

How should the government support the economy?

The Chancellor's second package of support marshalled up to £330bn of guaranteed loans for a business sector facing shutdown of many enterprises.

It offered a welcome holiday for all businesses in the worst affected sectors from business rates for a year. It offered small grants to smaller businesses.

This is unlikely to be enough to prevent a wave of job losses from pubs and clubs, hotels and restaurants, from tourist attractions and events. As some of us pointed out in questions to the Chancellor yesterday evening, he needs to come up with a working burden sharing scheme soon that lets businesses with no revenue keep on their workforce waiting for the all clear on the virus.

Businesses cannot be expected to borrow indefinitely to pay the wages when there are no customers. They don't need loans, they need revenues. Some restaurants will try take away meals. Some hotels will offer their services to the state as temporary hospitals. Many will contemplate closure to cut costs and reduce losses. The government should do what it takes to avoid this.