



**Aberdeen &
Grampian
Chamber of
Commerce**

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Humza Yousaf MSP

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Dear Mr. Yousaf

We wish you well in your contest to become the next SNP leader over the coming weeks and hope that, should you be successful, we can count on your full support for the North-east business community as we collectively seek to create the conditions for growth in Scotland's economy and deliver jobs and prosperity in the years to come.

Aberdeen and Grampian Chamber of Commerce is the largest business membership organisation in the North of Scotland and Scotland's largest Chamber with 1,150 member businesses collectively employing in excess of 100,000 staff. We are politically independent but lobby and campaign to ensure the voice of our region's business community is heard loud and clear at all levels of government. We seek to work with politicians and key decision-makers to develop better policy to help businesses succeed. Our door is always open to people eager to work with us towards those ends.

It is no secret that the relationship between government and business has faced challenges in recent years, not least throughout the pandemic when heavy restrictions and additional costs were placed upon firms across the nation.

We have repeatedly called for a meaningful reset of this relationship but have repeatedly found that warm words have been undermined by subsequent policy decisions which have further impacted business activities.

We hope that new leadership of the SNP and, in turn, the Scottish Government can truly signal a renewed approach and laser focus on creating an environment that will give the private sector the confidence and conditions to deliver the full potential of Scotland's economy.

If elected, we hope you will be a First Minister that stands up for business, prioritises growth, delivers jobs and can turbocharge our region to ensure that we fully capitalise upon the opportunities of energy transition, continued focus on sector diversification and continue to punch above our weight in terms of contribution to Scotland plc.

We have three priority areas on which we hope to see early action to address if you are elected SNP leader in the coming weeks.



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Drop the presumption against oil and gas

The Scottish Government's newly adopted position supporting a presumption against oil and gas exploration will prove economically damaging and seriously risks creating an adverse environment for investment in the industry at a time we need to be doing all we can to maximise energy security, sustain jobs to support the energy transition and meet net zero targets. This strategy favours importing an increasing amount of our energy with a heavier carbon footprint, rather than prioritising domestic extraction which is more regulated, less environmentally damaging and maintains tens of thousands of Scottish jobs.

The Scottish Government's current positioning suggests a fundamental misunderstanding of the energy transition, and the requirement for oil and gas to fuel it. Drilling and production are still very much needed in the short, medium, and long term to bridge, and in many cases, fund, the transition.

We welcome all efforts and investment to scale-up at pace renewable and low-carbon technologies to deliver net zero. However, any pathway that puts energy jobs at risk in the interim is unconscionable in terms of potential long-term damage to this region's key industries and to the future health of the North-east and Scotland-wide economy.

Urgent review of anti-business policies

Our members have serious reservations around the implementation and cost burden of the Deposit Return Scheme and the potential impact of the ongoing consultation on restricting alcohol advertising and promotion. From small retailers to large producers, they almost universally harbour concerns around DRS and note a poor level of communication and engagement with the Scottish Government and its agencies as these plans have been brought forward. On this scheme in particular we would welcome a pause and full review into its fitness for purpose.

Furthermore, we would encourage you to extend this review to include all ongoing consultations which may pose a risk to business and drop those which cannot be amended to suit business from your policy programme altogether. We would welcome the opportunity to contribute to any such review with our members' concerns.

Investment in infrastructure

The North-east of Scotland needs efficient, low-carbon travel options within the region, better connectivity to the central belt by rail and investment in our port infrastructure and air links to ensure Aberdeen and Grampian can capitalise on global markets, develop opportunities with Europe and Scandinavia and drive inbound tourism.

Aberdeen and Grampian Chamber of Commerce has supported the Campaign for North East Rail in its efforts to secure feasibility funding for reinstating the Buchan railway to Peterhead and Fraserburgh through the Just Transition Fund. We hope to see this project supported and driven forward by the Scottish Government to unlock huge potential to the north of the city of Aberdeen in delivering for the local community but also in terms of freight, particularly in terms of transporting carbon by rail to the Acorn project at St Fergus for storage and utilisation.

Journey times between Aberdeen and Edinburgh/Glasgow by rail remain slower than they should be and investment in these sections of our railway should be a key infrastructure priority for any new First Minister. While we recognise the need to decarbonise our railways, electrification of the network must also deliver better journey times in turn, otherwise the medium-term disruption will not justify the ends for the business community of the North-east.

Upgrading the A96 between Aberdeen and Inverness should be seen as a priority both for business, for tourist traffic and for safety reasons. We hope to see honesty from the Scottish Government on plans and timescales for undertaking this work timeously.

Furthermore, we need faster rollout of EV charging infrastructure across our region as a joint delivery project between business, local authorities and the Scottish Government.

Our east coast ports stand primed and ready to deliver much of the support that is required to unlock the vast renewables potential of ScotWind in terms of manufacturing, servicing, operations and maintenance, besides decommissioning of oil and gas infrastructure. However, with the disappointing decision not to award Aberdeen and Peterhead Green Freeport status, these key shipping and supply hubs will require capital investment to position them for this work. Furthermore, they can be the focal points for driving exports and trade with the rest of the world and capitalising on new opportunities.

Finally, Aberdeen International Airport remains at a competitive disadvantage because of the discrepancy in the imposition of air passenger duty versus Inverness, where an exemption is applied. These two airports sit within 90 miles of each other and this situation skews the market and drives airlines to opt for the Highlands, rather than the region which needs to drive Scotland and the UK's energy transition and attract significant inward investment. Redressing this imbalance should be a priority, alongside air route development funding for Aberdeen to drive sustainable economic growth and provide enhanced access for business travellers and inbound tourists alike.

We would welcome your views on all of these subjects over the coming weeks of the campaign and hope to see swift action and a plan for delivery if you are appointed as Scotland's next First Minister.

Yours sincerely,



Russell Borthwick
Chief Executive