

People's

Vote

SUMMER OF ACTION 2018



THE IMPACT OF A CHAOTIC AND DISORDERLY BREXIT ON SCOTLAND

**Demand a People's Vote
on the final Brexit deal**

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INTRODUCTION

This is the Brexit that powerful politicians in London are dumping on your doorstep.

People in Scotland – from Orkney to Dumfries – are deeply affected by a bad Brexit deal. Jobs, security, the local economy and the produce which makes the country so proud are all under threat from Brexit. Nobody voted for a bad Brexit deal that will leave us worse off. But it's not a done deal. By supporting a People's Vote we can demand that politicians give the people the right to shape their own future.

Building on the success of the People's Vote march in London in June, people who are affected by Brexit will come together at a rally in Edinburgh on August 18 and take part in days of action across Scotland to add to the momentum of Britain's fastest growing movement. 15,685 people from across Scotland have already signed the petition for a People's Vote, and you can add your name here: <https://www.peoples-vote.uk/petition>

Whether they voted leave or remain in the referendum, members of the public from all walks of life are taking back control of the Brexit process from the politicians who have failed us - and demanding a People's Vote.

1. ECONOMY

Scotland has long been a powerhouse for the country's economy. Its rich natural resources and world-famous export industries are a global success story that has benefitted households across the country.

The EU strengthens trade in Scotland:

Many of these achievements have been a direct consequence of Scotland's strong ties to our European neighbours and membership of the EU. Scotland exports up to £14 billion worth of goods to the EU each year, which is half of everything the country sells abroad, and equal to 10 per cent of Scottish GDP.

This has led to enormous growth for top Scottish companies like Touch Bionics from West Lothian who make prosthetics and sell into the European market, or world-famous brewery Brewdog which gets over half of its turnover from exporting. The ability to freely sell their goods across the EU has been fundamental to their success.

Manufacturing makes up 11.9 per cent of the Scottish economy – more than the UK average – and is one of the sectors likely to be hit most severely by Brexit, as imports and exports could face new barriers and restrictions ([link](#)).

Investment from the EU boosts jobs and growth in Scotland:

Trade is not the only way in which Scotland benefits from Europe. In the last five years there have been 186 investment projects from the EU in Scotland, creating or protecting over 11,000 jobs. That amounts to one third of all foreign investment projects in Scotland during that time. (Department for International Trade, 6 July 2017, [link](#)).

Examples of SMEs exporting in Scotland

Touch Bionics (Technology & Healthcare)

- Bionic prosthetics company Touch Bionics has focused its efforts on overseas markets and it has employees in Germany, Italy and France. 2013 sales reached £12.3 million.

Brewdog

- The brewer assess from the start that overseas markets for its style of beers were more developed than domestic ones. The export market now accounts for 60 per cent of their turnover with bars in Barcelona, Brussels and Florence.

European Companies investing in Scotland

2-B Energy

- 2-B Energy from the Netherlands is a company which designs and manufacturers an innovative two-blade off shore wind turbine.
- The new design reduces the lifetime cost by 30-40%
- 2-B Energy is establishing a manufacturing facility in Scotland leading to job creation for engineers.
- UKTI's Global Entrepreneur Programme helped the company shape and execute their growth strategy.

Clear2pay (Belgium)

- UKTI worked with Clear 2 Pay a Belgian technology company specialising in electronic payments.
- The company's Open Payment Framework (OPF) enables financial institutions to improve internal payments processing efficiencies, while providing clients with better payment services that are faster, with richer payments related information.
- The company has positioned Dunfermline as their global hub to support growth in their Open Test Solutions Division.

The benefits of this investment can be seen all across Scotland. 2-B Energy from the Netherlands has built a manufacturing facility in Scotland to build blades for offshore wind farms. Similarly, Clear2Pay from Belgium has made Dunfermline their global hub to support growth in their electronic payments business. In both cases jobs were created and the local economy benefits.

Brexit poses a threat to the Scottish economy, and businesses are already acting:

A chaotic and disorderly Brexit, however, poses an immediate risk to the future of Scotland's economic development. Serious disruption to exports and supply chains for businesses, a fall in international investment, as well as slower economic growth overall are all among the myriad of difficulties Brexit poses to the economy.

Sadly, even before Brexit has happened, companies are already taking the tough decisions associated with cutting off our access to the world's largest market. That's why we have already seen warnings that the number of Scottish firms exporting is falling already ([link](#)), the GMB union's stark warning of Brexit's threat to shipbuilding in Scotland ([link](#)), and reports that finance firms across Scotland are drawing up contingency plans for Brexit ([link](#)). This is devastating news for the Scottish economy, and shows the real cost that Brexit has already had.

The Government's own impact assessments show that this would cause serious damage, and that Scotland's economy alone is expected to lose up to 9 per cent of GDP over the next decade under a disastrous 'no deal' scenario (EU Exit Analysis Cross Whitehall Briefing, January 2018, [link](#)). This is recognised by companies represented in Scotland, like in the case of the Balbirnie House Hotel in Fife, which has put its £4 million hotel infrastructure project on hold due to Brexit ([link](#)).

Households across Scotland would be worse off as a direct result of Brexit:

But while the hit to the overall economy may generate the headlines, it is the impact on households and families in towns and villages across Scotland that is most worrying. The Government's figures translate into a loss of over £2,200 every year for each person in Scotland as a direct consequence of Brexit. That is devastating, and not something that a single person in the region voted for in the 2016 referendum.

Brexit threatens Scotland's tourism industry, putting livelihoods at risk:

Another cornerstone of the Scottish economy is tourism, with over 275,000 people in Scotland employed in tourism as their main and second jobs. (Annual Population Survey, 2016).

Tourism from the EU greatly supports this industry in Scotland. There are 1.4 million inbound visits to Scotland from EU tourists each year, and the total spend by EU tourists in Scotland is £692 million annually, which brings a boost to the Scottish economy (Office for National Statistics, 2016, [link](#)).

But Brexit is impacting this sector as well. Already, experts have warned that Scotland's tourism sector is 'gazing over a cliff' as a result of Brexit ([link](#)).

2. SECURITY

Being in the EU makes Scotland a safer place, and makes it easier for our excellent police to bring people to justice for the crimes they have committed by cooperating with authorities in other European countries.

A great example of the real benefit this brings is when the murderer of a businesswoman in Glasgow fled the country to evade arrest, but was tracked down and arrested in Slovakia and brought to face justice. The European Arrest Warrant allowed Scottish Police to track the suspect on his journey across Europe, and finally arrest him and bring him back to the UK to face justice and punishment ([link](#)).

The European Arrest Warrant makes Scotland a safer place:

All regions across the UK benefit, with the UK having removed over 5,000 alleged criminals from the country, and have brought back 675 Brits back over the last parliament to face justice (National Crime Agency, 2017, [link](#)).

In Scotland, the EAW was used to remove 51 criminals and bring eight criminals to face justice in the UK in 2015. (National Crime Agency, 2017, [link](#)).

3. REGIONAL DEVELOPMENT

Selection of EU development projects

The EU operates large-scale operational programmes in Scotland, called the European Regional Development Fund (ERDF) and European Social Fund (ESF).

The money is used to create jobs, to assist the start-up of businesses, and to support research and technical development projects.

Examples include the development of a new harbour in Aberdeen, repairs to the upper mountain track on Ben Nevis, and the building of Orkney Theatre – all of which were realised using these EU funds.

For the time period between 2014 and 2020, the UK has been allocated £8.3 billion.

Scotland will receive the following under 2014-2020 programme:

Region	Funding
European Regional Development Funds	£384m
European Structural Funds	£374m
<u>TOTAL</u>	<u>£758m</u>

Project Examples

National

- The EU gave £17m to deliver better broadband access in lowland and upland regions of Scotland

Glasgow

- The EU has given over £1m to Glasgow Clyde College for projects to help young people in Glasgow develop skills and access employment

Edinburgh

- The EU provided £5m in funding for the cutting-edge Scottish Centre for Regenerative Medicine which focuses on stem cell research

Aberdeen

- The EU's TEN-T Programme invests £587 to support the development of a new harbour at Nigg Bay in Aberdeen to support the growth potential of the existing Port of Aberdeen.

Dundee

- Dundee College received £277,000 to help young NEETs into employment

Stirling

- The EU gave £415,000 to fund Stirling's "Employability Pipeline"

Orkney and Shetland

- The EU gave £1m to build the Orkney Theatre
- The EU gave £121,000 to finance the Shetland Boat Building Centre
- Mareel, Shetland's new music, cinema and education venue was helped set up by £3.1m in ERDF funding
- The Hatston Enterprise Area in Orkney was built using £840,000 from the EU
- The new 100 metre pier in Stromness on Orkney received £1.8m in ERDF funding

Highlands

- The EU repaired the upper mountain track on Ben Nevis using £200,000 of regional development funds in 2007

During the 2007-2013 European Structural Funds programme, Scotland received £735m.

4. RESEARCH AND DEVELOPMENT

From Edinburgh to Strathclyde, and from Aberdeen to St Andrews, Scotland prides itself in its history of providing world-class education and cutting-edge research in our universities.

Equally, Scotland's strong community and network of small and medium-sized businesses is vital for innovation and R&D that helps create jobs and boost growth across the region

Much of this success is supported by targeted research funding from the EU. The Horizon 2020 programme is the biggest ever EU research and innovation programme for universities and SMEs, with a budget of £57 billion between 2014 and 2020. The UK received the highest share of signed grant agreements (20%), ahead of Germany, Spain, Italy and France

Assuming this trend continues, there will be a £8.3 billion boost to British research and innovation until 2020, which is a 46 per cent increase from the previous funding round. Scotland benefits from this funding in the following way:

Current Funding under H2020, £m	Expected Funding under H2020, £m	Funding under FP7, 2007-13, £m	% Change
472	683	595	94

The risk is illustrated by reports that Heriot-Watt university in Edinburgh has cut 100 jobs because of Brexit ([link](#)), and that Brexit could pose a risk to future drug research jobs in Scotland ([link](#)).

Scotland has seven universities in the top 50 for EU funding, according to Government figures ([link](#)).

Organisation Name	Total participations	EC funding to organisation (€ millions)	Ranking (share of EC funding to all HES organisations)
University of Edinburgh	209	144	7

Research and University partnerships:

University of Glasgow

- Scientists at the University of Glasgow are part of a Europe-wide consortium that has been awarded a Horizon 2020 grant of €7.6 million to improve the diagnosis and treatment of patients with endocrine hypertension, which affects up to 45% of the general population.
- The University of Glasgow is also leading a €4 million EU-funded project to develop a novel form of ultra-fast wireless data transfer with EU universities and private-sector companies.

The University of St Andrews

- The University of St Andrews has secured €3.5 million from Horizon 2020 as part of a consortium of eight leading academic and industry partners to study advanced computing.
- This latest tranche of EU funding will keep the University in the forefront of software technology, and follows on from a highly successful €4.2 million EU project to improve the programmability and performance of modern

The University of Edinburgh

- Holoxica, a holographic imaging specialist based in Edinburgh, has secured £1 million funding from Horizon 2020 SME Instrument to help develop its pioneering medical imaging technology

University of Glasgow	120	62	40
University of St Andrews	48	26	115
University of Strathclyde	69	24	122
University of Dundee	46	22	136
University of Aberdeen	44	17	174
Heriot-Watt University	37	22	139

5. STUDENT MOBILITY

Students at Scotland's great universities will also be affected, due to the UK losing access to the EU's Erasmus scheme as a result of Brexit.

Currently, students and university staff are able to go on study abroad trips and training courses in other EU countries. Hundreds and hundreds of students make use of this opportunity every year.

But Brexit poses a direct risk to Scotland's access to this vital programme, which could see these unique opportunities to gain experience abroad restricted for future generations.

University	Students going abroad to study	Students going abroad to work	Total
Edinburgh Napier University	217	22	239
Heriot-Watt University	344	11	355
Moray College Uhi	1	-	1
Queen Margaret University, Edinburgh	12	-	12
Royal Conservatoire Of Scotland	17	1	18
Sruc	2	-	2
Inverness College Uhi	2	-	2
The Glasgow Caledonian University	251	28	279
The Glasgow School Of Art Lbg	82	17	99
The Robert Gordon University	245	45	290
The Scottish Association For Marinescience LBG	11	3	14
The University Court Of The University Of Aberdeen	246	75	321
The University Court Of The University Of Abertay Dundee	29	5	34
The University Court Of The University Of St Andrews	134	114	248
The University Of Edinburgh	731	270	1001
The University Of Stirling	124	6	130
University Of Dundee	81	42	123
University Of Glasgow	404	249	653
University Of Strathclyde	492	169	661
University Of The West Of Scotland	139	10	149

Between 2014 and 2016 (Erasmus Plus statistics, accessed August 2018, [link](#))

6. AGRICULTURE AND PROTECTED FOOD NAMES

Iconic Scottish products such as Scotch Whiskey, Scottish Wild Salmon, Orkney Lamb, and Shetland Wool could all be at risk of losing their protected status abroad in a free-market free-for-all after Brexit.

64 British products across the country are protected under EU quality schemes on product names, including 13 important Scottish Products which have the coveted Protected Geographical Indication designation from the EU.

The brands protected across the UK make £4.8 billion in export income each year. Products recognised under the schemes enjoy legal protection throughout the EU against imitation or name misuse, giving consumers confidence and enabling producers to charge more for a quality product.

But after Brexit that protection is at risk, meaning Scotch Whiskey or Orkney Lamb could be made anywhere and retain a “Scottish” label when sold abroad. In a further blow to the Scottish fishing industry, Scottish Salmon could be caught and landed across Europe and branded as Scottish produce, even without links to the area.

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Names protected in Scotland are:

- Traditional Ayrshire Dunlop Cheese
- Scotch Whiskey
- Orkney Scottish Island Cheddar
- Stornoway Black Pudding
- Scottish Wild Salmon
- Shetland Lamb
- Orkney Beef
- Orkney Lamb
- Scottish Farmed Salmon
- Scotch Lamb
- Scotch Beef
- Arbroath Smokie
- Native Shetland Wool

Scottish fishing and agriculture is already suffering from Brexit:

It has been reported that Brexit could mean that farming may disappear from large parts of Scotland under post-Brexit plans ([link](#)), and also that £93 million in subsidies for Scotland’s fishing industry are at risk as a direct result of Brexit ([link](#)).

The food industry is also suffering, with Nestle axing jobs in Scotland and moving their Blue Riband production to Poland ([link](#)), and even Irn Bru predicting job losses as a result of Brexit ([link](#)).

8. BEACHES

With its numerous blue flag beaches and stunning coastline, Scotland attracts millions of tourists. But Brexit could have a devastating impact on tourism across the country in future seasons.

Huge sections of the Scottish coastline were too polluted for swimming until EU legal action forced the government to clean up. Today, after legal action from the EU and directives on bathing water and urban waste water, 99 per cent of the UK's 632 designated beaches have been deemed safe for swimming.

One and a half million tourists from the EU visit Scotland each year - that's more than two-thirds of all international tourists who visit the region – spending a total of over half a billion pounds a year. But with free movement set to end when Scotland crashes out of the EU, and no deal on reciprocal travel arrangements for European visitors yet in place, many of those EU visitors may find it too much hassle to visit Scotland after Brexit.

Scotland's tourism sector is also heavily reliant on EU migrant workers, many from eastern Europe, who work in hotels, on camp sites and in kitchens during the summer. But hoteliers and restaurant owners say it is already becoming harder to retain good staff from Eastern Europe, who are deciding not to return, deterred by the uncertainty of Brexit.

The Blue Flag programme, which awards blue flags to the cleanest beaches was started by the EU. The following beaches in Scotland attained a Blue Flag in 2018:

- Aberdour-Silver Sands
- Achmelvich Bay
- Burntisland
- Elie Woodhaven (Ruby Bay)
- Fraserburgh Waters of Philorth

ANNEX: ECONOMIC IMPACT OF BREXIT BY LOCAL AUTHORITY

The data is based on this study (<http://cep.lse.ac.uk/pubs/download/brexit10.pdf>) from the LSE on the Local Economic Effects of Brexit. They give a breakdown at the end of the paper of the hit to the GDP (in percentage terms) of each local authority after 10 years of not being part of the EU. We have combined these figures with the GDP per head of each local authority in 2016 (ONS figures). This gives a figure in pounds lost per person per year in a soft Brexit scenario and a hard Brexit scenario.

Local Authority	Soft Brexit - Loss £ per year per person	Hard Brexit - Loss £ per year per person
Aberdeen City	£1,008	£1,776
Aberdeenshire	£330	£605
Angus	£213	£348
Argyll and Bute	£204	£385
City of Edinburgh	£572	£1,104
Clackmannanshire	£186	£353
Dumfries and Galloway	£142	£284
Dundee City	£301	£526
East Ayrshire	£177	£338
East Dunbartonshire	£166	£317
East Lothian	£176	£335
East Renfrewshire	£173	£332
Falkirk	£234	£425
Fife	£253	£443
Glasgow City	£448	£861
Highland	£242	£460
Inverclyde	£259	£478
Midlothian	£192	£367
Moray	£158	£293
Na h-Eileanan Siar	£162	£323
North Ayrshire	£191	£334
North Lanarkshire	£240	£440
Orkney Islands	£176	£352
Perth and Kinross	£241	£509
Renfrewshire	£311	£551
Scottish Borders	£228	£381
Shetland Islands	£241	£483
South Ayrshire	£243	£437
South Lanarkshire	£225	£429
Stirling	£289	£552
West Dunbartonshire	£227	£416
West Lothian	£284	£524