



Aberdeen and Grampian
Chamber of **Commerce**

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1 Introduction

I am Geoff Runcie, Chief Executive of Aberdeen & Grampian Chamber of Commerce. The Chamber is a private sector business organisation supported by subscriptions from its members across the business community and its main role is to provide lobbying and advocacy for its members and the wider business community. It supports the cost of doing this through the provision of a wide range of business related value added services.

Our current membership is at a rolling average of over 1,200 companies across the North East Region and they in turn employ over 90,000 people in the private sector. Whilst we are principally a business organisation, organisations from the public sector and health sector are members and we do from time to time represent their interests.

We share a number of members with other business organisations in the region and for the purposes of my remarks today we will be also representing the Federation of Small Businesses – South Aberdeenshire and Deeside Branches (2400 members); Scottish Council for Development and Industry – North East Scotland (350); Aberdeen City and Shire Hotels Association, (36); Aberdeen City Centre Association (55); VisitScotland, Aberdeen Convention Bureau and the Dean of Guild. It's the considered and widespread views of those members that we are bringing to the reporters attention.

The Chamber is a prominent and active player in economic development matters across the region and is a key stakeholder in the major strategic forum including ACSEF, the Aberdeen City and Shire Economic Forum.

We also use our constituted Policy Council and elected Board as representative groups from whom we draw collective opinion on key matters relating to the business community and the wider economy of the North-east. We have a reasonable sophisticated policy process with prominent professional staff and we combine traditional networking and committee based policy work with information seminars and a topical series of breakfast and lunch events to inform and engage with business on relevant matters.

Additionally we have a group of affiliated Chambers across the North of Scotland including Cairngorms, Inverness and Murray Chambers together with Montrose to our South and collectively we work and 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 be felt across the wider region and in fact across the whole of Scotland.

We are key stakeholders in the Scottish Chamber of Commerce (SCC) which brings together Chambers across the country. Through SCC we are able to take forward to Holyrood and other National Government entities, messages and collective business opinion on key matters of which clearly the Trump development is one.

Finally, we have and do exercise direct influence on our MSPs and MPs through our policy process and from time to time engage directly with the Cabinets in both Holyrood and Westminster on key issues of significant importance.

2 Background

The Chamber maintains a close interest in matters relating to the Region and its position allows it to have its finger on the pulse of both current plans and future plans both within and out with the region.

The Trump Organisation's ambitions for the region were brought to our early attention through our contacts in the Public Sector who had had early dialogue with them about the opportunities in the North-east of Scotland. As is typical for the Chamber we then initiated contact with the organisation to better understand their plans and to assess for ourselves the likely potential positive impact of the development and how local suppliers might be able to key into this and access business opportunities.

We identified that a project of this scale was clearly going to have a complex journey through the vagaries of the planning process but we felt it important to make sure that the business community at large was aware of what was proposed and to have sight of the benefits of having a development and organisation associated with it, with the global reach of the Trump Organisation and their reputation for high quality golf resort type developments.

The Chamber engaged with the Trump team at an early stage and affected a number of opportunities for their plans to be set out before a business audience including a business breakfast and presentations to the Chamber's elected Council members.

We also posted information on the Chamber's website and covered the development in our quality business magazine and on the pages of our website. Our ambition was to ensure that people had the fullest information about what was proposed and the opportunities associated with the development.

In more recent months the UK based Trump International Golf Links Company has become a subscribing member of the Chamber and as such is counted within our membership numbers.

3 Wider Economic Context

As I previously noted, the Chamber is a key stakeholder and participant in a number of strategic forays but in particular ACSEF, Aberdeen City & Shire Economic Forum. This public private sector partnership has been established for a number of years and during that period has created not only a strategic economic vision for the region but more recently a detailed action and delivery plan to realise the full potential for the region both now and in the future.

Aberdeen City and Shire has a diverse and successful economy and it has been this way for many hundreds of years as the City is both now and has historically been a major port. Our strong trading heritage particularly with Scandinavian countries is still true today and in more recent years, the traditional industries of paper, granite, agriculture have been supplemented and in some cases supplanted by the burgeoning oil, gas and energy sector.

The enterprising spirit of businesses in the North-east has been evident as they grasped opportunities and built global expertise in the oil and gas sector, particularly the upstream and offshore aspects of that. However as with any extractive industry, the certainty that it will at some point decline has been evident to many. This is where ACSEF has had a vital role in understanding the life cycle of the oil and gas industry and planning for the future of the economy as our ability to generate domestic gas and oil declines as resources become more technically and commercially challenging and before they run out completely.

ACSEF has had at its core a diversification strategy, and since the oil shocks of the 80's, the industry itself has set out to internationalise whilst 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 have been envisaged and 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.

ACSEF's vision which was brought in updated form to the wider business community at a major Summit in Aberdeen on June 4th now has alongside it, a detailed delivery and action plan. That plan will allow significant change in the way that we view, embrace and adopt economic diversification opportunities and in particular, those that are both linked to and are dependent upon transport in every mode.

The Region's desire to diversify around 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.

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 a relatively poor transport infrastructure which as previously noted, is about to be addressed, and also by 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 that 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 already in the North-east, the international tourism proposition is not as strong as other parts of Scotland, particularly in the St Andrew's area and of course, the world classic courses in Ayrshire and Loch Lomond.

The North-east Region has seen its economy built around a range of classic industries that have all been important in their time but the reality is that it will be new industries that are going to make the best of what Scotland has to offer as a global destination. Specifically this can be based around high quality, leisure resorts and foremost of these from a Scottish perspective is golf.

In economic terms the value of golf tourism in Scotland is estimated to be more than £96million; a figure based on research at only 70 of Scotland's 550 golf courses. In global terms golf tourism is worth around £10billion worldwide; securing a global attraction like the Trump development with the support of the Trump brand and its reputation for excellence significantly increases the North-east and Scotland's chance of increasing our slice of that total.

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. Research has also shown that golf attracts the valuable conference and corporate hospitality market which has already been identified as another area of potentially significant economic growth in the North-east.

There is no doubt in the Chamber's opinion that 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.

For the North-east to contribute to this we must be able to focus on a core centre of excellence and it is difficult to envisage what that might be, if it's not to be golf.

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.

However the implications of bringing the Trump brand and all it entails to Scotland and to this Region in particular go far beyond the scope for establishing the North-east as a world-class golfing destination.

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

Reed Spearhead, organisers of the bi-annual Offshore Europe event at Aberdeen Exhibition & Conference Centre cited the lack of accommodation as one of the key frustrations fed back to them by delegates who attended the 2007 Exhibition. The event brings 34,000 delegates to the city for four days every two years so is an important contributor to the North-east economy but is also a significant opportunity for promoting Aberdeen to a global market as a business and tourism destination

ACSEF is working with Reed Spearhead to maximise the opportunities from Offshore Europe 2009 but cannot in itself address the matter of hotel accommodation.

Nor will the situation be fully be addressed by the current proposals which see a number of new hotels in the construction and planning stages, which will put an additional 1500 new bedrooms in the market. There needs to be a more extensive spread of accommodation availability from bed and breakfasts and guest houses up to and most certainly including more 5 or possibly 6-star hotels. The need for more 5-star plus hotels in the Region is particularly acute if we are to successfully attract global players both at Government and global corporate levels.

The proposed Trump International Hotel complex for the site would undoubtedly bring top end capability and also provide an infrastructure of facilities to support work to attract more business and business tourists to the area.

The City and Shire are working at present to update 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 across the region and there is clearly going to have to be a step change in both the release of land and in the investment by developers and house builders alike in building this volume of houses.

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 as they seek to complete their trunk road network.

4 Economic Impact

We have studied the figures made available to us by both Aberdeenshire Council and by the Trump Organisation and by other bodies with an expertise in economic impact assessments. In particular we have experience of working with the Fraser of Allendar Institute who recently completed economic impact assessments for two pieces of major infrastructure namely Aberdeen Harbour and Aberdeen Airport. The Chamber believes that the full impact of these pieces of infrastructure is often and frequently overlooked and collectively these two portals have a major impact on the economy.

Whilst the Trump proposals are not classically described as an infrastructure investment, they will have an economic impact of a not dissimilar scale in terms of job creation during construction and in providing sustainable jobs well beyond the construction period. The Chamber does not have the resources or expertise or finances to carry out an independent economic assessment but is satisfied that the material been brought by various parties to our attention, is certainly in line with our expectations of the likely economic impact of the development.

Equally clear is the appetite and enthusiasm that businesses across our membership and in fact across the region have for the proposals. A measure of this was the overwhelming expression of structured and well articulated support which was manifest in the many letters of support received during the consultation period.

The Chamber was directly involved in ensuring that the business community had enough information to understand what the proposals were about and encouraged businesses to take time to write and express their independent and individual views. A large number of businesses did this, many themselves significant employers in the region, while many others made informal representations to the Chamber.

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. This fact has been borne out by action by other Chambers beyond the North-east Region, including the Scottish Chamber of Commerce, who have written to key members of the government at both local and national level expressing the collective support from their respective constituencies.

5 Brand Connection

The North-east of Scotland has struggled for many years to identify clearly what it has to offer both the casual short term weekend break visitor and the international global tourist. ACSEF has developed and promotes a joint Aberdeen City and Shire Regional Identity in support of work to better position the North East as a destination in competition with other parts of Scotland and of course, other parts of the UK and Europe.

There is no doubt that the global Trump brand whilst often associated with Mr Trump's undoubted business success, is also attributed to a number of world class facilities, one of which is envisaged for the Menie estate. The publicity and media interest from around the world in the Trump proposals even thus far through the planning process, give an indication of the power and reach of his brand association.

The Chamber believes that we have only seen the beginnings of that power and if he was able to deliver the project that he envisages, and it were to become an integrated part of the North-east's visit proposition, then we could really see this region achieve its full potential and make its full contribution towards the Scottish Government's ambitions with regard to the growth of the tourism industry.

We already have a number of household names in transport, in financial services and of course in oil and gas but their brand reach is somewhat limited to the corporate sector and they are not associated with tourism or destination promotion.

Interestingly, we have also had representations from various regional golf courses who themselves have cited the benefits that they would all be able to access should the Trump proposals be delivered. Royal Aberdeen, Cruden Bay, Murcar to name but three, all see significant benefit in being adjacent to the new facilities and recent announcements of high quality, top level courses involving Open winner Paul Lawrie at Blairs College near Aberdeen and golfing legend Jack Nicklaus at Stonehaven as well as the Aberdeen's ambitions for its own Hazlehead course, all point to golf and the golf tourism industry as being a key sector of opportunity for this region.

Golf tourism is worth £10billion worldwide and Scotland's share is currently worth around £97million. The industry target, in keeping with Scottish tourism target, is to increase revenue by 50% by 2015. I would suggest that the power of the Trump development to help achieve that target is incomparable.

This is set against a backdrop which sees a decline in the resources that VisitScotland has to deploy in the regions. There is therefore an even greater case for more effective regional promotion, working alongside VisitScotland in its aim to not only bring more people into the country but to encourage more Britons to spend more of their leisure time in their own country.

To do this, regions such as the North-east have to have an absolutely clear message and for that matter supporting products and services to underpin that message. The Chamber believes that the Trump proposals and the Trump brand association would certainly be a key aspect of a re-invigorated clearer, crisper message and proposition from the North-east of Scotland.

6 Regional Support for the Development

The Chamber has engaged widely on this matter as previously noted and has worked closely with the other business organisations and trade associations in the region. Due to the nature of our constituency and our membership we probably represent the widest possible cross section of businesses in the region.

Whilst that's said, the specialist trade associations and sector organisations also have large constituencies and there is no doubt 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 SCDI as the inward investment agency for Scotland and more locally Scottish Enterprise Grampian as was, must all be noted.

We have previously consulted through a number of formal and informal mechanisms as already stated and believe that we speak for the vast majority of our members when saying that there is a wide spread and clear regional support from the business community bank is our constituency for this development and we clearly see that the Scottish Government has a role to assess this final stage of the planning application and make an early and positive decision to allow the project to proceed.

7 Conclusions

The Aberdeen and Grampian Chamber of Commerce has considered the matter very carefully and listened to a wide group of stakeholder opinions on this issue. We have also recognised that there is a sophisticated and complex due process currently embodied Scotland's planning processes. We have participated in the formal consultations and attended the various committee hearings that have brought us to this point today. The Chamber believes that the proposals have been tested rigorously by this process and everyone who has a view or opinion on the matter has had ample opportunity to express those views.

The matter now rests with the Scottish Government and this Public Local Inquiry must bring the matter to a close and make recommendations to that 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 are on record as having said this publically, not only through our own publications but through the pages of the media and across the broadcast airwaves.

At this latest stage we have again sought the collective opinion of our members and can reiterate for the benefit of the Reporters and this PLI that there is a significant and overwhelming support from the business community for the proposals to be taken forward and for a positive decision to be reached by the Scottish Government.

There are already a significant number of conditions on the planning approval given by the Formative Committee and there is an equally significant amount of planning gain as a condition, all of which will place a burden of responsibility upon the developer,

We, the Chamber and its members, therefore urge the inquiry team to make a positive and prompt recommendation to the Scottish Ministers and in so doing to encourage Ministers to make an early decision to allow this project to proceed.