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Thursday 30 May 2019

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Scottish Parliament

Thursday 30 May 2019

[The Presiding Officer opened the meeting at 11:40]

General Question Time

Brexit (European Election Results)

1. Maureen Watt (Aberdeen South and North Kincardine) (SNP): To ask the Scottish Government, in light of the European election results, what discussions it has had with its United Kingdom counterparts regarding Brexit. (S5O-03314)

The Cabinet Secretary for Government Business and Constitutional Relations (Michael Russell): The Scottish Government has consistently made clear to the UK Government its position on Brexit. As yet, there have been no discussions between UK and Scottish ministers on the outcome of the election results, but the situation in which our views, the views of this Parliament and those of the people of Scotland are ignored is now completely untenable.

The result of Thursday's election demonstrates once again that there is overwhelming support in Scotland for remaining in the European Union. It is unacceptable for the Conservative Party to be wasting precious time on internal faction fighting, rather than accepting the urgent need for a second EU referendum with the option to remain.

Maureen Watt: Given the disarray and chaos that are ripping the Tory party apart and the fact that its members cannot work with one another, let alone anyone else, it is encouraging that, in his statement yesterday, the cabinet secretary signalled the Scottish Government's willingness to work with other parties that are opposed to Brexit. Can he outline what steps he is taking to that end?

Michael Russell: Yesterday, I indicated to the chamber that the invitation to take part in cross-party talks is open. I am glad that the Labour Party and the Scottish Green Party have accepted that invitation. I would like to have an acceptance from the Conservative Party or the Liberal Democrats but I have not had that yet. I intend to appoint an interlocutor, who will talk to each of the parties to discover their views, their position and what they would like the agenda to be. If they accept that there is a problem, what solutions are they proposing? That is the key issue, and I am interested to hear those solutions. I urge the other parties to accept the invitation and to start the process with us. It will happen without prejudice or precondition. We are trying to do it in the way that

is least threatening and most likely to produce progress.

Sri Lankan Terror Attacks (Support for People in Scotland)

2. Bob Doris (Glasgow Maryhill and Springburn) (SNP): To ask the Scottish Government how it is seeking to support people in Scotland who have been impacted by the Easter terror attacks in Sri Lanka. (S5O-03315)

The Cabinet Secretary for Communities and Local Government (Aileen Campbell): My thoughts remain with all those affected, both in Sri Lanka and elsewhere. We condemn all incidents of religious prejudice, hatred and targeting of people based on their beliefs.

Following the attacks, I sent letters to a number of church leaders across Scotland, offering condolences and solidarity. In addition, and as part of our regular engagement with Scotland's Christian communities, I will meet church leaders next week, and I will offer our continued support.

Bob Doris: I am pleased to hear that response. With constituents who lost loved ones in the terror attacks in Sri Lanka, I hope to meet Fiona Hyslop soon to see how Scotland can support Sri Lanka at this difficult time.

Some of my Muslim constituents have informed me of attacks on and intimidation of their families and friends who remain in Sri Lanka following the terror attacks. Will the cabinet secretary offer her support and solidarity to them and their loved ones at this difficult time? Will she join me in calling on the Sri Lankan Government to do all that it can, following the terror attacks, to bring communities together?

Aileen Campbell: I recognise and appreciate the interest that Bob Doris takes in this issue. I have previously discussed with him some of his ideas around how he intends to mark what happened in Sri Lanka. We will continue to stand in solidarity with Muslim communities across the world. Our thoughts and condolences remain with any victim, family or community affected by dreadful acts of terror. We continue to stand united against Islamophobia and all hate, because everybody, as they go about their daily lives, should feel safe.

I understand that Bob Doris has written to Fiona Hyslop and that there will be an offer of a meeting with Ben Macpherson, who, as Minister for Europe, Migration and International Development, will be best placed to address the issues that Bob Doris articulates. Nonetheless, given my portfolio responsibility for faith, I am more than willing to continue to engage with Bob Doris and to take an interest in ensuring that people feel respected and supported in Scotland and around the world.

National Concessionary Travel Scheme Cap

3. Bill Bowman (North East Scotland) (Con):

To ask the Scottish Government whether it will provide an update on the talks between the Confederation of Passenger Transport and Transport Scotland regarding the national concessionary travel scheme cap. (S5O-03316)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson): Bus operators have long held that the concessionary travel scheme cap is inconsistent with the principle of fair reimbursement. Our view remains that the cap is needed to safeguard taxpayers' interests; without it, there would be no way to control expenditure on what is a demanded scheme.

My officials and I have met the CPT to discuss operators' concerns. I have asked my officials to work with the CPT to further improve how we forecast and monitor reimbursement claims under the scheme and to report regularly to me during the year on trends and on the likelihood of the cap being exceeded.

Bill Bowman: I was made aware last week that, in March, public transport operators in Dundee carried concessionary customers initially for 11 days free of charge, which has now reduced to six days—in effect, that was a week of no payment. That was because of Transport Scotland's underbudgeting for the national concessionary travel scheme. If the scheme does not cover payment for the whole year again, what measures can be implemented to ensure that Dundee bus operators are treated fairly, without disadvantaging those who rely most on the scheme?

Michael Matheson: The rate of repayment to bus operators is agreed with the CPT and its members at the beginning of the financial year, as was the case this year. I have agreed with the CPT that we will review the economic model that is used to assess the potential costs to operators in the next financial year and that we will consider what further improvements can be made to monitor the scheme and ensure that we have as accurate a picture as possible of the cost to bus operators across the country.

Gail Ross (Caithness, Sutherland and Ross) (SNP): How much has been invested in the scheme since it started in 2006? How many people have benefited from it? How many more passengers stand to benefit from the scheme's extension?

Michael Matheson: The demands on the scheme continue to increase, as it has proven popular and is being increasingly used by qualifying members of the public. Last year, we invested more than £202 million in the scheme, and we are investing a further £213 million in it in

this financial year. That will continue to support those who use the programme.

Police Scotland (Meetings)

4. James Dornan (Glasgow Cathcart) (SNP):

To ask the Scottish Government when it last met Police Scotland. (S5O-03317)

The Cabinet Secretary for Justice (Humza Yousaf): The Scottish Government meets Police Scotland regularly to discuss a wide variety of issues. I often meet senior officers; I last met the chief constable on 4 April, alongside the First Minister, and I will meet him later today.

James Dornan: Does the cabinet secretary agree that Police Scotland should thoroughly investigate all accusations of sexual abuse, including incidents in football clubs, and that those who are found guilty should be held to account to the full force of the law?

Humza Yousaf: Of course I agree, and I go a step further: Police Scotland not only should but does investigate all allegations of sexual abuse, whether they are historical or more recent. The Scottish Government takes extremely seriously its responsibilities both to ensure that children are safe and can enjoy taking part in sport, and to give parents confidence about safety. Recent cases of individuals who have been found guilty in court show that Police Scotland takes the matter seriously; it investigates such cases regardless of whether they involve a football club or any other organisation. I hope that that gives the member confidence.

Burntisland Fabrications

5. Claire Baker (Mid Scotland and Fife) (Lab):

To ask the Scottish Government what its response is to recent reports concerning the awarding of contracts to, and the future of, BiFab. (S5O-03318)

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): We understand that the contract for the Neart na Gaoithe offshore wind project has not yet been awarded, so it would be inappropriate to speculate on potential future contract awards, which relate to commercial matters for the parties that are involved.

I reiterate that the Scottish Government fully supports the efforts of the industry, trade unions and campaigners to increase the number and value of contracts that are awarded to Scotland's supply chain and we will continue to do what we can to ensure that a greater share of the work for offshore wind projects stays in Scotland.

Claire Baker: Following the passionate speeches from MSPs across the chamber in yesterday's BiFab debate, does the minister agree

that EDF can be in no doubt about the strength of feeling in Scotland, which is also evident from the Fife ready for renewal campaign, that BiFab must benefit from the award of contracts for the NnG project? In the areas that are within the scope of the Scottish Government's powers, will the minister agree to take action on the weaknesses in the current procurement and contracting system that are disadvantaging Scottish companies, which members identified yesterday?

Paul Wheelhouse: On Claire Baker's latter point, as Derek Mackay and I made clear yesterday, we are absolutely committed to using the powers that the Scottish Government has to try to maximise the opportunities. We are not prepared to tolerate the position that has emerged in recent years, in which contracts happen with limited content from the Scottish supply chain. As the cabinet secretary set out yesterday, we will potentially use the powers around decommissioning liabilities and the next Crown Estate leasing round to try to maximise opportunities.

On actions that others have to take, as we said yesterday, the United Kingdom Government must review the contracts for difference process and ensure that it is doing everything in its powers to maximise the chances for the supply chain. We were left in no doubt yesterday about the views of members in the chamber and the strength of feeling regarding Scotland's need to get a fair share of the activity in such projects.

Mark Ruskell (Mid Scotland and Fife) (Green): I thought that the cabinet secretary, Derek Mackay, was quite clear yesterday that he intends to use his powers under the Scottish Crown Estate Act 2019 to influence leasing, to ensure that wind farms on the coast of Scotland are being built and manufactured here, which would support communities in Fife and elsewhere. Will that be too late for the Neart na Gaoithe wind farm and others that are currently in the pipeline, which BiFab desperately needs to have contracts for in order to retain jobs at Methil and Arnish?

Paul Wheelhouse: As I said in my original answer, there is obviously some sensitivity around the contracting process relating to EDF and its supply chain at this time and we cannot intervene directly in commercial matters. However, all developers will have been left in no doubt about the strength of feeling across the Parliament yesterday.

Mark Ruskell is absolutely correct that the cabinet secretary is looking very closely at how we use the powers that have come to us through the establishment of Crown Estate Scotland when we look at the next leasing round to ensure that we avoid a situation in which the supply chain misses out on the work.

On existing projects, we have to work closely with developers to identify challenges for particular supply chain companies, maximise their chance of winning work and make them as competitive as possible. However, people can be left in no doubt about how strongly we in Parliament feel.

Home Energy (Tariffs)

6. Margaret Mitchell (Central Scotland) (Con): To ask the Scottish Government what measures it can take to ensure that customers pay a fair tariff for their home energy bills, including older people. (S5O-03319)

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): The Scottish Government funds home energy Scotland to give people advice on how to reduce their energy bills. Since December 2015, almost 15,000 vulnerable citizens, including older people, have been helped to switch to a better deal. As well as that, the Scottish Government's new action plan, "Energy Consumer Action Plan: Putting Consumers at the Heart of Scotland's Energy Transition", sets out how we will deliver a fair energy market for all, even though energy prices remain reserved to the United Kingdom Government. Through a new improving consumers' outcomes fund, we will explore how to set up collective switches to ensure that consumers pay a fair price for their energy.

Margaret Mitchell: There is clearly a lot going on to help to reduce energy consumption and bills. However, accessing information on how to reduce energy bills, including information about how to change suppliers, is usually done online. What specific measures is the Government taking to ensure that elderly people, many of whom do not have access to the internet, can take advantage of the help that is available?

Paul Wheelhouse: Margaret Mitchell makes a fair and reasonable point. From the work of the annual Scottish household survey, we know that older people, especially those who are aged 60 and over, are significantly less likely to use the internet, which means that the older population tends to have less access to price comparison websites, which can direct them to the best tariffs. As a result, the service that is offered by home energy Scotland—into which we have put £5.1 million through the Energy Saving Trust for its delivery—is particularly valuable for older customers. I encourage members across the chamber to make sure that their constituents are aware of the opportunities that the service offers and that they use it as fully as they can.

Pauline McNeill (Glasgow) (Lab): There is currently no requirement for energy providers to contact customers, including those on the priority services register—older people, disabled people and the chronically sick, among others—to offer

them the best deal. Would the Scottish Government support the idea that the energy companies should be more proactive, particularly in respect of older people and those on the priority services register? There is a case for saying that we should go further than that and that energy providers should be required to contact people directly to offer them the best deals.

Paul Wheelhouse: Pauline McNeill makes some fair points. Again, I point out that some of those matters relate to powers that the Scottish Parliament does not hold.

Through the summits that the Scottish Government chairs, we are working with the big six energy providers and the energy sector more generally to encourage suppliers to work proactively with vulnerable customers on the priority services list. I am pleased to say that many companies are now being proactive in moving people off the standard variable tariffs to ensure that they are on the fairest tariff available. They are also being more proactive in contacting people from whom they hear very little—the more passive customers who are not aware of the opportunity to switch services.

The Presiding Officer (Ken Macintosh): Question 7 has not been lodged.

Fair Work

8. Tom Arthur (Renfrewshire South) (SNP): To ask the Scottish Government how it supports fair work. (S5O-03321)

The Minister for Business, Fair Work and Skills (Jamie Hepburn): Fair work is central to delivering inclusive growth and remains a flagship policy for the Scottish Government.

We published our “Fair Work Action Plan” in February, setting out the action that we will take to achieve the vision for Scotland to be a fair work nation by 2025. For as long as employment powers are reserved, we will use all levers available, including attaching fair work first criteria to as many funding streams, business support grants and public contracts as we can, to deliver our ambitions for fair work. I will host a cross-party round table in June to consider what more we might do to drive fair work across Scottish workplaces.

Tom Arthur: An estimated 270,000 people in Scotland combine work with caring responsibilities. Ahead of carers week, which will take place next month, will the minister join me in encouraging more businesses and employers—including MSPs—to become carer positive employers?

Jamie Hepburn: I echo that call. Registered carer positive employers employ some 330,000

staff, and we want those numbers to continue to grow. In my previous role as Minister for Sport, Health Improvement and Mental Health, I was responsible for that area and saw the good work that the scheme did. I continue to see the good work that is happening in my current role.

I am registered as a carer positive employer. The Minister for Public Health, Sport and Wellbeing and I wrote to all MSPs earlier this year to encourage them to become recognised as carer positive employers, and I repeat that call today.

Scottish Qualifications Authority (Meetings)

9. Elaine Smith (Central Scotland) (Lab): I refer members to my entry in the register of members’ interests in respect of both Unite the union and Unison. To ask the Scottish Government when it last met the Scottish Qualifications Authority and what was discussed. (S5O-03322)

The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney): I hold regular meetings with the chair and chief executive of the SQA. I last met them both on Tuesday 16 April, when a range of matters were discussed. Scottish Government officials are in regular contact with SQA officials.

Elaine Smith: When one of my Labour colleagues asked about potential industrial action at the SQA, the cabinet secretary told Parliament:

“Some of the trade unions have been in agreement with the restructuring proposals that the Scottish Qualifications Authority has taken forward”.—[*Official Report*, 1 May 2019; c 9.]

However, as confirmed by Labour this morning, the unions at the SQA—Unite and Unison—are not supportive of the restructuring proposals. If the education secretary is not speaking with the staff at the SQA, where is he getting his information?

John Swinney: The SQA is a self-governing body and I have no employment responsibility in relation to it. The information that I shared with the chamber is information that was shared with me by the leadership of the SQA on the discussions that they have had. This morning, Elaine Smith has provided me with new information. I will examine that information and explore the issues that she has raised and I will write to her once I have done that.

Low-carbon Travel (North-east)

10. Gillian Martin (Aberdeenshire East) (SNP): To ask the Scottish Government what it is doing to increase low-carbon travel opportunities in the north-east. (S5O-03323)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael

Matheson): We have invested in the north-east to promote low-carbon travel opportunities, including providing almost £3 million to support electric vehicle charging infrastructure, low-carbon vehicles and hydrogen buses since 2017; more than £1.2 million in the same time period to support bus infrastructure to encourage more people to use buses; and, between 2013 and 2016, almost £2.5 million to promote cycling, walking and safer streets and support cycle training in schools.

In addition, the Aberdeen western peripheral route will reduce journeys across Aberdeen by up to half at peak periods and free up roads for more public transport, faster journeys and improved reliability.

Gillian Martin: Many of my constituents would like to enjoy the benefits of rail travel. We have an opportunity to reopen the Formartine to Buchan rail line and tempt the people of Aberdeenshire East and Banff and Buchan out of their cars, on which they currently rely for their daily commute into Aberdeen city.

In the light of the climate emergency, will the cabinet secretary consider improved rail infrastructure in those parts of the country that are currently ill-served by rail?

Michael Matheson: As Gillian Martin will be aware, we already investing a substantial amount in rail in the north-east of Scotland, with some £330 million being invested in the area at present. We are always keen to consider opportunities to expand our rail network. The local rail development fund supports local communities to start the process of considering the development of rail routes in their area. That option may be available to the local community in this instance.

Beyond that, it would have to fit into our wider strategic transport projects review—the STPR2 process—which can consider other proposed programmes, including the one that Gillian Martin referred to.

First Minister's Question Time

12:01

National Health Service (Treatment Time Guarantee)

1. Ruth Davidson (Edinburgh Central) (Con): This week, we learned that in the three months to March, another 23,000 patients in Scotland missed the so-called 12-week treatment time guarantee for national health service treatment. That is an utter disgrace. Indeed, under the current Cabinet Secretary for Health and Sport, the number of patients who are being seen within that allegedly guaranteed time has fallen from 74 per cent to just 68 per cent.

She should be honest—how does the First Minister rate that performance?

The First Minister (Nicola Sturgeon): We are all aware of the demographic reasons for the increased pressure on NHS waiting times. That is exactly why this Government and its health secretary are—I think uniquely among the Governments of the United Kingdom—implementing an £850 million waiting times improvement plan. Obviously, it will take time for that plan to work. The health secretary has been clear that one of the priorities in the early stages of the plan is to tackle the longest waits in the health service.

If Ruth Davidson looks a bit more closely at the figures that were published this week, she will see the signs of early progress towards success with the plan. For example, on the treatment time guarantee, over the previous quarter there was an 8.5 per cent reduction in the number of on-going waits of more than 12 weeks. On out-patient waiting time performance, there was an improvement of five percentage points in the previous quarter, and the total number of new out-patients with waits of more than 12 weeks was reduced by almost 16 per cent. On diagnostics performance, there was an increase of just short of six percentage points, with the number of on-going waits of more than six weeks having been reduced by 21.7 per cent.

My direct answer to Ruth Davidson's question is that there is, therefore, real progress being made by this Government, and we will work hard to continue to make progress in the weeks and months to come.

Ruth Davidson: The trouble with the improvement plan is that it was introduced six months ago but, since then, the headline figures have got worse, not better. In fact, they are the worst that they have ever been.

We have heard it all before: two years ago to the day, the health secretary's predecessor announced a new £50 million investment plan to reduce waiting times that would

"reduce waiting times—particularly when it comes to the 12 week TTG for inpatient and day cases."

She was categorically wrong. Given the failure of the previous plan, and given that the current plan is failing, too, why should Scottish patients have any confidence in the Government?

Nicola Sturgeon: Actually, the plan is not failing. Anybody who understands how the health service operates, and who understands its integrated nature, would understand that from the figures that I read out. When we tackle the longest waits—particularly for out-patient treatment—that means that more people require in-patient treatment, which has the effect on the figures that Ruth Davidson talked about.

Nonetheless, the underlying trend is in the right direction. We are reducing the number of people who are waiting longest. Whether we consider out-patient performance, diagnostic testing performance—which is obviously crucial—or in-patient performance, we see that the number of people with on-going long waits is reducing. Of course, we have also seen an improvement on the headline figures in the last quarter for out-patients and diagnostics.

The improvement plan is, therefore, working, which is why we will stick with it and continue to invest in it. That is in stark contrast to what we are seeing elsewhere in the United Kingdom. I know that the United Kingdom Secretary of State for Health and Social Care is visiting Scotland today—the same health secretary who said that the UK Government's plans to reform social care have had to be put on the back burner because of Brexit. We would not be able to invest £850 million in the waiting times improvement plan if we had followed Scottish Conservative plans to give tax cuts to the very richest people in our country.

Ruth Davidson: It is exactly those decisions of the UK Government that mean that there is an extra £2 billion for Scotland's NHS. If selective use of statistics by the Scottish Government were a cure, Scotland would be the healthiest country in the world. The First Minister is conveniently forgetting the failure to meet the 18-week referral target; the one in five patients who is waiting too long for psychological therapy; the fewer than half of patients who are getting musculoskeletal services within four weeks; and the almost one fifth of patients with urgent cancer referrals who are waiting more than two months.

I will ask the First Minister a straight question. She says that by October this year—in just four months—the Government will absolutely ensure

that treatment of 75 per cent of in-patients who have been guaranteed a wait of less than 12 weeks will fall within that guaranteed timescale. If the Government fails to meet that target, will the Cabinet Secretary for Health and Sport keep her job?

The First Minister: The health secretary is getting on with the job of delivering for patients. The targets in the waiting times improvement plan, which are backed by the investment that I have spoken about, are targets on which this Government is determined to deliver.

Ruth Davidson mentioned health funding. We have record health funding in Scotland. In fact, health spending in Scotland right now—she might want to listen to this—is £185 per person higher than it is in England. That amounts to more than £1 billion extra being spent in our health service here than would be spent if we were to follow spending levels in England.

We also have record numbers of staff working in our national health service. Ruth Davidson mentioned cancer patients: 95 per cent of cancer patients in Scotland rate their overall experience of cancer care positively.

Scotland's accident and emergency services, which are crucial to so many people across the country, are the best performing in the UK, and have been for four years running.

Ruth Davidson: It sounds to me as though the health secretary will keep her job regardless of what happens. The interesting thing is that the treatment time guarantee for every patient in Scotland—[*Interruption.*] Scottish National Party members might want to listen to this.

The Presiding Officer (Ken Macintosh): Order, please. Keep it down.

Ruth Davidson: The treatment time guarantee has been breached 212,867 times since it was introduced by one Nicola Sturgeon. That is 212,000 broken promises to patients from a Government that puts the NHS second, behind its own priorities. If nobody is being held accountable, is it any wonder that those promises keep on being broken?

The First Minister: Since we introduced the treatment time guarantee, 1,767,000 patients have been treated within the time, and got faster treatment than they would otherwise have had.

In the previous quarter, there was an 8.5 per cent reduction in the number of on-going waits over 12 weeks. That is because this Government is investing in the waiting times improvement plan. We will carry on doing that. This Government will dedicate its efforts—those of the health minister or any other minister—to ensuring that we meet the targets. Given the number of ministers who have

had to resign from the Conservative UK Government recently, I am not sure that ministers resigning is the strongest ground for Ruth Davidson to be on.

Caledonian Railway Works

2. Richard Leonard (Central Scotland) (Lab): I refer members to my entry in the register of interests. In less than 60 minutes, the Cabinet Secretary for Transport, Infrastructure and Connectivity will meet the Caledonian railway works stakeholder group. What is the Scottish Government's plan to save the Caley? (S5F-03366)

The First Minister (Nicola Sturgeon): As I have said openly and to the trade unions, we will always look for opportunities to save companies and plants that are at risk of closure, but it will not always be possible for us to do so. The transport secretary has been looking at all options on this matter and will, as Richard Leonard said, discuss it shortly. The Government has shown its willingness to intervene where possible in the interests of workers and to take action, while bearing in mind our responsibilities to the taxpayer. We have done that with BiFab, with the Dalzell steelworks and with the aluminium smelter in the north of Scotland. The Government will therefore always be prepared to step in, but we will also always be honest with people where, for whatever reason, that is not possible, and we will continue to work with unions, companies and workers to get the best possible outcomes.

Richard Leonard: The honest experience of these working people is that, yesterday morning, they turned up to work to see a "For Sale" sign nailed to the perimeter fence. Tomorrow morning, more workers will be issued with compulsory redundancy notices. The unions that will be attending today's meeting told me:

"We want to know what the Transport Secretary is going to do to save the site."

Just last month, the current owners offered the depot to the Government at no cost. In fact, they even promised to pay a nominal fee to facilitate that. However, the transport secretary told the workers' representatives, "We don't do nationalisation." Why is the Government ruling out purchasing the site and saving these jobs?

The First Minister: First, it is obviously not true that the Government does not do nationalisation. I seem to remember that, against some criticism in the chamber, we nationalised Prestwick airport to prevent it from being closed, and we have been willing to step in in other instances as well.

My understanding is that some of what Richard Leonard has put to me today about the offers that the company has made is not correct. However,

we are of course happy to have discussions with the company, and the transport secretary will continue to discuss the matter with the trade unions.

We will act where we can to save companies from closure. As I demonstrated with the examples that I gave, we have a track record of doing that. However, we also have responsibilities to the taxpayer and responsibilities to operate within the law on these matters, so it will not always be possible for us to do as we have done. Where it is not possible, we will be frank, open and honest with workers. However, the Government is proud of its record in these industrial situations and we will continue to work hard to save jobs and companies wherever we can.

Richard Leonard: I will recap: a "For Sale" sign yesterday; more workers being served tomorrow with compulsory redundancy notices; and a meeting of the stakeholder group today. Time is running out. The Government has had six months to take decisive action. I raised the matter with the First Minister back in February and I wrote to the transport secretary just yesterday. These works have existed in Springburn for 160 years but, once they go, they go for ever. The site's turnover is up. The workers' skills are indispensable. The works are a cornerstone of Scotland's engineering base and a national asset. Will the First Minister therefore act in the national interest? Will she instruct the Cabinet Secretary for Transport, Infrastructure and Connectivity to purchase the site and save these jobs before it is too late?

The First Minister: I say to Richard Leonard genuinely that, given the Government's track record in similar situations of stepping in where we can, purchasing sites where we can and coming up with funding arrangements to facilitate the purchase of sites by other companies, and given our proven determination to save jobs and companies where we can, if we are unable to do that in these or other circumstances, perhaps Richard Leonard might conclude that there might be a good reason why that is the case, given the Government's overall responsibilities to the taxpayer.

We will continue to discuss the matter with the unions—the transport secretary is doing that later—and we are happy to have any and all discussions with the company. We will continue to take whatever action we can in situations like this. However, we will do that while taking into account all our responsibilities, because that is what a responsible Government has to do.

The Presiding Officer: We have three constituency supplementaries.

Airports in the Highlands and Islands (Industrial Action)

Liam McArthur (Orkney Islands) (LD): The First Minister will be aware of the on-going industrial action that is affecting airports across the Highlands and Islands. She will also recognise the significant disruption that that action has caused and continues to cause on lifeline routes that serve Orkney and other communities across the region. Does she therefore share my disappointment at yesterday's news that a further strike is due to take place on 12 June? Does she regret that that decision coincided with Highlands and Islands Airports Ltd confirming that it was tabling a revised offer to staff? Will she ensure that Transport Scotland allows that revised offer to be put to staff as soon as possible, so that this long-running and damaging dispute can be brought to an end?

The First Minister (Nicola Sturgeon): I share Liam McArthur's disappointment that industrial action has taken place and that there is the prospect of further action. Of course, HIAL is covered by the public sector pay policy, which sets the parameters within which the organisation can negotiate a pay settlement with its recognised unions. I understand that HIAL will meet the unions again next week, and I hope that it will be possible to come to an agreement that averts any possibility of further strike action. I encourage HIAL to continue to talk to the unions to bring the dispute to a resolution as quickly as possible.

Ecolab (Redundancies)

Rachael Hamilton (Etrick, Roxburgh and Berwickshire) (Con): Yesterday, I was informed that 48 jobs are to go at Ecolab in Selkirk. That will be a big blow to the town. What support will the Scottish Government give to workers who are facing redundancy and their families at this challenging and worrying time?

The First Minister (Nicola Sturgeon): I share Rachael Hamilton's concerns about the news of the redundancies at Ecolab. I will ask the economy minister to make contact with the company to look at whether there is support that the Scottish Government or Scottish Enterprise can offer to avert the redundancies. If that is not possible, our partnership action for continuing employment initiative will offer assistance directly to individual workers, as it always does in such circumstances. I am sure that, once he has had the opportunity to speak to the company, the economy minister will be happy to talk to the member to update her on what action it is possible for the Scottish Government to take.

Craig McClelland Case (Fatal Accident Inquiry)

Neil Bibby (West Scotland) (Lab): Earlier this year, the Lord Advocate asked the Scottish fatalities investigation unit to examine the Craig McClelland case to prepare the ground for a possible fatal accident inquiry into his death. As the First Minister is aware, Craig McClelland was killed in an unprovoked knife attack by a man who had broken an electronic tag and been on the run for months. The family were told that the Lord Advocate would make a decision on whether to order a fatal accident inquiry once an appeal by the man who was convicted of Craig's murder had been dealt with. That appeal was refused last week.

Does the First Minister agree that there is now no good reason to delay a decision on the case any further? For the sake of Craig's family and the public interest, surely the time has come for an independent fatal accident inquiry into the failures that led to Craig's tragic murder.

The First Minister (Nicola Sturgeon): I take the opportunity to convey again my sincere condolences to the family of Craig McClelland. None of us can begin to imagine what they have gone through and continue to go through.

I know that, now that the appeal has concluded, the Lord Advocate will be considering the issue of a fatal accident inquiry. As the member is aware, decisions on fatal accident inquiries are for the law officers to take completely independently of ministers, so it would be wrong for me to express any opinion on that, but I will ensure that the Lord Advocate is made aware of the question that Neil Bibby has asked and will ask the Lord Advocate to correspond directly with him as a result of that.

Brexit

3. Willie Rennie (North East Fife) (LD): Across the United Kingdom, parties backing remain outpolled those backing leave. The momentum is with us. Our chances of stopping Brexit are higher than ever, yet the First Minister chose this moment to introduce an independence referendum bill that divides the remain parties in Scotland. Her minister did not even mention a people's vote in yesterday's statement. Why cut and run when we are on the edge of victory?

The First Minister (Nicola Sturgeon): First, I thank Willie Rennie for pointing out the fact that the Scottish National Party won the European Parliament elections in Scotland. It was our best ever result in a European Parliament election—we won 50 per cent of the seats.

Secondly, I think—although I stand to be corrected if I have got this wrong—that it is factually inaccurate of Willie Rennie to say that Mike Russell did not mention a people's vote in his

statement yesterday. I think that he did mention a second European Union referendum.

The SNP supports a second EU referendum, and there is now an opportunity to bring together all those who support that in order to try to secure that outcome. That would be helped enormously, of course, if Labour—not just in Scotland but at a UK level—got off the fence and backed that outcome, too.

Willie Rennie's position is that he believes that Brexit will be a disaster and that the UK should have a chance to reverse Brexit through a second referendum. I agree. Here is where we differ: he thinks that, if the UK does not take the option of reversing Brexit, Scotland should just have to accept that disaster and become a passive casualty of it. I do not agree. I think that Scotland should have the right to choose a different future—it should have the right to choose an independent future as a European nation.

Willie Rennie: Nicola Sturgeon's election letter to me, which was addressed, "Dear Edna," did not mention independence. That was funny. She is at it again. She is desperate for the UK to fail so that she can push independence once again. She has even named a date, but the momentum is with remain. Speaker John Bercow will block a no-deal Brexit; the chancellor will bring down any no-deal Brexit Prime Minister; Boris Johnson is being taken to court for telling lies; and—for goodness' sake—even Richard Leonard is backing a people's vote. What more does she need? Be positive, First Minister. Will she come with me and fight to win a people's vote, or will she, once again, pursue independence no matter what happens?

The First Minister: Sorry—I will take a moment to stop laughing before I answer Willie Rennie. I am not sure that I want to follow him, given that we got 38 per cent of the vote in the European elections compared to the—I think—12 per cent that the Liberal Democrats scored. I have to say that that was an improvement, so well done to them for that. [*Interruption.*] Alex Cole-Hamilton is pointing out that they got 14 per cent. I still do not want to end up there, if he does not mind.

Willie Rennie says that he hopes that I will take the opportunity to call him Edna in the chamber. All that I can say is that he should be careful what he wishes for. What is that saying about being always a dame?

Frankly, I think that Willie Rennie is being a bit complacent about the risk of a no-deal Brexit. I hope fervently that there is not a no-deal Brexit; however, given the Conservative Party's direction, I do not think that we can afford to be complacent about that at all. We will continue to argue for a people's vote and the revocation of article 50 as

an alternative to a no-deal Brexit, and we will work with whomever across the political spectrum to bring that about. If we do not succeed—I hope that we do succeed—I will not be prepared to allow Scotland to sink with the Brexit ship. I want Scotland to have an alternative and better future as an independent European country.

European Union Settlement Scheme

Jenny Gilruth (Mid Fife and Glenrothes) (SNP): Today's report from the House of Commons Home Affairs Committee says that the United Kingdom's settlement scheme for EU citizens risks another Windrush scandal. Is that not a salutary warning that we should not be making EU citizens apply to remain in their homes? Have the Tories learned nothing from last week's election, when their hostility towards immigrants was roundly—and rightly—rejected?

The First Minister (Nicola Sturgeon): I think that, from most of what the Tories have had to say in the past few days, they—certainly the Scottish Tories—have learned nothing at all from the fact that they have been pushed into fourth place in Scotland in the elections. They should carry on. The longer that they fail to learn those lessons, the better it is for those of us on the Scottish National Party benches.

Jenny Gilruth raises a serious issue. Windrush was a scandal—even the Tories would concede that. What European nationals are being put through—they are having to apply for the right to continue to live here in their own country—is shocking, and it risks repeating that scandal. They should not be being put in that situation. This is their home and they should be able to stay here. We should all continue to argue against those measures and send the clearest possible message that those who choose to make this country their home are welcome here and we want them to stay.

Scottish Ambulance Service (Staff Survey)

Monica Lennon (Central Scotland) (Lab): A Unison survey of Scottish Ambulance Service staff has found that extra resource for the service is not keeping up with demand. More than seven out of 10 staff feel that their team budget has been cut, and, last year, there was a 30 per cent increase in the number of paramedics who were signed off work with stress and depression. I have been in touch with Unison this week, and it is rightly calling for urgent action. What will the Government do? Will the Cabinet Secretary for Health and Sport meet Unison as a matter of priority?

The First Minister (Nicola Sturgeon): The health secretary will always be happy to meet trade unions to discuss those issues. We, of course, value the job that our Ambulance Service

staff do in what are exceptionally challenging circumstances. Our service continues to be one of the best-performing ambulance services in the United Kingdom, despite continuous increased demand and the fact that it services some of the most rural and remote parts of the country. We have invested almost £900 million in the service in the past four years, and we are committed to supporting the training of an additional 1,000 paramedics over the course of this session of Parliament. That will build on the almost 18 per cent rise in Ambulance Service staff over the past decade.

The service is currently carrying out a national review of demand and capacity, and staff side partners, including Unison, should be—and, I believe, are—fully involved in that work as part of the demand and capacity implementation group. Those issues will continue to be taken extremely seriously.

Female Genital Mutilation (Proposed Legislation)

Gillian Martin (Aberdeenshire East) (SNP): How will proposed legislation on female genital mutilation increase protection for women and girls?

The First Minister (Nicola Sturgeon): I thank Gillian Martin for raising that issue. I am very pleased that we have now introduced the Female Genital Mutilation (Protection and Guidance) (Scotland) Bill, which will increase the protections for women and girls. The new legislation is an important step in the Government's efforts to make Scotland equally safe for women and girls. It will create a new protection order to protect women and girls who may be victims of, or at risk of, FGM and will ensure that ministers issue statutory guidance to public bodies to improve the response to FGM. The bill is part of our wider work through the implementation of our national action plan on ending FGM, which focuses on prevention, protection from harm and the provision of services for women and girls. I hope that the bill will attract the support of members right across the chamber.

European Union Elections (Disenfranchisement of EU Nationals)

4. Gail Ross (Caithness, Sutherland and Ross) (SNP): To ask the First Minister what actions the Scottish Government is taking to investigate the disenfranchisement of EU nationals who were denied their vote at the recent EU elections. (S5F-03383)

The First Minister (Nicola Sturgeon): The number of EU nationals who appear to have been denied the vote in the European elections last week is nothing short of disgraceful. They are people who live and work here, and this is their

home. They had as much right to vote as any of the rest of us had. The issues that arose were clearly a result of insufficient preparation time because of the prevarication over Brexit and a failure to address concerns that were raised by the Electoral Commission following the European elections in 2014. The fact that the United Kingdom Government appears to have taken no action to address the matter is unacceptable.

The Cabinet Secretary for Government Business and Constitutional Relations wrote to the UK Government in advance of the election warning that this could happen, and he has now written again, calling for a full investigation into the issue to take place.

Gail Ross: In yesterday's statement, the cabinet secretary said that the proposed franchise for any future referendum would rightly include EU citizens and 16 and 17-year-olds. To save confusion or mistakes reoccurring, surely that must be the standard for all elections. Will the First Minister therefore continue to press the UK Government to adopt that system at Westminster or, even better, put full control for holding democratic votes in the hands of this Parliament?

The First Minister: I certainly agree that we should do the latter but, short of that, I think that 16 and 17-year-olds and EU nationals should have the right to vote in all elections in Scotland. As Mike Russell said yesterday, and as will be covered in separate legislation, we want to extend the right to vote to anybody who is legally resident in this country, regardless of which country they come from. I think that that is fair and a sign of the open, inclusive and progressive country that we want to be. We will continue to press the UK Government on those matters.

We should not lose sight of what happened last week. I will not be the only one who spoke to people at polling stations who had been denied their right to vote. I spoke to one constituent who was almost in tears and who felt that this was the final straw with all the stress and anxiety that he has gone through over the past three years. There should be an investigation into the issue, and any necessary steps should be taken to ensure that this disgrace is never allowed to happen again.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I, like many members in the chamber, have constituents who were denied the right to vote, despite having filled in the appropriate UC1 form. I do not have faith in the Westminster investigation. I note what the cabinet secretary has done. Would the Government also consider opening a contact point for EU citizens in Scotland to register with, if they were unable to vote, so that if the UK Government does not find out the numbers, we do?

The First Minister: We will certainly give that consideration. As Christine Grahame will be aware, we have established an advice line for EU nationals seeking to apply for the right to remain here after Brexit. It may be that we can do something similar to allow people who were denied the right to vote to register that fact, which would give us the opportunity to understand the scale of the issue. I see that Mike Russell is noting that down; I will ask him to explore that possibility and report back to Christine Grahame once we have had the opportunity to look into it.

Substantial or Critical Care (Waiting Times)

5. **Jamie Greene (West Scotland) (Con):** To ask the First Minister what the Scottish Government's response is to the report by Age Scotland that four in 10 people requiring substantial or critical care were found to be waiting more than six weeks to receive it. (S5F-03376)

The First Minister (Nicola Sturgeon): People in Scotland are generally enjoying longer lives; more complex needs often come with that, which means that demand for social care is growing—underlining why we have already legislated for and introduced integration of health and social care.

Age Scotland's report found that the average waiting time between assessment and receipt of care for those in most need is around three weeks. We want to go further to ensure that care is provided swiftly for all. That is why we are developing a programme of national support for local reform of adult social care and why we will deliver £711 million of additional direct investment in social care and integration this year, which is an increase of 29 per cent on last year's investment.

Jamie Greene: The First Minister talks about the average waiting time being three weeks. The last time that Age Scotland monitored it, it was two and a half weeks. The number has gone up so it is an interesting statistic to measure things against.

Many members in the chamber will be dealing with casework involving constituents who are spending weeks or even months in hospital, taking up valuable bed space, because their local authority cannot provide care packages due to either a lack of finance, a lack of care home space or a lack of staff to provide in-home care.

The report by Age Scotland confirms that since 2011, the number of care home places in Scotland has dropped by over 1,000. The independent report is entitled, "Waiting for Care: Is Scotland meeting its commitment to older people?". Age Scotland clearly does not think so; what does the First Minister think?

The First Minister: More people are now being cared for at home than would have been the case previously but there are many important messages

in the Age Scotland report and we will study it carefully. The actions that we have already taken are the right ones; we have integrated health and social care and, as I said in my original answer, we are increasing the direct investment in social care and integration.

The member may have seen the information published by the Health Foundation yesterday. The Health Foundation reported that Scotland spends the most money on social care per head out of any country in the United Kingdom. We are spending 43 per cent more than England and 33 per cent more than Wales. The investment is there and that is important, but we need to make sure that services are working in the correct, joined-up way so that the care is there for older people when they need it. We are determined to continue to make the progress that is required because, as the member rightly points out, that waiting time is one of the factors that has a knock-on effect on our efforts to get acute hospital waiting times down.

David Stewart (Highlands and Islands) (Lab): The Age Scotland report suggests that there is limited or patchy monitoring across local authorities of how long people are waiting for social care or the reasons for delays. Does the First Minister think that that is acceptable? Will she accept the recommendation from Age Scotland that more regular data collection on social care is required?

The First Minister: We will listen carefully to all the recommendations that Age Scotland makes. We want to make sure that there is good, consistent data. There is already a lot of data—for example, on delayed discharges—but it is important that we have the wealth of data to ensure that we can assess whether the actions that we are taking are succeeding.

We will give due consideration to that recommendation, as we will to all the other recommendations in the report.

George Adam (Paisley) (SNP): The First Minister has already mentioned the analysis produced by the Health Foundation, which highlighted that public spending on care for the elderly and disabled is as much as 43 per cent higher in Scotland than it is south of the border, where the Tories are in control.

Although members can have legitimate concerns, which should be addressed, does the First Minister not see the Conservative Party's concern as hypocrisy, while the figures reflect where the priorities of the two Governments actually lie?

The First Minister: I am responsible for the actions of this Government, and we are prioritising the actions that are required to make the

improvements here that we all want to see. We have already integrated health and social care. The UK Government's green paper on social care was first promised 812 days ago, and yet there is no sign of it being published. As I mentioned earlier, Matt Hancock told a Westminster committee last month that it was delayed because of Brexit.

We are getting on with the work, and are spending proportionately more money on social care than other countries in the UK. All of that is positive but, as the Age Scotland report points out, there is still work to be done and progress to be made, and we are determined to get on and make it.

Alex Rowley (Mid Scotland and Fife) (Lab): Many social care providers are struggling with staff retention and recruitment. Part of the problem may well be Brexit, but a big part of it is that, in some parts of the care sector, workers are paid poor wages and have poor terms and conditions. Should there not be equal pay across the whole of the care sector? Should a carer not be valued, whether they deliver that care through a private company or a public company?

The First Minister: I agree with that. This Government has invested to introduce the living wage for workers in social care, and we are pursuing and will continue to pursue providers—whether private sector or local authority providers—who are not passing that on because we want the social care workforce to be valued for the job that it does, which is vital, tough and challenging.

However, as Alex Rowley rightly says, Brexit is a big issue and, if you talk to any social care provider, they will say that one of their biggest worries is access to the skills and labour that they need to provide their services. That is why it is so important that we try to come together to stop Brexit and the approach that the UK Government is currently taking to immigration, which is damaging not just our economy but the very fabric of our public services.

Poverty

6. Elaine Smith (Central Scotland) (Lab): To ask the First Minister what the Scottish Government's response is to the Poverty and Inequality Commission's recent finding that the current level of spending directed at tackling poverty in Scotland is "falling well short of what is needed". (S5F-03372)

The First Minister (Nicola Sturgeon): The commission's report is a timely reminder of the challenge that we face in undoing the damage of UK Government welfare cuts, austerity and the impacts of Brexit—all issues that were highlighted

in the United Nations special rapporteur's report last week. Scotland is facing a reduction of £3.7 billion in annual social security spending by 2021 as a result of UK Government cuts. In this year alone, the Scottish Government is investing over £125 million to mitigate the worst impacts of those cuts. We are also taking forward our own policies to tackle poverty and inequality, which this year includes an extra £385 million to support our expansion of childcare, at least £351 million in our council tax reduction scheme and around £435 million in direct assistance through social security measures, as set out in the budget.

Elaine Smith: I thank the First Minister for her response. We all know the damage that Tory austerity and cuts are doing, but I want to talk about the First Minister's policies. There is consensus among numerous anti-poverty organisations, including the Government's Poverty and Inequality Commission, to call for urgent action on the introduction of the income supplement. As the head of Oxfam Scotland said:

"Warm words will not make a difference to people who cannot put food on the table."

Can the First Minister offer more than warm words today to those who are in need of the income supplement right now? Will she bring it forward, or tell us what interim measures she will put in place? After all, can I remind the First Minister that in this chamber in March she promised us an update before the end of June.

The First Minister: I point out that it is now the end of May. There will be an update before the end of June, but we are not in June yet. That is the answer that I gave to Richard Leonard. We will bring forward an update on our plans for the income supplement in June, because we are looking at how we would introduce that in a way that would lift the maximum number of children out of poverty, and we have to look at the mechanisms that we need to put in place to practically deliver that. That update will come in June and will be open for discussion across the Parliament.

We will continue to take our responsibilities seriously. Child poverty in Scotland is too high, but it is lower than in any other part of the UK. That is a reflection of the seriousness with which the Government treats it and the policies that we are implementing, such as the best start grant, which is not being implemented in any other part of the UK. We will continue to do that.

We should also all come together. As part of their post-election reflections over the next few weeks, Labour will perhaps consider belatedly joining the Scottish Government in asking for all welfare powers to come to the Scottish Parliament, so that we can tackle those causes at

root, rather than continuing to have to apply sticking plasters to the policies of Tory Governments that we do not vote for.

Clare Adamson (Motherwell and Wishaw) (SNP): One of the benchmarks of our society in Scotland is that we are open and welcoming, and take our responsibility to refugees extremely seriously. Would the First Minister outline how the Cabinet Secretary for Social Security and Older People's announcement yesterday will benefit asylum seekers in tackling poverty?

The First Minister: I am delighted that we are now able to apply the best start grant to refugees and asylum seekers who have children—and all credit to Shirley-Anne Somerville for that. We had to discuss that with the UK Government, given its policy of not allowing people in those categories to have access to public funds.

We want our policies to benefit anybody in poverty and need in Scotland. We should not judge people on where they come from. We should judge people on the fact that they are citizens of Scotland and all citizens of Scotland deserve the help that the Government is determined to give them to lift children out of poverty.

Keith Brown (Clackmannanshire and Dunblane) (SNP): Does the First Minister agree that her Government would have much greater resources to tackle poverty in Scotland, on top of everything else that it does—which it does, not because it is allowed, but because it is the right thing to do—if it did not have to mitigate the worst effects of Tory austerity to the tune of hundreds of millions of pounds?

The First Minister: Obviously, if we did not have Tory austerity, we would not have the levels of poverty that we do and we would not have the cuts to our budget that are making it harder to deal with those issues. We also have a Conservative Party in the Scottish Parliament that is bereft of policies but has managed to propose one policy in recent years: to give tax cuts to the richest. That would take half a billion pounds out of public services and tackling poverty in this country.

The lesson in the short term is not to listen to the advice of the Scottish Tories. The lesson in the medium to longer term is that we should get out of a position in Scotland where Tory politicians think that what we can do is a matter of what they allow us to do. Instead, what we do in Scotland should be a matter of the choice of the people of our country.

The Presiding Officer: That concludes First Minister's questions.

The Cabinet Secretary for Government Business and Constitutional Relations

(Michael Russell): On a point of order, Presiding Officer.

Elaine Smith: On a point of order, Presiding Officer.

The Presiding Officer: A point of order, first from Mr Russell and then from Elaine Smith.

Michael Russell: Presiding Officer, I know that you are keen to draw the distinction between opinion and fact in the chamber. When something is demonstrably untrue, I am sure that you would guide members on how quickly it should be corrected. I have checked the *Official Report*. Yesterday in my statement I said:

"The Scottish Government and the SNP at Westminster will continue to do all that we can to stop Brexit for the whole UK. In particular, we will continue to support a second referendum on EU membership".—[*Official Report*, 29 May 2019; c 2.]

Given that the leader of the Liberal Democrats made an assertion that I did not say that yesterday, perhaps you would advise him of how quickly he could correct the record.

The Presiding Officer: All members are aware of the various mechanisms that are available if they wish to correct the record. However, Mr Russell himself has alerted everybody in the chamber very accurately to what was said yesterday.

Elaine Smith: Presiding Officer, under the terms of our standing orders and code of conduct, there are various mechanisms for correcting the record. I want to do that right now. Earlier, I read from the *Official Report* for 28 March 2019. My excuse is that the type is very small. It says that the First Minister said that

"We will bring forward the update before June".—[*Official Report*, 28 March 2019; c 25.]

I read it out wrongly. The update is due not before the end of June, but before June, which gives us one day. [*Interruption.*]

The Presiding Officer: Thank you. Excuse me. Points of order are for the chair, and not for members, to respond to.

I thank Elaine Smith for correcting the record and for informing the chamber of the correct extract from the *Official Report*. Members will have noted that point.

We will move to Gordon MacDonald's members' business in a moment. Before we do so, there will be a short suspension to allow members, the minister and some people in the gallery to change seats.

12:45

Meeting suspended.

12:47

On resuming—

Edinburgh Festivals (Effect of Immigration Policy)

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a members' business debate on motion S5M-15707, in the name of Gordon MacDonald, on the impact of hard-line visa controls on the Edinburgh festivals. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes with concern the growing impact of what it sees as the UK Government's hostile immigration policy on the ability of the Edinburgh's festivals to attract international guests; understands that acclaimed international writers, actors and musicians have been forced to cancel trips to the capital's festivals in recent years after what it sees as hard-line visa controls were introduced; believes that the situation can only worsen after Brexit; notes the calls on the UK Government to seek a more streamlined approach, in light of festival programmes reportedly being hit by visa refusals, errors and delays; appreciates the work of Deidre Brock MP, who has continually supported the festivals and artists, and has recently made an urgent request to meet the UK immigration minister to discuss the matter; considers that the Edinburgh festivals are essential to cultural and social life in the city, and believes that the reputation of Edinburgh as a global gathering place is being put at risk by what it sees as narrow-minded, xenophobic policies.

12:48

Gordon MacDonald (Edinburgh Pentlands) (SNP): The Edinburgh festivals make up the world's largest arts festival, and Edinburgh is well recognised as the world's leading festival city. However, our reputation is being damaged and our international position is being put at risk because of the United Kingdom Government's hostile immigration policy. Artists face a humiliating application process and are having their visas refused. Due to the UK Government's inaction in resolving such issues, artists are being deterred from coming to Edinburgh. Performers not only entertain us but educate us about other cultures, and, as a result, our society is enriched.

The visa issue is damaging not only to our culture but to our economy. During the course of a year, the Edinburgh festivals attract audiences that total a staggering 4.7 million people. They include people from all over the world, who generate an economic impact of £280 million in Edinburgh and a total of £313 million across Scotland. Although the Scottish Government, the arts industry and artists themselves are trying to improve, grow and develop our festivals, the UK Government's hostile environment immigration system poses a risk to the future of the Edinburgh festivals.

In its briefing, Amnesty International stated that, if their nationality requires them to get a UK visa, participants in the Edinburgh festival fringe and the international festival, which are defined as permit-free festivals, are required to undergo an application process that is identical to that for a standard visitor visa. Amnesty described the overall picture as "grim", with visa issues posing

"a serious challenge for those involved in organizing the ... Edinburgh Festivals. Two thirds of respondents said that performers they were working with had experienced visa refusals".

We need everyone to come together on the issue and look at developing something similar to cultural passports for individuals participating in festivals around the country in order to address the particular issues that festivals are facing: onerous visitor visa evidence requirements; long periods of passport retention; costs to UK festivals of sponsorships; short duration visitor visas; restrictive salary conditions; and the inability for festivals to invite young or emerging artists.

I will highlight a few examples that show how the problem is affecting the industry, but I want to make it clear that there are many more.

Last year, at the international book festival, about a dozen individuals went through the extremely difficult process of trying to obtain a visa. They were from the middle east and African countries. Those artists all had their applications refused at least once and several of the applications were outstanding less than a week before they were due to appear at the festival.

One artist was told that he had too much money and that it looked suspicious for a short trip. Another was told she did not have enough money, so she transferred £500 into her account and was then told that the £500 looked suspicious. Artists are being asked to provide three years' worth of bank statements to demonstrate financial independence, despite festivals such as the book festival paying the artists to participate and guaranteeing to cover their costs while in the UK.

Nick Barley, the director of the book festival, described how

"One author had to give his birth certificate, marriage certificate, his daughter's birth certificate and then go for biometric testing."

The artist "wanted to back out" of his participation in the festival at that point because "he couldn't bear it". Nick Barley said that the festival's relationship with authors is being damaged because the system is completely unfit for purpose and he described the process as "humiliating" and "Kafkaesque".

In 2017, Conchita Wurst, the 2014 Eurovision song contest winner, pulled out of the Edinburgh international festival because her Syrian band

members, who had been living in Vienna for three years, were denied visas. Ironically, she had been due to perform at a concert celebrating the importance of immigration in European culture.

In the same year, a third of the people involved in the Arab arts showcase had their visas denied more than once. That included the group's technical director, who was given the wrong type of visa by the Home Office, two dancers with solo shows and almost the entire marketing team. One of the shows had to be cancelled completely and the group spent around £6,000 on the process.

Andy Wightman (Lothian) (Green): Has the problem increased in recent years? Is it a long-standing issue, or has it just cropped up more recently? What sense of that can Gordon MacDonald give us from his research?

Gordon MacDonald: My understanding is that the problem is steadily getting worse. Visas for the festival in August are being applied for now, so we will find out in a couple of months' time whether the circumstances have changed for the better. My gut feeling is that the problem has not improved at all.

Sara Shaarawi, the project manager of the Arab arts showcase, said:

"How the Home Office dealt with us was appalling and the reasons of refusals were flat out lies. We had a crew member that was refused because he'd never been in the UK, when the reality was he had been in the UK with a show in 2009 and 2012. We had a Palestinian artist who applied twice and one of the refusal letters spoke repeatedly about their circumstances in Egypt, when in reality he wasn't based in Egypt. One letter was simply empty, they didn't remember to fill in the 'reason of refusal' section."

Following the visa denials in 2017, Amnesty International in Scotland surveyed Edinburgh festival organisers and companies to find out the impact of the UK visa process on their work. Festival organisers reported multiple visa denials and the knock-on effect of cancelled shows and considerable stress and pressure in organisations. The issue does not just affect artists and festivals in Scotland; it is a UK-wide issue. English PEN has said that the visa process

"is complex and humiliating and presents the UK as a place that has closed its doors to international culture."

John Mason (Glasgow Shettleston) (SNP): I realise that Gordon MacDonald is focusing on festivals, but does he agree that it is also a problem for conferences and a range of other purposes for which people want to come to this country for a short time?

Gordon MacDonald: I agree with that.

The directors of Britain's biggest international festivals came together last year to sign an open letter that warned the UK Government of the risk

to festivals from Home Office visa application procedures. The letter, which was signed by 25 festival directors from across the UK, said:

"The current visa application process for artists is lengthy, opaque and costly ... The situation has led to artists now telling festivals they are much more reluctant to accept invitations to come to the UK due to the visa process".

That is unacceptable. Scotland is known as an inclusive and welcoming place but our reputation as a global gathering place is being put at risk by narrow-minded, xenophobic Tory policies. As my Edinburgh colleague Deidre Brock MP has said,

"musicians, writers and performers have become collateral damage, caught up in the"

Tories'

"hostile approach to immigration".

Unless things change now, that situation will only get worse as the Tories continue to be hell-bent on a no-deal Brexit.

The Immigration and Social Security Co-ordination (EU Withdrawal) Bill is currently going through the Westminster Parliament. The UK Government should bring in amendments to tackle the issues raised and act now. If it will not, it should devolve immigration and let the Scottish Government get on with building a fair and functional immigration system that is fit for the 21st century.

The Deputy Presiding Officer: I call Andy Wightman, who will be followed by Joan McAlpine.

12:57

Andy Wightman (Lothian) (Green): First, I apologise for the fact that I need to leave the chamber at 1.30. I have a commitment to a meeting with a minister, and I know how busy ministers' diaries are.

I welcome this important debate, which was secured by Gordon MacDonald. I congratulate him on his research and his opening remarks, which spelled out the nature of the problem.

As members are aware, and as Gordon MacDonald said, Edinburgh's festivals are world famous. They are successful. They are a celebration of much of what is good about the human spirit, they bring together diverse cultures and peoples and they continue to contribute to the founding vision of the Edinburgh international festival that was forged in the aftermath of the horrors of Nazism and genocide.

Gordon MacDonald quoted from Amnesty International's briefing. I thank Amnesty for its briefing, which is very good and has helped members get to grips with a difficult topic. As Gordon also said, in response to my intervention,

the situation has reached a crisis point and there are no signs that it is likely to improve any time soon.

The Edinburgh festival fringe and the international festival are designated as permit-free festivals, which means that performers and their legitimate entourages can come here without the need for a work permit. However, they still need to apply for a conventional visa. That seems to be increasingly out of step with the role that tourism and culture play in the economy of not just Scotland but the UK.

In 2017, we had the high-profile case of the Austrian singer Conchita Wurst, who was forced to cancel her performance after her band members were denied visas. However, it is not only high-profile acts that have issues with the Home Office. Last year, I was contacted by a constituent who was having an issue with a visa for the book festival. Gordon MacDonald mentioned a few cases like that. The constituent's young family had British citizenship but, due to Home Office rules, the constituent could not find a way to enter the UK from New Zealand. That was the book festival, which does not have permit-free status but, even if it did, as Amnesty makes clear, artists are still faced with the labyrinth of the visa application process.

Amnesty also tells us that some venues and programmers continue to be concerned that visa issues will compromise festival programmes in the future. Notwithstanding the immediate problems that artists face, that serious issue is the key point that we need to stress to the UK Government. As Gordon MacDonald said, the UK's economy cannot have an important cultural component unless it is easy for artists to travel here.

One venue said that it hoped to continue working with visa-sensitive countries but that it was concerned about the high costs—they alone made the venue cautious about booking such shows in the future. Two venues said that they had been forced to reconsider the feasibility of projects that involve performers from certain countries; one noted that it had been forced to rethink bringing in artists from some Arab countries, for example. That cannot continue.

As Gordon MacDonald said, Scotland prides itself on our welcome to visitors and those from outwith Scotland who wish to make their home here. It is not possible to realise such ambitions if some who have most to offer in the cultural sphere are being denied access to perform and attend events in Edinburgh and elsewhere.

I thank Gordon MacDonald again for the debate. I—and, I am sure, other members—would be happy to be part of a wider focused campaign to resolve such matters as soon as possible,

especially in the light of any new restrictions that might come in the aftermath of Brexit.

The Deputy Presiding Officer: I call Rachael Hamilton, to be followed by Sandra White.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I thank Gordon MacDonald for bringing the debate to Parliament—*[Interruption.]* Do you want me to carry on, Presiding Officer? I can sit down.

The Deputy Presiding Officer: I am terribly sorry, Ms McAlpine—I do not know how I missed you. It is good of Ms Hamilton to give way.

We will have Joan McAlpine, who I think—I am all confused now—will be followed by Rachael Hamilton.

13:01

Joan McAlpine (South Scotland) (SNP): I would have given way to Rachael Hamilton, but I have to leave—I apologise for that—so I will speak now.

I welcome Gordon MacDonald's success in securing this important debate. It is almost a year since Nick Barley, the Edinburgh international book festival's director, spoke out about the humiliating treatment of visiting authors by the UK. He was not alone; in fact, he was one of 25 festival directors who signed an open letter last year to complain about the situation.

Gordon MacDonald outlined the nightmare of the current situation well, and I will say a bit more about how it could get even worse in the event of a no-deal Brexit. At the moment, the visa difficulties do not extend to the 500 million citizens of Europe who enjoy free movement to work, travel, do business and enjoy culture across Europe. What an added nightmare there will be if the strong links that we have with artists from European Union countries suffer the same damage as the UK seems determined to inflict on our relationships with artists and cultural tourists from the rest of the world.

After Nick Barley addressed the Parliament's cross-party group on culture on the issue last year, the CPG wrote collectively to David Lidington, the Minister for the Cabinet Office, about our concerns. We asked him to safeguard the ability of people in the cultural sector to move freely in order to continue to gain employment from European clients. We pointed out that Scotland's cultural sector has many European clients; the European industry enables careers to be viable outside London, where most of the work in the sector is based. That makes freedom of movement particularly important to people who are based in Scotland, who have less employment locally than those in London.

We told Mr Lidington that the economic benefits of cultural tourism are well known. The cultural sector needs to access European talent, which includes performers to play in festivals, major events and companies, as well as educators to teach at our universities and cultural institutions. The issue applies particularly to smaller enterprises, which could close if they cannot withstand the potentially prohibitive visa and work permit administration and management costs in the event of a no-deal Brexit.

The European Parliament's Committee on Culture and Education is very much aware of the threat of obstacles to mobility for cultural workers. It held an inquiry on the topic, which highlighted three areas of difficulty:

"The recognition of the specific working regimes of artists and cultural professionals",

"Withholding tax and social security rules",

and

"The issuance of travel documents."

Those are the obstacles that face cultural workers at the moment.

The UK Government's white paper contains a so-called cultural accord, but culture counts—which acts as secretary to the CPG—points out that the cultural accord does not address the three barriers that the European Parliament's Committee on Culture and Education set out. The Brexit withdrawal agreement does not do so either—although the political declaration hints at visa-free travel, the withdrawal agreement certainly does not. In the event of a no-deal Brexit, we would be completely up in the air.

The withdrawal agreement does not guarantee the UK single market; in fact, the red lines of the UK Government mean that we are leaving the single market. Of course, the single market covers services, and creative industries are service industries.

The cross-party group received a reply, not from Mr Lidington but from the Department for Digital, Culture, Media and Sport minister, Michael Ellis. Mr Ellis acknowledged the very important role of the arts and artists; indeed, he suggested that it was the strength of the creative sector that had resulted in the UK being placed number 1 on the Portland soft-power index—how long that will last after Brexit has made Britain a laughing stock, we do not know.

In response to the CPG's concerns about the end of freedom of movement, Mr Ellis offered not one single crumb of comfort. His letter simply stated:

"The UK government is clear that free movement will end as we leave the EU".

There was some mention in the letter of reciprocal arrangements for business travellers in the withdrawal agreement, which is of course now dead in the water, but there was nothing whatever for the cultural sector.

The issue was and continues to be of deep concern to the CPG, which is why we have to ensure that we call a halt to Brexit. A no-deal Brexit would obviously be disastrous for the economy as a whole and particularly disastrous for the cultural sector.

13:07

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I thank Gordon MacDonald for securing the debate on what is a difficult subject to talk about. I have looked at some of the issues that he has raised and I have tried to speak to my colleagues, but not one of them has come to me to speak about the matter. I would like to hear more from Edinburgh MSPs about the difficulties, which might enable us to feed into any future agreements. I also take the opportunity to say that I do not want to see a no-deal Brexit.

I herald the success of the Edinburgh festivals, which are fast approaching. It is important that we do so in the debate. The diversity of participation in the festivals is very important and the festivals are an exciting time in Scotland's cultural calendar, attracting more than 4 million people from all over the world.

Most of us enjoy the festivals and the Edinburgh festival fringe is the largest arts festival in the world, involving live theatre and comedy performances. Speaking about visa applications for artists is important, because so many people are involved. On average, the Edinburgh international festival presents more than 150 performances, involving 2,500 artists and attracting a huge audience of in the region of 400,000 people.

The capital comes alive with visitors from around the world. Overseas tourism to Scotland has risen by 10 per cent in a year, while the number of European tourists jumped by 19 per cent. The attractiveness of the festivals continues to grow, and I hope that we continue to have a positive outlook on the festivals and the people who come to Scotland.

As we heard, the Edinburgh festival fringe is a permit-free festival, which means—as Andy Wightman said—that performers and their legitimate entourages do not need to obtain work permits to appear in the UK. I agree that simplicity is absolutely the key—the visa application process should be simple, so I am concerned to hear Gordon MacDonald talk about the issues that some artists are having.

Performers and entourages at permit-free festivals enter the UK as standard visitors and do not need to apply for entry under the points-based system or as permitted paid engagements visitors. However, as Andy Wightman said, some visitors, such as those from non-EU countries, might still need to apply for a visa. The countries are listed and the festival gives guidelines on that.

Let me be clear: nothing has changed regarding EU countries and, in the future, as we leave the EU, EU citizens will still be able to participate in the fringe, just as they can today, because it is a permit-free festival.

The music industry is calling for the introduction of an EU-wide touring visa, and the Government should pursue that when it looks into our future relationship with the European Union. The idea of a cultural passport is interesting.

Andy Wightman: I am grateful to the member for giving way. She says that EU citizens will still be able to come to the festival and that the fringe is a permit-free festival, but many European artists come here not on their own account but as part of ensembles or entourages, which often include people who have visa requirements to enter the UK. Does she accept that difficulty?

Rachael Hamilton: There are non-EU countries that are listed in the festival guidelines. People from those countries need visa permits.

I am not quite sure about the nature of Andy Wightman's point, but I am very interested to learn about the current issues and I would like to discuss them with both Gordon MacDonald and Andy Wightman.

As I was saying, the cultural passport is a very good idea and should be pursued.

I know that time is of the essence, so I make one last point. I do not believe that the negativity in the wording of the motion does anyone any favours. Despite our leaving the EU, we must make visitors very welcome to Scotland and the UK. They can continue to perform in the festivals just as they have always done, and long may that continue.

13:11

Sandra White (Glasgow Kelvin) (SNP): I congratulate Gordon MacDonald on securing the debate. It is very interesting.

As someone from Glasgow, I know that Celtic Connections faces similar problems. Today's debate is on the Edinburgh festivals, but I want to pick up John Mason's important point about the overall issue of visas. Recently, the father of Sabir Zazai, the chief executive of the Scottish Refugee Council, was refused entry to the UK. Thankfully,

with support from others, he has now been given a visa. It is important to remember that the issue affects a variety of people.

Rachael Hamilton mentioned EU citizens, as did Gordon MacDonald, which reminded me of the important point that I wanted to make: the vast majority of people who are refused visas come from the middle east or Africa. I find that that is often the case. A great many people have come to me who have been refused visas and they come from the middle east—Palestine, the Lebanon and Syria.

I will give a couple of examples. In November 2017, Mr Mahmoud Alkurd, an award-winning photographer, was exhibiting his work in Edinburgh and Glasgow and wanted permission to come. He was not given that permission and was not allowed to enter. He comes from Palestine.

A group of people from the freedom to run project, which is part of Right to Movement Palestine, wanted to come to Edinburgh to run the marathon in May. They, too, were refused entry. However, as in the previous example, with a lot of hard work, and appeals, we managed to enable them to come. It was a lot of hard work. Those people were waiting for months, not knowing whether they could enter the country or not.

It is the middle east and Africa that is the biggest problem, not Europe. Andy Wightman is right that people do not come just as individuals but as part of an entourage. We must realise that. If we get figures on that, we will see the discrepancies and the bias against people from the middle east, which prevents them from coming to Edinburgh festivals—and other festivals, such as Celtic Connections—to perform as individuals or as part of an entourage or group.

Recently, I received a letter asking me to look into another application. This gentleman was from Gaza, in Palestine. He was asked very invasive questions about whether he would go back to Gaza. The chap has a job and a family that he supports—of course he would have gone back to his home country to support his family. This particular gentleman is world renowned, and yet he too was refused a visa to come to Edinburgh.

We tried everything. In fact, I had booked rooms for the chap here in the Parliament—he would have been here two weeks ago, in May. He received permission from the Scottish Parliament to come and exhibit his work here in the Parliament, but he did not get the visa to come.

There is something far wrong when renowned artists are not allowed to come here, just because they come from a certain part of the world—not necessarily Europe; they are most often from the middle east and Africa. They are asked invasive questions and they have to jump through I do not

know how many hoops. Thankfully, sometimes they are successful. However, it had taken that gentleman four years to produce his exhibition, and in two days it was ruined, simply because the Home Office did not give him permission to come. This Parliament had emailed to say that it had the event set up for him and my office had sent out invitations, but it could not happen.

Although I do not know how we will consider them, I think that cultural passports are a great idea. I am thankful that Gordon MacDonald raised this issue today, because it is high time that we considered who is actually allowed to come into this country and who is not.

13:16

Claire Baker (Mid Scotland and Fife) (Lab): I welcome Gordon MacDonald's having brought the issue to the chamber. As others have said, Edinburgh's festivals secure audiences of 4.5 million and offer more than 3,000 events each year. They generate an annual economic impact of some £280 million in Edinburgh, and £313 million across Scotland. For more than 70 years, the city has built its enviable reputation as a world leader, delivering individual festivals that have a global cultural impact. Almost one third of annual visitors to Scotland are motivated by the cultural and heritage offer, in which the festivals play a key role.

Participants from 85 countries took part in the festivals in 2017; that ability of the festivals to attract and to welcome global artists is critical to their success. It is clear that the approach of the immigration service is undermining that and is damaging the reputation of the UK—and, consequently, that of the Edinburgh festivals—as a welcoming destination for performers from across the world. Incidences of performers being denied visas appear to be increasing, which results in additional costs, inconvenience and stress for all involved.

Julia Armour, who is the director of Festivals Edinburgh, has warned that the current approach risks putting artists off coming to the UK. As others have said, Nick Barley, who is the director of the international book festival, has spoken of up to a dozen performers from Africa and the middle east having experienced serious delays to their applications for last year's events. Some had to reapply several times, or even had to cancel their plans to participate in the book festival.

In its briefing for the debate, Amnesty International notes a 2017 survey of festival organisers and venues that highlights that visa issues posed a serious challenge for organisers. Two thirds of those who were surveyed said that performers whom they had worked with had

experienced visa refusals, including a number of people from Iran, Egypt, Syria, Palestine, Sudan and Lebanon. Those refusals resulted in performances being cancelled or taking place with limited cast and crew. The situation also means that some venues are now more cautious about booking shows that involve performers from certain countries. There is a clear emphasis on middle eastern artists, with Arab Arts Focus saying that half its performers have had visa applications declined.

Of course, the visa issues are not restricted to Edinburgh's festivals, but impact on events throughout the UK, which underlines the need for a UK system that recognises the legitimate requirements of performers and other international guests who visit the UK. Organisers of the WOMAD—world of music, arts and dance—festival, for example, report that acts are turning down invitations to perform as a result of the difficult and humiliating visa process that they would have to go through.

Although the current system attempts to make provision for entertainer visitors for specific permit-free festivals, such as the Edinburgh festival fringe and the Edinburgh international festival, not all events are covered by the definitions and some carry differing requirements. It is also reported that where performers can apply for visas as entertainer visitors, the process is actually the same as that for a standard visitor, and refusal under either scheme is a high probability for performers from a number of countries.

The approach that the Home Office has taken to short-term visa applications, which is affecting middle eastern and African countries, is inconsistent and lacking in clarity. It is clear that its impact is damaging and is proving to be a deterrent to viable applications. The changes have already made it more difficult, if not impossible, for some legitimate performers to take part in events, which is to the detriment of our cultural life and expression.

The House of Lords recently held a debate on movement of people in the culture sector, which highlighted recommendations in a committee report calling for consideration of an EU-wide multi-entry touring visa, post-Brexit. The debate criticised the failure of the UK Government to respond to the recommendations, and highlighted the need for more thorough consideration of how the immigration system can and does impact on the culture sector.

The UK Government needs to change its approach to immigration and it needs to recognise how damaging its current approach is to the richness of our cultural events. We want Edinburgh, Scotland and the UK to be seen as welcoming places for all cultures. Indeed, that is

key to the continuing success of our festivals and our wider tourism appeal.

Events such as the Edinburgh festival rely on being able to attract the very best talent from around the world. The festival offers performers an opportunity to apply their creative skills and talent in a world-leading showcase. Visa processes should be supporting rather than hampering our cultural exchange. The system that is overseen by the Home Office is increasingly hostile and is a threat to the vibrancy of our festivals, so it must take action to fix that.

13:21

The Cabinet Secretary for Culture, Tourism and External Affairs (Fiona Hyslop): I am pleased to be concluding today's debate on this most important issue. I am grateful to Gordon MacDonald for bringing the motion to the chamber for debate, and to Deidre Brock, who is the MP for Edinburgh North and Leith, for her on-going support for the Edinburgh international festivals on the issue.

The Scottish Government has long-standing concerns about how easily artists and performers can come to Scotland for the Edinburgh international festivals, and about the problems that delayed visa processes, refusals, and refusals that are then overturned at the last minute, can cause organisers of festivals of all sizes.

Year after year, festivals across Scotland and the United Kingdom are plagued by uncertainty about visas. Sometimes artists face repeats of the issue from one year to the next, which is unacceptable.

However, it is not simply a matter of timeliness; our international standing as a leading centre of global cultural discovery is also jeopardised. Something has to change.

Two years ago, I attended at the Edinburgh international festival the "New European Songbook", in which Eurovision song contest winner Conchita Wurst was due to perform alongside her band, Basalt. That is the case that Gordon MacDonald referred to. Despite having a supporting statement from the festival, all three Syrian band members had their visa applications denied. As a direct result, the performance was cancelled, which caused last-minute changes to the festival programme, disappointment for the people who were attending and embarrassment for the event organisers. That was a Scottish Government expo funded and British Council supported Edinburgh international festival event, at which ORF—the Austrian Broadcasting Corporation—was the lead broadcaster, and at which the Austrian performance could not take place. That was beyond belief. Does the UK Home

Office not realise how bad that looked—never mind the effect that it had on the individual artist?

Last year, Nayrouz Qarmout, who is a Palestinian writer and TV journalist, had her application for a visitor visa to attend the international book festival denied not once but three times, having started the process in April that year. Eventually her application was granted, but not before she had missed the original event at which she was billed to appear.

John Mason asked about business events. This weekend, Glasgow is hosting the world news media congress. We have reports of delegates having been refused visas by the UK Home Office: it is now parading hostility in front of the world's press.

Rachael Hamilton referred to permit-free festivals. Of course, the duration of permit-paid engagement is only one month, and clearly if someone is travelling round the world they might have onward engagements. The visa is not open to emerging artists or to under-18s. The Edinburgh festival fringe is keen to retain permit-free-festival status. That route could and should be approved.

On the situation in which we find ourselves, every year it seems that the internationalism of our festivals and the opening and welcoming message that we strive to send risk being confused and muddled by persistent visa issues that delay, and prevent from doing so, those who wish to visit and to contribute their creativity and culture.

The Scottish Government has regularly raised concerns with the UK Government about the challenges for international artists and performers in coming to participate in our festivals. Those challenges existed long before the added chaos and uncertainty that is being foisted on us by Brexit. However, as Joan McAlpine said, Brexit now threatens to extend the problems to EU citizens, as is detailed in the UK Government's white paper on immigration. A better solution for visiting artists, performers and others must be integral to any future immigration system. That will be especially important if free movement is to end if the UK leaves the EU and European visitors are made to comply with the Home Office's increasingly burdensome and complex rules.

The UK Government outlines in its white paper a commitment to redesigning and simplifying implementation and operation of the immigration system. It is crucial that it seize that opportunity in order to ensure that the issues in the past and those in the present are not replicated in the future. The current visa application process for visitors coming to Scotland for international events is lengthy, complex and costly, with attendees or organisers sometimes spending thousands of pounds on visas and associated costs for a visit

that might last only a few days. The guidance is confusing, the decision making is uncertain and there is no right to appeal or review.

The Scottish Government will continue to argue for a system that works for everyone. I fully acknowledge the need to find solutions in conjunction with people who experience the systems first hand. That is why I work, and have worked, with organisers of festivals, conferences and events of all sizes, because I want to ensure that their contribution to Scotland's reputation as a place of artistic diversity and exchange is recognised. The messages that we hear each time we meet leaders and representatives from across Scotland's cultural life are clear and consistent.

Although short-term technical changes to the immigration rules are a step in the right direction, a wider and more meaningful shift is needed in how the UK Government operates its policy towards the myriad visiting members of the world's creative communities. I inform Parliament that I have written to the Home Secretary, asking the Home Office to work with the Scottish Government and the other devolved Administrations to address proactively and meaningfully the challenges of the existing visa system for artists and performers. I will be inviting the Home Secretary and counterparts in the devolved Administrations to an international festivals visa summit in Edinburgh at which, in the home of the world's biggest arts festival, we can openly discuss our shared concerns and work together to find solutions to protect our reputation as an outward-looking and welcoming country.

I reiterate that this Parliament is committed to protecting Scotland's international cultural standing, and remains proud of our capital being the world's leading festival city. To the people who face challenges in coming here, we say clearly that Scotland remains open to the unrivalled pleasures of the arts, to cultural exchange and to business. It is time that the immigration system recognised that.

13:27

Meeting suspended.

14:30

On resuming—

Portfolio Question Time

Social Security and Older People

The Deputy Presiding Officer (Christine Grahame): The first item of business this afternoon is portfolio questions. As usual, let us have nice crisp questions and, if possible, crisp answers.

Department for Work and Pensions Contracts (Devolved Benefits)

1. **Brian Whittle (South Scotland) (Con):** To ask the Scottish Government what progress it has made on finalising contracts with the DWP for continued delivery of some devolved benefits. (S5O-03306)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Agency agreements will be put in place in preparation for the transfer of executive competence on 1 April 2020, where appropriate. The agency agreements are key mechanisms to support the safe and secure transition of delivery responsibilities from the DWP to our own Social Security Scotland agency. They are a cost-effective way of ensuring that Scottish residents continue to receive their right payments at the right time, while we undertake the work required to develop our new systems.

Brian Whittle: Of the £308 million budget to be spent on social security benefit by the financial year 2022-23, how much will be spent on agency agreements with the DWP for the continued delivery of wave 2 benefits?

Shirley-Anne Somerville: As I said in my original answer, the agency agreements are a cost-effective way of ensuring that Scottish residents continue to receive the right payments, because they are provided at the cost that is required to deliver that benefit. Of course, if we did not have agency agreements, the agency itself would be completing those benefit administration processes. Therefore, it is very important that we continue our work with the DWP, and I am sure that the details of each of the agency agreements will be analysed in due course by Parliament as they are published.

Best Start Grant Pregnancy and Baby Payment (North Lanarkshire)

2. **Clare Adamson (Motherwell and Wishaw) (SNP):** To ask the Scottish Government how many families in North Lanarkshire have received

support from the best start grant pregnancy and baby payment. (S5O-03307)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Since its introduction on 10 December 2018 to the end of February 2019, Social Security Scotland had made around 805 best start grant pregnancy and baby payments to families in North Lanarkshire.

Clare Adamson: Best start paid out more in two months than the DWP benefit that it replaced had in a whole year. The third element of the best start package, the new school-age payment, is open for applications next week. Will the cabinet secretary advise what the Scottish Government is doing to encourage uptake of the three payments under the package?

Shirley-Anne Somerville: We have already seen an exceptional response to the best start grant pregnancy and baby and early learning payments. In total £3.5 million was paid to more than 9,700 families between 10 December and the end of February, and as Clare Adamson points out, we will launch the school-age payments soon and expect a similarly good response.

However, we cannot be complacent, and co-ordinated communications plans are being implemented to get the message out on all best start grant payments; health services, local authorities and public and third sector organisations are all working hard to raise awareness. On my visit to Saheliya yesterday, we discussed what we can do to ensure that young mothers under 18 with no recourse to public funds, who will have the ability to apply for the best start pregnancy and baby payments, have specific communication channels to encourage them to take up the benefits for which they are eligible and to which they are entitled.

Carers Allowance Supplement (Falkirk)

3. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government how many people in Falkirk district have received support from the carers allowance supplement. (S5O-03308)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Social Security Scotland made 4,755 carers allowance supplement payments to 2,590 carers in Falkirk in 2018-19. Over 80 per cent were eligible to receive two payments totalling £442, with the rest receiving one payment of £221, giving a total expenditure of over £1 million.

Angus MacDonald: Carers in Falkirk district and throughout Scotland make an absolutely vital contribution to our society, and it is only appropriate that they are duly valued and properly supported. The Scottish Government has always

been clear that, in recognition of their essential contribution, carers allowance should be paid at the same rate as job seekers allowance. With our new social security powers, that can finally be made a reality. Will the cabinet secretary confirm that carers allowance supplement will be at the same rate as job seekers allowance?

Shirley-Anne Somerville: As the member is aware, people receiving carers allowance in Scotland have since last year also received the carers allowance supplement, which brings their income up to the same level as for job seekers allowance recipients, as the Government promised. Given that we will uplift the carers allowance supplement by the rate of inflation, I confirm that, in 2019-20, carers will receive more than the amount paid for job seekers allowance. We have consistently said that it is unfair that carers allowance is the lowest working-age benefit. That is exactly why we prioritised carers by making the carers allowance supplement the first benefit to be delivered by the new agency Social Security Scotland.

Social Security Scotland (Insights Research Programme)

4. Jenny Gilruth (Mid Fife and Glenrothes) (SNP): To ask the Scottish Government for its response to the initial findings of the Social Security Scotland client and staff insights research programme. (S5O-03309)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Findings published on 8 May show that, of those who left ratings, 94 per cent of clients who contacted the agency by telephone were happy with the service. Of applicants for the best start grant, 100 per cent of online applicants and 98 per cent of telephone applicants rated the service as good or very good. The staff survey engagement score of 85 per cent positive reveals that staff are motivated and have a strong attachment to the organisation.

There is a long way to go but, at this early stage, those findings show that we are delivering a system that lives up to our values and principles of fairness, dignity and respect.

Jenny Gilruth: We should all be proud of those initial findings, which mark a welcome departure from the callous DWP system. What further work is being done to ensure that we continue to deliver a service that is welcoming and inclusive and reflects the diversity of the people that it serves?

Shirley-Anne Somerville: Indeed, respect for the dignity of individuals is at the heart of the social security system, and it is great to hear that the people of Scotland have found the system easy, helpful and straightforward. That is welcome

news. Everyone involved in delivery in Social Security Scotland should take great pride in the early findings. I place on record once again my thanks to all the staff for their exceptional hard work.

The staff survey data also shows that the agency's staff are representative of the Scottish working population. For example, 22 per cent of those who completed the survey reported having a long-standing physical or mental health condition, illness, impairment or disability versus 19 per cent in the working population. Those results are encouraging. They give an indication of progress towards the commitments in our social security charter.

Michelle Ballantyne (South Scotland) (Con): On the whole, the report was very positive. However, one of the findings was that only 51 per cent of staff believed that poor performance is dealt with effectively by Social Security Scotland. What steps will the cabinet secretary take to ensure that poor performance is identified and dealt with effectively? Does she have a target for the next staff and clients insights research report?

Shirley-Anne Somerville: I take that begrudging welcome for the work of the Social Security Scotland agency from Michelle Ballantyne. It is important that we pay tribute to the staff who have developed such a key service in very busy circumstances.

We will look carefully at all the findings in the staff survey to ensure that we are continuously learning and improving. That is the commitment of the Government and the agency. If only the DWP would do the same.

Intergenerational Projects (Impact on Older People)

5. Graham Simpson (Central Scotland) (Con): To ask the Scottish Government what analysis it has carried out of the impact on older people of intergenerational projects. (S5O-03310)

The Minister for Older People and Equalities (Christina McKelvie): The national centre for intergenerational practice in Scotland, Generations Working Together, funded by the Scottish Government, promotes intergenerational approaches to enhancing and improving the lives of older people and younger people.

Evaluation carried out by Generations Working Together, including feedback from older and younger people themselves, tells us that intergenerational practice contributes to giving people of all ages a more positive attitude to ageing, countering and reducing negative attitudes towards older and younger people, helping older and young workers to support each other and see

the shared benefits of a vibrant community, and supporting people's educational development.

Graham Simpson: I thank the minister for that very helpful answer. In 2011, YouthLink Scotland recommended in its report "Bridging the Gap" that the profile of intergenerational practice should be raised. What has the Government done to that end and what can we hope to see in the future?

Christina McKelvie: There are many aspects to the work that we are doing, whether on social care, housing, social isolation and loneliness or the older people's action strategy, which I launched a few weeks ago, that show how important intergenerational work is.

I get to attend loads of events. To give Graham Simpson a flavour of the work that is going on, I visited a place in Midlothian not that long ago and, tomorrow, I am off to Perth grammar school, which will be working with the Eden project on its intergenerational projects, and will be holding a big lunch event. Loads of such events are taking place all over the place, and there is a lot of strategy behind the work that is being done.

I encourage the member to go and visit some of the projects, then we can have a chat at a later date about what is happening in his local area. There is so much going on that it is hard to fit it into one answer. Once he goes and has a look, we can have a chat and maybe go on some joint local visits.

The Deputy Presiding Officer: I think that the minister has just made a date.

Older People (Engagement and Participation in Policy Making)

6. Fulton MacGregor (Coatbridge and Chryston) (SNP): To ask the Scottish Government what measures are in place to ensure that older people are engaged and participating in policy making. (S5O-03311)

The Minister for Older People and Equalities (Christina McKelvie): The Scottish Government's older people's strategic action forum, which I chair, brings together older people's representative groups and other organisations that helped to develop "A Fairer Scotland for Older People: A Framework for Action", which was published on 3 April 2019.

Older people's representative groups are also involved in similar groups on health, through the older people's development group, and on housing, through the age, home and community monitoring and advisory group, which oversees Scotland's housing strategy for older people. There are many examples of the work that is being done.

Fulton MacGregor: I highlight Muirhead and district seniors forum, which is a fantastic organisation in my constituency that I have had the pleasure of visiting. What support is available to such groups to promote engagement and activity among members and reduce social isolation in our older population? Not to be outdone by my colleague Graham Simpson, I ask the minister to consider visiting Muirhead and district seniors forum at some point in the future.

The Deputy Presiding Officer: That is another date request for the minister.

Christina McKelvie: My calendar is getting very busy, but I am looking forward to all these visits, which will all be worth while.

Last year, I launched “A Connected Scotland: Our strategy for tackling social isolation and loneliness and building stronger social connections”. We are very proud that Scotland is one of the first countries in the world to publish such a strategy. Older people can be particularly at risk from social isolation, and the strategy represents a step forward. Communities must be able to play their part, which is why we have committed to look across our investment in communities and consider how such investment can be aligned with the ambitions in the strategy.

Our £500,000 social isolation and loneliness fund for 2016-17 supported a wide variety of projects, including all the local initiatives and groups that I have spoken about. The investment helped to provide basic life skills, run creative activities, build friendship groups and support vulnerable communities. To ensure the successful implementation of the strategy, we have committed an additional £1 million over the next two years to continue that work and to ensure that we back up our commitments with innovative pilot approaches.

I would be absolutely delighted to visit Fulton MacGregor’s constituency, too.

Jeremy Balfour (Lothian) (Con): I welcome the minister’s comments. Does she agree that social prescribing is a way forward? What work is she doing with her colleagues in NHS Scotland to ensure that general practitioners, in particular, are aware that such an approach is open to them? Will she commit to carrying out further trial projects across Scotland to see how they work?

Christina McKelvie: I can say yes to all those questions. The Royal College of General Practitioners has been a key partner in creating the social isolation and loneliness strategy. We are setting up the new implementation group, which will have a real focus on care and wellbeing. Those areas are a huge part of our strategy. Since the beginning of the process, we have been speaking about the importance of social

prescribing, which will no doubt be pivotal to the success of the project.

The Deputy Presiding Officer: Question 7 has been withdrawn.

Poverty and Inequality Commission Recommendations (Impact on Social Security Policies)

8. James Kelly (Glasgow) (Lab): To ask the Scottish Government how its social security policies take into account the recommendations of the Poverty and Inequality Commission. (S5O-03313)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): The commission and the Scottish Government want to tackle poverty and inequality, and social security policies are doing just that. Through the carers allowance, our new carers allowance supplement and the new best start grant, we are already delivering significant financial support to people on low incomes. Later this year, we will introduce the funeral support payment and the young carers grant. That will be an investment of nearly £340 million this year.

In addition, we are spending more than £125 million on mitigating the worst impacts of the United Kingdom Government’s welfare cuts, including through the Scottish welfare fund and discretionary housing payments.

James Kelly: The Poverty and Inequality Commission’s recent report highlighted that the Government’s rhetoric has not matched its actions, with only £172 million out of a £40 billion budget being directed at low-income households. The effect of that is being felt particularly acutely in areas in Rutherglen such as Farnie Cross and Burnhill. What specific action, such as the introduction of the income supplement, will the Government take to tackle the disgraceful levels of child poverty in this country?

Shirley-Anne Somerville: I stated some of the measures that we are undertaking in my original answer, but there are many others, including, of course, the aspects that my colleague Aileen Campbell is taking forward in the tackling child poverty delivery plan. There are also areas within other cabinet secretaries’ portfolios, whether that is council tax reduction schemes or the availability of free childcare.

On the particular aspect of the income supplement, as the First Minister said at First Minister’s question time today, a significant amount of work is going on to take that forward. Aileen Campbell will provide an update on that by the end of June, as she is required to do for the tackling child poverty delivery plan.

The Government has made a significant commitment through the income supplement and it shows the scale of our ambition. However, designing and delivering a new benefit is a complex task. We are carrying out formal appraisal work on the policy and delivery options to ensure that we get the right model and target our support to as many children as possible.

Mark Griffin (Central Scotland) (Lab): We heard earlier that the best start grant will be made available to people with no recourse to public funds. The cabinet secretary talked about the young carers grant in her answer. Will the young carers grant also be made available to people with no recourse to public funds?

Shirley-Anne Somerville: That is something that I am certainly endeavouring to do. Unfortunately, it is not within the Scottish Government's gift to make that decision. Discussions are on-going with the Department for Work and Pensions to ensure that it will not put the young carers grant on to the list of benefits that a person with no recourse to public funds is not able to obtain. I am already taking that forward.

The situation for people with no recourse to public funds is something that this Government has great concerns about in general. I hope that the DWP will listen to what I think is a well-reasoned argument that we are putting together on that matter, and that the whole chamber will unite to encourage the DWP to look at the advantages of supporting young people, particularly vulnerable young people, at times when the Government could help them through social security.

Medium-term Financial Strategy

The Deputy Presiding Officer (Christine Grahame): The next item of business is a statement by Derek Mackay on the Scottish Government's medium-term financial strategy. The cabinet secretary will take questions at the end of his statement, so there should be no interventions or interruptions.

14:47

The Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay): I am pleased to set out the Scottish Government's second annual medium-term financial strategy. When I made the equivalent statement a year ago, I noted that Scotland's public finances were set in the context of continuing United Kingdom Government austerity, Brexit uncertainty and an inhumane, hostile approach to immigration. I am disappointed to say that those issues still set the context for our public finances.

This is a time of unprecedented austerity. At the end of last year, UK public spending as a share of national income had fallen for a ninth successive year—the only time that that has happened since the second world war. The Resolution Foundation has highlighted that that particularly affects low and middle-income households. Between 2010-11 and 2019-20, our block grant for day-to-day spending has fallen by £2 billion. The decision of successive chancellors to pursue a path of austerity means that over £12 billion less has been invested in Scottish public services over the past nine years.

Let me be clear: austerity is a choice, and it is not one of Scotland's making. The UK Government's policy of austerity is both unnecessary and counterproductive. Leaving the European Union is not in Scotland's interests, either. It is also not Scotland's will. Uncertainty is leading to subdued growth, and leaving the EU will compound that impact. The effect of leaving the EU is clearly seen in the economic forecasts for Scotland, with growth forecast to fall from 1.3 per cent in 2018 to 0.8 per cent in 2019.

The growth forecast has been downgraded, and the Scottish Fiscal Commission is clear that that is directly related to the on-going uncertainty created by the UK's European Union negotiation process. The commission highlights that the uncertainty caused by Brexit has prevented it from revising up its outlook for the Scottish economy and that, as a result, it expects business investment to continue to fall in 2019 and 2020, limiting growth in the economy. Let that sink in for a second. The independent forecasters of our economy have said that, if it were not for continued Brexit uncertainty,

they would be forecasting faster, not slower, economic growth. There is now no doubt that Brexit is hurting Scotland before it has even happened.

During the 2014 to 2020 EU budget round, Scotland is estimated to receive more than £5 billion in funding from the EU—supporting jobs, delivering infrastructure, sustaining rural communities and delivering research funding for our universities. The absence of firm commitments means that we cannot yet quantify levels of funding in the future or the impact that that will have on the Scottish budget. However, the Scottish Government has made it clear that, given that Scotland voted overwhelmingly against leaving the EU, funding levels should not be reduced as a result of the UK's exit, nor should those funds be centralised in London.

Against that backdrop of UK austerity and uncertainty, we are committed to using our powers in a balanced and responsible way to stimulate the economy, protect public services and provide people and businesses with as much certainty as possible. Decisions made in the 2019-20 budget ensure that, in 2019-20, 55 per cent of income tax payers in Scotland will continue to pay less than people who earn the same income in the rest of the UK, although the revenue needed to support investment in the Scottish economy and public services will still be raised. Had we applied UK income tax policy in 2019-20, we would have had more than £500 million less to spend.

Growing and supporting the economy is essential for financial stability and for providing the resources for our public services. Our economic action plan sets out the actions that will deliver sustainable inclusive growth, improve wellbeing and attract investment across Scotland. More than £1 billion has been committed to city region and growth deals over the next 10 to 20 years, and the aim is to ensure that, through 100 per cent coverage, every part of Scotland will benefit.

We have recently introduced the legislation that will underpin the Scottish national investment bank—an institution that will help to shape our economy through mission-led, patient investments. Under the national infrastructure mission, annual infrastructure investment will be £1.56 billion higher in 2025-26 than the £5.2 billion that we are already investing in 2019-20. Today, I confirm that I have accepted the recent recommendation of the Scottish Futures Trust to adopt the mutual investment model as one means of supporting infrastructure spending, which will extend the range of tools at our disposal with which to provide crucial capital investment for Scotland.

Alongside the medium-term financial strategy, the Scottish Fiscal Commission has published new

economic and fiscal forecasts. As I said, the negative economic impact of leaving the EU is clearly demonstrated in the forecasts, with economic growth forecast to fall from 1.3 per cent in 2018 to 0.8 per cent in 2019. However, the forecasts also point to a resilient Scottish economy, with employment rising further over the next five years, unemployment remaining at near record lows and earnings accelerating.

The SFC has also produced updated income tax forecasts. Relative to the SFC's December forecast, those have increased in every year from 2018-19 over the forecast period. For 2019-20, the forecast of income tax revenues has risen by £20 million, driven largely by an improved outlook for earnings. However, forecasts for the block grant adjustment that is deducted from the budget each year have gone up by even more. That means that, on the basis of current estimates, the net contribution of income tax to the 2019-20 funding envelope is about £188 million smaller than was forecast in December. That position is indicative; the 2020-21 budget will be determined by the next round of forecasts by the SFC and the Office for Budget Responsibility, in the autumn.

In this medium-term financial strategy, I have set out a set of principles and policies that will guide the use of our borrowing and reserve powers. Decisions are guided by the principles of sustainability, stability, budget flexibility, intergenerational fairness, value for money and transparency. However, I should make it clear that the circumstances that determine the use of our powers will often depend on factors that are beyond our control. UK Government spending decisions continue to be the main factor that determines the Scottish budget.

On capital borrowing, the MTFs sets out plans to borrow £450 million this year and £350 million next year. Our policy is to borrow between £250 million and £450 million annually over the remaining period of the national infrastructure mission to ensure that overall investment increases year on year. To ensure flexibility to undertake capital borrowing when it might be most needed, a contingency of £300 million of the capital borrowing limit will be left unused. That strikes the right balance between supporting the economy and using prudently the restrictive borrowing powers that the fiscal framework contains.

I will turn to the framework for the spending review. The UK chancellor committed to a spending review this summer, but, given the continuing uncertainty over Brexit and the impending change of Prime Minister, it is unclear whether that spending review will take place—as is the case with most things that relate to the UK Government. Nonetheless, to reflect the

importance of sustainable public finances, the Scottish Government plans to undertake reviews of spending beyond 2020-21. We will fulfil the commitment that we made during the 2019-20 budget to bring forward a three-year settlement for local government in 2020-21. In line with the national performance framework, the spending review will focus on creating a more successful country, with opportunities for all of Scotland to flourish through increased wellbeing and sustainable and inclusive economic growth. It will be driven by a strategic focus on addressing Scotland's long-term challenges.

For resource, we plan to publish indicative budgets in December 2019 alongside the Scottish budget for 2020-21. However, if we do not have sufficient clarity from the UK Government on its spending plans, that might not be possible. We will expect resource spending proposals to focus on outcomes and to evidence, as far as possible, their impact on the challenges and opportunities that we face in securing sustainable and inclusive economic growth; improving national wellbeing; combating child poverty and meeting our statutory targets; and tackling climate change and the climate crisis. For capital, future budgets will be published by June 2020, to take account of the infrastructure commission's findings, which are to be reported at the end of December 2019, and the Scottish Government's next infrastructure investment plan, which will be informed by the commission's advice.

It is clear from what I have said that the resources that are available to the Scottish Government will be constrained by continued UK austerity. We recognise that we will not be able to do all that we want to do or all that others want us to do. Prioritisation will be necessary to focus resource where it will have the biggest impact. Therefore, I look forward to a responsible debate on how best to deliver that outcome and I commend the medium-term financial strategy to the Parliament.

The Deputy Presiding Officer: The cabinet secretary will take questions on the issues that his statement raised. I intend to allow about 20 minutes for questions.

Murdo Fraser (Mid Scotland and Fife) (Con): I thank the finance secretary for advance sight of his statement, although he redacted so much of the key data that it was of little value, to be frank.

The finance secretary makes a false statement in the foreword to the medium-term financial strategy. He says that there has been a

"£2 billion real-terms reduction to our block grant since 2010",

but, as he knows perfectly well, that is untrue. According to the Scottish Parliament information

centre, the block grant has gone up in real terms since 2010, so he should apologise for misleading Parliament in that statement.

The latest data shows that, despite Brexit, the UK's economy has performed well—it has record-high employment and growth that exceeds that of Germany. According to the International Monetary Fund, growth in the next five years is projected to exceed the western European average. That is under a Conservative Government.

In contrast, under the Scottish National Party Government, a dismal picture has been painted this afternoon, which has projected that growth will lag well behind that of the UK and that the gap will grow between the average UK performance and Scottish performance. Are we in the area of a Scotland-specific economic shock? What will the cabinet secretary do to address that with the powers that are at his disposal?

The cabinet secretary announced a £180 million reduction in forecast income tax receipts according to Fiscal Commission figures. That is on the back of previous forecast income tax shortfalls of £145 million in 2017-18 and of a staggering £472 million in 2018-19. How will he fill the gap that is created by his policies? Will he increase taxes and, if so, on whom and by how much? Will he cut spending and, if so, where? People deserve to know the truth.

Derek Mackay: Presiding Officer, as you would expect, everything that I ever say in the chamber is true and will continue to be true.

Clearly, the Tories cannot make up their minds: when we have good economic indicators in Scotland, they think that they have responsibility in the Scottish economy; when they are less good, they think that it is nothing to do with them and it is all down to the Scottish Government.

In fact, on gross domestic product, Scotland is outperforming the rest of the United Kingdom; for example, it did so in the most recent quarter. Murdo Fraser mentioned unemployment—we have record low unemployment in Scotland right now and we are outperforming the rest of the UK in that regard also. I am sure that, when Murdo Fraser has the time, he will look through the SFC report in great detail and see that the reason for subdued growth in Scotland is Brexit, which is of course the fault of the Conservatives in the UK Government, who are damaging Scotland's economy with mismanagement and the decisions that they are in control of.

On the accusation of underperformance, the SFC has shown that Scottish GDP growth will be slower than UK GDP growth over the forecast period, primarily because of slower population growth in Scotland. Who controls population

growth in Scotland? The UK Government, which has powers over migration.

We have an economic action plan that will grow our economy, specifically in relation to income tax reconciliation. The scale of any reconciliation is uncertain until we have the outturn data. There will always be volatility—the SFC has admitted that, but it has forecast increases in income tax in Scotland over the forecast period relative to its December forecast. Cumulatively, it shows an increase of more than £430 million between 2017-18 and 2023-24, which is largely driven by an improved outlook for earnings.

The SFC notes that, due to historic forecast errors for such a large tax, there will be negative reconciliations. That should not be unexpected and we may see extended periods of positive reconciliations in the future. We have been acting to grow our economy, and there is vindication for putting some resources into the reserve so that any volatility can be managed. We have borrowing powers as well. However, we are confined and bound by austerity.

Murdo Fraser is only truly happy when he is utterly miserable. The Tory position in Scotland seems to be that it celebrates that Brexit will do less damage in England than it will in Scotland.

We have balanced the books and we will continue to do so, by using all the powers that are at my disposal in a responsible and sustainable way.

The Deputy Presiding Officer: Before we move on, I say that I have been quite light so far, but that was a bit of a mini-statement and the cabinet secretary knows well that it was. Can we have crisp answers, please?

James Kelly (Glasgow) (Lab): I thought that the cabinet secretary was getting to make another 10-minute statement there.

I thank the cabinet secretary for an advance copy of his statement, although the number of black marks on it is consistent with the theme of the black holes in Scotland's public finances.

The bleak figures that were announced today, specifically the cabinet secretary's indication that there is potentially £188 million less in the spending envelope for 2019-20, will worry those who care about what is going on in Scotland's communities. People who have to wait hours for ambulances, families who have kids at schools and are seeing education resources having to be cut by councils, and people who are stranded on train station platforms on their journey to work because trains do not turn up on time will not welcome today's statement.

What action is the cabinet secretary going to take through the medium-term financial strategy to

address the gap in Scotland's public finances and the gaping hole in Scotland's public services?

The Deputy Presiding Officer: Cabinet secretary, please be mindful of what I said previously.

Derek Mackay: The redactions in the statements are what was agreed by the Parliament protocols on sensitive data. That should not be news to anyone—that is how we have been doing it since we first had this sensitive data. A statement with a few redactions is better than the alternative budget that I got from the Labour Party—a total blank page.

We will continue to invest in the public services of Scotland, to oppose austerity and to try to mitigate the impact of Brexit, should it happen—there is still an opportunity to avert Brexit. If we were able to avert Brexit and end austerity, there would be a massive windfall to the public resources of Scotland and we would be able to invest where the Tories have constrained us.

Using the powers that we have, I have been balancing the books responsibly, allocating some resources to the reserve—that was opposed by the Labour Party—and being prepared to use the reserve borrowing powers, if required, in relation to the forecast error, if that comes to pass. We will have more data on that in the future. We will respond accordingly and in a way that ensures sustainability for our public services.

Patrick Harvie (Glasgow) (Green): I am grateful for the advance copy of the statement. I am pleased that the Green influence on tax policy has meant that more money is available for Scotland's public finances than there would have been if we had not changed tax policy. Murdo Fraser is worried about who is going to be paying more tax next, but I would be very happy if he and his classic motor were next in line.

Has the finance secretary seen the SPICe analysis from about six months ago on the pipeline of capital investment, which foreshadowed the threat of a shift back in the direction of high-carbon capital projects in the current pipeline? How is that consistent with the Government's commitment to continually shift capital spend away from high carbon towards low carbon? Why should we now believe that the cabinet secretary is right and SPICe is wrong?

Derek Mackay: For the reason that Patrick Harvie has just given: that report is six months old. We have to look at the current infrastructure investment pipeline. The First Minister has declared a climate emergency and our policies should shoot through that investment plan. The Infrastructure Commission will advise us and we will take the time to recalibrate our capital spending plans. We now have an opportunity to

recalibrate capital spending including the principle that we set out in the budget negotiation to invest more in low carbon. We have made a commitment on the reduction in emissions and our spending commitments must follow that. There is now an opportunity to influence those commitments.

Willie Rennie (North East Fife) (LD): Last year, there was a catastrophic forecasting error on income tax. The impact was initially only on the baseline, but the lower income tax forecasts are still expected to have an impact on the budget in 2020-21 and the following year. How much has the approximate scale of the negative reconciliation requirements—known as cuts to everyone else—for the following years changed since the news of the error by the Scottish Fiscal Commission and the OBR was released last year? He talks about £188 million-worth of change, but where does that leave cuts to the budget?

Derek Mackay: Willie Rennie should not conclude that there is one option for the budget, given that we have a range of levers that we can deploy when there is forecast error because of the SFC forecast, including the use of reserves and borrowing, as well as expenditure, which we might also have to look at. There is a range of tools that we can deploy in the knowledge that there will be a substantial variation in that forecast.

What has changed substantially is the OBR's forecast—its forecast in relation to the block grant adjustment has changed. The SFC is just one part of the story. There are details throughout the SFC report and the medium-term financial strategy. Right now, we should prepare for that but also bear in mind that the outturn figures in July are critical, because those figures help us in the next round of forecasting, which is the one that sets the budget.

It is wrong to conclude that there are cuts to the Scottish budget when we have other economic levers to address that forecast error. However, as I said, those errors may well be substantial, which is why we need to look at the outturn data as well as the forecasts.

Bruce Crawford (Stirling) (SNP): Murdo Fraser has cried wolf in financial matters so often that no one hears his bleating any more. As far as cars are concerned, I recently saw Murdo in a very good hybrid motor—

The Deputy Presiding Officer: I would like to hear your question, Mr Crawford. Enough of cars.

Bruce Crawford: Does the cabinet secretary agree that the indicative income tax forecasts are just that: forecasts? As we know, the one certainty about forecasts is that they are almost certainly wrong.

Given that the fiscal framework requires the cabinet secretary to take heed of the forecasts, can he set out his thinking on whether the current borrowing powers and limits that exist in the fiscal framework are sufficient to deal with the risk of forecasting error?

Derek Mackay: That question partly relates to Willie Rennie's point.

If substantial reconciliation is required, it might well be that the parameters of the borrowing powers and use of reserves—because of the level of drawdown being capped—are inadequate to address the scale of adjustment that might be necessary for reconciliation. There is good reason to reconsider the drawdown limit so that we are not constrained in our actions in addressing the reconciliation that might be required because of forecasting error at the hands of the OBR and the SFC.

Dean Lockhart (Mid Scotland and Fife) (Con): Let us be clear—Scotland's economic underperformance long predates Brexit. In fact, over the past 12 years, we have seen annual economic growth of just 0.7 per cent. That economic stagnation is set to continue: the cabinet secretary has laid out a growth forecast of just 0.8 per cent next year, compared to 1.2 per cent for the UK economy—

The Deputy Presiding Officer: A question, please.

Dean Lockhart: Is it therefore not time that the cabinet secretary recognised that his economic policy is creating a low-growth, low-productivity and low-wage economy?

Derek Mackay: Since I have been economy secretary, GDP has outperformed the forecasts, unemployment is at a record low and is outperforming that of the rest of the United Kingdom, exports are up by more than they are in the rest of United Kingdom, and business enterprise research and development is outperforming that of the rest of the United Kingdom. I think I'm doin no bad.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): The fiscal framework sets out, on page 13, how the Scottish Government's block grant is adjusted to account for the proposed VAT assignment. Can the cabinet secretary further explain his view on that proposal, the risks that are involved, and the potential volatility that could impact on the Scottish Government's spending plans?

Derek Mackay: I have appeared before the Finance and Constitution Committee and have written to the Chief Secretary of the Treasury, saying that I am concerned about volatility and the lack of data that informs the proposal. A 1 per cent

error in the data could cost the Scottish budget £100 million. We therefore have to get this absolutely right and not add volatility to the Scottish budget. That is why I am reflecting on the position in respect of VAT—which is not a power, but an assignation.

Mark Griffin (Central Scotland) (Lab): Given that it is a five-year plan, can the cabinet secretary say where in the strategy are the billions of pounds that are needed for an income supplement that will cut child poverty and meet Parliament's interim target in just four years, in 2023?

Derek Mackay: The plan is not intended to be a mini-budget or to set out individual spending commitments, so I have not done that in the process. However, we will consider that matter as we approach the budget.

As the Cabinet Secretary for Social Security and Older People, Shirley-Anne Somerville, said just moments ago, there will in June be a report to Parliament on child poverty. I am sure that Mark Griffin, who has a keen interest in the subject, will look forward to that update.

John Mason (Glasgow Shettleston) (SNP): Does the cabinet secretary feel that the Scottish Fiscal Commission is being overly cautious in its forecasts, and how does it compare with the OBR, as far as accuracy is concerned? Does he agree that there will always be variations in forecasts, and that variations are not errors?

Derek Mackay: I am not particularly keen to give a personal judgment. We have two sets of economists giving us their forecasts; I do not propose to add a third in the form of a view from the Scottish Government. We have to follow both sets of forecasts—that is the agreement and that is what we are doing. Although errors are inevitable, how we manage them and approach reconciliation is a matter for us, which is why I am considering the matter carefully. Different methodologies, forecast assumptions, timings and fiscal events lead to differences between the two organisations' forecasts.

Bill Bowman: The cabinet secretary speaks at length about the choice of UK austerity. Andrew Wilson's growth commission predicted £27 billion of austerity over 10 years. Does he agree that the better choice is to remain part of the UK?

Derek Mackay: Austerity and the notional deficit that we experience are because we are part of the UK. The UK is not the remedy; independence is the remedy for subdued economic growth. The growth commission, of which I was a member, has shown a pathway to delivery of sustainable economic growth that will grow public services and public investment in real terms.

Emma Harper (South Scotland) (SNP): We know that in order that the Tories could remain in power they reached an agreement with the Democratic Unionist Party, to the tune of more than £1 billion so far. What does the cabinet secretary think would be the fiscal picture for Scotland today if that money had been—as it should have been—the subject of Barnett consequential calculations?

Derek Mackay: We would be £3.3 billion better off.

Neil Bibby (West Scotland) (Lab): I agree with the finance secretary that Brexit is having a significant impact on economic growth in Scotland and the UK. A downgrade in growth will affect jobs and living standards.

The Scottish Government is proposing a citizens assembly to discuss the constitution again, because that is its number 1 priority. Given the urgent need to grow our economy, why does the Scottish Government not instead convene a summit of industry, trade unions and economic experts to agree an urgent plan to boost Scotland's economy and the finances that support our public services?

Derek Mackay: That is because I already meet all those people. That is why we are already seeing growth in GDP, record low unemployment, record investment in business enterprise research and development, and a plan in respect of internationalisation that has seen us enhance our exports, as well. We are doing more around innovation and inclusive growth—

Neil Bibby: It is not working.

Derek Mackay: What we are doing is working, as seen in the indicators that I have just mentioned. It is absolutely working. What is subduing—

Neil Bibby: It is not working.

Derek Mackay: Even members who have clearly not read the SFC report will know that the independent forecasters are saying that the reason for subdued growth and a downgrade in performance is Brexit. Maybe the Labour Party could help us to avert Brexit. There is an idea.

David Torrance (Kirkcaldy) (SNP): The fiscal framework was originally due to be reviewed after UK Parliament and Scottish Parliament elections in 2020 and 2021, respectively. Obviously, a lot has changed in the years preceding them. Given everything that has come to light so far, does the cabinet secretary foresee the possibility and benefits of an early review of the framework?

Derek Mackay: We agreed in the fiscal framework to allow one full parliamentary session of use of the powers in order to inform the review

and debate. The number of issues that Parliament and I have been raising with the Treasury suggest that we should look at the agreement to see whether there can be further flexibility and concession in it, because the issues will have an effect on the public finances of Scotland.

Murdo Fraser: On a point of order, Presiding Officer.

Could the Presiding Officer and Deputy Presiding Officers reflect on provision of information to members of the Opposition parties in advance of statements such as today's. I have just seen it being announced by the Scottish Fiscal Commission—

The Deputy Presiding Officer: Can I ask you to sit down just now? I think that I was sitting here when the cabinet secretary said that there is a protocol around sensitive information. I do not want to repeat what he said: it is on the record. I ask you to look at what is on the record first, and then to return with a point of order, if you feel that that is necessary?

Murdo Fraser: Can I—

The Deputy Presiding Officer: This is not a discussion. Are you referring to the redacted parts of the statement?

Murdo Fraser: No.

The Deputy Presiding Officer: I beg your pardon.

Murdo Fraser: I am grateful, Presiding Officer.

I was not referring to redacted information, but to the Scottish Fiscal Commission forecasts, which are integral to the statement that has just been made but were not made available to Opposition parties before the statement. The Scottish Fiscal Commission has said in the past few minutes that its reconciliations anticipate that, due to income tax reconciliations, the budget for next year will be reduced by £229 million, and that the budget for the following year will be reduced by a staggering £608 million. Had that information been made available to Opposition members prior to the statement that we have just heard—

The Deputy Presiding Officer: Can I ask you to sit down just for a moment? I hear what you are saying. I do not want to open the matter up to a debate at the moment, but we will reflect on that and, if necessary, return to the point that you have raised. I am sorry that I anticipated what you were going to say; I thought that you were going to talk about the redacted points.

A Trading Nation

15:19

The Deputy Presiding Officer (Christine Grahame): The next item of business is a debate on motion S5M-17436, in the name of Ivan McKee, on a trading nation. I call Ivan McKee to speak to and move the motion.

15:19

The Minister for Trade, Investment and Innovation (Ivan McKee): The Scottish Government recognises the critical importance of internationalisation to our economic strategy and to driving sustainable economic growth—inclusive growth—as defined through our economic action plan. We understand the importance of exports to that internationalisation strategy; we also understand that increasing exports drives further innovation in our economy and drives up productivity and the tax revenues that we need as a society to invest in our public services. Increasing exports also creates wider internationalisation and the exchange of ideas and people, and it cements Scotland's place in the world as a good global citizen promoting sustainable development.

For all those reasons, the export performance of Scotland's economy is of critical importance. Looking back over the past 10 years, we see that Scotland's exports have grown by an annual rate of 4.7 per cent. We recognise that that performance is better than that of the United Kingdom over the same period, at 4.3 per cent. However, we also recognise that Scotland can do substantially better. Looking back over the past 20 years, we recognise that Scotland's exports, as a percentage of gross domestic product—the internationally recognised measure—has been flat at around 20 per cent.

On 1 May, we published "A Trading Nation—a plan for growing Scotland's exports", which addresses those issues and looks at what Scotland's economy can do to increase the proportion of our exports as a percentage of GDP. The plan drills down to understand the hard choices that we have to make. It is important to recognise that it is businesses that export; the Government's role in that process is to help those businesses realise their full international potential. One of the main purposes of "A Trading Nation" is to help us decide where to focus Government support in that process.

I am looking forward to the debate. I hope that it is consensual and that members will input suggestions about what more we can do to grow Scotland's exports. It is important to recognise that

“A Trading Nation” reflects where we are now and that it will continue to develop and grow—we will add more actions and direction to the plan as more information becomes available.

Brian Whittle (South Scotland) (Con): Will the minister take an intervention?

Ivan McKee: I will just finish this point first.

I encourage members to engage with businesses in their constituencies to ensure that they are aware of what “A Trading Nation” outlines. There are online tools to help businesses, and support is available from Scottish Enterprise, Scottish Development International and others. I am available to visit businesses that are keen to export more in order to help them along that journey as best I can.

Brian Whittle: Does the minister agree that, as well as the need to grow our export market, there is also a home public procurement market—in food, information technology and construction, for example—that we have a poor record of supporting? Does he further agree that if we properly managed that, it would be crucial in helping to grow the Scottish economy?

Ivan McKee: Is Brian Whittle talking about public procurement?

Brian Whittle: Yes.

Ivan McKee: That is an issue, but it is not an issue for this debate. I thank Brian Whittle for raising it, but this debate is focused on what we can do to grow exports from Scotland’s businesses.

The work on the exports plan has been a hugely analytical piece of work that has looked into a significant number of data sets over a period of time and at international comparisons to understand what is happening elsewhere. That information is now available online on a sectoral and market basis for businesses to take advantage of.

The work was characterised by a significant amount of co-production. Engagement took place with more than 50 business and sectoral organisations to inform the advice and recommendations that form part of the exports plan. I take this opportunity to thank the business organisations that took part in the process and the team who worked hard over the past seven or eight months to put “A Trading Nation” together. The output of that work is a set of actions and directions that help us understand what Government, its agencies and others need to do to boost Scotland’s export performance to become best in class globally.

“A Trading Nation” looked at a number of strategic choices, and it did not duck the analysis

of those when coming to some hard conclusions. The choices involved four different aspects.

First, we looked at the countries that we should export to in order to understand their growth trajectory. We looked at a total of 15 different indicators to analyse and understand not only what the markets of today look like but—this is an important point—what the emerging markets of tomorrow will look like. That led us to a strategy that focuses on a top tier of 15 countries where we will focus our activity and significantly increase our presence. We also have a list of 11 countries where, as part of our tomorrow strategy, we will have a presence in order to understand and monitor what happens there as those economies develop.

Secondly, in order to understand how we can build on Scotland’s great strengths, we looked at sectors such as our food and drink sector, our energy and renewables sector, which is making the transition to low-carbon energy, our fintech and financial services sector, our life sciences sector and our quantum mechanics and space sector. Those are just some of the many sectors in which Scotland has globally recognised strengths. The analysis looked at which of those sectors were truly world class and which markets and countries they should focus on to realise the best opportunities, as well as how Scotland compares with other nations of comparable size with comparable economies, where we do better than they do, where we do less well and what opportunities exist for us to improve.

Thirdly, “A Trading Nation” looked at the profile of businesses in Scotland to understand, through a smart segmentation strategy, which sectors of our business community we should target our efforts on. It identified that, largely, the focus should be on small and medium-sized Scottish businesses that export and have the capacity to do more, as well as Scottish businesses with that capacity that are not yet exporting. Our focus will be on helping those sectors of our business community to realise their full potential. It is worth noting that 74 per cent of the businesses that we are providing with targeted support are small and medium-sized enterprises and that less than half of them are internationally owned.

The fourth strategic choice that we looked at was to do with how we can join the dots in market and make sure that we can take advantage of Scotland’s reputation, our very wide diaspora, the other networks that we enjoy and the good will that exists towards Scotland. We want to engage those processes, organisations and others so that we can pull together a strategy in each market that helps Scottish businesses to understand the market situation when they land in country, and to

be able to access customers and make the most of the opportunities that exist for them.

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

The minister talked about increasing exports. What advice would he give to Scottish companies that are looking to increase their exports with regard to the planning for the future that they should do in relation to the currency, given his party's uncertainty over what the future currency of Scotland might be?

The Deputy Presiding Officer: We have time in hand for interventions, minister, so you need not fret—if you take interventions, I will make up your time.

Ivan McKee: Thank you very much, Presiding Officer.

Businesses that export deal with the currencies that their customers and suppliers work with. As Mr Lockhart should know, any business that exports significantly could deal in four, five or six different currencies at any point in time, as I have done in my past business career.

I think that Mr Lockhart was trying to ask me about the Scottish Government's position on our currency in the future. If he had been paying attention, he would know that, the day before independence and the day after independence, Scotland's currency will be the pound.

When it comes to joining up the dots in market, Scotland enjoys significant assets and we will work hard through a series of actions to make sure that our globalscot network, our trade envoys, the wider diaspora, our universities and our cities, with their twinning arrangements, are joined up to ensure that Scottish businesses benefit in country from those assets.

Over the coming months, we will work through the more than 100 actions that have been identified in "A Trading Nation". Through a series of mechanisms, we will build up those actions to deliver the ambitious overarching targets that we have to grow Scotland's exports as a percentage of GDP. Those actions include the First Minister's export challenge, which involves joining businesses through peer-to-peer relationships, driving mentorships and marrying up businesses that have significant export experience with businesses that are starting out on that journey to support them through that process. We are working with the Scottish Chambers of Commerce on the international trade partnership, which allows businesses that are new to exporting to take part in trade missions. The Government is working to support the SCC to facilitate such missions to identified target markets.

We are working to expand our globalscot network by a factor of more than three over the

coming years and beyond to ensure that we get the best from all the assets that we have. As well as re-energising the globalscot network by working with Scots abroad who have significant experience, we are putting in place more trade envoys, who have proved to be an invaluable resource in the countries in which they are currently present by supporting trade by Scottish businesses that want to export internationally.

Patrick Harvie (Glasgow) (Green): The minister said that the principles are geared towards his target of increasing exports as a percentage of GDP. He knows very well that I am very sceptical that there is such a thing as sustainable economic growth, but that is the Government rhetoric and that is what it is going for, so why is the target not based on sustainability, rather than on the narrow, myopic metric of GDP only?

Ivan McKee: I think that, if Patrick Harvie had read the report or listened to what I have said so far, he would know that sustainable economic growth is about driving innovation, productivity, wider internationalisation and the exchange of ideas and people, cementing Scotland's place in the world as a good global citizen and promoting sustainable development.

We have put in place a hard measure because it is an internationally recognised measure. As we develop the process, if Patrick Harvie has a hard measure on sustainable development to put in place alongside the other measures, I would be quite happy to consider that. However, if all that he has is a lot of words because he does not like the concept of GDP, frankly, he needs to go and have a wee think about it. The reality is that the targets in "A Trading Nation" will deliver an extra £500 million to the Scottish Government through the tax take, which we can use to invest in public services. Sustainable economic growth creates higher-value jobs, and more jobs, in the economy. Patrick Harvie is welcome to laugh about those things if he wants to, but we have a serious job to do to grow Scotland's economy by increasing our exports.

I mentioned our target to increase overseas exports from 20 to 25 per cent of GDP, which we believe is achievable over the coming 10-year period. That would increase the tax revenue by half a billion pounds, which is money that we could then spend on public services.

The key message is that Scotland is open for business. We are a trading nation; we are outward looking; and we are an international nation. We want to further increase our internationalisation, despite the UK Government's efforts and Brexit. We have ambition to grow Scotland's economy and our exports, and to support Scotland's businesses on that journey.

I move,

That the Parliament recognises the pressing need to boost Scotland's export performance to build greater resilience in the economy, grow GDP, create jobs and increase the tax collected by the Scottish Government, allowing public services to be further improved as well as enhancing the innovation, productivity and profitability of individual exporting businesses; welcomes the recent publication of *A Trading Nation*, backed by an additional £20 million investment over three years, and agrees that the plan sets out the evidence and the key actions needed to put Scotland on a path to grow its exports in real terms, and recognises that achieving the target of 25% of Scotland's GDP from international exports will not be easy and will require continued assessment of the effectiveness of actions in the plan, as well as regular refreshes to remain responsive to changes in patterns of global trade and feedback from Scottish-based businesses.

15:32

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

The Scottish Conservatives will support all proposals to increase Scottish exports, because our performance is trailing behind the rest of the UK and competitor countries. International exports represent only 20 per cent of our GDP, compared with 30 per cent for the UK economy and higher for competitor countries.

Our export performance in the past decade has failed to meet all the targets set by the Scottish Government—on the scale of £22 billion. If Scottish exports were to reach the levels of the rest of the UK, our economy would be boosted by £16 billion a year. Those figures show that, after 12 years of Scottish National Party Government, Scotland has not realised its potential to become a first-tier trading nation.

To realise that potential, we need a new approach to increasing exports. There are many aspects of the trading nation strategy that have merit and which, if implemented properly, could have a positive impact on the economy. We also recognise the important role that the Confederation of British Industry Scotland has played in helping to formulate the trading nation strategy, particularly its recommendations endorsing efforts to

“simplify the exporting landscape”,

to

“focus on existing exporters with high potential”

to grow their international trade, and commitments to increase digital resources.

However, whatever the merits of the trading nation strategy, the fundamental flaw in the SNP's approach to international trade is the currency. At the same time—in fact, in the very same week—as announcing a new policy to increase Scotland's trade, the SNP also announced plans to introduce a new currency for Scotland. Ivan McKee said that

we would know the answer to the currency question on the day after independence. The SNP conference passed a motion that it wants to introduce a new currency as soon as practicable. How does the fundamental uncertainty about the future trading currency of Scotland help business to plan?

Ivan McKee: If Dean Lockhart had understood what is in the sustainable growth commission or what was passed at the SNP conference, he would know that the future currency is based on six tests. As he will be aware, one test is ensuring that trade cycles are aligned, which would allow us to move forward to a different currency solution.

The whole point about the currency solution is to have a currency that suits us at the time. If the member reads the six tests, he will see that the currency option would be considered when trade cycles are in alignment, Scotland further internationalises, it is in a position to change currency and it makes sense to do so.

Dean Lockhart: Having the SNP decide when Scotland gets a new currency will not provide comfort to business. Some of the minister's colleagues have said that they are currency agnostic. One of the SNP's leading members of the European Parliament said that he did not really care what the currency is in the future and that he is currency agnostic. Whatever that ridiculous phrase means, the fundamental point is that business needs certainty.

Ivan McKee: Will the member take another intervention?

Dean Lockhart: I will give way in a minute.

Will the new currency be the euro, which was the previous SNP position? No, because it has changed its position on that. Will it be the pound? Perhaps, but we do not know how long for. Instead, the SNP has announced plans to create a new currency that is untested, the value of which is uncertain and with an exchange rate that is unknown to our international trading partners. How can businesses in Scotland plan to increase trading relationships across the world and build a long-term global customer network or plan their currency hedging arrangements? The minister said that businesses have to deal in different currencies. Absolutely, but if a business does not know what its home currency will be and the value is uncertain, how can it enter into those hedging arrangements? The SNP is creating a level of uncertainty that is damaging Scotland's business domestically and internationally.

Ivan McKee: Will the member take an intervention?

Dean Lockhart: I am happy to give way if the minister will explain how that fundamental uncertainty over currency is helping business.

Ivan McKee: We are debating a serious piece of work that tries to understand how we will grow Scotland's exports. Frankly, if all that the Conservatives can talk about in the debate is the currency issue, that shows how disconnected they are from the reality of businesses' experience and the reality that business organisations have told us about. Nobody has raised that currency issue with me. People talk about the practicalities of how they get orders, how they ship products and how Scottish Government agencies support them in market.

In light of what the Conservative Party is doing to Scotland at the moment, it is frankly ridiculous for somebody from that party to talk about uncertainty.

Dean Lockhart: It is interesting that the minister says that no one is talking about independence. Was he in the chamber yesterday for Mike Russell's statement on the introduction of legislation for a referendum?

Ivan McKee: Will the member give way?

Dean Lockhart: No. We have many policies, which I will come on to. However, before I do so, I point out that we are again seeing the SNP prioritising its political agenda over Scotland's economic interests.

I will set out what the key priorities should be for any Scottish Government, rather than creating uncertainty. One should be increasing trade with our single biggest market, which is the rest of the UK, which accounts for 60 per cent of our trade. Since 2002, Scotland's trade with the rest of the UK has increased by 71 per cent, compared to an increase of 29 per cent in trade with the EU. However, the trading nation strategy largely ignores the opportunities for Scotland to increase our trade with our single largest market.

Tom Arthur (Renfrewshire South) (SNP): Will the member give way on that point?

Dean Lockhart: No. I need to make progress.

The Scottish Government has set up more than 30 trade offices across the world, many of which are in countries that account for less than 1 per cent of our trade, but how many trade offices do we have in the rest of the UK?

Ivan McKee: Will the member take an intervention?

Dean Lockhart: I will in a second.

We have one trade office in the rest of the UK. Having one trade office to service a market that accounts for over 60 per cent of our trade makes

no sense. That is why we—this is our policy proposal—have announced plans to set up a series of trade hubs in key regions across the rest of the UK to help Scottish businesses to become embedded in the significant supply chains of the UK's major economic regions. We would not have just one trade hub in the rest of the UK; we would have a series of trade hubs.

Since 2002, our exports to non-EU markets have increased by 95 per cent and now represent 23 per cent of our trade, compared to a figure of 17 per cent for the EU. In the next 10 years, 90 per cent of the world's economic growth will take place outside Europe.

Ivan McKee: Will the member take an intervention?

Dean Lockhart: I will make this point and then give way.

It is therefore vital that we help Scottish businesses to gain more access to those fast-growing markets. However, there is nothing in the trading nation strategy that explains how that will be done; there is just an aspiration to increase our trade. We need specific actions to support business in accessing those growing markets. Last year, I was on a trade mission to Hong Kong, China and Japan. Those countries are moving their global trade on to e-commerce and other technology platforms. Advances in technology mean that the old models of exporting and importing are being replaced, and Scotland needs to keep pace with those developments.

Evidence from Nora Senior, the chair of the Enterprise and Skills Strategic Board, to the Economy, Energy and Fair Work Committee highlighted that only 9 per cent of Scottish businesses embed digital in their operations, compared to 43 per cent in competitor countries. We need to do more to encourage Scottish businesses to embed digital in their operations.

Ivan McKee: Will the member take an intervention?

Dean Lockhart: I will in a second, after I announce another one of our policy proposals, which is to create an institute of technology and e-commerce. That would be a specialised agency that would help businesses across Scotland to take advantage of new global technology platforms and create an e-commerce platform to expand their business across the world.

I see none of that referred to in the trading nation strategy. In fact, when I asked Kate Forbes whether the Scottish Government had a plan to introduce a specialised e-commerce and technology institute, the answer was no, as it was dealt with by the existing agencies. Clearly, that is not the case if only 9 per cent of Scottish

businesses embed digital in their operations. Again, perhaps the minister can explain why digital use by Scottish businesses is so low under the SNP.

The Deputy Presiding Officer: He cannot explain now because you are closing. The minister can deal with that in his winding-up speech.

Dean Lockhart: Okay, Presiding Officer. I thought that I had a bit of time in hand.

The Deputy Presiding Officer: You have had an extra minute and I am giving you another 30 seconds.

Dean Lockhart: Thank you. As I said before, we will support any efforts to increase Scotland's trade. We have announced—and, over the months ahead, we will continue to announce—concrete policy proposals to help Scottish businesses to expand into key international markets. We will work with the Government to support any increase in Scotland's international trade but, as I said at the start, we will resist any and all efforts to remove the pound as Scotland's currency of trade.

I move amendment S5M-17436.2, to leave out from “the plan sets out” to end and insert:

“a new direction in economic policy is required to realise Scotland's export potential; recognises the importance of Scotland's trade with the rest of the UK, which amounts to 60% of Scotland's total trade; calls on the Scottish Government to ensure that no financial, political or economic barriers should exist within this vital internal market; expresses its concern that any proposal to establish a new Scottish currency and Central Bank would create uncertainty for business, trade and international trading partners, and calls on any such future plan to be scrapped.”

15:41

Rhoda Grant (Highlands and Islands) (Lab): I welcome the publication of “A Trading Nation” and the additional investment that goes with it. It is a comprehensive document, tracking where we are and the opportunities that we must try to seize. That it is to be a regularly refreshed working document will help us to track progress and allow changes to the strategy. It will also help us to build on the information that has been provided; although the information in it is better than what has been provided in the past, there are still gaps that need to be filled.

Our amendment notes that the Scottish Government missed its previous target to increase exports by 50 per cent between 2010 and 2017, with growth of 35 per cent over the period rather than the 50 per cent that was hoped for. Exports as a percentage of GDP reduced over the same period, which is disappointing. Although the rest of the UK remains our biggest market, its share of

our exports reduced from 65 per cent to 60 per cent.

Those are challenges that we must meet in order to grow the economy and create jobs, which must be secure and well paid. Too much of our economy is based on low-paid, insecure work, which leaves people one pay cheque away from a food bank. That is not satisfactory; indeed, it is something that we must all unite against.

Our amendment speaks about small businesses. The report shows that by far the largest number of businesses in Scotland are those that have zero to 49 employees, but they are less likely to export than larger organisations. It is also well known that businesses of that size that seek to export are much more likely to be bought out by larger organisations. Often, those are multinational companies and they are seldom based here, in Scotland.

The report does not highlight that most of our exporters are not Scottish owned, such as businesses in the Scotch whisky and oil and gas industries. Foreign ownership means that we stand to lose taxation—

Ivan McKee: I want to clarify some data points before we get completely off track. As I mentioned in my opening remarks, 74 per cent of the businesses that we will be supporting are SMEs. That is where the vast majority of our support will go, as 96 per cent of export businesses are SMEs and only 4 per cent are large businesses. Those are some useful data points.

Over 70 per cent of export businesses in Scotland are Scottish owned. It is important to bear that in mind. My question for the member is: does she think that foreign direct investment is always a bad idea?

Rhoda Grant: No, of course I do not think that foreign investment is a bad idea, but we need to get the balance right and make sure that where we have expertise and knowledge in Scotland, we try to retain that. I would have thought that a nationalist would at least be willing to stand beside that proposal, because we lose out on—

Ivan McKee: Will the member give way?

Rhoda Grant: I want to make some progress.

We lose out on corporation tax if the owner is a multinational, because it can choose where to pay its corporation tax, and that is often not in the UK. We also lose intellectual property to those companies. How often have we seen something that has been designed and developed in Scotland being manufactured abroad, losing not only the revenue but the jobs?

We know that small businesses tend to be more resilient. They do not have shareholders to answer

to and they do not cut and run when times get tough, so they are much more likely to weather economic storms. The Scottish Government needs to support them to grow and prepare for exporting. That support must be direct, to give them the confidence to export and get the knowledge of the systems in place, but it must also help to mitigate the risk.

Many companies on the cusp of exporting are concerned about the risk of expanding into unknown markets. If they are approached with an attractive buyout offer at that time, the temptation to accept is great. They need to see that the rewards that they can accrue from exporting are greater than those of a quick sale. In addition, they need to be persuaded that the risks are manageable.

One example is the number of independent distilleries that are opening up in Scotland. Most are producing gin for the home market while waiting for their whisky to mature. The Government needs a strategy to help those companies to export while retaining their ownership in Scotland.

An industrial strategy is also missing. What are we looking to export? There are targets for food and drink exports, but the export strategy needs to sit on stronger foundations.

Ivan McKee: Will the member take an intervention?

Rhoda Grant: I am going to make some progress.

What parts of our industry are we going to grow, and where is the export potential? An industrial strategy is essential for the export plan to work.

Of course, Brexit increases that uncertainty, and it is possibly delaying companies from pursuing foreign markets. As we approached 29 March, we heard of companies sending consignments abroad with no idea of the tariffs that they might face when they arrived. That was a worrying time for those companies, and it put off many others from taking that step.

That is not only the case with Brexit. Talk of indyref 2 has the same impact. Given that the UK is our biggest market, such talk puts Scottish businesses at risk. The Scottish Government talks endlessly about the problems of Brexit, but it fails to acknowledge that those of Scotexit would be much greater in magnitude. Not only is our trade with the UK four times greater than our trade with the EU, but our institutions are deeply embedded in the UK. Borders and tariffs would damage trade with our biggest market. Adding trading in a different currency to the mix would be a disaster that would exceed the damage of Brexit by some magnitude.

If the Scottish Government really wants to build trade, and with it the Scottish economy, it must end all talk of indyref 2. I understand the need to play to the gallery, but when that is damaging our country, the Government has to put our country before its party. Therefore, we will support the Conservative amendment.

I turn quickly to the Green Party amendment, of which we are mostly supportive, and surely a Government facing a climate emergency would take many of its points as read. However, we have concerns about how it would be possible to have trade agreements that differ between the countries of the UK. Our current membership of the EU, and the associated trade agreements, is through the UK—

The Deputy Presiding Officer: I am afraid that you must conclude and move your amendment.

Rhoda Grant: Therefore, we cannot support the Green amendment.

I move amendment S5M-17436.1, to insert at end:

“; notes that previous export targets have been missed and urges the Scottish Government to work more closely with Scottish businesses to achieve and exceed their new export targets for the benefit of Scotland’s economy; recognises that small businesses are likely to face takeover when ready to export and believes that this leads to a loss of revenue and intellectual property, and urges the Scottish Government to put in place comprehensive support for businesses in this position in order to retain ownership in Scotland.”

15:48

Patrick Harvie (Glasgow) (Green): At one level, it is important and welcome that we are having this debate, because the one kind of growth that I am always enthusiastic about is growth in the competence of this Parliament to continually try to go beyond the narrow constraints of devolved powers and engage itself in the wider issues about our place in the world.

Trade policy is reserved, but that does not mean that we should not be debating it here, and debating not just how much trade we should be doing, but what kind of trade and what impact it has. I hope that the minister recognises the long-standing Green critique of narrow metrics like GDP growth. To put it simply, GDP measures all of the good stuff and all of the bad stuff that is happening in our economy and just calls it stuff. Growth ideology says that we must always have more stuff. Programme for government, medium-term financial strategy—as we had today—after medium-term financial strategy, budget after budget, and strategy after strategy focus on that narrow metric.

The minister was quite right, honest and revealing in his response to me. We focus on GDP because it is there and is a nice, simple, easy number to count. As a result of decade after decade of its undue primacy in economic debate, it is being used in ways that it was never designed to be used for. I am pleased to say that a group called enough! that launches in Glasgow today recognises that the world needs to have an important and urgent debate on degrowth. We live in a time when we know that we are killing the living world around us. We are creating an existential crisis, not just in climate change but in loss of biodiversity, pollution and the extraction of finite resources.

The everlasting growth in our economy is not only causing those problems but is unsustainable. I regret that the Government's trade policy is based on a target framed purely in terms of percentage of GDP growth. If we do not challenge that, the consequences will be manifest in things such as environmental costs of the growth of salmon farming. We want to export ever more salmon to ever more countries, although we know that the environmental and animal welfare costs of that are rising.

Ivan McKee: It is important to recognise that the target is based on exports as a percentage of GDP, so it is a measure of how international the economy is. That is what is driving the export plan. Does the member have another proposal for how we should measure it in numerical terms?

Patrick Harvie: In four minutes, I do not have time to cover the ways in which we need to change the narrow metrics.

The Deputy Presiding Officer: As I have said, Mr Harvie, you will get your time made up for taking interventions.

Patrick Harvie: There are no simple narrow metrics that will be superior to the existing simple narrow metrics. We need to move beyond that set of ideas.

The harm of chasing after growth will be found in low wages in the hospitality sector and in tax avoidance by the successful, who will unfairly compete with others looking to become more successful. We can have an alternative approach that is rooted in trade justice principles, such as those created by the trade justice Scotland coalition, which have already been endorsed by the Parliament in a motion passed by 80 votes to 30. Only the Conservatives opposed the idea that trade justice should be at the heart of our approach.

I close with a brief sentence or two on the Trade Bill, which is referenced in my amendment. We need to challenge the notions of the right-wing free-market ideologues in the UK Government,

such as Liam Fox and Liz Truss, who would quite happily rip up the social and environmental protections that have been hard won over decades. They need to be challenged over the threat of their free-trade deals, even in devolved policy areas such as environmental protection and the protection of our public services. The democratic scrutiny of the Trade Bill that is required is not there at present, and I hope that the UK Parliament will reject the bill when the time comes.

I move amendment S5M-17436.3, to leave out from the first "recognises" to end and insert:

"notes the positive opportunities for increasing Scotland's exports as part of a fair and sustainable approach to global trade; recognises that there can be unintended consequences from a narrow focus on increasing GDP as the sole purpose of trade policy, such as poor environmental standards and the use of other unethical practices such as labour exploitation and tax avoidance; believes that these risks need to be proactively addressed by government intervention both domestically and through international cooperation; restates the importance of trade justice principles, as opposed to free trade ideology, underpinning the Scottish Government's approach to these issues; is concerned that the UK Government's intended approach to trade policy in the event that the UK leaves the EU is not consistent with trade justice principles, and that the Trade Bill 2017-19 fails to offer adequate opportunities for democratic scrutiny and challenge, including by the devolved legislatures, and resolves to use all means possible to oppose any legislation or trade agreement that restricts the ability of any future Scottish Parliament to act freely in devolved areas."

15:53

Willie Rennie (North East Fife) (LD): I am trying to be in a good mood this afternoon. We will support the motion and all the amendments.

"A Trading Nation" is a detailed plan that draws on the expertise that has been developed in Scotland through overseas specialists, the trade advisers and the global Scots. It draws on the experience of the Scottish Chambers of Commerce, making sure that we target the right sectors—not just the ones that already have the expertise within their businesses but those that can make the biggest impact and contribution to our export capacity. We need to look at the potential for drawing out the best from the sleeping giants.

We also welcome the desire to improve measurement and monitoring to ensure that we make the biggest impact we can. The food and drink sector is important to my constituency and I particularly welcome that element of the report. I want to see further growth for that sector as it tries to achieve its ambition of doubling its value by 2030. That is why we will support the Government's motion this afternoon.

However, two big shadows hang over our potential to tackle an increase in exports. There is Brexit, which, despite what Dean Lockhart said, is a massive restriction and could have a massive impact on our trade. The report shows that our major exporting countries are in Europe and we need to recognise that Brexit will damage potential relations with those countries. That is the first big shadow.

The second big shadow relates to independence, and that is where Dean Lockhart is right. There is considerable uncertainty about the currency that we would use if we were independent. What would it be? How and when would it come in? How can companies plan for the future if they do not even know what currency they will be using?

Those two big shadows are why we must recognise that we need to be an open, internationalist country that breaks down barriers rather than builds them up. For that reason, we will support Dean Lockhart's amendment.

Rhoda Grant made a good case for ensuring that we meet the targets that the Government has set, and she helpfully highlighted that we have not managed to achieve them previously. She also expressed concern about how we keep businesses growing in this country and how we keep them owned locally. We want to ensure that we receive foreign direct investment, which can create a healthy environment and improve the efficiency and effectiveness of businesses. However, we also want to ensure that we anchor businesses in this country. The best anchor for businesses in Scotland is the quality of our workforce. That is why good businesses come to this country to continue to grow.

We will support Patrick Harvie's amendment, too. I am regularly briefed by the trade justice group in St Andrews. It keeps me well informed and it consists of the most polite and persistent group of campaigners. The group highlights tax avoidance, labour exploitation, environmental standards and democratic scrutiny. In fact, we worked with Jeremy Purvis to table amendments to the Trade Bill in the House of Lords. We also recognise that considerable effort needs to go into ensuring that people are not left behind, that there is no labour exploitation and that everyone gets the benefits of increased exports and global trade. For that reason, we will support Patrick Harvie's amendment.

15:57

Emma Harper (South Scotland) (SNP): I am pleased to have the opportunity to speak in this important debate, and I support the Scottish Government's motion and welcome the significant

investment of £20 million in the trading nation strategy.

At the outset, I put on record again the fact that Scotland has the most fantastic goods—particularly food and drink—which are produced by our hard-working farmers, producers and small and medium-sized enterprises. Indeed, our world-class goods and produce—I say “world-class” because it is important to be bold and to be proud of what our country can achieve—are sought after around the globe. They are known for their provenance, their quality and—in relation to our food and drink—their delicious taste. The food and drink sector is worth more than £2.5 billion per day to Scotland's economy—that is £912.5 million each year—so imagine what we could do with the money if it stayed here in Scotland.

As well as our food and drink sector, we have an equally important engineering and manufacturing sector. I am pleased about the recent creation of the Dumfries and Galloway manufacturing and engineering forum, which brings together local businesses, such as Jas P Wilson, DuPont and BSW Timber, to share best practice, experience and knowledge. The forum supports trade with, and access to, wider EU and international markets. I hope that the minister will accept the invite, which I have sent to him, to meet members of the forum to see what support the Scottish Government might be able to offer.

However, our goods in Scotland are under threat due to the national uncertainty around Brexit. From previous contributions that I have made in the chamber, members will know that I have been carrying out a great deal of work on protected geographical indicators. PGIs are awarded by the EU to Scottish goods to ensure that they are not open to cheap and inferior imitation by other countries and businesses around the world. The indicators protect Scotch whisky—which is worth almost £5 billion to the UK economy each year—Scotch beef, Scotch lamb, Arbroath smokies, Ayrshire Dunlop cheese and even Ayrshire tatties from my South Scotland region. Such protection could be negotiated away by a UK Government that is in pursuit of cheap trade deals with America. Not only might our farmers, producers and small and medium-sized enterprises suffer from such trade deals, but we could end up with lower-quality food being brought into Scotland, as well as the rest of the UK.

Food with low animal welfare standards, poor provenance and that is treated, such as chlorinated chicken, may present health risks. I am sure that members will agree that we do not want to include chlorinated chicken or hormone-injected beef in our trade deals or see Scotch whisky from Tennessee on our supermarket shelves. I absolutely oppose changing the PGI status of any

of our fantastic produce and I ask the Scottish Government to continue to do all that it can to prevent such an occurrence.

In the face of the current EU exit uncertainty, I am pleased that the Scottish Government's "A Trading Nation" publication gives a clear signal of Scotland's ambition to remain an open and progressive nation where our businesses trade in global markets. Dean Lockhart mentioned the lack of information about digital support, but page 70 of "A Trading Nation", in section 6.4, which is titled "Digital support", talks about

"Working with ... partners ... to seize the ... opportunities via trading digitally."

Dean Lockhart: Will the minister take an intervention?

The Deputy Presiding Officer (Linda Fabiani): She is just closing, even though you have just promoted her.

Emma Harper: I am about to close, but I will be happy to send Dean Lockhart page 70 if he thinks that it might help.

Achieving our ambition to see international exports almost double from their current value of £32 billion by 2029 is what we are seeking. I ask the Scottish Government and, perhaps, the Tories to lobby the UK Government to prevent our goods—particularly our food and drink—from being traded away in the current Brexit chaos.

16:01

Maureen Watt (Aberdeen South and North Kincardine) (SNP): I, too, am pleased to take part in the debate and I congratulate the minister on his work on Scotland as a trading nation and on the new export action plan. It is important at any time, but even more so at this time of such UK domestic uncertainty and global trade disruption, not least from Brexit and the US president. Apparently, it is now termed "slowbalisation".

It is encouraging that the Fraser of Allander institute welcomes the level of analysis that has gone into the decisions taken by the minister in the action plan, saying:

"everyone should welcome the new analysis and evidence provided. It marks a significant step forward in our understanding of the challenges and opportunities that Scotland faces in its efforts to boost international trade."

It is true that Scotland's exports are lower than those of any other comparable country and that our export base is concentrated in a small number of sectors and firms. It is not unusual for small countries to base their exports in a small number of firms and sectors or markets, but it seems that we have a particular challenge with that here in Scotland.

With the relatively limited resources available for business support through our enterprise agencies, it is important that the focus of "A Trading Nation" is on what export strengths the Scottish Government should promote, where we should promote those strengths, when we should step up our presence in those markets, who we should work with most intensively to boost our export performance and how we best configure Government and wider support to deliver our export goals.

It is interesting that the work has profiled the 26 countries that account for 80 per cent of our current exports, the export value gap and where the bulk of future growth may come from. Those countries include the USA, China, Germany, France, Italy, Canada, Spain, the Netherlands, Switzerland, Sweden, Poland, Belgium, Ireland, Norway and Denmark. It will not have escaped the notice of anyone in the chamber that 10 out of the 15 countries that I mentioned are in the EU. It is wrong to say that substantial growth cannot still be had in EU countries and so it is absolute folly that the UK Government is preparing to upset those trading links by pursuing Brexit, even countenancing a hard Brexit.

Food and drink is one of the key sectors for exports to our European neighbours, not least of the fresh fish products from the processors in my Aberdeen South and North Kincardine constituency. Not only are those markets in jeopardy, but even if they continue, the UK Secretary of State for Environment, Food and Rural Affairs refuses to guarantee priority access for those perishables on ferries crossing the channel.

Similarly, the said secretary of state is resigned to seeing the lamb export, and thus, our sheep sector, go to the wall as a victim of Brexit. I cannot work out how he squares our having to import lamb from New Zealand in polluting ships and aircraft with his declared concern for climate change.

Although the food and drink sector is undoubtedly a Scottish success story and there is still much growth to be had in it, there is also worldwide growth to be had in the energy sector, including renewables. I highlight Aberdeen-based Global Pipe Components, which specialises in manufacturing and supplying pipes and valves to the oil, gas and petrochemical industries. Currently, more than 80 per cent of its products go overseas and the company praises the globalscot network for helping it to identify markets. I hope that the minister already has Offshore Europe 2019 firmly fixed in his diary.

16:05

Gordon Lindhurst (Lothian) (Con): As the Scottish Conservative spokesman on trade and investment, I am pleased to speak in this debate about how Scotland can seize the opportunities that await us in future trading relationships.

The trading plan that the First Minister announced earlier this month in Edinburgh is a welcome step in the right direction, with plans for 17,500 extra jobs as a result of boosting exports. However, it is set against a background of failure by the SNP over recent years. At that launch, the First Minister talked of boosting Scotland's exports so that, in the next decade, they will account for a quarter of Scotland's GDP. My colleague, Dean Lockhart, spoke about that. In contrast to the Scottish situation, exports at UK level already account for 30 per cent of GDP.

The plan from the Scottish Government is long overdue. It not only needs to boost exports as a percentage of GDP, because there has been a massive failure to increase the value of our exports. The 2011 economic strategy, which has been referred to, outlined plans to increase the value of Scotland's exports by 50 per cent between 2010 and 2017, but the Scottish Government missed that target by billions of pounds.

Ivan McKee: I appreciate Gordon Lindhurst's comments on the trading plan. In relation to the data points, he is right. We recognise that the target was missed and that there is more work to do. However, as I mentioned in my opening speech, it is also important to recognise that, over the past 10 years, Scotland's exports grew at 4.7 per cent per year compared to 4.3 per cent growth in the UK as a whole. We are growing faster than the UK average.

Gordon Lindhurst: I welcome any positive growth, such as the growth to which the minister refers, but we must look at the overall picture and recognise where we are missing the mark and missing a step.

The SNP Government recently announced a dramatic U-turn on the plans to cut air departure tax. As a representative of the capital and the Lothian region, I am acutely aware of that and of Edinburgh Airport Ltd's response to the Government's position. The response rightly questioned the reactionary—perhaps populist—move to scrap the plans, considering that the Government had made a promise and that that promise had just been repeated.

Last week, I questioned the minister on that. I highlighted page 73 in "A Trading Nation", which stresses the importance of connecting Scotland to international markets through long-haul flights, including via Edinburgh airport. As other members

do, I recognise the necessity and importance of tackling climate change. That is one of the reasons why I question that move by the Government, because it will result in an increase in passengers on polluting short-haul flights to Scotland from hubs including London, Amsterdam, Dublin and other places to which the long-haul flights go instead of coming directly to Scotland. Not having those direct international links will dampen growth prospects for Scotland and cut us out of opportunities.

We wish in the coming years to seize opportunities for many sectors and to boost exports, so it is disappointing that we are having this debate within 24 hours of the SNP Government yet again announcing plans to drag us back into another divisive referendum—in this case, an independence referendum. That will create a further difficulty and an air of uncertainty for businesses, when we need to embrace the opportunities that are opening up for the country. The minister needs to answer the question whether the Government will focus on those opportunities for Scotland and see how we can move things forward, or focus on what some people would call the indyref obsession.

The Deputy Presiding Officer: We must tighten up timings, please. I ask for speeches of no more than four minutes.

16:10

Joan McAlpine (South Scotland) (SNP): I welcome the publication of "A Trading Nation". It is not only a well-researched, evidence-based and extremely ambitious plan—it is also backed by an additional £20 million of investment over three years. That sum is significant, but the prize is worth much more. A leap in exports from 20 per cent to 25 per cent of Scotland's GDP over 10 years would add £3.5 billion to our national wealth and provide 17,500 new jobs.

The publication has attracted compliments from third parties. The Fraser of Allander institute said:

"What is refreshing about this Action Plan is the level of analysis that has clearly gone in to informing the decisions that Mr McKee has taken."

I understand that more than 20 data sets were interrogated in order to build an understanding of current and future export growth opportunities, and that analysis was conducted of current and future global import demand in 100 countries across 66 industrial sectors and 19 service sectors.

As a result of all that work, we have a clear path to progress. I welcome the decision, on the basis of that evidence, to play to Scotland's strengths by focusing efforts on activity that will create the greatest impact on the economy.

We know that Scotland's best-performing sectors account for 84 per cent of our export value, so it makes sense for "A Trading Nation" to focus on support for those supersectors, which make for an impressive list—food and drink; engineering and advanced manufacturing; life and chemical sciences; technology, digital and media; financial and business services; and energy.

I represent the rural South Scotland region, so I am pleased that the food and drink sector is at the top of the list, but I am not surprised, given its success and huge potential. In Dumfries and Galloway, it employs 9,000 people, which is a significant figure in relation to the region's population. "A Trading Nation" certainly does a good job of highlighting the sector's strengths. Food and drink account for 20 per cent—£6 billion—of Scotland's international exports. Between 2013 and 2018, the value of Scotland's food and drink international exports increased from £5.4 billion to £6.3 billion.

After food and drink comes the engineering and advanced manufacturing sector, which is another Scottish success story. In 2017, that sector made up 17.6 per cent of Scotland's international exports and was worth £5.7 billion. Engineering and advanced manufacturing covers things such as metal manufacturing, machinery and equipment, transport equipment, architectural activities and engineering services including design and consultancy.

We tend to think of advanced manufacturing as involving export of goods. That is often the case, which explains why the customs union is so important, because sophisticated machines can contain parts from all over the world. Rules of origin in the customs union would present huge logistical challenges if we were outside it. We should not forget that even countries such as Norway that have agreements with the EU through the European Free Trade Association and the European Economic Area do not have agreements that cover services. No free trade agreement in the world covers services; the EU single market is by far the most important single market in the world for free movement of services.

I welcome the focus that "A Trading Nation" brings to sectors to achieve export growth, but I also welcome the parallel focus on where we should export to. The Scottish Government has profiled the 26 countries that account for more than 80 per cent of current exports, and has identified those countries' share of the export value gap. The gap is calculated by comparing Scotland's current exports with those of similar competitors. The top 15 countries are "priority 1 markets", from which the Government expects the bulk of future growth to come, and they include the

United States of America, China, Germany, France, Italy, Canada, Spain, the Netherlands—

The Deputy Presiding Officer: Come to a close, please.

Joan McAlpine: The markets also include Switzerland, Sweden, Poland and Belgium.

It is an ambitious plan, but it is backed by sound evidence and research. I congratulate the minister and all those who worked on "A Trading Nation". At a time when Brexit risks shutting off Scotland and the UK from trading partners, it is an important statement that Scotland is open for global business.

The Deputy Presiding Officer: I re-emphasise that we are short of time in the debate, so I will have to cut some members' times if others do not stick to theirs.

16:15

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I will try to go as fast as I can.

In the short time that I have, I will highlight three areas that are of particular interest as we take forward the strategy in "A Trading Nation". Those areas are the digital technologies and services, opportunities for Ayrshire to grow its share in a number of markets, and the experience of the Irish as an independent trading nation.

"A Trading Nation" must be one of the most comprehensive documents that I have seen in my 12 years in Parliament. It is more than 200 pages of detailed analysis that shows not only Scotland's strengths, but where we can make significant improvements. It has a useful country-by-country analysis to help us to target where we might best look to increase our exports, and the sectoral analysis lets us see where the greatest opportunities to grow particular parts of our economy lie.

One of the target areas is technology, digital and media services. Scotland already has a thriving technology sector—more than 11,000 technology enterprises operate here, and about 8,000 of them are directly related to digital industries. The sector accounts for about £3 billion of export value internationally, and about the same in relation to the rest of the UK. Therefore, the technology sector is crucial for us.

In my view, there are two key issues that we need to deal with if we are to make further progress in the sector. The first is to tackle the skills gap that we already know about. We need more people in software and web development, and in sales and marketing, to complement the great work that is going on in cloud computing, in developing apps for a number of digital services

and, of course, in our amazing gaming industry. According to ScotlandIS, we need about 12,500 people each year, but are producing only about 5,000 from our universities, colleges and apprenticeships. More needs to be done to bring new talent into the sector and to reach out and invite people to retrain and join that fantastic industry.

The second issue is how we continue to be part of the European Union's digital single market. If we are pulled out of it, as the inept UK Tory Government has stated is its intention, that would really damage Scotland's economy. That market is worth about €400 billion per year to economic growth, and it boosts jobs and innovation. It is probably worth about €5 billion to the Scottish economy, but only if we are part of that market and not merely watching from the outside, where the UK Government seems determined to take us.

The Ayrshire picture is already a success story with regard to quality exports. Grant's Foods Ltd, of Galston in my constituency, specialises in high-quality traditional Scottish recipes and exports 40 haggis products to 50 countries worldwide. It relies on its reputation for high quality and standards, as does our famous Dunlop cheese, which was mentioned earlier by my colleague Emma Harper.

The continuing Brexit uncertainty must not be allowed to undermine the reputation that Ayrshire and Scottish exporters have worked for years to preserve. Despite what some people say, manufacturing in Ayrshire still accounts for a high proportion of jobs and gross value added in the county.

On the Irish experience, if we look at the section in "A Trading Nation" on Ireland and how it developed its international export performance, we can see that in the 1970s it exported about 60 per cent of its goods to the UK, which—as one member said—is similar to Scotland's current position. By using all the powers and levers that it has at its disposal, Ireland's international exports to other countries now account for nearly 90 per cent of its entire output because of the incredible growth in those markets. The value of its UK market is still rising year on year, but the international dimension of its growth has been a stunning success, which I know that the Scottish Government aspires to replicate.

"A Trading Nation" offers Scotland and Ayrshire a new focus to increase and develop our key markets in the coming years. It allows us to learn from the successes of others and allows Scotland to develop our key industries in a uniquely challenging and competitive global market.

16:19

Jackie Baillie (Dumbarton) (Lab): When the Scottish Government's previous export strategy was announced, John Swinney was the finance secretary. Back in those halcyon days, the target was to increase exports by 50 per cent. At the time, I said that that was ambitious, but I was told that I was being too negative and that the target was achievable. There is nothing wrong with ambition, but if the Government wants a target to be anything more than a fantasy, it needs to know what it is doing and to back that action with resources.

It is disappointing to note that the Scottish Government failed to reach that 50 per cent target by 2017 and instead achieved a 35 per cent increase. Exports as a percentage of GDP did not rise and the Fraser of Allander institute observed that export performance has, at best, flatlined since devolution. Does the minister understand why the Government failed to meet the target? I am keen that he should know that, because if he knows why the Government fails, we can be confident that he understands what needs to be done in the future.

Ivan McKee: Will the member take an intervention?

Jackie Baillie: I am happy to take an intervention if the minister will stand up.

Ivan McKee: On that point, if the member reads the document, she will see that we are very clear on understanding what sectors, markets and types of businesses we need to focus on. The reason why we have not delivered over the past few years is that we have not grasped those challenges and moved them forward as fast as we can, bearing in mind the fact that our exports have been growing faster than those of the rest of the UK over the past 10 years.

Jackie Baillie: I welcome the speech from the minister, but I have heard so many excuses before. I have heard that it is because of Brexit and that Brexit is causing less export activity. The minister and I do not like Brexit at all—we agree on that. However, the uncertainty of Brexit applies to the whole of the UK, and the UK export rate increased by more than Scotland's, which means that we can do better.

Of course I want Scotland to export more. The more we export, the more GDP is generated and the stronger our economy is, and the return to the public purse in taxation is very welcome indeed. Let us be honest—

Ivan McKee: Will the member take an intervention on a point of fact?

Jackie Baillie: No. I have already had a mini-speech from the minister in the middle of my

speech, so I will not take any more interventions. There is huge untapped potential, but I am not convinced that the Scottish Government understands what it needs to do to stimulate an increase in exporting. I fear that the strategy, like its predecessor, is a high-level strategy with a set of targets, but the outcome will be disappointing.

Of course I welcome the expansion of trade envoys, the better use of the global Scot network and better working with the Department for International Trade. Taking a more specific sectoral approach is good, but we need to recognise that exporting is concentrated in a small number of sectors and businesses. We trade to a small number of markets and Scotland's exports are much lower than those of comparable countries in the EU.

The majority of Scotland's exports go to the rest of the UK—that is not a surprise, as countries across the world tend to trade with their nearest neighbours more than they do with anyone else. Sixty per cent of our exports go to the rest of the UK and 40 per cent to the rest of the world, so members might wonder what specific measures the Scottish Government is taking to boost trade to the rest of the UK.

Let me give the chamber a flavour of what is to come. It all starts and ends with the SNP's obsession with independence. Pursuing an economically illiterate policy of independence will create huge uncertainty for business and the economy. Breaking up the UK single market and putting up barriers to trade will create huge obstacles for exports. Let us not forget the plans to change the currency. I remind the minister that the SNP conference said that that should happen "immediately" rather than some time later. We have the funny spectacle of Derek Mackay and now Ivan McKee falling over themselves to say how much they still want to use the pound, in effect ceding control to the Bank of England and the UK Government. They want independence, but not really, because they would have no control over their currency.

In concluding, I say to the minister, as gently as I can, that I agree with him about the uncertainty that Brexit causes businesses in Scotland but that the arguments that he and his party use about Brexit are the very ones that emphasise the uncertainty for businesses of independence. The message from business is simple: keep the focus on exports, not the constitution—that is what the economy and the country need.

The Deputy Presiding Officer: I remind members that they have absolutely no more than four minutes for speeches.

16:24

Gil Paterson (Clydebank and Milngavie) (SNP): I refer the public to my entry in the register of interests.

"A Trading Nation" is a substantial piece of work in a comprehensive format that is easily understood and which points the way forward for Scotland to improve its economic future through increased exports. The document contains everything from comparisons with the export portfolios of similar-sized countries and recent improvements to their export performance, to in-depth analysis of Scotland's exports, current market shares and trading partner details.

This comprehensive and well-informed approach will undoubtedly lead to better decisions by both the Government and the wider business community in Scotland, and it can only result in a more expansive and inclusive attitude towards increasing our export base and economic growth. Compare this positive Scottish business approach to the disaster of Brexit and what it is already doing to business confidence throughout the UK—that is before there has been any final resolution, and it will certainly get worse while there remains the potential of a no-deal exit.

The Government's proposal to facilitate and encourage an increased number of new and smaller businesses to become involved in export markets is particularly encouraging. When we realise that only 11,000 of the 340,000 businesses in Scotland export, and that 500 of those account for 80 per cent of Scotland's exports, we further realise the huge potential that is as yet untapped. However, it should be noted that a considerable number of Scottish businesses, such as mine, are involved in the supply chain for both manufacturing and exporting. Products from my business find their way to almost every single country in the world, and I can assure the chamber that we ain't a giant business.

It is encouraging that, with the right plan and economic policy, Scotland can emulate the export performance of similar-sized countries. Currently, Scotland exports 20 per cent of its GDP. In Norway, the figure is 35 per cent; in Finland, it is 39 per cent; and in Denmark, it is 55 per cent. Of course, those are all independent countries. As a first step, the target of exporting 25 per cent of Scottish GDP by 2029 should be achievable with the initiatives that are contained in "A Trading Nation" and successive commitments from future Scottish Governments. The potential improvement from exporting 25 per cent of GDP by 2029 is enormous—it would secure an additional £3.5 billion for GDP annually and generate 17,500 jobs in the Scottish business community.

The diversity of our export range and business expertise is also to Scotland's advantage in areas from engineering and advanced manufacturing to food and drink, technology, digital and media, energy, financial and business services, chemical sciences, life sciences—an enormous sector—and lots more. That is all before we consider the knock-on economic effects of tourism and education, both of which are in the ascendancy.

The expansion of the global Scot network from 600 to 2,000 worldwide is pleasing, with 500 in Europe by 2020 to promote Scotland the brand—a brand that already has traction throughout the world. Like similar countries, Scotland exported its people all over the world in past centuries and the proposal to energise business through the Scottish diaspora is an exciting initiative

The Deputy Presiding Officer: You must close, please.

Gil Paterson: I welcome the plan and will certainly support the motion.

16:29

Tom Mason (North East Scotland) (Con): I welcome today's debate on a complex set of issues, and the Scottish Government's recent paper; it is not perfect, but it is a start.

Of course, the striking of future trade deals is a reserved matter, so it is important that we frame our discussions on trade through existing structures. The report is right to focus on expanding exports among businesses that would make the greatest impact on our economy. The more holistic approach involving Government, enterprise agencies and the wider business community is certainly worth while.

Our export figures have diverged from those in the rest of the UK over the past two decades. Having been roughly equivalent in 1998, they are now more than 10 per cent apart as a share of GDP, at 20.1 per cent in Scotland compared with 30.2 per cent across the UK.

We also have the problem that simply not enough businesses are exporting, despite having the capacity to do so. The 8 per cent of businesses that have the right profile for exporting but are yet to try must be given the chance to do so. That highlights that there is an important role for export skills training, which is a key element that was not considered in depth in the paper. Our business culture has become more risk averse than it was in previous generations. Helping businesses to export more would go a long way to correcting that.

Training in languages could be improved, particularly in German, given that Germany is one of the main target markets that are identified in the

report. Given that the Government's target to increase exports by 50 per cent since 2010 has been missed by some margin, at a cost of £3.7 billion to the economy, there is considerable ground to make up, so it is important that we all engage with this issue and try to provide some solutions.

For our part, the Scottish Conservatives have set out a variety of proposals that seek to improve how we go about exporting, through our independent report "A New Scottish Model." Chief among the main proposals is the creation of a Scottish exporting institute to gather experts in the field and use their experience to help with export training and certification. That is a serious suggestion and I ask ministers to consider it in the strongest possible terms. It could be of use not just across the country but across different sectors, too.

In my region, North East Scotland, one of the most important sectors is of course energy. As we emerge from a downturn in the oil price and explore new sources of energy, it is important to try to help organisations in the sector expand their reach in all manner of business activities. Scotland has a surplus of natural resources, so we should work to make the most of any opportunity to use them. I understand that the minister will be speaking at the energy exports conference in Aberdeen next month. That is the exactly the kind of event that ministers should attend.

The plan and our discussion today are steps in the right direction. We need to improve our exporting performance and consider ideas on their merits, no matter where they come from. I hope that we will be able to scrutinise concrete proposals in due course and, where necessary, make changes to advance the economic potential of our exports.

16:32

Colin Beattie (Midlothian North and Musselburgh) (SNP): For centuries, Scotland has reached overseas for commerce and culture. Contacts through the years were particularly strong with the low countries, France, the Hanseatic league, the German nations and so many more. Sadly, most of those relationships came to an end following the treaty of union in 1707, with the consequent narrowing of our horizons to focus on the rest of the UK and its empire.

In more modern times, we have again taken up our natural instinct to reach out, to our neighbours and further afield, to establish new and revitalised trading links around the globe, particularly with Europe. In the face of a seemingly inevitable Brexit, which will seriously damage the strong links

that have been established with Europe, I welcome the Scottish Government focusing on growing our exports and seeking to maintain and nurture our businesses as a trading nation.

Boosting Scotland's export performance is important. It is important to Scotland's economy, encouraging jobs to be created and growing GDP, both of which will lead to increased resources so that public services can be improved and we can make Scotland an even more attractive place to live in and trade with.

It has been a decade since the beginning of the financial crash and the subsequent great recession. It has also been a decade since the introduction of the Scottish Government's national performance framework, which measures performance and progress on the Scottish Government's economic priorities.

The time is right to review and refresh. It is vital that Scotland remains a good place in which to do business and I welcome the Scottish Government initiative to ensure that the Scottish business environment enables businesses to achieve their potential. It is an unfortunate reality that in Scotland businesses are more often being acquired than scaled up. If the money is reinvested back into the Scottish economy, that can be beneficial, but it can also result in the loss of entrepreneurial role models and experienced people to manage larger-scale businesses based in Scotland.

Targeted employee-ownership policies and incentives might help to keep business ownership in Scotland. Other policies could provide the anchoring effect that is needed to embed businesses in Scotland, including ensuring that there is adequate investment from not just the Government but other sources. We need more large businesses based in Scotland to support those coming through the pipeline.

I welcome the Scottish Government's economic action plan, which states that, to improve the ability of Scotland's businesses to export, we will build on the recommendations of the enterprise and skills strategic board to set out a range of detailed actions in "A Trading Nation". The 10-year plan for growing Scotland's exports to achieve 25 per cent of GDP is ambitious, as all Scottish Government plans should be. I welcome the £20 million of new investment over the next three years to achieve that. I welcome investing £2 million over three years in intensive support for 50 high-export-growth businesses per year to ramp up overseas ambitions activity; creating 100 new business-to-business peer mentorships per year for new exporters; expanding the network of in-market sector specialists working in overseas markets to identify untapped potential and connect Scottish businesses to exploit that; and increasing

export finance support for Scottish companies looking to enter new markets.

Last week, the cross-party group in the Scottish Parliament on Germany had Dr Ulrich Hoppe, director general of the German-British Chamber of Industry and Commerce, as a guest speaker. He spoke about the importance of imports and exports between the UK and Germany and the specific importance of trade relationships with Scotland. During his presentation, Dr Hoppe quoted national statistics and said that 10 per cent of Scottish exports are sent to Germany, which represents our third highest non-UK exports; the only countries above Germany in that regard are the Netherlands, with 15 per cent, and the USA, with 12 per cent. Dr Hoppe was clear that Scotland is highly valued in Germany and across Europe as a great place to trade with and said that, despite the never-ending Brexit debacle, Scotland continues to be valued across those countries. We should welcome and build on that.

The Scottish Government needs to do all that it can to boost the Scottish economy, and exports are very much key to that. Again, I welcome the Scottish Government's initiative.

The Deputy Presiding Officer: We now move to the closing speeches. The first speaker is Patrick Harvie—for four minutes, please.

16:37

Patrick Harvie: Rhoda Grant said kindly that she sympathised with almost all of the Green amendment. I reciprocate that, because that is how I feel about the Labour amendment. It raises some important issues, such as the threat of takeover, which can increase the risk of tax avoidance, and the loss of intellectual property. Those are important concerns to raise. However, such challenges can be addressed successfully only through international co-operation, such as EU membership. I hope that the Labour Party would agree with that view. The Labour amendment also endorses, however, the Scottish Government's targets, with which I continue to have a problem.

As for the Tory amendment, the Conservative Party continues to raise the currency issue with its own particular kind of constitutional obsession. Mr Lockhart reminded me of the meme of the little dog with the coffee cup. He finds uncertainty from pursuing independence intolerable, but as the flames of Brexit uncertainty lick around him, he says, "This is fine." What is implicit in what Mr Lockhart says and in his amendment is that he thinks that it is impossible to have easy trading arrangements and open borders between, for example, Sweden and Norway or Ireland and Northern Ireland—which would be inside and

outside the European Union in a post-Brexit scenario—with different currencies. However, countries around the world, including those in the continent of Europe, solve those problems on a daily basis. The status quo proves that the problems that Mr Lockhart is concerned about are not real.

Dean Lockhart: An independent currency would require a new Scottish central bank with reserves of up to, say, £50 billion. How would Mr Harvie fund that? Would it be from public funding?

Patrick Harvie: When we have a full debate on independence, I will have plenty of time to address that, but I will stick just now with the debate that we are having today.

The pro-independence movement is explicitly internationalist. Brexit supporters—and, increasingly, the Tory party—are clearly economic nationalists. They should abandon their Brexit obsession and engage positively with ideas about how to modernise and change the UK, if they want to save it.

The Labour and Conservative amendments and the Scottish Government's strategy do not engage with the existential threats that humanity is facing, which are threats that we have brought about by the way in which we run the global economy. Government action needs to be taken in response to those threats, domestically and multilaterally through international co-operation, not through free markets. In short, whatever people see as the benefits from trade and from increasing GDP, there will be no jobs on a dead planet. The debate must engage with that.

There is an alternative. I emphasise that the Green approach is not anti-trade; it is possible to have a fair, just and sustainable approach to trade. Such an approach would involve protecting our high-quality food and drink from the free-market race to the bottom on standards; supporting renewable energy instead of the lethal fossil fuel industry that is still too dominant in our economy; and making best use of the digital and creative industries and, indeed, our education system. However, if we are to achieve that fair, sustainable and just alternative, we must be focused not just on "How much?", but on "How?", "What?", "Who?" and the impact on people's lives. In short, we must commit in a way that, I am sorry to say, the Scottish Government's trade strategy does not to the principles of trade justice that the Parliament has previously endorsed. I am afraid that those principles are missing from the Government's strategy.

16:41

James Kelly (Glasgow) (Lab): It has been quite an interesting debate, in which we have had

a number of good contributions from across the chamber. Although there has not been consensus in some areas, some stimulating points have been made.

It is right that the Government has developed "A Trading Nation" in an attempt to meet the export challenges that exist. As Jackie Baillie pointed out, the 50 per cent target that the Government set, which was based on 2010 figures, has not been reached; the figure is only 35 per cent. Therefore, the Government needs to look at how to address the shortcomings in its current export strategy. Maureen Watt made the good point that a lot of the strategy is based on a small number of firms. If we are to improve performance, a wider range of firms needs to export.

We also need to be wary of the type of arrangements that we get into. Patrick Harvie made many relevant points about trade justice, and Rhoda Grant pointed out that a lot of jobs in the economy are still woefully underpaid—nearly 500,000 people are not paid the living wage. The strategy needs to take account of those issues.

Digital issues were discussed by Dean Lockhart, Emma Harper and Willie Coffey. That is an important area. Dean Lockhart was right to point out how important it is to embed digital in businesses that are looking to export.

Willie Coffey: Could you clarify Labour's position on the digital single market? Is Labour in favour of staying in the digital single market, which is worth €400 billion, or is it in favour of coming out of it, as the Tories propose?

The Deputy Presiding Officer: Members should not have private conversations; they should always conduct exchanges through me. I also ask that full names be used.

James Kelly: Sure, Presiding Officer.

The points that Willie Coffey made about the digital single market are valid and should be taken on board by all parties in the Parliament. In addressing the issue of the skills gap, he mentioned that 12,500 IT places require to be filled and that we are producing enough skilled people to fill only 5,000 of those. That is an astonishing figure. I did some research on the issue ahead of the debate. The problem goes back to the take-up of computing science in schools. Between 2007 and 2017, the number of pupils who studied computing science dropped from 4,496 to 4,091, at a time when technology continued to expand. That correlates with a reduction in the number of teachers of the subject from 766 to 595.

I am sure that when he winds up the debate, the minister will talk up what the Scottish Government is doing on digital, but it faces a big challenge that

runs all the way through schools, colleges and universities into industry.

A number of members have covered the dangers of Brexit, and Willie Rennie and Joan McAlpine made very good points about the customs union. However, we frequently hear speeches warning about the dangers of Brexit, the collapse of trading arrangements and the impact that that will have on the economy; we also heard earlier from the finance secretary that there will be £1 billion black hole in the Scottish budget up to 2023, and he attributed a lot of that to Brexit. People cannot make all those statements and submit all that evidence then propose having a second independence referendum while ignoring the fact that 60 per cent of our trade is with the rest of the UK. That is almost turning a blind eye to reality.

At a time when we need to deal with export issues, the wider issues in the economy and the crisis in public services, the Government wants to embark on the vanity project of the Referendums (Scotland) Bill and waste Parliament's time and public money on a diversion, rather than focus on those real issues that affect people in local communities and businesses. Let us deal with the issues that we were sent to the Parliament to address.

The Deputy Presiding Officer: I call Jamie Halcro Johnston. You have six minutes.

16:46

Jamie Halcro Johnston (Highlands and Islands) (Con): Trade is a vital component of any globalised economy. Our future economic success will depend in some considerable measure on our ability to export; it will also depend on our ability to import and attract foreign direct investment to Scotland.

Scotland's volume of trade has unfortunately lagged behind as a proportion of our GDP. Although there has been growth in recent years, the picture has not been uniformly positive—our export figures fell backwards in 2014 and 2016. When looked at in real terms, even our positive export growth begins to look a little anaemic. It is important that growth not only continues consistently but accelerates.

We have many success stories. Many Scottish exports are well known in every corner of the world. In my region, we have some of the finest food and drink producers in the world: Baxters, Walkers Shortbread and enough distilleries to keep the world in drams in Moray. We also have meat from Orkney and seafood from Shetland.

Although trade in goods is perhaps the most obvious form of exporting, in recent decades, we

have seen a huge shift in the types of exports that we trade in, with growth in the services sector racing ahead of goods and manufacturing. A successful strategy must look towards emerging markets for both. Getting the basics right is essential.

In our island communities, such as Orkney, Shetland and the Western Isles in my region, there is a clear need for comprehensive future planning for freight. Overseas trade will seem a distant hope if fish that is landed on islands, or other produce, is left waiting on the quayside at local ports because of a lack of capacity to get it even to the Scottish mainland.

Our road connections are, in many places, poor. After far too many years of campaigning, the A9 dualling is taking place, but at a slow pace, while the dualling of the A96 remains in its planning phase. Problems remain with our air links both to other parts of the UK and to the wider world. Even from a passenger perspective, they are expensive and can be unreliable, whether that is because of weather, technical issues or industrial disputes.

In addition to the necessary infrastructure, the foundations must be in place to operate in a global market for services. Despite the future economy being powered by digital connectivity, the Highlands and Islands continue to be left behind on broadband roll-out, with some of the worst services in Scotland.

Unless exporting becomes a reality for all Scotland's regions, we will be held back. It is not for want of promises or ambitious targets that we find ourselves in that position. In 2011, "The Government Economic Strategy" was published. Its headline target was missed by a wide margin. "A Trading Nation" reasonably identifies a number of sectors where we can make gains and prioritise target markets. It would be useful to understand from the minister whether the Government's trade resources are being focused appropriately on those areas.

Particular priority should be given to high-value exports and productivity gains should be considered. Government, working with business, can and should make a real difference. One measure that we can take is to ensure close alignment on trade policy with the UK Government, which has unrivalled international networks and reach.

I welcome some of the intergovernmental activity that has taken place, but it must bring results. In March this year, the House of Commons Scottish Affairs Committee published its report "Scotland, Trade and Brexit", which welcomed the moves towards a truly UK-wide trade policy, recognised the need for formalised trade discussion through the joint ministerial

committee and outlined how future trade agreements could involve the devolved Administrations. A team UK approach, with the devolved Governments working with the UK Government rather than separately, would be a significant positive for Scottish business. However, as the Scottish Affairs Committee said, that will require good will and trust from both sides. Complementing rather than duplicating must be the way forward in the international arena.

Those points are extremely important, but none of them should blind us to the fact that, as Jackie Baillie highlighted, Scotland's biggest trading partner, with which it trades more than with the rest of the world put together, is the rest of the United Kingdom. That is unsurprising. The closeness of our internal domestic market makes the sale of goods and services straightforward. Our common legal structures and political institutions drive frictionless trade across these islands.

The end result is an arrangement that supports hundreds of thousands of jobs here in Scotland. Although bodies such as Scottish Development International focus their efforts internationally, we can do much more to build up markets for Scottish goods and services in the rest of the UK, as Dean Lockhart highlighted. However, the SNP's position on another independence referendum, which we heard about yesterday, puts those vital links at risks.

We should recognise that only a small minority of businesses export, with the CBI identifying the figure at around 8 per cent. That has been acknowledged for some time. The Economy, Jobs and Fair Work Committee's report on internationalisation of Scotland's businesses was released several years ago, yet little progress has been made to expand that base. Given our increased reliance on small and medium-sized businesses, where appropriate, we should actively support even our smallest firms to export and to find and harness opportunities across the globe.

I do not have time to talk about all the positive contributions that have been made across the chamber. My colleague Dean Lockhart started by noting some stark facts, among them that half of Scotland's exports come from a small number of businesses. He pointed out that, given the major growth potential of economies outside Europe, we need to seize trading opportunities in fast-growing markets. He outlined a number of sensible proposals that are aimed at boosting trade and building on the partnerships and links that we have as part of the UK to give Scotland a modern global reach. He also talked about the SNP's recent push to break up the United Kingdom and how the uncertainty that that creates over currency would have a devastating impact on Scotland's position

globally, which Willie Rennie and others also highlighted.

Gordon Lindhurst noted—

The Deputy Presiding Officer: You must close, please.

Jamie Halcro Johnston: Sorry. I thought that I had seven minutes to speak.

The Deputy Presiding Officer: No.

Jamie Halcro Johnston: Okay.

Trade is an important component of our future economic development, and there is a real imperative to grow and to create an environment in which our trade links with the world can flourish. We have to start by looking locally and considering what the barriers are for businesses in expanding and what prevents them from reaching other markets.

The Deputy Presiding Officer: You must close, please.

Jamie Halcro Johnston: Both of Scotland's Governments must work together and they both must deliver for Scotland's businesses.

16:53

Ivan McKee: It has been an interesting debate with a few positive contributions and some from members who clearly have not read the report or understood what it says. I will touch on some of the speeches before I go into more detail on the Opposition amendments.

Willie Coffey raised the issue of digital services and skills, which is hugely important and is recognised in the report. He also pushed Ayrshire, as well he should.

Emma Harper invited me to visit local businesses in her area. I would be delighted to take up that offer, as I would any other member's similar offer about businesses that they want me to meet and engage with.

Tom Mason gave constructive input on the importance of the energy sector and talked about some ideas that we can perhaps engage on.

I turn to the Opposition amendments. To be fair, there is much to agree with in the Green amendment, but the problem that we have with it is that it would delete everything in the motion and say that the work that has been done on the report is not worth anything, which is absolutely not the case, because the report gives a substantial foundation for our actions.

On the point about going beyond GDP, Patrick Harvie is or should be aware that the Scottish Government is very much engaged in wellbeing

economy discussions with other countries—
[*Interruption.*]

The Deputy Presiding Officer: Excuse me, minister. There are an awful lot of conversations going on, which I am sure are very interesting, but I ask members to keep them until after decision time, please.

Ivan McKee: Those other countries include Iceland, New Zealand, Slovenia and Korea. We are engaged in considering what other measures there are beyond GDP. That is on the radar, but the problem is that my request to the member to propose an alternative measure revealed that there are none. I will make one offer. Patrick Harvie will understand, if he has read the report, that there is a section about evaluation frameworks. We are putting in some significant work on that and I am quite happy to engage with the member if he can come forward with some hard measures that we can include in addition to those that we have already proposed.

I am a bit disappointed that the member did not engage on the subject of sectors during the debate, because Scotland has a significant advantage in relation to developing low-carbon and renewables technologies and exporting them internationally. That is a key part of our export strategy.

The member is right that the Parliament voted for fair trade principles and being a Fair Trade nation. Our programme for government covers that. Scotland is a Fair Trade nation and we can all be proud of that.

The Labour amendment mainly focused on foreign direct investment and I should let Rhoda Grant know that, in the next few months, a piece of work on FDI will come along that will go into a lot more detail about our strategy. However, it is fair to say that it is important to recognise that FDI is not just about investment; it is also about bringing in talent, people and technology, and access to international markets. I know of several examples of businesses in Scotland, including some from my constituency, that have been bought internationally, which has allowed them to thrive and prosper. It is very much a mixed picture.

Willie Rennie's point about anchoring businesses is hugely important. We need to have those businesses and sectors anchored here and our strategy is increasingly focused on building on the expertise that we have in our academic institutions, the skills and technology and the natural resources that we enjoy in Scotland to ensure that we have sectors that have stickability within our economy.

The Labour amendment calls for us to talk to businesses; I can let Rhoda Grant know that I have spoken to more than 100 businesses in

Scotland in the past 11 months about export and I will continue to do so. We have engaged with more than 50 sector and other organisations in putting together the export plan, so I have not been slacking on that front.

I want to cover a few of the points that Dean Lockhart raised. I am a bit disappointed; Dean Lockhart should have a better understanding of what this is all about and should have read through the analysis that is in the paper. He talked about priority countries in a reflex reaction of Europe bad and emerging good, without understanding or acknowledging the huge amount of work that has gone into the evidence base to analyse the 15 drivers of where economic growth will come from in terms of Scotland's exports. I recommend that Dean Lockhart reads the methodology paper and if he has any comments on how those 15 indicators are balanced or anything about the maths that is in there, he must please come and talk to us. Otherwise, he must please stop just throwing up soundbites about Europe bad, emerging good.

Dean Lockhart: The minister talks about the new export strategy as if he is part of a new, incoming Administration. In reality, his Government has been in power for 12 years and has missed every one of its own economic targets, including on exports. Can he explain what has gone wrong over the past 12 years?

Ivan McKee: I refer to the point that I made earlier. We understand that we have challenges and that we did not hit the 50 per cent target. We should also recognise—as I have told the member three times already this afternoon—that Scotland's exports over the past 10 years have grown by an annual rate of 4.7 per cent, which is higher than the UK average of 4.3 per cent over that time. We have work to do, but we are doing better than any other part of the UK.

Emma Harper has already put Dean Lockhart right on the point about digital support, which is thoroughly covered in section 6.4 of the plan. He talks about us not having any actions, but there are more than 100 individual actions in this export plan that I will be tracking in the weeks and months ahead to make sure that we hit those targets, so please do not accuse us of not having a clear action plan on this—it is very clear and thorough in what it covers.

I will quickly touch on a few business quotes. The CBI says:

“the data-driven approach to identifying priority sectors and markets is hugely welcome and we also endorse efforts to simplify the exporting landscape”.

The Fraser of Allander institute says that it is
“an excellent piece of evidence based policy making”.

ScotlandIS says:

"We very much welcome this ambitious plan to grow Scotland's exports."

and the Chambers of Commerce says:

"We welcome the Scottish Government's export growth plan. It is a key enabler in boosting Scotland's export potential and enhancing Scotland's profile on the international stage."

All those organisations recognise the work that has gone into this plan and its importance in driving forward Scotland's export performance.

I do not have time to touch on all our wonderful sectors. Several have been mentioned already, including food and drink. We have our world-beating whisky sector and our food sector is going from strength to strength. There are key strengths in the energy sector, particularly around the transition to low carbon, and in our renewables sector we are genuinely world class. With life sciences and drug discovery, precision medicine and others we are again genuinely world class. Fintech, digital tech and media have already been mentioned.

There is a fabulous space sector that is looking forward to taking a big slice of that world market. In other areas such as quantum technology and nanotechnology, Scotland is genuinely world class, and has huge export opportunities in those markets.

Through the course of my job, I have the pleasure of visiting international markets on Scotland's behalf. I have made 11 such trips over the last 11 months, and in every market that I go to, Scotland is held in high regard for our skills, technology and products. Countries recognise those and want to trade with us. Almost all those countries in Europe are doing better than we are, however. They are countries of a similar size, with fewer resources and with academic institutions that are not as developed as ours. As Willie Coffey pointed out earlier when he talked about the Irish experience, it is about our ambition. It is about Scotland being strong enough to stand on our own two feet and take full control of our economy, because the difference between us and those countries that are doing so much better is one thing and one thing only: they are independent. They are normal, independent countries that have full control over their economies and economic levers. That is where Scotland is going and that is what will drive our economy forward in the long term.

The Presiding Officer (Ken Macintosh):
Thank you very much. That concludes this afternoon's debate on a trading nation.

Point of Order

17:00

The Presiding Officer (Ken Macintosh):
Before we turn to decision time, I want to address the point of order that was raised by Murdo Fraser earlier, about publication of forecasting information. The provision of such information is a matter that is not dealt with in standing orders. Therefore, it is not a matter for the Presiding Officer.

The timing of provision of such information is set out in a protocol between the Scottish Government and the Scottish Fiscal Commission. The protocol sets out that the commission report will be published on the commission's website after the cabinet secretary has delivered his statement, and laid before Parliament on the day of publication. Mr Fraser might wish to raise his concerns with the Government on his point; I recognise that if he wishes to do so, there will be an opportunity for that at forthcoming meetings of the Finance and Constitution Committee. I thank Mr Fraser for raising the point of order.

Decision Time

17:01

The Presiding Officer (Ken Macintosh): There are four questions to be put. The first question is, that amendment S5M-17436.2, in the name of Dean Lockhart, which seeks to amend motion S5M-17436, in the name of Ivan McKee, on a trading nation, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (Con)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Corry, Maurice (West Scotland) (Con)
 Davidson, Ruth (Edinburgh Central) (Con)
 Fee, Mary (West Scotland) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Mason, Tom (North East Scotland) (Con)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Rennie, Willie (North East Fife) (LD)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Elaine (Central Scotland) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 Tomkins, Adam (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)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 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)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 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)
 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)
 Johnstone, Alison (Lothian) (Green)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 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)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 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)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division is: For 51, Against 65, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S5M-17436.1, in the name of Rhoda Grant, which seeks to amend motion S5M-17436, in the name of Ivan McKee, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (Con)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Corry, Maurice (West Scotland) (Con)
 Davidson, Ruth (Edinburgh Central) (Con)
 Fee, Mary (West Scotland) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Mason, Tom (North East Scotland) (Con)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Rennie, Willie (North East Fife) (LD)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Elaine (Central Scotland) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 Tomkins, Adam (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)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 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)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 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)
 Harper, Emma (South Scotland) (SNP)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 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)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 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)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Abstentions

Finnie, John (Highlands and Islands) (Green)
 Greer, Ross (West Scotland) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Wightman, Andy (Lothian) (Green)

The Presiding Officer: The result of the division is: For 51, Against 59, Abstentions 6.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S5M-17436.3, in the name of Patrick Harvie, which seeks to amend motion S5M-17436, in the name of Ivan McKee, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Finnie, John (Highlands and Islands) (Green)
 Greer, Ross (West Scotland) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)
 Rennie, Willie (North East Fife) (LD)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Scott, Tavish (Shetland Islands) (LD)
 Wightman, Andy (Lothian) (Green)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Cameron, Donald (Highlands and Islands) (Con)
 Campbell, Aileen (Clydesdale) (SNP)
 Carlaw, Jackson (Eastwood) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Corry, Maurice (West Scotland) (Con)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Davidson, Ruth (Edinburgh Central) (Con)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Golden, Maurice (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Greene, Jamie (West Scotland) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harris, Alison (Central Scotland) (Con)
 Haughey, Clare (Rutherglen) (SNP)

Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Kerr, Liam (North East Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lindhurst, Gordon (Lothian) (Con)
 Lochhead, Richard (Moray) (SNP)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 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)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Mason, Tom (North East Scotland) (Con)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, John (Ayr) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Tomkins, Adam (Glasgow) (Con)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Whittle, Brian (South Scotland) (Con)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Abstentions

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Lamont, Johann (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 McNeill, Pauline (Glasgow) (Lab)
 Sarwar, Anas (Glasgow) (Lab)
 Smith, Elaine (Central Scotland) (Lab)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 10, Against 87, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The final question is, that motion SM5-17436, in the name of Ivan McKee, on a trading nation, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumarton) (Lab)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Lamont, Johann (Glasgow) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Matheson, Michael (Falkirk West) (SNP)
 Mitchell, Margaret (Central Scotland) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Elaine (Central Scotland) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Gray, Iain (East Lothian) (Lab)
 Kelly, James (Glasgow) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Adam, George (Paisley) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Rennie, Willie (North East Fife) (LD)
 Torrance, David (Kirkcaldy) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)

Fee, Mary (West Scotland) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Yousaf, Humza (Glasgow Pollok) (SNP)
 Davidson, Ruth (Edinburgh Central) (Con)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Haughey, Clare (Rutherglen) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Mundell, Oliver (Dumfriesshire) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Arthur, Tom (Renfrewshire South) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Briggs, Miles (Lothian) (Con)
 Lindhurst, Gordon (Lothian) (Con)
 Balfour, Jeremy (Lothian) (Con)
 Sarwar, Anas (Glasgow) (Lab)
 Tomkins, Adam (Glasgow) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Greene, Jamie (West Scotland) (Con)
 Golden, Maurice (West Scotland) (Con)
 Corry, Maurice (West Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Todd, Maree (Highlands and Islands) (SNP)
 Kerr, Liam (North East Scotland) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Harper, Emma (South Scotland) (SNP)
 Smyth, Colin (South Scotland) (Lab)
 Whittle, Brian (South Scotland) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Simpson, Graham (Central Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 McNeill, Pauline (Glasgow) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Bowman, Bill (North East Scotland) (Con)
 Ballantyne, Michelle (South Scotland) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Mason, Tom (North East Scotland) (Con)

Against

Harvie, Patrick (Glasgow) (Green)
 Finnie, John (Highlands and Islands) (Green)
 Johnstone, Alison (Lothian) (Green)
 Wightman, Andy (Lothian) (Green)
 Greer, Ross (West Scotland) (Green)
 Ruskell, Mark (Mid Scotland and Fife) (Green)

The Presiding Officer: The result of the division is: For 110, Against 6, Abstentions 0.

Motion agreed to,

That the Parliament recognises the pressing need to boost Scotland's export performance to build greater resilience in the economy, grow GDP, create jobs and

increase the tax collected by the Scottish Government, allowing public services to be further improved as well as enhancing the innovation, productivity and profitability of individual exporting businesses; welcomes the recent publication of *A Trading Nation*, backed by an additional £20 million investment over three years, and agrees that the plan sets out the evidence and the key actions needed to put Scotland on a path to grow its exports in real terms, and recognises that achieving the target of 25% of Scotland's GDP from international exports will not be easy and will require continued assessment of the effectiveness of actions in the plan, as well as regular refreshes to remain responsive to changes in patterns of global trade and feedback from Scottish-based businesses.

Meeting closed at 17:06.

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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