



T: 0300 244 4000

E: scottish.ministers@gov.scot

Joan McAlpine, MSP
Convener, Culture, Tourism, Europe and External
Relations Committee
Scottish Parliament
Holyrood
Edinburgh

EH99 1SP

22 December 2016

Dear Joan,

Thank you for providing the Scottish Government with a copy of your Committee's Initial Evidence report on "The EU referendum result and its implications for Scotland". I apologise for the delay in responding.

I would like to commend the Committee for the breadth and depth of work they have done in the relatively short time since the referendum. The initial evidence report provides a helpful summary of the key issues raised and likely to arise during consideration of the implications of the referendum result.

The Committee identified the legal and political difficulties around the triggering of Article 50. Evidence from the Cabinet Secretary for Culture, Tourism and External Affairs highlighted the challenges the United Kingdom government will face in trying to negotiate with 27 other Member States, especially since several of these states will have national elections during the negotiating process. Sir David Edwards' evidence mentioned the constitutional complexities of triggering Article 50 and touched upon the need to define a role for Parliament in the process.

I was impressed by the balanced analysis of economic evidence from the Fraser of Allander Institute contained in the report. The evidence clearly suggests that leaving the Single Market will have a detrimental impact on Scotland's economy, with the potential consequences being estimated at a £11.2 billion reduction in GDP per year by 2030. These findings support the Government's position that retaining full participation in the Single Market in any future UK-EU relationship is vital to protect Scotland's interests.


Indeed, as the report explains, Scotland faces the potential for further economic hardship because of the ambiguity around EU funding. EU funding streams support Scotland's agriculture, higher education, research, regional development, and climate change sectors and it was clear from the report that securing EU funding is a priority for many stakeholders. The report also makes it clear that the benefits of EU membership are not solely economic and the real threat to employment rights was highlighted in Stephen Boyd's comments.

Taken together with the helpful debates conducted in Parliament and the work of the Scottish Parliament Information Centre in compiling the weekly "Brexit Update", there is now a wealth of information available about the issues we face.

Since the publication of your report, I have updated the Committee on the work of the Scottish Government since the EU referendum. On 26 October, I made a statement to Parliament providing a further update on actions following the outcome of the European Union referendum. Also, as you are aware, the First Minister has indicated that the Scottish Government will, in the coming weeks, set out a proposition for protecting Scotland's place in Europe. The Scottish Government will seek to make this plan a key element of the UK's negotiations. Given this forthcoming publication, I do not propose to comment further on the initial evidence report, however, I look forward to having an opportunity to discuss the proposition with the Committee following its launch.

Thank you again for sharing this report and I look forward to the next publication.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Russell', written over a horizontal line.

MICHAEL RUSSELL