

Alister Jack comments on GERS 2018-19

Commenting on the Scottish Government's GERS figures for 2018-19, Scottish Secretary Alister Jack said:

Today's GERS figures show clearly how Scotland benefits from being part of a strong UK with every man, woman and child in Scotland receiving a 'Union dividend' of nearly £2,000 a year.

These Scottish Government figures also show there would be a £12.6 billion black hole at the centre of an independent Scotland's finances. Real questions need to be asked about the First Minister's stewardship of the country's economy.

With Scotland's deficit now more than six times greater than the UK average, the Scottish Government needs to take action.

Scotland remains the highest taxed part of the UK. This is harming our economy and should be a huge concern to us all.

The UK Government is investing in Scotland to deliver jobs, opportunities and sustainable growth, including £1.4 billion for city and growth deals. We are working hard to support businesses and bring further opportunities as we leave the EU on 31 October.

1. Using the Scottish Government's own data, public spending in Scotland was nearly £1,661 per head higher than that of the UK average. In other words, in 2018-19 it was 13.6% higher than the UK average. Over the last five years, this gap has been on an upward trend from £1,182 or 10.2% in 2014-15 and £1,661 or 13.6% in the latest full financial year.
2. Scotland's tax contributions, at £11,531, continue to be around £307 per head less than the UK average, at £11,838.
3. Scotland's deficit [or borrowing] was nearly £1,968 per person larger than the UK average in 2018-19.
4. Scotland contributed 8.0% of UK tax and received 9.3% of UK spending in 2018-19 (Scotland's population share was 8.2% in 2018-19), demonstrating how Scotland receives secure and stable levels of spending irrespective of the volatile tax revenues from the North Sea.
5. Whilst Scotland's share of UK total revenue has marginally increased over the last year, it is generally on a downward trend. Since its peak at 9.7% in 2008-09, Scotland's contribution to UK revenues has been on a downward trend in subsequent years and is currently at 8.0% of the UK total. This is

marginally up from 7.9% the year before.

6. Total North Sea revenues fell slightly from £1.30 billion in 2017-18 to £1.24 billion in 2018/19. This is up from a low of minus £85 million in 2015-16 and down from a peak in 2008-09 of £10.6 billion.
7. Scotland's net fiscal balance as a share of GDP was -7.0%, compared to -1.1% for the UK overall. This decreased from -8.1% in 2017-18, compared to the UK overall, which came down from -2.0%. In absolute terms, Scotland's deficit was £12.6 billion in 2018-19, down from £13.8 billion in 2017-18 (incl. North Sea revenues).
8. While Scotland's overall fiscal position improved in 2018-19, Scotland's deficit as a share of its economy is over 6 times higher than that of the UK.