

## REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE	Subject: INTERNATIONAL TRADE DEVELOPMENT PROGRAMME	
From: HEAD OF BUSINESS DEVELOPMENT & PROPERTY		
Date: 18 January 1996	Ref: GS/AS/REPORT.006	

**Introduction**

Strathclyde Regional Council has pursued an International Trade Development Programme for some years. The contribution that local authorities make to International Trade Development has been recognised by the Scottish Office document "The International Challenge - an Export Development Strategy for Scotland" and is encouraged to continue and develop further.

This report looks at the Regional Council's International Trade Development Programme and makes suggestions for the continuation and management of this programme.

**Background**

Strathclyde Business Development's International Trade Development Programme is organised, promoted and managed by its 4 International Trade Development specialists. These members of staff will be disaggregated to North Lanarkshire, South Lanarkshire, Glasgow and Renfrew Councils. It is recognised that the International Trade Development Programme is too large for one authority to undertake itself and it is proposed that the 4 authorities which will be "inheriting" specialist staff from SBD should organise and manage the programme and give the opportunity to companies from other authorities areas to participate in this programme on the basis of any subsidiary being met by that authority. These arrangements are detailed later.

**Objectives**

The objectives of the International Trade Development activity are proposed as follows. To assist companies and institutions to expand their trading abilities in their particular industrial sector and to make them aware of opportunities, both sectoral and geographical, to encourage company expansion and job creation to provide continuing support for companies, particularly the small to medium sized to develop their full trade and development potential in world markets to the benefit of the local economy.

**Proposals for Operating International Trade Development Programme**

- (1) Each International Trade specialist will develop proposals for a trade development programme for their Council reflecting the strengths and opportunities of the Local Authority area, together with their own geographic and sectoral market expertise. When integrated with the activities of other Councils, the programme will help make available a wider export support programme to companies throughout the partnership area. The establishment of this broader Trade Development Programme, brought about by networking, is a prerequisite to being able to offer a programme which reflects and supports, both in industrial sector and export market terms, the diverse structure of each Council's company base.

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- (2) The proposed 1996/97 programme is detailed at Appendix A. If agreed, these programmes would be ratified within the new, Local Export Partnership (LEP) structures, as per the recommendations in the Export Development Strategy for Scotland, and presented to STI for the Secretary of State's approval in accordance with section 171(A) of the Local Government (Scotland) Act 1973.

The LEP will probably consist of South Lanarkshire, North Lanarkshire Council and the Lanarkshire Development Agency. Preliminary discussion between these bodies has taken place.

- (3) A "matrix" of priority sectors/markets will be drawn up each year by the International Trade specialists to reflect the changing economy of the local area and relevant international opportunities, as well as to identify gaps in the range of export support activities provided by other bodies such as the DTI, LEC's Chambers of Commerce etc. In the first year of activity the programme targets proposed are:

sectors: engineering design & manufacture/plastics and rubber/marine & offshore/oil & gas/environmental technology/packaging and design/medical, lab & biotechnology/specialist foods & confectionery/transport & infrastructure/leather industry/electronics.

markets: Germany/France/USA/Canada/Benelux/Ireland/Malaysia & Singapore/Thailand & Vietnam/Scandinavia/Greece/Indonesia/South Africa.

- (4) These targets are to be addressed by means of:-

- Company group stands (6 company min) at relevant international exhibitions
- Organised company trade missions/trade exchange stands at specific industry trade events
- Organised general trade missions to target markets where local company support partnerships are in place
- In-depth market entry and local support schemes in targeted markets.

- (5) The methods which will be used to promote the whole Programme are:

- Local and West of Scotland PR using relevant media
- Council partnership programme launch
- Council partnership area mailings
- Promotional literature and material
- Sectoral advertising
- Exhibition advertising
- Non-local PR in appropriate foreign markets

#### **The Framework for Inter-Unitary Authority Co-operation**

- (1) Each International specialist will market their events to companies throughout the partnership area, thus promoting a cohesive, comprehensive and integrated export support programme for the benefit of the West of Scotland economy.
- (2) Experience indicates that the subsidy level of approx. 40% of travel and accommodation costs operated by SBD should be maintained. Each partnership Council agrees to match the organising Council's company subsidy for companies participating. This subsidy will be paid by each Council directly to the company participating, on receipt of appropriate post-event documentation.
- (3) In addition, for each given trade event, the organising Unitary Authority will be entitled to receive a management fee, per company participating, from that company's parent Unitary Authority. The management fee is likely to average approximately £500 per company. This arrangement will ensure the organising Council will not be out of pocket in terms of administrative costs.

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- (4) The partnership's International Trade staff will require regular meetings on an ongoing basis for the purposes of planning, programme development and monitoring, joint marketing and company appraisal issues.
- (5) The specialist sectoral/geographic skills, which the various disaggregating International Trade officers have, will be made available to companies throughout the Partnership network, although first-line company contact/appraisal visits should be initially by the staff of the Council within whose area the company is based. Each International Trade specialist will require appropriately skilled support staff, the services of whom could also be accessed in a reciprocal manner across the network, where there is an ongoing demand for administration relating to foreign partnerships, which are particular to that Council.
- (6) The established procedures which have been employed historically by SBD - company appraisal, event monitoring, post-event and 6 months' follow up evaluation will be maintained and developed within the new framework, to establish the value-for-money of programme participation, the level of benefit accrued to each Council's local economy, post-event Business Development activity to be dealt with by "home" department and the subsequent Council's public relations opportunities which will arise.
- (7) The International Trade partnership will be open to all Unitary Authorities who wish to contribute either specialist event/market expertise or introduce their companies to the event programme on the basis highlighted above. In return, they will be able to draw on a wider company export support programme than they could themselves provide.
- (8) Via the proposed Local Export Partnerships, other organisations, e.g. Local Enterprise Companies, Chambers of Commerce are likely to participate in these Partnership arrangements in due course.

### Financial Implications

The cost of each programme is indicated in the appendix to this report. The total cost to North Lanarkshire for the year 1996/97 would be £55,500. It will be noted that in order to reserve space at two of the exhibitions in Germany, it has been necessary for the Regional Council to make advance payments at their own expense. North Lanarkshire will be inheriting a budget from Strathclyde Business Development which should permit the funding of the programme set out in the appendix.

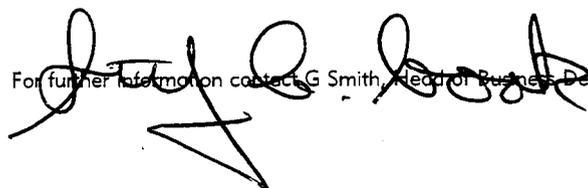
### Conclusion

The programmes outlined in this report reflect the experience and expertise gained over many years by the trade specialists currently working for Strathclyde Business Development and operating in diverse overseas market. The success of this programme in establishing international relationships and company support networks provides a solace base on which a future International Trade Development Programme can be built. North Lanarkshire will wish to review this programme in the light of experience, but it is proposed that for the year 1996/87, SBD's programme be adopted and managed in the manner set out in this report.

### Recommendation

That the Committee recommends that the International Trade Development Programme and management arrangements outlined in this report including budget approval of £55,500, be implemented for the year 1996/97.

For further information contact G Smith, Head of Business Development and Property.



**INTERNATIONAL TRADE DEVELOPMENT PROGRAMME**  
**1996/97**

<u>LOCAL AUTHORITY</u>	<u>EVENT</u>	<u>LOCATION</u>	<u>DATE</u>	<u>BUDGET (£)</u>	<u>BUY-FORWARD ELEMENT (£)</u>
GLASGOW	Offshore Technology Conference	Houston, USA	1-4 May 1996	24,000	14,000
GLASGOW	New England Environmental Expo	Boston, USA	7-9 May 1996	22,000	13,200
GLASGOW	Posidonia	Piraeus, Greece	3-7 June 1996	22,000	13,200
GLASGOW	Offshore Northern Seas	Stavanger, Norway	27-30 August 1996	28,000	16,800
GLASGOW	Marine Technology Society/Oceans '96	Fort Lauderdale, USA	September 1996	22,000	13,200
GLASGOW	Offshore South East Asia	Singapore	24-27 September 1996	26,000	15,600
GLASGOW	National Manufacturing Week	Mississauga, Ontario, Canada	1-3 October 1996	24,000	14,400
GLASGOW	ISA, Control & Instrumentation	Chicago, USA	10-16 October 1996	24,000	14,400
GLASGOW	South African International Trade Exhibition	Johannesburg, South Africa	22-26 October 1996	26,000	15,600
GLASGOW	National Manufacturing Week	Chicago, USA	March 1997	24,000	14,400
NORTH LANARKSHIRE	Interpack	Dusseldorf, Germany	9-15 May 1996	8,000	5,100
NORTH LANARKSHIRE	Eurotech	Brussels, Belgium	7-11 May 1996	5,000	Nil
NORTH LANARKSHIRE	Metav	Dusseldorf, Germany	11-15 June 1996	5,000	Nil
NORTH LANARKSHIRE	Trade Mission	Brno, Czech Republic	September 1996	5,000	Nil
NORTH LANARKSHIRE	Expoanalytica/Biociencia	Barcelona, Spain	20-25 October 1996	5,000	Nil
NORTH LANARKSHIRE	Electronica	Munich, Germany	12-15 November 1996	5,000	Nil
NORTH LANARKSHIRE	ISM	Cologne, Germany	26-30 January 1997	17,500	10,500
NORTH LANARKSHIRE	SITL	Paris, France	26-29 March 1997	5,000	Nil

<u>LOCAL AUTHORITY</u>	<u>EVENT</u>	<u>LOCATION</u>	<u>DATE</u>	<u>BUDGET (£)</u>	<u>BUY-FORWARD ELEMENT (£)</u>
SOUTH LANARKSHIRE	Interpack	Dusseldorf, Germany	9-15 May 1996	8,000	Nil
SOUTH LANARKSHIRE	Trade Mission	Thailand & Myanmar	15-29 June 1996	30,000	Nil
SOUTH LANARKSHIRE	Offshore Northern Seas	Stavanger, Norway	27-30 August 1996	15,000	Nil
SOUTH LANARKSHIRE	Trade Mission	Shanghai & Guangdong, China	September 1996	30,000	Nil
SOUTH LANARKSHIRE	Trade Mission	Indonesia & Malaysia	5-19 October 1996	35,000	Nil
SOUTH LANARKSHIRE	Medica	Dusseldorf, Germany	20-23 November 1996	10,000	Nil
SOUTH LANARKSHIRE	Trade Mission	United Arab Emirates	5-15 December 1996	26,000	Nil
SOUTH LANARKSHIRE	ISM	Cologne, Germany	26-30 January 1997	12,000	Nil
SOUTH LANARKSHIRE	National Manufacturing Week	Chicago, USA	March 1997	16,000	Nil
SOUTH LANARKSHIRE	Overseas Consultants Seminar Visits		Throughout 1996/97	22,000	Nil
SOUTH LANARKSHIRE	Trade Development Grant		Throughout 1996/97	Figure to be discussed	
SOUTH LANARKSHIRE	Trade Development Launch & Promotional Costs		Spring 1996	12,000	Nil
RENFREWSHIRE	Hannover Fair	Hannover, Germany	22-27 April 1996	11,000	3,300
RENFREWSHIRE	Interpack	Dusseldorf, Germany	9-15 May 1996	17,500	6,400
RENFREWSHIRE	Plastexpo	Lyon, France	21-24 May 1996	17,000	10,200
RENFREWSHIRE	SIC	Paris, France	7-20 September 1996	22,000	13,200
RENFREWSHIRE	Electronica	Munich, Germany	12-15 November 1996	19,000	11,400
RENFREWSHIRE	Medica	Dusseldorf, Germany	20-23 November 1996	13,000	7,800
RENFREWSHIRE	Trade Mission	Saarland/North Bavaria	December 1996	9,000	Nil
RENFREWSHIRE	Bau	Munich, Germany	14-19 January 1997	9,000	Nil
RENFREWSHIRE	Trade Mission	Copenhagen (DK)	March 1997	10,000	Nil

<u>LOCAL AUTHORITY</u>	<u>EVENT</u>	<u>LOCATION</u>	<u>DATE</u>	<u>BUDGET(£)</u>	<u>BUY-FORWARD ELEMENT (£)</u>
EAST RENFREWSHIRE	Ifex	Dublin, Ireland	May 1996	7,000	Nil
EAST RENFREWSHIRE	Scanlab & Trade Mission	Albertslund/Copenhagen, Denmark	5-8 September 1996	14,000	4,200
EAST RENFREWSHIRE	Irchem	Cork, Ireland	26-28 September 1996	7,000	Nil
EAST RENFREWSHIRE	Plan Expo	Dublin, Ireland	19-21 October 1996	7,000	Nil
EAST RENFREWSHIRE	Pack Expo	USA	17-21 November 1996	26,000	15,600
EAST RENFREWSHIRE	Medica	Dusseldorf, Germany	20-23 November 1996	13,000	7,800

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