

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance Policy and Resources
DATE	19 April 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Aberdeen Japan Strategy – Glover Club
REPORT NUMBER	CHI/16/051
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The Finance Policy and Resources Committee of 16<sup>th</sup> February 2016 resolved to “instruct officers to proceed with organising the ‘Glover Club’ as outlined within the strategy for local businesses interested in trading with Japan and report back to this committee in April”. This report fulfils that instruction.

### 2. RECOMMENDATION(S)

Committee is recommended to:

- a) Note the activity undertaken to date and
- b) Approve the initial planned activity for 2016/2017

### 3. FINANCIAL IMPLICATIONS

There is no additional budget available to support the delivery of the Aberdeen Japan Strategy, therefore all activities must be resourced from within the existing economic development budget or from external sources.

### 4. OTHER IMPLICATIONS

None

### 5. BACKGROUND/MAIN ISSUES

The Finance Policy and Resources Committee on 20<sup>th</sup> February 2014 decided to "approve the commissioning of a wide-scoping study by external specialists to develop and deliver an Aberdeen-Japan strategy to further develop trade, tourism, academic and sporting links at a cost not to exceed the sum detailed by the Vice Convenor with a report back to the next meeting of the Committee".

Following delays in procuring an appropriate external specialist, in February 2015, Finance Policy and Resources Committee approved the Aberdeen Japan Strategy and the Economic Development service was tasked with implementing it.

Activities delivered since February 2015 include

1) hosting inward business and Government delegations throughout the year from:

- Hitachi
- Japan Smart Community Alliance
- Japan Local Government Centre
- Kagoshima
- Mitsui
- Panasonic
- Toyota

2) officer presence at the International Hydrogen and Fuel Cell Expo in Tokyo in March 2015 and again in March 2016 to build on Aberdeen's hydrogen transport sector development as part of the H2 Aberdeen Strategy.

Having reported on progress to date to the February 2016 Finance Policy and Resources Committee, officers were then instructed to "proceed with organising the 'Glover Club' as outlined within the strategy for local businesses interested in trading with Japan and report back to this Committee in April".

Initial enquiries among North East of Scotland Trade Group partner organisations have identified that there are around 20 local companies known to be trading with or interested in trading with Japan, but there may also be a significant lack of awareness of business opportunities in the Japanese market. To that end, one of the first activities under the "Glover Club" banner will be a seminar for local businesses on opportunities in Japan to establish the level of interest in and knowledge of this market and identify key sectors and opportunities.

There is already a Scottish Development International "incubator" in Nagasaki for Scottish businesses involved in the renewable energy industry in Japan and more can be done to promote the availability of this facility among local businesses in this sector.

A large delegation of elected members, officials and businesses from the City of Nagasaki, led by the Mayor of Nagasaki, will visit Aberdeen in August 2016 and this visit will be used to bring together local businesses with their Japanese counterparts.

The 2016/2017 International Trade & Investment and Funding & Partnerships Plan, approved at Communities, Housing and Infrastructure Committee in January 2016, approved a visit to Japan by the Lord Provost in February 2017. It is anticipated that this reciprocal visit will also involve a trade mission

taking local companies to Japan to further explore business opportunities there.

Once the outcomes of these initial activities are evaluated, and more is known about the demand by local companies for support to trade with Japan, a further series of business support activities will be coordinated under the “Glover Club” banner, in collaboration wherever appropriate with North East of Scotland Trade Group partner organisations.

Summary of 2016 Glover Club planned activities:

- 1) seminar for local businesses to raise awareness of opportunities in the Japanese market, Spring 2016
- 2) market intelligence to be gathered and disseminated to local businesses, Spring 2016
- 3) inward visit/trade mission from Nagasaki City, led by Mayor of Nagasaki, August 2016
- 4) outward visit/trade mission to Japan, led by Lord Provost, February 2017

## 6. IMPACT

**Improving Customer Experience** – The Aberdeen Japan Strategy aims to benefit local businesses by enhancing their awareness of trading opportunities with Japan and facilitating their connections with key decision-makers in Japanese companies, while building a strong, multi-faceted relationship between Aberdeen and Japan.

**Improving Staff Experience** – The staff involved in hosting Japanese delegations or working on overseas trade missions gain valuable experience of working with a diverse range of internal (Elected Members, senior officers) and external (businesses, trade associations, Government personnel, diplomats) customers.

**Improving our use of Resources** – To date, careful planning has enabled all activities to be funded from within existing budgets and officers will seek to continue this while seeking external funding and support from partner organisations to cover any additional activities.

**Corporate** – The contents of the report relate 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 to delivering the economic development aspects of the Administration’s **Smarter Aberdeen** vision.

Internationalisation is a key strand of the **Regional Economic Strategy** and **City Region Deal**, and the Aberdeen Japan Strategy provides an important additional framework for business development opportunities with Japan in technology development and renewable energy.

**Public** – Neither an Equality and Human Rights Impact Assessment nor a Privacy Impact Assessment is required for this report. There may be some public interest in the Council's work with Japan.

## 7. MANAGEMENT OF RISK

Overseas visits are risk assessed on a case by case basis.

## 8. BACKGROUND PAPERS

Aberdeen Japan Strategy (Finance, Policy and Resources Committee, 18/2/2015 and 16/2/2016)

International Trade and Investment Plan 2015/2016 (Communities, Housing and Infrastructure Committee, 13/1/2015)

International Trade and Investment and Funding and Partnerships Plan 2016/2017 (Communities, Housing and Infrastructure Committee, 20/1/2016)

## 9. REPORT AUTHOR DETAILS

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