EU REFERENDUM IMPACT ASSESSMENT

Key Findings
2016

Scottish Tourism Alliance - Leading on Industry Matters
As the industry representative body, the Scottish Tourism Alliance conducted a piece of research to collate evidence from industry on how Brexit is affecting businesses around Scotland.

- Online survey sent to members & industry contacts during July 2016
- 415 responses
Varied mix of business locations

<table>
<thead>
<tr>
<th>Region</th>
<th>Response Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Highlands</td>
<td>23%</td>
</tr>
<tr>
<td>Edinburgh and Lothians</td>
<td>12%</td>
</tr>
<tr>
<td>Argyll &amp; Isles</td>
<td>12%</td>
</tr>
<tr>
<td>Aberdeen City and Shire</td>
<td>8%</td>
</tr>
<tr>
<td>Outer Hebrides</td>
<td>8%</td>
</tr>
<tr>
<td>Perthshire</td>
<td>7%</td>
</tr>
<tr>
<td>Glasgow and Clyde Valley</td>
<td>6%</td>
</tr>
<tr>
<td>Ayrshire and Arran</td>
<td>4%</td>
</tr>
<tr>
<td>Dumfries and Galloway</td>
<td>4%</td>
</tr>
<tr>
<td>Fife</td>
<td>4%</td>
</tr>
<tr>
<td>Stirling and Trossachs</td>
<td>4%</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>4%</td>
</tr>
<tr>
<td>Angus and Dundee</td>
<td>3%</td>
</tr>
<tr>
<td>Orkney</td>
<td>1%</td>
</tr>
<tr>
<td>Shetland</td>
<td>1%</td>
</tr>
</tbody>
</table>
49% said that their business was evenly split between inbound & domestic tourism.

411 Responses
PRIOR TO THE REFERENDUM...

Most businesses up on last year

Up between 0-10% 33%
Up more than 10% 18%
Static 26%
Down between 0-10% 14%
Down more than 10% 8%

411 Responses
PRIOR TO THE REFERENDUM...

46% said forward bookings were up from last year.

- 29% Up between 0-10% on this time last year
- 17% Up more than 10% on this time last year
- 37% Same as this time last year
- 13% Down between 0-10% on this time last year
- 4% Down more than 10% on this time last year
Majority of business have had no cancellations since the Referendum

“Slightly more than in a normal year, half from Germany.”

“The cancellations received since the Referendum were probably triggered before the 23rd June, but did not translate through to the business until a later date. They are not necessarily attributable to the Referendum.”

- Yes - a worrying number of them: 2%
- Yes - a few, but not enough to cause any real impact: 10%
- No: 88%

405 Responses
SINCE THE REFERENDUM, FORWARD BOOKINGS HAVE...

- Remained the same: 58%
- Increased by 0-10%: 18%
- Increased by more than 10%: 10%
- Decreased by 0-10%: 11%
- Decreased by more than 10%: 2%

397 Responses
Businesses feeling confident for the next 12 months.

<table>
<thead>
<tr>
<th>Highly Confident</th>
<th>Somewhat Confident</th>
<th>Neutral</th>
<th>Somewhat Unconfident</th>
<th>Highly Unconfident</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>30%</td>
<td>22%</td>
<td>18%</td>
<td>3%</td>
</tr>
</tbody>
</table>

410 Responses
Investment remains the same.

67% said investment levels will remain the same.

15% plan to put investment on hold

18% planning to increase investment

397 Responses
AS A RESULT OF THE REFERENDUM...

44% expect costs to increase
1) The vast majority of responses related to taking advantage of the exchange rate and that this will make it cheaper for overseas visitors to come to Scotland and UK visitors more inclined to stay in UK.

2) Opportunity to remove business and wider economic red tape and bureaucracy (cut VAT), improve efficiency, open up new trade options etc.

3) Opportunity to raise Scotland’s profile (as a pro-EU destination) and UK’s ‘safe reputation’ etc.
CONCERNS

Uncertainty was the key word.

1) A second Independence Referendum

2) Threat to Reputation as Destination (Scotland or UK)

3) General UK economic concerns

674 Responses
ENSURING TOURISM REMAINS COMPETITIVE

- Free Movement
- Costs of Doing Business
- Reputation & Profile of Scotland
- Changing Regulations

Scottish Tourism Alliance - Leading on Industry Matters
www.scottishtourismalliance.co.uk