## SCOTLAND'S INTERNATIONAL FRAMEWORK CHINA ENGAGEMENT STRATEGY















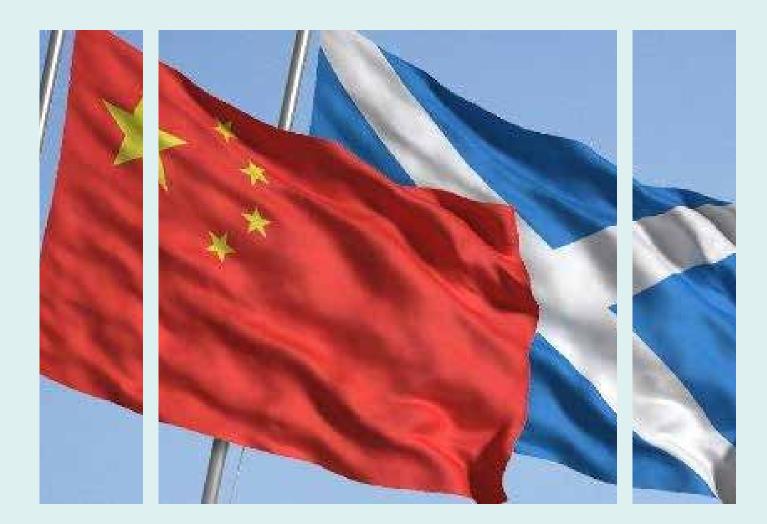
## Tirst Minister meets with Vice Premier Hu Chunhua

Credit: The Scottish Government

## CONTENTS

<ul> <li>INTRODUCTION</li> <li>Why China?</li> <li>Scotland's international ambitions</li> <li>Strategic objectives for engagement with China</li> <li>Guiding principles for engagement with China</li> </ul>	01-04	
<ul> <li>STRATEGIC OBJECTIVE 1 - GLOBAL OUTLOOK</li> <li>Aim</li> <li>Trade and Investment</li> <li>What is our long-term ambition?</li> </ul>	05-08	
<ul> <li>STRATEGIC OBJECTIVE 2 -</li> <li>RELATIONSHIP AND PARTNERSHIPS</li> <li>Aim</li> <li>Environment and Science</li> <li>What is our long-term ambition?</li> </ul>	09-12	
<ul> <li>STRATEGIC OBJECTIVE 3 - REPUTATION AND ATTRACTIVENESS</li> <li>Aim</li> <li>Culture, Heritage and Tourism</li> <li>What is our long-term ambition?</li> <li>Education, Skills, Research and Innovation</li> <li>What is our long-term ambition?</li> <li>Doliverv</li> </ul>	13-20	

Delivery \_



Flags Credit: Scottish Government

### SCOTLAND'S COMMITMENT TO A STRONG, LONG-TERM, BILATERAL PARTNERSHIP WITH CHINA

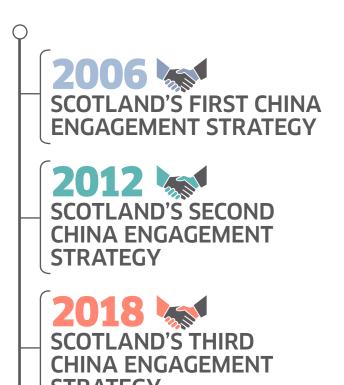
### Why China?

As we build sustainable economic growth in Scotland and continue to be an outward looking nation, China remains a priority country for our international engagement. With steady economic growth, the world's largest population and increasing international partnerships, China has an important global role. China's ambitious economic growth and infrastructure programmes, such as the monumental Belt and Road Initiative, offer valuable opportunities for Scotland's businesses and institutions.

China's 13th Five Year Plan (2016-20) sets out clear ambitions in areas such as science and innovation, inclusive economic growth, gender and health equality, the development of green industries, increasing employment and access to quality education, many of which chime with Scottish Government priorities and aspirations. Furthermore, China's positive commitment to addressing climate change through the UN Paris Climate Agreement is significant. We are committed to working collaboratively and constructively with China, focusing on areas of maximum mutual benefit and where Scotland has a unique story to tell.

Find out more about current collaboration between Scotland and China

Find out more about Scotland in China



## **SCOTLAND AND CHINA**

### OVER 30 YEARS OF TWINNING BETWEEN GLASGOW & DALIAN

03



## SCOTTISH DEVELOPMENT INTERNATIONAL HAS OFFICES IN BEIJING, HONG KONG SHANGHAI AND SHENZHEN





ANNUAL ST ANDREW'S

DAY CEILIDH IN BEIJING

OVER 30 YEARS

TWINNING BETWEEN

**EDINBURGH & XI'AN** 

GATEWAY TO THE SILK ROAD



## SCOTTISH AFFAIRS OFFICE BASED IN UK EMBASSY IN **BEIJING**

### THE CHINESE-SCOTTISH TARTAN REPRESENTS FRIENDSHIP BETWEEN OUR TWO NATIONS



CHINESE CONSULATE IN EDINBURGH FOR OVER 20 YEARS One of the key priorities of <u>Scotland's</u> <u>Economic Strategy</u> is internationalisation. Our co-operation with China fully supports this. The aims of internationalisation are defined in <u>Scotland's International Framework</u>:

- to create an environment within Scotland that supports a better understanding of international opportunities and a greater appetite and ability to seize them; and
- to influence the world around us on the issues that matter most in helping Scotland flourish.

Scotland's ambitions for working with China complement our <u>Trade and Investment</u> <u>Strategy</u> as well as the <u>UN Sustainable Goals</u> <u>for Development</u>.

### Strategic objectives for engagement with China

Scotland's China engagement strategy is aligned to the strategic objectives of the International Framework.

## Guiding principles for engagement with China

Scotland and China have common challenges and aspirations on issues such as **gender**, **social and health equity, fair work and climate justice**. The Scottish Government is proud of recent initiatives to promote social justice, such as the Gender Representation on Public Boards (Scotland) Bill, the Business Pledge, Fair Work Convention and our work on Internationalising Social Enterprise. We aim to work collaboratively and constructively with China - promoting our values through sharing practical learning and experiences - to encourage an open, honest dialogue. This work will help us to collectively address global challenges, contribute to the UN Sustainable Development Goals and support UN human rights treaties.

### Positive People-to-People and Diplomatic

**relations** are the foundation of Scotland's engagement with China. This entails a steady flow of high level delegations, including ministers, to and from China, as well as maintaining good relations with the Chinese Government and UK Government partners such as the Foreign and Commonwealth Office. We will continue to build on existing relationships with Beijing, Shanghai, Shandong province, Shenzhen, Tianjin and Hong Kong Special Administrative Region, whilst considering other opportunities as they arise.

### Respect for Human Rights and the Rule of

Law are also fundamental to our engagement with China. This means balancing economic development with social justice. Indeed, the premise that increasing growth and tackling inequality are mutually supportive is at the heart of our engagement with China. Our approach is informed by collaborative work with Scottish human rights organisations.





Wind farm Credit: The Scottish Government

## **STRATEGIC OBJECTIVE 1 –** GLOBAL OUTLOOK

### Aim

To enhance Scotland's global outlook, we will embed internationalisation and create an environment which encourages knowledge exchange. We will provide targeted support to our people, businesses and institutions to help them to seize international opportunities. We must also understand the impact of our work on others.

### **Trade and Investment**

The Scottish Government's <u>Trade and</u> <u>Investment strategy</u> aims to boost export performance and to attract inward capital and risk investment to Scotland. Similarly the Chinese Government's ongoing policy of 'opening up' and economic programmes such the Belt and Road Initiative, and Made in China 2025 put trade and investment at the core of China's international ambitions.

There are huge opportunities for Scottish companies to work with China, particularly in energy, technology, engineering, financial services, financial investment, food and drink, life sciences, tourism, textiles and education. Through our Enterprise agencies, in particular Scottish Development International's offices in Scotland and China, we can help Scottish companies to trade in China and identify opportunities for Chinese investors in Scotland. Organisations such as the Scottish Chambers of Commerce, the China Britain Business Council and our universities have well-established connections to China and valuable experiences to share. Through all our engagement, we also recognise the need to support the UN Guiding Principles on Business and Human Rights.

China's growing middle class, which is predicted to account for more than a third of its population by 2030,\* already has an appetite for Scottish premium products such as whisky, salmon, textiles and tourism. This looks set to continue and diversify as new Scottish products become popular in the Chinese market.

The Chinese energy system is – like Scotland's – experiencing rapid change. Our <u>2050</u> <u>Energy Strategy</u> commits us to building on Scotland's expertise and reputation for excellence in energy exploration, generation, infrastructure, and system management, by forging collaborative partnerships with other countries.

\*Source: The Economist Intelligence Unit

### What is our long-term ambition?

- Support more Scottish companies to do business successfully with China.
- Increase Scottish exports to China.
- Support Scottish companies operating in China to increase their revenues.
- Scotland is seen as a preferred trade and investment partner in China in energy, technology and engineering, financial services, food and drink, life sciences, tourism, textiles and education.
- Seek further investment from China into Scotland, with a focus on new high value investment.

## Find out more about current collaboration in trade and investment

Find out about some of the organisations involved

# TRADE AND INVESTMENT

CHINESE TOURISM GROUP CTRIP BOUGHT SCOTLAND-BASED ONLINE SEARCH COMPANY SKYSCANNER FOR **£1.4BN** IN 2016









INV

TO SCOTI

(SOURCE: EY ATTRACTIVENESS SURVEY 2017)

### TRADE AND INVESTMENT OPPORTUNITIES IN ENERGY, TECHNOLOGY & ENGINEERING, FINANCIAL SERVICES, FOOD & DRINK, LIFE SCIENCES, TOURISM, TEXTILES & EDUCATION



INV





COLOR STATE

Whisky tastingCredit: Edinburgh Tourism Action Group (ETAG)





Giant Panda - Yang Guang Credit: RZSS Edinburgh Zoo

## **STRATEGIC OBJECTIVE 2 –** RELATIONSHIP AND PARTNERSHIPS

### Aim

We will work with partners to share local knowledge and build bilateral relationships and networks. We will use these connections to create and shape opportunities of value to Scotland. We will continue to be a good global citizen, making distinctive contributions to addressing global challenges such as climate change, tackling inequality and promoting human rights.

### **Environment and Science**

Scotland's international reputation as a climate change leader is growing, with ambitious emissions reduction targets and greater use of low carbon and renewable energy. China is also taking its international obligations to combat climate change seriously, with a firm commitment to the UN Paris Climate Agreement, national initiatives to reduce air pollution and large investments in green energy development. With common recognition that taking climate action can provide wider economic and social benefits, such as new jobs and positive health outcomes, there is fertile ground for co-operation between Scotland and China. Joint work is already underway in areas such as habitat conservation, offshore wind, waste water management and smart cities.

Both China and Scotland recognise that innovation is the key to building a strong, sustainable economy. The Chinese Government's desire to move away from heavy industry and 'build an innovation-driven economy and society by 2020'\*, makes Scotland's world renowned expertise in research and development of great interest to China. We both also face ageing populations with increasing healthcare needs areas where there is much scope for scientific co-operation, particularly in life sciences.

\*Source: China's 13th Five Year Plan

### What is our long-term ambition?

- Increase co-operation between Scotland and China on global environmental and sustainability issues.
- Scotland and China's science and innovation strengths are enhanced.
- Encourage greater flows of talent and knowledge between Scotland and China.
- We contribute to Sustainable Development Goal 3 - Ensure healthy lives and promote wellbeing for all at all ages.
- We contribute to Sustainable Development Goal 13 - Take urgent action to combat climate change and its impacts.

Find out more about current collaboration on environment, science and innovation

Find out about some of the organisations involved

## **ENVIRONMENT AND SCIENCE**

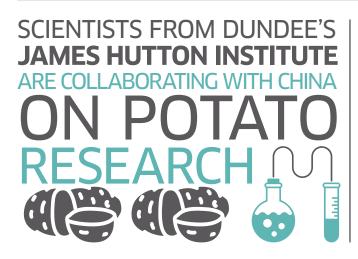
11

SCOTLAND HAS A LOW CARBON INNOVATION HUB IN HONG KONG



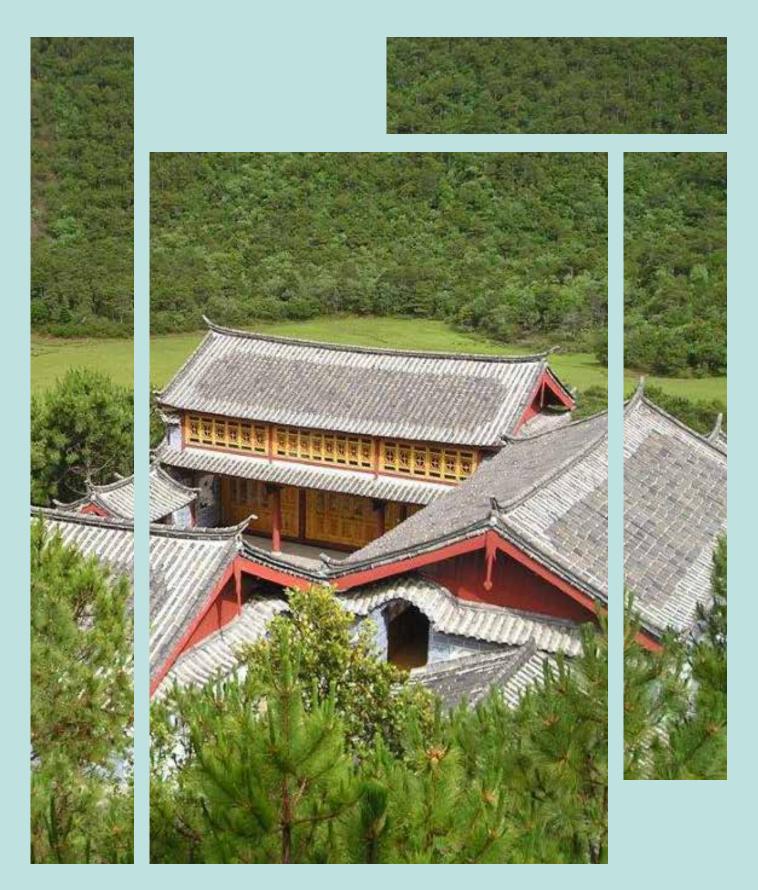
SCOTTISH EXPERTISE SUPPORTED THE DEVELOPMENT OF THE FIRST OFFSHORE WIND FARM IN GUANGDONG PROVINCE, CHINA





A CUTTING-EDGE DIABETES RESEARCH & TREATMENT CENTRE IN SHENZHEN IS BASED ON SCOTLAND'S RENOWNED HEALTHCARE MODEL FOR MANAGING PATIENTS WITH CHRONIC CONDITIONS

THE **WORLD'S FIRST** SCIENCE SPECIALIST CONFUCIUS CLASSROOM IS BASED AT EDINBURGH ZOO



### 

The Jade Dragon Field Station in Yunnan a joint research facility of the Royal Botanic Garden Edinburgh and Chinese Academy of Science's Kunming Institute of Botany Credit: RBGE



### 

Terracotta Warrior Lanterns at the University of Edinburgh Credit: Confucius Institute for Scotland

#### 14

## **STRATEGIC OBJECTIVE 3 –** REPUTATION AND ATTRACTIVENESS

### Aim

We are committed to building our reputation and international attractiveness by celebrating and promoting our culture and values, boosting our export performance, ensuring that Scotland remains an attractive location for investment and building on our education research capability.

### Culture, Heritage and Tourism

Cultural and heritage collaboration between China and Scotland helps to develop mutual understanding, transcend language barriers and build a relationship based on respect, trust and celebration. It can also enhance educational, business and diplomatic co-operation.

Both Scotland and China are committed to promoting, preserving and widening public access to culture and heritage, with recognition of the economic benefits, as well as the positive impact that cultural engagement can have on health and wellbeing.

In 2015, a five year cultural memorandum of understanding between Scotland and China was renewed, to foster greater collaboration, best practice exchange and educational outreach in a range of areas. These include: performing and visual arts, museums and collections, archaeological research, literature, publishing, film, art and crafts, built heritage, music, software design, animation and gaming. As Scotland's reputation in China grows, the popularity of Scotland as a destination for Chinese tourists is increasing, particularly among young Chinese travellers. Reciprocally, Scottish tourism businesses are building their understanding of the needs of Chinese visitors.

### What is our long-term ambition?

- Strong, long-term cultural and heritage co-operation between China and Scotland.
- Greater awareness of Chinese culture in Scotland, helping Scotland to internationalise.
- Greater awareness in China of Scottish culture, including better visibility of Scottish cultural activity in China.
- Scotland is established as a must-visit, must-return destination for key Chinese tourist markets.
- China is regarded as a key market for the Scottish tourism industry and Scottish tourism businesses have an increased understanding of the needs of Chinese visitors.

Find out more about collaboration in culture, heritage and tourism

Find out about some of the organisations involved

## CULTURE, HERITAGE AND TOURISM

173,610 CHINESE TOURISTS VISITED EDINBURGH CASTLE IN 2017, ACCOUNTING FOR 10.4% OF TOTAL VISITS TO THE CASTLE (SOURCE: EDINBURGH CASTLE)

TWO REPLICA TERRACOTTA WARRIORS ARE IN STIRLING WORKING WITH SCOTTISH ENTERPRISE, VISITSCOTLAND ENGAGED OVER 400 SCOTTISH SUPPLIERS IN CHINA-READY WORKSHOPS

### CULTURAL MOU BETWEEN CHINA AND SCOTLAND ON THE ARTS, CREATIVE INDUSTRIES, HERITAGE AND NATIONAL COLLECTIONS



## CHINESE MUSIC, THEATRE, DANCE, PUPPETRY AND CIRCUS IN EDINBURGH'S FESTIVALS

HISTORIC ENVIRONMENT SCOTLAND

IN JUNE 2017, VISITSCOTLAND

ACCOUNT MEETINGS AC

nnfi

) OVER **150** Key

**RKING ON HERITAGE CONSER** 

AND STIRLING UNIVERSI

WITH THE FORBI

TOTAL SPEND BY CHINESE VISITORS TO SCOTLAND HAS INCREASED BY 414% - FROM £7 MILLION TO £36 MILLION SINCE 2007

15

900 CHINESE SCHOOLCHILDREN TOOK PART IN SCOTTISH OPERA 'WARRIORS' WORKSHOPS IN CHINA IN 2017

HOS

THE POETRY OF **ROBERT BURNS** & THE WORK OF **MURIEL SPARK** HAS BEEN TRANSLATED INTO MANDARIN

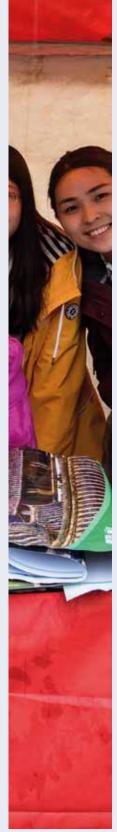
CO-OPERATION AGREEMENT BETWEEN EDINBURGH FESTIVALS AND SHANGHAI INTERNATIONAL FESTIVAL



Credit: RZSS Edinburgh Zoo







Glasgow University Confucius Institute at the West End Festival Credit: Glasgow University Confucius Institute

## Education, Skills, Research and Innovation

China's 13th Five Year Plan (2016-20) emphasises the importance of education, with specific priorities that include improving standards of schools and universities, widening access to education, promoting the development of vocational education and lifelong learning, and international co-operation in education. Scotland's global reputation for high quality education, research and skills development makes us an ideal partner for China.

Education and skills co-operation between Scotland and China can take place at all ages and stages - through schools, universities, colleges, other educational institutions and people-to-people connections.

Scotland is home to five Confucius Institutes and nearly all of Scotland's Higher Education Institutions have academic and research links to Chinese institutions in a diverse range of fields, including science, environment and creative industries.

Within the framework of Scotland's education policy, providing opportunities for Scottish young people to learn Mandarin through programmes such as the Confucius Classroom Hubs helps them to develop skills for a global mind-set and prepare them with knowledge and confidence to work with China in the future.

Scotland continues to be successful in attracting increasing numbers of international students from China, who choose to study at our world class universities. We are keen to stay connected to this alumni group throughout their future lives and careers.

## What is our long-term ambition?

- Scotland and China's education, skills and research strengths are enhanced.
- China has an improved awareness of Scotland's strong educational reputation.
- Scottish young people have an increased interest and understanding of China, its language and culture – through both learning Mandarin and the Scottish Government 1+2 Languages Policy.
- Scotland is seen as a preferred country for Chinese higher education students and more Scottish students take up opportunities to study in China.
- We contribute to Sustainable Development Goal 4 to ensure inclusive education.

Find out more about current collaboration in education and skills

Find out about some of the organisations involved

### Delivery

This strategy for engagement with China is clearly aligned with the <u>Scottish Government's</u> <u>International Framework</u>. The Framework is accompanied by a regular policy statement.

Find out more from some of the organisations involved

## EDUCATION, SKILLS, RESEARCH AND INNOVATION

THE EDINBURGH SHENZHEN CREATIVE EXCHANGE PROJECT SUPPORTS INNOVATIVE COMPANIES FROM SHENZHEN AND EDINBURGH THERE ARE FIVE CONFUCIUS INSTITUTES IN SCOTLAND AT STRATHCLYDE, GLASGOW, EDINBURGH, ABERDEEN AND HERIOT-WATT UNIVERSITIES

### OVER 9,000 CHINESE STUDENTS STUDYING AT SCOTTISH HIGHER EDUCATION INSTITUTES (SOURCE HESA STATS, JAN 2018)





**44 CONFUCIUS** 

CLASSROOM

HUBS IN

SCOTLAND

SCOTLAND'S

MOST NORTHERLY

IS ON

SHETLAND ISLES

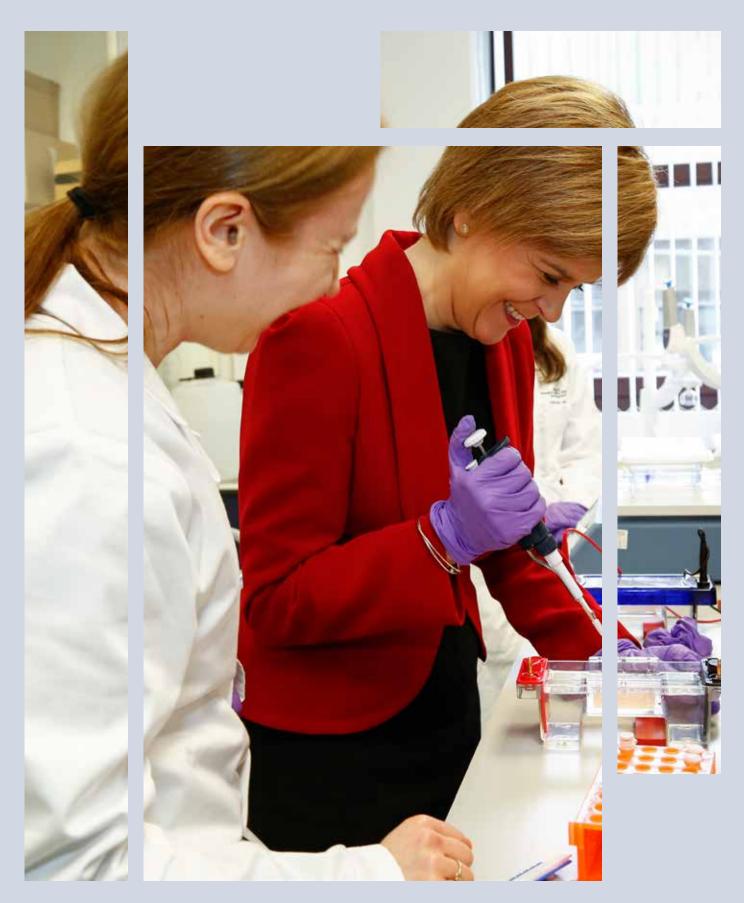
CONFUCIU

ASSROOM



THE 'FATHER OF CHINESE BOTANIC GARDENS' CHEN FENG HUAI, STUDIED IN SCOTLAND IN THE 1930S SINCE 2012, OVER 500 YOUNG SCOTS HAVE BEEN ON IMMERSION TRIPS TO CHINA





Tirst Minister in Science Lab Credit: Scottish Government

### Find out more from some of the organisations involved

Trade and investment

- <u>Scottish Development International</u>
- <u>Scottish Enterprise</u>
- China Britain Business Council
- <u>Scottish Chambers of Commerce</u>
- <u>Scottish Local Authorities</u>
- Edinburgh Shenzhen Creative Exchange
- <u>Asia Scotland Institute</u>
- <u>Scotch Whisky Association</u>

**Environment and science** 

- <u>Royal Botanic Gardens Edinburgh</u>
- <u>Royal Society of Edinburgh</u>
- Forestry Commission Scotland
- The James Hutton Institute
- Edinburgh Zoo
- <u>Scottish Universities</u>

#### Culture, Heritage and Tourism

- Historic Environment Scotland
- <u>Creative Scotland</u>
- British Council Scotland
- British Council China
- <u>Festivals Edinburgh</u>
- National Performing Companies
- Edinburgh Tourism Action Group
- <u>Visit Scotland</u>

#### Education, Skills, Research and Innovation

- Universities Scotland
- <u>Scottish Universities</u>
- Social Enterprise Academy Scotland
- British Council China
- <u>Scottish China Education Network</u>
- <u>Confucius Institute at the University of Glasgow</u>
- <u>Confucius Institute for Scotland</u>
- <u>Confucius Institute for Scotland's Schools</u>
- <u>Confucius Institute for Business and Communication</u>
- <u>Confucius Institute of the University of Aberdeen</u>

### scotland.cn



© Crown copyright 2018

## OGL

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit **nationalarchives.gov.uk/doc/open-government-licence/version/3** or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: **psi@nationalarchives.gsi.gov.uk**.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at The Scottish Government St Andrew's House Edinburgh EH1 3DG

First published by The Scottish Government, June 2018 ISBN: 978-1-78851-884-0 (web only)

Published by The Scottish Government, June 2018

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA PPDAS360846 (06/18)

www.gov.scot