

**ANGUS COUNCIL**

**ECONOMIC DEVELOPMENT COMMITTEE**

**15 NOVEMBER 2001**

**SUBJECT: A REVIEW OF ANGUS COUNCIL'S "ANGUS IN CHINA" INITIATIVE AND  
"SISTER AREA" AGREEMENT WITH YANTAI**

**REPORT BY THE CHIEF EXECUTIVE**

**Abstract: This report summarises the activity and impact to date of Angus Council's "Angus in China" Initiative and "Sister City Agreement" with Yantai for the Committee's information.**

**1 RECOMMENDATION**

- 1.1 It is recommended that the Committee note the contents of this report outlining the success to date of the Council's "Angus in China" Initiative and "Sister City Agreement" with Yantai.

**2 INTRODUCTION**

- 2.1 The Committee is referred to Article 8 of the minute of the Economic Development Committee of 4 June 1998 which records the outcome of the first trade mission to China, notes the contents of a letter of Agreement with Yantai Municipality, agrees to receive delegations from Yantai and Shenzhen, agrees that the main emphasis of links with China should be on benefit to Angus employers and instructs the Chief Executive to explore company interests in the China market. The Committee is also referred to subsequent reports outlining the outcome of inward and outward trade missions and exhibitions to and from China.

**3 ANGUS IN CHINA INITIATIVE AND SISTER CITY AGREEMENT WITH YANTAI  
1998 – 2001**

- 3.1 The Council has been involved in four missions to China since 1998, all of which have included attendance by Angus based companies. These have included attendance at a Fruit and Vegetable Symposium in the sister area of Yantai and an Oil & Gas Exhibition in Shanghai. The Council has also hosted a number of Chinese delegation visits to Angus and Scotland.

A total of eighteen businesses have benefited from the Council's contacts within China and Yantai in particular. There are particular opportunities in the Food and Drink and Oil & Gas sectors, both of which are strong in Angus. The rate of development in China is staggering and the infrastructural investment already made and programmed is immense. In population terms China is three times larger than Europe and the market opportunities are huge. The high level contacts made between Angus Council and Government officials in Yantai (which area is larger in population than Scotland) have proved extremely beneficial to businesses in smoothing contact with customers and potential Chinese business partners.

**4 FINANCIAL IMPLICATIONS**

- 4.1 To date the costs incurred by the Council since embarking on the Angus in China Initiative in 1998 has amounted to around £22,600. Some £13,860 has been incurred in the four trade visits with the balance of just over £8,700 incurred in relation to Chinese delegations to Angus. In terms of results, four of the eighteen businesses which have been involved in the initiative have secured sales to a total value of £2,650,000. Two companies have also sourced £545,000 component parts and materials from China to assist them to manufacture on a more competitive basis. It should be noted that several companies have only just begun exploring the market opportunities for them in China but anticipate multi-million pound potential. There are no specific financial implications associated with the content of this report.

## **5 HUMAN RIGHTS IMPLICATIONS**

- 5.1 There are no Human Rights implications arising from this report.

## **6 CONSULTATION**

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

## **7 CONCLUSION**

- 7.1 The opportunities, both for export and import from and to China are immense. The Sister City Agreement between Angus and Yantai, a rapidly growing area on the eastern seaboard adjacent to the recent oil reserve finds in the Bohai Sea, provides Angus companies with a competitive advantage to accessing this market and to become more globally competitive.

## **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.

5 November 2001

DV/NP/MR

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Chief Executive