

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	26 June 2013
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	International Trade Plan 2013/2014 Additional Commitments
REPORT NUMBER:	EPI/13/110

1. PURPOSE OF REPORT

The report seeks approval for additional commitments over and above the Council's approved International Trade Plan activities for 2013/2014, and in particular Elected Member attendance at overseas trade events (see Appendix B for details).

2. RECOMMENDATION(S)

It is recommended that Council:

1. Approve the report and the activities described herein, subject to their approval by the Scottish Government in the normal manner
2. Approve the relevant travel by officers and Elected Members on a whom failing basis for the activities as described in Appendix **B**
3. Receive a bulletin report on each event undertaken in the plan

3. FINANCIAL IMPLICATIONS

The delivery of the International Trade Plan 2013/2014 (approved by Enterprise Planning and Infrastructure Committee in January 2013) is supported by 3 FTE staff (1 post is currently vacant and being recruited at present) and an annual operational budget of £69,000 (excluding staff costs).

This operational budget is fully committed to the delivery of the approved Plan and its priority sector, markets and activities. There is therefore very little flexibility in terms of staff time and budget to carry out additional activity over and above the approved Plan.

In the Administration's 2013/2014 budget agreed in February 2013, a budget line of £25,000 was approved to enable the Depute Provost to take on a specific role in supporting international trade activity. Appendix **B** outlines these additional

commitments which are over and above those approved in the International Trade Plan, and identifies which budget will be utilised for each activity.

4. OTHER IMPLICATIONS

Health and Safety: The health and safety implications of all overseas journeys are taken into account during planning, with any exceptional implications to be addressed at the time. Officers regularly review the travel advice provided by the Foreign and Commonwealth Office and are in contact with counterparts in-country to ensure information is accurate and up-to-date. When participating in overseas journeys, Council officers and Elected Members are covered by the Council's insurance policy. A risk assessment is carried out for each overseas journey.

Risk Management: The risks associated with **not** delivering the International Trade Plan 2013/2014 are:

- City companies would have significantly reduced opportunities to enter new export markets and exploit export opportunities;
- Aberdeen's position as a global energy capital would be compromised if there was no local support, for example, to host high-level visiting business delegations; likewise, there would be a serious risk of loss of visibility on the world energy industry stage if profile was not maintained at key overseas trade events;
- The Council would not be fulfilling its obligations in the Single Outcome Agreement, the vision for Smarter Aberdeen, or the role set out in the Scottish Economic Recovery Plan, which places internationalisation as "one of the central priorities for the acceleration of the Scottish recovery";
- Loss of targeted local support to local businesses could contribute to their failure, or their decision to relocate from Aberdeen.

The risks associated with not undertaking the additional commitments are considered by the team to be less significant, since there is already approval in place for an Officer to participate in the two missions to clearly identified priority markets.

Staffing: The International Trade team is currently staffed by one full-time Senior Executive (International Trade and Investment) and one full-time International Trade Executive. A third post of International Trade Executive (Energy), is currently vacant and being recruited. The successful delivery of the approved International Trade Plan is dependent on a fully-staffed team. These staffing numbers do not take account of City Promotion team personnel who lead on exhibitions such as Offshore Europe and Offshore Northern Seas. Market prioritisation is considered very carefully to ensure staffing resources are targeted where they can deliver most value and benefit to local companies. However, any requests to deliver international trade activities over and above those in the Plan are subject to the availability of suitable staff and budget resources.

5. BACKGROUND/MAIN ISSUES

The International Trade team helps to create the conditions for sustainable economic growth in the City by providing strategic support to City businesses to enhance their internationalisation (eg increase export of products and services).

The team does this by working effectively in partnership with key local, national and international partners to enhance the City's strategic profile and position as a global energy capital, and as an even better place in which to live, work, invest, visit and grow up.

In practical terms, this means supporting trade missions, hosting inward business delegations, facilitating contacts between local and international companies, holding business seminars, attending key industry conferences and exhibitions and providing market intelligence.

In many of these activities, the team works in partnership with Scottish Development International, UK Trade and Investment and other local and national organisations via the North East of Scotland Trade Group to ensure the focus of the work is demand-led and there is a coordinated approach to international trade activity.

In the 2013/2014 International Trade Plan, the priority sector was identified as **energy** and the priority markets were identified as:

- US
- Canada
- Brazil
- Norway
- Australia
- Iraq
- WECP/MOU partners

The priority activities were identified as:

- Attending industry conferences and exhibitions – taking an exhibition stand at some, simply having a proactive, mobile presence at others
- Where appropriate, accompanying (and, if resources allow, organising and leading) trade missions to target markets
- Hosting (both through proactively attracting and responding to requests from partners) key inward business delegations from main target markets
- Hosting business seminars for local companies
- Making better use of existing networks such as World Energy Cities Partnership, Memoranda of Understanding.

Therefore the proposal to include the Depute Provost in outward visits to Offshore Northern Seas Norway in Stavanger, Norway in August 2013 and to Louisiana Gulf Coast Oil Exposition in Louisiana, USA in October 2013 (please see Appendix B) fits with the sectoral, market and activity priorities.

6. IMPACT

Corporate: The contents of the report relate directly to delivering the economic development aspects of the Single Outcome Agreement:

National Outcome 1 – We live in a Scotland that is the most attractive place for doing business in Europe

National Outcome 2 - We realise our full economic potential with more and better employment opportunities for our people

Local Outcome – Anchor the Oil and Gas Industry

Local Outcome – Diversification of the Economy

The contents of the report also relate directly to delivering the economic development aspects of the Administration's Smarter Aberdeen vision.

An Equality and Human Rights Impact Assessment is not required for this report.

7. BACKGROUND PAPERS

International Trade Plan 2013/2014 (EPI Committee approved Jan 2013)

8. REPORT AUTHOR DETAILS

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INTERNATIONAL TRADE PLAN 2013 – 2014 APPENDIX A (all approved by EPI Committee January 2013)

MARKET	TRADE EVENT	TIME AND PLACE	JUSTIFICATION	OFFICER INVOLVEMENT	COMPANY INVOLVEMENT	MEMBER INVOLVEMENT	BUDGET
Norway	SDI Trade Mission	Norway April/May 2013	Norway is the top market for current exporters, and 3 rd most important target market.	One Officer	Yes	Not required	£2,000
USA	Offshore Technology Conference (OTC) SDI Trade Mission	Houston, USA 6 – 9 May 2013	OTC is the biggest global oil industry show. The City Council is obliged to attend WECP annual working meetings at OTC.	Up to four Officers	Yes	Yes, Lord Provost and Leader	£21,000
Partnerships (WECP, MOU etc)	Gas & Oil Expo	Calgary, Canada 11-13 June 2013	Calgary is a key WECP partner city; Alberta oil sands developments present significant opportunities in an accessible market.	Up to two Officers	TBC	Not required.	£2,000
Hydrogen sector	International Hydrogen and Fuel Cell Conference	Vancouver, Canada 16-19 June 2013	To follow directly from the above Exhibition to minimise costs. This is the leading international trade show for the hydrogen and fuel cell technology sector.	Up to two Officers	TBC	Not required.	£2,000
Brazil	SDI/UKTI Trade Mission	Rio de Janeiro, Brazil Dates TBC	Brazil is a top priority market due to scale of opportunity. MOU partner; WECP member city.	Up to two Officers	Yes	Not required.	£6,000
Partnerships (WECP, MOU etc)	WECP AGM	Dongying, China 16-20 October 2013	WECP Annual General Meeting; development of WECP network; outward trade mission.	Up to two Officers	TBC - Depends if AGM coincides with Dongying Oil Show.	Yes - Lord Provost	£6,000 (Approximately £2,000 per person)
USA	Louisiana Gulf Coast Oil Exposition SDI Trade Mission	Lafayette, Louisiana 22-24 October 2013	USA is the 2 nd top current market for exporters.	One Officer	Yes		£2,000
Inward visits to Aberdeen from various markets	Inward Visits 2012/13	Aberdeen Various dates TBC/on	Inward visits from overseas delegations anticipated from key target markets during 2013/14,	To be determined as required.	Yes	Yes – requests likely for civic receptions, civic welcomes etc	Est. £10,000 in total throughout the year

		request eg Rio Grande do Sul in June (TBC)	especially for <ul style="list-style-type: none"> • Subsea 2013, • All Energy 2013, • Offshore Europe 2013 • Unconventional Gas Aberdeen 2013. Number of requests for assistance with visits likely to be high.				
Local seminars and workshops in Aberdeen on various markets	Local seminars and workshops	Aberdeen Various dates TBC	Programme of local seminars and workshops to focus on key target markets.	To be determined as required	Yes	Not required.	Est. £5,000 throughout the year
							Est. total for activity: £56,000
							Total est. budget: £68,000
							Balance: £12,000**

****NB:** Please note that the estimated balance of £12,000 will be required to cover WECP annual membership (\$8,000), North East of Scotland Trade Group activities, continued sponsorship of the Unconventional Gas Conference 2013, and publication and launch of the 2012 Aberdeen City and Shire International Trade Survey.

INTERNATIONAL TRADE PLAN 2013 – 2014 APPENDIX B (Additional Commitments)

MARKET	TRADE EVENT	TIME AND PLACE	JUSTIFICATION	OFFICER INVOLVEMENT	COMPANY INVOLVEMENT	MEMBER INVOLVEMENT	BUDGET
Norway	ONS Norway	Stavanger, Norway, 19-21 August 2013	Norway is the top market for current exporters, and 3 rd most important target market.	Two Officers (Corporate Director on a whom failing basis)	No	Depute Provost	Costs for one officer to be met from existing 13/14 international trade budget (already approved by EPI Committee Jan 2013; can be utilised from underspend, as no officer took part in the Norway mission in April 2013). Second officer and Member costs to be met from Depute Provost trade budget. Estimated cost: £1000 per person.
USA	Louisiana Gulf Coast Oil Exposition SDI Trade Mission	Lafayette, Louisiana 22-24 October 2013	USA is the 2 nd top current market for exporters.	One Officer (Corporate Director on a whom failing basis)	Yes	Depute Provost	Officer costs to be met from existing 13/14 international trade budget (already approved by EPI Committee Jan 2013). Member costs to be met from Depute Provost trade budget. Estimated cost: £2000 per person.
To be determined from International Trade Survey findings and with the agreement of the Corporate Director	Up to two other outward missions as may be determined necessary by International Trade Survey findings and with the agreement of the Corporate Director	To be determined from International Trade Survey findings and with the agreement of the Corporate Director	Markets and activities will be determined on the basis of International Trade Survey findings and with the agreement of the Corporate Director	One Officer (Corporate Director on a whom failing basis)	Dependent on market and activities	Depute Provost	All costs for both Officer and Member must be met from Depute Provost trade budget as these are over and above the fully committed International Trade budget for 2013/2014 (see Appendix A).