

— SCOTLAND —

Land of the brave

TEXT International Affairs, Chamber of Commerce

PHOTO Oliver Clarke



Scotland

Facts & figures

Political capital: Edinburgh
Top Business cities: Edinburgh, Glasgow, Aberdeen
Currency: Pound Sterling (GBP)
Working days: Monday to Friday
Time-lag with Luxembourg: -1h00
Languages: English, Scots, Gaelic
Main airports: Aberdeen International Airport, Edinburgh Airport, Glasgow Airport, Glasgow Prestwick Airport
Population: 5,466,000 (2020 est.)
Surface: 78,789 km² (30 times the surface of Luxembourg)
GDP per capita (PPP): Onshore: **GBP 28,300**
 Including offshore oil and gas: **GBP 29,800** (2020 est.)
Unemployment rate: 3.6% (January 2022 est.)
Private sector businesses: 344,505 (March 2021 est.)
Main economic sectors: Financial services, digital and technology, food and drink, health sciences, oil and gas, renewables and low carbon, tourism
International Exports by EU / Non-EU Split 2019:
 EU exports: **GBP 16.4 billion 47%**
 Non-EU exports: **GBP 18.7 billion 53%**
Top 5 Export Destinations 2019 (non-UK):
 1. **USA:** GBP 6 billion
 2. **France:** GBP 2,9 billion
 3. **Netherlands:** GBP 2,7 billion
 4. **Germany:** GBP 2,4 billion
 5. **Ireland:** GBP 1,4 billion

Sources: Scottish Government, National Records of Scotland, Scotland Info, Office for National Statistics UK

Famous for its whisky, kilts, and a tale of a monster lurking in the dark expanse of Loch Ness in the Highlands, Scotland is much more than its traditional image. Scotland is the United Kingdom's (UK) most attractive location for foreign direct investment outside of London. With valuable business opportunities for overseas companies, it constitutes an important financial services centre in Europe – the second largest in the UK – and is internationally recognised as a hub for digital technologies, renewables, and life sciences.

Scotland is one of the four constituent countries of the UK and occupies the northern third of Great Britain. In addition to being part of the larger island with England and Wales, Scotland has approximately 800 smaller islands of its own, 130 of which are inhabited.

Scotland is subject to the administration of both the UK Government in Westminster and the Scottish Government in Edinburgh. In the Scottish independence referendum of 2014, the question of an independent Scotland was deemed resolved: it would remain part of the UK. In 2016, Scotland voted to remain in the European Union (EU), and today, the Scottish Parliament still flies the EU flag and the question of independence remains at the centre of political debate.

An industrial powerhouse

In the 19th century, the Scottish economy was concentrated on heavy industry, dominated by the shipbuilding, coal-mining, and steel industries. Scotland became an important supplier of goods to the British Empire, which allowed its economy to export its output throughout the world. At the beginning of the 20th century, technological advances in shipbuilding and marine engineering transformed Clydeside, a neighbourhood in Glasgow city located on the River Clyde, into a world centre for shipbuilding, making it the dominant economic region of Scotland. The discovery of North Sea petroleum and natural gas in the 1970s was considered a major

industrial achievement of its time that saw Aberdeen become the key centre of the industry and regarded as the oil capital of Europe. In the early 1980s, a series of closures of large industrial plants in Scotland coincided with an economic boom in the Silicon Glen corridor – a high-tech corridor between Glasgow and Edinburgh. Scotland's Silicon Glen became one of Europe's major electronics manufacturing centres, producing nearly one-third of Europe's computers and two-thirds of its automatic teller machines. Although electronics manufacturing remained important, diversification away from mass production of goods and a shift to the provision of services at the turn of the century became a crucial component of future economic growth.

Scotland also has a well-established reputation in food and drink production. The country is the third largest farmed salmon producer in the world and over 40 bottles of Scotch whisky are shipped overseas every second, accounting for 21% of total UK food and drink exports. Similar to whiskey, golf also has a historic legacy in Scotland that spans some six centuries and there is no finer place to play a round of golf than in the country that gave the game to the world.

Urban centres of excellence

The foundation of Scotland's success finds its origins in its vibrant cities. Scotland's 'big 3' cities, Edinburgh, Glasgow, and Aberdeen, are all ranked in the UK's top 10 locations for foreign direct investment.



River Clyde, Glasgow, Scotland

Scotland's capital Edinburgh is the leading financial services centre of Scotland, second in Britain, and has a rapidly growing FinTech sector. Edinburgh's strengths in technology are underpinned by the expertise of its educational institutions. The Edinburgh-based Data-Driven Innovation initiative, a cluster of five innovation hubs that connect academic disciplines with businesses in areas such as food production, space, climate change, and healthcare, aims to position the city as the data capital of Europe. Scotland has one of the highest concentrations of universities in Europe and is home to an internationally successful higher education sector of 19 Scottish universities. The University of Edinburgh is ranked among the top 20 universities in the world and is home to the School of Informatics and its research space the Bayes Centre, which are one of Europe's largest training hubs in informatics, data sciences, and artificial intelligence. In addition to feeding these industries with a steady supply of fresh talent, there is a focus on collaboration between academia and industry which leads to an impressive number of new spin-out companies – more university spinouts are created here than anywhere else in the UK, including London. Businesses in Scotland's growing digital technology sector have benefited in a similar fashion from the creation of CodeClan, Scotland's first digital skills academy, and CodeBase, the UK's largest tech startup incubator.

A glimpse of the future

Glasgow is Scotland's largest city and has a past forged in trade and heavy industry. Today, Glasgow's innovative sectors include digital technology, satellite manufacturing, low carbon, and life sciences. With more than 770 life sciences organisations, Scotland has one of the largest life sciences clusters in Europe and will be home to the world-first, industry-led Medicines Manufacturing Innovation Centre. The Glasgow City Innovation District is one way the city is aiming to encourage businesses to develop and innovate by offering companies access to effective infrastructure, technology and expertise.

In November 2021, the eyes of the world were on Glasgow as it hosted the United Nations Climate Change Conference (COP26). The conference was a significant opportunity to showcase Scotland as a global leader in sustainable economic development and to capitalise on the incredible opportunities emerging with the green economy by promoting Scottish net-zero solutions to the world. Scotland was in fact the first in the world to declare a climate emergency and has set an ambitious target to become net zero by 2045 – five years ahead of the rest of the UK. Today, Scotland is at the forefront of research on wave and tidal energy and is a global player in the development and construction of offshore wind farms. —

Useful contacts

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Jon Christensen
Global Head of Talent
Acquisition, Spire Global

What are your business relations with Scotland?

Spire was founded in the US in 2012 by nationals from three different countries united by a common desire to build a better planet using data from space. In 2015, Spire opened its first European office in Glasgow as part of its global expansion. Glasgow has offered a great opportunity to us due to the Scottish government's growing support of the burgeoning commercial space sector. From a manufacturing point of view, this made a lot of sense for us because the technical skills and labour that are required to hand build our satellites are available in Scotland. Glasgow currently represents our largest office and all of our hardware manufacturing for our satellites is now done entirely in Scotland.

What are your business relations with Luxembourg?

In 2018, the opportunity came up for us to get additional funding in Luxembourg through the Luxembourg Space Agency (LSA) and the European Space Agency (ESA). While the technical headquarters remains in Virginia, the core executive presence of the company is now located in Luxembourg, including our CEO, COO and CTO. In the last three years, we have rapidly scaled our team in Luxembourg to over 70 people with a focus on sales, marketing and technology.

Why did Spire choose Luxembourg and Glasgow as their European hubs and how do these two markets complement each other?

Both Luxembourg and Scotland position themselves in the new space age by creating good incentives in this sector to set up in their respective markets. Both governments have been investing heavily in developing the space industry and we managed to secure strong institutional partnerships within Scotland and Luxembourg's space ecosystems.

From a recruiter's point of view, I'm very keen to point out access to an incredibly talented, complementary workforce in both countries: manufacturing skill sets can be found in Glasgow while Luxembourg offers strong business skill sets.

What advice would you give to companies considering setting up in Scotland?

At a high level, every company has to do their research. For Spire, our presence in Scotland allows us to attract skills and talent from top universities in Edinburgh and Glasgow. If you are a space company, those are two prime locations you want to look at in the UK.

You should also familiarise yourself with available funding schemes in Scotland. *Scottish Enterprise* played a crucial role in connecting us with universities and other groups to help promote our activities.