

PRESS RELEASE

SECRETARY OF STATE TO LEAD SCDI TRADE MISSION TO CHINA

9 March 2009

Secretary of State Jim Murphy will lead one of the largest ever trade missions of Scottish businesses to China and Hong Kong this month as part of the Scottish Council for Development and Industry's (SCDI) international programme.

Thirty-two businesses and educational organisations will take part in the mission which aims to support their growth into new markets. The visit will be SCDI's 11th visit to China and its 41st to Hong Kong.

Jim Murphy said

"Despite the tough economic climate we need to keep an eye on the economic recovery that will come. Now is the right time to be pursuing opportunities that are still out there in places like China. It is more important than ever for Scottish companies to be showing this ambition and it is essential that Government supports them.

"The UK Government has strong ties with China and the UK Consulate General in Shanghai have been working closely with SCDI to prepare the ground for this trade mission. I am delighted to be able to lend my help in every way possible and I look forward to a successful for the companies involved.

"Scotland has real strengths in areas such as Energy, Education, Financial Services, Life Sciences, Tourism and Whisky. Our reputation for excellence in these fields is international and all these sectors are represented in the forthcoming mission to China. We are playing to our strengths.'

The Minister highlighted a number of areas, including whisky exports and visas for Chinese students, where he and his UK Government colleagues are presently working to help Scotland do business with China.

He said:

"My officials in the Scotland Office have been working together with Defra to develop the UK Scotch Whisky regulations to help protect our companies and international consumers from counterfeit products and misleading labelling and descriptions. These new regulations are nearing completion and will provide enhanced protection for Scotch Whisky producers who have a unique and high-quality product that is in increasing demand across the globe and particularly in China.

SCDI Chief Executive Dr Lesley Sawers, said:

"The trade mission is designed to help more Scottish SMEs break into this challenging market, utilising the network of public and private sector support such as SDI, the British Consulate and Scottish companies that already have a significant market presence in Asia.



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"Despite the global economic downturn, there are growing opportunities for Scottish businesses in China, with the economy projected to grow at 7.5 percent in 2009. Last year Scotland exported more than £215m of goods to China in sectors such as food and drink, textiles, transport equipment, and chemicals, and China's growing middle class is becoming more important to our tourism sector and is a growing consumer of products like whisky and high quality textile products - two sectors represented on our visit.

"The level of interest in the mission, and size of the group we are taking out shows that more and more Scottish firms are looking to fast-growing foreign markets, especially with the fall in the price of the pound."

The organisations on the mission will have meetings in Shanghai, a major financial and services centre, and Hong Kong which has strong trading links with Scotland and is the gateway to the growing markets in the increasingly industrialised south of China.

SCDI's last four missions to Shanghai and Hong Kong have generated more than £8 million of new orders for the businesses on the trip.

Stephen Telford of High Voltage Instruments, one of the thirty eight organisations represented on the visit, said:

"China and Hong Kong represent two markets of great potential for our business. Over the last 12 - 16 months we've been upscaling our international activity and have utilised these visits and the support networks to grow our business in India and Turkey. This trip offers us the chance to grow our business in one of the world's largest markets and we are optimistic about the opportunities for us."

China is Scotland and the UK's 16th largest export market, importing over £215m of Scottish manufactured goods each year. China's GDP growth figures have averaged around nine percent since the mid-nineties – with 2009 growth rates estimated at 7.5 percent.

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For further information or comment, contact Niall Stuart on 07814 167477