

EMERGING MARKETS - CHILE

Summary

Population: 17.4 million

GDP (Current US\$): 234.9 billion (2.619 trillion for UK)

GDP growth (Annual %): 1.6 (1.8 UK)

Currency: Chilean Peso

Official language: Spanish

Religion: Christianity

Capital City: Santiago

Chile is a long, narrow country stretching along South America's western edge and bordered primarily by Argentina on the east and in the north of the country it shares land borders with Peru and Bolivia. Chile's unusual, ribbon-like shape - 4,300 km long and on average 175 km wide - has given it a hugely varied climate. There are around 17.4 million people living in Chile with around 90% living in urban areas. Chile is a multi-ethnic society, including people of European and Indian ancestry.

Economy

Chile has been one of Latin America's fastest-growing economies in recent decades, enabling the country to significantly reduce poverty. Between 2000 and 2015, for example, the population living in poverty (on US\$ 4 per day) decreased from 26 percent to 7.9 percent. Chile's high per capita income, its growing and sophisticated economy, the direct and indirect demand of the large mining sector and a business environment free of surprises and obstacles make the country one of considerable commercial opportunities for British companies. Opportunities are particularly strong in the mining, energy, retail, healthcare and education sectors.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - Liberal, open market economy - Solid macroeconomic stability - Highest GDP per capita in Latin America - Export and imports are worth 65% of economy 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Economic growth slowed to 1.5% in 2016 - Traditional economic dependence on copper
<p>Opportunities</p> <ul style="list-style-type: none"> - Balanced pro-market governmental policies - Free Trade Agreement with EU - Opportunities are particularly strong in the mining, energy, retail, healthcare and education sectors 	<p>Threats</p> <ul style="list-style-type: none"> - Top trading partners are US and Canada - Mining sector slowdown in 2016 due to decline in world copper price - Low public approval rate of current president

Operating Environment

Politics

Chile was long considered a role model in Latin America for political and financial transparency however; recently, the country has been shaken by corruption scandals involving the illicit financing of election campaigns. The approval rate of the President, Michelle Bachelet, is currently very low (less than 15% in 2016). In October 2016, the ruling centre-left coalition suffered a defeat in the municipal elections that foreshadow the presidential elections in late 2017.

Sectors

Chile's economy is dominated by the industrial and service sectors, which together contribute to 96% of the GDP. Chile's key activity sectors are mining (copper, coal and nitrate), manufactured products (agri-food processing, chemicals, wood) and agriculture (fishing, viticulture and fruit).

Oil and Gas

The majority of Chile's oil and gas is imported and according to Oil & Gas Journal (OGJ), at the beginning of 2016, Chile held 150 million barrels of crude oil reserves, which are relatively low levels in Central and South America. Chile produced negligible amounts of oil in 2015.

Renewables

Chile is a treasure trove for renewable energy. The country has a very good investment climate, high energy prices, some of the highest solar radiation in the world in the northern Atacama Desert and increasingly, a supportive policy environment. Solar and marine energy resources could each provide ten times the entire installed electricity generation capacity. Being on the 'Ring of Fire' Chile also has substantial geothermal potential, as well as good wind and hydro resources.

There are an estimated 261 renewable energy projects in the pipeline in Chile and it is already the region's leading solar market. Northern Chile is also home to an expanding mining sector, which has, to date, been a key driver in renewable energy development. More recently, Chile announced plans to develop a 1,865-mile transmission line to aid the transfer of solar power to other parts of the country. Wave and tidal energy may also hold enormous potential for Chile. However, a lack of technological and financial capacity has stymied efforts to convert such energy into electric power so far.

Existing Contact

There has been no recorded contact between Aberdeen City Council and Chile to date.

EMERGING MARKETS - CHINA

Summary

Population: 1.35 billion
 GDP (Current US\$) (Trillion): 11.2 (2.619 for UK)
 GDP growth (Annual %): 6.7 (1.8 UK)
 Currency: Renminbi (yuan)
 Official language: Mandarin Chinese
 Religion: Buddhism, Christianity, Islam, Taoism
 Capital City: Beijing

China is the world's most populous country. The People's Republic of China (PRC) was founded in 1949 after the Communist Party defeated the nationalist Kuomintang, who retreated to Taiwan. China is in Eastern Asia and is bordered by 14 countries: Korea, Russia, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Myanmar, Laos and Vietnam.

Economy

China is already the world's largest economy on a purchasing power basis. China is also one of the world's top exporters and is attracting record amounts of foreign investment. In turn, it is investing billions of dollars abroad. The country has a cheap labour resource although the cost of labour has been increasing in recent years. The country is often seen as having poor IP protection and is often known for the piracy of goods. There has been growing corruption from the one party government and still has a number of industries which are state-run. However, the Chinese government is now seeking to rebalance the economy away from investment-led growth and towards consumption. The emerging focus on innovation, higher-end consumer goods and services represents a significant opportunity for UK companies.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - Continue to open various sectors of economy to foreign investment - World's largest economy - Cheap labour resource - Rich reserves and natural resources 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Poor IP protection - Many industries still state-run - Weak and non-transparent corporate governance
<p>Opportunities</p> <ul style="list-style-type: none"> - Recently attracting high foreign investment - Increase in investment from UK - Emerging industry "5 year plan" regularly produced by government 	<p>Threats</p> <ul style="list-style-type: none"> - Industry known for piracy of goods - Growing corruption and widening inequalities

Operating Environment

Politics

China is famously a one-party state meaning its political system is unstable and unable to respond to wider changes taking place in society. Xi Jinping came to power in 2013 as the hand-picked heir of predecessor Hu Jintao, and is expected to lead China for the next decade. The main themes of his leadership have been economic reform to boost market forces; however, Mr Xi rejects Western ideas of constitutional democracy and human rights as models for China.

Sectors

Oil and Gas

China is the largest oil consumer after the US, and the world's biggest producer and consumer of coal. It spends billions of dollars in pursuit of foreign energy supplies. There are three main oil producing areas in China: Dongying, Daqing and Karamay. Daqing Oilfield is the largest oil producer in China and therefore Daqing is the energy capital of the country with over 100 million barrels of crude oil per year. The Chinese oil and gas industry has three main 'players': China National Petroleum Corporation (CNPC, often referred to as PetroChina), China Petrochemical Corporation (Sinopec), China National Offshore Oil Corporation (CNOOC). All three companies continue to have most of their services delivered in-house through their own service companies; however, more recently, there is also significant and increasing engagement with western operators and service companies particularly to service complex and offshore projects.

Energy

China currently has the world's largest installations of hydro, solar and wind power, however the vast majority of its energy is provided by fossil fuel, mainly coal. As Chinese renewable manufacturing has grown, the costs of renewable energy technologies have dropped dramatically. Innovation has helped, but the main driver of reduced costs has been market expansion. In June 2017, the Chinese province of Qinghai reached the goal of only using renewable energy resources for electricity and for seven days the region ran on 100% renewable energy, including solar, wind, and hydropower.

Manufacturing

China makes and sells more manufacturing goods than any other country. The range of Chinese goods includes iron, steel, aluminium, textiles, cement, chemicals, toys, electronics, rail cars, ships, aircraft and many other products.

Existing Contact

There are 3 Chinese cities in WECP: Dongying, Daqing and Karamay and in February 2017, Aberdeen City Council hosted an inward delegation from Karamay.

EMERGING MARKETS - COLOMBIA

Summary

Population: 48 million

GDP (Current US\$): 282.5 billion (2.619 trillion for UK)

GDP growth (Annual %): 2 (1.8 UK)

Currency: Colombian Peso

Official language: Spanish

Religion: Christianity

Capital City: Bogota

Colombia is a country in the norther tip of South America and is bordered by Panama, Venezuela, Brazil, Ecuador and Peru. It has a varied landscape with coasts on both the Caribbean Sea and South Pacific Ocean and is also home to rainforests and the Andes Mountains.

Economy

Colombia has one of the most outstanding macroeconomic performances within the region. The stability and continuity of government policies and independence of its economic bodies guarantees an ideal environment for investing. Colombia has a tradition of stable economic growth and has been a ‘top performer’ in 5 of the last 8 years according to the World Bank. It has an excellent education system and easy access to skilled workers. Colombia has recently been investing in its infrastructure to support the development of its offshore industry. The country is in an excellent position to act as a hub for Latin American operations but the geography can be difficult for doing business with the UK.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - It is a ‘top performer’ according to the World Bank - It has a tradition of stable economic growth - Top country in Latin America for investor protection - Skilled workers and the second most flexible market in Latin America 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Taking a long term approach to business with constantly changing deadlines - Bureaucracy - Difficult geography and poor transport infrastructure
<p>Opportunities</p> <ul style="list-style-type: none"> - Developing offshore oil and gas industry - UK is second largest investor in Colombia - Hub for operation is Latin America 	<p>Threats</p> <ul style="list-style-type: none"> - Terrorism and rebel forces - Inequalities in society

Operating Environment

Politics

In 2016 the Colombian government and the country's largest guerrilla group, the Revolutionary Armed Forces of Colombia (FARC), reached an agreement in 2016 to end their 52-year armed conflict. The agreement provides a historic opportunity to stabilise the political situation and make it more desirable place to do business.

Sectors

Oil and Gas

Colombia is the third-largest oil producer in South America and the fifth-largest crude exporter to the United States. At the end of 2015 the country had more than 2.002 million barrels of proven crude oil reserves, with an onshore reserves-to-production ratio of 5.5 years. However, there is currently widespread optimism around offshore initiatives in Colombia, although offshore operations are more complex in an environmental sense than the conventional on shore methods used in Colombia over the past years. The government and the domestic industry have made great progress in the offshore sector, allowing the country to move forwards and increase its competitiveness. It is important to acknowledge the improvements Colombia has already made to enhance deepwater fiscal terms. Colombia's offshore industry is in an early stage of development, leaving room for many opportunities in the supply chain. There are three very important cities on the coast with good port infrastructure: Cartagena, Barranquilla and Santa Marta.

Renewables

The National Development Plan 2014-2018 officially established targets for unconventional renewable energies aiming to increase installed capacity from 9.893 MW in 2013 to 11.113 MW in 2018 and also aim to multiply (by three) the installed capacity of unconventional in non-interconnected zones from 2.8 MW in 2013 to 9 MW in 2018. Both legislation and government have identified that the most feasible way to incorporate renewable energies is in non-interconnected zones, in order to provide electricity by replacing diesel electricity generation. The National Development Plan also states that the Ministry for Mines and Energy (FENOGÉ) and public-private partnership initiatives will attract private investment for energy efficiency. In Colombia small hydroelectric (<10 MW), wind, solar, biomass, geothermal and wave energy are considered to be unconventional renewable resources. The current installed capacity of unconventional renewable energy is small scale.

Existing Contact

Aberdeen City Council has been developing a relationship with Colombia, and in particular Barranquilla, over the past few years and as a result of this a Memorandum of Understanding between Aberdeen and Barranquilla was signed in March 2017.

EMERGING MARKETS - INDONESIA

Summary

Population: 261 million

GDP (Current US\$) (Billions): 45.63 (2.619 Trillion for UK)

GDP growth (Annual %): 5.1 (1.8 UK)

Currency: Rupiah (IPR)

Official language: Indonesian

Religion: Islam and Christianity

Capital City: Jakarta

With 261 million inhabitants, Indonesia is the world's fourth most populous country and the largest in South East Asia. Indonesia has 18,307 islands, over 742 different languages and a middle class larger than the population of Malaysia or Australia. Indonesia has the largest economy in South East Asia with nearly half of the region's Gross Domestic Product (GDP). It is the only G20 member from this region.

Economy

Indonesia's economy has grown at a steady 5.8% for over the last 10 years and is currently the 16th largest economy in the world, it is projected to be the seventh largest economy in the world by 2030. This is a more stable rate than any of the Brazil, Russia, India and China (BRIC) countries or Organisation for Economic Co-operation and Development (OECD) countries. Domestic consumption makes up 55.8% of Indonesia's GDP. This helped to protect Indonesia from the global economic crisis.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - Low public and external debt levels - Largest economy in South East Asia - Politically stable - High proportion of working age people - Abundance of natural resources - Growing middle class 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Challenging business environment - Companies looking for a "quick win" should look elsewhere. - Business culture where companies will rarely respond to emails.
<p>Opportunities</p> <ul style="list-style-type: none"> - Enhanced Oil Recovery (EOR) technology to increase oil production - Supply of subsea equipment and services - Education and training - LNG servicing, CBM and potentially shale gas 	<p>Threats</p> <ul style="list-style-type: none"> - Indonesia's gas industry is also being pressured by more competitive LNG markets and declining global LNG market share - Complex bureaucracy - Weakening currency - Inflation

Operating Environment

Business Culture

Doing business in Indonesia takes patience and perseverance. Companies should be prepared to invest time and resources in regular visits over a period of months, sometimes years, before seeing returns. Indonesia offers a lot of opportunities for British companies in a wide range of sectors. However, companies looking for a 'quick win' would be advised to look elsewhere. The rewards of doing business in Indonesia can be considerable, however it can take time to develop the necessary relationships before any financial returns materialise. Companies should recognise this and plan their business entry strategy accordingly.

Sectors

Energy

Indonesia is among the world's fastest growing countries in terms of energy consumption. This is fuelled by robust economic development, increasing urbanisation and steady population growth. The country is the largest energy user in the Association of Southeast Asian Nations (ASEAN), accounting for nearly 40% of total energy use among ASEAN members. Between 2000 and 2014, energy consumption in Indonesia increased by nearly 65%.

Oil and Gas

The oil and gas industry remains strategic to the economic development of Indonesia. The country has abundant energy resources with available reserves amounting to 3.6 billion barrels of oil and 104.4 trillion cubic feet of proven natural gas reserves. It is estimated that around USD 1.7 billion will be spent on the development of deep water exploration and production in Indonesia in coming years. There will be significant opportunities for drilling and completion, equipment, pipelines and control lines. Investment in the oil and gas industry in Indonesia was estimated to reach US\$ 20 billion in 2016 and is expected to be US\$ 26.8 billion in 2017.

Renewables

Indonesia already has ambitious targets to increase its use of renewable energy. The country has set an overall target to have modern renewables to provide 23% of total primary energy supply (TPES) by 2025, and 31% by 2050. Indonesia could achieve its 2050 renewable energy targets two decades sooner. It is predicted more than half of all renewable energy use in Indonesia in 2030 will be in the form of bioenergy used for process heat in industry or as liquid biofuels in transport. Solar applications account for 15% of renewable energy use in all sectors in Indonesia as envisaged by REmap, followed by hydropower (14%) and geothermal power (9%).

Existing Contact

No existing contact with Aberdeen City Council.

EMERGING MARKETS - JAPAN

Summary

Population: 126.4 million

GDP (Current US\$) (Trillions): 4.939 (2.619 for UK)

GDP growth (Annual %): 1 (1.8 UK)

Currency: Yen

Official language: Japanese

Religion: Shintoism / Buddhism

Capital City: Tokyo

Japan has the world's third-largest economy, having achieved remarkable growth in the second half of the 20th Century after the devastation of the Second World War. Its role in the international community is considerable and it is a major aid donor, and a source of global capital and credit. Japan is an island in the Pacific Ocean and more than three quarters of the population live in sprawling cities on the coastal fringes of Japan's mountainous, heavily-wooded islands.

Economy

Japan has a huge, open economy with a cutting edge business culture which embraces new trends and is often at the centre of technological breakthroughs which, unlike some of its partnering nations, provides strong protection for intellectual property. The country has a high-disposable income with a large consumer market based in urban areas but in turn, this also means that there are high manpower costs. This is an extremely stable place to do business and could be used as a strategic hub for doing business elsewhere in Asia.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - A huge, open economy - A cutting edge business culture - An increasingly globalised outlook - Strong IP protection - Hunger for new trends and technologies 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Strong non-verbal communication practices - Slow approach to business built on relationship building - Long and complicated supply chain approach
<p>Opportunities</p> <ul style="list-style-type: none"> - Stable place to do business - Strategic stepping stone for other Asian markets - Highly educated consumers who are early adopters of new products and services - Large and rich consumer market 	<p>Threats</p> <ul style="list-style-type: none"> - High manpower costs and aging population - Little economic growth in recent years - Geographical disadvantages (island) - Balance between quality and price of products and services

Operating Environment

Business Culture

The Japanese have a very complex and developed set of business standards. Relationships are critical in Japanese business etiquette, which means that a foreigner traveling to Japan for business purposes should focus on building a relationship just as much as any other objective during the trip and it is likely that a company will spend years building this relationship before any business is done. To be successful in Japan the business culture needs to be taken into account and the length of time it can take for business transactions.

Sectors

Oil and Gas Currently, Japan is heavily dependent on importing well over 90% of its energy requirements and is one of the largest net importers of crude oil, the second largest importer of coal and the largest global importer of liquefied natural gas (LNG). Since Japan imports almost its all of its fossil fuel requirement, it has lost its trade surplus and has become a nation with a rising trade deficit.

Renewables

In order to reduce its dependence on coal, natural gas, LNG and oil, Japan has invested substantially in renewables. The country has even tripled its renewable energy capacity to 25 gigawatts, where solar energy represents around 80 percent of this capacity. There are opportunities to develop floating wind generation on a large scale.

Japan has a new vision to create a “hydrogen society” and is committed to reduce emissions by 26% between 2013 through 2030. Over the last few years, Japan has equipped more than 100,000 homes with fuel cells powered by hydrogen and is also committed to developing hydrogen transport including cars and buses.

Other Industries

Japan is the world's third largest automobile manufacturing country, has the largest electronics goods industry, and is often ranked among the world's most innovative countries leading several measures of global patent filings. Facing increasing competition from China and South Korea, manufacturing in Japan today now focuses primarily on high-tech and precision goods, such as optical instruments, hybrid vehicles, and robotics.

Existing Contact

Over the last few years, there have been various inward visits from Japanese delegations, most recently during Subsea Expo 2017. The Lord Provost also visited the Japanese cities of Nagasaki, Nagoya, Tokyo and Kobe in February 2017.

EMERGING MARKETS - MEXICO

Summary

Population: 127 million
 GDP (Current US\$) (Trillion): 1.046 (2.619 for UK)
 GDP growth (Annual %): 2.3 (1.8 UK)
 Currency: Peso
 Official language: Spanish
 Religion: Christianity
 Capital City: Mexico City

Mexico is situated in North America bordering the Caribbean Sea and the Gulf of Mexico, between Belize and the United States and also bordering the North Pacific Ocean, between Guatemala and the United States. It has a population of 127 million with 78% living in urban areas. Greater Mexico City is the most populous metropolitan area in Latin America with a population of around 21 million.

Economy

Mexico is a country of huge potential which has demonstrated predictable, stable economic growth. It is a dynamic market and analysts predict that its economy will be the world's seventh-largest by 2050. Mexico offers many opportunities for British businesses in sectors including healthcare, retail, infrastructure, aerospace and energy. The recent reforms in the energy market has created opportunities for local and international businesses however the industry is still seen to be dictated by politics and have bureaucracy issues. The slowdown of the US Economy and the uncertainty about the North America Free Trade Agreement (NAFTA) has also seen exports decrease in the last few months.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - Structural reforms and infrastructure investments - Predictable, stable economic growth with 32% rise in GDP in last 10 years - 12th largest export economy in the world with 46 FTAs globally 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Regulatory inexperience - Political approval ratings - Slowdown of US economy
<p>Opportunities</p> <ul style="list-style-type: none"> - Extensive oil and gas reserves - Opening of energy market - Growing middle class - Identified opportunities for UK companies 	<p>Threats</p> <ul style="list-style-type: none"> - Bureaucracy / political corruption - Uncertainty of NAFTA - Ongoing drug war

Operating Environment

Crime and Corruption

Corruption has long been a problem for Mexico, which ranks as the 95th least-corrupt country in the world. Economists believe that endemic corruption costs the country anywhere from 2 to 10 percent of its GDP annually. There has also recently been a rise in crime, which is linked to the war on drugs.

Government

Mexico's next Presidential election will take place in June 2018 with these elections already attracting international interest. A series of corruption allegations has decreased public approval ratings of the current president, Enrique Pena Nieto, from 58% (when elected in 2012) to as low as 20% in some polls. There are currently seen to be three main contenders for Presidency and depending on the results this could have an effect on international trade and foreign direct investment in Mexico.

Sectors

Oil and Gas

The Mexican energy sector has rapidly undergone deep structural changes following the announcement of an Energy Reform in 2013. Constitutional amendments have allowed the participation of private organisations across the entire oil & gas supply chain in Mexico where previously this industry remained closed for more than 80 years. This liberalisation has created opportunities for local and international businesses with Aberdeen companies particularly well placed to offer technology and expertise that can fill the gaps within this newly-opened industry, particularly in subsea technology, drilling services and efficiencies and midstream (focused in pipelines). In December 2016, Mexico awarded 8 E&P contracts for deepwater in the Gulf of Mexico which could allow opportunities for Aberdeen supply chain companies. Additionally, a Federal Government five year plan is in place to extend the natural gas pipeline system length by 75%.

Renewables

Mexico is a country with an abundance of diverse renewable energy resources, growing demand for power, macroeconomic stability, and historically high electricity prices continue to position Mexico as one of the most attractive destinations for investments in renewable power generation. Mexico's solar and wind sectors have also experienced triple-digit growth rates over the last 10 years, outpacing the growth of renewable power generation in most other developed countries.

Existing Contact

Aberdeen has links with the region of Tabasco and city of Villahermosa. Aberdeen and Villahermosa first signed a Memorandum of Understanding (MoU) in 2005 which was revalidated and resigned in March 2017.

EMERGING MARKETS – MOZAMBIQUE**Summary**

Population: 28 million

GDP (Current US\$) (Billions):11.01 (2.619 Trillion for UK)

GDP growth (Annual %): 3.3 (1.8 UK)

Currency: Mozambican Metical (MZN)

Official language: Portuguese

Religion: Christianity and Islam

Capital City: Maputo

Gaining Independence (from the Portuguese) in 1975, Mozambique has a population of 28 million as of 2015 with 30% of the population living in urban areas. Around 2 million people live in Maputo the capital which sits on the southern end of the country. Mozambique is bordered by South Africa, Swaziland, Zambia, Malawi and Tanzania.

Economy

Over recent years Mozambique has been ranked among the world's fastest growing economies and bilateral trade with the UK is growing rapidly with trade in visible goods increasing by 14% in 2013 to over £150 million. However, there has been a rapid deterioration of the economy following the revelation of previous undisclosed borrowing. Mozambique's Gross Domestic Product (GDP) growth dropped to 3.3% in 2016, down from 6.6% in 2015. In 2016 the Mozambique government admitted to having USD 1.4 billion in undisclosed loans through the interior Ministry. The World Bank's growth forecast for 2017 has been revised downwards from 5.2% to 4.8% to factor in the effects of likely fuel shortages and the continued effects of restrictive monetary policy.

SWOT Analysis	
Strengths <ul style="list-style-type: none"> - High Gross Domestic Product (GDP) growth rate and low inflation - Extensive mineral and hydrocarbon deposits which attract large amounts of foreign direct investment 	Weaknesses <ul style="list-style-type: none"> - Skills and education shortage coupled with tightening work permit regime. - Lack of infrastructure - Weakening economy - Portuguese as business language - Low level of social and economic development - 137th in world bank ease of doing business
Opportunities <ul style="list-style-type: none"> - Subsea engineering, procurement, installation and commission - Original equipment manufacturer of drilling and subsea systems - Offshore support - Manpower services 	Threats <ul style="list-style-type: none"> - Oil price falling - Bureaucracy, pervasive influence of the political elites and widespread corruption - External debt is rising - Still aid dependent

Operating Environment

Government

Talks are under way to bring about a definitive ceasefire between ruling party Frelimo and former rebel group turned-opposition-party, Renamo. A low level insurgency broke out soon after the announcement of the last presidential elections results, which according to Renamo, were fraudulent. President Felipe Nyusi and Renamo leader Afonso Dhlakama are reported to be in constant communication since December 2016, resulting in a truce which was extended until May of this year.

Education

Mozambique has a total of 6,087,000 pupils enrolled in primary and secondary education. Of these pupils, about 5,359,000 (88%) are enrolled in primary education. Although young people in this age group may still be in school and working towards their educational goals, approximately 12% have no formal education and 48% have attained at most incomplete primary education, meaning that in total 59% of 15-24 year olds have not completed primary education in Mozambique.

Sectors

Oil and Gas

Mozambique has raised substantial interest and expectations in the global oil and gas industry due to recent major offshore discoveries and the country hopes to harness its vast natural gas reserves to potentially become the world's third largest LNG exporter, behind Qatar and Australia. Mozambique has some 85 trillion cubic feet of gas reserves that is enough to supply Germany, Britain, France and Italy for nearly two decades. But analysts say it will likely take at least five years after final investment decisions before gas production begins. Mozambican officials expect more than \$30 billion will be invested initially in the natural gas sector. INP has awarded four blocks offshore Mozambique to oil majors ExxonMobil, Rosneft and Eni in a fifth round of competitive bidding for Exploration and Production Concession Contracts. In 2014 Mozambique launched 15 new offshore and onshore areas for gas and oil exploration and production in its northern, central and southern regions.

Renewable Energy

Mozambique's energy potential is one of the highest in Africa, with installed generation capacity of around 2,475MW and substantial energy resources, ranging from fossil fuels (natural gas and coal) to renewables (solar, hydro, wind, geothermal and tidal sources of power) since 2000, annual energy production has increased by approximately 6%. This expansion is largely driven by developments in the natural gas and electricity markets.

Existing Contact

In recent years there has been significant activity between Aberdeen and Mozambique. The most recent visit was in February 2017 where the Mozambique Energy Minister visited Aberdeen. There have been further outward visits leading to

the development of a proposed MOU between Aberdeen and Pemba, a date is to be confirmed.

EMERGING MARKETS - MYANMAR

Summary

Population: 53 million

GDP (Current US\$) (Billions): 67.4 (2.691 Trillion for UK)

GDP growth (Annual %): 7.3 (1.8 UK)

Currency: Burmese Kyat

Official language: Burmese

Religion: Theravada Buddhism (main), Christianity and Islam

Capital City: Naypyidaw

Myanmar officially the Republic of the Union of Myanmar and also known as Burma, is a sovereign state in South East Asia bordering Bangladesh, India, China, Laos and Thailand has a population of 53 million. The diverse nature of Myanmar's economy and its extensive development requirements present opportunities for Aberdeen businesses in a wide range of sectors including oil and gas and it is one of the region's largest exporters of natural gas.

Economy

FDI in oil and gas currently accounts for about 36.3% of the country's total foreign investment. Myanmar has one of the lowest electrification rates in the world with only a third of the population able to access reliable and effective electricity. Approximately 60% of the country is well-suited for solar electricity generation. The World Bank estimates USD\$5.8 billion of investment is required over the next 15 years to achieve universal electrification. In early 2016, the long anticipated political transition finally took place peacefully and this encouraged foreign investment. It is expected that the foreign investment policy will continue, with a higher degree of monitoring measures and enforcement of laws and regulations. Nonetheless, the outlook continues to be positive.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - Myanmar has extensive oil and gas reserves and is one region's largest exporters of natural gas - Huge potential as Asia's last frontier economy - Electricity demand is forecast to rise by 700% by 2030 - Strategic geo-position between China and India 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Infrastructure –Myanmar's physical and technical infrastructure is underdeveloped which can make doing business difficult - Human Capital- limited availability of appropriately skilled local staff
<p>Opportunities</p> <ul style="list-style-type: none"> - Identified opportunities in: oil and gas and renewables; logistic and supply 	<p>Threats</p> <ul style="list-style-type: none"> - Corruption - Legal framework- still some

chain management services; health and safety training; technical and skill development training and services	remaining US. sanctions
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Operating Environment

Government

Under its 2008 constitution, Myanmar has a multiparty democratic system, but substantial political power still rests with the military. A new executive, headed by Myanmar's first civilian president in more than five decades, formally assumed power at the end of March 2016. The new government replaces the administration installed by the State Peace and Development Council (the military junta that had held power since 1988) five years prior. There are two legislative chambers, the 440-seat Pyithu Hluttaw (People's Assembly, the lower house) and the 224-seat Amyotha Hluttaw (Nationalities Assembly, the upper house). In both houses 25% of seats are reserved for the army, while the rest are directly elected.

Sectors

Oil and Gas

According to the US Energy Information Administration, Myanmar has estimated proven gas reserves of 10 trillion cubic feet and proven oil reserves of 50 million barrels. Myanmar's proven reserves have recently been estimated as worth US\$75 billion at current prices. The country has a total of 104 blocks, 53 onshore and 51 offshore. Recent onshore and offshore bidding rounds have brought some of the world's biggest oil and gas companies to Myanmar. A number of British companies secured onshore and offshore exploration licenses in the 2013 offshore round including Shell and Ophir Energy. A total of \$4.8 billion in foreign investment was approved for the oil and gas sector in 2015-16, slightly more than 50% of total FDI for all sectors approved during the year.

Renewables

Currently, about 70% of Myanmar's domestic energy is generated by hydropower. This leads to seasonal shortages particularly during the summer months, as electricity demand peaks and reservoir levels drop. The government previously announced plans to transition to thermal sources for base-load generation, but it is increasingly becoming obvious that renewables will also generate a significant share of Myanmar's electricity. Myanmar has a renewable target of 15-20% by 2020.

Existing Contact

A delegation from Myanmar visited Aberdeen in November 2016 involving the Myanmar Secretary of the Ministry of Energy and Electricity and Myanmar Oil and Gas Enterprise (MOGE).

EMERGING MARKETS – SOUTH KOREA

Summary

Population: 50 million
 GDP (Current US\$) (Trillions): 1.411 (2.619 for UK)
 GDP growth (Annual %): 2.8 (1.8 UK)
 Currency: South Korean Won
 Official language: Korean
 Religion: Christianity / none
 Capital City: Seoul

The Republic of Korea (commonly known as South Korea) is in eastern Asia and occupies the southern half of the Korean Peninsula and many islands. It borders both the Sea of Japan (also known as the East Sea) and the Yellow Sea. Its only land border is with North Korea along the 238 km Korean Demilitarised Zone, a 4,000m strip of heavily guarded land separating the two countries. It has a population of around 50 million.

Economy

In little over half a century, South Korea has managed to transform itself from a deeply impoverished nation to one of the world’s leading economies. South Korea is Northeast Asia’s third largest economy after China and Japan. This is seen as a high growth market for UK exports, increasing year on year since 2009 and the EU/Korea Free Trade Agreement (FTA) is estimated to be worth over £500 million to UK business each year. The government has selected 17 new growth industries across three sectors which are in-keeping with market trends and globalisation (including renewable energy and low-carbon energy technologies) however; there are some prohibitions on foreign investment in specific sectors of public administration, educational organisations and national defence.

SWOT Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> - World leader in electronics, shipbuilding, steel and automotive - Highest level of broadband penetration in the world, with speeds of 100 megabytes - Leads the world in 4G mobile usage - FTAs with 24 countries globally 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Some prohibitions in on foreign investment in specific sectors - Aging population - Inflexible labour market - Slow approach to business built on relationship building
<p>Opportunities</p> <ul style="list-style-type: none"> - The only EU FTA in east Asia/Pacific is between EU and South Korea - High growth market for UK exports - Korean public has a taste for British culture and respect for UK goods - Government identified growth engine 	<p>Threats</p> <ul style="list-style-type: none"> - North/South Korea relations

Sectors

Oil and Gas

South Korea was the world's ninth-largest energy consumer in 2015. South Korea lacks domestic energy reserves and it is therefore one of the top energy importers in the world and relies on imports for about 98% of its fossil fuel consumption including liquefied natural gas, coal, crude oil, and refined products. South Korea has no international oil or natural gas pipelines and relies exclusively on tanker shipments of LNG and crude oil.

Renewable Energy

The South Korean Government is leading the way in the Asia-Pacific region with an ambitious low carbon strategy. In July 2009, the Government committed to spending 2% of GDP annually on the low carbon economy. Its Presidential Committee for Green Growth has set an ambitious target of a 30% reduction in carbon emissions by 2020.

New and Renewable Energy (NRE) offers much more potential for cooperation between UK and Korean businesses. Both countries are actively working to increase power generation from new and renewable sources, both face the need to develop a grid that can handle diversified power inputs and two-way flow, with the UK focusing on system design and management while South Korea is focused on developing ICT devices to monitor and regulate power flow.

Other Industries

Manufacturing has driven Korea's rapid economic development, making it a leading industrial giant. Korea is now the world's second largest shipbuilder, fifth largest car maker and sixth largest steel maker. Most companies are small and medium-sized enterprises which count for about 80% of output and 90% of employment in the service sector. As part of the efforts to reduce a gap in regulation and benefits between manufacturing and services, the government has now undertaken seven rounds of extensive measures to boost the service sector. The Korean government has recognised that foreign expertise is valuable in contributing to the development of business services and has promoted foreign investment in these areas.

Existing Contact

Aberdeen and Mokpo signed a Memorandum of Understanding in February 2017. The particular focus of the MoU is on renewable energy (especially offshore wind and wave/tidal), marine engineering and higher education.

EMERGING MARKETS - TANZANIA**Summary**

Population: 53.47 Million

GDP (Current US\$) (Billions): 45.63 (2.619 Trillion for UK)

GDP growth (Annual %): 7 (1.8 UK)

Currency: Chilean Tanzanian Shilling (TZS)

Official language: Kiswahili and English

Religion: Islam and Christianity

Capital City: Dodoma

The Republic of Tanzania is situated to the south of Kenya on the eastern coast of Africa and has a population of 53 million. The country also borders Rwanda, Uganda, Burundi, Zambia, Malawi and Mozambique. Following independence from Great Britain, the United Republic of Tanzania was established in 1964 through an Act of Union. Tanzania comprises mainland Tanganyika and the semi-autonomous islands of Zanzibar, Pemba and Mafia.

Economy

Overall for 2016, the Tanzanian economy has shown resilience amid flagging growth in Sub-Saharan Africa and real GDP growth for the year is estimated at nearly 7%. Agricultural production increased over the previous year. Non-manufacturing industrial growth softened as a whole as the substantial deceleration of construction and slump in the generation of electricity more than offset strong growth in the mining and quarrying sub-sector. The inflation rate has remained low and near the authorities' medium-term target of 5%, although it has trended upward in recent months following a tightening of the food supply and rising energy costs. The current account deficit narrowed significantly in 2016 as exports grew modestly and imports fell significantly, especially for capital goods. The value of the shilling remained stable in 2016, following considerable volatility in 2015.

SWOT Analysis	
Strengths <ul style="list-style-type: none"> - One of the top destinations for FDI In Africa - Politically stable - The Dar es Salaam port serves 8 land locked countries - Abundant natural resources and 44 million hectares of arable fertile land 	Weaknesses <ul style="list-style-type: none"> - Heavily dependent on foreign aid - Ranks low on work bank ease of doing Business by the World Bank (139 out of 189) - Limited availability of skilled workforce. - Lack of technological resources
Opportunities <ul style="list-style-type: none"> - Aberdeen Companies can find opportunities in train the trainer programmes - Building vocational skills sets in key areas 	Threats <ul style="list-style-type: none"> - Weakness in infrastructure, in particular energy and transportation - Corruption particularly in custom and tax authorities. - Bureaucracy

Operating Environment

Government

There are two separate governments within Tanzania: the Union Government and the Zanzibar Government. The first democratic elections were held in 1995. The politics of Tanzania takes place in a framework of a unitary presidential democratic republic, whereby the President of Tanzania is both head of state and head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and parliament. The party system is dominated by the Chama Cha Mapinduzi (Revolutionary State Party). Political stability remains the cornerstone of Tanzania's strong economic performance. In October 2015, John Pombe Magufuli, was elected the fifth President of the United Republic of Tanzania.

Education

In an effort to become a middle income country by 2025, improving education is of high strategic importance to Tanzania. A lot of effort has been placed in improving elementary, primary, secondary, and tertiary education and increasing access for all. This includes the implementation of government financed free education from primary to secondary level policy, which has resulted in a significant expansion of enrolment over the last decade. The government is geared towards enhancing the quality of education even further and putting more emphasis on the science subjects.

Sectors

Oil and Gas

Tanzania has established gas resources amounting to 55 trillion cubic feet. These major gas discoveries offer a significant upside to the country's gas production outlook, with on-going discoveries, including 19 exploration blocks. USD 10 to 20 billion investment is projected for exploration and production in the coming decade. Companies such as Shell, Petrobras, Statoil and Ophir energy are currently operating in Tanzania.

Renewables

Tanzania has a high and mostly undeveloped potential for renewable energy (RE) sources. The only RE significantly exploited is large hydro and it has proven to be highly vulnerable to droughts in recent years. Nevertheless large hydro is projected to increase substantially in the next two decades and remain at about one-third of the total share. Small hydro also has great potential and it is particularly suited for remote rural areas. Several geothermal locations have been identified and commercial production will be developed, if viable. Solar energy is abundant and being developed for both off-grid and grid-connected solutions. Wind resources are being assessed and plans are to develop them in 2017.

Existing Contact

Visit from the President of Tanzania 2014 (UK Tour).