** West of Shetland and has the **lowest lift cost** in the North Sea.
- Nexen has opened an office in Senegal and will be undertaking four exploration wells in Africa this year run by drilling teams in Aberdeen.
- Nexen has applied for a number of licences in Ireland and has opened an office in Dublin. Exploration wells are expected to be drilled in 2018 run by drilling teams in Aberdeen.
- Nexen won the 'Workforce Engagement – Large Enterprise' category in the November 2016 Oil & Gas UK Awards.
- Chris Morritt, Nexen Senior Adviser, Govt Relations UK, is an active participant of the O&G ILG.

SE INSIGHTS:

- [REDACTED]

PREVIOUS ENGAGEMENT

SDI has established good relations with various parts of CNOOC and has introduced various Scottish companies to meet with CNOOC for potential cooperation in trade and investment activities.

- The First Minister met with Mr. YANG Hua, Chairman of CNOOC, on her last visit to China July 2015. Following this meeting it was agreed that SDI would continue to explore how Scotland and CNOOC (and its subsidiaries) can cooperate in the supply chain areas in China and across the world.
- In March 2017, as part of Scotland's Oil & Gas Trade Mission to China, SDI organised roundtable meetings with CNOOC headquarters in Beijing and CNOOC Shenzhen to discuss how Scottish companies' expertise in subsea engineering/late life management can help their Chinese counterparts reduce costs and increase efficiency. SDI arranged similar activities with CNOOC at the end of March 2018.
- COOEC Maintenance Company visited Scotland during Offshore Europe in Sep 2017 and arranged meetings with supply chain companies to discuss potential cooperation in the decommissioning market. SDI also facilitated follow up visits in Nov 2017.
- SDI has been working closely with both Triton Marine & Engineering Consultants and COOEC Maintenance Company on their discussion about decommissioning market development and wider cooperation in O&G. A cooperation framework has been agreed by both parties during Triton's visit to COOEC in Jan 2018.
- Approved and supported by CNOOC, COOEC Maintenance Company has led and coordinated with other departments of COOEC on a whole day showcase for SDI's Oil & Gas mission at their headquarters in Tianjin on 30th March 2018.

- The Former Chief Executive of Scottish Enterprise, Lena Wilson, met with **Alan O'Brien**, Senior Vice President, Legal and General Council and Brian Humphreys, Vice President of Government Relations while in Calgary, Canada in June 2013. Lena Wilson also met with newly retired **UK Nexen MD Archie Kennedy** in April 2015.

COOEC and Triton Marine & Engineering Consultants Ltd Partnership Description

Offshore Oil Engineering Co., Ltd. (COOEC) is a listed company controlled by CNOOC. Triton Marine have signed an International Partnership Agreement with COOEC, to support their expansion into the UK and West Africa.

As part of this agreement, Triton will act on COOEC's behalf to gain high value decommissioning and engineering, procurement, construction and installation (EPCi) contracts from NOCs operating in the UK. All of this shall be managed from Tritons main head office in Aberdeen, UK. To put this relationship into context, Triton Marine and Engineering Consultants was established in January 2017 to provide a competitive and comprehensive Marine Solutions Service. COOEC is one of the largest EPCi companies in the Globe, and currently have significant international expansion plans, with focus on the UK and West African markets.

The benefits to both Triton and the local economy to potential revenue and turnover is substantial. With such a large EPCi company of this kind committing to investing in Scotland and specifically in Aberdeen, will not only provide NOC's with options, but will also allow Triton and COOEC to expand collectively to support impending decommissioning works. Tritons approach is to work closely with COOEC as partners to ensure decommissioning is carried out in Scotland, in Scottish ports, using the local supply chain further benefitting the local economy and surrounding ports.

The partnership is looking for support for [REDACTED]

BIOGRAPHIES

YANG Hua,

Chairman Board of Directors / CPC Party Leadership Group Secretary, CNOOC



Born in May 1961, Mr. Yang Hua graduated from China University of Petroleum with a Bachelor of Science degree in Petroleum Engineering in August 1982. He also received an MBA degree from Massachusetts Institute of Technology in May 2004.

Mr. Yang joined CNOOC in August 1982 and had served in a number of positions including Manager of Field Development Department of CNOOC Research Center, Deputy Chief Geologist and Deputy Director of Overseas Development Department of CNOOC, President of Overseas Oil & Gas Corporation Ltd., Senior Vice President, Chief Financial Officer, President, Chief Executive Officer and Vice Chairman of CNOOC Limited, and an Assistant President of CNOOC.

In April 2010, Mr. Yang became a Vice President and a Party Leadership Group Member of CNOOC. Mr. Yang assumed Director and President of CNOOC in August 2011. In April 2015, Mr. Yang became Chairman and Party Leadership Group Secretary of CNOOC. In May 2015, he assumed Chairman of the Board of CNOOC Limited.

JIN Xiaojian

President of CNOOC Offshore Oil Engineering Co Ltd (COOEC)



Born in 1959, Mr. Jin Xiaojian, a professorate senior engineer, is the President of Offshore Oil Engineering Co. Ltd. He also holds a concurrent post of Standing Director at Chinese Petroleum Society, and the Vice Director General at China Petroleum and Petrochemical Equipment Industry Association, China Petroleum and Petrochemical Engineering Research

Association, and National Energy Deepwater Oil and Gas Engineering Technology Research and Development Center.

Being one of the well-known technical experts and leading pioneers of the engineering construction field of offshore oil industry of China, Mr. Jin Xiaojin has dedicated himself to the offshore oil engineering technologies and engineering management for 35 years. He has planned, researched, designed and built some major projects that boosted the leaping forward and soaring of the deepwater engineering capabilities of China, for example, Haiyangshiyou 981, and Liwan 3-1, the demonstration deepwater gas field.

Yuan Ruhua

General Manager, COOEC Technology Services Company



30+ years offshore Oil & Gas experience in COOEC. Extensive experience in offshore installation technology and management. He is vigorously developing offshore decommissioning and renewable energy business.

Sean Holland

Business Director, Triton Marine & Engineering Consultants Ltd



A highly motivated and ambitious degree qualified Business Development Manager, with 15 years of extensive Project and Operations experience. Having studied at both The University of Edinburgh and The Open University, Sean has since gained a wealth of knowledge in both the Oil & Gas and Renewables industries. Having worked directly with global Oil & Gas operators on large scale projects, including the INPEX Ichthys LNG Project, Westernlink HVDC Project, and the BP Schiehallion Well Enhancement Project. Sean is an individual with great attention to detail, who works well under pressure, and is driven to exceed expectations, possessing excellent business development, organisation, communication and leadership skills.

Joanna Tracinska

Commercial Director, Triton Marine & Engineering Consultants Ltd



Highly experienced and motivated degree qualified Commercial Manager with over 15 years' experience, with extensive technical, and business operations skills. Directly responsible for setting up technical matrix systems to interface with business related models. Expertise in contract negotiation development and commercial strategy planning.

OIL & GAS

Issues:

On 12 March, the OBR have significantly revised up their forecast for North Sea revenues for all years from 2017-18 to 2022-23, with revenues forecast to be on average £0.4 billion higher annually across this period.

- This returns forecasted revenue to around the level in the Spring Budget 2017.
- **Over the period 2017-18 to 2022-23, the OBR estimates that the North Sea will have positive revenue of £5.5 billion.** The latest forecast is £2.2 billion (or 68 per cent) higher for the same period when compared to Autumn Budget 2017 estimates.

SEPA are investigating a complaint made to them regarding potential illegal movements of waste regarding three rigs cold stacked in the Cromarty Firth.

- These rigs were due to leave the Cromarty Firth for decommissioning in India.
- This is a regulatory matter for SEPA.

On 31 January BP announced two new North Sea oil & gas discoveries. BP North Sea regional president Mark Thomas said: "These are exciting times for BP...we expect to double production to 200,000 barrels a day by 2020 and keep producing beyond 2050".

- This has faced criticism from environmentalists, WWF Scotland said "Just weeks after it was reported 2017 was one of the hottest years on record, it seems perverse to be aiming to double production of North Sea oil."
- We have always maintained there are significant opportunities remaining in the North Sea, even in the context of a low carbon transition, and that a strong and vibrant domestic offshore oil & gas industry will play an essential role in the future energy system set out in our recently published Energy Strategy.

On 15th January Shell announced the redevelopment of the Penguins Field, enabling approx. 100m barrels of oil equivalent to be recovered

- This significant investment is further evidence of rising confidence in the future of the region and it will offer a significant boost to communities across the North East of Scotland, along with boosting the wider Scottish economy.

Top Lines

- The North Sea holds significant potential with up to 20 billion boe remaining, which could sustain production for at least the next 20 years.
- The North Sea industry is highly-regulated, with some of the most advanced and comparatively least polluting production methods in the world.
- The PfG reinforces our commitment to the sector, clearly stating that harnessing the resources of the North Sea will be vital to the Scottish economy for decades to come.

In December 2017, France announced that it has become the first country in the world to ban any new oil exploration licences with immediate effect and all oil extraction by 2040 – tweeted by President Macron (19th December).

- This announcement is largely symbolic as only a fraction of what the French consume is domestically produced – with most being imported.
- In 2015 France produced 6 million barrels of oil (1% of demand). The corresponding figure for Scotland is 325 million barrels of crude oil (over 800%).
- Scotland’s Energy Strategy recognises that a strong domestic oil & gas industry can play a positive role in supporting the transition to a low carbon economy.
- Scotland is not alone in its support for domestic production of hydrocarbons.
- No other oil or gas producing country in the world has publicly stated any formal intention to leave substantial oil reserves ‘in the ground’.
- Production from the North Sea is a highly-regulated industry, with some of the most advanced and comparatively least polluting production methods in the world.
- New energy sources and technologies such as Hydrogen and CCS can also help to substantially reduce the cost of decarbonisation.

Key economic levers remain with the UK Government, and further support is urgently required

- While it is encouraging the UK Government committed to introducing Transferable Tax Histories at the 2017 Budget, it is disappointing it has been deferred by one year (until Nov 2018) at a crucial time for the industry.
- As set out in the PfG, we will continue to push the UK Government to:
 - bring forward measures to improve exploration and attract fresh investment;
 - ensure that issues relating to the tax treatment of late life assets are addressed as quickly as possible to allow assets to be in the right hands; and
 - provide support to the industry in its ambitions to increase the total economic value of the North Sea.

The Scottish Government has delivered an exceptional range of support for the oil & gas sector and its workforce

- The Scottish draft budget also delivers an increase of £270 million in the Economy, Jobs and Fair Work Portfolio.
- That additional funding contributes to investment of almost £2.4 billion in enterprise and skills through our Enterprise Agencies and our skills bodies.
- The increased investment includes a 70% uplift in our funding for business research and investment.
- As part of the Aberdeen City Region Deal, we have committed £90 million over the next decade to support the Oil & Gas Technology Centre (OGTC).
- In 2016, we also launched a 3-year, £12 million Transition Training Fund (TTF) to support individuals and help the sector retain talent.
- The latest TTF figures show more than 3,050 people have had applications approved from the fund – surpassing TTF’s initial aim of supporting over 1,000 participants each year.

- The PACE programme has focused significant efforts in the North East – 5 PACE job events aimed at the oil & gas industry were attended by over 4,200 people.

We are working to ensure that the Scottish supply chain captures the economic opportunities from decommissioning

- The Scottish Government is committed to ensuring that decommissioning in Scotland is executed in a safe, environmentally sound and cost effective manner.
- The Decommissioning Challenge Fund (DCF) delivers a key Programme for Government commitment which supports the ambitions outlined in our Energy Strategy and Decommissioning Action Plan.
- The DCF has offered grants to projects working towards Scottish solutions for decommissioning mobile oil & gas assets – funding capital and resource grants of over £1 million to seven different projects from the first round.
- Six further projects have been offered capital funding of £1.5 million in the second round.
- On 5 January, SE and HIE published the Floating Market Study, funded through the DCF.
- The study indicates significant market potential in decommissioning floating and mobile oil & gas infrastructure, including oil rigs, floating production vessels, and support vessels.
- The Programme for Government commits a further £7.5 million to invest in a deep water port capable of handling the largest structures for decommissioning.

BRIEFING FOR THE FIRST MINISTER

UNIVERSITY MOU SIGNINGS, BEIJING

MONDAY 9th APRIL 2018

Key message	<ul style="list-style-type: none">• Research is one of Scotland’s key strengths. That strength is built on collaboration within Scotland and across the globe.• The latest assessment of the UK’s Research Excellence Framework found that every one of Scotland's 19 HEIs undertakes research judged to be of "world-leading" quality that makes a difference.• Scotland’s universities are taking forward the kind of research that breaks ground, transforms lives and will make a difference. 86% of Scottish research was judged to have an “outstanding” or “very considerable” impact.
What	<ul style="list-style-type: none">• FM to witness the signing of four collaboration agreements between Scottish Universities and Chinese partners.• There will be an additional photo taken to support discussions between University of Glasgow and a Chinese partner.• This is a short event immediately preceding the Scotland is Now Beijing reception and will not include any speeches from the participants.• [REDACTED] SDI will invite each group into the room individually and introduce them to FM and give a short overview of what is being signed.• Photographs will be taken as FM witnesses the signing.• [REDACTED] will escort the group out of the room following photographs and invite the next group in.
Why	<ul style="list-style-type: none">• Research collaboration between Scottish and Chinese universities and Scottish Universities and industry in China forms a key pillar of SDI’s trade and investment strategy.• FM’s attendance during the signings will add significant weight to the partnership agreements, ensuring that the most senior people within the Chinese partners are fully

	<p>supportive of the agreements and that they are progressed in a timely manner.</p> <ul style="list-style-type: none"> • Additionally, the universities will be able to leverage FM's presence at the event for future marketing activity and to encourage further agreements with other Chinese partners. • Associated media activity in China and Scotland will raise the profile of Scottish-China academic and trade collaboration and will support SDI's work to increase industrial collaboration between Chinese companies and the Scottish higher education sector.
Who	<p>Witness MoU signings between:</p> <ul style="list-style-type: none"> • Abertay University and Perfect World (China's largest games and movie conglomerate). • Dundee University and University of Petroleum Beijing (CUPB). • University of Dundee and North Eastern University • Glasgow University and Hanban <p>Photo opportunity with:</p> <ul style="list-style-type: none"> • University of Glasgow and University of Electronic Science and Technology China (UESTC) <p>Participants in the signings are listed in Annex B</p>
Where	Changchun room, 3 rd Floor Kerry Hotel, Beijing
When	18.15 – 18.35
Likely themes	<i>Scotland-China academic collaboration</i>
Media	<p>FM photographer will take photos</p> <p>News release will be distributed in UK and China</p>
Supporting official	<ul style="list-style-type: none"> • [REDACTED] Executive Director Asia Pacific, SDI • [REDACTED] • [REDACTED]
Attached documents	<p>Annex A: Summary page</p> <p>Annex B: Overview of signings and participants.</p>

ANNEX A

SUMMARY PAGE

Purpose of event:

Research collaboration between Scottish and Chinese universities and Scottish Universities and industry in China forms a key pillar of SDI's trade and investment strategy. **FM's attendance at the event will add significant weight to the partnership agreements, ensuring that the most senior people within the Chinese partners are fully supportive of the agreements** and that they are progressed in a timely manner.

Additionally, the universities will be able to leverage FM's presence at the event for future marketing activity and to **encourage further agreements** with other Chinese partners.

- There is a surge in demand for international research collaboration – the mechanism by which China is aiming to rise in global research rankings.
- This presents a growing opportunity to build existing – and forge new – research collaboration between Scottish education institutes and their Chinese academic counterparts, both in fundamental and applied research.
- There is also a need to build research partnerships between Scottish universities and industry in China, and to bridge the gap between academia and industry for bigger economic impact.

Key Facts:

- **60% of inward investors** cite Scotland's academic base as a factor in their investment decision
- 19 universities and 26 colleges.
- **Overseas trade** of Scottish education rose from **£685m** in 2014 to **£780m** in 2015.
- Scotland's universities work with **26,000** companies each year.
- Scotland's universities account for **28% of all UK spin-out companies** in last 3 years.
- All of Scotland's HEIs undertake research judged to be of "world-leading" quality.
- **5** of the world's top 200 universities are in Scotland.
- Scotland produces one per cent of the world's research with less than 0.1% of the world's population.

Lines to take:

- Research is one of Scotland's key strengths. That strength is built on collaboration within Scotland and across the globe.

- The latest assessment of the UK's Research Excellence Framework found that every one of Scotland's 19 HEIs undertakes research judged to be of "world-leading" quality that makes a difference.
- Scotland's universities are taking forward the kind of research that breaks ground, transforms lives and will make a difference. 86% of Scottish research was judged to have an "outstanding" or "very considerable" impact.

OVERVIEW OF AGREEMENTS AND PARTICIPANTS

Partners	Nature of the engagement	Participants
Perfect World Education and Abertay University	<p>The partners have reached consensus on broadening their previous collaboration, providing a new programme; <i>Work-based EMProf in Games Development</i> for individuals in games industry, starting in September 2018.</p> <p>Combining the industrial experience of Perfect World Education and Abertay University's industry-oriented teaching and learning experience, the programme will provide talented individuals currently in the games industry with opportunities and a platform to further develop their expertise and skillsets for interdisciplinary collaboration in the context of an international game market.</p>	<ul style="list-style-type: none"> • Prof Nigel Seaton (Principal and Vice-Chancellor of Abertay University) • Prof Gregor White (Head of School of Design and Informatics of Abertay University). • Dr. Robert H. Xiao (Vice Chairman of Perfect World Investment & Holding Group) • Ruby Wang (Senior Vice President and Official Spokesperson of Perfect World, Chairwoman of Perfect World Education Investment).
University of Dundee and China University of Petroleum – Beijing (CUPB)	<p>The partners have recently signed an agreement to offer a dual masters degree in Energy Finance. This will start in September 2018 and brings together two specialist and highly regarded academic centres to offer an industry relevant dual centre programme.</p> <p>This will equip students with both specialist knowledge and intercultural competence required by the international energy sector. The dual award is the result of a longstanding connection between CUPB's Academy of Chinese Energy Strategy (ACES) where UoD staff visit regularly to deliver teaching and contribute to symposia.</p> <p>The two institutions will sign a letter of intent confirming their agreement to work together to promote the</p>	<ul style="list-style-type: none"> • Wendy Alexander and Dr Shawn Mu (Dundee University). • Prof Xiaogung Wang (Link Coordinator for articulation & dual degree CUPB) • Prof Li Gensheng (VP International & Research CUPB) • Prof Qi Zhang (Dean of Academy of China Energy Strategies) • Mr. Lu Shang (Deputy Director, International Office).

	programme globally to build an international cohort of energy finance specialists.	
University of Dundee and Northeastern University (NEU)	Dundee seeking to establish a Joint Educational Partnership in Biomedical Engineering to explore research partnerships and potential industry collaboration with NeuSoft, with the aim of software solutions to IT enabled healthcare innovations.	<ul style="list-style-type: none"> • Wendy Alexander (Dundee University). • Ji Zhao (President of Northeastern University) • Lixin Tang (Vice President on International Cooperation of Northeastern University) • Fuxiao Yu (Director of International Exchange and Cooperation).
University of Glasgow and Hanban	<p>An MOU to further develop the Confucius Institute and to continue providing Chinese language teaching to the local community, the University of Glasgow is going to be providing a site located in the Boyd Orr Building, University of Glasgow as the new dedicated site of the Confucius Institute.</p> <p>Both parties will sign an MOU on the project to jointly improve the facilities of the dedicated area of the Confucius Institute.</p>	<ul style="list-style-type: none"> • Jim Conroy (VP International, University of Glasgow) • Mr ZHAO Guocheng (Deputy Chief Executive of Hanban).
University of Glasgow and University of Electronic Science and Technology	<p>PHOTO OPPORTUNITY ONLY: to mark the partnership which established the Glasgow College at UESTC in January 2013.</p> <p>The College offers joint degree programmes, delivered entirely in English, building on the strengths of the Chinese and UK education systems and preparing students for their careers better than either University can do alone.</p> <p>All programmes are approved by the Ministry of Education of China, now</p>	<ul style="list-style-type: none"> • Jim Conroy (VP International, University of Glasgow) and John Marsh (University of Glasgow). • Xiong Caidong, Di Aiyang, Zeng Qigang, Zeng Bing, Li Qian, Liu Yong (UESTC)

	under the model of a Joint Educational Institute.	
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BRIEFING FOR THE FIRST MINISTER

SCOTLAND IS NOW RECEPTION, BEIJING

09 APRIL 2018

Key message	Proactive engagement in China offers a wide range of opportunities for Scotland and our future prosperity, delivering the aims of Scotland's Economic Strategy.
What	<ul style="list-style-type: none">• 5 minute speech• Witnessing signing of 4 MOUs in a private room• Structured networking event• Showcase of premium products and services• Cultural performances.• Preview of Scotland is Now.
Why	This is a networking event and opportunity to encourage and forge good relationships with key people from the Chinese business, culture, tourism and education sectors.
Who	Guests from the business, cultural, tourism and education sector.
Where	Kerry Hotel, Beijing
When	18:35 – 21:00, 09 April 2018
Likely themes	Tourism, Food and drink, Technology, Textile industry, Education
Media	TBC
Supporting official	[REDACTED]
Attached documents	Annex A – Running Order Annex B – Scotland Is Now Annex C – Scotland Is Now Videos and Google AR Annex D - Briefing Notes for Historic Environment Scotland Video Annex E – MOUs Annex F – List of producers Annex G – Key Guests - tbc

RUNNING ORDER

Time	Activity
6.00pm	Registration
6.15pm -6.35pm	MOU witnessing in Changchun room 3rd floor
6.35pm-6.45pm	First Minister transition from MOUs witnessing; FM moves to VIP room to meet China Friendship Society VIPs and MC; possibility of photo opportunity with schoolchildren who then move to reception; FM VIP party then leaves and piper meets them, enters room playing at head of FM/MC/group
	Experience stations: Whisky Live – tastings from a few whisky brands selling in market Brewdog – tasting Google AR – Scotland is Now AR experience for guests on 4 iPads with screen for onlookers to watch Abertay-Perfect World – gaming experience for one player at a time with screen for onlookers to watch Begg & Co – textiles showcase Holland & Sherry – textiles showcase Wilkie Group textiles showcase
6.50pm-7.25pm 6.50pm 6.53pm 7.05pm 7.10pm 7.18pm 7.20pm 7.22pm	Speeches-Musical Performance-Scotland is Now videos [REDACTED] welcome, introduces Scottish Opera Scottish Opera 'Warriors' performance – 40 11-12 year-old schoolchildren on stage, 3 songs, c12 mins MC introduces China Friendship Society speech of welcome MC introduces First Minister – speech First Minister introduces Scotland is Now 90 sec brand video MC introduces Scotland is Now People 90 sec video MC closes session, wishing everyone an enjoyable evening and announcing buffet is open
7.25pm-7.45pm	First Minister visits the stations – Abertay-Perfect World gaming (FM witnesses virtual MOU signing – 90 sec); Wilkie Group (MD in attendance). FM has option of spending time at other 'stations': other textiles displays; Google AR Scotland is Now experience; Whisky Live; Brewdog; note: opportunity to visit for photo opportunities at the Shanghai evening reception Videos play on big screen in loop – Scotland is Now (*2), VisitScotland (*2), SE/SDI (*2), Historic Environment Scotland
7.45pm-	[REDACTED] introduces First Minister to a series of VIPs (tbc),

	timing depends upon number/ quality of VIPs, FM time priorities
7.25pm-8.30/9pm	Buffet served, featuring Scottish seafood/ salmon on display and served up, Scottish shortbread, with Chinese buffet food Free networking, freeflowing soft drinks & wine, experience stations, videos continue playing on loop
8.30pm	Piper plays and walks out the room, indicating event is drawing to a close

SCOTLAND IS NOW**Background**

- Relative to our size, Scotland is competitive in attracting visitors, talent, students and investment.
- However, as our competitors step up their game and the uncertain world of migration, business, investment and travel evolves, it has become increasingly clear that Scotland needs to shift gear if it is to sustain, let alone grow, its international appeal and success.
- In order to grow our population and the Scottish economy, it is imperative that Scotland encourages more people to live and work here in order to grow our population and the economy.
- To do this – and also to attract more students, visitors and investors – we need to ensure Scotland has a strong presence and reputation in international markets.
- Until recently, international marketing of Scotland has been largely carried out separately by VisitScotland, Scottish Development International, Universities Scotland and the Scottish Government.
- Total investment in 2016/17 was around £6 million.
- While there has been individual success across each area, there is a growing recognition that so much more could be achieved if the various agencies were to come together as a community to represent and promote Scotland's international economic interests.
- Working as discrete entities limits our impact and does not enable a more strategic effort that builds data and digital capability, thereby enabling us to drive our national reputation or deliver higher levels of discretionary income.
- This is particularly pertinent when competitor destinations' investment in international marketing and reputation management is taken into account:
 - Ireland: £36m
 - New Zealand: £77.3m
 - Australia: £70mm
 - Norway: £54m

Development of a National Brand

- In light of the above, the aforementioned partners have been working collaboratively over the past 18 months to develop a proposal for a single, unified approach to promoting Scotland overseas in order to stimulate economic growth from international markets.
- This ambitious, collaborative project – initially started organically among the aforementioned organisations but now embraced by the Programme for Government – has distilled work into four key areas:

1. Brand narrative and strategy for visit, live/work, invest and study
 2. Campaign vehicle 'Scotland is Now' that aligns international marketing campaigns
 3. Common technology platforms that will deliver ROI
 4. Small centralised team that will plan and coordinate Brand Scotland activity
- The project seeks to reposition Scotland internationally, by building on our acknowledged strengths such as history and landscapes but also by drawing attention to our less well-known strengths, for example innovation and inclusion. Scotland is leading the way globally on a number of fronts and we know that these points of differentiation will be attractive to target audiences overseas.

Brand Creative

- At the end of 2017 the First Minister signed off (i) the national brand strategy; and (ii) the creative execution and campaign work that will draw together our collective efforts. This was after a period of consultation with the CEOs / Boards of the respective agencies; Scottish Government Ministers including Fiona Hyslop, Keith Brown, Fergus Ewing and the Deputy First Minister; and members of the Internationalisation Workstream of the Enterprise and Skills Review.

Campaign Vehicle: Scotland is Now

- The first phase of the campaign, Scotland is Now, is scheduled to launch in three key markets – New York, San Francisco and London – on 4 April. This will be primarily a digitally focused campaign, drawing on the existing resources of the key partners, to forensically target potential (high-value) visitors, students, workers and investors by telling our story as a small but progressive and inclusive nation.
- A brand film portraying Scotland as a pioneering, progressive, dynamic and inclusive nation has been developed and will be deployed across a range of digital channels, supported by a series of mini-documentaries featuring people who represent either one of the pillars (live/work, visit, study, invest) and / or one or more of the brand attributes.
- This will be supported by strong social engagement and PR. Working with media partners such as NBC and Google we will be able to extend our reach and, for example, extend some of our activity to include broadcast and cinema.
- We will leverage all the insight, data and digital tools we have to generate the interest we create into new discretionary income to Scotland. Based on the results from this initial phase and using data already available to us, we will present a case for further investment to allow this activity to be upweighted.

Common Technology Platforms

- Work is already underway to bring together the technology platforms of the respective partners and to ensure that they are fit for purpose to support campaign activity and to provide the evidence required to help make evidence based investment decisions.
- Funding was secured through the CSR process for 2018/19 to support this work and work is being undertaken by individuals from across the partner organisations.

[REDACTED]

Theme: Scotland is Now

Main Message: A new national brand for Scotland is a collective and collaborative opportunity for all to think about how to communicate the unique value of our “Scottishness” to the world - to encourage people to live, work, invest, study and visit right now.

Supporting Messages

<p>VisitScotland, Scottish Government, Scottish Enterprise and Universities Scotland are working in partnership to position Scotland as a bold and positive country, rich in history and heritage but forging forward in a way that is progressive, pioneering and inclusive.</p>	<p>Everything about Scotland comes from an authentic place - we put our heart and soul into being Scottish and inspire people to hold Scotland deep in their own hearts</p>	<p>Scotland is a country that is challenging new thinking, inviting new investment, creating new opportunities, supporting new industry and driving technology that embraces humanity across the world.</p>
<p>Being Scottish is a state of mind that seeks out new possibilities and pushes limits.</p>	<p>Scotland offers a breath of fresh air and with a new brand comes new possibilities and new ways of doing things.</p>	<p>The stars are aligning to pinpoint a time to come to Scotland and that time is now! We want to put Scotland at the top of everyone’s NOW list to live work invest study and visit</p>
<p>Scotland is one of the most open countries in the world, with a population which strives to be good global citizens, contributing to world issues. Our door is always open and we put forward a positive voice, opening our arms to new people to build a strong economy and culture.</p>	<p>Our pioneering past has helped to define our present – but we are a modern Scotland with new ideas and this brand is about building our collective future</p>	<p>Now is the time for a collaborative approach, to accelerate international growth and build a strong brand for Scotland. The new global campaign, represents a confident, consistent and bold approach to brand marketing.</p>

SCOTLAND IS NOW VIDEOS & GOOGLE AR

Consumer testing with target audiences has shown that a bold and optimistic message about Scotland resonates and that these points of differentiation will be attractive. Based on that, we have developed a creative approach that seeks to create an over-arching brand which public and private sector partners can all stand behind. Under it would sit a range of assets, stories and partnerships which would bring the brand to life in different policy areas and sectors.

A 60 second film tells the story of who we are, where we've been and where we're going, championing the Scotland characteristics we know our target audiences (across the live, work, visit, study and invest pillars) will connect with. The film aims to be emotive, gather speed and instil passion as we drive towards the end frame and call to action.

The SG policies that connect to the Brand film

- Baby Box
- Renewable Energy
- Same Sex Marriage
- Higher Education
- Support for refugees

People featured in the brand film:

Andy Murray – Online version only

People Films

A series of fifteen People films are in development, all designed to promote different aspects of our brand traits as well as different aspects of the live, work, study, visit and invest strands as told through the personal stories of individuals.

Some of the scenes within the Brand film are developed further within the People films and a deeper story on them will also feature as content on ScotlandisNow.com and on the social media content schedule.

Bespoke China People Film – Linda Lin

Linda moved to Edinburgh in 2010 from China to study a finance based Masters at Edinburgh University. She now works as an Investment Manager at Baillie Gifford in Edinburgh. Her job requires regular visits between China and Scotland to build relationships.

Google AR

This flagship piece of digital content is a world-first for a country brand. ScotlandisNow has been working in partnership with Google to produce an augmented reality mobile app: Step in to Scotland. The app can be downloaded from the Google Play and Apple stores from April 4th and will allow users to travel through a portal on their phone screen to experience different aspects of Scotland. Via voiceovers and incredible 360 videos, users will be immersed in everything from touring the North Coast 500 on a motorbike to seeing the inside of the University of Aberdeen's new library, or visiting Skyscanners headquarters. The app has features that showcase Scotland across the five ScotlandisNow pillars: visit, live, work, study and invest. It is free to download, easy to use and supported on over 100 million devices worldwide.

**BRIEFING NOTES FOR 'SCOTLAND IS NOW' HISTORIC ENVIRONMENT
SCOTLAND VIDEO**

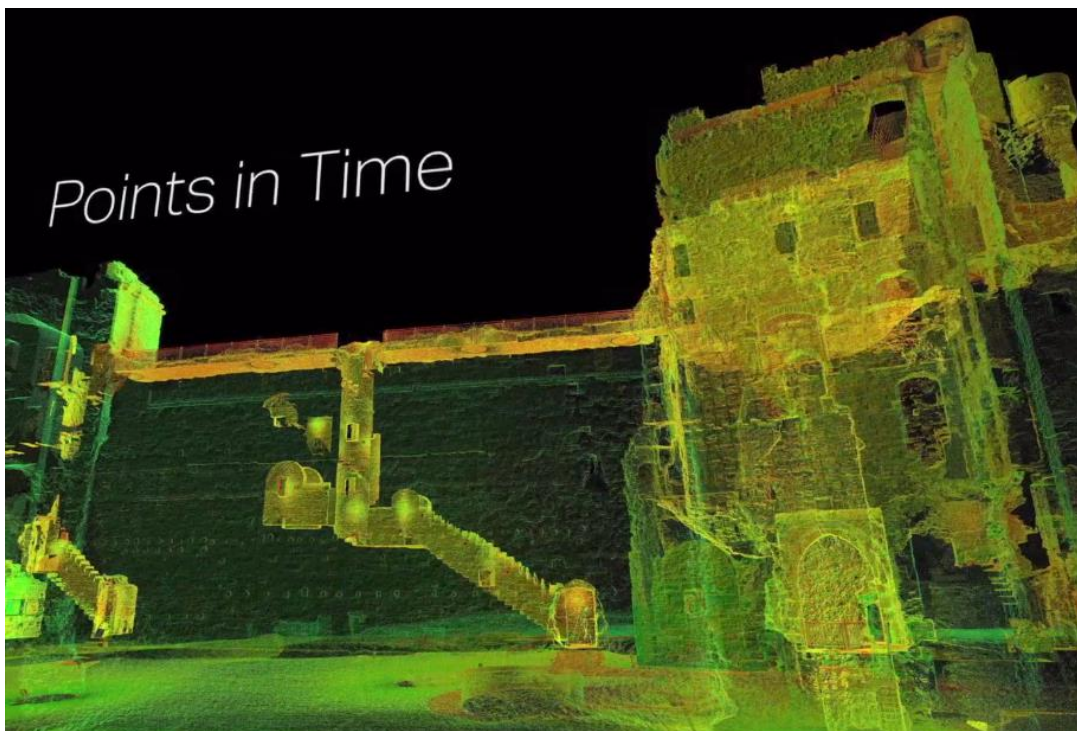
Beijing: 'Points in Time' – 12-minute video with sound/commentary

The film describes the cutting edge digital technologies that are being deployed by Historic Environment Scotland to help conserve, present and promote our historic sites. Key issues are:

- The technologies produce incredibly accurate baseline records
- These can be used to monitor change and help maintenance
- Especially useful to measure the impact of climate change and help mitigate some of its impacts
- A fantastic educational resource, helping us inspire young people
- Allows us to reach audiences across the globe
- A common research strand HES will be developing with the Forbidden City/Palace Museum (FM will visit next day, 10th April, 11-12)

[REDACTED]

The film has a soundtrack and commentary, but it can be watched without this as it is visually stunning (featuring many iconic Scottish and landscapes) and is reasonably self-explanatory.



MOUs

University agreements for FM to witness in China - Beijing 9th April (18.15 to 18.35) prior to Scotland is Now event		
Partners	Nature of the engagement	Participants
Perfect World Education and Abertay University	The partners have reached consensus on broadening their previous collaboration, providing a new programme; <i>Work-based EMProf in Games Development</i> for individuals in games industry, starting in September 2018. Combining the industrial experience of Perfect World Education and Abertay University's industry-oriented teaching and learning experience, the programme will provide talented individuals currently in the games industry with opportunities and a platform to further develop their expertise and skillsets for interdisciplinary collaboration in the context of an international game market.	Prof Nigel Seaton (Principal and Vice-Chancellor of Abertay University) and Prof Gregor White (Head of School of Design and Informatics of Abertay University). Dr. Robert H. Xiao [SHAO] (Vice Chairman of Perfect World Investment & Holding Group), Ruby Wang [WONG] (Senior Vice President and Official Spokesperson of Perfect World Chairwoman of Perfect World Education Investment).
University of Dundee and China University of Petroleum – Beijing (CUPB)	The partners have recently signed an agreement to offer a dual masters degree in Energy Finance. This will start in September 2018 and brings together two specialist and highly regarded academic centres to offer an industry relevant dual centre programme. This will equip students with both specialist knowledge and intercultural competence required by the international energy sector. The dual award is the result of a longstanding connection between CUPB's Academy of Chinese Energy Strategy (ACES) where UoD staff visit regularly to deliver teaching and contribute to symposia. The two institutions have agreed to work	Wendy Alexander and Dr Shawn Mu (Dundee University). Prof Xiaogung Wang (Link Coordinator for articulation & dual degree CUPB), Prof Li Gensheng [LEE JENSHUNG] (VP International & Research CUPB), Prof Qi Zhang (Dean of Academy of China Energy Strategies), Mr. Lu Shang (Deputy

	together to promote the programme globally to build an international cohort of energy finance specialists.	Director, International Office).
University of Dundee and Northeastern University (NEU)	Dundee seeking to establish a Joint Educational Partnership in Biomedical Engineering to explore research partnerships and potential industry collaboration with NeuSoft, with the aim of software solutions to IT enabled healthcare innovations.	Wendy Alexander (Dundee University). Ji Zhao [GEE SHAO] (President of Northeastern University), Lixin Tang (Vice President on International Cooperation of Northeastern University), Fuxiao Yu (Director of International Exchange and Cooperation).
University of Glasgow and Hanban	To further develop the Confucius Institute and to continue providing Chinese language teaching to the local community, the University of Glasgow is going to be providing a site located in the Boyd Orr Building, University of Glasgow as the new dedicated site of the Confucius Institute. Both parties have reached an agreement on the project to jointly improve the facilities of the dedicated area of the Confucius Institute. Details are to be discussed further between the two parties.	[REDACTED]

PRODUCERS IN ATTENDANCE**Food and Drink Products at reception:**

Whisky Brands Invited by Whisky L: The companies invited by Steve Norman, the Founder of Whisky L are: Diageo, Pernod Ricard, MHD, Spirit Empire (TBC) and SMCC(TBC). This event has grown in recent years to a significant sector event with 90% of the whisky on show Scottish. Significant media and social media interest is evident and growing over the years.

Brewdog: BrewDog was founded in Fraserburgh in 2007. It is now a multinational brewery and pub chain based in Ellon, Scotland. It announced plans in February to open a brewery in China, which is its second largest international market.

Scottish Salmon Company: Scotland's leading independent producer of Scottish salmon. Its current production exceeds 25,000 tonnes and represents 20 per cent of all Scottish salmon production.

Walkers Shortbread: Scotland's leading food manufacturer of shortbread, biscuits, cookies and crackers. The company has just opened its representative office in Shanghai, China in 2017.

Highland Spring (Premium Brand - Speyside Glenlivet): The Highland Spring Group is the UK's largest bottled water company. The brand Speyside Glenlivet was introduced into China by SDI in 2017.

Other F&D products includes:

Scottish Brown Crab: Commodity products (Certificate of Origin will be provided to the hotel/catering vender; possible supplier: The Scottish Crab Company)

Scottish Haddock: Commodity products (Certificate of Origin will be provided to the hotel/catering vender; supplier: Caley Fisheries)

Textiles Products at reception:

Begg & Co: has been weaving Scottish scarves, stoles and throws for over 150 years. Begg&Co's has an agent in Beijing. Their products are now available in 2 stores in Beijing and 3 stores in Shanghai.

Johnstons of Elgin: established in 1797, Johnstons of Elgin has been owned by two families – the Johnstons and the Harrisons. It is one of the last few remaining vertical mills in the UK that still process the raw cashmere and fine woollen fibres right through to the finished product. Johnstons of Elgin's mills in Elgin and Hawick employ almost 1000 people. Johnston's product. JoE participated the Best of British show in Shanghai in 2017. They received a lot of good feedbacks from the show and will participate again in 2018.

Holland & Sherry: Holland & Sherry is a world famous cloth merchant based in Peebles, Scotland. It has provided the apparel industry with the finest fabrics for almost 200 years. Holland and Sherry appointed a chief representative based in Shanghai in 2014. And they opened a showroom in Shanghai in 2016 [Mark Graham Regional Director, Far East, Holland & Sherry is invited to the Shanghai event].

Wilkie Group. Wilkie was started in 1868 in Kirriemuir, Scotland by James and David Wilkie as a jute and flax producing company. The company is still privately owned and now has production units in China and India.

In 2007, JD Wilkie set up a production unit in China which has grown very successfully and now spins technical yarns and also produces woven fabrics. First Minister, Nicola Sturgeon visited Wilkie JiaXing factory and unveil the plaque for the company's new manufacturing plant in July 2015.

KEY GUESTS**ANNEX G****BEIJING – SCOTLAND IS NOW RECEPTION – KEY ATTENDEES**

Over 300 attendees including:

Yingjie (Angela) Zhan**Director and Chairman, Todd & Duncan Cashmere**

Angela is also Chairperson of Zhongyin Cashmere and an Advisor to the Chairman of International Textile Manufacturing Federation. She is Deputy Chair of China High-Tech Group Corporation (CHTC), Goldenrock Investment & Management a state-owned, large-scale central enterprise formed in 1998 which has 23 direct subsidiaries with more than 60,000 staff and operates in three fields: textile machinery, textile & trade, commercial vehicle.

FM to Note: she met Angela in Edinburgh on 21st March to discuss Todd and Duncan company matters. Ms ZHAN keen to invite SDI to Ningxia Hui Autonomous Region to consider cashmere wool supply chain issues.

Mr XU Li-Qun,**Chief Scientist at China Mobile Research Institute.**

Previously worked in Scotland and is known to SDI China Team. He has an interest in Digital Health.

Mr WANG Changwen,**Deputy General Manager, COOEC Maintenance Company.**

Mr Wang has been playing a key role in COOEC's exploration in decommissioning market in Scotland. During his two visits to Scotland last year, Mr Wang has met with a number of Scottish O&G supply chain companies with SDI's help. He will also participate in the energy round table on Mon afternoon. Opportunity to encourage them to strengthen their partnership with local supply chain companies and set up in Scotland.

[REDACTED]

Mr Jim Collins

Wood President Strategy and Development Europe, Africa and Asia.



Responsible for business development, marketing, M&A, technology and innovations for the region.

Previously SVP at Amec Foster Wheeler for Americas Region; VP, Business Development at Aker Solutions USA and Executive Director within Fluor Corporation. A graduate of Eastern Illinois University, as well as Executive Education Program at Harvard

Business School.

Jim has travelled to China to attend the Energy Supply Chain roundtable although there will not be a chance for the FM to speak to him at the meeting. Opportunity to ask Jim how the round table went and their plans for China since the merger of Wood Group and AMEC Foster Wheeler.

Dr LU Jianzhong, Weir Group, President China



Appointed President Nov 2017, responsible for building relations with government, major customers and other key stakeholders.

Joined Weir from Brunswick, where he was a Partner advising Chinese and multi-national companies on their China and global strategies. Previous roles include Group EVP (China) of RGE and Acting President of BHP Billiton (China).

Dr LU is well known to SDI China and attended the Energy Supply Chain roundtable, although there will not be a chance for the FM to speak to him at the meeting. Opportunity to ask Dr LU how the round table went and their plans for China.

Mr LU Xiaofeng, Deputy General Manager of Foreign Affairs Bureau at CNOOC.

Lewis is a strong SDI contact at CNOOC and been very helpful in supporting stronger collaboration. Opportunity to thank him for his ongoing support and get his perspective. Mr LU was MC at the signing ceremony earlier as part of the CNOOC engagement.

Mr Sean Holland

Business Director, Triton Marine & Engineering Consultants



Sean has over years of extensive Project and Operations experience. Having studied at both The University of Edinburgh and The Open University, Sean has since gained a wealth of knowledge in both the Oil & Gas and Renewables industries. Having worked directly with global Oil & Gas operators on large scale projects, including the INPEX Ichthys LNG Project, Westernlink HVDC Project, and the BP Schiehallion Well Enhancement Project.

Joanna Tracinska

Commercial Director, Triton Marine & Engineering Consultants Ltd



Joanna is the Commercial Manager and has over 15 years' experience, with extensive technical, and business operations skills. Directly responsible for setting up technical matrix systems to interface with business related models. Expertise in contract negotiation development and commercial strategy planning.

FM to Note: Sean and Joanna are representatives of Triton Marine Engineering who earlier today signed the partnership agreement with COOEC at the CNOOC engagement.

Mr Jean-Christophe Granier - Wilkie Group Managing Director (Company exhibiting the maritime survival vests at the reception)

[REDACTED]