Scotland’s International Framework
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Introduction

1. The Purpose of the Scottish Government is to create a more successful country, with opportunities for all of Scotland to flourish through increasing sustainable economic growth. The Scottish Government's international activities make crucial contributions to this Purpose. By supporting Scottish businesses to export and trade internationally; by attracting foreign direct investment; through the work we do to ensure that European legislation takes account of Scottish interests; and by placing Scotland as a great place to live, learn, visit, work, do business and invest, the international work of the Scottish Government and its associated bodies makes a direct and growing contribution to The Government Economic Strategy.

2. The Scottish Government published its first International Framework in 2008. This Framework set out the context and rationale for the Government's international activities. By taking the opportunity to update and refresh this Framework, we will help to provide a clear focus for international engagement in a rapidly changing world.

Context

3. This updated Framework concentrates on the areas where the Government can add value. It sets out where Scotland can excel, why making the most of our positive international reputation is important for everyone in Scotland and the steps we will take to implement this Framework.

4. Over the past four years we have published Plans setting out the detail of how we will engage with Canada, China, Europe and the EU, India, Pakistan, South Asia, and the United States of America. These plans have been invaluable in defining our relationships with these countries and regions and have allowed us to focus our limited resources where they will have the greatest impact. Recognising the importance of evaluation, this Framework has been written in light of our experience in implementing the first International Framework and putting the country Plans into operation. It does not replicate the detailed work set out in these documents and is intended to provide an overview for international engagement.

5. We have, in the Government Economic Strategy, set an ambitious target to increase international exports by 50% by 2017, with Scotland’s Trade and Investment Strategy 2011-15 setting out the priorities to achieve this through a partnership approach. This complements the International Framework.

6. We have also developed a distinctive and effective approach to international development, within the confines of the existing devolution settlement. Our international development work highlights our commitment to play our part in the global fight against poverty by working in partnership with Scottish civic society. Our development work demonstrates our desire to contribute to the people most affected by poverty and hardship in the world.
and Scotland’s role as a good global citizen. Over time, we have refined our development programme to ensure that it is more strategic and sustainable, that it encourages closer partnership working and is clearly designed to meet the aims and development priorities of the countries with which we work.

7. This Framework will inform the work not only of the Scottish Government but of our key partners in the public sector. Our partners have built up a wealth of experience operating in a competitive global environment and have helped to establish Scotland as a great place to invest in, to do business and to live, study and visit.

- Through its network of overseas offices and the work of its Scotland-based staff, Scottish Development International has acquired a deserved reputation as a leader in its field; the Ernst and Young Attractiveness Survey saw Scotland as the top region in the UK for employment creation in 2011.
- VisitScotland works closely with private businesses, public agencies and local authorities to ensure that visitors experience the very best of Scotland and that the country makes the most of its outstanding tourism assets and realises its potential.
- EventScotland works to generate, bid for, attract and sustain events which will drive tourism and create international profile for Scotland. EventScotland is dedicated to leading Scotland’s events industry and strengthening the nation’s position as a world class events destination.
- Creative Scotland is the national leader for Scotland’s arts, screen and creative industries and helps to promote Scotland’s creativity at home and abroad.

8. The Scottish Government will work with these organisations and others across the public, private and third sectors in implementing this Framework and building on Scotland’s international successes.

A changing national and global context

9. There have been significant changes since the first International Framework was published, in 2008. A global recession has had a major impact on the world economy and the effects are still being felt across many countries. Global economic conditions remain challenging, with a sustained recovery from the 2008 financial crisis yet to take hold.

10. Scotland has changed too. The historic election results of May 2011 mean that the Scottish Parliament has a single-party majority Government for the first time and that a referendum will be held on Scotland’s constitutional future in the Autumn of 2014. These are exciting times for Scotland and this Government is ambitious to ensure that every opportunity is taken to demonstrate that Scotland is a creative nation with a rich heritage, world-class research capacity, a skilled workforce and innovative, enterprising businesses, contributing to the world, and preparing to ask the Scottish

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1 Scottish Development International is a joint venture between the Scottish Government, Scottish Enterprise and Highlands and Islands Enterprise.
people about Scotland’s future. Scotland is on a political journey routed in democracy and based on the values of equality, human rights and a fair society.

11. Scotland starts from a very strong position in terms of its international work. Our activities over the last four years have helped us to enhance our international reputation and brought tangible benefits. For example, the annual Scotland Week programme and our broader engagement with North America generate millions of pounds for the Scottish economy. Visits by the First Minister to Europe and the Gulf have helped to attract inward investment and support Scottish business to expand internationally. We are determined to further enhance the profile and reputation of Scotland both at home and abroad.

12. Scotland is seen as a place of innovation, of creativity in all we do: in energy - oil and gas, and renewables; life sciences; creative industries; and also in cultural heritage and governance. Building on these internationally recognised strengths, we want to show the world that Scotland is the ‘I’ nation:
   - innovative in ideas – from the bicycle to bio-sciences, from the TV to MRI scanner, we are the home of invention;
   - imaginative and inventive in spirit – around 370 festivals throughout the year including world-famous Edinburgh festivals;
   - international in outlook – world leading low-carbon and climate change targets and ambitions;
   - individual in experience – Scotland is an unique and distinctive nation with its own justice system within the UK and EU, built on traditional values of integrity and fairness; and
   - preparing to ask the people of Scotland if they want Scotland to be independent – on a unique constitutional journey, towards and beyond the referendum in 2014.

What we will promote

13. Scotland is and will continue to be, a great place for inward investment and to live, study and visit. A key focus of our international engagement will therefore remain on promoting the advantages of doing business in Scotland, attending University and colleges here or visiting on holiday.

14. Scotland has always been outward looking, with world class companies, world class talent, research excellence, and world class industries. We need to fully exploit these assets internationally for the economic gain of Scotland through increasing international trade, continuing to lead in developing a green economy, and fully capitalising on world events coming to Scotland.

Invest

15. Scotland continues to be a highly attractive place for international investment. The Ernst & Young UK Attractiveness Survey, published in June 2012, shows that in 2011 Scotland maintained its position as the leading UK
location for Foreign Direct Investment (FDI) in terms of job creation; whilst the Financial Times fDi (Foreign Direct Investment) magazine voted Scotland ‘European Region of the Future’ in 2008/09. In 2011 there were over 2,000 foreign owned companies in Scotland employing over 280,000 with a combined turnover of over £87 billion.

16. Scotland offers an attractive blend of innovative research, a skilled workforce and a commitment to economic growth and companies that have invested in Scotland have enjoyed success in developing new products and services across several industry sectors, including food and drink.

17. For example, we are internationally recognised as a key location for creative industries and technology; the sector in Scotland supports over 60,000 jobs and contributes £5 billion to our economy. Scotland has the highest level of film, television and animation production in the UK outside London and Abertay University in Dundee offered the worlds’ first computer games masters degree.

18. Scotland is one of Europe’s leading financial centres and is internationally recognised as the most important UK financial centre outside London and the South East. Edinburgh is ranked as the fourth largest financial centre in Europe in terms of equity assets. In the 2011 Global Financial Centres Index, Edinburgh is ranked above other locations such as Amsterdam, Dublin, Brussels and Madrid. The sector employs over 85,000 people directly and over 70,000 in support companies.

19. Scottish Development International provides high quality assistance to companies to make the most of every opportunity that Scotland offers. More information can be found at www.sdi.co.uk.

Study

20. Scotland is a world leader in post-school education, and committed to improving further through our programme of post-16 reform. Scotland has the highest concentration of universities in Europe and is home to some of the world’s most prestigious academic institutions and a diverse college sector, collectively providing expertise to and meeting the needs of a wide range of learners and businesses.

21. Scotland's excellent research has contributed greatly to scientific breakthroughs and life-changing inventions, such as penicillin, anaesthesia, CT and MRI scanners and the p53 cancer suppressor gene. Today, that excellent research continues to drive our economy and our universities produces thousands of high-calibre graduates every year.

22. All of this makes Scotland a hugely attractive destination for students and academics from all over the world; with 10.3% of higher education overseas students in the UK studying at Scottish institutions in 2010/11. The

2 Source: HESA
Scottish Government actively encourages overseas students and academics to come to Scotland through a range of activities, including funding international study and work placement scholarship schemes for both inward and outward bound students. While we recognise the need to attract both students and academics to Scotland, we also recognise the need to look outward and learn from others. Our universities have developed many joint international partnerships. An increasing number are establishing a physical presence overseas with offices and campuses in key countries. The delivery of Scottish qualifications overseas is becoming an increasingly important source of income as well as an effective way of maintaining and increasing international competitiveness. Further information about Education and Training in Scotland, including international opportunities, is available at http://www.sdi.co.uk/sectors/education.aspx

Visit

23. Scotland has an unparalleled offering for visitors. We are recognised internationally for our stunning landscapes, our wildlife and wonderful local produce. Scotland also has a thriving arts and culture scene that attracts many international visitors, with Edinburgh renowned as the Festival City, hosting the largest Fringe Festival in the World. We are also known around the world as the home of golf and we attract thousands of visitors to play on our 550 golf courses every year. Family connections to Scotland also play a key part in making us a popular destination, with 50 million people all over the world able to claim Scottish ancestry. Business tourism already attracts conventions, symposiums and incentive groups to the country with influential delegates numbering in the tens of thousands. As well as their economic impact, these gatherings enhance Scotland’s credentials as a place to invest, study, live, work and visit (again and again).

24. The tourism industry is therefore vital for the Scottish economy. It employs 270,000 people in Scotland (around 10 per cent of employment) in 20,000 diverse businesses. Under the new Sustainable Tourism Growth Sector definition, gross value added (GVA) has increased over the latest 2 years (£2.6 billion in 2008, to £2.8 billion in 2009 and £2.9 billion in 2010).

25. The new industry-led Tourism Strategy (“Tourism Scotland 2020”) identifies the growth markets for visitor spend by 2020. In terms of overseas visitors, the greatest potential lies in our near neighbours (namely Scandinavia, Germany, France, Spain, Ireland, Netherlands and Italy) who have the potential to generate an additional spend of between £144m - £304m in 2020. The second greatest growth potential lies with our distant cousins (namely USA, Australia and Canada) who have the potential to generate an additional spend of between £91m - £184m in 2020. Finally, emerging markets (namely India, China, Russia and Brazil) could generate an addition £37m - £50m in 2020.

Increasing International Trade

27. Scotland has world class products and services, from Scotch whisky to life sciences, and from education to our expertise in the extraction of oil and gas. We can, and do, compete with the best in the world. Scotland is small in comparison to the global marketplace, so we need to look outwards to larger international markets if our businesses and sectors are to secure long term growth.

28. As the world becomes more connected and trade more open, the international opportunities for Scottish businesses are increasing. We need to see more Scottish companies take their first steps into international markets. This not only allows them to achieve growth, it also drives up their productivity, improves their innovation performance and diversifies their customer base. Our traditional export markets, including Europe and North America, will remain vital for new exporters.

29. For those already exporting we need to encourage them to look further afield to expand their exports, particularly into the faster growing emerging markets such as China, India, Middle East and Brazil. By establishing a foothold now, these markets offer significant longer term gains.

30. With its staff throughout Scotland and network of overseas offices, SDI will, with partners, assist companies of all sizes to investigate and pursue increased international trade. SDI will work closely with industry bodies and business organisations to fully exploit international opportunities. Growth of international trade is one of the biggest factors that could accelerate economic recovery.

Sustainability and our green economy

31. Our natural environment is one of our most important assets. We have landscapes that are both diverse and unique and they are a key element in attracting tourists and major events to Scotland. We need to ensure that we do all that we can to protect these resources and Scotland has therefore taken a leading role in climate change and natural resource protection, including the new powers Scottish Water has to offer consultancy and other services out-with Scotland.

32. Through the Climate Change (Scotland) Act 2009, the Scottish Government introduced ambitious, world-leading legislation to reduce emissions by at least 80 per cent by 2050. The Act also drives new thinking, new solutions and new technologies, putting Scotland at the forefront of building a sustainable low carbon economy.

33. As highlighted in the Government Economic Strategy the transition to a low carbon economy provides an excellent opportunity to build on Scotland’s comparative natural advantages, and to place Scotland in a leading position within the global economy. We currently have 23 wave and tidal projects.
underway - more than any other country in the world. We have vast renewables potential including 25% of Europe’s tidal power, 10% of Europe’s wave power and 25% of all Europe’s wind energy crossing Scotland and its surrounding seas.

34. We have also taken significant steps to highlight the importance of these issues on a world stage. Scottish Ministers have actively participated in international climate change conferences over the past three years, building on previous engagement in UN Conferences at official level. Scottish Ministers are championing climate justice, a key issue for human rights in the 21st Century that is rising up the UN agenda. The Scottish Government has launched an innovative Climate Justice Fund with £3m for projects in Tanzania, Rwanda, Malawi and Zambia that help to mitigate the impacts of climate change. In addition to these partnerships, we have a Memorandum of Understanding with the Inter-American Development Bank to share Scottish know-how on clean energy, we are collaborating with the Global Carbon Capture and Storage Institute and we are working with South Africa on the feasibility of a carbon capture and storage pilot. Our Saltire Commonwealth Fellowships support the exchange of knowledge on climate change policy and technology between Scotland and Commonwealth Countries. These actions have been recognised internationally, with former US Vice-President Al Gore, Archbishop Desmond Tutu and former Irish President Mary Robinson amongst those praising Scottish efforts. Scotland has also been invited by the UN Secretary-General Ban Ki-moon to work with the UN’s Sustainable Energy for All initiative.

35. Scottish Ministers have also met a wide range of Ministers from EU countries – Denmark, Spain, Portugal, Poland, and other new Member States – as well as Ministers from outside the EU including Gulf states, to promote the evidence from Scotland about the jobs, investment, trade and growth opportunities of the low carbon economy. The Scottish Government believes the global low carbon economy is inevitable. Despite the slow progress towards a formal international agreement on climate change, major players such as USA, China and India are delivering on low carbon where they see economic benefit. Scottish Ministers are making the case that the EU cannot afford to be left behind: a low carbon Europe is feasible, affordable and fundamental for EU leadership on climate change.

36. With its ambitious targets for carbon reduction, Scotland is leading the way in the development of renewable energy. More information about the work of the Scottish Government and our partners on sustainability and green energy is available at [www.scotland.gov.uk/Topics/Environment](http://www.scotland.gov.uk/Topics/Environment).

A focus for the world

37. 2014 will also provide Scotland with a unique opportunity. Building on the success of 2009, a second Year of Homecoming in 2014 will position Scotland on the international stage as a dynamic and creative nation. It will extend the benefits and opportunities offered by hosting the Commonwealth Games and Ryder Cup by presenting a year-long, co-ordinated programme of
events designed to generate pride in the people of Scotland and welcome visitors around the world in a celebration of some of Scotland’s greatest assets. We are building the momentum towards Homecoming 2014 through the delivery of a series of Focus Years which showcase some of Scotland’s key tourism assets- Food and Drink, Active Pursuits, Culture and Creativity and Natural Heritage. EventScotland leads the delivery of the Focus Years/Homecoming 2014 and more widely utilise and develop all the unique assets that Scotland has that make it ‘The Perfect Stage’ for sporting and cultural events. More information can be found on their website at http://www.eventscotland.org/

38. The Commonwealth Games in Glasgow are not only about delivering a major sporting event. They offer Scotland the chance to achieve a lasting legacy from the Games, a plan for which - A games legacy for Scotland - was launched in September 2009.

39. The Ryder Cup, which will be held at Gleneagles, is regarded as the third biggest event on the sporting calendar, behind only the football World Cup and the Olympics. The Scottish economy is expected to benefit by up to £100m during the week of the 2014 Ryder Cup. Each day 45,000 spectators from across the world will attend to watch the best players from Europe and the USA.

40. Events in the 2014 Year of Homecoming itself will be themed around ancestry and the themes of the Focus Years (food and drink, active, creative and natural). £3 million is to be invested in our events industry to create an inspirational programme of events for Homecoming 2014, appealing to visitors from around the world and to the people of Scotland.

41. International attention will also be focused on Scotland as we prepare for the referendum on our constitutional future. The referendum will meet the highest standards of fairness, transparency and propriety and will put Scotland at the top of the international news agenda. We will aim to capitalise on this attention to showcase our modern, progressive approach to government.

How we will engage internationally

42. To deliver the most effective set of international activities and engagement for Scotland will require a partnership approach. Scottish Ministers will provide strategic leadership, alongside civil society and Scottish businesses, although the government alone cannot deliver this agenda. If we are to maximise the opportunities that exist for Scotland then we must ensure that all of Scotland develops an international outlook.

43. Many of our partners are already engaged in international activities. Scottish businesses export around the world; Scottish universities are recognised for their academic excellence, attract thousands of international students and continue to develop their international study and research collaborations both in Scotland and overseas; Scottish local authorities have
forged strong cultural links with communities overseas. Many of Scotland’s Diaspora have a proud sense of belonging, demonstrated in the worldwide celebrations of Scotland’s culture, heritage and traditions. They can and do all act as ambassadors for Scotland. When we work together in pursuing international aspirations we achieve more then when we work alone.

44. The Scottish Government has set an ambitious target to grow exports by 50% by 2017. This is helping harness collective efforts to significantly increase our international trade and sell Scotland and Scottish goods and services around the world.

45. The work of the EU continues to be of significant importance to Scotland, across a wide range of policy areas. The Scottish Government will work to ensure our voice is heard in EU decision-making, particularly where there is a distinctive or disproportionate impact in Scotland. Engaging with the European Parliament and European Commission also provides an excellent platform to demonstrate our policy success in areas where we are leading practice in Europe, resulting in increased profile and reputation for Scotland. The Scottish Government is strongly supportive of Europe 2020, the European Union’s strategy for delivering the three priorities of smart, sustainable and inclusive growth; and in April 2012 we submitted a Scottish National Reform Programme 2012 to the European Commission to outline the distinct approach being pursued in Scotland. Our Action Plan for European engagement (www.scotland.gov.uk/Topics/International/Europe/Our-Focus) explains the detail of our approach to these key institutions and provides a clear focus for action.

46. Scottish Ministers will act as the voice of Scotland during their international engagements so that Scotland can fully benefit from the opportunities available. By engaging at a senior political level, Ministers are able to make the case for Scotland directly to decision-makers and key opinion-formers. For example, regular Ministerial visits between Scotland and China have helped to secure Geographical Indication of origin status for Scotch whisky and an export health certificate allowing direct exports of Salmon to China, paving the way for increased business opportunities. The annual Scotland Week celebrations in North America now have at their core a focused set of Ministerial business engagements, promoting economic growth for Scotland while leveraging our other key strategic priorities. Opportunities for collaboration between priority areas and sectors will continue to be identified and pro-actively promoted. Culture can add significant value to educational, scientific and business activities. It can help to articulate our distinct national identity, enhancing mutual understanding and creating an atmosphere of trust and celebration. Scottish artists and cultural practitioners may in turn benefit from opportunities to share their skills, present their work to new audiences, reach new markets and establish creative collaborations.

47. We want to build a broad base of support for our international work and that is why the government will do all it can to galvanise the people of Scotland and those who are Scots at heart in making the case for Scotland.
48. Scotland will engage with a range of different international partners and organisations, for a variety of purposes. We will maintain strong links with the rest of the UK and Ireland, reflecting our cultural history and family ties, our shared interests in trade and the security of our islands. Our engagement in the EU and with our EU partners will safeguard access to a major market for Scotland’s businesses and allow us to extend our global reach. Strong historical, cultural and trade links to the USA (our biggest export market after the rest of the UK) are also reflected in our relationships with key countries, such as Canada, Australia, New Zealand and South Africa.

49. Our geographical location in the North Atlantic gives us an interest in the Arctic, shared with a range of other nations, including our near neighbours in Scandinavia. We will also work with the Nordic nations to promote our shared interests in advancing peaceful co-operation in the world and to learn from established leaders in the field of development.

50. As a good global citizen, Scotland has a strong and enduring commitment to securing democracy, the rule of law and fundamental human rights across the world. We would expect all states to comply with international and human rights law, and condemn human rights abuses wherever they occur. Scotland will use its international engagement as an opportunity to help increase respect for, and understanding of, human rights worldwide. We will have ongoing dialogue with states at Ministerial and official level, raising human rights where appropriate in a diplomatic and culturally sensitive fashion. We will share our experiences, values and expertise in areas such as justice, education, and climate change with a view to seeing the human rights of people across the world fully realised. Our approach to international trade will be guided by our opposition to corruption and bribery, and the promotion of ethical business practices.

51. The effort that we have invested in relationships with other priority countries, including China and India, means that we will be well placed to benefit from the continuing growth of these giant economies. Similar rates of growth will necessitate building on our connections with Gulf States, Brazil (and other emerging South American economies) to give Scottish businesses the best possible opportunities.

52. In making the case for Scotland, we will:

- Increase awareness of Scotland’s strengths in education, life sciences, energy, food and drink and a range of other sectors to capitalise on collective opportunities.
- Encourage focus around the broad Scotland message we want to deliver to the world and how we present ourselves as a nation to build economic prosperity.
- Harness key events hosted in Scotland or overseas to promote Scotland to international audiences in order to build on Scotland’s international reputation and profile.
- Engage with those with an affinity for Scotland to help develop networks so that business partnerships can be identified.
- Facilitate learning and support cultural links to build business and diplomatic connections.
- Enhance and build Scotland’s reputation as a Creative Nation.
- Deepen our engagement with our priority countries and regions of Canada, the United States of America, China, India, Pakistan and South Asia.

By concentrating our efforts in this way, we will achieve the greatest possible impact for Scotland.

53. We will also maximise the resources available to us. We represent Scotland through a lens of independence of thought but we will continue to make full use of the UK resources at our disposal. In particular, we will work with the Foreign and Commonwealth Office network and UK Trade and Investment around the world to maximise business, cultural and educational opportunities for Scotland. We will also engage directly with the British Council, so that we can effectively showcase Scotland’s cultural and educational excellence abroad.

Conclusion

54. This Government is ambitious for Scotland. We believe that it is fundamentally better for all of us if decisions about Scotland’s future are taken by the people who care most about Scotland: that is, the people of Scotland. The limits of the current devolution settlement are particularly evident when it comes to international engagement but that has not stopped us taking every effort to make Scotland’s case in the world. We will continue to do this over the course of this Parliament.

55. Working closely with our partners and engaging with our priority countries and regions, we will ensure that Scotland is the first choice when people are thinking about where to invest, live, study and visit.