

Next week (Wednesday 22<sup>nd</sup> August) will see the annual publication of the [GERS](#) statistics.

As usual, it'll no doubt spark a frenzied debate about Scotland's finances and the prospects for constitutional change. If you can't bear the hullabaloo and choose to avoid social media for a week here's a quick summary:

1. For info on how GERS is produced, who produces it and also a counter to some of the odd theories that surround its publication, please see [here](#).
2. Some people will argue that because GERS relies - in part - on estimation it is discredited. See [here](#) for why this is a red herring.
3. Will the numbers change if you make different reasonable assumptions about the bits of GERS that are estimated? In short, [no](#).
4. If you have any more questions about how revenues and spending are compiled in GERS, the SG publish a very helpful [FAQs page](#), including dealing with issues around company headquarters and the whisky industry.
5. Last year sparked a technical debate about the 'for' vs. 'in' or 'accruals' vs. 'cash' distinction in the GERS methodology (exciting we know!). Does this make a difference to the aggregate results? [Nope](#).
6. One thing that we can be certain of is that the GERS numbers will not really change this year.
  - They'll show Scotland with a larger estimated net fiscal deficit compared to the UK, although both figures are likely to improve compared to last year
  - GERS will probably show that revenues raised in Scotland are close to (or slightly less) than the UK average: but that spending per head in Scotland is significantly above the UK average.
7. Is Scotland unique? No, as the [ONS have shown](#), outside of London and surrounding areas (East and South East), most parts of the UK are estimated to raise less revenue than is spent on their behalf. This does of course lead to some important questions about the balance of economic activity in the UK - see [here](#) and [here](#).
8. What does it say about independence? Setting aside the noise that will no doubt accompany GERS next week, there are essentially two key issues:
  - GERS takes the current constitutional settlement as given. It doesn't pretend to do anything more or less. If the very purpose of independence is to take different choices about the type of economy and society that we live in, then a set of accounts based upon the world today will tell us little about the long-term finances of an independent Scotland.
  - But GERS does provide a pretty accurate picture of where Scotland is in 2018. In doing so - and as the [Growth Commission acknowledged](#) - it sets the starting

point for a discussion about the immediate choices, opportunities and challenges that need to be addressed by those advocating new fiscal arrangements.

### **What else?**

The Scottish Government is [currently consulting](#) on the content of a new “Devolved Finances in Scotland” publication. This is in response to user demand - while SG statisticians have added in more information about devolved revenue and spend into GERS over the last few years, the demands have continued to grow in the face of further devolution. This publication should be much more useful in informing people about the Scottish Government’s Budget, so it will be interesting to see how it is received.

Finally, Scottish Government statisticians have discussed in the past the possibility of updating the main figures in GERS on a quarterly basis. If this helps take some of the heat out of the annual row around this one-off publication then - to us - that would seem to be a pretty welcome development.