

NATIONAL ECONOMIC FORUM – NINETEENTH MEETING: 13 DECEMBER 2017

DISCUSSION REPORT: A DIGITAL APPROACH TO INTERNATIONAL TRADE

Hosts:

- Fiona Hyslop MSP, Cabinet Secretary for Culture, Tourism and External Affairs
- Alasdair Allan MSP, Minister for International Development and Europe

Facilitators:

- Chris Liversidge QueryClick LTD
- Suzanne Sosna Scottish Development International

Summary

The discussion group focussed on Scotland's need to have more companies exporting to a greater number of markets, and what changes might be key to making that happen. Delegates shared their own experiences of exporting, providing insights into both the challenges faced and the opportunities available.

Introduction and Background

Business models are changing fast and new ways of trading are emerging. To remain competitive, it is acknowledged that businesses must seek fresh and ever more efficient and profitable ways of selling products and services overseas.

The Cabinet Secretary for Culture, Tourism and External Affairs opened the discussion by underlining that the promotion of trade is a key aspect of the Scottish Government's internationalisation agenda. The Cabinet Secretary noted that there is not only an economic imperative to this but that it is also important to building Scotland's global reputation. The fact that entering international markets can seem like a daunting prospect was acknowledged, and participants were invited to share their views to allow a greater understanding of challenges businesses might face and support they might need.

Discussion Overview

Scotland is a successful trading nation, exporting globally to markets such as the USA, France, China and India. However, less than 7% of Scottish companies export. Scotland needs more companies to export to more markets if it is to meet the ambition set out in its Trade and Investment Strategy: *Global Scotland*.

A global outlook, mindset and ambition are key. Language differences can also present a challenge but no business can cover every language so using networks and partnerships in overseas markets can be crucial.

It is also important for companies to consider cultural differences and norms – technological and otherwise - when accessing new markets. Different markets will respond differently to different communications channels. Understanding those presents both challenges and opportunities for Scottish businesses. There is scope, for example, to develop 'playbooks' of intelligence for different markets.

Digital tools cannot necessarily replace more conventional communications and good quality conversations in building international networks and meeting customer needs. However

they can help to prolong and strengthen those communications as well as increase the frequency of contact.

Technology can be an enabler and a barrier to trade. Understanding the fundamentals of exporting first is vital before adopting digital tools. Businesses also need to understand the benefits of a digital approach, as well as how to use it properly, and that applies throughout the business. Without a shared sense of purpose internally, companies can risk wasting valuable time and resources. Starting with the right specification is very important and, again, this might be different for different markets.

The complexity of a digital approach to trade means that consideration should be given to making it an integral part of general enterprise support for companies. This could also help businesses keep up with the quickening pace of technological change.

Closing Comments

The Minister for International Development and Europe brought the discussion to a close thanking delegates for their insightful contributions. The opportunities and challenges presented by technology in aiding trade were recognised and will need to be considered in developing ways to encourage and support Scottish companies export internationally.

Scottish Government
December 2017