

Priority Industries

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Industries
Scottish Enterprise



Scottish Economy - the Challenges

- Transition from traditional manufacturing to 'knowledge' economy
- Importance of service sector growing.....as manufacturing declines
- Scottish economic (GDP) growth below UK
- Productivity lower than competitors
- Low business R&D
- Employment growing and unemployment declining....although still areas of high unemployment
- Declining and ageing population - low birth rate and in-migration



Why we need to renew cluster policy?

1940's

- 25 Shipyards
- 113 Coal mines
- 6 Steel works
- 3% GDP financial services.
- 0% world's oil

2004

- 3 Shipyards
- 2 Coal mines
- 0 Steel works
- 9% Financial Serv.
- 6% of world's oil
- Large PC producer

<http://www.scotland.gov.uk/Resource/Doc/919/0005021.pdf>



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History of Clusters intervention in Scotland

- Early analysis – Monitor report early 1990's
- Pilot clusters c.1994-6
- Clusters implementation
- Changes to clusters as markets evolve
- Increase number of clusters, industries and sectors
- Clusters and Industries Review 2005



Clusters and Industries review

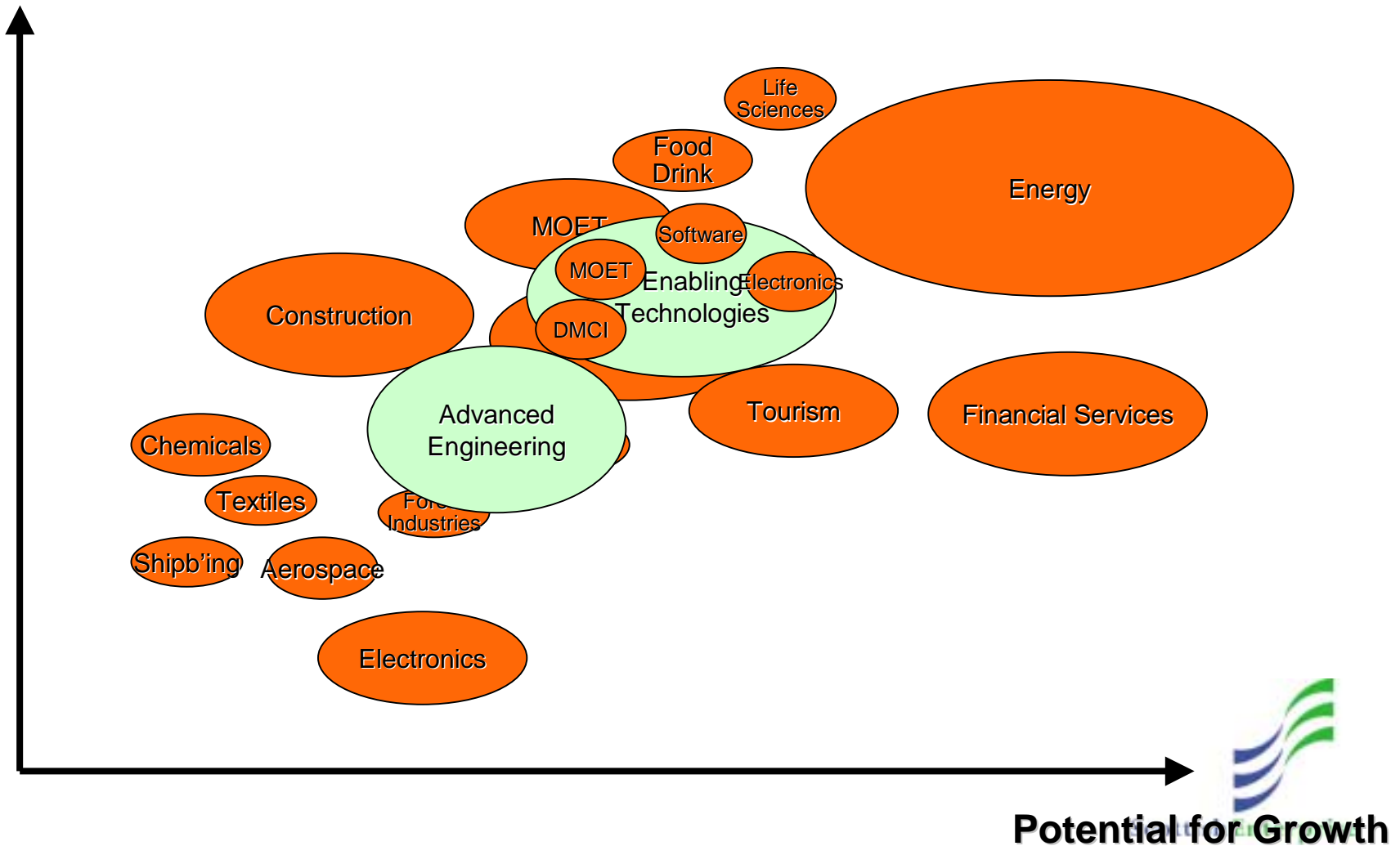
- Current Importance - Does Industry make significant contribution to Scottish economy?
- Future Importance – Are there significant opportunities for Scotland?
- SE Added Value – Has SE made a difference & can it continue to do so?
- Industry Engagement – Are industry & stakeholders willing to work in partnership with SE?
- Synergies – Are there new opportunities where industry areas overlap?



Industry Landscape - Positioning

Size = Contribution to GVA

SE Value Add



Potential for Growth

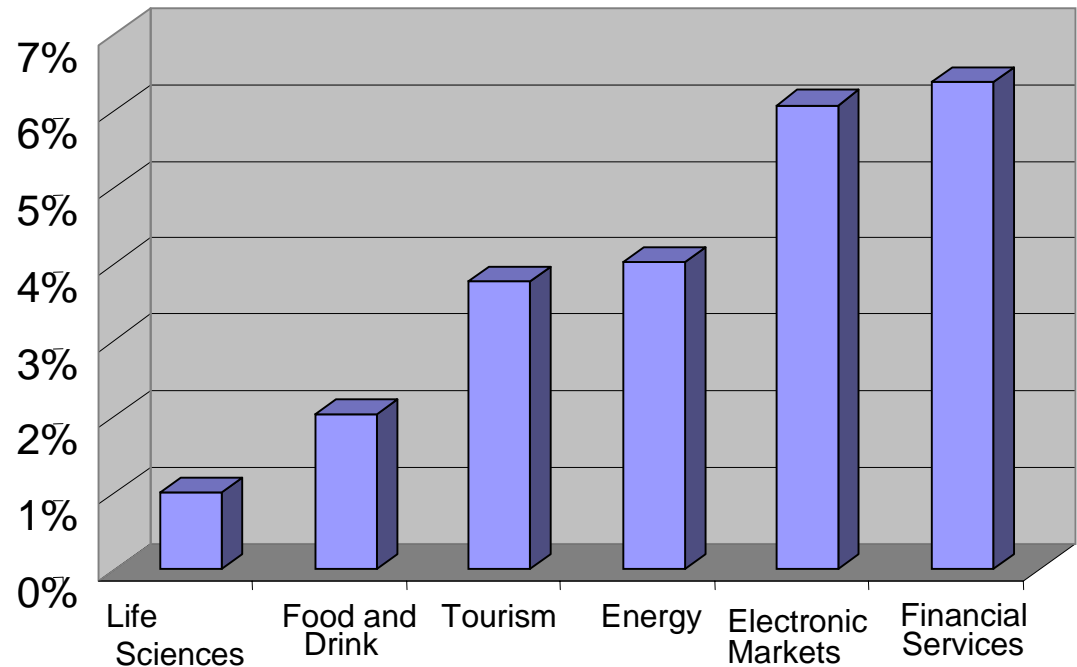


Priority Industries – focus and target

- Capitalise on Strengths

- Contribution to GVA
- Research strengths
- Industry players
- Distinct competitive assets
- Willingness of the Industry to engage
- Synergies across industries
- Opportunity for SE as a 'unique high leverage catalyst'
- Existing Investments eg ITIs

Priority Industries share of GVA

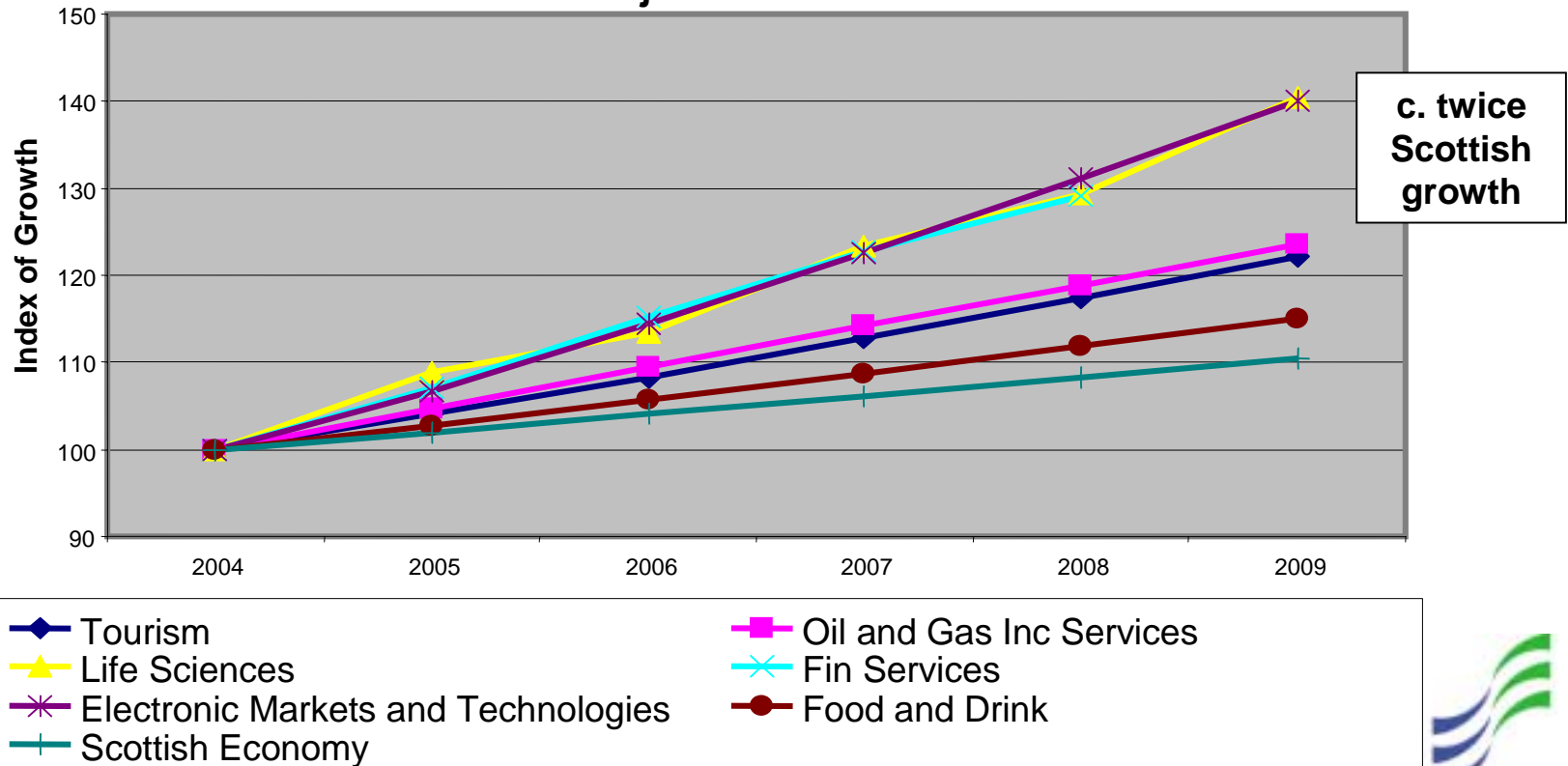


20%+ of Scottish Economy

Priority Industries – focus and target

- Exploit Global opportunities

Priority Industries v Scottish Economy
Index of Projected Sales Growth



Sources: Datamonitor, Life Sciences Team



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Priority Industries – approach

Driven by Industry Demand

- Tap into Global Industry leadership and direction
- Identify and understand emerging growth markets
- Calibrate and leverage Scottish strength and assets
 - Corporate and Research

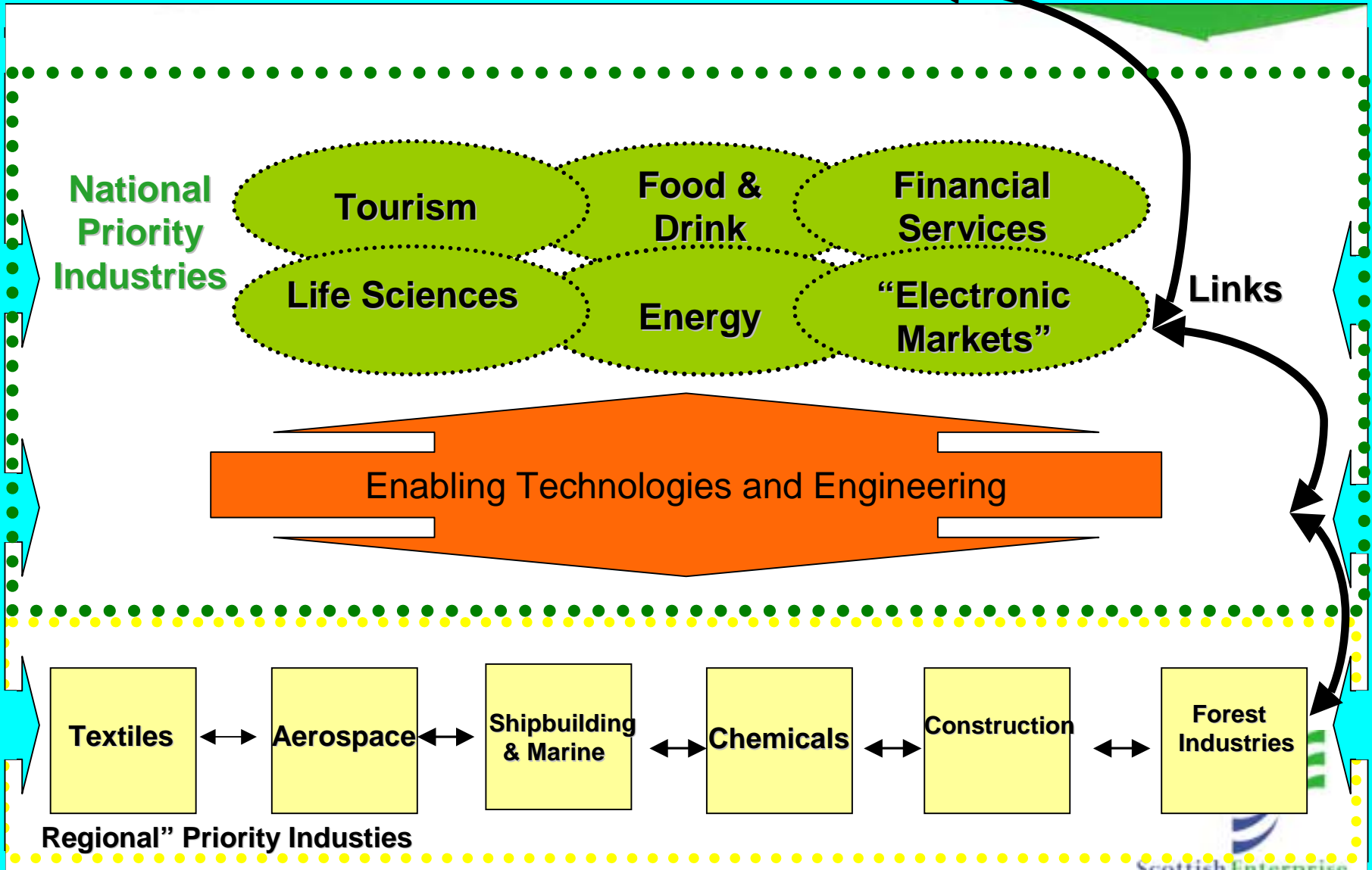
Capture and Keep – Grow and Develop

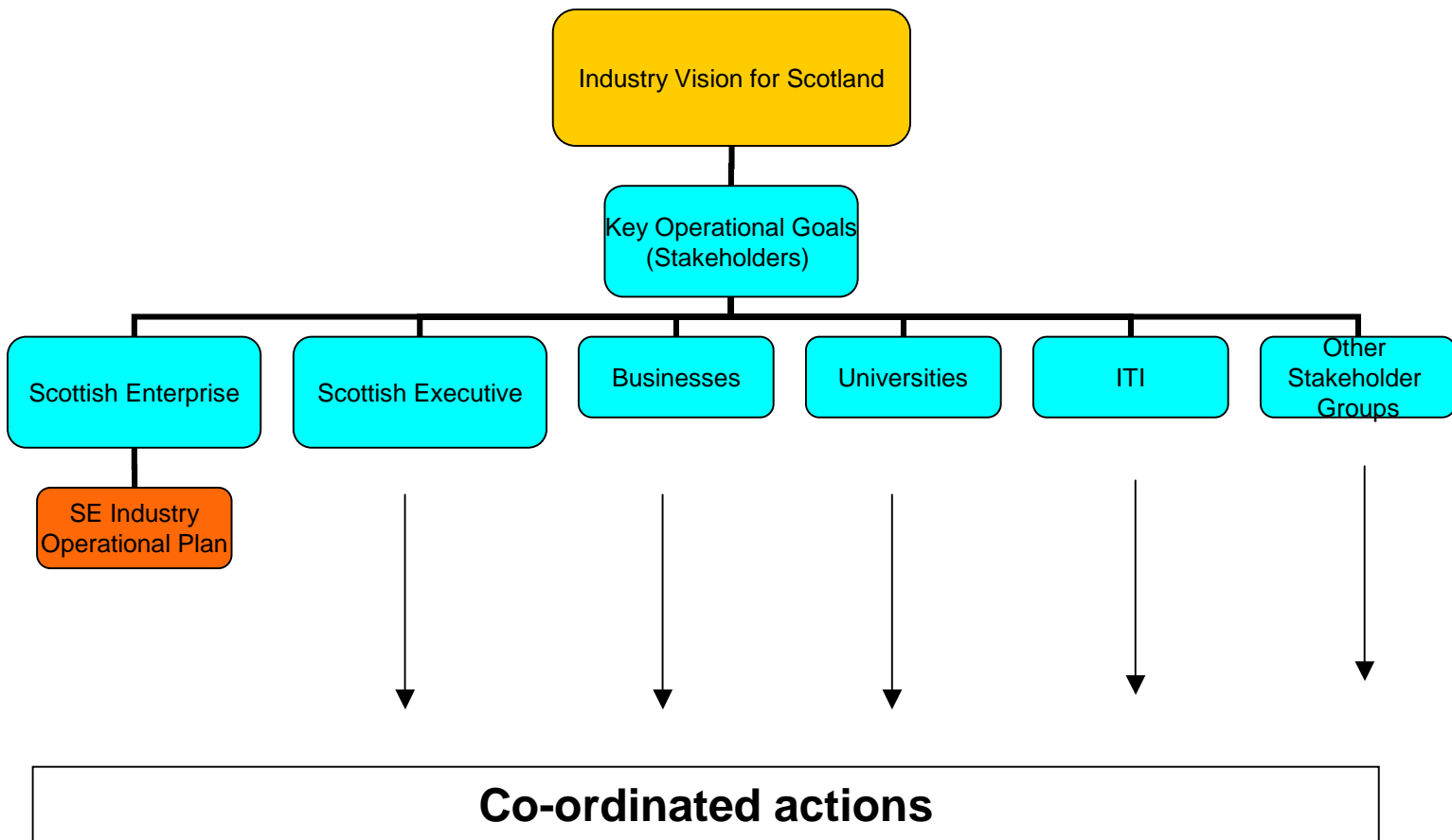
- Support existing and new companies to become major players
- Work with Industry and Public Partners
- Work to ensure a supportive Business Environment
- Leverage distinct characteristics of each Priority Industry



Industry Landscape

Policy and Practice Foresighting





Articulating Industry Demand – key highlights

Opportunities common across several industries:

- Innovation** - in products and business models
- Key skills** - including leadership development
- Finance** - especially access to early stage finance
- Collaboration** - especially Industry / academic links and greater B 2 B collaboration
- Intelligence** - especially Foresight and market intelligence

Opportunities for convergence including:

- Bio Fuels** Life Sciences – Energy – Enabling Technologies
- Med tech** Electronic Markets – Life Sciences – Enabling Technologies
- Nutraceuticals** Food and Drink – Life Sciences
- Tourism & food** Food and Drink – Tourism
- Informatics** Electronic Markets – Life Sciences – Energy – Enabling Technologies



Lessons Learned and Future challenges

- Focus on strengths
- Coordinated action essential in global market
- Importance of measuring impact and understanding cluster development
- Understanding how clusters grow
 - Collection → Cooperation → Collaboration → Cluster
- Change of Governance
- Understanding / acceptance of “clusters approach”