

PRESS RELEASE

SCDI RESPONSE TO PRE-BUDGET REPORT

9 December 2009

Commenting on the Pre-Budget Report announced today by the Chancellor Alistair Darling MP, Scottish Council for Development and Industry Chief Executive Dr Lesley Sawers said:

“The Chancellor confirmed that the recession has been even deeper than he forecast, although a weak economic recovery is expected to begin by the turn of the year. In this context, SCDI believes that it is right to continue with government support for the economy.

“The extensions of help for homeowners and businesses, including with access to finance, is welcome, though SCDI is disappointed that there was not more targeted support for exporters and manufacturers. Funding for skills, training and getting people back to work is welcome, but the decision to raise National Insurance for employers and those in work is a concern.

“Energy is a significant comparative advantage for the Scottish economy. The support for renewable energy and electric cars is welcome, and Ministers also need to maintain the momentum on Carbon Capture and Storage projects. SCDI has been calling for action by the UK Government to promote investment in existing and new oil and gas fields. The announcement that incentives are to be made more widely available is a further step forward.

“While tackling the short-term challenges, the Chancellor also gave important signals on the major investments necessary for our long-term competitiveness - high-speed rail to Scotland and funding arrangements to bring super-fast broadband to at least 90% of the country.

“The really tough decisions on the public finances remain for after the election. SCDI believes that the Government should protect capital spending to support future economic growth.”

ENDS

For further information please call Gareth Williams, Head of Policy, on 07917 103 997