



Rt. Hon. Jeremy Hunt MP
Chancellor of the Exchequer
1 Horse Guards Road
Westminster
London
SW1A 2HQ

—
The Hub
Exploration Drive
Aberdeen Energy Park
Bridge of Don
Aberdeen
AB23 8GX

—
T 01224 343900
E info@agcc.co.uk
www.agcc.co.uk

27 February 2024

Dear Chancellor,

Aberdeen & Grampian Chamber of Commerce (AGCC) is Scotland's largest Chamber representing over 1,200 organisations in the North-east region collectively employing over 100,000 people and we are writing to you today on their behalf.

While we are best known outside the North East of Scotland for our world-class energy sector and supply chain, which has powered the UK for decades, we are proud to be home to a diverse range of innovative companies spanning various sectors from food and drink to pioneering life sciences and digital.

While the fortunes of our region over the past fifty years have been intertwined with the exploration and production of North Sea oil and gas, our future will depend on successfully reapplying that capability and the skills of our people to the opportunities of net zero and energy transition.

As you present your Spring Budget on 6th March our members wish to see the following action:

- The removal of the Energy Profits Levy. A 'windfall tax' may have had justification while windfall profits were being made by energy companies in the wake of Russia's invasion of Ukraine. Profits have since returned to normal levels and this supertax on just one specific sector should be lifted as a matter of urgency. Independent analysis shows this tax has badly knocked investor confidence in the North Sea, is already costing jobs with tens of thousands more at risk and is likely to result in carbon capture and offshore wind projects being shelved at the very time we should be ramping up investment in decarbonisation and renewables.
- We need an immigration policy that works for Scottish businesses. Since the UK left the European single market, businesses right across our region and throughout Scotland have found it increasingly hard to recruit the people and skills they so desperately need. With a shrinking working age population and an extremely tight labour market, some of the workforce of tomorrow will have to come from elsewhere. We urge you to enter serious discussions about developing a workable policy designed around the needs of specific sectors and regions- this cannot be a one size fits all issue

- Consumers need more cash in their pockets, meaning more spending power to stimulate the consumer economy which remains sluggish compared to pre-covid levels. To benefit people in Scotland, who pay higher rates of income tax above the £28,000 threshold, this should be achieved through further cuts to National Insurance to ensure the benefits are felt right across the UK
- High street retailers and the hospitality sector continue to face immense challenges. We would urge you to consider further targeted cuts to VAT to support these businesses specifically
- Finally, we would urge you to consider what further incentives could be pursued to encourage entrepreneurship and scale-up by new businesses. New entrants to the business world face enormous pressures as they seek to grow and create employment opportunities. Our members would like to see taper reliefs in corporate taxation, to reduce the burden on new businesses in their early years to give them the best chance to survive and thrive

We believe these measures would create significant benefits for businesses operating in our region and across the UK and deliver a strong statement of intent internationally.

Yours sincerely,



Russell Borthwick
Chief Executive