



**Aberdeen &
Grampian
Chamber of
Commerce**

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
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Dear Chancellor,

We are deeply disappointed that you have chosen to extend the Energy Profits Levy to 35% until March 2028.

Indeed, it has become impossible to keep up with what this government wants from the energy sector.

This latest move will prove entirely counterproductive in addressing the dual challenges of increased energy security and accelerating the UK's path to Net Zero.

In implementing this extension to both the rate and duration of the Energy Profits Levy you have ignored explicit warnings from some of the North Sea's most experienced figures that a 75% tax rate will force them to invest elsewhere.

Furthermore, this Autumn Budget Statement was a missed opportunity to extend the Investment Allowance to low carbon technologies like hydrogen and offshore wind, which could have turbo-charged the pace of the UK's energy transition.

It is deeply regrettable that you have chosen to treat higher energy sector profits as a Treasury cash cow, rather than incentivising firms to use these resources as a down payment on a greener, cleaner future.

Aberdeen and Grampian Chamber of Commerce represents 1,200 companies across the North East Scotland region. Our energy sector employs 45,000 people in the region and supports twice as many again in the wider economy. The offshore energy sector accounts for approximately one in three jobs in the region. We are at a critical, but precarious juncture in our energy transition journey which needs careful stewardship, not blunt instrument windfall taxes to plug the UK's fiscal deficit.

We urge you to rethink this wrongheaded decision before it causes untold damage, on a disproportionate basis, to our region.



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Meanwhile we require, at a bare minimum, Green Freeport status to be awarded to the North East Scotland bid in early course and wish to see an accelerated timescale for the Acorn carbon capture project at St Fergus. Both of these are vital if our key industries and regional economy are to have any chance of remaining at the forefront of the green industrial revolution and delivering on the UK's energy security requirements in the years ahead. Anything less would be an act of betrayal to the workforce, the supply chain and to the many businesses which have contributed so much over decades to the Exchequer and to the UK's wider economic prosperity.

Finally, we wish to extend an urgent invitation to you to visit Aberdeen and to meet with businesses we represent who face such an uncertain future in the context of these latest tax rises.

These are the businesses with the knowledge, the skills and the means to power energy transition. Without them, the UK cannot achieve Net Zero and will be left behind.

Yours sincerely



Russell Borthwick
Chief Executive
Aberdeen & Grampian Chamber of Commerce