

CPI Director General David Workman Responds to Budget

David Workman, Director General of the Confederation of Paper Industries has given his response to today's Budget.

David says: "Given that the Chancellor's hands are tied by the general economic position this was a budget statement that contained some positive elements.

I think that we should welcome:

- Tax simplification measures and the reduction in Corporation Tax by 2% this year and a further 1% in each of the following three years.
- The simplification of the planning system.
- Further support for the Enterprise Investment Scheme.
- Improvements in Capital Allowances and R&D Support Tax Credits.
- Commitment to making us the best place in the world for vocational training and support for new apprentices.
- The fair fuel stabiliser and the fuel duty cut.
- Notification that Climate Change Agreements will continue until 2023.
- Increase in the electricity element of the Climate Change Levy discount from 65% back to 80% in 2013.
- Measures to reduce tax avoidance.

However, there will undoubtedly be more detail to come out over the next few days and it is often a case of the devil being in the detail.

While the government appears to have responded positively to some of the concerns of Energy Intensive Industries, including the Paper Industry, we remain concerned that the UK is to go it alone in setting a Carbon Floor Price. This has the potential to inflict a huge increase in costs for the Energy Intensive Industries, as could the Carbon Reduction Commitment. We had expected an announcement in the Budget about its reform but we heard nothing on this issue.

This was generally a positive budget with the priority of making the UK the home of enterprise, growth and jobs – it needed to be as we have fallen from 4th to 12th in the competitiveness league."

ENDS

For further information please contact David Workman, Director General, on 01793 889601 or email dworkman@paper.org.uk.

Notes to Editors

- CPI is the voice of the paper industry in the UK, representing papermakers, tissue manufacturers, corrugated packaging producers and recovered paper merchants.
- CPI represents 73 Member Companies, with a combined annual turnover of £4 billion and 19,600 personnel.
- For additional information on the UK paper industry, in the first instance, please contact Annabel Acton, Communications Coordinator, on 01793 889612 or email aacton@paper.org.uk. Alternatively, please visit: <http://www.paper.org.uk>