Report No 1028/06

ANGUS COUNCIL

INFRASTRUCTURE SERVICES COMMITTEE 24 AUGUST 2006

SUBJECT: ANGUS IN CHINA INITIATIVE – ASEM TOURISM FORUM & EXHIBITION – 18/22 OCTOBER 2006

REPORT BY THE DIRECTOR OF INFRASTRUCTURE SERVICES

Abstract: This report revises progress in building tourism links with China and brings forward proposals for representation by Angus Council and external partners at the ASEM Tourism Conference in Yantai from 18 – 22 October 2006.

1 RECOMMENDATION

1.1 It is recommended that the Committee:

    a) note the progress being made in developing tourism links between Angus and China;

    b) agree that the Head of Economic Development be authorised to co-ordinate a joint delegation made up of representatives from the Angus & Area Tourism Partnership Dundee, VisitScotland, local businesses and others as appropriate to attend the ASEM Tourism Forum & Exhibition in Yantai in October 2006;

    c) agree that Angus Council should be represented at the ASEM Tourism Forum & Exhibition in Yantai in October 2006 by the Leader of Angus Council and the Head of Economic Development with the estimated costs of up to £3,500 being met from the Economic Development Revenue budget;

    d) note the intention to promote Carnoustie Country golf products and initiatives at Shanghai Silport Golf Club on Sunday 15 October 2006 and at the ASEM Tourism Conference in Yantai from 18 – 22 October 2006. and agree to fund the accommodation, travel and subsistence expenses to enable the Council’s Carnoustie Country consultant Stuart French of Platinum Event Management to participate on a no fee basis with the estimated costs of up to £1,350 being met from the Economic Development Revenue budget.

2 BACKGROUND

2.1 The Committee is referred to Article 32 of the meeting of the Infrastructure Services Committee held on 8 June 2006 which agreed:

    a) “to note the contents of the mission report, as attached, and the successful outcome of the trade mission;

    b) to authorise the Economic Development Manager to further encourage Angus companies to look at business opportunities in China; and

    c) To authorise the Economic Development Manager to investigate the costs and benefits of accepting the invitation for Angus Council and partners to
attend the European Union supported “Asia-Europe Meeting – Tourism” to be held in Yantai 19-22 October 2006”

3 INVITATION FROM YANTAI MUNICIPAL GOVERNMENT TO ATTEND THE ASEM TOURISM FORUM & EXHIBITION – 18 – 22 OCTOBER 2006

3.1 ASEM is a forum set up to strengthen the connections between Europe and Asia. The ASEM Forum & Exhibition on Tourism Investment and Cooperation (ASETIC) is the first large-scale tourism event organised by ASEM. This will be held in the Council’s Sister City Yantai, China between 18 - 22 October 2006. This is being jointly hosted by the Ministry of Commerce, National Administration of Tourism; and Shandong Provincial People's Government. The event aims to enhance the relations between Asia and Europe, promote the increase of investment and trade for the co-prosperity and development among ASEM members through exchange and cooperation in the tourism industry.

• The event will feature forums, exhibitions, investment & trade talks, and promotion of culture and tourism.
• The forum is expected to focus on tourism development planning, the sustainable development of the tourism industry, presentation on investment policies and environment, transnational mergers, acquisition and transfer of enterprise shares.
• The exhibition’s objective is to demonstrate the splendid culture, long history, unique local civilization, social customs, rich tourism resources and attractive investment environment of ASEM members.

3.2 ASEM is made up of over 13 countries from Asia and the 25 EU member states. The event will be attended by representatives from the main travel agencies, government offices, airlines and other tourism operators. All the government tourism agencies and commercial tourism sector from within Yantai will also be represented. Shandong is the second largest province in China with almost 100 million people and therefore a good mix of contacts should be accessed through this event. The Yantai Government has also confirmed that a special invitation has been made to Korean, Malaysian, Indonesian and Japanese tourism sector representatives, which, it is thought, should be helpful in the promotion of golf and tourism.

4 RESPONSE

4.1 The Council has received an invitation from the Yantai Municipal Government to attend and participate in this tourism conference. The Yantai Government has offered five booths for use by Angus Council or by individuals or organisations e.g. VisitScotland.

4.2 This invitation has come at a time when the tourism industry in Scotland is responding to the Approved Destination Status granted to Chinese citizens in 2005. Europe is China's second largest source of inbound tourists next to Asia as well as China's second largest tourist destination after Asia.

4.3 The Approved Destination Status is a bilateral agreement between China and the UK, allowing groups of five or more to visit. The tourists involved must go through
approved agents in China, of which there are 650 licensed operators (in China) and a small number of these are licensed to grant and issue visas.

4.4 It is estimated that there are over 170 million people in China who can afford to travel abroad and therefore this new focus has been considered of high priority, particularly given the fickle nature of other overseas markets. A number of conclusions have arisen from discussions held between the Head of Economic Development, VisitScotland and other private sector tourist operators within Scotland:

- Chinese agents don’t know very much about Scottish destinations.
- Packages need to be produced to make it easy for visitors from China and the Far East to book travel arrangements here.
- Information about packages and propositions in Scotland must be made available in Chinese, Korean and Japanese as appropriate.
- Acceleration of trading can be achieved by working with tour operators based in China.

4.5 All of the main agencies and tour operators across the UK are now investigating how best to gear up to the opportunities that will be opened up to Chinese tourists coming to the UK as a result of this agreement. However, with the links made between Angus and Yantai there is an opportunity to make faster progress by developing packages and itineraries and promoting these to the right contacts.

4.6 In view of the opportunity to build on the tourism benefits already developing from the Council’s Angus in China initiative it is therefore proposed that the Council should accept the invitation to attend this conference/exhibition and that the five booths be allocated to the Angus and Dundee Area Tourism Partnership, Carnoustie Country, Carnoustie Golf Links Management Committee (and Tiger Beach/Shanghai Silport), VisitScotland, Glamis Castle (and Great Scotland); and Strathmore Woollens (to promote the Chinese Scottish Tartan recently created in conjunction with Angus Council) dependent upon their agreement to participate. Participation by these bodies has either been confirmed or discussion is ongoing as outlined below.

4.7 It is proposed that the opportunity be taken to travel to the Yantai conference via Shanghai and to organise a promotional golf event for members of Shanghai Silport Golf Club to promote the 2007 Tartan Day Golf Challenge.

4.8 In view of the high level nature of this conference it is proposed that the Leader of Angus Council and the Head of Economic Development represent the Council along with the Council’s consultant on Carnoustie Country.

5 “ANGUS IN CHINA INITIATIVE” – TOURISM BENEFITS

5.1 A summary of benefits already accruing to Angus from its Angus in china Initiative are given in Appendix 1. Because of the relationship which already exists between Angus Council and Yantai and, through this relationship between Carnoustie Golf Links and Tiger Beach/Shanghai Silport, now is considered the best time to develop existing tourism links a stage further. Having built a general awareness about our product and the excellence of our golf courses and tourist facilities now is considered a good time to offer actual products and the Head of Economic Development is investigating how best these can be packaged. The conference in Yantai would for example provide the Council and its partners with a good opportunity to promote
Scotland and Angus as a golfing destination as well as promote specific golf products such as the Scotland’s Golf Tartan Day Tournament, the Carnoustie Country Classic and the Dream Ticket.

5.2 Angus Council has a head start in promoting tourism in China via links with Yantai. There are over 250 golf courses now in China, with another 50 under development. There are different estimates of the number of Chinese golfers with a reasonable estimate now being over one million. There are also high numbers of foreigners playing golf in China and at Tiger Beach (twinned with Carnoustie) some 60% of rounds are played by Koreans and another 25% by Japanese. China is therefore a good staging post to promote golf in Angus to other Far East countries.

5.3 In view of a key focus on golf it is proposed to fund the travel, subsistence and accommodation costs for the Council’s Carnoustie Country Consultant (Stuart French of Platinum Event Management) who has agreed to participate on a no fee basis. This would enable him to meet key contacts involved in next year’s Tartan Day International Golf Challenge as well as in helping to promote other Carnoustie Country products. It would also introduce him to a number of key media contacts, which would assist the work he is engaged in for the Council.

5.4 The Angus & Dundee Area Tourism Partnership has also agreed to participate by sending a representative. The Scottish Executive, VisitScotland and other individual tourism businesses interested in developing specific business links are in discussion with the Head of Economic Development.

5.5 Glamis Castle joined Angus Council’s China mission in March 2007 and forged a link with the Great Wall association and with the Penglai Pavilion in Yantai. The aim is to conclude a twinning link with both organisations with a view to promotion of each other’s venues. It is also proposed to develop similar reciprocal links with each of the 12 venues featured in the “Great Scotland Initiative”.

6 FINANCIAL IMPLICATIONS

6.1 The Yantai Government has confirmed that five exhibition booths/stands will be allocated for Angus Council at the exhibition/conference free of charge. Some free places will be allocated to Angus whereby all travel, transportation, accommodation and meals etc will be provided by the Government during the period of the stay in Yantai. The main costs for participants will be the travel to and from China and internally from Beijing to Yantai exiting from Shanghai. Costs involved are estimated to be in the region of £750 to £800 for travel, with other incidental expenses arising for meals and accommodation etc en route, bringing the total up to a maximum figure of around £1,350 per person, inclusive of a stay of 9/10 days and hotel accommodation in Shanghai. On this basis the total costs of travel, accommodation and subsistence for three individuals (including Stuart French) is estimated at around £4,050.

6.2 It is also estimated that up to £800 will be required to meet other expenses for translation services and other production that may be required in relation to display materials for the exhibition booths.

6.3 The total estimated costs of up to £4,850 can be met from the Economic Development Revenue budget.
7 HUMAN RIGHTS IMPLICATIONS

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

8 CONSULTATION

8.1 The Chief Executive, Director of Corporate Services, Head of Law & Administration and Head of Finance have been consulted in the preparation of this report.

9 CONCLUSION

9.1 Participation at the ASEM Conference provides the Council and its partners with a cost effective means of developing the excellent tourism links already established and adding to the many benefits and outcomes already achieved through the Angus in China Initiative. It also provides an opportunity to promote Carnoustie Country and the 2007 Tartan Day International Golf Challenge through the partnership with Shanghai Silport and Tiger Beach.

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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.

ECDEV/DV/MM
21 August 2006
TOURISM BENEFITS

LINK BETWEEN CARNoustie GOLF LINKS AND TIGER BEACH –

In June 2002, a twinning agreement was signed between Carnoustie Golf Links Management Committee (CGLMC) and Tiger Beach Golf Links in Yantai. Tiger Beach is a prestige Scottish Links style course designed and built by Beta Soong, a Taiwanese entrepreneur. The course caters mainly for South Koreans and Japanese executives based in a nearby City. Beta Soong also owns Shanghai Silport Golf Course which has hosted the China Open for 6 years until 2005. In effect this means that Carnoustie is regarded as a sister course of Tiger Beach as well as Silport giving an additional advantage. There are over 1,500 members of Silport who pay $100,000 USD life membership. Most are top executives from global companies based in Shanghai. Beta Soong is a board member of the Lite-On company – one of the world’s biggest electronics companies. He also has interests in dozens of China based companies and is a leading figure in Asian golf circles. Silport will see the China Open return in April next year – which means that there is synergy with the Council’s marketing efforts for the Carnoustie Open 2007. The China Open is now part of the PGA European Tour and is a major media event of similar significance to the British Open.

A number of positive outcomes have resulted from this agreement including the following:

- The then Economic Development Manager attended the 2003 China Open at Shanghai Silport along with two members of CGLMC. This lead to numerous news articles and features about Carnoustie Country and the Carnoustie Golf Links both during the event and afterwards. A database of media contacts has been built up and this resulted in additional features in several key Asian golf magazines. The true value of such marketing is inestimable in terms of building general awareness of Carnoustie and the Carnoustie Country brand.

- Both golf courses at Tiger Beach and Shanghai Silport have capitalised on the advantage of the prestigious link with Carnoustie by displaying information about Carnoustie Golf Links in their respective club houses. The link with Carnoustie is mentioned in all key media releases and information is given on their websites (including web links with CGLMC and Carnoustie Country. Again, the value of such promotion for Carnoustie is inestimable.

- An 18 page high quality promotional colour brochure entitled “Tiger Beach Golf Links” has been produced by the Silport Group. Carnoustie Golf Links are mentioned throughout and two pages of the brochure are devoted to the Sister Link between Carnoustie Golf Links and Tiger Beach. Some 7,000 copies of the brochure have been produced in Chinese, Korean and English. This is just one example of how the link with Tiger Beach is being used to drive up awareness of Carnoustie. It is interesting to note that the cost of producing and distributing such a promotional brochure would be upwards of £15,000.

- Another example of direct benefit arising from the China programme is a visit in 2006 by a Canadian journalist, Alan Campbell who is based in Shanghai. A series of golf rounds were arranged for him to play, between 18-20 August (at Carnoustie, Panmure,
Monifieth, Montrose and Forfar) to provide him with information for a six page colour article on “golfing in Carnoustie Country” that he is writing for Asian Golf Monthly – one of Asia’s most prestigious golf journals. Again to commission such an article as a promotional item would cost several thousand pounds. He has also written a two page colour feature on Carnoustie Country which recently appeared in the Shanghai Daily and will continue to use information supplied by the Head of Economic Development to write more feature articles in golf journals between now and the open in July 2007.

- In July 2005, Beta Soong was acknowledged by the First Minister as a Global Scot and this has helped to build a closer working relationship between the Economic Development Unit and Scottish Development International (SDI). The Economic Development Manager, Beta Soong and another member of the Chinese party also participated in a high-level International Golf Tournament for global companies hosted by Scottish Development International (Scottish Enterprise) at St Andrews held on 29/30 August.

- Beta Soong was made the first honorary life member of Carnoustie Golf Links in August 2006. During his visit he inspected street signs bearing the names Tiger Beach Drive and Silport Place arranged by Angus Council at a new housing development in Carnoustie. All aspects of Beta Soong’s visit (as well as his previous visit in July 2005 when he was made a Global Scot by the First Minister, were publicised in various Asian golf journals and on the Shanghai Silport and Tiger Beach websites and this will in turn keep the name and reputation of “Carnoustie” to the fore in the Asian media.

- Two representatives of the Siport Group participated as part of the Carnoustie Country team at the Hoylake 2006 Open stand in July this year. The intention is for to attend the 2007 China Open next April when the opportunity will be taken to promote specific Carnoustie Country golf products.

- Efforts are now being taken to promote specific products to members of Silport. 36 golfers from Silport took part in the inaugural Tartan day International Golf Challenge this year including 25 top executives from global companies. This was a prestigious golf tour and the golfers involved were amongst the highest spenders experienced at each of the golfing venues. As a result of this successful tournament, Silport have confirmed they would like the same number to participate in the Tartan day International Tournament next year. A party of 40 will be coming for a period of 6 days during the week after the open in 2007. Several other requests for groups to come and play golf next year are also being serviced currently.

- A recent five page feature appeared in another top Asian Golf magazine giving special coverage of Tiger Beach named as china’s top Links style course. This was followed by a four page colour feature about carnoustie Championship Course and tourist attractions in Angus.

- A special Rolex feature supplement published for the Open also carried a three page feature about this year’s inaugural Tartan day event. The editorial was supplied by Shanghai Silport – this gave a day by day account of the event which featured Carnoustie and Montrose.

DV
8/10/2006