



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament

**Tuesday 20 September 2016**

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# Scottish Parliament

*Tuesday 20 September 2016*

*[The Presiding Officer opened the meeting at 14:00]*

## Time for Reflection

**The Presiding Officer (Ken Macintosh):** Good afternoon. The first item of business is time for reflection, for which our leader is Douglas Yates of the Church of Jesus Christ of Latter-day Saints and Interfaith Scotland.

**Douglas Yates (Interfaith Co-ordinator, Church of Jesus Christ of Latter-day Saints and Interfaith Scotland):**

“For I was an hungred, and ye gave me meat: I was thirsty, and ye gave me drink: I was a stranger, and ye took me in:

Naked, and ye clothed me”.

“Verily I say unto you, Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me.”

The Saviour knew what it was and what it felt like to be a refugee—he was one. As a child, Jesus’s family fled to Egypt to escape the murderous King Herod. At various points in his ministry, Jesus found himself threatened and his life placed in danger. Ultimately he would lay down his life for each one of us. Perhaps, then, it is all the more remarkable that he repeatedly taught us to love one another and to love our neighbour. Truly,

“Pure religion and undefiled before God and the Father is this, To visit the fatherless and widows in their affliction”

and to

“look to the poor and the needy, and administer to their relief that they shall not suffer”.

There are highly charged arguments in Government and across society regarding what should be done to assist refugees. My remarks today are not intended in any way to form part of that discussion, but rather to invite us to focus on the people who have been driven from their homes and their countries.

In “The Book of Mormon” we read of the people of Alma who,

“in their prosperous circumstances, they did not send away any who were naked, or that were hungry, or that were athirst, or that were sick, or that had not been nourished ... therefore they were liberal to all, both old and young, both bond and free, both male and female, whether out of the church or in the church, having no respect to persons as to those who stood in need.”

Being a refugee might be a defining moment in the lives of those who are refugees, but being a

refugee does not define them. Some of them will go on to be teachers, musicians, or engineers. Indeed, many of them were these things before they left their countries and lost everything. This moment does not define them, but our response to them will define us.

“Verily I say unto you, Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me.”

In the name of Jesus Christ, amen.

## Topical Question Time

14:03

### Teaching Practice Placements (University of Strathclyde)

#### 1. Monica Lennon (Central Scotland) (Lab):

To ask the Scottish Government whether it will provide an update on the teaching practice placements for teacher training students at the University of Strathclyde, which were due to have started on 19 September. (S5T-00070)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** Earlier today, 100 University of Strathclyde students were yet to have their placements confirmed. Student teacher placements are arranged using the student placement system, which enables the matching of student teachers to school places throughout Scotland. The General Teaching Council for Scotland hosts the student placement system, but the system is entirely reliant on universities providing good information about students and local authorities providing adequate places for students in schools for successful matches to be made.

Supporting student teachers is a fundamental professional responsibility of local authorities, schools and experienced teachers. I expect all schools to be willing to offer placements to students. It is vital that there is co-operation between the General Teaching Council, universities, local authorities and schools to ensure that sufficient places are secured. I have discussed the matter with the chief executive of the GTC and he has assured me that everything possible is being done to secure placements for the students concerned as quickly as possible. My officials have discussed the issue with the GTC, the University of Strathclyde and the Association of Directors of Education in Scotland, and are continuing to work with those bodies to deliver an early solution to the problem.

**Monica Lennon:** It emerged this morning from a report in *The Herald* that more than 110 students at universities across Scotland, not just the University of Strathclyde, were unable to begin school placements yesterday, and dozens of those students locked out of the classroom have been in touch with me for assistance. I have dozens of emails. One of the students wrote:

"I have not been able to get a confirmed school ... I am now sitting in my University library feeling that Scotland hates its new teachers, and that talent and potential is being wasted."

Those are emotional words. What assurances can the minister give to reassure the students currently without a placement that they will very soon be allocated one that will allow them to fulfil their training requirements? Can a deadline be given for that action?

**John Swinney:** The first thing that I want to say is that I understand entirely the frustration of the young people who are affected in that way and I find it wholly and utterly unacceptable that this situation has arisen. Monica Lennon will understand, as I explained in my first answer, that the system is reliant entirely on universities providing good information about students and local authorities providing adequate numbers of places for students in schools. They therefore have the responsibility to ensure that the system works adequately and effectively, which means that sufficient placements should be identified within schools, and universities should be able to identify the correct information on individual candidates in order to secure a resolution.

What I can assure Monica Lennon is that a substantial number of placements have already been arranged. There are 6,526 students in the cohort currently seeking placements and the data that I have available to me shows that 128 students require to be placed around the whole of Scotland, so the overwhelming majority of placements have been secured. However, that is not good enough for the 128 young people who are affected by the current problem.

As I explained in my previous answer, I have discussed the issue with the General Teaching Council for Scotland, which hosts and facilitates the system, but it is entirely dependent on the universities, and on the schools coming up with the placements. A number of actions have been identified to advance the issue. The General Teaching Council has asked School Leaders Scotland to communicate with its members, who are principally head teachers and senior management teams in schools, to encourage them to offer placements. The University of Strathclyde will engage directly with local authorities to identify placement matches for students. The Association of Directors of Education has agreed to communicate with all directors of education in the western partnership and encourage them to offer placements, and the General Teaching Council will facilitate a manual placement process to ensure a quick turnaround.

The Government will take follow-up action to ensure that those actions are being taken to try to draw this matter to a close as quickly as we can.

**Monica Lennon:** Again, I welcome some of those remarks. These students are our next generation of teachers and a practice placement is a vital part of their training to ensure that they are

equipped to meet the targets set by the Scottish attainment challenge. However, it is not the first time that this situation has happened. When similar issues with practice placements emerged in September 2014, the GTC said that the new system required time to address the issues to lead to a smoother operation in the future. It is now two years down the line and the students on placement now, or who are hoping to be on placement, will have further placements throughout the rest of the year. Can we be assured that the Scottish Government will exhaust all avenues to make sure that the student placement system leaves no student behind?

**John Swinney:** I have every interest in ensuring the successful placement of aspiring teachers in the system, but I would have thought that that would have been the priority for everybody. We are experiencing just now—we hear points about this in Parliament—a shortage of teachers, which therefore suggests to me the importance that every local authority in the country must attach to ensuring that there are adequate numbers of school placements available for trainee teachers.

I cannot direct schools to make placements available; local authorities run Scotland's schools and they must take responsibility for ensuring that an adequate number of places are available. It is in all our interests to ensure that there are placements for young people so that they can get on with their teacher training and fill the vacancies that exist in the teaching profession.

I am absolutely committed to ensuring that these young people are able to fulfil their teacher training, but I call on Scotland's universities and local authorities to do what is entirely within their responsibility—to ensure that there are an adequate number of school placements available and that there is good-quality information from universities to resolve the issue. In that way, we will be able to do what Monica Lennon rightly asked for in her question: ensure that these aspiring teachers can make a substantial contribution to the future of Scottish education. That is what I want to see them do.

**Bruce Crawford (Stirling) (SNP):** I, too, have had a number of constituents raise concerns with me over the matter. Cabinet secretary, I am glad that you have clarified that the system is run by universities in partnership with councils. Some of the questions that have been raised today should be put to the appropriate local authorities.

As Monica Lennon has described, this has happened before. If local authorities cannot deliver, is it time that we reviewed the process to ensure that a process that is so important to teachers who are under training is carried out effectively?

**John Swinney:** I refer Mr Crawford to one of my answers to Monica Lennon. The overwhelming majority of placements have been undertaken in a timely fashion. However, a number of aspiring teachers have not been able to secure their placements, which is frankly not acceptable to me. I will ensure that the actions that I have set out, which I have agreed will be taken forward, will be pursued by the relevant bodies. I will remain very close to this. I stress to those who complain to me about the shortage of teachers that it is in everybody's interests to take all necessary action to ensure that we can properly place teachers in our schools and enable those individuals to make a contribution to the future of Scottish education.

## Economy (EU Referendum)

**The Deputy Presiding Officer (Christine Grahame):** The next item of business is a debate on motion S5M-01531, in the name of Keith Brown, on Scotland's economy: responding to the European Union referendum. I call the Cabinet Secretary for Economy, Jobs and Fair Work to speak to and move the motion.

I remind the cabinet secretary that you can get caught on the hop in here if something collapses early.

14:14

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** I apologise for being caught on the hop and for being late for the start of the debate.

As members will know, this is the second in a series of debates that are focused on the challenges that Scotland faces as a result of the recent European Union referendum. At the outset, it is important to restate a fundamental point about how Scotland voted in the referendum and about Scottish democracy: people in every single local authority area in Scotland voted to remain, and more than 60 per cent of voters wanted to stay in the EU to protect the jobs, investment and trade that depend on our membership. The people of Scotland, the Scottish Government and a clear majority in this Parliament support continued membership of the EU. Therefore, we are protecting Scotland's interests, so the onus is on those who want to drag Scotland to the EU exit door to justify why the wishes of the people of Scotland should be ignored in that way. The Scottish Government's overriding priority is to protect Scotland's relationship with and place in the European Union, and all its benefits. Business and the economy are at the heart of that.

Last week's debate was essentially about getting the right deal—the very best deal—for Scotland, in circumstances that are not of our choosing, and about reaffirming that as being a shared aim of every member in this chamber and everyone in our country. Today we must take a similarly strategic view, but we must also recognise the importance of acting now to address more immediate economic challenges. However, let me be clear: the fundamentals of our economy remain strong. Despite uncertain global conditions and falling oil prices—which we all know about—our economy has continued to grow over the past year. Scotland is and remains an attractive and stable place to do business.

However, there is no doubt that the referendum outcome presents a significant challenge to our economy both now and in the future. It has already

created deep and widespread uncertainty, with jobs and investment being likely to come under threat.

In the lead-up to the EU referendum, the Scottish economy continued to demonstrate resilience in the face of on-going external headwinds associated with weak global growth, and with the low oil price impacting on the oil and gas sector and its supply chain. In 2015, Scotland's economy grew by 2.1 per cent, which was in line with the historical trend of gross domestic product growth rates for Scotland, despite the challenges. Although economic growth was flat in the first quarter of 2016, employment expanded by 51,000 during the latest quarter—the largest quarterly rise on record—and, at 4.7 per cent, unemployment is currently at its lowest since the quarter from June to August 2008. In fact, from looking at the records, I can say that we have one of the lowest unemployment rates of the past 25 years.

Although the underlying economic data remain strong and there is much to be positive about in those data, the reality is that post-referendum uncertainty represents an on-going challenge to businesses across Scotland, and the United Kingdom as a whole.

**Murdo Fraser (Mid Scotland and Fife) (Con):** The purchasing managers index, which was published last week, demonstrates that business confidence has returned to pre-Brexit vote levels in every part of the United Kingdom with one exception—Scotland. In every region of England, Wales and Northern Ireland business confidence was back up and positive; only in Scotland has business confidence remained below pre-Brexit levels. Will the cabinet secretary explain why that is?

**Keith Brown:** Yet, unemployment is lower in Scotland than it is in the rest of the UK, and employment here is higher, and is at one of the highest levels that we have ever had.

Businesses in Scotland do not benefit from the Tory approach, which is to call them "fat and lazy". I do not know how the Tories think that that helps businesses in Scotland or in the rest of the UK. Brexit does not help them, either. It also does not help that the Tory economy spokesperson—in fact, it is not the Tory economy spokesperson, because they are never allowed to talk about the issues; instead, it has to be Murdo Fraser.

**Dean Lockhart (Mid Scotland and Fife) (Con)** rose—

**Keith Brown:** It does not help that Murdo Fraser constantly refers to Brexit not providing challenges. The only song in Murdo Fraser's songbook is about the Scottish independence referendum. Even more incredible is that he



issued a press release yesterday in which he said that it is down to the Scottish Government to solve the problems of Brexit, despite its having been his own party that brought Brexit upon us. We will go with what we have done to help the Scottish economy, rather than with what the Tories have not done.

The proposed exit from the EU has also prompted substantial downward revisions for output in 2017. The analysis that we have produced is that Scottish GDP is projected to be between £1.7 billion and £11.2 billion per year lower than it would have been without Brexit, and tax revenue is projected to be between £1.7 billion and £3.7 billion lower. We know that those forecasts are, of course, contingent on political and other events, and on reactions to those political events by the various actors in the economy. What is clear is that the immediate uncertainty that was caused by the vote is impacting on economic sentiment and business confidence.

Murdo Fraser never mentions the problems of Brexit, but other people who have a view on the issue, including the American President, the Koreans and the Japanese Government—which released a note on the subject—can see the problems that it will bring, even if Murdo Fraser cannot. Even the Prime Minister, Theresa May, has acknowledged that there are difficulties ahead.

We have seen evidence of that in a range of post-referendum business surveys. The Bank of Scotland—in the PMI that Murdo Fraser mentioned—the Scottish Chambers of Commerce and the Fraser of Allander institute have all pointed to the problems that are being caused by the prospect of Brexit. Last week, Highlands and Islands Enterprise published an analysis of the views of 1,000 businesses, more than half of which confirmed that the EU referendum result had made them less confident about the economic outlook for Scotland. Murdo Fraser asked for an explanation for why that might be, but the fact is not even acknowledged by the Conservative Party. [*Interruption.*] The report was done by HIE, which spoke to businesses.

We are, given the business environment, clear that our policy must support the economy and that there should be two Governments working tirelessly to support Scotland's economy. David Mundell regularly tells us that that is the case, but it is hard to see what work is being done by the UK Government because it is yet to announce anything by way of a fiscal stimulus for infrastructure, or by way of capital investment. We are always told that there are two Governments working for Scotland, except when the unemployment figures suit Murdo Fraser, when we

are told that there is only one Government in Scotland, even though a member of his party—Gavin Brown—previously said that the UK Government retains most of the economic levers. When the situation is bad, it is all down to the Scottish Government, but when the figures are good—as they are on employment—there is, of course, no mention of them from the Tory party.

I acknowledge that the Bank of England has taken some action to stimulate the economy, including a cut in the bank rate, the introduction of a term funding scheme and the expansion of the quantitative easing programme. I welcome those measures, as far as they go. However, the Conservative Government in Westminster, in stark contrast to this Government, is ignoring the challenges of Brexit and is alienating our business leaders—sometimes purposely, as it did when it called them “fat and lazy”.

**Dean Lockhart (Mid Scotland and Fife) (Con):**

The cabinet secretary talks about a strong Scottish economy. Is he aware that in every year for which the SNP Government has been in power the Scottish economy has underperformed on economic growth compared with the UK, or has been in recession? How is that being stronger for Scotland?

**Keith Brown:** If Dean Lockhart looks at things over the longer term—if he goes back 25 years—he will see that that has in the past too often been the case. He will also see that, during this Government's time, the employment figures in Scotland have frequently been far better than those in the rest of the UK. Of course we have to deal with long-term issues, including lack of growth, which we know is an issue in Scotland and the UK, but in my view, such issues are compounded by the facts that the economic levers—which the Tory party itself says reside mainly in Westminster—are not being sufficiently used to the benefit of the Scottish economy, and that the challenges of Brexit are being ignored and business leaders alienated.

The Prime Minister has acknowledged that departure from the EU will bring “difficult times” to the country. I am hopeful that Conservative members will tell us what their view is when they get the chance to speak. Should Scotland stay part of the single market? It will be interesting to find out whether that issue is addressed by the Conservatives' economy spokesperson, if he is allowed to speak, or by Murdo Fraser, who more usually speaks on such matters.

President Obama has said that the United States would guard against any “adverse” impacts from the Brexit vote, but he warned that a trade deal with the UK is not Washington's top priority. Earlier this month, the Japanese Government issued an unprecedented warning about the

impact on jobs and investment of giving up single market privileges. It said:

“Japanese businesses with their European headquarters in the UK may decide to transfer their head-office function to Continental Europe if EU laws cease to be applicable in the UK after its withdrawal.”

Mike Russell and I will meet Japanese businesses and the Japanese consul general to give him a true impression of how things are in Scotland, and to give him a true impression of the effort to mitigate that threat in Scotland. As I have said, calling business across the UK “fat and lazy” is not how we should be responding to the situation.

On economic and financial issues, we need the UK Government to provide answers on key questions. For example, we need to know whether workers’ rights will be protected and we need to know whether a new holiday-visa tax will be introduced for people who travel to the EU.

For the economy, as I said, there have, despite repeated demands, been no answers on the most important question of all. Will the UK remain inside the single market? Let me make the question easier and ask whoever speaks for the Conservative Party in this debate whether they believe that the UK should remain inside the single market. It is a fairly simple question, and a response would answer a lot of fears among businesses, so let us hear the answer from the Conservatives.

**Patrick Harvie (Glasgow) (Green):** I think that the Scottish Government has made this clear, but does the cabinet secretary agree that to be part of a single market implies absolutely the retention of free movement? If capital is free to move but people are not, that is not a single market.

**Keith Brown:** Patrick Harvie is absolutely right. Our ability to deliver some of our major infrastructure projects will be fundamentally limited if we do not have free movement of people to Scotland from across the EU.

Before the referendum, the leader of the Scottish Conservatives was adamant that answers were required. She said of those campaigning to leave:

“They won’t tell us how much our economy will be hit by. They won’t tell us how many jobs might go. They won’t tell us what they’re going to replace a single market with”.

Now that the Conservatives have united behind the leave position, it defies belief that they still will not answer those questions. Indeed, in Scotland they will not even ask the questions that Ruth Davidson asked so forcefully. What are the answers?

We know how important the issue is for business. The main business organisations in Scotland endorsed support for continued single

market membership in a joint statement that they issued in July. We need a clear answer. Does the UK Government want to stay in the single market or not? To answer that question would be the most important action that the UK Government could take. It is not just me saying that in a debate in Parliament—businesses are also asking the question and deserve an answer.

In the debate, I would welcome—in addition to the answer to that question—constructive ideas from MSPs of all parties on how we can support economic growth. In that spirit, I urge the Chancellor of the Exchequer to explore two key measures that the Treasury could take to protect and create jobs, despite the continued uncertainty. First, the chancellor could increase capital spending. An increase of £5 billion in UK infrastructure spend could provide an additional £400 million of infrastructure spend in Scotland, which would support about 3,000 jobs. Secondly, the chancellor could increase support for exporters. I think that there is general agreement on the need to drive up our exports. The depreciation of sterling represents a challenge to businesses in the UK, but it also presents opportunities for companies to move into new export markets or to start exporting for the first time. The UK should be investing more to support that.

Those measures can encourage investment, recruitment, exports and growth. I put them forward as a clear plan for how the UK Government can help at this critical juncture for our economy. I hope that the chancellor will act as early as in the autumn statement—ideally in shorter order.

For our part, we have taken decisive and positive action to support and stimulate the economy, building on our established economic strategy. Capital investment of £100 million provides immediate support to the Scottish economy. We have set up a new dedicated service to answer questions from businesses that are affected by referendum uncertainty. The new post-referendum business network will work closely with the main business bodies, the Scottish Trades Union Congress and the Scotland Office, and forms part of a wider upgrade of our engagement with businesses and sectors. An understanding of their knowledge and experience is vital if we are to support them fully in the months ahead.

We are providing support to businesses that have high growth potential through a £500 million Scottish growth scheme, to provide investment guarantees and loans of up to £5 million for eligible businesses over the next three years.

**Jackie Baillie (Dumbarton) (Lab):** Will the cabinet secretary take an intervention?

**Keith Brown:** I am sorry, but I have only a short time left in which to finish.

The scheme will focus on new and early-stage businesses that have high-growth potential and clear export growth plans.

We have approved European structural funds projects in order to invest in our economy, with a total value of £290 million of grant. With partner funding, that means that an additional £650 million is being invested in Scotland's people, communities and businesses.

We are increasing the supply of affordable housing in Scotland and we are implementing the recommendations of the independent review of planning in order to ensure that we have a strong and high-performing planning system that supports housing and infrastructure delivery.

We are improving connectivity through strategic investments in our transport infrastructure and our digital connectivity.

We are supporting investment in Scotland's cities and regions, through our city and regional partnership deals.

We continue to offer a competitive business rates regime. The small business bonus scheme offers a zero or substantially reduced rate, and we have committed to expanding the scheme from next year to remove entirely the rates burden from 100,000 premises. We have commissioned an external review of business rates, which is being led by Ken Barclay, to make recommendations on how the rates system could be further improved.

We are working to make Scotland a more internationally focused economy by piloting innovation and investment hubs at key global locations including London, Brussels and Dublin to support trade, investment and innovation.

We will also widen and deepen our business engagement to shape our response to the EU referendum and wider trade and investment activity by establishing new trade envoys—I hope to have discussions with the other parties in Parliament in that regard—and a ministerial trade board, and by listening to and engaging with businesses through existing engagement structures, sector-specific international trade summits and a dedicated investor forum for critical inward investment.

I will finish where I began. A more competitive and inclusive economy will ensure that Scotland can withstand the economic shocks, sustain the higher employment that I mentioned and create better-quality jobs and fairer work. Our economic priority is to protect Scotland's relationship with and place in the European Union.

I move,

That the Parliament welcomes the overwhelming vote of the people of Scotland to remain in the EU; notes that leaving the EU is widely expected to have a negative impact on economic growth, public sector revenues, access to labour, inward investment and opportunities to export, as well as threaten essential economic and social protections; recognises the continued resilience of Scottish business and the urgent need to support and stimulate the economy in the wake of the EU referendum; notes the initial steps taken by the Scottish Government, and calls on the UK Government to bring forward a substantial stimulus package—

instead of the complete paralysis that we see just now in the UK Government—

to boost business confidence, keep the Scottish economy moving, end austerity and endorse the vital importance of growing an inclusive, productive and sustainable economy with more jobs and fair work.

14:31

**Murdo Fraser (Mid Scotland and Fife) (Con):** I am pleased that the Cabinet Secretary for Economy, Jobs and Fair Work was able to join us this afternoon, although I am a little bit disappointed that his speech seemed to be more about attacking the Conservative Opposition than about setting out any detailed proposals on what new ideas the Scottish Government has to take us forward.

I will start by putting this debate in some context. Seven days ago, the long-established Stirling retailer McAree Brothers announced that it was closing its doors after 138 years of trading in the city. As was mentioned in the local press, that is a severe blow to the retail economy in the centre of Stirling, and there is no doubt about where the responsibility lies. The company is quite clear that it was the crippling burden of business rates that led to the decision being taken. In particular, it blamed the large business supplement that the SNP Government introduced, which meant that such a business—it was not actually a large business, but one that operated from medium-sized retail premises—was being punished. The large business supplement was introduced in Scotland at double the rate that is payable in England and Wales, and it therefore puts Scottish businesses at a competitive disadvantage.

I mention that at the outset in order to reinforce that, right here and right now, there are issues that are more serious than the consequences of Brexit affecting the Scottish economy. As our amendment makes clear, even before the Brexit vote in June, there were issues with Scotland's economic underperformance that required to be addressed, and they still need attention today.

As the cabinet secretary said, good news was published last week on unemployment. Against the trend in recent years, we have seen Scottish

unemployment dip below the UK level. However, across a range of indicators, Scottish economic performance is lagging behind that of the UK as a whole. Whether on GDP growth, retail sales or business confidence, we are not doing as well as we should be. That debunks the myth, which is being put about in some quarters, that any problems with the Scottish economy are purely the responsibility of the Brexit vote.

**Bruce Crawford (Stirling) (SNP):** Does Murdo Fraser agree with David Mundell? In May, he said that leaving the EU would be an absolute disaster for Scotland, but now, in September, he says that Brexit has amazing possibilities for Scotland. Which of those views would Mr Fraser choose?

**Murdo Fraser:** Like my good friend Mr Mundell, I did not support the UK leaving the EU, but that was the democratic choice of the British people in a referendum that people in Scotland participated in. Instead of sitting negatively on the sidelines and carping, we have to get on and make the best of the situation.

Let me say a bit more about where we are with the Scottish economy. Maybe I can suggest to Mr Crawford and his colleagues some positive things that we could all be doing to try to help with the situation.

The position of the Scottish economy was set out starkly in "Scotland's Budget—2016", which was published last week by the Fraser of Allander institute. In the section called

"Outlook for the Scottish Economy",

the institute comments that there is

"an ongoing divergence"

between Scottish and UK economic growth, with

"Production and manufacturing in particular ... dragging down overall growth".

In terms of output per head, the UK is growing more quickly, with growth in Scotland of just 0.4 per cent compared with the UK's 1.4 per cent over the past year. Immediately prior to the EU referendum, the pace of growth in Scotland weakened further, with both the production and construction sectors contracting. That situation should be worrying for the Scottish Government. As the Fraser of Allander institute made clear, all that data predates the Brexit vote.

Perhaps the most worrying set of statistics to be published recently was in the purchasing managers index business activity report, which came out last week and which I referred to when I intervened during the cabinet secretary's speech. When the figures for July came out, it was perhaps not surprising that, in the immediate aftermath of the Brexit vote, we saw a slump in business confidence in every single part of the United

Kingdom as a reaction to the uncertainty that was caused by the outcome of that vote. However, the figures for August tell us a different story. In every part of the UK, with one exception, business confidence is returning. Business confidence is up in Northern Ireland to a two-month high; up in Wales to a five-month high; up in the south-east of England to a five-month high; up in the south-west of England to a 13-month high; and up in the north-west of England to a seven-month high. The only part of the United Kingdom in which business confidence has not returned post the Brexit vote is Scotland.

Why should that be? What is it about Scotland uniquely that means that business confidence has not returned to it? I asked the cabinet secretary to explain that, but he was unable to do so.

We also see from those figures that even the parts of the UK that voted to remain in the EU, such as London and Northern Ireland, saw their business confidence return in August. Only Scotland is the exception. We have that issue only in Scotland. The cabinet secretary cannot give us an explanation for that, but there is one very obvious conclusion to draw from the figures. The unique Scottish problem—the one that is holding back Scottish recovery—is the one issue that the SNP front bench does not want to talk about: the SNP's obsession with an independence referendum.

In recent weeks, a range of business figures has said that the last thing that Scotland needs at this point is another referendum and another period of economic uncertainty. However, two years on from the previous vote, which we were told would be a once-in-a-generation vote, all that we hear from SNP figures is how and when another referendum should take place. It is astonishing that even the First Minister told us at the weekend on the front page of the *Sunday Herald* that the case of independence "transcends" the economic argument. Never mind the economy: just close your eyes and vote for independence.

There might be another explanation, but the Scottish Government needs to tell us what it is. We have not heard that yet.

**Keith Brown:** Will Murdo Fraser give way?

**Murdo Fraser:** Oh, yes, please. An explanation!

**Keith Brown:** I noticed that we did not get very far down the list of actions to help the economy that Murdo Fraser was going to propose—in fact, we did not get anywhere at all. Will he at least try to answer the question whether he believes that Scotland and the UK should stay with access to the single market?

**Murdo Fraser:** I noticed that the cabinet secretary did not even attempt to answer my

question about an explanation for the lack of business confidence. As I am a courteous and generous man, let me address his question directly. What is important to Scottish and UK business is having access to the single market. The concept of membership of the single market is an esoteric thing. As my learned colleague Adam Tomkins has pointed out on many occasions, what is important is access to it. That is what we should be striving for.

The Scottish Government's motion is very heavy on calls for what the UK Government should do. It is almost as if the Scottish Government has no tools at its disposal and is completely helpless, and that there is nothing that it can do to try to improve our economic performance. In reality, there is a huge amount that it can and should do.

The Scottish Government should start with business rates. I mentioned earlier the example of McAree Brothers in Stirling, which is just one business that has suffered the business rates burden. I am sure that other members in the chamber could mention many other examples from across the country. Business rates are nothing to do with the UK Government; they are entirely the responsibility of the Scottish Government. If there is a need to stimulate the economy in the wake of the EU referendum and to deal with the uncertainty that the cabinet secretary talked about, the Scottish Government can and should take action in that area.

The Scottish Government needs to scrap the large business supplement—that is a misnamed policy if ever there were one, as many modest-sized retail premises are affected—and it needs to take our advice and freeze business rates for the next five years in the same way that the council tax was frozen for the previous nine years. That would deliver a real benefit to Scottish businesses and, perhaps as important, it would send a signal to the world that Scotland is an attractive place to come to, work in, and set up a business and invest in.

Continual messages from the Scottish Government about higher taxes in Scotland will simply put people off investing and expanding their businesses here. When we add to that the uncertainty around a possible second independence referendum, it is little wonder that we are seeing the Scottish economy struggle. However, at a stroke, the Scottish Government has the power to resolve those two issues immediately.

We know that there are concerns in the business community about the uncertainties that have been caused by the Brexit vote and we completely accept that. However, some of the doom and gloom that we heard a few weeks ago has already been dispelled. Both Morgan Stanley

and Credit Suisse, which in June were predicting a UK recession, have now changed their minds and say that there will not be a recession.

We should be aware that opportunities will be afforded by the UK leaving the EU. In the short term, many sectors of the economy have benefited from the Brexit vote. The fall in the value of the pound has been of considerable benefit to the domestic tourism industry. We have yet to see official figures, but anecdotally my impression from talking to people in the sector is that it has been a very busy summer.

A month ago, I was in the west Highlands, in Katie Forbes's constituency, visiting the same location that I was in last year, at the same time, and it was noticeably busier this year, particularly with European visitors. On a rough count, one in three of the vehicles on the roads belonged to visitors from elsewhere in Europe—mainly France, the Netherlands and Germany. Also, with the pound buying fewer euros abroad, there seems to have been a rise in staycations, with more UK residents taking holidays here.

Exporters, too, have benefited from the fall in the pound, and for industries such as food and drink, which are so important to Scotland, that will be of great significance.

What steps is the Scottish Government taking to assist businesses to take advantage of those opportunities? We know, for example, that the fishing industry sees a great future outside the EU. What is the Scottish Government doing to develop a distinctive fishing policy for Scotland to help that industry grow in its new environment?

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Will the member give way?

**Murdo Fraser:** No, thank you. I am running out of time.

**The Deputy Presiding Officer:** You have a little time if you want to take an intervention.

**Murdo Fraser:** Then yes, of course I will give way. The member can tell us what the Government is doing about the fishing industry.

**Stewart Stevenson:** Does the member acknowledge that the fish-catching industry is of one view but that the fish-processing industry, which depends crucially on the free movement of labour, is absolutely behind not just having access to the single market but being a member of the single market?

**Murdo Fraser:** I am afraid that the member did not make any attempt to address my question—given that we are moving into this new environment, what are his party and his Government doing to seize the opportunities from Brexit to help to develop a new fishing policy for

Scotland that might address the concerns that he has raised? He has nothing to say on that point and neither, it seems, does his Government.

What will the Scottish Government do to develop a new farming policy for Scotland, given that support payments for agriculture will no longer be paid from Europe but will have to be paid domestically? A huge opportunity awaits us to design a new agricultural support system that is tailored to the needs of Scottish agriculture rather than the one that is being handed down from Brussels. Is the Scottish Government doing anything at all to progress that?

What is being done to promote exports? In the previous parliamentary session, the Economy, Energy and Tourism Committee, which I had the honour of convening, said that Scottish businesses needed more help with export advice. In the summer, Ruth Davidson called for Scottish Development International to be expanded to help to gain new markets abroad. Today, the opportunity for exports is greater than it has been for many years, but what is being done to seize the moment?

What is being done to look at how we best support large-scale businesses, given that EU state-aid rules may no longer apply in the future? What is being done to look at the opportunities for developing a new consumption tax, given that EU rules around VAT may no longer apply?

We have a range of policy opportunities, given our departure from the EU. Yet, rather than take forward those opportunities—rather than be positive about the future—all that the SNP Government wants to do is to sit on the sidelines and complain and carp.

Scottish businesses expect the Government here in Edinburgh to do all that it can to support the Scottish economy. We on this side of the chamber are positive and optimistic about Scotland's future within the UK and outside the EU. I hope that Scottish ministers can find it in themselves to be less dismal, less miserable, less downbeat and less pessimistic, to be more positive, more cheerful and more hopeful and to show some real leadership in seizing the opportunities for the future. That is the point made in my amendment, which I have pleasure in moving.

I move amendment S5M-01531.1, to leave out from “welcomes” to end and insert:

“notes the vote of the UK to leave the EU; recognises that, even prior to this vote, across a range of indicators the Scottish economy had been underperforming that of the UK as a whole; urges the Scottish Government to take action to assist economic growth, including by reducing the burden of business rates and ruling out a second independence referendum, in line with the views of the business community, and calls on the Scottish Government

to set out how it will assist businesses to take advantage of the opportunities afforded by the UK leaving the EU.”

**The Deputy Presiding Officer:** I call Richard Leonard to speak to and move amendment S5M-01531.3. Mr Leonard, you have eight minutes or thereabouts, as we have a little time in hand.

14:44

**Richard Leonard (Central Scotland) (Lab):** In the wake of the Brexit vote, a survey by the Fraser of Allander institute of 320 firms across Scotland found that 60 per cent believed that the outcome of the EU referendum will have a negative effect on their business and that even more—67 per cent—believed that the uncertainty that it creates is an additional problem. As we all know, the people who suffer most from any business downturn are those working people who are already on the most precarious contracts, who are already the lowest paid, who are in the deepest in-work poverty and who are living from week to week. Those people will be the victims of any economic collapse as a result of Brexit and they are the people the Parliament must speak up for.

The cabinet secretary's motion calls on the UK Treasury to come up with a counter-cyclical fiscal stimulus package, and we support that, but we call on the cabinet secretary to join with us in calling on his Government to do more to stimulate investment. The £100 million stimulus package is welcome, but we know that it is not enough. In fact, when it was announced, even Murdo Fraser was on BBC Radio Scotland arguing that it simply was not enough. I do not know whether his summer reading was John Maynard Keynes's “The General Theory of Employment, Interest and Money”, but there seems to have been an effect. I also note Mr Fraser's support for state aid of industry.

I draw the cabinet secretary's attention to a recent report by the National Institute of Economic and Social Research in which it concludes that infrastructure spending strengthens the supply side of the economy with the potential to create a permanent increase in GDP of in the region of 0.5 per cent. I know that that is close to the cabinet secretary's thinking, so we are today calling for a new infrastructure investment programme, starting with a house-building programme and an existing homes investment programme. As I mentioned in the housing debate last week, 16,000 jobs have been lost from the construction industry in Scotland in the past five years and half of those—8,000 jobs—have been lost in the past year. As I said to the cabinet secretary's colleague the Minister for Local Government and Housing last week, if the targets have been exceeded but all those people in that industry are out of work, there

was something wrong with those targets in the first place.

The times in which we find ourselves demand the kind of stimulus package that the Scottish Government has called for with infrastructure spend and house building at its core, but of a greater order. That demands not simply a reflation of the old economy or taking the tears out of capitalism, as somebody once described it, but building up a new economy. One aspect of our economy that is often overlooked and underplayed but which we believe is fundamental to the debate on Brexit is the question of the ownership and control of the Scottish economy. Figures that we are publishing today reveal that over a third—34.6 per cent, to be precise—of the Scottish economy is now overseas owned, which is considerably higher than the figure for any other part of the UK.

Therefore, while the SNP has been fixating on political sovereignty, it has presided in office, although maybe not in power, over an historic loss in economic sovereignty. When the SNP came to power in 2007, less than a quarter of Scotland's economic base was owned externally, but now over a third is. The speed and scale of that loss of economic sovereignty is huge. I put it down to the fact that there has been no industrial strategy and no serious challenge to that situation.

**Stewart Stevenson:** I am listening with interest to the point that Mr Leonard is developing. Is he arguing that Scottish companies and investors should not be able to invest overseas in companies in other countries to support economic efforts here? Before he answers that, he might consider that Scottish companies have higher levels of investment internationally to integrate and join markets to the benefit of the wider economy.

**Richard Leonard:** Yes, I am concerned about the export of capital as well as the high levels of inward investment and the failure to develop sufficiently the indigenous industrial base. I thought that that point might come up, so I did some checking. The First Minister said to the SNP conference on the eve of the Scottish Parliament elections in 2007—Stewart Stevenson may remember the speech well:

“We'll stand up for our businesses and our industries. We'll encourage them to grow and we'll defend them when they are under threat. That's what governments the length and breadth of Europe do. And it's what an SNP government will do.”

However, it has singularly failed to do that, as the figures prove.

**Keith Brown:** I will mention three examples: Ineos at Grangemouth, Prestwick airport and Tata Steel. The Government has protected indigenous investment and businesses. Is Richard Leonard

trying to say that there is no link between political and economic sovereignty?

**Richard Leonard:** No, there is a strong coincidence between political and economic sovereignty.

I return to Scotland's position compared to other parts of the UK. The level of external ownership of the Scottish economy stands at 34.6 per cent. The other part of the UK that is nearest to that is the West Midlands of England with 30 per cent. London has 27 per cent, which is about the average for the UK. That has huge implications for how the economy functions and where decisions are made, but it also means—this is the point that is relevant to the debate—that we are more vulnerable than any other part of the UK to international shocks such as the effects of withdrawal from the European Union and the single market.

For the overseas-owned businesses that invest here to gain access to the European Union single market, there is a risk. The Scottish Government's report, published in August, said:

“79% of investors listed access to the EU single market as an important element of the UK's attractiveness for investment.”

There is also a risk of divestment by businesses that are headquartered elsewhere in the European Union. The same Scottish Government report estimated:

“There are nearly 1,000 EU-owned companies in Scotland employing over 115,000 people.”

For Scotland-located businesses that exist as part of a European Union chain of production, there is a danger from tariff barriers to intracompany supply chains, not least to those parts of the economy that are, to all intents and purposes, screwdriver plants.

Jobs are at risk. The more our economy looks like a branch plant and a wholly owned subsidiary economy, the more vulnerable it becomes. I hope that one of the lessons that we take from the state of our economy is the need to invest in its indigenous base through an industrial strategy. Instead of control and ownership lying in a minority of hands, often abroad, we should consider ways in which we build up our internal economic infrastructure.

At last week's Economy, Jobs and Fair Work Committee, Professor Colin Mason made some telling points. I recommend that all members read his evidence to the committee. He said:

“Having independent, locally owned, solid, middle-sized companies in Scotland is important not least because their head offices are in Scotland.”—[*Official Report, Economy, Jobs and Fair Work Committee*, 13 September 2016; c 10.]

Let us use the occasion of Brexit to take a fresh approach to our economy. Let us charge the Scottish Investment Bank with building up home-grown businesses, work with trade unions and businesses to lock in external investment and build local links, get an industrial policy that builds from the bottom up rather than one that is overly reliant on unstable foreign direct investment and consider how we can reclaim the economy so that it is run, and its long-term strategic decisions are made, in the interests of working people.

I move amendment S5M-01531.3, to leave out from “the continued resilience” to “Scottish Government” and insert:

“that a third of the Scottish economy is now overseas-owned leaving the Scottish economy more at risk from the consequences of leaving the EU than any other part of the UK; recognises the continued resilience of Scottish business and the urgent need to support and stimulate the economy in the wake of the EU referendum; notes the initial steps taken by the Scottish Government, and believes that it should take further action to support Scotland’s economy”.

**The Deputy Presiding Officer:** We move to the open debate. I ask all members who wish to speak to ensure that they have pressed their request-to-speak buttons, particularly if they have made an intervention, because the button goes off then.

14:54

**Joan McAlpine (South Scotland) (SNP):** I was rather alarmed to read recently in the *Financial Times* that our fate appears to be in the hands of the chancellor, Philip Hammond, who has emerged as the sole voice of common sense in the Cabinet, holding the thin blue line to protect access to the single market against the three Brexiteers—Boris Johnson, David Davis and Liam Fox—who appear to believe that sailing off in the good ship Britannia will somehow make it all right on the night and that Britain can sail into the sunset without sinking. The challenges of Brexit are far more serious than that, and the initial evidence taken by the Parliament’s European and External Relations Committee is clear.

When a number of us visited Brussels, we met people from the British Chambers of Commerce, who issued striking warnings. In particular, they made clear to us the danger to foreign direct investment in the UK of being outside the single market, and pointed out that membership of the single market is key to attracting foreign direct investment from China, Japan, the United States and other places outside the EU—that warning has since been fleshed out, not least in the document that was prepared by the Japanese Government.

They also made it clear to us that foreign direct investors often look to the UK as the default option

when considering investment in the EU, because it is part of an Anglophone area, which enables it to punch above its weight in the EU. Of course, we have lost that advantage, and the British Chambers of Commerce said that it already knew of deals that had fallen through as a result of the uncertainty that Brexit has caused.

Foreign direct investment is one of Scotland’s great success stories. The Ernst & Young attractiveness survey, published in May 2016, showed that, in 2015, Scotland attracted more foreign direct investment projects than anywhere in the UK apart from London, and a report by the Fraser of Allander institute has noted that Scotland’s comparative success in attracting international investment could be slowed down as a result of Brexit.

On 8 July, Scotland’s main business organisations—the Scottish Chambers of Commerce, the Federation of Small Businesses, the Confederation of British Industry Scotland, the Institute of Directors, Scottish Financial Enterprise and the Scottish Council for Development and Industry—issued a joint statement confirming that Scotland’s businesses need continued access to the single market in order to prosper. That was also the clear view of those who gave evidence to the European and External Relations Committee over the summer.

I note that many Conservatives have been trying to distinguish between access to the single market and membership of the single market. As I said in last week’s debate, that is a misleading distinction, because the single market is not a pick-and-mix affair. It is built on four freedoms—freedom of movement; freedom of capital; freedom of services; and freedom of investment—and it is all or nothing; we cannot pick and choose. For example, although Switzerland is a member of the European Free Trade Association, it is outside the European Economic Area, which means that those deals that have to be negotiated with the EU include those involving services. As we know, services account for a growing aspect of Scottish and UK exports and are the pillar on which the economies of our great cities, such as Glasgow and Edinburgh, are based.

Even those countries that are not in the EU but are members of EFTA and the EEA are outside the EU customs union, which means that their businesses have to prove country of origin and are therefore subject to a great deal more red tape than are those within the single market. Indeed, when it gave evidence to the committee, the Fraser of Allander institute suggested that the paperwork for proving country of origin would add about 1 to 2 per cent to business costs. Agricultural products from an EFTA country that is



outside the EU would be subject to immediate tariffs.

On the subject of farming, will the money that the UK saves in payments to the EU come back to Scotland to construct a new system of support for agriculture? Will the payments that come back compensate for that? We just do not know. We do not know that Scotland can construct a new system of agriculture support, because we do not know how much of the common agricultural policy payments are going to come to Scottish farmers. At the moment, Scottish farmers' share of CAP payments is 18 per cent, which is way above our population-plus share of the block grant that comes to Scotland through the Barnett formula. We have not been told whether we will maintain that level.

Similarly, the evidence that the committee received on fishing suggested that, because fishing grounds are part of UK maritime boundaries, control of fishing grounds will stay with the UK Government. Indeed, there has already been speculation that continued access to our fishing grounds could be a bargaining chip in the UK's negotiating position as it seeks to secure a deal with the EU. That is extremely worrying.

I conclude by reflecting a bit more on trade. Some comments at UK level suggest that we are heading towards a hard Brexit, which will mean a return to World Trade Organization rules in the short to medium term. A number of commentators believe that will be the case even if the Government's intention is to negotiate a trade deal with the EU, because the article 50 process means that we cannot negotiate such a deal until the article 50 process is finished.

A number of commentators have also said that the UK does not have the skills in that area. What concerns me is even when it gets up to speed—if it gets up to speed—in that area, where will Scotland be in negotiating trade deals both at EU level and with countries outwith the EU? We have not been told that we are part of the conversation, and we need to hear exactly what Scotland's input from now on will be, both in building a UK negotiating position and, in the longer term, in negotiating the best possible deals for our trade.

15:01

**Liam Kerr (North East Scotland) (Con):** The debate is called "Scotland's economy: responding to the European Union referendum", and I was saddened to see that the motion from the Scottish Government continues to show two clear things: the negative, reactionary, pessimistic and rather unedifying response to the UK's vote to leave the EU; and just how little the Government

understands about businesses' response to the EU referendum.

The thing about business is that it is very good at seeing opportunities and reframing the narrative to the positive. Whenever a business faces an unexpected challenge, it does not do what this Scottish Government appears to do, which is to talk of problems, economic shocks, dangers or warnings; it rolls up its sleeves and looks for opportunities.

Only last week, in this very building, I was talking to a representative of a Scottish aquaculture business who has seen international exports rise substantially following the depreciation of the pound. That is direct evidence of what the Confederation of British Industry reported in early August when it found that Britain's small and medium-sized enterprises are expected to boost exports by around 10 per cent as a result of the UK vote and that SMEs are now reporting the first improvement in competitiveness in EU and non-EU markets since 2013.

**Gillian Martin (Aberdeenshire East) (SNP):** Would Mr Kerr agree that basing a business model on the devaluation of the pound, which is possibly only temporary, is not something to aspire to?

**Liam Kerr:** I would not agree. I am not talking about basing a business model on the depreciation of the pound; I am reporting what the CBI was reporting about SMEs. I am talking about optimism, which has been manifestly absent from the Scottish Government's position thus far. Indeed, the Scotch Whisky Association has claimed that there are exciting opportunities for the food and drink sector as it finds new markets and as the UK becomes more competitive. We heard from Murdo Fraser that the domestic tourism industry has had a great summer.

Then there is the Scottish fishing industry, which believes that exit from the EU presents

"a unique opportunity for the UK to re-establish itself as a major fishing nation".

The common fisheries policy and European Commission interference have decimated the British fishing industry. In the space of just over three decades, the EU has taken a profitable, well-managed resource that provided direct employment to 350,000 people in fishing and processing, and 5.4 million jobs in the wider economy, and nearly destroyed it. Please: leave the central belt and come up to visit Macduff, Banff, Whitehills or Portsoy and witness the devastation caused by mandated fleet reductions, cod recovery plans and quota cuts.

**Stewart Stevenson** rose—

**The Deputy Presiding Officer:** I thought that you would rise, Mr Stevenson.

**Stewart Stevenson:** When a member mentions Banff, I have to, Presiding Officer.

I wonder whether the member can answer two questions. First, in how many of the past 30 years has there been a reduction in the value of landings at Peterhead? I will give him the answer: three. Secondly, what has happened to the size of the Norwegian fleet, which is outside the CFP, over the period that he referred to in relation to the Scottish fleet?

**Liam Kerr:** I thank Mr Stevenson for his question. I can answer authoritatively on both of those points, but given that I have only six minutes, I would encourage Stewart Stevenson to write in, and I promise that I will give him a full answer that addresses all of his points. Peterhead is a very particular case and I promise that I will provide Mr Stevenson with an answer.

When the Scottish fishing industry claimed last week that

“exit from the EU presents a unique set of opportunities for Scotland to reinvigorate its coastal and island communities and deliver a thriving, profitable and sustainable seafood industry”

and that it offers opportunities and

“the freedom to explore new markets for seafood in rapidly expanding economies outside the EU”,

we heard negativity and fear from the SNP.

Are we surprised? Are the fishermen of the Buchan coast, of Shetland or of Mallaig surprised? No, because that is the party that promised Scotland’s withdrawal from the common fisheries policy until it got into government and dropped it; that ignored scientific advice and the pleas of the fishermen on the Clyde when enthusiastically implementing marine protected areas; and that said nothing when the European Commission signed into law a regulation that allowed Faroese fishermen to catch more mackerel off Shetland than the islands’ own pelagic fleet.

In December 2015, a vital vote took place in the European Fisheries Committee that, if passed, would have introduced cod into the discard ban a full year earlier than planned, which would have been devastating for our fishing industry. *[Interruption.]*

**The Deputy Presiding Officer:** Mr Stevenson, would you like to try to intervene and see whether it would be accepted, rather than barracking?

**Stewart Stevenson:** It is more fun barracking.

**Liam Kerr:** Mr Stevenson is right: I was not here at that last point as I am only new in.

However, the SNP was not there at the European Fisheries Committee in December 2015.

It comes as no surprise that the Scottish Government has had nothing positive to say to the fishing industry—or other industries—on the huge opportunities that are opened up by the UK’s vote to leave the EU. For years, the SNP has hidden behind European regulations that it opposes in Buchan but backs in Brussels. It is time for it to start acting in the interests of all of Scotland’s industries, and that means working with, and as part of, the UK.

For all of those reasons, the motion as drafted simply cannot be supported. I commend the amendment to the chamber.

15:07

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** As my constituency has a lot of fishing, I will quote Will McCallum, the head of oceans at Greenpeace UK, who reminded us that

“the Westminster government, rather than Brussels, is in charge of allocating the EU-agreed fishing quota, and has chosen for years to give most of it to a handful of large corporations rather than to the smaller fishermen who have most to lose.”

That has certainly been the impact in Mallaig.

Between 2007 and 2013, the Highlands and Islands benefited from tens of millions of pounds, because we are—or were, or maybe will be—a member of the EU. That funding has been utilised directly to teach our children, build our roads, conserve our environment and boost our businesses. I can be more specific: in my constituency of Skye, Lochaber and Badenoch, we received £100 million between 2007 and 2013. I assure members that that figure was not plucked from the sky; I painstakingly went through every Europe-funded project or initiative in my constituency and counted every penny—and I did not include the common agricultural policy payments.

For us, the impact of EU funding has been local. It has provided community-based language assistants and strategic employment projects. It has gone to Skills Development Scotland to allow it to provide local training opportunities in the Highlands and Islands. It has gone towards projects in the Cairngorms. It has provided £2.25 million for vital roads in the Highlands, including the A855 between Portree and Staffin. It has provided grants of £20 million each to the University of the Highlands and Islands and Highlands and Islands Enterprise. The impact of Brussels can be seen as close as our front door.

To touch on a point that Murdo raised, I say in the interests of fairness that, as I come from a region that exports globally renowned food and

drink, I welcome the projected increase in export markets. We are an incredibly hospitable region that hosts thousands of tourists each year and I accept that we have seen a huge increase in visitors from the EU to the Highlands this year. However, I would say to Murdo, who saw the benefits in my constituency—

**The Deputy Presiding Officer:** Could you use full names, please?

**Kate Forbes:** I apologise. I say to Murdo Fraser that most of those visitors booked their holidays prior to the referendum. Surely that demonstrates to all of us that a free market for our exports and free movement for our visitors will be critical to the economy of the Highlands and Islands in the future.

In Scotland, we are proud of our brand and our popularity. We are proud of our food and drink exports and our university education. In 2014, 42 per cent of Scotland's international exports—worth £11.6 billion—were to EU countries, and six of Scotland's top 10 export destinations were members of the single market.

We are proud that people from the rest of the world choose to make their home in our cities and villages. The increase in EU membership in 2004 has helped to improve stagnating Scottish immigration figures, which have increased by around 0.5 per cent year on year in the 11 years since. That has ensured that many Scottish businesses—particularly those in the Highlands and Islands—that struggle to recruit staff have been able to fill vacancies and maintain full complements of staff, so organisations have been able to provide services or goods in the Highlands and Islands.

As somebody who passionately believes in Scotland's ability to succeed, I have every faith in businesses across Scotland to flourish whether we are inside or outside the European Union. The EU is not the lynchpin for success of the Scottish economy, but its great strength is that it is an enabler. It has enabled capital investment in rural areas such as my constituency, enabled us to trade without barriers with our European cousins, enabled our young people to expand their horizons and enabled businesses in areas of Scotland that struggle to find staff to recruit and retain staff from across the EU.

If the Conservative Party wants to talk about the challenges to our economy, I remind it that the Institute for Fiscal Studies estimates that the public finances will experience a negative shock of £24 billion to £39 billion by 2019-20 as a result of Brexit; that the Fraser of Allander institute reported that early signs of an improving outlook have been dented by the Brexit vote; and that the UK Government has abandoned targets to achieve a

surplus by 2019-20 because of the vote. I could almost deal with the situation if it were a mess of our own making, but the tragedy in all this is that it was not the Scottish Government's decision or this nation's decision to leave.

15:13

**Jenny Marra (North East Scotland) (Lab):** Last week, a journalist from *The Globe and Mail* in Toronto was in Edinburgh to give a talk on the economies of Montreal and Toronto. He cited evidence that showed that Montreal's economy faltered as a result of the two referendums in Quebec and has never properly recovered. During that time, Toronto took off and left Montreal in its economic wake. The journalist talked in detail about how the governing separatist party in Quebec regularly spent money and announced that it was injecting the economy with pots of cash here and there; it was trying but ultimately failing to compensate for the poor economic and investment environment that its overall political objective was creating.

I was reminded acutely of the First Minister's cash injection this summer of £100 million. It was much heralded, and it was heralded again in the Parliament when she made her legislative statement, but as we all know—and as the SNP should know—it is no compensation at all for the economic conditions that the independence referendum of two years ago created. It is no compensation for the EU referendum, which added insult to injury, or the on-going uncertainty and threat of a third referendum here in Scotland.

**Keith Brown:** Jenny Marra says that investment flew away from Montreal and Quebec during the referendum period there. Is she unaware that Ernst & Young demonstrated that we had record inward investment in Scotland in 2014-15 and 2015-16?

**Jenny Marra:** I am sure that there is some record on inward investment, but there is no doubt that the reports show overall that the past few years have created economic uncertainty. The cabinet secretary himself talked about the uncertainty that referendums create.

The Tories know acutely well how Brexit has rocked confidence, as Murdo Fraser said. I imagine that they very much regret not having a Prime Minister with more backbone than to bow to pressure from his Eurosceptics, whose votes he wooed to become Tory leader 10 years ago. David Cameron put party before country and historians will—rightly—judge him harshly for it.

The global capital that the Labour amendment refers to will survive. As my colleague Richard Leonard outlined, it will fly away and find a home in a more welcoming, calm and stable

environment. The real failure affects the people who cannot and do not want to fly away. They are working people whose families and homes are here in Scotland but who do not have the means or the will to up sticks and find a more prosperous economic climate. In opposition to what the First Minister has said, their economic fears transcend constitutional arguments.

I see those fears every day in the families in my region. They fear for the economic chances of their sons and daughters and they fear the paths that those sons and daughters might go down if a job, an income and a house are not available to them. The uncertainty that is caused by two—maybe three—referendums does not help that at all. That is why I am appalled at the woeful lack of imagination and focus on our economy from the Scottish Government that is clear from the motion and the opening speech.

In her legislative programme, the First Minister briefly announced a strategy for decommissioning work in the oil and gas industry. That was tardy, but it was welcome nevertheless. I understand that there is a tight timescale for developing the strategy and that a report is due in late October or November. Any clarification about that from the Government would be useful today, but it is right to report soon. The industry predicts that the peak of the decommissioning market will be in 2019, which is only two years from now.

Is Scotland ready to harness such jobs and bring them here? The truth is that the Government would like to say that we are, but it has not yet put in nearly enough work to assess our capacity and capabilities. That is why the Maersk platform sailed off to Norway this summer and why Brent is being decommissioned in north-east England, having sailed past unemployed engineers all the way down the east coast of Scotland and passed the ports of Montrose, Dundee and Methil to be taken apart where regional development authorities have had the foresight to secure the work.

Apart from the moral imperative of securing sustainable jobs, there is the question of equity in such work. Decommissioning is and will be funded to the tune of 60 per cent by the Scottish and UK taxpayer through tax relief. Taxpayers in my city and region have been paying for that work for years and will do so for years to come. Is it right that jobs that are being directly funded by the British taxpayer should go to Turkey and Norway? Would other countries be so utterly stupid and let that happen? Given our Scottish Government's discomfort with the Scottish people paying tax to London, should it not be outraged that more is not being done by both Governments to secure such work in our communities here in Scotland?

I have not heard the First Minister or her finance secretary utter one word about that and I wonder why. When I asked the finance secretary in the chamber last week whether he had spoken with the Treasury about tax relief for decommissioning, he said that that was not his job and that Keith Brown was liaising with the Treasury. I have lodged a parliamentary question to ask Keith Brown about that but, if he would like to answer the question now, I would be obliged.

**The Deputy Presiding Officer:** It seems that he would.

**Keith Brown:** I am happy to do so. Derek Mackay referred to discussions that I had with the Chief Secretary to the Treasury, in which I put to him the main ask of the industry—for long guarantees for infrastructure work. That was well received and I am sure that the UK Government will take action on that much more quickly—perhaps in three or four months rather than the three years that it had talked about. The discussion was successful to that extent.

**Jenny Marra:** I very much welcome that intervention and I will write to the minister for a bit more detail, if that is okay.

Yesterday, I held a decommissioning summit meeting in Dundee to bring key stakeholders together to discuss opportunities for our city. It was a useful meeting, at which Forth Ports liaised with key players such as Shell and AECOM to pin down details of opportunities for our port. I would very much like the Government's economic agency to do detailed localised work such as that all over Scotland to spur on economic possibilities. The constitutional discussions rumble on, but families in Dundee worry about jobs for the future, while our future jobs sail to shores beyond the EU. Brexit or no Brexit, the Scottish Government should be getting on with the day job.

15:20

**Tom Arthur (Renfrewshire South) (SNP):** I would like to take this opportunity to inform the chamber that the First Minister has appointed me as parliamentary liaison officer to the Cabinet Secretary for Justice. I would also like to take the opportunity to welcome Michael Russell to his new position. His job is one that requires skill, both political and intellectual, matched with tenacity and determination. I am sure that the chamber would agree with me that in all those attributes Mr Russell is pre-eminent.

This is the first opportunity that I have had to address the chamber since the United Kingdom voted to leave the European Union. I am proud that an overwhelming majority of people in Scotland, along with a majority in Northern Ireland, voted to reaffirm our bonds of solidarity and

shared prosperity with the world's most important political and economic union of independent nation states. It is a matter of regret that we were not, however, able to persuade a majority of our friends and neighbours in England and Wales of the merits of our position.

Consequently, we find ourselves in a situation not of our own making and quite unlike any other in modern British political history. As one who sincerely and honestly believes that Scotland's long-term interests would be best assured by assuming the responsibilities of statehood, I naturally feel a great sense of unfairness that I and my constituents in Renfrewshire South now face being stripped of our European citizenship as a consequence of a decision taken outwith Scotland. However, for those who share in this disappointment, our frustration must be tempered by the acceptance that it was a decision taken collectively by the United Kingdom, of which Scotland, for now at least, remains a part.

Therefore, the immediate task that we face in the Scottish Parliament is to obtain the best outcome for Scotland and to maximise Scotland's participation in the negotiations of the UK as member state. I proffer that it is axiomatic that the best outcome for Scotland is that the UK as a whole retains continued membership of what is commonly understood as the single market—that is, the internal market of the EU as defined by the four fundamental freedoms. Retaining full membership of the single market is of vital importance in realising what I hope is our shared ambition for the increased internationalisation of Scotland's economy. That key strategic objective is surely best achieved through continuing membership of the single market.

Outside of the single market, we lose not only direct access to a market of over 500 million people but the clout and trade expertise of an institution that can parley as an equal with the United States and China. Although the other countries of these islands will continue to be important trading partners, we must continue to expand our horizons and not allow our ambitions to be bounded or confined to trade dominated by the nations with whom we share this Atlantic archipelago.

Although the UK is now set to leave the EU, that does not preclude the possibility of continued membership of the single market. That could be achieved through UK membership of the European Economic Area, or by the UK being a member of EFTA in conjunction with bilateral agreements, or perhaps through a new, bespoke set of treaties. Although all such options merit serious consideration, there seems to be little prospect of the UK enjoying continued membership of the single market without

accepting the four fundamental freedoms, including freedom of movement. It is therefore concerning that, faced with this reality, the UK Government appears to be edging towards surrendering the UK's membership of the single market so as to substantially reduce the intake of migrants upon whom our future prosperity and the sustainability of our public services depend.

Withdrawal from the single market coupled with denial of access to those who would seek to come and contribute to this country would be, at best, a gross abdication of economic responsibility and, at worst, potentially the greatest act of self-inflicted harm committed by a British Government since the Suez debacle. We must do all that we can to persuade the UK Government not to pursue this reckless course. It is incumbent on all members in this place to give effect to the will of the Scottish people as expressed on 23 June.

That means pushing the UK Government to demonstrate that it, too, respects the clearly expressed wish of the Scottish people. If it is unwilling to ensure continued single market membership for the UK as a whole, the UK Government must strain every sinew to secure continued membership for Scotland—perhaps via some form of reverse Greenland model or a one country, two systems model. That would require an unprecedented boldness of vision but would demonstrate a willingness to make the UK a genuine partnership of equals.

It should be evident to all that this debate is of the gravest importance to the future of Scotland and, indeed, the UK. Unfortunately, however, over the summer we have seen a UK Government that is asleep at the wheel, with Tory members in this place and at Westminster muttering somnolent drivel about empire and the world being our oyster and even calling for the recommissioning of the royal yacht Britannia.

While the UK Government may not know what Brexit means, we in this Parliament must take our opportunity to define what it will mean for Scotland. In my view, it means retaining full and uninterrupted access to and, crucially, membership of the single market. Should the UK Government deliver, it will have demonstrated a willingness to treat Scotland as an equal partner; should it fail, it may not be just one union that it loses.

15:27

**Rachael Hamilton (South Scotland) (Con):** As Murdo Fraser said, the front page of the *Sunday Herald* may point out why confidence in Scottish businesses is not recovering like confidence elsewhere in the UK. The paper quoted the First Minister saying that

“The case for full self-government ultimately transcends the issues of Brexit, of oil, of national wealth and balance sheets and of passing political fads and trends.”

When the UK decided to leave the European Union, the SNP Government took that as an opportunity to revisit a constitutional question that we, as a nation, had already settled. The uncertainty that comes with constantly questioning Scotland’s place in the United Kingdom and not accepting the results of referenda is clear for all to see.

We must remember that domestic trade with the rest of the UK is worth four times more than trade with the EU. What sort of message is Nicola Sturgeon giving to our country? Let us not forget about our current economic situation. Scotland stands at a crossroads. Our economy’s growth is not matching that of the UK—falling global oil prices have not helped—the construction industry is struggling and Scotland has a £15 billion deficit. If Scotland had become independent, every woman and child and man would be £1,600 worse off. That simply cannot be ignored.

Professor Michael Keating, the director of the Economic and Social Research Council’s centre on constitutional change, has warned that free trade between Scotland and the rest of the UK would end if one nation was in the EU single market and the other was not. Independence would ultimately lead to an economic barrier to free movement, to goods and probably to services as well.

**Gillian Martin:** Will the member take an intervention?

**Rachael Hamilton:** I have not got very far but, yes, I will.

**Gillian Martin:** By that logic, if we were not in the EU we would not be able to trade with anyone in the EU. I am getting mixed messages from the member.

**Rachael Hamilton:** I am talking about what Michael Keating suggested, which refers particularly to the domestic market.

As Liam Kerr said, we will need to show resilience as we move forward into the unknown. Maintaining current relationships or developing new ones within Europe and the wider world will require skill and tenacity. The process will also require intensive Government intervention and support. In that regard, the Scottish Government and the UK Government must work closely together to deliver what is best for Scotland and for the United Kingdom as a whole.

It is now time for the Scottish Government to look ahead and do right for Scottish business. We have heard from Murdo Fraser about the damage that business rates are causing and, indeed, the

damage of repeating the same constitutional questions.

We could focus on how to help Scottish business. Let us take the tourism sector as an example. The sector has reported a boost since Brexit, as has been mentioned, and we should focus on it to encourage continued growth. Tourism is the buzz word on everybody’s lips. It is vital to the Scottish economy. Spending by tourists in Scotland generates about £12 billion of economic activity in the wider Scottish supply chain and contributes about £6 billion to Scottish GDP. That represents about 5 per cent of total Scottish GDP.

A strong visitor economy helps to position Scotland on the world stage. The economic impact of visitor spend spreads out from the traditional component parts of the tourism industry into other sectors such as arts and crafts, food and drink, cultural activities, sports events and retail. There are about 14,000 tourism-related enterprises in Scotland.

Job creation has been steady. Employment in the tourism-related industries sector accounts for 7.7 per cent of employment in Scotland. However, we are experiencing a skills shortage and that, according to the Federation of Small Businesses, is one of the biggest threats to tourism business. EU migrants make up a large proportion of the tourism sector and workforce planning will be key to ensuring the success of the industry. Perhaps we can make progress by bringing more of our school leavers into the sector and helping employment growth.

We must identify future problems. Perhaps we should just listen to Scottish businesses. What do they tell us? They tell us that business rates are causing insurmountable pain to many, there is a skills gap due to college places being cut and there is an unwillingness to invest in Scottish business because the Scottish Government persists on revisiting the same constitutional questions. Those are all problems that the Scottish Government can fix. It can stop increasing business rates, cutting college places and revisiting those questions.

The Scottish Government must work closely with the UK Government to identify what European legislation might work for businesses. Let us drop what does not work and pick up what does work. We need to be clear about how legislation will impact not just on tourism but on all industries. That will require many more meetings between David Davis and Mike Russell as we move towards an exit that suits our nation as a whole.

15:32

**Patrick Harvie (Glasgow) (Green):** I may be wrong, but I think that I heard “nation” in the singular at the end of that speech. I must be mistaken; I will check the *Official Report* tomorrow.

I welcome the debate and the central argument in the Government’s motion that a change of UK economic policy is urgently needed to support the economy and our people instead of having yet deeper austerity.

The decision that was made on 23 June will have profound consequences, whatever happens over the months and years ahead, and they can only be exacerbated by the wilfully dishonest leave campaign and the utter lack of preparedness within the UK Government.

The nature of the consequences is not yet clear, as the Fraser of Allander institute told us the other week, but perhaps the most immediately obvious impacts will be on people who exercised their right to move within the single market. Over many years, there has been an on-going debate about the benefits and costs of immigration to our economy and, like most members of this Parliament, I have always been convinced that the net effect is positive—not only for our economy, but for our people. The ugly tendency for many in politics and the media to manipulate that issue, adding racism and xenophobia, has been shameful, but the objective evidence about the economic benefits has grown only clearer.

There have undoubtedly been pressures and stresses, which have been felt far more keenly by the very people who are forced to move in desperate circumstances than they have been by people who are living safely in the UK.

Migration is not unnatural. It is a human norm; it has always been part of our story. The failure to plan and invest in the housing, services and infrastructure that are needed is a failure of Government that has been made dramatically worse by the UK Government’s austerity policies.

The impact of Brexit on many people is clear. It is the first example in modern times of a political decision that has left many people uncertain about where they will even be allowed to live. The impact on our economy is not yet clear. Our public services, our universities and industry all depend on the ability to attract talent and to make use of people’s creativity and energy. Overwhelmingly, we know that those people are more highly educated than most of the population and are less likely to claim tax credits or benefits, or to live in social housing, than the rest of the population.

Bizarrely, there are still people on the right of the political spectrum who insist that the UK can be part of a single market while simultaneously

demolishing one of its essential pillars—free movement. For most people, their ability to sell their labour and their ability to use their spending power are the main things that they can trade in a market. If people are not free to move within a territory, that territory cannot be described as a single market.

Most of us might agree that it is desirable or even essential to retain full access to that market, but the reality is that we have very little say. Just as Scotland’s view has been overridden in the referendum result, the new reckless faction of hard Brexiteers in the Tory ranks at Westminster have no interest in what we have to say about the value to Scotland of retaining access to and membership of the single market. They are pursuing a fundamental structural change in the UK’s economic relationship with the rest of the world, and—lacking any evidence base for their position—all that they have left to fall back on is their own hard-right ideology, with an added tinge of post-colonial entitlement.

**Keith Brown:** I entirely agree with Patrick Harvie’s description of the hard Brexiteers in the UK Government. Does he acknowledge that the Scottish Tories have now joined those hard Brexiteers, given Murdo Fraser’s statement that he does not believe that it is essential to remain part of the single market and that only access to it is required?

**Patrick Harvie:** Indeed. If I have saved myself enough time, I will come on to the Conservatives’ contribution to the debate shortly.

The hard Brexiteers might be only one group in the Tory ranks, but the UK Government’s front bench is giving no clarity about what it seeks to achieve. The UK Government’s defenders have claimed that it should not be expected to show its hand before the negotiations begin. It is a question not of it showing its hand, but of it simply naming the game. What will a win even look like? What is the UK Government seeking to achieve?

I respect and recognise the fact that the Scottish Government is in a difficult position, but it is clear that, whatever comes down the line from the autumn budget statement, Scottish Government responses with devolved powers are going to be necessary to protect investment in housing, in projects in the infrastructure programme such as the energy efficiency programme and in wide general access to public services. Public sector pay is another issue that will have an impact on economic activity.

Uncertainty is a huge barrier to private sector investment, but there also needs to be an ethical context for that. The Scottish growth fund could contribute to that, not by offering a free-for-all, but by giving specific support to the kind of businesses

that we want to grow in Scotland. In addition, the Scottish Government will need to adopt a more creative approach to taxation than it has yet set out.

The Government's motion is not quite as the Greens might have written it—we would have had a slightly different emphasis—and Labour's call for "further action" in its amendment is not specific; we might have different ideas about what that further action might be. However, on balance, both those positions have much to commend them, and we will support both of them.

There are three main points to make about the Tory amendment. First, it echoes the eternal whining for lower taxation, despite the fact that we have had decades of continual cuts in corporate taxation. Now businesses should not be expected to pay their local taxes, either. Secondly, it returns to the Tories' obsession with the constitution and their blinkered desire to prevent Scottish voters from even considering the option of independence. Thirdly, in it, they utterly abandon any credit that Ruth Davidson gained during the Brexit debate. One minute the Scottish Tories were facing down Boris and the Brexiteers and predicting that leave would be a disaster; now they have rolled over, ignoring their own convictions about Scotland's interests.

**The Deputy Presiding Officer (Linda Fabiani):** You must close, please.

**Patrick Harvie:** Murdo Fraser accuses the Scottish Government of sitting on the sidelines. Well, if all that that Government was doing was sitting back and letting Brexit roll over us, I would have no confidence in it. However, while there is still a chance to protect Scotland's place in Europe and our economy's access to the single market, the Scottish Greens will continue to hold the Government to its duty to do all that it can.

15:40

**Gillian Martin (Aberdeenshire East) (SNP):** When Aberdeen and Grampian Chamber of Commerce members were surveyed in the month before the EU referendum, 76.5 per cent of respondents said that they would vote to remain in the EU and about 40 per cent thought that if Britain left the EU there would be a negative impact on their companies' profitability and import-export strategies. Many businesses feared the impact on staffing of no longer having the labour pool that is the product of freedom of movement.

In a report last month, the chamber said:

"The prevailing theme is a request for clarity on the political and constitutional process of Brexit".

If Mr Fraser wants an answer on the reason for a lack of confidence, I suggest that that is it. Right

now, businesses have no option other than to carry on with their day-to-day operations in what is already a challenging economic climate. As Richard Leonard said, when the impact hits, the people who will feel it first and most keenly will be the people who are employed by those businesses.

Aberdeen's two universities, which are world leaders in research and innovation around energy, ecology and bioscience, are heavily dependent on EU and international funding, and they provide skills resources and generate opportunities for many companies in those fields in the north-east. The principals of the two universities are moving heaven and earth to minimise the already worrying impact of the Brexit decision.

Even before EU funding has been withdrawn, our universities are finding themselves left out of plans for collaborative research across the globe—yes, we are talking about collaborations with not just EU but global partners. Both universities generate millions of pounds for the north-east economy, and a lot of that is a result of EU membership, through the grant support that funds much of the universities' work and the EU talent that makes up their teaching, research and student bodies and lives in the area.

The decision to leave Scottish universities out of the post-study work visa pilot was scandalous and is compounding the potential damage of Brexit.

Outside the city, we are in the middle of harvest time. Up to 1,500 EU nationals are employed seasonally to pick and pack soft fruit, and many growers are wondering whether they will be able to rely on that workforce in future years. Similar workforce issues affect the hospitality sector. I was interested to hear Rachael Hamilton suggest that EU nationals might be replaced by school pupils.

My friend and colleague Stewart Stevenson mentioned the issues that face north-east fish processors. One such business, in Mintlaw in my constituency, relies on the EU nationals who work there to satisfy its orders. It is estimated that 50 per cent of meat-processing workers are from outside the UK. Such people not only contribute to our industries but pay income tax and spend their money locally. Where are the guarantees to those UK taxpayers, who might be forced to leave if freedom of movement becomes a thing of the past?

Where is the evidence of the opportunities that the leader on the Tory benches in the Scottish Parliament suddenly thinks are out there, although she previously spoke so passionately against leaving the EU? I confess that I am not convinced by the new script that the new boss has handed to members on the Tory benches; it is somewhat at



odds with the majority of Tory contributions to our EU debate in early June.

If the opportunities that the Tories are talking about are presented solely because of a temporary reduction in the value of the pound, due to the money markets' shock at our decision in June, I will need a bit more persuading of their long-term value. It is a little like saying that the devaluation of the German mark in the Weimar republic in the 1920s was good for suitcase and wheelbarrow salesmen.

Let me make this point strongly. In 2012, when constitutional change was up for discussion and a referendum, the SNP Government published a 700-page blueprint that outlined how we saw Scotland operating after a yes vote—and for many of our opponents it still was not detailed enough—yet in 2016 when we were asked to vote on a constitutional decision of seismic magnitude, the public had nothing in print to refer to about how a post-Brexit Britain might work. Slogans on buses do not count, it appears.

Now, in the aftermath of the vote, we still have nothing that gives our public services, businesses, education sector and citizens any idea of what Brexit will mean in economic terms. What is happening now that we are in a situation that Scotland did not vote for and which nearly every parliamentarian across the parties in this Parliament spoke against? It would appear that it falls to the Scottish Government to roll out economic stimulus packages, as was evidenced in the cabinet secretary's speech.

It is time for Westminster to step up to the plate, take its economic responsibility for Scotland seriously and do the same. It should inform us of and involve us in the detail of any negotiations to guarantee our businesses access to EU markets; guarantee that our workforce will not be stripped of thousands of EU nationals; and provide our world-class and local-economy-powering educational establishments with the promises that they need to reassure their partners, students and staff that they will have stability beyond 2020. At the moment, it feels a little bit like the Tories have crashed our car and are now sending us the bill for the damage.

15:45

**Alexander Burnett (Aberdeenshire West) (Con):** Thank you, Presiding Officer, for the opportunity to speak on Scotland's economy and its response to the EU referendum.

First, it is important to note that Scotland voting to remain did not at any point give the SNP any right to hold a second referendum on Scotland's independence. By its action now, the SNP is putting Scottish energy firms on the back foot, with

dwindling levels of foreign investment compared with the rest of the UK.

Although not everyone in the United Kingdom may have been happy with the result, we must start making a success of Brexit. The SNP needs to realise that Brexit is a great opportunity for our energy sector. From creating a specific, flexible energy system to responding to being freed from the shackles of EU energy directives, the Scottish Government should be ready to support an industry that is ready to grow and welcomes the opportunities ahead.

**Patrick Harvie:** Could the member give examples of specific EU energy directives that he wants to be ripped up?

**Alexander Burnett:** Maybe I should have waited before giving way.

Although the north-east is a global hub of oil and gas companies, it is just that: global. For many companies in Aberdeen, the North Sea provides only a fraction of their business, and a weaker pound has greatly assisted export revenues. An example is Balmoral Offshore Engineering, which I visited only a month ago. Some 90 per cent of its buoyancy and insulation products are exported to emerging markets as far afield as South America.

It is essential that we seize this break for our export market and allow companies to boost our Scottish economy, which is in dire need of investment after nine years of SNP rule. I can only hope that, unlike fracking, this is an opportunity that the Scottish Government will not miss.

Brexit also gives us an opportunity to rid ourselves of overreaching EU policy makers who are preventing our remote communities from having their specific energy requirements met as a result of concern about breaches of state aid rules. Currently, the UK Government is unable to target our Scottish islands with specific energy policies as they contradict energy market rules set by Brussels. The opportunity of Brexit gives us a chance to create a tailored Scottish energy system in which we can ensure that all Scottish consumers get reliable, clean and affordable energy.

Bureaucratic EU procurement laws also mean that we cannot favour Scottish energy companies for contracts. Instead, we force our companies to compete with a continent where other countries still support state enterprises and have a very different view of state aid rules. Even when rules are proved to have been broken, it is so long after the fact that the damage has already been done.

Another key point is that, although we may have left the EU, we have certainly not left Europe, and our energy security does not rely on our membership of the single market. We have not

hailed up our anchors and sailed away—quite the opposite, for we are tethered to the continent through a vast series of interconnectors. A majority of those are in the North Sea and connect us to Norway, which is one of our major energy suppliers and is not a member of the EU. That is a clear demonstration of the UK's lack of reliance on the EU to meet energy demand.

I welcome the plan for a further interconnector with Iceland, which is a country of 300,000 people that, again, is thriving outside EU energy directives.

**Mike Rumbles (North East Scotland) (LD):** I am a little confused by Alexander Burnett's argument. Can he make it clear whether he as an individual is in favour of remaining in the single market? His argument seems to be that we should leave it. Which is it?

**Alexander Burnett:** I think that that question has already been answered earlier by my colleague Murdo Fraser. It is not the membership of the single market that is important; it is the access to it that is important. That is the basis on which we will negotiate. If the Scottish Government got on board with that to ensure that we had the best access, whether for energy or other goods, products or services, we would be stronger in co-operating with all parts of the United Kingdom.

On the more global issue of climate change, although our Environment, Climate Change and Land Reform Committee has raised the question of Brexit several times, it has not once been suggested that the goals for the forthcoming climate change bill will be lowered by recent events. Our climate change goals will not change. They are enshrined at a national level rather than an EU level, and we should be proud of the progress that we have made.

On a more topical source of energy, given recent events, the SNP will be pleased to hear that our main supplier of imported shale gas—America—is also a non-EU member. My only displeasure with that trade is that it comes at the cost of Scottish jobs and our economy. Ineos, which operates the Grangemouth plant, will celebrate the first shale gas shipment arriving in Scotland next week. It says that shale gas has helped to safeguard the future of the plant and has created new jobs and investment. However, the Scottish Government has snubbed the event, which has prompted suspicions that it does not want to be associated with fracking. That is a childish approach that would not be replicated around the world. It is time for the nationalists to recognise the value of shale. Although a weak pound is good for our exports and manufacturing businesses, this is certainly not the time to spend

hard-earned foreign exchange on fuel that we could produce here.

It is clear that, when it comes to the UK's balance of payments, the SNP would rather put self-interest before the country's economic interests. We can all see now that the SNP will see Brexit only as an opportunity for self-interest and never see in it the opportunities that Scotland's economy demands. It is vital that the SNP starts to make Scotland a global leader in energy and puts its ideological need for a further independence referendum to bed.

15:52

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Let me pick up a couple of points that have arisen so far, in particular from Liam Kerr. I will start with a point of agreement with him to set a favourable tone. Change is certainly opportunity for those who have the energy and ideas, but it is also a challenge that we have to respond to. That is always the case, whatever the nature of change. At least I have started with that agreement.

I will briefly pick up the suggestion that the Government has never said anything about the Faroes and fishing. On 10 August 2010, Richard Lochhead condemned Iceland and the Faroes. Then, in an answer to a parliamentary question that was lodged by Jean Urquhart on 10 February 2012—I will give members its number so that they can write it down: it is S4W-05594—Richard Lochhead said that he found

“no access to Faroese waters ... regrettable”. [*Written Answers*, 9 March 2012; S4W-05594.]

In 2014, the First Minister met the Faroese Prime Minister to discuss the subject. On 9 December 2015, Richard Lochhead said that the fisheries deal in relation to the Faroes was “unacceptable”.

If I had had as much time researching Liam Kerr's false claim as I have spent rebutting it, I suspect that I could have come up with a 1,000-page book.

**Liam Kerr:** Will the member give way?

**Stewart Stevenson:** No, I will not.

I will now move on to Murdo Fraser, who referred to state aid rules. He was, of course, correct. If the UK is outside the EU, the state aid rules of the EU will not be binding on it. That is probably fair comment, but abandoning the state aid rules is not without pain if the country wishes to trade with the EU. It will find that it is unable to do so.

Let me pick up a point that has emerged in the debate about having access to the single market or being a member of it. In particular, I will use

Switzerland as an example. It has access to the single market, but it is not a member of it. That means in practice that it can trade in goods across the border by and large, but there are significant restrictions on access for agricultural goods, very little access for professional services, and virtually no access for financial services. That is not a trivial matter. Financial services account for 12 per cent of the UK's economic output. In considering whether we should be a member of the single market or merely have access to it, we should not imagine that they equate to each other. They are choices that can be made—that is a perfectly proper view—but they are not the same thing; Switzerland tells us that.

I have been talking about banking, so I should declare that, as I voluntarily set out in the register of members' interests, I have shares in Lloyds Bank that are below the declarable limit.

I want to talk a bit about the area that I represent. Parts of the Aberdeenshire and Moray council areas are in my constituency. Aberdeenshire Council undertook a study that suggests that £11 million of secured EU funding might be at risk. I think that similar scenarios will be repeated across Scotland. In particular, it will affect the north-east Scotland fisheries local action group, which is likely to lose money from the European maritime and fisheries fund. The north-east farming sector receives between £75 million and £100 million in EU subsidies every year. The subsidies appear to be guaranteed for some period of time, but the long-term situation is very uncertain indeed.

I want to talk a little bit about technology generally and about how leaving the EU and being outside the European single market might affect it. In particular, I want to talk about the unified patent court. At the moment, if someone wishes to register a patent in the EU, they can do so once. Outside the EU—outside the court, which is a creature of the EU—they will have to register their patent 28 times. That is a significant burden on innovation in Scotland, which of course invented most of the modern world, and in the UK as a whole. Of course, we will also have far less influence over patent law.

We will also be shutting ourselves off from the European digital single market, which provides data protection and better access to products and services at a reduced cost. That single market is also driving acceptance of and innovation in digital services by setting pan-European standards. For example, there is the debate around the prospect of 5G mobile phone communications. That market is important to Scotland and it is important to the UK.

It is fair to say that some constituencies will be more affected than others. For example, one

constituency has the Tesla Motors EU headquarters, the Hutchison 3G headquarters, Informatica and Adobe, which are products that we use every day, Quest Software and a huge number of other companies. Where are those particular companies? They are in Maidenhead, which—as those members who may know a little about it will know—is the constituency that the Prime Minister represents. I hope that, when she sits down with those companies and looks at the problems that innovators and technology companies will experience as a result of the policy that her Government has put in place, she will be challenged about those problems. I hope that that leads to her realising that we have to minimise the adverse impact of leaving the EU by ensuring that we do not simply have access to the single market but stay as a member of the single market.

Finally, a survey of 1,000 Europeans working in the UK that was done by Totaljobs suggests that 25 per cent of them are prepared to reconsider career options outside the UK—another hammer blow if we do not have free movement of people.

15:59

**David Stewart (Highlands and Islands) (Lab):**

I welcome Mike Russell to his new post and I wish him well in his negotiations with Westminster.

Whatever side of the Brexit argument members are on, one issue unites both sides of the debate: the referendum result has thrown the UK into deep and uncharted waters. No complete member state has ever left the EU—the world's largest single market, with 550 million people, where 50 per cent of the UK's exports are sold, tariff free with no trade barriers.

Even the ancient Highland mystic, the Brahan seer, would struggle to predict the economic health of Scotland and the UK post-Brexit. Former US Secretary of Defense Donald Rumsfeld famously talked about “known knowns”. What do we know about Brexit and what are the known knowns? There are not many. We know about article 50 of the Lisbon treaty, which allows a member state to leave the EU. That seems to me to have been drafted as an afterthought and a redundant article that was never designed to be used. We also know that only the UK can invoke article 50 for our country and that there will not be a vote in the Commons prior to the article being invoked. I see no evidence of a second referendum, notwithstanding the petition calling for one that was signed by more than 4 million people, and nor is there any evidence of an early general election.

Article 50 specifies that all other 27 countries in the EU will negotiate with the state that is leaving and that there is up to two years, unless the period

is extended, to sort out trade negotiations. One issue in the negotiations that I want to highlight is that the EU internal market formalises restrictions on production and protects geographic indication. As members might guess, I have a local issue, which is that Stornoway black pudding is protected by such designation. If we leave, the protection for excellent Stornoway black pudding would fall, as would the protection for whisky in America.

Once the timetable has expired, the default trade position is that we rely on basic World Trade Organization agreements. Back in May this year, the World Trade Organization chief executive, Roberto Azevêdo, said in *The Guardian* that Brexit will bring back trade barriers of £9 billion a year to British consumers. He went on to say that the UK will be forced to negotiate trade deals with all 161 WTO members, which is akin to joining from scratch. He said:

“The consumer in the UK will have to pay those duties”.

He continued:

“The UK is not in a position to decide ‘I’m not charging duties here’. That is impossible. That is illegal.”

How realistic is the two-year timescale for Brexit? As a comparison, let us look at the comprehensive economic and trade agreement, or CETA, between the EU and Canada, which is a negotiated and bilateral agreement that has been on the table for—wait for it—seven years and is still not in force.

In my remaining minutes, I will focus on the impact of Brexit on my region of the Highlands and Islands. Historically, the region has faced economic and social challenges, such as depopulation, lower economic activity than the rest of Scotland, seasonality, peripherality, poor transport and infrastructure and loss of young people. Only recently has that situation been reversed, and the EU regional and territorial cohesion policies have been the key transformation agent. The Highlands and Islands is Scotland’s only transition region. Although the main worry to me is the loss of European structural and investment funds, there are other concerns on the horizon that I would like to flag up such as the loss of Interreg, horizon 2020, the programme for the competitiveness of small and medium-sized enterprises, or COSME, and Erasmus+. Can the minister confirm in his winding-up speech whether the funds that are allocated through ESIF co-financing objectives will survive once funds are repatriated?

At present, there is no emphasis across the UK on regional policy that takes into account the different challenges that affect regions such as the Highlands and Islands, and it is only through funding support and policies from the EU that factors such as population and workforce,

communication, distance from markets and the higher cost of doing business in remoter areas have been addressed. I am concerned that, unless the impact of the EU support and policies on the Highlands and Islands is truly recognised and understood, Brexit will have a calamitous impact on the future economic growth of the region.

Of course, some may argue, “What has Europe ever done for us in the Highlands and Islands?” To that, I would say that we should look at the funding for the University of the Highlands and Islands, the European Marine Energy Centre in Orkney, the marine science centre in Oban, the department of lipidomics in Inverness, the ferry terminals in Stornoway, Scrabster and Stromness, the Western Isles spinal route, air terminals, business support and let us not forget the Kessock bridge.

The loss of the support and finance of the EU will be made even more bruising to the region if Scotland loses access to the single market. As members know, the Highlands and Islands is a significant exporter to the rest of Europe, particularly in the nation’s excellent food and drink sector, and most notably of whisky and seafood. Having to pay for access to the market will cause Scotland to lose our competitive edge and lead to the loss of much investment. Uncertainty around issues such as those is already having an impact on investments, with many plans being postponed or cancelled altogether. The cabinet secretary referred to the Highlands and Islands Enterprise report that flagged up that very point.

In addition, the worth of the CAP to the Highlands and Islands economy cannot be overestimated with so many people in the region directly and indirectly reliant on agriculture.

Brexit is the most important issue for the Scottish economy’s future. The pathway ahead is not clear but, in the words of the celebrated code breaker Alan Turing:

“We can only see a short distance ahead, but we can see plenty there that needs to be done.”

16:05

**Tavish Scott (Shetland Islands) (LD):** This is the second Brexit debate in a week and we are due another one next week, I am told. I have been puzzling why that should be but the reason occurred to me just now because I see that Mike Russell will respond on behalf of the Government. I feel a bit sorry for him because there is no process yet in place and no negotiating position yet on which to negotiate. Therefore, the Government has decided to fill Mike Russell’s diary with endless debates about Brexit. We will have to bring back Jamie McGrigor and debate nephrops and Brexit before long.

In his speech, Keith Brown challenged members to come up with some ideas and proposals that would be helpful for the Scottish economy, which was an entirely fair charge. Four things came to me as he offered that challenge to Parliament. The first relates to the report that the Fraser of Allander institute published last week. For all of us, regardless of where we are on the political spectrum, that report must be the most seminal piece of research on public spending done in recent years. It suggests that, by 2021, we will face a £1.6 billion or 6 per cent cut in public spending. It also suggests that local authorities could face a cut of £1 billion in their spending over the next number of years. Therefore, my first suggestion to the Government is that it should publish even a draft budget because all businesses, the voluntary sector and local authorities need to consider how they will react to not only the public spending squeeze but the economic circumstances that Brexit will cause at some stage. They need a budget not to be left to the last minute, which I fear is what we may be heading for, but published in very short order. I encourage the Government to do that.

My second suggestion takes up Jenny Marra's point about decommissioning. The only point on which I disagreed with her was that there were options for Brent. One of them was Lerwick, which was bypassed, as she rightly said, and some of the topsides are currently being taken down to Teesside. From my point of view, at least those jobs are in the UK—Jenny Marra made a fair point about the Maersk platform going to Norway. The Cabinet Secretary for Economy, Jobs and Fair Work made a fair point about the importance of loan guarantees, with which I agree, but like Jenny Marra I want tax relief to be provided to the oil and gas sector tied to the jobs being held in the UK. I would like them all to be in Lerwick and Jenny Marra would like them to be in Dundee but we would all like them to be at least in our country. I hope that the cabinet secretary will take that as a second suggestion.

The third proposal concerns fishing, which a number of members have raised. I disagreed with Stewart Stevenson on only one point on that. He cited lots of parliamentary questions and other things about the Faroese. As he well knows, the Faroese won that argument so we all lost it.

**Stewart Stevenson:** The Faroe Isles are an independent country.

**Tavish Scott:** It does not matter. The UK Government and the Scottish Government were in the same place on it. That is one of the reasons why the Scottish fishing industry—the pelagic industry in particular—detests the common fisheries policy and does not have a lot of time for the European Union.

My suggestion is that the Government needs to instruct civil servants to prepare a new fisheries policy for Scotland. It needs to do the same for agriculture because, one way or another, we will have a different kind of agriculture policy. I hope that they will take up the challenge of working on that over however many years we have before Brexit comes to fruition, because I suspect that many of us across politics agree about the need for something very different from what we have at the moment.

My final proposal concerns developing Scotland's young workforce. I want the Parliament to value vocational routes into work as business wants, as Sir Ian Wood's commission made clear three years ago, and to embed them in schools at a much earlier stage instead of always promoting the pursuit of academic performance and statistics—in other words, an academic route into work. I fear that, now that the Government has mainstreamed—to use that terrible word that we all use—that spending, it will not have the same focus on developing Scotland's young workforce as when Sir Ian Wood produced his report and the Government rightly acted on it.

I have a further suggestion for Mr Brown, but I suspect that he will not pick up on it. I think that he should drop any suggestion of having a second independence referendum. I do not think that that would be helpful and neither does business. We could do with as much certainty as possible in Scotland, to contrast with the uncertainty that we have south of the border.

I confess that all the Tory speeches today have sounded even more Eurosceptic than the ones last week. Murdo Fraser cited a study that said that everything is fine. The Chartered Management Institute—I confess that I had not previously heard of the body, but I am sure that it is very learned—yesterday published a report that said that most bosses across the UK predict slowing growth over the next 12 to 18 months and that only a third of those bosses saw Brexit paving the way to better times over the next three to five years. The institute's chief executive said:

"Brexit uncertainty has made many managers deeply anxious about growth, finance and access to talent from EU countries."

We need to get some balance into the situation. The view of the chief executive of the CMI is supported by Highlands and Islands Enterprise—David Stewart has just mentioned the importance of business in the Highlands and Islands, and I would accord with that view. The findings of HIE's latest survey of businesses in the area show that 55 per cent of them feel less confident in the future of the Scottish economy as a result of the Brexit vote.

For every study that is cited by those on the Conservative benches saying that the world is wonderful and there are huge opportunities, there are far more voices from business—not just from those of us who believe in the EU—saying that the way we are going is not the best way.

Theresa May is in New York today. I read that, last night, she met Wall Street bankers to try to convince them that Brexit—whatever Brexit means to the Prime Minister today—does not mean that they should leave the City of London. As I have argued before, I think that issues around the City of London are the most important aspect, in the UK sense, of why Brexit is damaging for the future of the UK and Scotland. The fact that the Prime Minister had to spend time drinking wine with bankers in New York last night says it all.

16:12

**Stuart McMillan (Greenock and Inverclyde) (SNP):** A key element of our continued relationship with the EU must be to remain as a member of the EU single market. Today's debate has underlined the importance of that. Getting the right deal for Scotland in circumstances that are not of our choosing must be the shared aim of every MSP and everyone in our country. However, almost three months have passed since the result of the referendum without our having any idea whether the UK Government wishes to remain in the single market.

One vital point has not been highlighted often enough in this debate. We have had the referendum, but Brexit has not yet happened, which means that no matter what analysis has been published—and no matter what we have heard today from Conservative members—we do not yet understand the full economic implications of Brexit for Scotland's economy.

As the First Minister stated when launching the programme for government earlier this month, the Scottish Government is determined to build an economy in which everyone has a fair chance to contribute to and share in the benefits of economic growth. "EY's Attractiveness Survey Scotland 2016", which was published in May this year, shows that in 2015 Scotland attracted more foreign direct investment projects than anywhere in the UK outside London.

I want to touch on some comments that Richard Leonard made earlier. It is a shame that he is not here to hear me.

**Jackie Baillie:** He's behind you.

**Stuart McMillan:** Okay.

I have a huge amount of sympathy for some of Richard Leonard's comments about indigenous companies. However, we must also be fair to

international companies that invest in Scotland. IBM has been in Scotland for 62 years, and National Semiconductor—now Texas Instruments—has been in Scotland for 46 years. I admit that the number of folk working in those two businesses has decreased and that Texas Instruments is going to leave, but over the length of time that those companies have been here, they have contributed to their local economy and to the Scottish economy.

Continued economic recovery in Scotland is threatened by the outcome of the EU referendum. Tory recklessness in Scotland means that Scotland faces the possibility of being taken out of the EU against its will, which could put jobs, investment and economic growth at risk.

As we have heard today, a report from the Fraser of Allander institute noted Scotland's comparative success in attracting international investment and its strength in exports in recent years, but highlighted the challenges that have been created by Brexit, which could result in a slowdown in foreign direct investment. Analysis shows that over the next 10 years, because of the impact of Brexit, GDP in Scotland could be 2 to 5 per cent lower than it would otherwise have been.

The decision to leave the EU is forecast to have a detrimental impact on long-term economic prospects. Investment, household incomes, employment and the long-run supply potential of the economy could all be lower, although effects may take time to emerge. David Stewart quoted the figure of some £9 billion across the UK; that is a huge amount of money to be taken out of any economy.

Trade could be hit particularly hard. The EU accounts for just over 40 per cent of Scotland's international exports—in other words, excluding exports to the rest of the UK—which is more than North America, Asia, South America, the middle east and Australasia combined. I am sure that the Conservatives would say that the rest of the UK is a more important trading partner. That is apparent from the figures, but why should we put all the eggs in that one basket? We need to ensure that Scotland's economy can withstand many of the pressures that result from international events.

**Rachael Hamilton:** Does Stuart McMillan consider that £42.6 billion versus £11.2 billion, which is the difference between the domestic market and the European market, is not significant?

**Stuart McMillan:** I did not downplay the significance of the level of trade between Scotland and the rest of the UK. Instead, I asked why we should put all our eggs in that one basket when a major shock in that one economy would have an adverse effect on Scotland's economy.

Many companies in Scotland and the rest of the UK are parts of complex international supply chains, which means that it is not just access to export markets that is important; EU imports are important, too. In recent years, Scotland has performed well in international investment, rivalling the south-east of England as the second-biggest location for foreign direct investment projects after London. That is driven, in part, by a skilled workforce; it is also driven by the fact that the UK is an access point to the single market.

FDI has strong links to productivity through transfer of knowledge, skills, best practice, technology and innovation. However, businesses will not, and cannot, adjust their plans overnight. Plant and machinery, for example, are immobile in the short run. Moreover, for the time being, Scotland and the UK remain within the EU. In terms of trade, regulation and free movement, nothing has changed thus far. It is likely to be only a matter of time, however, before expectations of reduced integration feed through to day-to-day investment, production operations, research and development activities, employment and household spending decisions. R and D is vital for the future of the economy: for example, in 1999-2000, IBM's R and D department closed, and the assembly and manufacturing operation of IBM in Greenock started to decline.

Since the result of the EU referendum, the Scottish Government has lost no time in engaging fully and robustly on all fronts. As businesses continue to face the on-going uncertainty that has been created by the UK-wide vote to leave the EU, our planned £500 million Scottish growth fund is designed to support them, the workforce and the economy to grow.

The Conservatives have talked about opportunities. As far as I can see, the opportunities for students and the economic impact that students can have will decrease if additional costs are placed on them.

On the opportunities for tourism, as members know I chair the cross-party group on recreational boating and marine tourism. We launched a strategy last year to promote marine tourism in Scotland. What will happen to the marinas? Will visa access points have to be installed in them for when sailors come in from EU nations?

Brexit has not yet happened. Scotland and the rest of the UK will face huge challenges. Brexit will have an adverse effect on our economy and we are, despite what the Conservatives say, in for some bumpy times ahead.

16:19

**Edward Mountain (Highlands and Islands) (Con):** As I will talk about the rural economy, I

would like to declare an interest as a partner in a farming partnership in Scotland.

The vote that we had on 23 June resulted in a decision that I did not seek, but which I totally accept because it was the democratic choice of the United Kingdom and we are part of the United Kingdom.

While I was in Dornoch just after the referendum, I visited the newly refurbished coffee room in the old jailhouse. First, I encourage everyone to visit and see whether they can resist the edible temptations that are on offer—I could not. Secondly, I will share the resolve that the visit gave me on how to deal with Brexit. Written on the wall was the following saying:

“If fate hands you a lemon, make lemonade.”

That sums up what we should be doing now and it sums up the stimulus that Scotland needs to look at the opportunities and make the most of them. It is what our can-do farmers and rural businesses expect us to do. They will never forgive us for not rising to the challenge. Sadly, some—as has been witnessed in today's debate—do not share that view and take the attitude that if fate hands you a lemon, you should throw it back, saying it will always be sour.

On 13 August, the rural economy in Scotland turned to Parliament again and expected us to start working on what will happen post-2020—the year until which farm subsidies have been guaranteed. Fergus Ewing backed that up, saying on 13 September that there is a need for stability in the agricultural sector. He said:

“I am sure all members can agree that farmers and their families need certainty in these uncertain times.”—[*Official Report*, 13 September 2016; c 23.]

We should be working towards that.

I call on the Scottish Government and members in the chamber to look at the future for Scottish farming and the 65,000 people who are directly involved in it.

**Stuart McMillan:** On Edward Mountain's point about farmers and their families looking for certainty, surely every person in the country should have that certainty.

**Edward Mountain:** Absolutely—and certainty comes from knowing that we are working on things. However, I am talking specifically about the rural economy.

Farmers in many remote rural areas such as the Highlands are the backbone of the rural economy, providing jobs and food, and looking after the environment. Sometimes they do that in the most inhospitable conditions, with long working hours being the norm rather than the exception. This year they face rising input prices, which are not

reflected in farm-gate prices. Many farmers who sold grain this year received the same price as they received 30 years ago. That is not sustainable, but it is bearable because of subsidies. I strongly believe that all farmers would like to be able to farm without subsidies, but realistically it is not possible because of all of the rules and regulations—especially if we demand cheap food.

We need to start thinking about the future of agricultural support and how we will ensure food security. We have a real opportunity that is not ours to squander by saying only that we want to remain in the EU and will not consider the alternatives. That will be seen as petulant and destructive.

On protecting our markets, we export to the EU 34,000 tonnes of farmed salmon, which is nearly two salmon for every person who lives in Scotland. We need to retain access to that important market. To those who are already being negative and saying that that is not a concept that we can have, let me point out that there are many producers in Europe who will demand the same access to our markets. We need to be constructive and not destructive about opening up markets.

**Patrick Harvie** *rose*—

**Edward Mountain:** I am sorry, but I have given way once and I know that the Presiding Officer is strict. Are you going to give me leeway, Presiding Officer? You said the other day that you would not.

**The Deputy Presiding Officer:** Just a little. Today is a new day, Mr Mountain.

**Patrick Harvie:** I am grateful. Edward Mountain is concerned about businesses having access to the single market, so does he accept that for it to qualify as a single market citizens, as well as businesses, must have access to it, which means their freedom to move?

**Edward Mountain:** That is exactly the point that I am making. I am saying that we need to be constructive and to look at all the opportunities to make sure that our businesses succeed. I fully accept—as, I am sure, does everyone on the Conservative side of the chamber—that we need people to help us get in our harvest in rural areas. We should be open to that, as well as being open to exporting food. However, just saying that we must have freedom of movement is not being constructive; it is being limiting.

Having answered that question, I want to look at trade deals. Trade deals are real possibilities and we should look to work with the UK Government to make them a reality. We have identified areas—everyone here knows them—in which we could improve trade deals. They include reducing the 3,000 per cent duty on Egypt's whisky imports and

getting rid of the USA's ban on beef and lamb imports. We need to work with the UK Government to say that we are open for business, and we need to not say that we will not play a role in the reforms that lie ahead, which I fear is some people's approach.

I hope that the appointment of Mike Russell will lead to positive discussions and is not just another chance to speak of what his party believes are the negatives of Brexit, or to suggest that the only way forward is independence.

I would like to dwell on one other issue—environmental regulations. For too long managers—whether farmers, keepers, conservationists or foresters—have had to deal with EU legislation that regulates and restricts what they do. We now have the opportunity to look again at all those regulations. We should take it. We should not rush blindly to replace EU-driven rules with rules that do not serve Scotland; rather, we must ensure that the new rules serve Scotland.

For example, earlier this year, the EU went through the process of trying to ban glyphosate. That failed, but its licence was given an extension only for 18 months. Glyphosate is a vital chemical that is used not only by farmers but by councils and gardeners. There is no suitable alternative, so to lose it would be a disaster. We should start to welcome the opportunities that Brexit might offer us. We should review the regulations, but not take the lowest common denominator.

**The Deputy Presiding Officer:** Your extension is rapidly running out, Mr Mountain.

**Edward Mountain:** I promise not to wear out your patience again, Presiding Officer.

I hope that members will see the common theme in what I am saying. We have not chosen to be where we are with the EU, but fighting the decision will not be constructive. What will be constructive will be for us to seize the opportunities that have been created, and to run with them as the farmers and rural businesses who run with them every day will expect us to.

I say simply this: with our lemons we must make lemonade and not just continue to make sour-looking faces.

**The Deputy Presiding Officer:** My face was in great danger of becoming very sour. [Laughter.]

16:28

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** Before I was elected I spent several years working as a commercial lawyer at the heart of Scotland's economic activity. In that and other roles, I witnessed at first hand just how much of an attractive and stable place Scotland is to do



business in. Let us remember that. Although of course there is a need for improvement and we face significant challenges, our professional services sector is world class, the depth and quality of our labour market is outstanding, and we have phenomenal natural resources, wide-ranging creativity, highly successful established industries and strong growth in new, pioneering sectors. In recent years, Scotland's productivity rate has grown at a faster pace than that of the rest of the UK, and, as has been mentioned, inward investment has expanded and employment levels are up.

In the context of the Brexit vote, let us emphasise that Scotland is still very much an attractive and stable place in which to do business. However, there is no doubt that the outcome of the EU referendum presents significant challenges. That is why I warmly welcome the measures announced by the cabinet secretary today, particularly the £0.5 billion investment from the Scottish Government to establish a new Scottish growth scheme. I also welcome the move that the First Minister made in the summer to bring forward £100 million of additional capital spending to boost the economy in these uncertain times. The measures will support start-ups and export growth, they will have a multiplier effect and create demand in our local economies, and they will have a direct impact on job creation. We should all welcome that.

The Scottish Government is taking action to support our economy and mitigate the immediate effects of Brexit. It is baffling to me, to many others in our communities and to the business community that the UK Government is not doing something similar. To support the economy in my constituency and across Scotland, and indeed across these islands, I strongly urge the UK Government to follow the initiative of the Scottish Government, to lead at the earliest opportunity and to bring forward some meaningful measures to stimulate the economy.

What is more, we need answers from the UK Government. As several speakers have said, another week is passing without clarity or comment from the British Government about membership of the single market. We have had no recent comment about the legal status of EU citizens. Furthermore, financial services, which are an important part of our economy, particularly in Edinburgh, need clarity from the British Government about retaining passporting rights for that sector post Brexit so that Scottish banks and other financial services companies can continue to operate anywhere in the EU while being based in Scotland.

At last week's Prime Minister's questions, my colleague Deidre Brock MP asked the Prime

Minister whether she could give any assurances on that question. Almost a week later, there have been no assurances from the Prime Minister or from the British Government. It was also interesting to note that the Prime Minister dodged a legitimate and important question about a hugely important sector with empty words about an independence referendum. Again, today, it is the Scottish Conservatives who are going on about another independence referendum. The Tories are talking about independence because they have no answers on Brexit. As I have already said, the Scottish Government has taken noticeable and meaningful action since the Brexit vote on 23 June and the British Government has done astoundingly little or next to nothing.

Week after week in the past months, I have heard Conservative MSPs in the chamber or in media interviews assert that the business community is significantly worried about the possibility of another Scottish independence referendum. However, the fact of the matter is that, on the ground and in boardrooms across Scotland, and in my experience of talking to all sorts of different businesses from SMEs to PLCs, the most significant worry and concern for businesses in Scotland is the real uncertainty about Brexit and the lack of clarity from the British Government. The Tories might want to use independence as a smokescreen to avoid talking about Brexit, but there is no getting away from the real issues that we face, which have arisen as the result of a vote that is contrary to the popular will of the Scottish people and that was presided over and actively pursued by members of the British Government. As Stuart McMillan rightly said, we have yet to see the full consequences of the Brexit vote.

In the face of Brexit's challenges—which we are dealing with together—I urge the British Government to follow the Scottish Government's example and lead by investing in a meaningful stimulus package to create demand and growth, and I urge it to give clarity on passporting rights for the financial sector and the single market. The people of Scotland are waiting and listening and they need answers soon.

**The Deputy Presiding Officer:** We now move to the closing speeches. I have to say that I was a bit overgenerous to some back benchers, so I ask members to be fairly tight with the time for their closing speeches. We now have a very indignant looking Jackie Baillie—seven minutes, please, Ms Baillie.

16:34

**Jackie Baillie (Dumbarton) (Lab):** I am not at all indignant. I think that I was sucking on one of Edward Mountain's lemons. [*Laughter.*]

I welcome Michael Russell to his new post, but he will forgive me if I do not join in with Tom Arthur's very gushing tribute to him. It is perhaps the most gushing tribute that I have ever heard in the chamber. Mr Arthur clearly wants a promotion. Further, I hope that the minister will absolutely resist Edward Mountain's suggestion that we treat our response to Brexit as a version of "The Great British Bake Off", with the key ingredient being lemons. I have heard it all today.

I welcome the opportunity to debate the impact of Brexit on the Scottish economy. It is the case that the people of Scotland voted by a significant margin to remain in the European Union. It is important that we respect that and reflect on people's wishes as we move forward. The minister will of course expect me to point out that it is also the case that an equally significant margin voted to remain in the United Kingdom and we equally need to respect and reflect their wishes too. The challenge is how we give expression to both. I encourage the Government to accept that, because I genuinely believe that the SNP will not be forgiven if it uses very positive sentiments towards the European Union simply as a means of achieving independence. Instead, I hope that the Government focuses on getting the very best deal for Scotland, and in that we support it wholeheartedly.

There is no doubt that Brexit will have an impact on our economy and that the overwhelming majority of commentators and economists believe that that impact will be negative. The cabinet secretary referred to an array of statistics to demonstrate what that decline in economic growth will be. Already, we have seen signs of decline, but they were evident before Brexit. Scotland is underperforming the rest of the UK across a range of economic measures and I do not think that any of us believe that that is good enough. On employment, productivity and growth, we are behind the rest of the UK and growth projections have all been revised downwards, not just this year but in previous years.

**Keith Brown:** Will the member give way?

**Jackie Baillie:** Hold on a second and let me put this point. Last year, the Fraser of Allander institute described the economy as "flirting with recession". I believe that we might have gone beyond flirtation and the consequences of that for the Scottish economy and for jobs and workers in our communities would be serious indeed. I would be pleased to hear what the Scottish Government will do about that.

**Keith Brown:** I will not go into "beyond flirtation", but in relation to employment, the simple fact is that the Scottish economy is outperforming the UK economy and, not only that, it is

outperforming every year the economy under the Labour-Liberal Democrat Administration.

**Jackie Baillie:** It is welcome that, on that particular statistic, we are now moving in the right direction. However, in my view, one quarter's worth of improvement is not enough to deal with the underperformance of the Scottish economy. I hope that the cabinet secretary will be more ambitious.

I will echo some of the points that Richard Leonard made, because I think that they are important and demonstrate how precarious our economy is. It is the case that between 2007 and 2015, the size of the Scottish economy that is overseas owned grew from 23 to 34 per cent. That is quite a staggering increase in an incredibly short space of time. On the face of it, that seems like positive news. The Scottish Government itself, though, concluded that Scotland outside the EU makes the country a less attractive location for overseas investors. We know that there are 1,000 EU-owned companies in Scotland employing something like 115,000 people. There are others outwith the EU that invest here to gain a foothold in the single market. So Richard Leonard is right that we are more vulnerable to economic shocks as a consequence of our overreliance on overseas-owned companies.

Stuart McMillan should not misunderstand this. Of course, inward investment is welcome, but we are more vulnerable because of Brexit, so that investment needs to be balanced against growth in our indigenous industry. The statistics tell us that we are much more exposed to the negative impact of Brexit than any other part of the UK.

Before I turn to the Scottish Government's response, I make an observation. The SNP points to the UK Government and says that it must do something, whereas the Tories point to the Scottish Government and say that it is the Scottish Government's responsibility. Frankly, that is the politics of the playground. The people of Scotland expect both Governments to work together to protect our interests and enhance our economy.

I agree with the Scottish Government's view that measures should be outlined in the autumn statement and that we need more than a slogan and an empty "Brexit means Brexit" to take the country forward. That said, however, the Scottish Government can and must do more. The £100 million capital stimulus is welcome but wholly inadequate—a point that Jenny Marra made well. It is underspend from last year. I was told in answer to a written parliamentary question today that that money is expected to support 800 jobs, half of them in construction. That is great, but I would set that against the scale of the challenge that we face: 8,000 construction jobs lost just in the last year and analysis by the Fraser of

Allander institute suggesting that unemployment will rise by more than 10,000 in the next two years. When faced with those challenges, does the Government really think that its proposal is ambitious enough?

The £500 million business growth scheme is welcome, but has it yet been agreed with the Treasury? It is a loan guarantee scheme and there is not actually £500 million on the table. I say as gently as I can that the Government will not be forgiven for announcing something if the detail has not been worked out and businesses are marched up to the top of the hill and then abandoned when they get there. I expect more from the Scottish Government.

The cabinet secretary invited suggestions and I will make a couple very quickly. First, I suggest that the Government look particularly at different economic sectors, because economists say that the impact of Brexit is likely to vary depending on the sector; understanding that will be important in informing our response. Secondly, in our Brexit action plan, which was published at the start of the summer, Scottish Labour set out a range of measures and I commend that publication to the cabinet secretary.

In closing, I quote the Fraser of Allander institute, which has been quoted by many members already. It says that the economic strategy's priorities

"have been turned on their head"

by Brexit and that

"It is simply not possible for policy to continue as normal: it is absolutely *not* 'business as usual'."

I encourage the Scottish Government and the UK Government to get serious about this, go beyond business as usual and address the challenges that are faced by our economy, our businesses and our people.

**The Deputy Presiding Officer:** I call Mr Lockhart. We are very tight for time now. I ask for a speech of under nine minutes, please.

16:42

**Dean Lockhart (Mid Scotland and Fife) (Con):** That is understood. Thank you, Presiding Officer.

I welcome Mr Russell to his new role. I also welcome the opportunity to be involved in a debate with Mr Brown, despite the fact that he never really answers the questions that we ask him.

As expected, we have had a lively and interesting debate in the chamber this afternoon. During the debate, a number of members, especially on this side of the chamber, have highlighted the opportunities arising from Brexit,

while others have discussed the policy response that is required to stimulate the economy. Before I reflect on those contributions, I will consider what Brexit means economically for Scotland.

First, I make it clear that Brexit is not to blame for the current underperformance of the Scottish economy, as Mr Brown suggested. The longer-term figures make it clear that the underperformance of the Scottish economy has been a central feature of the Scottish Government's track record. I will give Mr Brown an example. The current size of the Scottish economy is only 4 per cent above its pre-recession level of 2008, whereas the economy of the rest of the UK has grown by 23 per cent over the same period. How is that being stronger for Scotland? I remind Mr Brown that that included times when the oil price was above \$110 a barrel. Mr Brown has also failed to deliver on the SNP's target to have Scotland's productivity levels in the top quartile by next year.

**Keith Brown:** Given his view of the Scottish economy, does the member accept—as David Mundell appears to do—that two Governments are active in the economy, or is it simply the case that everything that he wants to deride about the Scottish economy is the responsibility of the Scottish Government? Is it two Governments or one?

**Dean Lockhart:** The divergence of the Scottish economy from that of the UK has been shown to have been caused largely by uncertainty caused by the independence referendum.

Business rates in Scotland, with the large business supplement, are twice the rates in England, as opposed to what Mr Swinney said in the previous session. Perhaps that is another reason why the Scottish economy is underperforming.

Let us be clear: we should blame not Brexit for the economic stagnation that we face but the SNP's mismanagement of the economy, its policy implementation failure and the constant agitation for a second independence referendum.

In considering what Brexit means for the Scottish economy, we need to look at our export markets and how we generate wealth. Our exports fall into three main categories: those that go to the rest of the UK, which account for 64 per cent of our exports, making the UK by far our largest customer; those that go to the European single market, which account for 15 per cent; and those that go to the rest of the world, which account for 21 per cent.

One thing is crystal clear in all the post-Brexit analysis: our economic and financial relationship with the UK is more important than ever. As my colleagues have said, our membership of the UK

single market is worth four times our membership of the EU in terms of exports and jobs. Financially, as highlighted by the “Government Expenditure and Revenue Scotland” numbers, we benefit significantly—to the tune of £15 billion—by being a member of the United Kingdom.

**The Minister for International Development and Europe (Dr Alasdair Allan):** I am glad that the member acknowledges the importance of the European single market. Does he, unlike one of his colleagues, draw a distinction between membership of and access to the single market?

**Dean Lockhart:** We have made our position quite clear. *[Interruption.]* Yes, we have. The real issue—if SNP members will allow me to answer—is the level of access to the single market and terms on which that access is negotiated. That can be a bespoke agreement. The United Kingdom is the second-largest economy in Europe; it is also one of the fastest growing economies in Europe—if not the fastest. Europe exports more to us than vice versa, so I am pretty sure that we will have a strong negotiating position.

The SNP’s plans for Scotland to leave the UK and then to try to rejoin the European Union—although a number of member states have said that that they would veto that—make no economic sense whatsoever. However, we now know that the economy is a secondary consideration for the SNP. Over the weekend, the First Minister told us that the case for independence

“ultimately transcends issues of Brexit, of oil, of national wealth”.

Try telling that to the 120,000 people who have lost jobs in the North Sea in the two-year period since the SNP white paper said that the oil price would remain above \$110 a barrel, Mr Brown. It would be small consolation.

I turn to the extensive and global opportunities that arise from Brexit. As my colleagues on this side of the chamber have outlined, they include opportunities for a number of sectors, such as farming, fishing, energy, tourism and manufacturing. Sterling’s depreciation has resulted in a boost for our exporters, including the food and drink industry, which is the largest exporter in Scotland.

**Kate Forbes:** Will the member take an intervention?

**Dean Lockhart:** Sure—go ahead.

**The Deputy Presiding Officer:** I call—*[Interruption.]* I am terribly sorry; I just had one of those blanks. I call Kate Forbes.

**Kate Forbes:** That is fine, Presiding Officer.

Will Mr Lockhart and the rest of the chamber join me in welcoming the news this afternoon that

the Home Office has granted my constituents, the Brain family, the right to remain in Scotland? Does Mr Lockhart agree that it is about time that his party gave EU citizens who are resident in Scotland the same assurance that they can remain?

**Dean Lockhart:** We have said that that will be one of the priorities in our discussions with our European counterparts. I welcome the news about the member’s constituents; I thank her for that.

Challenges arise from Brexit, but when we talk to businesses they tell us that they face challenges every day and—guess what?—they are getting on with it. It is time for Mr Brown and his colleagues to follow the leadership shown by the Scottish business community, get on with the day job and take advantage of the opportunities that we have outlined in the chamber.

On the policy response, what steps can the Scottish Government take to stimulate the economy? First, it is clear that it can do much more than just blaming Westminster or Brexit. The Fraser of Allander institute described the new powers that are coming to Holyrood, saying that

“Fiscal devolution on this scale is largely unprecedented internationally”.

I call on the SNP to do something about the economy; it has the powers.

What can the Scottish Government do in the short term to use its powers? First, Mr Brown could listen to business for a change. For example, he could have listened earlier this month, before the programme for government was published, when 13 leading business organisations sent the Government a letter in which they demanded that the large business supplement be abolished, because it punishes businesses that want to expand. The tax has forced the closure of many long-standing, otherwise successful businesses, such as McAree Brothers, which is based in a constituency neighbouring Mr Brown’s constituency.

My colleagues have listed a range of global opportunities and steps that can be taken. If the SNP does not want to listen to us, perhaps it can listen to the views of the various business leaders who have been setting out the opportunities that exist. Most fundamentally, the SNP should listen to its own pro-independence business leaders and take off the table the prospect of another independence referendum.

However, instead of listening to business, last week in its programme for government the SNP set out a list of economic measures that amounted to nothing more than repackaged policy announcements and old money dressed up as new. The headline announcement was on the new

Scottish growth scheme, which has been, frankly, an omnishambles. It has caused confusion in the business community. Businesses are asking how the help will be provided. Will it be provided in the form of loans or guarantees? How will the guarantee scheme work? Who will administer the scheme? What will the criteria be? Have the banks or the investment community even been consulted, let alone the UK Treasury? It is interesting that, in its programme for government, the SNP admits:

“In order to make this work appropriately, we will discuss in detail with business organisations, the Scottish Parliament’s Finance Committee and the UK Government.”

In future, perhaps Mr Brown could consider having a proper consultation on important economic policy and listening to the views of business in advance of announcing policies without anyone knowing how they are going to work.

The First Minister recently said that we are facing a “lost decade” as a result of the Brexit negotiations.

**The Deputy Presiding Officer:** You must conclude, Mr Lockhart.

**Dean Lockhart:** The people of Scotland know only too well what it feels like to suffer a lost decade, because they have suffered a lost decade under this Scottish Government.

I support the amendment in Murdo Fraser’s name.

16:52

**The Minister for UK Negotiations on Scotland’s Place in Europe (Michael Russell):** I thank the chamber for what has been an interesting debate. I will start by saying what the debate is about and what it is not about.

The Conservative Party is nothing if not on message. Yesterday, Theresa May—in a briefing from Downing Street—let *The Daily Telegraph* understand that the problem with the Scottish Government was that it was allowing the ideology of independence to be more important than the economy. That is the message that we have heard from the Tories today. The reality of the debate is somewhat different. The reality is that the Tory party allowed the ideology of Brexit to be more important than the economy, and that is what we are now seeing. That is what Scotland could suffer from, and our job is to make sure that that does not happen.

I am sorry to have to say that neither of the two people with whom I agreed most in the debate is a member of my party, although I agreed with everything that our members said; in particular, I agreed with the wisdom of Tom Arthur, who made a particularly fine start to his speech. Patrick

Harvie and Tavish Scott made very important points. Patrick Harvie was absolutely right to say that the Scottish Government will need to have clear positions based on clear principles, and that it will have to articulate them and be prepared to negotiate hard for them.

One or two of those principles are already clear. One of them is the single market based on the four freedoms of movement. That is vitally important; after all, we are all descended from migrants of one sort or another. There is a very limited understanding in the chamber of what that means. Free movement is not negotiable, and the suggestion that it could somehow be negotiated away is nonsense. That was evident at the Bratislava summit at the weekend.

Our policies will also require to be fact based, and we will have to make sure that they give us good foundations for future success. The disappointing thing about this afternoon’s debate has been the Tories’ refusal to be where they were immediately after the referendum, when they took the positive view of ensuring that there would be a Scottish approach that benefited Scotland. The Tories have become born-again Brexiteers.

Tavish Scott’s speech was important not because he defined the purpose of such debates as being to give me something to do in my afternoons, which is not true, but because he defined it as being to encourage a positive approach and to offer ideas. Unusually for this debate, he went on and offered some ideas. I do not agree with all the ideas that he gave, but I thought that it was very positive of him to do that.

That made a change from some of the other rhetoric in the debate, particularly Murdo Fraser’s list of reasons to be cheerful, which sounded to me more like whistling in the wind. Murdo Fraser is never short of chutzpah. He wants the UK Government to be in the lead on absolutely everything, except when it is rudderless and drifting, when it is the SNP’s absolute responsibility to be in the lead on everything—that is an admirable approach, but it is also just very silly.

**Murdo Fraser:** Can the minister answer the question that none of his colleagues could answer? Why is it that, post-Brexit, business confidence has recovered in every part of the United Kingdom apart from Scotland? What is unique about Scotland that means that business confidence here has not recovered?

**Michael Russell:** I think that it is important that we study that, but let me give Murdo Fraser a suggestion. It might be that Scottish business is wiser than business elsewhere: it realises that we have not had Brexit yet and the worst is yet to come. It could be that.

We are used to Tory party members being constitutional anoraks—that is what they do—but now they are born-again Brexiteers. In an interview in *The Lawyer*, just after the referendum, Liam Kerr said that we needed to take stock of the referendum result. Well, the Tories certainly took stock; they are now 100 per cent in favour of Brexit.

According to the Russian proverb, success has many parents, but failure is an orphan. It is difficult to find anyone on the Tory benches who does not now believe not only that Brexit is the right thing to happen but that the Scottish Government should embrace it with enthusiasm as if it had been in favour of it all along.

**Liam Kerr:** Will the minister give way?

**Michael Russell:** Just one moment.

Jumping on the bandwagon is a dangerous thing to do—[*Interruption.*] I hope that the Lib Dems are not jumping on the bandwagon, too; that would be a big disappointment after I was so nice to Mr Scott. The bandwagon is careering downhill. It cannot be steered. It is knocking down all sorts of valuable things. The question is not how the SNP will get it under control; there are much better questions to ask.

For example, how can we, together, create an approach that is based on what is best for Scotland? How can we find the right option for Scotland? How can we ensure that in such a situation we benefit and do not disadvantage business in Scotland?

Those are good questions, but we have had no answers to them from the Tories today—well, there was a sort of answer from Edward Mountain, who told us in a rather mystical way that we should all be given a lemon. Let me give him the classic economic theory of giving everyone a lemon: if everyone is given a lemon, there is a collapse in the price of lemonade and penury for lemonade manufacturers. That is the reality if everyone has a lemon.

We need to find a way of coming together as a Parliament and debating the ideas. That is why the speeches from Tavish Scott and Patrick Harvie were so important. There needs to be a contribution of ideas in this debate.

Let us start with the idea of what the single market actually is. Last week, this Parliament agreed to a motion that said:

“a key objective must be for Scotland and the UK to remain inside the EU Single Market”.

There is a fundamental difference between membership of the single market and simply having access to it, in line with the terms of a free trade agreement. There is no doubt that the latter

outcome would risk what the First Minister has called a “lost decade” and more.

Strangely enough, the single market as it currently exists—and of course it needs reform—is a creation of the UK. Under the leadership of Jacques Delors, it was the UK commissioner who led work on the ambitious programme of 272 measures to break down the non-tariff barriers and deliver an integrated European market.

By aiming for the free movement of goods and services, the single market is much more effective than a simple free trade area. That is particularly true in the case of services. The Scotch whisky industry benefits from the single market, but the Scottish financial sector benefits even more, because a fundamental element of the single market is passporting, which is the right of a financial services firm that is incorporated in one member state to establish a branch or provide services remotely, on a service basis, in another member state, solely on the basis of its authorisation and supervision by the state of incorporation.

That is a fundamental provision, and we cannot have that without accepting the principle of free movement. I noted from reports in the papers at the weekend that the chancellor thinks that such a provision can be negotiated for the banking sector and no one else—so Brexit means free movement for bankers but not workers. That does not seem to be a sensible way ahead.

I return to where we started in the debate. There is a key set of issues in the economy that need to be discussed, and in future debates we will discuss issues in other sectors such as the rural economy, the environment, education and justice. If we are to do justice to those debates, members need to come to the chamber with ideas that they can put forward. We all know what we think about one another politically. What we do not know is the way in which every sector in Scotland will be affected. We do not know the positives that we might take—or the negatives. Until we have those discussions and debates, we will not be much further forward.

Despite no Labour member’s speech being in any way complimentary about the Scottish Government, with the exception of David Stewart’s speech—I make an exception for him, as ever—we have decided to accept the Labour amendment, and we would have accepted the Liberal Democrat amendment had it been selected. Both are in the spirit that we have to get the information together and to be positive but that we cannot disguise the difficulties that lie ahead. Unfortunately, the Conservatives want to disguise the difficulties that lie ahead. Nobody, and especially not the business sector, will thank them for that.

## Decision Time

17:00

**The Presiding Officer (Ken Macintosh):** There are three questions to be put as a result of today's business. I remind members that, if the amendment in the name of Murdo Fraser is agreed to, the amendment in the name of Richard Leonard will fall.

The first question is, that amendment S5M-01531.1, in the name of Murdo Fraser, which seeks to amend motion S5M-01531, in the name of Keith Brown, on Scotland's economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### For

Balfour, Jeremy (Lothian) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Thomson, Ross (North East Scotland) (Con)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

### Against

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)

Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smyth, Colin (South Scotland) (Lab)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine)

(SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**The Presiding Officer:** The result of the division is: For 29, Against 88, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S5M-01531.3, in the name of Richard Leonard, which seeks to amend motion S5M-01531, in the name of Keith Brown, on Scotland's economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Findlay, Neil (Lothian) (Lab)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)

MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smyth, Colin (South Scotland) (Lab)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

#### Against

Balfour, Jeremy (Lothian) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Thomson, Ross (North East Scotland) (Con)  
 Tomkins, Adam (Glasgow) (Con)



Wells, Annie (Glasgow) (Con)  
Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 87, Against 29, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that motion S5M-01531, in the name of Keith Brown, on Scotland's economy, as amended, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
Adamson, Clare (Motherwell and Wishaw) (SNP)  
Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
Arthur, Tom (Renfrewshire South) (SNP)  
Baillie, Jackie (Dumbarton) (Lab)  
Beamish, Claudia (South Scotland) (Lab)  
Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
Bibby, Neil (West Scotland) (Lab)  
Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
Campbell, Aileen (Clydesdale) (SNP)  
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
Cole-Hamilton, Alex (Edinburgh Western) (LD)  
Constance, Angela (Almond Valley) (SNP)  
Crawford, Bruce (Stirling) (SNP)  
Cunningham, Roseanna (Perthshire South and Kinrossshire) (SNP)  
Denham, Ash (Edinburgh Eastern) (SNP)  
Dey, Graeme (Angus South) (SNP)  
Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
Dornan, James (Glasgow Cathcart) (SNP)  
Evans, Mairi (Angus North and Mearns) (SNP)  
Ewing, Annabelle (Cowdenbeath) (SNP)  
Ewing, Fergus (Inverness and Nairn) (SNP)  
Fabiani, Linda (East Kilbride) (SNP)  
Findlay, Neil (Lothian) (Lab)  
Finnie, John (Highlands and Islands) (Green)  
FitzPatrick, Joe (Dundee City West) (SNP)  
Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
Gibson, Kenneth (Cunninghame North) (SNP)  
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
Grant, Rhoda (Highlands and Islands) (Lab)  
Gray, Iain (East Lothian) (Lab)  
Greer, Ross (West Scotland) (Green)  
Harper, Emma (South Scotland) (SNP)  
Harvie, Patrick (Glasgow) (Green)  
Haughey, Clare (Rutherglen) (SNP)  
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
Hyslop, Fiona (Linlithgow) (SNP)  
Johnson, Daniel (Edinburgh Southern) (Lab)  
Johnstone, Alison (Lothian) (Green)  
Kelly, James (Glasgow) (Lab)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Lennon, Monica (Central Scotland) (Lab)  
Leonard, Richard (Central Scotland) (Lab)  
Lochhead, Richard (Moray) (SNP)  
Lyle, Richard (Uddingston and Bellshill) (SNP)  
MacDonald, Angus (Falkirk East) (SNP)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Macdonald, Lewis (North East Scotland) (Lab)  
MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
Mackay, Derek (Renfrewshire North and West) (SNP)

Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
Maguire, Ruth (Cunninghame South) (SNP)  
Marra, Jenny (North East Scotland) (Lab)  
Martin, Gillian (Aberdeenshire East) (SNP)  
Mason, John (Glasgow Shettleston) (SNP)  
Matheson, Michael (Falkirk West) (SNP)  
McAlpine, Joan (South Scotland) (SNP)  
McArthur, Liam (Orkney Islands) (LD)  
McDonald, Mark (Aberdeen Donside) (SNP)  
McKee, Ivan (Glasgow Provan) (SNP)  
McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
McMillan, Stuart (Greenock and Inverclyde) (SNP)  
Paterson, Gil (Clydebank and Milngavie) (SNP)  
Robison, Shona (Dundee City East) (SNP)  
Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
Rumbles, Mike (North East Scotland) (LD)  
Ruskell, Mark (Mid Scotland and Fife) (Green)  
Russell, Michael (Argyll and Bute) (SNP)  
Sarwar, Anas (Glasgow) (Lab)  
Scott, Tavish (Shetland Islands) (LD)  
Smyth, Colin (South Scotland) (Lab)  
Somerville, Shirley-Anne (Dunfermline) (SNP)  
Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
Stewart, David (Highlands and Islands) (Lab)  
Stewart, Kevin (Aberdeen Central) (SNP)  
Sturgeon, Nicola (Glasgow Southside) (SNP)  
Swinney, John (Perthshire North) (SNP)  
Todd, Maree (Highlands and Islands) (SNP)  
Torrance, David (Kirkcaldy) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
Wheelhouse, Paul (South Scotland) (SNP)  
White, Sandra (Glasgow Kelvin) (SNP)  
Wightman, Andy (Lothian) (Green)  
Yousaf, Humza (Glasgow Pollok) (SNP)

**Against**

Balfour, Jeremy (Lothian) (Con)  
Briggs, Miles (Lothian) (Con)  
Burnett, Alexander (Aberdeenshire West) (Con)  
Cameron, Donald (Highlands and Islands) (Con)  
Carlaw, Jackson (Eastwood) (Con)  
Chapman, Peter (North East Scotland) (Con)  
Corry, Maurice (West Scotland) (Con)  
Davidson, Ruth (Edinburgh Central) (Con)  
Fraser, Murdo (Mid Scotland and Fife) (Con)  
Golden, Maurice (West Scotland) (Con)  
Greene, Jamie (West Scotland) (Con)  
Hamilton, Rachael (South Scotland) (Con)  
Harris, Alison (Central Scotland) (Con)  
Johnstone, Alex (North East Scotland) (Con)  
Kerr, Liam (North East Scotland) (Con)  
Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
Lindhurst, Gordon (Lothian) (Con)  
Lockhart, Dean (Mid Scotland and Fife) (Con)  
Mitchell, Margaret (Central Scotland) (Con)  
Mountain, Edward (Highlands and Islands) (Con)  
Mundell, Oliver (Dumfriesshire) (Con)  
Scott, John (Ayr) (Con)  
Simpson, Graham (Central Scotland) (Con)  
Smith, Liz (Mid Scotland and Fife) (Con)  
Stewart, Alexander (Mid Scotland and Fife) (Con)  
Thomson, Ross (North East Scotland) (Con)  
Tomkins, Adam (Glasgow) (Con)  
Wells, Annie (Glasgow) (Con)  
Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 87, Against 29, Abstentions 0.

*Motion, as amended, agreed to,*

That the Parliament welcomes the overwhelming vote of the people of Scotland to remain in the EU; notes that leaving the EU is widely expected to have a negative impact on economic growth, public sector revenues, access to labour, inward investment and opportunities to export, as well as threaten essential economic and social protections; recognises that a third of the Scottish economy is now overseas-owned leaving the Scottish economy more at risk from the consequences of leaving the EU than any other part of the UK; recognises the continued resilience of Scottish business and the urgent need to support and stimulate the economy in the wake of the EU referendum; notes the initial steps taken by the Scottish Government, and believes that it should take further action to support Scotland's economy, and calls on the UK Government to bring forward a substantial stimulus package to boost business confidence, keep the Scottish economy moving, end austerity and endorse the vital importance of growing an inclusive, productive and sustainable economy with more jobs and fair work.

**Eye Health Week**

**The Deputy Presiding Officer (Christine Grahame):** The final item of business is a members' business debate on motion S5M-00578, in the name of Stuart McMillan, on eye health week. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament marks Eye Health Week, which runs from 19 to 25 September 2016; believes that, since the World Health Organization has suggested that 50% of sight loss is preventable, a greater sense of urgency is needed with regard to eye health; is concerned that an ageing population, increases in diabetes and poor diet might contribute to a doubling of the number of visually impaired people in Scotland over the next 20 years; welcomes the continuation of free eye health checks; further welcomes what it believes is vital Scottish Government planning and investment for the long-term to contain sight-threatening diseases and the government's commitment to public eye health campaigns, especially among vulnerable groups where there are reports of low awareness about free eye health checks; understands that these include the lower socio-economic groups, ethnic minority groups and people at high risk through associated health conditions, and thanks the country's eye health professionals, RNIB Scotland, Optometry Scotland, the Scottish Council on Visual Impairment, community-based societies for blind people, Guide Dogs and other third sector organisations for the hard work that they do to support people with sight loss in Greenock and Inverclyde and across Scotland.

17:05

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I thank all members who signed the motion so that we could have this members' business debate, and I thank and welcome the members of the Royal National Institute of Blind People Scotland who are in the public gallery.

Last week, we had the first meeting of the new session of the cross-party group in the Scottish Parliament on visual impairment, and it was certainly very interesting. A host of issues was discussed and debated, and we tried to plan ahead for this year and the coming parliamentary session. A number of members who are in the chamber were at that meeting, and I look forward to listening to their contributions.

I am very pleased to open this debate and to bring to the Parliament the issue of eye health week. Eye health certainly became a more serious issue over the previous session of Parliament and, without any action, it will only get more serious over this session.

This week is national eye health week, which is an opportunity for us all to reflect on one of our senses. We may sometimes take that sense for granted. Life without sight is almost unimaginable, but how many of us give our eyes the care and

attention that are required to protect this valued sense?

Every day in Scotland, 10 people lose their sight. Every day, in eye clinics across Scotland, ophthalmologists have to tell patients that their sight loss has deteriorated to such an extent that it is not treatable and that, consequently, they are blind or partially sighted. The impact on the individual and their family can be devastating. Questions about whether the individual can keep their job, and questions about driving and getting about, socialising, going to sport, and seeing their wife, husband, children or grandchildren race through their mind before the reality of living with sight loss sets in.

There are challenges on the horizon for Scotland's eye health. Our ageing population brings with it associated eye disease; the rise of diabetes is driving up the number of Scots with diabetic retinopathy, which can cause blindness if it is not treated; and Scotland's welcome growing diversity brings with it diverse eye health challenges. The RNIB has stated that, currently, more than 188,000 Scots are living with significant sight loss. It is projected that, by 2030, that figure will more than double to nearly 400,000 people. Given that eye clinics are already the busiest part of out-patient services in the national health service, I do not have to go into detail about the pressures that increased sight loss will bring if we do not take further action.

There are bright spots. Around 50 per cent of sight loss is avoidable if it is detected early, and there are new technologies, through drug treatment and NHS efficiency, but we still need to do more. The gain to the individual, who need not lose their sight, is incalculable. The cost to the public purse can be all too predictable.

I am privileged to be the convener of the cross-party group in the Scottish Parliament on visual impairment; I was its convener in the previous parliamentary session, too. I know that our cross-party group has been well run for many years, even before I became its convener.

It is important to realise and highlight that, where the visual impairment sector comes together to have detailed, effective and vibrant discussion about the future of eye care and the provision of services for blind and partially sighted people, from newly born babies with sight loss through people at school and work to people in retirement and old age, it supports people with sight loss across the generations. That is what our cross-party group manages to do.

Despite these uncertain times and against the backdrop of financial pressures, there are certainly some positive policy developments. Eye health has been on the Government's agenda and radar

for some time, and the sector is coming together and speaking with one voice to an extent that has not been seen before. Key developments in recent years, including the Scottish vision strategy, the see hear strategy, and the getting it right for every child approach, have made a positive difference.

The Scottish vision strategy is a cross-sector framework to improve provision for eye health and sight loss, which aims to ensure that

"Everyone in Scotland knows how to look after their eyes",  
that

"Everyone with an eye condition receives timely treatment and, if permanent sight loss occurs, there are early and appropriate services and support"

and that Scotland is

"A society where people with sight loss can fully participate."

The see hear strategy, which was launched by the Scottish Government in 2014, raised the profile of sensory impairments. Most notably, the strategy called for consistency in how services are planned and commissioned across Scotland's 32 local authorities, each of which had to set up local implementation groups. It also called for a move towards joint sensory services for those who are experiencing sight and/or hearing loss.

Then there is the GIRFEC approach, which was enshrined in law by the Children and Young People (Scotland) Act 2014 and which states that all children, including those with a visual impairment, should be supported to address their wellbeing needs throughout their lives. The GIRFEC principles were built upon in the 2012 Doran review, which examined learning provision for children with complex additional support needs, including visual impairment. In recent years, there has been a presumption that these children should be educated in mainstream schools except under exceptional circumstances.

There are organisations that work tirelessly to fight for blind and partially sighted people, to prevent avoidable blindness and to ensure the best outcomes for those with visual impairments. I put on record my particular thanks to third sector organisations such as RNIB Scotland, Guide Dogs Scotland, the Royal Blind charity and the many local societies, from Sight Action in Inverness to North East Sensory Services—NESS—in the north-east, Vision PK in Perth and Kinross and Visibility. Their work to bring to our attention the cause of blind and partially sighted people is second to none and, as a Parliament, we are fortunate to have such persistent advocates.

Although the Scottish Government has ensured investment in eye health, has retained provision of free eye health checks and is committed to

tackling the rise in sight loss, we certainly can always do more.

Yesterday, I helped at the RNIB Scotland stand in Greenock's Oak Mall shopping centre. My thanks go to the Oak Mall centre's management for allowing the stall and to RNIB Scotland for agreeing to come again to Greenock. We spoke to a large number of people locally and raised the importance of having regular eye tests. The reception on the whole was good and many people informed us that they get regular check-ups, which was heartening to hear. However, promoting free eye tests to wider society is vital, especially among vulnerable groups, where awareness has been found to be lower.

Scottish Government public eye health campaigns have proved useful, and I look forward to seeing the results of the community optometry service review as we seek to improve eye health across Scotland.

In promoting the motion, I hope to bring greater focus and resulting action from our NHS and the Scottish Government on sight loss, to the benefit of us all.

**The Deputy Presiding Officer:** Thank you very much, Mr McMillan. We now have time in hand, so I can give other members an extra minute. I know that that is exciting.

17:13

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I congratulate Stuart McMillan on his motion, which is allowing us to debate an important subject.

Sight is but one of our senses, of course, and they all add to life's richness. When we hear music it moves us, when we taste food it satisfies us, and when we see light it inspires us. Each sensory perception is extraordinary and each is an instrument of life. However, senses are a great deal more than that. They are valuable for their functions, but also as indicators of our general health. If it is protected, the resulting good health will yield encouraging social and economic benefits.

The primary issue tonight is a discussion around health; our sensory faculties directly affect, and are affected by, our health. Much like our senses, health is central to our experience. Of all life's gifts, health bestows the greatest benefit. Wealth is, by a long way, secondary to health.

We now live in a country that is ageing; I shall be 70 next month myself, and I suffer from five sight defects: myopia, hypermetropia, astigmatism, presbyopia and—the one that cannot be corrected by my spectacles—low-light myopia, as the cells in my eyes deteriorate. None of those

is unusual, and we will all experience them to some degree as we get older.

Of course, from looking into the eye, we can see more than simply optical defects or the deterioration of the cells in the eye. Diabetes is a sight-threatening condition, so the substantial increase in the incidence of diabetes creates vulnerability in the eye health of the country. More than ever, we need effective access to treatment. Of course, the gateway to treatment is eye examinations, which is why the NHS examinations are a necessary and very intelligent tool.

The examinations test much more now than they did when my astigmatism was first diagnosed when I was in my 20s. However, the tool is of no value if people do not actually use it. We need more people to go for eye tests and we need to make more people aware of the option of eye tests. Some people do not go because they do not realise that they can have a free eye test, whereas others do not realise the wider health benefits that may accrue from detecting, through an eye test, another condition that may exist. Testing can, of course, prevent the slow process of visual impairment, but it can also be a window on systemic problems.

Eye health week is therefore a huge opportunity for health in Scotland and it is an opportunity, through debates such as this and wider activity across Scotland, to create a new baseline for eye health and, through that, a baseline for overall health. The testing is an indicator of health problems and can be used to prevent them, and eye health is a key element in our general wellbeing.

We all kind of know the importance of our eyes. We rely on them and take them for granted, but not all of us look after them as we should. Early treatment of conditions that can be seen through the eyes means that there are wider community and economic benefits, but it will also make people healthier and happier. We limit treatment cost and minimise loss by preventative measures and through being proactive. We want people to know about the availability of eye tests and we want them to benefit their personal health by taking them. Apparently, one in four people in Scotland does not know that eye exams are free.

We have heard from Stuart McMillan about the many organisations that work on the subject. As, I am sure, other members will, I indicate my support for the work that they do. I was previously a deputy convener of the cross-party group on visual impairment, so I know from experience about the important work that is done.

There are social and economic benefits from good eyesight and from testing eyesight. I hope

that all members will continue to press on this important issue.

17:18

**Miles Briggs (Lothian) (Con):** I, too, congratulate Stuart McMillan on bringing forward this members' business debate, and I pay tribute to the work that he is doing in Parliament on the issue. As one of the new members on the cross-party group on visual impairment, I look forward to working with colleagues from across the chamber on helping to make progress on the issue. I apologise in advance for being unable to stay for the full debate.

I welcome the opportunity to pay tribute to our eye health professionals across Scotland—especially our optometrists and ophthalmologists—for their excellent work, and to commend the charities and associations that work to support people with sight loss in our communities, including national organisations such as RNIB Scotland, Optometry Scotland and Guide Dogs, as well as many local groups across the Lothian region that I represent.

At a time when we are seeing growing demand on our health services, it is worth reflecting that eye health professionals play a big part in reducing the burden on general practitioners and secondary care. Stuart McMillan's motion is right to refer to the need to increase awareness of eye health and eye health checks through effective and focused public information campaigns. Take-up rates of free eye health examinations among people on low incomes and among ethnic minorities across Scotland are too low, so we need innovative ways of reaching those groups. Type 2 diabetes is more than six times more common among people of south Asian descent and three times more common among people of African and African-Caribbean origin, so we need new approaches to target those at-risk groups.

It is clear that many groups that are failing to be reached and are not responding to traditional health advice, so public advertising campaigns need to be addressed. I would welcome a debate on how we can address those issues—for example, we could consider the number of opticians who are available in deprived communities throughout Scotland, and we could develop a mobile eye screening service for the many Highland and rural communities where people perhaps also do not go as regularly as they should to have their eyes tested.

Private and third sector initiatives also have important roles to play. I note that RNIB Scotland has established a good working partnership with Specsavers, under which they work together to encourage everyone to have eye checks at least

every two years. Given that as much as 50 per cent of sight loss is preventable, early diagnosis is clearly vital. As we have already heard, eye health check-ups can also help to detect a range of other conditions, including some that could be fatal, if left untreated.

Scotland enjoys some excellent-quality eye health care, but there is still more to be done and much work to be carried out. The number of Scots with visual impairment is projected to double to more than 400,000 people between now and 2030, as our elderly population increases. Forward planning based on accurate and up-to-date information is critical, and I share the concern of RNIB Scotland and others that the Scottish Government has not in recent years published registration figures for blind and partially sighted people in Scotland. The most recent figures that are available relate to 2010. I ask the Minister for Public Health and Sport to commit in her closing speech to resuming publication of information that local authorities provide, and to updating the registration process in order to increase registration and to provide additional categories of information so that we can have a truly national picture of sight loss in order that we can best focus limited resources.

I welcome the debate and look forward to further progress being made, building on much of the positive work that is already being done to ensure awareness of good eye health care and access to examinations and treatment. I also look forward to work being done to ensure that we have the robust data that we need to inform future planning and delivery of services.

17:22

**Kenneth Gibson (Cunninghame North) (SNP):** I thank my colleague and constituency neighbour, Stuart McMillan, for bringing this important matter to the chamber and congratulate him on doing so. Sight is undoubtedly the most developed of the human senses and it provides us with our most reliable perceptions. More than half the information that the human brain receives is visual. The brain receives and interprets that information and produces the images that we see. Sight is also a fertile source for imagination and creativity. It is therefore of the utmost importance that we take care of it throughout our lives.

Eye health week serves as a reminder to those of us in Parliament and beyond of how crucial screenings and diagnostics are in the delivery of eye health care. Nearly 2 million people in the UK live with some sight loss and more than half those incidences of sight loss are preventable or can be avoided. Sight loss is also associated with significant health inequalities, and its silent nature means that symptoms often go unrecognised

among people in vulnerable socioeconomic groups, who are therefore more prone to it.

There can also be a matter of pride. My grandmother was completely blind in one eye through having cataracts for seven years before letting on. It was only when she kept turning her head 90° that her daughter realised that something was wrong with her eye. Bizarrely, my grandmother thought that sight loss was shameful.

**Stuart McMillan:** Mr Gibson knows someone in Greenock—John Crowther—who, this morning, underwent an operation to have a cataract removed. I am sure that Mr Gibson would like to wish Mr Crowther a good recovery.

**The Deputy Presiding Officer:** It is handy that Mr Gibson and Mr McMillan are side by side.

**Kenneth Gibson:** I certainly would like to wish Mr Crowther a good recovery. A cataract operation can transform a person's life and Stuart McMillan made an important intervention.

Ethnicity can be a factor in some conditions. For example, Europeans are more susceptible to age-related macular degeneration, whereas south Asian and African-Caribbean ethnic groups are at greater risk of developing diabetes—of course, sight loss is one of the most common complications of diabetes.

In Scotland, diabetes affects more than one in 25 people—that is more than 228,000 folk who are potentially exposed to sight loss and ophthalmologic disorders. In the detection of diabetic retinopathy, only an eye check will ascertain potential sight loss, which can in the worst cases lead to blindness.

In his motion, Stuart McMillan noted that there is an obvious link between eye health and wider public health issues. Diabetes is a case in point, but it is also true that cardiovascular disease and high blood pressure are likely to have a significant effect on eye health. Infectious diseases, such as shingles of the eye, affect up to a quarter of all cases and can have a devastating impact on eye health. Regular eye check-ups detect not only potential eye trouble but many other potential diseases or infections.

Free eye health checks for all—a policy that the SNP Government implemented—are likely to be instrumental in preventing avoidable loss of sight and in improving the cost efficiency of eye care services and, more generally, healthcare services. Not having universal free eye tests would be a penny wise, pound foolish measure and I am pleased that we in Scotland will not go down that road, unlike those south of the border.

In relation to my constituency of Cunninghame North, a 10-year sensory plan was launched in 2014 to improve the lives of people who suffer

sensory difficulties by finding a new approach to sensory service provision across NHS Ayrshire and Arran. Sight loss is one of the key elements of the plan and I am pleased to see the innovations and improvements that have been made since 2014. Today, there are more practices across mainland Ayrshire, Arran and Cumbrae; 60 optometry practices provide services and seven of them provide care in people's homes.

I am also pleased to note that eye health is evolving and that new practices are being adopted. For example, Ayrshire, Arran and Cumbrae have a digital referral system, which is an innovative development in the eye care sector that makes it easier to deliver patient care and improves the quality of the service. The use and applicability of that information should be further explored in improving research and developing preventative approaches.

It is interesting to see how eye health care can be successfully co-ordinated nationally and locally. Our Government must continue to work in that direction.

Eye health week gives us the opportunity to inform ourselves about ophthalmology issues through diverse events in Scotland and to take advantage of a free sight test, which I encourage people to take if they have not done so recently. I warmly thank all the organisations that are involved in eye health week and hope that it will be greatly successful in achieving its aims.

17:27

**Colin Smyth (South Scotland) (Lab):** Presiding Officer, I thank you for allowing time for the debate, and I thank Stuart McMillan for lodging the motion. I congratulate him on his re-election as the convener of the cross-party group on visual impairment. As a new member, I look forward to working with all members of that group.

It is 10 years since the introduction of free eye health checks by my colleague Lewis Macdonald, who was the responsible minister at the time. The move brought about a step change in the eye health care pathway in Scotland and, since then, the number of eye examinations has increased by 29 per cent. Optometry Scotland reports that, last year, a total of 2.2 million eye examinations were provided by community optometrists, and less than 7 per cent resulted in a referral to GPs or hospitals. That covered more than 1 million eye disorders that were managed by Scottish optometrists, which included an estimated 200,000 eye emergencies.

However, we cannot be complacent, which is why I welcome the current review of community optometry services. We need to maximise the front-line role that optometrists play in detecting

and treating eye conditions, not only to make best use of their undoubted expertise but to ease the pressures on our GPs and secondary health services.

Over the next 20 years, the number of people with sight loss is due to more than double—going from 188,000 to nearly 400,000. Eye patients now account for around 18 per cent of all out-patient appointments. Factors that include the ageing population, the increase in the ethnic minority population, Scotland's health challenges, such as diabetes, and the availability of new treatments show that the need to support front-line ophthalmic care is more important than ever before.

It is also clear that we need to develop a strategy to engage hard-to-reach groups, such as those who live in deprived communities, to ensure that everyone benefits from a free eye health examination. I therefore ask the minister whether there are any plans to run a public health campaign to highlight eye health and increase the uptake of free eye health checks.

In the meantime, this week—eye health week—provides us all with an opportunity to play our part in raising awareness of free eye health checks and to take action ourselves. We should all take advantage of our free eye health check. It is not just distance vision that is tested, but eye pressure, peripheral vision and the condition of the retinas, which makes it possible to flag up a host of other conditions, such as diabetes, glaucoma, and—particularly important for some members in the Parliament—high blood pressure.

I am sure that members will be delighted to know that, thanks to RNIB Scotland, Optometry Scotland and Boots Opticians, I had those checks just yesterday, when I visited Boots Opticians in Dumfries. As members can see, I am in perfect health. Free eye health checks are a tremendous asset for us all and we must encourage everyone to use them.

Successive Scottish Governments have recognised the importance of investing in eye health checks. Another building block is investment in the digital referral scheme, which links high street optometrists to hospital eye clinics. I appreciate the difficulties of complex information technology projects and of the practical application of technology, but I hope that the minister can update Parliament on progress.

I touch on the opportunity that we have through health and social care integration. It is important that each integration joint board works to develop a specific eye health plan and I ask the minister to give assurances that that will happen.

Like Miles Briggs, I put on record my appreciation of the tremendous work that is undertaken by professionals in the sector, of

whom I met a number yesterday. Nurses, optometrists and ophthalmologists all make a tremendous contribution to dealing with the increase in sight loss in the population. Like Stuart McMillan, I thank the third sector, which works hard to promote the interests of people with sight loss, runs vital services and works closely with the Government. Third sector bodies range from RNIB Scotland, Guide Dogs Scotland and Royal Blind to local societies such as Visibility, which runs services in Dumfries in my constituency.

I urge all colleagues to have their eyes tested and to support the work of so many across Scotland who ensure that eye health is on the radar of our health and social care priorities. I commend the motion.

17:31

**Donald Cameron (Highlands and Islands) (Con):** I thank Stuart McMillan for bringing this issue to Parliament's attention, given the importance that should be placed on maintaining good eye health. I put on record my support for the campaign.

We are now on day 2 of eye health week and the vision matters campaign, which focuses on promoting children's eye health. As the campaign notes, some of the biggest contributors to poor eye health in later life include not attending an eye test at least once a year, poor diet, lack of exercise, overconsumption of alcohol, smoking and not protecting one's eyes from the sun. That is basic information and it is vital that our children are made aware of it from a young age, not only to protect their vision but to avoid a series of other health complications in later life. Taking children for regular eye tests and promoting a healthy and active lifestyle go hand in hand.

As Stuart McMillan and others have noted, according to the RNIB, more than 180,000 people living in Scotland have a form of sight loss. Importantly, more than 90,000 of those cases of sight loss could have been prevented by people having a regular eye test. It is vital that we ensure that everyone across Scotland has easy and reliable access to community ophthalmic services. In my Highlands and Islands region, that can be particularly challenging, given the sparsity of the population over a large geographic area.

According to the RNIB, the average waiting time for patients to receive in-patient or day-case ophthalmic treatment is 52 days. In the Highlands and Islands, however, it takes 62 days on average, which is significantly higher. That is unacceptable and more needs to be done to ensure that there are sufficient community-based ophthalmic and optometry options for patients

across the Highlands and Islands and other remote and rural areas.

With cases of sight loss estimated to more than double to 400,000 by 2030, charities—including the RNIB—have made clear calls for a new and coherent strategy to improve eye health across Scotland. The Government's Scottish vision strategy paper stated that the clear aim was to eliminate avoidable sight loss by 2020. However, with cataract surgeries up by 80 per cent since 2000 and conditions such as diabetic retinopathy and age-related macular degeneration expected to become more prevalent, action is required sooner rather than later. When members of the Health and Sport Committee recently visited the Golden Jubilee hospital, I was astonished to learn about the number of cataract operations that are undertaken and that they account for such a large proportion of operations.

Sight charities agree that a large part of tackling the issue is through publicising the fact that eye tests in Scotland are free. A recent YouGov survey stated that one in four Scots are still not aware of that so, given that that has been the case for a decade, more needs to be done to promote it.

We face major challenges with eye health care. I applaud the vision matters campaign for raising awareness of the issue so that we in Parliament can work to find and implement the right solutions to meet the vision strategy target of eliminating avoidable sight loss by 2030 and of ensuring that people have greater access to eye health care facilities at a community level wherever they live.

I commend Stuart McMillan for his motion.

17:35

**Sandra White (Glasgow Kelvin) (SNP):** I congratulate my colleague Stuart McMillan on securing a debate on such an important matter. It has been mentioned that we are not just talking about eyes because so much can be told about health from an eye test. As someone who has recently had to admit to the fact that they now need glasses to read—although I have forgotten them today—I know how important it is for us to have our eyes tested regularly.

I welcome the work of Glasgow Caledonian University's vision centre in my constituency and I congratulate it on that work. In Glasgow, we call GCU Glasgow Caley so, if I revert to that instead of the full title, members will know what I am talking about. I welcome the fantastic work that it does, raising awareness of the importance of eye health in Glasgow and beyond. GCU trains over 300 students each year in vision-related professions and it is the only university in the UK to train—I have to get my tongue around this—optometrists and dispensing opticians. I hope that

that was the correct word. It is no mean feat to be the only university to train those professionals in the whole of the UK.

I welcome GCU's unique vision sciences research expertise and I understand that members of the public who visit the GCU vision centre are examined by students under the direct supervision of experienced and qualified clinical staff, and that over 5,000 patient consultations are provided every year.

I also welcome the work of the qualified optometry students at the Hunter Street health centre in Glasgow who deliver eye care for homeless people and asylum seekers. Other members, including Miles Briggs, have touched on the issue of reaching out to the hard-to-reach people in the community, because homeless people and asylum seekers are not always aware that they can get their eyes tested. I would like to give a special mention to the Glasgow Caledonian University vision centre for reaching out, making people aware and giving free eye care to homeless people and asylum seekers. We should be looking at that issue and—as Miles Briggs said—perhaps we should have a special debate to highlight those particular groups of hard-to-reach people. Is the minister looking to develop a project to capture hard-to-reach people such as homeless people and asylum seekers? Will she take on board the service provided by the Glasgow Caledonian University vision centre when considering any future Scottish Government projects?

Finally, I again congratulate Stuart McMillan on a very good debate and a worthwhile motion that we should all tell our constituents about.

**The Deputy Presiding Officer:** I think that “optometrist” is easier to pronounce than “ophthalmologist”. Members have done well with both.

17:39

**The Minister for Public Health and Sport (Aileen Campbell):** I concur with the point about the pronunciation of some of the professions—I hope that I do not get too tongue-tied.

I add my thanks to those of colleagues to Stuart McMillan for giving us the opportunity to mark eye health week and discuss eye care in Scotland. I also echo the thanks of other members to all the country's eye health professionals, as set out in Stuart McMillan's motion, and I welcome representatives of RNIB Scotland to the public gallery.

I am sure that most members would agree that general ophthalmic services are among the true success stories of the NHS in Scotland. The



introduction in 2006 of free eye examinations set Scotland apart from the rest of the UK. For the first time, everyone in Scotland, regardless of their personal situation, had access to an eye examination free of charge. Uptake has risen steadily: in 2015-16, more than 2 million people had their eyes examined, which was the highest number ever. However, we recognise that more needs to be done to reach out to the whole of society—a point that was well made by Kenneth Gibson, Colin Smyth, Donald Cameron and Sandra White.

Clearly, people recognise the benefits of having their eyes examined regularly, and we need to ensure that that continues. Regular examinations help us to look after a crucial sense that, as Stuart McMillan, Stewart Stevenson and Kenneth Gibson pointed out, we often take for granted. However, there can be consequences if our sight deteriorates.

We are committed to ensuring that the best community eye care is accessible to everyone, providing a full health check of the patient's eye, with specific procedures dependent on the patient's age or condition.

On 25 August, the Cabinet Secretary for Health and Sport announced a review of community eye care services. I was glad to hear Colin Smyth welcome that review—and to hear him say that he is in tip-top condition. I reassure him and Donald Cameron that we will consider raising awareness of eye tests as part of the review. We will also take on board the points that Sandra White raised about good practice at Glasgow Caledonian University.

Before I discuss the review further, I will take the opportunity to mention the eye care services that are provided in the community and talk about the position of strength that Scotland is in.

In Scotland, the optometrist is the first port of call for any eye problem. Evidence shows that more patients now know to go directly to their optometrist, rather than their GP, if they have any problems with their eyes. Community optometrists are taking on an extended role, demonstrating the growing capacity, capability and competency of the profession. Optometrists are doing more work in the community, reducing the burden on secondary care and ensuring that patients remain in a primary care setting.

A key enabler has been the decision in 2013 to allow optometrists to undergo training so that they can independently prescribe medicines. Since then, the number of those trained has increased steadily and now more than 120 optometrists have become fully trained independent prescribers, with another 30 in hospitals. They make up one third of all independent prescribing optometrists in the UK,

and I believe that we should continue to grow their number. I take this opportunity to thank each and every optometrist who has taken the time to carry out the training, and I encourage others to take up the opportunity.

In my area, there is an excellent example of how prescribing can be used to improve the patient experience. The Lanarkshire eye network scheme, or LENS, was set up in 2010 to reduce the burden on secondary care by allowing optometrists to prescribe medications for certain eye conditions. That move has been welcomed by optometrists and ophthalmologists, and has improved the patient experience, as patients do not have to travel to hospital unnecessarily.

The scheme has been a huge success. It has made optometrists feel more empowered by allowing them to decide how to treat patients. It has reduced the burden on secondary care, freeing up the hospital eye service to treat those who need treatment most. It has seen optometrists and ophthalmologists work together to improve patient care, which we can all agree is of the utmost importance. It has a high level of patient satisfaction, as patients do not have to travel far or sign on to waiting lists to receive treatment, which is particularly important in the treatment of eye diseases. That is good news, and is entirely consistent with the Scottish Government's 2020 vision of health and social care treating more patients in their local community.

I am sure that we would all agree that the possibility of losing one's sight is worrying, and it is important that the potential for any loss of sight is identified early. One of the major causes of sight loss is glaucoma, which is of particular interest to me as my mum suffers from the condition, which has a hereditary element.

Glaucoma can affect a person's sight due to the build-up of pressure in their eyes. Early diagnosis is important, and community optometrists are in the ideal place to recognise the condition early on. That is why, earlier this year, as part of the primary care transformation fund, the Government provided every optometry practice in Scotland with a pachymeter. That hand-held instrument measures the thickness of a patient's cornea, having been placed directly on the surface of their eye—I am told that it is absolutely painless—and helps to identify whether the patient is suffering from glaucoma.

Optometrists and ophthalmologists also work together when patients need referral to secondary care. Eye care integration is a programme that allows optometrists to send patient referrals to secondary care electronically—Kenneth Gibson mentioned that. Previously, if an optometrist decided to refer a patient to hospital, they had to send the forms by post, which took time. In

addition, the optometrist rarely knew whether the referral had been received. Now optometrists can send the referral electronically and can attach pictures and scans of the patient's eyes. That allows the ophthalmologist to assess and triage the referral, with an appropriate appointment being offered sooner if required. In time, we hope that that will mean that optometrists get meaningful feedback and that the number of unnecessary referrals to secondary care will reduce.

As I said, the Scottish Government announced a review of community eye care services in August. The aim of the review is to look at good practice across Scotland to see whether more can be done to ensure that people from all backgrounds take advantage of free eye examinations. RNIB and Optometry Scotland representatives are members of the review group, and patients are also involved to ensure that we capture their views. The review will work alongside other Scottish Government initiatives, such as the see hear strategy, which focuses on sensory impairment in children and adults, and it will report to ministers by the end of the year. I look forward to seeing what recommendations are presented.

I turn to some of the other issues that members have raised. Stuart McMillan raised concerns about ensuring that other key pillars of Government policy, such as GIRFEC, are part of the review, and that point was well made. Similarly, Colin Smyth made a good point about the changed landscape of social and health integration, and the review will take cognisance of it.

Stewart Stevenson outlined the challenges that eye care services are facing because of our ageing population. Again, the review will be able to unpick some of those challenges. In response to Miles Briggs's point about blind registration, I note that the Government is carrying out a review to gather information from professionals, including examples of good practice. Stewart Stevenson and Kenneth Gibson also demonstrated how the condition of our eyes is a useful barometer of our health and wellbeing.

I will be mindful of all the points that have been raised this evening and take them to the review that the cabinet secretary announced.

I am pleased to have been involved in the debate, and I am sure that Parliament will continue to support eye health week in the years to come. The fact that we are conducting our review and that there has been such a great interest in the work that we are undertaking means that we can promise to continue to work with colleagues to ensure that we create a service across the country that is fit for purpose and meets the needs of our population.

*Meeting closed at 17:48.*

This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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