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Tuesday 31 May 2016

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Tuesday 31 May 2016

CONTENTS

	Col.
TIME FOR REFLECTION	1
COMMON AGRICULTURAL POLICY PAYMENTS	3
<i>Statement—[Fergus Ewing].</i>	
The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing)	3
TAKING SCOTLAND FORWARD: ECONOMY	15
<i>Motion moved—[Keith Brown].</i>	
<i>Amendment moved—[Murdo Fraser].</i>	
<i>Amendment moved—[Jackie Baillie].</i>	
<i>Amendment moved—[Willie Rennie].</i>	
The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown)	15
Murdo Fraser (Mid Scotland and Fife) (Con)	22
Jackie Baillie (Dumbarton) (Lab)	26
Willie Rennie (North East Fife) (LD)	29
John Mason (Glasgow Shettleston) (SNP)	32
Alison Harris (Central Scotland) (Con)	34
Kate Forbes (Skye, Lochaber and Badenoch) (SNP)	36
Colin Smyth (South Scotland) (Lab)	38
Stuart McMillan (Greenock and Inverclyde) (SNP)	40
Jamie Greene (West Scotland) (Con)	43
Ruth Maguire (Cunninghame South) (SNP)	45
Rhoda Grant (Highlands and Islands) (Lab)	47
Tom Arthur (Renfrewshire South) (SNP)	49
Rachael Hamilton (South Scotland) (Con)	51
Joan McAlpine (South Scotland) (SNP)	53
John Finnie (Highlands and Islands) (Green)	55
Ivan McKee (Glasgow Provan) (SNP)	56
Willie Rennie	58
Richard Leonard (Central Scotland) (Lab)	60
Dean Lockhart (Mid Scotland and Fife) (Con)	63
The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing)	65
BUSINESS MOTION	68
<i>Motion moved—[Joe FitzPatrick]—and agreed to.</i>	
DECISION TIME	69

Scottish Parliament

Tuesday 31 May 2016

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

Time for Reflection

The Presiding Officer (Ken Macintosh): Our first item of business is time for reflection, for which our leader is the Rev Neil Gardner, minister of Canongate kirk in Edinburgh.

The Rev Neil Gardner (Canongate Kirk, Edinburgh): As minister of Canongate kirk, I take the opportunity of this first time for reflection of the new session of the Scottish Parliament not only to congratulate you on your election but to welcome you to the parish.

Canongate is also the parish church for the Palace of Holyroodhouse and Edinburgh castle. With our role as Edinburgh's military church in mind, I will focus briefly, and probably inevitably, on the centenary of the battle of Jutland, which began exactly 100 years ago today and ended 100 years ago tomorrow. It was the largest naval action of the first world war and it remains something of a controversial battle, in that both sides claimed a victory of sorts.

The Royal Navy's grand fleet, under the command of Admiral Sir John Jellicoe and based largely in Scottish waters, lost more than 6,000 sailors and 14 ships out of a total of 60,000 sailors and 151 ships, while the imperial German high sea fleet lost 2,500 men and 11 ships out of a total of 45,000 sailors and 99 ships. The comparative losses meant that the Germans claimed victory, but the blockade that they had been trying to break remained in place for the rest of the war, and British domination of the North Sea remained secure.

As is so often the case, when the fog and confusion of battle had lifted, questions were asked about some of the decisions that were taken by those in command on both sides, but the bravery of certain individuals who lost their lives on 31 May and 1 June 1916 has always been beyond doubt. They included men such as Francis Harvey of the Royal Marine Light Infantry, who prevented a magazine from igniting and blowing up an entire ship, and boys such as John Travers Cornwell—the 16-year-old who famously remained at his post while seriously injured and who died in hospital before his mother could reach his bedside. Both those men were posthumously awarded the Victoria cross. It is their valour, and the service and sacrifice of so many like them, to

which we should surely devote time for reflection today and tomorrow.

Common Agricultural Policy Payments

The Presiding Officer (Ken Macintosh): The next item of business is a statement by Fergus Ewing on common agricultural policy payments. The cabinet secretary will take questions at the end of his statement, so there should be no interventions or interruptions.

14:03

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): First, I pay tribute to my predecessor, Richard Lochhead. For nine years, he served rural Scotland as its champion. He worked tirelessly to promote our high-quality food and drink and to stand up for Scotland's interests in fishing and farming here, in London and in Brussels. I and the whole chamber wish him and his family well. *[Applause.]*

I say at the outset that, among the farming and crofting communities and businesses in Scotland, the common agricultural policy payment scheme has caused anger, frustration, hardship and cost. As I have for 17 years represented a constituency with vital farming and crofting interests, I am very well aware of that. On behalf of the Scottish Government, I address three simple words to all farmers and crofters who have suffered as a result: we are sorry. Let me follow that up with four further words: we are fixing it.

Progress has been made, and I can now say that most farmers and crofters should have received most of their due payment. By the end of April past, all eligible farmers should have received a substantial payment from the Government unless they chose to opt out of the nationally funded loan scheme. That payment will have been worth around 80 per cent of their estimated entitlement.

We recognised the industry's need for cash flow. We did not meet our targets, and we accepted that that created problems for businesses. We were determined to get cash out to farmers and crofters, and for that reason we put the nationally funded loan scheme in place. However, if any member's constituents believe that they are eligible for the basic payment scheme and have not received a payment, they should contact their area office, and we shall establish what the position is with their claim.

We paid out more than 5,000 national BPS loans in April, which were worth more than £90 million. More than 40 per cent of those have been repaid already as the main European Union-funded payments have been processed, and at present we have made main EU-funded basic and

greening payments to more than 15,000 businesses—more than 84 per cent of eligible farmers and crofters. The payments made total almost £200 million. Those farmers will be due further payments when we have finalised their entitlements, which are worth around £50 million. A further 3,000-plus farmers and crofters who have already been offered national loans need to receive their main payments, which total up to £95 million.

We also expect to start payments soon under the coupled support scheme for sheep and to complete payments under the two schemes for beef cattle. Those are pillar 1 schemes that are also subject to the EU's direct payments deadline. The Government is doing everything possible to get those payments out before the end of June.

The Auditor General for Scotland's report was published a week past Thursday, and we accept that it contains very serious criticisms. That report, which is Audit Scotland's third, sets out recommendations that we are considering very carefully, and we shall respond to all of them in due course.

The resolution of the CAP problems will not be achieved overnight or by any single or simple set of actions. However, I believe that we shall substantially resolve those difficulties, and I pledge to all that it will be my first and foremost priority in my new role to bring about that resolution.

Commissioner Hogan confirmed that a number of member states across Europe face problems with the ambitious timetable for the new common agricultural policy. The Audit Scotland report notes that that timetable presented a challenge along with the complexity of the European policy and the additional features requested by the Scottish farming industry. That has lain at the heart of the difficulties that we have faced.

Payment performance this year has fallen short of the very high standards that the Government has delivered in recent years. The Government had already acknowledged those difficulties to Parliament, of course. As long ago as autumn 2014, in evidence to the Public Audit Committee, the Government accepted that the size of the task was massively underestimated at the start and that the time needed to recover from that start had left the Government with a huge challenge in meeting the CAP deadlines. However, as I have already said, we are fixing that.

I have three objectives: to complete the 2015 payments so that farmers get their money as soon as possible; to deliver compliance and minimise any financial penalties; and to see the 2016 payments placed on a proper footing.

I am pleased to report that there are positive signs within the programme. Area office staff have

reported to me that they are making better progress. We have reduced costs—since January, we have saved more than £1.2 million on contractor reductions; that remains a key priority area to deliver further savings—and we have improved information technology delivery. However, we must be realistic. I am determined that, for the 2016 payments, we make clear to Parliament and to the farming industry what the likely timescales really look like. The farming industry needs to have confidence in the payment timetable and that we will do what we say. There must be no repeat of the problems that were faced in 2015-16.

I am also conscious that the Auditor General raised concerns about the budget for the programme. We accept that there are risks, but we are bearing down on all aspects of the spend and taking every opportunity to mitigate that risk further.

I am determined that the Government will learn the lessons from the futures programme not just for the remainder of that programme but for our wider portfolio of IT programmes. However, I do not wish to distract from the clear and present task of getting the last of the payments out to farmers and crofters. Now is the time to focus on that, and on meeting the payment deadline successfully, but I can say to members that there will be a process to learn lessons from the experience.

I will return to Parliament in the autumn with more details on our progress on the three objectives that I have outlined.

From day 1 in the job and for the foreseeable future, the resolution of the CAP payment issues is my top priority as cabinet secretary. I assure members and all those who are listening in Scotland's rural communities that I will devote all necessary time and attention to that task. It is my number 1 priority. I give the chamber the categorical assurance that I am determined to oversee and drive forward the work that is necessary to bring the payment regime back on to an even keel.

The Presiding Officer: I thank Mr Ewing for his statement. I intend to allow 20 minutes for questions to the cabinet secretary. Members who wish to ask a question should press their request-to-speak button. I call Peter Chapman to ask the first question.

Peter Chapman (North East Scotland) (Con): I am grateful to the minister for making the statement to the chamber today, and for providing an advance copy of it. However, his apologetic words do nothing to make up for the months of chaos and heartbreak in our rural economy that his department has caused. Time and again over the past six months, Government ministers have had to come to the chamber and explain that they

need more time to get payments out. That is simply unacceptable, and it has completely eroded farmers' trust in the Government. In order to regain that trust, I hope that the minister will commit to all payments being made to farmers and crofters by the end of June. That deadline is important not only because of how vital the money is to farmers, but because unless 95 per cent of the payment is paid by that date, the Government will be liable for fines from the EU of up to £125 million. Will the Government commit today to getting the payments out in time?

Fergus Ewing: I assure the member that I appreciate the serious consequences that have been caused by the matter. I alluded to and accepted that in my statement, and I provided absolute reassurance that everything possible is being done to make, in full, the 2015 payments as quickly as possible.

At present, we have made payments equivalent to 84 per cent of applications under the basic payment scheme and greening. As the member will know, there are pillar 1 and pillar 2 payments. Many of the pillar 2 payments are not to be completed by the end of June; they are not subject to the same deadline. Therefore, with respect, it is not quite as simple as saying that every single payment has to be made by 30 June. As the member will know very well, there are other aspects that do not have to comply with that deadline.

However, let me deal with the deadline. Last Monday, I visited two of the area offices, and before Cabinet this morning, I spent three hours in detailed discussions with and meeting the teams that are dealing with the farmers. I therefore know that many of the people in the area offices are of and from the farming community—they have the respect and the trust of the farming community; they are part of it. We want to support their excellent work, and at this time we should be boosting their morale, not subjecting them to undue criticism when they are busting a gut to complete the job. I fully support them in the work that they are doing.

Rhoda Grant (Highlands and Islands) (Lab): I thank the cabinet secretary for early sight of the statement, and I congratulate him on his new post.

The whole scheme has been shambolic: there has been a lack of information and there have been many missed deadlines. In the run-up to the election, we had a cabinet secretary who spent his time trawling his old personnel files rather than ensuring that our farmers and crofters were being paid. Priority must be given to getting the correct payments to those who are still waiting, because genuine hardship has been caused by the delays and it must be dealt with. Given the cabinet

secretary's answer to Peter Chapman's question, will he give a realistic timescale for full payment?

The cabinet secretary will also be aware that people have received payments to which they are not entitled and that others have received payments that they declined. Will individual circumstances be taken into account when the money is being clawed back?

Fergus Ewing: I assure Rhoda Grant that the efforts of everybody in my department are devoted to the task of timeous payment of the remainder of the payments. Having devoted some of my own time over the days since my appointment to updating myself, I also assure her that a huge amount of work is being done and that substantial progress is being made, week on week. The figure that I gave of 84 per cent is much higher than the figure a couple of weeks ago. Week on week, considerable progress is being made.

The absolute priority is that we are not distracted by other matters at the present time, whether by recriminations or by the need—quite rightly—to learn lessons at some time in the future, but allow the people who are doing the job to complete their work and to do so with the confidence of their elected representatives.

Ms Grant mentions problems in relation to payments. As she knows, that is not a new problem; it is a systemic one in respect of the CAP system whereby some of the penalties exacted for relatively minor errors seem to be pretty swingeing in relation to the individual cases that we have all seen as MSPs. I make this plea to Rhoda Grant, to her colleagues and to all other members: if they know of individual cases of farmers who face hardship or who feel, as Ms Grant has alluded to, that mistakes have been made, they should contact the area office forthwith. I will write to each member with the full contact details of each of the 16 area offices in Scotland and of the helpline staff to whom I also spoke this morning, who were busy handling inquiries from farmers.

I hope that members will focus not on recrimination but on implementation of the system, supporting the excellent work of all the hundreds of people around the country who are determined to do right by the farming community.

Michael Russell (Argyll and Bute) (SNP): I am sure that everybody will welcome the work that the cabinet secretary has been doing to make progress on the issue and to ensure that the hard work that is being done in the area offices is bearing fruit.

I address two very simple questions to the cabinet secretary. First, on future practice, what work is being done to ensure that payments can be made in the next round without undue delay, particularly at the opening of the payment window

in December? Secondly, what thought has he given to the type of investigation that will be required at some stage in the future, to ensure that the situation cannot happen again and to give confidence to the farming and crofting community that lessons have, indeed, been learned?

Fergus Ewing: I will take the second question first. As I said in my statement, it is essential that we learn lessons. Therefore, as I stated, it is my intention—with the permission of the appropriate authorities—to come back to the chamber in the autumn to provide an update. By then, of course, the deadline of 30 June will have passed and we will have had the opportunity to carry out all relevant analysis of how matters stand at that point.

I undertake that, when I come back to Parliament, I will set out in detail my response to Mr Russell's question about how best we learn lessons so that we do not see a repetition of the problems that have arisen.

I turn to Mr Russell's first question. The difficulties with the 2015 payments have had a knock-on effect on the 2016 payments, as those who have read Caroline Gardner's report will have noted. One of the obvious difficulties is the fact that time that should be being spent right now out in the fields doing inspections for 2016 applications is being spent in the office dealing with the 2015 payments.

However, on a positive note, I reassure the chamber that the processing of the 2016 applications has gone pretty well—it has gone much more smoothly, and with much less information technology difficulty, than the 2015 application process went at the same stage. In other words, progress is being made, but there are still a large number of practicalities—to answer Mr Russell's question—that we must deal with. To allow us to do that is partly why I think it prudent to state that I will come back to the chamber to give more precise details about the 2016 payment profile in the autumn.

John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): The Scottish Borders normally receives some £50 million of CAP payments. That money not only benefits farmers but filters down to many other businesses, and the delays are causing problems for the whole rural economy. Can the cabinet secretary tell me what percentage of the total money that is due to Borders farmers has been received to date?

Fergus Ewing: I do not have regionalised information such as that before me. Last Monday, I had the pleasure of visiting the Dumfries area office, which administers a huge part of the south of Scotland. I am not certain that the information

can readily be provided, but I undertake to write to the member on that matter.

I am not sure that I recognise the figure of £50 million as not being paid to Borders farmers. Perhaps the member could send me a computation of how that is made up.

I reiterate that we have made payments amounting to 84 per cent of applications, or nearly £200 million. I stress that it is not the case that we have made zero payments and all farmers are waiting for the money. That is the opposite of the case. Most farmers have received most of their payments. That is in no way to say that it is acceptable that, in many, many cases, farmers are waiting for payments, but the position is that 84 per cent of applications have been dealt with and nearly £200 million has been paid. We have also had—if I may say so—a loans scheme that, from information that I got this morning, operated efficiently and with great success.

I commend the public servants in this country for the excellent work that they are doing. I hope that that is a sentiment that other members will start to echo.

Graeme Dey (Angus South) (SNP): Constituents of mine have highlighted to me an issue that appears to have contributed to the delay with their receiving payments, which is the identifying of small parts of their land as region 2 while the rest is entirely region 1. In one case, a constituent had a tiny section of wood deemed to be region 2 while the remainder was region 1. Is that experience widespread? How will it be resolved ahead of the 2016 payments?

Fergus Ewing: I am happy to look at that individual case if Mr Dey wishes to raise it with me. As I understand the case from his description, there may be arable land in region 1 and rough grazing in region 2. There can be a number of complexities in individual applications, which illustrates the challenges that the system has faced.

In Scotland, 4 million hectares are subject to the basic payments scheme, which represents 400,000 fields. Each field is, on average, four or five times the size of a football pitch, and the degree of accuracy that the EU requires for audit purposes is the size of a goal mouth. If we look at the fact that there are 400,000 checks and 400,000 fields, and a very small margin of error, we start to appreciate the mammoth task that was faced in converting a manual system to an IT system. That is not in any way to write off or minimise the difficulties, but it is a matter of fact, and it is perhaps why there have been many similar difficulties down south in England and in France.

Claudia Beamish (South Scotland) (Lab): Scottish Labour has called for a review of the payment process. Will that be forthcoming and done with maximum transparency? Can the cabinet secretary guarantee that responses to applications for next year will meet the appropriate timescales, with some additional support for farmers in view of the debacle this year?

Fergus Ewing: The payment window in 2016 is 1 December to 30 June, and obviously we want to make timeous payment.

In response to Claudia Beamish's second question, I note that I have already said that I will come back in the autumn and, at that point, give information that is as precise as it can be. In response to her first question, where she used the word "review", I have already said—to be fair to myself—that I will come back again and set out in detail what we propose in order to ensure that we learn the lessons.

I assume that Claudia Beamish is pleased with that forthright answer.

Mark Ruskell (Mid Scotland and Fife) (Green): I thank the cabinet secretary for advance sight of the statement.

I was thinking about Robert Burns—an Ayrshire farmer, of course—who said that there is no such uncertainty as a sure thing. It is the role of Government to provide certainty, particularly for a sector that is dogged by uncertainty from year to year. That is not to say that things cannot go wrong—something has gone catastrophically wrong with the payments—but communication is absolutely key.

Will the cabinet secretary ensure that the chamber is given weekly updates, along with key stakeholders, about the remaining process for 2015, including information about the applications made, the mapping process that backs up the application process, the regionalisation process, the work that is being done on the entitlement rate, and payments that are being made under the national reserve?

Fergus Ewing: When Mr Ruskell said that he was going to quote Burns, I was a bit anxious that he might quote from "To a Louse" but, fortunately, he did not go down that particular road.

The request for information is perfectly reasonable, and we want to be transparent and open, so I will reflect on the member's question. A weekly schedule would be a bit much and would impose too much of a burden on the very people who are leading the task but, in principle, I think that his view is correct. It is also one of the leading points in the NFU Scotland manifesto.

I am in favour of such an approach in principle, and I will write to the member once I have given

thought to what information is available. With that letter, I will pass on the details of each of the area offices, which I hope all members will use to pass on inquiries from constituents who have concerns to ensure the swiftest possible resolution of those concerns.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I draw members' attention to my joint ownership of a registered agricultural holding, which is let to my neighbour for rough grazing. I receive no financial reward for doing so.

The cabinet secretary sat on the parliamentary committee that looked at the IT difficulties in the Scottish Qualifications Authority programme under the Labour-Liberal Administration in 2000, and he will be aware of the London Ambulance Service IT failures in 1992 under the Conservatives. We are now dealing with a project that has had significant IT difficulties associated with it under the SNP Administration. Will the cabinet secretary indicate how the public sector in general can raise its game in how it uses IT for public benefit?

Fergus Ewing: I am not responsible for all IT systems across the Government—that is a somewhat pleasing reflection to offer the chamber. However, the member is perfectly right to say that, in her third report on the CAP payment system, Caroline Gardner said that she is reflecting on general lessons to be learned and will let us have her views shortly.

In the circumstances, the most sensible answer that I can give to Mr Stevenson, who—I did not appreciate it until now, although it does not come as a huge surprise—is a farmer among his many other occupations, is that I will reflect on his remarks and urge him to await the publication of Caroline Gardner's further thoughts on these matters.

Douglas Ross (Highlands and Islands) (Con): The cabinet secretary said in his statement that he will return to Parliament in the autumn, but that is simply not good enough. The farming community cannot wait that long. He has said that he will reflect on the appropriateness of weekly updates. Will he give an assurance that he will return to the chamber on 30 June, the EU deadline date and our last sitting day before the recess, to update Parliament on whether any farmers or crofters in Moray, the Highlands and Islands or across Scotland are still awaiting any of their entitlement? The Parliament and rural communities deserve to know whether the Scottish Government will miss the EU deadline and whether taxpayers will have to bear the brunt of a fine of up to £125 million.

Fergus Ewing: I appreciate that Mr Ross has not been a member of Parliament for long, but in order for me to say that I would come and make a statement on 30 June—the day of the deadline—it

would be necessary for me to disrupt the work of officials at the very time that they would be trying to complete the task that we all want them to do. Of course, I will update the chamber as soon as I possibly can, but what I will not do—and what I do not think farmers want us to do—is play a blame game prematurely and distract our attention from the object of getting the final payments out to the farmers.

That is what farmers want—at least, the ones I have spoken to. I have already met the NFUS president and I recently visited the farm of John Kinnaird, former NFUS president. Farmers do not want to see a game of political partisan blame ascription; they want to get the situation sorted out and put on an even keel. That is what I have committed to do, and that is what this Government will do.

Mike Rumbles (North East Scotland) (LD): I thank the minister for the advance notice of his statement and for last week's briefing for Opposition spokespeople.

I have no doubt that the minister's number 1 priority is indeed to clear up his predecessor's mess. However, at the briefing, the minister's civil servant said that they had far from given up hope of completing the necessary payments to our farmers by the end of June. That does not sound reassuring, despite what the minister said to members this afternoon. As Douglas Ross just said, if the minister fails to complete the payments, we face non-compliance fines of £125 million. How confident is the minister that he will meet the deadline and not be hit by fines?

Fergus Ewing: I am pleased that Mr Rumbles found the briefing that I provided for Opposition MSPs useful. Incidentally, that is how I try to do things; I try to provide Opposition MSPs with access to informal briefings, including with lead civil servants, so that they have the opportunity to inform themselves about the issues. That is the normal practice that I seek to follow.

I am absolutely confident that everything possible is being done to meet the 30 June deadline. The whole of my efforts are devoted to securing that objective.

Iain Gray (East Lothian) (Lab): I appreciate that the cabinet secretary is saying that he is doing everything possible to get the payments out of the door, but he cannot escape the fact that if 95 per cent of the direct payments are not out and compliant before the deadline he faces financial penalties of between £40 million and £125 million, according to Audit Scotland's estimates. What contingency has the cabinet secretary made, and from which budget would any such penalties have to be found?

Fergus Ewing: Obviously, our efforts are devoted entirely to minimising any conceivable penalty. The member is quite right in the figures that he quoted from the Auditor General's report.

I have made public that my predecessor, Richard Lochhead, made extremely substantial efforts, in carrying out sensible and helpful work and making representations to the European Commission, to allow the deadline of 30 June to be extended. It is right that Richard Lochhead should get credit for the good, sensible work that he did. As a result of his worthwhile, detailed and protracted negotiations, I remain hopeful that the Commission might still provide us with more time beyond 30 June, which is certainly a challenging deadline—I have made no bones about that.

On financial contingencies, I have explained that the national loans scheme that we instituted has been tremendously successful, with loans paid to more than 5,000 people in April—and up to 50 per cent repaid by now. That is a tremendous effort, and I expect to return to the Parliament in autumn to report further on a successful and professionally conducted exercise.

I should say that down south in England there has been a loans scheme as well, and that in other EU states, including France—that has been published, but many other states' names have not been published, perhaps due to understandable reticence—there have been similar difficulties. The issue is not unique to Scotland.

Finally, on penalties, which were the main thrust of Mr Gray's question, I am informed that, over a 10-year period, payments in England have resulted in penalties approximating to more than £600 million.

We will look at contingencies as and when required, and I have had detailed discussions with the finance secretary on the overall financial consequences of the scheme. However, it is fair for me to say that we will come back to answer such questions, if they arise, most certainly by autumn.

The Presiding Officer: A final, brief question from Bruce Crawford.

Bruce Crawford (Stirling) (SNP): Thank you, Presiding Officer, for allowing me in, given the time.

Can the cabinet secretary outline what discussions he has had with farmers and other stakeholders involved in the working of the CAP payment scheme since his appointment? In future, will he make the dairy industry a priority in that matter, given that the price of milk continues to fall in that hard-pressed sector?

Fergus Ewing: I am glad that Mr Crawford mentioned that issue. I am well aware of the

pressures on farming in general and on the dairy sector in particular. In response to his question, I did have the pleasure of meeting in my official capacity Allan Bowie, the president of NFUS, and Scott Walker, its chief executive. I also had a very enjoyable visit last week to Johnny Kinnaird's farm, and I look forward to spending several hours tomorrow at Scotsheep.

The Presiding Officer: Thank you, cabinet secretary. I apologise to the two members I was not able to call in that short time.

Taking Scotland Forward: Economy

The Presiding Officer (Ken Macintosh): The next item of business is a debate on motion S5M-00212, in the name of Keith Brown, on taking Scotland forward—Scotland's economy: short-term resilience and long-term opportunities.

Murdo Fraser (Mid Scotland and Fife) (Con): On a point of order, Presiding Officer.

In the previous sessions of Parliament, it was the custom to have copies of the *Business Bulletin* available at the back of the chamber so that members could refer to it during a debate, which was useful in examining the text of a motion and any amendments lodged. I note today that no such copies of the *Business Bulletin* are available. On inquiring, I was told that they will not be available in the future. Are you able to advise why this change has been made and whether it is possible for it to be reconsidered?

The Presiding Officer: I thank Mr Fraser for the point of order. I am aware from my own experience that the reason they were removed was to move to a digital Parliament and to cut down on the amount of paper distributed in the Parliament. However, you have made a very good point, and I think that many members do prefer to work from paper. I think that we will take that on board and I will try to return to the member with some information.

14:37

The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown): I would like to use the debate today to do three things: first, to reflect on the resilience of the Scottish economy and to recognise the challenges that it currently faces; secondly, to set out the many strengths that characterise our economy; and, thirdly, to outline the Scottish Government's approach to making Scotland a more productive country through innovation, investment, internationalisation and inclusive growth.

The Scottish economy has been resilient over the past 12 months in the face of the most challenging external conditions in recent years. Weak global growth, low oil prices and a high exchange rate have combined to present a challenging economic environment, particularly for our oil and gas industry and its supply chain. Those are global trends affecting countries around the world, and of course Scotland is not immune to them. The impact of the pressures has been felt most acutely in the production sector, particularly in the north-east of Scotland, where the oil and gas sector has had to respond with restructuring

and redundancies. The north-east remains a priority, which is why I and Paul Wheelhouse will both go to Aberdeen this week to meet representatives from across the oil and gas sector.

The service sector, which accounts for nearly 80 per cent of output in Scotland, has benefited from lower energy costs, which, coupled with improving household finances, has supported growth in the sector through 2015. Similarly, the construction sector has continued to make a significant contribution to growth, with high levels of public infrastructure investment. As such, despite the challenging economic background that I have mentioned, Scotland's economy still grew by nearly 2 per cent last year, and employment reached record levels.

However, there is no room for complacency. It is quite clear from what has been said in the columns of business magazines and by commentators across the economic spectrum that the external environment that we are likely to face will remain challenging throughout 2016 and that Scotland will not be immune to the pressures. However, there are also significant opportunities within the Scottish economy. Realising those opportunities requires a commitment to collaboration and partnership towards improving productivity. So, at the heart of our actions will be a clear and unrelenting focus on creating a competitive and supportive business environment.

I make it clear that I will listen carefully to constructive ideas about how we can support our economic growth that are put forward by MSPs from across the chamber during this debate and subsequently. During the election period, I had the pleasure of attending a Federation of Small Businesses Scotland hustings with Gordon Lindhurst. I do not know whether he is in the chamber today, but I am more than willing to take an intervention if I get his exact words wrong. He said:

"since the SNP came to power there's been a feeling that anything is possible".

I could not agree more with that sentiment, and it is in that spirit that I make my offer to take on board any suggestions from members.

Improving our productivity performance is fundamental to our approach to growing the economy and sits at the heart of our economic strategy. It is about making the best use of all our resources and assets in order to improve our economic performance and, in turn, the living standards of all our citizens.

Productivity has been a constant in our approach since 2007, and we have made progress, most visibly by narrowing the productivity gap with the rest of the United Kingdom. However, we must aspire to go further,

to narrow—and ultimately to close—the gap with European neighbours such as Germany and Sweden.

We have key strengths across our economy from which to progress towards that aspiration. Our workforce is one of the most highly skilled in Europe, and our universities are among the best in the world. We are home to a thriving and innovative tech start-up landscape, with companies such as Skyscanner showing the potential that exists in our universities, our entrepreneurial base and emerging sectors.

Our business base is growing, with the number of registered businesses in Scotland now at an all-time high. That is worth repeating: the number of registered businesses in Scotland is now at an all-time high. The sector is diverse: we have strengths across a range of areas including food and drink—like Fergus Ewing, I pay tribute to Richard Lochhead's work over nine years and his solid support for the food and drink sector—tourism, financial services, life sciences, energy, and the creative industries.

Those fundamental strengths are, in the minds of members on all sides of the chamber, not in doubt: they are the factors that attract companies to invest and expand in Scotland. That is why 2015 was a record year for Scotland for securing inward investment, according to Ernst & Young data.

On the radio this morning, a representative of Ernst & Young suggested that, akin to the northern powerhouse that the UK Government talks about, we have a Scottish powerhouse in terms of the amount of inward investment that we have managed to attract.

Murdo Fraser: Like the cabinet secretary, I welcome the fact that the Ernst & Young report shows that the number of projects has increased. However, Ernst & Young measures only the number of projects. Can the cabinet secretary tell us whether the value of foreign direct investment in Scotland was higher in 2015 than in the previous year?

Keith Brown: The member is right to say that the Ernst & Young survey does not provide information on the total value. I understand his point, which he made last year too.

The survey refers to 119 different projects and more than 5,000 jobs. Murdo Fraser makes a fair point, and I have asked officials to look into how we can quantify, in a way that the Ernst & Young survey does not currently do, what the exact value is. I promise to get back to Mr Fraser with that information as soon as I have it.

Willie Rennie (North East Fife) (LD): On the subject of investment, following the publication this

morning of documents relating to the £10 billion memorandum of understanding, will the cabinet secretary confirm whether the Government has ruled out investment in Scottish public infrastructure and building projects by China Railway Group?

Keith Brown: The information that has been published today—which includes, I think, the answers to 28 parliamentary questions and to a number of freedom of information inquiries—lays out exactly what the basis of the discussion was. It was our initial discussion that led to a memorandum of understanding. No areas were agreed in the way that Willie Rennie described and no financial commitment was made.

I refer Willie Rennie to the answers that have been provided in response to the parliamentary questions that were lodged.

Willie Rennie: Will the cabinet secretary give way?

Keith Brown: I have a lot of progress to make—I will try to come back to the member if I can.

Despite the success in relation to inward investment that I have mentioned, it is vital that we do not rest on our laurels. We must build on the strengths to secure improvements in productivity, which will bring new money into the economy. If we can increase our productivity and our position relative to our competitors, that will result in a real expansion of the economy. That is why we have spent so much time and money on promoting public infrastructure works.

I remind members of Patrick McLoughlin's comment that there had not been sufficient investment in Scotland's transport infrastructure for decades, which presumably includes the time during which he was a transport minister back in 1989.

When we improve our transport infrastructure, we increase our potential to improve productivity. The fundamental strengths are not in doubt, but a focus on innovation as part of the focus on productivity is crucial to our approach—that cannot be overstated.

On the radio this morning, I mentioned Scott & Fyfe, which is an innovative firm in the Mid Scotland and Fife region that has been supplying technical textiles to world-wide markets for almost 150 years. The actions that the firm has taken encapsulate the importance of having an innovative outlook. Recently, the firm had a difficult time, so it decided to recruit additional designers, which resulted in a transformation of its product line. By using its ability to innovate, it was much closer to its customers' requirements and so the business grew. That shows that if we invest in

innovation and new design, we can increase productivity.

For our part, we will continue to invest through our innovation centres and initiatives such as Interface that bring together businesses and academics to collaborate and develop new ideas and products in some of the key growth sectors of the future. We will build on those by launching an annual innovation prize and by inviting the Council of Economic Advisers and the can do forum to propose specific actions to boost productivity through innovation.

The forum is also taking forward three pilot projects in key areas of innovation: digital businesses in Edinburgh; innovation and manufacturing in Glasgow; and digital care systems in health services in the Highlands and Islands.

Internationalisation and improving export performance are also fundamental drivers of our economic success. In March, we published “Global Scotland: Scotland’s Trade and Investment Strategy 2016–21” and, during next year, we will open two new investment hubs in London and Brussels, to add to our hub in Dublin.

Neil Findlay (Lothian) (Lab): On internationalisation, will the cabinet secretary confirm that the international work that was being done in Qatar by the previous First Minister and Mr Yousaf was looking for investment in public-private partnership projects for infrastructure in Scotland?

Keith Brown: I have no understanding that it was about trying to attract PPP projects. That was also mentioned during the earlier discussion on China and, again, it formed no part of those discussions. I was not involved in the discussion in relation to Qatar that the member refers to.

Our enterprise agencies work with companies to grasp such opportunities. Four years ago, Scottish Development International helped 1,400 companies to internationalise; last year, the figure was more than 2,500. As the First Minister announced last week, we want to build on such successes.

One way of doing that is to carry out an end-to-end review of the roles, responsibilities and relationships of our enterprise, development and skills agencies. The review will consider how best to deliver and enhance the agencies’ services and functions to meet new client expectations and deliver on Government ambitions for productivity. I will lead that review and set out more detail to Parliament in due course.

Scotland’s economic strategy sets out the importance of manufacturing to our ambitions for the economy. In February, in conjunction with our enterprise agencies, we published a new

manufacturing action plan to further develop a joint focus that will help to boost a sector that is responsible for half of Scotland’s international exports and more than half of our research and development investment.

Of course, we will continue to invest in our physical and digital infrastructure; Fergus Ewing will say more on that when he sums up at the end of the debate. Such investments provide an immediate boost to the economy during construction and provide tangible assets that underpin future productivity growth.

Our digital superfast broadband programme is on track to deliver 95 per cent coverage by the end of 2017, and additional public investment will help to achieve our ambition of 100 per cent superfast broadband coverage by 2021.

Our strategy also makes it clear that improving Scotland’s economic performance requires action to tackle inequalities. High levels of inequality can undermine our economic performance, whereas action to improve our economic performance and reduce inequalities can and should be mutually supportive. Our approach to business includes a greater focus on inclusive growth and fair work and is characterised by a spirit of collaboration.

We have brought together government, trade unions and businesses to encourage progressive workplace practices and to improve productivity. Some notable successes include the work done by Fergus Ewing on steel and shipbuilding at Ferguson’s Marine Engineering. Evidence shows that firms that pay the living wage and provide job security and career progression, as well as investment in skills and training, tend to outperform their peers. That is why we should encourage that and why we will continue to promote fair work and progressive workplace practices through the business pledge, the promotion of the living wage and the fair work convention.

We can see progress. We have more than 500 living wage accredited companies and the second highest proportion in the UK—80.5 per cent—of our employees are paid the living wage or more.

Given the importance of the labour market to our ambitions, one of our first actions in the current parliamentary session will be the publication of a new labour market strategy to ensure that our support is tailored to meet economic conditions.

As well as responsible business, a focus on education and skills is fundamental to securing inclusive growth. We will maintain the number of full-time college places and continue to focus on the skills and training that help young people into work. We will also provide 30,000 new apprenticeships a year by 2020 and we will work

with schools to inspire more young people into science, technology, engineering and mathematics subjects. Once we have the powers, we will introduce a jobs grant to help young people aged 16 to 24 who have been unemployed for six months or more back into work.

I have talked about infrastructure and investment, which was perhaps to be expected, given my previous portfolio as Cabinet Secretary for Infrastructure, Investment and Cities. The Queensferry crossing is the most visible investment of the last session of Parliament; although not as visible, the most important investment that we will make during this session of Parliament will be in a transformational increase in childcare provision. By the end of this session, we will have almost doubled available free early learning and childcare to 1,140 hours a year. That will ensure that young children in Scotland get a high-quality start to their education. It will also ensure that families with young children can continue to participate in the labour market and, in turn, it will underpin future economic growth.

Our plans for childcare also directly support our ambitions for raising educational achievement and closing gaps in attainment. The attainment Scotland fund was established to address that challenge, and the ambition that we are showing in education and early years lays the foundations for our economy, driving long-term improvements in productivity and opportunity.

Our economy has shown resilience against recent prevailing economic conditions. We continue to face global headwinds—I am not denying that, and I recognise the challenges that we face. However, we will maintain a clear and unrelenting focus on creating a competitive and supportive business environment in order to achieve our ambitions.

My appointment as a dedicated cabinet secretary for the economy should send a clear signal about this Government's focus on stimulating growth, protecting and creating jobs and promoting Scotland as a great place to do business.

We will continue to focus on improving productivity and prosperity through innovation, investment, internationalisation and tackling inequality.

I move,

That the Parliament recognises the importance of a strong economy to underpin strong public services; recognises recent successes, such as Scotland securing more foreign development investment projects in 2015 than any other part of the UK outside London, but also acknowledges key challenges, including those facing the oil and gas industry and the renewables sector; supports a focus on improving productivity through innovation, investment, internationalisation and tackling inequality, and

commits to take action in support of Scotland's economy, including extending broadband, investing in infrastructure and building the skills and talents of Scotland's people.

14:52

Murdo Fraser (Mid Scotland and Fife) (Con): I welcome Keith Brown to his new role as Cabinet Secretary for Economy, Jobs and Fair Work. He had an early victory in his brief when his team beat mine in the Scottish cup final 10 days ago. He tells me that he was at the game; I was not. I am assured by the cabinet secretary that he was not one of those celebrating on the pitch, although I am scanning the television coverage carefully to see whether that was the case.

I also welcome Jackie Baillie to her new role on Labour's front bench. Jackie has long been one of my favourite Labour members of the Scottish Parliament, as she well knows. Of course, it seems that I am not the only Tory who is an admirer of Jackie Baillie, if the results in her Dumfries constituency at the recent election are anything to go by. Who knew that Trident would be so popular?

When I raised the state of Scotland's economy in last week's debate, I was accused by the Deputy First Minister of emulating my namesake Private Frazer from "Dad's Army". I am sure that other members were as disappointed as I was at that mischaracterisation of my normal cheerful, optimistic demeanour. However, we simply cannot pretend that everything is rosy in the garden when there are so many issues with the Scottish economy as it stands.

"Economically, we are absolutely on a knife edge with regard to the potential of Scotland re-entering a potential recession".

Those are not my words but those of Liz Cameron, chief executive of the Scottish Chambers of Commerce, speaking on 26 April this year. If the Scottish Government does not wish to listen to Opposition parties expressing concern about the state of the economy, it at least needs to listen to highly respected business leaders.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I note that the Conservative amendment to the motion deletes all reference to the oil and gas industry and renewables and the difficulties that those industries are experiencing. Does that reflect embarrassment on behalf of the Tories for the way in which they have treated the industries over the years and in particular for the way in which they have denied oil and gas engineers the opportunity to move across to renewables, where they would have a considerable amount to offer?

Murdo Fraser: If Mr Stevenson had attended the number of oil and gas events that I have

attended over the past few weeks, he would know that the continual refrain that I hear from people in the oil and gas industry is about why the transferable skills that are used in the North Sea are not allowed to be used onshore in Scotland because of his party's dithering on the moratorium on fracking. If he is interested in oil and gas and supporting jobs, he needs to get on with it.

The outlook on gross domestic product is concerning, as GDP growth is behind that of the rest of the UK, having previously been higher. Unemployment in Scotland is substantially higher than in the rest of the UK and the gap is widening. Retail sales are declining and business confidence is low. There is no point pretending that there are not issues that need to be addressed.

The Scottish Government will point to the latest figures on foreign direct investment. I looked with great interest at the Ernst & Young report on that that came out last week, and I welcome the fact that the number of projects increased substantially in 2015 compared with 2014. Of course, it cannot have escaped anyone's notice that there was a decline in the years running up to 2014 and a sudden spring back after 2014 was over. What event in 2014 could possibly have led to that loss of confidence and deterrence of international investors?

As I pointed out in my intervention earlier, the figures in the EY report are only part of the story, because the report shows only the number of projects and not their total value, either individually or cumulatively, so we cannot assess the total level of foreign direct investment. I welcome the commitment that the new economy secretary has just given to ask EY to look again at the issue and see whether we can be better informed about what exactly is going on with inward investment.

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): Does Mr Fraser not accept that, since the 119 projects are new projects, they are just being set up and started and that therefore it is far too early to say exactly what value they are going to be to the Scottish economy? However, the measure that is used by our development agencies is that 5,385 jobs were secured or created by the projects. Therefore, in terms of job creation, which I would have thought is an important criterion for us all, they are of undoubted and considerable value to the Scottish economy.

Murdo Fraser: I agree that the number of jobs created is important, but we need to know what level those jobs are at and what the salary scales are. Surely it is not beyond the wit of civil servants or EY to collect that information. I welcome the more emollient approach from Mr Ewing's colleague Mr Brown, who has indicated that he is at least prepared to look at the issues.

The difference between our debates on the economy now compared with such debates in the past is that, in future, the Scottish Government will have substantial additional powers over tax that it can use to influence our economic performance. It is essential that it gets that right because, if we set tax rates too high and send out a message that Scotland is an uncompetitive place in the United Kingdom in which to invest or to set up or grow a business, we risk driving away the very entrepreneurs and wealth creators whom we need to attract, and we will end up with less money coming in for public services as a result.

There is a salutary lesson for the Scottish Government in the setting of rates for the domestic land and buildings transaction tax by the previous finance secretary. My predecessor as Conservative finance spokesman, Gavin Brown, continually warned John Swinney that he was setting the rates too high on the most expensive properties and that the consequence of that would be a slowdown in the housing market at the upper end and a decline in tax revenues. Mr Swinney refused to listen and carried on regardless. The effect of that stubbornness is now plain for all to see, for Gavin Brown's warnings, which were echoed by many in the industry, have proven to be entirely true. Although activity has increased at the lower end of the housing market, outside hotspots such as the centres of Glasgow and Edinburgh, there has been a virtual stagnation in the market for larger properties over £0.5 million.

Keith Brown: Will Murdo Fraser give way?

Murdo Fraser: No—I have taken two interventions already and I need to make progress.

Any property agent or lawyer will confirm that that is the case. The net result, which has been confirmed by the Scottish Government's own figures, is that domestic LBTT has raised more than £30 million less than John Swinney originally budgeted for. Therefore, if the new finance secretary wants a quick win, he needs to look again at the evidence on the impact of LBTT rates on the housing market. Even a minor tweak could end the stagnation and bring in more much-needed tax revenue and at the same time help to rejuvenate the market at the top end and drive the economy as a result. I say that not simply because I am in the process of trying to move house myself.

The other substantial lever that the Scottish Government holds is on business rates, which have been increased by some 42 per cent over the past nine years of SNP Government. In the former finance secretary's most recent budget, he went even further, doubling the supplement for large businesses and, for the first time, charging rates on empty industrial properties. Both of those

measures go in entirely the wrong direction and send out a message that Scotland is an expensive place to do business.

Fergus Ewing: Mr Fraser mentions 42 per cent but the information that I have had and which is published in the Scottish Government's annual local finance statistics is that the rise has been 30 per cent in Scotland as opposed to 31 per cent in England. When will he get his facts right?

Murdo Fraser: The 42 per cent comes from the following leading figures in business: Bryan Buchan, chief executive of Scottish Engineering; Liz Cameron of Scottish Chambers of Commerce; Marc Crothall, chief executive of the Scottish Tourism Alliance; David Melhuish of the Scottish Property Federation; and David Lonsdale of the Scottish Retail Consortium. Perhaps all those people are wrong but they have all combined to express concern at the level of business rates and the doubling of the large business supplement. As Scottish Engineering put it:

"The imposition of an additional levy on business rates is a burden which an already-struggling manufacturing and engineering sector can ill-afford."

It does not affect the largest businesses only: the threshold is £35,000 rateable value, which will affect even many modest retail units.

The changes to empty property relief mean that industrial properties are no longer exempt. As many people who are involved in the property business have said, that will only dry up the supply of the empty properties into which expanding businesses and inward investors need to move. It is a misguided policy that will have serious negative unintended consequences for the Scottish economy.

We need a change of direction not only in relation to taxation. Successful economies need well-educated workforces. Conservatives have consistently opposed the SNP's cut of 152,000 college places. That cut has affected the part-time courses that people who are already in work and looking to upskill or who have taken time out from the employment market and now want to return—such as women with children—need to access.

There is much more that I could say about education, infrastructure, broadband and productivity. Other colleagues will cover those topics in the debate. We acknowledge that there are great strengths to the Scottish economy, but Scotland is simply not performing as well as it should be and our fear is that the performance gap between ourselves and the rest of the United Kingdom is widening. We will be a constructive Opposition and support good ideas to improve our economic performance but we will not hold back in criticising a Scottish Government that makes the wrong choices and sends out the wrong signals

about Scotland as an attractive place in which to live, work and do business.

I move amendment S5M-00212.1, to leave out from second "recognises" to end and insert:

"notes however that across a range of indicators, including GDP growth, unemployment rates and business confidence, the Scottish economy is underperforming the UK as a whole and the gap is widening; notes calls from the business community for urgent action to improve the situation; regrets the Scottish Government's decision to increase the business rate burden by 42% over the past nine years, double the large business supplement and levy rates on empty industrial properties, and calls on the Scottish Government to support economic growth by investing in infrastructure and broadband, reversing its cuts to college budgets and ensuring a competitive tax regime for Scotland within the UK."

15:02

Jackie Baillie (Dumbarton) (Lab): I welcome the opportunity to participate in a debate about the economy because the foundation of a strong society is a strong economy. I share with many members across the chamber the ambition not only to grow the economy but to do so sustainably, so that everyone benefits. As many economists have pointed out, an inclusive economy, with everyone having a stake in its success, is likely to be a healthy and growing economy.

The Scottish Government is fond of congratulating itself. I suspect that all Governments are prone to that, but it should be careful to avoid complacency. This is not year zero: the Scottish Government has been in power for nine years and the economy is not in a good state.

Mention has been made of the 2015 inward investment figures, but little time has been spent on growth, productivity, employment or unemployment figures. Taken together, all those figures point to a weak economy, with no immediate prospect of improvement, which is reflected in the lack of business confidence in survey after survey. It is critical that we understand that as a starting point, if we are to secure positive change in the economy.

The Scottish Government is often keen to compare itself to the rest of the United Kingdom, but for some unaccountable reason it seems to be less keen to do so on the economy. Across a range of measures, the UK economy is doing better than the Scottish economy. On growth, we lag behind the rest of the UK, despite being boosted by public investment in infrastructure. Construction has helpfully provided about 40 per cent of GDP in recent years, but economists describe that as "lopsided", and we know the problem that that presents when the Scottish Futures Trust is in difficulty. The delays to construction projects that we witnessed last year

and into this year were overcome only by increasing to a new level private sector involvement in public sector projects.

Of course, our GDP has been adversely affected by the substantial decline in the price of a barrel of oil. Oil and gas analytical bulletins must be published regularly if we are to believe what the cabinet secretary says about his openness to working with other parties across the chamber. The Government must also take preventative action on jobs, rather than just going in after job losses are announced, as they have been in the north-east in recent weeks. We must also—sooner rather than later—consider opportunities for decommissioning.

We also lag behind the rest of the UK in productivity, which is an area in which we can make the most difference. The Scottish Government's target is

"To rank in the top quartile for productivity against our key trading partners in the OECD by 2017."

That means that, by next year, we should be in that quartile. Currently, Scotland is in the third quartile, behind Italy and Spain. Our performance is not getting better: it is getting worse. In 2006, we were in 16th place, and I expected that we would have improved since then. However, we are now in 19th place—we have dropped three places. I welcome the cabinet secretary's announcements, but what on earth has the SNP Government been doing to improve productivity for the past nine years?

Keith Brown: I explained that since Labour was last in control we have increased our productivity vis-à-vis the rest of the UK by 4.4 per cent. The UK has stood still. We are en route to our target.

In her litany of woe, is it possible that Jackie Baillie will recognise some of the efforts that the Scottish Government has undertaken in relation to transformation of public infrastructure and the saving of Ferguson's Marine Engineering Ltd and Tata Steel, or is she blind to those things?

Jackie Baillie: I am not blind to those things, but in the space of my seven minutes I want to highlight the challenges ahead, because by being blind to those challenges, the Scottish Government does a disservice to Parliament and the Scottish economy.

I posed to the cabinet secretary the question what the Government has been doing. He can give a litany of excuses and explanations, but we were in 16th place in 2006 and we are now in 19th place. The Government's target is to be in the top quartile by the end of 2017. Is the cabinet secretary sticking to that target? Perhaps he will deal with that in his summing-up speech.

Improving productivity is fundamental to improving growth. In reviewing Scottish Enterprise, the cabinet secretary would do well to give it targets for building national productivity.

Support for innovation, support for superfast broadband as a national infrastructure priority and access to venture capital are also essential if we are to improve productivity. On that note, what on earth has happened to the Scottish Investment Bank? I believe that it has been announced about seven times now. Will it ever see the light of day?

Employment levels have fallen—we now have 21,000 fewer jobs and we are lagging behind the rest of the UK. Of the jobs that were created in the previous session of Parliament, six out of 10 were in low-paid and insecure work, with women being employed in the majority of those posts. We can surely do better than that.

Unemployment is increasing: it has gone up by 20,000, which means that there are now 171,000 unemployed people, but there are even more who are economically inactive. While our unemployment has been increasing, the UK figure has decreased by 28,000.

Across a range of measures, we are not doing well. We can and must do better. I can offer some suggestions. We should get on with the review of business rates to recognise the important role of small and medium-sized enterprises. We should put in place a comprehensive industrial strategy, with a specific focus on our science, technology and engineering sectors, and we should renew our focus on cities as the engine rooms of the Scottish economy, and invest in infrastructure so that we improve connectivity, which is particularly important to our rural economy.

Further, the SNP needs to reverse the cuts to education. We cannot cut hundreds of millions of pounds from our schools and expect to have a highly skilled workforce that is ready to meet the labour market demands of the future. Just look at the appalling attainment gap in maths that was revealed today. The greatest investment that any Government can make is in human capital—in its people—and education is the foundation stone of that.

We should be anticipating the jobs of tomorrow for the industries of the future—industries that we have not even begun to imagine. That is the job that we expect Government to do. Action to grow the economy is of fundamental importance. That should be our primary focus over the next five years, because with a strong economy we generate more income for public services and get a strong society, too.

I move amendment S5M-00212.3, to leave out from second "recognises" to end and insert:

“further recognises however that the Scottish economy faces a number of significant challenges in the coming years; notes that the Scottish economy is growing at a slower rate than the UK as a whole and that the unemployment rate in Scotland has increased, and is higher than the average UK rate; notes the particular challenges facing the oil and gas industry and the renewables sector and that productivity is also behind the UK as a whole; believes that there is no future for Scotland as a low wage, low skill economy and that the Scottish Government must ensure that the benefits of economic growth improve the lives of working people and reduce inequalities; further believes that democracy in the workplace should be encouraged, including trade union recognition, and commits to developing a comprehensive manufacturing strategy with industry and trade unions, extending broadband, improving infrastructure and using the powers of the Parliament, to improve Scotland's economy by investing in growth, increased productivity, jobs and skills.”

15:10

Willie Rennie (North East Fife) (LD): I welcome Keith Brown to his new position and thank him for the meeting that he generously gave us this morning to explore his portfolio and the portfolios of his team. I look forward to constructive engagement, even if we might not agree on every occasion. Perhaps we will hear more of that later.

Today is an opportunity for us to set out our constructive suggestions for the minority Government. We should remember that it is a minority Government and that it will require the support of others across the chamber to make progress. We should encourage the Government to come out of the timid corner that it has been hiding in, with its lack of ambition for growing our economy.

Liberal Democrats believe that our people can be a magnet for investment, growth and jobs for Scotland. People in this country are the route to economic recovery, and we should invest in them in order to secure economic progress. However, thousands of people are off work every year because of depression. We need a step change in our mental health services in Scotland in order to help those people to be active participants in the workforce. Improving their mental health means an improvement in the economy.

Employers are crying out for a skilled workforce. We need transformational investment in education to train our people with the skills that employers need. That is why the Liberal Democrats have been arguing for a £500 million investment in nurseries, schools and colleges.

However, we also need improved infrastructure. Improvements in broadband, mobile phone services and transport will ensure that our people have the best, on which they can thrive. With those measures, we can grow the economy, but

the Scottish Government's programme is far too timid to meet the challenges that have been outlined.

My original intention was to use this debate to focus on the challenges that our economy faces and the steps that are required to get it back on track. However, this is the first chance that we have had to question the new cabinet secretary since he was appointed to his post; given that the answers about the £10 billion memorandum of understanding were published this morning, I must focus on that now.

Members will recall that the MOU with SinoFortone and the China Railway No 3 Engineering Group was signed with uncharacteristic modesty by the SNP Government, just before the election. Apparently there was too much else happening to announce an international deal worth £10 billion. I cannot imagine what else was going on at the time that would merit that being put lower down the priority list.

I want investment for Scotland, but it has to be ethical investment, with appropriate due diligence conducted before anything is signed. We know that the SNP has lost the argument when it puts out the kind of rubbish that it put out this morning, saying that we are talking down Scotland and accusing us of negativity for daring to ask any questions. [*Interruption.*] The SNP is at it again now—trying to silence us. I will never be silenced in asking serious questions about the conduct of this Government.

I have read the documents that were published today under freedom of information legislation and the parliamentary answers that go with them—two months after questions were first raised about the project. The papers confirm our worst fears: no due diligence was conducted before the document was signed. The Government and, apparently, the Chinese railway company representative knew nothing about the corruption and allegations of human rights abuses related to this multibillion-pound agreement. Someone had concerns, however, because multiple attempts were made by officials to remove reference to the China Railway Group from the MOU and the press statements. Why was that? We have had no explanation.

The First Minister said that no specific projects had been agreed, but she sent a message—a special letter—to express her delight that specific projects had been well received. Mr Brown will remember that when we had a debate in the early stages of the election campaign, he claimed that the companies had a track record of working in the United Kingdom, and he cited Port Talbot as an example, so he appeared to be comfortable with their involvement. However, that claim was not true, was it? The China Railway Group has not

been operating in Port Talbot, although SinoFortone has. The CRG has been rejected by Falkirk Council, and the Norwegian oil fund—we in this country often look to Norway—has withdrawn investment from the CRG following concerns about the risk of not merely corruption but gross corruption. Most damning of all, Amnesty International has condemned the behaviour and ethics of the China Railway Group after the company threw people out of their homes in the Democratic Republic of Congo.

Those revelations are devastating and, far from clearing the Scottish Government, they make the position worse. Let us look at what we have: officials sought to Tippi-Ex the China Railway Group out of the documents, the CRG has no involvement in Port Talbot, and the CRG has been rejected in Norway, turned down in Falkirk and named and shamed by Amnesty International. However, the Scottish Government has—as when the cabinet secretary generously took an intervention from me—refused to rule out investment from the company. If all those operators, countries, review groups, ethics groups and councils have ruled it out, why on earth is the Scottish Government keeping the CRG on the table?

Keith Brown: I am sorry to interrupt with some ideas about the economy, but can Willie Rennie specify which deals were discussed with the Scottish Government? Will he say what the financial commitment was? Will he say why he thinks that a memorandum of understanding constitutes a deal? It would help the debate if he were to do that.

Willie Rennie: That is an argument about technicalities. What we have is a memorandum of understanding; if it means nothing, why on earth did the First Minister sign it? Of course it means something. The Scottish Government should be embarrassed by, rather than celebrating, the document. Instead of defending the CRG, the Government should be investing in people in this country. That is how we can grow the economy. The cabinet secretary should be embarrassed and should apologise to Parliament for the mess that he has got the Government into.

I move amendment S5M-00212.2, to leave out from “; supports” to end and insert:

“, that the unemployment rate is 6.2% compared to the UK rate of 5.1%, the widest gap since 2004, and the fact that 19% of Scottish businesses cannot get the skills that they need; believes that such challenges and the slipping Scottish economy necessitate urgent new action to improve productivity through innovation, investment, internationalisation and tackling inequality, and further believes that this must include investment in education to give businesses the skills that they need and make Scottish education the best again, a step change in mental health services to help people get back to work and ensure a fit

and healthy workforce, broadband and modern mobile phone coverage everywhere in Scotland, improved transport infrastructure, a competitive business tax system and the decentralisation of power so that communities have greater opportunities to secure economic progress in their area.”

The Deputy Presiding Officer (Linda Fabiani): We move to the open debate, with speeches of six minutes. Time is really tight, so I will be strict on that.

15:17

John Mason (Glasgow Shettleston) (SNP): I am delighted that we are debating the economy early in the new session. Keith Brown's appointment shows how important the SNP Government considers the economy to be.

There are many positive aspects to Scotland's economy, so I hope that we will not get too bogged down in being negative and running Scotland down. For example, the number of modern apprenticeships is going up from 25,000 to 30,000, which is good news. The small business bonus is helping 100,000 small businesses, which is good news. International exports were up 37 per cent from 2007 to 2014, which is good news. Tourism in Glasgow employs 30,000 people and business tourism is worth £1 billion to the city's economy, which is good news.

The debate is wide ranging, as we can tell from Willie Rennie's speech. I aim to focus on a few aspects, of which the first is transport. One requirement of a strong economy must be good transport. Transport affects our food and drink exports and our tourism sector in particular, but it probably has an impact on every part of the economy.

We should very much welcome the investment in recent years, including the M74 completion and the Airdrie to Bathgate rail link, as well as, most recently, the line to the Borders. Many people locally have told me how much they value the M74 since it was completed. The current upgrading of the A8 to the M8, and the M73, M74 and Raith interchange improvements can—and, I am sure, will—be of great benefit to business and the whole economy.

Roads all over Scotland impact on tourism. I spent the holiday weekend camping at Applecross in Wester Ross. The roads that lead there are single track with hairpin bends and truly are dramatic—I think that the area attracts visitors because of that very fact. The number of bikers at Applecross at the weekend was absolutely amazing and was certainly good for local business. However, Applecross is probably the exception—generally, we want good-quality roads

to get tourists to their destinations in a reasonable time.

The A82 is a really important road for the Highlands and Islands, and much of it between Glasgow and Fort William is pretty good. However, the stretch between Tarbet and Ardlui alongside Loch Lomond, with the road at Pulpit Rock being the notable exception, seems to have hardly changed during my lifetime. I really want to make that a priority in our future road investments.

Road improvements should include improvements for cyclists and others. As I drove through Glen Coe last night, a large number of cyclists were on the road, and the congestion was frustrating to them and to other road users.

I am glad that inequality is mentioned in the Government's motion and in the Labour and Lib Dem amendments but, unless I have missed it, I do not see that word in the Conservative amendment. It seems to me that an economy in which income and wealth are in the hands of a very few will not be a successful one, even if it is growing strongly, and will fail. Sure, I would like to see the economy grow, but more than that, I would like to see existing income and wealth shared out more evenly.

In its briefing, the Scottish Council for Voluntary Organisations makes the strong point that "less inequality equals a stronger economy".

That is also very much the theme of the book "The Spirit Level: Why Equality is Better for Everyone", which my much-missed former colleague Nigel Don was always keen to quote. I accept that equality of opportunity is part of the answer, but more equality in what people actually have and receive is part of it, too.

The question of ownership is linked to inequality. Not every successful organisation has to be a private company or a plc. It is encouraging to see more emphasis on social enterprises, although I would still like to see more co-operatives. My understanding is that Germany has been much better than the United Kingdom at keeping businesses locally owned and controlled, and better at maintaining its manufacturing sector in general. Scottish Power, for example, was a very successful Scottish company, and I do not see any benefit to our economy from its being taken over. In fact, the takeover of such companies damages our economy and loses us jobs in general and quality jobs in particular.

Just yesterday, the back, main business page of *The Herald* talked about the acquisition of an Edinburgh virtual reality start-up by Facebook. That was seen as a big success, but part of me feels a bit sad that our measure of success is how well we can sell off our businesses. Is there really

no place in Scotland for businesses not only to be started here, but to grow and develop while remaining owned here?

One factor that helps an economy to grow is a growing population. It is clear that Scotland has a lot of empty space, even in cities such as Glasgow, and that we have skills shortages in the national health service, engineering and elsewhere. I commend successive Governments—not just the current Government—which have recognised that. I welcome the First Minister's baby box initiative. I hope that that will lead to an increased number of babies. [*Laughter.*] Not for myself, I hasten to add.

The Deputy Presiding Officer: Would you please start to draw to a close, Mr Mason?

John Mason: Immigration is clearly an area in which Holyrood does not have control. It is all very well for Opposition parties to say that we should focus on the powers that we have, but what happens if we need more people, people want to come here, and Westminster says no? Should we just sit back and accept that, or should we argue that we need to have at least some discretion in that area—for example, for the Brain family from Dingwall?

I hope that Opposition members will be a little bit more positive about the Scottish economy in the next five years than they were in the past five years.

The Deputy Presiding Officer: I call Alison Harris.

15:23

Alison Harris (Central Scotland) (Con): Thank you, Presiding Officer. Please excuse my hoarse voice.

It is a great honour and a great privilege to be elected to represent the people of the Central Scotland region. Although I live in Falkirk, I make clear my determination and my commitment to all the people of Central Scotland—not only to those who voted for me. I will, of course, work tirelessly for the region as a whole.

I pay tribute to my esteemed colleague Margaret Mitchell, who has been the sole representative of my party in the Central Scotland region since 2003. I know for a fact how hard she has worked to serve the people of Central Scotland within and outside the chamber.

People throughout Scotland supported us—many for the first time—in order to ensure that this Parliament has the strong voice that it requires and deserves, and that the Scottish Government has a strong Opposition. People want rigorous scrutiny and alternative proposals on the issues

that matter most to them—namely, education, health and the economy.

Indeed, to focus on my region, the election result appears all the more exciting because, for the first time, three Conservative representatives have been elected from the Central Scotland region. In previous parliamentary sessions, Margaret Mitchell has worked extremely hard to represent her region, but the same workload will not be divided by three; rather, three times the effort and strong representation will be provided for the people of Central Scotland.

On a personal note, I look forward to getting on with the job in hand of representing the people of Central Scotland and ensuring that their voices are heard in the chamber—possibly when I do not have laryngitis. I also look forward to the prospect of scrutinising the SNP Government over the parliamentary session. I will stand up for hard-working people and strive to strengthen local businesses and promote a stronger economy.

At the opening of the Scottish Parliament's fifth session, Scotland's economy faces many different challenges, and the Scottish Government will undoubtedly be judged on how it addresses those and on its ability to provide stability and a much-needed boost to the economy.

Recently, there have been worrying figures on the economy. Unemployment in Scotland increased by 8,000 between January and March to stand at 169,000. Clearly, that is deeply worrying, and the figures illustrate the on-going challenges in the labour market. The figures are disappointing, and it is of great concern that unemployment has risen for a third time in a row.

Last year, Scotland's growth rate was 0.4 per cent behind that of the United Kingdom as a whole. Indeed, many sections of the Scottish economy face difficult times. That is perhaps most apparent in the North Sea oil and gas sector, where jobs are likely to continue to be shed. Oil & Gas UK predicts a net loss of 26,000 jobs by 2019. I am adamant that North Sea oil and gas can have a bright future once again in Scotland, but we must continue to provide support to the sector.

Clearly, there are worrying signs, but it is within the Government's scope to make the bold choices necessary to provide support for the economy and usher in a period of sustainable growth. We will seek to make the case for growth and for a competitive tax system. The primary test for us, when deciding whether to support or oppose the Government, will be whether we are helping or hindering growth. I make it clear that we need to bring in measures to support and encourage our businesses, rather than discouraging them by imposing levies or increasing rate rises. We are

committed to evidenced-based policy to show how a competitive system of taxation can greatly help large and small businesses. It is paramount that we give people and businesses reasons for setting up in Scotland and growing their businesses here.

We unashamedly support entrepreneurs, and it is our ambition to make Scotland one of the best places in the world to do business. Especially in times of economic difficulty, we need to ensure a competitive tax regime in order to stimulate job creation. Throughout this parliamentary session, I believe that we will be presented with a fantastic opportunity to boost Scottish business and to make Scotland the most dynamic and exciting place to do business. During this parliamentary session, we must see an unrelenting focus on the economy. With new tax powers and existing challenges, there is a lot to get on with, and strengthening our economy must be the major consideration.

On this side of the chamber, we will ensure that the Scottish Government is held to account for its actions on the economy, and we will always resolutely make the case for a competitive tax system and a strong and vibrant economy.

I thank members for listening to my croak. *[Applause.]*

The Deputy Presiding Officer: Well done, Ms Harris.

I call Kate Forbes, to be followed by Colin Smyth.

15:29

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): It is a double honour to stand here—both because of the place in which I speak for the first time and also because of the people I represent in the constituency of Skye, Lochaber and Badenoch, which includes Dingwall, the Black Isle and Loch Ness. To say that it boasts the Cuillins and the Cairngorms, Ben Nevis and Loch Ness is surely as much scientific evidence as anyone needs to know that I have the most beautiful constituency in Europe.

My huge constituency stretches from coast to coast. It is economically diverse: the bedrock to Scotland's food and drink economy, the linchpin to its tourism industry, and an energetic force in its businesses. Across the 11,863km² of my constituency—and I expect a few gasps of awe at that—are creative, entrepreneurial and talented people who live, work and study there.

However, from the small isles, scattered off the Lochaber coast, to the villages nestled on the shores of the Great Glen and on to the urban centres of Dingwall, Portree, Aviemore and Fort William, there is one shared narrative: that

economic opportunity is critical to population growth in the Highlands.

The historical trend in the Highlands, over the course of centuries, has been emigration. That means that there are far fewer young people there. In fact, if the Highlands had the same demographic profile as the rest of Scotland, there would be an additional 18,000 young people aged between 15 and 30.

Across Scotland, economic opportunities underpin public services but in the Highlands they do more: they stem the flow of emigration. A strong, resilient Highland economy will create the long-term opportunities to boost business, create jobs, raise wages and invest in the schools, the hospitals, the roads and the public services that make the Highlands an attractive place in which to live, work and raise a family.

As a young Highlander, I have seen more investment in the Highlands over the past two terms of government than I saw under successive previous Governments. I am excited about the SNP Government's agenda because it is one that can make the Highlands thrive, and I congratulate Keith Brown on his appointment.

Let us start with the Government's commitment to roll out superfast broadband to 100 per cent of homes and businesses over the course of this session of Parliament. I am absolutely delighted also to congratulate Fergus Ewing on his appointment as the Cabinet Secretary for Rural Economy and Connectivity with the 100 per cent broadband target included within his remit.

With reliable broadband, anybody can launch a start-up anywhere on the most remote Highland peninsula or island. They can study a whole host of subjects by distance learning from the comfort of their own community and can access telecare despite living miles away from the nearest general practitioner. Broadband is key to unlocking the potential of the Highlands.

We need physical as well as virtual connectivity. My dad remembers the days when, as a wee boy, the family of seven would pile into the five-seater car and would choose to drive from Inverness to Glasgow via the A82 rather than the A9 because it was a bit less bumpy. Gone are those days, and I welcome the capital spend on dualling the A9, but I also want continued upgrades to the A82 to be carried out as part of the Government's impressive £1.4 billion promised spend on improvements to the roads. I was extremely pleased to hear John Mason confirm the need for continued investment in the A82.

We need jobs, too, and the Highlands is well on its way to being a world leader in the renewables sector, thanks to the Scottish Government's commitment to developing a globally competitive

renewable energy industry, despite the challenges of a UK Government that is anything but committed to that goal.

Renewable energy has long been not only a source of electrical power but an instrument of economic and social regeneration in the Highlands. Just last week, I was pleased to see the announcement of a £2.6 billion investment in an offshore wind farm in the Moray Firth, with the potential to generate electricity for 450,000 homes, support 900 jobs and almost quadruple offshore wind capacity in Scotland—and that is not to mention the wave, the tidal and the continuing hydro potential in our seas and rivers.

I hope that, one day, I will see energy being completely devolved to this Parliament so that we can see an end to the unjust policy of charging highlanders higher prices for their energy just because we are remote. When it comes to energy generation, we are the centre.

We are also becoming a centre of academic study, with the University of the Highlands and Islands, which not only allows our young people to stay and study but attracts more.

The Deputy Presiding Officer: Will you draw to a close please, Ms Forbes?

Kate Forbes: If there is to be a future for young highlanders such as me, and if we want to see the Highlands thrive, a resilient economy is a necessity. Thank you. *[Applause.]*

The Deputy Presiding Officer: I call Colin Smyth, to be followed by Stuart McMillan.

15:36

Colin Smyth (South Scotland) (Lab): Thank you, Presiding Officer. I begin by congratulating you on your election to your now not-so-new post.

For the record, I declare an interest in this debate as a local councillor who chairs Dumfries and Galloway Council's economy, environment and infrastructure committee. As I move from one chamber to another, I am committed to continuing to fight for the people of Dumfries and Galloway and all of South Scotland, who have given me the great honour of now serving them in the Scottish Parliament.

In that new role, I look forward to following on from my party colleague Graeme Pearson, who made a significant contribution with his highly respected expertise in relation to justice. I also look forward to keeping the red flag flying high in Dumfriesshire and continuing the work of my colleague and friend Elaine Murray. Elaine was an exceptional constituency MSP in Dumfriesshire for 17 years, serving our local community with real dedication and distinction. *[Applause.]*

Dumfriesshire is where I was born, it is where I was brought up and it is where I still live. That is something that I am incredibly proud of, although when I was completing my entry in the register of members' interests last week I got the impression that the standards clerk maybe did not share my enthusiasm. I asked excitedly, "Where do I register that I'm a season ticket holder at Queen of the South Football Club?" He promptly replied, "You'll be pleased to know that's not something you need to admit to." *[Laughter.]*

My fellow football fans in the chamber will know that Queen of the South's nickname—and the name given to people who hail from Dumfries—is the Doonhamers. Its origins lie in the 19th century, when many people from the town worked away from home, particularly on the railways in Glasgow, and they talked about going back doon hame to Dumfries. It is an apt term for today's debate on the economy. Much of the south of Scotland suffers as a result of the movement out of the region of young people who are looking for employment opportunities that are not always available doon hame.

That is one of the big challenges that the region's economy faces, but it is not the only one. When developing a new regional economic strategy, Dumfries and Galloway Council commissioned the Crichton institute to carry out a baseline study of the local economy. There are many fantastic, successful businesses in the area, but what that study showed will not come as a surprise to anyone in this chamber who knows the region.

Our gross value added per hour is just 82 per cent of the Scottish average, and Dumfries and Galloway is the lowest-paid region in Scotland, with earnings 15 per cent below the national average. The proportion of people of working age with no qualifications is 12 per cent. We can compare that with the figure for another rural area, the Highlands and Islands, which is half, at just 6 per cent. There is also real evidence of underemployment. Only two thirds of those in employment have full-time jobs.

The challenge that most angers me is that youth unemployment in the region has historically been above the national average. With any young person who is able to work, to be out of a job is a real tragedy for them, as they find themselves unable to get on in life, and a tragedy for their family, who have to motivate and support them. It is also a tragedy for our economy; we miss out on so much talent, which remains untapped.

If we are to tackle those economic challenges, we need the Scottish Government to turn the positive words on regional equity in its past two economic strategies into action. Too often, South Scotland has been a forgotten region in the eyes

of Government, and that has been exacerbated by policies such as the centralisation of services, which have sucked so many jobs out of the area. However, we have a new ministerial team in the department, including a fellow South Scotland MSP, and I wish the cabinet secretary and the minister well.

With your indulgence, Presiding Officer, I will briefly take up the cabinet secretary on his request for some constructive ideas. I urge him to prioritise the Government's commitment to regional equity. What would that mean for the south of Scotland? It would mean a fair and equitable distribution of central Government jobs, particularly senior posts, to the more peripheral communities of Scotland.

It would also mean a radical change in the remit of Government agencies to deliver equality in business support. It is simply unfair that a business in the Highlands and Islands can receive support, but—because the remit of Highlands and Islands Enterprise is different from that of Scottish Enterprise—the same business would not receive the same support if it was based in the south of Scotland.

Further, it would mean a fairer share of investment in our road infrastructure, such as the A77, the A75, the A76 and the A7.

It is not just our physical infrastructure that needs investment; so too does our digital infrastructure. For many businesses in rural areas, if they even have superfast broadband, it is often not very superfast. Connected to that—or, rather, not well connected—there is a need to keep the pressure on the UK Government to improve mobile phone coverage. For too many people in the south of Scotland, 4G is a type of football pitch and certainly not something that they will get on their mobile phone any time soon.

In conclusion, there are many big economic challenges facing South Scotland. However, I believe that, with a genuine commitment from the Scottish Government to regional cohesion, there are solutions that can lead to a time when young people will not need to leave the south of Scotland to benefit from quality job opportunities, and they will no longer have to think about when they will next get the chance to return back doon hame. *[Applause.]*

The Deputy Presiding Officer: Thank you, Mr Smyth. That was very timely.

15:41

Stuart McMillan (Greenock and Inverclyde) (SNP): I congratulate Fergus Ewing and Keith Brown on their new appointments.

Scotland has many underlying economic strengths: our highly educated workforce, our

immense natural resources and our thriving industries, such as energy, life sciences and tourism. Under the SNP Government, Scotland has the most competitive business tax environment in the UK and the number of registered businesses is at an all-time high. We are consistently ranked in the top two areas outside London for foreign direct investment, as has been alluded to in the debate, and Scotland has been the most successful part of the UK outside London for the fifth time in six years, which is a record to be proud of.

The small business bonus scheme has supported small and medium-sized businesses throughout some tough economic times, and in my constituency—indeed, throughout Inverclyde as a whole—more than 1,200 small businesses have benefited from that Scottish Government initiative.

However, air passenger duty is one of the highest taxes of its kind in the world, which, in my opinion, does not make any sense. The Scottish Government's proposal to get the power over air passenger duty and then abolish it will increase Scotland's international connectivity and boost our local tourism industry.

The Government is also investing in superfast broadband and has an ambitious programme to roll it out to 100 per cent of properties across Scotland.

Central to the Scottish Government's success has been its record on using capital investment to build strong foundations for the Scottish economy. Within a year of being elected to government, the Scottish Government faced huge challenges both within Scotland and the UK and globally. The financial crash happened in 2008, and the Scottish Government had to navigate its way around that. To do that, capital investment projects were accelerated to ensure that infrastructure was built that would increase Scotland's competitiveness in the years to come.

The figures speak for themselves. Today, Scotland spends more per head on infrastructure than is spent elsewhere in the UK and infrastructure projects totalling almost £6 billion will be under construction during 2016; each of those projects will continue to deliver benefits for years to come. Long-term infrastructure projects mean massive employment opportunities, which the SNP Government is striving to help Scottish businesses to harness.

Without doubt, tourism is one of Scotland's key economic contributors. Overnight visitors generate in excess of £4.5 billion annually, while day visitors contribute a further £6.2 billion, giving a total spend of close to £11 billion per annum. Tourism accounts for more than 200,000 jobs, many of them in rural areas, which helps less-populous

communities to prosper across 20,000 different tourism-related businesses. Tourism also feeds into other sectors such as food and drink, retail, transportation and construction.

I mentioned digital connectivity. The quality of the customer journey increasingly depends on the availability of digital information—unless, of course, you are Murdo Fraser in this Parliament. In most instances, the customer journey starts at home, with website searches at the planning stage. Information about destinations, accommodation availability and events and attractions along the route is increasingly important for visitors who want to travel within Scotland, and reliable broadband and mobile phone connectivity across Scotland is essential to support growth in the visitor economy as well as other economic sectors.

Improvements to our digital infrastructure are therefore necessary. That is an issue for not just rural but urban Scotland, as became even more apparent to me during the recent Scottish parliamentary election, when I found gaps in connectivity in the Greenock and Inverclyde constituency.

The foreword to "Scotland's Digital Future: Infrastructure Action Plan" sets out

"our commitment to a world-class, future proofed infrastructure that will deliver digital connectivity across the whole of Scotland by 2020."

Bringing superfast broadband to Scotland is one of the most ambitious infrastructure programmes in the whole of Europe. It is a key step in the Scottish Government's aim for Scotland to become a world-class digital nation by 2021.

The cruise market sector is a developing part of the Scottish tourism offering, and Scotland is seen as performing strongly in the market. If we are to maximise potential in that regard, operations need to be at the premium end of the market, and investment is needed to address identified issues. An increased number of port calls will lead to an increase in shore excursion offerings and profile destinations. The benefits of the market to the Greenock and Inverclyde constituency will be huge.

The upcoming city deal investment will bring economic benefits to Greenock and Inverclyde. More than £40 million is to be invested in the Greenock ocean terminal, and a state-of-the-art visitor facility will be constructed. The port is the gateway to the west of Scotland; it also offers people who arrive opportunities to see more of Inverclyde and learn a bit about the area. I am delighted that the ocean terminal will be one of the first areas to benefit from the investment.

The Government believes in investing in ways that foster inclusive growth, because inequality

threatens the long-term sustainability of our economy.

15:47

Jamie Greene (West Scotland) (Con): In his maiden speech to the House of Commons, in 1979—a year before I was born—John Major gave a packed house the following sage advice:

“I believe that public opinion requires four things of the Government in terms of economic management. It requires them to cut taxes, to curb inflation, to create new jobs and, as far as possible, to maintain satisfactory public services.”—[*Official Report, House of Commons*; 13 June 1979; Vol 968, c 521.]

That was true then, and it is true today.

John Major’s words echo in my mind as I stand here in this modern, devolved Parliament of ours. It seems barely a moment ago that I was chatting with Annabel Goldie at a Scottish reception at our party’s national conference, although it was two years ago. “Ah”—she declared—“you’re from Greenock! We need more people like you in politics.” I am deeply honoured to be standing here as a member for the West Scotland region—the region that Annabel served, with all her fine wit, charm and dedication. I give her my personal thanks for nudging me along as a candidate, and I am sure that all members would like to thank her for her many years of service. [*Applause.*]

I grew up in the Gibshill estate in Greenock, in a community that was often scarred by the wounds of intergenerational poverty. As children we played on streets such as Keir Hardie Street and Lansbury Street—great names of the socialist movement. Since then, much has changed, politically and economically. As the member for Greenock and Inverclyde noted, shiny new cruise liners dock on our shores—and yet the Waverley still cruises by, reminiscent of a bygone era. The iconic shipyard cranes still litter the Greenock skyline, as a testament to the great shipbuilding legacy of the Clyde.

I went to James Watt College. James Watt was a much more famous export of my home town—a man who counted Adam Smith among his friends and whose invention, the steam engine, powered the first machines of the industrial revolution. Our country today is a mixture of that great legacy of our past and of our creativeness, our inventing spirit and our urge to travel and explore.

However, Scotland is not without its problems. I was no stranger to the effects of life at the gritty end of the spectrum. Alcohol abuse, domestic violence, sectarianism, bullying and homophobia were all-too-common demons in our schools, towns and communities. Although we can legislate in this chamber to help ease those pains, it is what happens outside these walls that really matters to

people. We cannot fix every problem in our culture or society, but we can be bold with our decisions. We have a duty across the Parliament to work cooperatively to stamp out bigotry, abuse and unfairness in our society. That is the reason why many of us decided to become politicians. It is wrong when political supporters and campaigners use the language of violence and hatred to fight political battles, and we should say so.

Over a coffee last week, I chatted to our new finance secretary, Derek Mackay. No—I was not asking him for tips on his hair or how to stay youthful after five years in Parliament. However, I made him a promise that I have five years ahead of me to hold the Government to account, and believe me I will. However, today I will outline some positive thoughts about what I see my role as in Scottish politics. I—indeed, we—have been elected to do a very specific and important job in this Parliament: to scrutinise, to challenge and to hold to account; not to head bash for the sake of political gain but, instead, to offer alternative views from our centre-right ground, to challenge with ideas, not complaints, and to engage on the argument, not be the cause of it.

In my brief—on connectivity, technology and the digital economy—I will be a strong voice for our creative industries, from our animation studios to our gaming programmers, and from our writers to our film-makers. Further, rural broadband is not just nice to have; it is a must-have and, for some, five years is just too long a wait. Moreover, how superfast will it be? Poor mobile phone reception is not just an annoyance but a hindrance to our business. I have speeds of less than 1 megabit per second where I live in North Ayrshire. Those are speeds from the 1990s, back when Apples were things that we ate, not things that ran our lives. More ought to, and must, be done in suburbia and in the countryside.

I close by offering my congratulations to the other constituency and regional MSPs from all parties in my region. I hope that we can work together productively and put West Scotland firmly back on the world map. We may not share views on independence, taxation, the economy or even on who should own the ferries, but we share a passion for public service and making Scotland a better place to live in, to work in, to be educated in and to grow old in. There is more that unites us as a nation, a Parliament and a people than divides us. However, bridges must be built, perhaps even using our own steel next time. We will sit at that table with a positive voice and view, and I hope that that is something on which even my opponents might agree with me. [*Applause.*]

15:53

Ruth Maguire (Cunninghame South) (SNP): I am honoured to be called to speak for the first time in our national Parliament as the member for, to my mind, the greatest of all Scotland's constituencies, Cunninghame South in Ayrshire. I take very seriously the trust placed in me by the people of Irvine, Kilwinning and Stevenston, and pledge to work really hard for them and their families in the Parliament and at home in our constituency.

As is fitting, I begin by paying tribute to my predecessor, Margaret Burgess. I am grateful to her for the role that she played in our party's successes and for the advice and support that she gave me personally as a candidate. However, the most important thing to note today is the wonderful job that she did as a member of the Scottish Parliament representing all the people in Cunninghame South. I know that there are many, many folk in our constituency who would wish their thanks for her service to be put on record.

As Minister for Housing and Welfare, Margaret oversaw the early achievement of our Government's target to build 30,000 affordable homes. Making sure that everyone has a safe, warm, affordable home is key to making Scotland fairer and more prosperous. I know that Parliament recognises that good-quality housing helps to promote social justice, strengthen communities and tackle inequality, as well as being good for the economy. I welcome our pledge to build at least 50,000 affordable homes in this session of Parliament—an important investment of more than £3 billion, supporting 14,000 full-time equivalent jobs and generating £1.8 billion in economic activity.

Our Scottish Government has a strong record on the economy. As we move forward, we must work together in this place, and outside in our communities, to build on that record through innovation, investment, internationalisation and—crucially, in my view—tackling inequality.

I know that many members in the chamber will share my desire for economic growth that benefits us all, where people have every opportunity to contribute productively and share in the benefits of increased prosperity in our nation. Both sufficiency and security of income are vital to working people. I commend the Government's approach to fair work through the business pledge and look forward to encouraging companies in my constituency to get involved.

The cabinet secretary confirmed as the most important infrastructure project of this session of Parliament our plans to provide flexible, high-quality, state-funded childcare for 30 hours a week for all three and four-year-olds and vulnerable two-

year-olds. Those plans will be transformational. We know that, for parents who wish to return to work—women in particular—the high cost of childcare can be a barrier, or can mean that they are working for little financial reward simply to keep their hand in at work. That universal provision is, therefore, welcome.

Delivering high-quality childcare requires a well-qualified workforce. In order to provide the flexibility that we have promised, the number of early years workers will need to increase. In planning the workforce, it will be important to remember that many of the women in the early years workforce—those workers are predominantly women—will have caring responsibilities themselves, and part-time and flexible work requirements should be taken into account.

Moving forward, I hope that we take the opportunity of childcare expansion to challenge gender segregation in the workforce and to address any inequality in pay and conditions between the private and public sectors.

It is clear that we will need a mixture of providers in order to achieve our aims for childcare expansion. All aspects of growing our economy will benefit from partnership working between Government, local and national agencies and business. In my constituency, our SNP-led local authority has taken an innovative approach to economic development by setting up team north Ayrshire—members can check out its activity on Twitter. The team includes North Ayrshire Council, Ayrshire College, the Department for Work and Pensions, third sector partners, the local chamber of commerce, Scottish Enterprise, Skills Development Scotland and local businesses of all sizes—all working together in partnership. Its work has included trialling an innovation pilot, which has led to more than 80 referrals for innovation support from Scottish Enterprise; provision of dedicated resource to help social enterprise to establish and grow; and support for local businesses to develop export opportunities.

With Ayrshire College and North Ayrshire Council working together, we have a skills centre of excellence in Irvine royal academy, which offers courses in sport and fitness, health and social care, and hospitality. Engineering foundation apprenticeships are also offered.

That has all been achieved in a somewhat challenging economic climate. It has shown that, with national and local agencies and the public and private sectors working together with the local community to build on our strengths, it is possible to make a difference.

I look forward to working on behalf of the people of Cunninghame South positively and

constructively with anyone who wishes to build a more productive, fairer Scotland. [*Applause.*]

The Deputy Presiding Officer: Thank you for your brevity, Ms Maguire.

15:59

Rhoda Grant (Highlands and Islands) (Lab): If we are to build the Scottish economy, we need to recognise the differences between rural and urban economies. More than that, we need to recognise local challenges and opportunities. Too often, our economic development appears to hinge on a single approach that works in some areas but is actually ineffective, and sometimes damaging, in others.

We must understand that we cannot build the economies of remote rural areas by pursuing urban approaches such as account management. That is effective for larger companies that need specialist intervention, but even those companies have told me that the support that is on offer is sometimes not what is required.

Support has to be suited to the needs of the business, not just to the needs of the enterprise company. Large companies seldom operate in remote rural areas, where there tend to be small—often one-person—businesses. If we are to help and encourage those businesses, we need to make sure that they can employ another person rather than looking to grow them as we would an account-managed company. However, the needs of our small companies are largely ignored. Often they are run by someone who has expertise in the product or service that they are providing but who has no knowledge of business practice and no networks to fall back on. Unless we recognise the contribution that they make and the fact that they are an untapped resource, we will fail our small rural communities.

All our communities need access to high-speed broadband, which is essential for business development. Sadly, remote areas are lagging way behind when they arguably have most to gain. Kate Forbes talked about e-health and e-education bringing things close to communities—those are examples of the services that could be delivered if communities had good access to broadband. In addition, businesses would be able reach untapped markets and deal with suppliers.

The lack of digital infrastructure is driving people from our remote rural communities, where good access would help with repopulation. I cannot stress enough the importance of the issue to rural economies. We need to set targets for coverage that are rural-proofed and which take on the need to expand coverage throughout rural communities.

We recognise the role of farmers and crofters, but we seldom, if ever, offer them support to grow their businesses. When its role was to support crofters, the Crofting Commission provided that assistance. That support function was moved to Highlands and Islands Enterprise, where it became assistance for crofting communities. However, crofting communities exist throughout the Highlands and Islands, and assistance to active crofters has therefore all but disappeared.

The same is true for other businesses that use natural resources. Such resources are there to be utilised for the benefit of the local economy. Our natural resources are second to none but we do little to exploit them for our benefit. Of course, we have to do that in a way that is sensitive to the environment—it is in no one's interest to do otherwise—but we also need to use those resources to build local economies and create strong and sustainable communities.

I will leave aside for the moment the debacle of the common agricultural policy payments; we have already discussed that at some length this afternoon. However, we have already missed an opportunity to shore up our rural communities when designing the new scheme. The Scottish Government did not use the opportunity to level the playing field and sustain remote rural communities. It continues to pay eye-watering amounts to large producers, ignoring the quality of our smaller producers and not using the payments to their benefit. That is surely wrong. The payments are there to create a fair market. How can it be fair that the haves get more than the have nots? That accentuates, rather than negates, the disparity. Once the Scottish Government sorts out the current mess in the CAP system, it needs to look to the future and devise a new programme that will help small producers to develop and grow and give those who work under a geographical disadvantage the same opportunities as others have.

At a time of austerity—indeed, we have austerity plus in Scotland, with both our Governments cutting taxes and spending—we need more than ever to protect the most vulnerable in our remote rural communities, which are themselves extremely vulnerable. The centralisation of services to save money often sucks the life-blood out of our communities. That is not a good use of resources because it leads to those communities becoming more expensive to support.

If a community is not vibrant, how can it attract people to locate there? If a community cannot attract a GP, for example, it will have to depend on expensive locums, who cost four and five times more. That is simply wrong. We need to focus properly on those communities and help them to build resilience or we will always have to support

them. Strong, resilient communities will need less support, and investing in them will provide long-term savings.

I am not just saying that rural economies are different. We need to recognise that all local economies have strengths and challenges, and we need to support them in a way that suits their needs.

16:04

Tom Arthur (Renfrewshire South) (SNP): I am grateful to have the opportunity to participate in this debate on Scotland's economy and economic future. I offer my congratulations to Keith Brown and Fergus Ewing on their appointments. It is worthy of note that the creation of a separate economy portfolio underscores the Scottish Government's commitment not only to taking Scotland's economy forward but to ensuring that all can share in the fruits of economic growth.

Many of the speeches so far have, quite properly, been concerned with Scotland's economic progress to date. However, it must be borne in mind that when judging the merits of any economic performance—regional or national—consideration of context is indispensable if we are to arrive at a credible evaluation. The economic context for nearly all Governments across the globe over the past seven and a half years has been the fiscal catastrophe of 2008, with its corollaries of reduced credit and a long period of sluggish growth internationally.

For Scotland to have achieved, against that challenging backdrop, the longest period of consecutive growth since devolution and a significant improvement in productivity, and for it to have reached a record number of registered businesses is testimony not only to this Government's economic stewardship but, more importantly, to the resilience and talent of the Scottish people.

Our challenge now is to take our economy even further forward. I strongly welcome the Government's many specific commitments, in particular the 100 per cent commitment on superfast broadband, which I know will be warmly welcomed in many communities, including Howwood in my constituency of Renfrewshire South.

I also welcome the Government's broad economic strategy. Along with internationalisation and sustained investment in our infrastructure and people, innovation will be central to ensuring continued economic progress.

It has been said that we are on the cusp of a new industrial revolution. Just as the internet and the smartphone have transformed our lives over

the past two decades, so too do the "internet of things", and emerging technologies such as driverless cars have the potential not only to expand our economy but to increase significantly our quality of life. Indeed, if we allow ourselves a moment to indulge in contemplation of the coming decades, fields such as genomics and artificial intelligence could effect as profound a change on the circumstances of humanity as the agricultural revolution or the splitting of the atom. Such are the prospects of an innovative economy.

However, just as future growth and prosperity require an economy that is driven by innovation, ensuring inclusive growth and shared prosperity will always require an openness to innovation in our economic thinking. Technological progress has brought us many good things, but it has had its consequences and challenges.

Mature economies across the globe have all been subject to increasing stagnation of low and middle incomes and to constriction of medium-skilled jobs. With developments in automation, with robotics and artificial intelligence accelerating and with the growing centrality of digital information to our economic way of life, we are approaching a fork in the road. We must ask ourselves how we integrate such advances into the economy today and in the future.

We can employ the advances of the coming decades for the good of all, or we can blindly place our trust in the market alone, with the dreary inevitability that advances made by the many will lead only to profit for the few. Along the path of unregulated market forces lies increasing inequality of income and ever-increasing job insecurity—already evinced, to some extent, by the emergence of the "gig economy".

However, should we choose the progressive route and harness the products of innovation for the common weal, it is within the power of this generation to create a truly great society. The path to that positive and progressive future does not lie in the political tribalism of the false binaries of public and private, Government and enterprise, and state and entrepreneur. Rather, it is in the collaborative approach that has been the hallmark of the SNP Government—a willingness to support business and to step in in times of difficulty, a commitment to champion commerce through rates relief, a drive to grow our exports and, above all, a striving to ensure that ordinary workers, who are the fundamental wealth creators in our society, receive a living wage.

We have come a long way, but there is still a distance to travel. Our generation can be the one to realise that truly just society. I commend the Government on its achievements to date, and I encourage it to continue to be bold in its vision for our economy's and our country's future.

The Deputy Presiding Officer (Christine Grahame): I call Rachael Hamilton, to be followed by Joan McAlpine.

16:10

Rachael Hamilton (South Scotland) (Con): I hope that you, Presiding Officer, and members enjoyed a great bank holiday weekend. I thank those who do not take bank holidays, such as the people who are employed in our service sector in leisure, hotels and catering, and in the information technology sector, where coverage is expected 24 hours a day, seven days a week.

It takes people from all walks of life to assemble a political party. I am proud to stand here among advocates, academics, historians, farmers, businesspeople and retailers. They are talented individuals who are eager to oil the cogs of the inner workings of Scotland as part of the wider United Kingdom. Some would say that the harder one works, the luckier one gets. Put simply, our election result was based on sheer graft and a clear message that appealed to voters, who returned the Scottish Conservatives as the fresh new face of opposition. We will deliver and we will not disappoint.

I am not sure that I agree with Colin Smyth about movement of talent. I grew up on my family farm in the Welsh borders—the farm that my grandfather returned to after serving for his country in the second world war with the Shropshire Yeomanry, and the same farm that my father and brother now run together. It was not just a rite of passage, but years before, my father took me aside and asked me whether I would like to take on the farm. He understood that I was capable and that I merited the same opportunity that was traditionally reserved for sons of sons. Flattered, but with other ideas, I graciously turned down his offer and, after graduating, started work in the agriculture sector in southern Scotland, miles from the homestead.

My new job took me as far west as Ayrshire, through to Dumfries and Galloway, sweeping east to Lauderdale and Berwickshire and as far as the coastline in East Lothian. Fast forward 25 years, and I am now proud to be a member of the Scottish Parliament representing that very swathe of Scotland, which I regard as my home.

My experience of running our family business has given me an insight into what works and what does not work. In the Parliament, we need to address the two big problems for Scottish business, which are business rates and a skills shortage or gap. As my colleague Murdo Fraser said earlier, business rates in Scotland have increased by 42 per cent in the past nine years. The focus in Parliament needs to be on attracting

more business to Scotland. At the moment, the Scottish Government is making it harder for those who want to do business in Scotland by hiking up business rates and reintroducing sporting rates. Future investment is being turned away and damaging Scotland in the process.

We should not neglect our rural economy. I am proud that our farmers and producers play a significant part in the upkeep of our land and in the production of some of the finest food and drink products in the world. That sector accounts for Scotland's biggest non-energy export, and has generated a record turnover of £14 billion. The tourism sector complements our business sector and is vital to the Scottish economy. Our rural partners in vibrant towns and villages set the stage and the scenery for more than 15 million visitors to Scotland every year. Spending by tourists in Scotland generates around £12 billion, contributes around 5 per cent of total Scottish GDP and accounts for nearly 8 per cent of employment in Scotland. I am passionate about breathing life into our rural economy. Much more must be done to redistribute that wealth into the wider rural economy.

On our skills gap, attracting new business and investment to Scotland is a responsibility that we must take seriously. The Scottish Government must provide people with the resources and skills to meet the needs of business. In East Lothian, for example, only 18 per cent of pupils go on to further education—compared to the Scottish average of just over 24 per cent. An uplift simply cannot be achieved if the Scottish Government continues to cut college places. Already, 152,000 places have been cut. Those are the courses that are required for people to enter the business that we want to attract.

The Federation of Small Businesses has already warned that there is a lack of skills and that it is impacting on growth in Scotland. The time to act is now—before the problem escalates. Ironically, even the most successful growth sectors will have a problem with skilling up the next generation of technological specialists. The latest Scottish technology industry survey reveals that the digital tech sector has experienced such fast growth that Scotland cannot keep up with its demand for skills. That is another reason to support the provision of college places and address the increasing deficit of ability.

The task ahead is clear: to attract business to Scotland, to encourage businesses to grow and to ensure that Scotland has the skills to meet our future demand. That can be done only by stopping cuts to the college places and the rises in business rates.

I thank the hands that feed us in rural towns and communities—small businesses such as the ice

cream shops in Innerleithen and North Berwick and the coffee houses in Lauder and Dunbar. My role in Parliament is to work with those local businesses and the tourism industry to ensure that our economy thrives and to drive it. *[Applause.]*

The Deputy Presiding Officer: I know that ice cream shop but I cannot advertise it.

16:17

Joan McAlpine (South Scotland) (SNP): I, too, welcome the Cabinet Secretary for Economy, Jobs and Fair Work to his new role. I always found him to be receptive and approachable in his previous role at infrastructure and transport and I look forward to continuing that relationship.

A number of members have outlined some of the challenges that face their areas of rural Scotland and South Scotland in particular. I will talk about a solution to some of those challenges. It is rather a dry solution and, if members will bear with me, it merits some explanation.

The nomenclature of territorial units for statistics—NUTS—involves the setting and regulation of geographical boundaries by the European Union, the core purpose of which is the reporting of regional statistics to Eurostat. Those statistics inform regional policy development and, crucially, determine regional funding allocations, including of significant funding streams such as European rural development funding and European structural funding.

Until now, the South Scotland region that I represent has not been accurately reflected in the statistical areas, as the Borders are thrown in with urban areas in the east and Dumfries and Galloway is in with urban areas in the west. I was pleased when, earlier this year, the Scottish Government approved a proposal, supported by the south of Scotland alliance, to create a fifth NUTS region to cover the rural south. I understand that it is now with the Office for National Statistics for approval by Eurostat.

That might all sound dry, but it has serious implications for the lives of thousands of people who live in South Scotland. To quote the south of Scotland alliance, which comprises Dumfries and Galloway Council and Scottish Borders Council as well as other key stakeholders:

“The current areas are so large and diverse that they mask low levels of GDP and a lack of relative prosperity”

in the south.

The proposed new South Scotland NUTS level 2 area includes North, South and East Ayrshire and South Lanarkshire, as well as Dumfries and Galloway and the Scottish Borders. Councillor Colin Smyth—now elevated to MSP—has outlined some of the issues that face Dumfries and

Galloway in particular. However, across South Scotland, low levels of economic production are endemic.

In 2013, South Scotland’s GVA per head was 70 per cent lower than the EU average. Wage levels in the area are below the Scottish average. There is a lack of high-growth sectors such as information and communication and finance and insurance. Southern Scotland has a relatively low population of people aged between 18 and 40 in comparison with the Scottish average, and its settlement pattern is based on towns, villages and large rural hinterlands. In 2012, the Scottish Agricultural College undertook research into the distribution of population and the vulnerability of towns across Scotland. Twenty-two of the towns that were judged to be vulnerable were in southern Scotland, and 19 of those are among the 45 most vulnerable towns in Scotland.

How can a new statistical designation help to deal with that kind of endemic problem? The new statistical designation of southern Scotland shows that GDP in the area is just over £17,000, which compares with a UK average of more than £36,000. Indeed, GDP in the Highland region is more than £19,000, and we all know the challenges that that region has faced—they were eloquently outlined by Kate Forbes in her maiden speech earlier.

If the new statistical designation can unleash a better distribution of European structural funds, the south of Scotland can only benefit from that. Those funds are worth more than €985 million. They can help SMEs and can help with digital connectivity, which is a subject that several members have raised. Further, the social funds can combat the poverty that is, sadly, endemic in certain areas of the south and is often hidden, in the way that rural poverty can be.

However, I am concerned that the solution that I propose, on which many people have worked hard for a long time, is under threat. We have an opportunity that is immediately met by a threat—the threat of Brexit. The new MSP for Dumfriesshire, who campaigned successfully to win the constituency for the Conservatives, revealed only after the event that he wanted to pull his constituents out of Europe. That proposal threatens the benefits that we could derive from the new statistical designation. It threatens things such as connectivity, our opportunity to draw down from the social fund—

The Deputy Presiding Officer: I ask the member to be careful—we are in purdah in relation to the EU referendum.

Joan McAlpine: In addition, I question where funds equal to the LEADER funding that Dumfries and Galloway received in record amounts in this

current round will come from in the future, should we leave Europe. Many people will be concerned about that.

The Deputy Presiding Officer: I have already cautioned the member to be careful—tak tent. Could you wind up, please?

Joan McAlpine: A number of people have outlined the challenges facing the south of Scotland. I have offered one solution, and I look forward to playing my part with other members from the south of Scotland in working constructively with the Government to ensure that our region benefits from the economic success of Scotland as a whole.

16:23

John Finnie (Highlands and Islands) (Green): The Scottish Government motion talks about

“key challenges ... facing the oil and gas industry”,

and the Labour amendment alludes to the issue, as did the cabinet secretary in his opening speech. The Scottish Green Party sees the situation as a great opportunity. We believe that we must secure a strong and diverse economy for the future, and that the economy should offer security, jobs and decent livelihoods.

The oil and gas sector does not represent long-term security. Indeed, that is confirmed by the comments about fossil fuel investment that were made by Mark Carney, the governor of the Bank of England. It is certainly a fact that using a finite resource—which we cannot burn anyway—is not a route to a sustainable future. Therefore, we need a managed transition. The Scottish Government can play a pivotal role in that or we can let neoliberal forces shape the future for us—I think members know which option we in the Green Party would prefer.

The First Minister talked about legislating to establish a new and more testing target for 2020. We know that setting targets is not a problem for us; achieving them is, and we all share responsibility in that regard. Indeed, the First Minister talked about looking for support from across the Parliament for

“the bold and sometimes controversial actions that we will need to take to meet that target.”

That is very exciting, and I look forward to that. We want boldness, and the Government will have support from the Scottish Green Party if its proposals are truly bold.

The First Minister went on to talk about living

“up to our moral obligations”.—[*Official Report*, 25 May 2016; c 10.]

As we know, those moral obligations are not just for Scotland or the rest of these islands. They are not even just for the continent. They are for the planet. It is important that we recognise that.

What there will not be support for from the Scottish Green Party is extolling a UK chancellor who has visited austerity, and all the grief that comes with it, on us in order to give bigger and bigger tax breaks to obscenely wealthy multinational corporations who go further and deeper for resources—resources that we cannot use anyway if we are genuinely concerned about those moral obligations.

As the First Minister said, there is “a massive economic opportunity”. We hope that the rationale for that comment was that the First Minister and her officials had digested the wonderful report commissioned by Green MSPs, “Jobs in Scotland’s New Economy”. She may not yet be using the language of the report, which talked about our opportunity to move

“from energy colonialism to energy democracy.”

However, we all recognise that a transformation to a just, low-carbon economy is about reducing dependency on distant multinational corporations.

Frustrated as I am by the reduced time that I have been given for my speech, I will say that it is quite apparent that the Scottish Green Party uses different language. We will not pursue growth for growth’s sake. We recognise that, to enjoy a prosperous future, we must begin the transition to a sustainable green economy. We support Scotland’s diverse economy, with investment in sustainable industries and those that improve quality of life and reduce carbon emissions. We want an economy that prioritises fair pay and breaks the economics of austerity. We want the more equal society that—as a number of members have alluded to—the vast majority of us in here want.

We will support the Scottish Government motion at decision time. The motion talks about “strong public services”—there is a serious debate to be had about how those are to be funded—and “key challenges”. Most important, it talks about “tackling inequality”. If we go about the governorship of our economy in an appropriate way, we can have a more just and sustainable future.

16:27

Ivan McKee (Glasgow Provan) (SNP): Last week in Parliament, I spoke about my constituency of Glasgow Provan, and about our industrial heritage, opportunities and the ambition of our people. Today, I want to talk about how Scotland, led by this SNP Government, can provide those opportunities. I want to talk about ambition for our

country. I also want to talk about how we need to do it right, and learn from the mistakes of the past and the successes of others.

Fifteen years ago last month, I was one of 3,000 employees made redundant in one of the biggest factory closures this country has ever seen. When it opened in 1990, the Motorola cellular phone plant near Bathgate was one of Scotland's biggest ever inward investments, providing high-value employment to thousands. Barely 10 years later, its doors had closed and those jobs were gone forever. The silicon glen of my earlier career consisted mainly of what we called screwdriver plants—doing basic assembly line work, without research and development and with strategic business decisions being made elsewhere. That was before the fall of the Berlin wall and the opening up of the large Asian economies, when Scotland was viewed as a low-cost country. Those days are gone forever.

The successful Scottish economy of the future will be based on innovation and internationalisation. It will understand the value of inclusive growth in driving productivity. Advanced manufacturing will be a crucial component of that success. That will not happen by accident. Despite what members on the other side of the chamber might believe, the free market can play only a limited role in delivering a nation's industrial progress. We also need hard work on the part of Government and its agencies and a clear understanding of where we want to go. This SNP Government understands that.

A country the size of Scotland does not need to compete in every single global market. We need to identify niche sectors in which we have a competitive advantage and work ruthlessly to deliver success. The Scottish Government and its agencies are at the forefront of that, with industry leadership groups delivering sector-specific manufacturing action plans; support for environmentally sustainable processes, including circular manufacturing and renewables; procurement policies altered to make it easier for small and medium enterprises to do business with the public sector; a focus on reshoring, to identify where we can bring key elements of the supply chain back to Scotland from overseas; investment in infrastructure, with a commitment to 100 per cent superfast broadband across the country; the encouragement of employee engagement in the workplace; and the roll-out of the business pledge.

Partnership action for continuing employment teams have a role to play in supporting employees when a business fails, but we also need to be active before the fact. We need to understand the market environments that our indigenous medium-sized exporting businesses operate in and to help them to stay one step ahead of global trends.

I once spent a year managing a business in the north of Finland. The region is more associated with Santa Claus and saunas, but it boasts a vibrant manufacturing base, much of which is built on Finland's 1990s success in creating an indigenous telecoms sector. Medium-sized businesses there were exporting and growing as a consequence of local ownership and a Government strategy that supported industry, even in rural communities.

Scotland plc needs to do what all successful businesses do—we need to find the best in the world, learn from them and then do it ourselves, but better. We need to understand that what is good enough today is inadequate for the challenges of tomorrow and that continuous improvement is a way of life. We need to learn from the successes of the innovation agencies in Sweden and Finland, to proactively identify opportunities and risks in global markets, to understand the co-ordinated approach of the Singapore Government's agencies in supporting Singapore's global branding and to review what Denmark did with its globalisation strategy and what New Zealand achieved with its "100% Pure New Zealand" brand campaign.

Although we must never stop learning and developing, we must not forget the tremendous advantages that we enjoy as a country and an economy. We start from a place that is the envy of our global competitors, given our natural and human resources, our heritage and global recognition, and our foothold in many key industries of the future.

Let us not set our sights too low. Scotland has the potential to be a world beater in many sectors. Although we face many short-term challenges, we should not limit our ambitions. Under the SNP Government, we can build short-term resilience and create the long-term opportunities to drive Scotland forward.

The Deputy Presiding Officer: We move to the winding-up speeches, for which all members who spoke in the debate should be in the chamber. I call Willie Rennie to wind up the Liberal Democrats. You have six minutes or thereabouts.

16:31

Willie Rennie: Am I to wind up the Liberal Democrats or the chamber? [*Laughter.*]

The Deputy Presiding Officer: Whichever you choose.

Willie Rennie: I am capable of doing both, believe me.

I praise the first-time speakers—Ruth Maguire, Rachael Hamilton, Jamie Greene, Colin Smyth, Kate Forbes and Alison Harris—who made

excellent contributions. There seemed to be a competition to see who has the most beautiful constituency. All that I can say is that the members who praised their own constituencies have clearly not been to mine. I encourage them to visit the east neuk of Fife, St Andrews and all the places in between, including Auchtermuchty—never a greater town has existed than it. I urge the new members to celebrate the fact that they have made their first contributions in the chamber. I am sure that they will make greater contributions as the years pass.

We are having the debate in quite challenging circumstances. Members have referred to the challenging unemployment statistics, which show a really wide gap between Scotland and the rest of the UK. The figures were nip and tuck before, but quite a gap is growing—the unemployment rate is 5.1 per cent in the rest of the UK and 6.2 per cent in Scotland. That is the widest gap since 2004.

The reasons for the figures are pretty clear. The issues in the oil and gas sector are known to us all. Ian Wood has said that, this year alone, 45,000 jobs could be lost. Thankfully, I think that the foundations of the tax regime are getting to the right kind of place—not that the tax regime matters this year, when companies are not making much money. There is more work to do, as I am sure that ministers will highlight, but the regime is getting to a place where, if the oil price recovers, we will have the potential to make sure that jobs also recover in the north-east.

We welcome the fact that the Scottish Government and the UK Government have the new city deal for the region, which will allow the economy to diversify. The deal will ensure that we do not depend solely on oil and gas, that we look to other sectors in which the north-east is strong, that we use the skills in the region and that we invest in infrastructure, which is sorely required in that part of the world. That was often neglected on the assumption that the region was capable of coping by itself, but it now desperately needs the investment, which is—thankfully—happening at last.

However, we have also seen massive cuts to the renewables sector. Obviously, it was not enough for the Conservative Party to see the decline of the oil and gas sector; it is now imposing massive cuts to the renewable energy sector. That is having a massive impact on not just the wind sector, but the solar sector, with thousands of jobs lost. Especially at this time, when we face real challenges with the oil and gas sector, we should be investing in renewables, not cutting renewables support. I am sure that the ministers will agree that we have seen business and investor confidence in that sector dramatically shattered. We should look to repair that.

The Scottish Government has contributed to the problems. I am thankful that the Cabinet Secretary for Rural Economy and Connectivity apologised earlier for the debacle of the farm payments. I hope that we will now see the money going out the door so that we can close that massive gap in the rural economy.

Thankfully, I questioned the Government on the Chinese rail company. Not one single SNP backbencher raised one single question about that very important issue. They talked about many other valid issues, of course, but not one SNP member raised questions about that. Massive questions have been raised about corruption by the Norwegian oil fund.

John Mason: Will the member give way?

Willie Rennie: In a second.

Amnesty International has raised questions about human rights in the Democratic Republic of Congo. There are also questions about the process and the lack of due diligence.

I give John Mason an opportunity to speak now if he wants to make up for the inadequacies of his speech earlier on.

John Mason: Does the member accept that he has failed to convince me that there is a problem there?

Willie Rennie: If evidence from that internationally respected body, Amnesty International, and the Norwegian oil fund—I thought that those people were his best mates—is not enough for John Mason, I do not know what will be. I have significant concerns, and he, as a diligent back-bench member, should have equal concerns.

To conclude, I urge the Scottish Government also to change course on investment in education. We have seen new statistics today that show that the gap in numeracy has grown for primary 4 pupils, and we have seen no progress in primary 7 and secondary 2. That should ring alarm bells in St Andrew's house that we need dramatic investment in education for colleges, schools and nurseries so that we invest in the workforce of the future and grow the economy to create jobs and wealth. That is the way out of our current difficulties. At this last minute, I urge the Government to change course.

The Deputy Presiding Officer: I call Richard Leonard to wind up for the Labour Party. Mr Leonard, you have six minutes or thereabouts, please.

16:37

Richard Leonard (Central Scotland) (Lab): Thank you for the chance to speak in this debate,

Presiding Officer. We have heard some very impressive first speeches in it.

I am proud to address members as the Scottish Labour Party's spokesperson on the economy. I also speak as someone who has enjoyed the singular privilege of representing working people in the Scottish economy for the past 20 years as a union organiser and for five years before that as an economist at the Scottish Trades Union Congress. I learned and worked alongside great figures such as the late Campbell Christie and the late Bill Speirs, who were two of the political architects of the Scottish Parliament.

Last week's Ernst & Young report on foreign direct investment in Scotland certainly generated some impressive headlines, but it also merits words of caution. For a start, the inward investment projects that are highlighted in it are predominantly call centres, not headquarters functions. They generate sales and marketing suites, not manufacturing jobs. Even in the report, the authors call on the Scottish Government to be "more ambitious on manufacturing". I will return to that theme.

I wonder how many of those new jobs are trade union jobs. We know that, in the past, there has been some resistance to trade unionisation in the foreign direct investment sector. I hope that the Scottish Government will be more ambitious on trade unionisation with those employers, too, as well as on manufacturing.

I strike a third note of caution. According to the Scottish Government's figures, by 2015 the share of our total economic base that was owned by interests based overseas had risen to more than a third—or 34.2 per cent to be precise. Because an increasing proportion of that—our economic base, firms and capital assets—is owned overseas, we can have a high gross domestic product, but a much lower national income once profits, dividends and capital gains are repatriated abroad and deducted from the total amount.

For a wider perspective on international investment flows, I recommend that the cabinet secretary reads the latest United Nations "World Investment Report". That report shows that while it is true that in 2014 the UK attracted \$1.62 trillion-worth of inward investment stock, the value of outward stock stayed at \$1.5 trillion.

Fergus Ewing: I inferred from the member's remarks that—somehow—investment from outwith the UK is bad. How does that apply to Tata Steel's work, which will possibly see the continuation of employment at Port Talbot? What does the member think about Liberty House? He and I served on the Scottish steel task force, which led to that foreign company helping to save the Scottish steel industry. Was that not a good thing?

Richard Leonard: Yes. As Fergus Ewing mentions, I was a member of the Scottish steel task force with him, and we secured external investment. My only point here is that we can become overdependent on external ownership in the economy. As Ivan McKee described, if we are overdependent on a branch plant model, we will be cut when the rationalisations take place.

I return to the theme of my speech. Last week, I highlighted the example of the Tannoy workers in Coatbridge—a group of working women and men who are determinedly standing up for their jobs and to keep their factory open. They deserve the full support of this whole Parliament. The situation that they face is an injustice that reminds us what a democratically backward industrial system we have. Here is an example not of foreign direct investment but of foreign direct disinvestment being contemplated—a threatened strike of capital—which I hope that the cabinet secretary is challenging with the owner, Mr Behringer, who is based in the Philippines.

Once again, I call on the Scottish Government to mount a rearguard action in defence of the Tannoy jobs. However, in this afternoon's debate, we are calling for much more than that.

Of course we were delighted when Jim McColl stepped in to save Ferguson's shipyard, which is on the lower reaches of the Clyde, from closure in 2014. Of course the entire Labour movement applauded when the Scottish steel task force, chaired by Fergus Ewing, paved the way for the continuation of our steel industry. Of course we welcome that. However, the point is this: we cannot keep relying on defensive rescues of enterprises or even entire industries when they are in trouble, so we demand positive industrial planning and a comprehensive strategy for manufacturing.

As Ivan McKee suggested, we are saying to the new cabinet secretary that industrial reconstruction is needed. We also need to consider the institutions, including the role of Scottish Enterprise and, as Colin Smyth mentioned, Highlands and Islands Enterprise, as well as Skills Development Scotland, the Scottish funding council and so on.

I will finish on two points. First, manufacturing matters. Manufacturing industry's share of the economy has slipped to below 10 per cent. Manufactured products are tradeable, so it is good for the balance of payments, especially at a time of falling oil prices. It also opens up scope for innovation.

On the Government's point about internationalisation, raising demand in the economy at home and developing demand in

export markets are not alternative policies but two halves of the one policy.

I said in my first speech to this Parliament that I am here to fight against unemployment and for the new society, which is greater than Scotland plc. In this Parliament, we have become indifferent to mass unemployment. Jamie Greene cited John Major, whose chancellor said that unemployment was a price worth paying. We on this side of the chamber refute that approach to economic policy. We need to find in ourselves the moral courage that is required to make full employment once again a goal of public policy.

Why on earth—

The Deputy Presiding Officer: I am sorry, but the member must wind up. That was a good point to stop at. [*Laughter.*]

Richard Leonard: Thank you very much.

16:44

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

Today, we have had a robust, lively and generally constructive debate on the fundamental need to have a strong economy to support our public services. I thank the cabinet secretary, Keith Brown—I also congratulate him on his appointment—for bringing such an important motion to the chamber early in the parliamentary session.

Earlier today, Mr Brown and I had a very constructive meeting to discuss the agenda that we share on having a constructive dialogue to promote the Scottish economy. The Conservative Party said during our election campaign that we would be not only a strong Opposition, but a constructive one, that would suggest constructive policies when we think that they will help public services and the Scottish economy. On the central theme of the cabinet secretary's motion, it is very clear from the debate today that the Parliament acknowledges the importance of a strong economy in supporting public services in Scotland.

I would like to congratulate all the new members who made excellent first speeches, including—forgive me if I miss anyone—Rhoda Grant, Ruth Maguire, Kate Forbes, Colin Smyth, Alison Harris, Jamie Greene and Rachael Hamilton. My notes also say Murdo Fraser, but I am sure that that must be a mistake.

Let me outline what our priorities will be for the Scottish economy. We will address the challenges that we believe the Scottish economy faces. Over the past five years, the economy in Scotland has expanded by just 1.4 per cent compared with 2.1 per cent across the UK, so the Scottish economy is underperforming, which has an impact on what we can spend through public expenditure.

Unemployment in Scotland is higher than that in the UK: it is currently 6.2 per cent compared with 5 per cent in the rest of the UK.

The latest economic figures show that for the past nine months, the Scottish economy has come very dangerously close to being in recession. We all know about the problems of the North Sea in respect of the oil price. Last year, for the first time ever, the North Sea oil industry made a negative contribution to the economy—the cost of tax incentives was greater than revenues from the North Sea. I am sure that all members feel for the families who have lost jobs and have suffered as a result of the problems that are being experienced in the North Sea.

I will now summarise some of the constructive policies that I said we would bring to the table. Reduction of corporation tax to 17 per cent would make the UK one of the most competitive economies in the world in that regard. The UK is now the fifth-largest economy in the world—we overtook France two years ago—because of the dynamic policies that the Conservatives have implemented. We in Scotland get the benefit of that through some Barnett consequentials—

Neil Findlay: Will the member take an intervention?

Dean Lockhart: I am running a bit behind. In the future, I will take interventions from Mr Findlay.

We propose a reduction in business rates. There has been a 42 per cent increase in business rates over recent years, and we think that the level is too much of a burden for small and medium-sized businesses in Scotland. We have also made it very clear that we would, with the new tax and spending powers that are coming to the Scottish Parliament, guarantee that Scotland would not have a higher tax rate than the rest of the UK. That is a really important message to send to business. To do otherwise will mean that we will just put ourselves at a competitive disadvantage.

We also call on the Scottish Government to make it clear what it will do with the new tax and spend powers that are coming to Parliament. I look forward to hearing from the Government what its plans are in that respect.

I think that there is agreement across the chamber that the Government's policy on broadband and mobile coverage is positive. That is a great area on which we can all agree. It is important for small business, for families and for people who live in the more remote areas of Scotland that the Scottish and UK Governments are working together to commit approximately £400 million of investment to expand broadband for homes and businesses. That is a good example of where we can work constructively together.

Time is running short, so I will move on to some other areas in which we are looking to introduce constructive policies. We need to address skills shortages, and we all know that the number of college places has been cut. We want a competitive economy, but that is not all about universities; we also need vocational training at college level. That is an area that we are looking to focus on, and we would like the Government to look at reinstating some college places.

Someone mentioned artificial intelligence. It seems to be a bit out there, but based on our discussions with business, I note that it is becoming a real thing, in the same way as automated manufacturing had a real impact on manufacturing jobs in the 1980s. In recent weeks, I have spoken to some pretty senior executives in the finance industry, and the first stage of AI systems will be in place quite soon. In thinking about the economy, we should all think about how we can best prepare for AI, which is a challenge but also an opportunity. Again, we look forward to constructive dialogue on that.

I believe that the most fundamental issue for the Scottish economy is stability. When a businessperson is looking to invest, be it in Scotland, Swansea or Slovakia, they look at the return on investment. They look at a 10-year horizon and at things such as interest rates, business rates and how they can maximise their return on investment. All that I will say to the Government is that the biggest uncertainty out there is the question of a second independence referendum. I do not want to go into that debate right now—

The Deputy Presiding Officer: I ask the member to wind up almost immediately. That was an excellent point to end on.

Dean Lockhart: I will wind up.

That is the fundamental question that has impacted on the economy over the past five years. It is reflected in the foreign direct investment job numbers, which declined between 2012 and 2015 and increased only once the result of the independence vote was no. I end on that note.

16:53

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): I have been immensely heartened by listening to this debate, and especially the speeches from the new members who took part in it. By and large—apart from the odd political point—there were extremely positive speeches from members who were making either their first or perhaps their second speech in the chamber, including Jamie Greene, Rachael Hamilton, Ruth Maguire, Colin Smyth, Tom Arthur, Ivan McKee, Mr Lockhart and Mr

Leonard. There was a hugely positive approach to the debate, which is immensely encouraging.

Rachael Hamilton mentioned that people in tourism work at antisocial hours. Mr Lockhart mentioned artificial intelligence. That might seem slightly risible in the context of this heated debate, but he is absolutely right—it is an extremely important topic and a huge opportunity.

Many members from the new Conservative ranks made lots of positive contributions. I wonder whether there is a new tendency in the Conservative Party among its new members—as opposed to those who have been around the block a bit, like myself and, if I may say so, Private Fraser. We know that the Labour Party had the militant tendency; perhaps the new Conservative entrants are the positive tendency of the Conservative Party. If that is so, it will be warmly welcomed by those on the SNP benches.

We have had a series of interesting revelations in the debate—none more so than that from John Mason, who opined that the provision of the baby box will lead to a rise in the population. I never realised that the baby box was so potent.

We have also heard a lot about the Scottish Government dismissing the problems of the economy. That is far from being the case. As the economy secretary set out quite clearly, we know that there are huge challenges facing particular sectors in the economy—of course there are. Towards the end of the debate, there was a realisation that the difficulties are, in part, because of the difficulties in the oil and gas sector.

We must not lose sight of the fact that our economy is built on very strong foundations. Scotland's economy grew by nearly 2 per cent last year and, during 2015, we recorded a record level of employment. Over the longer term—perhaps this puts things in a better context—an extra 141,000 people have moved into employment over the past six years. That is a better way to reflect the SNP Government's performance.

We have had a record year for inward investment, attracting the greatest levels of investment of any part of the UK outside London. Much reference has been made to the fact that there was a poor performance in 2014, but I encourage Private Fraser to study the facts. He will find that 2014 was the fourth-best year since records began in 1999, so his assertion is complete rubbish—it is contrary to the facts. In 2014, we had the referendum and the fourth highest level of FDI.

If Private Fraser will not listen to me—I am not sure that he particularly enjoys listening to me, and I suppose that I understand that; it is because I like to correct his misstatements—he should listen to Ian McConnell of *The Herald*. I have no

idea whether Mr McConnell has any political views, but I have always thought that he is an unbiased, intelligent commentator. [*Interruption.*] If Private Fraser would listen, he would learn.

Last Friday, Ian McConnell wrote:

“To deliver a 51 per cent rise in inward investment project numbers,”—

that is, to 119 projects—

“against a soft global economic backdrop and amid a downturn in a key oil and gas sector that has in the past for Scotland been the source of so many overseas projects, is really quite something.”

Murdo Fraser: If the cabinet secretary speaks with such authority on the matter, will he tell us the value of inward investment to Scotland in 2014? He cannot tell us.

Fergus Ewing: I will give a far better figure— [*Interruption.*] Well, if members want the facts, here they are: there are 2,200 foreign-owned companies in Scotland. Much of the debate has concerned the relative merits of foreign investment as opposed to indigenous investment, but I would say that we are living in a global economy. Therefore, those on the Labour benches who somehow decry foreign investment are taking a somewhat narrow, partisan view that is long past its sell-by date. In Scotland, there are 2,200 foreign-owned companies, which employ 303,000 staff and have a combined turnover of £100 billion. Therefore, why the Conservatives’ Mr Fraser chose to major on that issue is a puzzle to me.

I am running out of time, so I will finish by saying that the most important speech was made by another new member, Kate Forbes, from the Highlands. She was quite right to say that the greatest asset that we have in this country will always be our people. That is why we in this Government want more people to come to Scotland. We welcome them with open arms for the contribution that they make to our society. People who come from other countries—including EU countries, if I am allowed to mention those initials, Presiding Officer—are welcome here. We do not want to send them back or give them stays of execution during which time they are not allowed to have a job. They are part of the future success of our economy; we welcome them and we cherish their contribution to the economy of this country.

Business Motion

17:00

The Presiding Officer (Ken Macintosh): The next item of business is consideration of business motion S5M-00260, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revision to business for tomorrow, Wednesday 1 June.

Motion moved,

That the Parliament agrees to the following revision to the programme of business for Wednesday, 1 June 2016—

delete

2.30 pm Scottish Government Debate: Taking Scotland Forward – Environment, Climate Change and Land Reform

and insert

2.30 pm First Minister’s Motion to appoint Scottish Law Officers

followed by

Scottish Government Debate: Taking Scotland Forward – Environment, Climate Change and Land Reform—[*Joe FitzPatrick.*]

Motion agreed to.

Decision Time

17:01

The Presiding Officer (Ken Macintosh): There are four questions to be put as a result of today's business. I remind members that if the amendment in the name of Murdo Fraser is agreed to, the amendments in the names of Jackie Baillie and Willie Rennie will fall.

The first question is, that amendment S5M-00212.1, in the name of Murdo Fraser, which seeks to amend motion S5M-00212, in the name of Keith Brown, on taking Scotland forward, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

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

Against

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

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

Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division is: For 31, Against 88, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S5M-00212.3, in the name of Jackie Baillie, which seeks to amend motion S5M-00212, in the name of Keith Brown, on taking Scotland forward, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Corry, Maurice (West Scotland) (Con)
 Davidson, Ruth (Edinburgh Central) (Con)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (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)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow) (Lab)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 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)
 Thomson, Ross (North East Scotland) (Con)
 Tomkins, Adam (Glasgow) (Con)

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

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr 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)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 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)
 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)
 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)
 McDonald, Mark (Aberdeen Donside) (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)
 Rennie, Willie (North East Fife) (LD)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Torrance, David (Kirkcaldy) (SNP)

Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division is: For 50, Against 69, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S5M-00212.2, in the name of Willie Rennie, which seeks to amend motion S5M-00212, in the name of Keith Brown, on taking Scotland forward, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Balfour, Jeremy (Lothian) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Campbell, Aileen (Clydesdale) (SNP)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Corry, Maurice (West Scotland) (Con)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinrossshire) (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)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (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)
 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)
 Hamilton, Rachael (South Scotland) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harris, Alison (Central Scotland) (Con)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)

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)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (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)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Rumbles, Mike (North East Scotland) (LD)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 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)
 Swinney, John (Perthshire North) (SNP)
 Thomson, Ross (North East Scotland) (Con)
 Todd, Maree (Highlands and Islands) (SNP)
 Tomkins, Adam (Glasgow) (Con)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wells, Annie (Glasgow) (Con)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Whittle, Brian (South Scotland) (Con)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

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)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 McNeill, Pauline (Glasgow) (Lab)
 Ruskell, Mark (Mid Scotland and Fife) (Green)

Sarwar, Anas (Glasgow) (Lab)
 Smith, Elaine (Central Scotland) (Lab)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Wightman, Andy (Lothian) (Green)

The Presiding Officer: The result of the division is: For 94, Against 25, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that motion S5M-00212, in the name of Keith Brown, on taking Scotland forward, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Balfour, Jeremy (Lothian) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Campbell, Aileen (Clydesdale) (SNP)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 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)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 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)
 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)
 Hamilton, Rachael (South Scotland) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harris, Alison (Central Scotland) (Con)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 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)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (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)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Rumbles, Mike (North East Scotland) (LD)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 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)
 Swinney, John (Perthshire North) (SNP)
 Thomson, Ross (North East Scotland) (Con)
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 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 McNeill, Pauline (Glasgow) (Lab)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Sarwar, Anas (Glasgow) (Lab)
 Smith, Elaine (Central Scotland) (Lab)
 Smyth, Colin (South Scotland) (Lab)

Stewart, David (Highlands and Islands) (Lab)
Wightman, Andy (Lothian) (Green)

Meeting closed at 17:05.

The Presiding Officer: The result of the division is: For 93, Against 25, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament recognises the importance of a strong economy to underpin strong public services; recognises recent successes, such as Scotland securing more foreign development investment projects in 2015 than any other part of the UK outside London, but also acknowledges key challenges, including those facing the oil and gas industry and the renewables sector, that the unemployment rate is 6.2% compared to the UK rate of 5.1%, the widest gap since 2004, and the fact that 19% of Scottish businesses cannot get the skills that they need; believes that such challenges and the slipping Scottish economy necessitate urgent new action to improve productivity through innovation, investment, internationalisation and tackling inequality, and further believes that this must include investment in education to give businesses the skills that they need and make Scottish education the best again, a step change in mental health services to help people get back to work and ensure a fit and healthy workforce, broadband and modern mobile phone coverage everywhere in Scotland, improved transport infrastructure, a competitive business tax system and the decentralisation of power so that communities have greater opportunities to secure economic progress in their area.

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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