

INVEST

EDINBURGH



CAPITALS GET IN GEAR

EDINBURGH AND LONDON TEAM UP
FOR 2012 OPPORTUNITY

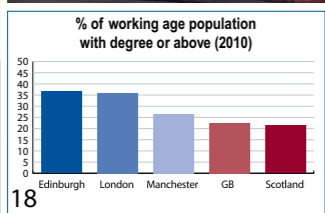



EDINBURGH
INSPIRING CAPITAL

VOTED EUROPE'S TOP SMALL CITY BY FDI MAGAZINE

ALSO INSIDE ISSUE 39 » 10 QUESTIONS FOR SUSAN RICE » SPORTS INVESTMENT TO MAKE A SPLASH » NEW ARRIVALS CREATE PANDA-MONIUM » THE EVENING ECONOMY » STATISTICS

IN THIS ISSUE



- 4** SNAPSHOTS
Edinburgh on display at global showcase
- 8** 10 QUESTIONS FOR...
Lady Susan Rice CBE, Managing Director, Lloyds Banking Group Scotland
- (cover story)
- 10** CAPITALS GET IN GEAR
Building valuable links between Edinburgh and London
- 14** INSIGHT
We ask stakeholders how Edinburgh can emulate London's success in attracting Foreign Direct Investment
- 16** MAKING IT HAPPEN
Getting creative with business growth
- 17** ADDED EXTRAS
A toast to all that the evenings promise
- 18** THE STATISTICS
The latest key indicators for the Edinburgh economy

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THE FIRST WORD

Welcome to *Invest Edinburgh*, the quarterly investment promotion magazine for Edinburgh. After focusing on Tianjin, in China, and Munich in previous issues, we now investigate the opportunities that our partnership with another of our priority cities for engagement – London – will bring. In Insight (page 14) we ask various experts how Edinburgh can best improve links with this important market.

Susan Rice, Managing Director of Lloyds Banking Group Scotland answers 10 Questions (page 8) and explains why she feels that Edinburgh will sustain its place as a world-leading financial centre. In Making it Happen (page 16) we look at Edinburgh's creative industries, which now benefit from the relaunch of Creative Edinburgh.

The refurbishment of the Royal Commonwealth Pool is reported in Capital Focus (page 3); and in Added Extras (page 17) we look at Edinburgh's pubs and bars as well as local brewers.

I hope you enjoy this issue and, as always, feedback on any aspect of the publication is most welcome to:

editor@investedinburgh.com

TOM BUCHANAN,
Convenor of the Economic Development Committee



INVEST IN EDINBURGH

ARE YOU:

- A retailer looking to expand into a dynamic new market?
- A hotel developer or operator interested in opening a hotel in a global tourism hotspot?
- A business looking to establish an office or contact centre in Scotland?
- A property developer interested in development opportunities?

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To find out more about how we can help you, please contact the Investor Support team at invest@edinburgh-inspiringcapital.com or on +44 (0)131 529 6600.



SPORTS INVESTMENT SET TO MAKE A SPLASH

British Swimming has chosen the Royal Commonwealth Pool (RCP) in Edinburgh as its July training camp for its final preparations before the London 2012 Olympics.

Following completion of its £37.2 million refurbishment, the iconic RCP aquatic centre re-opens in March 2012. Featuring a 50m Olympic pool, 25m teaching pool and specialised diving facilities, it will be the UK's first centre of diving excellence and sets a new benchmark in sports and leisure facilities.

Close collaboration with British Swimming has helped develop a dry dive facility, unique to Scotland, in which competition divers can practise twists and turns with trampolines and harnesses before entering the water.

The Grade A-listed building was identified as a key target for investment in 2004. "The City of Edinburgh Council was able to apply to what was then **sportscotland's** National and Regional Facilities Fund, securing £5 million towards the project costs," explains Stephanie-Anne Harris, Strategic Development Manager from The City of Edinburgh Council.

Since closing on 28 June 2009 the RCP building, which first opened its doors to the public in 1970, has been completely emptied.

"When **sportscotland** established its original National and Regional Facilities Strategy the Royal

THE RCP WILL BE THE UK'S FIRST CENTRE OF DIVING EXCELLENCE AND SETS A NEW BENCHMARK IN SPORTS AND LEISURE FACILITIES. IT WILL HOST THE DIVING COMPETITION IN THE 2014 COMMONWEALTH GAMES.

Commonwealth Pool was identified as being of national importance," adds Stephanie-Anne. "Our architects worked closely with Historic Scotland to ensure the architectural heritage of the original building was preserved."

At one point, only the exterior walls remained: the pool tanks had been removed and changing facilities stripped out. More than 3,000 iroko wood ceiling panels – part of the building's Grade A listing – were completely refurbished. More than 350,000 ceramic tiles have now been laid, heating systems and electrical cabling replaced, modern unisex changing facilities installed and an open, accessible customer reception area completed.

The two and a half year project will deliver a centre capable of meeting the needs of local residents, visitors to the city and elite athletes alike.

Moving floors have been introduced in all the pools, to adjust the depth. The main 50m swimming pool has been extended by 1.5m, and will have a special boom so that it can be split into two 25m pools – allowing different activities to take place at the same time.

Customers will also be able to enjoy the new ground floor restaurant and café as well as a fully equipped, modern gym, all operated by the Council's sports and leisure partner, Edinburgh Leisure. Younger customers will be in their element too, with a new underwater-themed 'Clambers' soft play area.

"We've worked closely with both British Swimming and Scottish Swimming to deliver a facility that meets the needs of Great Britain's elite athletes, while Edinburgh Leisure has been instrumental in ensuring our public customers have a facility that the city can be proud of," says Stephanie-Anne.

FURTHER INFORMATION

www.edinburghleisure.co.uk

EDINBURGH ON DISPLAY AT GLOBAL SHOWCASE

Edinburgh will be at MIPIM, the world's leading real estate exhibition and conference, which takes place in Cannes between 6-9 March 2012.

The City will be showcasing development opportunities across the four strategic development zones – City Centre, West Edinburgh, South and East Edinburgh and Edinburgh Waterfront.

Over the course of the four days, some 40,000 key investors from 90 countries are expected to attend.

"This event brings together the most influential real estate professionals to explore major international property development projects, connect with potential partners and strike deals," said Councillor Tom Buchanan, Convenor of the Economic Development Committee.

In 2010 the team made contact with over 1,000 delegates, including CEOs of blue-chip companies, fund owners and managers, international hotel chains and support services focusing on city sustainability.

"There is an enormous amount of goodwill towards Edinburgh and a growing recognition that it is an attractive place to invest in," added Councillor Buchanan. "We will be building on that goodwill, and the *FDi Magazine* award for 'best small European city', to promote our very strong proposition to investors."

> **Further information:**
e: steve.vance@edinburgh.gov.uk

FOOD FOR THOUGHT

Dutch food company Vion created 250 new jobs at its plant in West Lothian, in October 2011, among them 100 Modern Apprenticeships.

The achievements of the firm's Lean Leadership Academy, piloted in Suffolk, underlined the opportunities that can be delivered by the adoption of proven Lean practices. These seek to maximise customer value while minimising waste. VION aims to replicate this model at Broxburn – their largest site in Scotland.

The strategic investment in training and skills development forms a key element in the creation of a Centre of Excellence for fresh food manufacturing.

Recognising its commitment to learning and people development, VION has been awarded almost £2 million of grant funding from Scottish Enterprise and Skills Development Scotland.

> **Further information:**
www.vionfood.co.uk

DELIVERICS GROW A RESULT



Nexus – a network organisation for the life science community in Scotland – named Edinburgh-based Deliverics the 'Most Promising Young Life Science Company of the Year in Scotland' in 2011.

Deliverics clinched the title after impressing the judges with their rapid growth and the demand for their kits, which help researchers deliver biomolecules and therapeutics into and onto cells.

The company was spun-out from the University of Edinburgh in April 2010. It has distribution agreements with a number of overseas companies and has already spun-out a further company – LIPlteq – to commercialise its technology platform in the pharmaceutical field.

The company's kits are based on a ground-breaking technology platform originally developed by Dr Asier Unciti-Broceta and Professor Mark Bradley within the University of Edinburgh, with the support of a Scottish Enterprise Proof of Concept award. Two products, SAFEctin™ and SAFEctin™-STEM, have already been launched and additional products are under development.

LIPlteq will develop novel technologies for the safe and effective delivery of a new generation of human therapeutics, based on gene therapy, to help treat cancer and other serious diseases with unmet medical needs.

> **Further information:**
www.nexusScotland.com
www.deliverics.com



Councillor Jenny Dawe, centre, with the international guest speakers at WaterfrontExpo.

The eighth Waterfront Expo was held in Glasgow late last year, the second time the city has hosted the event. Dundee Waterfront, Clyde Waterfront and City of Edinburgh Council sponsored the event and showcased future investment opportunities. The three Scottish cities' waterfront developments have already attracted £4 billion of investment and continuing regeneration of the waterfronts is expected to attract a further £3 billion over the next five to ten years.

More than 150 delegates, including international visitors, heard presentations from Marseille, Barcelona, Chicago, Yokohama and the host cities. Michelle Woods from Chicago presented on her experience of Tax Incremental Financing to fund public realm improvements, a subject of interest to Edinburgh as the location of the UK's first TIF project.

Go Shinohara, Member of Yokohama City Assembly, shared the experiences of the city's 186 hectare MinatoMirai development. This transformed the former dock area into

a business district, allowing decentralisation from Tokyo and created 190,000 jobs, with housing for 10,000 people. The development is relevant to new proposals being explored for Edinburgh's waterfront.

Councillor Jenny Dawe, Council Leader; Charles Hammond, Chief Executive of Forth Ports; and John Bury, Head of Planning at the Council, presented on the Edinburgh Waterfront and particularly the opportunities at Leith Docks, giving an option for port-related industrial development, capitalising on the potential within the renewables market. Since the Expo the partners have signed a Memorandum of Understanding with Scottish Enterprise to explore this vision of the docks as a 21st century maritime gateway. Work has already started on masterplanning.

On the second day delegates travelled to Edinburgh to learn first-hand about the ongoing redevelopment of the waterfront and the partnerships between public and private sectors working to achieve this. Speakers from Port of Leith Housing Association, Seagreen Wind Energy and DTZ spoke about their roles in the continuing regeneration and its potential for investors in the area.

> **Further information:**
www.waterfront-ed.com
e: sally.nelson@edinburgh.gov.uk

Bite size

The Edinburgh Institute, part of Edinburgh Napier University, has launched a Sales Division. It will provide a range of benefits to members throughout the year, including Accredited Sales Training, ongoing opportunities for knowledge acquisition, performance improvement, professional development and business networking.

Castle Terrace Restaurant has become the latest recipient of a Michelin Star in Edinburgh. Since opening in 2010 it has received three AA Rosettes and been named UK Newcomer of the Year by *Caterer & Hotel keeper* and has been included among the top 25 eateries in the *Best UK Restaurants 2011*, published by Square Meal.

Edinburgh City Libraries are doing their bit to support small businesses. A library membership card can gain you access to a wealth of data, free of charge. Resources include *Kompass*, which can help locate suppliers, sales leads and mailing lists and *UK Newstand*, which offers access to the archives of 160 newspapers and magazines. In addition, streamlined business intelligence is available from *Mint UK* and *Know UK*.

The Edinburgh Inspiring Capital team in the Clipper Round the World Race are currently racing to Singapore where the city and its partners have planned a number of events to promote the city and its universities. Next stop after Singapore (28 Jan – 4 Feb) is Qingdao (22 – 25 Feb).

Two Edinburgh shops were winners at the Scottish Independent Retail Awards, last October. Hanover Healthfoods won the Health and Lifestyle Retailer of the Year award, while The Great Grog Company won the Off Sales category. The event highlights the value of independent retailers to local communities and rewards the entrepreneurial spirit and business acumen which lie behind Scotland's thriving independent retailers. According to retail experts CACI Ltd, Edinburgh's city centre is the least-cloned shopping centre in Scotland due to its high number of independent retailers.

1 TO WATCH CUPID



WHY IS IT WORTH WATCHING?

In October 2011, Cupid was named Scotland's fastest-growing technology business and the company was ranked 19th by accountants Deloitte in a list of the UK's 50 fastest-growing technology firms.

WHAT DOES IT DO?

Since its entry into the online dating industry in 2005, Cupid has built a base of over 34 million members in 39 countries. It generated revenues of £25 million in the six months to 30 June 2011.

The company offers a wide variety of online dating services that are intended to appeal to dating users of diverse ages, cultures, and social interest groups. Its products can be classified in three groups: traditional dating, casual dating, and niche dating sites.

WHERE HAS IT COME FROM?

Revenue growth of 1,317% over the past five years, driven by an aggressive international expansion strategy, means that the Edinburgh-based company has become a global market leader. Cupid plc listed on the AIM in June 2010.

WHAT DOES IT MEAN FOR CUPID?

Cupid Chief Executive Bill Dobbie believes the challenge now is to sustain the dating firm's aggressive growth rate: "We have successfully entered a number of new overseas markets in the past 12 months, and have the capability to win reasonable market share in each of these new countries. This will sustain our ongoing growth."

> **Further information:**
www.cupid.com

GSK SIGN RESEARCH DEAL WITH UNIVERSITY



Pharma giant, GlaxoSmithKline has agreed to work jointly with The University of Edinburgh to develop treatments for severe acute pancreatitis.

The partnership will build on University research that has found a molecular mechanism thought to play a role in triggering multiple organ failure.

The condition develops in around 25% of acute pancreatitis cases.

The agreement was negotiated by Edinburgh BioQuarter and sees the University receiving success-based payments for reaching agreed milestones.

The upfront payment is not being disclosed, but the University will receive royalties on sales from products commercialised as a result of the collaboration.

Severe acute pancreatitis can be expensive to treat as patients require intensive care. Despite treatment, up to a quarter of people will die from an attack.

The research is being led by Damian Mole and Dr Scott Webster of the University's College of Medicine and Veterinary Medicine. "By teaming up with GSK, we have the opportunity to turn our science into medicine," said Damian.

Dr Diane Harbison, Head of Business Development at Edinburgh BioQuarter, added: "This collaborative partnership with a world-leader in drug discovery demonstrates the strength and depth of research being conducted here in Edinburgh."

> **Further information:**
www.edinburghbioquarter.com

MADE in EDINBURGH

LOVE IS IN THE AIR FOR EDINBURGH TECH

In October, four Edinburgh businesses were listed among the 50 fastest-growing technology companies in the UK: Cupid, Skyscanner, DEM Solutions and Reactec.

The world-renowned UK Deloitte Technology Fast 50 ranks high-growth technology companies based on percentage growth in stated revenue over five years. The programme considers companies in all areas of technology.

Mike McGregor, from Deloitte, said: "The 2011 Deloitte Fast 50 shows that tremendous growth rates are still possible, with internet and software sectors showing particular strength and making up over half (56%) of the companies in the ranking."

Cupid plc was highest placed, at 19th overall (see One to Watch), with travel search site Skyscanner 27th; software company DEM Solutions 35th and semiconductor, components and electronics firm Reactec Ltd entering at 48.

Skyscanner offers a flight search engine that compares flights and prices from all major airlines and online travel agents. The company continued its international expansion in 2011, with the launch of new internet domains and sub domains for six territories across Asia and Europe.

Gareth Williams, CEO, commented: "With more than 60% of our traffic now coming from outside of the UK and Ireland, it's vital that Skyscanner is as international and multilingual as possible. The site is already available in 20 different languages and 62 different currencies."

DEM Solutions achieved a remarkable 852% growth in revenue over the last five years; an achievement that also saw them placed in the top 10 fastest-growing UK software companies. "EDM has become a key R&D tool used by blue-chip companies in energy, heavy machinery, metals, pharmaceuticals and consumer goods sectors and by top academic

research groups around the globe," said Dr John Favier, CEO and Founder.

Reactec secured its place in the Fast 50 after recording a 697% increase in revenue, making it the only vibration safety firm in the ranking. It was also placed fourth in Deloitte's list of the fastest growing technology firms in Scotland.

Jim O'Hagan, Managing Director of Reactec Ltd, said: "The HAVmeter system is now recognised as best practice for measuring Hand Arm Vibration exposure and maintaining safety in the workplace."

As UK 2011 winners, the four companies will now compete against Deloitte Technology Fast 50 companies from Europe, the Middle East and Asia in the international EMEA Fast 500 award programme.

> **Further information:**
www.cupid.com
www.skyscanner.net
www.dem-solutions.com
www.reactec.com

NEW ARRIVALS

WHO CAME TO EDINBURGH, WHEN AND WHY?

WHO'S ON THE MOVE?

On 4 December, two new residents arrived in Edinburgh. Tian Tian and Yang Guang made their way to their new home, at Edinburgh Zoo, arriving from the Wolong Panda Breeding Centre in China.

Tian Tian (Sweetie), an eight-year-old female, together with her male companion, Yang Guang (Ray of Sunshine), became the first giant pandas to come to Britain for almost 20 years.

WHY THE MOVE?

Only four zoos in Europe have pandas, and their gift from the Chinese government reflects official recognition of Edinburgh Zoo's record in conservation and research, as well as closer links between the two countries at a government level.

Edinburgh is developing direct ties with Tianjin – a city of more than 12 million people, less than 120km from Beijing – and the Chinese Consulate in Edinburgh has been closely involved in preparations for the pandas' arrival.

"Education is at the forefront of Edinburgh Zoo's role in supporting giant panda conservation," says Hugh Roberts, Chief Executive.



"We believe they will bring a significant boost to the Scottish economy, with almost 1,500 tickets to see the giant pandas sold in the initial 24 hours. Our panda-cams will also allow

a wider, global audience to learn more about these elusive animals."

WHY EDINBURGH?

Bringing the pandas to Edinburgh has involved a five year effort by the zoo, supported by the Scottish and UK governments, The City of Edinburgh Council and the internationally-recognised, Confucius Institute for Scotland.

"This gift is an incredible story for Edinburgh and Edinburgh Zoo," adds Hugh. "The Royal Zoological Society of Scotland and the Wolong Panda Breeding Centre have collaborated for a number of years. Edinburgh Zoo has been gifted the pandas for ten years to support panda conservation and the international breeding programme."

"Interest has been phenomenal and we hope our pandas will help spark a global panda debate, proving that they have a genuine world-wide impact and appeal."

> **Further information:**
www.edinburghzoo.org.uk

PRIMARK CREATE JOBS

Primark's flagship new store in Edinburgh opened its doors on Princes Street on 10 December. This is the latest in a number of new retail openings in the city centre including Anthropologie and Charles Tyrwhitt, with a new Hollister outlet earmarked to open on George Street.

The six-floor, 6,967m² fashion outlet opens onto both Princes Street and Rose Street, providing a pedestrian link between the two streets.

"We have been very careful to respect the heritage and character of the Princes Street location," confirmed a company

spokesperson. "We believe we have created a contemporary building that is sympathetic to the historic nature of the location and is in keeping with the Georgian and Victorian facades on either side of us."

"This store will not only create 600 new jobs, but we hope it will also prove very popular among shoppers and retailers alike."

The company is also developing another shop at the Gyle, on the western edge of the city.

> **Further information:**
www.primark.co.uk

EDINBURGH AIRPORT

The British Airports Authority (BAA) has put Edinburgh Airport up for sale after it was told by competition regulators to let go of one of its Scottish hubs. The company expects to agree a sale by summer 2012.

Edinburgh Airport is the fifth busiest airport in the UK. Its facilities and customer standards are among the best in Europe and reflect investment in recent years.

Edinburgh Airport employs 485 staff and supports 7,500 jobs across Scotland. As Scotland's largest airport it welcomed approximately 9.2 million passengers in 2011 and handled over 100,000 flights. BAA made a £42 million investment in Edinburgh Airport's departure lounge and security hall in 2010.

Jim O'Sullivan, Managing Director of Edinburgh Airport, said: "Edinburgh Airport has benefited from considerable investment in recent years and we have an excellent team in place, who have been the driving force behind our success to date."

Lloyds Banking Group plc – the largest retail bank in the UK – was created following the acquisition of HBOS by Lloyds TSB Group in 2009. With its declared aim to be ‘the best financial services provider in the UK’, the Group retained its iconic Scottish HQ on The Mound, in Edinburgh.



10 QUESTIONS FOR...

Susan Rice, Managing Director Lloyds Banking Group Scotland

IE> It's nearly three years since the creation of Lloyds Banking Group. Can you outline the milestones you've achieved?

SR> I believe this has been Europe's biggest corporate integration, certainly in financial services. Next year, we should see the process complete and we have now passed most of our major milestones. A key element has been bringing our vision to life. We want to be the best bank for customers, colleagues and communities.

IE> How do you bring that to life?

SR> We have started through simplification and now have a single IT platform and that means we can make our products and processes simpler for customers as well as for colleagues. Banking everywhere has become quite complicated, through products, processes and pricing. We think customers want a simple way to manage and understand their money.

IE> What operations are based in Scotland and how many employees does the Group have here?

SR> We are the largest retail bank in Scotland, with 480 branches. We also operate from 30 other buildings across all our brands – Bank of Scotland, Lloyds TSB, Scottish Widows, SWIP, Black Horse, Lloyds Corporate Markets and Lloyds Banking Group. We employ around 20,000 people and contribute more than £1 billion annually to the Scottish economy.

We take our presence here very seriously. In Edinburgh, employees span the whole spectrum of the Group's activities; corporate, retail, operations, insurance and investment. We also have a significant number of senior colleagues here – disproportionate to overall employee numbers in fact.

IE> How does the reputation of Scotland, and Edinburgh specifically, stand in banking today?

SR> Many features of banking – the branch network, savings banks – were created in Scotland. The Scottish model has been exported globally, as far as China and the Pacific Rim. That heritage,

of integrity and probity, is still strongly associated with Scotland.

We're now moving forward again. I chair the Professional Standards Board of the Chartered Banker Institute. We have just launched the framework for national professional standards that will affect 350,000 staff in the UK and 70 million customers. Over the next 12-15 months, we will introduce a common suite of professional behavioural standards, for the first time in the UK. These standards will be monitored and backed by personal designations – Professional Banker and Chartered Banker status. They will engender and reflect professional pride, knowledge and integrity and we hope will help strengthen the sector's reputation.

IE> Lloyds Banking Group maintains an Edinburgh HQ. What is the importance of this link to the Bank's past?

SR> It's very important. At the time of the acquisition, we were committed to Scotland and we remain so. We know this market and kept the HQ as a signal of our

commitment to Scotland, to our customers and to our staff. The Mound is a wonderful iconic building that gives us a highly visible presence. It reflects our past and is our promise that we're here for the future.

IE> In the aftermath of the global banking crisis, in 2008, there were those who wanted to write off Scotland as a financial centre. Edinburgh, however, continues to attract banks, with the likes of Virgin Money and Tesco Bank both recent additions to the city. Why does Edinburgh continue to be a strong base for banks specifically?

SR> The Global Financial Cities Index 2011 promoted Edinburgh by two places and I think it will rise further. Diversity is essential to the equation. Edinburgh's financial services sector is about banks, asset managers, fund managers, venture capital, insurance and investment. All services are strongly represented.

That presence obviously means there is a great pool of skilled people here, who see the city as somewhere to have a career.

There are also links with the universities, for research and planning. Heriot-Watt University has established the Scottish Financial Risk Academy, which is attracting leading thinkers from around the globe.

IE> How will you be using the London 2012 Olympic and Paralympic Games in Scotland?

SR> Bank of Scotland is the only Scottish brand to be an Official Supporter of the London 2012 Games. As a Group, our sponsorship reflects our desire to be the leading bank for our 30 million customers, colleagues and communities. We have the sponsor rights to the Olympic and Paralympic Torch Relay and we've worked closely with the planning committee to ensure the relay route makes the torch accessible to as many communities as possible. Bank of Scotland customers can nominate torchbearers and a lot of people are getting involved.

IE> What are the main elements of the sponsorship prior to and at the event itself, and for the Paralympics?

SR> The Olympic and Paralympic Torch Relay is a significant element ahead of the event. But we've worked hard to find the right way to relate the Games to everyday talent too. We've introduced National School Sport Week, which in 2011 gave 330,000 Scottish children an opportunity to try a new sport. A second programme – Local Heroes – provides £1,000 each year to

young talented athletes, to support them with the costs of competing. In Scotland, we are currently supporting 82 young athletes.

Both programmes have had great community feedback and we're delighted that past Olympic medal winners, such as Katherine Grainger and Jonathan Edwards, have also lent their support.

"IN EDINBURGH, EMPLOYEES SPAN THE WHOLE SPECTRUM OF THE GROUP'S ACTIVITIES; CORPORATE, RETAIL, OPERATIONS, INSURANCE AND INVESTMENT. WE ALSO HAVE A SIGNIFICANT NUMBER OF SENIOR COLLEAGUES HERE."

IE> In your view, how does Edinburgh compare with London and other world financial centres?

SR> Each city complements the other in financial services. The fact that Edinburgh is strong helps London. Edinburgh has a diversity of financial services, the city is well-connected by rail in the UK and by air internationally and has a rich cultural life which the Council and city work hard to nurture and promote. The Festivals Forum, which I chair, was created to support Edinburgh's world-leading festivals today and in the future. This is just one example of the focus on culture and the arts in Edinburgh, and one of the reasons the city is so attractive to such a range of companies.

Edinburgh is a special city for every sector, but especially financial services, with an appeal that attracts top-level people.

IE> What is the most important factor you think needs to be addressed to see Edinburgh sustain its place as a world-leading financial centre?

SR> The city remains a positive host. The main challenge I see is to maintain that reputation. We need to promote the fact that Edinburgh has withstood the recent challenges well, thanks to the diversity I mentioned. Financial services remains a good industry, one that cares about communities and one that invests into both the city and the national economy.

CV



Lady Susan Rice CBE, a Chartered Banker, is Managing Director, Lloyds Banking Group Scotland. She was previously Chairman and Chief Executive of Lloyds TSB Scotland, the first woman to head a UK clearing bank.

Susan is Senior Independent Director of Scottish and Southern Energy and sits on the Court of the Bank of England. As Chairman of the Chartered Banker Professional Standards Board, she leads a ground-breaking initiative from Edinburgh, with the Chartered Banker Institute, to create professional standards for bankers around the UK.

Recently appointed to the Board of Big Society Capital, Susan is a frequent speaker on financial services, leadership and sustainability. She sits on Scotland's Futures Forum and Scotland's 2020 Climate Leadership Group, where she leads its workstream on finance.

A lifelong supporter of the arts, Susan chairs the Edinburgh International Book Festival, Edinburgh's Festivals Forum and the Governors of the Patrons of the National Galleries of Scotland.

FURTHER INFORMATION

www.lloydsbankinggroup.com



Alderman David Wootton, Lord Mayor, The City of London.

CAPITALS GET IN GEAR

BUILDING VALUABLE LINKS BETWEEN EDINBURGH AND LONDON

London is recognised as one of the world's leading financial hubs – home to the largest international banking sector, foreign exchange market and fund management centre. Edinburgh's historical and current strengths and the critical mass of employment in the sector in Edinburgh complement those of 'The City' very well.

“Edinburgh is a fully internationalised financial services centre in its own right, a characteristic that remains rare in world terms,” explains Owen Kelly, Chief Executive of Scottish Financial Enterprise. “It is Europe’s fourth financial centre and the second largest financial hub in the UK.”

Recognised internationally for its own strengths in banking, life assurance and pensions, investment management and asset servicing, Edinburgh’s importance in a global context is illustrated by the number of companies based here that service clients in Europe, the USA and Asia.

“Recent investment by companies such as Tesco Bank, Virgin Money, BlackRock International, State Street and Avaloq confirms Edinburgh’s appeal,” adds Owen. “The financial services talent pool here is broad, highly skilled and exceptionally well-qualified, with a high proportion of graduates. The attraction of a skilled workforce, an outstanding quality of life and access to London’s markets on a no-cost basis means the city offers a really good place to manage money and administer financial transactions.”

Edinburgh outclasses much larger cities in many other sectors too: GlaxoSmithKline has just signed a research agreement with

The University of Edinburgh (see page 6), and the Edinburgh BioQuarter alone is home to some 2,000 medical researchers who work on ground-breaking treatments for major diseases including cancer, heart disease, diabetes and degenerative conditions such as multiple sclerosis, Parkinson’s disease and liver failure.

As home to more than 30 consular offices, the Edinburgh Consular Corps liaises closely with their respective London embassies and the city welcomes many Ambassadorial and High Commissioner visits each year.

Edinburgh is also the centre for the Scottish legal profession and firms like Dundas & Wilson and McGrigors compete directly with London’s ‘magic circle’. Their success reflects the specialist legal services they provide to the financial services players headquartered in Edinburgh, such as Standard Life and SWIP.

CLOSER COLLABORATION

Alderman David Wootton, Lord Mayor of the City of London, is the international ambassador for the entire UK financial services and professional sector: his Office maintains close relations with Edinburgh and its economy.

“As the largest financial services hub in the UK next to London, Scotland is of vital



EDINBURGH'S INVESTMENT PROMOTION STRATEGY

Scotland’s capital continues involvement in showcase events such as MIPIM and ExpoReal, which both provide excellent opportunities to showcase the city’s exceptional strengths in financial services, life sciences, renewables and creative industries.

Edinburgh’s involvement in bespoke marketing events such as this year’s Clipper Round the World Yacht Race, also provides scope to build relationships with stakeholders globally.



Left: Big Ben, London. Top: Lloyd's Banking Group's HQ on The Mound, Edinburgh.

importance to the UK financial and professional services cluster," says Lord Mayor, David Wootton.

"There are, of course, some areas where we currently compete, but this is healthy for all involved. Indeed, there are many more areas where we complement each other and where there is great scope for working together for mutual benefit. I look forward to exploring this theme a little later in my Mayoralty, during my own visit to Edinburgh."

GOLDEN OPPORTUNITY

"London remains the launch pad for many potential overseas investors looking to relocate to the UK," says Elaine Ballantyne, Head of Investor Support, City of Edinburgh Council. "Edinburgh is working with partners, including the Lord Mayor of the City of London and Scottish Development International (SDI), to meet high level business contacts and investors over the course of this year.

"Our aim for the Council's investment promotion strategy is to forge strong and productive value-added relationships with six key city regions; focused on knowledge exchange and collaboration. With London,

2012 is a key opportunity for both cities to promote our complementary strengths."

The London 2012 Olympic Games will draw thousands of visitors to the UK in August, when the city welcomes the world's elite athletes, and the Lord Mayor of London's office is hosting many top level events. In a fabulous juxtaposition, Edinburgh will play host at the same time to the world's elite of the cultural sector on the global stage of Edinburgh's Festivals.

Edinburgh will also be strongly represented at CityWeek, in February, the global forum for senior members of the international financial services community, and will continue to engage with the London property market. In 2012, Edinburgh plans to host regular breakfast events in partnership with its framework property agents – CBRE, Jones Lang LaSalle and GVA Grimley – designed to highlight Edinburgh's competitive cost base, development zones and upcoming development opportunities to agents, developers and investors.

Scottish Development International (SDI) is leading Team Scotland at CityWeek and maintains a permanent presence in London to promote Scottish opportunities to investors. Anne MacColl, Chief Executive, SDI, adds: "Edinburgh already has much in common with London, not only in areas

such as asset management and servicing, in Edinburgh's financial services sector, but also in stem cells and regenerative medicine at Edinburgh BioQuarter and renewable energy, with ongoing infrastructure developments at Leith."

Edinburgh's financial reputation combines with a burgeoning cluster of renewable companies such as NGenTec (featured in Invest Edinburgh 38), the research expertise of the Edinburgh Centre for Carbon Innovation, (hosted between The University of Edinburgh, Heriot-Watt University and Edinburgh Napier University), and the growing base of investors and advisors supporting investment in the low carbon economy to underpin the city's bid to become the permanent home of the UK's Green Investment Bank. A final decision on the site is due to be announced by Vince Cable, UK Business Secretary, early in 2012 and industry watchers consider Edinburgh to be a very strong contender.

CRITICAL MASS

Scotland's capital is undoubtedly a base for world influencers in finance, science, the creative industries and renewables. The city's strengths in these knowledge-intensive sectors complement London. The UK, for example, is the second most developed environment for venture capital funding after the US, accounting for almost 75% of Europe's publicly-quoted biotechnology companies. Edinburgh was crowned 'Best Small City of the Future' and 'Top Location for Economic Potential' in the *Financial Times' FDi Magazine* awards 2010/11. Edinburgh's size is one of its great strengths, offering an equally vibrant lifestyle to that of London with Michelin-starred restaurants, a high quality built environment and universities that continue to attract top talent at undergraduate and graduate levels.

"There are many networks already being used to help us spread that message internationally," adds Ron Hewitt, Chief Executive, Edinburgh Chamber of Commerce until the end of 2011.

"London may be the world's favourite city for foreign direct investment, but Edinburgh is the first city investigated by most companies already in London and looking to expand in the UK. That's because we offer employers real strengths; from a quality of life that appeals to top talent and matches anything on offer globally, to a highly competitive cost base and our higher education sector. This provides both top quality graduates and world class research in areas as diverse as The University of

EDINBURGH OFFERS EMPLOYERS REAL STRENGTHS; FROM A QUALITY OF LIFE THAT APPEALS TO TOP TALENT AND MATCHES ANYTHING ON OFFER GLOBALLY, TO A HIGHLY COMPETITIVE COST BASE AND OUR HIGHER EDUCATION SECTOR.

Edinburgh's School of Informatics and the Scottish Financial Risk Academy at Heriot-Watt University."

"Many investors in London look for a wider home in the UK and we can and do work with London to piggy-back on its success," adds Hugh Rutherford, Chairman of Edinburgh Business Forum.

"Financial services is an obvious example, with Edinburgh able to offer an excellent base where staff and property costs are lower, and the skill base is second to none and with a lower level of staff churn than in London and the south east – reflecting the city's quality of life. The proximity of both cities means we can and are already working well with London."

"Edinburgh's investment promotion strategy sets out a proposal for closer engagement with the London city region, with the ultimate aim of bringing additional investment and jobs to Edinburgh," adds Steve Vance, Economic Development Officer, City of Edinburgh Council. "London-based Jansen's invested in the SoCo* development in Edinburgh last year, while Jamie's Italian, the restaurant chain owned by celebrity-chef Jamie Oliver, will open in the refurbished Assembly Rooms in July 2012.

"In the creative sector**," we have seen London-based companies such as TV production house, Shine group, market research firm WPP and PR agency, Four Communications all open in Edinburgh.

"We will ensure every opportunity is used to promote and market Edinburgh's assets and the opportunities for collaboration between the two cities."

FURTHER INFORMATION

For a copy of *Inspiring Opportunity* – Edinburgh's financial services brochure – contact: **Steve Vance**
t: +44 (0) 131 529 6358
e: steve.vance@edinburgh.gov.uk
www.investedinburgh.com
www.twitter.com/InvestEdinburgh

THE CULTURAL OLYMPIAD

Edinburgh's Festivals will play a major role in celebrating London 2012, with the world's elite and emerging cultural talent gathering in Edinburgh while their sporting equivalents are in London.

As acknowledged by Ruth Mackenzie, Director of Culture at LOCOG (London 2012 Organising Committee), Edinburgh's Festivals are a major partner of the London 2012 Cultural Olympiad.

Edinburgh's world-leading festival for children and young people, *The Bank of Scotland Imagine Festival*, will create two major new pieces of work and Edinburgh's summer festivals will present an ambitious range of work inspired by the internationalism and aspiration of the Olympic and Paralympic Games.

A Cultural Olympiad highlight will certainly be NVA's *Speed of Light*, an Edinburgh International Festival production presented as part of a wider Festival 2012/Cultural Olympiad Programme and involving many of Edinburgh's other festivals.

This large scale ground-breaking public art presentation will involve thousands of runners on Edinburgh's iconic Arthur's Seat, animating the hillside with trails of patterned light every night. Edinburgh's Festivals' programmes will celebrate culture on an unrivalled scale and in uniquely significant ways in 2012, building an invaluable legacy for the future.

Each year, Edinburgh's Festivals attract more than four million attendees, across 40,000 performances in over 300 venues, involving more than 25,000 artists. Put simply, Edinburgh's Festivals are a truly world-renowned, internationally-famous, cultural phenomenon.

* SoCo is a mixed use development which will include a hotel with a vibrant lobby, shop and reception on South Bridge and a restaurant, a nightclub, a festival venue and a business centre on the Cowgate.

**See *Making it happen*, page 16.

ROUND TABLE:

London is the largest FDI market in the world. How can Edinburgh best emulate its success and improve links with this important market?

“FOR INTERNATIONAL INVESTORS, EDINBURGH HAS A COMPLEMENTARY OFFER TO LONDON’S CHARACTERISTICS.”



Anne MacColl, Chief Executive, Scottish Development International
The high quality proposition that Edinburgh can offer

in areas such as asset management and servicing, in stem cells and regenerative medicine, and in renewable energy, combined with the number of high quality graduates coming out of the city’s universities and the excellent quality of life on offer, will ensure we can continue to build links both with London and other leading European and global cities.

We’ve seen evidence of this in 2011, where the capital has attracted significant financial services and technology-related jobs and investment, from global companies such as Avaloq, BlackRock International, BNY Mellon, State Street and Toshiba.



Ron Hewitt, Chief Executive, Edinburgh Chamber of Commerce until Dec 2011
Edinburgh’s strengths benefit London.

Ties between both cities, especially in financial services, demonstrate this clearly – with the Lord Mayor acting as an ambassador for the entire UK financial services sector.

The collaborative links built up over recent years mean we now promote Edinburgh with a stronger, shared voice and this is paying dividends. But there is more that can be done to encourage a closer partnership between public and private

sectors to promote the wider city region and exploit the upcoming opportunities presented by the London 2012 Games.

We must capitalise on the opportunities in key sectors such as bioscience, academic research and development, renewables and financial services. Through our professional links in each of these sectors, and with the opportunities from initiatives such as the Cultural Olympiad and our own International Festivals, that message will be heard far and wide.



Nathan Goode, Partner, Grant Thornton

“It’s easy for Scottish cities to see themselves in competition, rather than collaborating

with London. So, strengthening ties is very important. The political landscape is interesting – we have to see a greater dialogue between the political leaders to share knowledge on how international promotion is being done. Edinburgh’s size does mean we can try things here and London can learn from us. Finding channels for sharing these ideas is one interesting opportunity.

For international investors, Edinburgh has a complementary offer to London’s characteristics. This is very appealing for their UK expansion. The profile for people who are attracted by Edinburgh is subtly different from London. Edinburgh has broader factors in play, including the quality of life it offers.

The concept of focusing interest on the city region, and using that as a magnet, has still to really get going. It’s important to get all the marketing strategies aligned – and there is still a job to do to get more private sector players involved in shaping the strategy.



Michael Bear, Lord Mayor of the City of London, 2010-2011

The synergies between our two cities mean our partnership significantly

enhances the UK financial and cultural offer. I was fortunate enough to visit Scotland three times during my Mayoralty to strengthen our longstanding ties and look forward to continuing this work in a professional capacity.

“EDINBURGH’S COST BASE IS BETTER AND THE CITY PROVIDES ACCESS TO A FANTASTIC POOL OF TALENT.”



Hugh Rutherford, Chairman, Edinburgh Business Forum

There is a real recognition now that by playing to our strengths

in Scotland, everyone benefits. For example, Glasgow has shown its support for Edinburgh’s bid to host the Green Investment Bank – recognising that if the bid is successful, then the bank will be a real asset to Scotland as a whole.

In the renewables sector, Aberdeen, Glasgow, Dundee, Fife and Edinburgh provide a cluster of expertise, opportunity and site which is highly compelling. Within the biosciences and technology fields, Dundee and Edinburgh show a considerable synergy. Edinburgh and Glasgow together provide an enhanced critical mass and employment for inward investment, particularly in areas such as financial services. It is heartening to see the spirit of partnership with the cities working together.”

“MANY INVESTORS LOOK TO SCOTLAND AS A REALLY GOOD PLACE TO MANAGE MONEY AND ADMINISTER FINANCIAL TRANSACTIONS.”



Elaine Ballantyne, The City of Edinburgh Council

The Council’s Economic Development Service will be working with stakeholders

in Edinburgh and London to highlight commercial partnerships and promote Edinburgh’s assets and investment opportunities in the key sectors of financial services, renewables and life sciences. We aim to develop links between the developer and investor communities and provide evidence of our skills base and ability to attract and retain top talent.



Owen Kelly, Chief Executive, Scottish Financial Enterprise
It’s possible to conduct high-level financial sector business in

London, from Edinburgh. Many in the sector commute regularly and both planes and trains shuttle between Edinburgh and London every day, making communication links seamless.

Edinburgh’s legal and professional sector provides high-quality advice and services under English law, ensuring financial sector businesses can benefit from excellent advice, often at a lower cost than in London.

Within the UK, Edinburgh is the centre for asset servicing and we have real opportunities for this sector to grow. In promoting the UK’s financial services sector, the Lord Mayor of London is a valuable figurehead for Scotland’s sector, opening many doors at a senior level. Scotland benefits from this in international markets. The relationship is a complementary one.

Many investors look to Scotland as a really good place to manage money and administer financial transactions. That is why firms such as State Street, BlackRock International and Avaloq have recently expanded operations in Edinburgh.

Phil Gripton, Managing Director, bigmouthmedia



As an Edinburgh-based company, we opened a London office because it is the hub of operations

for many of our international clients. However, Edinburgh’s cost base is better and the city provides access to a fantastic pool of talent. Both offices are key assets as we expand internationally. Edinburgh has great universities, ensuring a flow of new talent, and the city also benefits from being one of ten “UK super-connected cities” for broadband and its excellent travel links to London.



Faith Lidell, Festivals Edinburgh
As the world’s biggest cultural events and the world’s biggest

sporting event take place in the same country at the same time, in August 2012, we are provided with a unique opportunity. We have built close relationships with key partners over the last few years in the run up to 2012 and as Scotland prepares to host the Commonwealth Games in 2014. During our 2010 impact study of Edinburgh’s 12 major festivals, we showed the economic value of the festivals to be £261 million to the city’s economy. We are uniquely placed to capitalise on the legacy opportunities that these two major events present and to extend the benefits beyond our world-renowned festivals to the wider tourism, education and business sectors.

The new Engineering School for National University of Ireland in Galway, completed this year by Edinburgh-based RMJM in collaboration with Taylor Architects.



(c) Photography - Neil Warner - www.warnerphoto.org

GETTING CREATIVE WITH BUSINESS GROWTH

To celebrate and promote Scotland's unrivalled creative and cultural offering, 2012 has also been declared by The Scottish Government as the Year of Creative Scotland.

The central belt in Scotland (the area stretching from Glasgow to Edinburgh) is home to the largest cluster of creative sector businesses in the UK, outside London.

A survey published in December 2011, by the new Institute for Creative Industries at Edinburgh Napier University, revealed that Edinburgh's creative industry sector alone spans more than 4,400 businesses. That represents 20% of the Scottish total.

"The largest sectors in Edinburgh and the Lothians are software, architecture and performing arts," reports the Institute's Director, Professor Robin MacPherson.

"We found 3,230 creative businesses in Edinburgh itself, and more than 1,100 others in the wider City Region."

Activity in Edinburgh's creative sector, reported in the Institute of Creative Industries' study, spans a dozen disciplines – from cultural heritage to crafts and from design to film, TV and radio.

"Scotland's creative industries make an essential contribution to Scotland's economy and our international profile as a creative nation," says Andrew Dixon, Director, Creative Scotland, which is investing £6.5 million into the Year of Creative Scotland (YOCS) programme nationally.

"The ties between business and cultural organisations can be incredibly powerful. The recent sponsorships in Edinburgh by Virgin Money, in support of both the Fringe Festival and International Festival Fireworks Concert, and RBS's support for the International Book Festival, both set a standard for cultural engagement."

2011 saw seven feature films and seven TV dramas shooting in the Edinburgh City region, including *Cloud Atlas* starring Halle Berry and Tom Hanks; *Under the Skin* starring Scarlett Johansson; *Case Histories* starring Jason Isaacs and the German TV Drama, *This September*. Pixar's upcoming animation, *Brave*, and the commitment by the BBC to commission more programming from across the UK's regions, both enhance the opportunity to position Edinburgh as a film location. Kudos is one London-based production company that has already opened an office in the city.

"WE INSPIRE AND IGNITE WORKING RELATIONSHIPS ACROSS SECTORS."

"This company is about writers, working in both comedy and drama," explains Jemma Rodgers, Kudos' Executive Producer. "As the home of the International Book Festival and UNESCO's first City of Literature, Edinburgh is a natural home for us, providing access to key talent in a concentrated space. We feel passionate about our full-time presence here."

"The Napier study underlines that key factors for the entire creative sector are overseas sales and global market collaboration. That is how the sector can truly deliver in terms of economic growth," explains Professor MacPherson. The study revealed a contribution of £803 million in Gross Value Added from businesses in the Edinburgh City Region, towards the £3,488 million generated by the creative sector in Scotland annually.

Supporting collaboration is one objective recognised by The City of Edinburgh Council and Creative Scotland, who supported the relaunch of Creative Edinburgh in November 2011. "We inspire and ignite working relationships across sectors," explains Janine Matheson and Lyndsey Smith joint CEOs. "Creative Edinburgh's members benefit from opportunities to meet other like-minded professionals through a programme of events, workshops, talks and symposiums."

"If Edinburgh's creative firms can collaborate to offer complementary skill sets within the global marketplace, then they can increase the number of market opportunities open to themselves," adds Professor MacPherson.

The Institute for Creative Industries offers practically-focused research and consultancy to support that objective. "We can help fill any skills gap and through our broad range of expertise we can help companies embrace a cross disciplinary approach."

"This new Institute will be a valuable asset for the whole country," adds Andrew Dixon.

FURTHER INFORMATION

Creative Scotland workshops on YOCS for creative businesses:
www.creativescotland.com

Institute for Creative Industries:
www.napier.ac.uk

Creative Edinburgh
www.creative-edinburgh.com

A TOAST TO ALL THAT THE EVENINGS PROMISE!

The thousands who travelled to Edinburgh in December, to experience Hogmanay (the Scots' celebration of New Year), found a city that offers something for everyone – particularly when it comes to a party.



Whether you favour traditional bars offering live music or a vibrant club scene, if it's the most fashionable cocktail bars that appeal or literary pubs where Hemingway himself would have felt at home, Edinburgh has something to suit every taste and pocket.

As befits a cosmopolitan city that is home to students, academics and creative specialists – and one that welcomes hundreds of thousands of business visitors and tourists each year – Edinburgh's evening economy offers everything from top West End shows to contemporary theatre; from art-house cinemas to dance.

Throughout the year, there is more diversity than you would find in cities four times the size!

If you are a lover of real ales or whisky, you will find plenty of bars catering for the aficionado, while if it is fine food you crave, then choose from amongst the highest number of Michelin-starred restaurants in the UK, outside London.

A report commissioned by The City of Edinburgh Council in 2010 revealed the city's centre boasted the third highest number of 'evening economy businesses' in the UK, (a total of 671). Only London had districts with a higher number.

These businesses created more than 11,000 jobs and generated a Gross Value Added (GVA) of £442 million, 7% of the total city economy.

Development guru, Richard Florida, is one among many who place a high level of importance on the 'evening economy' in

creating places that are attractors of talent, creativity, entrepreneurship and wealth.

Latest annual figures from the Edinburgh Visitor Survey (2010) found 28% of visitors stated that the city's pubs, bars and nightlife were one of the reasons they wanted to visit. When asked in the same survey what "most impressed them about Edinburgh", 35% referred to the city's pubs and bars, 31% mentioned the restaurants and 11% cited the available nightlife.

"LATEST ANNUAL FIGURES (2010) FOUND 28% OF VISITORS STATED THAT THE CITY'S PUBS, BARS AND NIGHTLIFE WERE ONE OF THE REASONS THAT THEY WANTED TO VISIT."

There is no doubt, the rich diversity of Edinburgh's evening economy helps reinforce the city's vibrant culture. In 2009, a YouGov poll of 10,000 members of the public saw Edinburgh rated highest in the UK for overall desirability as a place to live.

We'll drink to that!

FURTHER INFORMATION

www.innisandgunn.com
www.visitscotland.org

THE PERFECT BREW

Edinburgh is justifiably proud of its long brewing heritage, and the latest beer to capture both palettes and plaudits is by Innis & Gunn.

The Edinburgh-based brewer – a winner of a Queen's Award for Enterprise – ages its beer in oak barrels. Spurred on by a 66% surge in turnover for the first nine months of 2011, the firm is now looking to introduce its casks to a broader range of export markets. A sales push in the UK could also help them pull ahead of Erdinger in the race to be the third-largest 'speciality beer' in the UK.

And where better to enjoy your Innis & Gunn than in one of Edinburgh's historic hostelries? Milne's Bar, at the junction of Rose Street and Hanover Street in the city centre, is one such highlight.

A favourite bar in the last century for writers such as Hugh MacDiarmid and Sorley MacLean, Milne's Bar picked up its latest accolade in 2011, as the UK's Best Summer Pub. Organisers praised the bar's commitment to customer experience, service at the bar and financial performance – no mean achievement as Milne's fought off competition from 800 pubs across the UK.

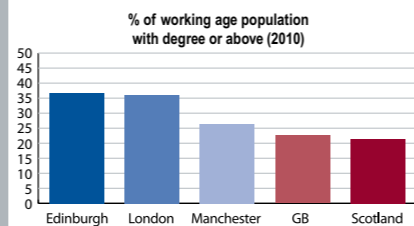
ANNUAL STATISTICAL OVERVIEW

POPULATION & HOUSEHOLDS

	LATEST
Population [1]	486,120
Households [1]	220,195
Population density (persons/km ²) [1]	1,853
Natural change (births less deaths) [1]	1,257
Net in-migration [2]	7,728
% of population aged 16-64 [2]	70.80%

LABOUR SUPPLY

	LATEST
Economically active [1]	263,400
In employment [1]	246,400
Employees [1]	218,200
Self-employed [1]	28,000
Full time [1]	211,000
Part time [1]	93,700



EMPLOYEE JOBS BY INDUSTRY

	LATEST
Construction [1]	10,100
Services [1]	281,400
- Distribution, hotels & restaurants [1]	60,800
- Finance, IT, other business activities [1]	96,800
- Public admin, education & health [1]	92,800
Tourism related [1]	30,900

PROPERTY MARKET

	LATEST
Prime city centre office rentals (sqm/year) [5]	£290
Industrial starter unit (sqm/year) [5]	£85
Zone A shop unit (sqm/year) [5]	£1,800
Average house price in Edinburgh in Q2/2011 [6]	£208,488
Year on year % change [6]	-3.1%
Number of house sales - Edinburgh	1,864

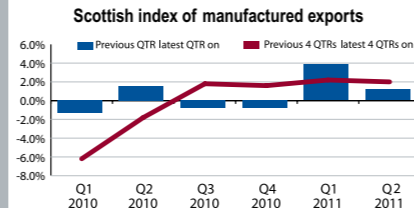


TOURISM

	LATEST
Annual airport passenger volume (million) [7]	8.6
Annual rail station passenger volume (million) [8]	17.57
Average hotel room occupancy 2010 [9]	76.90%
Average revenue per available room [9]	£61.40
Annual tourist expenditure (million) [10]	£1,137.50
World ranking for conferences [11]	29

SCOTTISH INDEX OF MANUF'D EXPORTS ON PREV QTR

Quarter	% change
Quarter 1 2010	-1.3%
Quarter 2 2010	1.5%
Quarter 3 2010	-0.8%
Quarter 4 2010	-0.8%
Quarter 1 2011	3.8%
Quarter 2 2011	1.1%



For more annual statistical information see www.edinburgh.gov.uk/edinburghbynumbers

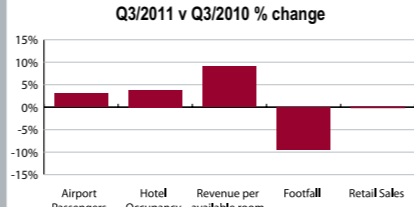
LATEST TRENDS

TOURISM

	Q3/2011	% Annual Change
Airport Passengers [7]	2,847,340	3.1%
Hotel Occupancy [9]	92.2%	3.8%
Revenue per available room [9]	£87.23	9.1%

RETAIL

	Q3/2011	% Annual Change
Footfall (number of pedestrians in city centre) [13]	7,987,228	-9.50%
Sales (Edinburgh) % change on Q3 2010 [13]	-0.1%	
Sales (Scotland) % change on Q3 2010 [14]	0.2%	
Sales (UK) % change on Q3 2010 [15]	1.1%	
UK Average Consumer Price Index	4.9%	

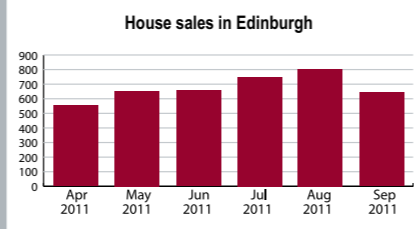


LABOUR MARKET

	Q3/2011	% Annual Change
Jobseeker's Allowance Claimant Count* [20]	11,105	6.9%
Jobseeker's Allowance Claimant Rate [20]	3.3%	0.3%
Vacancies advertised by Jobcentre Plus [21]	9,919	12.1%

HOUSING

	Q2/2011	% Annual Change
Average House Prices [18]	£208,488	-3.1%
House Sales [18]	1,864	-8.7%
Average house sales comparator cities [19] [1]	1,213	-10.7%

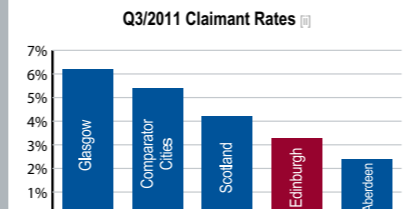


BUSINESS

	Q3/2011	% Annual Change
Business Start Ups [22]	336	2.4%
New Incorporations [23]	1,325	18.5%
Foreign Direct Investment Projects [24]	8	26%

SCOTTISH/UK GDP

	Q2/2011	% Annual Change
Total Gross Value Added, Scotland [12]	0.1%	
Total Gross Value Added, UK [12]	0.1%	
Services Sector, Scotland [12]	0.1%	
Services Sector, UK [12]	0.2%	
Construction Sector, Scotland [12]	-2.3%	
Construction Sector, UK [12]	1.1%	

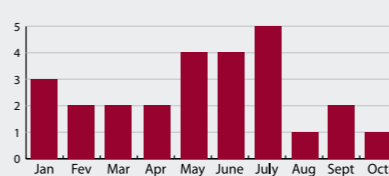


For monthly updates on Edinburgh's Economy see 'Essential Trends' and 'Edinburgh Economy Watch'

SOURCES

- 1 Office of National Statistics
- 2 General Register Office for Scotland
- 3 Annual Survey of Hours and Earnings (ASHE)
- 4 Scottish Corporate Sector Statistics (2010)
- 5 Valuation Office Agency
- 6 Edinburgh Solicitors Property Centre
- 7 Edinburgh Airport
- 8 Office of Rail Regulation
- 9 STR Global
- 10 Scottish Tourism Economic Activity Monitor (STEAM)
- 11 International Congress and Convention Association
- 12 Scottish Government
- 13 The City of Edinburgh Council
- 14 Scottish Retail Consortium
- 15 British Retail Consortium
- 16 Lynn Jones Research
- 17 Scotland's Global Connections Survey 2009
- 18 Register of Scotland (Scottish Cities)
- 19 Land Registry (English & Welsh Cities)
- 20 Department of Work and Pensions
- 21 Jobcentre Plus
- 22 Business Gateway
- 23 FAME
- 24 FDI Markets

FOREIGN DIRECT INVESTMENT



Known Foreign Direct Investment in Edinburgh in 2011

From 1 January 2011 to 31 October 2011, a total of 26 large scale FDI projects have been recorded in the city.

EDINBURGH'S LABOUR MARKET

Year	2004	2005	2006	2007	2008
REGISTERED ENTERPRISES	15,490	15,400	15,360	15,570	15,975
AVERAGE TURNOVER*	£17,700	£17,833	£18,656	£18,838	£19,901

In November 2011, business incorporations in Edinburgh were 22.4% up for the year to date, and rising more quickly than in comparator cities^[1].

- A total of 1,325 new businesses incorporated in Edinburgh during the three-months to September 2011.
- 2,974 new businesses have incorporated in Edinburgh between 6 April 2011 and 30 November 2011.
- This represents an increase of 18.5% on the same period last year, compared against a 10.4% increase recorded in comparator cities across the same time period.

*Average turnover of enterprises located in Edinburgh. (Total Scottish turnover of all corporate sector enterprises which have at least one business location in Edinburgh, as at November 2010). Tabulated in The Scottish Corporate Sector: www.scotland.gov.uk/Topics/Statistics/Browse/Business/Corporate published March 2011. Excludes the public sector, but includes companies, partnerships, sole traders, charitable trusts and voluntary organisations. The turnover figure here represents Scotland-wide turnover, and not just that derived from business locations in Edinburgh. Turnover data is not available on a comparable basis for organisations involved in financial intermediation, and this is consequently not included in the totals. Clearly this results in the Edinburgh figure being substantially lower than it would otherwise be.

[1] Comparator cities are Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

EDINBURGH COMPANY INDEX - SHARE PRICE COMPARISON (PENCE)

FTSE 100	05/10/11	03/01/12	% change	
Royal Bank of Scotland Group	21.5	21.0	-2.9	▼
Standard Life plc	190.2	205.5	7.0	▲
Cairn Energy	261.4	268.3	2.0	▲

FTSE 250

Murray International Trust	818.5	952.5	12.8	▲
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FTSE AIM ALL SHARE

Havelock Europa plc	12.8	12.0	-6.6	▼
Bowleven plc	74.9	69.9	-6.63	▼
Craneware	588.0	515.0	-11.6	▼
Cupid Ltd	210.0	200.0	-5.36	▼
Dawson International plc	1.5	1.3	-10.7	▼
IndigoVision Group plc	160.0	323.0	102.8	▲
Omega Diagnostics Group plc	12.4	10.4	-17.3	▼

FTSE SMALL CAP

John Menzies plc	477.0	525.5	11.8	▲
Melrose Resources	114.2	121.5	4.2	▲
Optos plc	142.0	218.5	52.8	▲
Wolfson Microelectronics plc	131.5	127.5	-3.8	▼

FTSE FLEDGLING INDEX

Johnston Press plc	4.5	6.9	46.4	▲
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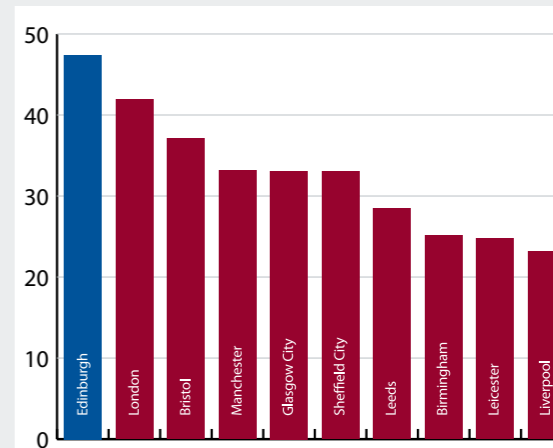
MAJOR INVESTMENT TRUST COMPANIES

Aberforth Smaller Companies Trust	508.5	515.0	1.0	▲
Caledonian Trust	91.0	99.4	0.5	▲
Edinburgh Dragon Trust	201.4	225.8	10.2	▲
Edinburgh Investment Trust	441.1	482.0	39.9	▲
Edinburgh US Tracker Trust	555.0	647.5	16.3	▲
Scottish American Investment Trust	205.5	210.0	3.4	▲
The Scottish Investment Trust plc	417.0	458.0	7.7	▲
Scottish Mortgage Investment Trust plc	586.5	592.4	1.8	▲

Figures were taken from www.google.co.uk/finance on 04/01/12

% OF RESIDENTS AGED 16-64 QUALIFIED TO NVQ4 OR ABOVE

In comparison to other UK cities, Edinburgh has the highest percentage of residents of working age (16-64) who hold a post-school qualification. The Scottish Credit and Qualifications Framework (SCQF) is the national credit transfer system for all levels of qualifications in Scotland. It incorporates the Scottish Qualifications Certificate, Higher National Certificate, Higher National Diploma, Scottish Vocational Qualification (SVQ) (equivalent to National Vocational Qualification (NVQ)) and all Degrees of Scottish Higher Education Institutions. Qualifications in Scotland equivalent to or higher than NVQ4 level are appropriate for people working as higher grade technicians, professionals or managers.



Source: ONS Annual Population Survey

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IN BRIEF...

EDINBURGH

Edinburgh has **72.1** m² of open space per person. Holyrood Park, including 250m-high Arthur's Seat, is the biggest open space in Edinburgh's city centre.

£230,820

Average house price city centre

36.6%

Proportion of population with degrees

Population: 486,120 in 2010, 545,000 in 2031

Unemployment rate: 6.6%

Standard shop unit: £1,800m² in Zone A

Office rental value: £290m² in self-contained office suite over 1,000m²

Public transport: price of cheapest ticket, £1.30

LONDON

London has **5.5** m² of open space per person. Hyde Park is one of the biggest parks in Central London.

£481,014

Average house price city centre

36.0%

Proportion of population with degrees

Population: 7,807,000 in 2010, 8,829,000 in 2031

Unemployment rate: 8.7%

Standard shop unit: £2,700m² in Zone A

Office rental value: £565m² in self-contained office suite over 1,000m²

Public transport: price of cheapest ticket £2.20

Edinburgh

London

19 a day

Fastest journey time: 4 hours

21 a day

40 a day

Fastest journey time: 1 hour 15 mins

40 a day

SEE OVERLEAF FOR MORE STATISTICS...

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