

SCC SPRING BUDGET LETTER

EMBARGO UNTIL 00:01 THURSDAY 29TH FEBRUARY 2024

SCC calls on the Chancellor to back Scottish business in the Spring Budget

The Scottish Chambers of Commerce (SCC) is calling for the Chancellor to use next week's Spring Budget to back Scottish business by working in partnership with industry to develop a long-term plan for growth.

Among the recommendations in SCC's Spring Budget Letter are:

- Cut VAT for hospitality, leisure and tourism sectors to boost spending, stimulate demand and revive our towns and cities.
- Back the Scotch Whisky industry by cutting alcohol duty to ensure the industry is competitive and is supported to grow, export, and create jobs.
- Commit to maintaining the freeze and 5p cut on fuel duty as consumers continue to feel the pinch from inflation which remains at near record high levels.
- Help deliver the world's most pro-enterprise tax regime, by introducing a new, internationally competitive, tax-free shopping incentive for overseas visitors.
- Support the North Sea industry to recover lost investment and efforts to decarbonise by removing the Energy Profits Levy.

Dr Liz Cameron CBE, Chief Executive of the Scottish Chambers of Commerce, said:

"Persistently high inflation, higher borrowing costs, frozen investment and ongoing global uncertainty are placing businesses under significant pressure. The Scottish business community is calling on the UK Government to work with us to reinvigorate growth and investment.

"Last year's Autumn Statement suggested that the government is aware of this growth stagnation, through the move to make full expensing permanent. Now is the time to go further and help firms build towards the sustainable future that we all desire.

"Ahead of the next General Election, this Budget must outline the long-term growth plan businesses sorely need to create jobs and unlock investment."

Calling for a VAT cut for the hospitality, leisure, and tourism sectors, Dr Cameron said:

"The UK has one of the highest rates of VAT in Europe, which is a significant drag on our competitiveness on the world stage. Cutting VAT would reduce this drag, alleviate the cost burden facing firms and allow those same firms to keep their prices more affordable for the public."

Calling for an Alcohol Duty cut to support the Scotch Whisky industry, Dr Cameron said:

"Scotland's own prized Scotch Whisky industry represents 26% of all UK food and drink exports and supports jobs across the UK.

"However, last year's Spring Budget saw the industry hit with a 10% tax increase, meaning that the average priced bottle faces a tax burden of 73%.

“We now call on the government to rethink last year’s increase in Alcohol Duty, to support one of Scotland’s truly world-leading industries that supports the wider UK economy and brings significant revenue to the Treasury each year.”

Calling for a new tax-free shopping scheme, Dr Cameron said:

“A new internationally competitive tax-free shopping scheme would help turbocharge the UK’s retail and hospitality sectors, bringing benefit to all corners of the UK through economic growth and tax revenue.

“The Government must signal that the UK is open for business by acting upon its review of tax-free shopping by working with industry to create a globally attractive scheme.”

ENDS

Notes to Editors:

- SCC’s Spring Budget letter to the Chancellor is attached to this email.