Scotland’s strategy for stronger engagement with China
Scotland’s strategy for stronger engagement with China
Table of contents

Ministerial Foreword
Executive Summary

1. Introduction

2. Why China's development demands a strategic response from Scotland

3. Sino-Scottish Links

4. China Strategy: Objectives
   i. Raise understanding of Chinese language and culture in Scotland
   ii. Increase student flows between Scotland and China
   iii. Expand the awarding of Scottish qualifications in China
   iv. Attract skilled Chinese to experience living and working in Scotland
   v. Strengthen bilateral science links
   vi. Attract increased Chinese tourism to Scotland
   vii. Increase trade between Scotland and China
   viii. Expand connections between businesses in Scotland and China
   ix. Work with China to address environmental challenges
   x. Raise the profile and understanding of Scotland in China

5. Regional Priorities in China

6. Implementation

7. Evaluation

Annex A: Scottish Public-Sector Engagement with China

Annex B: Case Studies
   • Angus Council
   • Napier University
   • Caledonian Alloys
   • Royal Botanic Garden, Edinburgh

Annex C: Scotland-China Weblinks
Scotland's China Strategy

Ministerial Foreword

Tom McCabe, MSP
Minister for Finance and Public Service Reform

The rise of China is changing the world. How we, in Scotland, respond to the opportunities and challenges that flow from this will be critical for our country’s future. The speed and scale of China’s growth means that the stakes are rising; the benefits will be higher if we get our response right; the costs greater if we do not, particularly in terms of missed opportunities.

Our response will demand a sustained, national effort over the years ahead. Only through the collective efforts of people and organisations in Scotland and in China, working in partnership, will the full potential of this historic opportunity be realised.

We have deep and strong links on which to build; we have a vibrant Chinese community here in Scotland; and there are already many Sino-Scottish success stories. Relationships have been established at the highest political levels and, since the First Minister’s visit to China in October 2004, we have seen productive and valuable relationships develop, especially in higher education, business and cultural exchange. But we can and must do more.

The fact that China has contributed more to world economic growth since 2001 than the G7 countries put together confirms the importance to Scotland’s economy of engaging with China. In this document, Scottish Ministers set a strategic course for rising to that challenge. They will use their influence and the resources of government to encourage businesses in Scotland to capitalise on the economic opportunity, whether by exporting to China’s rapidly growing consumer markets or by developing other, mutually profitable, business relationships.

Strengthening our engagement with China is partly about positioning ourselves – marketing what Scotland has to offer – more effectively within China. But equally important is the need to equip ourselves domestically for stronger engagement, particularly through increasing our collective understanding of China and its rich and diverse culture. Our own culture and lives will be enriched as a result of our engagement with China; and Scotland has much to offer China in areas including business, education, science and culture.

This strategy sets out the objectives that will guide our engagement with China to 2010. These national objectives are backed up by targets and indicators that will enable us to track our progress across many fronts. These objectives are for Scotland as a whole: government alone cannot deliver them. The role of government is to lead and to create the environment in which the broad range of Sino-Scottish relations can flourish.

We hope that stakeholders in both Scotland and China will join us in this endeavour.

Tom McCabe, MSP
Minister for Finance and Public Service Reform

Scotland’s China Strategy
The China Strategy seeks to strengthen Scotland’s engagement with China, for the mutual benefit of both our nations.

China’s growing economic, cultural and political importance make more effective bilateral engagement imperative. It is crucial that Scotland is positioned to meet the challenges and opportunities presented by China’s emergence. This requires both an effective domestic policy response and success in promoting Scotland within China.

This document presents a straightforward, 10-point plan for what we want Scotland to achieve from our engagement with China over the next 5 years:

1. Raise understanding of Chinese language and culture in Scotland
2. Increase student flows between Scotland and China
3. Expand the awarding of Scottish qualifications in China
4. Attract skilled Chinese to experience living and working in Scotland
5. Strengthen bilateral science links
6. Attract increased Chinese tourism to Scotland
7. Increase trade between Scotland and China
8. Expand connections between businesses in Scotland and China
9. Work with China to address environmental challenges
10. Raise the profile and understanding of Scotland in China

Each of these objectives is underpinned by a specific target or indicator against which we will be able to measure our progress by 2010. We recognise that delivery of these objectives will depend on a concerted, national effort with the contribution of schools, colleges, universities, local authorities, civil society and business often being key. The role of government in Scotland is to create the enabling environment in which private sector relations can flourish. We also recognise that our efforts form part of the wider UK-China engagement led by the Foreign & Commonwealth Office.

China is a vast country and we have finite resources with which to engage. Scottish Ministers have therefore decided to focus activities over the next 5 years in five of China’s provincial level regions – Beijing, Guangdong, Hong Kong, Shandong, and Shanghai – although we will continue to pursue certain activities in other regions as opportunities arise.

Having set out the strategic objectives and regional focus, we will now seek to implement a more integrated and cost-effective approach to engaging with China. We hope that stakeholders in Scotland and China will join us in our endeavour.
The China Strategy seeks to strengthen Scotland’s engagement with China, for the mutual benefit of both our nations.

China’s growing economic, cultural and political importance make more effective bilateral engagement imperative. This document sets out how China’s rapid development is reshaping the global economy and considers the implications for Scotland. It describes the extensive Sino-Scottish links already in existence and surveys Scottish public-sector activity relating to China.


Notwithstanding the expansive links already in place between our two countries, Scotland’s relations with China need to step up a gear. More effective engagement – underpinned by a cross-cutting, domestic policy response – is imperative if Scotland is to be best placed to meet the opportunities and challenges presented by China.

The China Strategy brings an overarching, strategic framework to shape our relations with China. It is a straightforward, 10-point plan, setting out where we want Scotland to be in 2010, in terms of our engagement with China. It articulates clearly, through measurable targets and indicators, what we expect to achieve from this engagement. The 10 objectives are for Scotland as a whole to achieve and are designed to encompass a broad array of Sino-Scottish activity both inside and outside of government.

We recognise that it is primarily through the efforts of stakeholders outside national government – individuals, businesses, schools, colleges, universities, local authorities and civil society organisations, particularly within our own ethnic Chinese community – that the strategy’s objectives will be achieved. Government alone cannot deliver them. For this reason, the strategy does not seek to prescribe a specific set of actions that will deliver these aims. Rather this strategic framework will guide the deployment of Scottish public resources over the next 5 years, so that all stakeholders can know what we will attempt to achieve and where we will focus our efforts.

The China Strategy complements the broader agenda being advanced by the United Kingdom Government to strengthen relations with China. The new Scottish Affairs Office inside the British Embassy in Beijing will play a central role in implementing aspects of the strategy within China.
China’s rapid economic development is reshaping the global economy with important implications for Scotland and other advanced economies. This section summarises China’s dramatic emergence, looks at its future prospects and considers the implications for Scotland.

Up until the industrial revolution, China was the world’s largest economy, reflecting its relatively high level of technological advancement and large population. In 1820, China accounted for around a third of the global economy. However, through the 19th and 20th centuries, Western economies came to dominate global economic activity as a result of industrialisation. By 1950, China’s share of the global economy had fallen to below 5%.

In 1978, a series of economic reforms was started that gradually opened up and liberalised the Chinese economy. Since that date, Chinese real GDP growth has averaged nearly 10% per annum – meaning that China’s economy has been doubling in size every 8 years or so. As a result, at the dawn of the 21st century, China had already regained its place among the world’s most important economies – as shown by the information in Box 1. So far this century, China has contributed more to global economic growth than all of the G7 major advanced economies combined. The only parallel to this in history was the rise of the United States in the second half of the 19th and early 20th century.

China’s economic growth and development has much further to run. With income per capita at around $1,700, China is still classified as a developing country: Scotland’s income per capita is around 18 times higher. As China continues its transition from a largely agrarian and heavy-industry based, closed, command economy to an advanced, open market economy, so the size of its economy will increase significantly.

Box 1: Some Key Facts about China
At the end of 2005 China was the world’s:
- most populous country (1.3 billion), with a workforce larger than the whole OECD;²
- 2nd largest country (by land area);
- 4th largest economy (in US$ value terms) – overtaking the UK during 2005;
- 2nd largest economy (by volume of goods and services produced);
- 3rd largest trading nation (in US$ terms);
- largest holder of foreign exchange reserves (having recently overtaken Japan);
- 3rd largest recipient of foreign direct investment (2004 data; down from 1st in 2002-03);
- largest producer of many manufactured goods including cameras, TVs, washing machines, toys and clothes;
- largest market for many key commodities including various types of food, minerals and raw materials as well as hi-tech products such as mobile phones; and
- 2nd largest emitter of greenhouse gases.

²The Organisation for Economic Co-operation and Development (OECD) is a group of 30 advanced economies including the G7 major industrialised economies: USA; Japan; Germany; UK; France; Italy and Canada.
Long-term economic projections are always laced with uncertainty and it is clear that China’s growth will slow down considerably over time from its current rapid pace. Figure 1 shows one well-known set of projections for China with other key economies shown for comparison. Although there are risks associated with these projections, and they may turn out to overstate China’s growth prospects, they set useful working assumptions for current decision making, in particular for how we in Scotland should respond.

China and the evolving global economy: implications for Scotland

As the Chinese economy continues to grow, so China’s influence will increasingly be felt internationally – not merely in terms of its impacts on the global economy but also in terms of its cultural, social and political impacts. In terms of economic impacts, we in Scotland will increasingly feel the ramifications of China’s emergence. These might take the form of higher prices for certain primary commodities (for example, Chinese demand has played an important role in driving up oil prices); lower prices for manufactured goods (ranging from clothing to computers); and expanding markets for our exports.

China’s development, along with that of other major emerging markets, will also have an important bearing on the nature of economic activity in Scotland. There will be intense competitive pressures in product markets in which Chinese firms specialise. Labour cost differentials make it extremely difficult to compete on cost alone: average wages in Scotland in 2005 were around £410 per week; in China they were only around £18 per week.2

---

This does not mean that, in aggregate, China will take jobs away from Scotland. The Scottish economy will continue to evolve – as it has done over the past decades and centuries – with job opportunities increasingly being created in new, higher value-added areas.

We need to make China’s advantages an integral part of Scottish businesses’ supply chains, releasing domestic resources for use in higher value-added sectors to the benefit of Scottish consumers and producers. Procuring components more cheaply from China is helping many Scottish companies to become more globally competitive, thus safeguarding jobs at home. While this may involve some adjustment, in time we expect China’s emergence to contribute towards both more and better jobs overall in Scotland.

Rapid growth in China and other emerging economies, alongside rapid technological change and increasing integration in the global economy, presents Scotland with significant new opportunities for wealth creation. However, it also poses challenges to industries and sectors that have historically been the preserve of advanced economies. This process of structural change requires economic flexibility, dynamism and entrepreneurship – that enable the productivity growth required by businesses to maintain international competitiveness – supported by a flexible and responsive welfare state.

Government has an important role to play in ensuring that Scotland is best positioned to harness these global economic developments and to meet the challenges and opportunities that China poses. The Scottish economy benefits from the stable macroeconomic foundations of the UK economy, which are helping to enhance confidence, promote stability and enable a strong investment climate. Working with UK partners we need to strive to promote flexibility in labour, product and capital markets and to invest in the necessary public infrastructure and public services that enable us to be globally competitive. We need to remain at the forefront of research and innovation – transforming our scientific and technological advances into commercial successes. We need to continue to invest in the skills of the Scottish workforce. And we need to ensure that businesses and people have the capacity and opportunity to respond flexibly and effectively. But it is important that flexibility is accompanied by fairness, through policies that support individuals through periods of change: enabling them to obtain the skills they need to adapt, and to protect the vulnerable.

Global competitiveness is not a new concept for the Scottish government to be addressing. It already provides the international backdrop to the challenges outlined in Scottish Ministers’ Framework for Economic Development and, in turn, the global connections theme of A Smart, Successful Scotland. These documents together present a blueprint for a globally competitive Scotland. In particular they emphasize the importance of knowledge flows into and out of Scotland as a vehicle for sustained growth.

The China Strategy complements this economic framework by addressing the specific challenges and opportunities presented by China. In essence, the strategic objectives seek to expand flows of knowledge between Scotland and China. These flows take many forms: education; cultural and scientific ideas; business skills; technology, etc. We believe that expanding these knowledge flows with China will significantly enhance both our economies.
Scotland and China have a foundation of deep and long-standing bilateral links upon which to build an even stronger relationship in the future.

Scottish links with China date back into the 19th century and beyond. Our people have been doing business together for over two centuries. Long-standing links also exist in the fields of education and science: botanists from the Royal Botanic Garden in Edinburgh have been active in China for over a century, for example.

Founded on these historical links, modern Scotland and China are interconnected through expanding networks in numerous fields. To highlight just a few:

- **Business**: In industry, Scottish-based firms such as Clyde Blowers, Howden and Caledonian Alloys have been blazing a trail in China. Food and drinks companies including Scottish & Newcastle and the Edrington Group have established a significant market presence in China, while life sciences and software companies are also establishing a footing in the Chinese market. In financial services, RBS, Standard Life and Martin Currie have similarly made pioneering investments in China.

- **Education**: Sino-Scottish education links are burgeoning at all levels. The Scottish Executive has a Memorandum of Understanding with the Chinese Ministry of Education. The Scottish Qualifications Authority is playing an important role in developing educational capacity within China, while life sciences and software companies are also establishing a footing in the Chinese market. In financial services, RBS, Standard Life and Martin Currie have similarly made pioneering investments in China.

- **Science**: Increasing numbers of Scottish researchers are collaborating with counterparts in China. The Royal Society of Edinburgh has a formal relationship with the prestigious Chinese Academy of Sciences. The Royal Botanic Garden, Edinburgh continues to pioneer in bilateral research, having founded the first joint UK-China research facility in Yunnan Province – now one of the world’s most important centres for plant conservation.

- **Culture**: Sino-Scottish links in the cultural sphere include the “One Million Days in China” exhibition at the Burrell Museum in Glasgow (2004-05) which attracted over 250,000 visitors. Scotland has also hosted some of China’s finest performing arts companies including the Chinese National Beijing Opera Company in 2005.

- **Government**: Bilateral links between our governments at various levels are also flourishing. Both the First Minister and Deputy First Minister have recently visited China, while Scotland has welcomed the most senior Chinese visitors including President Hu Jintao and Education Minister Zhou Ji. Relations have also been formed at local authority level: various Scottish cities and regions are twinned with counterparts in China. Governmental links are further strengthened by the presence of the Chinese consulate in Edinburgh and by the newly established Scottish Affairs Office in Beijing.

The devolved government of Scotland, through its China Strategy, aims to create an enabling environment in which existing links can deepen and new links be established.
4. China Strategy: Objectives

The China Strategy consists of 10 objectives articulating what we want to achieve from our engagement with China:

i. Raise understanding of Chinese language and culture in Scotland

ii. Increase student flows between Scotland and China

iii. Expand the awarding of Scottish qualifications in China

iv. Attract skilled Chinese to experience living and working in Scotland

v. Strengthen bilateral science links

vi. Attract increased Chinese tourism to Scotland

vii. Increase trade between Scotland and China

viii. Expand connections between businesses in Scotland and China

ix. Work with China to address environmental challenges

x. Raise the profile and understanding of Scotland in China

Within a focussed set, these objectives are designed to encompass most areas of Sino-Scottish activity. In framing these objectives, we have been guided by the advice of the China Forward Planning Group, an advisory panel of Scotland-China stakeholders.3

In order to gauge progress in delivering against these objectives, each is associated with a specific, measurable target or indicator. These targets are not intended for the government alone to deliver: as already noted, their delivery will depend on the contribution of many stakeholders, often outside of government. Nor should the targets, which are necessarily narrow, be seen as the only aspect of each objective that needs to be delivered: it is the wider objectives set out above that are to be pursued.

A common deadline, 2010, has been set for each of the targets. This deadline strikes a balance between, on the one hand, allowing time for initiatives and policies of the strategy to have an impact and, on the other hand, instilling a need for early action.

The following pages set out each of the 10 strategic objectives and their corresponding targets and indicators.

---

3 The China Forward Planning Group includes: Anton Colella (Scottish Qualifications Authority); Eric Balish (Royal Bank of Scotland); Joan Stringer (Napier University/Universities Scotland); Xiaobai Shen (Edinburgh University); Stephen Blackmore (Royal Botanic Gardens, Edinburgh); Roy Cross (British Council – Scotland); Dave Valentine (Angus Council); Rod Wilson (China British Business Council); Denise Hill (VisitScotland); Judith McClure (St George’s School/Scotland-China Education Network); as well as representatives from Scottish Development International and Executive Departments.
Objective 1: Raise understanding of Chinese language and culture in Scotland

Target 1: At least 200 pupils studying for Chinese language national qualifications in Scottish schools by 2010

Target 2: Improve awareness and understanding of Chinese culture in Scotland, by 2010 (as measured by forthcoming survey data)

This objective is about both raising understanding of China and Chinese culture in Scotland generally and developing Chinese language learning in a focussed number of Scottish schools.

Chinese is the most spoken first language in the world. As China grows in economic, political and cultural influence it will become increasingly important that our people are able to learn about Chinese language and culture. This carries forward the aims of Scottish Ministers’ international education strategy: International Outlook: Educating Young Scots about the World.

The ethnic Chinese population in Scotland is an important and growing section of our society. Through this objective, and consistent with the One Scotland, Many Cultures campaign, we seek to promote recognition and understanding among wider Scottish society for Chinese culture. We recognise the valuable contribution made by the Chinese schools and cultural organisations across Scotland, which play an important role in the teaching of Chinese language and culture.
The first target places several requirements upon the Executive and its agencies including:

- To develop new Chinese language national qualifications
- To recruit and train Chinese-language teachers and language assistants
- To ensure that relevant study materials are available

Successful delivery will also require adequate take up by schools and by pupils. It is therefore important that awareness-raising activities, such as the current summer schools in China programme for Scottish schoolchildren, are pursued which stimulate interest among students, teachers and parents in learning about China and its culture and language. To advance understanding among teachers, Scottish Ministers are funding an exchange programme that will enable Scottish teachers to undertake study visits to China. We recognise the important role of local authorities in fostering learning about China in schools and developing links with schools in China. We also welcome the recent creation of the Scotland-China Education Network.

Achievement of the second target will require various measures to raise awareness and understanding of Chinese culture more generally in Scotland. To this end, Scottish Ministers are joint funding Scotland’s new Confucius Institute to promote learning about Chinese culture and language to be based at the University of Edinburgh. In addition, we will continue to provide financial support for visiting Chinese cultural exhibitions and further awareness-raising activities.

In order to gauge our success in achieving the second target, we will track our impact on raising awareness and understanding among the general public by conducting survey research across Scotland in 2006 to baseline current perceptions and intentions relating to China. We will then be able to repeat these surveys in the future to monitor the impact of our activities and ensure that progress is being made.
Scotland’s China Strategy 11

We want to see more Chinese students coming to Scotland and more Scots studying in China. Working with our partners, we will seek to encourage greater flows in both directions.

The specific target relates to Chinese students in Scotland. At present, Chinese nationals make up the largest international student body in Scotland, with over 4,000 students in 2004/05. We believe that increasing Chinese student numbers in Scotland and expanding alumni in China benefits both our economies and creates important, lasting bonds between our two countries.

We recognise that that international competition for English-language education is intensifying. Whereas, in the past, Scotland has attracted a below average share of Chinese students within the UK, we now want to see Scotland leading the UK in attracting Chinese students. We also recognise that any increase in student numbers must be sustainable: it must not compromise the quality of the educational experience for any student. A good distribution of students of different nationalities across courses and institutions is essential.

Working with partners, we will seek to achieve this target through:

- providing high-profile scholarships in Scotland for the highest-calibre Chinese students;
- improving the overall student experience in Scotland (both the educational product and the extra-curricular experience);
- more effective marketing of Scottish education and the Fresh Talent initiative in China.

Progress against this target will be measured using data for the UK and Scotland provided by the UK Higher Education Statistics Agency.

Objective 2: Increase student flows between Scotland and China

Target: Grow the number of Chinese students in Scotland faster than the UK average over the period to 2010
Objective 3: Expand the awarding of Scottish qualifications in China

Target: Double the number of Scottish qualifications awarded in China by 2010

The provision of education services within China by overseas or “transnational” providers is a high growth market and represents an increasingly important export for the Scottish economy.

Scottish educational organisations already deliver a range of qualifications in China. Scottish degrees are being awarded in China directly by Scottish universities and through intermediaries such as the Interactive University, based in Edinburgh.

The Scottish Qualifications Authority (SQA) provides qualifications equivalent to Higher National Diplomas (HNDs) and Highers that have been specially tailored to Chinese needs. In 2005/06, around 3,500 SQA qualifications will be awarded within China.

The Interactive University (IU), based in Edinburgh, administers the Sino-Scottish Universities Programme. The IU works with local education partners in China and elsewhere to provide offshore access to Scottish education through e-learning. The e-learning materials are developed by the IU in partnership with Scottish schools, colleges and higher education institutions and lead to qualifications validated by the SQA or the relevant educational institution.

Delivery of this objective will continue to be undertaken by the relevant awarding institutions with various kinds of support provided by Scottish Ministers. The Scottish Affairs Office in Beijing will work with partners including EducationUKScotland to promote further opportunities for awarding Scottish qualifications in China.

Progress against this target will be monitored through data provided by the Scottish institutions awarding qualifications in China.
For well-known demographic and economic development reasons, Scotland needs to attract skilled labour. Attracting skilled Chinese workers – either directly from China or by attracting Chinese students to remain following completion of their studies here – to experience working in Scotland will help to expand our skilled workforce, as well as bringing new ideas and diversity to our economy.

Further economic benefits should arise in the medium term: when the balance of these skilled Chinese return home to China, the contact network between Scots and Chinese will continue to expand thereby strengthening bilateral economic links. The Chinese economy will also be enriched as these students return equipped not only with a first-rate, Scottish education but with work experience in a Western economy.

Immigration is a UK Government reserved policy area and all Fresh Talent related schemes fall within the UK managed migration system. The specific target seeks to deliver substantial growth in the number of applications from Chinese nationals to Fresh Talent related schemes between now and 2010. Current schemes include: Fresh Talent: Working in Scotland; the Scotland International Scholarships Programme; Scottish Networks International – which helps to place foreign graduates in Scottish businesses; the Relocation Advisory Service; and Scottish Enterprise’s Talent Scotland scheme.

Many stakeholders have an important role to play in delivering this objective. Efforts to raise awareness of the various UK managed migration schemes in China will have a bearing, as will effective marketing of Scottish further and higher education opportunities. These will be reinforced by a targeted communications campaign to raise the profile of Scotland in China as a place to live, work and study, drawing on the wider Scotland’s International Image campaign.

We will also continue to work with partners in further and higher education to improve the experience of Chinese students during their studies in Scotland, so that more will wish to stay in Scotland post graduation. In addition, partners such as Scottish Networks International, University Careers Services and CareersScotland will have an important role to play in helping Chinese and other international students to find a job in Scotland following completion of their studies here.
Strengthening bilateral science links will become ever more important, as China increasingly becomes a global power in scientific research: China is already educating over five million science and engineering students each year. The more closely the research bases in Scotland and China are connected, the more scope there will be for harnessing each other’s relative strengths.

The benefits of scientific co-operation have been demonstrated by the long-standing research links between Edinburgh’s Royal Botanic Garden and Chinese counterparts. Not only have these links been used to advance global scientific research, they have also become a platform for developing political, cultural and business links between Scotland and China.

Dedicating resources to develop bilateral research links with China today should be seen as an investment in developing Scotland’s international science base for the future. In the coming decades, much of the application of global scientific developments will be focussed on China – as it becomes the world’s leading manufacturing economy and consequently a key consumer for technological advances in manufacturing – from capital equipment to biotechnology.

This objective advances the international strand of Scottish Ministers’ Science Strategy for Scotland, which highlights the importance both of international collaboration and of access for researchers in Scotland to the global scientific network. The objective complements and builds on the 2005 Year of British Science in China and ongoing activity to strengthen research links at the UK-China level.

Numerous collaborative links are already emerging between Scottish and Chinese research institutions. Scottish Ministers are keen to promote more links and already fund a Sino-Scottish researcher exchange programme administered by the Royal Society of Edinburgh. We will now also make development funding available to the Main Research Providers for collaborative Sino-Scottish environmental research (see Objective 9).

In order to track delivery of the target, we intend to undertake new research in 2006 to map joint projects and publications involving scientists in Scotland and international partners in key countries around the world. We will then monitor how such links with China develop by 2010.
Projections for the numbers of international tourists emanating from China over the years ahead are dramatic. The World Tourism Organisation predicts that there will be 100 million Chinese international tourists p.a. by 2020. With Approved Destination Status (ADS) for the UK coming into effect in July 2005, Chinese tourism visas are now available to visit Scotland for the first time. (Previously tourists came on education or work visas.) These developments present Scotland with a significant tourism growth opportunity, with ensuing benefits for the economy, and with the potential to benefit the rural economy in particular.

In 2004, Scotland attracted around 11,000 tourists from China’s mainland who spent an estimated £4 million. The target is to grow tourist numbers from China to at least 30,000 per annum by 2010 and to increase their spend in Scotland to at least £11 million. When visitors from Hong Kong are also taken into account, this would amount to a £70 million contribution to our economy by 2010.

This growth in numbers will be achieved in part through stronger marketing of Scotland as a tourism destination in targeted areas of China. VisitScotland, working in partnership with VisitBritain, will lead the public-sector contribution; the wider efforts to promote Scotland in China should also have an impact (see Objective 10).

Of course, achievement of this objective will depend for the most part on the work of the many people who make their living in Scotland within the tourism industry. The golf-tourism package announced by the First Minister during his visit to China in March 2006 is one example of how the sector is already rising to the challenge. Collaborative links – including mutual promotion – between tourism venues in Scotland and China are being developed, such as that between Glamis Castle and the Penglai Pavilion, a 2-million-visitor per year attraction in Shandong Province.

Further steps need to be taken to prepare the Scottish tourism industry for an influx of Chinese visitors – for example, with more information translated into Chinese – to help our Chinese visitors increase the enjoyment of their visit to Scotland. VisitScotland is active both in preparing the Scottish tourist industry to receive Chinese visitors and in promoting Scotland as a tourism destination in China. In particular, a Mandarin website is being prepared with downloadable information for the sector. VisitScotland is also hosting visits from Chinese tour operators and travel journalists to raise the profile of Scotland as a travel destination in China. These efforts will be reinforced by our drive to strengthen general awareness and understanding of Chinese culture and language in Scotland (see Objective 1).

Our success in delivering this target, both in terms of tourist numbers and associated spend, will be monitored through the International Passenger Survey.

**Objective 6: Attract increased Chinese tourism to Scotland**

**Target:** Attract at least 30,000 Chinese visitors per annum to Scotland by 2010, generating revenue of £11 million per annum
Objective 7: Increase trade between Scotland and China

Target: Raise the share of Scotland’s exports to China by 2010, in relation to the European OECD average

Expanding trade in goods and services in both directions between Scotland and China will bring significant benefits to both our economies.

China represents a unique growth opportunity, unparalleled since the rise of USA around a century ago. So far this century China has accounted for more growth in the world economy than the entire G7 group of major industrialised economies put together – underlining the potential market opportunity.

As China is such a high growth economy, countries should generally be able to boost their overall economic growth by increasing export exposure to China. At present Scotland’s exports to China constitute a relatively low share of our total exports: around 1% in 2004. This compares to an average export share among European OECD countries of around 2%. (We compare ourselves to the European OECD average as opposed to full OECD because certain non-OECD countries in closer proximity to China such as Japan, Korea and Australia tend to have higher export exposure to China.) For comparison, the overall share of China in UK exports is estimated at 2.7%.

In addition to exporting, effective procurement by Scottish businesses from China will often make the difference between maintaining global competitiveness and losing business, particularly when competitors abroad are themselves sourcing from low-cost markets such as China. Scottish businesses therefore need to be able to fully harness the Chinese economy – whether as an outlet for exports or as a source for inputs.

Private companies will, of course, be key to delivery of this target. The Enterprise Networks and Scottish Development International will play a supporting role. SDI have recently doubled their network of staff in China and have made additional investment in terms of awareness-raising about the opportunities and challenges of the Chinese market and in terms of information provision to Scottish companies. In addition, those local authorities with China links will also play an important role in facilitating trade links between companies.

These efforts will be reinforced by the higher profile for Scotland and the goods and services we produce that our marketing effort will seek to deliver (see Objective 10) and by the various other measures to equip ourselves to do business with China. Other stakeholders such as UK Trade & Investment (UKTI), the China Britain Business Council, the Scottish Council for Development and Industry (SCDI), and sectoral organisations would also be able to make important contributions.

Progress against this target will be monitored through the annual Global Connections Survey, for Scottish data, which will be compared to IMF data for European OECD exports.
Objective 8: Expand connections between businesses in Scotland and China

Target: Significantly increase connections between Scottish and Chinese businesses by 2010†

In line with the global connections theme of A Smart, Successful Scotland and the drive to expand knowledge flows into and out from Scotland, we seek to increase connections between businesses in Scotland and China. In addition to the direct trading links covered in the previous objective, these connections take several forms including direct investment, alliances, joint ventures and licensing agreements – located both in Scotland and in China. It is through such connections that knowledge can flow between our two countries, bringing with it opportunities for mutual economic gain.

Given the market opportunities that China presents – both in terms of servicing the Chinese market and as a cost-effective production centre for global markets – there is good reason to believe that Scotland will benefit if more businesses establish connections with China. Several major Scottish businesses have already formed important connections with businesses in China, including Howden, Clyde Blowers, Scottish & Newcastle and – in the financial services sector – the Royal Bank of Scotland and Standard Life.

Similarly, more Chinese businesses establishing connections with Scotland would benefit both our economies. Scotland needs to be positioned to attract Chinese businesses, particularly within the EU. For example, that position might be one of serving as a supply-chain management hub for Chinese businesses seeking to penetrate the EU market – dealing with sales, marketing, after-sales support, etc.

Increasing connections between Chinese and Scottish businesses will be supported by the activities of SDI – both in China and Scotland – as well as by the efforts of other stakeholders such as local authorities, the China Britain Business Council, SCDI, UKTI and the sectoral representative organisations. Also important would be efforts to raise the profile of the Scottish economy in China through various means including: marketing; visits by Ministers and business leaders (in both directions) and developing science links.

We will be able to monitor the expansion of these connections through the Global Connections Survey. The 2006 survey (due to be published in December) is set to gather new data covering Scottish businesses’ relationships with China (and other significant economies) as well as data on current and future export destinations and we will use these data to track our progress to 2010.

† Progress will be measured by the percentage of Scottish businesses in the Global Connections Survey citing China as a current or future export destination and by the percentage of Scottish businesses with established relationships in China.
Objective 9: Work with China to address environmental challenges

Target 1: At least 10 new environmental research projects, involving Scottish and Chinese institutions, by 2010

Target 2: Scottish-based firms to support the installation of 60 GW of clean coal/green power generating capacity in China by 2010

China’s environmental challenges are a pressing issue for both China and the global community due to their implications for climate change. China is already the world’s second largest emitter of greenhouse gases; with its economic development and energy consumption continuing to race ahead this is a global issue that no country should ignore.

Recent decades have seen a reallocation of industrial activities across the globe, with many of the more polluting activities having migrated to China and other parts of the developing world while advanced economies such as Scotland’s have typically moved into less polluting services. Scottish households still consume goods produced by environmentally harmful processes but the side-effects are no longer borne in Scotland. In short, the pollution from the production of many of the goods consumed in Scotland is now suffered in China.

For its part, the Chinese government is increasingly shifting its policy focus towards sustainable development: it has targets to reduce energy intensity by 20% by 2010 and to generate 15% of energy from renewables by 2020. We believe that, working together, Scottish and Chinese expertise can help to address these challenges. This objective is consistent with Scottish Ministers’ green jobs strategy and complements both Choosing Our Future: Scotland’s Sustainable Development Strategy and the Scottish Climate Change Programme.

There are various ways in which Scotland can work with China to address environmental challenges. Firstly, certain Scottish firms are world leaders in clean coal technology: China is the world’s largest user of coal and needs to install such technology in its power stations to reduce harmful emissions. Secondly, a range of Scottish organisations are sharing their expertise in environmental management. The Royal Botanic Garden in Edinburgh has been involved in plant conservation and the development of urban green-spaces in China. Scottish firm, Alba Trees, has helped to combat desertification in China. Scottish scientific institutions are researching jointly with Chinese counterparts on environmental issues. And Scotland has other areas of expertise that could also be shared with China including: energy efficiency; resource efficiency; regeneration; oil and gas infrastructure management; and nuclear decommissioning.

Delivery of the first target will be supported by Executive-funded programmes, such as the Sino-Scottish researcher exchange programme administered by the Royal Society of Edinburgh. Scottish Ministers already fund Scottish research institutions that are undertaking such environmental research with Chinese counterparts. We will now also make development funding available to the Main Research Providers4 to enable further Sino-Scottish environmental research.

Delivery of the second target would be led by the efforts of Scottish companies and organisations in China in the power sector, with practical support from Scottish Ministers and agencies. To put the figure of 60 GW over the next 5 years into perspective: Scotland’s current total generating capacity is around 12 GW; 60 GW is roughly equivalent to 100 conventional coal-fired power stations in China. Delivery against this target will be monitored by Scottish Enterprise’s Energy team working with companies in the sector.

---

4 The Main Research Providers are the Scottish Agricultural College, the Royal Botanic Garden, Edinburgh and the five Scottish Agricultural and Biological Research Institutes (SABRIs): the Macaulay Land Use Research Institute; the Rowett Research Institute; the Scottish Crop Research Institute; the Hannah Research Institute; and the Moredun Research Institute.
Scotland already enjoys a degree of profile in China: many Chinese have studied the poetry of Robert Burns – Auld Lang Syne has become widely known in China as the Friendship Song and many young people have seen Braveheart. Through these and other prisms, Scotland is known for its scenic landscapes and history. Our educational, scientific and engineering strengths also have some resonance in certain sections of the population.

Collectively, we need to capitalise on the traditional images of Scotland, which clearly appeal to many Chinese, and blend them with images of modern, dynamic Scotland, which are also important to the Chinese audience. To do this, we will draw on work already underway in promoting Scotland’s International Image and will deploy this branding effectively through a targeted communications campaign in China. We recognise that the formal links between local authorities in Scotland and their counterparts in China are already serving to promote greater understanding of social, cultural and educational aspects of Scottish life. We will also work with partners including Scottish Development International, the British Council and business organisations to strengthen Scotland’s sectoral branding in China.

In order to raise awareness and understanding of Scottish culture in China, we will provide financial support to a series of Scottish cultural events. This will include participating in the UK-China Connections Through Culture programme. And we will work with the Scottish diaspora and those with an affiliation for Scotland in China – including GlobalScots, Global Friends of Scotland, and Chinese alumni from Scottish universities and colleges – to position Scotland in China as a place to live, work, study and do business.

We want to convey an image of modern Scotland in China and raise understanding about the devolved powers of Scottish Ministers in areas such as health, education and law. We will seek to share expertise and experience with China in these areas. For example, the Lord Advocate visited China in 2005 at the invitation of the Chinese government and participated in a conference in which he shared some of Scotland’s legal experience. Scottish Ministers, when visiting China, will continue to engage constructively on governance issues.

In order to monitor our success in raising Scotland’s profile in China, we will conduct survey research in targeted areas and among targeted groups in China to baseline current perceptions and intentions relating to Scotland. We will repeat these surveys in the future to assess the degree of impact of our activities. This reflects the view of the Scottish Parliament’s European and External Relations Committee that “we need an up-to-date understanding of what people in other countries think of Scotland, its people, its institutions and what we can offer”.\(^5\) We will repeat these surveys in the future to assess the degree of impact of our activities in raising profile and awareness in China.

---

5. Regional Priorities in China

China has a population around 270 times that of Scotland and covers an area around 120 times our own. Given the magnitude of this differential and the resources available, while in some instances it will remain important to engage with China at the national level, in many respects it makes more sense to focus our activities on a small number of China’s provincial-level regions, of which there are more than thirty. We believe that it is at this regional level that Scotland should primarily engage.

Following analysis of China’s regions, taking into consideration both a range of economic factors and existing links with Scotland, Scottish Ministers have decided to focus activities over the next 5 years on the following regions in China (highlighted in the following map):

- Beijing
- Guangdong
- Hong Kong
- Shandong
- Shanghai

Profiles for these focal regions – and for all other regions of China’s mainland – setting out existing Scottish links where known, will be published on the Executive’s China websection: www.scotland.gov.uk/china.

Beijing is China’s political capital, but is also important economically and financially. Shanghai is China’s most important business and domestic financial centre. Guangdong is the manufacturing heartland while neighbouring Hong Kong is China’s pre-eminent international financial centre. Shandong is another of the more advanced Chinese provinces with strong existing ties to Scotland. These regions cover each of China’s three major economic zones: the Bohai Rim (Beijing and Shandong); the Pearl River Delta (Guangdong/Hong Kong); and the Yangtze River Delta (Shanghai).

In setting this regional focus we certainly do not preclude engagement with other regions as opportunities arise. In particular, where twinning and other arrangements exist outside of these regions particularly by local authorities, such as Edinburgh’s link with Xi’an, Glasgow’s link with Dalian, and Perth and Kinross Council’s link with Haikou (see map), we would encourage them to continue. Such twinings, at the sub-provincial level, play an important role in broadening and deepening Scotland’s relations with China.

More generally, Scottish entities should and will locate in China wherever best suits their needs. Scottish Development International’s business development approach, for example, whilst leveraging a regional focus, will continue to target commercial opportunities on an industry basis. However, we believe that stakeholders may find it useful to know of Scottish Ministers’ regional priorities, should these have a bearing on where they choose to locate activities in China.
Regional Focus in China
Delivery of the 10 objectives will be taken forward by stakeholders in both Scotland and China. Within the Executive, the dedicated China Desk (chinadesk@scotland.gsi.gov.uk) will play a central role for activities in Scotland, while the new Scotland Affairs Office in Beijing will serve as a bridgehead for operations in China.

Various parts of the devolved government of Scotland with strong interests in China will make important contributions, particularly Scottish Development International (SDI), through its expanded network of staff in China. The work of the Enterprise Networks in Scotland will also be crucial in helping firms to better understand doing business with China.

As set out above, many stakeholders in Scotland will also have an interest in achieving these objectives. Within the broader public sector, agencies and non-departmental public bodies should take these national objectives into consideration in determining their respective China-related activities through to 2010.

Local authorities have an important role to play – both as the frontline for delivering certain public services that will shape Scotland’s ability to engage with China and for interacting with counterparts in China through local twinning and co-operation arrangements. Local authorities are encouraged to continue and expand their engagement with China.

Outside of government, many individuals and organisations are working to promote Sino-Scottish relations on many fronts, in pursuit of their own, independent objectives. We hope that through publishing Scottish Ministers’ objectives for our engagement with China, we will establish common goals for Scotland that people and organisations from civil society and the private sector are free to align with, should they wish to do so.

It should be emphasised that, although the preceding pages have outlined various activities that are being undertaken to strengthen bilateral engagement, the purpose of this document is not to prescribe the actions that will deliver the strategy’s objectives. It is rather to set out the strategic parameters for our engagement. Appropriate actions to carry forward our engagement will be worked up over the course of the next 5 years, particularly in the context of the forthcoming spending review, guided by the strategic objectives set out above.
7. Evaluation

The Plan's objectives are underpinned by measurable targets and indicators against which progress will be assessed. In general, the data needed to evaluate performance are already available. Where they are not yet available, research is underway to provide them.

*Demonstrating progress: the Pudong district of Shanghai – prior to 1990 Pudong was mainly marshland and paddy fields.*
The Executive, along with its agencies, non-departmental public bodies (NDPBs) and other public-sector institutions in Scotland, is undertaking extensive activity in relation to China. This annex can only provide a brief overview: it is not an exhaustive list.

Scottish Executive
The Executive’s general engagement with China is led within Scotland by the China Desk of the International Division and within China by the recently established Scotland Affairs Office located within the British Embassy in Beijing.

Business relations with China are the primary responsibility of Scottish Development International (SDI), who have a network of staff in China, led by a country manager based in Beijing and by SDI’s regional director for Asia, based in Shanghai. SDI have been particularly active in seeking to raise understanding about the opportunities and challenges posed to Scottish businesses by China and have organised a successful series of events – The China Challenge – in collaboration with the China Britain Business Council.

Scotland’s educational links with China are flourishing. The Executive has a Memorandum of Understanding with the Chinese Ministry of Education signed in 2005, and the Chinese Education Minister, Zhou Ji, visited Scotland in October 2005. Many schools, colleges and universities in Scotland have developed extensive links with counterparts in China.

Chinese students make up our largest overseas student body in Scotland (4,089 in 2004/05 – ahead of the USA in second place). At the school level, the Executive has been keen to promote links through part-funding summer schools for pupils in China and through funding the placement of Chinese language assistants in Scottish schools in collaboration with the British Council.

At the further and higher education level, Scottish Ministers have funded projects to improve the experience of foreign students studying in Scotland. We have also funded scholarships to bring some of the brightest Chinese students to Scotland. We continue to contribute towards the marketing of Scottish education in China, working in particular with EducationUKScotland.

The Executive is also undertaking – through the Fresh Talent Initiative – activities that encourage Chinese talent to live, work and study in Scotland. This initiative is already being marketed at education fairs across China. We are also working to encourage some of the Chinese students who graduate from Scottish universities and colleges to gain work experience in Scotland following completion of their studies.

Other Public-Sector Institutions in Scotland
Numerous agencies, NDPBs and other public-sector institutions based in Scotland have developed links with Chinese counterparts, engaging in a wide range of activities.

On the scientific front, in addition to the expanding links between researchers in Scotland’s universities and colleges, the Royal Botanic Garden, Edinburgh (RBGE) continues to spearhead UK-China collaborative research (see case study). The Scottish Agricultural and

Annex A: Scottish Public-Sector Engagement with China
Biological Research Institutes (SABRIs) and the Scottish Agricultural College, core funded by the Executive, have been sharing expertise with Chinese counterparts (for example, on the issue of soil erosion). The Life Sciences Intermediate Technology Institute, funded by Scottish Enterprise, visited China in 2005 to explore opportunities to commercialise pioneering Scottish research in this field.

The Executive-funded Intellectual Assets Centre, has been liaising with the Chinese authorities about the importance of effective management of intellectual assets in a knowledge economy.

The UK Forestry Commission, headquartered in Edinburgh, has an Memorandum of Understanding to exchange expertise with the State Forestry Administration in China.

The Scottish Qualifications Authority (SQA) has developed strong links with the Chinese Ministry of Education and is active across China, enabling thousands of Chinese students to study for and gain internationally recognised qualifications that are based on Scottish qualifications.

VisitScotland, working in partnership with VisitBritain, is active both in preparing the Scottish tourist industry to receive Chinese visitors and in promoting Scotland as a tourism destination in China.

On the cultural side, Sino-Scottish links continue to flourish. The Scottish Arts Council has supported Scottish artists to collaborate with Chinese artists and also supports projects for and by Scotland’s ethnic Chinese community.

Recent funded activities have included: an arts management placement programme for visiting arts managers from China; a project to compose and arrange a repertoire combining Scottish and Chinese music; a two-day conference at the Traverse Theatre on ‘working with new plays from mainland China’ (co-funded by the British Council); and a Sino-Scottish poetry exchange and residency programme.

Scotland’s national companies and institutions are also becoming increasingly active in relation to China. For example, the National Museums of Scotland holds a first-class collection of nearly 6000 objects associated with China and has, in recent years, staged exhibitions of Chinese collections such as the internationally important Forbidden City: Treasures of an Emperor. In addition to exhibiting, the National Museums also undertake research and foster links with organisations and individuals in China.

Local Government links with China are expanding. Both Glasgow and Edinburgh have twin cities in China (Dalian and Xi’an respectively) and other Scottish towns and regions are cultivating relations with counterparts in China. Perth and Kinross Council are developing links with Haikou in Hainan Province. Angus Council have pioneered links with Shandong, by twinning with Yantai County within Shandong Province. This has led to collaboration in the spheres of education, sport (golf) and culture as well as mutual business opportunities (see case study for further details).
Angus Council

Arising from its work with the Tayside Racial Equality Council in 1996, Angus Council was encouraged to consider twinning with a counterpart in China. This move was supported by the Confederation of Chinese Associations in Scotland and by the Chinese Consulate in Edinburgh and Angus Council have developed close working relationships with both organisations over the last 10 years. It was decided that commerce should be the driver for any twinning relationship, with the overall aim of strengthening the Angus economy. With help from the Chinese Consulate, the Council decided to link with Yantai in Shandong Province (population 6.5 million). The first trade mission visited Yantai in 1998 and in January 1999 a ‘Sister City Link Agreement’ was signed. Both parties have been fully committed to the relationship and strong political ties have been developed between Yantai and Angus Council which have been fundamental to the success achieved.

So far Angus Council has led five missions to China, the most recent of which visited Yantai, Beijing and Shanghai in March 2006. In return, the Council has hosted four missions from Yantai. There have been many other visits both ways by key individuals and company representatives to explore trade, tourism and educational initiatives. Not only has the Yantai connection given over 50 Angus and Tayside companies an introduction to the challenging Chinese market but most of those who have visited China on trade missions have achieved sales, sourced products and materials or established some form of business alliance.

Notable successes include: an Angus company winning the contract to design and project-manage the construction of four oil/gas support vessels at the Yantai Shipbuilding Yard; an engineering company that secured orders of over £1 million and has now established a manufacturing plant in China; the procurement of machine parts and food processing equipment helping Angus firms regain their competitiveness in winning orders in Europe; and two other companies who now have manufacturing operations in China.

In 2002, a co-operation agreement was signed between Carnoustie Championship Golf Links (owned by Angus Council) and Tiger Beach Golf Links – a Scottish Links style course in Haiyang (Yantai) – and the two courses are now involved in joint promotions. This has now been widened through a programme of co-operation with Shanghai Silport Golf Course which has been host to the Volvo China Open six times. Carnoustie and Shanghai Silport are now co-operating in joint promotions aimed at 2007 when the British Open returns to Carnoustie and the Volvo Open returns to Silport. These efforts are already bearing fruit with the arrival of 36 golfers from Shanghai in April 2006 to participate in the first Tartan Day International Golf Challenge played over St Andrews, Gleneagles, Carnoustie and Montrose. Other agreements include a link between the Yantai Tourism Bureau and the Angus and Dundee Tourist Board signed in September 2003.

On the educational front there are now active links between Yantai Vocational College and Angus College. Following a recent agreement between the education departments of Angus and Yantai, links have been established between two primary and two secondary schools, educational exchanges are now being planned and the teaching of Mandarin in Angus schools is being explored.
On the cultural front, the 6th of April 2006 marked a momentous occasion that recognised the strong links Angus has with China. At the “Tartan Day” dinner, a new, officially recognised, “Chinese Scottish Tartan” was launched. Angus Council, working with the Chinese Consul General in Edinburgh and with the Chinese community in Scotland, played a significant role in creating China’s own tartan that was designed by Strathmore Woollen Company, a local Angus company. Much has been achieved by Angus Council and its local companies over the 10-year journey but this is only the beginning of the journey.

In the words of the Chinese Consul-General in Scotland, the new Chinese Tartan “is a symbol of friendship and cooperation between the Chinese and Scottish people. There are five colours in the design: red and yellow of the Chinese national flag, white and blue of the Scottish Saltire, and the green colour symbolises the excellent cooperation between the Chinese Academy of Sciences Kunming Institute of Botany and the Royal Botanical Garden, Edinburgh and sustainable development of every aspect of the relationship between China and Scotland”.
Napier University

A key strategic goal for Napier University is the internationalisation of its provision, staff and students. China, as the largest market for Scottish higher education institutions, is crucial to that. Napier was the first Scottish university to have a representative office in China. It currently has five members of staff in its office in Beijing, allowing the university to engage at all levels from state to provincial to institutional. Currently around 10 per cent of Napier’s students are Chinese and the university views its engagement with China as a long-term relationship which has already created a number of strategic alliances with universities throughout China. These are in the form of articulation arrangements (that enable students from Chinese institutions to progress on to Napier’s courses), joint research and staff exchanges.

The University is continually developing strong relationships with education providers and governmental organisations in China and most recently signed a memorandum of understanding with the Governor of Shandong. This understanding will offer scholarships to Shandong government officials to study on Napier’s MBA programme.

Articulation Arrangements: For a number of years Napier has been accepting students from partner institutions on to undergraduate programmes at advanced level. However, in 2005-2006 a new form of articulation arrangement was approved by the Chinese Ministry of Education and there are now more than 400 students studying these programmes in two partner universities (Zhenzhou University of Light Industry and Shandong University of Finance). Under these arrangements, Napier staff assisted in the creation of a syllabus which combined the rigour of Chinese academic culture with more innovative teaching and learning approaches used in Scotland. A feature of the programmes is that Napier staff are contracted to teach in China and that the students finish their degrees in Edinburgh. These programmes are in the areas of Consumer Product Design, Computing, Finance, International Trade and Business Studies.
Research: Napier is the lead institution in the EU-China Direct Research Centre. This group, which includes more than 20 Chinese universities, was formed to establish a “facility” capable of attracting funds to develop a research and consultancy reputation in China. In the first year of its development there were more than 20 joint publications and one textbook translated into Chinese. The majority of the research collaboration to date has been in economics and finance, in particular the effect of China’s entry into the World Trade Organization.

Programmes Run in China: Napier has around 1,000 students studying for degrees and masters degrees in China. These are fully matriculated Napier University students who study programmes which are taught by Napier staff – with tutorial assistance from our partner universities. Partners with whom Napier teaches these programmes include the University of Hong Kong (one of Asia’s top 10 universities). The students study a range of programmes in Business & Accountancy and Life Sciences, both part-time and full-time.
Caledonian Alloys

Caledonian Alloys provides revert management and processing services to the aerospace, land-based turbine and chemical industries. Headquartered in Livingston, the company has grown to become the world’s largest specialist recycler of nickel, cobalt and titanium based superalloys with operations in the UK, the USA, France, the Czech Republic, New Zealand and China.

Caledonian’s interest in the rapidly expanding Chinese market followed on from the knowledge that many of its existing aerospace customers were planning to set up manufacturing operations in the region. The company wanted to be in a position to provide its services to these customers but had little knowledge of operating in the Far East.

The company needed someone with knowledge of the country to help it to develop a strategy and facilitate entry into the marketplace and the answer came through Scottish Networks International (SNI), an initiative that matches international postgraduate students studying at Scottish universities with Scottish businesses.

SNI introduced the company to Lixin Yan, a Chinese engineer with 10 years’ work experience who was studying for an MBA in Scotland. A 12-month placement was arranged for Yan to help develop a market entry strategy for Caledonian Alloys.

The placement was extended by a further 12 months allowing Yan to work on implementing the strategy. By the end of the programme Caledonian had established a wholly owned foreign subsidiary company located in Tianjin. The Tianjin facility occupies 1000m² and carries out initial processing of superalloy materials which are then packaged and exported to Caledonian’s other locations for final processing.

Yan joined Caledonian Alloys on a permanent basis in the role of Managing Director, China. A member of the senior management team he manages Caledonian’s activities in Asia from the Livingston head office while travelling regularly to the region to meet with customers and suppliers. His knowledge and experience have been a major factor in the success of Caledonian’s Chinese venture. Sales of $500,000 were generated in its first year and this year turnover is expected to reach $4,000,000 this year.

Caledonian Alloys has clearly established a strong base from which to grow its Asian business and has exciting plans for its future development.
Royal Botanic Garden, Edinburgh

The Royal Botanic Garden, Edinburgh (RBGE) has established a strong relationship with China spanning decades. Acclaimed Scottish explorer George Forrest pioneered the botanisation of south-west China over a century ago. The Garden is home to the world’s largest collection of Chinese plants outside China itself, set within the beautiful landscape of the unique Chinese Hillside. The herbarium contains thousands of dried Chinese plant specimens, whilst the library contains a wealth of Chinese botanical archives.

The “Jade Dragon Snow Mountain” Field Station and Lijiang Botanic Garden (the “Lijiang Project”) is a conservation project run between the RBGE, the Kunming Institute of Botany and the Yunnan Academy of Agricultural Science. It is part funded by Scottish Ministers along with the Foreign and Commonwealth Office and commercial sponsors and is recognised as the first UK-China joint scientific laboratory.

The 21st century offers great environmental challenges – challenges such as the avoidance of habitat destruction, the description of new species and raising public awareness of these and similar issues. As well as plants being the source of life itself, the conservation of the natural environment also has dramatic effects on issues such as tourism, commerce, industry and people’s quality of life. The worldwide boom in herbal medicine is threatening to wipe out up to a fifth of the plant species on which it depends, wrecking natural habitats and jeopardising the health of millions of people in developing countries.

The Lijiang Project is a major step forward in meeting these challenges and is an enormous advancement towards the work of modern botanic gardens. There are an estimated 3,000 plant species which grow on the Jade Dragon Snow Mountain – this compares to a mere 800 flowering plant species in all of Scotland. Field stations allow the opportunity to study and record the constantly changing and evolving natural world. This provides the basis for action plans to be put in place to conserve species and habitats.

The Lijiang Project achieves several objectives: it helps China to achieve its action plan on biodiversity and it pulls together scientists, diplomats, politicians and business-people to work on a single goal – sustainable land management for world conservation. The Project is a vehicle for education and training. It is heavily focussed on engaging the local community and particularly works on social inclusion, involving the poor (peasant farmers and their families). It creates a significant number of local jobs in horticulture, conservation, education, eco-tourism and construction.

His Excellency, President Hu Jintao of the People’s Republic of China, visits the Royal Botanic Garden in Edinburgh
• The Scottish Executive’s new China websection is designed to share information on China-related activity within Scotland and Scottish activity within China. It includes profiles for each of China’s regions and a calendar of forthcoming events: www.scotland.gov.uk/china

• The Executive’s website for international promotion of Scotland: www.scotlandistheplace.com

• The British Embassy and Consulates General in China: www.uk.cn

• Scottish Development International provide advice and support for Scottish firms seeking to do business with China and for Chinese firms seeking to do business with Scotland. www.scottishdevelopmentinternational.com

• UK Trade & Investment: the UK Government organisation that supports companies in the UK doing business internationally and overseas enterprises seeking to set up or expand in the UK. www.uktradeinvest.gov.uk

• The China Britain Business Council (CBBC) located its first UK regional office in Glasgow and provides varying degrees of support to Scottish firms seeking to do business with China, drawing on its network of offices and staff in both the UK and China. www.cbbc.org

• The Scotland-China Association is involved in various China-related activities and is particularly active on the cultural front, organising events catering for people with an interest in all aspects of Chinese life and civilisation, both past and present. www.scotchina.org

• The 48 Group Club, which has an active Scottish arm, is a membership organisation primarily for managers developing China business for British organisations from all sectors: industry, commerce, government, education, sports, culture and the law. www.48groupclub.org

• The Great Britain-China Centre works to foster and develop relations between the UK and China and to promote mutual knowledge and understanding. www.gbcc.org.uk

• The Scottish Council for Development and Industry (SCDI) have a long track record in developing trade links with China: www.scdi.org.uk

• The Royal Society of Edinburgh (RSE) have a Memorandum of Understanding with the prestigious Chinese Academy of Science and run an exchange programme to foster bilateral science links. www.royalsoced.org.uk

• The Scottish Qualifications Authority (SQA) is developing Chinese course materials in Scotland and is active across China, enabling thousands of Chinese students to gain internationally recognised qualifications that are based on Scottish qualifications. www.sqa.org.uk

• The British Council www.britishcouncil.org/scotland have offices in Edinburgh and across China, where they provide the cultural and education section of the British Embassy and Consulates General. In China, the Council promotes and supports UK education and training, the arts, and science and technology. In Scotland, the Council administers the Executive-funded, Scottish International Scholarship Programme and manages Scottish Networks International www.scottishni.org which places high calibre overseas postgraduates from Scottish universities with Scottish businesses. The Council also administers Education UK Scotland www.educationukscotland.org which promotes Scottish education at all levels and administers the summer camps, language assistant and teacher exchange schemes. The British Council has dedicated China websites: www.britishcouncil.org.cn and www.educationuk.org.un