



**Flanders**  
State of the Art



# THE MARKET IN SCOTLAND

FLANDERS INVESTMENT & TRADE MARKET SURVEY

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# SCOTLAND – MARKET STUDY

An overview of the Scottish market  
since leaving the EU

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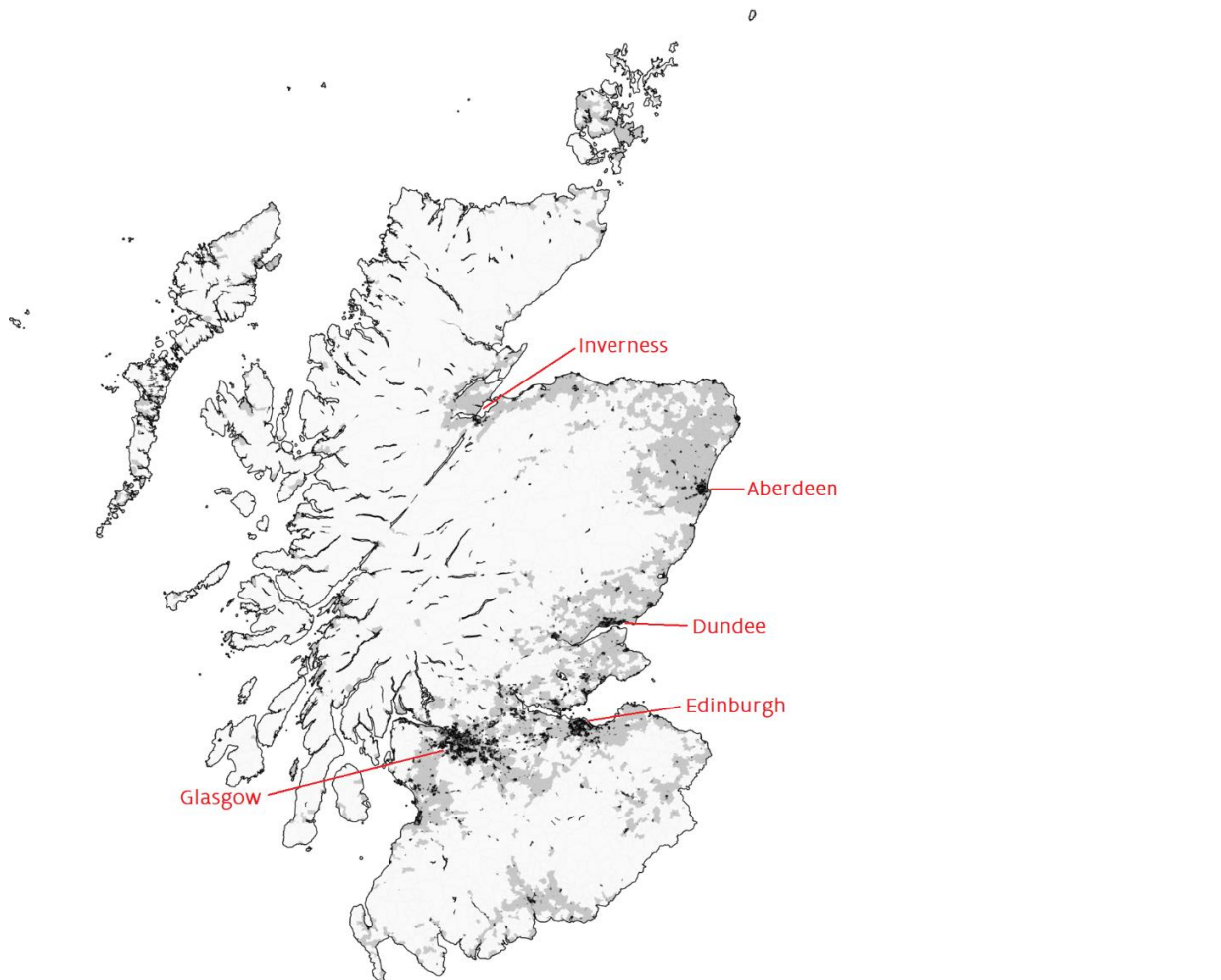
# 1. INTRODUCTION

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Scotland, a land of rugged beauty and stirring history, where majestic mountains rise to meet the misty sky, and sparkling lochs reflect the shifting light. A place where ancient castles stand guard over glens and moors, and the haunting notes of bagpipes can be heard echoing across the hills. From the vibrant cities of Edinburgh and Glasgow to the wilds of the Highlands and islands, Scotland is a place of rich culture and warm hospitality, where every corner reveals a new story, a new adventure waiting to be explored.

Politically, Scotland is currently sat in a strange position vis-à-vis the United Kingdom and Great Britain. In 2014 they held a referendum on Independence, which came back as 55% “no”, then in 2016 Scotland had the highest proportion of ‘Remain’ votes (62%) in the UK referendum on EU membership, and the ruling Scottish Nationalist Party are now calling for a new independence referendum, which if successful, could see Scotland re-join the EU in the coming years.

A quick look at the [population density](#) of Scotland (below) shows where, as a business, your likely area of focus will be; the corridor between the coast at Glasgow and the coast. Edinburgh contains just over half of the 5 million people in Scotland. The other key towns being Dundee, Aberdeen, and Inverness. Unless you are in the agriculture or energy sectors, the likelihood is you will be focusing your business efforts in the Central Belt.



The historic city of Edinburgh with a population of 500,000 hosts the devolved government and its economy is focused on financial services and banking, along with medical technology and life sciences. It is also a key cultural site, and with a plethora of activities for tourist to partake in.

Glasgow, is Scotland’s largest city, and 3<sup>rd</sup> largest in the UK, having over 600,000 people and has traditionally been focused on heavier industry; boasting historic ship building capacity, which evolved into electronics manufacture, which led to a burgeoning tech-sector with many companies like Siemens and Lockheed Martin having invested there in recent years, to take advantage of the young and highly tech-savvy population. In 2021, too, JP Morgan built their European Technology Hub in the city, which now employs over 2,000 people.

One area where Scotland has always punched above her weight is in her people. Known for their entrepreneurial and inventive spirit, many modern inventions came from Scottish brains; James Watt and the steam engine, Alexander Graham Bell and the telephone, John Logie Baird and the television, Robert Watson-Watt with radar, the chemist Charles Macintosh who infused rubber into textiles to create a more durable and waterproof base for clothing, and more recently, the world’s first wave-powered electrical generators, Pelamis and Limpet<sup>1</sup>.

I mention these names as the Scottish people’s thirst for innovation continues to this day, with:

- Over 17,000 new businesses registered per year, with 47% surviving 5 years<sup>2</sup>
- a 304% increase in patent applications between 2015 and 2018,<sup>3</sup> despite an overall decrease in patent registrations in the UK in the last decade.
- Life science businesses in Scotland employing around 40,000 people and contribute to around 10% of the UK’s life sciences sector
- 7% of the UK’s Unicorn companies hailing from Scotland
- Edinburgh University ranking 4th in the UK for the number of spinout companies.<sup>4</sup>
- 18% of the UK’s space industry basing in Scotland, and Glasgow building more satellites than any other city in Europe<sup>5</sup>.

Thus, despite Scotland’s size, she punches well above her weight in terms of natural resources, the talent of her people, her resilience to economic downturns, and in her abounding confidence going forwards.

This report aims to give the reader an overview of the different sectors in the Scottish economy, and the opportunities businesses in Flanders may find there.

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<sup>1</sup> <http://news.bbc.co.uk/1/hi/sci/tech/1032148.stm>  
<sup>2</sup> [www.gov.scot/publications/businesses-in-scotland-2022/pages/time-trends](http://www.gov.scot/publications/businesses-in-scotland-2022/pages/time-trends)  
<sup>3</sup> [www.gov.uk/government/statistics/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019](http://www.gov.uk/government/statistics/facts-and-figures-patent-trade-mark-design-and-hearing-data-2019)  
<sup>4</sup> [www.sdi.co.uk/news/what-makes-edinburgh-the-ideal-place-for-tech-companies](http://www.sdi.co.uk/news/what-makes-edinburgh-the-ideal-place-for-tech-companies)  
<sup>5</sup> [www.sdi.co.uk/business-in-scotland/find-your-industry/digital-and-technology-industries/space-tech](http://www.sdi.co.uk/business-in-scotland/find-your-industry/digital-and-technology-industries/space-tech)

## 2. THE ECONOMY

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### At a Glance



	Flanders	Scotland <sup>6</sup>
<b>Area</b>	13,624 km <sup>2</sup>	77,933 km <sup>2</sup>
<b>Population</b>	6,600,000	5,500,000
<b>GDP</b>	€270 Billion	€190 Billion
<b>Exports</b>	€380.5 Billion	€98.2 Billion
<b>Imports</b>	€378.8 Billion	€106 Billion
<b>Average Salary</b>	€25,000 <sup>7</sup>	€13,000 <sup>8</sup>

Scotland has a significantly larger land area compared to Flanders, which impacts various aspects such as natural resources, infrastructure development, and land utilization. Flanders has a relatively higher population density due to its smaller land area compared to Scotland. The population size and density influences various factors, including labour force availability, consumer demand, and market size. Flanders' larger economy in terms of overall economic output, GDP being a key indicator of the economic health and size of a region, and a higher GDP suggests greater economic activity and potential business opportunities. Flanders clearly has a more export-oriented economy with higher trade volumes, whereas Scotland's trade volumes are comparatively smaller. Flanders has a higher wage level compared to Scotland, which could impact labour costs, consumer purchasing power, and market demand. All of these factors are worth bearing in mind as you continue reading this report and start planning how to do business in Scotland.

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<sup>6</sup> [www.gov.scot/publications/state-economy-2022/pages/5/](http://www.gov.scot/publications/state-economy-2022/pages/5/)

<sup>7</sup> [www.vlaanderen.be/statistiek-vlaanderen/inkomen-en-armoede/persoonlijk-inkomen](http://www.vlaanderen.be/statistiek-vlaanderen/inkomen-en-armoede/persoonlijk-inkomen)

Key sectors of the Scottish economy:

A long history of oil and gas production and is home to a significant portion of the UK's offshore oil and gas reserves, the industry remains an important part of the Scottish economy. Aberdeen is often referred to as the oil capital of Europe, and the industry supports a range of jobs in areas such as exploration, production, and engineering.



A strong manufacturing sector, with a particular focus on industries such as food and drink, textiles, and engineering. The sector has seen some decline in recent years, but there are still many successful companies operating in Scotland, including Scotch whisky distilleries, Harris Tweed weavers, and semiconductor manufacturers.

Edinburgh is one of the UK's major financial centres and is home to a number of major banks and financial institutions, and Glasgow is hot on Edinburgh's heels. In the Global Financial Centres Index Edinburgh ranks 33, on-par with Berlin and ahead of Brussels, Madrid, and Stockholm.



Home to a number of world-class research institutions and has a growing life sciences sector, with a focus on areas such as biotechnology, pharmaceuticals, and medical devices, they are supported by a strong ecosystem of research institutions and funding bodies.

A thriving technology sector, with a focus on areas such as software development, cybersecurity, data analytics, and fintech. Glasgow and Edinburgh are both home to thriving tech hubs, and there are many innovative start-ups operating across the country.



Significant potential for renewable energy production, with a focus on areas such as wind, wave, and tidal power. The country is a world leader in offshore wind and has ambitious targets for transitioning to a low-carbon economy. The renewable energy sector is a growing source of jobs and investment in Scotland.

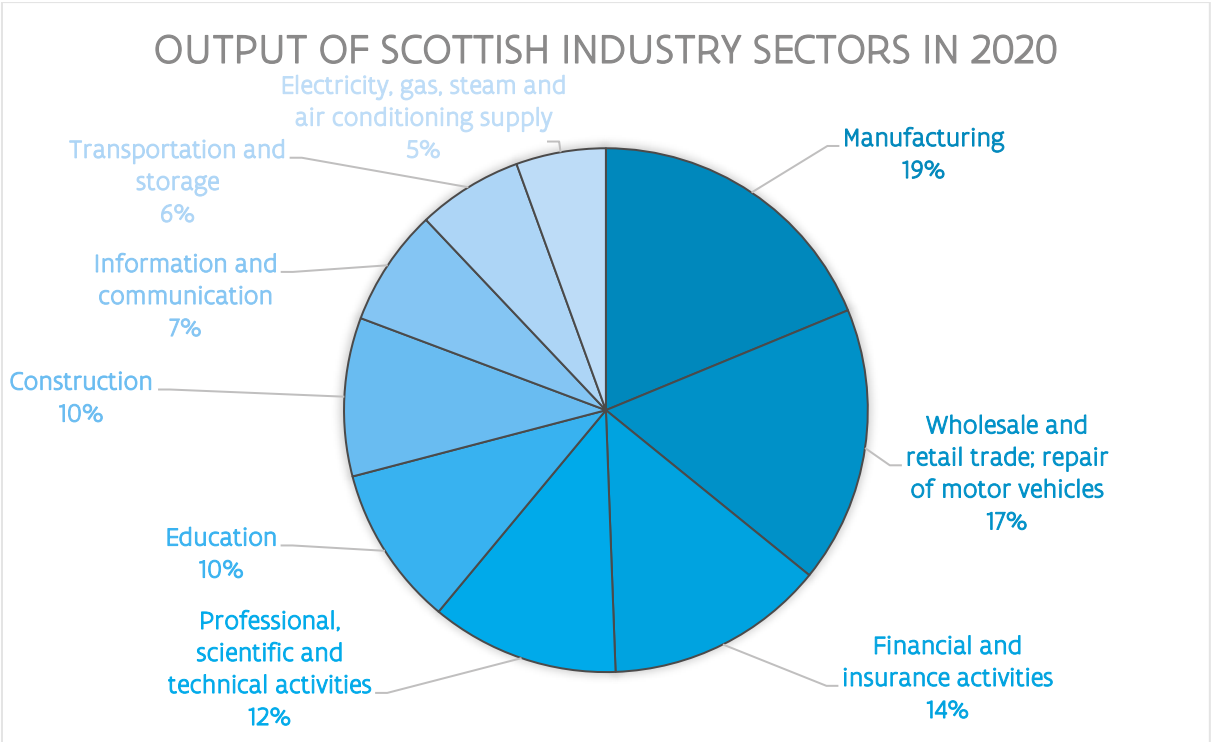




In recent years, Scotland has experienced steady economic growth, with the economy expanding by around 1.3% in 2019. However, like many other economies around the world, Scotland has faced significant challenges due to the COVID-19 pandemic, which has impacted sectors such as tourism, hospitality, and retail, and the knock-on effects to supply chains and labour markets thereafter.

Due to the Devolved and Reserved powers of the Scottish Government, some areas of responsibility are still held by Westminster in London to legislate on, thus unlike Flanders, reporting on economic activity for Scotland alone can be hard to un-pick.<sup>9</sup> For instance the Consumer Price Index, which tracks inflation, is measured UK-wide and there isn't information available for Scotland alone, and interest rates are set by the Bank of England. The most recent economic data shows that Scotland (and the UK) avoided recession in 2022, with GDP growing by 0.1%, though in Scotland, Q4 saw 0.6% growth.<sup>10</sup> UK-wide inflation steadied at 10.1% in January 2023, and is expected to drop to 4% by the end of the year, though this is quite dependent on energy prices, and [possible fluctuations](#) in the market as the year progresses.

Overall, Scotland's economy is diverse and dynamic, with a mix of traditional and new industries driving growth and innovation. While there are challenges ahead, the country's focus on innovation, collaboration, and entrepreneurship, coupled with very agile government support within its capacity, means Scotland will, and is, expected to bounce back from the twin shocks of Covid and leaving the EU at a faster pace than the rest of the UK.<sup>11</sup>




<sup>9</sup> [www.parliament.scot/about/how-parliament-works/devolved-and-reserved-powers](http://www.parliament.scot/about/how-parliament-works/devolved-and-reserved-powers)

<sup>10</sup> [www.gov.scot/publications/monthly-economic-brief-march-2023/](http://www.gov.scot/publications/monthly-economic-brief-march-2023/)

<sup>11</sup> [www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalandrealregionalgrossvalueaddedbalancedbyindustry](http://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalandrealregionalgrossvalueaddedbalancedbyindustry)



The Scottish Government has identified 6 areas of focus for economic growth over the coming years:



Scotland aims to become a world leader in digital innovation, with a focus on areas such as data analytics, artificial intelligence, and cybersecurity. This will involve supporting the growth of the tech sector and investing in research and development.

Government Strategy [here](#)



Scotland has ambitious targets for transitioning to a low carbon economy, with a focus on renewable energy, energy efficiency, and sustainable transport. This will involve supporting the growth of the renewable energy sector and promoting sustainable practices across all industries.

Government Strategy [here](#)



Scotland's tourism industry is a significant contributor to the economy, with Edinburgh being the 2<sup>nd</sup> most visited city in the UK, and the government aims to continue to support its growth. This will involve promoting Scotland as a destination for tourists, investing in infrastructure, and supporting cultural events and festivals.

Government Strategy [here](#)



Scotland has a vibrant creative industries sector, encompassing areas such as film and TV, music, and the arts. The government aims to continue to support the growth of the sector through funding, infrastructure development, and support for cultural events.





Scotland has a strong tradition of research and development in life sciences, and the government aims to continue to support the growth of the sector. This will involve investing in research infrastructure, supporting start-ups and spin-offs, and promoting collaborations between industry and academia.

Government Strategy [here](#)



While the manufacturing sector in Scotland has seen some decline in recent years, the government is committed to supporting its growth. This will involve investing in research and development, supporting innovation, and promoting international trade.

Government Strategy [here](#)

### 3. SECTORS

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#### LIFE SCIENCES

Scotland has a thriving life sciences sector, with a strong focus on biotechnology and pharmaceuticals. Flanders also has a well-developed life sciences sector, and there's room to collaborate with Scottish companies on research and development, clinical trials, and commercial partnerships. In terms of specific areas of expertise, Scotland is known for its strengths in medical technologies, drug discovery, and clinical research, for instance in 2018 the world's first 3D printed cornea was developed in Edinburgh. The Scottish life sciences sector is estimated to support around 40,000 jobs and generates over £5 billion in turnover each year.

There are many avenues for Flanders' life sciences businesses to export to Scotland and develop business there, for instance:

**Complementary strengths:** Flanders and Scotland have complementary strengths in the life sciences sector. For example, Flanders has expertise in medical devices, diagnostics, and vaccines, while Scotland has a strong focus on biotechnology and pharmaceuticals. This means that there may be opportunities for companies from Flanders to collaborate with Scottish companies on research and development, clinical trials, and commercial partnerships. Broadly speaking, Flanders providing the diagnosis, and Scotland providing the treatment.

**Similar regulatory frameworks:** Flanders and Scotland both operate within the European Union regulatory framework for life sciences<sup>12</sup>, which means that companies from Flanders are likely to be familiar with the regulatory environment in Scotland. This can help to reduce the barriers to

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<sup>12</sup> [www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2022/11/export-plan-scotlands-life-sciences-sector/documents/trading-nation-export-plan-scotlands-life-sciences-sector/trading-nation-export-plan-scotlands-life-sciences-sector/govscot%3Adocument/trading-nation-export-plan-scotlands-life-sciences-sector.pdf](https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2022/11/export-plan-scotlands-life-sciences-sector/documents/trading-nation-export-plan-scotlands-life-sciences-sector/trading-nation-export-plan-scotlands-life-sciences-sector/govscot%3Adocument/trading-nation-export-plan-scotlands-life-sciences-sector.pdf)

entry for companies looking to export their products or services to Scotland, or collaborate both ways.

**Strong demand for innovative products:** Scotland has a strong demand for innovative life sciences products and services, particularly in areas such as personalized medicine, digital health, and precision medicine. Flanders’ businesses could potentially partner with Scottish companies to develop new products or services that meet the needs of the Scottish market.


The [BioQuarter](#) in Edinburgh is a leading life sciences and healthcare innovation hub that fosters research, innovation, and entrepreneurship in the sector. It offers state-of-the-art facilities, research expertise, industry engagement, and entrepreneurial support to accelerate the development and commercialization of innovative technologies for the benefit of patients and society.

**Key Players**

Specialty

Locations

Website



**Edinburgh Molecular Imaging**

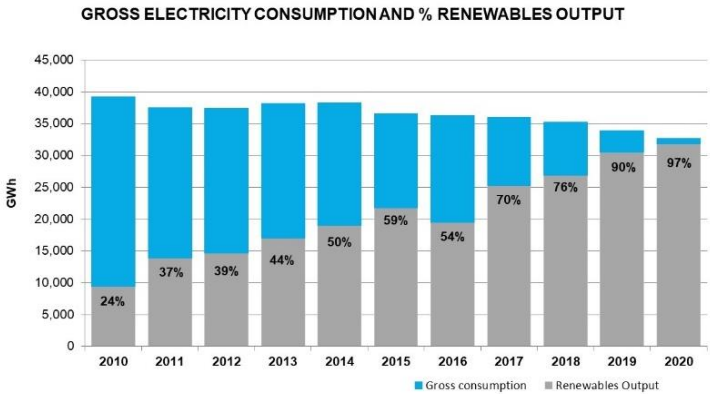
Optical Imaging in clinical settings

Edinburgh

<https://emimaging.com/>

## ENERGY

Since 1964, Scotland has benefited from the large oil and gas fields found in the North Sea and is still producing 42 million tonnes of crude oil and natural gas a year<sup>13</sup>. Whilst there are still significant reserves left, the output has been dropping year on year, being 3 times higher in the 1990’s. Still, the oil industry is estimated to employ 100,000 people in Scotland, 6% of the work force, and contributes about 1% to the UK’s GDP, £35 billion. There is the possibility that the war in Ukraine and the resulting upheaval in energy supplies will reverse the trend and lead to an increase in oil/gas field exploration, but has not yet. In fact, due to the UK Government’s Energy Profits Levy introduced in 2022, the oil and gas companies are being coerced into investing far more into renewable power than they traditionally have.<sup>14</sup>



**Key Players**

Specialty


Locations

Turnover

Headcount

Est.

Website



**Scottish Power**

Electricity & Gas Infrastructure

National

£5.35Bn

5,600

1990

[www.scottishpower.com](http://www.scottishpower.com)

<sup>13</sup> [www.gov.scot/publications/oil-and-gas-production-statistics/](http://www.gov.scot/publications/oil-and-gas-production-statistics/)

<sup>14</sup> [www.gov.uk/government/publications/autumn-statement-2022-energy-taxes-factsheet/energy-taxes-factsheet](http://www.gov.uk/government/publications/autumn-statement-2022-energy-taxes-factsheet/energy-taxes-factsheet)

Due to her unobstructed access to the strong winds of the Atlantic and Arctic Oceans, Scotland is one of the windiest areas in Europe<sup>15</sup>, and since 2000, has used this geographic fact to pivot towards harnessing wind power, hitting their 2015 target of having 50% of electricity production coming from wind alone. Although not quite achieving the 2020 target of 100%<sup>16</sup>. Wind now provides the vast majority of power in Scotland, and sometimes even to excess<sup>17</sup>. Two thirds of this production is from onshore wind farms.

“Foreign investors pledged \$54.8 billion to wind electric power projects in Scotland in 2022 – According to fDi Markets the global total for wind power generation investment was \$111.3 billion. This means that Scotland attracted almost half of the total global investment pledges, and more than the rest of the world combined.”

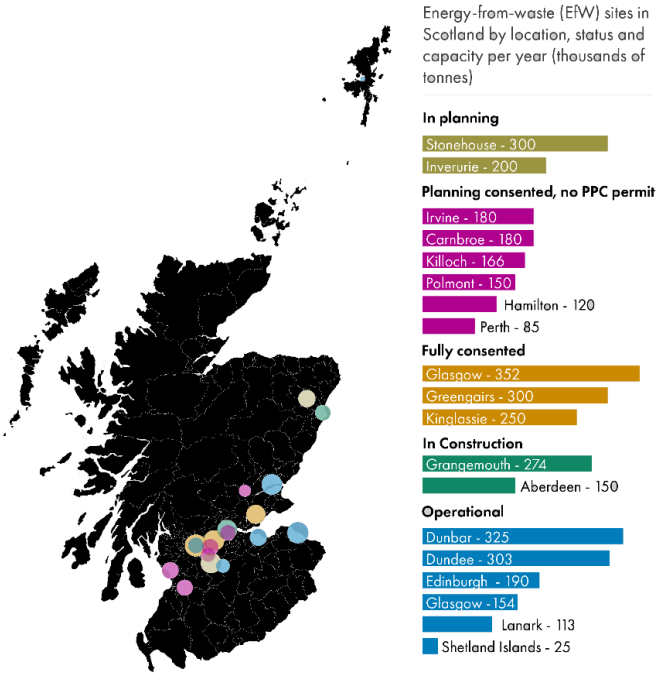
Scotland’s global wind FDI project potential, SDI, 02 Mar 2023

Currently most of the turbine stock include Vestas, Siemens, and Alstom, and are managed by Scottish Power, and Scottish and Southern Electricity.

Waste to Energy

There are currently 6 operational Waste-to-Energy sites in Scotland with a capacity for 1.1 million tonnes of waste per year, and it is estimated that Scotland will need a further capacity of 1 million tonnes, with most demand in the Glasgow and Edinburgh regions<sup>18</sup>. Urgency is given by an upcoming ban; “from 31 December 2025, the landfilling of biodegradable municipal waste in Scotland will be banned.”<sup>19</sup>”

To achieve this additional 1 million tonne target, Drumgray are **building** a waste to energy site in North Lanarkshire, Cireco are in the **development stage** of one in Grangemouth, IDOM are **building** a site in Aberdeen, and Drax have operated the world’s largest sewage to energy facility near Glasgow for over 2 decades, and are **currently planning** redevelopment work.



Coupled with the net-zero ambitions of the Scottish Government, which they are pursuing very aggressively, there are plenty of opportunities for businesses to get involved in the sector by

<sup>15</sup> <https://globalwindatlas.info/en>  
<sup>16</sup> [www.scottishrenewables.com/our-industry/statistics](http://www.scottishrenewables.com/our-industry/statistics)  
<sup>17</sup> [www.theguardian.com/environment/2016/aug/11/scotland-completely-powered-by-wind-turbines-for-a-day](http://www.theguardian.com/environment/2016/aug/11/scotland-completely-powered-by-wind-turbines-for-a-day)  
<sup>18</sup> <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/2/3/5f556355-32d7-4e78-8a08-d44c743eaf13>  
<sup>19</sup> <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/2/3/5f556355-32d7-4e78-8a08-d44c743eaf13>



supplying services, components, and innovative solutions. Conferences happen regularly throughout the nation and are the best avenue to generating new leads, in addition there are several NGOs who provide platforms to connect, below are just a few.

<b>Key Players</b>	
	<b>Viridor Limited</b>
Specialty	Waste to Energy, Polymer Reprocessing
Locations	10 locations across the UK
Turnover	£556.1m
Headcount	1,250
Est.	1990
Website	<a href="http://www.viridor.co.uk">www.viridor.co.uk</a>

<b>Key Players</b>	
	<b>Brockwell Energy</b>
Specialty	Waste to Energy, Onshore Wind
Locations	Falkirk, Fife, Lanark, Ayr, South Lanarkshire
Turnover	£1.91m
Headcount	24+
Est.	2017
Website	<a href="http://www.brockwellenergy.com">www.brockwellenergy.com</a>

**Events**

[All Energy](#) – 10-11<sup>th</sup> of May – Glasgow

[Onshore Wind Conference](#) – 21<sup>st</sup> of September – Edinburgh

[Floating Offshore Wind](#) – 4-5<sup>th</sup> of October - Aberdeen

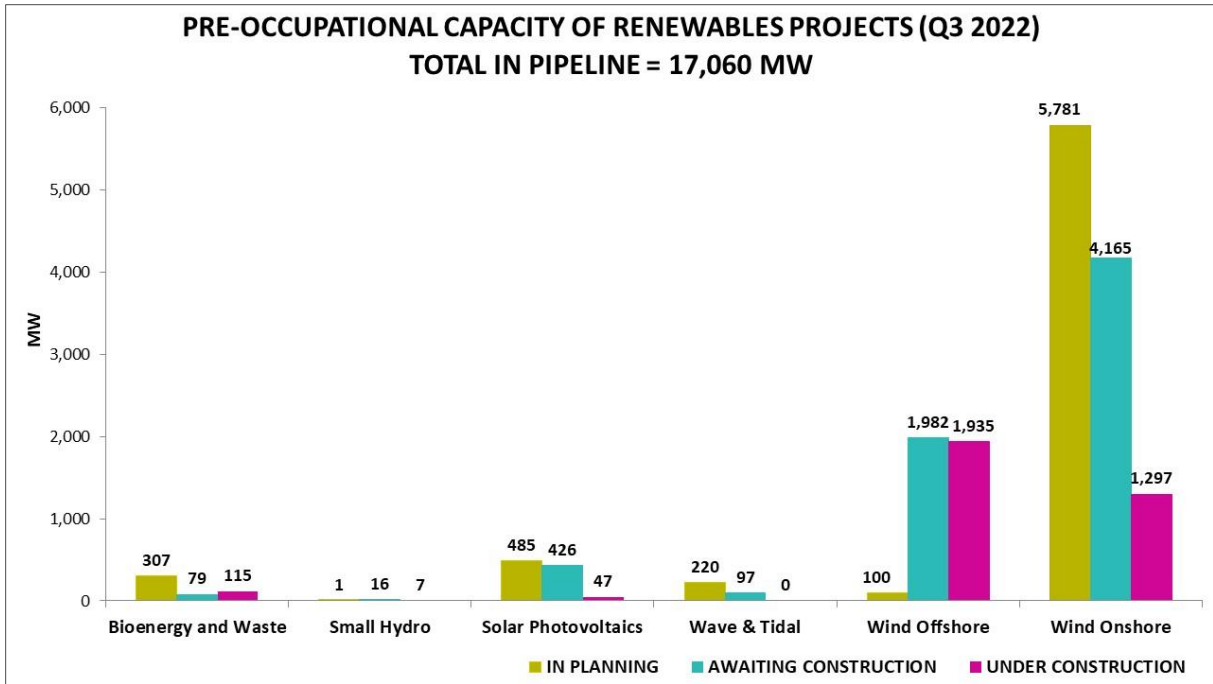
**Organisations**

[Scottish Energy Forum](#)

[Scottish Renewables](#)

[Zero Waste Scotland](#)





Whilst wind derived energy alone currently hovers around 100% of consumption, the added capacity in the pipeline will put capacity at well over 200% of consumption. Going forwards Scotland is looking at a variety of energy storage options to ensure this capacity does not go to waste, for instance a new pumped hydro plant, and in green hydrogen.<sup>20</sup> Information about the Belgium Hydrogen strategy coupled with the Cromarty Hydrogen Green Port Plan can be found in the [Free Ports section](#).

## FOOD & DRINK

### Agriculture

Agriculture accounts for a significant portion of Scotland’s land use, with over 75% of the country classified as agricultural land, despite only 10% being arable<sup>21</sup>, though as Scottish Government’s Economic Report 2021 stated, the agriculture, forestry, and fishing sector contributed around £2.2 billion to Scotland’s Gross Domestic Product (GDP) in 2019. This represents around 0.9% of Scotland’s total GDP.<sup>22</sup>

The main crops grown in Scotland include cereals such as barley and wheat, as well as potatoes and oilseed rape. Livestock farming is also an important part of the sector, with sheep and cattle farming particularly prevalent. The quality of Scottish livestock is widely recognised, with Scotch beef and lamb particularly sought-after.<sup>23</sup>

<sup>20</sup> [www.reuters.com/business/energy/sse-invest-122-mln-scottish-pumped-hydro-project-2023-03-21/](http://www.reuters.com/business/energy/sse-invest-122-mln-scottish-pumped-hydro-project-2023-03-21/)  
<sup>21</sup> [www.gov.scot/publications/resas-climate-change-evidence-arable-farmer-led-group/](http://www.gov.scot/publications/resas-climate-change-evidence-arable-farmer-led-group/)  
<sup>22</sup> [www.gov.scot/publications/state-economy-november-2021/pages/3/](http://www.gov.scot/publications/state-economy-november-2021/pages/3/)  
<sup>23</sup> [www.tasteatlas.com/best-rated-beefs-in-the-world](http://www.tasteatlas.com/best-rated-beefs-in-the-world)

The [Scottish Government](#) has a number of initiatives in place to support the agriculture sector, including funding for research and development, support for farm diversification, and funding for rural development projects. The government also promotes sustainable agriculture practices, with a particular focus on reducing greenhouse gas emissions and improving soil health.

Scotland’s agriculture sector faces a number of challenges, including the impact of climate change on crop yields and the uncertainty caused by Brexit (loss of certainty regarding animal health, phytosanitary certificates, and CAP funding). However, the sector is seen as an important part of Scotland’s rural economy and is likely to continue to be supported by the government in the coming years.

## Alcohol

The whisky industry is a major contributor to the Scottish economy, with the country exporting over £4 billion worth of Scotch whisky annually (16% of all the UK’s F&D export revenue!). Whisky has been produced in Scotland for centuries, with the first recorded mention of Scotch whisky in the 15<sup>th</sup> century. Over time, whisky production became more regulated, and in 1909 the [Scotch Whisky Association](#) was founded to protect and promote the industry.

**Key Players**

**JOHNNIE WALKER**

Specialty: Best selling Scotch whisky in the world

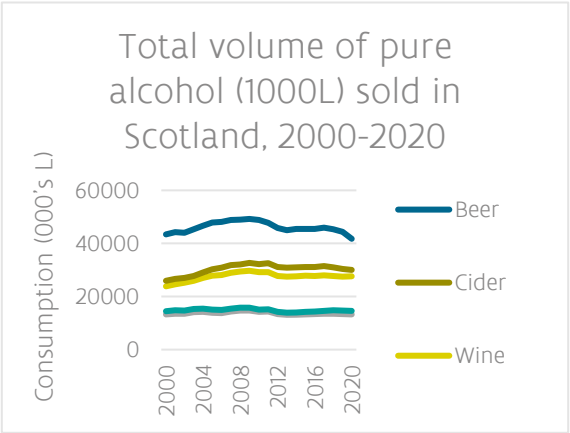
Locations: Kilmarnock

Est.: 1820

Website: [www.johnniewalker.com](http://www.johnniewalker.com)

Scotch whisky is made from malted barley, water, and yeast. The process involves milling the barley, adding water to create a mash, fermenting the mash with yeast, distilling the resulting liquid, and aging it in oak casks for at least three years. Different types of whisky are made by varying the types of barley used, the location and water source, and the type of cask used for aging. Scotch whisky is divided into five regions based on where it is produced: Highland, Lowland, Speyside, Islay, and Campbeltown. Each with their own distinctive characteristics and flavour profiles.

The whisky industry is a major contributor to the Scottish economy, providing jobs and income for over 35,000 people. The industry also supports many related industries, such as tourism, transportation, and packaging. Scotch whisky is popular around the world, with major markets including the United States, France, and Japan. The industry has been expanding into emerging markets such as China and India in recent years. Whisky tourism is a growing industry in Scotland, with many distilleries offering tours and tastings for visitors. The Scotch Whisky Experience in Edinburgh is a popular tourist attraction that provides a comprehensive overview of the history and production of Scotch whisky.<sup>24</sup>



<sup>24</sup> Data accessed here: [www.publichealthscotland.scot/publications/mesas-monitoring-report-2021/](http://www.publichealthscotland.scot/publications/mesas-monitoring-report-2021/)

Some Flemish beers are readily available in Scotland, thanks to their distribution through supermarkets, and in a 2022 survey, Stella Artois was voted the 2<sup>nd</sup> most popular drink in the UK.<sup>25</sup> However, the availability of more of Flanders’ beer brands is less pronounced, and only available through small independent retailers like [Royal Mile Whiskies](#) who sell both Duvel and Vedett, [Cork & Cask](#) who sell a range of Trappists and other Flanders beer, along with Flanders inspired recipes. It’s also worth noting that some brewers, like [Stewart Brewing](#), and [Two Towns Down Brewing](#), import Belgian hops to create [Belgian IPAs](#).

**For brewers in Flanders** there is clearly the opportunity to sell their produce in Scotland, though if possible, it would be easier and more lucrative to sell through a nationwide store, below is a list of Scotland’s biggest F&D retailers.

One of the bigger concerns currently for the drinks sector is the upcoming Scottish Environmental Protection Agency’s March 2023 enactment of the [Deposit Return Scheme](#) for all plastic, glass, and metal drinking vessels that are sold in Scotland. Producers are expected to increase their prices by 20p, and consumers can then return the bottle / can to a deposit point to reclaim their deposit. Producers are expected to register with SEPA, and online retailers are expected to provide an envelope / parcel for the consumer to be able to return their bottles, though it is as yet unclear how that will take place if the producer sells online from abroad, as the environmental cost of returning the bottles overseas will likely outweigh the CO<sup>2</sup> saving. More information on the Deposit Return Scheme can be found [here](#), and for the time being it is likely more prudent to plan to export your produce to a local distributor, and let them handle DRS matters, or have drinks bottled in Scotland. It’s also worth bearing in mind the amount of opposition amongst businesses in the food & drink sector as well as hospitality to the enactment of the DRS, and with a new First Minister in place it would behove exporters to keep an eye [on the news](#) for developments.

Food Stores in Scotland		
Name	Stores	Type
Co-op	518	Convenience Store
Tesco	220	Supermarket
Scotmid	177	Convenience Store
Lidl	111	Supermarket
Farm Foods	100	Frozen Food
M&S	100	Supermarket
Sainsburys	97	Supermarket
Aldi	96	Supermarket
Morrisons	85	Supermarket
Cost Cutter	72	Convenience Store
Asda	61	Supermarket
Waitrose	7	Supermarket

### Forestry

Scotland has a thriving forestry industry, which plays a significant role in the country’s economy and environmental sustainability efforts. The industry is centred around the production of timber, which is used for a range of products including construction materials, paper, and furniture.

<sup>25</sup> [https://yougov.co.uk/topics/consumer/explore/brand/Stella\\_Artois?content=all](https://yougov.co.uk/topics/consumer/explore/brand/Stella_Artois?content=all)



The forestry sector in Scotland is comprised of around 20,000 businesses, ranging from small family-run operations to large commercial enterprises. The sector employs around 25,000 people and contributes around £1 billion to the Scottish economy each year.

The forestry industry is regulated by the Scottish government, the [Forestry Commission](#), which sets policies and regulations related to the management of Scotland’s forests and the harvesting of timber. The government also provides funding and support to promote the sustainable management of Scotland’s forests and to encourage the growth of the forestry industry.

Scotland’s forests cover around 18% of the country’s land area, with over 23,000km<sup>2</sup> of forested land. The majority of Scotland’s forests are owned by the government or by private landowners, with around 10% of forested land owned by forestry companies.

Forestry practices in Scotland are guided by principles of sustainable forest management, which aim to balance the economic, social, and environmental benefits of forest management. This includes practices such as selective harvesting and replanting, which help to maintain forest health and biodiversity.

In addition to timber production, Scotland’s forestry industry also contributes to environmental sustainability through carbon sequestration and the provision of habitats for wildlife. The industry is also a significant source of renewable energy, with many forestry companies producing biomass fuel from wood waste.

## CONSTRUCTION

Constructing around 21,000 homes per year, the construction sector, including building and repairs, maintenance and improvements accounts for roughly 4.5% of Scotland’s GDP, £11.6 billion. As with the rest of the construction sector in the UK, recruitment remains a challenge post-EU, and estimates predict that Scotland will need 20,000 additional skilled workers in the next 5 years to keep the sector growing.<sup>26</sup> In an effort to address the issue, the British Government added several construction trades to the Skilled Worker list, meaning more workers will be able to migrate and work in the UK.<sup>27</sup>

<b>Key Players</b>	
	<b>Galliford Try</b>
Specialty	Construction
Locations	Nationwide
Turnover	£1.1bn
Headcount	2,600
Est.	1997
Website	<a href="http://www.gallifordtry.co.uk">www.gallifordtry.co.uk</a>

<sup>26</sup> [www.citb.co.uk/about-citb/news-events-and-blogs/demand-for-construction-workers-high-despite-economic-uncertainty/](http://www.citb.co.uk/about-citb/news-events-and-blogs/demand-for-construction-workers-high-despite-economic-uncertainty/)

<sup>27</sup> [www.bbc.co.uk/news/business-64969468](http://www.bbc.co.uk/news/business-64969468)

Scotland has set ambitious targets for carbon reduction and energy efficiency<sup>28</sup>, which means there is a growing demand for sustainable construction materials and practices, especially in the old town houses as seen in Edinburgh (pictured right)<sup>29</sup>. This is made more challenging and in need of innovative solutions as Edinburgh’s Old Town and New Town both fall within a UNESCO World Heritage Site, 75% of the buildings within this site are Listed Buildings, which entails maintaining the external façade of the buildings. The demand for building services, such as heating and ventilation systems, is high in Scotland, particularly as the country moves towards a low-carbon economy. Flemish businesses that specialize in sustainable construction materials, such as low-carbon concrete or timber construction, could find a ready market in Scotland. The Scottish construction sector is open to new and innovative construction methods, such as modular construction or 3D printing. Scotland has been investing heavily in infrastructure projects, such as new [roads](#), [bridges](#), and [rail links](#), and has [further plans](#) for more infrastructure development.



City Council’s, too, have their own plans, [Edinburgh](#) for instance plans to have all new buildings be carbon neutral,

## TEXTILES / INTERIOR DESIGN

The historic textile trade between Scotland and Flanders dates back to the medieval period. Scotland was known for its high-quality wool, which was highly sought after in Flanders. Flanders was known for its production of fine linen, which was used to make clothing for the upper classes. Scottish wool was used to make fabrics such as tweed and tartan, which were used for clothing, kilts, and blankets.

The trade between Scotland and Flanders was important for both regions, as it provided valuable materials and products. In the 16th century, Scottish merchants would travel to Flanders to sell their wool and purchase linen, lace, and other textiles. The trade continued to grow in the following centuries, with Flanders importing large quantities of wool from Scotland, and Scotland importing fine linens, tapestries, as well as luxury goods like Flemish lace, and furniture.

Today, Scotland’s textile industry continues to be a significant contributor to the country’s economy, employing over 8,000 people and generating around £950 million in revenue annually. The industry is known for producing high-quality textiles such as tweed, tartan, and cashmere, which are sought after by consumers around the world. Scotland has a strong tradition of producing traditional tartans, with each clan having its own [distinct pattern and colours](#).

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<sup>28</sup> [www.gov.scot/publications/heat-buildings-strategy-achieving-net-zero-emissions-scotlands-buildings/](http://www.gov.scot/publications/heat-buildings-strategy-achieving-net-zero-emissions-scotlands-buildings/)  
<sup>29</sup> [www.economicsobservatory.com/retrofitting-the-uk-housing-stock-what-lessons-from-scotlands-tenements](http://www.economicsobservatory.com/retrofitting-the-uk-housing-stock-what-lessons-from-scotlands-tenements)

The industry has also diversified into other areas such as technical textiles, including protective clothing and textiles for use in the healthcare and construction industries.

Many textile companies in Scotland are small to medium-sized enterprises, with a focus on producing high-quality, artisanal products. There has been a growing interest in sustainable and environmentally friendly textiles, with many Scottish textile companies focusing on using natural fibres and implementing eco-friendly production methods.

Scotland has a strong network of textile industry organizations and institutions, including the [Scottish Textile Industry Association](#) and the [Textile Centre of Excellence](#). These organizations facilitate collaborations between textile businesses and provide access to funding opportunities and technical expertise.

The upholstery and interior design market in Scotland encompasses a broad range of products and services related to furniture, fabrics, and decor for both residential and commercial spaces. The upholstery sector in Scotland includes the manufacturing of sofas, armchairs, and other soft furnishings, as well as reupholstery services for antique or vintage pieces. Scotland is home to a number of skilled upholsterers who are able to produce high-quality bespoke pieces. The interior design market in Scotland encompasses a range of services, from residential design to commercial design for restaurants, hotels, and other businesses. Scotland is home to a number of talented interior designers and design firms who are able to provide innovative and creative solutions for clients. In addition to traditional upholstery and interior design services, Scotland is also home to a growing number of sustainable and eco-friendly textile companies, which use innovative materials and production methods to create environmentally-friendly products.

Scotland has a significant furniture manufacturing industry, particularly in upholstery and interior design. There are also a number of textile and fabric manufacturers in Scotland who may be interested in sourcing textiles from Flanders. Businesses can explore trade shows and exhibitions in Scotland that cater to the furniture and interior design industries, such as the [Scottish Interiors Showcase](#) (January) or the [Scottish Furniture Fair](#) (July), or enquire at the [Scottish Furniture Makers Association](#).

	
<b>Key Players</b>	<b>Gillies of Broughty Ferry Limited</b>
Specialty	Wide range of home furniture
Locations	Aberdeen, Angus, Perth
Turnover	£18m
Headcount	177
Est.	1895
Website	<a href="http://www.gillies.co.uk">www.gillies.co.uk</a>

[Johnstons of Elgin](#) - A textile manufacturer known for producing high-quality cashmere products and fabrics for the home.

[Tetrad](#) - A manufacturer of luxury upholstered furniture with a focus on classic designs and quality craftsmanship.

[Bazaar Group](#) - A furniture and homeware retailer with a focus on modern and contemporary design.

[Sofa Workshop](#) - A UK-based manufacturer and retailer of high-quality sofas and chairs, with several stores located in Scotland.

[BoConcept](#) - A Danish furniture company with several stores located in Scotland, known for their modern and stylish designs.

[Vantona](#) - A textile manufacturer with a focus on bedding and soft furnishings for the home.

The UK has regulations and requirements for importing textiles, which can vary depending on the type of textile and its intended use. These are some general requirements and links for more information:

**Compliance with [labelling](#) and [packaging](#) requirements:** All textiles imported into the UK must be labelled with specific information, including fibre content, country of origin, and care instructions. The labelling must be in English and meet certain font size requirements.

**Compliance with [safety standards](#):** Textiles must meet safety standards set by the UK government, including regulations on [flammability](#) and chemical content.

**Compliance with [customs procedures](#):** All textiles must be cleared by customs before they can enter the UK. This may involve paying tariffs or taxes, and completing necessary documentation. [Here](#) is an example query on exporting textile carpets to the UK from Belgium, where you can see VAT, certification, excise duty, and other requirements for the import.

**Compliance with [sanitary and phytosanitary](#) requirements:** Certain types of textiles, such as those made from animal fibres, may require additional certification to ensure they do not pose a risk to public health.

**Compliance with [environmental regulations](#):** Textiles must comply with UK regulations on waste and hazardous substances, such as those related to the disposal of [packaging materials](#).

## ELECTRONICS, IT, COMPUTING, SAAS, FINTECH

### Electronics

As the birthplace of many modern consumer electronics like the television, refrigerator, and ATM, Scotland has a good track record with electronic technologies and the developments thereafter, and possesses a rich knowledge base at their technical institutions which have provided highly skilled tech employees for many decades. Its hey-day was in the 1980s and 1990s, when the term



“Silicon Glen” was coined, and the Central Belt of Scotland was chosen by companies such as IBM, Hewlett-Packard, Motorola, for the construction of semi-conductor and consumer electronic factories. The Scottish electronics industry “at its peak produced approximately 30% of Europe’s PCs, 80% of its workstations, 65% of its ATMs and a significant percentage of its integrated circuits.”

Scotland also hosts 7 tech incubators, including [Codebase](#) in Edinburgh, the largest incubator in the UK, which itself landed a £42 million contract in 2022 to launch 7 more hubs across Scotland<sup>30</sup>. “88% said their start-up had grown in 2022, although 68% said Brexit had slowed growth.”<sup>31</sup> Scotland boasts two of the UK’s top five cities when it comes to tech investment in 2022 – with companies from Edinburgh and Glasgow raising a combined £115 million in venture capital.<sup>32</sup>



The world’s First Robot Olympics, Glasgow, 1990 - Petermowforth

<sup>30</sup> [www.gov.scot/news/inspiring-a-new-generation-of-tech-entrepreneurs/](http://www.gov.scot/news/inspiring-a-new-generation-of-tech-entrepreneurs/)

<sup>31</sup> <https://scottishbusinessnews.net/6th-annual-scottish-startup-survey-reveals-resilient-tech-companies-in-the-face-of-economic-headwinds/>

<sup>32</sup> [www.digit.fyi/scottish-unicorns-help-push-uk-tech-industry-to-1-trillion-value/](http://www.digit.fyi/scottish-unicorns-help-push-uk-tech-industry-to-1-trillion-value/)



# Video Games

The video games industry in Scotland has experienced significant growth in recent years, making it one of the most vibrant and dynamic sectors in the country<sup>33</sup>. The industry is centred in Glasgow, Dundee, and Edinburgh. Scotland has a strong tradition in computer science and has produced some of the most successful games in history, such as Grand Theft Auto and Minecraft.

Scotland’s video game companies range from small independent studios to major developers such as Rockstar North and 4J Studios. The sector employs around 2,000 people and generates an estimated £100 million in annual revenue for the Scottish economy. Many game development companies are attracted to Scotland due to the strong support provided by the Scottish government and the country’s highly skilled workforce.

Scotland has also become a hub for video game education, with several universities offering courses in game design and development. The [University of Abertay Dundee](#) is widely regarded as one of the best institutions for video game development in the world and has a strong track record of producing successful game developers<sup>34</sup>.

The Scottish government has recognized the importance of the video games industry and has provided significant support to help it grow. This includes financial support for start-ups, tax breaks for game developers, and the establishment of a [Video Games Fund](#) to help developers access funding for new projects.

# Fintech

Scotland’s fintech industry has grown significantly in recent years, with a thriving ecosystem of innovative companies and start-ups. The industry is centred around Edinburgh, which is home to many established financial services firms as well as a growing number of fintech start-ups.

The Scottish fintech sector benefits from a strong talent pool, with many graduates from Scotland’s universities pursuing careers in finance and technology. There is also a supportive regulatory environment, with the Scottish government and industry bodies working closely with fintech companies to promote growth and innovation.

Some notable fintech companies based in Scotland include:

- **FreeAgent:** A cloud-based accounting software provider for small businesses and freelancers
- **Money Dashboard:** A personal finance management app that helps users track and manage their finances across multiple accounts
- **Castlight Financial:** A financial management platform that uses data analytics to help lenders make better lending decisions
- **Nucleus Financial:** A financial services platform that provides investment and financial planning tools for advisers and clients.

A more complete list can be found [here](#).

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<sup>33</sup> [www.gov.scot/publications/scottish-government-response-european-commission-white-paper-artificial-intelligence/](http://www.gov.scot/publications/scottish-government-response-european-commission-white-paper-artificial-intelligence/)  
<sup>34</sup> [www.princetonreview.com/college-rankings/game-design/top-25-game-design-grad](http://www.princetonreview.com/college-rankings/game-design/top-25-game-design-grad)

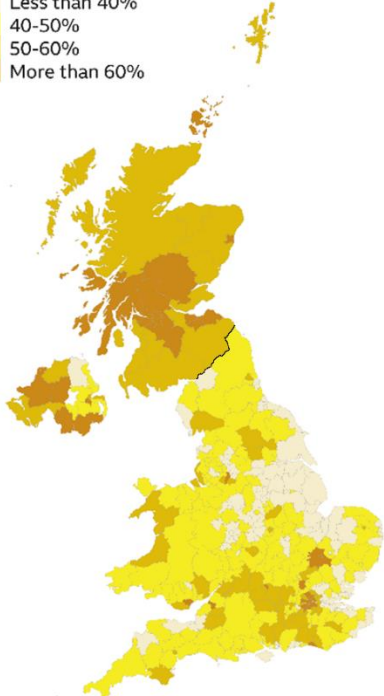
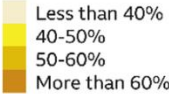
# 4. POST EU-TRANSITION

*“Following the deeply regrettable Brexit outcome which removed Scotland from the EU against its will, the Scottish Government believes that re-joining the EU at the earliest opportunity as an independent country represents the best future for Scotland. In the meantime, Scotland will maintain alignment where possible and practical with EU legislation, standards, policies and programmes.”<sup>35</sup>*

Scottish Government written submission for the Conference on the Future of Europe – April 2022

The attitudes of Scottish people towards the EU vary, but overall Scotland is generally more supportive of the EU than the rest of the UK. In the 2016 Brexit referendum, Scotland voted to remain in the EU by 62% to 38%, with all 32 local authorities voting in favour of remaining. Since then, there have been calls from Scottish political leaders for Scotland to maintain close ties with the EU, and for Scotland to be granted a special status that would allow it to remain part of the EU’s single market. These have not been successful.

**Remain share of the vote**



Source: Electoral Commission

8

One of the main reasons for the pro-EU sentiment in Scotland is the perception that membership in the EU provides economic and social benefits, such as access to the single market and the free movement of people. Scottish industries such as fishing, farming, and higher education have benefited from EU membership, and many Scots feel that leaving the EU will have a negative impact on their economy and way of life, now, and in the future.

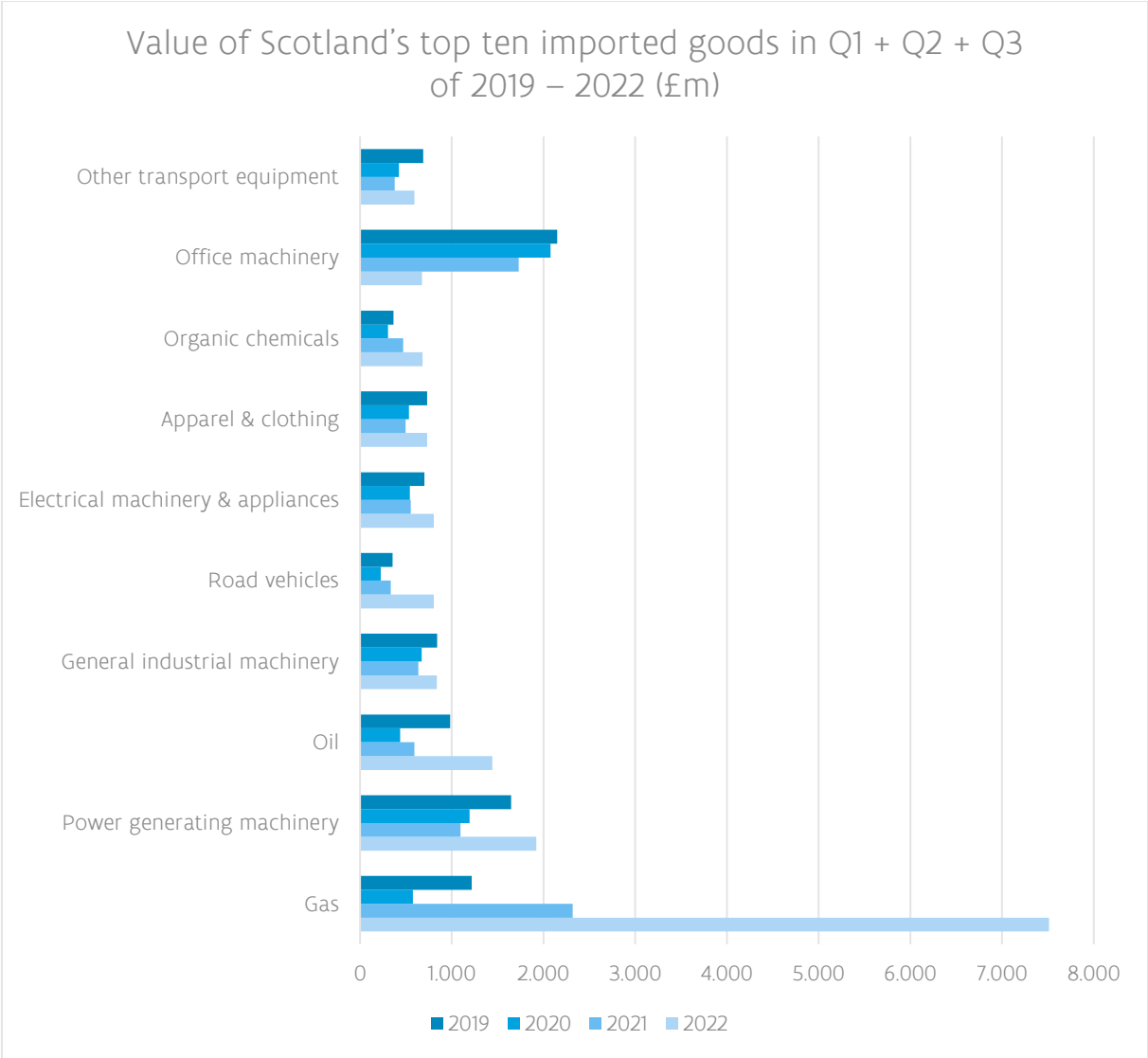
There is also a sense among many Scottish people that the UK government is not taking Scotland’s views on Brexit into account, and that Scotland has been dragged out of the EU against its will<sup>36</sup>. This has led to calls for another referendum on Scottish independence, as many Scots believe that independence would allow them to remain part of the EU. Overall, while opinions on the EU vary among the Scottish population, there is a general sense that the EU is a positive force in Scottish society and that closer ties with the EU are desirable.<sup>37</sup>

In addition, uncertainty around trade agreements and the potential for increased tariffs is impacting Scottish businesses that rely on international trade. The decline in migration from EU countries also affects Scotland’s labour market, as some industries have relied heavily on EU workers. Interestingly, the value of Scotland’s goods imports from the EU have increased since leaving the EU, up by 12.5% (up £930 million) to £8.4 billion, presenting an unexpected opportunity for Flemish businesses. This was similar to the change in value of goods imports from the EU to the UK over this period (up 12.9%). Growth in the value of imports of **power-generating machinery**

<sup>35</sup> [www.gov.scot/publications/conference-on-the-future-of-europe-submission/](http://www.gov.scot/publications/conference-on-the-future-of-europe-submission/)  
<sup>36</sup> [www.thenational.scot/news/23287326.scottish-businesses-battle-survive-amid-lost-trade-eu-brexit/](http://www.thenational.scot/news/23287326.scottish-businesses-battle-survive-amid-lost-trade-eu-brexit/)  
<sup>37</sup> [www.gov.scot/news/damaging-legacy-of-brexit/](http://www.gov.scot/news/damaging-legacy-of-brexit/)

(up £362 million, 135.8%) **road vehicles** (up £198 million, 63.9%) and other **transport equipment** (up £150 million, 114.6%) contributed to this increase. There was however a large decrease in the second largest category of imported goods from EU countries in the first nine months of 2022 compared to the first nine months of 2019: the value of imports of office machinery reduced by £659 million (55.3%).<sup>38</sup>

The increase in goods imports was driven by imports of gas, which experienced more than a fivefold increase in value (up 517.3%, £6.3 billion) in the first nine months of 2022 compared to the first nine months of 2019. However, much of this increase might be due to increases in gas prices since the volume of gas imports only increased by 15.6% over this period. Gas accounted for almost a third (30%) of the total value of Scotland’s imports in the first nine quarters of 2022.

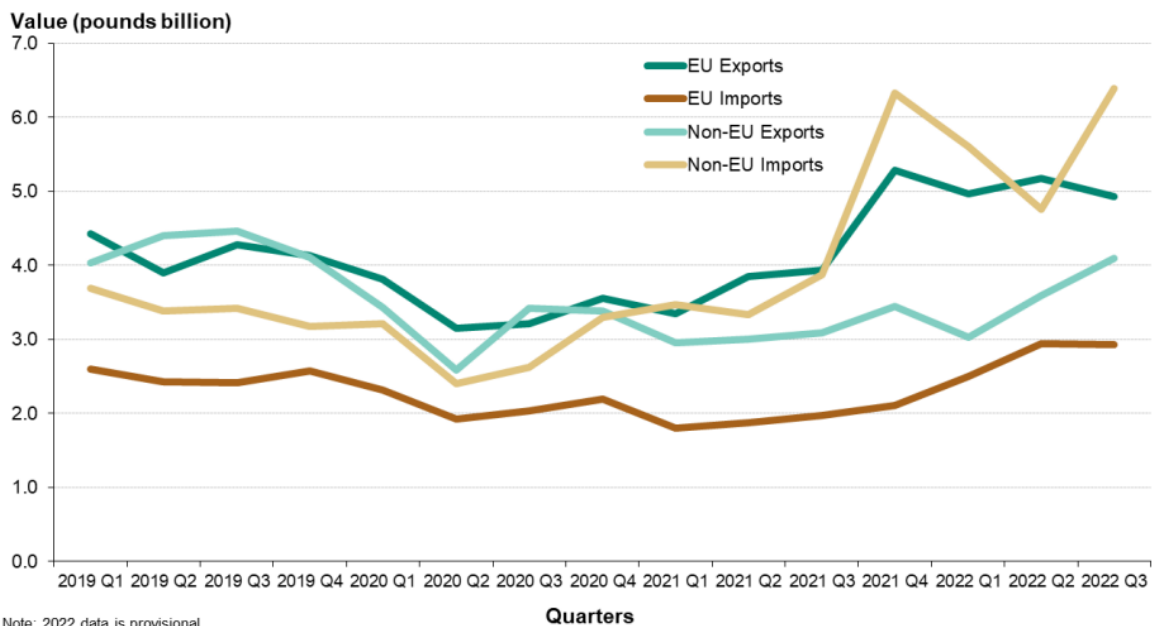


More than three quarters (84%) of the total value of Scotland’s gas imports came from Norway.

<sup>38</sup> [www.gov.scot/publications/scotlands-international-goods-trade-quarter-3-2022/](http://www.gov.scot/publications/scotlands-international-goods-trade-quarter-3-2022/)



**Figure 6: Scotland's goods trade, 2019 Q1 to 2022 Q3**

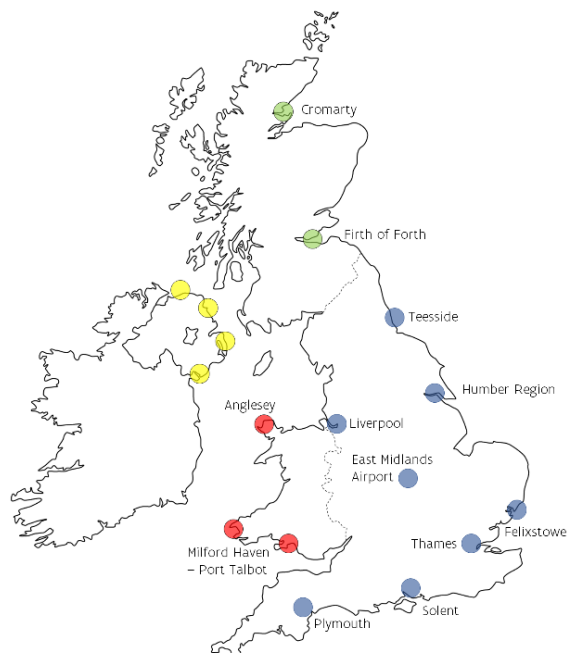


## 5. WIDER DEVELOPMENTS

### FREE PORTS

One of the UK Government's plans for post-EU trading benefits for the country is the opening of several Free Ports at various locations. 8 were agreed on in England in 2022, 2 were decided upon in Wales in March 2023, and in early 2023, Scotland selected the Cromarty Firth Hydrogen Free Port in the north, and the Firth of Forth Green Port surrounding Edinburgh in the central belt.

Northern Ireland (*Belfast/Larne/Warrenpoint/Derry*) will likely announce their 2 sites in the coming year, locations of the 4 candidates are in yellow on the map on the right.



### Cromarty Firth

The Cromarty Firth is an estuary which lies just north of Inverness, the UK's northernmost city. The city itself has a population of 63,000, and has well developed port infrastructure in the area which caters towards off-shore wind, drilling, and cruise ships. The local airport only serves 2 international destinations currently: Dublin and Amsterdam, though it connects to most other UK cities, London being 90 minutes away.



The area of the Free Port includes:

**Invergordon**, a town which services the offshore rigs and cruise ships, where they will develop facilities for the serial manufacturing of floating structures.

**Nigg**, a village which has expanded rapidly since the 1970’s, now incorporating crude oil storage and processing facilities, port, quays, a dry dock, and the site of a wind turbine factory. As part of the Free Port development, an advanced manufacturing plant will be built there too.

**Inverness**, or at least certain areas of it, where they plan to build the ‘Power House’ research centre for further development of floating offshore wind and green hydrogen technologies.

The crown jewel of the Hydrogen Free Port will be the construction of the North of Scotland green hydrogen hub, which will process hydrogen and distribute to local customers like the Diageo, Glenmorangie, and Whyte & Mackay distilleries, and to ship the green hydrogen around the UK and internationally.

“*Scottish Power* and *Storegga’s* first electrolyser plant on the Cromarty Firth, capable of producing up to 20 tonnes of green hydrogen a day, is expected to be operational in 2024” <sup>39</sup>

Knowledge and experience gained by Flanders’ businesses in building the storage and transit infrastructure for the Zeebrugge and Antwerp green hydrogen ports will be needed in Cromarty, and could help form the basis of future collaboration throughout the rest of the century as hydrogen looks to take a dominant position in storing and providing energy for all sectors of society going forwards. Early close collaboration with the North of Scotland will be a huge advantage to Flanders as the [Federal Hydrogen Strategy](#) unfolds, and seeks to put Flanders at the heart of Europe’s energy network.

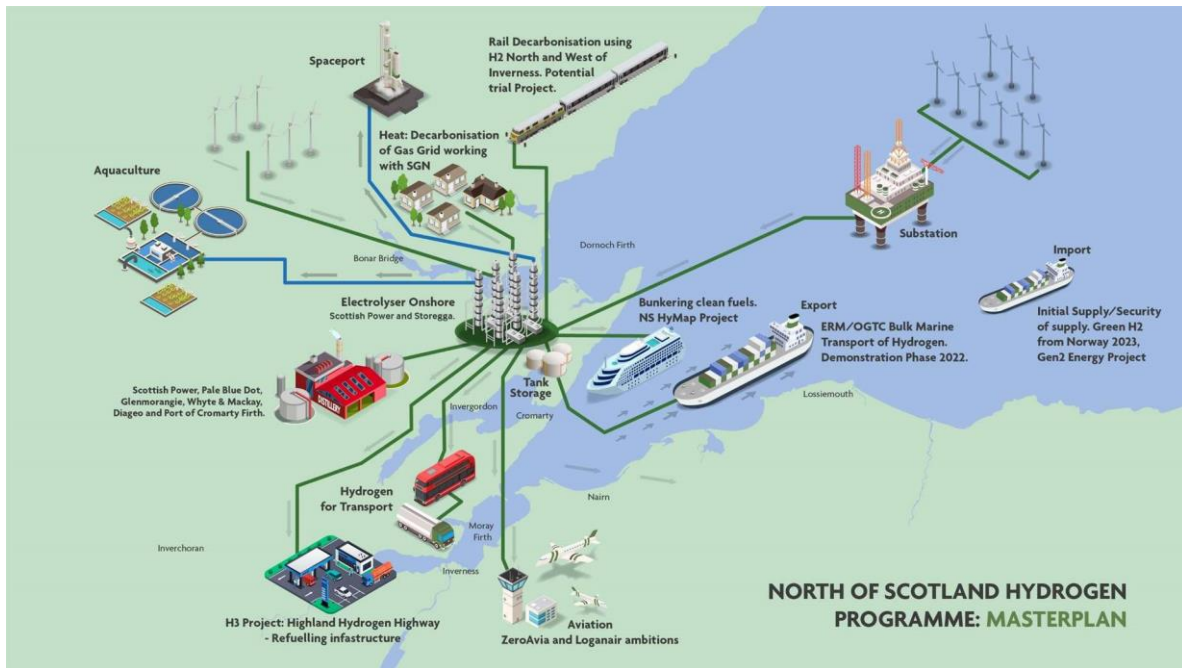
*“The Port of Antwerp-Bruges is a world port and envisions itself in the import, local production, processing, and throughput of green hydrogen and hydrogen carriers, for example, ammonia and methanol, to the country and beyond.*

*Belgium cannot produce the required quantities of green hydrogen on its own due to a lack of space. Imports of green hydrogen and hydrogen carriers from areas that have a significant amount of space, as well as sufficient wind and sun, will therefore be necessary to supplement local production.”*

**Belgium’s revised hydrogen strategy unveiled at Port of Antwerp-Bruges**, Innovation News Network, 19/10/2022

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<sup>39</sup> [www.pressandjournal.co.uk/fp/business/4481040/green-freeport-inverness-and-cromarty-firth-1billion-investment-in-region/](http://www.pressandjournal.co.uk/fp/business/4481040/green-freeport-inverness-and-cromarty-firth-1billion-investment-in-region/)



The Antwerp Hydrogen Hub plan, which was announced in 2020, aims to establish a large-scale hydrogen hub in the port of Antwerp, which is one of the largest petrochemical clusters in Europe. The plan involves the development of a network of hydrogen pipelines and the construction of several electrolysis plants to produce green hydrogen from renewable electricity. The green hydrogen produced would be used as a feedstock for the local chemical industry, which currently relies heavily on fossil fuels.

The Antwerp Hydrogen Hub plan has a strong focus on decarbonising the local petrochemical industry, which is a major contributor to greenhouse gas emissions in the region. It is also intended to support the development of a new hydrogen economy in Belgium, which could create new opportunities for investment, innovation, and job creation.

While both the Green Hydrogen Hub in Scotland and the Antwerp Hydrogen Hub plan aim to promote the use of green hydrogen as a low-carbon energy carrier, they have different areas of focus and scope. The Scottish hub is primarily focused on using green hydrogen to support a range of industries and applications, while the Antwerp hub is focused specifically on decarbonizing the local petrochemical industry.

The production, storage, and transport of all the proposed hydrogen will involve many businesses from different sectors, which Flanders businesses can get involved in; wind, solar, or hydro power generation should see even more need, electrolyzers, piping, compressors, storage tanks, pipelines, trucks, or ships to end-users, fuel cells for energy storage, and the widespread adoption of green hydrogen will require the development of an extensive infrastructure network to produce, store, and transport the gas to end-users.

# Firth of Forth

The Firth of Forth (meaning *fjord of the Forth River*) is arguably the centre of Scotland’s industry, and 70% of the Scottish people are within an hour of the waters. Both sides of the estuary have historically been major industrial hubs, in agriculture, coal, oil, ship building, and more recently in offshore wind manufacturing.<sup>40</sup>

The focus of this Green Freeport will be on advanced manufacturing, expanded construction and maintenance facilities for more offshore wind turbines, and off shore solar<sup>41</sup>.

**Leith** has already gained £40 million investment into the industrial regeneration of the northern port of Edinburgh, to pivot towards being a renewable energy hub for the manufacture and distribution of offshore wind infrastructure, and is slated to be fully operational by the end of 2023. They have also earmarked additional land for future development in green hydrogen storage and transport facilities, along with a supply chain incubator facility.

**Rosyth** was already an important distribution, ferry, and shipbuilding facility, where the UK’s newest aircraft carriers were constructed. Under the Green Freeport plan <sup>42</sup> the freight terminal will be expanded,

*“Ptarmigan Shipping and DFDS have signed an agreement with the intention to further investigate the possibility for a new ferry route between Rosyth and Zeebrugge with a target date being early 2023 for freight.*

The huge expansion in the construction and maintenance of offshore wind turbines out of Leith will need equipment, technology, and expertise bringing in, and businesses in Flanders are very well placed to provide.

*“This is all subject to the support we can get from the market and stakeholders, which will be our focus during the next few months. A further study is being carried out regarding the passenger business.”*

DFDS and Ptarmigan Shipping [statement](#) 17/06/2022

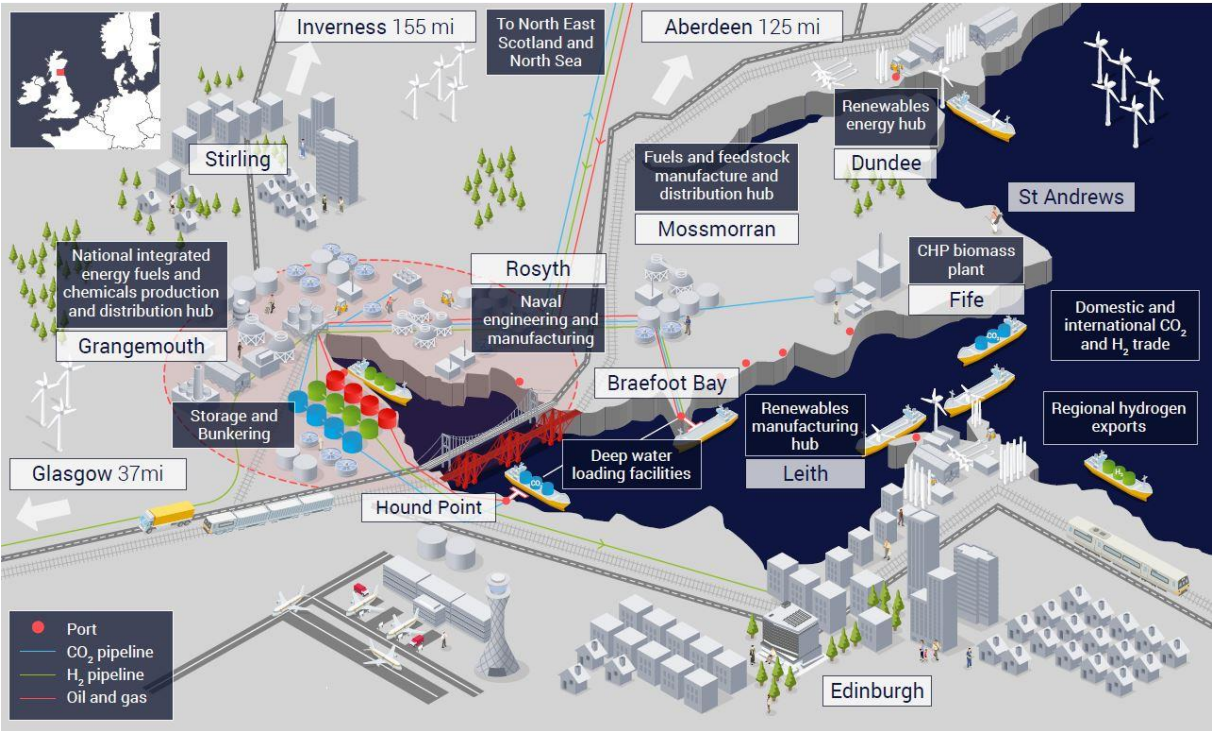
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<sup>40</sup> [www.forthports.co.uk/latest-news/vision-unveiled-for-a-forth-green-freeport-to-deliver-scotlands-green-growth-ambitions/](http://www.forthports.co.uk/latest-news/vision-unveiled-for-a-forth-green-freeport-to-deliver-scotlands-green-growth-ambitions/)

<sup>41</sup> [www.gov.scot/news/floating-solar-panels-ready-in-first-for-scotland/](http://www.gov.scot/news/floating-solar-panels-ready-in-first-for-scotland/)

<sup>42</sup> <https://forthgreenfreeport.com/news/ambitious-vision-for-rosyth-unveiled-within-forth-green-freeport-bid/>

# INDEPENDENCE



Nicola Sturgeon, in June of 2022, announced her intention to hold a 2<sup>nd</sup> referendum on the 19<sup>th</sup> of October 2023. A lot has changed in the SNP since then, and it is currently unclear whether the Scottish National Party have the support to hold another referendum, whether Westminster will allow another one, whether it is legal to hold one/block one, or what the effects of any scenario coming to fruition will be.

As a study focused primarily on business and markets, we won't go into the politics here, however it is prudent for businesses to be aware of what effects it may have, if your business has a large stake in trading/investing with Scotland, 4 key questions you might need to confront are:

- Will Westminster allow Scotland to have another referendum?
- If they do, will it succeed this time?
- If they gain independence from the UK, is the Scottish economy up to the task<sup>43</sup>?
- And finally, will Scotland be able to re-join the EU, and how long might that take?

As of Q2 2023, it is still difficult to answer any of these questions, though every year we see more and more divergences in law between Scotland and the rest of the UK through their devolved powers, the aforementioned Deposit Return Scheme, for instance. Businesses looking at the UK with a long term strategy should keep aware of these divergences, prepare for more aggressive Green policies than the wider-UK in the future, and be mindful of what Scottish independence might mean for your business further down the line.

<sup>43</sup> [www.gov.scot/publications/building-new-scotland-stronger-economy-independence/](http://www.gov.scot/publications/building-new-scotland-stronger-economy-independence/)



# 6. IN SUMMARY

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Scotland is a country with a rich history, vibrant culture, and a strong economy. It boasts a highly skilled workforce, world-class infrastructure, and a business-friendly environment. With a population of over 5.5 million, there is a significant demand for quality products and services.

But what makes Scotland truly special is its openness to international trade. The Scottish government actively supports and encourages foreign investment and trade partnerships. Scotland has a well-established export market, and there are ample opportunities for Flemish businesses to export their goods and services to this dynamic and growing market.

The sectors in Scotland are diverse and offer opportunities for collaboration in various industries, including textiles, construction, life sciences, and more. Scottish businesses are known for their innovation, quality, and reliability, and partnering with them can lead to mutual benefits and long-term success.

Furthermore, Scotland is strategically located with excellent transport links, making it a gateway to other markets in the UK and beyond. Scottish businesses are also known for their global outlook and are keen to engage in international trade and establish strong trade partnerships.

## SWOT

### Strengths

- An economy proven to be resilient to the twin shocks of the pandemic and leaving the European Union
- A Government with a clear and focused plan for building the economy over the coming decades, which is tailored to maximising Scotland’s existing strengths
- Using the increased gas and oil revenues of the past 2 years to invest more into renewable energy, further future-proofing the Scottish economy from potential shocks down the line.
- Punching above her weight in certain sectors to become world leaders, previously in textiles, then in electronics, and now in renewable engineering.

### Weaknesses

- Unclear and quite shaky path to independence, which is still not a given, the uncertainty of which leads to a great portion of FDI heading south of the border
- Being tied to, a recently quite volatile, Pound Sterling has led to some financial losses in Scotland, when arguably a Scottish Central Bank could have weathered the storms in a more Scotland-tailored approach



