

Over the last 12 months we have made significant progress and there is now real evidence that tourism in Scotland has turned the corner. Our industry is more resilient and customer centred than ever before. We have a common vision of Scotland as a must-visit, must-return destination for the future.

Results are reflecting this. Total visitor expenditure grew by 8% in 2002. This was in a flat economy with a world still reeling from the aftermath of 11 September. By way of comparison, the UK average increase was 3%. The outlook also looks positive with UK visitor spend in Scotland up 15% in the first three months of 2003 compared to the overall British average of 5%.

Of course the international environment remains challenging and we are operating in one of the most competitive industries in the world. But there are many reasons why I am confident that we can sustain the turnaround. Not least is the universal recognition that we have a superb product.

VisitScotland has played a key part in this recent progress.

This time last year I mentioned four key tasks that we had to undertake if we were to help Scottish tourism move on from 2001. We needed to:

- review our marketing approach
- improve the effectiveness of the organisation
- drive forward the e-business dimension of tourism
- deliver a clear strategy for our industry.

I am pleased to report significant progress in all four areas over the last 12 months.

Selling the experience

Our investment in research is paying off. The repositioned and re-energised national brand is making a powerful impact in the marketplace as people respond to the sheer variety that Scotland has to offer. Today we sell the experience rather than the place – a week's golfing in the home of golf, for example, or a break in one of our fantastic cities.

The 'Senses' campaign portraying our brand has been backed by very focused and effective promotions both at home and overseas. These have linked to tightly defined market segments and better than ever direct access routes into the country. I would like to pay tribute to the efforts of all staff at VisitScotland who have been committed to selling the brand and the renewed interest in Scotland is a credit to all involved.

And we are getting better at integrating high profile international events like festivals and sporting championships into the tourism calendar. We have now set up a joint venture with the Scottish Executive, EventScotland, to do this even more effectively in future.



However, no amount of selling can work without delivery on the ground and we recognise the industry has worked equally hard to deliver what we promise in our marketing by meeting visitors' expectations when they are here.

Revitalising the organisation

VisitScotland has undergone a transformation. We are now a more dynamic, focused and efficient organisation. We have a clear vision of how we want tourism in Scotland to develop and resources in place to make it happen. We are working closely with Government, other public sector agencies and the Area Tourist Boards to make sure it does.

In such a turbulent time, keeping the industry fully informed has been a challenge. We are committed to improving on this and to developing stronger partnerships with businesses. The last year has seen quite a leap forward in new and imaginative joint initiatives, not only with hotels and accommodation providers but also with rail, air and ferry operators, with newspapers, with museums and visitor attractions and with food and drink manufacturers. However we recognise the need to go even further, particularly in engaging smaller accommodation providers.

Connecting the industry

People today increasingly expect to be able to plan and book their holidays quickly and easily. Now, with our unique new national tourism information and booking service, visitscotland.com, potential visitors anywhere in the world have access to a wide selection of the best Scotland has to offer.

visitscotland.com is a ground-breaking venture that will deliver a one-stop-shop for enquiries and bookings via telephone, e-mail, fax and letter. From a standing

start, the Livingston centre handled 200,000 enquiries in its first seven months to March 2003 and took bookings worth over £1.5 million. We are working with industry to address a number of concerns that have been raised following the launch of the new website, but we remain confident that this venture will deliver value to customers, shareholders and the industry over time.

We are also addressing the need to make business information available throughout the industry. People involved in tourism are using in growing numbers our industry website scotexchange.net for information about market research, product development, quality assurance and training. It is all part of our drive to keep the quality of the visitor's experience uppermost in everyone's mind.

Looking to the future

In one of the most competitive businesses in the world we have to run to stand still. We are ambitious for this industry and believe there is a lot more we can all achieve. Together with industry and Government we are mapping a course to harness the potential for even greater achievement.

Today, ours is a £4 billion industry which employs 200,000 people. It contributes to sustainable development and supports the social fabric of fragile and remote areas. As such, it is everyone in Scotland's business. So long as the whole community grasps this message and takes on board a real sense of ownership, I am confident that tourism has the potential to deliver a great deal more for our country.