



**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

And the response we received last week from our new First Minister-elect is here:

Dear Russell,

Thank you for reaching out to my campaign on behalf of your membership. Over the course of this very quick 5 week campaign, I have visited Aberdeen on several occasions, setting out my vision for a just transition in the North East which will see the region embedded as a global renewable superpower. I hope my time spent in the area reflects how much I value the North East, and the importance of its position at the heart of my vision for a fair, prosperous Scottish economy centred around wellbeing and the transition to net zero.

I have repeatedly acknowledged that the just transition process is one that will only be effective if achieved via genuine and open dialogue with stakeholders and workers in the energy industry; we know and learn from experience the damage that can be done to communities if we don't take the people with us.

In any government I head, we will never leave people and communities behind. We will invest in people to make sure that they are able to play their full part in the net zero economy. As part of that I would ensure that existing funding is targeted at skills - enabling people to top up their skills so they can access the tens of thousands of good quality jobs that will be available, and to support young people coming into the labour market to work in new low carbon energy industries.

I would also back the skills passport project, which would enable people to move smoothly between oil and gas and renewables.

I am also conscious of the need to maintain energy security throughout the process of transition and balancing the journey to net zero with our interim oil and gas needs - we do not want to be importing oil and gas from elsewhere with a greater carbon footprint.

A just transition is not just about people working in the oil and gas sector either. I also recognise the knock-on effect on local businesses and communities if jobs are lost, which is why my government will prioritise building the clean energy industry. I want us to create more jobs and wealth, which stays in Scotland and fuels our wellbeing economy instead of simply boosting the profits of big oil companies.

As First Minister, I will also keep pressure on the UK Government to support the acorn carbon capture project, which is a huge investment and essential for decarbonising our energy.

I recognise the importance of the reinstatement of rail services between Aberdeen and the rest of the North East, in helping deliver this project, as well as being a key another key component of the transition to Net Zero - ensuring remote and rural communities are connected via effective Scotland-wide public transport infrastructure. I keenly await the outcome of the feasibility study into this project, awarded funding of £250,000 from the Just Transition Fund last year, and commit to doing all that I can as First Minister to propel it further.

As regards the wider principle of policy consultation with businesses in Scotland, I believe I have made clear my commitment to maintaining an open door to our business communities. I recognise that the Covid pandemic, spiralling energy costs, Brexit and other factors such as the war in Ukraine have compounded the issues faced by businesses in Scotland and addressing this is key to Scotland's future. In the case of the Deposit Return Scheme, I have committed to delay the participation of small businesses, to give more time for support to implement necessary infrastructure. During the campaign I have committed, as First Minister, to introduce a small-business impact assessment at a policy-making level, to prevent such disruption when implementing future policies that strive to further our transition to net zero.

I believe strongly that the best way to build a prosperous and fairer Scotland is to build a strong working relationship with business, as the needs of business, of government and our wider society are aligned. We all have a shared interest in upskilling Scotland's workforce, and creating good quality jobs that deliver fair work and fair pay. We all have a shared interest in educational attainment, health and wellbeing, in research and development and in our infrastructure and resources. There is no policy area that exists in isolation, so we need ensure that everyone with a stake in Scotland is round the table when taking the decisions that will impact on us all. Business needs to be at the heart of that process.

I hope this response offers some assurances to your members about my unshakeable commitment to support to the business communities of the North East, placing them at the heart of my vision for a Scottish economy based on wellbeing, prosperity, and ensuring climate security.

Yours sincerely,

Humza Yousaf