

SNP'S low growth Scotland has cost £1300 per household

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New analysis by the Scottish Conservatives has shown that the SNP's failure to boost growth has cost the equivalent of £1300 per household.

The data is published today ahead of the stage one budget debate at Holyrood this week – when the Scottish Conservatives will oppose the SNP's damaging plans to tax families and firms more than elsewhere in the United Kingdom.

The analysis reveals that, had Scottish growth matched UK figures since 2007, our gross domestic product would have been £3.1 billion higher over the last ten years.

It equates to £1,291 per Scottish household.

The Scottish Conservatives will this week call on the SNP to ditch its plans to use new powers to turn Scotland into the highest taxed part of the UK – saying this will only cut growth even more in Scotland, leaving us all worse off.

Scottish Conservative shadow finance secretary Murdo Fraser said:

“This week's budget should prioritise growth, by setting competitive taxes that help support jobs and the economy.

“Instead we have an SNP Government which is going to cut growth even further, by turning Scotland into the highest taxed part of the UK.

“The consequence of the SNP's low growth Scotland is laid bare in our figures. If we had matched UK growth over the last ten years, Scotland would have earned an extra £3bn – the equivalent of £1300 per household.

“The SNP now wants make this even worse. By increasing taxes, their plans will act as a ball and chain on growth, leaving us all poorer.

“Unless the SNP signal they are re-thinking their tax plans, we will be voting against this anti-jobs Budget this week.

“If the Budget falls as a result, that will be the Nationalists' own fault. Instead of using our new powers to set a course, they have been caught in the headlights.

“Time is now running out and they need to make up their mind. Are they for jobs and growth or against them?

“The Scottish Conservatives have a plan to grow Scotland: it is time the SNP listened.”

The SNP Government has been in charge of the Scottish economy for a decade; yet, Scotland continues to lag behind the UK on a range of economic indicators.

The Scottish Conservatives believe in creating a prosperous, growing economy that works for everyone by investing in education, skills, and creating a thriving business environment to attract investment, not just internationally but also by encouraging domestic businesses to grow.

We believe the SNP’s obsession with the constitution has led to the Government taking its eye off the ball and focusing its resources away from the real policy areas that matter. As a result, Scotland has lacked a coherent and ambitious economic strategy for a decade.

This paper sets out the loss to the Scottish economy, in terms of lost GDP, of consistent SNP inaction.

Methodology

The Scottish Government publishes estimates of GDP growth along with comparable figures for the UK. They also publish monetary values for GDP in its quarterly national accounts. We use the latest available data in both cases. For the 2016 figures, we take Scottish annual growth forecasts from the Fraser of Allander Institute and UK annual growth forecasts for the UK (*Scottish Government, GDP 2016 Q3, 17 January 2017, [link](#); Scottish Government, Quarterly National Accounts, 2016 Q2, Tab B, [link](#); Fraser of Allander Institute, Economic Commentary, Volume 40, No 3, December 2016, [link](#)*).

We take the 2007 figure for nominal GDP and apply the real growth rates for both Scotland and the UK to give a comparison of the actual path of GDP and the theoretical path, had Scottish economic performance matched UK economic performance. These two different paths are set out in the table below.

We then calculate the different between the actual level of GDP and the level if the Scottish economy had mirrored the UK, and divide this by the number of households to provide an estimate of the lost GDP per household – i.e. the extent to which each household is poorer as a result of the SNP’s failings on the economy.

Estimates for the number of households in Scotland are taken from the National Records of Scotland (*National Records of Scotland, Estimates of Households and Dwellings in Scotland 2015, 8 June 2016, [link](#)*).

	Scottish GDP Growth	UK GDP Growth	Scottish GDP – actual, billion	Scottish GDP – if mirror UK, billion
2007	0.6%	2.6%	£145.0	£145.0
2008	-0.3%	-0.6%	£144.5	£144.1
2009	-2.3%	-4.4%	£141.2	£137.8
2010	0.3%	1.9%	£141.6	£140.4
2011	1.1%	1.6%	£143.1	£142.7
2012	0.0%	1.2%	£143.1	£144.4
2013	2.3%	1.9%	£146.3	£147.2
2014	2.7%	3.1%	£150.2	£151.8
2015	2.1%	2.1%	£153.4	£155.0
2016	1.0%	2.0%	£155.0	£158.1
Difference	□	□	□	£3.1 billion
Number of households	□	□	□	2.4 million
Lost GDP per household	□	□	□	£1,291.93