

Scotland: A Trading Nation

Discussion Paper - Developing and improving Scotland's export capacity and capability

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Discussion Group Overview

Improving the export capacity and capability of Scottish businesses is one of the key actions that will support the achievement of our economic goals. The Scottish Government will offer targeted support to exporters through our enterprise agencies and other delivery partners, including Chambers of Commerce, to ensure businesses can acquire the knowledge and skills they need to develop their export capacity. We will enhance our digital offer to both provide support to businesses to make the most of ecommerce and to make the support system easier to navigate online. We provide specific international sales, leadership and export training and qualifications to those businesses who have the potential to make a disproportionate impact on our export performance.

This session will focus on the development opportunities for businesses to improve their export capacity and capability. Participants will be encouraged to share experiences of exporting across international markets and to explore how the measures outlined in *A Trading Nation* could increase export value for individual businesses and Scotland as a whole.

Background

As detailed in *A Trading Nation*, although Scotland's international exports have grown in value, as a percentage of our economy (GDP) they have remained static. Over the same period, similar sized nations have seen an increase, suggesting that we have not been internationalising our economy at a rate that keeps pace with our competitors. Developing and improving Scotland's exports is integral to ensuring strong economic growth and securing our place as a world leading trading nation.

Economies and businesses which operate across diverse markets are usually more stable and resilient to economic volatility. Likewise businesses that export are often more innovative and more productive. Ensuring that more Scottish businesses export more goods and services to a wider range of markets is essential for Scotland's long term economic future.

Like many other medium sized economies, a relatively small number of businesses are responsible for the bulk of Scotland's exports with 500 companies generating

80% of our exports. Increasing the exports of these 500 businesses by 50% would bring a dividend of £13 bn. It is therefore logical that they will be the driving force behind development and improvement of Scotland's export performance.

With this in mind, we will boost support to those companies whose growth can disproportionately benefit their business as well as Scotland's export performance and wider economy. This does not mean just providing support to large businesses, 65% of these 500 businesses are small or medium sized enterprises.

Many of these businesses will require limited public sector support, however they have a crucial role to play in providing advice and expertise to businesses that export less and as advocates of the benefits that exporting can bring to individual businesses.

At the same time, through our Smart Segmentation strategy, we will also build resilience by encouraging and supporting more businesses to export, in particular through targeted support for those businesses who have products and services for which there is international demand but who do not currently export a significant amount as a proportion of their turnover. As well as providing focused one-to-one support, we will make best use of technology to ensure that all businesses can access the advice they need.

Development of Scotland's Capacity and Capability in *A Trading Nation* – a plan for growing Scotland's exports

A Trading Nation sets an ambition to grow the value of Scotland's exports as a percentage of GDP as well as encouraging more businesses to start exporting. The plan also details measures to focus the balance of public sector resources towards supporting exports to countries and specific sectors that offer the most promising returns. The Scottish Government has already committed to £2mn to help mentor new exporters through the First Minister's Export Challenge and further funding will be made available to help businesses to acquire the skills they need to take up the export opportunities identified in the plan.

The data that underpins *A Trading Nation* will be updated annually and existing export support services will also be refined and delivered in less labour intensive ways. The in-market network of delivery partners will be upskilled through economic diplomacy training so they are better equipped to identify and support interventions on market access matters. The Scottish Government, SDI and our partners will tailor our services and export support to the various needs of businesses.

Suggested Discussion Questions

Is the investment in *A Trading Nation* targeted to effectively help businesses boost their export capacity?

How can the Scottish Government work with your businesses to develop Scotland's export capacity?

On what initiatives do you think resources should be best targeted to provide the most useful support for your business to export?