Scottish Tourism Alliance
Your voice in tourism matters

Scottish Tourism Alliance Briefing: Current business landscape and economic outlook for the tourism and hospitality sector (January 2024)

ECONOMIC OUTLOOK FOR TOURISM AND HOSPITALITY

Current economic picture – international visitors are back but profits are down

Tourism and hospitality businesses saw the welcome return of international visitors last summer and during the autumn and increased turnover compared to 2022, yet there has been and continues to be a **significant decline in business profitability**. This is particularly the case for small and independent businesses, which make up the majority of the tourism & hospitality sector, especially in the rural economy.

At the same time, Scotland has seen a **significant drop in domestic visitors and a marked change in the way these visitors are choosing to holiday** and the leisure activities they are undertaking because of the cost-of-living crisis and as more people look to book cheaper holidays abroad.

The STA's recent industry survey, conducted with leading research company 56 Degree Insight from 6th to 20th October 2023, which is typically the end of season for most in the rural economy, demonstrates that tourism and hospitality businesses continue to face elevated costs to do business, while consumers have drastically cut their discretionary spending.

The cost-of-doing-business crisis, high energy prices, a trend in last-minute bookings and the ongoing uncertainty around policies such as the Short-Term Lets (STLs) Licensing Scheme are making it difficult for them to invest in their businesses, while many are considering or have already shut their doors permanently.

Despite the ongoing challenges facing the tourism and hospitality sector, and the Scottish Government's commitment to work better in the interests of the economy through the New Deal for Business (NDFB), the urgent asks that the STA and other business organisations made ahead of the Scottish Government's Budget announcement have been largely ignored and our businesses have been left without the much-needed support they require to continue to trade and thrive.

Properly supporting our sector will overall drive economic growth, encourage investment, create jobs and support local communities, including generating funding for our valuable public services.

HOW'S BUSINESS? THE STA AUTUMN INDUSTRY SURVEY RESULTS

43%

OF TOURISM & HOSPITALITY BUSINESSES REPORTED DECREASED PROFITS

90%

ARE EXPERIENCING HIGHER ENERGY BILLS & SUPPLIER COSTS THAN LAST YEAR

4 in 10

HAVE 0-3 MONTHS OF CASH RESERVES

DROP IN KEY DOMESTIC MARKET

- Despite the welcome return of international tourists, respondents reported decreased volumes in visitors from Scotland (-16%) and other parts of the UK (-20%) compared to last year

LACK OF FUNDS TO INVEST

- Businesses continue to make tough decisions about prioritising investment, with staff training & development the area to receive least spending. Respondents expect to reduce investment over the next 12 months

STAFF COSTS RISING

- Before the rise in the National Living Wage was announced, 69% of tourism & hospitality businesses said their staff costs had already risen

STLs SCHEME CHALLENGE

- Alongside rising cost pressures, the Short-Term Lets Licensing Scheme was cited by 45% of respondents as one of their main challenges

<u>Much-needed Budget asks ignored</u>

1. Tourism funding:

In recognition of the difficult financial position the Scottish Government currently faces, we made a reasonable ask in our Budget submission that the Scottish Government at a minimum protect funding for tourism in the short-term, and in the medium- to long-term invest in enhancing tourism to achieve the ambitions of our national tourism strategy.

This included the maintaining of existing funding for VisitScotland and earmarking future funding for the upweighting of existing VisitScotland marketing activity to focus on driving and developing new and existing international visitor markets to Scotland.

However, the Scottish Government announced in December that the tourism budget has been cut by 10.8% and will be £47 million for 2024-25, compared to £52.7 million during the last financial period.

At the same time, VisitScotland capital funding is down by 67%, from £7.9 million to £2.6 million, due to a reduction in funding available for the Rural Tourism Infrastructure Fund. VisitScotland revenue funding is also down 4.5% to £38.6 million compared to £40.4 million last year.

It is currently unclear what the implications will be for VisitScotland activity at a time where there has never been a greater need for international marketing of Scotland as a visitor destination, with the global stage competing to attract visitors back post-pandemic and as we experience a decline in our own domestic market.

We are also in a situation where **many of our valuable destination management organisations (DMOs) are in a fragile situation**, despite the essential role many of them play in the delivery of local tourism initiatives and working together with local authorities to help to grow, sustain and manage tourism in local communities.

The STA's recommendation that funding for key DMOs be ringfenced was ignored, despite the fact that some DMOs are currently on a cliff edge and do not have funding security to effectively promote and manage tourism in their local areas in the coming period, with some having lost valuable resourcing from enterprise agencies.

For example, it was announced in the Scottish Budget that Highlands and Islands Enterprise (HIE) budget will be cut by 13% to £54.8 million for 2024-25, down from £62.8 million in the current year. In 2018-19, HIE's budget had been £71.7 million.

In 2020, the national tourism strategy, Scotland Outlook 2030, was launched with the bold vision to become the world leader in 21st century tourism by 2030. We still believe it's possible to achieve this, but the reality of delivering that vision is becoming increasingly challenging, despite the resilience and determination of our sector to do so.

2. Business rates relief:

Over the past two years, the Scottish Government has **failed to pass on Barnett consequentials from the 75% rate relief that hospitality, leisure and retail businesses have benefitted from in England**. The Welsh Government has also passed on business rates relief, although this time at a lower level of 40%.

The STA welcomes that basic property business rate was frozen and that 100% business rates relief was announced for hospitality properties in island communities, but this relief is only the equivalent of up to £4 million worth of support, compared to consequentials of up to £230 million. As has been well documented, the island tourism and hospitality sector continues to experience a significant loss of business and income caused by ongoing ferry disruptions, and some view it as a token gesture of compensation.

An estimated 10,000 businesses in the sector are not benefitting from the Small Business Bonus Scheme, according to analysis undertaken by Fraser of Allander Institute. **This means 10,000 businesses in Scotland are not getting the help they need to cope with the increased labour and operating costs, and to start operating more profitably and having the ability to invest.**

The UK Government's decision to increase the Minimum Wage/National Living Wage and expand it to 21- and 22-year-olds from April 2024 will both have a considerable impact on business wage bills.

Alongside failing to protect fragile businesses in these sectors, this decision by the Scottish Government continues to create a competitive disadvantage compared to neighbouring businesses in England and Wales.

3. Higher Property Rate:

The Scottish Government is **still to deliver on its commitment to restore the level playing field with England on the Higher Property Rate (HPR), which continues to have a negative impact on many tourism, hospitality and retail businesses.** As well as paying higher bills than their English counterparts, there is a potential knock-on impact on disincentivising future investment and expansion plans in Scotland if it is a more expensive place to base your business.

Accelerating the timetable to deliver on this overdue commitment would benefit an estimated 11,670 commercial premises in Scotland. The number of properties liable for HPR in 2024-2025 includes 590 hotels, 560 leisure, entertainment, and caravan properties, and 190 public houses.[1]

4. Income tax:

[1] https://www.parliament.scot/chamber-and-committees/questions-and-answers/question?ref=S6W-24113 – Figures are rounded to the nearest 10

Despite the STA's Budget asks that the Scottish Government commit not to increase income tax, it announced a new income tax band and also that the higher rate of 42% will be frozen at £43,662 rather than rising in line with inflation.

This will continue to make it more challenging for the sector in Scotland to recruit senior and highly experienced candidates from elsewhere in the UK and retain our emerging leadership talent, especially if the UK Government announces any reduction in income tax for England in the 2024 Spring Budget.

5. Skills funding and the Flexible Workforce Development Fund (FWDF)

There continues to be ongoing uncertainty from both the UK and Scottish Governments about the use of the Apprenticeship Levy and the future of the FWDF in Scotland. Several of Scotland's major hotels are continuing to pay this levy but are seeing no results for the wider tourism and hospitality workforce, which continues to struggle to recruit and retain the talent it needs.

The sector continues to face recruitment challenges due to lack of available staff, UK immigration policy, rural housing shortages and negative perceptions of the sector, resulting in many businesses being unable to effectively trade due to staff shortages. In the mid-term (2023-2026) there could be demand for 39,300 people in the sector, according to the Sector Skills Assessment 2023 (Skills Development Scotland).[2]

With STA's autumn industry survey finding that many businesses cannot afford staff training and development, it is critical that there are still initiatives available to help tourism and hospitality businesses to develop new and current staff to help to tackle the staffing shortages that threaten the sector. As a result, **urgent clarity is needed on the future of the FWDF and the funding of apprenticeships.**

Investment in upskilling, reskilling and cross-skilling in the sector acts as a key driver for productivity and economic growth. Although the commissioning of reports such as the Withers and Hayward reviews are welcome, funding is urgently needed to deliver on the ground.

6. VAT and tax-free shopping:

Along with the changes to the Minimum Wage/National Living Wage, the **financial situation facing the sector has been compounded by the UK Government's decision in the Autumn Budget to not adopt the ask of the sector to reduce VAT to at least 10% on supplies relating to hospitality, accommodation, and admission to certain attractions.**

The STA further recommended the reintroduction of tax-free shopping for all international visitors, instead as a digital version of the scheme. **Bringing back tax-free shopping for overseas visitors, including EU27 visitors, would give the UK a competitive edge** in appealing to the lucrative international visitor market, at a time when domestic spend it down.

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[2] https://www.skillsdevelopmentscotland.co.uk/media/yflo15sz/sectoral-skills-assessment-tourism.pdf

Modelling by Oxford Economics, on behalf of the Association of International Retail, suggests the reintroduction of tax-free shopping would attract more than 1.6 million extra visitors to the UK in 2025/26 and stimulate an extra £2.8 billion of tourist spending.[3]

The STA continues to urge the UK Government to deliver both of these measures to benefit the tourism and hospitality sector.

CURRENT BUSINESS LANDSCAPE

As set out in Scotland Outlook 2030, having the right policy and regulatory landscape in place is one of the keys conditions of success in achieving our shared vision for 21st century tourism. This involves minimising the burden of regulation and accompanying costs for industry and visitors, with better joined up policy making from the outset.

At a time of recovery following the COVID-19 pandemic, closely followed by the ongoing financial crisis, the tourism and hospitality sector has also had the additional strain and uncertainty of recent Scottish Government policies that add an unnecessary burden on business, several of which have needed to be delayed or revisited.

In recent times, this has included the STLs Licensing Scheme, the Deposit Return Scheme, Highly Protected Marine Areas, calories information on menus, and proposals for alcohol advertising restrictions.

The STA welcomes the Scottish Government's creation of the NDFB and what has been agreed in principle, but we remain in the early stages of what it means in practice. For the Scottish Government, there is the **added challenge of delivering both the NDFB and the Verity House Agreement in parallel and we continue to have reservations about how this can be effectively achieved.**

The current policy areas of particular relevance to the sector as we enter 2024 are:

Visitor Levy:

From the outset of the Visitor Levy (Scotland) Bill, despite being fundamentally opposed to a visitor levy being introduced, the STA has made a substantial effort to constructively work with the Scottish Government on how a levy could work in practice that avoids placing an additional burden on business and posing a serious risk to one of the Scottish economy's most valuable assets, while guaranteeing that any net revenue raised is used as a force for good.

The STA published a Local Visitor Levy Manifesto in February 2023 and we were pleased that a number of the report's recommendations were adopted by the Scottish Government,

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[3] https://www.oxfordeconomics.com/resource/the-impact-of-tax-free-shopping-in-the-uk/#:%7E:text=This%20study%20presents%20an%20assessment%20of%20the%20implications,non-EU27%20and%20extending%20the%20scheme%20for%20EU27%20visitors

including the creation of a cross-sector Visitor Levy Expert Group to produce guidance to accompany the introduction of a levy scheme.

The STA and other sector bodies continue to make the case for a clear and consistent fixed/tiered levy charging model with a national maximum cap; more detail on the face of the Bill, especially on exemptions; for greater accountability concerning how the net revenue raised from a visitor levy is spent; and that accommodation providers should be supported to recover visitor levy scheme start-up costs, just as local authorities can.[4]

However, following the recommendations made in the Local Government, Housing and Planning Committee's Stage 1 report on the Bill, **we continue to be in a position where crucial decisions are being left to guidance and individual local authorities.** The Committee report fails to address the sector's concerns and instead advocates for monitoring after the event when the damage may already be done.

The STA welcomes that the Scottish Government's response to the Stage 1 report acknowledges its commitment to the NDFB in delivering a levy that works for the sector and the need to continue to constructively work with industry.

As things currently stand, the sector is in a position where its accommodation providers will face an additional financial and time burden to collect a visitor levy on behalf of local authorities, which is at risk of disappearing into council budgets and that discourages visitors to stay overnight in their businesses.

The visitor levy has been introduced as part of the Scottish Government's commitment to the principles of the Verity House Agreement to grant local authorities more fiscal autonomy, but **this must not be to the detriment of the national economy and the principles of the NDFB.**

Although several countries have a version of the visitor levy in place, in comparison Scotland is already less competitive in terms of other fiscal measures. When tourists visit these other destinations, they can spend more and stay longer because they are ultimately taxed less.

With the global stage competing to attract visitors back and popular tourist spots like the Lake District just across the border, **we should not be complacent that Scotland's uniqueness will win over cost**. We should also not underestimate how domestic visitors will feel about facing an additional charge to holiday in their own country, including paying a levy to stay within their own local authorities when away from home.

There will also likely be an impact on local visitor spending, with the levy charge paid at the expense of visiting a local café or staying an extra night.

The STA remains concerned that the ambitious timeline for passing the Bill and calls for a shorter lead-in time for introducing a levy scheme do not adequately take into consideration

[4] https://scottishtourismalliance.co.uk/wp-content/uploads/2023/09/STA-detailed-submission-LGHP-Committee-Call-for-Views-on-Visitor-Levy-Scotland-Bill.pdf

the time still needed for businesses to recover and be on a much more stable footing. It is also critical that time is given to ensuring that accompany guidance for local authorities implementing a scheme is as robust as possible, as there are several complex issues that need considered.

Short-Term Lets Licensing Scheme:

The introduction and the six-month delay of the **STLs Licensing Scheme continues to have major ramifications concerning the availability of visitor accommodation throughout Scotland, many of which are rural and remote communities that are reliant on being able to offer self-catering, guest houses and B&Bs for visitors to stay there.**

We have seen a situation where 32 different approaches have been taken to introducing the scheme, with the City of Edinburgh Council's requirements on city-wide control areas ruled as unlawful on two occasions and other councils facing legal challenges from accommodation providers across Scotland about their own implementation of the scheme.

Originally aimed at regulating the rise of Airbnbs, now B&Bs, house swaps and glamping pods all need an official licence granted by local authorities to operate, and have faced a postcode lottery when it comes to meeting the requirements of different council areas.

The STA remains concerned that reducing visitor accommodation is a default position being taken by the Scottish Government to address the lack of affordable housing in the country, despite the benefits these businesses bring to their local visitor economy (and the wider national economy) and the fact that many would not even be deemed as affordable properties for residential use.

The ongoing uncertainty around STLs is continuing to cause untold stress on small accommodation businesses throughout the country, as well as potentially discouraging visitors from booking holidays in Scotland.

It raises serious issues around the availability of accommodation to meet visitor demand in Scotland, including whether there will be enough availability for visitors and performers when the Edinburgh Festivals return this summer or to host major sporting events like the Ryder Cup or Commonwealth Games.

Alcohol advertising restrictions:

Following the Scottish Government's decision to revise its proposals on alcohol advertising restrictions, it is **vitally important that the STA and other tourism and hospitality representatives are involved in informing the revised set of proposals before they reach the public consultation stage this time around.**

The consultation proposals as they previously stood **would have had a lasting detrimental impact on the positioning of Scotland as a globally attractive visitor destination**. They would have affected not only the country's prestigious distilleries and breweries, but also have a serious knock-on impact on local communities.

You can view the STA's full response to the previous consultation and an open letter STA sent on behalf of the tourism and hospitality sector.

Circular economy:

The STA welcomes the creation of a circular economy strategy, but does not believe there is the need to introduce a statutory requirement to deliver it. Scotland Outlook 2030 already sets out a clear commitment to take purposeful action to halt further decline, reverse damage and bring about long-term change concerning the climate emergency we are facing.

The STA does not support the introduction of new regulations that would give Scottish Ministers the power to legally require suppliers of goods to apply charges to single-use items, including single-use beverage cups. Unfortunately, this would be viewed as another burden on business, despite the efforts of many to support the net zero and circular economy agendas.

A major campaign and drive from the Scottish Government is instead needed to support businesses to make the changes necessary to introduce a new charge on single-use, with the tourism and hospitality sector having made significant strides over recent years since the ban on single-use plastics.

Along with the visitor levy charge for visitors, a charge on single-use cups and other items will **once again hit visitors' pockets**. It is impractical to expect tourists visiting Scotland to pack a reusable cup or other forms of reusable food storage items, especially international visitors flying to the country. It will also likely impact on those who attend events such as music concerts and festivals, winter markets, all-day conventions, conferences and other business events.

Cruise ship levy:

The STA strongly believes that there is **not enough time to properly consult and conduct a thorough Business Regulatory Impact Assessment to include cruise ships in the current Visitor Levy (Scotland Bill)**. This decision should not be rushed, as there are **pros and cons of charging cruise ship passengers.**

Proposed as another fiscal power for local authorities as part of the Verity House Agreement, the STA remains concerned about introducing a charge on cruise ship passengers, who make a valuable contribution to Scottish tourism and the wider economy, attracting cruise ships and passengers from around the world to our ports.[5] When Amsterdam began charging a €8 per head tax on cruise tourists in 2019, some cruise companies chose to remove Amsterdam from their itineraries.

[5] www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-insights/cruise-tourism-in-scotland.pdf

However, this must be balanced with concerns among some local communities about the risk of tourism overcrowding and the resulting pressure on resources and infrastructure, potentially offsetting the economic benefits brought by cruises stopping there. For example, Orkney is proposing limiting the size of cruise ships that can anchor there.

The STA remains uneasy that the introduction of the proposed visitor levy and cruise ship levies indicate that the sector and the wider business community will be negatively impacted by further fiscal powers that are granted to local authorities through the Verity House Agreement.

LATEST TOURISM DATA

Tourism and Hospitality businesses:

- The STA's recent industry survey in October 2023, conducted by independent research company 56 Degree Insight, highlights that the sector continues to be in a fragile state and that the business community urgently needs support to mitigate the effect of rising costs of doing business and reduced consumer spending.

- Almost half of survey respondents (48%) reported decreased profits – in most cases experiencing a year-on-year decline of 10% or more.

- Many businesses continue to be at risk of permanent closure, with the survey finding 4 in 10 businesses have none or only up to 3 months of cash reserves.

- Compared to 2022, respondents reported a small net increase in their customer numbers this year. Between 2022 and 2023, the sector experienced increases from key overseas markets (Europe +30%, North America +29%).

- Concerning the key domestic visitor market, respondents reported decreased volumes in visitors from Scotland (-16%) and other parts of the UK (-20%).

- 92% of tourism and hospitality businesses said they were experiencing higher energy costs than last year, 90% had higher supplier costs to deal with, whilst staffing costs had increased for 69% of them.

- The burden on household finances means discretionary consumer spend continues to be markedly reduced and consumers are postponing trip booking decisions, meaning these shortened lead times are adding to business uncertainty.

- This has resulted in cutbacks in business investment in a number of key areas, such as building maintenance and improvements, marketing and promotion. Given that visitors regularly cite the key role played by our people when it comes to the Scottish tourism product, it is concerning that only around one in five have increased their spend on staff training and development.

- Looking forward, levels of business confidence remain fairly low, particularly amongst smaller businesses and within the serviced accommodation sector. Half of accommodation businesses reported fewer forward bookings than they did at the same time last year (50%).

- For businesses, the key challenges for 2024 continue to relate to the economic situation – especially energy costs (81%). Additionally, amongst self-catering businesses, the second most cited challenge they face is the implementation of the STLs Licensing Scheme (76%).

Domestic Tourism:

- From April to June 2023 (Q2), there were 2.8 million domestic overnight trips to Scotland, with visitor spend at £736 million and the average spend on an overnight trip £260, according to the Great Britain Tourism Survey.[6]

- Domestic visitors made 13.5 million overnight trips to Scotland in 2022 and total overnight spend in Scotland was £3.4 billion. The average duration of domestic trips to Scotland was 3.0 nights and £253 was spent on average per trip.[7]

- The cost-of-living crisis and personal finances continue to impact on people's decision whether to take a domestic holiday or short break, according to VisitScotland's latest Domestic Sentiment Tracker (conducted between July and September 2023).[8] It found 47% of Scottish residents feel that the worst is still to come and 25% feel they have been hit hard, which in turn has led to last-minute decisions being made about booking holidays.

- VisitScotland's last Domestic Sentiment Tracker reported financial concerns were leading to domestic visitors cutting back on their spending on holidays and short breaks in the UK, with people appearing more likely to cut back on accommodation and eating out than on things to do.

- There has been a notable decrease in the number of breaks taken in Scotland, with 52% taking fewer breaks than in 2022 and 45% opting for shorter durations, according to The Scottish Tourism Index published by 56 Degree Insight in October 2023.[9] The drop in domestic holidays coincides with increased interest in European destinations, which 56 Degree Insights suggests will likely continue through 2024.

- The survey of over 1,000 residents in Scotland found financial pressures meant people were choosing to stay in accommodation where they can cook for themselves, such as self-catering, with friends or relatives, and camping and caravanning.

[6] https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-insights/great-britain-tourism-survey-q2-2023---revised-nov.pdf
[7] https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-insights/great-britain-tourism-survey-2022-revised-2-lifestage.pdf
[8] https://www.visitscotland.org/research-insights/about-our-visitors/uk/sentiment-tracker
[9] https://www.56degreeinsight.com/s/STI-October-2023-FV.pdf

- The Scottish Tourism Index further reports spending on eating out has significantly dropped compared to 2022 (-13%), while there has also been less people buying takeaway food, shopping for gifts and souvenirs, visiting historic properties and purpose-built attractions, and taking part in cultural activities.

Inbound Tourism:

- An estimated 1.63 million inbound visits were made to Scotland during April and June 2023 (Q2) – 50% more than the same period in 2022 and 27% higher than in 2019, according to provisional data published in the International Passenger Survey (IPS) by the UK Office of National Statistics (ONS).[10]

- The IPS also reported that inbound visitors were spending more and staying longer during this period compared to 2019 levels, with £1.087 million visitor spending and the average spend per visit in real terms up by 6% compared to 2019, rising to £935 during April and June 2023.

- In 2022, overseas residents made 3.2 million overnight visits to Scotland of which 58% were for holidays and 29% to visit friends or relatives. During that year, Scotland had the highest proportion of holiday visits compared with other regions of the UK. Edinburgh was the most-visited city outside of London, with 1.8 million visits.[11]

- The latest publication from VisitBritain (20 December 2024) forecasts that there will be an increase in inbound visits to the UK compared to last year, but that this will still fall short of 2019 levels.[12] An estimated 39.5 million visits to the UK are forecast for 2024 – a rise of 5% on the 37.8 million expected in 2023, but still 3% less than 2019 levels.

- VisitBritain's overall forecast for spending by international visitors in the UK in 2024 is £34.1 billion, 7% more than spending predicted in 2023.

- VisitBritain has predicted that inbound tourism, both the number of visits and spending by international visitors, will not recover to 2019 levels until 2025.

ABOUT THE SCOTTISH TOURISM ALLIANCE

The Scottish Tourism Alliance (STA) is the acknowledged overarching trade body for the **tourism** and **hospitality** industry in Scotland. The organisation has the greatest number of tourism and hospitality members under its umbrella, more than any other national association or trade body in Scotland. The make-up of the STA membership includes both

[10] https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/bulletins/overseastravelandtourismprovisional/apriltojune2023#:~:text=Overseas%20residents%20made%209.9%20million,visits%20in%20Quarter%202%202022.

[11] https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/articles/traveltrends/2022

[12] https://www.visitbritain.org/visitbritain-publishes-inbound-tourism-forecast-2024

direct and indirect members, i.e. the extended membership of the national sector associations and destination organisations that make up the STA Council and DMO Forum. In total, an estimated 15,000+ businesses are connected to the STA from across all regions of Scotland.

Its core membership comprises of over 250 trade associations, tourism and hospitality facing businesses, destination groups and other business organisations with an interest in tourism, including many from the critical supply chains that support the sector, food, drink, finance, transport, and training providers.

The organisation is governed by a Board with wide-ranging representation from Scotland's tourism industry and supply sectors, who together with STA's Council and Destination Forum shape the organisation's policy agenda for the Scottish Government, UK Government and other key stakeholders.

The STA led and co-ordinated the development and launch of Scotland's national tourism strategy, Scotland Outlook 2030, in collaboration with the Scottish Government and its agencies. The trade body remains driven by this strategy, growing the value and positively enhancing the benefits of tourism in Scotland by delivering the very best for visitors, businesses, people, communities and environment.

The STA's Chief Executive, Marc Crothall MBE, co-chairs the Tourism and Hospitality Industry Leadership Group(ILG), alongside the Minister for Small Business, Innovation, Tourism and Trade, Richard Lochhead. The group's core purpose is to provide the recommended strategic direction that will help to drive recovery and sustainable growth across both tourism and hospitality in the long term.

The ILG builds on the partnership approach of the Scottish Tourism Emergency Response Group (STERG), which led the industry's response to the COVID-19 pandemic in partnership with the Scottish Government.