SUBMISSION FROM UK TRADE & INVESTMENT

The Scottish Parliament’s Economy, Energy and Tourism Committee

Inquiry into Scottish Government and UK Government Support for Scottish Businesses seeking to Export

General

UK Trade & Investment (UKTI) is a joint, non-Ministerial Government Department of the Foreign and Commonwealth Office and the Department for Business, Innovation and Skills (BIS). UKTI teams support businesses throughout the UK in trading internationally and identify high value business opportunities for the UK around the world. It has over 1,200 officers based in more than 160 offices, in over 100 countries across the globe.

The UK Government and the Devolved Administrations have concurrent powers to promote international trade and inward investment. UKTI retains overall responsibility for investment in the UK, and offers a single point of contact for foreign direct investment (FDI), along with management of the national ‘pipeline’ of inward investment opportunities. For trade, UKTI provides a full range of services and support for businesses seeking to export.

The Scottish Government has appointed Scottish Development International (SDI) as the agency responsible for devising and implementing additional programmes to meet the particular needs of local companies in Scotland wishing to trade overseas, and for promoting Scotland to foreign investors. The UK Government, through HM Treasury, provides a block grant to Scotland to deliver devolved activity, including trade and investment promotion. In addition to providing its own trade services and advice specific to businesses in Scotland, SDI delivers a range of UKTI trade services which are also available to Scottish businesses. UKTI and SDI have established a strong working relationship.

Trade

Business support and advice in Scotland for exports is delivered primarily through SDI. SDI draws on UKTI services to supplement its own offer.

UKTI trade services available to Scottish companies include: Overseas Market Introduction Service (OMIS), which provides tailored market entry strategies and programmes; Tradeshow Access Programme (TAP), which provides financial support to companies to go to trade fairs; Export Marketing Research Scheme, which helps companies prioritise which markets to enter; and Export Communications Review, which advises companies on how to internationalise their communications. UK Export Finance (UKEF) provides support for many Scottish companies who need finance or guarantees to export around the world.

In the financial year 2013/14 UKTI helped over 2,300 Scottish companies to export abroad with services including trade missions, market entry support, access to trade shows and opportunities to meet overseas buyers. For example, 64 OMIS research reports were delivered to Scottish companies, and 285 TAP grants were paid to Scottish companies. In the summer of 2014 UK Trade & Investment partnered with Scottish Enterprise to deliver an outstanding Commonwealth focussed Business Conference in Glasgow at the start of the Commonwealth Games.
Businesses based in Scotland also have access to the expertise and global reach of UKTI via its offices in consulates and embassies in over 100 countries. UKTI staff in these offices work with Scottish companies to help them with exporting, via introductions and providing market information. This service includes high level support from Ambassadors and Consuls General.

By way of an example, UKTI helped Edinburgh-based Touch Bionics explore opportunities in China, Brazil, India, Germany and Sweden for its innovative prosthetic solutions and promote its i-limb products at events around the world.

Full details on services provided by UKTI, along with a wealth of sector and country specific information can be found on UKTI's website: www.ukti.gov.uk

Inward Investment

Foreign Direct Investors can often be significant exporters and as such have an important role to play in growing Scottish exports. On FDI, the relationship between UKTI and SDI is set out formally through a Memorandum of Understanding (MoU) signed in 2012.

The MoU sets out clearly the responsibilities for both UKTI and SDI on co-operative working and information sharing. It has helped facilitate a smooth journey for customers investing in the UK, specifically in Scotland; and supported joint working to deliver FDI into Scotland - resulting in more and higher quality inward investment projects.

UKTI ensures that companies are made aware of all commercially attractive location options in any part of the UK. UKTI suggests Scotland as a location when it represents a sound business proposition for the potential investor; final location decisions are for the company to make.

Overall relationship

The established relationship between UKTI and SDI enables both organisations to support each other’s efforts to achieve the shared ambition to increase inward investment and trade, thereby increasing jobs and growth.

Lord Livingston is a regular visitor to Scotland; when travelling overseas Lord Livingston promotes Scottish companies and key industries such as Oil & Gas and food and drink including Scotch whisky.

SDI also plays a full role in UKTI’s International Business Development Forum (IBDF), as the main formal working-level mechanism with all the Devolved Administrations on trade and inward investment matters. Additionally, it also participates in the twice yearly UKTI-Devolved Administration Chief Executives’ meetings, at which strategic issues across the trade and investment agenda are discussed.

Overseas, SDI has extensive representation (14 countries, 24 offices, 110 people). In some countries this resource is co-located with UKTI.