

Festive cheer for Edinburgh businesses

Figures released show that more people stayed in hotels and patronised retail and leisure businesses in Edinburgh over Christmas and Hogmanay.

The Business Improvement District, Essential Edinburgh, and Edinburgh Hotels Association have both agreed their satisfaction with the numbers, although trading figures for city centre businesses have not yet been released. In December footfall on Princes Street increased by just under 10% on December 2019 statistics and by 15.4% on 2022 traffic. In all the footfall on Rose Street increased by 10.2% over the whole month of December compared to 2022 and on Princes Street by 1.1%. This was well ahead of the Scottish high street index which was down by -2.1%.

In Edinburgh hotels occupancy rates were recorded of up to 92.5%, confirming the city's reputation as a Christmas and New Year destination.



Hogmanay fireworks © 2023 Martin McAdam

Roddy Smith, Chief Executive of Essential Edinburgh who run the city centre business improvement district, said: “The figures show the positive impact of year-round tourism for the city and the important contribution to our economic wellbeing that tourism makes. We continue to play it down at our peril and we over-tax it at our peril. It is so important to the city we need to invest in tourism and support it heavily, including shouting from the rooftops about how important it is to us. And we need our local and national governments to do the same and mean it.”

“Yes, we have new openings and are gathering good footfall but overheads have been and still are increasing a lot and we know from the sector profits are certainly not going up – you only need to look at the number of business closures across the UK in these sectors. Government at all levels needs to understand the need to support these sectors who are huge employers in the city and generate vast tax revenues for the Government, essential to funding our public services.”

“It is perplexing that so many politicians talk about the need for economic growth but are then pretty silent on the potential of growing tourism, something which is already a massively important contributor to our economic wellbeing.”

It is the retail, hospitality and tourism sectors which were among the worst hit during the pandemic, with other factors including Brexit, energy costs, high inflation and labour shortages also cited as challenges.

Neil Ellis, Chair of Edinburgh Hotels Association, said the sector was happy with the room rate over the three evenings of Hogmanay, particularly the high of 92.5% on New Year’s Eve which was an increase on the previous year of almost 20%, despite the opening of additional hotels.

He said much of this was expected because of the increased capacity for the Street Party and the wider access created by the programme. “Edinburgh continues to attract visitors, all year round from all over the world. This is only achieved via a huge team effort and of course continued product development in our fantastic array of hotels, bars, restaurants, attractions, museums and retail.”

“We are trying to remain optimistic about the future but the recent Scottish Government Budget has done nothing to help hospitality businesses with many disappointed at the lack of support. There are still huge cost pressures with still relatively high general inflation, food inflation stubbornly higher than that and the increase in the Living Wage in April which will result in an untenable position for some. This is on top of additional regulation around calorie labelling, proposed restrictions on alcohol advertising and the rearing up again of the deposit return scheme.”

