Collaborations for a Sustainable Future
through the Lens of Travel and Tourism

Monday 02 September 2024

Part of the Edinburgh Science Climate Co-Lab Series

EDINBURGH SCIENCE CLIMATE

Welcome

Sefton Laing

Senior Climate and Environment Specialist,
Baillie Gifford

To grow or not to grow Scottish tourism?

Marc Crothall MBE

CEO, Scottish Tourism Alliance

MARC CROTHALL MBE

Chief Executive Officer, Scottish Tourism Alliance

Co-chair, Tourism & Hospitality Industry Leadership Group

@st_alliance | @MCrothall scottishtourismalliance.co.uk The Scottish Tourism Alliance

SCOTTISH TOURISM ALLIANCE

Your voice in tourism matters

Tourism and Events

A cornerstone of the Scottish economy

United Nations Sustainable Development Goals

Scottish Government National Performance Framework

Scottish Government National Strategy for Economic Transformation

Scotland Outlook 2030

Scotland The Perfect Stage 2024-2035

VisitScotland Strategic Framework

£10.7 BILLION

economic value

229,000

jobs sustained

15,500

businesses supported

Figures for 2023

Examples of tourism value by experience and type

By Experience

- Agri Tourism £170m
- Business Tourism £511m
- Whisky Tourism £85m

By Experience

- Marine Tourism £494m
- Cruise Tourism £83m
- Golf Tourism £286m

By Experience

- Film, TV Tourism £65m
- Music Tourism £499m

By Experience

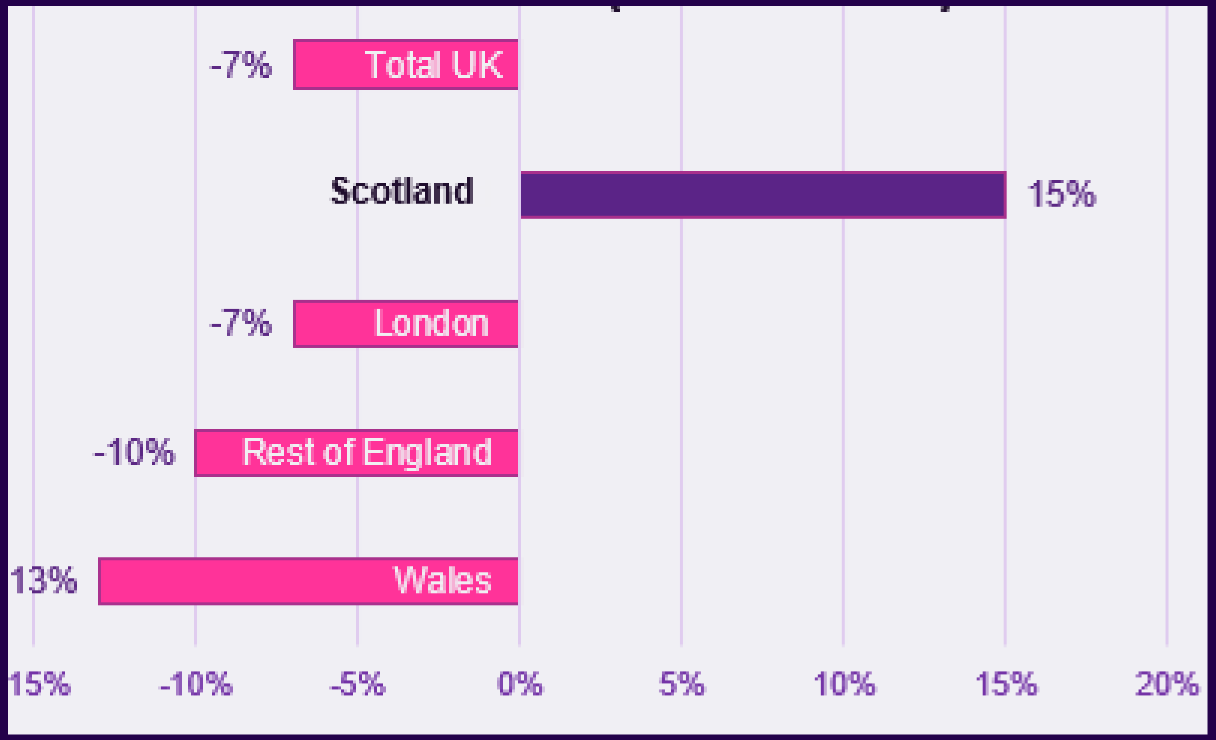
- Country Sports £155m
- Adventure Tourism £760m

Strong International Performance

Outpacing all nine GB regions and England and Wales, Scotland has delivered strong international results compared to the previous record levels recorded in 2019 pre-pandemic (+23% visits).

Scotland is also one of the most popular destinations by GB trip intenders.

And the longer-term impact to global place brand reputation should not be underestimated.



International visits (2023 vs 2019)

+23% International overnight visits

+14% International overnight spend

Sources: IPS 2023

Key Visitor Markets

Our domestic GB overnight and day tripper markets accounts for the vast majority of Scotland’s total visitor volume (c.85% of all trips) and value (c.65%).

The United States is Scotland’s largest and most significant international source market measured by the number of visits, nights, and spend. Compared to Germany and France the United States provides more than double the number of visitors and roughly five times the level of value.

Market	Total visits	Total nights	Total spend	Value per visitor
Great Britain	12,600,000	34,600,000	£3,200 million	£254
United States	794,000	6,920,000	£1,236 million	£1,557
Germany	343,000	2,618,000	£247 million	£720
France	335,000	2,551,000	£277 million	£827
Netherlands	280,000	1,608,000	£165 million	£589
Spain	201,000	1,442,000	£108 million	£537
Ireland	200,000	686,000	£84 million	£420
Australia	189,000	2,558,000	£221 million	£1,169
Canada	175,000	1,921,000	£180 million	£1,029
Italy	119,000	846,000	£59 million	£496

Source: Great Britain Tourism Survey 2023 (numbers have been rounded)*
International Passenger Survey 2023 (numbers have been rounded). Latest full year data available.

Post the Covid pandemic and despite the climate challenges we face, there is no sign of global travel slowing down and people still want to explore and experience more.

Tourism is positioned by those that work in or together with the industry as a “Force for Good”.

Given the many benefits that tourism brings to every part of Scotland and the fiscal challenges governments national and local face should we as nation be looking to capitalise on this trend and commit to invest in the international growth opportunity, responsibly, or not ?

THANK YOU

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SCOTTISH TOURISM ALLIANCE

Your voice in tourism matters

How making the tourism carbon challenge bigger may be the best route to solving it together.

Gordon Dewar

CEO, Edinburgh Airport

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Edinburgh Airport
Where Scotland meets the world

Carbon Free Tourism

2nd September 2024

How making the tourism carbon challenge bigger may be the best route to solving it together

My provocation

- The Value of Tourism
- Aviation as an enabler
- Aviation Decarbonisation Trajectory
- The problem to solve?
- Things NOT to do
- The Value chain v Emission mismatch
- Where and how could we start?

The Value of Tourism

Indicator for Scotland	Data	% change from previous year	Performance	Latest data available
Tourism employment	229,000	10%	Increasing	2022
Number of tourism businesses	15,830	-0.2%	Stable	2023
Tourism turnover (£m)	£6,535	29%	Increasing	2021
Total tourism GVA (£m)	£3,366	31%	Increasing	2021

Source: Scottish Government Growth Sector Statistics, December 2023

Tourism employment accounts for 8.5% of total employment in Scotland in 2022.

The number of tourism businesses accounts for 9.2% of total businesses in Scotland in 2023.

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1. Key statistics

229,000

people employed in the tourism sector in Scotland in 2022

37,000

people employed in the tourism sector in Edinburgh in 2022

33,000

people employed in the tourism sector in Glasgow in 2022

Source: Scottish Growth Sector Statistics, December 2023

Scotland's top ten international markets (by visit)

Market	Total visits	Total nights	Total spend
United States	794,000	6,920,000	£1,236 million
Germany	343,000	2,618,000	£247 million
France	335,000	2,551,000	£277 million
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Australia	189,000	2,558,000	£221 million
Canada	175,000	1,921,000	£180 million
Italy	119,000	846,000	£59 million
Switzerland	110,000	677,000	£72 million

Source: International Passenger Survey 2023 (numbers have been rounded). Latest full year data available.

Airport Role: Enabling

The Fastest Growing UK Tourism Destination

2.2m tourists in 2019 – the most popular UK destination after London

Scotland's cultural capital

- **7 of Top 10** Scotland tourist destinations are in Edinburgh

Centre for Whisky

1.6 million visitors each year touring Scotland's **118 distilleries**

Home of Golf

200 courses <2h drive

fringe

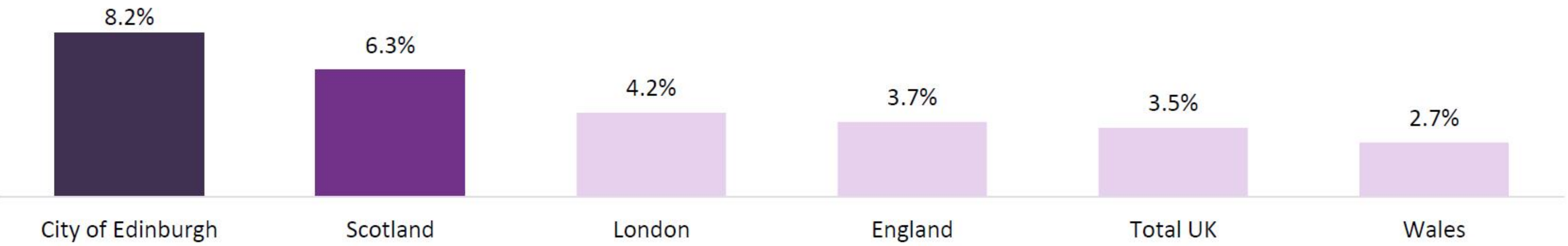
- **Edinburgh Festivals**
- **2.2m tickets** in 2019
- World's 3rd largest event

Edinburgh Winter Festival

- **2.6m visitors** in 2019
- Christmas markets and Hogmanay celebrations

Fastest growing UK tourist destination, approximately double the growth of London

Inbound Visitors CAGR over 2012-2019 (%)



Source: ONS for inbound visitors to the UK by region.

15

EDI serves the highest share of inbound pax, ahead of LHR

Inbound Share of International Passengers, 2023 (%)

5m Int. Visitors

2.2m Int. Visitors

Aviation Industry is Serious about Decarbonising

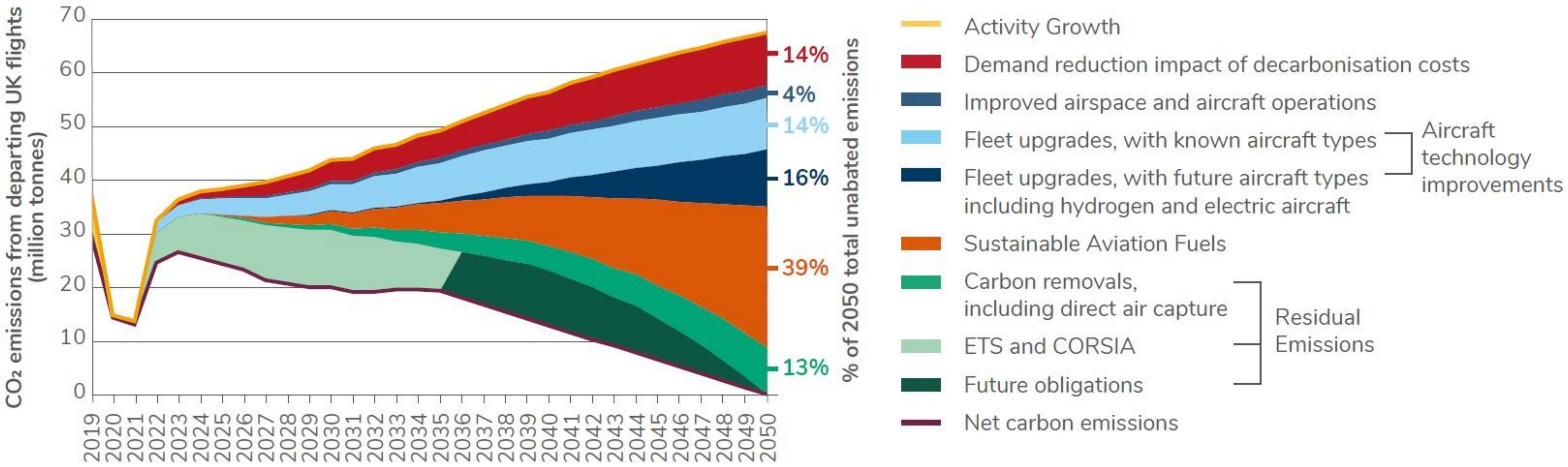


Figure 3: Sustainable Aviation Net Zero Carbon Road-Map

- But Growth and its economic value and Tech lag makes us slower than some sectors
- How can we keep the value while reducing carbon faster?

The problem with Tourism Carbon and Aviation

- Flying will be the majority of the carbon footprint for Int tourists
  – Elimination tech is 10 years away (electric and hydrogen)
  – Reduction is deliverable but needs to be industry wide to remain competitive
  – But the problem is smaller than you think – typically <£10 worth of carbon per Euro return flight
- Aviation will undoubtedly face taxation and policy restrictions BUT Scotland at north tip of island has no significant alternates
- Consumers may feel shame – we need to reassure them
- We can all be locally net Zero – but only 20%-50% of the issue
- This will 'limit' access to our Int visitor markets

Things we shouldn't do…..

- Go it alone with restrictions/taxes
  - Planes will relocate and still same emissions while destroying Scottish economy
- Make poor/lazy policy decisions – e.g. train to London for business travel (currently policy of ScotGov and CEC)
  - Huge time burden
  - Often needs an overnight stay (carbon and cost)
  - Comparison omits Network Rail emissions (2nd largest road fleet in UK)
  - Loss of productivity
  - Railway doesn't have the capacity and is subsidised (hidden cost)
  - We spend £250 of time and cash to save £1 worth of carbon – must be a better way!!
- Set more targets without meaningful action plans

The Value Share Chain

- Scotland more dependent on aviation than most markets
- Carbon emitted and Spend are poorly correlated
- The gap will widen because of the aviation technology lag
- We can do our own reductions on the ground BUT we still need customers to arrive

Indicative Partial Guest Itinerary					£50	Cost of carbon				50%	
	Cost	% of Total £	Carbon Emission (T)	% of Total C	Cost of C	£c as % of £Step	£c as % of Total C	Mismatch Share Cost v £C	Share based on value in chain	Proposed Blended share	Difference
Return Flight from Munich	£245	10%	0.2	34%	£10.00	4.08%	34%	24%	£2.90	£6.45	-£3.55
Edinburgh Airport Services	£2	0%	0.003	1%	£0.15	7.50%	1%	0%	£0.02	£0.09	-£0.06
Car Hire 14 days	£350	14%	0.01	2%	£0.50	0.14%	2%	-12%	£4.14	£2.32	£1.82
Drive to Oban (fuel)	£45	2%	0.03	5%	£1.50	3.33%	5%	3%	£0.53	£1.02	-£0.48
7 Days accommodation Oban	£630	26%	0.07	12%	£3.50	0.56%	12%	-14%	£7.45	£5.48	£1.98
Distillery Tour	£80	3%	0.001	0%	£0.05	0.06%	0%	-3%	£0.95	£0.50	£0.45
Return Ferry trip to Mull	£75	3%	0.02	3%	£1.00	1.33%	3%	0%	£0.89	£0.94	-£0.06
Drive to Tobermory and back	£12	0%	0.01	2%	£0.50	4.17%	2%	1%	£0.14	£0.32	-£0.18
NC500 Trip by Car	£110	4%	0.07	12%	£3.50	3.18%	12%	8%	£1.30	£2.40	-£1.10
6 overnight stays around NC500	£520	21%	0.06	10%	£3.00	0.58%	10%	-11%	£6.15	£4.57	£1.57
Drive back to EDI	£40	2%	0.03	5%	£1.50	3.75%	5%	4%	£0.47	£0.99	-£0.51
14 restaurant meals	£360	15%	0.08	14%	£4.00	1.11%	14%	-1%	£4.26	£4.13	£0.13
TOTAL	£2,469	100%	0.584	100%	£29	1.18%	100%		£29	£29	

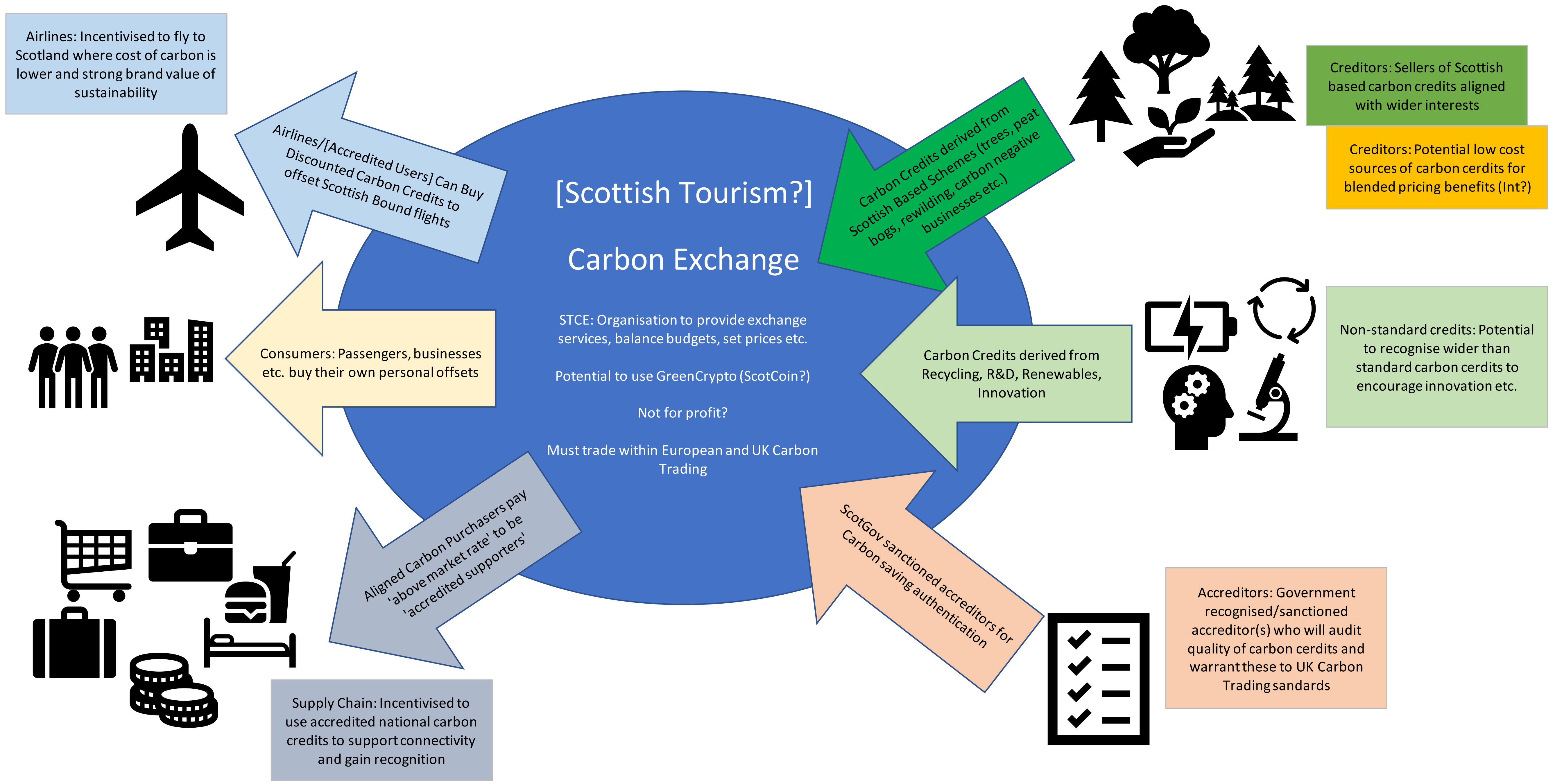
If you can raise cash what do we spend it on?

- Traditional offsets e.g. Forestry – lowest net cost
- Rewilding and Peat restoration – good fit with tourism
- Micro energy generation schemes
- R&D: if ‘accepted’ as a contributor
- Direct offset e.g. replacing council house gas boilers
- Get imaginative?
  – Visible schemes that could be part of the visitor interest
  – A new tourism product? “Live in the forest you paid for/planted’?

Is this a cost or an opportunity?

- Taking wider ownership of ‘aviation emissions’ is a cost
- Alternatives?
  - – Airlines absorb cost and reduce capacity/demand
  - – Doesn’t get addressed (unlikely) – consumers feel flight shame and demand drops
  - – Govt taxes or policies – higher costs and suppressed capacity/demand
  - – In short: the value of aviation is NOT being acknowledged
- Can it be an opportunity?
  - – Brand value of a country wide scheme? Increased demand?
  - – Avoid the alternatives imposed by Govt with same negatives and no benefits?
  - – Potential to fund/create new green industry in Scotland that would be a positive for tourism

The Concept Diagram



Leadership that other countries might actually follow?

Mirror, mirror on the wall, are the arts the most accountable of them all?

Shona McCarthy

CEO, Edinburgh Festival Fringe Society

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Round Table Discussion

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Chaired by Sefton Laing

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In conclusion

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