News story: UK Government reaction to GERS

Reacting to the Scottish Government's GERS figures, published today,

Scottish Secretary David Mundell said:

> These figures from the Scottish Government are a cause for concern, and show clearly there is still much to be done to improve Scotland's economy.
>
> They also highlight the value of pooling and sharing resources around the UK. Being part of a strong UK has protected our living standards, and that's one reason the people of Scotland clearly rejected Nicola Sturgeon's plan for a second independence referendum at the election.
>
> Scotland's deficit is falling at a slower rate than the UK as a whole and economic growth is lagging behind. It is vital we grow the economy and we want to work with the Scottish Government to achieve that.
>
> We will continue to invest in Scotland, with new initiatives such as UK City Deals, which have already seen around £1 billon of UK Government money committed to Scotland. I would also urge the Scottish Government to use their significant economic levers – including on tax, skills and getting people into work – to improve Scotland's economic future.

Key facts

At -8.3% of GDP (£13.3 billion), Scotland's deficit is more than three times higher than that of the UK as a whole (-2.4%).

Public spending per person in Scotland is more than £13,000, compared with £11,739 for the whole of the UK. Since 2012-13, public spending per person in Scotland has been significantly higher than the UK average.

Scotland's borrowing per person is £2453, more than £1700 higher than the rest of the UK (£704 per person).

Scotland contributed 8% of UK tax and received 9.2% of UK spending in 2016-17.

Scotland's currently devolved tax revenues are up. This includes £4.6 billion from the Scottish Rate of Income Tax (SRIT), and raised a total of £10bn in 2016-17.

Scotland's geographical share of North Sea revenues increased from £56m last year to £208m in 2016/17. [NB: UK-wide revenues were £84m in 2016/17. The reason for this discrepancy is due to the allocation of tax relief on petroleum relief tax-paying fields, 40% of which are based in English waters).

Non-North Sea revenue in Scotland grew by 6.1% in 2016-17, similar to that for the UK as a whole at 6.2%. This relatively strong growth is driven by increased national insurance contributions and corporation tax revenue.