

Venture capital for growing businesses

In 2022 the US continued to dominate venture capital investment in growing companies and backing new ideas. Although well down on 2021 record levels the US invested \$245 bn, four times much as China in second place with \$61 bn. The UK was third with \$31bn, twice the French level and two a half times Germany who were in fifth and seventh place in the world league. India was fourth and South Korea sixth.

Strong venture capital, backing many smaller, innovative companies and companies needing restructuring is crucial to good levels of economic growth. Business constantly needs to adapt and to invest as technology revolves and consumer expectations change. One of the ways the US ends up with more the largest quoted companies is it nurtures a large population of growing and innovative companies to give it more chance of success with creating the giants.

Venture capital can be encouraged by allowing easy access to licences and markets for safe products. The EU is suspicious of the new and slow to permit. The UK has to establish itself as an independent regulator, striking a good balance between protecting consumers from harm and allowing changes to product and processes to proceed quickly.

I have set out before tax proposals to boost self employment and allow the faster growth of small companies during their early stages. We need to be friendly to small business and to start ups, as they will be the seedcorn for the new larger businesses we will need in the years ahead.