

A Corporate Perspective: An Interview with Julian Taylor of Scottish Development International



Julian Taylor, Executive Director – Asia Pacific, Scottish Development International*, explains his organisation's ambitious plans for the Asia Pacific region.

Could you give us an overview of Scottish Development International, its operations and strategy, particularly in Asia?

Scotland is a country with incredible ambition. Scotland is committed to growing its economy; growing it in a way that is sustainable and fair, with the most international perspective possible. Whilst there may be some way to go in Scotland's journey, there is such a great track record to build on and amazing potential. The job of Scottish Development International (SDI) is to help realise that potential.

In the simplest terms, we work with Scottish companies to help them trade overseas. We work with companies in Asia to help them invest in Scotland.

We are an agency of the Scottish Government, part of Scottish Enterprise and its sister organisation Highlands and Islands Enterprise, the domestic economic development agencies. We are also members of a wider "Team Scotland" which brings together the tourism promotion agency VisitScotland, the universities and colleges through the Scottish Funding Council and other public partners, from Creative Scotland to Transport Scotland.

This has built a sense of common purpose: working with the private sector as well as across all the major industrial sectors in the Scottish economy, we aim to provide direction for future growth so that the public and private sectors, alongside the academic institutions, can focus on those areas where Scotland has real competitive advantage.

In Asia Pacific, we have trade and investment teams in all the major cities including Hong Kong, Beijing, Singapore, Delhi, Tokyo, Seoul and Sydney. These teams drive and promote Scotland's interests in these markets across a range of sectors, from oil, gas and renewables, to life sciences, to food and drink and financial services. There are some things at which Scotland is simply amongst the best in the world. That's what we focus on.

How would you describe Scotland as an investment destination, what is its unique selling point (USP) compared with its nearest rivals?

In a word, innovation. Scotland has an undisputable track record in invention. Historically, the list has included many things that have shaped the world: telephone, television, the steam engine, penicillin, not to mention Adam Smith's *Wealth of Nations* pioneering modern economics. Our innovative spirit continues to this today, with the ATM, the world's first cloned mammal Dolly the Sheep and MRI scanners all coming from Scotland in recent years.

Scotland is likely to continue to shape the world and we are probably more likely to do so through new and emerging partnerships in the Asia Pacific region.

This is based on some well understood principles, in particular commitment to education and research. Scotland is home to five of the world's top 200 universities and the quality of our universities is cited as a determining factor in almost half of all inward investment coming into Scotland. We also punch well above our weight in terms of research. Scotland produces one per cent of the world's research with less than 0.1 per cent of the world's population.

Scotland has the highest educational attainment of any part of the UK which provides a ready resource of quality employees. This outstanding workforce contributes to Scotland's attractiveness as an inward investment location, as does a very favourable and supportive business environment in terms of ease of doing business, tax and incentives.

* Scottish Development International has retained FTI Consulting as its adviser on Strategic Communications in the Asia Pacific region.

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There are some intangibles too. Scotland's socio-cultural identity or "spirit": everything from whisky to an attitude that refuses to be beaten. The Scottish pioneering spirit that has seen multiple expatriates do many amazing things, particularly in this part of the world. Scotsman Thomas Blake Glover has gone down in history for his key role in the industrialisation of Japan, laying the foundations for the global corporation that is now Mitsubishi. Furthermore, the Hong Kong and Shanghai Corporation Bank was founded by Thomas Sutherland, another Scot, in 1865. Here in Asia, Scotland really stands for something very positive.

Which markets do you think hold the greatest opportunity for Scotland in APAC?

Scotland can't - nor should it be - a "me too" nation. Being all things to all people is not the basis of success. The areas where Scotland has a competitive advantage tend to be in specific, niche markets where there are opportunities to do so much more.

When I tell people where I come from, pretty much everyone responds with the word "whisky" and a smile. We have an iconic brand which is second to none. In this region, it is rightly a premium product that projects a real status.

Allied to whisky we have many other premium products. Food and drink products, from world beating salmon (a delight to Japanese consumers where it recently overtook tuna as number one choice for sushi in the country's top restaurants) to specialist deli and grocery products such as oatcakes, jams and cheeses which are often seen on high-end supermarket shelves across Asia.

Other premium products make a connection here such as cashmere and textiles, especially those with a craft-based heritage which appeal to an emerging middle class. Tourism is also a key component of our premium Scotland proposition, particularly golf tourism. Scotland is the home of golf and many more people are coming to play. In fact this is a great year for sport in Scotland, as well as the Ryder Cup coming to Gleneagles, Glasgow, Scotland's largest city, will play host to the 2014 Commonwealth Games in the summer.

And I mentioned the future: virtually every Scottish University is building relationships, undertaking collaborative research and educating students throughout Asia. Our "premium" education is being exported, from Glasgow Caledonian University training Indian hospitals and healthcare professionals to identify and treat diabetic foot disease, to Heriot Watt University opening its first overseas campus in Putrajaya in Malaysia in January 2013.

Scotland's world class engineering, especially in hostile marine environments, is helping Scottish companies like Wood Group, Global Energy and FMC Technologies achieve real success in Singapore and Western Australia and we are starting to see some momentum behind new openings in China.

Scotland's energy story is unfolding in new ways too. Japan is a key market for our emergent marine renewables industry, so too Korea. Scotland's world leading capability in offshore wind, wave and tidal power is attracting real interest and serious investment, both here and at home.

What sectors are you keeping an eye on in the region and in which industries do you think Scotland has advantages for increased investment/trade?

We are not only watching but engaging in new areas such as "green technologies" as part of a wider clean technology story in Asia, an area in which Scotland has a genuine competitive advantage. Hong Kong's clean-tech buses started life in Scotland, for example, and a Scottish company has pioneered the technology to convert biofuels from the by-products of malt whisky production.

Furthermore, eight of Europe's top 100 cleantech companies are based in Scotland, from large-scale wave energy technology developed by Pelamis Wave Power, to smaller companies specialising in simulation software for eco-buildings.

From a more macro-economic perspective, do you think Southeast Asia is still the "region to watch," or is North Asia making a comeback in terms of being more appealing to do business with?

I don't think it's the region to watch: I think that it is the region to be in!

But this should be for those that are prepared to operate in an environment that historically has been more volatile than others. More generally, taking region-wide approaches can be misleading. An approach that can dig a little deeper is important.

On the one hand, throughout Asia Pacific all measures of "scale" have many more zeros on the end of them than we are used to in the west and it is tempting to make sweeping bets on the economic outlook for an entire country, or cluster of countries in this region. On the other, however, business is done with people and individual relationships are so important.

Rather than dismiss a whole region for the next decade, or claim to have found the new Nirvana, successful trade needs to be based on a realistic understanding of very specific markets and founded on meaningful relationships. The experience of many Scottish businesses (and many Scots) is that these can be found throughout Asia - and beyond.

Finally, what value/benefit do you think strategic communications holds for SDI in APAC? What are your communications objectives in the region?

That's a great question from a communications specialist! I guess it's pretty simple: more people need to know that Scotland is one of the best places in the world to do business.

Scottish companies are great to work with and many of those in APAC are doing just that. More need to.

On a recent visit, my Chairman asked me what has surprised me most since taking up my post. I said that I am amazed that everyone isn't talking about Asia. Everyone in Scotland needs to be, it is the region of the future.

Everyone, well almost everyone, in Asia could be talking about Scotland too. It is much more than a place of the past. It is continually reinventing its future through innovation, and will continue to do so.



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