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Joan McAlpine MSP  
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Scottish Parliament  
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15 January 2018

Dear Joan

**Scotland's Place in Europe: People, Jobs and Investment.**

As we begin 2018, it remains unclear what the UK's future relationship with the EU will look like. The people of Scotland voted decisively to remain within the European Union, and it is the role of the Scottish Government to make sure that their interests are protected.

In light of the UK Government's intention for the UK to not only leave the EU, but also the Single Market and the Customs Union, the Scottish Government has produced a paper entitled "*Scotland's Place in Europe: People, Jobs and Investment*". It can be found at the following link [www.gov.scot/scotlandineuropepeoplejobsinvestment](http://www.gov.scot/scotlandineuropepeoplejobsinvestment).

This paper presents the latest analysis by the Scottish Government of the implications for Scotland's economy if the UK exits the European Single Market and Customs Union. The Scottish Government remains concerned that the decision was made without the full consideration of the economic impact. This paper provides not only evidence that Brexit will significantly weaken our economy and result in slower economic growth and lower incomes than otherwise, but also that a UK outside the European Single Market and Customs Union will have the most damaging consequences for Scotland.

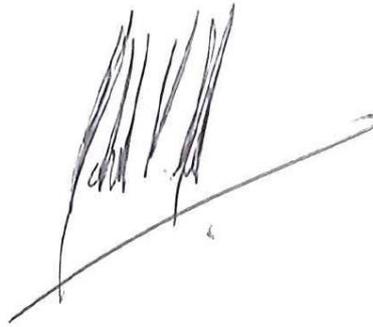
Our preference continues to be that Scotland should remain in the EU. However should the UK Government continue to pursue its policy of taking the UK out of the EU, the Scottish Government is clear that the UK as a whole should remain a full member of the Single Market, through the European Economic Area, as well as the EU Customs Union.

This paper sets out the benefits of the Single Market and provides evidence that it has already delivered as it has provided the UK with the ability to trade freely with the world's largest integrated market without tariffs, regulatory barriers or time consuming customs procedures. This paper also demonstrates the wider social and environmental benefits of the Single Market, as well as the benefits of the free movement of people, which the EU has made clear is a requisite of membership of the Single Market. The free movement of people within the EU has been critical to Scotland's economic and social development, and is a

hugely positive addition to our country. It has also allowed Scottish people to travel across the EU to study, to work and to settle.

The Scottish Government continues to oppose the UK's departure from the EU. However, since the referendum of 23 June 2016 we have been engaged and proactive partners in trying to work with the UK Government to protect the interests and democratic will of the people of Scotland, while respecting the outcome of the referendum in other parts of the UK. I look forward to working together to recognise the merits in the arguments this paper presents.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Michael Russell', written over a long, sweeping horizontal line that extends across the width of the signature.

**MICHAEL RUSSELL**