

Scottish Secretary responds to Scottish GDP

The latest Scottish GDP figures have been published this morning for [June 2022](#) and [Q2 2022](#).

Responding to the statistics, Scottish Secretary Alister Jack said:

We are facing unprecedented global challenges, but our economy showed huge resilience emerging from the pandemic and I feel sure we will come through these uncertain times too.

Supporting families and businesses is our priority. A quarter of all UK households will receive £1200 of direct help as part of our £37 billion package to assist the most vulnerable, with the first cost of living payments already paid out to over seven million people.

Our steps to support businesses include slashing fuel duty, reducing employer National Insurance and freezing alcohol duty which helps pubs and our hospitality industry. All this is in addition to the Scottish Government receiving a record £41 billion per year settlement for the next three years.

Background:

The extra bank holiday for the Queen's Platinum Jubilee in June had a one-off effect in reducing economic activity that month. When we've had similar Jubilee bank holidays in the past, we have seen falls in GDP within that month but have then seen a 'bounce back' in the following month.

We have taken action to help households with £37 billion worth of support, which includes targeted support to help people through the difficult winter ahead phased throughout the year.

As well as direct cost of living payments, there has also been a record fuel duty cut. The National Insurance cut is worth up to £330 a year for the typical employee and changing the Universal Credit taper rate saves a typical low-income working household £1,000 per year in tax. In April, we raised the minimum wage to £9.50 – meaning a pay rise of £1,000 a year for a full-time worker.

The Scottish Government has been provided with an extra £82 million to help vulnerable families at their discretion. This is in addition to the significant income tax and welfare powers they already have.

According to the Quarterly estimate (April to June), Scotland's GDP remained unchanged (0.0% growth) in real terms during the second quarter of 2022 and is still 0.1% below pre-pandemic levels (2019 Q4). Over the same period, GDP in the UK as a whole fell by 0.1% and is now 0.6% above pre-pandemic levels.

Scotland's onshore GDP is estimated to have fallen by 0.8% in June, after growing by 0.6% in May, and is now 0.4% above the pre-pandemic level in February 2020.