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Bruce Crawford MSP  
Convener  
Finance & Constitution Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

28 January 2021

Dear Convener,

The Scottish Fiscal Commission has now published its report [Scotland's Economic and Fiscal Forecasts – January 2021](#), to inform the Scottish Government's Budget published today.

These forecasts are our first since the COVID-19 pandemic began in Scotland and they cover the years from 2021-22 to 2025-26. They demonstrate the profound effects COVID-19 has had on the economy and the Scottish Budget. There is huge uncertainty about how the pandemic will develop and in turn what future associated public health restrictions and fiscal support measures might be put in place. This means our forecasts are subject to greater uncertainty than in a typical year. Throughout the report we discuss the assumptions and judgements we have made and the associated risks.

We have also published our latest [Fiscal Update](#) alongside the SEFF. Although this publication concerns the 2020-21 Scottish Budget rather than the 2021-22 Scottish Budget, in the SEFF we do reference much of the analysis here because we expect similar issues to arise as COVID-19 continues to significantly affect the 2021-22 Scottish Budget.

We are committed to being independent, transparent, accessible and open. Our forecasts are just one component of our report; we also discuss how the Scottish Budget is set and the effect of the devolution of tax and social security benefits. Alongside the main report, we have produced a one page graphic of key figures and a summary document. We have also published background information, including spreadsheets with data for all of the reports' tables and charts on our website.

We look forward to discussing the report with you.

Yours sincerely

A handwritten signature in black ink that reads "Susan".

**Susan Rice DBE**

