

GERS figures published today

Scotland's net fiscal balance has improved for the third year in a row, according to statistics announced today by Scotland's Chief Statistician.

Net Fiscal Balance 2018-19

This is the difference between total revenue and total public sector expenditure including capital investment. The net fiscal balance:

- Including an illustrative geographic share of North Sea revenue, was a deficit of £12.6 billion (7.0% of GDP).
- Excluding North Sea revenue, was a deficit of £14.1 billion (8.5% of GDP).
- For the UK, was a deficit of £23.5 billion (1.1% of GDP).

Current Budget Balance 2018-19

This is the difference between total revenue and current expenditure only (i.e. excluding capital investment). The current budget balance:

- Including an illustrative geographic share of North Sea revenue, was a deficit of £7.9 billion (4.4% of GDP).
- Excluding North Sea revenue, was a deficit of £9.4 billion (5.7% of GDP).
- For the UK, was a surplus of £18.1 billion (0.8 per cent of GDP).

Total Public Sector Revenue 2018-19

- Including an illustrative geographic share of North Sea revenue, Scottish public sector revenue was estimated as

£62.7 billion (8.0 per cent of UK revenue). Of this, £1.4 billion was North Sea revenue. Scottish non-North Sea revenue was £61.3 billion (7.8% of UK revenue).

- Non-North Sea revenue increased from £58.3 billion in 2017-18, an increase of 5.1%.
- Scotland's illustrative geographical share of North Sea revenue was £1.4 billion in 2018-19, broadly the same level as 2017-18.
- Including an illustrative geographical share of North Sea revenue, Scotland's public sector revenue is equivalent to £11,531 per person, £307 less than the UK average. Excluding North Sea revenue, it is £11,268 per person, £552 less than the UK average.

Total Public Sector Expenditure 2018-19

- Total expenditure for the benefit of Scotland by the Scottish Government, UK Government, and all other parts of the public sector was £75.3 billion, an increase of 2.4%. This is equivalent to 9.3% of total UK public sector expenditure, and £13,854 per person, which is £1,661 per person greater than the UK average.

The full statistical publication is available at <http://www.gov.scot/gers>. The publication of the figures has attracted a deal of comment from political leaders across the spectrum

Scottish Labour leader Richard Leonard said: "These figures underline the importance to Scotland's vital public services like our NHS of remaining part of the UK.

"A stand-alone Scotland would have one of the biggest fiscal deficits in the developed world, and the SNP's shock treatment plan to close it is by dumping the pound and imposing unprecedented levels of austerity.

"It's time for Nicola Sturgeon to admit that her independence plans would mean unprecedented cuts for Scotland's schools and

hospitals.

“Only Labour in government will end austerity and invest in our communities to grow the economy and build our lifeline public services.”

Scottish Liberal Democrats leader Willie Rennie, who is in Shetland to support candidate Beatrice Wishart, said: “Five years ago, the vast majority of people in Shetland voted to avoid this eye-watering deficit by rejecting the SNP’s independence campaign.

“The First Minister has come to Shetland today to try to win another SNP member to vote in favour of her independence plans at Holyrood next month, against the wishes of islanders.

“People in Shetland joined two million across Scotland in 2014 who said No to the economic chaos of the SNP. Next week by supporting Beatrice Wishart they can have a strong voice for Shetland and help dodge the division and chaos of another SNP independence referendum.”

Shadow finance secretary Murdo Fraser said the figures provided one of the strongest arguments yet that the SNP’s ongoing bid for independence should be taken off the table for good.

Mr Fraser said: “We can have much higher spending in Scotland on public services thanks only to fiscal transfers from the rest of the UK, now worth £2000 for every man, woman and child in Scotland.

“These figures make it clear – had we followed Alex Salmond and Nicola Sturgeon’s advice in 2014 and backed independence – Scotland would now be facing up to an unprecedented financial black hole.

“Thanks to this union dividend, we continue to dodge the SNP bullet.

“What is remarkable is that, despite today’s clear evidence of the cost of independence, Nicola Sturgeon is still demanding we re-run the independence referendum as early as next year.

“Not only is she unable to spell out how she’d close the gap between spending and tax revenue, she can’t even tell us which currency we would use.

“These figures show once again that the SNP’s independence obsession isn’t standing up for Scotland – it would wreck Scotland.

“It’s time to take indyref2 off the table, and back a Scottish Conservative plan to get back to the things that matter – growing our economy, delivering high-quality public services, and keeping the UK together.”

Struan Stevenson, Chief Executive of Scottish Business UK said : “Year after year the GERS figures provide a reality check on the financial case for Scottish independence while underlining the continued value of the Union dividend that sustains the health of our economy. If she really plans to hold another referendum in the near future, the First Minister must explain how she hopes to tackle a vast net fiscal deficit after independence without resorting either to huge tax rises or commensurate public spending cuts in year one. Having read the proposals of her much-vaunted Growth Commission last year, we suspect she simply can’t and won’t bother to try.

“And while we note and welcome the continued positive performance in the public finances, thanks in part to increased North Sea activity, it’s too little too late to provide the kind of consistent boon to revenues that supporters of independence will have hoped for.

“Before we hear any more talk of timetables for a second independence referendum with Brexit as a flimsy pretext, Scottish businesses are owed a full and convincing explanation of how adding future chaos to the present confusion can be

anything more than a political gamble that our economy can't afford the First Minister to make."