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## Scotland's oil : a blessing or a curse ?

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### ❶ The importance of the North Sea oil for Scotland and Britain (from a governmental report published online in 2020).

The oil and gas industry is central to Scotland and the UK's economy. Oil and gas are Scotland's principal sources of fuel and power, making up 78.8% of all energy consumption, accounting for 91.3% of all heat demand and almost all energy consumption in transport. In 2018 the Gross Value Added (GVA) from oil and gas production in Scotland was estimated to be £16.2 billion representing 9% of Scotland's GDP and contributing around £24 billion (1.2%) to UK GDP<sup>1</sup>. [...]

5 Offshore activity is supported by a highly specialised supply chain which generated £27 billion of revenue in the UK in 2017. Since responsibility for the oil and gas sector is reserved to the UK Government, all taxes go to the UK Treasury. Production from the UKCS<sup>2</sup> has contributed significantly to UK tax revenues, with approximately £334 billion (in 2017-18 prices) paid since 1970-71.

10 The oil and gas industry continues to be a major employer. Oil & Gas UK estimates that in 2018 some 101,400 Scottish based jobs were supported by the servicing of activity on the UKCS and in the export of oil and gas related goods and services. This includes not just direct employment but also wider effects on the supply chain. Overall, 39% of all jobs supported by the oil and gas industry are based in Scotland. The oil and gas sector remains vital to both the UK and Scottish economies.

15 While oil and gas continue to make a significant contribution to Scotland's energy security during the transition towards net zero emissions economy, the Scottish Government aims for renewables to meet 50% of the energy for Scotland's heat, transport and electricity consumption by 2030.

❷ A demonstration in front of Bute House, the residence of the First minister in Edinburgh, against developing the Rosebank oil field (2024). Discovered in 2004 in the North Atlantic, 80 miles North from the Shetlands, Rosebank's oil would be expensive and very dangerous to drill because of the deep and rough seas.



➤ Using the documents and your knowledge, discuss the issues raised by the oil economy in Scotland.

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<sup>1</sup>GVA is the value of goods and services produced minus the cost of raw materials and other inputs used to produce them. Gross Domestic Product, abbreviated as GDP, is the total value of goods and services produced in a country.

<sup>2</sup>The UKCS : the United Kingdom's continental shelf.