



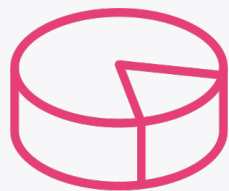
Seafood Transformation Project Business Case

“A unique and time-critical transformational industry and public sector co-investment opportunity to grow north east Scotland’s internationally-significant seafood processing sector.”

Sir Ian Wood KT GBE



Industry's Vision for Transformational Change



20-35%

increase in business turnover

£150m - £246m per annum from existing and increased fish landings



900 – 2,490

new jobs

45% in processing,
40% in the supply chain,
15% in the wider economy



£130m – £356m

additional GVA

over five years and
£119m additional GVA
per annum **ongoing**

Transform north east Scotland's largest food processing sector



Grow a cluster of 70+ market-focused **processing** and **exporting companies**



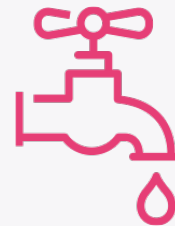
Create more and higher-quality **jobs**



Increase productivity and capacity – **advanced manufacturing** and **infrastructure**



Add value to sustainable high-provenance catching sector – **NPD** and **market development**

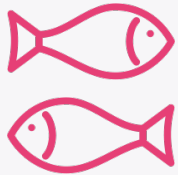


Enhance **environmental** performance



Anchor **economic activity** in traditionally disadvantaged coastal communities

Sector Challenges



Increased fish landings post-Brexit require **investment in processing capacity and market development** to a short timescale



Skills shortages – migrant labour supply and lack of vocational skills structure



Insufficient capacity and facilities for added value processing and automation



Low productivity



Lack of consumer focus – reliance on wholesale outlets



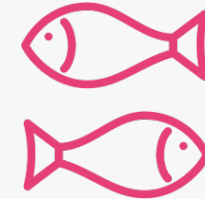
No differentiation in **quality and sustainability standards**

North East Scotland Processing Sector

£700M

turnover – largest component of the region's food manufacturing sector

72 businesses in the cluster



World-class stock research, sustainable fishery and management, MSC accreditation



75% of 4,000 FTE
direct jobs are in Fraserburgh and Peterhead

Infrastructure investment

New £9m Peterhead fish market and AWPR have attracted more landings



Successful well-invested fleet

20% of UK
seafood processing turnover, jobs and processing sites



57%

of Scottish fish landings made in Fraserburgh and Peterhead (Europe's largest whitefish port)

Export oriented processors

By volume, 93% of shellfish, 60% of whitefish, 69% of pelagic species exits UK



Seafood Transformation Project Ambition

Developing north east Scotland as a centre for growing market focused companies, adding value to a well provenanced, sustainable fish catching sector, rather than becoming a landing and distribution centre for unprocessed fish

A five-year **£77m action and investment plan** – developed and tested with industry – targeting business growth, jobs, processing capacity and added value through investment in four priorities

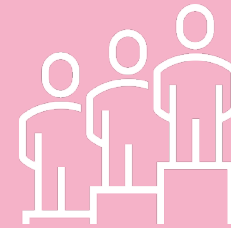


Seafood Transformation Project

- Market **insights**, exploiting **trends**
- Higher margin **export markets**
- **New product development**
- In market **sales support**
- Promotion based on **high standards and quality**



Seafood Markets of the Future



Competitive Processes

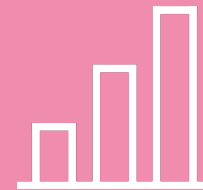
- Advanced **manufacturing programme**
- Reduced **energy and waste**
- Linked **investment fund**
- **Technology** demonstrator
- **Supply chain** collaboration
- **Productivity** up 25% by 2025

Seafood Project Team

- **Mentoring, leadership** and **growth** programmes
- **Young workforce** development
- Practical **training facilities**
- Industry-wide **quality accreditation**
- Project managers **on the ground**



Capability for Accelerated Growth



Capacity for Growth and Quality

- New large-scale **facilities**
- Existing facilities **extended** or **upgraded**
- New **storage capacity**
- Dedicated **seafood industrial park**
- Inward, cross-sector **investment**
- Grant, loan, equity **funding**
- Double value of **output** by 2030

Action, Investment and Outputs

INPUT	OUTPUT
 <p>Capacity for growth and quality</p> <p>Processing capacity: £39.5m Seafood processing park: £3.0m Freeze/chill facilities : £8.0m</p>	<p>+ turnover, jobs, supply management, environmental performance</p>
 <p>Competitive processes</p> <p>Processing innovation: £10.0m Technology demonstration: £1.5m Collaboration (JV, supply planning, logistics): £6.0m Energy and waste: £2.0m</p>	<p>+ productivity, profit, net zero and waste, innovation</p>
 <p>Capability for accelerated growth</p> <p>People, skills, training: £2.35m Quality standards: £2.0m</p>	<p>+ skills, business management, leading quality</p>
 <p>Seafood markets of the future</p> <p>Market development, NPD and promotion: £2.8m</p>	<p>+ value add, market share, new products and markets, exports</p>

Seafood Transformation Impact

£38m public sector funding over five years will leverage balance of £77m project in private sector co-investment



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additional GVA
over five years



£119m

additional GVA
per annum year
six onwards

Seafood Transformation – Case for Investment

- **Transformation of significant sector** to a globally competitive market-facing, sustainable, low-carbon industry, attracting investors and skilled employees
- Major opportunity, creating **high quality jobs in traditionally disadvantaged areas**
- Advanced manufacturing and consumer focus **adding value** in the region, **driving growth in productivity and GVA**
- Public-sector support catalyses private sector investment at **pace required to maximise post-Brexit opportunity**
- Model for industry-led **accelerated development**
- Building on **regional and sector strengths** to deliver **national impacts**

