Expert report - uncertainty over independence putting North Sea jobs and investment at risk

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- Expert report uncertainty over independence putting North Sea jobs and investment at risk

18 Mar 2017

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Uncertainty over Scottish independence is putting jobs and investment in the North Sea at risk, a new report from a respected energy consultancy has said today.

Edinburgh-based analysts Wood Mackenzie (WoodMac) have said that Nicola Sturgeon's fresh drive for separation could deter investors from committing to new projects.

The report states that prospects for the future tax take are being overshadowed by questions about who will subsidise decommissioning liabilities.

While WoodMac points to 11billion barrels of oil equivalent (boe) lying in Scottish waters, there is also an obligation to break-up the majority of fields, equating to 80% of the total UK decommissioning bill.

The report adds: "Critically, political uncertainty could deter investors from committing to new projects. With new investment and jobs at risk, and the complicating factors of boundaries and decommissioning tax relief, much is at stake."

Scottish Conservative Energy spokesman Alexander Burnett said:

"It is clear from this report that the currently fragile recovery we are seeing in the North Sea could be put at risk by Nicola Sturgeon's reckless and irresponsible drive for independence.

"Wood Mackenzie have correctly pointed out that the uncertainty caused by the looming threat of a repeat vote on separation could deter crucial investment in the sector.

"The SNP spent part of yesterday's conference in Aberdeen bemoaning the apparent lack of support from the UK Government, which has delivered £2.3billion in tax breaks in the last three years.

"Far from supporting the industry, the SNP's obsession with independence

could cost jobs, reduce investment and cause huge confusion for the decommissioning market.

"Nicola Sturgeon does not have public support for a referendum, and she is now being warned that it will be damaging for the economy. She should drop these plans immediately."

<u>Ruth: Sturgeon's referendum should not</u> <u>take place</u>

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- Ruth: Sturgeon's referendum should not take place

16 Mar 2017

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Scotland does not want to go back to the "division and uncertainty" of another referendum, Nicola Sturgeon was told today.

At First Minister's Questions, Scottish Conservative leader Ruth Davidson said the party would reject the proposals set out by the SNP on Monday.

Scottish Conservative leader Ruth Davidson said:

"The Scottish Conservatives reject the proposals set out by the First Minister on Monday.

"A referendum cannot happen when the people of Scotland have not been given the opportunity to see how our new relationship with the European Union is working.

"And it should not take place when there is no clear political or public consent for it to happen.

"Our country does not want to go back to the divisions and uncertainty of the last few years.

"Another referendum campaign will not solve the challenges this country will face.

"We don't want it. We don't need it."

<u>Grounds for indyref2 have 'collapsed'</u>

15 Mar 2017

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The Scottish Conservatives have said the justification for a second referendum on independence has "collapsed" following SNP admissions it has dumped plans for immediate EU membership.

In reports today, SNP sources confirmed that an independent Scotland would no longer seek to apply to become a member of EU after a vote for separation.

This is despite the fact that Nicola Sturgeon has used the decision to leave the European Union as a reason for holding another divisive referendum on independence — and has consistently said her plan is to apply for EU membership.

It comes as new polls today reveal that support for independence has fallen.

The same poll shows that only 35 per cent of people want the SNP to spend the next two years diverting attention away from the day job and on another referendum campaign.

Scottish Conservative leader Ruth Davidson said:

"Nicola Sturgeon's grounds for a referendum have simply given way beneath her.

"We are told an immediate referendum campaign is necessary because we are leaving the European Union.

"Yet the SNP is u-turning on immediate EU membership and saying Scotland wouldn't seek to become a member.

"If European Union membership is the reason for a referendum, what is the point of holding one if the plan isn't go back in?

"Nicola Sturgeon's reckless referendum plan has collapsed under the weight of its own contradictions.

"As even the SNP acknowledges, the UK union is by far Scotland's most important market place and partner.

"Independence would wreck that union. It is time for the SNP to stop the games, and get back to the day job it has ignored for the last 10 years."

It was reported today that the SNP no longer wants to immediately reapply for EU membership in the event of independence: http://www.telegraph.co.uk/news/2017/03/15/nicola-sturgeon-abandons-bid-remain-eu-poll-shows-record-level/

<u>Swinney claims North Sea oil was</u> <u>merely an independence 'bonus'</u>

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- Swinney claims North Sea oil was merely an independence 'bonus'

9 Mar 2017

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Oil was never the basis for the Scottish economy, but merely a bonus, the Deputy First Minister claimed today.

The admission exposes a split at the top of the SNP in the same week its top financial adviser Andrew Wilson said the complete opposite, and that the nationalists had depended on oil revenues for their financial projections.

Today at First Minister's Questions, Scottish Conservative leader Ruth Davidson challenged Mr Swinney — who was standing in for Nicola Sturgeon — on the contradiction.

However, he refused to explain the differences in opinion, and also dodged the issue of a fresh SNP drive for separation.

It was reported this morning that Nicola Sturgeon regards the autumn of 2018 as the "common sense" time for a referendum re-run.

This is despite repeated polls showing people don't want it, and little movement in polls Ms Sturgeon said would need to shift significantly before she called another referendum.

Scottish Conservative leader Ruth Davidson said:

"It may have been a new face in the First Minister's seat, but the bluster was the same as ever.

"We now have a very stark contradiction at the heart of the SNP.

"Its chief financial adviser says oil was the basis on which a separate Scotland would have been built.

"But the Deputy First Minister says it was merely planned as a bonus.

"They can't both be right, and this contradiction exposes that the entire economic prospectus on which the SNP based its case for independence was bogus.

"Nicola Sturgeon thinks it's 'common sense' to have another divisive and unwanted referendum next year.

"But most Scots don't want to go back to that division and uncertainty, and most think this irresponsible talk will only damage Scotland's economy further.

"That's the kind of common sense the SNP should be deploying."

SNP strategy chief Andrew Wilson said oil was in fact the "basis" for his party's independence plans in 2014. This is despite John Swinney previously saying it wasn't the basis, but "a bonus": http://www.scottishconservatives.com/2017/03/never-mind-indyref2-snp-must-own -up-to-the-lies-of-indyref1/

Nicola Sturgeon said today 2018 would be the "common sense" time for another referendum: http://www.telegraph.co.uk/news/2017/03/09/nicola-sturgeon-autumn-2018-common -sense-time-second-independence/

<u>OBR figures show SNP oil assertions</u> were "a tissue of lies"

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- OBR figures show SNP oil assertions were "a tissue of lies"

8 Mar 2017

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The OBR has today cut its forecast for oil and gas receipts in its latest publication today.

Prior to the 2014 independence referendum, the SNP claimed it would receive revenues of up to £11.8 billion in 2017-18.

The OBR today estimates actual revenues for that year at £0.9 billion.

Estimated revenues for all the next four years have been revised down since the OBR's last report in November.

Scottish Conservative finance spokesman Murdo Fraser said:

"These are troubling figures which only serve to reinforce the current fragility of Scotland's oil and gas sector — and shows why the support announced by the UK Government today is so necessary.

"It also throws the SNP's deception on oil prior to the independence referendum into stark relief.

"The SNP knew their oil forecasts were based on fantasy figures but they tried to fool people anyway. Their oil con has now been exposed for the tissue of lies it was.

"The head of Nicola Sturgeon's Growth Commission, Andrew Wilson, has admitted this week that oil receipts were part of their spending plans, and not a bonus.

"Nicola Sturgeon and John Swinney have gone into hiding over this scandal.

"They must now admit they were wrong, and spell out how they would fill Scotland's £15bn deficit in the event we voted for independence."

http://cdn.budgetresponsibility.org.uk/March2017EF0-231.pdf