



Aberdeen and Grampian  
Chamber of **Commerce**

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# **Summary Precognition**

## **Proposal for Menie Development**

### **Balmedie**

### **Aberdeenshire**

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Chief Executive, Aberdeen and Grampian Chamber of Commerce  
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## **1 Introduction**

My name is Geoff Runcie, Chief Executive of Aberdeen & Grampian Chamber of Commerce. The Chamber is a private sector, member-led business organisation which represents more than 1,200 companies, which in turn employ more than 90,000 people in the private sector.

In addition to our members, my presentation which will cover the economic and tourism benefits to the North-east is also made on behalf of Scottish Council for Development and Industry, Aberdeen City and Shire Hotels Association, Aberdeen City Centre Association, Aberdeen Convention Bureau, the Federation of Small Businesses, VisitScotland and the Dean of Guild. Between them these organisations have a membership of more than 2,500 and it is the widespread views of all these members that we are bringing to the reporters attention today.

The Chamber is a prominent player in economic development matters across the region and a key stakeholder in major strategic forums including ACSEF the economic forum. Our policies are developed and collective opinion gathered from individual balloting of members and through our constituted policy council and elected board. These cover key matters relating to the business community and the wider economy of the North-east.

We also have a group of affiliated Chambers across the North of Scotland including Cairngorms, Inverness and Moray Chambers together with Montrose to our South and collectively we work to promote common business interests across this wide economic area. This is relevant in terms of the Trump proposals as the impact of the development will benefit the wider region and the whole of Scotland.

## **2 Background**

The Chamber engaged with the Trump team at an early stage in order to better understand their plans and to assess for ourselves the economic impact of the development.

We felt it important to make sure that the business community at large was fully aware of what was proposed and that they had sight of the potential benefits of this development and the possibly even greater potential of attracting an organisation with the global reach and impact of the Trump organisation and Trump brand to this area, particularly in light of its worldwide reputation for developing high quality golf type resorts.

We provided information to our members in a variety of ways including a business breakfast and through presentations to the Chamber's elected Council members by representatives of the Trump organisation. We also posted information on our website and covered the development in our Business Magazine.

The resultant support for the project from our members is overwhelming across all sectors of business.

### **3 Wider Economic Context**

The Chamber is a key stakeholder and participant in a number of strategic forums, in particular ACSEF, Aberdeen City & Shire Economic Forum. This public-private sector partnership has created a strategic economic vision for the region and this month published a detailed action and delivery plan to realise the full potential for the region both now and in the future. That plan will allow significant change in the way that we view, embrace and adopt economic diversification opportunities.

In working to secure that economic future of the North-east, ACSEF has had a vital role in understanding the life cycle of the oil and gas industry and in supporting the development of an energy and diversification strategy for the years to come.

Since the oil shocks of the 80's, the industry in Scotland has successfully positioned itself as global leader while remaining based in the North-east of Scotland. That very activity has required a different disposition by the agencies and organisations that both represent and support the business community, the Chamber being no exception. A number of major infrastructure projects are being brought forward for delivery and these will underpin a widening and more flexible economic base from which businesses can operate both domestically and internationally.

In particular, investments at the airport, in the railway infrastructure, in the trunk road and local road networks are all seen as being vital to, and highly related to, the future economic vibrancy of the region.

The region's desire to diversify beyond the oil and gas industry is further supported by the development of a new and important life sciences sector capability in Aberdeen, the related communications, professional services, sectors which have spun out of the oil and gas industry and of course the substantial educational proposition that is not only available to students studying mainstream academic courses but increasingly bespoke training related to the energy sector.

## 4 Tourism

The region has however always struggled with its tourism proposition and due to its geographic location being essentially at a corner of Scotland, attracting people to the region is a challenge, this challenge has often been exacerbated by relatively poor transport infrastructure and poor marketing.

The very nature of the economic shape of Scotland suggests that the strongest case for supporting major tourism developments is often able to be made in the Central Belt and other regions such as the North East, find it particularly difficult to make a business case to either attract investors or to attract funding to develop projects that are home grown.

Despite having almost 60 golf courses across the North East, the international golf tourism proposition is not as strong here as other parts of Scotland such as St Andrew's, Loch Lomond or Ayrshire with their world classic courses. In economic terms the value of golf tourism in Scotland is estimated to be more than £96million.

Much work has been done by ASCEF and the City and Shire Councils to support golf promotion and we already have a number of highly regarded courses but we don't have the global recognition that other parts of Scotland and for that matter, increasingly other parts of the world have, with their signature style courses pitched right at the very top end of the market.

Proposals brought forward by the Trump International Group fit extremely well with our ambitions and the ambitions of the Scottish Government to increase tourism revenue by 50% by 2015.

Significantly we have had representations from a number of members who are themselves involved in the regional golf course industry highlighting the benefits that they would all be able to access should the Trump proposals be delivered.

These include prominent, existing North-east clubs such as Royal Aberdeen, Cruden Bay and Murcar, who all see significant benefit in being adjacent to the new facilities. In addition, the proposals for high quality, high profile, top level courses at Stonehaven and at Blairs College on South Deeside and Aberdeen's own ambition's for its Hazlehead course all point to golf and the golf tourism industry as being a key sector of opportunity for this region.

There is no doubt also that the global Trump brand whilst often associated with Mr Trump's undoubted business success is also associated with a list of world class leisure facilities, one of which is now proposed for the Menie estate.

The publicity and media interest from around the world in the Trump proposals give an indication of the power and reach of his brand association. The Chamber believes that the interest shown so far is only the beginning and if the project is realised it would become an integral part of the North East visitor attraction picture. This would play a key role in seeing this region achieve its full potential and making its full contribution towards the Scottish Government's ambitions with regard to the growth of the tourism industry.

## **5 Business Tourism**

Business Tourism is worth in the region of £960 million to Scotland, with approximately £150 million being spent on business tourism in Aberdeen City and Shire, yet the potential for expansion is huge.

Proposed within the resort development is a substantial high quality hotel. There is currently a significant under supply of quality hotel space in the Aberdeen City and Shire area.

The organisers of the bi-annual Offshore Europe conference in Aberdeen – which brings 34,000 delegates to the city for 4 days – identified this as one of the key frustrations they received in feedback from delegates attending the 2007 exhibition.

Whilst a number of new hotels are under construction or in planning, the reality is that we need a spread of accommodation from bed and breakfasts right up to more 5 or 6 star hotels to attract some of the global players both at Government and global corporate levels.

This is reinforced by figures from Aberdeen Convention Bureau which shows that the North-east potentially lost out on hosting a number of major conferences with a total economic value of £11.5million due to a lack of suitable hotel accommodation.

The proposed Trump International Hotel complex would not only significantly help address that issue but would also provide an infrastructure of facilities to support work to attract more business and business tourists to the area.

## **6 Economic Impact**

We have studied the figures made available by Aberdeenshire Council, the Trump Organisation and other bodies with an expertise in economic impact assessments including the Fraser of Allender Institute which recently completed economic impact assessments for Aberdeen Harbour and Aberdeen Airport.

We are satisfied that the material brought by various parties to our attention, is certainly in line with our expectations of the economic impact of the development.

The local authorities are currently updating their structure and strategic land use plans as part of a national initiative by the Scottish Government, to make sure that there is an up to date and effective local planning context. The current draft structure plans envisage significant growth in the housing market and to respond to this, there needs to be a step change in both the release of land and in the investment from developers and house builders.

The housing element of the Trump proposition whilst seen by many as controversial, is undoubtedly capable of making an important contribution to the future housing demand in the region and therefore has merit on that basis alone.

The structure plans identify the likely development along a number of key transport corridors and those familiar with the region will know that the Trump proposals sit within one of the key transport corridors which will be brought more into play by the completion of the Aberdeen Western Peripheral Route. Whilst this is not seen as conditional to the success of the Trump resort and golf proposals, it will have a material bearing upon it and the development itself will equally be able to make good use of the infrastructure investments by the Scottish Government.

## **7 Regional Support for the Development**

Due to the nature of our constituency and our membership we probably represent the widest possible cross section of businesses in the region. It is fair to say that the overwhelming majority of businesses both in our membership and with whom we come in contact, in the region and beyond are fully behind the development and realise the prize that it represents.

A measure of this was the overwhelming expression of structured and well articulated support which was manifest in the letters of support received during the consultation period.

This has been supported by action by ourselves and other Chambers beyond the North East, including Scottish Chambers of Commerce, who have written to governments at local and national level expressing their collective support.

Beyond that the specialist trade associations and sector organisations also have large constituencies and it is clear in our dialogue with them that they all see merit and advantage from this development proceeding as envisaged.

The support that the development has received from the public sector agencies from an economic development perspective, together with the enthusiasm for which the developments have been greeted by SDI as the inward investment agency for Scotland and more locally Scottish Enterprise Grampian as was, must all be noted.

## **8 Conclusions**

The Aberdeen and Grampian Chamber of Commerce, and the other organisations we are representing here today, have considered the matter very carefully and listened to a wide group of stakeholder opinions on this issue. We have participated in the formal consultations and attended the various committee hearings that have brought us to this point today. We believe that the proposals have been tested rigorously by this process and everyone who's got a view or opinion on the matter has had ample opportunity to express those views.

The matter now rests with our Scottish Government and this Inquiry must bring the matter to a close and make recommendations to the Government. The Chamber believes that the process thus far has been overtly tortuous and has unfortunately not placed Scotland in the best light either within its own boundaries, nationally within the UK or on the global scene. We would reiterate that there is a significant and overwhelming support from the business community for the proposal to be taken forward and for the Scottish Government to reach a positive early decision.