REPORT BY THE CHIEF EXECUTIVE

Abstract: This report summarises the key outcomes and achievements arising from the trade mission to China in March 2004.

1 RECOMMENDATION

1.1 It is recommended that the Committee

a) note the successful outcome of the trade mission to China;

b) note the considerable progress that has been made in developing golf links between Angus and China, and approve the attendance of the Economic Development Manager at the Volvo China Open in November 2004;

c) agree that in order to bring the trade benefits of the relationship with Yantai to the broader regional economy, the Economic Development Unit will, in future, work in partnership with the Dundee & Tayside Chamber of Commerce to alert both Angus and non-Angus firms to the opportunities that exist in China; and

d) remit the Economic Development Manager to organise a seminar in conjunction with Dundee & Tayside Chamber of Commerce and Business Gateway International Trade on possible trade links identified to encourage further Angus and Tayside companies to commence international trade with China.

2 INTRODUCTION

2.1 In 1999 the Council signed a Sister Area Agreement between the Government of Yantai and Angus Council which provides for reciprocal visits by representatives from each area on a bi-annual basis in order to foster, among other matters, economic development links.

2.2 Since then there have been a number of employer-led trade missions to China and other events associated with golf promotion.

2.3 The Economic Development Committee of 27 February 2003 approved Report No 277/03 which sought approval for the Council’s overseas trade promotion schedule for 2003/2004 including the outward trade mission to China in March 2004.

2.4 A report on the outcome of the education links established during this years’ trade mission was agreed by the Education Committee Meeting on 20 April 2004.

3 COMPOSITION OF DELEGATION AND ITINERARY

3.1 In addition to the trade delegation, the 2004 mission was intended to develop educational links between the two sister areas. The delegation included the Provost, Leader of the Council, Economic Development Manager and Development Manager.
Educational delegates included the Convener of the Education Committee and Director of Education, the Principal of Angus College and the College’s Team Leader (Office Administration). The private sector was represented by the Chief Executive of the Dundee & Tayside Chamber of Commerce, and four Tayside companies; Texol Limited, Lomax Mobility Limited, Hole 18 Limited and Global Golf Holidays Limited.

3.2 The Council delegation departed to Beijing on 6 March, arriving in Beijing on 7 March. On 9 March, all delegates travelled to Yantai. The delegation continued to Shanghai on 13 March and returned from Shanghai and on to Edinburgh arriving 6 March.

3.3 Following the return of the delegation, the Provost will host a de-briefing meeting to which all delegates are invited. This will give an opportunity for feedback and discussion about the mission.

4 KEY EVENTS AND HIGHLIGHTS

4.1 Through contacts with both UK and Scottish Government representatives in China a comprehensive programme of visits was organised through contacts with both UK and Scottish Government representatives in China, and our hosts Yantai Municipal Government. The itinerary for each delegate was tailor made to suit their requirements. The following are the key highlights of the trip, but not all delegates attended each event.

4.2 Civic Functions/Official Meetings

- Meeting with representatives of China Britain Business Council and British Embassy
- Formal dinner hosted by Deputy Major of Yantai in Beijing at the state guest house.
- Office of The Chinese People’s Association for Friendship with Foreign Countries (CPAFFC) – Meeting with Deputy Director and officials – meeting arranged by Janice Dickson of Ian Dickson Travel Service.
- Meeting with Leaders of Yantai People’s Political Consultative Conference.
- Meeting with Leaders of Yantai Congress.

4.3 Economic Development/Business General

- Meeting with Yantai Municipal Foreign Affairs Office.
- Tour of Raffles shipyard, where a vessel designed by IMT Marine of Montrose was shown under construction on behalf of BP.
- Tour of Yantai Economic Zone.
- Tour of Yantai Port.
- Meeting with Yantai International Development Board.
- Tour of Yantai Processing Zone.
- Visit to Haiyang Economic Zone.
- Meeting and presentation by Scottish Development International, Shanghai office.
- Meeting with BP representative (based in Brechin but deployed in Yantai).

4.4 Golf Tourism

- Visit and meeting at Tiger Beach Golf Course.
- Visit to Muping Golf Course.
- Visit and meeting at Silport Golf Course, Shanghai.
- Meeting with representatives from Yantai Tourism Bureau, including signing of memorandum of understanding on golf tourism.
- Meeting with representatives from Yantai International Co-operation Centre on tourism co-operation.
- Meetings with Shanghai Travel Agencies.

4.5 Educational

- A strong programme of Educational visits to educational establishments including elementary schools, middle school, high schools and Yaohua International School was arranged for the Convener and Director of Education.
- The focal point of the Angus College visit was a series of meetings with Yantai Vocational College which culminated in the signing of a Minute of Agreement between the two colleges which will lead to Chinese students being invited to study at Angus College prior to entering the Scottish University system.
- A visit to Yantai Normal university was also arranged for the delegation.

4.6 Engineering

- The engineering companies represented on the delegation and the Council’s Development Manager had a full range of factory tours and company meetings arranged by the authorities in Beijing, Yantai and Shanghai.
- Both engineering companies have identified a number of potential trade partners and have been following up leads generated since their return to Scotland.
- The Development Manager has identified a number of companies which are potential trade partners for other Angus firms, and these will be followed up over the coming weeks.

5 DELEGATION – SUMMARY OF ACHIEVEMENTS

5.1 It is considered that the Angus in China Mission 2004 was a considerable success with particular emphasis on developing educational links. The Minute of Agreement between Angus College and Yantai Vocational College will lead to a large number of Chinese students studying in Angus in the future, and the two golf related businesses on the mission are both extremely positive about leads that have been generated, including the Memorandum of Understanding with the Yantai Tourism Authorities.

5.2 Global Golf Holidays offered the following testimonial to the quality of Angus Council’s contacts in China: “for any businesses in the Angus/Dundee or Tayside areas looking to either research possible or potential links to China, I would recommend linking up with Angus Council. They have years of experience and their excellent network of contacts in China makes it the best way of capitalising on the amazing developments in China”.

5.3 In order to continue to develop these leads and encourage more businesses to understand the advantages of international trade links with China, it is proposed to work with Dundee & Tayside Chamber of Commerce and Business Gateway International Trade to promote these links to both Angus companies and the broader Tayside business community. It is proposed to host a seminar later in the year to
highlight the large number of local companies that are currently trading with China and encourage other firms to consider similar developments.

5.4 A Sister Link Agreement was signed between Carnoustie Golf Links and Tiger Beach (in Yantai) in June 2002. The owner of this course also owns the Shanghai Silport Golf Club which has hosted the Volvo China Open for the last five years.

5.5 Representatives of the Carnoustie Golf Links and the Economic Development Manager attended the Volvo Open at Shanghai Silport in November 2003 when extensive contacts were established with the Asian media resulting in numerous articles about Carnoustie being written for various Asian golf publications.

5.6 2004 marks the tenth anniversary of this event – China’s premier golf event – and it will be held again at Silport from 25 – 28 November. The US $1m Volvo China Open has recently announced it will open the 2005 European Tour Season at Silport at this year’s event. This is a key decision by the PGA in recognition of the status of the event as well as the quality of the venue. Because of this, the event will be televised worldwide and global media interest will be attracted. Angus Council and Carnoustie Golf Links have been invited to have a prestigious presence at the event and this will provide a unique opportunity to promote golf tourism to the Asian market and to publicise Carnoustie on a global basis by promoting the relationship that exists between Tiger Beach (Silport’s Sister Course) and Carnoustie Golf Links. Proposals will now be drawn up for participation at the event alongside representatives from the Carnoustie Golf Links Committee and other golf related businesses. In the meantime, plans are underway to accommodate a visit by 25 golfers from Tiger Beach and Shanghai Silport who will be visiting Angus for three nights in July 2004 to play at Carnoustie and Monifieth Championship Courses.

6 FINANCIAL IMPLICATIONS

6.1 The cost of arranging the seminar and participation at the Volvo China Open can be met within the Economic Development Revenue Budget 2004/5.

7 HUMAN RIGHTS IMPLICATIONS

7.1 There are no Human Rights implications arising from this report.

8 CONSULTATION

8.1 The Directors of Finance and Law & Administration have been consulted in the preparation of this report.

9 CONCLUSION

9.1 From the outset Angus Council has insisted that the continuing links with China are focused on trade development, in that the trade mission should be employer led. From the information contained in this report it is clear that once again the mission has been extremely successful as far as the employer representatives are concerned. Significant benefits have been reported to their organisations as a result of their participation.

9.2 The Angus in China Trade Mission 2004 has been a considerable success and represents another key milestone in the development of Angus’ relationship with
Yantai. It is clear that tangible business benefits are now being reaped from the Council's investment in the relationship in the earlier years, and it is vital to consolidate this success with efforts to encourage more businesses to develop links with China.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

DV/RP/MM
26 April 2004

A B Watson OBE
Chief Executive