

## ABERDEEN CITY COUNCIL

---

COMMITTEE	Enterprise Planning & Infrastructure
DATE	12th November 2013
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Offshore Europe (OE) 2013 & 2015
REPORT NUMBER:	EPI/13/188

---

### **1. PURPOSE OF REPORT**

This report will outline feedback from the 2013 event and detail proposed direction for Aberdeen City Council's involvement in OE15. 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 2014-15 and 2015-16 Economic & Business Development budget 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 2015 and as such commit to the necessary funding of £80,000. This will require £40,000 per annum being maintained in the budget for 2014-15 and 2015-16 subject to the standard budgetary process.
- Support the proposed direction for the promotion of Aberdeen at Offshore Europe 2015.

### **3. FINANCIAL IMPLICATIONS**

Total cost for participation at OE is £270,000 however following receipt of partner contributions, company income and sponsorship contributions, Aberdeen City Council's contribution will be £80,000 spread across two consecutive financial years. The costs for OE are budgeted for on an annual basis with half the funding in 2014-15 Economic & Business Development budget and the remaining half to be included in the 2015-2016. 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 £80,000 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 OE15 facilitates Aberdeen City Council's opportunities arising from Economic & Business Developments 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 and the across the region.

Financial risks associated with the exhibition are shared with Aberdeenshire Council, sponsors, 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, growth and development 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 8-11th September 2015.

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, technical specialists, 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 2013 the event managed to break previous event attendance numbers with 63,000 visitors, a 33% increase from 2011.

The exhibition grew by 8 % in size to 27,000sqm from the previous floor plan 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 £20 million for the local economy, taking a stand at Offshore Europe presents the council with an excellent opportunity to:

- demonstrate its commitment to the energy industry
- showcase Aberdeen City and the wider regions 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 ongoing city development strategy and the exhibition plays an important role in supporting this strategy.

In 2013, 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, up to

25 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. Several companies have already noted an interest in exhibiting on the stand in 2015.

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

Initiatives included:

A civic reception for local, national and international energy representatives hosted by Aberdeen City Council was held in the Town House on the opening evening of the exhibition.

A number of trade development and key priority market workshops were organised and delivered in the upstairs lounge of the exhibition stand. Lord Provost of Aberdeen George Adam officially met with the HM Ambassador of Kazakhstan and the signing of an updated Memorandum of Understanding took place with the Mayor of Halifax Michael Savage.

Promotional banners across Union Street displayed key industry sector messages relating to the city supported by business sponsor logos.

Each visitor received an official welcome to the city from the Lord Provost, with letters being left in every city hotel room, along with relevant destination 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 OE13 delegate surveys show that issues relating to car parking, site access and accommodation continue to raise concerns for those exhibiting and visiting the show. Discussions with the organisers of OE15, Reed Exhibitions will commence in due course about plans for 2015.

During the week of Offshore Europe the city also hosted the Aberdeen Energy Festival with a programme of evening events designed to complement the exhibition. In recognition of the 40 years since Offshore Europe was first held in Aberdeen, SPE Offshore Europe, in conjunction with Aberdeen City Council, organised the festival. Support was provided by Taqa Bratani, BP, Shell and the Balmoral Group. The festival provided a unique opportunity to celebrate the energy industry as a driving force in Aberdeen and to share the excitement of SPE Offshore Europe with the local community and visitors to the city.

Aberdeenshire Council will again be invited to contribute to the cost of staging a presence at the exhibition in 2015. Income from sponsors and companies who lease space on the stand will also be sought to offset the overall cost.

## **6. IMPACT**

### *Aberdeen – the Smarter City*

- We will promote Aberdeen as a great place to live, bring up a family, do business and visit.
- We will ensure that Union Street regains its position as the heart of the city and move cultural activity centre-stage through re-invigorated cultural leadership.

### *Smarter Living (Quality of Life)*

- We aspire to be recognised as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality diverse cultural events for the whole community and beyond.

### *Smarter Economy (Competitiveness)*

- We will work with partners to promote the city as a place to invest, live, work and export from.

### *Community Plan*

- Work with other organisations, agencies and groups, including Visit Scotland and Visit Aberdeen, to encourage tourism and the provision of facilities for tourists.

## **7. BACKGROUND PAPERS**

OE13 feedback report from Reed Exhibitions has yet to be published but will be available for member's consideration in due course.

## **8. REPORT AUTHOR DETAILS**

Lynda Raitt  
Senior IVSA Officer  
Tel: 523286  
Email: [Lyraitt@aberdeencity.gov.uk](mailto:Lyraitt@aberdeencity.gov.uk)