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Official Report

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Thursday 10 September 2015

Session 4

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Scottish Parliament

Thursday 10 September 2015

[The Presiding Officer opened the meeting at 11:40]

General Question Time

Registered Sex Offenders (GPS Tracking)

1. Paul Martin (Glasgow Provan) (Lab): To ask the Scottish Government whether Police Scotland uses global positioning system technology to track registered sex offenders. (S4O-04568)

The Cabinet Secretary for Justice (Michael Matheson): Scotland's multi-agency public protection arrangements provide a robust statutory framework to manage the risks posed by sex offenders. Every decision that is taken by the relevant MAPPA agencies is taken with public safety at the forefront. We know from international evidence that electronic monitoring is a useful tool that can aid reducing reoffending when set within a wider package of care and support.

New research that was commissioned by the Scottish Government provides evidence to support the use of GPS, not as a replacement for the current radio frequency technology but as an additional tool for people who have been convicted of a range of offences. I have tasked an expert group with considering how all forms of electronic monitoring, including GPS, can be used more effectively in the future. That group will make firm recommendations to me by spring 2016.

Paul Martin: I am disappointed by the minister's response because the technology for GPS systems to track registered sex offenders has existed for some years and I understand that there is evidence to prove that they are effective.

I refer the minister to the Justice Sub-Committee on Policing's recommendation on high-risk sex offenders who fail to co-operate with the relevant authorities on matters of significance or who abscond. It recommended that details on those individuals should be provided to local communities and made available on websites such as Crimestoppers. However, I have evidence that the details for at least four child sex offenders who are considered risks have not been provided on the Crimestoppers website. Does the minister share my concern about that situation and will he ensure that there is no recurrence of it?

Michael Matheson: First, we have now received the research that we commissioned into GPS technology. The expert group that I have

tasked to look at the matter will report to us in spring next year so that we can consider how we can take forward that technology. However, it is very important that we introduce that type of technology in a measured way and are confident that it will be utilised in a robust and secure way. That is why the expert group is considering the issue in great detail, and we will then consider how we can roll out the technology.

The member also referred to the availability of information about sex offenders. He will be aware that the police have powers to disclose information relating to individual sex offenders and that it can be provided to individuals or groups in a community where it is believed that it is necessary for the prevention of crime. However, if the member has specific information that he believes has not been made available but should have been, I would be more than happy to consider it and ensure that the he gets an appropriate response from the agency that is responsible for dealing with that issue.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): As the cabinet secretary will be aware, a sex offender who is released on licence and supervised under MAPPA must be released into the community from which he or she came, unless another local authority volunteers to take them. Does the cabinet secretary agree that that is a specific problem for rural communities, because everybody kens everybody else and we sometimes have vigilantism? Will he consider reviewing the present arrangements, particularly where someone is being released back into a rural community?

Michael Matheson: The member raises an important point, but I think that she is confusing two different things because it is the national accommodation strategy for sex offenders that sets out the approach that should be taken for accommodating sex offenders when they are released, which is then used by MAPPA agencies when considering a particular instance. I therefore do not think that the issue to which the member refers is to do with MAPPA; it is more to do with the approach that is set out in the national strategy. However, if he has some specific experiences that she believes need to be considered, I would be more than happy to hear from her about them and ensure that they are considered appropriately. As I said, though, that is probably more for the national strategy than the overall MAPPA approach.

Planning System (Review)

2. Iain Gray (East Lothian) (Lab): To ask the Scottish Government what the objective is of its proposed root-and-branch review of the planning system. (S4O-04569)

The Cabinet Secretary for Social Justice, Communities and Pensioners' Rights (Alex Neil): The objective of the review is to identify the scope for further reform with a focus on delivering a quicker, more accessible and more efficient planning process, particularly to increase delivery of high-quality housing development.

Iain Gray: The problem with planning in East Lothian is that ministers routinely and repeatedly overturn local planning decisions. From an unwanted incinerator to numerous inappropriate housing developments, ministers ride roughshod over my constituents' views. Does the minister's answer not suggest that the review will reduce local democracy further rather than improve the position?

Alex Neil: I do not agree with the description of the planning system as it applies to the member's constituency.

One of the objectives of the review will be to look at how we can further enhance local democracy and participation in the planning system. When ministers consider any matter relating to planning, they take many issues into consideration, including the views of local people. However, as the member knows from his own experience in government, we have to take a wider view, which sometimes means having to take a different point of view from that of local people.

Colin Keir (Edinburgh Western) (SNP): Will the cabinet secretary ensure that any long-term strategic planning review for housing needs includes how infrastructure is planned, managed and paid for, as well as how commuters and traffic movements are planned for, so that local development plans are made sustainable?

Alex Neil: There are some major infrastructure challenges, particularly in and around parts of the larger cities in Scotland. That is particularly the case when it comes to housing developments. Given the constraints on the public sector budget, we need to ensure that the resources are available from whatever source so that the infrastructure that is required to accommodate new housing developments is in place. For example, transport is a particular challenge in some parts of Edinburgh.

The Presiding Officer (Tricia Marwick): I am aware that some members are experiencing difficulty in hearing the sound from their consoles. We have asked to have the consoles checked and, hopefully, we will get the issue sorted in the very near future.

NHS Lanarkshire (Meetings)

3. John Pentland (Motherwell and Wishaw) (Lab): To ask the Scottish Government when the

Cabinet Secretary for Health, Wellbeing and Sport last met the board and chief executive of NHS Lanarkshire and what was discussed. (S4O-04570)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): Ministers and Government officials regularly meet representatives of all health boards, including NHS Lanarkshire, to discuss matters of importance to local people.

John Pentland: There is certainly a lot to talk about, given that NHS Lanarkshire has gone from crisis to crisis. It was reported last week that the board had very poor accident and emergency waiting times—yet again the worst in Scotland—and a very high-risk staffing situation. It is possible that there will be A and E closures and that the number of general practitioner out-of-hours centres will be cut from five to two, perhaps permanently. That is despite the cabinet secretary saying that that would be an interim measure. Will she now recommend that the board calls independent experts to undertake a thorough review of NHS Lanarkshire?

Shona Robison: A and E waiting times are a concern at Wishaw general hospital and we have been keeping in close contact with NHS Lanarkshire about that. The board has a comprehensive action plan to improve performance at Wishaw general. I am happy to furnish John Pentland with more detail about that.

It would be unfair to suggest that the performance of Monklands and Hairmyres has not been improving; actually, they have been performing very well indeed, and it is a pity that John Pentland does not recognise that. There will be no A and E closure. I remind John Pentland that the only threat of A and E closures was from his party. Had that not been overturned, we would not have seen the 500,000 attendances at the A and E department at Monklands and there would have been a lot more pressure on Wishaw and Hairmyres. *[Interruption.]*

The Presiding Officer: Order.

Shona Robison: John Pentland also referred to the out-of-hours review. As I have said to him many times before, the out-of-hours model is an interim one, approved by the health board back in May on the grounds of patient safety. The longer-term proposals will be developed in consultation with staff and the general public and, as I have said before, have to be consistent with the conclusions of the national review of out-of-hours services, which is due shortly.

I hope that John Pentland will be reassured by what I have said. I am happy to write to him about more of the actions that NHS Lanarkshire is taking to address some of the issues at Wishaw general.

Employment (Fraserburgh)

4. Stewart Stevenson (Banffshire and Buchan Coast) (SNP): To ask the Scottish Government what it is doing to protect employment in the Fraserburgh area. (S4O-04571)

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): Our continued investment in infrastructure, regeneration and business support is designed to support the area's economy and create and safeguard jobs. For example, an investment of £13.7 million of European fisheries fund assistance in Fraserburgh supported harbour deepening and quay improvements. This has ensured the long-term operation of the harbour and safeguarded the jobs of more than 700 fishermen.

Stewart Stevenson is aware of the situation with Young's, and the Minister for Business, Energy and Tourism has been working closely with the company. I firmly believe that we have offered it a very strong case, such that maximum employment can be retained in Fraserburgh.

Stewart Stevenson: I thank the Government on behalf of the harbour board for the support that it has given, which is certainly a useful contribution.

Specifically on the situation at Young's, will the cabinet secretary give more detail on the launch of the Fraserburgh task force and how it might contribute to protecting and enhancing employment in the area?

John Swinney: Stewart Stevenson will be aware of the issues that we face in relation to the long-term future of Young's at Fraserburgh. The Government has engaged very strongly with the company and Fergus Ewing has drawn together all interested parties to ensure that we have a co-ordinated approach to addressing this particular difficulty.

The task force will meet for the first time on Monday, although preparatory work has been under way to support, in every way we can, the agenda to protect employment at Young's. *[John Swinney has corrected this contribution. See end of report.]* I assure Mr Stevenson that the Government will do everything possible to safeguard a very significant employer in the local economy.

Lewis Macdonald (North East Scotland) (Lab): The cabinet secretary will be aware that a few days ago Fergus Ewing was quoted in the press as saying that the Scottish Government would match any package of aid that the United Kingdom Government provided to Young's plant at Grimsby on the condition that it was compliant with

state aid rules. Will Mr Swinney confirm that that is the Scottish Government's commitment?

John Swinney: That is the Scottish Government's commitment. I reiterate the point that Fergus Ewing made in his public remarks: the assistance that we provide in all circumstances is state aid compliant, and we expect that of every other offer that is made in these circumstances.

Alcohol Misuse (Deaths)

5. Kenneth Gibson (Cunninghame North) (SNP): To ask the Scottish Government what action it will take to address the reported increasing number of deaths due to alcohol misuse. (S4O-04572)

The Minister for Public Health (Maureen Watt): The rise in alcohol-related deaths is extremely disappointing and concerning, particularly given that there is also a risk that consumption may be increasing again following a period of decline.

Since 2009, we have taken sustained and effective action through our alcohol framework, which has more than 40 measures to reduce alcohol-related harm. The framework is having an impact, but we know that we need to do more. We are working on the next phase, which we intend to introduce next year.

Kenneth Gibson: The minister will be aware that last year alcohol-related deaths in Scotland rose by 5 per cent to 1,152. Dr Peter Bennie, who is the chair of British Medical Association Scotland, said:

"It is a continuing frustration that legislation to introduce minimum unit pricing of alcohol has been delayed due to the legal challenge by the ... Scotch Whisky Association ... We once again call on it to drop this appeal and allow the introduction of this innovative and world-leading public health policy."

Does the minister agree with him?

Maureen Watt: I hear the frustration of Peter Bennie and countless others across the medical profession that this life-saving policy has been held up in the courts while Scotland has seen alcohol-related deaths rise. The opinion from the European Court of Justice advocate general last week very much left the door open for minimum unit pricing, and we are confident in the arguments that we can make to meet the tests that have been set out. We remain certain that minimum unit pricing is the right measure for Scotland, and we are committed to its implementation.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): We are awaiting the European Court of Justice's final decision on minimum unit pricing. Over the past three years, the United Kingdom's Tory-Liberal coalition and the current UK Tory

Government have ended the alcohol duty escalator and indeed reversed the duty on alcohol, which have contributed to the price decrease that is playing a part in the rise in deaths.

Will the minister now discuss with colleagues the publication of draft regulations for the introduction of the social responsibility levy to ensure not only that off-licences and, especially, supermarkets suffer a price penalty and therefore, I hope, increase the price of alcohol in line with the current increase in wages, but that local authorities have the funding to tackle alcohol problems?

Maureen Watt: In response to Dr Richard Simpson's question about the social responsibility levy, I refer the member to John Swinney's answer to a question that Kenny MacAskill asked yesterday. We are very keen to build consensus on public health policies, particularly when they are as important as tackling Scotland's unhealthy relationship with alcohol, and we are always willing to look at ideas that might help.

Carers (Central Scotland)

6. Margaret Mitchell (Central Scotland) (Con):

To ask the Scottish Government what it is doing to support carers in the Central Scotland region. (S4O-04573)

The Minister for Public Health (Maureen Watt): We have introduced the Carers (Scotland) Bill, which is currently at stage 1 of the parliamentary process. It is an important part of our programme of health and social care reform that will extend the rights of all adult carers and young carers across Scotland.

Other Scottish Government initiatives, such as the voluntary sector short breaks fund and the carer positive employer scheme, benefit carers across Scotland. Scottish Government carer information strategy funding to NHS Forth Valley and NHS Lanarkshire amounts to more than £865,000 for 2015-16, and that is contributing to a wide range of support to carers in Central Scotland.

Margaret Mitchell: I thank the minister for her comprehensive answer, but is she aware that, instead of the local framework for eligibility criteria that is proposed in the Carers (Scotland) Bill, carers want a national framework in Scotland to ensure equity, fairness and consistency and avoid a postcode lottery? Is she sympathetic to that view?

Maureen Watt: My colleague Jamie Hepburn, the Minister for Sport, Health Improvement and Mental Health, met North Lanarkshire Carers Together and representatives from the national carers organisation on 27 August to discuss, among other matters, the proposals for the

national eligibility framework. As a result of that discussion, officials are considering the NCO proposal for such a framework. We are liaising with the national carers organisation and the Convention of Scottish Local Authorities on the framework and will make a decision in due course.

Red Meat Levy

7. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government what progress it is making on repatriating the red meat levy paid by Scottish livestock producers in England. (S4O-04574)

The Minister for Environment, Climate Change and Land Reform (Aileen McLeod):

The issue of red meat levy repatriation has been an on-going matter of concern to the Scottish Government for a number of years. Although good progress was made at the last United Kingdom-wide industry forum that was established to consider alternative levy allocation methodologies, this issue must now be resolved to bring to an end to the disadvantage that it has caused the Scottish red meat industry over the past decade, particularly in responding to the current challenges that the sector faces. We will be pressing the Department for Environment, Food and Rural Affairs to accelerate the process and provide a fair and equitable settlement.

Angus MacDonald: We have seen Quality Meat Scotland's good work in promoting our world-class-quality Scotch meat, a great example of which was the success of the recent love Scotch lamb weekend. Clearly much more could be done if the levies that our producers pay in England were returned and if the capacity for slaughtering in Scotland were increased. Will the minister undertake to work alongside the cabinet secretary and the industry to increase the capacity of Scotland's abattoirs and to continue to lobby the UK Government to ensure that the red meat levies that are due to us are returned from England in order to help further promote our booming food and drink industry?

Aileen McLeod: I whole-heartedly agree with my colleague's comments about Quality Meat Scotland's very good promotional work, not least its recent lamb campaign, which I understand will target 3.7 million consumers and reach over 90 per cent of Scottish adults. I have no doubt that the repatriation of the levies that ended up south of the border would have had a direct and positive effect on QMS's work, and I assure my colleague that the cabinet secretary and I will not stop pressing this issue until we get a satisfactory resolution.

Of course, not all of the lost levy comes from the sheep sector—30 per cent is derived from pigs. With the assistance of our £2.7 million grant

funding, the new Brechin facility will open this November, effectively doubling the slaughter capacity for pigs and ensuring that Scotland has the ability for all pigs born in Scotland to be slaughtered in Scotland. A recent study by Quality Meat Scotland confirmed that there was no lack of slaughterhouse capacity in Scotland, except with regard to pigs, but the Scottish Government is always ready to consider applications for support to invest in the meat processing sector, including abattoirs.

First Minister's Question Time

11:59

Engagements

1. Kezia Dugdale (Lothian) (Lab): To ask the First Minister what engagements she has planned for the rest of the day. (S4F-02936)

The First Minister (Nicola Sturgeon): Engagements to take forward the Government's programme for Scotland.

Kezia Dugdale: On Tuesday, something very unusual happened in this Parliament: the Scottish National Party lost a vote

Every year, more than 20,000 children in Scotland have to deal with a parent going to prison. We do not know exactly how many, because we do not bother to count them. Mary Fee, supported by Barnardo's, the National Society for the Prevention of Cruelty to Children and Families Outside, amended the Criminal Justice (Scotland) Bill to put that right. Those charities know that, if we can find those children, we can support them and help them to achieve their potential rather than any predetermined destiny.

The amendment was agreed to in the committee against the will of the First Minister's MSPs. Of course, she can use the full force of her majority to remove that amendment—that progress—at stage 3. Will she respect the committee and promise not to do that?

The First Minister: I assure the Parliament that we will give full consideration to the amendment that was agreed to, and we will consider whether it best meets our objective of helping the children of those who are sent to prison.

I hope that Kezia Dugdale will recognise the sincerity and determination of the Government to ensure that we are not sending people to prison who do not need to be in prison. I also hope that she will acknowledge the change of direction that was instituted by Michael Matheson around the plans for a women's prison, because we recognise that having women in particular in prison affects children. All of us want to make sure that we are identifying, and ensuring support for, all children whose mothers or fathers have to serve prison sentences.

As, I hope, the Parliament would expect us to do, we will give full consideration to that amendment, and to other amendments that have been discussed in relation to the Criminal Justice (Scotland) Bill.

Kezia Dugdale: The First Minister and I both talk a lot about closing the attainment gap. The children who are affected by parental imprisonment are about as far on the wrong side of that gap as it is possible to be. They are three times more likely than average to have severe mental health problems, and the statistics tell us that, without help and support, more than 50 per cent of them will end up in jail.

The First Minister's Minister for Children and Young People, Aileen Campbell, knows what a difference the arrangement that the amendment proposes would make. She herself proposed such an arrangement in an amendment when she was a backbencher in the previous session of Parliament.

I might be wrong, but I do not think that the plight of these children has ever been raised at First Minister's question time before. On that basis, I will give the First Minister another chance to do the right thing. Will she instruct her MSPs to support Mary Fee's amendment to the Criminal Justice (Scotland) Bill?

The First Minister: I am going to continue to do what I think is the right thing to do. Having had a vote two days ago in Parliament on a particular amendment, the right thing to do is for the Government to reflect on its position in light of that vote. The Government would not be doing the right thing if it did not seriously reflect on that position in light of the vote in committee. However, we also have to reflect on the view of Elish Angiolini, which I will have to paraphrase because I do not have the document before me. The issue that we are discussing is one that she considered when she carried out her considerable and respected work in this area. I think that she came to the conclusion that the social work assessment process that was already in place was right and adequate.

That is the basis on which the Government has taken the position that it has taken. However, a committee has taken another position. In the normal course of things, before we get to the next stage in the passage of the legislation, we will consider our position. Either we will come to Parliament and accept the amendment that has been agreed to at stage 2, or we will come to Parliament and give careful reasons why we consider that it would not be the right thing for that amendment to stand. That is the responsible and rational way for any Government to proceed in the wake of such a vote.

I am happy to discuss the matter with Kezia Dugdale and any other member of the Parliament who is interested in the issue so that, collectively, we can come to the right decision, as a Parliament, about how we can best support children and young people whose parents serve

prison sentences. That is the right way to go about it.

Kezia Dugdale: It is clear that the right thing to do would be to support the amendment.

The First Minister just got an answer from her justice secretary about social work assessments. Let me tell her about social work assessments. There is no mandatory requirement to fill them in. In fact, over the past year, the number of assessment forms that have been filled in has fallen. The reality of the situation is that those assessments are about the parents, not the kids. This is about giving those kids a chance.

If the First Minister will not do anything for children who are affected by a parent being in prison—*[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

Kezia Dugdale: I will ask her about children whose lives are blighted by homelessness. Yesterday, we debated the housing crisis. Homelessness is at the extreme end of that, and the children of homeless families are the most vulnerable. Can the First Minister tell the chamber how many children in Scotland are sleeping in temporary accommodation and whether the number is going up or down?

The First Minister: This Government—supported, I think, by members across the Parliament—has done a great deal to tackle temporary accommodation for those who are homeless.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): So is it going down?

The Presiding Officer: Order.

The First Minister: We are also on track to meet our target for building new homes in order that we can continue to provide the homes that those who are homeless and people who require different or bigger accommodation need. Iain Gray, who is sitting next to Kezia Dugdale, once said that Labour passed world-leading housing legislation but just did not bother to do anything about building the houses to support that world-leading legislation. This Government is making sure that we have the right legislation in place but also that we are making the right investment to build the houses that are needed to support that legislation, and that is what we will continue to do.

The issue of children whose parents serve prison sentences is very important, and I am happy to seek to build consensus. Kezia Dugdale said that it is absolutely clear what the right thing to do is, but I am not sure that I am yet in a position to say with clarity what the right thing to do is. We have had work done, which the Government has based its position on, and a

parliamentary committee has taken a different position. It is incumbent on me, as the First Minister, and the justice secretary to consider all of that carefully before we come to a conclusion, because it is so important that we give the right support to children who are in those circumstances. I will continue to give the matter the attention that it deserves and we will continue to treat it as seriously as we should. I give a commitment to Kezia Dugdale and members across the chamber that we will consult them—we are happy to discuss the matter further with them—and try to proceed in a way that commands support across the parliamentary chamber.

Kezia Dugdale: The First Minister has had eight years to know what the right thing to do for those children is.

I asked her specifically about children in temporary accommodation, so let me give her the answer. The answer is that 4,555 children live in temporary accommodation, without a home of their own. That figure has gone up by 402 children in the past year alone. After eight years in government, the First Minister is presiding over a rise in the number of children who are sleeping in temporary housing. She is resisting helping children who are affected by a parent being in prison, and we have not even started to talk about the 16,000 rejections in child and adolescent mental health services. Those children are waiting for us to help them; we cannot wait any longer to act. If the First Minister is really serious about closing the gap, surely she will commit today to producing an action plan for Scotland's most vulnerable children.

The First Minister: Everything that my Government does will be intended to help the most vulnerable in our society, particularly the most vulnerable children. That is something that we should seek to agree on, not to divide on.

Paul Martin (Glasgow Provan) (Lab): What about CAMHS?

The Presiding Officer: Order.

The First Minister: Let me run through some of the issues that Kezia Dugdale has raised. We are investing heavily in child and adolescent mental health services—we are seeing an increase in the number of staff who are working in CAMHS—in order that we can target waiting times, which have been too long, and reduce them to the target time. In fact, I specifically mentioned CAMHS in my statement on the programme for government just last week.

This Government is also making sure that we have the right legislative framework and the right investment in place to tackle, reduce and eliminate homelessness.

Surely Kezia Dugdale cannot stand here in this chamber today and deny the impact of welfare cuts on, for example, homelessness and poverty in our country? [*Interruption.*]

The Presiding Officer: Order.

The First Minister: Of course, this time last year Kezia Dugdale was arguing vigorously for the Tories to remain in charge of welfare issues. Therefore, her credibility on the issue might be a little bit stretched. [*Interruption.*]

The Presiding Officer: Order.

The First Minister: For our part, we are spending £104 million this year to mitigate the impact of welfare reform, in addition to what we are doing on legislation and our investment in housing. That £104 million will help to mitigate the impact of welfare reform. It would be better if Kezia Dugdale got behind us on some of those actions, stopped arguing for the Tories to remain in charge of these things and equipped this Parliament to do them even better.

Secretary of State for Scotland (Meetings)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when she will next meet the Secretary of State for Scotland. (S4F-02933)

The First Minister (Nicola Sturgeon): I have no plans to do so in the near future.

Ruth Davidson: We know that having school qualifications in the so-called STEM—science, technology, engineering and maths—subjects unlocks doors to a huge variety of careers. We also know that far too few young women are taking up those opportunities at school. When I asked the First Minister about the issue in January, she said:

“I readily agree that we need to get more girls and women into STEM subjects. I do not take the view that we have done everything that we need to do, but we are doing the hard work.”—[*Official Report*, 29 January 2015; c 15.]

Let us see what “hard work” the Scottish Government is doing. What measures to address the situation has she outlined in her programme for government or her framework for Scottish education?

The First Minister: This is an important issue, so let me run through just some of our work to increase the number of women who are participating in STEM subjects. I will then come on to some of the progress that is being made on school qualifications and on college and university education.

We are doing a range of things to encourage more girls at school to take STEM subjects. Ruth Davidson will be familiar with, for example, the funding that we are giving to Equate Scotland.

That funding, along with schools' efforts, will be focused on getting more women into modern apprenticeships in STEM subjects. We are also funding work to get more paid placements for female undergraduates in STEM subjects, we are funding Equate Scotland to support recruitment, retention and the return of women to work where they are significantly underrepresented, and we are supporting Close the Gap, which is about changing employment practices.

On school qualifications, if we look at the most recent available figures, 48 per cent of passes in STEM subjects at Scottish credit and qualifications framework levels 3 to 7 were attained by females. That is a slight increase on the previous year, but there is still work to do.

If we look at colleges, the most recent statistics show a 20 per cent increase in the number of women doing science and maths since 2006-07 and a 32 per cent increase in the number doing engineering. In universities, there has been a 56 per cent increase in the number of women doing engineering and technology since 2006-07.

We are making significant efforts and we are starting to see some progress, but this is an area in which we still require to do a considerable amount of work. I want us to have much greater gender equality not just in the professions in which women are underrepresented but in the professions in which men are underrepresented.

Ruth Davidson: The pathway to science and engineering jobs starts in schools, but there is no mention in the First Minister's plans for the year ahead of doing anything in that regard—there is literally zero mention of any plans. Unsurprisingly, with no plans for improvement at school level, there is no improvement at school level.

Members will have noticed the statistics that the First Minister missed out—the statistics that show that attainment is going in the other direction. New figures show that since the Scottish National Party came to power the share of young women in higher maths and computing is down and the share in physics and technology is as low as it has ever been. The figures should be contrasted with those from elsewhere, where there are programmes that make real improvements. The United Kingdom Government has invested £10 million in that area and—guess what?—numbers have gone up. In Scotland, the First Minister talks a good game, and members have just heard some very selective figures, but she does nothing and—guess what?—the numbers have gone down across the board.

We are in a new school year since I last asked the First Minister about the issue. She agreed then that more needed to be done. When will she finally back her words from then and those that she has

spoken today and get on with the action that is so urgently required?

The First Minister: I have just given Ruth Davidson a range of things that we are doing. Let me add to them. Skills Development Scotland has supported the appointment of two project officers to work specifically with schools on best classroom practice in reducing the gender imbalance in students progressing to STEM subjects. Those project officers are focusing particularly on physics and will provide practical support for primary schools and secondary school science departments. They are arranging activities for students and are implementing whole-school approaches to tackling gender stereotypes.

Ruth Davidson said that I cited figures selectively. I simply cited the most recent figures that we have for passes in STEM subjects—I cited those for levels 3 to 7. Let me mention level 7, which is the advanced higher. At that level, 44.7 per cent of passes in STEM subjects were attained by females, which is a 2.1 percentage point increase on 2011-12.

I do not suggest we do not still need to do much more work, but I will not accept that the Government is not absolutely determined to do the hard work so that we do not have gender underrepresentation in the subjects in which that has been the case for far too long.

Neil Findlay (Lothian) (Lab): Last week, W L Gore and Associates (UK) Ltd announced 120 redundancies at its plant in Livingston. What assurances has the Scottish Government received from Gore about the remaining jobs and what support will be given to the people who are to lose their jobs?

The First Minister: Obviously, this will be a very concerning time for those who are employed at W L Gore and for their families. The Government is already engaging with the company and, as is always the case in such situations, the partnership action for continuing employment provisions will be made fully available. The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy will continue to be very closely engaged on the issue.

John Finnie (Highlands and Islands) (Ind): What assessment will be made of procedures that were employed in relation to the seizure and non-return of a Sea Shepherd UK boat from Lerwick harbour?

The First Minister: Obviously, it would be inappropriate for me to comment in detail on the matter because it is under criminal investigation. The Crown Office received a letter of request from the Faroese authorities and subsequently sought a warrant in the matter, which was then executed,

on the basis of allegations of criminal activity. Given the circumstances, it is not appropriate for me to say any more on the issue.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-02931)

The First Minister (Nicola Sturgeon): Matters of importance to the people of Scotland.

Willie Rennie: Last week, the Cabinet Secretary for Education and Lifelong Learning defended the Government's return to national school testing by quoting to me the apparent support of the Educational Institute of Scotland teaching union, but two days later that claimed support evaporated. The EIS said:

"it will be almost impossible to put in place safeguards which would stop national assessments leading to the league table, target setting agenda".

As the EIS is opposed to them, will the First Minister now rethink her plans for national testing?

The First Minister: We will continue to work with teachers, local authorities and parents in order that we take the action that will allow us to raise attainment and close the attainment gap. The education secretary met the EIS yesterday. We continue to work constructively with it.

Let me repeat what I said last week in my programme for government statement: there is a need to standardise the assessments that are used across the country. This is not about additional assessment: it reflects the fact that 30 of our 32 local authorities already use a form of assessment. It makes sense that they all use the same form of assessment, but it will replace the existing assessment so that it does not increase workload for teachers or students.

The assessment is not intended to be the be-all and end-all of measuring children's performance. It is intended to provide evidence that informs teacher judgment—it will not replace teacher judgment, but will inform it. I have no desire to return to league tables. One of the issues on which we will engage closely with teachers and others is how we will use the information to avoid crude league tables being drawn from it. However, I am determined—I make no apology for it—that we will have better information about the performance of young people in primary and lower secondary school.

Ruth Davidson and I have just had an exchange about higher-grade passes in STEM—science, technology, engineering and mathematics—subjects. The truth of the matter is that any one of us can go and look at higher passes and other

qualifications in upper secondary and see how young people are performing and what the attainment gap is. We cannot do that in the same way for primary school or for lower secondary school, and I do not think that that is acceptable.

Willie Rennie: The First Minister is being cheered by the Conservatives. [*Interruption.*]

The Presiding Officer: Order! Settle down.

Willie Rennie: That is all fine, but in the old days, when the First Minister was in opposition— [*Interruption.*]

The Presiding Officer: Order. Let us hear Mr Rennie.

Willie Rennie: That is all fine, but in the old days, when the First Minister was in opposition, she complained about targets and league tables. Back then, she said that

"Governments are attracted to things that are easy to measure"

and

"just as easy to manipulate."— [*Official Report, 22 March 2000; c 814-5.*]

Back then, she agreed that, too often, the aim was to come top of national league tables rather than to serve pupils' needs, so her past self and the EIS were at one, but they are not now. Now it seems that only the Conservatives are on board with her.

On national testing and league tables, will the First Minister stand with the teachers, or is she just going to stand with the Conservatives? [*Laughter.*]

The First Minister: If it were not such a serious issue that we are discussing, I would struggle to get to my feet and answer Willie Rennie's question because of the laughter that it inspired. In the good old days—in other words, the past five years, which are not the good old days as far as Willie Rennie is concerned—Willie Rennie constantly and consistently cheered the Conservatives.

The views that I expressed all those years ago and which Willie Rennie has just quoted have not changed. I do not want to go back to the national testing that was in place previously—the kind of high-stakes national testing in which pass or fail is the only measurement of a young person's performance in school. That is not what I am proposing. Equally, I have no intention of having league tables of school performance produced.

However, I am determined that we will get—in a consistent and clear way—information that will let us know what is and what is not working in our education system, because it would be an absolute abdication of my responsibility as First Minister not to do that. I will stand with the young people of this country—the kids for whom we need

to do more to make sure that they can fulfil their full potential in school. I make absolutely no apology for wanting to ensure that we have a world-class education system for everyone and that, in the areas that need it most, we make sure that we are driving up improvement.

Film and Television Production

4. Jim Eadie (Edinburgh Southern) (SNP): To ask the First Minister what steps the Scottish Government is taking to promote Scotland as a competitive location for film and television production. (S4F-02942)

The First Minister (Nicola Sturgeon): We have no current plans—oh, sorry; I am on the wrong question. [*Laughter.*]

The Presiding Officer: It is question 4, First Minister.

The First Minister: The figures that were produced this week, which show an increase in investment in shooting films in Scotland, are extremely encouraging. As the Government, we have recently announced additional support for the film sector in Scotland, and we want to continue that so that we can ensure that a sector that contributes so much to our economy continues to be well supported.

Jim Eadie: I thank the First Minister for that full answer. Welcome as the record spend on TV and film production in Scotland is, does she agree that the BBC charter renewal process must be used to champion increased and fairer funding for Scottish productions from the licence fee? As the expansion of investment in Scotland's screen sector from such an increase would be transformational, does she share my disappointment with the BBC's first formal response to the charter review, which shows absolutely no ambition for Scotland?

The First Minister: Yes—I strongly agree with that. Fair funding for Scotland from TV licence fees would allow for a dramatic expansion in TV production in Scotland.

The BBC's response to the green paper on charter renewal, which was published on Monday, has some merits, but it falls far short of our ambitions for BBC Scotland. It has made relatively minor proposals on news and current affairs and the online presence of the BBC in Scotland. They are to be welcomed, but they are overdue and do not need a new charter to be effected. That cannot be the limit of the BBC's ambitions for Scotland, so we will use the charter renewal process to build support for a better, bolder BBC in Scotland that reflects our national life.

Claire Baker (Mid Scotland and Fife) (Lab): At a creative industries conference this week, it was

clear that the lack of a film and television studio in Scotland is hindering the sector's growth. A film studio was announced over the summer, but that was in Yorkshire. Scotland's productions sit in sixth position in the United Kingdom outside London. We are behind Northern Ireland, Wales and English regions. I appreciate that negotiations are on-going, but can we expect an announcement soon?

The First Minister: As Claire Baker will be aware, there is on-going work to seek to deliver a permanent film facility for Scotland that is consistent with European state aid rules. We hope to be in a position to make an announcement as soon as possible. However, we should not lose sight of the significant good news that was announced this week. Film and TV programme makers invested more than £45 million in Scotland last year. That is an increase of almost £12 million on the previous year, and the figure is more than £20 million higher than the figure five years ago.

As I have indicated, the Cabinet Secretary for Culture, Europe and External Affairs announced earlier this year two new funds for additional financial support for Scottish TV and film. We will continue to do everything possible to support an extremely important and valuable industry for Scotland.

Abortion Law

5. Rhoda Grant (Highlands and Islands) (Lab): To ask the First Minister what discussions the Scottish Government has had with women's groups following reports that the United Kingdom Government plans to devolve abortion law. (S4F-02941)

The First Minister (Nicola Sturgeon): Last year, the Smith commission report recommended that further serious consideration should be given to the devolution of abortion. A final decision has not yet been taken by the UK Government, but the Scottish Government's view is that abortion should be devolved to bring it into line with almost all other health matters.

The Scottish Parliament is responsible for scrutinising how the national health service in Scotland operates. It should also be responsible for setting the laws that the NHS works to.

However, let me be absolutely clear that the Scottish Government's position on abortion law remains unchanged. We have no plans to change the law on abortion. Indeed, the Cabinet Secretary for Health, Wellbeing and Sport is writing to a number of women's groups this week to confirm that and to offer to meet them if they would find that helpful.

Rhoda Grant: I listened to that response with interest. I am glad that the First Minister is aware

of the concerns of women's groups such as Scottish Women's Aid and Rape Crisis Scotland, as well as those of the Scottish Trades Union Congress, among others. They have concerns that devolving abortion law could have an impact on women in Scotland. If the First Minister has no plans to change the law, and given that we believe that powers should be sought for a purpose, what is the purpose?

The First Minister: I take the view that the Scottish Parliament should be responsible for those matters, and I think that across a range of issues. As I said, since the Parliament is responsible for the NHS framework, we should also be responsible, as we are in most other matters, for the laws that the NHS works within. The Parliament has many responsibilities for issues in relation to which I have no current plans to change the substance of the laws. That does not negate the principle that it is the Scottish Parliament that should have responsibility.

Let me be absolutely clear on my view and the Scottish Government's position. The Scottish Government and I have no intention of legislating to change the current time limits for abortion.

Progress in International Reading Literacy Study and Trends in International Mathematics and Science Study

6. Liz Smith (Mid Scotland and Fife) (Con):

To ask the First Minister, in light of the proposed national system of standardised assessment in primary schools, whether the Scottish Government will reinstate the progress in international reading literacy and trends in international mathematics and science studies for Scotland. (S4F-02934)

The First Minister (Nicola Sturgeon): We have no current plans to reintroduce those studies. However, as I just outlined to Willie Rennie, we continue to engage with local government, teachers, academics and parents to inform our approach on assessment. By standardising assessment, we will replace the variety of systems that local authorities use and therefore reduce the burden of assessment on teachers and children, and we will provide a clear and consistent picture of children's progress to inform teacher judgment, not replace it.

Liz Smith: The First Minister will know that several experts in education at home and abroad believe that the trends in international mathematics and science study, or TIMSS, and the progress in international reading literacy study, or PIRLS, measure the qualitative progress that pupils make in relation to the curriculum in a way that does not happen with other tests. Will the First Minister acknowledge that the absence of those two tests in Scotland conflicts with her commitment to Willie Rennie to improving the

quality rather than the quantity of data that we have to hand?

The First Minister: I will continue to keep all those matters under review, but it is important to point out that, as I am sure Liz Smith is well aware, we have participated since 2000 in the largest international survey—the programme for international student assessment, or PISA, which is run by the Organisation for Economic Co-operation and Development and focuses on maths, reading and science. Unlike TIMSS and PIRLS—the two surveys that Liz Smith referred to—PISA has the participation of all OECD countries, so it is a more effective indicator of how the whole Scottish education system is performing relative to other countries.

We have the information that allows us to make international comparisons, and the proposals for assessment that we are taking forward can supplement that with information about how we are performing domestically. Of course, we will continue to look at these things, to ensure that we are equipping ourselves with the information that we need to do the job of raising attainment and closing the attainment gap.

Edinburgh Airport Flight Path Trial

The Deputy Presiding Officer (John Scott):

The next item of business is a members' business debate on motion S4M-14018, in the name of Neil Findlay, on the Edinburgh airport flight path trial and lack of community consultation. The debate will be concluded without any question being put. I invite members who wish to take part in the debate to press their request-to-speak buttons now or as soon as possible. I also invite members who are leaving the chamber, and members of the public who are leaving the gallery, to do so quickly and quietly.

Motion debated,

That the Parliament notes with concern the trial being carried out that has changed the flight path for Edinburgh Airport; acknowledges what it understands is widespread concern from the communities in the trial flight path about an increase in aircraft activity and residents experiencing sleep disruption and enduring noise pollution as a result; expresses further concern at reports of a complete lack of consultation with people in these areas prior to the trial taking place, and notes the calls for the airport's management to halt the trial and to carry out a full consultation with all of the communities affected.

12:32

Neil Findlay (Lothian) (Lab): Many of us use air travel, whether for work purposes or for leisure. No matter how environmentally responsible we want to be, sometimes air travel is just unavoidable. People who live near an airport know and accept that they have to endure some disruption, but it is incumbent upon the airport authorities to keep such disruption to a minimum and to reduce that disruption wherever and whenever possible. That seems fair and reasonable to me, and I think that it would also be fair to say that most people would expect that approach to be taken.

At Edinburgh airport, established flight paths have been in existence for years. Communities have grown around the airport and people have, to an extent, learned to live with the disturbance caused. People choose to live under flight paths knowing that they are there, and planes taking off and landing at the airport go over several industrial estates such as Newbridge and Houston and over areas of open countryside. The airport copes well with the volume of air traffic and there is capacity to spare. Not everyone is happy with the current arrangements, but they have been in place for some time.

It was therefore with real surprise that residents in the Broxburn, Uphall, Linlithgow and Bo'ness areas found out that their homes would be sitting underneath a new flight path and that a trial was

under way. There was no consultation, no input from those affected and no attempt to engage the community. The first that people knew of it was when they heard aircraft roaring overhead.

The airport authorities say that they do not need to hold a consultation. The Civil Aviation Authority guidance states:

"The need for consultation prior to the approval of airspace trials, is left to the discretion of the CAA".

I find that completely and utterly unacceptable. It is unacceptable that such a major change with social, economic and environmental consequences for so many people can proceed without any consultation with local people.

It is unacceptable that organisations such as the CAA and Edinburgh Airport Ltd do not see the need for and benefit of engaging the public, and it is unacceptable that a large company such as Global Infrastructure Partners—the company that owns the airport—fails to recognise its obligations to the community, local businesses and near neighbours. More than anything, I believe that it is that approach that has most angered local people. Why do corporations continue to ride roughshod over local people? Why do they think that they can do what they like and no one will notice or care?

However, the lack of consultation is just one element of the situation. Let me look at other aspects, in particular the business case. Edinburgh Airport says on its website:

"As we continue to see more passengers travel through our airports than ever before, we'll need to increase airspace capacity above Central Scotland to cater for this growth."

That is the rationale behind the trial, but the reality is somewhat different. In 2007 there were 128,000 air transport movements at Edinburgh airport, but by 2014 the number had fallen to 110,000. There had been a 15 per cent drop in movements using the existing flight paths. Passenger numbers are up to 10 million, but 10 million and more can be comfortably accommodated within the current arrangements. There is therefore plenty of room for expansion. We can safely assume that the airport was not even at capacity in 2007, or a trial would have been undertaken then. The reality is that there is no business case whatever that is based on a need for more capacity.

The case of London city airport might offer a better indicator of what Global Infrastructure Partners is really up to. The company bought the airport in 2007 for £750 million. Despite protests from local residents and the London mayor—the bold Boris—it rapidly expanded capacity, increasing the number of flight paths going into and out of the airport. The airport has been held by the venture capital firm for 10 years—it is the

firm's longest-held asset—and it is currently up for sale. GIP is expected to make a profit of £1 billion.

The strategy is clear: buy an asset, fatten it up by developing more flight paths, and flog it at a huge profit, the quicker the better. That is a perfect example of profit-over-people, no-holds-barred venture capitalism. I am sure that GIP's chairman, one Sir John Major, will pick up a few handy bonuses along the way.

The evidence from London and the introduction of a new flight path despite a drop in flight movements at Edinburgh make it perfectly legitimate to ask whether Global Infrastructure Partners has exactly the same approach in mind for Edinburgh. Is not the firm's real intention to fatten up Edinburgh airport, regardless of the impact on local people and the local environment, and sell it off for a huge profit?

What about the environmental impact? Another flight path is designed for only one thing: to increase the number of flights. On top of that, the Scottish Government says that it will cut air passenger duty by 50 per cent. With such policies, is it any wonder that we have failed again and again to meet climate change targets? Once again, we see the Government trying to be all things to all people. It tries to be the friend of the airline industry and at the same time the friend of the environment.

What has most resonated with me is the social impact. I have had more than 400 complaints about the issue. People are losing sleep and feeling anxious, stressed and disturbed because of the noise levels that are being generated. Scientific research tells us what happens to people in communities that have to put up with such a number of flights above them. Sometimes the noise level reaches more than 90 decibels.

The issue is of grave concern for the people in the east of West Lothian, in Broxburn and Uphall, in Linlithgow and Bo'ness and in the Falkirk area, but it also highlights how we treat our environment and our communities and how large companies fail to consult people and think that they can get away with it. I urge the Scottish Government to intervene on behalf of my constituents, to urge the Civil Aviation Authority to stop the trial now and hold a full public consultation, as it should have done at the beginning of this sorry process.

12:40

Colin Keir (Edinburgh Western) (SNP): I am delighted to be called in the debate, not just because the airport happens to sit in my constituency of Edinburgh Western but because, apart from the first four years of my life, I have lived no further than 3 miles from the airport. I now live about 2 miles away from it.

I have lived with Edinburgh airport and I understand what it is like to live under a flight path. It can have a distressing impact on people's lives, and I can go back to the days of Vanguards and Tridents, which were vastly noisier than what we have now. I can see why people are upset when there is a change to flight paths. I can also see why they are very concerned when they feel that it affects them, particularly when it has not been an issue for them before.

Mr Findlay tells us that he has had around 400 complaints from his area. I am being perfectly honest when I say that I can count the number of complaints from my constituents on two hands. That is just the way it is; perhaps we are a bit more used to the airport being on our doorsteps.

I fully agree with Mr Findlay about the effects of excessive noise. It definitely causes health issues and the environment has to be taken into consideration. However, I make no apology for the fact that I support the airport. While I think that these things should be consulted on, I also think that there should be an evidence base. If the change is so difficult for particular areas, as it might be, the trial will prove that there is a problem and it can be dealt with accordingly and stopped.

Neil Findlay: What evidence would Mr Keir like people to provide? There is one noise monitoring station for this project and often it ain't working.

Colin Keir: I have made inquiries about that and, as far as I know, there are three noise monitors scattered around. One is temporary and it gets moved around. Another two, which are static, are in Cramond and Livingston. I do not know what results we have from them; that is the evidence that we need. The question is, what would we be consulting on if we do not have evidence? That is one of my arguments.

Neil Findlay: Will the member take another intervention?

Alison Johnstone (Lothian) (Green): Will the member give way?

Colin Keir: No, I am sorry but I am reduced to four minutes and I have to carry on with the debate.

The Deputy Presiding Officer: You are in your final minute now.

Colin Keir: On the business plan issue, yes, the Scottish Government is looking for more flights. I am fully supportive of more flights. It gives a better deal to the people of Scotland and the travelling public. The airport is an economic driver for the city and the nation. If the trial was to come to a premature end, up to 10,000 jobs could be affected, either directly or indirectly. That is why I support the airport.

I believe that evidence should be brought forward, put out there and consulted on, and I hope that the Scottish Government will take it into consideration. I want to see evidence, not just anecdotal evidence or guesswork.

12:44

Gavin Brown (Lothian) (Con): I congratulate Neil Findlay on securing the debate and on the enthusiasm and passion that he has put into the campaign during the past month or so. With the help of hundreds of constituents, he has certainly put this agenda on the map and it is rightly being discussed in Parliament today.

Like Mr Findlay, I have received a substantial number of complaints from residents across West Lothian. From the tone and tenor of the emails, the frustration and irritation that many people feel about the number of planes and the timing and impact of flights is obvious.

One of the particular irritations, which was highlighted by Mr Findlay, is the fact that there was no consultation. Although, in strict legal terms, there might not be a requirement to consult, the question for organisations is whether they ought to consult, as opposed to whether they must consult. There are lessons to be learned not just by the airport but by many other private and public bodies. Whether the law requires consultation is one thing; whether such bodies ought to consult in order to ameliorate concerns is another matter, and lessons must be learned in that respect.

I wish to come at this from a slightly different angle, so as to try and find some solutions. I address my remarks in particular to the Scottish Government, which may not have specific powers, although I know that the Minister for Transport and Islands has influence.

My first question is this. From the work that I have done, there seems to me to be no legal requirement for the trial to last six months. I have searched as much as I can, and I could be proven wrong, but I do not think that there is any strict legal or regulatory requirement for the trial to last six months. The obvious question, then, is whether the trial can be shortened. If the trial is not going to be halted overnight, as Mr Findlay has requested, is there a way of shortening it by a month, two months or more while still allowing it to be considered a successful trial in terms of CAA regulations? Residents would probably prefer the idea of the trial ending far sooner, instead of having to endure it until 24 December, which I understand is the current date, residents—although I suspect that they would still be unhappy about the process so far. I have written to the airport to request strongly that the idea of shortening the trial be examined in detail. If the

minister and others in other parties were minded to do the same, I suspect that we might get that to happen.

Secondly, I guess that it is more difficult to change things at peak times. I suspect that the period when all the flights leave, from 6 until about 8 in the morning, is a more challenging time to make changes. One of the particular concerns that has been raised with me is about the overnight flights. At 2, 3, 4 or 5 in the morning, residents are being woken up by planes. That is a completely different issue. From my initial investigations, there does not seem to be any particular reason why that has to be the case. In my letter to the airport, I have asked it to consider that matter specifically. If the trial cannot be halted, and if we are stuck with some of the timings and they cannot be moved, surely the overnight flights, which are of particular concern to a number of residents, can be restricted severely as to where they pass over. Perhaps they could even be stopped, in their entirety, going over the residential areas concerned. That might be wishful thinking, but I have no doubt that they could be at least partly restricted. If the Government were minded to write to the airport in those terms, we might at least bring residents some comfort, if not everything that they are asking for.

Whether the trial is ended before December or goes on until December, it goes without saying that there must be a full consultation with all residents afterwards. The analysis has to be undertaken so that decisions are taken for the good of residents in future.

12:48

Hanzala Malik (Glasgow) (Lab): I, too, thank Neil Findlay for securing this very important debate. I understand that the new trial route out of Edinburgh airport began on 25 June and that it will last for six months, ending on 24 December. The trial is for a new standard instrument departure—SID—route for aircraft departing to the west of the airport.

Residents are concerned that they were notified of the trial but not consulted. Airports are permitted a certain amount of discretion by the Civil Aviation Authority on whether they consult, but it is good practice to do so. Not only is consulting good practice; I believe that it is a moral duty. It is clear to me that Edinburgh Airport has not carried out a serious consultation, even though it plans to expand.

It is good that air passengers in Scotland are being given an increasing array of choices, but the plans must be carefully thought out. The lack of consultation puts the airport and its surroundings at risk on a number of levels. I understand that

Edinburgh Airport is negotiating for a Chinese airline to run a new route from Scotland, and I assume that Glasgow Airport is attempting a similar bid. Airlines will choose based on aspects such as the stability of the airport, so Edinburgh may have shot itself in the foot with regard to that particular airline.

As Edinburgh Airport has committed itself to carrying out a full consultation if it wishes to change the flight path permanently, there will still be many months of insecurity and uncertainty, and residents in particular will be very unhappy. The airport's ability to expand under the current plans will always be in doubt until that happens.

Glasgow has an advantage in the sense that it does not need to consult, and in addition the west of Scotland has a large Chinese diaspora population. Edinburgh Airport needs to think through its strategy more clearly and ensure that its plans are evidentially based in order to attract airlines to Scotland.

I call on the Government to do something about the situation. Although I understand the current legislation, I do not understand why the Scottish Government is not taking the side of the local community, the population and the people of Scotland—

The Minister for Transport and Islands (Derek Mackay): Will the member take an intervention?

Hanzala Malik: I am about to finish.

The Deputy Presiding Officer: The member is in his last minute.

Hanzala Malik: I would have taken an intervention, but unfortunately I cannot.

I know that the Government may sometimes feel under pressure, but when the local community around an airport suggests that it wishes to be consulted, that should happen. Any Government worth its salt would go the extra mile to consult the local community. Even the airport, if it wishes to have a good working relationship with the surrounding community, should carry the good will of the people with it.

I thank Neil Findlay once again for bringing the debate to the chamber and highlighting the fact that local constituents have not been consulted to the fullest extent. I fully support his calls for a proper and full consultation that takes on board the wishes of the local people.

12:52

Alison Johnstone (Lothian) (Green): I thank Neil Findlay for bringing the debate to the chamber this afternoon. I also thank all those constituents

who have written to me and met with me to discuss the issue.

This debate has given us an opportunity to ensure that the voices of local communities that are affected are heard loud and clear. It is about time too, because Edinburgh Airport and its owners Global Infrastructure Partners have failed to engage properly with the people on which the trial impacts.

This is an extraordinary case and it is causing grave concern. Without consultation, my constituents have found themselves in an experiment: a six-month trial of a new flight path. The surprise trial began in late June, and residents learned about it when flights roared overhead so low that they could clearly read the livery. Apparently that is all okay with the Civil Aviation Authority as it fits in with its guidelines. However, just because the airport does not need to consult does not mean that it should not do so.

As Gavin Brown has highlighted, my constituents do not need six months. They cannot bear six months. The children, who are exhausted and can hardly get up in the morning to go to school, do not need six months, and nor do those who have been reduced to tears by the impact of the relentless and hugely invasive noise pollution, given the effect on their health and wellbeing. Those people can assure Edinburgh Airport and GIP now that the plan to grow the airport is not in balance with the needs of neighbouring communities.

Gordon Dewar knows that this trial and the way in which it is being conducted are an abject failure on several levels. The airport and its owners have failed to be fully transparent with local communities, and I am certain that a multinational investment company will be well aware that providing community councils with information is not a comprehensive consultation, given that community councils have to rely on tiny budgets and volunteer efforts. Did the airport think that the community councils were going to print leaflets and go door-to-door in their spare time on behalf of the airport? What the airport has succeeded in doing is galvanising public opinion, because people are now going door to door with leaflets, but they are perhaps not ones that the airport would have wanted.

Colin Keir would have us believe that it is necessary to carry out the trial and then consult. Would we really take that approach on an issue such as genetically modified crops, for example? I do not think so. Does the member know how air pollution in the trial is being monitored? No, and nor, as of 17 August, did the chief executive of Edinburgh Airport. This is a deeply worrying case. As Neil Findlay told us, the company involved has tried and failed to expand capacity at London City

airport and Gatwick airport. The company wants to inflate the value of its asset and make it worth more by getting permission to increase flights even when, as we have heard, they are not needed.

Since 25 June, the trial has been imposed, without any meaningful consultation, on thousands of residents under the new flight path. The airport has received thousands of complaints so far and I have no doubt at all that their number will grow if the trial continues. It involves multiple flights every day from 6 in the morning until almost midnight—loud and low flights over residents. It is scheduled to last until Christmas eve, and the noise and pollution that are being generated are significant. Residents know, though, that declining airport movements at Edinburgh airport since 2008 negate any perceived need for a new flight path, and there is even no commitment to a second runway until at least 2040. So what is the trial about?

The Government has yet to meet its annual climate change targets, and I suggest that this flawed trial is not part of the answer. There is minimal noise monitoring of the trial—indeed, my constituents are monitoring the noise more diligently than the airport is—and there is a lack of air pollution monitoring. It is time now to stop this flawed trial.

12:57

Angus MacDonald (Falkirk East) (SNP): The social and environmental impact of the new flight path trial at Edinburgh airport is serious, and I am grateful to Neil Findlay for providing us with the opportunity to debate the issue in the Parliament chamber.

First, though, I congratulate Edinburgh Airport on the past expansion of its business. It now provides important flight connections to Europe, the middle east and North America, as well as to other United Kingdom airports. As has already been pointed out in this chamber and at Westminster, at a time when Heathrow is grossly overburdened with air traffic it is encouraging to see Scottish airports enhance their passenger services. A record 10.2 million people used Edinburgh airport last year, and that figure is set to rise. The increase in business now enables the airport to employ, directly or indirectly, 8,000 people, which is good news for people in the surrounding area, including those who live in my constituency of Falkirk East.

However, for those affected by the railroaded-in new flight path the news is not so good. I have received a number of complaints from constituents in Bo'ness, Blackness and the surrounding area, which is under part of the flight path. I know that

my colleague Fiona Hyslop has received a significant number of similar complaints and has conducted a survey of her affected constituents.

My constituents have expressed deep concern not only about noise levels and pollution but about the sheer frequency of the flights, which disturb affected constituents between 5 am and 11 pm daily; and I heard two days ago that there is also a flight at 2.30 in the morning. There have also been protests over how dangerously low the planes fly over houses and how they are frightening the wildlife in the surrounding area.

A proper public consultation could have resulted in some form of compromise being reached—for example, diverting the flight path further over the Firth of Forth. However, although the Edinburgh airport authorities appear on paper to be committed to seeking input from the affected communities, their first token gesture at a public meeting on the issue was not held until mid-August, nearly two months after the six-month flight path trial commenced on 25 June. Even then, although notes might have been taken and boxes ticked, so to speak, the airport authorities failed to seek any solution to assuage community concerns. Moreover, if, following the trial, the CAA gives the go-ahead to the new flight path, the six-month-long noise nuisance will become a permanent one.

More than that, even, the campaign group stop Edinburgh airspace trial contends that CAA principles governing flight paths are being breached by the trial. The new flight path trial sees planes fly below 4,000 feet over additional areas of West Lothian and my Falkirk East constituency. The noise impact of airspace changes at such low altitudes is recognised by the CAA and is expected to be considered as a dominating environmental factor. In accordance with that fundamental principle, the guidelines put to the CAA are clear that airspace changes should neither increase the number of people affected by the noise nor promote the dispersal of departure routes.

Many negative impacts should have been considered before the trial went ahead, for example the impact on health. Studies show that noise pollution can cause drastic developmental effects on people's wellbeing, including sleep deprivation and stress. I have heard first hand how my constituents are being affected by sleep deprivation.

There has been a marked lack of transparency. Information on flight path monitors, which allow flights to fly 1 mile either side of the defined flight line, has not been published. As we have heard, information regarding the monitoring of sound levels, which were breached at Ochiltree for a period, was not made available to the public.

However, I understand that a community noise report is being produced by independent consultants and will be available to local residents.

I am running out of time, and London City and Gatwick airports have been covered in other speeches.

The bottom line is that, in spite of the impact that the flight path trial would have on people, there was no proper consultation with the local community prior to its commencement. Consequently, nearly 2,000 complaints have so far been lodged with Edinburgh Airport. On a poignant ethical and environmental issue such as this, I would urge the Government to send a clear message to the authorities at Edinburgh and other airports: no implementation without proper consultation.

13:01

The Minister for Transport and Islands (Derek Mackay): It has been useful to hear the perspective of members from across the political spectrum on this issue relating to Edinburgh airport. Many of the suggestions and comments have been helpful. Members are aware that, as Scottish Government ministers, we have not expressed a view on the flight path; it would not be customary for us to do so. As members are aware, we have no decision-making role in the issue. Such a role is a matter for the Civil Aviation Authority. I have heard some interesting points on that, to which I want to return.

That said, the Government supports sustainable economic growth. Like the growth in aviation in general, the growth at Edinburgh airport—with more than 10 million passengers a year—is to be welcomed, as is the internationalisation of Scottish business and tourism routes.

Later today, Parliament will have a debate on internationalising Scottish business and other pro-economic development points of view, although, of course, let us not forget the environment. I would not want members to be accused of hypocrisy if they were anti-airport development one minute and pro-airport development the next. That is not to say that the airport should not have engaged comprehensively and in a transparent way. I think that it should have. Certainly, in response to the calls for further engagement beyond the trial and for a comprehensive, wide-ranging and in-depth consultation with communities, I say that of course there should be such consultation.

Neil Findlay: Will the minister take an intervention?

Derek Mackay: I will make some progress first, because there is a lot of ground to cover.

I want to pick up Gavin Brown's helpful suggestion about overnight flights and the truncation of the trial period. It would be difficult to ban overnight arrivals because it could mean that flights arriving into Scotland—or into Edinburgh, if a ban was to happen at an individual airport—would simply be sent elsewhere. There would be terrible knock-on consequences of that. However, if members will pardon the pun, I agree with the general direction of travel of trying to minimise overnight, late evening and early morning flights. So, no to a ban but yes to better management of flights.

As transport minister, I will absolutely take up the suggestion to write to Edinburgh Airport to say, "Once you have the data and evidence you believe you require to inform your decision, make the trial period as short as possible." I support that call and will write to Edinburgh Airport.

Edinburgh Airport advised me that the overall aims of introducing additional departure routes are to reduce congestion, increase time-of-departure performance, reduce fuel burn on the ground and meet demand for growth without building another runway.

Of course there is a debate about whether a second runway is required in the short, medium or long term. I have my doubts about a second runway. For the reasons that I have laid out, the trial period should be truncated if it can be. I will express that view from members.

I will take a quick intervention before I cover further ground.

Neil Findlay: Fair enough—of course the airport is going to provide the minister with what it wants to provide him with. However, the reality is that there has been a 15 per cent drop in the number of movements, so surely the Government must question the evidence that the airport has provided of the need to increase capacity.

Derek Mackay: I assure Neil Findlay that if I was here to speak for Edinburgh Airport, I would be giving a completely different speech.

One element of Edinburgh Airport's briefing note that constituency members and all of us will find helpful is the main bullet point, which says:

"We understand that noise can have a detrimental effect on those under flight paths and we understand that this trial is an imposition on people who did not buy a house under a flight path."

That point is very important and the airport should reflect on it when it makes decisions. Like some other members, I have lived underneath a flight path all my life—a flight path from Glasgow airport, as it happens. There is an issue when people face living under a flight path for the first time, which is why consultation and engagement are so

important. It is a change to people's living circumstances, which is why I expect consultations to be conducted comprehensively. The environmental responsibility must also be borne in mind.

Fiona Hyslop MSP cannot express her view as a Government minister, but she has expressed a very strong view as a member whose constituents are affected. She has been inundated with hundreds of responses to her constituency survey on this subject. Members including Neil Findlay, Alison Johnstone, Gavin Brown and others have described how constituents have contacted them as well, and I encourage Edinburgh Airport to reflect on that very closely when considering the objectives that it is trying to achieve.

This is not about a change to a flight path. What is being trialled is an additional flight path.

As I have said, this is a matter for the Civil Aviation Authority. However, I have transport responsibility, a degree of aviation policy responsibility and environmental responsibilities, and I will use the powers that I have at my disposal very carefully to try to ensure that the right decisions are taken. Nevertheless, it is a matter for the CAA and Edinburgh Airport.

I say to Hanzala Malik—this is the intervention that I wanted to make—that if he is keen for the Scottish Government to be able to do more, he needs to support the devolution of aviation policy to Scotland, so that the Government and Parliament can be empowered to take an even more proactive approach to strengthening the consultation that we would all expect.

Hanzala Malik: Will the minister give way?

Derek Mackay: I have less than a minute left. It is sweet retribution that I cannot take the member's intervention in the same way that he could not take mine, because I am in my last minute. I am now in my last 30 seconds.

I make the point that I want community engagement to be strengthened. I hope that Edinburgh Airport will deliver what it has committed to regarding that comprehensive engagement. People can engage with the official process and with elected members, and that engagement will be fed in.

Although I am advised that the airport is conducting the trial in accordance with CAA guidance and the UK Department for Transport's guidance on environmental objectives, the Scottish Government expects the local community's views to be fully taken into account. Although the Government and the Parliament do not have a formal role in the process, I very much hope that Edinburgh Airport and the CAA will reflect on the views expressed in the chamber this

afternoon and engage fully with all stakeholders and communities, particularly those in West Lothian. I hope that they will bring the trial to a close as quickly as possible and consider the next stage in the process. I will convey that message to Edinburgh Airport.

13:09

Meeting suspended.

14:30

On resuming—

Internationalising Scottish Business

The Presiding Officer (Tricia Marwick): The first item of business this afternoon is a debate on motion S4M-14190, in the name of Murdo Fraser, on internationalising Scottish business.

Murdo Fraser (Mid Scotland and Fife) (Con): I am delighted to open this debate on behalf of the Economy, Energy and Tourism Committee. This is our second committee debate in the space of eight days. Last week I rather enjoyed hearing various members of other parties express their discomfort at having to vote for a motion in my name; I look forward to the horror that will hit them at 5 o'clock when they realise that they will have to have that experience two weeks in a row—I hope that it becomes a habit.

There can be no disagreement that helping Scottish business to boost exports should be a top priority for everyone who is concerned with Scotland's economic performance. I think that our inquiry into internationalising Scottish business makes an important contribution to current thinking about the drivers and barriers that influence Scotland's international trade.

I thank my fellow committee members, committee clerks and all those who gave evidence to the committee and assisted us with external visits; their help was invaluable to us in producing our report.

Before I turn to our conclusions, let me set the context for the inquiry. In 2010, the predecessor Economy, Energy and Tourism Committee held an inquiry to examine the work of Scottish Development International, which is the international arm of Scottish Enterprise and Highlands and Islands Enterprise. Members considered SDI's dual role of encouraging inward investment and supporting exports from Scotland. The committee concluded that SDI's primary focus should be on achieving

"a step change in the number of Scottish companies that see exports and international trade as a route to future success."

The report prompted a review of SDI's strategy and the publication, jointly by the Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise and SDI, of "Scotland's International Trade and Investment Strategy 2011-2015". Five years on, it seemed appropriate to review progress.

Back in 2011, the Scottish Government set a target to increase exports by 50 per cent by 2017. That looked challenging but suitably ambitious, as part of the Government's wider strategy to support business growth. Our committee was pleased to note that significant progress has been made towards the target. However, as we looked more closely at the facts and figures, the committee was concerned that Scotland's exports remain concentrated heavily with a limited number of large firms. Around 100 companies account for 60 per cent of total exports. By contrast, only 16 per cent of all international exports are from small companies.

We wanted to explore the reasons why so many Scottish firms, particularly small and medium-sized enterprises, do not export. What is preventing them, and what more could be done to change that?

From salmon to whisky to universities, Scotland has real success stories overseas, but breaking into lucrative international markets can sometimes be time consuming, costly and difficult to do, especially for small businesses. That is when small businesses need support, which could come from a business gateway adviser, a local chamber of commerce or a specialist who works for SDI or its United Kingdom counterpart, UK Trade & Investment. Whatever the source, support needs to be easy to identify, easy to contact and easy to deal with. We were disappointed to find that all too often that has not been the experience of businesses across Scotland.

Although there is no doubt that all those organisations—and others—undertake much positive work to increase Scotland's export performance, it became clear during our inquiry that the landscape of support remains cluttered, confusing and ultimately off-putting for many businesspeople.

Although plenty information is available about international opportunities and export-related issues, it seems only to add to the sense of confusion about where to go and who to speak to. As an example, the committee heard that trade missions were a key part of helping companies to break into overseas markets, but that more needed to be done to improve co-ordination, reduce duplication and eliminate unnecessary competition between organisers of trade missions.

Helpfully, the Scottish Government says that it agrees. Discussion on an appropriate platform for publication of trade missions online is apparently a key issue for the pithily titled international events community of practice that the SDI has recently established. I wish it well in its endeavours because issues such as these need to be tackled urgently. Above all else, that will require leadership.

We concluded that overall responsibility for co-ordination and leadership of export strategy and initiatives in Scotland should rest with SDI as the main public agency that is tasked with international support for business.

At this point, I must acknowledge that we found many positive examples of SDI's work; its interventions and programmes are valued highly by many companies around Scotland. However, if Scotland is to make a step change in its international export performance, SDI can and must do more. We recommended that it should have within its operating plan a renewed emphasis on promoting internationalisation and supporting Scottish exporters, backed by more challenging targets.

That does not mean that SDI should do everything. We also expressed strong support for sectoral initiatives to increase exports, such as that led by Scotland Food & Drink, where industry leadership has been supported and facilitated by SDI and the Scottish Government.

James Withers of Scotland Food & Drink told us that his sector attached huge value to SDI resources, but it was industry's responsibility

“to help it to deliver better”

by setting the framework so that there was

“industry leadership and public sector alignment.”—[*Official Report, Economy, Energy and Tourism Committee, 18 March 2015; c 39.*]

In the seven highest priority markets—France, Germany, North America, the middle east, China, Japan and Singapore—new food and drink trade specialists are being recruited to join the existing SDI field teams. I am told that, from the beginning of this month, 10 specialists are now in post around the world helping to promote Scottish producers. It is good news that the Scottish Government has accepted our recommendation that SDI should review the success of this initiative after its initial period of operation to see whether other key sectors might also benefit from a similar approach.

We were also struck by the potential for enhanced collaboration at the regional level. When committee members met representatives from Aberdeen and Grampian Chamber of Commerce, we were told about the north-east Scotland trade group, which involves Aberdeen City Council, Aberdeenshire Council, the chamber of commerce, SDI, Scottish Enterprise, UKTI, the University of Aberdeen, Robert Gordon University and Subsea UK. All are sharing information to reduce duplication and improve collaboration. We have recommended that the enterprise agencies should look at whether that model could be usefully replicated elsewhere in Scotland. Perhaps

that is another task for the international events community of practice.

Let me say a little more about the priorities for action that the committee identified. First, in order to make it easier for businesses to find the basic information that they need when starting their export journey, we recommended that a business portal should be developed that would include signposts to export advice and assistance from public and private sector organisations.

The Scottish Government has decided that that belongs on the mygov.scot website. Members might think that I am a little sceptical, but I wonder about the likelihood of the owner of a small business finding what they need to know about exporting among all the other information that is contained on that site. Time will tell whether that is a wise decision.

In terms of business advice and support services, the committee identified a clear opportunity to better utilise the globalscot network. Globalscot is

“a diverse network of business leaders, entrepreneurs and executives with a connection to Scotland - and a strong desire to see Scottish businesses succeed locally and in the wider world”—

so says its website.

Perhaps surprisingly, 17 per cent of global Scots are based here at home in Scotland. That presents an opportunity, with a potential role for them to act in a mentoring capacity with companies at an early stage of their export journey. Those members who made the trip to the middle east met a number of global Scots based out there, and it was clear that they take a great deal of interest in helping Scottish exporters in that region. We think that more could be done, however.

We believe that using global Scots at home could help to augment the highly valued but more general business mentoring scheme that is already delivered by Scottish Chambers of Commerce. We asked SDI to review the means by which businesses can access the globalscot network and to increase the number of one-to-one engagements between global Scots and companies in order to maximise the benefits from the scheme.

We concluded that SDI's new export support programme, which was set up in 2014 as the successor to smart exporter, has set a relatively modest target of support to companies. For that reason, we recommended a review after 18 months of operation, with a view to making targets for the remainder of the programme more challenging. We are told that SDI will consider those points. I hope that more challenging targets

for support to Scottish exporters will be one recommendation that is accepted and pursued.

I confirm that the Economy, Energy and Tourism Committee believes that the expansion of support to companies that have export potential is of vital importance if Scotland's international trade performance is to be improved significantly over the next decade.

Henry Ford once said:

"Coming together is a beginning; keeping together is progress; working together is success."

It is that spirit of co-operation and collaboration, which will be reflected, I hope, in this afternoon's debate, that needs to be grasped if we are going to improve export support services for Scottish businesses.

On behalf of the Economy, Energy and Tourism Committee, I am delighted to move,

That the Parliament notes the findings of the Economy, Energy and Tourism Committee's 5th Report 2015 (Session 4), *Internationalising Scottish Business* (SP Paper 719).

14:42

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): I thank the Economy, Energy and Tourism Committee and its convener for the report that it has presented.

When I gave evidence to the committee in March, I welcomed the inquiry that was being undertaken on internationalising Scottish business, which represents a significant priority for the Government. I have considered the report that has emerged from the committee with great interest, particularly as we take steps to develop a new trade and investment strategy for Scotland to replace the existing strategy.

The Scottish Government formally responded to the key issues and recommendations in the committee's report on 19 August. This afternoon's debate provides an opportunity to examine them in more detail.

Our programme for government, as set out last week, reaffirmed our ambition to make Scotland the best place in the United Kingdom to do business, through focusing on the four pillars of our economic strategy: investment in people and infrastructure, innovation, internationalisation and inclusive growth.

Internationalising Scottish business is a key priority for the Government. Our focus is on creating an environment that supports companies to grow and to enter new markets, and which ensures that Scotland remains a highly attractive location for inward investment. As was set out in

the programme for government, we will do that in a number of different ways.

SDI will continue to lead work in Scotland and its overseas offices to promote Scotland's exports and to champion Scotland as a destination for international investment. Our new innovation and investment hubs in Dublin, Brussels and London will provide places for Government, Scottish Development International, other agencies and public partners and the private sector to make international connections that will boost exports and attract investment, in addition to supporting the priority of expanding innovation.

We are investing in infrastructure to deliver major improvements to business connectivity, and we have set out our intention to reduce air passenger duty within the next parliamentary session, incentivising connectivity to key markets.

We are ensuring that companies have access to the right finance. Our new £40 million SME holding fund will support more SMEs to grow and to achieve their export ambitions.

Scottish businesses benefit greatly from access to the 500 million potential customers in the European market. Exports to the European Union are estimated to underpin more than 300,000 jobs in Scotland, and we will continue to make a strong case for Scotland to remain a member of the European Union.

Finally, we are developing a new trade and investment strategy for Scotland to replace the existing strategy when it comes to an end later this year. I will say more about the new strategy later. First, I will say a few words about Scotland's performance.

Scotland has had a strong record of success in recent years in exporting globally and attracting investment. In the three years to 2013, the most recent period for which we have figures, our exports grew by 20 per cent, and we are on track to achieve our target of increasing exports by 50 per cent in value over the period 2010 to 2017.

Jackie Baillie (Dumbarton) (Lab): While I welcome those figures, does the cabinet secretary recognise that, as a percentage share of the Scottish economy, our exports fell?

John Swinney: Jackie Baillie's position in any debate is always to concentrate on the dreary. Let us agree on the fact that exports are growing—

Jackie Baillie: It is the reality.

John Swinney: Jackie Baillie will have an opportunity to share her miserablism in the debate in a few moments. It is obviously going to be another of those miserable afternoon contributions from her, so we will look forward to that.

In the Ernst & Young Scotland attractiveness survey, Scotland has emerged as the second most successful UK location behind London in attracting foreign direct investment in four of the past five years. Over the past year, SDI helped to attract 91 inward investment projects, which is a 17 per cent increase on the previous year. Those projects will bring £433 million of inward investment to Scotland and will create or safeguard nearly 10,000 jobs.

However, we need to encourage more Scottish companies to internationalise; we need to support Scottish companies to expand into new markets; and we need to prioritise key sectors in which we have a competitive advantage.

Our new trade and investment strategy will set out how we intend, working across Government and with business and the wider public sector, to respond to those challenges. We are taking a rigorous and evidence-based approach to the development of the new strategy, and the committee's report will help us to formulate those priorities.

Earlier this week, we published a comprehensive review of the data on Scotland's export and inward investment activity and the factors that are shaping key trends in Scotland and in the global community.

Just as important, if not more so, has been the engagement that we have had with a wide range of public and private sector stakeholders on the new strategy. At the start of that work, I met the chairs of the industry leadership groups in Scotland to discuss the scope of the new strategy. When I attended the cabinet meeting in Oban last month, I had the pleasure of meeting companies from that locality to discuss their exporting ambitions and to hear about some of the challenges that they face generally and as a result of the rural location in which they operate.

We have established a trade and investment strategy partnership of business leaders to act as a sounding board for the strategy. The involvement of partners in developing the strategy will be a key Government priority.

We need to work together to achieve our trade and investment goals, by strengthening the co-ordination of trade and investment support that is provided by the public sector and by building a unique and strong partnership with business and industry. The new strategy will be a key mechanism for responding to the recommendations in the committee's report, and it will set out actions in response to the Wilson review of support for exporting. We are looking closely at the committee's suggestions for improving companies' access to export advice and

assistance and information on forthcoming trade missions.

SDI and UKTI already work well together, but we are exploring ways of further strengthening that relationship and achieving better co-ordination of export support across the public and private sectors. In that respect, I agree with the committee that we must look at the issues from the consumer perspective, and ensure that it is clear to individual companies how all the services are related and how they can work on behalf of those companies.

The committee highlighted the potential for enhancing further collaboration between business and our further and higher education sectors, whose networks and connections span the world. Through its involvement in connected Scotland, SDI is working with Universities Scotland and Colleges Scotland to develop initiatives that support Scottish businesses to internationalise while helping the institutions to realise their own international ambitions.

We are considering how we can promote and make better use of the many networks that already exist in Scotland and overseas, including the globalscot network, and we are looking at how we measure and report on the impact of those interventions.

Although a great deal has been accomplished in the development of Scotland's involvement in exporting and in foreign direct investment, I reassure Parliament that the Government is going through a process, aided by the Wilson review of exporting and the committee's recommendations, that will lead to the formulation of the updated trade and investment strategy.

That process is important for our gathering together, in consort with industry, the best advice and the best suggestions that we can make to ensure that we satisfy two fundamental objectives: first, that we encourage more companies to become actively involved in exporting and to participate in that activity to the full; and, secondly, that as a consequence of motivating that improvement in participation and performance we improve the external focus of the Scottish economy.

If we do those two things and can use the evidence base that we are now gathering to motivate more companies to participate—of course, that priority is right at the heart of the Scottish business pledge, which is central to the Government's economic strategy—we will reap the rewards of motivating more companies to be involved in international business activity, and the employment base of Scotland and the economic opportunities of our company bases will be a great deal stronger as a consequence.

14:50

Lewis Macdonald (North East Scotland)

(Lab): The internationalisation of Scottish business is a desirable objective that has been pursued by successive Governments over a number of years, but the committee's inquiry into the matter could hardly have come at a more critical time, because Britain's membership of the European Union is up for debate, the devolution settlement in the UK is in the process of significant change and, of course, the principle of open borders within the European Union is being tested today as never before.

Not only that, but the Scottish economy itself is facing the challenge of major contraction in the oil and gas sector, which includes many of our most successful global-facing companies and is vital in sustaining a vast and varied supply chain across Scotland and beyond. Oil & Gas UK's "Economic Report 2015", which was published this week, reveals that 65,000 jobs have already been lost—many of them in Scotland—and that thousands more are set to go before things get better. The adjustment that is required in the sector is a strong signal of the scale of change that is required across the economy as a whole.

Chic Brodie (South Scotland) (SNP): I understand Lewis Macdonald's obsession with oil and gas, but when we look at the forecasts we can see that they are slightly more optimistic. Why do we not talk about telecommunications, for example, which is the fastest-growing sector and has increased ten-fold over the past 10 years, or about other sectors such as education and utilities? Why is the member so obsessed with what we believe will be a medium-term downturn in the oil and gas industry?

The Presiding Officer: I will compensate your time for that intervention, Mr Macdonald.

Lewis Macdonald: That is very kind, Presiding Officer.

That must be one of the most extraordinary interventions that I have ever heard in a debate on the Scottish economy. I stand up to try to account for the 65,000 jobs that have been lost across the UK oil and gas sector—the majority of them lost in Scotland—along with tens of thousands of jobs lost in the region that I represent, and Mr Brodie asks why I am obsessed with oil and gas. That is an extraordinary intervention. I say to Mr Brodie that I am talking about oil and gas precisely because of the critical role that the oil and gas sector plays not just in the north-east of Scotland, but right across the country in the supply chain that stretches all the way from Shetland to the other end of the United Kingdom. I have no doubt that many jobs in the area that Mr Brodie

represents are affected by the thing that I am describing.

It is crucial that we understand the importance of that major shock to the Scottish economy, which is happening even as we speak. The extent to which the oil and gas sector and the Scottish economy can withstand the impact of that shock depends to a very high degree on Scottish businesses' ability to internationalise: to sell, trade and do business in other parts of the world even while facing difficulties in the North Sea.

The committee's inquiry is, indeed, timely—even as a wake-up call, if nothing else, to members of this Parliament who have not understood what is actually happening in the Scottish economy today. Labour welcomes the committee report's conclusions and recommendations. We want ministers to go further in doing the same, as I will outline in a moment, because we believe that more needs to be done to overcome the obstacles to the internationalisation of Scottish business.

As a member of the committee, I echo the convener's tribute to all those who helped with the inquiry, including the committee adviser, Jane Gotts, the researchers and the clerks. I mention in particular the quite exceptional input of Dr Hadi Fawzy and his colleagues in Scottish Development International and UK Trade & Investment on the trade mission to Saudi Arabia—although that visit confirmed, among other things, that the price of oil is unlikely to go back up any time soon.

It is clear at home and abroad that public and private agencies play an important role in sustaining Scottish exports and that, as the cabinet secretary said, SDI and UKTI do sterling work in promoting internationalisation, although it became apparent that they did not always do so in a joined-up way. That is why the committee concluded that there should be a single point of entry for potential exporters that are seeking Government support. Brian Wilson came to the same conclusion in his inquiry on behalf of the Secretary of State for Scotland.

As Murdo Fraser said, it is unclear how the plan to replace the www.business.scotland.gov.uk online portal with a wider Scottish Government site will help to make access easier for potential exporters. Apart from anything, UKTI plays, and should continue to play, a major role in supporting Scottish exports. Anything that impedes access to its support and advice will also get in the way of internationalisation.

The committee also concluded that implementation of the findings of the Wilson review was a matter for both Governments, and for SDI and UKTI, and that the progress of that implementation should be made public quarterly. It

is disappointing that the Scottish Government's response to that simple and sensible suggestion has so far been less than enthusiastic.

Scottish Enterprise, Highlands and Islands Enterprise and business gateway are also parts of the picture. A good example is business mentoring Scotland, which brings potential exporting companies together with business mentors who have already made a success of internationalisation. The committee recommended that companies that are not account managed should be able to receive help with exporting, and that potential exporters should have access to the globalScot network at an early stage. I hope that those things can now happen.

In addition to what the Government can do at its own hand, it needs to be committed to working with other partners. Committee members visited Aberdeen and Grampian Chamber of Commerce to learn from its vast experience of internationalisation. The chamber highlighted two particular issues, which are reflected in the committee's report. The convener has mentioned the success of the north-east Scotland trade group, which is a model that other parts of Scotland could adapt to their needs.

The second issue that was raised with us by the Aberdeen chamber was the need to join up activity between the public and private sectors better in organising overseas trade missions for Scottish companies. I am delighted that since the committee's visit, when it heard about some of the difficulties in that respect, the chamber has begun to co-ordinate a joint mission to Mexico, supported by SDI and UKTI. I am delighted, too, that the chamber will help businesses that do not meet Scottish Enterprise's account-management criteria to join in. That is exactly the kind of joined-up approach that the committee envisages and that deserves the broadest possible support.

Enabling exports is not for Government agencies alone, just as exporting is not just for account-managed, high-growth companies in key sectors of the economy. If Scotland is truly to go global, potential new exporters must have access to an inclusive and co-ordinated system of advice and support from the public and private sectors working together. That is what we want, going forward.

14:58

Gavin Brown (Lothian) (Con): I congratulate committee members, clerks and their excellent adviser on the work that they have done and the report that they ultimately produced.

I sat on the Economy, Energy and Tourism Committee during its previous inquiry, in the previous session of Parliament. The main

conclusion that we reached was that Scottish Development International was not spending enough of its time focusing on exports. From reading the report and speaking to a number of witnesses, it looks like that position has been reversed and that SDI has taken exports more seriously in this session than it did in the previous one. The results so far are positive.

We should celebrate the fact that, at least in the medium term, the trend for exports for Scottish businesses appears to be very healthy and positive. I got the Scottish Parliament information centre to trace the trends back to 2002. If we take 2002 as being 100 per cent, we are now indexed at 140 per cent, so there has been a good trend of growth. We had a bit of a blip in the early part of the 2000s, when the electronics industry went to its knees, but the trend since 2005 has been upward and positive growth. We should celebrate and welcome that.

I will move on to a couple of areas in which there are still frustrations and where work needs to be done by agencies, the Government, politicians of all stripes and businesses themselves. The first is the lag in the figures that we have, which I know is a source of frustration for the Government, too. At the moment we are celebrating figures from 2013, which are the most recent that are available. That means that when we ask whether we have met the ambitious 2017 target that we set ourselves, we will not know the answer until 2019—two years later. I ask the Government whether there is something that we can do. Are there changes that we can make to get more up-to-date figures and to get a better feel for how exports are going? If we cannot, it will continue to be like trying to drive while looking only through the rear-view mirror.

HM Revenue and Customs's statistics on exports, which are collected slightly differently from those in the "Scotland's Global Connections Survey 2013", suggest that 2014 was not as strong a year as 2013, as we were about £1 billion down in 2014. Although we have figures for only the first two quarters of 2015, if the trend continues for the rest of the year we will be about £1 billion down in 2015 compared with 2014. I hope that those preliminary figures turn out to be wrong, but if they are correct they suggest that the strong growth that we had between 2010 and 2013 has been reversed slightly this year and last year.

John Swinney: Gavin Brown should reflect on the fact that significant elements of the overall exporting and trade position are missing from the HMRC data and the analysis that it undertakes. It is far from a like-for-like comparison with the data and pattern that he set out.

Gavin Brown: I accept entirely that there are big differences, one of which is the treatment of services, which will have a huge impact. However, the comparison is like for like in the sense that I was comparing 2013 HMRC figures with 2014 HMRC figures. It was like for like in my view, but I accept entirely that the HMRC figures are based on a methodology that is different from that used for the global connections survey figures.

Nevertheless, a £1 billion drop in the HMRC figures from the previous year suggests that there is a fair chance that when we get the global connections survey results in January they will show a drop against the previous year. I hope that I am wrong, but I suspect that I am not.

The second frustration is that although the Government brought in some policies that I supported—smart exporter is one that we argued for in days gone by—it is very difficult to know what impact they have had on the overall figures. Scottish Enterprise, HIE and SDI gave evidence, but they all concluded that it is impossible to tell what impact the policies have had. They were able to say that businesses were satisfied with the training and the courses that were given, but they were unable to tell us what impact they had had on the companies' bottom lines and exports. I ask Government how we might better evaluate those programmes so that we know which are working and which are not, and so that we can spend more on the ones that work and less on the ones that do not.

The Government response to the report has been broadly positive; it seems to agree with most of what the committee said and is already actioning some of the committee's recommendations and has agreed to action others in early course.

It is important that we track not just the value of exports but the number of exports, so that we can try to get more companies exporting and reduce our overall risk profile for when some larger businesses suddenly go out of business. We also need to look at greater co-ordination.

The cabinet secretary quoted the number of deals that last year came forward under foreign direct investment. He should be careful about cherry picking his statistics and should look at the statistics as a whole. The report that he quoted shows that the actual number of deals is up, but that the number of jobs created by FDI—in my view, that is the more important figure—is down, and down substantially, for the third year in a row. In 2011 there were 5,926 jobs created by FDI. Last year, we were down from almost 6,000 to 3,500. We used to have 20 per cent of the UK's FDI jobs, but according to the most recent report we now have 11 per cent. That is a drop of almost half in three years. The number of projects might

be marginally up, but it is quite wrong for the cabinet secretary to cherry pick one statistic and suggest that we are doing much better than perhaps we are.

I am content to leave it at that.

The Presiding Officer: We now move to the open debate. Speakers can all have five minutes or thereabouts.

15:05

Gordon MacDonald (Edinburgh Pentlands) (SNP): Exporting is an important aspect of the Scottish economy. It helps to deliver growth, to maintain employment and to sustain communities. A study called "Export Based Growth: Global Competitive Advantage from the Scottish Brand" by the N-56 consultancy highlighted that Scotland's exports have been growing and that, in 2013, Scotland's total trade volume was equivalent to 129 per cent of gross domestic product, or nearly £35,000 per head of the population. The study refers to the 2013 global connections survey, which identified that the value of Scottish exports to the UK and the rest of the world was £99 billion. That gave Scotland a trade surplus of £12 billion, compared with the UK trade deficit of £34 billion.

Despite that, however, the N-56 report acknowledges that Scotland's export performance

"is lower than average for a small advanced economy and considerably less than the best performing small European trading economies."

Indeed, although the committee's report recognises that

"Significant progress has been made towards the Scottish Government's target to increase exports by 50 per cent by 2017",

it also points out that only 100 companies account for 60 per cent of Scotland's exports. If we are to grow our exports, we have to increase the number of actively exporting businesses in Scotland—especially small businesses, given that less than a fifth of them currently export.

The two key bodies in respect of providing support to businesses that are interested in exporting are UKTI and SDI. However, as the committee report states,

"co-ordination between SDI and UKTI was not as strong as it could be and ... this was limiting the effectiveness of support available to Scottish companies."

A witness from the Enterprise Research Centre told us:

"From my experience of working with people at UKTI, I can say that they typically regard trade support as having been devolved to the Scottish Government"—[*Official Report, Economy, Energy and Tourism Committee, 25 February 2015; c 11.*],

and we also heard that the UKTI brand was “pretty much invisible” to most chambers of commerce.

In 2013-14, SDI supported 2,708 businesses across its network of 28 overseas offices, while UKTI with its larger network of 160 offices in 100 countries provided assistance to only 2,300 Scottish companies. Given the larger size of the UKTI network, that suggests that there is a lack of support for Scottish companies.

Gavin Brown: Gordon MacDonald suggests that the bodies appear to support fairly similar numbers of companies, but he also said that the UKTI brand is completely invisible. Can he explain that?

Gordon MacDonald: During the trade mission we heard that some Scottish companies had found the connection to UKTI only by delving into the UK Government website. They did not find it as a result of UKTI’s presence in Scotland.

There is also a lack of co-ordination across the range of organisations, including SDI, UKTI, the SCDI and chambers of commerce, that offer trade missions. The report recommends that SDI be far more proactive in co-ordinating trade missions in order to maximise opportunities for companies, improve co-ordination, avoid duplication and eliminate unnecessary competition between organisers of trade missions.

We also need a single point of information on exporting in order to highlight the support that is available to potential exporting companies. A range of organisations including Scottish Enterprise, business gateway and councils developed the existing online business portal, but although I was able to find topics from cash flows to employment contracts, there was nothing on the opening page that highlighted the topic of exports. It was only when I clicked on “Services”, scrolled halfway down the page and selected “More” that I found any reference to the subject. I suggest that exporting has not been given the prominence that it requires on the website, if the aim is to encourage more businesses to consider exporting.

As part of the inquiry, we visited Forth Ports at Grangemouth. In my view, it has been starved of investment. In order to be able to export more from this country, we require port facilities that are fit for the 21st century. I know that the issue will be debated by the Infrastructure and Capital Investment Committee in the next debate this afternoon.

The SPICe briefing identifies that Scottish international exports have increased by 20 per cent between 2010 and 2013. However, if we are to achieve the 50 per cent increase by 2017, we need to ensure that the correct support is in place to increase the number of exporters, the sectors where we have an exporting presence and the

value of all exports. Only then will we achieve the export levels of other small European nations.

15:10

Linda Fabiani (East Kilbride) (SNP): I welcome the committee’s report, which I read with great interest. I also welcome the Scottish Government’s response, both at committee and in what has been said in the chamber today, because it seems to me that there is general agreement on how to proceed on this matter. We need a simplified landscape and an easy way to take advantage of opportunities. We are a small and internationally respected country, so we have the ability to be fleet of foot and to capitalise on our expertise.

As my colleague Gordon MacDonald outlined, it is essential that, as well as larger companies, small and medium-sized enterprises feel encouraged to be included in the strategy. My view is that there is room for both. In my constituency of East Kilbride, we have successful exporters, large and small. One of the larger ones is Clyde Fasteners, which exports its expertise in engineering and manufacturing across the world. We also have Mentholatum, which operates in the growing chemical and pharmaceutical sector. Further, I am sure that people in the chamber do not realise that Deep Heat, that wonderful product that is used all over the world for all sorts of ailments that I will not go into, is manufactured in East Kilbride.

East Kilbride is uniquely placed within Scotland—as Scotland is uniquely placed within the UK and the world—to capitalise on exports and on a simplified policy landscape.

In East Kilbride, we have a task force—unfortunately, I am not allowed to hear much about it, but there we go; that is for another day—to which I will certainly send the committee’s report and the Scottish Government’s response, in the hope that it will try to capitalise on what I believe is quite an exciting way forward for Scottish exporting.

Lanarkshire has quite a high percentage—11.8 per cent—of Scottish Enterprise account-managed companies and growth company exporters. I was really pleased to see Mr Swinney’s response to oral evidence in which concerns were expressed that, although account-managed companies found it comparatively simple to move forward, it was more complicated to account manage a collaboration of companies. There must be a way in which we can look at sectors and move forward with that kind of collaboration. Mr Swinney talked about companies that are not account managed but which have gone through the business gateway locally and have been identified as

having the necessary characteristics and strength to make them successful exporters, and said that SDI's mandate is to help to support them, as that concerns growth potential.

The idea of a single portal was mentioned quite a lot the report. That is certainly worth looking at. In fact, Garry Clark of Scottish Chambers of Commerce argued that a single point of contact was "absolutely essential". Certainly, over the years I have heard it said at various business fora that a barrier to the potential expansion of export is the inability to know exactly where to go to access the expertise that is required.

Talking of expertise, I want to raise an issue regarding universities and colleges—colleges, in particular, are mentioned in the committee's report. It is about how things interact and how we have to get things correct, including interaction with UK Government policy. For example, I am concerned about the fact that the UK Government is preventing international students from working part time while they study here. I am also concerned about the UK Government making students exit the UK before they have time to use some of the expertise that they have picked up through their learning in this country. That is an issue to do with post-study visas. All these things come together.

As far as I am concerned, Scotland's most valuable export is its people. We should never forget the professionals who have moved abroad with their expertise and are internationally renowned. I do not have time to talk about many, but I am thinking about architectural practices such as John McAslan + Partners, national bodies such as the National Theatre of Scotland, national companies such as our orchestras and our traditional music sector. We send people abroad all the time, and they are part of our export economy. That very much has to be recognised.

15:16

Anne McTaggart (Glasgow) (Lab): I am pleased to have the opportunity to contribute to the Economy, Energy and Tourism Committee's debate on internationalising Scottish business. Like many members, I thank the MSPs who sat on the committee and the staff for their hard work on this important issue.

The world has become more interconnected through the development of high-speed communications and trade. In that regard, Scotland is no different from any other country. Scottish businesses can be afforded genuine opportunities for international expansion through access to world markets, examples of which are listed in the committee's report. For example, Scotland is the producer of some of the greatest

food, drink and textile products in the world, and it is the world leader in such markets as renewables, oil and gas and life sciences. Added to that, Scotland is a key destination for international visitors.

In today's debate, I will focus on our international visitors. Every member of this chamber is aware of the valuable research that VisitScotland undertakes so that businesses in Scotland can better understand our international markets and keep up to date with trends and developments. Rightly or wrongly, when the term "international visitor" is used, people automatically think of visitors from countries outwith the UK coming to Scotland for holidays, short breaks or cultural or sporting events. There are numerous reasons why international visitors come to Scotland, all of which not only generate economic growth and development in the hospitality industry but have a synergistic economic effect in other manufacturing and service industries.

However, what about international students who come to study in Scotland? Is the student who comes to study in Scotland not also an international visitor, whether they are an undergraduate or a postgraduate student and whether they come from an EU country or a non-EU country? Is Scotland's education system not also a business? Scotland's expertise and tradition in the provision of high-quality education could be said to go way back in history. Glasgow, the city that I am proud to represent in the chamber, is a city of education business, and two of Glasgow's universities have an overseas presence. The University of Glasgow has formed a partnership with Singapore Institute of Technology, and Glasgow Caledonian University has a campus in New York city. The city also proudly hosts the world-renowned Glasgow School of Art.

A key recommendation on page 4 of the report is:

"We recommend that Scottish Development International explore ways to utilise more effectively the extensive international networks established and managed by Scotland's universities and colleges in order to boost opportunities for Scottish businesses."

In addition, when Brian Wilson gave evidence to the committee, he advocated the inclusion of an export dimension to any business courses that SDI runs.

Scotland has a wealth of experience in global trade. It has a whole range of networks and support mechanisms that can be called on not only to expand developed markets but to initiate forays into new markets and into countries where markets do not currently exist.

I would urge—I would implore—that investment consideration be given to developing Scotland's

education business. I would also urge the Scottish Government to enact the key conclusions reached by the committee on page 33 of the report to enable our education business to grow efficiently and effectively. That would not only provide untold opportunities for internationalising Scottish business, but bring respect and prestige to our own Scottish institutions as they make their way in what seems to be an ever-shrinking world.

15:21

Joan McAlpine (South Scotland) (SNP): The progress made so far in internationalising Scottish business is a success story. That is clear from the committee's report. Indeed, just because it recommends ways to improve matters does not mean that our internationalisation programme is not a success. As the cabinet secretary said in his response to the committee, the report is "timely", given that the Government is working on a new trade and investment strategy, which will replace the one that is due to end this year.

The Government has—quite rightly—set itself ambitious targets. That has clearly paid off, with the value of Scotland's international exports increasing by 40 per cent between 2007 and 2013, from £20 billion to almost £28 billion.

I am very pleased that the internationalisation of Scottish business is a central aspect of the Scottish Government's economic strategy. I was pleased to see that one of the six key actions in the strategy is to encourage small and medium-sized enterprises in particular to develop "a more export-orientated focus" to their business.

Support for SMEs was a theme in the evidence that we heard, and the convener's summary of the committee's recommendations touched on a number of suggestions with particular relevance for SMEs. Obviously, the single portal will appeal to them; smaller businesses also have much to gain from sectoral approaches to exporting, with food and drink being an ideal example that other sectors can follow.

The cabinet secretary highlighted in his speech the measures that Government has taken to support exporting by SMEs. I was pleased to note that the number of businesses that receive SDI support has increased from 2,194 in 2010 to 5,388 in 2014. Clearly, progress is being made.

A particularly important recommendation in the report relates to improving how the Government captures data. The committee said that SDI

"should capture ... the increase in export sales ... by companies as a result of participation in its ... programme."

The Government agrees, which is good. I also think that the Government should publish data

showing export performance by sector, company size and region.

The inquiry shone a light on patchy performance across the regions when it comes to exporting. I was more than a little dismayed to learn that my region of Dumfries and Galloway had only 1.8 per cent of Scottish Enterprise's growth exporting companies, which is the lowest of all the regions. The Lothians, for example, topped the list with 20 per cent. Even a more comparable area such as the Borders had 3.5 per cent of the growth exporters—a figure that is double that in Dumfries and Galloway.

As the cabinet secretary knows, I have taken those figures to Scottish Enterprise and have raised them with officials in public evidence sessions, to see how we can address the issue. I am pleased that as a result of that lobbying, Scottish Enterprise, at a high level, has committed to working closely with business gateway locally to improve support, because not all companies can become account managed, and companies in the south-west area do not tend to reach the size that would trigger such support.

The Scottish Council for Development and Industry and Scottish Chambers of Commerce echoed the concern that not all companies would get the export support that they needed if they fell outside key areas that were not account managed. Iain McTaggart told the committee that

"we need to recognise that there is export potential in other companies that are excluded"—[*Official Report, Economy, Energy and Tourism Committee*, 18 February 2015; c 11.]

from the account-managed network, and that we need to think about ways to address that.

The evidence that we heard highlighted the fact that, in the Highlands and Islands Enterprise area, companies with a lower turnover than those in the rural areas of the SE network—such as Dumfries and Galloway—met the criteria for help. However, Jane Martin of Scottish Enterprise told the committee that she was working with the local authorities in the south of Scotland. I confirm that, and I am pleased that she is committed to assessing companies on the basis of potential and opportunities for growth, as opposed to just using a threshold, which, as she said herself, is a bit of a blunt instrument.

I was very pleased that the cabinet secretary repeated that when he came to the committee. He said that, if the business gateway identifies smaller companies

"as having the necessary characteristics and strengths that could make them successful exporters, SDI's mandate is to support those companies. That is about identifying growth potential."—[*Official Report, Economy, Energy and Tourism Committee*, 25 March 2015; c 37.]

That is all welcome. I certainly welcome it.

As well as providing recommendations to Scotland as a whole, the committee inquiry resulted in me getting useful material to take forward in my region. I hope that we can get more support for the companies that operate there. I shall, of course, talk to local business, councils and enterprise agencies to ensure that the progress that has been promised as a result of some of the issues that came out during the inquiry makes a difference on the ground.

15:27

Cameron Buchanan (Lothian) (Con): As we all know, Scotland is well known all over the world for certain original and iconic products. Whisky, tartan and bagpipes are examples. Therefore, in many ways, Scottish business does not need to be internationalised, as it is already well known.

I have travelled all over the world many times selling Scotland and appeared at many trade shows under the British flag—I emphasise that it was under the British flag—so I know how important Scotland is to the world. We did not hide our Scottishness. In fact, we were proud of it and the saltire featured heavily on our stand, as did the thistle, which was my particular international brand. It was a black thistle on a red background, which is recognised in fine textile shops all over the world.

My business was selling tweed, tartan and cashmere. Selling it under a Scottish brand proved to be very rewarding. Nothing made me more proud than to see the made in Scotland sign displayed everywhere. Of course, it was always easy to sell quality and that, not quantity, is what Scotland is known for. Every time that quantity was due to be sold, we failed. Many of the small textile companies in the 1950s and 1960s that sold T-shirts and cotton perished under increased competition from our far eastern friends and our European neighbours.

Scotland has a brand that needs marketing and market it we did. I led and participated in many trade shows in Europe and the east. With a name like Cameron Buchanan, I could not be taken for anything other than a Scot.

I was leading a trade show on behalf of what was then UK Fashion Exports coupled with Scottish Trade International. We had a big stand at the Hilton hotel in Osaka, Japan, and it was a very hot afternoon. The company at the stand next to me—I think that it was called the Swilken Golf Company—was selling custom-made golf clubs. It had developed a golf club that perfected your swing so that when it came to swinging the club, you could ramp it up with clicks depending on how you swung the club.

Unbeknown to me, some friends had ramped up the numbers so that it was necessary to swing the club really hard to get the click going. Nothing happened for the first two or three swings, so I gave it an almighty swing and the club left my hands and shot straight up to the ceiling, smashing a huge crystal chandelier. I was mortified. Everyone else laughed, as I thought that it was thousands of pounds worth of damage. It was a hot day and the club just slipped out of my hands. However, I was lucky because the show was covered by international insurance. I was pleased to see that.

That evening, as I was making a speech, I was presented with the aforementioned golf club and the Japanese people, who found it very funny, said, “Mr Buchanan this is for your hole in one.” From then on, every time that I got up to speak they all shouted, “Fore! Fore! Fore!” A lot of humour was involved and Scotland then needed very little internationalising.

I value the Scottish brand greatly, and with a brand comes the business. What we sometimes think of as just another piece of fabric or, in the case of bagpipes, a noise or, in the case of whisky, a drink can prove to be a very valuable product.

Whisky is a particular case in point. We see brands in other countries that never appear in the UK, and not all of them are counterfeit. I issue a word of warning. We need to be careful not to spread ourselves too wide and produce a whisky brand like the one that I once saw in Taiwan called “Scottish Kicker”, which in Chinese had been misspelled as “Scottish Knicker”. The brand consultant could not understand why everybody laughed when he produced a whisky bottle with that label. It was only when it was pointed out to him that it had a totally different meaning that was not considered to be very relevant to whisky that he hastily had to relabel 4,000 bottles. It served him right.

If we are to make sure that we are successful, we must be proud of our country and proud of our achievements. We in Scotland are so lucky that we do not realise it. Many other countries are envious because of what we have. In particular, they are envious of our internationally recognisable symbols. After all, why would people like Donald Trump—I am sorry; I mean Trump—come over and build a golf course in Scotland and not in France? It is because we have scenery that is second to none and we promote our country in the right way. We even have weather of which the Welsh golfer Ian Woosnam once said that we have all four seasons in one golf swing.

We do not need fancy embassies or consuls—well, maybe we do need consuls—all over the

world in order to internationalise our business. We should just be proud of what we have.

We have another iconic brand in Harris tweed, which was registered as a brand in 1951. When people speak of tweed, which, after all, is the name of a river in Scotland, they think that all tweed comes from Harris, whereas most of it comes from Lewis and the name originally comes from Holland. Notwithstanding that, Harris tweed is a hugely successful export, and that is because we have registered the trademark with its orb and sceptre. It is a brand that is internationally well known and respected. The aforementioned Brian Wilson is chairman of one of the companies up there.

The Presiding Officer: You can bring your remarks to a close any time now.

Cameron Buchanan: Scottish silver is also well respected and valued, and the Scots have excellent original products. We have only to go to Hong Kong to see international firms such as Jardine Matheson and Hutchison to realise that they originally came from Scotland. Let us appreciate what we have and shout about it with pride.

The Presiding Officer: Thank you, Mr Buchanan. That was definitely the most entertaining speech of the day.

I call Jackie Baillie. You have five minutes. Follow that.

15:32

Jackie Baillie (Dumbarton) (Lab): We traded statistics on Tuesday, when we debated the Scottish Government's economic strategy, and I have no doubt that we will trade them today. I say as gently as I can to John Swinney that to do so is not to be miserable—I am one of the happiest people I know; at least, I thought that until I listened to Cameron Buchanan—but to inject a note of reality into the cabinet secretary's fairytale. I notice that when John Swinney does not like what I say, he resorts to insulting me.

John Swinney: Imagine that.

Jackie Baillie: I take that as a compliment, because it is the hard truth in what I say that makes Mr Swinney quite so miserable.

It is important that we understand the context of the debate. According to the Government's statistical bulletin, we export some £27.9 billion of products and services abroad. That might be an increase in cash terms, which is to be welcomed, but it represents a decline in our export market as a percentage of the Scottish economy. If I read the graph in the SPICe briefing correctly, it is a decline from 24 per cent to something like 17 per cent.

Although that is not a positive sign, it suggests that there is potential to improve, and I urge the cabinet secretary to look at that and to try to increase exporting's share of the Scottish economy.

About 100 companies account for 60 per cent of our exports. There is less awareness of and engagement with exporting among SMEs. That is another area in which there is potential to improve.

Our largest international export market is the United States and just under half of our exports are to Europe, but our largest export market overall is the rest of the UK, which is worth at least £46 billion to our economy each year and accounts for about 65 per cent of all our exports. Many of us recognise the importance of the European Union for our businesses and for growth in the economy. We know that removing barriers to trade is valued by businesses in Scotland. I welcome the Scottish National Party's positive view of Europe, which I share, but I cannot help but observe that those arguments were exactly the same arguments that were deployed during the referendum as good reasons for staying part of the UK.

Let me move on and touch on inward investment. Becoming more international in our outlook is not just about securing more exports; it is also about getting foreign countries to invest in Scotland. Although there are increases in inward investment and they are improving—that is welcome—we need to make the connection with jobs. There is more mixed news on that. Inward investment may be increasing, but it is creating fewer jobs. To echo what Gavin Brown said, there was a fall of around 15 per cent in that figure in 2014 compared with that for 2013. Indeed, the 2014 figure is the lowest since 2009, and 2014 was the third consecutive year of decline. Everything that we do should be about adding value to our economy. We should focus on inward investment, but as a means of creating jobs.

Gavin Brown was quite right: the cabinet secretary should not cherry pick his statistics. If we are to understand how we are to improve things, we need to understand the totality of the picture.

As an aside, I note that Mr Brown was not accused of being miserable. I look forward to the day of equality in the Parliament.

John Swinney: That will be next week.

Jackie Baillie: I do not take interruptions from a sedentary position.

A number of members have mentioned the Wilson review, which reported in May last year. In his final report, Brian Wilson made a number of recommendations, many of which find an echo in the committee's report. I commend those to the

Scottish Government. One of the key issues was the institutional clutter, which causes confusion, as there are different providers of advice, information and support. We need a one-door approach if our efforts are to be well focused. We also undoubtedly need better collaboration between Scottish Development International and its UK equivalent for the benefit of employers.

I noted the First Minister's announcement of the creation of three innovation and investment hubs, in London, Brussels and Dublin. They, too, are welcome, but I would like to know how they sit with the network of 28 overseas offices that SDI already has.

I join others in congratulating SDI on the rapid increase in the number of companies that it supports. I am sure that the cabinet secretary agrees with the committee when it talks about giving it even more challenging targets to meet.

The cabinet secretary has a target to increase exports by 50 per cent to 2017. That is an ambitious target, but we should be ambitious.

I have heard it all today. We have heard about golf, knickers, kickers and Donald Chump, not Trump. We have in our midst an escapee from the Edinburgh festival. I think that Mr Swinney and I can agree that Mr Buchanan's speech was a wonderful and amusing interlude.

15:37

The Minister for Europe and International Development (Humza Yousaf): If there is one thing that we have learned from the debate, it is never to invite Cameron Buchanan to a game of golf on a golf course. If someone does so, they should ensure that they are wearing a hard hat, at the very least.

I welcome the contributions that have been made by members across the chamber to a very instructive and informative debate. As other members have done, I thank the committee and the clerks who were involved in producing a report that I know we have studied extensively across the Government and broadly welcomed.

I am similar to Cameron Buchanan in one sense. I have travelled the world. My job is by far the best in the Government, as I have the job of selling Scotland across the world. In one sense that is an easy job to do, because people have very positive associations with the country. I have noticed something in the three years in which I have been in the role. When I initially went to some of our new and emerging markets, Scotland was known for some of the more traditional things, such as golf, castles, great scenery and the Loch Ness monster. People knew about them. Having travelled back to those countries, I have noticed

that people have more of an interest in and more of an understanding and knowledge of some of our produce, such as whisky and salmon, and they have more of an understanding of our global companies, such as Aberdeen Asset Management, and of our areas of expertise, such as oil and gas. I think that that is down to the great agencies and much of the good work that has been done—

Cameron Buchanan: I forgot to say that food is very important nowadays, and Scottish food has really come on to the market. Everybody talks about Scottish food and Scottish produce, which was not the case 20 years ago.

Humza Yousaf: I was not doing this job 20 years ago, but I accept entirely what Mr Buchanan says.

Today's debate has provided an opportunity to reflect on many of the factors affecting the ability of Scottish companies to internationalise, and on Scotland's areas of strengths and areas in which there is room for improvement. We have heard about success stories and about companies that have grown their business by expanding into new, international markets. We have also heard about the challenges and frustrations that seem to be a common thread for many businesses, particularly small and medium-sized enterprises, as many members have said.

Before commenting on those, however, I want to return to Scotland's export performance, to reiterate that the picture is generally positive. There is room for improvement undoubtedly, as many members have said, but the general picture is positive as we move forward. Scotland's total exports of goods and services, excluding oil and gas, grew by almost 70 per cent between 1998 and 2013, from £38.8 billion to £65.7 billion in cash terms. We are on target to meet the 50 per cent target that has been mentioned, and I have to tell the ever effusive and complimentary Jackie Baillie that she should not take Mr Swinney's criticisms at all personally. As used to happen in the school playground, perhaps we tend to insult the people whom we actually really like.

Jackie Baillie: That is a stretch.

Humza Yousaf: Perhaps he does it only because he likes her. Exports as a percentage of GDP are—

Jackie Baillie: Will the minister take an intervention?

Humza Yousaf: I think that I will, actually.

Jackie Baillie: I have to say that the cabinet secretary's face tells a different story.

Humza Yousaf: I cannot comment on that. However, on the point that Jackie Baillie raised, I

would be interested to see her statistics, because exports as a percentage of GDP have increased in recent years, from 46.3 per cent in 2006 to 48.9 per cent in 2013.

I agree with the general sentiment that has been expressed in the debate, that too few companies are exporting to too few geographies. However, the committee's report also rightly drew attention to the fact that the number of SMEs is not high enough. Sixty per cent of the total value of Scottish exports in 2013 was generated by just 100 companies; that statistic has been repeated time and time again. In addition, Scottish exports to emerging economies remain low relative to what they should be. Our economic strategy made clear that more needs to be done to encourage a more export-orientated focus across all companies and sectors in Scotland.

I want to address one or two other points that have been raised. Gavin Brown mentioned the lag in statistics, and we share his sense of frustration. The point was well made and it is one that we can certainly reflect on. The global connections survey gives a full assessment of the statistics produced, and it takes time to make such a full assessment, but I agree that we should see what more can be done.

In response to the committee's recommendations, there are four areas that I want to whiz through. The first is about encouraging more Scottish businesses to internationalise, which requires close collaboration across the public and private sectors. Murdo Fraser spoke about that in his opening remarks, and Linda Fabiani touched upon it too; he was right to mention Scotland Food & Drink, which is a good example of how the private sector and public agencies have worked together collaboratively with great success. We saw some of that success played out in this week's statistics, so we need to co-ordinate the contributions made by a range of different organisations that are involved in helping Scottish companies to internationalise and identify ways of encouraging more business-to-business support.

The committee drew attention to the North East of Scotland Trade Group, which Murdo Fraser mentioned the committee had met, and its report suggested that similar regional export partnerships might be developed. SDI is certainly looking to do that.

Although many Scottish companies successfully access the high-quality advice and support that is available, some companies struggle to find that information, and virtually all members have asked how companies can get better access to that information and how we can ensure that the information is better co-ordinated at one central point. I agree that SMEs can find that information

only if they know where to look, so perhaps the Government and SDI should reflect on how, even though a one-stop shop exists, we can reach out to SMEs through Business Gateway or by other means so that companies know where that support is available. Murdo Fraser used the word "cluttered". That is something that we recognise, but I am pleased that progress is being made through our portal and through mygov.scot.

I agree that we need to make more of our assets, that is to say our people, including the global Scots across the world and the many people who have passed through our universities and educational institutes and who have some affinity to Scotland.

I thank committee members for their recommendations. I think that everyone who participated in the debate will reflect on what has been said. We welcome the report and will work closely with UKTI and other public agencies to ensure that we take full account of what the committee said, to ensure that Scotland can better position itself globally and market itself across the world.

15:45

Chic Brodie (South Scotland) (SNP): I welcome this short Economy, Energy and Tourism Committee debate on internationalising Scottish business and I commend Murdo Fraser, the committee convener, for the way in which he led the inquiry.

We cannot be complacent, and I will talk about the conclusions that the committee arrived at, but we are having this debate the day after it was announced that Scotland exported £14 billion of food and drink in 2013. As Jackie Baillie said, we shipped £27.9 billion of goods and services overseas, which she translated into a GDP figure without including the impact of exports to south of the border.

As I said during last week's debate on the programme for government, if there is one subject about which I am particularly passionate, it is Scotland's place on the international stage. Consequently, I am passionate about Scotland's strategy for trade and investment around the globe. My interest was perhaps stimulated when I was a young manager responsible for the international distribution of NCR products from the company's Dundee manufacturing plants. The thrill of shipping four class 395 electronic accounting machines from Dundee to Honduras in exchange for a container-load of bananas was palpable. Who knows what might have happened last September if we had involved bartering and bananas in our currency discussions?

Other members share my great interest in the subject. I hope that you will forgive me, Presiding Officer, for declaring that I regret that today's two debates are curtailed. They are not mutually exclusive, and I am sure that members who speak in the Infrastructure and Capital Investment Committee debate will make the point that Scotland's international business growth and exports to Europe cannot largely depend on one major route to Europe—the channel tunnel. Members might also point out that our international aspirations cannot be contingent on carbon emissions-heavy activities such as haulage, with Scottish goods travelling down the M6 to Heathrow, Gatwick and Dover. Hence there was a proposal some weeks ago—which you will appreciate, Presiding Officer—to fly seafood and perishable goods out of Prestwick airport and other outlets, at not much greater cost than that of transporting goods by road, to retain our markets and customers.

Let me return to the committee's recommendations and to the speeches in the debate. In a thoughtful and thought-provoking speech, Gavin Brown was right about the need for accurate data. Linda Fabiani surprised me: I thought that East Kilbride was famous for Coca-Cola, not Deep Heat—I have a totally different view of East Kilbride now. Joan McAlpine was right to focus on regional disparities in the economy. I say to Cameron Buchanan, who talked about specialisation and product focus, that I played golf with the Chinese consul at Turnberry at the weekend; I did not break any chandeliers, but the way in which I played broke my heart.

I met senior members of Scottish Enterprise and Scottish Development International last week to talk about regional disparities and the need for more emphasis on south-west Scotland, which Joan McAlpine mentioned. That conversation, like previous ones, left me in no doubt about the agencies' dedication to achieving the objectives on internationalisation that I think will be set out in the Government's new trade and investment strategy, which will not just focus on the products and service sectors in which we excel but relate sectors directly to the geographical markets in which opportunities for us are crystallising.

The recommendation that the agencies review the criteria for account-managed status, with a greater emphasis on companies' export potential, is critical. That is particularly the case given that a recent Scottish Chambers of Commerce survey found that 65 per cent of non-exporting companies thought that they did not have suitable products or services to export.

Who knows? With appropriate promotion and marketing, and the involvement of the various

trade missions, we might be able to capitalise on the huge opportunities that exist overseas.

Account management support is critical to companies that can and wish to export. However, the varied roles of agencies such as business gateway, the chambers of commerce, the enterprise agencies and other bodies that are interested in exporting are somewhat confusing. The situation needs to be rationalised and focused and, as the cabinet secretary said, SDI needs a mandate and a greater role in overseeing all companies that might and can become successful exporters.

In the committee's opinion, that would enhance the increased focus on internationalisation. The total number of exporting businesses has already increased from 2,194 in 2010 to 5,388 in 2014 and we welcome the Government's response that it will recognise internationalisation as a key driver for growth and that Scottish Enterprise will bring more companies into its international account management services.

However, as per the committee's recommendation, that can be achieved only through the use of experience in and knowledge about exporting. Along with advice and help from the proposed mygov.scot website and the use of good experience and data, we can be successful.

For example, how many of our potential exporters know that the main destinations for Scottish exports in 2013 were the Netherlands, Germany, France, Denmark and the USA and that 50 per cent of all our exports went to the European Union? I refer to my earlier comments about having one single artery. Within the £14 billion, the largest growth in monetary and percentage terms involved exports to Denmark, believe it or not. Perhaps we can learn from what we are doing differently there—that may relate to different products and what have you.

Other growth markets provide product and service demand as well as market intelligence that is aligned to products and services and which has to be the basis of advice from our internal analysis and from external networks such as the globalscot network. Advice about our innovations and aid and engagement with international partnerships are also essential.

There is agreement that even closer relationships or partnerships between SDI and the overseas campuses of our universities and research centres are desirable, if not critical.

The committee recognised the need to change the enterprise culture in Scotland, to promote the opportunities and to measure the framework of improvement. Many aspects of exporting are healthy in terms of what the committee recommended and the Government's response to

that. I am pleased to support the Economy, Energy and Tourism Committee's recommendations on internationalisation and I acknowledge the Government's will in response to those recommendations.

Freight Transport

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-14193, in the name of Jim Eadie, on freight transport in Scotland. I invite him to speak to and move the motion on the Infrastructure and Capital Investment Committee's behalf.

15:54

Jim Eadie (Edinburgh Southern) (SNP): I am delighted to speak on the Infrastructure and Capital Investment Committee's inquiry into freight transport. I look forward to hearing the views of members from across the chamber and their perspectives on such an important issue.

The phrase "important issue" is often used in this place, and rightly so, but that regularity can lead to its meaning being diminished. I want therefore to give a flavour of why the freight transport sector in Scotland is an important issue.

Around 200 million tonnes of freight is moved in Scotland each year. To give that number some context, I note that the new Forth crossing will use 150,000 tonnes of concrete, or just 0.075 per cent—less than 1 per cent—of that figure.

Heavy goods vehicles and light goods vehicles make up one fifth of all road traffic in Scotland, and they cover a combined 5.5 million km per year. For the astronomers among us, or those who are interested in spacecraft—I see Chic Brodie in the chamber—that would get us to the moon and back 47 times.

Scottish ports handle around 68 million tonnes of freight each year. That is the equivalent of around 340 fully loaded visits by the world's largest container ships, which can carry almost 20,000 containers.

Given the importance of freight transport to the Scottish economy, the committee launched its inquiry with the aim of identifying and understanding some of the challenges that the freight transport industry in Scotland faces. We wanted to examine domestic and international links, to find out how rail, road, air and sea freight services are connected and to identify key areas for development, improvement and change.

I mentioned the moon, so it is only right that I go on to refer to the sun and the stars. I record my thanks for the enthusiasm and dedication of my fellow committee members: Adam Ingram, David Stewart, James Dornan and Mary Fee—I think she knows that I was referring to her when I mentioned the sun—as well as Mike MacKenzie and, last but by no means least, Alex Johnstone. It was a real team effort. After reading a ream of written submissions, holding seven lengthy evidence

sessions and conducting nine fascinating visits, we were in danger of becoming freight geeks.

We were ably assisted by the committee's adviser, Dr Jason Monios from Edinburgh Napier University, whose expert knowledge of freight transport and logistics was invaluable. The committee is grateful for all the evidence that we heard and received during the inquiry. Our findings were very much based on what we learned over the course of our work.

I thank all the organisations that welcomed us on visits in England, Scotland, the Netherlands and Sweden. So that we could cover as much ground as possible, we ran some visits concurrently by splitting the committee into two groups.

I will move on to the report. I am sure that individual members will wish to cover specific parts of our work, but I will give a general flavour and summary of the committee's findings.

I will start with roads. In many ways, a theme of the committee's work was how to minimise freight on our roads, either by moving it to other modes of transport or by maximising the capacity of vehicles. However, it was clear that a good road network is still an essential part of freight movement.

I will use the A77 as an example. Many members, including our own Adam Ingram, know the route well. Whereas the Glasgow to Ayr section is primarily dual carriageway, the section south of Ayr to the port at Cairnryan—a distance of roughly 45 miles—is single carriageway. The scenery may be breathtaking, but the route goes through congested town centres such as that of Maybole, while twisting and turning on what are at times very narrow roads, yet the A77 is a designated trunk road, as well as being the primary freight route to Northern Ireland. The clear message that we received was that an upgrade to the route should be treated as a priority.

Improvements to the A77, as well as 28 other schemes, are contained in the Scottish Government's strategic transport projects review. Although the route is designated for improvement, no timelines are associated with the necessary work as yet. The committee heard from businesses and groups from across the country, such as the Freight Transport Association and the Road Haulage Association, that some approximate timetabling of road projects would be helpful in planning investment. The committee has therefore recommended that indicative timelines for all 29 listed schemes in the strategic transport projects review should be published in due course.

The committee was encouraged by the enthusiasm of producers, retailers and hauliers for making more of a shift to rail freight. During our

visits to the rail hubs at Grangemouth, Coatbridge and the Daventry international rail freight terminal—DIRFT—near Birmingham, which is the United Kingdom's biggest rail hub, we saw at first hand encouraging signs of movement away from road to rail. That growth is fragile, however, and we heard of hub operators that struggle to get backing for investment in new or replacement rail infrastructure when their customers do not want to commit to long-term contracts. That is a difficulty that we need to address and make further progress on. However, it was encouraging to hear during the summer of the planning approval for the proposed investment in the Mossend rail hub.

The rail network has capacity issues that will have a bearing on increased use, such as variable loading gauges, a lack of sufficient passing loops and issues with access to the network at weekends and during busy periods for passenger trains. The committee therefore looks forward to scrutinising Network Rail's forthcoming report on how it plans to upgrade the network over the coming years, including the main line that links Perth and Inverness.

On linking rail to water freight, the committee was disappointed to discover that, despite a rail line going into the port of Grangemouth, there is no regular service between the port and Grangemouth rail hub, which is barely a mile away. That situation has recently been brought into focus by the creation of a regular rail link between Grangemouth rail hub and Teesport in north-east England, which is almost 200 miles away.

To move on to water freight, it is fair to say that the committee was concerned by what it saw at the port of Grangemouth, which is Scotland's largest port by far. Investment appeared to be limited, which a number of witnesses suggested was because of a lack of competition. The Economy, Energy and Tourism Committee shares that view and believes that the port has acted as a constraint on, rather than a facilitator to, Scottish trade. The report therefore called on the Scottish Government to explore ways of working with port operators to encourage appropriate private investment that ensures that those strategic international gateways meet the high standards of service that customers require.

The committee was disappointed to hear from the operator of the Rosyth to Zeebrugge ferry service, DFDS Seaways, that the service that is on offer at Rosyth is of poor quality in comparison with the service at Zeebrugge. Nevertheless, it was encouraging to learn in July that more than £4 million is being invested in the route by Forth Ports and DFDS Seaways.

I will mention air freight only briefly, as sadly—despite the committee's requests to airports,

freight carriers and industry groups—there was little input from those in the industry on that important sector. The committee regrets that and views it as a missed opportunity for those who are involved in air freight.

Our inquiry looked at other issues, on which I will not go into detail because of time constraints. They included the need to review the availability of freight grants; increasing the use of urban freight in town centres, including the use of cargo bikes in built-up areas; reducing carbon emissions through modal shift; and better use of policy and planning. I hope that colleagues will pick up those issues during the debate.

I will close by emphasising the committee's primary recommendation that the Scottish Government must develop a new freight transport policy in order to meet future rail, road, sea and air freight transport needs. That would provide a strategic direction that would help to provide greater certainty to all in the industry and ensure that Scotland's freight transport sector receives the investment that it needs.

The minister said in his response to the committee's report that the Government is updating the national transport strategy, and the committee certainly welcomes that announcement. However, the committee was clear in its view that, for freight to be given the importance that it deserves, there must be a dedicated freight transport strategy. The committee's report reflects the views of all stakeholders in the sector, and the committee speaks with one voice in calling on the Government to respond positively to its clear recommendations in due course.

I commend the Infrastructure and Capital Investment Committee's report to the Parliament.

I move,

That the Parliament notes the findings of the Infrastructure and Capital Investment Committee's 6th Report 2015 (Session 4), *Inquiry into freight transport in Scotland* (SP Paper 772).

The Deputy Presiding Officer: We are extraordinarily tight for time now. I call the minister, Derek Mackay, who has up to seven minutes.

16:03

The Minister for Transport and Islands (Derek Mackay): In giving evidence to the Infrastructure and Capital Investment Committee on 29 April, I welcomed its work in helping to identify and understand the challenges that are facing the freight transport industry in Scotland. The Scottish Government provided a formal response to the key issues and recommendations contained in the committee's report on 17 August.

I look forward to this afternoon's debate as it provides an opportunity to examine the findings of the inquiry in more detail.

Since 2007, the Scottish Government has pursued policies that are focused on its purpose of creating a more successful country, with opportunities for all of Scotland to flourish through increasing sustainable economic growth. That approach is supported by the four pillars of our economic strategy: investment in people and infrastructure, innovation, internationalisation and inclusive growth.

In the programme for government that we set out last week, we restated our ambition to make Scotland the best place in the United Kingdom in which to do business. As part of that, we recognise that transport infrastructure needs to provide for the efficient, effective and dynamic movement of goods and that in so doing it is a key enabler in helping the Scottish Government to achieve our purpose and our goals for economic growth.

To achieve that, we are investing in infrastructure that connects people to jobs and services, and businesses to customers and suppliers. We are supporting developments that are focused on improving journey times and connectivity; enhancing Scotland's competitiveness; improving accessibility and integration; and minimising the impact of transport on the environment. I am reassured that the findings of the committee's inquiry are supportive of that being the correct strategy, which puts us in a strong position to tackle many of the issues that the committee identified in its report.

It is beyond dispute that the Scottish economy needs efficient, sustainable and robust freight transport in order to meet growing customer demands and compete effectively in a global economy. Our vision is for Scotland to be a place where the movement of freight through the entire supply chain is efficient and sustainable and is on a transport infrastructure that is integrated and flexible, thus allowing Scotland's businesses to compete and grow in a global economy. The investments that we are making in major transport infrastructure projects demonstrate our commitment to achieving that vision.

The strategic transport projects review—the evidence base for our investment—identified facilitating strategic freight routes as one of the primary functions of the national strategic transport network. I note that the committee's report makes a number of recommendations that are aimed at bringing forward or accelerating projects already identified in the STPR. However, the timetable for delivering the projects is determined by the availability of resources in future spending reviews, which is a matter that we discussed as

recently as last week. We can unlock extra resources only if we have access to greater spending capacity. Nevertheless, the Scottish Government has made, and continues to make, significant investment in projects that ensure that our national transport network fulfils its primary function. More than that, we are investing to ensure that we have a transport infrastructure that is fit for purpose and able to support future economic growth.

Since 2007, we have invested £6 billion in our trunk roads and we have a £3.5 billion capital investment programme in rail for the next five years. We also continue to provide grant funding for projects that are aimed at achieving modal shift. Projects such as the Queensferry crossing, the Aberdeen western peripheral route and the dualling of the A9 and A96 will serve to improve transport connections both within Scotland and to the markets that our businesses want to reach. We are working with industry partners to ensure that international transport links are able to support our ambitions for growth. That includes supporting the Rosyth to Zeebrugge ferry service, which was threatened at an earlier stage but which we are all delighted to know will continue. We are working together with the parties involved to look at new ways of increasing and improving services for Scotland in the long term.

We recognise that business operates in a dynamic environment. That is one of the reasons why I have instigated a refresh of the national transport strategy to reflect the current strategic context and, indeed, the committee's recommendations. In addition, our refreshed rail freight strategy will consider the on-going role of the Scottish Government in support of rail freight, which includes future planning, and how it can best contribute to sustainable economic growth. Here, too, we are investing, with the £30 million Scottish strategic rail freight investment fund.

In all that we do to enhance freight transport, we must always bear in mind the commercial nature of the freight industry and the competition both within and across modes. Identifying solutions that achieve public policy aims is not enough, because they must also be sustainable from a business perspective. We know that that can be achieved only through close partnership working between the public and private sectors. We do that through our well-established freight stakeholder group, the Scottish freight and logistics advisory group—ScotFLAG.

The evidence that was given during the committee inquiry showed that we continue to enjoy the support of key stakeholders for that partnership approach. Indeed, ScotFLAG was specifically mentioned by stakeholders as providing good links between Transport Scotland

and industry, and as being a useful forum for identifying and addressing freight transport challenges collaboratively. ScotFLAG will discuss the committee's recommendations when it next meets on 14 September.

I consider that the Scottish Government's purpose, economic strategy, infrastructure planning, investments in the network and partnership with the freight industry provide a strong structure and the best approach to tackle the freight challenges that the Infrastructure and Capital Investment Committee has identified.

16:10

Sarah Boyack (Lothian) (Lab): I very much welcome the committee's excellent report, which benefits from the consultation with and input of key stakeholders. As has been said, freight is hugely important to the Scottish economy. The report gives us an overview of the challenges and highlights the need for innovation and investment if we are going to expand our freight opportunities.

We particularly need an overarching vision and policy. It is nearly a decade since the freight action plan and now is the time for us to look at the issue and, as the previous report did, think about the future. The previous report looked 20 years ahead. Ten years on, we are in a good place to say what we need to do for the next 20 years. It is crucial that we mobilise the political support throughout the chamber for emphasising the role of freight. If that role is in exports, we need only look at the previous debate today to see the importance of facilitating exports.

Freight is also key to the transition to a low-carbon economy and enables us to tackle other Government challenges, for example on air quality, community safety and the quality of life along key routes. Now is a good time for us to have this debate.

It is particularly important that the committee highlighted the national planning framework. I hope that the minister draws on his previous portfolio in that regard, because that will provide certainty to businesses and partners in planning for the future. Crucially, it is also about the involvement of local authorities in that joined-up approach.

The committee made a crucial point about investing in routes and infrastructure upgrades. We need to focus on the integration between different modes, particularly in relation to ports and urban areas. We need to ensure that we are looking not just at roads and railways but at what happens to goods next. That is about transfer, particularly if we are looking at modal shift. Huge benefits for our environment will be delivered

through vehicle technology and efficiencies that can be delivered through the packaging of goods.

I hope that we can take further the committee's work in certain respects, particularly in relation to urban areas, where a different and potentially more radical approach will not just deliver better freight options but lead to lower emissions and help us to tackle our air-quality targets. Hopefully, that will involve more use of electric fleets. The technology is changing fast and we cannot afford to be behind in that.

It is important to look at different sectors and work across industry partnerships. Consider the circular economy debate and how the retail industry has changed over the past decade. We are beginning to see some win-wins coming through in the freight sector.

I want to focus my last couple of minutes on rail freight, because the environmental benefits are potentially massive. For example, the CO₂ emissions from rail freight are 70 per cent lower than those from road freight. In addition, if we tackle congestion, it will lead to benefits for other road users. Network Rail has identified a 60 per cent growth if we can seize the opportunity, which is one that we should not miss.

The committee's report identified routes and the freight facilities grant as crucial. On routes, it is fundamental to address pinchpoints and capacity work. Yesterday was the official opening of the Borders railway yet, within the first few days, rail experts are already talking about the fact that there are only 10 miles of double track. On a lot of our more established rail routes, particularly some of our key intercity routes, such as Perth to Inverness, Aberdeen to Inverness, and routes across the central belt and down south, we can see some serious pinchpoints and problems for the freight industry that impact on reliability. That is reflected very effectively in the committee's report. We need to see more investment there and, as with roads, more freight investment. If we tackle pinchpoints, passenger services will benefit, too. It is a win-win.

A particular issue that we need to look at is longer passing loops, which enable us to have longer freight trains. The difference in capacity between 10 and 20 carriages is huge in terms of the efficiency and competitiveness of the industry. We also need to address loading gauge restrictions with particular regard to refrigeration for the food and retail industry. That is crucial.

We need targeted investment both within Scotland and in the cross-border routes. In addition, let us have another look at the freight facilities grant. It is clearly not working and we need to look at the rules. To make that money effective, let us get it out the door to improve our

freight industry and ensure that rail freight can take off for the next 20 years.

16:15

Alex Johnstone (North East Scotland) (Con):

The committee's inquiry was timely and this is a timely report. The issue of freight transport involves a lot of interests. The committee discussed looking specifically at freight transport for some time and getting to the point of having a report to debate is probably long overdue.

The message is positive in many ways. Most of those who are involved in freight transport in Scotland are doing a good job. They are getting on with their priorities and ensuring that they provide a service to those who need it. However, we got the message that they are failing to work together effectively.

We are not doing enough to support those people. Too often we find that the connections between transport methods are not as effective as they should be. Look at the connections of roads and railways to our ports, for example. It is interesting that rail access to our ports is limited in most cases and absent in many. Road access can be a problem on a large or small scale. The major port of Cairnryan now provides a lot of linkage to Northern Ireland, yet on this side of the route we find that roads such as the A75 and A77 are largely unfit for the purposes that we require of them. As the minister acknowledged, improvements can and will be made in that area.

Even ports that are much closer to main rail and road links find difficulties in getting goods on to the quayside. That remains a challenge in many areas, which must be dealt with locally.

There are a number of things that we must do to improve rail freight opportunities in Scotland. As we heard a moment ago, passing loops, particularly on routes north to Inverness, are a key issue. The loops are not long enough and so limit the length of the freight trains that can go to the Highlands. Of course, the congestion on our rail network is due to the number of train movements. There is a lot of free capacity to be had if we can run longer trains. Passing loops are vital.

Another rail freight problem is that many of our routes north from the central belt have height constraints. As a consequence, there is a need for low loaders and lower wagons to accommodate the existing containers that operate in Scotland. A number of rail freight operators brought the availability of lower wagons to our attention. A little effort and perhaps a little Government support to provide a larger pool of such wagons might successfully result in a lot more freight being put on to our railways, which is certainly worth consideration.

Connections between roads and railways are also constrained by the fact that many of our roads are not fit for the vehicles that carry the containers that we can put on to the railways.

My ability to participate in some of the committee's visits was slightly curtailed during the inquiry by the intervention of a general election, to which I had to devote a little time, unsurprisingly. However, I did take the opportunity to visit the firm of Gray & Adams in Fraserburgh, which is one of the premier manufacturers of temperature-controlled trailers for the road haulage industry. There I saw some of the work that is being done to get more effective loads on our roads.

Only a few years ago, the main road transport issue was weight. Everybody wanted heavier weights on the roads for efficiency and people were concerned about heavier trucks on our roads. Suddenly the emphasis has changed. Many cargoes on our roads are much lighter than they were, and the issue has now become volume or bulk. What I saw at Gray & Adams were 40-foot trailers—and, in some cases and with special licences, 45-foot trailers—with facilities for double-deck loading. Given that the presence of such vehicles on our roads is vital in supplying areas where there is no rail connectivity, we need to consider the accessibility of these vehicles to some of the regions that we need to get to.

The Deputy Presiding Officer: You should draw to a close, please.

Alex Johnstone: There is a great deal still to be said on this matter, but I believe that our report highlights the current issues. Indeed, having heard the minister's opening speech, I think that we might be pushing at an open door.

The Deputy Presiding Officer: We move to the open debate. I must ask for four-minute speeches, please.

16:20

Mike MacKenzie (Highlands and Islands) (SNP): First of all, I thank my fellow committee members, the clerks, the advisers and everyone who gave evidence in this fascinating inquiry. I gained an understanding of what is actually a far more complex freight system than I had previously realised it is. In fact, I had never really stopped to consider how our freight transport system works. How do products end up on supermarket shelves from dispatch points all around the globe? How are all the goods that keep the wheels of industry and commerce turning transported?

The inquiry benefited significantly from our external visits, and my own visits to Forth Ports at Grangemouth, to the rail freight terminal at Coatbridge and to Gothenburg in Sweden greatly

assisted my understanding of the logistics of freight transport. I was particularly struck by the fact that the rail freight facility that we visited in Sweden had been initiated and funded by a local authority, with the justification that it would increase local economic growth, provide local jobs and boost the local population. I was forced to wonder why Scottish local authorities do not think about making such investments.

As the inquiry progressed, I began to view the system in terms of a plumbing and heating diagram for a large and very complex building. The building is constantly being extended and its uses changed, and the pipework is constantly being changed and upgraded to suit. The building is open all day every day and cannot wholly be shut down for upgrading or repairs. The pipes carry the lifeblood of business and industry, and changes in one part of the system affect all the other parts. The building also carries the historical legacy of having been designed largely for a different time and age, which means that it can be improved only incrementally. The consequence is that, at times, some of the pipes are too narrow in diameter to carry the required volume, blockages and disconnects can occur, frictional resistance can increase, and the effect can be an increase in the cost of doing business and getting goods to market.

In this age of diminishing public sector budgets—in particular, the Scottish Government's capital budget—it is impossible to fund all the desirable improvements, all of which have their own merits. Many transport operators to whom we spoke realise that, although they all, understandably, made the case for improvements that they felt would improve their own sector's efficiency and effectiveness. I am reassured by the transport minister's comprehensive response to the committee's report that the Scottish Government recognises the importance of maintaining a freight system that is as fit for purpose as it can be.

One issue that was raised in the inquiry and which struck me as being worthy of further exploration was the number of private sector freight operators who suggested that there is significant scope for greater efficiency and effectiveness if there is greater co-operation between operators. They see a crucial and perhaps catalytic role for the Scottish Government as honest brokers in facilitating such co-operation, and they pointed out the difficulties of operators doing that on their own in what is a very competitive market with tight margins, and in which rivals often find it difficult to trust each other.

I am optimistic that when we have the full borrowing powers that every other country enjoys, we will be able to improve our transport system

comprehensively and significantly. In the meantime—

The Deputy Presiding Officer: In the meantime, you must close. [*Laughter.*]

Mike MacKenzie: I am pleased that Government intends to refresh the national transport strategy, which will include freight transport. I must say before I close that I am, as a Highlands and Islands region representative, especially pleased that Transport Scotland—

The Deputy Presiding Officer: I will cut you off.

Mike MacKenzie: —is conducting a review of freight fares across Scotland's ferry network.

16:25

James Dornan (Glasgow Cathcart) (SNP): I start by associating myself with Mike MacKenzie's words of thanks to the clerking team, the witnesses and, of course, the convener, who managed the inquiry exceptionally well.

My speech will have a more local emphasis than the convener's. I will not be talking about the sun, moon and stars; I will be talking much more about urban freight and the issues around the last mile of the journey.

The committee heard from Dr Maja Piecyk about challenges to businesses—for example, failed deliveries that need to be repeated, which increases the number of trips. Furthermore, of course, we know that there are various problems in making inner-city deliveries, including the small window of delivery time, environmental zones and vehicle restrictions in respect of air quality. That was an issue that the committee was keen to investigate further, which is why, on our visit to Holland, Dave Stewart and I went to the Binnenstadservice. I thank Andrew Proudfoot who looked after both of us carefully on that visit—I am sure that he would not want to do that again. The Binnenstadservice is a consolidation centre that is based on the concept that, instead of trying to complete that last mile in a large lorry through busy and sometimes narrow streets, carriers deliver the goods to the Binnenstadservice, which then bundles the goods so that they can be delivered in a more appropriate vehicle and in a more efficient and environmentally friendly way.

It may well be that consolidation centres could be part of the solution to the problems that many of us from urban areas will recognise. I know that Tactran has been considering such an idea and I was encouraged to read in the Government's response that it says that it recognises that consolidation centres could have a part to play, although it says that they work better where they have been developed at local level, in partnership

with the private sector. Interestingly, Mike MacKenzie used the phrase “honest broker”; it might be that the Scottish Government could play that role in facilitation of consolidation centres.

The committee also heard of the success of the night-time deliveries that received special permission to operate during the Commonwealth games in Glasgow. Martin Reid from the Road Haulage Association said:

“The way in which everyone worked together and pulled together during the Commonwealth games meant that, during the entire period of the games, we did not take one negative phone call from a haulier saying that they could not get access, that they were stuck in traffic or that a road was closed. That was because of the joined-up nature of the organisation. Sadly, that was a one-off, rather than the norm.”—[*Official Report, Infrastructure and Capital Investment Committee*, 4 February 2015; c 11.]

Perhaps we should be trying to ensure that that sort of joined-up behaviour becomes the norm.

Chris MacRae from the Freight Transport Association said that such a scheme warrants being looked at more across the other Scottish cities. As trucks are generally quieter now than they were in the past, some objections relating to noise could be overcome. However, he acknowledged that changing zoning regulations may prove to be difficult.

Trials of such work have taken place in other parts of the UK. Justin Kirkhope from the Co-operative Group spoke of its work with local authorities in London to expand the number of hours during which it can deliver to its stores. That followed the relative success of a trial during the London 2012 Olympics. The Co-operative Group believes that the change in timing, which now operates in 66 stores across the capital, has led to more reliable deliveries, reduced traffic congestion and has enabled it to re-use its vehicle fleet, which has led to improved efficiency.

Because Hampden Park played such a crucial role during the Commonwealth games, I can draw on my constituency's experience of night-time deliveries. Before the games, I was inundated with concerns and worries from local shopkeepers. One of their main concerns was the time restrictions on deliveries—in other words, night-time deliveries.

The Deputy Presiding Officer: You need to draw to a close.

James Dornan: After the games, I arranged to have another meeting with the shopkeepers to discuss how they felt about things, and found that the overwhelming response to the night-time deliveries was extremely positive. I am delighted to see that there is a recognition that there might be a role for night-time deliveries, and I hope that the Government will, in its response, take on

board the recommendations that the committee makes.

16:29

Jayne Baxter (Mid Scotland and Fife) (Lab): I live within a few minutes' driving distance of the port of Rosyth, so every day I am aware of the importance of connectivity and freight to that area and the whole of Scotland. The freight work that is done there supports hundreds of jobs in the area, and the recent concerns over DFDS Seaways' Rosyth to Zeebrugge freight service has served to highlight the significance of Fife to the freight industry in Scotland. I hope that we will constantly work to ensure that those jobs are protected and that Scotland has a direct freight connection to mainland Europe.

The new Forth crossing was introduced not just to connect Fife with Edinburgh but to increase the capacity for freight transportation in the area and across Scotland. Road hauliers were pleased to support Fife's campaign for a new bridge because of their increased time and fuel costs arising from being caught in tailbacks at peak times. As long as cars, buses and lorries share the same roads network, we will have to plan for their combined impact on road capacity.

More generally, 196.8 million tonnes of freight were lifted in Scotland in 2010. There is a continued reliance on roads for transporting freight, with just over 70 per cent of freight being transported on roads, compared to 5 to 10 per cent being transported on rail, and there was little improvement in getting freight on to rail between 2000 and 2010. The freight action plan that was published in 2006 by the then Scottish Executive was the last comprehensive freight-dedicated policy to be developed at Scottish Government level.

Derek Mackay: Does Jayne Baxter not accept that, even in the absence of a published policy paper, the Government makes the right interventions? The Rosyth to Zeebrugge ferry is an example of that, as we were opportunistically able to intervene to secure the service, which is good for the economy. That shows that, even in the absence of a published policy, we take action where it is required.

Jayne Baxter: Yes, I agree with that. However, we must turn that willingness to intervene and invest into a strategy. Good things have been done, but we should formalise them in a strategy. Almost a decade on, in the aftermath of a global financial crash, it is vital that the Scottish Government takes a fresh look at creating a new plan for freight.

The report is a detailed one that outlines five core challenges for the future of freight

transportation in Scotland. Those challenges consist in reducing the need for transport by restructuring the supply chain, making a modal shift to rail or water, using vehicle capacity more effectively, driving more fuel-efficiently, and switching to alternative fuels. The report correctly identifies several precise challenges for Scotland's freight industry, including the need for wider road improvement schemes across the country, the need to improve the network to link ports to each other directly, the problem of the current overreliance on narrow local roads, concerns around the recruitment of new HGV drivers, and the question of speed limits on roads, with some people suggesting that speed limits be increased to 50mph.

Another method of transporting freight that the report outlines is rail, which is a method that is best suited to large and bulky freight, but is also more environmentally friendly than transporting freight by road. However, the report highlights that increased use of rail for freight transportation is sabotaged by Scotland's ageing and inadequate rail network. Problems with our rail infrastructure—gaps in rail-termination provision, lack of capacity and lack of electrification—all conspire to limit the amount of freight that is transported by rail. Improving that situation would be of real benefit to Scotland's freight sector and our overall economy. We can also move freight by air, although that is typically reserved for sensitive and expensive cargo. The final mechanism of transporting freight is by sea. As I mentioned, my region is a major contributor to that method of transporting freight in Scotland.

Throughout the report, there is a repeated focus on ensuring that planning is properly executed, and there is an obvious need to formulate a new plan for freight. Working from the remnants of a plan that is nearly a decade old is unsatisfactory. In addition, the problems around road and rail that are detailed in the report apply beyond the freight sector and need to be examined in the round.

16:33

Nigel Don (Angus North and Mearns) (SNP): I am grateful for the opportunity to speak in the debate. I start by reflecting on the contribution that the Scottish Government has made to the port of Montrose in my constituency. This is an opportunity also to thank the outgoing, recently retired chief executive of Montrose Port Authority, John Paterson, who did a huge amount of work to bring the port up to scratch and ensure that it has a future in servicing North Sea renewables operations.

The other major port in the north-east is Aberdeen harbour. Like Montrose, it is close to the railway but not directly linked over most of it. I

wonder whether both those situations should be investigated. There are, of course, roads in the way, but double handling is clearly a bad idea.

Kevin Stewart (Aberdeen Central) (SNP): Mr Don is correct in some regards, but there is a rail connection to Aberdeen harbour—the Cotton Street line. It is underused and is probably not the right line to deal with major freight, but there is a link.

Nigel Don: I do not dispute the member's local knowledge; he has made the case.

I enjoyed Mike MacKenzie's vision of a plumbing and wiring diagram. That is a good way of looking at the connections across Scotland.

When we discuss access to Aberdeen and the north-east, we are really only talking about the Dundee to Aberdeen railway line and the A90, both of which run through my constituency. There are no realistic alternative routes from the south.

On the railway issue, I again press the Scottish Government to look at the fact that there is a single track running just south of Montrose at Usan. Perhaps it should be bypassed; maybe we should have another line up the route of the A90 from Dundee to Laurencekirk via Forfar and Brechin. That will not be done overnight, of course. However, the route up to the north-east and through Aberdeen is not particularly good, and it will not last for ever. At a national level, the report points out the need for a consistent upgrading of the loading gauge across the tracks. We would welcome activity on that.

On the issue of the roads across my constituency, I am delighted that the Aberdeen western peripheral route is under way. For reasons that have nothing to do with this Government, that is long overdue. It will make a huge difference to traffic on the roads going north of Aberdeen, and it will enormously improve the connectivity of that part of the world.

The AWPR simply extends the A90. Therefore, I must return to the issue that my constituents routinely have when crossing the Laurencekirk junction. There is no need to add any more on that—the minister is smiling knowingly. My constituents expect me to press upon the Government the need to do something about the junction, and I do so once more.

I have written to the Government about the idea that we should have a 50mph limit all the way up the A90. The response says that there are no plans to introduce such a limit, but the A90—there are many other roads in the same situation—is a very busy road with a lot of very small junctions, and it is extremely difficult to join it when the traffic, whether freight or ordinary vehicles, is

doing 70mph. That issue needs to be looked at in the round across the country.

Infrastructure costs a lot of money, takes a lot of time and needs a long-term plan. I commend the Government for having that long-term plan, and I look forward to developments in the years ahead. The changes will not be done quickly; we just need to keep at them.

16:37

Alex Johnstone: It has been a consensual debate and one that I hope will take us forward in this difficult process. A couple of things that come from the report are worthy of mention, specifically on the models of the ports that we have in Scotland. As has been mentioned, there was some concern about a lack of investment at Grangemouth. We heard evidence that that is perhaps the result of trying to make equipment last as long as possible.

We have seen other port models achieve positive outcomes in different ways. Nigel Don mentioned John Paterson's work at Montrose Port Authority. It was made clear during the evidence that he had achieved a great deal in managing to gather every bit of European grant money that had been available over the past three years and spending it on the one project to replace a dock in Montrose. Similarly, the ambition that Aberdeen Harbour has shown to progress the proposed major expansion at Nigg makes it an example of a port that under a different model has the ambition to go forward and achieve what it needs to. There is no one-size-fits-all approach for Scotland's ports. If we look, success is to be found in every model.

A number of members have mentioned speed limits. I have commended the Scottish Government for the 50mph limit for heavy goods vehicles travelling on the A9. We have heard initial evidence from a number of operators that that has been a success. I hope that, at time goes by, we will be able to use that experiment to give us statistics that indicate that there is little risk associated with the limit. It is a concern for many people to see HGVs going at higher speeds in built-up areas—we would never wish to see that—but, on longer routes in Scotland, where transport times are important, we need to get vehicles moving more quickly. I hope that the experiment will produce figures.

Mike MacKenzie: Does Alex Johnstone accept that, on some of the west coast roads, such a speed limit would make it virtually impossible to overtake the goods vehicles, which are forced to slow down to 20mph on bends and hills?

Alex Johnstone: Indeed. It is horses for courses, but the experiment on the A9 will give us

vital information. The results and feedback so far seem to be positive.

It would be remiss of me not to support Nigel Don's call for the minister to consider the issues surrounding the junction of the A90 with the A937 at Laurencekirk, where many people whom I know personally play Russian roulette with the traffic daily. However, I would not support any suggestion of introducing a 50mph speed limit the length of the A90. Aberdeen and the north of Aberdeenshire are already a long way from many of their markets and we do not want to make them any further away by unnecessarily reducing the speed of traffic on that road.

Sadly, there have also been one or two suggestions during the debate that we should have some grand, centralised strategy—like a five-year plan—for Scotland's freight industry. That is not necessary. We have good people working in the industry with good intentions who, with a little help and a little direction, can achieve a great deal more. The approach that the minister is taking and that he outlined in his opening speech is an indication that we are doing the right things. We just need to do them sooner and, perhaps, a little more effectively.

16:41

Mary Fee (West Scotland) (Lab): This has been a short but nonetheless important debate. I thank everyone for their speeches and thank my fellow Infrastructure and Capital Investment Committee members and the clerks for an interesting and insightful report.

The inquiry was good to do. All of us on the committee became freight anoraks in our own way. I look at trains and ships in a different way since doing the inquiry, which is a good thing.

Scotland has a thriving freight industry. Its largest port, Grangemouth, handled more than 250,000 20-foot equivalent units in 2013. Freight by sea is flourishing, but further investment is needed, as demand for larger vessels and containers will increase.

Road transport consistently makes up around two thirds of all freight movements in Scotland and therefore plays a key role in our freight industry. Although it is becoming less polluting as a result of innovation in the industry, such as better driving practices and tougher standards on emissions from engines, it is estimated that up to one third of lorry journeys at United Kingdom level run empty. We must do all that we can to minimise the impacts on the environment while striving towards sustainable economic growth.

I welcome the improvements to Scotland's road network, such as the M74 extension, although

more needs to be done to ensure that Scotland remains a competitive player in the freight industry. For example, the Road Haulage Association described the routes to the Cairnryan port via the A75 and A77 as

"inadequate and outdated to cope with current traffic and freight volumes."

Although the majority of Scottish freight travels by road, a number of retail companies, including major supermarkets, are choosing to use rail freight. The modal shift to rail is a key element in helping Scotland to achieve its challenging climate change targets. Network Rail has forecast that Scottish rail freight will grow from the present 14 million tonnes per annum to 26 million tonnes per annum by 2026.

The Freightliner terminal at Coatbridge, which has daily services to deep-sea container ports throughout the UK, is of key importance to Scotland's rail freight sector. However, I was concerned to learn that the cranes that operate there are 45 years old and therefore require to be upgraded to ensure that the terminal remains competitive. I urge the Government to work with Freightliner to help to deliver the necessary investment.

Investment in last-mile infrastructure is another key challenge. The last mile is crucial for access to terminals and for ease of movement between modes of transport. All forms of freight are important for achieving sustainable economic growth, and I hope that the Scottish Government will agree that we must work more closely with the air freight sector to ensure that our infrastructure best meets the industry's needs.

I welcome the investment in our infrastructure networks to support Scotland's thriving freight industry, but a number of areas require attention—for example, improvements are needed at Scotland's primary rail freight terminal in Coatbridge and there needs to be greater engagement with the air freight sector. I hope that the Government will work with us to tackle those issues and that it will, as Jim Eadie requested, introduce a new freight transport policy to invigorate and re-energise our freight industry.

16:45

Derek Mackay: The debate has been characterised by a feeling that we are in roughly the same place and that we are doing the right things but that we simply need to do more of the same more quickly. I share that view. We will do as much as we can to the extent that resources allow. The Government cannot be accused of not putting its money where its mouth is when it comes to infrastructure investment. Our multibillion-pound investment in infrastructure has

been welcomed, and of course we want to do more of the STPR projects as quickly as possible. They are in the STPR for a reason and are supported for a reason, and delivering them will deliver further sustainable economic growth.

The big ask that Jim Eadie and other members have made is whether I will produce a new, revitalised and re-energised freight transport policy. Yes, I will. I will produce such a policy as part of the national transport strategy, which should be complete by Christmas.

I will make a further commitment—this is decision making in real time. If the freight transport policy looks so big and comprehensive that it might dominate the national transport strategy, I will produce it as a separate document. However, my ambition is to have it as part of the national transport strategy, which will capture the Government's economic strategy, the national planning framework 3, the position on Scottish planning policy and our marine plan. It is important to align all our economic and investment strategies so that we can make the recommendations in the committee's report happen.

A new and rejuvenated policy will be produced. It will capture many of the interventions that the Government is already making, which I mentioned to Jayne Baxter. I do not wait for a new policy to be written before I intervene to deliver infrastructure investment that will realise sustainable economic growth. The Rosyth to Zeebrugge service is a good example of our intervening to sustain waterborne freight. That involved private sector leadership. The extension of Aberdeen harbour at Nigg, where the potential exists for a multimillion-pound development to proceed, is another good example of private sector-led development.

There is much to be positive about and more to do to support our economy and the transport of goods. Sarah Boyack is right that, in my previous role, I was heavily involved in work on the national planning framework 3 and the national designations there. There is an action plan on supporting freight and infrastructure enhancement.

There is also the question of port models. We have mixed models, and we have the potential for deepwater ports at Hunterston and Scapa Flow. We can bring together a range of plans to provide the leadership that people seek.

On our investment, we have delivered an agenda and a mantra of on time and on budget, and even—in relation to the Queensferry crossing—under budget. However, I have been disappointed by the failure to spend some grant support, such as that which is available through the freight facilities grant. Sometimes, that has been because of complexity or because of

competition between private sector companies. In some cases, there has been a failure to achieve critical mass. I am happy to play the role of honest broker in encouraging collaboration and greater partnership working.

Sarah Boyack: I very much take that point. The issue was well explored in the committee's report. Given that the money has been identified, it would be a huge missed opportunity not to find ways to get the innovation that we all want in the freight industry.

Derek Mackay: Absolutely. I want to ensure that the funds are as streamlined as possible and can reach their objectives. I give the reassurance that, when we were not able to spend money on the freight facilities grant, I ensured as best I could that the money stayed in the future transport fund and was spent on other future transport objectives that the member would welcome, such as sustainable travel.

The good news is that we are not only on the precipice of big announcements on port infrastructure and private sector port infrastructure spend; I can also say very carefully that we are considering a live freight facilities grant application from a well-known Scottish company, which we hope to make an announcement on soon. I cannot reveal the details yet, because the proposal will be subject to planning conditions and so on, but there will be a big announcement that will be a helpful step forward in respect of the freight facilities grant, which will remain under review.

Mike MacKenzie made helpful points about infrastructure, and a number of members talked about speed limits for road haulage, which are a sensitive matter. On the A9, for example, it was the package of measures, including average-speed cameras, that allowed us to increase the speed limit from 40mph to 50mph for HGVs. I would look at increasing the limit elsewhere only if there was an appropriate package of measures that made doing that safe.

Members will know that, south of the border, the Department for Transport has increased speed limits wholesale, in a blanket way, from 40mph to 50mph. I am not attracted to that proposition, because it is estimated that there will be more fatalities and casualties as a result. I am not willing to take that gamble with Scottish lives in a Scottish context. However, I will learn the lessons from what happens south of the border and look very closely at our findings on the A9.

I heard again the plea for Laurencekirk. I have established a team to take that work forward by way of a funding commitment as a further intervention.

With the report that I have committed to, the investment plan, the constant review and the

energy that we continue to put into infrastructure investment, I hope that we can support freight in Scotland across the modes and deliver modal shift to achieve our objective of sustainable economic growth.

The Deputy Presiding Officer: I call Jim Eadie to wind up the debate on behalf of the committee.

16:52

Jim Eadie: Before I try to summarise the debate, I again thank my fellow committee members, our expert adviser and, of course, the clerking team, whose work in the inquiry was invaluable. The inquiry was a true example of MSPs leaving any political baggage at the door of the committee and properly reflecting on the evidence that we received as a committee.

The report and the debate have demonstrated that, if Scotland makes the right choices and we encourage collaborative working in taking those choices forward, despite our geographical position at the northern tip of Europe a successful freight transport sector can be at the heart of our economy and can also play a significant role in helping to meet our environmental targets. Those themes ran throughout the contributions to the debate.

The minister reiterated the Government's commitment to identifying strategic freight routes in its wider approach to transport infrastructure. I was glad that he acknowledged the committee's call to accelerate projects that have already been identified in the strategic transport projects review. He talked about the importance of continuing to make significant investment in transport infrastructure, including investment in the rail and road networks and projects that can bring about the modal shift that we all wish to see, which can improve transport links and ensure connectivity with international transport routes. I very much look forward to the minister putting his money where his mouth is, to use his words.

The minister reminded us of the importance of the Scottish freight and logistics advisory group—ScotFLAG—in ensuring that the Government engages with the sector and that there is the necessary leadership and strategic direction in taking the issues forward. That, too, was a very welcome contribution from the minister. Many of those issues can also be taken forward through the strategic rail investment fund. That will, of course, be another opportunity for the minister to put his money where his mouth is.

Sarah Boyack spoke of the challenges and the need for innovation and investment, which will be necessary in overcoming those challenges, and she rightly placed an emphasis on the role of a freight transport policy and strategy in bringing

about the transition to a carbon-free economy. That is particularly important as we look at bringing about modal shift from moving freight on road to moving it on the rail network. She also talked about the interrelationship of the national planning framework with our freight strategy—a point that was also well made.

For the first time in this chamber, I agreed with every word of Alex Johnstone's contribution. I look forward to that being repeated in future debates, but perhaps I should not hold my breath. He talked about Cairnryan, and the importance of having appropriate links along the A75 and A77, given its importance in facilitating trade with Northern Ireland. He also talked about the challenges of getting goods on to the quayside, of passing loops and of being able to free up capacity if we are to run longer trains and increase capacity to move freight along those routes.

Mike MacKenzie shared with us his experience of the committee's trip to Falköping in Sweden, and the fact that the rail freight facility had been funded by a Swedish local authority, which could provide an exemplar of good practice for local authorities closer to home to follow. He used a plumbing and heating diagram analogy, which I confess I did not fully understand, despite being the son of a plumber; perhaps that is more of a reflection on me than it is on Mike MacKenzie. However, he made an important point about getting goods to market when he spoke about the need for greater co-operation between operators and about the role of the Scottish Government as an honest broker in facilitating and bringing about that co-operation in a competitive market.

James Dornan, in a contribution that was perhaps not unsurprising, reminded us of the good practice that took place during the Commonwealth games in terms of barriers to urban freight, and of the fact that night-time deliveries during the Commonwealth games did not produce the complaints that might have been expected. He also talked about the contribution that consolidation centres could make in reducing road use—another point that was well made.

Jayne Baxter reminded us of the importance of the Rosyth to Zeebrugge service, not just in terms of passenger numbers but in terms of freight. Nigel Don, not for the first time, mentioned the Laurencekirk junction and I think that he received some of the reassurance that he was seeking from the minister in his summing up.

Mary Fee reminded us of the air freight sector, on which we received less evidence from stakeholders than perhaps we would have wished; it is an important issue nonetheless. She also talked about the need for investment at the Freightliner terminal in sunny Coatbridge, which the committee also visited during its inquiry.

In bringing my remarks to a close, I want to point out that the committee went to some lengths to highlight both the importance of freight transport in Scotland and the role that the Scottish Government, local authorities, transport operators and other stakeholders and users in the sector can all play in supporting and facilitating innovation, growth, efficiency and sustainable operations. That theme has run through the contributions to this afternoon's debate from across the chamber, just as it ran through the evidence that the committee received during our evidence sessions and on the numerous visits that we undertook. All that has informed our work and is reflected in the report that the committee published; the theme was also addressed in the Government's response to the committee's inquiry.

The committee—and, I hope, any successor committee—will continue to closely scrutinise that work. The aim must be to continue to identify, understand and overcome the challenges that face the freight transport industry in Scotland, to ensure that we overcome barriers to moving goods by rail, road, air and sea, and to ensure that Scottish businesses have high-quality links, by all modes of transport, within Scotland and between Scotland and the rest of the United Kingdom and the rest of the world. Scotland has always connected with the world and will continue to do so. The report has been invaluable in pointing the way forward for the Government and the sector.

The Presiding Officer (Tricia Marwick): Thank you for that valiant effort to take us up to 5 o'clock.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are two questions to be put as a result of today's business. The first question is, that motion S4M-14190, in the name of Murdo Fraser, on internationalising Scottish business, be agreed to.

Motion agreed to,

That the Parliament notes the findings of the Economy, Energy and Tourism Committee's 5th Report 2015 (Session 4), *Internationalising Scottish Business* (SP Paper 719).

The Presiding Officer: The next question is, that motion S4M-14193, in the name of Jim Eadie, on freight transport in Scotland, be agreed to.

Motion agreed to,

That the Parliament notes the findings of the Infrastructure and Capital Investment Committee's 6th Report 2015 (Session 4), *Inquiry into freight transport in Scotland* (SP Paper 772).

Meeting closed at 17.00.

Correction

John Swinney has identified an error in his contribution and provided the following correction.

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney):

At column 5, paragraph 6—

Original text—

The task force will meet for the first time on Monday, although preparatory work has been under way to support, in every way we can, the agenda to protect employment at Young's.

Corrected text—

The task force will meet for the first time shortly, although preparatory work has been under way to support, in every way we can, the agenda to protect employment at Young's.

This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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