

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise Planning & Infrastructure
DATE	31 st January 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Offshore Europe (OE) 2011 & 2013
REPORT NUMBER:	EPI/12/049

1. PURPOSE OF REPORT

This report will outline feedback from the 2011 event and detail proposed direction for Aberdeen City Council's involvement in OE11. It will outline the cost implications of participating in the exhibition and the activities to be undertaken in support of the event. Funding approval is required from the 2012-13 and 2013-14 Economic & Business Development budgets to ensure the event can continue to be delivered.

2. RECOMMENDATION(S)

That members:

- note the content of this report.
- support the Council's involvement in the exhibition in 2013 and as such commit to the necessary funding of £35,000 per annum being maintained in the budget for 2012-13 and 2013-14 subject to the budget process.
- Support the proposed direction for the promotion of Aberdeen City and Shire at Offshore Europe 2013.

3. FINANCIAL IMPLICATIONS

Total cost for participation at OE is £250,000 however following receipt of partner contributions, company income and sponsorship contributions, Aberdeen City Council's contribution will be £70,000 spread across two consecutive financial years. The costs for OE are budgeted for on an annual basis with half the funding in 2012-13 Economic & Business Development budget and the remaining half to be included in the 2013-14. This will be matched by Aberdeenshire Council who are joint partners in the Aberdeen City and Shire presence at the exhibition.

4. OTHER IMPLICATIONS

People: Existing resources from within the Economic & Business Service undertake the activities associated with the delivery of Aberdeen City Council's presence at the exhibition.

Finance: Total cost for the council's presence at OE as identified within the Economic & Business Development service budget is £70,000 across two consecutive financial years.

Health & Safety: There will inevitably be some risks associated with the organisation of a presence and attendance at an exhibition. All measures relevant to the venue and construction are taken to reduce any risks and professional contractors are employed to build and dress the exhibition stand in line with current health and safety legislation, building standards and raised structure construction.

Risk Management: A high profile presence at OE13 facilitates Aberdeen City Council's opportunities arising from Economic & Business Development existing international links and trade development activities. If Aberdeen City Council did not participate at this key global oil and gas exhibition, this may result in a failure to identify and capitalise on the new market opportunities for oil and gas companies in Aberdeen City and Shire.

Financial risks associated with the exhibition are shared with Aberdeenshire Council, stand partners and exhibiting companies.

The City Promotions Team apply standard project management processes and monitor the project for the 18 months prior to the event to ensure the critical path of activity is strictly adhered to.

Social: The exhibition provides the city with a unique promotional and educational resource on industry trends, current and future energy issues and development of the careers and technology which are intrinsically linked to the long term success and growth of the region.

Economic: This project is critical in asserting and building upon Aberdeen's status as a Global Energy Hub and is therefore critical to the future health of the local economy. Trade development activities and the promotion of the skills, knowledge and expertise that exist in the city will support economic growth and increased employment opportunities. By improving the economic sustainability of Aberdeen's industry sectors this guarantees the regions image as a viable investment opportunity.

5. BACKGROUND/MAIN ISSUES

Offshore Europe (OE) is the largest oil and gas conference and exhibition outside North America. It will be held in Aberdeen at the AECC from 3-6th September 2013.

It is staged biennially in Aberdeen, the centre of the European oil industry and is the most prestigious event staged in the city.

Businesses attending the exhibition include offshore oil and gas exploration and production companies, major drilling and engineering contractors, supply and service companies, government and academia.

The exhibition showcases the advances being made in the industry and discusses key issues facing the global energy industry.

In 2011 the event was reduced to 3 days to accommodate the Walker Cup but still managed to break previous event attendance numbers with 48,575 visitors, 32,025 of these unique.

The exhibition grew by 9% in size to 25,000sqm and played host to over 1500 exhibitors and pavilions from around the world including Brazil, China, Norway and Australia to name but a few.

Generating an economic impact of £18 million for the local economy, taking an Aberdeen City and Shire stand at Offshore Europe presents the council with an excellent opportunity to:

- demonstrate its commitment to the energy industry
- showcase Aberdeen City and Shire's business capabilities
- promote the area as a world class business location and a desirable place to invest, live, work, study and visit
- facilitate business to business introductions
- signpost potential investors to local companies
- host VIP & international delegations
- showcase council services to local, national and international businesses

Internationalisation, product and market diversification are key elements of the city's development strategy and the exhibition plays an important role in developing this strategy.

In 2011, as at previous exhibitions, Aberdeen City Council partnered Aberdeenshire Council on a joint stand in a prime location within the event. The stand provided a highly visible promotion of Aberdeen, Aberdeenshire and their respective local authorities. In addition, 20+ companies pay to secure space on the 295sqm stand which is recognised as one of the most effective presences at the exhibition.

Feedback from exhibitors on the Aberdeen City and Shire stand reported that a significant number of genuine business opportunities were identified and all said that the event rated very good or excellent in meeting their participation objectives. It was also highlighted that the

level and quality of business contacts met across the course of the week were better than in recent similar exhibitions.

Exhibitors reported in feedback questionnaires that the provision of the council's service associated with the exhibition, the quality of the stand, related facilities and overall value for money in relation to OE were rated excellent.

In addition to the exhibition presence and working with our ACSEF partners, a range of region wide initiatives were implemented before and during OE to ensure that the city and its visitors got the most out of the event.

Initiatives included:

A civic reception for local, national and international energy representatives and a business breakfast hosted by Aberdeen & Grampian Chamber of Commerce and held at AECC.

A number of trade development and key priority market workshops were organised and delivered on the Aberdeen City and Shire stand along with the launch of Aberdeen First and a presentation on Energetica for an international audience.

Promotional banners across Union Street displaying key industry sector messages relating to the city supported by business sponsor logos. Lamppost banners promoting Offshore Europe were also erected throughout the city.

Taxi companies having an "Ambassadors" briefing which detailed the importance of the event and as they are often the face of the city for visiting delegates, the importance of providing a warm welcome. Visitors' maps (Z-cards) were also made available in all city taxis and other key city outlets including hotels and restaurants. Each visitor also received an official welcome to the city from the Lord Provost, with letters being left in every city hotel room, along with relevant tourist information.

Transportation and infrastructure across the city was a priority and additional parking facilities were made available away from the exhibition site in an attempt to minimise the volume of cars travelling to the event arena.

The exhibition organisers significantly increased their provision of buses to shuttle delegates from strategic locations across the city to the exhibition, again in an attempt to reduce the amount of vehicular traffic in and around Bridge of Don.

A number of areas continue to require attention and initial feedback from OE11 delegate surveys show that issues relating to car parking, site access and accommodation continue to raise concerns for those exhibiting and visiting the show. It is intended that we address and develop these for OE13 and for the benefit of the exhibition in the long term.

Joint branding and sharing the financial burden of Aberdeen City and Shire's presence at the exhibition with several partners continues to receive positive feedback and ongoing support. The Aberdeen City and Shire brand is widely recognised amongst the local business community and receives positive associations through private company adoption and promotion.

Aberdeenshire Council will again be invited to contribute equally to the cost of staging the joint presence at the exhibition. Income from sponsors and companies who lease space on the stand will also offset the overall cost.

6. IMPACT

This report supports the vision of Aberdeen City and Shire Economic Future (ACSEF) for Aberdeen to be recognised by 2025 as one of the most robust and resilient economies in Europe with a reputation for opportunity, enterprise and inventiveness that would attract and retain world class talent of all ages.

To this end Aberdeen City Council will work in partnership with relevant agencies to:

- Anchor the oil and gas industry.
- Attract and develop skilled people.
- Maximise our intellectual capital-people and expertise.
- Make Aberdeen City and Shire the location of choice for company headquarters

In addition, participation at this exhibition will assist Aberdeen City Council to deliver on a number of the indicators within the Single Outcome Agreement, Community Plan and under Vibrant Dynamic and Forward Looking.

7. BACKGROUND PAPERS

Not applicable.

8. REPORT AUTHOR DETAILS

Dawn Schultz
City Promotions Manager

Tel: 522767
Email: Dschultz@aberdeencity.gov.uk