

The budget

I will post my speech in Parliament yesterday on the budget this morning.

It is good to see the Bank and the Treasury working together to provide a package to tackle the problems that will flow should the epidemic spread widely in the UK. They also need to work together on the growth strategy for post the epidemic, and on measures to improve productivity and therefore real wages.

The budget judgement produced £18bn of fiscal easing, or under 1% of GDP. The measures for a single year to tackle the virus are additional and would not be repeated.

We will need more tax cuts to promote growth and enterprise in the Autumn budget. The Chancellor had very little time to produce his budget, so it is not surprising he did not open up the issue of cutting tax rates to increase revenues and growth. Levelling up around the country is an important task. It needs more enterprise and private sector investment and company formation around the UK.